25 May 2010

# Year-end results 2009-10

## *Result from operations: 15.6 % of total sales*
## *Group net result: 12.7 % of total sales*

BIGBEN INTERACTIVE (ISIN FR0000074072) releases today its audited consolidated results for the financial year closing on 31 March 2010 as approved by its Board of directors on 21 May 2010.

**The financial year 2009-10 which has been hallmarked by a receding video game market ends for BIGBEN INTERACTIVE with a significant profit in all territories, a stronger market position in the accessory business across Europe and the success of its publishing strategy with "Accessory+Software" packs.**

For the year ending 31 March 2010, Group sales slightly decreased by 4.8% compared to the previous year with Group net result ending in a profit of 11.9 €m versus 16.5 €m in 2008-09. The operating result of 14.6 €m i.e. an operating margin of 15.6% was mainly accounted for by the resilient Accessory business in spite of sales being down by 12.6%, the growing share of Publishing in the Exclusive Distribution business (52% of total software sales against 39% in 2008-09) and the growth of the Audio business.

The video game market will have been receding over the entire financial year and the market share of third party accessories went down through the rise of high value products such as controllers marketed by the manufacturers of home console hardware themselves. Therefore the BIGBEN INTERACTIVE Group could hardly make for lost sales in the first half of FY 2009-10 (-26%) despite the tangible recovery during the second half (+11%) with in particular the fast developing sales of « accessories + software » packs and of peripherals incorporating a high electronic content.

*Consolidated financial highlights (IFRS standards)*

| | **2007-08 €m** | **2008-09 €m** | **Change** | **2009-10 €m** | **Change** |
|---|---|---|---|---|---|
| Revenue (Sales) | 84,2 | 98,5 | *+ 17 %* | 93,8 | *- 4,8%* |
| **Result from operations** | 11,7 | 17,7 | *+ 51 %* | 14,6 | *- 17,6 %* |
| Net financing result | -2,0 | -1,2 | *ns* | -0,7 | *- 39,9%* |
| **Earnings before tax** | **9,7** | **16,5** | ***+ 70 %*** | **13,8** | *- 16,0%* |
| Tax ** | 1,9 | 0,0 | *ns* | -1,9 | *ns* |
| **Group net result** | **11,6** | **16,5** | *+ 43 %* | **11,9** | *- 27,5 %* |

*(**) deferred tax posted as a 2.1 €m asset in 2007-08, 0.9. €m in 2008-09 and1.1 €m in 2009-10*

*Result per territory*

The contribution of the French entities of the Bigben Interactive Group to the result from operations went from +10.7 €m in 2008-09 to +9.4 €m (16.1% of sales) this year, whereas contribution to the Group's result went from +10.4 €m to 7.5 €m (13.2% of sales), reflecting the resilient Accessory business in France, the success of the Exclusive Distribution business with 83 % of software sales coming from game titles published by the Group, the faster growth of the Audio business and the promising launch of e-commerce activities.

Outside France, Benelux significantly improved its profitability against last year with a contribution to the result from operations of 1.6 €m (9.8% of sales) against 1.2 €m in 2008-09 while its contribution to the Group's profit of 1.0 €m (6.5% of sales) remained equivalent to the previous financial year. The market share achieved in the Accessory business and the growth of 104% in Publishing resulted in improved operations and the steady growth of Publishing should entail another favourable evolution of year-end result in FY 2010-11.

In Germany, the drastic streamlining of their inventories by retailers resulted in deferred orders, the Accessory business returning to growth in December 2009 only. In spite of this downturn impacting the operating margin, Bigben Interactive GmbH was able to contribute 1.9 €m (12.8% of sales) to the Group's operating profit and 1.8 €m to the Group's result (12.0%). The confirmed market leadership of BIGBEN INTERACTIVE in Germany and Austria as well as the launch of the Exclusive distribution (Publishing) business should enable the subsidiary to show an improvement of its profit at the 2010-11 year end.

*Ratios*

An improving cash position across the full financial year enabled the avoidance of any seasonal credit for Christmas 2009. Cash in hand amounted to 16.4 €m as at 31 March 2010.
Increasing working capital requirements resulted from higher inventories at the year end in order to avoid previous shortages of exclusive products (longer production leadtimes and transportation) manufactured in Asia as well as to seize market opportunities in view of promotional sales in the high season.
Working capital was doubled year on year by the reconstitution of shareholders' funds with the profit recorded for the FY 2008-09 and the exercise of 2006 warrant bonds of which the subscription period ended on 30 June 2009.

| | 2007/08 M€ | 2008/09 M€ | 2009/10 M€ | *March10 vs March09* | *%* |
|---|---|---|---|---|---|
| Net financial debt | 18,3 | 6,9 | - 5,9 | *- 13,0* | *ns* |
| Working capital requirements | 18,0 | 22,7 | 25,7 | *+ 3,0* | *+ 13,3%* |
| Operating capital | - 0,3 | 15,8 | 31,6 | *+ 15,8* | *+ 99,9%* |
| Sales | 84,2 | 98,5 | 93,8 | *-4,7* | *- 4,8 %* |
| Overheads | 18,9 | 20,2 | 21,4 | *+ 1,2* | *+ 5,9 %* |
| Net financial result | 2,0 | 1,2 | 0,7 | *- 0,5* | *- 39,9 %* |

The moderate increase in overheads is mostly linked to the rising cost of road shipping to customers and marketing investments for the new products
The net financial cost fell by 40% at the same pace as in previous financial year.
The gearing (net financial debt/shareholders funds) is now -13%against 23%in previous financial year.

*Profitability*

| | 2007-08 €m | % Sales | 2008-09 €m | % Sales | 2009-10 €m | % Sales |
|---|---|---|---|---|---|---|
| Revenue (Sales) | 84,15 | | 98,49 | | 93,79 | |
| **Result from operations** | 11,73 | *13,9%* | 17,74 | *18,0 %* | 14,61 | *15,6 %* |
| **Earnings before tax** | 9,71 | *11,5%* | 16,54 | *16,8%* | 13,89 | *14,8%* |
| **Group net result** | 11,56 | *13,7%* | 16,48 | *16,7 %* | 11,95 | *12,7 %* |

As first announced on 17 November 2009 and confirmed in January and April 2010, the Group fulfilled its target for an operating result in excess of 15 % thanks to the sales recovery (+11%) in the second half of the financial year. Decreasing financial expenses favourably impacted earnings before tax.

## ***Outlook***

The Group's action plan for FY 2009-10 is based on a double goal approach: reinforce leadership achieved for console accessories and maintain the most flexible operating structure possible in order to ensure a continuing growth in the best possible return conditions. Therefore the main targets of the Group for the current financial year are:

- the opening of new export markets, banking on the leadership achieved on the main markets of continental Europe in order to reinforce the commercial presence at the Northern and Eastern edges of the continent ;
- a strong integration across the Group for the marketing of accessories and for an optimised stock management (under strong up- and downstream constraints) relying on the centralisation of logistics for all European customers;
- the confirmation of the strategy of joint designing/publishing of video games and accessories which led to innovative products such as *Hunting Challenge, Cyberbike* or *My Body Coach* for a complete gaming immersion.

Prospects for sales and results for FY 2009/10 are based on the following observations:

- the prospects for a market recovery with the potential of the PS3 format reaching full maturity and soon to benefit from motion recognition features with the Move technology but also with the launch of the new Nintendo hardware formats i.e. the 3DS handheld console before the end of current FY and the possible arrival in 2011 of the hardware replacing the Wii home console ;
- the gradual launch of new "accessory + software" packs in the wake of 2009 successes with in particular two hunting games in pure arcade style (*Bird Hunt* for wildfowl and *Deer Drive* for big game), a fishing game (*Shimano Fishing)* and several exergames featuring pétanque (*Petanque Master)*, ball games (*Kick Party)* and biking (*Magnetic Cyberbike),* as well as additional software developments in the pipeline which altogether should generate further growth of the "Publishing/exclusive distribution" business;

- the further growth of the Audio business in France and abroad ;
- the expected growth of products offered (peripherals and applications) for the Apple hardware formats close to video gaming, i.e. for iPhone as well as for iPad ;
- a steady growth of consolidated sales over the 2010-11 financial year.

In view of the above and in the present state of its knowledge of the short term evolution of the market, the BIGBEN INTERACTIVE Group targets a significant growth of annual sales beyond 100 M€ and a result from operations in excess of 15 % of sales for FY ending on 31 March 2011, net financial debt remaining at the zero level in the same scope of consolidation.

Dividend

In order to reward shareholder loyalty, the Board of Directors will propose to the next Annual General Meeting the approval of the distribution of a net dividend of €UR 0.40 per share.

*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).*