

Sword Group

Analysis of FY2011 Financial Performance

Lyon - February 14th 2012,

€M - Consolidated	2010 ⁽¹⁾	2011 ⁽¹⁾
Revenue	185.3	156.2
Current Operating Profit	34.0	23.0
Operating Profit before goodwill depreciation	33.6	36.2
Operating Profit after goodwill depreciation	-	11.2
Profit for the Year before goodwill depreciation	23.2	26.4
Profit for the Year after goodwill depreciation	-	1.4

Sword Group 2011 ⁽¹⁾

Proforma Revenue: €123.2M
Consolidated Revenue: €156.2M
Organic Growth: +11.4%

⁽¹⁾ audited figures

Investor Relation

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€M	2010 ⁽¹⁾					2011 ⁽¹⁾				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Proforma										
Revenue	29.0	28.5	28.0	25.1	110.6	31.1	30.7	30.9	30.5	123.2
Current Operating Profit	4.4	4.6	3.4	2.9	15.3	5.0	4.9	3.0	3.3	16.1
Organic Growth						+7.2%	+7.7%	+10.4%	+21.5%	+11.4%

Sword Group

Employees 1 281 (31/12/2011)
Euronext Paris - Compartment C
ISIN Code: FR0004180578
ICB : 9530 Software & Computer Services
Indices CAC® Small
CAC® Mid & Small
CAC® All-Tradable
CAC® All-Share

ANALYSIS

The pro-forma revenue for 2011 shows an organic growth rate of 11.4% that has risen constantly from one quarter to the next.

The 2011 consolidated revenue has dropped in relation to FY2010 following the disposal of 3 product subsidiaries completed between May and November 2011.

The pro-forma current operating profit is up 5.5% compared with FY2010.

The consolidated operating profit takes into account the €36M of gross capital gains from the disposals, the associated disposal expenses, the provisions for risks and an exceptional goodwill impairment charge of €25M.

Were Sword to strictly apply the financial criteria for the valuation of goodwill, this impairment would not be necessary, however taking into account the expected negative evolution of the economic environment, Sword prefers to be prudent and anticipate this potential impairment in advance. This impairment has no impact on cash generation.

The Group's net cash situation has improved by €103M over 12 months, moving from a net debt of €94.6M on 01/01/2011 to a net cash position of €8.4M on 31/12/2011.

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Saint Didier au Mont d'Or Cedex,
France



**SWORD**

UPGRADE YOUR BUSINESS

CONFIRMATION OF THE STRATEGY DEFINED AT THE END OF 2010

→ Back to Basics:

- Cohabitation of two complementary activities:
 - Product,
 - Service.
- Consistency of each activity:
 - Limited number of product lines,
 - Service in the content management sector (ECM, SIG, BI, ...).
- Specialisation:
 - Software: recognised as N° 1 by the analysts in our sector.
 - Service: specialized not only in certain technologies such as GIS and Search, but also in markets such as Trademarks & Patents, Healthcare and for certain types of clients such as the United Nations and the European Community.

→ Sword, a share that offers steady growth and high return:

- Sword's strong foundations and the Group's capacity to generate sustainable profits and cash, enable us to confirm our long-standing strategy of dividend distribution.

→ High selectivity of our acquisitions:

Our acquisitions strategy will be underpinned by 2 criteria:

- The consistency of the product and service offering: all acquisitions will be targeted to fields of activity already covered to avoid dispersion.
- The crisis will provide us with opportunities in terms of optimization and we will wait until we find the ideal target at the right price.

→ Project to transfer the head-office to Luxembourg that will enable us to:

- Relocate our head-office in the region that generates the Group's highest revenue,
- Set up a multicultural and multilingual financial team that will notably be responsible for internal control and mergers and acquisitions.
- Enhance the perception of the Management's neutrality in its international development projects.

OUTLOOK

Now that Sword is ready to face the crisis, both from an organizational and balance sheet perspective, we have planned for strong growth, which has been revised for reasons of caution to 7% in order to take account of possible economic uncertainty in the second half of 2012.

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