



## **Update on third fiscal quarter performance and annual targets**

- **2009-10 targets revised downwards**
- **Releases of Tom Clancy's Splinter Cell Conviction™ and R.U.S.E™ postponed to 2010-11**
- **Initial information on the 2010-11 line-up**

**Paris, January 13, 2010** – Today, Ubisoft updated its 2009-10 targets.

The sales targets for third-quarter and full-year 2009-10 have been revised downwards to €495 million and around €860 million respectively, from the previously announced figures of €540 million and €1,040 million.

These downward revisions are due to the following factors:

- A further correction in the market for DS titles. After several years of very strong growth, the significant correction of the DS market in 2009 particularly affected Ubisoft. As a result, despite relatively robust sales for Wii casual games, and particularly the success of Just Dance, sales in the casual segment are expected to be down for the full year by around €160 million, representing a drop of around 50%.
- Further market concentration towards AAA high-quality games. Ubisoft has demonstrated its ability to react to this trend through the success of Assassin's Creed 2, which has achieved sell-through sales topping 6 million. However, not all of the Company's games have reaped the full benefits of the measures implemented, with James Cameron's Avatar™: The game and several non-casual Wii titles reporting lower-than-expected sales.
- Underperformance by back catalog titles due to both of the above-mentioned trends.
- The postponed release dates for Tom Clancy's Splinter Cell Conviction™ and R.U.S.E™, which were previously scheduled for the fourth quarter of 2009-10, and will now be released in 2010-11. Splinter Cell Conviction™ is now expected to hit the stores in April 2010.

In addition, Ubisoft now expects to end the year with a current operating loss before stock-based compensation of around €50 million, rather than the previously announced target of current operating income amounting to at least €70 million. This negative swing reflects the following:

- Lost earnings due to lower-than-expected sales.
- Additional depreciation and impairment charges for:
  - o under-performing products and back-catalog titles,
  - o abandoned projects, as well as certain games scheduled for release in future periods,
  - o write-downs of inventories.
- The postponed release dates for Tom Clancy's Splinter Cell Conviction™ and R.U.S.E™.

Yves Guillemot, Chief Executive Officer, stated *"Despite a number of highly successful titles, such as Assassin's Creed 2 – which is expected to reach 9 million sell-in units by the end of March 2010 – and Just Dance – our great Wii success during the holiday season – Ubisoft has not met its financial targets. The considerable contraction in the DS market during the year particularly affected Ubisoft, leading to a €160 million, or almost 50%, year-on-year drop in the Company's casual segment sales. At the same time, like in 2008, the year 2009 saw the release of many more very high-quality games than in the past. Against this backdrop and with a view to further reducing our exposure to the DS, we intend to continue to refocus our development resources on our major franchises and on the Xbox360 and PS3, the two consoles which are expected to see sales growth in games for gamers in 2010. Ubisoft has already demonstrated its capacity for success in the high-end games market thanks to Assassin's Creed 2, with sales 40% higher than for the first title. The 2010-11 line-up – which is stronger in franchises for Xbox360 and PS3 – reflects our refocusing efforts and should enable us to both win market share and enhance our profitability."*

### **Initial information on the 2010-11 line-up**

The 2010-11 fiscal year will see a greater number of franchise releases than in 2009-10, including Tom Clancy's Splinter Cell Conviction™, a new game in the Tom Clancy™'s Ghost Recon® series, Prince of Persia The Forgotten Sands™, Driver®, Raving Rabbids™ 4 and a new episode of Assassin's Creed®, which will be the first in the series to have an online multiplayer mode. The 2010-11 line-up will be more focused on the Xbox 360® and PLAYSTATION® 3, the consoles which are expected to experience sustained sales growth in games for gamers in calendar 2010. Other new franchises and innovations will also be announced throughout the year.

Ubisoft will release its final sales figures for the third quarter of 2009-10 in February.

The Company will organize a conference call at 6.15 p.m. (CET) this evening, which will be accessible via the following address: [www.ubisoftgroup.com/ir](http://www.ubisoftgroup.com/ir)

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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](http://www.ubisoftgroup.com).

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