



UBISOFT® REPORTS FULL-YEAR 2011-12 RESULTS

- **Full-year sales: €1,061 million**
- **Ongoing improvement in profitability:**
 - **Current operating income¹: €56.0 million**
 - **Net income excluding non-recurring items¹: €37.4 million**
 - **Net cash position : €84.6 million**
- **Initial targets for fiscal 2012-13**

Paris, May 15, 2012 – Today, Ubisoft released its sales and earnings figures for the fiscal year ended March 31, 2012.

Key financial data

In € millions	2011-12	%	2010-11	%
Sales	1,061.3		1,038.8	
Gross profit	718.1	67.7%	673.6	64.8%
R&D expenses	(348.4)	-32.8%	(363.5)	-35.0%
Selling expenses	(238.4)	-22.5%	(212.9)	-20.5%
General and administrative expenses	(75.3)	-7.1%	(67.9)	-6.5%
Total SG&A expenses	(313.7)	-29.6%	(280.7)	-27.0%
Current operating income¹	56.0	5.3%	29.4	2.8%
Non-recurring reorganization charges	-		(95.9)	
Operating income/(loss)	45.6	4.3%	(80.4)	-7.7%
Profit/(loss) for the period	37.3	3.5%	(52.1)	-5.0%
Diluted EPS (in €)	0.39		(0.54)	
Diluted EPS before non-recurring items¹ (€)	0.39		0.22	
Cash flows from operating activities	8.2		54.2	
R&D investment expenditure*	427.7		400.4	
Net cash position	84.6		99.2	

* Including royalties but excluding future commitments.

¹ Before stock-based compensation

Yves Guillemot, Chief Executive Officer, stated *"Ubisoft achieved a 90% surge in current operating income in fiscal 2011-12, in the upper range of the targets announced a year ago. This achievement was notably spurred by strong growth in online/digital revenue. We ended the year in a solid financial position – all the while having continued to invest in the future – primarily thanks to better-than-expected cash flows. Lastly, thanks to our focus on ramping up our teams' online expertise, combined with the know-how brought in by our recent acquisitions and with the recruitment of specialized talent, we are now in a position to fully seize the numerous current and future opportunities of the video game industry."*

Sales

Full-year sales for 2011-12 totaled €1,061 million, up 2.1% (or +3.9% at constant exchange rates) compared with the €1,039 million recorded for 2010-11.

Sales for the fourth quarter of 2011-12 came to €161 million versus €178 million in the corresponding prior-year period, representing a decrease of 9.6% (or -11.2% at constant exchange rates).

Fourth-quarter sales were in line with the guidance of between €150 million and €180 million issued when Ubisoft released its sales figures for the third quarter of 2011-12.

Ubisoft's performance in fiscal 2011-12 reflects the following:

- €578 million in revenue generated from games for core gamers, fueled by an excellent showing from Assassin's Creed® Revelations and from the free-to-play game The Settlers® Online, as well as the critical successes of Rayman® Origins and Driver® San Francisco.
- €483 million in revenue from casual games, driven by the exceptional ongoing success of Just Dance®, the excellent momentum of the free-to-play game Howrse, and the successful launch of Rocksmith™.
- A 110.8% leap in online/digital sales to €80 million (included in the core and casual games figures above).

Main income statement items

Gross profit totaled €718.1 million, representing a significantly higher percentage of sales in 2011-12, amounting to 67.7% against 64.8% in 2010-11. Following the increase already observed in 2010-11, this further rise primarily reflects a sharp improvement in back catalog gross profit as well as the strong growth in online sales, which have very high margins.

Current operating income before stock-based compensation amounted to €56.0 million, representing a sharp increase on the €29.4 million reported in 2010-11. The 2011-12 figure falls in the upper range of the guidance announced a year ago of between €40 million and €60 million, and is in line with the Group's recent upward revised target of between €45 million and €65 million. It reflects the combination of the following factors:

- A €44.5 million increase in gross profit.
- A €15.1 million reduction in R&D expenses, which came to €348.4 million, representing 32.8% of sales, versus €363.5 million (35.0% of sales) in 2010-11. The decrease was due to fewer High Definition games released during the year, partly offset by an increase in both royalties and certain non-capitalized online expenses.
- A €33.0 million increase in total SG&A expenses to €313.7 million (29.6% of sales) from €280.7 million (27.0% of sales) in 2010-11:
 - Variable marketing expenses represented 16.7% of sales (€177.1 million) compared with 15.4% (€160.4 million) in 2010-11, an increase mainly attributable to growth in both the dance games and online segments.
 - Structure costs represented 12.9% of sales (€136.6 million) compared with 11.5% (€120.3 million) in 2010-11. This rise was primarily due to higher costs related to the online activity.

Ubisoft reported operating income of €45.6 million for full-year 2011-12 (including €10.4 million in stock-based compensation), compared with an €80.4 million operating loss in 2010-11 which included €95.9 million in non-recurring charges and €12.6 million in stock-based compensation.

Net financial income came to €2.5 million (compared with net financial expense of €3.7 million in 2010-11), primarily breaking down as follows:

- €2.5 million in financial charges against a €5.0 million charge in 2010-11, which included a €3.6 million charge related to sales of tax carry-back receivables.
- €3.4 million in foreign exchange losses, versus a €4.3 million loss in 2010-11.
- A €8.5 million positive impact mainly from the sale of 3.2 million Gameloft shares (€5.7 million positive impact in 2010-11). At March 31, 2012, 3.2 million Gameloft shares were still recorded in the balance sheet.

Ubisoft ended fiscal 2011-12 with net income of €37.3 million, representing diluted earnings per share of €0.39, versus a net loss of €52.1 million and a diluted loss per share of €0.54 one year earlier.

Excluding non-recurring items and before stock-based compensation, net income would have amounted to €37.4 million, representing diluted earnings per share of €0.39, versus net income of €21.4 million and diluted earnings per share of €0.22 for 2010-11.

Main cash flow statement and balance sheet items (unaudited)

Cash flows from operating activities came to €8.2 million versus €54.2 million in 2010-11. This reflects a negative €27.0 million in cash flow from operations (versus a positive €28.3 million in 2010-11) and a €35.2 million reduction in working capital requirement (against a €25.9 million reduction in 2010-11). Excluding one-time events and on a comparable basis, the difference between cash flows from operating activities in 2011-12 and 2010-11 showed an improvement of €15.9 million.

¹ Before stock-based compensation

At March 31, 2012, Ubisoft had a net cash position of €84.6 million versus €99.2 million at March 31, 2011. This year-on-year change was primarily attributable to:

- The above-mentioned €8.2 million net cash flow from operating activities.
- €25.5 million in purchases of tangible and intangible assets.
- €1.3 million in buybacks of Ubisoft shares.
- €13.7 million from the sale of Gameloft shares.
- €17.5 million in acquisitions.
- A €7.8 million positive effect from exchange rate fluctuations.

Outlook

Full-year 2012-13

Yves Guillemot stated, *"For 2012-13 we expect to see an increase of between 25% and 61% in current operating income¹ and positive cash flows from operating activities. Our efforts to constantly enhance the quality of our games, combined with the investments we have made in the fast growing Free-to-Play segment should result in a strong topline and profitability growth for our core gamers titles and for our online segment"*.

He went on to say *"From a longer-term perspective, Ubisoft is positioning itself to capitalize on:*

- *the forthcoming arrival of the next generation of consoles which will be increasingly connected and will strongly boost the market thanks to a new qualitative leap and the integration of social games benefits and the item based model,*
- *the ongoing strong growth in the Free-to-Play market for PCs, smartphones and tablets.*

Yves Guillemot concluded *"These major opportunities will enable us to extend our global reach, increase our average revenue per user (ARPU) and therefore raise the profitability potential of each of our brands"*.

The Company's initial targets for full-year 2012-13 are sales of between €1,160 million and €1,200 million, current operating income¹ of between €70 million and €90 million and positive cash flows from operating activities.

Sales for the first quarter of 2012-13

The first quarter of 2012-13 will see the following main launches:

- Tom Clancy's Ghost Recon Future Soldier™ for Xbox 360®, PLAYSTATION® 3 and PC,
- more than 15 online and digital titles, including Trials Evolution on XBLA and Silent Hunter® Online as a web-based Free to Play.

The Group expects first-quarter 2012-13 sales to amount to around €115 million, up by approximately 11% on the first quarter of 2011-12.

¹ Before stock-based compensation

Significant events

Market share: In the first three months of calendar 2012, Ubisoft was the number 3 independent editor in the United States with 7.0% market share (compared with number 3 and 8.2% one year earlier) and number 3 in Europe with 8.2% market share (compared with number 3 and 8.3%).

In calendar 2011, Ubisoft was the number 3 independent publisher in the United States with 8.4% market share (compared with number 3 and 7.3% one year earlier) and was also number 3 in Europe with 8.7% market share (compared with number 3 and 9.0%).

Equity Line: Set up of an equity line to strengthen Ubisoft external growth capacity. The Company will be able to carry out successive capital increases representing a maximum aggregate of approximately 9.9% of the share capital.

Grant of free share subscription warrants (BSA) : Shareholders have been granted one BSA per one registered share at the close of trading on April, 5 2012. 11 BSA will be exercisable for 1 new share, at an exercise price of €7.

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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 June 28, 2011 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 2011-12 fiscal year Ubisoft generated sales of €1,061 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 2011/12	Q4 2010/11	12 Months 2011/12	12 months 2010/11
Europe	51%	47%	40%	39%
North America	40%	47%	53%	55%
Rest of world	9%	6%	7%	6%
TOTAL	100%	100%	100%	100%

Breakdown of sales by platform

	Q4 2011/12	Q4 2010/11	12 Months 2011/12	12 months 2010/11
Nintendo DS™	3%	5%	2%	5%
Nintendo 3DS™	5%	20%	2%	3%
PC	9%	17%	7%	5%
PLAYSTATION®3	18%	7%	22%	19%
PSP™	1%	2%	1%	2%
Wii™	24%	37%	33%	38%
XBOX 360™	22%	9%	29%	27%
PS VITA	8%	-	1%	-
Others	10%	3%	3%	1%
TOTAL	100%	100%	100%	100%

Breakdown of sales by business line

	Q4 2011/12	Q4 2010/11	12 Months 2011/12	12 months 2010/11
Development	93%	86%	96%	96%
Publishing	6%	10%	2%	3%
Distribution	1%	4%	2%	1%
TOTAL	100%	100%	100%	100%

¹ Before stock-based compensation

Title release schedule
1st Quarter (April – June 2012)

PACKAGED GOODS

FANTASY PETZ®	Nintendo 3DS™
FUNKY BARN	Nintendo 3DS™
JUST DANCE® GREATEST HITS	Kinect™ for Xbox 360®
MAD RIDERS™	PC
MONSTER TRUCK NEW (EMEA)	Nintendo 3DS™
RAYMAN® ORIGINS	Nintendo 3DS™
TERA™ (EMEA)	PC
TOM CLANCY'S GHOST RECON FUTURE SOLDIER™	PC, PLAYSTATION®3, Xbox 360™

ONLINE DIGITAL

BABEL RISING 3D	iPad, iPhone
BABEL RISING	Android, XBLA, PSN, Windows Phone
FROM DUST®	GOOGLE CHROME
HORSE HAVEN™	Facebook
HOUSE, M.D.™ CRITICAL CASES	Facebook
I AM ALIVE™	PSN
MAD RIDERS™	XBLA, PSN
MIGHT & MAGIC® DUEL OF CHAMPIONS	Web-based, iPad (EMEA)
MONSTER BURNER	iPhone
MOTOHEROZ®	iPad, iPhone
PRINCE OF PERSIA® CLASSIC HD	Android
RABBIDS GO HOME®	Android, iPad, iPhone
RAVING RABBIDS®	Facebook
SILENT HUNTER® ONLINE	Web-based
THE BLACK EYED PEAS® EXPERIENCE	iPad, iPhone
TOM CLANCY'S GHOST RECON® COMMANDER	Facebook
TRIALS EVOLUTION	XBLA

¹ Before stock-based compensation

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

In thousand of euros	03/31/12	03/31/11
Sales	1 061 296	1 038 826
Cost of sales	-343 162	-365 208
Gross Margin	718 134	673 618
Research and Development costs	-348 407	-363 505
Marketing costs	-238 392	-212 868
General and Administrative costs	-75 302	-67 880
Current operating income before SO	56 033	29 365
Stock-based compensation	-10 410	-11 121
Current operating income	45 623	18 244
Fair Value Variation	0	-1 354
Other operating income and expenses	0	-97 376
Operating income	45 623	-80 486
Net borrowing costs	-2 527	-5 087
Net foreign exchange losses	-3 404	-4 310
Other financial income and expenses	8 397	5 718
Net financial income	2 466	-3 679
Share of profit of associates	10	0
Income tax	-10 778	32 045
Profit for the period	37 321	-52 120
Earnings per share		
Basic earnings per share (in €)	0,40	-0,55
Diluted earnings per share (in €)	0,39	-0,54
Weighted average number of shares in issue	94 334	94 454
Diluted weighted average number of shares in issue	95 632	96 961

¹ Before stock-based compensation

Consolidated balance sheet

ASSETS	Net	Net
In thousands of euros	3/31/12	3/31/11
Goodwill	147 773	108 125
Other intangible assets	520 452	451 701
Property, plant and equipment	39 177	34 824
Investments in associates	404	393
Other financial assets	3 342	3 335
Deferred tax assets	92 325	82 525
Non current assets	803 473	680 903
Inventory	20 013	35 217
Trade receivables	-13 143	49 263
Other receivables	83 592	59 478
Other current financial assets	15 287	29 112
Current tax assets	13 691	10 574
Cash and cash equivalents	175 703	193 354
Current assets	295 144	376 998
Total assets	1 098 617	1 057 901

LIABILITIES AND EQUITY	3/31/12	3/31/11
In thousand of euros		
Capital	7 369	7 341
Premiums	265 358	527 469
Consolidated reserves	452 659	231 305
Consolidated earnings	37 321	-52 120
Equity (Group share)	762 707	713 995
Provisions	3 918	2 295
Employee benefit	1 568	1 196
Long-term borrowings	1 479	1 894
Deferred tax liabilities	37 396	30 990
Non-current liabilities	44 361	36 375
Short-term borrowings	91 073	92 732
Trade payables	80 800	110 947
Other liabilities	116 531	96 847
Current tax liabilities	3 145	7 005
Current liabilities	291 549	307 531
Total liabilities	335 910	343 906
Total liabilities and equity	1 098 617	1 057 901

¹ Before stock-based compensation

Consolidated cash flow statement for comparison with other industry players
(Unaudited and not included in the consolidated financial statements)

In thousand of euros	31.03.12	31.03.11 Restated*	31.03.11 As reported
Consolidated earnings	37 321	-52 120	-52 120
+/- Share of profit of associates	-10	0	0
+/- Amortization of game software	270 530	382 906	382 906
+/- Other amortization	19 596	22 377	22 377
+/- Provisions	-7 296	6 684	6 684
+/- Cost of share-based payments	10 410	12 556	12 556
+/- Gains / losses on disposals	-8 412	-5 559	356
+/- Other income and expenses calculated	731	271	271
+/- Costs of internal development and license development	-349 859	-338 820	-338 820
CASH FLOW FROM OPERATIONS	-26 989	28 295	34 210
Inventory	25 392	4 862	4 862
Trade receivables	64 914	19 389	19 389
Other assets*	-34 699	-932	3 635
Trade payables	-16 663	-4 559	-4 559
Other liabilities	-3 797	7 110	7 110
+/-Change in working capital from operating activities	35 147	25 870	30 437
TOTAL CASH FLOW GENERATED BY OPERATING ACTIVITIES	8 158	54 165	64 647
- Payments for the acquisition of property, plant and equipment and other intangible assets	-26 204	-22 246	-22 246
+ Proceeds from the disposal of intangible assets and property, plant and equipment	748	231	231
+ Proceeds from sales of Gameloft shares*	13 701	10 482	0
- Payments for the acquisition of financial assets	-6.298	-16 095	-16 095
+ Repayment of loans and other financial assets	7.584	17 003	17 003
+/- Changes in scope ⁽¹⁾	-17 970	-5 465	-5 465
CASH USED BY INVESTING ACTIVITIES	-28 440	-16 090	-26 572
Cash flows from financing activities			
+ New finance leases	0	36	36
+ New borrowings	47	86	86
- Repayment of finance leases	-201	-192	-192
- Repayment of borrowings	-21 791	-750	-750
+ Proceeds from shareholders in capital increases	446	1 771	1 771
+/- Sales / purchases of own shares	-1 717	-422	-422
+/- other flows (carry back sold)	0	21 886	21 886
CASH GENERATED (USED) BY FINANCING ACTIVITIES	-23 216	22 415	22 415
Net change in cash and cash equivalents	-43 498	60 490	60 490
Cash and cash equivalents at the beginning of the fiscal year	-122 034	-64 976	-64 976
Impact of translation adjustments	7 789	-3 433	-3 433
Cash and cash equivalents at the end of the fiscal year	86 326	122 034	122 034
⁽¹⁾ Including cash in companies acquired and disposed of	-7 211	141	141

* Proceeds from sales of Gameloft shares are now allocated in Investing Activities

Consolidated cash flow statement

In thousand of euros	31.03.12	31.03.11 Restated*	31.03.11 As reported
Cash flows from operating activities			
Consolidated earnings	37 321	-52 120	-52 120
+/- Share of profit of associates	-10	0	0
+/- Depreciation and amortization	290 126	405 283	405 283
+/- Provisions	-7 296	6 684	6 684
+/- Cost of share-based payments	10 410	12 556	12 556
+/- Gains / losses on disposals	-8 412	-5 559	356
+/- Other income and expenses calculated	731	271	271
+ Income tax paid	10 778	-32 042	-32 042
Inventory	25 392	4 862	4 862
Trade receivables	64 914	19 389	19 389
Other assets*	-33 303	42 254	46 821
Trade payables	-16 663	-4 559	-4 559
Other liabilities	-8 304	9 023	9 023
+/-Change in working capital from operating activities	32 036	70 969	75 536
TOTAL CASH FLOW GENERATED BY OPERATING ACTIVITIES	365 684	406 042	416 524
- Income tax paid	-7 667	-13 057	-13 057
NET CASH GENERATED BY OPERATING ACTIVITIES	358 017	392 985	403 467
Cash used by investing activities			
- Payments of internal development and license development	-349 859	-338 820	-338 820
- Payments for the acquisition of intangible assets and property, plant and equipment	-26 204	-22 246	-22 246
+ Proceeds from the disposal of intangible assets and property, plant and equipment	748	231	231
+ Proceeds from sales of Gameloft shares*	13 701	10 482	0
+/- Other cash flows from investing activities	-6 298	-16 095	-16 095
+ Repayment of loans and other financial assets	7 584	17 003	17 003
+/- Changes in scope ⁽¹⁾	-17 971	-5 465	-5 465
CASH USED BY INVESTING ACTIVITIES	-378 299	-354 910	-365 392
Cash flows from financing activities			
+ New long term loans	0	36	36
+ New finance leases	47	86	86
- Repayment of finance leases	-201	-192	-192
- Repayment of borrowings	-21 791	-750	-750
+ Proceeds from shareholders in capital increases	446	1 771	1 771
+/- Sales / purchases of own shares	-1 717	-422	-422
+/- Other flows (carry back sold)	0	21 886	21 886
CASH GENERATED (USED) BY FINANCING ACTIVITIES	-23 216	22 415	22 415
Net change in cash and cash equivalents	-43 498	60 490	60 490
Cash and cash equivalents at the beginning of the fiscal year	-122 034	-64 976	-64 976
Impact of translation adjustments	7 789	-3 433	-3 433
Cash and cash equivalents at the end of the fiscal year	86 325	122 033	122 033
⁽¹⁾ Including cash in companies acquired and disposed of	-7 211	141	141

* Proceeds from sales of Gameloft shares are now allocated in Investing Activities

Reconciliation of Net income before non recurring elements and stock based compensation

In million of euros, except for per share data	2011-12			2010-11		
	As reported	Adjustment	Before non recurring elements and stock based compensation	As reported	Adjustment	Before non recurring elements and stock based compensation
Sales	1 061.3		1 061.3	1 038.8		1 038.8
Total Operating expenses	(1 015.7)	10.4	(1 005.3)	(1 119.3)	109.9	(1 009.4)
Stock-based compensation	(10.4)	10.4	0.0	(12.6)	12.6	0.0
Fair Value Variation	0.0	0.0	0.0	(1.4)	1.4	0.0
Other operating income and expenses	0.0	0.0	0.0	(95.9)	95.9	0.0
Operating Income	45.6	10.4	56.0	(80.5)	109.8	29.4
Net Financial income	2.5	(8.5)	(6.0)	(3.7)	(6.0)	(9.7)
Income tax	(10.8)	(1.9)	(12.6)	32.0	(30.3)	1.7
Net Income	37.3	0.0	37.4	(52.1)	73.5	21.4
Diluted earnings per share	0.39	0.00	0.39	(0.54)	0.76	0.22

¹ Before stock-based compensation