



# 1Q 2005 Earnings

## 2004 dynamics confirmed, with Turnover and Profits once again up strongly

Turnover: +25.6 %  
Operating income: +71.7%

Levallois Perret, May 17, 2005

BVRP Software today announced Q1 2005 results, with accelerated sales and profits, confirming the growth trend that began in late 2004. The Group posted revenue (turnover) of €16.2Mm, up 25.6% over the same quarter last year, and an operating income (under IFRS standards) of €2.1M, a 71.7% year-to-year increase.

### Profit and loss statement (IFRS)

In thousands of Euro	Q1 2005	Q1 2004	Variation
<b>Turnover</b>	<b>16,193</b>	<b>12,888</b>	<b>+25.6%</b>
Purchases of raw mats. and goods	4,762	2,650	
Other purchases and outside costs	2,733	3,442	
Taxes and duties	247	111	
Personnel costs	4,919	4,200	
Depreciation allowances and provisions	570	373	
Other operating costs (products)	865	891	
<b>Operating income</b>	<b>2,097</b>	<b>1,221</b>	<b>+71.7%</b>
% of turnover	13.0%	9.5%	
Financial income	9	34	
<b>Income before taxes</b>	<b>2,106</b>	<b>1,255</b>	<b>+67.8%</b>

### Continuing a double-digit growth in turnover

Q1 2005 was marked by revenue (turnover) growth for practically all of the group's business units. Together with the strong growth in OEM activity (doubling of revenues from licenses over Q1 2004), there is also a notable advance in sales for the Retail/Enterprise division (+20%) and a doubling of sales for the Web. Only Services — not a strategic business and not the object of a specific development policy — is down compared to 2004.

This strong growth is the result of the Group's ambitious development policy through its Avanquest worldwide network, of its ongoing efforts to introduce innovative new software into the market, and of its integration of V Communications (VCOM), a company acquired at the start of the year, which is making almost one-third of its sales via e-commerce.

The BVRP Group is thus once again showing **double-digit growth in its revenue (turnover)** compared to 2004, in gross figures (+26%) as well as on a like-for-like basis (+12%).

### Profitability continues to advance at a steady rate

Operating income, now being calculated according to IFRS accounting standards, is **€2.1M, or 13.0%** of turnover as against 9.5% in Q1 2004, and 11.8% for all of 2004. This Q1 result lies within the upper range of the forecasts made in March by the Group's management for fiscal 2005.

Beyond the necessary ongoing cost control, the growth of the OEM division and the surge in Web activity — two areas that are strong margin generators — have made possible this new growth in operating income, with an improvement of over 2 points in gross margin.

These excellent results were not obtained to the detriment of R&D investment, which secures the Group's vitality: R&D spending rose by 33% in Q1 2005, in particular with the expansion of our development centre based in Shanghai, China, and the integration of the VCOM teams in the United States, the objective being to expand production capacity in 2005 into the key areas of mobility, utility software, and productivity.

The income before taxes is €2.1M, up by 67.8% over 2004.

With these excellent results and tight management of working-capital needs, the Group's **net cash** is **€17.2M**, with short- and long-term financial debts of €7.1M, after payment of the cash portion of the VCOM acquisition (\$6.5M). BVRP thus has adequate financial resources to pursue its policy of sustained growth based on a combination of organic growth and acquisitions.

#### About BVRP Software

Based in Europe (France, Germany, Great Britain, Spain), the United States (California, Colorado), and Asia (China, Korea), 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 utilities, office productivity and multimedia. Founded in 1984, BVRP Software celebrated 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 (<http://www.avanquest.com>), a coalition of software publishers offering worldwide publishing resources to software developers everywhere. The group posted revenue of €57.0M and a net income of €5.3M in 2004. Listed on Euronext (ISIN FR0004026714) since December 1996, BVRP Software is part of the Eurolist, NextEconomy segment and SBF 250 index. Additional information on BVRP is available at <http://www.bvrp.com>.

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