



Press release

Levallois Perret - France
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Annual results 2002:

The BVRP Group reaches all its targets

Revenue: €37.6 M
Operating result: +€1.6 M
Net result: +€5.4 M

Growth drivers are in place for 2003

With revenue of €37.6 M and an Ebit of +€1.6 M, the BVRP Group reached its targets for 2002. Operating income continued to rise during the second half of the year (+€0.9 M, i.e. 5.2% of revenue vs. 3.5% during the first half of the year). BVRP Software's consolidated net result, which includes the exceptional capital gain following the divesting of the French Services activity in April 2002, closed the year with a profit of +€5.4 M, compared with a net loss of €4.4 M in 2001.

In today's harsh economic context, these healthy results confirm the **success of the company strategy implemented by group management in 2001**. This strategy has been a combination of **refocus of BVRP on its core activity, costs reduction and investments in tomorrow's growth markets**.

Consolidated figures (in € M)

	FY 2002	FY 2001 pro forma (*)	FY 2000/01 (17 months)
Revenue	37.6	37.2	53.6
Operating result (Ebit)	1.6	(1.1)	0.7
Current income	0.7	(1.7)	0.1
Exceptional result	5.3	(3.3)	(4.6)
Net result (group share)	5.4	(5.1)	(4.4)
Net result per share (in €)	1.48	(1.39)	(1.2)
Net result per share after dilution (in €)	101	(0.92)	(0.80)
Stockholder's equity share	16.2		10.8
Convertible bonds	5.0		5.0
Other financial debts	5.9		0.5
Cash position	+7.7		+3.2

Note: * the pro-forma figures represent what would have been the group's financial statements if the AB Soft and Guildsoft acquisitions in 2001 had been posted as early as 1/1/2001 and if the French Services activity had been divested in April 2001 rather than in 2002.

2002 profits rising significant ly

The improvement of the product mix resulting from the group's refocus on software publishing and republishing, along with the positive impact of restructuring implemented in FY 2001, have led to a **considerable increase in operating ratios**. Personnel expenses fell from 53.8% of revenue in 2001 (44.6% in pro-forma figures) to 39.2% during FY 2002 and 35% in the second half of the year, with a headcount down to 267 on 31/12/2002.

Strict cost management policies implemented by the group contributed to a 2% increase in the gross margin and a drop of almost 4% in operating expenses. Consequently, the **operating result rose significantly to €1.6 M** against a loss of €1.1 M registered one year earlier (pro-forma figures).

Due to strong development on the American continent, the BVRP group has been hit by the declining dollar, posting a negative financial result of €0.9 M. Losses on exchange rates amount to only €0.6 M, thanks to the hedging policy in place. At €0.7 M, current income remains positive in contrast with a loss of €1.7 M recorded the previous year.

The exceptional result of €5.3 M mainly represents the capital gain booked with the divesting of the French Services activity.

After goodwill depreciation (€0.3M) and income expense (limited to €0.1 M thanks to losses carried forward from previous year), **the net result amounted to €5.4 M against a net loss of €4.4 M during FY 2000/2001.**

Strengthened financial structure

With the return to profitability, the strong reduction in working capital requirement (€-1.8 M for the FY) and the divesting of the Services activity, the group was able to finance the acquisition of a \$3.9 M majority stake in Elibrium while improving its cash balance by €4.5 M.

On December 31, 2002, BVRP Software has strengthened its financial structure, with stockholder's equity amounting to €16.2 M (against €10.8 M on December 31, 2001) and a cash balance of €7.6 M (against €3.2 M at the end of 2001).

Financial debts (€5.9 M) include 100% of Elibrium debt (\$6 M), a 52% owned company since December 2002.

Growth drivers in place for 2003

In preparation for 2003, growth drivers have been implemented to ensure continued growth and profit in an insecure economic context.

The **group's international development**, reflected with 33% of its 2002 revenue made in Great-Britain and 25% in the United States, should amplify in 2003, with over 40% of revenue expected in the USA.

The "**Global Publishing**" strategy will generate short-term profit with the **extension of the international sales network** for BVRP products such as PhoneTools eXpert and DivX Video Duplicator, and the marketing of a number of best-selling software republished by group subsidiaries and partners worldwide. Sales from this activity represented 41% of revenue in 2002. The group is also planning to extend its publishing network to other countries in 2003. It intends to do this **through partnership agreements and possibly via new acquisitions or equity investment.**

Representing 22% of revenue in 2002, **OEM software sales will gradually increase in 2003 and 2004**, with the implementation of the international agreements already signed with Lexmark, British Telecom, Motorola, HP, Mobicom. 2003 will also mark the signature of new partnership agreements for mobility and diagnostic software such as PhoneTools, GPRS Manager or Lan Wizard, intended for users on the move.

Facing today's unstable geopolitical context and the potential consequences on household consumption and company investment, group management remains cautious with **forecasts for FY 2003, estimating revenue between €46 and 53 M and an Ebit between 5% and 8% of this revenue.** Based on the current economic climate, forecasts will be fine-tuned as the year progresses.

About BVRP Software

With subsidiaries spread over France, Great Britain and the United States, the BVRP Software Group, a worldwide leading publisher of communications software, is also a major provider of personal and professional software designed for Mobility, Security and Internet use. BVRP Software products are marketed in over 100 countries, through e-commerce, OEM partnerships and IT resellers. Ranked in the European Software Top 50 by Infoconomist in September 2002, the group posted revenue of \$37.5 M in 2002. Since December 1996, BVRP Software has been listed on the Nouveau Marché of the Paris Stock Exchange (Euronext: 5478).

Additional information on BVRP is available at www.bvrp.com

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