



27 October 2009

## Half year sales of 31.1 €m

The Bigben Interactive Group achieved sales of EUR 18.0 million for the second quarter ending 30th September 2009, down by 13.9 % compared to the second quarter of the previous FY 2008/2009. Consolidated sales for the first half reached EUR 31.1 million, down by 26.4% compared to the same period in the previous FY 2008/2009.

The first and second quarters of FY 2008/2009 were hallmarked by an exceptionally strong activity due to the release in April 2008 of the 3 software titles which recorded the highest software sales volumes over the whole year; the hardware and accessory sales were then boosted beyond all expectation by the overwhelming success of these blockbusters with this trend tailing off in the 3<sup>rd</sup> quarter of FY 2008/2009. As a matter of record, the half year sales of FY 2009/2010 were slightly higher (+1.4%) than sales recorded in the first half of 2007/2008.

Sales	2007/08	2008/09	2009/10	Change
	€m	€m	€m	
1 <sup>st</sup> Quarter	14.20	21.37	13.10	- 38.7%
2 <sup>nd</sup> Quarter	16.44	20.89	17.98	- 13.9%
Total 1 <sup>st</sup> Half	30.64	42.26	31.08	- 26.4%

The video game market experienced a pause in growth at the beginning of year 2009 before entering the second phase of the cycle for home consoles (through the lower price points leading to the mass market expected for September 2009). Sales in the second quarter of FY 2009/2010 were in line with the first quarter due to the combined effect of a more drastic than ever reduction of their supplies by major retailers, of a lack of major software releases and of a still high price level for home console hardware. Only in the last month of the quarter did activity recover with the announcement of a lower price point for the PlayStation®3 home console, the Bigben Interactive Group achieving monthly sales up by 18% when compared to September 2008.

Generally speaking, the financial year 2009/2010 should be hallmarked by the expected return to a classical seasonality in the second half, with sales catching up after a sluggish first half and stock in trade being at an all-time low before the high season.

During the first six months of current FY, Bigben Interactive achieved 48.9 % of sales outside France.

In spite of the very strong seasonality of the business, the sales volume achieved will generate a profit for the interim result.



BIGBEN INTERACTIVE

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The 2<sup>nd</sup> quarter of the new financial year was globally disappointing for the Bigben Interactive Group even if the global sales slump slowed down and Exclusive distribution saw a turnaround:

- In France, total sales were down by 12% when compared to the same period of previous FY 2008-09, the only businesses recording a growth being Electronics/Audio products (+25%) as well as Exclusive Distribution (+50%), the latter due to the success of software titles published by the Group (79% of software sales).
- The slump of non exclusive distribution (- 35 %) results from a durably sluggish market (absence of software releases and high price of home console hardware almost until the last days of the period under review). Accessories, the Group' "star business", fared better but are no exception to the overall evolution with sales down by 19 %.
- Outside France, Bigben Interactive sales were equally down (- 18%) for the second quarter of the current financial year, when compared to the same period in the previous financial year, with a drop in Accessory sales in Germany (- 37 %) and Benelux (- 35%), this evolution being even more notable in export markets (- 43%). In Benelux where sales of software titles published by the Group are still of lesser importance, exclusive distribution surged by 101% due to the release of *Batman Arkham Asylum*.

The relative share of the Accessory business remained close to the level of last year, the growth of Exclusive Distribution resulting from both the success of titles published by the Group as well as from strong software releases in Benelux. Sales of products combining an innovative accessory with a dedicated software such as *Hunting Challenge* are recorded under Exclusive Distribution as the cost of goods for software is higher than for accessories.

<i>Business Share</i> (year to date)	30.09.2007	30.09.2008	30.09.2009
Accessories	60.3 %	68,5 %	66,6 %
Exclusive SW Distribution	20.2 %	13,4 %	18,3 %
<b>Group Core businesses</b>	<b>80,5 %</b>	<b>81,9 %</b>	<b>85.9 %</b>
Electronics	5,8 %	4,5 %	7,3 %
Non exclusive distribution	13,7 %	13,6 %	7,8 %
<b>Total</b>	<b>100,0 %</b>	<b>100,0 %</b>	<b>100,0 %</b>

This new evolution of the product mix with the continuing pre-eminence of the Accessory business and the rise of the software titles published by the Group (39% of Exclusive Distribution sales) had a favourable impact on the gross margin and Group operations during the first half of current FY.

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The interim results recorded since the beginning of the current FY 2009-2010 confirm the strategic choices of the BIGBEN INTERACTIVE Group in terms of products.

#### Accessories

The resilience of the accessory market was confirmed in the 2<sup>nd</sup> quarter by the sales of Bigben Interactive accessories, the development of which follows a 3 step approach:

- The use of proven technologies developed in the past by the Group which meets with the expectations of consumers looking for a fairly priced alternative for must-have products, this by offering products such as the new battery chargers for the Wii™ remote and the wireless accessories (remote and controller) for the Wii™ console. Same applies to our classic controller for the PlayStation®3 format (PS3Pad) which remains one of the best sales in GfK sell-thru reports and was supported by the new price point of the PlayStation®3 hardware applicable as from early September 2009.
- The evolution of original products such as the « Flip & Play » cases for the for the DSi™ handheld console which are meeting with the same success as the previous « Flip & Play » cases for the DS™ Lite format. The new version compatible with both hardware types should confirm its “star status” within the Bigben Interactive accessory range.
- The implementation of advanced technologies developed by the Group such as the « Magic Charger », charging through an induction process without any metal connection, which are available for the Wii™ remote and the DSi™ handheld console. The new price point of the Wii™ hardware applicable as from early October 2009 should enable new consumer categories to benefit from these technological developments.

#### Software titles (Publishing)

The end of the second quarter was equally favourable for video games published and distributed by Bigben Interactive:

- From day one of release onwards, « Hunting Challenge » scored among the top sellers in France. This hunting game for the Wii™ format sold with a replica of a shooting rifle combining both the Wii™ remote and controller, met a tremendous success in its classic and collector versions and continues to rank high in the Wii™ software top league. The same popular success was experienced with Pétanque Pro (software for the Wii™ format), the simulation of France’s favourite summer leisure activity.
- The strategy combining know-how in software publishing and accessory design should result in the releases of « Cocoto festival » (a shooting game for children with a rifle) and of two “exergames”, « My Body Coach », (a software offered with a pair of dumbbells endorsed by Valérie Orsoni), and « CyberBike » (a software offered with a home exercise bike) in the last part of the year.



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## Outlook

BIGBEN INTERACTIVE expects good Christmas sales for the FY third quarter, in the wake of signs of recovery felt at the end of first half and as a result of:

- the level of orders for accessories – the most profitable business in the Group – once again higher than the previous year ;
- the continuing success of the range of Bigben Interactive accessories for the Nintendo console hardware and the expected sales of accessories for the PlayStation®3 format in the second phase of the current product cycle;
- the first encouraging sell-through figures for the ‘Accessory + Software’ packs combining an immersive accessory with a dedicated software title, these products meeting a new demand from the market;
- the listing of the audio range with most major retailers.

Notwithstanding the contrasted evolution of the business since the beginning of the current calendar year and the importance of the commercial and logistical challenges resulting from the extreme concentration of activity over the coming weeks, the orders in the books and the impact of a lower price point for the Nintendo Wii™ home console hardware should enable the BIGBEN INTERACTIVE Group to achieve its EUR 105.0 m annual sales target, if 2009 Christmas sales meet expectations as might be presumed from the first sales trends in October.

Our results and forecast will be released during the presentation of interim results in Paris on November 17<sup>th</sup>.

*A leading independent distributor and manufacturer of video game console peripherals, **BIGBEN INTERACTIVE** offers a complete distribution solution for developers, publishers and accessory manufacturers in Continental Europe (France, Germany and Benelux).*



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