



INVESTIR - SEPTEMBER 23, 2000

Consolidated results of half year 2000

GFI INDUSTRIES

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The accounts from the first half year of 2000 were presented to the board of directors meeting on September 14th 2000.

	In FFm	1 st half 2000			2 nd half 2000		
		FF	€	%	FF	€	%
Revenue	1,724.1	262.8	100.0	1,612.7	245.9	100.0	
EBIT	217.0	33.1	12.6	234.3	35.7	14.5	
Net profit before goodwill	122.8	18.7	7.1	127.3	19.4	7.9	
Net attributable profit	111.0	17.0	6.5	119.4	18.1	7.4	
Cash flow	178.5	27.2	10.4	167.7	25.6	10.4	
Capital expenditure	72.7	11.1	4.2	160.0	24.4	9.9	
Net financial investment	667.0	101.7	--	--	--	--	
Stockholders' equity and minority interests	1,491.9	227.4	--	1,354.3	206.4	--	
Net debt	1,117.3	170.3	--	442.2	67.4	--	

Consolidated sales for the first half of 2000 increased by 7% over the same period last year, with Gradel and Gervais le Pont consolidated over six months and Rapid over one month. On constant consolidation scope, first-half growth came to just 2%.

Both operating income (down by 7.4%) and net attributable income (down by 7%) declined as a result of the sharp drop-off in the U.S. aerospace business combined with overheating at French automotive plants.

Net debt increased by FF 775 million for the six months to June 30, 2000 due to the acquisitions made during the period (FF 667 million) and our continuing, ambitious capital-expenditure programs (FF 73 million).

Outlook

The outlook for the second half is for a net improvement compared with the second half of 1999. Two businesses are expected to improve their results significantly: Hi-Shear USA as Boeing finishes working down its inventories as has been expected, and Artem thanks to its industrial reorganization. In addition, with expected sales of more than FF 300 million in the second half, Rapid will make a positive contribution to earnings for the period.

Operating income for the full year should reach a level comparable with 1999 while net extraordinary items are expected to come in at the lower end of their forecast range.

The acquisitions we have completed, the investment programs we have planned and launched, and the steps we have taken to meet the challenges of our major markets have left our company well positioned to reach its ambitious growth targets.

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