



PRESS RELEASE

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GFI Informatique posts a 5.8% operating margin in 2003 and significantly improves its financial structure

(€ millions)	2003	2002
Turnover	500.1	554.2
EBITA*	29.2	43.2
<i>as a % of turnover</i>	<i>5.8%</i>	<i>7.8%</i>
EBITDA*	32.3	46.6
<i>as a % of turnover</i>	<i>6.5%</i>	<i>8.4%</i>
EBIT*	17.1	25.1
Net financial charges	-3.2	-7.1
Net exceptional charges	-5.6	-4.8
Net profit (before goodwill amortisation)	13.6	19.1
Goodwill amortisation	12.1	18.1
Net profit, group share	1.5	1.0

* EBITA: Operating profit

EBITDA: Earnings before interest, taxes, depreciation and amortisation

EBIT: Profit from ordinary operations before net financial result and taxes

2003 results

GFI Informatique recorded in 2003 an operating margin of 5.8% for a turnover of €500.1m. The operating margin that had decreased at the beginning of the year, gradually improved in order to reach 6.4% in the 4th Quarter.

GFI Informatique posted net profit of €1.5m, up from last year.

The IT services market was extremely difficult in 2003 with a sharp drop in volumes and strong pricing pressure. GFI Informatique turned in a good performance, particularly in France, Spain and Portugal. In Germany and Italy, where market-related difficulties were especially serious, management took the necessary measures to restore the situation in 2003.

GFI Informatique continued to improve its financial ratios:

- the receivables cycle was shortened by 14 days to 110 days, significantly better than the Group's target of 117 days,
- the working capital requirement (WCR) was reduced by €23.2m,
- the cash generated by operating activities reached €39.1 m,
- gearing was reduced to 35.7% on 31 December 2003 (net debt of €58.8m) after having been lowered to 52.9% the year before.



Turnover and profitability by geographic region

France (61% of turnover)

Demand for technical assistance services declined gradually with more and more customers looking for fixed services with performance requirements. Management accordingly decided to concentrate on the development of fixed services, strengthening GFI Informatique's quality department, sales team and risk committee. This judicious strategy allowed the Group to maintain satisfactory results in France.

GFI Outsourcing reported strong growth in 2003.

GFI Informatique remained under contract to all major customers thanks to aggressive commercial measures, particularly efforts to industrialise its strategic offers, to sharpen its commercial edge and to maintain a selective recruitment drive.

The successful integration of the newly acquired units Chronotique and Infogen enriched the Group's know-how of software packages for medium-size and large corporations and allowed it to cushion pricing pressure on systems integration services.

In France, the operating margin came to 8.6% in 2003.

Southern Europe (25% of turnover)

Spain and Portugal continued to outperform their markets with an operating margin of 12.0% and 23.2% respectively in 2003. The Spanish and Portuguese subsidiaries signed contracts with Vodafone and Telefonica. Moreover, they reduced exposure to the telecoms sector by branching out successfully into government and banking services.

The Italian subsidiary was hurt by the sweeping market crisis of 2003. A major restructuring effort ensured significantly improved results and allowed it to nudge break-even by the end of the year. The subsidiary became a supplier to Telecom Italia, which can be expected to have a positive impact starting in 2004. Profitability should continue to improve in 2004.

In Southern Europe, GFI Informatique reported an operating margin of 3.8% in 2003.

Northern Europe (13% of turnover)

The results of the German subsidiary seriously dented the performance in Northern Europe. Sales declined and prices were subjected to unprecedented pressure. The measures adopted by management allowed the subsidiary to return to breakeven by the end of the year. In 2004, the German subsidiary can be expected to show a gradual improvement in the operating margin.

GFI Informatique posted a negative operating margin of 3.7% in Northern Europe.



Outlook and strategy

GFI Informatique emerged stronger from this crisis period thanks to the measures taken by management.

Financially, GFI Informatique has significantly improved its trade receivables cycle, slashed the debt-to-equity ratio, lowered structural costs and restructured several units. Commercially, GFI Informatique has continued to industrialise its strategic offers and remains a supplier to all major customers.

GFI Informatique will be once again able to turn in slight organic growth and increase operating margin in 2004 as recruitment is resumed, prices are bottoming out and the order backlog continues to grow.

If the IT services market continues to recover, GFI Informatique's improved financial and commercial structure is bound to tweak results.

At its meeting of 17 March, the Board of Directors decided to increase the dividend by 20% (in comparison to 2002) for 2003

GFI Informatique's Q1 turnover will be released on 12 May after the market closes.

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