



UBISOFT REPORTS THIRD-QUARTER 2017-18 SALES

Company records very solid performance for the quarter, with great execution across the board

Q3 2017-18: STRONG RISE IN SALES, OUTSTRIPPING TARGETS

- €725.0 million in third-quarter sales, up 36.8% year on year, outstripping Ubisoft's revised target of around €700.0 million and its original target of €630.0 million.
- Great execution across the board¹
 - Assassin's Creed® Origins:
 - Industry's third best-seller in EMEA in 2017
 - Average playtime per player expected to almost double²
 - Tom Clancy communities: almost 60 million unique players
 - Ghost Recon® Wildlands: Industry's seventh best-seller in EMEA and tenth in NCSA in 2017
 - Rainbow Six® Siege esports: World-famous teams – Evil Geniuses, Team Liquid, FaZe Clan and Counter Logic Gaming – joined the Pro League
 - The Division®: Player engagement more than doubling with the 1.8 update
 - Switch™: Ubisoft is the console's leading third-party publisher, with Mario + Rabbids® Kingdom Battle ranking top-seller for Switch's third-party games
 - For Honor®: Fifth most viewed new game on Twitch in 2017
 - Mobile: 75.6% growth and partnership signed between Ketchapp and Tencent in China
- Very significant advance for digital transformation (nine-month period)
 - Sharp 75.0% rise in Digital revenue to €670.3 million (representing 56.3% of total sales compared with 47.2% one year earlier)
 - PRI³ surges 87.4% to €318.5 million (representing 26.7% of total sales compared with 20.9% one year earlier)
- Confirmation of the strongly recurring profile of the Group's business (nine-month period)
 - Back-catalogue sales up 31.5% to €608.8 million

TARGETS⁴ FOR FULL-YEAR 2017-18 AND 2018-19 CONFIRMED

¹ Sources NPD, GfK, GSD, internal estimates, in value term, physical & digital sales

² Playtime projection over the 1st year, compared with the average for the franchise's other games (excluding AC4 Blackflag)

³ Player Recurring Investment includes sales of digital items, DLC, season passes, subscriptions and advertising

⁴ Targets based on currently-applicable IFRS

Paris, February 12, 2018 – Today, Ubisoft released its sales figures for the third fiscal quarter of 2017-18, ended December 31, 2017.

Yves Guillemot, Co-Founder and Chief Executive Officer, stated: *"Our very strong third-quarter performance highlights two areas in which we have made major strides. First, our games' live operations are making steady progress. This has fueled momentum for digital and back catalogue, which both hit record highs this quarter. Second, the increasingly recurring profile of our business has had a very positive impact on our new releases. By taking additional time to develop our games, we have been able to deliver three top-quality titles since August, including the grand return of Assassin's Creed."*

"These successes demonstrate that our differentiating strategy of combining long-term investment in our talented teams and our multi-studios collaboration model is paying off. This strategy enables us to deliver high-quality blockbusters while keeping our communities engaged through regular major updates. As a result, Ubisoft is perfectly positioned to reach its targets for fiscal 2017-18 and 2018-19."

Sales

Sales for the third quarter of fiscal 2017-18 amounted to €725.0 million, outstripping the target of around €700.0 million that was recently revised upwards from an original target of around €630.0 million, and up 36.8% (41.0% at constant exchange rates) compared with €529.9 million for third-quarter 2016-17. For the first nine months of fiscal 2017-18, sales totaled €1,191.2 million, up 46.8% (50.1% at constant exchange rates) on the €811.3 million recorded in the corresponding prior-year period.

Outlook

Full-year 2017-18

Ubisoft is standing by its targets⁵ for full-year 2017-18, namely sales of around €1,640.0 million and non-IFRS operating income of approximately €270.0 million.

Sales for the fourth quarter of 2017-18

Ubisoft expects fourth-quarter 2017-18 sales to come in at approximately €449.0 million, compared with €648.6 million for the same period of 2016-17 (which saw the releases of Ghost Recon Wildlands and For Honor™). Fourth-quarter 2017 will see the following main releases:

- Far Cry® 5 for PC, Playstation®4 and Xbox One™
- Assassin's Creed Origins – Discovery Tour, for PC, Playstation®4 and Xbox One™
- DLC for Assassin's Creed Origins: The Hidden Ones and The Curse of the Pharaohs, for PC, Playstation®4 and Xbox One™
- DLC for Rainbow Six Siege: Operation Chimera, for PC, Playstation®4 and Xbox One™
- For Honor Season 5: Age of Wolves, for PC, Playstation®4 and Xbox One™
- DLC for South Park™: The Fractured But Whole – From Dusk till Casa Bonita, for PC, Playstation®4 and Xbox One™

⁵ Targets based on currently-applicable IFRS

Targets⁶ for 2018-19

Ubisoft is standing by its targets for fiscal 2018-19, namely sales of around €2,100.0 million, non-IFRS operating income of around €440.0 million and free cash flow of approximately €300.0 million. As announced on December 7, 2017 when Ubisoft updated its targets for fiscal 2017-18, the company is updating today the assumptions underlying its revenue target for fiscal 2018-19:

- 23 million units expected for 4 AAA releases (versus 28 million units as previously announced) to factor in the arrival of The Crew[®] 2 and the postponement of an unannounced franchise to beyond the fiscal year, as well as a lower exposure to new releases thanks to a strong increase of the back-catalogue, expected to represent more than 45% of total sales.
- Digital revenue expected to account for around 60% of total sales (compared with the previous target of over 55%) and PRI still expected at above 25% of total sales.

Recent significant events

Partnership between Tencent and Ketchapp: Ubisoft and Tencent have announced a strategic partnership to bring a selection of Ketchapp games to Tencent's newly-launched mobile Weixin mini-game application. Weixin is WeChat's mirror application for Mainland China users, with 980 million active user accounts (MAU).

€500 million bond issue: Ubisoft has successfully placed €500 million worth of five-year bonds maturing in January 2023 and carrying an annual coupon of 1.289%. The order book reached over €2.2 billion and was more than 4.4 times oversubscribed. The net proceeds from the issue will be used for general corporate purposes, including to refinance certain existing debt. The bond offering has enabled Ubisoft to extend its debt maturity profile at a more attractive cost compared with existing financial instruments, and to further diversify its debt investor base.

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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 and approved by the Board of Directors on 05/16/17 and have not been audited by the Statutory Auditors. (Additional information is specified in the most recent Ubisoft Registration Document filed on July 21, 2017 with the French Financial Markets Authority (l'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, Just Dance, Watch_Dogs, Tom Clancy's video game series, Rayman and Far Cry. 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 2016-17 fiscal year Ubisoft generated sales of €1,460 million. To learn more, please visit www.ubisoftgroup.com

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⁶ Targets based on currently-applicable IFRS

APPENDICES

Breakdown of sales by geographic region

	% Sales	% Sales	% Sales	% Sales
	Q3 2017/18	Q3 2016/17	9 months 2017/18	9 months 2016/17
Europe	39%	42%	37%	40%
North America	47%	44%	47%	46%
Rest of the World	14%	14%	16%	14%
TOTAL	100%	100%	100%	100%

Breakdown of sales by platform

	Q3 2017/18	Q3 2016/17	9 months 2017/18	9 months 2016/17
PLAYSTATION®4	44%	46%	41%	42%
XBOX One	25%	26%	24%	25%
PC	15%	13%	16%	16%
NINTENDO SWITCH™	6%	-	8%	-
XBOX 360, PS®3, Wii™, Wii U™	4%	10%	3%	9%
Others*	6%	5%	8%	8%
TOTAL	100%	100%	100%	100%

*Mobile, ancillaries...

Title release schedule 4th quarter
(January – March 2018)

PACKAGED & DIGITAL

ASSASSIN'S CREED® ROGUE REMASTERED	PLAYSTATION®4, Xbox One
FAR CRY® 5	PC, PLAYSTATION®4, Xbox One

DIGITAL ONLY

DISCOVERY TOUR BY ASSASSIN'S CREED® - ANCIENT EGYPT	PC, PLAYSTATION®4, Xbox One
ASSASSIN'S CREED® ORIGINS - THE CURSE OF THE PHARAOHS	PC, PLAYSTATION®4, Xbox One
ASSASSIN'S CREED® ORIGINS - THE HIDDEN ONES	PC, PLAYSTATION®4, Xbox One
FOR HONOR® SEASON 5 AGE OF WOLVES	PC, PLAYSTATION®4, Xbox One
SOUTH PARK™ THE FRACTURED BUT WHOLE - FROM DUSK TILL CASA BONITA	PC, PLAYSTATION®4, Xbox One
TOM CLANCY'S RAINBOW SIX® SIEGE OPERATION CHIMERA	PC, PLAYSTATION®4, Xbox One
