PRESS RELEASE
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Gfi Informatique: HALF-YEAR RESULTS 2017

STRONG GROWTH: +12%
STRONG INTERNATIONAL GROWTH: +83.2%
SUCCESSFUL INTEGRATION OF FOREIGN SUBSIDIARIES
OPERATING MARGIN: +6%
INCREASE IN NET INCOME: +2%

Saint-Ouen (France), July 27, 2017 – The Board of Directors of Gfi Informatique met on July 27, 2017, at a meeting chaired by Vincent Rouaix, to review the condensed consolidated half-year financial statements[1] for the first half of the 2017 financial year.

Main items of profit & loss statement (in millions of euros)	**06.30.17**	**06.30.16**	**Δ**	**Δ%**
Revenue	562.1	502.1	60.0	+12%
Operating margin	25.3	23.9	1.5	+6%
Operating margin %	4.5%	4.8%	-0.2 point	
Operating income	19.1	17.8	1.3	+7%
Net income	8.4	8.2	0.1	+2%
Earnings per share (in euros)	*0.13*	*0.12*	*0.00*	*+8%*
Operating cash flow	27.0	27.7	-0.8	-3%
Main items of balance sheet (in millions of euros)	**06.30.17**	**06.30.16**	**Δ**	**Δ%**
Net equity	297.8	278.1	19.8	+7%
Net debt	153.5	66.4	87.1	131%
Debt to equity ratio	52%	24%	+28 points	

Commenting on these results, **Vincent Rouaix, Chairman and General Manager of Gfi Informatique,** said: "*The Group, benefitting from the operations of 2016, has recorded a very good growth momentum driven by the foreign subsidiaries. Performance in France has remained more stable, mainly due to an unfavorable comparison basis over this first half of the year. After the successful integration of the foreign subsidiaries acquired in 2016, the Group is currently implementing its strategic plan for the next three years and, under the impetus of its new shareholder, plans to double its sales and boost its operating margin by two basis points".*

1 The limited review procedures for the half-yearly financial statements have been performed. The limited review report is currently being prepared.

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STRONG GROWTH AND GOOD OPERATING MARGIN

The Group's revenue for the first half of 2017 was 562.1 million euros, an increase of 11.9% compared to the same period the previous year.
Organic growth was -0.3%. It was impacted by calendar effects in the second quarter and an unfavorable comparison basis for our outsourcing activities linked to the 3SI transaction. Restated for the latter, organic growth would increase to +2.7%.

Over the second quarter, the Group's revenue growth was sustained at +8.6%.

The Group's operating margin was 25.3 million euros, an increase of 6%. Restated to the effect of the 3SI transaction, the operating margin would increase to 33%.

- **FRANCE: growth in restated revenue and good operating margin for the first half of the year**

Revenue in France totaled 418.5 million euros, compared to 423.7 million euros at June 30, 2016, representing a decrease of 1.2% on a reported basis and a drop of 2.4% in like-for-like basis. Over the second quarter, the decline reached -3.5%, including -4.8% in a like-for-like basis, mainly due to the number of working days, only 61 compared to 64 the previous year (-4.7%).

Furthermore, the Group enjoyed a major success the year before: the signature of the outsourcing contract with 3SI (Otto Group). As stated last year, almost 50% of the revenue generated during this period was non-current. Restated for this known base effect, 15 million euros, the organic growth in France would increase to +1.1% and the operating margin standing at 15.4 million euros would increase to +3%.

Lastly, the main interest of this transaction was to enable the Group, thanks to the assets it already held, to extend its SAAS and BPO consulting and integration services to the retail sector and, more generally, to all players involved in digital trade. This was confirmed at the end of May by the signing of an agreement with the Zannier Group to handle the management and transformation of the Group's information systems, with a view to rolling out our OmniCommerce solution.

The "Services" (applications and infrastructure) and "Software" businesses, representing respectively 67.6% and 13.5% of our activity in France, significantly increased their results over the period and recorded major commercial successes.

Overall, sales activity was very intense over the quarter and, on 30 June, the rolling book-to-bill was 1.14.

Finally, throughout this half-year, France continued to invest in solutions, digital and outsourcing.

- **INTERNATIONAL: very strong growth and increased profitability**

International business grew strongly

At 143.6 million euros, international business accounted for 25.5% of sales in the first half of 2017, compared to 15.6% for the first half of the previous year. Due to the acquisitions carried out in 2016 (Impaq, Efron and Roff), the growth on a reported basis reached +83.2% and +11.3% in a like-for-like basis over the period. Operating margin also improved very significantly to stand at 9.7 million euros, or 6.8%, compared to 3.9 million euros and 4.9% respectively.

- **Iberian Peninsula-Latam**
  At 109.8 million euros, compared to 56.0 million euros, the revenue growth was +96.0% and the organic growth +9.0%, while the operating margin was 6.7%, against 4.5% the previous year. Growth in Spain (+39%) was mainly the result of the Efron business taken over in October 2016, but organic growth was also up to +7%. The Spanish operating margin grew from 2.1 million euros the previous year to 2.8 million euros.

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Thanks to the acquisition of Roff in November 2016, growth in Portugal was +312.6%. Growth on the historic scope was also very strong, with organic growth reaching +20.7%. The operating margin in Portugal rose from 4.5% for the period ended June 30, 2016 to 11.4%. This margin in Portugal is the result of both the boost in profitability of past activities but also the development of the Roff SAP business acquired.

- **Northern and Eastern Europe** (Belux, Poland and Switzerland)
  With 26.1 million euros for the first half of 2017, compared to 16.2 million euros for the same period in 2016, business here experienced a solid growth, with an organic growth of +25.6%. It continues to benefit from the momentum of the businesses acquired in Poland in April 2016 and in Belux.

WORKFORCE

The group's workforce totaled 14,345 employees at June 30, 2017, compared to 14,100 at December 31, 2016. On the basis of the actions undertaken, particularly in France, the number of net hiring of terminations for the second half should be positive.

OPERATING INCOME +7% - NET INCOME +2%

The operating income of 19.1 million euros is up to 7% compared to last year (17.8 million euros).
This is mainly the result of the improved operating margin and the decrease in other non-current operating income and expenses.
On the other hand, the restructuring costs at 5.1 million euros increased by 1.5 million euros because they were incurred, for the most part, over the first half of this year, while due to the significant acquisitions completed at the end of 2016, these same costs had a proportionally larger impact on the second half of last year.
Consequently, net profit after tax stands at 8.4 million euros compared to 8.2 million euros last year, an increase of +2%.

REASONABLE GEARING RATIO GIVEN THE 2016 ACQUISITIONS AND SEASONAL WORKING CAPITAL

Net debt stands at 153.5 million euros, producing a gearing ratio of 52%, a modest increase on last year following the acquisitions completed in 2016 and the earn-outs paid during the period (mainly Impaq, Roff and Efron).
Over the half-year, cash flow before cost of net financial debt and tax (CF) was 27.0 million euros, compared to 27.7 million euros at June 30, 2016, a decrease of 3%. WCR consumption for the half-year was controlled given the growth in the business. It stands at 28.7 million euros, against 21.9 million euros the previous year. Investments in fixed assets fell from 20.2 million euros to 16.6 million euros. Most of this drop in investments is related to the acquisition of the 3SI e-commerce solutions last year, and the licenses required for their operation.

INCREASE IN THE SHARE CAPITAL HELD BY MANNAI CORPORATION

As announced on May 10, 2017, an amendment to the Shareholders' Agreement was signed between Mannai Corporation, Apax and Boussard & Gavaudan, resulting in the sale in June 2017 of a first block by Apax to Mannai Corporation, followed by a second block in July 2017 of 17% of the share capital held by Boussard & Gavaudan to Mannai Corporation. Following these transactions, Mannai Corporation holds 81.21% of the share capital, Apax (via Itefin Participations) holds 6.41% and Boussard & Gavaudan holds 8.92%. As a result of this new governance, the Board of Directors, chaired by Vincent Rouaix, is now comprised of 9 directors including 4 independent directors, 2 Mannai Corporation representatives, 1 Apax representative and 1 director representing the employees.

OUTLOOK

For 2017, while remaining attentive to the fragile economic environment, the Group is drawing on the progress made and a its strong balance sheet and has confirmed its goal to pursue growth and transformation, further its international expansion and improve its operating margin.

Next meeting: Q3 2017 Revenue – November 7, 2017

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NB:
With the exception of historical facts, all information contained in this press release refers to objectives. Objectives do not constitute guarantees due to the difficulties inherent in predicting results. Actual results may differ substantially from explicit or implicit objectives.

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, with almost 14,000 employees, generated revenue of 1,015 million euros in 2016.
Gfi Informatique is listed on Euronext Paris, NYSE Euronext (Compartment B) - ISIN Code: FR0004038099.

For more information see www.gfi.world

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APPENDICES

Revenue by quarter

Revenue (in millions of euros)	1st quarter 2017	1st quarter 2016	Variation	Organic growth	Restated growth*
France	**210.3**	**207.8**	**1.2%**	**0.0%**	**0.4%**
International	**70.3**	**35.2**	**99.6%**	**13.3%**	**13.3%**
Iberian Peninsula-Latam	**54.1**	**25.9**	**109.1%**	**15.2%**	**15.2%**
Spain	*32.5*	*21.5*	*51.1%*	*15.2%*	*15.2%*
Portugal	*18.3*	*4.4*	*318.1%*	*23.1%*	*23.1%*
Latam	*3.3*	*0.0*	*NA*	*NA*	*NA*
Northern and Eastern Europe	**12.5**	**6.3**	**98.4%**	**15.4%**	**15.4%**
Belux	*7.0*	*5.7*	*22.0%*	*16.7%*	*16.7%*
Switzerland	*1.9*	*0.6*	*234.2%*	*2.0%*	*2.0%*
Poland	*3.6*	*0.0*	*NA*	*NA*	*NA*
Morocco-Africa	**2.8**	**3.0**	**-8.0%**	**-18.3%**	**-18.3%**
Other	**0.9**	**0.0**	**NA**	**NA**	**NA**
Total	**280.5**	**243.0**	**15.4%**	**2.0%**	**2.3%**

Revenue (in millions of euros)	2nd quarter 2017	2nd quarter 2016	Variation	Organic growth	Restated growth*
France	**208.3**	**215.9**	**-3.5%**	**-4.8%**	**1.8%**
International	**73.2**	**43.1**	**69.5%**	**9.3%**	**9.3%**
Iberian Peninsula-Latam	**55.7**	**30.1**	**84.7%**	**2.5%**	**2.5%**
Spain	*32.8*	*25.5*	*28.8%*	*-0.5%*	*-0.5%*
Portugal	*19.1*	*4.7*	*307.4%*	*18.4%*	*18.4%*
Latam	*3.8*	*0.0*	*NA*	*NA*	*NA*
Northern and Eastern Europe	**13.6**	**9.9**	**38.2%**	**32.1%**	**32.1%**
Belux	*7.0*	*5.7*	*23.0%*	*23.0%*	*23.0%*
Switzerland	*2.7*	*1.2*	*119.5%*	*77.2%*	*77.2%*
Poland	*3.9*	*2.9*	*33.7%*	*30.7%*	*30.7%*
Morocco-Africa	**3.0**	**2.5**	**17.0%**	**6.6%**	**6.6%**
Other	**0.9**	**0.6**	**39.4%**	**-15.8%**	**-15.8%**
Total	**281.4**	**259.1**	**8.6%**	**-2.4%**	**3.1%**

Half-year revenue

Revenue (in millions of euros)	6 months 06/30/2017	6 months 06/30/2016	Variation	Organic growth	Restated growth*
France	**418.5**	**423.7**	**-1.2%**	**-2.4%**	**1.1%**
International	**143.6**	**78.4**	**83.2%**	**11.3%**	**11.3%**
Iberian Peninsula-Latam	**109.8**	**56.0**	**96.0%**	**9.0%**	**9.0%**
Spain	*65.3*	*46.9*	*39.0%*	*6.7%*	*6.7%*
Portugal	*37.5*	*9.1*	*312.6%*	*20.7%*	*20.7%*
Latam	*7.1*	*0.0*	*NA*	*NA*	*NA*
Northern and Eastern Europe	**26.1**	**16.2**	**61.6%**	**25.6%**	**25.6%**
Belux	*14.0*	*11.4*	*22.5%*	*19.9%*	*19.9%*
Switzerland	*4.6*	*1.8*	*155.3%*	*53.6%*	*53.6%*
Poland	*7.5*	*2.9*	*157.5%*	*30.7%*	*30.7%*
Morocco-Africa	**5.8**	**5.6**	**3.4%**	**-7.0%**	**-7.0%**
Other	**1.9**	**0.6**	**203.4%**	**6.0%**	**6.0%**
Total	**562.1**	**502.1**	**11.9%**	**-0.3%**	**2.7%**

* Organic growth restated for the exceptional effect of the 3SI contract on the 1st half of 2016

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Summary profit & loss statement, cash flow statement and balance sheet

Summary profit & loss statement (in millions of euros)	30.06.17	30.06.16
Revenue	**562.1**	**502.1**
EBITDA	35.4	34.0
	6.3%	6.8%
Net amortization and depreciation	10.0	10.2
Operating margin	**25.3**	**23.9**
Amortization of assigned intangible assets	(1.3)	(0.8)
Goodwill impairment losses	-	-
Other operating income and expenses	(4.9)	(5.3)
Operating income	**19.1**	**17.8**
Financial result	(2.4)	(2.2)
Income tax expense	(8.4)	(7.4)
Net income	8.4	8.2
Earnings per share (in euros)	*0.13*	*0.12*

Consolidated statement of cash flows (in millions of euros)	30.06.17	30.06.16
Operating cash flow	27.0	27.7
Tax paid	(6.6)	(6.8)
Change in WC requirement	(28.7)	(21.9)
Net cash from operating activities	(8.3)	(1.0)
Net cash from investing activities excl. business combinations	(18.0)	(21.2)
Net cash linked to business combinations investments	(14.0)	(13.2)
Net cash from investing activities	(32.1)	(34.4)
Capital increase	0.0	2.2
Repurchases and sales of treasury shares	(0.0)	0.2
Dividends paid	(10.0)	-
New borrowings	-	7.2
Repayment of borrowings	(9.6)	(2.3)
Interests paid	(1.1)	(0.9)
Factor drawing	40.8	3.1
Net cash from financing activities	20.1	9.5
Effect of changes in foreign exchange rate	(0.2)	0.0
Change in cash and cash equivalents	**(20.5)**	**(25.9)**

Summary statement of financial position (in millions of euros)	30.06.17	31.12.16
Goodwill	284.3	280.9
Fixed assets	105.6	96.8
Current and non-current assets	516.3	489.1
Cash and cash equivalents	20.0	28.9
Total assets	926.2	895.7
Net equity - attributable to owners of the Group	297.7	300.6
Non-controlling interests	0.1	0.0
Borrowings (current and non-current)	173.5	130.2
Current and non-current liabilities	444.5	442.6
Financial liabilities and current provisions	10.3	22.3
Total liabilities and shareholders' equity	926.2	895.7

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