



2010

Consolidated financial statements
as at December 31, 2010



CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010

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1. Consolidated financial statements

Consolidated comprehensive income statement

Profit

<i>(in thousands of euros)</i>		2010	2009 restated ⁽¹⁾	2008 restated ⁽²⁾
Revenue	<i>(note 1)</i>	657,910	663,604	681,966
Employee benefits expense	<i>(note 2)</i>	(460,534)	(453,057)	(450,129)
Purchases and external charges		(142,399)	(159,117)	(164,595)
Taxes other than on income		(9,169)	(14,817)	(14,438)
Depreciation and amortization expense (excluding assigned intangible assets)		(8,309)	(7,032)	(7,109)
Other operating income and expenses related to ordinary activities		2,721	3,347	652
OPERATING MARGIN		40,220	32,928	46,347
Operating margin %		6.1%	5.0%	6.8%
Amortization of assigned intangible assets		(4,008)	(3,258)	(2,132)
Restructuring costs	<i>(note 3)</i>	(7,427)	(9,047)	(4,070)
Gains (losses) on disposals	<i>(note 3)</i>	9,823	902	945
Goodwill impairment losses	<i>(note 7)</i>	(1,000)	(6,200)	0
Other operating income and expenses not related to ordinary activities	<i>(note 3)</i>	(7,199)	(14,931)	(2,826)
OPERATING PROFIT		30,409	394	38,264
Income from cash and cash equivalents		32	67	397
Gross finance costs		(4,148)	(2,857)	(5,435)
NET FINANCE COSTS		(4,116)	(2,790)	(5,038)
Other financial income (expenses)	<i>(note 5)</i>	(1,539)	(2,376)	(281)
Income tax expense	<i>(note 6)</i>	(7,029)	(529)	(10,001)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		17,725	(5,301)	22,944
Profit (loss) for the year from discontinued operations		(1,560)	(51,278)	(8,537)
Share of profit/(loss) of associates		0	0	0
PROFIT/(LOSS) FOR THE YEAR		16,165	(56,579)	14,407
Attributable to the Group		11,951	(57,778)	14,028
Attributable to minority interests		4,214	1,199	379

Basic earnings (attributable to the equity holders of the parent from continuing operations)

Weighted average number of ordinary shares in issue	54,293,742	54,293,742	54,293,742
Earnings per share attributable to equity holders of the parent (in euros)	0.25	(0.12)	0.42

Diluted earnings per share (attributable to the equity holders of the parent from continuing operations)

Weighted average number of ordinary shares in issue	54,293,742	54,293,742	54,293,742
Average number of bonus shares that could be allocated	399,456	24,077	0
Average number of treasury shares	(346,879)	(473,673)	(382,305)
Average number of diluted shares	54,346,319	53,844,146	53,911,437
Diluted earnings per share attributable to equity holders of the parent (in euros)	0.25	(0.12)	0.42

Other items included in comprehensive income

	2010	2009 retraité ⁽¹⁾	2008 retraité ⁽²⁾
PROFIT/(LOSS) FOR THE YEAR	16,165	(56,579)	14,407
Changes in actuarial differences	(99)	(461)	(298)
Variation of hedging instruments	814	108	(1,626)
Recognized translation differences	3,391	0	0
Recognized comprehensive income	4,106	(353)	(1,924)
COMPREHENSIVE INCOME	20,271	(56,932)	12,483

(1) Presentation of the "Operating margin" indicator

(2) Application of IFRS 5 and IAS 8 – comparison table shown in Note 28 – as well as presentation of "Operating margin" indicator

Consolidated cash flow statement

<i>(in thousands of euros)</i>	2010	2009	2008 restated
Profit (loss) for the year from continuing operations	17,725	(5,301)	22,944
Share of profit and loss of associates	0	0	0
Depreciation, amortization and provisions	13,333	27,754	10,491
Gains and losses arising from changes in fair value	(551)	(972)	(489)
Gains and losses on asset disposals	(9,360)	65	58
Dilution gains and losses	0	(901)	(948)
Operating cash flows after finance costs and income tax expense	21,147	20,645	32,056
Net finance costs (restated from changes in fair value)	3,930	2,703	4,953
Cost of swaps	1,704	2,215	790
Income tax expense	7,029	529	10,001
Operating cash flows before finance costs and income tax expense	33,810	26,092	47,800
Tax paid	(9,469)	(4,162)	(6,842)
Change in working capital used in the operations	(7,105)	25,780	(7,581)
NET CASH FROM OPERATING ACTIVITIES	17,236	47,710	33,377
- Acquisition of intangible assets	(8,565)	(6,261)	(7,933)
- Acquisition of property, plant and equipment	(5,385)	(3,012)	(4,401)
+ Proceeds on disposal of intangible assets and property, plant and equipment	1,008	194	118
- Acquisition of financial investments	(2)	0	0
+/- Impact of changes in consolidation scope	11,336	(19,885)	(40,348)
+/- Changes in loans and advances	(903)	(107)	25
NET CASH USED IN INVESTING ACTIVITIES	(2,511)	(29,071)	(52,539)
+ Proceeds on issue of shares			
• Subscribed to by the equity holders of the parent	0	0	0
• Subscribed to by the minority interests of consolidated subsidiaries	0	6,945	12,840
+/- Repurchases and sales of treasury shares	235	657	(1,531)
- Dividends paid during the year ended			
• to the equity holders of the parent	0	(11,862)	(11,855)
• to the minority interests of consolidated subsidiaries	0	(144)	0
+/- Net repayments of borrowings	(14,548)	(5,908)	1,988
+/- Change in factoring drawdowns	22,443	(6,924)	4,575
- Interest paid	(3,807)	(2,748)	(5,128)
- Cost of swaps	(1,704)	(2,215)	(790)
NET CASH USED IN FINANCING ACTIVITIES	2,619	(22,199)	99
+/- Effect of changes in foreign exchange rate	1,208	(1,407)	(585)
CHANGE IN CASH AND CASH EQUIVALENTS EXCLUDING DISCONTINUED OPERATIONS	18,552	(4,967)	(19,648)
NET CASH FROM (USED BY) DISCONTINUED OPERATIONS	(5,065)	(2,653)	(477)
CHANGE IN CASH AND CASH EQUIVALENTS	13,487	(7,620)	(20,125)

The changes in cash and cash equivalents and net borrowings are analyzed below:

<i>(in thousands of euros)</i>	12.31.09	Changes	12.31.10
Marketable securities	808	215	1,023
Cash at bank and in hand	14,860	14,506	29,366
Bank overdrafts	note 14 (23,176)	3,831	(19,345)
Net cash and cash equivalents	(7,508)	18,552	11,044
Non-current borrowings	note 14 (67,469)	20,492	(46,977)
Bank loans due within 1 year	note 14 (17,301)	(8,202)	(25,503)
Other current borrowings	note 14 (2,823)	(22,744)	(25,567)
Gross borrowings	(87,593)	(10,454)	(98,047)
NET FINANCE COST	(95,101)	8,098	(87,003)

Consolidated statement of financial position

Assets

<i>(in thousands of euros)</i>		12.31.10	12.31.09	12.31.08 restated
Goodwill	note 7	210,003	209,940	238,390
Other intangible assets	note 8	43,183	40,043	28,180
Property, plant and equipment	note 9	9,840	9,962	11,252
Non-current financial assets	note 10	4,004	2,603	3,967
Deferred tax assets	note 6	2,517	5,272	1,133
Other non-current financial assets	note 6	6,474	0	0
NON-CURRENT ASSETS		276,021	267,820	282,922
Goods purchased for resale held in inventory		1,666	2,708	3,403
Trade receivables	note 11	215,912	210,284	312,979
Other receivables	note 12	33,339	27,396	34,181
Prepaid expenses		5,111	6,562	6,152
Cash and cash equivalents		30,389	15,668	22,206
CURRENT ASSETS		286,417	262,618	378,921
ASSETS HELD FOR SALE		0	41,659	0
TOTAL ASSETS		562,438	572,097	661,843

Equity and liabilities

<i>(in thousands of euros)</i>		12.31.10	12.31.09	12.31.08 restated
Share capital		108,588	108,588	108,588
Additional paid-in capital		36,190	86,178	86,178
Consolidated reserves		28,029	(35,036)	34,455
Other		(2,634)	(4,216)	(4,403)
Translation reserve		6,328	1,399	(2,463)
Equity attributable to Group		176,501	156,913	222,355
Minority interests		6,333	2,069	2,389
TOTAL EQUITY		182,834	158,982	224,744
Non-current borrowings	note 14	47,142	67,469	67,864
Deferred tax liabilities	note 6	3,215	1,967	371
Non-current provisions	note 15	19,732	8,777	15,599
Other non-current financial liabilities	note 16	475	906	1,652
NON-CURRENT LIABILITIES		70,564	79,119	85,486
Current provisions	note 17	6,111	16,264	7,782
Current borrowings	note 14	70,250	43,299	46,593
Current financial liabilities	note 18	719	2,144	3,295
Other current financial liabilities	note 16	7,078	7,921	9,306
Trade payables		46,822	49,904	80,738
Tax and social security	note 19	131,980	130,454	152,807
Other current liabilities	note 20	11,050	10,447	16,107
Deferred income		35,030	33,555	34,985
CURRENT LIABILITIES		309,040	293,988	351,613
LIABILITIES HELD FOR SALE		0	40,008	0
TOTAL EQUITY AND LIABILITIES		562,438	572,097	661,843

Consolidated statement of changes in equity

<i>(in thousands of euros)</i>	Share capital	Issue premium	Consolidated reserves	Treasury shares	Recognized income and expense	Translation reserve	Equity attributable to the Group	Minority interests	Total Equity
Situation at 10.31.07 restated	108,588	86,178	33,266	(1,203)	(729)	1,743	227,843	3,052	230,895
2008 profit			14,028				14,028	379	14,407
Recognized comprehensive income					(1,924)		(1,924)		(1,924)
Comprehensive income 2008	0	0	14,028	0	(1,924)	0	12,104	379	12,483
Dividends paid			(11,855)				(11,855)		(11,855)
Treasury shares of the consolidating enterprise			(984)	(547)			(1,531)		(1,531)
Changes in consolidation scope							0	(570)	(570)
Change in translation reserve						(4,206)	(4,206)	(472)	(4,678)
Situation at 12.31.08 restated	108,588	86,178	34,455	(1,750)	(2,653)	(2,463)	222,355	2,389	224,744
2009 profit			(57,778)				(57,778)	1,199	(56,579)
Recognized comprehensive income					(353)		(353)		(353)
Comprehensive income	0	0	(57,778)	0	(353)	0	(58,131)	1,199	(56,932)
Dividends paid			(11,862)				(11,862)	86	(11,776)
Treasury shares of the consolidating enterprise			149	508			657		657
Valuation of share-based payments			0		32		32		32
Changes in consolidation scope							0	(1,857)	(1,857)
Change in translation reserve						3,862	3,862	252	4,114
Situation at 12.31.09	108,588	86,178	(35,036)	(1,242)	(2,974)	1,399	156,913	2,069	158,982
2010 profit			11,951				11,951	4,214	16,165
Recognized comprehensive income					715	3,391	4,106		4,106
Comprehensive income 2010	0	0	11,951	0	715	3,391	16,057	4,214	20,271
Reclassifications ⁽¹⁾		(49,988)	51,209			(1,221)	0		0
Treasury shares of the consolidating enterprise			(95)	330			235		235
Valuation of share-based payments			0		537		537		537
Changes in consolidation scope							0	(307)	(307)
Change in translation reserve						2,759	2,759	357	3,116
SITUATION AT 12.31.10	108,588	36,190	28,029	(912)	(1,722)	6,328	176,501	6,333	182,834

(1) The reclassifications concern the appropriation of 2009 parent company income of €49,988,000 (allocation of part of losses carried forward to issue premiums) and translation differences of €1,221,000 reclassified from translation reserves to consolidated reserves.

2. General information

GFI Informatique S.A. is the parent company of an international group providing IT services.

GFI Informatique places its expertise at the service of its customers with five business units: Consulting, Application Services, Infrastructure Services, Software, Business Services. In the context of the industrialization of its business lines, the Group possesses 11 expertise centers, 2 national service centers and 3 offshore centers.

On March 10, 2011 the Board of Directors closed the consolidated financial statements of GFI Informatique. These financial statements will only be definitive after their approval by the Shareholders' General Meeting on May 19, 2011.

3. Accounting policies and methods

Significant accounting methods used for the preparation of the consolidated financial statements are described hereunder. Unless indicated otherwise, these methods were applied consistently in all the financial periods for which information is given in these statements.

► Basis of preparation of the financial statements

The accounting principles applied in preparing the consolidated financial statements are in compliance with IFRS as they were adopted by the European Union on December 31, 2010 and are available on the website: http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

These accounting principles are in line with those used in preparing the consolidated financial statements for the fiscal year ended December 31, 2009, except for the adoption of the following new standards and interpretations:

- revised IFRS 3 - Business Combinations;
- amendment to IAS 27 - Consolidated and Separate Financial Statements;
- 2008 improvements - amendment to IFRS 5;
- 2009 improvements, in particular amendments to IFRS 2, IAS 38 and IFRIC 9;
- IFRIC 17 – Distributions of Non-cash Assets to Owners;
- amendments to IAS 39 - Eligible Hedged Items;
- amendment to IFRS 2 – Group cash-settled share-based payment transactions;
- IFRIC 12 - Service Concession Arrangements;
- IFRIC 15 - Agreements for the Construction of Real Estate;
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation;
- IFRIC 18 - Transfers of Assets from Customers.

GFI Informatique Group decided against the early application of the following standards and interpretations adopted by the European Union, whose application was not mandatory as of January 1, 2010:

- revised IAS 24 - Related Party Disclosures;
- amendment to IAS 32 – Classification of Rights Issues;
- amendment to IFRIC 14 – Prepayments of a Minimum Funding Requirement;
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments.

The Group does not apply the following standards and interpretations, which were not adopted by the European Union as of December 31, 2010:

- IFRS improvements of May 2010;
- IFRS 9 - Financial Instruments;
- Amendment to IFRS 7 – Transfers of Financial Assets;
- Amendment to IAS 12 – Deferred Tax: Recovery of Underlying Assets.

The Group is currently in the process of determining the potential impact of these new standards on its consolidated financial statements. At this point in its analysis, GFI Informatique considers that it cannot determine the impact of the application of these standards with sufficient accuracy.

Estimates as well as critical judgments must be used in preparing the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The management may be required to use its judgment in the application of Group accounting methods (see "Valuation Methods" below). The areas in which assumptions and estimates may have a significant impact on the consolidated financial statements notably include testing of goodwill for impairment, provisions for liabilities and charges and the measurement of retirement benefit plans.

► Basis of consolidation

1. Consolidation methods and scope

The consolidated financial statements incorporate the financial statements of GFI Informatique and its subsidiaries. Subsidiaries are consolidated as from the date of acquisition, which corresponds to the date on which the Group took control and until such time as control ceases.

Control is achieved when GFI Informatique has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of companies over which GFI Informatique exercises direct or indirect joint control are consolidated under the proportional method. Joint control arises when control over an economic activity is shared, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. Intra-Group transactions are eliminated on consolidation.

Valuation methods applied by Group companies are aligned with those used by the Group. Minority interests represent the share of the profit or loss and the share of the net assets that do not accrue to the equity holders of the parent company. Minority interests are identified separately in the income statement. In the balance sheet, minority interests in the net assets of consolidated subsidiaries are identified separately from the interests attributable to the equity holders of the parent company.

2. Closing date of the financial statements

Companies included in the consolidation scope were consolidated on the basis of the financial statements for the same reference period as the parent company.

3. Translation of foreign currency financial statements

The Group's consolidated financial statements are prepared in euros.

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

All the assets and liabilities of consolidated entities whose functional currency is not the euro are translated into euro, which is the Group's reporting currency, using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the closed fiscal year. Resulting exchange differences and exchange differences arising from the application of closing exchange rates to the subsidiaries' opening equity are recognized directly to equity under Translation reserve. Exchange differences arising on the translation of net investments in foreign operations are recognized directly to equity.

On the disposal of foreign operations, these translation differences are reversed to profit and loss and treated as a component of the profit or loss on disposal.

4. Foreign currency transactions

Transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. All exchange differences are recognized to profit or loss except for exchange differences on items that, in substance, form part of the net investment in foreign operations that are recognized directly to equity.

► Presentation

Assets linked to the Group's normal operating cycle, assets held for sale within 12 months of the balance sheet date, cash and cash equivalents and marketable securities are reported under current assets. All other assets are reported under non-current assets.

Liabilities falling due within the Group's normal operating cycle or within 12 months of the balance sheet date are reported under current liabilities.

Non-current assets held for sale and discontinued operations

A non-current asset or disposal group is classified as held for sale when its carrying amount is mainly measured based on a sale rather than continued use. The asset must therefore be available for immediate sale and the sale must be highly probable by the end of the period. These assets or disposal groups are recorded, separately from other assets and disposal groups, at the lower of the carrying amount or estimated net disposal price under "Assets held for sale" on the balance sheet, net of costs relating to the sale. These liabilities included in a group of assets held for sale are recorded under "Liabilities held for sale" on the balance sheet.

Discontinued operations are defined as a component of an entity that either has been disposed of or is classified as held for sale, and:

- represents either a separate major line of business or a geographical area of operations; or
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Amounts relating to discontinued operations are recorded separately on the income statement and cash flow statement for all the periods presented. Balance sheet items relating to previous years are not presented separately. Only the items from the most recent period prior to the period in which the disposal took place are classified as assets and liabilities held for sale.

Valuation methods

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are stated at cost less any accumulated amortization, depreciation and possible impairment losses.

Amortization and depreciation are charged so as to write off the cost of these assets over their estimated useful lives, using the straight-line method.

The carrying value of each of these assets is reviewed at each balance sheet date to identify possible impairment losses of each of the assets in question (see "Subsequent measurement of non-current assets").

Goodwill

Business combinations since January 1, 2010

Business combinations are accounted for under the purchase method. The cost of an acquisition is measured as the sum of the consideration transferred, measured at acquisition-date fair value, and the amount of all minority interests in the acquired entity. For each business combination, a choice is made to measure the minority interests of the entity either at fair value or in accordance with their proportionate share of revalued net assets. The acquisition costs incurred are charged for the period during which the corresponding services were rendered.

When the Group acquires an entity, it measures the acquired entity's assets and liabilities at fair value. When the business combination is achieved in stages (Step Acquisitions), the investment held by the acquirer prior to control being obtained is measured at acquisition-date fair value, and the difference between this and the previous carrying amount is recognized to profit or loss under IFRS 3R.

Price adjustments are recognized at their acquisition-date fair value and are recorded as an asset or liability. Subsequent changes in fair value are recognized to profit or loss.

Resulting fair value adjustments are recognized on the same line as the asset or liability concerned. Residual goodwill being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets and liabilities, it is recognized as an asset under "Goodwill". This residual goodwill is allocated to the cash generating unit (CGU) expected to benefit from the business combination.

Subsequently, goodwill is valued at deemed cost reduced by impairment losses determined in accordance with the method described in the paragraph "Subsequent measurement of non-current assets".

Business combinations prior to January 1, 2010

The following differences apply in comparison with the information given above:

- transaction costs that could be directly allocated to the acquisition were included in the cost of acquisition;
- minority interests were measured at the proportionate share of the revalued net assets of the acquired entity;
- business combinations achieved in stages (Step Acquisitions) were recorded as such. Any additional interests acquired did not affect previously recognized goodwill;
- price adjustments were recognized if and only if the Group was subject to a present obligation of which the settlement was likely and the amount could be estimated reliably. Changes in the estimation of the amount of the price adjustment gave rise to remeasurement of goodwill. These provisions continue to apply to changes made after January 1, 2010 to price adjustments relating to business combinations prior to this date.

Computer software

Computer software purchased and computer software internally developed are amortized from the date they were brought into service so as to write off the cost of these assets over their estimated useful lives, using the straight-line method.

Software purchased: 1 to 5 years;

Software developed internally 10 years.

In the case of internally developed computer software, development costs capitalized by GFI Informatique comprise all costs directly attributable to software development and parameterization.

Development costs

The development costs incurred in connection with the creation of software applications (new projects and development of existing modules) are entered into the accounts as intangible assets, because the Group can demonstrate the feasibility of the intangible asset in view of its bringing into service or its sale, its intention to complete this asset and its ability to use it or to sell it, the fact that this asset will generate future financial benefits, the existence of available resources to complete the development and its ability to reliably value the expenses incurred in respect of the development project.

These development costs are amortized from the in-house date of acceptance of the project so as to write off these costs over the expected market life of the software, not exceeding eight years.

Development costs not meeting criteria for capitalization set out in IAS 38 are recognized as an operating expense as and when committed.

Tax credit

Unless assigned to capitalized development costs, tax credits are recognized in operating profit on ordinary activities. If assigned to capitalized development costs, they are recorded as a deduction from capitalized development costs.

Research costs

Research costs are recognized as an expense in the period when incurred.

Client relations

The client relationships acquired in the context of a business combination are entered into the accounts at their fair value on the acquisition date. Subsequent to their initial entry into the accounts, they are valued at cost less the cumulative amortization. Amortization periods are generally 5 to 10 years.

Property, plant and equipment

Depreciation is charged so as to write off the cost of the assets, other than land, using the straight-line method over their estimated useful lives. These useful lives are principally as follows:

Land:	not depreciated;
Buildings:	20 to 40 years;
Computer hardware:	1 to 5 years;
Motor vehicles:	5 years;
Office equipment and other assets:	5 to 10 years.

Maintenance and repair costs are recognized as an expense in the period when incurred.

Non-current assets made available to the Group under finance leases are accounted for in the same way as non-current assets purchased outright. They are depreciated in accordance with the methods described above over the shorter of the lease term and their estimated useful life. The corresponding lease obligation is recognized as a liability in the balance sheet.

Subsequent measurement of non-current assets

The carrying value of non-current assets is reviewed at least annually, more frequently if events occur or there is internal or external evidence suggesting that their value might have been impaired. If performances are significantly below the budgets used as a basis for determining carrying values in the past, this is considered as evidence of a possible impairment in the value.

In particular, the carrying value at which goodwill is stated on the balance sheet is compared to the recoverable value. The recoverable value is the higher of the fair value less costs to sell and the value in use. To determine value in use, assets are regrouped into cash generating units when it is not possible to determine cash inflows generated independently from assets or groups of assets. The cash generating units correspond to the homogeneous units generating identifiable cash flows.

The value in use of the cash generating units is determined using the discounted cash flow method (DCF), applying the following principles:

- cash flows are based on the operating budgets drawn up by management for the coming year and on growth forecasts for the next four years;
- the combination of the discount rate and growth rate to infinity are values typically applied in the sector;
- the terminal value represents the present value of cash flows out to infinity, determined by reference to normative cash flow and to the estimated growth rate to infinity. This growth rate is consistent with the development potential of the markets in which the CGU concerned operates and with its competitive positioning.

The recoverable amount of the cash generating unit determined in this way is then compared to the carrying value of the non-current assets (goodwill included) as reported in the consolidated balance sheet. An impairment loss is recognized if the carrying value of the cash generating unit exceeds its recoverable amount, with the offsetting credit entry being against goodwill in priority.

Goods purchased for resale held in inventory

The inventory is composed of IT hardware and licenses. They are valued at their cost or at their net realizable value if the latter is lower.

Deferred taxes

Deferred taxes are recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are calculated using the balance sheet liability method at the tax rates known at the balance sheet date.

Deferred tax assets relating to timing differences and to tax loss carry-forwards are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow these assets to be recovered. Deferred tax assets and liabilities are offset at the level of the tax entity or tax group if one exists.

Deferred tax assets and liabilities are not discounted to their present value and are therefore reported at the nominal value.

Financial assets and liabilities

The Group defines its financial assets according to the following categories: assets valued at their fair value with the offsetting entry to profit or loss, assets held until maturity, loans and debts, assets available for sale, and debts at amortized cost. The classification depends on the reasons that motivated the acquisition of the financial assets. The Management determines the classification of its financial assets during the initial entry into the accounts.

Financial assets at their fair value with the offsetting entry in the income statement

The financial assets valued at their fair value with the offsetting entry to profit or loss are the financial assets held for transaction purposes. A financial asset is classified in this category if it was principally acquired for the purpose of short-term resale. Derivative financial instruments are also designated as being held for transaction purposes except if they are qualified as hedging instruments. They are classified among non-current liabilities.

Assets held until maturity

Non-derivative financial assets associated with determined or determinable payments and a fixed maturity are classified as investments held until maturity, provided that the Group has the manifest intention and the ability to retain them until their maturity. The profits or losses are entered into the income statement when these investments are removed from the accounts or depreciated..

Loans and debts

Loans and debts are non-derivative financial assets with fixed or determinable payment which are not listed on an active market. They are included in current assets, except those with a maturity greater than twelve months after the closing date. On each closing, the Group evaluates whether an objective depreciation indicator exists for a financial asset or a group of financial assets.

A financial asset and a financial liability are offset if, and only if, the Group has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Trade receivables

Factoring

GFI Informatique and two of its subsidiaries in Spain factor part of their receivables. Depending on the type of contract, the factoring company is responsible or not for collection of the accounts receivable, and assumes part of the related credit risks. GFI Informatique and its subsidiary have drawing rights within the limit of the amount assigned. The receivables transferred continue to be reported under "Trade receivables", while amounts drawn down are reported under "Current borrowings".

Trade receivables

Amounts disputed by customers are provisioned in full.

Derivative financial instruments and hedge accounting

The Group's current policy is to enter into transactions on the financial markets only for the purpose of hedging commitments arising from its activity. The Group does not use financial instruments for speculative purposes.

The Group uses derivative financial instruments such as interest-rate swaps to cover itself against the risks associated with interest-rate variations. These derivative financial instruments are initially entered into the accounts at their fair value at the time when the contract is negotiated and later valued at their fair value. The derivatives are entered into the accounts as assets when the fair value is positive and as liabilities when the fair value is negative.

The profits or losses resulting from the variations in the market value of hedge instruments, taken out to hedge future cash flows and for which the Group chose to apply hedge accounting, are recorded as equity capital at the hedge effectiveness percentage. When the Group chose not to apply hedge accounting, the profits or losses resulting from the variations in market value were entered into the income statement.

Cash and cash equivalents

Cash and cash equivalents reported in the balance sheet comprise cash in hand, cash at bank and short-term deposits for less than three months as well as short-term highly liquid investments that are subject to an insignificant risk of changes in value.

Marketable securities are considered as being held for trading and are therefore measured at fair value on the balance sheet date. Changes in fair value are recognized to profit or loss. These securities being adjusted to fair value with the offsetting entry to profit or loss, no impairment losses are recognized. Fair value of these securities is determined mainly by reference to listed prices. In the consolidated cash flow statement, cash and cash equivalents comprise the items indicated above, from which are deducted current bank overdrafts.

Treasury shares of the consolidating enterprise

Treasury shares are deducted from equity on the basis of the consideration paid. When these shares are sold to unrelated parties, the gain or loss on disposal net of taxation is recognized directly in "Consolidated reserves".

Borrowings

Loans are initially measured at fair value less transaction costs that can be allocated directly to their issue.

Costs and premiums on the issue of loans are not included in initial cost but are taken into account when determining amortized cost by applying the effective rate method and are therefore recognized actuarially over the life of the liability.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, when it is probable that the Group will be required to settle that obligation, and when the amount can be estimated reliably.

Provisions for disputes are analyzed on an individual basis. Provisions reported in the balance sheet under "Provisions for disputes" correspond to the risk as estimated by the management of GFI Informatique and may differ from the amounts sought by the other party.

As regards provisions for restructuring, the estimated cost of the restructuring measure is recognized to profit or loss when these measures are the object of a detailed plan that has been announced or has started to be implemented.

Contingent liabilities are not recognized but are described in the annexes if they are significant, except for business combinations where they are identifiable.

Retirement benefit plans

In the case of defined contribution plans, contributions paid by the Group to these plans are recognized to profit or loss in the period to which they relate.

In the case of defined benefit plans covering post-employment benefits, the costs of these benefits are estimated using the projected unit credit method. The projected unit credit sees each period of service as giving rise to an additional unit of benefit entitlement applying the plan's vesting formula, taking into account the linearization effect when the rights do not vest uniformly over subsequent vesting periods.

Future payments corresponding to the benefits granted to employees are determined using various assumptions (rate of increase in salaries, retirement age, mortality, etc.) and these defined benefit obligations are then discounted to their present value using as discount rate the market yields on high quality corporate bonds.

When assumptions are revised, this results in actuarial differences that are recognized in the period in which they arise, not to profit or loss but directly to equity under "Recognized income and expense".

Following negotiations with the trade unions, Article 16 of the Syntec National Collective Bargaining Agreement (Convention collective nationale) relating to retirement was amended in July 2004. The cost of past services arising from this amendment is recognized to profit or loss on a straight-line basis over the average remaining vesting period for the staff concerned.

The Interprofessional National Agreement (Accord National Interprofessionnel) of January 11, 2008, extended by the French Order of July 23, 2008, has no impact on the Group's obligations in terms of retirement indemnities.

Pursuant to the French pension reform act, the minimum legal age of retirement will increase gradually, by four months per year, from 60 in 2010 to 62 in 2018. This will have a non-material impact on GFI Informatique's obligations in terms of retirement indemnities.

Excluding retirement and termination benefits, the Group does not operate any other defined benefit plan in respect of post-employment benefits.

Revenue

Rules for the recognition of revenues are summarized below:

Technical assistance, consulting and systems integration billed at cost plus

Revenue arising from these services is recognized as and when the services are rendered. Revenue is determined by reference to the contractually agreed price and to billable hours spent on the job. Invoices to be raised or deferred income are recognized when billing is out of phase with the stage of completion.

Services invoiced for a fixed amount

Revenue arising from these services is recognized by reference to the stage of completion on the basis of costs incurred to date and costs that will be incurred subsequently. When it is probable that costs will exceed revenue, the expected loss is recognized immediately. Invoices to be raised or deferred income are recognized when billing is out of phase with the stage of completion.

Systems integration provided in connection with sales of software applications or hardware

That part of the revenue arising from the sale of software applications and hardware is recognized upon the transfer of the risks and rewards of ownership to the buyer. This transfer generally occurs on delivery, except when projects are of an unusually complex nature and may present particular completion risks. In this case, the project is considered as a whole and the revenue is recorded on a progressive basis.

The share of revenue relating to services is recorded progressively on the basis of the costs incurred and the costs remaining to be incurred.

Sales of software and hardware

Revenue from the sale of software packages and hardware independently of rendering any services is recognized when risks have been transferred to the buyer. This transfer occurs on delivery.

Maintenance

Revenue arising from maintenance is recognized prorata temporis over the length of the contract.

Transactions carried out as an agent

When the Group acts as an agent, the revenue relating to the transaction is not recognised. Only the margin achieved on this transaction is recorded under Revenue.

Operating margin on ordinary activities

The Group's key profit indicator, Operating Margin on Ordinary Activities, corresponds to operating profit before non-recurring items (including goodwill impairment losses) and before amortization of assigned intangible assets.

Employee benefits expense

Amounts distributed to employees under compulsory and discretionary profit-sharing schemes are reported under "Employee benefits expense" in the income statement.

Tax credits related to development costs are recognized in operating profit on ordinary activities, when they are not assigned to capitalized development costs, and are deducted from employee benefits expense.

Bonus shares

The fair value of bonus shares allocated to employees is recognized under other operating income and expenses over the vesting period.

Bonus shares are valued at the price on the day the share was allocated.

Profit (loss) for the year from discontinued operations

Income and expenses relating to discontinued operations are reported as a single amount on a separate line of the income statement.

Earnings per share

Earnings per share are calculated by reference to the consolidated profit for the year excluding profit or losses from discontinued operations.

- At group level, earnings per share are calculated by reference to the weighted average number of shares in issue during the fiscal year.
- At group level, diluted earnings per share are calculated by reference to the weighted average number of shares in issue during the fiscal year increased by the average number of bonus shares that could be allocated.

Segment reporting

The GFI Informatique Group bases its segment reporting on geographic sectors in accordance with the internal management data used by the Management..

4. Significant events and scope of consolidation

► Significant events

Presentation of the key profit indicator for the Group's ordinary activities

The Group's key profit indicator is operating profit on ordinary activities adjusted by the amortization of intangible assets related to business combinations; it is referred to as the "operating margin". The Group has seen fit to show this amount as a separate item in the consolidated comprehensive income statement in order to facilitate the interpretation and analysis of the accounts and clarify the link between them and the Group's financial reporting.

Operating profit on ordinary activities consists of the operating margin less amortization of assigned intangible assets. To avoid a surfeit of information, this figure is not presented directly in the consolidated comprehensive income statement.

A new head office

The transfers from the various sites were carried out from June to October 2010 and gave rise to non-recurring expenses of €5,129,000. The expenses include the remaining rent due until the expiry of the leases, net of any income to be received from subletting, and the cost of restoring the premises concerned to their original condition.

Recognition of a carry-back receivable in France

The tax group of which GFI Informatique is the parent generated a sizeable tax loss of €51 million for the financial year, due in particular to disposal transactions carried out during the first half of 2010. Consequently, a carry-back receivable and corresponding tax income amounting to €6,474,000 were recognized in the financial statements of GFI Informatique SA.

The carry-back receivable may be reimbursed by April 2016 at the latest. It is recognized in "Other non-current assets".

The recognition of this receivable is intrinsically identical in nature to the decision taken in the half-yearly consolidated financial statements to capitalize tax loss carry-forwards. Consequently, the capitalization of tax loss carry-forwards was cancelled in favor of the recognition of the carry-back receivable for the 2010 fiscal year.

Consolidation scope

Discontinued operations: Italy and Germany

The disposals of the Germany and Italy segments took place on March 4, 2010 and April 6, 2010 respectively.

Given the certainty or near certainty at the end of the 2009 fiscal year that these transactions would take place, these sectors were recognized under IFRS 5 “Non-current assets held for sale and discontinued operations” in the 2009 annual financial statements. They are treated likewise in the subsequent financial statements. The impact of the application of IFRS 5 is described below:

- the assets and liabilities held for sale were measured at their fair value as at the 2009 closing date;
- in the consolidated comprehensive income statement, “Profit (loss) for the year from discontinued operations” combines the related income and expenses for 2010, 2009 and 2008;
- in the consolidated financial position, all assets are included in a single item under assets and all liabilities under a single item under liabilities for 2009;
- in the cash flow statement, related cash flow is recorded in a single item “Net cash from (used by) discontinued operations” for 2010, 2009 and 2008.

Discontinued operations: the electronic payment systems consulting business in France

The disposal of the electronic payment systems consulting business (carried out by Monetic) took place on August 31, 2010, generating income of €3,086,000.

This business activity was not material in the eyes of the Group (2010 revenue of €6.7 million). Therefore, it has not been recorded as a discontinued operation under IFRS 5 in these financial statements.

In Italy, the residual company THETA SISTEMI was liquidated in 2010. In the current financial statements it is recorded, like the other Italian subsidiaries, as a discontinued operation under IFRS 5.

The discontinued Italian and Germany businesses generated losses of €992,000 and €568,000 respectively in 2010.

The impact of the presentation of these amounts as single items in the comprehensive income statement is discussed in Note 28: Application of IFRS 5 and IAS 8, comparison tables.

Earnings per share of discontinued operations (basic earnings and diluted earnings per share) are presented below.

	2010	2009	2008
Profit (loss) for the year from discontinued operations	(1,560)	(51,278)	(8,537)
Weighted average number of ordinary shares in issue	54,293,742	54,293,742	54,293,742
Earnings per share attributable to equity holders of the parent (in euros)	(0.03)	(0.94)	(0.16)
Average number of diluted shares	54,346,319	53,844,146	53,911,437
Diluted earnings per share attributable to equity holders of the parent (in euros)	(0.03)	(0.95)	(0.16)

Discontinued operations: the electronic payment systems consulting business in France

The disposal of the electronic payment systems consulting business (carried out by Monetic) took place on August 31, 2010, generating income of €3,086,000.

This business activity was not material in the eyes of the Group (2010 revenue of €6.7 million). Therefore, it has not been recorded as a discontinued operation under IFRS 5 in these financial statements.

Acquisition of Activemédia Développement and disposal of the Santé-Clinique healthcare software operation in Canada

In Canada, the Group carried out the two following operations via its subsidiary Groupe GFI Solutions:

- sale of all the assets of Santé-Clinique to N. Harris Computer Corporation on October 18, 2010:
 - The disposal of this healthcare software operation, which has no synergies with the other Group operations in Canada, resulted in the transfer of around fifty employees to the acquirer. The sale generated income of €6,736,000.
 - This business activity was not material in the eyes of the Group (2010 revenue of €5.3 million). Therefore it has not been recorded as a discontinued operation under IFRS 5 in these financial statements.
- purchase of Activemedia Développement INC. in response to growing market demand for IT products in the cloud computing sector, on November 1, 2010.

Acquisition of A2PC

The French company A2PC was acquired on December 31, 2010. The company achieves annual revenues of around €0.6 million.

Other legal transactions

The Group carried out the following operations in order to simplify and rationalize its organizational structure:

The two following Portuguese subsidiaries were merged with GFI Services on February 28, 2010 with a retroactive effect as of January 1, 2010:

- GFI Innovation Tecnologias de Informaçao S.A. (formerly Netual);
- GFI Solutions.

The two Spanish subsidiaries were merged on December 3, 2010 with a retroactive effect as of January 1, 2010:

- Euskal Soft Desarrollo y Consultoria S.L. merged with Grupo Corporativo GFI Norte;
- Alhena Tecnologia SL merged with Savac Consultores SL.

The following companies without operations were either dissolved or liquidated:

- in France, the following companies were dissolved through a transfer of all assets:
 - Groupe Infrastructures et Production and Financière Sinorg, on July 1, 2010;
 - GIF1 2, GIF1 3 and GIF1 4, on November 1, 2010;
 - Informatique et Services, on November 1, 2010;
- in Italy, Theta Sistemi;
- in Switzerland, Calléo Switzerland AG and Calléo Group AG.

Impact of changes in consolidation scope

2009 acquisitions

For information, the quantitative comparative impacts of the new companies included in the consolidation scope in 2009 on the results for 2009 and 2010 are presented below:

	Revenue	Operating margin
2009	12,052	4,064
2010	23,354	6,815

The impact of the above transactions on the consolidated financial statements being less than the 25% threshold defined by AMF, no pro-forma statements were prepared.

Changes in consolidation scope

On February 15, 2011 GFI Informatique took over the assets and business of ARES. The business activities taken over include a total workforce of 404 in France and 29 in Luxembourg. See "Note 25: Post balance sheet events".

List of consolidated companies

Company	Registered office	Postal code/city	Registration number	Consolidation method	% of voting rights	% held	Country
FRANCE							
GFI Informatique S.A.	(1) 145, boulevard Victor Hugo	93400 Saint-Ouen	385 365 713	Parent company – Group leader			France
Gifi 5 S.A.S.U.	(1) 145, boulevard Victor-Hugo	93400 Saint-Ouen	509 440 079	FC	100%	100%	France
GFI Progiiciels S.A.S.	(1) 145, boulevard Victor-Hugo	93400 Saint-Ouen	340 546 993	FC	100%	100%	France
Némausic S.A.	(1) 151, rue Gilles Roberval	30900 Nîmes	329 936 876	FC	100%	100%	France
GFI Consulting S.A.S.	(1) 145, boulevard Victor-Hugo	93400 Saint-Ouen	433 940 145	FC	100%	100%	France
GFI Chrono Time S.A.S.	(1) 145, boulevard Victor-Hugo	93400 Saint-Ouen	433 940 574	FC	100%	100%	France
SCBF S.A.S.	(1) 145, boulevard Victor-Hugo	93400 Saint-Ouen	433 940 079	FC	100%	100%	France
GFI Infogen Systems S.A.S.	(1) 145, boulevard Victor-Hugo	93400 Saint-Ouen	387 554 710	FC	100%	100%	France
GFI Informatique-Production S.A.	(1) 145, boulevard Victor-Hugo	93400 Saint-Ouen	428 286 496	FC	100%	100%	France
Adelior France S.A.S.	(1) 145, boulevard Victor-Hugo	93400 Saint-Ouen	315 930 578	FC	100%	100%	France
BTD Consulting S.A.S.	(1) 145, boulevard Victor-Hugo	93400 Saint-Ouen	351 630 231	FC	100%	100%	France
Elites Consulting S.A.S.	(1) 145, boulevard Victor-Hugo	93400 Saint-Ouen	408 621 209	FC	100%	100%	France
A2PC S.A.S.	251, route de Bayonne	31300 Toulouse	389 139 247	FC	100%	100%	France
S.C.I. Gifimo	145, boulevard Victor-Hugo	93400 Saint-Ouen	350 934 139	FC	100%	100%	France
GEIE European Software and Services Group	145, boulevard Victor Hugo	93400 Saint-Ouen	508 402 179	PC	75%	75%	France
G.I.E. Anis	145, boulevard Victor-Hugo	93400 Saint-Ouen	389 285 784	FC	100%	100%	France
S.C.I. Via Domitia	151, rue Gilles-Roberval	30900 Nîmes	418 871 166	FC	100%	100%	France
Accovia France S.A.R.L.	5, Place du Colonel-Fabien	75010 Paris	400 375 507	FC	100%	67%	France
Companies deconsolidated during 2010:							
GFI Monetic S.A.S.	15, rue Beaujon	75008 Paris	434 749 719	FC	100%	100%	France
Financière Sinorg S.A.	12, rue Rouget-de-Lisle	92130 Issy-les-Moulineaux	384 875 159	FC	100%	100%	France
Informatique et Services S.A.S.	145, boulevard Victor-Hugo	93400 Saint-Ouen	413 460 072	FC	100%	100%	France
GFI Groupe Infrastructures et Production S.A.	158, avenue de Verdun	92130 Issy-les-Moulineaux	410 773 758	FC	100%	100%	France
Gifi 2 S.A.S.U.	145, boulevard Victor-Hugo	93400 Saint-Ouen	493 686 653	FC	100%	100%	France
Gifi 3 S.A.S.U.	145, boulevard Victor-Hugo	93400 Saint-Ouen	493 687 446	FC	100%	100%	France
Gifi 4 S.A.S.	145, boulevard Victor-Hugo	93400 Saint-Ouen	509 339 081	FC	100%	100%	France

(1) Company in the French tax group.

FC = Full Consolidation. EM = Equity Method. PC = Proportional Consolidation.

Company	Registered office	Postal code/city	Registration number	Consolidation method	% of voting rights	% held	Country
EUROPE							
GFI Benelux	Avenue A. Einstein, 6	13000 Wavre	0 427 608 266	FC	100%	100%	Belgium
GFI NV (ex-Adelior Benelux)	Haasrode Research Park Technologielaan 11	3001 Heverlee	0 450 798 491	FC	100%	100%	Belgium
GFI Consulting Netherland B.V.	WTC Schiphol Airport B Tower, Schiphol Boulevard 231	1118 BH Amsterdam Schiphol	34181929	FC	100%	100%	Netherlands
GFI International	19, chemin des Champs- des-Filles	1228 Plan-les- Ouates	CH-660 0 703 000-2	FC	100%	100%	Switzerland
Calléo Switzerland AG	(1) 27, Im. Chrummenacher	8315 Lindau	CH-020 4 000 451-4	FC	100%	100%	Switzerland
Calléo Group AG	(1) 27, Im. Chrummenacher	8315 Lindau	CH-020 3 021 601-1	FC	100%	100%	Switzerland
Grupo Corporativo GFI Informatica S.A.	C/Serrano Galvache, 56	28033 Madrid	A-82206400	FC	100%	100%	Spain
GFI Levante S.L.	C/Los Monegros S/N	03006 Alicante	B-53096749	FC	100%	100%	Spain
Arcitel Iberica S.A.	C/Serrano Galvache, 56	28033 Madrid	A-81958449	FC	100%	100%	Spain
GFI Cataluña Grupo Corporativo S.A.	C/ Comte Urgell, 240 - 7ªA	08036 Barcelona	A-82673542	FC	100%	100%	Spain
Grupo Corporativo GFI Norte	C/Licenciado Poza, 55	48013 Bilbao- Vizcaya	B-48301865	FC	100%	100%	Spain
Euskal Soft Desarrollo y Consultoria S.L.	(1) C/ Bermingham,1	20002 San Sebastian	B-20482295	FC	100%	100%	Spain
GFI Informatica del Sur S.L.	Albert Einstein, 6 Edificio Centro Isla Cartuja	41092 Sevilla	B-91832485	FC	100%	100%	Spain
Advanced Software Technologies S.A.	C/Serrano Galvache, 56 - Edificio Olmo	28033 Madrid	A-78897964	FC	100%	100%	Spain
Savac Consultores SL	Máximo Aguirre, 18-Bis 3º	48011 - Bilbao (Vizcaya)	B-48989990	FC	100%	100%	Spain
Instituto Informatico de la Rioja SL	Lope Toledo, 6 1º F 26003	26003 - Logroño (La Rioja)	B-26219865	FC	100%	100%	Spain
Alhena Tecnologia SL	(1) Máximo Aguirre, 18-Bis 3º	48011 - Bilbao (Vizcaya)	B-95111803	FC	100%	100%	Spain
GFI Portugal (ex-GFI Services)	Av 5 de Outubro, 35-6º	1050-047 Lisboa	PT502726890	FC	100%	100%	Portugal
GFI Innovation Tecnologias de Informaçao S.A.	(1) Rua Joao Afonso, 1	3800-256 Aveiro	PT504047752	FC	100%	100%	Portugal
GFI Solutions	(1) Av 5 de Outubro, 35-6º	1050-047 Lisboa	PT500268134	FC	100%	100%	Portugal
GFI Informatique Holding GmbH	Heilbronner Str. , 86	70191 Stuttgart	HRB20548	FC	100%	100%	Germany

(1) Company in the French tax group.

FC = Full Consolidation. EM = Equity Method. PC = Proportional Consolidation.

Company	Registered office	Postal code/city	Registration number	Consolidation method	% of voting rights	% held	Country
OUTSIDE EUROPE							
GFI Canada Inc.	75, rue Queen, Bureau 6100	H3C 2N6 Montréal	869 787 523	FC	100%	100%	Canada
Groupe GFI Solutions Inc	75, rue Queen, Bureau 6100	H3C 2N6 Montréal	847 111 473	FC	67%	67%	Canada
GFI Conseils Inc.	75, rue Queen, Bureau 6100	H3C 2N6 Montréal	102 936 838	FC	100%	67%	Canada
GFI Solutions d'Affaires Inc.	75, rue Queen, Bureau 6100	H3C 2N6 Montréal	853 849 008	FC	100%	67%	Canada
Activemédia Développement	1980, avenue Vézina	J2S 8N3 Saint-Hyacinthe	144 088 655	FC	100%	67%	Canada
PM Canada Inc.	75, rue Queen, Bureau 6100	H3C 2N6 Montréal	886 084 623	FC	100%	67%	Canada
Conceptum Inc.	75, rue Queen, Bureau 4700	H3C 2N6 Montréal	138 357 397	PC	49%	33%	Canada
Accovia Inc.	75, rue Queen, Bureau 5100	H3C 2N6 Montréal	887 104 768	FC	100%	67%	Canada
Fortsum Solutions d'Affaires Inc.	75, rue Queen, Bureau 6100	H3C 2N6 Montréal	103 235 040	FC	100%	67%	Canada
Fortsum Services Conseils Inc.	75, rue Queen, Bureau 6100	H3C 2N6 Montréal	1 144 347 391	FC	100%	67%	Canada
Mcite Business Systems Inc.	900-1959 Upper Water Street	B3J 3N2 Halifax (Nouvelle-Ecosse)	3 141 092	FC	100%	67%	Canada
GFI Informatique Maroc	Parc Casa Nearshore, Sh. 2.2. 1100, Bd Al Qods, Sidi Maârouf	20190 Casablanca	50 877	FC	100%	100%	Morocco
Holding GFI Informatique Maroc	Parc Casa Nearshore, Sh. 2.2. 1100, Bd Al Qods, Sidi Maârouf	20190 Casablanca	113 607	FC	100%	100%	Morocco
GFI Maroc Offshore	Parc Casa Nearshore, Sh. 1.3. 1100, Bd Al Qods, Sidi Maârouf	20190 Casablanca	163 083	FC	100%	100%	Morocco
COMPANIES RECOGNIZED UNDER IFRS 5 (DISCONTINUED OPERATIONS) AND DECONSOLIDATED IN 2010							
Ois.com	Via Mosca, 52	00142 Roma	5576691009	FC	90%	90%	Italy
GFI Italia	Via Mosca, 52	00142 Roma	3735050159	FC	100%	100%	Italy
Theta Sistemi	Via Isonzo N.2/M	87100 Consenza	2723310781	FC	100%	100%	Italy
Sirfin	Via Isonzo N.2/M	87100 Cosenza	330260787	EM	23%	23%	Italy
Sintra Spa	Via Sant' Atonino 28	29100 – Piacenza-PC	1282370335	EM	49%	49%	Italy
GFI Informatik Management Holding AG	Heilbronner Str. ,86	70191 Stuttgart	HRB 21063	FC	100%	100%	Germany
GFI Informatik Deutschland AG&Co.KG	Heilbronner Str. ,86	70191 Stuttgart	HRA 13026	FC	100%	100%	Germany
UBS Software - Service GmbH	Heilbronner Str. ,86	70191 Stuttgart	HRB 9600	FC	100%	100%	Germany
GFI-IT Media Consult GmbH	Heilbronner Str. ,86	70191 Stuttgart	HRB 17899	FC	100%	100%	Germany
SKR Systemberatung Konzepte Realisierung GmbH	Am Hampfberg 9	21224 Rosengarten - Ehestorf	HRB 5357	FC	100%	100%	Germany

(1) Company in the French tax group.

FC = Full Consolidation. EM = Equity Method. PC = Proportional Consolidation.

5. Consolidated comprehensive income statement

► Note 1: Revenue

Changes in the geographical breakdown of revenue are as follows:

<i>(in thousands of euros)</i>	2010		2009		2008 restated	
France	472,797	72%	486,110	73%	514,414	75%
Southern Europe	94,988	14%	102,677	15%	106,966	16%
Spain	65,569	69%	70,782	69%	76,532	72%
Portugal	29,419	31%	31,895	31%	30,434	28%
Northern Europe	18,102	3%	18,172	3%	20,151	3%
Benelux	17,015	94%	16,807	92%	18,482	92%
Switzerland	1,087	6%	1,365	8%	1,669	8%
Outside Europe	72,023	10%	56,645	8%	40,435	5%
Canada	67,252	93%	52,195	92%	36,319	90%
Morocco	4,771	7%	4,450	8%	4,116	10%
REVENUE	657,910	100%	663,604	100%	681,966	100%

By way of reminder, revenues of discontinued operations in 2010, 2009 and 2008 are shown in the "Profit (loss) from discontinued operations" line, and break down as follows:

<i>(in thousands of euros)</i>	2010	2009	2008 restated
Italy	10,616	40,876	61,166
Germany	3,485	21,932	24,930
Discontinued operations	14,101	62,808	86,096

► Note 2: Employee benefits expense

<i>(in thousands of euros)</i>	2010	2009	2008 restated
Wages and salaries	328,700	323,914	316,746
Social security costs	130,671	128,166	131,381
Employee profit sharing	1,163	977	2,002
TOTAL	460,534	453,057	450,129

Average number of employees, excluding the employees of discontinued operations:

<i>(in thousands of euros)</i>	2010	2009	2008 restated
Average workforce			
Managerial staff	7,573	7,570	7,347
Employees, technicians and supervisory staff	1,336	1,336	1,296
TOTAL	8,909	8,906	8,643

Details of staff benefits provisioned by the Group are disclosed in the Note referring to "Non-current provisions".

Note 3: Operating profit

Operating margin

See the paragraph entitled "Presentation of the key profit indicator for the Group's ordinary activities" in section 6.4 "Significant events and scope of consolidation".

Depreciation and amortization of assets

Total Group depreciation and amortization expense, amounting to €12,317,000, breaks down as follows:

- €8,309,000 relating to depreciation of property, plant and equipment and amortization of intangible assets other than the assigned intangible assets;
- €4,008,000 relating to amortization of the assigned intangible assets.

These items are presented on two lines so as to separate the items related to business combinations (see paragraph "Presentation of the key profit indicator for the Group's ordinary activities" in section 6.4 "Significant events and scope of consolidation").

The assigned intangible assets comprise "Client relations".

Restructuring costs

Restructuring charges deducted in arriving at the operating profit concerned mainly France and Spain and amounted to respectively €5,557,000 and €1,426,000.

Gains (losses) on disposals

Gains (losses) on disposals correspond mainly to the income generated from the sale of Monetic in France and Santé-Clinique in Canada (see section 6.4 "Significant events and scope of consolidation").

Goodwill impairment losses

The goodwill of the Spanish software CGU (Savac) in Spain was impaired for €1,000,000 following tests run on September 30, 2010.

Other operating income and expenses not related to ordinary activities

<i>(in thousands of euros)</i>	12.31.10
Transfer of offices	(5,129)
Bonus shares	(537)
Other	(1,533)
Total	(7,199)

Centralization of Île-de-France offices

The transfer of offices gave rise to non-recurring costs of €5,129,000. See paragraph "A new head office" in section 6.4 "Significant events and scope of consolidation".

Bonus shares

On December 9, 2009, the Board of Directors allocated bonus shares to employees and directors of the Group's companies. The shares will be acquired by beneficiaries following a minimum vesting period of two years based on Group performance conditions. A maximum number of 584,000 bonus shares will be allocated. The fair value of shares at the allocation date was €3.05. A €537,000 expense will be booked for the year given the likelihood that the performance conditions will be met.

Other

Other expenses not related to ordinary activities comprise notably, in the context of the Group's tax dispute, back interest on the dues on the principal, for which €340,000 is booked in provisions and which is described in Note 15: "Non-current provisions", and a €800,000 provision for a risk relating to a supplier.

Note 4: Net finance costs

<i>(in thousands of euros)</i>	2010	2009	2008 restated
Gains on the sale of marketable securities	32	67	397
Income from cash and cash equivalents	32	67	397
Interest payable	(3,348)	(2,485)	(4,340)
Variation in the fair value of the loans and bonded debt	(185)	(88)	(85)
Interest payable in connection with factoring	(615)	(284)	(1,010)
Finance costs	(4,148)	(2,857)	(5,435)
NET FINANCE COSTS	(4,116)	(2,790)	(5,038)

Note 5: Other financial income (expenses)

<i>(in thousands of euros)</i>	2010	2009	2008 restated
Foreign exchange gains	39	130	236
Foreign exchange losses	(195)	(249)	(74)
Changes in the value of financial instruments	611	1,042	519
Discounting effects	125	0	38
Provisions relating to employees	(476)	(481)	(333)
Impairment losses	10	(638)	0
Sundry financial income (swaps, etc.)	67	87	234
Sundry financial expenses (swaps, etc.)	(1,720)	(2,267)	(901)
OTHER FINANCIAL INCOME (EXPENSES)	(1,539)	(2,376)	(281)

Note 6: Income tax expense

Accounting treatment of the *Contribution Économique Territoriale (CET)*

In France, the 2010 Finance Bill repealed the Business Tax (Taxe Professionnelle) as of 2010 and replaced it with the CET (Contribution Économique Territoriale) or "local economic contribution". The CET comprises two distinct contributions, the CVAE (Cotisation sur la Valeur Ajoutée des Entreprises) or "contribution for enterprise added value" and the CFE (Cotisation Foncière des Entreprises) or "contribution for enterprise land value". Following this change, the Group deems that the two new contributions are different in nature:

- the CFE, which depends on the rental value of assets subject to a property tax, is recognized as an operating expense;
- the CVAE, which according to the Group's analysis corresponds to the definition of an income tax as described in IAS 12, is recognized as an income tax expense, and amounts to €5.8 million for 2010.

Tax group

As at December 31, 2010, GFI Informatique's tax group in France comprised 12 companies (see table of consolidated companies in section 6.4 "Significant events and scope of consolidation"). The existence of this tax group resulted in tax savings of €2,675,000 for the Group over the year.

Other non-current financial assets: carry-back receivable

See the paragraph entitled "Recognition of a carry-back receivable in France".

Reconciliation of theoretical and actual income tax expense

The reconciliation between the tax expense and the product of the accounting profit multiplied by the applicable tax rate is as follows:

<i>(in thousands of euros)</i>	2010	2009	2008 restated
Profit before tax*	24,754	(4,772)	32,945
Theoretical tax	8,523	(1,643)	11,343
Tax losses not recognized as deferred tax assets	12,608	934	1,438
Relief for tax losses not recognized as deferred tax assets previously	(1,736)	(1,914)	(1,331)
Tax assets on non-recoverable consolidation adjustments	(7,762)	(1,419)	(2,604)
Impact of permanent tax differences	(7,557)	1,833	990
Impact of goodwill impairment losses	344	2,134	0
Impact of recognized tax losses carried forward	0	0	0
Impact of changes in tax rates	(571)	(654)	(517)
Net impact of CVAE	3,783	NA	NA
Other	(603)	1,258	682
INCOME TAX EXPENSE	7,029	529	10,001
Including:			
Current taxes	9,469	4,162	6,842
Carry-back income	(6,474)	0	0
Deferred taxes	4,034	(3,633)	3,159
Effective tax rate	28.4%	(11.1%)	30.4%

* Excluding profit/(loss) of associates and from discontinued operations.

In France, the tax group of which GFI Informatique is the parent generated a sizeable tax loss of €51 million for the financial year, due in particular to disposal transactions carried out during the first half of 2010. The remaining €10.9 million tax loss of the French tax group which did not give rise to a carry-back receivable is recorded under "Tax losses not recognized as deferred tax assets".

The research tax credit recognized by the Group in France in 2010 amounts to €3,256,000 (€781,000 for 2009). The tax savings made on this non-taxable income are presented with the other items comprising the reconciliation of the theoretical and actual income tax expense.

Deferred taxes

On December 31, 2010, the sources of deferred taxes in France and abroad were as follows:

(in thousands of euros)	12.31.09	Changes in consolidation scope	Impact of changes in tax rates	Other and exchange differences	Impact on profit or loss	12.31.10
Tax timing differences arising from tax returns						
• Tax timing differences (employee profit sharing, construction tax and organic tax)	1,021	(15)			48	1,054
• Tax audit, provisions added back and subsequently not taxable	3,358				(3,358)	0
• Other tax timing differences	1,330	(28)			(249)	1,053
Differences related to consolidation adjustments						
• Tax loss carryforwards recognized	1,419				0	1,419
• Assets developed internally and related taxation	(4,890)				(812)	(5,702)
• Provisions for retirement indemnities	2,747	(123)		52	292	2,968
• Client relations	(1,196)				525	(671)
• Other	(391)				107	(284)
Deferred tax – French companies	3,398	(166)	0	52	(3,447)	(163)
• Tax timing differences	(1,210)	(10)		(81)	(1,510)	(2,811)
• Tax loss carryforwards recognized	1,407			780	929	3,116
• Other	(290)	(531)		(13)	(6)	(840)
Deferred tax – foreign companies	(93)	(541)	0	686	(587)	(535)
Total net deferred taxes	3,305	(707)	0	738	(4,034)	(698)
Including:						
Deferred tax assets	5,272					2,517
Deferred tax liabilities	(1,967)					(3,215)

Tax losses carried forward

Future tax savings from relieving tax losses carried forward by subsidiaries that are not part of the French tax group are analyzed below:

(in thousands of euros)	12.31.09 tax base	Changes in consolidation scope	Tax losses utilized	Tax losses foregone, exchange differences and adjustments	New tax losses	12.31.10	Future tax savings	
							Recognized	Non-recognized
France	6,072	(668)		(14)	51,198	56,588	7,893 ⁽¹⁾	11,590
Spain	9,034		(92)	520	8,728	18,190	3,116 ⁽²⁾	2,341
Portugal	1,084			(1,084)	105	105		29
Benelux	1,035		(230)	68		873		296
Switzerland	58,439		(433)	19,908	82	77,996		6,630
Canada	5,248		(4,871)	665	1,311	2,353		727
Morocco	204			(204)		0		0
TOTAL	81,116	(668)	(5,626)	19,859	61,424	156,105	11,009	21,613

(1) Future tax savings recognized in France comprise recognized deferred tax assets of €1,419,000 and the €6,474,000 carry-back receivable.

(2) Future tax savings recognized in Spain comprise tax credits related to dividends received by the Spain parent company in the amount of €2,880,000.

The breakdown of these deficits which can be carried forward according to their maturities is as follows:

Expiring in	
2011	11,516
2012	6,938
2013	2,556
2014	5,799
2015	33,723
After 5 years	38,110
Indefinite	57,463
TOTAL	156,105

6. Consolidated statement of financial position

► Note 7: Goodwill

<i>(in thousands of euros)</i>	Total	Impairment losses	Carrying amount
December 31, 2008	270,592	32,202	238,390
Discontinued operations	(56,215)	(24,467)	(31,748)
Acquisitions	7,999	0	7,999
Additional purchase consideration	(264)	0	(264)
Eliminated on disposals	(2,081)	(32)	(2,049)
Amortization in the period	0	6,200	(6,200)
EXCHANGE DIFFERENCES	3,865	53	3,812
December 31, 2009	223,896	13,956	209,940
Discontinued operations			0
Acquisitions	1,017	0	1,017
Additional purchase consideration	(1,241)	0	(1,241)
Eliminated on disposals	(5,676)	(1,516)	(4,160)
Amortization in the period	0	1,000	(1,000)
Exchange differences	6,119	672	5,447
December 31, 2010	224,115	14,112	210,003

Changes in goodwill:

- with regard to acquisitions, concern mainly the acquisition of Activemédia Développement in Canada;
- with regard to disposals, concern mainly the disposal of the operations of Monetic in France and Santé-Clinique in Canada.

The fair value of the identifiable assets and liabilities and contingent liabilities relating to these acquisitions made over the year was comprehensively analyzed and will be finalized if necessary within the fair value allocation period.

On December 31, 2010, amounts due in respect of firm commitments to buy additional shares or to pay additional purchase considerations amounted to €7,553,000 and are reported as “Current financial liabilities” and “Non-current financial liabilities”, according to their maturities (see Note 16: “Other non-current and current financial liabilities”).

Cash generating units

By way of reminder, Note 21 includes segment reporting by country in accordance with the principal level of monitoring of the Group’s operations by management. At national level, the various service-based operations have developed powerful synergies, whilst software operations, owing to their specific nature, have strengthened their independence. These developments, which have recently accelerated – company strategy includes the presentation of a fully integrated offer – have led management to adapt the manner in which operations are monitored in each country.

As indicated in its half-yearly financial report of June 30, 2010, the Group thus decided to modify the appearance of the existing CGUs and to present, for each country, one CGU that includes an “integrated offer” of all services and another separate CGU for software operations, where appropriate. This change in the definition of the CGUs became effective as of January 1, 2010. Taking the change into consideration, the Group now presents 9 CGUs (compared to 12 CGUs in 2009), including 2 in France (5 in 2009), 2 in Spain (3 in 2009) and 2 in Canada (1 in 2009).

Measurement method applied to continuing operations

Goodwill is tested for impairment using the discounted cash flow method (DCF).

The growth rate to infinity has been set at 2.5%. The discount rate used was 9.5%. The discount rate and growth rate to infinity are values typically applied in the sector.

Business forecasts are based on the 2011 budgets of the main operating entities drawn up by management and on growth rates of between 3% and 6% for the period 2012 to 2015 for French CGUs, between 6% and 7% for Southern European CGUs (Spain and Portugal) and between 5% and 8% for Northern European CGUs (Switzerland and Benelux) and Canada.

Taking into account the assumptions concerning profitability and working capital used in the operations, the execution of these tests with respect to 2010 has given rise to a €1,000,000 impairment loss on the Spanish Software cash generating unit.

Sensitivity test

An overall sensitivity test was carried out on the following calculation parameters:

- a 0.5 percentage point increase in the discount rate would reduce the carrying amount of the goodwill as reported on the balance sheet on December 31, 2010 by 2%;
- a 0.5 percentage point decrease in the growth rate to infinity would reduce the carrying amount of the goodwill as reported on the balance sheet on December 31, 2010 by 1%;
- a 0.5 percentage point decrease in the assumptions concerning annual margin for all of the periods in question would reduce the carrying amount of the goodwill as reported on the balance sheet on December 31, 2010 by 2%.

More specifically, the Spanish CGUs impaired in 2009 and 2010 present the following sensitivity regarding the carrying amount of the corresponding goodwill as reported on the balance sheet on December 31, 2010, based on the same parameters:

- a 0.5 percentage point increase in the discount rate would further reduce the carrying amount of the goodwill of the two Spanish CGUs (Integrated Offer and Software) by €2.3 million and €0.4 million respectively;
- a 0.5 percentage point decrease in the growth rate to infinity would further reduce the carrying amount of the goodwill of the two Spanish CGUs (Integrated Offer and Software) by €1 million and €0.3 million respectively;
- a 0.5 percentage point decrease in the assumptions concerning annual margin for all of the periods in question would further reduce the carrying amount of the goodwill of the two Spanish CGUs (Integrated Offer and Software) by €3.9 million and €0.4 million respectively.

In addition, the Canadian Software CGU presents the following sensitivity regarding the carrying amount of the corresponding goodwill as reported on the balance sheet on December 31, 2010, based on the same parameters:

- a 0.5 percentage point increase in the discount rate would lead to a reduction of €0.7 million;
- a 0.5 percentage point decrease in the growth rate to infinity would lead to a reduction of €0.5 million;
- a 0.5 percentage point decrease in the assumptions concerning annual margin for all of the periods in question would lead to a reduction of €0.3 million.

Note 8: Other intangible assets

<i>(in thousands of euros)</i>	Total	Amortization and impairment losses	12.31.10 Carrying amount	12.31.09 Carrying amount	12.31.08 restated Carrying amount
Software purchased	8,618	7,056	1,562	1,620	2,533
Software developed internally	6,829	2,633	4,196	4,660	5,592
Development costs	31,296	11,506	19,790	14,617	9,952
Client relations	29,204	11,569	17,635	19,146	10,103
TOTAL	75,947	32,764	43,183	40,043	28,180

Software purchased corresponds to the cost of the operating licenses of the software applications in question. Software developed internally corresponds to the cost of the rollout of ERP software within the Group (Theseus project).

Changes in intangible assets are analyzed in the table below:

<i>(in thousands of euros)</i>	Total	Amortization and impairment losses	Carrying amount
December 31, 2008	49,703	21,523	28,180
Discontinued operations	(985)	(352)	(633)
Assets purchased	815	0	815
Assets developed internally	5,446	0	5,446
Assets sold	(2,522)	(2,519)	(3)
Amortization in the period	0	6,376	(6,376)
Reclassifications	0	0	0
Arising from first-time consolidation	10,741	40	10,701
Exchange differences	2,353	440	1,913
December 31, 2009	65,551	25,508	40,043
Assets purchased	944	0	944
Assets developed internally	7,621	0	7,621
Assets sold	(604)	(431)	(173)
Amortization in the period	0	8,307	(8,307)
Arising from first-time consolidation	729	0	729
Deconsolidated	(1,730)	(1,348)	(382)
Exchange differences	3,436	728	2,708
December 31, 2010	75,947	32,764	43,183

The fixed assets generated internally include software development costs activated in the context of the "Software application publishing" activity of the Group (gross value of €7,621,000 in 2010, versus €5,446,000 in 2009).

The development costs amounting to €1,795,000 were incurred by the Group's French entities that do not comply with criteria defined by IAS 38 and are therefore included in the operating costs of the fiscal year.

Note 9: Property, plant and equipment

<i>(in thousands of euros)</i>	Total	Depreciation and impairment losses	12.31.10 Carrying amount	12.31.09 Carrying amount	12.31.08 restated Carrying amount
Land and buildings	683	481	202	223	243
Buildings held under finance leases	1,918	1,918	0	0	13
Plant and equipment	6,493	4,730	1,763	2,498	2,281
Plant and equipment held under finance leases	184	184	0	0	0
Other assets	33,836	26,711	7,125	6,628	7,868
Other assets held under finance leases	1,395	645	750	613	847
TOTAL	44,509	34,669	9,840	9,962	11,252

Changes in property, plant and equipment are analyzed in the table below:

<i>(in thousands of euros)</i>	Total	Depreciation and impairment losses	Carrying amount
December 31, 2008	52,664	41,412	11,252
Discontinued operations	(3,881)	(3,523)	(358)
Assets purchased	3,476	0	3,476
Assets developed internally	0	0	0
Assets sold	(6,695)	(6,429)	(266)
Amortization in the period	0	4,765	(4,765)
Arising from first-time consolidation	706	224	482
Exchange differences and reclassification	1,194	1,053	141
December 31, 2009	47,464	37,502	9,962
Assets purchased	4,779	0	4,779
Assets developed internally	0	0	0
Assets sold	(8,555)	(7,003)	(1,552)
Depreciation in the period	0	3,463	(3,463)
Arising from first-time consolidation	66	38	28
Deconsolidated	(344)	(277)	(67)
Exchange differences and reclassification	1,099	946	153
December 31, 2010	44,509	34,669	9,840

The Group does not generate property, plant and equipment internally.

Note 10: Non-current financial assets

Non-current financial assets are analyzed below:

<i>(in thousands of euros)</i>	Total	Impairment losses	12.31.10 Carrying amount	12.31.09 Carrying amount	12.31.08 restated Carrying amount
Housing and staff loans	719	0	719	776	831
Deposits and other forms of collateral	3,313	153	3,160	1,699	2,415
Investments in associates	0	0	0	0	587
Participating interests	125	0	125	128	134
TOTAL	4,157	153	4,004	2,603	3,967

Note 11: Trade receivables

All the trade receivables below are due within one year.

<i>(in thousands of euros)</i>	12.31.10	12.31.09	12.31.08 restated
Trade receivables	82,834	91,246	158,296
Receivables ceded to Factors	87,765	81,623	103,059
Provisions for doubtful debts	(3,786)	(4,834)	(8,093)
	166,813	168,035	253,262
Bills receivable	527	492	2,933
Invoices to be raised	48,572	41,757	56,784
TOTAL NET TRADE RECEIVABLES	215,912	210,284	312,979

Debts net of impairment losses are analyzed in the table below:

<i>(in thousands of euros)</i>	12.31.10	Debts not expired	Debts expired in the last		
			less than 6 months	6 to 12 months	more than 12 months
NET TRADE RECEIVABLES*	166,813	126,282	34,717	3,208	2,606

*Excluding Bills receivable and Invoices to be raised

he impairment of customer debts developed as follows during the fiscal year:

<i>(in thousands of euros)</i>	12.31.10	12.31.09	12.31.08 restated
Accumulated impairment losses on January 1	4,834	8,093	7,845
Assets held for sale		(4,027)	
New impairment losses	2,366	3,307	2,189
Reversals of impairment losses	(761)	(1,863)	(373)
Amortization used (removal of the debt from the accounts)	(1,708)	(676)	(1,568)
Changes in consolidation scope	(945)	0	0
ACCUMULATED IMPAIRMENT LOSSES ON DECEMBER 31	3,786	4,834	8,093

The ten principal customers of GFI Informatique represent less than one third of 2010 consolidated revenue. None of these ten principal customers represents individually more than 10% of Group revenue.

Note 12: Other receivables

<i>(in thousands of euros)</i>	12.31.10	12.31.09 restated	12.31.08 restated
Tax	21,683	21,126	21,449
Other receivables	7,653	5,976	12,307
Payments on account	1,909	490	982
Receivables from asset disposals	2,094	0	0
Total	33,339	27,592	34,738
Accumulated impairment losses	0	(196)	(557)
NET VALUE	33,339	27,396	34,181

“Other receivables” comprise mainly amounts recoverable from social security bodies.

Receivables from asset disposals concern the sale of the Santé-Clinique healthcare software operation in Canada and the electronic payment systems consulting business in France during 2010 (see section on “Scope of consolidation”).

By way of reminder, at December 31, 2008 this item included the Engineering dispute receivable of €5,348,000.

Note 13: Total equity

The statement of change in equity is presented in the first part of the consolidated financial statements.

Changes in capital

At December 31, 2010, the capital was composed of 54,293,742 shares with a nominal value of €2 and thus amounted to €108,587,484.

At December 31, 2010, the total number of shares authorized by the Shareholders’ General Meeting but for which the authorization was not used amounted to 22,029,374.

Transactions involving treasury shares

A total of 378,099 shares were held in treasury on December 31, 2009 and valued at €1,242,000. During the 2010 fiscal year, 963,482 treasury shares were repurchased for €2.87 per share on average and 1,025,922 shares were sold, as a result of which 315,659 shares were held in treasury on December 31, 2010. These shares represented 0.6% of the total number of shares in issue on December 31, 2010.

Dividends

The ordinary Shareholders’ General Meeting held on May 19, 2010, did not vote for a payment of dividends in 2010 as part of the appropriation of 2009 profit.

The dividend paid for the previous year amounted to €0.22 per share and €11,862,000 in total.

Appropriation of parent company income for 2010

The appropriation of parent company income that will be submitted at the Shareholders’ General Meeting on May 19, 2011, proposes the recognition of €8,936,000 to retained earnings and the remaining €470,000 to the statutory reserve, for total parent company income of €9,406,000.

Reminder concerning restated 2008 shareholders’ equity

In accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – the corrections made in 2009 to the 2006-2008 financial statements were applied retrospectively.

Restated shareholders' equity at January 1, 2009 came out at €224,744,000. The impact of these adjustments made in application of IAS 8 is presented below.

	12.31.08 historical data	Correction	12.31.08 restated
Share capital	108,588	0	108,588
Additional paid-in capital	86,178	0	86,178
Consolidated reserves	26,616	(6,189)	20,427
Profit for the year	14,327	(299)	14,028
Other	(4,403)	0	(4,403)
Translation reserve	(2,463)	0	(2,463)
Equity attributable to Group	228,843	(6,488)	222,355
Minority interests	2,389	0	2,389
TOTAL EQUITY	231,232	(6,488)	224,744

► Note 14: Borrowings

Non-current borrowings

<i>(in thousands of euros)</i>	12.31.10	12.31.09	12.31.08 restated	2012	Maturity 2013	2014	2015
Bank loans	46,297	67,111	67,382	20,394	12,995	12,894	14
Finance lease obligations	845	358	482	402	338	105	0
TOTAL	47,142	67,469	67,864	20,796	13,333	12,999	14

Current borrowings

<i>(in thousands of euros)</i>	12.31.10	12.31.09	12.31.08 restated
Bank loans due within 1 year	25,339	17,301	19,690
Finance lease obligations, short-term portion	437	260	342
Bank overdrafts	19,347	23,175	17,029
Amounts drawn down from factors	24,905	2,463	9,387
Accrued interest	222	100	145
TOTAL	70,250	43,299	46,593

The loans with credit institutions as well as the financial lease obligations are subscribed at fixed rates or variable rates, according to the following distribution:

<i>Fixed rate and variable rate distribution (in thousands of euros)</i>	12.31.10	12.31.09	12.31.08 restated
Variable interest rates	24,582	16,621	18,257
Fixed interest rates	1,194	940	1,775
TOTAL	25,776	17,561	20,032

Hedging

The interest rate risk to which short-term bank loans are exposed has been hedged using financial instruments whose characteristics are detailed in Note 18: "Current financial liabilities".

Changes in net borrowings

<i>(in thousands of euros)</i>	2010
NET CASH FROM OPERATING ACTIVITIES	17,236
- Cash used in investing activities (outside consolidation scope)	(13,847)
- Interest paid and cost of swaps	(5,511)
NET AVAILABLE CASH	(2,122)
+/- Impact of changes in consolidation scope	11,246
+ Proceeds on issue of shares	0
+/- Repurchases and sales of treasury shares	235
- Dividends paid	0
+/- Effect of changes in foreign exchange rate	(1,261)
CHANGES IN NET BORROWINGS EXCLUDING DISCONTINUED OPERATIONS	8,098
Net borrowings at opening	(95,101)
<i>Changes in net borrowings</i>	<i>8,098</i>
Net borrowings at closing	(87,003)

Note 15: Non-current provisions

Non-current provisions comprise provisions for retirement benefits relating to operations in France and the provision in respect of the tax audit of GFI Informatique.

<i>(in thousands of euros)</i>	31.12.09	Liabilities held for sale	Changes in consolidation scope	Increases	Decreases	Changes in actuarial differences	Reclassifications	12.31.10
Retirement indemnities	8,777	0	(357)	1,400	(331)	151	0	9,640
Tax dispute	0			340			9,752	10,092
TOTAL	8,777	0	(357)	1,740	(331)	151	9,752	19,732

<i>(in thousands of euros)</i>	12.31.08 restated	Liabilities held for sale	Changes in consolidation scope	Increases	Decreases	Changes in actuarial differences	Reclassifications	12.31.09
Retirement indemnities	7,738	0		1,317	(1,036)	758		8,777
Italy	7,861	(7,861)						0
TOTAL	15,599	(7,861)	0	1,317	(1,036)	758	0	8,777

Retirement indemnities

Legal and contractual benefits payable to employees are provisioned by the Group on the basis of each employee's theoretical length of service upon leaving on retirement as required by IAS 19.

These commitments are based on the assumption that in all cases employees will leave at their own initiative. The average rate of social security costs applied is 44%. The calculation is based on assumptions reflecting the expected staff turnover by age band as well as the expected mortality by gender based on the INSEE 2004-2006 mortality tables. The discount rate used was 4.70%.

The present value of the Group's total obligations in respect of retirement indemnities payable in France is analyzed in the table below:

(in thousands of euros)

Provision for retirement indemnities at December 31, 2008	7,738
Arising from first-time consolidation	0
Cost of services rendered during the year	790
Interest expenses	481
Effect of curtailments and liquidations	(1,036)
Cost of past services recognized during the period	46
Change in actuarial differences	758
Provision for retirement indemnities at December 31, 2009	8,777
Deconsolidated	(357)
Cost of services rendered during the year	878
Interest expenses	476
Effect of curtailments and liquidations	(331)
Cost of past services recognized during the period	46
Change in actuarial differences	151
PROVISION FOR RETIREMENT INDEMNITIES AT DECEMBER 31, 2010	9,640

Modifications to the Syntec National Collective Bargaining Agreement (Convention Collective Nationale) in 2004 generated costs for past services totaling €1,219,000. Costs for past services not recognized to profit or loss came to €920,000 on December 31, 2010.

Changes in the Group's obligations are analyzed in the table below:

(in thousands of euros)

	12.31.10	12.31.09	12.31.08 restated
- Provision for retirement indemnities	9,640	8,777	7,738
- Net cost of past services	920	966	1,011
TOTAL OBLIGATION IN RESPECT OF RETIREMENT INDEMNITIES	10,560	9,743	8,749

Tax risks

The tax audits in 2007 and 2008 involved the VAT exemption of certain intracommunity deliveries for a total of €8.5 million plus €1.3 million in back interest and 40% surcharges, i.e. €3.4 million, for deliberate violations. The total amount due, including interest and surcharges, comes out at €13.2 million.

GFI Informatique resolutely contested the adjustment proposals and submitted all possible appeals in 2009. The tax authorities confirmed their position and issued a notice initiating collection proceedings in February 2010. Consequently, GFI Informatique booked €9,752,000 in provisions for the tax audits (excluding penalties) under "Other operating income and expenses" in the 2009 financial statements.

GFI Informatique believes that these tax audits are not justified in law or in practice and has defended its position before the competent authorities.

This tax audit is the main item for which provisions for tax risks have been recorded.

GFI Informatique has requested suspension of payment as provided for by the French Tax Code. In this context, the corresponding provision was reclassified from "Current provisions" to "Non-current provisions" during the year. A provision of €340,000 for back interest dating from the initiation of collection proceedings was booked for 2010.

Note 16: Other current and non-current financial liabilities

These non-current and current liabilities are related to the acquisition of additional shares in consolidated subsidiaries.

At December 31, 2010 they comprise the additional price considerations calculated at closing. The additional price considerations are related to the companies' performance.

(in thousands of euros)	12.31.10	12.31.09	12.31.08 restated	Maturity			
				2011	2012	2013	> 5 years
Other non-current financial liabilities	475	906	1,652	na	100	0	375
Other current financial liabilities	7,078	7,921	9,306	7,078	na	na	
TOTAL	7,553	8,827	10,958	7,078	100	0	375

Note 17: Current provisions

(in thousands of euros)	12.31.09	Liabilities held for sale	Changes in consolidation scope	Increases	Decreases	Other	12.31.10
Labor disputes	1,598		0	970	(1,291)	185	1,462
Restructuring and reorganization	557		(1)	104	(359)	(185)	116
Disputes	2,585		0	186	(2,276)		495
Tax and social security risks	10,564		(1)	7	(434)	(9,752)	384
Other	960		4	3,480	(790)		3,654
TOTAL	16,264		2	4,747	(5,150)	(9,752)	6,111

(in thousands of euros)	12.31.08 restated	Liabilities held for sale	Changes in consolidation scope	Increases	Decreases	Other	12.31.09
Labor disputes	1,238			967	(614)	7	1,598
Restructuring and reorganization	1,905	(1,197)		631	(775)	(7)	557
Disputes	3,271			555	(1,241)	0	2,585
Tax and social security risks	1,228			9,774	(434)	(4)	10,564
Other	140			863	(47)	4	960
TOTAL	7,782	(1,197)	0	12,790	(3,111)	0	16,264

Provisions for labor disputes, reorganisations and restructuring

The depreciation and provisions and reversals for labor risks and reorganizations essentially relate to France.

Disputes

The principal dispute for which provisions were recorded at the end of 2009 was a commercial dispute with a customer following the initiation of legal proceedings several years ago. A provision of €1.7 million was booked for this dispute, culminating in the payment of a €1.2 million penalty in 2010.

Tax and social security risks

See "Note 15: Non-current provisions".

Amounts set aside and reversed are analyzed in the table below:

<i>(in thousands of euros)</i>	Increases				Decreases				Including without defined purpose
	Operating, on ordinary activities	Operating, not related to ordinary activities	Financial	Total	Operating, on ordinary activities	Operating, not related to ordinary activities	Financial	Total	
Labor disputes	0	970	0	970	0	(1,291)	0	(1,291)	(114)
Restructuring and reorganization	0	104	0	104	0	(359)	0	(359)	(9)
Disputes	0	186	0	186	0	(2,276)	0	(2,276)	(970)
Tax and social security risks	7	0	0	7	(333)	(101)	0	(434)	(426)
Other	71	3,377	32	3,480	(790)	0	0	(790)	(108)
TOTAL	78	4,637	32	4,747	(1,123)	(4,027)	0	(5,150)	(1,627)

Decreases without defined purpose concern mainly non-recurring items at operating level.

Note 18: Current financial liabilities

Current financial liabilities correspond to hedging instruments recognized at fair value. Some interest-rate hedging instruments are for a constant amount until maturity, whereas others are for amounts that decline gradually until maturity. These hedging instruments are valued in accordance with IFRS 7 revised, Level II, i.e. based on observable data other than a price listed on an active market. Instruments in force at December 31, 2010 are analyzed below by remaining maturity.

Type of instrument	Date of issue or restructuring	Date of expiration	Counterparty	Hedging on 12.31.10	<i>(in thousands of euros)</i>			Fair value
					2011	Maturity 2012	2013	
Fixed rate swap	03.17.06	03.06.11	BNP Paribas	325	325	0		(1)
Subsidized interest rate swap	09.17.07	12.15.11	Calyon	1,912	1,912	0		(55)
Deactivating fixed rate swap	06.15.07	12.15.11	Calyon	956	956	0		0
Subsidized interest rate swap	06.15.07	12.15.11	BNP Paribas	956	956	0		(31)
Collar	06.15.07	12.15.11	HSBC	956	956	0		(20)
Fixed rate swap	02.15.07	12.15.11	BNP Paribas	892	892	0		(19)
Fixed rate swap	10.03.07	12.15.12	BNP Paribas	2,000	1,000	1,000		(75)
Fixed rate swap	10.03.07	12.15.12	SG	2,000	1,000	1,000		(61)
Fixed rate swap	10.03.07	12.15.12	Calyon	2,000	1,000	1,000		(75)
Fixed rate swap	10.10.07	12.15.12	HSBC	2,000	1,000	1,000		(74)
Fixed rate swap	07.18.08	12.15.12	BNP Paribas	3,000	1,200	1,800		(148)
Fixed rate swap	07.18.08	12.15.12	HSBC	1,500	600	900		(73)
Fixed rate swap	10.02.08	12.15.11	SG	2,597	2,597	0		(74)
Fixed rate swap	10.02.08	12.15.11	Calyon	2,597	2,597	0		(59)
Cap	11.15.10	02.15.13	BNP Paribas	26,000	6,000	7,000	13,000	46
				49,691	22,991	13,700	13,000	(719)

Note 19: Tax and social security

<i>(in thousands of euros)</i>	12.31.10	12.31.09	12.31.08 restated
Staff	37,305	35,582	40,689
Value added taxation	45,038	44,313	56,418
Social security	43,876	43,293	45,585
Income tax	4,545	5,466	6,314
Other taxes	1,216	1,800	3,801
TOTAL	131,980	130,454	152,807

All the above amounts are payable within one year.

Note 20: Other current liabilities

<i>(in thousands of euros)</i>	12.31.10	12.31.09	12.31.08 restated
Due to fixed asset suppliers	426	1,032	509
Payments on account	8,419	8,488	8,215
Other	2,205	927	7,383
TOTAL	11,050	10,447	16,107

All the above amounts are payable within one year.

By way of reminder, on December 31, 2008 this item included the €5,699,000 debt relating to the Engineering dispute.

7. Segment information

Note 21: Segment reporting

Segment income statement

<i>(in thousands of euros)</i>	2010	France	Spain	Portugal	Benelux	Switzerland	Canada	Morocco	Italy	Germany
Revenue	657,910	472,797	65,569	29,419	17,015	1,087	67,252	4,771		
Depreciation and amortization of segment assets	(8,309)	(5,104)	(876)	(780)	(94)	(4)	(1,340)	(111)		
OPERATING MARGIN	40,220	25,709	2,345	627	583	(478)	10,934	500		
Amortization of assigned intangible assets	(4,008)	(1,526)					(2,482)	0		
Other operating income and expenses not related to ordinary activities	(5,803)	(8,694)	(2,515)	(224)	(151)	0	5,781	0		
OPERATING PROFIT	30,409	15,489	(170)	403	432	(478)	14,233	500		
Net finance costs	(4,116)	(2,433)	(443)	(17)	(148)	(81)	(994)	0		
Other financial income (expenses)	(1,539)	(1,403)	4	3	2	(5)	(130)	(10)		
Income tax expense	(7,029)	(3,256)	35	(260)	(111)	(59)	(3,223)	(155)		
Profit (loss) for the year from discontinued operations	(1,560)	0	0	0	0	0	0	0	(992)	(568)
PROFIT/(LOSS) FOR THE YEAR	16,165	8,397	(574)	129	175	(623)	9,886	335	(992)	(568)
Attributable to the Group	11,951	8,382	(574)	129	175	(623)	5,687	335	(992)	(568)
Attributable to minority interests	4,214	15	0	0	0	0	4,199	0	0	0

<i>(in thousands of euros)</i>	2009 restated ⁽¹⁾	France	Spain	Portugal	Benelux	Switzerland	Canada	Morocco	Italy	Germany
Revenue	663,604	486,110	70,782	31,895	16,807	1,365	52,195	4,450		
Depreciation and amortization of segment assets	(7,032)	(4,464)	(936)	(675)	(105)	0	(741)	(111)		
OPERATING MARGIN	32,928	20,634	2,755	209	515	5	8,017	793		
Amortization of assigned intangible assets	(3,258)	(1,525)					(1,733)			
Other operating income and expenses not related to ordinary activities	(29,276)	(21,957)	(7,344)	(300)	(459)	0	806	(22)		
OPERATING PROFIT	394	(2,848)	(4,589)	(91)	56	5	7,090	771		
Net finance costs	(2,790)	(1,076)	(426)	(45)	(162)	(231)	(838)	(12)		
Other financial income (expenses)	(2,376)	(2,262)	3	8	23	33	(189)	8		
Income tax expense	(529)	2,497	(131)	(641)	(274)	(95)	(1,728)	(157)		
Profit (loss) for the year from discontinued operations	(51,278)	0	0	0	0	0	0	0	(42,008)	(9,270)
PROFIT/(LOSS) FOR THE YEAR	(56,579)	(3,689)	(5,143)	(769)	(357)	(288)	4,335	610	(42,008)	(9,270)
Attributable to the Group	(57,778)	(3,694)	(5,143)	(769)	(357)	(288)	3,141	610	(42,008)	(9,270)
Attributable to minority interests	1,199	5	0	0	0	0	1,194	0	0	0

<i>(in thousands of euros)</i>	2008 restated ⁽²⁾	France	Spain	Portugal	Benelux	Switzerland	Canada	Morocco	Italy	Germany
Revenue	681,966	514,414	76,532	30,434	18,482	1,669	36,319	4,116		
Depreciation and amortization of segment assets	(7,109)	(4,335)	(1,437)	(685)	(103)	0	(474)	(75)		
OPERATING MARGIN	46,347	33,736	5,038	1,700	613	(14)	4,966	308		
Amortization of assigned intangible assets	(2,132)	(1,480)	0				(652)			
Other operating income and expenses not related to ordinary activities	(5,951)	(5,676)	(895)	0	(224)	(23)	871	(4)		
OPERATING PROFIT	38,264	26,580	4,143	1,700	389	(37)	5,185	304		
Net finance costs	(5,038)	(2,312)	(1,073)	48	(256)	(723)	(703)	(19)		
Other financial income (expenses)	(281)	(524)	(49)	20	17	6	253	(4)		
Income tax expense	(10,001)	(6,071)	(1,254)	(553)	(352)	(404)	(1,247)	(120)		
Profit (loss) for the year from discontinued operations	(8,537)	0	0	0	0	0	0	0	(8,563)	26
PROFIT/(LOSS) FOR THE YEAR	14,407	17,673	1,767	1,215	(202)	(1,158)	3,488	161	(8,563)	26
Attributable to the Group	14,028	17,713	1,767	1,215	(202)	(1,158)	3,069	161	(8,563)	26
Attributable to minority interests	379	(40)	0	0	0	0	419	0	0	0

Segment income and expenses are stated before eliminating intra-Group balances and transactions except when these intra-Group balances and transactions are within the same segment.

(1) Presentation of the "Operating margin" indicator

(2) Application of IFRS 5 and IAS 8 – comparison table shown in Note 28 – as well as presentation of "Operating margin" indicator

Consolidated statement of financial position by segment

The main assets by segment are analyzed in the following table

<i>(in thousands of euros)</i>	12.31.10	Intra-Group	France	Spain	Portugal	Benelux	Switzerland	Canada	Morocco	Italy	Germany
Goodwill	210,003	0	126,626	25,759	9,447	5,139	2,583	39,935	514	0	0
Other intangible assets	43,183	0	19,681	1,223	0	20	0	22,241	18	0	0
Property, plant and equipment	9,840	0	4,954	1,126	1,848	154	1	1,455	302	0	0
Trade receivables	215,912	(2,326)	155,491	34,862	9,627	4,437	384	9,253	4,184	0	0

<i>(in thousands of euros)</i>	12.31.09	Intra-Group	France	Spain	Portugal	Benelux	Switzerland	Canada	Morocco	Italy	Germany
Goodwill	209,940	0	127,675	26,759	9,447	5,039	2,248	38,265	507	0	0
Other intangible assets	40,043	0	18,993	1,300	0	16	2	19,709	23	0	0
Property, plant and equipment	9,962	0	5,175	1,430	1,441	125	5	1,419	367	0	0
Trade receivables	210,284	(1,506)	147,193	33,742	14,187	4,127	376	8,773	3,392	0	0

<i>(in thousands of euros)</i>	12.31.08	Intra-Group	France	Spain	Portugal	Benelux	Switzerland	Canada	Morocco	Italy	Germany
Goodwill	238,390	0	127,592	33,241	9,447	5,039	2,247	28,565	510	20,161	11,588
Other intangible assets	28,180	0	19,843	1,301	0	21	0	6,357	25	625	8
Property, plant and equipment	11,252	0	6,010	1,804	1,691	147	5	927	310	175	183
Trade receivables	312,979	(2,255)	185,412	43,647	12,553	4,972	333	8,244	3,661	53,299	3,113

Working capital and net borrowings as of December 31, 2010 are analyzed as follows:

<i>(in thousands of euros)</i>	12.31.10	Intra-Group	France	Spain	Portugal	Benelux	Switzerland	Canada	Morocco	Italy	Germany
Working capital	29,478		9,640	19,441	3,184	(502)	152	(4,349)	1,912		
Net borrowings	87,003		49,487	18,369	(3,044)	519	(1,767)	23,658	(219)		

<i>(in thousands of euros)</i>	12.31.09	Intra-Group	France	Spain	Portugal	Benelux	Switzerland	Canada	Morocco	Italy	Germany
Working capital	23,622		483	19,836	5,087	(90)	123	(3,430)	1,613		
Net borrowings	95,101		44,342	17,786	(1,403)	1,008	(1,514)	34,965	(83)		

<i>(in thousands of euros)</i>	12.31.08	Intra-Group	France	Spain	Portugal	Benelux	Switzerland	Canada	Morocco	Italy	Germany
Working capital	72,587		22,222	22,769	6,436	(823)	(306)	498	1,264	19,823	704
Net borrowings	92,251		21,728	20,514	(5,923)	(273)	8,276	22,327	110	4,971	20,521

Working capital includes all current asset items, excluding cash and cash equivalents and receivables from asset disposals, less trade payables, tax and social security, other current liabilities, excluding payables to fixed asset suppliers, and deferred income.

8. Additional information

► Note 22: Financial instruments

Financial instruments recorded on the balance sheet

<i>(in thousands of euros)</i>	12.31.10	Breakdown by category of instruments				
		Assets valued at their fair value by results	Instruments used to hedge future cash flows	Assets held until maturity	Loans and debts	Debts in amortized cost
Non-current financial assets excluding shares, by the equity method	4,004				4,004	
Other non-current financial assets	0			0		
Trade receivables	215,912				215,912	
Other receivables	11,656				11,656	
Cash and cash equivalents	30,389	30,389				
ASSETS	261,961	30,389		0	231,572	0
Non-current borrowings	46,297					46,297
Other non-current financial liabilities	475					475
Current borrowings	69,813					69,813
Current financial liabilities	719	87	632			
Other current financial liabilities	7,078					7,078
Trade payables	46,822					46,822
Other current liabilities	11,050					11,050
LIABILITIES	182,254	87	632	0	0	181,535

<i>(in thousands of euros)</i>	12.31.09	Breakdown by category of instruments				
		Assets valued at their fair value by results	Instruments used to hedge future cash flows	Assets held until maturity	Loans and debts	Debts in amortized cost
Non-current financial assets excluding shares, by the equity method	2,603				2,603	
Other non-current financial assets	0			0		
Trade receivables	210,284				210,284	
Other receivables	6,270				6,270	
Cash and cash equivalents	15,668	15,668				
ASSETS	234,825	15,668		0	219,157	0
Non-current borrowings	67,111					67,111
Other non-current financial liabilities	906			0		906
Current borrowings	43,039					43,039
Current financial liabilities	2,144	698	1,446			
Other current financial liabilities	7,921					7,921
Trade payables	49,904					49,904
Other current liabilities	10,447					10,447
LIABILITIES	181,472	698	1,446	0	0	179,328

<i>(in thousands of euros)</i>	12.31.08	Breakdown by category of instruments				
		Assets valued at their fair value by results	Instruments used to hedge future cash flows	Assets held until maturity	Loans and debts	Debts in amortized cost
Non-current financial assets excluding shares, by the equity method	3,380				3,380	
Other non-current financial assets	0			0		
Trade receivables	312,979				312,979	
Other receivables	12,732				12,732	
Cash and cash equivalents	22,206	22,206				
ASSETS	351,297	22,206		0	329,091	0
Non-current borrowings	67,382					67,382
Other non-current financial liabilities	1,652			0		1,652
Current borrowings	46,251					46,251
Current financial liabilities	3,295	1,742	1,553			
Other current financial liabilities	9,306					9,306
Trade payables	80,738					80,738
Other current liabilities	16,107					16,107
LIABILITIES	224,731	1,742	1,553	0	0	221,436

Income statement effect of the financial instruments

<i>(in thousands of euros)</i>	2010	Income statement effect of the financial instruments			
		Benefit	Fair value	Amortized cost	Impairment
Assets and liabilities valued at their fair value by results	(1,042)	(1,653)	611	0	0
Assets available for sale	0	0	0	0	0
Loans and debts	(2,063)	(583)	125	0	(1,605)
Assets held until maturity	0	0	0	0	0
Debts in amortized cost	(3,533)	(3,348)	0	(185)	0
	(6,638)	(5,584)	736	(185)	(1,605)

<i>(in thousands of euros)</i>	2009	Income statement effect of the financial instruments			
		Benefit	Fair value	Amortized cost	Impairment
Assets and liabilities valued at their fair value by results	(1,138)	(2,180)	1,042	0	0
Assets available for sale	0	0	0	0	0
Loans and debts	(1,661)	(217)	0	0	(1,444)
Assets held until maturity	0	0	0	0	0
Debts in amortized cost	(2,573)	(2,485)	0	(88)	0
	(5,372)	(4,882)	1,042	(88)	(1,444)

<i>(in thousands of euros)</i>	2008 restated	Income statement effect of the financial instruments			
		Benefit	Fair value	Amortized cost	Impairment
Assets and liabilities valued at their fair value by results	(148)	(667)	519	0	0
Assets available for sale	0	0	0	0	0
Loans and debts	(2,391)	(613)	38	0	(1,816)
Assets held until maturity	0	0	0	0	0
Debts in amortized cost	(5,972)	(5,887)	0	(85)	0
	(8,511)	(7,167)	557	(85)	(1,816)

Maturity

The following table shows the maturity profile of the financial liabilities of the Group on December 31, 2010, on the basis of the non-discounted contractual payments.

<i>(in thousands of euros)</i>		12.31.10	2011	2012	2013	2014	2015 and beyond
Loans due in more than 1 year*	<i>note 14</i>	47,020		21,117	12,995	12,894	14
Benefit		2,437		1,367	749	320	1
Other non-current financial liabilities	<i>note 16</i>	475		100	0	375	0
Non-current financial liabilities		49,932		22,584	13,744	13,589	15
Current borrowings*	<i>note 14</i>	69,813	69,813				
Benefit		2,251	2,251				
Current financial liabilities	<i>note 18</i>	719	719				
Other current financial liabilities	<i>note 16</i>	7,078	7,078				
Trade payables		46,822	46,822				
Other current liabilities	<i>note 20</i>	11,050	11,050				
Current financial liabilities		137,733	137,733				

* Capital due in nominal value.

The current portion of bank borrowings at December 31, 2010 presents the following maturities:

<i>(in thousands of euros)</i>	12.31.10	Less than 3 months	3 to 6 months	6 to 9 months	More than 9 months
Loans due within 1 year *	25,339	4,232	7,381	6,471	7,255

* Capital due in nominal value.

All of the Group's other current financial liabilities mature in less than three months.

Note 23: Miscellaneous risks

None.

Note 24: Off balance sheet commitments

The Group's off balance sheet commitments correspond to commitments given or received by GFI Informatique and its subsidiaries. They are presented in the table below.

Off balance sheet commitments related to changes in consolidation scope

- In the context of its disposals, the Group has granted the following liability guarantees

<i>(in thousands of euros)</i>		12.31.10
Maturity	Liability guarantees granted in the context of the following disposals:	Limit
09.30.11	GFI Informatik Management Holding and GFI Informatik Deutschland AG&COO	800
10.20.13	Santé-Clinique	10,303
03.20.12	GFI Monetic	750**

** excluding monitoring of disputes managed by GFI Informatique

In 2008 and 2009 the FTQ (Fonds de Solidarité des Travailleurs Québécois) benefited from liability guarantees for its subscriptions to the capital of the Group's Canadian subsidiary, Groupe GFI Solutions.

- In the context of the sale of the Italian subsidiaries in 2010:

Following the disposal of the Italian subsidiaries, GFI Informatique remains the guarantor for up to €5.4 million in bank guarantees given under the business contracts of these subsidiaries. The guarantees will expire in 2012 at the latest, once the deposits are received, following execution of the underlying contracts. At December 31, 2010 the remaining amount was €3.3 million.

In addition, prior to the disposal of the Italian CGU, €5 million in Italian trade receivables were sold to a factoring company as part of the disposal. GFI Informatique stood as guarantor for the remaining amounts due until October 15, 2010. This guarantee was extended until February 28, 2011. At the end of the 2010 fiscal year, the remaining amount was only €250,000.

- In the context of the sale of the Monetic subsidiary in 2010:

The payment of the balance due in respect of the disposal of Monetic is guaranteed by a bank guarantee from March 21, 2012 until April 30, 2012, up to a limit of €1,300,000.

- In the context of its acquisitions, the Group has received the following liability guarantees

<i>(in thousands of euros)</i>		12.31.10
Maturity	Liability guarantees received in the context of the following acquisitions:	Limit
12.31.12	BTD Group <i>* including €1.5 million covered by a bank guarantee</i>	6,000*
01.30.11	Groupe ACCOVIA	14,528
07.31.11	GFI Solutions d'affaires	5,087
12.31.11	Altus business (acquired by GFI Solutions d'affaires)	345
11.01.13	Activemédia Développement	924
03.31.12 ⁽¹⁾	A2PC	70

(1) Tax or social security liability: end of the statutory prescription period

Off balance sheet commitments related to company financing operations

Pledges, guarantees and mortgages granted

In the context of its financing arrangements with banks, the Group granted the following pledges and mortgages.

Beneficiary	Object
Club Deal banks	BTD Consulting and GFI Canada securities held by GFI Info
Royal Bank of Canada	Assets of GFI Conseils and GFI Solutions d'Affaires
Bank of Montreal	Assets of Fortsum

The Group also plans to pledge the securities of one of its subsidiaries in the context of its request for suspension of payment for the tax audit (see Note 15: "Non-current provisions").

Other commitments given in the context of financing operations

Contractual limitations to the Group's dividend payout policy

Within the framework of its main bank loan in France, the Group is committed to adopting a dividend payout policy that takes into account the debt repayment requirements and payment of related interest. This dividend policy is limited to:

- 60% of the share of excess cash flow over €2 million provided the ratio of net financial debt to adjusted gross operating income is over 1.65 and less than 2; or
- 40% of the share of excess cash flow over €2 million provided the ratio of net financial debt to adjusted gross operating income is over or equal to 2.

Additional contractual repayments

The loan terms governing the main bank loan in France allow for additional repayments, depending on the cash flow generated by the Group in the event of a sale of non-current assets under certain conditions or of payments received for guarantees.

In Canada, the loan terms allow for additional repayments, depending on the cash flow generated by operations and in the event of a sale of non-current assets under certain conditions. In the case of the Santé-Clinique asset disposal, a waiver was obtained by GFI Conseils.

Covenants

The bank loan contracts feature so-called default covenants in the form of financial covenants that are measured each year and half year (in France) or each quarter (in Canada) at the end of the period. These commitments are explained in Note 27: "Goals and policy for the management of financial risks".

Off balance sheet commitments related to operating activities

(in thousands of euros)	12.31.10	12.31.09	12.31.08
Given in connection with the payment of rents	201	350	461
Given in connection with cash facilities made available to subsidiaries	1,753	1,822	2,020
Given in connection with customer contracts	6,415	5,534	15,575
Given in connection with supplier contracts	287	285	2,506
TOTAL	8,656	7,991	20,562

The Group has the following commitments in respect of non-cancellable lease agreements for real estate:

(in thousands of euros)	12.31.10	Maturities		
		less than 1 year	1 to 5 years	more than 5 years
Operating leases	50,367	8,214	21,011	21,142

The lease agreement for the new head office is a nine-year fixed-term agreement. The rent due under this agreement is presented in the table above, and amounted to €27.4 million as at December 31, 2010.

The Group's commitments in respect of retirement indemnities (including non-amortized cost of past services) are detailed in Note 15: "Non-current provisions".

To the best of the Company's knowledge, there exists no other material balance sheet commitment within the meaning of the accounting standards applied for the preparation of the consolidated financial statements.

► Note 25: Post balance sheet events

On February 15, 2011 GFI Informatique acquired the assets and business of ARES SA in France, comprising mainly application and infrastructure service operations based in Paris, Orléans, Pau, Lyon, Bordeaux, Lille and Montpellier and shares in ARES Luxembourg.

The company has a total of 404 employees in France and 29 in Luxembourg. These employees are almost all billable, as GFI Informatique decided to take over all staff except administrative staff. They will be integrated within GFI Informatique in Application Services and Infrastructure Services. The customer portfolio includes:

the APHP, the Ministry of Defence, the DGAC, Total, Bayer, Aramice and the BEI in Luxembourg. The large volume of public sector business will complement the public sector business of GFI Informatique. The pensions sector, in which GFI Informatique has not been present up to now, is well covered by ARES and represents a large potential. The Infrastructure division will consolidate the high added-value operations of Pau and Luxembourg.

In 2010, recurring operations represented approximately 40% of revenue, which amounted to around €32 million. The operations taken over are profitable. The price paid amounted to €2.9 million.

► Note 26: Related party disclosures

Transactions concluded with the reference shareholder

None.

Compensation of key management personnel

The total remuneration, including all benefits in kind, paid in 2010 and 2009 to the members of the management and administrative bodies by GFI Informatique and companies it controls are indicated in the table below:

<i>(in euros)</i>	Fixed remuneration	Variable remuneration	Benefits in kind	Directors' fees	Total remuneration	Retirement indemnity commitments
2010	493,313	202,500	2,082	72,582	770,477	0
2009	634,313	593,000	9,237	60,000	1,296,550	0

The variable portion of the remuneration of corporate officers is calculated, in part, on the basis of actual operating profitability and capital expenditure as compared to the budget, and, in part, on the basis of objectives specific to each manager's area of responsibility.

The GFI Informatique Group considers that only the corporate officers have the authority and responsibility for the planning, management and control of the activities, directly or indirectly (IAS,24.9).

On December 18, 2007, the company signed a non-competition agreement with Vincent Rouaix and Michel Beilin. In compensation for the non-competition commitment subscribed to by Vincent Rouaix and Michel Beilin, said agreement provides for the payment to these parties of a lump sum of €600,000 and €480,000 respectively on the date of termination of their office.

As at December 31, 2010 there are no anticipated payments in respect of corporate officers after leaving office.

The number of bonus shares allocated to these parties in previous years is 100,000, allocated in 2009.

► Note 27: Goals and policy for the management of financial risks

The principal financial liabilities of the Group consist in loans and bank overdrafts, financial lease obligations and trade payables. The principal purpose of these financial liabilities is to finance the operating activities of the Group. The Group holds financial assets such as customer receivables, cash and short-term deposits which are generated by its activities directly.

It also contracts derivative instruments, primarily interest-rate swaps. These instruments have the goal of managing the interest rate risks associated with the Group's financing. The policy of the Group is not to subscribe to derivative instruments for speculative purposes.

The principal risks associated with the Group's financial instruments are the interest rate risk on cash flows, the liquidity risk and the counterparty risk.

The risk management policies are summarized below.

Interest rate risk on cash flows

The Group's exposure to variation risks in market interest rates is linked to the proportion of the Group's financial indebtedness, at a variable rate. Interest rate management forms an integral part of debt management. It is the Group that decides what proportion of the debt bears fixed interest rates and what proportion bears variable rates.

With this aim, the Group is implementing hedging instruments. Swap contracts (both traditional and step-up) are the instruments most frequently used for this purpose. On December 31, 2010, after taking account of interest-rate swaps, around 71% of Group debt is at a fixed interest rate (versus 63% in 2009).

If the hedges are activated, the analysis of interest-rate sensitivity shows that a marginal 1 percentage point increase in interest rates would have an impact of €470,000 on the consolidated financial statements of the GFI Informatique Group on the basis of the financial liabilities recognized at December 31, 2010.

With regard to its principal financing contract, the Group will hedge this loan within certain limits against an increase in the three-month Euribor.

Credit risks

Regarding the credit risk relating to the financial assets of the Group, i.e. principally customers, cash and cash equivalents, the exposure of the Group is associated with the risk of possible failure of the third parties concerned, with a maximum exposure equal to the book value of these instruments.

The customer balances are subject to permanent monitoring. The impact of applying these standards is provided in Note 11: "Trade receivables". The table presenting the changes in impairment losses for the period is also provided in this note.

Liquidity risks

The goal of the Group is to maintain a balance between the continuity of financing and its flexibility thanks to the use of overdrafts, bank loans, bonded debt and factoring contracts.

Factoring agreements

The Group has entered into agreements with factors providing it with facilities equal to the trade receivables assigned, within the limit of €75 million in France and €4.0 million in Spain.

Bank overdraft facilities

GFI Informatique Group has negotiated bank overdraft facilities of up to €22.6 million. At December 31, 2010, the Group had used €19.3 million of these bank overdraft facilities, primarily in France.

Agreements featuring so-called default covenants

The bank loan contracts feature so-called default covenants in the form of financial covenants that are measured each year.

Financial ratios on December 31, 2010

These ratios apply to the various tranches of borrowings at Group level on December 31, 2010 as indicated below:

<i>(in thousands of euros)</i>		12.31.10
Banks loans due in more than 1 year	note 14	46,297
Bank loans due within 1 year	note 14	25,339
TOTAL		71,636

The table below shows:

- the simplified definition of the contractual ratios existing on closure;
- the levels required for these different ratios;
- the debt tranches to which these contractual ratios apply.

Financial ratio categories, by tranche of debt		Bank loans <i>(in thousands of euros)</i>	% of debt
Ratios calculated based on the financial statements of the GFI Informatique Group			
Net financial debt ^(1a) / Equity ⁽²⁾	< 0.7		
Net financial debt ^(1a) / Gross operating income ⁽⁵⁾	< 2.5	51,278	72%
Available cash flow ⁽⁹⁾ / Debt servicing ⁽¹⁰⁾	> 1.0		
Ratios calculated based on the financial statements of the GFI Informatique Group			
Net financial debt ⁽¹⁾ / Consolidated equity ⁽³⁾	< 3.5	325	0%
Net financial debt ⁽¹⁾ / Cash flow ⁽⁴⁾	< 1.75		
Ratios calculated based on the financial statements of the Canadian sub-group GFI Conseils			
Net financial debt ^(1b) / EBITDA ⁽⁶⁾	< 1.75	6,211	9%
Fixed charge coverage ratio ⁽⁷⁾	> 1.25		
Ratios calculated based on the financial statements of the Canadian sub-group Fortsum			
Financial debt ^(1b) / EBITDA	< 3.00		
Fixed charge coverage ratio ⁽⁷⁾	> 1.25	10,545	15%
Financial debt / (financial debt + equity) ⁽²⁾	< 55%		
Working capital ratio ⁽⁸⁾	> 1.10		
Tranche without ratio requirement		3,277	5%
TOTAL		71,636	100%

(1) Bonds, bank loans, other borrowings, finance lease obligations and bank overdrafts less marketable securities, cash at bank and cash in hand.

(1a) = (1) + commitments given in respect of a short-term financial debt guarantee in the case that the latter is not already entered into the accounts in financial debts.
(1b) = financial debts and all interest-bearing loans.

(2) Equity capital of the Group and the minority interests.

(3) Equity and quasi equity (other equity, minority interests, regulated provisions and provisions for liabilities and charges).

(4) Consolidated profit for the year plus depreciation and provisions (net of reversals) other than on current assets and deferred taxes, less exceptional profits on disposal, share of profits of associates and subsidies recognized to profit or loss.

(5) Operating margin + allowances (net of reversals) for operating depreciation and provisions on ordinary activities.

(6) Operating margin + allowances (net of reversals) for operating depreciation and provisions on ordinary activities.

(7) EBITDA less corporation tax paid/interest costs.

(8) Current assets/(current liabilities less deferred income).

(9) Gross operating income, cash from disposal of assets, cash from financing and cash from equity contributions less income tax payable, long-term investments and dividends paid +/- non-current operating cash not related to ordinary activities excluding disposal of assets, change in WCR and cash from factoring drawdowns.

(10) Financial expenses net of cash and repayment of financial debt.

GFI Informatique did not meet the bank contract requirements based on the balance sheet and 2010 performance but met the covenants at the time of publication.

There is therefore no liquidity risk for the Group in respect of the 2010 fiscal year.

• Financial ratios of future periods

The financial ratio requirements for the Group's main loan (tranche of €51,278,000 at December 31, 2010) stand as follows for the future periods:

Financial ratio categories	06.30.11	12.30.11 and 06.30.12	From 12.31.12 to 12.31.13
Net financial debt/Equity	< 0.7	< 0.6	< 0.5
Net financial debt/Adjusted gross operating income	< 2.5	< 2.0	< 1.5
Available cash flow/Debt servicing	> 1.0	> 1.0	> 1.0

Additional contractual repayments

The additional contractual repayment clauses (see Note 24: "Off balance sheet commitments") were not applied in France during 2010.

In Canada, an early repayment of €949,000 is due to be made by Fortsum Solutions d'Affaires in 2011 in view of its excess cash flow performances achieved in 2010.

Exchange-rate risks

The currency risk in respect of commercial transactions is not hedged as most transactions are made within the Euro zone

Elsewhere – namely in Switzerland, Canada and Morocco – revenues are generated in the same currency as the related operating charges, thereby limiting exposure to foreign exchange fluctuations.

Very few intra-Group operating transactions are denominated in currencies other than the euro.

The Group's assets and liabilities in foreign currencies are analyzed in the table below:

(in thousands of euros)	Swiss franc	Canadian dollar	Moroccan dirham	TOTAL
Assets	10,602	101,115	6,219	117,936
Liabilities	(6,123)	(68,209)	(3,187)	(77,519)
Net position before management	4,479	32,906	3,032	40,417
Hedging position				
Net position after management	4,479	32,906	3,032	40,417
Impact of a uniform unfavorable development of 1 euro cent	(45)	(329)	(30)	(404)

Equity risk

The marketable securities held by the Group exclusively consist of money market funds. The risk linked to the development of the financial markets is therefore limited.

GFI Informatique held treasury shares with a market value of €943,000 at December 31, 2010. A 10% change in the GFI Informatique share price relative to levels at December 31, 2010 would have an impact of around €94,000 on the Group's equity.

Information on the capital and its management

The goal of the Group is to maintain a limited net debt ratio in relation to equity capital. In the context of managing this goal, the Group seeks to maintain an optimal financial structure in relation to the financing of its external growth and the yield on its equity.

On December 31, 2010, the debt ratio was as follows:

	12.31.10	12.31.09	12.31.08
Net borrowings	87,003	95,101	92,251
Total equity	182,834	158,982	224,744
Ratio of net financial debt/Equity	48%	60%	41%

Note 28: Application of IFRS 5 and IAS 8, comparison tables

Profit

Profit (loss) for 2010, 2009 and 2008 from discontinued operations is presented in the comparison table below.

(in thousands of euros)

	2010 before application of IFRS 5	IFRS 5 Reclassification of discontinued operations		2010
		Italy	Germany	
Revenue	672,011	(10,616)	(3,485)	657,910
Employee benefits expense	(466,208)	4,129	1,545	(460,534)
Purchases and external charges	(151,449)	7,125	1,925	(142,399)
Taxes other than on income	(9,379)	194	16	(9,169)
Depreciation and amortization expense (excluding assigned intangible assets)	(8,328)	0	19	(8,309)
Other operating income and expenses related to ordinary activities	2,667	49	5	2,721
OPERATING MARGIN	39,314	881	25	40,220
Operating margin %	5.9%	(8.3%)	(0.7%)	6.1%
Amortization of assigned intangible assets	(4,008)	0	0	(4,008)
Restructuring costs	(7,772)	345	0	(7,427)
Gains (losses) on disposals	9,648	(370)	545	9,823
Goodwill impairment losses	(1,000)	0	0	(1,000)
Other operating income and expenses not related to ordinary activities	(7,145)	(54)	0	(7,199)
OPERATING PROFIT	29,037	802	570	30,409
Income from cash and cash equivalents	32	0	0	32
Gross finance costs	(4,216)	68	0	(4,148)
NET FINANCE COSTS	(4,184)	68	0	(4,116)
Other financial income (expenses)	(1,538)	1	(2)	(1,539)
Income tax expense	(7,150)	121	0	(7,029)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	16,165	992	568	17,725
Profit (loss) for the year from discontinued operations	0	(992)	(568)	(1,560)
Share of profit/(loss) of associates	0			0
PROFIT/(LOSS) FOR THE YEAR	16,165	0	0	16,165
Attributable to the Group	11,951	0	0	11,951
Attributable to minority interests	4,214	0	0	4,214

(1) Presentation of the "Operating margin" indicator

(2) Application of IFRS 5 and IAS 8 – comparison table shown in Note 28 – as well as presentation of "Operating margin" indicator

2009 before application of IFRS 5	IFRS 5 Reclassification of discontinued operations		2009 restated ⁽¹⁾	2008 historical data	IFRS 5 1/Reclassification of discontinued operations		IAS 8 2/Correction	2008 restated ⁽²⁾
	Italy	Germany			Italy	Germany		
726,412	(40,876)	(21,932)	663,604	768,062	(61,166)	(24,930)	0	681,966
(478,507)	16,730	8,720	(453,057)	(474,736)	16,310	8,297	0	(450,129)
(199,371)	27,206	13,048	(159,117)	(223,911)	43,580	15,736	0	(164,595)
(15,025)	148	60	(14,817)	(15,389)	861	90	0	(14,438)
(7,412)	268	112	(7,032)	(7,430)	227	94	0	(7,109)
3,336	25	(14)	3,347	434	263	(45)	0	652
29,433	3,501	(6)	32,928	47,030	75	(758)	0	46,347
4.1%	(8.6%)	0.0%	5.0%	6.1%	(0.1%)	3.0%		6.8%
(3,258)	0	0	(3,258)	(2,132)	0	0	0	(2,132)
(11,196)	2,149	0	(9,047)	(5,022)	952	0	0	(4,070)
(10,868)	11,770	0	902	936	9	0	0	945
(35,370)	20,160	9,010	(6,200)	(6,000)	6,000	0	0	0
(18,432)	3,501	0	(14,931)	(2,826)	0	0	0	(2,826)
(49,691)	41,081	9,004	394	31,986	7,036	(758)	0	38,264
67	0	0	67	397			0	397
(3,477)	336	284	(2,857)	(6,982)	769	778	0	(5,435)
(3,410)	336	284	(2,790)	(6,585)	769	778	0	(5,038)
(2,568)	209	(17)	(2,376)	(703)	459	(37)	0	(281)
(910)	382	(1)	(529)	(9,992)	0	(9)	0	(10,001)
(56,579)	42,008	9,270	(5,301)	14,706	8,264	(26)	0	22,944
0	(42,008)	(9,270)	(51,278)	0	(8,264)	26	(299)	(8,537)
0		0		0			0	0
(56,579)	0	0	(56,579)	14,706	0	0	(299)	14,407
(57,778)	0	0	(57,778)	14,327	0	0	(299)	14,028
1,199	0	0	1,199	379	0	0		379

Cash flow

(in thousands of euros)

	2010 before application of IFRS 5	IFRS 5 Reclassification of discontinued operations		2010
		Italy	Germany	
Profit/(loss) for the year	16,165	(992)	(568)	17,725
Share of profit and loss of associates	0			0
Depreciation, amortization and provisions	13,435	83	19	13,333
Gains and losses arising from changes in fair value	(551)			(551)
Gains and losses on asset disposals	(10,112)	(723)	(29)	(9,360)
Dilution gains and losses	0			0
Operating cash flows after finance costs and income tax expense	18,937	(1,632)	(578)	21,147
Net finance costs (restated from changes in fair value)	3,998	68	0	3,930
Cost of swaps	1,704			1,704
Income tax expense	7,150	121	0	7,029
Operating cash flows before finance costs and income tax expense	31,789	(1,443)	(578)	33,810
Tax paid	(9,590)	(121)	0	(9,469)
Change in working capital used in the operations	(8,995)	(1,085)	(805)	(7,105)
NET CASH FROM OPERATING ACTIVITIES	13,204	(2,649)	(1,383)	17,236
- Acquisition of intangible assets	(8,565)			(8,565)
- Acquisition of property, plant and equipment	(5,442)	(57)		(5,385)
+ Proceeds on disposal of intangible assets and property, plant and equipment	1,008			1,008
- Acquisition of financial investments	(2)			(2)
+/- Impact of changes in consolidation scope	5,626	(5,640)	(70)	11,336
+/- Changes in loans and advances	(884)	16	3	(903)
NET CASH USED IN INVESTING ACTIVITIES	(8,259)	(5,681)	(67)	(2,511)
+ Proceeds on issue of shares				
• Subscribed to by the equity holders of the parent	0			0
• Subscribed to by the minority interests of consolidated subsidiaries	0			0
+/- Repurchases and sales of treasury shares	235			235
- Dividends paid				
• to the equity holders of the parent	0			0
• to the minority interests of consolidated subsidiaries	0			0
+/- Net repayments of borrowings	(14,548)			(14,548)
+/- Change in factoring drawdowns	27,226	4,783		22,443
- Interest paid	(3,875)	(68)	0	(3,807)
- Cost of swaps	(1,704)			(1,704)
NET CASH USED IN FINANCING ACTIVITIES	7,334	4,715	0	2,619
+/- Effect of changes in foreign exchange rate	1,208			1,208
CHANGE IN CASH AND CASH EQUIVALENTS EXCLUDING DISCONTINUED OPERATIONS	13,487	(3,615)	(1,450)	18,552
Net cash from (used by) discontinued operations	0	3,615	1,450	(5,065)
CHANGE IN CASH AND CASH EQUIVALENTS	13,487	0	0	13,487

2009 before application of IFRS 5	IFRS 5 Reclassification of discontinued operations		2009	2008	IFRS 5 Reclassification of discontinued operations		2008 restated
	Italy	Germany			Italy	Germany	
(56,579)	(42,008)	(9,270)	(5,301)	14,706	(8,264)	26	22,944
0			0	0			0
71,824	34,950	9,120	27,754	14,613	4,031	91	10,491
(954)		18	(972)	(472)	17		(489)
65			65	60		2	58
(901)			(901)	(948)			(948)
13,455	(7,058)	(132)	20,645	27,959	(4,216)	119	32,056
3,323	336	284	2,703	6,500	769	778	4,953
2,215			2,215	790			790
910	382	(1)	529	9,992	0	(9)	10,001
19,903	(6,340)	151	26,092	45,241	(3,447)	888	47,800
(4,543)	(382)	1	(4,162)	(6,833)	0	9	(6,842)
30,462	4,797	(115)	25,780	(3,245)	4,608	(272)	(7,581)
45,822	(1,925)	37	47,710	35,163	1,161	625	33,377
(6,289)	(22)	(6)	(6,261)	(8,701)	(767)	(1)	(7,933)
(3,281)	(48)	(221)	(3,012)	(4,606)	(100)	(105)	(4,401)
227		33	194	342	162	62	118
0			0				0
(19,900)	(15)		(19,885)	(40,348)			(40,348)
27	104	30	(107)	58	(5)	38	25
(29,216)	19	(164)	(29,071)	(53,255)	(710)	(6)	(52,539)
0			0	0			0
6,945			6,945	12,840			12,840
657			657	(1,531)			(1,531)
(11,862)			(11,862)	(11,855)			(11,855)
(144)			(144)	0			0
(5,908)			(5,908)	1,988			1,988
(6,924)			(6,924)	4,575			4,575
(3,368)	(336)	(284)	(2,748)	(6,675)	(769)	(778)	(5,128)
(2,215)			(2,215)	(790)			(790)
(22,819)	(336)	(284)	(22,199)	(1,448)	(769)	(778)	99
(1,407)			(1,407)	(585)			(585)
(7,620)	(2,242)	(411)	(4,967)	(20,125)	(318)	(159)	(19,648)
0	2,242	411	(2,653)	0	318	159	(477)
(7,620)	0	0	(7,620)	(20,125)	0	0	(20,125)

Balance sheet

By way of reminder, the assets and liabilities of discontinued operations as at December 31, 2009 are presented below. Also by way of reminder, the impacts of the application of IAS 8 as at December 31, 2008 are presented below.

<i>(in thousands of euros)</i>	12.31.09 before application of IFRS 5	IFRS 5 Reclassification of discontinued operations		12.31.09	12.31.08 historical data	IAS 8 Correction	12.31.08 restated
		Italy	Germany				
Goodwill	212,519	0	(2,579)	209,940	238,390	0	238,390
Other intangible assets	40,050	0	(7)	40,043	28,180	0	28,180
Property, plant and equipment	10,210	0	(248)	9,962	11,252	0	11,252
Non-current financial assets	2,647	0	(44)	2,603	3,967	0	3,967
Deferred tax assets	5,272	0	0	5,272	1,133	0	1,133
Other non-current financial assets	0	0	0	0	0	0	0
NON-CURRENT ASSETS	270,698	0	(2,878)	267,820	282,922	0	282,922
Goods purchased for resale held in inventory	4,209	(1,501)	0	2,708	3,403	0	3,403
Trade receivables	247,732	(34,329)	(3,119)	210,284	312,979	0	312,979
Other receivables	32,323	(4,823)	(104)	27,396	33,854	327	34,181
Prepaid expenses	6,788	(197)	(29)	6,562	6,152	0	6,152
Cash and cash equivalents	20,733	(3,615)	(1,450)	15,668	22,206	0	22,206
Impairment of assets held for sale	(10,386)	10,386		0		0	
CURRENT ASSETS	301,399	(34,079)	(4,702)	262,618	378,594	327	378,921
Assets held for sale		34,079	7,580	41,659	0	0	0
TOTAL ASSETS	572,097	0	0	572,097	661,516	327	661,843
Share capital	108,588	0	0	108,588	108,588	0	108,588
Additional paid-in capital	86,178	0	0	86,178	86,178	0	86,178
Consolidated reserves	(35,036)	0	0	(35,036)	40,943	(6,488)	34,455
Other	(4,216)	0	0	(4,216)	(4,403)	0	(4,403)
Translation reserve	1,399	0	0	1,399	(2,463)	0	(2,463)
EQUITY attributable to Group	156,913	0	0	156,913	228,843	(6,488)	222,355
Minority interests	2,069	0	0	2,069	2,389	0	2,389
TOTAL EQUITY	158,982	0	0	158,982	231,232	(6,488)	224,744
Non-current borrowings	67,469	0	0	67,469	67,864	0	67,864
Deferred tax liabilities	1,971	0	(4)	1,967	371	0	371
Non-current provisions	16,720	(7,943)	0	8,777	15,599	0	15,599
Other non-current financial liabilities	906	0	0	906	1,652	0	1,652
NON-CURRENT LIABILITIES	87,066	(7,943)	(4)	79,119	85,486	0	85,486
Current provisions	20,072	(3,808)	0	16,264	7,782	0	7,782
Current borrowings	43,299	0	0	43,299	46,593	0	46,593
Current financial liabilities	2,144	0	0	2,144	3,295	0	3,295
Other current financial liabilities	7,921	0	0	7,921	9,306	0	9,306
Trade payables	68,412	(17,082)	(1,426)	49,904	73,923	6,815	80,738
Tax and social security	138,404	(7,285)	(665)	130,454	152,807	0	152,807
Other current liabilities	10,986	(473)	(66)	10,447	16,107	0	16,107
Deferred income	34,811	(984)	(272)	33,555	34,985	0	34,985
CURRENT LIABILITIES	326,049	(29,632)	(2,429)	293,988	344,798	6,815	351,613
Liabilities held for sale		37,575	2,433	40,008	0	0	0
TOTAL EQUITY AND LIABILITIES	572,097	0	0	572,097	661,516	327	661,843

9. Statutory Auditors' report on the consolidated financial statements

Fiscal year ending December 31, 2010

To the Shareholders,

In performance of the assignment entrusted to us by your Shareholders' General Meetings, please find herein our report on the financial year ended December 31, 2010 in respect of:

- the audit of the consolidated financial statements of GFI Informatique, which are appended to this report;
- the justification of our assessments;
- the specific testing required by law.

The consolidated financial statements were prepared by the Board of Directors. Our responsibility is to express an opinion on these financial statements in light of our audit.

I. Opinion on the consolidated financial statements

We carried out our audit in compliance with professional standards applicable in France. These standards require that we perform the audit so as to obtain reasonable assurance that the consolidated financial statements are free of any material misstatements. An audit involves the review, by way of sample tests or other means of selection, of the documents underlying the amounts and information set forth in the consolidated financial statements. It also includes an assessment of the accounting policies applied and any material estimates made in drawing up the financial statements, as well as an assessment of the presentation thereof as a whole. We believe that the evidence we have received provides a reasonable basis for our opinion.

We certify that the consolidated annual financial statements are, with regard to the IFRS adopted within the European Union, in order and accurate and fairly present the assets, financial situation and results of the persons and entities included in the consolidation.

Without prejudice to the opinion expressed hereinabove, we wish to draw your attention to the following notes:

- the section in the Notes entitled "Significant events and scope of consolidation", which describes the changes made to the presentation of the comprehensive income statement;
- Note 7, "Goodwill", in the section of the Notes entitled "Consolidated statement of financial position", which describes the sensitivity of goodwill impairment tests to reasonable changes in the principal assumptions used by the management.

II. Justification for our assessment

In accordance with the requirements of Article L. 823-9 of the French Commercial Code regarding the provision of justification for our assessment, we wish to bring the following to your attention:

Revenue

The note on "Revenue" in the section entitled "Accounting policies and methods" sets out the rules governing the recognition of revenue. As part of our assessment of the accounting rules and principles followed by your company, we verified the appropriateness of the accounting methods applied and the information provided in the notes to the statements, and we verified the correct application thereof.

Goodwill

The note entitled "Subsequent measurement of non-current assets" in Section 6.3 Accounting policies and methods" of the Notes to the statements explains the manner in which non-current assets, in particular goodwill, are measured. Our work consisted in examining the manner in which these impairment tests are implemented, evaluating the data and assumptions used for projections of future discounted cash flows and reviewing the calculations made by your company. Within the scope of our assessment, we verified the reasonableness of these estimates and the appropriateness of the information disclosed in the Notes to the financial statements.

Provisions

The note on "Provisions" in the section entitled "Accounting policies and methods" sets out the rules governing the accounting of provisions. Our work consisted in reviewing the data and assumptions used in the estimation of these provisions. Within the scope of our assessment, we verified the reasonableness of these estimates and the appropriateness of the information disclosed in the Notes to the financial statements.

The resulting assessments thus form part of our audit of the consolidated financial statements, considered as a whole, and therefore contributed to the formation of our opinion as expressed in the first section of this report.

III. Specific testing

In accordance with professional standards applicable in France, we also carried out specific testing, as specified in the French loi des informations (Information Act) relating to the Group, on data in the management report.

We do not have any comments to express in respect of the accuracy of this information or the consistency thereof with the consolidated financial statements.

Paris and Neuilly-sur-Seine, April 27, 2011

The Statutory Auditors

GRANT THORNTON
French member of Grant Thornton International
Vincent Papazian

ERNST & YOUNG et Autres

Pierre Abily



GFI

