



PRESS RELEASE

Paris, 15 March 2005

GFI Informatique reports a 4.3% operating margin for 2004, in line with forecasts **Group reduces debt and confirms strategic refocusing**

<i>(€ million)</i>	2004	2003
Turnover	517.9	500.1
EBITA*	22.5	29.2
<i>As a % of turnover</i>	<i>4.3%</i>	<i>5.8%</i>
EBITDA*	27.4	32.3
<i>As a % of turnover</i>	<i>5.3%</i>	<i>6.5%</i>
EBIT*	(7.3)	17.1
Net financial charges	(2.2)	(3.2)
Net exceptional charges	(9.8)	(5.6)
Net profit (before goodwill amortisation)	2.7	13.6
Goodwill amortisation	(29.8)	(12.1)
Net profit/(loss), Group share	(27.2)	1.5

* EBITA: Earnings before interest, taxes and amortisation, i.e. operating profit

EBITDA: Earnings before interest, taxes, depreciation and amortisation

EBIT: Earnings before interest and taxes

Commenting on the results, Jacques Tordjman, Chairman and CEO, said:

"Exceptionally this year, the Group will report a net loss. Further to the decision to refocus on France and Southern Europe, it was decided to write down the goodwill of the North European subsidiaries. This exceptional goodwill amortisation had no impact on the cash flow.

However, GFI Informatique returned to organic growth in 2004. The Group recorded an operating profit and the operating margin improved sharply in the fourth quarter (4.6%), a trend that is expected to carry over into 2005. Furthermore, the Group has little debt and a solid balance sheet.

The Group will press ahead with its strategic refocusing by strengthening its centres of expertise and existing service offer. In addition to this strategic refocusing, a programme for cutting costs by several million euros was implemented in 2004 and had largely been completed by the year-end".



Analysis of activity

France: returned to organic growth in 2004

France returned to organic growth in 2004 with a like-for-like increase in turnover of 3.3% compared with 2003.

Further growth was recorded by the Software Solutions division and the Public Sector division, with confirmation of performances at commercial level.

2004 also brought confirmation of the recovery staged by the Consulting and Telecommunications divisions.

By contrast, the Banking, Finance & Insurance and Industry divisions continued to experience extremely fierce competition.

To strengthen its core activities, the Group made several targeted acquisitions in 2004, buying Simabay (a consultant specialised in payment systems) and SRM (the consulting business of RSM Salustro Reydel).

Northern Europe: divestments under way

As indicated in our press releases of 9 February 2005 and 8 December 2004, the Group is looking for appropriate industrial and financial solutions for its subsidiaries in Northern Europe.

In this part of Europe, subsidiaries have been affected by their lack of critical mass in markets that remain under intense pressure. Major restructuring measures have been implemented in Germany, which has helped improve visibility at commercial level.

Southern Europe: further development

The subsidiaries in Spain and Portugal pressed ahead with their development, recording organic growth of more than 10% in 2004. The range of activities is being diversified and several major long-term contracts were signed, which bodes well for future growth in these countries.

In Italy, the major restructuring plan implemented in September 2004 will result in savings of around €3m over a full year. The local subsidiary was totally reorganised and investments made at marketing and strategic levels to inject fresh impetus to the business.



International

Further growth was recorded by the activities in Canada, which were strengthened by the acquisition of Conceptum, a consulting and services specialist.

Canada and Morocco contribute to the outsourcing and offshore offers developed by GFI Informatique.

Results

Operating profit in line with forecasts: the Group recorded an operating profit of €22.5m, equivalent to an operating margin of 4.3%. The operating margin in France held at a satisfactory level of 6.5%, having recovered strongly in the fourth quarter.

Operating losses of €6.5m were contributed by Northern Europe and Italy. Italy moved back into operating profit in the fourth quarter of 2004 and Germany is expected to follow suit in 2005.

In Southern Europe, Spain and Portugal continued to generate operating margins of over 10% in 2004.

Net financial charges declined by 30%, reflecting the steady improvement in the Group's financial structure.

Net exceptional charges of €9.8m were recorded, being mainly restructuring charges incurred in Italy, France and Germany. The sale of Eccla generated a loss of €1m.

Goodwill amortisation charges amounted to €29.8m in 2004 and comprised an annual charge of €12.4m and exceptional amortisation of €17.4m to write down the Group's North European subsidiaries to their market value.

Sound financial structure and solid balance sheet

GFI Informatique recorded a net operating cash flow of €19.8m. Working capital requirements have been reduced by €5.2m.

Net debt was reduced to €50.7m, corresponding to **gearing of 37%**.

Strategic refocusing

Implementation of the Growth Plan detailed in the press release of 9 February 2005 is progressing on schedule. GFI Informatique is confident that it can achieve the expected savings of around €10m.



Outlook

Investments to develop strategic offers and to instil greater commercial impetus will enable GFI Informatique to record further organic growth.

The cost efficiencies already achieved will lead to a significant improvement in margins. By refocusing on markets where it has a strong presence, GFI Informatique is confident that its growth rate will return to the highest levels in the IT sector.

Given its solid financial structure and capacity to invest in its future development, GFI Informatique is aiming to be back amongst the best performers in the European IT sector within the next two years.

First-time application of International Financial Reporting Standards

Details regarding the impact of the first-time application of International Financial Reporting Standards (IFRS) on the financial statements will be provided by GFI Informatique in July. The convergence with these standards has started in 2003 and has already been largely realised.

Financial reporting

GFI Informatique will report its turnover for the first quarter of 2005 after the market closes on 11 May 2005.

About GFI Informatique

GFI Informatique is an international IT services group employing nearly 7,000 people. The group recorded turnover of €518m in 2004. GFI Informatique provides its customers with expertise in consulting, systems engineering and integration, software and outsourcing. The company covers all stages of the information system life cycle, designing, building, implementing and administering high added value applications, mainly for large companies, public bodies and local authorities. GFI Informatique has over 30 branches in France and 12 overseas subsidiaries.

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