UBISOFT™

ANNUAL REPORT 2012

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OUR MISSION

When my brothers and I created Ubisoft back in 1986, we started out with a simple motivation: work with passionate people and make fun games. Today, to continue surprising our millions of fans all over the world, we're always on the lookout for new ways to push back the boundaries of creativity and innovation. Beyond simple games, we strive to create immersive and engaging creative worlds that not only offer moments of pure fun, escapism and adventure, but also opportunities for learning and self-discovery. The video game industry is constantly evolving, and Ubisoft teams and I are eager to take up the next challenges in store so that you can have even more gaming pleasure.

- Yves Guillemot, co-founder and CEO

KEY FIGURES

The consolidated financial statements for the year ended March 31, 2012 have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable at March 31, 2012, as adopted by the European Union.

Only the standards approved by the European Commission and published in its official journal before March 31, 2012, and whose application was mandatory as of April 1, 2011, have been applied by the Group to the consolidated financial statements for the year ended March 31, 2012. No standard or interpretation whose application has become mandatory since March 31, 2012 has been applied early to the consolidated financial statements for the year ended March 31, 2012.

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 IFRS standards as published by the IASB.

In Thousands of Euros	03/31/12	03/31/11
Sales	1,061,296	1,038,826
Gross margin	718,134	673,618
R&D costs	(348,407)	(363,505)
SG&A expenses	(313,694)	(280,748)
Operating profit (loss) from continuing operations (excluding share-based payments.)	56,033	29,365
Non-recurring restructuring expenses	N/A	(95,942)
Operating profit (loss)	45,623	(80,486)
Net financial income	2,466	(3,679)
Share in profit of associates	10	N/A
Income tax (credit)	(10,778)	32,045
Net income (group share)	37,321	(52,120)
Equity	762,707	713,995
Capital expenditure on internal production	301,763	287,470
Staff	6,927	6,331

A statement from Yves Guillemot

Ubisoft registered a solid performance in FY2011-12 due to the success of Just Dance®, Assassin's Creed® and our online games. FY2012-13 should mark a turning point for Ubisoft thanks to a stronger offering for core gamers, popular casual titles and continued momentum for our online games. We therefore expect sustained growth and increased profitability in FY2012-13. Looking farther ahead, we believe the arrival of the next generation of consoles, the integration of the mechanics from social gaming and the item-based model represent significant opportunities for the industry and for Ubisoft in particular.

All of the efforts and investments we've made over the past few years to continually improve the quality of our titles for core gamers and to develop the online segment should translate into a sharp increase in our revenue and profitability, starting 2012-13:

The console market has grown steadily over the past few years, up 40% in 2011 versus the highs of the prior cycle in 2005. This increase underscores the strength of the Xbox 360® and PLAYSTATION® 3 experience for core players. Our current operating income grew by 90% to 56 million pounds. While our online revenue was up 111% Huge opportunities await us as we have an extraordinary line-up, whose diversity and originality aroused great admiration at E3 (Electronic Entertainment Expo) this year. Assassin's Creed 3 is on track to becoming the biggest launch in company history thanks to a new hero, a new engine, new gameplay, fantastic landscapes and impressive crowd-rendering – after three years of well-planned and executed development, the title looks stunning. We are also making a strong return to the shooter segment, the biggest genre in the industry, accounting for 35% of sales in the whole market, with two big franchises on console: Tom Clancy's Ghost Recon Future Soldier™ and Far Cry®3. We are also very excited about the return of the Splinter Cell® franchise with the arrival of Tom Clancy's Splinter®Cell Blacklist™ set for Spring 2013

On the online and digital front, we expect to differentiate ourselves with high-quality games and reputable brands. Our performance will be driven by purely online titles, as well as titles for XBLA, iOS and Android. To pursue our expansion into the booming free-to-play market, we plan to launch new core titles for PC players: Ghost Recon®Online, Silent Hunter® as well as Shootmania® which targets the rapidly-growing community of eSports' enthusiasts. We will also continue to leverage our first successful titles - Howrse® and The Settlers Online.
On XBLA, we released Trials Evolution in May to a metacritic score of 91% and the highest grossing day one sales in XBLA history. Finally, a free-toplay social game for mobile based on the Assassin's Creed brand will be launched at the end of 2012.

On the long term, we expect to capitalize on two major trends. Firstly, we believe that the next generation of consoles is going to boost the market; these machines will integrate the social gaming revolution and item-based model, not to mention amazing graphics, highly sought-after by core gamers. Secondly, the continued strong growth of the free-to-play market will allow us to bring our brands to more platforms (PC, tablet and mobile) and to significantly increase the impact and geographical reach of our brands. All this combined should drive an increase in the Average Revenue Per User (ARPU) and profitability of allour games.

Ubisoft, as a unique creator of brands for both core and casual players, is ideally positioned to reap the benefits of these trends. I know we have the talent and energy to seize the many opportunities to grow and increase profitability that lie ahead of us, in 2013 and beyond. Our aim is to create increasingly strong entertainment experiences for gamers, wherever they are and on every platform.

In closing, I would like to extend my gratitude to Ubisoft's talented teams whose creativity and motivation bring our company's vision to life, as well as to our shareholders and consumers for their support.

Sincerely,

Yves Guillemot
Chairman and CEO

THE GROUP'S BUSINESS ACTIVITIES AND RESULTS FOR FINANCIAL YEAR 2011/2012

1.1 GROUP PRESENTATION

In 2011, 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:

- Habitual gamers,
- Casual gamers.

Ubisoft currently employs 6,930 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 US, Germany and the United Kingdom and its first internal development studios in France and Romania. Rayman® – the first major franchise – is released in 1995 followed by Raving RabbidsTM. The game has attracted over 34 million gamers to date.

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 nearly tripled its number of flagship brands, from three to eight, increasing its market share in new territories. In 2006: Acquisition of the Driver® and Far Cry® franchises; opening of a studio in Bulgaria.

HIGHLIGHTS OF ONLINE ACTIVITIES

May 2011 – Tom Clancy's Ghost Recon® Online

Development of Tom Clancy's Ghost Recon® Online, a new multiplayer third-person shooter game, which will be available on a free-to-play basis on the PC.

July 2011 – Acquisition of Owlient

Acquisition of the Owlient studio, maker of free-to-play games, notably the hugely successful Howrse®, and expert in the management of community games.

November 2011 – Acquisition of RedLynx

Acquisition of RedLynx, creator of the cult gaming brand Trials. The studio has developed more than 100 titles mainly in digital distribution (PC, consoles, cell phones, tablets and interactive TV).

February 2012 – Collaboration with GREE to launch a new Assassin's Creed® game on iOS and Android

An unprecedented partnership to create a new Assassin's Creed® game developed exclusively for the new GREE platform. Assassin's Creed® will be available in English and Japanese from December 2012 and in all other languages at a later date.

1.1.2 HIGHLIGHTS OF THE 2011/2012 FINANCIAL YEAR

April 2011 - Opening of a new credit line

Ubisoft Divertissements Inc. signed a bilateral credit line for a period of two years and amounting to 25 million. This line is secured by Ubisoft Entertainment SA and follows the same covenants as other credit lines.

June 2011 – Extension of Gameloft Equity Swap contract

The Equity Swap contract concluded on July 12, 2007 with Crédit Agricole Corporate and Investment Bank (formerly Calyon) on Gameloft® shares has been extended for another two years, until July 15, 2013.

September 2011 – Sale of 8.5 million in receivables under the factoring agreement

The factoring agreement on Credit for Multimedia titles (Canada), concluded between BNC and Ubisoft Divertissements Inc., allowed for the sale of receivables amounting to 8.5 million in the first half of the year.

September 2011 – Sale of research tax credit receivables

Ubisoft Entertainment SA sold of a 3.6 million research tax credit claim for research expenditure incurred in the year ended March 31, 2011 by the companies forming part of the French tax group; it was assigned without recourse as a discount to Natexis.

1.2 ANALYSIS OF ACTIVITY AND COMMENTS ON RESULTS FOR FINANCIAL YEAR 2011/2012

1.2.1 QUARTERLY AND ANNUAL CONSOLIDATED REVENUE

Sales	2010/2011	2011/2012	Change at Current exchange rates	Change at Constant exchange
Q1	161	103	(36)%	(34)%
Q2	100	146	48%	55%
Q3	600	652	9%	11%
Q4	178	161	(10)%	(11)%
Financial year total	1,039	1,061	2%	4%

At current rate, sales were up 2% in the financial year 2011/2012 and up 4% at constant exchange rates. Sales were boosted by strong growth in the casual titles, which increased from around 438 million in 2010/2011 to 483 million in 2011/2012, and online/digital revenue climbed from 38 million in 2010/2011 to 80 million in 2011/2012.

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	2011/2012	2010/2011	2009/2010	2008/2009
Development	51	56	67	60
Internal production	34	37	27	22
Co-production	17	19	40	38
Publishing	11	10	14	31
Distribution	9	12	8	21
TOTAL	**71**	**78**	**89**	**112**

September 2011 – Buyback of Ubisoft shares

Ubisoft bought on the market between September 8 and September 19, 2011, 400,000 Ubisoft shares at an average price of 3.97, a share buyback authorized by the General Meeting of June 30, 2011 and implemented by the Board of Directors on the same date. This treasury stock has been allocated to cover stock option plan 24, authorized by the Board of Directors on March 9, 2012.

October 2011 – Partnership with France Télévisions to produce a television series of Raving Rabbids™

In cooperation with France Télévisions, Ubisoft Motion Pictures will produce 78 mini episodes in CGI. Raving Rabbids™ will debut on children's television programming slot Ludo on France 3 in spring 2013.

October 2011 – Partnership with Nickelodeon to distribute the Raving Rabbids™ television series

Partnership with Nickelodeon to distribute a television series of Raving Rabbids™ aimed at a global audience. Nickelodeon will broadcast the series in twenty-six 30-minute slots on TV channels around the world (except France) from 2013.

November 2011 to March 2012 – Sale of Gameloft shares

Disposal of 3,171,818 Gameloft shares at an average price of 4.32.

1.2.4 SALES BY PLATFORM

PLATFORM	2011/2012	2010/2011
Nintendo DS™	2%	5%
Nintendo 3 DS™	2%	3%
PC	7%	4%
PlayStation ®3	22%	19%
PSP™	1%	2%
Wii™	33%	38%
XBOX 360™	29%	27%
PS VITA	1%	-
Other	3%	1%
TOTAL	100%	100%

Although the market for the Wii™ continued to decline sharply in 2011, the company posted a limited decline in sales for this platform due to the success of its dance titles. The share for the Xbox360® and the PLAYSTATION®3 also grew on account of the success of Assassin's Creed®, Just Dance® on Kinect™ for Xbox 360®, Move and Rocksmith™.

March 2012 – Details released on Assassin's Creed® III

The next installment in the flagship franchise for habitual gamers will be released on October 30, 2012. The game will be set against the backdrop of the American Revolution and will feature a new main character.

March 2012 – Sale of 22 million in receivables under the factoring agreement.

The factoring agreement on Credit for Multimedia titles (Canada), concluded between the BNC and Ubisoft Divertissements Inc., allowed for the sale of 22 million receivables in the second semester.

March 2012 – Issue of share subscription warrants

Under the authorization granted by the General Meeting of June 30, 2011 pursuant to the ninth resolution, it was decided on March 26, 2012 that 95,090,002 share subscription warrants would be issued, granted free of charge to Ubisoft Entertainment shareholders, on the basis of one warrant per existing share and 11 warrants giving entitlement to subscribe to one new share for an exercise price of 7. These warrants were traded on the NYSE Euronext regulated market in Paris on April 10, 2012.

1.2.5 SALES BY GEOGRAPHIC DESTINATION

The Group's sales by geographic destination break down as follows:

Financial year (in millions of euros)	**2011/2012**	**%**	**2010/2011**	**%**
France	97	9%	76	7%
Germany	72	7%	61	6%
United Kingdom	111	10%	146	14%
Rest of Europe	149	14%	131	13%
Total	429	40%	414	40%
United States/Canada	559	53%	559	54%
Asia/Pacific	65	6%	59	6%
Rest of world	8	1%	7	1%
Total	**1,061**	**100%**	**1,039**	**100%**

The decline in activity posted in the United Kingdom as a result of the economic downturn was more than offset by a rise in sales in France, Germany and the Rest of Europe.

AUDITOR’S GENERAL REPORT ON THE FISCAL YEAR ENDING MARCH 31, 2012

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, 2012, 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.

Nantes, June 18th, 2012	**Rennes, June 18th, 2012**
KPMG Audit	**MB Audit**
A division of KPMG S.A.	
Franck Noël	**Roland Travers**
Partner	**Partner**

1 CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2012

1.1 BALANCE SHEET

ASSETS (in thousands of euros)	Net 03/31/12	Net 03/31/11
Goodwill	147,773	108,125
Other intangible assets	520,452	451,701
Property, plant and equipment	39,177	34,824
Investments in associates	404	393
Non-current financial assets	3,342	3,335
Deferred tax assets	92,325	82,525
Non-current assets	**803,473**	**680,903**
Inventory	20,013	35,218
Trade receivables	(13,143)	49,263
Other receivables	83,592	59,478
Current financial assets	15,287	29,112
Current tax assets	13,691	10,574
Cash and cash equivalents	175,703	193,354
Current assets	**295,143**	**376,999**
Total assets	**1,098,616**	**1,057,902**

LIABILITIES (in thousands of euros)	03/31/12	03/31/11
Share capital	7,369	7,341
Premiums	265,358	527,469
Consolidated reserves	452,659	231,305
Consolidated earnings	37,321	(52,120)
Total equity	**762,707**	**713,995**
Provisions	3,918	2,295
Employee benefits	1,568	1,196
Long-term borrowings	1,479	1,895
Deferred tax liabilities	37,396	30,990
Non-current liabilities	**44,361**	**36,376**
Short-term borrowings	91,072	92,732
Trade payables	80,800	110,947
Other debts	116,531	96,847
Current tax liabilities	3,145	7,005
Current liabilities	291,548	307,531
Total liabilities	**1,098,616**	**1,057,902**

1.2 CONSOLIDATED INCOME STATEMENT

In thousands of euros	03/31/12	%	03/31/11	%
Sales	1,061,296		1,038,826	
Cost of sales	(343,162)		(365,208)	
Gross margin	718,134	68%	673,618	65%
R&D costs	(355,007)		(369,585)	
Marketing costs	(241,027)		(214,541)	
Administrative and IT costs	(76,477)		(71,248)	
Current operating income	**45,623**		**18,244**	
Current operating income before sharebased payments	56,033		29,365	
Share-based payments	(10,410)		(11,121)	
Operating profit (loss) from continuing Operations	45,623	4%	18,244	2%
Goodwill depreciation	-		(1,354)	
Non-current expenses and income	-		(97,376)	
Operating profit (loss)	45,623		(80,486)	
Interest on borrowings	(4.347)		(6.546)	
Income from cash	1.820		1.458	
Net borrowing costs	(2.527)		(5.088)	
Result from foreign exchange operations	(3.404)		(4.310)	
Other financial expenses	(308)		(345)	
Other financial income	8.705		6.064	
Net financial income	**2,466**		**(3,679)**	
Share in profit of associates	10		-	
Income tax	(10,778)	(22.4%)	32,045	(38.1%)
Profit (loss) for the period*	**37,321**	**4%**	**(52,120)**	**-5%**
Earnings per share – Continuing operations				
Basic earnings per share (in euros)	0.40		(0.55)	
Diluted earnings per share (in euros)	0.39		(0.54)	

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

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 domiciled in France. The consolidated financial statements for the year ended March 31, 2012 cover Ubisoft Entertainment and its subsidiaries (collectively referred to as "the Group"). The consolidated financial statements were approved by the Board of Directors on May 14, 2012 and will be presented to the General Meeting on Thursday, September 20, 2012.

1.6.2 HIGHLIGHTS OF THE FINANCIAL YEAR

April 2011 – Subscription of a new credit line.

Ubisoft Divertissements Inc. purchased a bilateral credit line for a period of 2 years in the amount of 25 million. This line is secured by Ubisoft Entertainment SA and follows the same covenants as other lines.

June 2011 – Extension of Gameloft equity swap contract.

The equity swap contract concluded on July 12, 2007 with Credit Agricole Corporate and Investment Bank (formerly Calyon) on Gameloft shares has been extended for 2 years, until July 15, 2013.

September 2011 – Sale of 8.5 million in receivables under the factoring agreement.

The factoring agreement relating to the Canadian multimedia titles tax credit concluded between the BNC and Ubisoft Entertainment Inc. allowed for the assignment of receivables of 8.5 million in the first half of the year.

September 2011 – Disposal of research tax credit claim.

Ubisoft Entertainment SA disposed of a 3.6 million research tax credit claim for research expenditure. incurred during the year ended March 31, 2011 by the companies forming part of the French tax group; it was assigned without recourse by way of a discount to Natexis.

September 2011 – Share buyback.

Between September 8 and September 19, 2011, Ubisoft bought back 400,000 Ubisoft shares on the market at an average price of 3.97, a share buyback authorized by the General Meeting of June 30, 2011 and implemented by the Board of Directors on the same date. This treasury stock has been allocated to cover stock option plan 24, authorized by the Board of Directors on March 9, 2012.

November 2011 to March 2012 – Disposal of Gameloft shares.

Sale of 3,171.818 Gameloft shares at an average price of 4.32. March 2012 – Sale of 22 million in receivables under the factoring agreement The factoring agreement relating to the Canadian multimedia titles tax credit concluded between the BNC and Ubisoft Entertainment Inc. allowed for the assignment of receivables of 22 million in the second half of the year.

March 2012 – Issue of 9,400,000 share subscription warrants.

Under the authorization granted by the General Meeting of June 30, 2011 pursuant to the 11th resolution, it was decided on March 20, 2012 that 9,400,000 share subscription warrants would be issued, exercisable at the discretion of the Company and purchased by Crédit Agricole Corporate and Investment Bank, with waiving of shareholders' preferential subscription rights. One share subscription warrant allows for subscription to one new share. Share subscription warrants were issued at a unit value of 0.0001. The impact on equity at March 31, 2012 was 940.

March 2012 – Issue of share subscription warrants

Under the authorization granted by the General Meeting of June 30, 2011 pursuant to the ninth resolution, it was decided on March 26, 2012 that 95,090,002 share subscription warrants ("warrants") would be issued, granted free of charge to Ubisoft Entertainment shareholders, on the basis of one warrant per existing share and 11 warrants giving entitlement to subscribe to one new share for an exercise price of 7. These warrants were traded on the NYSE Euronext regulated market in Paris on April 10, 2012.

1.6.3 CHANGES IN CONSOLIDATION SCOPE

July 2011: Acquisition of 100% stake in the French studio Owlient SAS

On July 12, 2011, Ubisoft acquired a 100% stake in the company Owlient SAS, located in France, a developer of free-to-play games and an expert in the management of community web games. Its accounts were consolidated from September 1, the date of its takeover by the Group. Over the period of seven months between the date of acquisition and March 31, 2012, Owlient has contributed 7.7 million to Group sales. Goodwill amounts to 25.7 million and mainly represents work force, which could not be identified separately. The following assets and liabilities were taken into account at the date of entry into the scope:

In thousands of euros	03/31/12
Net assets and liabilities acquired	5,307
Goodwill	25,728
Fair value of the consideration transferred	31,035
Cash acquired	5,868

The valuation of goodwill is provisional as of March 31, 2012, mainly because estimates of future earnings have been used when determining the added compensation. The acquisition costs expensed amounted to 107 thousand.

November 2011: Acquisition of 100% of the Finnish studio RedLynx Oy

On October 31st, 2011, Ubisoft acquired a 100% stake in the company RedLynx Oy, an online game developer based in Finland. RedLynx has developed over 100 high-quality products for all formats, primarily based on digital distribution. Over the period of five months between the date of acquisition and March 31, 2012, RedLynx has contributed 0.9 million to Group sales. Goodwill amounts to 11.8 million and mainly represents work force, which could not be identified separately. The following assets and liabilities were taken into account at the date of entry into the scope.

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 INDEPENDENT DIRECTOR

The Board of Directors comprises at the present time five members from 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.

It should be noted that the contract of order and transfer of rights entered into between the Company and NextVision (where Marc Fiorentino is sole manager) on October 18, 2011, pursuant to which NextVision must provide the Company with services relating to the development of an online game, cannot at this time, due to the commitment required and the absence of remuneration for the past financial year, be considered significant and therefore brings into question the independence criteria of Marc Fiorentino.

However, as Marc Fiorentino having expressed the wish to focus more actively on operations in connection with the Ubisoft Group's actual business in the short or medium term and as these new activities may be likely to bring into question the independence criteria described above, he informed the Company of his desire not to be reappointed as director at the end of the next Annual General Meeting to be held to approve the renewal of his directorship.

Further to this announcement, the Company carried out concomitantly the study of the appointment of a new independent director on the Board of Directors (to replace Marc Fiorentino) (see 1.2.1 above) and the improvement of the representation of women within the Board.

The Board of Directors - aware that in this context such an appointment - will not allow the Company to comply with the recommendations 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 will continue its reflection related thereto while taking into account the principle of a balanced representation of women and men within the Board.

1.3.5 BOARD COMMITTEES

The Board of Directors is assisted by two specialized committees: the Strategy and Development Committee and the Compensation Committee.

Both these committees are comprised exclusively of directors. Committee members 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 COMPOSITION

The committee has five members: Yves Guillemot, Claude Guillemot, Michel Guillemot, Gérard Guillemot and Christian Guillemot. Yves Guillemot is the Chairman of the committee. The attendance rate at this committee meeting was 100%.

RESPONSIBILITIES

The committee is responsible for examining and reflecting upon all decisions concerning the major strategic, economic, corporate, financial and technological policies of both the Company and the Group.

It may also be 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 is to reflect upon the positioning of the Company vis-à-vis the market and, in particular, to carry out prospective and strategic analyses of the Ubisoft Group's activities.

WORK DURING THE FINANCIAL YEAR 2011/2012

The Strategy and Development Committee met once during the last financial year, mainly to discuss the development of the technology market and various forms of product distribution.





UBISOFT™

Website: www.ubi.com