



Avanquest confirms significant growth in activity and profits during the first nine months of 2005

Turnover: +20%
Operating profits: +30%

Levallois-Perret, November 2, 2005

Avanquest Software announced today impressive gains in performance since the beginning of the year, with an **increase in sales of more than 20%** for the first nine months of the 2005 fiscal year. On a like for like basis, the increase amounts to 7%.

In thousands of €	January – September 2005	January – September 2004	Change 2005 vs 2004	January - September 2004 Proforma	Change 2005 vs Proforma
Software	43.271	33.336	+29,8%	38.534	+12,3%
Services	4.831	6.035	-20,0%	5.976	-19,2%
Other	1.248	1.596	-21,8%	1.577	-20,9%
Total	49.350	40.967	+20,5%	46.087	+7,1%

Note: The proforma data is shown at constant foreign exchange rate and constant perimeter. It includes the turnover for V Communications, a company acquired in February 2005, as well as Magnaways, acquired in July 2005.

With sales totaling €16.4M, the third quarter was more successful than anticipated, most notably due to a particularly dynamic month of September. As for previous quarters, activity in the Software division once again boosted performance with sales that grew by more than 30%. Each of the company's sales channels displayed double-digit increases, with OEM sales and web sales showing the most remarkable performance, growing by 40% and 200%, respectively.

The improved sales figures confirm the value of the group's strategy for development in 2005, which was focused on: 1) emphasis on internally developed products; 2) e-commerce development; and, 3) opening up of Asian markets.

Products developed by Avanquest have increased by 74% (+29% in Proforma), most significantly due to the success of Mobile PhoneTools software solution, one of the leading products of its kind. Mobile PhoneTools' ongoing success has been marked by numerous new contracts in 2005, one of the most noteworthy being the agreement announced in October with major Chinese mobile telephone manufacturer Haier.

Today, e-commerce accounts for nearly 10% of Avanquest's total software sales, up from 4% in 2004. The growth in e-commerce sales is largely due to the integration of V Com and Magnaways, two companies acquired during 2005, as well as the launch of Avanquest's Internet boutique, Avanquest Online, and establishment of a new internal organization designed to optimize this sales channel.

Sales in the retail/Corporate channel have increased by more than 16% (4% in Proforma data), as a result of the launch of new versions of Avanquest's Vcom Fix-it and System Suite "Utility" software in the United States and Europe, as well as the outstanding level of sales in the U.S., Germany, and Spain. Only the English and French Retail markets have shown decreases, for the second quarter in a row.

Significant increases across all territories during the last quarter of 2005 are expected as a result of the signing of new publishing agreements that include a deal with Sun Microsystems for the European launch of the new Star Office suite, the recent launch of Connection Manager and Ringtone Media Studio software in the "Mobility" division and the arrival of the "Utility" line in the European markets.

The group's principal focus on the development of its core software development and publishing business activity has meant that services, which has not been the focus of any specific development strategy, today only represents approximately 10% of Avanquest's consolidated turnover.

The excellent 3Q-2005 sales results have allowed Avanquest Software to post an estimated operating income in IFRS standards of **5.9 M €** or more than **12% of total sales, representing an increase of 30%** as compared to the previous financial year (non-audited amounts).

The complete results as of the end of September will be published on November 15, 2005.

About Avanquest Software

Avanquest Software is a global developer and leading publisher of best-selling personal and professional software designed for utilities, office productivity, communications and mobility worldwide. Headquartered in France, with operating units, subsidiaries and offices located in United States, France, Germany, Great Britain, Italy, Spain, China and Korea, Avanquest Software products are marketed in over 100 countries, through e-commerce, OEM partnerships and IT resellers. Founded in 1984 as BVRP Software and listed since December 1996 on Euronext (ISIN FR0004026714), Avanquest Software forms part of the Eurolist, NextEconomy segment and SBF 250 index. In 2004, Avanquest Software posted record financial results, with revenue of €57.0M (\$72.0M), operating income of €6.9M (\$8.7M) and a net income of €5.3M (\$6.7M). Additional information on Avanquest Software is available at <http://www.avanquest.com>.

Your contacts

Thierry Bonnefoi, Chief Financial Officer:
Analysts/Investors Relations
Tel.: +33 (0)1 41 27 19 74 – E-mail : tbonnefoi@avanquest.com

Lucie Rivaud, Press Relations
Tel. : +33 (0)1 41 27 19 96 – E-mail : lrivaud@avanquest.com

Christine Sauvaget, Communications
Tel. : +33 (0)1 41 27 19 82 – E-mail : csauvaget@avanquest.com



Ticker : **AVQ**
ISIN : **FR0004026714**
Reuters : **AVQ.PA**
Bloomberg : **AVQ:FP**