SWORD
UPGRADE YOUR BUSINESS

Sword Group

2013: Confirmation of the financial results as announced on the 23rd January 2014

Strong increase in growth and profitability

2014: Organic and acquisitive growth

Organic growth greater than 6%
Three New Acquisitions:
Mobile Productivity, 1.618 & Idaho

Deconsolidation of Tipik

Increase in the Group's profitability
Cash available for future acquisitions

Luxembourg - March 10th 2014,

2013 CONSOLIDATED ACCOUNTS

€K	2013	2012
Revenue	106,500	117,908
Current Operating Income	14,194	14,744
Operating Income	21,701	27,088
Net Income	15,081	12,286

ANALYSIS

The table below shows the Group's comparative figures at a constant perimeter (31/12/2012). To be clear, they include Tipik but exclude Simalaya, Charteris and Active Risk.

€M	Revenue			Current Operating Income		Profitability	
	2013	2012	Growth [i]	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%

[i] Organic adjusted growth amounted to 4.8% instead of 3.8% once restated for non-recurring revenue in 2012 without the €1.2 million cost.

The table below shows the Group's comparative consolidated figures. To be clear, they include Tipik for the full year, they include Simalaya and Active Risk for the last quarter but do not include Charteris which will only be consolidated as of the 1st January 2014.

€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%

Sword Group FY2013

Consolidated Revenue: €106.5 M

Consolidated Profitability: 13.3%

Pro forma Revenue: €126.5 M

Dividends: €1.0 per share

Investor Relations

e investorrelations@sword-group.lu

Sword Group

1,236 staff (01/01/2014)
Euronext Paris - Compartment C
ISIN Code: FR0004180578
ICB : 9530 Software & Computer Services
Indices CAC® Small
CAC® Mid & Small
CAC® All-Tradable
CAC® All-Share

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NYSE Euronext.

SWP LISTED NYSE EURONEXT

The table below shows the Group's pro-forma revenue including Tipik, Active Risk, Simalaya and Charteris as if they had been a part of the group for the full 12 months of 2013.

€M	Q1	Q2	Q3	Q4	Total
2013	31.7	31.0	30.4	33.4	126.5

POST YEAR END EVENTS

Disposal of Tipik

The latest new contracts signed by Tipik are leading the company in a strategic direction which is not complementary with Sword's core offerings.

As a consequence, Sword along with the management team of Tipik have organised an LMBO, Sword will retain 18% minority holding within Tipik.

This disposal will have the following impact on the 2014 budget:

Revenue: €-24.4M EBIT: €-2.1M

Acquisitions

Mobile Productivity

This small software company based in UK, will provide the Group with a mobile technology, to begin with this will be rolled out to our client base in the « Asset Finance » sector and ultimately to the rest of the group.

This start-up operation will generate €800K of revenue at 25% EBIT in FY2014.

1.618

This company is a Services company based in Switzerland that specializes in supporting its client base to boost its commercial performance by leveraging digital channels capabilities.

This company will generate €1,200K of revenue with an EBIT of 20% or greater in 2014.

Idaho

This Services company based in Switzerland will enable Sword to provide strategic and management consulting services to help its clients in adapting their business models while considering the digital revolution.

This company generates €1,000K of revenue with an EBIT of 20% or greater in 2014.

FORWARD LOOKING OBJECTIVES

The table below shows the restated 2013 pro-forma revenue after Tipik disposal compared to the budgeted 2014 pro-forma revenue. To be clear, this includes Simalaya, Active Risk, Charteris and doesn't include Tipik and the new acquisitions.

€M	Q1	Q2	Q3	Q4	Total
2013 Pro forma	25.4	24.6	25.0	28.0	103.0
2014 Budget	26.1	26.9	27.0	29.6	109.6
Growth per quarter	2.8%	9.3%	8.0%	5.7%	6.4%

In respect of the operating profit margin, we are forecasting a 1% increase to 14.5% in FY2014. The initial budget of €18M operating profit remains unchanged as the short term acquisition pipe line should allow us to acquire companies which will generate a contribution equal to the contribution that Tipik was budgeted to generate.

Following on from these four transactions the group will have a net cash position in excess of €45M after Tipik disposal along with guaranteed credit lines of over €100M for the next four years. This will allow Sword to continue its acquisition strategy which should in turn deliver a pro-forma revenue position for 2014 that is greater than the original budget which included Tipik.

The strong backlog position of the existing services business aligned with the successful competitive positioning of the software organisations within the group provide a good foundation from which Sword can drive forwards its acquisitive growth in FY2014.

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