

## 2006 Annual Earnings

Consolidated Annual Sales: €74.3 M (+5.3 %)

Operating Profits, Excluding Non-Recurring Items: 7.1%

Dynamic Growth Delivered in Q4, with Operating Profits, excluding Non-Recurring Items, of 13.4%

Friendly Take Over Bid on EMME,  
affirming the Goal of Becoming a World Leader in Software Publishing

La Garenne-Colombes, France - March 21, 2007

As anticipated by Avanquest Software management, the upturn in business that began in September 2006 gained momentum during the fourth quarter of the fiscal year ending on December 31, 2006, ultimately resulting in a 6% revenue increase vs. the prior year's fourth quarter. Operating income for the fourth quarter (excluding non-recurring items) was more than 13% percent of sales.

For the full year, the Avanquest Software Group reported sales of **€74.3M** and operating profits, excluding non-recurring items, of **€5.3M**, which represented 7.1 percent of annual sales. Total sales, which include the latest royalty reports received in February, are slightly lower than the guidance of €75.1M given on January 31, 2007, while operating income of 7.1% (excluding non-recurring items) exceeded the guidance of 6%. After factoring in the non-recurring items, net operating income was €3.9M, representing 5.3% of sales revenue.

### Profit and Loss Statement Summary (IFRS Standards)

In thousands of Euros (€)	2006 Fiscal Year	2005 Fiscal Year	Change
<b>Consolidated sales</b>	<b>74,335</b>	<b>70,593</b>	<b>+5.3%</b>
Gross Margin	48,503	47,256	
% of sales	65.3%	66.9%	
<b>Operating income excluding non-recurring items</b>	<b>5,255</b>	<b>9,082</b>	<b>-42.1%</b>
% of sales	7.1%	12.9%	
Non-recurring items	-1,332	-42	
Operating income	3,923	9,040	-56.6%
% of sales	5.3%	12.8%	
Financial income (loss)	-210	-328	
Income taxes	-804	-1826	
Income (loss) from companies at equity	-144	-	
<b>Net income</b>	<b>2,765</b>	<b>6,886</b>	<b>-59.9%</b>
Earnings per share (in €)	0.40	1.11	-64.3%

The consolidated turnover posted a growth of 5.3% compared to 2005 and stability on a like-for-like basis.

2006 had a contrasting profile with an excellent first quarter (20% growth and operating income higher than 11%) followed by a slowdown of Retail activities impacting the second and third quarters, then a recovery beginning with September enabling Avanquest to experience the best quarter in its history in terms of sales, with operating income higher than 13%, and this in spite of an unfavorable exchange rate for the dollar.

The Avanquest Software Group's e-commerce operations are a strategic focus for development, and have been a priority in its investment strategy. These operations have met expectations, with growth of more than 35% during the 2006 financial year. Internet sales now account for 13% of the Group's overall software sales, compared to 10% in 2005.

The slowdown in retail activity, observed from April to August 2006, impacted the growth and income for the 2006 fiscal year but did not affect the Group's long-term capacity to generate profitable growth.

### Profitability Consistent with Revised Expectations

Impacted by slower than anticipated growth at the beginning of the year, operating income still reached €5.3M, representing 7.1% of sales. This was achieved without jeopardizing the investment strategy and maintaining the spending necessary to implement future growth drivers, that include the pursuit of research and development investments, up 11%, and the development of commercial networks, particularly e-commerce, up 28%.

Numerous cost-cutting measures were carried out during the second half of the year in order to start 2007 with a reduced cost structure. Restructuring costs reached €1.3M and included costs resulting from the relocation of the company's headquarters.

In spite of these items, net income remained strong at **€2.8M**, nearly 4% of sales.

### A Reinforced Financial Structure

At the end of the 2006 fiscal year, the Group had a cash available net of financial debts of €10.5M and shareholders' equity of €61.3M, up 12% vs. previous year. This excellent financial structure, further reinforced by the securing of a 7-year credit line granted by a pool of banks, will enable the financing of the acquisitions of Nova Development and Emme during the first half of 2007.

### Take over bid for Emme

Pursuant to obtaining approval from the AMF (French Market Authority), the public exchange offer for the Emme Company, which was initiated by the Avanquest Group on February 22, 2007, will close on March 29, 2007. Eight days remain for Emme shareholders to benefit from the offer.

Following the terms of the Avanquest offer, Emme shareholders have the choice between an exchange of 10 Emme shares for 9 Avanquest shares and a cash offer of €22.95 (option A) or an exchange of 10 Emme shares for 11 Avanquest shares (option B). This offer represents a premium compared to the average market price of Emme shares over the 10 days preceding the announcement of the offer, varying between 25 and 33 percent, depending on the selected option.

The contribution of Emme to the Avanquest Software Group is a key step in achieving Avanquest's goal of **becoming a world leader in software publishing**, through its software offerings, strength in sales networks and territorial coverage.

This acquisition is very complementary to the recent acquisition of Nova Development in the United States in terms of product catalogs, management teams and distribution networks, and it will result in almost doubling the size of the Avanquest Software Group.

### Group Development Objectives

Thanks to the acquisition of Nova Development, the Avanquest Software Group is now ranked **among the top 5 retail software publishers in the United States** (excluding Microsoft), according to The NPD Group. Furthermore, the union of Avanquest Software and Emme Company makes the combined company **among the top 3 software publishers in Europe** (excluding Microsoft), according to The GfK Group and ChartTrack.

Upon conclusion of the Emme offer, priority will be given to integrating the Nova Development and Emme structures through the following activities:

- Creating synergies between the Research and Development teams
- Opening Avanquest's American sales network to Emme Company products
- Opening Emme retailers network and the European "Education" network to Avanquest and Nova Development products
- Pooling the Group's software catalogs to develop online distribution of software with a common downloading platform
- Developing a new "Direct to Consumer" sales channel

Strengthened by an industrial project reinforced by the consolidation with two American and European companies, leaders in their markets, and a new management structure integrating Olivier Wright, CEO of Emme, as well as the founders of Nova, Roger Bloxberg and Todd Helfstein, Avanquest Software is well positioned to achieve strong growth over the next three years, with the objective of exceeding the 200 Million Euro mark in sales revenue as quickly as possible and average operating profits greater than 10%.

Avanquest Software reaffirms its goal to be a major world player in software publishing. Avanquest invites Emme shareholders to join this ambitious and value-creating endeavor.

### 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 Euro1ist, NextEconomy segment and SBF 250 index. In 2006, Avanquest Software posted revenues of €74.3M. Additional information on Avanquest Software is available at <http://www.avanquest.com>.

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Ticker: AVQ  
ISIN: FR0004026714  
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