# 2015

# Registration Document

and Annual Report

UBISOFT®

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# 2015 Registration Document and Annual Report

**The French version of this Registration Document was filed on July 2, 2015 in accordance with Article 212-3 of the French Financial Markets Authority *(Autorité des Marchés Financiers – AMF)*. It may be used in connection with a financial transaction if accompanied by a memorandum approved by the *Autorité des Marchés Financiers*. This document has been prepared by the issuer and is binding upon its signatories.**

**Pursuant to Article 28 of Commission Regulation (EC) No. 809/2004, the following information is incorporated by reference in this Registration Document:**

- **the consolidated and separate financial statements and the relevant Statutory Auditors' reports for the financial year ended March 31, 2014, presented in the Registration Document filed on 06/26/2014 under No. D.14-0691, pages 98 to 188;**
- **the consolidated and separate financial statements and the relevant Statutory Auditors' reports for the financial year ended March 31, 2013, presented in the Registration Document filed on 06/25/2013 under No. D.13-0655, pages 88 to 173.**



# Message from the Chairman

Dear Shareholders and Partners,

## Outstanding performance in 2014/2015

The increasing popularity of open world games was confirmed in 2014. They represented 30% of industry revenues from console and PC games, almost double the figure from 2008, and of the top ten best sellers of the year, five were open world games. This performance is on track to continue. In this respect, three of our open world games feature among the top seven best sellers of the year. This remarkable achievement is a reflection of our passion for innovation and creativity, of our exceptional studios and our strong marketing campaigns.

It also reflects our unique ability to create and develop new blockbuster brands and to launch them on a regular basis. Today, Ubisoft® is alone in its ability to market this many games with such frequency. For example, in addition to a new *Assassin's Creed*® game being released every year, it took us only two years to prepare for the launch of *Far Cry*®, considered by many as the best shooter of 2014. This year also saw the release of *Watch Dogs*®, a new creation from our internal studios and a record-breaking launch for a new brand. This exceptional ability affords us a high level of visibility and stability on which to confidently build our future.

## Owners and developers of our own brands

We owe the majority of this success to our internal teams and we are proud to continue to progress in this way. The early years of a new cycle are always the best time to launch new brands. Ubisoft has successfully continued to use these periods to differentiate itself from its competitors and to create new long-term franchises. *Watch Dogs* was not only one of the two best new creations of 2014, it was also the only new sizable franchise developed and owned by its publisher. This means that not only do we own the brand, but the know-how and technology are all in-house. We believe that this expertise in the development of new IPs is a major factor in the creation of long-term value for our shareholders. This has been manifested by a record financial year in 2014/2015 with sales of €1,464 million (an increase of 45%), a non-IFRS operating profit of €171 million and free cash flow generation of €176 million.

## Far from having reached our potential

This success puts us in a position where we can focus on further improving our performance, particularly in the highly strategic digital sector. This segment represented 26% of Group sales in 2014/2015, compared to less than 5% five years ago, testament to our significant progress. We nevertheless have the potential for much higher growth in this domain, which will have a positive effect on our future financial results. Digital revenues have had a very positive impact on the profitability of video game publishers. Their recurrence also offers our business a particularly favorable level of visibility. We are already benefiting from the knowledge and expertise accumulated over recent years through our Free-to-Play PC and mobile games, and the digital versions of our console and PC games. Uplay, our online services and distribution platform, now has more than 70 million users, and offers us an unparalleled direct relationship with our fans.

This experience gained in all things digital will enable us to take full advantage of the upcoming launch of numerous multi-player games. Our investment in this growing segment over a number of years will leave us in a strong position. The launch of The Crew last year was an initial success with high levels of digital revenues. The 2015/2016 financial year will confirm this trend with the launch of *Rainbow Six*® *Siege* and *The Division*™, two titles in which multiplayer gaming is at the heart of the experience. *For Honor* and *Ghost Recon*® *Wildlands,* recently presented and well received at E3 Electronic Entertainment Expo in Los Angeles, have also been created along similar lines.

## Newly improved profitability

Ubisoft has always successfully managed its growth and development in an organic way. Our exceptional internal creative force, strong and recurring franchises, industry best marketing teams and the development of the digital sector combined will enable us to improve our performance over the coming years. Our objectives for the 2015/2016 financial year include a further rise in profitability, with non-IFRS operating profit expected to exceed €200 million due to stable sales levels.

## Gamers at the heart of our development

One aspect that is particularly close to my heart is our fans. Our community of gamers and their commitment to our brands have been at the core of Ubisoft's success since its creation almost 30 years ago. And so our teams continue to innovate with them in mind, aiming to offer fans increasing freedom and choice and creating experiences to enrich their lives. The opportunity to enjoy a community of fans as passionate as ours is unparalleled.

I would like to wholeheartedly thank and congratulate all Ubisoft teams for their outstanding performance this year. We will continue to build industry leading franchises and to entertain and excite our fans with unforgettable gaming experiences. Lastly, I would like to thank our shareholders, our partners and our customers for their continued support and trust.

**Yves Guillemot**
Chairman and Chief Executive Officer

Ubisoft considers «Non-IFRS operating income» and «Non-IFRS net income», measures not prepared strictly in accordance with IFRS, to be relevant indicators of the Group's operating and financial performance. Management uses these measures to run the Group's business as they are the best reflection of its recurring performance and exclude the majority of non-operating and non-recurring items. A reconciliation between the IFRS and non-IFRS measures is provided in the appendices to the annual earnings release published on May 12, 2015.

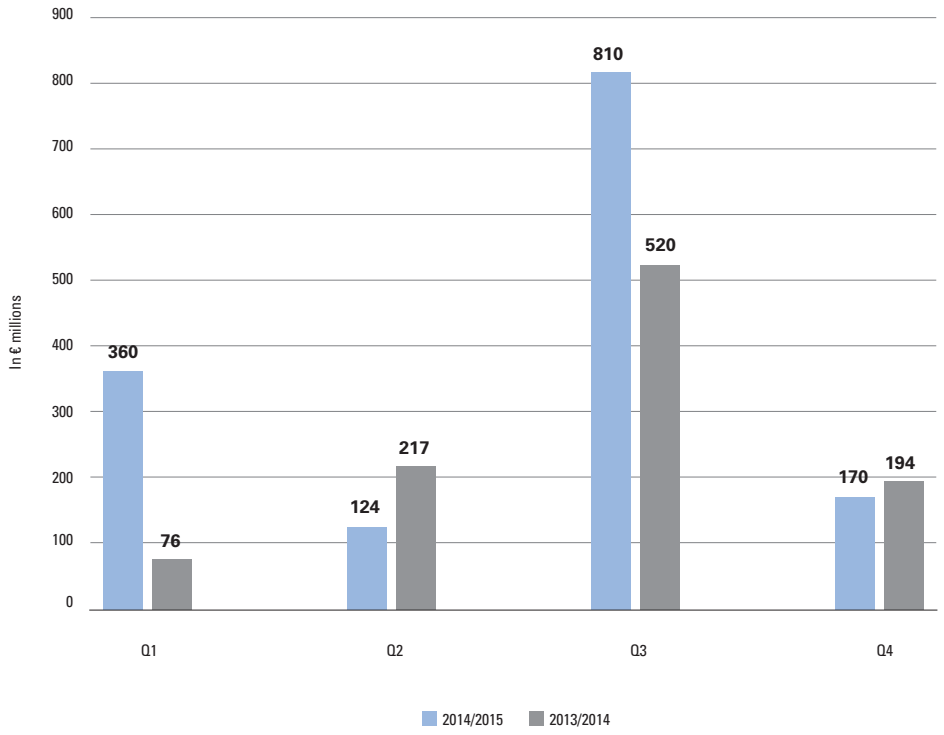
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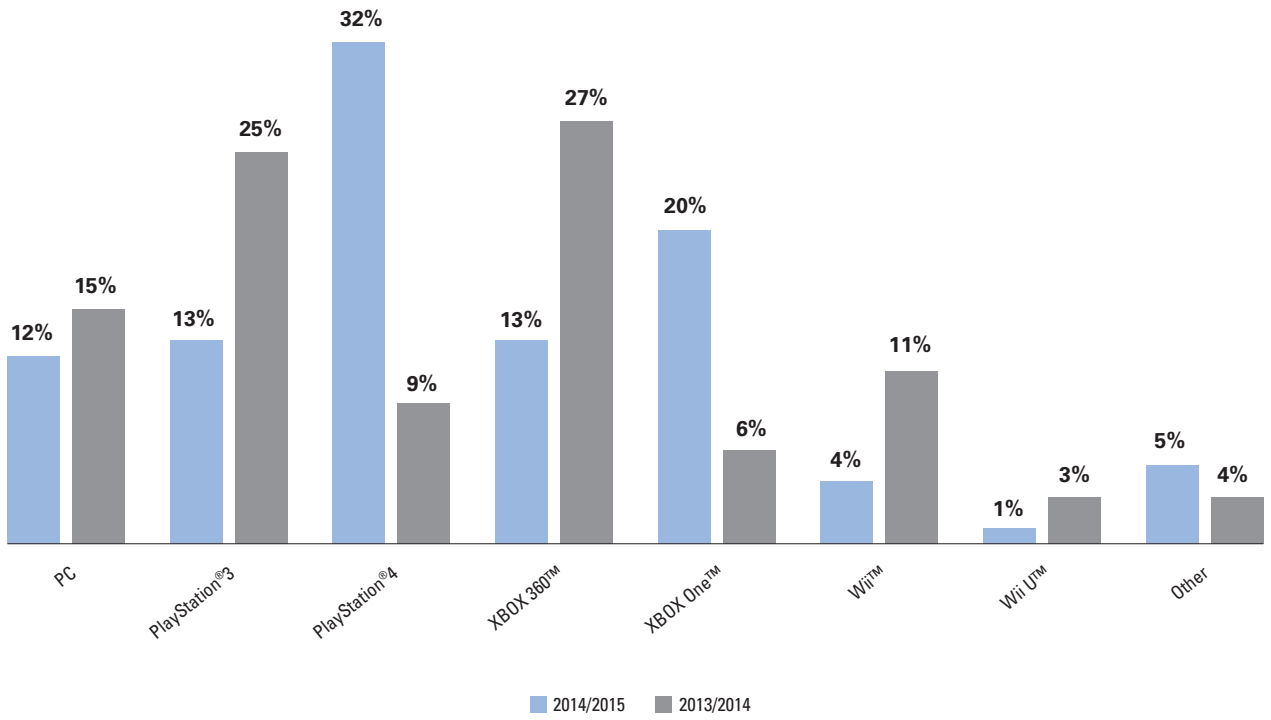
# 1.1 Quarterly and annual consolidated sales




| Sales *(in € millions)* | 2014/2015 | 2013/2014 | Change at current exchange rates | Change at constant exchange rates |
|---|---|---|---|---|
| Q1 | 360 | 76 | 373.70% | 385.50% |
| Q2 | 124 | 217 | -42.90% | -45.20% |
| Q3 | 810 | 520 | 55.80% | 49.50% |
| Q4 | 170 | 194 | -12.40% | -14.30% |
| **FINANCIAL YEAR TOTAL** | **1,464** | **1,007** | **45.30%** | **41.60%** |

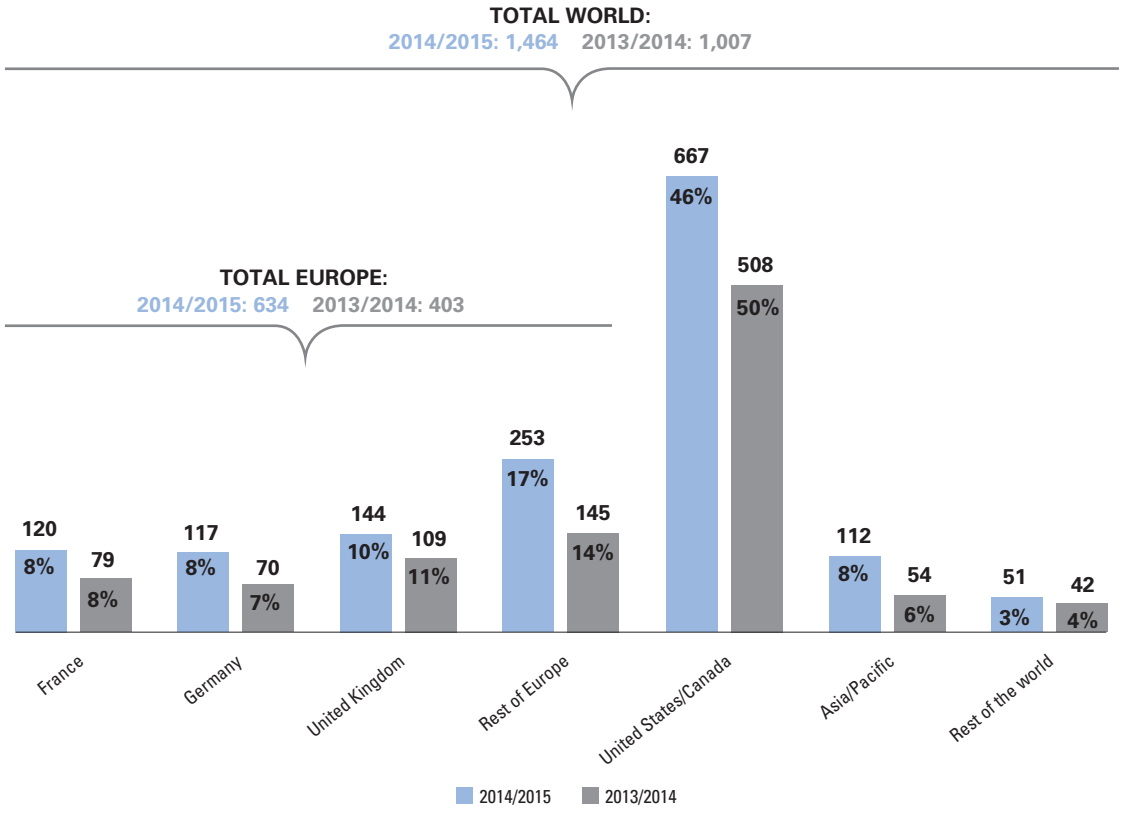
The sharp increase in sales was driven by the release of a higher number of major titles compared to the previous year and strong growth in the digital market.

# 1.2 Sales by platform



# 1.3 Sales by geographic region

The breakdown of Group sales by geographic region is as follows *(in € millions)*:



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# 2.1 Group profile and strategy

Ubisoft's® main business activities are centered around the production, publishing and distribution of video games for consoles, PC, smartphones and tablets in both physical and digital formats. Over time, the objective of the Group, as a creator of entertainment brands, is to expand the impact of its intellectual property into other sectors such as cinema, television series and merchandising. This strategy should help to increase the visibility and recognition of brands such as *Assassin's Creed*® and *Rabbids Invasion*®, thereby increasing video game sales. It should also enable the targeting of new growth drivers. To date, the vast majority of Ubisoft resources are centered around the video game business.

In 2014, Ubisoft was ranked 3rd independent publisher in the world for physical game sales (sources: NPD, GFK) and currently employs 9,790 people.

2014 confirmed the potential of the new generation of consoles. Ubisoft took advantage of the successful launch of the Playstation®4 and the XBOX One™ to introduce *Watch Dogs*®, a new long-term franchise. The Group intends to maintain this strategy with the release of new brands including *Tom Clancy's The Division*™ and the relaunch of flagship franchises such as *Tom Clancy's Rainbow Six*® *Siege*. Ubisoft also plans to further its development in the digital segment, mobile games in particular, by building on the initial success of *Trials Frontier*™ and *CSI: Hidden Crimes*™.

# 2.2 History

## 1986: Creation of Ubisoft

by the five Guillemot brothers.

## 1989-1995: International expansion

Ubisoft opens its first distribution subsidiaries in the United States, Germany and the United Kingdom and its first internal development studios in France and Romania.

Launch in 1995 of *Rayman*®, Ubisoft's first major franchise.

## 1996-2001: Organic growth and strategic acquisitions

Flotation on the Paris stock exchange in 1996.

Opening of new studios including Shanghai in 1996 and Montreal in 1997. Acquisition in 2000 of Red Storm Entertainment (*Tom Clancy* games) and acquisition in 2001 of Blue Byte Software (*The Settlers*®). This strategy powered Ubisoft into the world's top 10 independent publishers in 2001.

## 2002-2006: A development strategy for owned franchises

Launch of *Tom Clancy's Ghost Recon*®, *Prince of Persia*® and *Tom Clancy's Splinter Cell*®, acquisition of *Driver*® and *Far Cry* franchises®.

## 2007-2014: A true creator and developer of online gaming

Ubisoft strengthens its reputation as a key player: the Group becomes the 3rd leading independent publisher. To date, 93 million copies of *Assassin's Creed,* 55 million copies of *Just Dance*®, 30 million copies of *Far Cry* have been sold.

Opening of a new studio in Chengdu (China) in 2007. Acquisition of the *Tom Clancy name for* video games and ancillary products, and of the Massive Entertainment studio (Sweden) in 2008. Studios opened in Singapore (2008) and Toronto (2009). Acquisition of Nadéo studio in 2009. Closure of two Brazilian studios in 2010. Acquisition in 2011 of Owlient, specializing in Free-to-Play games, and RedLynx, specializing in downloadable games. Launch in 2011 of the Motion Pictures business. Closure of the Vancouver studio in 2012. Acquisition in 2013 of THQ Montreal and two companies specializing in Free-to-Play games: Digital Chocolate (Barcelona) and Future Games of London.

# 2.3 Subsidiaries and equity investments

## INVESTMENTS DURING THE FINANCIAL YEAR

### Creation of new companies

- ***June 2014:*** creation of the Ubisoft CRC Ltd subsidiary in the United Kingdom.
- ***August 2014:*** creation of the Ubisoft Games LLC subsidiary in Russia.

### Legal reorganizations

- ***April 2014:*** merger of the Related Designs Software GmbH studio with Blue Byte GmbH.
- ***March 2015:*** merger of Ubisoft Motion Pictures Far Cry SAS and Ubisoft Motion Pictures Ghost Recon SAS with Ubisoft Motion Pictures SARL.
- ***March 2015:*** merger of Ubisoft Music Inc., Ubisoft Studio Saint-Antoine Inc. and 9275-8309 Québec Inc. with Ubisoft Entertainment Inc.
- ***March 2015:*** merger of Ubisoft LLC with Red Storm Entertainment Inc.

## BUSINESS ACTIVITIES OF SUBSIDIARIES

### Production subsidiaries

These are responsible for the design and development of the software, including in particular the scenarios, layouts and game rules, as well as the development of design tools and game engines.

The Group has continued its strategy of reorganization in line with industry developments and is developing its expertise toward the area of online and mobile gaming.

### Sales and marketing subsidiaries

These are responsible for the worldwide distribution of Ubisoft products (CD games, ancillary products, etc.) to superstores and independent wholesalers. With regard to online business, sales and marketing subsidiaries primarily manage the sale of digital games via dedicated platforms such as Uplay, Steam, Sony, PSN, XLA, etc.

They are also in charge of the marketing strategy and campaigns associated with game promotion.

MAIN DISTRIBUTION SUBSIDIARIES

| | 03/31/15 | | | 03/31/14 | | | 03/31/13 | | |
|---|---|---|---|---|---|---|---|---|---|
| Subsidiary *(in € thousands)* IFRS financial statements | Sales | Operating profit (loss) | Net income | Sales | Operating profit (loss) | Net income | Sales | Operating profit (loss) | Net income |
| Ubisoft Inc. (United States) | 611,953 | 11,842 | 7,953 | 449,160 | 8,710 | 5,371 | 578,830 | 11,252 | 7,416 |
| Ubisoft Ltd (United Kingdom) | 154,031 | 2,206 | 997 | 98,127 | 1,422 | 617 | 128,417 | 2,039 | 1,322 |
| Ubisoft Entertainment Inc. (Canada) * | 95,859 | 1,650 | 2,348 | 82,174 | 1,432 | (898) | 99,718 | 1,945 | 1,501 |
| Ubisoft GmbH (Germany) | 120,852 | 2,189 | 1,638 | 79,847 | 2,852 | 2,112 | 96,942 | 2,043 | 2,585 |
| Ubisoft France SAS | 85,233 | 1,168 | 875 | 56,568 | 1,204 | 851 | 80,975 | 1,145 | 822 |

* *The subsidiary Ubisoft Canada Inc., which distributes products to the Canadian and South American territories, merged with the subsidiary Ubisoft Entertainment Inc. on March 31, 2013. Only the portion relating to distribution is shown in this table.*

### Relations between the parent company and subsidiaries

The relationship between the parent company and the subsidiaries involves:

- production subsidiaries billing the parent company for development costs based on the progress of their projects. These costs are capitalized at the parent company and amortized from the commercial launch date of the game;
- the parent company invoicing distribution subsidiaries for a contribution to development costs.

The parent company also centralizes a certain number of costs that it then allocates to its subsidiaries, in particular in relation to:

- the purchase of computer equipment;
- general and administrative expenses;
- interest expenses related to the cash management agreement, guarantees and loans.

## SIMPLIFIED ORGANIZATION CHART

The organization chart below shows the main Group companies as at March 31, 2015. These companies are all wholly owned, directly or indirectly.

### Ubisoft Entertainment SA

#### Video game production

**Ubisoft Production Internationale SAS**
France

**Ubisoft Paris SAS**
France

**Nadéo SAS**
France

**Ubisoft Montpellier SAS**
France

**Ubisoft Annecy SAS**
France

**Blue Byte GmbH**
Germany

**Ubi Studios SL**
Spain

**Ubisoft Studios Srl**
Italy

**Ubisoft Reflections Ltd** (1)
United Kingdom

**RedLynx Oy** (1)
Finland

**Ubisoft Entertainment Sweden AB**
Sweden

**Ubisoft EooD**
Bulgaria

**Ubisoft Srl**
Romania

**Ubisoft Ukraine LLC**
Ukraine

**Shanghai Ubi Computer Software Co. Ltd**
China

**Chengdu Ubi Computer Software Co. Ltd**
China

**Ubisoft Osaka KK**
Japan

**Ubisoft Entertainment India Private Ltd**
India

**Ubisoft Singapore Pte Ltd**
Singapore

**Redstorm Entertainment Inc.** (1)
United States

**Ubisoft Entertainment Inc.** (2)
Canada

**Ubisoft Toronto Inc.** (1)
Canada

**Ubisoft Music Inc.** (3)
Canada

**Ubisoft Studio Saint-Antoine Inc.** (1) (3)
Canada

#### Distribution

**Ubisoft France SAS**
France

**Ubisoft EMEA SAS**
France

**Ubi Games SA**
Switzerland

**Ubisoft BV**
Netherlands

**Ubisoft Nordic A/S**
Denmark

**Ubisoft GmbH**
Germany

**Ubisoft SA**
Spain

**Ubisoft SpA**
Italy

**Ubisoft Ltd**
United Kingdom

**Ubisoft Pty Ltd**
Australia

**Ubisoft Games LLC**
Russia

**Ubisoft Ltd**
Hong-Kong

**Ubisoft KK**
Japan

**Ubisoft Entertainment Ltda**
Brazil

**Ubisoft Entertainment Inc.** (2)
Canada

**Ubisoft Music Publishing Inc.**
Canada

**Ubisoft Inc.**
United States

#### Mobile production

**Ubisoft Paris - Mobile Sarl**
France

**Ubisoft Sarl**
Morocco

**Ubisoft Emirates FZ LLC**
United Arab Emirates

#### Production/Distribution (4)

**Ubisoft Mobile Games Sarl**
France

**Owlient SAS**
France

**Future Games of London Ltd** (1)
United Kingdom

#### Film

**Ubisoft Motion Pictures Sarl**
France

**Ubisoft Motion Pictures Rabbids SAS** (1)
France

**Ubisoft Motion Pictures Assassin's Creed SAS** (1)
France

**Ubisoft Motion Pictures Splinter Cell SAS** (1)
France

**Script Movie Sarl** (1)
France

**Hybride Technologies Inc.** (1)
Canada

#### Support

**Ubisoft International SAS**
France

**Ubisoft Learning & Development Sarl**
France

**Ubisoft CRC Ltd** (1)
United Kingdom

(1) Indirectly owned
(2) Studio Montreal, Quebec and Halifax (Mobile)/ Distributor for studios (North America)
(3) Merger with Ubisoft Entertainment Inc. on April 1, 2015
(4) Studios that distribute the games they develop

# 2.4 Research and development, investment and financing policy

## 2.4.1 RESEARCH AND DEVELOPMENT POLICY

In order to develop exceptional video games, Ubisoft has established a project-led R&D policy for tools and technologies using the most recent technological advances. The technical decisions of a game are made years before its release, very early in the creative process so as to align innovative efforts as well as human resources and funding.

Its close-knit team of engineers who have mastered the best available technologies now enables Ubisoft to take a highly pragmatic approach to its projects: depending on the challenges and expected results on a game, the choice of tools may involve specific internal developments, software already available on the market, or most often, a combination of the two. Research is thus focused on innovation and functionality using technologies that are suited to a high-quality product.

Ubisoft, which pays attention to technological developments on the market, has implemented a number of initiatives to encourage the sharing and transfer of technological knowledge within the Group's different teams (production, support, IT), thereby enabling ongoing advances in tools and production processes. A collaborative approach within the teams is therefore encouraged [1]. Several internal departments have specific sharing-related tasks, there is a dedicated "Knowledge Management" team in place and various tools and sharing platforms have been developed over the years to support knowledge capitalization. These advances, associated with promoting networking between the Group's studios, have enabled the Company to master the development of new products, particularly with regard to the transition toward new generations of consoles.

Although the Group does not conduct any basic research, it has worked closely with a variety of research partners for many years in order to collaborate with researchers in fields connected to game development. An opportunist and very selective medium-term research policy, in collaboration with industrial and academic partners, is also maintained so as to actively monitor technology in upstream projects such as Artificial Intelligence, Cloud, etc. Long-term partnerships have also been established with research laboratories and universities. In 2011, for example, Ubisoft Montréal made a five year commitment to contribute to the funding of a University of Montreal research program on artificial intelligence and computer-based learning (annual contribution of CAD$200,000 [2]). Since 2010 in France, Ubisoft has also taken part, in collaboration with Télécom Paris-Tech University, Rennes 2 University and other industrial partners, in the research and training chair in "Modeling imaginations, innovation and creation", which intends to explore the sources and techniques of innovation processes.

Lastly, in December 2012, an agreement was signed with the French government to finance a €3.5 million research and development project on technologies intended for the new generations of games. This project, which was completed at the end of March 2015, involved almost seventy people from Ubisoft, the CEA (French commission for atomic energy and alternative energies) and LIRIS (laboratory for image IT and information systems), part of the CNRS/Université Claude Bernard Lyon. Elsewhere, specific collaborations are also taking place with external software providers to improve the productivity of the tools and methods used by Ubisoft in game production.

Alongside the efforts focused on the production of high quality games, Ubisoft also invests in animation and film through its Ubisoft Motion Pictures entity, which produces the animated television series *Rabbids Invasion* broadcast on the children's channel Nickelodeon and on France Télévisions. Advances in both the production methods inspired by the world of film and cutting edge imaging technology have also been made in these domains and contributed, through exchanges with game production teams, to the development of innovative products.

These different initiatives have enabled Ubisoft to complement its internal software developments while still encouraging openness to the many technological fields that now comprise the creation of increasingly advanced and immersive interactive experiences and content. Thanks to this openness and its active participation in various technical events and conferences (Games Developers Conference, Dice, Siggraph, etc.), Ubisoft contributes to the influence of the video game sector for the whole industry.

With regard to the 2014/2015 financial year, commercial software costs, predominantly localized in France, reached €390 million, 4% higher than the previous year. These costs are capitalized and amortized on a straight-line basis over one to three years, with additional impairment losses recognized to reflect the product life cycle.

| *(in € millions)* | 2014/2015 | 2013/2014 |
|---|---|---|
| Capitalization of costs of commercial software and films | 389.7 | 373.8 |
| Amortization/depreciation of commercial software and films | 423.8 | 313.0 |

(1) See 4.2.3.2.

(2) Equivalent to €145,000 at the end of March 2015.

## 2.4.2 INVESTMENT EXPENDITURE POLICY

The vast majority of Ubisoft's production is in-house, thereby affording it full control over its expertise in game development and the ability to share this knowledge between its various studios. This approach is particularly critical in the early part of a cycle when new technologies can differentiate one from its competitors. It is also significant in the development of open world games which call for large teams and strong collaboration across different studios.

Ubisoft has continued its investment expenditure policy to enable the Company to gain traction in new platforms, develop its online business and more generally increase its market share and improve its financial performance. Accordingly, in 2014/2015, internal production costs increased by 16% from €410 million to €475 million.

| | 2014/2015 | 2013/2014 | 2012/2013 |
|---|---|---|---|
| Production-related capex | €475 million | €410 million | €383 million |
| Capex per member of production staff | €58,738 | €55,278 | €56,111 |

## 2.4.3 FINANCING POLICY

Video game publishers have two kinds of cash flows:

- cash flows for financing development costs which are spread evenly throughout the year;
- cash flows linked to the marketing of games, which are highly seasonal in nature (25% of sales are made in the first half of the year and 75% in the second half).

These cash flows include a lag between production costs and cash inflows. The Company must first finance product manufacturing, which is payable at 30 days on average, but also finance marketing costs before cash flows in an average of 48 days after games hit the shelves. For this reason, the Company must finance significant cash peaks around Christmas time before seeing its cash climb back up during February and March. This timing could be different if Q4 of the financial year is very strong, resulting in higher working capital requirements. It should also be noted that the development of digital activity is expected to relieve financing requirements associated with the physical production of marketed products.

### Equity financing

The video game business line requires substantial capital expenditure in development, over average periods of between 24 and 36 months, which publishers must be able to finance out of their own resources.

In addition, publishers are required to launch new releases on a regular basis, and their levels of success cannot be guaranteed.

For these reasons, significant capitalization is essential to guarantee the continuous financing of capital expenditure and to deal with contingencies stemming from the success or failure of games without endangering the future of the Company.

With equity of €979 million, the Ubisoft Group financed investment expenditure on game production to the tune of €537 million for the 2014/2015 financial year.

Furthermore, in order to increase its capacity for external growth, March 2015 saw Ubisoft set up a new equity line; an equity financing mechanism for a term of two years (with the option to extend by an additional year) to replace the previous mechanism which matured without having been used. For information only purposes, the equity contribution likely to be made via this equity line could be as much as €180 million [1].

### Other sources of finance

Over the 2014/2015 financial year, the Ubisoft Group used the following resources to meet its operating cash requirements:

- a syndicated loan of €250 million signed in July 2012 and amended in July 2014 (maturing in July 2019);
- a Schuldschein type loan of €200 million granted in March 2015 (maturing in March 2020);
- two Euro PP type bonds of €20 million and €40 million issued in December 2012 (maturing in December 2018) and May 2013 (maturing in May 2018) respectively;
- bilateral credit lines of €35 million (maturing in 2019);
- bilateral credit lines of €15 million (maturing in 2017);
- bilateral credit lines of €10 million (maturing in less than one year);
- a loan of €5 million (maturing in September 2018);
- a loan of €3 million (maturing in September 2019);
- a commercial paper program with a maximum of €300 million;
- The average cost of financing was 1.5% for the 2014/2015 financial year.

The Group also uses:

- factoring regarding the Canadian credit multimedia titles for one-off operations such as market opportunities (representing €19.9 million over the financial year);
- invoice discounting and receivables factoring in Germany, the United Kingdom and occasionally the United States.

(1) Based on the Ubisoft Entertainment SA share price as at March 31, 2015.

FACTORING COMMITMENT AT THE CLOSING DATE

| *(in € millions)* | 03/31/15 | 03/31/14 | 03/31/13 |
|---|---|---|---|
| United Kingdom | (0.2) | 5.8 | (0.3) |
| Germany | (0.8) | (0.3) | 1.5 |
| **FACTORING COMMITMENT** | **0** | **5.5** | **1.2** |

However, Ubisoft does not use securitization agreements, Dailly assignment agreements or sale and repurchase agreements.

In addition, with regard to the financing of non-current assets, Ubisoft has entered into a lease for an amount of €10 million [1].

### Covenant management

With regard to the syndicated loan, the Schuldschein type loan, the bonds and the bilateral credit lines, Ubisoft must comply with the following ratios calculated on the basis of the IFRS consolidated annual financial statements:

- the "Net debt restated for assigned receivables/equity restated for goodwill" ratio must be below 0.8;
- the "Net debt restated for assigned receivables/EBITDA" ratio must be below 1.5. over the last 12 months.

As at March 31, 2015, the Ubisoft Group was in compliance with these ratios and expects to remain so during the 2015/2016 financial year.

### Financing in 2015/2016

For the 2015/2016 financial year, and unless the Company makes a major acquisition, Ubisoft should be able to finance its operations from cash and the facilities at its disposal, including €550 million in lines of credit of three years or more.

# 2.5 2014/2015 financial year

## 2.5.1 FINANCIAL YEAR HIGHLIGHTS

### June 2014 – *Watch Dogs*, the largest ever launch of a new brand

At the end of December 2014, with more than 10 million units sold (sell-in), the game was the largest ever launch of a new brand in the EMEA region and the second largest in North America.

### June 2014 – Announcement of the release of *Tom Clancy's Rainbow Six Siege* at E3

*Tom Clancy's Rainbow Six Siege* marks the 2015 return of the famous FPS franchise with a new release for new generation consoles and PC.

### December 2014 – *Far Cry 4* voted best shooter of the year

*Far Cry 4* was voted best shooter of the year at the Game Awards 2014.

### January 2015 – Official release date for the *Assassin's Creed* movie

The *Assassin's Creed* movie will be released on December 21, 2016.

### March 2015 – Opening of a Customer Relationship Center (CRC)

Based in Newcastle in the United Kingdom, the CRC manages all direct relationships with gamers in the EMEA region, incorporating customer support and community managers. With the development of the "game as a service" model, collaboration between the community managers and the customer service teams is a major priority for Ubisoft so as to keep its gaming communities loyal and satisfied.

### March 2015 – Establishment of a €200 million Schuldschein loan

The funds raised, under very favorable market conditions, will allow the Company to broaden its investor base, diversify its sources of financing and accelerate its growth.

### March 2015 – Establishment of a new equity line

This replaces the previous line, signed in 2012, which matured without having been used.

(1) See 5.3.4.1.

## Highlights of the digital segment

### April 2014 – Successful launches of Free-to-Play mobile games *Trials Frontier* and *CSI Hidden Crime*™

By mid-May 2015, the two games had generated almost 50 million downloads.

### August 2014 – *Hungry Sharks*®, in the top 10 of worldwide iOS downloads (source: AppAnnie)

By mid-May 2015, the game had generated almost 130 million downloads.

## 2.5.2 CHANGES IN THE INCOME STATEMENT

The consolidated financial statements for the financial year ended March 31, 2015, have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable at March 31, 2015, as adopted by the European Union.

Only those standards approved by the European Commission and published in its official journal prior to March 31, 2015, and which have been mandatory since April 1, 2014, have been applied by the Group to its consolidated financial statements for the financial year ended March 31, 2015. No standard or interpretation whose application does not become mandatory until after March 31, 2015, has been applied early to the consolidated financial statements for the financial year ended March 31, 2015.

The IFRS standards as adopted by the European Union differ in some ways from the IFRS standards published by the IASB. However, the Group has made sure that the financial information presented would not have been substantively different if it had applied IFRS standards as published by the IASB.

| *(in € thousands)* | 03/31/15 | 03/31/14 |
|---|---|---|
| **Sales** | **1,463,753** | **1,007,064** |
| Gross profit | 1,126,680 | 721,813 |
| R&D costs | (580,554) | (426,061) |
| SG&A costs | (385,016) | (361,359) |
| **Non-IFRS current operating income** | **170,719** | **(65,607)** |
| Stock-based compensation | (9,609) | (9,706) |
| Other non-current operating income and expenses | (21,717) | (22,627) |
| **Operating profit (loss)** | **139,393** | **(97,940)** |
| **Net financial income** | **712** | **10,334** |
| Income tax (credit) | 53,094 | 22,081 |
| **NET INCOME (GROUP SHARE)** | **87,011** | **(65,525)** |
| Equity | 979,382 | 810,048 |
| Investment expenditure on internal and external game production | 421,682 | 410,351 |
| Staff | 9,790 | 9,281 |

Gross profit reached a record 77.0% (€1,126.7 million), compared with 71.7% (€721.8 million) for the 2013/2014 financial year. This significant improvement was driven by the positive impact of the success of Ubisoft games and the increasing significance of the digital segment.

Non-IFRS operating profit (loss) also reached record levels, climbing to €170.7 million and thereby exceeding the set target of €165 million. The change in non-IFRS operating profit, compared with a loss of €65.6 million the previous year, breaks down as follows:

- increase of €404.9 million in gross profit;
- increase of €147.5 million in R&D costs to reach €573.5 million (39.2% of sales), compared with €426.1 million for the 2013/2014 financial year (42.3%);
- increase of €21.2 million in SG&A expenses to €382.5 million (26.1% of sales), compared with €361.3 million (35.9%) in 2013/2014:
  - variable marketing expenses totaled 14.1% of sales (€206.1 million), compared with 20.2% (€204.4 million) in 2013/2014,
  - structure costs totaled 12.1% of sales (€176.4 million), compared with 15.6% (€157.0 million) in 2013/2014.

Non-IFRS net profit totaled €112.7 million, corresponding to a non-IFRS net profit per share (diluted) of €1.00, compared with a non-IFRS net loss of €49.3 million for 2013/2014 or €0.46 per share.

The IFRS net profit totaled €87.0 million, corresponding to an IFRS net profit per share (diluted) of €0.77, compared with an IFRS net loss of €65.5 million and €0.61 in 2013/2014.

### 2.5.3 CHANGE IN WCR AND DEBT LEVELS

The working capital requirement fell by €59 million compared with an increase of €41 million in the 2013/2014 financial year. The main changes related to:

- assets side: decline in trade receivables (€54 million) and inventory (€3 million), offset by an increase in other assets (€30 million);
- liabilities side: decline in trade payables (€5 million) and increase in other liabilities (€37 million).

The increase in trade receivables and trade payables is largely due to the fact that no game was launched during Q4 of the financial year, compared with the launch of the game *South Park™: the Stick of Truth™* in March 2014. The increase in other assets and other liabilities relates to receivables and tax liabilities associated with the earnings for the period and employee-related liabilities associated with performance bonuses.

Net cash at March 31, 2015 stood at €211.3 million, compared with negative €12.7 million at March 31, 2014.

## NON-IFRS CASH FLOW STATEMENT (UNAUDITED)

| *(in € thousands)* | 03/31/15 | 03/31/14 |
|---|---|---|
| **Adjusted cash flows from operating activities** | | |
| Consolidated earnings | 87,011 | (65,525) |
| +/- Depreciation on internal & external games & movies | 457,889 | 351,214 |
| +/- Other depreciation | 53,074 | 55,898 |
| +/- Provisions | 3,201 | (2,196) |
| +/- Cost of stock-based compensation | 9,609 | 9,706 |
| +/- Gains/losses on disposals | 64 | (3,945) |
| +/- Other income and expenses calculated | (15,534) | (13,537) |
| +/- Internal development and license development costs | (421,683) | (410,914) |
| **Non-IFRS cash flows from operations** | **173,631** | **(79,299)** |
| Inventory | 3,007 | (3,778) |
| Customers | 53,783 | (35,361) |
| Other assets | (29,739) | (11,909) |
| Suppliers | (5,292) | 18,128 |
| Other liabilities | 37,002 | (7,837) |
| **+/- Change in non-IFRS WCR linked to operating activities** | **58,761** | **(40,756)** |
| **Total non-IFRS cash flow generated by operating activities** | **232,392** | **(120,055)** |
| **Cash flows from investing activities** | | |
| - Payments for other intangible assets and property, plant and equipment | (56,244) | (43,014) |
| + Proceeds from the disposal of intangible assets and property, plant and equipment | 122 | 133 |
| - Payments for the acquisition of financial assets | (23,709) | (18,699) |
| + Repayment of loans and other financial assets | 23,373 | 18,819 |
| + Disposal of shares | - | 6,003 |
| +/- Changes in scope [1] | (3,188) | (9,855) |
| **Total non-IFRS cash flow used by investing activities** | **(59,646)** | **(46,612)** |
| **Cash flows from financing activities** | | |
| + New borrowings | 622,283 | 103,862 |
| + New finance leases contracted | 10,142 | 9 |
| - Repayment of finance leases | (291) | (124) |
| - Repayment of borrowings | (466,578) | (328) |
| + Proceeds from shareholders in capital increases | 18,054 | 65,345 |
| +/- Sales/purchases of own shares | 639 | 402 |
| - Associated current account | (260) | - |
| **Cash generated by (used in) financing activities** | **183,989** | **169,166** |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | **356,735** | **2,499** |
| Cash and cash equivalents at the beginning of the period | 115,610 | 129,505 |
| Impact of translation adjustments | 32,870 | (16,394) |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD *** | **505,215** | **115,610** |
| *(1) Including cash in companies acquired and disposed of* | - | *2,265* |

This cash flow statement differs from the cash flow statement required by IFRS standards mainly due to the reclassification of internal and external software developments in cash flows from operations.

# 2.6 Outlook

In 2014, the console and PC physical video games market recorded a drop of 11% (Europe, Australia and North America, sources: NPD, GFK, etc.). In 2015, this segment is expected to see growth compared with the previous year for the first time in six years, due to the surge in new generation consoles. Another year of growth is also expected for digital distribution (PC and consoles) which is taking an increasing share of this market even though, in the absence of official statistics, it is difficult to provide comprehensive estimates.

The online video games market should also experience another year of strong growth.

In mid-May 2015, the Group announced its targets for the 2015/2016 financial year:

- stable sales levels compared with the 2014/2015 financial year;
- non-IFRS operating profit of at least €200 million.

# 3 Governance, risks, risk management and internal control


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# 3.1 Report of the Chairman of the Board of Directors on corporate governance, internal control and risk management

This report, prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code, was made available to the Audit Committee on May 11, 2015, and approved by the Board of Directors at its meeting held on May 12, 2015.

The main parties involved in preparing and drawing up the report are the Chairman and Chief Executive Officer, the members of the Board of Directors and of the Committees, working in close collaboration with the Administration Department in charge of its preparation.

This report is a descriptive approach of the works started, completed and planned by the Company. In no way is it intended to demonstrate that the Company has complete control over all of the risks it may encounter.

## 3.1.1 CORPORATE GOVERNANCE

### 3.1.1.1 Governance rules

#### Corporate governance code

The Company refers to the AFEP-MEDEF corporate governance code for listed companies as revised in June 2013 (the "AFEP-MEDEF Code"), particularly in preparing this report. The AFEP-MEDEF Code is available on the MEDEF website (www.code-afep-medef.com).

In accordance with the "comply or explain" rule given in Article L. 225-37 of the French Commercial Code and set forth in Article 25.1 of the AFEP-MEDEF Code, the following table indicates the AFEP-MEDEF Code recommendations that were not taken into consideration and the reasons for this.

| Provisions of the AFEP-MEDEF Code | Explanation |
|---|---|
| **9. Independent directors**<br>**9.2** *"[…]The independent directors should account for half the members of the Board in widely-held corporations without controlling shareholders."* | The proportion of independent directors increased from 16.66% to 29% after the General Meeting of June 27, 2013, and then from 29% to 44.4% after the General Meeting of November 20, 2013. Taking into account the composition of the Board of Directors with its nine members, this percentage is as close as mathematically possible to the 50% threshold. Furthermore, pursuant to Article 1.3 of the AFEP-MEDEF Code *"it is not desirable, having regard to the great diversity of listed corporations, to impose formal and identical ways of organization and operation for all Boards of Directors. The organization of the Board's work, and likewise its membership, must be suited to the shareholder make-up, to the size and nature of each firm's business […]. Each Board is the best judge of this, and its foremost responsibility is to adopt the modes of organization and operation enabling it to carry out its mission in the best possible manner."* The Board of Directors considers the percentage of 44.44% of independent members to be sufficient, particularly in view of the functional improvements achieved through its three committees, which are 100% composed of independent directors. |
| **10. Evaluation of the Board of Directors**<br>**10.2** *"The evaluation should have three objectives: […] (iii) to measure the actual contribution of each director to the Board's work through his or her competence and involvement in discussions."* | With regard to the recommendation on measuring the actual contribution of each director to the Board's work through his or her competence and involvement in discussions, the Board does not believe that it is desirable to formally measure their actual contribution to the work of the Board, which is and must remain a collegial body. Each director's individual contribution may also vary from one meeting to another depending on the topics under discussion.<br>Directors see firsthand the close involvement of each one among them throughout the year at meetings of the Board of Directors or committees. The Board does not deem the actual contribution of each director to be relevant, since the Board's ability to function effectively as a collegial body inevitably stems from their individual contributions. |
| **10.3** *"Once a year, the Board should dedicate one of the items on its agenda to a debate concerning its operation."* | During the year, this point was effectively covered by a summary of self-assessment questionnaires presented at a Board meeting. |

| Provisions of the AFEP-MEDEF Code | Explanation |
|---|---|
| **10.4** *"It is recommended that the non-executive directors meet periodically without the executive or "in-house" directors. The internal rules of the Board of Directors could provide for such a meeting once a year, at which time the evaluation of the Chairman's, Chief Executive Officer's and Executive Vice Presidents' respective performance shall be carried out, and the participants shall reflect on the future of the Company's executive management."* | Questions relating to the Chairman and Chief Executive Officers and the Executive Vice Presidents' performance are handled by the Compensation Committee during the annual review of their compensation. For these reasons, a formal meeting without the Chairman and Chief Executive Officer or the Executive Vice Presidents is not provided for in the internal rules of the Board. |
| **14. Duration of directors' term of office**<br>**Item relating to the number of shares to be held by the directors**<br>*"Even though it is not required by law, it is imperative that the Articles of Association or the internal rules of the Board of Directors set a minimum number of shares in the corporation concerned that each director must personally hold [....]."* | The internal rules of the Board state that it is desirable for each director to endeavor to hold shares in the company that exceed the minimum number provided for in the Articles of association.<br>The number of shares held by directors is variable as the Board currently believes that the number of shares held by the directors is not a corollary of their involvement in executing their duties.<br>However, at its meeting on March 19, 2015, the Board of Directors set the amount to be invested by directors in Ubisoft shares at €10,000. |
| **16. Audit Committee**<br>*"The time available for reviewing the accounts should be sufficient (no less than two days before review by the Board)."* | In due consideration of the deadlines for preparation of the financial statements and publication of the results on the one hand, and the internal organization of the Company on the other hand, the financial statements are examined by the Audit Committee the day before the Board meeting. However, the Company endeavors, as far as possible, to submit documents to the committee members sufficiently in advance for them to be able to review the documents properly. |
| **19. Number of directorships for corporate executive and non-executive officers**<br>*"A corporate executive officer should not hold more than two other directorships in listed corporations, including foreign corporations, not affiliated with his or her group."* | As at March 31, 2015, Yves Guillemot, corporate executive officer of the Company, is also a director of the companies Guillemot Corporation SA, Gameloft SE, Rémy Cointreau SA and Lagardère SCA.<br>The Company considers that appointments held in companies active in business sectors other than the video gaming sector allow Yves Guillemot to acquire new skills and utilize them in his role as Chairman and Chief Executive Officer. In addition, the vigilance exercised by the independent directors serving on the Board of Directors and committees of the Company, together with an ingrained knowledge of the related activities of Guillemot Corporation SA and Gameloft SE, mean that the proper limits can be set to prevent any conflicts of interest. |
| **21. Directors' compensation**<br>**21.1** *"It shall be recalled that the method of allocation of directors' compensation, the total amount of which is determined by the Meeting of shareholders, is set by the Board of Directors. It should take account, in such ways as it shall determine, of the directors' actual attendance at meetings of the Board and committees, and therefore include a significant variable portion."* | Following a proposal from the Compensation Committee, the Board of Directors has decided to maintain the rules regarding the allocation of directors' fees applied in previous years (50% variable and 50% fixed), as presented in section 3.2.1 of this Registration Document, due in particular to the directors' excellent rate of attendance at Board meetings. |

## Internal rules of the Board of Directors

The internal rules of the Board of Directors, intended in particular to specify its operating procedures, in conjunction with legal, regulatory and statutory provisions, were adopted during the meeting of the Board of Directors on July 27, 2004. They were examined and updated by the Board of Directors at regular intervals. The internal rules of the Board also constitute the directors' governance charter.

The internal rules of the Audit Committee, Compensation Committee and Appointments Committee are annexed to the internal rules of the Board of Directors. These were updated on February 5, 2015, when the Appointments Committee was created, and on May 12, 2015, during the revision of black-out periods.

The internal rules of the Board of Directors, published on the Company's website, set all the principles, which, without being set up as strict rules, should guide the composition of the Board of Directors.

## 3.1.1.2 Composition and functioning of governing bodies

### Composition of the Board of Directors and rules governing membership

COMPOSITION

The appointments and roles of the directors, Chairman and Chief Executive Officer and Executive Vice Presidents are described in section 3.1.1.5.

The composition of the Board of Directors is illustrated in the following table. There have been no changes in membership in the past financial year, although a new Appointments Committee has been set up.

| Name | Position in the Company | Date of taking office | Expiry at AGM approving financial statements for FY ended | Composition of the Board of Directors at 04/01/2014 | Joined or left the Board during the financial year | |
|---|---|---|---|---|---|---|
| **Yves Guillemot** (5) | Director<br>Chairman and Chief Executive Officer | 02/28/1988 | 03/31/2016 | ✔ | - | |
| **Claude Guillemot** (5) | Director<br>Executive Vice President, Operations | 02/28/1988 | 03/31/2017 | ✔ | - | |
| **Michel Guillemot** (5) | Director<br>Executive Vice President, Development Strategy and Finance | 02/28/1988 | 03/31/2017 | ✔ | - | |
| **Gérard Guillemot** (5) | Director<br>Executive Vice President, Publishing and Marketing | 02/28/1988 | 03/31/2016 | ✔ | - | |
| **Christian Guillemot** (5) | Director<br>Executive Vice President Administration | 02/28/1988 | 03/31/2017 | ✔ | - | |
| **Didier Crespel** | Director | 11/20/2013 | 03/31/2017 | ✔ | - | |
| **Estelle Métayer** | Director | 09/24/2012 | 03/31/2016 | ✔ | - | |
| **Laurence Hubert-Moy** | Director | 06/27/2013 | 03/31/2017 | ✔ | - | |
| **Pascale Mounier** | Director | 11/20/2013 | 03/31/2017 | ✔ | - | |

*(1) Date of appointment: November 20, 2013 – date of creation of the Audit Committee.*

*(2) Chairperson of the Compensation Committee since September 2, 2013 and member since September 24, 2012.*

*(3) Member of the Compensation Committee since June 27, 2013.*

*(4) Date of appointment: February 5, 2015 – Date of creation of the Appointments Committee.*

*(5) Yves, Claude, Michel, Gérard and Christian Guillemot are brothers.*

At May 12, 2015, the Board of Directors, whose membership has changed considerably since 2012 – notably with the aim of strengthening the diversity and complementarity of the skills required and increasing the percentage of women and independent directors – is composed of nine directors, including four independent directors, three of whom are women (two with dual French-Canadian citizenship).

Currently 33.33% of Board members are women and 44.44% are independent directors.

The Board of Directors does not have members representing employee shareholders, since the minimum threshold of 3% of the share capital held by employees (as prescribed by Article L. 225-23 of the French Commercial Code) has not been reached to date. In addition, since the Company does not meet the criteria set forth in Article L. 225-27-1 of the French Commercial Code resulting from the law of June 14, 2013, its Board of Directors does not have members representing employees.

The Board of Directors is assisted in its work by three committees: the Audit Committee, the Compensation Committee and the Appointments Committee. These three committees are 100% composed of independent directors.

RULES GOVERNING COMPOSITION OF THE BOARD OF DIRECTORS

According to the Company's Articles of Association, the Board of Directors shall be composed of at least three members and of no more than eighteen members, notwithstanding any derogation permitted by law.

Over the life of the Company, directors are appointed or reappointed by the Ordinary General Meeting. However, in the event of a merger or demerger, the appointment may be made by the Extraordinary General Meeting held to deliberate on the operation concerned. Between two meetings and in the event of a vacancy due to death or resignation, appointments may be made on a provisional basis by the Board of Directors. They are subject to ratification at the following General Meeting.

Following the recommendations of the AFEP-MEDEF Code and in accordance with Article 8 of the Company's Articles of Association, the term of office for directors is four years, with a system of staggered re-elections to ensure a smooth transition and avoid any ad-hoc replacements. However, in view of the Board's expansion in recent years, the staggered method could not be applied for new appointments, particularly as, under current legislation, appointments and/or re-elections cannot be for a shorter duration

| | Membership of the Board of Directors at 03/31/2015 | Independent director | Committee membership | | | Date of birth | Number of shares at 03/31/2015 |
|---|---|---|---|---|---|---|---|
| | | | Audit | Compensation | Appointments | | |
| | ✔ | - | - | - | - | 07/21/1960 | 917,783 |
| | ✔ | - | - | - | - | 10/30/1956 | 722,363 |
| | ✔ | - | - | - | - | 01/15/1959 | 505,103 |
| | ✔ | - | - | - | - | 07/14/1961 | 525,547 |
| | ✔ | - | - | - | - | 02/10/1966 | 227,070 |
| | ✔ | ✔ | Chairman [1] | - | Member [4] | 05/26/1962 | 191 |
| | ✔ | ✔ | - | Chairman [2] | - | 04/08/1970 | 4,000 |
| | ✔ | ✔ | Member [1] | Member [3] | Chairman [4] | 11/15/1961 | 488 |
| | ✔ | ✔ | - | | | 07/10/1963 | 790 |

than that laid down in the Articles of Association. Therefore, a proposal will be submitted at the General Meeting to amend Article 8 of the Articles of Association so that the Ordinary General Meeting can, in exceptional circumstances, appoint one or more directors for a term of two or three years and thus allow the Board to be staggered.

Pursuant to applicable legislative and regulatory provisions, if a director is appointed to replace another, he or she shall only hold this position for the remainder of his or her predecessor's term.

The term of office of directors ends following the Ordinary General Meeting called to approve the financial statements for the previous financial year and held in the year in which that term of office expires.

The Articles of Association set an age limit of 80. The Board of Directors appoints a Chairman from among its members. It also appoints the Chief Executive Officer and, upon the latter's proposal, may appoint one or more Executive Vice Presidents.

Pursuant to Article 8 of the Company's Articles of Association, each director must hold at least one share in the Company. The number of shares held by directors is variable as the Company currently believes that the number of shares held by the directors is not a corollary of their commitment to performing their duties. However, the Board of Directors decided at its meeting on March 19, 2015, in view of the payment to certain directors of a full year's directors' fees for the first time, to set the number of shares to be held by directors for the duration of their office as the equivalent of an invested amount of €10,000.

## Balanced representation of women and men on the Board of Directors

At March 31, 2015, the membership of the Board of Directors was consistent with the provisions of Article 5. II of Act No. 2011-013 of January 27, 2011, applying to companies with shares admitted for trading on a regulated market, further to which the proportion of directors of each gender may not be less than 20% following the first Ordinary General Meeting held after January 1, 2014. On February 5, 2015, the Board of Directors – particularly in view of the upcoming deadlines linked to re-elections and the above-mentioned law – formed an Appointments Committee wholly composed of independent directors. The role of the Appointments Committee is to make proposals and recommendations to the Board of Directors

regarding future re-elections and/or the selection of new members, based on predefined profiles corresponding to the talent sought.

## Independence of directors

The independent directors have no relationship of any kind whatsoever with the Company, its Group or its management that could compromise their judgment.

In accordance with the Company's internal rules, directors deemed independent must undertake at all times to maintain their independence with regard to analysis, judgment, decisions and action. They must undertake not to seek out or to accept benefits from the Company or associated companies, either directly or indirectly, which are likely to be considered prejudicial to their independence.

The status of independent director has been reviewed using the questionnaire introduced by the Appointments Committee and approved by the Board of Directors on March 19, 2015, at the end of which directors were invited to state their position based on each criterion applied by the AFEP-MEDEF Code to determine independent status. The results of this review are given in the table below:

| | Estelle Métayer | Laurence Hubert-Moy | Pascale Mounier | Didier Crespel |
|---|---|---|---|---|
| Must not be an employee or corporate officer of the Company, or an employee or director of its parent or a company that it consolidates, and must not have held such a position for the previous five years | Compliant | Compliant | Compliant | Compliant |
| Must not be a corporate officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive director of the Company (currently in office or having held such office going back five years) is a director | Compliant | Compliant | Compliant | Compliant |
| Must not be (or be directly or indirectly linked to) a customer, supplier, investment banker or commercial banker:<br>• that is material for the Company or its Group; or<br>• for a significant part of whose business the Company or its group accounts | Compliant | Compliant | Compliant | Compliant |
| Must not be related by close family ties to a corporate officer | Compliant | Compliant | Compliant | Compliant |
| Must not have been an auditor of the Company within the previous five years | Compliant | Compliant | Compliant | Compliant |
| Must not have been a director of the Company for more than twelve years | Compliant | Compliant | Compliant | Compliant |
| Must not be, control or represent a shareholder holding alone or in concert more than 10% of the capital or voting rights at General Meetings of the Company | Compliant | Compliant | Compliant | Compliant |

The Board of Directors, noting that no business relationship – even minor – existed between directors and the Company or the Ubisoft Group that could potentially compromise the independence of the directors concerned, decided that there was no point at this stage in setting a percentage threshold below which a business relationship would not be material.

## Functioning and responsibilities of the Board of Directors

### FUNCTIONING

The Board of Directors has the broadest possible powers to determine business policies and ensure their implementation within the limits of the Company's corporate purpose and the powers expressly granted by law to the General Meeting.

The internal rules of the Board of Directors, updated on May 12, 2015, provide the opportunity for directors to participate in the Board's deliberations via videoconference or telecommunications, which enable them to be identified and which guarantee their effective participation, under the conditions determined by the regulations in force. Directors who participate in the Board's deliberations in this way are deemed to be present for quorum purposes, except for Board of Directors' meetings relating to the establishment of the consolidated and separate financial statements, and the management report.

The preparation and organization of the Board of Directors come within the scope defined by the statutory and regulatory provisions applicable to French corporations *("sociétés anonymes")* and the Company's Articles of Association, and the provisions of the internal rules of the Board of Directors and its committees updated on May 12, 2015.

Over and above the expertise and powers of the Board, the internal rules of the Board prescribe the principle of confidentiality for information disclosed to members, and state that the office of director shall be held in accordance with the rules on independence, ethics and integrity. Moreover, the internal rules of the Board of Directors stipulate the requirement that each of the directors shall inform the Board in the event of a real or potential conflict of interests in which he/she may be directly or indirectly involved.

### THE BOARD'S POWERS AND RESPONSIBILITIES

In accordance with the provisions of Article L. 225-35 of the French Commercial Code and its internal rules, the Board of Directors decides the Company's policies and oversees their implementation.

It meets as often as required by the Company's business, at the registered office or at any other place chosen by the Chairman. No special form is required for meeting notices. As a collegial body, its decisions are binding on all its members.

In particular, the Board of Directors gives its opinion on all decisions relating to major strategic, economic, corporate, financial and technological policies of the Company and oversees their implementation by the general management, particularly in accordance with the Board's internal rules.

Subject to the powers expressly bestowed on Shareholders' Meetings and within the limit of the corporate purpose, the Board of Directors may discuss any issue affecting the proper functioning of the Company and make decisions to resolve matters that concern it. It also carries out the verifications and controls it deems appropriate.

Consequently, the Board of Directors:

- sets the Group's targets and defines its strategy in line with its culture and values;
- chooses the organizational arrangements for the general management (separation of the position of Chairman from that of Chief Executive Officer, or both of these positions held by the same person);
- implements, where it sees fit, the delegations of authority and/or authorizations granted to it by the Shareholders' Meeting;
- examines and approves the financial statements;
- monitors the quality of the information provided to shareholders and to the markets in the financial statements or when major transactions are carried out.

#### MAIN ISSUES ADDRESSED DURING THE FINANCIAL YEAR/ PROCEEDINGS OF THE BOARD OF DIRECTORS

During the financial year, the Board of Directors mainly focused on:

- examining Ubisoft Group's strategic considerations;
- examining and approving the separate and consolidated financial statements for the year ended March 31, 2014, and the interim consolidated financial statements at September 30, 2014;
- establishing management forecasts;
- financial information/financial reports;
- examining regulated agreements in accordance with Article L. 225-38 of the French Commercial Code and decree No. 2014-863 of July 31, 2014;
- preparing for the Combined General Meeting of July 1, 2014 (agenda, draft resolutions, reports for this meeting);
- implementing the delegations of authority and authorizations granted by the Shareholders' Meeting, particularly as regards employee stock ownership and "financial" authorizations;
- renewing the authorization granted to the Chief Executive Officer to provide deposits, endorsements and guarantees on behalf of the Company;
- establishing the principles of corporate governance: updating the internal rules of the Board of Directors and its committees and setting up an Appointments Committee;
- implementing the share buyback program;
- reading the reports of its committees (the Audit Committee, Compensation Committee and Appointments Committee);
- setting the quantitative and qualitative criteria, as proposed by the Compensation Committee, relating to the compensation of the Chairman and Chief Executive Officer;
- summarizing the self-assessment questionnaires and performing an implicit review of the functioning of the Board;
- reviewing the status of independent director.

The Board of Directors has also received presentations on specific topics requested by its members.

Pursuant to Article L. 823-17 of the French Commercial Code, the Statutory Auditors were invited to attend the Board meetings approving or examining the financial statements.

The Board of Directors met nine times during the 2014/2015 financial year, with an attendance rate of 96.30%.

#### INFORMATION TO DIRECTORS

The Chairman and Chief Executive Officer provides the directors with the information and documentation necessary for them to carry out their duties and prepare for meetings, in accordance with Article L. 225-35 of the French Commercial Code.

Each director may independently obtain additional information from the Chairman and Chief Executive Officer, who is available at all times to provide relevant information and explanations to the Board of Directors.

Directors are bound by a duty of confidentiality as regards confidential information that is provided as such by the Chairman of the Board of Directors.

### Committee operation and responsibilities

Under its internal rules, the Board of Directors has the option of creating one or more committees to provide it with assistance.

In 2015, the Board of Directors was assisted by three specialized committees:

- Audit Committee;
- Compensation Committee; and
- Appointments Committee, created on February 5, 2015.

#### FUNCTIONING

The committees meet at the behest of their Chairman and may be called by any means. The committees may meet at any place and in any way, including by videoconferencing and teleconferencing. They may only meet validly if at least half of their members are present – if committees only comprise two members, all members must participate in meetings. As members are personally appointed, they may not be represented by others. The Compensation Committee and the Appointments Committee must meet at least once a year and the Audit Committee at least three times a year.

The agenda of the meetings is set by their Chairman. The committees report on their work to the subsequent Board meeting in the form of oral statements, opinions, proposals, recommendations or written reports.

RESPONSIBILITIES AND POWERS OF THE COMMITTEES

The committees act in an advisory capacity. Their particular responsibilities include reviewing matters that the Board or its Chairman submit for their consideration and reporting their findings to the Board in the form of reports, proposals or recommendations. Members chosen from among the directors are appointed by the Board of Directors, which also designates each committee's Chairman. The responsibilities and operating procedures of each committee were specified by the Board when they were established and were added to the internal rules.

The committees may not unilaterally decide to discuss issues beyond the scope of their mission. They have no decision-making power but only that of making recommendations to the Board of Directors.

***Audit Committee***

This committee was created on November 20, 2013. Its internal rules, which are attached to the internal rules of the Board of Directors, describe its responsibilities and operating procedures in particular.

**Composition**

The committee has two members: Didier Crespel, who chairs the committee, and Laurence Hubert-Moy.

The professional background of the members of the Audit Committee allows them to benefit from the financial and accounting expertise required to undertake their responsibilities.

**Responsibilities**

The Audit Committee is responsible for monitoring the preparation of accounting and financial information, the effectiveness of internal control and risk management systems, statutory audits of the annual financial statements and consolidated financial statements by the Statutory Auditors and the independence of the latter. It prepares and facilitates the work of the Board of Directors with regard to these matters.

More specifically, it is responsible for:

- examining the accounting basis chosen and establishing its relevance, examining the sustainability of the accounting methods applied, the accounting policies used and the estimates made in order to process material transactions, and the scope of consolidation;
- examining certain accounting and financial information documents issued by the Company before they are made public;
- reviewing and monitoring the effectiveness of internal control and risk management systems and the security of information systems;
- examining risks, litigation and material off-statement of financial position commitments;
- formulating proposals to be made to the Board of Directors regarding the appointment of the Statutory Auditors and validation of the fees paid; and
- evaluating the quality of the work of the Statutory Auditors and monitoring its independence. Within the context of this monitoring, details of the audit and consulting fees paid by the Company and other Group companies to the firms and networks of the Company's Statutory Auditors are communicated to the committee twice a year when the annual and interim financial statements are prepared.

**Work during the 2014/2015 financial year**

The Audit Committee met four times during the past financial year, mainly to review key statement of financial position and income statement items, the interim financial statements and tax matters, and to look at internal control and risk management with a view to preparing the associated action plans.

The attendance rate was 100%.

***The Compensation Committee***

**Composition**

The committee has two members: Estelle Métayer, who chairs the committee, and Laurence Hubert-Moy.

The AFEP-MEDEF Code states that the Compensation Committee should have a majority of independent directors and should not include any corporate executive officers. The membership of the Compensation Committee complies with this recommendation.

**Responsibilities**

The Compensation Committee is responsible for examining the compensation and benefits granted to directors and corporate officers and for providing the Board of Directors with comparisons and measurements with regard to market practices, in particular:

- examining and making recommendations as regards the compensation of corporate officers, concerning both (i) the variable and fixed portions of said compensation and (ii) any benefits in kind, share subscription or purchase options received from any Group company, provisions regarding their pensions and any other benefits of any kind; verifying the application of the relevant rules;
- making recommendations to the Board of Directors as regards the rules for distributing directors' fees and individual payments to be made to the directors in this respect, taking account of the directors' attendance at Board meetings;
- making recommendations to the Board of Directors as regards the overall amount of directors' fees proposed to the Company's General Meeting;
- providing the Board of Directors with an opinion on the general policy for granting share subscription and/or purchase options, which should be reasonable or appropriate, and on the option plan(s) established by the Group's general management, advising the Board of its recommendation as regards the allocation of subscription or purchase options by explaining the reasoning behind its choice as well as the consequences thereof; predetermining the frequency of such allocations;
- examining any matter referred to it by the Chairman concerning the aforementioned points and, where applicable, the proposals relating to employee stock ownership;

– give its opinion on the information contained in the annual report on executive compensation in particular.

#### Work during the 2014/2015 financial year

The Compensation Committee met five times during the year to:

– review compensation of corporate executive officers, and more specifically the qualitative and/or quantitative criteria applied to annual and exceptional variable compensation, which the Compensation Committee proposed to introduce with effect from April 1, 2014;

– validate the annual information on compensation of corporate executive officers to be included in the Registration Document;

– review the principles of compensation of the "Core Teams" and Executive Committee;

– ascertain whether the performance conditions for long-term incentive plans have been achieved both for corporate executive officers and the relevant employees of the Group;

– provide clarification of the performance conditions for the plan dated March 17, 2014 concerning corporate executive officers, and propose performance conditions for free shares awarded to the Executive Committee pursuant to the 16th resolution of the General Meeting of July 1, 2014;

– review the activity of long-term incentive plans, particularly stock options and performance shares (free shares);

– gain an overview of the teams and key people at Ubisoft;

– propose resolutions relating to employee stock ownership, specifically those concerning corporate executive officers and the Executive Committee;

– review the performance and functioning of the Compensation Committee.

The attendance rate was 100%.

### *Appointments Committee*

This committee was created on February 5, 2015. Its internal rules, which are attached to the internal rules of the Board of Directors, describe its responsibilities and operating procedures in particular.

#### Composition

The committee has two members: Laurence Hubert-Moy, who chairs the committee, and Didier Crespel.

The AFEP-MEDEF Code states that the Appointments Committee should have a majority of independent directors and should not include corporate executive directors. The composition of the Appointments Committee complies with this recommendation.

#### Responsibilities

The Appointments Committee makes recommendations, jointly with the Chairman and Chief Executive Officer, for succession planning for corporate officers, the re-election of directors and the selection of new directors; it is informed of the succession plan for members of the Group Executive Committee. It is responsible in particular for:

– **concerning the Board of Directors:**

- making proposals to the Board, after examining in detail all factors to be taken into account in its decision-making: the optimum balance of the Board of Directors in view of the composition and changes in the Company's ownership, balanced gender representation within the Board, the search for potential candidates and their appraisal, the timing of re-elections and the procedure for selecting future directors,
- making proposals on the establishment and membership of the Board's committees,
- periodically evaluating the structure, size and membership of the Board of Directors and recommending any changes,
- periodically verifying that the criteria used by the Board to classify a director as independent are met; once a year, it examines on a case-by-case basis the position of each director or candidate for directorship according to the criteria applied, and makes its proposals to the Board of Directors, particularly in view of the information to be disclosed in the Registration Document;

– **concerning the Chairman and Chief Executive Officer, the Chief Executive Officer or the Executive Vice President(s), as applicable:**

- considering, where necessary, and specifically upon the expiry of their term of office, the re-election of the Chairman-Chief Executive Officer, or of the Chairman and the Chief Executive Officer, and/or of the Executive Vice Presidents,
- examining the succession plan of corporate executive officers, particularly in the event of an unforeseen vacancy,
- more generally, ensuring that the Chairman and Chief Executive Officer (or the Chief Executive Officer) keeps it informed of expected changes in management resources (Group Executive Committee).

#### Work during the 2014/2015 financial year

The Appointments Committee met once during the year to examine the position of directors based on the independence criteria of the AFEP-MEDEF Code and submit proposals to the Board.

The attendance rate was 100%.

## Assessment of the work of the Board of Directors and committees

For the 2015 financial year, the Board of Directors conducted a formal evaluation of the functioning of the Board and its committees through a questionnaire sent to each director.

According to the synopsis produced, directors welcomed the changes in governance in terms of membership of the Board of Directors and its committees. They were also satisfied on the whole with

the functioning of the Board and its committees, noting the solid contribution made by the latter.

All directors felt that the Board of Directors made good use of their skills. Board members also liked the themed presentations and the annual strategy seminar. Board meetings were seen as open and receptive and directors felt free to express their views.

The recommendations made during the assessment revealed the following preferences, which were addressed by the following responses and/or action plans at the Board meeting on May 12, 2015:

- a continued rise in the number of independent directors and the proportion of women on the Board of Directors by 2017: it was acknowledged that the Appointments Committee, as part of its remit, would begin considering applications based on predefined profiles corresponding to the talent sought;
- updating or furthering the knowledge of some directors in specific areas: it was suggested to directors who expressed an interest that they clarify their request so that a suitable and personalized training plan could be drawn up;
- preparatory documents to be made available sooner: it was decided that greater effort was required in this respect.

To conclude, all members considered the Board of Directors to be in a position to fulfill its responsibilities.

### 3.1.1.3 General management

#### Management bodies

In accordance with Article L. 225-51 of the French Commercial Code, the Board, at its meeting on October 22, 2001, decided not to separate the positions of Chairman of the Board of Directors and of Chief Executive Officer, mainly to encourage close relations between managers and shareholders. This mode of governance is suited to the organization and operation of the Company, mainly by offering responsive and effective decision-making in a changing and highly competitive environment to provide and strengthen the cohesion of the entire organization (strategy and operations), and thus facilitate and streamline the decision-making process.

As Chairman and Chief Executive Officer, Yves Guillemot:

- organizes and manages the work of the Board, and reports back to the General Meeting. He ensures that the Company's management bodies function properly, and in particular that directors are able to perform their duties. He provides the Board of Directors and its committees with the information they need and reports on the highlights of the Group's activities. He implements the decisions taken by the Board;
- he has a broad mandate to act in all circumstances on behalf of the Company. He represents the Company in its dealings with third parties. He exercises these powers within the limit of the corporate purpose and without prejudice to the powers expressly granted by law to shareholders' meetings and to the Board of Directors in accordance with the internal rules of the Board.

Yves Guillemot is assisted in his duties as Chief Executive Officer by Claude Guillemot, Executive Vice President in charge of Operations, Michel Guillemot, Executive Vice President in charge of Development, Strategy and Finance, Gérard Guillemot, Executive Vice President in charge of Publishing and Marketing, and Christian Guillemot, Executive Vice President in charge of Administration. As founding shareholders, each Executive Vice President has extensive knowledge of the Group.

#### Limitations imposed by the Board of Directors on the powers of the Chief Executive Officer

At its meeting of February 5, 2015, the Board of Directors decided to amend its internal rules so that strategic investment projects – involving external growth operations likely to have a material impact on the Group's earnings, the structure of its statement of financial position or its risk profile – are subject to the prior approval of the Board of Directors. Accordingly, the Chairman and Chief Executive Officer must obtain the prior authorization of the Board of Directors for external investments that involve shareholdings or assets totaling more than €100 million each and not previously approved by the Board.

In addition, at its meeting on May 15, 2014, the Board of Directors set out the scope of the Chairman and Chief Executive Officer's powers as regards granting deposits, endorsements and guarantees by setting the overall authorized amount at €150 million for a legal term of one year in accordance with Article R. 225-28 of the French Commercial Code. This authorization was renewed on May 12, 2015 with the same limits and conditions.

#### Group management ("Executive Committee")

The members of the Executive Committee are the operational managers of the Group. Each member makes proposals in terms of strategy and organization. They implement policies and procedures that apply generally to the entire Group and are decided on by the general management.

The Executive Committee members are:

| | |
|---|---|
| Alain Corre | Executive Vice President, EMEA |
| Laurent Detoc | Executive Vice President, NSCA |
| Christine Burgess-Quémard | Executive Vice President, Worldwide Production |
| Serge Hascoët | Chief Creative Officer |

### 3.1.1.4 Additional information on corporate officers

#### No convictions for fraud or any official reprimand and/or charges or liability for bankruptcy over the past five years

To the Company's knowledge, based on the information provided by members of the Board of Directors in response to the individual questionnaire sent to each director (the "Declaration") – introduced by the Appointments Committee and for the purpose of a yearly dissemination – no member of the Board of Directors has, over the past five years:

- been convicted of fraud or received an official reprimand and/or charges from statutory or regulatory authorities;
- been involved as a director in a bankruptcy, receivership or liquidation;
- been disqualified by a court from serving as a member of an administrative, management or supervisory body of an issuer, or from participating in the management or conduct of the business of an issuer.

#### Conflicts of interest and agreements involving directors, the Chief Executive Officer or Executive Vice Presidents

In accordance with the internal rules of the Board of Directors, all Company directors must – whenever a conflict of interest exists or could potentially arise between the corporate interests of the Company and their direct or indirect personal interests, or the interests of the shareholder or group of shareholders they represent – abstain from voting on the corresponding resolution. In addition, to minimize the risk of conflicts of interest and to allow the Board of Directors to provide shareholders and the markets with accurate information, directors are obliged, as soon as they become aware of same, to notify the Board of Directors of any situation in which they have a conflict of interest, potential or otherwise, and to complete the above-mentioned Declaration required each year by the Appointments Committee.

To the Company's knowledge, and based on the Declaration completed by each director, there is currently no conflict of interest between the duties of members of the Board of Directors and their private interests or other obligations.

Yves, Michel, Claude, Gérard and Christian Guillemot are brothers and serve on the General Management and/or the Board of Directors of their respective companies. The potential conflicts of interest that could exist are therefore essentially those resulting from agreements between the Company or its subsidiaries with one of the companies of Michel, Claude, Gérard and Christian Guillemot or their subsidiaries.

The Company and Gameloft SE are in particular linked by a license agreement further to which the Company has granted Gameloft SE an exclusive business license enabling it to market and promote certain brands and video games of the Company on "feature phones", as well as on iOS and Android mobile phones and tablets. The license was granted on payment of a license fee proportionate to the sales achieved by Gameloft SE. Ubisoft Mobile Games SARL, a wholly owned subsidiary of the Company, succeeded the Company in its rights and obligations with effect from October 1, 2013. In accordance with the legal and regulatory provisions, this agreement is treated as a regulated agreement at Gameloft SE and at Ubisoft Mobile Games SARL.

In accordance with Article L. 225-102-1 of the French Commercial Code, the management report must now mention, unless they relate to normal business transactions entered into at arm's length, agreements made directly or through an intermediary by, on the one hand, the Chief Executive Officer, an Executive Vice President, a director or a shareholder with more than 10% of the voting rights of the Company, and on the other hand, a company in which the Company directly or indirectly owns more than half of the share capital. The Company is not aware of any such agreements in existence.

It also emerges from the Declaration completed by each director that there is:

- no arrangement or agreement with shareholders, customers, suppliers or other party whereby a member of the Board of Directors was appointed on that basis;
- no service agreements between members of the Board of Directors and the Company or any of its subsidiaries granting benefits under the terms of such agreement;
- regarding independent directors, no family ties between them and other members of the Board of Directors.

#### Loans and guarantees granted to members of the Board of Directors

The Company has not granted any loans or guarantees to any member of the Board of Directors.

#### Prevention of insider trading

The internal rules define the rules applicable to trading in the Company's securities, as set out under Article L. 621-18-2 of the French Monetary and Financial Code and Article 222-14 of the AMF's General Regulation.

Directors and corporate executive officers, persons closely related to managers, as well as any de facto managers, where applicable, are required, under the applicable regulations, to declare any trading in the Company's securities and to refrain from personally trading in the Company's securities during the following periods:

- for each calendar quarter, for a period of two weeks before and three days after the publication of consolidated sales, due to take place during the quarter concerned;
- for each calendar half-year, for a period of one month before and three days after the publication of consolidated sales, due to take place during the six-month period concerned;
- during the period between the date on which the Company is aware of information that, if made public, could have a significant influence on the Ubisoft share price and the date on which it is made public.

This restriction is extended to employees designated as permanent insiders. Finally, employees classed as occasional insiders are subject from time to time to the same restriction for periods when transactions could have an impact on the Ubisoft share price.

The practical arrangements are defined in an internal memo circulated when the lists of permanent and/or occasional insiders are updated.

In addition, permanent insiders are reminded by the Financial Communication Department of black-out periods on average one month prior to the start of these periods.

### 3.1.1.5 Other offices held by directors

## Yves GUILLEMOT

*Director since 02/28/88*
*Expiry of term of office 03/31/16*
*Main position in the Company: Chairman and Chief Executive Officer*
*Main position held outside the Company: Director and Executive Vice President of Guillemot Brothers SE (United Kingdom)*

OTHER POSITIONS WITHIN THE GROUP AS AT 03/31/2015

France

**Chairman** of Ubisoft Annecy SAS, Ubisoft EMEA SAS, Ubisoft France SAS, Ubisoft International SAS, Ubisoft Montpellier SAS, Ubisoft Motion Pictures Rabbids SAS, Ubisoft Motion Pictures Assassin's Creed SAS, Ubisoft Motion Pictures Splinter Cell SAS, Ubisoft Paris SAS, Ubisoft Production Internationale SAS, Nadéo SAS, Owlient SAS
**General Manager** of Ubisoft Learning & Development SARL, Ubisoft Motion Pictures SARL, Script Movie SARL, Ubisoft Mobile Games SARL, Ubisoft Paris – Mobile SARL

Abroad

**General Manager** of Blue Byte GmbH (Germany), Ubisoft GmbH (Germany), Ubisoft EooD (Bulgaria), Ubisoft Studios Srl (Italy), Ubisoft Entertainment SARL (Luxembourg), Ubisoft Sarl (Morocco), Related Designs Software GmbH (Germany)
**Chairman and director** of Ubisoft Entertainment Inc. (Canada), Ubisoft Music Inc. (Canada), Ubisoft Music Publishing Inc. (Canada), Hybride Technologies Inc. (Canada), Ubisoft Toronto Inc. (Canada), 9275-8309 Quebec Inc. (Canada), Ubisoft Studio Saint-Antoine Inc. (Canada), Ubisoft Nordic A/S (Denmark), Ubisoft Entertainment India Private Ltd (India), Ubi Games SA (Switzerland), Red Storm Entertainment Inc. (United States), Ubisoft CRC Ltd (United Kingdom)
**Vice-Chairman and director** of Ubisoft Inc. (United States)
**CEO and director** of Ubisoft Emirates FZ LLC (United Arab Emirates)
**Executive Director** of Shanghaï Ubi Computer Software Co. Ltd (China), Chengdu Ubi Computer Software Co. Ltd (China)
**Director** of Ubisoft Pty Ltd (Australia), Ubisoft SA (Spain), Ubi Studios SL (Spain), Ubisoft Barcelona Mobile SL (Spain), Ubisoft Ltd (Hong Kong), Ubisoft SpA (Italy), Ubisoft KK (Japan), Ubisoft Osaka KK (Japan), Ubisoft BV (Netherlands), Ubisoft Srl (Romania), Ubisoft Ltd (United Kingdom), Ubisoft Reflections Ltd (United Kingdom), Red Storm Entertainment Ltd (United Kingdom), Ubisoft Singapore Pte Ltd (Singapore), Ubisoft Entertainment Sweden A/B (Sweden), RedLynx Oy (Finland), Future Games of London Ltd (United Kingdom)

OTHER POSITIONS OUTSIDE THE GROUP AS AT 03/31/2015

France

**Executive Vice President and director** of Gameloft SE (1), Guillemot Corporation SA (1)
**Director** of Rémy Cointreau SA (1)
**Member of the Supervisory Board** of Lagardère SCA (1)

Abroad

**Director** of Gameloft Divertissements Inc. (Canada), Guillemot Inc. (Canada), Gameloft Live Développements Inc. (Canada), Guillemot Inc. (United States), Guillemot Ltd (United Kingdom)
**Director** of Advanced Mobile Applications Ltd (United Kingdom)

EXPIRED POSITIONS WITHIN THE GROUP (LAST FIVE FINANCIAL YEARS)

France

**Chairman** of Ludi Factory SAS, Ubisoft Books & Records SAS, Ubisoft Design SAS, Ubisoft Graphics SAS, Ubisoft Manufacturing & Administration SAS, Ubisoft Organisation SAS, Ubisoft World SAS, Tiwak SAS, Ubisoft Computing SAS, Ubisoft Marketing International SAS, Ubisoft Development SAS, Ubisoft Editorial SAS, Ubisoft Operational Marketing SAS, Ubisoft Support Studios SAS, Ubisoft Motion Pictures Far Cry SAS, Ubisoft Motion Pictures Ghost Recon SAS
**General Manager** of Ubisoft Art SARL, Ubisoft Castelnau SARL, Ubisoft Counsel & Acquisitions SARL, Ubisoft EMEA SARL, Ubisoft Gameplay SARL, Ubisoft Market Research SARL, Ubisoft Marketing France SARL, Ubisoft Paris Studios SARL, Ubisoft Production Internationale SARL, Ubisoft Production Annecy SARL, Ubisoft Production Montpellier SARL, Ubisoft Design Montpellier SARL, Ubisoft Talent Management SARL, Ubisoft IT Project Management SARL, Ubisoft Innovation SARL, Ubisoft Services SARL, Ubisoft Créa SARL, Ubisoft Studios Montpellier SARL

Abroad

**Chairman and director** of Chengdu Ubi Computer Software Co. Ltd (China), Ubisoft Digital Arts (Canada), Ubisoft Vancouver (Canada), Ubisoft Canada Inc. (Canada), Ubiworkshop Inc. (Canada), Quazal Technologies Inc. (Canada), Ubisoft Holdings Inc. (United States)
**Chairman** of Ubisoft Finland OY (Finland), Ubisoft LLC (United States)

(1) Publicly traded company.

**General Manager** of Ubisoft GmbH (Germany), Spieleentwicklungskombinat GmbH (Germany), Max Design Entertainment Software Entwicklungs GmbH (Austria)
**Director** of Ubisoft Norway A/S (Norway), Ubisoft Ltd (Ireland), Ubisoft Sweden A/B (Sweden)
**Alternate member of the Liquidation Committee and Chairman** of Ubisoft Norway A/S (Norway)

EXPIRED POSITIONS OUTSIDE THE GROUP (LAST FIVE FINANCIAL YEARS)

France
**Executive Vice President and director** of Guillemot Brothers SE

Abroad
**Director** of Gameloft Inc. (United States)

## Claude GUILLEMOT

*Director since 02/28/88*
*Expiry of term of office 03/31/2017*
*Main position in the Company: Executive Vice President and director*
*Main position held outside the Company: Chairman and Chief Executive Officer of Guillemot Corporation SA* (1)

OTHER POSITIONS WITHIN THE GROUP AS AT 03/31/2015

Abroad
**Director** of Ubisoft Nordic A/S (Denmark), Ubisoft Emirates FZ LLC (United Arab Emirates)
**Alternate Director** of Ubisoft Entertainment Sweden A/B (Sweden), RedLynx Oy (Finland)

OTHER POSITIONS OUTSIDE THE GROUP AS AT 03/31/2015

France
**Chairman** of Hercules Thrustmaster SAS, Guillemot Innovation Labs SAS
**Executive Vice President and director** of Gameloft SE (1)

Abroad
**Chairman and director** of Guillemot Inc. (Canada), Guillemot Recherche & Développement Inc. (Canada), Guillemot Inc. (United States)
**Director** of Guillemot SA (Belgium), Gameloft Divertissements Inc. (Canada), Gameloft Live Développements Inc. (Canada), Gameloft Ltd (United Kingdom), Guillemot Ltd (United Kingdom), Guillemot Corporation (HK) Ltd (Hong Kong), Guillemot Srl (Italy), Guillemot Romania Srl (Romania), Guillemot Spain SL (Spain), Gameloft Madrid SLU (Spain)
**Director** of Advanced Mobile Applications Ltd (United Kingdom)
**General Manager** of Guillemot GmbH (Germany)
**Director and Executive Vice President** of Guillemot Brothers SE (United Kingdom)

EXPIRED POSITIONS WITHIN THE GROUP (LAST FIVE FINANCIAL YEARS)

Abroad
**Director** of Ubisoft Sweden A/B (Sweden)
**Alternate director** of Ubisoft Norway A/S (Norway)
**Alternate member of the Liquidation Committee** of Ubisoft Norway A/S (Norway)

EXPIRED POSITIONS OUTSIDE THE GROUP (LAST FIVE FINANCIAL YEARS)

France
**Executive Vice President and director** of Guillemot Brothers SE

Abroad
**Director** of Gameloft Iberica (Spain), Gameloft Inc. (United States)

(1) Publicly traded company.

## Gérard GUILLEMOT

*Director since 02/28/88*
*Expiry of term of office 03/31/16*
*Main position in the Company: Executive Vice President and director*
*Main position held outside the Company: Chairman of Longtail Studios Inc. (United States)*

OTHER POSITIONS OUTSIDE THE GROUP AS AT 03/31/2015

France

**Executive Vice President and director** of Guillemot Corporation SA (1), Gameloft SE (1)

Abroad

**Chairman** of Longtail Studios Halifax Inc. (Canada), Longtail Studios PEI Inc. (Canada), Studios Longtail Québec Inc. (Canada)
**Director** of Gameloft Divertissements Inc. (Canada), Gameloft Live Développements Inc. (Canada), Guillemot Inc. (Canada), Guillemot Inc. (United States), Guillemot Ltd (United Kingdom)
**Director** of Advanced Mobile Applications Ltd (United Kingdom)
**Director and Executive Vice President** of Guillemot Brothers SE (United Kingdom)

EXPIRED POSITIONS WITHIN THE GROUP (LAST FIVE FINANCIAL YEARS)

N/A

EXPIRED POSITIONS OUTSIDE THE GROUP (LAST FIVE FINANCIAL YEARS)

France

**Executive Vice President** of Gameloft SA
**Executive Vice President and director** of Guillemot Brothers SE

Abroad

**Director** of Gameloft Inc. (United States)

## Michel GUILLEMOT

*Director since 02/28/88*
*Expiry of term of office 03/31/2017*
*Main position in the Company: Executive Vice President and director*
*Main position held outside the Company: Chairman and Chief Executive Officer of Gameloft SE (1)*

OTHER POSITIONS OUTSIDE THE GROUP AS AT 03/31/2015

France

**Chairman** of Ludigames SAS, Gameloft Partnerships SAS, Gameloft France SAS
**General Manager** of Gameloft Rich Games Production France SARL
**Executive Vice President and director** of Guillemot Corporation SA (1)

Abroad

**Chairman** of Gameloft Software (Beijing) Company Ltd (China), Gameloft Software (Chengdu) Company Ltd (China), Gameloft Software (Shenzhen) Company Ltd (China), Gameloft Srl (Romania)
**Chairman and director** of Gameloft Argentina SA (Argentina), Gameloft Divertissements Inc. (Canada), Gameloft Live Développements Inc. (Canada), Gameloft Co. Ltd. (Korea), Gameloft Iberica SA (Spain), Gameloft Inc. (United States), Gameloft Ltd (United Kingdom), Gameloft Ltd. (Hong Kong), Gameloft KK (Japan), Gameloft Philippines Inc. (Philippines), Gameloft Pte Ltd (Singapore), Gameloft Company Ltd. (Vietnam), Gameloft Private India Ltd. (India), PT Gameloft Indonesia (Indonesia), Gameloft Entertainment Toronto Inc. (Canada), Gameloft New Zealand Ltd (New Zealand), Gameloft Hungary Software Development and Promotion kft (Hungary), Gameloft SDN BHD (Malaysia), Gameloft FZ-LLC (United Arab Emirates), Gameloft Madrid SLU (Spain), Gamelof Oy (Finland), Gameloft KK (Japan), Gameloft Uruguay SA (Uruguay), Gameloft LLC (Russia)
**General Manager** of Gameloft GmbH (Germany), Gameloft EooD (Bulgaria), Gameloft Srl (Italy), Gameloft S. de R.L. de C.V. (Mexico)
**Director** of Gameloft Australia Pty Ltd (Australia), Guillemot SA (Belgium), Guillemot Inc. (Canada), Guillemot Inc. (United States), Guillemot Ltd (United Kingdom), Gameloft de Venezuela SA (Venezuela)
**Director** of Advanced Mobile Applications Ltd (United Kingdom)
**Director and Executive Vice President** of Guillemot Brothers SE (United Kingdom)

EXPIRED POSITIONS WITHIN THE GROUP (LAST FIVE FINANCIAL YEARS)

France

**Director** of Chengdu Ubi Computer Software Co. Ltd (China)

EXPIRED POSITIONS OUTSIDE THE GROUP (LAST FIVE FINANCIAL YEARS)

France

**Executive Vice President and director** of Guillemot Brothers SE

Abroad

**Chairman** of Gameloft Software (Shanghai) Company Ltd (China)
**Director** of Gameloft Ltd (Malta), Gameloft do Brasil Ltda (Brazil)
**General Manager** of Gameloft S.P.R.L. (Belgium), Gameloft S.r.o (Czech Republic)

(1) Publicly traded company.

## Christian GUILLEMOT

*Director since 02/28/88*

*Expiry of term of office 03/31/2017*

*Main position in the Company: Executive Vice President and director*

*Main position held outside the Company: Director and Chairman and Chief Executive Officer of Guillemot Brothers SE (United Kingdom) and Chairman and Director of Advanced Mobile Applications Ltd.*

OTHER POSITIONS WITHIN THE GROUP AS AT 03/31/2015

Abroad

**Director** of Ubisoft Nordic A/S (Denmark)

OTHER POSITIONS OUTSIDE THE GROUP AS AT 03/31/2015

France

**General Manager** of Guillemot Administration et Logistique SARL
**Executive Vice President and director** of Gameloft SE [1], Guillemot Corporation SA [1]
**Chairman** of SAS du Corps de Garde, Studio AMA Bretagne SAS

Abroad

**Chairman and director** of Advanced Mobile Advertisement Inc. (United States)
**Chairman** of SC AMA Romania Srl (Romania)
**Director** of Gameloft Live Developpements Inc. (Canada), Guillemot SA (Belgium), Guillemot Inc. (Canada), Guillemot Recherche & Développement Inc. (Canada), Gameloft Divertissements Inc. (Canada), Guillemot Inc. (United States), Guillemot Ltd (United Kingdom), Gameloft Ltd (United Kingdom), Guillemot Corporation (HK) Ltd (Hong Kong)

EXPIRED POSITIONS WITHIN THE GROUP (LAST FIVE FINANCIAL YEARS)

Abroad

**Vice-Chairman** of Ubisoft Holdings Inc. (United States)
**Director** of Ubisoft Sweden A/B (Sweden)

EXPIRED POSITIONS OUTSIDE THE GROUP (LAST FIVE FINANCIAL YEARS)

France

**Director and Executive Vice President** of Guillemot Brothers SE
**Joint General Manager** of Studio AMA Bretagne SARL

Abroad

**Chairman** of AMA Studios SA (Belgium)
**Director** of Gameloft Iberica SA (Spain), Gameloft Inc. (United States)

## Estelle METAYER

*Director since 09/24/12*

*Expiry of term of office 03/31/16*

*Main position in the Company: Director*

*Main position held outside the Company: Chairperson of Estelle Métayer Strategy Inc. (Competia) (Ottawa/Canada) and Assistant Professor at McGill University (Montreal/Canada)*

OTHER POSITIONS OUTSIDE THE GROUP AS AT 03/31/2015

**Director** of BRP Inc. (Canada)

EXPIRED POSITIONS OUTSIDE THE GROUP (LAST FIVE FINANCIAL YEARS)

N/A

## Laurence HUBERT-MOY

*Director since 06/27/2013*

*Expiry of term of office 03/31/2017*

*Main position in the Company: Director*

*Main position held outside the Company: Professor at the University of Rennes 2, Chairperson of the CNES TOSCA Committee (Land, Oceans, Continental Surfaces, Atmosphere), Scientific Director of ENVAM digital campus, Assistant Director of the Rennes Sciences of the Universe Observatory*

OTHER POSITIONS OUTSIDE THE GROUP AS AT 03/31/2015

N/A

EXPIRED POSITIONS OUTSIDE THE GROUP (LAST FIVE FINANCIAL YEARS)

N/A

(1) Publicly traded company.

### Pascale MOUNIER

*Director since 11/20/2013*
*Expiry of term of office 03/31/2017*
*Main position in the Company: Director*
*Main position held outside the Company: Founding Chairperson of Newton-ca Inc. (financial transactions and processes consulting)*

OTHER POSITIONS OUTSIDE THE GROUP AS AT 03/31/2015
N/A

EXPIRED POSITIONS OUTSIDE THE GROUP (LAST FIVE FINANCIAL YEARS)
N/A

### Didier CRESPEL

*Director since 11/20/2013*
*Expiry of term of office 03/31/2017*
*Main position in the Company: Director*
*Main position held outside the Company: Chairman of Crespel & Associates (business strategy and shareholding consulting)*

OTHER POSITIONS OUTSIDE THE GROUP AS AT 03/31/2015
N/A

EXPIRED POSITIONS OUTSIDE THE GROUP (LAST FIVE FINANCIAL YEARS)
N/A

## 3.1.2 RISK FACTORS

The Company conducted a new risk review through the work of the Audit Committee. This analysis resulted in additional provisions, in particular by applying a competition benchmark. The risks presented below may have a significant negative impact on its business activities, financial position and results (or on its capacity to meet its objectives). The Company does not believe that there are any other significant risks than those listed.

Identified risks are categorized by type.

### 3.1.2.1 Group's business risks

#### Risks associated with product strategy, positioning and brand management

Ubisoft, like all publishers, is dependent on the success of its product catalogue and the suitability of its offering with regard to consumer demand. In this context, launching new brands offers less visibility than that of established franchises. The success of Ubisoft games may also be impacted by the performance of the competition's titles, since its customers only have a certain amount of time and purchasing power.

In order to meet market demand, Ubisoft takes particular care in building its product catalogue by concentrating on:

- reinforcing its existing franchises on a regular basis and launching new brands with strong potential for consoles and PC;
- developing its digital business.

In order to diversify and enrich its brand portfolio and thus ensure steady income in the long term, Ubisoft favors a strategy of creating its own brands and producing internally, underpinned by a targeted acquisition strategy.

The Company also allocates the necessary marketing and sales resources to showcase its products via a worldwide distribution network. Its position as the third-largest independent publisher (NPD, GFK) provides the Group with a high-performance distribution platform for its products.

Finally, the Company has embarked on a market expansion strategy, promoting its brands in other segments of the entertainment market, especially cinema. As part of its strategy to develop its brands beyond video games, the Company may decide, on a case-by-case basis, to invest in films derived from its franchises. Contractually, this investment cannot exceed 25% of the overall production budget of the film. The Company's ability to recoup its investment will partly depend on the film's success and profitability, as well as the ability of the production company to keep to the original budget. To maximize the chances of success and limit the risks of a budget overrun, Ubisoft works with major film studios.

#### Risks associated with market changes

Ubisoft operates on a market that is becoming increasingly competitive and selective and is subject to concentration and economic fluctuations, marked by rapid technological changes requiring significant R&D investment.

Ubisoft also faces new challenges such as the dematerialization of physical media (which is set to gradually replace games boxes at some point in the future), the second-hand market, piracy, online and mobile games and emerging competitors in Asia. Digital distribution could have a long-term impact on the average price of games, considering that a fall in prices would probably be accompanied by an increase in sales.

Due to the fact that the Company has invested a significant amount of funds in the new generation of consoles and its range of free-to-play PC and mobile games, its future financial performance will depend on the long-term potential of these markets and its ability to derive a profit from its investments.

The sector is expected to grow in 2015, driven by the online and mobile games sector and the continued success of new generation consoles. The Company's performance in 2015/2016 will partly depend on the ability of the PS4 and Xbox One to continue the positive trends of 2014.

| Size of the video games market [1] | 2014 *(in € billions)* |
|---|---|
| Sales of physical games | 9.5 |
| Digital and online sales | 36 |

*(1) Sources: NPD, GFK, AppAnnie, PriceWaterhouseCoopers and internal projections.*

| Market share in terms of physical sales (GFK, NPD) | 2014 | | 2013 | |
|---|---|---|---|---|
| | Independent publisher | Market share | Independent publisher | Market share |
| US | 3rd | 10.1% | 4th | 7.8% |
| EMEA | 3rd | 14.3% | 4th | 9.1% |

Main competitors:

| Physical games | Online games |
|---|---|
| Electronic Arts | Electronic Arts |
| Activision | Activision |
| Take-Two | Tencent QQ |
| Nintendo | King Entertainment |
| | Supercell |

In order to remain competitive, it is essential for a publisher to choose the development format for a game wisely as an inappropriate choice could have a negative impact on the expected sales and profitability.

The Company is also striving to promote collaboration between its various development studios to optimize its development resources and benefit fully from its presence in low-cost zones.

In Canada and Singapore, Ubisoft has substantial grants and any change in government policy could have a significant impact on the Company's production costs and profitability. Ubisoft regularly renegotiates these agreements to minimize the risks related to government policies.

The amount and geographical distribution of the grants are detailed in Note 20 to the consolidated financial statements.

## Risks of a delay or poor start to the release of a flagship game

### SEASONAL TRENDS IN THE VIDEO GAMES BUSINESS

| Sales/quarter *(in € millions)* | 2014/2015 | Breakdown | 2013/2014 | Breakdown | 2012/2013 | Breakdown |
|---|---|---|---|---|---|---|
| 1st quarter | 360 | 25% | 76 | 8% | 131 | 10% |
| 2nd quarter | 124 | 8% | 217 | 21% | 148 | 12% |
| 3rd quarter | 810 | 55% | 520 | 52% | 802 | 64% |
| 4th quarter | 170 | 12% | 194 | 19% | 175 | 14% |
| **CONSOLIDATED ANNUAL SALES** | **1,464** | **100%** | **1,007** | **100%** | **1,256** | **100%** |

The third quarter of the financial year has represented, on average, 57% of annual sales over the last three financial years.

In a very competitive and above all seasonal market, increasingly characterized by the need to release big hits, the announcement of a delay in releasing a highly anticipated game could have a negative impact on the Group's income and future results and thus cause a drop in its share price.

A game's launch may be delayed by the difficulty in accurately predicting the time required to develop or test it. Our ability to keep to the development schedule of our games can also be affected by certain factors, including the creative process, the coordination of large development teams, often based in different countries, the growing technological complexity of our products and the various gaming platforms, and ongoing improvements to product quality prior to launch, since releasing a game without the level of quality required to realize its potential could have a negative impact on the Group's earnings. Similarly, if a competitor brings out a game with significant technological or artistic innovations, the Group might have to postpone the release dates of some of its games to boost

their chances of commercial success in a competitive environment where players are very sensitive to the quality and content of games.

In the past we have experienced delays in the development of some games which has led us to postpone their release. Although the Group continually strives to improve its development processes, for example by organizing its teams differently, leveraging synergies or streamlining its in-house expertise, in order to limit these risks and alert management teams of changes in the development process, any failure to meet production and product release schedules could delay sales and/or potentially result in a significant drop in sales, as well as increasing the Group's development and marketing expenses. All of these factors could have a negative impact on the Group's profitability and result in an operating profit that is significantly lower than expectations.

### Risks associated with recruiting and retaining talent

The Group's success largely depends on the talent and skills of its production and marketing teams in a highly competitive international market. If the Group were no longer able to attract and retain new talent, or were no longer capable of retaining or motivating its key employees, the Company's growth prospects and financial position could be affected.

The Company follows an active policy of recruitment, training and retention, particularly through the following initiatives:

- company/university collaboration: strong partnerships with leading universities in the various countries where the Group operates;
- addition of collaborative tools and forums to encourage skills sharing;
- implementation of various high-level training programs for core production activities.

All of the programs established by human resources at local and international levels are first and foremost designed to attract, train, retain and motivate employees with strong technical and/or managerial skills: development opportunities, share purchase plans, stock option plans, personal development plans, etc.

### Risks associated with the acquisition and integration of new entities

The Company has a policy of expanding into new business lines, regularly reflected in the opening and acquisition of new studios. The integration of these studios is critical for the Company's success in order to meet future growth targets.

To ensure that these new entities are integrated successfully, the Company has put in place a number of solutions to support the teams. Similarly, the Company continues to develop the skills of its administrative teams in order to limit financial, tax or legal risks.

A sound financial structure for the target company (net financial surplus and level of available equity) is expected to minimize these risks.

The potential loss of key employees at the target company could have a negative impact on financial performance. However, to date, Ubisoft has always proven capable of integrating acquired companies into the Group.

## 3.1.2.2 Legal risks

### Lawsuits – Legal proceedings and arbitration

There are no government, legal or arbitration proceedings pending that are likely to have or that, over the past 12 months, have had a material impact on the financial position or profitability of the Company and/or the Group.

The Group is subject to regular tax inspections by the tax authorities in the countries where it is present.

The Canadian company Ubisoft Entertainment Inc. is currently being audited for its transfer pricing policies. Discussions are ongoing between Canadian and French authorities to avoid the potential issue of double taxation of the Ubisoft Group. In the 2014/2015 financial year, an inspection notice was received in late October for the years FY09 to FY13. This suspends the previous audit for the 2003 and 2004 to 2008 financial years. At March 31, 2015, a provision of €5,317 thousand (€2,993 thousand for this financial year) was established to cover the risks associated with this investigation.

Tax audits underway for which proposed adjustments have been received:

- Ubisoft International SAS for the period from April 1, 2008, to March 31, 2012: the Company fully contests the proposed income tax adjustment and consequently no provision has been recognized in the financial statements;
- Ubisoft Entertainment India Pvt. Ltd (India) for the period from April 1, 2009 to March 31, 2011. The Company contests all the proposed adjustments relating to the transfer pricing policy and consequently no provision has been recognized in the financial statements;
- Ubisoft Paris SAS for the period from April 1, 2010, to March 31, 2013. The Company fully contests the proposed income tax adjustment for FY11 and consequently no provision has been recognized in the financial statements;
- Ubisoft Production Internationale SAS for the period from April 1, 2010 to March 31, 2013. The Company fully contests the proposed income tax adjustment for FY11 and consequently no provision has been recognized in the financial statements.

Tax audits underway for which proposed adjustments have not been received (thus, no provision has been made in the financial statements):

- Ubisoft SA (Spain) for the period from April 1, 2009 to March 31, 2011; the audit began in June 2014 and, to date, primarily relates to the transfer price policy;

– Ubisoft Montpellier SAS for the period from April 1, 2011 to March 31, 2014; the audit began in January 2015 and, to date, primarily relates to the Company's income tax.

These tax audits are unrelated to each other. Furthermore, it is not possible to predict when the inspections are due to end.

### Regulatory environment

**a)** Relating to consumer protection

The Company has developed tools and implemented the requisite procedures to comply at a global level with local laws and regulations, in particular those relating to consumer protection, also covering but not limited to information given to consumers on the rules of use and content of games, the classification of games in accordance with the age-rating classifications of PEGI in Europe and ESRB in the United States, the protection of consumers' personal data when this data is collected, and the protection of minors (notably by setting up parental consent procedures). The Company has introduced internal control procedures to check compliance with the above.

This aspect is becoming a risk factor for the Company because video games in general are increasingly regarded as a potentially addictive pastime.

Ubisoft is a member of the ESA (Entertainment Software Association) in the United States and Canada, the ISFE (Interactive Software Federation of Europe) and the SELL (Syndicat des Éditeurs de Logiciels de Loisirs) in France, and agreed to the PEGI (Europe) and ESRB (United States) classification systems.

**b)** Relating to the development of policies supporting the sector

The Group benefits from public policies supporting the sector, particularly in France, Canada, the United Kingdom and Singapore [1].

The development of public policies is therefore a significant risk factor for the Company, which must conduct appropriate lobbying actions to maintain current provisions and predict developments when choosing the geographical locations in which to base itself.

**c)** Relating to the development of fiscal policies

The modification of fiscal rules, tax rates and regulations in terms of transfer prices are important risk factors for the Company. It is only possible to anticipate these risks by a constant monitoring of the possible developments.

### Risks associated with intellectual property rights

Given the importance and intrinsic value of its brands, the Company has taken the necessary measures to protect its portfolio of commercial brands worldwide for all products and services that it operates, including but not limited to video games, interactive applications, derivative products and audiovisual works, as well as the other intellectual property rights that it holds:

– procedure for checking the pre-existence of brands proposed for games at European and international level, registration of brands and domain names of games designed at European (OHMI), US (USPTO) and international (OMPI) level, registration of titles of audiovisual works (movies, series), particularly with the MPAA in the United States;

– constant legal monitoring of brands that are similar or identical to those of the Company and that have been registered by third parties or competitors at a global level;

– legal monitoring of potential infringements of the Company's copyright;

– a team dedicated to anti-piracy and copyright infringement, whose task is to carry out technology monitoring, advise development teams and coordinate action between the various internal and external teams. The Company regards piracy as a growing risk and will consolidate its measures with regard to this;

– prosecution of copyright infringement by bringing civil claims in criminal proceedings, where applicable, or via any other available criminal or civil avenues, and measures against hackers in order to obtain the removal of games illegally put online.

Ubisoft is not dependent on any particular patents.

## 3.1.2.3 Operational risks

### Risk of dependency on customers

Given the significant number of retail customers in numerous countries, the Company believes it has no significant dependency on any customer that is likely to affect its growth plan.

Since the growth in sales of digital games is mainly via dedicated platforms, there is no additional risk for customers in terms of digitization.

SHARE OF THE MAIN CUSTOMERS IN THE GROUP'S SALES EX-VAT

| Share in % | 2014/2015 | 2013/2014 | 2012/2013 |
|---|---|---|---|
| Top customer | 12% | 10% | 13% |
| Top 5 customers | 38% | 32% | 35% |
| Top 10 customers | 53% | 47% | 47% |

(1) See section 5.1.6 in Note 20.

Moreover, in order to protect themselves against the risk of default, the Group's main subsidiaries, which account for approximately 63% of consolidated sales, are all covered by credit insurance.

### Risk of dependency on suppliers and subcontractors

The Company has no significant financial dependency on subcontractors or suppliers that is likely to affect its growth plan.

Ubisoft and its subsidiaries mainly use services or products from suppliers such as systems integrators (printers to produce manuals and product packaging, disk suppliers to subcontract the supply and duplication of DVD-ROMs and Blu-ray discs, assemblers, suppliers of promotional and point-of-sale merchandise, suppliers of collectibles such as figures and textile suppliers), technology providers and suppliers of licenses and maintenance in connection with the Company's operations.

However, there is a dependency on manufacturers. Ubisoft, like all console-game publishers, purchases CDs and gaming media from console manufacturers (Sony, Nintendo and Microsoft-approved duplication factories). Supply is thus subject to prior approval of the manufacturers, the production of these media in sufficient quantities and the establishment of royalty rates. Any change in the terms of sale by manufacturers could have a material impact on the Company's results. For PC games, there is no specific dependency.

Despite the priority given to games developed internally, which account for 90% of sales, the Company may call on outside studios in the context of its development activities to work on traditional subcontracting projects by supplying additional and/or specialized production capacity or to take on original projects in which they have specific expertise. These independent development studios may sometimes have a limited capital base, which may put the completion of a project at risk.

To limit such risks, Ubisoft has introduced internal monitoring procedures, limited the number of games entrusted to a single studio, and ensured that it assimilates all or a portion of the technology that these studios use.

### Financial and accounting risks

The reliability of financial and accounting information, risk management and the related internal control system are explained in the report by the Chairman of the Board of Directors on the internal control procedures implemented by the Company.

### Challenges inherent in information security

Like any other international company with a strong presence on the Internet, Ubisoft is exposed to multiple prerequisites in regulations and standards relating to data protection and management. Ubisoft is conscious of the strategic value of information and takes particular care to protect gamer information. Additional security processes and other significant measures continue to be implemented, particularly with regard to incident detection and prevention.

Ubisoft faces constant threats in numerous areas: mobility, networks, online games and services, collaborations with external partners, etc.

Ubisoft has continued to invest in specialized resources and training to ensure business continuity, to prevent sensitive information from being compromised, including customer databases, and to protect its reputation while ensuring the safety and security of persons and property. Furthermore, due to the growing popularity of online gaming, Ubisoft finds itself holding an increasing amount of data on the users of its games. This makes risks relating to the protection of personal data even more critical.

Our Security and Risk Management Department is committed to ensuring the confidentiality, integrity and availability of information and is continuing to develop its plan throughout Ubisoft. This is accompanied by additional human and technical resources, requiring, among other things:

- increased employee awareness through information campaigns via different channels (online training and self-assessment, etc.);
- management of the internal network of local security departments present in all Group subsidiaries and a centralized incident management system. This system gives Ubisoft an overview of security;
- assignment of project security analysts for our various business units;
- creation of a center for the protection of sensitive and confidential information;
- upgrading security checks against the threats associated with internet access.

In addition, internal and external audits are conducted regularly to measure, among other things:

- compliance with internal policies (use of secure passwords, etc.);
- resistance to network and system penetration tests;
- resistance to social engineering tests;
- inclusion of the required security levels in technological decisions, projects and infrastructure.

Keen to always be in sync with technological developments and to meet the needs of its employees and consumers, Ubisoft assesses, approves and supports the implementation of innovative solutions while also complying with internal security policies and standards.

Ubisoft continues to adapt and improve its approach to risk management in order to meet future challenges in an environment where technologies are constantly evolving.

### Risks associated with infrastructure faults

The increased significance of online games means that well-functioning infrastructure and anticipating its growth are becoming increasingly vital. Ubisoft is committed to providing the best possible online experience to our customers. Datacenter operations are designed to have a high redundancy level which allows the Company to provide a premier gaming ecosystem. Strategic partnerships have

been established to mitigate external threats and extend gaming services to the customer doorstep.

To maximize server capacity, fault tolerance and elasticity concepts are applied mainly through a combination of internal and external cloud computing platforms. In addition, a crisis management plan and business continuity plan based on a disaster scenario for our main datacenter are in the process of being drawn up.

These considerable efforts enable Ubisoft to scale its infrastructure capacity up or down according to demand. This is all backed by a world-class team of experts positioned globally for 24/7 operations who work closely with our Security and Risk Management Department on potential incidents concerning our infrastructure.

## 3.1.2.4 Market risks

### Financial risks

In the course of its business, the Group is exposed to varying degrees of financial risk (foreign- exchange, financing, liquidity, interest-rate), counterparty risk and equity risk.

Group policy consists of:

- minimizing the impact of its exposure to market risks on both its results and, to a lesser extent, its balance sheet;
- tracking and managing this exposure centrally whenever regulatory and monetary circumstances allow;
- using derivatives for hedging purposes only.

The risk management policy is described in the Chairman's internal audit report in the section on the Treasury Department.

Additional information and figures on exposure to these different risks are detailed in Note 15 to the consolidated financial statements.

FOREIGN EXCHANGE RISK

In light of its international presence, the Group may be exposed to exchange-rate fluctuations in the following three cases:

- through its operating activities: sales and operating expenses of Group subsidiaries are largely denominated in local currency. However, some transactions such as license agreements and intercompany invoicing are denominated in another currency. The operating margin of the subsidiaries concerned may therefore be exposed to fluctuations in exchange rates involving their operational currency;
- through its financing activities: in line with its policy of centralizing risks, the Group has to manage financing and cash in various currencies;
- during the process of translating the accounts of its subsidiaries from foreign currencies into euros: operating profit from continuing operations may be generated in currencies other than the euro. As a result, fluctuations in foreign currency exchange rates against the euro may have an impact on the Group's income statement. These fluctuations also affect the carrying amount of assets and liabilities denominated in foreign currencies and appearing in the consolidated balance sheet.

The Group first uses natural hedges provided by transactions in the other direction (development costs in foreign currency offset by royalties from subsidiaries in the same currency). The parent company uses foreign currency borrowings, forward sales or foreign-exchange options to hedge any residual exposures and non-commercial transactions (such as intercompany loans in foreign currencies).

The sensitivity of Group earnings to changes in the value of its main currencies is described in Note 15 to the consolidated financial statements.

IMPACT OF A +/- 1% VARIATION IN THE MAIN CURRENCIES ON SALES AND OPERATING INCOME

| Currency | Impact on sales (1) | Impact on operating income (1) |
|---|---|---|
| USD | 5,649 | 125 |
| GBP | 1,604 | 94 |
| CAD | 1,046 | 245 |

*(1) In thousands of euros for the financial year 2014/2015.*

IMPACT OF A +/- 1% FLUCTUATION IN THE MAIN CURRENCIES ON GOODWILL AND BRANDS

| Currency | Impact on equity (1) |
|---|---|
| USD | 245 |
| GBP | 591 |
| CAD | 72 |

*(1) In thousands of euros for the financial year 2014/2015.*

FINANCING AND LIQUIDITY RISK

In the course of its operating activities, the Group has no recurrent or significant debts. Operating cash flows are generally sufficient to finance operating activities and organic growth. However, the Group issued bonds and implemented a commercial paper program as part of the diversification of its finance sources and may need to increase its debt by using credit lines to finance merger and acquisition activities.

In order to finance temporary requirements related to increases in working capital during especially busy periods, as at March 31, 2015, the Group had a €250 million syndicated loan, €8 million in loans, €60 million in bilateral credit lines and other bank credit facilities totaling €78 million, and had issued €60 million in bonds, a Schuldschein loan for €200 million, and €15 million in commercial paper.

The Group's liquidity risk is mainly induced by payment flows on derivatives and is therefore not material.

INTEREST-RATE RISK

Interest-rate risk is mainly incurred through the Group's interest-bearing debt. This debt is essentially euro-denominated and centrally managed. Interest-rate risk management is primarily designed to minimize the cost of the Group's borrowings and reduce exposure to this risk. For this purpose, the Group uses primarily fixed-rate loans for its long-term financing needs and variable-rate loans to finance specific needs relating to increases in working capital during particularly busy periods.

As at March 31, 2015, the Group's debt included bonds, a Schuldschein loan, loans, commercial paper and bank overdrafts, which were essentially used to finance the significant year-end working capital requirements relating to the highly seasonal nature of the business.

The sensitivity of debt to a change in interest rates is described in Note 15 to the consolidated financial statements.

### Counterparty risk

The Group is exposed to counterparty risk – mostly banking-related – in the course of its financial management. The aim of the Group's banking policy is to focus on the creditworthiness of its counterparties and thus reduce its risks.

### Risk to the Company's shares

In accordance with its share buyback policy and under the authorization granted by the General Meeting, the Company may decide to buy back its own shares. The fluctuations in the price of shares bought in this way have no impact on the Group's results.

Own shares are held under a market-making and liquidity agreement signed with Exane BNP. These purchases are made under the terms of a market-making agreement that complies with all applicable regulations, and are designed to ensure the liquidity of purchases and sales of shares.

The Company has allocated €1.7 million for the implementation of this agreement.

As at March 31, 2015, the Company held 402,492 own shares with a value of €2,637 thousand. Own shares are deducted from equity at cost of sale.

## 3.1.2.5 Industrial or environment-related risks

The Group currently has no knowledge of any industrial or environmental risk.

Ubisoft did not record any provision, purchase any insurance to cover potential environmental risks, or pay any compensation in this regard during the financial year (1).

## 3.1.2.6 Insurance and risk coverage

The policy of insuring the Group aims to protect it against the consequences of certain potential and identified events that could have an adverse impact on it. This policy falls under the general scope of risk management, downstream of prevention plans and business continuity plans.

A civil liability insurance policy for corporate officers has been taken out at Group level. It covers all claims made against de jure or de facto executives, as well as defense and ancillary costs.

Concerning the commercial liability policies, a worldwide program is in place, including:

- liability resulting from operations;
- product liability;
- professional liability.

This program covers all the Group's subsidiaries and increases the level of coverage.

Moreover, coverage of goods in transit is centralized through general coverage for the Group's European and Canadian subsidiaries.

Apart from these two programs, most of the policies in place are taken out locally at subsidiary level, taking into account the specific nature of that subsidiary's business activities and the country in which it is present, using brokers as appropriate, particularly for the following scopes:

- property damage and, where appropriate, trading loss;
- vehicles;
- employee health risks and employee benefits;
- business travel;
- expatriate cover;
- etc.

There were no major losses in the 2015 financial year.

Total premiums paid on insurance policies valid during the financial year ended March 31, 2015 amounted to €1,418 thousand excluding credit insurance.

(1) See paragraphs 4.3.1.3 and 4.3.1.4 of the section on "Corporate Social Responsibility".

## 3.1.3 INTERNAL CONTROL AND RISK MANAGEMENT

This section is based on information and control methods reported by the various parties involved in internal control within Ubisoft and its subsidiaries, as well as the internal audit work performed at the request of the general management.

### 3.1.3.1 Definition and objectives of internal control and risk management

#### Definition of internal control

Ubisoft has drawn up this section in accordance with the reference framework of the AMF (initially published in January 2007, and updated and revised in July 2010) and the principles of the application guide. The Group also uses this reference framework to improve its internal control procedures.

Under this framework, internal control is defined as a system designed to ensure:

- compliance with laws and regulations;
- application of the instructions and policies set down by the general management;
- proper functioning of the Company's internal processes, particularly those involving the security of its assets;
- reliability of the financial information published.

This system also aims to help the Company maintain control over its activities, the efficiency of its operations and efficient use of its resources, while enabling it to adequately take into account significant operational, financial or compliance risks. Therefore, the internal control system plays a key role in conducting and monitoring its activities.

Since 2007, Ubisoft has used a proactive approach in order to continuously assess the adequacy and effectiveness of its internal control system. Consequently, the internal control system will continue to adapt to the constraints and specific features of the Group and its subsidiaries, and to changes in its external environment. The creation of an Audit Committee on November 20, 2013 strengthened this approach.

Since 2010, it has been decided to target more specifically the audits carried out in the Group's production studios (4 French companies and 17 foreign companies) and in support-level companies (2 French companies). Audits are still carried out within distribution companies, but these are more comprehensive and less detailed.

However, the Group is aware that the internal control system cannot provide an absolute guarantee that the Company's objectives will be met and that all the potential risks it may face will be controlled.

#### Definition of risk management

Risk management is a tool for Company management that serves to:

- create and preserve the value, assets and reputation of the Company;
- secure the Company's decision-making and processes to help it achieve its objectives;
- promote consistency of actions with Company values;
- involve Company employees in a common vision of the principal risks.

The risk management system is a component of internal control. It allows the Company to anticipate and identify the key internal or external risks that could pose a threat and prevent the Company from achieving its objectives.

### 3.1.3.2 Organization of internal control

The internal control system relies on a solid foundation of autonomy and collaboration within the Group's teams, encouraging the alignment of goals, resources and mechanisms deployed. It is based on the clear identification of goals and responsibilities, a human resources policy ensuring that resources and skill levels are sufficient, information systems and tools that are adapted to each team and/or subsidiary. Each subsidiary is responsible for implementing the relevant strategies to achieve these objectives, although the monitoring and verification of the internal control system and risk management is highly centralized by the operational departments.

The Audit Committee, which was set up on November 20, 2013, is also intended to provide a new dimension to these various activities within the context of its own reviews and monitoring of the effectiveness of the management control and risk management systems and the security of information systems.

#### Organization

The key parties involved in the internal control system are as follows:

- **general management:** The general management is responsible for managing all of the Group's activities and deals specifically with aspects relating to Group strategy and development. As part of its role, the general management is responsible for establishing the procedures and mechanisms employed to ensure both the functioning and monitoring of the internal control system. Internal control was strengthened by the creation of an Audit Committee in 2013;
- **the Board of Directors assisted by the Audit Committee since November 20, 2013:** The Board of Directors has defined governance regulations in its internal rules specifying the role of the Board of Directors assisted to this end by its Committees; in particular the Audit Committee, which was established on November 20, 2013, and is responsible for ensuring the quality of internal control. The Audit Committee ensures that the Group has reliable procedures that enable the internal control system and the risk identification, assessment and management system to be monitored;
- **the Group's managers and employees:** The major policies and goals are determined by the general management in each area in consultation with Group general management and are passed on to the subsidiaries. Each subsidiary has its own general management and management team and is responsible for implementing the strategies designed to ensure that these goals are achieved;

– **operational management:** In collaboration with general management, operational managers are collectively involved in setting the key accounting, finance, legal, tax, IT and human resources policies, and supporting the subsidiaries with their implementation. Specific visits are made to the subsidiaries in order to carry out audits and training and to make recommendations so as to ensure that the internal control system is satisfactory.

These procedures are presented in detail under "Control activities";

– **finance and accounting teams:** Present in all Group subsidiaries, they are responsible for performing analysis and control functions, including budgeting and the preparation of the financial statements.

### Clear goals and responsibilities

The division of powers and responsibilities is clearly defined by the organization charts.

In order to enable the various operational teams to achieve their goals, temporary and permanent operational and banking authorizations are granted. These are frequently reviewed by the Treasury Department assisted by the Administration Department and are updated to reflect any changes in roles and responsibilities. General management defines the rules for delegating power to subsidiaries.

Consequently, at an individual level, each major subsidiary has local internal control procedures (delegation of bank signing authority, verification of day-to-day transactions, segregation of duties between the signatory and the person preparing the payment, limitation of payments by check to guarantee effective fraud prevention, etc.).

Similarly, budgetary goals are defined annually by the general management and monitored in each subsidiary by the accounting and finance teams. Management audit teams monitor business performance. At subsidiaries, these teams provide relevant cost analyses to operational managers so that they can make the necessary management decisions. This information is periodically reported in a standard format and is consolidated by head office teams, who analyze the differences between objectives and actual performance.

### Human resources policy

HR policy is key to the internal control system and its effectiveness. HR teams at each of the subsidiaries are responsible for establishing and implementing the policy, programs and systems required to meet recruitment goals set at Group level, while ensuring the development of employees' skills and potential.

These teams also ensure compliance with local regulations and apply the Group's policies on improving collective and individual performance through regular appraisals, development plans, appropriate training, stock options, employee share subscription plans, etc.

### Adapted solutions and operating methods

The IT teams provide the different business lines with solutions that are adapted to their activities. They define, implement and operate these solutions. The range of solutions used includes commercial software as well as tools developed internally. This range is constantly evolving in line with the ever increasing requirements in managing and analyzing information, while ensuring compliance with the security standards in place at Ubisoft.

Similarly, each subsidiary and team strives to continuously improve processes and documentation. This also involves frequently reviewing and updating procedures to ensure uniform application. These procedures are made available to the relevant teams through collaborative tools developed by the Group.

Procedures relating to the preparation of accounting and financial information are described in section 1.8.3.

## 3.1.3.3 Internal publication of information

The dissemination of information to Ubisoft employees is subject to internal rules on dissemination and protection of information according to the level of confidentiality.

When information can be freely shared internally, Ubisoft promotes sharing through collaborative tools and a portal common to all employees.

When the information is confidential, it is only disseminated or accessible to persons who require it for their work ("need to know" principle). In this case, specific procedures are put in place, including but not limited to the codification of the level of confidentiality, document protection using encryption tools, specific communications to recipients including internal and external protection rules, employee signature applicable of specific non-disclosure agreements, where appropriate.

## 3.1.3.4 Risk management system

In the course of its business, the Group is exposed to a series of risks that could affect its performance and the achievement of its strategic and financial goals.

In order to implement mechanisms to manage its risks, mainly in the production and support companies, the Company has identified the risks through a proactive approach: upstream with management teams and downstream with the operational and functional teams.

The main risks were identified by the general management in conjunction with operational and Group management.

The nature of the main risk factors and means of prevention or action are outlined in the section of the management report entitled "Risk factors."

These risks were grouped into five categories:

– risks linked to the business and the video games market;

– legal risks (lawsuits, regulatory environment, intellectual property, licensing agreements);

- operational risks (associated with dependence on customers and suppliers, information security, financial information);
- market or financial risks;
- industrial or environment-related risks.

At the management's request, these risks, for which the level of control is insufficient or could be improved, can then be analyzed by those involved in the control system. Internal control procedures are then designed or reviewed in collaboration with operational teams to improve efficiency.

The procedures implemented form an internal operating framework for the Company and are constantly changing so as to ultimately provide effective risk management tools for use at all levels of the organization and, in particular, for analyzing IT and extra-financial risks.

### 3.1.3.5 Control activities

In addition to the risk management system, the Group has many control processes at all levels of the Company. Operational departments at head office play a crucial role in ensuring that subsidiaries' initiatives comply with Group guidelines and providing support for risk management, especially when local teams lack sufficient expertise.

The centralized organization of these support functions enables consistent dissemination of the major policies and goals of the general management:

- **the Management Control Department** monitors the Company's performance using operational monitoring based on monthly reports from all Group subsidiaries. It also coordinates meetings between the general management and the operational and finance departments at which the various reporting indicators are reviewed, the differences between actual performance and initial forecasts are analyzed, and the quarterly, interim, annual and multiannual forecasts can be fine-tuned on the basis of actual figures and market outlooks as received from local and operational teams. The financial controllers monitor the whole financial reporting cycle and constantly query subsidiaries on their performance levels, earnings and business activity;
- **the Consolidation Department** draws up the Group's monthly, interim and annual consolidated financial statements, centralizing all expertise on their preparation and analysis. It liaises with the Statutory Auditors during annual and half-yearly audits. It publishes the accounting procedures applicable within the Group, particularly via the Group's accounting policies manual, to ensure that procedures are standardized. It ensures compliance with applicable standards and regulations so as to provide a true picture of the Group's business activities and position;
- **the Treasury Department** arranges foreign exchange derivative contracts and coordinates cash flow management at French and foreign subsidiaries, in particular by overseeing the dissemination of cash pooling solutions and cash flow projections. It checks the suitability and compatibility of exchange rate and liquidity risk management policies, as well as the financial information published. It also manages off-statement of financial position commitments (bank guarantees relating to purchase financing or L/Cs, comfort letters, share price guarantees, deposits, etc.). It centralizes and verifies the authorization granted to a limited number of employees, who are exclusively authorized by the general management to handle certain financial transactions – subject to pre-defined thresholds and authorization procedures – and helps implement tools to ensure effective control (double signature procedure, secure payment mechanisms, frequently updated authorization and signature system, controlled IT access, etc.);
- acquisitions are managed by the **Acquisitions Department,** which reports to the Finance Department in close collaboration with the Legal Department. The Acquisitions Department examines and assesses the strategic interest of the planned total or partial takeover of a company and submits the relevant proposal to the general management, which makes the final decision. No Group subsidiary can make this decision on its own;
- **Legal Departments,** which are specialized in company law, contract law, litigation and intellectual property, assist and advise the subsidiaries on legal matters (acquisitions, contracts, leases, stock market regulations, corporate governance, etc.). They coordinate joint studies or those of interest to the Group and support local entities on legislative issues so as to control risks in the various fields;
- **the Tax Department** assists and advises the Group's French and foreign companies with the analysis of the tax aspects of their projects. In coordination with the various internal departments, it ensures the Group's tax security by organizing risk prevention, identification and management. It implements the Group's transfer price policy;
- **the Information Systems Department** is involved in selecting IT solutions, ensures their consistency, and monitors their technical and functional compatibility. The IT Department monitors the progress of IT projects and ensures that they are compatible with requirements, existing systems, budgets, etc. An annual review of medium-term projects has been put in place. This is periodically revised to take account of developments within the Company, priorities and constraints.

The Risk Security and Management Department is responsible for ensuring and organizing the protection of Ubisoft activities, which include but are not limited to the security of applications, information systems, online games, human resources and property. The team has also established rules and control measures with the aim of preventing and managing risks. These internal policies and procedures are reviewed regularly, circulated and adapted to maximize their efficiency.

#### Internal control of the preparation of financial and accounting information

The internal control procedures relating to the preparation and processing of financial and accounting information are mainly implemented by the various accounting and finance departments.

### FINANCIAL STATEMENT PREPARATION AND CONSOLIDATION PROCESSES

The financial statements of each subsidiary are drawn up, under the responsibility of their manager, by the local accounting departments, which ensure compliance with country-specific tax and regulatory constraints. These financial statements are subject to a limited review for the interim financial statements of the key subsidiaries and a complete audit carried out by the auditors for the majority of the subsidiaries at the year-end.

Reporting of accounting information, in standardized monthly reports, is carried out on the basis of a schedule established by the Consolidation Department and approved by the Administration Department. Each subsidiary must apply existing Group procedures to the recording of accounting data for monthly reporting, interim and annual financial statements and quarterly forecasts.

The reporting of subsidiaries is established according to the accounting policies of the Group, which are formalized in a Group policies manual distributed to all the subsidiaries. The consolidation statements are subject to an audit or a limited review with regard to this Group accounting policies manual.

The subsidiaries' accounting information is uploaded, reconciled and then consolidated in a central software solution, HFM from Hyperion, under the responsibility of the Consolidation Department. This software supports automatic verification and consistency checking of flows, the balance sheet, specific line items in the income statement, etc. It also allows fast, reliable data reporting and is designed to make the consolidated financial statements secure.

The Company has taken measures to shorten the process of preparing the consolidated financial statements and to make it more reliable. For example, the Consolidation Department has drawn up procedures, which are updated periodically, enabling subsidiaries to optimize understanding and effectiveness of the solutions, and to guarantee the standardization of published accounting and financial data:

- drawing up a Group chart of accounts;
- implementing automatic mapping between the corporate financial statements and the consolidated financial statements;
- drawing up a user manual for the consolidation statement;
- drawing up a consolidation manual;
- drawing up an accounting policies manual.

The Consolidation Department also carries out ongoing monitoring so as to track and anticipate changes to the regulatory framework applicable to Group companies.

### ORGANIZATION OF INFORMATION SYSTEMS

With a view to continually improving its information system and ensure the integrity of accounting and financial data, the Company invests in implementing and updating IT solutions and procedures to meet the requirements and constraints both of the local teams and of the Group.

Most of the subsidiaries are integrated in PeopleSoft – Oracle for the accounting and management of operational flows (procurement, manufacturing, logistics, etc.). This centralized application, which uses a single database, allows the sharing of frameworks and transaction formats (product database, customer and supplier files, etc.). This ERP was installed as an attempt to respond to issues relating to growth of Ubisoft's activity.

With a view to integrating and automating accounting and financial solutions, the Group implements PeopleSoft – Oracle in its new subsidiaries. The computerization of data exchange (interfaces between accounting systems and the consolidation system, daily integration of banking entries, automated payment issuing, etc.) optimizes and improves processing and guarantees greater reliability of accounting processes.

The consolidation and management forecasting applications are used by all Group companies, providing an exhaustive and standardized view of business activities, and accounting and financial data. They thus help improve the effectiveness of information processing.

Similarly, special attention is paid to the security of IT data and processing. The Risk Security and Management Department is constantly working with IT to improve levels of control to ensure:

- availability of online services and systems;
- data availability, confidentiality, integrity and traceability;
- protection of online services from unauthorized access;
- monitoring of the network against internal and external threats;
- data security and recovery.

These systems are housed in our internal data centers. Security audits are carried out both upstream and downstream within the context of our quality audit to ensure the security of the information system.

### ACCOUNTING AND FINANCIAL INFORMATION VALIDATION PROCEDURES

Ubisoft's accounting and financial information is prepared by the Administration Department, under the supervision of the Chairman and Chief Executive Officer, with the Board of Directors responsible for final approval.

The consolidated financial statements are subject to a limited review as at September 30 and an audit as at March 31 by the Group's auditors. The Administration Department works with the Statutory Auditors to coordinate the timing and main accounting treatments to be included in the annual year-end process.

One-off assignments during the financial year such as pre-closing reviews prior to each interim and annual closing date make it possible to forecast and assess specific accounting issues in advance. This systematic review eases finalization at the balance sheet date and reduces the time needed to prepare the consolidated financial statements.

At international level, the audit of the financial statements in certain subsidiaries is carried out by the KPMG network, co-auditor for the holding company. Their local representative does everything required of him in the respective country as regards Statutory Auditors. This organization helps to standardize audit procedures.

The Group announces its sales on a quarterly basis and its earnings every six months.

The Consolidation Department also collects and verifies the accounting information to be included in the Group's financial releases when this is related to the consolidated financial statements.

EXTERNAL FINANCIAL INFORMATION MANAGEMENT PROCESS

The Financial Communications Department distributes the financial information required for the Group's strategy to be understood to shareholders, financial analysts, investors, etc.

All financial and strategic releases are reviewed and approved by the general management. Financial information is published in strict compliance with market regulations and in keeping with the principle of equal treatment of shareholders.

### 3.1.3.6 Ongoing supervision of the internal control system

The introduction of an overall formalized approach to internal control thus allows:

- the quality of controls in subsidiaries to be understood, particularly by means of:
  - evaluating the efficient utilization of resources (human, material or financial),
  - justifying investments and expenditure,
  - ensuring that activities carried out locally are in line with Group strategy and guidelines;
- the improvement of operational and financial practices by means of corrective and optimization initiatives to remedy shortcomings;
- effective monitoring of compliance with these procedures and controls.

The 2014/2015 financial year saw more targeted and significant actions for the Group's core business:

- audit of procedures implemented in subsidiaries;
- support for subsidiaries by implementing tool training.

The objective is to ensure the correct application of recommendations and guidelines established within the Group.

## 3.1.4 FURTHER INFORMATION

### 3.1.4.1 Procedures for attending General Meetings

All shareholders have the right to attend General Meetings under legally prescribed conditions. Information on access, attendance and voting at General Meetings appears in Articles 7 and 13 of the Company's Articles of Association. Details can be found in section 6.1.2 of the Registration Document. This information is provided again in the notice of meeting and the convening notice published by the Company before any General Meeting.

### 3.1.4.2 Information on the structure of the capital/information referred to in Article L. 225-100-3 of the French Commercial Code.

Information on the structure of the capital and information referred to in Article L. 225-100-3 of the French Commercial Code (factors likely to have an impact in the event of a public offering) can be found in section 6 of this Registration Document.

### 3.1.4.3 Principles and rules applicable to the calculation compensation and other benefits received by corporate executive officers

The relevant information can be found in section 3.2 of this Registration Document.

# 3.2 Compensation of corporate officers – options or free shares awarded to the Group's employees and corporate officers

*This section was prepared with the help of the Compensation Committee.*

## 3.2.1 DIRECTORS' COMPENSATION

### 3.2.1.1 Compensation policy – general principles

In consideration – very partial – of the responsibilities assumed and also the time spent preparing Board meetings and actively participating therein, directors receive directors' fees consisting of a fixed portion and a variable portion.

### 3.2.1.2 Summary table

| Board of Directors | | Audit Committee | | Compensation Committee | | Appointments Committee | |
|---|---|---|---|---|---|---|---|
| Fixed | Variable [1] | Fixed Chairman | Variable [2] Members | Fixed Chairman | Variable [2] Members | Fixed Chairman | Variable [2] Members |
| €20,000 per year | €20,000 per year | €15,000 per year | €2,500 per meeting | €5,000 per year | €2,500 per meeting | €2,500 per year | €1,000 per meeting |

*(1) Pro-rated depending on directors' attendance.*

*(2) Capped at four meetings a year.*

### 3.2.1.3 Detailed description

#### Maximum amount

The General Meeting of November 20, 2013 set the maximum annual amount of directors' fees that can be paid to members of the Board of Directors and/or committees at €450,000.

#### Basis of allocation

BOARD OF DIRECTORS

Following a proposal from the Compensation Committee, the Board of Directors, at its meeting on December 12, 2013, confirmed the individual amount of €40,000 in directors' fees and the ratio of fixed and variable portions.

– **Fixed portion:** half (i.e. €20,000) of the fixed portion is paid in April (for the period from April 1 to September 30) and the other half in October (for the period from October 1 to March 31). The amount is pro-rated according to the length of time in office.

– **Variable portion:** half (i.e. €20,000) of the variable portion is paid in March, prorated according to directors' attendance at Board meetings held during the financial year:

- **less than 50% attendance:** no payment of the variable portion;
- **between 50% and 75% attendance:** payment of half of the variable portion;
- **more than 75% attendance:** payment of the entire variable portion.

COMMITTEES

Following a proposal from the Compensation Committee, the Board of Directors, at its meetings on December 12, 2013 and February 5, 2015, also took the decision to allocate the committee chairmen a fixed annual amount and to set the amount of directors' fees for committee members based on a fixed amount per meeting, capped at a maximum of four meetings in each financial year.

– **Fixed portion:** the Chairman of the Audit Committee is allocated a fixed amount of €15,000, the Chairman of the Compensation Committee a fixed amount of €5,000, and the Chairman of the Appointments Committee a pro-rated amount of €2,500.

– **Variable portion:** members of the Audit Committee and Compensation Committee are allocated €2,500 per member present at each meeting, while members of the Appointments Committee are allocated €1,000 per member present at each meeting, capped at a maximum of four meetings in each financial year for each committee.

## 3.2.2 COMPENSATION PAID TO CORPORATE EXECUTIVE OFFICERS

Compensation granted to the Chairman and Chief Executive Officer and Executive Vice Presidents is set by the Board of Directors following a proposal by the Compensation Committee, which bases its recommendation on benchmark studies of large firms and/or companies operating in the same business sector, or industries facing the same economic, technological and competitive challenges. However, it is worth noting that compensation practices vary considerably depending on the country of origin and legal structure of competitors.

### 3.2.2.1 Compensation policy – general principles

The compensation policy for corporate executive officers is defined by the Board of Directors in consultation with the Compensation Committee and is based on the following principles:

- since the Company has adopted the AFEP-MEDEF Code *(see section 3.1.1.1)*, the Compensation Committee takes into account the relevant recommendations;
- the compensation policy must reflect the values of the Company and its culture. The Company therefore intends to implement the compensation tools and systems that are best able to promote sustainable performance, a long-term vision and the sharing of business risk, notably through investment in the share capital;
- the variable compensation of the Chairman and Chief Executive Officer in place with effect from April 1, 2014 is subject to quantitative and qualitative performance conditions;
- the compensation of corporate executive officers must be consistent with that of Group employees, including the Executive Committee, with compensation systems that are in line with the Group's values.
- the exceptional compensation of the Chairman and Chief Executive Officer in place with effect from April 1, 2014 is subject to the achievement of a predefined level of EBIT;
- stock option plans allocated to corporate executive officers are subject to internal performance conditions [or even collective criteria, as far as the Chairman and Chief Executive Officer is concerned];
- the Board of Directors ensures that stock option plans allocated to the Chairman and Chief Executive Officer and the Executive Vice Presidents represent no more than 5% of the overall amount granted by the General Meeting under the relevant resolution.

Corporate executive officers are not eligible for any severance or non-compete indemnity, nor are they eligible for a supplementary pension scheme by virtue of their position within the Group. They do not receive any additional compensation from companies controlled by the Company. No loans or advances were made to the Company's corporate executive officers under Article L. 225-43 of the French Commercial Code.

### 3.2.2.2 Compensation of the Chairman and Chief Executive Officer

#### Comparative basis

The Chairman and Chief Executive Officer's compensation should be considered in relation to the practices of similar groups to Ubisoft. For this, the Compensation Committee relied on a comparative study by Tower Watson, an independent firm specializing in the subject and commissioned by the Ubisoft Group Human Resources Department, as well as on benchmark studies of the compensation of Chairmen and Chief Executive Officers in Canada and Europe (Spencer Stuart, IFA and Ernst & Young).

The Tower Watson study focused on all components of compensation (fixed, variable and long-term incentives) paid in 2013 to the Chairmen and CEOs of around 20, mostly SBF120, companies. These companies were selected based on their business sector, global footprint and size, measured in terms of sales, workforce and market capitalization. The panel included companies in the entertainment sector, high-tech industries and the media, with sales in the region of €1 billion (the "Study").

From the results obtained, it emerged that Yves Guillemot's compensation was below the market average, both for the annual fixed component and long-term incentives, while the annual variable component was non-existent. The Compensation Committee's decision to introduce the principle of annual variable compensation and exceptional compensation with effect from the 2014/2015 financial year was partly to address this situation.

SUMMARY OF COMPENSATION DUE OR RECEIVED BY THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR THE YEAR ENDED 03/31/15

| Year to 03/31/2015 | | | | |
|---|---|---|---|---|
| Fixed gross annual compensation | Annual variable compensation [1] | Exceptional compensation [2] | Stock options (accounting valuation) | Directors' fees |
| €500,004 | €300,000 [3] | €0 [3] | €0 | €40,000 |

*(1) Subject to quantitative and qualitative criteria.*

*(2) Subject to achieving a predefined level of EBIT.*

*(3) The aggregate amount of annual variable compensation and exceptional compensation is capped at 100% of fixed compensation.*

## Breakdown

The compensation of Yves Guillemot, Chairman and Chief Executive Officer, decided by the Board of Directors on the proposal of the Compensation Committee, consists of:

- annual gross fixed compensation;
- annual variable compensation based on quantitative and qualitative criteria;
- variable long-term compensation in the form of Company stock options, granted subject to performance conditions;
- annual exceptional compensation subject to achieving a predefined level of EBIT.

The breakdown of the qualitative criteria and the expected level of achievement of the quantitative criteria, precisely calculated and predefined, cannot be disclosed for confidentiality reasons related to the Group's strategy.

### ANNUAL FIXED COMPENSATION

The fixed portion of the Chairman and Chief Executive Officer's annual gross compensation (i.e. €500,004) is unchanged since 2008.

### ANNUAL VARIABLE COMPENSATION

Annual variable compensation was introduced with effect from April 1, 2014, following the Study and with a view to rebalancing the compensation of the Chairman and Chief Executive Officer with that of the Executive Committee. It is based on quantitative and qualitative criteria.

- **Quantitative criteria:** 20% or 40% of fixed compensation, contingent on achieving a cumulative level of EBIT and sales.
- **Qualitative criteria:** 20% maximum of fixed compensation.

### EXCEPTIONAL COMPENSATION

Exceptional compensation was introduced with effect from April 1, 2014. It is subject to achieving a predefined level of EBIT. Every 1% increment in EBIT unlocks an additional 10% of fixed compensation.

The aggregate amount of exceptional compensation and annual variable compensation is capped at 100% of fixed compensation.

The variable component and exceptional compensation are paid after the Board of Directors' meeting adopting the financial statements for fiscal year N, used as a basis for calculation of the different components of variable and exceptional compensation.

### OTHER LONG-TERM VARIABLE COMPENSATION

This consists of stock options granted subject to performance conditions *(see section 3.2.3 – Reports on the allocation of stock options or free shares)*. No options were granted to corporate executive officers during the year.

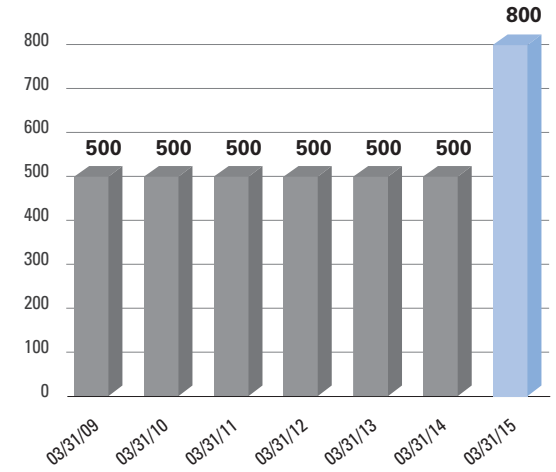
### DIRECTORS' FEES

As a director, the Chairman and Chief Executive Officer also receives directors' fees *(see section 3.2.1 above– Directors' compensation)*.

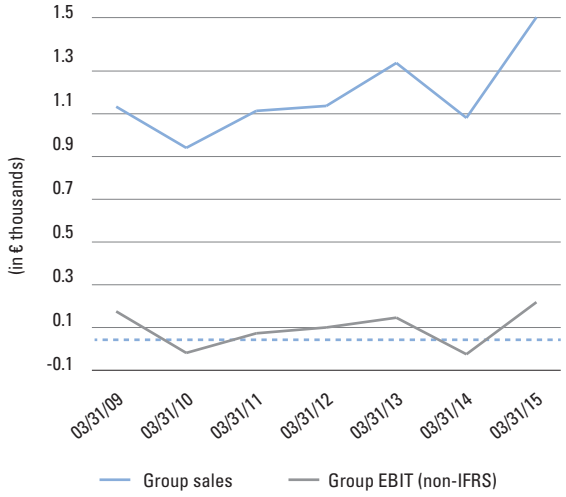
## Comparison tables

### CHANGE IN OVERALL COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER WITH THE GROUP'S PERFORMANCE

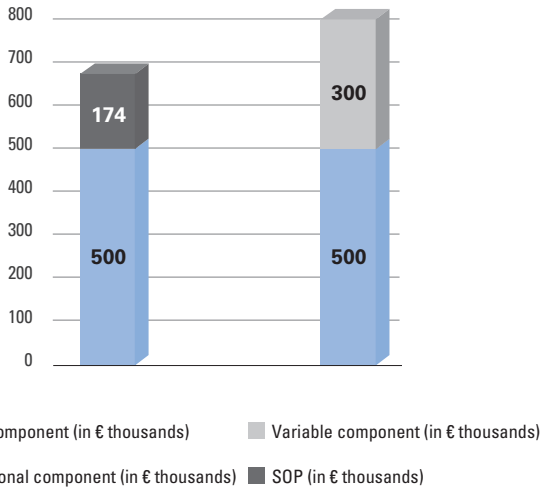
FIXED AND VARIABLE COMPENSATION *(in € thousands)*




GROUP PERFORMANCE




### PERFORMANCE-RELATED OR RISK-RELATED PAY OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER WITH COMPARISON (N-1)



### 3.2.2.3 Compensation of Executive Vice Presidents

The compensation of the Executive Vice Presidents Claude, Michel, Gérard and Christian Guillemot, decided by the Board of Directors based on a proposal from the Compensation Committee, consists of:

- annual gross fixed compensation;
- variable long-term compensation in the form of Company stock options, granted subject to performance conditions.

#### Comparative basis

No comparative study was carried out for the compensation of Executive Vice Presidents.

SUMMARY OF COMPENSATION DUE OR RECEIVED BY THE EXECUTIVE VICE PRESIDENTS FOR THE YEAR ENDED 03/31/15

| | Fixed gross annual compensation | Stock options (accounting valuation) | Directors' fees |
|---|---|---|---|
| Claude Guillemot | €62,496 | - | €40,000 |
| Michel Guillemot | €24,000 | - | €40,000 |
| Gérard Guillemot | €79,431 | - | €30,000 |
| Christian Guillemot | €62,496 | - | €40,000 |

#### Breakdown

ANNUAL FIXED COMPENSATION

The fixed component of the gross annual compensation of Executive Vice Presidents is summarized below:

| Corporate executive officer | Annual gross compensation | |
|---|---|---|
| Claude Guillemot | €62,496 | Compensation unchanged since June 1, 2008 |
| Michel Guillemot | €24,000 | Compensation unchanged since February 1, 2011 |
| Gérard Guillemot | €79,431 (1) | Compensation unchanged since January 1, 2011 |
| Christian Guillemot | €62,496 | Compensation unchanged since June 1, 2008 |

*(1) Subject to exchange rates.*

OTHER LONG-TERM COMPENSATION

This consists of stock options awarded subject to performance conditions *(see section 3.2.3 – Reports on the allocation of options or free shares)*.

## 3.2.3 REPORTS ON THE ALLOCATION OF OPTIONS OR FREE SHARES

*Reports required by Articles L. 225-184 and L. 225-197-4 of the French Commercial Code.*

This section includes all the reports required by the French Commercial Code, along with the tables recommended by the AFEP-MEDEF Code, or by the AMF in its publications on information on the compensation of corporate executive officers that should appear in the Registration Document.

### 3.2.3.1 Principles and rules used for the allocation of options or free shares

#### Authorization given to the Board of Directors by the General Meeting

In its 18th resolution, the Combined General Meeting of September 24, 2012 authorized the Board of Directors to grant, on one or more occasions, for a period of 38 months, options for the subscription of new shares or the purchase of existing shares to employees and/or corporate executive officers of the Company and/or of companies related to it directly or indirectly within the meaning of Article L. 225-180 of the French Commercial Code. The allocation to corporate executive officers is capped at 5% of the overall amount granted by the General Meeting and subject to performance conditions to be defined by the Board of Directors.

The Combined General Meeting of July 1, 2014 also authorized, in its 15th and 16th resolutions, the Board of Directors to proceed, on one or more occasions, for a period of 38 months, with the free allocations of preference shares and/or ordinary existing shares or shares to be issued to employees and/or corporate executive officers of companies related to the Company (15th resolution) or

to members of the Ubisoft Group Executive Committee (referred to in section 3.1.1.3 (16th resolution) (the "ComEx Free Share Plan 2014 Resolution"). These two resolutions specifically exclude any award to the Company's corporate executive officers.

The adoption of these two resolutions terminated the 22nd resolution of the General Meeting of June 27, 2013, authorizing the Board of Directors to proceed, on one or more occasions, for a period of 38 months, with the free allocation of existing ordinary shares or shares to be issued to employees and/or corporate officers of the Company and affiliated companies, including members of the Group Executive Committee and the Company's corporate executive officers. No free shares were allocated to the Company's corporate executive officers under this resolution.

The Board of Directors has made use of this authorization during the past financial year *(see section 6.2.3)*.

## General long-term incentive policy: allocation of options or free shares

Long-term incentive plans are a fundamental component of the Ubisoft business culture and its compensation policy.

They effectively help to:

- foster entrepreneurial spirit, which has always been one of the fundamental reasons for Ubisoft's performance;
- retain, incentivize, reward and promote the medium and long-term engagement of the Group's executives, key managers and talent through their involvement in the Group's development and their contribution to its growth;
- boost the competitiveness of the Group's employee compensation.

## General rules

- **Free share grant (ordinary shares):** the preference is for a four-year vesting period with individual performance conditions (100% of the grant is subject to individual performance targets linked to the beneficiary's contribution).
- **Free share grant (preference shares):** a three-year vesting period is applied, subject to individual performance conditions or internal performance conditions (Executive Committee). The vesting period is also accompanied by a two-year retention period, after which the number of ordinary shares resulting from the conversion of preference shares is contingent on the increase in share market price in the previous five years – the conversion ratio applied is 30 ordinary shares for every 1 preference share, based on a target of 150% of the opening share market price on the date of the grant with the application, where relevant, of a proportional and linear sliding scale (i.e. for every 1% increase in share price, the beneficiary receives 0.6 ordinary shares, subject to a maximum of 30 shares).
- **Share purchase and/or subscription options:** these may be exercised per tranche of 25% per year at the end of the year in which they are granted.

Plans are automatically canceled in the event of termination of employment or corporate office, unless otherwise agreed (for disability, death, departure or retirement).

## Specific rules

The attainment level of criteria applied to corporate executive officers and/or members of the Executive Committee, where applicable, cannot be disclosed for confidentiality reasons and to protect the Group's trade secrets, and more specifically to avoid providing details of the Group's strategy that could be exploited by competitors.

## Members of the Executive Committee

Under the ComEx Free Share Plan 2014 Resolution, the grant of preference or ordinary shares to members of the Executive Committee is subject to performance conditions assessed over a minimum period of three financial years, based on Ubisoft Group sales and operating profit from continuing operations before share-based payments.

Following a proposal from the Compensation Committee, the Board of Directors set the conditions for the grant made in respect of the preceding financial year, as follows:

- 60% conditional on achieving a predefined three-year average level of Group EBIT (Group operating profit from continuing operations before share-based payments);
- 40% conditional on achieving a predefined three-year average level of Group sales.

## Specific rules applicable to corporate executive officers

### FREE SHARES GRANT

The resolutions of the General Meeting of July 1, 2014 concerning the free grant of ordinary shares and/or preference shares exclude corporate executive officers.

### SHARE PURCHASE AND/OR SUBSCRIPTION OPTIONS

The resolution of the General Meeting of September 24, 2012 limits the options granted to corporate executive officers to 5% of the overall amount, fixed at 2.6%.

The grant of options to corporate executive officers is subject to performance conditions to be fulfilled over a period of four financial years: plans 24 and 27 are subject to performance conditions spread over four years, on the cumulative basis of the annual financial statements to March 31. Consequently, corporate executive officers may only exercise their options once the Compensation Committee has verified that the performance conditions have been met, following approval by the Board of Directors of the financial statements for the fourth year, i.e. from May. The cumulative assessment over four years is mainly due to the specific nature of the industry, in view of the highly seasonal nature of the release of games and R&D investment projects that span several years, as well as unforeseen events that can affect the product release schedule. It also encourages decision-making aimed at creating long-term value, rather than on an annual basis.

Corporate executive officers do not use hedging instruments.

Pursuant to the provisions of Article L. 225-185 of the French Commercial Code, the Board of Directors set the quantity of registered shares to be held by corporate executive officers throughout their term at 5%.

## 3.2.3.2 Corporate executive officers: subscription options granted or exercised between April 1, 2014 and March 31, 2015

| Number of options granted between April 1, 2014 and March 31, 2015 | | | |
|---|---|---|---|
| Corporate officer | Number of subscription options granted | Exercise Price | Plan number and expiry date |
| Yves Guillemot<br>Claude Guillemot<br>Michel Guillemot<br>Christian Guillemot<br>Gérard Guillemot | N/A | N/A | N/A |
| **Options exercised during the financial year between April 1, 2014 and March 31, 2015** | | | |
| | N/A | | |

### Grant during the financial year ended March 31, 2015

No share subscription or purchase options were granted to the Company's corporate executive officers for the 2015 financial year.

### Options exercised during the financial year ended March 31, 2015

Corporate executive officers have been unable to exercise their subscription options to date, either because the options are out of the money (plans 14, 17 and 19), or because the performance conditions have not been met.

In this respect, it should be noted that plan 22 expired early on May 15, 2014 following the Compensation Committee's assessment that the cumulative sales and profitability performance conditions had not been met.

## 3.2.3.3 History of stock option plans in favor of corporate executive officers

| General Meeting | 09/25/2006 | 07/04/2007 | 09/22/2008 | 07/10/2009 | 07/02/2010 | 09/24/2012 |
|---|---|---|---|---|---|---|
| Board of Directors Plan number | 04/26/2007 (14) | 06/27/2008 (17) | 05/12/2009 (19) | 04/29/2010 (22) [4] | 04/27/2011 (24) | 03/17/2014 (27) |
| Price | €17.45 [1] [2] | €27.35 [1] [2] | €14.75 [2] | €9.91 [2] | €6.77 [2] | €11.92 |
| Exercised | 0 | 0 | 0 | 0 | 0 | 0 |
| Originally granted | 151,680 [2] | 139,648 [2] | 125,392 [2] | 120,336 [2] | 111,232 [2] [3] | 100,000 |
| Balance (03/31/2015) | 0 | 0 | 0 | 0 | 111,232 | 85,000 [5] |
| Performance conditions | N/A | N/A | N/A | 100% Internal conditions (cumulative): sales and profitability [4] | 100% Internal conditions (cumulative): sales and profitability | 100%: Internal conditions (average EBIT over four financial years/% of level) of which 25%: collective performance conditions [5] |
| % allocated to the Chairman & CEO under the resolution | 3.15% | 2.76% | 2.51% | 2.33% | 2.17% | 2.11% [6] |
| % allocated to the Executive Vice Presidents under the resolution | 1.57% | 1.47% | 1.38% | 1.37% | 1.24% | 1.41% [6] |

*(1) Two-for-one stock split effective on November 14, 2008.*

*(2) Subscription price and number, adjusted following the issuance of share subscription warrants on April 10, 2012 (Articles L. 225-181 and L. 288-99 of the French Commercial Code).*

*(3) Board of Directors' meeting of March 9, 2012: change in designation of 417,000 options from subscription options to purchase options.*

*(4) This plan expired early on May 15, 2014, the date of the Compensation Committee's assessment that the cumulative sales and profitability performance conditions had not been met.*

*(5) 25% of the allocation to the Chairman and Chief Executive Officer subject to collective performance conditions: The Compensation Committee determined on June 26, 2014 that the collective performance condition had not been met, with the subsequent cancellation of 25% of the allocation made to the Chairman and Chief Executive Officer.*

*(6) Based on the amount used before renewal at the General Meeting of September 23, 2015 and the number of shares at March 31, 2015.*

### 3.2.3.4 Top ten non-executive employees of the Group: Options granted or exercised between April 1, 2014 and March 31, 2015

| Number of options granted between April 1, 2014 and March 31, 2015 | | | |
|---|---|---|---|
| | Number of subscription options granted to the top ten beneficiaries | Average weighted price | Plan number<br>Expiry date |
| Complete information for all Group companies combined | 246,380 | €13.04 | 28 and 29<br>09/23/2019<br>12/15/2019 |

### 3.2.3.5 Summary of free share plans valid as at March 31, 2015

| | | | | | |
|---|---|---|---|---|---|
| Date of General Meeting | 09/22/2008 | 09/24/2012 | 09/24/2012 | 09/24/2012 | 09/24/2012 |
| Date of Board meeting | 06/24/2011 | 10/19/2012 | 02/08/2013 | 05/14/2013 | 06/17/2013 |
| Performance conditions | (1) | (1) | (1) | (1) | (1) |
| Number of beneficiaries | 18 | 1,231 | 74 | 68 | 48 |
| Corporate officers | 0 | 0 | 0 | 0 | 0 |
| Type of shares (5) | ordinary | ordinary | ordinary | ordinary | ordinary |
| Vesting period + retention period | 4+0<br>or<br>4+2 (6) | 4+0<br>or<br>2+2 (7) | 4+0 | 4+0 | 4+0 |
| Date of acquisition of the shares | 06/24/2015 | 10/20/2014<br>10/19/2016 | 02/08/2017 | 05/15/2017 | 06/19/2017 |
| End date of the retention period | 06/24/2015<br>06/23/2017 | 10/19/2016 | 02/08/2017 | 05/15/2017 | 06/19/2017 |
| End date of the conversion period | N/A | N/A | N/A | N/A | N/A |
| Total number granted initially | 133,252 (8) | 742,870 | 316,500 | 160,900 | 223,163 |
| Cumulative number of shares canceled | 5,057 | 54,420 (10) | 19,500 | 14,600 | 2,330 |
| Balance at 03/31/2015 | 128,195 | 397,180 | 297,000 | 146,300 | 220,833 |

*(1) 100% subject to individual performance targets linked to the beneficiary's contribution.*

*(2) Plan of 10/29/13: 25% of the grant (41 beneficiaries) subject to collective performance conditions. On June 26, 2014, the Compensation Committee determined that these criteria had not been met, which resulted in the Board of Directors canceling 7,032 of the 28,075 free shares awarded at its meeting on July 1, 2014.*

*(3) Share price conditions (15th and 16th resolutions of the General Meeting of July 1, 2014) to be met at the end of the retention period for preference shares:*

- *increase ≥ 50% of the floor price (average price over the 20 trading days preceding the Board of Directors' meeting awarding the shares): 1 preference share will entitle the holder to 30 ordinary shares.*
- *increase < 50%: each 1% increase will entitle the holder to 0.6 ordinary shares.*

*(4) Internal performance conditions: 60% conditional on achieving a predefined three-year average level of Group EBIT (Group operating profit from continuing operations before share-based payments) and 40% conditional on achieving a predefined three-year average level of Group sales.*

| Options exercised between April 1, 2014, and March 31, 2015 | | | |
|---|---|---|---|
| | Number of options exercised by the ten employees exercising the highest number | Average weighted price | Plan number<br>Expiry date |
| Complete information for all Group companies combined | 694,440 | €6.44 | 11,12, 23, 24, 25, 26<br>10/13/2014<br>11/16/2014<br>06/29/2015<br>04/26/2016<br>10/18/2017<br>10/28/2018 |



| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 06/27/2013 | 06/27/2013 | 06/27/2013 | 06/27/2013 | 06/27/2013 | 07/01/2014 | 07/01/2014 | 07/01/2014 | 07/01/2014 |
| 10/09/2013 | 10/29/2013 | 02/11/2014 | 03/17/2014 | 07/01/2014 | 09/24/2014 | 09/24/2014 | 12/16/2014 | 12/16/2014 |
| (1) | (1) (2) | (1) | (1) | (1) | (1) | (1) (3) | (1) | (3) (4) |
| 3 | 1,298 | 1 | 60 | 1,135 | 7 | 328 | 48 | 3 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ordinary | ordinary | ordinary | ordinary | ordinary | ordinary | preference | ordinary | preference |
| 4+0 | 4+0 | 4+0 | 4+0 | 4+0 | 4+0 | 3+2 | 4+0 | 3+2 |
| 10/09/2017 | 10/30/2017 | 02/12/2018 | 03/19/2018 | 06/30/2018 | 09/24/2018 | 09/25/2017 | 12/17/2018 | 12/18/2017 |
| 10/09/2017 | 10/30/2017 | 02/12/2018 | 03/19/2018 | 06/30/2018 | 09/24/2018 | 09/24/2019 | 12/17/2018 | 12/17/2019 |
| N/A | N/A | N/A | N/A | N/A | N/A | 09/24/2020 | N/A | 12/17/2020 |
| 40,000 | 694,900 | 10,000 | 268,200 | 572,898 | 10,710 | 13,095 (9)<br>392,850 (3) | 242,600 | 2,409 (9)<br>72,270 (3) |
| 0 | 41,312 | 0 | 5,000 | 14,080 | 0 | 44 (9)<br>1,320 (3) | 0 | 0 |
| 40,000 | 653,588 | 10,000 | 263,200 | 558,818 | 10,710 | 13,051 (9)<br>391,530 (3) | 242,600 | 2,409 (9)<br>72,270 (3) |

*(5) Ordinary shares or preference shares.*

*(6) Two-year retention period for beneficiaries of French subsidiaries.*

*(7) Two-year vesting period for beneficiaries of French subsidiaries with a two-year retention period/Four-year vesting period for beneficiaries of foreign subsidiaries.*

*(8) Number adjusted following issuance of share warrants on April 10, 2012 (Articles L. 225-181 and L. 288-99 of the French Commercial Code).*

*(9) 15th and 16th resolutions: 1 preference share could entitle the holder to 30 ordinary shares, subject to achieving the share price conditions (3), with the application, where appropriate, of a proportional and linear sliding scale.*

*(10) Creation on October 20, 2014 of 291,270 shares with a two-year retention period (7).*

### 3.2.3.6 Summary of share subscription or purchase options plans valid as at March 31, 2015

| Plan | | Plan 23 | Plan 24 |
|---|---|---|---|
| General Meeting | | 07/10/2009 | 07/02/2010 |
| Board of Directors | | 06/30/2010 | 04/27/2011 |
| Number of beneficiaries | | 1,265 | 1,337 |
| Number granted | | 3,123,939 (1) | 3,256,413 (1) (2) |
| of which corporate executive officers | | | |
| Yves Guillemot | | N/A | 70,784 (1) (2) |
| Claude Guillemot | | N/A | 10,112 (1) (2) |
| Michel Guillemot | | N/A | 10,112 (1) (2) |
| Gérard Guillemot | | N/A | 10,112 (1) (2) |
| Christian Guillemot | | N/A | 10,112 (1) (2) |
| Opening date | | 06/30/2011 | 04/27/2012 |
| Expiry date | | 06/29/2015 | 04/26/2016 |
| Subscription or purchase price | France | €7.02 (1) | €6.77 (1) |
| | World | €6.32 (1) | |
| Exercise terms | | 25% per year from 06/30/2011 | 25% per year from 04/27/2012<br>Officers: May 2015 (3) (4) |
| Number exercised between allocation and 03/31/2015 | | 1,906,722 | 814,250 |
| Number of options canceled or void since allocation | | 385,573 | 325,443 |
| Number of options outstanding at 03/31/15 | | 831,644 | 2,116,720 |

*(1) Subscription price and number, adjusted following the issuance of share subscription warrants on April 10, 2012 (Articles L. 225-181 and L. 288-99 of the French Commercial Code).*

*(2) Board of Directors' meeting of March 9, 2012: change in designation of the 417,000 stock options originally granted (421,705 [2]), or a balance at March 9, 2012 of 410,750 options converted into purchase options (415,384 [2]).*

*(3) In the case of corporate officers, because performance conditions are to be met over four financial years on the cumulative basis of the annual financial statements for the years ended March 31, officers may only exercise their options once the Compensation Committee has verified that the performance conditions have been met following approval by the Board of Directors of the financial statements for the fourth year, i.e. from May. Plan 24: May 2015/Plan 27: May 2018.*

| | Plan 25 | Plan 26 | Plan 27 | Plan 28 | Plan 29 |
|---|---|---|---|---|---|
| | 09/24/2012 | 09/24/2012 | 09/24/2012 | 09/24/2012 | 09/24/2012 |
| | 10/19/2012 | 10/29/2013 | 03/17/2014 | 09/24/2014 | 12/16/2014 |
| | 129 | 62 | 5 | 116 | 3 |
| | 936,970 | 798,125 (5) | 100,000 | 665,740 | 62,200 |
| | | | | | |
| | N/A | N/A | 60,000 (5) (6) | N/A | N/A |
| | N/A | N/A | 10,000 (6) | N/A | N/A |
| | N/A | N/A | 10,000 (6) | N/A | N/A |
| | N/A | N/A | 10,000 (6) | N/A | N/A |
| | N/A | N/A | 10,000 (6) | N/A | N/A |
| | 10/19/2013 | 10/29/2014 | May 2018 (4) | 09/24/2015 | 12/16/2015 |
| | 10/18/2017 | 10/28/2018 | 03/16/2019 | 09/23/2019 | 12/15/2019 |
| France | €6.37 | France €9.547 | €11.92 (excluding discount) | €12.92 | €14.22 |
| World | €6.65 | World €8.830 | | | |
| | 25% per year from 10/19/2013 | 25% per year from 10/29/2014 | Officers: May 2018 (3) | 25% per year from 09/24/2015 | 25% per year from 12/16/2015 |
| | 181,785 | 45,605 | 0 | 0 | 0 |
| | 15,250 | 53,250 | 15,000 (5) | 2,500 | 0 |
| | 739,935 | 699,270 | 85,000 | 663,240 | 62,200 |

*(4) At its meeting on May 12, 2015, the Compensation Committee confirmed that the internal performance conditions that had to be met by corporate executive officers had been achieved on the basis of a cumulative sales and profitability target over four financial years (March 31, 2012, 2013, 2014 and 2015).*

*(5) 25% of the grant was subject to collective performance conditions: plan of 10/29/2013 (41 beneficiaries)/plan of 03/17/2014: Yves Guillemot. At its meeting on June 26, 2014, the Compensation Committee determined that these conditions had not been met. The Board of Directors, at its meeting on July 1, 2014, therefore canceled 51,250 of the 205,000 options granted on October 29, 2013 and 15,000 of the 60,000 options granted on March 17, 2014.*

*(6) 100% of the grant is subject to the fulfillment of performance conditions based on average EBIT assessed over four financial years. The final percentage of grant will depend on thresholds to be reached set out according to a percentage of achievement of the cumulated objectives.*

## 3.2.4 SUMMARY TABLES (COMPENSATION OF CORPORATE EXECUTIVE OFFICERS)

In accordance with Article L. 225-102-1, paragraphs 1 and 2 of the French Commercial Code, a breakdown of the total compensation and benefits of any kind paid to corporate officers over the financial year can be found below. This section includes all information required by the French Commercial Code, along with the tables recommended by the AFEP-MEDEF Code and by the AMF on December 22, 2008 relating to information on corporate officers' compensation that should appear in registration documents.

### 3.2.4.1 Say on pay: compensation of corporate executive officers submitted to shareholders for approval

| Yves Guillemot, Chairman and Chief Executive Officer | | |
|---|---|---|
| Compensation components due or granted Year to March 31, 2015 | Amounts or accounting valuation | Presentation |
| Fixed gross annual compensation | €500,004 | Compensation in force since June 1, 2008 |
| Annual variable compensation | €300,000 | Annual variable compensation was introduced with effect from April 1, 2014. It is based on quantitative and qualitative criteria.<br>• **Quantitative criteria:** 20% or 40% of fixed compensation, contingent on achieving a cumulative level of EBIT and sales.<br>• **Qualitative criteria:** 20% maximum of fixed compensation. The breakdown of the qualitative criteria and the expected level of achievement of the quantitative criteria, precisely calculated and predefined, cannot be disclosed without revealing confidential information about the Group's strategy. |
| Deferred variable compensation | N/A | The principle of a deferred variable compensation is not envisaged |
| Multi-annual variable compensation | N/A | The principle of a multi-annual variable compensation is not envisaged |
| Annual exceptional compensation | €0 | Exceptional compensation was introduced with effect from April 1, 2014. It is subject to achieving a predefined level of EBIT. Every 1% increment in EBIT unlocks an additional 10% of fixed compensation.<br>The aggregate amount of exceptional compensation and annual variable compensation is capped at 100% of fixed compensation. |
| Stock options | N/A (accounting valuation) | No allocation of long-term compensation components was carried out during the financial year 2014/2015 |
| Performance shares | N/A | No allocation of long-term compensation components was carried out during the financial year 2014/2015 |
| Other long-term compensation components (redeemable equity warrants, equity warrants, etc.) | N/A | No allocation of long-term compensation components was carried out during the financial year 2014/2015 |
| Directors' fees | €40,000 | €40,000 in total<br>Fixed: Half of the fixed portion is paid in April (for the period from April 1 to September 30) and the other half in October (for the period from October 1 to March, 31).<br>The variable portion is paid in March prorated in accordance with the Board members' attendance to the meetings held during the financial year within the following proportions:<br>• less than 50% attendance at Board meetings: no payment of the variable component;<br>• between 50% and 75% attendance at Board meetings: payment of half of the variable component;<br>• over 75% attendance at Board meetings: payment of the entire variable component. |
| Benefits in kind | N/A | Yves Guillemot is not eligible for benefits in kind |
| Severance payment | N/A | No commitment of this type exist |
| Non-compete indemnity | N/A | There is no non-compete complete clause applicable |
| Supplementary pension scheme | N/A | Yves Guillemot is not eligible for a supplementary pension scheme |

| Claude Guillemot, Executive Vice President | | |
|---|---|---|
| Compensation components due or granted Year to March 31, 2015 | Amounts or accounting valuation | Presentation |
| Fixed gross annual compensation | €62,496 | Compensation in force since June 1, 2008 |
| Annual variable compensation | N/A | The principle of an annual variable compensation is not envisaged |
| Deferred variable compensation | N/A | The principle of a deferred variable compensation is not envisaged |
| Multi-annual variable compensation | N/A | The principle of a multi-annual variable compensation is not envisaged |
| Exceptional compensation | N/A | The principle of an annual exceptional compensation is not envisaged |
| Stock options | N/A (accounting valuation) | No allocation of long-term compensation components was carried out during the financial year 2014/2015 |
| Performance shares | N/A | No allocation of long-term compensation components was carried out during the financial year 2014/2015 |
| Other long-term compensation components (redeemable equity warrants, equity warrants, etc.) | N/A | No allocation of long-term compensation components was carried out during the financial year 2014/2015 |
| Directors' fees | €40,000 | €40,000 in total<br>Fixed: Half of the fixed portion is paid in April (for the period from April 1 to September 30) and the other half in October (for the period from October 1 to March, 31).<br>The variable portion is paid in March prorated in accordance with the Board members' attendance to the meetings held during the financial year within the following proportions:<br>• less than 50% attendance at Board meetings: no payment of the variable component;<br>• between 50% and 75% attendance at Board meetings: payment of half of the variable component;<br>• over 75% attendance at Board meetings: payment of the entire variable component. |
| Benefits in kind | N/A | Claude Guillemot is not eligible for benefits in kind |
| Severance payment | N/A | No commitment of this type exist |
| Non-compete indemnity | N/A | There is no non-compete complete clause applicable |
| Supplementary pension scheme | N/A | Claude Guillemot is not eligible for a supplementary pension scheme |

| Michel Guillemot, Executive Vice President | | |
|---|---|---|
| Compensation components due or granted Year to March 31, 2015 | Amounts or accounting valuation | Presentation |
| Fixed gross annual compensation | €24,000 | Compensation in force since February 1, 2011 |
| Annual variable compensation | N/A | The principle of an annual variable compensation is not envisaged |
| Deferred variable compensation | N/A | The principle of a deferred variable compensation is not envisaged |
| Multi-annual variable compensation | N/A | The principle of a multi-annual variable compensation is not envisaged |
| Exceptional compensation | N/A | The principle of an annual exceptional compensation is not envisaged |
| Stock options | N/A (accounting valuation) | No allocation of long-term compensation components was carried out during the financial year 2014/2015 |
| Performance shares | N/A | No allocation of long-term compensation components was carried out during the financial year 2014/2015 |
| Other long-term compensation components (redeemable equity warrants, equity warrants, etc.) | N/A | No allocation of long-term compensation components was carried out during the financial year 2014/2015 |
| Directors' fees | €40,000 | €40,000 in total<br>Fixed: Half of the fixed portion is paid in April (for the period from April 1 to September 30) and the other half in October (for the period from October 1 to March, 31).<br>The variable portion is paid in March prorated in accordance with the Board members' attendance to the meetings held during the financial year within the following proportions:<br>• less than 50% attendance at Board meetings: no payment of the variable component;<br>• between 50% and 75% attendance at Board meetings: payment of half of the variable component;<br>• over 75% attendance at Board meetings: payment of the entire variable component. |
| Benefits in kind | N/A | Michel Guillemot is not eligible for benefits in kind |
| Severance payment | N/A | No commitment of this type exist |
| Non-compete indemnity | N/A | There is no non-compete complete clause applicable |
| Supplementary pension scheme | N/A | Michel Guillemot is not eligible for a supplementary pension scheme |

| Gérard Guillemot, Executive Vice President | | |
|---|---|---|
| Compensation components due or granted Year to March 31, 2015 | Amounts or accounting valuation | Presentation |
| Fixed gross annual compensation | €79,431 | Compensation in force since January 1, 2011 (with foreign exchange gains/ losses) |
| Annual variable compensation | N/A | The principle of an annual variable compensation is not envisaged |
| Deferred variable compensation | N/A | The principle of a deferred variable compensation is not envisaged |
| Multi-annual variable compensation | N/A | The principle of a multi-annual variable compensation is not envisaged |
| Exceptional compensation | N/A | The principle of an annual exceptional compensation is not envisaged |
| Stock options | N/A (accounting valuation) | No allocation of long-term compensation components was carried out during the financial year 2014/2015 |
| Performance shares | N/A | No allocation of long-term compensation components was carried out during the financial year 2014/2015 |
| Other long-term compensation components (redeemable equity warrants, equity warrants, etc.) | N/A | No allocation of long-term compensation components was carried out during the financial year 2014/2015 |
| Directors' fees | €30,000 | €40,000 in total<br>Fixed: Half of the fixed portion is paid in April (for the period from April 1 to September 30) and the other half in October (for the period from October 1 to March, 31).<br>The variable portion is paid in March prorated in accordance with the Board members' attendance to the meetings held during the financial year within the following proportions:<br>• less than 50% attendance at Board meetings: no payment of the variable component;<br>• between 50% and 75% attendance at Board meetings: payment of half of the variable component;<br>• over 75% attendance at Board meetings: payment of the entire variable component. |
| Benefits in kind | N/A | Gérard Guillemot is not eligible for benefits in kind |
| Severance payment | N/A | No commitment of this type exist |
| Non-compete indemnity | N/A | There is no non-compete complete clause applicable |
| Supplementary pension scheme | N/A | Gérard Guillemot is not eligible for a supplementary pension scheme |

| Christian Guillemot, Executive Vice President | | |
|---|---|---|
| Compensation components due or granted Year to March 31, 2015 | Amounts or accounting valuation | Presentation |
| Fixed gross annual compensation | €62,496 | Compensation in force since June 1, 2008 |
| Annual variable compensation | N/A | The principle of an annual variable compensation is not envisaged |
| Deferred variable compensation | N/A | The principle of a deferred variable compensation is not envisaged |
| Multi-annual variable compensation | N/A | The principle of a multi-annual variable compensation is not envisaged |
| Exceptional compensation | N/A | The principle of an annual exceptional compensation is not envisaged |
| Stock options | N/A (accounting valuation) | No allocation of long-term compensation components was carried out during the financial year 2014/2015 |
| Performance shares | N/A | No allocation of long-term compensation components was carried out during the financial year 2014/2015 |
| Other long-term compensation components (redeemable equity warrants, equity warrants, etc.) | N/A | No allocation of long-term compensation components was carried out during the financial year 2014/2015 |
| Directors' fees | €40,000 | €40,000 in total<br>Fixed: Half of the fixed portion is paid in April (for the period from April 1 to September 30) and the other half in October (for the period from October 1 to March, 31).<br>The variable portion is paid in March prorated in accordance with the Board members' attendance to the meetings held during the financial year within the following proportions:<br>• less than 50% attendance at Board meetings: no payment of the variable component;<br>• between 50% and 75% attendance at Board meetings: payment of half of the variable component;<br>• over 75% attendance at Board meetings: payment of the entire variable component. |
| Benefits in kind | N/A | Christian Guillemot is not eligible for benefits in kind |
| Severance payment | N/A | No commitment of this type exist |
| Non-compete indemnity | N/A | There is no non-compete complete clause applicable |
| Supplementary pension scheme | N/A | Christian Guillemot is not eligible for a supplementary pension scheme |

### 3.2.4.2 Standardized tables in accordance with AMF recommendations

The tables below combine the compensation and benefits of any kind due and/or paid to corporate officers by (i) the Company and (ii) the companies controlled by the Company in which the position is held, within the meaning of Article L. 233-16 of the French Commercial Code, it being specified that the Company is not controlled by any other company within the meaning of Article L. 233-16.

The total gross compensation paid by the Company to corporate executive officers during the financial year amounted to €728 thousand.

During the 2014/2015 financial year, members of the Board of Directors received €412 thousand in directors' fees.

No commitments have been made by the Company towards its corporate officers in relation to their termination or change in responsibilities.

There are no agreements to compensate Board members if they resign or are dismissed without real cause, or if their employment is terminated due to a public offering.

TABLE 1 SUMMARY TABLE OF COMPENSATION, STOCK OPTIONS AND SHARES GRANTED TO EACH MANAGER

| | 03/31/2015 | | 03/31/2014 | |
|---|---|---|---|---|
| Yves Guillemot, Chairman and Chief Executive Officer | Ubisoft | Other companies | Ubisoft | Other companies |
| Compensation due for the financial year [1] | 500,004 | - | 500,004 | - |
| Valuation of multi-annual variable compensation granted during the financial year | - | - | - | - |
| Valuation of options granted during the financial year [2] [3] | - | - | 174,000 | - |
| Valuation of performance shares granted during the financial year [4] | - | - | - | - |
| **TOTAL** | **500,004** | **-** | **674,004** | **-** |

| | 03/31/2015 | | 03/31/2014 | |
|---|---|---|---|---|
| Claude Guillemot, Executive Vice President | Ubisoft | Other companies | Ubisoft | Other companies |
| Compensation due for the financial year [1] | 62,496 | - | 62,496 | - |
| Valuation of multi-annual variable compensation granted during the financial year | - | - | - | - |
| Valuation of options granted during the financial year [2] [3] | - | - | 29,000 | - |
| Valuation of performance shares granted during the financial year [4] | - | - | - | - |
| **TOTAL** | **62,496** | **-** | **91,496** | **-** |

| | 03/31/2015 | | 03/31/2014 | |
|---|---|---|---|---|
| Michel Guillemot, Executive Vice President | Ubisoft | Other companies | Ubisoft | Other companies |
| Compensation due for the financial year [1] | 24,000 | - | 24,000 | - |
| Valuation of multi-annual variable compensation granted during the financial year | - | - | - | - |
| Valuation of options granted during the financial year [2] [3] | - | - | 29,000 | - |
| Valuation of performance shares granted during the financial year [4] | - | - | - | - |
| **TOTAL** | **24,000** | **-** | **53,000** | **-** |

*(1) Details given in Table 2 below, "Summary of compensation."*

*(2) Details given in Table 4 below.*

*(3) IFRS fair value at the award date.*

*(4) The Company has not awarded any performance shares to corporate executive officers.*

| Gérard Guillemot, Executive Vice President | 03/31/2015 Ubisoft | 03/31/2015 Other companies | 03/31/2014 Ubisoft | 03/31/2014 Other companies |
|---|---|---|---|---|
| Compensation due for the financial year [1] | 79,431 | - | 71,735 | - |
| Valuation of multi-annual variable compensation granted during the financial year | - | - | - | - |
| Valuation of options granted during the financial year [2] [3] | - | - | 29,000 | - |
| Valuation of performance shares granted during the financial year [4] | - | - | - | - |
| **TOTAL** | **79,431** | **-** | **100,735** | **-** |

| Christian Guillemot, Executive Vice President | 03/31/2015 Ubisoft | 03/31/2015 Other companies | 03/31/2014 Ubisoft | 03/31/2014 Other companies |
|---|---|---|---|---|
| Compensation due for the financial year [1] | 62,496 | - | 62,496 | - |
| Valuation of multi-annual variable compensation granted during the financial year | - | - | - | - |
| Valuation of options granted during the financial year [2] [3] | - | - | 29,000 | - |
| Valuation of performance shares granted during the financial year [4] | - | - | - | - |
| **TOTAL** | **62,496** | **-** | **91,496** | **-** |

*(1) Details given in Table 2 below, "Summary of compensation".*

*(2) Details given in Table 4 below.*

*(3) IFRS fair value at the award date.*

*(4) The Company has not awarded any performance shares to corporate executive officers.*

TABLE 2 SUMMARY OF COMPENSATION OF CORPORATE EXECUTIVE OFFICERS PAID BY THE ISSUER AND BY ANY COMPANY (ARTICLE L. 233-16 OF THE FRENCH COMMERCIAL CODE)

| Yves Guillemot<br>Chairman and Chief Executive Officer | | 03/31/2015 | | 03/31/2014 | |
|---|---|---|---|---|---|
| | | Amounts paid *(in euros)* [1] | Amounts due *(in euros)* [2] | Amounts paid *(in euros)* [1] | Amounts due *(in euros)* [2] |
| Gross fixed compensation before tax | | 500,004 | 500,004 | 500,004 | 500,004 |
| Annual variable compensation | | - | 300,000 | - | - |
| Multi-annual variable compensation | | - | - | - | - |
| Exceptional compensation | | - | - | - | - |
| | Fixed portion | 20,000 | 20,000 | 15,000 [3] | 15,000 [3] |
| Directors' fees Ubisoft | Variable portion | 20,000 | 20,000 | 35,000 [4] | 35,000 [4] |
| Benefits in kind | | - | - | - | - |
| **TOTAL** | | **540,004** | **840,004** | **550,004** | **550,004** |

| Claude Guillemot<br>Executive Vice President | | 03/31/2015 | | 03/31/2014 | |
|---|---|---|---|---|---|
| | | Amounts paid *(in euros)* [1] | Amounts due *(in euros)* [2] | Amounts paid *(in euros)* [1] | Amounts due *(in euros)* [2] |
| Gross fixed compensation before tax | | 62,496 | 62,496 | 62,496 | 62,496 |
| Annual variable compensation | | - | - | - | - |
| Multi-annual variable compensation | | - | - | - | - |
| Exceptional compensation | | - | - | - | - |
| | Fixed portion | 20,000 | 20,000 | 15,000 [3] | 15,000 [3] |
| Directors' fees Ubisoft | Variable portion | 20,000 | 20,000 | 35,000 [4] | 35,000 [4] |
| Benefits in kind | | - | - | - | - |
| **TOTAL** | | **102,496** | **102,496** | **112,496** | **112,496** |

| Michel Guillemot<br>Executive Vice President | | 03/31/2015 | | 03/31/2014 | |
|---|---|---|---|---|---|
| | | Amounts paid *(in euros)* [1] | Amounts due *(in euros)* [2] | Amounts paid *(in euros)* [1] | Amounts due *(in euros)* [2] |
| Gross fixed compensation before tax | | 24,000 | 24,000 | 24,000 | 24,000 |
| Annual variable compensation | | - | - | - | - |
| Multi-annual variable compensation | | - | - | - | - |
| Exceptional compensation | | - | - | - | - |
| | Fixed portion | 20,000 | 20,000 | 15,000 [3] | 15,000 [3] |
| Directors' fees Ubisoft | Variable portion | 20,000 | 20,000 | 25,000 [4] | 25,000 [4] |
| Benefits in kind | | - | - | - | - |
| **TOTAL** | | **64,000** | **64,000** | **64,000** | **64,000** |

*(1) All compensation paid to corporate executive officers for their duties over the year.*

*(2) Compensation awarded to corporate executive officers for their duties over the year, whatever the date of payment.*

*(3) Decision by the Board of Directors on November 12, 2013 to modify the payment dates to bring them into line with the closing dates. Transition year: Half of the fixed portion paid early in July 2013 (for the period from July 2013 to December 2013) and half on a pro-rata basis in January 2014 for the period from January 2014 to March 2014 (nine months).*

*(4) Decision by the Board of Directors on November 12, 2013 to modify the payment dates to bring them into line with the closing dates. Transition year: Variable portion paid in July 2013 based on Board members attending meetings held between July 1, 2012 and June 30, 2013, and in March 2014 based on Board members attending meetings held between July 1, 2013 and March 31, 2014.*

| Gérard Guillemot<br>Executive Vice President | | 03/31/2015<br>Amounts paid<br>*(in euros)* [1] | 03/31/2015<br>Amounts due<br>*(in euros)* [2] | 03/31/2014<br>Amounts paid<br>*(in euros)* [1] | 03/31/2014<br>Amounts due<br>*(in euros)* [2] |
|---|---|---|---|---|---|
| Gross fixed compensation before tax | | 79,431 | 79,431 | 71,735 | 71,735 |
| Annual variable compensation | | - | - | - | - |
| Multi-annual variable compensation | | - | - | - | - |
| Exceptional compensation | | - | - | - | - |
| Directors' fees Ubisoft | Fixed portion | 20,000 | 20,000 | 15,000 [3] | 15,000 [3] |
| | Variable portion | 10,000 | 10,000 | - | - |
| Benefits in kind | | - | - | - | - |
| **TOTAL** | | **109,431** | **109,431** | **86,735** | **86,735** |

| Christian Guillemot<br>Executive Vice President | | 03/31/2015<br>Amounts paid<br>*(in euros)* [1] | 03/31/2015<br>Amounts due<br>*(in euros)* [2] | 03/31/2014<br>Amounts paid<br>[1] | 03/31/2014<br>Amounts due<br>[2] |
|---|---|---|---|---|---|
| Gross fixed compensation before tax | | 62,496 | 62,496 | 62,496 | 62,496 |
| Variable compensation | | - | - | - | - |
| Multi-annual variable compensation | | - | - | - | - |
| Exceptional compensation | | - | - | - | - |
| Directors' fees Ubisoft | Fixed portion | 20,000 | 20,000 | 15,000 [3] | 15,000 [3] |
| | Variable portion | 20,000 | 20,000 | 35,000 [4] | 35,000 [4] |
| Benefits in kind | | - | - | - | - |
| **TOTAL** | | **102,496** | **102,496** | **112,496** | **112,496** |

*(1) All compensation paid to corporate executive officers for their duties over the year.*

*(2) Compensation awarded to corporate executive officers for their duties over the year, whatever the date of payment.*

*(3) Decision by the Board of Directors on November 12, 2013 to modify the payment dates to bring them into line with the closing dates. Transition year: Half of the fixed portion paid early in July 2013 (for the period from July 2013 to December 2013) and half on a pro-rata basis in January 2014 for the period from January 2014 to March 2014 (nine months).*

*(4) Decision by the Board of Directors on November 12, 2013 to modify the payment dates to bring them into line with the closing dates. Transition year: Variable portion paid in July 2013 based on Board members attending meetings held between July 1, 2012 and June 30, 2013, and in March 2014 based on Board members attending meetings held between July 1, 2013 and March 31, 2014.*

TABLE 3 DIRECTORS' FEES AND OTHER COMPENSATION PAID TO NON-EXECUTIVE CORPORATE OFFICERS

| | 03/31/2015 | | 03/31/2014 | |
|---|---|---|---|---|
| Director | Ubisoft directors' fees | Other compensation | Ubisoft directors' fees | Other compensation |
| **Estelle Métayer** | | | | - |
| Fixed portion | 25,000 (1) | - | 17,500 (1) (4) | - |
| Variable portion | 30,000 (2) | - | 40,000 (2) (5) | - |
| **TOTAL** | **55,000** | **-** | **57,500** | **-** |
| **Laurence Hubert-Moy** | | | - | - |
| Fixed portion | 20,417 (1) | - | 15,000 (3) (4) | - |
| Variable portion | 41,000 (2) | - | 22,500 (2) (3) (5) | - |
| **TOTAL** | **60,417** | **-** | **37,500** | **-** |
| **Pascale Mounier** | | | | - |
| Fixed portion | 20,000 | - | 5,000 (3) (4) | - |
| Variable portion | 20,000 | - | 7,500 (3) (4) (5) | - |
| **TOTAL** | **40,000** | **-** | **12,500** | **-** |
| **Didier Crespel** | | | | - |
| Fixed portion | 35,000 (1) | - | 8,750 (1) (3) (4) | - |
| Variable portion | 31,000 (2) | - | 10,000 (2) (3) (5) | - |
| **TOTAL** | **66,000** | **-** | **18,750** | **-** |

*(1) Including the fixed portion received as Chairman of the Compensation, Audit or Appointments Committee (pro-rated from the date of appointment – 2013/2014: Estelle Métayer (September 2, 2013 to March 31, 2014)/Didier Crespel (November 20, 2013 to March 31, 2014), 2014/2015: Laurence Hubert-Moy (February 5, 2015 to March 31, 2015).*

*(2) Including the variable portion received as committee members (pro-rated from the date of appointment – 2013/2014: Didier Crespel (November 20, 2013 to March 31, 2014)/ Laurence Hubert-Moy (November 20, 2013 to March 31, 2014 (Audit Committee) and June 27, 2013 to March 31, 2014 (Compensation Committee), 2014/2015: Didier Crespel and Laurence Hubert-Moy (February 5, 2015 to March 31, 2015 (Appointments Committee)).*

*(3) Pro-rated depending on the date of appointment as director: Laurence Hubert-Moy (June 27, 2013 to March 31, 2014), Didier Crespel and Pascale Mounier (November 20, 2013 to March 31, 2014).*

*(4) Decision by the Board of Directors on November 12, 2013 to modify the payment dates to bring them into line with the closing dates. Transition year: Half of the fixed portion paid early in July 2013 (for the period from July 2013 to December 2013) and half on a pro-rata basis in January 2014 for the period from January 2014 to March 2014.*

*(5) Decision by the Board of Directors on November 12, 2013, to modify the payment dates to bring them into line with the closing dates. Transition year: Variable portion paid in July 2013 based on Board members attending meetings held between July 1, 2012 and June 30, 2013, and in March 2014 based on Board members attending meetings held between July 1, 2013 and March 31, 2014. Amounts pro-rated in the case of Pascale Mounier and Didier Crespel based on their appointment date.*

## Compensation and benefits owed due to corporate officers leaving office

| | Corporate office combined with employment contract | | Supplementary pension scheme | | Compensation or benefits due or likely to be due as a result of individuals leaving or changing positions | | Compensation relating to a non compete clause | |
|---|---|---|---|---|---|---|---|---|
| Name | Yes | No | Yes | No | Yes | No | Yes | No |
| Yves Guillemot<br>Chairman and Chief Executive Officer | | ✔ | | ✔ | | ✔ | | ✔ |
| Claude Guillemot<br>Executive Vice President | | ✔ | | ✔ | | ✔ | | ✔ |
| Michel Guillemot<br>Executive Vice President | | ✔ | | ✔ | | ✔ | | ✔ |
| Gérard Guillemot<br>Executive Vice President | | ✔ | | ✔ | | ✔ | | ✔ |
| Christian Guillemot<br>Executive Vice President | | ✔ | | ✔ | | ✔ | | ✔ |

# 3.3 Statutory Auditors' report on the report of the Chairman of the Board of Directors of Ubisoft Entertainment SA

*This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with Article L.225-235 of the French commercial code on the report prepared by the Chairman of the Board of Directors on the internal control procedures relating to the preparation and processing of accounting and financial information issued in French and it is provided solely for the convenience of English speaking users.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Dear Shareholders,

As Statutory Auditors of Ubisoft Entertainment SA and in accordance with Article L. 225-235 of the French Commercial Code, we hereby report to you on the report prepared by the Chairman of the Board of Directors of your company in accordance with Article L. 225-37 of the French Commercial Code for the year ended March 31, 2015.

It is the Chairman's responsibility to prepare and submit for the approval of the Board of Directors a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L. 225-37 of the French Commercial Code, particularly as regards corporate governance.

It is our responsibility:

- to report our observations concerning the information contained in the Chairman's report, with regard to the internal control and risk management procedures used for preparing and processing accounting and financial information; and
- to certify that the report contains the other information required by Article L. 225-37 of the French Commercial Code, but not to verify the accuracy of that other information.

We conducted our audit in accordance with the professional standards applicable in France.

## INFORMATION CONCERNING INTERNAL CONTROL PROCEDURES RELATING TO THE PREPARATION AND TREATMENT OF ACCOUNTING AND FINANCIAL INFORMATION

The professional standards require that we plan and perform the audit to assess the accuracy of the information concerning internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the Chairman's report. These procedures consist notably of:

- reviewing the internal control and risk management procedures for preparing and processing accounting and financial information underlying the information presented in the Chairman's report as well as in existing documentation;
- reviewing the background work carried out in order to produce the information and the existing documentation;
- determining if any material shortcomings in internal control procedures for preparing and processing accounting and financial information identified during our audit have been appropriately disclosed in the Chairman's report.

On the basis of our audit, we have no matters to report on the information relating to the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code.

## FURTHER INFORMATION

We certify that the report of the Chairman of the Board of Directors contains the other information required by Article L. 225-37 of the French Commercial Code.

Nantes, June 2, 2015

**KPMG Audit**
Division of KPMG S.A.

**Franck Noël**
Partner

Rennes, June 2, 2015

**MB Audit**

**Roland Travers**
Partner

# 3.4 Auditors

| Names | Date of original appointment | Expiration of current term |
|---|---|---|
| Primary auditor:<br>**KPMG SA, represented by Mr. Franck Noël**<br>7, boulevard Albert-Einstein – BP 41125<br>44311 Nantes Cedex 3 | 2003 | 2019 |
| Alternate auditor:<br>**KPMG AUDIT IS**<br>7, boulevard Albert-Einstein – BP 41125<br>44311 Nantes Cedex 3 | 2013 | 2019 |
| Primary auditor:<br>**MB AUDIT**<br>**represented by Mr. Roland Travers**<br>23, rue Bernard-Palissy<br>35000 RENNES | 2010 | 2016 |
| Alternate auditor:<br>**Mr. Sébastien Legeai**<br>Rocade de l'Aumaillerie – BP 70255<br>35302 Fougères Cedex | 2010 | 2016 |

**Professional fees of the Statutory Auditors and members of their networks**

(Document prepared in compliance with Article L. 222-8 of the AMF General Regulation)

Professional fees for the period from April 1, 2013 to March 31, 2015 are detailed in **the financial statements** in section 5.1.6.

# 4 Corporate social responsibility


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# 4.1 Methodology note on employee-related, environmental and social reporting

## 4.1.1 INDICATOR FRAMEWORK

Ubisoft based its framework on:

- the new regulatory requirements in France established or reinforced by Article 225 of the Grenelle II law and its implementing decree *(Decree No. 2012-557 of April 24, 2012, on corporate transparency obligations regarding employee-related and environmental matters);*
- the G3 guidelines of the Global Reporting Initiative (GRI), a multiparty organization, which prepares a framework of sustainable-development reporting indicators that are internationally recognized and whose purpose is to develop globally applicable directives for reporting on companies' economic, environmental and social performance.

## 4.1.2 REPORTING PERIOD

Reporting periods differ depending on CSR themes. These break down as follows:

| CSR data | Reporting periods | |
|---|---|---|
| | 04/01/14 – 03/31/15 (12 months) | 01/01/14 – 12/31/14 (12 months) |
| Employee-related | ✔ | |
| Environmental | | ✔ |
| Social | | ✔ |

## 4.1.3 SCOPE OF REPORTING

The scope used for CSR reporting is the Group, which is defined as all fully consolidated companies.

However, some indicators are only available for a limited scope. In these cases, the scope covered is always indicated, giving the sites concerned and/or their representativeness as a percentage of the Group's headcount.

Employee-related reporting covers all of the Group's subsidiaries, with the exception of the Canadian subsidiary "Hybride Technologies Inc. " (95 employees), not currently integrated in the Group's human resources scope of reporting.

In contrast, the British subsidiary "Future Games of London Ltd" (46 employees), not included within the scope of employee-related reporting in the previous financial year, has now been integrated.

## 4.1.4 CHANGE IN METHOD/CONDITIONS COMPARED WITH THE PREVIOUS YEAR

- ***Change in reporting period:*** Company data are now reported over the calendar year, unlike the previous financial year when the reporting period corresponded to the financial year.
- ***Change in the scope of reporting:*** For the sake of consistency, the scope used for indicators for which information is only available for a limited scope break down as follows:
  - *employee-related indicators* (1): companies outside France > 200 employees and French companies (2);
  - *environmental indicators* (3): non-French sites > 25 employees and French sites (2).

Data reported in the previous financial year covered scopes that varied depending on the indicators.

As a result of these changes, information is supplied in the event of material impact on the comparability of CSR data with data reported the previous financial year. This is especially true for absenteeism for which the scope of reporting now includes the Montreal and Quebec sites which account for nearly a third of the Ubisoft Group staff.

## 4.1.5 REPORTING PRINCIPLE

The Group's Administration Department, in conjunction with the Sustainable Development Department, is responsible for steering and coordinating CSR reporting. For this reason, it has drawn up a reporting protocol. This protocol:

- defines a list of quantitative and qualitative indicators and their correspondence to the GRI framework;
- specifies the definitions of indicators so that they are uniform for the whole Group and leave no room for interpretation;
- specifies the methods for collecting and calculating indicators;

(1) The scope defined in this way covered 83.4% of Ubisoft Group staff at the end of March 2015.

(2) Scope defined on the basis of Ubisoft Group staff at the end of September 2014.

(3) The scope defined in this way covered 97.9% of Ubisoft Group staff at the end of March 2015.

– specifies the scope used and the reporting managers in charge of collecting data.

This protocol is used as a reference by each reporting manager, whose role is to:

– tell their local representatives or contacts what information they are required to collect;

– ensure that the information collected is available, uniform and documented;

– monitor the completeness, consistency and plausibility of data;

– ensure that the absence of data collection has been justified and explained.

Once the data collected has been validated by the various reporting managers,

– the Administrative Department intervenes:
  • by ensuring compliance with the reporting protocol,
  • by consolidating the data that it sends to the Sustainable Development Department,
  • by examining the plausibility of data;

– the Sustainable Development Department then drafts this section of the Annual Report, focusing on CSR indicators as a whole.

### Specifications on the methods for collecting data

– As regards employee-related indicators, these are collected:
  • either directly, using the Business Object reporting tool, which makes it possible to exploit data from the human resources management software program (HRTB) used by all the Group's subsidiaries;
  • or using a qualitative and quantitative questionnaire designed to supplement data not available in the HRTB.

The human resources indicators collected in this manner conform to the definitions defined jointly by the Human Resources Department and the Administration Department, as indicated in the reporting protocol.

– Data for environmental and social indicators is collected from:
  • each site, using a qualitative and quantitative questionnaire prepared in line with the reporting protocol;
  • cross-functional departments for the collection of global data at Group level.

### Consolidation and verification

Employee-related, environmental and social data is transmitted by the Group's entities to the various reporting managers in charge of collecting data and ensuring it is consistent.

Data is then sent to the Administration Department for consolidation, except for employee-related data which is consolidated by the Sustainable Development Department.

Lastly, on the basis of all the consolidated data, the Administration Department conducts various controls (analytical data review, consistency checks, spot checks on documentation, etc.) to ensure that the information published is reliable.

## 4.1.6 METHODOLOGICAL CLARIFICATIONS OF THE INDICATORS

### As regards employee-related data

– Staff are defined as all employees registered at the end of the period, regardless of the type of employment (full- or part-time), with an open-ended or fixed-term contract. Casual workers, seasonal workers, freelancers, the self-employed, interns, those on work-study contracts, sub-contractors and temporary workers are not included.

– A hire is defined as any individual who joins the workforce during the period in question. Fixed-term contract renewals are not included in new hires.

– The male-female pay ratio is calculated by level of responsibility at each subsidiary for which both men and women are represented, (i.e. 93% of Group employees). This ratio is weighted by the corresponding headcount and consolidated by country.

– In order to determine the number of training hours, only training activities undertaken on site by an internal or external trainer are considered. This therefore excludes e-learning, team meetings, etc. Furthermore, only training hours relating to training sessions undertaken and completed during the financial year are taken into account, irrespective of the length of the training.

– In order to determine the number of employees trained, an employee who takes part in several training programs is only counted once.

– A manager is defined as someone who is hierarchically responsible for at least one person (also including interns not counted as staff).

### As regards environmental data

– Environmental reporting does not include any data relating to the environmental footprint of the Group's main suppliers (manufacturers of games, ancillary products, etc.), as the Group does not have this information at present.

– As a rule, the Group considers that paper purchased in the financial year is consumed during that financial year.

– $CO_2$ emissions in relation to electricity consumption were established from emission factors supplied by an independent carbon impact expert.

### 4.1.7 METHODOLOGICAL LIMITS OF THE INDICATORS

The indicators may present methodological limits due to:

- a lack of standardization in national/international definitions and legislation;
- the representativeness of the measurements and estimates made;
- the practical methods of collecting and entering information.

# 4.2 Employee-related indicators

Ubisoft brings together creative minds to develop original games in a friendly environment. Each employee has the possibility of growing and getting ahead, surrounded by people who are passionate about their particular field of work. The teams' constant creativity is expressed not only in the development of new games but also in the day-to-day work environment.

### 4.2.1 EMPLOYMENT

#### 4.2.1.1 Dynamic growth in Ubisoft Group headcount

Attracting, developing and retaining the finest talent in the industry is one of the key factors determining Ubisoft's success. The Group is committed to providing the resources that its teams need in order to progress, learn and develop their skills and expertise. This enables us to create the best games of the future, today. With 8,254 employees in game development, Ubisoft is one of the leading figures in the video game industry and every year wins numerous awards for its teams' creative abilities.

At the end of March 2015, Ubisoft had 9,790 employees compared with 9,281 at the end of March 2014. In the 2014/2015 financial year, the headcount therefore increased by 509 employees, i.e. up 5.5%. This increase was attributable to:

- the inclusion of the British subsidiary "Future Games of London Ltd" (46 employees) within the scope of employee-related reporting;
- the necessity for the Group to bring in the teams and skills it requires for its development;
- the breakdown of staff by business line, employment type and gender remains unchanged over the period.

| Staff | 03/31/15 | 03/31/14 |
|---|---|---|
| Total staff [1] | 9,790 | 9,281 |

*(1) Total staff excluding the Canadian subsidiary "Hybride Technologies Inc." (95 employees), not currently integrated in the Group's human resources scope of reporting.*

| Breakdown of staff by business line | 03/31/15 | % | 03/31/14 | % |
|---|---|---|---|---|
| Production | 8,254 | 84.3% | 7,910 | 85.2% |
| Business | 1,536 | 15.7% | 1,371 | 14.8% |

| Breakdown of staff by employment type | 03/31/15 | % | 03/31/14 | % |
|---|---|---|---|---|
| Full-time employment | 9,700 | 99.1% | 9,199 | 99.1% |
| Part-time employment | 90 | 0.9% | 82 | 0.9% |

| Male/female staff | 03/31/15 | % | 03/31/14 | % |
|---|---|---|---|---|
| Men | 7,853 | 80.2% | 7,464 | 80.4% |
| Women | 1,937 | 19.8% | 1,817 | 19.6% |

### 4.2.1.2 A growing company

Ubisoft is a growing company that manages a high volume of recruitments each year.

As in the past, this growth relates primarily to production activities (82% end of March 2015 compared with 89% end of March 2014).

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Total number of hires | 1,856 | 2,434 |
| Redundancies/dismissals | 190 | 173 |

In order to stimulate its recruitment policy, Ubisoft has an active policy of supporting young people during, or in addition to, their initial training. During the year under review, 728 interns and apprentices completed an enriching and empowering professional experience at a Ubisoft company, compared with 619 during the previous year. These internships are truly educational and act as a springboard for joining the Group. 26.2% of interns were offered a job.

Particular attention is paid to recruiting young talent as they represent the next in line at the Company against a backdrop of strong growth. In order to meet the requirements of their profession, teams need to be connected and close to the consumer. Ubisoft provides them with a career path with a high level of input and genuine learning opportunities.

Ubisoft offers targeted programs:

- the ***Graduate Program,*** launched in 2014, aims to integrate young talent into fast-growing areas of the business and to offer them a 2-year training pathway, one year of which will be spent in a studio abroad, so that they can develop the required level of expertise. Each Graduate is supported by a mentor to guide them through the program. This format facilitates highly effective knowledge transfers and makes it easier for graduates to integrate Company practices and culture. Ubisoft plans to repeat the experiment next year and to extend these training programs to other business lines;
- Canada and Romania offer ***Summer Schools*** to train future developers, in partnerships that they have created with local universities.

In the same vein, the Montreal subsidiary entered into a partnership with The National Theatre School of Canada (École nationale de théâtre du Canada – ENT) to open the doors of its motion capture studio to students in their final year of studies. These students are, therefore, given the opportunity to obtain a specialized certification from Ubisoft which may broaden their career prospects and enable the Group to create a recruitment pool.

### 4.2.1.3 An average age which reflects the video game industry as a whole

| | 03/31/15 | | 03/31/14 | |
|---|---|---|---|---|
| Age pyramid | Staff | % | Staff | % |
| < 20 years | 3 | 0.0% | 3 | 0.0% |
| 20 - 29 years | 3,291 | 33.6% | 3,274 | 35.3% |
| 30 - 39 years | 4,823 | 49.3% | 4,542 | 48.9% |
| 40 - 49 years | 1,527 | 15.6% | 1,339 | 14.4 % |
| 50 - 59 years | 131 | 1.3% | 108 | 1.2% |
| + 60 years | 15 | 0.2% | 15 | 0.2% |
| **TOTAL** | **9,790** | | **9,281** | |
| **Average age** | **33.30** | | **32.95** | |

The average age at the Ubisoft Group is 33. The average age was largely unchanged due to the combined effects of increasing staff seniority and a significant rise in the number of hires over the year, mainly in the younger age groups.

This average age is in line with the young age of the video game industry as a whole and the fact that the skills needed to develop games are often linked to the latest technologies.

All ages are represented in the Group's staff, with 82.9% of employees in the 20-39 age bracket.

### 4.2.1.4 Seniority up slightly

Average seniority within the Group was up slightly, reaching 5.16 years at the end of March 2015, compared with 4.82 years at the end of March 2014.

In addition to the attention paid to the general well-being of the teams, employee loyalty programs are set up every year to motivate talented individuals, mainly in the form of employee share ownership.

| Seniority by age bracket | 03/31/15 | 03/31/14 |
|---|---|---|
| < 20 years | 0.17 | 1.67 |
| 20 - 29 years | 2.44 | 2.38 |
| 30 - 39 years | 5.55 | 5.36 |
| 40 - 49 years | 9.31 | 8.60 |
| 50 - 59 years | 10.59 | 9.65 |
| + 60 years | 6.1 | 7.07 |
| **Average seniority within the Group** | **5.16** | **4.82** |

## 4.2.2 DIVERSITY AND INCLUSION

The diverse range of professional profiles at Ubisoft is inherent to the creativity and innovation the Company needs to stay at the forefront of innovation and technology. The process of creating a video game requires the collaboration of teams with very different backgrounds and training to produce the best game possible. Cultural diversity, gender mix and age diversity are a source of creativity and help teams to improve their understanding of consumers' expectations and to respond to consumers' needs throughout the world.

Various initiatives are, therefore, taken to contribute to the diversity of teams. The Toronto subsidiary circulated a guideline entitled "Employment Equity" with the aim of increasing the number of hires from disadvantaged communities. Likewise, the US Red Storm Entertainment Inc. studio is combating discrimination through awareness-raising policies and training.

### 4.2.2.1 Measures taken to encourage gender equality

The Group comprises 19.8% women and 80.2% men. This breakdown is largely stable compared with the previous year. This breakdown is attributable to the fact that 84.3% of Group staff (see section 4.2.1.1.1) are in Ubisoft's *core business line, video game* production, which primarily attracts men.

Women hold 35.7% of the business-related positions (marketing and sales) within the Group and represent 22.6% of managers and 29.9% of top management employees.

| | 03/31/15 | | 03/31/14 | |
|---|---|---|---|---|
| Breakdown of men/women in total headcount | Women | Men | Women | Men |
| Total | 19.8% | 80.2% | 19.6% | 80.4% |
| Production | 16.8% | 83.2% | 16.6% | 83.4% |
| Business | 35.7% | 64.3% | 37.0% | 63.0% |

| Women in management | 03/31/15 | 03/31/14 |
|---|---|---|
| % of women in top management [1] [2] | 29.9% | 28.0% |
| % of women in management [2] | 22.6% | 22.2% |

*(1) Top management is defined as directors of the Group or directors of subsidiaries.*

*(2) Number of women in (top) management as a percentage of the total employees in (top) management.*

| Employment | 03/31/15 | 03/31/14 |
|---|---|---|
| Female hire rate [1] | 22.4% | 18.9% |
| Female employment rate [2] | 19.8% | 19.6% |

*(1) Number of women hired as a percentage of the total number of hires.*
*(2) Number of women as a percentage of the total headcount reported at the end of the period.*

In France, Ubisoft implemented an equal opportunities action plan which aims to continue to improve equality in recruitment, training and pay.

In addition, some awareness-raising initiatives are being developed for subsidiaries:

- over the last two years, the San Francisco subsidiary [1] has implemented a local internal female leadership forum whose mission is to promote a working environment that supports women's professional development. This forum encourages employees to exchange practices and strategies to maximize women's success through working groups and events;
- the Montreal subsidiary [2], which accounts for nearly 29% of the headcount, decided to launch a Diversity Committee in November 2014 to assess and monitor initiatives to be implemented to promote diversity within the studio and, in particular, gender equality.

Men and women are given the same level of access to training and skills development.

| | 03/31/15 | | 03/31/14 | |
|---|---|---|---|---|
| Training | Women | Men | Women | Men |
| Training rate by gender [1] | 55% | 49% | 48.0% | 49.0% |

*(1) Number of women (men) trained as a percentage of the average female (male) headcount.*

The male-female pay ratio, at an equivalent contribution level, is 103% for teams with a full-time, open-ended or fixed-term contract within the Group.

| Pay | 03/31/15 | 03/31/14 |
|---|---|---|
| Male-female pay ratio [1] | 103% | 102% |

*(1) The male-female pay ratio is calculated for business lines in which both men and women are represented and are employed under full-time, open-ended or fixed-term contracts. It is determined based on the male/female ratio for each level of responsibility at each subsidiary, weighted by the corresponding headcount.*

The Group continues to ensure equal treatment of men and women. Indicators were defined at Group level to identify the areas in which action is needed to promote gender equality.

### 4.2.2.2 Cultural diversity

Ubisoft is present in 30 countries across all continents. With 94 different nationalities [3], Ubisoft cultivates the cultural diversity required for a good understanding of the gamer and improved adaptation of games to cultural differences.

| Breakdown of staff by geographic region | 03/31/15 | % | 03/31/14 | % |
|---|---|---|---|---|
| Americas | 3,929 | 40.13% | 3,885 | 41.86% |
| EMEA/Pacific | 5,861 | 59.87% | 5,396 | 58.14% |
| **TOTAL** | **9,790** | **100%** | **9,281** | **100%** |
| Number of countries | 30 | | 30 | |

(1) 407 employees at the end of March 2015.

(2) 2,859 employees at the end of March 2015.

(3) Information based on 93% of the Group's workforce at the end of March 2015.

### 4.2.2.3 Measures taken to help disabled people find employment

The employment rate of disabled persons [1] within the Group is 0.25%.

Most of these employees are employed at sites with disabled access.

At present, the Group does not have specific measures to help disabled people find employment. In order to encourage the employment of disabled persons, the French sites are developing partnerships with ESATs (organizations that support disabled people in finding work) for supply contracts.

| Employment of disabled persons [1] | 03/31/15 | 03/31/14 |
|---|---|---|
| Number of disabled workers at the end of the period | 21 | 21 |
| Employment rate of disabled persons | 0.25% | 0.23% |

*(1) Information determined from companies outside of France > 200 employees and French companies (accounting for 83.4% of Group employees at the end of March 2015).*

## 4.2.3 SKILLS DEVELOPMENT

Ubisoft recruits talented people who are passionate and proud of the brands created or acquired by the Ubisoft Group and have the technical skills and expertise required for the specific characteristics of the video game industry. Responsibility, initiative, innovation and creativity are the skills sought. Team players are vital to our business and the capacity to work as a team is now an added focus of team development.

Over the 2014/2015 financial year, the emphasis was placed on in-house training (up nearly 10% on the previous year) thereby making it possible to train more employees.

| Training | 03/31/15 | 03/31/14 |
|---|---|---|
| % of payroll spent on training [1] [2] | 0.94% | 0.98% |
| Training expenditure | €3,802,581 | €3,660,357 |
| **TOTAL NUMBER OF EMPLOYEES TRAINED** | **4,836** | **4,405** |
| *of which employees trained in health and safety* | *249* | *126* |
| % of average headcount trained | 50.03% | 48.82% |
| **TOTAL NUMBER OF TRAINING HOURS** | **100,579** | **96,283** |
| Average duration of training (in hours) per employee trained | 20.80 | 21.86 |

*(1) Total expenditure on training as a percentage of payroll.*
*(2) Does not include virtual training, which forms an integral part of the Group's training opportunities.*

| E-learning via the LMS | 03/31/15 | 03/31/14 |
|---|---|---|
| Number of e-learning modules accessible to all employees | 233 | 98 |

| Skill-sharing between sites through mobility | 03/31/15 | 03/31/14 |
|---|---|---|
| Number of international mobility (short- or long-term assignments) | 259 | 201 |

### 4.2.3.1 A training policy adapted to the challenges of the sector

In a sector where continuous innovation, staying on top of technological advances and developing expertise are key, naturally, all forms of training are a top priority. Huge changes have been taking place in the sector for several years. New technologies allow for a direct connection with the consumer and the Group's business activities are becoming increasingly digitalized. The training policy aims to support this transformation. Ubisoft provides its teams with training to help them develop the new digital skills they need to reap all the benefits offered by connected platforms.

As a true entertainment Company, Ubisoft is also developing its teams in new areas including comic books, book publishing, toys and figurines of our characters, movies and TV series. Relationships

(1) The definition of "disabled worker" used for this indicator is the definition used by the national legislation in each country or, failing that, the definition used by ILO Convention 159.

between Ubisoft and related industries (music, film, television, publishing, etc.) are being developed and exchanges with experts in these industries are encouraged.

Video gaming is constantly evolving and training courses tailored to these changes are provided, for the most part within the Group, especially through on-the-job training. That is why Ubisoft endeavors to develop its employees by setting up specific training courses that are created in-house and focused on technical fields linked to the video game industry. These training courses can be given on-site by the subsidiary or internationally at the Ubisoft Academies which provide demanding, high-level training solely for professional profiles with previous experience. Tailored to the complexity of a gaming industry which is constantly evolving, one hundred or so employees benefited from these courses in the 2014/2015 financial year. Such courses make it possible to develop employees' key skills in line with operational requirements. Ultimately, this training provides genuine opportunities for our in-house talented staff from different backgrounds to share and discuss their ideas and experiences.

Training expenditure accounted for just under 1% of payroll. 4,836 employees took at least one training course, i.e. just under 50% of the Group's average headcount.

Ubisoft also encourages personal learning and has an e-learning policy for technical skills as well as managerial and behavioral skills implemented via a Group training portal so that employees benefit from continuous personal development.

Employees with more than a year of seniority are given an annual appraisal, i.e. 81% of the headcount in 2014/2015, up slightly on the previous financial year. The annual appraisal is an important moment in the year for each employee. Each manager reviews the performance of his or her teams and contributes to the development of their skills. This appraisal also makes it possible to prepare for the year ahead in terms of targets and an individual development plan.

The Group currently offers numerous possibilities for advancement in France and abroad, within specific fields and cross-functional roles. During the year under review, 259 international mobility took place. International mobility take place initially to support business needs, but they also respond to a genuine objective to support employees' development by providing them with an international perspective. These mobility encourage multicultural exchanges and contribute to collaborative work.

### 4.2.3.2 Encouraging a collaborative approach within the teams

Collaboration is an inherent part of Ubisoft's business and the majority of games are developed as a result of collaboration between several studios. A culture of knowledge-sharing is essential to the performance of the teams and Ubisoft focuses on tapping into, and transferring, expertise as well as on improving our individual, and collective, ways of working.

International networking events are held once a year to facilitate networking and the sharing of best practices between experts. These are held over several days and take the form of presentations and round tables, during which experts are invited to discuss various subjects relating to new trends, tools and good practices to be adopted during game production. Over the financial year, these events enabled 246 people to meet up to exchange practices.

To make these events more accessible, Ubisoft has a broadcast system which enables it to transmit in-house conferences live, thus making it possible to interact with the presenter. Around 2,500 people benefited from a series of conventions given during the largest annual gathering organized for the sole purpose of sharing expertise. Discussion groups on the internal web portal keep the dialogue going after the events are over.

Ubisoft continues to simplify information management within the Group by identifying, organizing and structuring key information, so as to facilitate access to, and sharing of, such information within the teams. Ubisoft focuses on employees' digital experience by standardizing and simplifying access to information and internal collaboration sites. All Ubisoft Group sites are, therefore, accessible via a single portal. This portal offers a company search engine, an internal directory, information streams and 152 discussion groups. In addition, a whole catalogue of tools, such as a collaborative work space, instant messaging, web and video conferencing, which facilitate collaboration and exchanges, as well as a dedicated support team, are at the teams' disposal for day-to-day support.

### 4.2.3.3 A compensation policy aimed at recognizing performance

Ubisoft's compensation policy aims to recognize skills, stimulate creativity, encourage employees' performance and retain talent.

Annual salary increases are dependent on the individual, the level of performance they have achieved and the skill they display in their position. Close attention is paid to ensuring that the compensation policy is in line with market practices.

Employee share ownership is another excellent way for Ubisoft to let employees participate in the Company's success. Capital increases reserved for employees regularly take place. During the year under review, one capital increase reserved for employees was proposed with a discounted share price of 15% as part of the Group savings scheme in France. As at the end of March 2015, total registered shares held by employees or indirectly through an FCPE (Company mutual fund) amounted to 1.87% of the capital.

Medium-term compensation is also granted to the top performing employees in order to ensure loyalty. This takes the form of stock options or preference or free share grants. All plans combined, as at the end of March 2015, around 18.8% of the Group's employees received such options.

The elements relating to personnel costs are presented in more detail in the financial statements *(see section 5.1.6, Note 20 "Personnel costs").*

## 4.2.4 WELL-BEING AND SOCIAL DIALOGUE

Ubisoft is a group that makes the well-being of its teams one of the pillars of its global strategy. The work environment and the organization of working hours play a fundamental role in ensuring team morale.

### 4.2.4.1 A friendly work environment

Ubisoft strives to develop a friendly and pleasant environment in all of its subsidiaries, with a range of workspaces adapted to the needs of each individual (meeting rooms, relaxation areas, cafeterias). In the last internal survey, conducted in 2013, which had a participation rate of 69%, 97% of employees were satisfied with the friendly work environment.

The Group also vows to prioritize sites with open-plan offices as much as possible, which encourages collaborative working and facilitates communication, where managers are available to their teams. Ubisoft is committed to cultivating and preserving this friendly, open and outward-looking atmosphere.

Lastly, Ubisoft encourages corporate events, with convivial annual parties, concerts and internal competitions organized at each subsidiary.

### 4.2.4.2 Organization of flexible working hours

Group policy, although complying with local legislation, provides employees with a certain amount of flexibility when it comes to organizing their working hours.

In this same spirit, the Ubisoft Group introduced a flextime policy, primarily focusing on flexible arrival and departure times for employees. Employees can, therefore, adapt their hours to suit transport or personal constraints, while still putting in their weekly hours. This policy, which has been introduced by all the subsidiaries, contributes to the well-being of the teams as well as to individual work-related autonomy.

Furthermore, because Ubisoft's business is highly seasonal, game pre-launch periods entail adjustments in working conditions and additional support for teams (mandatory breaks, provision of meals, massages, etc.).

### 4.2.4.3 Monitoring absenteeism rates

| Number of days of employee absence by reason [1] | 03/31/15 | % | 03/31/14 | % |
|---|---|---|---|---|
| Illness (all reasons) | 38,234 | 48% | 19,096 | 49% |
| Occupational accident [2] | 337 | 0% | 83 | 0% |
| Maternity, paternity and parental leave | 18,133 | 23% | 6,702 | 17% |
| Family events | 3,310 | 4% | 2,135 | 5% |
| Leave for personal reasons | 19,400 | 24% | 10,051 | 26% |
| Other | 926 | 1% | 911 | 2% |
| **TOTAL** | **80,340** | **100%** | **38,978** | **100%** |
| Group absenteeism rate linked to occupational accidents and illnesses [3] | 1.70 | | 1.47 | |

*(1) Days of absence are defined in working days.*

*(2) Occupational accident = fatal and non-fatal accidents occurring during or due to work, according to local practices. Occupational accidents are only recognized if they have been reported to the relevant authorities and are being dealt with by said authorities.*

*Please note that days of absence relating to occupational accidents are restricted to companies outside of France > 200 employees and French companies (accounting for 83.4% of Group employees at the end of March 2015), unlike other types of absence. The impact of this restriction on the absenteeism rate is considered to be minor.*

*(3) Calculation method = total number of days of absence over the scope used/sum of theoretical number by company of days worked without these absences.*

The increase in the number of absences compared with the previous financial year can be attributed to the change in the scope of reporting *(see section 4.1.4)* which, since the financial year in question, has included significant sites such as Montreal and Quebec [1]. At constant scope, the number of absences would be 48,403 at the end of March 2015, up 24% on the end of March 2014, mainly relating to maternity, paternity and parental leave and leave for personal reasons.

(1) Accounting for just under one third of the Ubisoft Group's headcount at the end of March 2015.

### 4.2.4.4 Supporting health and safety in the workplace

Promoting the well-being of its teams also means being attentive to the health and safety of its employees across the board. Teams working in the video game industry are very rarely exposed to life-threatening risks.

As at the end of March 2015, the development of indicators relating to health and safety in the workplace broke down as follows:

| Health and safety in the workplace [1] | 03/31/15 | 03/31/14 |
|---|---|---|
| Number of occupational accidents with time off [2] | 21 | 19 |
| Number of fatal accidents | 0 | 0 |
| Frequency rate of occupational accidents with time off [3] | 1.406 | 1.884 |
| Severity rate of occupational accidents with time off [4] | 0.0225 | 0.0082 |
| Number of occupational illnesses [5] | 1 | 1 |

*(1) For this indicator, occupational accidents and occupational illnesses are only recognized if they have been reported to the relevant authorities and are being dealt with by said authorities.*

*(2) Occupational accident = fatal and non-fatal accidents occurring during or due to work, according to local practices Scope = companies outside of France > 200 employees and French companies (accounting for 83.4% of Group employees at the end of March 2015).*

*(3) Number of occupational accidents with time off/total per company (average annual headcount * theoretical number of annual hours worked per employee) x 1,000,000.*

*(4) Number of days lost per occupational accident/total per company (average annual headcount * theoretical number of annual hours worked per employee) x 1,000.*

*(5) Occupational illness recognized according to applicable local legislation.*

The increase in the number of days of absence compared with the previous financial year can be attributed to the change in the scope of reporting *(see section 4.1.4)* which, since the financial year in question, has included significant sites such as Montreal and Quebec.

There are lots of local initiatives aimed at preventing health risks which may be continued:

- ***medical check-ups supplied free or for a reduced fee or eligible for reimbursement*** are available at some sites. The Montreal studios [1] have a clinic which is open 5 days a week. The clinic is not just for use by employees but is also open to their families for medical consultations. Employees at the Bucharest studio [2] also have access to an on-site doctor four days a week. More generally speaking, health prevention initiatives, led by health professionals, have been implemented at other Ubisoft subsidiaries;
- ***training courses focusing on health and safety*** are organized every year in France. 249 employees were trained in 2014/2015;
- ***the creation of a hotline*** [3] manned by psychologists helps relieve stress and ensure greater support for those who need it. The German subsidiary, Blue Byte GmbH, also offers its employees ***preventive healthcare systems*** by establishing mechanisms for detecting and reducing anxiety and obesity: Cardio Stress Test, Body Fat Analysis;
- ***offering access to gyms and courts*** is a key feature of Ubisoft's well-being policy. Almost all Ubisoft Group sites offer;
- ***massages*** which are organized at some sites on a regular basis;
- ***a serve-yourself fruit bowl*** helps to protect the health of our teams. Generally speaking, healthy nutrition is encouraged via workshops (Toronto) or nutritional consultations which aim to offer advice on adopting better eating habits or a healthier lifestyle (Blue Byte GmbH in Germany).

### 4.2.4.5 Constructive industrial relations

Dialogue between management and labor is led by employee representatives in the countries where this is provided for by legislation.

In France, members of the Works Councils and employee representatives meet with HR every month to discuss the Company's operations, evolutions and directions. Collective agreements to connect the teams to the Company's results (incentive schemes/profit-sharing) were set up in collaboration with the Works Councils.

| Collective agreements and breakdown by subject | 03/31/15 | 03/31/14 |
|---|---|---|
| Number of collective agreements [1] | 7 | 6 |
| **Breakdown by subject:** | | |
| *Compensation* | *7* | *6* |
| *Other subjects* | *0* | *0* |

*(1) The scope of this indicator is worldwide, but as the concept of the collective agreement comes from French legislation, it is hard to emulate on an international level which is why foreign subsidiaries are not represented for this indicator.*

(1) Accounting for 29.2% of the Group's workforce at the end of March 2015.

(2) Accounting for 13.3% of the Group's workforce at the end of March 2015.

(3) Introduced at the French and Montreal sites which accounted for 45.3% of the Group's workforce at the end of March 2015.

Furthermore, for the last 14 years, Ubisoft has conducted a worldwide opinion poll of all its employees every two years. This survey has a dual purpose: to measure the teams' support and understanding of the Group's strategy and to canvass their opinion on key issues such as well-being in the Company, career management, internal collaboration and communication. The results are distributed within the Group to enable direct discussion with employees and give rise to targeted action plans.

Lastly, the corporate social network encourages exchanges at all levels of the Group. It is a platform that is accessible to all employees and that encourages the exchange of information and provides a space for commenting on a variety of issues such as new developments in the video game industry or sharing good practices.

### 4.2.5 PROMOTION OF AND COMPLIANCE WITH THE PROVISIONS OF FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOR ORGANIZATION

#### 4.2.5.1 Respect for freedom of association and the right to collective bargaining

Ubisoft respects freedom of association and the right to collective bargaining *(see section 4.2.4.5.)*.

Employees in France are covered under the Syntec collective agreement. This agreement regulates the working conditions of employees and related social-security regimes.

#### 4.2.5.2 Elimination of discrimination in employment and occupation

To make the best games on the market, Ubisoft gathers talented employees from different backgrounds and professional profiles *(see section 4.2.2)*. For this reason, the Group recruits varied professional profiles and endeavors to combat discrimination, in all its forms.

#### 4.2.5.3 Abolition of forced or compulsory labor and effective abolition of child labor

Given the nature of the Group's business (intellectual services), Ubisoft is not affected by this issue. In Pune, however, the Indian subsidiary has increased its efforts to promote the abolition of child labor by posting information directed at employees.

## 4.3 Environmental indicators

### 4.3.1 GENERAL ENVIRONMENTAL POLICY

#### 4.3.1.1 General organization

In 2014, the Ubisoft Group created a Sustainable Development Department charged, in particular, with assessing the Group's environmental impact and with driving and coordinating plans to make any improvements identified. For this reason, the Group's carbon footprint is being assessed with the help of an external service provider. This will enable the Group's environmental priorities to be identified.

Currently, environmental performance management is decentralized and each subsidiary implements its own actions in accordance with local regulations and depending on the interest and involvement of its employees.

An internal survey is carried out every year at each site to evaluate the environmental policies, programs and indicators employed.

Data on the Group's environmental impact solely covers its direct video game production and publishing activities.

#### 4.3.1.2 Informing and training employees

The EMEA registered office published a series of videos entitled "Good resolutions" on the Group's internal video hosting platform. The videos encourage employees to perform simple day-to-day operations to save paper, use video conferencing systems, only print out useful emails, recycle paper, batteries, cans and computer hardware and switch off computers at the end of the working day.

Employee information and training is generally organized locally by each subsidiary. At the end of December 2014, 10 sites [1] showed an interest in using awareness-raising campaigns to inform and train their employees about sustainable development issues. Such campaigns place special focus on the need to reduce energy consumption linked to the use of IT.

(1) Accounting for 16.7% of the Group's workforce at the end of March 2015.

Key measures can be both:

– ***specific,*** targeting IT and electrical equipment alongside water and paper consumption.

By way of example, in Sweden the teams regularly remind employees of the need to turn off lights and computers when leaving the office;

– ***general,*** incorporating wider issues with the aim of engaging employees in global warming issues and good habits to adopt to reduce environmental impact:

- the Abu Dhabi studio deployed an awareness campaign entitled "I am Responsible" informing employees about food waste and saving electricity and paper,
- the Sofia studio makes new employees aware of environmental issues by including an environment section in the new orientation documentation given to new arrivals. This section places particular emphasis on the recycling system in place at the studio.

#### 4.3.1.3 Preventing environmental risks and pollution

Ubisoft's definition of environmental risk is based on the GRI definition (1).

The Group's own activities do not present any significant industrial and environmental risks since the Group does not manufacture the video games (and associated ancillary products) it publishes and distributes. Nevertheless, the Group remains alert to regulatory changes in countries where it is present.

The Group's main expenses and initiatives relating to environmental protection are presented in greater detail in the "Pollution prevention" and "Sustainable use of resources" sections of this report.

#### 4.3.1.4 Provisions and guarantees

The Group currently has no knowledge of any industrial or environmental risk.

Ubisoft did not record any provision, purchase any insurance to cover potential environmental risks, or pay any compensation in this regard during the financial year.

### 4.3.2 POLLUTION PREVENTION

#### 4.3.2.1 Waste management and disposal

The Group has identified four categories of waste linked to its business activities:

- Computer hardware;
- Paper;
- Products that cannot be sold on distribution platforms (marketing, promotional items, etc.);
- Other consumables (batteries, ink cartridges, green waste, etc.).

– ***Computer hardware:*** Ubisoft actively recycles/sorts computer hardware waste (2).

Except in a few countries where services of this kind are not available, the sites manage the disposal of their computer equipment by calling on external service providers, specialist organizations or outside companies.

Computer equipment is recycled by companies specializing in the dismantling of such equipment and for which a recovery, disassembly and recycling contract has been signed. These activities, involving the processing of electrical and electronic waste and the cleanup of monitors, are carried out in compliance with the applicable laws and standards.

To a lesser extent, IT equipment that has reached the end of its useful life is donated to schools or associations, or is sold directly to employees to be reused. In Montreal, the proceeds of these sales are then given to the "Breakfast Club" (3).

– ***Paper:*** most sites report that they recycle or sort used paper for recycling (36 sites (4) counted in 2014).

Having been made aware of the ecological impact of paper consumption, the sites take advantage of municipal or government programs to recycle their paper through waste sorting at their premises or collection areas or by outsourcing to specialist companies as in Canada, the United States and France.

– ***Products that cannot be sold:*** sites are directly responsible for scrapping at distribution platforms. This is organized by suppliers or sites' warehouse managers. The various destruction tasks (grinding or compacting) are carried out under the supervision of official bodies and are outsourced to external companies to be recycled, burnt or buried.

One particularly notable initiative has been implemented by the Sydney subsidiary which decided to donate the proceeds of the sale of their posters to the "Starlight Foundation", an association involved in helping sick children.

(1) "An environmental risk refers to the possibility of incidents or accidents occurring that are caused by the activities of a company, which may have harmful and significant repercussions for the environment. Environmental risk is measured by considering the probability of occurrence of an event (risk) and the level of danger."

(2) 38 sites, accounting for 86.8% of the Group's workforce at the end of March 2015, recycle or sort computer hardware waste.

(3) The "Breakfast Club" provides nearly 18,000 children with a healthy and balanced breakfast every morning as well as with education on "healthy eating" – see section 4.4.3.

(4) Accounting for 80.7% of the Group's workforce at the end of March 2015.

– ***Other consumables:*** most sites have collection points for recycling and sorting waste. These collection points are generally situated in offices, communal areas or at the entrance to each floor. More specifically:

  - 39 sites [1] recycle or reuse ink cartridges. These are sent to suppliers, which then recycle them, are collected by specialist and authorized companies, or are refilled and reused;
  - 23 sites [2] state that they collect and recycle their batteries at collection points located at strategic points on the premises.

Lastly, the Group's sites have declared that they do not produce any waste that is classed as hazardous and that they comply with waste processing standards according to applicable local legislation.

#### 4.3.2.2 Other forms of pollution: organoleptic nuisances, emissions into the air, water and soil

Due to the nature of Ubisoft's core business, the likelihood of the Group producing organoleptic nuisances or air, water or soil emissions is very low. In fact:

– waste issued by the Group is not classed as hazardous according to applicable legislation;

– the Group is not concerned by accidental spills [3], given its activity;

– water is only used for domestic purposes.

In contrast, the Group's transport activities, generated by the distribution of physical video games, are responsible for a certain amount of air pollution as a result of greenhouse gas emissions *(see section 4.3.4.)*. Their impact is in the process of being assessed as part of the ongoing carbon audit.

### 4.3.3 SUSTAINABLE USE OF RESOURCES

#### 4.3.3.1 Energy consumption and use of renewable energies

Ubisoft only measures electricity as an energy source, as other energy sources are negligible compared with electricity.

In 2014, the Group measured consumption of 32,562 thousand kWh (i.e. the equivalent of 7,101 tons of $CO_2$) broken down as follows:

| | Canada [1] | France | Romania | China | United States | Other countries | Total |
|---|---|---|---|---|---|---|---|
| Consumption [2] in thousands of kWh in 2014 | 16,180 | 6,286 | 2,677 | 1,603 | 1,472 | 4,345 | 32,562 |
| Consumption [3] in thousands of kWh in 2013 | 15,637 | 6,284 | 2,332 | 1,681 | 1,362 | 3,361 | 30,658 |

*(1) Data for the Montreal and Toronto sites (not including Quebec).*

*(2) Data for 41 sites accounting for 91.0% of the Group's workforce at the end of March 2015.*

*(3) Data for 40 sites accounting for 87.9% of the Group's workforce at the end of March 2014.*

The countries with high consumption, such as Canada, France, Romania and China, have data centers that use large amounts of electricity.

The increase in consumption compared with the previous financial year is mainly due to the following factors:

– the change in the scope of reporting *(see section 4.1.4)* the impact of which stood at 1,410 thousand kWh, 997 of which was for the Canadian sites;

– the expansion of premises and increase in staff at some sites (particularly in Romania).

A significant percentage of the electricity used by the Ubisoft Group comes from renewable energies, which helps to limit its carbon impact. In fact, the Montreal studio (for which electricity consumption is nearly 46% of total consumption measured by the Group) and the Quebec studio [4] are powered by electricity supplied by Hydro-Québec, 99% of whose production comes from hydroelectric dams. Other major sites also receive more than 10% of their electricity from renewable sources (France: 14%, United States: 22%, Germany: 36%, Romania: 57%).

In 2014, the Group continued to identify and encourage measures to reduce overall energy consumption. These initiatives are decentralized and vary depending on the site: some choose to limit their consumption while others adapt their installations to consume less:

– many sites have already introduced good practices to ***limit the consumption*** of their IT equipment and their air conditioning and lighting systems:

  - so as to rationalize the energy consumed by servers, the Group's largest datacenters use "freecooling" technology in server rooms. This technique consists of using the outside air to cool the datacenter, thereby reducing the overall energy consumption of the infrastructures.

    Similarly, the Moroccan subsidiary decided to raise the temperature of the server room from 16°C to 21°C so as to

(1) Accounting for 89.5% of the Group's workforce at the end of March 2015.

(2) Accounting for 60.0% of the Group's workforce at the end of March 2015.

(3) According to the GRI's definition: "Involuntary emission of a dangerous substance that is likely to harm human health, the ground, vegetation, sources of water and the groundwater table".

(4) The Montreal and Quebec studios account for just under one third of the Group's workforce.

save on air conditioning by adapting its equipment to operate at the outside temperature.

Furthermore, the vast majority of the Group servers are virtual, given that a virtual server consumes approximately 10 times less electricity than a physical server with the same configuration,

- the vast majority of air conditioning and lighting systems are shut down over the weekend. A number of sites also have movement sensors or even automatic switch off systems for lights so that lighting can be adjusted according to the needs of employee. Some sites also have temperature regulation systems or have put in place a policy to turn off the air-conditioning system using a timer system,
- simple day-to-day actions are also important as they make it possible to avoid any superfluous consumption. To this end, employees are, for example, encouraged to switch of their IT equipment when leaving their place of work;

– other sites are investing in optimizing and adapting their installations ***to reduce consumption:***

- the Singapore studio premises are within a fully sustainable and environmentally-friendly building (Solaris complex),
- the refurbishment of buildings and associated heating and air conditioning systems is a major sustainable development challenge.

  In Montreal, the "Castle" project to renovate part of the "Ubisoft Entertainment Inc." subsidiary's real estate portfolio, begun in 2014, plans to introduce energy saving installations over a period of 3 to 4 years.

  In France, projects to renovate air conditioning and heating systems with the aim of reducing energy consumption and replacing systems using chlorodifluoromethane gas (R22) which has a global warming potential that is 1,810 times as powerful as $CO_2$ are in progress and will continue over the next few years,
- the purchase of more energy efficient equipment is an initiative that is becoming increasingly widespread among subsidiaries.

  25 sites (1) use energy-saving bulbs. Some sites prefer LED lighting for its energy saving properties (Montreal) or more efficient lighting.

  Furthermore, investment in new generation computer hardware is also driving reductions in energy consumption at sites (Montreal, Bucharest).

### 4.3.3.2 Use and management of consumables

At present, of the consumable purchases listed by the Group, only paper consumption is significant.

In 2014, paper consumption, as measured by the Group, stood at 26,835 kg (2) compared with 33,084 kg (3) the previous year. This consumption represents approximately 3 kg of paper per employee per year in 2014 compared with 4 kg in 2013.

This drop is mainly due to measures taken to reduce paper consumption, such as:

– paperless management is more and more widespread and is used for:

- invoices, particularly in the United Kingdom, Germany, Switzerland, Sweden, the Netherlands, Denmark, Japan and Australia where legislation is more flexible. In France, the switch to paperless management is ongoing,
- payslips. As a result, Ubisoft saved just under 140,000 sheets of paper in 2014;

– configuring printers' default setting to print on both sides;

– the "Think before you print" internal awareness policy.

Furthermore, 21 sites (4) continue to prioritize the use of recycled paper, with some opting to use 100% recycled or FSC, PEFC-accredited type paper (France, United States, Australia).

### 4.3.3.3 Water consumption and supply

Taking into account the Group's business activities, it only uses water for domestic purposes. Although Ubisoft's water consumption is low, the Group strives to monitor this indicator to measure the impact of the good practices implemented at its sites and the information campaigns conducted internally.

In 2014, water consumption (5), as measured by the Group, stood at 35,904 $m^3$ compared with 43,439 $m^3$ the previous year. This consumption represents approximately 7 $m^3$ of water per employee per year in 2014, compared with 9 $m^3$ in 2013.

A number of measures were taken to reduce the volume of water consumed, such as adjusting taps and lavatories to use less water. Some sites are introducing simple measures to encourage employees to limit their consumption such as, for example, in China where the Chengdu site launched an information campaign.

In addition, as water is supplied directly by local water distribution networks, the Group therefore complies with applicable national regulations regarding supply.

### 4.3.3.4 Land use

The Group has a limited impact in relation to land use due to the vertical installation of its sites, which are mainly located in urban areas.

(1) Accounting for 67.9% of the Group's workforce at the end of March 2015.

(2) Information based on 41 sites accounting for 92.5% of the Group's workforce at the end of March 2015.

(3) Information n-1 corrected and based on 36 sites accounting for 87% of the Group's workforce at the end of March 2014.

(4) Accounting for 53.6% of the Group's workforce at the end of March 2015.

(5) Information n-1 corrected and based on 25 sites accounting for 54.6% of the Group's workforce at the end of March 2015, compared with 51.5% at the end of March 2014.

## 4.3.4 ADAPTING TO CLIMATE CHANGE

Due to the nature of its business activities and the location of its sites, Ubisoft is not directly affected by the consequences of climate change.

However, the Group is sensitive to environmental issues and endeavors to take measures *(see section 4.3.1.2)* to reduce greenhouse gas emissions, which are one of the main causes of climate change worldwide.

The main sources of greenhouse gas emissions identified at Ubisoft result:

- from energy consumed, buildings, heating and air conditioning systems and, primarily, IT equipment, including servers *(see section 4.3.3.1);*
- business travel by employees and events organized by the Group *(see above);*
- consumables such as paper, ink cartridges, office supplies *(see section 4.3.3.2);*
- subcontracting the manufacture of DVDs and cases and their transportation to storage and then distribution sites – (indirect impact currently undergoing assessment);
- services bought in – (indirect impact currently undergoing assessment).

In order to measure the extent of its ecological footprint and define the measures to be put in place to reduce greenhouse gas emissions, the Ubisoft Group hired an external service provider at the end of 2014 to carry out a carbon audit and is awaiting the results.

Some subsidiaries are, however, already committed to environmentally-friendly initiatives:

- with its "Castle" project to renovate part of its real estate portfolio, the Ubisoft Entertainment Inc. subsidiary in Montreal plans to reduce $CO_2$ emissions by using low-emission materials and paints and by sourcing local suppliers to reduce transport-related emissions;
- the subsidiaries in question are continuing to replace air conditioning systems using chlorodifluoromethane gas (R22) which has a global warming potential that is 1,810 times as powerful as $CO_2$.

The Group and its sites do not currently hold additional data on the carbon footprints of their main suppliers (supply chain).

Currently, Group policy seeks to limit the environmental impact of business trips, one of the main sources of greenhouse gas emissions.

Due to the Group's international scale, employees frequently have to travel to other sites. Consequently, the Group seeks to optimize travel wherever possible.

The following measures are favored:

- efficient management of employees' appointments so that their travel is limited to the absolute minimum (policy of reducing travel);
- choosing the least expensive and most environmentally friendly means of transport;
- instituting videoconferencing (Breeze), conference calls (Lync 2010) and other collaborative means.

In 2014, the number of business trips totaled 15,521 (1) which break down as follows:

| Number of trips per year and by type | 2014 | 2013 |
|---|---|---|
| Plane | 10,539 | 10,765 |
| Train | 4,982 | 5,421 |
| **TOTAL** | **15,521** | **16,186** |

The vast majority of sites have travel policies that encourage employees to prioritize the most environmentally-friendly methods of transport. For example, the train is the preferred method of transport in France and the Travel Department recommends direct flights for the rest of the world.

The Group is also making the use of web conferencing widespread by systematically equipping new work stations with webcams and microphones. Furthermore, the vast majority of sites now have rooms equipped with video/audio-conferencing equipment.

## 4.3.5 PRESERVING AND DEVELOPING BIODIVERSITY

All Ubisoft sites are located in urban areas. Consequently, none of the sites are located in or beside protected areas or areas that are rich in biodiversity.

The Ubisoft Group indirectly contributes to protecting biodiversity by consuming recycled materials where possible, such as paper *(see section 4.3.3.2)*. Using recycled materials helps to reduce demand for virgin materials and save the world's natural reserves.

In Sweden, the Massive studio (Malmo) supports biodiversity by making donations to organizations working to protect wild animals in Africa and by installing a beehive on their terrace.

(1) Information gathered from non-French sites > 25 employees and French sites, accounting for 97.9% of the Group's workforce at the end of March 2015.

# 4.4 Social indicators

## 4.4.1 DEVELOPING LONG-TERM RELATIONSHIPS WITH STAKEHOLDERS

The Group considers all people and organizations directly or indirectly affected by the Company's business activities to be stakeholders.

The Ubisoft Group engages in dialogue with each stakeholder to establish a long-term and mutually beneficial relationship. On this basis, the main methods of dialogue with these stakeholders are presented below:

| Stakeholder | Methods of dialogue |
|---|---|
| Customers | • Online communication (for online games)<br>• Consumer get-togethers (focus groups)<br>• Publication of information about our products |
| Suppliers | • Buyer/supplier meetings<br>• Supplier selection process |
| Shareholders and investors | • Telephone conferences for presentation of results, meetings and plenary meetings |
| Employees | • Biannual employee satisfaction surveys<br>• Dialogue with employee representation bodies (if applicable) |
| Research and development centers | • Collaborative approach, creation of and participation in R&D programs, university chairs and professional integration associations |
| Communities, NGOs | • Social programs<br>• Partnerships with local NGOs |
| State, public organizations, etc. | • Participation in working groups and local and international organizations on the challenges facing our industry |

## 4.4.2 ENCOURAGING LOCAL DEVELOPMENT

Entertaining and enriching the life of its gamers is an integral part of the Ubisoft Group's mission. As a company which is firmly rooted in its local environment, Ubisoft prioritizes local job creation and initiatives primarily aimed at learning through gaming and access to technologies.

In 2014, 31 subsidiaries (1) implemented partnership and/or sponsorship initiatives.

### 4.4.2.1 Employment and regional development

Ubisoft contributes to the development of local employment primarily by creating jobs due to the fact that it uses very few subcontractors and by choosing to set up its business in neighborhoods that are ripe for regeneration. For example, the Canadian production studios are located in two strategic neighborhoods which, just a few years ago, were very run down. Siting the business in Mile End in Montreal in 1997 and in the Saint-Roch area of Quebec in 2005 has had a significant impact on the urban fabric of these neighborhoods. Today, the fact that there are a large number of employees in these areas generates significant economic, social and cultural energy.

At the end of March 2015, local employees accounted for 80.9% of the workforce, practically unchanged from the previous financial year (2).

In line with its diversity policy, the Ubisoft Group also encourages multiculturalism within its subsidiaries by virtue of the mobility of international teams *(see section 4.2.3.1)* or through local recruitment of different nationalities. This only happens in the case of rare skills not available locally.

### 4.4.2.2 Partnership with local communities

Initiatives undertaken in 2014 by the Group reflect its level of commitment. In fact, partnership initiatives, whether they are implemented in conjunction with local educational establishments, associations or governmental organizations, share a common investment in ***learning skills relating to new technologies and the world of video games.***

A number of partnerships are currently being developed together with educational establishments (universities, high schools) and research centers in order to:

- ***work together to compile the content of educational programs*** in line with the skills harnessed by our teams.

In Singapore, a tripartite collaboration between the DigiPen Institute of Technology Singapore, the Singapore Workforce

(1) Accounting for 85% of the Group's workforce at the end of March 2015.

(2) Local employees represented 81.7% of the Group's workforce at the end of March 2015.

Development Agency (WDA) and the Ubisoft studio in Singapore was launched. This collaboration, which began in October 2009, consists of a 10-month training program with three different areas of specialization (Programming, Game Design and Art).

In Sweden, Ubisoft developed a close collaboration with the Game Assembly (a school for games developers) so as to design educational programs together, send programmers to teach student courses and recruit future interns for the subsidiary from among the student body.

In Bulgaria, the Technical Director of the Ubisoft EOOD studio teaches a one-semester programming course at the University of Sofia, attracting between 13 and 15 students each session;

– ***represent the video games industry,*** in particular, at conferences, by explaining the mechanisms contributing to the creation and development of video games. In Australia, a partnership was developed with a local university (The Academy of Interactive Entertainment) where courses mainly concentrate on the video games industry. Ubisoft organized presentations involving developers to give students insights into the gaming industry and answer their questions.

In Finland, Ubisoft organized student visits to production studios to give them a better understanding of programming jobs.

More specifically, Ubisoft Montreal made a five-year commitment, until the end of 2015, to ***contribute to funding a research program on artificial intelligence at the University of Montreal***. The Canadian subsidiary makes an annual contribution of CAD 200,000 (1).

In Canada, the Ubisoft Montreal "Les créatifs – le futur Mtl inc." project aims to encourage entrepreneurship within the creative technology sector in Montreal. The subsidiary joined forces with the Montréal Inc. Foundation to seek out and bring together partner companies to commit to offering support to young entrepreneurs for an 18-month period, in the form of coaching in different fields via their employees (human resources, marketing, communications, legal, etc.). Ubisoft Montreal provided support to Heddoko which specializes in the manufacture of "smart" garments associated with motion capture technology.

## 4.4.3 SPONSORSHIP ACTIONS

An initiative known as "Sharing More Than Games" was launched 11 years ago. This program provides management and other support for individual solidarity initiatives, both local efforts and those that are broader-based, within the Ubisoft Group. The scope of this program aims to coincide with Ubisoft's core business and values: promoting access to education, culture and leisure for people from disadvantaged backgrounds.

In 2014, the "Sharity Relay" held as a part of the "Sharing More Than Games" initiative, brought together all of Ubisoft's subsidiaries in a video games marathon, during which each subsidiary brought in and coached a group of children or young adults from a local association in partnership with Ubisoft.

***Most sponsorship actions implemented by the subsidiaries are decentralized. Their main aim is to develop learning*** in all its forms. These local initiatives are numerous and diverse (financial support, short or long-term partnerships, equipment donations, donations of time and/or skills, etc.), some focusing on diversity and integration, while others focus on health and disability.

– Some programs aim to promote ***diversity and the integration*** of children/young students or people from vulnerable communities:

- the "Toys for Tots" association in the United States, sponsored by the Red Storm Entertainment Inc. studio, (Cary, NC) collects unopened toys to distribute them to children in need. Likewise, in France, any unused goodies are sent to the "Dons solidaires" social enterprise which works with other French associations to distribute games kits for children in hospital or with disabilities;
- in France, the Ubisoft sites once again lent their support to the "Nos quartiers Ont Du Talent" (Our neighborhoods have talent) association, by mentoring young graduates and organizing training sessions to help them find jobs;
- in India, Ubisoft endeavors to come to the aid of children from vulnerable and disadvantaged backgrounds via its partnership with the "Ashraya Initiative for Children". For this reason, a "Mentoring Program" has been introduced to improve the employability of students during their first contact with the world of work;
- in China, the Shanghai and Chengdu studios are continuing their "U-Care" initiative, launched in 2009, by collaborating with the "Children of Madaifu" association, which provides shelter, medical care and education to orphans living in remote areas of China;
- the San Francisco subsidiary were present at the "GaymerX convention" in 2014 to lend its support to the values of tolerance and diversity of the LGBT (Lesbian, Gay, Bisexual, Transsexual) community within the world of video games.

– Other programs aim to support ***health and disability*** via initiatives for children and adults.

- For children

  By way of example, for several years now, Ubisoft Montreal has subsidized the "Breakfast Club" which provides close to 18,000 children with a healthy and balanced breakfast every morning as well as education about "healthy eating". CAD$115,144 (2) was collected as a result of a campaign to raise funds from employees which was launched in 2014.

  Some sites make a more specific commitment to promote ***initiatives to support children with long-term conditions:***

(1) Equivalent to €145,000 at the end of March 2015.

(2) Equivalent to €84,000 at the end of March 2015.

→ Ubisoft's two Italian subsidiaries support (via donations or joint events) the "Comitato Maria Letizia Verga" association which is devoted to providing treatment and support for children suffering from leukemia.

→ The "Rêves et Petits Princes" (Dreams and Little Princes) and "Make a Wish" associations are partners of the French sites which organize studio visits for sick children. Four children have had the opportunity to visit video game production sites in Paris over the last year. This initiative has also been introduced by the US studio, Red Storm Entertainment Inc..

→ In Australia, Ubisoft's Sydney teams stepped up their partnership with the "Starlight Foundation". This foundation aims to provide children in hospital with happy and entertaining places in which to stay. Furthermore, a donation of AUD$30,000 (1) was raised for the children of the "Starlight Foundation".

***Children with disabilities*** also benefit from initiatives introduced by certain sites.

→ In 2014, Ubisoft's Romanian subsidiary provided the "Gaesti Social Center", an organization which supports disabled children, with funding totaling €2,500.

→ Ubisoft Singapore and "Very Special Arts Singapore", a local NGO, have joined forces to foster the rehabilitation and social integration of disabled children through art.

- For adults

→ In Romania, a collaboration with the "Light into Europe" association gets Ubisoft employees involved in training guide dogs for the blind and visually impaired in order to acclimatize them to a working environment.

→ The "Movember" campaign raising awareness and collecting donations to fight prostate cancer is an initiative that has been supported by Ubisoft subsidiaries for at least two years now.

## 4.4.4 SUBCONTRACTORS AND SUPPLIERS

### 4.4.4.1 Considering employee-related and environmental issues in the purchasing policy

Purchasing policies are centrally coordinated and locally executed as a result of the gradual introduction of global framework agreements. This globalization recognizes operational challenges and the critical nature of purchasing.

Subsidiaries may adapt their approach in view of particular CSR issues. For example, the Australian subsidiary prioritizes partners sensitive to sustainable development issues by incorporating criteria such as the use of biodegradable packaging or even the minimization of transport. France and Germany include a specific sustainable development clause in their calls to tender which requires their service providers to confirm their commitment to environmental protection.

An ethics charter defining a code of conduct for Purchasing and for buyers is in place in the main studios. It aims to guard Ubisoft against conflicts of interest by guaranteeing fair trade purchasing.

The majority of the studios and sites state that they systematically favor partners who give the best guarantees in terms of environmental and social commitment at the same budget and level of service.

### 4.4.4.2 Considering the employee-related and environmental responsibility of suppliers and subcontractors

Ubisoft strives to use environmentally concerned suppliers.

Moreover, Ubisoft is committed to the social responsibility of its suppliers, particularly in terms of the employment of disadvantaged persons. To this end, Ubisoft invites its suppliers, during tenders carried out in France, to submit any information demonstrating their involvement in prioritizing/encouraging the employment of disadvantaged persons.

On the whole, the production facilities of Ubisoft's assemblers in the EMEA zone are ISO 9001 certified, which means that they comply with the "Safety and quality" process and hold ISO 14001 certification relating specifically to the environment.

### 4.4.4.3 Outsourcing

In particular, Ubisoft outsources services appertaining to IT support, external/freelance development and related activities.

In 2014, outsourcing accounted for 12.1% of the Group's external purchases and charges.

## 4.4.5 FAIR OPERATING PRACTICES

### 4.4.5.1 Preventing corruption

All sites now have an expenditure procedure that defines principles for authorizing and approving expenditure depending on the amount in question. In the case of the most significant purchase flows, these processes are realized directly within tools (Peoplesoft for purchases relating to the production of finished products and Mint for purchases relating to marketing).

Anti-corruption procedures can also take several forms:

– implementation of tender procedures that systematically require at least three supplier tenders to be received (Sofia), or that require several approval levels in order to validate tenders (Newcastle, Kiev);

(1) Equivalent to €21,000 at the end of March 2015.

- nomination of an individual dedicated to monitoring money laundering (in line with the local legislative system) – (Romania, Bulgaria);
- validation of all expenditure by the studio director (Casablanca, Barcelona);
- official Purchasing codes of ethics drawn up by the Group to protect it from corruption. These codes of ethics refer to the guidelines (fairness, impartiality, integrity, legality, loyalty, honesty) and illustrate situations that may give rise to conflicts of interest and Ubisoft's policy with regard to buyers.

#### 4.4.5.2 Consumer health and safety

The Ubisoft Group demonstrates its commitment to consumer health and safety through its involvement with video game industry trade associations such as SELL in France and the Pédagojeux website.

The production and distribution teams work closely with ratings and consumer protection organizations, the most important of which are:

- PEGI (Pan European Game Information) for Europe;
- ESRB (Entertainment Software Rating Board) for the United States;
- OFLC (Office of Film and Literature Classification) or COB for Australia;
- USK (Unterhaltungssoftware Selbstkontrolle – in English, Entertainment Software Self-Regulation) for Germany;
- CERO (Computer Entertainment Rating Organization) for Japan.

These organizations make it possible to inform consumers of the nature of products and their recommended age by establishing age classification systems intended to guarantee clear labeling of the content of video games according to age class based on content.

Each organization is independent and operates differently.

Products in France also include a warning notice regarding epilepsy risk, in accordance with the decree of April 23, 1996. Some "first-party" suppliers also request that information regarding similar risks is relayed on their packaging or in notices attached to products, as is the case for Sony and Microsoft.

### 4.4.6 OTHER ACTIONS TAKEN TO PROTECT HUMAN RIGHTS

Actions taken to protect human rights are listed in this report under anti-discrimination initiatives *(see section 4.2.2),* compliance with the ILO conventions *(see section 4.2.5)* and the various examples of partnerships or sponsorships which aim to foster the inclusion of disadvantaged persons. *(see sections 4.4.2 and 4.4.3).*

## 4.5 Independent third party's report

*This is a free translation into English of the Report of one of the auditors, appointed independent third party, on the employee-related, environmental and social information issued in French and it is provided solely for the convenience of English speaking readers.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the shareholders,

In our capacity as Statutory Auditors of Ubisoft Entertainment SA appointed independent third party, accredited by COFRAC under number 3-1049 (1) we hereby present our report on the employee-related, environmental and social information consolidated for the year ended March 31, 2015, set forth in the management report (hereinafter the "CSR Information"), pursuant to the provisions of Article L. 225-102 of the French Commercial Code.

### RESPONSIBILITY OF THE COMPANY

The Board of Directors of Ubisoft Entertainment SA is responsible for preparing a management report including CSR information provided for in Article R. 225-105-1 of the French Commercial Code, prepared according to the reporting protocol used by the company (hereinafter "the Repository"), summarized in the management report and available on request from the company's head office.

(1) The scope of which is available at www.cofrac.fr.

## INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory texts, our professional code of ethics and the provisions of Article L.822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes documented policies and procedures that aim to ensure compliance with ethical rules, professional standards and applicable laws and regulations.

## RESPONSIBILITY OF THE AUDITOR

Based on our work, our responsibility is to:

- certify that the required CSR information is presented in the management report or, in the event of an omission, that an explanation is provided pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation of completeness of the CSR Information);
- express a conclusion of moderate assurance on the fact that CSR information, taken as a whole, are presented fairly, in all material respects, in accordance with the Repository (Reasoned opinion on the fairness of CSR Information).

Our work was carried out by a team of five people over an approximately three-week period between December 2014 and May 2015. We called upon the assistance of our CSR experts in performing our audit.

We carried out the work described below in accordance with professional standards applicable in France and the Decree of May 13, 2013 determining the conditions under which the independent third party conducts its mission and, on the reasoned opinion on fairness, to international standard ISAE 3000 (1).



### 1. Attestation of completeness of CSR Information

Based on our interviews with the heads of the relevant departments, we familiarized ourselves with the overview of the guidelines on sustainable development in relation to the social and environmental consequences of the Company's activities, its societal commitments and, where appropriate, any related initiatives or programs.

We compared the CSR information presented in the management report with the list provided for in Article R. 225-105-1 of the French Commercial Code.

In the absence of some information, we verified that explanations were provided in accordance with Article R. 225-105, paragraph 3, of the French Commercial Code.

We verified that the CSR information covered the scope of consolidation, i.e. the Company and its subsidiaries within the meaning of Article L. 233-1 and the companies it controls within the meaning of Article L. 233-3 of the French Commercial Code with the limits specified in the methodology notes contained in paragraph 4 of the management report.

On the basis of this work and taking into account the above-mentioned limitations, we certify that the management report contains the required CSR information.

### 2. Reasoned opinion on the fairness of the CSR information

#### Nature and scope of work

We conducted three interviews with individuals responsible for preparing the CSR information by liaising with the departments in charge of the information collection process and, where relevant, the internal control procedures and risk management in order to:

- assess the appropriateness of the Repository with respect to its relevance, completeness, reliability, neutrality, understandability, taking into account, where appropriate, industry best practices;
- verify the implementation of a process to collect, compile, process and control the completeness and consistency of CSR information and obtain an understanding of internal control and risk management procedures relating to the preparation of CSR information.

We determined the nature and extent of our tests and controls depending on the nature and importance of CSR information in relation to the characteristics of the Company, the social and environmental challenges of its business activities, its sustainable development guidelines and best industry practices.

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

For CSR information we considered most important [1]:

- at the level of the parent entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions). We implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and data consolidation and verified its consistency and its similarity with the other information contained in the management report;
- with respect to the representative sample [2] of sites that we selected based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify the proper application of procedures and to identify any omissions. We performed detailed tests on the sampling to verify the calculations and reconcile data documents. The sample selected represents 27% of the group staff and 27% of quantitative environmental and societal information.

For other consolidated CSR information, we assessed its consistency in light of our knowledge of the Company.

Finally, we assessed the relevance of the explanations, if any, of the total or partial absence of certain information, taking into account, where appropriate, industry best practices.

We believe that the sampling methods and sizes that we selected using our best professional judgement make it possible for us to express an opinion of moderate assurance; a higher level of assurance would have required a more extensive review. Because of the use of sampling techniques as well as others inherent limits in the operation of any information and internal control system, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

## In conclusion

Based on our work, we did not identify any material misstatement likely to call into question the fact that CSR information, taken as a whole, is presented fairly, in accordance with the Repository.

Paris – La Défense and Nantes, June 2, 2015

**KPMG S.A.**

**Franck Noël**
Partner

**Anne Garans**
Partner
Climate Change and Sustainable Development Department

(1) Employee-related indicators: Total number and distribution by age, gender, geographic area, type of contract and business line; Number of hires; Number of redundancies/dismissals; % of women in management; Total number of training hours.

Quantitative environmental indicator: Electricity consumption.

Quantitative societal indicator: Percentage of local employees registered at the end of the period.

Qualitative information: Anti-discrimination policy; Measures taken to promote gender equality; Measures taken in favor of the employment and integration of disabled people; Training policies implemented; Health and safety conditions in the workplace; Absenteeism; Health and safety conditions in the workplace; Prevention, recycling and disposal of waste; Energy consumption and measures taken to improve energy efficiency and the use of renewable energies; Consumption of raw materials and measures taken to improve the efficiency of their use. Water consumption and water supply in accordance with local constraints; Greenhouse gas emissions; Partnership or sponsorship initiatives; The impact of the Company's activities on local populations; Consideration of employee-related and environmental issues in the Company's purchasing policy; Actions taken to prevent corruption; The importance of outsourcing and consideration in supplier and subcontractor relations of their employee-related and environmental responsibilities.

(2) Montreuil (France) and Bucharest (Romania, remotely).

# 5 Financial statements


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# 5.1 Consolidated financial statements as at March 31, 2015

## 5.1.1 BALANCE SHEET

### Assets

| | | Net | |
|---|---|---|---|
| *(in € thousands)* | Notes | 03/31/15 | 03/31/14 |
| Goodwill | 1 | 129,906 | 138,335 |
| Other intangible assets | 2 | 572,225 | 598,523 |
| Property, plant and equipment | 3 | 80,983 | 56,740 |
| Non-current financial assets | 4 | 4,162 | 3,566 |
| Deferred tax assets | 23 | 134,954 | 116,226 |
| **Non-current assets** | | **922,230** | **913,390** |
| Inventory | 5 | 18,425 | 21,343 |
| Trade receivables | 6 | 23,904 | 73,320 |
| Other receivables | 7 | 113,855 | 74,812 |
| Current financial assets | 8 | 4,919 | 1,532 |
| Current tax assets | 23 | 12,380 | 16,972 |
| Cash and cash equivalents | 9 | 656,661 | 237,946 |
| **Current assets** | | **830,144** | **425,925** |
| **TOTAL ASSETS** | | **1,752,374** | **1,339,315** |

### Liabilities

| *(in € thousands)* | Notes | 03/31/15 | 03/31/14 |
|---|---|---|---|
| Capital | | 8,478 | 8,200 |
| Premiums | | 180,515 | 337,250 |
| Consolidated reserves | | 703,378 | 530,123 |
| Consolidated earnings | | 87,011 | (65,525) |
| **Total equity** | **10** | **979,382** | **810,048** |
| Provisions | 11 | 7,497 | 4,304 |
| Employee benefit liabilities | 12 | 5,430 | 3,715 |
| Non-current financial liabilities | 14 | 275,739 | 63,439 |
| Deferred tax liabilities | 23 | 48,944 | 40,956 |
| **Non-current liabilities** | | **337,610** | **112,414** |
| Current financial liabilities | 14 | 183,226 | 189,323 |
| Trade payables | 16 | 94,919 | 93,643 |
| Other liabilities | 17 | 149,614 | 128,884 |
| Current tax liabilities | 23 | 7,623 | 5,003 |
| **Current liabilities** | | **435,382** | **416,853** |
| **TOTAL LIABILITIES** | | **1,752,374** | **1,339,315** |

## 5.1.2 CONSOLIDATED INCOME STATEMENT

| *(in € thousands)* | Notes | | 03/31/15 | % | | 03/31/14 | % |
|---|---|---|---|---|---|---|---|
| **Sales** | **18** | | **1,463,753** | **100%** | | **1,007,064** | **100%** |
| Cost of sales | | | (337,073) | | | (285,251) | |
| **Gross profit** | | | **1,126,680** | **77%** | | **721,813** | **72%** |
| R&D costs | 19 | | (580,554) | | | (433,900) | |
| Marketing costs | 19 | | (284,965) | | | (279,957) | |
| Administrative and IT costs | 19 | | (100,051) | | | (83,269) | |
| **Operating profit (loss) from continuing operations** | | | **161,110** | **11%** | | **(75,313)** | **-7%** |
| Current operating income before stock-based compensation | | 170,719 | | | (65,607) | | |
| Stock-based compensation | | (9,609) | | | (9,706) | | |
| **Operating profit (loss) from continuing operations** | | **161,110** | | | **(75,313)** | | |
| Other non-current operating income and expenses | 21 | | (21,717) | | | (22,627) | |
| **Operating profit (loss)** | | | **139,393** | **10%** | | **(97,940)** | **-10%** |
| *Interest on borrowings* | | | *(5,322)* | | | *(6,154)* | |
| *Income from cash* | | | *556* | | | *369* | |
| Net borrowing cost | | | (4,766) | | | (5,785) | |
| Result from foreign-exchange operations | | | 1,159 | | | (1,143) | |
| Other financial expenses | | | (1,764) | | | (144) | |
| Other financial income | | | 6,085 | | | 17,376 | |
| **Net financial income** | **22** | | **712** | **0%** | | **10,334** | **1%** |
| Total income tax | 23 | | (53,094) | -4% | | 22,081 | 2% |
| **INCOME FOR THE PERIOD *** | | | **87,011** | **6%** | | **(65,525)** | **-6%** |
| **Earnings per share – Continuing operations** | **24** | | | | | | |
| Basic earnings per share *(in €)* | | | 0.81 | | | (0.64) | |
| Diluted earnings per share *(in €)* | | | 0.77 | | | (0.61) | |

* *The income for the period is entirely attributable to equity holders.*

## 5.1.3 STATEMENT OF COMPREHENSIVE INCOME

| *(in € thousands)* | 03/31/15 | 03/31/14 |
|---|---|---|
| **Net income for the period** | **87,011** | **(65,525)** |
| **Items reclassified subsequently under profit or loss *** | **54,871** | **(35,746)** |
| Foreign exchange gains and losses on foreign operations | 61,244 | (30,985) |
| Fair value adjustment of financial assets | - | (3,460) |
| Effective part of the change in fair value of cash flow hedges | (10,279) | (1,528) |
| Tax on other comprehensive income reclassified subsequently under profit or loss | 3,906 | 227 |
| **Items not reclassified subsequently under profit or loss** | **(850)** | **216** |
| Actuarial gains and losses on post-employment obligations | (1,109) | (17) |
| Tax on other comprehensive income | 375 | 10 |
| Other income not subject to tax | (116) | 223 |
| **Total other comprehensive income** | **54,021** | **(35,530)** |
| **INCOME FOR THE PERIOD *** | **141,032** | **(101,055)** |

* *See details in Note 10.*

** *The profit (loss) for the period is entirely attributable to equity holders.*

## 5.1.4 CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

| *(in € thousands)* | Capital | Premiums | Consolidated reserves | Hedging reserve | Fair value reserve | Own shares | Foreign exchange gains and losses | Profit (loss) for the period | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| **POSITION AT MARCH 31, 2013** | **7,441** | **275,806** | **502,059** | **-** | **3,814** | **(177)** | **(15,547)** | **64,831** | **838,227** |
| Net income | | | | | | | | (65,525) | (65,525) |
| Other comprehensive income | | | 216 | (947) | (3,814) | | (30,985) | | (35,530) |
| **Profit (loss)** | | | **216** | **(947)** | **(3,814)** | | **(30,985)** | **(65,525)** | **(101,055)** |
| Allocation of consolidated earnings in N-1 | | (10,272) | 75,103 | | | | | (64,831) | - |
| Change in the share capital of the parent company | 759 | 64,586 | (212) | | | | | | 65,133 |
| Options on ordinary shares issued | | 7,130 | | | | | | | 7,130 |
| Sales and purchases of own shares | | | | | | 613 | | | 613 |
| **POSITION AT MARCH 31, 2014** | **8,200** | **337,250** | **577,166** | **(947)** | **-** | **436** | **(46,532)** | **(65,525)** | **810,048** |
| Net income | | | | | | | | 87,011 | 87,011 |
| Other comprehensive income | | | (850) | (6,373) | - | | 61,244 | | 54,021 |
| **Profit (loss)** | | | **(850)** | **(6,373)** | **-** | | **61,244** | **87,011** | **141,032** |
| Allocation of consolidated profit (loss) in N-1 | | (184,120) | 118,595 | | | | | 65,525 | - |
| Change in the share capital of the parent company | 278 | 17,776 | 97 | | | | | | 18,151 |
| Options on ordinary shares issued | | 9,609 | | | | | | | 9,609 |
| Sales and purchases of own shares | | | | | | 542 | | | 542 |
| **POSITION AT MARCH 31, 2015** | **8,478** | **180,515** | **695,008** | **(7,320)** | **-** | **978** | **14,712** | **87,011** | **979,382** |

## 5.1.5 CASH FLOW STATEMENT

| *(in € thousands)* | Notes | 03/31/15 | 03/31/14 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Consolidated profit (loss) | | 87,011 | (65,525) |
| Net amortization and depreciation on property, plant and equipment and intangible assets * | 1/2/3 | 510,963 | 407,112 |
| Net provisions | 4/5/6/11/12 | 3,201 | (2,196) |
| Cost of stock-based compensation | 13 | 9,609 | 9,706 |
| Gains/losses on disposals | | 64 | (3,945) |
| Other income and expenses calculated | | (15,534) | (13,537) |
| Income tax expense | 23 | 53,094 | (22,081) |
| **Cash flows from operating activities** | | **648,408** | **309,534** |
| Inventory | 5 | 3,007 | (3,778) |
| Customers | 6 | 53,783 | (35,361) |
| Other assets (excluding deferred tax assets) | 7/8/9 | (23,503) | 17,100 |
| Suppliers | 16 | (5,292) | 18,128 |
| Other liabilities (excluding deferred tax liabilities) | 14/17 | 34,034 | (5,004) |
| **Change in WCR linked to operating activities** | | **62,029** | **(8,915)** |
| Current income tax expense | | (56,362) | (9,759) |
| **Total cash flow generated by operating activities **** | | **654,075** | **290,860** |
| **Cash flows from investing activities** | | | |
| Payments for internal and external developments *** | 2/3 | (421,683) | (410,914) |
| Payments for other intangible assets and property, plant and equipment | 2/3 | (56,244) | (43,014) |
| Proceeds from the disposal of intangible assets and property, plant and equipment | 2/3 | 122 | 133 |
| Payments for the acquisition of financial assets | 4 | (23,709) | (18,695) |
| Proceeds from Gameloft disposals | | - | 6,003 |
| Other cash flows from investing activities | | - | (4) |
| Refund of loans and other financial assets | 4 | 23,373 | 18,819 |
| Changes in scope **** | | (3,188) | (9,855) |
| **Cash used from investing activities** | | **(481,329)** | **(457,527)** |
| **Cash flow from financing activities** | | | |
| New finance leases contracted | 14 | 10,142 | 9 |
| New borrowings | 14 | 622,185 | 102,763 |
| Accrued interest | 14 | 87 | 1,099 |
| Refund of finance leases | 14 | (291) | (124) |
| Refund of borrowings | 14 | (466,578) | (328) |
| Funds received from shareholders in capital increases | | 18,054 | 65,345 |
| Sales/purchases of own shares | | 639 | 402 |
| Associated current accounts | | (260) | - |
| **Cash generated by (used in) financing activities** | | **183,989** | **169,166** |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | | **356,735** | **2,498** |
| Cash and cash equivalents at the beginning of the period | 9 | 115,610 | 129,505 |
| Foreign exchange losses/gains | | 32,870 | (16,394) |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD *** ** | | **505,215** | **115,610** |
| * *Excluding provisions related to stock-based compensation* | | *-* | *2,585* |
| ** *Including interest paid* | | *(5,587)* | *(6,226)* |
| *** *Including changes linked to guaranteed, unpaid commitments* | | *(985)* | *3,475* |
| *** *Including cash in companies acquired and disposed of* | | *-* | *2,265* |

## 5.1.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The notes and tables that follow are presented in thousands of euros, unless expressly stated otherwise.

## COMPANY PRESENTING THE CONSOLIDATED FINANCIAL STATEMENTS

Ubisoft Entertainment is domiciled in France at 107, avenue Henri-Fréville, 35207 Rennes.

The consolidated financial statements for the year ended March 31, 2015 cover Ubisoft Entertainment SA and its subsidiaries (collectively referred to as "the Group").

The financial statements were approved by the Board of Directors, which authorized their publication on May 12, 2015. They will be presented for approval at the General Meeting to be held on September 23, 2015.

## FINANCIAL YEAR HIGHLIGHTS

### July 2014: Extension of the syndicated loan

The syndicated loan has been extended for a total amount of €250 million (maturing in July 2019). The previous amount was €214.5 million (maturing in July 2017).

### October 2014: Sale of €17.7 million in receivables under the factoring agreement

The factoring agreement relating to the Canadian credit multimedia titles, concluded between BNC, Ubisoft Entertainment Inc. and Ubisoft Studio Saint Antoine Inc., allowed for the assignment of receivables of €17.7 million in the second half of the year.

### November 2014: Subscription of a new credit line

Ubisoft Entertainment SA subscribed a new credit line of €10 million (maturing in September 2015).

### November 2014: Arrangement of a €5 million loan agreement

Ubisoft Entertainment SA has taken out a €5 million loan, the final repayment date of which is September 28, 2018. The loan is intended to finance capital goods, particularly IT, and development costs.

### January 2015: Establishment of a finance lease

On January 5, 2015, Ubisoft Entertainment SA signed a finance lease with an option to purchase the building located at 28/32, rue Armand-Carrel in Montreuil-sous-Bois (93100). This agreement was signed for a 12-year term.

### March 2015: Establishment of a €200 million Schuldschein loan

On March 16, 2015, Ubisoft Entertainment SA signed a Schuldschein type loan agreement of €200 million. The loan is over a five year term, with a mix of fixed and variable interest rates, at an average cost of financing of 1.8%, at the lower range offered.

### March 2015: Issuance of 10,780,000 share issuance warrants

As part of the authorization granted by the General Meeting of June 26, 2013 under the 18th resolution and the sub-delegation granted by the Board of Directors on March 19, 2015, it was decided on March 27, 2015 to issue 10,780,000 share issuance warrants, with preferential subscription rights for shareholders, exercisable at the Company's discretion and subscribed by Crédit Agricole Corporate and Investment Bank.

One share issuance warrant entitles the holder to subscribe for one new share. The share issuance warrants have been issued with a unit value of €0.0001.

## CHANGES IN THE CONSOLIDATION SCOPE

### Mergers

**April 2014:** merger of Quazal Technologies Inc. with Ubisoft Entertainment Inc.

**April 2014:** merger of Related Designs Software GmbH with Blue Byte GmbH.

**March 2015:** merger of Ubisoft Motion Pictures Far Cry SAS and Ubisoft Motion Pictures Ghost Recon SAS with Ubisoft Motion Pictures SARL.

These mergers have no impact on the consolidated financial statements.

### Opening of subsidiaries

**June 2014:** Ubisoft CRC Ltd.

**August 2014:** Ubisoft Games LLC.

## DECLARATION OF COMPLIANCE

The consolidated financial statements for the financial year ended March 31, 2015 have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable at March 31, 2015, as adopted by the European Union.

Only those standards approved by the European Commission and published in its official journal prior to March 31, 2015, and which have been mandatory since April 1, 2014, have been applied by the Group to its consolidated financial statements for the financial year ended March 31, 2015. No standard or interpretation whose application does not become mandatory until after March 31, 2015 has been applied early to the consolidated financial statements for the financial year ended March 31, 2015.

The IFRS standards as adopted by the European Union differ in some ways from the IFRS standards published by the IASB. However, the Group has made sure that the financial information presented would not have been substantively different if it had applied IFRS standards as published by the IASB.

The following IFRS standards, amendments and interpretations applied for the first time had no material impact on the financial statements:

- IAS 27 (revised) – Separate financial statements;
- IAS 28 (revised) – Investments in associates and joint ventures;
- IFRS 10 – Consolidated financial statements;
- IFRS 11 – Joint arrangements;
- IFRS 12 – Disclosure of interests in other entities;
- transition guidance for amendments to IFRS 10, 11 and 12;
- amendment to IAS 32: Financial instruments: presentation – offsetting financial assets and liabilities;
- amendment to IAS 36: Recoverable amount disclosures for non-financial assets;
- amendments to IAS 39 and IFRS 9: Novation of derivatives and continuation of hedge accounting;
- investment entities: amendments to IFRS 10, 12 and IAS 27.

IFRS 10 replaces the provisions relating to consolidated financial statements that appeared in IAS 27 – Consolidated and separate financial statements and the SIC 12 interpretation – Consolidation – Special purpose entities.

The first-time application of this new standard has led the Group to perform analytical work on its interests so as to determine the control exercised thereover in relation to the new definition of control, for all periods presented.

The work carried out has revealed no material impact.

IFRS 11 replaces IAS 31 – Interests in joint ventures and the SIC 13 interpretation – Jointly controlled entities – Non-monetary contributions by venturers. This new standard outlines the accounting by entities that jointly control an arrangement.

Due to the lack of joint ventures, the application of this standard has no impact on the consolidated financial statements of the Group.

## Options used when preparing financial information during the transition to IFRS

In accordance with the provisions of IFRS 1, the Group opted for the following exemptions from the general principle of retrospectively applying IFRS when drawing up its opening statement of financial position for 2004 and preparing its first IFRS financial statements.

| Standards | | Option chosen |
|---|---|---|
| IFRS 2 | Share-based payments | The Group has chosen to apply IFRS 2 only to equity instruments issued after November 7, 2002, for which rights had not yet vested at December 31, 2004. Similarly, liabilities resulting from transactions for which payment is based on shares and which had been settled before December 31, 2004, have not been restated. |
| IFRS 3 | Business combinations | The Group has not made any retrospective adjustments for business combined before January 1, 2004. |
| IAS 19 | Pension commitments and similar employee benefits | Total unrecognized actuarial differences linked to the corridor existing on the transition date have been fully recognized under statement of financial position liabilities by writing off against equity. |
| IAS 21 | The effects of changes in foreign exchange rates | Foreign exchange gains and losses at January 1, 2004, relative to the exchange rates used for overseas activities in financial statements have been reclassified under consolidated reserves in the transitional balance sheet. |
| IAS 39 | Financial instruments | Certain financial instruments have been classed as "financial assets held-for-sale" or "financial assets at fair value through profit and loss" from the application date of IAS 39 and not from their initial recognition. |

## Standards published but whose application is not yet mandatory

Ubisoft has not opted for an early application of the new standards, amendments or interpretations published at March 31, 2015 (adopted or being adopted by the European Union) and presented below:

| Standards | | Consequences for the Group |
|---|---|---|
| Annual Improvements 2010/2012 | Improvements to International Financial Reporting Standards | The "annual improvements" of the IASB amended a number of existing standards. They are applicable to financial years beginning on or after February 1, 2015. |
| Annual Improvements 2011/2013 | Improvements to International Financial Reporting Standards | The "annual improvements" of the IASB amended a number of existing standards. They are applicable to financial years beginning on or after January 1, 2015. |
| Amendment to IAS 19 | Defined Benefit Plans: employee contributions (applicable to financial years beginning on or after February 1, 2015). | The objective of this amendment is to simplify the recognition of contributions that are independent of an employee's length of service. |

### Published standards not yet adopted by the European Union

Ubisoft does not expect their application to have any material impact, with the exception of IFRS 15, the potential impact of which is currently under analysis.

| Standards | | Consequences for the Group |
|---|---|---|
| Annual Improvements 2012/2014 | Improvements to International Financial Reporting Standards | The "annual improvements" of the IASB amended a number of existing standards. They are applicable to financial years beginning on or after January 1, 2016. |
| IFRS 9 | Financial instruments (applicable to financial years beginning on or after January 1, 2018) | IFRS 9 outlines a unique method for determining whether a financial asset must be measured at amortized cost or at fair value, a single, forward-looking expected loss impairment model and a reformed approach to hedge accounting. |
| IFRS 14 | Regulatory deferral accounts (applicable to financial years beginning on or after January 1, 2016) | This standard permits an entity adopting the IFRS standards to continue to account, if accepted in its jurisdiction, with its previous GAAP, in relation to the recognition, valuation and impairment of regulatory deferral accounts.<br>This text shall have no effect on the Group's consolidated financial statements. |
| IFRS 15 | Revenue from contracts with customers (applicable to financial years beginning on or after January 1, 2017) | This standard specifies the principles for the recognition of revenue that relates to contracts entered into with customers and provides a 5-step model to be applied to the recognition of such revenue. This standard presents the basic principle of recognizing revenue to depict the transfer of goods or services to a customer, for an amount which reflects the consideration to which the entity expects to be entitled in exchange for said goods or services. The new standard will also require additional information to be provided in the Notes. |
| IFRIC 21 | Levies (applicable to financial years beginning on or after June 17, 2014) | This text clarifies the requirements relating to the recognition of taxes in the financial statements and, notably, the date on which a liability associated with the payment of taxes other than income taxes must be recognized.<br>The impact of this text is currently under analysis. |
| Amendment to IFRS 11 | Accounting for acquisitions of interests in joint operations | This text clarifies the accounting for acquisitions of an interest in a joint operation which constitutes a business within the meaning of IFRS 3 – Business combinations.<br>This text shall have no effect on the Group's consolidated financial statements. |
| Amendment to IAS 16 and IAS 38 | Clarification of acceptable methods of depreciation and amortization | This text states that the amortization base must correspond with the consumption of future economic benefits and that an amortization method based on revenues is inappropriate. |
| Amendment to IAS 16 and IAS 41 | Agriculture – Bearer plants | This text amends the accounting of bearer biological assets. Under this amendment, these assets come under the scope of IAS 16.<br>This text shall have no effect on the Group's consolidated financial statements. |
| Amendment to IAS 27 | Equity method in separate financial statements | This text aims to allow entities to use the equity method in the accounting of investments in subsidiaries, joint ventures and associates in their separate financial statements.<br>This text shall have no effect on the Group's consolidated financial statements. |
| Amendments to IFRS 10 and IAS 28 | Sales or contributions of assets between an investor and its associate or joint venture | The aim of these amendments is to reduce discrepancies between the provisions of IFRS 10 and IAS 28 (2011) relating to the sale or contribution of assets between an investor and its associate or joint venture.<br>The principle consequence of these amendments is that the gain or loss from a transfer must be recognized in full, when the transaction relates to a business within the meaning of IFRS 3 (whether a subsidiary or not).<br>Partial gain or loss is recognized when the transaction relates to assets that do not constitute a business within the meaning of IFRS 3, inclusive of subsidiaries. |

## ACCOUNTING PRINCIPLES AND MEASUREMENT METHODS

## Comparability of financial statements

### Change in consolidation method, measurement and presentation

N/A.

### Change in estimation

N/A.

### Other items affecting comparability of financial statements

The acquisitions of 70% of the remaining capital of the Related Designs Software GmbH studio and Future Games of London Ltd. during the 2013/2014 financial year have no material impact on the comparability of the Group's financial statements. Therefore no pro forma financial information is required.

## Preparation bases

### Measurement bases

The consolidated financial statements have been prepared using the historical cost method, with the exception of the following assets and liabilities, which are measured at fair value: derivatives, financial instruments held for trading and available-for-sale financial assets.

### Operating and presentation currency

The consolidated financial statements are presented in euros, which is the parent company's operating currency. All financial data presented in euros are rounded to the nearest thousand.

### Use of estimates

Preparation of consolidated financial statements in accordance with IFRS requires the Group's management to make estimates and assumptions that affect the application of the accounting methods and the amounts recognized in the financial statements.

These estimates and the underlying assumptions are established and reviewed continuously on the basis of past experience and other factors considered reasonable in light of the circumstances. They therefore serve as a basis for the calculation of the carrying amounts of assets and liabilities that cannot be obtained from other sources. Actual values may differ from estimates.

Both the estimates presenting a significant risk of changes in future years and the judgments made by the management when applying IFRS, and likely to have a significant impact on the financial statements, are presented in the following notes:

| Estimate | | Key sources of estimation |
|---|---|---|
| Section 1.6.3 | Main acquisitions, disposals and changes in consolidation scope | Where appropriate, presentation of the main valuation methods and assumptions used when identifying intangible assets on business combinations and Earn-Out assessment. |
| See section 1.6.5.3 | Impairment losses | Main assumptions used to determine the recoverable value of assets. |
| Note 13 | Employee benefits | Discount rate, inflation, return on plan assets and wage growth. |
| Note 14 | Payments in shares | Model and underlying assumptions used to determine fair values. |
| Note 12 | Provisions | Underlying assumptions made to appraise and estimate risks. |
| Note 19 | Sales | The assumptions used for reserves and returns made on sales are based on expected inventory sell-off on the 6 to 12 months after closing and where applicable, potential reductions in the unit selling price granted by the Company. |
| Note 24 | Corporation tax | Assumptions used to recognize deferred tax assets and methods of applying tax legislation. |

The accounting methods outlined below were applied:

- on a permanent basis to all periods presented in the consolidated financial statements;
- consistently by all Group entities.

## Consolidation principles

### Subsidiaries

A subsidiary is defined as an entity controlled by Ubisoft Entertainment SA.

Control of an entity is based on three criteria:

- power over the entity, i.e. the ability to manage the activities that have the most impact on its profitability;
- exposure to the variable returns of the entity, which may be positive (e.g. dividends or any other economic benefit), or may be negative;
- and the relationship between the power and these returns, i.e. the ability to exercise power over the entity in such a way as to influence the returns achieved.

In practice, the companies in which the Group directly or indirectly owns the majority of voting rights, conferring upon it the power to manage their operational and financial policies, are generally considered controlled and thus consolidated according to the full consolidation method.

In order to determine control, Ubisoft Entertainment performs an in-depth analysis of the established governance arrangements and an analysis of the rights held by other shareholders.

Ubisoft consolidates special purpose entities in which the Company does not hold a direct or indirect interest but that it controls in substance.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained to the date at which such control ends.

If necessary, the accounting methods of subsidiaries are amended to align them with those adopted by the Group.

## Associates

Associates are entities over which Ubisoft Entertainment SA exercises significant influence on the financial and operational policies but no control. The consolidated financial statements include the Group share in the total amount of profits and losses recognized by the associates, using the equity accounting method, starting from the date when significant influence is exercised to the date at which such influence ends.

As at March 31, 2015, all companies of the Group are fully consolidated.

## Transactions eliminated in the consolidated financial statements

Statement of financial position amounts and income and expenses resulting from intra-group transactions are eliminated during the preparation of the consolidated financial statements.

Gains resulting from transactions with associates are eliminated for the Group's percentage interest in the company.

Losses are eliminated in the same way as gains, but only to the extent that they are not indicative of impairment.

## Translation of transactions denominated in foreign currencies

Transactions denominated in foreign currencies are translated by applying the exchange rate prevailing on the date of the transaction.

At the closing date, all monetary assets and liabilities denominated in foreign currencies (excluding derivatives) are translated into euros at the closing exchange rate. Any resulting Foreign exchange gains and losses are recorded in the income statement.

Non-monetary assets and liabilities denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

Derivatives are measured and recognized in accordance with the methods described in the note on financial instruments.

## Translation into euros of the financial statements of foreign subsidiaries

The operating currency of Ubisoft's foreign subsidiaries is their local currency, in which they record most of their transactions. The assets and liabilities of Group companies whose operating currency is not the euro are translated into euros at the exchange rate prevailing at the end of the accounting period.

The income and expenses of these companies, along with their cash flows, are translated at the average exchange rate over the year. Differences arising from this translation are recognized directly in consolidated equity, as a separate item under "foreign exchange gains and losses".

Goodwill and fair value adjustments resulting from the acquisition of a foreign entity are considered to belong to the foreign entity and are therefore expressed in the entity's operating currency. They are translated at the closing rate prevailing at the end of the accounting period.

Upon disposal of a foreign subsidiary, the relevant translation reserves recognized in other comprehensive income are recorded under profit and loss.

The Group does not operate in countries suffering from hyperinflation.

## Goodwill

Business combinations are accounted for under the purchase method by acquisition date, i.e. the date on which control is transferred to the Group.

### ACQUISITIONS SINCE JANUARY 1, 2010

For acquisitions made since January 1, 2010, the Group assesses goodwill at the acquisition date as:

- the fair value of the consideration transferred;
- ***plus*** the amount recorded for any non-controlling interest in the acquired company;
- ***plus*** the fair value of any previously held equity in the acquired company, if the business combination is achieved in stages;
- ***less*** the net carrying amount (usually at fair value) for assets acquired and liabilities assumed.

When the difference is negative, a gain for the acquisition on favorable terms is recognized immediately in income.

The consideration transferred excludes amounts relating to the settlement of pre-existing relationships. These amounts are generally recognized in profit or loss.

Costs related to the acquisition, other than those related to the issuance of debt or equity securities that the Group supports the fact of a business combination are expensed as incurred.

Any contingent consideration to be paid is recognized at fair value at the acquisition date. The contingent consideration classified as equity is not remeasured and its settlement is recorded in equity. However, for a consideration classified under liabilities, subsequent changes in the fair value of the contingent consideration are recorded in profit or loss.

When rights to share-based payment (replacement award) shall be given in exchange for rights held by employees of the acquired company (rights granted by the acquired company) and are attributable to past service, then all or part of the amount of human replacement buyer is included in the measurement of the transferred business combination. To assess this amount, the Group compares the values based on the market, acquisition date, replacement awards and rights granted by the acquired business and determining the proportion of services rendered to the date of the merger in relation to services future remains to be returned.

If an entity is disposed of, related goodwill will be taken into account when determining the loss or gain resulting from this sale.

#### DEPRECIATION, AMORTIZATION AND VALUE IMPAIRMENT METHODS

Goodwill on the statement of financial position of the Group may be associated with the acquisition of:

- sales and marketing subsidiaries operating in a given geographical area;
- production subsidiaries.

This is therefore not amortized but is subject to impairment tests at least once a year.

As the recoverable amount of this goodwill cannot be determined individually, the Group has identified for each of them the smallest group of assets (cash generating unit – CGU) generating cash inflows that are independent of other group assets:

- for goodwill of ***sales and marketing subsidiaries:*** CGU is the geographical area in which the sales and marketing subsidiary operates;
- for goodwill of ***production subsidiaries:*** CGU corresponds to all production activity (internal studios) and publishing activity (parent company) assets, these two activities being interdependent.

The recoverable value of the CGU is the higher of fair value minus cost of sale (net fair value) and its value in use. The estimated value is defined as the sum of projected cash flows with CGU discounted based on a business plan at three years to which the asset belongs (including goodwill), and the terminal value determined by projection to infinity of normative future cash flows.

When the market value or the value in use is less than the carrying value of related assets of the CGU concerned (including goodwill), an impairment loss is recognized. This is irreversible when it relates to goodwill.

The business plans used for each CGU being tested for impairment are based on assumptions made by management of the Group in terms of variation of sales, level of profitability, and in particular foreign exchange. These are considered reasonable and consistent with market data available at the time of preparation of the Group's financial statements.

The discount rate applied to future cash flows is common to all CGU given the interdependence within the Group, publishing/production and distribution activities on the one hand, and country risk comparable in the main distribution areas of the Group (North America and Western Europe). It corresponds to the estimate (updated annually) by the Group's management of the weighted average cost of capital based on available industry data, especially with regard to the financing structure (gearing) and beta coefficient on the equity market risk premium. It stood at 8.47% at March 31, 2015, (against 8.89% at March 31, 2014).

Regarding the current distribution of the Group's activities, the allocation of goodwill by CGU and the overall risk premium attached to the Group included in the discount rate, the use of a single rate for all CGUs was considered sufficient for the impairment test.

The terminal value applied for each CGU being tested for impairment corresponds to capitalization to infinity of normative cash flows at the weighted average cost of capital less the perpetuity growth rate.

The perpetuity growth rate was 1.50% at March 31, 2015 (identical at March 31, 2014).

### Brands

All brands are recognized at their fair value in accordance with IFRS 3 on business combinations or IAS 38 on the acquisition of intangible assets.

#### DEPRECIATION, AMORTIZATION AND VALUE IMPAIRMENT METHODS

Given the Group brand development policy, most of the brands operated by the Group have an indefinite life. As a result, they are not amortized but are subject to an impairment test annually and each time impairment indicators are identified.

Impairment tests consist of comparing the net carrying amount of brands with their recoverable value estimated using the royalties method. The recoverable value is updating, on a five-year horizon, potential royalties that would come back to the Group if it conceded rights to use the brand to a third party, taking into account the expected commercialization of games based on the sphere of the brand itself, and taking into account a residual value resulting from the perpetuity growth rate of the normative cash flow from royalties.

However, in some cases, the projections regarding the use of a brand may not be accurate enough in the medium and/or long-term. In this case, the brand in question is depreciated over the useful life expected by management.

With regard to brands with a fixed useful life, no impairment test is conducted in the absence of any indication of impairment.

### Other intangible assets

Other intangible assets include:

- commercial software;
- external software developments;
- engines and tools;
- information system developments;
- office software.

#### ACCOUNTING AND SUBSEQUENT MEASUREMENT

The intangible assets of companies included in the scope of consolidation are recorded at their net carrying amount (historical acquisition cost less cumulated amortization and impairment losses).

In accordance with IAS 38 – Intangible assets, items are only recognized as non-current assets where the cost can be determined reliably and it is likely that they will generate future economic benefits.

No borrowing costs are included in the costs of property, plant and equipment.

##### *Commercial software and external software developments (commercial software)*

Development costs of commercial software (video games), whether outsourced to Group subsidiaries or externally, are recognized in "in-

house software and external software development in production" as development progresses. Once they are released, these costs are transferred to the "released in-house software" or "released external software developments" accounts.

Commitments made under license agreements are recognized for the amount specified in the agreement including the portion not yet paid.

**DEPRECIATION, AMORTIZATION AND VALUE IMPAIRMENT METHODS**

Within the context of IAS 38, the Group is requested to periodically revise its amortization periods based on the observed useful life.

Furthermore, the Group performs impairment tests at the end of each financial year, or whenever indication of impairment appears.

These tests involve comparing the net carrying amount of assets to their recoverable value – which is the higher of fair value minus costs of sale, and value in use – estimated on the basis of the current net value of future cash flows generated by their use.

When the fair value of intangible assets (excluding goodwill) increases over a financial year, and the recoverable value exceeds the asset's carrying amount, any impairment recognized during previous years will be written back into profit or loss.

The depreciation and impairment methods used for the various types of intangible assets are as follows:

| Types of non-current assets | Depreciation method | Asset impairment method with a fixed useful life |
|---|---|---|
| Commercial software | 1 to 3 years, straight-line, starting on the commercial release date | At the end of each financial year and for each software program, expected cash flows are calculated (over a maximum period of 2 years). When these flows are below the net accounting value of the software, impairment is recognized. |
| External software developments | Depending on quantities sold and royalty rates indicated in contracts or on the duration of the contract | |
| Engines and tools | 3 years, straight-line | No impairment test in the absence of any indication of impairment. |
| Information system developments | Straight-line, 3 or 5 years | |
| Acquired brands | No amortization due to indefinite useful life | Impairment tests are carried out on brands at the end of each financial year or more often if there are indications of loss in value. The recoverable value of brands is defined using the royalty method to forecast revenue associated with the brand tested (taking a final value into account). Impairment is recognized when this value is below the net accounting value. |
| Office software | Straight-line, 1 or 3 years | No impairment test in the absence of any indication of impairment. |

## Property, plant and equipment

Property, plant and equipment are measured at their acquisition cost (purchase price plus incidental expenses) minus rebates, discounts, and any investment subsidies granted.

Property, plant and equipment are then recorded at their net carrying amount (historical acquisition cost less cumulated amortization and impairment losses) at the time of their inclusion into the scope of consolidation.

No borrowing costs are included in the costs of property, plant and equipment.

Given the type of assets held, no component was identified.

The depreciation method used, throughout the Group, is straight-line and the depreciation periods used for the various types of non-current assets are as follows:

| Type of asset | Period *(in years)* |
|---|---|
| Buildings | 15 to 25 |
| Fixtures and fittings | 10 |
| Office furniture | 10 |
| Transport equipment | 5 |
| Equipment | 5 |
| Computer hardware | 3 |

According to international standard IAS16, the group is led to periodically revise its durations depreciation based on the observed useful life.

No impairment test is performed in the absence of any indication of impairment.

## Non-current assets acquired under finance leases

Leases that transfer practically all risks and benefits inherent in ownership of the asset are classified as finance leases.

Non-current assets financed via finance leases are restated in the consolidated financial statements so as to reflect the position that would have existed if the Company had used borrowed funds to acquire the assets directly.

The amount recognized on the asset side is equal to the fair value of the asset leased or, if this value falls below the present value of the minimum lease payments, the fair value minus accumulated depreciation and impairment. Costs associated with the establishment of the agreement are incorporated in the asset input value in the balance sheet.

Deferred tax arising from the restatement of finance leases is recognized in the financial statements.

## Investments in associates

Investments in associates include the Group's share of the equity held in companies accounted for under the equity method, together with any related goodwill.

## Inventory and work in progress

Inventory is valued using the weighted average cost method.

The gross value of inventory is measured at the lower of acquisition cost and net realizable value.

The acquisition cost is the purchase price plus incidental expenses.

Net realizable value is the estimated sale price in the normal course of business minus estimated completion costs and estimated selling costs, which include marketing and distribution costs.

No borrowing costs are included in the cost of inventory.

Impairment is recorded when the likely net realizable value falls below the carrying amount. Reversals of impairment on inventory are recorded as a reduction in the amount of inventory expensed during the financial year in which the reversal occurs.

## Financial assets and liabilities

Financial assets include:

- non-current investments of non-consolidated companies;
- short-term and long-term loans and advances;
- trade receivables;
- derivatives with a positive market value;
- investment securities;
- cash.

Financial liabilities include:

- bank borrowings, equity and bonds;
- obligations relating to finance lease agreements;
- other financing (current account advances);
- bank overdrafts;
- derivatives with a negative market value;
- trade payables.

Financial assets and liabilities are presented as "non-current", except those with a maturity of less than 12 months from the year-end date. These are presented as "current assets", "cash equivalents" or "current liabilities" depending on the circumstances.

Bank overdrafts are included in cash and cash equivalents as they are an integral part of the Company's cash management. They are presented in liabilities, but are also offset against cash in the cash flow statement.

### RECOGNITION AND MEASUREMENT OF FINANCIAL ASSETS (EXCLUDING DERIVATIVES)

In accordance with IAS 39 – Financial instruments: recognition and measurement, financial assets are broken down into four categories:

1. ***assets held to maturity*** (securities granting entitlement to fixed or determinable payments on set dates, and which the Group is able and intending to hold to maturity);
2. ***loans and receivables*** (non-derivative financial assets subject to fixed or determinable payments, and which are not listed on an active market);
3. ***held-for-trading assets*** (investments or securities bought and held primarily with a view to a short-term resale);
4. ***available-for-sale assets*** (all financial assets not recognized in one of the three previous categories).

Classification depends on the nature and objective of each financial asset, and is determined when first recognized.

The breakdown of financial assets by category is as follows:

#### *Assets held to maturity*

The Group has no financial assets in this category.

#### *Loans and receivables*

- Loans and advances

They include security deposits.

Loans and advances are recorded at amortized cost using the effective interest rate method. These assets are tested for recoverable value, carried out whenever there are objective indicators (third party financial position) that the recoverable value of these assets would be lower than their carrying amount, and or least on each closing date.

- Grants

In some countries, video game production operations qualify for public grants.

These grants are presented in the accounts of the studios as a reduction in R&D costs, and in the parent company accounts as a reduction in the assets corresponding to the development of the benefiting commercial software.

Any claims on the public body which awarded the grant are classified as loans and receivables as per IAS 39.

The Group analyzed the competitive employment tax credit (CICE) as an operating subsidy within the scope of IAS 20 to the extent that the tax credit meets the definition of government assistance under IAS 20.3. An accrual has been recorded in respect of eligible wages paid during the current financial year and presented as a reduction in employee benefits expenses allocated to related destinations in the income statement *(see Note 20)*.

- Trade receivables

Trade and other receivables linked to operating activity are recorded at fair value – in most cases the same as nominal value – minus any loss of value recorded in a special impairment account. As receivables are due in under a year, they are not discounted.

If there is any indication that these assets could be impaired, they will be subject to an analysis based primarily on the following criteria: age of the receivable, third party's financial position, negotiation of a payment schedule, guarantees received and loan insurance.

The difference between the carrying amount and recoverable value is recorded as operating income. Impairment may be reversed if the asset regains its value in future. Reversals are recognized in the same item as provisions. Impairment is deemed permanent when the receivable itself is considered to be permanently irrecoverable and written off.

***Held-for-trading assets***

- Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposit accounts with maturity generally under three months which can be easily liquidated or sold on very short notice, can be converted into cash and present negligible risks of change in value. Short-term investments are measured at net asset value at each statement of financial position date. Changes in this market value are recognized in financial profit or loss.

Bank overdrafts repayable on demand are an integral part of the Group's cash management, and are included in "cash and cash equivalents" for the purposes of the cash flow statement.

***Available-for-sale assets***

- Non-current investments

These include the Group's equity in companies that are not consolidated due to a lack of control or significant influence.

Shares held in a listed company are recorded in the statement of financial position at their fair value, determined on the basis of the share price on the closing date. Changes in fair value are recognized directly in other comprehensive income, except when there is a significant or prolonged drop in fair value.

In accordance with IAS 39 – Financial instruments: recognition and measurement, if there is a significant or prolonged decline in the value of a share to below its cost that results in a material latent loss, impairment is recognized in financial income.

**RECOGNITION AND MEASUREMENT OF FINANCIAL LIABILITIES (EXCLUDING DERIVATIVES)**

***Borrowings and other financial liabilities***

This category includes borrowings and bank overdrafts.

Bank borrowings and other financial liabilities are measured at amortized cost calculated using the effective interest rate. Financial interests accrued on borrowings are included in "Current financial liabilities" in the balance sheet.

Trade payables and other liabilities are recorded at amortized cost.

Cash flows linked to short-term recoverable amounts are not discounted. Long-term flows are discounted whenever the impact is significant.

**RECOGNITION AND MEASUREMENT OF FINANCIAL DERIVATIVES**

The Group holds financial derivatives exclusively to manage its exposure to foreign exchange risks. To this end, Ubisoft Entertainment SA hedges these risks with forward sale contracts and currency options.

Derivatives are initially recorded at fair value; associated transaction costs are recognized in profit or loss when incurred. After initial recognition, derivatives are measured at fair value while resulting changes are recorded using the principles outlined below.

***Cash flow hedging***

The Group applies hedge accounting (cash flow hedge model) for transactions in US dollars, Canadian dollars and Pound sterling. Management believes this method better reflects its hedging policy in the financial statements.

Hedge accounting applies if:

- the hedging relationship is clearly defined and documented on the date it is established;
- the effectiveness of the hedging relationship is proven from the outset and for as long as it lasts.

Application of cash flow hedge accounting has the following consequences:

- the effective hedging portion of the change in the fair value of the hedging instrument is recognized in other comprehensive income, as the hedged item does not appear on the balance sheet;
- the ineffective portion of the change in fair value is recognized in financial income.

When the hedging instrument no longer meets the criteria for hedge accounting, reaches maturity, is sold, cancelled or exercised, hedge accounting is no longer applied. The profit or loss accumulated is held in others items of comprehensive income until the completion of the planned transaction. When the hedged item is a non-financial asset, the profit or loss accumulated is removed from other comprehensive income and included in the initial cost. In other cases, related profits and losses that have been recognized directly in other comprehensive income are reclassified under profit or loss for the period in which the hedged item impacts the result.

***Other derivatives***

Derivatives for which documentation on the hedging relationship does not meet the requirements of IAS 39 are not referred to as accounting hedges. Changes in the fair value of these instruments are recognized on the income statement in accordance with IAS 39. The same goes for certain types of derivatives (options) that are not eligible for hedge accounting.

The fair value of assets, liabilities and derivatives is determined on the basis of market prices at the closing date.

#### HIERARCHY AND LEVELS OF FAIR VALUE

In accordance with IFRS 7 (revised), financial assets and liabilities measured at fair value have been classified according to the fair value levels specified by the standard:

- ***level 1:*** the fair value corresponds to the market value of instruments listed on a deep market;
- ***level 2:*** the fair value is measured on the basis of observable data;
- ***level 3:*** the fair value is measured on the basis of non-observable data.

Note 15 specifies the fair value level for each category of assets and liabilities measured at fair value.

The Group did not carry out any transfers between levels 1 and 2 during the financial year.

The Group does not hold any assets or liabilities measured at fair value under level 3.

## Employee benefits

#### POST-EMPLOYMENT OBLIGATIONS

Ubisoft contributes to pension, medical and termination benefit plans in accordance with the laws and practices of each country. These benefits can vary depending on a range of factors, including seniority, salary and payments to compulsory general plans.

These plans may be either defined contribution plans or defined benefit plans:

- with regard to ***defined contribution plans,*** the pension supplement is determined by the total capital that the employee and the Company have paid into external funds. The expenses correspond to contributions paid during the period. The Group has no subsequent obligations to its employees. For Ubisoft, this generally involves public retirement plans and specific defined-contribution plans;
- with regard to ***defined benefit plans,*** the employee receives a fixed pension benefit from the Group, determined on the basis of several factors, including age, length of service and compensation level. Such plans are used by the Group in France, Italy, Japan and India.

The employer's future obligations are measured on the basis of an actuarial calculation called the "projected unit credit method", in accordance with each plan's operating procedures and the information provided by each country. This method involves determining the value of likely discounted future benefits of each employee at the time of his/her retirement. In accordance with the revised IAS 19 standard, actuarial gains and losses are recognized in other comprehensive income.

The discount rate of 1.81% (compared with 2.92% at March 31, 2014) is determined on the basis of market rates for high-quality corporate bonds (IBBOX AA10+ rate, the average of the last 12 months of AA rated corporate bonds over ten years or more).

## Payments based on equity instruments

Stock option plans provide an additional incentive for employees to improve the Group's performance by allowing them to purchase a stake in the Company (stock options, free shares, Group savings scheme).

In accordance with IFRS 2, stock-based compensation of equity instruments are recognized as personnel expenses in return:

- for consolidated reserves when they are settled by transfer of shares to the beneficiaries, and the fair value of the instrument assessed at the date of grant;
- for a liability when they are settled in cash, whose liability is remeasured at fair value at each statement of financial position date.

This expense is spread over the vesting period, assuming presence on the vesting date and possibly performance conditions attached.

- ***Stock option plans:*** compensation is recognized in income over the vesting period, however, the straight-line method is not used given the vesting terms set out in the various Ubisoft plan regulations; Ubisoft uses a binomial model to estimate the value of such instruments. This method is based on assumptions updated on the valuation date, such as estimated volatility of the security concerned, a risk-free discount rate, the estimated dividend rate and the likelihood of staff remaining in the Group until they can exercise their rights.
- ***Group employee savings plan:*** the accounting expense is equal to the discount granted to employees, i.e. the difference between the share subscription price and the share price at the date of the grant. This expense is recognized immediately on the plan subscription date.
- ***Free share grants settled in shares:*** the cost of this compensation is recognized in income over the vesting period, allowing for the vesting terms.
- ***Free share grants settled in cash:*** this compensation is recognized over the vesting period of the rights. The accounting expense depends on the value of the share on Euronext Paris and contingent upon attendance and performance conditions.
- ***Free preference share grants settled in shares:*** this compensation is recognized over the vesting period of the rights. The accounting expense depends on the value of the share on Euronext Paris and contingent upon attendance and performance conditions.

The dilutive effect of stock option plans and free share grants when the unwinding of the instrument involves the issue of Ubisoft shares and the vesting period is in progress, is reflected in the calculation of diluted earnings per share.

## Provisions

A provision is recorded when:

- the Company has a current obligation (legal or implicit) resulting from a past event;
- it is likely that an outflow of resources (without consideration) representing economic benefits will be required to settle the obligation;
- the amount of the obligation can be measured reliably.

If these conditions are not met, no provision is recorded.

## Revenues

### SALE OF GAMES

Revenue from the sale of gaming software is recorded on the date the products are delivered to distributors. This revenue is recorded as the completed sales less the provision for returns and estimated price protection programs.

Under the terms of its contracts with customers, the Group does not have to accept returns, but it may exchange products sold to certain customers. Furthermore, the Group may grant reductions or price protection programs to certain customers, at its discretion. In this case, the Group's management estimates the amount of future credit notes and records a provision as a reduction in sales.

### LICENSES

The Group may issue licenses in return for a guaranteed minimum royalty. This royalty is recorded in revenue when the significant rewards and risks attached to the goods have been transferred to the buyer.

Additional revenue on sales above the guaranteed minimum royalty is recorded as and when the sales are completed.

### SERVICES

Revenue corresponding to development and publishing services on behalf of third parties includes royalties and other remuneration which are regarded as acquired and recognized in sales as and when the service is rendered.

## R&D costs

This item includes all research and development costs for production teams including salaries and other compensation (retirement, payments based on equity instruments, etc.), operating costs, and other significant research and development costs (royalties, depreciation on tools). This item includes depreciation on commercial software.

## Marketing costs

This item includes all sales and marketing costs, with the exception of editorial marketing costs which are included under research and development costs.

## Administrative and IT costs

This item includes all the expenses of the administrative and IT teams.

## Current operating income and operating income

Operating income includes all revenues and costs directly linked to Group activities, whether these revenues and costs are recurrent or resulting from one-off decisions or operations. Extraordinary items, defined as revenues and expenses that are unusual in their frequency, nature and/or amount, belong to operating income. Current operating income is equal to operating income before inclusion of items whose amount and/or frequency are unpredictable by nature.

The Group believes that presenting the "current operating income" sub-total separately on the income statement makes it easier to understand the recurrent operating performance and provides readers of the financial statements with useful information in order to analyze this performance.

## Financing costs and other financial income and expenses

The cost of net financial debt includes income and expenses linked to cash and cash equivalents, interest expenses on borrowings which include the sale of investment securities, creditor interest and the cost of ineffective currency hedging.

Other financial income and expenses include the sale of non-consolidated securities, capital gains or losses on disposals and impairment of financial assets (other than trade receivables), income and expenses linked to the discounting of assets and liabilities, and foreign exchange gains and losses on unhedged items.

The impact on profit and loss of measuring financial instruments used in the management of foreign exchange risks is recognized in operating income.

## Income tax

Income tax (income or expense) includes the current tax expense (or income) and deferred tax expense (income). Tax is recognized in profit or loss, unless it relates to items that are recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

### CURRENT TAX

Current tax is the estimated amount of tax owed on taxable income for an accounting period. It is determined using the tax rates applicable at the closing date.

#### DEFERRED TAX

Deferred income tax is measured using the statement of financial position liability method for all temporary differences between the carrying amount of the assets and liabilities and their tax basis.

The following situations do not lead to recognition of deferred tax:

- the recognition of an asset or liability in a transaction that is not a business combination and which affects neither accounting profit nor taxable profit;
- temporary differences linked to subsidiary holdings insofar as these are unlikely to be reversed in the foreseeable future.

Measurement of deferred tax assets and liabilities depends on the way in which the Group expects to recover or settle the carrying amount of the assets and liabilities using the tax rates applicable at the statement of financial position date.

A deferred tax asset is only recognized where it is likely that the Group will have future taxable income against which the asset may be utilized. Otherwise, deferred tax assets are reduced to the extent that it is no longer likely that sufficient taxable income will be available.

The impact of possible changes in tax rates on previously recorded deferred tax is recognized in profit or loss except where it relates to an item recognized in other comprehensive income.

Deferred tax is shown in the statement of financial position separately from current tax assets and liabilities and is classified as a non-current item.

Deferred tax relating to tax loss carry forwards is capitalized when it is likely that it will be utilized within a reasonable timeframe, assessed on the basis of tax forecasts.

### Methods of calculating earnings per share

#### EARNINGS PER SHARE

Basic earnings per share are equal to earnings divided by the weighted average number of shares in circulation minus treasury shares.

#### DILUTED EARNINGS PER SHARE

Diluted earnings per share are equal to:

- net income before dilution, plus the after-tax amount of any savings in financial expenses resulting from the conversion of the diluting instruments; divided by
- the weighted average number of ordinary shares in circulation, minus treasury shares, plus the number of shares that would be created as a result of the conversion of instruments convertible into shares and the exercise of rights.

### Segment reporting

The operating segments reported correspond to the publication/production activities and to geographical areas of distribution at which operational decisions are made.

## 5 SCOPE OF CONSOLIDATION

As at March 31, 2015, 62 entities were consolidated (63 entities as at March 31, 2014).

Only significant entities are presented in the table below. The significance of entities is assessed according to their contribution to capitalized production costs and their contribution to Group sales. Other subsidiaries and special purpose entities whose contribution is not significant are not included in this list.

| Company | Country | Percentage control | Percentage of capital | Method | Business |
|---|---|---|---|---|---|
| UBISOFT ENTERTAINMENT SA | France | Parent company | Parent company | FC | |
| UBISOFT LTD | United Kingdom | 100% | 100% | FC | Distribution |
| UBISOFT INC. | United States | 100% | 100% | FC | Distribution |
| UBISOFT GMBH | Germany | 100% | 100% | FC | Distribution |
| UBISOFT SRL | Romania | 100% | 100% | FC | Production |
| UBISOFT ENTERTAINMENT INC. | Canada | 100% | 100% | FC | Production/ distribution |
| UBISOFT FRANCE SAS | France | 100% | 100% | FC | Distribution |
| SHANGHAI UBI COMPUTER SOFTWARE CO. LTD | China | 100% | 100% | FC | Production |
| UBISOFT EMEA SAS | France | 100% | 100% | FC | Distribution |
| UBISOFT PRODUCTION INTERNATIONALE SAS | France | 100% | 100% | FC | Production |
| UBISOFT TORONTO INC. | Canada | 100% | 100% | FC | Production |
| UBISOFT MONTPELLIER SAS | France | 100% | 100% | FC | Production |
| UBISOFT PARIS SAS | France | 100% | 100% | FC | Production |
| UBISOFT ENTERTAINMENT SWEDEN AB | Sweden | 100% | 100% | FC | Production |

*FC = Full consolidation.*

The closing date of the annual accounting period for consolidated companies is March 31. Certain companies use December 31 as their closing date, but draw up financial statements for the period from April 1 to March 31 for the purposes of consolidated reporting.

## Changes in scope

Scope changes and their impact on the comparability of financial statements are described in paragraph 5.1.6.

# NOTES TO THE BALANCE SHEET

## NOTE 1 GOODWILL

| Goodwill | Opening balance | Increase | Decrease | Changes in scope | Foreign exchange gains and losses | Closing balance |
|---|---|---|---|---|---|---|
| Net | 138,335 | - | (19,154) | - | 10,725 | 129,906 |
| **NET AT 03/31/15** | **138,335** | **-** | **(19,154)** | **-** | **10,725** | **129,906** |
| **NET AT 03/31/14** | **145,919** | **-** | **(19,110)** | **16,581** | **(5,055)** | **138,335** |

The change in goodwill, at constant exchange rates, can be attributed to a partial write-off following a review of operating activities on March 31, 2015 *(See Note 21)*.

The net carrying amount of goodwill as at March 31, 2015 is allocated as follows:

| | At 03/31/14 | | | | At 03/31/15 |
|---|---|---|---|---|---|
| CGU | Gross | Increase | Decrease | Foreign exchange gains and losses | Gross |
| **Publishing/Production** | **115,703** | | **(13,682)** | **8,279** | **110,298** |
| Distribution Germany | 6,231 | | (442) | | 5,789 |
| Distribution France | 10,103 | | | | 10,103 |
| Distribution Netherlands | 2,294 | | (2,294) | | - |
| Distribution Switzerland | 1,692 | | | 280 | 1,972 |
| **Total distribution EMEA** | **20,320** | | **(2,736)** | **280** | **17,864** |
| Distribution Canada | 1,574 | | | 170 | 1,744 |
| Distribution United States | 10,588 | | (13,569) | 2,981 | - |
| **Total distribution North America** | **12,162** | | **(13,569)** | **3,151** | **1,744** |
| **TOTAL** | **148,185** | **-** | **(29,989)** | **11,710** | **129,906** |

| | At 03/31/14 | | | | At 03/31/15 |
|---|---|---|---|---|---|
| CGU | Impairments | Increase | Decrease | Foreign exchange gains and losses | Impairments |
| **Publishing/Production** | **-** | **15,470** | **(13,682)** | **(1,788)** | **-** |
| Distribution Germany | | 442 | (442) | | - |
| Distribution France | | | | | - |
| Distribution Netherlands | | 2,294 | (2,294) | | - |
| Distribution Switzerland | | | | | - |
| **Total distribution EMEA** | **-** | **2,736** | **(2,736)** | **-** | **-** |
| Distribution Canada | | | | | - |
| Distribution United States | 9,850 | 948 | (13,571) | 2,773 | - |
| **Total distribution North America** | **9,850** | **948** | **(13,571)** | **2,773** | **-** |
| **TOTAL** | **9,850** | **19,154** | **(29,989)** | **985** | **-** |

## Impairment tests of goodwill

The result of impairment tests on goodwill attached to the most significant CGUs is detailed in the table below:

| Type of CGU or group of CGUs tested | Measurement method | Discount rate | Perpetuity growth rate | Carrying amount as at 03/31/15 *(in € millions)* | Recoverable value *(in € millions)* |
|---|---|---|---|---|---|
| Distribution Germany | DCF | 8.47% | 1.50% | 6 | 23 |
| Distribution France | DCF | 8.47% | 1.50% | 10 | 16 |
| Distribution Switzerland | DCF | 8.47% | 1.50% | 2 | 2 |
| Distribution Canada | DCF | 8.47% | 1.50% | 2 | 27 |

The discounted value from Publishing/Production's cash flows is more than twice the accounted value from assets tested.

## Sensitivity of recoverable amounts

On the basis of foreseeable events to date, the Group considers that potential changes in the assumptions described in Note 5.1.6 "Impairment testing of non-current assets" would not lead to a surplus in the carrying amount compared with the recoverable value.

The discount rate that would lead to a depreciation of a goodwill assigned to each CGU is as follows:

| Type of CGU or group of CGUs tested | Discount rate 03/31/15 | Discount rate leading to a depreciation |
|---|---|---|
| Distribution Germany | 8.47% | 20.79% |
| Distribution France | 8.47% | 12.71% |
| Distribution Switzerland | 8.47% | 9.05% |
| Distribution Canada | 8.47% | N/A |

A discount rate of 13.3% would lead to a depreciation of goodwill assigned to the Publishing/Production CGUs tested.

## NOTE 2 OTHER INTANGIBLE ASSETS

| Non-current assets | At 03/31/15 Gross | Depreciation and amortization | At 03/31/15 Net | At 03/31/14 Net |
|---|---|---|---|---|
| Released commercial software | 697,688 | (633,700) | 63,988 | 61,811 |
| Released external software developments | 119,459 | (108,463) | 10,996 | 2,531 |
| Commercial software in production | 398,728 | (47,168) | 351,560 | 385,830 |
| External software developments in progress | 28,494 | - | 28,494 | 40,022 |
| Office software | 60,927 | (41,262) | 19,655 | 10,407 |
| Other intangible assets in progress | 5,667 | - | 5,667 | 9,076 |
| Brands | 82,441 | (1,317) | 81,124 | 78,884 |
| Movies | 20,305 | (9,756) | 10,549 | 9,670 |
| Other | 808 | (626) | 181 | 292 |
| **TOTAL** | **1,414,517** | **(842,292)** | **572,225** | **598,523** |

| Non-current assets | Opening balance | Increase | Decrease | Reclassification of software in progress | Reclassifications | Changes in scope | Foreign exchange gains and losses | Closing balance |
|---|---|---|---|---|---|---|---|---|
| Released commercial software | 623,107 | 1,787 | (332,202) | 404,769 | - | - | 227 | 697,688 |
| Released external software developments | 148,107 | 14,076 | (81,668) | 38,738 | - | - | 207 | 119,459 |
| Commercial software in production | 418,503 | 381,606 | - | (404,769) | - | - | 3,388 | 398,728 |
| External software developments in progress | 50,270 | 16,962 | | (38,738) | - | - | - | 28,494 |
| Office software | 45,067 | 7,144 | (3,824) | - | 8,390 | - | 4,150 | 60,927 |
| Other intangible assets in progress | 9,076 | 5,561 | (447) | - | (8,551) | - | 28 | 5,667 |
| Brands | 84,565 | - | (6,927) | - | - | - | 4,803 | 82,441 |
| Movies being marketed | 15,831 | 5,142 | (1,793) | - | (8,228) | - | - | 10,952 |
| Movies in production | - | 1,125 | - | | 8,228 | - | - | 9,353 |
| Other | 797 | - | - | - | - | - | 11 | 809 |
| **TOTAL AT 03/31/15** | **1,395,323** | **433,403** | **(426,861)** | **-** | **(161)** | **-** | **12,814** | **1,414,517** |
| **TOTAL AT 03/31/14** | **1,350,231** | **427,381** | **(378,985)** | **(1,302)** | **240** | **1,661** | **(3,903)** | **1,395,323** |

The increase in commercial software in production of €381,606 thousand and in released commercial software of €1,787 thousand can be explained by the capitalized production costs of €384,539 thousand, and foreign exchange losses of €(1,147) thousand. Reclassifications between accounts result mainly from the transfer of intangible assets in progress.

| Depreciation and amortization | Opening balance | Increase | Decrease | Reclassifications | Changes in scope | Foreign exchange gains and losses | Closing balance |
|---|---|---|---|---|---|---|---|
| Released commercial software | 561,296 | 385,878 | (331,697) | 17,995 | - | 227 | 633,700 |
| Released external software developments | 145,576 | 34,132 | (81,668) | 10,248 | - | 176 | 108,463 |
| Commercial software in production | 32,673 | 32,490 | | (17,995) | | - | 47,168 |
| External software developments in progress | 10,248 | - | - | (10,248) | - | - | - |
| Office software | 34,660 | 7,682 | (4,775) | - | (4) | 3,699 | 41,262 |
| Brands | 5,681 | 2,563 | (6,927) | - | - | - | 1,317 |
| Movies | 6,161 | 5,388 | (1,793) | - | - | - | 9,756 |
| Other | 505 | 111 | - | - | - | 10 | 626 |
| **TOTAL AT 03/31/15** | **796,800** | **468,244** | **(426,860)** | **-** | **(4)** | **4,112** | **842,292** |
| **TOTAL AT 03/31/14** | **803,016** | **375,543** | **(378,797)** | **(1,108)** | **8** | **(1,862)** | **796,800** |

No intangible assets are used to secure any borrowings.

## Sensitivity of recoverable amounts of other assets with indefinite useful lives (brands)

On the basis of foreseeable events to date, the Group considers that potential changes in the assumptions described in Note 5.1.6 "Impairment testing of non-current assets" would not lead to a surplus in the carrying amount compared with the recoverable value.

The recoverable value of brands is five times their carrying amount.

## NOTE 3 PROPERTY, PLANT AND EQUIPMENT

| Non-current assets | At 03/31/15 Gross | Cumulative depreciation and amortization | At 03/31/15 Net | At 03/31/14 Net |
|---|---|---|---|---|
| Land | 1,715 | - | 1,715 | 283 |
| Buildings | 12,456 | 1,122 | 11,334 | 2,586 |
| Fixtures and fittings | 47,146 | 21,786 | 25,360 | 20,034 |
| Computer hardware and furniture | 105,560 | 74,046 | 31,514 | 27,259 |
| Development kits | 25,313 | 16,676 | 8,637 | 6,309 |
| Transport equipment | 468 | 298 | 170 | 236 |
| Non-current assets in progress | 2,253 | - | 2,253 | 33 |
| **TOTAL** | **194,911** | **113,928** | **80,983** | **56,740** |

| Non-current assets | Opening balance | Increase | Decrease | Reclassifications | Changes in scope | Foreign exchange gains and losses | Closing balance |
|---|---|---|---|---|---|---|---|
| Land | 283 | 1,425 | - | - | - | 7 | 1,715 |
| Buildings | 3,346 | 8,935 | - | - | - | 175 | 12,456 |
| Fixtures and fittings | 36,218 | 4,910 | (2) | 2,905 | (23) | 3,138 | 47,146 |
| Computer hardware and furniture | 81,572 | 17,638 | (2,644) | 548 | (376) | 8,822 | 105,560 |
| Development kits | 25,126 | 5,730 | (5,980) | (345) | - | 782 | 25,313 |
| Transport equipment | 501 | 17 | (61) | - | - | 11 | 468 |
| Non-current assets in progress | 33 | 4,884 | - | (3,110) | 372 | 74 | 2,253 |
| **TOTAL AT 03/31/15** | **147,079** | **43,539** | **(8,687)** | **(2)** | **(27)** | **13,009** | **194,911** |
| **TOTAL AT 03/31/14** | **139,078** | **30,042** | **(10,990)** | **(198)** | **132** | **(10,985)** | **147,079** |

| Depreciation and amortization | Opening balance | Increase | Decrease | Reclassifications | Changes in scope | Foreign exchange gains and losses | Closing balance |
|---|---|---|---|---|---|---|---|
| Buildings | 760 | 313 | - | - | - | 49 | 1,122 |
| Fixtures and fittings | 16,184 | 4,079 | (2) | - | (23) | 1,548 | 21,786 |
| Computer hardware and furniture | 54,313 | 15,916 | (2,466) | (5) | (8) | 6,296 | 74,046 |
| Development kits | 18,817 | 3,180 | (5,980) | 10 | - | 649 | 16,676 |
| Transport equipment | 265 | 77 | (53) | - | - | 9 | 298 |
| **TOTAL AT 03/31/15** | **90,339** | **23,565** | **(8,501)** | **5** | **(31)** | **8,551** | **113,928** |
| **TOTAL AT 03/31/14** | **92,589** | **18,109** | **(10,625)** | **(2,815)** | **33** | **(6,952)** | **90,339** |

## Property

Ubisoft owns the land and building occupied by its Hybride Technologies Inc. subsidiary in Canada, at 111 Chemin de la gare, Piedmont, Quebec, and the first floor of the building at 8, rue de Valmy, Montreuil-sous-Bois, France.

## Finance lease agreement

On January 5, 2015, Ubisoft Entertainment SA signed a finance lease with an option to purchase the building located at 28/32, rue Armand-Carrel in Montreuil-sous-Bois (93100). This agreement was signed for a 12-year term.

No property, plant or equipment is used to secure any borrowings.

As at March 31, 2015, no impairment test was performed because there was no indicator of impairment of property, plant and equipment.

## NOTE 4 NON-CURRENT FINANCIAL ASSETS

| Non-current financial assets | At 03/31/15 Gross | Cumulative impairment | At 03/31/15 Net | At 03/31/14 Net |
|---|---|---|---|---|
| Equity investments in non-consolidated companies | 3 | - | 3 | 4 |
| Deposits and sureties | 4,053 | - | 4,053 | 3,433 |
| Other non-current receivables | 106 | - | 106 | 129 |
| **TOTAL** | **4,162** | **-** | **4,162** | **3,566** |

| Non-current financial assets | Opening balance | Increase | Decrease | Reclassifications | Changes in scope | Foreign exchange gains and losses | Closing balance |
|---|---|---|---|---|---|---|---|
| Equity investments in non-consolidated companies | 59 | - | (55) | - | - | - | 3 |
| Deposits and sureties | 3,433 | 857 | (510) | - | - | 273 | 4,053 |
| Other non-current receivables | 129 | 22,852 | (22,863) | (16) | - | 4 | 106 |
| **TOTAL AT 03/31/15** | **3,621** | **23,709** | **(23,428)** | **(16)** | **-** | **277** | **4,162** |
| **TOTAL AT 03/31/14** | **3,899** | **18,699** | **(18,819)** | **-** | **69** | **(227)** | **3,621** |

The change in other non-current receivables primarily reflects purchases and sales of own shares held under the liquidity agreement.

| Impairments | Opening balance | Increase | Decrease | Reclassifications | Changes in scope | Foreign exchange gains and losses | Closing balance |
|---|---|---|---|---|---|---|---|
| Equity investments in non-consolidated companies | 55 | - | (55) | - | - | - | - |
| **TOTAL AT 03/31/15** | **55** | **-** | **(55)** | **-** | **-** | **-** | **-** |
| **TOTAL AT 03/31/14** | **55** | **-** | **-** | **-** | **-** | **-** | **55** |

## NOTE 5 INVENTORY AND WORK IN PROGRESS

| Inventory and work in progress | Opening balance | Changes in inventory | Changes in scope | Foreign exchange gains and losses | Closing balance |
|---|---|---|---|---|---|
| Goods | 25,179 | (3,007) | - | 3,711 | 25,883 |
| **TOTAL AT 03/31/15** | **25,179** | **(3,007)** | **-** | **3,711** | **25,883** |
| **TOTAL AT 03/31/14** | **22,649** | **3,778** | **-** | **(1,248)** | **25,179** |

| Provisions | Opening balance | Provisions/ Reversals | Changes in scope | Foreign exchange gains and losses | Closing balance |
|---|---|---|---|---|---|
| Goods | 3,836 | 2,799 | - | 823 | 7,458 |
| **TOTAL AT 03/31/15** | **3,836** | **2,799** | **-** | **823** | **7,458** |
| **TOTAL AT 03/31/14** | **4,917** | **(930)** | **-** | **(151)** | **3,836** |

## NOTE 6 TRADE RECEIVABLES

| Trade receivables | Opening balance Gross | Movement | Reclassifications | Changes in scope | Foreign exchange gains and losses | Closing balance Gross |
|---|---|---|---|---|---|---|
| Trade receivables | 74,471 | (53,783) | (25) | (433) | 5,066 | 25,296 |
| **TOTAL AT 03/31/15** | **74,471** | **(53,783)** | **(25)** | **(433)** | **5,066** | **25,296** |
| **TOTAL AT 03/31/14** | **38,523** | **35,361** | **1,105** | **1,958** | **(2,476)** | **74,471** |

| Provisions | Opening balance | Provisions | Reversals | Reclassifications | Changes in scope | Foreign exchange gains and losses | Closing balance |
|---|---|---|---|---|---|---|---|
| Trade receivables | 1,151 | 877 | (674) | (25) | - | 63 | 1,392 |
| **TOTAL AT 03/31/15** | **1,151** | **877** | **(674)** | **(25)** | **-** | **63** | **1,392** |
| **TOTAL AT 03/31/14** | **1,904** | **146** | **(887)** | **(9)** | **-** | **(3)** | **1,151** |

Trade receivables are due in less than one year.

The analysis of credit risk appears in Note 15.

## NOTE 7 OTHER RECEIVABLES

| | At 03/31/15 | | | 03/31/14 |
|---|---|---|---|---|
| Other receivables | Gross | Impairment | Net | Net |
| Advances and prepayments received | 1,985 | - | 1,985 | 1,182 |
| VAT | 31,178 | - | 31,178 | 28,520 |
| Grants receivable | 57,320 | - | 57,320 | 23,599 |
| Other tax and employee-related receivables | 2,674 | - | 2,674 | 1,601 |
| Other | 2,942 | - | 2,942 | 1,793 |
| Prepaid expenses | 17,756 | - | 17,756 | 18,117 |
| **TOTAL** | **113,855** | **-** | **113,855** | **74,812** |

All other receivables are due in less than one year.

An amount of receivables under grants receivable in the amount of €19.9 million was deconsolidated following the signing of the factoring agreement regarding the Canadian Credit Multimedia Titles (€37.6 million as at March 31, 2014). The contractual terms of the factoring agreement allow Ubisoft to transfer all the risks and rewards relating to the 85% share of these receivables held, including the risk of default of the assigned debtor. Consequently, 85% of these grants were derecognized as at March 31, 2015.

## NOTE 8 CURRENT FINANCIAL ASSETS

| | At 03/31/15 | | | 03/31/14 |
|---|---|---|---|---|
| Current financial assets | Gross | Impairment | Net | Net |
| Foreign exchange derivatives * | 3,870 | - | 3,870 | 739 |
| Stock futures | 1,049 | | 1,049 | 793 |
| **TOTAL** | **4,919** | **-** | **4,919** | **1,532** |

* **Foreign exchange derivatives:** *Foreign exchange derivatives whose market value at the year-end is positive are reported at fair value (level 2, IFRS 7 hierarchy), (see analysis in Note 15).*

## NOTE 9 CASH AND CASH EQUIVALENTS

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Cash and bank balances | 423,969 | 229,328 |
| Investments of less than 3 months * | 232,692 | 8,618 |
| **TOTAL** | **656,661** | **237,946** |

* *UCITS measured at fair value (level 1, IFRS 7 hierarchy).*

The amounts presented in cash and cash equivalents are immediately available to the Group and have a negligible risk of changes in value.

The change in net cash breaks down as follows:

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Cash and cash equivalents | 656,661 | 237,946 |
| Bank overdrafts | (151,445) | (122,336) |
| **CASH AND CASH EQUIVALENTS ON THE CASH FLOW STATEMENT *** | **505,215** | **115,610** |

* *See section 5.1.5.*

## NOTE 10 EQUITY

### Capital

As at March 31, 2015, the capital of Ubisoft Entertainment SA was €8,478,237 divided into 109,396,612 shares with a nominal value of €0.0775.

Each share gives rights to ownership of the corporate assets and the liquidation dividend equal to the proportion of the share capital that it represents.

Voting rights double those conferred on other shares, based on the proportion of the share capital they represent, are granted to all fully paid-up shares that are shown to have been registered in the name of the same shareholder for at least two years.

In the event of a share capital increase via the capitalization of reserves, earnings or issue premiums, this right is also conferred at the date of issue on registered shares granted free of charge to a shareholder on the basis of old shares that enjoyed this right.

### NUMBER OF UBISOFT ENTERTAINMENT SA SHARES

| | |
|---|---|
| **AT 04/01/14** | **105,806,973** |
| Option exercises | 2,741,883 |
| Free share grant | 636,614 |
| Group savings scheme | 211,142 |
| **AT 03/31/15** | **109,396,612** |

The maximum number of shares to be created is 8,307,244:

- 4,875,020 through the exercising of stock options;
- 3,432,224 through the granting of free shares.

The details of stock options and free shares are given in Note 13.

### Translation reserve

The translation reserve includes all Foreign exchange gains and losses resulting from the translation of the financial statements of foreign subsidiaries since January 1, 2004.

The foreign exchange gains and losses in "Equity attributable to owners of the Company" ranged from €(47) million to €15 million, between March 31, 2014 and March 31, 2015. This change is due primarily to the following currencies:

| Currency | Closing rate 03/31/15 | Closing rate 03/31/14 | Impact |
|---|---|---|---|
| USD | 1.0759 | 1.3788 | 41,297 |
| CAD | 1.3738 | 1.5225 | 10,048 |
| GBP | 0.7273 | 0.8282 | 3,510 |
| CNY | 6.6710 | 8.8754 | 2,435 |
| SGD | 1.4774 | 1.7366 | 1,290 |
| Other | | | 2,664 |
| **TOTAL** | | | **61,244** |

### Hedging reserve

The hedging reserve includes the effective part of the cumulative net change in the fair value of cash flow hedge instruments attributable to hedged transactions that have not yet materialized.

| | |
|---|---|
| **AT 03/31/14** | **(947)** |
| **Gains/losses on cash flow hedging** | |
| *Foreign exchange hedges* | *(11,830)* |
| *Deferred tax* | *4,496* |
| **Reclassification under profit or loss** | |
| *Foreign exchange hedges* | *1,551* |
| *Deferred tax* | *(590)* |
| **AT 03/31/15** | **(7,320)** |

The portion reclassified under profit or loss is recognized under current operating income.

### Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of financial assets until these have been divested or impaired.

### Own shares

Occasionally, the Group buys its own shares on the market. The timing of these purchases depends on the share price.

As at March 31, 2015, the Company held 402,492 own shares. They are measured at an average price of €6.55 and are recognized as a deduction from equity, for an amount of €2,637 thousand (€97 thousand decrease compared with March 31, 2014).

### Dividends

As at March 31, 2015, no dividend was paid in respect of 2013/2014 earnings.

## NOTE 11 PROVISIONS AND CONTINGENT LIABILITIES

| | Opening balance | Provisions | Reversals (used provision) | Reversals (unused provision) | Reclassifications | Changes in scope | Foreign exchange gains and losses | Closing balance |
|---|---|---|---|---|---|---|---|---|
| Provision for tax risk | 1,970 | 2,993 | - | - | - | - | 354 | 5,317 |
| Provision for other financial risks | 2,160 | 620 | (957) | - | - | - | 218 | 2,042 |
| Other provisions for risks | 174 | 91 | (132) | - | - | (14) | 20 | 138 |
| **TOTAL AT 03/31/15** | **4,304** | **3,704** | **(1,089)** | **-** | **-** | **(14)** | **592** | **7,497** |
| **TOTAL AT 03/31/14** | **5,670** | **565** | **(1,679)** | **-** | **451** | **-** | **(703)** | **4,304** |

The Canadian company Ubisoft Entertainment Inc. is currently being audited for its transfer pricing policies. Discussions are ongoing between Canadian and French authorities to avoid the potential issue of double taxation of the Ubisoft Group. In the 2014/2015 financial year, Ubisoft Entertainment Inc. (Canada) received an inspection notice in late October for the years FY09 to FY13 This suspends the previous audit on the 2003, 2004 and 2008 financial years. At March 31, 2015, a provision of €5,317 thousand (€2,993 thousand for this financial year) was established to cover the risks associated with this investigation.

The provision for other financial risks of CAD$2.1 million at Ubisoft Entertainment Inc. and CAD$0.7 million at Ubisoft Studio Saint Antoine Inc. relates to the risk on the Canadian Credit Multimedia Titles.

Other provisions for risks relate to commercial disputes in progress.

### Contingent liabilities

Tax audits underway for which proposed adjustments have been received:

- Ubisoft International SAS for the period between April 1, 2008 and March 31, 2012: the Company fully contests the proposed income tax adjustment and consequently no provision has been recognized in the financial statements;
- Ubisoft Entertainment India Pvt. Ltd (India) for the period from April 1, 2009 to March 31, 2011. The Company contests all the proposed adjustments relating to the transfer pricing policy and consequently no provision has been recognized in the financial statements;
- Ubisoft Paris SAS for the period from April 1, 2010 to March 31, 2013. The Company fully contests the proposed income tax adjustment for FY11 and consequently no provision has been recognized in the financial statements;
- Ubisoft Production Internationale SAS for the period from April 1, 2010 to March 31, 2013. The Company fully contests the proposed income tax adjustment for FY11 and consequently no provision has been recognized in the financial statements.

Tax audits underway for which proposed adjustments have not been received (thus, no provision has been made in the financial statements):

- Ubisoft SA (Spain) for the period from April 1, 2009 to March 31, 2011; the audit began in June 2014 and, to date, primarily relates to the transfer price policy;
- Ubisoft Montpellier SAS for the period from April 1, 2011 to March 31, 2014; the audit began in January 2015 and, to date, primarily relates to the Company's income tax.

These tax audits are unrelated to each other. Furthermore, it is not possible to predict when the inspections are due to end.

## NOTE 12 EMPLOYEE BENEFIT LIABILITIES

| | Opening balance | Provisions | Change in other comprehensive income | Reversals | Foreign exchange gains and losses | Reclassifications | Changes in scope | Closing balance |
|---|---|---|---|---|---|---|---|---|
| Provisions for post-employment benefits | 3,715 | 626 | 1,109 | (50) | 30 | - | - | 5,430 |
| **TOTAL AT 03/31/15** | **3,715** | **626** | **1,109** | **(50)** | **30** | **-** | **-** | **5,430** |
| **TOTAL AT 03/31/14** | **2,997** | **649** | **17** | **(36)** | **10** | **78** | **-** | **3,715** |

## Assumptions

| | Japan | | Italy | | France | | India | |
|---|---|---|---|---|---|---|---|---|
| | 03/31/15 | 03/31/14 | 03/31/15 | 03/31/14 | 03/31/15 | 03/31/14 | 03/31/15 | 03/31/14 |
| Wage growth | 2% | 2% | 2% | 2% | 1.50 to 2% | 1.50 to 2% | 10% | 10% |
| Discount rate | 1.81% | 2.92% | 1.81% | 2.92% | 1.81% | 2.92% | 9.30% | 9.30% |
| Average remaining working life | 26.16 years | 26.16 years | 25.92 years | 25.92 years | 31.63 years | 31.90 years | 33.34 years | 33.34 years |

Death rate assumptions are based on published statistics and tables.

The definition of and principles for measurement and recognition of these benefit liabilities are presented in section 5.1.6 Consolidation principles – Employee benefits.

An increase of 50 basis points in the discount rate would result in a fall of 9% in the amount of the benefit liability.

A decrease of 50 basis points in the discount rate would result in a rise of 14% in the amount of the benefit liability.

## NOTE 13 PAYMENTS BASED ON EQUITY INSTRUMENTS

Impact on the financial statements:

| | |
|---|---|
| **EQUITY AT 03/31/14** | **89,817** |
| **Personnel costs** | **9,609** |
| *Stock options* | *2,034* |
| *Free share grant* | *6,538* |
| *Group savings scheme* | *1,037* |
| **EQUITY AT 03/31/15** | **99,426** |

The impact of these stock-based compensation payments on reserves corresponds to all equity instruments issued by Ubisoft as at March 31, 2015, and is shown in the statement of change in equity presented in section 5.1.4.

### Stock options

The fair value of share subscription or purchase options, subject to satisfaction of presence and performance requirements for corporate officers and a presence requirement for employee beneficiaries, is estimated and fixed at the grant date. The expense is recognized over a four-year vesting period, but is not straight-line given the vesting terms.

### Subscription options

| | 11th plan | 12th plan | | 19th plan | | 20th plan | |
|---|---|---|---|---|---|---|---|
| Total number of shares granted (1) | 1,570,134 | 1,487,128 | | 3,108,309 | | 121,171 | |
| Start of exercise period | 10/14/05 | 11/17/05 | 11/17/05 | 05/12/10 | | 06/18/10 | |
| End of exercise period | 10/13/14 | 11/16/14 | 11/16/14 | 05/11/14 | | 06/17/14 | |
| Strike price of options (1) | €3.84 | €3.64 | €3.83 | €14.75 | €14.24 | €15.43 | €16.71 |
| | | France | Italy | France | World | France | World |
| Maturity *(in years)* | 10 | 10 | | 5 | | 5 | |
| Volatility | 30% | 30% | | 30% | | 30% | |
| Risk-free interest rate | 4% | 3.90% | | 2.42% | | 2.61% | |
| Estimated dividend rate | 0% | 0% | | 0% | | 0% | |
| Annual turnover rate | 3% | 3% | | 5% | | 5% | |
| Fair value of options after stock split (1) *(in €/share)* | €1.47 | €1.59 | €1.53 | €3.54 | €2.68 | €5.22 | €3.37 |
| | | France | Italy | France | World | France | World |
| Options at April 1, 2014 | 165,515 | 580,056 | | 2,638,932 | | 80,549 | |
| Options granted during the period | - | - | | - | | - | |
| Options exercised during the period | 165,110 | 580,056 | | - | | - | |
| Options cancelled during the period | 405 | - | | 2,638,932 | | 80,549 | |
| Options outstanding at March 31, 2015 | - | - | | - | | - | |

*(1) Subscription number and price adjusted following the issuance of share subscription warrants on April 10, 2012.*

| | 21st plan | 22nd plan | 23rd plan | | 24th plan | | 25th plan | |
|---|---|---|---|---|---|---|---|---|
| Total number of shares granted [1] | 4,551 | 120,336 | 3,123,939 | | 3,256,413 | | 936,970 | |
| Start of exercise period | 12/15/10 | 04/29/11 | 06/30/11 | | 04/27/12 | | 10/19/13 | |
| End of exercise period | 12/14/14 | 04/28/15 | 06/29/15 | | 04/26/16 | | 10/18/17 | |
| Strike price of options [1] | €9.93 | €9.91 | €7.02 | €6.32 | €6.77 | €6.77 | €6.37 | €6.65 |
| | | | France | World | France | World | France | World |
| Maturity *(in years)* | 5 | 5 | 5 | | 5 | | 5 | |
| Volatility | 30% | 30% | 30% | | 30% | | 30% | |
| Risk-free interest rate | 2.23% | 2.01% | 1.54% | | 2.72% | | 0.35% | |
| Estimated dividend rate | 0% | 0% | 0% | | 0% | | 0% | |
| Annual turnover rate | 5% | 0% | 5% | | 5% | | 5% | |
| Fair value of options after stock split [1] *(in €/share)* | €2.64 | €2.46 | €1.29 | €1.13 | €1.85 | €1.31 | €1.79 | €1.28 |
| | | | France | World | France | World | France | World |
| Options at April 1, 2014 | 1,517 | 120,336 | 2,221,933 | | 2,272,445 | | 880,220 | |
| Options granted during the period | - | - | - | | - | | - | |
| Options exercised during the period | 1,517 | - | 1,368,541 | | 440,519 | | 140,535 | |
| Options cancelled during the period | - | 120,336 | 21,748 | | 38,195 | | (250) | |
| Options outstanding at March 31, 2015 | - | - | 831,644 | | 1,793,731 | | 739,935 | |

*(1) Subscription number and price adjusted following the issuance of share subscription warrants on April 10, 2012.*

| | 26th plan | | 27th plan | 28th plan | 29th plan | Total |
|---|---|---|---|---|---|---|
| Total number of shares granted [1] | 798,125 | | 100,000 | 665,740 | 62,200 | |
| Start of exercise period | 10/29/14 | | May 2018 | 09/24/15 | 12/16/15 | |
| End of exercise period | 10/28/28 | | 03/16/19 | 09/23/19 | 12/15/19 | |
| Strike price of options [1] | €9.54 | €8.83 | €11.92 | €12.92 | €14.22 | |
| | France | World | | | | |
| Maturity *(in years)* | 5 | | 5 | 5 | 5 | |
| Volatility | 30% | | 30% | 42% | 42% | |
| Risk-free interest rate | 0.75% | | 0.50% | 0.50% | 0.15% | |
| Estimated dividend rate | 0% | | 0% | 0% | 0% | |
| Annual turnover rate | 5% | | 0% | 5% | 5% | |
| Fair value of options after stock split [1] *(in €/share)* | €1.98 | €1.69 | €2.90 | €4.29 | €4.62 | |
| | France | World | | | | |
| Options at April 1, 2014 [1] | 798,125 | | 100,000 | - | - | 9,859,628 |
| Options granted during the period | - | | | 665,740 | 62,200 | 727,940 |
| Options exercised during the period | 45,605 | | - | - | - | 2,741,883 |
| Options cancelled during the period | 53,250 | | 15,000 | 2,500 | - | 2,970,665 |
| Options outstanding at March 31, 2015 | 699,270 | | 85,000 | 663,240 | 62,200 | 4,875,020 |

The average price of options exercised during the period was €5.90.

### Purchase options [1]

| | 24th plan |
|---|---|
| Total number of shares granted [2] | 421,705 |
| Start of exercise period | 04/27/12 |
| End of exercise period | 04/26/16 |
| Strike price of options [2] | €6.770 |
| Purchase options at April 1, 2014 [2] | 363,359 |
| Purchase options granted during the period | - |
| Number of purchase options exercised during the period | 39,629 |
| Purchase options granted during the period | 741 |
| Purchase options outstanding at March 31, 2015 | 322,989 |

*(1) 417,000 subscription options (of the 3,220,748 options granted) changed into purchase options following a decision made by the Board of Directors on March 9, 2012.*
*(2) Subscription number and price adjusted following the issuance of share subscription warrants on April 10, 2012.*

## Free share grants settled in cash

In the first half of the 2012/2013 financial year, Ubisoft decided to give its employees free shares settled in cash, assessed in terms of changes in the value of the share on Euronext Paris and contingent upon attendance and performance conditions.

| | Phantom plan |
|---|---|
| Grant date | 07/02/12 |
| Maturity – vesting period *(in years)* | 3 years |
| Total number of shares granted | 61,000 |
| Total number of exercisable shares granted | 61,000 |
| Fair value of shares at closing date | €17.205 |
| Carrying value of the liability at the closing date | €962,046 |
| Intrinsic value of the liability at the closing date | €1,049,505 |
| Total expense recognized at the closing date | €499,463 |

## Free share grants settled in shares

Free share grants, which are subject to performance conditions, are locked in for a two, three, or four year period following the grant date. As the shares granted are ordinary shares in the same category as the old shares that comprise the Company's share capital, employee shareholders receive dividends and voting rights on all their shares at the end of the vesting period.

The employee benefit expense corresponds to the value of instruments received by the beneficiary, which is equal to the value of shares being received, with the discounted value of dividends expected over the vesting period being zero.

| | 03/31/11 | | 03/31/12 | | 03/31/13 | |
|---|---|---|---|---|---|---|
| Grant date | 06/30/10 | 11/15/10 | 06/24/11 | 10/19/12 | 10/19/12 | 02/08/13 |
| Maturity – vesting period *(in years)* | 4 years | 4 years | 4 years | 2 years | 4 years | 4 years |
| Fair value of the instrument in € per share * | 6.12 | 9.54 | 6.42 | 6.76 | 6.76 | 7.6 |
| Percentage of operating targets reached | 100% | 100% | 100% | 100% | 100% | 100% |
| Number of instruments as at April 1, 2014 [1] | 153,710 | 197,197 | 129,207 | 287,700 | 424,730 | 310,500 |
| Number of instruments granted during the period | - | - | - | | - | - |
| Number of cancelled instruments during the period | 2,023 | 3,540 | 1,012 | (3,570) | 27,500 | 13,500 |
| Number of instruments exercised during the period | 151,687 | 193,657 | - | 291,270 | - | - |
| Number of instruments as at March 31, 2015 | - | - | 128,915 | - | 397,180 | 297,000 |

*(1) Number adjusted following issuance of share warrants on April 10, 2012.*

| | 03/31/14 | | | | | |
|---|---|---|---|---|---|---|
| Grant date | 05/14/13 | 06/17/13 | 10/09/13 | 10/29/13 | 02/11/14 | 03/17/14 |
| Maturity – vesting period *(in years)* | 4 years | 4 years | 4 years | 4 years | 4 years | 4 years |
| Fair value of the instrument in € per share * | 8.6 | 10.3 | 10.55 | 8.92 | 11.40 | 12.51 |
| Percentage of operating targets reached | 100% | 100% | 100% | 100% | 100% | 100% |
| Number of instruments as at April 1, 2014 | 155,600 | 223,163 | 40,000 | 683,360 | 10,000 | 268,200 |
| Number of instruments granted during the period | - | - | - | - | - | - |
| Number of cancelled instruments during the period | 9,300 | 2,330 | - | 29,772 | - | 5,000 |
| Number of instruments exercised during the period | - | - | - | - | - | - |
| Number of instruments as at March 31, 2015 | 146,300 | 220,833 | 40,000 | 653,588 | 10,000 | 263,200 |

| | 03/31/15 | | | | | Total |
|---|---|---|---|---|---|---|
| Grant date | 07/01/14 | 09/24/14 | 09/24/14 | 12/16/14 | 12/16/14 | |
| Maturity – vesting period *(in years)* | 4 years | 4 years | 3 years | 4 years | 3 years | |
| Fair value of the instrument in € per share * | 13.52 | 12.71 | 7.45 | 14.17 | 8.38 | |
| Percentage of operating targets reached | 100% | 100% | 100% | 100% | 100% | |
| Number of instruments as at April 1, 2014 | - | - | - | - | - | 2,883,367 |
| Number of instruments granted during the period | 572,898 | 10,710 | 392,850 | 242,600 | 72,270 | 1,291,328 |
| Number of cancelled instruments during the period | 14,080 | - | 1,320 | - | - | 105,857 |
| Number of instruments exercised during the period | - | - | - | - | - | 636,614 |
| Number of instruments as at March 31, 2015 | 558,818 | 10,710 | 391,530 | 242,600 | 72,270 | 3,432,224 |

* *Number and fair value adjusted following the issuance of share subscription warrants on April 10, 2012.*

## Group savings scheme

Ubisoft also offers Group savings schemes, which allow workers to acquire Ubisoft shares as part of reserved capital increases. Workers acquire these shares with a maximum discount of 15% versus the average opening price over the 20 trading days prior to the Board of Directors' meeting that approved the capital increase.

The difference between the share subscription price and the share price on the grant date (the same as the plan's announcement date) constitutes the benefit awarded to beneficiaries. This estimated expense is fixed on the grant date and recognized immediately as remuneration for past services.

The retention period is five years for French employees.

| | 03/31/15 | 03/31/14 | |
|---|---|---|---|
| Grant date | 07/15/14 | 03/26/14 | 06/17/13 |
| Subscription price (in €) | 8.89 | 10.13 | 6.237 |
| **Data at date of announcement to employees:** | | | |
| Share price (in €) | 13.80 | 10.67 | 10.30 |
| Number of shares subscribed | 211,142 | 96,587 | 95,415 |
| **Fair value of the benefit in € per share** | **4.91** | **0.54** | **4.06** |

## NOTE 14 CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Bank borrowings | 266,289 | 63,066 |
| Borrowings resulting from the restatement of finance leases | 9,450 | 373 |
| **Non-current financial liabilities** | **275,739** | **63,439** |
| Bank borrowings | 2,261 | 1,718 |
| Commercial papers | 15,000 | 63,000 |
| Bank overdrafts and short-term loans | 151,024 | 121,823 |
| Accrued interest | 421 | 513 |
| Borrowings resulting from the restatement of finance leases | 895 | 119 |
| Foreign exchange derivatives * | 13,625 | 2,151 |
| **Current financial liabilities** | **183,226** | **189,324** |
| **TOTAL** | **458,965** | **252,763** |
| Fixed-rate debt | 114,503 | 65,789 |
| Variable-rate debt | 344,462 | 186,974 |

* *Measured at fair value (level 2, IFRS 7 hierarchy).*

## NOTE 15 INFORMATION ON THE MANAGEMENT OF FINANCIAL RISKS

In the course of its business, the Group may be exposed to varying degrees of interest-rate, foreign exchange, financing, liquidity, counterparty and credit risks. The Group has put in place a policy for managing these risks, which is described below for each of the risks.

### Interest-rate risk

Interest-rate risk is mainly incurred through the Group's interest-bearing debt. It is essentially euro-denominated and centrally managed. Interest-rate risk management is primarily designed to minimize the cost of the Group's borrowings and reduce exposure to this risk. For this purpose, the Group uses primarily fixed-rate loans for its long-term financing needs and variable-rate loans to finance specific needs relating to increases in working capital during particularly busy periods. The Schuldschein type loan of €200 million is a mix of variable rates and fixed rates.

As at March 31, 2015, the Group's gross debt was primarily comprised of fixed rate Euro PP type bonds, a Schuldschein loan with a mix of variable and fixed rates, loans, commercial papers and bank overdrafts, intended essentially to finance the high year-end working capital requirements relating to the highly seasonal nature of the business.

### Analysis of variable-rate net debt's sensitivity to interest-rate risk

The Group's exposure to a change in interest rates on net debt is presented in the following table:

| Liabilities | Type of rate | Rate | Nominal | Interest p.a. | Change of 1% | Difference |
|---|---|---|---|---|---|---|
| Net cash from bank overdrafts | Variable | 0.04% | 272,667 | 121 | 2,851 | 2,730 |
| Investment securities | Variable | 0.26% | 232,692 | 616 | 2,943 | 2,327 |
| Committed line of credit | Variable | 0.09% | (5,000) | (4) | (54) | (50) |
| **TOTAL** | | | **500,359 *** | **733** | **5,740** | **5,007** |

* *Excluding accrued interest and finance lease borrowing.*

## Liquidity risk

As at March 31, 2015, the Group had financial debt of €445 million and net cash (including liquid assets and short-term investment securities) of €211 million.

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Financial liabilities excluding derivatives | (445,341) | (250,612) |
| Cash | 423,969 | 229,328 |
| Net investment securities | 232,692 | 8,618 |
| **NET CASH** | **211,320** | **(12,666)** |

To finance temporary requirements related to the increase in working capital during especially busy periods, as at March 31, 2015, the Group had a €250 million syndicated loan, €8 million in loans, €60 million in bilateral credit lines and other bank credit facilities totaling €78 million, and had issued €60 million in Euro PP bonds, a Schuldschein loan for €200 million, and €15 million in commercial paper (as part of a program for a maximum amount of €300 million).

The Group implemented cash agreements allowing centralized management at parent bank level of the bank accounts of the majority of Group companies.

### Covenants

Under the terms of the syndicated loan, bilateral credit lines and the Schuldschein loan and other loans of €5 million, the Company is required to comply with certain financial ratios (covenants).

The covenants are as follows:

| | 2014/2015 | 2013/2014 |
|---|---|---|
| Net debt restated for assigned receivables/equity restated for goodwill < | 0.80 | 0.80 |
| Net debt restated for assigned receivables/EBITDA < | 1.5 | 1.5 |

All covenants are calculated on the basis of the consolidated annual financial statements under IFRS.

As at March 31, 2015, the Company is in compliance with all these ratios and expects to remain so during the 2015/2016 financial year.

Other borrowings are not governed by covenants.

## Analysis of financial liabilities by maturity

| | 03/31/15 | | Schedule | | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Total contractual cash flows * | < 1 year | 1 to 2 years | 3 to 5 years | > 5 years |
| ***Current and non-current financial liabilities*** | | | | | | |
| Bank borrowings | 283,550 | 283,550 | 17,261 | 852 | 265,437 | - |
| Borrowings resulting from the restatement of finance-leases | 10,345 | 10,345 | 895 | 896 | 2,550 | 6,004 |
| Trade payables * | 94,919 | 94,919 | 91,098 | 791 | 2,440 | 590 |
| Other operating liabilities ** | 149,614 | 149,614 | 137,795 | 7,438 | 4,381 | - |
| Current tax liabilities | 7,623 | 7,623 | 7,623 | - | - | - |
| Cash liabilities | 151,445 | 151,445 | 151,445 | - | - | - |
| ***Derivative liabilities*** | | | | | | |
| Non-hedge derivatives | 13,625 | 229,824 | 229,824 | | | |
| **TOTAL** | **711,122** | **927,320** | **635,941** | **9,977** | **274,308** | **6,594** |

** Liabilities are presented at the closing exchange rate, while variable-rate interest is calculated based on the closing spot rate.*

*** Others operating debts at more than one year are mainly related to the deferred payments of consideration transferred as part of business combinations.*

## Foreign exchange risk

The Group is exposed to foreign exchange risk on its cash flows from operating activities and on its investments in foreign subsidiaries. The percentage of sales generated outside of the euro currency area is 66%.

The Group only hedges its exposures on operating cash flows in the main significant foreign currencies (US dollar, Canadian dollar and Pound sterling). Its strategy is to hedge only one year at a time, so the hedging horizon never exceeds 18 months.

The Group first uses natural hedges provided by transactions in the other direction (development costs in foreign currency offset by royalties from subsidiaries in the same currency). The parent company uses foreign currency borrowings, futures or foreign exchange options to hedge any residual exposures and non-commercial transactions (such as inter-company loans in foreign currencies).

Derivatives for which documentation on the hedging relationship does not meet the requirements of IAS 39 are not referred to as hedging instruments in the accounts.

As at March 31, 2015, foreign exchange transactions denominated in Canadian dollars, US dollars and Pound sterling meet the cash flow hedging requirements under IAS 39.

Hedging commitments are made by the parent company's treasury department in France. No hedging is taken out at subsidiaries in France or abroad.

The Group uses foreign currency derivatives, measured at fair value, only with standard banking institutions. These are top tier banking institutions. Also, given the seasonal nature of the Group's business activities, there is a limited number of open positions at the statement of financial position date. As a result, the debit value adjustment (entity's own risk) is deemed to be immaterial.

At closing, the fair value of foreign exchange derivatives is as follows:

| | 03/31/15 | | | | | | 03/31/14 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | USD | CAD | GBP | DKK | JPY | SEK | USD | CAD | GBP | SGD | INR | JPY | SEK |
| Hedging [1] | (12,263) | 1,734 | (1,114) | | | | | (1,659) | | | | | |
| Swap | | | | | | | | | | | | | |
| Net foreign exchange options | | | | | | | | | | | | | |
| **QUALIFYING FOREIGN EXCHANGE HEDGING DERIVATIVES** | **(12,263)** | **1,734** | **(1,114)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Hedging [1] | 1,704 | 154 | - | (3) | 20 | 13 | 567 | (174) | 128 | 29 | (236) | (11) | (53) |
| Net foreign exchange options | | | | | | | | | | | | | |
| **NON-HEDGE FOREIGN EXCHANGE DERIVATIVES** | **1,704** | **154** | **-** | **(3)** | **20** | **13** | **567** | **(174)** | **128** | **29** | **(236)** | **(11)** | **(53)** |

*(1) Mark-to-market, level 2 in the hierarchy of fair value under IFRS 7.*

The amount of ineffective derivative instruments qualifying for hedge accounting under IAS 39 is recognized in financial income.

### Exposure to foreign exchange risk

| *(In thousands of currency units)* | USD | GBP | CAD | AUD |
|---|---|---|---|---|
| Net position before hedging * | 430,460 | 93,414 | (246,119) | 45,901 |
| Futures contracts | (200,000) | (19,000) | 70,000 | - |
| Net position after hedging | 230,460 | 74,414 | (176,119) | 45,901 |

* *Transaction position brought about by any operation triggering a payment or future earnings.*

## Credit and counterparty risk

### Exposure to credit risk

Credit risk reflects the risk of financial loss to the Group in the event that a customer or counterparty to a financial instrument may fail to meet its contractual obligations. This risk is mainly incurred on trade receivables and investment securities.

The Group's exposure to credit risk is mainly influenced by customer-specific factors. The statistical profile of customers, notably including the risk of bankruptcy for each sector of activity and country in which customers operate, has no real influence on credit risk.

Given the large number of customers in many different countries, and their presence in the mass retail sector, the Company considers the counterparty risk on trade accounts to be limited.

Ubisoft's largest customer, the North America distribution zone, accounts for 12% of Group sales excluding tax. The top 5 account for 38% and the top 10 for 53%.

Moreover, in order to protect itself against the risk of arrears, the Group's main subsidiaries, which generate approximately 63% of Group sales, are all covered by credit insurance.

At closing, the maximum credit risk exposure, represented by the carrying amount of financial assets, was as follows:

| | Notes | 03/31/15 Carrying amount | Provisions | Net carrying amount | 03/31/14 Net carrying amount |
|---|---|---|---|---|---|
| Trade receivables | 6 | 25,296 | 1,392 | 23,904 | 73,320 |
| Other current trade receivables | 7 | 113,855 | - | 113,855 | 74,812 |
| Foreign exchange derivatives | 8 | 3,870 | - | 3,870 | 739 |
| Stock futures | 8 | 1,049 | | 1,049 | 793 |
| Current tax assets | | 12,380 | - | 12,380 | 16,972 |
| Cash and cash equivalents | 9 | 656,661 | - | 656,661 | 237,946 |

A provision for bad debts is recognized following an individual analysis of trade receivables due at the statement of financial position date.

### Exposure to counterparty risk

All cash must remain highly liquid by limiting capital risk exposure as much as possible. This should therefore be invested in products with a high degree of security, very low volatility and a negligible risk of changes in value. All instruments in which the Group invests meet the requirements of IFRS 7. For instance, some prudential rules must be respected for the Group's cash investments:

- never hold more than 5% of a fund's assets;
- never invest more than 20% of total cash in the same vehicle.

The Group diversifies its investments with top tier counterparties and monetary instruments with less than three months' maturity.

As at March 31, 2015, investments consisted of UCITS, deposit accounts and interest-bearing accounts.

## Securities risk

### Risk to the Company's shares

Own shares are held under a market-making and liquidity agreement signed with Exane BNP. These purchases are made under the terms of a market-making agreement that complies with all applicable regulations, and are designed to ensure the liquidity of purchases and sales of shares.

The Company allocated €1.7 million for the implementation of this agreement.

400,000 shares were purchased on the market (assigned to employee shareholdings) under the 6th resolution of the General Meeting of June 30, 2011.

As at March 31, 2015, the Company held 402,492 own shares for a value of €2,637 thousand. Own shares are deducted from equity, at their cost of sale.

## Transfers of financial assets

### Transferred financial assets not derecognized in their entirety

#### FACTORING AGREEMENTS ON UNVESTED RIGHTS UNDER THE CTMM (PARTIALLY DERECOGNIZED)

In March 2011, the production subsidiary Ubisoft Entertainment Inc. concluded a factoring agreement for claims relating to the unvested rights of Investissement Québec under the so-called "CTMM" grant.

The risks associated with these receivables, mainly counterparty risk, is transferred to the counterparty of the factoring agreement; the transferred receivables are derecognized from the statement of financial position of the Group.

Following an amendment made in March 2014, Ubisoft Entertainment Inc. receives 85% of the sale price of the receivables transferred at the transfer date. The remaining 15% is collected at the time of actual payment of the grant by Investissement Québec, the counterparty of the factoring agreement. As the risks and benefits associated with 15% of transferred receivables were retained by the Group, a portion of 15% of outstanding claims relating to unvested rights of the organization Investissement Québec under the so-called "CTMM" grant remains on the Group's balance sheet. A similar agreement was signed by the production subsidiary Ubisoft Studio Saint Antoine Inc.

| In € thousands | Factoring agreement on the "CTMM" grant – Ubisoft Entertainment Inc. | Factoring agreement on the "CTMM" grant – Ubisoft Studio Saint Antoine Inc. |
|---|---|---|
| Nature of the assets transferred | Claim on a government agency on the right to receive a government grant | Claim on a government agency on the right to receive a government grant |
| Nature of the risks and rewards of ownership of the transferred assets | Default risk<br>Risk of late payment | Default risk<br>Risk of late payment |
| Total carrying amount of assets before the initial transfer | €19.5 million | €3.9 million |
| Carrying amount of assets still recognized | €2.9 million | €0.6 million |
| Carrying amount of the associated liabilities | N/A | N/A |
| Nature of the relationship between the transferred assets and associated liabilities | N/A | N/A |
| Restrictions on use of the assets transferred arising from the transfer | Legal ownership of the debt transferred to the counterparty | Legal ownership of the debt transferred to the counterparty |

### Financial assets derecognized in their entirety

In December 2013, the Group's British and German distribution subsidiaries concluded a factoring agreement on trade receivables from subsidiaries domiciled in the United Kingdom and Germany.

The risks associated with these receivables, mainly counterparty risk is transferred to the counterparty of the factoring agreement.

The transferred receivables were completely derecognized from the statement of financial position of the Group.

However, these two subsidiaries operate a collection service on behalf of the counterparty, a service that is constitutive of the continuing involvement of the Group in trade receivables transferred under these factoring contracts.

| (in € thousands) | Factoring agreement on trade receivables – Germany | Factoring Agreement on trade receivables – United Kingdom |
|---|---|---|
| Nature of the assets transferred | Trade receivables relating to the subsidiary in Germany | Trade receivables relating to the subsidiary in the United Kingdom |
| Nature of continued involvement | Collection service on behalf of the counterparty | Collection service on behalf of the counterparty |
| Nature of representative assets/ liabilities in continued involvement | N/A | N/A |
| Carrying amount of representative assets/liabilities in continued involvement | N/A | N/A |
| Fair value of representative assets/ liabilities in continued involvement | N/A | N/A |
| Maximum exposure under continued involvement | N/A | N/A |
| Compensation received under the collection service | N/A | N/A |
| Remaining commitment related to continuing involvement on receivables transferred at the closing date | €0 million | €0 million |
| Maturity of assets representing continued involvement | N/A | N/A |

## Reconciliation by accounting class and category

| | Notes | IFRS 7 hierarchy | 03/31/15 Amortized cost | 03/31/15 Fair value | 03/31/14 Amortized cost | 03/31/14 Fair value |
|---|---|---|---|---|---|---|
| **Assets recognized at fair value** | | | | | | |
| Foreign exchange derivatives | 8 | 2 | | 3,870 | | 739 |
| Stock futures | 8 | 1 | | 1,049 | | 793 |
| Equity investments in non-consolidated companies | 4 | 2 | | 3 | | 4 |
| Net investment securities | 9 | 1 | | 232,692 | | 8,618 |
| **Assets recognized at amortized cost** | | | | | | |
| Trade receivables | 6 | | 23,904 | | 73,320 | |
| Other trade receivables | 7 | | 113,855 | | 74,812 | |
| Current tax assets | | | 12,380 | | 16,972 | |
| Deposits and sureties | 4 | | 4,053 | | 3,433 | |
| Other non-current receivables | 4 | | 106 | | 129 | |
| Cash | 9 | | 423,969 | | 229,328 | |
| **Liabilities recognized at fair value** | | | | | | |
| Foreign exchange derivatives | 14 | 2 | | (13,625) | | (2,151) |
| **Liabilities recognized at amortized cost** | | | | | | |
| Borrowings | 14 | | (445,341) | | (250,611) | |
| Trade payables | 16 | | (94,919) | | (93,643) | |
| Other operating liabilities | 17 | | (149,614) | | (128,884) | |
| Current tax liabilities | | | (7,623) | | (5,003) | |

No changes in the fair value hierarchy have been carried out in the measurement of assets and liabilities at fair value over the past year.

## NOTE 16 TRADE PAYABLES

| Trade payables | At 03/31/14 Gross | Cash flows from operating activities (result) | Reclassifications | Changes in scope | Foreign exchange gains and losses | At 03/31/15 Gross |
|---|---|---|---|---|---|---|
| Suppliers | 92,216 | (6,158) | - | 14 | 7,538 | 93,609 |
| Amounts due to suppliers of non-current assets | 1,427 | (119) | - | - | 1 | 1,310 |
| **TOTAL AT 03/31/15** | **93,643** | **(6,277)** | **-** | **14** | **7,539** | **94,919** |
| **TOTAL AT 03/31/14** | **75,963** | **21,603** | **(451)** | **142** | **(3,614)** | **93,643** |

"Trade payables" includes commitments made under license agreements for the amount specified in the agreement including the portion not yet paid.

As at March 31, 2015, these unpaid commitments amounted to €16,120 thousand. These stood at €17,105 thousand in the previous year.

As these debts are short-term and do not bear interest, a change in interest rates does not represent a significant interest-rate risk.

## NOTE 17 OTHER LIABILITIES

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Employee-related liabilities | 95,044 | 74,115 |
| Other tax liabilities | 15,846 | 18,346 |
| Other liabilities | 21,555 | 27,362 |
| Deferred income | 17,169 | 9,061 |
| **TOTAL** | **149,614** | **128,884** |

Other liabilities mainly include:

- earn out to be paid for the following acquisitions: €3.9 million for Related Designs Software GmbH, €7.3 million for Future Games of London Ltd;
- rental debt and incentive rental income at Ubisoft Entertainment Inc. and Ubisoft Studio Saint Antoine Inc. for €3.6 million and €3.3 million respectively.

# NOTES TO INCOME STATEMENT

## NOTE 18 SALES

| *(in € millions)* | 03/31/15 | 03/31/14 |
|---|---|---|
| Retail | 1,081 | 812 |
| Digital | 383 | 195 |
| **TOTAL** | **1,464** | **1,007** |

At current exchange rates, sales have increased by 45.3%; at constant exchange rates, the increase is 41.6%.

## NOTE 19 OPERATING EXPENSES BY DESTINATION

R&D costs, which account for 39.66% of sales (€580 million) compared with 43.09% in 2013/2014 (€434 million), are on the rise.

The decrease in SG & A expenses, which total €385 million (26.3% of sales) against €363.2 million (36.1% of sales) in 2013/2014, relates to:

- variable marketing expenses of €206 million (14.1% of sales), stable compared with the figure of €204.3 million (20.3%) for 2013/2014;
- increasing structural costs of €179 million (12.2% of sales), compared with €158.9 million (15.8% of sales) for 2013/2014.

## NOTE 20 OPERATING EXPENSES BY TYPE

### Personnel costs

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Salaries | 459,777 | 403,319 |
| Payroll taxes | 106,797 | 95,668 |
| Wage subsidies | (80,511) | (76,418) |
| Stock-based compensation * | 9,609 | 7,121 |
| **TOTAL** | **495,672** | **429,690** |

* *See breakdown in Note 13.*

The Group had total expenses of €16,704 thousand on its defined contribution plans.

Grants and tax credits presented as a reduction in personnel costs are as follows:

| Country | Type | 03/31/15 | 03/31/14 |
|---|---|---|---|
| Canada | | | |
| | Multimedia credit | 47,230 | 49,693 |
| | Research tax credit * | 4,753 | 7,039 |
| | Other * | 13,791 | 5,629 |
| France | | | |
| | Research, video game, CICE, audiovisual and other tax credits | 7,628 | 7,238 |
| Singapore | | | |
| | Economic Development Board tax credit | 4,639 | 4,401 |
| United Kingdom | | | |
| | Video game tax credit | 1,128 | 69 |
| Abu Dhabi | | | |
| | Two Four 54 | 867 | 1,872 |
| Other | | 475 | 477 |
| **TOTAL** | | **80,511** | **76,418** |

* *The payment of certain grants and tax credits is contingent upon the generation of taxable income.*

## Amortization and provisions

| | 03/31/15 | | | | |
|---|---|---|---|---|---|
| | Total | Cost of sales | R&D costs | Marketing costs | Administrative and IT costs |
| Amortization of intangible assets | 468,245 | - | 460,970 | 28 | 7,247 |
| *Commercial software* | *418,369* | *-* | *418,369* | *-* | *-* |
| *External software developments* | *34,132* | *-* | *34,132* | *-* | *-* |
| *Office software* | *7,682* | *-* | *407* | *28* | *7,247* |
| *Brands* | *2,563* | | *2,563* | | |
| *Movies* | *5,388* | *-* | *5,388* | *-* | *-* |
| *Other* | *111* | *-* | *111* | *-* | *-* |
| Amortization and depreciation of property, plant and equipment | 23,565 | 32 | 15,087 | 1,365 | 7,081 |
| *Buildings* | *313* | *-* | *163* | *-* | *150* |
| *Fixtures and fittings* | *4,079* | *18* | *2,299* | *310* | *1,452* |
| *Computer hardware and furniture* | *15,916* | *14* | *9,425* | *1,004* | *5,473* |
| *Development kits* | *3,180* | *-* | *3,180* | *-* | *-* |
| *Transport equipment* | *77* | *-* | *20* | *51* | *6* |
| **TOTAL DEPRECIATION AND AMORTIZATION 03/31/15** | **491,810** | **32** | **476,057** | **1,393** | **14,328** |
| **TOTAL DEPRECIATION AND AMORTIZATION 03/31/14** | **393,652** | **251** | **381,249** | **1,456** | **10,696** |

| | 03/31/15 | | | | |
|---|---|---|---|---|---|
| | Total | Cost of sales | R&D costs | Marketing costs | Administrative and IT costs |
| Provisions for trade receivables | 203 | - | - | 314 | (111) |
| Provisions for risks and charges | (378) | - | (338) | (27) | (13) |
| Provisions for post-employment liabilities | 576 | - | 352 | 21 | 203 |
| **TOTAL PROVISIONS AND REVERSALS OF PROVISIONS 03/31/15** | **401** | **-** | **14** | **308** | **79** |
| **TOTAL PROVISIONS AND REVERSALS OF PROVISIONS 03/31/14** | **(1,242)** | **-** | **(212)** | **(1,129)** | **99** |

## NOTE 21 OTHER NON-CURRENT OPERATING INCOME AND EXPENSES

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Goodwill | (19,154) | (16,047) |
| Brands | (2,563) | (6,580) |
| **TOTAL** | **(21,717)** | **(22,627)** |

A partial write-off and depreciation on goodwill and brands have been recorded further to a review of operating activities on March 31, 2015. As those expenses are non-recurring and relevant, they are presented as non-current expenses.

## NOTE 22 NET FINANCIAL INCOME

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Income from cash | 556 | 369 |
| Interest on borrowings | (5,322) | (6,154) |
| **Net borrowing cost** | **(4,766)** | **(5,785)** |
| Foreign exchange gains | 103,647 | 32,062 |
| Foreign exchange losses | (102,489) | (33,205) |
| **Result from foreign-exchange operations** | **1,159** | **(1,143)** |
| Other financial income * | 6,085 | 13,010 |
| Disposal of the equity swap on Gameloft shares | - | 4,366 |
| **Financial income** | **6,085** | **17,376** |
| Other financial expenses | (1,764) | (114) |
| **Financial expenses** | **(1,764)** | **(114)** |
| **TOTAL** | **712** | **10,334** |

* *Other financial income includes €5.2 million related to earn-out reevaluation after the Business Combination's evaluation period.*

## NOTE 23 INCOME TAX AND DEFERRED TAXES

### Analysis of tax expenses/savings

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Current tax | (56,362) | (9,761) |
| Deferred tax | 3,268 | 31,842 |
| **TOTAL** | **(53,094)** | **22,081** |

There are three tax consolidation groups:

- in France, the tax group includes all French companies, with the exception of those created and acquired during the financial year. As at March 31, 2015, the tax group's loss carryforwards totaled €476,332 thousand, including €376,815 thousand in accelerated depreciation relating to the application of Article 236 of the CGI (French General Tax Code) for software development expenses;
- in the United States, the tax group includes three companies: Ubisoft LLC., Redstorm Entertainment Inc. and Ubisoft Inc. As at March 31, 2015, the tax group generated a current income tax expense of €5,483 thousand;
- in the United Kingdom, the tax group includes four companies: Ubisoft Limited, Ubisoft Reflections Limited, Future Games of London Ltd and Ubisoft CRC Limited. As at March 31, 2015, the tax group generated a current income tax expense of €1,548 thousand;
- deferred tax relating to the operations of the French tax group is recognized at the tax rate applicable to the parent company, or 38% for those with an expected use in the 2015/2016 financial year and 34.43% for those with an expected use in subsequent financial years.

Deferred tax relating to the operations of the Group abroad is recognized at the tax rate applicable in each country.

### Reconciliation between the theoretical income tax liability and the recognized income tax liability

| | 03/31/15 |
|---|---|
| Profit (loss) for the period | 87,011 |
| Total income tax | (53,094) |
| Non Current expenses | (21,717) |
| Stock options | (9,609) |
| Consolidated income excluding goodwill, stock-based compensation, tax, profit from associates and income from discontinued activities | 171,431 |
| **Theoretical tax (38%)** | **65,144** |
| Payments of tax deferred from previous years: | |
| *Impact of changes in the rate on the tax basis* | *(2,472)* |
| *Other* | *1,230* |
| Impact of permanent differences between net income and consolidated earnings: | |
| *Cancellation of studio margin* | *(2,696)* |
| *Permanent differences net income/consolidated earnings* | *(1,887)* |
| Impact of permanent differences between net income and taxable income: | 63 |
| Taxation of foreign companies at different tax rates | (2,148) |
| Other adjustments | |
| *Adjustments on the previous financial year* | *(512)* |
| *Impact of tax consolidation* | *(720)* |
| *Tax credits* | *(2,999)* |
| *Other* | *95* |
| **TOTAL INCOME TAX** | **53,094** |
| **REAL TAX RATE** | **30.97%** |

## Deferred tax

### BREAKDOWN BY NATURE OF TAX ON THE STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT

| | 03/31/14 | Change in income | Change in other comprehensive income | Foreign exchange losses/ gains | Other reclassifications | 03/31/15 |
|---|---|---|---|---|---|---|
| Intangible assets | | | | | | |
| *Elimination of margin on intangible assets* | *12,926* | *(4,762)* | | | | *8,164* |
| Capitalized losses and tax credits | | | | | | |
| *Losses* | *28,351* | *1,991* | | *169* | *245* | *30,756* |
| *Investment tax credit* | *51,908* | *171* | | *5,393* | *(1,186)* | *56,286* |
| Hedging derivatives | 818 | 453 | 3,906 | | | 5,177 |
| Other | | | | | | |
| *Temporary tax differences* | *19,299* | *9,105* | | *3,483* | *(995)* | *30,892* |
| *Other consolidation adjustments* | *2,924* | *(720)* | *375* | | *1,100* | *3,679* |
| **TOTAL DEFERRED TAX ASSETS** | **116,226** | **6,238** | **4,281** | **9,045** | **(836)** | **134,954** |
| Intangible assets | | | | | | |
| *Brands* | *(5,341)* | *445* | | *(873)* | | *(5,769)* |
| *Other intangible assets* | *(401)* | *338* | | *(28)* | | *(90)* |
| Tax credits | (29,699) | (934) | | (3,374) | (955) | (34,962) |
| Other | (5,516) | (2,820) | | (743) | 955 | (8,123) |
| **TOTAL DEFERRED TAX LIABILITIES** | **(40,956)** | **(2,970)** | **-** | **(5,018)** | **-** | **(48,944)** |
| **TOTAL NET DEFERRED TAXES** | **75,270** | **3,268** | **4,281** | **4,027** | **(836)** | **86,010** |

### BREAKDOWN BY EXPIRY OF NET DEFERRED TAXES

| | Deferred tax assets | | Deferred tax liabilities | |
|---|---|---|---|---|
| *(in € thousands)* | Short term | Long term | Short term | Long term |
| Group tax loss France | | 26,855 | | |
| Losses of other subsidiaries | 1,030 | 2,871 | | |
| Elimination of margin on intangible assets | 5,443 | 2,721 | | |
| Investment tax credit | | 56,286 | | (34,962) |
| Provision for post-employment liabilities | | 1,698 | | |
| Temporary differences and other consolidation adjustments | 33,434 | 2,641 | (1,476) | (5,875) |
| Brands | | | | (5,770) |
| Other | | 1,975 | | (861) |
| **TOTAL** | **39,907** | **95,047** | **(1,476)** | **(47,468)** |

| | 03/31/15 |
|---|---|
| Short-term net deferred taxes | 38,431 |
| Long-term net deferred taxes | 47,579 |
| **TOTAL** | **86,010** |

## Deferred tax assets

Taxes on capitalized/non-capitalized losses:

| | 03/31/15 | | | 03/31/14 | | |
|---|---|---|---|---|---|---|
| *(in € thousands)* | Capitalized losses | Non-capitalized losses | Total | Capitalized losses | Non-capitalized losses | Total |
| Tax group France [1] | 26,855 | 441 | 27,296 | 25,096 | 441 | 25,537 |
| Hybride Technologies Inc. | 274 | | 274 | 723 | | 723 |
| Ubisoft Studio Saint Antoine Inc. | 1,030 | | 1,030 | - | | - |
| Ubisoft Motion Pictures SARL | 165 | | 165 | 73 | | 73 |
| Ubisoft Mobile Games SARL | 1,333 | | 1,333 | 1,333 | | 1,333 |
| Ubisoft SPA | - | | - | 100 | | 100 |
| Ubisoft GmbH | 366 | | 366 | 740 | | 740 |
| Other | 733 | 398 | 1,131 | 286 | 82 | 368 |
| **TOTAL** | **30,756** | **839** | **31,595** | **28,351** | **523** | **28,874** |

*(1) Deferred tax on accelerated depreciation has been reclassified under loss carryforwards.*

Deferred income tax assets are recognized if their recovery is likely, particularly when taxable profit is expected during the period of validity of the deferred tax assets.

The forecast period used to determine taxes on capitalized losses is four to seven years, a period which is considered reasonable by management. The entire loss carryforwards of the French tax group over the past year remains therefore capitalized as at March 31, 2015.

Because of a transfer price policy implemented by the Group, the distribution companies and companies fulfilling support functions systematically report operating profits. Similarly, the studios invoice salaries with a margin that includes their overheads.

The use of tax losses is not limited in time.

Investment tax credits:

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Capitalized investment tax credit | 56,286 | 51,908 |
| **TOTAL** | **56,286** | **51,908** |

Ubisoft Entertainment Inc. benefits from tax credits contingent upon the generation of taxable income. These tax credits recoverable on future income taxes have a life of 20 years. The future use of these tax credits is subject to tax planning at the local level and at the Group level. They are recognized as assets of the Group since their recoverability horizon is reasonable.

The Group shall ensure that, at each annual accounting period, the deferred tax assets relating to tax losses and tax credits recoverable only by deduction from future tax, shall be recovered within a reasonable timeframe based on its forecasts of future taxable income. The assumptions used for tax planning are consistent with those of the business plans made by management of the Group for the implementation of impairment testing of intangible assets with indefinite lives.

## Deferred tax liabilities

### Grants and tax credits

Ubisoft Entertainment Inc. benefits from multimedia credits and investment tax credits. These credits are taxable during the year of their receipt or use, but are recognized on a financial year basis. The Company recognizes a future tax liability for this item.

### Accelerated depreciation (Article 236 of the CGI)

As permitted under the provisions of Article 236 of the French General Tax Code, Ubisoft Entertainment SA opted to immediately expense software development costs where design started during the period. Provisions for the financial year amounted to €92.2 million for commercial software and €6 million for external software. In accordance with IAS 12, the cancellation of the accelerated tax depreciation generates a deferred tax liability, which is then classified under loss carryforwards.

## NOTE 24 EARNINGS PER SHARE

| | |
|---|---|
| **NET EARNINGS FROM CONTINUING OPERATIONS AT MARCH 31, 2015** | **87,011** |
| Weighted average number of shares in circulation | 107,523,851 |
| Dilutive shares | 5,773,901 |
| *Stock options* | *2,341,677* |
| *Free share grant* | *3,432,224* |
| Weighted average number of shares after exercise of the rights on dilutive instruments | 113,297,752 |
| **DILUTED EARNINGS PER SHARE FROM ORDINARY SHARES AS AT MARCH 31, 2015** | **0.77** |

# OTHER NOTES

## NOTE 25 SEGMENT REPORTING

In accordance with IFRS 8, the Group produces segment reports.

The operating segments reported correspond to the publication/production activities on one hand and to geographical areas of distribution at which operational decisions are made on the other.

The breakdown by geographic region is given for two segments, according to the distribution of the Group's assets:

- EMEA distribution zone (corresponding to APAC zone and Europe);
- North America distribution zone (including Central and Latin America).

| | 03/31/15 | | | | 03/31/14 | | | |
|---|---|---|---|---|---|---|---|---|
| | Publishing/ Production | Distribution EMEA | Distribution Zone North America | Group | Publishing/ Production | Distribution EMEA | Distribution Zone North America | Group |
| **Sales** | **52,257** | **743,512** | **667,983** | **1,463,752** | **35,838** | **478,250** | **492,976** | **1,007,064** |
| Cost of sales | (2,783) | (188,765) | (145,515) | (337,073) | (3,155) | (156,519) | (125,577) | (285,251) |
| **Gross profit** | **49,474** | **554,747** | **552,468** | **1,126,679** | **32,683** | **321,731** | **367,399** | **721,813** |
| R&D costs | (572,106) | (1,329) | (98) | (573,533) | (424,084) | (1,029) | (947) | (426,060) |
| Marketing costs | (19,415) | (137,188) | (127,453) | (284,056) | (32,383) | (121,356) | (125,553) | (279,292) |
| Administrative and IT costs | (50,062) | (25,932) | (22,379) | (98,373) | (38,196) | (25,352) | (18,520) | (82,068) |
| Intersegment * | 734,098 | (378,963) | (355,135) | - | 375,790 | (163,422) | (212,368) | - |
| **Current operating income before stock-based compensation** | **141,989** | **11,335** | **17,403** | **170,717** | **(86,190)** | **10,572** | **10,011** | **(65,607)** |
| Stock-based compensation ** | (9,609) | - | - | (9,609) | (9,706) | - | - | (9,706) |
| **OPERATING PROFIT (LOSS) FROM CONTINUING OPERATIONS** | **132,380** | **11,335** | **17,403** | **161,108** | **(95,896)** | **10,572** | **10,011** | **(75,313)** |

* *The parent company invoices subsidiaries for a contribution in the form of royalties to defray development costs (amortization of commercial software and external software development, royalties, etc.).*

** *Expenses linked to stock-based compensation are recognized by the parent company but relate to employees in all geographic regions.*

Other items in the income statement, particularly other operating income and expenses, financial income and expenses and taxes are not monitored segment by segment and are considered to relate to the Group as a whole and in a general way.

## NOTE 26 RELATED PARTY TRANSACTIONS

### Compensation of corporate officers of the Company and of the controlling and/or controlled companies

Messrs. Guillemot are remunerated for their positions as CEO and Executive Vice Presidents. This involves a fixed compensation element – whereby it should be noted that the Compensation Committee has proposed to the Board of Directors to attach to the compensation of the CEO, with effect from April 1, 2014, an annual variable compensation element based on quantitative and/or qualitative criteria and extraordinary compensation after achieving an operational objective. They do not have employment contracts.

The amount of the total gross compensation owed to executives during the year by the Company, the companies controlled by the Company and the companies controlling those in which they perform their duties, within the meaning of IAS 24.16, was €1,029 thousand.

No commitments have been made by the Company in favor of its corporate officers related to their termination or change in responsibilities.

### Compensation of corporate officers

Furthermore, in consideration – very partial – of the responsibilities assumed and also the time spent preparing Board meetings and actively participating therein, directors receive directors' fees consisting of a fixed portion and a variable portion.

The General Meeting of November 20, 2013 set the maximum annual amount of directors' fees that can be paid to members of the Board of Directors and/or committees at €450,000.

During the 2014/2015 financial year, members of the Board of Directors received €412 thousand in directors' fees.

There are no agreements to compensate Board members if they resign or are dismissed without real cause, or if their employment is terminated due to a public offering.

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Short-term benefits (1) | 1,441 | 1,007 |
| Post-employment benefits | N/A | N/A |
| Other long-term benefits | N/A | N/A |
| Compensation for termination of employment contract | N/A | N/A |
| Stock-based compensation (2) | 139 | 61 |
| **TOTAL** | **1,580** | **1,068** |

*N/A: not applicable.*

*(1) Includes fixed and variable compensation, benefits in kind and directors' fees recognized for the financial year.*

*(2) This is the expense for the financial year for share-based payments calculated in accordance with IFRS 2.*

Section 3.2 of this report contains a detailed description of the pay and benefits granted to the corporate executive officers of the Group.

No loans or advances were made to the Company's directors under Article L. 225-43 of the French Commercial Code.

### Related party transactions

The main relationships of the parent company with its subsidiaries relate to:

- production subsidiaries billing the parent company for development costs based on the progress of their projects;
- the parent company invoicing sales and marketing subsidiaries for a contribution to development costs;
- the implementation of cash agreements allowing for centralized management at parent company level of the bank accounts of the majority of the Group companies.

The other significant related party transactions are:

- licenses invoiced to Gameloft SA for €525 thousand over the financial year;
- the amounts invoiced in respect of development contracts by Gameloft SA, AMA Studios SA, AMA Ltd and Longtail Studios Inc. totaling €1,995 thousand. The payable balance at the statement of financial position date is €718 thousand. The amount of the assets (license agreements) in the statement of financial position is €11,812 thousand.

Ubisoft Entertainment SA has not bought back treasury shares from related parties.

No transactions exist with the corporate executive officers, with the exception of their remuneration for their duties as CEO and Executive Vice President.

Transactions made by the Company with associated parties are concluded according to normal market conditions.

There are no other significant transactions with related parties.

## NOTE 27 OFF-BALANCE SHEET COMMITMENTS

### Off-balance sheet commitments related to Company financing

| Type | Description | 03/31/15 | 03/31/14 |
|---|---|---|---|
| **Commitments given by Ubisoft Entertainment SA** | | | |
| Financial guarantees | | 96,312 | 88,478 |
| **Commitments received by Ubisoft Entertainment SA** | | | |
| Lines of credit received and not utilized | | 310,000 | 274,500 |
| Foreign exchange hedges | | 454,690 | 210,206 |

| Type | Description | Expiry at | 03/31/15 |
|---|---|---|---|
| **Commitments given** [1] | | | |
| **Financial guarantees** | | | **96,312** |
| Ubisoft Inc. | Guarantee of commercial commitments | End of commercial relationship | 9,295 |
| Ubisoft Entertainment Inc. | Loan guarantee | 05/01/2017 | 35,000 |
| Ubisoft Entertainment Inc. | Guarantee of investment commitments | 08/31/2020 | 6,929 |
| Ubisoft Ltd | Payment guarantee for acquisition price of shares in Future Games of London Ltd | 12/31/2016 | 11,000 |
| | Stand-by letter | 09/30/2015 | 9,295 |
| | Stand-by letter | 09/15/2015 | 5,500 |
| **Commitments received** [1] | | | |
| **Lines of credit received and not utilized** | | | **310,000** |
| Syndicated loan | | 07/09/2019 | 250,000 |
| Committed lines of credit | | 09/30/2015 | 10,000 |
| Committed lines of credit | | 07/23/2017 | 15,000 |
| Committed lines of credit | | | 35,000 |
| **Foreign exchange hedges** [2] | | | **454,690** |
| Canadian dollar | Forward purchase | April 2015 | 32,756 |
| | Forward purchase | May 2015 | 7,279 |
| | Forward purchase | June 2015 | 7,279 |
| | Forward purchase | July 2015 | 7,279 |
| | Forward purchase | August 2015 | 7,279 |
| | Forward purchase | September 2015 | 7,279 |
| US dollar | Forward purchase | April 2015 | 139,418 |
| | Forward sale | April 2015 | 15,801 |
| | Forward purchase | June 2015 | 10,224 |
| | Forward sale | September 2015 | 37,178 |
| | Forward sale | January 2016 | 27,884 |
| | Forward sale | February 2016 | 120,829 |
| Pound sterling | Forward sale | April 2015 | 12,375 |
| | Forward sale | September 2015 | 13,750 |

*(1) Only commitments of over €5 million are detailed.*

## Leases

### FINANCE LEASES

| Initial value | Amortization | Net amount | Lease payments made | Remaining lease payments -1 year | Remaining lease payments +1 year | Residual value |
|---|---|---|---|---|---|---|
| 11,725 | 643 | 11,082 | 348 | 1,058 | 10,438 | - |

The finance leases relate to two pieces of land and buildings and to transport equipment.

### OPERATING LEASES

These primarily include €24,444 thousand in property leases, none of which exceed ten years.

## Other commitments

The Group has no other material off-statement of financial position commitments.

## Staff

Permanent staff broke down as follows at March 31, 2015:

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Americas | 3,929 | 3,885 |
| EMEA/Pacific | 5,861 | 5,396 |
| **TOTAL** | **9,790** | **9,281** |

The average headcount in 2014/2015 was 9,662.

# NOTE 28 EVENTS AFTER THE REPORTING PERIOD

## Share buyback program

The Board of Directors on May 12, 2015 approved the purchase by the Company of its own shares for a maximum amount of €100 million over a 24-month period. This approval is granted under the share buyback program approved by the General Meeting on July 1, 2014 and implemented by the Board of Directors on the same day. The program will be implemented subject to the renewal by the General Meeting to be held on September 23, 2015 of the authorizations granted to the Board of Directors to trade in its own shares. The shares bought under this program will be cancelled.

## PROFESSIONAL FEES OF THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

(Document prepared in compliance with Article L. 222-8 of the AMF's General Regulation)

| | MB Audit | | | |
|---|---|---|---|---|
| | Amount (excluding tax) | | % | |
| *(in € thousands)* | 2014/2015 | 2013/2014 | 2014/2015 | 2013/2014 |
| **Audit** | | | | |
| • Statutory audit, certification, and review of the separate and consolidated financial statements | | | | |
| • Issuer | 110 | 110 | 79% | 78% |
| • Fully consolidated subsidiaries | 29 | 32 | 21% | 22% |
| • Other verifications and services directly related to the auditor's work | - | - | - | - |
| • Issuer | - | - | - | - |
| • Fully consolidated subsidiaries | - | - | - | - |
| **Subtotal** | **139** | **142** | **100%** | **100%** |
| **Other services rendered by the networks of the fully consolidated subsidiaries** | | | | |
| • Legal, tax, social | - | - | - | - |
| • Other (> 10% of audit fees) | - | - | - | - |
| **Subtotal** | **-** | **-** | **-** | **-** |
| **TOTAL** | **139** | **142** | **100%** | **100%** |

| | KPMG | | | |
|---|---|---|---|---|
| | Amount (excluding tax) | | % | |
| *(in € thousands)* | 2014/2015 | 2013/2014 | 2014/2015 | 2013/2014 |
| **Audit** | | | | |
| • Statutory audit, certification, and review of the separate and consolidated financial statements | | | | |
| • Issuer | 239 | 216 | 37% | 35% |
| • Fully consolidated subsidiaries | 401 | 393 | 61% | 63% |
| • Other verifications and services directly related to the auditor's work | 15 | 15 | 2% | 2% |
| • Issuer | - | - | - | - |
| • Fully consolidated subsidiaries | - | - | - | - |
| **Subtotal** | **655** | **624** | **100%** | **100%** |
| **Other services rendered by the networks of the fully consolidated subsidiaries** | | | | |
| • Legal, tax, social | - | - | - | - |
| • Other (> 10% of audit fees) | - | - | - | - |
| **Subtotal** | **-** | **-** | **-** | **-** |
| **TOTAL** | **655** | **624** | **100%** | **100%** |

# 5.2 Statutory Auditors' report on the consolidated financial statements

*This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Dear Shareholders,

Pursuant to the assignment entrusted to us by your General Meeting, we hereby present our report for the fiscal year ended March 31, 2015, with regard to:

- the audit of the consolidated financial statements of Ubisoft Entertainment SA, as attached to this report;
- the basis for our assessment;
- the specific verification required by law.

The consolidated financial statements were approved by the Board of Directors. It is our task to express an opinion on these financial statements on the basis of our audit.

## 1. OPINION REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS

We have conducted our audit in accordance with accepted professional standards in France. These standards require due diligence in order to ascertain with reasonable certainty that the consolidated financial statements contain no material misstatements. An audit consists in verifying, on a test basis or by means of other methods of selection, elements to the amounts and information contained in the financial statements. It also involves assessing the accounting principles applied, the significant estimates used and the overall presentation of the financial statements. It is our view that the elements that we collected are sufficient and adapted to base our opinion.

We hereby certify that, from the standpoint of IFRS standards as adopted in the European Union, the consolidated financial statements give a true and fair view of the assets, financial position and results of the group comprising the consolidated persons and entities.

## 2. BASIS FOR ASSESSMENT

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code regarding the basis for our assessment, we call to your attention the following items.

### Commercial software and external software developments (commercial software)

The note relating to "Other intangible assets" in the section entitled "Accounting principles and measurement methods" in the Notes describes the accounting principles for the valuation and depreciation of commercial software and external developments.

Our work consisted of assessing the information and assumptions on which these estimates are based, checking the calculations made by the Group, comparing the accounting estimates of previous periods with reality and reviewing the approval procedures of these estimates by the management.

### Goodwill and other intangible assets with indefinite lives

The Company systematically carries out, at the end of each financial year, impairment tests on goodwill and indefinite useful life and also estimates if there is an indication of loss in value of other intangible assets, using the methods described in notes "Goodwill" and "Brands" and in the "Accounting principles and measurement methods" section of the Notes. We have examined the procedures for conducting these impairment tests, as well as the assumptions used, and verified that the note mentioned above provide appropriate information.

### Provisions and contingent liabilities

The "Provisions and contingent liabilities" section of the "Notes to the balance sheet" describes disputes between the Group and certain tax administrations, in France or abroad.

As part of our assessment of the significant estimates used by your Group, we have examined the position of the Group, and where appropriate, consultations with lawyers and tax advisors and we are confident that paragraph entitled "Provisions" in the explanatory note provides appropriate information.

### Deferred tax assets

The "Deferred tax assets" paragraph of the "Notes to the income statement" describes the accounting principles for the recognition and measurement of deferred tax assets whose recoverability is dependent on the existence of future profits.

Our work consisted in assessing the data and assumptions on which management estimates are based, to discuss the modalities of implementation of these estimates and verify that the note mentioned above provides appropriate information.

Our assessments were made within the context of our audit of the consolidated financial statements as a whole, and therefore provided a basis for the opinion expressed in the first part of this report.

## 3. SPECIFIC VERIFICATION

We have also carried out the specific verification required by law of the information provided in the Management report of the Group.

We have no matters to report regarding the accuracy of this information and its consistency with the consolidated financial statements.

Statutory Auditors

| | |
|---|---|
| Nantes, June 2, 2015 | Rennes, June 2, 2015 |
| **KPMG Audit**<br>Division of KPMG S.A. | **MB Audit** |
| **Franck Noël**<br>Partner | **Roland Travers**<br>Partner |

# 5.3 Separate financial statements of Ubisoft Entertainment SA for the year ended March 31, 2015

## 5.3.1 BALANCE SHEET

### Assets

| *(in € thousands)* | Notes | Gross | Depreciation and amortization | 03/31/15 Net | 03/31/14 Net |
|---|---|---|---|---|---|
| Intangible assets | 1 | 1,171,167 | 774,420 | 396,747 | 501,915 |
| Property, plant and equipment | 2 | 10,625 | 4,964 | 5,661 | 5,088 |
| Non-current financial assets. | 3 | 334,879 | 7,965 | 326,914 | 330,459 |
| **Non-current assets** | | **1,516,671** | **787,349** | **729,322** | **837,462** |
| Advances and prepayments made | 4 | 20,882 | | 20,882 | 12,176 |
| Trade receivables | 5 | 128,190 | | 128,190 | 69,816 |
| Other receivables | 6 | 96,340 | | 96,340 | 50,994 |
| Investment securities | 10 | 228,912 | | 228,912 | 10,038 |
| Cash | 10 | 256,326 | | 256,326 | 88,167 |
| **Current assets** | | **730,651** | | **730,650** | **231,191** |
| Prepaid expenses and deferred charges | 11 | 15,959 | | 15,959 | 13,126 |
| **TOTAL ASSETS** | | **2,263,281** | **787,349** | **1,475,931** | **1,081,779** |

### Liabilities

| *(in € thousands)* | Notes | 03/31/15 | 03/31/14 |
|---|---|---|---|
| Capital | | 8,478 | 8,200 |
| Premiums | | 78,197 | 244,541 |
| Reserves | | 727 | 727 |
| Earnings for the period | | 150,700 | (184,120) |
| Regulated provisions | | 377,471 | 475,555 |
| **Equity** | **13** | **615,573** | **544,903** |
| Provisions | 14 | 47,856 | 6,373 |
| Borrowings (1) (2) | 15 | 339,531 | 140,210 |
| Other financial liabilities | 15 | 371,944 | 271,436 |
| Trade payables | | 76,612 | 102,178 |
| Fiscal and social liabilities | | 6,992 | 3,246 |
| Liabilities on non-current assets | | 75 | 1,270 |
| Other liabilities | 16 | 13,365 | 9,331 |
| **Liabilities** | | **808,519** | **527,671** |
| Prepaid expenses and deferred charges | 17 | 3,983 | 2,832 |
| **TOTAL LIABILITIES** | | **1,475,931** | **1,081,779** |
| *(1) Including current portion of borrowings* | | *74,531* | *80,210* |
| *(2) Including current bank credit facilities and bank credit balances* | | *73,098* | *63,886* |

## 5.3.2 INCOME STATEMENT

| *(in € thousands)* | Notes | 03/31/15 (12 months) | 03/31/14 (12 months) |
|---|---|---|---|
| Production for the period | 18 | 1,100,316 | 786,733 |
| Other operating income and reinvoiced costs | 19 | 285,320 | 265,207 |
| **Total operating income** | | **1,385,636** | **1,051,940** |
| Other purchases and external expenses | 20 | 550,519 | 554,474 |
| Taxes and duties | | 2,460 | (625) |
| Personnel costs | | 1,387 | 921 |
| Other expenses | 20 | 685 | 381 |
| Depreciation, amortization and provisions | 21 | 702,047 | 609,370 |
| **Total operating expenses** | | **1,257,098** | **1,164,521** |
| **OPERATING INCOME** | | **128,538** | **(112,581)** |
| **Financial investment income** | | - | - |
| Other interest received [1] | | 2,726 | 2,028 |
| Reversals of provisions and reinvoiced costs | | 1,018 | 1,278 |
| Foreign exchange gains | | 89,702 | 28,684 |
| Net proceeds on sale of investment securities | | 100 | 22 |
| **Total financial income** | | **93,546** | **32,012** |
| Provisions | | 46,601 | 8,427 |
| Other interest paid [2] | | 5,419 | 5,959 |
| Foreign exchange losses | | 90,748 | 27,306 |
| **Total financial expenses** | | **142,768** | **41,692** |
| **NET FINANCIAL INCOME** | **22** | **(49,222)** | **(9,680)** |
| **NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS** | | **79,316** | **(122,261)** |
| **NON-RECURRING ITEMS** | **23** | **97,125** | **(65,201)** |
| **NET INCOME BEFORE TAX** | | **176,441** | **(187,462)** |
| Income tax | 24 | 25,741 | (3,342) |
| **PROFIT (LOSS) FOR THE PERIOD** | | **150,700** | **(184,120)** |
| *(1) Including income relating to associated companies* | | *2,488* | *1,882* |
| *(2) Including expenses relating to associated companies* | | *1,744* | *1,803* |

## 5.3.3 CASH FLOW STATEMENT

| *(in € thousands)* | Notes | 03/31/15 | 03/31/14 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Earnings | | 150,700 | (184,120) |
| Net depreciation and amortization of property, plant and equipment and intangible assets | 19-21 | 444,920 | 354,127 |
| Changes in provisions | 22-23 | (52,461) | 76,859 |
| (Gains) losses on disposal of non-current assets | | - | (3,772) |
| **Net cash from operation** | | **543,159** | **243,094** |
| Trade receivables | 5 | (58,374) | (27,393) |
| Advances and prepayments made [1] | | (4,966) | (462) |
| Other assets | | (46,600) | (16,130) |
| Trade payables [2] | | (25,442) | (10,752) |
| Other liabilities | | 8,931 | (14,859) |
| **Total changes in working capital** | | **(126,451)** | **(69,596)** |
| **Net cash generated by operating activities** | | **416,708** | **173,498** |
| **Cash flows from investment activities** | | | |
| Acquisitions of intangible assets [3] | 1 | (347,270) | (409,867) |
| Acquisitions of property, plant and equipment | 2 | (1,351) | (969) |
| Acquisitions of equity investments | 3 | (66) | 9,769 |
| Acquisitions of other non-current financial assets | 3 | (41,046) | (31,058) |
| Proceeds from the Disposal of non-current assets | | 3,238 | 13,423 |
| Disposal of Gameloft shares | | - | 6,005 |
| Repayment of loans and other financial assets | 3 | 40,927 | 30,681 |
| **Net cash used by investment activities** | | **(345,568)** | **(382,016)** |
| **Cash flows from financing activities** | | | |
| Capital increase | 13 | 229 | 732 |
| Increase in issue premium | 13 | 17,825 | 64,613 |
| New long-term borrowings | | 623,088 | 104,099 |
| Repayment of medium-term borrowings | | (466,300) | - |
| Deferred expenses | | (1,991) | (486) |
| Change in current accounts | | 148,830 | 36,455 |
| **Net cash generated by financing activities** | | **321,681** | **205,413** |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | | **392,821** | **(3,105)** |
| Net cash position at beginning of the fiscal year | 10 | 19,319 | 22,425 |
| Net cash position at end of the fiscal year | 10 | 412,140 | 19,319 |

*(1) Including a change of €3,739 thousand linked to commitments guaranteed but not paid in advances and prepayments made.*
*(2) Including a change of €1,319 thousand linked to commitments guaranteed but not paid in trade payables.*
*(3) Including a change of €5,059 thousand linked to commitments guaranteed but not paid in intangible assets.*

## 5.3.4 NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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## FINANCIAL YEAR HIGHLIGHTS

### Duration of the financial year

The financial year is a 12-month period from April 1, 2014 to March 31, 2015.

### Acquisition/Creation of subsidiaries

#### June 27, 2014: creation of the Ubisoft Games LLC sales and marketing subsidiary in Russia.

### Disposals and contribution of shares

N/A.

### Financing

#### July 2014: Extension of the syndicated loan

The syndicated loan has been extended for a total amount of €250 million (maturing in July 2019). The previous amount was €214.5 million (maturing in July 2017).

#### November 2014: Subscription of a new credit line

Ubisoft Entertainment SA subscribed a new credit line of €10 million (maturing in September 2015).

#### November 2014: Arrangement of a €5 million loan agreement

Ubisoft Entertainment SA has taken out a €5 million loan, the final repayment date of which is September 28, 2018. The loan is intended to finance capital goods, particularly IT, and development costs.

#### March 2015: Establishment of a Schuldschein loan

On March 16, 2015, Ubisoft Entertainment SA signed a Schuldschein type loan agreement of €200 million. The loan is over a five-year term, with a mix of fixed and variable interest rates, and an average cost of financing at 1.8%, at the lower range offered.

#### March 2015: Issuance of 10,780,000 share issuance warrants

As part of the authorization granted by the General Meeting of June 26, 2013 under the 18th resolution and the sub-delegation granted by the Board of Directors on March 19, 2015, it was decided on March 27, 2015 to proceed with the issuance of 10,780,000 share issuance warrants, with preferential subscription rights for shareholders, exercisable at the Company's discretion and subscribed by Crédit Agricole Corporate and Investment Bank.

One share issuance warrant entitles the holder to subscribe for one new share. The share issuance warrants have been issued with a unit value of €0.0001.

### Finance and property lease

#### January 2015: Establishment of a finance lease agreement

On January 5, 2015, Ubisoft Entertainment SA signed a finance lease with an option to purchase the building located at 28/32, rue Armand-Carrel in Montreuil-sous-Bois (93100). This agreement was signed for a 12-year term.

## COMPARABILITY OF FINANCIAL STATEMENTS

### Change in estimation

N/A.

### Items affecting comparability

N/A.

## ACCOUNTING RULES AND METHODS

#### General principles

Ubisoft Entertainment SA's annual financial statements have been prepared in accordance with the ANC's accounting regulation Nº 2014-03 approved by the decree of September 8, 2014.

General accounting conventions were applied in accordance with the principle of financial prudence and the following basic rules: going-concern assumption; continuity of accounting methods from one financial year to the next, matching principle, fair presentation, consistency and accuracy, and in accordance with the general rules governing the preparation and presentation of annual financial statements.

The basic method used to measure items in the financial statements was historical cost.

The accounting methods applied are consistent with industry practice.

#### Intangible assets

Intangible assets include:

- commercial software;
- external software developments;
- engines and tools;

- information system developments;
- acquired brands;
- the logo;
- office software.

## Accounting and subsequent valuation:

#### COMMERCIAL SOFTWARE AND EXTERNAL SOFTWARE DEVELOPMENTS

Commercial software and external software developments are capitalized when they meet the definition of an asset as per CRC regulation 2004-06 and are valued at production cost.

Development costs, whether they are subcontracted to Group studios or made externally, are recognized as subcontracting expenses and transferred to "Intangible assets in progress" via a capitalized production costs account.

On their release date, the development costs recognized as "Intangible assets in progress", as development progresses, are transferred to "Released commercial software" or "Released external software developments" for amortization.

#### BRANDS

Any brands acquired are recognized at cost.

## Depreciation, amortization and value impairment methods

| Types of non-current assets | Depreciation method | Impairment method |
|---|---|---|
| Commercial software | 1 to 3 years, straight-line, starting on the commercial release date | At the end of each financial year and for each software program, expected cash flows are calculated (over a maximum period of 2 years). When these flows are below the net accounting value of the software, impairment is recognized. |
| External software developments | According to the sold quantities and the royalty rates specified in the contracts | |
| Engines and tools | 3 years, straight-line | No impairment test in the absence of any indication of impairment. |
| Information system developments | 5 years, straight-line | |
| Acquired brands | No amortization due to indefinite useful life | Impairment tests are carried out on brands at the end of each financial year or more often if there are indications of loss in value. The recoverable value of brands is defined using the royalty method to forecast revenue associated with the brand tested (taking a final value into account). Impairment is recognized when this value is below the net accounting value. |
| Office software | 1 year, straight-line | No impairment test in the absence of any indication of impairment. |

According to the regulations on depreciation and impairment of assets, the Group is requested to periodically revise its depreciation periods based on the observed useful life.

Provisional data is updated using a rate based on a valuation of the average cost of capital, which stood at 8.47% at March 31, 2015, against 8.89% at March 31, 2014.

### Property, plant and equipment

Property, plant and equipment are measured at their acquisition cost (purchase price plus incidental expenses) minus rebates and discounts.

Given the type of assets held, no component was identified.

The depreciation method used is straight-line and the depreciation periods used for the various types of non-current assets are as follows:

| Type of asset | Period *(in years)* |
|---|---|
| Buildings | 20 |
| Fixtures and fittings | 10 |
| Office furniture | 10 |
| Equipment | 5 |
| Computer hardware | 3 |

## Non-current financial assets

***Equity investments*** are valued at their historical cost plus all related acquisition costs. Any additional payments are recognized in the acquisition price as soon as they can be measured with sufficient reliability.

If the value of the securities exceeds their value of use, depreciation is recognized for the difference.

The value of use is assessed at the end of each financial year based on the net assets (or the restated net assets) of the subsidiary in question at that date, the market capitalization at the statement of financial position date if the company is listed and/or its medium-term earnings prospects. If applicable, the provisional data utilized are updated using a rate based on a valuation of the average cost of capital, which stood at 8.47% at March 31, 2015.

***Own shares*** are valued at the lower of cost or market value (average of the last 20 trading sessions).

***Deposits and sureties are*** recognized on the basis of the amounts paid.

## Advances and prepayments made

Advances and prepayments primarily involve distribution and reproduction rights (licenses) acquired from other software publishers. License agreements commit Ubisoft to an amount of guaranteed royalties. This amount is registered in the statement of financial position under "Advances and prepayments made", whether or not it has been paid at the closing date. The guaranteed amounts are recognized in the income statement on the basis of the agreements signed with software publishers (either by the unit or based on gross profit or on revenue) or amortized on a straight-line basis for agreements with fixed royalty payments (flat fees).

At the end of the financial year, the net accounting value is compared with sales projections on the basis of the terms and conditions of the agreement. If they are insufficient, depreciation is recognized.

## Receivables

Receivables are valued at their par value. Impairment is recorded when the inventory value of a receivable is below its par value and/or when collection difficulties are clearly identified at the closing date.

## Foreign currency transactions

Foreign currency transactions are recognized based on daily exchange rates, except those that have been hedged, which are then recognized at the hedging rate.

Liabilities, receivables and cash denominated in foreign currencies are converted at rates prevailing on March 31, 2015, except those that have been hedged, which are converted at the hedging rate.

Unrealized gains and losses on receivables and liabilities are recognized in the statement of financial position as foreign exchange gains and losses and a provision for foreign-exchange risk is recorded if conversion reveals the existence of unrealized losses.

Conversion rate adjustments on cash and current accounts in foreign currencies are immediately recognized as foreign exchange income/loss.

## Foreign exchange hedges

Ubisoft uses financial derivatives to reduce its exposure to market risks linked to movements in exchange rates.

For purposes of the hedging thus established, income and expenses on financial derivatives are recognized as financial income and are offset against the income and expenses arising on the hedged items.

The transactions attached to hedging derivatives (mostly USD, GBP and CAD) are recognized in operating income at the hedging rate. The difference between the historical rate of the hedged transaction and the relevant hedging rate is recognized in financial income.

## Investment securities

Investment securities consist of interests in mutual funds and short-term investments and are measured at the lower of cost or market value.

## Provisions

Provisions are recognized where risks and charges have a clearly defined purpose but are not certain to arise, made likely by events that have occurred or are in progress.

A provision for exchange losses is recognized, if applicable, up to the negative fair value of the non-hedge foreign exchange derivatives.

## Regulated provisions

Regulated provisions relate only to the accelerated depreciation on:

- acquisition costs incorporated in the cost price of equity investments. These costs are deducted in tax terms over five years by means of accelerated tax depreciation;
- development expenditure of software. The Company decided to adopt immediate deductibility of expenditure for the development of software according to Article 236 of the CGI (French General Tax Code).

## Borrowings and financial liabilities

Borrowings are recognized under liabilities according to their payment dates.

Unused agreements at the statement of financial position date are listed in the off-statement of financial position commitments.

Costs related to the issue of loans are broken down over the term of the loan in question.

## NOTES TO THE BALANCE SHEET

### NOTE 1 INTANGIBLE ASSETS

| *(in € thousands)* | Gross | Depreciation and amortization | 03/31/15 Net | 03/31/14 Net |
|---|---|---|---|---|
| Released commercial software | 723,258 | 659,466 | 63,792 | 60,259 |
| Released external software developments | 65,305 | 62,124 | 3,181 | 1,606 |
| Commercial software in progress | 346,131 | 46,881 | 299,250 | 397,515 |
| External software developments in progress | 15,115 | - | 15,115 | 27,925 |
| Brands and operating licenses | 10,299 | 141 | 10,158 | 10,158 |
| Other | 11,059 | 5,809 | 5,250 | 4,452 |
| **TOTAL** | **1,171,168** | **774,421** | **396,747** | **501,915** |

| Non-current assets (Gross value) | Opening balance | Increase | Decrease | Reclassifications | Closing balance |
|---|---|---|---|---|---|
| Released commercial software | 702,112 | 1,207 | 389,966 | 409,906 | 723,258 |
| Released external software developments | 96,470 | 3,724 | 66,749 | 31,860 | 65,305 |
| Commercial software in progress | 433,221 | 326,054 | 3,238 | (409,906) | 346,131 |
| External software developments in progress | 38,173 | 8,802 | - | (31,860) | 15,115 |
| Brands and operating licenses | 10,419 | - | 120 | - | 10,299 |
| Other | 8,634 | 2,425 | - | - | 11,059 |
| **TOTAL 03/31/15** | **1,289,029** | **342,212** | **460,073** | **-** | **1,171,168** |
| **TOTAL 03/31/14** | **1,175,291** | **408,051** | **294,313** | **-** | **1,289,029** |

The €327,261 thousand increase in commercial software is solely the result of capitalized production.

| Depreciation and amortization | Opening balance | Increase | Decrease | Reclassifications | Closing balance |
|---|---|---|---|---|---|
| Released commercial software | 641,853 | 407,521 | 389,966 | 57 | 659,465 |
| Released external software developments | 94,864 | 23,761 | 66,749 | 10,248 | 62,124 |
| Commercial software in progress | 35,706 | 11,232 | - | (57) | 46,881 |
| External software developments in progress | 10,248 | - | - | (10,248) | - |
| Brands and operating licenses | 261 | - | 120 | - | 141 |
| Other | 4,182 | 1,627 | - | - | 5,809 |
| **TOTAL 03/31/15** | **787,114** | **444,141** | **456,835** | **-** | **774,420** |
| **TOTAL 03/31/14** | **741,416** | **353,407** | **280,709** | **-** | **787,114** |

The decrease in commercial software and external software developments is explained primarily by the removal from assets of software for which the net accounting value is zero at the year-end.

## NOTE 2 PROPERTY, PLANT AND EQUIPMENT

| *(in € thousands)* | Gross | Depreciation and amortization | 03/31/15 Net | 03/31/14 Net |
|---|---|---|---|---|
| Buildings | 765 | 87 | 678 | 716 |
| Fixtures and fittings | 8,426 | 4,291 | 4,135 | 4,195 |
| Transport equipment | 20 | 13 | 7 | 11 |
| Computer hardware and furniture | 786 | 573 | 213 | 162 |
| Non-current assets in progress | 628 | - | 628 | 4 |
| **TOTAL** | **10,625** | **4,964** | **5,661** | **5,088** |

| Non-current assets (Gross value) | Opening balance | Increase | Decrease | Reclassifications | Closing balance |
|---|---|---|---|---|---|
| Buildings | 765 | - | - | - | 765 |
| Fixtures and fittings | 7,802 | 176 | - | 448 | 8,426 |
| Transport equipment | 20 | - | - | - | 20 |
| Computer hardware and furniture | 788 | 103 | 105 | - | 786 |
| Non-current assets in progress | 4 | 1,072 | - | (448) | 628 |
| **TOTAL 03/31/15** | **9,379** | **1,351** | **105** | **-** | **10,625** |
| **TOTAL 03/31/14** | **10,134** | **969** | **1,724** | **-** | **9,379** |

| Depreciation and amortization | Opening balance | Increase | Decrease | Reclassifications | Closing balance |
|---|---|---|---|---|---|
| Buildings | 49 | 38 | - | - | 87 |
| Fixtures and fittings | 3,607 | 684 | - | - | 4,291 |
| Transport equipment | 9 | 4 | - | - | 13 |
| Computer hardware and furniture | 626 | 52 | 105 | - | 573 |
| **TOTAL 03/31/15** | **4,291** | **778** | **105** | **-** | **4,964** |
| **TOTAL 03/31/14** | **5,294** | **721** | **1,724** | **-** | **4,291** |

## NOTE 3 NON-CURRENT FINANCIAL ASSETS

| (in € thousands) | Gross | Impairment | 03/31/15 Net | 03/31/14 Net |
|---|---|---|---|---|
| Equity investments | 332,536 | 7,960 | 324,576 | 328,235 |
| Other non-current investments | 1,377 | 5 | 1,372 | 1,314 |
| Deposits and sureties | 966 | - | 966 | 910 |
| **TOTAL** | **334,879** | **7,965** | **326,914** | **330,459** |

| Non-current assets (Gross value) | Opening balance | Increase | Decrease | Closing balance |
|---|---|---|---|---|
| Equity investments | 332,470 | 66 | - | 332,536 |
| Other non-current investments | 1,314 | 40,806 | 40,743 | 1,377 |
| Deposits and sureties | 910 | 240 | 184 | 966 |
| **TOTAL 03/31/15** | **334,694** | **41,112** | **40,927** | **334,879** |
| **TOTAL 03/31/14** | **344,086** | **36,759** | **46,151** | **334,694** |

The change in other non-current investments reflects purchases and sales of own shares held under the liquidity agreement.

| Provisions | Opening balance | Increase | Decrease | Closing balance |
|---|---|---|---|---|
| Equity investments | 4,235 | 3,839 | 114 | 7,960 |
| Other non-current investments | - | 5 | - | 5 |
| **TOTAL 03/31/15** | **4,235** | **3,844** | **114** | **7,965** |
| **TOTAL 03/31/14** | **1,053** | **3,201** | **19** | **4,235** |

The increase in the provisions for impairment of equity investments is due to the decline in the value in use of the companies' securities.

## NOTE 4 ADVANCES AND PREPAYMENTS MADE

The sum of €20,882 thousand in "Advances and prepayments made" is primarily comprised of guaranteed advances on license agreements which break down as follows:

| (in € thousands) | 03/31/15 | 03/31/14 |
|---|---|---|
| **Net at opening** | **12,167** | **5,829** |
| New guarantees | 17,300 | 17,012 |
| Depreciation and amortization | 8,658 | 10,674 |
| **NET AT YEAR-END** | **20,809** | **12,167** |

## NOTE 5 TRADE RECEIVABLES

| (in € thousands) | Gross | Impairment | 03/31/15 Net | 03/31/14 Net |
|---|---|---|---|---|
| Trade receivables | 40,707 | - | 40,707 | 41,374 |
| Related accounts | 87,483 | - | 87,483 | 28,442 |
| **TOTAL** | **128,190** | **-** | **128,190** | **69,816** |

"Trade receivables" basically consists of intra-group receivables.

### Customer payment terms

Pursuant to the provisions of Articles L. 441-6-1 p.1 and D. 441-4 of the French Commercial Code, the Company's liabilities to customers at the close of the last two financial years by due date is:

| | Receivables by contractual due date | | | |
|---|---|---|---|---|
| Due date | Total trade receivables: 0 to 30 days | Total trade receivables: 31 to 60 days | Total trade receivables: 61 to 90 days | Total |
| At 03/31/15 | 35,607 | 2,869 | 1,318 | 39,795 * |
| At 03/31/14 | 37,809 | 3,634 | - | 41,443 |

* *Before discount to the closing rate.*

## NOTE 6 OTHER RECEIVABLES

| (in € thousands) | Gross | Impairment | 03/31/15 Net | 03/31/14 Net |
|---|---|---|---|---|
| Suppliers – credit notes to receive | 7,543 | - | 7,543 | 16,369 |
| Government (VAT credit, tax) | 7,108 | - | 7,108 | 14,836 |
| Associated current account advances | 81,676 | - | 81,676 | 18,083 |
| Other miscellaneous debtors | 13 | - | 13 | 1,706 |
| **TOTAL** | **96,340** | **-** | **96,340** | **50,994** |

The change in associated current account advances corresponds to the advances made to subsidiaries to finance their specific business needs.

## NOTE 7 STATEMENT OF RECEIVABLES AND LIABILITIES BY MATURITY

### Statement of receivables at March 31, 2015

| *(in € thousands)* | Gross amount | < 1 year | >1 year |
|---|---|---|---|
| **Receivables on non-current assets** | **968** | | |
| Other non-current financial assets | 968 | | 968 |
| **Receivables on current assets** | **257,621** | | |
| Advances and prepayments made | 20,882 | 20,882 | |
| Trade receivables | 128,190 | 128,190 | |
| Government (VAT credit, sundry) | 7,108 | 7,108 | |
| Group and associates | 81,676 | 81,676 | |
| Other miscellaneous debtors | 7,556 | 7,556 | |
| Prepaid expenses | 12,209 | 12,209 | |
| **TOTAL** | **258,589** | **257,621** | **968** |

### Statement of liabilities at March 31, 2015

| *(in € thousands)* | Gross amount | < 1 year | >1 year |
|---|---|---|---|
| Bonds | 61,324 | 1,324 | 60,000 |
| Bank borrowings and debts | 278,207 | 73,207 | 205,000 |
| Other borrowings and financial liabilities | 371,944 | 369,844 | 2,100 |
| Trade payables | 76,612 | 75,159 | 1,453 |
| Fiscal and social liabilities | 6,992 | 6,992 | - |
| Other liabilities | 13,365 | 13,365 | - |
| Liabilities on non-current assets | 75 | 75 | - |
| **TOTAL** | **808,519** | **539,966** | **268,553** |

### Supplier payment terms

Pursuant to the provisions of Articles L. 441-6-1 p.1 and D. 441-4 of the French Commercial Code, the Company's liabilities to suppliers at the close of the last two financial years by due date is:

| | Liabilities by contractual due date | | |
|---|---|---|---|
| Due date | Total trade payables: 0 to 30 days | Total trade payables: 31 to 60 days | Total |
| At 03/31/15 | 9,940 | 283 | 10,223 |
| At 03/31/14 | 55,560 | 561 | 56,121 |

## NOTE 8 ACCRUED INCOME

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Associated company – credit notes to receive | 7,543 | 16,369 |
| Income not yet invoiced * | 87,483 | 28,442 |
| Interest receivable on current accounts | 57 | 102 |
| Interest receivable from banks | 273 | 142 |
| **TOTAL** | **95,356** | **45,055** |

* *Mainly relate to transactions with subsidiaries.*

## NOTE 9 ACCRUED EXPENSES

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Bank charges payable | 255 | 388 |
| Interest accrued on current accounts | 103 | 61 |
| Trade payables, invoices to receive * | 66,195 | 45,902 |
| Credit notes to issue * | 13,235 | 5,828 |
| Fiscal and social liabilities | 1,768 | 324 |
| **TOTAL** | **81,556** | **52,503** |

* *Mainly relate to transactions with subsidiaries.*

## NOTE 10 INVESTMENT SECURITIES AND CASH

| Type | Gross value | Fair value | Provision | Net amount |
|---|---|---|---|---|
| UCITS | 227,650 | 227,692 | - | 227,650 |
| Own shares * | 1,262 | 5,528 | - | 1,262 |
| **TOTAL** | **228,912** | **233,220** | **-** | **228,912** |

* *321,309 of the 400,000 shares acquired on the market and allocated to cover the stock option plan authorized by the Board of Directors on March 9, 2012.*

The cash breakdown is as follows:

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Investment securities | 228,912 | 10,038 |
| Cash | 256,326 | 88,167 |
| Bank overdrafts and short-term loans | (73,098) | (78,886) |
| **TOTAL** | **412,140** | **19,319** |

## NOTE 11 PREPAID EXPENSES AND DEFERRED CHARGES

| | Opening balance | Increase | Decrease | Closing balance |
|---|---|---|---|---|
| Prepaid expenses | 11,051 | 12,209 | 11,051 | 12,209 |
| Credit line issuance costs | 1,379 | 885 | 430 | 1,834 |
| Loan issuance costs | 406 | 1,105 | 105 | 1,406 |
| Foreign exchange gains and losses (assets) | 290 | 510 | 290 | 510 |
| **TOTAL 03/31/15** | **13,126** | **14,709** | **11,876** | **15,959** |
| **TOTAL 03/31/14** | **8,398** | **11,827** | **7,099** | **13,126** |

## NOTE 12 RELATED PARTY TRANSACTIONS

Three main categories are identified:

- relationships between the parent company and its subsidiaries the main transactions of which relate to:
  - production subsidiaries billing the parent company for development costs based on the progress of their projects,
  - the parent company invoicing sales and marketing subsidiaries for a contribution to development costs,
  - the implementation of cash agreements allowing for centralized management at parent company level of the bank accounts of the majority of the Group companies;
- transactions with corporate officers.

Five of the corporate officers hold management roles for which they also receive compensation and are granted stock options. Information relating to these transactions is detailed in Note 5.3.4.6;

- the other significant related party transactions are:
  - the amounts invoiced in respect of development contracts by AMA Studios SA, AMA Ltd, Longtail Studios Inc. and Gameloft SA totaling €121 thousand.

At the end of March 2015, trade payables totaled €682 thousand and the assets (license agreements) totaled €11,812 thousand.

## NOTE 13 EQUITY

### Statement of changes in equity

| | | | Capital increase | | | Regulated provisions | | |
|---|---|---|---|---|---|---|---|---|
| *(in € thousands)* | 03/31/14 | Allocation of 2013/2014 earnings | cash contribution | by deduction from premiums | Earnings for the period | Provisions | Reversal | 03/31/15 |
| Capital | 8,200 | - | 229 | 49 | - | - | - | 8,478 |
| Premiums | 244,541 | (184,120) | 17,825 | (49) | - | - | - | 78,197 |
| Legal reserve | 727 | - | - | - | - | - | - | 727 |
| Other reserves | - | - | - | - | - | - | - | - |
| Earnings for the period | (184,120) | 184,120 | - | - | 150,700 | - | - | 150,700 |
| Regulated provisions | 475,555 | - | - | - | - | 172,434 | 270,518 | 377,471 |
| **TOTAL** | **544,903** | **-** | **18,054** | **-** | **150,700** | **172,434** | **270,518** | **615,573** |

## Capital

At the end of March 2015, Ubisoft Entertainment SA's capital of €8,478,237.45 was comprised of 109,396,612 shares.

## Number of Ubisoft Entertainment SA shares

| | |
|---|---|
| **AT 04/01/14** | **105,806,973** |
| Option exercises | 2,741,883 |
| Free share grants | 636,614 |
| Group savings scheme | 211,142 |
| **AT 03/31/15** | **109,396,612** |

The maximum number of shares to be created is 8,307,244:

- 4,875,020 through the exercise of stock options;
- 3,432,224 through the allocation of free shares.

## Stock options

The increase in capital and premiums over the past financial year was partly driven by the exercise of stock options. For the record, the conditions of exercise, subject to satisfaction of attendance and performance requirements for corporate officers and to the satisfaction of attendance requirements for employee beneficiaries of stock option plans, are as follows:

### Subscription options

| | 11th plan | 12th plan | | 19th plan | | 20th plan | | 21st plan |
|---|---|---|---|---|---|---|---|---|
| Total number of shares granted | 1,570,134 (1) | 1,487,128 (1) | | 3,108,309 (1) | | 121,171 (1) | | 4,551 (1) |
| Start of exercise period | 10/14/05 | 11/17/05 | | 05/12/10 | | 06/18/10 | | 12/15/10 |
| End of exercise period | 10/13/14 | 11/16/14 | | 05/11/14 | | 06/17/14 | | 12/14/14 |
| Strike price of options (1) | €3.84 | €3.64 | €3.83 | €14.75 | €14.24 | €15.43 | €16.71 | €9.93 |
| | | (France) | (Italy) | (France) | (World) | (France) | (World) | |
| Options at April 1, 2014 (1) | 165,515 | 580,056 | | 2,638,932 | | 80,549 | | 1,517 |
| Options granted during the period | - | - | | - | | - | | - |
| Options exercised during the period | 165,110 | 580,056 | | - | | - | | 1,517 |
| Options cancelled during the period | 405 | - | | 2,638,932 | | 80,549 | | - |
| Options outstanding at March 31, 2015 | - | - | | - | | - | | - |

| | 22nd plan | 23rd plan | | 24th plan | | 25th plan | |
|---|---|---|---|---|---|---|---|
| Total number of shares granted (1) | 120,336 (1) | 3,123,939 (1) | | 3,256,413 (1) | | 936,970 (1) | |
| Start of exercise period | 04/29/11 | 06/30/11 | | 04/27/12 | | 10/19/13 | |
| End of exercise period | 04/28/15 | 06/29/15 | | 04/26/16 | | 10/18/17 | |
| Strike price of options (1) | €9.91 | €7.02 | €6.32 | €6.77 | €6.77 | €6.37 | €6.65 |
| | | (France) | (World) | (France) | (World) | (France) | (World) |
| Options at April 1, 2014 (1) | 120,336 | 2,221,933 | | 2,272,445 | | 880,220 | |
| Options granted during the period | - | - | | - | | - | |
| Options exercised during the period | - | 1,368,541 | | 440,519 | | 140,535 | |
| Options cancelled during the period | 120,336 | 21,748 | | 38,195 | | (250) | |
| Options outstanding at March 31, 2015 | - | 831,644 | | 1,793,731 | | 739,935 | |

| | 26th plan | | 27th plan | 28th plan | 29th plan | Total |
|---|---|---|---|---|---|---|
| Total number of shares granted (1) | 798,125 (1) | | 100,000 | 665,740 | 62,200 | |
| Start of exercise period | 10/29/14 | | May 2018 | 09/24/15 | 12/16/15 | |
| End of exercise period | 10/28/18 | | 03/16/19 | 09/23/19 | 12/15/19 | |
| Strike price of options (1) | €9.54 (France) | €8.83 (World) | €11.92 | €12.92 | €14.22 | |
| Options at April 1, 2014 (1) | 798,125 | | 100,000 | - | - | 9,859,628 |
| Options granted during the period | - | | - | 665,740 | 62,200 | 727,940 |
| Options exercised during the period | 45,605 | | - | | | 2,741,883 |
| Options cancelled during the period | 53,250 | | 15,000 | 2,500 | | 2,970,665 |
| Options outstanding at March 31, 2015 | 699,270 | | 85,000 | 663,240 | 62,200 | 4,875,020 |

*(1) Subscription number and price adjusted following the issuance of share subscription warrants on April 10, 2012.*

The Company has not recognized a liability as the exercise of stock options involves the creation of new shares.

### Purchase options

| | 24th plan |
|---|---|
| Total number of shares granted (1) | 421,705 |
| Start of exercise period | 04/27/12 |
| End of exercise period | 04/26/16 |
| Strike price of options (1) | €6.77 |
| Purchase options at April 1, 2014 (1) | 363,359 |
| Purchase options granted during the period | - |
| Number of purchase options exercised during the period | 39,629 |
| Purchase options granted during the period | 741 |
| Purchase options outstanding at March 31, 2015 | 322,989 |

*(1) Subscription number and price adjusted following the issuance of share subscription warrants on April 10, 2012.*

The Company has not recorded a liability because the exercise price exceeds the cost of shares allocated to plan coverage.

## Free share grants settled in cash

In the first half of the 2013 financial year, Ubisoft decided to allocate to its employees a phantom plan, which is assessed based on the development of the value of the share on Euronext Paris and is contingent upon compliance with the attendance and performance conditions.

| | Phantom plan |
|---|---|
| Grant date | 07/02/12 |
| Maturity – vesting period | 3 years |
| Total number of shares granted | 61,000 |
| Total number of exercisable shares | 61,000 |
| Carrying value of the liability at the closing date | €962,046 |
| Intrinsic value of the liability at the closing date | €1,049,505 |
| Total expense recognized at the closing date | €499,463 |

## Free share grants settled in shares

Free share grants, which are subject to performance conditions, are locked in for a two- or four-year period following the grant date. As the shares granted are ordinary shares in the same category as the old shares that comprise the Company's share capital, employee shareholders receive dividends and voting rights on all their shares at the end of the vesting period.

| | 03/31/11 | | 03/31/12 | | 03/31/13 | |
|---|---|---|---|---|---|---|
| Grant date | 06/30/10 | 11/15/10 | 06/24/11 | 10/19/12 | 10/19/12 | 02/08/13 |
| Maturity – vesting period *(in years)* | 4 years | 4 years | 4 years | 2 years | 4 years | 4 years |
| Number of instruments as at April 1, 2014 (1) | 153,710 | 197,197 | 129,207 | 287,700 | 424,730 | 310,500 |
| Number of instruments granted during the period | - | - | - | | - | - |
| Number of cancelled instruments during the period | 2,023 | 3,540 | 1,012 | (3,570) | 27,500 | 13,500 |
| Number of instruments exercised during the period | 151,687 | 193,657 | - | 291,270 | - | - |
| Number of instruments as at March 31, 2015 | - | - | 128,915 | - | 397,180 | 297,000 |

*(1) Number adjusted following issuance of share subscription warrants on April 10, 2012.*

| | 03/31/14 | | | | | |
|---|---|---|---|---|---|---|
| Grant date | 05/14/13 | 06/17/13 | 10/09/13 | 10/29/13 | 02/11/14 | 03/17/14 |
| Maturity – vesting period *(in years)* | 4 years | 4 years | 4 years | 4 years | 4 years | 4 years |
| Number of instruments as at April 1, 2014 | 155,600 | 223,163 | 40,000 | 683,360 | 10,000 | 268,200 |
| Number of instruments granted during the period | - | - | - | - | - | - |
| Number of cancelled instruments during the period | 9,300 | 2,330 | - | 29,772 | - | 5,000 |
| Number of instruments exercised during the period | - | - | - | - | - | - |
| Number of instruments as at March 31, 2015 | 146,300 | 220,833 | 40,000 | 653,588 | 10,000 | 263,200 |

| | 03/31/15 | | | | | Total |
|---|---|---|---|---|---|---|
| Grant date | 07/01/14 | 09/24/14 | 09/24/14 | 12/16/14 | 12/16/14 | |
| Maturity – vesting period *(in years)* | 4 years | 4 years | 3 years | 4 years | 3 years | |
| Number of instruments as at April 1, 2014 | - | - | - | - | - | 2,883,367 |
| Number of instruments granted during the period | 572,898 | 10,710 | 392,850 | 242,600 | 72,270 | 1,291,328 |
| Number of cancelled instruments during the period | 14,080 | - | 1,320 | - | - | 105,857 |
| Number of instruments exercised during the period | - | - | - | - | - | 636,614 |
| Number of instruments as at March 31, 2015 | 558,818 | 10,710 | 391,530 | 242,600 | 72,270 | 3,432,224 |

## Group savings scheme

Ubisoft also offers Group savings schemes to allow workers in France and abroad to acquire Ubisoft shares as part of reserved capital increases. Workers acquire these shares with a maximum discount of 15% versus the average opening price over the 20 trading days prior to the Board of Directors' meeting that approved the capital increase.

The retention period is five years for French employees.

| | 03/31/15 | 03/31/14 | |
|---|---|---|---|
| Grant date | 07/15/14 | 03/26/14 | 07/18/13 |
| Subscription price *(in €)* | 8.89 | 10.13 | 6.237 |
| Number of shares subscribed | 211,142 | 96,587 | 95,415 |

## Own shares

As at March 31, 2015, the Company held 402,492 own shares.

| Number of shares in portfolio: | |
|---|---|
| • Liquidity agreements | 81,183 |
| • Purchase stock option hedges | 321,309 |

## NOTE 14 PROVISIONS IN THE BALANCE SHEET

| | 03/31/14 | Provisions | Reversals: Provision used | Reversals: Provision unused | Reclassifications | 03/31/15 |
|---|---|---|---|---|---|---|
| **Provisions for risks** | | | | | | |
| For foreign exchange risks | 726 | 395 | 726 | - | - | 395 |
| For subsidiary risks | 5,634 | 41,827 | - | - | - | 47,461 |
| For lawsuits | 13 | - | 13 | - | - | - |
| **Impairments** | | | | | | |
| On equity investments | 4,235 | 3,840 | 114 | - | - | 7,961 |
| On current account advances | 125 | - | - | 125 | - | - |
| **TOTAL 03/31/15** | **10,733** | **46,062** | **853** | **125** | **-** | **55,817** |
| **TOTAL 03/31/14** | **3,801** | **7,930** | **998** | **-** | **-** | **10,733** |

Details of the changes in provisions for equity investments are provided in Note 3 “Non-current financial assets”.

Details of the changes in regulated provisions are provided in Note 13 “Statement of changes in equity”.

## NOTE 15 BORROWINGS

| | 03/31/15 | 03/31/14 | |
|---|---|---|---|
| Bonds [1] | 60,000 | 60,000 | |
| Medium/long-term borrowings [2] | 205,000 | - | |
| Accrued interest [1] | 1,687 | 1,712 | |
| Bank overdrafts | 72,844 | 78,498 | |
| **Borrowings** | **339,531** | **140,210** | |
| Fixed-rate debt | 111,353 | 60,000 | |
| Variable-rate debt | 228,178 | 80,210 | |
| | **< 1 YEAR** | **FROM 1 TO 5 YEARS** | **> 5 YEARS** |
| Amounts payable at March 31, 2015 | 74,531 | 265,000 | |

*(1) Bonds for €20 million and €40 million, accrued interest at the closing date came to €1,324 thousand.*

*(2) Loan of €5 million and €200 million Schuldschein loan, accrued interest at the closing date came to €109 thousand.*

The breakdown of borrowings by currency was as follows:

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Euro | 339,316 | 139,885 |
| Other currencies | 215 | 325 |
| **BORROWINGS** | **339,531** | **140,210** |

The €371,944 thousand of other financial liabilities in the statement of financial position consists of:

- current account advances by subsidiaries to the parent company, which are due in less than one year;
- the participatory loan with Bpifrance of €2.7 million;
- commercial papers of €15 million.

### NOTE 16 OTHER LIABILITIES

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Trade receivables – credit notes to issue [1] | 13,235 | 5,828 |
| Other liabilities | 130 | 3,503 |
| **TOTAL** | **13,365** | **9,331** |

*(1) Credit notes to issue relate to associated companies.*

### NOTE 17 PREPAID EXPENSES AND DEFERRED CHARGES

| | Opening balance | Increase | Decrease | Closing balance |
|---|---|---|---|---|
| Deferred income | 2,756 | - | - | 2,756 |
| Conversion rate adjustment (liabilities) | 76 | 1,227 | 76 | 1,227 |
| **TOTAL 03/31/15** | **2,832** | **1,227** | **76** | **3,983** |
| **TOTAL 03/31/14** | **63** | **2,832** | **63** | **2,832** |

## NOTES TO INCOME STATEMENT

### NOTE 18 PRODUCTION FOR THE PERIOD

Production for the period comprises:

- sales, essentially made up of intra-group invoicing of royalties;
- capitalized production reflecting development costs outsourced to subsidiaries and external developers.

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Sales | 755,288 | 377,545 |
| Capitalized production costs for commercial software | 327,444 | 382,038 |
| Capitalized production costs for external software developments | 17,585 | 27,150 |
| **PRODUCTION FOR THE PERIOD** | **1,100,316** | **786,733** |

The breakdown of sales by geographic region was as follows:

| | 03/31/15 | | 03/31/14 | |
|---|---|---|---|---|
| | *(in € thousands)* | *%* | *(in € thousands)* | % |
| Europe | 345,460 | 46% | 158,677 | 42% |
| North America | 369,906 | 49% | 205,651 | 55% |
| Asia | 21,731 | 3% | 8,061 | 2% |
| Rest of the world | 18,191 | 2% | 5,156 | 1% |
| **SALES** | **755,288** | **100%** | **377,545** | **100%** |

## NOTE 19 OTHER OPERATING INCOME AND REINVOICED COSTS

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Reversals of provisions on commercial software developments * | 256,586 | 253,106 |
| Reversals of provisions on external software developments | 541 | 2,293 |
| Reversals of provisions for risks and charges | 13 | - |
| Reinvoiced costs | 28,165 | 9,771 |
| Income from other ordinary revenue transactions | 15 | 37 |
| **TOTAL** | **285,320** | **265,207** |

* *See details in Note 21.*

Reinvoiced costs essentially correspond to the rebilling of development kits, cash received under agreements with third parties, general expenses, etc.

## NOTE 20 OTHER PURCHASES AND EXTERNAL EXPENSES

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Production services subcontracted to subsidiaries | 419,165 | 434,648 |
| Production services subcontracted to external developers | 18,551 | 27,359 |
| Other purchases and external expenses | 112,803 | 92,467 |
| **TOTAL** | **550,519** | **554,474** |

Other purchases and external expenses consist mainly of subcontracting administration expenses, royalties, advertising expenses, and property and equipment lease payments.

## NOTE 21 DEPRECIATION, AMORTIZATION AND PROVISIONS

| | 03/31/15 | 03/31/14 |
|---|---|---|
| **Amortization of intangible assets** | **701,268** | **608,642** |
| *Released commercial software ** | *628,459* | *553,279* |
| *Released external software developments* | *24,301* | *23,724* |
| *Commercial software and external software developments in progress ** | *46,881* | *30,057* |
| *Other* | *1,627* | *1,582* |
| **Amortization and depreciation of property, plant and equipment** | **778** | **715** |
| *Buildings* | *38* | *38* |
| *Fixtures and fittings* | *684* | *633* |
| *Computer hardware and furniture* | *52* | *40* |
| *Transport equipment* | *4* | *4* |
| Provisions for risks | - | 13 |
| **TOTAL** | **702,047** | **609,370** |

* *Net reversals (see Note 19) on internal and external commercial software developments therefore amount to €418,754 thousand and €23,761 thousand respectively.*

## NOTE 22 NET FINANCIAL INCOME

| | 03/31/15 | 03/31/14 |
|---|---|---|
| **Financial income** | | |
| Other interest received | 2,726 | 2,028 |
| Reversals of provisions and reinvoiced costs | 1,018 | 1,278 |
| Foreign exchange gains (1) | 89,702 | 28,684 |
| Net proceeds on sale of investment securities | 100 | 22 |
| | **93,546** | **32,012** |
| **Financial expenses** | | |
| Amortization and provisions | 46,601 | 8,427 |
| Other interest paid (2) | 5,419 | 5,959 |
| Foreign exchange losses (1) | 90,748 | 27,306 |
| | **142,768** | **41,692** |
| **NET FINANCIAL INCOME** | **(49,222)** | **(9,680)** |

*(1) The result from foreign-exchange operations of €(1.1) million is primarily linked to changes in the US dollar (€(1.4) million), the Pound sterling (€(1.1) million, the Canadian dollar (€1.2 million) and the Singapore dollar (€0.2 million).*

### Foreign exchange risk

The Company's exposure to foreign exchange risk stems from operating cash flows and its investments in foreign subsidiaries.

The Company only hedges its exposures on cash flows from operating activities in the main foreign currencies (US dollar, Canadian dollar and Pound sterling). Its strategy is to hedge only one year at a time, so the hedging horizon never exceeds 18 months.

The Company first uses natural hedges provided by transactions in other directions (development costs in a foreign currency offset by royalties from subsidiaries in the same currency). The parent company uses foreign currency borrowings, forward sales or foreign exchange options to hedge any residual exposures and non-commercial transactions (such as inter-company loans in foreign currencies).

At March 31, 2015, the amounts hedged giving rise to forward purchases and sales of foreign currencies amounted to €454,690 thousand (see Note on *Off-statement of financial position commitments*).

## NOTE 23 NON-RECURRING ITEMS

Article 14 of the Decree of November 29, 1983, defines non-recurring items as those that are not related to the normal operations of a company.

| | 03/31/15 | 03/31/14 |
|---|---|---|
| **Non-recurring income** | | |
| Non-recurring income from capital transactions | 4,134 | 18,370 |
| Non-recurring reversals | 270,518 | 208,926 |
| **Non-recurring expenses** | | |
| Non-recurring expenses on management transactions | 1,500 | - |
| Non-recurring expenses on capital transactions | 3,593 | 13,985 |
| Non-recurring provisions | 172,435 | 278,512 |
| **NON-RECURRING ITEMS** | **97,125** | **(65,201)** |

At the end of March 2015, non-recurring items mainly comprised:

- €172,400 thousand in allocations for accelerated tax depreciation on development expenditure for software;
- €270,518 thousand in reversals for accelerated tax depreciation on development expenditure for software.

## NOTE 24 CORPORATION TAX

At March 31, 2015, the tax group incorporates Ubisoft Entertainment SA (holding company) and all subsidiaries whose registered office is in France.

On a standalone basis (disregarding the tax consolidation group), Ubisoft Entertainment SA's figures were as follows:

| | 03/31/15 | 03/31/14 |
|---|---|---|
| Net income before tax from continuing operations | 79,316 | (122,261) |
| Non-recurring items | 97,125 | (65,201) |
| Net income before tax | 176,441 | (187,462) |
| Income tax (credit) | 25,741 | (3,342) |
| Net accounting income | 150,700 | (184,120) |
| Taxable income | 220,294 | (183,503) |

| | | Income tax | | |
|---|---|---|---|---|
| | Net income before tax | Theoretical (tax credit) | Due | Net income |
| Current | 79,316 | 46,845 | 18,878 | 60,438 |
| Non-recurring | 97,125 | 36,866 | 18,338 | 78,787 |
| *Tax consolidation* | | | *(11,475)* | *11,475* |
| **TOTAL** | **176,441** | **83,711** | **(25,741)** | **150,700** |

Income tax comprises:

- an income tax expense of €36,379 thousand on the income of the consolidated tax group;
- cancellation of the tax expense recorded by the subsidiaries of the tax consolidation group in the amount of €6,189 thousand;
- appropriations to the holding company of €766 thousand;
- reductions in income tax of €3,683 thousand.

The carryforward deficit of the tax group at March 31, 2015, amounted to €467,332 thousand, including €376,815 thousand of accelerated tax depreciation related to the application of Article 236 of the CGI (General Tax Code).

## OTHER INFORMATION

### NOTE 25 FINANCIAL COMMITMENTS AND OTHER INFORMATION

#### Off-balance sheet commitments related to Company financing

| Type | Description | 03/31/15 | 03/31/14 |
|---|---|---|---|
| **Commitments given by Ubisoft Entertainment SA** | | | |
| Financial guarantees | | 96,312 | 88,478 |
| **Commitments received by Ubisoft Entertainment SA** | | | |
| Lines of credit received and not utilized | | 275,000 | 239,500 |
| Foreign exchange hedges | | 454,690 | 210,206 |

| Type | Description | Expiry at | 03/31/15 |
|---|---|---|---|
| **Commitments given** [1] | | | |
| **Financial guarantees** | | | **96,312** |
| Ubisoft Inc. | Guarantee of commercial commitments | End of commercial relationship | 9,295 |
| Ubisoft Entertainment Inc. | Loan guarantee | 05/01/2017 | 35,000 |
| Ubisoft Entertainment Inc. | Guarantee of investment commitments | 08/31/2020 | 6,929 |
| Ubisoft Ltd | Payment guarantee for acquisition price of shares in Future Games of London Ltd | 12/31/2016 | 11,000 |
| | Stand-by letter | 09/30/2015 | 9,295 |
| | Stand-by letter | 09/15/2015 | 5,500 |
| **Commitments received** [1] | | | |
| **Lines of credit received and not utilized** | | | **275,000** |
| Syndicated loan | | 07/09/2019 | 250,000 |
| Committed lines of credit | | 09/30/2015 | 10,000 |
| Committed lines of credit | | 07/23/2017 | 15,000 |
| **Foreign exchange hedges** [2] | | | **454,690** |
| Canadian dollar | Forward purchase | April 2015 | 32,756 |
| | Forward purchase | May 2015 | 7,279 |
| | Forward purchase | June 2015 | 7,279 |
| | Forward purchase | July 2015 | 7,279 |
| | Forward purchase | August 2015 | 7,279 |
| | Forward purchase | September 2015 | 7,279 |
| US dollar | Forward purchase | April 2015 | 139,418 |
| | Forward sale | April 2015 | 15,801 |
| | Forward purchase | June 2015 | 10,224 |
| | Forward sale | September 2015 | 37,178 |
| | Forward sale | January 2016 | 27,884 |
| | Forward sale | February 2016 | 120,829 |
| Pound sterling | Forward sale | April 2015 | 12,375 |
| | Forward sale | September 2015 | 13,750 |

*(1) Only commitments of over €5 million are detailed.*

*(2) Fair value in euros valued by mark-to-market at year-end.*

The syndicated loan and confirmed bank loans in place are governed by financial covenants that are based on the ratio of net debt to equity and that of net debt to EBITDA.

With regard to the syndicated loan, the bilateral credit lines and loans amounting to €5 million and the Schuldschein loan, the following covenants must be complied with (determined on the basis of the IFRS consolidated annual financial statements):

| | 2013/2015 | 2012/2014 |
|---|---|---|
| Net debt restated for assigned receivables/equity restated for goodwill < | 0.80 | 0.80 |
| Net debt restated for assigned receivables/EBITDA < | 1.5 | 1.5 |

As at March 31, 2015, the Company is in compliance with all these ratios and expects to remain so during the 2015/2016 financial year.

Other borrowings are not governed by covenants.

### Finance lease agreement

| Leased property | Initial cost | Provisions for the period | Cumulative depreciation and amortization | Net amount |
|---|---|---|---|---|
| Land | 1,425 | - | - | 1,425 |
| Building | 8,717 | 109 | 109 | 8,608 |
| **TOTAL** | **10,142** | **109** | **109** | **10,033** |

| | Lease payments made | | Remaining lease payments | | | | |
|---|---|---|---|---|---|---|---|
| Finance lease commitments | Lease payments – financial year | Lease payments (cumulative) | < 1 year | Between 1 & 5 years | > 5 years | Total to pay | Residual purchase price |
| Land | - | - | - | - | 1,437 | 1,437 | - |
| Building | 218 | 218 | 911 | 4,557 | 3,807 | 9,275 | - |
| **TOTAL** | **218** | **218** | **911** | **4,557** | **5,244** | **10,712** | **-** |

### Other commitments

Since all members of staff are corporate officers, no retirement benefits are owed.

Ubisoft Entertainment SA has committed to provide financial support to its subsidiaries in order to meet their cash flow requirements.

## NOTE 26 STAFF

At March 31, 2015, the staff consisted of five corporate officers.

## NOTE 27 MANAGEMENT COMPENSATION

Ubisoft Entertainment SA owed €1,029 thousand in compensation to its corporate officers over the course of the 2014/2015 financial year.

In – very partial – consideration of the responsibilities assumed and also the time spent preparing Board meetings and actively participating therein, directors receive directors' fees consisting of a fixed portion and a variable portion.

The General Meeting of November 20, 2013 set the maximum annual amount of directors' fees that can be paid to members of the Board of Directors and/or committees at €450,000. During the 2014/2015 financial year, members of the Board of Directors received €412 thousand in directors' fees.

Furthermore, no commitments have been made by the Company in favor of its corporate officers related to their termination or change in responsibilities.

No loans or advances were made to the Company's directors under Article L. 225-43 of the French Commercial Code.

There are no agreements to compensate Board members if they resign or are dismissed without real cause, or if their employment is terminated due to a public offering.

## NOTE 28 CONTINGENT ASSETS AND LIABILITIES

The Company is not aware of any contingent assets and/or liabilities as at March 31, 2015.

## NOTE 29 EVENTS AFTER THE REPORTING PERIOD

### Share buyback program

The Ubisoft Board of Directors on May 12, 2015 approved the purchase by the Company of its own shares for a maximum amount of €100 million over a 24-month period. This approval is granted under the share buyback program approved by the General Meeting on July 1, 2014 and implemented by the Board of Directors on the same day. The program will be implemented subject to the renewal by the General Meeting to be held on September 23, 2015 of the authorizations granted to the Board of Directors to trade in its own shares. The shares bought under this program will be cancelled.

## NOTE 30 SUBSIDIARIES AND SHAREHOLDINGS (MARCH 31, 2015)

| | Country | Currency | Capital *(in thousands of currency units)* | Reserves and retained earnings (losses), before allocation of earnings *(in thousands of currency units)* |
|---|---|---|---|---|
| **SUBSIDIARIES (AT LEAST 50% OF CAPITAL HELD)** | | | | |
| Ubisoft Inc. | United States | US dollar | 90,405 | 92,684 |
| Ubisoft EMEA SAS | France | Euro | 11,960 | 21,233 |
| Ubisoft International SAS | France | Euro | 50,008 | 7,184 |
| Ubisoft France SAS | France | Euro | 20,623 | 6,859 |
| Ubisoft GmbH | Germany | Euro | 11,950 | 19,024 |
| Ubisoft Entertainment Inc. | Canada | Canadian dollar | 3,501 | 127,989 |
| Owlient SAS | France | Euro | 80 | 7,805 |
| **Other French subsidiaries** | | | | |
| **Other foreign subsidiaries *** | | | | |
| **TOTAL** | | | | |
| **Investments (between 10% and 50% of capital held)** | | | | |

* *Information on significant subsidiaries is detailed. Other foreign subsidiaries comprise a significant number of subsidiaries, but the value of the shares is not significant.*

| Percentage of capital held | Accounting value of shares held (in € thousands) Gross | Net | Loans and advances granted by the Company and not yet paid (in € thousands) | Revenue excluding VAT (in thousands of currency units) | Earnings for the last financial year (in thousands of currency units) | Dividends received |
|---|---|---|---|---|---|---|
| 100% | 96,991 | 96,991 | - | 776,051 | 10,086 | - |
| 100% | 55,158 | 55,158 | - | 370,869 | 1,742 | - |
| 100% | 50,008 | 50,008 | - | 90,019 | (863) | - |
| 100% | 22,872 | 22,872 | - | 85,233 | 875 | - |
| 100% | 27,101 | 27,101 | - | 120,852 | 1,638 | - |
| 100% | 2,385 | 2,385 | - | 377,719 | 14,692 | - |
| 100% | 20,094 | 20,094 | - | 9,046 | 1,823 | - |
| | **24,468** | **20,892** | **-** | | | **-** |
| | **33,459** | **29,075** | **53,774** | | | **-** |
| | **332,536** | **324,576** | | | | |
| | **-** | **-** | **-** | | | |

# 5.4 Statutory Auditors' report on the annual financial statements

*This is a free translation into English of the statutory auditors' general report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Dear Shareholders,

Pursuant to the assignment entrusted to us by your General Meeting, we hereby present our report for the financial year ended March 31, 2015, with regard to:

- the audit of the annual financial statements of Ubisoft Entertainment SA, as attached to this report;
- the basis for our assessment;
- the specific verifications and information required by law.

The annual financial statements have been prepared by the Board of Directors. It is our task to express an opinion on these financial statements on the basis of our audit.

## 1. OPINION REGARDING THE ANNUAL FINANCIAL STATEMENTS

We have conducted our audit in accordance with accepted professional standards in France. These standards require due diligence in order to ascertain with reasonable certainty that the annual financial statements contain no material misstatements. An audit consists in verifying, on a test basis or by means of other methods of selection, elements to the amounts and information contained in the financial statements. It also involves assessing the accounting principles applied, the significant estimates used and the overall presentation of the financial statements. It is our view that the elements that we collected are sufficient and adapted to base our opinion.

We hereby certify that, from the standpoint of French accounting rules and principles, the annual financial statements give a true and fair view of the results obtained for the financial year in question and of the Company's financial position and assets at the end of this year.

## 2. BASIS FOR ASSESSMENT

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code regarding the basis for our assessment, we call to your attention the following items:

### Commercial software and external developments

The note relating to "Intangible assets" in the "Accounting rules and methods" section describes the accounting principles for the valuation and the depreciation of commercial software and external developments.

Our work consisted of assessing the information and assumptions on which these estimates are based, checking the calculations made by the Group, comparing the accounting estimates of previous periods with reality and reviewing the approval procedures of these estimates by the management.

### Equity investments

The note relating to "Non-current financial assets" in the "Accounting rules and methods" section describes the accounting principles for the valuation and depreciation of securities.

As part of our assessment of the accounting rules and principles applied by your Company, we have verified the appropriateness of the accounting methods indicated above and of the information provided in the Notes, and have ensured their correct application.

Our assessments were made within the context of our audit of the annual financial statements as a whole, and therefore provided a basis for the opinion expressed in the first part of this report.

## 3. SPECIFIC VERIFICATIONS AND INFORMATION

We have also carried out the specific verifications required by law, pursuant to professional standards applicable in France.

We have no comments regarding the accuracy of the information provided in the management report prepared by the Board of Directors or in the documents sent to shareholders concerning the financial position and annual financial statements, or regarding the consistency of this information with the annual financial statements.

With regard to the information provided pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code, on the compensation and benefits paid to corporate officers and on the commitments made in their favor, we verified their consistency with the financial statements and with the data used in the preparation of these financial statements and, where appropriate, with items collected by your Company from the companies controlling your Company, or controlled by it. Based on this work, we attest the accuracy and truthfulness of such information.

As required by law, we have ensured that the various information relating to equity and control investments and to the identity of the holders of share capital or voting rights was provided to you in the management report.

Statutory Auditors

Nantes, June 2, 2015

**KPMG Audit**
Division of KPMG S.A.

**Franck Noël**
Partner

Rennes, June 2, 2015

**MB Audit**

**Roland Travers**
Partner

# 5.5 Ubisoft (parent company) results for the past five financial years

| Exercise | 2010/2011 | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |
|---|---|---|---|---|---|
| Capital *(in €)* | 7,341,411 | 7,369,475 | 7,441,041 | 8,200,040 | 8,478,237 |
| Number of ordinary shares | 94,727,890 | 95,090,002 | 96,013,433 | 105,806,973 | 109,396,612 |
| Number of preference shares | - | - | - | - | - |
| Maximum number of shares to be created: | 15,590,840 | 17,518,199 | 23,277,869 | 12,742,995 | 8,307,244 |
| *through the exercise of stock options* | *14,473,220* | *16,573,169* | *12,880,409* | *9,859,628* | *4,875,020* |
| *through the allocation of free shares* | *1,117,620* | *945,030* | *1,879,528* | *2,883,367* | *3,432,224* |
| *through the exercise of share subscription warrants* | - | - | *8,517,932* | - | - |
| Sales *(in € thousands)* | 729,169 | 782,547 | 933,598 | 786,733 | 1,100,316 |
| Net profit (loss) before tax, investments and provisions *(in € thousands)* | 257,594 | 295,289 | 392,737 | 243,524 | 568,900 |
| Income tax *(in € thousands)* | (30,439) | (2,271) | (3,002) | (3,342) | 25,741 |
| Employee profit-sharing | - | - | - | - | - |
| Net income after tax, investments and provisions *(in € thousands)* | (152,117) | (63,817) | (30,462) | (184,120) | 150,700 |
| Distributed earnings | - | - | - | - | - |
| Per share, profit (loss) after tax, before provisions *(in €)* | 3.04 | 3.13 | 4.12 | 2.30 | 4.97 |
| Per share, profit (loss) after tax and provisions *(in €)* | (1.61) | (0.67) | (0.32) | (1.74) | 1.38 |
| Dividend per share | - | - | - | - | - |
| Average headcount | 5 | 5 | 5 | 5 | 5 |
| Payroll *(in € thousands)* * | 681 | 649 | 649 | 649 | 949 |
| Social security contributions and employee benefits *(in € thousands)* | 239 | 243 | 228 | 272 | 438 |

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# 6.1 Legal information

## 6.1.1 INFORMATION ABOUT THE COMPANY

| | |
|---|---|
| Corporate name | Ubisoft Entertainment |
| Registered office | 107, avenue Henri-Fréville – BP 10704 – Rennes (35207) Cedex 2 |
| Legal form | French Corporation (*Société Anonyme*) with a Board of Directors governed by French law (particularly the provisions of the French Commercial Code applicable to commercial companies), as well as by its Articles of Association and internal rules of procedure. |
| Date of incorporation and term | The Company was incorporated on March 28, 1986 and registered by RennesTrade and Companies Register on April 9, 1986 for a term of 99 years, unless such term is extended or the Company is dissolved at an earlier date. |
| Trade and companies register | 335 186 094 RCS RENNES<br>APE code: 5821Z |
| Place where legal documents may be consulted | The Company's legal documents may be consulted at its business address at 28, rue Armand Carrel – 93100 Montreuil-sous-Bois, France, or at its registered office. |
| Financial year | The financial year runs from April 1 to March 31. |

## 6.1.2 ARTICLES OF ASSOCIATION

Amendments to the Articles of Association are made by decision of the Extraordinary General Meeting.

### Corporate purpose (Article 3 of the Articles of Association)

The Company has the following purpose, in France and abroad, both directly and indirectly:

- the creation, production, publishing and distribution of all kinds of multimedia, audiovisual and IT products, especially video games, educational and cultural software, cartoons and literary, cinematographic and television works on any media, current or future;
- the distribution of all kinds of multimedia and audiovisual products, especially through new communication technologies such as networks and online services;
- the purchase, sale and, in general, all forms of trading, including both import and export, via rental or otherwise, of any computer and word-processing hardware with its accessories, as well as any hardware or products for reproducing sound and pictures;
- the marketing and management of all data-processing and word-processing computer programs;
- consulting, support, assistance and training relating to any of the above-mentioned fields;
- the investment by the Company in any operation that may relate to its purpose, by the creation of new companies, the subscription or purchase of shares or corporate rights, by mergers or by other means;
- and, in general, any operation related directly or indirectly to the above purpose or similar and related purposes likely to promote the Company's development.

### Form of shares and identification of shareholders (Article 5 of the Articles of Association)

Fully paid-up ordinary shares may be registered or bearer shares, depending on the preference of the shareholder, subject to applicable legal and regulatory provisions.

Preference shares of the Company must be registered and may not be contractually divided.

The shares of the Company require book-entry under the terms and conditions required by applicable legal and regulatory provisions. Ordinary shares are conveyed by transfer between accounts. Preference shares are not transferable.

The Company may at any time, in accordance with the legal and regulatory provisions, request information from the French securities clearing organization (SICOVAM) to allow the Company to identify shareholders granted either immediate or future voting rights in shareholders' General Meetings, as well as the number of shares held by any one shareholder and, where applicable, any restrictions to which the shares may be subject.

## Crossings of legal thresholds (Article 6 of the Articles of Association)

Without prejudice to the thresholds provided for in Article L. 233-7 of the French Commercial Code, any shareholder acting alone or in concert with others who directly or indirectly comes to own at least 4% of the Company's capital or voting rights, or a multiple of this percentage that is less than or equal to 28%, is required to inform the Company by registered letter with acknowledgment of receipt sent to the registered office within the period prescribed in Article L. 233-7 of the French Commercial Code of the total number of shares, voting rights and securities ultimately granting entitlement to the Company's capital.

The disclosure upon crossing any threshold equal to a multiple of 4% of the paragraph should also be made when the interest in the capital or voting rights falls below one of the aforementioned thresholds.

Shareholders who fail to disclose that they have crossed such thresholds will forfeit their voting rights in the conditions set forth in Article L. 233-14 of the French Commercial Code, upon request – recorded in the minutes of the General Meeting – of one or more shareholders who together own at least 5% of the capital or voting rights in the Company.

## Rights and obligations attached to shares (Article 7 of the Articles of Association)

**I. Rights attached to ordinary shares:** Each ordinary share carries entitlement to ownership of the corporate assets and the liquidating dividend equal to the proportion of the capital that it represents.

Voting rights double those conferred on other shares, based on the proportion of the share capital they represent, are granted to all fully paid-up shares that are shown to have been registered in the name of the same shareholder for at least two years. In the event of a share capital increase via the capitalization of reserves, earnings or issue premiums, this right is also conferred at the date of issue on registered shares granted free of charge to a shareholder on the basis of old shares that enjoyed this right.

**II. Rights attached to preference shares:** Preference shares do not have a preferential subscription right for any capital increase or transaction with a right to ordinary shares. However, the conversion ratio referred to in section 2.2 below will be adjusted to preserve the rights of holders of preference shares.

**III. Features of preference shares**

1. Right to liquidating dividend and right to dividends: Each preference share carries entitlement, until the Conversion Date, to the liquidating dividend based on the proportion of the capital that it represents. Each preference share will have a dividend distribution right equal to 1% of the distribution right.

2. Conversion:

   2.1 Conversion date: As preference shares may only be issued in the context of a free share grant, the conversion date **("Conversion Date")** is directly linked to the vesting or retention periods provided for in the free share plan. Under no circumstances may this take place until a minimum period of four years has elapsed;

   2.2 Conversion conditions: The number of ordinary shares that may result from conversion is calculated using a conversion ratio determined by the Board of Directors based on the volume-weighted average trading price of the Company's shares over a period to be defined by the Board of Directors (**"Weighted Share Price"**) on the Conversion Date **("Conversion Ratio").** It is understood that the Board of Directors will determine, on the date of allocation:

   - the Weighted Share Price on the basis of which preference shares may give rights to conversion **("Minimum Share Price"),** which may not be lower than:
     - → the opening price of ordinary shares on Euronext Paris on the date of allocation **("Daily Price"),**
     - → or the average opening price of ordinary shares over the 20 trading days prior to their allocation **("20-day Average"),**
   - the target share price on the Conversion Date beyond which the number of ordinary shares resulting from conversion does not increase any further **("Maximum Share Price").** This may not be lower than the Daily Price or the 20-day Average, plus a percentage to be defined by the Board of Directors based on the resolutions of the General Meeting authorizing bonus allocations of preference shares;

   2.3 Conversion methods: Subject to fulfillment of the conversion conditions, preference shares will be converted into ordinary shares by the Company on the Conversion Date using one of the following methods determined by the Board of Directors when they were allocated:

   - either automatically on the Conversion Date,
   - or at the request of the holder from the Conversion Date up until a deadline determined by the Board of Directors, after which the preference shares will be converted automatically if the holder has not initiated conversion during this period. Conversion at the initiative of the holder must comply with legal rules and regulations relating to insider trading.

   All preference shares converted will be fully fungible with ordinary shares on their Conversion Date and will carry immediate dividend rights.

3. Voting rights:

   Preference shares have no voting rights in Ordinary and Extraordinary Meetings of the holders of ordinary shares, it being understood that they have voting rights in Special Meetings of holders of preference shares.

## General Meetings (Article 13 of the Articles of Association)

General Meetings will consist of all shareholders of Ubisoft Entertainment SA, with the exception of the Company itself. They represent the totality of shareholders.

They will be convened and deliberate under the conditions prescribed by the French Commercial Code. General Meetings are held at the registered office or at any other venue indicated in the convening notice. They are chaired by the Chairman of the Board of Directors or, in his absence, by a director appointed for this purpose by the General Meeting.

The right to participate in shareholders' General Meetings is subject to fulfillment of the formalities provided for under applicable regulations in force. Shareholders may vote by postal form or by proxy form subject to the requirements of legal and regulatory provisions.

In accordance with the decision of the Board of Directors published in the notice of meeting and/or convening notice, shareholders may participate in shareholders' General Meetings (by means of video-conferencing or vote using all means of telecommunication or remote transmission, including internet), under the conditions prescribed by the applicable regulations in force.

In the event of such a decision by the Board of Directors, shareholders may send their proxy forms or postal voting forms, either on paper or by means of telecommunications or remote transmission, in compliance with the deadlines applicable under laws and regulations. When remote transmission is used (including electronic means), the electronic signature may take the form of a process that meets the requirements set out in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code.

## Distribution of earnings (Article 16 of the Articles of Association)

Earnings consist of income for the financial year after deduction of operating expenses, allowances for depreciation and amortization and provisions. The following are deducted from earnings for the financial year after deducting any prior-period losses:

- amounts to be allocated to reserves in accordance with the law and the Articles of Association and, in particular, at least 5% to make up the legal reserve. This allocation is no longer required once the legal reserve reaches one tenth of the legal reserve falls below this percentage; and
- any amounts which the General Meeting, on a proposal from the Board of Directors, deems appropriate to allocate to any extraordinary or special reserves or to carry forward as retained earnings.

The balance will be distributed to the shareholders. However, except in the event of capital reductions, no distribution may be made to shareholders where the shareholders' equity is, or would be if such distribution were to take place, less than the amount of the capital plus reserves that are non-distributable under the law or the Articles of Association.

The General Meeting may, in accordance with the provisions of Article L. 232-18 of the French Commercial Code, propose the option of payment of the interim or final dividend in new shares of the Company.

# 6.2 Share capital and stock ownership

## 6.2.1 SHARE CAPITAL

As at March 31, 2015, the number of shares in circulation totaled 109,396,612 fully paid-up shares with a par value of €0.0775 each, equivalent to share capital of €8,478,237.43.

The following table shows the number of shares created between April 1, 2014, and March 31, 2015:

| | |
|---|---|
| **AT 04/01/2014** | **105,806,973 SHARES** |
| Exercise of subscription options | 2,741,883 shares |
| Free share grant | 636,614 shares |
| Group savings plan (PEG) | 211,142 shares |
| **AT 03/31/2015** | **109,396,612 SHARES** |

## 6.2.2 POTENTIAL CAPITAL AS AT MARCH 31, 2015

| Free share grants *(see section 3.2.3.5)* | Number of potential shares | Potential dilution |
|---|---|---|
| Attendance and/or performance conditions | 3,432,224 | 3.04% |

| Share subscription options *(see section 3.2.3.6)* | | Number of potential shares | Potential dilution |
|---|---|---|---|
| Open | Plans 23, 24, 25 and 26 | 2,721,727 | 2.43% |
| Open and not open | Plans 23, 24, 25, 26, 27, 28 and 29 | 4,875,020 | 4.27% |

| Share issuance warrants (see section 6.2.6) [1] | | Number of potential shares | Potential dilution |
|---|---|---|---|
| Number of share issuance warrants in circulation | 10,780,000 | 10,780,000 | 8.97% |

*(1) Equity line: Share issuance warrants exercisable at the discretion of the Company to carry out successive capital increases for a maximum amount of €835,450 (new line set up on March 27, 2015 to replace the previous line that expired on March 19, 2015 without being used [9,400,000 share issuance warrants/share capital increase for a maximum nominal amount of €728,500]).*

## 6.2.3 FINANCIAL AUTHORIZATIONS

| Type | Date of the Meeting Resolution | Duration Expiry date | Maximum use | Date of use 2014/2015 | Issue from 04/01/2014 to 03/31/2015 |
|---|---|---|---|---|---|
| **Share buyback** | 07/01/2014<br>10th resolution | 18 months<br>12/31/2015 | 10% of the capital<br>Maximum purchase price: €30 | See section 6.2.7 | |
| **Capital reduction**<br>by cancellation of treasury shares | 07/01/2014<br>11th resolution | 18 months<br>12/31/2015 | 10% of the capital | N/A | |
| **Capital increase**<br>by capitalization of reserves, earnings, premiums or other | 06/27/2013<br>15th resolution | 26 months<br>08/26/2015 | €10 million | 06/23/2014<br>10/14/2014<br>11/10/2014 | 636,614 shares created (1) |
| **Capital increase** with preferential subscription rights preserved | 06/27/2013<br>16th resolution (2) | 26 months<br>08/26/2015 | In capital: €1,450 thousand<br>Debt securities: €400 million | N/A | N/A |
| **Capital increase** with waiving of preferential subscription rights by way of a public offering | 06/27/2013<br>17th resolution (2) | 26 months<br>08/26/2015 | In capital: €1,450 thousand<br>Debt securities: €400 million | N/A | N/A |
| **Capital increase** with waiving of preferential subscription rights by way of a private placement | 06/27/2013<br>18th resolution (2) | 26 months<br>08/26/2015 | In capital: €1,450 thousand<br>Debt securities: €400 million | 03/27/2015 | 10,780,000 maximum number of shares to be created (3) |
| **Capital increase** as consideration for contributions in kind | 06/27/2013<br>20th resolution (2) | 26 months<br>08/26/2015 | 10% of the capital on the day of the meeting | N/A | N/A |
| **Capital increase** for the benefit of employees subscribing to the Group savings plan (PEG) | 06/27/2013<br>21st resolution (2) (4) | 26 months<br>08/26/2015 | 0.2% of the capital on the day of use by the Board | 02/11/2014 | 211,142 |
| | 07/01/2014<br>12th resolution (2) | 26 months<br>08/31/2016 | 0.2% of the capital on the day of use by the Board | 12/16/2014 | Under process: 216,783 maximum number of shares (6) |
| **Allotment of stock purchase or subscription options** | 09/24/2012<br>18th resolution (5) | 38 months<br>11/23/2015 | 2.6% of the capital on the day of use by the Board | 09/24/2014<br>12/16/2014 | 727,940 options granted |
| **Free share grant** | 06/27/2013<br>22nd resolution (2) (4) | 38 months<br>08/26/2016 | 1.5% of the capital on the day of the Board's decision | 07/01/2014 | 572,898 shares awarded |
| | 07/01/2014<br>15th and 16th resolutions (2) | 38 months<br>08/31/2017 | 1.7% of the capital on the day of the Board's decision (including 0.1% maximum for members of the Executive Committee)<br>1.1% in ordinary shares<br>0.6% in preference shares | 09/24/2014<br>12/16/2014 | 718,430 shares awarded (7) |
| **Capital increase**<br>reserved for subsidiary employees (outside France) | 07/01/2014<br>13th resolution (2) | 18 months<br>12/31/2015 | 0.2% of the capital on the day of the Board's decision | 03/19/2015 | 185,437 shares maximum to be created (8) |

*(1) Delivery of free shares – Plans: June 30, 2010, November 15, 2010 and October 19, 2012.*

*(2) Charged against the overall limit of €4 million set by the Meeting of June 27, 2013 (23rd resolution).*

*(3) Arrangement of an equity line: 10,780,000 share issuance warrants issued at a unit price of €0.0001, exercisable from March 27, 2015 to March 27, 2017 (with a one-year extension option) at the Company's discretion, subscribed by Crédit Agricole Corporate and Investment Bank (a qualified investor within the meaning of Article L. 411-2 of the French Monetary and Financial Code): one share issuance warrant can be used to subscribe for one share in the Company at an exercise price that includes a maximum discount, at the time of issue, of 4.5% on the weighted average price over the previous three trading days: i.e. a capital increase for a maximum nominal amount of €835,450.*

*(4) The unused portion of this authorization was canceled by the Meeting of July 1, 2014, which approved a similar resolution.*

*(5) Charged against the overall limit of €4 million set by the Meeting of September 24, 2012 (21st resolution).*

*(6) i.e. 0.2% of the number of shares on the day of the Board of Directors' meeting. Subscription period: June 22, 2015 to July 6, 2015. Share issuance in the year ending March 31, 2016.*

*(7) Of which 465,120 ordinary shares subject to conversion of 15,504 shares (conversion ratio of one preference share for one ordinary share, subject to trading conditions) – see section 3.2.3.1.*

*(8) Number of shares created on April 2, 2015: 179,300.*

## 6.2.4 CHANGES IN CAPITAL IN THE THREE FINANCIAL YEARS TO MAY 12, 2015

| Date of Board meeting [2] | Type of transaction | Number of securities issued | Amount *(in cash)* | Premiums | Cumulative number of shares | Amount of share capital [1] |
|---|---|---|---|---|---|---|
| 05/23/2012 | Exercise of SOP from 03/30/12 to 04/30/12 and exercise of BSA from 04/10/12 to 04/30/12 | 769 | €59.59 | €4,425.97 | 95,090,771 | €7,369,534.75 |
| 06/11/2012 | Increase by capitalization of reserves and exercise of BSA from 05/01/12 to 05/31/12 | 35,817 | €2,775.82 | €47,730.64 | 95,126,588 | €7,372,310.57 |
| 06/27/2012 | Increase by capitalization of reserves | 13,750 | €1,065.63 | - | 95,140,338 | €7,373,376.20 |
| 07/19/2012 | Exercise of SOP from 05/01/2012 to 06/30/2012 and exercise of BSA from 06/01/2012 to 06/30/2012 Subscription of FCPE Ubi Actions | 66,835 | €5,179.71 | €289,493.97 | 95,207,173 | €7,378,555.91 |
| 09/14/2012 | Increase by capitalization of reserves and exercise of SOP and BSA from 07/01/12 to 08/31/12 | 94,178 | €7,298.79 | €113,839.93 | 95,301,351 | €7,385,854.70 |
| 04/05/2013 | Increase by capitalization of reserves and exercise of SOP and BSA from 09/01/2012 to 03/31/2013 | 753,040 | €58,360.60 | €5,144,187.80 | 96,054,391 | €7,444,215.30 |
| 06/17/2013 | Increase by capitalization of reserves and exercise of SOP and BSA from 04/01/13 to 05/31/13 | 187,864 | €14,559.46 | €974,118.23 | 96,242,255 | €7,458,774.76 |
| 07/18/2013 | Exercise of SOP from 06/01/13 to 06/30/13 Subscription of FCPE Ubi Actions | 221,006 | €17,127.97 | €1,375,347.11 | 96,463,261 | €7,475,902.73 |
| 11/15/2013 | Increase by capitalization of reserves and exercise of SOP from 07/01/13 to 10/31/13 and of BSA from 07/01/13 to 10/16/13 | 8,754,408 | €678,466.62 | €60,041,538.85 | 105,217,669 | €8,154,369.35 |
| 12/13/2013 | Increase by capitalization of reserves and exercise of SOP from 11/01/13 to 11/30/13 | 294,576 | €22,829.64 | €90,629.11 | 105,512,245 | €8,177,198.99 |
| 03/27/2014 | Exercise of SOP from 12/01/13 to 02/28/14 and capital increase (employees of some foreign subsidiaries) | 229,711 | €17,802.60 | €1,761,582.75 | 105,741,956 | €8,195,001.59 |
| 04/04/2014 | Exercise of SOP from 03/01/2014 to 03/31/2014 | 65,017 | €5,038.82 | €369,743.97 | 105,806,973 | €8,200,040.41 |
| 06/23/2014 | Increase by capitalization of reserves and exercise of SOP from 04/01/2014 to 05/31/2014 | 436,966 | €33,864.86 | €1,629,102.30 | 106,243,939 | €8,233,905.27 |
| 07/15/2014 | Exercise of SOP from 06/01/2014 to 06/30/2014 and subscription of FCPE Ubi Actions | 417,633 | €32,366.56 | €2,986,001.25 | 106,661,572 | €8,266,271.83 |
| 10/14/2014 | Increase by capitalization of reserves and exercise of SOP from 07/01/2014 to 09/30/2014 | 693,316 | €53,731.99 | €2,435,588.30 | 107,354,888 | €8,320,003.82 |
| 11/10/2014 | Increase by capitalization of reserves and exercise of SOP from 10/01/2014 to 10/31/2014 | 450,736 | €34,932.04 | €1,168,349.40 | 107,805,624 | €8,354,935.86 |
| 04/02/2015 | Exercise of SOP from 11/01/2014 to 02/28/2015 and capital increase (employees of some foreign subsidiaries) | 1,683,179 | €130,446.37 | €11,570,478.01 | 109,488,803 | €8,485,382.23 |
| 04/10/2015 | Exercise of SOP from 03/01/2015 to 03/31/2015 | 87,109 | €6,750.95 | €570,479.43 | 109,575,912 | €8,492,133.18 |

*(1) Share capital (leading to a revision of the Articles of Association and K-bis (registry document)).*

*(2) Recorded by the Chairman and Chief Executive Officer in case of delegation.*

## 6.2.5 EMPLOYEE STOCK OWNERSHIP VIA THE COMPANY MUTUAL FUND (FCPE)

As at March 31, 2015, employees held 917,482 shares, or 0.839% of the share capital, via the "FCPE Ubi actions" mutual fund.

During the year ended March 31, 2015, the authorization granted to the Board of Directors by the Combined General Meeting of July 1, 2014 was used to perform capital increases reserved for subscribers of a savings plan of the Group, an affiliated company and/or companies within the meaning of Article L. 225-180 of the French Commercial Code, within the limit of 0.2% of the total amount of shares comprising the share capital at the time of its use by the Board of Directors, in particular via a company mutual fund.

The use made of this authorization between April 1, 2014 and March 31, 2015 is described in section 6.2.3 – Financial authorization.

## 6.2.6 VALUE OF CONVERTIBLE OR EXCHANGEABLE SECURITIES OR SECURITIES COMPRISING SHARE WARRANTS

### Share issuance warrants as part of an equity line

In view of the expiry of the equity line arranged on March 20, 2012 with Crédit Agricole Corporate and Investment Bank (CA-CIB) for an initial two-year term, subsequently extended on July 10, 2013 until March 20, 2015 ("Equity Line 2012"), it was decided on March 27, 2015, using the delegation of authority granted by the General Meeting of June 27, 2013 under its 18th resolution and the sub-delegation granted by the Board of Directors on March 19, 2015 to its Chairman and Chief Executive Officer, to proceed with the issue, without preferential subscription rights for shareholders, of share issuance warrants ("BEA") exercisable at the Company's discretion, subscribed for by CA-CIB – a qualified investor within the meaning of Article L. 411-2 of the French Monetary and Financial Code – via a private placement with a view to establishing an equity line ("Equity Line 2015").

### Use during the financial year ended March 31, 2015

- Equity Line 2012: N/A.
- Equity Line 2015: N/A.

### Type and category of BEA

The BEA issued by the Company are securities granting entitlement to capital within the meaning of Article L. 228-91 et seq. of the French Commercial Code. The BEA have not and will not be listed for trading on a regulated market or otherwise.

### Form and method of registration of BEA

The BEA are issued only in the form of registered shares.

### BEA exercise ratio

One (1) BEA entitles the holder to subscribe to one (1) new share at the subscription price hereinafter defined, subject to any adjustments that may be made in response to financial transactions in particular.

### BEA unit price

€0.0001.

### Maximum nominal amount of capital increases from the exercise of BEA

- **Equity Line 2012:** €728,500 or a maximum of 9,400,000 shares can be created.
- **Equity Line 2015:** €835,450 or a maximum of 10,780,000 shares can be created.

### Subscription price of one new share

- **Equity Line 2012:** The subscription price of one new share through the exercise of BEA will be 95% of the weighted average price of the previous trading days.
- **Equity Line 2015:** The subscription price of one new share through the exercise of BEA will include a maximum discount, at the time of issue, of 4.5% on the weighted average price over the previous three trading days.

### BEA exercise period

- **Equity Line 2012:** The duration, which was initially due to expire on March 20, 2014, has been extended by one additional year to March 20, 2015.
- **Equity Line 2015:** Two years from March 27, 2015, i.e. until March 27, 2017, with an additional one-year extension option.

### Market information

For each issue of new shares upon exercise of BEA by the Company, a Euronext notice will be published prior to admission to trading of these shares and will indicate the number of shares issued and the subscription price.

## 6.2.7 SHARE BUYBACK

The Board of Directors, at its meeting on May 12, 2015, authorized the Company to purchase its own shares for up to a maximum amount of €100 million over a 24-month period. This authorization was granted under the share buyback program approved by the General Meeting on July 1, 2014 and implemented by the Board of Directors on the same day, subject to renewal by the General Meeting on September 23, 2015 of the authorization for the Board of Directors to trade in the Company's shares. The shares purchased under the Board's authorization are due to be canceled.

### 6.2.7.1 Authorization in place at the time of this report

#### Legal framework

The Combined General Meeting of July 1, 2014 renewed the authorization previously granted to the Board of Directors by the Combined General Meeting of June 27, 2013, allowing the Company to buy back its own shares in accordance with Article L. 225-209 et seq. of the French Commercial Code (the "Buyback Program").

### Position at 03/31/2015

| | |
|---|---|
| Percentage of own shares held directly and indirectly | 0.37% |
| Number of shares canceled over the previous 24 months | N/A |
| Number of shares in portfolio | |
| Liquidity agreements | 81,183 |
| Coverage of purchased stock options | 321,309 |
| Portfolio carrying amount | €2,632,657.12 |
| Portfolio market value (1) | €6,924,874.86 |

*(1) Closing price on March 31, 2015: €17.205.*

### Breakdown of own-share purchases and sales over the year

(Article L. 225-211 of the French Commercial Code)

| | |
|---|---|
| **NUMBER OF SHARES HELD IN THE COMPANY'S NAME AS AT 03/31/2014** | **467,618** |
| Number of shares acquired over the year | 1,250,489 |
| Average price on acquisition | €14.36 |
| Number of shares sold over the year | 1,315,615 |
| Average price on sale | €14.14 |
| Number of shares canceled over the year | N/A |
| Execution fees | N/A |
| **NUMBER OF SHARES HELD IN THE COMPANY'S NAME AS AT 03/31/2015** | **402,492** |
| Value of shares held in the Company's name as at 03/31/2015 (1) | €2,637,359.19 |
| Par value of shares held in the Company's name as at 03/31/2015 | €31,193.13 |
| Number of shares used over the year | 1,315,615 |
| Reallocation taking place over the year | N/A |
| Percentage of capital held as treasury shares as at 03/31/2015 | 0.37% |

*(1) Measured at purchase price.*

### Allocation of treasury shares by objective

| | Liquidity agreements | Coverage of purchased stock options |
|---|---|---|
| Number of treasury shares | 81,183 | 321,309 |

## 6.2.7.2 Liquidity agreements

Since January 2, 2006, the Company has instructed Exane BNP PARIBAS to implement a liquidity agreement in line with the AMAFI code of ethics recognized by the *Autorité des Marchés Financiers* (AMF), hereinafter the "Agreement," with a one-year automatically renewable term.

By virtue of an amendment to the Agreement dated April 5, 2011, the total figure allocated to the Agreement was increased to €1,700,000. By virtue of an amendment to the Agreement dated October 10, 2015, the total figure allocated was reduced to €1,500,000. The Company allocated this amount for the implementation of this Agreement over the last financial year.

## 6.2.7.3 Description of the share buyback program submitted for the approval of the Combined General Meeting of September 23, 2015

Pursuant to Articles 241-2 and 241-3 of the AMF General Regulation, and European Regulation (EC) No. 2273/2003 of December 22, 2003, the share buyback program that will be submitted for the approval of the Combined General Meeting of September 23, 2015 is presented below.

**Shares concerned:** ordinary shares in Ubisoft Entertainment SA, listed on Euronext Paris, division A, ISIN code FR0000054470.

**Maximum percentage of capital:** 10% of the total number of shares comprising the share capital on the buyback date, i.e. as a guide, based on the number of outstanding shares as at April 30, 2015 (109,940,718), taking into account the number of shares held at May 12, 2015 (391,051 shares representing 0.36% of the capital): 10,603,020 or 9.64%.

**Maximum purchase price:** €40, or a maximum of €439,762,840, based on the share capital as at April 30, 2015.

**Objectives:**

- to ensure the liquidity and activity of Ubisoft Entertainment SA stock using an investment services provider acting independently under a liquidity agreement in accordance with the code of ethics recognized by the AMF;
- to meet obligations resulting from stock option plans, free shares allocation plans or any other allocations or of shares to Group employees and/or corporate officers, or for the benefit of some of them, particularly in the context of a company savings plan or profit-sharing scheme;
- to retain shares for delivery at a later date in exchange or as payment for any future acquisitions, subject to a limit of 5% of the existing capital;
- to deliver shares upon the exercise of rights attached to debt securities giving access, by any means, immediately and/or at a later date, to the Company's share capital through redemption, conversion, exchange, presentation of a warrant or any other means;
- to cancel in whole or in part any repurchased shares as provided by law, subject to the authorization from the Extraordinary General Meeting;
- to implement any market practice that is or may come to be recognized by law or the *Autorité des Marchés Financiers*.

**Duration of authorization:** 18 months from the General Meeting of September 23, 2015.

## SUMMARY STATEMENTS OF TRANSACTIONS COMPLETED FROM MAY 15, 2014 * TO MAY 12, 2015, THE DATE OF THIS REPORT

| | |
|---|---|
| Percentage of own shares held directly and indirectly | 0.36% |
| Number of shares canceled over the previous 24 months | N/A |
| Number of shares in portfolio [1] | |
| Liquidity agreements | 80,500 |
| Purchase stock option hedges | 310,551 |
| Portfolio carrying amount | €2,596,728.57 |
| Portfolio market value [2] | 6,550,104.25 |

*(1) 400,000 shares were purchased on the market (assigned to employee shareholdings) under the sixth resolution of the General Meeting of June 30, 2011, and the balance under the liquidity agreement with Exane BNP Paribas.*

*(2) Closing price on May 12, 2015: €16.75.*

* *In accordance with the provisions of AMF directive 2005-06, the period in question starts on the day following the date on which the statement of the previous program was drawn up.*

| | Total flows * | | Positions open as at 03/31/2015 | | | |
|---|---|---|---|---|---|---|
| | | | Open buy positions | | Open sell positions | |
| | Purchases | Sales transfers | Purchased stock options | Forward purchases | Sold stock options | Forward sales |
| Number of shares | 1,233,461 | 1,263,196 | | | | |
| Average maximum term [1] | - | - | | | | |
| Average transaction price | €14.85 | €14.57 | | N/A | | |
| Average strike price | - | - | | | | |
| Amounts | €18,316,038 | €18,696,853 | | | | |

*(1) Validity of the authorization granted by the General Meeting of July 1, 2014: until December 31, 2015, subject to early termination if the General Meeting approves a similar resolution before the expiry date.*

* *Total gross flows include spot buying and selling as well as options and futures exercised or at maturity.*

## 6.2.8 BREAKDOWN OF CAPITAL AND VOTING RIGHTS

### 6.2.8.1 Change over the last three financial years

| | 03/31/2015 | | 03/31/2014 | | 03/31/2013 | |
|---|---|---|---|---|---|---|
| | Number of shares | Number of voting rights [2] | Number of shares | Number of voting rights [2] | Number of shares | Number of voting rights [2] |
| | % | % | % | % | % | % |
| **Guillemot Brothers SE** | **7,031,092** | **13,683,760** | **7,231,092** | **13,883,760** | **6,652,668** | **13,305,336** |
| | *6.427%* | *11.048%* | *6.834%* | *11.519%* | *6.929%* | *12.004%* |
| **Yves Guillemot** | **917,783** | **1,759,511** | **917,783** | **1,759,511** | **836,608** | **1,673,216** |
| | *0.839%* | *1.421%* | *0.867%* | *1.460%* | *0.871%* | *1.510%* |
| **Claude Guillemot** | **722,363** | **1,412,726** | **722,363** | **1,412,726** | **685,244** | **1,370,488** |
| | *0.660%* | *1.141%* | *0.683%* | *1.172%* | *0.714%* | *1.236%* |
| **Michel Guillemot** | **505,103** | **1,010,206** | **505,103** | **1,010,206** | **499,984** | **999,968** |
| | *0.462%* | *0.816%* | *0.477%* | *0.838%* | *0.521%* | *0.902%* |
| **Gérard Guillemot** | **525,547** | **1,051,094** | **525,547** | **1,051,094** | **520,428** | **1,040,856** |
| | *0.480%* | *0.849%* | *0.497%* | *0.872%* | *0.542%* | *0.939%* |
| **Christian Guillemot** | **106,119** | **212,238** | **227,070** | **443,977** | **276,788** | **553,576** |
| | *0.097%* | *0.171%* | *0.215%* | *0.368%* | *0.288%* | *0.499%* |
| **Other members of the Guillemot family** | **83,843** | **167,395** | **83,843** | **167,395** | **109,148** | **218,296** |
| | *0.077%* | *0.135%* | *0.079%* | *0.139%* | *0.113%* | *0.196%* |
| **Guillemot Corporation SA** | **443,874** | **887,748** | **613,874** | **1,227,748** | **613,874** | **1,227,748** |
| | *0.406%* | *0.717%* | *0.580%* | *1.019%* | *0.639%* | *1.108%* |
| | **10,335,724** | **20,184,678** | **10,826,675** | **20,956,417** | **10,194,742** | **20,389,484** |
| **CONCERT [1]** | *9.448%* | *16.298%* | *10.232%* | *17.387%* | *10.618%* | *18.396%* |
| **Ubisoft Entertainment SA** | **402,492** | **-** | **467,618** | **-** | **511,523** | **-** |
| | *0.368%* | *-* | *0.442%* | *-* | *0.533%* | *-* |
| **FCPE Ubi Actions** | **917,482** | **1,659,005** | **877,487** | **1,626,074** | **924,360** | **1,672,947** |
| | *0.839%* | *1.339%* | *0.829%* | *1.349%* | *0.963%* | *1.509%* |
| **Public** | **97,740,914** | **102,009,611** | **93,635,193** | **97,943,897** | **84,382,808** | **88,774,508** |
| | *89.345%* | *82.363%* | *88.496%* | *81.263%* | *87.886%* | *80.095%* |
| | **109,396,612** | **123,853,294** | **105,806,973** | **120,526,388** | **96,013,433** | **110,836,939** |
| **TOTAL** | *100%* | *100%* | *100%* | *100%* | *100%* | *100%* |

*(1) The concert, composed of the companies Guillemot Brothers SE and Guillemot Corporation SA and the Guillemot family, held 9,848,954 double voting rights at 03/31/2015.*
*(2) In accordance with the Company's Articles of Association, a double voting right is conferred on shares that have been registered for at least two years.*

## 6.2.8.2 Breakdown of capital and voting rights as at April 30, 2015

| | Capital | | Theoretical voting rights | | Voting rights exercisable at the General Meeting | |
|---|---|---|---|---|---|---|
| | Number of shares | % | Number | % | Number | % |
| **Guillemot Brothers SE** [1] | 7,031,092 | 6.395% | 13,683,760 | 10.964% | 13,683,760 | 10.998% |
| **Yves Guillemot** | 917,783 | 0.835% | 1,759,511 | 1.410% | 1,759,511 | 1.414% |
| **Claude Guillemot** | 722,363 | 0.657% | 1,412,726 | 1.132% | 1,412,726 | 1.135% |
| **Michel Guillemot** | 505,103 | 0.459% | 1,010,206 | 0.809% | 1,010,206 | 0.812% |
| **Gérard Guillemot** | 525,547 | 0.478% | 1,051,094 | 0.842% | 1,051,094 | 0.845% |
| **Christian Guillemot** | 106,119 | 0.097% | 212,238 | 0.170% | 212,238 | 0.171% |
| **Other members of the Guillemot family** | 83,843 | 0.077% | 167,395 | 0.135% | 167,395 | 0.135% |
| **Guillemot Corporation SA** | 443,874 | 0.404% | 887,748 | 0.711% | 887,748 | 0.714% |
| **CONCERT** | **10,335,724** | **9.402%** | **20,184,678** | **16,173%** | **20,184,678** | **16.224%** |
| **Ubisoft Entertainment SA** | 390,291 | 0.355% | 390,291 | 0.313% | - | - |
| **FCPE Ubi Actions** | 909,664 | 0.827% | 1,651,187 | 1.323% | 1,651,187 | 1.327% |
| **Public** | 98,305,039 | 89.416% | 102,580,448 | 82.191% | 102,580,448 | 82.449% |
| **TOTAL** | **109,740,718** | **100%** | **124,806,604** | **100%** | **124,416,313** | **100%** |

## 6.2.8.3 Shareholders exceeding 5% of the share capital as at March 31, 2015 [1]

| Shareholder | % capital | % voting rights gross | % voting rights net |
|---|---|---|---|
| FMR LLC [2] | 9.945% | 8.756% | 8.784% |

*(1) Information provided based on statements made to the Company and/or AMF and summarized below.*

*(2) FMR LLC is a holding company of an independent group of companies, acting on behalf of funds, commonly referred to as Fidelity Investments.*

## 6.2.8.4 Crossing of legal thresholds

During the financial year ended March 31, 2015, and until May 12, 2015, it was disclosed that the following legal thresholds had been crossed:

| Name of shareholder | Date | Threshold *(in %)* | | Type | Interest after crossing of threshold *(in %)* | |
|---|---|---|---|---|---|---|
| | | Capital | Voting rights | | Capital | Voting rights |
| FMR LLC [1] | 07/07/2014 | 10% | - | Down due to a sale on the market | 9.99% | 8.76% |
| BlackRock Inc. [2] | 10/28/2014 | - | 5% | Down due to a sale on the market | 5.68% | 4.98% |
| | 10/31/2014 | 5% | - | Down due to a sale on the market | 4.78% | 4.19% |
| FIL Limited [3] | 05/07/2014 | 5% | - | Up due to an acquisition on the market | 5.05% | 4.42% |
| | 06/30/2014 | - | 5% | Up due to an acquisition on the market | 5.72% | 5.01% |
| | 07/08/2014 | - | 5% | Down following an increase in the total number of voting rights in the Company | 5.70% | 4.99% |
| | 07/16/2014 | - | 5% | Up due to an acquisition on the market | 5.71% | 5.001% |
| | 11/13/2014 | - | 5% | Down due to a sale on the market | 5.66% | 4.97% |
| | 11/21/2014 | 5% | - | Down due to a sale on the market | 4.90% | 4.30% |
| Guillemot (in concert) | 07/07/2014 | 10% | - | Down following an increase in the number of Company shares | 9.99% | 16.94% |

*(1) FMR LLC is a holding company of an independent group of companies, acting on behalf of funds, commonly referred to as Fidelity Investments.*

*(2) The BlackRock Inc. interest is held on behalf of clients, although the fund manager has the discretion to exercise voting rights attached to the shares held, unless specifically asked by clients to keep control of voting rights.*

*(3) FIL Limited is a holding company of an independent group of portfolio management companies, commonly referred to as FIL International.*

## 6.2.9 FACTORS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING

Pursuant to Article L. 225-100-3 of the French Commercial Code, the following factors may have an impact in the event of a public offering.

### Structure of the Company's share capital and direct or indirect shareholdings known to the Company

The Company's capital structure and shareholdings known to the Company pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code are described in section 6.2.8 – Breakdown of capital and voting rights.

### Restrictions on exercising voting rights and transferring shares set forth in the Articles of Association – Clauses of agreements brought to the Company's attention

Article 6 of the Articles of Association, referred to in section 6.1.2 – Articles of Association above, states that shareholders who fail to notify the Company that the threshold of 4% (or any multiple thereof) of the capital or voting rights has been crossed will forfeit their voting rights. The Company has not been advised of any clauses referred to in paragraph 2 of Article L. 225-100-3 of the French Commercial Code.

### Owners of securities conferring special rights of control over the Company

Article 7 of the Articles of Association, referred to in section 6.1.2 – Articles of Association above, stipulates that a double voting right is assigned to all ordinary shares registered in the name of the same shareholder for at least two years. Subject to this caveat, there are no securities conferring special rights of control as referred to in paragraph 4 of Article L. 225-100-3 of the French Commercial Code.

### Control mechanisms under employee stock ownership plans, if any, where the employees do not exercise control themselves

According to the rules of the Ubi Actions mutual fund, the Supervisory Board will exercise voting rights at the Company's General Meetings and decide on the contribution of securities, particularly in the case of a public offering. The FCPE Ubi Actions Relais fund held 0.839% of the capital and 1.339% of the voting rights as at March 31, 2015.

### Shareholder agreements known to the Company that could lead to restrictions on transferring shares or exercising voting rights

The Company has no knowledge of any shareholder agreement referred to in paragraph 6 of Article L. 225-100-3 of the French Commercial Code that could lead to restrictions on transferring shares or exercising voting rights.

### Rules governing the appointment and replacement of members of the Board of Directors and amendment of the Articles of Association

The rules governing the appointment and removal of members of the Board of Directors and amendments to the Articles of Association are consistent with the law and the Articles of Association.

### Powers of the Board of Directors in the event of a public offering

In accordance with the resolution adopted by the General Meeting on July 1, 2014, the Board of Directors may not implement the Company's share buyback program during a public offering on the Company's shares. A proposal tabled before the General Meeting on September 23, 2015 will seek to maintain this restriction.

Furthermore, following the amendment of Article L. 233-32 of the French Commercial Code by Law No. 2014-384 of March 29, 2014 seeking to recapture the real economy (the "Florange Law"), the General Meeting scheduled for September 23, 2015 to renew the authorization to issue shares and securities with or without preferential subscription rights will be asked to prohibit the Board of Directors from initiating such issuance (except for capital increases reserved for employees, the Executive Committee and/or executive corporate officers of the Company or its associates and granting stock options or free shares subject to performance conditions) during a public offering on the Company's shares *(see section 7 – General Meeting resolutions)*.

### Agreements made by the Company that are amended or terminated upon a change in control

There are certain agreements made by the Company that would be amended or terminated in the event of a change in control at the Company, but for reasons of confidentiality it seems unwise to specify the nature of these contracts.

### Agreement to compensate Board members if they resign or are unfairly dismissed, or if their employment is terminated due to a public offering

There are no specific agreements providing for compensation in case of termination of office of corporate officers.

# 6.3 Securities market

## 6.3.1 ENTITY MANAGING SECURITIES SERVICES

**BNP PARIBAS**

Grands Moulins de Pantin

Shareholder Relations – 9, rue du Débarcadère – 93761 PANTIN Cedex

## 6.3.2 UBISOFT SHARE DATA

| | |
|---|---|
| ISIN code | FR0000054470 |
| Place listed | Euronext Paris – Division A |
| Par value | €0.08 |
| Number of shares in circulation as at 03/31/2015 (1) | 103,396,612 |
| Closing price on 03/31/2015 (2) | €17.21 |
| Market capitalization as at 03/31/2015 | €1,882,168,709.46 |
| Flotation price on 07/01/1996 | €38.11 |
| Five-for-one stock split on 11/11/2000 | €7.62 |
| Two-for-one stock split on 12/11/2006 | €3.81 |
| Two-for-one stock split on 11/14/2008 | €1.90 |

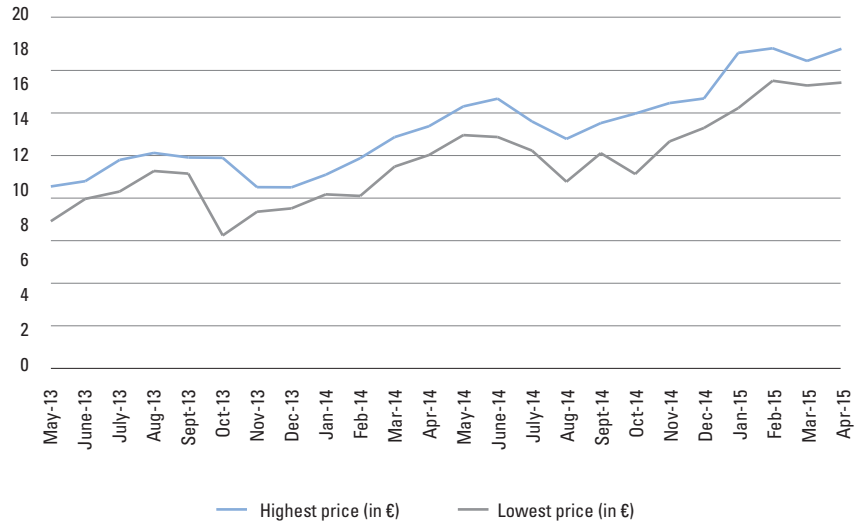
*(1) Shares in circulation.*

*(2) Source: Euronext.*

## 6.3.3 CHANGE IN THE SHARE PRICE OVER THE LAST 24 MONTHS

| Month | Highest price *(in €)* | Lowest price *(in €)* | Volume traded *(in shares)* |
|---|---|---|---|
| **2013** | | | |
| May 2013 | 10.34 | 8.36 | 9,057,251 |
| June 2013 | 10.64 | 9.63 | 4,925,295 |
| July 2013 | 11.85 | 10.05 | 7,274,917 |
| August 2013 | 12.25 | 11.22 | 4,431,398 |
| September 2013 | 11.99 | 11.07 | 6,086,402 |
| October 2013 | 11.97 | 7.55 | 28,015,460 |
| November 2013 | 10.30 | 8.90 | 10,627,940 |
| December 2013 | 10.29 | 9.09 | 6,732,686 |
| **2014** | | | |
| January 2014 | 11.01 | 9.889 | 8,356,823 |
| February 2014 | 11.95 | 9.80 | 7,750,745 |
| March 2014 | 13.15 | 11.47 | 9,436,626 |
| April 2014 | 13.77 | 12.13 | 6,323,472 |
| May 2014 | 14.90 | 13.265 | 8,688,783 |
| June 2014 | 15.34 | 13.155 | 6,635,485 |
| July 2014 | 14.04 | 12.38 | 6,386,365 |
| August 2014 | 13.05 | 10.61 | 6,069,797 |
| September 2014 | 13.95 | 12.235 | 5,654,686 |
| October 2014 | 14.49 | 11.05 | 8,466,183 |
| November 2014 | 15.09 | 12.905 | 9,284,492 |
| December 2014 | 15.35 | 13.67 | 7,412,408 |
| **2015** | | | |
| January 2015 | 17.95 | 14.805 | 8,139,591 |
| February 2013 | 18.21 | 16.36 | 8,549,231 |
| March 2015 | 17.49 | 16.09 | 6,051,699 |
| April 2015 | 18.18 | 16.255 | 5,477,174 |

*(Source: Euronext).*



## 6.3.4 TRANSACTIONS COVERED BY ARTICLE L. 621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE AND ARTICLE 222-15-3 OF THE AMF'S GENERAL REGULATION

### TRANSACTIONS INVOLVING SECURITIES AND/OR FINANCIAL INSTRUMENTS

| Surname, first name, position at the date of the transaction | Type of transaction | Date of transaction | Number of shares | Type | Unit price | Amount of transaction |
|---|---|---|---|---|---|---|
| **SECURITIES TRANSACTIONS BY MANAGER** | | | | | | |
| **Christian Guillemot**<br>Executive Vice President | Disposal | 05/19/2014 | 22,220 | Shares | €14.0226 | €311,596.19 |
| | Disposal | 09/12/2014 | 50,000 | Shares | €13.3827 | €669,135 |
| | Disposal | 01/05/2015 | 48,730 | Shares | €15.0631 | €734,024.86 |
| **Alain Martinez**<br>Chief Financial Officer | Subscription | 07/11/2014 | 5,769 | Shares | €8.89 | €51,289 |
| | Exercise | 12/22/2014 | 11,341 | Options | €6.877 | €77,995.84 |
| | Disposal | 12/22/2014 | 5,769 | Employee savings plan shares | €14.895 | €85,929.81 |
| | Exercise | 12/29/2014 | 330 | Options | €7.02 | €2,316.60 |
| | Exercise | 01/08/2015 | 30,450 | Options | €6.9189 | €210,679.35 |
| | Disposal | 01/08/2015 | 30,450 | Shares | €15.3483 | €467,355.30 |
| **Christine Burgess-Quémard**<br>Executive Vice President, Worldwide Production | Exercise | 11/06/2014 | 136,310 | Options | €3.64 | €496,168.40 |
| | Exercise | 12/19/2014 | 5,000 | Options | €7.02 | €35,100 |
| | Exercise | 12/19/2014 | 5,000 | Options | €7.02 | €35,100 |
| | Disposal | 12/19/2014 | 5,000 | Shares | €14.99 | €74,950 |
| | Disposal | 12/19/2014 | 5,000 | Shares | €14.83 | €74,150 |
| | Exercise | 12/23/2014 | 5,000 | Options | €7.02 | €35,100 |
| | Disposal | 12/23/2014 | 5,000 | Shares | €15 | €75,000 |
| | Exercise | 12/24/2014 | 4,000 | Options | €7.02 | €28,080 |
| | Disposal | 12/24/2014 | 4,000 | Shares | €15.13 | €60,520 |
| | Exercise | 01/06/2015 | 5,000 | Options | €7.02 | €35,100 |
| | Disposal | 01/06/2015 | 5,000 | Shares | €15.7069 | €78,534.50 |
| | Exercise | 01/08/2015 | 5,000 | Options | €7.02 | €35,100 |
| | Exercise | 01/08/2015 | 5,000 | Options | €7.02 | €35,100 |
| | Disposal | 01/08/2015 | 5,000 | Shares | €16.0015 | €80,007.50 |
| | Disposal | 01/08/2015 | 5,000 | Shares | €15.653 | €78,265 |
| | Exercise | 01/12/2015 | 1,250 | Options | €7.02 | €8,775 |
| | Disposal | 01/12/2015 | 1,249 | Shares | €16.41 | €20,495.27 |
| | Disposal | 01/12/2015 | 1,250 | Shares | €16.41 | €20,512.50 |
| | Exercise | 01/15/2015 | 3,000 | Options | €7.02 | €21,060 |
| | Exercise | 01/15/2015 | 2,000 | Options | €7.02 | €14,040 |
| | Disposal | 01/15/2015 | 3,000 | Shares | €16.2313 | €48,693.90 |
| | Disposal | 01/15/2015 | 2,000 | Shares | €16.3418 | €32,683.60 |
| | Exercise | 01/16/2015 | 3,500 | Options | €7.02 | €24,570 |
| | Disposal | 01/16/2015 | 3,500 | Shares | €15.8177 | €55,361.95 |
| | Exercise | 01/19/2015 | 3,000 | Options | €7.02 | €21,060 |
| | Disposal | 01/19/2015 | 3,000 | Shares | €15.90 | €47,700 |
| | Exercise | 01/22/2015 | 3,000 | Options | €7.02 | €21,060 |
| | Disposal | 01/22/2015 | 3,000 | Shares | €16.0804 | €48,241.20 |
| | Exercise | 01/23/2015 | 3,000 | Options | €7.02 | €21,060 |
| | Disposal | 01/23/2015 | 3,000 | Shares | €16.3242 | €48,972.60 |
| | Exercise | 01/26/2015 | 8,000 | Options | €7.02 | €56,160 |
| | Disposal | 01/26/2015 | 8,000 | Shares | €16.4957 | €131,965.60 |
| | Exercise | 03/06/2015 | 2,500 | Options | €7.02 | €17,550 |
| | Disposal | 03/06/2015 | 2,500 | Shares | €16.912 | €42,280 |

| Surname, first name, position at the date of the transaction | Type of transaction | Date of transaction | Number of shares | Type | Unit price | Amount of transaction |
|---|---|---|---|---|---|---|
| **Alain Corre** Executive Vice President, EMEA | Exercise | 12/04/2014 | 9,952 | Options | €14.45 | €143,806.40 |
| | Exercise | 12/05/2014 | 14,928 | Options | €14.90 | €222,427.20 |
| | Exercise | 12/08/2014 | 11,943 | Options | €14.96 | €178,667 |
| | Exercise | 12/09/2014 | 3,384 | Options | €14.98 | €50,687.53 |
| | Exercise | 12/19/2014 | 5,302 | Options | €14.98 | €79,430.34 |
| **SECURITIES TRANSACTIONS BY RELATED PERSON** | | | | | | |
| **Guillemot Corporation SA** related legal entity managed by Claude Guillemot, Executive Vice President of Ubisoft Entertainment SA | Disposal | 04/01/2014 | 20,000 | Shares | €12.9535 | €259,069.20 |
| | Disposal | 04/02/2014 | 20,000 | Shares | €12.8845 | €257,690.40 |
| | Disposal | 04/03/2014 | 20,000 | Shares | €12.9756 | €259,512.60 |
| | Disposal | 04/04/2014 | 20,000 | Shares | €12.8854 | €257,707.60 |
| | Disposal | 04/07/2014 | 20,000 | Shares | €12.7245 | €254,490.60 |
| | Disposal | 04/08/2014 | 20,000 | Shares | €12.4882 | €249,764.60 |
| | Disposal | 04/09/2014 | 20,000 | Shares | €12.6874 | €253,748.80 |
| | Disposal | 04/10/2014 | 15,000 | Shares | €12.8971 | €193,456.20 |
| | Disposal | 04/11/2014 | 15,000 | Shares | €12.5734 | €188,600.85 |
| **Guillemot Brothers SE** related legal entity managed by Christian Guillemot, Executive Vice President of Ubisoft Entertainment SA | Disposal | 09/16/2014 | 200,000 | Shares | €13.0159 | €2,603,180 |
| Individual related to Christine Burgess-Quémard, Executive Vice President, Worldwide Production | Disposal | 11/07/2014 | 26,750 | Shares | €14.8773 | €397,967.78 |
| | Disposal | 11/07/2014 | 26,750 | Shares | €14.8773 | €397,967.78 |
| | Disposal | 11/07/2014 | 547 | Shares | €15 | €8,205 |
| | Disposal | 11/07/2014 | 546 | Shares | €15 | €8,190 |
| | Disposal | 11/11/2014 | 7,000 | Shares | €15 | €105,000 |
| | Disposal | 11/11/2014 | 7,000 | Shares | €15 | €105,000 |
| | Disposal | 01/06/2015 | 3,000 | Shares | €15.70 | €47,100 |
| | Disposal | 01/06/2015 | 3,000 | Shares | €15.70 | €47,100 |
| | Disposal | 01/08/2015 | 5,000 | Shares | €15.90 | €79,500 |
| | Disposal | 01/08/2015 | 5,000 | Shares | €15.90 | €79,500 |
| | Disposal | 01/12/2015 | 1,249 | Shares | €16.41 | €20,495.27 |
| | Disposal | 01/12/2015 | 1,249 | Shares | €16.41 | €20,495.27 |
| | Disposal | 01/12/2015 | 1,250 | Shares | €16.41 | €20,512.50 |
| | Disposal | 01/12/2015 | 1,250 | Shares | €16.41 | €20,512.50 |
| | Disposal | 01/15/2015 | 2,000 | Shares | €16.3418 | €32,683.60 |
| | Disposal | 01/15/2015 | 2,000 | Shares | €16.3418 | €32,683.60 |
| | Disposal | 01/16/2015 | 2,000 | Shares | €15.8177 | €31,635.40 |
| | Disposal | 01/16/2015 | 2,000 | Shares | €15.8177 | €31,635.40 |
| | Disposal | 01/26/2015 | 6,000 | Shares | €16.4957 | €98,974.20 |
| | Disposal | 01/26/2015 | 6,000 | Shares | €16.4957 | €98,974.20 |

# 6.4 Securities other than equity securities

## Bond issuance

Ubisoft Entertainment SA has successfully placed two bonds:

**December 19, 2012**

**Term:** 6 years

**Total nominal amount:** €20,000,000

**Interest:** 3.99% per year

**Number of bonds:** 200

**Par value:** € 100,000

**ISIN code:** FR0011378686

**Bond seniority:** Direct, unconditional, unsubordinated and unsecured obligations of Ubisoft Entertainment SA ranking pari passu and without any preference among themselves with other present and future unsubordinated and unsecured obligations of Ubisoft Entertainment SA.

**Change of control:** Change of control clause that would trigger early redemption of bonds at the request of each bond holder in the event of a change of control at Ubisoft Entertainment SA.

**Early redemption:** Applicable in the event of certain events of default customary for this type of transaction and/or, in particular, a change in the Company's situation.

**May 6, 2013**

**Term:** 5 years

**Total nominal amount:** €40,000,000

**Interest:** 3.038% per year

**Number of bonds:** 400

**Par value:** € 100,000

**ISIN code:** FR0011489046

**Bond seniority:** Direct, unconditional, unsubordinated and unsecured obligations of Ubisoft Entertainment SA ranking pari passu and without any preference among themselves with other present and future unsubordinated and unsecured obligations of Ubisoft Entertainment SA.

**Change of control:** Change of control clause that would trigger early redemption of bonds at the request of each bond holder in the event of a change of control at Ubisoft Entertainment SA.

**Early redemption:** Applicable in the event of certain events of default customary for this type of transaction and/or, in particular, a change in the Company's situation.

The prospectuses relating to the listing of the bonds can be consulted on the websites of the Company (www.ubisoftgroup.com) and the *Autorité des Marchés Financiers* (www.amf-france.org).

# 6.5 Financial communication

## 6.5.1 DOCUMENTS AVAILABLE TO THE PUBLIC

During the period of validity of this registration document, the Company's Articles of Association, minutes of General Meetings, Statutory Auditors' reports, valuations and declarations drawn up, where applicable, at the Company's request, some of which are included or referred to in this registration document, the historical financial information of the Company and its subsidiaries for each of the two financial years preceding the publication of this registration document and, more generally, all documents that must be sent or made available to shareholders in accordance with the laws in effect may be consulted at the Company's registered office or business address (28, rue Armand Carrel – 93100 Montreuil-sous-Bois, France). In addition, some of these documents are available on the Company's website (www.ubisoftgroup.com), which also contains the Group's press releases and financial information.

This registration document may also be consulted on the AMF website (www.amf-france.org).

Regulatory information is available on the company's website (www.ubisoftgroup.com).

**Person responsible for information:**
**Yves Guillemot**
Chairman and Chief Executive Officer
28, rue Armand-Carrel
93108 Montreuil-sous-Bois Cedex, France
Tel.: (33) 01 48 18 50 00
www.ubisoftgroup.com

## 6.5.2 FINANCIAL REPORTING CALENDAR FOR THE 2015/2016 FINANCIAL YEAR

| | Date |
|---|---|
| Q1 sales | Week commencing July 6, 2015 |
| H1 results | Week commencing November 2, 2015 |
| Q3 sales | Week commencing February 8, 2016 |
| Year-end results | Week commencing May 9, 2016 |

These dates are provided for information purposes only and will be confirmed during the year.

# 7 General Meeting


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# 7.1 Agenda

## RESOLUTIONS WITHIN THE SCOPE OF THE ORDINARY GENERAL MEETING

| | |
|---|---|
| **First resolution** | Approval of the separate financial statements for the financial year ended March 31, 2015 |
| **Second resolution** | Allocation of earnings for the financial year ended March 31, 2015 |
| **Third resolution** | Approval of the consolidated financial statements for the financial year ended March 31, 2015 |
| **Fourth resolution** | Approval of regulated agreements and commitments |
| **Fifth resolution** | Opinion on the elements of compensation of Mr. Yves Guillemot, Chairman and Chief Executive Officer |
| **Sixth resolution** | Opinion on the elements of compensation of Mr. Claude Guillemot, Executive Vice President |
| **Seventh resolution** | Opinion on the elements of compensation of Mr. Michel Guillemot, Executive Vice President |
| **Eighth resolution** | Opinion on the elements of compensation of Mr. Gérard Guillemot, Executive Vice President |
| **Ninth resolution** | Opinion on the elements of compensation of Mr. Christian Guillemot, Executive Vice President |
| **Tenth resolution** | Authorization for the Board of Directors to trade in the Company shares |

## RESOLUTIONS WITHIN THE SCOPE OF THE EXTRAORDINARY GENERAL MEETING

| | |
|---|---|
| **Eleventh resolution** | Authorization for the Board of Directors to reduce the share capital through cancellation of treasury shares held by the Company |
| **Twelfth resolution** | Delegation of authority to the Board of Directors to increase the share capital through capitalization of reserves, earnings, premiums or other amounts the capitalization of which is permitted |
| **Thirteenth resolution** | Delegation of authority to the Board of Directors to increase the share capital by issuing Company shares and/or securities giving access to the share capital of the Company or of one of its subsidiaries and/or granting entitlement to the allotment of debt securities, with preferential subscription rights |
| **Fourteenth resolution** | Delegation of authority to the Board of Directors to increase the share capital by issuing Company shares and/or securities giving access to the share capital of the Company or of one of its subsidiaries and/or granting entitlement to the allotment of debt securities, by public offer without preferential subscription rights |
| **Fifteenth resolution** | Delegation of authority to the Board of Directors to increase the share capital by issuing Company shares and/or any securities giving access to the share capital of the Company or of one of its subsidiaries and/or granting entitlement to the allotment of debt securities, by private placement without preferential subscription rights, as set forth in Article L. 411-2 II of the French Monetary and Financial Code |
| **Sixteenth resolution** | Authorization for the Board of Directors to set, within an annual limit of 10% of the share capital, the issue price of shares and/or securities giving access to the share capital and/or granting entitlement to the allotment of debt securities, if issued without preferential subscription rights by public offer and/or offer set forth in Article L. 411-2 II of the French Monetary and Financial Code |
| **Seventeenth resolution** | Delegation of powers to the Board of Directors to issue shares and/or securities giving access to the share capital in exchange for contributions in kind made to the Company, without preferential subscription rights for shareholders |
| **Eighteenth resolution** | Delegation of authority to the Board of Directors to increase the share capital by issuing shares or equity securities giving access to other equity securities of the Company, reserved for members of a group savings plan |
| **Nineteenth resolution** | Delegation of authority to the Board of Directors to issue shares reserved for employees and corporate officers of the Company's subsidiaries, as defined by Article L. 233-16 of the French Commercial Code, whose registered offices are located outside France |
| **Twentieth resolution** | Authorization for the Board of Directors to allocate ordinary and/or preference shares of the Company free of charge as set forth in Articles L. 225-197-1 *et seq.* of the French Commercial Code to employees, including some or all members of the UBISOFT Group Executive Committee referred to in section 3.1.1.3 of the Registration Document, and/or corporate officers of affiliated companies, excluding the Company's corporate executive officers referred to in the twenty-first resolution |

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| **Twenty-first resolution** | Authorization for the Board of Directors to allocate preference shares of the Company free of charge as set forth in Articles L. 225-197-1 *et seq.* of the French Commercial Code to the Company's corporate executive officers |
| **Twenty-second resolution** | Authorization for the Board of Directors to grant employees options to subscribe for and/or purchase ordinary shares of the Company as set forth in Articles L. 225-177 *et seq.* of the French Commercial Code, including some or all of the members of the UBISOFT Group Executive Committee referred to in section 3.1.1.3 of the Registration Document, and/or corporate officers of affiliated companies, excluding the executive corporate officers of the Company referred to in the twenty-third resolution |
| **Twenty-third resolution** | Authorization for the Board of Directors to grant options to subscribe for and/or purchase ordinary shares of the Company as set forth in Articles L. 225-177 *et seq.* of the French Commercial Code to the Company's executive corporate officers |
| **Twenty-fourth resolution** | Overall limit on capital increases |
| **Twenty-fifth resolution** | Amendment of Article 8, paragraph 3 of the Articles of Association relating to the term of office of directors |

### RESOLUTIONS WITHIN THE SCOPE OF THE ORDINARY AND EXTRAORDINARY GENERAL MEETING

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| **Twenty-sixth resolution** | Powers to carry out formalities |

# 7.2 Draft resolutions for approval by the General Meeting

### RESOLUTIONS WITHIN THE SCOPE OF THE ORDINARY GENERAL MEETING

## First resolution

(Approval of the separate financial statements for the financial year ended March 31, 2015)

The General Meeting, acting in accordance with the quorum and majority requirements for ordinary general meetings and having considered the Board of Directors' management report and the Statutory Auditor's report, hereby approves the separate financial statements for the financial year ended March 31, 2015, as presented (comprising the balance sheet, income statement and notes), which show **a profit** of **€150,700,067.18**, in addition to the transactions recorded in these financial statements or summarized in these reports.

## Second resolution

(Allocation of earnings for the financial year ended March 31, 2015)

The General Meeting, acting in accordance with the quorum and majority requirements for ordinary general meetings and having considered the Board of Directors' report, resolves to allocate the profit for the financial year ended March 31, 2015 as follows :

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| Profit | €150,700,067.18 |
| to the **legal reserve** | €120,437.07 |
| which is therefore increased to 10% of the statutory minimum | |
| **Balance** to retained **earnings** | €150,579,630.11 |

The General Meeting also duly notes that no dividend has been distributed during the last three financial years.

## Third resolution

(Approval of the consolidated financial statements for the financial year ended March 31, 2015)

The General Meeting, acting in accordance with the quorum and majority requirements for ordinary general meetings and having considered the Board of Directors' report on the management of the Group and the Statutory Auditor's report on the consolidated financial statements, hereby approves the consolidated financial statements for the financial year ended March 31, 2015, as presented (essentially comprising the balance sheet, consolidated income statement and notes), which show a **profit** of **€87,011,302.64**, in addition to the transactions recorded in these financial statements or summarized in these reports.

## Fourth resolution
(Approval of regulated agreements and commitments)

The General Meeting, acting in accordance with the quorum and majority requirements for ordinary general meetings and having considered the Statutory Auditor's special report on regulated agreements and commitments subject to Articles L. 225-38 and L. 225-40 *et seq*. of the French Commercial Code, hereby approves said report and notes that no new agreement or commitment subject to these provisions was entered into during the financial year ended March 31, 2015.

## Fifth resolution
(Opinion on the elements of compensation of Mr. Yves Guillemot, Chairman and Chief Executive Officer)

The General Meeting, consulted in accordance with the recommendation of paragraph 24.3 of the AFEP-MEDEF Corporate Governance Code, which is the Company's reference code pursuant to Article L. 225-37 of the French Commercial Code, and acting in accordance with the quorum and majority requirements for ordinary meetings, issues a favorable opinion on the elements of compensation due or awarded for the financial year ended March 31, 2015 to Mr. Yves Guillemot, Chairman and Chief Executive Officer, as presented in chapter 3, section 3.2.4.1 of the Registration Document.

## Sixth resolution
(Opinion on the elements of compensation of Mr. Claude Guillemot, Executive Vice President)

The General Meeting, consulted in accordance with the recommendation of paragraph 24.3 of the AFEP-MEDEF Corporate Governance Code, which is the Company's reference code pursuant to Article L. 225-37 of the French Commercial Code, and acting in accordance with the quorum and majority requirements for ordinary meetings, issues a favorable opinion on the elements of compensation due or awarded for the financial year ended March 31, 2015 to Mr. Claude Guillemot, Executive Vice President, as presented in chapter 3, section 3.2.4.1 of the Registration Document

## Seventh resolution
(Opinion on the elements of compensation of Mr. Michel Guillemot, Executive Vice President)

The General Meeting, consulted in accordance with the recommendation of paragraph 24.3 of the AFEP-MEDEF Corporate Governance Code, which is the Company's reference code pursuant to Article L. 225-37 of the French Commercial Code, and acting in accordance with the quorum and majority requirements for ordinary meetings, issues a favorable opinion on the elements of compensation due or awarded for the financial year ended March 31, 2015 to Mr. Michel Guillemot, Executive Vice President, as presented in section chapter 3, section 3.2.4.1 of the Registration Document.

## Eighth resolution
(Opinion on the elements of compensation of Mr. Gérard Guillemot, Executive Vice President)

The General Meeting, consulted in accordance with the recommendation of paragraph 24.3 of the AFEP-MEDEF Corporate Governance Code, which is the Company's reference code pursuant to Article L. 225-37 of the French Commercial Code, and acting in accordance with the quorum and majority requirements for ordinary meetings, issues a favorable opinion on the elements of compensation due or awarded for the financial year ended March 31, 2015 to Mr. Gérard Guillemot, Executive Vice President, as presented in chapter 3, section 3.2.4.1 of the Registration Document.

## Ninth resolution
(Opinion on the elements of compensation of Mr. Christian Guillemot, Executive Vice President)

The General Meeting, consulted in accordance with the recommendation of paragraph 24.3 of the AFEP-MEDEF Corporate Governance Code, which is the Company's reference code pursuant to Article L. 225-37 of the French Commercial Code, acting in accordance with the quorum and majority requirements for ordinary meetings, issues a favorable opinion on the elements of compensation due or awarded for the financial year ended March 31, 2015 to Mr. Christian Guillemot, Executive Vice President, as presented in chapter 3 section 3.2.4.1 of the Registration Document.

## Tenth resolution
(Authorization for the Board of Directors to trade in the Company shares)

The General Meeting, acting in accordance with the quorum and majority requirements for ordinary general meetings and having considered the Board of Directors' report - including the description of the share buyback program in accordance with Articles 241-1 *et seq*. of the General Regulations of the *Autorité des Marchés Financiers* (AMF) :

1. authorizes the Board of Directors, with the option to sub-delegate under the conditions stipulated by law, pursuant to the provisions of Articles L. 225-209 *et seq*. of the French Commercial Code, the European Regulation (EC) No. 2273/2003 of December 22, 2003, the AMF General Regulations and market practices permitted by the AMF, to purchase or have the Company purchase its own shares, subject to a maximum number of shares representing:

   - 10% of the share capital existing at any given time, this percentage being applied to the share capital adjusted to reflect transactions affecting the share capital after this General Meeting (it being specified that in the case of shares repurchased for market-making purposes under the liquidity agreement in the conditions specified below, the number of shares taken into account when calculating this 10% limit is the number of shares purchased less the number of shares sold during the term of this authorization), or
   - 5% of the share capital for the shares purchased by the Company to be held and subsequently delivered in payment or in exchange during a merger, demerger or contribution, in accordance with the law.

2. resolves that these share purchases and sales may be carried out for any purpose permitted by the applicable laws and regulations, either in force now or in the future, and in particular:
   - to ensure the liquidity and activity of the Ubisoft Entertainment SA shares through an investment services provider acting independently under a liquidity agreement in accordance with the code of ethics recognized by the AMF,
   - to meet obligations resulting from stock option plans, free shares allocation plans or any other allocations or disposals of shares to employees and/or corporate officers of the Group or for the benefit of some of them, particularly in the context of a company and/or group savings plan or profit-sharing scheme,
   - to retain the shares for delivery at a later date in exchange or as payment for any future acquisitions,
   - to deliver the shares upon the exercise of rights attached to debt securities giving access, by any means, immediately and/or in the future, to the Company's share capital through redemption, conversion, exchange, presentation of a warrant or any other means,
   - to cancel in whole or in part any repurchased shares under conditions provided for by law, subject to the authorization from the Extraordinary General Meeting,
   - to implement any market practice that is or may come to be recognized by law or by the AMF.
3. resolves that:
   - the maximum authorized unit purchase price, before expenses, may not exceed €40, i.e. a maximum amount of €439,762,840 based on the share capital on April 30, 2015, it being specified that the maximum unit purchase price and the maximum program amount shall be adjusted in the event of transactions on the share capital, including the capitalization of reserves followed by the creation and allocation of free shares and/or stock split or consolidation,
   - the acquisitions made by the Company pursuant to this authorization may not cause the number of shares held directly or indirectly by the Company to exceed 10% of the number of shares comprising the share capital,
   - the shares may be purchased, sold or transferred by any means, particularly on regulated markets, multilateral trading facilities or over the counter, including by block purchases or sales, sale and repurchase agreements, using derivatives or securities giving access to the Company's share capital and implementing option strategies, in compliance with the legal and regulatory requirements applicable as of the transaction date.
4. resolves that the Board of Directors may not, without prior authorization of the General Meeting, make use of this authorization after a third party has filed a public tender offer for the Company's shares and until the end of the offer period;
5. grants all powers to the Board of Directors, with the option to sub-delegate under the conditions stipulated by law:
   - to implement this authorization, decide the terms of its implementation, place all stock exchange orders, enter into all agreements, prepare all documents (particularly information documents), allocate or re-allocate (in accordance with the legal provisions) the shares acquired, undertake all formalities, file official declarations and, in general, do whatever may be necessary to implement this authorization,
   - in the event that the law or the AMF should extend or supplement the permitted objectives of share buyback programs, for the purpose of preparing a description of the program that takes such new objectives into account.

The Board of Directors shall inform, in accordance with the legal requirements, the Annual General Meeting of the transactions carried out pursuant to this authorization.

This authorization is granted for a period of eighteen months from the date of this General Meeting and in respect of the unused portion supersedes any previous authorization with the same purpose.

## RESOLUTIONS WITHIN THE SCOPE OF THE EXTRAORDINARY GENERAL MEETING

### Eleventh resolution

(Authorization for the Board of Directors to reduce the share capital through cancellation of treasury shares held by the Company)

The General Meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report and the Statutory Auditor's special report, and acting in accordance with the provisions of Article L. 225-209 of the French Commercial Code:

1. authorizes the Board of Directors to proceed, at its sole discretion, on one or more occasions, with the reduction of the share capital, subject to the limit of 10% of the Company's share capital in any 24-month period, by canceling some or all of the shares that the Company holds or could hold as a result of the various authorizations to purchase shares granted by the General Meeting to the Board of Directors;
2. grants all powers to the Board of Directors, with the option to sub-delegate under the conditions stipulated by law, to perform these transactions within the limits and at the times it shall specify, to set the terms and conditions of these transactions, to make the necessary adjustments to any reserves, profits or premiums, to record their execution, to make the necessary amendments to the Articles of Association and, in general, to make all decisions and undertake all formalities.

This authorization is granted for a period of eighteen months from the date of this General Meeting and in respect of the unused portion supersedes any previous authorization with the same purpose.

## Twelfth resolution

(Delegation of authority to the Board of Directors to increase the share capital through capitalization of reserves, earnings, premiums or other amounts the capitalization of which is permitted)

The General Meeting, deliberating as an extraordinary general meeting but acting in accordance with the quorum and majority requirements for ordinary general meetings, having considered the Board of Directors' report and in accordance with the provisions of Articles L. 225-129 *et seq*. of the French Commercial Code, and in particular Articles L. 225-129-2 and L. 225-130 of said Code:

1. delegates to the Board of Directors, with the option to sub-delegate under the conditions stipulated by law, its authority to increase the share capital on one or more occasions, to the extent and at the times it considers appropriate, by capitalization of some or all of the reserves, profits, premiums or any other amounts that may be capitalized, by allotting free shares or raising the par value of existing shares or by a combination of both of these methods.
2. resolves that:
   - the maximum nominal amount of the increase or increases in share capital, immediately and/or in the future, that may be decided by the Board of Directors pursuant to this authorization may not exceed €10,000,000,
   - the upper limit on this delegation of authority is separate and distinct from the overall limit stipulated in the twenty-fourth resolution of this General Meeting,
   - the nominal amount of shares to be issued in order to maintain, in accordance with the applicable law and any contractual provisions for other types of adjustment, the rights of holders of securities giving access to the share capital shall be added to the aforementioned amount;
3. resolves that the Board of Directors may not, without prior authorization of the General Meeting, make use of this delegation of authority after a third party has filed a public tender offer for the Company's shares and until the end of the offer period. However, the Board may waive this rule for the purpose of satisfying any obligation to deliver securities required in connection with employee share ownership, particularly in the context of free share allocation plans;
4. grants all powers to the Board of Directors, with the option to sub-delegate under the conditions stipulated by law, to implement this delegation of authority, and in particular:
   - to set the terms of the issue and the amount and nature of the sums to be capitalized,
   - to set the number of new shares to be issued and/or the amount by which the par value of existing shares comprising the share capital will be increased,
   - to set the date, retroactively if necessary, from which the new shares will qualify for dividends or the date on which the increase in par value will take effect,
   - to decide, as appropriate and in accordance with the provisions of Article L. 225-130 of the Commercial Code, that rights representing fractional shares will not be negotiable or transferable and that the corresponding securities will be sold – the proceeds of the sale being allocated to rights holders within a period and in the conditions provided for by law and the applicable regulations,
   - to determine and make any adjustments designed to take into account the impact of transactions on the Company's share capital and to define the procedures whereby the rights of any holders of securities giving access to the share capital are protected,
   - to record each capital increase and make the corresponding amendments to the Articles of Association,
   - in general, to enter into any agreement, take any measures and undertake any formalities required for the issue, listing and financial servicing of the securities issued pursuant to this delegation of authority and the exercise of rights attached to or arising from the capital increases carried out.

This delegation is granted for a period of twenty-six months from the date of this General Meeting and in respect of the unused portion supersedes any previous delegation with the same purpose.

## Thirteenth resolution

(Delegation of authority to the Board of Directors to increase the share capital by issuing Company shares and/or securities giving access to the share capital of the Company or of one of its subsidiaries and/or granting entitlement to the allotment of debt securities, with preferential subscription rights)

The General Meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report and the Statutory Auditor's special report, and acting in accordance with the provisions of Articles L. 225-129 *et seq*. of the French Commercial Code, and particularly Articles L. 225-129-2 and L. 225-132 and the provisions of Articles L. 228-91 *et seq*. of said Code:

1. delegates to the Board of Directors, with the option to sub-delegate under the conditions stipulated by law, its authority to proceed, on one or more occasions, to the extent and at the times it considers appropriate, either in France or abroad, in euros or in any other currency or unit of account established by reference to several currencies, with the issue, by maintaining the preferential subscription rights of shareholders:
   a) of Company shares,
   b) of securities that are equity securities giving access by any means, immediately and/or in the future, to other equity securities of the Company or of a company in which the Company directly or indirectly owns more than half of the share capital (a **"Subsidiary"**) and/or granting entitlement to the allotment of debt securities,
   c) securities that are debt securities likely to give access or giving access, immediately and/or in the future, to equity securities to be issued by the Company or by a Subsidiary,

   it being specified that subscriptions may be paid up either in cash or by offsetting against receivables;

2. resolves to set the following amounts for authorized issues in the event of the Board making use of this delegation of authority:

   a) the maximum nominal amount of capital increases that may be carried out immediately and/or in the future pursuant to this delegation of authority may not exceed €1,450,000 (or its equivalent value in any other currency or unit of account established by reference to several currencies), it being specified that this amount will be deducted from the overall limit of €4,000,000 stipulated in the twenty-fourth resolution of this General Meeting.

   Where necessary, the nominal amount of shares to be issued in order to maintain, in accordance with the applicable law and any contractual provisions for other types of adjustment, the rights of holders of securities or other rights granting access to the Company's share capital shall be added to this limit,

   b) the maximum nominal amount of debt securities that may be issued pursuant to this delegation of authority may not exceed €400,000,000 (or the equivalent amount at the issue date), it being specified that this amount applies to all debt securities issued by the Board of Directors by virtue of the authority delegated by this General Meeting;

3. resolves that shareholders may exercise, under the conditions provided for by law, their preferential subscription rights on an irreducible basis and that the Board of Directors may also grant shareholders, on a reducible basis, the right to subscribe for a higher number of shares and/or securities than that to which they are entitled on an irreducible basis, in proportion to their subscription rights and subject in any event to the maximum quantity they apply for;

4. resolves that if the subscriptions do not absorb the entire issue of shares or securities giving access to the share capital and issued under this resolution, the Board of Directors may exercise some or all of the options granted by Article L. 225-134 of the French Commercial Code, in any order, particularly the option to offer the public some or all of the unsubscribed shares;

5. resolves that warrants to subscribe for Company shares may be issued either by subscription offer or as a free shares allocation to existing shareholders; the Board of Directors may however decide that rights not representing a whole number of shares will not be negotiable and that the corresponding securities will be sold;

6. resolves that the Board of Directors may not, without prior authorization of the General Meeting, make use of this delegation of authority after a third party has filed a public tender offer for the Company's shares and until the end of the offer period;

7. notes that this delegation of authority automatically entails the express waiver by shareholders of their preferential subscription rights to Company shares to which they could be entitled as a result of the securities issued pursuant to this delegation of authority;

8. resolves that the Board of Directors shall have full powers, with the option to sub-delegate under the conditions stipulated by law, to implement this delegation of authority, and in particular to:

   - define the features, amount and terms of any issue and of the securities and/or shares to be issued,
   - set the subscription start and end dates, decide on the category of securities to be issued and set their subscription price, with or without premium, define how the shares will be paid up, set the date from which they will carry dividend rights, retroactively or otherwise, and establish the conditions for exercising the rights attached to the securities issued (including conversion, exchange or redemption rights, for example by delivery of assets such as securities already issued by the Company or by a Subsidiary),
   - further decide, if issuing debt securities (including securities that entitle the holder to the allotment of debt securities as set forth in Articles L. 228-91, L. 228-92, paragraph 1 and L. 228-93, paragraph 3 of the French Commercial Code), whether these are to be subordinated (and, if so, their seniority, in accordance with the provisions of Article L. 228-97 of the French Commercial Code), set their interest rate (fixed or variable-rate, zero-coupon or index-linked) and stipulate any compulsory or optional grounds for suspension or non-payment of interest, decide on their maturity, whether the par value of the securities may be reduced or increased, and other issue terms (including whether to grant guarantees or security interests) and repayment terms (including redemption by delivery of assets), to establish the conditions in which such securities will give access to the Company's share capital, allow the securities to be repurchased on a stock exchange or to be the subject of a public purchase or exchange offer by the Company, and amend the aforementioned terms during the lifetime of the relevant securities, in accordance with the applicable formalities,
   - decide at its own discretion whether to offset the share premium(s) against expenses, charges and fees generated by such issuance,
   - in general take all measures and enter into all agreements necessary to ensure a satisfactory outcome for the planned issuance, take all measures and complete all formalities required for the financial servicing of the securities issued pursuant to this delegation of authority and the exercise of rights attached thereto, record the capital increase(s) resulting from any issuance carried out pursuant to this delegation of authority, amend the Articles of Association accordingly, and undertake all formalities required for admission to trading of the securities issued.

This delegation of authority is granted for a period of twenty-six months from the date of this General Meeting and in respect of the unused portion supersedes any previous delegation of authority with the same purpose.

## Fourteenth resolution

(Delegation of authority to the Board of Directors to increase the share capital by issuing Company shares and/or securities giving access to the share capital of the Company or of one of its subsidiaries and/or granting entitlement to the allotment of debt securities, by public offer without preferential subscription rights )

The General Meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report and the Statutory Auditor's special report, and acting in accordance with the provisions of Articles L. 225-129 *et seq*. of the French Commercial Code, and particularly Articles L. 225-129-2, L. 225-135, L. 225-136 and the provisions of Articles L. 228-91 *et seq*. of said Code:

1. delegates to the Board of Directors, with the option to sub-delegate under the conditions stipulated by law, its authority to proceed, on one or more occasions, to the extent and at the times it considers appropriate, either in France or abroad, in euros or in any other currency or unit of account established by reference to several currencies, with the issue by public offer without preferential subscription rights for shareholders:
   a) of Company shares,
   b) of securities that are equity securities giving access by any means, immediately and/or in the future, to other equity securities of the Company or of a company in which the Company directly or indirectly owns more than half of the share capital (a **"Subsidiary"**) and/or granting entitlement to the allotment of debt securities,
   c) of securities that are debt securities likely to give access or giving access, immediately and/or in the future, to equity securities issued by the Company or by a Subsidiary,

   it being specified that subscriptions may be paid up either in cash or by offsetting against receivables;
2. resolves that public offers made pursuant to this delegation of authority may be associated, in the context of a single issue or several issues carried out simultaneously, with the offers referred to in Article L. 411-2 II of the French Monetary and Financial Code, made pursuant to the fifteenth resolution submitted to this General Meeting;
3. resolves to set the following amounts for authorized issues in the event of the Board making use of this delegation of authority:
   a) the maximum nominal amount of capital increases that may be carried out immediately and/or in the future, pursuant to this delegation of authority and the one conferred by virtue of the fifteenth resolution, may not exceed €1,450,000 (or its equivalent value in any other currency or unit of account established by reference to several currencies), it being specified that this amount will be deducted from the overall limit of €4,000,000 stipulated in the twenty-fourth resolution of this General Meeting.

      Where necessary, the nominal amount of shares to be issued in order to maintain, in accordance with the applicable law and any contractual provisions for other types of adjustment, the rights of holders of securities or other rights granting access to the Company's share capital shall be added to this limit,
   b) the maximum nominal amount of debt securities that may be issued pursuant to this delegation of authority may not exceed €400,000,000 (or the equivalent amount at the issue date), it being specified that this amount applies to all debt securities issued by the Board of Directors by virtue of the authority delegated by this General Meeting and that this limit will count towards the one set in part 2-b) of the fifteenth resolution,
4. resolves to cancel the preferential subscription rights of shareholders to shares and securities to be issued immediately and/or in the future pursuant to this delegation, it being understood that the Board of Directors may, pursuant to Article L. 225-135, paragraph 5 and Article R. 225-131 of the French Commercial Code, grant shareholders a priority subscription period without the creation of negotiable rights and which shall be exercised in proportion to the number of shares held by each shareholder;
5. resolves that if the subscriptions do not absorb the entire issue of ordinary shares or securities giving access to the share capital, the Board of Directors may exercise some or all of the options granted by Article L. 225-134 of the French Commercial Code, in any order;
6. resolves that the Board of Directors may not, without prior authorization of the General Meeting, make use of this delegation of authority after a third party has filed a public tender offer for the Company's shares and until the end of the offer period;
7. notes that this delegation of authority automatically entails the express waiver by shareholders of their preferential subscription rights to Company shares to which they could be entitled as a result of the securities issued pursuant to this delegation of authority;
8. acknowledges the fact, notwithstanding the terms of the sixteenth resolution below, that:
   - the share issue price will be at least equal to the minimum amount provided by the legislative and regulatory provisions applicable at the time of using this delegation of authority, after adjustment, if any, of this amount to take account of the difference in dividend date (for information, on the date of this General Meeting, a price at least equal to the weighted average quoted prices of the Company's ordinary shares during the last three trading sessions on the Euronext Paris regulated market preceding the date on which this price is set, if necessary less a maximum discount of 5%, in accordance with Article L. 225-136-1, paragraph 1 and Article R. 225-119 of the French Commercial Code), and
   - the issue price of the securities will be such that the amount immediately received by the Company, plus any amount likely to be received in the future by the Company, is, for each ordinary share issued as a result of issuing such securities, at least equal to the amount set out in the previous paragraph, adjusted if necessary to take account of the difference in dividend date;

9. resolves that the Board of Directors shall have full powers, with the option to sub-delegate under the conditions stipulated by law, to implement this delegation of authority, and in particular to:
   - define the features, amount and terms of any issue and of the securities and/or shares to be issued,
   - set the subscription start and end dates, decide on the category of securities to be issued and set their subscription price, with or without premium, define how the shares will be paid up, set the date from which they will carry dividend rights, retroactively or otherwise, and establish the conditions for exercising the rights attached to the securities issued (including conversion, exchange or redemption rights, for example by delivery of assets such as securities already issued by the Company or by a Subsidiary),
   - further decide, if issuing debt securities (including securities that entitle the holder to the allotment of debt securities as set forth in Articles L. 228-91, L. 228-92, paragraph 1 and L. 228-93, paragraph 3 of the French Commercial Code), whether these are to be subordinated (and, if so, their seniority, in accordance with the provisions of Article L. 228-97 of the French Commercial Code), set their interest rate (fixed or variable-rate, zero-coupon or index-linked) and stipulate any compulsory or optional grounds for suspension or non-payment of interest, decide on their maturity, whether the par value of the securities may be reduced or increased, and other issue terms (including whether to grant guarantees or security interests) and repayment terms (including redemption by delivery of assets), to establish the conditions in which such securities will give access to the Company's share capital, allow the securities to be repurchased on a stock exchange or to be the subject of a public purchase or exchange offer by the Company, and amend the aforementioned terms during the lifetime of the relevant securities, in accordance with the applicable formalities,
   - decide at its own discretion whether to offset the share premium(s) against expenses, charges and fees generated by such issuance,
   - in general take all measures and enter into all agreements necessary to ensure a satisfactory outcome for the planned issuance, take all measures and complete all formalities required for the financial servicing of the securities issued pursuant to this delegation of authority and the exercise of rights attached thereto, record the capital increase(s) resulting from any issuance carried out pursuant to this delegation of authority, amend the Articles of Association accordingly, and undertake all formalities required for admission to trading of the securities issued.

This delegation of authority is granted for a period of twenty-six months from the date of this General Meeting and in respect of the unused portion supersedes any previous delegation of authority with the same purpose.

## Fifteenth resolution

(Delegation of authority to the Board of Directors to increase the share capital by issuing Company shares and/or securities giving access to the share capital of the Company or of one of its subsidiaries and/or granting entitlement to the allotment of debt securities, by private placement without preferential subscription rights, as set forth in Article L. 411-2 II of the French Monetary and Financial Code)

The General Meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report and the Statutory Auditor's special report, and acting in accordance with the provisions of Articles L. 225-129 *et seq*. of the French Commercial Code, and particularly Articles L. 225-129-2, L. 225-135 and L. 225-136 and the provisions of Articles L. 228-91 *et seq*. of said Code:

1. delegates to the Board of Directors, with the option to sub-delegate under the conditions stipulated by law, its authority to proceed, on one or more occasions, to the extent and at the times it considers appropriate, either in France or abroad, in euros or in any other currency or unit of account established by reference to several currencies, by private placement satisfying the conditions set forth in Article L. 411-2 II of the French Monetary and Financial Code (that is to say, an offer which is exclusively intended for (i) persons providing third-party portfolio management services or (ii) qualified investors or a restricted circle of investors, provided that those investors are acting for their own account), with the issue, without preferential subscription rights for shareholders:
   a) of Company shares,
   b) of securities that are equity securities giving access by any means, immediately and/or in the future, to other equity securities of the Company or of a company in which the Company directly or indirectly owns more than half of the share capital (a **"Subsidiary"**) and/or granting entitlement to the allotment of debt securities,
   c) of securities that are debt securities likely to give access or giving access, immediately and/or in the future, to equity securities to be issued by the Company or a Subsidiary,

   it being specified that subscriptions may be paid up either in cash or by offsetting against receivables;
2. resolves that the offers referred to in Article L. 411-2 II of the French Monetary and Financial Code made pursuant to this delegation of authority may be associated, in the context of a single issue or several issues carried out simultaneously, with the public offers under the fourteenth resolution submitted to this General Meeting;
3. resolves to set the following amounts for authorized issues in the event of the Board making use of this delegation of authority:
   a) the maximum nominal amount of capital increases that may be carried out immediately and/or in the future, pursuant to this delegation of authority and the one conferred by virtue of the fourteenth resolution, may not exceed €1,450,000 (or its equivalent value in any other currency or unit of account established by reference to several currencies), it being specified that this amount will be deducted from the overall limit of €4,000,000 stipulated in the twenty-fourth resolution of this General Meeting.

Where necessary, the nominal amount of shares to be issued in order to maintain, in accordance with the applicable law and any contractual provisions for other types of adjustment, the rights of holders of securities or other rights granting access to the Company's share capital shall be added to this limit.

In any event, equity securities issued pursuant to this delegation of authority by means of an offer referred to in Article L. 411-2 II of the French Monetary and Financial Code may not exceed the limits prescribed by the regulations applicable on the issue date (for information, on the date of this General Meeting, the equity securities issued by means of an offer referred to in Article L. 411-2 II of the French Monetary and Financial Code was subject to an annual limit of 20% of the share capital), it being specified that this limit will be assessed on the date of the Board of Directors' decision to use this delegation of authority,

**b)** the maximum nominal amount of debt securities that may be issued pursuant to this delegation of authority may not exceed €400,000,000 (or the equivalent value at the issue date), it being specified that this amount applies to all debt securities issued by the Board of Directors by virtue of the authority delegated by this General Meeting and that this limit will count towards the one set in part 2-b) of the fourteenth resolution;

**4.** resolves to cancel the preferential subscription rights of shareholders to shares and/or securities that may be issued, immediately and/or in the future, pursuant to this delegation of authority;

**5.** resolves that if the subscriptions do not absorb the entire issue of ordinary shares or securities giving access to the share capital, the Board of Directors may exercise some or all of the options granted by Article L. 225-134 of the French Commercial Code, in any order;

**6.** resolves that the Board of Directors may not, without prior authorization of the General Meeting, make use of this delegation of authority after a third party has filed a public tender offer for the Company's shares and until the end of the offer period;

**7.** notes that this delegation of authority automatically entails the express waiver by shareholders of their preferential subscription rights to Company shares to which they could be entitled as a result of the securities issued pursuant to this delegation of authority;

**8.** acknowledges the fact, notwithstanding the terms of the sixteenth resolution below, that:

- the share issue price will be at least equal to the minimum amount provided by the legislative and regulatory provisions applicable at the time of using this delegation of authority, after adjustment, if any, of this amount to take account of the difference in dividend date (for information, on the date of this General Meeting, a price at least equal to the weighted average quoted prices of the Company's ordinary shares during the last three trading sessions on the Euronext Paris regulated market preceding the date on which this price is set, if necessary less a maximum discount of 5%, in accordance with Article L. 225-136-1, paragraph 1 and Article R. 225-119 of the French Commercial Code), and
- the issue price of the securities will be such that the amount immediately received by the Company, plus any amount likely to be received in the future by the Company, is, for each ordinary share issued as a result of issuing such securities, at least equal to the amount set out in the previous paragraph, adjusted if necessary to take account of the difference in dividend date;

**9.** resolves that the Board of Directors shall have full powers, with the option to sub-delegate under the conditions stipulated by law, to implement this delegation of authority, and in particular to:

- define the features, amount and terms of any issue and of the securities and/or shares to be issued,
- set the subscription start and end dates, decide on the category of securities to be issued and set their subscription price, with or without premium, define how the shares will be paid up, set the date from which they will carry dividend rights, retroactively or otherwise, and establish the conditions for exercising the rights attached to the securities issued (including conversion, exchange or redemption rights, for example by delivery of assets such as securities already issued by the Company or by a Subsidiary),
- further decide, if issuing debt securities (including securities that entitle the holder to the allotment of debt securities as set forth in Articles L. 228-91, L. 228-92, paragraph 1 and L. 228-93, paragraph 3 of the French Commercial Code), whether these are to be subordinated (and, if so, their seniority, in accordance with the provisions of Article L. 228-97 of the French Commercial Code), set their interest rate (fixed or variable-rate, zero-coupon or index-linked) and stipulate any compulsory or optional grounds for suspension or non-payment of interest, decide on their maturity, whether the par value of the securities may be reduced or increased, and other issue terms (including whether to grant guarantees or security interests) and repayment terms (including redemption by delivery of assets), to establish the conditions in which such securities will give access to the Company's share capital, allow the securities to be repurchased on a stock exchange or to be the subject of a public purchase or exchange offer by the Company, and amend the aforementioned terms during the lifetime of the relevant securities, in accordance with the applicable formalities,
- decide whether to offset the share premium(s) against expenses, charges and fees generated by such issuance,
- in general take all measures and enter into all agreements necessary to ensure a satisfactory outcome for the planned issuance, take all measures and complete all formalities required for the financial servicing of the securities issued pursuant to this delegation of authority and the exercise of rights attached thereto, record the capital increase(s) resulting from any issuance carried out pursuant to this delegation of authority, amend the Articles of Association accordingly, and undertake all formalities required for admission to trading of the securities issued.

This delegation of authority is granted for a period of twenty-six months from the date of this General Meeting and in respect of the unused portion supersedes any previous delegation of authority with the same purpose.

## Sixteenth resolution

(Authorization for the Board of Directors to set, within an annual limit of 10% of the share capital, the issue price of shares and/or securities giving access to the share capital and/or granting entitlement to the allotment of debt securities, if issued without preferential subscription rights by public offer and/or offer set forth in Article L. 411-2 of the French Monetary and Financial Code)

The General Meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report and the Statutory Auditor's special report, and acting in accordance with Article L. 225-136-1, paragraph 2 of the French Commercial Code:

1. authorizes the Board of Directors, in the event that the fourteenth and fifteenth resolutions are implemented, to derogate from the pricing conditions stipulated in said resolutions and to set the issue price of the equity securities and/or securities to be issued so that the amount received by or due to the Company for each of the shares and securities issued and giving access to the share capital, after taking into account, in the case of stock warrants, the issue price of such warrants, is at least equal to the weighted average price of the last three trading sessions preceding the issue, if necessary less a maximum discount of 10%, regardless of whether the securities to be issued immediately or in the future are fungible or otherwise with the equity securities previously issued;
2. resolves that the total nominal amount of the capital increase resulting from the implementation of this authorization may not exceed 10% of the share capital in any 12-month period, it being specified that the amount of capital increases carried out under this resolution will count towards the limit set by the fourteenth and fifteenth resolutions.

This authorization is granted to the Board of Directors for a period of twenty-six months from the date of this General Meeting.

## Seventeenth resolution

(Delegation of powers to the Board of Directors to issue shares and/or securities giving access to the share capital in exchange for contributions in kind made to the Company, without preferential subscription rights for shareholders)

The General Meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report and the Statutory Auditor's special report, and acting in accordance with Article L. 225-147, paragraph 6 of the French Commercial Code:

1. delegates to the Board of Directors, with the option to sub-delegate in the conditions stipulated by law, the powers necessary to proceed, based on the Statutory Auditor's report on the contributions referred to in paragraphs 1 and 2 of Article L. 225-147, with the issue (i) of shares of the Company, (ii) of securities that are equity securities giving access by any means, immediately and/or in the future, to other equity securities of the Company, or (iii) securities that are debt securities likely to give access or giving access, immediately and/or in the future, to equity securities of the Company, to be issued in exchange for the contributions in kind made to the Company, when the provisions of Article L. 225-148 of the French Commercial Code do not apply;
2. resolves that the maximum nominal amount of capital increases that may be made immediately and/or in the future pursuant to this delegation of authority is set at 10% of the Company's share capital as of the date of this General Meeting, and will count towards the limit of €4,000,000 stipulated in the twenty-fourth resolution of this General Meeting;
3. notes that:

a) the Company's shareholders shall not have preferential subscription rights to the shares and/or securities issued pursuant to this delegation of authority, which may only be used as consideration for contributions in kind made to the Company under this resolution,

b) this delegation of authority automatically entails a waiver by shareholders of their preferential subscription rights to the shares to which they could be entitled as a result of the securities issued pursuant to this delegation of authority;

4. resolves that the Board of Directors may not, without prior authorization of the General Meeting, make use of this delegation of authority after a third party has filed a public tender offer for the Company's shares and until the end of the offer period;
5. resolves that the Board of Directors shall have full powers, with the option to sub-delegate under the conditions stipulated by law, to implement this resolution, and in particular to:
   - define the nature and number of securities to be created, their features and the terms of their issue, decide whether to approve the Statutory Auditor's report on the contributions referred to in paragraphs 1 and 2 of Article L. 225-147, the valuation of the contributions and the granting of special benefits,
   - record the completion of capital increases carried out pursuant to this delegation of authority, make the corresponding amendments to the Articles of Association, undertake all formalities and declarations and apply for any authorization that might be necessary to finalize such contributions.

This delegation is granted for a period of twenty-six months from the date of this General Meeting and in respect of the unused portion supersedes any previous delegation with the same purpose.

## Eighteenth resolution

(Delegation of authority to the Board of Directors to increase the share capital by issuing shares or securities that are equity securities giving access to other equity securities of the Company, reserved for members of a group savings plan)

The General Meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report and the Statutory Auditor's special report, and acting in accordance with the provisions

of Articles L. 225-129-2, L. 225-129-6, L. 225-138 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-1 *et seq*. of the French Labor Code, hereby:

1. delegates its authority to the Board of Directors, with the option to sub-delegate under the conditions stipulated by law, to increase the share capital, at its sole discretion, on one or more occasions, at the times and according to procedures that it will decide upon, under the conditions provided for by law, by issuing shares or equity securities giving access, by any means, immediately and/or in the future, to other equity securities of the Company, for subscription in cash, reserved for members of a savings plan of the Group or Company and/or associated companies or groups within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code;
2. further resolves that the Board of Directors may also allocate free of charge, to the beneficiaries referred to above, shares or equity securities giving entitlement, by any means, immediately and/or in the future, to other equity securities of the Company, in accordance with the legal and regulatory conditions, to replace all or part of the discount referred to in paragraph 4) and/or as a matching contribution by the Company, it being understood that the benefit resulting from this allocation may not exceed the limits provided for in Articles L. 3332-21 and L. 3332-11 of the French Labor Code;
3. resolves that (i) the nominal amount of the Company's capital increases carried out immediately or in the future, resulting from all issuance performed by virtue of this delegation, is fixed at 0.2% of the share capital on the date of the Board of Directors' decision, it being understood that this maximum amount is fixed without taking into account the nominal amount of shares in the Company that may be issued for the purpose of adjustments to be made in accordance with the law and applicable contractual provisions to protect the rights of holders of securities or other rights giving entitlement to the Company's share capital, and that (ii) the nominal amount by which the Company's share capital is increased, immediately or in the future, resulting from issuance performed by virtue of this delegation, will be deducted from the limit of €4,000,000 stipulated in the twenty-fourth resolution of this General Meeting;
4. resolves that the subscription price of the shares or securities issued will be determined under the conditions defined in Articles L. 3332-18 to L. 3332-23 of the French Labor Code;
5. resolves to set the maximum discount offered within the context of a savings plan at 15% of the average opening price of Ubisoft Entertainment SA shares on Euronext Paris over the twenty trading days prior to the date of the decision setting the start date for subscriptions, it being understood that the Board of Directors may reduce this discount where it sees fit, particularly in the event that members of a company savings plan are offered shares on the international market and/or abroad in order to meet applicable local legal requirements;
6. resolves to waive, in favor of members of a Group savings plan, the preferential right of shareholders to subscribe for shares or securities that may be issued pursuant to this delegation;
7. notes that each share capital increase will only be completed up to the amount of shares subscribed for by the beneficiaries referred to above, individually or via company investment funds or open-ended investment companies or other structures permitted by the applicable legal and regulatory provisions;
8. resolves that the Board of Directors will have all powers, with the option to sub-delegate under the conditions provided for by law, to implement this delegation of authority in accordance with the conditions set out above, and in particular to:
   - decide on the features, amount and terms of each issue,
   - decide whether the shares may be subscribed for directly by members of a savings plan or via company investment funds or open-ended investment companies or other structures permitted by the applicable legal and regulatory provisions,
   - determine the relevant companies and beneficiaries,
   - determine the nature and terms of the capital increase and the terms of the issue,
   - where applicable, establish the seniority conditions that beneficiaries must meet in order to subscribe for shares or new securities to be issued in the context of capital increases within the scope of this resolution,
   - fix the amounts of these issues and decide on subscription prices, the terms and conditions of issues of shares or securities to be performed by virtue of this delegation, particularly their vesting date, and the terms of their payment and delivery,
   - decide on start and end dates for subscriptions,
   - record the performance of the capital increase through the issuance of shares up to the amount of shares that will effectively be subscribed to,
   - ensure the preservation of the rights of holders of securities giving entitlement to the share capital of the Company in the future, in accordance with applicable legal and regulatory provisions,
   - at its sole discretion and where it sees fit, deduct capital increase fees,
   - at its sole discretion and where it sees fit, deduct capital increase fees from the amount of premiums pertaining to these increases and deduct from this amount the amounts necessary to ensure that the legal reserve is maintained at a tenth of the new share capital after each increase,
   - in general terms, perform all acts and formalities, take all measures, make all decisions and conclude all useful or necessary agreements (i) in order to ensure the successful conclusion of the issues performed by virtue of this delegation of authority and in particular for the issuance, subscription, delivery, vesting and listing of the shares created, financial servicing of the new shares and the exercise of rights attached thereto, (ii) in order to confirm the definitive realization of these capital increase(s) and make modifications to the Articles of Association relating to these capital increases, (iii) in order to proceed with the formalities subsequent to the realization of capital increases and, generally speaking, do what is necessary.

This delegation is valid for a period of twenty-six months from the date of this General Meeting and in respect of the unused portion supersedes any previous delegation with the same purpose.

## Nineteenth resolution

(Delegation of authority to the Board of Directors to issue shares reserved for employees and corporate officers of the Company's subsidiaries, as defined by Article L. 233-16 of the French Commercial Code, whose registered offices are located outside France)

The General Meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report and the Statutory Auditor's special report, and acting in accordance with the provisions of Articles L. 225-129-2 and L. 225-138 of the French Commercial Code:

1. delegates its authority to the Board of Directors, with the option to sub-delegate under the conditions stipulated by law, to issue, on one or more occasions, shares in the Company reserved for employees and corporate officers of the Company's subsidiaries within the meaning of Article L. 233-16 of the French Commercial Code, whose registered offices are located outside France (the **"Subsidiaries"**), to be paid up either in cash, or by offsetting receivables;
2. resolves (i) that the nominal amount of the Company's capital increases performed by virtue of this delegation is fixed at **0.2%** of the share capital on the date of the Board of Directors' decision setting the start date for the subscription period, it being understood that this limit is fixed without taking into account the nominal amount of shares in the Company that may be issued for the purpose of adjustments to be made in accordance with the law and applicable contractual provisions to protect the rights of holders of securities or other rights giving entitlement to share capital, and (ii) that the nominal amount by which the Company's share capital is increased, immediately or in the future, resulting from issuance performed by virtue of this authorization, will be deducted from the limit of €4,000,000 set out in the twenty-fourth resolution of this General Meeting;
3. notes that the Board of Directors may issue shares reserved for employees of Subsidiaries, at the same time as, or independently of, one or more issues open to shareholders, employees subscribing to a Group savings plan, or third parties;
4. resolves that the subscription price for new shares will be set by the Board of Directors on the date when it sets the subscription start date, according to one of the following two methods, at the discretion of the Board of Directors:
   - subscription price equal to the average opening price of Ubisoft Entertainment SA shares on Euronext Paris over the twenty trading days prior to the date of the Board of Directors' decision, less a maximum discount of 15% where applicable, or
   - subscription price equal to the opening price of Ubisoft Entertainment SA shares on Euronext Paris on the date of the Board of Directors' decision, less a maximum discount of 15% where applicable, it being understood that the method used, or the discount amount applied, may differ depending on the capital increases or beneficiaries;
5. resolves to waive, in favor of employees and corporate officers of Subsidiaries, the preferential right of shareholders to subscribe for shares that may be issued pursuant to this delegation of authority;
6. resolves that the Board of Directors will have all powers, with the option to sub-delegate under the conditions stipulated by law, to implement this delegation of authority in accordance with the conditions set out above, and in particular to:
   - determine the dates, terms and conditions of the issue(s) with or without a premium, and to determine the overall number of shares to be issued,
   - establish the list of beneficiaries from among the employees and corporate officers of Subsidiaries, and determine the number of shares that may be subscribed for by each individual,
   - decide on the share subscription price, in accordance with the terms set out in paragraph 3 of this resolution,
   - decide on the payment terms for these shares within legal limits,
   - set the vesting date for the shares to be issued,
   - record the performance of the capital increase through the issuance of shares,
   - ensure the preservation of the rights of holders of securities giving entitlement to the share capital of the Company in the future, in accordance with applicable legal and regulatory provisions,
   - at its sole discretion and where it sees fit, deduct capital increase fees from the amount of premiums pertaining to these increases and deduct from this amount the amounts necessary to ensure that the legal reserve is maintained at a tenth of the new share capital after each increase,
   - in general, perform all acts and formalities, take all measures, make all decisions and enter into all useful or necessary agreements (i) to ensure the successful conclusion of the issuance performed by virtue of this delegation of authority and in particular the issuance, subscription, vesting and listing of the shares created, the financial servicing of the new shares and the exercise of rights attached thereto, (ii) to confirm the definitive completion of such capital increase(s) and make the corresponding amendments to the Articles of Association, (iii) to proceed with the formalities subsequent to the performance of capital increases and, in general, to do whatever may be necessary.

This delegation of authority is valid for a period of eighteen months from the date of this General Meeting and in respect of the unused portion supersedes any previous authority delegated for the same purpose.

## Twentieth resolution

(Authorization for the Board of Directors to allocate ordinary and/or preference shares of the Company free of charge as set forth in Articles L. 225-197-1 *et seq.* of the French Commercial Code to employees, including some or all members of the UBISOFT Group Executive Committee referred to in section 3.1.1.3 of the Registration Document, and/or corporate officers of affiliated companies, excluding the Company's executive corporate officers referred to in the twenty-first resolution)

The General Meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report and the Statutory Auditor's special report, and acting in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code:

1. authorizes the Board of Directors to allocate, on one or more occasions, existing shares in the Company and/or those to be issued, free of charge, to employees or certain categories of employees, which it will identify from among its employees, including some or all members of the UBISOFT Group Executive Committee referred to in section 3.1.1.3 of the Registration Document, and/or corporate officers of affiliated companies as defined by Article L. 225-197-2 of the French Commercial Code, with the exception of the Company's executive officers referred to in the twenty-first resolution;
2. resolves that the shares allocated will be ordinary and/or preference shares, as defined in Article 7 of the Articles of Association of the Company;
3. resolves that the Board of Directors will proceed with the allocation and identify the beneficiaries as well as, where appropriate, establishing the conditions and criteria for allocating the shares subject to the limits set out in this authorization. For members of the Executive Committee, the final award of all shares will be contingent on the fulfillment of performance criteria assessed over a period of at least three financial years and established as a minimum based on average Group EBIT;
4. resolves that the total number of ordinary shares allocated and the number of ordinary shares that may be created in the event of conversion of preference shares allocated free of charge by virtue of this authorization may not involve a number of existing or new shares exceeding **1.70%** of the number of ordinary shares that comprise the share capital of the Company on the date of the Board of Directors' decision to allocate the shares, it being understood that this limit is separate and distinct from the limit referred to in the twenty-first resolution of this General Meeting, and that:
   a) the number of ordinary shares that may be created in the event of the conversion of preference shares may not represent more than 0.25% of the number of shares comprising the share capital on the date on which the Board of Directors allocates said preference shares, based on the conversion ratio referred to in paragraph 6.a) below,
   b) if no preference shares are allocated pursuant to this resolution, the aforementioned percentage of 0.25% may be used by the Board of Directors to allocate ordinary shares under this resolution.

The nominal value of ordinary shares in the Company to be issued where necessary in order to maintain, in accordance with the applicable law and any contractual provisions for other types of adjustment, the rights of holders of securities or other rights granting access to the Company's share capital will count towards this limit.

The nominal amount by which the Company's share capital is increased as a result of ordinary shares being issued pursuant to this authorization will be deducted from the limit of €4,000,000 stipulated in the twenty-fourth resolution of this General Meeting;

5. resolves that the allocation of:
   a) ordinary shares to their beneficiaries shall become definitive after a vesting period, the duration of which shall be fixed by the Board of Directors, on the understanding that this duration may not be less than two years, and that the beneficiaries must retain said shares for a period fixed by the Board of Directors, on the understanding that the retention period may not be less than two years from the definitive allocation of said shares. However, the General Meeting authorizes the Board of Directors, where the vesting period is a minimum of four years, not to impose a retention period for the shares concerned. It should be noted that the Board of Directors may stipulate acquisition and vesting and retention period durations that are greater than the minimum durations set out above, where necessary. Notwithstanding the provisions of the previous paragraph, in the event that the legislative or regulatory provisions applicable to free shares should change, particularly if such changes were to reduce or even abolish the minimum vesting and/or retention periods, the Board of Directors may reduce or even abolish the vesting and retention periods within the limits of the new provisions that apply, it being specified that for members of the Executive Committee, the vesting period may not in any case be less than three years,
   b) preference shares to their beneficiaries shall become definitive after a vesting period, the duration of which shall be fixed by the Board of Directors, on the understanding that this duration may not be less than three years, and that the beneficiaries must retain said shares for a period fixed by the Board of Directors, on the understanding that the retention period may not be less than two years from the definitive allocation of said shares. However, the General Meeting authorizes the Board of Directors, insofar as the vesting period for all or some of one or several allocations would be a minimum of four years, not to impose a retention period for the shares considered. It should be noted that the Board of Directors may stipulate acquisition and retention period durations that are greater than the minimum durations set out above, where necessary. Notwithstanding the provisions of the previous paragraph, in the event that the legislative or regulatory provisions applicable to free shares should change, particularly if such changes were to reduce or even abolish the minimum vesting and/or retention periods, the Board of Directors may reduce or even abolish the vesting and retention periods within the limits of the new provisions that apply, it being specified that, according to the Articles of Association, the conversion of preference

shares into ordinary shares may not in any case take place until a minimum period of four years has elapsed;

6. resolves that:

- preference shares may be converted into ordinary shares, depending on the performance of the share price of the Company's ordinary shares from the date of allocation by the Board of Directors until the expiry of the vesting and/or retention periods referred to in paragraph 5.b) above, and based on a conversion ratio determined at the end of said retention period,
- the conversion ratio referred to in the preceding paragraph will be 30 ordinary shares for every preference share (the **"Conversion Ratio"**), with a target of 150% of the initial price, determined according to the methods described in paragraph 7-a) below, on the allocation date (the **"Maximum Share Price"**), if necessary by applying a proportional and linear sliding scale and subject to statutory and regulatory adjustments;

7. notes that, in accordance with Article 7 of the Articles of Association – it being specified that the terms hereinafter defined with an initial capital have the meaning assigned to them in that Article – the Board of Directors will determine, on the date on which the preference shares are awarded:

a) the initial share price according to one of the two methods hereinafter described (the **"Minimum Share Price"** ):

→ either the opening price of the ordinary shares on Euronext Paris on the date on which the Board of Directors allocates the preference shares,

→ or the average opening price of the Company's ordinary shares over the twenty trading days prior to the allocation of the preference shares by the Board of Directors,

b) the conversion share price, based on the volume-weighted average price of the Company's shares over a period to be defined by the Board of Directors (the **"Weighted Share Price"**), from which the number of ordinary shares to which the preference shares grant entitlement will be calculated (the **"Conversion Share Price"** ),

c) the conversion date on which the preference shares will be converted into ordinary shares, subject to fulfillment of the market conditions set out above or automatically under Article 7. III. 2.3 of the Articles of Association, at the end of the vesting and/or retention period referred to in paragraph 5.b) above (the **"Conversion Date"**), or at the request of the beneficiary from the Conversion Date until the deadline set by the Board of Directors, following which the conversion will take place automatically if it has not already been initiated by the beneficiary during that period,

d) the reduction formula to be applied if the Maximum Share Price is not reached in accordance with Article 7. III. 2.2 of the Articles of Association of the Company;

8. notes that, in accordance with Article 7 of the Articles of Association of the Company, and in the event that the Maximum Share Price is not reached, the Board of Directors may repurchase some or all of the preference shares at face value and cancel same where applicable, subject to the legal and regulatory conditions;

9. notes that this authorization automatically entails a waiver by shareholders of their preferential right to subscribe for preference shares issued by virtue of this resolution, in favor of the beneficiaries;

10. resolves that, in the event of disability of the beneficiary corresponding to classification in the second or third category provided for in Article L. 341-4 of the French Social Security Code, the beneficiary will receive a final award of free shares before the end of the remaining vesting period and such shares will be immediately transferable;

11. delegates all powers to the Board of Directors, with the option to sub-delegate under the legal and regulatory conditions, to implement this authorization, in the conditions set forth above and subject to the limits authorized by the applicable legal texts, and in particular:

- to establish the terms and conditions of the free share allocations made pursuant to this authorization and the performance criteria on which the award of preference shares to members of the Executive Committee is contingent, according to the terms and conditions set forth in paragraph 3 of this resolution and, where applicable, the performance criteria on which the final award to other beneficiaries could be contingent,
- to determine in particular the Weighted Share Price, the Minimum Share Price, the Conversion Share Price, the Conversion Date and, if necessary, the reduction formula to be applied in the event that the Maximum Share Price is not reached according to the terms and conditions set out in Article 7 of the Articles of Association,
- to identify the beneficiaries and decide on the number of shares to be allotted to each one, and to set the issue terms and the date from which the new shares and those to be issued carry entitlement to dividends,
- to record the completion of capital increases, to amend the Articles of Association accordingly, and to proceed, where applicable, during the vesting period, with adjustments to the number of shares linked to potential transactions involving the share capital of the Company so as to protect the rights of the beneficiaries,
- and more generally, to complete all formalities necessary for the issue, listing and financial servicing of the securities issued pursuant to this resolution and to do whatever may be useful and necessary under the laws and regulations in force.

The Board of Directors will inform the Ordinary General Meeting each year, in accordance with the legal and regulatory conditions (in particular Article L. 225-197-4 of the French Commercial Code), of the transactions performed in the context of this resolution.

This authorization is granted for a period of thirty-eight months from the date of this General Meeting and in respect of the unused portion supersedes any previous authority delegated for the same purpose.

## Twenty-first resolution

(Authorization for the Board of Directors to allocate preference shares of the Company free of charge as set forth in Articles L. 225-197-1 et seq. of the French Commercial Code to the Company's executive corporate officers)

The General Meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report and the Statutory Auditor's special report, and acting in accordance with Articles L. 225-197-1 *et seq*. of the French Commercial Code:

1. authorizes the Board of Directors to proceed, on one or more occasions, with allocations of free preference shares to be issued by the Company for the benefit of its executive officers;
2. resolves that the Board of Directors will proceed with the allocation and identify the beneficiaries from among the Company's executive officers and, where applicable, establish the conditions and criteria for allocating the shares subject to the limits set out in this authorization;
3. further resolves that:
   a) the final award of all preference shares pursuant to this resolution will be contingent on the fulfillment of performance criteria assessed over a period of at least three financial years and established as a minimum based on average Group EBIT,
   b) the conversion of preference shares into ordinary shares will be subject to market performance as set forth in paragraph 6 below;
4. resolves that the number of ordinary shares that may be created in the event of conversion of the preference shares allocated free of charge by virtue of this authorization may not involve a number of existing or new shares exceeding **0.05%** of the number of ordinary shares that comprise the share capital of the Company on the date of the Board of Directors' decision to allocate the shares, this limit being separate and distinct from the limit referred to in the twentieth resolution, and that:
   - executive officers who are beneficiaries of an award within the context of this resolution are not eligible for the stock option grant referred to in the twenty-third resolution,
   - the nominal amount by which the Company's share capital is increased as a result of ordinary shares being issued pursuant to this authorization will be deducted from the limit of €4,000,000 stipulated in the twenty-fourth resolution of this General Meeting.

   Where necessary, the nominal amount of ordinary shares to be issued in order to maintain, in accordance with the applicable law and any contractual provisions for other types of adjustment, the rights of holders of securities or other rights granting access to the Company's share capital will be added to this limit;
5. resolves that the award of preference shares will become final after a vesting period, the duration of which will be set by the Board of Directors, subject to a minimum period of three years, and that the beneficiaries must retain said shares for a period set by the Board of Directors, on the understanding that the retention period may not be less than two years from the final award of said shares. However, the General Meeting authorizes the Board of Directors, insofar as the vesting period for all or some of one or several allocations would be a minimum of four years, not to impose a retention period for the shares considered. It should be noted that the Board of Directors may stipulate acquisition and retention period durations that are greater than the minimum durations set out above, where necessary.

   Notwithstanding the provisions of the previous paragraph, in the event that the legislative or regulatory provisions applicable to free shares should change, particularly if such changes were to reduce or even abolish the minimum vesting and/or retention periods, the Board of Directors may reduce or even abolish the vesting and retention periods within the limits of the new provisions that apply, it being specified that, according to the Articles of Association, the conversion of preference shares into ordinary shares may not in any case take place until a minimum period of four years has elapsed;
6. resolves that:
   - preference shares may be converted into ordinary shares, depending on the performance of the share price of the Company's ordinary shares during the period from the date of the allocation by the Board of Directors until the expiry of the vesting and/or retention periods referred to in paragraph 5 above, and based on a conversion ratio determined at the end of said retention period,
   - the conversion ratio referred to in the preceding paragraph will be 30 ordinary shares for every preference share (the **"Conversion Ratio"**), with a target of 150% of the initial price, determined according to the methods described in paragraph 7-a) below, on the allocation date (the **"Maximum Share Price"**), if necessary applying a proportional and linear sliding scale and subject to statutory and regulatory adjustments;
7. notes that, in accordance with Article 7 of the Articles of Association – it being specified that the terms hereinafter defined with an initial capital have the meaning assigned to them in that Article – the Board of Directors will determine, on the date on which the preference shares are awarded:
   a) the initial share price according to one of the two methods hereinafter described (the **"Minimum Share Price"**):

- either the opening price of the ordinary shares on Euronext Paris on the date on which the Board of Directors allocates the preference shares,
- or the average opening price of the Company's ordinary shares over the twenty trading days prior to the allocation of the preference shares by the Board of Directors,

b) the conversion share price, based on the volume-weighted average price of the Company's shares over a period to be defined by the Board of Directors (the **"Weighted Share Price"**), from which the number of ordinary shares to which the preference shares grant entitlement will be calculated (the **"Conversion Share Price"**),

c) the conversion date on which the preference shares will be converted into ordinary shares, subject to fulfillment of the market conditions set out above or automatically under Article 7. III. 2.3 of the Articles of Association, at the end of the vesting and/or retention period referred to in paragraph 5.b) above (the **"Conversion Date"**), or at the request of the beneficiary from the Conversion Date until the deadline set by the Board of Directors, following which the conversion will take place automatically if it has not already been initiated by the beneficiary during that period,

d) the reduction formula to be applied if the Maximum Share Price is not reached in accordance with Article 7. III. 2.2 of the Articles of Association of the Company;

8. notes that, in accordance with Article 7 of the Articles of Association of the Company, and in the event that the Maximum Share Price is not reached, the Board of Directors may repurchase some or all of the preference shares at face value and cancel same where applicable, subject to the legal and regulatory conditions;
9. notes that this authorization automatically entails a waiver by shareholders of their preferential right to subscribe for preference shares issued by virtue of this resolution, in favor of the beneficiaries;
10. resolves that, in the event of disability of the beneficiary corresponding to classification in the second or third category provided for in Article L. 341-4 of the French Social Security Code, the beneficiary will receive a final award of free shares before the end of the remaining vesting period and such shares will be immediately transferable;
11. delegates all powers to the Board of Directors, with the option to sub-delegate under the legal and regulatory conditions, to implement this authorization, in the conditions set forth above and subject to the limits authorized by the applicable legal texts, and in particular:

- to establish the terms and conditions of the free shares allocations made pursuant to this authorization and the performance criteria on which the award of preference shares to executive officers is contingent, according to the terms and conditions set forth in paragraph 3 of this resolution,
- to determine in particular the Weighted Share Price, the Minimum Share Price, the Conversion Share Price, the Conversion Date and, if necessary, the reduction formula to be applied in the event that the Maximum Share Price is not reached according to the terms and conditions set out in Article 7 of the Articles of Association,
- to identify the beneficiaries from among the executive officers and decide on the number of preference shares to be allocated to each one,
- to set the issue terms and the date from which the new shares and those to be issued carry entitlement to dividends, to record the completion of capital increases, to amend the Articles of Association accordingly, and to proceed, where applicable, during the vesting period, with adjustments to the number of shares linked to potential transactions involving the share capital of Company so as to protect the rights of the beneficiaries,
- and more generally, to complete all formalities necessary for the issue, listing and financial servicing of the securities issued pursuant to this resolution and to do whatever may be useful and necessary under the laws and regulations in force.

The Board of Directors will inform the Ordinary General Meeting each year, in accordance with the legal and regulatory conditions (in particular Article L. 225-197-4 of the French Commercial Code), of the transactions performed in the context of this resolution.

This authorization is granted for a period of thirty-eight months from the date of this General Meeting.

## Twenty-second resolution

(Authorization for the Board of Directors to grant employees options to subscribe for and/or purchase ordinary shares of the Company as set forth in Articles L. 225-177 *et seq.* of the French Commercial Code, including some or all members of the UBISOFT Group Executive Committee referred to in section 3.1.1.3 of the Registration Document, and/or corporate officers of affiliated companies, excluding the Company's executive corporate officers referred to in the twenty-third resolution)

The General Meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report and the Statutory Auditor's special report:

1. authorizes the Board of Directors, in accordance with Articles L. 225-177 *et seq.* of the French Commercial Code, to grant on one or more occasions to employees or certain categories of employees, which it will identify from among its employees, including some or all members of the UBISOFT Group Executive Committee referred to in section 3.1.1.3 of the Registration Document, and/or corporate officers of affiliated companies as defined by Article L. 225-180 of the French Commercial Code and excluding the executive corporate officers of the Company referred to in the twenty-third resolution, options to subscribe for or purchase ordinary shares of the Company under the conditions set out below, it being specified that, in accordance with the provisions of Article L. 225-182 of the French Commercial Code, the Board of Directors may not grant options to corporate officers and employees of affiliated companies, as defined in Article L. 225-180 of the French Commercial Code, who hold more than 10% of the Company's share capital;
2. resolves that (i) the number of ordinary shares that may be subscribed for or purchased by beneficiaries who exercise the

options granted by the Board of Directors pursuant to this authorization may not exceed **1.30%** of the number of ordinary shares outstanding on the date of the Board of Directors' decision to grant the options, it being specified that this limit is separate and distinct from the limit referred to in the twenty-third resolution of this General Meeting and that the nominal amount of the capital increase of the Company, resulting from future issuance of ordinary shares pursuant to this authorization, will be deducted from the limit of €4,000,000 stipulated in the twenty-fourth resolution;

Where necessary, the nominal amount of ordinary shares to be issued in order to maintain, in accordance with the applicable law and any contractual provisions for other types of adjustment, the rights of holders of securities or other rights granting access to the Company's share capital will be added to this limit;

3. resolves that the Board of Directors will proceed with the allocation and identify the beneficiaries as well as, where appropriate, establishing the conditions and criteria for allocating the shares subject to the limits set out in this authorization. For members of the Executive Committee, the final award of all options will be contingent on the fulfillment of performance criteria assessed over a period of at least four financial years and established as a minimum based on average Group EBIT;

4. resolves that the subscription or purchase price of ordinary shares for beneficiaries of the options will be set by the Board of Directors on the date that it grants the options to the beneficiaries, subject to the following limits:

- with regard to options to subscribe for ordinary shares, the share subscription price may not be lower, at the option of the Board of Directors, than the average initial price recorded over the twenty trading days preceding the option grant date or the opening price of Ubisoft Entertainment SA shares on Euronext Paris on the date of the Board of Directors' decision, it being specified that, in any event, the subscription price of ordinary shares set by the Board of Directors cannot be lower than the threshold set by Article L. 225-177 of the French Commercial Code,
- with regard to options to purchase ordinary shares, the share purchase price may not be less than the average initial price recorded over the twenty trading days preceding the option grant date, or the average purchase price of ordinary shares held by the Company under Articles L. 225-177 and L. 225-179 of the French Commercial Code.

The price set for the subscription or purchase of ordinary shares may not be modified during the life of the option, subject to any adjustments that the Board of Directors is required to make in accordance with the legal and regulatory provisions in force;

5. notes that options may not be granted by the Board of Directors:

- in the ten trading days preceding or following the date on which the consolidated financial statements or, failing that, the annual financial statements are published,
- in the period between the date on which the Company's management bodies receive information that, if made public, could have a significant impact on the Company's share price, and the date falling ten trading days after the public disclosure of said information,
- in the twenty trading days following the date on which the shares are traded ex-dividend, or in the twenty trading days following a capital increase;

6. resolves that the options to subscribe for and purchase ordinary shares granted pursuant to this authorization shall be exercised within a maximum period of ten years from the grant date;

7. notes that this authorization entails, for the benefit of beneficiaries of the stock options, the express waiver by shareholders of their preferential subscription rights for ordinary shares that will be issued as and when the stock options are exercised. The capital increase resulting from the exercise of stock options will be definitively performed upon notification that the options are to be exercised, accompanied by the subscription form and payment of the corresponding amount in cash or by offsetting receivables;

8. grants all powers to the Board of Directors, with the option to sub-delegate under the conditions provided for by law, to:

- set the dates on which options will be granted, subject to the legal requirements and limits,
- define the performance criteria that members of the Executive Committee must satisfy in order to exercise their options under the terms and conditions set forth in paragraph 3 of this resolution,
- draw up a list of beneficiaries, the number of options granted to each one, and the conditions for exercising the options,
- set the period of validity of the options, it being specified that the options must be exercised within a maximum of ten years,
- set the dates or periods for exercising the options, it being specified that the Board of Directors may (a) bring forward the dates or periods for exercising the options, (b) allow the options to continue to be exercised or (c) change the dates or periods on or during which the shares obtained by exercising the options cannot be sold or converted to bearer shares,
- establish the conditions for exercising the options and in particular limit, suspend, restrict or prohibit (a) the exercise of the options or (b) the sale of the ordinary shares obtained by exercising the options during certain periods or following certain events, its decision potentially (i) concerning some or all of the options and (ii) concerning some or all of the beneficiaries; such conditions may include clauses that prohibit the options from being exercised during one or more periods, as well as clauses prohibiting the immediate resale of some or all of the ordinary shares, provided that the retention period does not exceed three years from the date on which the option was exercised,
- set the date, retroactive or otherwise, from which the new ordinary shares resulting from the exercise of stock options will carry entitlement to dividends,
- take, in the cases provided for by law, the measures necessary to protect the interests of beneficiaries of the options under the conditions set forth in Article L. 228-99 of the French Commercial Code,

- more generally, enter into all agreements, prepare all documents, record capital increases following the exercise of options, amend the Articles of Association accordingly, undertake all formalities necessary for the listing of the securities issued, file any official declarations and otherwise do whatever may be necessary,
- record, with the option to sub-delegate under the conditions provided for by law, subject to the statutory conditions, the number and amount of ordinary shares issued following the exercise of stock options and make the necessary amendments to the Articles of Association regarding the amount of share capital and number of shares that represent it, if necessary, apply for the new ordinary shares to be admitted to trading on Euronext Paris or any other regulated market, undertake all formalities and file all official declarations and, at its sole discretion and where it sees fit, deduct the capital increase fees from the amount of premiums relating to such transactions and deduct from this amount the appropriations necessary to establish the legal reserve, and in general do whatever may be necessary,
- in the event that the options to subscribe for and/or purchase ordinary shares are granted to persons domiciled or resident abroad or to persons domiciled or resident in France but subject to foreign tax arrangements, adapt the conditions applicable to the options to subscribe for and/or purchase ordinary shares to render them conform with the provisions of the relevant foreign law and ensure the best possible tax treatment; for this purpose, adopt if necessary one or more sub-plans for different categories of employees subject to foreign law.

Pursuant to Article L. 225-184 of the French Commercial Code, the Board of Directors will prepare a special report each year to inform shareholders at the annual general meeting of the transactions performed under Articles L. 225-177 *et seq.* of the French Commercial Code.

This authorization is granted for a period of thirty-eight months from the date of this General Meeting and in respect of the unused portion, supersedes any previous authorization with the same purpose.

## Twenty-third resolution

(Authorization for the Board of Directors to grant options to subscribe for and/or purchase ordinary shares of the Company as set forth in Articles L. 225-177 *et seq.* of the French Commercial Code to the Company's executive corporate officers)

The General Meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report and the Statutory Auditor's special report:

1. authorizes the Board of Directors, in accordance with Articles L. 225-177 *et seq.* of the French Commercial Code, to grant on one or more occasions, for the benefit of the Company's executive corporate officers, under the conditions set forth in Article L. 225-180 of the French Commercial Code, options to subscribe for or purchase ordinary shares of the Company under the conditions set out below, it being specified that, in accordance with the provisions of Article L. 225-182 of the French Commercial Code, the Board of Directors may not grant options to executive corporate officers of the Company who hold more than 10% of the share capital;
2. resolves that the Board of Directors will proceed with the grant and identify the beneficiaries from among the Company's executive corporate officers;
3. resolves that the final grant of all options will be contingent on the fulfillment of performance criteria assessed over at least four financial years and established as a minimum based on average Group EBIT;
4. resolves that (i) the number of ordinary shares that may be subscribed for or purchased by executive corporate directors who exercise the options granted by the Board of Directors pursuant to this authorization may not exceed **0.05%** of the number of ordinary shares outstanding on the date of the Board of Directors' decision to grant the options, it being specified that this limit is separate and distinct from the limit referred to in the twenty-second resolution of this General Meeting, and that:
   - executive corporate officers who are beneficiaries of an option grant in the context of this resolution are not eligible for the allocation of preference shares referred to in the twenty-first resolution,
   - the nominal amount by which the Company's share capital is increased as a result of ordinary shares being issued in the future pursuant to this authorization will be deducted from the limit of €4,000,000 stipulated in the twenty-fourth resolution.

   Where necessary, the nominal amount of ordinary shares to be issued in order to maintain, in accordance with the applicable law and any contractual provisions for other types of adjustment, the rights of holders of securities or other rights granting access to the Company's share capital will be added to this limit;
5. resolves that the subscription or purchase price of ordinary shares for the beneficiaries of the options will be set by the Board of Directors on the date that it grants the options to the beneficiaries, subject to the following limits:
   - with regard to options to subscribe for ordinary shares, the share subscription price may not be lower, at the option of the Board of Directors, than the average initial price recorded over the twenty trading days preceding the option grant date or the opening price of Ubisoft Entertainment SA shares on Euronext Paris on the date of the Board of Directors' decision, it being specified that, in any event, the subscription price of ordinary shares set by the Board of Directors cannot be lower than the threshold set by Article L. 225-177 of the French Commercial Code,
   - with regard to options to purchase ordinary shares, the share purchase price may not be less than the average initial price recorded over the twenty trading days preceding the option grant date, or the average purchase price of ordinary shares held by the Company under Articles L. 225-177 and L. 225-179 of the French Commercial Code.

   The price set for the subscription or purchase of ordinary shares may not be modified during the life of the option, subject to any adjustments that the Board of Directors is required to make in accordance with the legal and regulatory provisions in force;

6. notes that options may not be granted by the Board of Directors:
   - in the ten trading days preceding or following the date on which the consolidated financial statements or, failing that, the annual financial statements are published,
   - in the period between the date on which the Company's management bodies receive information that, if made public, could have a significant impact on the Company's share price, and the date falling ten trading days after the public disclosure of said information,
   - in the twenty trading days following the date on which the shares are traded ex-dividend, or in the twenty trading days following a capital increase;
7. resolves that the options to subscribe for and purchase ordinary shares granted pursuant to this authorization shall be exercised within a maximum period of ten years from the grant date;
8. notes that this authorization entails, for the benefit of beneficiaries of the options to subscribe for, the express waiver by shareholders of their preferential subscription rights for ordinary shares that will be issued as and when the options are exercised. The capital increase resulting from the exercise of options will be definitively performed upon notification that the options are to be exercised, accompanied by the subscription form and payment of the corresponding amount in cash or by offsetting receivables;
9. grants all powers to the Board of Directors, with the option to sub-delegate under the conditions provided for by law, to:
   - set the dates on which options will be granted, subject to the legal requirements and limits,
   - define the performance criteria that executive corporate officers of the Company must satisfy in order to exercise their options under the terms and conditions set forth in paragraph 3 of this resolution, and make any decisions within the scope of Article L. 225-185 of the French Commercial Code,
   - draw up a list of beneficiaries, the number of options granted to each one, and the conditions for exercising the options,
   - set the period of validity of the options, it being specified that the options must be exercised within a maximum of ten years,
   - set the dates or periods for exercising the options, it being specified that the Board of Directors may (a) bring forward the dates or periods for exercising the options, (b) allow the options to continue to be exercised or (c) change the dates or periods on or during which the shares obtained by exercising the options cannot be sold or converted to bearer shares,
   - establish the conditions for exercising the options and in particular limit, suspend, restrict or prohibit (a) the exercise of the options or (b) the sale of the ordinary shares obtained by exercising the options during certain periods or following certain events, its decision potentially (i) concerning some or all of the options and (ii) concerning some or all of the beneficiaries; such conditions may include clauses that prohibit the options from being exercised during one or more periods, as well as clauses prohibiting the immediate resale of some or all of the ordinary shares, provided that the retention period does not exceed three years from the date on which the option was exercised,
   - set the date, retroactive or otherwise, from which the new ordinary shares resulting from the exercise of stock options will carry entitlement to dividends,
   - take, in the cases provided for by law, the measures necessary to protect the interests of beneficiaries of the options under the conditions set forth in Article L. 228-99 of the French Commercial Code,
   - more generally, enter into all agreements, prepare all documents, record capital increases following the exercise of options, amend the Articles of Association accordingly, undertake all formalities necessary for the listing of the securities issued, file any official declarations and otherwise do whatever may be necessary,
   - record, with the option to sub-delegate under the conditions provided stipulated by law, subject to the statutory conditions, the number and amount of ordinary shares issued following the exercise of stock options and make the necessary amendments to the Articles of Association regarding the amount of share capital and number of shares that represent it, if necessary, apply for the new ordinary shares to be admitted to trading on Euronext Paris or any other regulated market, undertake all formalities and file all official declarations and, at its sole discretion and where it sees fit, deduct the capital increase fees from the amount of premiums relating to such transactions and deduct from this amount the appropriations necessary to establish the legal reserve, and in general do whatever may be necessary,
   - in the event that the options to subscribe for and/or purchase ordinary shares are granted to persons domiciled or resident abroad or to persons domiciled or resident in France but subject to foreign tax arrangements, adapt the conditions applicable to the options to subscribe for and/or purchase ordinary shares to render them conform with the provisions of the relevant foreign law and ensure the best possible tax treatment; for this purpose, at its discretion, adopt one or more sub-plans for different categories of employees subject to foreign law.

Pursuant to Article L. 225-184 of the French Commercial Code, the Board of Directors will prepare a special report each year to inform shareholders at the annual general meeting of the transactions performed under Articles L. 225-177 *et seq.* of the French Commercial Code.

This authorization is given for a period of thirty-eight months from the date of this General Meeting and in respect of the unused portion, supersedes any previous authorization with the same purpose.

## Twenty-fourth resolution
(Overall limit on capital increases)

The General Meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings and having considered the Board of Directors' report, sets, in accordance with Article L. 225-129-2 of the French Commercial Code, the overall limit on capital increases that could result, immediately or in the future, from all issuances carried out pursuant to the delegations of authority or authorizations provided by the thirteenth, fourteenth, fifteenth, sixteenth, seventeenth, eighteenth, nineteenth, twentieth, twenty-first, twenty-second and twenty-third resolutions of this General Meeting at a nominal **€4,000,000,** bearing in mind that within this overall limit:

- the issuance(s) of ordinary shares or securities **with** preferential subscription rights for shareholders under the **thirteenth resolution** of this General Meeting may not give rise to a capital increase with a maximum nominal amount of more than **€1,450,000;**
- the issuance(s) of ordinary shares or securities giving access to the share capital without preferential subscription rights for shareholders under the **fourteenth, fifteenth and sixteenth resolutions** may not give rise to a capital increase with a maximum nominal amount of more than **€1,450,000;**
- the amount of equity securities and other securities issued in exchange for contributions in kind made to the Company, consisting of equity securities or securities under the **seventeenth resolution** may not exceed 10% of the Company's share capital;
- the issuance(s) of ordinary shares or securities giving access to the capital without preferential subscription rights for shareholders, for the benefit of members of a savings plan under the **eighteenth resolution** may not give rise to a capital increase with a maximum nominal amount of more than **0.2%** of the share capital on the date of the Board of Directors' decision;
- the issuance(s) of ordinary shares for employees and corporate officers of subsidiaries of the Company, as defined by Article L. 233-16 of the French Commercial Code, whose registered offices are located outside France under the **nineteenth resolution** may not give rise to a capital increase with a maximum nominal amount of more than **0.2%** of the share capital on the date of the Board of Directors' decision;
- the number of ordinary shares that may be allocated free of charge and the number of ordinary shares that may be created in the event of the conversion of preference shares allocated free of charge under the **twentieth and twenty-first resolutions** may not exceed **1.75%** of the number of ordinary shares outstanding on the date of the Board of Directors' decision to allocate them;
- the number of ordinary shares that may be subscribed for or purchased by beneficiaries of **stock options under the twenty-second and twenty-third resolutions** may not exceed **1.35%** of the number of ordinary shares outstanding on the date of the Board of Directors' decision to grant them.

The aforementioned amount does not take into account the nominal amount of equity securities to be issued, where appropriate, in respect of the adjustments made, in accordance with the applicable law and contractual provisions, to protect the rights of holders of securities giving access to the Company's share capital.

## Twenty-fifth resolution
(Amendment of Article 8, paragraph 3 of the Articles of Association relating to the term of office of directors)

The General Meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings, having considered the Board of Directors' report, resolves to amend Article 8, paragraph 3 of the Articles of Association to allow for a more harmonious and staggered replacement of Board members.

**Paragraph 3 of that Article currently reads as follows:**

"Directors have a four-year term of office. Appointments to the Board of Directors will be staggered. By way of exception and for the sole purpose of the gradual introduction of this form of replacement, the General Meeting may reduce the current term of office – due to expire at the annual general meeting held to consider the financial statements for the year ended March 31, 2013 – of one or more directors such that the regular replacement of members of the Board of Directors may take place.

Staggered appointments under the preceding paragraph will be monitored over a period of four years, which is the new term of office for directors pursuant to the Articles of Association."

**will now be read as follows:**

"Directors have a four-year term of office. Appointments to the Board of Directors will be staggered. By way of exception, to allow the staggered replacement of directors, the General Meeting may appoint or re-elect one or more directors for a term of two or three years."

# RESOLUTIONS WITHIN THE SCOPE OF THE ORDINARY AND EXTRAORDINARY GENERAL MEETING

## Twenty-sixth resolution
(Powers to carry out formalities)

The General Meeting, acting in accordance with the quorum and majority requirements for ordinary general meetings, grants all powers to the bearer of a copy or excerpt of the minutes of this Meeting for the purpose of completing all filings and formalities required by law.

# 7.3 Statutory Auditors' special report on regulated agreements and commitments

*This is a free translation into English of the statutory auditors' report on regulated agreements and commitments issued in French and it is provided solely for the convenience of English speaking readers.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Dear Shareholders,

In our capacity as Statutory Auditors of your company, we hereby report to you on regulated agreements and commitments.

We are required to inform you, based on the information provided to us, of the principal terms and conditions of the agreements and commitments brought to our attention or which we may have discovered during the course of our mission, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to assess the interest in entering into such agreements and commitments for the purpose of approving them.

Furthermore, we are required to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the performance, during the past financial year, of agreements and commitments previously approved by the General Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* relating to this assignment. These procedures consisted in verifying the information provided to us is in agreement with the relevant source of documents.

## REGULATED AGREEMENTS SUBMITTED FOR THE APPROVAL OF THE GENERAL MEETING

We hereby inform you that we have not been advised of any agreement authorized in the course of the year to be submitted to the General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code.

## AGREEMENTS PREVIOUSLY APPROVED BY THE GENERAL MEETING

We hereby inform you that we have not been advised of any agreement previously approved by the General Meeting that remained in effect during the financial year.

Statutory Auditors

Nantes, June 2, 2015

**KPMG Audit**
Division of KPMG S.A.

**Franck Noël**
Partner

Rennes, June 2, 2015

**MB Audit**

**Roland Travers**
Partner

# 8 Statement by the person responsible for the Registration Document

## STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

*This is a free translation of the statement by the person responsible for the registration document and is provided solely for the convenience of English speaking readers.*

I confirm, after having taken all reasonable measures to this effect, that the information contained in this Registration Document is, to my knowledge, accurate and free from any omission likely to affect its import.

I confirm that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and provide a true and fair view of the assets and liabilities, financial position and results of the Group and all companies consolidated therein, and that the management report information listed on page 220 of Chapter 9 is a true presentation of the evolution of the business activity, revenue and financial position of the Group and all companies consolidated therein, as well as a description of the main risks and uncertainties facing them.

I have obtained a completion letter from the Statutory Auditors in which they confirm that they have examined the information relating to the financial position and statements presented in this registration document, and that they have read the document in its entirety.

The Statutory Auditor's reports on the historical financial information presented in this Registration Document appear on pages 141 to 142 and 153 to 154 of the 2013 and 2014 registration documents.

The Statutory Auditors' report on the consolidated financial statements for the financial year ended March 31, 2013 appears on pages 141 to 142 of the 2013 Registration Document. It contains a comment on the change in accounting methods relating to the application of IAS 19 (revised) with regard to employee benefits.

The Statutory Auditors' report on the consolidated financial statements for the financial year ended March 31, 2014 appears on pages 153 to 154 of the 2014 Registration Document. It contains no comment.

The Statutory Auditors' report on the consolidated financial statements for the financial year ended March 31, 2015 appears on pages 142 to 143 of this Registration Document. It contains no comment.

The Statutory Auditors have certified without reservation the consolidated financial statements of the past three financial years.

The Statutory Auditors' report on the separate financial statements for the financial year ended March 31, 2013 (pages 170 and 171 of the 2013 Registration Document) contains no comment.

The Statutory Auditors' report on the separate financial statements for the financial year ended March 31, 2014 (pages 182 and 183 of the 2014 registration document) contains no comment.

The Statutory Auditors' report on the separate financial statements for the financial year ended March 31, 2015 (pages 170 and 171 of this Registration Document) contains no comment.

The Statutory Auditors have certified without reservation the separate financial statements of the past three financial years.

July 1, 2015, Yves GUILLEMOT,

Chairman and Chief Executive Officer

# 9 Cross-reference tables


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# Registration Document cross-reference table

*The Registration Document was prepared in accordance with the provisions of Appendix 1 of the Commission Regulation (EC) No. 809/2004, with the recommendations of the CESR and the AMF interpretations/recommendations published on January 27, 2006.*

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# Management report cross-reference table

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This statement may contain targets, information on future projects and transactions and on future economic results/performance. Such valuations are provided for estimation purposes only. They are subject to market risks and uncertainties and may vary significantly with the actual results that shall be published.

The targets have been presented to the Board of Directors and have not been audited by the Auditors.

**Copies of this Company Report are available from Ubisoft's commercial offices:**

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