



## New record year for Avanquest

**Consolidated annual turnover: +24%**  
**Operating profits: +33%**

Levallois-Perret, France – January 31, 2006

The Avanquest Group has experienced double-digit growth for the third consecutive year. Its **consolidated turnover** reached **M€70.6**, an **increase of 24%** compared to 2004 (with constant perimeter and exchange rates, the increase amounts to 11%).

In thousands of €	2005	2004	Change 2005 vs. 2004	Pro forma 2004	Change 2005 vs. Proforma
Software	62.193	47.027	+32,2%	53.748	+15,7%
Services	6.447	7.895	-18,3%	7.909	-18,5%
Other	1.928	2.114	-8,8%	2.122	-9,1%
Total	70.568	57.036	+23,7%	63.779	+10,6%

Note: The pro-forma data are presented on a like-for-like basis. It includes the turnover for V Communications, the company acquired in February 2005, as well as Magnaways, acquired in July 2005.

Growth was particularly impressive during the last quarter of the financial year, when turnover exceeded M€ 21 for the first time in the group's history. This represents a 28% increase compared to the same quarter last year (+20% in proforma data), as well as a 28% increase compared to the Q3-2005.

The excellent 4Q results, boosted by increased OEM sales and an exceptional performance of the German subsidiary Avanquest Deutschland, has once again enabled Avanquest to attain the objectives they had announced at the beginning of the year, and to post an **increase in turnover for the eighth consecutive semester**.

As was the case for the previous quarters, Software sales once again generated the increase, with turnover up by 32% for the year and 37% for 4Q; at the same time, the services business, which has not been a target of any specific development strategy, has continued to decline and represented only 9% of consolidated turnover for the quarter.

Once again, all sales channels recorded double-digit increases, thus reinforcing the group's well-founded, multi-territory and multi-channel strategy:

OEM sales maintained its remarkable growth (+30%; €16M), sustained once again by the exceptional success of the Mobility line, as well as numerous publishing agreements signed over the past two years in all countries.

The e-commerce performance is even more noteworthy, with a 300% increase in sales. A specific growth focus for the group, e-commerce accounts for nearly 10% of total software sales (as compared to 4% in 2004), most notably due to the integration of V Com and Magnaways, as well as the launch of Avanquest Online, and the implementation of a new organization designed to optimize the potential of this sales channel. The medium-term objective is to exceed 20% of turnover on Internet.

Retail sales also increased by nearly 22% over the past year (+12% in proforma data) and 40% over the last quarter. The fourth quarter, which is traditionally the most dynamic for this division, was especially successful in Germany and the United States. This was due in part to the successful launch of numerous new products, including those developed internally -- such as the V Com utility line -- as well as those published by the group, such as Sun Star Office by Sun Microsystems, Zone Alarm by Zone Labs, and the Acronis software line in Germany, developed by the group's partners.

Avanquest-developed software recorded an increase of nearly 70% (+32% in proforma data), which confirms the vital importance of research and development, as well as the group's capacity for innovation with more than 120 engineers and developers spread throughout the U.S., France and China. The growing success of Mobile Phonetools, the launch of Connection Manager, the extended partnership with HP to equip their new printers with FaxTools and Classic PhoneTools software, and the renewal of the My Software business management line will be followed up by numerous initiatives in 2006 that should sustain Avanquest Software's continued growth and expansion.

The outstanding 4Q performance enables Avanquest Software to project an annual estimated operating income for 2005 of **M€8.9**, or more than **12.6% of turnover**, representing an **increase of 33%** as compared to the previous financial year – results at the high end of forecasts, issued at the beginning of the fiscal year (non-audited amounts).

The audited 2005 Annual Results and forecasts for 2006 will be released to the markets on March 21, 2006.

<p><b>About Avanquest Software</b></p> <p>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 2005, Avanquest Software posted record financial results, with revenue of €70.6M (\$85.6M) and operating income of €8.9M (\$10.8M). Additional information on Avanquest Software is available at <a href="http://www.avanquest.com">http://www.avanquest.com</a>.</p>		
<p><b>Your contacts</b></p> <p>Thierry Bonnefoi, Chief Financial Officer: Analysts/Investors Relations Tel.: +33 (0)1 41 27 19 74 – E-mail : <a href="mailto:tbonnefoi@avanquest.com">tbonnefoi@avanquest.com</a></p> <p>Lucie Rivaud, Press Relations Tel. : +33 (0)1 41 27 19 96 – E-mail : <a href="mailto:lrivaud@avanquest.com">lrivaud@avanquest.com</a></p> <p>Christine Sauvaget, Communications Tel. : +33 (0)1 41 27 19 82 – E-mail : <a href="mailto:csauvaget@avanquest.com">csauvaget@avanquest.com</a></p>	 <p>The logo consists of a yellow square with the letters 'NE' in blue, above the word 'euronext' in blue and 'NextEconomy' in white on a blue background.</p>	<p>Ticker : <b>AVQ</b> ISIN : <b>FR0004026714</b> Reuters : <b>AVQ.PA</b> Bloomberg : <b>AVQ:FP</b></p>