

22 April 2011

## Annual sales of €m 101.3 (+ 8.0 %)

### Year-end target confirmed for operating margin

The Bigben Interactive Group achieved consolidated annual sales of €m 101.31 for the financial year ended 31 March 2011 compared to €m 93.79 for the 12 months of previous financial year 2009/2010, a year to year increase of 8.0%. Consolidated sales for the fourth quarter reached €m 18.98, down by 7.0% when compared to the fourth quarter of previous FY 2009/2010, a quarter which recorded a particularly strong Distribution turnover in Benelux especially with the launch of the « *Final Fantasy 13* » software.

The video game market is still receding at the beginning of calendar year 2011 even if the trend slowed down during the last 3 months of calendar year 2010 thanks to the success of the Kinect™ environment for the Xbox360™ home console format by Microsoft and to the commercial potential of the Sony Playstation®3 console. The launch of the Nintendo new generation 3 DS handheld hardware in Europe on March 25 could not reverse this trend.

Sales	2009/10	2010/11	Change
	€m	€m	
1 <sup>st</sup> Quarter	13.10	16.56	+ 26.3 %
2 <sup>nd</sup> Quarter	17.98	20.75	+ 15.4 %
3 <sup>rd</sup> Quarter	42.31	45.02	+ 6.4%
4 <sup>th</sup> Quarter	20.41	18.98	- 7.0 %
Total 12 months	93.79	101.31	+ 8.0 %

Group entities outside France achieved 33.7% of consolidated sales during the twelve months of the FY 2010/11. Export sales by all Group entities to third party countries recorded a 41% growth and represented 22.6% of consolidated sales by final destination against 17.3% in the same period of FY 2009/10. This trend shows the potential of the distribution agreements reached by the Group for its business development abroad and beyond countries where the Group is already implanted.

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

In €m	France	Benelux	Germany	Hong Kong	Total
April 2009 - March 2010	57.25	16.02	14.87	5.65	93.79
April 2010 - March 2011	67.20	11.88	17.20	5.03	101.31

In a still difficult market environment, the 4<sup>th</sup> quarter of the 2010/2011 financial year puts the Bigben Interactive Group into a mixed situation, with a 18% decrease of sales in Group territories but a 60 % growth of export sales to third countries.

- In France, total sales were up by 22.5% when compared to the same period of the previous FY 2009-10 and this largely resulted from thriving export sales, Accessories (+20%), Publishing (+121%) and Electronics (+9%) showing a strong growth. Traditional Distribution went down by 5% due to the lack of strong software releases in the third party software line-up distributed by the Group. However, online sales recorded a 16% growth with first party products representing two fifths of total quarterly online sales against one third in the same period of FY 2009-10.
- In Group entities outside France, BIGBEN INTERACTIVE sales were down by 33.3% when compared to the same period in the previous financial year, showing however a contrasted evolution according to territories and business lines:
  - In Benelux, a global decrease of sales is the balance between growing Accessory (+11%) and Publishing (+44%) sales on the one hand and a 9% decrease in Audio sales and a 92% drop in third party Distribution on the other. This latter business recorded a very strong growth in the same period of the previous FY with the launch of the « *Final Fantasy 13* » et « *Just Cause 2* » software titles by the Square Enix publisher which the subsidiary distributes across Benelux, these software sales then generating a 4.1 €m turnover.
  - Sales of the German subsidiary went down by nearly 6% when compared to the same period; a slower Accessory business (-3%) and Publishing sales close to zero could not be offset by the strong growth of Audio sales (+208%).
  - Direct deliveries to third party customers from Hong Kong doubled (+107%) due to a strong demand from the Australian market.

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

In €m	France	Benelux	Germany	Hong Kong	Total
4th quarter 2009	<b>9.63</b>	<b>6.61</b>	<b>3.57</b>	<b>0.60</b>	<b>20.41</b>
4th quarter 2010	<b>11.79</b>	<b>2.58</b>	<b>3.37</b>	<b>1.24</b>	<b>18.98</b>

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The relative share of the Accessory business represented 62.0% of Group cumulative sales for the twelve months of FY 2010/11. This share, which showed a slight year on year decline while still predominant, reflects the success of the Publishing business which in particular includes the “game+accessory” packs published by the Group.

Business segments (Apr-Dec)	31.03/2010	31/03/2011
Accessories (consoles+smartphones)	62,9 %	62,0%
Publishing (retail+digital)	10,6 %	17,9%
Audio	7,7 %	9,8%
<b>Design &amp; Publishing</b>	<b>81,2 %</b>	<b>89,7%</b>
Distribution (Exclusive+Non Exclusive)	18,8 %	10,3%
Total	100,0 %	100,0%



This new evolution of the product mix towards first party business i.e. product ranges developed by the Group, with the rise of the Publishing business and the steady growth of Audio sales enhancing the Accessory business, favourably impacted the Group gross margin in 4<sup>th</sup> quarter 2010/11 as well as throughout the whole FY 2010/11.

In view of the foregoing, the BIGBEN INTERACTIVE Group which achieved its annual sales target of at least €m 100, confirms its profitability target i.e. an operating profit exceeding 15 % of sales for the financial year ending 31 March 2011.

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

#### Accessories :

The strong sales of home console hardware during the 2010 Christmas season supported sales of Bigben Interactive accessories in the following quarter.

For the Wii™ format, the charging devices for controllers were acclaimed by consumers while Bluetooth® headsets compatible with the PlayStation®3 hardware allowing instant communication during online gaming seduced online gamers.

Similarly, the protection solutions for handheld consoles such as the Nintendo™ Dsi XL hardware and the accessory packs offering several items (stylus, charger, pouch, screen protection) recorded very good sales during 1<sup>st</sup> quarter of 2011 calendar year.

The launch of the new Nintendo 3DS™ console hardware on March 25 enabled BIGBEN INTERACTIVE to offer a complete range of accessories for this new console format. This new catalogue was listed with most retailers and comforted the predominant share the Group enjoys in shelf space.

Lastly, a distribution agreement was concluded between Bigben Interactive and Turtle Beach™ for the distribution in France of the audio headsets of the US company, well-known for its high-end products.

#### Publishing :

The sales success recorded for the « *Cyberbike* » and « *Sniper Elite* » packs in November and December 2010 continued during 4<sup>th</sup> quarter of FY 2010/11. The exercise bike for the Wii™ format maintains the momentum brought about by the first non magnetic version at the end of 2009, while the action and infiltration gaming pack featuring a sniper gun still recorded strong sales.

At the same time, « *My Body Coach* » (for the Wii™ format) maintains shelf life and resulting sales confirm the « long seller » status of this exergame sold with two dumbbells which was launched in Europe over 18 months ago.

The « *Remington Bird Hunt* » and « *Deer Drive* » hunting games for the Wii™ format still rank in the league tables certified by the GfK institute, confirming that the niche strategy initiated for several years by BIGBEN INTERACTIVE is not only relevant but resulted in a software catalogue with commercial potential over long time periods.

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## Outlook

Sales of console Accessories look promising for the new FY 2011-2012 while Electronics should pursue the growth process initiated over the last three years. New “accessory + software” gaming packs for the PlayStation®3 console based on previous successes / the best selling products for the Wii console should generate the same Publishing sales volume with a more concentrated line up.

These developments should enable a growth of consolidated sales in FY 2011/2012 in spite of a video game market which might be contrasted.

The complete results for FY 2010/2011 and targets for FY 2011/2012 will be released to the financial community during the presentation of our annual results in Paris on May 13<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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