



FY 2009-10 Turnover and Earnings:

The fourth quarter confirms recovery and return to profitability

Annual turnover €88.1 million – Operating income €+4 million

Major strategic innovations for Internet sales

The fourth quarter of financial year 2009-10 confirms the change in trend observed since the start of the third quarter, with a steady recovery in business and a strong growth in profitability. These results were achieved thanks to the new organization put in place over the previous year, and the major effort to refocus on the most innovative, high-margin products, thereby setting the stage for a sustainable return to profits. At the same time, the Group's economic model is evolving around an enhanced Web strategy with the launch of two innovative projects aimed at significantly increasing the Group's downloadable sales over the next few years.

Progressive recovery of the activity

Avanquest is announcing quarterly sales of €22.1 million, up slightly from the fourth quarter of 2008-09 (+0.4%); this confirms the change in trend that began in the third quarter. This stabilization of activity is all the more promising in that it is occurring in a still-uncertain economic environment.

Overall, the second half of the year marks a clear change in trend (€49.5 million in sales) compared to the first half (€36.6 million), profiting from a more favorable seasonal effect, the Group's innovation strategy and the release of new versions of our bestselling software.

For the financial year, the turnover amounts to €88.1 million, for an expected 15% drop deriving mainly from the overhaul and trimming of the product catalog, the objective having been to rely on the excellent sales results in the USA and the UK to restore the margins in Continental Europe (where business – excluding the Web – dropped by 50%).

Web business (direct sales through the e-commerce sites of the Group and its e-merchant partners) continues to advance (+14% for the year) and now exceeds 20% of the Group's sales (as against 16% in 2008/09).

Return to profitability confirmed

As expected, the 2009-10 financial year marks the Avanquest Group's return to profitability. The strong reduction in structural costs combined with the overhaul of the product catalog to foster the margin on sales thus translates into a significant hike in the gross margin in 2009-10 (61.6% of sales as against 58.9% in 2008-09).

Current operating income for the year amounts to €4.0 million or 4.5% of sales (unaudited figure) for 2009-10, a quadrupling over the previous year (€1.0 million in 2008/09).

Net earnings are also showing a return to profit (€+0.2 million, unaudited figure), after two years of losses marked by the Group's far-reaching restructuring.

Strategic innovations in Web activity

The successful capital increase and issue of convertible bonds launched in early 2010 enabled Avanquest to raise €12 million in order to provide the Group with the means to participate in the sector's consolidation while speeding up the internal financing of projects essential for growing sales and margins.

Avanquest recently launched two innovative projects that constitute two new mainstays of its Web strategy:

- In April, Avanquest launched **SoftCity** (www.softcity.com), an innovative "Social Commerce" concept that brings together a site for online purchases and a community network dedicated to software fans, whether mere users, experts or developers. By creating **Softcity**, a completely new concept combining the advantages of a Facebook and an Amazon for software users and buyers, Avanquest has confirmed its avant-gardism and leadership in e-commerce, an area in which the Group has already proven his success.
- In early May, Avanquest launched the **first corporate portal for online sales**, dubbed "**Avanquest Partner Online**" (www.resellers.avanquest.com/fr), intended for retailers and partners. Available in France, the U.K., Germany, Spain and Italy, this portal allows 24-hour downloads seven days a week, with no stock management, of all of Avanquest's best-selling software range as well as software from partners including IMSI, Nero, ZoneAlarms, AquaConnect, EncryptX, Net Nanny, Fast Reports, Sun Microsystems etc.

For Avanquest, the clear objective of these innovations is to strongly foster downloadable sales over the coming years. The

final audited results along with outlook will be further detailed when the annual earnings are announced on June 24.

In €M at 31 March	Fin. Year	Fin. Year	Var.
Unaudited figures	2009-10	2008-09	
1st Quarter sales	19.2	22.9	-16.0%
2 nd Quarter sales	19.4	28.0	-30.7%
3 rd Quarter sales	27.4	30.1	-8.9%
4 th Quarter sales	22.1	22.0	+0.4%
Total consolidated sales	88.1	104.1	-15.3%

Next financial announcement	FY 2009-10 Annual Earnings	June 24, 2010 (before stock exchange opening)	
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