



Nine-month Turnover and Earnings

Growth in turnover (+3%) and Ebit (+10%)

Extraordinary General Meeting of February 11, 2011

Terms of Micro Application acquisition and new FY closing date

A 2010-11 third quarter buoyed by traditionally favorable seasonal sales

With sales of €27.6 million and current operating income of €3.5 million (12.6% of sales), the third quarter of 2010-11 (Oct.-Dec. 2010) confirms the growth in activity and performance noted through the preceding quarters.

As expected by the Group's management, the growth in profitability compared to the first two quarters of the year is explained by the traditional seasonal sales effect as well as the growing contribution of the Web channel, which now accounts for 23% of sales.

In view of these good results, Avanquest reaffirms its confidence in the current fiscal year, which should combine increases in turnover and earnings.

Extraordinary General Meeting of February 11, 2011

At the Extraordinary General Meeting to be held on February 11, 2011, Avanquest's shareholders will be asked to approve the Micro Application Europe acquisition terms and the change of financial-year closing date.

Acquisition of Micro Application, France's Number 1 consumer software publisher

This acquisition is fully part of Avanquest Software's leadership and innovation strategy, with the following main objectives:

- Taking over the Number 1 position in France, both offline (in retail) and online, while the Avanquest group already enjoys the Number 2 position in the United-Kingdom (source: Gartner) and is ranked Number 7 in the United States (source: NPD Techworld);
- Strengthening the company Intellectual Property and R&D, both companies having developed a new generation of multiplatform software squarely positioned at the heart of technological convergence and new uses: developing software for SmartPhones, applications for iPhone, iPad, Blackberry, Windows Phone, for FaceBook, and in SaaS mode (SendPhotos and PrintPratic so far);
- Development of synergies, especially with the English and German branches of the Avanquest group that will benefit from Micro Application's strong sourcing capacity.
- Bringing together two leading actors to establish the Number 1 Internet-based software sales company in France.

In the domestic market, the Avanquest Software and Micro Application trademarks will be maintained so as to benefit from the complementary nature of their respective positioning: Avanquest Software with "Premium" software and Micro Application with "Applications for everyone."

Terms of the Operation

The acquisition covers 100% of the shares in Micro Application Europe, which encompasses the French software business of Micro Application.

Unaudited figures (in €M)	Q1	Q2	Q3	9 months 10-11	9 months 09-10
Consolidated sales	19.9	20.6	27.6	68.1	66.0
Gross margin	12.6	12.4	16.6	41.7	40.6
% sales	63.5%	60.2%	60.3%	61.2%	61.4%
Ebit	-0.4	0.4	3.5	3.5	3.2
% sales	-1.9%	1.9%	12.6%	5.1%	4.8%

In total, over the 9 month period (April - Dec. 2010), the turnover grew by **3% to €68.1 million**, benefiting from more favorable exchange rates (-1% on a like-for-like basis) but especially thanks to the Web channel (+11.6% for the period, including +16.7% for download sales alone) buoyed by the success of software titles such as Architecte 3D in Europe, Hallmark in the United States, as well as Driver Genius and Fix-It globally.

The OEM (7.6% of sales) progressed by 4.5%.

The growing contribution of the Web, associated with sustained performance of the OEM channel thanks to the sales of licenses of Mobile PhoneTools/Connection Manager (Sony Ericsson, Asus) and Fix-It (Darty, Earthlink) new generation, made up for the slight decrease (-2%) in offline sales (52.7% of sales).

After advancing strongly in the two previous years, the gross margin on sales has stabilized at the expected level of 61.2% of sales.

The operating income progressed more significantly by 10.1%, to €3.5 million.

The total maximum price of the acquisition (excluding adjustment of net debt) will be €10 million, including €1.5 million in cash, €5.75 million in Avanquest shares, and a maximum earn-out of €2.75 million (also in Avanquest shares) subject to certain financial targets being reached over the next two years.

At the meeting, shareholders will be asked to approve a capital increase of €1,916,667 with removal of the shareholders'

preemption right in favor of Micro Application Europe's shareholders.

They will also be asked to approve the issue of 916,666 free, non-transferrable and conditional warrants as part of Micro Application's acquisition earn-out, with removal of the shareholders' preemption right in favor of Micro Application Europe's shareholders.

Next financial news	Q4 2010/11 Turnover	12 May 2011 (after close of market)	
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