



UBISOFT® REPORTS FULL-YEAR 2012-13 SALES AND EARNINGS FIGURES

- **Performance at the upper end of the recently-raised target ranges**
 - **Annual sales up 18% to €1,256 million**
 - **Non-IFRS operating income up 79% to €100 million**
- **Initial targets for fiscal 2013-14**

Paris, May 15, 2013 – Today, Ubisoft released its sales and earnings figures for the fiscal year ended March 31, 2013.

Ubisoft now presents non-IFRS information in its earnings releases as Group Management considers that "Non-IFRS operating income" and "Non-IFRS net income" – which are measures that are not prepared strictly in accordance with IFRS – are relevant indicators of the Group's operating and financial performance. Management uses them to run the Group's business as they are the best reflection of its recurring performance and exclude the majority of non-operating and non-recurring items. "Non-IFRS operating income", "Non-IFRS net income" and "Non-IFRS earnings per share" are comparable to the following three previously-used indicators: "Current operating income before stock-based compensation", "Net Income before non-recurring items and stock-based compensation" and "Earnings per share before non-recurring items and stock-based compensation". A reconciliation between the IFRS and non-IFRS measures is provided in the appendices to this press release.

Non-IFRS income statement and key financial data

In € millions	2012-13	%	2011-12	%
Sales	1,256.2		1,061.3	
Gross profit	913.5	72.7%	718.1	67.7%
R&D expenses	(428.2)	-34.1%	(348.4)	-32.8%
Selling expenses	(304.0)	-24.2%	(238.4)	-22.5%
General and administrative expenses	(81.0)	-6.4%	(75.3)	-7.1%
Total SG&A expenses	(385.0)	-30.6%	(313.7)	-29.6%
Non-IFRS operating income	100.3	8.0%	56.0	5.3%
Non-IFRS net income	69.2	5.5%	37.4	3.5%
Non-IFRS diluted EPS (in €)	0.71		0.39	
Non-IFRS Cash flows from operating activities	28.4		8.2	
R&D investment expenditure*	458.9		427.8	
Net cash position	104.6		84.6	

* Including royalties but excluding future commitments.

Commenting on these results, Yves Guillemot, Chief Executive Officer, stated *"In 2012-13 our financial performance outstripped the targets that we had announced a year ago, notably with non-IFRS operating income up 79% and higher-than-expected cash generation. The expertise and talent of our teams enabled Ubisoft to manage the year's difficult market conditions and the drop in the casual segment remarkably well. In addition, the success of Far Cry 3 confirmed our strong comeback in the major segment of shooter games."* Guillemot continued *"We began fiscal 2012-13 with two major franchises: Assassin's Creed and Just Dance. Twelve months later, we have substantially extended our reach by establishing Far Cry as another major franchise, building upon the great potential for our newest brand, Watch Dogs, and making our online/digital segment an increasingly significant part of our business. The steady rise in our operating and financial performance during the last three years is the direct result of the long-term investments we have made, with the continued development of our creative capacity and the bolstering of our expertise in online activities."*

Sales

Full-year sales for 2012-13 totaled €1,256 million, up 18.4% (or 13.5% at constant exchange rates) compared with the €1,061 million recorded for 2011-12.

Sales for the fourth quarter of 2012-13 came to €175 million versus €161 million in the corresponding prior-year period, representing an increase of 8.7% (or 9.9% at constant exchange rates). This fourth-quarter sales figure is at the upper end of the target range of €159 million to €179 million issued when Ubisoft released its sales figures for the third quarter of 2012-13.

Ubisoft's sales performance in fiscal 2012-13 reflects the following:

- €928 million in revenue generated from games for core gamers, up 60% year on year confirming Ubisoft's strong comeback in this category. The increase was fueled by record-breaking sales for Assassin's Creed® 3 (more than 12.5 million sell-in and digital units) and Far Cry® 3 (6 million sell-in and digital units), as well as by sustained revenues of the free-to-play game The Settlers® Online.
- €328 million in revenue from casual games, representing a year-on-year contraction of 32% and accounting for 26% of total sales (versus 46% in 2011-12). In this context, Just Dance® 4 confirmed its strength and status as one of the industry's major franchises with 8.5 million units sold in and a revenue decline of just 14% in value terms.

Online/digital sales leaped 86% to €148 million (included in the core and casual games figures above), which represented 11.7% of the Group's total sales.

In 2012-13, back-catalog sales dipped slightly by 4% to €206 million, thanks to sharp growth in online and digital back-catalog sales that partly offset the decrease for the retail back catalog.

Main income statement items

Gross profit totaled €913.5 million (72.7% of sales) in 2012-13, up significantly on the €718.1 million (67.7% of sales) recorded for 2011-12. Gross margin has risen steadily since 2010-11, with the increase during the past 12 months driven by higher average net selling prices for core gamer titles and Just Dance[®] 4, and by a sharp rise in high margins online sales.

Non-IFRS operating income came to €100.3 million versus €56.0 million in 2011-12. The 2012-13 figure is higher than the top end of the guidance announced a year ago of between €70 million and €90 million, and is at the upper end of the recently-raised target of between €90 million and €100 million. This performance reflects a combination of the following factors:

- A €195.4 million increase in gross profit.
- A €79.8 million rise in R&D expenses, which totaled €428.2 million (representing 34.1% of sales), versus €348.4 million (32.8% of sales) in 2011-12.
- A €71.3 million increase in total SG&A expenses to €385.0 million (30.6% of sales) from €313.7 million (29.6% of sales) in 2011-12:
 - Variable marketing expenses represented 18.2% of sales (€228.7 million) compared with 16.7% (€177.1 million) in 2011-12. The increase was notably due to the fact that these expenses are always higher at the end of a console cycle.
 - Structure costs corresponded to 12.4% of sales (€156.3 million) compared with 12.9% (€136.6 million) in 2011-12.

Non-IFRS net income totaled €69.2 million in 2012-13, representing non-IFRS diluted earnings per share of €0.71, versus €37.4 million and €0.39 respectively in 2011-12.

IFRS net income stood at €64.8 million, representing IFRS diluted earnings per share of €0.67, compared with €37.3 million and €0.39 respectively in 2011-12.

Main non-IFRS cash flow statement and balance sheet items

Non-IFRS Cash flows from operating activities came to €28.4 million compared with €8.2 million in 2011-12. This reflects a positive €58.9 million in non-IFRS cash flow from operations (versus a negative €27.0 million in 2011-12) and a €30.5 million increase in non-IFRS working capital requirement (against a €35.1 million reduction in 2011-12).

At March 31, 2013 Ubisoft had a net cash position of €104.6 million versus €84.6 million at March 31, 2012. This year-on-year change is primarily attributable to:

- The above-mentioned €28.4 million non-IFRS cash inflow from operating activities.
- €25.0 million in purchases of tangible and intangible assets.
- €4.6 million in cash outflows for business acquisitions.
- A €5.6 million inflow from capital increases.
- €10.7 million from sales of Gameloft shares.
- A €4.8 million positive currency effect.

Outlook

Full-year 2013-14

Yves Guillemot stated, *"Assassin's Creed and Just Dance have joined the prestigious club of the 20 best-selling brands for the current generation of consoles, ranking fifth and twelfth respectively. This performance was achieved thanks to high quality levels and regular releases – two key characteristics found in each of the highest-performing brands in this console cycle. Our franchises are underpinned by recognized creative know-how and premier development capacity. With more than 7,000 developers, Ubisoft has the necessary caliber to offer its fans exceptionally rich and immersive gaming experiences on a regular basis."*

Guillemot concluded, *"A new console cycle is beginning and it will offer players an unrivalled experience. They will see a major leap in quality with an extraordinary level of immersion as well as the incorporation of all of the innovations developed in recent years in online and social games, giving players the opportunity to create their own experiences and share them within their communities. In order to reap the full benefit of the strong growth expected from the launch of these new consoles, we are integrating into our next blockbusters all of the expertise we have built up over recent years through our online games such as Settlers Online, Trackmania, Howrse and Trials Evolution, as well as our online services platform Uplay which offers us a strategic link with players. Our experience in connected gaming, the quality of our brands and our ability to regularly release major titles, will be vital strengths for capturing new market share and will serve as key growth drivers for the coming years."*

The Company's initial targets for full-year 2013-14 are sales of between €1,420 million and €1,450 million, and non-IFRS operating income of between €110 million and €125 million.

- Revenue generated from games for core gamers is expected to rise strongly, with notably the launch of five major titles versus three last year. This line-up includes Assassin's Creed® 4 Black Flag™, Tom Clancy's Splinter Cell® Blacklist™, Watch Dogs™, and two titles that have not yet been announced, including one new creation.
- Revenue generated from casual games is expected to represent less than 20% of total sales.
- Online/digital sales are set to see sharp growth, fueled by digital distribution and the launch of new free-to-play titles, including The Mighty Quest for Epic Loot™, Anno® Online and Might & Magic® Heroes® Online.

Sales for the first quarter of 2013-14

The first quarter of 2013-14 will see the following main launches:

- Call of Juarez® The Gunslinger and Far Cry® 3 Blood Dragon through digital distribution on PC, PSN and XBLA
- Trackmania™ 2 Stadium through digital distribution on PC

The Group expects first-quarter 2013-14 sales to amount to approximately €70 million, representing a contraction of 47% compared with the first quarter of 2012-13 – a period that saw the release of Tom Clancy's Ghost Recon Future Soldier®.

Recent significant events

Market share: In the first three months of calendar 2013, Ubisoft was the number 4 independent publisher in the United States, with 7.7% market share (compared to number 3 and 7.1% one year earlier) and number 3 in Europe with 10.2% market share (compared to number 3 and 8.2%).

Acquisition of the remaining stake in Related Designs: Ubisoft previously owned 29.95% of Related Designs and has acquired the remaining 70.05% in a cash transaction. As part of Ubisoft, Related Designs' experienced 65-person staff will continue development of the browser-based free-to-play MMO game Might & Magic® Heroes® Online, and will work on future titles in partnership with Blue Byte, Ubisoft's studio based in Düsseldorf.

Bond placement: Ubisoft has placed €40 million worth of bonds with a five-year term and a 3.038% coupon.

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Non-IFRS financial information

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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 July 02, 2012 with the French Financial Markets Authority (*l'Autorité des Marchés Financiers*)).

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 26 countries and has sales in more than 55 countries around the globe. It is committed to delivering high-quality, cutting-edge video game titles to consumers. For the 2012-13 fiscal year Ubisoft generated sales of €1,256 million. To learn more, please visit: www.ubisoftgroup.com.

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APPENDICES

Breakdown of sales by geographic region

	% Sales	% Sales	% Sales	% Sales
	Q4 2012/13	Q4 2011/12	12 Months 2012/13	12 Months 2011/12
Europe	45%	51%	39%	40%
North America	45%	40%	54%	53%
Rest of world	10%	9%	7%	7%
TOTAL	100%	100%	100%	100%

Breakdown of sales by platform

	Q4 2012/13	Q4 2011/12	12 Months 2012/13	12 Months 2011/12
Nintendo DS™	0%	3%	1%	2%
Nintendo 3DS™	2%	5%	1%	2%
PC	20%	9%	9%	7%
PLAYSTATION®3	33%	18%	30%	22%
PSP™	1%	1%	0%	1%
Wii™	14%	24%	15%	33%
XBOX 360™	27%	22%	34%	29%
PS VITA	1%	8%	2%	1%
Wii U™	-1%	-	4%	-
Others	3%	10%	4%	3%
TOTAL	100%	100%	100%	100%

Title release schedule
1st Quarter (April – June 2013)

Online Digital mobile

CALL OF JUAREZ® THE GUNSLINGER	PC, PSN, XBLA
CSI: MIAMI HEAT WAVE™	iOS
FAR CRY® 3 BLOOD DRAGON	PC, PSN, XBLA
MIGHT & MAGIC CLASH OF HEROES®	Android
SPARTACUS LEGENDS®	PSN, XBLA
TOYS'R'US® TOWERS™	iOS
TRACKMANIA™ 2 STADIUM	PC

The Statutory Auditors have completed their audit of the consolidated financial statements. They will issue their audit report after verifying the Group's annual financial report.

Consolidated income statement (IFRS, audited)

In thousand of euros	3/31/13	3/31/12
Sales	1 256 164	1 061 296
Cost of sales	-342 655	-343 162
Gross Margin	913 509	718 134
Research and Development costs	-435 011	-355 008
Marketing costs	-304 941	-241 027
General and Administrative costs	-81 360	-76 477
Current operating income	92 197	45 623
Fair Value Variation	-4 293	0
Operating income	87 904	45 622
Net borrowing costs	-4 629	-2 527
Net foreign exchange losses	709	-3 404
Other financial income and expenses	7 919	8 397
Net financial income	3 998	2 466
Share of profit of associates	12	10
Income tax	-27 083	-10 778
Profit for the period	64 831	37 321
Earnings per share		
Basic earnings per share (in €)	0,68	0,40
Diluted earnings per share (in €)	0,67	0,39
Weighted average number of shares in issue	94 946 689	94 333 625
Diluted weighted average number of shares in issue	97 316 057	95 632 246

Reconciliation of IFRS Net income and non-IFRS Net income

In million of euros, except for per share data	2012-13			2011-12		
	IFRS	Adjustment	Non-IFRS	IFRS	Adjustment	Non-IFRS
Sales	1 256.2		1 256.2	1 061.3		1 061.3
Total Operating expenses	(1 168.3)	12.4	(1 155.9)	(1 015.7)	10.4	(1 005.3)
Stock-based compensation	(8.1)	8.1	0.0	(10.4)	10.4	0.0
Fair Value Variation	(4.3)	4.3	0.0	0.0	0.0	0.0
Other operating income and expenses	0.0	0.0	0.0	0.0	0.0	0.0
Operating Income	87.9	12.4	100.3	45.6	10.4	56.0
Net Financial income	4.0	(7.2)	(3.2)	2.5	(8.5)	(6.0)
Income tax	(27.1)	(0.8)	(27.9)	(10.8)	(1.9)	(12.7)
Net Income	64.8	4.4	69.2	37.3	0.0	37.4
Diluted earnings per share	0.67	0.04	0.71	0.39	0.00	0.39

Consolidated balance sheet (IFRS, audited)

ASSETS	Net	Net
In thousands of euros	3/31/13	3/31/12
Goodwill	145 919	147 773
Other intangible assets	547 215	520 452
Property, plant and equipment	46 489	39 177
Investments in associates	416	404
Other financial assets	3 844	3 342
Deferred tax assets	92 919	92 325
Non current assets	836 802	803 473
Inventory	17 731	20 012
Trade receivables	36 619	-13 143
Other receivables	105 744	83 592
Other current financial assets	6 850	15 287
Current tax assets	15 987	13 691
Cash and cash equivalents	237 704	175 703
Current assets	420 635	295 142
Total assets	1 257 437	1 098 616

LIABILITIES AND EQUITY	3/31/13	3/31/12
In thousand of euros		
Capital	7 441	7 369
Premiums	275 815	265 358
Consolidated reserves	490 140	452 659
Consolidated earnings	64 831	37 321
Equity (Group share)	838 227	762 707
Provisions	5 670	3 918
Employee benefit	2 997	1 568
Long-term borrowings	24 457	1 479
Deferred tax liabilities	49 181	37 396
Non-current liabilities	82 305	44 361
Short-term borrowings	108 759	91 073
Trade payables	75 963	80 800
Other liabilities	148 337	116 531
Current tax liabilities	3 847	3 145
Current liabilities	336 906	291 549
Total liabilities	419 211	335 910
Total liabilities and equity	1 257 438	1 098 616

Non-IFRS consolidated cash flow statement (Unaudited)

In thousand of euros	3/31/13	3/31/12
Consolidated earnings	64 831	37 321
+/- Share of profit of associates	-12	-10
+/- Amortization of game software	343 757	270 530
+/- Other amortization	26 497	19 596
+/- Provisions	-1 146	-7 296
+/- Cost of share-based payments	8 098	10 410
+/- Gains / losses on disposals	-7 093	-8 412
+/- Other income and expenses calculated	-1 645	731
+/- Costs of internal development and license development	-374 404	-349 859
NON-IFRS CASH FLOW FROM OPERATIONS	58 884	-26 989
Inventory	4 863	25 392
Trade receivables	-51 811	64 914
Other assets	-15 719	-34 699
Trade payables	-2 890	-16 663
Other liabilities	35 094	-3 797
+/-Non-IFRS Change in working capital from operating activities	-30 463	35 147
TOTAL NON-IFRS CASH FLOW GENERATED BY OPERATING ACTIVITIES	28 421	8 158
- Payments for the acquisition of property, plant and equipment and other intangible assets	-25 215	-26 204
+ Proceeds from the disposal of intangible assets and property, plant and equipment	207	748
+ Proceeds from sales of Gameloft shares	10 729	13 701
- Payments for the acquisition of financial assets	-5 104	-6.298
+ Repayment of loans and other financial assets	4 761	7.584
+/- Changes in scope ⁽¹⁾	-4 604	-17 971
NON-IFRS CASH USED BY INVESTING ACTIVITIES	-19 226	-28 440
Cash flows from financing activities		
+ New finance leases	23 573	0
+ New borrowings	13	47
- Repayment of finance leases	-127	-201
- Repayment of borrowings	-234	-21 791
+ Proceeds from shareholders in capital increases	5 593	446
+/- Sales / purchases of own shares	386	-1 717
CASH GENERATED (USED) BY FINANCING ACTIVITIES	29 204	-23 216
Net change in cash and cash equivalents	38 399	-43 498
Cash and cash equivalents at the beginning of the fiscal year	86 326	122 034
Impact of translation adjustments	4 782	7 789
Cash and cash equivalents at the end of the fiscal year ⁽¹⁾	129 507	86 326
⁽¹⁾ Including cash in companies acquired and disposed of	-228	-7 211

Consolidated cash flow statement (IFRS, audited)

In thousand of euros	3/31/13	3/31/12
Cash flows from operating activities		
Consolidated earnings	64 831	37 321
+/- Share of profit of associates	-12	-10
+/- Depreciation and amortization	370 254	290 126
+/- Provisions	-1 146	-7 296
+/- Cost of share-based payments	8 098	10 410
+/- Gains / losses on disposals	-7 093	-8 412
+/- Other income and expenses calculated	-1 645	731
+ Income tax paid	27 083	10 778
Inventory	4 863	25 392
Trade receivables	-51 811	64 914
Other assets	-24 625	-33 303
Trade payables	-2 890	-16 663
Other liabilities	25 853	-8 304
+/-Change in working capital from operating activities	-48 611	32 036
TOTAL CASH FLOW GENERATED BY OPERATING ACTIVITIES	411 760	365 684
- Income tax paid	-8 935	-7 667
NET CASH GENERATED BY OPERATING ACTIVITIES	402 824	358 017
Cash used by investing activities		
- Payments of internal development and license development	-374 404	-349 859
- Payments for the acquisition of intangible assets and property, plant and equipment	-25 215	-26 204
+ Proceeds from the disposal of intangible assets and property, plant and equipment	207	748
+ Proceeds from sales of Gameloft shares	10 729	13 701
+/- Other cash flows from investing activities	-5 104	-6 298
+ Repayment of loans and other financial assets	4 761	7 584
+/- Changes in scope ⁽¹⁾	-4 604	-17 971
CASH USED BY INVESTING ACTIVITIES	-393 629	-378 299
Cash flows from financing activities		
+ New long term loans	23 573	0
+ New finance leases	13	47
- Repayment of finance leases	-127	-201
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