ANNUAL **REPORT**

UBISOFT

2013

A statement from **Yves Guillemot**

Dear Shareholders,

Ubisoft's financial performance in FY 2012-13 was superior to the objectives communicated a year ago. Up 18%, our sales for 2012-13 reached €1.256 billion and translated into an 11% global market share over calendar year 2012. Our non-IFRS operating income reached €100 million, an increase of 79%. Our non-IFRS cash flow from operating activities clocked in at €28.4 million as opposed to €8.2 million in 2011-12.

The talent and expertise of Ubisoft teams enabled the company to succeed in tough market conditions and despite the decrease of the casual segment. I am convinced that this performance is also a result of actions taken to establish an even closer relationship with our fan communities. Ours fans' passion and involvement provide a real boost for our brands and for our teams.

In addition to improved financial results, 2012-13 was also marked by several major advancements for Ubisoft:

- **We reinforced our flagship brands.**
  Our games surpassed all of our expectations last year and were supported by some of the biggest marketing campaigns ever implemented by Ubisoft teams. The third opus of Assassin's Creed drew many new fans to the brand thanks to the popular American Revolution setting and iconic hero, Connor. Assassin's Creed 3 broke a new record with more than 12.5 million units sold (sell-in and digital sales combined). Just Dance also confirmed its position as a major industry franchise with more than 8.5 million units of the latest installment sold in. We are proud to continue making millions of people dance throughout the world. As for Far Cry 3, this game encountered huge success and marked our return to the massive shooter segment with more than 6 million units sold (sell-in and digital sales combined). This game received exceptional praise from both gamers and the media. We kicked off 2012-13 with two flagship franchises – Assassin's Creed and Just Dance. 12 months later, we have broadened our offering substantially with the addition of Far Cry and Watch_Dogs, one of our new brands with a lot of potential that hasn't ceased creating buzz since it was unveiled at E3 last year.

- **We developed greater expertise in the online and digital fields.**
  Our online and digital revenues registered strong growth of 86% last year reaching €148 million, representing 12% of our overall sales for the year. The know-how we developed on online PC, mobile and tablet games will be a key asset for winning the next-gen as these new consoles will integrate all of the innovations born in online over the past few years. These additional functionalities will enable us to offer gamers even richer experiences. For example, I am referring to the extraordinary potential of social gaming, co-creation (additional content created by gamers), the power of asynchronous gameplay making it possible for people to play with their friends even when they are not connected, or the possibility of jumping into gaming worlds through accessible interfaces like mobile phones or tablets.

- **We established an even closer relationship with gamers.**
  Once again, we progressed in this domain last year with the development of our communities, customer data analytics and our Uplay platform. Uplay is a great way for us to get closer to our consumers and to better meet their expectations through tailored deals and content that respond to their fundamental needs and desires. Uplay also gives us the ability to immerse consumers in our worlds, while facilitating interactions with their friends and fan communities. For Ubisoft, it is a unique opportunity to create more traffic in our games and increase player loyalty by rewarding and engaging them through personalized VIP programs. Today, Uplay counts more than 50 million gamers and it is a platform with a unique cross-platform positioning (covering 10 different platforms already). We also have strong growth perspectives with direct distribution via Uplay. Our ambition is to increase our digital sales for Ubisoft titles as well as for partner titles that round out our games and services' offering nicely.

Ubisoft's financial and operational performance has consistently progressed over the last three years, and is a direct result of the long-term investments we've made. These investments have enabled us to continue developing our production capacity and to continue increasing our expertise in the online and fields. This performance was also made possible thanks to a consistently high level of quality and regular launches of our titles, which are also the two main ingredients of the best performing brands of the last cycle.

Moreover, our franchises benefit from a recognized creative know-how and a first-rate development capacity with more than 7000 developers and a network of 26 studios throughout the world. Our optimized studio collaboration model with lead and associate studios gives us the necessary means and capacity to offer our fans experiences that are exceptionally rich and deep and at an even greater frequency. This organization also enables us to have good visibility on our future results and revenues.

A new console cycle is about to begin and will offer gamers unprecedented experiences. Consumers will benefit from major advances in terms of quality with extreme immersion as well as new features that integrate the innovations born in online and social games – and we will be able to take these innovations even further. We will therefore have games that are incredibly beautiful, animated and immersive as well as more friendly and engaging with a much longer lifespan enabling gamers to create their own experiences and share them with their communities. The transition brought about by next-generation consoles is therefore going to attract new consumers and will enable our industry to reach new heights.

In order to take full advantage of the strong expected growth at the launch of these new consoles, we're integrating, into our upcoming blockbusters, all the know-how we've acquired over the past few years with online games like Trackmania, Settlers Online, Howrse, Trials Evolution or with Uplay which offers us with a strategic connection to our players. These types of connected experiences, combined with the high-quality of our games and our capacity to launch new opuses on a regular basis will be a key advantage in the conquest of new market share and a key source of strong expected growth in the coming years.

In conclusion, Ubisoft reached a new level this year. We are well positioned to continue creating the best gaming experiences of tomorrow and to establish even more direct relationships with our consumers. That will give us the means to take full advantage of all the opportunities offered by next-gen and high-end PC, which hold great potential, as well as the dynamic Free-to-Play market on PC and mobile. There are many challenges ahead, but the opportunities are just as great and look thrilling.

I want to thank all Ubisoft teams for the progress they have made, as well as for their passion and unwavering commitment. I also want to thank all our shareholders, partners, and clients for their support.

Yves Guillemot

Y Guillemot

ANNUAL REPORT 2013

This French version of the Annual Report was recorded on June, 25 2013 in accordance with Article 212-3 of the Autorité des Marchés Financiers General regulation (The French Securities and Exchange Commission).

This document is a translation of the Reference document of the Ubisoft group for the year ended March 31, 2013.

Its purpose is to assist English speaking readers. The greatest attention has been paid to its preparation. However, the only official document is the 2013 Reference Document in French, filed with the French securities regulator (Autorité des Marchés Financiers – AMF) on June 25, 2013.

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MANAGEMENT REPORT

Ubisoft now presents non-IFRS information in its earnings releases as Group Management considers that “Non-IFRS operating income” and “Non-IFRS net income” – 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. “Non-IFRS operating income”, “Non-IFRS net income” and “Non-IFRS earnings per share” are comparable to the following three previously-used indicators: “Current operating income before stock-based compensation”, “Net Income before non-recurring items and stock-based compensation” and “Earnings per share before non-recurring items and stock-based compensation”. A reconciliation between the IFRS and non-IFRS measures is provided in the appendices to the annual earnings release published on May 15th, 2013.

1 THE GROUP'S BUSINESS ACTIVITIES AND RESULTS FOR FINANCIAL YEAR 2012/2013

1.1 GROUP PRESENTATION

In 2012, Ubisoft® was ranked third worldwide among independent publishers in terms of physical game sales (sources: NPD, Chart-Track, GFK, etc.).
The Group's activities are centered around development, publishing and distribution of video games for portable and home consoles, the PC, smartphones and tablets in both physical and online formats.
These games are aimed at two distinct categories of gamer:

- Core gamers;
- Casual gamers.

Ubisoft currently employs 8,300 staff.

1.1.1 HISTORY

In a constantly evolving industry, the Group has built and is continuing to establish solid foundations that allow it to anticipate the entertainment of the future.
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 (Shanghai in 1996, Montreal in 1997, Morocco, Spain and Italy in 1998, Annecy and Montpellier in 1999). In 2000, acquisition of Red Storm Entertainment (*Tom Clancy*® games); acquisition in 2001 of Blue Byte Software (*The Settlers*®) and the video games division of The Learning Company (*Myst*® and *Prince of Persia*®). This strategy powered Ubisoft into the world's top 10 independent publishers in 2001.
2002-2006: A strategy of developing owned brands
Ubisoft increases its market share in new territories. In 2006: Acquisition of the *Driver*® and *Far Cry*® franchises; opening of a studio in Bulgaria.
2007-2013: A true creator and development of online gaming
Ubisoft builds on its reputation as a key player: the Group becomes the world's third independent publisher. 57 million copies of *Assassin's Creed*® and 41 million copies of *Just Dance*® have been sold to date.
Opening of a new studio in China (Chengdu) in 2007 and acquisition of a studio in Japan (Digital Kids). Acquisition of the Tom Clancy name for video games and ancillary products, and of the *Anno*® brand. Acquisition of four new studios: Action Pants (Vancouver, Canada), Southlogic (Porto Alegre, Brazil), Massive Entertainment (Sweden) and Pune (India). In 2008, acquisition of Hybride, a studio specializing in cinema special effects. In 2009, acquisition of the Nadéo studio and of the cult online gaming brand *TrackMania*; agreement signed with the government of Ontario regarding the opening of a studio in Toronto. In 2010, closure of the two Brazilian studios and acquisition of Quazal Technologies, leader in the creation of online technology solutions. In 2011, acquisition of Owlient, specializing in free-to-play games, and RedLynx, specializing in downloadable games. Closure of the Vancouver studio in 2012. In 2013, acquisition of the THQ Montreal studio and partnership with Electronic Arts, Warner Bros and other developers for the distribution of their PC games on Uplay® Shop, Ubisoft's online services and distribution platform.

1.1.2 HIGHLIGHTS OF THE 2012/2013 FINANCIAL YEAR

October/December 2012 – Ubisoft and New Regency announce their partnership for the future *Assassin's Creed* and *Tom Clancy's Splinter Cell*® films
Ubisoft will retain creative control over these projects.

December 2012 – Placement of a bond loan of €20 million
Ubisoft placed a bond loan of €20 million, for a term of six years, accompanied by a coupon of 3.99%.

January 2013 - Acquisition of the THQ Montreal studio and the rights to the game South Park: The Stick of Truth
As a result of this acquisition, Ubisoft's talents will be reinforced by very experienced teams at a key moment in the cycle of the video game industry.

February 2013 – Historic success of *Assassin's Creed 3*
With more than 12 million copies sold (sell-in and digital) at end-December, the game's historic performance has seen sales grow by almost 70% compared with the previous game.

February 2013 – *Far Cry 3* is the best reviewed shooter game of 2012, with performance exceeding expectations.
With more than 4.5 million copies sold (sell-in and digital) at end-December 2012, *Far Cry 3* marks the return of the franchise as one of the key pillars of Ubisoft's range for core gamers.

February 2013: Presentation of *Watch Dogs*™ at the PS4 launch conference
Watch Dogs, Ubisoft's new brand, was one of the flagship presentations at the PS4 launch conference, and was one of the few games to be demonstrated live.

Highlights of digital segment

July 2012: Record launch of *Trials Evolution*™
Trials Evolution posted a record first day of sales when it was launched on XBLA.

September 2012: Digital days and presentation of Ubisoft's online range
Ubisoft presented its future online games to the media, and in particular its Free-to-Play projects. Titles such as *Might & Magic® Heroes® Online*, *Anno Online* and *The Mighty Quest for Epic Loot*™ were presented for the first time.

December 2012: *Rayman Jungle Run* named best iPhone game of 2012
In its "App Store Best of 2012" list, Apple named *Rayman Jungle Run* as the best iPhone game of 2012.

February 2012: Arrival of EA, Warner Bros and Square Enix titles on Uplay Shop
Ubisoft's digital distribution service will also include blockbusters from other major developers. Ubisoft's PC games will also be available on Origin, EA's digital distribution service.

1.1.3 KEY FIGURES

The consolidated financial statements for the year ended March 31, 2013 have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable at March 31, 2013, as adopted by the European Union.

Only those standards approved by the European Commission and published in its official journal prior to March 31, 2013, and which have been mandatory since April 1, 2012, have been applied by the Group to its consolidated financial statements for the year ended March 31, 2013. IAS 19 (revised) which only becomes mandatory after March 31, 2013, has been applied early to the consolidated financial statements for the year ended March 31, 2013.

The IFRS standards as adopted by the European Union differ in certain 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 the IFRS standards as published by the IASB.

The Group applied for the first time at April 1, 2012:

- IFRS 7 (amended) – Disclosures – Transfers of Financial Assets. The Group has provided a detailed description of the risks linked to transferred financial assets in which it has continued involvement;
- IAS 19 (revised) – Employee Benefits. The changes to this standard concern elimination of the corridor approach, immediate recognition of past service costs through profit or loss and compulsory recognition of actuarial gains and losses through other comprehensive income.

In thousands of euros	03/31/13	03/31/12
Revenue	**1,256,164**	**1,061,296**
Gross margin	913,509	718,134
R&D costs	(428,226)	(348,407)
SG&A expenses	(384,988)	(313,694)
Non-IFRS operating profit (loss)	**100,294**	**56,033**
Stock based compensation	(8,098)	(10,410)
Non-current expenses and income	(4,293)	-
Operating profit (loss)	87,904	45,623
Net financial income	3,998	2,466
Share in profit of associates	12	10
Income tax (credit)	(27,083)	(10,778)
Net income (group share)	**64,831**	**37,321**
Equity	838,227	762,707
Capital expenditure on internal production	383,015	333,923
Staff	8,268	7,275*

* The definition of staff has been expanded compared with previous years to include games testers. (*See 1.4.2* on employee-related indicators)

Cash flow statement no IFRS (unaudited)

in thousands of euros	03/31/13	03/31/12
Adjusted cash flows from operating activities		
Consolidated earnings	64,831	37,321
+/- Share in profit of associates	(12)	(10)
+/- Gaming software amortization	343,757	270,530
+/- Other amortization	26,497	19,596
+/- Provisions	(1,146)	(7,296)
+/- Cost of share-based payments	8,098	10,410
+/- Gains/losses on disposals	(7,093)	(8,412)
+/- Other income and expenses calculated	(1,645)	731
+/- Internal development and license development costs	(374,404)	(349,859)
ADJUSTED CASH FLOWS FROM OPERATING ACTIVITIES	**58,884**	**(26,989)**
Inventory	4,863	25,392
Trade receivables	(51,811)	64,914
Other assets	(15,719)	(34,699)
Trade payables	(2,890)	(16,663)
Other liabilities	35,094	(3,797)
+/- Adjusted change in WCR linked to operating activities	**(30,463)**	**35,147**
ADJUSTED TOTAL CASH FLOW GENERATED BY OPERATING ACTIVITIES	**28,421**	**8,158**
- Payments for other intangible assets and property, plant and equipment	(25,215)	(26,204)
+ Proceeds from the disposal of intangible assets and property, plant and equipment	207	748
- Payments for the acquisition of financial assets	(5,104)	(6,298)
+ Refund of loans and other financial assets	4,761	7,584
+ Disposal of shares	10,729	13,701
+/- Changes in consolidation scope(1)	(4,604)	(17,971)
ADJUSTED CASH USED IN INVESTING ACTIVITIES	**(19,226)**	**(28,440)**
Cash flows from financing activities		
+ New finance leases contracted	23,573	0
+ New borrowings	13	47
- Refund of finance leases	(127)	(201)
- Refund of borrowings	(234)	(21,791)
+ Funds received from shareholders in capital increases	5,593	446
+/- Sales/purchases of own shares	386	(1,717)
CASH GENERATED BY (USED IN) FINANCING ACTIVITIES	**29,204**	**(23,216)**
Net change in cash and cash equivalents	**38,399**	**(43,498)**
Cash and cash equivalents at the beginning of the period	86,326	122,034
Foreign exchange losses/gains	4,782	7,789
Cash and cash equivalents at the end of the period*	**129,507**	**86,325**
(1) Including cash in companies acquired and disposed of	(125)	(7,211)

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

1.2 ANALYSIS OF ACTIVITY AND COMMENTS ON RESULTS FOR FINANCIAL YEAR 2012/2013

1.2.1 QUARTERLY AND ANNUAL CONSOLIDATED REVENUE

Revenue in millions of euros	2012/2013	2011/2012	Change at current exchange rates	Change at constant exchange rates
Q1	131	103	+27%	+18%
Q2	148	146	+1%	(5)%
Q3	802	652	+23%	+19%
Q4	175	161	+9%	+10%
Financial year total	**1,256**	**1,061**	**+18%**	**+14%**

At current rates, revenue was up 18% in the financial year 2012/2013 and up 14% at constant exchange rates. Sales were boosted by the strong growth in titles for core gamers, up 60% to €928 million, and online/digital revenue, up 86% to €148 million.

1.2.2 REVENUE BY BUSINESS LINE

The breakdown of revenue by business line is as follows:

Breakdown of revenue by business line, as %	2012/2013	2011/2012
Development	98%	96%
Publishing	1%	2%
Distribution	1%	2%
TOTAL	**100%**	**100%**

The Development activity benefited this year from the success of the games *Assassin's Creed*, *Far Cry, Tom Clancy’s Ghost Recon* and *Just Dance*.

1.2.3 CHANGE IN THE NUMBER OF TITLES DEVELOPED

Number of titles released from internal production, third-party co-production, publishing and distribution:

Number of titles *	2012/2013	2011/2012	2010/2011	2009/2010
Development	**60**	**51**	**56**	**67**
Internal production	**42**	**34**	**37**	**27**
Co-production	**18**	**17**	**19**	**40**
Publishing	**7**	**11**	**10**	**14**
Distribution	**6**	**9**	**12**	**8**
TOTAL	**73**	**71**	**78**	**89**

The number of games launched over the year stabilized, with the increase in the number of online and mobile titles offsetting the reduction in physical games.

1.2.4 REVENUE BY PLATFORM

	2012/2013	2011/2012
Nintendo DS™	1%	2%
Nintendo 3 DS™	1%	2%
PC	9%	7%
PlayStation ®3	30%	22%
PSP™	0%	1%
Wii™	16%	33%
XBOX 360™	34%	29%
PS VITA	2%	1%
Wii U ™	4%	
Other	4%	3%
TOTAL	**100%**	**100%**

As the market for the Wii™ continued to decline sharply in 2012, the Company posted a significant decrease on this platform. The share for the Xbox360® and the PLAYSTATION®3 grew considerably due to the success of *Assassin's Creed*, Tom Clancy's *Ghost Recon*, *Far Cry.*

1.2.5 REVENUE BY GEOGRAPHIC DESTINATION

The Group's revenue by geographic region break down as follows:

Financial year	2012/2013	%	2011/2012	%
in millions of euros				
France	120	10%	97	9%
Germany	79	6%	72	7%
United Kingdom	121	10%	111	10%
Rest of Europe	179	14%	149	14%
Total Europe	**499**	**40%**	**429**	**40%**
United States/Canada	664	53%	559	53%
Asia/Pacific	82	7%	65	6%
Rest of world	10	1%	8	1%
TOTAL	**1,256**	**100%**	**1,061**	**100%**

The share of each of the geographic regions was unchanged over the year.

1.2.6 CHANGES IN THE INCOME STATEMENT

The gross profit margin totaled €913.5 million (72.7% as a percentage of revenue), a significant increase compared with the gross profit margin of €718.1 million (67.7%) in 2011/2012. The continued improvement in the gross profit margin since 2010/2011 is attributable, over the past 12 months, to the increase in the average net sales price of titles for core gamers and of Just Dance® 4 and the sharp rise in high-margin online sales.

Non-IFRS operating profit totaled €100.3 million, compared with €56.0 million in 2011/2012. Non-IFRS operating profit is higher than the target range announced a year earlier (between €70 million and €90 million) and at the higher end of the target range recently revised upward (between €90 million and €100 million).

Non-IFRS operating profit breaks down as follows:

- Increase of €195.4 million in the gross profit margin;
- Increase of €79.8 million in R&D costs to €428.2 million (34.1% of revenue), compared with €348.4 million (32.8%) in 2011/2012;
- Increase of €71.3 million in SG&A expenses to €385.0 million (30.6%), compared with €313.7 million (29.6%) in 2011/2012:
  - Variable marketing expenses totaled 18.2% of revenue (€228.7 million), compared with 16.7% (€177.1 million) in 2011/2012. This increase is mainly attributable to higher expenses at the end of each console cycle;
  - Structuring costs totaled 12.4% of revenue (€156.3 million) compared with 12.9% (€136.6 million).

Non-IFRS net profit totaled €69.2 million, corresponding to non-IFRS earnings per share (diluted) of €0.71, compared with a non-IFRS net profit of €37.4 million in 2011/2012, i.e. €0.39 per share.

IFRS net profit totaled €64.8 million, corresponding to IFRS earnings per share (diluted) of €0.67, compared with IFRS net profit of €37.3 million in 2011/2012, i.e. €0.39 per share.

1.2.7 CHANGE IN THE WORKING CAPITAL REQUIREMENT (WCR) AND DEBT LEVELS

The working capital requirements increased by €30.0 million compared with a decrease of €35.1 million the previous year. The principal variations related to:
- Decrease in inventory €(5) million and trade payables €(3) million;
- Increase in trade receivables (€52 million), other assets (€15 million) and other liabilities (€35 million).
The increase in trade receivables and other assets is partly linked to the voluntary reduction in factoring activities. The continued reduction in the inventory item reflects regular efforts to manage inventories.

The cash position at March 31, 2013 stood at €104.5 million, compared with €84.6 million at March 31, 2012. This change is mainly attributable to:

- Cash flow generatedby operating activities of €28.4 million;
- Investment in property, plant and equipment and intangible assets of €(25.0) million;
- Capital increases of €5.6 million;
- Disposal of Gameloft shares for €10.7 million;
- Acquisitions for a total of €(4.6) million;
- Translation adjustments of €4.8 million.

1.2.8 ASSET FINANCING POLICY

The Company does not use securitization agreements, Daily assignment agreements, sale and repurchase agreements with the exception of one-off operations, depending on market opportunities of factoring regarding the Canadian Credit Multimedia shares (September 2012 and March 2013).
However, the Company does use invoice discounting and receivables factoring in Germany, the United Kingdom and occasionally the United States.
Factors commitment as at year end is as follows:

in millions of euros	03/31/13	03/31/12	03/31/11	03/31/10
United Kingdom	(0.3)	10.2	15.8	19.8
Germany	1.5	6.8	12.6	20.4
United States	0			
Total	**1.2**	**17.0**	**28.4**	**40.2**

Over the year, the Company financed its peak cash requirements using confirmed credit facilities of €259.5 million, including a syndicated loan of €214.5 million maturing in 2017 and as well as €45 million in bilateral credit lines within one year.
The Group issued bonds for €20 million in December 2012, then €40 million in May 2013, and signed a bilateral credit line of €35 million in April 2013; therefore with the syndicated loan, the Group has access to €310 million, with a maturity of four years or more.

1.3 CASH AND CAPITAL

1.3.1 CHANGES IN EQUITY

The video game business line calls for investments in development of around 35% of revenue. This capital expenditure takes place over average periods of between 24 and 36 months, which publishers must be able to finance out of their own resources. Furthermore, publishers are required to launch new releases on a regular basis, and their level 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 a particular title without endangering the future of the Company.
With equity of €838 million, up €75 million, Ubisoft easily finances its capital investments in games, which amount to €375 million.

1.3.2 CASH FLOW

Video game publishers have two kinds of cash flows:

- Cash flows for financing development costs are spread evenly over a period of 24 to 36 months, given that each project progressively scales up but that teams work on a number of projects. They represented €459 million in 2012/2013;
- Cash flows linked to the marketing of games, which are highly seasonal in nature (25% of revenue is made in the first half of the year and 75% in the second half), and the lag between manufacturing costs and the cash recovery of sales. This is because the Company must first finance product manufacturing, which accounts for 28% of revenue and is payable at 30 days on average, and also finance marketing costs (around 18% of revenue) before cash flows in at an average of 48 days after the 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 may be different if Q4 of the financial year is very strong, because in this case, working capital requirements may be higher.

Accordingly, in the financial year 2012/2013, the Company's net cash varied between €85 million and €105 million, with debt peaking from October to December.

1.3.3 BORROWING TERMS AND FINANCING STRUCTURE

In 2012/2013, most of the financing used came from a syndicated loan of €214.5 million signed in July 2012 (maturing in July 2017), bilateral credit lines of €45 million (maturing in April and September 2013) and a loan of €3 million (maturing in September 2019); in addition, in December 2012 the Company placed a bond loan of €20 million (maturing in December 2018).

The average cost of borrowing was around 2% for the financial year 2012/2013.

The covenants with which the Company must comply regarding the syndicated loan and those of the bond loan and bilateral credit lines are as follows:

	2012/2013
Net debt restated for assigned receivables/equity restated for goodwill <	0.8
Net debt restated for assigned receivables/EBITDA <	1.5

For the financial year 2013/2014, and unless the Company makes a major acquisition, Ubisoft should be able to finance its operations from cash and from the lines at its disposal, including €310 million in lines of credit of four years or more (including €214.5 million from the Syndicated Loan signed in 2012, the €20 million in bonds issued in December 2012, the bilateral credit line of €35 million signed on April 30, 2012 and the €40 million in bonds issued on May 2, 2013).

Ubisoft has an equity line, an equity financing mechanism, set up on March 20, 2012, to boost its acquisition capacity. For information purposes, based on the price at the reporting date, the equity contribution that could be made via this equity line could reach around €80 million.

1.4 SUSTAINABLE DEVELOPMENT

1.4.1 METHODOLOGY NOTE ON EMPLOYEE-RELATED, ENVIRONMENTAL AND SOCIAL REPORTING

1.4.1.1 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 which are internationally recognized and whose purpose is to develop globally applicable directives for reporting on companies' economic, environmental and social performance.

1.4.1.2 REPORTING PERIOD

The reporting covers the period from April 1, 2012 to March 31, 2013 for all employee-related, environmental and social themes.

For many CSR indicators, no information is available for previous periods as this is the first year in which they have been implemented.

1.4.1.3 SCOPE OF REPORTING

Employee-related reporting concerns all of the Group's subsidiaries, with the exception of the Canadian subsidiary "Hybrid", which is not currently integrated in the Group's human resources scope of reporting.

Environmental and social reporting is based on a questionnaire covering all of the Group's subsidiaries.

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

1.4.1.4 REPORTING PRINCIPLE

The Group's Administration Department is responsible for steering and coordinating CSR reporting and 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 rules for collecting and calculating indicators.

This reporting protocol is used as a reference by the Human Resources Department and the International Communication Department, which are respectively responsible for employee-related reporting and environmental and social reporting.

These departments are responsible for telling their local representatives or contacts what information they are required to collect.

The procedure in place aims to ensure that the information collected is available, uniform and documented.

<u>Specifications on the methods for collecting data:</u>

- ✓ 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 an alternative reporting tool in an Excel spreadsheet, given to all local HR departments in order to facilitate data consolidation, for employee-related information not monitored 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 and indicated in the reporting protocol.

- ✓ Environmental and social indicators are collected:
  - At each site, using a qualitative and quantitative questionnaire prepared in line with the reporting protocol;
  - From cross-functional departments for the collection of global data at Group level.

<u>Consolidation and verification:</u>

Employee-related and environmental/social data are transmitted by the Group's entities respectively to the Group Human Resources Department and the International Communication Department, which consolidate and ensure consistency.

Once the data have been consolidated and the CSR reporting has been prepared, the Administration Department intervenes in the data-validation process by conducting consistency checks to guarantee the accuracy of the data published and by ensuring compliance with the reporting protocol.

1.4.1.5 **METHODOLOGICAL CLARIFICATIONS ON THE INDICATORS**

<u>As regards employee-related data:</u>

- ✓ The definition of staff has been expanded compared with previous years to include games testers. These people, who are present in the Group for over six months on average, are monitored by Human Resources in the same way as the Group's other employees.

  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.

  Employee-related data for the previous year have been reconstructed according to this new definition so that this indicator can be monitored over time.

- ✓ The male-female pay ratio is calculated for fields in which both men and women are represented, i.e. 80% of Group employees. It is determined based on the male/female ratio for each level of responsibility at each subsidiary, weighted by the corresponding headcount.

<u>As regards environmental data:</u>

- ✓ 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 year is consumed during the year.

1.4.1.6 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.

1.4.2 EMPLOYEE-RELATED INDICATORS

Ubisoft brings together creative minds to develop original games in a friendly environment in which each employee has the possibility of growing and getting ahead, surrounded by passionate and fascinating people. The teams' constant creativity is expressed not only in the development of new games but also in the way of working on a daily basis.

1.4.2.1 EMPLOYMENT

1.4.2.1.1 General change in Group headcount

Attracting, developing and retaining the finest talent in the industry is one of the key factors determining Ubisoft’s success. The Company is committed to providing the resources that our 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. Ubisoft has a large internal creative force (with 6,992 employees in game development) which gives it a genuine competitive advantage.

Ubisoft has a significant impact on the development of local employment. It is a longstanding company and creator of jobs. Its staff numbers have increased year on year and it has become a top-rated employer. This trend responds to the Company’s need to gather the skills and teams necessary to develop its economic activity and achieve the strategic targets it sets.

In 2012/2013, the headcount increased by 993 employees, i.e. almost 14%, to support the Group’s development. Specifically, this increase includes the team at the THQ Montreal studio (153 employees), which the Group acquired during the year, 621 additional employees at the Montreal site, 113 at the Toronto site and 78 new positions in China (Shanghai).

The breakdown of staff by employment type and contract type remains virtually unchanged over the period.

Staff	03/31/13	03/31/12
Total staff (1)	8,268	7,275

Breakdown of staff by field	03/31/13	%	03/31/12	%
Production	6,992	85%	6,107	84%
Business	1,276	15%	1,168	16%

Breakdown of staff by employment type	03/31/13	%	03/31/12	%
Full-time employment	8,193	99%	7,207	99%
Part-time employment	75	1%	68	1%

Breakdown of staff by contract type	03/31/13	%	03/31/12	%
Open-ended contract	6,912	84%	6,042	83%
Fixed-term contract	1,356	16%	1,233	17%

Male/female staff *(See 1.4.2.2.1)*	03/31/13	%	03/31/12	%
Men	6,531	79%	5,818	80%
Women	1,737	21%	1,457	20%

(1) The teams of the subsidiary Hybrid are not currently included in the scope of reporting of the Group HR Department.

1.4.2.1.2 Hires and redundancies/dismissals

Ubisoft is a growing company which manages a high volume of recruitments each year. 82% of recruitments relate to Production.

	03/31/13	03/31/12
Total number of external hires	2,114	2,014
Redundancies/Dismissals	108	163

1.4.2.1.3 Seniority by age bracket

Average seniority within the Group increased slightly to 4.57 years at end-March 2013, compared with 4.48 years at end-March 2012, despite an increase in headcount of almost 14%.

Seniority by age bracket	03/31/13	03/31/12
< 20 years	1	0.63
20 - 24 years	1.31	1.38
25 - 29 years	2.7	2.69
30 - 34 years	4.29	4.33
35 - 39 years	6.58	6.47
40 - 44 years	7.82	7.88
45 - 49 years	8.42	7.6
50 - 54 years	8.67	7.69
55 - 59 years	8.71	6.56
60 - 64 years	6.25	6.79
65+ years	8.5	7.33
Average seniority within the Group	4.57	4.48

1.4.2.2 DIVERSITY AND INCLUSION

The diverse range of profiles within Ubisoft provides the creativity and innovation the Company needs to stay at the forefront of innovation and technology. Diversity is at the heart of video game production. The process of creating a video game involves a high level of cooperation among teams with different backgrounds and training. Cultural diversity, gender mix and age diversity are a source of creativity and help teams to improve their understanding of consumers' expectations and respond to their needs throughout the world.

1.4.2.2.1 Measures taken to encourage gender equality

Of the 8,268 employees, 21% are women and 79% are men. This breakdown is attributable to the fact that 85% of Group staff (See 1.4.2.1.1) are in Ubisoft's core business, video game production, which primarily attracts men. Women hold 39% of the business-related positions (marketing, sales, etc.) within the Group and represent 27% of top management employees.

The situation is evolving gradually, with more and more women gaming, which translates into an increase in the rate of female hires (25% at end-March 2013 compared with 19% at end-March 2012) and therefore an automatic increase in the female employment rate.

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

The male-female pay ratio, at an equivalent contribution level, is 102% for teams with a full-time, open-ended or fixed-term, contract within the Group.

The Group continues to ensure equal treatment of men and women.

Breakdown of men/women in total headcount	03/31/13		03/31/12	
	Women	Men	Women	Men
Total	21%	79%	20%	80%
Production	18%	82%	16%	84%
Business	39%	61%	39%	61%

Women in management	03/31/13	03/31/12
% of women in top management	27%	25%
% of women in management	24%	24%

Employment	03/31/13	03/31/12
Female hire rate (1)	25%	19%
Female employment rate	21%	20%

Training	03/31/13		03/31/12	
	Women	Men	Women	Men
Training rate by gender (2)	54%	52%	55%	53%

(1) Number of women hired as a percentage of the total number of hires

(2) Number of women (men) trained as a percentage of the average female (male) headcount

1.4.2.2.2 Helping young people find employment

Ubisoft has an active policy of supporting young people during their initial training or as a complement to this. The number of interns taken on each year is on the increase. In 2012/2013, 193 interns completed an enriching professional experience at an Ubisoft entity, compared with 157 during the previous year. These internships are truly educational and act as a springboard for joining the Group. In the year ended March 31, 2013, 29% of interns were offered a job with Ubisoft.

1.4.2.2.3 Age pyramid

Age pyramid	03/31/13	%	03/31/12	%
< 20 years	5	0.1%	4	0.1%
20 - 24 years	690	8.3%	539	7.4%
25 - 29 years	2,304	27.9%	2,197	30.2%
30 - 34 years	2,464	29.8%	2,137	29.4%
35 - 39 years	1,631	19.7%	1,505	20.7%
40 - 44 years	835	10.1%	629	8.6%
45 - 49 years	229	2.8%	168	2.3%
50 - 54 years	67	0.8%	62	0.9%
55 - 59 years	34	0.4%	24	0.3%
60 - 64 years	8	0.1%	7	0.1%
65+ years	1	0.0%	3	0.0%
Average age	**32.71**		**32.50**	

The average age at the company is 33; this reflects the fact that the video game industry is barely 30 years old. All ages are represented in the Company's staff, with 87.5% of the population in the 25-45 age bracket.

The low representation of higher age brackets is due to the Group's recent creation, in 1986.

1.4.2.2.4 The Group's international presence

Ubisoft is present on all continents. With 86 different nationalities, Ubisoft cultivates the cultural mix required for a good understanding of the gamer and improved adaptation of games to cultural differences.

Breakdown of staff by geographic region	03/31/13	%	03/31/12	%
Americas	3,578	43.3%	3,093	42.5%
EMEA	4,690	56.7%	4,182	57.5%
TOTAL	**8,268**	**100%**	**7,275**	**100%**
Number of countries	30		29	

1.4.2.2.5 Helping disabled people find employment

The employment rate of disabled persons within the Group is 0.25%. 61% of employees work at sites with disabled access.

In order to encourage the employment of disabled persons, the French sites are developing partnerships with ESATs (organizations which support disabled people in finding work) for supply contracts.

A review will be conducted to encourage the employment of disabled persons in the future, in the absence of specific information currently available.

Employment of disabled persons (1)	03/31/13	03/31/12
Number of disabled workers (2)	19	16
Employment rate of disabled persons	0.25%	0.24%

(1) *Scope: 31 sites representing 92% of Group staff*

(2) *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*

1.4.2.3 **SKILL DEVELOPMENT**

Ubisoft recruits talents who are passionate and have the technical skills and expertise essential to the specific characteristics of the video game industry. Responsibility, initiative and innovation are the skills sought.

Training	03/31/13	03/31/12
% of payroll spent on training (1)	0.96%	0.99%
Training expenditure	€3,242,176	€2,782,686
Total number of employees trained	**4,134**	**3,760**
of which employees trained in health and safety	*127*	*129*
% of average headcount trained	52.5%	53.7%
Total number of training hours	**96,326**	**84,108**
Average duration of training (in hours) per employee trained	23.3	22.4

Skill-sharing between sites through personal visits	03/31/13	03/31/12
Number of international visits (short- or long-term assignments)	204	190

Monitoring of skill development	03/31/13	03/31/12
% of total headcount given an annual appraisal	77%	75.6%

Promotion	03/31/13	03/31/12
Rate of professional promotion (2)	14.9%	14.6%

(1) *Total expenditure on training as a percentage of payroll*

(2) *Percentage of professional promotions over the last 12 months*

1.4.2.3.1 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. In recent years, the sector has seen a significant evolution in online gaming. Ubisoft is training its teams to work on online games and several of our production studios have since specialized in this type of game so that the Company is in a position to provide gamers with innovative new experiences across the range of online platforms.

Furthermore, the development of several games for a new generation of consoles (Wii U™ from Nintendo, XBOX One from Microsoft, PS4 from Sony) gives our teams the opportunity to master the most advanced technologies on the market today. Video gaming is a relatively new business compared to other entertainment industries, and adapted training courses are provided, for the most part, within the Group, complementing on-the-job training.

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

For a number of years now, Ubisoft has endeavored to develop its employees by setting up specific training courses which are created in-house and focused on technical fields linked to the video game industry. These courses can be given on-site by the subsidiary or internationally, at the Ubisoft Academies, which provide high-level training. In 2012/2013, 147 employees benefited from these courses, which make it possible to develop the key skills of employees in line with operational requirements. They are also opportunities for employees from different studios to share and discuss their ideas and experiences.

Training expenditure accounted for 1% of payroll at end-March 2013: 4,134 employees took a course, i.e. 52.5% of the Group's average headcount.

Ubisoft also encourages personal learning and has an e-learning policy tailored to the specific features of business lines in the video game industry: 86 e-learning modules are accessible to all Ubisoft salaries via a Group training portal to ensure their continual development.

Employees who have been with the Group for more than a year receive an annual appraisal, i.e. 77% of employees in 2012/2013. The annual appraisal is an important moment in the year for each employee. It is an opportunity to take stock of performance and the skills developed over the past year, and also makes it possible to prepare the year ahead in terms of targets and an individual development plan.

The Group currently offers numerous possibilities for advancement within specific fields and other areas. The professional promotion rate is 14.92% for 2012/2013. Numerous international visits take place each year. Over the last 12 months, 204 visits took place. These visits develop multicultural exchanges and contribute to collaborative work.

1.4.2.3.2 Encouraging a collaborative approach within the teams

Collaboration is strongly encouraged at all levels within the Company, giving rise to a broad range of actions and initiatives. For example, the Ubisoft Developers Conference convenes in Montreal once a year, bringing together Ubisoft developers from around the world. Presentations, round tables and workshops are organized to discuss the technological advances made by our production teams. Open forums and business-specific databases continue to be developed and structured. Their goal is to facilitate collaboration, organization and the sharing of key information related to teams, projects, business lines, sites, etc.
The use of technologies or applications that facilitate exchanges, such as instant messaging, web conferencing and the use of video as a communication medium, is encouraged.

The corporate social network makes it possible to centralize and optimize numerous internal communication tools, facilitates access to an extensive amount of information, develops collaboration and meets employees' needs in terms of information-sharing.

1.4.2.3.3 A compensation policy aimed at recognizing performance

Ubisoft's compensation policy aims to recognize skills, stimulate creativity, encourage employees' performance and keep hold of talents.

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.

Compensation consists of a fixed portion and a variable portion. These differ according to the business line in order to reward individual and collective performance:

- Manufacturing teams receive a bonus calculated according to both the profitability of the game on which they worked and their individual contribution;
- Business teams receive a bonus calculated on the basis of achieving results that are set at the beginning of the year;
- Support teams receive a bonus according to a target based on both qualitative and quantitative factors, which serve to evaluate their individual performance.

Employee share ownership is another excellent way for Ubisoft to let employees participate in the Company's success. Capital increases reserved for employees and/or bonus share grants regularly take place. For example, in France, a capital increase as part of the Group savings plan (PEG) took place during the year, with a 15% discount on the share price. At end-March 2013, total registered shares held by employees or indirectly through an FCPE (Company mutual fund) amounted to 1.43% of the capital.

Medium-term compensation is also granted to the best performing employees in order to ensure loyalty; this takes the form of stock option or bonus share grants. All plans combined, as at end-March 2013, 20.6% of the Group's employees received such options.

In addition to these elements, certain programs may be added in order to remain competitive in relation to local practices, for example in France, where a profit-sharing system was implemented in 2012.

The elements relating to employee benefits expense are presented in more detail in the financial statements (See 1.6.8, Note 21 "Employee benefits expense").

1.4.2.4 **WELL-BEING**

Ubisoft strives to offer its employees a pleasant, open and friendly working environment.

1.4.2.4.1 ***Organization of work***

Ubisoft is a company that makes the well-being of its teams one of the pillars of its global strategy. We know that the work environment and its organization play a fundamental role in ensuring team morale. This is why Ubisoft has created a friendly and welcoming environment in all of its subsidiaries and studios.

In that sense, an internal survey is carried out every two years to measure employee satisfaction and consult all employees on major company issues (in terms of strategy, HR policy and work environment).

In the last survey, conducted in 2011, with a participation rate of 74%, 95% of employees said that they were satisfied with the Company's friendly work environment. Group policy, within the framework of local legislation, allows employees throughout the world to benefit from flexible hours or part-time contracts (See 1.4.2.1.1).

Ubisoft also vows to prioritize smaller structures wherever possible (80% of sites have fewer than 200 employees), with open-plan offices encouraging collaborative working and facilitating communication, where managers are available to their teams and HR managers are in close contact with daily operations. In the last internal survey, more than 92.2% of employees said that they were happy with the level of contact with their managers. Despite its ever increasing size, Ubisoft has always sought to cultivate and preserve this friendly, open and outward-looking atmosphere.

There are many local initiatives aimed at facilitating the daily working lives of our employees. The studio in Montreal, for example, which represents almost one third of the Group’s staff, has a well-being clinic for all employees and their families, which is open five days a week. Ubisoft Montreal has also been certified a “Healthy Enterprise” by the Bureau de normalisation du Québec since 2010. This standard aims to ensure the continuous improvement of practices that focus on health and well-being at work at Ubisoft Montreal.

Ubisoft encourages corporate events, with convivial annual parties, concerts and internal competitions organized at each subsidiary. 87% of Ubisoft employees have access to a relaxation space and/or gym.

Measures for employees’ well-being (1)	03/31/13	03/31/12
% of staff at sites with a relaxation space/rest area/gym	87%	88%
% of staff with access to additional health care services (2)	87%	86%

(1) *Scope: 31 sites representing 92% of Group staff*

(2) *Health care services in addition to local legislation*

1.4.2.4.2 Absenteeism

Number of days of employee absence by reason (1)	03/31/13	%	03/31/12	%
Illness (all reasons)	17,683	35%	15,739	38%
Occupational accident (2)	292	1%	301	1%
Maternity, paternity and parental leave	20,403	41%	14,894	36%
Family events	2,829	6%	1,970	5%
Leave for personal reasons	8,659	17%	8,030	20%
TOTAL	**49,866**	**100%**	**40,933**	**100%**
Group absenteeism rate linked to occupational accidents and illnesses (3)	1.44		1.21	

(1) *Scope: 31 sites representing 92% of Group staff*

(2) *Occupational accident = Fatal and non-fatal accidents occurring during or due to work, according to local practices*

(3) *Calculation method = total number of days absent at Group level/sum of theoretical number by country of days worked without these absences Concerns France, Canada and the United States only, i.e. 60% of the Group’s staff*

1.4.2.4.3 Constructive industrial relations

Dialogue between management and labor is led by employee representatives in the countries where this is provided for by legislation. The subsidiaries in Scandinavia, Romania, the United Kingdom, China and France have employee representatives who meet monthly, half-yearly or annually, depending on the legal framework. In 2012/2013, 38% of Group employees had employee representatives (compared with 34% in 2011/2012).

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 (profit-sharing) were set up in collaboration with the Works Councils in 2012/2013.

In addition, the employee satisfaction survey and corporate social network contribute to dialogue within the Company, at all levels. The corporate social network is a platform accessible to all employees which 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.

Collective agreements and breakdown by subject	03/31/13	03/31/12
Number of collective agreements (1)(2)	**22**	**16**
Breakdown by subject:		
Compensation	*14*	*9*
Dialogue between management and labor	*1*	*1*
Health and safety	*5*	*4*
Disability	*1*	*1*
Other subjects	*1*	*1*

(1) *For this indicator, each agreement or amendment signed is counted individually*

(2) These agreements concern France and Romania, i.e. 25% of the Group's staff

1.4.2.4.4 ***Health and safety***

Ubisoft is attentive to its employees' health, which is why 87% of employees benefit from additional private health care systems. Similarly, the Montreal studio has a well-being clinic for all employees and their families (See 1.4.2.4.1).

In addition, Ubisoft continues to raise awareness among its employees of health and safety issues. As such, 127 people received training during the year (See 1.4.2.3).

At end-March 2013, the Group recorded a drop in the frequency rate and severity rate of occupational accidents with time off.

Health and safety in the workplace	03/31/13	03/31/12
Number of occupational accidents with time off (1)	11	11
Number of fatal accidents	1	
Frequency rate of occupational accidents with time off (2)	6.2	6.9
Severity rate of occupational accidents with time off (3)	0.16	0.19
Number of occupational illnesses (4)	8	8

(1) Occupational accident = Fatal and non-fatal accidents occurring during or due to work

*(2) = (Number of occupational accidents with time off/(average annual headcount * theoretical number of annual hours worked)) x 1,000,000*

*(3) = (Number of days lost per occupational accident/(average annual headcount * theoretical number of annual hours worked)) x 1,000*

(4) *Occupational illness recognized according to applicable local legislation*

1.4.2.5 PROMOTION OF AND COMPLIANCE WITH THE PROVISIONS OF THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANIZATION

1.4.2.5.1 Respect for freedom of association and the right to collective bargaining

Ubisoft respects freedom of association and the right to collective bargaining (See 1.4.2.4.3)
Employees in France benefit from the Syntec collective agreement, which regulates the working conditions of employees and the related social-security regimes.

1.4.2.5.2 Elimination of discrimination in employment and occupation

To make the best games on the market, Ubisoft must gather the most talented employees from different backgrounds and profiles. For this reason, the Group's Human Resources policy strives to recruit varied profiles and thereby combat discrimination, in all its forms.

1.4.2.5.3 Abolition of forced or compulsory labor and effective abolition of child labor

No indicators have been included in this report regarding the promotion of and compliance with the provisions of the fundamental conventions of the International Labour Organization relating to the abolition of forced or compulsory labor and the effective abolition of child labor. Given the nature of its business (intellectual services), the Group does not consider itself affected by this.

1.4.3 ENVIRONMENTAL INDICATORS

1.4.3.1 GENERAL ENVIRONMENTAL POLICY

1.4.3.1.1 General organization

Data on the Group's environmental impact solely covers its direct video game production and publishing activities. Since the Company does not manufacture the video games it publishes and distributes (and associated ancillary products), it does not have a significant direct impact on the environment.
The Group nonetheless takes the issues of respect for and protection of the environment very seriously.

An internal survey is carried out every year at the sites to evaluate environmental policies, programs and indicators. The data are then consolidated at Group level and compared with the data from previous years in order to identify good practices within the Group and find areas for improvement.

Currently, each subsidiary manages its own actions in accordance with the country's regulations and depending on the wishes and involvement of its staff.

However, the Group has recently appointed someone at Head Office to draw up a plan for the review of sponsorship and the environment at Group level in 2013/2014.

This review plan will be structured around four main themes, the targets for which are still be set:

1) **Measuring and identifying areas for improvement with regard to sustainable use of resources**

2) **Measuring and identifying areas for improvement with regard to waste management**

3) **Measuring and identifying areas for improvement with regard to climate change (greenhouse gas emissions)**

4) **Raising awareness of environmental issues among Group staff and the general public**

*1.4.3.1.2 **Informing and training employees***

The Group does not have an information and training program at the Group level for environmental issues. However, this approach is one of the areas for development considered in the 2013/2014 review plan (See 1.4.3.1.1).

At present, employee information and training is organized locally by the sites. At end-March 2013, there were 13 employees in charge of environmental management at the seven sites[1]. During the year, three sites[2] also decided to train a total of seven employees in environmental protection.

In addition, five information campaigns were conducted in 2012/2013 at Ubisoft sites, raising awareness of environmental issues among more than 550 employees.
For example, the RedLynx (Helsinki) studio conducted several email campaigns, reminding employees to switch off their computers and lights in communal areas.
Shanghai put up posters in meeting rooms encouraging employees to save energy. Communications are stepped up before holiday periods to encourage employees to switch off their IT equipment.
Lastly, Sofia added an environment section to the documentation given to new arrivals, in order to make them aware of environmental issues and, specifically, the recycling process in place in the studio.

In addition, a total of 11 e-learning modules on the theme of the environment have been implemented in the Pune and Toronto studios.

The Montreal and Malmö (Sweden) [3] sites have set up Environment Committees to raise awareness locally among the teams, recommend concrete actions encouraging the preservation of and respect for the environment, and assess progress made.

In 2012/2013, the Montreal Environment Committee set up composting at the studio, encouraged active transport by offering workshops in bicycle maintenance to its employees, and distributed plants throughout its offices as part of Earth Day. The Committee is currently working on a sustainable development policy for the studio which will define the actions to be implemented over the coming years.

The Environment Committee at Massive (Malmö) set up recycling of plastic and metal (mainly cans), replaced incandescent bulbs with energy-saving bulbs and instituted information campaigns to encourage employees to switch off their PCs.

[1] *Representing 37.9% of Group staff.*
[2] *Representing 17.9% of Group staff.*
[3] *Together representing 29.7% of Group staff.*

1.4.3.1.3 Preventing environmental risks and pollution

Ubisoft's definition of environmental risk is based on the GRI definition[4].

The Group's own activities do not present any significant industrial and environmental risks since the Company does not manufacture the video games it publishes and distributes (and associated ancillary products).

Nevertheless, the Company remains alert to regulatory changes in countries where it is present.

The Group's main expenses and actions relating to environmental protection are presented in greater detail in the "Pollution and waste management" and "Sustainable use of resources" sections of this report.

1.4.3.1.4 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.

1.4.3.2 **POLLUTION AND WASTE MANAGEMENT**

1.4.3.2.1 Releases into the air, water and soil

Since the Company does not manufacture the video games it publishes and distributes (and associated ancillary products), the risk of releases into the air, water or soil issued directly by the Group and seriously harming the environment appears to be non-existent.

In fact:
- Waste issued by the Group is not classed as hazardous according to applicable legislation;
- The Company is not concerned by accidental spills[5], given its activity;
- Water is only used for domestic purposes.

1.4.3.2.2 Management and elimination of waste

The Group has identified four categories of waste linked to its activity:
- Paper;
- Computer hardware;
- Products which cannot be sold on distribution platforms (marketing, promotional, etc. items);
- Other consumables (batteries, ink cartridges, green waste, etc.).

The majority of the Group's waste is sent to landfill or recycled.

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[4] *"An environmental risk refers to the possibility of occurrence of incidents or accidents generated by a company's activity and which may have significant and harmful repercussions on the environment. The environmental risk is assessed taking into consideration the probability of occurrence of an event (risk) and the level of danger."*

[5] *In accordance with the GRI definition: "Accidental release of a hazardous substance that can affect human health, land, vegetation, water bodies, and ground water."*

- ✓ Paper: most of the sites recycle used paper (21 sites[6] in 2012/2013).

- ✓ Used computer hardware and electrical and electronic equipment: Ubisoft actively recycles this.

  Except in a few countries where services of this kind are not available (Morocco), the sites manage the disposal of their computer equipment by calling on external service providers, specialist organizations or companies.

  During the year, twelve sites[7] had their computer equipment 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.
  In some cases, equipment disposed of by the Group is reused by schools or charities that may be chosen by local authorities. IT equipment that has reached the end of its life is sometimes sold directly to employees (whereby the proceeds are given directly to charities or schools).

- ✓ Products which 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 burnt, buried or recycled.

- ✓ Other consumables: most sites (23 sites[8] counted in 2012/2013) have collection points for recycling and sorting waste. These collection points are generally situated in communal areas (kitchens, cafeterias, etc.) or at the entrance to each floor.

  More specifically:

  - Six sites[9] reuse ink cartridges by refilling them several times. Otherwise, any ink cartridges that are not reused are systematically recycled or returned to the supplier for recycling, except in Mexico and China (Shanghai) where they are thrown out;
  - 18 sites[10] collect and recycle their batteries at collection points located at strategic points on the premises (reception, the entrance to each floor, etc.).

  The sites conducted several initiatives during the year to reduce the waste they produce. For example, the Red Storm Inc. studio (Cary, United States) has completely eliminated disposable cups for coffee machines and has distributed mugs to its employers and visitors.

Lastly, the Group’s sites have declared that they do not produce any waste classed as hazardous by applicable local legislation.

1.4.3.2.3 Noise and other forms of pollution

Since the Company does not manufacture the video games it publishes and distributes (and associated ancillary products), its direct impact on the environment in terms of noise pollution, olfactory pollution and other forms of pollution is low.

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[6] *Representing 77% of Group staff.*
[7] *Representing 62% of Group staff.*
[8] *Representing 73.3% of Group staff.*
[9] *Representing 35.6% of Group staff.*
[10] *Representing 49.3% of Group staff.*

1.4.3.3 SUSTAINABLE USE OF RESOURCES

1.4.3.3.1 Water consumption and supply

Given the Group's activity, it only uses water for domestic purposes (cleaning, toilets, kitchens, etc.). Although Ubisoft's water consumption is low, the Group intends to monitor this indicator to measure the impact of the good practices implemented at its sites and information campaigns conducted internally.

In 2012/2013, the Group measured consumption[11] of 15,581 m^3, which breaks down as follows:

	UNITED STATES	CHINA	ROMANIA	UKRAINE	SINGAPORE	OTHER COUNTRIES
Consumption in m^3 in 2012/2013	5,386.4	4,123.4	858	381.1	318.4	765.3
Ratio of m^3/person per year	11.8	8.3	1.1	5.7	1.3	1.3

To reduce their consumption, many sites are using low-consumption taps or taps with automatic shut-off and low-consumption toilets, such as Italy, Germany, Sweden, Romania, the United Kingdom, Australia, the United States (Red Storm Inc. – Cary, NC), Mexico, Canada (Montreal), Poland and China (Shanghai). Some sites have also implemented simple measures to encourage employees to limit their water consumption; for example, in India, notices have been placed next to each water outlet.

In addition, as water is supplied directly by local water distribution networks, the Group therefore complies with applicable national regulations regarding supply.

1.4.3.3.2 Use and management of consumables

At present, of the consumable purchases listed by the Group, only paper consumption is significant.

All sites are made aware of the ecological impact of paper consumption; they take advantage of municipal or government programs to recycle their paper through waste sorting at their premises or collection areas, such as those in Germany, Australia, Korea, Italy, Switzerland and the United Kingdom. Many sites use outside specialists, including Canada, the United States and France.

In 2012/2013, the Group's paper consumption was as follows:

	Waste issued (in kg)	Number of sites concerned *	Representativeness of sites concerned as a percentage of Group staff
Paper	30,720	24	34.5%

This consumption represents approximately 11.3 kg of paper per employee per year[12].
In 2012/2013, 24[13] sites prioritized consumption of recycled paper.

[11] Data for 15 sites, representing 29.3% of Group staff. The scope for this indicator is limited because the majority of sites did not have precise information at the reporting date since their water consumption is included in the rental expenses managed by their lessors. It should be noted that the consumption indicated does not include water bottles for water coolers.
[12] Calculated based on 24 sites representing 34.5% of Group staff.
[13] Representing 84% of Group staff.

In order to reduce their paper consumption, ten sites have opted for a paperless pay slip management policy. This is the case in France, Italy (Milan), Sweden (Malmö), the United States (Red Storm Inc. - Cary, San Francisco), Canada (Montreal, Quebec), India (Pune), Singapore and Australia.
In total, Ubisoft saved 99,554 sheets per year. The Group sites which use external service providers for payroll management favor partners who offer paperless solutions, as is the case at the Buccinasco (Italy) site.

In addition, to date 13 sites[14] have set office printers to print double-sided by default.

The Sofia studio, which is implementing this for the first year, estimates that its paper consumption will be reduced by 30% over the next year.

The Tokyo subsidiary has launched an internal email campaign to encourage employees to reduce their paper consumption.

1.4.3.3.3 Energy consumption and use of renewable energies

Ubisoft only measures electricity as an energy source in its annual survey, as other energy sources are negligible compared to electricity.

At end-March 2013, electricity consumption totaled 24.3 million kWh, compared with 22.9 million kWh at end-March 2012, i.e. an increase of 6.1% compared with the previous year. This increase is explained by the combined effects of:

- The extension of the scope for collecting data (30 sites, representing 82.7% of staff at end-March 2013, compared with 28 sites representing 70.7% of staff at end-March 2012). At constant scope over the two years, the overall increase was 3.1%;
- The increase in consumption of the main countries (Canada, Romania and China) due to the increase in staff and/or the addition of new data servers.

The countries with the highest electricity consumption in the Group were[15]:

	CANADA[16]	FRANCE	ROMANIA	CHINA	UNITED STATES	OTHER COUNTRIES
Consumption in thousands of kWh in 2012/2013	12,580	3,929	1, 806	1,666	1,196	3,123
Consumption in thousands of kWh in 2011/2012	11,756	3,999	1,715	1,522	1,339	2,555
Change by country	**+ 7%**	**(1.8)%**	**+5.3%**	**+ 9.5%**	**(10.7)%**	**+ 22.2%**
Change in headcount between 2011/2012 and 2012/2013	+16.4%	(1.2)%	+21%	+3.6%	(1.7)%	+5.6%

The countries with high consumption, such as China, Canada, Romania and France, have data servers which use large amounts of electricity.

Some of the electricity used by the Ubisoft Group comes from renewable energies, which contributes to limiting its environmental impact. The Montreal and Quebec studios, which account for 30.6% of total Ubisoft staff, have formed a partnership with the electricity supplier Hydro-Québec, 98% of whose production comes from hydroelectric dams. The Japanese subsidiary (Tokyo) also receives 13.5% of its supply from hydroelectricity.

[14] Representing 49.5% of Group staff.
[15] The five regions mentioned above represent 69.9% of Group staff.
[16] Data for the Montreal and Toronto sites (excluding Quebec).

In 2012/2013, the Group continued to list and encourage measures to reduce overall energy consumption:

19 sites[17] use energy-saving bulbs.

Many sites have already introduced good practices to limit consumption of air-conditioning and heating systems that are mostly shut down at weekends (server rooms being an exception). In 2012 the American subsidiary in San Francisco installed a new, low-consumption air-conditioning system which should significantly reduce its energy consumption (the results will be assessed for 2013/2014).

In 2012, the sites in Osaka (Japan) and Milan (Italy) installed solar films on the windows of their offices to improve insulation and therefore reduce energy consumption.

Some studios intend to make a formal commitment to reduce their energy consumption during the next year. In particular, Kiev (Ukraine) will be assisted by an electrician to audit the studio and define an action plan to reduce consumption. The Paris sites[18] are currently examining the possibility of implementing a Building Management Systems (BMS) for lighting with a programmed timer, and of having a separate meter for each zone to optimize consumption monitoring.
The sites actively communicate locally to inform employees and encourage them to make energy savings. The main sites concerned are Japan, Canada (Montreal and Toronto), France, Romania and Bulgaria.
In addition to email campaigns, the Abu Dhabi subsidiary has produced pamphlets to explain good energy practices in communal areas.

1.4.3.3.4 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.

1.4.3.4 **CLIMATE CHANGE**

1.4.3.4.1 Greenhouse gas emissions

The main sources of emissions identified are:

- Business travel by employees;
- Events organized by the Group;
- Energy consumed (see 1.4.3.3.3);
- Fixed assets (buildings, office and IT equipment, servers);
- Consumables (paper, cartridges, office supplies);
- Other waste.

To date, neither the Group nor the sites have put in place procedures to reduce their carbon footprint or measure their greenhouse gas emissions, but this issue will be tackled at Group level in the review of environmental and sponsorship issues to take place during 2013/2014 and in the ensuing action plan. However, the Group's own carbon footprint should be low due to the nature of its business activity.
The Group and the sites do not currently hold data on the carbon footprints of their main suppliers (supply chain) and external data centers. The Group intends to integrate these data in the coming years.

Currently, Group policy seeks to limit the environmental impact of business trips, one of the main sources of greenhouse gas emissions.

[17] *Representing 68% of Group staff.*
[18] *Representing 15.9% of Group staff.*

Due to the Group's international scale, employees frequently have to travel to other sites. As a consequence, the Group seeks to minimize the consequences of travel wherever possible.

The following measures are favored:

- Efficient management of employees' appointments so that their travel is limited to the absolute minimum;
- Choosing the least expensive and most environmentally friendly means of transport;
- Instituting videoconferencing (Breeze), conference calls (Lync 2010) and other collaborative means.

In 2012/2013, the number of trips totaled 11,951, which breaks down as follows:

Number of trips per year and by mode of transport in FY2012/2013[19]	
• **Plane**	7,905
• **Train**	2,792
Other[20]	278

The vast majority of sites have travel policies which encourage employees to prioritize the most environmentally-friendly method 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. Some sites already have a car-pooling system (Abu Dhabi, Red Storm (Cary, NC)) and others are considering it for the future (Montreal).

Most sites have also implemented a specific policy of reducing business travel, such as in China (Chengdu), Ukraine, Sweden, Italy, Canada (Montreal), the United Kingdom (Newcastle), France, the United States (San Francisco) and Australia. The vast majority of Group sites have rooms equipped with video/audio-conferencing equipment (19 sites, representing 73.1% of total staff).

The Group is also making the use of web conferencing widespread by systematically equipping new work stations with webcams and microphones.

Adapting to the consequences of climate change

Due to the nature of its business activity, Ubisoft is not directly affected by the consequences of climate change.

However, the Group is sensitive to environmental issues and conducts the following actions to reduce greenhouse gas emissions, the main cause of climate change:

- Travel policy (see 1.4.3.4.1);
- Replacement of air-conditioning systems using chlorodifluoromethane gas (R-22), which has a global warming potential that is 1,810 times as powerful as CO_2, by 2015 at the latest, in accordance with applicable legislation;
- Reduction in energy consumption (see 1.4.3.3.3).

[19] *31 sites representing 84.2% of Group staff*
[20] *Journeys by bus, company car, etc.*

1.4.3.5 PROTECTING BIODIVERSITY

1.4.3.5.1 Preserving and developing biodiversity

All Ubisoft sites are located in urban areas. As a consequence, none of the sites are located in or beside protected areas or in areas rich in biodiversity.

The Ubisoft Group indirectly contributes to protecting biodiversity by consuming recycled materials where possible, such as paper (see 1.4.3.3.2). Using recycled materials helps to reduce demand for virgin materials and save reserves of the world's natural resources.
In addition, the EMEA head office is currently examining the possibility of installing bee hives on the roofs of its premises.

1.4.4 SOCIAL INDICATORS

The 2013/2014 environmental review plan, mentioned in 1.4.3.1.1, will also include a section to measure and identify areas for improvement in relation to social changes:

- The territorial, economic and social impact of the Company's activities;
- Links with local organizations (associations, training institutions, local populations, etc.);
- Links with commercial partners (subcontractors, suppliers, etc.).

1.4.4.1 TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S ACTIVITIES

1.4.4.1.1 Employment and regional development

The Group measures its territorial, economic and social impact in terms of regional development and job creation. During the year, the Toronto studio created 113 positions, the Shanghai site created 78 positions, of which 93.5% are local jobs, and 621 additional employees (excluding the acquisition of the THQ Montreal studio) were welcomed at the Montreal site (of which 80% are local jobs).

Ubisoft contributes to the development of local employment while at the same time encouraging multiculturalism with international teams. In fact, the Group only has 17.5% of expatriates throughout all the countries in which it is present.

Contribution to local development in terms of employment	03/31/13	03/31/12
Percentage of expatriates compared to local employees	17.5%	16%

1.4.4.1.2 Developing local populations

The Group has divided the actions conducted in collaboration with local and regional organizations with the aim of encouraging the development of local populations into six categories:

- Employment: Partnerships with national employment agencies, taking on interns and apprentices, and circulating vacant positions to schools (see above);
- Training: Cooperating with schools and universities, mentoring, teaching in schools and universities (see above);
- Integration of disadvantaged persons: Use of ESATs (organizations which support disabled people in finding work) and disabled workers' associations (see 1.4.3.3.2);

- Investments in the community: Voluntary contributions and funds invested in the community in the wider sense (including donations) (see 1.4.3.3.2);
- Solidarity: Collecting clothes, food and games, sponsoring sports teams (see 1.4.3.3.2);
- Health: Blood drives, financial donations to health-care organizations (see 1.4.3.3.2).

The sites conducted various actions in 2012/2013 to assist the development of neighboring local populations.

Many sites are in contact with local universities to develop internship, training or tutoring programs, or to sit on the jury for project presentations or competitions, for example in Spain (Barcelona, Madrid), Sweden, Ukraine, Italy (Milan), Japan (Osaka), Finland, Bulgaria, the United States (San Francisco) and India.

Red Storm (Cary, NC) worked with IGDA (International Game Developers Association), Wake Tech Community College and other local academic establishments and art institutes to help students compile their portfolios and prepare for interviews, thereby encouraging local employment.

The Chengdu studio has formed close relations with local universities and high schools. The subsidiary set up a two-month training program in advanced 3D art, completed by 20 students, 17 of who have since joined the teams. In total, of the 45 positions created by the studio in 2012/2013, 35 went to new graduates.

The Reflections studio (Newcastle) supports training programs with the Universities of Teesside, Northumbria and Newcastle and sponsors the University of Dundee’s game development competition “Dare to be Digital”.

Ubisoft Singapore has continued its involvement in the DigiPen campus, a tripartite collaboration between the DigiPen Institute of Technology Singapore, the Singapore Workforce Development Agency (WDA) and the Ubisoft studio in Singapore. 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).

The Canadian sites in Montreal and Quebec have just as much to offer when it comes to supporting local development.

In 2012, Ubisoft Montreal launched Academia, an ambitious group of four programs aimed at training the people who will work in video games in the future. Those taking part in Academia will become acquainted with the skills and abilities sought by the industry and even try out the diverse aspects of these in real production conditions. Participants get the opportunity to practice their creativity, innovation and leadership.

The Quebec studio has also formed many partnerships, specifically a partnership with Laval University to support the Information Technology backup facility and thus help ensure the transfer of knowledge and skills in the IT fields, a partnership with ENDI (The National Institute of Digital Entertainment) for Ubisoft experts to mentor students for an hour a week for 12 weeks (three students mentored in 2012/2013), and the award of scholarship for excellence in partnership with Cégep Limoilou.

In addition, Nicolas Rioux, Vice President and Chief Executive Officer of the studio, sits on the Board of Directors of CIMMI (center for digital imaging and interactive media), which aims to contribute to technological progress and the growth of companies by providing multidisciplinary expertise in R&D and technology transfer in the fields of digital imaging and interactive media.

1.4.4.2 STAKEHOLDER POLICY

1.4.4.2.1 Dialogue with third parties and external organizations

The Group considers all people and organizations affected by the Company's activity to be stakeholders.

The methods of dialogue with these stakeholders are presented below:

Stakeholder	Methods of dialogue
Customers	• Online communication (for online games) • Publication of information regarding our products
Suppliers	• Buyer/supplier meetings • Supplier selection process • Raising awareness of the issues of the Global Compact (Australia)
Shareholders and investors	• Telephone conferences for presentation of results, meetings and plenary meetings • Regular meetings with individual shareholders
Employees	• Biannual employee satisfaction surveys ("Express Yourself") • 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 • Partnerships with local NGOs
State, public organization, etc.	• Participation in working groups and local and international organizations on the challenges facing our industry

1.4.4.2.2 Partnership and sponsorship actions

Ubisoft depends on the talent its teams possess and the human factor has remained a central concern in all its operations since the Company was founded. Entertainment, training and development of each individual's potential are central to Ubisoft's mission as a company.

For nine years now, the Group has been running a sponsorship program entitled "Sharing More Than Games," providing management and other support for solidarity initiatives, both individual efforts and those that are broader-based, within the Group. The scope of this program aims to coincide with our core business and our values as it ties in initiatives promoting access to education, culture and leisure for children, teenagers and young adults who are ill or from deprived backgrounds.

There is a wide variety of initiatives and actions carried out under this program, including financial aid, partnership with an association, gifts of games or sponsoring skills, and these initiatives may be extended to an individual, locally or even on an international scale.

Of all the Group's sites, 18 (representing 74.8% of Group staff) state that they are actively involved in one or more partnership or sponsorship actions, with three sites involved in education actions and 15 sites involved in humanitarian actions.

Some initiatives become ongoing actions, such as the U-Care program, initiated in 2009 by Ubisoft Shanghai and Ubisoft Chengdu in response to the earthquake that hit the area of Sichuan (China). This year, the teams have organized two blood drives and sold apples in support of the charity "The Children of Madaifu". The Shanghai studio has also donated money to a school so that it can modernize its heating system. As in previous years, Ubisoft also is maintaining its commitment to associations providing support to children. These include the Breakfast Club in Canada which provides a healthy, balanced breakfast for almost 15,000 children each day, the ASDI association in Barcelona which looks after mentally and physically disabled children in the San Cugat region, and the Toys for Tots association in the United States, which collects new toys still in their packaging to distribute to children in need. The Quebec studio has also continued its commitment to Centraide, a Québécois organization which supports a vast network of community organizations helping poverty-stricken or socially-excluded people and families. As it does each year, the studio took part in the annual

campaign by organizing several activities such as bake sales, sales of second-hand computers, auctions, tombolas and much more. Thanks to the involvement of the Quebec employees, the 2012 campaign raised CAD$24,048.75.
Ubisoft Sofia has renewed its partnership with the I Can Too charity which looks after children in orphanages. The studio has taken part in reading activities and organized various activities to raise money for the children.

Ubisoft's sites have also taken part in several international projects. One particular example is Movember, an event which raises money for the prevention and treatment of prostate cancer. Men at 13 Ubisoft sites (representing 62% of staff) proudly grew a moustache during November 2012, raising $44,010 for the cause.

In addition to the program launched nine years ago, in 2011 the Group launched a major Group-wide program: The annual "Sharing More Than Games" project. The previous year, Ubisoft sites each formed a minimum one-year partnership with a local association. The start of the partnership was celebrated officially at a day-long event called "Sharity Day" held throughout each of the Group subsidiaries. On this day, the Ubisoft sites hosted members of their partner associations and organized various activities to raise funds, share information about the associations and recruit volunteers.
This year the Group organized the "ShootMania Tournament", an in-house ShootMania tournament which pitted all Ubisoft's international sites against each other. Ubisoft's employees were able to "bet" on their favorite team and the money collected was donated to the subsidiary's local partner association. Sites could choose to continue the partnership made the previous year at the "Sharity Day" or to support a different association.

The "Sharity Tournament" was a huge success, with 36 teams in 23 different countries competing against each other over the course of three weeks and 70 matches, raising €11,480, in addition to various other donations (books, clothes, food, etc.).
The annual "Sharing More Than Games" program will continue next year, with partnerships established in 2012 being renewed or new links being forged. In total, the "Sharing More Than Games" program has raised nearly €118,500.

1.4.4.3 **SUBCONTRACTORS AND SUPPLIERS**

1.4.4.3.1 Considering employee-related and environmental issues in the purchasing policy

Currently, there is no official purchasing policy relating to environmental, employee-related or social issues at Group level.

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 and who offer equal benefits and budgets.

1.4.4.3.2 Considering the employee-related and environmental responsibility of suppliers and subcontractors

Ubisoft strives to use environmentally concerned suppliers.
The main 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. Two thirds of them also have ISO 14001 certification, which specifically relates to the environment.

Some studios and sites have even committed to make sustainable development a priority when selecting a partner. This is true of Australia and France, which systematically include a note on sustainable development in their tender specifications. The Pune studio also forms partnerships with companies which have been earned Energy Star recognition. The San Francisco office has asked its cleaning company to use environmentally friendly products.

1.4.4.3.3 Outsourcing

From time to time, Ubisoft employs individuals under freelance contracts (particularly for artistic services) and temporary contracts. Peripheral activities at certain sites (security, cleaning, computer maintenance, etc.) are subcontracted to outside companies.

1.4.4.4 **FAIR OPERATING PRACTICES**

1.4.4.4.1 Preventing corruption

The Group was not the subject of any lawsuits, fines or non–financial sanctions for non-compliance with laws and regulations in 2012/2013.

Several sites have implemented internal anti-corruption procedures:
- Implementation of a process to prevent financial fraud (Australia);
- Procedure to ensure that the Purchasing Department cannot receive any gifts or benefits from a supplier (Montreal);
- For the next year, the Madrid office is examining the possibility of engaging in a procedure with the Spanish police in order to protect itself against corruption (particularly in online transactions).

All Ubisoft sites now have an expenditure procedure which defines principles for authorizing/approving expenditure (authorized persons, reviews, standards which must be complied with) depending on the amount in question.
France and the Montreal site have drawn up an official Purchasing code of ethics to protect themselves against corruption.

In light of this, and with a view to Group-wide uniformity, the Head Office will draft a global Purchasing policy during the coming year.

1.4.4.4.2 Consumer health and safety

To date, neither the Group nor its sites have engaged in any actions specifically focused on consumer health and safety.

However, the Group complies with applicable standards and legislation in its products in order to inform its consumers and ensure their safety. The production teams work closely with ratings (PEGI, ESRB[21], etc.) and consumer protection organizations.

The Polish subsidiary is a member of the local SPIDOR association which promotes the PEGI rating system among consumers.

The Shanghai studio has also integrated an anti-addiction system into its Football City Stars game, linked to the gamer’s login details and connection time.

1.4.4.5 **OTHER ACTIONS TAKEN TO PROTECT HUMAN RIGHTS**

To date, neither the Group nor its sites have engaged in other actions to protect human rights. This subject will be tackled at Group level in the review plan to be implemented during 2013/2014.

[21] *PEGI (Pan European Game Information) and ESRB (Entertainment Software Rating Board) ratings are age-classification systems, for Europe and North America respectively, aimed at guaranteeing clear labeling of leisure content (e.g. films, videos, DVDs and video games) by age category based on the game’s content.*

1.5 SUBSIDIARIES AND EQUITY INVESTMENTS

1.5.1 INVESTMENTS DURING THE FINANCIAL YEAR

Creation of new companies:

- June 2012: Creation of the subsidiary Ubisoft Motion Pictures Far Cry in France;
- September 2012: Creation of the subsidiaries Script Movie and Ubisoft Motion Pictures Ghost Recon in France;
- January 2013: Creation of the subsidiary Ubisoft LLC in the United States and the subsidiary 9275-8309 Quebec Inc. in Canada.

Acquisitions:

- January 2013: Acquisition of 100% of the Canadian studio THQ Montreal;
  On January 23, 2013, Ubisoft acquired a 100% stake in the studio THQ Montreal, an AAA creator of games.

Legal reorganizations:

- March 2013: Merger of the subsidiaries Ubisoft Workshop Inc. and Ubisoft Divertissements Inc. and Ubisoft Canada Inc. and Ubisoft Divertissements Inc.

Disposals:

- March 2013: Disposal of the subsidiary Ubisoft Sweden AB.

1.5.2 ACTIVITY OF SUBSIDIARIES

Production subsidiaries:

These are responsible for the design and development of the software.
The Group has continued its strategy of reorganization in line with industry developments and is developing its expertise toward the area of online gaming.

Sales and marketing subsidiaries:

The sales and marketing subsidiaries are responsible for distributing Ubisoft products throughout the world.

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;
- 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:

- The purchase of computer equipment;
- General and administrative expenses;
- Interest expenses related to the cash management agreement, guarantees and loans.

Main subsidiaries:

Subsidiary (in thousands of euros)	03/31/13			03/31/12			03/31/11		
IFRS financial statements	Revenue	Operating profit (loss)	Net profit	Revenue	Operating profit (loss)	Net profit	Revenue	Operating profit (loss)	Net profit
Ubisoft Inc. (United States)	578,830	11,252	7,416	495,348	11,836	7,664	513,284	12,063	6,971
Ubisoft Ltd (United Kingdom)	128,417	2,039	1,322	125,972	1,399	556	159,274	2,196	1,319
Ubisoft Canada Inc.	99,718	1,945	1,501	73,677	1,718	1,324	60,838	1,467	1,070
Ubisoft GmbH (Germany)	96,942	2,043	2,585	85,253	2,647	2,251	75,922	2,880	2,106
Ubisoft France SAS	80,975	1,145	822	76,881	623	476	71,911	972	891

1.5.3 UBISOFT ENTERTAINMENT SA SUBSIDIARIES AND EQUITY (1)

PRODUCTION

FRANCE
Ubisoft Annecy SAS
Ubisoft Montpellier SAS
Ubisoft Paris SAS
Ubisoft Production Internationale SAS

GERMANY
Blue Byte GmbH
Related Designs Software GmbH (2)

BULGARIA
Ubisoft EooD

CANADA
Ubisoft Entertainment Inc. (Montreal)
Ubisoft Entertainment Inc. (Quebec) (3)
Ubisoft Music Inc.
Ubisoft Music Publishing Inc.
UbiWorkshop (4)
Ubisoft Toronto Inc.
Quazal Technologies Inc.
Ubisoft Studio Saint-Antoine Inc.
9275-8309 Québec Inc.

CHINA
Chengdu Ubi Computer Software Co. Ltd
Shanghaï Ubi Computer Software Co. Ltd

UNITED ARAB EMIRATES
Ubisoft Emirates FZ LLC

SPAIN
Ubi Studios SL

UNITED STATES
Red Storm Entertainment Inc.
Ubisoft LLC.

INDIA
Ubisoft Entertainment India Private Ltd

ITALY
Ubisoft Studios Srl

JAPAN
Ubisoft Osaka KK

MOROCCO
Ubisoft Sarl

ROMANIA
Ubisoft Srl

UNITED KINGDOM
Ubisoft Reflections Ltd

SINGAPORE
Ubisoft Singapore Pte Ltd

SWEDEN
Ubisoft Entertainment Sweden AB

SWITZERLAND
Ubi Games SA, Zweigniederlassung Thalwil (5)

UKRAINE
Ubisoft Ukraine LLC

ONLINE

FRANCE
Nadéo SAS
Owlient SAS

FINLAND
Redlynx Oy

POST-PRODUCTION VIDEO

CANADA
Hybride Technologies Inc.

FILM PRODUCTION

FRANCE
Ubisoft Motion Pictures SARL
Ubisoft Motion Pictures Rabbids SAS
Ubisoft Motion Pictures Assassin's Creed SAS
Ubisoft Motion Pictures Far Cry SAS
Ubisoft Motion Pictures Splinter Cell SAS
Ubisoft Motion Pictures Ghost Recon SAS
Script Movie SARL

MARKETING

FRANCE
Ubisoft Emea SAS
Ubisoft France SAS

GERMANY
Ubisoft GmbH
Spieleentwicklungskombinat GmbH

AUSTRIA
Ubisoft (5)

AUSTRALIA
Ubisoft Pty Ltd

BELGIUM
Ubisoft (5)

BRAZIL
Ubisoft Entertainment Ltda

CANADA
Ubisoft Canada (4)

KOREA
Ubisoft Entertainment (5)

DENMARK
Ubisoft Nordic AS

SPAIN
Ubisoft SA

UNITED STATES
Ubisoft Inc.

HONG-KONG
Ubisoft Ltd

ITALY
Ubisoft SpA

JAPAN
Ubisoft KK

MEXICO
Ubisoft (Canada). (6)

NETHERLANDS
Ubisoft BV

POLAND
Ubisoft GmbH spółka z ograniczoną (5)

UNITED KINGDOM
Ubisoft Ltd

SWITZERLAND
Ubi Games SA

SUPPORT

FRANCE
Ubisoft International SAS
Ubisoft Learning & Development SARL

LUXEMBOURG
Ubisoft Entertainment SARL

(1) 100% direct or indirect interest
(2) 29.95% indirect interest until March 31, 2013 and 100% indirect interest since April 1, 2013
(3) Place of business
(4) Division of Ubisoft Divertissements Inc.
(5) Branch
(6) Representative office

1.6 GENERAL INFORMATION

1.6.1 CAPITAL EXPENDITURE POLICY

Ubisoft continued its capital expenditure policy, in order to enable the Company to gain traction in new platforms, develop the online activity and more generally increase its market share. Accordingly, in 2012/2013, internal production costs rose 15% from €334 million to €383 million.

	2012/2013	2011/2012	2010/2011
Production-related capex	€383 million	€334 million	€287 million
Capex per member of production staff (average headcount)	€57,631	€56,809	€57,003

1.6.2 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 choice of development engines, tools and processes takes place well upstream in a project, because this choice determines the potential for innovation and the necessary investment in terms of time, human resources and financing for the game.
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 a combination of the two. Research is thus focused on innovation and functionality, using technologies suited to a high-quality product.

Development costs on commercial software are capitalized and amortized over two or three years, with additional impairment losses recognized to reflect the product life cycle. During the financial year, they were amortized in the amount of €315 million.

Although the Group does not conduct any basic research, it has worked closely with research laboratories and universities for many years in order to collaborate with researchers in fields connected to game development. In 2011 Ubisoft Montreal launched a research chair in artificial intelligence and computer-based learning in collaboration with the University of Montreal and will invest CAD$200,000 per year in the chair for five years. Since 2010 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 research and development project in the amount of €3.5 million in technologies for the new generations of games. This project will involve some sixty 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.

These initiatives allow Ubisoft to complete its internal developments while still encouraging openness to the many technological fields which now comprise the creation of interactive experiences and content which are increasingly advanced and immersive. This enables Ubisoft to contribute to the influence of the video game sector for the whole industry.

1.6.3 PROPERTY, PLANT AND EQUIPMENT

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 rue de Valmy, Montreuil sous Bois, France.

1.7 RISK FACTORS

The Company conducted a review of risks which may have a significant negative effect on its activity, financial position and result (or on its capacity to reach objectives). The Company does not believe that there are any other significant risks than those listed.

Identified risks are categorized by type.

1.7.1 RISKS LINKED TO THE BUSINESS AND THE VIDEO GAMES MARKET

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

- Regularly strengthening its existing franchises in the high-definition segment;
- Launching innovative products in order to seize opportunities in the Casual segment;
- Developing its online and digital activity.

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 allocates the necessary marketing and sales resources to showcase its products through a distribution network covering over 55 countries. Its position as the third-largest independent publisher in Europe and the United States (NPD, Chart-Track and GFK) provides the Group with a high-performance distribution platform for its products.

1.7.1.2 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 games and emerging competitors in Asia.

The sector overall, should grow in 2013, led by the online games sector which is experiencing rapid growth while the consoles market may continue to decline in a context of transition to new generation consoles and due to the less impressive than expected launch of the Wii U, which should continue to affect sales of casual games.

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

The Company is also striving to promote collaboration between its various development studios in order to ensure the optimization of its development power and to benefit fully from its presence in low-cost zones.

In Canada and in Singapore, Ubisoft depends on substantial grants and any change in government policy could have a significant impact on production costs and the Company's profitability. Ubisoft ensures that it renegotiates these agreements on a regular basis and does not foresee any risk over the next few years.

The current operating income showed an improvement for the financial year 2012/2013 thanks to the success of *Assassin's Creed 3, Just Dance 4, Far Cry 3*, and the strong growth in the online/digital segment. Nevertheless, the uncertain economic situation and the transition to new generation consoles could impact the Company's performance.

Size of the video games market in 2012[1]
Physical game sales: $15.3 billion
Digital and online sales: $29.4 billion (including China)

Main competitors in the physical game sector: Electronic Arts, Activision, Take-Two and Nintendo
Main competitors in the online game sector: Electronic Arts, Activision, Tencent and Zynga

Market share in 2012 in terms of physical sales (GFK, Chart-Track, NPD)
US: Third-largest independent publisher with a 10.7% share of the market (compared with a third-place ranking and an 8.4% share in 2011)
EMEA: Third-largest independent publisher with an 11.2% share of the market (compared with a third-place ranking and an 8.7% share in 2011)

1.7.1.3 RISKS OF A DELAY OR POOR START TO THE RELEASE OF A FLAGSHIP GAME

Seasonal trends in the video games business:

Revenue/quarter in millions of euros	2012/2013	Breakdown	2011/2012	Breakdown	2010/2011	Breakdown
1st quarter	131	10%	103	9%	161	15%
2nd quarter	148	12%	146	14%	99	10%
3rd quarter	802	64%	652	62%	600	58%
4th quarter	175	14%	161	15%	178	17%
Consolidated annual revenue	**1,256**	**100%**	**1,061**	**100%**	**1,039**	**100%**

The third quarter of the financial year represents, on average, 61% of annual revenue 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 an expected game may 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.

The launch of a game below the standard required for it to fully realize its potential can negatively impact the Company's results.

Whether in the organization of its teams or ongoing research into improving development processes, Ubisoft relies on the efficiency of its internal expertise and synergies between its studios in order to anticipate these risks and alert the management teams as necessary.

[1] Sources: NPD, Chart Track, GFK, Nielsen and PriceWaterhouseCoopers

1.7.1.4 RISKS ASSOCIATED WITH RECRUITING AND RETAINING TALENTED STAFF

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 talents, 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 through the following initiatives in particular:

- Company/university collaboration: Strong relationships with the main universities in the various countries where the Group operates;
- The addition of 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 a local and international level 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.

1.7.1.5 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.

In order 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.

Nevertheless, the following risks could arise:

- Dilution of the current shareholder structure as a result of an acquisition paid in shares;
- Creation of significant long-term debt;
- Potential losses that could have a negative impact on profitability;
- Provisioning for goodwill or other intangible assets.

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.

1.7.2 LEGAL RISKS

1.7.2.1 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.

As part of the tax audit at Ubisoft Divertissements Inc. (Canada) from 1999 to 2003, and from 2004 to 2008, a bilateral transfer price agreement has been initiated with the tax authorities. Pending the final agreement, the provision of CAD$3 million is maintained unchanged.

A tax audit is underway at Ubisoft Entertainment SA for the period from April 1, 2009 to March 31, 2012. No proposed adjustments have been received to date. Consequently, no provision has been recognized in the accounts.

A tax audit is underway at Ubisoft Divertissements for the period April 1, 2007 to March 31, 2013, following the challenging by Canadian authorities (Investissement Québec) of CTMM (Canadian credit multimedia shares) for a significant amount in profitability bonuses paid to employees of the company. Based on advice of counsel to the Company, no provision has been booked.

1.7.2.2 **REGULATORY ENVIRONMENT**

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.

It 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 complies with the PEGI (Europe) and ESRB (United States) classification systems.

1.7.2.3 **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 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, US and international level;
- Legal monitoring of brands that are similar or identical to those of the Company and that have been registered by third parties at a global level;
- Legal monitoring of potential Company copyright violations;
- A dedicated anti-piracy team, whose task is to carry out a technology watch, advise development teams and coordinate action between the various internal and external teams;
- Copyright infringement pressing 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.

1.7.2.4 **LICENSING AGREEMENT RISKS**

Every year, Ubisoft signs a series of partnership agreements with, in particular, prestigious partners such as film studios, music labels etc., enabling it to develop its game catalogue and increase revenue.
The biggest licensor accounts for nearly 1.2% of revenue.

The potential interruption of certain partnerships, for whatever reason, at the behest of Ubisoft or its partners, is likely to have a negative impact on the income and future performance of the Company as it would not be offset by other new licenses.

1.7.3 OPERATIONAL RISKS

1.7.3.1 RISK OF DEPENDENCY ON CUSTOMERS

Because it has many large retailer customers in numerous countries, the Company believes it has no significant dependency on any customer that could affect its growth plan.

Share of the main customers in the Group's revenue ex-VAT:

Share in %	2012/2013	2011/2012	2010/2011
Top customer	13%	10%	12%
Top 5 customers	35%	39%	41%
Top 10 customers	47%	50%	54%

Moreover, in order to protect themselves against the risk of default, the Group's main subsidiaries, which account for approximately 68% of consolidated revenue, are all covered by credit insurance.

1.7.3.2 RISK OF DEPENDENCY ON SUPPLIERS AND SUBCONTRACTORS

The Company has no significant financial dependency on subcontractors or suppliers 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, other systems integrators), 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 revenue, the Company may call on outside studios in the context of its development activities in order 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 that 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.

Ubisoft Entertainment SA's terms for trade payables:

Pursuant to the provisions of Articles L. 441-6-1, paragraph 1 and D. 441-4 of the French Commercial Code, please note that the Company's liabilities to suppliers at the close of the last two financial years break down by due date as follows:

Liabilities by contractual due date			
Due date	Total trade payables: 1 to 30 days	Total trade payables: 31 to 60 days	TOTAL
At 03/31/13	€45,076,101	€161,990	€45,238,090
At 03/31/12	€41,379,722	€552,675	€41,932,396

1.7.3.3 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.

1.7.3.4 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.

Ubisoft also faces numerous threats in many areas: mobility solutions, social networking, online services and games, partnerships for development, etc.

To respond to these challenges, Ubisoft's Security and Risk Management team does its utmost to guarantee the confidentiality, integrity and availability of the information it holds and of its infrastructures by implementing a business continuity plan, strengthening the security of people and goods, etc. To achieve this, Ubisoft is investing more and more heavily in specialist resources to reduce current risks and to increase its ability to anticipate future threats.

Efforts on security policies and standards have continued, particularly in relation to the classification of data and information which could identify employees, customers and players (UPlay, various sites and forums, etc.). These policies and standards are subject to a permanent control process in order to guarantee relevance and efficiency. This initiative, which is accompanied by strengthened human and technical resources, requires, among other things:

- Increased employee awareness through information campaigns via different channels (online training and self-assessment, etc.);
- Management of the network of local security departments present in all the Group subsidiaries and a centralized incident management system; this system gives Ubisoft an overview of security.

In addition, internal and external audits are conducted regularly to validate various architectures and technology choices implemented by Ubisoft.

Keen to always be in sync with technological developments and meet the needs of its employees and consumers, Ubisoft assesses, approves and supports the implementation of innovative solutions while also complying with internal security standards. As such, Ubisoft continues to increase employee mobility through solutions which allow them to work with their personal tools while still guaranteeing the integrity and confidentiality of Ubisoft data.

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.

1.7.4 MARKET RISKS

1.7.4.1 **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 income 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 and its organization within the Group - notably through the Treasury Department, attached to the Finance Department - are described in the Chairman's internal audit report.

Additional information and figures on exposure to these different risks are detailed in Note 16 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: Current operating income 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 inter-company loans in foreign currencies).

The sensitivity of Group earnings to changes in the value of its main currencies is described in Note 16 to the consolidated financial statements.

Impact of a +1% variation in the main currencies on revenue and operating income/loss		
Devise	**Impact on revenue[1]**	**Impact on operating income[1]**
USD	+5,731	+2,130
GBP	+1,271	+840
CAD	+987	(760)

1) In thousands of euros as at FY 2012/2013

Impact of a variation (+/-1%) in the main currencies on goodwill and brands	
Currency	Impact on shareholders' equity
USD	656
GBP	19
CAD	123

(1) In thousands of euros

FINANCING AND LIQUIDITY RISK

In the course of its operating activity, the Group has no recurrent or significant debts. Operating cash flows are generally sufficient to finance operating activity and organic growth. However, the Group may need to increase its debt by using credit lines to finance merger & acquisition activity. In order to finance temporary needs related to increases in working capital during especially busy periods, at March 31, 2013 the Group had a €214.5 million syndicated loan, €4 million in loans, €45 million in confirmed credit facilities, other bank credit facilities totaling €61 million and €20 million in bonds issued in December 2012.

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 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.

At March 31, 2013, the Group's debt included the bond loan, outstanding loans and bank overdrafts which, given the Group's positive cash position, were used essentially to finance the high year-end working capital requirement engendered by the highly seasonal nature of the business.

The sensitivity of debt to a change in interest rates is described in Note 16 to the consolidated financial statements.

1.7.4.2 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.

1.7.4.3 SECURITIES RISK

RISK TO THE COMPANY'S SHARES

In accordance with its share buyback policy and within the authorizations 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 income.

Treasury 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.

As at March 31, 2013, the Company held 511,523 treasury shares with a value of €2,524 thousand. Own shares are deducted from equity at cost of sale.

RISK ON OTHER SECURITIES

The Gameloft shares are covered by an equity swap agreement signed by the Group with CACIB (Crédit Agricole Corporate & Investment Bank).

On July 12, 2007, Ubisoft Entertainment SA signed two contracts with CACIB. The first concerns the sale of all Gameloft shares held by Ubisoft Entertainment SA, or 13,367,923 shares at a price of €6.08 per share. The second is the opportunity for Ubisoft to continue to benefit from upward and downward fluctuations in the share price in relation to the price of €6.08 per share until July 15, 2013.
Under IAS 39, all the risks and benefits have not been transferred; the Gameloft shares have been classified as available-for-sale current financial assets.
The sale of Gameloft shares on the market by CACIB is recorded in the income statement.
The Gameloft shares not yet sold by CACIB are measured at fair value. The change in fair value of shares not yet sold by CACIB is recognized in other comprehensive income.

At March 31, 2013, financial assets included €5.1 million in shares in the listed company Gameloft.

Information on the valuation of these shares is presented in Note 9 to the consolidated financial statements and the accounting principles.

A 10% change in closing price would have an impact of €0.5 million on shareholders' equity.

1.7.5 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.

The Group’s environmental footprint is presented and detailed in the "Sustainable Development" part of this report.

1.7.6 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 effect 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.

Commercial liability policies are currently taken out locally, however a Group-wide study has been conducted into implementing a worldwide program including:

- Liability resulting from operations;
- Product liability;
- Professional liability.

The Group is completing the examination of the proposals received from various brokers.

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

- Property damage and, where appropriate, trading loss;
- Goods in transit;
- Vehicles;
- Employee health risks and employee benefits;
- Business travel;
- Expatriate cover;
- etc.

There were no major losses in the financial year 2013.
Total premiums paid on insurance policies valid during the financial year ended March 31, 2013 amounted to €1,185 thousand excluding credit insurance.

1.8 RECENT EVENTS, OUTLOOK AND STRATEGY

1.8.1 RECENT DEVELOPMENTS

Ubisoft has adopted a strategy to develop its brands for both core and casual gamers on home and portable consoles and online media, PCs, smartphones and tablets.

- For games for core gamers on high-definition consoles and PCs, the Company is focusing its efforts on its strong franchises, in order to increase the quality and regularity of releases. It also plans to capitalize on the momentum expected from the future launch of replacements for the Xbox 360™ and PLAYSTATION®3 with the launch of new brands such as *Watch Dogs*. The brands for core gamers are also slated to be adapted for online gaming, like the free-to-play model, as in the cases of the successful Settlers Online and the 2013 launch of *Anno Online and Might & Magic Heroes Online*. Ubisoft will also launch new creations on the online segment, in particular the free-to-play game *The Mighty Quest for Epic Loot*™*.*
- For casual gaming, the Company continues to seize the opportunities offered by the introduction of new consoles, the creation of new segments such as *Just Dance* or *Rocksmith*™ and the development of strong online media brands, like the highly successful free-to-play game *Howrse*® from the acquisition of Owlient.

April 2013 – Acquisition of the remaining capital in Related Designs
Now part of Ubisoft, the 65 talented employees at Related Designs will continue to develop Might & Magic Heroes Online, a browser-based free-to-play MMO, and will also work on other titles in partnership with BlueByte, the Ubisoft studio based in Düsseldorf.

April 2013 – Signature of a bilateral credit line of €35 million
On April 30, 2013 the Group signed a four-year bilateral credit line of €35 million, with Export Development Canada (EDC).

May 2013 – Placement of a bond loan of €40 million
Ubisoft placed a bond loan of €40 million, for a term of five years, accompanied by a coupon of 3.038%.

1.8.2 MARKET OUTLOOK

In 2012, the console video games market recorded a drop of 15% in Europe and 22% in North America (sources: NPD, Chart-Track, GFK, etc.). In this segment, the year 2013 should once again be down from 2012 due to the expected transition to new generation consoles. On the other hand, it is anticipated that the online video games market should experience another year of strong growth, enabling growth overall in the gaming market.

The Company communicated mid-May its initial targets for full-year 2013/2014 : sales of between €1,420 million and €1,450 million, and non-IFRS operating income of between €110 million and €125 million.

2 COMMENTS ON THE UBISOFT ENTERTAINMENT SA FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Revenue (in thousands of euros)

Revenue basically consists of royalties invoicing to subsidiaries.

In thousands of euros	March 31, 2013	March 31, 2012
Production/revenue	933,598 [(1)]	782,547
Operating profit (loss)	39,657	6,620
Net financial income	(5,013)	(6,924)
Pre-tax profit (loss) from continuing operations	34,644	(304)
Non-recurring items	(68,108)	(65,784)
Net profit	(30,462)	(63,817)

[(1)] including capitalized production: €385,396 thousand (internally developed software: €362,006 thousand and externally developed software: €23,390 thousand)

Internal development costs

As at March 31, 2013, internal development costs came to €421 million as compared with €368 million as at March 31, 2012.

Tax consolidation scope

As at March 31, 2013, the tax group includes all French companies, with the exception of those created and acquired during the financial year.

Income statement for the last five years

Financial Year	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
Capital stock (€)	7,273,867	7,319,603	7,341,411	7,369,475	7,441,041
Number of ordinary shares	93,856,346	94,446,494	94,727,890	95,090,002	96,013,433
Number of preference shares	-	-	-	-	-
Maximum number of shares to be created	9,976,148	12,860,572	15,590,840	17,518,199	23,277,869
through exercise of stock options	9,509,468	12,003,892	14,473,220	16,573,169	12,880,409
through the allocation of bonus shares.	466,680	856,680	1,117,620	945,030	1,879,528
through exercise of warrants (BSA)	-	-	-	-	8,517,932
Revenue (in thousands of euros)	576,476	558,548	729,169	782,547	933,598
Earnings before tax, investments and provisions (in thousands of euros)	326,750	190,346	257,594	295,289	392,737
Income tax (in thousands of euros)	13,532	(786)	(30,439)	(2,271)	(3,002)
Employee profit-sharing	-	-	-	-	-
Earnings after tax, investments and provisions (in thousands of euros)	33,553	(153,066)	(152,117)	(63,817)	(30,462)
Distributed earnings	-	-	-	-	-
Per share, earnings after tax, before depreciation and provisions (€)	3.34	2.02	3.04	3.13	4.12
Per share, earnings after tax, depreciation and provisions (€)	0.36	(1.62)	(1.61)	(0.67)	(0.32)
Dividend per share	-	-	-	-	-
Average headcount	5	5	5	5	5
Payroll (in thousands of euros)*	664	687	681	649	649
Social security contributions and employee benefits (in thousands of euros)	279	243	239	243	228

*The remuneration of one corporate officer is booked in subcontracting.

Contingent assets and liabilities

To the best of our knowledge, there were no contingent assets or liabilities at March 31, 2013.

Events after the balance sheet date

Ubisoft placed a bond loan of €40 million, for a term of five years, accompanied by a coupon of 3.038%.

3 INFORMATION ON THE COMPANY AND ITS CAPITAL

3.1 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 the French Commercial Code
DATE OF INCORPORATION AND TERM	The Company was incorporated on March 28, 1986 and registered by Rennes Trade 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 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.

3.2 ARTICLES OF ASSOCIATION

Amendments to the Articles of Association are made by decision of the Extraordinary General Meeting.

3.2.1 CORPORATE PURPOSE (ARTICLE 3 OF THE ARTICLES OF ASSOCIATION)

Ubisoft Entertainment SA 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 videogames, 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 of 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.

3.2.2 FORM OF SHARES AND IDENTIFICATION OF SHAREHOLDERS (ARTICLE 5 OF THE ARTCICLES OF ASSOCIATION)

Fully paid-up shares may be registered or bearer shares, depending on the preference of the shareholder, subject to applicable legal and regulatory provisions.

The shares of the Company require book-entry under the terms and conditions required by applicable legal and regulatory provisions, and are transferred by debit and credit from and to shareholders' accounts.

The Company may at any time, in accordance with legal and regulatory provisions, request information from the French securities clearing organization (SICOVAM) in order 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.

3.2.3 SIGNIFICANT SHAREHOLDING DISCLOSURE REQUIREMENT (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 share 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 acknowledgement 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 or securities ultimately granting entitlement to the Company's share capital, whether said shareholder holds them directly or indirectly or in concert.

The disclosure upon crossing any threshold equaling a multiple of 4% of the share capital or voting rights provided for in the above paragraph should also be made when the interest in the capital or voting rights falls below one of the aforementioned thresholds.

Non-compliance with disclosure of statutory thresholds shall result in a loss of entitlement to voting rights in the manner provided for in Article L. 233-14 of the French Commercial Code on request, recorded in the minutes of the shareholders' general meetings, by one or more shareholders together owning at least 5% of the capital or voting rights in the Company.

3.2.4 RIGHTS AND OBLIGATIONS ATTACHED TO SHARES (ARTICLES 7 AND 8 OF THE ARTICLES OF ASSOCIATION)

Each share shall give rights to ownership of the corporate assets and the liquidating dividend equal to the proportion of the share capital that it represents.

Whenever it is necessary to own several shares in order to exercise a right of any kind, especially in the event of the exchange, consolidation or allocation of shares, or following a share capital increase or reduction of whatever form, regardless of the terms and conditions thereof, or subsequent to a merger or any other transaction, shareholders having fewer than the required number of shares may only exercise their rights on condition they make it their own business to group together and, if applicable, purchase or sell the required number of shares or fractional shares or rights.

A double voting right, over that granted to other shares, having regard to the proportion of the share capital they represent, is granted to all fully paid-up shares that can be shown to have been registered in the name of the same shareholder for at least two years.

This right is also granted from issue to registered shares granted free to a shareholder by virtue of existing shares for which the shareholder already has this right in the case of capital increases via the capitalization of reserves, earnings or issue premiums.

3.2.5 GENERAL MEETINGS (ARTICLE 14 OF THE ARTICLES OF ASSOCIATION)

The shareholders' general meetings shall consist of all the shareholders of Ubisoft Entertainment SA, with the exception of the Company itself. They represent the totality of shareholders.

They shall be convened and deliberate under the conditions prescribed by the French Commercial Code. The shareholders' general meetings shall be held at the registered office or at any other place indicated in the convening notice. They shall be chaired by the Chairman of the Board of Directors or, in his absence, by a Director appointed for this purpose by the 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 form 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.

3.2.6 DISTRIBUTION OF EARNINGS (ARTICLE 17 OF THE ARTICLES OF ASSOCIATION)

The income from the financial year after deduction of operating expenses, allowances for depreciation and amortization and provisions constitutes the earnings. From earnings of the financial year after deduction of losses of previous years, if any, the following items are deducted:

- the sums to be allocated to reserves in accordance with the law or the Articles of Association and, in particular, at least 5% to make up the legal reserve. This allocation is no longer required when the reserve reaches one tenth of the share capital. It is once again required when, for any reason, 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 shall 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.

In accordance with Article L. 232-18 of the French Commercial Code, the general meeting may propose the option of payment of the interim or final dividend in new shares of the Company.

3.3 INFORMATION ABOUT THE CAPITAL

3.3.1 SHARE CAPITAL

As at March 31, 2013, the number of outstanding fully paid-up shares totaled 96,013,433 with a par value of €0.0775 each, for a share capital of €7,441,041.06.

The following table outlines the number of shares created between April 1, 2012 and March 31, 2013:

At 04/01/12	**95,090,002 shares**
Exercise of subscription options	689,679 shares
Bonus share grants	102,339 shares
PEG	56,421 shares
Warrants (BSA)	74,992 shares
At 03/31/13	**96,013,433 shares**

As at April 9, 2013, closing share capital (leading to a revision of the Articles of Association and K-bis (registry document)) totaled €7,444,215.30, divided into 96,054,391 fully paid-up shares with a par value of €0.0775 each.

The following table outlines the number of shares created between April 1, 2013 and April 9, 2013:

At 04/01/13	**96,013,433 shares**
Bonus share grants	40,958 shares
At 04/09/13	**96,054,391 shares**

3.3.2 AUTHORIZED UNISSUED CAPITAL

3.3.2.1 STATUS OF CAPITAL INCREASE AUTHORIZATIONS IN FORCE GRANTED TO THE BOARD OF DIRECTORS

In accordance with Article L. 225-100, paragraph 7 of the French Commercial Code, the table below summarizes current authorizations granted by the General Meeting to the Board of Directors, and/or the use made of these authorizations during the year.

Type	Date of the Meeting - Resolution -	Term Expiry at	Maximum use	Date of use	Issue from 04/01/12 to 03/31/13
Share buyback	06/30/11 6th resolution (1)	18 months 12/29/12	10% of the capital Maximum purchase price: €30	See 3.3.4	
	09/24/2012 8th resolution	18 months 03/23/14	10% of the capital Maximum purchase price: €30	See 3.3.4	
Capital reduction by cancellation of treasury shares	06/30/11 8th resolution (1)	18 months 12/29/12	10% of the capital	N/A	
	09/24/12 10th resolution	18 months 03/23/14	10% of the capital	N/A	
Capital increase by capitalization of reserves, earnings, premiums or other	07/02/10 10th resolution	26 months 09/01/12	€10 million	06/11/12 06/27/12 09/14/12	102,339 shares created
	09/24/12 11th resolution	26 months 11/23/14	€10 million	-	-
Capital increase with preferential subscription rights preserved	06/30/11 9th resolution (1)(2)	26 months 08/29/13	In capital: €1,450 thousand Debt securities: €400 million	03/26/12	8,592,924 maximum number of shares (4)
	09/24/12 12th resolution (3)	26 months 11/23/14	In capital: €1,450 thousand Debt securities: €400 million	N/A	N/A
Capital increase with waiving of preferential subscription rights by way of a public offering	09/24/12 13th resolution (3)	26 months 11/23/14	In capital: €1,450 thousand Debt securities: €400 million	N/A	N/A
Capital increase with waiving of preferential subscription rights by way of a private placement	09/24/12 14th resolution (3)	26 months 11/23/14	In capital: €1,450 thousand Debt securities: €400 million	N/A	N/A
Fixing of issue price of capital increases with waiving of preferential rights (public offering or private placement)	09/24/12 15th resolution (3)	26 months 11/23/14	10% of the capital per year	N/A	N/A
Capital increase as consideration for contributions in kind	09/24/12 16th resolution (3)	26 months 11/23/14	10% stake in share 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)	06/30/11 13th resolution (1) (2)	26 months 08/29/13	0.2% of the capital on the day of use by the Board	04/27/12	56,421 shares created
	09/24/12 17th resolution (3)	26 months 11/23/14	0.1% of the capital on the day of use by the Board	02/08/13	In progress 95,416 maximum number of shares (5)
Allotment of stock purchase or subscription options	09/24/12 18th resolution (3)	38 months 11/23/15	2.6% of the capital on the day of use by the Board	10/29/12	936,970 options granted
Bonus share grant	09/24/12 19th resolution (3)	38 months 11/23/15	1.5% of the capital on the day of the Board's decision	10/19/12 02/08/13	1,059,370 shares granted
Capital increase reserved for subsidiary employees (outside France)	09/24/12 20th resolution (3)	18 months 03/23/14	0.1% of the capital on the day of the Board's decision	N/A	N/A

(1) The unused portion of these authorizations was canceled by the Meeting of September 24, 2012, which approved a similar resolution.
(2) Charged against the overall limit of €4 million set by the Meeting of June 30, 2011 (17th resolution).
(3) Charged against the overall limit of €4 million set by the Meeting of September 24, 2012 (21st resolution).
(4) Bonus issue to shareholders of 95,090,002 warrants (BSA) at a rate of one BSA for one share (based on the number of shares registered April 5, 2012 after market close) issued April 10, 2012 and exercisable at any time from April 10, 2012 to October 10, 2013: 11 BSA to subscribe for one new share at an exercise price of €7. Cancellation of 567,834 BSA held by Ubisoft Entertainment SA, setting down the number of exercisable BSA to 94,522,168.
(5) I.e. 0.1% of the number of shares on the day of the Board of Directors' meeting. Subscription period: Monday June 17, 2013 to Monday July 1, 2013. Issue of shares over the year ending March 31, 2014.

3.3.2.2 SECURITIES GRANTING ENTITLEMENT TO THE CAPITAL OF THE COMPANY/POTENTIAL CAPITAL AS AT MARCH 31, 2013

Bonus share grants (see 3.3.2.3)	Number of potential shares	Potential dilution
Presence and performance requirements (with the exception of the plan of June 24, 2011)	1,879,528	1.92%

Share subscription options (see 3.3.3.4)		Number of potential shares	Potential dilution
Open and "in the market" (1)	Plans 11, 12, 23 and 24	2,963,853	2.99%
Open and "in or out of the market" (2)	Plans 11, 12, 16, 17, 18, 19, 20, 21, 22, 23 and 24	7,867,381	7.57%
Open and non-open "in or out of the market" (2)	Plans 11, 12, 16, 17, 18, 19, 20, 21, 22, 23, 24 and 25	12,880,409	11.83%

(1) Based on the closing share price at March 28, 2013: €8.43

(2) Subscription price lower or higher than the closing share price at March 28, 2013: €8.43

Share subscription warrants (see 3.3.2.6) – "BSA" (3)		Number of potential shares	Potential dilution
Number of outstanding warrants	93,697,256	8,517,932	8.15%

(3) Bonus issue to all shareholders whose shares were registered April 5, 2012 after market close: one warrant per share registered / 11 warrants giving entitlement to subscribe to 1 new share for an exercise price of €7. Exercise period from April 10, 2012 to October 10, 2013.

Share issuance warrants (see 3.3.2.6) – "BEA" (4)		Number of potential shares	Potential dilution
Number of outstanding share issuance warrants	9,400,000	9,400,000	8.92%

(4) Equity line. BEAs exercisable at the discretion of the Company allowing to carry out successive share capital increases for a maximum amount of €728,500

3.3.2.3 BONUS SHARE GRANTS (PLANS OPEN AS AT MARCH 31, 2013)

Date of General Meeting Date of Board Meeting	Number of beneficiaries at the grant	Number of shares granted	including corporate officers	including top 10 employee beneficiaries	Number of shares canceled Over FY	Number of shares canceled Grant date	Balance at 03/31/13	Date of acquisition Date of transfer	Performance conditions
09/22/08 04/09/09	17	45,500 46,015 [1]	0	34,000 34,384 [1]	3,540	5,057	40,958	04/08/13 04/09/13	Yes [3]
09/22/08 11/17/09	2	15,000 15,168 [1]	0	15,000 15,168 [1]	-	-	15,168	11/16/13 11/17/13	Yes [3]
09/22/08 12/15/09	42	355,000 358,990 [1]	0	152,000 153,704 [1]	12,135	75,842	283,148	12/14/13 12/15/13 12/15/15 [2]	Yes [3]
09/22/08 06/30/10	26	160,500 162,306 [1]	0	105,000 106,180 [1]	-	15,675	146,631	06/29/14 06/30/14 06/30/16 [2]	Yes [3]
09/22/08 11/15/10	38	215,000 217,422 [1]	0	112,000 113,255 [1]	10,112	20,225	197,197	11/14/14 11/15/14 11/15/16 [2]	Yes [3]
09/22/08 06/24/11	1,214	12,140 13,354 [1]	0	100 110 [1]	-	0	13,354	06/23/13 06/24/15 [2]	No [4]
09/22/08 06/24/11	18	131,770 133,252 [1]	0	109,000 110,224 [1]	-	0	133,252	06/23/15 06/24/15 06/24/17 [2]	Yes [3]
09/24/12 10/19/12	1,231	742,870	0	92,590	9,550	9,550	733,320	10/20/14 [5] 10/19/16 [5] 10/19/16 [2]	Yes [3]
09/24/12 02/08/13	74	316,500	0	101,000	-	0	316,500	02/08/17 *N/A*	Yes [3]
TOTAL		**2,005,877** [1]	**0**	**726,615**	**35,337**	**126,349**	**1,879,528**		

(1) Number adjusted following the issue of share subscription options on April 10, 2012. See 3.3.2.6 (Articles L. 225-181 and L. 288-99 of the French Commercial Code)

(2) Locked in for a two-year period for beneficiaries of French subsidiaries

(3) Individual performance targets linked to the beneficiary's contribution

(4) Granted to beneficiaries of French subsidiaries (Article L. 225-186-1 of the French Commercial Code)

(5) Vesting period of two years for beneficiaries of French subsidiaries with a two-year lock-in period / Vesting period of four years for beneficiaries of foreign subsidiaries

3.3.2.4 SUBSCRIPTION OPTION

Date of General Meeting Date of Board Meeting	Plan number	Options granted (1) (2)	Of which corporate officers (2)	Conditions: Period	Conditions: Terms and conditions	Price (1) (2): Grant	Price (1) (2): Post-BSA (4)	03/31/13: Exercised (1) (2) (3)	03/31/13: Canceled (1) (2) (3)	03/31/13: To be exercised (1) (2)
07/23/04 10/14/04	11	1,552,600 1,570,134 (4)	-	from 10/14/05 to 10/13/14	24% after a year then 2% per month	€3.88	€3.84	33,643	17,128	257,457
07/23/04 11/17/04	12	1,470,600 1,487,128 (4)	-	from 11/17/05 to 11/16/14	24% after a year then 2% per month	€3.68 (France) €3.87 (Italy)	€3.64 (France) €3.83 (Italy)	21,828	2,427	683,492
07/04/07 06/13/08	16	1,804,100 1,824,587 (4)	-	from 06/13/09 to 06/12/13	25% per year from 06/13/09	€27.75	€27.44	-	56,595	1,401,651
07/04/07 06/27/08	17	1,362,500 1,377,857 (4)	138,000 139,648 (4)	from 06/27/09 to 06/26/13	25% per year from 06/27/09	€27.66	€27.35	-	19,215	1,264,895
07/04/07 09/15/08	18	100,160 101,340 (4)	-	from 09/15/09 to 09/14/13	25% per year from 09/15/09	€29.30 (France) €28.13 (World)	€28.98 (France) €27.82 (World)	-	2,732	82,619
09/22/08 05/12/09	19	3,073,400 3,108,309 (4)	124,000 125,392 (4)	from 05/12/10 to 05/11/14	25% per year from 05/12/10	€14.92 (France) €14.40 (World)	€14.75 (France) €14.24 (World)	-	82,946	2,708,676
09/22/08 06/18/09	20	119,755 121,171 (4)	-	from 06/18/10 to 06/17/14	25% per year from 06/18/10	€15.60 (France) €16.90 (World)	€15.43 (France) €16.71 (World)	-	5,564	82,067
07/10/09 12/15/09	21	4,500 4,551 (4)	-	from 12/15/10 to 12/14/14	25% per year from 12/15/10	€10.04	€9.93	-	3,034	1,517
07/10/09 04/29/10	22	119,000 120,336 (4)	119,000 120,336 (4)	from 04/29/11 to 04/28/15	25% per year from 04/29/11	€10.02	€9.91	-	-	120,336
07/10/09 06/30/10	23	3,088,758 3,123,939 (4)	-	from 06/30/11 to 06/29/15	25% per year from 06/30/11	€7.10 (France) €6.386 (World)	€7.02 (France) €6.32 (World)	79,524	98,096	2,747,136
07/02/10 04/27/11	24	3,220,748 3,255,401 (4) (5)	110,000 111,232 (5)	from 04/27/12 to 04/26/16	25% per year from 04/27/12	€6.841	€6.77	29,109	97,606	2,597,343
09/24/12 10/19/12	25	936,970	-	from 10/19/13 to 10/18/17	25% per year from 10/19/13	€6.37 (France) €6.65 (World)			3,750	933,220
TOTAL		17,031,723	496,608 (4)					164,104	389,093	12,880,409

(1) Two-for-one stock split taking effect December 11, 2006: Plans concerned - numbers 11 and 12

(2) Two-for-one stock split taking effect November 14, 2008: Plans concerned - numbers 11, 12, 16, 17 and 18

(3) Number of options canceled or exercised between April 1, 2012 and March 31, 2013

(4) Number and subscription price adjusted following the issue of share subscription warrants on April 10, 2012. See 3.3.2.6 (Articles L. 225-181 and L. 288-99 of the French Commercial Code)

(5) Board of Directors meeting of March 9, 2012: Change in type of 417,000 stock options originally granted (421,705 (4)) or a balance at March 9, 2012 of 410,750 options converted into purchase options (415,384 (4))

CORPORATE OFFICERS

No share subscription or purchase options were granted or exercised by corporate officers during the financial year.

EMPLOYEES (NOT CORPORATE OFFICERS)

TEN EMPLOYEES (NOT CORPORATE OFFICERS)			
Number of options granted between April 1, 2012 and March 31, 2013			
Complete information all Group companies combined	**Number of share subscription options granted to top 10 beneficiaries**	**Average weighted price**	**Plan number Expiry date**
	292,000	€6.54	Plan 25 Expiry 10/18/17
Options exercised during the financial year between April 1, 2012 and March 31, 2013			
	Number of options exercised by the 10 employees exercising the highest number	**Average weighted price**	**Plan number Expiry date**
Complete information all Group companies combined	294,262	€7.82	Plan 13 Expiry 02/22/13(1)

(1) Two-year extension following the Board of Directors' decision of January 10, 2011

3.3.2.5 EMPLOYEE SHAREHOLDING UNDER THE FCPE (COMPANY MUTUAL FUND)

As of March 31, 2013, employees held 924,360 shares, or 0.96% of the share capital, via the "FCPE Ubi actions" fund.

During the year ended March 31, 2013, the authorizations granted to the Board of Directors by the Combined General Meetings of June 30, 2011 and September 24, 2012 were used to perform capital increases reserved for subscribers to a savings plan of the Group, an associated company and/or companies within the meaning of Article L. 225-180 of the French Commercial Code, within the limit of 0.2% (Meeting of June 30, 2011) and 0.1% (Meeting of September 24, 2012) of the total amount of shares making up the share capital at the time of its use by the Board of Directors, in particular via a company mutual fund.

The use of these authorizations made between April 1, 2012 and March 31, 2013 is detailed in 3.3.2.1 for valid authorizations granted to the Board of Directors regarding capital increases.

3.3.2.6 VALUE OF CONVERTIBLE OR EXCHANGEABLE SECURITIES OR SECURITIES COMPRISING SHARE WARRANTS

SHARE ISSUANCE WARRANTS (BEA) AS PART OF AN EQUITY LINE

Via the delegation of authority granted by the General Meeting of June 30, 2011 in its eleventh and twelfth resolutions and the sub-delegation granted by the Board on March 9, 2012 to its Chairman and Chief Executive Officer, it was decided on March 20, 2012 to issue, with cancellation of preferential subscription rights of shareholders, share issuance warrants (BEA) exercisable at the discretion of the Company, underwritten by CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK (CACIB) - an accredited investor within the meaning of Article L. 411-2 of the French Monetary and Financial Code, through a private placement and for the establishment of an equity line.

Use during the year ended March 31, 2013
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 the subject of a request 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
€728,500 or a maximum of 9,400,000 shares can be created.

Subscription price of one new share
The subscription price of one new share through the exercise of BEA shall be 95% of the weighted average of trading days preceding price determination.

BEA exercise period
Two years from March 20, 2012 until March 20, 2014 with the option to extend for another year.

Market information
For each issue of new shares upon exercise of BEA by the Company, a Euronext notice shall be published prior to admission to trading of these shares and shall indicate the number of shares issued and the subscription price.

SHARE SUBSCRIPTION WARRANTS (BSA)

Under the authorization granted in its ninth resolution by the General Meeting of June 30, 2011, the Board of Directors (i) at its meeting of March 9, 2012, decided on the principle of a free grant of BSA to shareholders of the Company and approved the main characteristics of the BSA and (ii) at its meeting of March 26, 2012, decided to proceed with the issue and free grant of 95,090,002 BSA to shareholders of the Company, and decided on the schedule for the grant and the definitive characteristics of the BSA.

Number of BSA issued and granted for free
95,090,002 BSA.

BSA allocation ratio
One (1) BSA for one (1) share registered for accounting purposes at the end of the accounting day on April 5, 2012.

Delivery of the BSA
April 10, 2012.

Period for exercising the BSA
At any time between April 10, 2012 and October 10, 2013 (inclusive).

BSA exercise ratio and exercise price
11 BSA give the right to subscribe to one new share for an exercise price of €7 per share, including the issue premium.

Listing of the BSA
ISIN code FR0011229566. The BSA are to be discontinued on October 10, 2013 after the stock market closes.

Maximum number of new shares issued from the exercise of the BSA
8,592,924 new shares after cancellation of the 567,834 BSA granted to Ubisoft Entertainment SA

Position at March 31, 2013

	Number of BSA	Shares
April 10, 2012	95,090,002	8,644,545
Cancellations	567,834	51,621
Exercise of BSA/Creation of shares	824,912	74,992
Balance at March 31, 2013	93,697,256	8,517,932

3.3.2.7 SECURITIES NOT REPRESENTING CAPITAL

BOND ISSUE

On December 19, 2012 Ubisoft Entertainment SA successfully placed a bond loan with a French institutional investor.

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 maturity:	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 bondholder in the event of a change of control of Ubisoft Entertainment SA.
Early redemption:	Applicable in the event of certain standard cases of default for this type of transaction and/or, in particular, a change in the Company's situation.

The prospectus 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).

3.3.3 CHANGE IN COMPANY CAPITAL OVER THE PAST THREE FINANCIAL YEARS

Date of Board meeting (2)	Type of transaction	Number of shares issued	Amount (in cash)	Premiums	Cumulative number of shares	Amount of the share capital
04/22/10	Exercise of subscription options from 07/01/09 to 03/31/10	214,322	€1,212,081.36	€1,195,471.41	94,446,494	€7,319,603.29
12/17/10	Exercise of subscription options from 04/01/10 to 11/30/10 and capital increases (for the benefit of employees of certain foreign subsidiaries)	223,178	€1,401,659.69	€1,384,363.40	94,669,672	€7,336,899.58
04/15/11	Exercise of subscription options from 12/01/10 to 03/31/11	58,218	€369,688.34	€365,176.44	94,727,890	€7,341,411.48
07/18/11	Exercise of subscription options from 04/01/11 to 06/30/11 and subscription of FCPE Ubi shares	67,574	€373,493.36	€368,256.37	94,795,464	€7,346,648.46
09/30/11	Exercise of subscription options from 07/01/11 to 08/31/11 and increase by capitalization of reserves	167,666	€42,307.08	€29,312.97	94,963,130	€7,359,642.58
03/15/12	Exercise of subscription options from 09/01/11 to 02/29/12 and increase by capitalization of reserves	124,848	€42,800.24	€33,124.52	95,087,978	€7,369,318.30
03/30/12	Exercise of subscription options from 03/01/12 to 03/29/12	2,024	€7,853.12	€7,696.26	95,090,002	€7,369,475.16
05/23/12	Exercise of subscription options 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
06/11/12	Increase by capitalization of reserves and exercise of BSA from 05/01/12 to 05/31/02	35,817	€2,775.82	€47,730.64	95,126,588	€7,372,310.57
06/27/12	Increase by capitalization of reserves	13,750	€1,065.63	-	95,140,338	€7,373,376.20
07/19/12	Exercise of subscription options from 05/01/12 to 06/30/12 and exercise of BSA from 06/01/12 to 06/30/12 Subscription of FCPE Ubi shares	66,835	€5,179.71	€289,493.97	95,207,173	€7,378,555.91
09/14/12	Increase by capitalization of reserves and exercise of BSA and subscription options from 07/01/12 to 08/31/12	94,178	€7,298.79	€113,839.93	95,301,351	€7,385,854.70
04/05/13	Increase by capitalization of reserves and exercise of BSA and subscription options from 09/01/12 to 03/31/13	753,040	€58,360.60	€5,144,187.80	96,054,391	€7,444,215.30

(1) Closing share capital (leading to a revision of the Articles of Association and K-bis (registry document))
(2) Or a the Chairman and Chief Executive Officer's decision in case of delegation

3.3.4 SHARE BUYBACK PROGRAM

3.3.4.1 AUTHORIZATION IN PLACE AT THE TIME OF THIS REPORT

LEGAL FRAMEWORK

The Combined General Meeting of September 24, 2012 renewed the authorization previously granted to the Board of Directors by the Combined General Meeting of June 30, 2011, allowing the Company to buy back its own shares in accordance with Article L. 225-209 et seq. of the French Commercial Code (hereinafter “Buyback Program”).

POSITION AT 03/31/13

Percentage of own shares held directly and indirectly	0.53%
Number of shares canceled over the previous 24 months	N/A
Number of shares in portfolio	
Liquidity agreement	115,124
Purchase option hedges	396,399
Portfolio carrying amount	€2,523,531.47
Portfolio market value [a]	€4,312,138.89

[a] Closing price on March 28, 2013: €8.43

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 of 03/31/012	**566,584**
Number of shares acquired over the year	427,786
Average price on acquisition	€6.83
Number of shares sold over the year	482,847
Average price on sale	€6.85
Number of shares canceled over the year	N/A
Execution fees	N/A
Number of shares held in the Company's name as of 03/31/13	**511,523**
Value of shares held in the Company's name as of 03/31/13 [a]	€2,523,531.47
Par value of shares held in the Company's name as of 03/31/13	€39,643.03
Number of shares used over the year	482,847
Reallocation taking place over the year	N/A
Percentage of capital held as treasury stock as of 03/31/13	0.53%

[a] Measured at purchase price

ALLOCATION OF TREASURY STOCK BY OBJECTIVE

	Liquidity agreements	Purchase option hedges
Number of treasury shares	115,124	396,399

3.3.4.2 LIQUIDITY AGREEMENT

Since January 2, 2006, the Company has set Exane BNP PARIBAS the task of implementing 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 €1.7 million. The Company allocated this amount for the implementation of this agreement over the last financial year.

3.3.4.3 DESCRIPTION OF THE SHARE BUYBACK PROGRAM SUBMITTED FOR THE APPROVAL OF THE COMBINED GENERAL MEETING OF JUNE 27, 2013

Pursuant to Articles 241-2 and 241-3 of the AMF's General Regulations, and to European regulation 2273/2003 of December 22, 2003, the Company describes below the share buyback program that will be submitted for the approval of the Combined General Meeting of June 27, 2013.

Shares concerned: ordinary shares in Ubisoft Entertainment SA, listed on Euronext Paris, division B, ISIN code FR0000054470

Maximum percentage of capital: 10% of the total number of shares making up the capital on the buyback date, in other words - and based for guidance on the number of outstanding shares at April 30, 2013 (96,078,343), taking into account the number of shares held at May 14, 2013 (520,478 shares representing 0.542% of the capital): 9,087,356 or 9.458%

Maximum purchase price: A maximum of €288,235,020 based on the share capital as at April 30, 2013

Objectives:
- To ensure liquidity and market-making for the Ubisoft Entertainment SA stock via an investment service provider acting independently in accordance with the code of ethics recognized by the AMF;
- To hand over shares upon the exercise of rights attached to securities giving entitlement by any means, whether immediately or over time, to the Company's share capital;
- To grant shares to employees and corporate officers of the Ubisoft Group under any arrangement authorized by law and, in particular, via a company profit-sharing scheme, any company savings scheme, any bonus share grant plan, or any stock option plan for some or all of the Group's employees or corporate officers;
- To retain shares for delivery at a later date in exchange or as payment for future acquisitions up to a limit of 5% of the existing capital;
- To cancel shares on the condition that the General Meeting of June 27, 2013 adopts the corresponding resolution;
- To implement any market practice that is or may come to be recognized by law or the AMF.

Duration of authorization: 18 months from the General Meeting of June 27, 2013.

Summary statements of transactions completed from May 15, 2012 (*) to May 14, 2013, the date of this report

Percentage of own shares held directly and indirectly	0.541%
Number of shares canceled over the previous 24 months	N/A
Number of shares in portfolio [(1)]	
Liquidity agreements	124,026
Stock option hedges	395,881
Portfolio carrying amount	€2,586,461.63
Portfolio market value [(2)]	€4,471,200.20

(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 contract with Exane BNP Paribas

(2) Closing price at May 14, 2013: €8.60

(*) In accordance with the provisions of AMF directive 2005-06, the period concerned starts on the day following the date on which the statement of the previous program was drawn up

	Total flows (*)		Positions open as of 03/31/13			
	Purchases	Sales Transfers	Open buy positions		Open sell positions	
			Call options bought	Forward purchases	Call options sold	Forward sales
Number of securities	545,445	590,524	N/A			
Average maximum term (1)						
Average transaction price	€7.19	€7.17				
Average strike price	-	-				
Amounts	€3,921,581.34	€4,232,867.97				

(1) Validity of the authorization granted by the General Meeting of September 24, 2012: March 23, 2014 or by early termination if the General Meeting approves a similar resolution before then

(*) Total gross flows include spot buying and selling as well as transactions on options, exercised or expired

3.3.5 MARKET IN COMPANY SHARES

3.3.5.1 UBISOFT SHARE IDENTIFICATION SHEET

ISIN code	FR0000054470
Place listed	Euronext Paris – Division B
Par value	€0.0775
Number of shares in circulation as of 03/31/13 (1)	96,013,433
Closing price on 03/28/13 (2)	€8.43
Market capitalization as of 03/31/13	€809,393,240.19
Flotation price on 07/01/96	€38.11
Five-for-one stock split on 11/11/00	€7.62
Two-for-one stock split on 12/11/06	€3.81
Two-for-one stock split on 11/14/08	€1.90

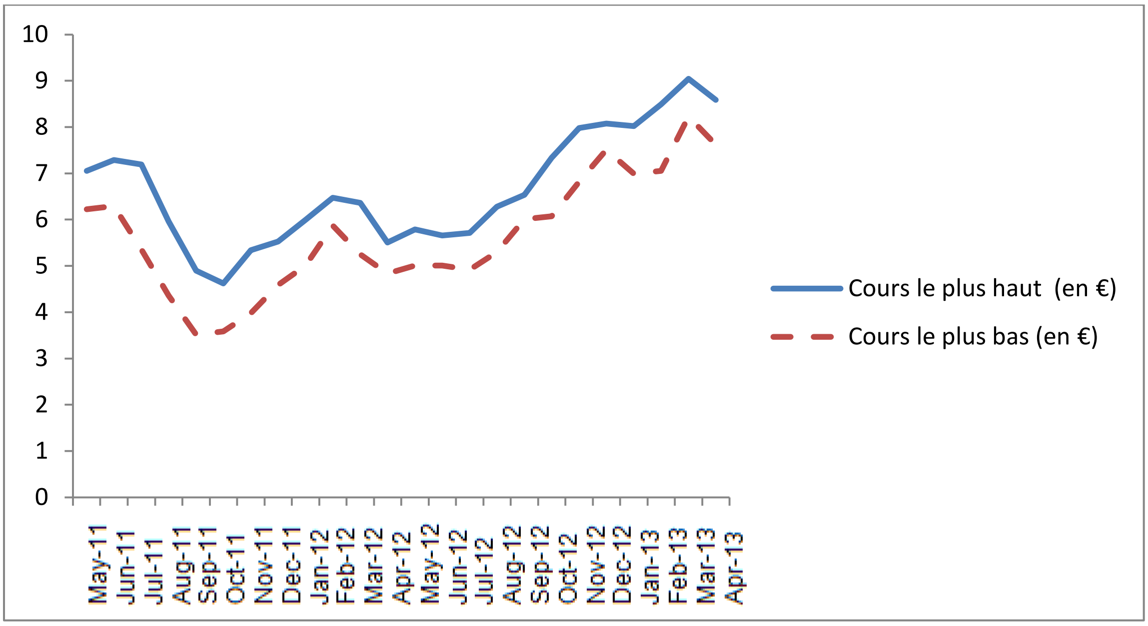
(1) Outstanding shares

(2) Source: Euronext

3.3.5.2 CHANGE IN THE SHARE PRICE OVERTHE LAST 24 MONTHS

Month	Highest price (in euros) [(1)]	Lowest price (in euros) [(1)]	Volume traded (in shares) [(1)]
2011			
May 2011	7.053	6.225	19,548,619
June 2011	7.288	6.293	13,878,506
July 2011	7.191	5.356	12,603,954
August 2011	5.962	4.362	15,749,974
September 2011	4.9	3.517	17,208,604
October 2011	4.621	3.582	10,317,111
November 2011	5.339	3.976	12,968,549
December 2011	5.524	4.588	7,932,222
2012			
January 2012	5.998	5.011	8,194,100
February 2012	6.471	5.871	5,433,610
March 2012	6.364	5.252	5,836,652
April 2012	5.507	4.836	7,631,118
May 2012	5.789	5.006	7,601,230
June 2012	5.66	5.01	4,837,932
July 2012	5.714	4.921	4,049,784
August 2012	6.278	5.3	3,528,844
September 2012	6.535	6.011	3,201,535
October 2012	7.34	6.071	4,090,751
November 2012	7.976	6.816	7,487,902
December 2012	8.078	7.51	6,648,918
2013			
January 2013	8.02	6.99	6,160,939
February 2013	8.49	7.05	9,051,482
March 2013	9.04	8.23	6,197, 808
April 2013	8.59	7.62	4,306, 821

(Source: Euronext)
(1) Adjustment April 10, 2012 following issuance of warrants



3.3.5.3 **ENTITY PROVIDING SECURITIES SERVICES**

BNP PARIBAS Grands Moulins de Pantin – Shareholders' relations - 9, rue du Débarcadère - 93761 PANTIN CEDEX

3.3.6 BREAKDOWN OF CAPITAL AND VOTING RIGHTS

3.3.6.1 CHANGE OVER THE LAST THREE YEARS

	03/31/13		03/31/12		03/31/11	
	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	**6,652,668** *6.929%*	**13,305,336** *12.004%*	**6,803,580** *7.155%*	**13,606,248** *12.782%*	**6,803,580** *7.182%*	**13,607,160** *12.779%*
Claude Guillemot	**685,244** *0.714%*	**1,370,488** *1.236%*	**685,244** *0.721%*	**1,370,488** *1.287%*	**725,244** *0.766%*	**1,410,488** *1.325%*
Yves Guillemot	**836,608** *0.871%*	**1,673,216** *1.510%*	**836,608** *0.880%*	**1,673,216** *1.572%*	**836,608** *0.883%*	**1,673,216** *1.571%*
Michel Guillemot	**499,984** *0.521%*	**999,968** *0.902%*	**499,984** *0.526%*	**999,968** *0.939%*	**499,984** *0.528%*	**999,968** *0.939%*
Gérard Guillemot	**520,428** *0.542%*	**1,040,856** *0.939%*	**520,428** *0.547%*	**1,040,856** *0.978%*	**520,428** *0.549%*	**1,040,856** *0.978%*
Christian Guillemot	**276,788** *0.288%*	**553,576** *0.499%*	**276,788** *0.291%*	**553,576** *0.52%*	**276,788** *0.292%*	**553,576** *0.52%*
Other members of the Guillemot family	**109,148** *0.113%*	**218,296** *0.196%*	**109,148** *0.115%*	**218,296** *0.205%*	**109,148** *0.115%*	**218,296** *0.205%*
Guillemot Corporation SA	**613,874** *0.639%*	**1,227,748** *1.108%*	**863,874** *0.908%*	**1,727,748** *1.623%*	**863,874** *0.912%*	**1,727,748** *1.623%*
Concert (1)	**10,194,742** *10.618%*	**20,389,484** *18.396%*	**10,595,654** *11.143%*	**21,190,396** *19.907%*	**10,635,654** *11.228%*	**21,231,308** *19.940%*
Ubisoft Entertainment SA	**511,523** *0.533%*	- -	**566,584** *0.596%*	- -	**143,295** *0.151%*	- -
FCPE Ubi Actions	**924,360** 0.963%	**1,672,947** 1.509%	**918,316** 0.966%	**1,666,903** 1.566%	**748,587** 0.79%	**1,497,174** 1.406%
Public	**84,382,808** *87.886%*	**88,774,508** *80.095%*	**83,009,448** *87.296%*	**83,592,253** *78.528%*	**83,200,354** *87.831%*	**83,748,865** *78.654%*
TOTAL	**96,013,433** *100%*	**110,836,939** *100%*	**95,090,002** *100%*	**106,449,552** *100%*	**94,727,890** *100%*	**106,477,347** *100%*

(1) The 10,194,742 shares held by concert, composed of the companies Guillemot Brothers SE and Guillemot Corporation SA and the Guillemot family, all had double voting rights at March 31, 2013

(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

3.3.6.2 BREAKDOWN OF CAPITAL AND VOTING RIGHTS AS AT APRIL 30, 2013

	Capital		Voting rights	
	Number of shares	%	Number	%
Guillemot Brothers SE (1)	6,652,668	6.924%	13,305,336	11.999%
Claude Guillemot	685,244	0.713%	1,370,488	1.236%
Yves Guillemot	836,608	0.871%	1,673,216	1.509%
Michel Guillemot	499,984	0.520%	999,968	0.902%
Gérard Guillemot	520,428	0.542%	1,040,856	0.939%
Christian Guillemot	276,788	0.288%	553,576	0.499%
Other members of the Guillemot family	109,148	0.113%	218,296	0.197%
Guillemot Corporation SA	613,874	0.639%	1,227,748	1.107%
Concert	***10,194,742***	***10.611%***	***20,389,484***	***18.387%***
Ubisoft Entertainment SA	520,478	0.542%	-	-
FCPE Ubi Actions	915,859	0.953%	1,664,446	1.501%
Public	84,447,264	87.894%	88,835,614	80.112%
TOTAL	**96,078,343**	**100%**	**110,889,544**	**100%**

(1) This company is wholly owned by the Guillemot family

3.3.6.3 SHAREHOLDINGS ECEEDING 5% OF SHARE CAPITAL AS AT MARCH 31, 2013 (1)

Shareholder	% capital	% voting rights Gross	% voting rights Net
Invesco Ltd	9.789%	8.441%	8.479%
FMR LLC [(2)]	11.577%	9.983%	10.029%

(1) Information provided on the basis of statements made to the Company and/or AMF and summarized hereafter
(2) FMR LLC is a holding company of an independent group of portfolio companies, acting of behalf funds commonly referred to as Fidelity Investments

3.3.6.4 CROSSINGS OF LEGAL THRESHOLDS

During the financial year ended March 31, 2013, and up to May 14, 2013, the following crossings of legal thresholds were declared:

Name of shareholder	Date	Threshold (%)		Type	Interest after crossing of threshold (%)	
		Capital	Voting rights		Capital	Voting rights
Invesco Ltd [(1)]	11/22/12	10%	10%	Decline due to a sale on the market	9.86%	8.46%
FMR LLC [(2)]	03/30/12		10%	Decline due to a sale on the market	11.23%	9.98%
	04/10/12	-	10% [(3)]	Up due to an acquisition on the market	11.27%	10.02%
	06/06/12	-	10%	Decline due to a sale on the market	11.38%	9.77%
	06/22/12	10%	-	Decline due to a sale on the market	9.94%	8.53%
	11/08/12	10% [(3)]		Up due to an acquisition on the market	10.08%	8.66%
	02/19/13	-	10% [(3)]	Up due to an acquisition on the market	11.65%	10.02%
Fonds Stratégique Investissements	04/21/12	-	5%	Up: Switch to double voting rights on registered shares	3.81%	6.55%

(1) Acting on behalf of the funds under its management
(2) FMR LLC is a holding company of an independent group of portfolio companies, acting of behalf funds commonly referred to as Fidelity Investments
(3) Statement of intent

3.3.6.5 CHANGE OF CONTROL

To the best of the Company's knowledge:

- There are no agreements between shareholders that could lead to restrictions on the transfer of shares or the exercise of voting rights;
- There are certain agreements reached 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;
- There are no measures that could delay, postpone or prevent a change of control.

3.3.6.6 SHAREHOLDERS' PACT

To the best of the Company's knowledge there are no disclosed or undisclosed shareholder agreements concerning Ubisoft stock.

3.3.6.7 CONDITIONS REGARDING ALL VESTING RIGHTS OR REQUIREMENTS ASSOCIATED WITH SUBSCRIBED CAPITAL NOT PAID UP

N/A

3.3.6.8 SHARE CAPITAL OF UBISOFT GROUP COMPANIES SUBJECT TO AN OPTION OR IN RESPECT OF WHICH AN AGREEMENT HAS BEEN MADE THAT PROVIDES FOR PLACING SUCH SHARE CAPITAL SUBJECT TO AN OPTION

N/A

3.3.6.9 CLAUSE REQUIRING FORMAL APPROVAL

N/A

4 CORPORATE GOVERNANCE

4.1 CORPORATE GOVERNANCE CODE

Following the decision of the Board on April 9, 2009 announced on April 14, 2009, the Company referred to the corporate governance code for listed companies published in December 2008 and updated in April 2010 (the "AFEP-MEDEF Code"), particularly in preparing the report required by Article L. 225-37 of the French Commercial Code.

The AFEP-MEDEF Code is available on the MEDEF website (www.code-afep-medef.com).

The Report of the Chairman of the Board of Directors on corporate governance and internal control includes the AFEP-MEDEF Code recommendations that were eliminated and the reasons for this.

4.2 MEMBERSHIP AND FUNCTIONING OF THE BOARD OF DIRECTORS AND GROUP MANAGEMENT

4.2.1 MEMBERSHIP OF THE BOARD OF DIRECTORS

Name Position in the Company	Date of birth	Date of taking office	Expiry at AGM approving financial statements for FY ended	Number of shares at 03/31/13
Yves Guillemot Director Chairman and Chief Executive Officer	07/21/60	02/28/88	03/31/16	836,608
Claude Guillemot Director Executive Vice President, Operations	10/30/56	02/28/88	03/31/13	685,244
Michel Guillemot Director Executive Vice President, Development, Strategy and Finance	01/15/59	02/28/88	03/31/13	499,984
Gérard Guillemot Director Executive Vice President, Publishing & Marketing	07/14/61	02/28/88	03/31/16	520,428
Christian Guillemot Director Executive Vice President, Administration	02/10/66	02/28/88	03/31/13	276,788
Estelle Métayer Director	04/08/70	09/24/12	03/31/16	4,000

The other offices held by directors currently or over the last five years appear in 4.4 below.

It should be noted that the composition of the Board will be changed in the short term [see Chairman's report on corporate governance and internal control].

4.2.2 GROUP MANAGEMENT

Executive Director, EMEA	Alain Corre
Executive Director, North America	Laurent Detoc
Chief Financial Officer	Alain Martinez
Executive Director, Worldwide Production	Christine Burgess-Quémard
Chief Creative Officer	Serge Hascoët

4.2.3 RULES APPLICABLE TO THE APPOINTMENT AND SUBSTITUTION OF MEMBERS OF THE BOARD OF DIRECTORS

In application of Article 9 of the Company's Articles of Association, the term of office for directors is four years, with a system of staggered renewals to ensure a smooth transition and avoid an ad hoc replacement in compliance with the recommendations of the AFEP-MEDEF Code,.

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.

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 their term of office expires.

4.2.4 FUNCTIONING OF THE BOARD OF DIRECTORS/SENIOR MANAGEMENT

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

Pursuant to Article L. 225-51 of the French Commercial Code, the Board of Directors, at its meeting of October 22, 2001, decided the method of exercise of the executive management. It 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, in the tradition of Ubisoft Entertainment SA.

As a result, Yves Guillemot, as Chairman of the Board of Directors, is legally responsible for representing the Company's Board of Directors, organizing its work and reporting on it to the Shareholders’ General Meeting, overseeing the smooth operation of the Company’s corporate bodies and ensuring in particular that the directors are capable of carrying out their responsibilities. With regard to the position of Chief Executive Officer, and subject to the powers legally attributed to the Shareholders’ General Meetings and the Board of Directors, he has the broadest authority to act in all circumstances on behalf of the Company and to represent it in its relations with third parties.

The by-laws updated on December 14, 2012 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.

The by-laws provide the operating rules for the permanent committees set up within the Board of Directors.

4.2.5 NO CONVICTION FOR FRAUD, INVOLVEMENT IN A BANKRUPTCY AND/OR OFFICIAL REPRIMAND OR CHARGES

To the best of the Company's knowledge, over the past five years:

- No member of the Board of Directors has been found guilty of fraud;
- No member of the Board of Directors has been involved in a bankruptcy, impoundment or liquidation as a member of an administrative, management or supervisory body;
- No member of the Board of Directors has received an official reprimand or charges;
- No member of the Board of Directors or Executive Committee has 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 in the last five years.

4.2.6 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.

4.2.7 ABSENCE OF POTENTIAL CONFLICTS OF INTEREST RELATING TO THE MEMBERS OF THE BOARD OF DIRECTORS

To the best of the Company's knowledge, there are no potential conflicts of interest between the members of the Board of Directors' duties toward the Company and the personal interests of any of them.

Michel, Claude, Yves, Gérard and Christian Guillemot are brothers and are members of the Management and Board of Directors of Gameloft SE and Ubisoft Entertainment SA. In this respect, there may be potential conflicts of interest when these two companies collaborate on certain projects.

Although the contracts detailed below linking the two companies expired on April 1, 2012, they are still considered to be regulated agreements insofar as they are have sell-off periods of five years:

- A brand licensing agreement according to which Ubisoft Entertainment SA granted Gameloft SE a license for the use of brands belonging to it or for which it has been granted an operating license. The brand license was granted in return for the payment of a license fee proportionate to the revenue achieved by Gameloft SE;
- An agreement (i) on an exclusive and nontransferable license for the use and reproduction of video games for iPhone and iPod Touch formats as well as (ii) a nonexclusive and nontransferable license authorizing the reproduction of the trademarks and logos relating to the video games subject to the exclusive license. The license was granted in return for the payment of a license fee proportionate to the revenue achieved by Gameloft SE.

The details are given in the section on regulated agreements in part 5 of the financial statements.

4.2.8 SERVICE PROVISION AGREEMENTS WITH THE ISSUER AND ITS SUBSIDIARIES

There is no service agreement between members of the Board of Directors and the issuer or a subsidiary of the Group and providing for the granting of benefits.

4.3 MEMBERSHIP, ROLE AND DUTIES OF BOARD COMMITTEES

At its meeting of December 14, 2012, the Board of Directors decided not to maintain the Strategy and Development Committee established in November 2007 in order to deal directly with, at meetings of the Board of Directors, themes and/or studies devoted previously to it and thereby involve in these subjects Estelle Métayer, independent director, and eventually all other independent directors called to sit on the Board of Directors.

4.3.1 MEMBERSHIP OF COMMITTEES

STRATEGY AND DEVELOPMENT COMMITTEE UNTIL DECEMBER 14, 2012	COMPENSATION COMMITTEE
Yves Guillemot, Chairman	
Claude Guillemot, Secretary	Yves Guillemot, Chairman
Gérard Guillemot	Christian Guillemot, Secretary
Michel Guillemot	Estelle Métayer [1]
Christian Guillemot	

[1] Appointed September 24, 2012

4.3.2 ROLE AND DUTIES OF BOARD COMMITTEES

The role and duties of the Compensation Committee and Strategy and Development Committee are described below, as well as in the Chairman's Report, in accordance with Article L. 225-37 of the French Commercial Code. Their responsibilities and powers are defined in the Board of Directors' by-laws.

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 their members are present. Until it was dissolved, the Strategy and Development Committee met at least twice annually. The Compensation Committee must meet at least once per 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, proposed recommendations or written reports.

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. The main tasks of these Committees are presented below:

STRATEGY AND DEVELOPMENT COMMITTEE UNTIL DECEMBER 14, 2012	COMPENSATION COMMITTEE
Consideration and examination of all decisions relating to the major strategic, economic, employment, financial and technological policies of the Company and Group.	Examination, analysis and comparison with market practices: • Examining and submitting proposals on the compensation of corporate officers (fixed and/or variable portion) • Giving opinions on the general stock option allocation policy and more specifically the percentage allocated to managers • Proposing an overall amount of directors' fees • Approving the information given to shareholders in the annual report regarding management compensation.

4.4 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: Executive Vice President and Director of Guillemot Brothers SE

OTHER POSITIONS WITHIN THE GROUP AS AT 03/31/13

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 Motion Pictures Far Cry SAS, Ubisoft Motion Pictures Ghost Recon 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

ABROAD

- **GENERAL MANAGER** of Blue Byte GmbH (Germany), Ubisoft GmbH (Germany), Spieleentwiclungskombinat GmbH (Germany), Ubisoft EooD (Bulgaria), Ubisoft Studios Srl (Italy), Ubisoft Entertainment SARL (Luxemburg), Ubisoft Sarl (Morocco)
- **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), Quazal Technologies Inc. (Canada), 9276-8309 Québec 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)
- **CHAIRMAN** of Ubisoft LLC. (United States)
- **VICE-CHAIRMAN AND DIRECTOR** of Ubisoft Inc. (United States)
- **CHIEF EXECUTIVE OFFICER 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 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)

OTHER POSITIONS OUTSIDE THE GROUP AS AT 03/31/13

FRANCE

- **EXECUTIVE VICE-PRESIDENT AND DIRECTOR** of Gameloft SE, Guillemot Corporation SA

ABROAD

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

EXPIRED POSITIONS WITHIN THE GROUP (last 5 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
- **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 Inc. (Canada), Ubisoft Vancouver Inc. (Canada), Ubisoft Canada Inc. (Canada), UbiWorkshop Inc. (Canada), Ubisoft Holdings Inc. (United States)
- **CHAIRMAN** of Ubisoft Finland OY (Finland)
- **GENERAL MANAGER** of Ubisoft Warenhandels GmbH (Austria), Ubisoft GmbH (Germany), Max Design Entertainment Software Entwicklungs GmbH (Austria)
- **DIRECTOR** of Ubisoft Norway A/S (Norway), Ubisoft Ltd (Ireland), Ubisoft Sweden A/B (Sweden)
- **LIQUIDATOR** of Ubisoft Warenhandels GmbH (Austria)
- **ALTERNATE MEMBER OF THE LIQUIDATION COMMITTEE AND CHAIRMAN** of Ubisoft Norway A/S (Norway)

EXPIRED POSITIONS OUTSIDE THE GROUP (last 5 financial years)

ABROAD

DIRECTOR of Gameloft Inc. (United States)

Claude Guillemot

✓Director since 02/28/88
✓Expiry of term of office 03/31/13
✓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

OTHER POSITIONS WITHIN THE GROUP AS AT 03/31/13

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 03/31/13

FRANCECHAIRMAN of Hercules Thrustmaster SAS, Guillemot Innovation Labs SAS

- **EXECUTIVE VICE-PRESIDENT AND DIRECTOR OF** Gameloft SE, Guillemot Brothers SE

ABROAD

- **CHAIRMAN AND DIRECTOR** of Guillemot Inc. (Canada), Guillemot Recherche et Développement Inc. (Canada), Guillemot Inc. (United States)
- **DIRECTOR** of Guillemot SA (Belgium), Gameloft Inc. (Canada), Gameloft Live Développements Inc. (Canada), Gameloft Iberica SA (Spain), Gameloft Inc. (United States), Gameloft Ltd (United Kingdom), Guillemot Ltd (United Kingdom), Advanced Mobile Applications Ltd (United Kingdom, Guillemot Corporation (HK) Ltd (Hong Kong), Guillemot Srl (Italy), Guillemot Romania Srl (Romania), Guillemot Spain SL (Spain)
- **GENERAL MANAGER** of Guillemot GmbH (Germany)

EXPIRED POSITIONS WITHIN THE GROUP (last 5 financial years)

ABROAD

- **VICE-CHAIRMAN AND DIRECTOR** of Ubisoft Entertainment Inc. (CanAda)
- **VICE-CHAIRMAN** of Ubisoft Digital Arts Inc. (Canada)
- **DIRECTOR** of Ubisoft Canada Inc. (Canada), Ubisoft Music Inc. (Canada), Ubi Workshop Inc. (formerly Ubisoft Music Publishing Inc.) **(**Canada), Shanghaï Ubi Computer Software Co. Ltd (China), Ubisoft Inc. (United States), Ubisoft Holdings Inc. (United States), Ubisoft Ltd (Ireland), 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 5 financial years)

N/A

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 03/31/13

FRANCE

- **EXECUTIVE VICE PRESIDENT AND DIRECTOR** of Guillemot Corporation SA, Guillemot Brothers SE, Gameloft SE

ABROAD

- **CHAIRMAN** of Longtail Studios Halifax Inc. (Canada), Longtail Studios PEI Inc. (Canada), Studios Longtail Québec Inc. (Canada)
- **DIRECTOR** of Gameloft Inc. (Canada), Gameloft Live Développements Inc. (Canada), Guillemot Inc. (Canada), Gameloft Inc. (United States), Guillemot Inc. (United States), Guillemot Ltd (United Kingdom), Advanced Mobile Applications Ltd (United Kingdom)

EXPIRED POSITIONS WITHIN THE GROUP (last 5 financial years)

ABROAD

- **DIRECTOR** of Shanghai Ubi Computer Software Co. Ltd (China), Ubisoft **INC. (UNIT**ed States), Ubisoft Holdings Inc. (United States)

EXPIRED POSITIONS OUTSIDE THE GROUP (last 5 financial years)

FRANCE

- **EXECUTIVE VICE PRESIDENT** of Gameloft SA

Michel Guillemot

✓Director since 02/28/88
✓Expiry of term of office 03/31/13
✓Main position in the Company: Executive Vice President and Director
✓Main position held outside the Company: Chairman and Chief Executive Officer of Gameloft SE

OTHER POSITIONS OUTSIDE THE GROUP AS AT 03/31/13

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, Guillemot Brothers SE

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 S.A. (Argentina), Gameloft 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)
- **GENERAL MANAGER** of Gameloft GmbH (Germany), Gameloft EOOD (Bulgaria), Gameloft Srl (Italy), Gameloft S. de R.L. de C.V. (Mexico), Gameloft S.r.o. (Czech Republic)
- **DIRECTOR** of Gameloft Australia Pty Ltd (Australia), Guillemot SA (Belgium), Guillemot Inc. (Canada), Guillemot Inc. (United States), Guillemot Ltd (United Kingdom), Advanced Mobile Applications Ltd (United Kingdom), Gameloft de Venezuela SA (Venezuela)

EXPIRED POSITIONS WITHIN THE GROUP (last 5 financial years)

FRANCE

- **DIRECTOR** of Shanghai Ubi Computer Software Co. Ltd (China), Ubisoft Inc. (United States), Ubisoft Holdings Inc. (United States), Chengdu Ubi Computer Software Co. Ltd (China)

EXPIRED POSITIONS OUTSIDE THE GROUP (last 5 financial years)

FRANCE

- **General Manager** of L'Odyssée Interactive Games SARL

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)

Christian Guillemot

✓Director since 02/28/88

✓Expiry of term of office 03/31/13

✓Main position in the Company: Executive Vice President and Director

✓Main position held outside the Company: Chairman and Chief Executive Officer of Guillemot Brothers SA and Chairman and Director of Advanced Mobile Applications Ltd

OTHER POSITIONS WITHIN THE GROUP AS AT 03/31/13

ABROAD

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

OTHER POSITIONS OUTSIDE THE GROUP AS AT 03/31/13

FRANCE

- **General Manager** of Guillemot Administration et Logistique SARL
- **Executive vice-president and director of** Gameloft SE, Guillemot Corporation SA

ABROAD

- **Chairman** of AMA Studios SA (Belgium), SC AMA Romania Srl (Romania)
- **Director** of Gameloft Live Developpements Inc. (Canada), Guillemot SA (Belgium), Guillemot Inc. (Canada), Guillemot Recherche et Développement Inc. (Canada), Gameloft Inc. (Canada), Gameloft Iberica SA (Spain), Gameloft Inc. (United States), Guillemot Inc. (United States), Guillemot Ltd (United Kingdom), Gameloft Ltd (United Kingdom), Guillemot Corporation (HK) Ltd (Hong Kong)
- **Joint General Manager** of Studio AMA Bretagne SARL (France)

EXPIRED POSITIONS WITHIN THE GROUP (last 5 financial years)

ABROAD

- **Vice-Chairman** of Ubisoft Holdings Inc. (United States)
- **Director** of Shanghai Ubi Computer Software Co. Ltd (China), Ubisoft Holdings Inc. (United States), Ubisoft Inc. (United States), Ubisoft Ltd (United Kingdom), Ubisoft Sweden A/B (Sweden)

EXPIRED POSITIONS OUTSIDE THE GROUP (last 5 financial years)

N/A

Estelle Métayer

✓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: President of Estelle Métayer Strategy Inc. (Competia) (Ottawa/Canada) and Adjunct Professor at McGill University (Montreal/Canada)

OTHER POSITIONS OUTSIDE THE GROUP AS AT 03/31/13

N/A

EXPIRED POSITIONS OUTSIDE THE GROUP (last 5 financial years)

N/A

4.5 MANAGEMENT COMPENSATION

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 appears below.

This chapter includes all information required by the French Commercial Code, along with the tables recommended by the AFEP-MEDEF Code - or by the AMF on December 22, 2008 - giving the information on compensation of corporate officers that should appear in registration documents.

4.5.1 MANAGEMENT AND CORPORATE OFFICER COMPENSATION

The compensation policy for corporate officers aims as far as possible to comply with the AFEP/MEDEF recommendations, including those published on October 6, 2008.

Compensation granted to the Chairman and Chief Executive Officer, and to the Executive Vice Presidents, is set by the Board of Directors following a proposal by the Compensation Committee, which bases its judgment on comparative studies of large firms and/or companies operating in the same business sector.

Messrs Guillemot are remunerated for their positions as Chief Executive Officer and Executive Vice Presidents. This represents a fixed portion of compensation.

In consideration - albeit very partial - of the responsibilities assumed and also the time spent in preparing Board meetings and actively participating therein, the General Meeting of September 25, 2006 authorized the Company to pay directors' fees amounting to a maximum of €250,000 per annum. The Board of Directors, exercising this authorization, established a fixed portion and a variable portion.

Half of the fixed portion of directors' fees is paid in January (for the period from January to June) and the other half in July (for the period from July to December).

The variable portion is contingent on Board members attending meetings held between July 1 and June 30 and is paid in July. As a consequence, the amounts shown in the summary tables below concerning the variable portion of directors’ fees correspond to the presence of directors at meetings of the Board of Directors held between July 1, 2011 and June 30, 2012.

The General Meeting of June 27, 2013 will be asked to set the maximum amount for directors’ fees at €370 thousand, owing to, on the one hand, the proposal for appointment of an independent director at the next Meeting with the aim of appointing a third additional independent director in the short term and, on the other hand, the compensation for members of the Audit Committee, which must be set up by the end of November 2013.

4.5.2 SUMMARY TABLES OF COMPENSATION

The tables below combine the compensations 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, in 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 in the meaning of Article L. 233-16.

The total gross compensation paid by the Company to corporate officers during the financial year amounted to €725 thousand.

During the 2012/2013 financial year, members of the Board of Directors received €195 thousand in directors' fees.
No commitments have been made by the Company in favor of its corporate officers related 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 OF COMPENSATION, STOCK OPTIONS AND SHARES FOR EACH MANAGER AND CORPORATE OFFICER								
Name of the director	**Compensation due for the financial year** (see breakdown in Table 2)			**Valuation of options granted during the financial year** [1] (see breakdown in Table 4)			**Valuation of performance shares granted during the year** [2]		
	Ubisoft	**Other companies**	**03/31/12**	**Ubisoft**	**Other companies**	**03/31/12**	**Ubisoft**	**Other companies**	**03/31/12**
Yves Guillemot	500,004		**500,004**	129,500	-	**129,500**	-	-	-
Claude Guillemot	62,496		**62,496**	18,500	-	**18,500**	-	-	-
Michel Guillemot	24,000		**24,000**	18,500	-	**18,500**	-	-	-
Gérard Guillemot	71,492		**71,492**	18,500	-	**18,500**	-	-	-
Christian Guillemot	62,496		**62,496**	18,500	-	**18,500**	-	-	-
TOTAL	**720,488**		**720,488**	**203,500**	**-**	**203,500**	**-**	**-**	**-**
	Ubisoft	**Other companies**	**03/31/13**	**Ubisoft**	**Other companies**	**03/31/13**	**Ubisoft**	**Other companies**	**03/31/13**
Yves Guillemot	500,004		**500,004**	-	-	**-**	-	-	**-**
Claude Guillemot	62,496		**62,496**	-	-	**-**	-	-	**-**
Michel Guillemot	24,000		**24,000**	-	-	**-**	-	-	**-**
Gérard Guillemot	75,543		**75,543**	-	-	**-**	-	-	**-**
Christian Guillemot	62,496		**62,496**	-	-	**-**	-	-	**-**
TOTAL	**724,539**		**724,539**	**-**	**-**	**-**	**-**	**-**	**-**

(1) IFRS fair value on the grant date, or €1.85 per option for options granted for the year ended March 31, 2012
(2) No performance shares were granted to the directors holding corporate office by the Company

Table 2	SUMMARY OF THE COMPENSATION OF MANAGERS HOLDING CORPORATE OFFICES PAID BY THE ISSUER AND BY ANY COMPANY (Article L. 233-16 of the French Commercial Code)			
Yves Guillemot Chairman and Chief Executive Officer	**03/31/12**		**03/31/13**	
	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
Variable compensation	-	-	-	-
Extraordinary compensation	-	-	-	-
Ubisoft directors' fees – Fixed portion [(3)]	20,000	20,000	20,000	20.000
Ubisoft directors' fees – Variable portion [(4)]	15,000	15,000	20,000	20.000
Benefits in kind	-	-	-	-
TOTAL	**535,004**	**535,004**	**540,004**	**540,004**

Table 2	SUMMARY OF THE COMPENSATION OF MANAGERS HOLDING CORPORATE OFFICES PAID BY THE ISSUER AND BY ANY COMPANY (Article L. 233-16 of the French Commercial Code)				
Claude Guillemot Executive Vice President		03/31/12		03/31/13	
		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
Variable compensation		-	-	-	-
Extraordinary compensation		-	-	-	-
Ubisoft directors' fees	Fixed portion (3)	20,000	20,000	20,000	20,000
	Variable portion (4)	7,500	7,500	10,000	10,000
Benefits in kind		-	-	-	-
TOTAL		**89,996**	**89,996**	**92,496**	**92,496**
Michel Guillemot Executive Vice President		03/31/12		03/31/13	
		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
Variable compensation		-	-	-	-
Extraordinary compensation		-	-	-	-
Ubisoft directors' fees	Fixed portion (3)	20,000	20,000	20,000	20,000
	Variable portion (4)	7,500	7,500	-	-
Benefits in kind		-	-	-	-
TOTAL		**51,500**	**51,500**	**44,000**	**44,000**
Gérard Guillemot Executive Vice President		03/31/12		03/31/13	
		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		71,492	71,492	75,543	75,543
Variable compensation		-	-	-	-
Extraordinary compensation		-	-	-	-
Ubisoft directors' fees	Fixed portion (3)	20,000	20,000	20,000	20,000
	Variable portion (4)	-	-	-	-
Benefits in kind		-	-	-	-
TOTAL		**91,492**	**91,492**	**95,543**	**95,543**
Christian Guillemot Executive Vice President		03/31/12		03/31/13	
		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
Variable compensation		-	-	-	-
Extraordinary compensation		-	-	-	-
Ubisoft directors' fees	Fixed portion (3)	20,000	20,000	20,000	20,000
	Variable portion (4)	15,000	15,000	20,000	20,000
Benefits in kind		-	-	-	-
TOTAL		**97,496**	**97,496**	**102,496**	**102,496**

(1) All compensation paid to managers holding corporate offices for their duties over the year
(2) Compensation awarded to managers holding corporate offices for their duties over the year, whatever the date of payment
(3) Half of the fixed portion of directors' fees is paid in January (for the period January to June) and the other half in July (for the period July to December)
(4) The variable portion is paid in July and is contingent on Board members attending meetings held between July 1 and June 30 of the previous year

Table 3	TABLE OF DIRECTORS' FEES AND OTHER COMPENSATION PAID TO NON-EXECUTIVE CORPORATE OFFICERS			
	03/31/12		03/31/13 (1)	
Name of the director	Ubisoft directors' fees	Other compensation	Ubisoft directors' fees	Other compensation
Marc Fiorentino (1)				-
Fixed portion (2)	20,000	-	20,000	-
Variable portion (3)	15,000	-	10,000	-
TOTAL	**35,000**	**-**	**30,000**	**-**

(1) Term of office of the director ended on September 24, 2012
(2) Half of the fixed portion of directors' fees is paid in January (for the period January to June) and the other half in July (for the period July to December)
(3) The variable portion is paid in July and is contingent on Board members attending meetings held between July 1 and June 30 of the previous year

Table 3	TABLE OF DIRECTORS' FEES AND OTHER COMPENSATION PAID TO NON-EXECUTIVE CORPORATE OFFICERS			
	03/31/12		03/31/13 (1)	
Name of the director	Ubisoft directors' fees	Other compensation	Ubisoft directors' fees	Other compensation
Estelle Métayer (1)				-
Fixed portion (2)		-	10,000	-
Variable portion (3)		-		-
TOTAL		**-**	**10,000**	**-**

(1) Appointed September 24, 2012
(2) Half of the fixed portion of directors' fees is paid in January (for the period January to June) and the other half in July (for the period July to December)
(3) The variable portion is paid in July and is contingent on Board members attending meetings held between July 1 and June 30 of the previous year. As Estelle Métayer was appointed on September 24, 2012, the variable portion due to her will be calculated from September 24, 2012 to June 30, 2013 and will be paid in July 2013.

Pursuant to Article L. 225-43 of the French Commercial Code, no loans or advances were made to the Company's directors.

4.5.3 SHARE PURCHASE AND SUBSCRIPTION OPTION PLANS

No share subscription and/or purchase options were granted to corporate officers during the year.

Table 5	SHARE PURCHASE OR SUBSCRIPTION OPTIONS EXERCISED DURING THE YEAR BY EACH CORPORATE OFFICER		
Name of the director	Plan number and date	Number of options exercised during the year	Strike price
	N/A		

Past share purchase and subscription option grants, and the status of share purchase and subscription options granted to the top 10 beneficiaries (not corporate officers), and the options exercised by them over the year, appear in 3.3.2.4.

4.5.4 BONUS SHARE GRANTS

The Company did not grant any bonus shares to corporate officers in the last financial year or in previous years.

4.5.5 COMPENSATION AND BENEFITS OWED DUE TO CORPORATE OFFICERS LEAVING THEIR POSITION

Name	Corporate office combined with employment contract		Top-up pension scheme		Compensation or benefits due or likely to be due as a result of individuals leaving or changing positions		Compensation relating to an anti-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Yves Guillemot Chairman and Chief Executive Officer		X		X		X		X
Claude Guillemot Executive Vice President		X		X		X		X
Michel Guillemot Executive Vice President		X		X		X		X
Gérard Guillemot Executive Vice President		X		X		X		X
Christian Guillemot Executive Vice President		X		X		X		X

4.6 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 REGULATIONS

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 securities	Type	Unit price	Amount of transaction
Securities transactions by managers						
Alain Martinez Chief Financial Officer	Disposal	12/11/12	5,000	Shares	€7.96	€39,809
	Disposal	12/11/12	122,135	Warrants (BSA)	€0.1282	€15,653
	Acquisition	12/12/12	122,135	Warrants (BSA)	€0.1374	€16,786
	Acquisition	12/12/12	5,000	Shares	€8.019	€40,095
	Exercise	02/15/13	34,381	Options	€7.82	€268,859
	Disposal	02/15/13	34,381	Shares	€7.962	€273,728
	Acquisition	02/19/13	1,880	Shares	€8.071	€15,173
	Disposal	02/19/13	122,135	Warrants (BSA)	€0.1243	€15,182
Securities transactions by related persons						
GUILLEMOT CORPORATION SA related legal person managed by Claude Guillemot, Executive Vice President of UBISOFT ENTERTAINMENT SA	Disposal	12/13/12	25,874	Shares	€8.02826	€207,723.20
	Disposal	12/14/12	31,500	Shares	€7.9617	€250,793.55
	Disposal	12/17/12	22,000	Shares	€7.93818	€174,639.96
	Disposal	12/18/12	22,000	Shares	€7.89697	€173,733.34
	Disposal	12/19/12	25,000	Shares	€7.84377	€196,094.25
	Disposal	12/20/12	20,000	Shares	€7.79635	€155,927.00
	Disposal	12/21/12	24,500	Shares	€7.77784	€190,557.08
	Disposal	12/24/12	29,524	Shares	€7.79398	€230,109.47
	Disposal	12/27/12	49,602	Shares	€7.83038	€388,402.51
GUILLEMOT BROTHERS SE related legal person managed by Christian Guillemot, Executive Vice President of UBISOFT ENTERTAINMENT SA	Disposal	02/22/13	150,000	Shares	€7.8157	€1,172,355

FINANCIAL STATEMENTS

1 CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2013

1.1 BALANCE SHEET

ASSETS in thousands of euros	Notes	Net 03/31/13	Net 03/31/12
Goodwill	1	145,919	147,773
Other intangible assets	2	547,215	520,452
Property, plant and equipment	3	46,489	39,177
Investments in associates	4	416	404
Non-current financial assets	5	3,844	3,342
Deferred tax assets	25	92,919	92,325
Non-current assets		**836,802**	**803,473**
Inventory	6	17,732	20,013
Trade receivables	7	36,619	(13,143)
Other receivables	8	105,744	83,592
Current financial assets	9	6,850	15,287
Current tax assets	25	15,987	13,691
Cash and cash equivalents	10	237,704	175,703
Current assets		**420,636**	**295,143**
Total assets		**1,257,438**	**1,098,616**

LIABILITIES in thousands of euros	Notes	03/31/13	03/31/12
Share capital		7,441	7,369
Premiums		275,815	265,358
Consolidated reserves		490,140	452,659
Consolidated earnings		64,831	37,321
Total equity	11	**838,227**	**762,707**
Provisions	12	5,670	3,918
Employee benefits	13	2,997	1,568
Long-term borrowings	15	24,457	1,479
Deferred tax liabilities	25	49,181	37,396
Non-current liabilities		**82,305**	**44,361**
Short-term borrowings	15	108,759	91,072
Trade payables	17	75,963	80,800
Other debts	18	148,337	116,531
Current tax liabilities	25	3,847	3,145
Current liabilities		**336,906**	**291,548**
Total liabilities		**1,257,438**	**1,098,616**

1.2 CONSOLIDATED INCOME STATEMENT

in thousands of euros	Notes		03/31/13	%		03/31/12	%
Sales	19		**1,256,164**	**100%**		**1,061,296**	**100%**
Cost of sales			(342,655)			(343,162)	
Gross margin			**913,509**	**73%**		**718,134**	**68%**
R&D costs	20		(435,011)			(355,007)	
Marketing costs	20		(304,941)			(241,027)	
Administrative and IT costs	20		(81,360)			(76,477)	
Operating profit (loss) from continuing operations			**92,197**	**7%**		**45,623**	**4%**
Current operating income before share-based payments		100,295			56,033		
Share-based payments		(8,098)			(10,410)		
Operating profit (loss) from continuing operations		**92,197**			**45,623**		
Non-current expenses and income	22		(4.293)			-	
Operating profit (loss)			**87,904**	**7%**		**45,623**	**4%**
Interest on borrowings			*(5,032)*			*(4,347)*	
Income from cash			*403*			*1,820*	
Net borrowing cost			(4,629)			(2,527)	
Result from foreign-exchange operations			709			(3,404)	
Other financial expenses			(219)			(308)	
Other financial income			8,138			8,705	
Net financial income	23		**3,999**	**0.3%**		**2,466**	**0.2%**
Share in profit of associates	24		12			10	
Total income tax	25		(27,083)	**(2)%**		(10,778)	**(1)%**
Profit (loss) for the period *			**64,831**	**5%**		**37,321**	**4%**
Earnings per share – Continuing operations	26						
Basic earnings per share (in euros)			0.68			0.4	
Diluted earnings per share (in euros)			0.67			0.39	

* The profit (loss) for the period is entirely attributable to equity holders

1.3 STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	03/31/13	03/31/12
Net profit (loss) for the period	**64,831**	**37,321**
Translation exchange on foreign operations	7,913	13,891
Fair value adjustment of financial assets	(6,029)	(9,266)
Effective part of the change in fair value of cash flow hedges	(731)	731
Remeasurement impacts on post-employment benefits	(913)	-
Tax on other items of comprehensive income	(530)	(1,860)
Other income not subject to tax	65	74
Other items of comprehensive income	**(225)**	**3,571**
Profit (loss) for the period *	**64,606**	**40,892**

* The profit (loss) for the period is entirely attributable to equity holders

1.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of euros	Capital	Premiums	Consolidated reserves	Hedging reserve	Fair value reserve	Treasury stock	Translation adjustments	Income for the period	Total equity
Balance as of March 31, 2011	**7,341**	**527,469**	**250,039**	**-**	**18,867**	**-250**	**(37,351)**	**(52,120)**	**713,995**
Earnings								37,321	37,321
Other items of comprehensive income			65	488	(10,873)		13,891		3,571
Profit (loss)			**65**	**488**	**(10,873)**		**13,891**	**37,321**	**40,892**
Allocation of consolidated earnings in N-1		(271,640)	219,520					52,120	-
Reclassification of deferred taxes			(2,982)		2,982				-
Change in the share capital of the parent company	28	439	(1,392)						(925)
Options on ordinary shares issued		9,090							9,090
Sales and purchases of own shares						(345)			(345)
Balance as of March 31, 2012	**7,369**	**265,358**	**465,250**	**488**	**10,976**	**(595)**	**(23,460)**	**37,321**	**762,707**
Earnings								64,831	64,831
Other items of comprehensive income			(488)	(488)	(7,162)		7,913		(225)
Profit (loss)			**(488)**	**(488)**	**(7,162)**		**7,913**	**64,831**	**64,606**
Allocation of consolidated earnings in N-1			37,321					(37,321)	-
Change in the share capital of the parent company	72	5,521	(24)						5,569
Options on ordinary shares issued		4,927							4,927
Sales and purchases of own shares						418			418
Balance as of March 31, 2013	**7,441**	**275,806**	**502,059**	**-**	**3,814**	**(177)**	**(15,547)**	**64,831**	**838,227**

(1) See breakdown in Note 11.

1.5 CASH FLOW STATEMENT

in thousands of euros	Notes	03/31/13	03/31/12
Cash flows from operating activities			
Consolidated earnings		64,831	37,321
Share in profit of associates		12	(10)
Net amortization and depreciation on property, plant and equipment and intangible assets *	1/2/3	370,254	290,126
Net provisions	5/6/7/12/13	(1,146)	(7,295)
Cost of share-based payments	14	8,098	10,410
Gains/losses on disposals		(7,093)	(8,412)
Other income and expenses calculated		(1,645)	731
Tax expense	24	27,083	10,778
Cash flows from operating activities		**460,370**	**333,649**
Inventory	6	4,862	25,392
Trade receivables	7	(51,811)	64,914
Other assets (excluding deferred tax assets)	8/9	(24,625)	(33,303)
Trade payables	17	(2,890)	(16,663)
Other liabilities (excluding deferred tax liabilities)	15/18	25,853	(8,304)
Change in WCR linked to operating activities		**(48,611)**	**32,036**
Current tax		(8,935)	(7,667)
TOTAL CASH FLOW GENERATED BY OPERATING ACTIVITIES **		402,824	358,018
Cash flows from investment activities			
Payments linked to internal and external developments ***	2/3	(374,404)	(349,859)
Payments for other intangible assets and property, plant and equipment	2/3	(25,215)	(26,204)
Proceeds from the disposal of intangible assets and property, plant and equipment	2/3	207	748
Payments for the acquisition of financial assets	5	(5,104)	(6,298)
Proceeds from Gameloft disposals		10,730	13,701
Other cash flows from investment activities		(1)	1,130
Refund of loans and other financial assets	5	4,762	6,454
Changes in scope ****		(4,604)	(17,973)
CASH USED IN INVESTING ACTIVITIES		(393,629)	(378,301)
Cash flow from financing activities			
New finance leases contracted	15	13	47
New borrowings	15	23,327	-
Accrued interest	15	245	-
Refund of finance leases	15	(127)	(201)
Refund of borrowings	15	(234)	(21,791)
Disposal of carrying receivables		-	-
Amounts received from shareholders in capital increases		5,593	446
Sales/purchases of own shares		386	(1,717)
CASH GENERATED BY (USED IN) FINANCING ACTIVITIES		29,203	(23,215)
Net change in cash and cash equivalents		**38,398**	**(43,498)**
Cash and cash equivalents at the beginning of the period	10	86,325	122,035
Foreign exchange losses/gains		4,782	7,788
Cash and Cash equivalents at the end of the period		**129,505**	**86,325**

* excluding allocations related to share-based compensation	6,785	6,601
** including interest paid	(5,111)	(4,348)
*** including changes linked to guaranteed, unpaid commitments	1,253	16,001
*** excluding capitalization related to share-based compensation	3,614	5,281
**** Including cash in companies acquired and disposed of	125	7,211

1.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The notes and tables that follow are presented in thousands of euros, unless expressly stated otherwise.

1.6.1 COMPANY PRESENTING THE CONSOLIDATED FINANCIAL STATEMENTS

Ubisoft Entertainment is located (headquartered) in France.
The consolidated financial statements for the year ended March 31, 2010 include Ubisoft Entertainment and the entities under control (collectively referred to as "the Group").
The consolidated financial statements were approved by the Board of Directors, which authorized publication on May 14, 2013. They will be presented for approval at the General Shareholders' Meeting on June 27, 2013.

1.6.2 FINANCIAL YEAR HIGHLIGHTS

April 2012 - Renewal of CIJV (video game tax credit) by the European Commission
The video game tax credit, renewed by the European Commission, the amount corresponding to the period from January 1 to March 31 2012 of € 0.4 million has been recognized this year.

July 2012 - Signature of a new syndicated loan
A new syndicated loan has been signed July 9, 2012, for an amount of € 214.5 million over 5 years. It replaces the amount of €180 million from the previous contract, signed in May 2008 for five years and the two bilateral lines which ran until May 2013 for an amount of €70 million. This syndicated loan is subject to the following covenants:

	Limit
Net debt restated for assigned receivables/equity restated for goodwill <	0.80
Net debt restated for assigned receivables/EBITDA <	1.5

September 2012 - Subscription of new lines of credit
Ubisoft Entertainment SA has signed two new lines of credit with Arkéa and Saarbank for a period of one year and an amount of €10 million each. These lines follow the same covenants as the syndicated loan.

Ubisoft Entertainment SA has also taken out a loan of participatory development with Oséo for a period of 7 years in the amount of €3 million.

September 2012 - Sale of €14.1 million in receivables under the factoring agreement
The factoring agreement on the Canadian, Credit Multimedia Shares agreement between CNB and Ubisoft Divertissements Inc. enabled the assignment of a claim of € 14.1 million in the first half.

November 2012 - Signature of a factoring contract with CA-CIB
Ubisoft Inc. signed on November 16, 2012 a factoring agreement with CA-CIB. The contract is to finance, via CA-CIB, eligible receivables on a specified debtor company for a maximum funding amount of $50 million (U.S. dollars).

December 2012 – Bond placement of € 20 million
Pursuant to Article L.228-40 of the Commercial Code, the Board of Directors on December 14, 2012 authorized the issuance of bonds up to a total nominal amount of €20 million. Each with a nominal value of 100,000 euro, these bonds were traded on the regulated market of Euronext Paris on 19 December 2012. This bond with a lifetime of 6 years carries a paying interest of 3.99%.

December 2012: Signing of an agreement of government support for R & D activities
Ubisoft Montpellier SAS and Ubisoft Paris SAS signed December 1, 2012 an agreement of government support for R & D activities. The total amount of aid is 25% of the expenses incurred by the two subsidiaries between December 1, 2012 and September 30, 2014, subject to the performance by Ubisoft of a number of obligations. The maximum amount of support is €3.5 million.

January 2013: Ubisoft acquires THQ Montreal studio (purchase price detailed in § 1.6.3), and external development rights on South Park Stick of Truth (purchase price 2.5 M€)

March 2013 - Sale of €11.2 million in receivables under the factoring agreement
The factoring agreement on the Canadian Credit Multimedia Shares agreement between CNB and Ubisoft Divertissements Inc. enabled the assignment of a claim of €11.2 million in the first half.

April 2012 to March 2013 - Disposal of Gameloft Shares
Disposal of 2,142,165 Gameloft shares at an average price of €5.01.

1.6.3 CHANGES IN THE CONSOLIDATION SCOPE

January 2013: Acquisition of 100% stake in the Canadian studio THQ Montreal
Ubisoft acquired in January 23, 2013, 100% of the capital of the studio THQ Montreal, creator of AAA games. The net assets and liabilities acquired correspond to the acquisition price of THQ Montreal, therefore no goodwill was recognized.

In thousands of Canadian dollars	03/31/13
Net assets and liabilities acquired	2,500
Fair value of the consideration transferred	2,500
Cash acquired	229

The evaluation of goodwill is provisional until 31 March 2013.

March 2013: Merger of Ubisoft Workshop Inc. with Ubisoft Divertissements Inc. and Ubisoft Canada Inc. with Ubisoft Divertissements Inc.
These operations had no impact on the consolidated accounts.

Opening of subsidiaries:
- June 2012 : creation of the subsidiary Ubisoft Motion Pictures Far Cry in France
- September 2012: creation of the subsidiaries Script Movie and Ubisoft Motion Pictures Ghost Recon in France
- January 2013: creation of the subsidiary Ubisoft LLC in the US and the creation of the subsidiary 9275-8309 Quebec Inc. in Canada

Deconsolidation:
March 2013: disposal of the subsidiary Ubisoft Sweden AB for its liquidation. This operation had no impact on the consolidated accounts.

1.6.4 DECLARATION OF CONFORMITY

The consolidated financial statements for the year ended March 31, 2013 have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable at March 31, 2013, as adopted by the European Union.

Only the standards approved by the European Commission and published in its official journal prior March 31, 2012, and whose application was mandatory as of April 1, 2012, have been applied by the Group to the consolidated financial statements for the year ended March 31, 2013. No standard or interpretation whose application has become mandatory since March 31, 2013 has been applied early to the consolidated financial statements for the year ended March 31, 2013.

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

The Group applied the following for the first time as of April 1, 2012:

- IFRS 7 (amended) – Disclosures – Transfers of Financial Assets. Information to be provided regarding transferred financial assets. The Group has provided a detailed description of the risks linked to transferred financial assets in which it has continued involvement.

- The revised IAS 19 standard – Employee benefits. Changes to this standard concern the elimination of the corridor approach, immediate recognition of prior service cost in profit and compulsory recognition in other comprehensive income of remeasurement impacts.

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 balance sheet for 2004 and preparing its first IFRS accounts.

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 balance sheet liabilities by writing off against equity.
IAS 21	Translation adjustments due to foreign activities	Translation differences at January 1, 2004 relative to the exchange rates used for overseas activities in financial statements have been rebooked 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, 2013 (adopted or being adopted by the European Union) and presented below:

Standards		Consequences for the Group
IAS 1 amended	(applicable to accounting periods starting from July 1, 2012)	The changes are designed to separate components of other comprehensive income in two sub-categories according to whether or not they are reclassified in income.
Annual Improvements 2009-2011	Improvements to International Financial Reporting Standards	The "annual improvements" of the IASB amended a number of existing standards. They are applicable to fiscal years beginning on or after January 1, 2013. The Group does not expect any significant effect from the first application of these amendments
IAS 12 amended	Deferred taxes - recovery of underlying assets (effective for annual periods beginning on or after January 1, 2013)	This amendment introduces a presumption that the asset is recovered entirely through sales, unless the entity can demonstrate that the recovery will happen in another way.
IAS 27 (revised)	Separate Financial Statements (effective for annual periods beginning on or after January 1 2013)	The changes are intended to establish provisions for the recognition and disclosure requirements for investments in subsidiaries, joint arrangements, associates when an entity prepares separate and unconsolidated financial statements.
IAS 28 (revised)	Investments in Associates and Joint Ventures (effective for annual periods beginning on or after January 1 2013)	The amendments relate to the accounting for investments in associates and sets out the requirements in the application of the method of equity accounting for investments in associates and joint ventures.
IAS 32 amended	Financial instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after January 1 2013)	This amendment provides clarification in particular on possessing "an enforceable right to offset recognized amounts."
IFRS 1 amended	Government loans	The amendments relate to the accounting for government loans with below-market interest rates during the first application of IFRS.
IFRS 1 amended	Severe Hyperinflation and Removal of Fixed Dates (effective for annual periods beginning on or after January 1, 2013)	The amendment introduced prescribes provisions that an entity must satisfy to go revert to presenting financial statements in accordance with IFRSs after a period when the entity has not been able to meet these standards, because its functional currency was subject to severe hyperinflation
IFRS 7 amended	Information to be provided on Offsetting Financial Assets and Financial Liabilities (applicable to financial years beginning on January 1, 2014)	This particular amendment requires additional information on all recognized financial instruments that have been offset in accordance with paragraph 42 of IAS 32.
IFRS10	Consolidation (applicable to financial years beginning on January 1, 2014)	This standard provides a single consolidation model that identifies control as the basis for the consolidation of all kinds of entities.
IFRS11	Partnerships (applicable to financial years beginning on January 1, 2014)	The objective of this standard is to establish principles of financial information for entities that have interests in jointly controlled operations. This amendment shall have no effect on the consolidated financial statements
IFRS12	Information to be provided on the involvement with other entities (applicable to financial years beginning on January 1, 2014)	This standard requires an entity to provide information on the nature of interests in other entities and the risks associated with them and the effects of those interests on the financial position, financial performance and cash flows of the entity.
IFRS13	Valuation at fair value (applicable to financial years beginning on or after January 1 2013)	This standard establishes a uniform framework for the determination of fair value and provides guidance on how to assess the fair value of assets and liabilities, both financial and non-financial. It applies when another IFRS provides or permits fair value or disclosing information about fair value.
IFRS transition guidance amendments 10, 11 and 12	IFRS transition guidance amendments 10, 11 and 12	These amendments provide clarifications on the IFRS 10 transition guidance amendments and indicate concessions on comparative information to be presented by limiting adjustments to the prior period.
Investment entities: IFRS amendments 10, 12 and IAS 27	Investment entities: IFRS amendments 10, 12 and IAS 27	These amendments apply to a particular category of companies, qualified investment entities, which are now exempt from the provisions of the accounting standard on the consolidated financial statements, IFRS 10. This text shall have no effect on the Group's consolidated financial reports.
IFRIC 20	Stripping costs (applicable to financial years beginning on or after January 1, 2013)	This text clarifies the requirements for accounting for stripping costs incurred during the production phase of a surface mine. This text shall have no effect on the Group's consolidated financial reports.

1.6.5 ACCOUNTING PRINCIPLES AND VALUATION METHODS

1.6.5.1 COMPARABILITY OF FINANCIAL STATEMENTS

Change in consolidation method, evaluation and presentation

Anticipated application of the revised IAS 19:
March 31, 2013, the Ubisoft Group early adopted the revised IAS 19. The only related change is the booking of remeasurement impacts from employee benefits under defined contribution plan, in other comprehensive income, which was previously booked on result. Regarding the marginal impact on result and comprehensive income from March 2012 closing, no comparativ information has been done.

Change in estimation:

N/A

Items affecting comparability of financial statements

Business combinations in FY2011-2012 (Owlients SAS and Redlynx Oy) and the business combination of FY2012-2013 (THQ Montreal) have no significant impact on the financial statements of the Group. Therefore no pro forma financial information is required.

1.6.5.2 PREPARATION BASIS

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
§ 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.
§ 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 revenues are based on expected inventory of 3 to 6 months after closing.
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.

1.6.5.3 CONSOLIDATION PRINCIPLES

Subsidiaries

A subsidiary is an entity controlled by Ubisoft Entertainment SA. Control exists where the Company has the power to manage, either directly or indirectly, the entity's financial and operational policies in order to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

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.

Ubisoft consolidates ad hoc entities in which the Company does not hold a direct or indirect interest but that it controls in substance because it has the right to receive the majority of benefits or it retains the majority of residual risks inherent to the ad hoc entity or its assets.

As at March 31, 2013, all companies controlled by the Group are fully consolidated; only Related Designs Software GmbH, in which the Group has a 30% interest, is accounted for under the equity method.

Transactions eliminated in the consolidated financial statements

Balance sheet amounts, and income and expenses resulting from intragroup 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 closing date, all monetary assets and liabilities denominated in foreign currencies (excluding derivatives) are translated into euros at the closing exchange rate. Any resulting translation adjustments 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 valued and booked 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 on translation are booked directly in consolidated equity, as a separate item.

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 booked in equity are recognized in 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, which is the date on which control is transferred to the Group.

Acquisitions occurred since January 1, 2010

For acquisitions made since 1 January 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 acquiree; plus if the business combination is achieved in stages, the fair value of any previously held equity in the acquired company; 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 related to the settlement of preexisting relationships. These amounts are generally recognized in earnings.

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 payable is recorded at fair value at the acquisition date. The contingent consideration that has been classified as equity is not remeasured and its regulation is recorded in equity. However, for a consideration classified as a liability, with the subsequent changes in fair value of contingent consideration are recorded in earnings.

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 valuation 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 futures remaining to be returned.

Acquisitions completed between January 1, 2004 and January 1, 2010

For acquisitions completed between January 1, 2004 and January 1, 2010, goodwill represents the excess of cost of acquisition over the Group's share in the recognized amounts (usually at fair value) for assets, liabilities and contingent liabilities.
When the difference is negative, a gain on the acquisition under favorable terms is recognized immediately in income.

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.

If an entity is disposed of, related goodwill will be taken into account when determining the loss or gain resulting from this sale.

Goodwill is therefore not amortized but is subject to impairment tests at least once a year. The methods used to test loss in value are detailed in the note entitled "Non-current-asset impairment test".

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.

Given Group brand development policy, the majority of brands operated by the Group have an indefinite life and then are not amortized but are tested for impairment at least once a year. The methods used to test for impairment are described in the Note "Impairment testing of assets". However, useful life from brands might suffer from medium or long term vision. In such cases, the related brand is amortized over the expected useful life.

Other intangible assets

Other intangible assets include:
- Office software,
- Development costs related to Information systems ,
- Internal software development,
- Engines,
- External developments.

Accounting and later evaluation

Other intangible assets acquired by the Group are recognized at cost minus accumulated 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.
Development costs relate to the development of commercial software (video games) and are capitalized as described below.

Development costs of commercial software, whether produced in-house or outsourced, are recognized in “in-house software and external development in progress” as development progresses. Once they are released, these costs are transferred to the "released in-house software" or “released external developments” accounts.

Commitments made under license agreements are recognized for the amount specified in the agreement including the portion not yet paid.

Amortization

Type of asset	Amortization method
Office software	Straight-line, 1 year or 3 years
- Development costs related to information systems ,	Straight-line, between 3 and 5 years
- Internal software development	3 years, straight-line, starting on the commercial release date.
Engines	Straight-line over the useful life between 3 and 5 years
External developments	Depending on quantities sold and royalty rates indicated in contracts or on the duration of the contract

According to international standard IAS 38, the group is required to periodically revise its durations for depreciation based on the observed useful life.

At the end of each fiscal year or whenever indication of impairment appears, the Group checks the recoverable value of capitalized amounts and carries out an impairment test, as described in the note entitled "Non-current-asset impairment test".

Property, plant and equipment

The gross value of property, plant and equipment includes the acquisition cost minus installments made and any investment subsidies granted. The cumulative totals for depreciation and impairment are then dedcuted (see accounting methods described in the note on goodwill).
Given the types of non-current assets held, no distinct component of the main non-current assets was noted.

No borrowing costs are included in the costs of property, plant and equipment.

The same rates are used throughout the Group to calculate depreciation, employing the following methods and useful lives:

Type of asset	Amortization method
Buildings	Straight-line, between 15 and 25 years
Equipment	Straight-line, 5 years
Fixtures and fittings	Straight-line, 10 years
Computer hardware	Straight-line, 3 years
Office furniture	Straight-line, 10 years
Transportation equipment	Straight-line, 5 years

According to international standard IAS16, the group is led to periodically revise its durations depreciation based on the observed useful life.

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.

Deferred tax arising from the restatement of finance leases is booked in the accounts.

Non-current-assets impairment tests

Non-current assets with an indefinite useful life (goodwill and brands)

Brands

Brands controlled by the Group have an indefinite life and are tested for impairment annually and whenever impairment indicators are identified.

The recoverable value of brands is estimated using the royalties method which includes updating on a 5-year horizon potential royalties 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.

Goodwill

Goodwill on the balance sheet of the Group may be related to the acquisition of:

- Distribution subsidiaries operating in a given geographical area,
- Production subsidiaries:
- Subsidiaries whose production process and marketing is integrated and autonomous vis-à-vis the parent acting within the Group as a publisher (concerns only the subsidiary Owlient SAS at March 31, 2013)

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) generating cash inflows that are independent of other group assets:

- For goodwill relating to the distribution subsidiaries operating in a given geographical area: the CGU is the geographical area in which the distribution subsidiary operates;
- For goodwill relating to production subsidiaries: CGU corresponds to the total assets of production activities (internal studios) and publishing (parent company), these two activities are interdependent;
- For subsidiaries whose production process and marketing is integrated and autonomous: the CGU corresponds to the subsidiary

The recoverable value of the CGU is the higher of fair value minus cost of sale (net fair value) and its useful value in use. The estimated useful value is defined as the sum of projected cash flows with CGU discounted based on a business plan at 3 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 useful 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 8.94% at March 31, 2013 (against 9.62% at March 31, 2012).

Regarding the current repartition 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 appropriated for the impairment test.

The terminal value used for each CGU tested for impairment relates to overtime capitalization from normativ cash flows at weighted average cost of capital decreased from perpetual growth rate. The perpetual growth rate used is 1.50% at March 31, 2013 (no change from March 31, 2012).

Non-current assets with a fixed useful life

For property, plant and equipment and intangible assets with a fixed useful life, this impairment test is carried out whenever indicators suggest a loss in value.

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 property, plant and equipment or an intangible asset (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.

Type of asset	**Impairment method**
Office software	No impairment test in the absence of any indication of impairment.
Development costs related to information systems	No impairment test in the absence of any indication of impairment.
Commercial software	At the end of each year and for each software program, expected cash flows are calculated (over a maximum period of 2 years). When these cash flows are below the net carrying amount of the software, impairment is recognized.
Engines	No impairment test in the absence of any indication of impairment.
External developments	At the end of each year and for each software program, expected discounted cash flows are calculated (for a maximum period of two years). When these cash flows are below the net carrying amount of the software, impairment is recognized.
Property, plant and equipment	No impairment test in the absence of any indication of impairment.
Brand with a finitie useful life	No impairment test in the absence of any indication of impairment.

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 at the lower of cost or net realizable value.

Cost includes the purchase price plus incidental expenses and is valued according to the weight average cost method (WAC).

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.

A provision for 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 the non-current investments of non-consolidated companies, short-term and long-term loans and advances, trade receivables, derivatives with a positive market value, investment in securities, and cash.

Financial liabilities include bank borrowings, equity and bonds, obligations relating to finance lease contracts, other financing (current account advances), bank overdrafts, derivatives with a negative market value and 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:

- 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);
- Loans and receivables (non-derivative financial assets subject to fixed or determinable payments, and which are not listed on an active market);
- Assets held for trading (investments or securities bought and held primarily with a view to a short-term resale);
- 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 Group has no financial assets classified as “held-to-maturity”.

- *Loans and advances (loans and receivables category)*

They include security deposits.
When initially recognized, loans and advances are measured at fair value. These financial assets are then recognized at amortized cost using the effective interest rate method. They 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 the balance sheet value, and at least on each balance sheet date.

- *Grants (loans and receivables category)*

In some countries, video game production operations qualify for public grants.
These grants are presented as a reduction in research and development costs and a reduction of the asset corresponding to the development of commercial software.
Any claims on the public body which awarded the grant are classified as loans and receivables as per IAS 39.

- *Trade receivables (loans and receivables category)*

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 may 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, 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 booked in the same item as provisions. Impairment is deemed permanent when the receivable itself is considered to be permanently irrecoverable and written off.

- *Long-term securities (available-for-sale assets category)*

These include the Group's equity in companies that are not consolidated due to a lack of control or significant influence.

Gameloft shares are classed as held-for-sale current assets.
As this involves an interest in a listed company, the shares are recorded in the balance sheet at their fair value, determined on the basis of the share price on the closing date. Changes in fair value are recognized directly in others items of 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.

- *Cash and cash equivalents (assets held for trading category)*

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 balance sheet 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.

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 the "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. Ubisoft Entertainment SA hedges these risks with forward sale contracts and currency options.

Derivatives are initially recorded at fair value; associated transaction costs are booked 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 and pounds 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 16 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:
- In 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.
- In 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. Within the Group, such plans are used in France, Italy and Japan.

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. Following the early application of the revised IAS 19 standard, actuarial gains and losses are recognized in other comprehensive income.
The discount rate of 2.97% (compared to 4.46% at March 31, 2012) is determined on the basis of market rates for high-quality corporate bonds (IBBOX AA10 rate), average of last 12 months of AA-rated corporate bonds over 10 years or more).

Individual training right (DIF)

Full-time employees of French companies are entitled to between 20 and 21 hours of training each year, depending on the collective agreement provisions applicable within each company. The rights acquired each year may be accrued for up to six years. The total training acquired amounts to 88,405 hours and is recognized as off-balance-sheet commitments.

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, bonus shares, Group savings scheme).

In accordance with IFRS 2, share-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 instruments assessed at the date of grant;
- for a liability when they are settled in cash, whose liability is revalued at fair value at each balance sheet date.

This expense is spread over the vesting period, assuming presence on the vesting date and possibly performance conditions attached.

- Stock option plans: the 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.

- bonus shares settled in shares: the cost of this compensation is recognized in income over the vesting period, allowing for the vesting terms.

- bonus shares settled in cash: recognition as a result of 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 bonus 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 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 customers. A provision for estimated returns is recorded for the net amount of the sale as a decrease in revenues. 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 provide a return guarantee or grant discounts on unsold products or other benefits to certain customers. In this case, the Group's management estimates the amount of future credit notes and books 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 balance sheet 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 book profit nor taxable profit, and 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 balance sheet 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. 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 balance sheet separately from current tax assets and liabilities and is classified as a non-current item.

Deferred tax relating to tax loss carryforwards 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 Edition / Production activities, integrated and autonomous subsidiaries and geographical areas in which operational decisions are made.

1.6.6 CONSOLIDATION SCOPE

As at March 31, 2013, 63 entities were consolidated or accounted for using the equity method (against 57 entities at March 31, 2012).
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 ad hoc 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
SHANGHAI UBI COMPUTER SOFTWARE CO.LTD	China	100%	100%	FC	Production
UBISOFT DIVERTISSEMENTS INC.	Canada	100%	100%	FC	Production
UBISOFT FRANCE SAS	France	100%	100%	FC	Distribution
UBISOFT PRODUCTION INTERNATIONALE SAS	France	100%	100%	FC	Production
RED STORM ENTERTAINMENT INC.	United States	100%	100%	FC	Production
UBISOFT CANADA INC.	Canada	100%	100%	FC	Distribution
UBISOFT MONTPELLIER SAS	France	100%	100%	FC	Production
UBISOFTPARIS 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 accounts for the period from April 1 to March 31 for the purposes of the consolidated reports.

Changes in scope

Scope changes and their impact on the comparability of financial statements are described in paragraph 1.6.3.

1.6.7 NOTES TO THE BALANCE SHEET

Note 1. Goodwill

Goodwill	Opening balance	Increase	Decrease	Changes in scope	Translation adjustments	Closing balance
Gross	147,773	831	(4,774)	-	2,089	145.919
Net at 03/31/13	**147,773**	**831**	**(4,774)**	**-**	**2,089**	**145,919**
Net at 03/31/12	**108,125**	**147**	**1,132**	**37,525**	**3,108**	**147,773**

Variation, excluding currency, of goodwill is attributable to the price adjustment following the completion of estimates of future results used in the acquisitions of Nadeo SAS and Owlient SAS (CGU Edition/production), and to a partial write off further operational activities review at March 31 , 2013.
Net goodwill broke down as follows as of March 31, 2013:

Company	At 03/31/12 Net	Increase	Decrease	Translation adjustments	At 03/31/13 Net
CGU Edition/production	80,191	-	(4,774)	2,055	77,472
German Distribution	25,558				25,558
French Distribution	10,103				10,103
Netherlands Distribution	2,294				2,294
Switzerland Distribution	1,713			(21)	1,692
Total EMEA Distribution	**39,668**			**(21)**	**39,647**
Canadian Distribution	2,008			55	2,063
US Distribution	178				178
Total North America Distriubtion	**2,186**			**55**	**2,241**
Other CGU	25,728	831			26,559
TOTAL	**147,773**	**831**	**(4,774)**	**2,089**	**145,919**

Impairment tests on goodwill

The result of impairment tests on goodwill attached to the most significant CGUs is detailed in the table below:

CGU	Measurement method	Discount rate	Perpetuity growth rate	Carrying amount	Recoverable value
Edition / Production	DCF	8.94%	1.50%	472	846
Other CGU	DCF	8.94%	1.50%	27	86
German Distirubtion	DCF	8.94%	1.50%	6	50
French Distribution	DCF	8.94%	1.50%	10	39
Netherlands Distribution	DCF	8.94%	1.50%	2	13
Switzerland Distribution	DCF	8.94%	1.50%	2	5
Canadian Distribution	DCF	8.94%	1.50%	2	85
US Distribution	DCF	8.94%	1.50%	15	71

Sensitivity of recoverable amounts

On the basis of foreseeable events to date, the Group considers that potential changes in the assumptions described in note 1.6.5.3 “Impairment tests on 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:

CGU	Discount rate 03/31/13	Discount rate leading to a depreciations
Edition / Production	8.94%	14.80%
Other CGU	8.94%	N/A
German Distirubtion	8.94%	N/A
French Distribution	8.94%	86.56%
Netherlands Distribution	8.94%	46.67%
Switzerland Distribution	8.94%	14.31%
Canadian Distribution	8.94%	N/A
US Distribution	8.94%	71.75%

Note 2. Other intangible assets

Non-current assets	At 03/31/13 Gross	Depreciation and amortization	At 03/31/13 Net	At 03/31/12 Net
Released commercial software	607,716	513,102	94,614	63,218
Released external developments	235,781	232,865	2,916	8,105
Commercial software and external developments in progress	362,955	22,897	340,058	341,365
Office software	45,663	33,169	12,494	16,634
Other intangible assets in progress	3,390	-	3,390	1,511
Brands	87,921	681	87,240	86,956
Movies	6,474	-	6,474	2,601
Other	331	302	29	62
TOTAL	**1,350,231**	**803,016**	**547,215**	**520,452**

Non-current assets	Opening balance	Increase	Decrease	Reclassification of software in progress	Reclassifications	Changes in scope	Translation adjustments	Closing balance
Released commercial software	604,575	23,128	348,425	327,859	450	-	129	607,716
Released external developments	230,161	20,770	17,895	2,745	-	-	-	235,781
Commercial Software in progress	330,419	314,415	-	(327,859)	(450)	-	-	316,525
External developments in progress *	32,046	14,579	-	(2,745)	-	2,535	15	46,430
Office software	41,956	2,933	741		867	-	648	45,663
Other intangible assets in progress	1,511	2,746	-	-	(867)	-	-	3,390
Brands	86,956	-	-	-	-	-	965	87,921
Movies	2,601	3,873	-	-	-	-	-	6,474
Other	331	-	-	-	-	-	-	331
Total at 03/31/13	**1,330,556**	**382,444**	**367,061**	**-**	**-**	**2,535**	**1,757**	**1,350,231**
Total at 03/31/12	**1,288,232**	**348,502**	**309,485**	**-**	**-2,123**	**2,879**	**2,551**	**1,330,556**

* The change in scope is related to the acquisition of the in porgress development of South Park Stick of Truth.

The increase of commercial software in production for €314,415 and commercial software being marketed to €23,128 thousand is justified by the immobilized production costs of €335,858 thousand to which repayments of €2,152 thousand are added, the exchange differences amounting to € 222 thousand and capitalization of costs for share-based payments to R & D staff come to €3,614 thousand.

Reclassifications between accounts result from the transfer of intangible assets in progress.

Depreciation and amortization	Opening balance	Increase	Decrease	Reclassifications	Changes in scope	Translation adjustments	Closing balance
Released commercial software	541,357	298,941	348,425	21,100	-	129	513,102
Released external developments	222,056	28,704	17,895	-	-	-	232,865
Commercial software and external developments in progress	21,100	22,897	-	(21,100)	-	-	22,897
Office software	25,322	8,055	738	-	-	530	33,169
Brands	-	681	-	-	-	-	681
Movies	-	-	-	-	-	-	-
Other	269	33	-	-	-	-	302
Total at 03/31/13	**810,104**	**359,311**	**367,058**	**-**	**-**	**659**	**803,016**
Total at 03/31/12	**836,531**	**284,216**	**309,470**	**(2,143)**	**18**	**952**	**810,104**

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 1.6.5.3 “Impairment tests on non-current assets” would not lead to a surplus in the carrying amount compared with the recoverable value.

The recoverable value of brands is three times their book value.

Note 3. Property, plant and equipment

Non-current assets	At 03/31/13	Cumulative depreciation and amortization	At 03/31/13	At 03/31/12
	Gross		Net	Net
Land	295	-	295	293
Buildings	3,610	658	2,952	2,288
Fixtures and fittings	36,916	17,163	19,753	17,567
Computer hardware and furniture	80,031	57,270	22,761	17,179
Development kits	17,761	17,213	548	1,514
Transport equipment	448	285	163	201
Non-current assets in progress	17	-	17	137
TOTAL	**139,078**	**92,589**	**46,489**	**39,177**

Non-current assets	Opening balance	Increase	Decrease	Reclassifications	Changes in scope	Translation adjustments	Closing balance
Land	293	-	-	-	-	2	295
Buildings	2,797	773	-	-	-	40	3,610
Fixtures and fittings	30,164	2,806	134	893	2,759	428	36,916
Computer hardware and furniture	63,338	14,457	2,360	521	2,828	1,247	80,031
Development kits	18,322	246	824	(49)	-	66	17,761
Transport equipment	409	40	4	-	-	3	448
Non-current assets in progress	137	1,215	-	(1,335)	-	-	17
Total at 03/31/13	**115,460**	**19,537**	**3,322**	**30**	**5,587**	**1,786**	**139,078**
Total at 03/31/12	**102,353**	**16,695**	**6,898**	**58**	**574**	**2,678**	**115,460**

Depreciation and amortization	Opening balance	Increase	Decrease	Reclassifications	Changes in scope	Translation adjustments	Closing balance
Buildings	509	143	-	-	-	6	658
Fixtures and fittings	12,597	3,052	122	30	1,435	171	17,163
Computer hardware and furniture	46,161	9,640	2,197	49	2,681	936	57,270
Development kits	16,808	1,199	824	-49	-	79	17,213
Transport equipment	208	82	6	-	-	1	285
Total at 03/31/13	**76,283**	**14,116**	**3,149**	**30**	**4,116**	**1,193**	**92,589**
Total at 03/31/12	**67,529**	**12,511**	**6,079**	**70**	**385**	**1,867**	**76,283**

No property, plant or equipment is used to secure any borrowings.
As at March 31, 2013, no impairment test was performed because there was no indicator of impairment of property, plant and equipment.

Note 4. Investments in associates

	Opening balance Gross	Increase	Decrease	Reclassifications	Closing balance Gross
Goodwill	230	-	-	-	230
Share of equity	174	12	-	-	186
Total Investments in associates 03/31/13	**404**	**12**	**-**	**-**	**416**
Total Investments in associates 03/31/12	**393**	**11**	**-**	**-**	**404**

This is Related Designs Software GmbH in which Ubisoft Entertainment SA indirectly holds a 30% stake.

Note 5. Non-current financial assets

Non-current financial assets	At 03/31/13 Gross	Cumulative impairment	At 03/31/13 Net	At 03/31/12 Net
Equity investments in non-consolidated companies	56	55	1	209
Deposits and sureties	3,756	-	3,756	3,036
Other non-current receivables	87	-	87	97
TOTAL	**3,899**	**55**	**3,844**	**3,342**

Non-current financial assets	Opening balance	Increase	Decrease	Reclassifications	Changes in scope	Translation adjustments	Closing balance
Equity investments in non-consolidated companies	462	1	407	-	-	-	56
Deposits and sureties	3,036	918	568	-	376	(6)	3,756
Other non-current receivables	97	4,186	4,194	-	-	(2)	87
Total at 03/31/13	**3,595**	**5,105**	**5,169**	**-**	**376**	**(8)**	**3,899**
Total at 03/31/12	**3,588**	**6,301**	**6,455**	**2**	**73**	**86**	**3,595**

The change in other non-current receivables primarily reflects purchases and sales of own shares held under the liquidity agreement.

Write-downs	Opening balance	Increase	Decrease	Reclassifications	Changes in scope	Translation adjustments	Closing balance
Equity investments in non-consolidated companies	253	-	198	-	-	-	55
Total at 03/31/13	**253**	**-**	**198**	**-**	**-**	**-**	**55**
Total at 03/31/12	**253**	**-**	**-**	**-**	**-**	**-**	**253**

Note 6. Inventory and work in progress

Inventory and work in progress	Opening balance	Changes in inventory	Changes in scope	Translation adjustments	Closing balance
Goods	27,047	(4,862)	-	464	22,649
Total at 03/31/13	**27,047**	**(4,852)**	**-**	**464**	**22,649**
Total at 03/31/12	**51,198**	**(25,392)**	**-**	**1,241**	**27,047**

Provisions	Opening balance	Provisions/Reversals	Changes in scope	Translation adjustments	Closing balance
Goods	7,034	(2,179)	-	62	4,917
Total at 03/31/13	**7,034**	**(2,179)**	**-**	**62**	**4,917**
Total at 03/31/12	**15,980**	**(9,135)**	**-**	**189**	**7,034**

Note 7, Trade receivables

Trade receivables and other receivables	Opening balance Gross	Movement	Reclassifications	Changes in scope	Translation adjustments	Closing balance Gross
Trade receivables	(11,149)	51,811	(2,805)	1,220	(554)	38,523
Total at 03/31/13	**(11,149)**	**51,811**	**(2,805)**	**1,220**	**(554)**	**38,523**
Total at 03/31/12	**51,373**	**(64,914)**	**(128)**	**1,810**	**710**	**(11,149)**

Provisions	Opening balance	Provisions	Reversals	Reclassifications	Change in scope	Translation adjustments	Closing balance
Trade receivables	1,994	917	982	(28)	-	3	1,904
Total at 03/31/13	**1,994**	**917**	**982**	**(28)**	**-**	**3**	**1,904**
Total at 03/31/12	**2,110**	**1,542**	**1,573**	**(128)**	**-**	**42**	**1,994**

Trade receivables are due in less than one year.
The analysis of credit risk appears in note 16.

Note 8. Other receivables

Other receivables	03/31/13 Gross	03/31/13 Impairment	03/31/13 Net	03/31/12 Net
Advances and prepayments received	2,102	-	2,102	1,962
VAT	32,482	-	32,482	28,153
Grants receivable	49,594	-	49,594	24,394
Other tax and employee-related receivables	1,556	-	1,556	2,133
Other	1,761	-	1,761	16,007
Prepaid expenses	18,249	-	18,249	10,943
TOTAL	**105,744**	**-**	**105,744**	**83,592**

All other receivables are due in less than one year.

An amount of receivables under grants receivable in the amount of €25.3 million was deconsolidated following the signing of the factoring contract regarding the Canadian multimedia titles tax credit (€30.5 million at March 31, 2012). The contractual terms of the factoring agreement signed in March 2012 allow Ubisoft to transfer all the risks and rewards relating to the 80% share of these receivables held, including the risk of default of the assigned debtor. Consequently, 80% of these grants were derecognized as at March 31, 2013.

The significant change in "other receivables" is explained by:

- the recovery from the credit insurer during the year, of receivables from the Game client which was insolvent during the year 2011/12.
- positiv outcome of a litigation with a third party accrued during FY 2011/12 and the recovery took place in 2012/13.

Note 9. Current financial assets

Current financial assets	03/31/13 Gross	03/31/13 Impairment	03/31/13 Net	03/31/12 Net
Foreign exchange derivatives*	1,236	-	1,236	645
Stock futures	514		514	-
Gameloft shares**	5,100	-	5,100	14,642
TOTAL	**6,850**	**-**	**6,850**	**15,287**

<u>* Foreign exchange derivatives:</u>

	03/31/13	03/31/12	Change
Foreign exchange derivatives eligible for hedge accounting	-	620	-620
Other foreign exchange derivatives	1,236	25	1,211
Foreign exchange derivatives	**1.236**	**645**	**591**

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 16).

<u>** Fair value of Gameloft shares classified as “held-for-sale financial assets”:</u>

At March 31, 2013, there were 1 million Gameloft shares at € 5.10 or a balance sheet value of € 5,100 thousand.

The sale of 2.1 million shares for €10.7 million resulted in a decrease in financial assets of €9,982 thousand with a corresponding capital gain of €7,227 thousand and a decrease in equity of €6,469 thousand.
The change in fair value based on the closing price of the remaining shares led to an increase in financial assets of €440 thousand with a corresponding increase in equity.

Note 10. Cash and cash equivalents

	03/31/13	03/31/12
Cash and bank balances	195,214	165,291
Investments of less than 3 months	42,490	10,412
*Including UCITS**	-	-
*SICAV**	*30,508*	*10,155*
Term certificates of deposit	*11,982*	*257*
TOTAL	**237,704**	**175,703**

* 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:

	03/31/13	03/31/12
Cash and cash equivalents	237,704	175,703
Bank overdrafts	(108,199)	(89,378)
Cash and cash equivalents on the cash flow statement*	**129,505**	**86,325**

* see 1.5

Note 11. Equity

Capital

As at March 31, 2013, the capital of Ubisoft Entertainment SA is €7,441,041, divided into 96,013,433 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 01/04/12	**95,090,002**
Option exercises	689,679
Bonus share grants	102,339
Share subscription warrant exercises	74,992
Group savings scheme	56,421
At 03/31/13	**96,013,433**

The maximum number of shares to be created is:

- 12,880,409 through the exercising of stock options;
- 1,879,528 through the granting of bonus shares.
- 8,517,932 per share subscription warrant exercise

<u>Share subscription warrant exercise at April 10, 2012</u>

Initial number of warrants:	95 090 002, 11 warrant to subscribe for one new share.
Exercise period:	From April 10, 2012 to October 10, 2013
Strike price:	7€

567,834 warrants were canceled and 824,912 undertaken during the year.

At March 31, 2013, there were 93,697,256 unexercised share subscription warrants.

The details of stock options and free shares are given in note 14.

Translation reserve

The translation reserve includes all translation adjustments resulting from the translation of the financial statements of foreign subsidiaries since January 1, 2004.

Translation differences in consolidated equity went from €-23 million to €-15 million. This change is due primarily to the rise in the US dollar between the closing rate on March 31, 2012 (€1 = $1.4207) and the closing rate on March 31, 2013 (€1 = $1.2805) or €6.275 thousand, and the rise in the Canadian dollar between the closing rate on March 31, 2012 (€1 = $1.3311) and the closing rate on March 31, 2013 (€1 = $1.3021) or €1.356 thousand.

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 03/31/12	**488**
Gains/losses on cash flow hedging	
Foreign exchange hedges	(731)
Deferred tax	243
Reclassification under profit or loss	-
At 03/31/13	**0**

The portion reclassified under profit or loss is booked 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 derecognised 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, 2013, the Company held 511,523 own shares. They are valued at an average price of €4.93 and are recognized as a deduction from equity, for an amount of € 2.524 thousand (€32 thousand or decrease compared to March 31, 2012).

Dividends

At March 31 2013, no dividend had been paid in respect of 2011/2012 earnings.

Note 12. Provisions

	Opening balance	Provisions	Reversals (used provision)	Reversals (unused provision)	Reclassifications	Changes in scope	Translation adjustments	Closing balance
Provision for tax risk	2,253	-	-	-		-	51	2,304
Provision for other financial risks	-	441	-	-	2,063	-	(24)	2,480
Other provisions for risks	1,665	425	1,211	-		-	7	886
Total at 03/31/13	**3,918**	**866**	**1,211**	**-**	**2,063**	**-**	**34**	**5,670**
Total at 03/31/12	**2,295**	**1,576**	**44**	**-**	**-**	**8**	**83**	**3,918**

As part of the Ubisoft Divertissements Inc. (Canada) tax audit for 1999 to 2003, and 2004 to 2008, a bilateral transfer price agreement has been initiated with the tax authorities. Pending the final agreement, the provision of CAD 3 million is maintained unchanged.

Reclassification has been made in the accounts of the subsidiary Ubisoft Divertissements to show a risk-related provision of CAD3.2 million for the CTMM (Crédit Titres Multimedia) in provisions for other financial risks. This liability was previously presented as other debts.

Other provisions for risks relate to labor or commercial disputes in progress.

Contingent liabilities

A tax audit is underway at Ubisoft Entertainment SA for the period from April 1, 2009 to March 31, 2012. No proposed adjustments have been received to date. Consequently, no provision has been recognized in the accounts.

A tax audit is underway at Ubisoft Divertissements for the period April 1, 2007 to March 31, 2013, following the challenging by Canadian authorities (Investissement Québec) of CTMM (Canadian credit multimedia shares) for a significant amount in profitability bonuses paid to employees of the company. Based on advice of counsel to the Company, no provision has been booked.

Note 13. Employee benefit liabilities

	Opening balance	Provisions in income	Change in other elements of comprehensive income	Reversals	Translation adjustments	Changes in scope	Closing balance
Provisions for post-employment benefits	1,568	530	913	-	(14)	-	2,997
Total at 03/31/13	**1,568**	**530**	**913**	**-**	**(14)**	**-**	**2,997**
Total at 03/31/12	**1,196**	**339**	**-**	**-**	**-**	**33**	**1,568**

Assumptions

	Japan		Italy		France	
	03/31/13	03/31/12	03/31/13	03/31/12	03/31/13	03/31/12
Wage growth	2 to 4%	2 to 4%	2%	1.50 to 2%	1.50 to 2%	1.50 to 3%
Discount rate	2.97%	4.56%	2.97%	4.56%	2.97%	4.56%
Average remaining working life	24.49 years	25.3 years	26.12 years	26.7 years	32.78 years	33.6 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 1.6.5.3 Consolidation principles - Employee benefits.
A 50-point change in the discount rate would result in a rise of 16.1% in the amount of the benefit liability.

Note 14. Payments based on equity instruments

Impact on the financial statements:

Equity at 03/31/12	**77,769**
Employee benefits expenses	**1,313**
Stock options	*1,006*
Bonus share grants	*269*
Group savings scheme	*38*
Equity instruments capitalized	**3,614**
Equity at 03/31/13	**82,696**

The impact of these share-based payments on reserves corresponds to all equity instruments issued by Ubisoft as of March 31, 2013 and can be seen in the statement of changes in equity presented in §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. IFRS 2 has been applied to instruments granted after November 7, 2002 that were not vested as of December 31, 2004 (only the 7th plan has not been retreated regarding IFRS 2).

Subscription options

	7th plan	11th plan	12th plan		13th plan	14th plan
Total number of shares granted	1,566,260	1,570,134(1)	1,487,128(1)		2,711,784	3,154,800
Start of exercise period	19/01/2005	14/10/2005	17/11/2005	17/11/2005	13/06/2009	27/06/2009
End of exercise period	15/08/2012	13/10/2014	16/11/2014	16/11/2014	13/06/2013	26/06/2013
Strike price of options (1)	€3.17	€3.84	€3.64 France	€3.83 Italy	€7.82	€17.45
Maturity (years)	10	10	10		5	5
Volatility	N/A	30%	30%		30%	30%
Risk-free interest rate	N/A	4%	3.90%		2.99%	4.03%
Estimated dividend rate	N/A	0%	0%		0%	0%
Annual turnover rate	N/A	3%	3%		3%	5%
Fair value of options after stock split(1) (€/share)	N/A	€1.47	€1.59 France	€1.53 Italy	€6.69	€8.00
Options at April 1, 2012 (1)	28,567	308,228	707,747		1,701,303	2,494,890
Options granted during the period	-	-	-		-	-
Options exercised during the period	28,567	33,643	21,828		497,008	-
Options cancelled during the period	-	17,128	2,427		1,204,295	2,494,890
Options outstanding at 03/31/13	-	257,457	683,492		-	-

	15th plan		16th plan	17th plan	18th plan	
Total number of shares granted	24,072		1,824,587(1)	1,377,587(1)	101,340(1)	
Start of exercise period	13/06/2009		13/06/2009	27/06/2009	15/09/2009	
End of exercise period	13/06/2013		13/06/2013	26/06/2013	14/09/2013	
Strike price of options (1)	€18.56		€27.44	€27.35	€28.98 France	€27.82 (world)
Maturity (years)	5		5	5	5	
Volatility	30%		30%	30%	30%	
Risk-free interest rate	4.41%		4.38%	4.38%	4.23%	
Estimated dividend rate	0%		0%	0%	0%	
Annual turnover rate	5%		5%	5%	5%	
Fair value of options after stock split(1) (€/share)	€5.92 € France	€4.37 € World	€6.69 €	€8.00 €	€8.54 € France	€6.72 World
Options at April 1, 2012 (1)	17,599		1,458,246	1,284,110	85,351	
Options granted during the period	-		-	-	-	
Options exercised during the period	-		-	-	-	
Options cancelled during the period	17,599		56,595	19,215	2,732	
Options outstanding at 03/31/13	-		1,401,651	1,264,895	82,619	

	19th plan		20th plan		21st plan	22nd plan
Total number of shares granted	3.108.309[1]		121.171[1]		4.551[1]	120.336[1]
Start of exercise period	12/05/2010		18/06/2010		15/12/2010	29/04/2011
End of exercise period	11/05/2014		17/06/2014		14/12/2014	28/04/2015
Strike price of options (1)	€14.75 France	€14.24 World	€15.43 France	€16.71 World	€9.93	€9.91
Maturity (years)	5		5		5	5
Volatility	30%		30%		30%	30%
Risk-free interest rate	2,42%		2,61%		2,23%	2,01%
Estimated dividend rate	0%		0%		0%	0%
Annual turnover rate	5%		5%		5%	0%
Fair value of options after stock split(1) (€/share)	€3.54 France	€2.68 World	€5.22 France	€3.37 World	€2.64	€2.46
Options at April 1, 2012 [1]	2.791.622		87.631		4.551	120.336
Options granted during the period	-		-		-	-
Options exercised during the period	-		-		-	-
Options cancelled during the period	82.946		5.564		3.034	-
Options outstanding at 03/31/13	2.708.676		82.067		1.517	120.336

	23rd plan		24th plan	25th plan		TOTAL
Total number of shares granted	3,123,939[1]		3,255,401[1]	936,970		
Start of exercise period	30/06/2011		27/04/2012	19/10/2012		
End of exercise period	29/06/2015		26/04/2016	18/10/2017		
Strike price of options (1)	€7.02 France	€6.32 World	€6.770	€6.37 France	€6.65 World	
Maturity (years)	5		5	5		
Volatility	30%		30%	30%		
Risk-free interest rate	1,54%		2,72%	0,35%		
Estimated dividend rate	0%		0%	0%		
Annual turnover rate	5%		5%	5%		
Fair value of options after stock split(1) (€/share)	€1.29 France	€1.13 World	€1.85 France	€1.79 France	€1.28 World	
Options at April 1, 2012 [1]	2,924,756		2,724,058			16,738,995
Options granted during the period	-		-	936,970		936,970
Options exercised during the period	79,524		29,109	-		689,679
Options cancelled during the period	98,096		97,606	3,750		4,105,877
Options outstanding at 03/31/13	2,747,136		2,597,343	933,220		12,880,409

[1] Subscription number and price adjusted following share warrant issue at April 10, 2012.

The average price of options exercised during the period was €7.787.

Purchase options (1)

	24th plan
Total number of shares granted (2)	421,705
Start of exercise period	27/04/12
End of exercise period	26/04/16
Strike price of options (2)	€6.770
Purchase options at April 1, 2011	415,384
Purchase options granted during the period	-
Number of purchase options exercised during the period	3,601
Purchase options granted during the period	7,209
Purchase options outstanding at 03/31/13	404,574

(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) number and subscription price adjusted following the issuance of subscription warrants for shares April 10, 2012.

Bonus share grants settled in cash

Over the 1st half 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	02/07/2012
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	€8.4300
Carrying value of the liability at the closing date	€128,558
Intrinsic value of the liability at the closing date	€514,230
Total expense recognized at the closing date	€128,558

Bonus share grants settled in shares

Bonus 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.

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.

	31/03/2009		31/03/2010			31/03/2011		
Grant date	13/06/2008	15/09/2008	09/04/2009	17/11/2009	15/12/2009	30/06/2010	30/06/2010	15/11/2010
Maturity - Vesting period (in years)	4 years	4 years	4 years	4 years	4 years	4 years	2 years	4 years
Fair value of the instrument in € per share	28.44	28.8	15.35	11.21	9.92	6.19	6.19	9.65
Percentage of operating targets reached	100%	100%	100%	100%	100%	100%	100%	100%
Number of instruments as at 01.04.12	30,945	59,667	44,498	15,168	295,283	146,631	13,772	207,309
Number of instruments granted during the period			-	-	-		-	-
Number of cancelled instruments during the period	2,023		3,540	-	12,135		22	10,112
Number of instruments exercised during the period	28,922	59,667	-	-	-	-	13,750	-
Number of instruments at 03/31/13	-	-	40,958	15,168	283,148	146,631	-	197,197

	31/03/2012		31/03/2013			TOTAL
Grant date	24/06/2011	24/06/2011	19/10/2012	19/10/2012	08/02/2013	
Maturity - Vesting period (in years)	2 years	4 years	2 years	4 years	4 years	
Fair value of the instrument in € per share	6.49	6 .49	6.76	6.76	7.6	
Percentage of operating targets reached	100%	100%	100%	100%	100%	
Number of instruments as at 04/01/12*	13,354	133,252				959,879
Number of instruments granted during the period			302,910	439,960	316,500	1,059,370
Number of cancelled instruments during the period	-	-	1,760	7,790		37,382
Number of instruments exercised during the period	-	-				102,339
Number of instruments at 03/31/13	13,354	133,252	301,150	432,170	316,500	1,879,528

*Adjustment April 10, 2012 following issuance of warrants

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 lock-in period is five years for French employees.

	03/31/13	03/31/12
Grant date	19/07/2012	18/07/11
Subscription price (in euros)	4.48	6.12
Data at the time of announcement to employees:		
Share price (in euros)	5.15	7.20
Number of shares subscribed	56,421	50,466
Fair value of the benefit in € per share	**0.67**	**1.08**

Note 15. Current and non-current financial liabilities

	03/31/13	03/31/12
Bank loans and bonds	23,999	932
Borrowings resulting from the restatement of finance leases	458	547
Long-term borrowings	**24,457**	**1,479**
Bank borrowings	379	99
Bank overdrafts and short-term loans	107,782	89,209
Accrued interest	417	169
Borrowings resulting from the restatement of finance leases	149	174
Foreign exchange derivatives*	32	1,421
Short-term borrowings	**108,759**	**91,072**
TOTAL	**133,216**	**92,551**
Fixed-rate debt	25,195	2,949
Variable-rate debt	108,021	89,603

* Measured at fair value (level 2, IFRS 7 hierarchy)

Note 16. 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 reduced 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.

At March 31, 2013, the Group's debt included bonds, outstanding loans and bank overdrafts which, given the Group's net positive cash position, were used essentially to finance the high year-end working capital requirement engendered by 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	0.65%	87,431	564	1,439	874
Investment securities	Variable	0.24%	42,489	102	527	425
TOTAL			**129,920***	**666**	**1,955**	**1,299**

* Excluding accrued interest and finance lease borrowing

Liquidity risk

As at March 31, 2013, the Group had financial debt of €133 million and net cash (including liquid assets and short-term investment securities) of €105 million.

	03/31/13	03/31/12
Financial liabilities excluding derivatives	(133,184)	(91,130)
Cash	195,214	165,291
Net investment securities	42,490	10,412
Net cash	**104,520**	**84,573**

To finance specific needs related to the increase in working capital during periods of high activity, the Group took out at March 31, 2013, a syndicated loan for €214.5 million, loans of €4 million, bilateral credit lines for €45 million lines, credit lines with banks for €61 million, and issued bonds for €20 million in December 2012.

The Group implemented cash agreements allowing centralized management at parent bank level of the bank accounts of the majority of Group companies.

<u>Covenants</u>

Under the terms of the syndicated loan and bilateral credit lines, the Company is required to fulfill certain financial ratios (covenants).
The covenants are as follows:

	2012/2013	2011/2012
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 of March 31, 2013, the Company is in compliance with all these ratios and expects to remain so during FY 2013/2014.

Other borrowings are not governed by covenants.

Analysis of financial liabilities by maturity

	03/31/13		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	24,378	24,378	379	592	2,246	21,161
Borrowings resulting from the restatement of finance leases	607	607	149	93	258	107
Trade payables	75,963	75,963	75,963	-	-	-
Other operating debts**	148,337	148,337	120,416	25,896	1,687	338
Current tax liabilities	3,847	3,847	3,847	-	-	-
Cash liabilities	108,199	108,199	108,199	-	-	-
Derivative liabilities						
Non-hedge derivatives	32	21,070	21.070			
TOTAL	**361,363**	**382,401**	**333.023**	**26,581**	**4,191**	**21,606**

* 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 the euro currency area is 70%.

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 of March 31, 2013, foreign exchange transactions denominated in US dollars and pounds 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 fair value of foreign exchange derivatives is confirmed by the banking counterparty. It is estimated on the basis of market conditions, using the market price which the Group would have to pay to unwind its positions.

At closing, the fair value of foreign exchange derivatives is as follows:

	03/31/13							03/31/12			
	USD	CAD	GBP	SGD	INR	JPY	SEK	USD	CAD	GBP	SEK
Long-term hedges (1) Swap Net foreign exchange options								620			
Qualifying foreign exchange hedging derivatives	**-**	**-**	**-**				**-**	**620**	**-**	**-**	**-**
Long-term hedges (1) Net foreign exchange options	903	(13)	213	19	1	82	(1)	(1,380)	(30)	(11)	25
Non-hedge foreign exchange derivatives	**903**	**(13)**	**213**	**19**	**1**	**82**	**(1)**	**(1,380)**	**(30)**	**(11)**	**25**

(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 accounted for as financial income.

Exposure to foreign exchange risk

In thousands of currency units	USD	GBP	CAD	AUD
Net position before hedging*	272,837	66,428	(175,540)	35,172
Futures contracts	6,433	-	18,000	-
Net position after hedging	279,270	66,428	(157,540)	35,172

* 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 believes the counterparty risk on trade accounts is limited.

Ubisoft's largest customer, in the North America distribution zone, accounts for 13% of Group sales excluding tax. The top five account for 35% and the top 10 for 47%.

Moreover, in order to protect itself against the risk of arrears, the Group's main subsidiaries, which generate approximately 68% of Group sales, are all covered by credit insurance.

At year-end, the maximum credit risk exposure, represented by the carrying amount of financial assets, was as follows:

		03/31/13			03/31/12
	Notes	Carrying amount	Provisions	Net carrying amount	Net carrying amount
Available-for-sale financial assets	9	5,100	-	5,100	14,642
Trade receivables	7	38,523	1,904	36,619	(13,143)
Other current trade receivables	8	105,744	-	105,744	83,592
Foreign exchange derivatives	9	1,236	-	1,236	645
Stock futures	9	514	-	514	-
Current tax assets		15,987	-	15,987	13,691
Cash and cash equivalents	10	237,704	-	237,704	175,703

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 of March 31, 2013, the Group's investments consisted of cash UCITS and certificates of deposit.

Securities risk

Risk to the Company's shares

Treasury 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 over the last financial year.

400,000 shares were purchased on the market (assigned to employee shareholdings) under the 6th resolution of the General Meeting of 30 June, 2011.

As of March 31, 2013, the Company held 511,523 treasury shares with a value of €2,524 thousand. Own shares are deducted from equity at cost of sale.

Risk to other securities

At March 31, 2013, financial assets included €5.1 million in shares in the listed company Gameloft.
On July 12, 2007, Ubisoft Entertainment SA signed two contracts with CACIB. The first concerns the sale of all Gameloft shares held by Ubisoft Entertainment SA, or 13,367,923 shares at a price of €6.08 per share. The second is the opportunity for Ubisoft to continue to benefit from upward and downward fluctuations in the share price in relation to the price of €6.08 per share until July 15, 2013.
Under IAS 39, all the risks and benefits have not been transferred; the Gameloft shares have been classified as available-for-sale current financial assets.
The sale of Gameloft shares on the market by CACIB is recorded in the income statement.
The Gameloft shares not yet sold by CACIB are measured at fair value. The change in fair value of shares not yet sold by CACIB is recognized in other comprehensive income.

Information on the valuation of these shares is presented in note 9.

A 10% change in the closing price would have an impact of €0.5 million on consolidated equity and comprehensive income (excluding effect of deferred taxation).

Transfers of financial assets

Transferred financial assets not derecognised in their entirety

<u>Factoring agreements on unvested rights under the CTMM (partially derecognized)</u>

In March 2011 the production subsidiary Ubisoft Divertissements 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 balance sheet of the group.
Following an agreement in March 2012, Ubisoft Divertissements Inc receives 80% of the sale price of the receivables transferred at the transfer date; the remaining 20% is collected at the time of actual payment of the grant by Investissement Québec, the counterparty of the factoring agreement. The risks and benefits associated with 20% of transferred receivables retained by the Group, a portion of 20% of outstanding claims relating to unvested rights of the organization Investissement Québec under the so-called "CTMM" grant remains the balance sheet of the Group.

Subsidiary (in thousands of euros)	Factoring agreement on the "CTMM" grant
Nature of the assets transferred	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/ Risk of late payment
Total carrying amount of assets before the initial transfer	€31.6 million
Carrying amount of assets still recognized	€6.3 million
Carrying amount of the associated liabilities	N/A
Nature of the relationship between the transferred assets and associated liabilities	N/A
Restrictions on use of the assets transferred arising from the transfer	Legal ownership of the debt transferred to the counterparty

Financial assets derecognised in their entirety

Subsidiaries of English and German distribution of the Group concluded respectively in March 2005 and May 2006, a factoring agreement on trade receivables from subisidiaries located 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 balance sheet 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.

Subsidiary (in thousands of euros)	Factoring Agreement on trade receivables - Germany	Factoring Agreement on trade receivables - UK
Nature of the assets transferred	Trade receivables related to the subsidiary in Germany	Trade receivables related to the subsidiary in the UK
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
Income from disposals during the year	N/A	N/A
Outstanding receivables transferred at the closing date	€1.5 million	€ (0.35) million
Maturity of assets representing continued involvement	N/A	N/A

Reconciliation by accounting class and category

			03/31/13		03/31/12	
	Notes	Hierarchy IFRS 7	Carrying amount	Fair value	Carrying amount	Fair value
Assets recognized at fair value						
Foreign exchange derivatives	9	2		1,236		645
Stock futures	9	1		514		-
Gameloft shares	9	1		5,100		14,642
Equity investments in non-consolidated companies	5	2		1		209
Assets recognized at amortized cost						
Trade receivables	7		36,619		(13,143)	
Other trade receivables	8		105,744		83,592	
Current tax assets			15,987		13,691	
Deposits and sureties	5		3,756		3,036	
Other non-current receivables	5		87		97	
Securities	10	2		42,490		10.412
Cash	10		195,214		165,291	
Liabilities recognized at fair value						
Foreign exchange derivatives	15	2		(32)		(1,421)
Liabilities recognized at amortized cost						
Borrowings	15		(133,184)		(91,130)	
Trade payables	17		(75,963)		(80,800)	
Other operating debts	18		(148,337)		(116,531)	
Current tax liabilities			(3,847)		(3,145)	

No changes in the fair value hierarchy have been carried out in the valuation of assets and liabilities at fair value over the past year.

Note 17. Trade payables

Trade payables	At 03/31/12 Gross	Cash flows from operating activities	Reclassifications	Changes in scope	Translation adjustments	At 03/31/13 Gross
Trade payables	79,395	(3,104)	(2,063)	396	974	75,598
Amounts due to suppliers of non-current assets	1,405	(1,040)	-	-	-	365
Total at 03/31/13	**80,800**	**(4,144)**	**-2,063**	**396**	**974**	**75,963**
Total at 03/31/12	**110,947**	**(32,664)**	**-**	**448**	**2,069**	**80,800**

Trade payables include commitments made under license agreements for the amount specified in the agreement including the portion not yet paid.

As at March 31, 2013, these unpaid commitments amounted to €13,630 thousand. These stood at €14,882 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 18. Other liabilities

	03/31/13	03/31/12
Advances and prepayments received	-	49
Employee-related liabilities	87,419	66,796
Other tax liabilities	22,954	15,494
Other debts	31,881	29,560
Deferred income*	6,083	4,632
TOTAL	**148,337**	**116,531**

Other liabilities include mainly

- Supplementary price to pay for the following acquisitions: €3 million for the company Nadeo, €5.1 million for RedLynx and €16.2 million for Owlient.
- Incentive rental income at Ubisoft Divertissements and Ubisoft Saint Antoine respectively for €2.8 million and €3.1 million.

1.6.8 NOTES TO INCOME STATEMENT

Note 19. Sales

In thousands of euros	03/31/13	03/31/12
Core Games	928	578
Casual Games	328	483
TOTAL	1,256	1,061

At current exchange rates, sales have risen by 18.4%; at constant exchange rates, there has been an increase of 13.5%.

Note 20. Operating expenses by destination

The increase of €80 million in R&D costs, which represent 34.6% of sales (€435 million) compared to 33.5% in 2011/12 (€355 million), is mainly explained by an increase in depreciation of commercial software being marketed amortized for a net amount of € 315 million (against € 206 million in 2011/12). This increase was offset by lower depreciation on external developments of €35.7 million (against €28.7 million compared to €64.4 million in 2011/12).

The increase in SG & A expenses, which totaled €386.3 million (30.8% of revenues) against €317.5M (29.9% of revenues) in 2011/12, is linked to:

- variable marketing costs, up to €228.7 million (18.2% of sales) compared to €177.1 million (16.7%) in 2011/12. This increase was due to increasingly higher marketing investments at the end of each cycle of consoles and to a lesser extent, marketing investments incurred for online titles,
- structural costs, also up to €157.6 million (12.5% of sales), compared to €140 million (13.2%) in 2011/12. This increase is mainly due to the development of our online and IT activities and by different exchange rates.

Note 21. Operating expenses by type

Employee benefits expenses

	03/31/13	03/31/12
Salaries and payroll taxes	474,911	403,515
Wage subsidies	(79,095)	(62,021)
Share-based payments*	4,927	9,090
Portion of share-based payments capitalized	(3,614)	(5,281)
TOTAL	397,129	345,303

* See breakdown in note 14

In financial year 2012/2013, €3.6 million in share-based compensation was capitalized and €6.8 million amortized for the year.
The Group had total expenses of €13,450 thousand on its defined contribution plans.

Grants and tax credits presented as a reduction in personnel costs are as follows:

Country	Type	03/31/13	03/31/12
Canada			
	Multimedia credit	45,499	38,425
	Research tax credit*	9,534	8,632
	Other*	11,839	8,745
France			
	Research tax credit	2,326	1,969
	Video game tax credit**	2,011	1,164
	Video game tax credit refund	-	(1,842)
	Tax credit for competitiveness and employment ***	253	-
	Research tax credit	360	-
	Other	1	-
Singapore			
	Economic Development Board tax credit	5,325	4,070
Abu Dhabi	Two Four 54	1,502	219
Other		445	639
TOTAL		**79,095**	**62,021**

* The payment of certain grants and tax credits is contingent upon the generation of taxable income

** €0.4 million from the period from 01/01/2012 to 03/31/2012 by the renewal of the mechanism by the EC after the closing date of March 31, 2012.

*** The Group analyzed the 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 recognized in respect of eligible wages paid during the period from 01/01/2013 to 03/31/2013 and presented as a reduction in staff costs allocated to related destinations in the income statement.

Amortization and provisions

	03/31/13				
	TOTAL	Cost of sales	R&D costs	Marketing costs	Administrative and IT costs
Amortization of intangible assets	359,311	13	351,962	161	7,175
Released commercial software	*321,838*	-	*321,838*	-	-
External developments	*28,704*	-	*28,704*	-	-
Office software	*8,055*	*13*	*715*	*158*	*7,169*
Brand	*681*		*681*		
Movies	-	-	-	-	-
Other	*33*	-	*24*	*3*	*6*
Amortization & depreciation of property, plant and equipment	14,116	187	10,667	1,007	2,255
Buildings	*143*	*2*	*105*	*11*	*25*
Fixtures and fittings	*3,052*	*44*	*2,237*	*238*	*533*
Computer hardware and furniture	*9,640*	*140*	*7,066*	*751*	*1,683*
Development kits	*1,199*	-	*1,199*	-	-
Transport equipment	*82*	*1*	*60*	*7*	*14*
TOTAL depreciation and amortization 03/31/13	**373,427**	**200**	**362,629**	**1,168**	**9,430**
TOTAL depreciation and amortization 03/31/12	**296,727**	**170**	**287,401**	**985**	**8,172**

	03/31/13				
	TOTAL	Cost of sales	R&D costs	Marketing costs	Administrative and IT costs
Provisions for trade receivables	(64)	-	-	(62)	(2)
Provisions for other current assets	-	-	-	-	-
Provisions for risks and charges	(345)	87	695	(107)	(1.020)
Provisions for post-employment liabilities	530	-	(15)	122	423
Other provisions	-	-	-	-	-
TOTAL provisions and reversals of provisions 03/31/13	**121**	**87**	**680**	**(47)**	**(599)**
TOTAL provisions and reversals of provisions 03/31/12	**1,840**	**27**	**1,371**	**119**	**321**

Note 22. Non current expenses and income

	03/31/13	03/31/12
Goodwill	3.612	-
Brands	681	-
TOTAL	**-4.293**	**-**

A partial write-off has been booked further to operational activity review at March 31, 2013.

Note 23. Net financial income

	03/31/13	03/31/12
Income from cash	403	1,820
Interest on borrowings	(5,032)	(4,347)
Cost of net financial debt	**(4,629)**	**(2,527)**
Foreign exchange gains	40,108	38,104
Foreign exchange losses	(39,399)	(41,508)
Result from foreign exchange operations*	**709**	**(3,404)**
Other financial income	911	193
Disposal of the equity swap on Gameloft shares	7,227	8,512
Financial income	**8,138**	**8,705**
Other financial expenses	(219)	(308)
Financial expenses	**(219)**	**(308)**
TOTAL	**3,999**	**2,466**

* The foreign exchange income is mainly linked to changes in the Canadian dollar (€0.1 million), pound sterling (€(0.5) million) and US dollar (€1.4 million).

Note 24. Share of profit of associates

The share of profit of associates is attributable to the Related Designs Software GmbH associate.

	31/03/2013	31/03/2012
Assets	1,356	773
Liabilities excluding income	1,317	716
Sales	3,879	2,802
Net profit	39	57

Note 25. Income tax and deferred taxes

Analysis of tax liabilities (savings):

	03/31/13	03/31/12
Current tax	(8,936)	(7,667)
Deferred tax	(18,147)	(3,112)
TOTAL	**(27,083)**	**(10,778)**

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. At March 31, 2013, the tax group's loss carryforwards totaled €395,900 thousand, including €405,567 thousand in accelerated depreciation relating to the application of Article 236 of the CGI (General Tax Code) for software development expenses.

  In the US, the tax group included two companies: Redstorm Entertainment Inc. and Ubisoft Inc. As at March 31, 2013, the tax group generated tax expense of €3,274 thousand.
- In the UK, the tax group included two companies: Ubisoft Limited and Ubisoft Reflections Limited. As at March 31, 2013, the tax group generated tax expense of €537 thousand.

Deferred tax relating to the operations of the French tax group is recognized at the tax rate applicable to the parent company (36.10%).

Deferred tax relating to the operations of the groups abroad is recognized at the tax rate applicable in each country.

Reconciliation between the theoretical tax liability and the recognized tax liability:

		03/31/13
Result of the period		64,831
Tax expense		(27,083)
Non Current expense and income		(4,293)
Stock options		(8,098)
Share in profit of associates		12
Consolidated income excluding goodwill, stock options, tax, profit from associates, and excluding income from discontinued activities		104,293
Theoretical tax (36.10%)		37,650
Payments of tax deferred from previous years:		
	Impact of changes in the rate on the tax basis	(1,019)
	Other	506
Impact of permanent differences between corporate income and consolidated earnings:		
	cancellation of provisions for impairment	(558)
	Cancellation of studio margin	(2,342)
	Other permanent differences	(522)
Impact of permanent differences between corporate income and taxable income:		(3,425)
Taxation of foreign companies at different tax rates		(1,844)
Other adjustments		
	Tax credit	(1,363)
Total income tax		**(27,083)**
Real tax rate		**25.97%**

Deferred tax

Breakdown by nature of tax on the balance sheet and income statement:

	03/31/12	Change in income	Change in other comprehensive income	Foreign exchange losses/gains	Other reclassifications	03/31/13
Intangible assets						
Elimination of margin on intangible assets	6,365	2,318				8,683
Available-for-sale financial assets	1,487	-	(1,133)			354
Capitalized losses and tax credits						
Losses	10,567	(8,321)				2,246
Investment tax credit	46,763	310		1,072	7,815	55,960
Hedging derivatives	474	(705)	244			13
Other						
Temporary tax differences	24,912	(1,765)				23,146
Other consolidation adjustments	1,757	820	359	(94)	(325)	2,517
Total deferred tax assets	**92,325**	**(7,343)**	**(530)**	**978**	**7,488**	**92,919**
Intangible assets						
Brands	(6,628)	842		(137)		(5,923)
Other intangible assets	(1,173)	674				(499)
Tax credit	(25,675)	(6,141)				(31,816)
Other	(3,920)	(6,181)		(88)	(754)	(10,943)
Total deferred tax liabilities	**(37,396)**	**(10,804)**	**-**	**(225)**	**(754)**	**(49,181)**
Total net deferred taxes	**54,929**	**(18,148)**	**(530)**	**753**	**6,734**	**43,738**

Deferred tax assets

Expiry of deferred tax assets as at March 31, 2013:

- Short-term: €17,115 thousand
- Long-term: €75,804 thousand

Taxes on capitalized/non-capitalized losses:

	03/31/13			03/31/12		
in thousands of euros	Capitalized losses	Non-capitalized losses	TOTAL	Capitalized losses	Non-capitalized losses	TOTAL
Tax group France [1]	-	441	441	8,537	629	9,166
Ubi Workshop Inc.	-		-	35		35
Hybride Technologies Inc.	63		63	230		230
Ubisoft Music Publishing Inc.	82		82	-		-
Shanghai Bi Han	-		-	249		249
Ubisoft Nordic A/S	60		60	60		60
Ubisoft Motion Pictures	97		97	73		73
Ubisoft SA (Spain)	327		327	170		170
Ubisoft SPA(Italy)	398		398			
Ubisoft GmbH	1,203		1,203	1,214		1,214
Autres	16		16	-		-
TOTAL	**2,246**	**441**	**2,687**	**10,568**	**629**	**11,197**

[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 4 to 7 years, a period which is considered reasonable by management. The entire loss carryforwards of the French tax group over the past year were therefore capitalized at March 31, 2013.
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 credit:

	03/31/13	03/31/12
Capitalized investment tax credit	55,959	46,763
TOTAL	**55,959**	**46,763**

Ubisoft Divertissements 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

Expiry of deferred tax liabilities:

- Short-term: €5,220 thousand
- Long-term: €43,961 thousand

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 Divertissement SA opted to immediately expense software development costs where design started during the period. Provisions for the financial year amounted to €67.4 million for commercial software, while reversal amounted to €7.4 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 26. Earnings per share

Earnings from continuing operations at March 31, 2013		€64,831 thousand
Weighted average number of shares in circulation:		94,946,689
Dilutive shares:		2,369,368
Stock options	489,840	
Bonus share grants	1,879,528	
Weighted average number of shares after exercise of the rights on dilutive instruments:		97,316,057

Diluted earnings per share from continuing operations as at March 31, 2013 = €0.67

1.6.9 OTHER NOTES

1.6.9.1 SEGMENT REPORTING

In accordance with IFRS 8, the Group produces segment reports.

The operating segments reported have been refined and correspond to the Edition / Production activities and integrated and autonomous subsidiaries and geographical areas in which operational decisions are made. 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

	03/31/13					03/31/12				
	Edition / Production	EMEA distribution zone	North America distribution zone	Other CGU	GROUP	Edition / Production	EMEA distribution zone	North America distribution zone	Other CGU	GROUP
Sales	**14,721**	**588,247**	**640,590**	**12,606**	**1,256,164**	**23,737**	**495,524**	**534,303**	**7,732**	**1,061,296**
Cost of sales	(1,333)	(185,401)	(154,728)	(1,193)	(342,655)	(1,104)	(187,004)	(154,308)	(746)	(343,162)
Gross margin	**13,388**	**402,846**	**485,862**	**11,413**	**913,509**	**22,633**	**308,520**	**379,995**	**6,986**	**718,134**
R&D costs	(422,981)	(783)	(900)	(3,563)	(428,227)	(347,166)	476	(24)	(1,693)	(348,407)
Marketing costs	(29,883)	(130,587)	(141,444)	(2,107)	(304,021)	(17,468)	(109,912)	(109,402)	(1,610)	(238,392)
Administrative and IT costs	(39,071)	(24,486)	(17,106)	(303)	(80,966)	(31,187)	(23,723)	(15,958)	(4,435)	(75,303)
Intersegment*	544,001	(233,186)	(310,807)	(8)	-	407,622	(166,492)	(241,096)	(34)	-
Current operating income before share-based payments	**65,454**	**13,804**	**15,605**	**5,432**	**100,295**	**34,434**	**8,869**	**13,515**	**(786)**	**56,032**
Share-based payments**	(8,098)	-	-		(8,098)	(10,410)	-	-		(10,410)
Operating profit (loss) from continuing operations	**62,295**	**11,405**	**13,065**	**5,432**	**92,197**	**24,024**	**8,869**	**13,515**	**(786)**	**45,622**

* Invoicing of products purchased on behalf of subsidiaries and re-invoiced at their purchase price. The parent company and Ubisoft EMEA SAS invoice subsidiaries for a contribution in the form of royalties that serve to bear development costs (amortization of games, commercial and external development, royalties, etc.) and headquarters costs.

** Expenses linked to share-based payments are recognized by the parent company but relate to employees in all geographic regions

*** sales from other CGU come from sales of Commercial software developed and sold independently with no action from mother company as editor.

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.

1.6.9.2 RELATED PARTY TRANSACTIONS

COMPENSATION OF MANAGERS OF THE COMPANY AND OF THE CONTROLLING AND/OR CONTROLLED COMPANIES

Senior management essentially comprises the corporate officers.

Messrs Guillemot are remunerated for their positions as CEO and Executive Vice Presidents. This is fixed compensation and they do not have employment contracts.

The amount of the total gross compensation paid to executives during the year by the Company, companies controlled by the Company and the companies controlling those in which they perform their duties, according to IAS 24.16, was €724 thousand.

During the 2012/2013 financial year, members of the Board of Directors received €195 thousand in directors' fees.

No commitments have been made by the Company in favor of its corporate officers related 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.

	03/31/13	03/31/12
Short-term benefits [1]	927	904
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
Share-based payments [2]	152	346
TOTAL	**1,079**	**1,250**

N/A not applicable
[1] Includes fixed 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 IFRS2. No performance shares were granted to the corporate officers of the Company

Section 4.5 of the Management Report contains a detailed description of the pay and benefits granted to the corporate officers of the Group.

In accordance with Article L.225-43 of the French Commercial Code, no loans or advances were made to the Company's directors.

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 distribution 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 €1,191 thousand over the financial year. Trade receivables at closing was €389 thousand
- The amounts paid in respect of development contracts to Gameloft SA, AMA Studios SA, AMA Ltd and Longtail Studios Inc. totaling €4,909 thousand. The payable balance at year-end is €2,994 thousand. Balance sheet assets were €16,007 thousand at closing.

Ubisoft Divertissement SA has not bought back treasury shares from related parties.

No transactions exist with the corporate 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.

1.6.9.3 **OFF-BALANCE SHEET COMMITMENTS**

OFF-BALANCE SHEET COMMITMENTS RELATED TO COMPANY FINANCING

Type	Description	Expiry at	03/31/13	03/31/12
Commitments given [1]			**62,927**	**69,754**
Financial guarantees given by the parent company to:				
Ubisoft Divertissements Inc.	Lease payment guarantee	31/01/23	768	751
Ubisoft Inc.	Guarantee of commercial commitments	End of commercial relationship	7,809	7,487
Ubisoft Ltd	Lease payment guarantee	31/08/13	540	1,597
Ubisoft Reflections Ltd	Lease payment guarantee	21/12/15	616	853
Ubisoft Paris SAS	Lease payment guarantee	28/02/21	5,577	6,281
Ubisoft Production Internationale SAS	Payment guarantee for RedLynx Oy additional price	31/10/14	5,000	5,000
Ubisoft Entertainment Sweden AB	Lease payment guarantee	31/12/14	598	565
Red Storm Entertainment Inc.	Lease payment guarantee	30/04/19	3,832	4,227
Ubisoft Inc.	Standby letter	30/09/13	7,809	7,487
Ubisoft EMEA SAS	Standby letter	30/09/13	5,000	8,000
Ubisoft Divertissements Inc.	Loan guarantee	03/31/13	25,000	25,000
Commitments received[1]			**433,228**	**466,389**
Lines of credit received and not used			**320,300**	**349,300**
Syndicated loan		09/07/17	214,500	180,000
Committed lines of credit		17/05/13	-	50,000
Committed lines of credit		17/05/13	-	20,000
Committed lines of credit		13/04/13	25,000	25,000
Committed lines of credit		27/09/13	10,000	
Committed lines of credit		25/09/13	10,000	
Lines of credit with banking institutions			60,800	74,300
Foreign exchange hedges			**112,928**	**117,089**
Canadian dollar	Forward purchase	April 2013	13,824	10,518
US dollar	Forward purchase	April 2013	67,499	71,129
	Forward purchase			7,188
	Forward sale			14,975
Pound sterling	Forward sale			1,199
	Forward purchase	April 2013	16,556	9,593
Swedish krona	Forward purchase	April 2013	3,830	2,487
Yen	Forward purchase	April 2013	4,137	
	Forward sale	April 2013	1,390	
Rupee	Forward purchase	October 2013	2,343	
	Forward purchase	October 2014	2,343	
Singapore dollar	Forward purchase	April 2013	1,006	

(1) Only commitments of over €500 thousand are described.

LEASES:

- FINANCE LEASES:

Initial value	Amortization	Net amount	Lease payments made	Remaining lease payments		Residual value
				-1 year	+ 1 year	
1,367	385	982	180	173	490	-

The finance leases relate to one building and transport equipment.

- Operating leases:

These primarily include €21,818 thousand in property leases, none of which exceed 10 years.

OTHER COMMITMENTS

The Group has no other material off-balance sheet commitments.

1.6.9.4 **STAFF**

Permanent staff broke down as follows at March 31, 2013:

	03/31/13	03/31/12
North, Central & South America	3,578	3,114
Europe and North Africa	3,641	2,846
Asia Pacific	1,049	967
TOTAL*	**8,268**	**6,927**

* The definition of permanent staff has been expanded from previous years by integrating testers of our games. By this new definition, permanent staff at March 31, 2012 comes to 7275 people.

The average headcount in 2012/2013 was 7,875.
Several incentive contracts were signed during the year with effect from April 1, 2012.

1.6.9.5 **EVENTS AFTER THE BALANCE SHEET DATE**

April 2013: Acquisition of 70% of shares not yet held from Related Design by Ubisoft GmbH
Ubisoft GmbH acquired on April 1, 2013, 70% (not yet held) of the affiliated company Related Design, located in Germany.

April 2013: Purchase of new lines of credit
Ubisoft Divertissements Inc. purchased a new credit line from EDC for a period of 4 years in the amount of €35 million. This credit line is guaranteed by Ubisoft Entertainment.

April 2013: Establishment of a bond of €40 million
Pursuant to Article L.228-40 of the Commercial Code, the Board of Directors on February 8, 2013 authorized the issuance of bonds up to a total nominal amount of €40 million. Each with a nominal value of €100 thousand, these bonds were traded on the regulated market of Euronext Paris on May 6, 2013. This bond with a lifetime of 5 years comes with a paying interest of 3.038%.

1.6.9.6 PROFESSIONAL FEES OF THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

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

In thousands of euros	MB Audit			
	Amount (excluding tax)		%	
	2012/2013	2011/2012	2012/2013	2011/2012
Audit				
- Statutory audit, certification, review of the single-entity and consolidated financial statements				
◦ Issuer	108	106	82%	89%
◦ Fully consolidated subsidiaries	24	13	18%	11%
- Other verifications and services directly related to the auditor's work	-	2	-	1%
◦ Issuer	-	-	-	-
◦ Fully consolidated subsidiaries	-	-	-	-
Subtotal	**132**	**121**	**100%**	**100%**
Other services rendered by the networks of the fully consolidated subsidiaries				
- Legal, tax, social	-	-	-	-
- Other (> 10% of audit fees)	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**
Total	**132**	**121**	**100%**	**100%**

In thousands of euros	KPMG			
	Amount (excluding tax)		%	
	2012/2013	2011/2012	2012/2013	2011/2012
Audit				
- Statutory audit, certification, review of the single-entity and consolidated financial statements				
◦ Issuer	219	174	35%	28%
◦ Fully consolidated subsidiaries	409	439	64%	72%
- Other verifications and services directly related to the auditor's work	6	2	1%	-
◦ Issuer	-	-	-	-
◦ Fully consolidated subsidiaries	-	-	-	-
Subtotal	**634**	**615**	**100%**	**100%**
Other services rendered by the networks of the fully consolidated subsidiaries				
- Legal, tax, social	-	-	-	-
- Other (> 10% of audit fees)	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**
Total	**634**	**615**	**100%**	**100%**

2 REPORT FOR THE CONSOLIDATED ACCOUNT STATEMENTS FOR THE FISCAL YEAR ENDING MARCH 31, 2013

This is a free translation into English of the statutory Auditors' report on the consolidated account 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, 2013 with regard to the following:

- the audit of consolidated financial statements of Ubisoft Entertainment S.A, 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 anomalies. 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 reserves and the global 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.

Without qualifying our opinion above, we draw your attention to paragraph "Change in consolidation method, evaluation and presentation" in note 1.6.5.1 to the consolidated financial statements describes a change in accounting method related to the application of the revised IAS 19 "Employee Benefits".

2- Basis for assessment

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code regarding the basis for assessment, we call your attention to the following items:

Commercial software and external developments

The note relating to « other intangible assets » and "Tests of depreciation of fixed assets - Fixed assets with a finite useful life" in the section entitled "Accounting principles and valuation methods" describes the accounting principles for the valuation and the depreciation of commercial software and external developments.

Our work consisted to assess the information and assumptions on which are based these estimates, to check the calculations made by the company, to compare the accounting estimates of the last periods with the reality. As part of our assessment, we have ensured the appropriateness of these estimates and reviewed the procedures for approval of these assumptions by the management.

Goodwill and other intangible assets with indefinite lives

The Company carries out systematically, at the end of each fiscal year, impairment tests on goodwill and indefinite useful life assets and also estimates if there is an indication of loss in value of the other intangible assets, according to the methods described in the explained note “Non-current-assets impairment tests”. We have examined the procedures for conducting these impairment tests, as well as the assumptions used, and verified that the note mentioned above provide an appropriate information.

Contingent liabilities

Paragraph "Contingent liabilities" in note 12 - "Provisions" in the consolidated financial statements describes the context of a tax dispute between a subsidiary of the company to Canadian tax authorities.
As part of our assessment of the significant estimates used by your group, we examined the position of the company and consultations with lawyers and tax advisors and we are confident that note 12 - "Provisions" in the consolidated financial statements provides an appropriate information.

Change in accounting policy for recognizing remeasurement impacts determined through the assessment of employee benefits under defined contribution plan

As part of the revision of IAS 19 "Employee Benefits" early applied for annual periods beginning on or after January 1, 2012, the Group recognized in equity all remeasurement impacts determined under assessment employee benefits under defined contribution plan, which were previously booked on result.

As part of our assessment of the accounting principles applied by the Group, we examined the correct application in anticipation of this change in accounting policy and the information provided in the section "Change in consolidation method, evaluation and presentation "in note 1.6.5.1 to the consolidated financial statements.

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 comments regarding the accuracy of this information and its consistency with the consolidated financial statements.

By the statutory auditors

Nantes, May 30th, 2013	Rennes, May 30th, 2013
KPMG Audit *A division of KPMG S.A.*	MB Audit
Franck Noël Partner	Roland Travers Partner

3 CORPORATE FINANCIAL STATEMENTS OF UBISOFT ENTERTAINMENT SA FOR THE YEAR ENDED MARCH 31, 2013

3.1 UBISOFT ENTERTAINMENT SA BALANCE SHEET

ASSETS		03/31/13	03/31/13	03/31/13	03/31/12
In thousands of euros	**Notes**	**Gross**	**Dep./amort.**	**Net**	**Net**
Intangible assets	1	1,175,291	714,416	460,875	428,784
Property, plant and equipment	2	10,134	5,294	4,840	3,355
Non-current financial assets	3	344,086	1,053	343,033	342,923
Non-current assets		**1,529,511**	**720,763**	**808,748**	**775,062**
Advances and prepayments made	4	6,422		6,422	5,575
Trade receivables	5	42,423		42,423	38,561
Other receivables	6	44,844	222	44,622	50,344
Investment securities	10	43,792		43,792	11,743
Cash	10	61,605		61,605	41,924
Current assets		**199,086**	**222**	**198,864**	**148,147**
Prepaid expenses and deferred charges	11	8,398		8,398	5,071
Total assets		**1,736,995**	**720,985**	**1,016,010**	**928,280**

LIABILITIES		03/31/13	03/31/12
In thousands of euros	**Notes**		
Capital		7,441	7,369
Premiums		190,227	184,699
Reserves		20,918	84,742
Profit carried forward			-
Earnings for the period		(30,462)	(63,817)
Regulated provisions		406,138	331,224
Equity	**13**	**594,262**	**544,217**
Provisions for risks and charges	14	2,526	3,895
Borrowings [(1) (2)]	15	103,197	71,743
Other financial debts	15	171,980	164,983
Trade payables		109,912	95,441
Fiscal and social debts		2,663	2,339
Liabilities on non-current assets		813	1,713
Other debts	16	30,594	43,621
Liabilities		**419,159**	**383,735**
Accrued expenses and deferred income	17	63	328
Total liabilities and equity		**1,016,010**	**928,280**
(1) Including current portion of borrowings		83,197	71,743
(2) Including current bank credit facilities and bank credit balances		82,972	71,743

3.2 UBISOFT ENTERTAINMENT SA INCOME STATEMENT

In thousands of euros	Notes	For the 12 months ended 03/31/13	For the 12 months ended 03/31/12
Production for the period	18	933,598	782,547
Other operating income and reinvoiced costs	19	213,263	271,025
Total operating income		**1,146,861**	**1,053,572**
Other purchases and external expenses	20	546,657	526,587
Taxes and duties		1,689	1,394
Employee benefits expenses		878	892
Other expenses	20	1,137	237
Depreciation, amortization and provisions	21	556,843	517,842
Total operating expenses		**1,107,204**	**1,046,952**
Operating profit (loss)		**39,657**	**6,620**
Financial income from shareholdings		418	-
Other interest received [1]		1,240	1,059
Reversal of provisions		1,663	1,985
Foreign exchange gains		35,230	30,331
Net proceeds on sale of investment securities		30	37
Total financial income		**38,581**	**33,412**
Provisions		2,054	3,253
Other interest paid [2]		4,755	4,946
Foreign exchange losses		36,785	32,137
Total financial expenses		**43,594**	**40,336**
Net financial income	22	**(5,013)**	**(6,924)**
Profit (loss) before tax from continuing operations		**34,644**	**(304)**
Non-recurring items	23	**(68,108)**	**(65,784)**
Profit (loss) before tax		**(33,464)**	**(66,088)**
Income tax	24	(3,002)	(2,271)
Profit (loss) for the period		**(30,462)**	**(63,817)**
[1] Including income relating to associated companies		1,141	1,023
[2] Including expenses relating to associated companies		1,484	2,762

3.3 STATEMENT OF CHANGES IN EQUITY

In thousands of euros	Balance at 03/31/12	Allocation of 2011/2012 earnings	Capital increase: cash contribution	Capital increase by deduction from reserves	Earnings 2012/2013	Provision for regulated provisions	Reversal of regulated provisions	Balance at 03/31/13
Capital	7,369		64	8				7,441
Premiums	184,699		5,529					190,228
Legal reserve	728							728
Other reserves	84,014	(63,817)		(8)				20,189
Earnings for the period	(63,817)	63,817			(30,462)			(30,462)
Regulated provisions	331,224					233,833	(158,919)	406,138
TOTAL	**544,217**	**-**	**5,593**	**-**	**(30,462)**	**233,833**	**(158,919)**	**594,262**

3.4 CASH FLOW STATEMENT

In thousands of euros	Notes	03/31/13	03/31/12
Cash flows from operating activities			
Earnings		(30,462)	(63,817)
Net depreciation and amortization of property, plant and equipment and intangible assets	19-21	351,866	270,651
Changes in provisions	22-23	74,335	90,726
(Gains) losses on disposal of non-current assets		(6,401)	(23,655)
Net cash generated by operating activities		**389,338**	**273,905**
Trade receivables	5	(3,862)	15,148
Advances and prepayments made *		(1,773)	7,735
Other assets		(6,326)	11,024
Trade payables *		14,823	(9,956)
Other liabilities		(7,395)	16,333
Total changes in working capital		**(4,533)**	**40,284**
Net cash from operating activities		**384,805**	**314,189**
Cash flows from investment activities			
Acquisitions of intangible assets *	1	(383,687)	(358,137)
Acquisitions of property, plant and equipment	2	(2,082)	(380)
Acquisitions of equity investments	3	295	(46,470)
Acquisitions of other non-current financial assets	3	(7,462)	(9,505)
Disposals of non-current assets		135	18,632
Disposal of Gameloft shares		10,730	13,701
Repayment of loans and other non-current financial assets	3	7,046	9,843
Net cash used by investment activities		**(375,025)**	**(372,316)**
Cash flows from financing activities			
Capital increase	13	64	7
Increase in issue premium	13	5,529	440
New medium-term borrowings		23,246	-
Deferred expenses		(2,095)	(100)
Change in current accounts		3,977	15,662
Net cash generated by financing activities		**30,721**	**16,008**
Change in cash and cash equivalents		**40,501**	**42,118**
Net cash position at beginning of financial year	10	(18,076)	24,042
Net cash position at end of financial year	10	22,425	(18,076)

* Including a change of €(1,253) thousand linked to commitments guaranteed but not paid under trade payables, €327 thousand in intangible assets and €926 thousand in advances and prepayments made

3.5 NOTES TO THE CORPORATE FINANCIAL STATEMENTS

The notes and tables that follow, presented in thousands of euros, are an integral part of the annual financial statements for the financial year ended March 31, 2013, and constitute the notes to the balance sheet. The financial statements are prepared in accordance with French accounting standards.

The financial year is a 12-month period from April 1, 2012, to March 31, 2013.

3.5.1 FINANCIAL YEAR HIGHLIGHTS

3.5.1.1 ACQUISITION/CREATION OF SUBSIDIARIES

N/A

3.5.1.2 DISPOSALS AND CONTRIBUTION OF SHARES

In November 2012, Ubisoft Entertainment SA sold its 100% stake in its subsidiary Ubi Workshop Inc. to its subsidiary Ubisoft Divertissements Inc. with a view to merging these two entities on March 31, 2013.

In March 2013, Ubisoft Entertainment SA sold its 100% stake in its subsidiary Ubisoft Sweden AB for its liquidation.

3.5.1.3 OTHER

July 2012 – Signature of a new syndicated loan

A new syndicated loan was signed on July 9, 2012, for an amount of €214.5 million over 5 years. It replaces the amount of €180 million from the previous contract, signed in May 2008 for five years, and the two bilateral lines that ran until May 2013 for an amount of €70 million. This facility is subject to the following covenants:

	2012/2013
Net debt restated for assigned receivables/equity restated for goodwill <	0.80
Net debt restated for assigned receivables/EBITDA <	1.5

September 2012 – Purchase of new lines of credit and a participatory loan

Ubisoft Entertainment SA has signed two new lines of credit with Arkéa and Saarbank for a period of one year and an amount of €10 million each. These lines follow the same covenants as the syndicated loan.

Ubisoft Entertainment SA has also taken out a loan of participatory development with Oséo for a period of seven years in the amount of €3 million.

December 2012 – Bond placement of €20 million

Pursuant to Article L.228-40 of the French Commercial Code, the Board of Directors, on December 14, 2012, authorized the issuance of bonds up to a total nominal amount of €20 million. The number of bonds totaled 200, each with a nominal value of €100 thousand. These bonds were traded on the regulated market of Euronext Paris on December 19, 2012. This bond with a lifetime of 6 years carries a paying interest of 3.99%.

April to March 2013 – Disposal of Gameloft shares

Disposal of 2,142,165 Gameloft shares at an average price of €5.01 for a total value of €10.7 million.

3.5.2 COMPARABILITY OF FINANCIAL STATEMENTS

Change in consolidation, valuation and presentation methods

N/A

Change in estimation

N/A

Items affecting comparability

N/A

3.5.3 ACCOUNTING PRINCIPLES

General accounting conventions were applied in accordance with the principle of financial prudence and the following basic rules:
- going-concern assumption;
- matching principle;
- fair presentation, consistency and accuracy;
- conservatism;

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. Ubisoft Entertainment SA's annual financial statements comply with the provisions relating to separate financial statements in Regulation CRC no. 99-03, as ratified by the Decree of June 22, 1999.

3.5.4 ACCOUNTING RULES AND METHODS

Intangible assets

Intangible assets include:
- Commercial software
- Engines
- External developments
- Information system costs
- Office software
- Acquired brands
- Logo

<u>Subsequent accounting and valuation:</u>

<u>Brands:</u>
Any brands acquired are recognized at cost.

<u>Commercial software and external developments:</u>
Commercial software is developed by the Group's own studios, while external software developments are those of studios from outside the Group.
Commercial software and external 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 subcontracted to Group subsidiaries are recognized as subcontracting expenses and transferred to "intangible assets in progress" via a capitalized production costs account. The same accounting method is applied to external developments.

On their release date, the development costs of commercial software and external developments, recognized as "intangible assets in progress" as development progresses, are transferred to "released commercial software" or "released external developments".

Depreciation, amortization and value impairment methods

	Amortization method	Value impairment method
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.
Information system costs	5 years, straight-line	No impairment test in the absence of any indication of impairment.
Commercial software	2 or 3 years, straight-line, starting on the commercial release date	At the end of each 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.
Engines	Straight-line over the useful life between 3 and 5 years	No impairment test in the absence of any indication of impairment.
External developments	According to the sold quantities and the royalty rates specified in the contracts	At the end of each 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.

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 are discounted using a rate based on a valuation of the average cost of capital, which stood at 8.94% at March 31, 2013, against 9.62% at March 31, 2012.

Property, plant and equipment

These are recognized at their historical cost. They are depreciated over their useful life. The following depreciation rates are used:

Type of asset	**Depreciation method**
Buildings	20 years, straight-line
Equipment	5 years, straight-line
Fixtures and fittings	10 years, straight-line
Computer hardware	3 years, straight-line
Office furniture	10 years, straight-line

Non-current financial assets

Equity investments are valued at their historical cost, plus all related acquisition costs and any additional payments. If the value of the investments exceeds their value of use, a provision for 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 retreated net assets of the subsidiary in question at that date, the market capitalization at the balance sheet date if the company is listed and/or its medium-term earnings prospects.
If applicable, the provisional data utilized are discounted using a rate based on a valuation of the average cost of capital: 8.94% at March 31, 2013.

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 guaranteed amount is booked in the balance sheet under the heading “advances and prepayments made”, whether or not it has been paid at the year-end date. These 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.

Trade receivables

Trade receivables are carried at their nominal amount. Where applicable, a provision for depreciation is recorded based on the likelihood of their collection at the year-end date.

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.

Conversion of liabilities and receivables denominated in foreign currencies

Liabilities and receivables denominated in foreign currencies are converted at rates prevailing on March 31, 2013. Any resulting conversion gains or losses are recognized in the balance sheet under a specific heading. A provision for foreign-exchange risk is booked if conversion reveals the existence of unrealized losses.

Foreign currency transactions

Foreign exchange income and expenses are booked using daily exchange rates.

Receivables, liabilities and cash in foreign currencies are converted at the prevailing exchange rates at the end of the financial year, except for those subject to hedging, which are converted at the hedging rate.

Unrealized gains and losses on receivables and long-term debt are recognized in the balance sheet under conversion rate adjustments. Unrealized losses that have not been hedged are subject to a provision for foreign exchange 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) 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.

Provisions for risks and charges

Provisions for risks and charges 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 participating interests. 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).

3.5.5 NOTES TO THE BALANCE SHEET

Note 1. Intangible assets

	At 03/31/13			At 03/31/12
	Gross	Cumulative depreciation and amortization	Net	Net
Released commercial software	645,122	553,203	91,919	75,147
Released external developments	135,919	135,144	775	4,480
Commercial software in progress	338,022	22,897	315,125	305,473
External developments in progress	40,191	-	40,191	30,108
Brands and operating licenses	10,486	328	10,158	10,158
Other	5,551	2,844	2,707	3,418
TOTAL	**1,175,291**	**714,416**	**460,875**	**428,784**

Non-current assets	Opening balance	Increase	Decrease	Reclassification of software in progress	Reclassifications	Closing balance
Released commercial software	645,779	19,513	349,069	328,899	-	645,122
Released external developments	140,407	8,376	17,360	4,496	-	135,919
Commercial software in progress	326,573	340,348	-	(328,899)	-	338,022
External developments in progress	30,108	14,579	-	(4,496)	-	40,191
Brands and operating licenses	10,486	-	-	-	-	10,486
Other	5,007	544	-	-	-	5,551
TOTAL at 03/31/13	**1,158,360**	**383,360**	**366,429**	**-**	**-**	**1,175,291**
TOTAL at 03/31/12	**1,101,971**	**351,102**	**294,713**	**-**	**-**	**1,158,360**

The increase in commercial software of €359,862 thousand is substantiated by capitalized production of €362,006 thousand, refunds of €(2,152) thousand and exchange differences of €8 thousand.

Depreciation and amortization	Opening balance	Increase	Decrease	Reclassifications	Closing balance
Released commercial software	570,632	310,540	349,069	21,100	553,203
Released external developments	135,927	16,577	17,360	-	135,144
Commercial software in progress	21,100	22,897	-	(21,100)	22,897
Brands and operating licenses	328	-	-	-	328
Other	1,589	1,255	-	-	2,844
TOTAL at 03/31/13	**729,576**	**351,269**	**366,429**	**-**	**714,416**
TOTAL at 03/31/12	**754,550**	**269,739**	**294,713**	**-**	**729,576**

The decrease in commercial software and external developments is explained by the disposal of the assets of software for which the net accounting value is zero at the year-end.

Note 2. Property, plant and equipment

	At 03/31/13			At 03/31/12
	Gross	Cumulative depreciation	Net	Net
Buildings	765	11	754	-
Fixtures and fittings	8,535	4,637	3,898	3,141
Transport equipment	20	5	15	19
Computer hardware and furniture	806	641	165	67
Non-current assets in progress	8	-	8	128
TOTAL	**10,134**	**5,294**	**4,840**	**3,355**

Non-current assets	Opening balance	Increase	Decrease	Reclassifications	Closing balance
Buildings	-	765			765
Fixtures and fittings	7,226	194		1,115	8,535
Transport equipment	20				20
Computer hardware and furniture	1,177	128	499		806
Non-current assets in progress	128	995		(1,115)	8
TOTAL at 03/31/13	**8,551**	**2,082**	**499**	**-**	**10,134**
TOTAL at 03/31/12	**8,191**	**380**	**20**	**-**	**8,551**

Depreciation	Opening balance	Increase	Decrease	Reclassifications	Closing balance
Buildings	-	11			11
Fixtures and fittings	4,085	552			4,637
Transport equipment	1	4			5
Computer hardware and furniture	1,110	29	498		641
TOTAL at 03/31/13	**5,196**	**596**	**498**		**5,294**
TOTAL at 03/31/12	**4,574**	**642**	**20**	**-**	**5,196**

Note 3. Non-current financial assets

	At 03/31/13			At 03/31/12
	Gross	Provisions	Net	Net
Equity investments	342,239	1,053	341,186	341,492
Other non-current investments	954	-	954	905
Deposits and sureties	893	-	893	526
TOTAL	**344,086**	**1,053**	**343,033**	**342,923**

Non-current assets	Opening balance	Increase	Decrease	Closing balance
Equity investments	342,618	866	1,245	342,239
Other non-current investments	905	7,088	7,039	954
Deposits and sureties	526	374	7	893
TOTAL at 03/31/13	**344,049**	**7,167**	**7,130**	**344,086**
TOTAL at 03/31/12	**300,107**	**55,975**	**12,033**	**344,049**

The change in equity investments is essentially due to the price adjustment following the completion of estimates of future results used in the acquisitions of Nadeo and Owlient subsidiaries.

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	1,126	1	74	1,053
Other non-current investments	-			
TOTAL at 03/31/13	**1,126**	**1**	**74**	**1,053**
TOTAL at 03/31/12	**2,227**	**10**	**1,111**	**1,126**

Note 4. Advances and prepayments made

These consist primarily of guaranteed advances on license agreements.

	03/31/13	03/31/12
Net at opening	**5,562**	**22,238**
New guarantees	12,393	7,858
Reclassifications	-	-
Depreciation and amortization	12,126	24,534
Net at year-end	**5,829**	**5,562**

Note 5. Trade receivables

	At 03/31/13			At 03/31/12
	Gross	Provision	Net	Net
Trade receivables	42,423	-	42,423	38,561
TOTAL	**42,423**	**-**	**42,423**	**38,561**

Trade receivables basically consist of intra-group receivables.

Note 6. Other receivables

	At 03/31/13			At 03/31/12
	Gross	Provision	Net	Net
Suppliers – credit notes receivable	10,735	-	10,735	9,514
Government (VAT credit, tax)	11,226	-	11,226	10,474
Associated current account advances	17,540	222	17,318	6,038
Receivable relating to the equity swap (1)	5,100	-	5,100	14,643
Other miscellaneous debtors	243	-	243	9,675
TOTAL	**44,844**	**222**	**44,622**	**50,344**

(1) Receivable on CACIB valued at the closing share price of the Gameloft shares for remaining shares at March 31, 2013, as part of the equity swap. The unrealized gain on the sale of Gameloft shares is “stored” in the balance sheet in other liabilities.

Note 7. Statement of receivables and liabilities by maturity

STATEMENT OF RECEIVABLES	Gross amount	< 1 year	>1 year
Receivables on non-current assets	**895**	**2**	**893**
Other non-current financial assets	895	2	893
Receivables on current assets	**100,254**	**100,254**	**-**
Advances and prepayments made	6,422	6,422	
Trade receivables	42,423	42,423	
Government (VAT credit, sundry)	11,226	11,226	
Group and associates	17,540	17,540	
Other miscellaneous debtors [1]	16,078	16,078	
Prepaid expenses	6,565	6,565	
TOTAL	101,149	100,256	893

STATEMENT OF LIABILITIES	Gross amount	< 1 year	>1 year
Bonds	20,224	224	20,000
Bank borrowings and debts	82,972	82,972	
Other borrowings and financial liabilities	171,980	168,980	3,000
Trade payables	109,912	109,912	
Fiscal and social debts	2,663	2,663	
Other debts	30,594	13,472	17,122
Liabilities on non-current assets	813	813	
TOTAL	419,159	379,037	40,122

[1] This item includes the receivable concerning the equity swap agreement on Gameloft shares for €5,100 thousand and credit notes receivable from associated companies for €10,735 thousand.

Note 8. Accrued income

	03/31/13	03/31/12
Associated companies credit notes receivable	10,735	9,514
Income not yet invoiced	24,413	12,624
Current accounts interests receivable	106	70
Bank interests receivable	74	9
Miscellaneous debtors	-	9,659
TOTAL	35,328	31,876

Note 9. Accrued expenses

	03/31/13	03/31/12
Bank charges payable	354	142
Accrued interests on current accounts	43	56
Trade payables, pending invoices	64,663	53,585
Credit notes to be issued	6,896	14,114
Fiscal and social debts	1,044	920
TOTAL	73,000	68,817

Note 10. Investment securities and cash

Type	Gross value	Fair value	Provision	Net amount
UCITS	42,220	42,223	-	42,220
Own shares*	1,572	3,342	-	1,572
TOTAL	**43,792**	**45,565**	**-**	**43,792**

*396,399 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:

	03/31/13	03/31/12
Investment securities	43,792	11,743
Cash	61,605	41,924
Bank overdrafts and short-term loans	(82,972)	(71,743)
TOTAL	**22,425**	**(18,076)**

The increase is due primarily to:

- the issue of a bond for €20 million in December and the signature of a loan with Oséo for €3 million in September; and
- the change in the cash pooling accounts, the Group having generated around €20 million in cash (€85 million in March 2012 compared with €105 million in March 2013).

Note 11. Prepaid expenses and deferred charges

	Opening balance	Increase	Decrease	Closing balance
Prepaid expenses	4,568	6,565	4,568	6,565
Syndicated loan issuance costs	355	1,911	632	1,634
Bond issuance costs	-	184	9	175
Conversion rate adjustment (assets)	148	24	148	24
TOTAL at 03/31/13	**5,071**	**8,684**	**5,357**	**8,398**
TOTAL at 03/31/12	**3,872**	**4,816**	**3,617**	**5,071**

Note 12. 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 distribution subsidiaries for a contribution to development costs;
- and the implementation of cash agreements allowing for centralized management at parent company level of the bank accounts belonging to the majority of the Group companies.

The five corporate officers of the Company are described as related parties. The only transactions with officers concern their pay, the granting of stock options and directors' fees. Information relating to these transactions with corporate officers is detailed in note 3.6.3.

The other significant related party transactions are as follows:

- Licenses invoiced to Gameloft SA for €1,191 thousand over the financial year. Trade receivables amounted to €389 thousand at year-end.
- The amounts paid in respect of development agreements with AMA Studios SA, Longtail Studios Inc. and Gameloft, totaling €4,909 thousand. Trade payables amounted to €2,994 thousand at year-end. The amount of the assets in the balance sheet was €16,007 thousand at year-end.

Note 13. Equity

Capital

As at March 31, 2013, Ubisoft Entertainment SA had equity of €7,441,041.06 divided into 96,013,433 shares.

Number of Ubisoft Entertainment SA shares

At 04/01/12	95,090,002
Option exercises	689,679
Bonus share grants	102,339
Share subscription warrants	74,992
Group savings scheme	56,421
At 03/31/13	96,013,433

The maximum number of shares to be created is 23,277,869:

- 12,880,409 through the exercise of stock options,
- 1,879,528 through the allocation of bonus shares,
- 8,517,932 through the exercise of share subscription warrants.

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:

	7th plan	11th plan	12th plan		13th plan	14th plan	15th plan
Total number of shares granted	1,556,260	1,570,134 (1)	1,487,128 (1)		2,711,784	3,154,800	24,072
Start of exercise period	01/19/05	10/14/05	11/17/05		02/23/07	04/26/08	06/22/08
End of exercise period	08/15/12	10/13/14	11/16/14		02/22/13	04/25/12	06/21/12
Strike price of options (1)	€3.17	€3.84	€3.64 (France)	€3.83 (Italy)	€7.82	€17.45	€18.56
Options at April 1, 2012 (1)	28,567	308,228	707,747		1,701,303	2,494,890	17,599
Options granted during the period	-	-	-		-	-	-
Options exercised during the period	28,567	33,643	21,828		497,008	-	-
Options canceled during the period	-	17,128	2,427		1,204,295	2,494,890	17,599
Options outstanding at March 31, 2013	-	257,457	683,492		-	-	-

	16th plan	17th plan	18th plan	19th plan	20th plan
Total number of shares granted	1,824,587[1]	1,377,587[1]	101,340[1]	3,108,309[1]	121,171[1]
Start of exercise period	06/13/09	06/27/09	09/15/09	05/12/10	06/18/10
End of exercise period	06/12/13	06/26/13	09/14/13	05/11/14	06/17/14
Strike price of options [1]	€27.44	€27.35	€28.98 (France) €27.82 (World)	€14.75 (France) €14.24 (World)	€15.43 (France) €16.71 (World)
Options at April 1, 2012 [1]	1,458,246	1,284,110	85,351	2,791,622	87,631
Options granted during the period	-	-	-	-	-
Options exercised during the period	-	-	-	-	-
Options canceled during the period	56,595	19,215	2,732	82,946	5,564
Options outstanding at March 31, 2013	1,401,651	1,264,895	82,619	2,708,676	82,067

	21st plan	22nd plan	23rd plan	24th plan	25th plan	TOTAL
Total number of shares granted	4,551[1]	120,336[1]	3,123,939[1]	3,255,401[1]	936,970[1]	
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 (France) €6.32 (World)	€6.77 (France)	€6.37 (France) €6.65 (World)	
Options at April 1, 2012 [1]	4,551	120,336	2,924,756	2,724,058	-	16,738,995
Options granted during the period	-	-	-	-	936,970	936,970
Options exercised during the period	-	-	79,524	29,109	-	689,679
Options canceled during the period	3,034	-	98,096	97,606	3,750	4,105,877
Options outstanding at March 31, 2013	1,517	120,336	2,747,136	2,597,343	933,220	12,880,409

(1) Adjusted number and strike price following issuance of share warrants on April 10, 2012

The Company has not booked 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, 2012 [1]	415,384
Purchase options granted during the period	-
Number of purchase options exercised during the period	3,601
Purchase options canceled during the period	7,209
Purchase options outstanding at March 31, 2013	404,574

(1) Adjusted number and strike price following issuance of share warrants on April 10, 2012

The Company has not booked liability as the strike price exceeds the cost of shares allocated to cover the plan.

Bonus share grants settled in cash

In the first half of the 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 shares exercisable	61,000
Carrying amount of the liability at year-end	€128,558
Intrinsic value of the liability at year-end	€514,230
Total expense booked at year-end	€128,558

Bonus share grants settled in shares

Bonus share grants, which are subject to performance conditions, are locked in for a two or four-years 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.

	03/31/09		03/31/10			03/31/11		
Grant date	06/13/08	09/15/08	04/09/09	11/17/09	12/15/09	06/30/10	06/30/10	11/15/10
Maturity - vesting period (in years)	4 years	4 years	4 years	4 years	4 years	2 years	4 years	4 years
Number of instruments as at April 1, 2012 (1)	30,945	59,667	44,498	15,168	295,283	13,772	146,631	207,309
Number of instruments granted during the period	-	-	-	-	-	-	-	-
Number of instruments canceled during the period	2,023	-	3,540	-	12,135	22	-	10,112
Number of instruments exercised during the period	28,922	59,667	-	-	-	13,750	-	-
Number of instruments at March 31, 2013	-	-	40,958	15,168	283,148	-	146,631	197,197

	03/31/12		03/31/13			TOTAL
Grant date	06/24/11	06/24/11	10/19/12		02/08/13	
Maturity - vesting period (in years)	2 years	4 years	2 years (France)	4 years (World)	4 years	
Number of instruments as at April 1, 2012 (1)	13,354	133,252	-		-	959,879
Number of instruments granted during the period	-	-	742.870		316,500	1,059,370
Number of instruments canceled during the period	-	-	9.550		-	37,382
Number of instruments exercised during the period	-	-	-		-	102,339
Number of instruments at March 31, 2013	13,354	133,252	733.320		316,500	1,879,528

(1) Adjusted number following issuance of share warrants on April 10, 2012

Group savings scheme

Ubisoft also offers Group savings schemes, which 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 lock-in period is five years for French employees.

	03/31/13	03/31/12
Grant date	07/19/12	07/18/11
Subscription price (in euros)	4.48	6.12
Number of shares subscribed	56,421	50,466

Share subscription warrants

Share subscription warrants dated April 10, 2012

Initial number of warrants: 95,090,002
Ratio for exercising warrants: 11 warrants to subscribe for one new share
Period for exercising warrants: From April 10, 2012, to October 10, 2013
Strike price: €7

567,834 warrants were canceled and 824,912 subscribed during the period.

At March 31, 2013, there were 93,697,256 remaining share subscription warrants not yet exercised.

Own shares

At March 31, 2013, the Company held 511,523 own shares.

Regulated provisions

Details of regulated provisions are given in note 3.3 Statement of changes in equity.

Note 14. Provisions in the balance sheet

	At 03/31/12	Provisions for the period	Reversals for the period	Reclassifications	At 03/31/13
Provisions for risks					
For foreign exchange risks	1,518	44	1,518	-	44
For subsidiary risks	1,407	1,146	71	-	2,482
For lawsuits	970	-	970	-	-
Provisions for impairment					
On equity investments	1,126	1	74	-	1,053
On current account advances	-	222	-	-	222
On other non-current investments	-	-	-	-	-
TOTAL at 03/31/13	**5,021**	**1,413**	**2,633**	**-**	**3,801**
TOTAL at 03/31/12	**3,101**	**3,205**	**1,985**	**700**	**5,021**

Details of the changes in provisions on equity investments are provided in note 3. Non-current financial assets.

Note 15. Borrowings

	03/31/13	03/31/12	
Bonds [1]	20,000	-	
Accrued interests [1]	579	142	
Bank overdrafts	82,618	71,601	
Borrowings	**103,197**	**71,743**	
Fixed-rate debts	20,000	-	
Variable-rate debts	83,197	71,743	
	< 1 year	**from 1 to 5 years**	**> 5 years**
Amounts payable at March 31, 2013	83,197	-	20,000

(1) Bond for €20 million issued on December 19, 2012, accrued interest at the balance sheet date came to €225 thousand (see 3.5.1.3 Other highlights)

The breakdown of borrowings by currency was as follows:

	03/31/13	03/31/12
Euro	103,073	71,736
Dollars	111	-
Pound sterling	6	6
Japanese yen	7	1
Borrowings	**103,197**	**71,743**

The €171,980 thousand in “miscellaneous financial liabilities” in the balance sheet consists of current account advances by subsidiaries to the parent company, which are due in less than one year, and a participatory loan with Oséo of €3 million (see 3.5.1.3 Other highlights).

Note 16. Other liabilities

	03/31/13	03/31/12
Trade receivables – credit notes to be issued [1]	6,896	14,114
Unrealized gains on Calyon receivable relative to Gameloft equity swap	3,049	8,210
Other liabilities [2]	20,649	21,297
TOTAL	**30,594**	**43,621**

(1) Credit notes to be issued relate to associated companies

(2) Other liabilities relate mainly to additional sums to be paid on acquisitions of the following companies:
- €3.1 million for Nadeo
- €17.1 million for Owlient

Note 17. Accrued expenses and deferred income

	Opening balance	Increase	Decrease	Closing balance
Deferred income	240	-	240	-
Conversion rate adjustment (liability)	88	63	88	63
TOTAL at 03/31/13	**328**	**63**	**328**	**63**
TOTAL at 03/31/12	**333**	**328**	**333**	**328**

3.5.6 NOTES TO THE INCOME STATEMENT

Note 18. Production for the period

Production for the period comprises:
- Revenue, essentially made up of intra-group invoicing of royalties.
- Capitalized production reflecting development costs outsourced to subsidiaries and external developers.

	03/31/13	03/31/12
Revenue	548,202	427,134
Capitalized production costs for commercial software	362,006	324,140
Capitalized production costs for external developments	23,390	31,273
Production for the period	**933,598**	**782,547**

The breakdown of revenue by geographic region was as follows:

	03/31/13		03/31/12	
	€ thousand	Percentage	€ thousand	Percentage
Europe	214,432	39%	155,850	36%
North America	302,225	55%	244,882	58%
Asia	19,008	4%	17,377	4%
Rest of the world	12,537	2%	9,025	2%
Revenue	**548,202**	**100%**	**427,134**	**100%**

Note 19. Other operating income and reinvoiced costs

	03/31/13	03/31/12
Reversals of provisions on commercial software developments*	204,977	247,191
Provisions for risks and charges	970	-
Reinvoiced costs	7,303	14,151
Income from other ordinary revenue transactions	13	9,683
TOTAL	**213,263**	**271,025**

* See details in note 21

Reinvoiced costs essentially include overheads, travel and similar costs reinvoiced to Group companies.

Note 20. Other purchases and external expenses

	03/31/13	03/31/12
Production services subcontracted to subsidiaries	421,333	368,027
Production services subcontracted to external developers	24,086	32,774
Other purchases and external expenses	101,238	125,786
TOTAL	**546,657**	**526,587**

Other purchases and external expenses consist mainly of advertising expenses, royalties and property and equipment lease payments.

Note 21. Depreciation, amortization and provisions

	03/31/13	03/31/12
Amortization of intangible assets	**556,247**	**516,930**
*Released commercial software **	*515,517*	*454,767*
Released external developments	*16,578*	*39,858*
*Commercial software and external developments in progress **	*22,897*	*21,100*
Other	*1,255*	*1,205*
Amortization and depreciation of property, plant and equipment	**596**	**642**
Buildings	*11*	-
Fixtures and fittings	*552*	*618*
Computer hardware and furniture	*29*	*24*
Transport equipment	*4*	-
Provisions for risks	-	**270**
TOTAL	**556,843**	**517,842**

* Net of reversals (see note 19), the depreciation on commercial software therefore amount to €333,437 thousand.

Note 22. Net financial income

	03/31/13	03/31/12
Financial income:		
Financial income from shareholdings	418	-
Other interest received	1,240	1,059
Reversal of provisions	1,663	1,985
Foreign exchange gains (1)	35,230	30,331
Net proceeds on sale of investment securities	30	37
	38,581	**33,412**
Financial expenses:		
Amortization and provisions	2,054	3,253
Other interest paid (2)	4,755	4,946
Foreign exchange losses (1)	36,785	32,137
	43,594	**40,336**
Net financial income	**(5,013)**	**(6,924)**

(1) The foreign exchange rate loss of €(1.6) million is mainly related to fluctuations in the price of the US dollar €(1) million and the Japanese Yen €(0.5) million.

<u>Foreign exchange risk</u>

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 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 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, 2013, the amounts hedged giving rise to forward purchases and sales of foreign currencies amounted to €112,928 thousand (see note 3.6.2 Off-balance sheet 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.

	03/31/13	03/31/12
Non-recurring income:		
Non-recurring income from management transactions	-	370
Non-recurring income from capital transactions	6,944	26,039
Non-recurring reversals	158,919	113,754
Non-recurring expenses:		
Non-recurring expenses on management transactions	13	5
Non-recurring expenses on capital transactions	125	2,730
Non-recurring provisions	233,833	203,212
Non-recurring items	**(68,108)**	**(65,784)**

At March 31, 2013, non-recurring items mainly comprised:

- A gain on disposal of Gameloft SA shares for €6,360 thousand.
- €233,833 thousand in allocations for accelerated tax depreciation on development expenditure for software.
- €158,919 thousand in reversals for accelerated tax depreciation on development expenditure for software.

Note 24. Income tax

At March 31, 2013, the tax group incorporates Ubisoft Entertainment SA (holding company) and all subsidiaries whose head office is in France, with the exception of those created or acquired during the financial year.

Any tax savings arising from the use of losses at the tax group's member companies will only be temporary, since the company in question may use them at any time for its own purposes.

On a standalone basis (disregarding the tax consolidation group), Ubisoft Entertainment SA's figures were as follows:

	03/31/13	03/31/12
Profit (loss) before tax from continuing operations	34,644	(304)
Non-recurring items	(68,108)	(65,784)
Profit (loss) before tax	(33,464)	(66,088)
Income tax (credit)	(3,002)	(2,271)
Net accounting profit (loss)	(30,462)	(63,817)
Taxable income	(46,248)	(96,148)

	Profit (loss) before tax	Theoretical tax (tax credit)	Due	Net profit (loss)
Current	34,644	11,026	21	34,665
Non-recurring	(68,108)	(27,722)		(68,108)
Tax consolidation			*2,981*	*2,981*
TOTAL	**(33,464)**	**(16,696)**	**3,002**	**(30,462)**

Tax income comprises:
- Cancelation of tax expense recorded by the subsidiaries of the tax consolidation group in the amount of €2,981 thousand.
- Holding company tax credits of €56 thousand.
- A tax expense of €35 thousand relating to the charging of fees for the issue of share subscription warrants on the issue premium.

The carryforward deficit of the tax group at March 31, 2013, amounted to €395,900 thousand, including €405,567 thousand of accelerated tax depreciation related to the application of Article 236 of the CGI (General Tax Code).

3.6 OTHER INFORMATION

3.6.1 STAFF

At March 31, 2013, the staff consisted of five corporate officers.

3.6.2 FINANCIAL COMMITMENTS AND OTHER INFORMATION

3.6.2.1 OFF-BALANCE SHEET COMMITMENTS RELATED TO COMPANY FINANCING

Type	Description	Expiry at	03/31/13	03/31/12
Commitments given by Ubisoft Entertainment SA				
Financial guarantees [1]			**62,927**	**69,754**
Ubisoft Divertissements Inc.	Lease payment guarantee	01/31/23	768	751
Ubisoft Inc.	Guarantee of commercial commitments	End of commercial relationship	7,809	7,487
Ubisoft Ltd	Lease payment guarantee	08/31/13	540	1,597
Ubisoft Reflections Ltd	Lease payment guarantee	12/21/15	616	854
Ubisoft Paris SAS	Lease payment guarantee	02/28/21	5,577	6,281
Ubisoft Entertainment Sweden AB	Lease payment guarantee	12/31/14	598	565
Red Storm Entertainment Inc.	Lease payment guarantee	04/30/19	3,832	4,227
Ubisoft Production Internationale SAS	Payment guarantee for RedLynx Oy additional price	10/31/14	5,000	5,000
Ubisoft Divertissements Inc.	Loan guarantee	04/15/13	25,000	25,000
Ubisoft Inc.	Stand-by letter	09/30/13	7,809	7,487
Ubisoft EMEA SAS	Stand-by letter	09/15/13	5,000	8,000
Commitments received by Ubisoft Entertainment SA				
Received and unused credit lines				
Syndicated loans		07/09/17	214,500	180,000
Confirmed credit lines		05/17/13	-	50,000
Confirmed credit lines		05/17/13	-	20,000
Confirmed credit lines		09/25/13	10,000	-
Confirmed credit lines		09/27/13	10,000	-
Bank credit facilities			60,800	74,300
Foreign exchange hedges [2]			**112,928**	**117,089**
Canadian dollar	Forward purchase	April 2013	13,824	10,518
US dollar	Forward purchase	April 2013	67,499	71,129
	Forward purchase			7,188
	Forward sale			14,975
Pound sterling	Forward sale			1,199
	Forward purchase	April 2013	16,556	9,593
Swedish krona	Forward purchase	April 2013	3,830	2,487
Japanese Yen	Forward purchase	April 2013	4,137	
	Forward sale	April 2013	1,390	
Indian rupee	Forward purchase	October 2013	2,343	
	Forward purchase	October 2014	2,343	
Singapore dollar	Forward purchase	April 2013	1,006	

[1] Only commitments of over €500 thousand 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.

Within the context of the syndicated loan and bilateral lines of credit, the following covenants are to be complied with:

	2010/2013	2010/2012
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, 2013, the Company was in compliance with all of these ratios and expects to remain so during the financial year 2013/2014.

Other borrowings are not governed by covenants.

3.6.2.2 **EQUITY SWAP ON GAMELOFT SHARES**

On July 12, 2007, Ubisoft Entertainment SA signed two agreements with CACIB, an investment bank.

The first agreement relates to the disposal of all 13,367,923 Gameloft shares held by Ubisoft Entertainment SA (representing 18.73% of Gameloft's capital on the date the agreement was concluded) at €6.08 per share.

The second relates to Ubisoft Entertainment SA's ability to continue participating in upward or downward movements in the Gameloft share price in relation to the €6.08 per share price set in the first agreement, until such time as CACIB disposes of the shares to a third party.

3.6.2.3 **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.

There are no finance leases.

3.6.3 MANAGEMENT REMUNERATION

Ubisoft Entertainment SA paid €725 thousand in compensation to its corporate officers during the financial year 2012/2013.

In – very partial – compensation for their work and the time spent preparing and participating in Board Meetings, the General Meeting of September 25, 2006, authorized the Company to pay directors' fees totaling a maximum of €250 thousand per annum. The Board of Directors, exercising this authorization, established a fixed portion and a variable portion setting out new requirements.

During the financial year 2012/2013, members of the Board of Directors received €195 thousand in directors' fees.

No obligation has been undertaken by the Company in favor of its corporate officers related to their termination or change in responsibilities.

Pursuant to Article L.225-43 of the French Commercial Code, no loans or advances were made to the Company's directors.

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.

3.6.4 CONTINGENT ASSETS AND LIABILITIES

To the best of our knowledge, there were no contingent assets or liabilities at March 31, 2013.

3.6.5 EVENTS AFTER THE BALANCE SHEET DATE

Pursuant to Article L.228-40 of the French Commercial Code, the Board of Directors, on February 8, 2013, authorized the issuance of bonds up to a total nominal amount of €40 million, each with a nominal value of €100 thousand. These bonds were traded on the regulated market of Euronext Paris on May 6, 2013. This bond with a lifetime of five years comes with a paying interest of 3.038%.

3.6.6 SUBSIDIARIES AND SHAREHOLDINGS (MARCH 31, 2013)

	Country	Currency	Capital	Reserves and retained earnings (losses), before allocation of earnings	Percentage of capital held	Accounting value of shares held In thousands of euros		Loans and advances granted by the Company and not yet paid	Revenue excluding VAT	Earnings for the last financial year	Dividends received
			In thousands of currency units	In thousands of currency units		Gross	Net	In thousands of euros	In thousands of currency units	In thousands of currency units	
SUBSIDIARIES											
AT LEAST 50% OF CAPITAL HELD											
UBISOFT INC.	United States	US dollar	90,405	75,932	100%	96,991	96,991	-	745,498	9,551	-
UBISOFT EMEA SAS	France	Euro	11,960	18,200	100%	55,158	55,158	-	267,018	1,148	-
UBISOFT INTERNATIONAL SAS	France	Euro	50,008	3,595	100%	50,008	50,008	-	69,186	1,264	-
UBISOFT FRANCE SAS	France	Euro	20,623	5,185	100%	22,872	22,872	-	80,975	822	-
UBISOFT GMBH	Germany	Euro	11,950	14,326	100%	27,101	27,101	-	96,942	2,585	-
UBISOFT DIVERTISSEMENTS INC.	Canada	Canadian dollar	1,000	78,817	100%	641	641	-	226,205	16,432	-
OWLIENT SAS	France	Euro	80	1,559	100%	32,618	32,618	-	12,298	3,588	-
Other French subsidiaries						24,331	25,286	-			-
Other foreign subsidiaries *						32,519	31,511	2,353			418
Total						**342,239**	**341,186**				
SHAREHOLDINGS 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.

4 AUDITOR'S GENERAL REPORT ON THE FISCAL YEAR ENDING MARCH 31, 2013

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 fiscal year ended March 31, 2013, with regard to the following:

- ✓ the audit of the annual financial statements of Ubisoft Entertainment S.A., 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 anomalies. 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 reserves and the global 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 fiscal 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 an assessment, we call your attention to the following items:

Commercial software and external developments.

The note relating to « intangible assets » in the section entitled "Accounting rules and methods" describes the accounting principles for the valuation and the depreciation of commercial software and external developments.

Our work consisted to assess the information and assumptions on which are based these estimates, to check the calculations made by the company, to compare the accounting estimates of the last periods with the reality. As part of our assessment, we have ensured the appropriateness of these estimates and reviewed the procedures for approval of these assumptions by the management.

Equity investments

The note relating to “Financial assets” in the section entitled “Accounting rules and methods” 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.

Concerning 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 concordance with accounts or with the data used for the establishment of these accounts and, where appropriate, with items collected by your company of 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.

Nantes, May 30th, 2013

KPMG Audit
A division of KPMG S.A.

Franck Noël
Partner

Rennes, May 30th, 2013

MB Audit

Roland Travers
Partner

GOVERNANCE AND INTERNAL CONTROL

1 REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE AND INTERNAL CONTROL

This report, prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code, was approved by the Board of Directors at its meeting held on May 14, 2013.

It was also the subject of a report prepared by the statutory auditors, in accordance with Article L. 225-235 of the French Commercial Code, on internal control procedures relating to the preparation and processing of accounting and financial information and of a declaration regarding the preparation of other necessary information.

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.

1.1 CORPORATE GOVERNANCE CODE

As regards corporate governance, the Company refers to the corporate governance code for listed companies published by AFEP-MEDEF (Association of French Private-Sector Companies/French Business Confederation) (consolidated code of December 2008 updated in April 2010 and available at www.code-afep-medef.fr) (the "AFEP-MEDEF Code").

The Company considers that it complies with the corporate governance principles of the AFEP-MEDEF Code insofar as these principles are consistent with the organization, size, capacity and ownership structure of the Company and/or the Ubisoft Group.

In accordance with the provisions of Article L. 225-37 of the French Commercial Code, this report lists the provisions of the AFEP-MEDEF Code that were passed aside by the Company and the reasons related thereto.

In addition, the Board of Directors continues to reflect on the application and, if applicable, the adaptation of the rules of the AFEP-MEDEF Code that have not yet been implemented by taking into account the specific characteristics of the Company.

1.2 COMPOSITION OF THE BOARD

The Board of Directors comprises six members, four of whom are also Executive Vice Presidents and assist the Chief Executive Officer.

Estelle Métayer, an independent director, is a member of the Board of Directors since September 24, 2012.

In addition, having considered the studies conducted within the context of ensuring a balanced representation of women and men within the Board of Directors (1.2.3 below), the Company will propose to the next General Meeting the appointment of a second woman as director and intends to proceed in the short term with the appointment of a third independent director, either a man or a woman (1.2.1 below), with the view and aim of establishing an Audit Committee before November 30, 2013, (1.3.5.3 below).

The composition of the Board of Directors is contained in section 4.2.1 of the management report.

The by-laws of the Board of Directors set all the principles, which, without being set up as strict rules, should guide the composition of the Board of Directors.

1.2.1 INDEPENDANT DIRECTOR

At the present time, the Board of Directors comprises five members of the Guillemot family and one independent director as defined by the AFEP-MEDEF Code, namely an independent director who (i) must not have any relationship of any kind whatsoever with the Company, its Group or the management that is such to compromise his or her judgment and (ii) must meet the following criteria:

- 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 been in such a position for the previous five years;
- 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 a corporate officer of the Company (currently in office or having held such office going back five years) is a director;
- must not be a customer, supplier, investment banker or commercial banker that is material for the Company or its Group or for which the Company or its Group accounts for a significant part of its business;
- must not be related by close family ties to a corporate officer;
- must not have been an auditor of the Company within the previous five years;
- must not have been a director of the Company for more than twelve years.

The Board of Directors, following the reflection conducted for the purposes of complying with the recommendation of the AFE-MEDEF Code stating that the proportion of independent directors shall make up at least a third in the companies controlled by a principal shareholder and taking into account the principle of a balanced representation of women and men within the Board, has decided to put to the vote at the next General Meeting the appointment of a woman as independent director and to make a recommendation in the short term for the appointment of a third independent director, either a man or a woman, namely within the context of establishing an Audit Committee before the end of November 2013.

1.2.2 BALANCED REPRESENTATION OF WOMEN AND MEN WITHIN THE BOARD OF DIRECTORS

The appointment of Estelle Métayer as director by the General Meeting of September 24, 2012, allowed the Company to comply in a timely manner with the provisions of Act no. 2011-103 of January 27, 2011, regarding the balanced representation of women and men within Boards of Directors and supervisory boards, and professional equality.

Eager to continue opening its Board to independent directors while adhering to the principle of a balanced representation of women and men within the Board of Directors, the Company will put to the vote at the next General Meeting the appointment of a second woman as director. In addition, as part of the short-term project relating to the appointment of a third independent director, the Board of Directors will promote the selection of women as candidates insofar as complying with required skills and criteria for independence.

1.2.3 DIRECTOR ELECTED BY EMPLOYEE SHAREHOLDERS

The Board of Directors does not include a director representing the employees, it being specified that the threshold of at least 3% of share capital held by the employees (as provided in Article L. 225-23 of the French Commercial Code) has not been reached to date.

1.2.4 NUMBER OF SHARES TO BE HELD BY THE DIRECTORS

Pursuant to Article 9 of the Company's Articles of Association, each director must own 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 correlated with their involvement in executing their duties.

1.2.5 DIRECTORS' TERM OF OFFICE

Article 9 of the Articles of Association as amended by the General Meeting of July 10, 2009, complies with the recommendation of the AFEP-MEDEF Code relating to this matter, namely: (i) a term of office for directors of four years (compared to six previously) and (ii) staggered renewals.

Further to the appointment by the Shareholders' Meeting of September 24, 2012, of Estelle Métayer as director in replacement of Marc Fiorentino and the renewal of the terms of office of Yves Guillemot and Gérard Guillemot at the same Meeting, the expiry of the directors' terms of office is currently as follows:

- renewal during the General Meeting approving the financial statements for the year ended March 31, 2016: Yves Guillemot, Gérard Guillemot and Estelle Métayer;
- renewal during the General Meeting approving the financial statements for the year ended March 31, 2013: Claude Guillemot, Christian Guillemot and Michel Guillemot.

The terms of office to be proposed at the next General Meeting for the renewal of the terms of office of Claude Guillemot, Christian Guillemot and Michel Guillemot as directors and the appointment of Laurence Hubert-Moy as a new director will be four years.

Directors may not be over eighty years of age.

1.3 PREPARATION AND ORGANIZATION OF THE BOARD'S PROCEEDINGS

The preparation and organization of the Board come within the scope defined by the statutory and regulatory provisions applicable to "*sociétés anonymes*" (corporations) and the Company's Articles of Association, and the provisions of the by-laws of the Board of Directors and its committees updated on December 14, 2012, in compliance with the French Commercial Code and the AFEP-MEDEF Code.

Shareholders may consult the by-laws at the business address or at the registered office.

Over and above the expertise and powers of the Board, the by-laws provide for the operational rules of the specialized committees set up within it, prescribe the principle of confidentiality for information known by members and that of the office of director in respect of rules of independence, ethics and integrity. Moreover, the by-laws stipulate the requirement that each of the directors inform the Board in the event of a real or potential conflict of interests in which he/she may be directly or indirectly involved.

It also mentions the applicable rules regarding transactions of Company shares as defined by Article L. 621-18-2 of the French Monetary and Financial Code and Article 222-14 of the General Regulations of the AMF (Financial Market Authority).

Finally, the by-laws provide the opportunity for directors to participate in the Board's deliberations via videoconference or telecommunications, which enable them to be identified and 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 corporate financial statements, consolidated financial statements and the management report.

The by-laws provide the operating rules for the permanent committees set up within the Board of Directors, it being specified that it was decided at the Board of Directors' meeting of December 14, 2012, not to maintain the Strategy and Development Committee so that the topics and issues under its responsibility could be examined directly at Board meetings.

1.3.1 THE BOARD'S POWERS AND RESPONSIBILITIES

In accordance with the provisions of Article L. 225-35 of the French Commercial Code and the provisions of its by-laws, the Board of Directors determines the Company's business strategies and ensures their implementation.

It meets as often as required by the Company's interests, at the registered office or at any other place chosen by the Chairman. No special form is required for convening 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 matters of the Company and ensures their implementation by executive management.

Subject to the powers expressly attributed to 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 executive 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 deems appropriate, the authorizations granted to it by the Shareholders' Meeting;
- examines and approves the financial statements;
- oversees the quality of the information provided to shareholders and to the markets in the financial statements or when major transactions are carried out.

1.3.2 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's strategic issues;
- examining and approving the corporate and consolidated financial statements for the year ended March 31, 2012, and the interim consolidated financial statements of September 30, 2012;
- establishing forecast management statements;
- financial information/management reports;
- examining regulated agreements in accordance with Article L. 225-38 of the French Commercial Code;
- preparing the Combined General Meeting of September 24, 2012, (agenda, draft resolutions, reports for this meeting);
- implementing the authorizations granted by the Shareholders' Meeting, in particular as regards employee shareholding and "financial" authorizations;
- renewing the authorization granted to the Chief Executive Officer to grant securities, sureties and guarantees on behalf of the Company;
- establishing corporate governance policies and updating the by-laws of the Board of Directors and its committees;
- implementing the share buyback program;
- studying its committees's reports (the Strategy and Development Committee and the Compensation Committee).

In accordance with Article L. 823-17 of the French Commercial Code, the auditors were invited to attend the Board meetings approving or examining the financial statements.

The Board of Directors met 12 times during the financial year 2012/2013, with an attendance rate of 73%.

1.3.3 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 to prepare 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.

1.3.4 ASSESSMENT OF THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors conducts formal evaluation of the functioning of the Board and its committees through a questionnaire sent to each director. The last questionnaire was submitted to the directors in March 2011 and the results were the subject of discussions by the Board of Directors during the financial year 2011/2012.

The next formal evaluation by the Board of Directors will be carried out within the financial year 2013/2014 with the main purpose of allowing new directors to participate and incorporating all matters relating to the Audit Committee, which is to be set up before the end of November 2013.

1.3.5 BOARD COMMITTEES

Until December 14, 2012, the Board of Directors was assisted by two specialized committees: the Strategy and Development Committee and the Compensation Committee.

Following the Board of Directors' Meeting on December 14, 2012, the decision was made not to maintain the Strategy and Development Committee so as to incorporate the topics and/or issues under its responsibility into Board of Directors' Meetings.

Members chosen from among the directors are appointed by the Board of Directors, which also designates each committee's Chairman.

The responsibilities and specific operating procedures of each committee were specified by the Board when they were established and were added to the by-laws.

1.3.5.1 **STRATEGY AND DEVELOPMENT COMMITTEE**

This committee was dissolved on December 14, 2012.

COMPOSITION

The committee had five members: Yves Guillemot, Claude Guillemot, Michel Guillemot, Gérard Guillemot and Christian Guillemot. Yves Guillemot was the Chairman of the committee.

RESPONSIBILITIES

The committee was responsible for examining and reflecting upon all decisions concerning the major strategic, economic, corporate, financial and technological matters of both the Company and the Group.

It may also have been asked to study in detail and to provide the Board with an opinion on matters referred to it, concerning major investments, acquisitions or divestments and disposals.

The committee's task was namely to consider the position of the Company towards the market and, in particular, to carry out prospective and strategic analyses of the Ubisoft Group's activities.

WORK DURING THE FINANCIAL YEAR 2012/2013

The Strategy and Development Committee met once during the last financial year (between April 1, 2012, and December 14, 2012), mainly to discuss the development of the technology market and various forms of product distribution.

The attendance rate at this committee meeting was 100%.

1.3.5.2 COMPENSATION COMMITTEE

COMPOSITION

The committee has three members: Yves Guillemot, Christian Guillemot and Estelle Métayer, who was appointed on September 24, 2012, as a successor to Marc Fiorentino. Yves Guillemot is the Chairman of the committee.

The AFEP-MEDEF corporate governance code states that the Compensation Committee should predominantly comprise independent directors, with no corporate officers.

The Company's Compensation Committee is made up of one independent director and two corporate officers. The Board of Directors feels that, given the nature of the Company, in particular the structure of its capital ownership with the Guillemot family as a principal shareholder, and the current composition of its Board of Directors, the committee as defined best suits the Company's operating methods. Moreover, open and varied discussions between the independent director and the persons responsible for preparing the documentation (benchmarking, studies, etc.) used at committee meetings suggest that the interests of the Company's shareholders are well represented.

Furthermore, the Board of Directors did not consider it relevant to grant this committee the attributions of a nominating and/or selection committee.

RESPONSIBILITIES

The Compensation Committee is responsible for examining the compensation and benefits granted to directors and corporate officers and for providing the Board 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 as regards the rules for distributing the directors' fees and the 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 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 executive 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 issues and, where applicable, the proposals relating to employee shareholding.

WORK DURING THE FINANCIAL YEAR 2012/2013

The Compensation Committee met twice during the last financial year, mainly to discuss the composition of the Ubisoft teams as at the end of 2012, possibilities of retaining key people and ensuring their loyalty in a market under pressure, and competitor practices.

The attendance rate was 100%.

1.3.5.3 AUDIT COMMITTEE

In accordance with the provisions of Article L. 823-19 of the French Commercial Code, introduced by Directive no. 2008-1278 of December 8, 2008 (having transposed into French law the eighth directive on statutory audits (Directive 2006/43/EC), the Company shall establish an Audit Committee before November 30, 2013, i.e. within the deadlines prescribed by Article 21 of the aforementioned Directive, on the expiry of Board members' terms of office as a reference.

1.4 POSSIBLE LIMITS PLACED ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER

The Board of Directors chose not to separate the position of Chairman of the Board of Directors from that of Chief Executive Officer. In a constantly changing and particularly competitive environment, this arrangement ensures the alignment of operating activities with the strategy, thus supporting and streamlining the decision-making process.

Yves Guillemot holds the positions of Chairman and Chief Executive Officer without any limits on his powers other than those provided for under applicable legislation concerning the special powers of the Board of Directors or of the Shareholders' Meeting.

At its meeting of June 1, 2012, the Board of Directors set out the scope of the Chief Executive Officer's powers as regards granting securities, suretiesand 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.

1.5 RULES AND PRINCIPLES APPLIED BY THE BOARD OF DIRECTORS TO DETERMINE THE COMPENSATION AND BENEFITS OF ALL KINDS GRANTED TO CORPORATE OFFICERS

Compensation granted to the Chief Executive Officer, and to the executive vice presidents, is set by the Board of Directors following a proposal by the Compensation Committee, which bases its judgment on comparative studies of large firms and/or companies operating in the same business sector.

In consideration – albeit very partial – of the responsibilities assumed and also the time spent preparing Board meetings and actively participating therein, the General Meeting of September 25, 2006, authorized the Company to pay directors' fees amounting to a maximum of €250 thousand per annum.

The Board of Directors decided at its meeting on April 27, 2011, to raise directors' fees to €40 thousand for each director, on or after July 1, 2011, compared with €30 thousand previously (Board meeting of December 5, 2006), on the basis of the same prior conditions, namely:

- half comprises a fixed sum,
- the other half forms a variable portion proportionate to the directors' participation at Board meetings held between July 1 of year n and June 30 of year n +1.

A proposal to set the cap for directors' fees at €370 thousand will be put to the vote at the General Meeting on June 27, 2013, taking into account on the first hand the proposal for the appointment of a woman as independent director at the next Meeting with the additional aim of appointing in a short term a third independent director, either a man or a woman, and on the second hand, with a view to arranging the compensation of members of the Audit Committee, which is to be set up before the end of November 2013.

Corporate officers are not entitled to any indemnity or benefits payable in the event that they leave the Company.

The corporate officers were not granted any share subscription and/or purchase options for the last financial year pursuant to the resolution voted by the General Meeting of June 30, 2011, which stipulates, firstly, that the number of options granted to corporate officers may not represent more than 5% of the total number allocated by the Board throughout the duration of the authorization and, secondly, that the exercise of said options by corporate officers must be tied in with performance conditions to be met, which are set out by the Board of Directors.

Furthermore, the corporate officers have never received any bonus share grants from the Company.

Pursuant to the AFEP-MEDEF Code and the AMF recommendations of December 22, 2008, information on management compensation is provided in the tables contained in section 4.5 of the management report.

1.6 SHAREHOLDERS' ACCESS, ATTENDANCE AND VOTING AT 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 8 and 14 of the Company's Articles of Association, with details in section 3.2 of the management report. This information is provided again in the notice of meeting and the convening notice published by the Company before any General Meeting.

1.7 PUBLICATION OF THE CAPITAL STRUCTURE AND MATTERS LIKELY TO HAVE AN INFLUENCE IN THE EVENT OF A PUBLIC OFFERING

This report refers to section 3.3 of the management report for the year ended March 31, 2013, as regards the publication of information referred to in Article L. 225-100-3 of the French Commercial Code relating to the Company's capital structure and matters likely to have an influence in the event of a public offering.

1.8 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES IMPLEMENTED BY THE UBISOFT GROUP

The preparation of this report is based on the 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 executive management.

1.8.1 DEFINITION AND OBJECTIVES OF INTERNAL CONTROL AND RISK MANAGEMENT

1.8.1.1 DEFINITION OF INTERNAL CONTROL

Ubisoft has drawn up this report 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 executive management;
- ✓ proper functioning of the Company's internal processes, in particular 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.

Since 2010, it has been decided to target more specifically the audits carried out in the Group's production studios (4 French companies and 24 foreign companies) and in support-level companies (3 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.

1.8.1.2 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 decision-making organization and processes of the Company 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.

1.8.2 COMPONENTS OF THE INTERNAL CONTROL SYSTEM

1.8.2.1 ORGANIZATION OF INTERNAL CONTROL AND OPERATING PROCEDURES

Since the internal audit department was closed in 2010, in the interests of proximity and effectiveness, and in order to strengthen team-working, the regional managers will be in charge of keeping this internal control process going and improving it from now on.

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.

Organization

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

❖ **The CEO of Ubisoft Entertainment SA**: He defines and directs Group strategy. He is responsible for establishing the procedures and mechanisms employed to ensure both the functioning and monitoring of the internal control system. He takes charge of the internal control system, more specifically as part of his duties as Chief Executive Officer with the Board of Directors and the assistance of the auditors.

❖ **The Board of Directors**: Its operations are described in section 1.2 of this report. It primarily defines the policies governing the Company's business activities and ensures their application. It strives in particular to examine the accounting and financial documents and to determine the risks in relation with the Company's internal control. It ensures the efficiency of the mechanisms and procedures applied as part of internal control. To this end, it has access to all documents and reports required to perform this task. 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.

❖ **The Group's managers and employees**: The major policies and goals are decided upon by executive management of each area in consultation with Group executive management and passed on to the subsidiaries. Each subsidiary has its own executive management and management team and is responsible for implementing the strategies designed to ensure that these goals are achieved.

❖ **Operational management**: In collaboration with executive 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 sufficient.
These procedures are presented in detail in the section “Control activities”.

❖ **Finance and accounting teams**: These are present in all subsidiaries of the Group and are responsible for performing analysis and control functions, including budgeting and preparing 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 and updated to reflect any changes in roles and responsibilities. Executive 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 executive management and monitored in each subsidiary by the accounting and finance teams. Management audit teams are responsible for monitoring business performance. At subsidiary level, these teams provide relevant cost analyses to the operational managers so that they can make informed and adequate 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.

1.8.2.2 INTERNAL PUBLICATION OF INFORMATION

To effectively communicate strategic goals and provide the resources needed by teams to fulfill their duties, Ubisoft encourages information-sharing through internal collaborative tools. In addition to local briefings and an organized internal communications network, a portal accessible to all Group employees was set up in 2007. This portal ensures permanent and up-to-date access to all information relating to the Group, the market and its developments, and to other intranets. These frequently updated intranets facilitate knowledge-sharing between the Group's various business lines, for example:

- Operational:
  - Workspaces dedicated to sharing information on projects, developments, technologies, studies and analyses.
- IT:
  - A shared database comprising functional and technical documentation on applications and projects led by IT departments.
- Accounting, finance and management control:
  - A shared database, only accessible to the relevant employees, providing procedure manuals, Group contacts and information on the financial reporting cycle.

The various departments also organize regular training and briefing sessions to ensure the dissemination of information.

1.8.2.3 RISK IDENTIFICATION AND MANAGEMENT

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 executive 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 chapter 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.

1.8.2.4 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 executive 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 executive 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 consolidated accounts, centralizing all expertise on their preparation and analysis. It publishes the accounting procedures applicable within the Group, particularly via the Group's accounting policies manual. 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 forecasting. It checks the suitability and smooth interaction of exchange rate and liquidity risk management policies, as well as the publication of financial information, and also manages off-balance sheet commitments (bank guarantees relating to purchase financing or L/Cs, comfort letters, share price guarantees, deposits, etc.). It centralizes and verifies the authorizations granted to a limited number of employees, who are exclusively authorized by executive management to handle certain financial transactions – subject to predefined 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, which examines and assesses the strategic interest of the planned total or partial takeover of a company and submits the relevant proposal to executive management, who 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 and ensures that this is applied correctly.

- The information systems department is involved in selecting IT solutions, ensures their consistency, and monitors their technical and functional compatibility. The department regularly monitors the progression of IT projects and ensures that they are in line with the requirements, existing policies and budgets. A medium-term project visibility has been introduced, with budgets set for a 2-year period, reviewed periodically to take into account the changes in the Company's priorities and constraints.
  The risk security and management team 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, premises, and human and material resources.
  The team has also established rules and control measures with the aim of preventing and managing risks. These internal procedures are reviewed regularly and adapted to maximize their efficiency.

1.8.2.5 **ONGOING SUPERVISION OF THE INTERNAL CONTROL SYSTEM**

To provide ongoing supervision of the internal control system and its operation, the Group has introduced a biannual process for monitoring the production subsidiaries and key controls, together with the financial control teams.

Of self assessment questionnaires are regularly sent to subsidiaries.

Their goal is both to contribute to establishing and updating procedures and, above all, to help managers to pinpoint the fundamental issues regarding the effectiveness of the processes and controls in question. 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 the strategy and guidelines of the Group.
- 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 financial year 2012/2013 was marked by more targeted and significant actions bearing on the heart of the Group's activity:

- ✓ 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 in the Group.

1.8.3 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.

1.8.3.1 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 for the year-end financial statements.

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.

1.8.3.2 ORGANIZATION OF INFORMATION SYSTEMS

With a view to continually improving its information system and in order to ensure the integrity of accounting and financial data, the Company invests in implementing and updating IT solutions and procedures to meet the requirements and the 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.) has been proven to optimize and improve 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 team is constantly working 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.

1.8.3.3 ACCOUNTING AND FINANCIAL INFORMATION VALIDATION PROCEDURES

Ubisoft's accounting and financial information is prepared by the administration department, under the supervision of the CEO, 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 processes to allow for in the annual year-end process.

One-off assignments during the financial year such as pre-closing reviews prior to each 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 revenue 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.

1.8.3.4 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 and investors.

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

1.8.4 OUTLOOK

The Group intends to extend its internal control system on its distribution activities by specifically focusing on increasing awareness among its teams and managers, systematically reviewing risks and developing effective solutions that are adapted to the teams' requirements.

2 STATUTORY AUDITORS' REPORT PREPARED PURSUANT TO ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

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,

In our capacity as statutory auditors of Ubisoft Entertainment SA and pursuant to the provisions of article L. 225-235 of the French Commercial Code, we hereby present our report on the report prepared by Ubisoft Entertainment SA's Chairman pursuant to Article L. 225-37 of the French Commercial code for the fiscal year ended March 31, 2013

It is the responsibility of the Chairman to draw up and submit to the approval of the Board of Directors a report describing the internal control and risk management procedures implemented by Ubisoft Entertainment SA and providing the other information required by the Article L. 225-37 of the French Commercial code, in particular as regards corporate governance.

We are charged:

- 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 attest that the report comprises the other information required by the Article L.225-37 of the French Commercial Code, but not to verify the accuracy of that other information.

We have carried out our work in accordance with the prevailing standards of the profession 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 control audit 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 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 deficiencies in the internal control procedures of the Company for preparing and processing accounting and financial information identified during our review have been appropriately disclosed in the Chairman's report.

On the basis of this review, we have no observation to make with regard to the information provided concerning the Company's internal control procedures for preparing and processing accounting and financial information, as contained in the Chairman's report , established in accordance with Article L. 225-37 of the French Commercial Code.

Further information

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

Nantes, May 30th, 2013	Rennes, May 30th, 2013
KPMG Audit *A division of KPMG S.A.*	MB Audit
Franck Noël Partner	Roland Travers Partner

CORPORATE INFORMATION

1 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 involved in respect of the conclusion of these 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 execution, during the past fiscal year, of agreements and commitments previously approved by the Shareholders' 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 engagement. These procedures consisted in verifying the information provided to us is in agreement with the relevant source of documents.

REGULATED AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Regulated agreements and commitments authorized during the past financial year

In accordance with article R.225-40 of the French Commercial Code, we were informed of the following agreements and commitments, which were previously authorized by your Board of Directors.

Transaction between companies having directors in common

Purchase of premises

- Contracting partner company:

SCI UGI (no existing ownership relationship between your company and SCI UGI).

- Persons concerned:

Yves Guillemot, Claude Guillemot, Gérard Guillemot, Michel Guillemot and Christian Guillemot in their capacity as :

- directors of Ubisoft Entertainment SA, Chairman and Chief Executive Officer (Yves Guillemot) and Executive Vice President (Claude Guillemot, Gérard Guillemot, Michel Guillemot and Christian Guillemot)
- shareholders of SCI UGI (Yves Guillemot, Claude Guillemot, Gérard Guillemot, Michel Guillemot and Christian Guillemot) and General Manager of SCI UGI (Claude Guillemot)

- Nature and purpose:

On August 30th, 2012, your Board of Directors authorized your company to purchase a part of the building situated 8/10 rue de Valmy - Montreuil-sous-Bois (93100) that the company rented from SCI UGI.

- Conditions:

The premises were purchased on December 21, 2012 for a purchase price of 720,000€ determined on the basis of valuations carried out by independent experts.

REGULATED AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments entered into in prior years remained in force during the past financial year

Pursuant to article R.225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, previously approved by Shareholders' Meetings of prior years, have remained in force during the year.

Transactions between companies having directors in common

1. Intellectual Property License granted by the company's Luxembourg subsidiary (Ubisoft Entertainment Sàrl)

   - Contracting partner company :

   Ubisoft Entertainment Sàrl (an indirect wholly-owned subsidiary of the company)

   - Persons concerned :

   Yves Guillemot in his capacity as:
     - Chairman and Chief Executive Officer of Ubisoft Entertainment SA,
     - Joint general manager of Ubisoft Entertainment Sàrl

   - Nature and purpose:

   On March 14th, 2011, your Board of Directors authorized your company to conclude retroactively as of 1st April, 2010, an intellectual property license agreement relating to some intellectual properties including trademarks (the "IP") owned by Ubisoft Entertainment Sàrl, subject to the payment by your company of a 3.5% royalty calculated on Ubisoft Group's turnover in connection with the due use of such IP. In consideration of the marketing costs related to the IP, your company will invoice to Ubisoft Entertainment Sàrl a marketing fee corresponding to 11% of the royalties relating to the use of the IP thereto.

- Conditions :

The amount of the royalties booked for the year ended March 31st, 2013 totaled €3,292,280 excluding tax.

The amount of marketing fee re-invoiced for the year ended March 31st, 2013 totaled €362.150 excluding tax.

2. Licensing agreement with Gameloft SE

- Contracting partner company:

Gameloft SE (no existing ownership relationship between your company and Gameloft SE).

- Persons concerned :

Yves Guillemot, Claude Guillemot, Gérard Guillemot, Michel Guillemot and Christian Guillemot in their capacity as :

- directors, Chairman and Chief Executive Officer (Yves Guillemot) or Executive Vice President (Claude Guillemot, Gérard Guillemot, Michel Guillemot and Christian Guillemot) of Ubisoft Entertainment SA,
- directors, Chairman and Chief Executive Officer (Michel Guillemot) or Exectuvie Vice President (Claude Guillemot, Gérard Guillemot, Yves Guillemot and Christian Guillemot) of Gameloft SE.

- Nature and purpose :

On November 18th, 2008, your Board of Directors authorized your company to grant to Gameloft SE an exclusive and nontransferable license for the use and reproduction of video games for iPhone and iPod Touch formats as well as a nonexclusive and nontransferable license authorizing the reproduction of the trademarks and logos relating to the video games subject to the exclusive use of the license. This agreement was amended on April 22nd, 2010 in order on the one hand, to update the list of video games part of the appendix 1 and on the other hand, to extend to the iPad format the 12 video games as well as the iPhone and iPod applications realized and distributed by Gameloft SE in accordance with the agreement.

- Conditions :

The amount of the royalties booked as turnover by your company as of March 31st, 2013 totaled €566,019 excluding tax.
The license agreement concerns a period from January 28th, 2009 to April 1st, 2012 with a five-year sell-off period.

3. Brand licensing agreement with Gameloft SE

- Contracting partner company:

Gameloft SE (no existing ownership relationship between the company and Gameloft SE).

- Persons concerned:

Yves Guillemot, Claude Guillemot, Gérard Guillemot, Michel Guillemot and Christian Guillemot in their capacity as :

- directors, Chairman and Chief Executive Officer (Yves Guillemot) or Executive Vice President (Claude Guillemot, Gérard Guillemot, Michel Guillemot and Christian Guillemot) of Ubisoft Entertainment SA,
- directors, Chairman and Chief Executive Officer (Michel Guillemot) or Executive Vice President (Claude Guillemot, Gérard Guillemot, Yves Guillemot and Christian Guillemot) of Gameloft SE.

- Nature and purpose:

On August 18th, 2003, your Board of Directors authorized your company to sign an exclusive licensing agreement for current and future brands with Gameloft SE for the development of interactive video games for telephone, fax and telecommunications devices, personal digital assistants (PDAs) and interactive television.

The term of the agreement had a 10-year duration starting on April 1st, 2002. This agreement was denounced on September 21st, 2011 with effect as of April 1st, 2012 with a five-year sell-off period.

- Conditions:

The amount of the royalties booked as turnover by your company as of March 31st, 2013 totaled €625,287 excluding tax.

4. Regulated agreement of guarantee granted

- Contracting partner company:

Various subsidiaries of Ubisof Entertainment SA

- Persons concerned :

Yves Guillemot in his capacity as:

- director, Chairman and Chief Executive Officer of Ubisoft Entertainment SA,
- corporate officer of the concerned subsidiaries

- Nature and purpose :

On November 17th, 2009, your Board of Directors authorized your company to invoice financial interests of 0.5 % per year to some subsidiaries companies as remuneration of the guarantees granted by the company within the framework of commitments taken by those subsidiaries face to face third parties (rents, banks, commercial partners…)

- Conditions :

The term of the remuneration achieves to each guarantee due date. The financial revenue as of March 31st, 2013 totaled €242,796 excluding tax.

Other transactions

1. <u>Contract of order and transfer of rights</u>

- Contracting partner company:
NextVision SARL

- Person concerned :
Marc Fiorentino as

  - director of the company till September 24th, 2012
  - general manager sole shareholder of NextVision SARL

- Nature and purpose :

On June 30th, 2011, your Board of Directors authorized your company to enter into a contract of order and transfer of rights, pursuant to which your company grants to the company NextVision SARL the conception and development of a free-to-play online game relating to finance field, accompanied with the transfer in favor of your company all of the IP and material rights attached thereto.

- Conditions :

The contract came into effect on October 18th, 2011 and will remain into effect till its completion.

No amount was booked for the financial year ended 31st March, 2013.

Nantes, May 30th, 2013

KPMG Audit
A division of KPMG S.A.

Franck Noël
Partner

Rennes, May 30th, 2013

MB Audit

Roland Travers
Partner

2 ATTESTATION OF COMPLETENESS OF ONE OF THE AUDITORS ON THE EMPLOYEE-RELATED ENVIRONMENTAL AND SOCIAL INFORMATION FEATURED IN THE MANAGEMENT REPORT

This is a free translation into English of the Attestation of completeness of one of the audiors 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.

Year ended 03/31/13

For the attention of the Chairman and Chief Executive Officer,

Pursuant to your request and in our capacity as auditors of Ubisoft Entertainment, we have prepared this attestation on the employee-related, environmental and social information presented in the management report prepared for the year ended March 31, 2013 pursuant to Article L. 225-102-1 of the French Commercial Code.

Responsibility of the Company

The Board of Directors of Ubisoft Entertainment is responsible for preparing a management report including the employee-related, environmental and social information provided for in Article R. 225-105-1 of the French Commercial Code (hereinafter the “Information”), prepared in accordance with the definitions and calculation methods determined by the Group (the “Reporting Criteria”) and available from the Company's Head Office.

Independence and quality control

Our independence is defined by regulatory texts, the profession’s 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 legal texts and regulations.

Responsibility of one of the auditors

Based on our work, our responsibility is to attest that the required Information is presented in the management report or, in the event of an omission, is explained pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code and Decree no. 2012-557 of April 24, 2012. We are not responsible for checking the relevance of the information.

To assist us in conducting our work, we referred to the corporate social responsibility experts of our firm.

Nature and scope of work

We carried out our work in accordance with professional standards applicable in France.

- We compared the Information presented in the management report with the list provided for by Article R. 225-105-1 of the French Commercial Code;

- We verified that the Information covered the consolidated scope, namely the Company and its subsidiaries pursuant to Article L. 233-1 and the companies it controls pursuant to Article L. 233-3 of the French Commercial Code within the limits presented in the section "Methodology note on employee-related, environmental and social reporting" of this document;
- In the event of the omission of some consolidated information, we verified that the explanations were supplied in accordance with the provisions of Decree no. 2012-557 of April 24, 2012.

In conclusion

Based on this work, we attest the completeness of the required Information in the management report.

Nantes and Paris, May 31, 2013

The auditors

KPMG Audit
Department of KPMG S.A.

Frank Noël
Partner

Philippe Arnaud
Partner
Head of the
Climate Change and Sustainable Development
Department

3 THE COMBINED GENERAL MEETING ON JUNE 27, 2013

3.1 AGENDA

Resolutions within the scope of the Ordinary General Meeting

First resolution	Approval of the company financial statements for the financial year ended March 31, 2013
Second resolution	Allocation of earnings for the financial year ended March 31, 2013
Third resolution	Approval of the consolidated financial statements for the financial year ended March 31, 2013
Fourth resolution	Approval of the agreements and commitments covered by Articles L. 225-40 et seq. of the French Commercial Code
Fifth resolution	Renewal of the directorship of Mr. Claude Guillemot
Sixth resolution	Renewal of the directorship of Mr. Christian Guillemot
Seventh resolution	Renewal of the directorship of Mr. Michel Guillemot
Eighth resolution	Appointment of Ms. Laurence Hubert-Moy as a director
Ninth resolution	Determination of the amount of the attendance fees
Tenth resolution	Renewal of the term of a statutory auditor
Eleventh resolution	Appointment of an alternate auditor
Twelth resolution	Authorization to buy back, retain or transfer Ubisoft Entertainment SA shares
Thirteenth resolution	Powers for legal formalities

Resolutions within the scope of the Extraordinary General Meeting

Fourteenth resolution	Authorization granted to the Board of Directors to reduce the share capital by cancelling shares
Fifteenth resolution	Delegation of authority to the Board of Directors to increase the share capital by capitalization of reserves, earnings, premiums or other items for which capitalization is permitted
Sixteenth resolution	Delegation of authority to the Board of Directors to increase the share capital by issuing, with retention of preferential subscription rights, shares and/or securities granting entitlement to the Company's share capital
Seventeenth resolution	Delegation of authority to the Board of Directors to increase the share capital by issuing, with waiving of preferential subscription rights by way of a public offering, shares and/or securities granting entitlement to the Company's share capital
Eighteenth resolution	Delegation of authority to the Board of Directors to increase the share capital by issuing, with waiving of preferential subscription rights by way of an offer as referred to in Paragraph II of Article L.411-2 of the French Monetary and Financial Code, shares and/or securities granting entitlement to the Company's share capital
Nineteenth resolution	Authorization to the Board of Directors to determine, up to a limit of 10% of the share capital per year, the issue price of ordinary shares or any securities granting entitlement to the Company's share capital, in the case of an issue with waiving of preferential subscription rights by way of a public offering and/or an offer as referred to in Article L.411-2 II of the French Monetary and Financial Code
Twenthieth resolution	Authorization granted to the Board of Directors to issue ordinary shares and securities granting entitlement to ordinary shares as consideration for contributions in kind granted to the Company and consisting of shares or securities granting entitlement to the Company's share capital
Twenty-first resolution	Delegation of authority to the Board of Directors to increase the share capital by issuing shares reserved for members of a Group savings scheme
Twenty-second resolution	Authorization granted to the Board of Directors to grant ordinary shares in the Company
Twenty-third resolution	Overall maximum amount of capital increases
Twenty-fourth resolution	Powers for legal formalities

3.2 TEXT OF THE DRAFT RESOLUTIONS

3.2.1 RESOLUTIONS WITHIN THE SCOPE OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING

FIRST RESOLUTION

(Approval of the company financial statements for the financial year ended March 31, 2013)

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings and having read the Board of Directors' management report and Statutory Auditors' report, approves the company financial statements for the financial year ended March 31, 2013 as presented (consisting of the balance sheet, income statement and notes) showing a loss of **€30,462,116.10**, as well as the transactions reflected in said financial statements or summarized in said reports.

SECOND RESOLUTION

(Allocation of earnings for the financial year ended March 31, 2013)

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings and having read the Board of Directors' report, resolves to allocate the loss for the financial year ended March 31, 2013 as follows:

▪-Loss		**-€30,462,116.10**	
to the «Other Reserves » account			-€20.190.265,56
Credit account of the « Other Reserves » account	+€20,190,265.56		
Balance of the « Other Reserves » account	**€0**		
to the «Retained earnings » account			**-€10,271,850.54**
Amount of« Retained earnings » account	€0		
Balance of the « Retained earnings » account	**-€10.271.850,54**		
▪-Settlement of the « Retained earnings » account			**+€10,271,850.54**
« Retained earnings » account	-€10,271,850.54		
Balance of the « Retained earnings » account	€0		
by allocation on the « Premiums » Account			
Credit of the «Premiums » account	+€190,226,127.56		
Balance of the «Premiums » account	**+€179,954,277.02**		

The General Meeting also notes that no dividend has been distributed for the past three financial years.

THIRD RESOLUTION

(Approval of the consolidated financial statements for the financial year ended March 31, 2013)

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings and having read the Board of Directors' report on the management of the Group and the Statutory Auditors' report on the consolidated financial statements, approves the consolidated financial statements for the financial year ended March 31, 2013 as presented (consisting of the balance sheet, consolidated income statement and notes), showing a profit of **64.830.756€,** as well as the transactions reflected in said financial statements or summarized in said reports.

FOURTH RESOLUTION

(Approval of the agreements and commitments covered by Articles L. 225-40 et seq. of the French Commercial Code)

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings and having read the Statutory Auditors' special report on the agreements and commitments covered by Articles L. 225-40 et seq. of the French Commercial Code approves the new agreement authorized by the Board of Directors and entered into during the financial year ended March 31, 2013 and notes the information relating to the commitments and agreements entered into during prior financial years.

FIFTH RESOLUTION

(Renewal of the directorship of Mr. Claude Guillemot)

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having read the Board of Directors' report and noted that the directorship of Mr. Claude Guillemot is expiring at the closing of this Meeting, resolves to renew said directorship for a term of four years which will expire at the closing of the Ordinary General Shareholders' Meeting called to approve the financial statements for the financial year ending March 31, 2017.

SIXTH RESOLUTION

(Renewal of the directorship of Mr. Christian Guillemot)

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having read the Board of Directors' report and noted that the directorship of Mr. Christian Guillemot is expiring at the closing of this Meeting, resolves to renew said directorship for a term of four years which will expire at the closing of the Ordinary General Shareholders' Meeting called to approve the financial statements for the financial year ending March 31, 2017.

SEVENTH RESOLUTION

(Renewal of the directorship of Mr. Michel Guillemot)

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having read the Board of Directors' report and noted that the directorship of Mr. Michel Guillemot is expiring at the closing of this Meeting, resolves to renew said directorship for a term of four years which will expire at the closing of the Ordinary General Shareholders' Meeting called to approve the financial statements for the financial year ending March 31, 2017.

EIGHTH RESOLUTION

(Appointment of Ms. Laurence Hubert-Moy as a director)

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings and having read the Board of Directors' report, resolves to appoint Ms. Laurence Hubert-Moy as director for a term of four years which will expire at the closing of the Ordinary General Shareholders' Meeting called to approve the financial statements for the financial year ending March 31, 2017.

NINTH RESOLUTION

(Determination of the amount of the attendance fees)

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings and having read the Board of Directors' report, resolves that the total amount of the attendance fees to be distributed among the members of the Board of Directors for the current fiscal year and each of the subsequent fiscal year until a new resolution of the General Meeting will be 370,000€.

TENTH RESOLUTION

(Renewal of the term of a statutory auditor)

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings and having noted that the term of the statutory auditor KPMG SA is expiring at the end of the this meeting, resolves to renew said term for six years, i.e. until the end of the Ordinary General Meeting of Shareholders convened to vote on the accounts of the fiscal year ended March 31, 2019.

ELEVENTH RESOLUTION

(Appointment of an alternate auditor)

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings and having noted that the term of Mr. Prashant Shah, alternate auditor, is expiring at the end of the this meeting, resolves to appoint as his replacement KPMG Audit IS, for a term of six years, i.e. until the end of the Ordinary General Meeting of Shareholders convened to vote on the accounts of the fiscal year ended March 31, 2019.

TWELTH RESOLUTION

(Authorization to buy back, retain or transfer Ubisoft Entertainment SA shares)

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings and having read the Board of Directors' report, authorizes the Board of Directors – with the option to further delegate within legal prescribed manners, pursuant to the provisions of Articles L. 225-209 et seq. of the French Commercial Code and in accordance with the applicable provisions of European Regulation 2273/2003 of December 22, 2003 and the General Regulations of the AMF *(Autorité des Marchés Financiers)* – to buy, retain and transfer Company shares, within a maximum of 10 % of the share capital that may exist at any given moment. This percentage applies to the capital adjusted on the basis of transactions affecting it subsequent to this Meeting. It is noted that the maximum percentage of shares bought back by the Company in order to be retained and subsequently used as consideration or exchange in acquisitions is limited to 5% of the share capital as prescribed by law.

Shares may be bought and sold for any purpose currently authorized or that may be authorized in future under applicable laws and regulations, and in particular the following:

- to ensure the liquidity and market-making in the secondary market for Ubisoft Entertainment SA shares by an investment services provider acting independently in accordance with the code of ethics recognized by the AMF;
- to release shares upon exercise of rights attached to securities giving entitlement to the Company's share capital by any means, whether immediately or in the future;
- to grant shares to employees and corporate officers of the Ubisoft Group under any arrangement authorized by law and, in particular, via a company profit-sharing scheme, any company savings scheme, any bonus share grant plan, or any stock option plan for some or all of the Group's employees or corporate officers;
- to retain shares for delivery at a later date in exchange or as payment for future acquisitions up to a limit of 5% of the existing share capital;
- to cancel shares, subject to approval of the fourteenth resolution submitted to this Meeting;
- to implement any market practice that is or may come to be recognized by law or the AMF.

The maximum authorized unit purchase price, not including expenses, is €30 (i.e. a maximum of €288,235,020 based on the share capital at April 30, 2013), it being stated that in the event of a capital increase through capitalization of reserves, allocation of bonus shares and/or stock split or consolidation, the maximum unit purchase price and the overall maximum program amount shall be adjusted accordingly.

Use of the authorization may not result in the number of shares directly or indirectly held by the Company exceeding 10% of the number of shares in the share capital.

Shares may be bought back, sold or transferred by any means, including over-the-counter transactions, the sale of blocks of shares, sale with repurchase options, the use of any derivatives traded on a regulated or OTC market, and the implementation of option strategies, under terms authorized by the AMF.

These shares may be purchased, sold or transferred on one or more occasions and at any time, except during public offerings involving Company shares.

At each Annual General Meeting, the Board of Directors shall inform shareholders of the shares purchased, transferred or cancelled in this regard and of the allocation or, where appropriate, reallocation within legal prescribed manners of the acquired shares to the various goals being pursued.

The General Meeting fully empowers the Board of Directors, with the option to delegate within legal prescribed manners, to place any stock market or off-market orders, enter into any agreements, draft any documents in particular disclosure documents, allocate or reallocate shares bought back as prescribed by law, carry out any formalities, make any representations to any organizations and, in general, do whatever is necessary.

In the event of the law or the AMF extending or supplementing the authorized goals for share buyback programs, the General Meeting fully empowers the Board of Directors to prepare an amended program description incorporating these modified goals.

This authorization is granted for a period of eighteen months from the date of this Meeting and, in respect of the unused portion, supersedes any previous authorization having the same purpose.

THIRTEENTH RESOLUTION

(Powers for legal formalities)

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, fully empowers the bearer of a copy or excerpt of the minutes of this Meeting to carry out all legally prescribed filings and formalities as and when required.

3.2.2 RESOLUTIONS WITHIN THE SCOPE OF THE SHAREHOLDERS' EXTRAORDINARY GENERAL MEETING

FOURTEENTH RESOLUTION

(Authorization granted to the Board of Directors to reduce the share capital by cancelling shares)

The General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings and having read the Board of Directors' report and the Statutory Auditors' special report, and deliberating in accordance with Article L. 225-209 of the French Commercial Code, authorizes the Board of Directors – at its sole discretion and on one or more occasions – to reduce the Company's share capital within a maximum of 10% during each 24-month period by cancelling shares that the Company holds or may hold as a result of buybacks made under the share buyback programs authorized by the twelfth resolution submitted to this Meeting or under share buyback programs authorized prior or subsequent to the date of this Meeting.

The General Meeting fully empowers the Board of Directors, with the option to delegate within legal prescribed manners, to carry out these transactions for the amounts and according to the timing of its choosing, set the terms and conditions thereof, make the necessary deductions from reserves, earnings or premiums, record completion thereof, amend the Articles of Association accordingly and, in general, make all decisions and carry out all formalities.

This authorization is granted for a period of eighteen months from the date of this Meeting and, in respect of the unused portion, supersedes any previous authorization having the same purpose.

FIFTEENTH RESOLUTION

(Delegation of authority to the Board of Directors to increase the share capital by capitalization of reserves, earnings, premiums or other items for which capitalization is permitted)

The General Meeting, deliberating as an Extraordinary General Meeting but in accordance with the quorum and majority requirements for ordinary meetings, having read the Board of Directors' report and in accordance with the provisions of Articles L. 225-129, L.225-129-2 and L.225-130 of the French Commercial Code:

1°) delegates to the Board of Directors, with the option to further delegate within legal prescribed manners, its authority to increase the share capital, on one or more occasions and according to the amounts and timing of its choosing, by capitalization of all or part of the reserves, earnings, issue premiums, merger premiums, contribution premiums or other items for which capitalization is permitted by law and under the Articles of Association, through allocation of bonus shares, by increasing the par value of existing shares or through a combination of these two methods.

2°) resolves that:

- the maximum par value of the share capital increase(s) that may be resolved by the Board of Directors under this authorization may not exceed €10,000,000;
- this amount shall not be included in the overall maximum amount provided for by the twenty-third resolution of this Meeting;
- this amount may be increased by the par value of shares that may be issued as part of new financial transactions to uphold the rights of holders of securities granting entitlement to the Company's share capital.

3°) fully empowers the Board of Directors should it make use of this authorization, with the option to further delegate within legal prescribed manners, to implement this authorization principally for the purposes of:

- setting the conditions of issue, the amount and nature of sums to be capitalized, setting the number of new shares to be issued and/or the amount by which the par value of existing shares in the share capital shall be increased, deciding the date – even back-dated – from which the new shares shall bear rights or the date on which the par value increase shall take effect;
- resolving, in the event that bonus shares are distributed, that the rights to fractions of shares are not marketable and that the corresponding shares shall be sold, and that the proceeds of the sale shall be allocated to the holders of the rights within legal prescribed manners and in accordance with the regulations;
- setting and making adjustments to take into account the impact of transactions on the Company's share capital and setting the terms by which the rights of holders of securities granting entitlement to the Company's share capital shall be upheld, where applicable;
- recording the completion of each capital increase and amending the Articles of Association to reflect said capital increases;
- generally, entering into any agreement, taking any measures and carrying out any formalities that may be appropriate relating to the issue, listing and servicing of the securities issued under this authorization and the exercise of rights attached thereto or arising from the completion of the capital increases.

4°) resolving that this authorization is granted for a period of twenty-six months from the date of this Meeting.

<u>SIXTEENTH RESOLUTION</u>

(Delegation of authority to the Board of Directors to increase the share capital by issuing, with retention of preferential subscription rights, shares and/or securities granting entitlement to the Company's share capital)

The General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings and having read the Board of Directors' report and the Statutory Auditors' special report, deliberating in accordance with Articles L. 225-129 et seq. of the French Commercial Code, particularly Article L. 225-129-2, and Articles L. 228-91 et seq. of said Code:

1°) delegates to the Board of Directors, with the option to further delegate within legal prescribed manners, its authority to issue, on one or more occasions and according to the amounts and timing of its choosing, either in France or abroad, with the retention of preferential subscription rights for shareholders:

(a) shares in the Company;

(b) securities granting entitlement by any means, whether immediately or in the future, to existing shares or shares that are to be issued in the Company;

(c) securities granting entitlement by any means, whether immediately or in the future, to existing shares or shares to be issued in a company in which the Company directly or indirectly owns at least half of the share capital.

It is hereby stated that the subscriptions may be carried out either in cash or by offsetting against receivables.

Securities other than shares issued under this resolution may be issued in euros, a foreign currency or any other accounting unit established by reference to a basket of currencies, and may be subscribed to in cash or by offsetting against receivables. Warrants allowing subscription to securities may be issued either by a subscription offer or in the form of bonus shares issued to the holders of existing shares.

2°) resolves that the maximum par value of share capital increases that may be carried out immediately and/or in the future under this authorization may not exceed €1,450,000, it being stated that (i) this limit is set without taking into account the number of ordinary shares that may be issued to reflect adjustments to be made in accordance with applicable legal and contractual provisions in order to uphold the rights of holders of securities or other rights granting entitlement to the Company's share capital, and that (ii) the maximum par value of share capital increases that may be carried out immediately and/or in the future under this resolution shall be included in the overall maximum amount of €4,000,000 referred to in the twenty-third resolution of this Meeting.

3°) resolves that shareholders may exercise their preferential subscription rights as of right within legal prescribed manners. Moreover, the Board of Directors may grant shareholders the right to subscribe to more securities than they would be entitled to as of right, on an excess basis in proportion to the subscription rights that they hold and, in any event, within the number they request.

If subscriptions as of right and, where applicable, on an excess basis do not cover the full issue of shares or securities as defined above, the Board may use one and/or more of the following options in any order it sees fit:

- limit the issue to the amount of subscriptions, provided said amount represents at least three quarters of the approved issue;
- freely allocate all or part of unsubscribed shares and/or other securities;
- offer all or part of the unsubscribed shares and/or other securities to the general public.

4°) duly notes that, where applicable, this authorization automatically entails the shareholders' express waiver of their preferential subscription rights, in favor of holders of securities granting future entitlement to Company shares, to which such securities grant entitlement.

5°) resolves that the maximum principal amount of debt securities granting entitlement to the Company's share capital may not exceed €400,000,000 or the equivalent of this amount if issued in a foreign currency or any accounting units established by reference to a basket of currencies on the date the decision is taken, it being stated that this amount applies to all debt securities issued under the authorization granted to the Board of Directors by this General Meeting.

6°) resolves that, in accordance with the provisions of Article L. 225-129-2 of the French Commercial Code, this authorization is granted to the Board of Directors for a period of twenty-six months and, in respect of the unused portion, supersedes any previous authorization having the same purpose.

The Board of Directors shall be fully empowered, with the option to further delegate within legal prescribed manners, to implement this authorization and, in particular, to decide on the dates and terms for such issues, as well as the form and features of the securities to be created, approve the price and conditions applicable to the issues, set the amounts to be issued, set the subscription dates and cum-rights dates – even back-dated – of the securities to be issued, decide on the manner in which the shares or other securities issued will be paid up, the listing of the created securities, the servicing of the new shares and the exercise of the rights attached thereto, where appropriate to set their stock market buyback terms and, in general, do whatever is necessary and enter into any agreements in order to successfully complete the planned issues, record the capital increase(s) resulting from any issues carried out under this authorization and amend the Articles of Association accordingly.

Moreover, the Board of Directors or its Chairman may charge any costs incurred to the issue premium(s), in particular expenses, duties and fees incurred as a result of the issues.

Should debt securities be issued, the Board of Directors shall be fully empowered – with the option of further delegating to the Chairman – principally to decide whether or not said securities should be subordinated, set their interest rate, term, fixed or variable redemption price with or without premium, the amortization method depending on market conditions and the terms on which said securities shall grant entitlement to Company shares.

SEVENTEENTH RESOLUTION

(Delegation of authority to the Board of Directors to increase the share capital by issuing, with waiving of preferential subscription rights by way of a public offering, shares and/or securities granting entitlement to the Company's share capital)

The General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings and having read the Board of Directors' report and the Statutory Auditors' special report, deliberating in accordance with Articles L. 225-129 et seq. of the French Commercial Code, particularly Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 225-148 and Articles L. 228-91 et seq. of said Code:

1°) delegates to the Board of Directors its authority to issue, on one or more occasions and according to the amounts and timing of its choosing, either in France or abroad and by way of a public offering, with waiving of preferential subscription rights for shareholders:

(a) shares in the Company;

(b) securities granting entitlement by any means, whether immediately or in the future, to existing shares or shares that are to be issued in the Company;

(c) securities granting entitlement by any means, whether immediately or in the future, to existing shares or shares to be issued in a company in which the Company directly or indirectly owns at least half of the share capital.

It is hereby stated that the subscriptions may be carried out either in cash or by offsetting against receivables.

Securities other than shares issued under this resolution may be issued in euros, a foreign currency or any other accounting unit established by reference to a basket of currencies, and may be subscribed to in cash or by offsetting against receivables.

2°) resolves that the maximum par value of share capital increases that may be carried out immediately and/or in the future under this authorization and the authorization granted in accordance with the eighteenth resolution may not exceed €1,450,000, it being stated that (i) this maximum amount is set without taking into account the number of ordinary shares that may be issued to reflect adjustments to be made in accordance with applicable legal and contractual provisions in order to uphold the rights of holders of securities or other rights granting entitlement to the Company's share capital, and that (ii) the maximum par value of share capital increases that may be carried out immediately and/or in the future under this authorization shall be included in the overall maximum amount of €4,000,000 provided for by the twenty-third resolution.

3°) resolves to waive shareholders' preferential subscription rights for securities to be issued, it being noted that the Board of Directors may grant shareholders priority subscription in respect of any part of the issue for the period and on the terms of its choosing. Said priority subscription shall not create marketable rights but may be exercised both as of right and on an excess basis should the Board of Directors see fit.

4°) resolves that, should subscriptions from shareholders and the general public not cover the full issue of shares or securities as defined above, the Board may use one or more of the following options in any order it sees fit:

- where necessary, limit the issue to the amount of subscriptions, provided prescribed legal conditions have been met;
- freely allocate all or part of the unsubscribed shares and/or other securities.

5°) duly notes that, where applicable, this authorization automatically entails the shareholders' express waiver of their preferential subscription rights in favor of holders of securities granting future entitlement to Company shares, to which such securities grant entitlement.

6°) resolves that any amount accruing, or that should accrue, to the Company for each of the shares and securities granting entitlement to the Company's share capital that are or shall be issued under this authorization shall, after inclusion of the warrant issue price in the case of the issue of share subscription warrants, be at least equal to the minimum price provided for by legal and/or regulatory provisions applicable on the date of the issue, regardless of whether the securities to be issued immediately or in the future are comparable to the shares that have already been issued.

7°) resolves that the maximum principal amount of debt securities may not exceed €400,000,000 or the equivalent of this amount if issued in a foreign currency or any accounting units established by reference to a basket of currencies on the date the decision is taken, it being stated that this amount applies to all debt securities issued under the authorization granted to the Board of Directors by this General Meeting and shall be included in the limit stipulated in 7) of the eighteenth resolution.

8°) resolves that the Board of Directors may use this authorization to issue, on one or more occasions, shares and/or securities granting immediate or future entitlement to a portion of the Company's share capital in consideration for shares included in any equity swap offer made by the Company under Article L. 225-148 of the French Commercial Code involving the securities of another company listed on one of the markets covered by said Article L. 225-148 of the French Commercial Code, and further resolves to waive shareholders' preferential subscription rights to said shares and securities in favor of the holders of such shares and securities.

This authorization entails an express waiver of shareholders' preferential subscription rights attached to the shares to which these securities may grant entitlement, whether immediately or in the future, to the share capital of the Company.

The Board of Directors may, with the option to further delegate within legal prescribed manners:

- set the exchange ratio and, where appropriate, the amount of any balance to be paid in cash;
- record the number of shares given in exchange;
- set the amounts to be issued, determine the terms for the issue and the form of the securities;
- record the difference between the issue price of the new shares and their par value in a "Contribution premium" account under balance sheet liabilities, in which all shareholders' rights shall vest;
- where applicable, charge all expenses and fees incurred as a result of the authorized transaction to said "Contribution premium" account;
- generally, do whatever is necessary and enter into any agreements required to successfully complete the authorized transaction.

9°) resolves that, in accordance with the provisions of Article L. 225-129-2 of the French Commercial Code, this authorization is granted to the Board of Directors for a period of twenty-six months and, in respect of the unused portion, supersedes any previous authorization having the same purpose.

The Board of Directors shall be fully empowered, with the option to further delegate within legal prescribed manners, to implement this authorization and, in particular, to decide on the dates and terms for such issues, as well as the form and features of the securities to be created, approve the price and conditions applicable to the issues, set the amounts to be issued, set the subscription dates and cum-rights dates – even back-dated – of the securities to be issued, decide on the manner in which the shares or other securities issued will be paid up, the listing of the created securities, the servicing of the new shares and the exercise of the rights attached thereto, where appropriate to set their stock market buyback terms and, in general, do whatever is necessary and enter into any agreements in order to successfully complete the planned issues, record the capital increase(s) resulting from any issues carried out under this authorization and amend the Articles of Association accordingly. Moreover, the Board of Directors or its Chairman may charge any costs incurred to the issue premium(s), in particular, expenses, duties and fees incurred as a result of the issues.

Should debt securities be issued, the Board of Directors shall be fully empowered – with the option of further delegating to the Chairman – principally to decide whether or not said securities should be subordinated, set their interest rate, term, fixed or variable redemption price with or without premium, the amortization method depending on market conditions and the terms on which said securities shall grant entitlement to Company shares.

EIGHTEENTH RESOLUTION

(Delegation of authority to the Board of Directors to increase the share capital by issuing, with waiving of preferential subscription rights by way of an offer as referred to in Paragraph II of Article L.411-2 of the French Monetary and Financial Code, shares and/or securities granting entitlement to the Company's share capital)

The General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings and having read the Board of Directors' report and the Statutory Auditors' special report, deliberating in accordance with Articles L. 225-129 et seq. of the French Commercial Code, particularly Articles L. 225-129-2, L. 225-135 and L. 225-136 and Articles L. 228-91 et seq. of said Code:

1°) delegates to the Board of Directors its authority to issue, on one or more occasions and according to the amounts and timing of its choosing, either in France or abroad, by way of an offer as referred to in Article L. 411-2 II of the French Monetary and Financial Code (i.e. an offer (i) to persons providing a portfolio management investment service on behalf of third parties or (ii) to qualified investors or to a restricted group of investors, provided that these investors are acting on their own behalf), with waiving of preferential subscription rights for shareholders:

(a) shares in the Company;

(b) securities granting entitlement by any means, whether immediately or in the future, to existing shares or shares that are to be issued in the Company;

(c) securities granting entitlement by any means, whether immediately or in the future, to existing shares or shares to be issued in a company in which the Company directly or indirectly owns at least half of the share capital.

It is hereby stated that the subscriptions may be carried out either in cash or by offsetting against receivables.

Securities other than shares issued under this resolution may be issued in euros, a foreign currency or any other accounting unit established by reference to a basket of currencies, and may be subscribed to in cash or by offsetting against receivables.

2°) resolves that the maximum par value of share capital increases that may be carried out immediately and/or in the future under this authorization may not exceed €1,450,000, it being stated that:

(i) this maximum amount is set without taking into account the number of ordinary shares that may be issued to reflect adjustments to be made in accordance with applicable legal and contractual provisions in order to uphold the rights of holders of securities or other rights granting entitlement to the Company's share capital, and that;

(ii) the maximum par value of share capital increases that may be carried out immediately and/or in the future under this authorization shall be included in the overall maximum amount of €4,000,000 provided for by the twenty-third resolution and in the limit provided for by the seventeenth resolution;

(iii) in any case, issues of shares carried out under this authorization by way of an offer as referred to in Article L.411-2 II of the French Monetary and Financial Code may not exceed the limits provided for by the regulations in force on the issue date (for information purposes, on the date of this General Meeting, the issue of shares carried out by way of an offer as referred to in Article L.411-2 II of the French Monetary and Financial Code is limited to 20% of the Company's capital per year), it being stated that this limit shall be assessed on the date on which the Board of Directors decide to make use of this authorization.

3°) resolves to waive preferential shareholder subscription rights for the securities to be issued.

4°) resolves that if subscriptions do not cover the full issue of securities, the Board of Directors may limit the issue at the time of subscription in accordance with the laws in force at the time this authorization is used.

5°) duly notes that, where applicable, this authorization automatically entails the shareholders' express waiver of their preferential subscription rights, in favor of holders of securities granting future entitlement to Company shares, to which such securities grant entitlement.

6°) resolves that any amount accruing, or that should accrue, to the Company for each of the shares and securities granting entitlement to the Company's share capital that are or shall be issued under this authorization shall, after inclusion of the warrant issue price in the case of the issue of share subscription warrants, be at least equal to the minimum price provided for by legal and/or regulatory provisions applicable on the date of the issue, regardless of whether the securities to be issued immediately or in the future are comparable to the shares that have already been issued.

7°) resolves that the maximum principal amount of debt securities may not exceed €400,000,000 or the equivalent of this amount if issued in a foreign currency or any accounting units established by reference to a basket of currencies on the date the decision is taken, it being stated that this amount applies to all debt securities issued under the authorization granted to the Board of Directors by this Meeting and shall be included in the limit stipulated in 7) of the seventeenth resolution.

8°) resolves that this authorization is granted to the Board of Directors for a period of twenty-six months and, in respect of the unused portion, supersedes any previous authorization having the same purpose.

9°) resolves that the Board of Directors shall be fully empowered, with the option to further delegate within legal prescribed manners, to implement this authorization and, in particular, to decide on the dates and terms for such issues, as well as the form and features of the securities to be created, approve the price and conditions applicable to the issues, set the amounts to be issued, set the subscription dates and cum-rights dates – even back-dated – of the securities to be issued, decide on the manner in which the shares or other securities issued will be paid up, the listing of the created securities, the servicing of the new shares and the exercise of the rights attached thereto, where appropriate to set their stock market buyback terms and, in general, do whatever is necessary and enter into any agreements in order to successfully complete the planned issues, record the capital increase(s) resulting from any issues carried out under this authorization and amend the Articles of Association accordingly.

Moreover, the Board of Directors or its Chairman may charge any costs incurred to the issue premium(s), in particular, expenses, duties and fees incurred as a result of the issues.

NINETEENTH RESOLUTION

(Authorization to the Board of Directors to determine, up to a limit of 10% of the share capital per year, the issue price of ordinary shares or any securities granting entitlement to the Company's share capital, in the case of an issue with waiving of preferential subscription rights by way of a public offering and/or an offer as referred to in Article L.411-2 II of the French Monetary and Financial Code)

The General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings and having read the Board of Directors' report and the Statutory Auditors' special report, and deliberating in accordance with Articles L. 225-136 and R. 225-119 of the French Commercial Code:

1°) authorizes the Board of Directors, in the event of the implementation of the seventeenth and eighteenth resolutions here-above, to depart from the conditions for setting prices provided for by said resolutions and to set the issue price for shares and/or securities to be issued such that any amount accruing, or that should accrue, to the Company for each of the shares and securities granting entitlement to the Company's share capital that are or shall be issued shall – after taking into account, in case of the issue of share subscription warrants, the issue price attached thereto – be at least equal to the weighted average of the share price during the last three trading sessions preceding the issue, if applicable reduced by a maximum discount of 10%, regardless of whether the securities to be issued immediately or in the future are comparable to the shares that have already been issued.

2°) resolves that the total nominal amount of a capital increase resulting from the implementation of this resolution may not exceed 10% of the share capital for each 12-month period, it being stated that the amount of capital increases carried out in accordance with this resolution shall be included in the limit set by the seventeenth and eighteenth resolutions.

3°) resolves that this authorization is granted to the Board of Directors for a period of twenty-six months from the date of this Meeting and, in respect of the unused portion, supersedes any previous authorization having the same purpose.

TWENTIETH RESOLUTION

(Authorization granted to the Board of Directors to issue ordinary shares and securities granting entitlement to ordinary shares as consideration for contributions in kind granted to the Company and consisting of shares or securities granting entitlement to the Company's share capital)

The General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings and having read the Board of Directors' report and the Statutory Auditors' special report, and deliberating in accordance with Article L. 225-147 Paragraph 6 of the French Commercial Code, authorizes the Board of Directors to issue, on the basis of the report from the Contribution Auditor(s) provided for in the first and second paragraphs of Article L. 225-147 referred to here-above, ordinary shares in the Company or securities granting entitlement by any means, immediately and/or in the future, to existing ordinary shares or ordinary shares to be issued in the Company, as consideration for contributions in kind granted to the Company and consisting of shares or securities granting entitlement to the Company's capital, when the provisions of Article L. 225-148 of the French Commercial Code are not applicable, and resolves, if required, to waive shareholders' preferential subscription rights for ordinary shares and securities thereby issued, in favor of the holders of shares or securities that are the subject of the contributions in kind.

The General Meeting resolves that the maximum par value of the immediate or future capital increase, resulting from all issues carried out in accordance with this authorization, is set at 10% of the Company's share capital existing on the date of this Meeting and shall be included in the maximum overall amount of €4,000,000 set out in the twenty-third resolution.

The General Meeting notes that this authorization entails the shareholders' waiver of their preferential subscription rights to ordinary shares to which the securities issued on the basis of this authorization would grant entitlement.

The Board of Directors shall be fully empowered, with the option to further delegate within legal prescribed manners, to implement this resolution, particularly to draw up the list of shares or securities given in exchange, set the exchange ratio and, where appropriate, the amount of any balance to be paid in cash, to deliberate, on the basis of the report from the Contribution Auditor(s) provided for in the first and second paragraphs of Article L. 225-147 referred to here-above, on the evaluation of the contributions and the granting of special benefits, record the completion of the capital increases carried out in accordance with this authorization, amend the Articles of Association accordingly and carry out all formalities, make all declarations and request any authorization that may be necessary for the carrying out of these contributions.

This authorization is granted for a period of twenty-six months from the date of this Meeting.

TWENTY-FIRST RESOLUTION

(Delegation of authority to the Board of Directors to increase the share capital by issuing shares reserved for members of a Group savings scheme)

The General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings and having read the Board of Directors' report and Statutory Auditors' special report, and deliberating in accordance with Articles L. 225-129, L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-1 et seq. of the French Employment Code:

1°) delegates to the Board of Directors its authority to increase the share capital – at its sole discretion, on one or more occasions, according to the timing and in the form of its choosing and within legal prescribed manners – by issuing ordinary shares or securities granting entitlement to the Company's ordinary shares, whether existing or to be issued, to be subscribed to in cash, reserved for members of a Group savings scheme of the Company and/or of the companies or consortia related to it under the terms of Article L. 225-180 of the French Commercial Code.

2°) resolves that (i) the par value of any immediate or future increase in the Company's share capital, resulting from all the issues carried out under this authorization, shall be set at **0.2%** of the share capital outstanding on the date when the Board of Directors makes its decision, it being stated that this maximum amount is set without taking into account the par value of any ordinary shares in the Company that may be issued to reflect adjustments to be made in accordance with applicable legal and contractual provisions in order to uphold the rights of holders of securities or other rights granting entitlement to the Company's share capital, and that (ii) the par value of Company share capital increases that may be carried out either immediately or in the future, resulting from the issues made under this authorization, shall be included in the maximum amount of €4,000,000 set out in the twenty-third resolution.

3°) resolves to waive shareholders' preferential rights to subscribe to ordinary shares or securities granting entitlement to ordinary shares to be issued under this authorization, in favor of members of a Group savings scheme.

4°) resolves that the subscription price for the shares or securities issued shall be decided in the manner set out in Articles L. 3332-18 to L. 3332-23 of the French Employment Code.

5°) resolves to set the maximum discount offered under a savings scheme at 15% of the average opening price of Ubisoft Entertainment SA shares on Euronext Paris during the twenty trading sessions prior to the date of the decision setting the start date for subscriptions; it being stated that the Board of Directors may reduce this discount as it sees fit, in particular if members of a company savings scheme are offered securities on the international market and/or abroad in order to meet the requirements of applicable local legislation.

6°) further resolves that the Board of Directors may also grant to the aforementioned beneficiaries bonus shares or other securities granting entitlement to the Company's share capital, pursuant to legal and regulatory provisions, in substitution for all or part of the discount referred to in 5) above and/or as a matching contribution by the Company, it being understood that the benefit arising from this allocation may not exceed the limits provided for by Articles L. 3332-21 and L. 3332-11 of the French Employment Code.

Each capital increase may only be carried out within the number of shares subscribed to by the aforementioned beneficiaries, either individually or through company mutual funds or open-ended investment companies governed by Article L. 214-40-1 of the French Monetary and Financial Code.

The Board of Directors shall be fully empowered, with the option to further delegate within legal prescribed manners, to implement this authorization in compliance with the terms set out above and, in particular, for the purposes of:
- deciding on the features, amount, terms, rules and procedures for all issues;
- deciding whether the shares may be subscribed to directly by members of a savings scheme or via company mutual funds or open-ended investment companies governed by Article L. 214-40-1 of the French Monetary and Financial Code;
- deciding on the relevant companies and beneficiaries;
- deciding on the nature and terms and conditions of the capital increase, as well as the terms and conditions of the issue;
- where applicable, setting the length-of-service conditions to be met by the beneficiaries in order to subscribe to new ordinary shares or securities issued as a result of the capital increases covered by this resolution;
- setting the amounts of these issues and deciding on the subscription prices, terms and conditions of any issues of shares or securities that may be carried out under this authorization and, in particular, their cum-rights date and the procedure for paying them up and settling them;
- setting the subscription start and end dates;
- recording the completion of the capital increase through the issue of ordinary shares to within the number of ordinary shares that will actually be subscribed to;
- at its sole discretion and should it see fit, charging the expenses incurred on capital increases to the premiums related thereto and deducting the amounts required to ensure that the legal reserve represents one tenth of the new capital following any increase;
- generally, carrying out all acts and formalities, taking any measures or decisions and entering into any agreements that may be appropriate or necessary to (i) ensure that the issues made under this authorization are successfully completed, in particular as regards the issue, subscription, settlement, exercise, listing of the created securities, the servicing of the new shares and the exercise of rights attached thereto, (ii) record the completion of the capital increase(s), amending the Articles of Association to reflect said capital increase(s), (iii) carry out the formalities relating to the completion of the capital increases and, generally, do whatever is necessary.

This authorization is valid for a period of twenty-six months from the date of this Meeting and, in respect of the unused portion, supersedes any previous authorization having the same purpose.

TWENTY-SECOND RESOLUTION

(Authorization granted to the Board of Directors to grant ordinary shares in the Company free of charge referred to in articles L. 225-197-1 and seq. of the French Commercial Code)

The General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings and having read the Board of Directors' report and the Statutory Auditors' special report, in accordance with Articles L. 225-197-1 et seq. of the French Commercial Code:

1°) authorizes the Board of Directors to issue, on one or more occasions, existing bonus shares or bonus shares to be issued in the Company to staff members or to certain categories of staff it shall select from among eligible employees or corporate officers of the Company or of the companies related to it as per the provisions of Article L. 225-197-2 of the French Commercial Code.

2°) resolves that the Board of Directors shall grant the shares and decide upon the identity of the beneficiaries and, where applicable, the terms and criteria governing the granting of the shares, it being specified that any allotment of bonus shares to the corporate officers shall be systematically subject to performance conditions to be met.

3°) resolves that (i) the granting of bonus shares under this authorization may not involve a number of existing or new shares representing more than **1.5%** of the number of shares in the Company's share capital on the date when the Board of Directors resolves to grant the shares, it being noted that this maximum amount is set without taking into account the par value of any ordinary shares in the Company that may be issued to reflect adjustments to be made in accordance with applicable legal and contractual provisions in order to uphold the rights of holders of securities or other rights granting entitlement to the Company's share capital, and that (ii) the par value of capital increases resulting from ordinary share issues carried out under this authorization shall be included in the maximum amount of €4,000,000 set out in the twenty-third resolution.

4°) resolves that the granting of shares to their beneficiaries shall become final at the end of a vesting period, the term of which shall be set by the Board of Directors, it being noted that this term may not be under two years and that the beneficiaries shall retain said shares for a term that shall also be set by the Board of Directors, it also being noted that the lock-in period may not be under two years from the vesting of said shares. Nevertheless, provided the vesting period for all or part of one or several share issues is at least four years, the General Meeting authorizes the Board of Directors not to impose any lock-in period for the shares in question. As and when required, the Board of Directors may stipulate vesting and lock in periods that are longer than the minimum terms specified above.

5°) resolves that if the beneficiary sustains a category two or category three disability as provided for in Article L. 341-4 of the French Social Security Code, the bonus shares shall vest for said beneficiary prior to the end of the remaining term of the vesting period and may be sold immediately.

6°) records that this authorization automatically includes the shareholders' waiver, in favor of the beneficiaries, of their preferential subscription rights for shares that may be issued under this resolution.

7°) fully empowers the Board of Directors, with the option to delegate in the manner prescribed by law and regulations, to implement this authorization under the above-mentioned conditions and within the limits prescribed by applicable legislation and, in particular, to set, where applicable, the terms and conditions for the bonus share grants that may be carried out under this authorization, set the conditions governing the issue and cum-rights dates of the shares to be issued, the cum-rights dates of the new shares, record the carrying out of the capital increases, accordingly amend the Articles of Association, where necessary make adjustments during the vesting period to the number of shares as a result of transactions on the Company's capital in order to uphold beneficiaries' rights; and, in general, carry out any formalities relating to the issue, listing and servicing of the securities issued under this resolution and do whatever may be appropriate and necessary under applicable laws and regulations.

8°) resolves that concerning bonus shares allotted to corporate officers, the Board of Directors

- will have either (a) to decide that the bonus shares allotted cannot be sold by the concerned parties before the termination of their duties or (b) to set the number of bonus shares that they will have to keep in registered form until the termination of their duties ;
- will have to set the maximum percentage of bonus shares that can be allotted to corporate officers with respect to the total amount defined under this resolution.

Each year, the Board of Directors shall report to the Ordinary General Meeting, in the manner prescribed by law and regulations, in particular Article L. 225-197-4 of the French Commercial Code, on the transactions carried out under this resolution.

This authorization is valid for a period of thirty-eight months from the date of this Meeting.

TWENTY-THIRD RESOLUTION

(Overall maximum amount of capital increases)

The General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings and having read the Board of Directors' report, sets, in accordance with Article L. 225-129-2 of the French Commercial Code, the overall maximum amount of the capital increase that may result, immediately or in the future, from all the issues carried out under the delegations of authority or authorizations provided for by the sixteenth, seventeenth, eighteenth, nineteenth, twentieth, twenty-first and twenty-second resolutions of this Meeting, at a par value of **€4,000,000**, it being recalled that, within the limit of this maximum amount:

- the issue(s) of ordinary shares or securities with retention of shareholders' preferential subscription rights, as per the **sixteenth resolution** of this Meeting, may not result in a maximum par value capital increase of more than **€1,450,000**;
- the issue(s) of ordinary shares or securities granting entitlement to the Company's share capital with waiving of shareholders' preferential subscription rights, as per the **seventeenth, eighteenth** and **nineteenth resolutions**, may not result in a maximum par value capital increase of more than **€1,450,000**;
- the amount of shares and securities issued as consideration for contributions in kind, consisting of shares or securities, granted to the Company, as per the **twentieth resolution**, may not exceed 10% of the Company's share capital;
- the issue(s) of ordinary shares or securities granting entitlement to the Company's share capital with waiving of shareholders' preferential subscription rights in favor of members of a savings scheme, as per the **twenty-first resolution**, may not result in a maximum par value capital increase of more than **0.2%** of the share capital outstanding on the date of the Board of Directors' decision;
- the number of ordinary shares that may be issued free of charge to beneficiaries of bonus shares, as per **the twenty-second resolution**, may not exceed **1.5%** of the number of ordinary shares existing on the date of the grant decision by the Board of Directors.

It is hereby stated that the above-mentioned amount does not take into account the par value of any shares that may be issued to reflect adjustments made in accordance with applicable legal and contractual provisions in order to uphold the rights of holders of securities granting entitlement to the Company's share capital.

TWENTY-FOURTH RESOLUTION

(Powers for legal formalities)

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, fully empowers the bearer of a copy or excerpt of the minutes of this Meeting to carry out all legally prescribed filings and formalities, as and when required.

INFORMATION ABOUT THE COMPANY

1 PERSONS RESPONSIBLE FOR THE REFERENCE DOCUMENT

1.1 PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

Yves GUILLEMOT,
Chief Executive Officer

1.2 NAMES, ADDRESSES AND PROFESSIONAL FEES OF THE AUDITORS

Name	Date of 1st appointment	Expiration of current term
Primary auditor **KPMG SA** **représented by Monsieur Franck Noël** 7, Boulevard Albert Einstein - BP 41125 44311 Nantes Cedex 3	2003	2013
Alternate auditor : **Monsieur Prashant Shah** 7, Boulevard Albert Einstein - BP 41125 44311 Nantes Cedex 3	2003	2013
Primary auditor : **MB AUDIT** **represented by Monsieur Roland Travers** 23, rue Bernard Palissy 35000 RENNES	2010	2016
Alternate auditor: **Monsieur Sébastien Legeai** Rocade de l'Aumaillerie - BP 70255 35302 Fougères Cedex	2010	2016

Professional fees of the statutory auditors and members of their networks

(Document prepared in accordance with Article L. 222-8 of the internal regulations of the *Autorité des marchés financiers* - AMF)
The professional fees for the fiscal year are detailed in part **Financial Statements** 1.6.9.6

2 FINANCIAL COMMUNICATIONS INFORMATIONS

2.1 DOCUMENTS AVAILABLE TO THE PUBLIC

During the validity period of this reference document, the company's Articles of Association, minutes of general meetings, auditors' reports, valuations and declarations drawn up, where applicable, at the company's request, some of which are included or referred to in this reference document, historical financial information of the company and its subsidiaries for each of the two fiscal years preceding the publication of this reference document and, more generally, all documents that must be sent or made available to shareholders as provided by 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 reference 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
Chief Executive Officer
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www.ubisoftgroup.com

2.2 SCHEDULE OF FINANCIAL COMMUNICATIONS FOR FISCAL YEAR 2013/2014

	Date
First quarter sales	Week of July 15, 2013
Half-yearly results	Week of November 11, 2013
Third quarter sales	Week of February 10, 2014
Year-end results	Week of May 12, 2013

These dates are provided for information purposes only and will be confirmed during the year

Games mentioned in the Annual Report

This statement may contain financial data evaluated, 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 financial data evaluated 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 :
28, rue Armand Carrel - 93108 Montreuil-sous-Bois cedex - France

Ubisoft Entertainment
French Corporation (Société Anonyme) with a Board of Directors
with capital of €7,444,215.30
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