



UBISOFT® REPORTS FIRST-QUARTER 2017-18 SALES

Ongoing excellent momentum, led by digital transformation

A successful E3 for Ubisoft, supporting our expectations for the year

- **Sales up 45.2% to €202.1 million, exceeding the Group's target of approximately €170.0 million**
- **Digital revenue up 55.0% to €162.4 million (80.4% of total sales vs 75.3% in first-quarter 2016-17)**
 - PRI¹ up 73.4% to €83.1 million (41.1% of total sales vs 34.4% in first-quarter 2016-17)
- **Back-catalog sales of €190.4 million, (94.3% of total sales vs 91.1% in first-quarter 2016-17)**
 - Confirmation of the increasingly recurring profile of the Group's business
 - Entire Ubisoft portfolio contributed to performance
 - Tom Clancy's Ghost Recon® Wildlands: the industry's biggest hit² since the beginning of the year
- **Targets for full-year 2017-18 and 2018-19 confirmed**
- **Signature of a new revolving credit facility**

Paris, July 18, 2017 – Today, Ubisoft released its sales figures for the fiscal quarter ended June 30, 2017.

Yves Guillemot, Co-Founder and Chief Executive Officer, stated: "*Fueled by the digital segment – which saw a sharp increase in player recurring investment – as well as a strong showing from our back catalog, our sales for the first quarter of 2017-18 came in well ahead of our targets, up 45%, despite the fact that there were no major new releases during the period.*"

"At this year's E3, our teams presented an outstanding line-up and I would like to thank them for their amazing work which has been recognized by the entire industry. Our games have generated enormous enthusiasm among the player community, which supports our expectations for the full year."

"Thanks to our increasing ability to engage players over the long term, combined with our unique creative strengths, we are even more confident of achieving our targets for 2017-18 and 2018-19. We expect both of these factors to continue being key drivers of value creation in the coming years."

¹ Player Recurring Investment includes sales of digital items, DLC, season passes, subscriptions and advertising

² Physical and digital sales of games between January and June 2017 for consoles and PC in Europe/NA/Japan/Australia (GfK/NPD/Famitsu/Ubisoft estimates)

Sales

Sales for the first quarter of fiscal 2017-18 amounted to €202.1 million, up 45.2% (45.7% at constant exchange rates) compared with €139.1 million for the first three months of 2016-17.

Outlook

Second-quarter 2017-18 sales

The Group expects second-quarter 2017-18 sales to come in at approximately €190.0 million, up 34.0% on the second quarter of 2016-17. The period will see the following main releases:

- Mario + Rabbids® Kingdom Battle for Nintendo Switch™
- The third season of For Honor® for PC, Playstation®4 and Xbox one™
- The Tom Clancy's Rainbow Six Siege® Hong Kong expansion for PC, Playstation®4 and Xbox one™

Full-year 2017-18 and 2018-19

Ubisoft is standing by its targets:

- For 2017-18: sales of around €1,700.0 million and non-IFRS operating income of approximately €270.0 million.
- For 2018-19: sales of around €2,100.0 million, non-IFRS operating income of approximately €440.0 million and free cash flow of approximately €300.0 million.

Signature of a new revolving credit facility

On July 18, 2017, the Group signed an agreement to put in place a new revolving credit facility, totaling €300 million with a five-year term and a one-year extension option that may be renewed once. This facility has enabled the Group to refinance the €250 million syndicated loan set up in 2014, under better financial conditions and with a longer maturity. It has further strengthened Ubisoft's already very solid financial situation, giving it all the resources it needs to implement its ambitious development strategy.

Recent significant events

Partnership with Tencent to develop and publish a new mobile game in China: Tencent, a leading provider of Internet value added services in China, published Might and Magic Heroes: Era of Chaos®, a new licensed mobile game developed exclusively for China based on a historic Ubisoft franchise. Developed by Playcrab, a subsidiary of Ourpalm specialized in action and strategy games, this new mobile title has been available in China on iOS and Android app stores since June 20.

Appointment of two new independent directors: Based on the recommendation of the Nomination and Compensation Committee, Ubisoft's Board of Directors has decided to increase the number of its members and has nominated Corinne Fernandez-Handelsman and Virginie Haas for appointment as independent directors. If these appointments are approved at Ubisoft's Annual General Meeting to be held on September 22, 2017, the Board of Directors would be comprised of 11 members, of whom six would be independent and five would be women. As a result, Ubisoft would reach its stated objective of having a majority of independent members on the Board. These nominations form part of the ongoing measures implemented by Ubisoft's Board since 2006 to increase the diversity of its members and the complementarity of their skills and to raise the number of women and independent directors. If the two new directors are appointed they will strengthen the Board's expertise in big data, cloud computing, change management and talent recruitment and retention.

Contact

Investor Relations

Jean-Benoît Roquette
SVP Investor Relations
+ 33 1 48 18 52 39
Jean-benoit.roquette@ubisoft.com

Press Relations

Michael Burk
Senior Director of Corporate Public Relations
+ 33 1 48 18 24 03
michael.burk@ubisoft.com

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 22, 2016 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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Definitions of Non-IFRS Financial Indicator

Ubisoft considers these indicators, which are not prepared strictly in accordance with accounting measures, provide additional information relevant to the analysis of the operational and financial performance of the group. These indicators are used by management as it considers that they are the best reflection of the performance of the activities and allow to exclude most of non-recurring items.

Alternative performance indicators, not presented in the financial statements, are the following:

- Non-IFRS operating income corresponds to operating income less the following items:
 - o Stock-based compensation expense arising on free share plans, group savings plans and stock options.
 - o Depreciation of acquired intangible assets with indefinite useful lives.
 - o Non-operating income and expenses resulting from restructuring operations within the Group.
- 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.

APPENDICES

Breakdown of sales by geographic region

	% Sales	% Sales	% Sales	% Sales
	Q1 2017-18	Q1 2016-17	3 months 2017-18	3 months 2016-17
Europe	32%	29%	32%	29%
North America	50%	52%	50%	52%
Rest of world	18%	19%	18%	19%
TOTAL	100%	100%	100%	100%

Breakdown of sales by platform

	Q1 2017/18	Q1 2016/17	3 months 2017/18	3 months 2016/17
PLAYSTATION®4	44%	31%	44%	31%
XBOX One™	22%	23%	22%	23%
PC	21%	26%	21%	26%
XBOX 360™, PS®3, Wii™, Wii U™	2%	8%	2%	8%
Others*	11%	12%	11%	12%
TOTAL	100%	100%	100%	100%

*Mobile, ancillaries...

Title release schedule
2nd quarter (July – September 2017)

PACKAGED DIGITAL

MARIO + RABBIDS® KINGDOM BATTLE	NINTENDO SWITCH™
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DIGITAL ONLY

FOR HONOR® Season 3	PC, PLAYSTATION®4, Xbox One™
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MONOPOLY® PLUS	PC
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TOM CLANCY'S RAINBOW SIX® SIEGE Season 3: Hong Kong	PC, PLAYSTATION®4, Xbox One™
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