



26 January 2010

## Third quarter sales of 42.3 €m (+7.1%)

### Return to growth

### Annual targets 2009-10: Sales revised downwards, Operating margin in line

The Bigben Interactive Group achieved sales of €UR 42.30 million for the third quarter ending 31 December 2009, up by 7.1% compared to the third quarter of the previous FY 2008/09. Consolidated sales for the first nine months reached € 73.38 million against € 81.77 million, a year to year moderate decrease (- 10.2%) in consideration of prevailing market conditions.

Whereas the beginning of 2009 was hallmarked by a pause in growth of the video game industry, the new lower price points set in September 2009 for home console hardware aimed at the mass market gave hope that sales would catch up in the 3rd quarter. This evolution was much weaker than expected with a global 16 % decrease of the French video game market for the whole 2009 calendar year and other European markets experienced a similar trend. The first positive sales trends in October were not confirmed and sales only picked up in week 52 and the promising sales of home console hardware were unable to offset the drop in sales of Nintendo console DS/DSi™ handheld hardware.

It should also be remembered that 2008 was the strongest ever year in the history of the video game industry. As a matter of record, the cumulated sales of the first nine months of FY 2009/2010 are slightly higher (+8.1%) than sales recorded in the first nine months of 2007/2008.

The extreme concentration of the business on the last 6 weeks of the calendar year which had been exacerbated by a more drastic than ever reduction of their supplies by major retailers, set strong commercial and logistical constraints which BIGBEN INTERACTIVE successfully overcame thanks to the centralisation of supplies and its capacity to finance production.

Sales	2007/08	2008/09	2009/10	Change
	€m	€m	€m	
1 <sup>st</sup> Quarter	14.20	21.37	13.10	- 38.7%
2 <sup>nd</sup> Quarter	16.44	20.89	17.98	- 13.9%
3 <sup>rd</sup> Quarter	37.26	39.51	42.30	+ 7.1 %
Total 9 months	67.90	81.77	73.38	- 10.2%

During the first nine months of the current FY, Bigben Interactive realised 44.6 % of sales outside France.

The 3<sup>rd</sup> quarter of the current financial year was globally favourable for BIGBEN INTERACTIVE in spite of an uneven situation according to territories with:

- In France, total sales increased by 19% when compared to the same period of previous FY 2008-9 ; businesses recording a growth were not only Electronics/Audio products (+ 39%) but also Accessories (+ 14%) and Exclusive Distribution (+ 208%), with the success of software titles published by the Group (84% of total software sales). The persisting slump of Non Exclusive



#### BIGBEN INTERACTIVE

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

Euroclear: 7407; Reuters: BGBN.PA ; Bloomberg: BIG FP

Investors relations : François Bozon, phone : +33 (0)3.20.90.72.53

E-mail : [infofin@bigben.fr](mailto:infofin@bigben.fr) - Website : <http://www.bigben.fr>



Distribution (wholesale) results from the global market decrease and the concentration of commercial efforts on more profitable Group products.

- Outside France, Bigben Interactive sales were down by 13 % for the third quarter of the current financial year, when compared to the same period in the previous financial year, with a decrease of accessory sales in Germany (- 8%) and Benelux (- 5%), this trend being even more notable in other export markets (- 18%). In Benelux where sales of software titles published by the Group are still of lesser importance, exclusive distribution dropped by 40%.

The relative share of the Accessory business for the first nine months of the current FY remained close to year's level and the rise of Exclusive Distribution resulted from the success of software titles published by the Group. Sales of products combining an innovative accessory with a dedicated software such as Hunting Challenge, My Body Coach or Cyberbike are recorded under Exclusive Distribution as the cost of goods for software is higher than for accessories.

Business share	31.12.2007	31.12.2008	31.12.2009
Accessories	62.4 %	67.3 %	64.7 %
Exclusive SW Distribution	16.4 %	12.6 %	18.9 %
<b>Group core businesses</b>	<b>78.8 %</b>	<b>79.9 %</b>	<b>83.6 %</b>
Electronics	5.4 %	5.3 %	7.7 %
Non exclusive Distribution	15.8 %	14.8 %	8.7 %
Total	100.0 %	100.0 %	100.0 %

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 (75% of Exclusive Distribution sales in the 3<sup>rd</sup> quarter) had a favourable impact on the gross margin and Group operations.

o O o

The interim results recorded since the beginning of the current FY 2009-2010 confirm the strategic choices of the BIGBEN INTERACTIVE Group in terms of products.

#### Accessories

In spite of difficult overall conditions on the market, BIGBEN INTERACTIVE was able to improve its market share in the Accessory business, this increase taking place in all segments:

- fairly priced alternatives for must-have products such as battery chargers, remotes and controllers designed by Bigben Interactive for the Wii™ console hardware or controllers for the PlayStation®3 format ;
- immersive accessories such as the « Mega Pack Sport » with steering wheels, tennis rackets, golf clubs, ping-pong bats, swords etc).

#### Software titles (Publishing)



BIGBEN INTERACTIVE  
Euronext : Eurolist of Euronext Paris, C market segment; FTSE ; Index : SBF 250, ITCAC  
Euroclear: 7407; Reuters: BGBN.PA ; Bloomberg: BIG FP  
Investors relations : François Bozon, phone : +33 (0)3.20.90.72.53  
E-mail : [infofin@bigben.fr](mailto:infofin@bigben.fr) - Website : <http://www.bigben.fr>



The sales in third quarter confirmed the commercial relevance of the “software+accessory” packs initiated by Bigben Interactive 2 years ago:

- « Hunting Challenge» (a hunting game sold with a replica of a shooting rifle combining both the Wii™ remote and controller) was a success from day one of release in September 2009 onwards and still ranked among the top sellers on the Wii™ format at year end;
- Same applies to « Cocoto Magic Circus » (a shooting game for children with 2 pistols) which experienced ongoing repeat orders since the beginning of autumn ;
- Finally Cyberbike (an exergame offered with a home exercise bike for the Wii™ format) proved a tremendous success with consumers right from its launch in early December 2009; supply unfortunately could not meet demand.

o O o

## Outlook

The 4th quarter of financial year 2009/10 should confirm the trend of 3rd quarter with an acceleration of the sales growth when compared to the fourth quarter of the previous FY 2008/09 based on:

- the ongoing success of accessory ranges for the home console hardware of Nintendo and Sony;
- the low stock level in trade at the end of the Christmas period giving hope of good sales in a period generally quieter after the Christmas season;
- the launch in Europe on 05 March 2010 of the new DSi XL handheld hardware by Nintendo for which BIGBEN INTERACTIVE will have a complete range of accessories as from day one.

Beyond the short term, the success of the new offer focused on “software+accessory” packs, as confirmed by Christmas 2009 sales, gives a better visibility to the BIGBEN INTERACTIVE Group; it can now prepare its catalogue for Christmas 2010 with equanimity and sequels for the best selling products are already under development.

Given the persisting decline of the video game market in 2009, a more drastic than ever reduction of their supplies by major retailers, the slippage recorded in the first five months of the current FY as well as sales picking up slower than expected at the end of the calendar year, the BIGBEN INTERACTIVE Group is forced to revise its annual sales targets down to circa 95 €m.

However, the results recorded over the first nine months of the financial year enable the Group to be confident about its capacity to maintain an operating margin over 15 % on 31 March 2010.

*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).*



**BIGBEN INTERACTIVE**  
Euronext : Eurolist of Euronext Paris, C market segment; FTSE ; Index : SBF 250, ITCAC  
Euroclear: 7407; Reuters: BGBN.PA ; Bloomberg: BIG FP  
**Investors relations** : François Bozon, phone : +33 (0)3.20.90.72.53  
E-mail : [infofin@bigben.fr](mailto:infofin@bigben.fr) - Website : <http://www.bigben.fr>