

## Half year sales of 37.3 €m

**20.0 % year on year growth**

The Bigben Interactive Group achieved sales of €UR 20.75 million for the second quarter ending 30th September 2010, up by 15.4 % compared to the second quarter of the previous FY 2009/2010. Consolidated sales for the first half reached €UR 37.31 million, up by 20.0% compared to the same period in the previous FY 2009/2010.

The video game market itself did not durably recover over the last 21 months and remained depressed for the first 9 months of calendar year 2010, the decrease ranging from 10 to 20 % on average according to territories across Europe. The commercial good health of the Playstation®3 home console by Sony which reaches maturity in the second half of its product cycle was unable to offset the decline of handheld consoles (DS™ by Nintendo and PSP by Sony) nearing the end of their life cycle as well as the waning Wii™ home console format by Nintendo.

Sales	2009/10	2010/11	Change
	€m	€m	
1 <sup>st</sup> Quarter	<b>13.10</b>	<b>16.56</b>	<b>+ 26.3%</b>
2 <sup>nd</sup> Quarter	<b>17.98</b>	<b>20.75</b>	<b>+15.4%</b>
Total 1 <sup>st</sup> Half	<b>31.08</b>	<b>37.31</b>	<b>+20.0%</b>

Generally speaking, the financial year 2010/2011 should be hallmarked by a classical seasonality in the second half, with stock in trade being again very low before the high season. In spite of this seasonality of the business, the sales volume achieved will generate a strong growth of the profit for the interim result.

Group entities outside France achieved 34.0% of consolidated sales during the first three months of the current FY. Export sales by all Group entities to third countries recorded a 52% growth and represented 23.7% of consolidated sales by final destination against 18.7% in the 1<sup>st</sup> half of FY 2009/2010.

The 2<sup>nd</sup> quarter of the new financial year was globally positive for the Bigben Interactive Group in spite of a still difficult market environment::

- In France, total sales were up by 32% when compared to the same period of the previous FY 2009-10, most businesses growing with not only the Accessory business (+24%) but especially the Electronics business (+62%) and Exclusive Distribution (+82%) with the success of software titles published by the Group (96% of total software sales). Only Non-exclusive Distribution went down by 16% due to the lack of strong software releases following a first quarter hallmarked by the launch of blockbusters.



- Outside France, Bigben Interactive sales were down by 10% for the second quarter of the current financial year when compared to the same period in the previous financial year, showing however a contrasted evolution according to territories. Accessory sales decreased by 7 % and Exclusive Distribution by 48 % in Benelux while sales of Audio products accelerated by 240% however for small volumes. The 9 % growth of the German subsidiary in a difficult competitive environment resulted from good Accessory sales (+ 4%) and the rise in the distribution of software titles published by the Group.  
Direct deliveries to third party customers from Hong Kong were up by 23% due to a wider range and a stronger market penetration in Australia.

The relative share of the Accessory business i.e. 63.5% of consolidated sales in first quarter of the current FY was down when compared to 2009/10 first half but remained higher than the 12 month average of 62.9% for the previous FY. The rise of Exclusive Distribution, a business which includes “Accessory + Software” packs, resulted from the success of software titles published by the Group.

<i>Business Share</i> (year to date)	30.09.2009	30.09.2010
Accessories	66.9%	63.5%
Exclusive SW Distribution	18.3%	18.8%
<b>Group Core businesses</b>	<b>85.9%</b>	<b>82.3%</b>
Electronics	7.3%	10.6%
Non exclusive distribution	7.8%	7.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

This new evolution of the product mix with the continuing pre-eminence of the Accessory business and the rise of the software titles published by the Group (74.3% of Exclusive Distribution sales) had a favourable impact on the gross margin and Group operations during the first half of current FY.

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The commercial results recorded during FY 2010-2011 confirm the strategic choices of the BIGBEN INTERACTIVE Group in terms of products.

#### Accessories

The variety of the accessory ranges for console hardware offered by Bigben Interactive enabled to adapt to the various sales levels of the video game consoles, ranges being on offer for all console formats at any stage of their product life:

controllers compatible with the Playstation®3 console recorded good sales, the maturity of this hardware format boosting the demand for adaptable peripherals in the second stage of the product life;

the accessory ranges for the Nintendo Wii™ and DS™ consoles enjoy recurring success including charging and protection solutions;



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the concentrated range of peripherals for the Xbox 360™ console record steady sales in spite of the lower installed base.

In the 3<sup>rd</sup> quarter of FY 2010/2011, the sales potential of the Playstation®3 should benefit the Bigben Interactive offer with:

the scheduled launch of “*Gran Turismo 5*” software on Playstation®3 should support the sales of the *Racing Seat*, a bucket seat fitted with a PC and Playstation®3 compatible steering wheel and offering a very compact storage solution;

the development of accessory packs with the delivery of the Supreme Pack including a wireless controller with vibration effect, an HDMI cable, a wireless earphone and trigger covers for better gaming ergonomics, will be one of the star products of the Christmas season;

the launch of a new range of accessories designed for the *Move Controller* i.e. the motion recognition controller offered by Sony for its PlayStation3® hardware, in order to meet gamers’ needs with several charging solutions in particular.

The accessory range for *iPhone*® hardware launched at the end of the previous FY developed further commercial presence and sales tripled during 2<sup>nd</sup> quarter representing 1.2% of total quarterly sales. The “Must Have” pack with essential accessories in black or white and endorsed by manufacturer Apple, should be well received by the owners of iPhone® 3G, iPhone® 3GS and iPhone®4.

#### Software titles (Publishing)

The 2<sup>nd</sup> quarter of FY 2010/2011 was hallmarked by the launch of three software titles the sales of which confirm that market niches chosen by Bigben Interactive are in line with public demand: « *Pétanque Master* », a simulation of the pétanque bowl game developed in partnership with OBUT, the leading supplier of professional equipment for pétanque contests; “*Shimano Extreme Fishing*” a fishing game offered with a fishing rod and « *Deer Drive* », a shooting title for big game.

In addition, sales of downloadable gaming titles grow steadily and already represent 1% of the sales of software titles published by the Group.

Five new immersive games for the Nintendo Wii™ format will complete the current offer in the third quarter:

- « *Remington* », a game for bird shooting offered with the hunting rifle which made the success of the *Hunting Challenge* game in Europe in 2009 ;
- « *Sniper Elite* », an action and infiltration game based on modern history (Berlin 1945) including a rifle with a telescopic sight;
- “*Western Heroes*” which plunges the gamer into a spaghetti western atmosphere reinforced by the replica of a shotgun;
- “*Marvel Super Heroes*” for children who will be able to identify themselves with their preferred super hero thanks to one of the masks sporting a 3 D technology compatible with all TV sets;
- « *Pucca’s Race for Kisses* », a game already praised by children’s press for its originality and the rendition of this Korean licence which is becoming increasingly popular in Europe.

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## Outlook

BIGBEN INTERACTIVE expects good Christmas sales for the FY third quarter, in the wake of the activity at the end of the first half and as a result of:

- the level of orders for accessories – the most profitable business in the Group – nearing the level of previous year ;
- the continuing success of the range of Bigben Interactive accessories for the Nintendo console hardware and the expected sales of accessories for the PlayStation®3 format in the second phase of the current product cycle;
- the first encouraging sell-through figures for the new ‘Accessory + Software’ packs combining an immersive accessory with a dedicated software title, these products meeting a recurrent demand from the market;
- the listing of the audio range with most major retailers.

Notwithstanding the mixed evolution of the video game industry since the beginning of the current calendar year and the importance of the commercial and logistical challenges resulting from the extreme concentration of activity over the coming weeks, the orders in the books and the release schedule of “Accessory + Software” packs should enable the BIGBEN INTERACTIVE Group to reach annual sales of at least €UR 100.0 m and a result from operations in excess of 15 % of sales, on the basis of 2010 Christmas sales indicating a return to a strong seasonality as might be presumed from the first sales trends in October.

Our results will be released during the presentation of interim results in Paris on November 16<sup>th</sup>.

*A leading independent distributor and manufacturer of video game console peripherals, **BIGBEN INTERACTIVE** offers a complete distribution solution for developers, publishers and accessory manufacturers in Continental Europe (France, Germany and Benelux)..*

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