



Ubisoft reports revenues for the first-quarter 2006-2007

- **Revenue : 70M€, a 62% increase compared to the first-quarter 2005-2006.**
- **Continued success of Tom Clancy's Ghost Recon Advanced Warfighter™ and successful launch of Heroes of Might & Magic® V.**
- **Guidance for fiscal year 2006-2007 are confirmed.**

Paris, July 27, 2006 – Ubisoft, one of the world's largest video game publishers, today announced sales for the first quarter ended June 30, 2006.

Revenue for the first quarter of fiscal year 2006-2007 was 70 M€, an increase of 62% (64% at constant exchange rates) compared to 43 M€ in the first quarter of 2005-2006. First quarter sales outperformed the guidance of 60 M€ communicated at the time of Ubisoft's fourth quarter 2005-2006 revenue release.

85% of first quarter sales were generated on high margin platforms (PC and new generation consoles).

Best selling products included :

- Tom Clancy's Ghost Recon Advanced WarFighter® with over 570 000 units sold (Xbox360 and PC),
- Heroes of Might & Magic® V (PC), with more than 350 000 units sold. Upon launch, Heroes of Might and Magic® V ranked N°1 in PC sales in the UK, France and Germany.

The strong growth seen during the quarter was mainly related to strong sales in the United States, which saw a 34% increase in sell-through in an overall market which was up by 7%¹. North American sales represented 49% of total revenue, compared to 31% in the first quarter of 2005-2006. In the first six months of the calendar year, Ubisoft's US market share increased to 7%, compared to 5% in the first half-year of 2005.

Yves Guillemot, CEO of Ubisoft said "Ubisoft had a very good start of the year thanks to the success of Heroes of Might & Magic® V on the PC and Tom Clancy's Ghost Recon Advanced Warfighter™, the highest selling game on the Xbox360™ in 2006². We are also pleased to note the spectacular launch of the Nintendo DS Lite™ and the solid performance of the Xbox 360™ in the American market, a trend which bodes well for the coming upturn of the video games market."

¹ Source: NPD – all platforms combined, in value, during fiscal first quarter 2006.

² Source : NPD

Outlook

For the second quarter of fiscal 2006-2007, with the launch of titles such as Pirates of the Caribbean 2, Open Season™ and Enchanted Arms™, the group anticipates sales of approximately 78 M€, leading to a mostly stable fiscal first half year in comparison with last year. The third quarter will see a strong activity, notably with the launch of Tom Clancy's Splinter Cell Double Agent™ (whose launch date is now scheduled for the end of October 2006), Rayman Raving Rabbids™, Red Steel™, Tom Clancy's Rainbow Six® Vegas, (...). Ubisoft confirms full year 2006-2007 guidance provided at the time of its full year 2005-2006 earnings release (5 to 10% sales growth and current operating income before stock based compensation to represent between 3 and 4% of total revenue).

Yves Guillemot continued : "Ubisoft continues its investments in order to be a dominant player on next-generation consoles. On July 13th we announced the upcoming acquisition of Driver® and its technology, as well as the integration of its development team. Driver® is a mythic brand which has already sold more than 14 million units around the world. This striking acquisition allows us to enter the driving game segment, one of the most important segments in the video game industry. We've already proved our ability to relaunch brands and make them into franchises that create strong value. Driver will stand with Tom Clancy's Splinter Cell®, Prince of Persia®, Rayman®, Brothers in Arms™, Tom Clancy's Ghost Recon® (...), as one of the major Ubisoft franchises."

Disclaimer

This statement may contain financial data evaluated, information on future projects and transactions and future economic results/performance. Such valuations are provided for estimation purposes only. They are subject to market risks and uncertainties and may vary significantly with the actual results that shall be published. The financial data evaluated have been presented to the board of directors and have not been audited by the Auditors. (Additional information is specified in the last Ubisoft Background Paper filed on September 14, 2005 with the financial markets authority).

Financial Calendar

Event	Date
Annual General Meeting	September 25, 2006
Second quarter sales	Last week of October 2006

Note that these are tentative dates and are subject to change.

Contact

Investor Relations

Jean-Benoît Roquette
Head of Investor Relations
+ 33 1 48 18 52 39

Jean-benoit.roquette@ubisoft.com

About Ubisoft

Ubisoft is a leading producer, publisher and distributor of interactive entertainment products worldwide and has grown considerably through its strong and diversified lineup of products and partnerships. Ubisoft has offices in 21 countries and sales in more than 50 countries around the globe. It is committed to delivering high-quality, cutting-edge video game titles to consumers. Ubisoft generated revenue of 547 million Euros for the 2005-2006 fiscal year. To learn more, please visit www.ubisoftgroup.com.

© 2006 Ubisoft Entertainment. All Rights Reserved. Ghost Recon, Ghost Recon Advanced Warfighter, the Soldier Icon, Ubisoft, Ubi.com and the Ubisoft logo are trademarks of Ubisoft Entertainment in the US and/or other countries. PC version developed by Grin.

© 2002 Ubisoft Entertainment. All Rights Reserved. Splinter Cell, Sam Fisher, Ubisoft and the Ubisoft logo are trademarks of Ubisoft Entertainment in the U.S. and/or other countries.

© 2005 Ubisoft Entertainment. Based on Prince of Persia® created by Jordan Mechner. All Rights Reserved. Ubisoft and the Ubisoft logo are trademarks of Ubisoft Entertainment in the U.S. and/or other countries. Prince of Persia is a trademark of Jordan Mechner in the U.S. and/or other countries used under license by Ubisoft Entertainment.

© 1995 Ubisoft Entertainment. All Rights Reserved. Rayman, the character of Rayman, Ubisoft and the Ubisoft logo are trademarks of Ubisoft Entertainment in the U.S. and/or other countries.

© 2005 Gearbox Software, LLC. All rights reserved. Published and distributed by Ubisoft Entertainment under license from Gearbox Software, LLC. Brothers In Arms is a trademark of Gearbox Software and is used under license. Ubisoft, Ubi.com and the Ubisoft logo are trademarks of Ubisoft Entertainment in the U.S. and/or other countries. Gearbox Software and the Gearbox logo are registered trademarks of Gearbox Software, LLC.

© 2001 Red Storm Entertainment. All Rights Reserved. Ghost Recon, Ubisoft, Ubi.com and the Ubisoft logo are trademarks of Ubisoft Entertainment in the US and/or other countries. Red Storm and the Red Storm logo are trademarks of Red Storm Entertainment in the US and/or other countries. Red Storm Entertainment, Inc. is a Ubisoft Entertainment company.

© 2006 Bethesda Softworks LLC, a ZeniMax Media company. Audio/Visual elements © Disney. Distributed under license from Buena Vista Games. Inc. Developed in association with 7 Studios. Published and distributed by Ubisoft Entertainment with Bethesda Softworks LLC. Bethesda Softworks, ZeniMax Media and their related logos are registered trademarks of ZeniMax Media Inc. in the U.S. and/or other countries. Ubisoft and the Ubisoft logo are trademarks of Ubisoft Entertainment in the U.S. and/or other countries. PlayStation and the PlayStation logo are registered trademarks of Sony Computer Entertainment Inc. All Rights Reserved.

© 2006 1C Company. Developed by Best Way. All Rights Reserved. Published and distributed by Ubisoft Entertainment under license from 1C Company. French, German, Italian and Spanish Translations © 2006 Ubisoft Entertainment. All Rights Reserved. Faces of War, Ubisoft and the Ubisoft logo are trademarks of Ubisoft Entertainment in the US and/or other countries.

© 2005 Sony Online Entertainment Inc. SOE and the SOE logo are registered trademarks and Field Commander is a trademark of Sony Online Entertainment Inc. All rights reserved. Published and distributed by Ubisoft Entertainment under license from Sony Online Entertainment Inc. Ubisoft and the Ubisoft logo are trademarks of Ubisoft Entertainment in the U.S. and/or other countries. PSP and the "PSP" logo are trademarks of Sony Computer Entertainment Inc. "PlayStation" and the "PS" Family logo are registered trademarks of Sony Computer Entertainment Inc. Memory Stick Duo™ may be required (sold separately). The ratings icon is a registered trademark of the Entertainment Software Association. All rights reserved.

© 2006 FromSoftware, Inc. All rights reserved. Published and distributed by Ubisoft Entertainment under license from FromSoftware, Inc. Enchanted Arms is a trademark of FromSoftware, Inc. and is used under license. Ubisoft, Ubi.com and the Ubisoft logo are trademarks of Ubisoft Entertainment in the U.S. and/or other countries.

Open Season: TM & © 2006 Sony Pictures Animation Inc. All rights reserved. Game Software excluding Sony Elements: © 2006 Ubisoft Entertainment. All rights reserved. Ubisoft and the Ubisoft logo are trademarks of Ubisoft Entertainment in the U.S. and/or other countries.

©1996 -2006 Ubisoft Entertainment. All Rights Reserved. The Settlers, Blue Byte and the Blue Byte logo are trademarks of Red Storm Entertainment in the US and/or other countries. Ubisoft and the Ubisoft logo are trademarks of Ubisoft Entertainment in the US and/or other countries. Red Storm Entertainment Inc is a Ubisoft Entertainment company. Original Settlers II developed by Blue Byte Software.

©CAPCOM CO., LTD. 2005 ALL RIGHTS RESERVED./ILLUSTRATIONS : Kazuma Kaneko/ATLUS. Distributed by Ubisoft Entertainment. Ubisoft and the Ubisoft logo are trademarks of Ubisoft Entertainment in the US and/or other countries.

© 2006 MTO, Inc. All Rights Reserved. Published and distributed by Ubisoft Entertainment under license from MTO. Dogz, Ubisoft and the Ubisoft logo are trademarks of Ubisoft Entertainment in the U.S. and/or in other countries.

© 2005 Ubisoft Entertainment. All Rights Reserved. Heroes, Might and Magic, Heroes of Might and Magic, Ubisoft and the Ubisoft logo are trademarks of Ubisoft Entertainment in the U.S. and/or other countries. Developed by Nival Interactive

© 2006 Ubisoft Entertainment. All Rights Reserved. Splinter Cell, Splinter Cell Double Agent, Sam Fisher, the Soldier Icon, Ubisoft, Ubi.com and the Ubisoft logo are trademarks of Ubisoft Entertainment in the U.S. and/or other countries.

Sales by Geographic Region

	% SALES	% SALES
	Q1 2006-07	Q1 2005-06
Europe	43%	55%
North America	49%	31%
Rest of World	8%	14%
TOTAL	100%	100%

Sales by Platform

	Q1 2006-07	Q1 2005-06
PC/DVD-ROM	43%	30%
PS2	8%	3%
PSX	0%	0%
G-CUBE	-2%	1%
GBA	8%	18%
XBOX	1%	6%
XBOX 360	30%	-
DS	3%	30%
PSP	9%	7%
Other	0%	3%
TOTAL	100%	100%

Sales by Business

	Q1 2006-07	Q1 2005-06
Development	55%	68%
Publishing	30%	21%
Distribution	15%	11%
TOTAL	100%	100%

Launch Calendar

2nd Quarter (July – September 2006)

Pirates of the Carribean 2	PC, PS2
Faces of War™ (Outfront 2)	PC
Field Commander™	PSP
Enchanted Arms™	Xbox360
Open Season™	DS, GBA, PC, PS2, PSP, Xbox360, Xbox, G-Cube
The Settlers® 2 the 10th Anniversary	PC
Devil May Cry™ 3 Special Edition (US)	PC
Fashion Dogz® (US)	GBA