

# SWORD

UPGRADE YOUR BUSINESS



## ANNUAL ACCOUNTS 2003

### Strong Growth

## SWORD Group

### 2003

- an 38 % increase in pro-forma sales
- consolidated operating margin: 16.1%
- dividend: + 20%

### 2004

- budget
  - organic growth of 2003 perimeter: + 12%
  - stabilisation of revenue from acquisitions 2003
- consolidated operating margin of 16%
- continue targeted acquisitions

K€	31/12/2003 Perimeter	Consolidated 2003	31/12/2002 Perimeter		
	Pro-forma 2003 <sup>(2)</sup>		Internal growth 2003	Pro-forma 2002 <sup>(2)</sup>	Change
Sales	66 016	55 544	54 942	47 815	+ 15 %
Operating profit	9 415	8 920	8 837	6 159	+ 43 %
Consolidated net profit	5 228	5 091	5 007 <sup>(1)</sup>	3 911	+ 28 %
Net attributable profit	5 030	4 893	4 809	3 780	+ 27 %

(1) for an initial budget of 4 851.

(2) year acquisitions spread over the full year.

### 2003

#### • Sales:

Organic growth of 15% in a shrinking market.  
Overall growth of 38%.

#### • Operating margin:

Progression of 31/12/2002 operating margin at constant perimeter from 12.9 % to 16.1 %.

#### • Net debt: € 6,975 thousand

- Long-terme debt: € 13,076 thousand
- Short-terme debt: € 1,461 thousand
- Cash and marketable equity: € 7,562 thousand

#### • Shareholders' equity: € 30,162 thousand

#### • Dividends:

A dividend of € 0,90 per share excluding tax credits will be proposed to the Annual General Meeting on 26 April 2003.



# **SWORD**

UPGRADE YOUR BUSINESS



## > **SWORD Group:**

founded in December 2000  
Chairman and founder:  
Jacques Mottard  
683 employees as at 31/12/2003  
listed on Euronext Paris NM  
since 13/03/2002  
segment Next Economy  
code Euroclear France: 18378  
FTSE sector: 972 - ITservices  
SBF 250

## > **Upcoming meeting:**

9 March 2004 at 10 a.m  
Meeting with SFAF analysts  
to present the annual results  
Palais Brongniart  
(Paris 2ème)

## **Outlook for 2004**

Our 2003 strategy will continue with expected organic growth of 12 % of the initial perimeter and a stabilisation of acquisitions made in December 2003, that means revenue growth in 2004 to 72.61 M€ with an operating margin of 16 %.

Furthermore, a targeted acquisition policy will increase the previous revenue by 20 M€.

### • **Specialisation in niche markets**

- Consulting (organization and change management) – 17% of pro-forma 2003 sales
- Enterprise Content Management (electronic document management, geographic information systems, data engineering, Web Content Management)– 79% of pro-forma 2003 sales.
- Security (filtering and protection financial transfers) – 4% of pro-forma 2003 sales

### • **International profile**

An international profile not only in terms of geographic coverage but also in terms of projects, SWORD is as of now fully international.

Breakdown of sales by geographic region:

- Belgium : 23 % of pro-forma 2003 sales
- France : 22 % of pro-forma 2003 sales
- Luxembourg : 15 % of pro-forma 2003 sales
- United Kingdom : 13 % of pro-forma 2003 sales
- United States : 11 % of pro-forma 2003 sales
- Rest of world : 16 % of pro-forma 2003 sales.

Although invoicing may be centralised in a given country, projects are carried in numerous locations. Our staff currently works in 33 countries.

### • **Industrialisation means**

- our policy of software components, which enables us to use software bricks in customised developments.
- our strategy of developing certain of our applications in countries with lower labour costs as for example Greece and India, where the former is european near-shore and the latter is off-shore.



## Contracts signed (since 01/01/2004):

- **Consulting:**

- . **UNITED KINGDOM:** Surrey County Council

- . **AUSTRIA :** Kraft

- . **INTERNATIONAL:** GSK

- **Electronic Content Management:**

- UNITED KINGDOM:** TOYOTA, LINK LATER, BARCLAYS, SONY

- UNITED STATES:** Halliburton

- FRANCE:** Réseau d'oncologie Rhône Alpes, DECATHLON, COFIDIS, Ministère de l'Agriculture, ANDRA (3 years)

- BELGIUM:** DG Presse (3 years) via the acquisition of FI SYSTEM Belgium.

- **Security:**

- JAPAN:** Sumitomo Mitsui Bank Corp.,

- UNITED KINGDOM:** Lloyds TSB, National Australia Group, British Arab Commercial Bank.

- INTERNATIONAL:** ING NV

- LUXEMBOURG:** CL Luxembourg

- UNITED STATES:** eBay, Auto Club Southern California, AIPSO (Rhode Island)

- PORTUGAL:** Banco de Investimento

## Live operations launched:

The Norwegian Patent Office (Patentstyret) launched in February its new Information System built by SWORD which manages intellectual property such as trademarks, patents, designs and models and serves 300 users. This was a 3M€ fixed-price project. Patentstyret is particularly happy with a system that was built to mimic very detailed and complete business processes reflecting their every day operations. In our view, one of the most comprehensive in service today.

**SWORD Group contacts**

Jacques MOTTARD – Chairman and CEO

Stéphanie DESMARIS – in charge of communication

+ 33 (0) 472 85 37 45 - [sdesmaris@sword-group.com](mailto:sdesmaris@sword-group.com)

headquarters : 9 avenue Charles de Gaulle - 69370 Saint Didier au Mont d'Or

find press release [www.sword-group.com](http://www.sword-group.com) and [prline.com](http://prline.com)