Truffle 100

*The **Truffle 100** turns the spotlight on the European software industry which occupies an ever larger place in today's advanced economies.*

Europe is home to numerous world-class champions, which grow both organically and through acquisitions and sell their products throughout the world. We can be proud of that! There is room for more champions, and my guess is many of the small vendors of today will join the champion's league in the years to come.

*The top 100 vendors that constitute this year's **Truffle 100** are important to our countries not only because they are dynamic, but also because year after year they create thousands of highly qualified jobs both locally and throughout the continent. They are innovators that invest massively in R&D, inventing and developing new products all the time. They manage to surmount successfully the challenges of an industry characterized by periodic disruptions & rapid changes.*

The software industry is as strategic as it is a vector for growth, innovation, job creation and progress.

*National & European authorities have become fully aware of this, and the **Truffle 100** serves as a useful contribution.*

Viviane Reding
EU Commissioner for Information Society & Media

The European software industry is more agile and innovative than it is often given credit for. Sage's success in building a global business demonstrates how companies can benefit from the complexity of market regulation, which is usually seen as a barrier to business growth.

Sage's business model is based on tailoring its software solutions to local market business practices and national regulatory regimes. This strategy of supplying our customers with locally tailored, value-added software solutions has led to our strong growth.

The software market is constantly adapting to new technologies. Customers are willing to pay for excellent service that helps them run their businesses more efficiently. Increasing use of broadband and the internet offer exciting opportunities for European software companies. Continuous service models - "software-as-a-service", "on-demand" solutions- are also growing trends. Developments in technology, greater demand for customised solutions, the increasing use of value-added solutions services provide a rich source of future growth from which Sage and its European software peers are well-placed to benefit.

Paul Walker
CEO, The Sage Group plc

Autonomy's success since its inception in 1996 demonstrates that European companies can become leaders on the global scene if they retain an innovative and dynamic spirit.

A world-leading provider of infrastructure software for unstructured information and meaning-based technologies, Autonomy has grown strongly organically which has allowed it a sector-defining acquisition of its US former competitor Verity (US$500 million) and Z, a global leader in content archiving and electronic discovery solutions (US$375million).

Truffle 100's 2007 European Award recognizes Autonomy's rapid and persistent growth to become one of the largest software companies in Europe with a market cap of US$4 billion, over 17,000 customers and over 350 of the world's software companies building their products on Autonomy.

Dr Mike Lynch
CEO, Autonomy Corporation plc

*The **Truffle 100** ranks ranks and analyzes the top 100 software vendors in Europe. It is compiled by Truffle Capital from research conducted by IDC and CXP, released at the EU Commission with the support of Agoria (BE), Aitech (IT), Bitkom (GE), Intellect (UK) and Syntec (FR).*

Software is a strategic industry that is experiencing growth and rapid transformation, and which serves as an engine of job and value creation for the European economies.

*With over 175 000 employees and a R&D workforce of 38 000, the **Truffle 100** collectively represents a major provider of highly qualified jobs in Europe. Thanks to significant growth and strong investments the job creation machine is working full steam!*

*The **Truffle 100** vendors are relentless innovators, constantly committed to building new generations of products. They invest 15% of their revenues in R&D, which amounted to 3 bn€ last year.*

*Notwithstanding the deep transformation and the massive global consolidation this industry is going through, including the challenges of new business models such as "Saas" (Software as a service) and Open source, the **Truffle 100** collectively manage to make up to 2.8 bn€ in aggregated profits ... which makes them a very attractive 1.5 bn€ net tax contributor.*

That is indeed a flagship industry that deserves to be supported and favoured!

Bernard-Louis Roques
General Partner & Founder, Truffle Capital

Revenues > 22 bn€

Total revenues for the Truffle 100 are **26.198 bn€**

Of which 22.073 bn€ in software

A concentrated industry : **80 % of revenues** come from the **top 23 vendors**

% revenues Truffle 100	
SAP	36 %
TOP 3	46 %
TOP 5	51 %
TOP 10	60 %
TOP 50	87 %

32 vendors have revenues **> 100 m€**
(up from 30 one year ago);
they account for 85 % of Truffle 100 revenues

54 vendors have revenues **> 50 m€**
(up from 50 one year ago)
they account for 93 % of Truffle 100 revenues

All Truffle 100 have revenues **> 20 m€**

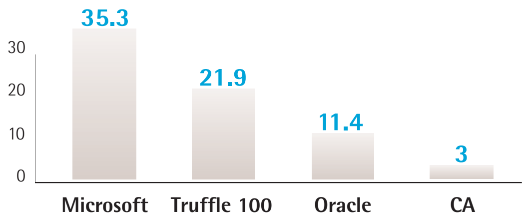
World-class national champions

Vendor	Country	Revenues €million	% of Truffle 100
SAP	DE	9 400	42.6 %
Sage	UK	1 366	6.2 %
Dassault Systemes	FR	1 177.5	5.3 %
Exact Holding NV	NL	242.1	1.1 %
ALMAVIVA	IT	241.3	1.1 %

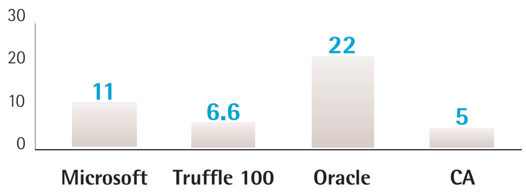
1/3 of the Truffle 100 consists of national champions, in the top 3 of their country of origin

Facing global competition

Sales in billions of Euros



Growth by %



The 2007 ranking

Rank	Company	HQ	Revenues 2006 from Software activity	Total revenues 2006	R&D headcount 2006*
1	SAP	DE	9 400.0	9 400.0	11 801
2	SAGE	UK	1 366.0	1 366.0	2 300
3	DASSAULT SYSTEMES	FR	1 177.5	1 177.5	2 678
4	BUSINESS OBJECTS	FR	994.0	994.0	1 450
5	SOFTWARE AG	DE	471.4	483.0	401
6	MISYS PLC	UK	428.6	855.8	1 678
7	NORTHGATE	UK	334.9	516.0	210
8	DICOM GROUP PLC	UK	321.6	321.6	24
9	VISMA ASA	NO	295.1	295.1	338
10	ISOFT GROUP PLC	UK	266.3	295.9	1 454
11	EXACT HOLDING NV	NL	242.1	242.1	620
12	ANITE GROUP PLC	UK	241.7	241.7	239
13	ALMAVIVA	IT	241.3	697.9	1 097
14	IFS (Industrial and Financial System)	SE	238.8	238.8	200
15	UNIT4 AGRESSO NV	NL	236.8	236.8	364
16	AUTONOMY	UK	199.8	199.8	541
17	CEGID	FR	196.3*	228.2	450
18	IBS AB	SE	188.8	248.7	33
19	GL TRADE	FR	184.8	184.8	400
20	ZUCCHETTI	IT	183.0	183.0	288
21	CIVICA PLC	UK	174.3	183.5	760
22	TEMENOS GROUP AG	CH	172.4	172.4	354
23	TELELOGIC AB	SE	164.9	164.9	296
24	SOPRA GROUP - AXWAY	FR	139.2	897.7	600
25	FIDESSA	UK	138.8	138.8	236
26	MICRO FOCUS INTERNATIONAL PL	UK	136.8	136.8	147
27	INTEGRALIS AG	DE	136.7	136.7	10
28	SIMCORP A/V	DK	134.0	134.0	358
29	FAST (Fast search & transfer Asa)	NO	129.6	129.6	132
30	ILOG	FR	109.7	109.7	192
31	NEMETSCHEK AG	DE	107.5	107.5	391
32	LMS INTERNATIONAL	BE	104.5	104.5	164
33	SOPHOS PLC.	UK	99.9	99.9	263
34	PSI AG	DE	99.0	117.0	140
35	GFI INFORMATIQUE	FR	97.8	633.1	160
36	ALPHAMERIC PLC	UK	96.8	96.8	83
37	BETA SYSTEMS SOFTWARE AG	DE	94.7	96.6	177
38	CARTESIS	FR	92.4	92.4	120
39	SOFTM SOFTWARE UND BERATUN	DE	83.0	83.0	89
40	IRIS GROUP SA	BE	83.0	83.0	80
41	ICT AUTOMATISIERING NV	NL	80.7	80.7	127
42	F-SECURE OYJ	FI	80.6	80.6	221
43	CENIT AG SYSTEMHAUS	DE	79.8	82.4	129
44	CODA	UK	77.0	77.0	170
45	AVANQUEST SOFTWARE	FR	75.1	75.1	135
46	LHS AG	DE	71.6	71.6	173
47	ESI GROUP	FR	66.0	66.0	193
48	BASWARE	FI	60.0	60.0	138
49	SOLTIM-PROVAL	FR	59.8	62.0	250
50	SSP HOLDING (ex Sirius Financial Solutions Plc)	UK	59.7	59.7	94

(*) IDC estimate

Truffle 100

Rank	Company	HQ	Revenues 2006 from Software activity	Total revenues 2006	R&D headcount 2006*
51	TXT E-SOLUTIONS	IT	56.3	56.3	88
52	IONA TECHNOLOGIES	IE	55.0	55.0	135
53	ELSAG DATAMAT	IT	55.0	580.0	911
54	FJH AG	DE	54.1	56.9	46
55	TEKLA OYJ	FI	49.8	49.8	105
56	READSOFT	SE	49.7	49.7	76
57	UTIMACO SAFEWARE AG	DE	49.4	49.4	110
58	SOFTWARE INNOVATION ASA	NO	46.8	46.8	54
59	MACRO 4 PLC	UK	46.5	46.5	60
60	KEWILL SYSTEMS PLC	UK	46.4	46.4	56
61	GENERIX - INFLUE	FR	46.0	46.0	95
62	ORC SOFTWARE AB	SE	45.2	45.2	71
63	LINEDATA SERVICES	FR	44.5	148.3	150
64	EXPRIVIA SPA.	IT	44.2	44.2	69
65	ARTWORK SYSTEMS GROUP N.V.	BE	44.2	46.5	73
66	CREALOGIX HOLDING AG	CH	40.3	40.3	63
67	FIDUCIAL INFORMATIQUE	FR	40.0	43.0	71
68	OTRUM ASA	NO	39.4	41.5	25
69	DELCAM PLC	UK	39.2	39.2	141
70	GRUPPO FORMULA	IT	37.3	39.3	62
71	GROUPE SAB	FR	35.0	35.0	195
72	MINORPLANET SYSTEMS PLC	UK	34.9	34.9	19
73	PROHA OYJ	FI	34.9	41.0	53
74	VIZRT LTD.	NO	34.8	34.8	91
75	BOSS MEDIA AB	SE	34.6	34.6	95
76	SELESTA SPA	IT	33.0	46.0	72
77	VIVEO	FR	31.0	53.0	80
78	NORMAN ASA	NO	31.0	31.0	64
79	XRT CERG	FR	30.9	42.4	83
80	ORESYS	FR	30.0	30.0	47
81	IBS OPENSYSTEMS PLC	UK	29.3	29.3	46
82	FINANCIAL OBJECTS PLC	UK	28.9	28.9	150
83	ARES	FR	28.2	456.2	60
84	TELECA AB	SE	28.0	335.6	527
85	CCS (Clarity Commerce Solutions Plc)	UK	27.7	27.7	29
86	SUPEROFFICE ASA	NO	27.1	34.3	40
87	SDL	UK	27.0	135.5	91
88	PROLOGUE	FR	27.0	27.5	29
89	OPERA SOFTWARE ASA	NO	26.6	26.6	134
90	BIS (Bond International Software)	UK	25.2	25.2	23
91	ESKER	FR	25.0	25.0	40
92	MISSLER SOFTWARE	FR	25.0	25.0	75
93	MACONOMY A/S	DK	24.1	24.1	62
94	ORSYP	FR	24.0	24.0	65
95	INFOVISTA	FR	23.0	41.0	64
96	COHERIS	FR	22.9	31.3	49
97	AXEMBLE	FR	22.0	22.0	35
98	VCS TIMELESS	UK	22.0	22.0	60
99	BODET	FR	21.5	43.7	45
100	VERIPHONE (ex Trintech Group Plc)	UK	20.6	20.6	32

Profitable !

2.8 bn€ aggregated net profits
10.7 % of revenues

	% Revenues Truffle 100	% Profit Truffle 100
SAP	36 %	67 %
TOP 3	46 %	83 %
TOP 5	51 %	90 %
TOP 50	87 %	97 %

The bigger, the more profitable

Profitability (% of revenues)		
	for **top 3**	**8.8 %**
	for **top 50**	**10.3 %**
	for **last 50**	**3 %**

... and growing

Revenues growth year on year: **+6.6 %**

Despite significant acquisitions by US vendors

Access to capital markets

85 % of the Truffle 100 **are quoted**

They account for 92 % of sales ... and 99 % of profits

Getting more diversified

- One third of the Truffle 100 are in the ERP or related business
- Another third is composed of infrastructure software vendors
- Other important areas
  - Security software : Sophos (UK), Beta Systems (DE), F-Secure (FI)
  - Public sector : Northgate, Anite, Civica (UK)
  - Financial software : Mysis, Fidessa (UK), Visma (NO), Simcorp (DK), GL Trade, XRT (FR), Temenos (CH)

The Truffle 100 is compiled from survey & research conducted by IDC & CXP.
Europe is defined as: EU 25 countries + Switzerland + Norway. The companies taking part have certified that they operate under European law and that their headquarters and R&D are based in Europe (as defined above). The ranking was made on the basis of the data declared and submitted by each company taking part, validated in some cases by external sources. Information of a confidential nature (e.g. net income), are only presented on an aggregated basis. In compiling this ranking, the authors have exercised their best efforts to minimize the risks of errors and omissions inherent to publications of this type.

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Qualified workforce of ~ 175 000

Top 35 vendors account for 80% of workforce

	Number of employees	% of total	Software revenues (€ million)
GE	45 291	25.8	10 647.0
UK	37 369	21.3	4 290.0
FR	43 564	24.8	3 668.6
NORDIC	17 440	9.9	1 763.7
NL	6 164	3.5	559.6
IT	22 120	12.6	650.2

A strategic R&D firepower

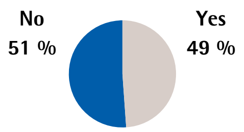
Total R&D headcount 38 000

Total R&D investments 3.347 bn€

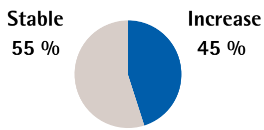
	Number R&D employees	% of total	R&D investment (€ million)	% of total
GE	13 469	35.4	1 476	44.1
UK	9 124	24.0	592	17.7
FR	7 812	20.5	712	21.3
NORDIC	3 114	8.2	246	7.3
IT	1 110	2.9	197	5.9

The Truffle 100 is a strategic provider of qualified jobs in Europe

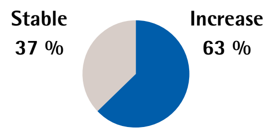
Do you perform any R&D offshore?



Do you expect offshore outsourcing to?



Do you expect your R&D investments to?



Breakdown by country

Countries	% of Truffle 100	Number of vendors	% of population*
Germany	48.2 %	11	17.6 %
UK	19.4 %	25	12.7 %
France	16.6 %	26	12.8 %
Nordic countries (SE NO FI & DK)	8.0 %	21	5.2 %
Italy	2.9 %	7	12.3 %

Countries	% of Truffle 100	Number of vendors	% of population*
Netherlands	2.5 %	3	3.5 %
Belgium	1.0 %	3	2.2 %
Switzerland	1.0 %	2	1.6 %
Ireland	0.2 %	1	0.9 %

*Total population = UE (25 countries)+ Switzerland + Norway = 469 m

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