

AVANQUEST SOFTWARE ANNOUNCES TERMS FOR PLANNED CAPITAL INCREASE

- **Maintainance of the preferential subscription right**
- **Maximum shares Issued : 4 millions**
- **Share price above €2**

La Garenne-Colombes, France – December 5, 2008

Capital increase : terms considered

Avanquest Software today announced plans to launch a capital increase early in 2009 of approximately 8 to 10 million €uro (including issuing premium) to reinforce the financial autonomy of the company and restore its investment capacity going forward.

Subject to securing the French AMF (Authority of Financial Markets) authorization on the corresponding prospectus, this operation would entail the issuance of a maximum of 4 million shares with maintainance of preferential subscription right and **a share price above 2€**. An operation note will be recorded with AMF in the first half of January.

Equity capital strengthening to accompany the medium-term strategy of the Group

Avanquest Software pursues an aggressive strategy that will allow the company to significantly improve its profitability in the short term. The elements of this strategy include:

- **Reorganization under way in Europe with strong cost reduction** to ensure a sustainable profitability on all the activities of the group;
- **Focusing internal development efforts on narrower software product lines with high potential** in order to expand the portfolio of current best-sellers, while investing in the products, technologies, and new sales models (such as SAS and zero-install) that will enable future growth;
- **Strengthening growth on the profitable OEM business**, through the intensification of activities aimed at the worldwide leaders in telecommunications and data processing, and the expansion of the new “Software as a Service” business model, which has already been tested successfully in the United States;
- **Development of corporate sales in Europe** through the deployment of a corporate portal aimed at resellers and partners, complementary to the portal offered by Software Paradise - the group’s site for sales of licenses or packages to businesses - which is currently enjoying success in the United Kingdom;
- **Retail market-share consolidation** by focusing R&D and marketing efforts on flagship products, strengthening sales with e-tailers, and developing direct-to-consumer sales;
- **Reinforcement of the Internet strategy, henceforth at the core of the group’s business model** by the intensification of e-marketing activities through viral marketing and affiliation programs in order to accelerate e-commerce sales, and the introduction in the second quarter

of 2009 of the Avanquest Community project which will be a significant avenue of growth and profitability.

Bruno Vanryb, president of Avanquest Software, comments: «*Short term bank financing apart, this plan for a capital increase will allow us to go further; it is part of our willingness to strengthen our capacity of mid-term investment. The Management and I are convinced of the soundness of this strategy and see numerous reasons to be confident for the future based on the initial results of the implemented strategy on the profitability and the growth drivers which we clearly identified.*»

About Avanquest Software

Avanquest Software is one of the world's leading software publishers, marketing its 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-Consumer channels; businesses through the Corporate channel; and key players in mobile telephony and IT through OEM (Original Equipment Manufacturers) licenses. With 600 employees and approximately 200 engineers in Research and Development distributed between France, China and the United States, the company is committed to consistent innovation. Avanquest Software is listed on Euronext (ISIN FR0004026714) since December 1996. Additional information is available at <http://www.avanquest.com> or <http://about.avanquest.com>.

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