

Quarterly Revenue and Earnings in line with forecasts:

- Q2 Revenue: €27.4 Million
- Earnings Before Non-Recurring Items: -€1.2 Million

A strengthened organization dedicated to creating, developing, and marketing innovative software through its powerful and global publishing network

La Garenne-Colombes, France – September 17, 2007

The second quarter of 2007 was devoted to integrating the acquisitions made since the start of the year: Nova Development in the United States, EMME Group in Europe, and Software Paradise in the United Kingdom. This quarter's financials are the first that take into account the Avanquest Software Group's new scope.

The synergies implemented since June are already yielding very significant results that demonstrate the relevance of Avanquest's new development business model. For example, the best quarterly performance in terms of profitability was produced by the North American business unit that resulted from the merger of the Nova Development and Avanquest USA teams. Likewise, a software title from EMME was the bestseller for the quarter on the French e-commerce site. However, it is still too early for these synergies, both in terms of product lines and distribution channels, to be reflected in the quarterly results.

Second quarter performance totally **matched the group's objectives** (cf. company press release dated June 28, 2007), with revenues of €27.4 million, up 72% from the same period in 2006, and almost stable in pro-forma data. Before non-recurring items, earnings were -€1.2 million, slightly better than the provisional result announced in early August and precisely in line with the forecasts for this quarter by the group's management.

For the half-year from January through June 2007, 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 Software Group represents today, revenues amounted to €51.4 million, up by 45% over the first half of 2006, and earnings before non-recurring items were -€1.9 million.

Income statement (IFRS standards)

In thousands of euros

| | January – March 2007 | April - June 2007 | 1 st Half 2007 | 1st Half 2006 |
|--|-------------------------|----------------------|---------------------------|---------------|
| Revenue | 23,973 | 27,379 | 51,352 | 35,332 |
| Earnings before non-recurring items | -678 | -1,222 | -1,900 | 1,828 |
| Non-recurring items | -278 | -1,497 | -1,775 | - |
| Earnings before taxes | -913 | -3,073 | -3,986 | 1,683 |
| Net result group share | -1.043 | -2.203 | -3.246 | 1.136 |

(1) Data not directly comparable because of the change in scope: the January-June total includes five months of Nova Development activity and three months for the EMME Group.

Benefiting from its new scope - **almost doubling in size for fiscal 2007/08** - and from its **new position among the world's leading software publishers**, the Avanquest Software Group has reorganized in order to concentrate its development efforts on **software innovation** with investments expected to grow by more than 14% for the year (after an 11% growth in 2006). The R&D investment effort is mainly dedicated to the four product families considered to be the medium-term growth leaders: mobility, utilities, multimedia and productivity software.

This new organization, centering on Avanquest Software Technology, a global division in charge of product strategy and marketing for all software developed by the group, has already made it possible to **develop and release innovative or completely redesigned products**. For example, there's *SendPhotos*, a revolutionary new software program addressing the digital photo and online image-sharing market, with customers ranging from individuals to OEMs (Original Equipment Manufacturers); utilities like *Perfect Image* and *PC Fine Tune* followed by the new versions of *Fix-It Utilities* and *SystemSuite*. The group's OEM bestsellers (*Mobile Phonetools*, *Connection Manager*), which are constantly redesigned to include the very latest technologies, have also been adapted to our new top-tier customers in Europe and Asia (such as Lenovo and Asus), as well as our existing customers (such as Motorola, Netgear, and Dell). Finally, the Nova and MySoftware lines have been merged and completely updated, with releases scheduled continuously for new versions of some 15 products between April and November of this year (*Print Artist*, *Hallmark Card Studio*, *Scrapbook Factory*, *Bookkeeper*, etc.). These new software programs along with the ramping up of a major agreement signed in 2006 with one of the giants of the mobile phone industry will contribute to the **growth expected to begin in September 2007**.

The Avanquest Software Group's business units in charge of marketing the internally developed and published software lines have been considerably strengthened by the addition of the EMME Group's operations in Europe and Nova Development's in the United States; the objective is to cover all sales distribution channels as effectively as possible in all the various territories where the group operates, with special investment in **e-commerce, a rapidly growing channel (nearly 30%)**.

During the first half-year, activity was especially dynamic in the United States, the world's leading software market, and in the United Kingdom, Europe's number one market.

Consolidation of subsidiary management was completed by a merger of the teams in the UK, France, Germany and the United States. The restructuring costs associated with integration and merging of the teams will have a very positive effect on the recurring profitability of the group. In the short term, these costs (mainly related to office closing and staff streamlining) impacted the accounts for the period in the amount of €1.8 million and for the year are expected to reach about €2.5 to €3 million.

2007/08 forecasts confirmed

Naturally the expected seasonal nature of sales, along with the dynamic back-to-school effect in September followed by the year-end holidays, will have an equivalent impact on the seasonal nature of profits. Most of the profitability expected for the period from April 2007 to March 2008, i.e. earnings before non-recurring items (as detailed above) of between 8 and 10% of revenue, will be generated during the period from October to March.

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-Consumer 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 additional information: <http://www.avanquest.com>

Contacts

Thierry Bonnefoi, *Analysts/Investors Relations*

Tel.: +33 (0)1 41 27 19 74 – E-mail: tbonnefoi@avanquest.com

Christine Sauvaget, *Communications & Press Relations*

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



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