

26 May 2009

## Year-end results 2008-09

**Result from operations: 18.0 % of total sales**  
**Group net result: 16.7 % of total sales**

The financial year 2008-09 has been another year of growth for BIGBEN INTERACTIVE and ends with a profit in all territories, a stronger market position in the Accessory business across Europe and the consolidation of complementary businesses.

For the year ending 31 March 2009, Group sales increased by 17% compared to the previous year with Group net result ending in a profit of 16.5 €m versus 11.6 €m in 2007-08. The operating result increased sharply, compared to the previous financial year, which is mainly accounted for by the strong Accessory business in France and Germany as well as in Benelux, the growing share of Publishing in the Exclusive Distribution business (39% of total software sales against 20% in 2007-08) and the consolidation of complementary businesses in France.

*Consolidated financial highlights (IFRS standards)*

	2007-08 €m	2008-09 €m	Change
Revenue (Sales)	84.2	98.5	+ 17 %
<b>Current result from operations *</b>	11.7	18.0	+ 53 %
<b>Result from operations</b>	11.7	17.7	+ 51 %
Net financing result	-2.0	-1.2	ns
<b>Earnings before tax</b>	9.7	<b>16.5</b>	+ 70 %
Tax **	1.9	0.0	ns
<b>Group net result</b>	<b>11.6</b>	<b>16.5</b>	+ 43 %

(\*) before impairment loss for 0.24€min 2008-09

(\*\*) deferred tax posted as a 2.1 €m asset in 2007-08 and 0.9. €m in 2008-09

### Result per territory

The contribution of the French entities of the Bigben Interactive Group to the result from operations went from +7.7 €m in 2007-08 to +10.4 €m (17.9% of sales) this year, whereas contribution to the Group's result went from +2.0 €m to 8.0 €m (17.8% of sales), reflecting the resilient Accessory business in France, the consolidation of complementary businesses (Electronics and Non-exclusive Distribution) and a stronger Exclusive Distribution business with 75 % of software sales coming from game titles published by the Group.

Outside France, Benelux significantly improved its profitability against last year with a contribution to the result from operations of 1.16 €m (8.2% of sales) and to the Group's result of 0.99 €m (7.0%). The sales growth of + 64% in the Accessory business resulted in improved operations despite a further drop in exclusive distribution and should entail another favourable evolution of year-end result in FY 2009-10.



In Germany, the new commercial organisation allowed Bigben Interactive GmbH to make the most of its market share as well as of the market recognition enjoyed by all ranges of Bigben Interactive accessories and to contribute 3.3 €m (19.8% of sales) to the result from operations and 2.6 €m to the Group's result (15.6%). This momentum in its home market and the strengthening of commercial positions in Austria and Switzerland in FY 2009-10 should enable the subsidiary to show further growth of its profit at the 2009-10 year end.

#### Ratios

An improving cash position across the full financial year enabled the early redemption of New Money 1 and 2 credit facilities on 09 May and 10 September 2008 as well as the avoidance of any seasonal credit for Christmas 2008.

Increasing working capital requirements results from higher inventories at the year end in order to avoid previous shortages of exclusive products (Accessories and Audio) manufactured in Asia as well as to seize market opportunities in view of promotional sales for Christmas 2009.

Operating capital is a positive figure for the first time since 31 March 2005 thanks to strongly improved shareholders' funds.

	2007/08 M€	2008/09 M€	March09 vs. March08 M€	March09 vs. March08 %
Net financial debt	18.8	7.9	- 10.9	- 58 %
Working capital requirements	18.5	23.7	+ 5.2	+ 28%
Operating capital	- 0.3	15.8	+ 16.1	Ns
Sales	84.2	98.5	+ 14.3	+ 17 %
Overheads	18.9	20.2	+ 1.3	+ 7 %
Net financial result	2.0	1.2	- 0.8	- 40 %

Similarly the effort to reduce overheads allowed the Group to curb their growth (+7%) to a much slower rate than that of sales (+17%), the strongest increases resulting from the cost of road shipping to customers and marketing investments for the new products.

The net financial cost went down by 40% i.e. slower than financial debt itself due to the impact of rising interest rates in the first half year (before year-end slump) on an exclusively floating rate debt.

#### Profitability

	2007-08 M€	% Sales	2008-09 M€	% Sales
Revenue (Sales)	84.15		98.49	
<b>Current result from operations *</b>	11.73	13.94%	17.98	18.25 %
<b>Result from operations</b>	11.73	13.94%	17.74	18.01 %
<b>Earnings before tax</b>	9.71	11.54%	16.54	16.79%
<b>Group net result</b>	11.56	13.73%	16.48	16.73 %

(\*) before loss of value

As first announced on 18 November 2008 and confirmed in January and April 2009, the Group fulfilled its target for an operating result of 18 %, this increase in excess of 50 % resulting from the pre-eminence of the Accessory business and other activities with significant added value including software Publishing or new ranges of Audio products focussed on market niches.



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Decreasing financial expenses enabled an even stronger year on year growth of earnings before tax at 70%.

### **Outlook**

The Group's action plan for FY 2009-10 is based on a double goal approach: reinforce leadership achieved for console accessories and maintain the most flexible operating structure possible in order to ensure a return to growth in the best possible conditions by:

- focussing on export business which still is the first axis for development in order to reinforce the leadership achieved on the main markets of continental Europe;
- further developing integration across the Group for the marketing of accessories and for an optimised stock management already relying on the centralisation of logistics for French and German customers at the Libercourt warehouse, Benelux logistics being due to join them on this site during summer 2009;
- implementing the new strategy of joint designing/publishing of video games and accessories leading to innovative products such as *Hunting Challenge*, *Kick Party*, *Rock Legend*, *Body Coaching* for a complete gaming immersion.

During autumn 2009, Bigben Interactive will offer the first of these 4 new products for the two very popular Nintendo console formats and with a specific focus on the female customer base, combining its know-how as a manufacturer of accessories and its experience as a video game publisher:

Prospects for sales and results for FY 2009/10 are based on the following observations:

- the growth of the video game market and the broader population of gamers (without any age or sex restriction) due to the availability of console hardware inducing a new gaming mode immediately open to everyone (social gaming / party gaming) and entailing a strong demand for immersive peripherals ;
- the launch of the new "accessory + software" packs which should generate a strong growth of the "Publishing/exclusive distribution" business while Audio products should further develop the upward trend initiated last year;
- an overall growth of sales for the full 2009-10 financial year but with a first half down when compared to the same period of previous FY, which had been extraordinary due to the release of several software blockbusters with a worldwide audience and to the Wii console hardware still in its thriving introduction phase.

In view of the above and in the present state of its knowledge of the short term evolution of the market, the BIGBEN INTERACTIVE Group targets a moderate sales growth reaching annual sales of at least 105 €m and a result from operations in excess of 15 % of sales for FY ending on 31 March 2010, net financial debt reaching the zero level.



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## Dividend

In order to reward shareholder loyalty, the Board of Directors will propose to the next Annual General Meeting the approval of the distribution of a net dividend of €UR 0.25 per share.

*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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