



UBISOFT® REPORTS THIRD-QUARTER 2016-17 SALES

**Ubisoft is reaping the full benefits of its transformation
with a more profitable and recurring profile**

**Buoyed by record engagement, the Group is ahead of schedule in terms of
digital development – a key element of its three-year plan**

- **Sales of €529.9 million for third-quarter and €811.3 million for the first nine months**
- **A strong increase in player engagement levels**
 - MAU up 33.1% in the nine-month period
 - Tom Clancy's Rainbow Six® Siege: 15 million registered players¹ and record DAU
 - Tom Clancy's The Division®: a 152.3%² jump in DAU
- **A major positive impact on recurring revenue and profitability**
 - **Record back-catalog sales for the nine-month period**
 - Accounting for 57.1% of total sales (36.5% last year)
 - Up 64.7% year on year to €462.9 million
 - **Record digital revenue for the nine-month period**
 - Accounting for 47.2% of total sales (27.0% last year)
 - Up 84.4% year on year to €383.0 million
 - A 140.1% surge in player recurring investment³ to €169.9 million, representing 20.9% of total sales (9.2% last year)
 - **Non-IFRS operating income target for Full-year 2016-17 confirmed and profitability target revised upwards:**
 - Sales target of between €1,455 million and €1,495 million, compared with the previously announced range of €1,610 million to €1,670 million
 - Non-IFRS operating income target of between €230 million and €250 million and non-IFRS operating margin target of between 15.8% and 16.7%, compared with the previous guidance of 14.3% to 15.0%
 - **2018-19 targets confirmed**
- **Watch_Dogs® 2:** Launch not as dynamic as expected, but momentum now positive
- **Steep™:** slightly higher-than-expected performance
- **South Park™: The Fractured But Whole™:** release scheduled for fiscal 2017-18

¹ As of 02/06/2017

² From October 24, 2016 (the day before Update 1.4) through December 31, 2016.

³ Player recurring investment includes sales of digital items, DLC, season passes, subscriptions and advertising.

Paris, February 9, 2017 – Today, Ubisoft released its sales figures for the fiscal quarter ended December 31, 2016.

Yves Guillemot, Co-Founder and Chief Executive Officer, stated, *"We are successfully pursuing our transformation into a more recurring and more profitable profile. The positive effects of this transformation are remarkable. They illustrate how far ahead of schedule we are in our digital development, which is one key element of our three-year targets. Our overall player community is growing rapidly. We hit record engagement levels during the period, with 33% more MAU year on year. The number of daily players of Rainbow Six Siege is at its highest ever, an exceptional performance given that the game was released 14 months ago. Meanwhile, The Division has continued its successful come-back, with engagement up by more than 150% by the end of December. This resulted in record back-catalog sales and digital revenue for the third quarter, and we saw another sharp rise in player recurring investment"*

"In light of the positive impacts of our transformation, combined with our overall solid performance and tight cost control, we are standing by our objective of achieving record operating income and operating margin for fiscal 2016-17, despite lower-than-expected sales. Our targets for fiscal 2017-18 will be announced mid-May and will include an increase in our topline and operating income, while factoring in the very competitive environment that we expect to see throughout the year. Longer term, with the current successful implementation of our strategic plan, we are confident we will achieve our targets for fiscal 2018-19. In fact, by the end of fiscal 2016-17, we expect to meet, or even exceed, the 45% digital revenue and 17% player recurring investment targets we had set for fiscal 2018-19."

Sales

Sales for the third quarter of 2016-17 came to €529.9 million, compared with €561.8 million for third-quarter 2015-16 and the prior target of approximately €560.0 million, representing a 5.7% year on year contraction (or 4.5% at constant exchange rates). For the first nine months of fiscal 2016-17, sales totaled €811.3 million, up 5.5% (or 6.7% at constant exchange rates) on the €769.1 million figure for the corresponding prior-year period.

Outlook

Full-year 2016-17

Given the continuing favorable structural changes in our business, namely the move towards a more recurring and profitable profile, we are standing by our non-IFRS operating income target of between €230 million and €250 million for full-year 2016-17 and we are revising upwards our non-IFRS operating margin target to between 15.8% and 16.7%, compared with the previous guidance of 14.3% to 15.0%.

We now expect fiscal 2016-17 sales to come in at between €1,455 million and €1,495 million, versus the previously-announced target of between €1,610 million and €1,670 million. This revision takes into account the sales figure for the third quarter of 2016-17 and the fact that South Park™: the Fractured But Whole™ will now be released in fiscal 2017-18.

Sales for the fourth quarter of 2016-17

Ubisoft expects fourth-quarter 2016-17 sales to total between €644.0 million and €684.0 million, compared with €624.9 million for the fourth quarter of 2015-16. The period will see the following main releases:

- For Honor™ for PC, Playstation®4 and Xbox One™
- Tom Clancy's Ghost Recon® Wildlands for PC, Playstation®4 and Xbox One™
- Just Dance® 2017 for Nintendo Switch™
- Steep™ Alaska expansion for PC, Playstation®4 and Xbox One™
- Tom Clancy's Rainbow Six Siege Operation Velvet Shell expansion for PC, Playstation®4 and Xbox One™
- Tom Clancy's The Division Last Stand expansion for PC, Playstation®4 and Xbox One™
- The following DLC for Watch_Dogs 2: T-Bone for PC and Xbox One™, Human Conditions for PC, Playstation®4, Xbox One™ and No Compromise for Playstation®4

Recent significant events

Year 2 Season Pass and a second eSport season for Tom Clancy's Rainbow Six Siege: Ubisoft recently announced the launch of the Year 2 Season Pass for Tom Clancy's Rainbow Six Siege and its second eSport season, which will include the PS4 community for the first time.

Release of the Assassin's Creed movie: With worldwide box-office receipts already exceeding \$213 million, this movie currently ranks as the seventh⁴ most successful video game adaptation, even though it is yet to be released in China and Japan.

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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 to the Board of Directors 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 2015-16 fiscal year Ubisoft generated sales of €1,394 million. To learn more, please visit www.ubisoftgroup.com.

⁴ Source: www.boxofficemojo.com

Note

Some figures in this press release correspond to non-IFRS data, which is adjusted to exclude non-operating items. The Group presents these 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 are described below:

Non-IFRS operating income corresponds to operating income less the following items:

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

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APPENDICES

Breakdown of sales by geographic region

	% Sales	% Sales	% Sales	% Sales
	Q3 2016/17	Q3 2015/16	9 months 2016/17	9 months 2015/16
Europe	42%	43%	40%	43%
North America	44%	47%	46%	46%
Rest of world	14%	10%	14%	11%
TOTAL	100%	100%	100%	100%

Breakdown of sales by platform

	Q3 2016/17	Q3 2015/16	9 months 2016/17	9 months 2015/16
PLAYSTATION®4	46%	41%	42%	37%
XBOX One™	26%	27%	25%	23%
PC	13%	12%	16%	14%
XBOX 360™, PS®3, Wii™, Wii U™	10%	16%	9%	18%
Others*	5%	4%	8%	8%
TOTAL	100%	100%	100%	100%

* Mobile, ancillaries...

Title release schedule
4th quarter (January – March 2017)

PACKAGED DIGITAL

FOR HONOR™	PC, PLAYSTATION®4, Xbox One™
JUST DANCE® 2017	NINTENDO SWITCH™
TOM CLANCY'S GHOST RECON® WILDLANDS	PC, PLAYSTATION®4, Xbox One™

DIGITAL ONLY

CITY OF LOVE: PARIS™	Google play, App store
HORSE ADVENTURE: TALE OF ETRIA™	Google play, App store
MIGHT & MAGIC® SHOWDOWN	PC
RABBIDS® CRAZY RUSH	Google play, App store
STEEP™ ALASKA	PC, PLAYSTATION®4, Xbox One™
TOM CLANCY'S RAINBOW SIX® SIEGE OPERATION VELVET SHELL	PC, PLAYSTATION®4, Xbox One™
TOM CLANCY'S THE DIVISION™ EXPANSION III: LAST STAND	PC, PLAYSTATION®4, Xbox One™
WATCH DOGS®2 T-BONE	PC, Xbox One™
WATCH DOGS®2 HUMAN CONDITIONS	PC, PLAYSTATION®4, Xbox One™
WATCH DOGS®2 NO COMPROMISE	PLAYSTATION®4