

Q3 2017 TURNOVER: +26%

Unaudited data (in € millions)			
January 1, 2017 – September 30, 2017			
	2017	2016	Change
Third quarter			
Thrustmaster gaming accessories ranges	25.6	17.7	+45%
Thrustmaster	25.6	17.7	+45%
Hercules digital devices	0.9	2.0	-55%
OEM*	0.0	1.3	-
Hercules	0.9	3.3	-73%
Total	26.5	21.0	+26%
Cumulative (9 months)			
Thrustmaster gaming accessories ranges	50.4	34.1	+48%
Thrustmaster	50.4	34.1	+48%
Hercules digital devices	2.2	5.9	-62%
OEM*	0.4	1.5	-73%
Hercules	2.6	7.4	-64%
Total	53.0	41.5	+28%

* Accessories developed to accompany products of third-party companies (*Original Equipment Manufacturer*).

The Group's turnover for the third quarter of fiscal 2017 reached a record level not seen in recent years, growing by 26% to €26.5 million.

The rollout of the Group's new products, combined with strong demand from consumers with regard to gaming devices, has translated into accelerated sales-out both in stores and on retail sales websites. Sales of Thrustmaster gaming accessories have continued to ramp up, growing by 45% over the period, before the launches of very highly-anticipated new racing simulation games such as Gran Turismo® Sport and Forza Motorsport® 7.

Commercial momentum – already building over the past several quarters – in North America and Asia, in conjunction with sustained renewed growth in Europe, has also allowed the Group to consolidate these figures.

In the third quarter, sales of Hercules devices, as anticipated, decreased by 55% – a level similar to that seen during the previous half year – following the definitive ending of the sale of multimedia speakers and webcam product lines.

Thrustmaster sales evolution

Thrustmaster has partnered with Sony and Polyphony Digital – creator of the game Gran Turismo® Sport – for many years now, allowing the brand to be particularly well-positioned for the launch of the new opus: this very high-end racing wheel, the T-GT, is being used by Sony and Polyphony Digital to showcase the game in their official launch presentations.

In mid-October, Thrustmaster took part in two of these launch events (the first in Hong Kong on October 12 and the second in Modena, Italy, on October 15-16) – benefiting from the exceptional presence of Mr. Kazunori Yamauchi, creator of the game. The T-GT met with an enthusiastic reception from both the virtual and professional race car drivers in attendance, who praised the wheel's realism and the level of driving subtlety made possible, particularly by way of its innovative T-DFB technology. T-DFB – a world exclusive for the game Gran Turismo® Sport – allows for the reproduction at very high frequency of even the slightest vibrations and juddering produced by road surfaces, tire

and suspension conditions, and more... Demo pods equipped with the T-GT racing wheel allowed attendees to discover and explore this new game.

In addition, the new TS-XW Racer Sparco P310 Competition Mod racing wheel (officially licensed by Sparco®), with its 1:1 scale replica wheel, was released to coincide with the launch of the game Forza Motorsport® 7 for Xbox One® on October 3, and has been very highly lauded for its power and precision. The first eSports racing competitions are now gaining ground, and Thrustmaster was selected by the event's organizers to help conduct the F1 Esports Series Semi-Finals competition in London, England – which drew a substantial audience, with more than 400,000 spectators already having viewed the video. The drivers on this virtual course used Thrustmaster's new TS-PC Racer wheel.

Hercules sales evolution

The brand has worked on repositioning its ranges of Hercules DJ products and mass-market WAE speakers, and is adapting its commercial and trade marketing policy in order to expand its distribution channels and create new commercial successes. With the goal of continuous improvement and creativity without any limits, the DJUCED teams released the new version 3.6 of DJUCED™ 40° on September 21: this latest and greatest edition of the popular DJing software now features integration of the Qobuz music streaming service, giving DJs access to more than forty million tracks. The DJUCED teams have also made substantial improvements to the software's audio engine, scratch sensations and general latency, in particular with controllers, for a much-appreciated overall feel. These new developments were put on display at the BPM | PRO event in Birmingham, England, from October 22-23, featuring performances by Karla Kenya and the DJ duo Twice as Trendy.

Geographical evolution

Already distributing its products in more than 85 countries, the Group is now aiming to expand this to include more than 100 countries worldwide, as of next year. This past high-growth quarter benefited from the expansion of the international geographical coverage of the Thrustmaster brand, in particular. Sales growth in Europe of more than 30%, in conjunction with rapid sales increases in Asia (mainly in South Korea, Taiwan and Hong Kong) and Australia, strengthen the Group's position as a global player in racing wheels and joysticks.

In North America, Thrustmaster is also seeing a very strong acceleration in its sales thanks to balanced and expanded distribution of its presence at the main retail chains including Best Buy, GameStop, Walmart and others, as well as among online retailers such as Amazon and Newegg.

The Thrustmaster brand is also returning to growth not only in Russia, but in Brazil and Mexico as well. At the same time, sales in Poland and the Czech Republic continue to progress strongly.

Financial standing at September 30, 2017

At September 30, 2017, the Group's net indebtedness excluding Marketable Investment Securities stood at €8 million. The Group's MIS portfolio, composed of 443,874 Ubisoft Entertainment securities, was valued at €25.8 million at that date.

Prospects

The Group is combining the launches of its new high-end racing wheels with the releases of very highly-anticipated racing games on PC and consoles, in order to equip the new generation of eSports and simulation gamers.

The Group is adapting to the potential of new markets with the implementation of a sales organization now split up by regions including Europe, Asia, Export and North America, which will allow it to maximize the presence of both its Hercules and Thrustmaster brands within distribution networks.

The Group confirms its forecast of solid double-digit sales growth, and positive operating income for fiscal 2017.

Guillemot Corporation is a designer and manufacturer of interactive entertainment hardware and accessories. The Group offers a diversified range of products under the *Hercules* and *Thrustmaster* brand names. Active in this market since 1984, the Guillemot Corporation Group is currently present in 11 countries (France, Germany, Spain, the UK, the United States, Canada, the Netherlands, Italy, Belgium, China [Hong Kong] and Romania) and distributes its products in more than 85 countries worldwide. The Group's mission is to offer high-performance, ergonomic products which maximize the enjoyment of digital interactive entertainment for end users.