



UBISOFT® REPORTS THIRD-QUARTER 2018-19 SALES

**Company delivers solid performance in very competitive environment,
confirms increasingly recurring profile, growing strategic value of its brands**

Q3 2018-19: NET BOOKINGS IN LINE WITH THE GROUP'S TARGET

- Sales for the first nine months of fiscal 2018-19 at €1,329.0 million
- Net bookings for the first nine months at €1,351.9 million, up 13.5%
 - €605.8 million in net bookings for the third quarter (down 16.4%), vs a target of approximately €600 million
 - Solid performance by Assassin's Creed® Odyssey, with a strong increase in player engagement and digital performance
 - 2 Ubisoft titles ranked in the top 10 best-sellers of 2018¹: Far Cry® 5 (4th) and Assassin's Creed Odyssey (10th)
 - PC and mobile net bookings up by 58.1% and 77.6% respectively over the first nine months of the fiscal year
 - 205% surge in Rainbow Six® Siege's esports viewership in 2018²
 - Tom Clancy communities: Surpassed 70 million unique players³
- Digital net bookings: up 33.9% to €897.8 million for the first nine months (66.4% of total net bookings vs 56.3% one year earlier)
 - PRI⁴ net bookings: up 38.9% to €444.3 million (32.9% of total net bookings vs 26.8% one year earlier)
- Back catalog net bookings: up 38.6% to €842.9 million for the first nine months (62.3% of total net bookings vs 51.1% one year earlier)

2018-19 TARGETS CONFIRMED FOR NET BOOKINGS, NON-IFRS OPERATING INCOME AND FREE CASH FLOW

¹ Source: GFK/GSD/NPD/Ubisoft estimates, in value, XboxOne, PS4, PC, EMEA/NCSA, including physical and digital sales, excluding PRI

² Live and VOD, 2018 calendar year

³ To be compared with 55 million unique players as of December 31st, 2017 (net of restatement for 5 million players)

⁴ Player Recurring Investment includes sales of digital items, DLC, season passes, subscriptions and advertising

Paris, February 14, 2019 – Today, Ubisoft released its sales figures for the third fiscal quarter of 2018-19, corresponding to the three months ended December 31, 2018.

Yves Guillemot, Co-Founder and Chief Executive Officer, said *"Ubisoft delivered a solid performance in a quarter when, as expected, competition was particularly fierce. Our remarkable resilience was underpinned by the high quality of our games and services, our ability to reach a much wider audience than before – on more platforms and in more geographic regions – and the benefits gained from our digital transformation. In view of our robust momentum and the upcoming releases of The Division 2 and Far Cry New Dawn, we expect to see record performances for fourth-quarter and full-year 2018-19."*

Over the years, Ubisoft has proved its ability to adapt to and profit from new market trends, and we will continue to do so. The digital revolution is profoundly transforming our industry and is offering a major competitive advantage to content creators. It is enabling us to build a direct relationship with player communities, who have a significant impact on our games and their success. This competitive advantage is apparent in the growing number of distribution platforms that are competing with one another to obtain high quality content. Other key opportunities also will carry the industry forward in the coming years, including the opening up of the Asian market and the growth of esports as well as streaming and artificial intelligence. Against this backdrop, Ubisoft is building its organizational structure for the long term. Leveraging the ownership of our IPs and studios, we are striving to provide a fulfilling working environment so that our talented people can realize their full potential and to deliver players beneficial experiences that go beyond pure entertainment. Therefore, we are confident in our ability to continue to grow and increase our profitability over the coming years."

Sales and net bookings

Note

The Group presents indicators which are not prepared strictly in accordance with IFRS as it considers that they are the best reflection of its operating and financial performance. The definitions of the non-IFRS indicators are provided in an appendix to this press release. The Group applied the new revenue standard, IFRS 15, for the first time in its financial statements for the year commencing April 1, 2018. The main consequences of applying this standard are the deferred recognition of (i) a portion of revenue generated from "Live Services" games until after the initial delivery date of the game concerned, and (ii) revenue generated from license and distribution agreements.

In € millions	Q3 2018-19	9 months 2018-19
Sales	562.0	1,329.0
Deferred services/other differences* between the 2 norms	43.8	22.9
Net bookings	605.8	1,351.9

* Relating to license and distribution deals

Sales for the third quarter of fiscal 2018-19 amounted to €562.0 million (€560.9 million at constant exchange rates⁵). For the first nine months of fiscal 2018-19, sales totaled €1,329.0 million (€1,339.6 million at constant exchange rates).

Net bookings for the third quarter of 2018-19 came to €605.8 million, down 16.4% (16.6% at constant exchange rates) on the €725.0 million recorded for third-quarter 2017-18. For the first nine months of fiscal 2018-19, net bookings amounted to €1,351.9 million, up 13.5% (14.4% at constant exchange rates) on the €1,191.2 million recorded for the same period of 2017-18.

Outlook

Full-year 2018-19

Ubisoft confirms its targets for full-year 2018-19, namely:

- Net bookings of around €2,050.0 million
- Non-IFRS operating income (based on net bookings) of around €440.0 million
- Free cash flow of around €300.0 million

The sales target of around €2,000.0 million has been adapted to around €1,900.0 million due to clarifications on IFRS 15 norms.

Sales for the fourth quarter of 2018-19

- Ubisoft expects sales to come in at approximately €571.0 million.
- Net bookings are forecast to total around €698.0 million, up by approximately 29% on fourth-quarter 2017-18.

⁵ Sales at constant exchange rates are calculated by applying to the data for the period under review the average exchange rates used for the same period of the previous fiscal year.

Recent significant events

Acquisition of i3D.net, a leader in hosting solutions for the gaming industry. The acquisition – which is scheduled to be completed by the end of fiscal 2018-19 – greatly strengthens Ubisoft’s ability to deliver high-quality online experiences to its communities.

Ubisoft and Epic Games are partnering to bring Tom Clancy’s The Division® 2 to the Epic Games store. The Division 2 on PC will be available for purchase online from the Epic Games store following the release of the game on March 15th, 2019.

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Disclaimer

This release 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 not been audited by the Statutory Auditors. (Additional information is specified in the most recent Ubisoft Registration Document filed on June 6, 2018 with the French Financial Markets Authority (Autorité des Marchés Financiers)).

About Ubisoft

Ubisoft is a leading creator, publisher and distributor of interactive entertainment and services, with a rich portfolio of world-renowned brands, including Assassin’s Creed, Far Cry, For Honor, Just Dance, Watch_Dogs, and Tom Clancy’s video game series including Ghost Recon, Rainbow Six and The Division. The teams throughout Ubisoft’s worldwide network of studios and business offices are committed to delivering original and memorable gaming experiences across all popular platforms, including consoles, mobile phones, tablets and PCs. For the 2017-18 fiscal year Ubisoft generated sales of €1,732 million. To learn more, please visit www.ubisoftgroup.com.

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APPENDICES

Definition of non-IFRS financial indicators

Net bookings corresponds to the "Sales" indicator used prior to fiscal 2018-19 (i.e. sales excluding the impacts of the application of IFRS 15)/

Non-IFRS operating income corresponds to operating income (based on net bookings) less the following items:

- Stock-based compensation expense arising on free share plans, group savings plans and/or stock options.
- Amortization of acquired intangible assets with indefinite useful lives.
- Non-operating income and expenses resulting from restructuring operations within the Group.

Non-IFRS operating margin corresponds to non-IFRS operating income expressed as a percentage of sales. This ratio is an indicator of the Group's financial performance.

Free cash flow corresponds to cash flows from operating activities after cash inflows/outflows arising on the disposal/acquisition of other intangible assets and property, plant and equipment.

Breakdown of net bookings by geographic region

	Q3 2018-19	Q3 2017-18	9 months 2018-19	9 months 2017-18
Europe	39%	39%	36%	36%
North America	41%	47%	44%	48%
Rest of world	20%	14%	20%	16%
TOTAL	100%	100%	100%	100%

Breakdown of net bookings by platform

	Q3 2018-19	Q3 2017-18	9 months 2018-19	9 months 2017-18
PLAYSTATION®4	31%	44%	36%	41%
XBOX One™	18%	25%	20%	23%
PC	24%	15%	22%	16%
NINTENDO SWITCH™	11%	6%	7%	8%
MOBILE	8%	3%	8%	5%
XBOX 360™, PS®3, Wii™, Wii U™	3%	4%	2%	3%
Others*	5%	3%	5%	4%
TOTAL	100%	100%	100%	100%

*Ancillaries, ...

Title release schedule
4th quarter (January – March 2019)

PACKAGED & DIGITAL

ASSASSIN'S CREED® III REMASTERED	PC, PLAYSTATION®4, Xbox One, NINTENDO SWITCH™
FAR CRY® NEW DAWN	PC, PLAYSTATION®4, Xbox One
TOM CLANCY'S THE DIVISION® 2	PC, PLAYSTATION®4, Xbox One
TRIALS® RISING	PC, PLAYSTATION®4, Xbox One, NINTENDO SWITCH™

DIGITAL ONLY

ASSASSIN'S CREED® ODYSSEY : Legacy of the First Blade : Episode 2- Shadow Heritage	PC, PLAYSTATION®4, Xbox One
ASSASSIN'S CREED® ODYSSEY : Legacy of the First Blade : Episode 3 - Bloodline	PC, PLAYSTATION®4, Xbox One
FOR HONOR® : Vortiger	PC, PLAYSTATION®4, Xbox One
IS IT LOVE?™ BLUE SWAN	GOOGLE PLAY, APP STORE
STEEP® ROCKET WINGS DLC	PC, PLAYSTATION®4, Xbox One
TOM CLANCY'S GHOST RECON® WILDLANDS -SPECIAL OPERATION 4	PC, PLAYSTATION®4, Xbox One
TOM CLANCY'S RAINBOW SIX® SIEGE YEAR 4 SEASON 1	PC, PLAYSTATION®4, Xbox One