



Truffle 100



The **Truffle 100 Europe 2009** emphasizes again the dynamism of the software sector in Europe, that remains a uniquely strong driver for creating highly qualified jobs and R&D investments are continuing to rise!

The achievement of a single market for ICT innovations is essential to improve the attractiveness of European SMEs to investors. The growth capacity of companies depends on their potential market size. The EU ICT market is the largest

world-wide but is highly fragmented. We support the achievement of a single market through a renewed strategy for ICT research and innovation in Europe, whose objective is to enable Europe to lead ICT progress and to make the best use of ICT innovations. We are also committed to supporting large scale research projects that

develop modern pan-European ICT-based service infrastructures and address key societal challenges.

Europe is behind our main competitors in R&D spending. To step up investments, actions are needed both on the public and the private side: on our side, annual commitments to ICT R&D under FP7 will increase from ? 1.1 billion in 2010 to ? 1.7 billion in 2013 and we have also established Joint Technology Initiatives under FP7 to speed up innovation.

The European Small Business Act, which was approved by the European Council in December 2008, is an overall strategy to promote entrepreneurship and the Commission invites Member States to pursue their efforts to facilitate SMEs' access to public procurement markets. However, a key factor for the growth of innovative SMEs in ICT is the existence of a single EU-wide market for innovative ICT-based products and services.

We are glad to welcome the 2009 **Truffle 100 Europe** index as a very valuable tool to measure and analyze the software industry, which remains at the heart of our concerns in Europe!.

Viviane Reding

EU Commissioner for Information Society & Media



In turbulent economic times, we know that investing in innovation remains critical. It is clear that information technology will play a crucial role in driving and supporting a worldwide economic recovery. Proving this belief, Microsoft invests more than \$600 million annually in R&D in EU countries.

According to a recent study we sponsored, the software industry will add 668,000 jobs in 2009, an increase of 3.8 percent over 2008. In contrast, global GDP is projected to contract by 1.4 percent in 2009, according to the IMF. By 2013, the software industry will have created 2.2 million new jobs, with 2 million of them expected to be outside of the United States.

This year, I am honored to be one of the EU Ambassadors for the European Year of Creativity and Innovation. As an Ambassador, I've had the opportunity to participate in numerous discussions about how we Europeans can foster the skills critical for innovation and growth here at home.

As a result, the things I believe to be most critical to a sustainable recovery are investing in education, increasing R&D, and supporting entrepreneurs.

It was an entrepreneurial spirit that initially fueled each of the companies in the **Truffle 100**. It is critical that we foster this type of entrepreneurship and innovation in our local software economies and encourage our young people to take the necessary risks to drive tomorrow's big advances. One example is Microsoft's BizSpark program, through which we encourage technology startups in Europe and around the world to drive breakthrough innovation in areas like cloud computing, by providing them with free access to our software platforms and tools, as well as help with their business strategy.

The opportunities that will be created through technology are limitless. There will surely be incredible advances in the coming years in critical areas such as e-health, energy research, and digital education. I look forward with great anticipation to the amazing things our industry has in store.

Jean-Philippe Courtois

President, Microsoft International
Senior Vice President, Microsoft Corporation



Europe is confronted with unprecedented challenges, as highlighted in this new edition of the **Truffle 100**. Not only will we have to overcome the most severe crisis in decades, but at the same time Europe needs to take firm actions to address longer term issues such as fostering innovation and competitiveness, coping with demographic change and the transformation into a low-carbon economy. In essence, the task is to ensure sustainable growth with a shrinking workforce in a highly competitive global economy.

The European software industry can make a major contribution to the future of Europe. In fact, the political challenges will provide tremendous business opportunities for all European software vendors. Investments in modern software is essential for the structural adjustments that companies need to make to survive the crisis and to prepare for future growth, enhance transparency and better manage risks. I firmly believe it is a pre-condition to prevent the next crisis in an increasingly complex global economy.

IT will be a driver towards a low-carbon economy. Europe is at the forefront of the debate on climate change.

European software vendors should lead the way into developing IT solutions facilitating a more sustainable economy. SAP is committed to help its customers become more transparent, accountable, and sustainable.

The European software industry is in the pole position to leverage this multitude of opportunities. Technology today and in the future is the basis for sustainable growth in every industry.

However, the European software industry needs a favorable regulatory framework in Europe. In particular, European policy makers must cultivate skills and entrepreneurship to establish a truly leading-edge market for IT. We encourage the European Union to support large-scale, pan-European R&D projects in future growth areas, such as smart mobility and energy efficiency, where IT makes a difference.

I am pleased that a strong foundation is already in place with the announcement from the President of the European Commission, José Manuel Barroso, that a "Digital Agenda" will become one of his core political objectives for the new European Commission until 2015. SAP is fully committed to support European policy makers in developing the European software industry so that it contributes to a thriving Europe, a Europe that will successfully manage its challenges and become the best place to work, to invest, and to live.

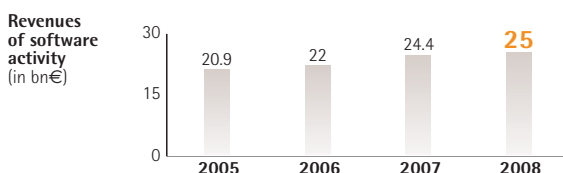
Léo Apotheker
CEO, SAP



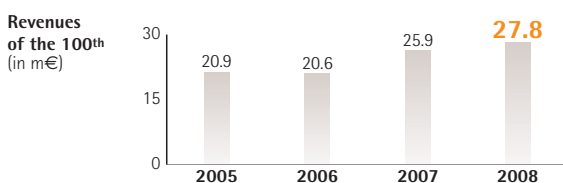
We are pleased to present the 4th edition of the **Truffle 100**, the leading ranking of the top 100 software vendors in Europe.

Despite harsh, we remain

In the midst of a difficult economic environment, and despite a revived acquisition appetite of the US vendors, the **Truffle 100** vendors once again demonstrate their resilience and optimism. As they keep growing, be it moderately, can count on them to remain a strategic and dynamic engine of value growth and job creation for European economies.



Relentless innovators, the European vendors are strong investors in R&D (14.4% of their revenues last year!), and have created over 11 000 R&D jobs year on year.

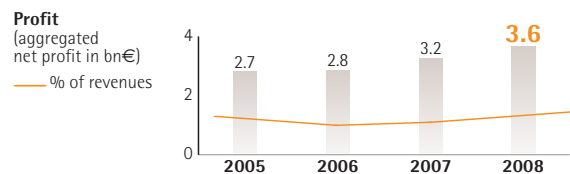


They are perennial and well managed too, with improved profitability.

However the industry faces major challenges:

- global consolidation,
- new business models such as Software as a Service that require massive investments over the coming years.

SMEs represent the vast majority of the **Truffle 100**, with the smaller companies growing faster.



They represent an industry that is critical to our future. For Europe to remain a place where decisions are made and innovations originated, we must create a favorable framework and implement measures such as R&D tax breaks (which 76% of vendors think are critical), Publicly financed R&D programs, or a European Small Business Act.

The **Truffle 100** is not only research made freely available to the public so as to increase the general knowledge on European software vendors, it is also intended to serve the industry & contribute to its sustainable development.

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

The 2009 ranking

Rank	Company	HQ	Revenues 2008 from Software activity (m€)	Total revenues 2008 (m€)	R&D headcount 2008	Rank	Company	HQ	Revenues 2008 from Software activity (m€)	Total revenues 2008 (m€)	R&D headcount 2008
1	SAP	DE	11 575.0	11 575.0	15 547	51	GENERIX GROUP	FR	75.0	75.0	170
2	Sage	UK	1 360.0	1 360.0	2 314	52	Viszrt Ltd	NO	70.5	70.5	150
3	DASSAULT SYSTEMES	FR	1 334.8	1 334.8	3 500	53	ESI GROUP	FR	70.2	70.2	200
4	Software AG	DE	718.2	720.6	676	54	SSP Holding	UK	67.6	67.6	97
5	Asseco PL S A	PL	432.0	792.4	5 181	55	FJH AG	DE	63.6	63.6	130
6	Unit4 Agresso	NL	393.6	393.6	490	56	Proha OYJ	FI	62.4	62.4	24
7	Autonomy	UK	362.0	362.0	646	57	Aldata Solutions OYJ	FI	61.6	70.0	166
8	Visma	NO	360.4	360.4	574	58	Readsoft AB	SW	60.1	64.2	92
9	Misys	UK	350.4	700.7	1 415	59	CEGEDIM ACTIV (Groupe Cegedim)	FR	60.0	62.5	250*
10	SOPRA GROUP - AXWAY	FR	312.6	1 129.5	1 100	60	Lectra	FR	59.4	198.1	114
11	Temenos Group	CH	292.8	292.8	580	61	P & I Personal & Info AG	DE	59.0	59.0	113
12	Exact	NL	261.0	261.0	565	62	Utimaco Safeware AG	DE	59.0	59.0	113
13	Compugroup Holding AG	DE	229.2	229.2	1 005	63	TXT E-Solutions	IT	57.6	57.6	90
14	CEGID	FR	213.8	248.5	520*	64	CAD It	IT	56.7	56.7	109
15	Fidessa Group PLC	UK	198.6	198.6	340	65	Kewill Systems PLC	UK	56.0	56.0	80
16	Micro Focus International PLC	UK	186.0	186.0	241	66	SDL PLC	UK	55.3	166.7	253
17	Reply	IT	180.0	330.2	471	67	Tekla OYJ	FI	53.2	59.0	110
18	AVG	CZ	179.9	179.9	250	68	ORC Software AB	SW	51.5	51.5	97
19	Kofax (Dicom Group PLC)	UK	178.4	178.4	250	69	OPERA SOFTWARE ASA	NO	51.1	51.1	65
20	Simcorp A/S	DK	174.7	174.7	492	70	COR Insurance Technology AG	DE	49.2	58.8	95
21	ZUCCHETTI	IT	165.0	194.2	1 000	71	Software Innovation ASA	NO	47.0	47.0	50
22	Aveva Group PLC	UK	162.6	162.6	253	72	GROUPE SAB	FR	45.0	45.0	305
23	LINEDATA SERVICES	FR	160.7	160.7	175	73	INFOVISTA	FR	44.9	44.9	86*
24	IBS AB	SW	152.5	212.0	175	74	Elca	CH	44.0	48.0	70
25	Nemetschek AG	DE	150.4	150.4	405	75	VIVEO	FR	42.0	46.0	170
26	RM PLC	UK	143.9	430.9	260	76	Crealogix	CH	40.7	40.7	50
27	Civica PLC	UK	140.9	140.9	1 019	77	RealDolmen	BE	40.5	265.6	78
28	IDS Scheer	DE	125.7	399.1	237	78	Arm Holding	UK	40.0	392.9	340
29	Intec Telecom Systems PLC	UK	123.9	142.6	700	79	META4	SP	39.6	39.6	76
30	Digia	FI	123.2	123.2	208	80	Cineca	IT	39.2	49.0	440
31	GFI INFORMATIQUE	FR	120.0	768.1	160	81	Alphameric PLC	UK	37.7	37.7	40
32	LMS International	BE	120.0	120.0	175	82	Mamut	UK	37.0	63.1	71
33	AVANQUEST SOFTWARE	FR	116.0	116.0	200	83	Update Software AG	AU	36.6	36.6	100
34	IFS AB	SW	115.1	230.2	732	84	AFAS	NL	36.4	36.4	69
35	PSI AG	DE	115.1	128.9	139	85	Hogia	SW	36.0	36.0	69
36	F-Secure OYJ	FI	113.0	113.0	340	86	Superoffice	NO	35.4	39.3	40
37	Northgate	UK	112.5	569.9	1 118	87	Otrum ASA	NO	35.4	35.4	20
38	LHS AG	DE	111.8	111.8	212	88	Alterian	UK	35.1	35.1	68
39	Panda Security	SP	109.4	109.4	185	89	Delcam PLC	UK	34.5	34.5	159
40	Iris SA	BE	109.3	109.3	101	90	USU Software AG	DE	34.0	34.0	50
41	Sophos	UK	105.8	105.8	708	91	ELSAG DATAMAT	IT	33.8	699.3	360
42	Murex	FR	98.6	151.1	0	92	Bond International Software PLC	UK	33.6	33.6	106
43	Aditro	NO	97.1	159.0	186	93	ORSYP	FR	32.3	32.3	55
44	Basware OYJ	FI	86.1	86.1	171	94	LEFEBVRE SOFTWARE	FR	31.7	31.7	54
45	Comptel OYJ	FI	84.8	84.8	194	95	MACONOMY A/S	DK	31.0	31.0	75
46	Beta Systems Software AG	DE	84.2	90.4	177	96	Macro 4 Plc	UK	30.5	30.5	78
47	Enea Data AB	SW	83.7	83.7	161	97	CYLANDE	FR	29.2	35.5	118
48	Integralis	DE	83.6	168.9	242	98	Idox PLC	UK	28.6	35.7	87
49	Gruppo Engineering	IT	78.9	717.6	250	99	EBP INFORMATIQUE	FR	28.0	28.0	65
50	Anite Group	UK	76.5	94.6	378	100	GROUPE CEGI	FR	27.8	101.5	70

(*)Revenues for Cegid taken from IDC Report "Le marché français de l'ERP et des logiciels de gestion - Bilan et perspectives 2007 - 2012"

(*)Revenues for Cegedim taken from 2007

Revenues 25 bn€

(up from 24,4 bn€ last year)

Total revenues for the **Truffle 100** are 31 bn€

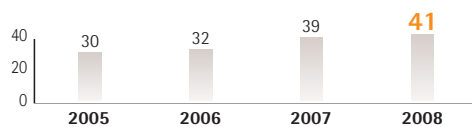
Revenues from software activity are **25 bn€**

A concentrated industry : **70 % of revenues** come from the top 25 vendors

	% Revenues Truffle 100
SAP	37 %
TOP 3	46 %
TOP 5	51 %
TOP 10	60 %
TOP 50	87 %

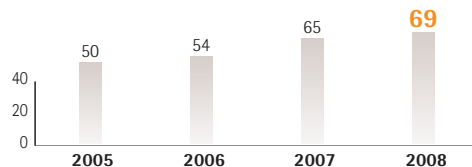
41 vendors have revenues > 100 m€, they account for 92 % of Truffle 100 revenues

Number of vendors > 100m€



69 vendors have revenues > 50 m€, they account for 97 % of Truffle 100 revenues

Number of vendors > 50m€



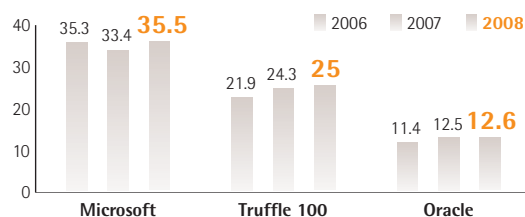
All **Truffle 100** have revenues > 27.8 m€ (up from 25,9 m€ one year ago)

World-class national champion

Vendor	Country	Revenues (m€)	% of Truffle 100
SAP	DE	11 575	37.1 %
Sage	UK	1 360	4.4 %
Dassault Systemes	FR	1 335	4.3 %
Software AG	DE	721	2.3 %
Asseco Poland S A	PL	792	2.5 %

Facing global competition

Sales in bn€



A profitable industry

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

14.4 % of revenues (11 % last year)

	Revenues Truffle 100	Profit Truffle 100	Profits last year
SAP	37 %	51 %	60 %
TOP 3	46 %	62 %	73 %
TOP 5	51 %	67 %	75 %
TOP 50	87 %	92 %	95 %

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

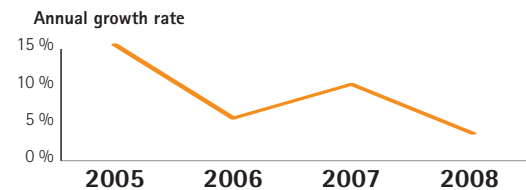
Profits grow with size, but not linearly

	Net profit	% of revenues
Top 3	2 224	15.6 %
Top 50	3 319	12.2 %
Last 50	286	7.3 %
Last 25	157	7.0 %

... still growing

despite a difficult environment and acquisitions

Revenues growth year on year: **+2.8 %**



Breakdown by country

Countries	% of Truffle 100	Number of vendors	% of population*
Germany	44 %	14	16.5 %
UK	18 %	24	12.3 %
France	15 %	19	12.9 %
Norway	7 %	22	1.0 %
Italy	7 %	7	12.0 %
Netherlands	2 %	3	3.3 %
Belgium	2 %	3	2.1 %
Spain	0 %	2	9.1 %
Poland	3 %	1	7.7 %
Austria	0 %	1	1.7 %
Switzerland	1 %	3	1.5 %
Czech Republic	1 %	1	2.1 %
Total	100 %	100	82.1 %

*Total EU-27 population according to Eurostat (2008)

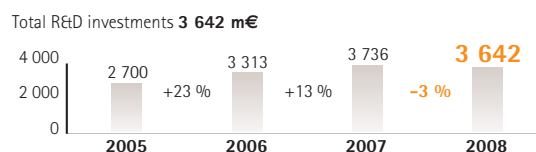
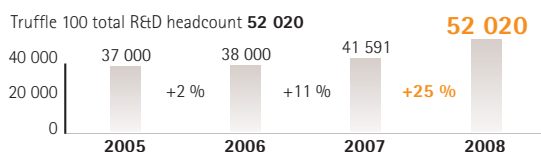
Highly qualified workforce of 211 985

Up **9.27 %** 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€)
Germany	67 068	31.6 %	13 458	Belgium	3 092	1.5 %	270
UK	49 199	23.2 %	3 957	Switzerland	3 593	1.7 %	378
France	41 107	19.4 %	2 902	Czech Republic	1 224	0.6 %	180
Norway	16 539	7.8 %	1 986	Spain	1 013	0.5 %	149
Netherlands	6 264	3.0 %	691	Austria	292	0.1 %	37
Italy	14 696	6.9 %	611	Poland	7 898	3.7 %	432

Strategic R&D firepower of ~ 3.6 bn€

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

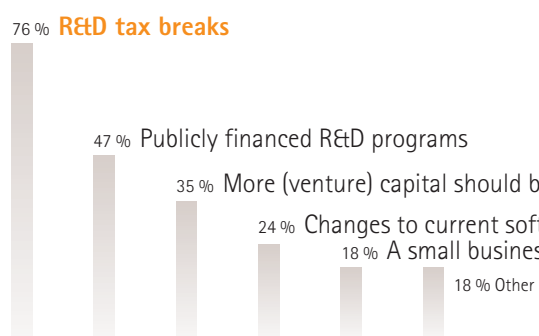


Countries	Number R&D employees	% of total	R&D investment (m€)	% of total
Germany	19 142	37 %	1 866.6	51 %
UK	11 121	21 %	549.3	15 %
France	6 976	13 %	547.1	15 %
Norway	4 191	8 %	287.4	8 %
Netherlands	1 124	2 %	83.3	2 %
Italy	2 720	5 %	107.6	3 %

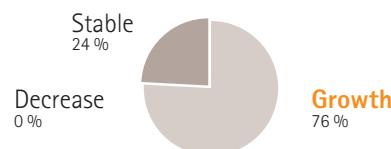
Countries	Number R&D employees	% of total	R&D investment (m€)	% of total
Belgium	230	0 %	29.2	1 %
Switzerland	700	1 %	55.5	2 %
Czech Republic	250	0 %	26.1	1 %
Spain	261	1 %	21.7	1 %
Austria	100	0 %	5.3	0 %
Poland	5 181	10 %	62.8	2 %

An optimistic & resilient industry

What measures should be adopted to further the cause of european software providers? (multiple answers)



Revenue expectations for 2009



Option tax legislation designed to close loopholes for financial engineers has inadvertently penalised entrepreneurs and should be re-examined
Europe should promote technology. R&D tax breaks help but investment sentiment improvement is required to sustain long term investment
Continue to do investments in public sector making it more cost efficient in the periods of a weaker economic development.

The Truffle 100 is compiled from survey & research conducted by CXP & the Top 100 Research Foundation.

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 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.

Surveys and compilation: **Catherine Brault**
Balder Verberne
Publication Manager: **Bernard-Louis Roques**

CXP
the Top 100 Research Foundation
Truffle Capital

cbrault@leexp.com
editor@softwaretop100.org
bernie@truffle.com