



Ubisoft reports 2007-08 third-quarter sales

- **Third-quarter sales up 44% to €450 million, outstripping forecasts.**
- **In 2007 Ubisoft moves up to the position of third-leading independent publisher¹.**
- **Two new franchises created – Assassin's Creed™ and Imagine™.**
- **2007-08 title release schedule updated.**
- **2007-08 targets revised upwards and sales guidance raised for 2008-09.**

Paris, January 23, 2008 – Today Ubisoft, one of the world's largest video game publishers, reported its sales for the third fiscal quarter ended December 31, 2007.

Sales

Sales for the third quarter of 2007-08 came to €450 million, up 44.4%, or 50.1% at constant exchange rates, compared with the €311 million recorded for the same period of 2006-07. Sales for the first nine months of fiscal 2007-08 totaled €711 million versus €483 million in the corresponding period of 2006-07, representing an increase of 47.2%, or 52.1% at constant exchange rates.

Third-quarter sales outstripped the guidance that was raised to €410 million on December 13, 2007. This very good performance was fueled primarily by the following elements:

- A further exceptional showing from Assassin's Creed. In Europe, this was the best-selling game in 2007 for the PLAYSTATION®3 computer entertainment system and the number 2 best-seller for the Xbox360™ system. In the United States, it was the second best-selling game in 2007 for the PLAYSTATION®3 computer entertainment system and the number 3 best-seller for the Xbox360™ system.²
- Excellent sales levels reported by our casual games including Fashion Designer, Babyz® and Animal Doctor for the Imagine series; Horsez®, Hamsterz™ and Catz® for the Petz® series; and MyWordCoach for the MyCoach series.

Games for new-generation consoles represented 84% of the Group's sales in the first nine months of 2007-08, versus 55% for the equivalent period of 2006-07.

Ubisoft continued to gain market share in calendar 2007, and was ranked as follows¹:

- Number 2 independent publisher in Europe, reporting 58% growth (versus 25% for the European market as a whole), and market share of 8.7% (6.9% in 2006).
- Number 3 independent publisher in the United States, where growth came in at 49% (compared with 29% for the US market as a whole), and market share represented 6.1% (5.2% in 2006).

¹ In Europe and North America (i.e. excluding Japan and Asia). Based on data issued by market research firms such as NPD, Chart-Track, Nielsen and GFK.

² In units, based on data issued by market research firms such as NPD, Chart-Track, Nielsen and GFK.

Yves Guillemot, Chief Executive Officer of Ubisoft, stated *"The vast majority of our games reaped the benefits of particularly strong market momentum over the Christmas period. Two new long term multi-million franchises were created, Assassin's Creed and Imagine, generating sell-in sales of 5 and 2.5 million units respectively. They will join our existing portfolio of 12 franchises. As a result, Ubisoft moved up from fourth to third place in the overall ranking of independent publishers in 2007 – a year that saw the video game industry enter new dimension with previously unheard-of visibility. This revolution stems from the greater accessibility of Nintendo's consoles as well as from the superb cinema-like visual experience provided by Sony and Microsoft consoles. We expect this situation to significantly drive up market performance once again in 2008, with overall market growth representing at least 10%. Against this backdrop, Ubisoft will continue to leverage its strong brands and design capacities with a view to outperforming the market."*

Outlook

Fourth-quarter 2007-08 sales

This period will see the following main releases:

- Tom Clancy's Rainbow Six® Vegas 2 for PC, the Xbox360™ system and the PLAYSTATION®3 computer entertainment system,
- Assassin's Creed for PC and the Nintendo DS™,
- The game based on the Lost™ television series, for PC, the PLAYSTATION®3 computer entertainment system and the Xbox360™ system,
- New casual games for the Nintendo DS™ and Nintendo Wii™.

Haze™, which was originally scheduled for the fourth quarter of 2007-08, will now be released in fiscal 2008-09.

The Group expects sales for the fourth quarter of 2007-08 to total around €165 million, representing a 16% contraction compared with the same period of 2006-07.

Targets revised upwards for 2007-08 and 2008-09

In light of the Group's third-quarter performance and initial positive trends for the fourth quarter of the year, Ubisoft has raised its performance targets for full-year 2007-08. The 2007-08 sales target is now approximately €875 million, compared with the forecast of €840 million announced on December 13, 2007, and the Group expects current operating income before stock options to represent at least 13% of sales, versus the previous estimate of at least 12%.

At the same time, in order to take into account the postponed release date for Haze™, Ubisoft has raised its 2008-09 sales target to approximately €1 billion, compared with the previously-announced forecast of around €975 million. The Group is maintaining its target for current operating income before stock options to represent at least 11% of sales.

The 2008-09 line-up will include notably the following key titles:

- 7 franchises, including Tom Clancy's Splinter Cell®, Brothers in Arms®, Far Cry®, Prince of Persia® and Anno™,
- 5 new brands, including Tom Clancy's EndWar™, Haze™, the Shaun White snowboard game and a Tom Clancy™ air combat game,
- New games in the Petz, Imagine and MyCoach series as well as a new line of casual games.

Recent highlights

Market share: Excluding Asia, Ubisoft was the third-leading independent publisher in the world in 2007. It ranked number 3 in the United States with 6.1% market share (compared with number 5 and 5.2% one year earlier); number 2 in Europe with 8.7% market share (compared with number 2 and 6.9%); number 2 in France with 9.3% market share (compared with number 2 and 7.7%); number 2 in the United Kingdom with 9.1% market share (compared with number 3 and 7.6%); and number 2 in Germany with 7.9% market share (compared with number 2 and 6.6%).

Ubisoft closes the acquisition of the Japanese video game development studio Digital Kids: Established in 1996 with offices in Nagoya and Osaka, Digital Kids currently has a team of 20 developers specialized in games for the Nintendo DS™. The studio has worked regularly for a number of Japanese publishers and has developed several successful titles for Ubisoft's Petz line of games, including Hamsterz Life™.

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

<u>Release</u>	<u>Date</u>
Fourth-quarter 2007-08 sales	April 24, 2008

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

	% sales	% sales	% sales	% sales
	Q3 2007/08	Q3 2006/07	9 months 2007/08	9 months 2006/07
Europe	53%	47%	53%	47%
North America	41%	46%	41%	46%
Rest of world	6%	6%	7%	7%
TOTAL	100%	100%	100%	100%

Breakdown of sales by platform

	Q3 2007/08	Q3 2006/07	9 months 2007/08	9 months 2006/07
Nintendo DS™	28%	9%	25%	8%
Game Boy Advance	1%	4%	2%	6%
Nintendo GameCube™	0%	1%	0%	1%
PC	6%	14%	8%	19%
PlayStation®2	4%	15%	6%	17%
PLAYSTATION®3	19%	-	20%	-
PSP™	2%	5%	4%	5%
Wii™	12%	21%	11%	14%
XBOX®	0%	2%	0%	1%
XBOX 360™	29%	28%	24%	28%
Other	0%	1%	0%	1%
TOTAL	100%	100%	100%	100%

Breakdown of sales by business line

	Q3 2007/08	Q3 2006/07	9 months 2007/08	9 months 2006/07
Development	91%	88%	86%	76%
Publishing	8%	11%	12%	19%
Distribution	1%	2%	3%	5%
TOTAL	100%	100%	100%	100%

Title Release Schedule

Fourth quarter (January – March 2008)

Anno™ 1701 (US)	Nintendo DS™
ASSASSIN'S CREED™	Nintendo DS™, PC
BRAIN CHALLENGE™	Nintendo DS™
PETZ® : BUNNYZ®	Nintendo DS™
CHESSMASTER® THE ART OF LEARNING	PSP™
CSI: CRIME SCENE INVESTIGATION™: HARD EVIDENCE	Wii™
DARK MESSIAH OF MIGHT AND MAGIC™: ELEMENTS	Xbox 360™
DRAGONQUEST® MONSTER: JOKER (some European countries)	Nintendo DS™
IMAGINE™ : FIGURE SKATER	Nintendo DS™
FINAL FANTASY REVENANT WINGS (some European countries)	Nintendo DS™
FINAL FANTASY CRYTAL CHRONICLES® : RING OF FATES (some European countries)	Nintendo DS™
LOST™: VIA DOMUS	Xbox 360™, PLAYSTATION® 3, PC
MATHS PLAY	Nintendo DS™
MIAMI NIGHTS: SINGLES IN THE CITY™	Nintendo DS™
NITROBIKE™	Wii™
NO MORE HEROES™ (US)	Wii™
PUPPY PALACE™	Nintendo DS™
TOM CLANCY'S RAINBOW SIX® VEGAS 2	Xbox 360™, PLAYSTATION® 3, PC
REAL SOCCER™ 2008 (US)	Nintendo DS™
SETTLERS 6 ADD ON (Europe)	PC
SILENT HUNTER®: WOLVES OF THE PACIFIC U-BOAT MISSIONS ADD ON	PC
PETZ®: WILD ANIMALS: TIGERZ™	Nintendo DS™
THE DOG ISLAND™ (Europe)	Wii™, PlayStation® 2
TOTALLY SPIES TOTALLY PARTY (Europe)	Wii™
VICTORIOUS BOXERS CHALLENGE (Europe)	Wii™