

## PRESS RELEASE

July 11, 2016 – 6:00 pm



### FULL-YEAR EARNINGS GROWTH FOR 2015-16

- **€1.0 million in operating income**
- **Financial structure further strengthened**
- **Strong revenue growth expected for 2016-17**

At the Board meeting on July 6, 2016, the Directors reviewed and approved the annual financial statements for FY 2015-16 ended March 31, 2016.

#### Consolidated financials

The GECE International Group's consolidated financial statements at March 31, 2016 include the Eolen group's business for the first time (August 2015 to March 2016). This change in GECE International's scope is reflected in significant changes to the financial aggregates, meaning that any comparison with the previous year is not relevant.

€'000,000	March 31, 2016	March 31, 2015
Revenues	15.51	1.21
Current operating income	0.96	(1.56)
Pre-tax current operating income	0.20	0.45
Consolidated net income	0.47	0.45
Net income (Group share)	0.01	0.45

#### Highlights

FY 2015-16 was marked by the successful integration of the Eolen group, an engineering and consulting firm. This acquisition has enabled the GECE International Group ("the Group") to make significant progress with its business on various high-growth markets in France and internationally.

The Eolen group's positioning has been redefined and aligned with the Group. The sales and recruitment teams have been further strengthened and sales efforts have been ramped up on stronger value-added services.

At March 31, 2016, the Group is reporting revenues of €15.5 million, with 15% generated internationally. The breakdown of the Group's operations between its various markets is now as follows: 18% for engineering, 54% for IT and telecoms, and 27% for finance. At end-March, the Group had a total of 367 employees in France, Brazil and South Africa.

#### Current operating income

Current operating income came to €1.0 million for 2015-16, compared with €(1.6) million the previous year. The operating margin of 6.2% highlights the effectiveness and efficiency of the Eolen group's integration plan in terms of both management and commercial development. This development was ramped up over the second half of the year in particular, with current operating income reaching €2.3 million.

#### Net income

After net finance costs of €(0.6) million and the capitalization of deferred taxes for €0.3 million, total net income is positive with €0.5 million. Net income (Group share) broke even. For reference, earnings at March 31, 2015 included a non-current profit of around €2.3 million from debt write-offs secured from creditors when renegotiating the previous debt.

#### Financial position

The Group further strengthened its shareholders' equity at end-March 2016 after the combined general meeting on March 29, 2016 approved capital increases reserved for the two leading shareholders (XLP Holding and Air Invest) and a capital reduction (reducing the share's par value from €0.25 to €0.01). Following these operations, shareholder current accounts have been incorporated into the company's capital for €15.3 million, including an issue premium of €8.3 million, with 27,800,000 new shares created.

Following these operations, and after factoring in earnings for the year, shareholders' equity (Group share) came to €(1.9) million at March 31, 2016, compared with €(14.9) million at March 31, 2015. The Group's net finance costs represent €12.3 million, with €0.4 million of cash and cash equivalents.

The Group's financial structure does not take into account the equity warrants<sup>1</sup> issued as decided by the combined general meeting on March 29, 2016 and exercised since then by the Group's shareholders.

## Outlook

Further strengthened through significant acquisitions, the Group is now developing its business strongly, with over 50% revenue growth expected for the current financial year.

The acquisition of ETUD Integral in June 2016, specialized in automotive, public transport and street furniture engineering, has helped support the Group's strategy for growth on strong value-added markets.

Created in 1984, ETUD Integral has capitalized on its major capacity for innovation from the outset, supporting the automotive market. It has become a pivotal supplier for major manufacturers, involved in developing innovative concepts such as the outstanding Renault Twizy prototype. Its alliance with the Group will open up extensive synergies and development opportunities. In particular, it will contribute towards:

- Developing ETUD Integral's IoT, street furniture and urban mobility expertise;
- Building a stronger client portfolio internationally with a broader range of solutions;
- Further strengthening the Group's range of consulting and engineering services for transport, urban mobility and connected products and services.

With its highly complementary and innovative expert capabilities, in 2016 the Group is consolidating its capacity to support the development of major industrial firms, SMEs and startups in an extremely competitive environment linked to the digital transition. Alongside this dynamic growth, the Group is further strengthening the quality of its services, in line with the ISO 9001 and 27001 certification processes underway in its business units.

Over the medium term, the GECI International Group plans to continue rolling out its development strategy focused on:

- i/ Engineering, IT and telecoms
- ii/ Smart services and products
- iii/ Strategic alliances and international development.

## Indicative schedule

- Annual financial report on July 13, 2016
- 2016-17 first-quarter revenues on August 11, 2016
- General meeting on September 12, 2016

## About GECI International

The GECI International Group, created in 1980, has established itself as a high-tech engineering specialist. Today, GECI International is targeting high-growth, strong value-added market segments, focusing in particular on engineering, telecommunications, IT and connected products and

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<sup>1</sup> As decided at the combined general meeting on March 29, 2016, GECI International has issued equity warrants ("BSA warrants") awarded freely to its shareholders in order to engage them in its new development projects. On April 7, 2016, 61,741,720 BSA warrants were issued, with one BSA warrant entitling beneficiaries to subscribe for one GECI International share at any time up until October 6, 2017 inclusive based on a unit price of €0.06 per share. For reference, the leading shareholders - Serge Bitboul, XLP Holding and Air Invest – have made commitments to not exercise or sell the free BSA warrants awarded to them, with an accretive impact for the other shareholders.

The BSA warrants have been listed on Euronext Paris since April 7, 2016 under ISIN FR0013141249. At end-June 2016, 4,657,845 BSA warrants, representing 20.46% of the potential maximum total, had been exercised, with 4,657,845 new shares created and a total gross subscription of €279,470.70.

services. With its world-renowned credibility for advisory services and training, as well as its ability to deploy the most qualified skills, GECI International is supporting businesses with their digital transition and their efforts to design and develop new smart products and services.

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GECI International - French limited company (société anonyme) with capital of €617,417.20  
Registered office: 48 bis Avenue Kléber- 75116 Paris – France - Paris trade and companies register: 326 300 969

GECI International is listed on the regulated market Euronext Paris – Compartment C  
ISIN (shares): FR0000079634 – GECP  
ISIN (equity warrants): FR0013141249 - GECBS

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