



Ubisoft reports first-quarter 2007-08 sales

- First quarter sales up 90.5% to €134 million, outstripping targets.
- Forecasts revised upwards for 2007-08 sales and current operating income¹.
- Ubisoft and 20th Century Fox team up for the video game based on James Cameron's "Avatar".
- Calyon carries out its first sale of Gameloft shares.

Paris, July 24, 2007 – Today, Ubisoft, one of the world's largest video game publishers, reported its sales for the first fiscal quarter ended June 30, 2007.

Sales

Sales for the first quarter of 2007-08 came to €134 million, up 90.5%, or 94.5% at constant exchange rates, compared with the €70 million recorded for the same period of 2006-07.

First-quarter sales for 2007-08 exceeded the forecast of approximately €120 million announced when Ubisoft released its sales figures for fourth-quarter 2006-07. This performance was primarily attributed to the following:

- The continued success of Tom Clancy's Rainbow Six® Vegas on Xbox360™ as well as its launch on PLAYSTATION®3 and PSP™.
- The release of Surf's Up™, Prince of Persia®, Oblivion™ and Call of Juarez™.
- Back catalog games, which accounted for over one third of total sales for the period, particularly thanks to the Petz® series and Teenage Mutant Ninja Turtles™.

In first-quarter 2007-08, 79% of the Group's sales came from games for new-generation consoles, compared with 42% in the comparable prior-year period. This increase particularly reflects a sharp rise in sales of games for the PLAYSTATION®3 (21% of sales) and the Nintendo DS™ (16%, versus 3% in the first-quarter 2006-07).

Yves Guillemot, CEO of Ubisoft stated *"Ubisoft has made a solid start to the year, and continued to win market share. Momentum was particularly strong during the period for European sales, which climbed 109% thanks to the ramp-up of new-generation consoles and the impact of PS3 game sales, including Rainbow Six Vegas and Oblivion. Our performance during this quarter has once again proved the relevance of our early positioning in the casual gaming sector, as demonstrated by the success of our DS and Wii games. Lastly, we were able to present one of the best game line-ups in the industry at this year's E3, in terms of both quality and diversity. Assassin's Creed, Brothers in Arms, Haze, Tom Clancy's Splinter Cell Conviction and Tom Clancy's End War are some of the most highly anticipated games of the year. At the same time, our portfolio of upcoming casual games will enable us to strengthen and broaden our current offering, and to reach new consumers."*

¹ Before the impact of stock-based compensation ("before stock options")

Outlook

Ubisoft expects second-quarter 2007-08 sales to remain stable at approximately €105 million. The period will see the following main releases:

- Tom Clancy's Ghost Recon Advanced Warfighter® 2 on PLAYSTATION®3, PC and PSP™.
- The Settlers® 6 for PC.
- Jam Sessions™ on Nintendo DS™.
- The European launch of the game based on the animated movie Surf's Up™.

Future games releases

- Far Cry® 2: The multi-million selling brand will be back for the fourth fiscal quarter of 2007-08, as announced on July 19, 2007.
- Tom Clancy's Splinter Cell Conviction™: originally scheduled for the third fiscal quarter of 2007-08, this game will now be released in the fourth fiscal quarter.

Outlook for full-year 2007-08

In light of our first-quarter performance, which exceeded forecasts, as well as the positive feedback for our games at this year's E3, Ubisoft has raised its performance targets for full-year 2007-08. The Group's 2007-08 sales target is now approximately €825 million, and it expects current income before stock options to represent at least 9% of sales, compared with the previously-announced forecasts of €800 million and at least 8% of sales.

Ubisoft and 20th Century Fox team up for the video game based on James Cameron's "Avatar".

In a separate press release, Ubisoft announced today that it will develop and publish the video game based on Twentieth Century Fox's "Avatar," the upcoming feature film written and directed by Academy Award®-winning filmmaker James Cameron, whose previous films include "Titanic," "True Lies," "The Abyss," "Aliens," "The Terminator" and "Terminator 2: Judgment Day." The game is expected to release in conjunction with the movie's planned opening in May 2009.

First sale of Gameloft shares by Calyon

On July 17, 2007, Ubisoft announced that it had sold its 18.89% stake in Gameloft (13,367,923 shares) to Calyon. At the same time, Ubisoft entered into an equity swap agreement with Calyon under which Calyon has 24 months to sell the shares on the market and any and all changes in the Gameloft share price will be recorded in full by Ubisoft. This transaction will only impact Ubisoft's income statement and generate cash inflows when Calyon sells the Gameloft shares on the market.

As of July 24, 2007, Calyon had placed 4,167,923 Gameloft shares on the market at a price of €6.064. This initial transaction led to a €25.3 million cash inflow for Ubisoft. The Group will record a related net gain of €14.5 million in its 2007-08 income statement under "gain/loss from operations of discontinued business segment", representing the difference between the share sale price of €6.064 and the value of the Gameloft shares on Ubisoft's balance sheet (€2.54 per share at March 31, 2007), after deducting 1.65% in taxes.

Recent highlights

Market share: In the first six calendar months of 2007, Ubisoft was the number 3 independent publisher in the United States with market share of 6% (compared with number 5 and 6% one year earlier); number 2 in Europe with 8.4% market share (compared with number 2 and 7.3%), number 2 in France with 7.9% market share (compared with number 2 and 7.3%); number 2 in the United Kingdom with 10% market share (compared with number 2 and 8.5%); and number 2 in Germany with 6.9% market share (compared with number 3 and 6.4%).

Strategic expansion of the casual games offering: Ubisoft has invested in the expansion of an internal development structure dedicated to the creation of Games for Everyone. Among the new team's first projects are the launches of two new product lines – "My Coach" and "Imagine™" – as well as the expansion of the already successful Petz® franchise.

Creation of Tom Clancy's EndWar™, a new brand in the Tom Clancy series: Led by strategy veteran, Michael de Plater, Tom Clancy's EndWar™ is being developed by a world-class team at Ubisoft's Shanghai studio whose members have experience working on Ubisoft's hit franchises including Tom Clancy's Ghost Recon®, Tom Clancy's Rainbow Six® and Tom Clancy's Splinter Cell®.

Ubisoft to develop the video game based on the motion picture "Beowulf": Ubisoft, Paramount Pictures and Shangri-La Entertainment have announced a partnership to create video games based on "Beowulf™", the upcoming feature film from Robert Zemeckis, starring Angelina Jolie, Anthony Hopkins and John Malkovich. The movie is scheduled to open in late 2007.

Planned expansion of Ubisoft's Moroccan studio, with the aim of creating 150 new positions by 2010.

Disclaimer

This statement may contain estimated financial data, information on future projects and transactions and future business results/performance. Such forward-looking data are provided for estimation purposes only. They are subject to market risks and uncertainties and may vary significantly compared with the actual results that will be published. The estimated financial data have been presented to the Board of Directors and have not been audited by the Statutory Auditors. (Additional information is specified in the most recent Ubisoft Registration Document filed on June 27, 2007 with the French Financial Markets Authority (*l'Autorité des marchés financiers*)).

Financial calendar

Release	Date
Second-quarter 2007-08 sales	October 23, 2007

This date is subject to change and will be confirmed at a later stage.

About Ubisoft:

Ubisoft is a leading producer, publisher and distributor of interactive entertainment products worldwide and has grown considerably through a strong and diversified line-up of products and partnerships. Ubisoft has offices in 21 countries and sales in more than 50 countries around the globe. It is committed to delivering high-quality, cutting-edge video game titles to consumers. Ubisoft generated sales of €680 million for the 2006-07 fiscal year. To learn more, please visit www.ubisoftgroup.com.

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APPENDICES

Breakdown of sales by geographic region

	<u>% sales</u>	<u>% sales</u>
	<u>Q1 2007/08</u>	<u>Q1 2006/07</u>
Europe	47%	43%
North America	44%	49%
Rest of world	9%	8%
TOTAL	100%	100%

Breakdown of sales by platform

	<u>Q1 2007/08</u>	<u>Q1 2006/07</u>
Nintendo DS™	16%	3%
Game Boy Advance	4%	8%
Nintendo GameCube™	1%	-2%
PC	6%	43%
PlayStation® 2	9%	8%
PLAYSTATION® 3	21%	-
PSP™	11%	9%
Wii™	13%	-
XBOX®	0%	1%
XBOX 360™	17%	30%
Other	0%	0%
TOTAL	100%	100%

Breakdown of sales by business line

	<u>Q1 2007/08</u>	<u>Q1 2006/07</u>
Development	73%	55%
Publishing	21%	30%
Distribution	7%	15%
TOTAL	100%	100%

Games Release Schedule

Second quarter (July – September 2007)

AMERICA'S ARMY® TRUE SOLDIERS™ (US)	Xbox 360™
BLAZING ANGELS® SECRET MISSIONS OF WWII	PLAYSTATION®3, Xbox 360™, PC
COSMIC FAMILY®	Wii™
CSI: CRIME SCENE INVESTIGATION™ 3 DIMENSIONS OF MURDER	PlayStation®2
CSI: CRIME SCENE INVESTIGATION™ HARD EVIDENCE	Xbox 360™, Wii™, PC
CSI: CRIME SCENE INVESTIGATION™ DARK MOTIVES	Nintendo DS™
LEA PASSION CUISINE/HAPPY KITCHEN (France)	Nintendo DS™
HEROES OF MANA™ (Europe)	Nintendo DS™
HEROES OF MIGHT & MAGIC® V: TRIBES OF THE EAST	PC
HEROES OF MIGHT & MAGIC® V GOLD EDITION (Europe)	PC
JAM SESSIONS™	Nintendo DS™
NARUTO ULTIMATE NINJA HEROES™ (Europe)	PSP™
SUDOKU PLATINUM™ (US)	Nintendo DS™
SURF'S UP™ (Europe)	PLAYSTATION®3, PlayStation®2, Wii™, Xbox 360™, Nintendo DS™, PSP™, Game Boy Advance, PC
TALES OF THE WORLD RADIANT MYTHOLOGY™ (Europe)	PSP™
TOM CLANCY'S GHOST RECON ADVANCED WARFIGHTER® 2	PLAYSTATION®3, PSP™, PC
THE SETTLERS® RISE OF AN EMPIRE	PC
THE SETTLERS®	Nintendo DS™
VALKYRIE PROFILE® : SILMERIA (Europe)	PlayStation®2