



Ubisoft® reports first-quarter 2009-10 sales

- **First-quarter sales down 51% to €83 million, coming in below target.**
- **Update on games release schedule.**
- **Guidance for 2009-10 revised downward.**

Paris, July 27, 2009 – Today, Ubisoft reported its sales for the first fiscal quarter ended June 30, 2009.

Sales

Sales for the first quarter of 2009-10 came to €83 million, down 50.6%, or 50.8% at constant exchange rates, compared with the €169 million recorded for the same period of 2008-09.

First-quarter sales for 2009-10 came in 12.6% below the guidance (approximately €95 million) issued when Ubisoft released its sales figures for fourth-quarter 2008-09. This was due to:

- A slowdown in sales of Nintendo DS™ games in Europe and the United States that was more pronounced than expected, impacting back-catalog sales as well as new launches.
- Significantly lower back-catalog sales of titles for PLAYSTATION® 3 and Xbox360® than in the first quarter of 2008-09.
- Poorer-than-anticipated market conditions.

From a positive perspective, the period under review saw:

- The launches of Call of Juarez® and Anno®, which were in line with expectations; with Anno® receiving solid ratings for the PC, Wii™ and Nintendo DS™ versions of the game.
- Significant market share gains on the Wii™ since the start of the calendar year (7.2% market share in Europe versus 4.6% one year earlier, and 4.5% in the United States compared with 2.7%).

Outlook

Second quarter 2009-10 sales target revised downward

The second quarter of fiscal 2009-10 will see only a few game releases, including:

- Teenage Mutant Ninja Turtles™ for Wii™ and PlayStation® 2
- Cloudy with a Chance of Meatballs for Wii™, Nintendo DS™, Xbox360®, PLAYSTATION® 3, PSP™ and PC.
- Academy of Champions™, which will be released for Wii™ in the UK, the Nordic countries and Australia.
- New casual titles for Nintendo DS™ and Wii™.

Sales for the second quarter of 2009-10 are expected to come in at around €80 million, representing a 54% decrease on the second quarter of 2008-09. This guidance is lower than the €130 million announced when Ubisoft released its sales figures for fourth-quarter 2008-09, for the same reasons as mentioned above.

Update on the games release schedule

Splinter Cell Conviction™ and Red Steel® 2, whose releases were previously planned for the third fiscal quarter, will now be released in the fourth fiscal quarter.

Ghost Recon® and I am Alive™, which were previously scheduled for release in the fourth fiscal quarter, will now strengthen the line-up for fiscal 2010-11.

Full-year 2009-10 targets revised downward

Today, the Company has revised its targets for full-year 2009-10 downward. Sales are now expected to come in at approximately €1.040 billion, with current operating income before stock-based compensation representing at least 7% of sales, compared with the previous guidance of around €1.1 billion and at least 11% of sales.

The revised targets mainly incorporate the negative impact of the first half of the year. The sales target of approximately 23% growth for the second half is being maintained, with the impact of the announced postponements of releases partly factored into previously issued guidance and partly offset by higher sales assumptions for Assassin's Creed® 2 following the very warm response received at the E3 trade show.

Yves Guillemot, Chief Executive Officer, stated: *"We are currently experiencing a very sharp slowdown in our sales for Nintendo DS as well as sales of back-catalog titles, in the context of a market that is tougher than anticipated. This will have a significant impact on our first-half showing. Against this backdrop, the solid performance of our Wii titles combined with the successful launches of Anno and Call of Juarez are points of satisfaction and demonstrate that good products are continuing to sell well. We are disappointed that we have to postpone the release of several major games but we consider that this choice is the best one in the long-term interests of Ubisoft. Lastly, we are having to adjust our full-year targets to take into account the fall in business over the first half. The excellent response to our games at E3, as well as the high buzz generated for titles such as Assassin's Creed 2, Splinter Cell Conviction and Avatar, reinforce our belief that the company can achieve strong growth in the second half of the fiscal year."*

Recent highlights

Market share: In the first six months of calendar 2009, Ubisoft was the number 5 independent publisher in the United States with 4.8% market share (compared with number 5 and 5.6% one year earlier); number 3 in Europe with 8.0% market share (compared with number 4 and 8.4%); number 3 in France with 7.7% market share (compared with number 3 and 7.3%); number 3 in the United Kingdom with 8.3% market share (compared with number 4 and 8.9%); and number 3 in Germany with 7.8% market share (compared with number 3 and 7.7%).

Opening of a new studio in Toronto: Ubisoft has announced that it will be opening a full development studio in Toronto, Ontario – a first for the company in the province. This is expected to result in the creation of 800 net new jobs within the province over the next decade. The government of Ontario is investing CA\$ 263 million over ten years in the company.

Financial calendar

Release	Date
Second-quarter 2009-10 sales	October 29, 2009

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

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Disclaimer

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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 28 countries and sales in 55 countries around the globe. It is committed to delivering high-quality, cutting-edge video game titles to consumers. Ubisoft generated sales of €1 058 million for the 2008-09 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 2009/10</u>	<u>Q1 2008/09</u>
Europe	48%	57%
North America	35%	34%
Rest of world	18%	9%
TOTAL	100%	100%

Breakdown of sales by platform

	<u>Q1 2009/10</u>	<u>Q1 2008/09</u>
Nintendo DS™	26%	37%
PC	20%	14%
PlayStation®2	1%	3%
PLAYSTATION®3	13%	21%
PSP™	4%	4%
Wii™	20%	11%
XBOX 360™	16%	9%
TOTAL	100%	100%

Breakdown of sales by business line

	<u>Q1 2009/10</u>	<u>Q1 2008/09</u>
Development	77%	81%
Publishing	19%	14%
Distribution	4%	5%
TOTAL	100%	100%

Title Release Schedule

Second Quarter (July – September 2009)

ACADEMY OF CHAMPIONS™ (UK, NORDICS COUNTRIES, AUSTRALIA)	Wii™
AMAZING ADVENTURES THE FORGOTTEN RUINS (EMEA)	Nintendo DS™
BFF TV (EMEA)	Nintendo DS™
CLOUDY WITH A CHANCE OF MEATBALLS	Nintendo DS™, Wii™, Xbox 360™, PLAYSTATION®3, PSP™, PC
BATTLE OF GIANTS™: DRAGONS	Nintendo DS™
FAMILYFEUD® 2010 EDITION (US)	Nintendo DS™, Wii™, PC
HEROES OVER EUROPE	PLAYSTATION®3, Xbox 360™, PC
IMAGINE® SALON STYLIST (US)	Nintendo DS™
IMAGINE® DETECTIVE	Nintendo DS™
IMAGINE® PARTY PLANNER (EMEA)	Nintendo DS™
IMAGINE® SOCCER CAPTAIN (US)	Nintendo DS™
IMAGINE® TEACHER: CLASS TRIP	Nintendo DS™
NEW U FITNESS FIRST PERSONAL TRAINER (EMEA)	Wii™
THE PRICE IS RIGHT® 2010 EDITION (US)	Nintendo DS™, Wii™, PC
SCRABBLE® (EMEA)	Wii™, PC
SOUL CALIBUR BROKEN DESTINY (EMEA)	PSP™
TEENAGE MUTANT NINJA TURTLES™: SMASH-UP	Wii™, PlayStation®2
WHERE' S WALDO™: THE FANTASTIC JOURNEY (US)	Nintendo DS™, Wii™, PC