



UBISOFT® REPORTS FULL-YEAR 2014-15 SALES AND EARNINGS FIGURES

- **Record annual performance, beating targets**
 - **Sales: €1,464 million**
 - **Non-IFRS operating income: €171 million**
 - **Cash-flows from operating activities : 232 M€**
- **Operating income target for 2015-16 confirmed**
- **Shares buy-back program**

Paris, May 12, 2015 – Today, Ubisoft released its sales and earnings figures for the fiscal year ended March 31, 2015.

Non-IFRS income statement and key financial data

In € millions	2014-15	%	2013-14	%
Sales	1,463.8		1,007.1	
Gross profit	1,126.7	77.0%	721.8	71.7%
R&D expenses	(573.5)	-39.2%	(426.1)	-42.3%
Selling expenses	(284.1)	-19.4%	(279.3)	-27.7%
General and administrative expenses	(98.4)	-6.7%	(82.0)	-8.1%
Total SG&A expenses	(382.5)	-26.1%	(361.3)	-35.9%
Non-IFRS operating income/(loss)	170.7	11.7%	(65.6)	-6.5%
Non-IFRS net income/(loss)	112.7		(49.3)	
Non-IFRS diluted earnings/(loss) per share (in €)	1.00		(0.46)	
Cash flows from operating activities*	232.4		(120.1)	
R&D investment expenditure**	537.3		479.7	
Net cash/(debt) position	211.3		(12.7)	

* Based on the consolidated cash flow statement for comparison with other industry players (unaudited).

** Including royalties but excluding future commitments.

Commenting on these results, Yves Guillemot, Chief Executive Officer, stated *"Ubisoft had three of the industry's seven best-selling titles of 2014, proving that we can meet gamers' ever-higher expectations for systemic open-world games, which offer more in-game freedom and allow players to create their own experiences. This performance once again demonstrates our teams' exceptional and uniquely consistent ability to create blockbuster franchises, which enabled the Group to deliver a record financial performance in 2014-15 and lay solid foundations for its long-term development."*

Sales

Full-year sales for 2014-15 totaled €1,463.8 million, up 45.3% (or 41.6% at constant exchange rates) compared with the €1,007.1 million recorded for 2013-14.

Sales in the fourth quarter of 2014-15 came to €169.9 million versus €194.1 million in the corresponding prior-year period, representing a decrease of 12.4% (or 14.3% at constant exchange rates). Fourth-quarter 2014-15 sales were higher than the target of approximately €146.0 million issued when Ubisoft released its third-quarter sales figures.

Ubisoft's sales performance in full-year 2014-15 reflects:

- The fact that three of its brands were among the seven best-sellers of 2014 (Assassin's Creed® Unity + Rogue, Far Cry® 4 and Watch Dogs®)¹.
- A sharp increase in market share¹, up by more than 3 points to 12.8%.
- A 96.8% surge in digital segment revenues, which reached €382.7 million and accounted for 26.1% of total sales (versus 19.3% in 2013-14). Digital distribution was the main driver of this growth, followed by mobile and sales of additional content.
- A robust back-catalog showing, with sales stable at €233.0 million.

Main income statement items

Gross profit represented a record 77.0% of sales (€1,126.7 million) in 2014-15, compared with 71.7% (€721.8 million) in 2013-14. This very strong year-on-year increase reflects the positive impact of the success of Ubisoft's games and the increasing importance of the digital segment.

Non-IFRS operating income reached a record level in 2014-15, coming in at €170.7 million and exceeding the Group's target of €165 million. The year-on-year swing from the €65.6 million non-IFRS operating loss reported for 2013-14 reflects the combined impact of the following:

- A €404.9 million rise in gross profit.
- A €147.5 million increase in R&D expenses to €573.5 million (39.2% of sales) from €426.1 million (42.3% of sales) in 2013-14.
- A €21.2 million increase in SG&A expenses to €382.5 million (26.1% of sales) from €361.3 million (35.9% of sales) in 2013-14:
 - Variable marketing expenses represented 14.1% of sales (€206.1 million) compared with 20.2% (€204.4 million) in 2013-14.
 - Structure costs corresponded to 12.1% of sales (€176.4 million) against 15.6% (€157.0 million).

Ubisoft recorded non-IFRS net income of €112.7 million for 2014-15, representing non-IFRS diluted earnings per share of €1.00, compared with a non-IFRS net loss of €49.3 million and a non-IFRS diluted loss per share of €0.46 for the previous year.

IFRS net income amounted to €87.0 million, representing IFRS diluted earnings per share of €0.77, versus an IFRS net loss of €65.5 million and an IFRS diluted loss per share of €0.61 in 2013-14.

1 Calendar 2014 – Source: NPD, GFK (North America, Europe, Australia and Brazil)

Main cash flow statement² and balance sheet items

Cash flows from operating activities represented a record net cash inflow of €232.4 million against a €120.1 million net outflow in 2013-14. This reflects a positive €173.6 million in cash flow from operations (versus a negative €79.3 million in 2013-14) and a €58.8 million decrease in working capital requirement (against a €40.8 million increase in 2013-14).

As of March 31, 2015, Ubisoft had net cash of €211.3 million compared with net debt of €12.7 million one year earlier.

Outlook

Yves Guillemot stated *"We have another very high-quality line-up for 2015-16, including new Assassin's Creed and Just Dance[®] games, the hotly anticipated return of the Tom Clancy's Rainbow Six[®] franchise and the launch of a new high-potential creation, Tom Clancy's The Division[™]. Thanks to these new releases, very solid back-catalogue and digital revenues, and favorable exchange rates, we expect to see a further improvement in profitability."*

He concluded by saying *"We intend to continue pursuing our strategy of in-house creation of major franchises for the entertainment industry. Driven by ever more engaged communities, the ramp-up of our high-potential live services and overall growth in the sector, we believe this strategy puts us in a strong position for the foreseeable future."*

Full-year 2015-16

Ubisoft is standing by its non-IFRS operating income target of at least €200 million for 2015-16, and it expects stable sales versus 2014-15. This performance will be led by:

- The upcoming releases of the latest opuses of the Assassin's Creed and Just Dance franchises as well as Tom Clancy's The Division, Tom Clancy's Rainbow Six Siege and another triple-A title that has not yet been announced. Overall revenue from newly-released games is expected to be lower than in 2014-15.
- An increase in back-catalog sales and digital segment revenues, propelled by further growth for digital distribution, Free-to-Play revenues and extra content.
- Favorable currency effects.
- Another increase in gross profit.
- Lower R&D expenses as a percentage of sales.

The Company expects its free cash flow to be negative due to the impact on working capital of the fourth-quarter releases of The Division and the above-mentioned new triple-A title.

First-quarter 2015-16

The Group expects first-quarter 2015-16 sales to amount to approximately €80 million, compared with €360 million in the first quarter of 2014-15, which had seen the releases of Watch Dogs and Trials Fusion[®].

² Based on the consolidated cash flow statement for comparison with other industry players (unaudited).

Share buyback program

Ubisoft's Board of Directors has approved the Company's purchase of its own shares representing up to €100 million over a 24-month period. This approval falls within the scope of the share buyback program authorized by the Company's shareholders at the Annual General Meeting of July 1, 2014 and used by the Board on the same date. This program will be implemented subject to the shareholders renewing the share buyback authorizations at the Annual General Meeting to be held on September 23, 2015. The shares purchased under this program will be cancelled.

Recent significant events

Opening of a new Consumer Relationship Center (CRC): Based in Newcastle, UK, the CRC, operational seven days a week, is a hub for Ubisoft's interactions with players in EMEA territories. While embracing the 'games as a service' model, having both the community managers and support teams working together is the goal for Ubisoft, in order to keep its communities continuously engaged and happy with their favorite brands and games.

Placement of a Schuldschein: Placement of a €200 million private placement Schuldschein. Taking advantage of the current market conditions, the very high take-up of the issue will broaden the Company's investor base, diversify its sources of financing and speed up its growth.

Set up of a new equity Line: It replaces the prior line, signed in 2012 and that has expired without being used.

Contact Investor relations

Jean-Benoît Roquette
SVP Investor Relations
+ 33 1 48 18 52 39
Jean-benoit.roquette@ubisoft.com

Non-IFRS financial information

Ubisoft considers that "Non-IFRS operating income/(loss)" and "Non-IFRS net income/(loss)" – which are measures that are not prepared strictly in accordance with IFRS – are relevant indicators of the Group's operating and financial performance. Management uses them 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 this press release.

Disclaimer

This statement may contain estimated financial data, information on future projects and transactions and future business results/performance. Such forward-looking data are provided for estimation purposes only. They are subject to market risks and uncertainties and may vary significantly compared with the actual results that will be published. The estimated financial data have been presented to the Board of Directors and have not been audited by the Statutory Auditors. (Additional information is specified in the most recent Ubisoft Registration Document filed on June 26, 2014 with the French Financial Markets Authority (l'Autorité des Marchés Financiers)).

About Ubisoft

Ubisoft is a leading creator, publisher and distributor of interactive entertainment and services, with a rich portfolio of world-renowned brands, including Assassin's Creed, Just Dance, Tom Clancy's video game series, Rayman and Far Cry. The teams throughout Ubisoft's worldwide network of studios and business offices are committed to delivering original and memorable gaming experiences across all popular platforms, including consoles, mobile phones, tablets and PCs. For the 2014-15 fiscal year Ubisoft generated sales of €1,464 million. To learn more, please visit www.ubisoftgroup.com.

© 2011-2015 Ubisoft Entertainment. All rights Reserved. Just Dance, Watch Dogs, Assassin's Creed, Far Cry, The Crew logo, Rayman, the character of Rayman, Imagine, Petz, Rabbids, Rocksmith logo, Galaxy Life, Trials Fusion, Tom Clancy's, Rainbow Six, The Soldier Icon, The Division logo, Ubisoft and the Ubisoft logo are trademarks of Ubisoft Entertainment in the US and/or other countries. Far Cry 4 is based on Crytek's original Far Cry directed by Cevat Yerli and powered by Crytek's technology "CryEngine". All creative works and elements from the POPTROPICA virtual world © 2014 Pearson Education, Inc. and are used under license. All Rights Reserved. POPTROPICA® is a registered trademark of Pearson Education, Inc. in the USA and other countries, used under license. "MONOPOLY, BOGGLE, SCRABBLE, TRIVIAL PURSUIT, RISK, and CRANIUM are trademarks of Hasbro and are used with permission. SCRABBLE, the associated logo, the design of the distinctive SCRABBLE brand game board, and the distinctive letter tile designs are trademarks of Hasbro in the United States and Canada. © 2014 Hasbro. All Rights Reserved. Licensed by Hasbro to Ubisoft Entertainment. Games software © 2014 Ubisoft Entertainment. All Rights Reserved." Tetris ® & © 1985-2015 Tetris Holding. Tetris logos, Tetris theme song and Tetriminos are trademarks of Tetris Holding. The Tetris trade dress is owned by Tetris Holding. Licensed to The Tetris Company. Game Design by Alexey Pajitnov. Original Logo Design by Roger Dean. All Rights Reserved. © 2014 Additional game content by Ubisoft Entertainment. All Rights Reserved. Developed and published under license by The Tetris Company.

APPENDICES

Breakdown of sales by geographic region

	% Sales	% Sales	% Sales	% Sales
	Q4 2014/15	Q4 2013/14	12 months 2014/15	12 months 2013/14
Europe	45%	31%	43%	39%
North America	40%	60%	46%	52%
Rest of world	15%	9%	11%	9%
TOTAL	100%	100%	100%	100%

Breakdown of sales by platform

	Q4 2014/15	Q4 2013/14	12 months 2014/15	12 months 2013/14
PLAYSTATION®4	23%	13%	32%	9%
XBOX One™	19%	7%	20%	6%
XBOX 360™	10%	22%	13%	27%
PLAYSTATION®3	8%	20%	13%	25%
PC	23%	24%	12%	15%
Wii™	4%	3%	4%	11%
Wii U™	1%	2%	1%	3%
Others	12%	9%	5%	4%
TOTAL	100%	100%	100%	100%

Title release schedule
1st quarter (April – June 2015)

DIGITAL

AIRMECH® ARENA	PLAYSTATION®4, Xbox One™
ANNO® BUILD AN EMPIRE	Android
ASSASSIN'S CREED® CHRONICLES CHINA	PC, PLAYSTATION®4, Xbox One™
DRIVER® SPEEDBOAT PARADISE	Android, iOS
RISK® (HASBRO GAME CHANNEL)	PLAYSTATION®3, Xbox 360™
SCRABBLE® (HASBRO GAME CHANNEL) <i>(US only)</i>	PLAYSTATION®4, Xbox One™
TETRIS® ULTIMATE	PS VITA

The Statutory Auditors have completed their audit of the consolidated financial statements. They will issue their audit report after verifying the Group's annual financial report.

Consolidated income statement (IFRS, audited)

In thousands of euros	03.31.15	03.31.14
Sales	1 463 753	1 007 064
Cost of sales	-337 073	-285 251
Gross Margin	1 126 680	721 813
Research and Development costs	-580 554	-433 900
Marketing costs	-284 965	-279 957
General and Administrative costs	-100 051	-83 269
Current operating income	161 110	-75 313
Other non-current operating income & expenses	-21 717	-22 627
Operating income	139 393	-97 940
Net borrowing costs	-4 766	-5 785
Net foreign exchange gains/losses	1 159	-1 143
Other financial income	6 085	17 376
Other financial expenses	-1 764	-114
Net financial income	712	10 334
Income tax	-53 094	22 081
Profit for the period	87 011	-65 525
Earnings per share		
Basic earnings per share (in €)	0,81	-0,64
Diluted earnings per share (in €)	0,77	-0,61
Weighted average number of shares in issue	107 523 851	101 798 904
Diluted weighted average number of shares in issue	113 297 751	107 342 642

Reconciliation of IFRS Net income and non-IFRS Net income

In million of euros, except for per share data	2014-15			2013-14		
	IFRS	Adjustment	Non-IFRS	IFRS	Adjustment	Non-IFRS
Sales	1 463,8		1 463,8	1 007,1		1 007,1
Total Operating expenses	(1 324,4)	31,3	(1 293,1)	(1 105,0)	32,3	(1 072,7)
Stock-based compensation	(9,6)	9,6	0,0	(9,7)	9,7	0,0
Non-current expenses and income	(21,7)	21,7	0,0	(22,6)	22,6	0,0
Operating Income	139,4	31,3	170,7	(97,9)	32,3	(65,6)
Net Financial income	0,7	(5,2)	(4,5)	10,3	(16,1)	(5,8)
Income tax	(53,1)	(0,4)	(53,5)	22,1	0,0	22,1
Net Income	87,0	25,7	112,7	(65,5)	16,2	(49,3)
Diluted earnings per share	0,77	0,23	1,00	(0,61)	0,15	(0,46)

Consolidated balance sheet (IFRS , audited)

ASSETS	Net	Net
In thousands of euros	03.31.15	03.31.14
Goodwill	129 906	138 335
Other intangible assets	572 225	598 523
Property, plant and equipment	80 983	56 740
Other financial assets	4 162	3 566
Deferred tax assets	134 954	116 226
Non current assets	922 230	913 391
Inventory	18 425	21 343
Trade receivables	23 904	73 320
Other receivables	113 855	74 812
Other current financial assets	4 919	1 532
Current tax assets	12 380	16 972
Cash and cash equivalents	656 661	237 946
Current assets	830 144	425 925
Total assets	1 752 374	1 339 316

LIABILITIES AND EQUITY	Net	Net
In thousand of euros	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	979 382	810 048
Provisions	7 497	4 304
Employee benefit	5 430	3 715
Long-term borrowings	275 739	63 439
Deferred tax liabilities	48 944	40 956
Non-current liabilities	337 610	112 415
Short-term borrowings	183 226	189 323
Trade payables	94 919	93 643
Other liabilities	149 614	128 884
Current tax liabilities	7 623	5 003
Current liabilities	435 382	416 853
Total liabilities	772 992	529 268
Total liabilities and equity	1 752 374	1 339 316

Consolidated cash flow statement for comparison with other industry players (non audited)

In thousand of euros	03.31.15	03.31.14
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 share-based payments	9 609	9 706
+/- Gains / losses on disposals	64	-3 945
+/- Other income and expenses calculated	-15 534	-13 537
+/- Cost of internal development and license development	-421 683	-410 914
CASH FLOW FROM OPERATION	173 631	-79 299
Inventory	3 007	-3 778
Trade receivables	53 783	-35 361
Other assets	-29 739	-11 909
Trade payables	-5 292	18 128
Other liabilities	37 002	-7 837
+/- Change in working capital	58 761	-40 756
CASH FLOW GENERATED BY OPERATING ACTIVITIES	232 392	-120 055
- Payments for the acquisition of 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
+ Stock disposal	0	6 003
+/- Other cash flows from investing activities	-23 709	-18 699
+ Repayment of loans and other financial assets	23 373	18 819
+/- Changes in scope ⁽¹⁾	-3 188	-9 855
CASH USED BY INVESTING ACTIVITIES	-59 646	-46 612
Cash flows from financing activities		
+ New long term loans	622 283	103 862
+ New finance leases	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
+/- Partner current account	-260	-
CASH GENERATED (USED) BY 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 fiscal year	115 610	129 505
Impact of translation adjustments	32 870	-16 394
Cash and cash equivalents at the end of the fiscal year⁽¹⁾	505 215	115 610
⁽¹⁾ Including cash in companies acquired and disposed of	-	2 265
RECONCILIATION OF NET CASH POSITION		
Cash and cash equivalents at the end of the fiscal year	505 215	115 610
Bank borrowings and from the restatement of finance leases	-278 896	-65 276
Commercial papers	-15 000	-63 000
NET CASH POSITION	211 319	-12 666

Consolidated cash flow statement IFRS (audited)

In thousand of euros	03.31.15	03.31.14
Cash flows from operating activities		
Consolidated earnings	87 011	-65 525
+/- Depreciation	510 963	407 112
+/- Provisions	3 201	-2 196
+/- Cost of share-based payments	9 609	9 706
+/- Gains / losses on disposals	64	-3 945
+/- Other income and expenses calculated	-15 534	-13 537
+/- Tax Expense	53 094	-22 081
TOTAL CASH FLOW FROM OPERATION	648 408	309 534
Inventory	3 007	-3 778
Trade receivables	53 783	-35 361
Other assets	-23 503	17 100
Trade payables	-5 292	18 128
Other liabilities	34 034	-5 004
+/-Change in working capital	62 029	-8 914
+/- Payable tax expense	-56 362	-9 759
TOTAL CASH FLOW GENERATED BY OPERATING ACTIVITIES	654 075	290 860
- Payments for the acquisition of internal & external games	-421 683	-410 914
- Payments for the acquisition of 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
+ Stock disposal	0	6 003
+/- Other cash flows from investing activities	-23 709	-18 699
+ Repayment of loans and other financial assets	23 373	18 819
+/- Changes in scope	-3 188	-9 855
CASH USED BY INVESTING ACTIVITIES	-481 329	-457 527
Cash flows from financing activities		
+ New long term loans	622 283	103 862
+ New finance leases	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
+/- Partner current account	-260	-
CASH GENERATED (USED) BY 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 fiscal year	115 610	129 505
Impact of translation adjustments	32 870	-16 394
Cash and cash equivalents at the end of the fiscal year⁽¹⁾	505 215	115 610
⁽¹⁾ Including cash in companies acquired and disposed of	0	2 265