THE HIT PARADE OF
FRENCH SOFTWARE EDITORS
www.truffle100.com

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Truffle 100

Information and communication technologies now hold a predominant place in our economy and their use is a key factor of productivity for our companies. I am delighted with the dynamism of this sector for the software industry is one of France's best vectors of growth in innovation and competitiveness. The creation of regional incubators gave an additional tailwind to the French software industry. Indeed, among the sixteen internationally-focused incubators designated last September, at least six placed software as the key factor of their success.

Éditorial

With an overall growth rate of twice that of the data processing sector and three times that of French GDP, software companies collectively represent a champion of French R&D, supported by high-caliber management teams nationwide. The training of computer science engineers in French higher education is recognized throughout the world.

This second edition of the Truffle 100 highlights the top French software firms and underscores the potential of these companies, upon whose success is crucial for our country. Innovation comes from companies of all sizes, with an important role played by small and medium-sized firms. Nonetheless, France still lacks medium-sized companies that have the capacity to become world leaders in their field.

The Truffle 100 ranking is a tool that enables us to analyze the vitality of these companies, their capacity to create value, and ultimately jobs. This ranking also reveals how much remains to be accomplished for France to become a significant software actor on the world stage : behind companies like Dassault Systèmes, Business Objects, Ilog, smaller firms can also attain world leadership in their respective segments provided that they place innovation and customer satisfaction at the centre of their growth strategy.

The software industry is characterized by periodic technological disruptions that pave the way for new arrivals in a continuously evolving worldwide market. It is for these reasons that I would like to go even further, and together with the players in this industry, propose a plan of action for further development of the French software industry. Only this way can we nurture the growth of hidden gems and French champions to take this sector to the next level.

François Loos
Minister delegate to Industry

This 2nd edition of the Truffle 100, produced with the help of the analysts at the CXP and the results of which were made public at Capital IT 2006, shows the dynamism of French software producers.

Software is now a full-blown industry that is experiencing compelling growth (+28% in relation to Truffle 100 2005), is in continuous transformation, and serves as an engine of job and value creation (+23% in R&D jobs, 9.3% profitability).

Much more than a short-lived phenomenon or a passing fad, the growth in the software sector is a fundamental trend to cultivate and nurture over the long term.

In other words, the software sector is beginning to really matter in our economic landscape.

Who remembers that just 10 years ago Business Objects, today's 2nd largest French software firm, generated a turnover of only $60 million ?

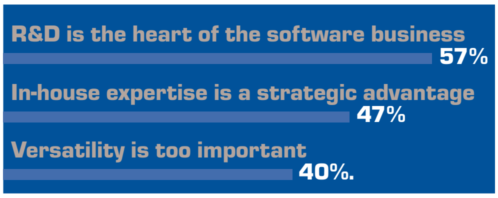
Perhaps in just a few years' time the figures of the current edition of the Truffle 100 will appear rather moderate.

Bernard-Louis Roques, Truffle Venture

Collectively the Truffle 100 is a champion of French R&D

The total workforce of the **Truffle 100** dedicated to **R&D** is **8 546 people**, a net increase of 1 646 in relation to the **Truffle 100** 2005.

- 67% of the companies questioned report to have no plans to outsource their R&D!
- Reasons invoked:



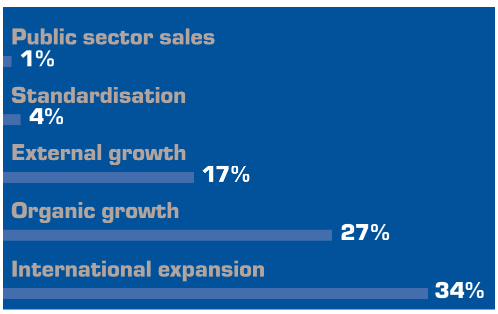
- **24% growth of the R&D workforce** (2005/2004)) after 9.6% last year
- Only 15% of the firms in the **Truffle 100** have outsourced their R&D or have plans to do so; only 5% are considering it.
- The inclination to outsource is essentially limited to the large players.

An industry that is dynamic…

- **Turnover growth = +28% in 2005** compared to +7.7% in 2004 and +1.9% in 2003. Two thirds of the growth is due to mergers & acquisitions (more acquirers than targets in 2005).
- **A strong generator of jobs: +14% in 2005** compared to **+8,3%** in 2004 and **+7,4%** in 2003 of net jobs created.
- **36%** of the companies of the **Truffle 100 have raised venture capital.**

and dominant

Answer to: "**What is the main driver of your company's growth?**"



The Hit Parade

Rank	Company	Software turnover 2005[1][2][3]	Total turnover 2005[2][3]	Total staff	R&D staff
1	DASSAULT SYSTEMES	934.5	934.5	5693	2678
2	BUSINESS OBJECTS	865.0	865.0	4418	915
3	CEGID	192.3 [4]	224.3	2000	420
4	GL TRADE	179.2	179.2	1083	373
5	SOPRA GROUP	99.3	757.0	9200	550
6	ILOG	98.5	98.5	650	174
7	GFI INFORMATIQUE	92.5 [3]	543.8	7166	*65
8	CARTESIS	86.6	86.6	587	140
9	AVANQUEST SOFTWARE	68.6	70.6	384	130
10	SOLTIM-PROVAL (Groupe Cegedim)	57.5	57.5	425	243
11	ESI GROUP	48.5	62.2	570	*163
12	FIDUCIAL INFORMATIQUE	40.0	40.0	400	64
13	INFOVISTA	34.3	34.3	194	58
14	LINEDATA SERVICES	*33.0	119.8	860	*202
15	VIVEO	30.2	50.6	513	110
16	SAB Ingenierie informatique	24.9	24.9	260	140
17	ESKER	23.0	23.0	200	60
18	ARES	22.7	483.1	1731	55
19	MISSLER SOFTWARE	22.5	23.0	216	70
20	INFLUE-ILLICOM	21.0	21.0	230	50
21	AXEMBLE	21.0	21.0	150	40
22	CAST	19.3	22.5	205	47
23	IGE + XAO	19.0	19.0	378	168
24	LEFEBVRE SOFTWARE	17.5	20.0	200	40
25	ITESOFT	16.8	16.8	141	26
26	EVER TEAM	16.4	16.4	180	12
27	COHERIS	15.4	26.7	306	37
28	4D	15.0	15.0	135	40
29	CYLANDE	15.0	19.7	180	72
30	GENERIX	14.8	21.0	193	45
31	ORDIROPE	14.4	14.4	123	26
32	PLANISWARE	13.7	13.7	75	23
33	ORFI	12.5	12.5	85	35
34	SYSTAR	11.7	11.7	79	24
35	HARDIS	11.4	32.0	370	50
36	ESTEREL TECHNOLOGIES	11.2	11.2	122	35
37	SEFAS INNOVATION	10.9	10.9	71	30
38	CIRIL	10.8	11.3	100	30
39	ACA	10.5	10.5	90	10
40	SNEDA	10.4	10.4	115	49
41	DIMO GESTION	10.2	10.2	116	15
42	FIMASYS	10.0	10.0	86	14
43	PROGINOV	9.2	9.2	76	40
44	ACCESS COMMERCE	9.1	9.1	100	20
45	IGA ASSURANCE	9.0	12.0	20	10
46	QUALIAC	8.7	9.4	100	45
47	VIGNON INFORMATIQUE FRANCE	8.2	10.2	129	54
48	SIS	8.0	9.4	84	20
49	LASCOM	7.8	11.0	90	15
50	AS GROUPE	7.3	7.3	85	17

Truffle 100

Company quoted on Euronext
(1) Turnover (sales): licences + related services

(2) 2005 or *2004 turnover
(3) As estimated by CXP

(4) As estimated by IDC
(5) 2005 or *2004 figures

Rank		Company	Software turnover 2005[1][2][3]	Total turnover 2005[2][3]	Total staff	R&D staff
51		A2iA SA	7.0	7.0	40	30
52	Euronext	EMAILVISION	6.9	6.9	55	6
53	Euronext	STAFF AND LINE	6.8	6.8	49	15
54		DATAFIRST SA	6.5	8.9	126	23
55		INTERLOGICIEL	6.5	6.5	50	27
56		ARPÈGE	6.2	6.8	72	16
57		SIVECO GROUP	6.0	6.0	80	25
58		DEAL INFORMATIQUE	6.0	6.0	70	25
59		POLYSPACE	5.8	5.8	62	22
60		AS INFOR	5.7	5.7	48	20
61		OPSYS SA	5.4	5.4	68	13
62		DYNASYS	5.4	5.4	48	20
63		FUTURMASTER	5.4	5.4	35	10
64		EFFISOFT	5.3	5.3	62	6
65		INFOTEL	5.0	45.6	462	30
66		EUREKA SOLUTIONS	4.5	4.5	33	9
67		SPRING TECHNOLOGIES	4.5	13.0	120	14
68		SYLOB	4.5	4.5	75	18
69		HOLY-DIS	4.5	4.5	55	15
70		SYSLOAD SOFTWARE SA	4.2	4.2	35	12
71		CRISTON SOFTWARE	4.1	4.2	40	26
72	Euronext	ACTEOS	4.1	11.7	90	20
73		SYSPERTEC COMMUNICATION	4.1	4.1	22	8
74		GROUPE COGESER	4.0	5.0	60	6
75		DDS LOGISTICS	4.0	4.0	50	15
76		FIRCOSOFT	4.0	4.0	32	10
77		H2I	4.0	4.0	45	12
78		MICROMEGAS	4.0	4.0	57	9
79		ISILOG	3.9	3.9	49	35
80		DOUBLETRADE	3.8	3.9	47	6
81		AUDITEC	3.8	3.8	31	12
82		IGC - International Global Concept	3.7	3.7	40	20
83		NOTOCORD SYSTEMS	3.5	3.5	15	6
84		WYDE	3.5	5.0	38	33
85		PHJ SA	3.4	3.7	40	13
86		KIMOCE	3.3	3.3	35	12
87		CERAI -GROUPE VARILAB	3.3	3.3	22	3
88		DENY ALL	3.2	3.2	35	19
89		KDP INFORMATIQUE SA	3.2	3.2	24	4
90		OCTIME	3.2	3.2	40	6
91		CORWIN	3.2	3.4	43	9
92		EUDOWEB	3.0	3.0	35	5
93		AQUITAINE INFORMATIQUE	2.6	2.6	35	8
94		GIC	2.6	3.3	26	10
95		OPENWIN	2.6	3.4	5	5
96		EXALEAD	2.5	2.5	40	20
97		SYDEL	2.5	16.0	135	85
98		GBCONCEPT	2.5	2.5	32	4
99		ICP	2.5	2.5	22	10
100		AVENUESOFTWARE	2.5	3	20	10

Global turnover of the **Truffle 100** is **5.4 billion euros**, of which some **3.6 billion euros** is from software development and associated services vs. 2.8 billion euros last year.

The top 5 account for 70% of the turnover growth of the Truffle 100.

Net income of the **Truffle 100** equals an average **9.3% of turnover** confirming the positive trend witnessed in 2004.

23 companies are quoted on Euronext (not including the "Marché Libre"). Collectively, they represent **78% of the turnover, 73% of the R&D workforce** and **76% of the growth**.

The **top 3** software firms account for **of the profits** while only **56% of the turnover**.

The **top 10** software firms account for **75% of the turnover** while only **of the R&D workforce**.

The **top 20** software firms account for **84% of the turnover** and **77% 77% of the R&D workforce**.

71% of the Truffle 100 have a turnover < 15 million euros. They represent **12% of the turnover** and **16% of the R&D workforce**.

50% of "Truffle 100" have a turnover > 7 million euros, in contrast to 4 million euros in the **Truffle 100** 2005.

35% have a turnover ≤ 5 million euros and represent 3% of the total turnover and 6% of the total R&D workforce.

The 100th has a turnover of 2.5 million euros in contrast to 1 million euros in the **Truffle 100** 2005.

The Truffle 100 Hit Parade is compiled from survey research.

The companies taking part have certified that they operate under French law and that their headquarters and R&D are based in France.

The Hit Parade 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 Hit Parade, 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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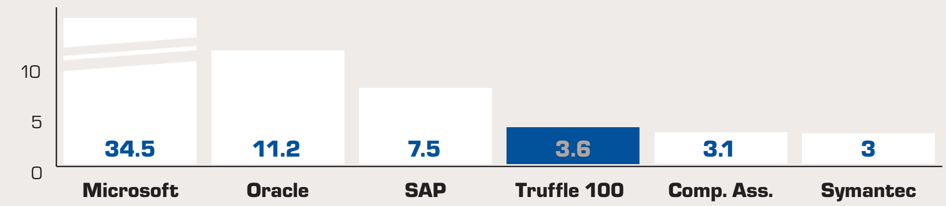
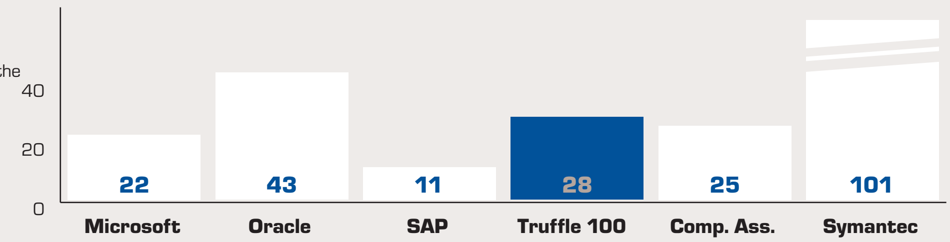
French software firms have not yet made their mark

Turnover
in billions of euros
(with 1 euro = 1.2$)



Growth
in % in euros
(with 1 euro = 1.2$
against 1euro = 1.3$ in the
Truffle 100 2005)

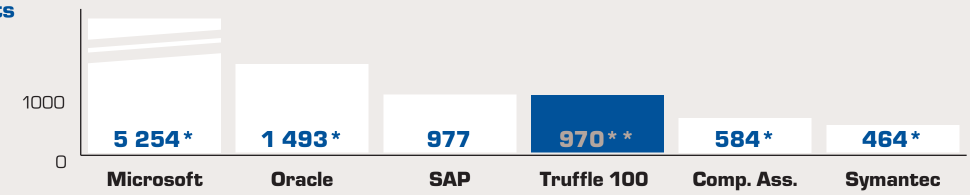


Breakdown
by level of turnover

	Software firms quoted on the NASDAQ	Truffle 100
1 billion € +	13	0
420 million to 1 billion €	24	2
80 to 420 million euros €	88	8
20 to 80 million euros €	85	13

"R&D firepower" very comparable: **970 million euros**

R&D investments
in millions of euros
* 1€ = 1,2$
* * est. Truffle 100



Diversification of the sector still quite limited

Software firms now generate most of their turnover in the following segments:

Progiciels de gestion : ERP solutions (segment from which 22% of firms generate the majority of their turnover) • sales and customer relationship management • financial management • content and collaboration tools

Progiciels technologiques : infrastructure, administration and web security (from which 11% of the firms generate majority of their turnover) • software engineering tools • integration and process management applications

Applications métiers : Manufacturing (from which 21% of the firms generate majority of their turnover) • Retail • Bank • Insurance • Services