



Truffle 100



Once again, the **Truffle 100** brings into focus Europe's dynamic software industry, which more than ever in these uncertain economic times holds out hope for creation of jobs and wealth.

The European software industry is distinguished by its capacity for innovation, tremendous technical skills, and highly skilled engineering workforce. These are all advantages in a time of industrial consolidation. But Europe still needs to produce not just one or two but tens of global champions in order to respond to the pressures of competition.

The paradigm changes that are sweeping the industry – from software as a service to open source software – may be Europe's best bet to catch up, since we are strong in these areas.

At both national and European levels there is a great willingness to support Europe's software companies. We welcome the arrival of this year's **Truffle 100** as a highly regarded and very valuable tool in measuring and highlighting their progress.

Viviane Reding

EU Commissioner for Information Society & Media



In the last few months, the global economy has become even more challenging and taken unexpected turns. Software is a vital element of the global economy, and is woven into all aspects of business and commerce. We are facing challenges today that we have not faced before. But I firmly believe that our industry – IT – has the ability to initiate change and turn adversity into an advantage like no other industry can. And as

a result, help the economy regain its strength. Indeed, effective adoption of IT and software will be instrumental for Europe in establishing global leadership in the digital economy – a prerequisite for sustaining growth, jobs, and productivity in the next decade.

It is our daily business at SAP to reinvent and adapt ourselves to the ever-changing demands of our customers. This ability has made SAP the worldwide leader in business applications in the past, and has led to our leading the **Truffle 100** three years in a row. I strongly believe that strategic agility is what is needed for a company to thrive in a global networked economy.

In a time that demands both focus and transparency from companies, it is software solutions that enable businesses to do so. SAP's more than 35 years of experience has demonstrated that we continue to benefit greatly from what we call our "ecosystem." We can achieve much greater – and more sustainable – benefits for our customers if we work in cooperation and not in competition.

The overall paradigm is shifting: We are moving from vertical value chains to business networks. We see the signs that prove it. 1) An increased focus on customers and their needs instead of an internal company-centric approach, and 2) The "command and control" attitude has ceased to work. In today's economy, business is all about the connection and collaboration within an ecosystem. Having said that, it is clear that the best model of doing business will be relationship driven well into the future.

"The software industry is synonymous with innovation – today's economy is driven by great ideas fuelled by software solutions." I said this to you two years ago. I still believe that today, this is truer than ever. I hope that we all succeed in driving innovation farther, and that the software sector can once again demonstrate agility and provide it to businesses of all kinds and sizes in these challenging times.

Léo Apotheker

co-CEO, SAP AG

We are pleased to present the latest version of the **Truffle 100**, the leading ranking of the top 100 software vendors in Europe.

Economic uncertainty notwithstanding, we remain highly optimistic about the future of the European software industry. The **Truffle 100** vendors have always shown great resilience in the face of difficulties and we can count on them to remain a strategic and dynamic engine of value growth for European economies.

Creative, relentlessly innovative, strong investors in R&D (over 15% of revenues), Europe's vendors are a major provider of new, highly qualified jobs as well as a major contributor of tax revenues (1 bn€).

The industry continues to undergo massive transformations as it confronts two major trends: consolidation at a global level and the emergence of new business models such as Software as a Service and Open Source.

To help our industry meet these challenges, we urge European authorities to take swift and bold action. Necessary reforms include setting up an European SBA (small Business Act) actively promoting at an European level the Young Innovative Company (YIC) tax efficient framework, and facilitating access to R&D programs for SMEs by cutting unnecessary administrative steps. Only then will European vendors be able to compete on an equal footing with their American counterparts.

I want to thank IDC, CXP and the National trade associations for their work and support in preparing the **Truffle 100**.

Bernard-Louis Roques

General Partner & co-Founder, Truffle Capital





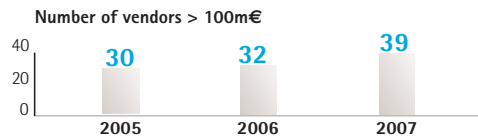
Revenues >24 bn€

Total revenues for the Truffle 100 are **29 bn€**
Revenues from software activity are **24,4 bn€**

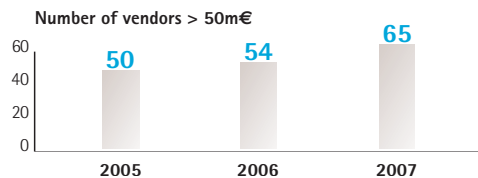
A concentrated industry : **80 % of revenues**
come from the top 25 vendors

% Revenues	
SAP	42 %
TOP 3	55 %
TOP 5	59 %
TOP 10	67 %
TOP 50	91 %

39 vendors have revenues > 100 m€,
they account for 87 % of Truffle 100 revenues



65 vendors have revenues > 50 m€,
they account for 95 % of Truffle 100 revenues



All Truffle 100 have revenues > 25m€
(up from 20 m€ one year ago)

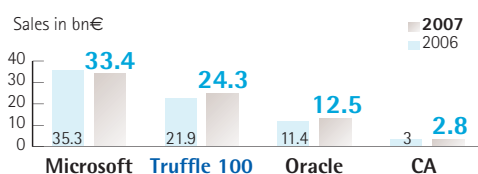
World-class national champion

Vendor	Country	Revenues (m€)	% of Truffle 100
SAP	DE	10 269	42.2 %
Sage	UK	1 787	7.3 %
Dassault Systemes	FR	1 259	5.2 %
Gruppo Engineering	IT	467	1.9 %
Visma ASA	NO	338	1.4 %
UNIT4 AGRESSO NV	NL	320	1.3 %

Insufficiently diversified

- 1/3 of the Truffle 100 are in the **ERP** or related business
- Another 1/3 is composed of **infrastructure software vendors**
- Overweight of **Financial software** and **Public sector software**

Facing global competition



The 2008 ranking

Rank	Company	HQ	Revenues 2007 from Software activity (m€)	Total revenues 2007 (m€)	R&D headcount 2007*
1	SAP	DE	10 269.3	10 269.3	12951
2	SAGE	UK	1 787.1	1 787.1	2314
3	DASSAULT SYSTEMES	FR	1 258.8	1 258.8	3349
4	SOFTWARE AG	DE	615.5	621.3	676
5	GRUPPO ENGINEERING	IT	467.0	709.0	220
6	MISYS PLC	UK	416.9	832.4	1415
7	ELSAG DATAMAT	IT	410.0	633.5	332
8	VISMA ASA	NO	337.9	337.9	574
9	NORTHGATE	UK	337.4	519.9	1118
10	UNIT4 AGRESSO NV	NL	320.5	320.5	490
11	REPLY	IT	274.7	277.2	471
12	SOPRA GROUP - AXWAY	FR	265.0	1 001.4	1100
13	IFS (Industrial and Financial Systems)	SE	254.9	254.9	732
14	ANITE GROUP PLC	UK	253.8	253.8	378
15	EXACT HOLDING NV	NL	252.1	252.1	290
16	AUTONOMY	UK	251.0	251.0	646
17	KOFAX (Ex Dicom Group Plc)	UK	237.2	237.2	322
18	ALMAVIVA SPA	IT	234.7	652.0	20
19	CEGID	FR	207.4(*)	241.1	450
20	GL TRADE	FR	203.2	203.2	550
21	FIDESSA	UK	200.0	200.0	340
22	TELELOGIC AB	SE	185.8	185.8	346
23	CIVICA PLC	UK	177.0	186.3	1019
24	IBS AB	SE	175.0	236.0	330
25	ZUCCHETTI	IT	168.0	196.0	1000
26	SIMCORP A/V	DK	156.8	156.8	492
27	ASSECO	PL	147.0	340.0	578
28	NEMETSCHKE AG	DE	146.2	146.2	405
29	MICRO FOCUS INTERNATIONAL PLC	UK	132.8	132.8	141
30	SOPHOS PLC	UK	132.4	132.4	422
31	IDS SHEER AG	DE	127.5	393.5	230
32	ILOG	FR	123.2	123.2	199
33	LMS INTERNATIONAL	BE	120.0	120.0	164
34	GFI INFORMATIQUE	FR	120.0	688.5	160
35	AVANQUEST SOFTWARE	FR	113.8	113.8	200
36	PANDA SECURITY	SP	109.0	109.0	185
37	PSI AG	DE	105.8	123.2	135
38	Digia	FI	105.8	105.8	180
39	LINEDATA SERVICES	FR	100.0	164.8	200
40	LHS AG	DE	98.2	98.2	212
41	F-SECURE OYJ	FI	96.8	96.8	207
42	IRIS GROUP SA	BE	95.9	95.9	88
43	ICT AUTOMATISIERING NV	NL	88.3	88.3	150
44	BETA SYSTEMS SOFTWARE AG	DE	86.8	88.6	151
45	COMPTEL OYJ	FI	82.4	82.4	146
46	FAST SEARCH & TRANSFER ASA (FAST)	NO	78.4	104.5	178
47	INTEGRALIS AG	DE	75.0	157.0	267
48	ALDATA SOLUTION	FI	74.7	74.7	166
49	CENIT AG SYSTEMHAUS	DE	74.6	77.1	131
50	GENERIX GROUP	FR	74.0	75.0	165

Rank	Company	HQ	Revenues 2007 from Software activity (m€)	Total revenues 2007 (m€)	R&D headcount 2007*
51	BASWARE	FI	73.0	73.0	152
52	ESI GROUP	FR	68.9	68.9	196
53	VIZRT LTD.	NO	63.2	63.2	141
54	EXPRIVIA S.p.A.	IT	62.6	62.6	106
55	KEWILL SYSTEMS PLC	UK	61.4	61.4	78
56	FJH AG	DE	60.1	63.3	94
57	CEGEDIM ACTIV (Groupe Cegedim)	FR	60.0	62.2	250
58	UTIMACO SAFEWARE AG	DE	59.2	59.2	106
59	ALPHAMERIC PLC	UK	58.0	58.0	43
60	ORC SOFTWARE AB	SE	57.2	57.2	97
61	SSP HOLDING (Ex Sirius Financial Solutions Plc)	UK	57.0	57.0	97
62	TXT E-SOLUTIONS	IT	55.5	55.5	75
63	SOFTWARE INNOVATION ASA	NO	54.5	54.5	58
64	SOGEI SPA	IT	52.6	331.4	45
65	IONA TECHNOLOGIES	IR	51.8	56.8	97
66	READSOFT	SE	48.5	52.5	89
67	OTRUM ASA	NO	47.5	50.0	85
68	MACRO 4 PLC	UK	46.1	46.1	78
69	DELCAM PLC	UK	43.4	43.4	16
70	PROHA OYJ	FI	43.4	51.0	24
71	BIS (Bond International Software Plc)	UK	43.1	43.1	106
72	SDL	UK	41.6	148.6	253
73	INFOVISTA	FR	39.8	39.8	86
74	TEKLA OYJ	FI	39.3	59.3	101
75	CINECA	IT	39.2	49.0	440
76	META4	SP	38.8	21.8	37
77	CREALOGIX HOLDING AG	CH	37.8	37.8	64
78	ARM HOLDING	UK	37.3	367.6	140
79	ECLA	CH	36.6	38.3	69
80	SAB (GROUPE)	FR	36.0	36.0	200
81	MINORPLANET SYSTEMS PLC	UK	35.7	35.7	25
82	SUPEROFFICE ASA	NO	35.4	39.3	40
83	BOSS MEDIA AB	SE	35.0	35.0	110
84	VIVEO	FR	35.0	55.0	80
85	OPERA SOFTWARE ASA	NO	35.0	35.0	59
86	DEDA GROUP	IT	34.2	85.4	30
87	NORMAN ASA	NO	33.7	33.7	85
88	GRUPPO FORMULA	IT	32.8	32.8	56
89	FINANCIAL OBJECTS PLC	UK	31.0	31.0	4
90	CCS (Clarity Commerce Solutions Plc)	UK	30.7	30.7	48
91	IBS OPENSYSYSTEMS PLC	UK	30.6	30.6	8
92	MACONOMY A/S	DK	30.0	30.0	75
93	ARES	FR	29.1	411.0	55
94	INAZ SRL	IT	29.0	35.2	69
95	ORSYP	FR	28.2	28.2	57
96	AFAS ERP SOFTWARE	NL	27.9	27.9	47
97	MISSLER SOFTWARE	FR	27.1	27.1	80
98	EBP	FR	27.0	27.0	63
99	CAST	FR	26.1	30.6	54
100	ESKER	FR	25.9	25.9	56

A profitable industry

3.2 bn€ aggregated net profits,
up from 2.8bn€ last year

11 % of revenues (10.7% last year)

	Revenues Truffle 100	Profit Truffle 100	Profits last year
SAP	42 %	60 %	67 %
TOP 3	55 %	73 %	83 %
TOP 5	59 %	75 %	90 %
TOP 50	91 %	95 %	97 %

Size matters, with limitations: the most profitable companies are not the biggest

Profits grow with size, but not linearly

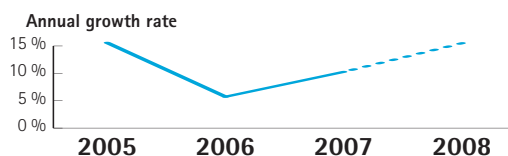
Profitability
(in % of revenues)

Top 3	9.6
Top 50	12.5
Last 50	0.7

... growing fast

Revenues growth year on year: **+10.3 %**

Despite significant consolidation at a global level



Dependant on capital markets

84 % of the Truffle 100 are quoted

They account for **94 % of sales**

... and **98.2 % of profits**

Breakdown by country

Countries	% of Truffle 100	Number of vendors	% of population*
DE	48.1 %	11	17.6 %
UK	18.2 %	22	12.7 %
FR	11.8 %	20	12.8 %
Nordic countries	8.8 %	23	5.2 %
IT	7.6 %	12	12.3 %
NL	2.8 %	4	3.5 %

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

The Truffle 100 is compiled from survey & research conducted by IDC & CXP.

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 exclusively on the basis of the data declared and submitted by each company taking part and, at the exception of Italy, validated in some cases by external sources. Information of a confidential nature (e.g. net income), are only presented on an aggregated basis. The authors are not responsible for any content or error, omission or inaccuracy related to content communicated by third parties.

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Hightly qualified workforce of ~ 194 000

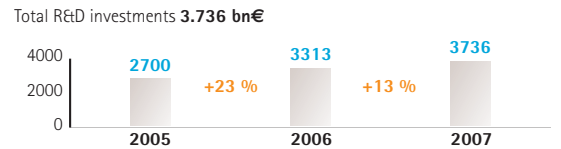
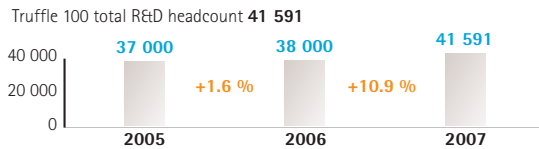
Up 13.7% from last year

Top 34 vendors account for 80% of workforce

Countries	Number of employees	% of total	Software revenues (m€)	Countries	Number of employees	% of total	Software revenues (m€)
DE	55 584	28.6 %	11 718	BE	1 649	0.8 %	216
UK	36 554	18.8 %	4 441	CH	635	0.3 %	74
FR	40 224	20.7 %	2 868	IR	365	0.2 %	52
Nordic countries	16 819	8.7 %	2 144	SP	1 960	1.0 %	148
NL	7 128	3.7 %	689	PL	1 143	0.6 %	147
IT	32 271	16.6 %	1 860				

Strategic R&D firepower of ~ 3.7 bn€

The Truffle 100 is an dynamic and strategic provider of qualified jobs in Europe

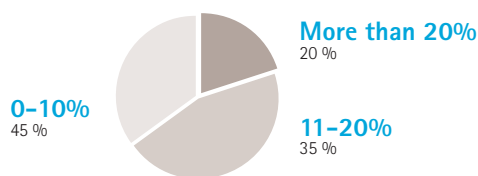


Countries	Number R&D employees	% of total	R&D investment (m€)	% of total
GE	15 357	37 %	1 542	57 %
UK	9 156	22 %	604	22 %
FR	7 487	18 %	51	2 %
Nordic countries	4 467	11 %	286	11 %
NL	977	2 %	69	3 %
IT	2 864	7 %	51	2 %

Countries	Number R&D employees	% of total	R&D investment (m€)	% of total
BE	252	1 %	26	1 %
CH	133	0 %	9	0.3 %
IR	97	0 %	7	0.3 %
SP	222	1 %	16	1 %
PL	578	1 %	41	2 %

An optimistic & resilient industry

% **Growth** expectations for 2009



% do you expect your **R&D investments** in 2009 to



What measures should be adopted to support european software vendors?

(multiple answers)

