

25 July 2011

## Quarterly sales of € 11.8 m

### Confirmation of annual targets

The BIGBEN INTERACTIVE Group achieved sales of €UR 11.76 million for the first quarter, ending 30 June 2011, down by 29.0% when compared to 16.56 €m for the first quarter of the previous FY 2010/2011

The downturn of the video game market dating back to January 2009, was stronger in the period under review with a slump of the market resulting from a faster than expected fall of old generation Wii and DS formats, from disappointing sales of new generation 3DS handheld hardware and from limited software releases, the whole within a summer weather favouring leisure activities other than video gaming.

Sales	2010/11	2011/12	Change
	M€	M€	
1 <sup>st</sup> Quarter	<b>16.56</b>	<b>11.76</b>	<b>- 29.0%</b>

Group entities outside France achieved 41.97% of consolidated sales during the first three months of the FY 2011/12.

In €	France	Benelux	Germany	Hong Kong	Total
Q1 2010-11	<b>10.29</b>	<b>2.36</b>	<b>2.65</b>	<b>1.26</b>	<b>16.56</b>
Q1 2011-12	<b>6.83</b>	<b>1.85</b>	<b>1.34</b>	<b>1.74</b>	<b>11.76</b>

Export sales by all Group entities to third party countries represented 20.4% of consolidated sales by final destination against 25.3% in the same period of FY 2010/11.

#### *Breakdown of turnover by territories, including domestic sales and export sales from these territories*

In €m	France	Benelux	Germany	Hong Kong	2011-12	2010-11	Change
Domestic market	6.23	1.85	1.28	0.00	<b>9.36</b>	<b>12.36</b>	- 24%
Export sales	0.60	0.00	0.06	1.74	<b>2.40</b>	<b>4.20</b>	- 43%
Total	<b>6.83</b>	<b>1.85</b>	<b>1.34</b>	<b>1.74</b>	<b>11.76</b>	<b>16.56</b>	<b>- 29%</b>

In a still difficult environment, the 1<sup>st</sup> quarter of the new financial year shows sales decreasing by 24% in Group territories and by 43% in export territories.

In France, total sales were down by 34% when compared to the same period of the previous FY 2010-11, including sales to export territories (- 77 %).

Sales are significantly down in all first party business segments either in Accessories (-47%), Audio (-21%) or Publishing with no net sales as the Group decided to focus its efforts on a rich line-up for the end of the calendar year.



On the other hand, third party Distribution showed a strong growth (+51%) with the delivery of the « *Let's Dance* » software, a dancing game for the Wii™ console as well as for the two motion recognition systems i.e. Kinect for Xbox 360 and Move for PlayStation3®. This video game is expected to record good sales and the « playlist » was unanimously praised during its first demonstrations thanks to well-known music titles, from Eighties hits to more modern tunes.

The online sales of the Espace 3 subsidiary were up by 56% when compared to the same period of FY 2010/11 with in particular Audio sales soaring by 156%, therefore confirming the accelerating growth of this activity.

- Outside France, BIGBEN INTERACTIVE sales were down 21 % for the first 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.
- In Benelux sales were down by 21 % as the result of the downturn of Accessories (-48%) and Publishing (-49%) while Audio sales and third party Distribution were up by 20% and 49%.
- Sales of the German subsidiary decreased by 49% as thriving Audio sales (+330%) could not offset low Accessory sales (- 49%) and Publishing with no net sales.
- Direct deliveries to third party customers from Hong Kong were up by 38% due to a strong demand from Australia.

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The relative share of the Accessory business amounts to 55% of consolidated sales in first quarter of the current FY. This share which dropped when compared to the sale period of previous FY 2010/11 reflects the streamlining of inventories by retailers following the declining activity on long life products as well as the resulting weak back orders. The faster than expected fall of old generation Wii and DS console formats and the disappointing sales of the new generation 3 DS handheld format accentuated this trend.

Business segments (Apr-June)	30.06.2009	30.06.2010	30.06.2011
Accessories (consoles+smartphones)	73,9 %	66,4 %	55,1%
Publishing (retail+digital)	2,7%	8,7 %	3,3%
Audio	8,7 %	12,2 %	14,7%
<b>Design &amp; Publishing</b>	<b>85,3%</b>	<b>87,3 %</b>	<b>73,1%</b>
Distribution (Exclusive+Non Exclusive)	14,7 %.	12,7 %	26,9%
Total	100,0 %	100,0 %	100,0%

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The 1st quarter of FY 2011-12 saw few software releases by BIGBEN INTERACTIVE, except for the « *Let's Dance* » title in third party Distribution, which will not be the case for the rest of the year. The first releases of the BIGBEN INTERACTIVE new software catalogue for the PlayStation®3 console format will already take place during the 2nd quarter of FY 2011-12.

After the renewed success of « *Pétanque Pro* » and « *Pétanque Master* », « *Obut Pétanque* » will appear on retail shelves dedicated to the PlayStation®3 format. Amateurs of this typically French leisure and sporting activity will be able to replay their favourite games with friends, thanks to the Move® motion recognition system and to entirely redesigned graphics.



BIGBEN INTERACTIVE

Euronext : Eurolist of Euronext Paris, C market segment; FTSE ; Index : SBF 250, ITCAC

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« *Hunter's Trophy* » will please lovers of nature and hunting. The sequel of « *Hunting Challenge* » for the Wii™ format, was entirely redeveloped for the PlayStation®3 format and will be sold with the replica of a hunting rifle receiving the Move® motion recognition device. Enjoying sophisticated graphics, it will give total immersion in the hunting world by offering the choice between various weapons and dozens of different species.

Finally « *My Body Coach 2* » should please all male and female gamers who want to keep fit. Simultaneously available for the PlayStation®3 and the Wii™ formats, the sequel of the famous fitness game by BIGBEN INTERACTIVE has been enhanced with a new Gym Dance mode which can be played by 2 gamers at the same time..

Furthermore this second quarter will see the delivery of the first « *Turtle Beach* » headsets compatible with the Xbox 360 and PlayStation®3 formats. Around ten different products including several high end models will be sold through major retailers.

BIGBEN INTERACTIVE will simultaneously sell a new range of accessories for the PlayStation®3 format meeting the latest trends in terms of aspect and functionality.

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## Outlook

The second quarter of the current FY 2011/12 is expected to show a marked improvement and sales should be close to the level recorded in the second quarter of FY 2010/11. However the first half of FY 2011/12 will not record higher sales than in the first half of previous financial year which itself recorded especially strong sales (cumulative growth of 20 % when compared to the first half of FY 2009/10).

On the other hand, activity should be particularly strong in the 3<sup>rd</sup> quarter of the financial year when most sales are traditionally recorded, this trend being reinforced by the release schedule for the new “Accessory + Software” packs designed by BIGBEN INTERACTIVE for the PlayStation®3 format.

In view of sales picking up in July 2011 and of the expected short term evolution of the market, the BIGBEN INTERACTIVE Group remains confident about its ability to achieve the targets for the FY ending on 31 March 2012 as released during the presentation of annual results on May 13<sup>th</sup> i.e. reaching annual sales of at least 107 €m and a result from operations in excess of 16 % of sales.

## MODELABS

In order to meet the convergence trend between video games, mobile phones and tablets, BIGBEN INTERACTIVE signed on 20 May 2011 an agreement with MODELABS, the French leader for telephone accessories, in order to set up the pan-European leader for convergence accessories.

The tender offer prospectus filed by BIGBEN INTERACTIVE (AMF clearance decision and visa n°11-240 of 21 June 2011) and the memorandum in response issued by MODELABS GROUP (AMF visa n°11-241 of 21 June 2011) regarding the two companies have been released and the information mentioned in article 231-28 of AMF General Regulations have been filed and circulated through press releases on 24 and 28 June 2011).

The friendly Alternative Tender Offer launched by BIGBEN INTERACTIVE on the share capital of MODELABS opened on 29 June 2011 and will close on 02 August 2011. Publication of the final results of the offer by the stock exchange authorities is expected to take place no later than 16 August 2011.



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*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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