



Ubisoft Reports Sales for the First Semester 2006-07

- **Fiscal first semester sales : €172M, an increase of 13%, exceeding forecasts**
- **Fiscal third quarter outlook**
- **2006-07 and 2007-08 forecasts revised upward**
- **Fiscal fourth quarter titles update**

Paris, France – October 24, 2006 – Today Ubisoft, one of the world's largest video game publishers, reports its revenue for the first semester ended September 30, 2006.

Sales for the first semester 2006-07 were €172M, up 13% (+14% at constant exchange rate) compared to €153M in the first semester 2005-06.

Sales for the second quarter 2006-07 amounted to €102M, down 7% (-4% at constant exchange rate) compared to €110M in the second quarter 2005-06. Second quarter sales outperformed by €24M the guidance of €78M communicated at the time of Ubisoft's first quarter 2006-07 report, mainly because of:

- €11M in sales of titles not included in the initial forecasts, with in particular Kingdom Hearts® II and Import Tuner Challenge™.
- An additional €10M in sales compared to initial forecasts on the titles launched during the quarter (Pirates of the Caribbean 2, Open Season™, Enchanted Arms™) and on the back catalogue (Tom Clancy's Ghost Recon Advanced Warfighter™, Over G Fighter™ and Heroes of Might and Magic® V).
- Online activity revenues that reached €3M, exceeding forecasts by €1.7M

"Ubisoft achieved a strong first semester, exceeding our first expectations by 25%," said Yves Guillemot, CEO of Ubisoft. "This performance results from:

- *The quality and diversity of our catalogue*
- *The strength of our distribution network which allows for efficient promotion of our games and brings us an increasing number of publishing and distribution deals.*
- *A leading position in the online console gaming market. With €3M in sales on Xbox Live® Marketplace, thanks particularly to Tom Clancy's Ghost Recon Advanced Warfighter which sold 150,000 downloads of an additional map pack, Ubisoft generated its first significant revenue in online gaming.*
- *The strength of the American market, which is up 18% over the 4 last months."*

Outlook

The third quarter of 2006-07 will bring an exceptional line-up:

- Leading brands: Rayman Raving Rabbids™, Tom Clancy's Rainbow Six® Vegas and Tom Clancy's Splinter Cell Double Agent™.
- Newly created brands: Red Steel™ and Dark Messiah Might and Magic™.
- Licensed games: Open Season™ and Star Wars Lethal Alliance™.
- 7 games for the Wii™ launch.

Consequently, Ubisoft anticipates revenue of approximately €270M, exceeding the group record of €250M in the third quarter of 2005-06.

Outlook for fiscal years 2006-07 and 2007-08: Taking into account its particularly strong line-up for the second semester and for the following year, Ubisoft has revised upward its 2006-2007 and 2007-2008 objectives communicated previously at the time of its 2005-06 earnings announcement:

- The revenue growth for 2006-07 is now expected to be between 8% and 12% compared to the previous forecast of 5% and 10%. The current operating income before stock-based compensation should be between 3% and 4% of total revenue as previously announced.
- For the fiscal year 2007-08, the expected revenue growth now stands at approximately 25% compared to the previous forecast of over 17%. Current operating income before stock-based compensation should represent at least 8% of the total revenue; the previous forecast mentioned a very strong improvement of current operating income before stock-based compensation.

Fiscal Fourth quarter line-up update:

- Ubisoft today announces the launch in the fiscal fourth quarter of Tom Clancy's Ghost Recon Advanced Warfighter™ 2, which will capitalize on the first episode's success (more than 2.4 millions copies sold).
- This launch will take the place of Assassin's Creed™ and Brothers In Arms Hell's Highway™, which will now strengthen fiscal year 2007-08.
- 7 additional games will be available on the Wii™, including one non announced new brand, bringing the total number of games available to 14 by the end of March 2007.

"Ubisoft managed to take full advantage of Microsoft's Xbox 360 and should now benefit from the much awaited PlayStation 3 and Wii launches, with in particular 7 titles available for the Wii", says Yves Guillemot. "We have the second largest creation workforce in the industry, which we have built up over the past 10 years, and a powerful and wide-reaching distribution network. Ubisoft has ideally positioned itself to outperform the very strong growth of the market in the coming years."

Second Quarter Highlights

Market shares: During the nine first months of the year, Ubisoft has been ranked 5th in the US with 5.3% market share (compared to 6th with 4.5% the previous year), 2nd in France with 6.6% market share (compared to 2nd and 7.3%), 2nd in the UK with 7.8% market share (compared to 3rd and 7%) and 3rd in Germany with 6.6% market share (compared to 3rd and 7%).

Ubisoft's success on Xbox Live®: Tom Clancy's Ghost Recon Advanced Warfighter™ ranked first among the solo and multiplayer games on Xbox Live® during the second calendar quarter.

Tom Clancy's Ghost Recon Advanced Warfighter™ awarded Game of the Year by BAFTA: Tom Clancy's Ghost Recon Advanced Warfighter™ received the Game of the Year award, the most coveted award of the BAFTA (British Academy of Film and Television Arts) Video Game Awards. The game also received the Technical Achievement Award.

Ubisoft's Montreal studio has emerged victorious from the CAEAA: The Canadian Electronic and Animated Arts Awards (CAEAA) bestowed 5 awards upon Ubisoft's Montreal studio: Best Graphics, Best Character and Innovation for the Xbox 360® version of Peter Jackson's King Kong: The Official

Game Of The Movie; Best Console Game for Prince of Persia The Two Thrones™; and Best Animated Visuals for Far Cry Instincts Predator™.

Quarterly sales :

| Sales (in million euros) | 2006-07 | 2005-06 | % Change | At constant exchange rate |
|-------------------------------------|----------------|----------------|-----------------|----------------------------------|
| First quarter | 70 | 43 | +62% | +64% |
| Second quarter | 102 | 110 | -7% | -4% |
| First semester | 172 | 153 | +13% | +14% |

Disclaimer:

This statement may contain financial data evaluated, information on future projects and transactions and future economic results/performance. Such valuations are provided for estimation purposes only. They are subject to market risks and uncertainties and may vary significantly with the actual results that shall be published. The financial data evaluated have been presented to the board of directors and have not been audited by the Auditors. [Additional information is specified in the last Ubisoft Background Paper filed on September 20, 2006 with the financial markets authority].

Financial Calendar

| Event | Date |
|-------------------------|------------------|
| First half-year results | December 7, 2006 |

Note that these are tentative dates and are subject to change.

About Ubisoft:

Ubisoft is a leading producer, publisher and distributor of interactive entertainment products worldwide and has grown considerably through its strong and diversified lineup 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 revenue of 547 million Euros for the 2005-2006 fiscal year, an increase of 3 percent over the previous fiscal year at constant exchange rates. To learn more, please visit www.ubisoftgroup.com.

Contact

Financial Communication

Jean-Benoît Roquette
Responsable de la Communication Financière
+ 33 1 48 18 52 39
Jean-benoit.roquette@ubisoft.com

Press

©Disney. Tim Burton's The Nightmare Before Christmas © Touchstone Pictures. Developed by SQUARE ENIX. Characters from FINAL FANTASY video game series © 1990, 1994, 1997, 1999, 2000, 2001, 2002, 2003, 2005 Square Enix Co., Ltd. All Rights Reserved. DRAGON QUEST, FINAL FANTASY, SQUARE ENIX, and the SQUARE ENIX logo are trademarks or registered trademarks of Square Enix Co., Ltd. in United Kingdom and/or other countries.

Open Season: TM & © 2006 Sony Pictures Animation Inc. All rights reserved. Game Software excluding Sony Elements: © 2006 Ubisoft Entertainment. All rights reserved.

© 2006 Genki Co., Ltd. All Rights Reserved. Published and distributed by Ubisoft Entertainment under license from Genki Co., Ltd. Import Tuner Challenge is a trademark of Ubisoft Entertainment in the US and/or other countries.

© 2006 Bethesda Softworks LLC, a ZeniMax Media company. Audio/Visual elements © Disney. Distributed under license from Buena Vista Games. Inc. Developed in association with 7 Studios. Published and distributed by Ubisoft Entertainment with Bethesda Softworks LLC. Bethesda Softworks, ZeniMax Media and their related logos are registered trademarks of ZeniMax Media Inc. in the U.S. and/or other countries.

© 2006 FromSoftware, Inc. All rights reserved. Published and distributed by Ubisoft Entertainment under license from FromSoftware, Inc. Enchanted Arms is a trademark of FromSoftware, Inc. and is used under license.

© TAITO CORP. 2005, 2006. All rights reserved. Published and distributed by Ubisoft Entertainment under license from TAITO CORP. Over G Fighters is a trademark of TAITO CORP. used under license from TAITO CORP. Produced under license from Boeing Management Company. Lockheed Martin Trademarks used under license to Taito Corporation. Produced under a license from Northrop Grumman Systems Corporation. Cooperation: Japan Air Self-Defense Force.

© 2006 Ubisoft Entertainment. All Rights Reserved. Assassin's creed, Red Steel, Rayman, Rayman Raving Rabbids, the character of Rayman, Splinter Cell, Splinter Cell Double Agent, Heroes, Might and Magic, Heroes of Might and Magic, Dark Messiah Might and Magic, Ghost Recon, Ghost Recon Advanced Warfighter, the Soldier Icon, Ubisoft, Ubi.com and the Ubisoft logo are trademarks of Ubisoft Entertainment in the US and/or other countries. Rainbow Six, Red Storm and Red Storm logo are trademarks of Red Storm Entertainment in the U.S. and/or other countries. Red Storm Entertainment, Inc. is a Ubisoft Entertainment company.

LucasArts and the LucasArts logo are trademarks of Lucasfilm Ltd. *Star Wars Lethal Alliance* is a trademark of Lucasfilm Entertainment Company Ltd © 2006 Lucasfilm Entertainment Company Ltd. or Lucasfilm Ltd. & TM as indicated. All rights reserved. Developed and published by Ubisoft Entertainment.

© 2005 Gearbox Software, LLC. All rights reserved. Published and distributed by Ubisoft Entertainment under license from Gearbox Software, LLC. Brothers In Arms Road to Hill 30 is a trademark of Gearbox Software and is used under license. Gearbox Software and the Gearbox logo are registered trademarks of Gearbox Software, LLC.

© 2006 Ubisoft Entertainment. All Rights Reserved. Far Cry, Far Cry Instincts, Far Cry Instincts Predator, Ubisoft and the Ubisoft logo are trademarks of Ubisoft Entertainment in the US and/or other countries. Based on Crytek's original Far Cry directed by Cevat Yerli. Powered by Crytek's technology "CryEngine".

© 2005 Ubisoft Entertainment. All Rights Reserved. Ubisoft and the Ubisoft logo are trademarks of Ubisoft Entertainment in the U.S. and/or other countries. Universal Studios' King Kong movie © Universal Studios. Licensed by Universal Studios Licensing LLLP. All Rights Reserved.

© 2005 Ubisoft Entertainment. All Rights Reserved. Based on Prince of Persia® created by Jordan Mechner. Prince of Persia, Prince of Persia The Two Thrones are trademarks of Jordan Mechner in the US and/or other countries used under license by Ubisoft Entertainment.

"PlayStation", "PLAYSTATION", and "PS" Family logo are registered trademarks of Sony Computer Entertainment Inc. Wii and the Wii logo are trademarks of Nintendo. © 2006 Nintendo. Microsoft, Xbox, Xbox 360, and Xbox Live are either registered trademarks or trademarks of Microsoft Corporation in the United States and/or other countries.

ANNEXES

Sales by Geographic Region

| | % SALES | % SALES |
|---------------|-------------------|-------------------|
| | H1 2006-07 | H1 2005-06 |
| Europe | 47% | 50% |
| North America | 46% | 41% |
| Rest of World | 7% | 9% |
| TOTAL | 100% | 100% |

Sales by Platform

| | H1 2006-07 | H1 2005-06 |
|------------|-------------------|-------------------|
| PC/DVD-ROM | 29% | 23% |
| PS2 | 20% | 16% |
| PSX | 0% | 0% |
| G-CUBE | 1% | 1% |
| GBA | 10% | 10% |
| XBOX | 0% | 29% |
| XBOX 360 | 27% | - |
| DS | 5% | 13% |
| PSP | 7% | 6% |
| Other | 0% | 2% |
| TOTAL | 100% | 100% |

Sales by Business

| | H1 2006-07 | H1 2005-06 |
|--------------|-------------------|-------------------|
| Development | 58% | 75% |
| Publishing | 31% | 17% |
| Distribution | 11% | 8% |
| TOTAL | 100% | 100% |

Launch Calendar

3rd Quarter (October – December 2006)

| | |
|--|---|
| Tom Clancy's Splinter Cell Double Agent™ | Xbox360, Wii, PS2, PC, Xbox, GC |
| Rayman Raving Rabbids™ | Wii, PS2, PC, GBA |
| Tom Clancy's Rainbow Six® Vegas | PS3 (US), Xbox360, PC, PSP |
| Red Steel™ | Wii |
| Dark Messiah Might and Magic™ | PC |
| Star Wars Lethal Alliance™ | DS, PSP |
| Monster 4X4 World Circuit | Wii |
| Blazing Angels™ Squadrons of WWII | PS3 (US) |
| Open Season™ (Europe only except for WII) | DS, GBA, PC, PS2, PSP, Xbox360, Xbox, G-Cube, Wii |
| Far Cry® Vengeance | Wii |
| Prince of Persia® Rival Swords | PSP (Europe) |
| Asphalt™: Urban GT 2 | DS |
| Catz® | PC, DS |
| Dogs® | PC, DS, GBA |
| Horsez® | PS2, PC, DS |
| Hamsterz Life® | DS |
| GT Pro Series | Wii |
| Heroes of Might & Magic 5 hammers of fate | PC (add-on) |
| Alexandra Ledermann 7 | DS, PC, PS2 (Europe) |
| The Elder Scrolls® IV: Knights of the Nine™ | PC (add-on, Europe) |
| Star Trek®: Legacy™ | Xbox360, PC (Europe) |
| Star Trek®: Encounters | PS2 (Europe) |
| Star Trek: Tactical Assault™ | DS, PSP (Europe) |
| Delta Force® Black Hawk Down®: Team Sabre™ | PS2 (Europe) |
| Safari Photo : wild earth | PC (US) |
| Mind Quizz | PSP |
| IL2 Series 1946 | PC (Europe) |
| Scrabble | PC (France) |
| Myst Complete Edition | PC (Europe) |
| Prince Of Persia Trilogy | PS2 (Europe) |
| GRAW Premium Edition | Xbox360 (Europe) |