

July 30, 2013



Annual Sales in 2012-2013: 100.3 million euros

The potential of our growth activities confirmed

Avanquest Software achieved annual sales of 100.3 million euros for the 2012-2013 financial year, which was marked by a speeded-up shift toward online sales. Strong growth in online business (+22%), both in download sales and Web-to-print and hosting services, almost offset the decline in retail sales (-22%).

Now, the Group is doing 45.5% of its business online thanks to the growth drivers on which Avanquest focused : e-commerce, downloadable software, mobile apps, Web services (Cloud, hosting, etc.). Offline sales now represent only 38.7% of gross income. **This is the first time that these two proportions have reversed, indicating that the shift to online has been a success.**

BtoB activity is also showing growth, at 15,8 million euros.

Sales in the fourth quarter reached 23.2 million euros, posting modest growth (+1.3%) compared to the same period in the previous year, 2011-2012.

| in €M | Q1 2012/13 | Q4 2011/12 | Change | YTD 12 months 2012/13 | As % of Total | YTD 12 months 2011/12 | Change |
|-------------------|-------------|-------------|--------------|-----------------------|---------------|-----------------------|--------------|
| Online | 10.6 | 9.6 | +10.4% | 45.6 | 45.5% | 37.4 | +21.9% |
| Offline | 8.8 | 9.7 | -9.3% | 38.9 | 38.7% | 49.7 | -21.7% |
| Total BtoC | 19.4 | 19.3 | 0.5% | 84.5 | 84.2% | 87.1 | -3.0% |
| BtoB | 3.8 | 3.6 | +5.6% | 15.8 | 15.8% | 14.3 | +10.5% |
| Total | 23.2 | 22.9 | +1.3% | 100.3 | 100.0% | 101.3 | -1.0% |

Overall, gross revenue is down slightly by 1.0%.

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The Group has reinvented itself by focusing on three main growth drivers

This evolution in its business confirms that the identified growth engines are really relevant.

- **Web-to-print sales, remote printing services for your photos in various formats (cards, canvas, Smartphone skins, etc.), total 11.3 million euros**, continuing their strong growth (+41%). Over the course of this year, US web-to-print sales jumped by 65%, driven by the success of the new customized Smartphone skins offered by myCustomCase.
- **Cloud and hosting services** (offered by our sister-company Arvix) **total 6.3 million euros** after experiencing growth of 43% this year.
- **Downloadable software and apps sales total 19.0 million euros with organic growth of 11%**. This evolution is the result of expanded geographic coverage of the Group's e-commerce platforms, with the main one, www.avanquest.com, now covering Australia and Argentina.

On the horizon: a new stage in Avanquest's growth

*"Having maintained a level of sales of over 100 million euros in a difficult economic context is proof that the Group activity is based on firm foundations : organic growth engines, strong expertise in key segments and recognized skills" says **Bruno Vanryb**, Chairman of the Board of Directors.*

After this necessary phase of shifting the Group's focus, Avanquest intends to return to a path of sustainable performance. The arrival last May 15th of **Pierre Cesarini**, as the group's CEO, is part of this picture. *"My objective now is to move Avanquest into a new value-creation cycle. We're holding all the cards, in house, that will enable us to do this"* **Pierre Cesarini** concludes.

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