



Excellent first half 2004

Fifth consecutive semester of growth
in turnover and profits

The BVRP Group surpasses its objectives
for operating margin and net result

Net Result quadruples, reaching 8%
of turnover by IFRS standards

Levallois-Perret, September 20, 2004

BVRP Software Group, a leading worldwide publisher of communications and mobility software and a major provider of personal and professional software designed for multimedia and security, announces today strong results for the 1st half of 2004. Consolidated turnover was up by 26% to €27.4M, and operating profit rose to €3.2M, or 11.8% of turnover, an increase of 165% over the first half of 2003.

This is BVRP Group's fifth consecutive semester of growth in both turnover and profit, confirming the strength of its growth model. At the same time, the operating margin for the second quarter of 2004 strengthened to 13%, for the best BVRP performance since 1998.

Consolidated data in €M	Jan-Jun 2004	Jan-Jun 2003	Variation	Proforma Jan - Jun 2003	Variation
Turnover	27.4	21.7	+26%	24.9	+10%
Operating profit	3.2	1.2	+165%	1.3	+158%
Financial income (loss)	-	-0.2		-0.2	
Exceptional profit	-	0.4		0.4	
Income Taxes	-0.8	-0.5		-0.5	
Goodwill amortization	-1.0	-0.4		-1.0	
Minority interests	-	-0.1		-	
Net result (Group's share)	1.4	0.4	+299%	0.0	ns
Net income per share (in €)	0.26	0.10	+160%	0.01	ns
Net income after potential dilution (in €)	0.20	0.07	+186%	0.01	ns

The pro-forma data are presented at constant perimeter and exchange rate. They include data from Avanquest UK (formerly MediaGold UK) and Avanquest Deutschland (formerly MediaGold GmbH) acquired in October 2003 and the minority shareholding in Elibrium LLC bought in April 2004.

Double-digit growth in turnover

BVRP's turnover showed strong growth, with the gross figure up 26% and the pro-forma figure up 10%.

Software turnover increased 31% on 2003 and now represents 80% of the Group's total turnover. BVRP's strongest performer, Original Equipment Manufacturing (OEM) division, was up 50% thanks to the confirmed success of the mobile/wireless line and its key product mobile PhoneTools® which today accounts for 11% of software sales (4% 2003).

After the leading PhoneTools® line, which has sold more than 50 million copies worldwide since its creation and which continues to account for 10.5% of the software turnover, the success of mobile PhoneTools® confirms the Group's ability to design, and regularly introduce new-best selling software onto the market.

Avanquest, BVRP's software publishing network also continues to make steady progress and, in particular, Avanquest France, where turnover grew 23%. The simultaneous launch of many products over several territories (the Cyberlink, Tenebril and Trend Micro lines) has also helped sales. The German market remains behind expectations during the period, however, growth is expected for the second half.

The geographic distribution of turnover confirms the international nature of the BVRP Group. Excellent penetration continued into America, the world's leading market where activity remains strong (44% of sales), and Great Britain (28% of sales).

Profitability objectives surpassed

The growth in OEM activity, a strong margin contributor, coupled with control of fixed costs, has enabled the Group to surpass its operating profit objective. The growth in operating margin to 11.8%, against an expectation of between 8% and 10% is very significant when analysed over a longer period, climbing from 8.1% for 2003, to 10.1% in the first quarter of 2004, achieving a record margin of 13.3% in the second quarter.

All operating ratios have improved. Gross margin increased by nearly 4%, whilst payroll costs dropped to 30% of turnover (33% in the first half of 2003).

The financial result, which benefit from the positive effect of currency hedging, is close to break-even, which allows a tripling of the current result (€3.2M) and a four fold increase of the net result (€1.4M) in relation to the same period in 2003.

Positive impact of IFRS standards on the Net Result

BVRP's performance in the first half is even more remarkable when analysed according to the accounting standards and methods formulated by the International Accounting Standard Board (IFRS standards), the new reference standards that will be adopted in 2004 by the BVRP Group.

Indeed, the financial statements prepared by applying the IFRS standards show an operating result amounting to €3.0M (or 11% of turnover) and a net result **in excess of 8% of turnover**, reaching €2.2M.

An opening balance sheet was prepared at 1 January 2003 so as to present a comparison over two years. The significant impacts on the income statement for the first half of 2004 involve:

- entering as payroll costs the fair value of the stock options granted to employees (IFRS 2), for a reduction in the operating result of €0.1M; and
- replacement of the systematic amortization of goodwill by an impairment test (IAS 36) which led to no amortization, for a positive impact of €1.0M on the net result.

Consolidated data in €M IFRS accounting standards	Jan-Jun2004	Jan-Jun 2003	Variation
Turnover	27.4	21.7	+26%
Operating result	3.0	1.6	+91%
Net result	2.2	0.8	+191%
Net income per share (in €)	0.43	0.21	+105%
Net income per share after potential dilution (in €)	0.32	0.15	+113%

Strengthened financial structure

The cash flow generated by operations and the conversion before 30 June 2004 of some of the convertible bonds, made it possible to fully finance the acquisition of MediaGold and of the minority interests in Elibrium LLC, while ensuring repayment of loans contracted in previous years.

At 30 June 2004, the financial structure of the BVRP Group has been significantly strengthened with available cash of €19.2M for financial debts reduced to €11.5M and **stockholders' equity** of €32.2M (French accounting standards), **up 35%**.

Conversion in early August by AGF Private Equity of the balance of convertible bonds (€2,6M) further improved these ratios, to arrive at an **available cash, net of debts, of more than €10M**.

Thus, BVRP Group has sufficient cash to finance its R&D investment programme, concentrating on the area of mobile communications, and its plans for external growth through the expansion of the Avanquest network and the strengthening of its product line.

2004 Forecasts

The Group's direction expects a good second half of 2004 and revises upward its guidance for operating result, which should reach a minimum of 11% of turnover.

About BVRP Software

Based in France, with subsidiaries in Germany, Great Britain, Spain 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 e-commerce, 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 Euronext Nouveau Marché (ISIN FR0004026714). Additional information on BVRP is available at <http://www.bvrp.com>

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