PRESS
RELEASE
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NEW CHALLENGES,
NEW IDEAS

Gfi Informatique: 2016 HALF-YEAR RESULTS

STRONG ORGANIC GROWTH IN FRANCE AND INTERNATIONALLY: +11.6%
OPERATING MARGIN: +15%
STRONG INCREASE IN NET INCOME: +183%
GEARING: 24%
ACQUISITION OF IMPAQ IN POLAND
COMPLETION OF MANNAI CORPORATION'S EQUITY INVESTMENT

Saint-Ouen (France), 28 July 2016 – The Board of Directors of Gfi Informatique met on 28 July 2016. The meeting, chaired by Vincent Rouaix, reviewed the consolidated half-year financial statements[1] for the first half of fiscal year 2016.

Main items of profit & loss account in euro '000	30.06.16	30.06.15	2015	Δ	Δ%
Revenue	502,1	437,0	894,0	65,1	15%
Operating margin	23,9	20,8	58,7	3,1	15%
Operating margin %	4,8%	4,8%	6,6%	stable	
Operating income	17,8	12,8	39,0	5,0	39%
Net income	8,2	2,9	22,0	5,3	183%
Earnings per share (in euros)	0,12	0,05	0,34	0,07	140%
Cash from operating activities	27,7	20,3	56,7	7,4	36%
Principal Financial Statements components in euro '000	**30.06.16**	**30.06.15 restated (1)**	**2015**	**Δ**	**Δ%**
Net equity	278,1	258,3	276,8	19,8	8%
Net debt	66,4	41,1	31,9	25,3	61%
Gearing	24%	16%	12%	+8 bps	

'(1) restated from Oceane conversion

Commenting on the results, **Vincent Rouaix, Chairman and Chief Executive Officer of Gfi Informatique** stated: "*The first half of the year again demonstrated the Group's ability to position itself on very attractive contracts enabling it to reach a level of organic growth never before achieved. As previously announced, the Group initiated a presence in Eastern Europe with its takeover of IMPAQ. It also grew profitably with a very significant increase in net income of over 180%. Thanks to stronger shareholding, the Group will pursue its strategic plan to become a leader in IT services and software solutions in the EMEA.*"

1 The limited audit procedures were carried out on the half-year financial statements. The limited audit report is in the process of being issued.

REVENUE GROWING STRONGLY AND HEALTHY OPERATING MARGIN

The Group's revenue for the first half of 2016 was 502.1 million euros, an increase of 14.9% on a reported basis compared to the same period the previous year. Organic growth was 11.6%.
The Group's revenue growth accelerated in the second quarter, increasing by 18.7%, of which 14.7% was in organic growth.

The Group's operating margin was 23.9 million euros, an increase of 15%.

- **IN FRANCE: robust revenue growth and a good operating margin level**

Revenue in France was 423.7 million euros compared with 373.8 million euros at 30 June 2015, up 13.4% on a reported basis and 11.0% in terms of organic growth. Revenue growth accelerated to +15.9% in the second quarter, including organic growth of +13.8%.

Sales activity was very intense over the quarter and, on 30 June, the rolling book-to-bill was 1.30.

The Group had major successes, notably with the signing of an outsourcing contract with Groupe 3SI (Otto Group). The agreement enabled revenues of approximately 24 million euros to be generated with the Otto Group, 60% of which are recurring. Thanks to the assets already held by the Group, this will enable, in the future, the Group to extend its consulting and integration services as well as SAAS and BPO services to retailers and, generally, to all businesses dealing with digital commerce.

The operating margin was 20.0 million euros, i.e., 4.7%, compared to 18.5 million euros during the first half of last year, up 8% and at the level expected by the Group.
The staff activity rate (TACE) increased slightly whereas the average daily rate (TJM) was virtually unchanged compared to 30 June of last year, illustrating the stability of business in France.
In the first half of the year, the Group continued to invest in the various segments that will drive future profitability, specifically the IP 20 programme, which is targeting a twofold software revenue increase in the medium term, and outsourcing.

- **INTERNATIONALLY very strong growth and increased profitability**

International business grew strongly
At 78.4 million euros, international business accounted for 15.6% of sales and 16.2% of operating margin in the first half of 2016, compared to, respectively, 14.5% and 11.0% for the first half-year of the previous year. Growth on a reported basis was up 24.0% and organic growth by 15.2% (of which +20% in the second quarter) compared to +10% in organic growth at 30 June 2015.

- **Iberian Peninsula** (Spain and Portugal):
  Revenue amounted to 56.0 million euros compared to 47.2 million euros, up 18.8% on a like-for-like basis, while the operating margin was 4.5% compared to 4.4% last year. The operating margin was stable in Spain, whereas it continued its recovery in Portugal reaching 4.5% compared to 3.7% on 30 June of the previous year.

- **Northern and Eastern Europe** (Belux, Poland and Switzerland)
  With 16.8 million euros in the first half of 2016, compared to 12.3 million euros last year at 30 June, the activity experienced very strong growth, notably as a result of the acquisition of IMPAQ in Poland (see below). Organic growth was positive again at +2.2%

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OPERATING PROFIT +39% - NET INCOME +183%

Operating profit came in at 17.8 million euros compared with 12.8 million euros last year, an increase of 39%. It primarily benefited from the improvement in the operating margin and the decline in the cost of restructuring and financial costs. Consequently, net income amounted to 8.2 million euros compared to 2.9 million euros last year, an increase of 183%.

GEARING OF 24% - CASH FLOW FROM OPERATIONS UP AND CONTROLLED WCR

Net debt was -66.4 million euros resulting in gearing of 24%. Cash flow from operating activities after cost of net financial debt and tax (CF) was 19.0 million euros compared with 11.9 million euros at 30 June 2015, a 59.7% increase. WRC consumption for the half-year was controlled given the growth in the business. It was 21.9 million euros compared to 17.8 million euros last year and the working capital requirement saw a controlled increase to 69.7 million euros compared to 59.5 million last year. Investments in non-current assets increased from 9.6 million euros to 20.2 million euros. Most of the change was due to taking over e-commerce solutions (3SI) and of the licences required for their operation.

IMPAQ ACQUISITION: effective local positioning and an efficient near-shore platform

With over 200 employees working at 3 sites in Poland, as well as in German-speaking Switzerland and England, IMPAQ achieved over 13 million euros in revenue in financial year 2015 on a portfolio combining Information Services and Software Publishing, not unlike Gfi Informatique.

As regards IT services, IMPAQ generates about half of its revenue on the Polish market and the other half from integration and maintenance contracts as an offshore services center for large European accounts. Combining a high level of expertise with a very cost-competitive delivery platform, IMPAQ has made itself a strategic partner of such prestigious customers as T-Mobile, PZU, Allianz, Nokia, P&G and Ikea.

In addition, the Group derives an increasing portion of its revenues from publishing and integrating the KD Prevent product line, consisting of solutions used by customers in the financial sector for anti-money laundering (AML) and fraud detection (Credit Fraud and Web Fraud) either On-Premise or SaaS. IMPAQ also serves customers with an international scope such as Commerzbank, BGZ BNP Paribas, Cembra or the shipowner MSC.

Gfi Informatique's goals with this acquisition are:

- open up Eastern Europe as part of its international expansion strategy. This strategy was resumed in 2014 and will be further strengthened under the impetus of Gfi Informatique’s new shareholder;
- offer its customers, especially the large accounts in Banking, Insurance and Telecoms, a new alternative in terms of delivery. IMPAQ offers a high level of technical competence, attractive pricing and production processes that match market requirements;
- continue to increase shareholder value by adding to its solutions portfolio since products acquired in this way can be marketed on a broader scale. This ramping up will be orchestrated under Gfi Informatique’s IP 20 Program.

COMPLETION OF THE MAJORITY EQUITY INVESTMENT BY MANNAI CORPORATION

Gfi Informatique announced last 22 June that the friendly acquisition of a majority equity interest by Mannai Corporation had been completed.

Mannai Corporation increased its equity stake following the purchase from Apax France, Altamir and Boussard & Gavaudan of the number of additional shares required in order to reach a 51% equity and voting rights stake in Gfi Informatique (on a fully diluted basis).

With this transaction, Mannai Corporation reaffirms its commitment to accelerate Gfi Informatique's strategy of growth and international expansion, alongside the existing management team and shareholders, Apax France, Altamir and Boussard & Gavaudan, in order to make Gfi Informatique a leader in IT services and software products within the EMEA zone (Europe, Middle East, Africa).

As of last 22 June, the shareholding of the Company was:

	Shares and voting rights	% of capital and voting rights
Mannai Corporation	34,109,194	51.24%
Boussard & Gavaudan	16,958,238	25.47%
Apax (via Itefin Participations)	12,329,361	18.52%
Concert	**63,396,793**	**95.23%**
Public	3,173,978	4.77%
Total	**66,570,771**[2]	**100.00%**

OUTLOOK

Given a stable economic situation, the Group is of the opinion that the second half of the year will confirm the growth recorded during the first half. The Group therefore confirms that it expects its operating margin to improve over the financial year as a whole.
Moreover, with its reinforced financial capacities the Group will actively pursue its strategy of growth by acquisition.

Next meeting : Q3 2016 revenue – 3 November 2016

Disclaimer
The items in this press release other than historical facts are estimates. They do not constitute guarantees because of the inherent difficulties in forecasting results. Actual results may differ considerably from explicit or implicit forecasts.

About Gfi Informatique
Gfi Informatique is a major player in value-added IT services and software in Europe, and through its differentiated approach occupies a strategic position between global firms and niche entities. With its multi-specialist profile, the Group serves its customers with a unique combination of proximity, sector organisation and industrial-quality solutions. The Group has around 12,000 employees and generated revenue of 894 million euros in 2015.
Gfi Informatique is listed on the Paris Euronext, NYSE Euronext (Compartment B) - ISIN Code: FR0004038099.
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[2] The total number of shares takes into account Mannai Corporation's exercise of 590,505 Gfi informatique BSAAR contributed to the offer.

APPENDICES

Revenue by quarter

Revenue (in millions of euros)	1st quarter 2016	1st quarter 2015	Face value change	Organic growth
France	**207.8**	**187.6**	**10.8%**	**8.3%**
International	**35.2**	**31.2**	**12.9%**	**10.2%**
Spain	21.5	19.4	10.7%	10.7%
Portugal	4.4	3.6	21.3%	21.3%
Northern Europe and Eastern Europe*	6.3	6.4	-1.6%	-1.4%
Morocco and Africa	3.0	1.8	71.1%	22.9%
Total	**243.0**	**218.8**	**11.1%**	**8.5%**

* Belux, Switzerland, Poland

Revenue (in millions of euros)	2nd quarter 2016	2nd quarter 2015	Face value change	Organic growth
France	**215.9**	**186.2**	**15.9%**	**13.8%**
International	**43.2**	**32.0**	**34.9%**	**20.0%**
Spain	25.5	20.4	24.8%	24.8%
Portugal	4.7	3.7	25.3%	25.3%
Northern Europe and Eastern Europe*	10.5	6.0	75.9%	6.1%
Morocco and Africa	2.5	1.9	33.9%	1.5%
Total	**259.1**	**218.2**	**18.7%**	**14.7%**

* Belux, Switzerland, Poland

First half revenue

Revenue (in millions of euros)	6 months 30/06/2016	6 months 30/06/2015	Face value change	Organic growth
France	**423.7**	**373.8**	**13.4%**	**11.0%**
International	**78.4**	**63.2**	**24.0%**	**15.2%**
Spain	46.9	39.8	18.0%	18.0%
Portugal	9.1	7.4	23.3%	23.3%
Northern Europe and Eastern Europe*	16.8	12.3	35.8%	2.2%
Morocco and Africa	5.6	3.7	51.9%	11.8%
Total	**502.1**	**437.0**	**14.9%**	**11.6%**

* Belux, Switzerland, Poland

Condensed income statement, cash flow statement and statement of financial position

Summary income statement in euro '000	30.06.16	30.06.15
Revenue	**502,1**	**437,0**
EBITDA	34,0 6,8%	25,9 5,9%
Depreciation and amortization net	10,2	5,2
Operating margin	**23,9**	**20,8**
Amortization of assigned intangible assets	(0,8)	(0,8)
Goodwill impairment losses	-	-
Other operating income and expenses	(5,3)	(7,1)
Operating income	**17,8**	**12,8**
Financial result	(2,2)	(3,4)
Income tax expense	(7,4)	(6,4)
Net profit	8,2	2,9
Earnings per share (in euros)	*0,12*	*0,05*

Consolidated cash flow statement in euro '000	30.06.16	30.06.15
Cash from operating activities	27,7	20,3
Tax paid	(6,8)	(6,0)
Change in WC requirement	(21,9)	(17,8)
Net cash from operating activities	(1,0)	(3,5)
Net cash from investing activities off perimeter	(21,2)	(9,3)
Net cash linked to perimeter investment	(13,2)	(4,1)
Net cash from investing activities	(34,4)	(13,4)
Capital increase	2,2	0,2
Repurchases and sales of treasury shares	0,2	(0,6)
Dividends paid	-	-
New borrowings	7,2	21,4
Repayment of borrowings	(2,3)	(21,6)
Interests paid	(0,9)	(0,8)
Change in factoring drawdowns	3,1	1,2
Net cash from financing activities	9,5	(0,2)
Effect of changes in foreign exchange rate	0,0	0,0
Change in cash and cash equivalents	**(25,9)**	**(17,1)**

Consolidated statement of financial position in euro '000	30.06.16	31.12.15
Goodwill	250,5	238,4
Fixed assets	76,0	61,9
Current and non current assets	459,8	394,1
Cash and equivalent cash	17,6	43,4
Total assets	803,8	737,8
Net equity - Group share	278,0	276,7
Minority interests	0,1	0,1
Borrowings	84,0	75,3
Current and non current liabilities	426,4	370,6
Financial liabilities and current provisions	15,4	15,0
Total liabilities and shareholders equity	803,8	737,8

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