Sword Group Notice of head office relocation proposal

Sword Group is continuing the process initiated with the transformation of Sword Group Company from a joint stock company [“société anonyme”] into a European stock company [“société européenne”], as approved by the General Shareholder Meeting on 30 January 2009, by transferring, subject to shareholder approval at the General Shareholder Meeting for the Group (that will take place on 26 March 2012. Notice of the meeting will be published in the Bulletin des Annonces Légales Obligatoires), is relocating the head office to 105 route d’Arlon, L-8009 Strassen, Grand Duchy of Luxembourg.

The relocation has no operational or financial impact. Sword Group will remain listed on Eurolist (Euronext Paris).

The change enables Sword to serve both its international clients and international organisations more efficiently. It is important to note that most of Sword Group’s revenue (over 83%) is achieved outside France and requires multilingual competences that are far easier to find in Luxembourg than in France. Moreover, Benelux is Sword Group’s largest market. On 31 December 2011, the revenue trend for international organisations accounted for over 34% of the total revenue and the revenue has risen constantly over the last two years. Also, Luxembourg is one of the international institutions’ privileged partners since the country is one of the capitals of the European Union.

The operation timetable is as follows:

- 25 September 2009: relocation notice filed with the Clerk to the Lyon Com20 January 2012: relocation notice filed with the Clerk to the Lyon Commercial Tribunal,
- 21 January 2012: announcement in a legal gazette,
- 23 January 2012: publication in the Bulletin des Annonces Légales Obligatoires, of notice of the proposed relocation; the period of creditor probate lasting 30 days begins,
- 17 February 2012: publication in the Bulletin des Annonces Légales Obligatoires of the notice of the Extraordinary General Shareholder Meeting which will serve as an invitation to attend,
- 26 March 2012: Ordinary and Extraordinary General Shareholder Meeting to approve the relocation,
- 30 March 2012: publication in the Bulletin des Annonces Légales Obligatoires of the notice of completion of the relocation
- Week 14: a notary public will draw up a statement certifying that all preliminary formalities for the relocation have been concluded,
- Week 15: registration of Sword Group SE in Luxembourg. Publication in the Recueil des Sociétés et des Associations (Memorial C) of the minutes of the General Shareholder Meeting approving the relocation,
- Before end of April 2012: Sword Group SE struck off French registers,
- Publication of an announcement in the Official Journal of the European Union.

The process is explained in full in the Bulletin des Annonces Légales Obligatoires published on 23 January 2012. The relocation program was filed with the Clerk to the Lyon Commercial Tribunal on 20 January 2012.

The Company would like to draw shareholders’ attention to the following:

- As Luxembourg law does not allow double voting rights for shares, double voting rights granted to shareholders as per the provisions of article 19-E of the company’s articles of incorporation will be automatically repealed as a result of the head office relocation.

About Sword Group

Sword Group is an international services and Software company, organized by centers of competences and expertises.

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

© Sword Group
9 Avenue Charles de Gaulle, 69771
Saint Didier au Mont d’Or Cedex, France

- After the head office relocation, the company will be subject to controls by the Commission de Surveillance du Secteur Financier, the Luxembourg counterpart of the French Autorité des Marchés Financiers (AMF).

- In accordance with the provisions stipulated in articles L.229-2, sub-paragraph 3, and R. 229-3 of the French Commercial Code, company shareholders voting against the relocation may oppose the said proposal. (Share holders who abstain or vote in favour may not avail themselves of this procedure.) In the event of opposition, shareholders may have their shares bought back.

  Opposition and share buy-back motions must be filed within one month from the last publication date stipulated by article R.229-5 of the French Commercial Code to be valid and must be submitted by means of a registered letter with acknowledgement of receipt. Sword Group will appoint an independent assessor to confirm the price per share offered to shareholders requesting a buy-back and the multi-criteria method stipulated by article L. 433-4 II of the French Monetary and Financial Code. The appointment will be made no later than 30 days before the General Meeting convened to approve the relocation project. The independent assessor will submit a certificate of fair value, as per the provisions of article 262-1 of the AMF General Regulations and of the AMF Instruction applicable to the aforesaid article. The certificate must be submitted 15 days before the said general meeting and will be disclosed on the Sword Group website and in a press release. The company will send shareholders making such a request an offer to buy back their shares by means of a registered letter with acknowledgement of receipt sent within 15 days of receipt of the buy-back request.

The buy-back offer will include:

- The price offered per share which will be established according to the provisions of article L.433-4 II of the French Monetary and Financial Code (multi-criteria methods),
- The proposed payment method,
- The timeframe during which the offer will be maintained and which may not be less than 20 days,
- The location where the offer can be accepted.

Any dispute by a shareholder concerning the proposed share must be referred to the courts with jurisdiction under the Lyon Court of Appeal within the timeframe stipulated by the offer.

Shares bought back from shareholders as per the procedure stipulated above will be kept by the company and allocated by the board of directors in accordance with objectives approved by the ordinary and extraordinary shareholder meetings held on 29 April 2009 (resolution 6), given that the company does not currently plan on wholesale share cancellations.

In fiscal terms, insofar as the head office relocation (which is undertaken within the European Union) is not deemed a company dissolution by French law, there should not be any impact on any tax credits applicable to shareholders for their Sword Group SE stock (subject to legal measures applicable in the State of residence of the said shareholders). Furthermore, as per Luxembourg law, the distribution of dividends paid to non-residents may be subject to a 15% deduction at source. The 15% rate may, however, be reduced as per international tax conventions and EU law depending on the fiscal residence of the beneficiary. The beneficiary shall be solely liable for application of any such measures.
It is formally stated that the company board of directors wishes the relocation to be approved by a large majority of shareholders since the project has the full backing of Mr Jacques Mottard, reference shareholder of the company.

For more information on the relocation project, shareholders are referred to the group website, www.sword-group.com.

For further information, please contact:

Stéphanie Desmaris - investor relations

Tel: + 33 (0)4 72 85 37 40

stephanie.desmaris@swoord-group.com