

THIRD QUARTER PERFORMANCE FY 2008

Sword Group performance Q3-2008 ⁽¹⁾

€m	Q3		
	2008 ⁽¹⁾	2007	Growth
Revenue	51.81	46.07	+ 12.47%

(1) figures non audited.

Analysis of Q3 results

YTD Q3 operating profitability of 17.7% at the end of Q3. This is above the original budget but in line with the revised expectations issued in Q1.

The organic growth excluding exchange rate fluctuation is 10.4%.

Prospects for 2008

Due to the strength of its backlog as at 30/09/2008 and despite the adverse impact of currencies fluctuation, Sword is confident in meeting its profit target (EBIT) for 2008 at €36m+.

Prospects for 2009

Since FY2006 Sword has been predicting an economic crisis in 2008, this prediction has been a driving force in Sword's strategic positioning during this past three years:

- Increasing the strength of its backlog over its annual revenue,
- Ensuring flexibility in a downturn by using a greater number of subcontractors,
- Incorporating its services knowledge into software products,
- Increasing its product offerings in order to generate high levels of gross margin,
- Increasing the "On demand" (lease, ASP, SaaS) offerings within its product portfolio in order to increase the predictability of long term revenue streams.

As a result of this Sword is confident that it will be able to maintain its profitability in spite of the difficult economic conditions awaiting us in 2009.

The current backlog over 3 years equates to €353 million.

The group has guaranteed access to finance in order to allow it to continue its acquisition strategy.

Summary of P&L

€K	YTD 2008 ⁽¹⁾	YTD 2007
Revenue	155 967	132 500
Operating profit	27 607 (17.70 %)	21 862 (16.50 %)
Net profit	18 117 (11.62 %)	14 548 (10.98 %)

Sword Group

Q3-2008 ⁽¹⁾

- Consolidated revenue: **€51.81m**
- Consolidated growth: **12.47%**
- Current operational margin: **17.70%**



Founded in December 2000
Founder and Chairman:
Jacques MOTTARD
Employees: 2,034 (30/09/08)

Stock Information
EURONEXT PARIS
Compartment B
ISIN code: FR0004180578
ICB: 972 IT Services - SBF 250 - IT CAC

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