



Ubisoft® reports third-quarter 2009-10 sales

- **Third-quarter sales: €495 million**
- **Update on the rollout of the strategic plan**
- **Initial comments for 2010-11**

Paris, February 9, 2010 – Today, Ubisoft® reported its sales for the third fiscal quarter ended December 31, 2009.

Sales

Sales for the third quarter of 2009-10 came to €495 million, down 2.7%, or 2.0% at constant exchange rates, compared with €508 million recorded during the same period of 2008-09. For the first nine months of fiscal 2009-10, sales totaled €661 million versus €852 million in the corresponding prior-year period, representing a decrease of 22.5%, or 22.1% at constant exchange rates. This performance is in line with the revised targets announced on January 13, 2010.

Update on the strategic plan rollout

High-end games strategy

In line with the announcement January 13 announcement, Ubisoft continues to refocus its high-end games strategy by concentrating on more regular releases for its major franchises. These refocusing measures also comprise a reduction in new creations investments, which will enable Ubisoft to rebalance its existing resources on a constant headcount basis. This strategy will provide heightened visibility and profitability with a lower level of risk, thereby accelerating the generation of cash flow.

Online strategy

Ubisoft's online initiatives are now materializing with numerous launches in 2010-11 including Might & Magic Heroes Kingdoms™, Trackmania® 2 and Imagine Town™ – a virtual world based on the successful franchise, Imagine®. Imagine Town™ will be plugged in to UbiWorld™, the portal dedicated to young girls, which was launched in 2009.

Ubisoft is also broadening its offering of online services, through:

- Uplay™, a portal for gamers launched in late 2009 with Assassin's Creed® 2, which is set to become the online hub for Ubisoft® games.
- A platform of online services for PC titles offering gamers a more in-depth gaming experience as well as providing an innovative solution for reducing PC game piracy. The first games to benefit from this solution will be released in the coming months.

Casual games strategy

Lastly, Ubisoft® continues its initiatives in the growth segments of the casual market, in which there is still a large potential to tap. These include:

- the launch of new games for the Wii™, by capitalizing on successful titles such as Just Dance™;
- numerous projects for the launch of Natal and several games for the PLAYSTATION® 3 Motion Controller as well as Facebook.

The Group's exposure to the Nintendo DS™ segment has been significantly reduced, resulting in a sharp decrease in external investments.

Outlook

Sales for the fourth quarter of 2009-10

The fourth quarter will see the following main releases:

- Assassin's Creed® 2: Director's cut edition for PC
- Red Steel® 2 for Wii™
- The Settlers 7: Paths to a Kingdom™ for PC
- Silent Hunter® 5: Battle of the Atlantic for PC

The Group expects fourth-quarter 2009-10 sales to come in at around €200 million, approximately 3% lower than in the fourth quarter of 2008-09.

Targets for full-year 2009-10

Ubisoft confirms the recently revised targets for full-year 2009-10 : Sales of around €860 million and a current operating loss before stock-based compensation of around €50 million.

Initial comments for 2010-11

Ubisoft expects to return to profitable growth and positive cash-flow in 2010-11. This guidance is based on the following assumptions and considerations:

- A stable market in 2010.
- The launch of at least 7 franchise titles (Tom Clancy's Splinter Cell Conviction™, Driver®, Prince of Persia The Forgotten Sands™, Assassin's Creed®, Tom Clancy™'s Ghost Recon® and Raving Rabbids® have already been announced), as well as at least 2 new brands (R.U.S.E™ has already been announced) and at least 5 online games (Imagine®, Trackmania® 2 and Might & Magic Heroes Kingdoms™ have already been announced).
- Stable back-catalog sales and a slight decrease for casual sales.
- A significantly improved gross margin due to:
 - a product mix in favor of franchises for Xbox 360® and PLAYSTATION® 3
 - better profitability for the back-catalog and casual segment
 - first revenues from online games.
- An increase in R&D depreciation due to the launch of numerous high-end franchise titles. This charge should be similar to the amount of development costs capitalized during the year, which is expected to be on par with 2009-10.
- A slight decrease in SG&A expenses as a percentage of sales.

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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

	% Sales	% Sales	% Sales	% sales
	Q3 2009/10	Q3 2008/09	9 months 2009/10	9 months 2008/09
Europe	49%	55%	48%	57%
North America	45%	40%	44%	37%
Rest of world	6%	5%	7%	6%
TOTAL	100%	100%	100%	100%

Breakdown of sales by platform

	Q3 2009/10	Q3 2008/09	9 months 2009/10	9 months 2008/09
Nintendo DS™	11%	26%	14%	31%
PC	2%	7%	6%	8%
PlayStation®2	0%	1%	1%	1%
PLAYSTATION®3	30%	22%	26%	21%
PSP™	3%	2%	4%	2%
Wii™	21%	18%	21%	15%
XBOX 360™	30%	24%	26%	20%
Autres	2%	0%	2%	0%
TOTAL	100%	100%	100%	100%

Breakdown of sales by business line

	Q3 2009/10	Q3 2008/09	9 months 2009/10	9 months 2008/09
Development	96%	89%	90%	83%
Publishing	3%	6%	7%	9%
Distribution	1%	5%	3%	8%
TOTAL	100%	100%	100%	100%

Title Release Schedule

Fourth Quarter (January – March 2010)

ANNO™ 1404: VENICE ADD-ON	PC
ANNO™ DAWN OF DISCOVERY: THE HARBOR™	iPhone
ASSASSIN'S CREED® II: DIRECTOR'S CUT EDITION	PC
ASSASSIN'S CREED® II: DISCOVERY	iPhone
ASSASSIN'S CREED® II: MULTIPLAYER	iPhone
BEST FRIENDS TONIGHT™ (US)	Nintendo DS™
BOOT CAMP ACADEMY (EMEA)	Wii™
BATTLE OF GIANTS®: MUTANT INSECTS	Nintendo DS™
HELLO KITTY PUZZLE PARTY (EMEA)	PSP™
IMAGINE®: GYMNAST (US)	Nintendo DS™
IMAGINE®: REPORTER (US)	Nintendo DSi™
IMAGINE®: SWEET 16 (US)	Nintendo DS™
MIGHT AND MAGIC CLASH OF HEROES™ (EMEA)	Nintendo DS™
NO MORE HEROES™ 2: DESPERATE STRUGGLE (US)	Wii™
RAQUET SPORTS	Wii™
RED STEEL® 2	Wii™
THE SETTLERS 7 : PATHS TO A KINGDOM™	PC
SILENT HUNTER® 5 : BATTLE OF THE ATLANTIC	PC, iPhone