**Vivendi is said to target hostile bid for Ubisoft by year-end**

**By Alexandre Boksenbaum-Granier**

Vivendi SA is considering making a bid for Ubisoft Entertainment SA by the end of this year as the French media giant presses for a deal despite resistance from the game maker’s founding family, according to people familiar with the plans.

While buying the maker of Assassin’s Creed is a priority, Vivendi doesn’t plan to seek discussions with Chairman and Chief Executive Officer Yves Guillemot, said one of the people, who asked not to be named as the matter is private. Vivendi has amassed a 25 percent stake Ubisoft but hasn’t been able to secure a seat on the board. The French media conglomerate bought Gameloft SE, a company also founded by the Guillemots, in a hostile takeover last year.

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A showdown over the much-larger Ubisoft could prove pivotal for Vivendi Chairman Vincent Bollore’s plan to expand in games and tie that business in with other parts of his media empire, which includes TV, music and advertising. If the price for Ubisoft, which has a market value of 5.5 billion euros ($6.2 billion), gets too steep, Vivendi may instead turn to Asia for gaming partnerships, the people said.

A Vivendi representative declined to comment.

Vivendi has been pursuing Ubisoft for more than a year, after parting ways with U.S. video-game maker Activision Blizzard Inc., which it once controlled.

In September, the Guillemots won temporary respite at Ubisoft’s annual shareholders’ meeting after lobbying other investors for support. Vivendi, which had sought board seats to match its 25 percent stake in Ubisoft, held back from a direct confrontation. At the time, Vivendi pointed to double-voting rights for some of its stock that will boost its influence in 2017.

Ubisoft has been striving to show shareholders that its standalone strategy is delivering value. This week at the E3 conference in Los Angeles, the company announced a new Super Mario game for Nintendo Co.’s hybrid console Switch and met with investors to outline its plans to spur recurring spending by players and monetize its back catalog.

At current market prices, the remaining three-quarters of Ubisoft is valued at 4.2 billion euros. The Guillemot family holds a 13 percent stake.

Bollore wants to accelerate Vivendi’s expansion in gaming and covets Ubisoft to drive growth because Gameloft is currently too small alone, said the people. No decisions have been made and Vivendi’s plans could still change, they said.

Vivendi also owns pay-TV provider Canal Plus and record business Universal Music Group. The French conglomerate is taking over advertising company Havas SA and has also tightened its grip over Italy’s phone company Telecom Italia SpA, all part of Bollore plans to create a media-telecommunications empire in southern Europe.

Ubisoft’s stock has soared in recent months, adding 45 percent since the end of September. That makes a bid for the stock Vivendi doesn’t own increasingly expensive. Since Vivendi first revealed stakes in Ubisoft and Gameloft in October of 2015, Ubisoft’s market value has more than doubled, aided by the Vivendi interest and recurring earnings from subscriptions and in-game purchases.

Vivendi’s net cash position was 1.1 billion euros as of the end of last year.