

Quarterly Revenue and Earnings in line with forecasts:

- Q2 revenue €27.1 million, up by 70%*

The New Group Objectives Confirmed:

- 2007/2008 revenue between €130 and €135 million, i.e. a minimum increase of 75% over 2006 revenue
- Profitability between 8% and 10% for the new financial year 2007/2008

Position among World Leaders Confirmed:

- Ranked sixth in the world in the retail market just behind major players like Microsoft, Symantec, Adobe, Apple and Intuit**

La Garenne-Colombes, France - August 2, 2007

The 2007 April-June quarter is the first quarter that takes into account the two major acquisitions completed in the first few months of the year (Nova Development and EMME) as well as the English company Software Paradise, acquired in May.

The quarter was devoted to establishing synergies, in terms of teams, product catalog, as well as sales and marketing in all territories and sales channels, **which will yield full results in the second half-year, traditionally the strongest in the retail market.**

The group's management had announced an April-June quarter corresponding to less than 20% of the sales for the year, the July-September quarter accounting for between 22% and 26%, and the six following months representing between 54% and 60% of total sales.

This quarter's performance fully matches the group's objectives, with revenue of **€27.1 million**, up 70% from the same period in 2006, and almost stable in pro-forma data.

For the half-year from January through June, which only partially takes into account the activity of the acquired companies (five months for Nova Development, three months for the EMME Group) and is therefore less representative of what the Avanquest Group represents today, the revenue was €51.1million, up by 45% over the first half of 2006.

Revenue distribution

In thousands of Euros	January - March 2007	April - June 2007	Total January - June 2007	January - June 2006	Variance 2007 vs 2006
Software	21,858	23,612	45,470	31,677	+43,5%
Services	1,872	1,939	3,811	3,197	+19,2%
Miscellaneous	243	1,552	1,795	458	+292%
Total	23,973	27,103	51,076	35,332	+44,6%

(1) Data are not directly comparable due to perimeter change: the total amount from January to June 2007 includes Avanquest, 5 months for Nova Development and 3 months for the EMME Group. The total amount from January to June 2006 includes Avanquest only.

The Avanquest Group benefited from the **excellent dynamics of the retail market in the United States**, boosted by the release of new products and the combining of the sales and marketing networks of Avanquest Software and Nova Development, which allows much broader coverage of the American market and provides the two companies with a much larger outreach for the software they develop or publish.

E-commerce sales, taking advantage of the investments made over the last 18 months and the progressive sale of Nova's catalog on Avanquest's online store, advanced by more than 40% in the second quarter, to €3.3 million, with e-commerce revenue for June for the first time approaching the €1.5 million threshold. The EMME and Nova catalogs that will be put online during the 2007-2008 financial year will yield continued **growth in this promising sector**.

As the group anticipated it would, OEM activity is posting lower figures compared to the preceding quarters but should return to a growth dynamic beginning in September, because of the ramping up of the various contracts signed during the second half of 2006 and in recent months (Lenovo, Asus). In particular, revenues from the signing of a major OEM agreement with one of the giants of the mobile phone industry will contribute to increased company revenue beginning in September 2007. Consequently, **OEM revenue**, which should be stable over the entire year on a comparable basis, **should almost double between the first and second half of the year**.

Management's main objective in the first few months of the year was to put the group "in working order," in particular by setting up a more effective organization—more integrated and hence more profitable. Consolidation of subsidiary management was completed by a merger of the local teams in the UK, France, Germany and the United States. In a recent press release, management announced that these major organizational changes would be carried out during the entire year, with very significant restructuring costs and a gradual reduction in structural costs throughout the year. As the group expected, the operating result for the quarter, directly impacted by these un-optimized structural costs, should show a loss of about €1.4M (un-audited figure), fully in line with management's objectives for the year.

Naturally, the expected seasonal nature of sales will have an equivalent impact on the seasonal nature of profits. Most of the profitability expected for the timeframe going from April 2007 to March 2008, i.e. an operational result excluding non-recurring factors of between 8 and 10% of revenue, will be generated over the period going from October to March. The Group's management clarifies that the 2007-2008 will have 15 month duration, going from January 1, 2007 to March 31, 2008, the General Shareholders Meeting having approved the change in the fiscal year closing date.

Avanquest, Sixth leading software publisher in the world market

The strategy in force for several years now, combining organic growth with products developed in-house, on the one hand, and acquisitions, on the other, has now positioned **Avanquest** as a major player in software publishing, with an established sixth-place ranking worldwide for consumer software sales (excluding games) in the combined European and American retail markets, **behind the world's top players like Microsoft, Symantec, Adobe, Apple and Intuit** (NPD, GFK and Chartrak data).

Having become the foremost de facto multi-specialist in the world retail market, Avanquest Software today has a unique business model that combines software development and publishing, which puts it in an ideal position to participate actively in the necessary market consolidation.

The group's management does not wish to comment on the evolution of the Avanquest share price but notes that the company's current capitalization (€129 million on August 1, 2007) does not reflect the change in size, market position and potential for growth that Avanquest Software enjoys today, the cumulated Avanquest Software and EMME valuations being of €164 million, before they tie-up, and before acquisition of Nova Development.

About Avanquest Software

Avanquest Software is one of the world's leading software publishers, marketing up to 1,500 software titles developed in-house or by developer partners via multiple sales channels on three continents – North America, Europe and Asia. Avanquest Software addresses the general public through its Retail, Online and Direct-to-customer channels; businesses through the Corporate channel; and key players in mobile telephony and IT through OEM (Original Equipment Manufacturers) licenses. With 650 employees and approximately 200 engineers in Research and Development distributed between France, China and the United States, the company is committed to constant innovation. The Group posted revenue of €74.3 million in 2006. Listed on Euronext (ISIN FR0004026714) since December 1996, Avanquest Software is part of Eurolist, SBF index 250, and belongs to the NextEconomy segment. For any additional information : <http://www.avanquest.com>

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