



**Annual sales for 2006: €75.1 M (+6.4%)**

**An excellent fourth quarter confirms  
the return to growth**

La Garenne Colombes, France – January 31, 2006

The upturn in business experienced by Avanquest Software during the month of September 2006 continued during the fourth and final quarter of the financial year, **with quarterly sales of €23.4 M, an increase of 10%** over the fourth quarter of 2005 (+6% with constant exchange rates and consolidation perimeter). After a disappointing period between the months of April and August 2006, marked by a slowdown in retail activity, this excellent fourth quarter confirms the return to growth.

The Avanquest Software Group thus experienced sales slightly over **€75 M** for the entire year, an increase of 6% (+1% in the pro-forma data) in line with the objective, as revised during the financial year.

Breakdown in sales

In 1000's of €	2006	2005	Change 2006 vs. 2005	Pro forma 2005	Change 2006 vs. Pro- forma
Software	66,321	62,220	+6.6%	65,031	+2.0%
Services	7,987	6,447	+23.9%	7,535	+6.0%
Various	789	1,926	-59.0%	1,896	-58.4%
Total	75,097	70,593	+6.4%	74,462	+0.9%

Note: The pro-forma data is presented on a like-for-like basis. It includes the sales for Magnaways, acquired in July 2005, as well as IMR and FastTrak, acquired in May 2006.

This excellent fourth quarter, aided by the year-end holiday season, was due in part to a marked increase in retail activity in all the countries in which the group operates, with retail sales of €8.5 M for the quarter. This represents growth of +49% over the third quarter and is almost a return to the record levels experienced during the fourth quarter of 2005.

Corporate software sales also produced very good results, notably in Germany and England, with sales for this channel of 6.5 million Euros for the quarter, an increase of 74% over the last quarter and of 63% compared to the fourth quarter of 2005.

This year's very positive trend has also been observed in e-commerce operations, with sales for the quarter reaching €2.3 M through this channel, an increase of 36% over the July-September period, and of 19% over the fourth quarter of 2005.

#### **A renewed growth dynamic**

Avanquest Software's recovery of its growth dynamic beginning in September will allow the Group to achieve a 7% progression this year in software sales, the key product line for the Group.

Our e-commerce operations are a strategic element of the Group's development, and have been a priority in our investment strategy. These operations met our expectations, with growth surpassing 35% during this financial year. Sales over the Internet now represent 13% of our software sales, compared to 10% for 2005.

Retail activities, which as previously indicated suffered a slowdown during the second quarter and during the summer, recovered most of the ground they lost as a result of excellent months from September through December, marked by the launch of several products and the renewed dynamism of the subsidiaries in France and the United States. For the entire financial year, retail operations experienced a very slight decrease in sales to €25.8 M, which represents 38% of the software sales for the Group.

Despite record sales levels in 2006, sales for the OEM division were down by about 10% to €14.3 M for revenues from the sales of licenses, due to the erosion in unit prices tied to the contractual agreements with the group's historical clients. At the same time, the year was very active for OEM agreements, with the signature of new contracts in China with Datang and T&A, in Europe with Optimus, in North America with operator Rogers Wireless, and particularly with some of the largest mobile phone manufacturers in the world. These new contracts will generate very significant revenues, beginning in the second quarter of 2007.

Finally, the operations for corporate sales experienced an excellent year with an increase of 40% (31% in the pro-forma statements), thanks mainly to the development of the corporate sales channel in Germany and to sustained operations in England for this market, reinforced by the acquisition of IMR in the United Kingdom.

The Avanquest Group confirms its projection of profits surpassing 6% of sales (non-audited figures), with audited financial statements for 2006 to be announced to the market on March 21, 2007.

## Public Exchange Offer for the Emme Company

Meanwhile, Avanquest Software announced today in a separate Press Release its friendly takeover bid for Emme, one of the European leaders in the software publishing of interactive multimedia content, quoted on the Euronext Eurolist. The addition of Emme to the Avanquest Group, which follows the recent acquisition of Nova Development in the United States, is a key step in attaining the goals of creating and consolidating, over time, Avanquest Software's position as a world leader in software publishing, with an unmatched product offering and sales force to cover all distribution channels, across all territories

Thanks to its acquisition of Nova Development, Avanquest Software is already positioned as **one of the Top 5 consumer software publishers in the United States**. In only a few years, Emme has been able to take over a leading position in the European market. The combination of the two companies will permit the group to immediately place itself **among the top 3 software publishers in the United Kingdom, in France and in Germany** (excluding Microsoft, source NPD, GFK, Chartrack).

This take-over, which must be approved by the Market Authorities and by the two companies' shareholders, will take the form of a Public Exchange Offer initiated by Avanquest for the shares of Emme. In the next few days, a transaction memo will be submitted to the AMF (Financial Market Authority).

### About Avanquest Software

Avanquest Software is a leading developer and global publisher of best-selling personal and professional software designed for utilities, office productivity, communications and mobility worldwide. Headquartered in France, with operating units, subsidiaries and offices located in United States, France, Germany, Great Britain, Italy, Spain, China, Korea, and Japan, Avanquest Software products are marketed in over 100 countries, through e-commerce, OEM partnerships and IT resellers. Founded in 1984 as BVRP Software and listed since December 1996 on Euronext (ISIN FR0004026714), Avanquest Software forms part of the Eurolist, NextEconomy segment and SBF 250 index. In 2006, Avanquest Software posted revenues of €75.1M. Additional information on Avanquest Software is available at <http://www.avanquest.com>.

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Ticker : **AVQ**  
ISIN : **FR0004026714**  
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