

Truffle 100

This latest **Truffle 100** report shows that Europe's software sector has had yet another exciting year. Most encouragingly, even in these times of economic uncertainty, the sector has clearly remained a reliable pillar underpinning Europe's economic growth. Not only has the market grown by about 10% year on year but, more importantly, vendors are planning to increase headcounts and R&D investments. These are exactly the right ingredients to sustain the industry's momentum in years to come. The importance of the industry, however, is not just economic: because innovation in software and ICT services also helps address Europe's societal challenges, creating a more equitable and sustainable future for citizens.

Still, a lot remains to be done to maximise the potential of Europe's software industry. We have great ideas, with products pouring out from both established players and the next generation. However we need to go further to help newcomers develop into high growth companies. In particular, we need to overcome the barriers which stand in the way of a European digital single market.

The European Commission is working hard to boost innovation. Our Digital Agenda for Europe, now one year old, aims to improve the environment for ICT investment in Europe.

We are pleased to present the 6th edition of the **Truffle 100 Europe**, which once again highlights the impressive dynamism and exceptional resilience of the European software industry. Software vendors are able to bounce back quickly (with year-on-year growth of 14%) and generate profits (€3.7 billion last year), while investing heavily in R&D (€4.4 billion). With over 55,000 highly qualified R&D jobs, they constitute a strategic industry that is absolutely critical for employment & GDP growth in Europe. With cloud computing and "software as a service" (SAAS) bound to radically transform the industry in the coming years, Europe's software vendors are on the verge of a major paradigm shift and deserve a lot more attention. On-going changes in business models mean that this is a highly critical period for vendors. European governments must accentuate supporting measures, so that more money is channelled into R&D and thousands of added-value jobs are created. The **Truffle 100** reveals that software vendors are clamouring

The Agenda is an action plan to catalyse development, fuel demand and power supply-side investments in ICT. It will ensure roll-out of high speed broadband infrastructure, strengthen the digital single market, encourage venture capital and other financial support, and promote more open standards and interoperability. It also seeks to develop the public markets where ICT can support policy challenges, like energy efficiency, health care and smart mobility.

Alongside that, Horizon 2020, the Commission's new research and innovation programme for 2014-2020, will make the framework for R&D and innovation support more flexible and integrated; and the Commission's proposed infrastructure fund, the "Connecting Europe Facility", will invest 9.2 billion euros in the deployment of broadband network and digital services infrastructure

You can depend on me to do my share in creating the best environment for Europe's software industry to thrive. I hope we can count on the support and entrepreneurship of the **Truffle 100's** current and future members to achieve these goals.



Neelie Kroes
European Commissioner
for the Digital Agenda

for the implementation of R&D tax incentives (with the effect of leveraging investment in R&D), a European Small Business Act (whereby a fraction of public procurement is systematically allocated to small businesses) and publicly-funded R&D programmes with facilitated access and simplified procedures for SMEs. I am convinced that Europe's industrial future, economic growth and technological independence rely on its ability to develop a solid, sustainable software industry.

I wish to thank Commissioner Kroes, CXP Group and IDC for their commitment to and support for the **Truffle 100**.



Bernard-Louis Roques
General Partner & co-Founder,
Truffle Capital



Truffle 100



This latest edition of the **Truffle 100** arrives in turbulent economic times where Europe has to overcome a strong crisis. In this volatile market, the ranking of the top 100 European software vendors underlines the dynamism of the software industry. It also demonstrates how important the software industry is to Europe's future to ensure sustainable growth in a highly competitive global economy.

In this ever-changing environment, innovation is crucial to remain competitive while technology is the foundation for sustainable growth. Today, software companies are the ones that drive innovation across all industries and their goal is to increase headcount and R&D investments in 2012.

To drive this innovation, software vendors count on public support through R&D tax breaks & public R&D programs. With that said, we strongly encourage the European Union to develop a software industry policy with pan-European R&D projects.

The demand for sustainable business solutions will continue to increase to reach the right balance between economic and environmental demands. Companies are always looking for a better user interface to transform and improve their end-to-end business processes in a sustainable fashion.

In light of customer expectations that are constantly changing, our industry has to manage a significant paradigm shift. The appetite for technology is astonishing because technology together with connectivity empowers people to connect across the globe, share their views



This latest edition of the **Truffle 100** is being published in times of economic uncertainty with many economies failing to return to sustainable growth after the worst global recession in many decades. While the depth and duration of the current economic turbulence cannot be foreseen, there is one significant, positive aspect. That is, that the European software industry will once again prove to be an economic stimulus in terms of growth, of increased high-value employment and as a driver of innovation across all industries.

The **Truffle 100 - 2011** supports this conclusion. The annual growth rate of Europe's top 100 software companies in 2010 was more than five times that of the total European Union economy. This continues the resilience the European software industry demonstrated during the last recession. Secondly the software industry

and ideas, and do business differently. This is the era of social media where users of online social and business communities are collaborating across company boundaries at amazing speeds via digital environments using their smart phones. This allows them to be more efficient, more productive, and make the right decisions in less time. This paradigm shift also includes a new way to consume software with cloud computing and On Demand solutions.

SAP is again at the forefront of this major shift in the IT sector, away from commoditized hardware and toward renewed investment in differentiating IT: business software that drives efficiency, agility and growth.

SAP business software, unwired by mobile apps and fueled by in-memory and advanced analytics, is reshaping the business IT world with innovation that drives value and growth for customers, partners, and entire markets. With state-of-the-art technologies that offer speed, mobility, and insights – SAP allows customers to truly put their Business in the Moment. From the boardroom to front lines of global markets across all industries, SAP helps companies better understand and more quickly act upon customer demands, unexpected events and new opportunities.

We are lucky to be part of the software industry where the rules of the game are constantly changing thus allowing for constant growth opportunities.



Franck Cohen
President of Europe, Middle East
& Africa at SAP

will increase Research and Development investments and employment over the coming year.

This is a cause for much optimism. The commitment of the European software industry to growth and to driving innovation throughout the economy fully demonstrates the contribution it can make to building a stronger Europe.

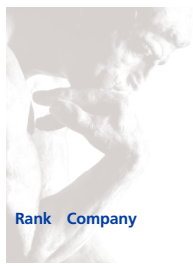
The Truffle report also highlights the industry-wide call for public-private partnerships to further drive expansion through joint R&D programs and lighthouse projects. In Germany we have established such partnerships in the Software Cluster and the House of IT. These have been important steps in strengthening the software industry in Germany.

I can fully endorse this call at a European level.



Karl-Heinz Streibich
CEO, Software AG





The ranking Truffle 100

(* R&D headcount 2010 estimated)
Software revenues: software revenues + related services

Rank	Company	Public ?	Country of HQ location	Software revenue 2010 (m€)	Total revenue 2010 (m€)	R&D employees 2010
1	SAP	🏠	DE	12336.7	12464.0	14991
2	Dassault Systemes	🏠	FR	1563.8	1563.8	3700
3	Sage	🏠	UK	1542.9	1688.4	*2076
4	Software AG	🏠	DE	919.2	1119.5	850
5	DATEV		DE	684.6	698.6	*1250
6	Autonomy	🏠	UK	657.0	657.0	*563
7	Asseco	🏠	PL	516.4	808.5	*2047
8	SWIFT		BE	511.1	538.0	*452
9	Wincor Nixdorf	🏠	DE	461.6	2239.0	*372
10	Misys	🏠	UK	431.2	431.2	*1102
11	Unit4	🏠	NL	421.7	421.7	1150
12	Sopra Group / Axway	🏠	FR	354.7	1169.9	1000
13	Temenos Group	🏠	CH	338.2	338.2	*617
14	Swisslog	🏠	CH	324.9	444.3	*511
15	Micro Focus	🏠	UK	322.7	329.2	*300
16	Compugroup Holding	🏠	DE	312.4	312.4	*900
17	Murex		FR	310.0	310.0	255
18	Invensys	🏠	UK	279.2	2897.1	1328
19	NIS (Northgate Information Solutions)		UK	269.0	780.9	*760
20	IFS	🏠	SE	264.0	270.8	524
21	Acision		UK	260.4	434.1	486
22	Sophos		UK	259.4	259.4	*600
23	Fidessa	🏠	UK	228.8	305.7	*300
24	Exact	🏠	NL	228.2	228.2	456
25	Cegid	🏠	FR	218.0	249.6	537
26	Visma		NO	208.2	520.6	*720
27	Zucchetti		IT	205.0	237.0	*380
28	Reply	🏠	IT	202.8	384.2	*552
29	AVEVA Group	🏠	UK	187.2	187.2	248
30	SimCorp	🏠	DK	185.4	185.4	*283
31	Qliktech	🏠	SE	171.0	171.0	96
32	AVG Technologies		CZ	166.1	166.1	*150
33	Hexagon	🏠	SE	165.6	1487.1	*1300
34	Civica		UK	164.8	196.9	*310
35	Kofax	🏠	UK	162.9	258.5	457
36	Gemalto	🏠	NL	152.0	1905.6	*1470
37	Nemetschek	🏠	DE	149.3	149.7	484
38	RM	🏠	UK	147.9	443.0	*280
39	PSI	🏠	DE	143.5	158.7	*284
40	Torex		UK	137.6	217.5	*240
41	Linedata Services	🏠	FR	136.2	136.2	278
42	Digia	🏠	FI	130.8	130.8	*230
43	F-Secure Corp.	🏠	FI	130.1	130.1	339
44	GAD		DE	129.0	645.0	*255
45	Panda Security		SP	116.5	116.5	*212
46	Sword	🏠	FR	111.6	185.3	*182
47	Centric	🏠	NL	111.1	1225.7	*140
48	IBS	🏠	SE	104.8	136.2	209
49	Affecto	🏠	FI	103.6	114.1	*142
50	Lumesse		UK	95.6	95.6	*160

Rank	Company	Public ?	Country of HQ location	Software revenue 2010 (m€)	Total revenue 2010 (m€)	R&D employees 2010
51	IRIS Software		UK	93.2	93.2	*138
52	SDL International	🏠	UK	92.5	237.2	*311
53	BasWare	🏠	FI	90.7	103.1	239
54	GFI Informatique	🏠	FR	90.0	657.9	160
55	ACS (Advanced Computer Software)	🏠	UK	88.3	111.2	*170
56	Avanquest Software	🏠	FR	88.2	88.2	150
57	Avaloq		CH	86.7	86.7	*200
58	Opera Software	🏠	NO	86.5	86.5	*119
59	ESI Group	🏠	FR	84.2	84.2	240
60	Aditro		SE	83.8	167.0	*320
61	ORC Software	🏠	SE	83.1	102.3	*87
62	Wolters Kluwer (CCH & A3 Software)	🏠	NL	82.7	3556.0	*365
63	Vizrt	🏠	NO	79.7	79.7	*117
64	ERI Bancaire		CH	79.5	79.5	*106
65	Comptel	🏠	FI	77.9	77.9	177
66	ISAGRI		FR	75.0	75.0	200
67	Cegedim	🏠	FR	74.0	74.0	150
68	Berger-Levrault		FR	74.0	95.0	205
69	Anite	🏠	UK	72.0	109.2	*117
70	LHS AG (part of Ericsson)	🏠	DE	71.6	71.6	*213
71	Aldata Solutions	🏠	FI	70.2	73.1	103
72	Kewill Systems	🏠	UK	69.9	69.9	*136
73	Gruppo Engineering		IT	69.8	738.3	324
74	Generix Group	🏠	FR	69.0	69.0	160
75	Mensch und Maschine	🏠	DE	67.9	195.6	*150
76	Personal & Informatik	🏠	DE	66.6	69.1	133
77	UC4		AT	62.0	62.0	*110
78	Mamut	🏠	NO	61.3	61.3	*100
79	ReadSoft	🏠	SE	60.5	64.8	*115
80	Tekla	🏠	FI	57.8	57.8	*92
81	SSP Holding		UK	57.4	82.0	*120
82	Lectra	🏠	FR	53.5	190.3	210
83	CSB-System		DE	52.0	52.0	*80
84	Elca		CH	51.3	55.5	65
85	AFAS ERP Software		NL	50.2	50.2	73
86	HR Access		FR	49.2	69.6	*150
87	proALPHA		DE	48.5	49.3	*120
88	Beta Systems Software	🏠	DE	47.6	47.6	113
89	Cordys		NL	47.2	47.2	*120
90	Smartstream		UK	46.4	62.9	*90
91	Comarch	🏠	PL	45.9	191.1	1100
92	CAD It	🏠	IT	44.6	52.5	*122
93	Hogia Group		SE	44.2	44.2	*150
94	Groupe SAB		FR	44.2	44.2	320
95	Schleupen		DE	44.1	55.1	*70
96	Fiducial Informatique		FR	43.4	54.6	122
97	COR&FJA	🏠	DE	43.2	116.2	*150
98	Alterian	🏠	UK	43.1	43.1	*110
99	InfoVista	🏠	FR	43.0	43.0	77
100	Delcam	🏠	UK	42.7	42.7	*170



Software revenues 30.9 bn€

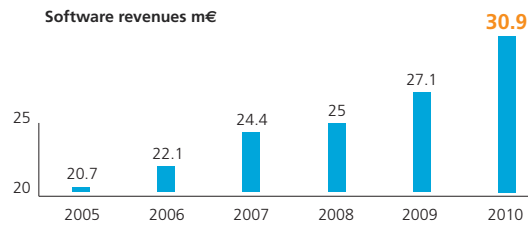
up from 27,1 bn€ last year

Total revenues for the Truffle 100 are 49.4 bn€

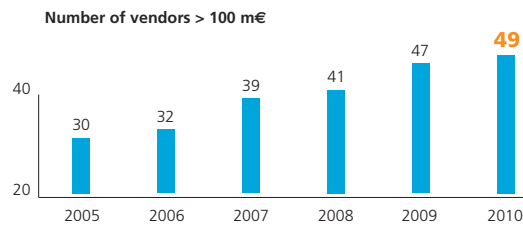
63 % of revenues

come from the top 25 vendors (79 % last year)

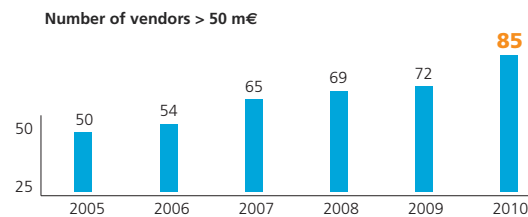
% Revenues	2009	2010
SAP	40%	31%
TOP 3	50%	40%
TOP 5	56%	44%
TOP 10	65%	52%
TOP 50	91%	84%



49 vendors have revenues > 100 m€, they account for 89.2 % of Truffle 100 revenues



85 vendors have revenues > 50 m€, they account for 97.8 % of Truffle 100 revenues



All Truffle 100 have revenues > 25 m€

Strong exposition to capital markets

Public or non-public	#	Software Revenues (€M)	% of Truffle 100	R&D Spend (€M)	% of Truffle 100
Publicly traded	65	26 176	84.5%	3 803	85.8%
Private	35	4 810	15.5%	630	14.2%
Total	100	30 985	100%	4 433	100%

Profits on the rise

5,8 bn€ aggregated net profits, up from 3.7 bn€ last year

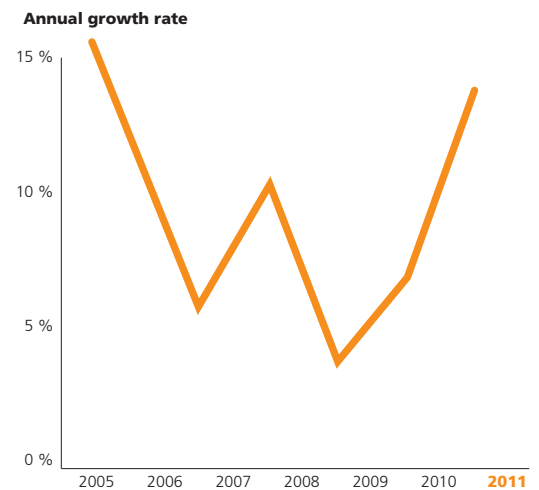
Profits bn€	2006	2007	2008	2009	2010
	2.8	3.2	3.6	3.7	5.8
	% of revenues Truffle 100		% of profits		
	2010	2009	2008	2007	2006
SAP	40%	31%	46%	51%	60%
TOP 3	50%	40%	58%	62%	73%
TOP 5	55%	44%	66%	67%	75%
TOP 10	36%	52%	66%	67%	75%
TOP 50	90%	84%	91%	92%	95%

Big vendors more profitable
Small vendors catching up

Profitability m€	2010	% of revenues	2009
Top 3	2.386	15.2%	16.0%
Top 50	4.952	12.2%	10.7%
Bottom 50	0.940	10.6%	6.8%
Bottom 25	0.228	13.4%	8.6%

... 14% growth

Revenues growth year on year: **+14 %**





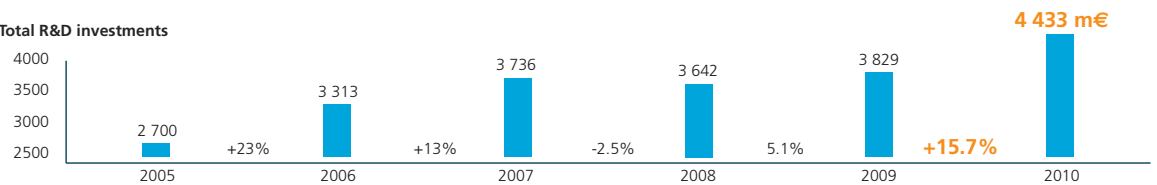
Breakdown by country

Country	Software revenues (€ millions)	% of total	# Software companies
Germany	15 578	50.3%	16
UK	5 752	18.6%	24
France	3 482	11.2%	18
Netherlands	1 093	3.5%	7
Sweden	977	3.2%	4
Norway	436	1.4%	5
Finland	661	2.1%	2
Italy	522	1.7%	8

Country	Software revenues (€ millions)	% of total	# Software companies
Switzerland	881	2.8%	7
Belgium	511	1.6%	1
Poland	562	1.8%	4
Denmark	185	0.6%	1
Czech Republic	166	0.5%	1
Spain	117	0.4%	1
Austria	62	0.2%	1

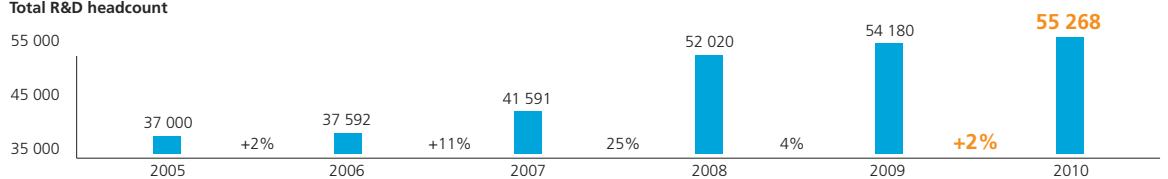
~ 4.4 bn€ invested in R&D

Total R&D investments



55 000 R&D jobs

Total R&D headcount



Countries	Number R&D employees	% of total	R&D investment (m€)	% of total
Germany	20 416	36.9%	2 147	48%
UK	10 573	19.1%	842	19%
France	8 096	14.6%	561	13%
Netherlands	3 774	6.8%	144	3%
Sweden	2 801	5.1%	167	4%
Norway	1 056	1.9%	62	1%
Finland	1 322	2.4%	94	2%
Italy	1 378	2.5%	74	1.7%

Countries	Number R&D employees	% of total	R&D investment (m€)	% of total
Switzerland	1 499	2.7%	125	2.8%
Belgium	452	0.8%	54	1.2%
Poland	3 147	5.7%	87	2.0%
Denmark	283	0.5%	26	0.6%
Czech Republic	150	0.3%	24	0.5%
Spain	212	0.4%	17	0.4%
Austria	110	0.2%	9	0.2%

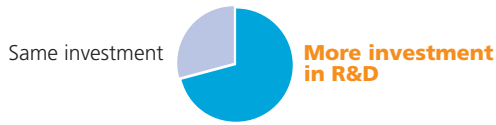
World-class national champions

Vendor	Country	Revenues (m€)	% of Truffle 100
SAP	DE	12 337	39.8%
Dassault Systemes	FR	1 564	5.0%
Sage	UK	1 543	5.0%
Software AG	DE	919	3.0%
DATEV	DE	685	2.2%

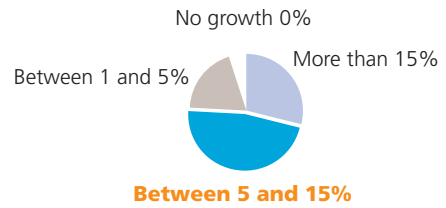


Trends

R&D investments trend for 2012 ?



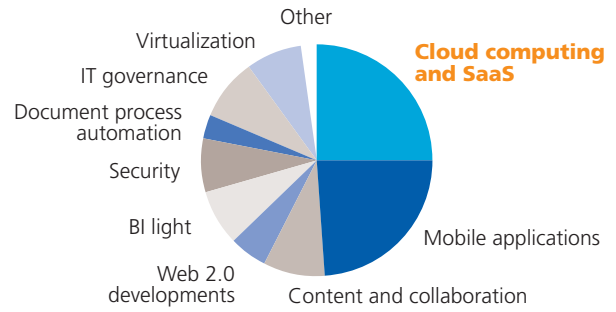
Expected growth rate for 2012 ?



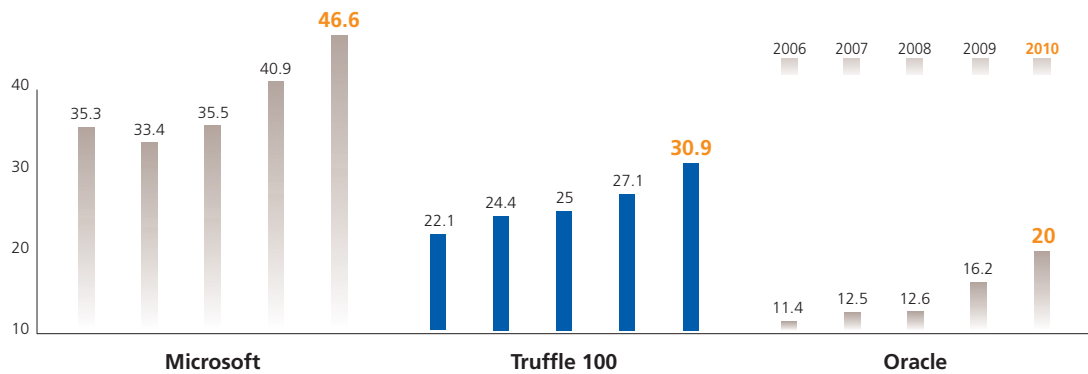
Headcount in 2012



Main technological trends for 2012 ?



Fierce global competition



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

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.

We have aligned all data gathering to include all software related professional services and training services. The double digit growth in software revenues in 2011 compared to 2010 is partly attributable to this alignment of methodology. Furthermore, we have included acquisitions from the date of acquisition as opposed to a full-year proforma addition.

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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Measures

Publicly financed R&D programs	34 %
R&D tax breaks	41 %
Small Business Act to stimulate small software vendors	14 %
Changes to the current Software patenting laws	3 %
More venture capital	5 %

Major M&A transactions

- 2010**
 - Misys divested Allscripts
 - StepStone Solutions separated from Alex Springer in MBO, rename Lumesse
 - LHS AG acquired by Ericsson
- 2011**
 - Mamut acquired by Visma
 - Hexagon acquired Intergraph
 - Sopra Group divested Axway
 - HP acquired Autonomy

