

# News Release

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**CONTACT:** Zuzana Sehnalová, Marketing Specialist  
PricewaterhouseCoopers Slovensko, s.r.o.  
Tel.: +421 (0) 2 59350 868  
Mobile: +421 (0)911 357 151  
[zuzana.sehnalova@sk.pwc.com](mailto:zuzana.sehnalova@sk.pwc.com)

**OR:** Fiona Scholes, PricewaterhouseCoopers LLP  
Tel: +44(0) 207 804 2695, e-mail: [fiona.scholes@uk.pwc.com](mailto:fiona.scholes@uk.pwc.com)

Nele Devolder, European Software Association  
Tel:+32.2.7611630, e-mail: [contact@europeansoftware.org](mailto:contact@europeansoftware.org)

## 2008 ranking of EuroSoftware100: US continues to dominate European rankings

Launched on December 3rd is the inaugural listing of Europe's top 100 software companies as compiled by representatives of the following European software associations (European Software Association, AFDEL, BASDA) and PricewaterhouseCoopers.

In 2008, the European market represented approximately 30 per cent of the overall worldwide software market generating revenues of approximately €56,000 million.

As expected, the US software vendors feature highly in the ranking and have considerably strengthened their position in the European market mainly through acquisitions. The top three software vendors listed (who are also ranked the top three in the world) generate revenues of more than €55,000 million worldwide, the equivalent of the entire European software market. US software suppliers make up 75 per cent of companies in the top 20 listed and 48 per cent of the top 100.

### EuroSoftware100 – top 10 ranked companies

Rank All companies	Company	Nat
1	Microsoft	US
2	IBM	US
3	SAP (incl. Business Objects as of Jun 07)	DE
4	Oracle (incl. Hyperion & Bea in May 08)	US
5	Symantec	US
6	HP	US
7	EMC	US
8	CA	US
9	Sage	UK
10	Adobe Systems	US

Top of the European ranking is SAP (German-based) followed by Sage (UK-based) and Dassault Systèmes (France-based). These three companies have combined revenues of €8.5 billion for 2007.

#### EuroSoftware100 – top 10 ranked European companies

Rank European companies	Company
1	SAP (incl. Business Objects as of Jun 07)
2	Sage
3	Dassault Systemes
4	Logica
5	Software AG (incl. webMethods as of 06/2007)
6	Unit 4 Agresso
7	Symbian
8	Sopra
9	iSoft (now IBA Health as of 10/2007)
10	Agfa HealthCare

#### The European Software market

Trends emerging from the survey are:

- **Consolidation:** Many players have already taken advantage of the opportunities for consolidation and this relative saturation could curb the ambitions of some of the American vendors. However, the smaller European software companies are likely to still find themselves the object of a merger approach enabling them to gain critical mass in the marketplace and the potential to emerge as bigger players in the marketplace.
- **New Business Models:** SaaS (Software-as-a-Service) business models will become increasingly important and widespread in the longer-term and will have a profound impact on the industry extending to all areas including infrastructure. This, together with the adoption of SOA (Service Oriented Architecture) platforms, will increasingly complement existing on-premise software with on-line services. With the proliferation of online service offerings and the embedding of software into product offerings by industries such as telecommunications and engineering, the competition will be fierce for dominant market share. Green IT will become an increasingly prominent factor in product development in the coming years and environmental awareness will need to be addressed by the software sector.
- **Management of Software:** with the current economic climate, pressure on operating margins will continue. Increasingly so in the next few years as fierce price pressures hit and as users compare the value propositions of different software vendors. In the long-term however, adoption of new technologies should help in recovering high operating margins. Talent management will remain a priority as companies seek to retain and attract the best talent be it engineers, marketing or product development teams. Offshoring will continue to develop but not purely as a cost cutting measure, but also to manage difficulties in recruiting and retaining talent.

Pierre Marty, European Software Leader, PricewaterhouseCoopers said:

“These are challenging times for the European software industry. European companies who seize the opportunities provided by technological shifts, which innovate and remain agile, will emerge stronger as the market reshapes itself.”

Eilert Hanoa, Vice Chairman of the European Software Association and CEO of Mamut, said:

“It is with great pride that we launch this listing together with the other partners involved. It is essential that we work together to recognise our joint challenges and opportunities, the size of the European software market, its growth and its impact on the European economy.”

Patrick Bertrand, President of the AFDEL and CEO of Cegid comments:

“With EuroSoftware100, the industry and observers now have the data they lacked to highlight the strengths and weaknesses of the software industry in Europe. While the listing underscores North American market domination, our industry is still as creative as ever and those dominant positions are not unassailable in such an innovative sector. Training and the shortage of qualified personnel for our businesses is one of the industry’s major challenges, which we expect the authorities to take into account. But we have top-quality R&D, a mature financial environment and a new generation of serial entrepreneurs. We therefore believe firmly in our ability to generate European champions in the next ten years that will be capable of shaking up the worldwide top 20.”

Jairo Rojas, Director General of BASDA, said:

“We are delighted to be part of this launch. Results from the survey highlight some key issues for our members in such challenging times. Our combined members are well-placed to adapt, innovate and create opportunities within the changing business software landscape. We are collectively engaging with EU government to ensure that the EU software industry survives and thrives – keeping employment, encouraging new start-ups and assisting growth.”

**ENDS**

**Notes to Editor:**

**1. EuroSoftware100 Listing**

For a complete list of EuroSoftware100 contact [andrea.alter@fr.pwc.com](mailto:andrea.alter@fr.pwc.com) or [Fiona.scholes@uk.pwc.com](mailto:Fiona.scholes@uk.pwc.com) or download from [www.eurosoftware100.com](http://www.eurosoftware100.com)

**2. Top European software vendors methodology (Pierre Audoin Consulting (PAC))**

The following countries are covered in the analysis of the Top European software vendors: Austria, Belgium, Denmark, Finland, Netherlands, Norway, Spain, Sweden, Portugal, Switzerland, Germany, Italy, France, UK, Luxemburg, Greece, Ireland, Liechtenstein, Malta and Iceland.

“Software revenue” is defined as: license maintenance and support revenue (excluding consulting and integration services). For SaaS and Open Software vendors, subscription revenues are included within software revenue.

PAC has conducted analysis of the European software industry since 1992. Both central and country-level databases, which include the revenue breakdown of various players according to PAC’s segmentation, are updated all year long through:

- Surveys of more than 1,000 software suppliers and diverse companies with software activity in Europe
- When appropriate PAC has relied on estimates according to worldwide/European /country revenue
- Market analysis and benchmarks

PAC cannot be held responsible for potential errors or omissions.

**3. About PricewaterhouseCoopers**

PricewaterhouseCoopers provides industry-focused assurance, tax, and advisory services to build public trust and enhance value for its clients and their stakeholders. More than 155,000 people in 153 countries across our network share their thinking, experience and solutions to develop fresh perspectives and practical advice.

"PricewaterhouseCoopers" refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

#### 4. About ESA

Created in October 2005, the European Software Association is the voice of the European Independent Software Vendor (ISV) community. ISV members of the association work with EU policy makers and other European stakeholders to foster an environment that supports innovation and competitiveness within the European software industry, and that supports the needs of other European business communities.

Current members include:

Acesso Software, Albany Software, 1C, Cegid, CODA, Dassault Systemes, Fenestrae BV, Future Route, Hogia, Lexware GMBH & Co KG, Logo Yazilim, Mamut ASA, Microsoft EMEA, Northgate Information Solutions, OpenTrust, Oracle, SAP, SkyRecon, Trimble, Unicorn, Unit4Agresso, Update Software AG

#### 5. About AFDEL

Created in October 2005, AFDEL is the French association of Software editors. With 160 members, AFDEL aims to represent the whole industry from big firms to SME's (80%). This industry is crucial for economic growth but is too often discarded by public decision makers in France. AFDEL wants to bridge the gap. It also supports SME's in their competition by sharing knowledge and experience between members.

#### 6. About BASDA

BASDA is the Business Application Software Developers' Association, a member-driven not-for-profit organisation where members benefit by sharing knowledge and expertise and working effectively as one voice to address strategic issues and evolving legal, political and technical influences that affect the business software industry.

