

Sword Group Financial Results for the Q4 2013 Exceptional Growth And Profitability

Luxembourg - January 23rd 2014,

On a like-for-like basis (31/12/2012) ⁽¹⁾

€M	Revenue			Current Operating Income		Profitability	
	2013	2012	Growth ⁽²⁾	2013	2012	2013	2012
Q1	26.1	26.8	- 2.7%	3.6	4.2	13.8%	15.7%
Q2	25.0	24.2	+ 3.3%	3.2	3.0	12.8%	12.4%
Q3	24.5	23.3	+ 5.2%	2.8	2.4	11.4%	10.3%
Q4	27.1	24.8	+ 9.3%	4.1	3.4	15.1%	13.7%
Total	102.7	99.1	+ 3.6%	13.7	13.0	13.3%	13.1%

⁽¹⁾ Non audited figures

⁽²⁾ Organic adjusted growth amounted to 4.8% once restated for non-recurring revenue in 2012 without the €1.2 million cost.

Consolidated Figures ⁽¹⁾

€M	Revenue			Current Operating Income		Profitability	
	2013	2012	Growth	2013	2012	2013	2012
Q1	26.1	34.3	- 23.9%	3.6	5.1	13.8%	14.9%
Q2	25.0	32.6	- 23.3%	3.2	4.1	12.8%	12.6%
Q3	25.2	26.0	- 3.1%	2.9	2.3	11.5%	8.8%
Q4	30.2	25.0	+ 20.8%	4.5	3.2	14.9%	12.8%
Total	106.5	117.9	- 9.7%	14.2	14.7	13.3%	12.5%

⁽¹⁾ Non audited figures

ANALYSIS

Growth

When looking at the annualised organic growth at constant perimeter, Sword has produced organic growth of 3.6% over the year. In spite of a slow start in H1 the operations at a constant perimeter performed extremely well in H2 with a like for like Q4 performance demonstrating organic growth of over 9% which bodes well for FY2014.

As can be observed from the figures above, following a period of disposals of non-core activities Sword has relaunched a focused acquisition campaign in H2 2014 which again has resulted in a Q4 consolidated growth of over 20% when compared with the prior year's figures.

Profitability

At a constant perimeter, Sword has improved the operating profit margins from 13.1% in FY2012 to 13.3% in FY2013. Q4 of FY2013 generated an exceptionally strong level of profitability at 15.1%, this was as a result of licence sales generated by the software division within the group.

From a consolidated perspective the operating profit margins have improved from 12.5% in FY2012 to 13.3% in FY2013, the integrations have been successfully carried out and we hope to further benefit from the synergies and additional opportunities brought by the new group companies in the future in order to further underpin the current profit margins.

Sword Group Q4 2013 ⁽¹⁾

Organic Growth ⁽³⁾: + 9.3 %

Profitability ⁽³⁾: 15.1 %

Consolidated Growth: + 20.8 %

Consolidated Profitability: 14.9 %

Sword Group FY2013 ⁽¹⁾

Consolidated Revenue: €106.5 m

Consolidated Profitability: 13.3 %

Pro forma Revenue: €126.5 m

⁽¹⁾ non audited figures

⁽³⁾ On a like-for-like basis (31/12/2012 perimeter)

Investor Relations

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Sword Group

1,236 staff (01/01/2014)

Euronext Paris - Compartment C

ISIN Code: FR0004180578

ICB : 9530 Software & Computer Services

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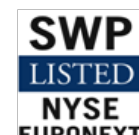
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The companies acquired and consolidated in Q4 FY2013 were:

- Active Risk, a Software company specialising in Risk Management,
- Simalaya, a Consulting organisation specialising in the improvement of IT systems, business process re-engineering, and project management.

Charteris Plc, an IT services company specialising both in the integration of Microsoft technologies and business process improvement was also acquired on the 3rd January and will form part of the consolidated results moving forwards.

Net Cash Position

The net cash position as at the end of December was €40.3M.

FORWARD LOOKING OBJECTIVES

The group is aiming to achieve the following objectives in FY2014:

- Organic growth of greater than 5%,
- Continued growth via complementary acquisitions concentrating on:
 - Software companies which are complementary to the already existing core competences within the group,
 - Specialised services companies which have a clearly defined technological proposition and are in strategically interesting geographical regions,
 - Larger companies with revenue in excess of €15 m.

Via a combination of the above factors Sword is aiming to grow its pro forma revenue to circa €200 m in FY2015.

The above growth targets are supported by a strong backlog position which bodes well for FY2014 and FY2015. The current backlog position is in excess of 22 months.

FY2013 CONSOLIDATED ACCOUNTS

€K	2013 ⁽¹⁾	2012
Revenue	106,500	117,908
Current Operating Income	14,194	14,744
Operating Income	21,701	27,088

⁽¹⁾ Non audited figures

DIVIDENDS

Sword is proposing to continue its strong level of dividend distribution and will propose a dividend of €1 per share at the next Annual General Meeting.

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Consolidated Profitability: 14.9 %

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