



## SWORD GROUP

**29 March 2004**  
**Press release**

### **New share issue**

SWORD Group announces a capital increase through the issuance of 205,373 shares with warrants attached ("units") without pre-emptive rights but with a priority subscription period for existing shareholders from 29 March 2004 to 5 April 2004 inclusive. Existing shareholders will be entitled to subscribe to one unit for six old shares owned. The maximum issue price per unit will be €82 equivalent to a maximum capital increase of €16,840,586. The new shares and the warrants are due to be listed on the Nouveau Marché of Euronext Paris SA.

A prospectus relating to the issue and the listing of the new shares and warrants on the Nouveau Marché of Euronext Paris, consisting of a *document de référence* approved by the *Autorité des marchés financiers* under no. 04-036 dated 22 March 2004 with the following warning: "The *Autorité des marchés financiers* draws the attention of the public to the fact that approximately 40% of the 2003 pro forma turnover of the company is made on a contractual basis. However, the company considers that the risk is under control as it is explained in paragraph 3.2.4. of the Offering Memorandum" and an Offering Memorandum approved on 26 March 2004 by the *Autorité des marchés financiers* under no. 04-221.

The *Autorité des marchés financiers* draws the attention of the public to the following facts:

- new shares subscription is not underwritten according to article L. 225-145 of Code de Commerce. As a consequence, new shares trading will start after the settlement date;
- the capital increase with no preferential subscription right could be limited to the subscription received, providing that this number shall be greater than three fourth of the capital raised.

This press release is published by demand of the *Autorité des marchés financiers* under the COB regulation n°98-07.

The main characteristics of the offering are described below:

<b>Issuer</b>	SWORD GROUP : <ul style="list-style-type: none"><li>- Listed on the Nouveau Marché of Euronext Paris</li><li>- ISIN code: FR0004180578.</li><li>- FTSE code: 972</li></ul>
<b>Number of units</b>	205,373 new shares (thereafter "new shares"), with warrants attached (thereafter "warrants"), one unit consisting in one new share with one warrant attached. Following the Chairman's decision, and under his powers and sub-delegations granted by the Management Board, if the amount of subscriptions does not match the number of shares to be issued, the subscription could be limited to the amount of subscription received, providing that this number shall be greater than three fourth of the capital raised.

<b>Extension</b>	The number of units may be increased to a maximum of 236,178, in the event of exercise of the 15% extension option ("Extension"), (ie. a maximum of 30,805 additional units).
<b>Issue price</b>	<p>The issue price of the units will be subject to market conditions at the time of issue. It should be fixed in such a way that the issue price of the new shares after deducting the value of the warrants is at least equal to the average of the volume weighted average price ("VWAP") during 10 days chosen amongst the last 20 days before the pricing date. This average will be adjusted by the accrual of the dividend. In any case, the maximum price will be €82 per unit and the issue price will be fixed on 5 April 2004.</p> <p>The final terms and conditions will be announced through a press release.</p>
<b>Gross proceeds of the issue</b>	€16,840,586, and in case of exercise of the Extension, a maximum amount of € 19,366,596.
<b>Right to dividend</b>	The new shares will bear right to dividend from 1 January 2004 and will be fungible with the old shares after the payment of the 2003 dividend.
<b>Subscription period</b>	From 29 March to 5 April 2004 inclusive. The subscription period may be closed early, except for retail investors. Orders will be binding.
<b>Preferential subscription rights</b>	The shareholders have waived their preferential subscription rights as per the XVIIth resolution adopted at the General Meeting (" <i>assemblée générale mixte</i> ") on 27 February 2002.
<b>Priority subscription period for existing shareholders</b>	The priority subscription period of the 205,373 units will run from 29 March 2004 to 5 April 2004 inclusive. This priority will not be listed nor traded on the market. Any shareholder of SWORD GROUP holding shares as of 26 March 2004 will be entitled to subscribe to one unit for 6 old shares.
<b>Intended action by principal shareholders</b>	Mr. Jacques MOTTARD and 21 CENTRAL PARTNERS, both of whom are represented at the Board of Directors, have announced that they will not subscribe in the offering.
<b>Underwriting</b>	The subscription for the units will be underwritten by CREDIT DU NORD and CDC IXIS – LCF ROTHSCHILD Midcaps, pursuant to an underwriting agreement which SWORD should sign on 5 April 2004. This underwriting agreement shall not constitute a " <i>garantie de bonne fin</i> " in accordance with article 225-145 of Code de Commerce.
<b>Listing of the new shares</b>	<p>The new shares will be listed on the Nouveau Marché of Euronext Paris with the ISIN Code FR0010071316 following the settlement date. This listing is expected to be around 16 April 2004.</p> <p>Immediately following their issuance, the warrants will be detached from the new shares and will trade separately.</p>
<b>Subscription agents</b>	<p>Subscriptions and payments in connection with the priority subscription period, as well as those of physical persons, will be received by SOGIETE GENERALE which maintains the share register for SWORD GROUP. The exercise of this priority right is subject to the immobilisation of the registered shares in the subscriber's account held by its bank or financial intermediary until the end of the priority right period.</p> <p>Subscriptions and payments in connection with the Offering will be received by CREDIT DU NORD and CDC IXIS – LCF ROTHSCHILD Midcaps.</p>

<b>Purpose of the issue</b>	The proceeds of this issue by SWORD GROUP will finance the external growth. Indeed, in 2004, SWORD GROUP intends to pursue its acquisition strategy with a view to expand its activities in the UK and the US, as well as its offshore strategy.
<b>Recent share price</b>	- First trade on 26 March 2004: €77.15 - VWAP on 25 March 2004: €77.11

### Description of the warrants (2 year maturity)

<b>Number of warrants attached</b>	One warrant is attached to one share (one unit).
<b>ISIN Code</b>	FR0010071308
<b>Parity</b>	4 warrants (parity) give the right to subscribe for one SWORD GROUP share (possible adjustments to conditions of exercise).
<b>Exercise period</b>	Warrant holders are entitled to subscribe for SWORD GROUP shares at any moment from their recording in an account until 30 April 2006 inclusive (approximately 24 months). Any warrant not exercised by 30 April 2006 will be worthless and will lapse.
<b>Share subscription price</b>	The share subscription price shall be comprised between 15% and 30% above the VWAP on the pricing date. The subscription price will be paid fully on exercise of the warrants.
<b>Issue gross amount in case of exercise of all the warrants</b>	For a €82 reference share price (maximum price), between €4,841,645 (15% exercise premium) and €5,473,164 (30% exercise premium).
<b>Listing of the warrants</b>	An application to list the warrants on the Nouveau Marché of Euronext Paris will be made effective from the settlement date and they should trade from 16 April 2004. They will be listed separately from the new shares.

Copies of the *document de référence* and the Offering Memorandum can be obtained from the following contacts:

- SWORD GROUP, 9 avenue Charles de Gaulle – 69370 Saint Didier au Mont d’Or,
- CREDIT DU NORD, 50 rue d’Anjou – 75008 Paris,
- CDC IXIS – LCF ROTHSCHILD Midcaps, 3, rue Lafayette – 75 009 Paris,
- A copy can also be downloaded from the website of the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)) as well as the company website ([www.sword-group.com](http://www.sword-group.com)).

## Contact

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## Preliminary timetable

<b>26 March 2004</b>	Visa from the AMF
<b>29 March 2004</b>	Subscription period for the units and priority subscription period for existing shareholders begin
<b>5 April 2004</b>	Subscription period for the units and priority subscription period for existing shareholders end Pricing of the units
<b>15 April</b>	Settlement date of the units
<b>16 April</b>	Admission of the new shares and the warrants to the Nouveau Marché

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