



Annual financial results: an excellent year 2003

The BVRP Group achieves all its objectives with operating profits up by 145%

Turnover: €48.6m
Operating profits: +€3.9m (8.1%)
Net Result before goodwill: +€1.8m (3.7%)

Ambitious objectives for 2004

Levallois-Perret, 15 March 2004

Thanks to an excellent year 2003, the BVRP group has confirmed its profitable growth model, achieving its turnover objective and exceeding its profitability objectives, with **operating income of €3.9m** (i.e. 8.1% of turnover), up by 145%.

After a year 2001 which was devoted to implementing a new strategy to adapt to a particularly difficult economic environment, and a financial year 2002 which enabled profitability to be restored, these 2003 results therefore show the rationale of the strategy put in place by the BVRP group 3 years ago.

Consolidated data in M€

	<u>Financial year</u> <u>2003</u>	<u>Financial year</u> <u>2002</u>	<u>Change</u>
Turnover	48.6	37.6	+29.3%
Operating income	3.9	1.6	+144.7%
Current income	3.0	0.7	+352.8%
Extraordinary result	0.2	5.3	-95.4%
Net income (Group share)	1.0	5.4	-81.3%
Net income before goodwill amortization and non-recurring items	1.8	0.4	+322.2%
Net income per share (in €) *	0.39	0.12	+225.0%
Net income per share after potential dilution (in €) *	0.27	0.08	+237.5%
* calculated on the basis of the result before goodwill amortization and non-recurring items			
Stockholders' equity (group share)	23.9	16.2	+46.9%
Convertible bond and other financial debts	13.5	10.8	+25%
Available cash balance	20.0	7.7	+160%

Increase in turnover

Consolidated turnover increased from €37.6m to €48.6m, an **increase of 29%** in actual data, and 5% in pro-forma data (at constant exchange rates and scope). In accordance with the group's will to refocus on its core business, the **Software activity** which, today, represents **77% of the turnover** (57% growth compared to 2002), the strongest increase coming from the retail activity - a logical consequence of the Avanquest global software publishing network.

Noteworthy performance, all countries in which BVRP is present contributed to this growth:

- As in previous financial years, activity was excellent in the United States both in OEM with the sustained increase in diagnostic software sales, and in retail with the growth of Elibrium.
- After two years of quasi-stability, France saw a sustained uptake in activity from the fourth quarter on, which confirms a trend that began in the month of August 2003.
- Finally, the UK grew both in services and in the retail activity.

The contribution from newly acquired companies (Elibrium in the USA at the end of 2002, and MediaGold in Great Britain and Germany during 2003) was immediately significant with profits that were more than or equal to forecasts, and the very quick synergies that were built between all the group's subsidiaries.

Continued increase in profitability

Growth in activity combined with a permanent focus on cost optimization has enabled the BVRP group to record increases in its operating income quarter after quarter. Profits increased from 4.3% for the year 2002 to more than 12% in the last quarter of 2003.

Over 12 months, **operating income** shows an **increase of 145%** and amounted to €3.9m (i.e. 8.1% of turnover). **Current income (€3.0m)** was **multiplied by 4.5** compared to 2002. This performance is even more remarkable given that it was achieved when **investment in R&D** was increased (€4.2m in 2003, an increase of 38%) **in order to ensure constant growth**, especially in mobility and wireless software, and in a context of a very unfavourable exchange rate.

Thanks to prudent exchange rate hedging policies, the new decline in the dollar had little impact (-€0.4m) on the financial result which remained stable at -€0.9m.

As the financial year 2002 recorded strong exceptional capital gains with the sale of the Services activity in France, and a very low tax charge thanks to the use of tax losses carried forward, the net result 2003 logically shows a decline and amounts to €1m (i.e. 2.1% of turnover) after a goodwill amortization of €1.0m and a tax charge of €1.0m.

This is not the case with net income before goodwill amortization and exceptional items, which amounted to €1.8m (i.e. 3.7% of turnover), up by 322% compared to 2002. This constitutes a return to achievements comparable to those of 1999 and 2000, two financial years which were characterised by strong economic growth.

A financial structure reinforced for ambitious objectives

The constant increase in profitability, combined with control of the need for working capital, enabled the group to significantly reinforce its financial structure. As of 31 December 2003, the group therefore has a **cash available of €20m**, for financial debts of €13.5m (of which €4.5m are convertible bonds), whilst stockholders' equity rose **to €23.9m, up by 47%**.

Furthermore, the €7.5m share capital increase of September 2003, which was largely over-subscribed, gave the BVRP group the financial means to successfully fulfil an ambitious growth strategy for the years to come, **the aim being to achieve turnover of at least €100m with net income of at least 7% within 3 to 5 years**.

For the financial year 2004, and in spite of the uncertainties linked to the evolution of the \$, the group's management expects a **turnover between €54m and €60m** and operating result **between 8 and 10%**; growth should come from the increase in power of the Avanquest network and the launch of new versions of Mobile Phonetools and Network Nomad on the market.

These figures take into account a new devaluation of the dollar with a budgeted rate of €1 = \$1.25, i.e. a decline of 11% compared to the average rate seen in 2003.

Finalising the acquisition of Elibrium's minority shareholders

BVRP has finalised the terms for buying the 49% still owned by historic shareholders. This transaction, which still has to be submitted for the approval of BVRP's shareholders, convened in an Extraordinary General Meeting on 21 April 2004, plans a cash payment of \$1.3m and a share remuneration by issuing 333,293 BVRP shares. It is also planned to issue 121,653 warrants, giving holders of Elibrium's warrants the right to subscribe to an equivalent number of BVRP shares, with a strike price of €11.28.

This acquisition will therefore be made on **unchanged valuation compared to the initial transaction**. BVRP will take advantage of the almost 20% depreciation of the dollar over the last year.

Elibrium, whose results since the acquisition in December 2002 have achieved, even exceeded, objectives, constitutes the essential part of the Avanquest network development strategy on the American market, and has very large growth

potentials, which have not been yet optimized, mostly because of the shareholder structure which could not allow adequate financing of the largest projects by the BVRP group.

About BVRP Software

Based in France, with subsidiaries in Germany, Great Britain and the United States, the BVRP Software Group is a worldwide leading publisher of communications and mobility software and a major provider of personal and professional software designed for multimedia, security and troubleshooting. Founded in 1984, BVRP Software celebrates 20 years of innovation in 2004. BVRP products are marketed in over 100 countries, through ecommerce, OEM partnerships and IT resellers. In June 2003, BVRP Group formed Avanquest Global Software Publishing, a coalition of software publishers offering worldwide publishing resources to software developers everywhere. The group posted revenue of €48.6M and a net income of €3.9M in 2003. Since December 1996, BVRP Software has been listed on the Nouveau Marché of the Euronext Nouveau Marché (ISIN FR0004026714). Additional information on BVRP is available at www.bvrp.com.

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