



## Twelve-month Turnover and Earnings

Slight growth in turnover (+1.5%) and operating income (+1.9%)

### 2010-11 financial year will exceptionally last 15 months and end at June 30, 2011

#### Stable sales over the first 12 months of the financial year (04/01/2010 to 03/31/2011)

Sales in the fourth quarter of 2010-11 (January-March 2011) amounted to €21.4M, representing a 1.5% increase in revenues over 12 months to €89.5M, including the acquisition of Micro Application from March 1, 2011. On a like-for-like basis, 12-month sales are stable at €88.1M.

€1.7M (down by €0.8M), net income results at breakeven (compared with a small profit in 2009-10).

In accordance with the decision by the General Meeting of 02/11/2011, the current financial year will exceptionally last 15 months and will end on June 30.

Unaudited figures (in €M)	1Q	2Q	3Q	4Q	12 months 10-11	12 months 09-10
<b>Consolidated sales</b>	<b>19.9</b>	<b>20.6</b>	<b>27.6</b>	<b>21.4</b>	<b>89.5</b>	<b>88.1</b>
Gross margin	12.6	12.4	16.6	13.7	55.3	53.9
% of sales	63.5%	60.2%	60.3%	63.8%	61.8%	61.6%
<b>EBIT</b>	<b>-0.4</b>	<b>0.4</b>	<b>3.5</b>	<b>1.1</b>	<b>4.6</b>	<b>4.5</b>
% of sales	-1.9%	1.9%	12.6%	5.2%	5.2%	5.1%
<b>Net income</b>					<b>0.0</b>	<b>0.3</b>

#### Integration of Micro Application

The coming weeks will be devoted to integrating **Micro Application, France's leading publisher of consumer applications**, which was acquired in February 2011, with a special focus on:

- **Optimising synergies between the two brands through mutual enhancement of the product lines**, particularly in France but also in the United Kingdom, which is capitalising on its strong position in the market (No. 2), and more importantly in Germany;
- **Strengthening the development of innovative software fully positioned in the heart of technological convergence**, like applications for SmartPhones, tablets and social networks (*iPhone, iPad, BlackBerry, Windows Phone, Facebook...*)

The stability of the turnover is the result of contrasting trends observed for several months now. Offline sales (53% of total turnover) decreased only by 3% in a changing market where retail declines significantly, whereas online sales grow by more than 10% (of which +15% as for download sales alone). Over the 12-month period, online sales account for more than 24% of the turnover and represent the company's main growth driver.

The OEM/Special sales channel (12% of the turnover) shows a slight decrease (-1.7%) awaiting the implementation of new OEM contracts signed with *SendPhotos* for instance.

Corporate sales (11% of the turnover) are up by 5.4%.

The **gross margin** on sales remains consistent with the Group's expectations and is **slightly up to 61.8%** (compared to 61.6% the previous year).

In this context, **the EBIT also shows slight growth, up 1.9% to €4.6M**, or 5.2% of sales, a slight improvement over the previous year.

After deducting certain non-recurring costs associated with internal reorganisation (€0.9M), net financial expenses of €1.8M, up slightly because of negative exchange rates of €0.3M (compared to a gain of €0.3M the previous year) and taxes of

Bringing the Avanquest and Micro Application teams together, presently under way, is an integral part of this strategy. **While strengthening the Group's market position and capacity for innovations**, the synergies resulting from Micro Application's integration should make possible **substantial economies of scale in France especially**.

#### 2011-12 Development strategy

The rise in online sales, whereas the retail market globally decreases, validates the Group's strategy aiming at accelerating its mutation towards the SaaS with the launch in 2011 and 2012 of promising online versions including subscription models with recurring revenues and associated services for Avanquest's main product ranges.

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<b>Next announcements</b>	<b>2010-11 Turnover</b> (15 months) <b>2010-11 Earnings</b> (15 months)	<b>July 28, 2011</b> (after stock exchange closure) <b>September 29, 2011</b> (before stock exchange opening)		
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