



SWORD GROUP

> About SWORD GROUP

Founded in December 2000

Chairman and Founder:

Jacques MOTTARD

1 501 employees at 31/12/2006

Eurolist Compartment B

Isin Code: FR0004180578

Next Economy Segment

FTSE Sector : 972 IT Services

IT CAC, CAC Small 90, CAC Mid and

Small 190 and SBF 250

> Upcoming press release:

2007 Q1 revenue, **April 17, 2007**

> Upcoming meetings:

Analysts' meeting, **March 14, 2007**



> Availability of the prospectus:

The capital increase was the subject of a French prospectus which received visa n° 07-067 dated February 28th from the *Autorité des marchés financiers*. Copies of this prospectus are available at no charge from Bryan, Garnier & Co. (33, avenue de Wagram, 75017, Paris), and from the corporate headquarters of SWORD Group as well as on the websites of SWORD Group (www.sword-group.com) and of the *Autorité des marchés financiers* (www.amf-france.org).

SWORD Group draws the attention of the public on the risk factor sections contained in the prospectus.

SWORD Group launches a capital increase through the issuance of 1 250 000 new shares

Lyon, March 1, 2007 – SWORD Group launched a capital increase today with no preferential rights and no priority subscription period for existing shareholders, through the issuance of 1 250 000 new shares of SWORD Group.

This number may be increased to 1 653 125 shares in the event of the full exercise of the extension and over-allotment options.

The purpose of the capital increase launched today is to strengthen SWORD's shareholders equity in order to finance the company's development through acquisitions. Yearly targeted external growth will be of approximately €30m in terms of revenues with c. €25m in the Software sector.

With 15% of organic growth combined to the targeted external growth the company's corporate development will, thus, be well balanced.

The gross proceeds of the issuance in the amount of approximately €48.1 m, may be increased to around €55.3 m in the event of the exercise of the extension option and to around €63.6 m in the event of the exercise of the over-allotment option

The subscription price will be determined between March 1, 2007 and March 5, 2007, after the order-book building.

This offering is led by Bryan, Garnier & Co. acting as Sole Lead Manager and Bookrunner.

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Bryan, Garnier & Co. is acting exclusively for SWORD Group and no one else in connection with the capital increase. Bryan, Garnier & Co. will not regard any other person (whether or not a recipient of this announcement) as its clients and will not be responsible to anyone other than SWORD Group for providing the protections afforded to its clients nor for giving advice in relation to the capital increase, the contents of this announcement or any transaction or arrangement referred to herein.

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PRINCIPAL FEATURES OF THE CAPITAL INCREASE BY MEANS OF AN ISSUE OF SHARES TO BE SUBSCRIBED IN CASH WITHOUT PREEMPTIVE SUBSCRIPTION RIGHTS AND WITHOUT A PRIORITY SUBSCRIPTION PERIOD

Issuer	SWORD GROUP : <ul style="list-style-type: none">- ISIN Code FR0004180578.- FTSE Sector : 972 – IT Services- Eurolist compartment B
Background and reasons for the offering	Strengthen SWORD's shareholders equity in order to finance the company's development through acquisitions.
Authorizations	Decision by the Board of Directors of February 14, 2007 based upon the authorization of the General & Extraordinary Shareholder Meeting of April 28, 2006 to proceed with an issue of shares to be subscribed in cash without preemptive subscription rights and without a priority subscription period
Number of new shares to be issued	1 250 000 shares.
Extension option	Depending on demand, an extension option has been granted that could result in an increase of new shares initially issued to 1 437 500 shares, representing 15% of the initial number. This decision will be taken no later than March 5, 2007.
Over-allotment option	Over allotment option granted to Bryan, Garnier & Co. which, if exercised in full, would result in an increase by the Company of the total number of shares issued by 15% thus representing in total 1 653 125 new shares. This option could be exercised, in full or partially, no later than April 5, 2007.
Subscription price	Set between March 1, 2007 and March 5, 2007, after construction of the order book. Price would be at least equal to the volume weighted average price of Company's shares on Eurolist over the three trading sessions immediately preceding the opening of the order book, less a maximum possible discount of 5%, or 38.48 euros. The subscription price will not exceed 44.25 euros.
Percentage of share capital and voting rights represented by the new shares	On the basis of SWORD Group's share capital as of December 31, 2006, the new shares, (excluding exercise of the Extension/Over-Allotment Option), will represent 14.1 % of the share capital and 13.5 % of the voting rights of the Company.

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Estimated gross proceeds and net proceeds of the offering	On the basis of the minimum price, gross proceeds would approximately be of €48.1 m. In case the extension and over-allotment options are exercised in full this amount would approximately be of €63.6 m. Net proceeds would approximately be of €45.5 m. In case the extension and over-allotment options are exercised in full this amount would approximately be of €60.1 m.
Dividend eligibility date of the new shares	January 1, 2006.
Preferential subscription rights and priority subscription period	Offering of shares without preferential subscription rights and without a priority subscription period.
Admission to trading of the new shares (excluding exercise of the Over-Allotment Option)	March 9, 2007.
Sole Lead Manager and Bookrunner	Bryan, Garnier & Co.
Offering conditions	The shares in this transaction will be offered as follows: <ul style="list-style-type: none">- in a private placement to institutional investors in France and outside of France, but excluding the United States, Australia, Canada and Japan, and- to the public in France, to individual and/or to legal entity investors.
Underwriting	Underwritten by Bryan, Garnier & Co. The underwriting does not constitute a <i>garantie de bonne fin</i> within the meaning of Article L. 225-145 of the French Commercial Code.
Company Lock-up	The Company undertakes (on behalf of itself and its subsidiaries) with respect to the Lead Manager for a period of 180 days from the date of signature of the underwriting agreement, not to offer, sell or issue shares or any other securities that could give rights to the share capital of the Company, subject to certain exceptions.
Intention to subscribe by the main shareholders	To the knowledge of the Company, none of the main shareholders have stated an intention to subscribe to this offering
Stabilization – Interventions in the market	Pursuant to the underwriting agreement, Bryan, Garnier & Co. may (but is in no obligation to) intervene on the market in stabilization transactions on the SWORD Group shares until April 5, 2007.

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Financial intermediaries

Share subscriptions and payments of funds by subscribers or their authorized financial intermediaries, acting in their name and on their behalf, must be received by March 5, 2007 at 5:00 pm by Société Générale Global Securities.

Indicative Timetable

February 14, 2007: Board of Directors decision on offering.

February 28, 2007: Visa of the AMF on the prospectus.

March 1, 2007:

Publication of a press release describing the principal terms of the capital increase.

Opening of the subscription period for retail investors and order book for institutional investors.

Between March 1, 2007 and at the latest on March 5, 2007, at 5:00 pm:

Closing of the order book for institutional investors

Possible exercise of Extension option

Decision of the Chief Executive Officer setting the subscription price

Press release announcing the subscription price

March 2, 2007: Publication of the prospectus summary in the national press and, as the case may be, of the subscription price if this has been determined.

March 5, 2007: Publication of a notice in the *Bulletin des annonces légales obligatoires* (journal for mandatory legal announcements) concerning the capital increase.

March 5, 2007 at 5:00 pm: Closing of the subscription period for retail investors.

March 6, 2007: Publication of a Euronext notice of admission of the new shares showing the subscription price and the amount of the capital increase. Publication of a press release giving the results of the issuance (including the level of public subscription)

March 9, 2007: Issuance of the new shares – settlement and delivery of shares offered to the public and institutional placements. Admission of the new shares for trading

April 5, 2007: Deadline for exercising the Over-Allotment Option

Risk factors

SWORD Group draws the attention of the public on the risk factor sections contained in the prospectus.

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