

SWORD GROUP

NEW MAJOR ORDERS

• NEW MAJOR PROJECT WITH **KBC**

- **KBC**, one of the biggest Bank & Insurance companies in Belgium has called upon **SWORD** to be preferred supplier to deliver highly skilled IT consultants to develop their new upcoming, strategic information systems in application development, infrastructure & business intelligence projects.

This project will enable **SWORD** to reinforce its preferred supplier status in the financial sector and will enable **SWORD** to establish its position on the Flemish IT Consulting market. This five year contract has a value of € 16M.

• NEW MAJOR PROJECT WITH THE EUROPEAN COMMISSION

- **SWORD** is the prime contractor in a consortium awarded a four year contract (€ 27M) with strategic importance to EU Customs.

In order that the EU's economy can continue to compete in a global context, the customs IT systems should be able to exchange electronic information. Although Member States have already invested significantly in the development of automated customs systems, the lack of interoperability between these systems is a barrier to an effective paperless customs environment (e-Customs).

By the awarded contract, **SWORD** will provide all required services in the Customs domain for the European Commission which has a coordinating role in this process.

> **SWORD GROUP**

Founded in December 2000

Chairman and Founder:
Jacques MOTTARD

1 283 employees at 30/06/2006

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:**

2006 second-Quarter Revenue:

July 18th, 2006



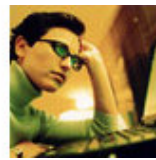
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Press release available on www.sword-group.com, www.companynewsgroup.com and www.boursorama.com



SWORD GROUP

STELLON

- 2006 pro forma revenue growth: **€ 3M**
- 2006 consolidated revenue growth: **€ 1.5M**
- EBIT over **10 %**
- Confirmation of our 2006 and 2007 group budgets

NEXTECH

- **SWORD** increases shareholding in **NEXTECH**
- New reference site in Brazil

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SWORD GROUP HAS INCREASED ITS FOCUS ON ITS ECM ACTIVITIES

NEW ACQUISITION IN SWITZERLAND

- **STELLON**, this company with 20 employees, is a market leader in the Swiss French Market.
STELLON specialises in strategic consulting, particularly involving the design and implementation of Key Performance measures within Businesses reporting framework (KPI).
The main industries targeted by **STELLON** are the banking, insurance, pharmaceuticals and telecoms sectors.

STRATEGY

- **STELLON** is already a profitable company and within two months of integration it will be performing in accordance with the **SWORD** standards (the accounts will be consolidated as of the 1st of July 2006).
- The budgeted internal growth is 15 %.

SYNERGY

- **STELLON's** knowledge and experience in the domain of managing Key Performance Indicators within a business will improve the **SWORD** global offering and create the potential for further international expansion.

PARTNERSHIP VIA INCREASED SHAREHOLDING IN NEXTECH

- **SWORD** shows its commitment to the Nextech stock and acquires an additional 9%.
This additional investment brings the **SWORD** holding to 19%.

SYNERGY

NEXTECH and **SWORD** are working together to achieve:

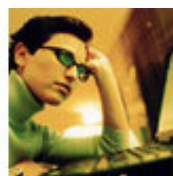
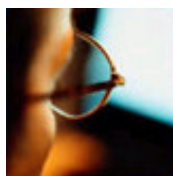
- Increased growth in the regulated markets within Latin America,
- Increased revenue from products and components.

NEW CLIENT

Banco Central: Purchased our document management range of products (FUSION).

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SWORD GROUP

Second Quarter 2006 Revenue

Q2 2006 ⁽¹⁾

- Consolidated Revenue:
€ 35.48M⁽¹⁾
- Organic Growth: **17.43%⁽¹⁾**
- Consolidated Growth:
42.24%⁽¹⁾
- EBIT: **16.93%⁽¹⁾**

H1-2006 ⁽¹⁾

- Consolidated Revenue:
€ 69.20M⁽¹⁾
- Organic Growth: **17.40%⁽¹⁾**
- Consolidated Growth:
49.89%⁽¹⁾
- EBIT: **16.75%⁽¹⁾**
- Backlog: **record contract signatures**

€M	S1			Q2		
	2006 ⁽¹⁾	2005	%	2006 ⁽¹⁾	2005	%
Revenue	69.20	46.16	49.89	35.48	24.94	42.24

⁽¹⁾ Not audited

Analysis

- The Group has exceeded the objectives of its Business Plan, which was re-evaluated at the end of 2005
- Organic growth has exceeded the budget by 2.43 points, the profitability (EBIT) by 1.93 point
- The new signed contracts in H1 2006 are much bigger than the H1 revenue

Outlook

- The Group confirms its 2006 and 2007 objectives
- The SWORD Group acquired STELLON, a Swiss company based in Lausanne on the 1st July 2006. This will increase SWORD's consolidated revenue in 2006 by € 1.5M. SWORD will be continuing its acquisition plan during the remaining six months of the financial year
- Organic growth will be sustained in H2 2006 (> 15%)

Summary of the Income Statement – not audited

€K	H1 2006	Q2 2006
Consolidated Revenue	69 197	35 477
Current Operating Profit	10 944 <i>(15.82%)</i>	5 669 <i>(15.98%)</i>
Operating Profit	11 591 <i>(16.75%)</i>	6 005 <i>(16.93%)</i>
Net Profit	7 701 <i>(11.13%)</i>	4 118 <i>(11.61%)</i>
Net Attributable Profit	7 663 <i>(11.07%)</i>	4 112 <i>(11.59%)</i>

New contracts

- In Benelux, 14 new contracts have been signed with European Institutions (PARLIAMENT, OLAF, TAXUD), Banks (KBC, DEXIA) and other governmental organisations (NATO). The global amount exceeds € 48M
- In the UK, 35 new contracts have been signed with companies operating in highly regulated markets such as Banking (DEUTSCHE BANK), Insurance (LANCASHIRE), Oil and Gas (MAERSK) and TELCO (ORANGE). The global amount exceeds £ 26M (€ 38M)
- In France, 60 new contracts have been signed thanks to both our technical skills: GIS (ONIC), Document Management (JOURNAL OFFICIEL), Business Intelligence (RTE) ; and our market oriented skills: Pharma (PFIZER), Nuclear (EDF), Health (Hôpitaux de Lyon), Insurance (APICIL), Bank (Banque Postale). The global amount exceeds € 18M

SWORD

UPGRADE YOUR BUSINESS



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CAC Mid and Small 190 and

SBF 250

> **Upcoming press release:**

First semester results:

September 6th, 2006

> **Next meeting:**

First semester results presentation:

September 6th, 2006 in Paris

- In **Switzerland**, 23 new contracts have been signed with Banks (CREDIT SUISSE, BCV, UBP, PICTET, SGS), with International Organisations (CICR) and TELCO operators (ORANGE). **The global amount exceeds CHF 9M (€ 6M)**
- **The other countries have renewed completely their backlog**
- **The export department** has been particularly successful in **China in Document Management (NINGXIA COAL GROUP)** and in **Anti Money Laundering (BANK OF CHINA, DAH-SING BANK)** ; in **the Trademark and Patent market (After the BERMUDAS, orders from CYPRUS and POLAND)**

Strong partnerships

- **MICROSOFT** has announced its decision to integrate the **FIRCOSOFT** products in its press release of May 9th, 2006
- **GOOGLE** has confirmed the availability of the first connector (GSATop from SWORD) of its products with DOCUMENTUM

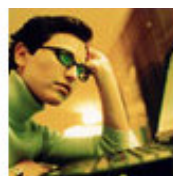
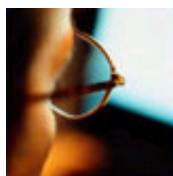
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SWORD GROUP

H1-2006

- Consolidated Revenue:
€ 69.20M
- Organic Growth:
17.40 %
- Consolidated Growth:
49.89 %
- Operating Profit Margin:
16.75 %
- Order Book: Record signings in H1-2006

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> Next Announcement:

Third Quarter Revenue 2006:
18th October 2006

> Next Meeting:

Presentation of half year results in Paris:
6th September 2006 at 11H30



FINANCIAL RESULTS FOR THE 6 MONTHS ENDED 30th JUNE 2006

Confirmation of the excellent future prospects for 2006 and 2007

€K	30/06/2006	30/06/2005
Revenue	69 197	46 164
Operating Profit Before Tax	10 944	7 164
Operating Profit	11 591	7 203
Consolidated Net Profit	7 701	4 771
Group Share of Net Profit	7 663	4 739

Analysis

- The actual organic growth of 17.4% is greater than the budgeted organic growth of 15%
- **SWORD** has achieved an actual operating profit of 16.75%, thus outperforming the budgeted operating profit of 15%
- The group has every confidence that the 2006 budgeted results will be successfully achieved and looks forward to the prospect of building further upon this profitable growth in 2007

Recap of key events in the first half of the financial year

- 1st July 2006, **SWORD** acquired **STELLON**, a Swiss company with turnover of € 2.8 million. This Lausanne based company consists of 20 staff who specialise in designing and implementing Key Performance Indicators and other metrics based systems which are designed to assist their clients to better understand and to measure the key drivers within their business
STELLON will contribute € 1,380K of consolidated revenue in the current financial year
- 1st July 2006, **SWORD** acquired **ASTRON**, a Nantes based company consisting of 8 consultants who were already closely collaborating with the **SWORD Group**. Prior to the acquisition the 8 **ASTRON** consultants were sub-contracting for **SWORD** on Facility Management projects
This investment although immaterial in nature will immediately permit **ASTRON** to improve their profitability as well as increasing their potential to sign larger contracts in the field of document management
- The order book has increased by € 40 million following a record number of new contracts being signed in the first half year

Future prospects

- Current performance and future prospects are in line with the 2006-2007 business plan
- **SWORD** is currently in negotiation for another acquisition which will fit in with the acquisitive strategy to further increase growth in the second half of the financial year, as evidenced by the earlier acquisition of **STELLON**

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SWORD

UPGRADE YOUR BUSINESS



- **SWORD GROUP**
Disposal of French subsidiary –
SWORD CONSULTING

SWORD GROUP pursues its concentration in highly regulated markets and compliance management and disposes of its French subsidiary SWORD CONSULTING

On the 22nd September **SWORD GROUP** disposed of its French subsidiary **SWORD CONSULTING** to **MALTEM**.

SWORD CONSULTING targets mainly management consulting in the payment field.

- **Confirmation of the 2006 - 2007 Business Plan**

REASONS FOR DISPOSAL

This disposal fits in with the **SWORD** strategy of refocusing upon its core activities within France, namely the high value added integration systems and the development of its **FIRCOSOFT** suite of products.

This strategic refocusing upon core activities was reflected in 2005 by the disposal of the **SWORD** logistics management consulting.

SWORD CONSULTING KEY FINANCIAL INFORMATION

The disposal annual turnover comes to **€ 2.7M**
The profits on this disposal will be reflected in the H2 2006 results.

FUTURE PROSPECTS

Current performance and future prospects are in line with the 2006 and 2007 business plan which took account of this disposal.

> SWORD GROUP

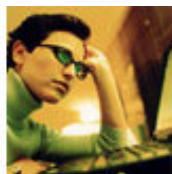
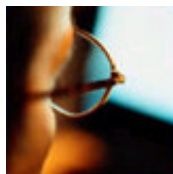
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SWORD GROUP

Q3 2006 ⁽¹⁾

- Consolidated Revenue:
€ 34.67M ⁽¹⁾
- Consolidated Growth:
+ 32.52 % ⁽¹⁾
- Organic Growth:
+ 17.13 % ⁽¹⁾
- Current Operating Profit
Margin: **15.77 % ⁽¹⁾**
- Operating Profit
Margin: **19.01 % ⁽¹⁾**

YTD 2006 ⁽¹⁾

- Consolidated Revenue:
€ 103.87M ⁽¹⁾
- Consolidated Growth:
+ 43.61 % ⁽¹⁾
- Organic Growth:
+17.30 % ⁽¹⁾
- Current Operating Profit
Margin: **15.80 % ⁽¹⁾**
- Operating Profit
Margin: **17.51 % ⁽¹⁾**

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> Upcoming press release:

Forth Quarter 2006 Revenue:

January 23rd, 2007



Third Quarter 2006 Revenue

€M	Q3		
	2006 ⁽¹⁾	2005	%
Revenue	34.67	26.16	+32.52

⁽¹⁾ Not audited by the Auditors

Analysis

- In the third quarter **SWORD** has continued to demonstrate strong organic growth. Both the organic growth and the operating profitability levels are outperforming budget
- The profit before tax includes profits generated from the disposal of non core activities

Outlook

- In spite of the disposal of certain non core business activities (**SWORD Nord** and **SWORD Consulting**) and the absence of new acquisitions in Q3, the strong levels of organic growth mean that **SWORD** is still on target to achieve its budgeted annual revenue of €140M
- The group will continue to follow its current successful strategy in 2007:
 - Geographical location of acquisitions (Anglo Saxon Countries)
 - Organic Growth > 15%
 - Operating Profit > 15%
- As per the 2005-2007 business plan created in 2004 **SWORD** confirms its intention to carry out a new acquisition in the near future

Summary of the Income Statements

€K	2005	2006 ⁽¹⁾	
		Q3	YTD
Consolidated Revenue	26 164	34 673 <i>(+32.52%)</i>	103 870
Current Operating Profit	4 191	5 467 <i>(+ 30.45%)</i>	16 411
Operating Profit	4 513	6 593 <i>(+46.09%)</i>	18 184
Net Attributable profit	2 611	4 360 <i>(+66.99%)</i>	12 023

⁽¹⁾ Not audited by the Auditors

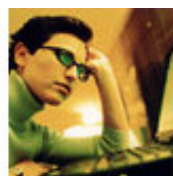
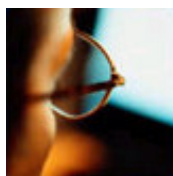
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Q4 2006

- **Consolidated Revenue:**
€ 38.14 M ⁽¹⁾
- **Organic Growth:**
25.94 % ⁽¹⁾
- **Consolidated Growth:**
30.76 % ⁽¹⁾

YTD 2006

- **Consolidated Revenue:**
€ 142.01 M ⁽¹⁾
- **Pro-forma Revenue:**
€ 152.10 M ⁽¹⁾
- **Organic Growth:**
21.49 % ⁽¹⁾
- **Consolidated Growth:**
39.92 % ⁽¹⁾
- **Current Operating Profit Margin:** **15.65 % ⁽¹⁾**
- **Operating Profit Margin:** **16.86 % ⁽¹⁾**
- **Net Attributable Profit:**
11.01 % ⁽¹⁾

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> **Upcoming press release:**

Annual Revenue:

March 14th, 2007



Fourth Quarter Revenue 2006

€M	2006 ⁽¹⁾	2005	%
Q4 Revenue	38.14	29.16	30.76
Annual Revenue	142.01	101.49	39.92

⁽¹⁾ **not audited by the Auditors**

Analysis

- During 2006 Sword enjoyed both growth rates and profitability in excess of budgeted figures
- Changes in group structure during 2006:
 - a/ Sale of 3 entities (SWORD Nord, SWORD Consulting and IDP (Business Unit)
 - b/ Acquisition of 2 companies: STELLON in Lausanne in July and RTE in Glasgow in November
- During the financial year ending 31st Dec 2006 the revenue produced by the companies disposed of amounted to **€ 8 100 K**
The consolidated revenue produced by the companies disposed of during the year, not included in pro-forma sales, amounts to **€ 6 469 K**
- Non-current operating income is derived from the disposal of group companies during the financial year.

Outlook for 2007

- Achieve Group growth and profitability targets:
 - Organic growth of **15%**
 - Operating profit of **15%**
- Acquisition policy
 - The group will continue to actively pursue its acquisition strategy (**€ 17.5 million** per annum):
 - a/ Small targeted acquisitions which provide a strategic fit with current operations (geographical or technical)
 - b/ Larger acquisitions to develop new strategic directions (geographical and technical)
- 2007 budget
 - The consolidated revenue for 2007 will be in excess of **€ 180 million**. This will include **€ 7.3 million** generated by acquisitions achieved in 2007.
 - The profitability of the companies acquired during 2006 will comply with group norms by the 1st July 2007
 - Budgeted organic growth of **15%** will be targeted (excluding acquisitions)

€M	2007 ⁽¹⁾
Revenue (excluding acquisitions)	173
Consolidated revenue generated by 2007 acquisitions	7.3
Consolidated Revenue FY2007	180.3
Non-consolidated Revenue generated by acquisitions	10.2
Pro-forma Revenue	190.5

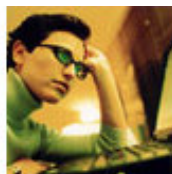
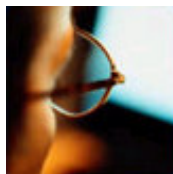
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SWORD GROUP

2006 ANNUAL ACCOUNTS

2006

• Consolidated Revenue:
€ 142.01 M

• Organic Growth:
21.49%

• Consolidated Growth:
39.92%

• Net Attributable Profit:
+ 44.70%

• Dividend: **+ 40%**

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> Upcoming press release:

2007 First-Quarter revenue: **17 April, 2007**

> Upcoming event:

SFAF meeting: **14 March, 2007 in Paris**



K€	2006	2005
Consolidated		
Revenue	142 005	101 491
Current operating profit	22 222	15 651
Operating profit	23 949	16 710
Profit after income tax	15 748	11 060
Net attributable profit	15 632	10 803

The 2006 figures are audited by the Auditors

Analysis

- The operating profit under IFRS is 16.86%
- Consolidated revenue for 2006 has outperformed the Business Plan (€ 142M/ € 140M)
- Acquisitions in 2006 were in highly profitable sectors: Oil & Gas, Pharma Products

Outlook for 2007

- Achieve Group growth and profitability targets:
 - Organic growth of 15%
 - Operating profit of 15%
- Acquisition policy
 - The group will continue to actively pursue its acquisition strategy (**€ 17.5 million** per annum):
 - a/ Small targeted acquisitions which provide a strategic fit with current operations (geographical or technical)
 - b/ Larger acquisitions to develop new strategic directions (geographical and technical)
- 2007 budget
 - The consolidated revenue for 2007 will be in excess of **€ 180 million**. This will include **€ 7.3 million** generated by acquisitions achieved in 2007
 - The profitability of the companies acquired during 2006 will comply with group norms by the 1st July 2007
 - Budgeted organic growth of **15.5%** will be targeted (excluding acquisitions)

€M		2006	2007
		Actual	Budget
Consolidated	Revenue	142.01	180.30
	Operating profit	23.95	> 27

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