

## 2011-12 Annual Results

### The Group's change is speeding up

The Board of Directors met on October 8, 2012, to approve the financial statements for the 2011/12 financial year.

Consolidated data in €M	2011/12 (12 months)	2010/11 (12 months restated)*	2010/11 (15 months published)
Sales	101,3	89,9	109,8
Gross margin	58,9	53,8	66,5
% of sales	58,1%	59,9%	60,5%
Current operating income	1,9	2,6	2,2
Net earnings	(3,8)	(3,3)	(3,0)
Earnings per share (in €)	-0,21	-0,20	-0,18

\*2010/11 12 months restated figures were not audited.

### €100M milestone reached

Avanquest Software has posted 2011/2012 (July-June) annual sales of €101.3M, up by 12.6% over the same period of the previous year (2010/2011 restated over 12 months vs. a published financial year of 15 months). On a like-for-like basis, sales were down by 6%.

The Group's activity was led by the external growth strategy, which is aimed at transforming the Group's economic model, and by the increase in online activities to €40.4M, which are now contributing 40% of the total sales figure, as compared with 26% in 2010/11.

**These online activities show an increase of more than 72% in gross value, with an especially strong organic growth dynamic in the Web-to-print (+136%) and e-commerce (+15%) segments.**

The acquisition of Carteland (a French leader in design and printing announcements and greeting cards on the Internet) and acquisition of a 50% interest in the American company Arvix (specialized in Web site hosting) also participate in raising sales for the year.

Offline sales are down by 14% from one year to the next, reaching €40.9M (down 29% in pro forma figures).

B-to-B activity remains stable, going from €19.6M to €19.9M from one year to the next.

The gross margin represents 58.1% of sales figures for the 2011/12 full year, as against 59.5% over the same period of the previous year.

### Profit before tax and non-recurring items: €1.9M

Current operating income (COI) is €1.9M for the year (as compared with €2.6M the previous year - restated to 12 months). This decline in operating profitability is tied to the drop in offline activity (decline of €3.2M in the contribution to operating income) partially offset by the increase in online activities, which are increasing their contribution to current operating income by €2.3M, confirming the soundness of the Group's offensive strategy in new markets.

After taking into account the financial result at -1.8M, non-recurring costs for -3.5M and taxes and miscellaneous for -0.4M, net income is -3.8M euros, close to last year's.

for the year, Avanquest achieves **positive self-financing for €6.4M** (compared with €5.5M for the same period of the previous year).

At June 30, 2012, Avanquest has **€5.6M** in cash and banks (vs. €10.8M at June 30, 2011) after financing the year's acquisitions for €4.2M, complemented by limited recourse to borrowing.

### Strategy and perspectives: on the threshold of a new history

Buoyed by the success of its online activities, the Group has begun implementing a new strategy focusing on three key areas:

- Reinforcing organic growth in the online consumer markets
- R&D investment priority to the change in consumer practices in the software market (dematerialization, new platforms)
- Deployment of a new global organization centering in the Group's main products and sites.

This new approach should enable the Group to get back to sustainable performance in growth, profitability and cash-flow generation

This strategy is now entering the final phase of its implementation. A detailed 2013-2016 strategic plan will be issued in January.

*The annual results, with comments by Bruno Vanryb, President of Avanquest Software, will be available on the Group's site, <http://groupe.avanquest.com>, as of October 15, and the financial report including the audited annual financial statements will be put online in the Regulatory Information section as of October 19, 2012.*

#### **About Avanquest Software**

Avanquest Software is a world leader in the development and publication of software applications on PCs, Tablets, Smartphones, TV and Social Networks. The passion that drives our teams, the high-technology added value of the software and the Group's solid presence in North America, Europe and Asia make Avanquest Software one of the top 10 consumer software publishers in the world. Since it was established in 1984, the company has made innovation the core of its business, relying on its teams of engineers scattered throughout France, the United States and China, working every day to create the best software for today and tomorrow. Avanquest Software has been listed on Euronext since 1996 (ISIN code FR0004026714). For any additional information, please visit this site: <http://www.avanquest.com> and find institutional information about the Group at <http://groupe.avanquest.com>.

**Presentation of the new 2013/2016 strategy → January 15, 2013, at 5:30 p.m.**

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