



Ubisoft® reports third-quarter 2008-09 sales

- **Third-quarter sales up 13% to €508 million.**
- **Update on the games release schedule.**
- **Full-year 2008-09 targets adjusted.**
- **Initial targets for 2009-10.**

Paris, January 22, 2009 – Today, Ubisoft reported its sales for the third fiscal quarter ended December 31, 2008.

Sales

Sales for the third quarter of 2008-09 came to €508 million, up 12.9%, or 17.0% at constant exchange rates, compared with the €450 million recorded for the same period of 2007-08. For the first nine months of fiscal 2008-09 sales totaled €852 million versus €711 million in the corresponding prior-year period, representing an increase of 19.8%, or 24.8% at constant exchange rates.

Third-quarter sales came in slightly higher than the guidance of approximately €500 million issued when Ubisoft released its sales figures for the second quarter of 2008-09. This performance was primarily attributable to:

- The diversity and quality of Ubisoft's games line-up for the holiday period, with a targeted offering for each type of consumer.
- A solid showing from franchise titles launched during the quarter, particularly Far Cry® 2 and Rayman Raving Rabbids® TV Party which generated sell-in sales of 2.9 million and 1.5 million units respectively and offset the impact of a slower take-off for Prince of Persia® (2.2 million units).
- The creation of a new multi-million units selling franchise – Shaun White Snowboarding – which was the quarter's number two sports game in the United States and recorded 2.3 million units sell-in worldwide.
- The ongoing success of the Group's casual games, notably the very robust performance turned in by the Imagine® range fueled by the success of Imagine Teacher and Imagine Wedding Designer. For 2008, Ubisoft's market share for Nintendo DS™ games is 13.5% in Europe and 12,0% in the United States.

Yves Guillemot, Chief Executive Officer, stated: *"The Christmas period proved to be even more competitive than we expected. Against this backdrop, our sales figures demonstrate the strength of Ubisoft's business model which is based on competitive development costs, a varied range of owned brands, constant innovation and a great capacity for responsiveness. We posted strong growth on the Nintendo consoles which accounted for 44% of our sales, with two particularly successful titles for the Wii – Shaun White Snowboarding and Rayman Raving Rabbids® TV Party. However, as some of our games did not meet the required quality levels to achieve their full potential they need more sales promotions than anticipated. We have adjusted our targets for full-year 2008-09 in order to take into account both these additional promotions and the need for a prudent approach as we start the fourth fiscal quarter."*

Outlook

Fourth-quarter 2008-09 sales

The fourth quarter of the fiscal year will see the following main releases:

- Tom Clancy's Hawx™ for the Xbox 360™, PC and PLAYSTATION®3
- Tom Clancy's EndWar® for PC
- Grey's Anatomy: The Video Game for the Nintendo DS™, Wii™ and PC
- New casual games for the Nintendo DS™ and Wii™, including Imagine, Petz® and Jake Power™ titles.

As expected, sales for the fourth quarter of 2008-09 should come in at between €190 million and €210 million, representing a decrease of between 12% and 3% compared with the equivalent period of 2007-08.

Update on the games release schedule

"I Am Alive™" will require further development time and will now bolster the line-up for 2009-10.

Adjustment of full-year 2008-09 targets

In order to take into account the extra sales promotions required for certain games and the need for a prudent approach at the start of the fourth fiscal quarter, Ubisoft has adjusted its targets for full-year 2008-09. The Company now expects to report sales of between €1,040 million and €1,060 million, compared with its previous guidance of approximately €1,050 million. The target for current operating income before stock-based compensation is now between 12% and 13% of sales, versus the previous forecast of at least 13%.

Initial targets for 2009-10

Yves Guillemot continued: *"2009-10 looks very promising and our teams are working flat-out to provide gamers with the best the industry has to offer. Our line-up comprises several potential blockbusters with the launch of 7 franchises, including Assassin's Creed®, Splinter Cell® and Ghost Recon®, as well as 4 license-based games including James Cameron's Avatar, 3 new brands and a further-enhanced casual games portfolio. Although we have to be cautious in light of the current economic environment, we expect Ubisoft to once again be one of the most dynamic and profitable publishers in the games industry in 2009."*

Ubisoft's initial sales target for 2009-10 is approximately €1,100 million and it expects current operating income before stock-based compensation to represent at least 11% of sales. These estimates take into account the following:

- Market growth of between 5% and 10% in 2009, on the back of the strong rise in the installed base of new-generation consoles in 2008.
- An increase in gross profit reflecting the launch of a greater number of high-margin titles.
- A rise in R&D costs due to a product mix geared more toward higher-investment games.
- Gains on marketing expenses due to a product mix geared more toward blockbusters and less casual.

These forecasts have been drawn up taking into account the launch of i) 7 franchise titles, including Assassin's Creed 2, Tom Clancy's Splinter Cell Conviction™, Tom Clancy's Ghost Recon and Anno®; ii) 3 new brands including I Am Alive; iii) 4 movie license-based games including James Cameron's Avatar, a new Teenage Mutant Ninja Turtles game and the sequel to Arthur and the Invisibles; and iv) an enriched casual games portfolio which will be focused on the successful Petz, Imagine, My Coach and PlayZone™ series.

Recent highlights

Market share: In calendar 2008 Ubisoft was the number 4 independent publisher in the United States with 5,4% market share (compared with number 3 and 6,1% one year earlier); number 3 in Europe with 8.1% market share (compared with number 2 and 8.7%); number 3 in France with 8.1% market share (compared with number 2 and 9.2%); number 3 in the United Kingdom with 8.3% market share (compared with number 2 and 9.1%); and number 3 in Germany with 7.7% market share (compared with number 2 and 7.6%).

Acquisition of Southlogic Studios in Brazil: Established in 1996 in Porto Alegre (Rio Grande do Sul), Southlogic's team of around 20 developers has created titles for PC, handheld and home consoles and provided art outsourcing and porting services. The studio has worked for various European, Japanese and American publishers and recently developed Imagine™: Wedding Designer on the Nintendo DS™ for Ubisoft.

Financial calendar

Release	Date
Fourth-quarter 2008-09 sales	April 23, 2009

This date is subject to change and will be confirmed at a later stage.

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Disclaimer

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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 is present in 28 countries and has sales in 55 countries around the globe. It is committed to delivering high-quality, cutting-edge video game titles to consumers. For the 2007-08 fiscal year Ubisoft generated sales of €928 million. To learn more, please visit www.ubisoftgroup.com.

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APPENDICES

Breakdown of sales by geographic region

	% sales	% sales	% sales	% sales
	Q3 2008/09	Q3 2007/08	9 months 2008/09	9 months 2007/08
Europe	55%	53%	57%	53%
North America	40%	41%	37%	41%
Rest of world	5%	6%	6%	7%
TOTAL	100%	100%	100%	100%

Breakdown of sales by platform

	Q3 2008/09	Q3 2007/08	9 months 2008/09	9 months 2007/08
Nintendo DS™	26%	28%	31%	24%
GBA	0%	1%	0%	2%
PC	7%	6%	8%	8%
PlayStation®2	1%	4%	1%	6%
PLAYSTATION®3	22%	19%	21%	19%
PSP™	2%	2%	2%	5%
Wii™	18%	11%	15%	11%
XBOX 360™	24%	30%	20%	25%
TOTAL	100%	100%	100%	100%

Breakdown of sales by business line

	Q3 2008/09	Q3 2007/08	9 months 2008/09	9 months 2007/08
Development	89%	91%	83%	86%
Publishing	6%	8%	9%	12%
Distribution	5%	2%	8%	3%
TOTAL	100%	100%	100%	100%

Games Release Schedule

Fourth quarter (January – March 2009)

BROKEN SWORD	Wii™, Nintendo DS™
CHRONO TRIGGER (AUSTRALIA – DENMARK)	Nintendo DS™
CSI: NEW YORK (EUROPE)	PC
DISGAEA 3 ABSENCE OF JUSTICE (AUSTRALIA –NORDICS - FRANCE)	PLAYSTATION®3
DRAGONQUEST® HAND OF THE HEAVENLY BRIDE (AUSTRALIA – NORDICS - BENELUX - FRANCE)	Nintendo DS™
FASHION STUDIO: PARIS COLLECTION	Nintendo DS™
GREY'S ANATOMY: THE VIDEO GAME	Wii™, Nintendo DS™, PC
IMAGINE® BALLET DANCER (EUROPE)	Nintendo DS™
IMAGINE® CHEERLEADER (US)	Nintendo DS™
IMAGINE® FAMILY DOCTOR	Nintendo DS™
IMAGINE® FASHION PARTY	Wii™
IMAGINE® ICE CHAMPIONS	Nintendo DS™
IMAGINE® MOVIE STAR (EUROPE)	Nintendo DS™
IMAGINE® POP SUPERSTAR (EUROPE)	Nintendo DS™
JAKE POWER™: SOCCER STAR (EUROPE)	Nintendo DS™
JAKE POWER™: FIREMAN (US)	Nintendo DS™
JAKE POWER™: HANDYMAN (US)	Nintendo DS™
JAKE POWER™: POLICEMAN (US)	Nintendo DS™
JOJO'S FASHION SHOW™	Nintendo DS™
LAST REMNANT (AUSTRALIA – NORDICS)	PC
MONKEY MADNESS (EUROPE)	Wii™
MY ENGLISH COACH™ LEVEL 1	Nintendo DS™
MY FITNESS COACH (AUSTRALIA – UK)	Wii™
PETZ® MY BABY PANDA (EUROPE)	Nintendo DS™
PETZ® HORSESHOE RANCH	Nintendo DS™
PETZ® MY KITTY FAMILY (EUROPE)	Nintendo DS™
PETZ® MY MONKEY FAMILY (EUROPE)	Nintendo DS™
PETSHOP STORY (EUROPE)	Nintendo DS™
RHAPSODY: A MUSICAL ADVENTURE (AUSTRALIA – NORDICS)	Nintendo DS™
SCRABBLE® 2009 (UK – FRANCE - AUSTRALIA)	Nintendo DS™
STAR OCEAN: SECOND EVOLUTION (EUROPE)	PSP™
TENCHU: SHADOW ASSASSINS	Wii™
TENCHU: SHADOW ASSASSINS (US)	PSP™
TOM CLANCY'S ENDWAR™	PC
TOM CLANCY'S H.A.W.X™	PLAYSTATION®3, Xbox 360™, PC
TOTALLY SPIES AGENDA (EUROPE)	Nintendo DS™
VACATION SPORTS	Wii™
WORD ACADEMY (EUROPE)	Nintendo DS™
WORLD IN CONFLICT®: SOVIET ASSAULT	PC