



SUMMARY OF THE GUILLEMOT CORPORATION GROUP'S STANDING DURING THE FISCAL YEAR ENDED DECEMBER 31, 2013

1. STANDING OF THE COMPANY, OF THE GROUP AND OF ITS ACTIVITIES DURING FISCAL 2013

1.1. Continuing to open up to the international market, with a majority of sales outside of France

In 2013, the Group expanded its distribution channel for Thrustmaster racing wheels, and put in place a new platform in Hong Kong allowing for direct deliveries to its large international customers.

Sales outside of France in fiscal 2013 amounted to €31.9 million, accounting for 73% of total consolidated sales.

The Group mainly distributes its products via specialized wholesalers, while at the same time maintaining direct commercial relationships with larger customers. Wholesalers respond directly to customers' needs in logistical matters (centralized orders and deliveries), and serve most large chain stores, superstores, multi-specialists and specialty shops with an IT department or a section for PC and game console software, as well as all of the main online sales websites. The Group also operates in specialized music supply networks in conjunction with independent music resellers, specialized chain stores and online sales sites.

1.2. Implementation of the Group's merchandising policy

The Group has focused its merchandising campaigns in order to promote its product in-store: to an ever-greater degree, stores must evolve into places where consumers can experience products firsthand and get advice on their purchases. With this in mind, the Group will continue to showcase its products in stores.

This initiative is already in place for the WAE Outdoor speaker and other products in the WAE range, as well as for the Group's DJ products, and will be expanded to include other audio products as well.

1.3. Strengthening of the Group's commercial activities via online sales channels, with the opening of its two Hercules and Thrustmaster online shops

In 2013, the Group strengthened its commercial activities via online sales channels, allowing for better promotion of its high-end product offerings, and resulting in the opening of many customer accounts.

In late December 2013, Hercules and Thrustmaster announced the launch of their respective online shops (<http://shop.hercules.com> and <http://shop.thrustmaster.com>) in the French market; the shops will be opened up to the rest of Europe and the United States in 2014. The opening of these online shops is a continuation of both brands' strategy to put customer relations at the heart of the Group's business. The Group has put in place a variety of marketing initiatives in order to inform, accompany and assist its customers online, along with tailored logistics services.

Products from the Hercules and Thrustmaster ranges are available for purchase at the online shops with free shipping for standard deliveries, and featuring exclusive offers in order to boost consumer loyalty. This new service will allow the Group to open up access to its products in regions where its presence might otherwise be lacking.

1.4. Optimization of the Group's supply chain via an Asian logistics base

The Group covers three worldwide geographical regions which account for the bulk of high-tech product sales – North and South America, Europe and Asia – and optimizes the flow of its products, with direct deliveries from production sites in Asia to each continent. The Group has its own international logistics base located in France with a significant storage capacity, allowing it to cover all of Europe as well as countries to the east, and uses logistics service providers in North America and Asia.

Thanks to the development and evolution of the logistics platform in Hong Kong since 2013, the Group has been able to optimize the flow of products to all of its European, Asian and American customers by way of direct deliveries from Asia, thereby allowing it to optimize its supply chain in order to reduce its inventory levels and working capital requirements, and provide faster deliveries to its customers.

1.5. The Group faces competition

The Group operates in extremely competitive and diversified markets, with products aimed at gaming fans, music enthusiasts (via its DJing and speaker lines), and online gamers (via its range of gaming headsets).

The Group is increasing the distribution coverage for its products, some of which are now available in more than sixty countries. Owing to the diversified nature and number of its products, competition remains strong and spread out worldwide. The strength of the Group's Research and Development teams is one of the keys to its competitiveness, which requires innovative and differentiated products.

In this extremely competitive context, the Group operates within markets undergoing profound change.

In order to stand out with respect to its customers, the Group is constantly revamping or adding to its product lines thanks to the strong involvement of its Research and Development and Marketing teams, allowing it to remain on the cutting edge of uses in these different markets. The Group's technological know-how is a major asset in terms of dealing with its competition.

The Group benefits from the strength of its international positioning, allowing it to capture growth in rapidly developing countries, and is setting itself up to accelerate its innovations over the coming years.

1.6. Thrustmaster's presence at the largest international trade shows

The Group had a very strong presence at the major international trade shows throughout 2013, including the NAMM Show in Anaheim, California for DJ products, E3 in Los Angeles, Gamescom in Cologne, Germany for gaming accessories, CES in Las Vegas, Nevada... This presence has allowed it to meet all of its international clientele and expand its network of distributors.

Thrustmaster's official presence at the booths of Microsoft and Sony during the E3 worldwide video game expo, as well as the product ranges being prepared for the new consoles, strengthened the brand's position among customers as the must-have partner for late 2013. At Microsoft's booth, demos of the new game Forza Motorsport® 5 – which showcases the new Xbox® One console's ambitions with respect to racing titles – were presented to attendees using a prototype Thrustmaster wheel. At Sony's booth, the Gran Turismo-licensed T500 RS wheel was on proud display, featured in twelve demo cockpits for the new game Gran Turismo 6 which was released this past autumn, Thrustmaster being the official partner.

With the launch of a first official racing wheel for the PlayStation®4 console in late November, Thrustmaster made a successful entry into the next-generation consoles market.

1.7. Hercules

Hercules' products include wireless speakers for tablets and smartphones, multimedia speakers and mixing controllers for DJs. In 2013, Hercules re-centered its activities on audio products, which accounted for nearly 90% of the brand's fourth-quarter sales. Thus, Hercules is focusing on audio products via its ranges of DJ mixing controllers, WAE wireless speakers for tablets and smartphones, as well as its multimedia speakers, in order to benefit from the public's enthusiasm for digital mixing. The Wifi and PLC ranges, which no longer allow for the generation of sufficient added value, will not be renewed.

At the same time, Research and Development efforts were focused on the creation of new products for 2014, aimed at smartphone and tablet users.

Audio range:

Hercules relies on its Research and Development expertise, along with the latest digital technologies, in order to design its products. Headphones designed by Hercules also make use of the brand's know-how in the world of DJing: available in different versions, these headphones target a large cross-section of consumers, incorporating DJing design trends and features.

The WAE range is composed of a wide range of products, with more than ten different models available, allowing the brand to respond to consumers' expectations and needs. This range is split up into two product lines: wireless speakers for home use, and ultra-mobile outdoor solutions.

Hercules is also further strengthening its positioning in the DJ market by way of the expansion of its DJ range to include mass-market consumers and tablets, in particular.

Webcam range:

In 2011, the Group revamped its entire offering of webcams, with an emphasis on high-definition technologies and a new graphics charter for its product packaging. With the release of the Hercules HD Twist in April 2012, Hercules brought a touch of emotion to consumers in search of originality. The brand did not make changes to its webcam range in 2013.

Wifi/PLC range:

In 2013, the Group decided not to renew its Wifi and PLC ranges, which were no longer able to generate sufficient added value.

OEM:

The Group's OEM activity consists of manufacturing accessories for third parties, which are included along with their products. In 2013, the Group continued the guitar interface project allowing gamers to connect a real electric guitar to play the game RockSmith on the PlayStation®3 and Xbox 360® consoles. In addition to versions for the Xbox 360® and PlayStation®3 consoles and a PC version, a tablet version for iPad was released in late 2013.

1.8. Thrustmaster

Today, Thrustmaster is positioned as the partner for the most demanding gamers.

Over the years, the brand has rolled out new technologies allowing for ever-greater levels of precision and sensations, including H.E.A.R.T. (HallEffect Accurate Technology), for which patents are pending, and – for the first time ever – brushless motors in Force Feedback racing wheels.

2013 was a year of transition for Thrustmaster, with the arrival of the next-generation consoles at the end of the year. Over the period, Thrustmaster strengthened its licensing agreements and partnerships with Microsoft® and Sony® to create unique products for the launches of their new respective consoles.

This allowed Thrustmaster to be the first manufacturer to launch racing wheels for Microsoft's Xbox® One console and Sony's PlayStation®4, thereby benefiting from the dynamic nature of this new market.

Thanks to these new product offerings, the Group has further expanded its distribution network. At the same time, the brand has added to its range of headsets for online gamers, including a model – the Y-300P – licensed for PlayStation®3 and PlayStation®4.

2. RESULTS OF COMPANY AND GROUP ACTIVITIES

The main aggregates with respect to Guillemot Corporation's consolidated financial statements for the fiscal year ended December 31, 2013 are broken down as follows:

In € millions	31/12/2013	31/12/2012
Sales	43.7	49.0
Current operating income*	-1.6	-3.2
Operating income	-2.4	-2.7
Financial income**	1.7	2.6
Consolidated net income	-0.8	-0.3
Base earnings per share	€-0.06	€-0.02
Shareholders' equity	19.1	20.0
Net indebtedness (excluding MIS)***	9.0	7.6
Inventories	10.0	13.5
Intangible fixed assets	7.3	6.4
Current financial assets (MIS share)	6.9	5.3

* After stock options.

** Financial income includes the cost of net financial indebtedness, as well as other financial expenses and revenues.

*** Marketable Investment Securities are not taken into account in calculating net indebtedness (cf. paragraph 5.7.13 of the consolidated financial statements).

Consolidated annual sales for fiscal 2013 amounted to €43.7 million, representing a decrease of 11% in relation to the previous fiscal year. Operating income amounted to €-2.4 million, compared with a loss of €2.7 million at December 31, 2012.

Financial income of €1.7 million included revaluation gains of €1.7 million on current financial assets (MIS), composed of Ubisoft Entertainment and Gameloft securities, and a divestment gain of €0.2 million linked to the sale of 863,874 Ubisoft Entertainment equity warrants.

Net income for the fiscal year amounted to €-0.8 million, compared with €-0.3 million in 2012.

Current financial assets amounted to €6.9 million at December 31, 2013. They are composed of Ubisoft Entertainment and Gameloft securities.

Net indebtedness stood at €9.0 million (before Marketable Investment Securities).

Shareholders' equity went from €20.0 million to €19.1 million.

▪ Sales breakdown by sector of activity

(in € millions)	31.12.2013	31.12.2012	31.12.2011
Hercules	21.4	32.6	35.4
Standard product lines	17.3	27.9	32.3
Netbooks	0.0	0.3	0.7
OEM	4.1	4.4	2.4
Thrustmaster	22.3	16.4	25.4
Standard product lines	22.0	16.4	24.5
OEM	0.0	0.0	0.9
TOTAL	43.7	49.0	60.8

▪ Sales breakdown by geographic zone

(in € millions)	31.12.2013	31.12.2012	31.12.2011
France	11.7	17.2	18.8
European Union (excluding France)	18.3	18.1	25.9
Other	13.7	13.7	16.1
TOTAL	43.7	49.0	60.8

▪ Operating income breakdown by activity

(in € millions)	31.12.2013	31.12.2012	31.12.2011
Hercules	-1.7	-1.4	0.3
Thrustmaster	-0.7	-1.3	0
TOTAL	-2.4	-2.7	0.3

3. INFORMATION REGARDING THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

3.1. Statement of income

During the fiscal year, the Group posted consolidated sales of €43,679K, excluding taxes.

The main operating expenses were purchases, for €20,465K.

External charges totaling €9,818K were mainly composed of transportation, publicity and marketing expenses.

Personnel expenses amounted to €6,968K, and depreciation and amortization provisions to €3,143K.

Taxes and duties amounted to €323K, and other revenues and expenses to €-1,620K.

Current operating income amounted to €-1,649K.

Operating income amounted to €-2,352K.

The net gearing cost stood at €220K, while other financial revenues and expenses totaled €+1,887K, including revaluation gains of €1,657K on Ubisoft Entertainment and Gameloft shares held, and a divestment gain of €223K linked to the sale of 863,874 Ubisoft Entertainment equity warrants.

After taking these elements into account, along with the tax charge of €137K, the Group's net income was €-822K.

Base income per share was €-0.06.

3.2. Balance sheet

Non-current assets were composed of net excess fair market values for €888K, net intangible fixed assets for €7,263K, net tangible fixed assets for €3,303K, and financial assets for €381K.

Current assets included the following elements:

- Inventories had a net value of €9,987K, taking into account inventory provisions of €1,257K.

- Trade accounts receivable amounted to a net value of €15,719K, taking into account a provision of €123K for doubtful accounts.

- The other receivables entry had a net value of €1,434K and mainly related to receivables on value added tax and advance payments receivables.

- Financial assets amounted to €6,863K, and the cash and cash equivalents entry to €2,135K.

- Income tax assets stood at €99K.

Shareholders' equity amounted to €19,086K.

Non-current liabilities amounted to €4,446K, including €2,339K in loans.

Current liabilities amounted to €24,540K, including €7,086K in loans.

4. INFORMATION REGARDING GUILLEMOT CORPORATION S.A.'S FINANCIAL STATEMENTS

4.1. Statement of income

During the fiscal year, the company Guillemot Corporation posted sales of €41,251K.

Total operating revenues amounted to €41,092K.

The main operating expenses were purchases consumed for €20,546K, and external expenses for €17,621K.

External expenses were mainly composed of subcontracting services, development costs, and transportation, advertising and marketing expenses.

Taxes and duties and personnel expenses amounted to €440K, and other expenses to €2,150K.

The amortization allowance amounted to €1,819K.

The allowance on provisions for current assets amounted to €383K.

Total operating revenues less all operating expenses resulted in an operating result of €-1,867K.

Taking into account financial income of €1,411K, as well as exceptional income of €-1,086K, net income amounted to €-1,542K.

Financial income was broken down as follows:

Forex differences:	:	€167 K
Financial interest revenues and expenses	:	€-168 K
Income from MIS divestments	:	€225 K
Provisions reversals and allowances	:	€1,187 K

Interest revenues were mainly composed of €38K in current account interest, and €28K corresponding to the reintegration into balance sheet assets of a current account advance, this advance having been waived by the parent company in 2004 in favor of its subsidiary Guillemot GmbH (Germany) with a return to profits clause.

Financial expenses were mainly composed of loan and banking interest charges for €202K, and current account interest charges for €17K.

Net revenues on divestments of marketable investment securities corresponded to divestment income with respect to 863,874 Ubisoft Entertainment equity warrants for €230K. Divestment income on treasury stock securities within the context of the liquidity contract in effect amounted to €-5K.

Reversals of impairment on subsidiaries' securities amounted to €4K, and provisions reversals on current account advances to €42K. Other provisions reversals related to Ubisoft Entertainment securities for €1,195K, treasury stock securities for €9K, and various reversals for unrealized Forex losses with respect to the previous fiscal year for €132K.

Allowances for provisions on securities and current account advances of subsidiaries amounted to €90K.

The company Guillemot Corporation S.A. posted a provision of €105K to cover the unrealized Forex risk at the end of the fiscal year.

Exceptional income was broken down as follows:

Revenues and expenses on management transactions	:	€-75 K
Revenues and expenses on capital transactions	:	€-701 K
Provisions reversals and allowances	:	€-310 K

Exceptional income included an exceptional charge of €703K corresponding to the resolution of a dispute with a supplier, and €27K in net book value with respect to discarded molds.

Provisions allowances related to exceptional amortization of €309K in development costs which no longer met the six activation criteria, and which have been removed from assets. The company posted €47K in terms of a provision for a charge linked to a dispute with a component supplier.

The main performance results were as follows:

Fiscal year production	:	€40,326 K
Added value	:	€2,159 K
Earnings before interest, tax, depreciation and amortization	:	€1,719 K

4.2. Balance sheet

Net fixed assets amounted to €11,478K. This included €6,062K in intangible fixed assets, €2,721K in tangible fixed assets and €2,695K in financial fixed assets.

Intangible fixed assets included €3,242K in net value in terms of development costs. The company removed from its assets development costs which no longer met the six activation criteria, for a gross value of €553K.

The company had inventory with a net value of €9,159K.

The trade accounts receivable entry amounted to €14,830K, taking into account provisions for doubtful accounts of €102K.

Other receivables for a total net amount of €2,292K mainly included current account advances to subsidiaries for a net amount of €1,796K and VAT claims.

Marketable investment securities represented a net amount of €6,306K.

Treasury stock shares held were broken down between financial fixed assets (132,619 shares) and marketable investment securities (162,648 shares). The net amount of these securities was €224K, after a provision of €460K.

Shareholders' equity amounted to €18,510K.

5. PROGRESS MADE AND DIFFICULTIES ENCOUNTERED

The Group has expanded its distribution network and, in order to ensure better service for its customers, has had access to a delivery platform in Hong Kong since 2013, allowing it to provide direct deliveries to the Group's distributors in North America, Europe and Asia. At the end of the year, this also allowed the Group to shorten the lead times for the launches of its new racing wheels – the TX for the Xbox® One console, and the T80 for the PlayStation®4 – which were able to enjoy a better rollout for the holiday shopping season.

The PC devices market was in decline throughout the year, resulting in lower purchases by distribution channels, amplified by the phenomenon of inventory reductions amongst wholesalers.

Sales of game console accessories were down over the first nine months of fiscal 2013, as a result of consumers waiting for the arrival of the next-generation consoles. The launches of the PlayStation®4 and Xbox® One consoles at the end of the year – for which Thrustmaster had prepared specially-designed accessories – revitalized Thrustmaster's activities. In order to stimulate in-store sales, the Group implemented an active merchandising policy with respect to its WAE and DJing ranges. The turn toward smartphone and tablet accessories continued with the expansion of the Group's ranges of wireless speakers and the creation of water and dust-resistant outdoor models. The focusing of Research and Development efforts on connected products for smartphones and tablets allowed for the release of DJ controllers for iPad tablets. The wireless speakers market is really taking off in North America, while the adoption of this technology by European consumers remains more measured: the concept needs to be further explained and demonstrated in order to generate more significant sales. Actions have been taken to address online customers, with respect to both Hercules and Thrustmaster. The implementation of a pre-order program for the new TX racing wheel starting in September on merchant websites in Europe and North America was a significant factor in its success at launch.

6. BUSINESS EVOLUTION ANALYSIS

Fiscal 2013 saw an 11% decrease in the Guillemot Corporation Group's sales. The Group returned to growth over the second half of the year, with an increase of 21% in the fourth quarter.

In 2013, Hercules refocused its activities on audio products, which accounted for nearly 90% of the brand's fourth-quarter sales. Sales of Hercules devices were down by 31% in the fourth quarter, and 38% for the year. Thrustmaster intensified its Research

and Development efforts and strengthened its partnerships in order to create unique products for the launches of Microsoft's new Xbox® One console and the PlayStation®4 from Sony, and thereby benefit from the dynamic nature of this new market. Thrustmaster generated growth of 97% for the fourth quarter, and 36% for the year.

Over the year, the Group adapted its structure while at the same time rolling out its commercial strategy with targeted actions aimed at online sales channels, and the implementation of its merchandising policy. Thanks to its cost control policy, the Group succeeded in lowering its costs by more than 15%, including Research and Development costs capitalized during the period, while simultaneously increasing its gross accounting margin by 2 points.

Current operating income amounted to €-1.6 million for fiscal 2013, compared with €-3.2 million at December 31, 2012. Operating income amounted to €-2.4 million, including an exceptional charge of €0.7 million linked to the resolution of a dispute with a supplier.

Consolidated net income amounted to €-0.8 million, compared with €-0.2 million for the previous fiscal year. This result includes financial revenues of €1.7 million linked to a revaluation gain on the Group's portfolio of Ubisoft Entertainment and Gameloft securities. Shareholders' equity amounted to €19.1 million at December 31, 2013. The Group's net indebtedness amounted to €9.0 million at December 31, 2013 (excluding its portfolio of marketable investment securities worth €6.9 million).

In the current economic context, the Group's financial structure is solid. The Group is not using all of its authorized lines of credit, and no bank has reduced its commitments over the period.

7. FORESEEABLE EVOLUTION AND FUTURE PROSPECTS

The launches of the new game consoles have breathed new life into the market, and allowed the Group to position itself as the premier supplier of racing wheels for Microsoft's Xbox® One console and PlayStation®4 from Sony. Many new releases are in the works in order to expand the Group's ranges of accessories for these new consoles and generate growth for Thrustmaster. Following on from Hercules' refocusing of its activities on audio ranges and the creation of products for tablets and smartphones, the Group is expanding its international sales force in order to further strengthen its presence in emerging markets. The Group is focusing its Research and Development efforts on a more limited number of new products, in order to increase their level of innovation and make them candidates for worldwide success.

In order to better respond to the needs in terms of promoting its audio products in-store, the Group will step up its merchandising activities, including a training policy for salespeople, the setting up of eye-catching display cases, on-site product demonstrations and more.

All of these actions by the company aim to make advances with respect to its sales and marketing network, in order to pave the way for the success of its new product ranges over the second half of fiscal 2014 and generate sales growth for the year.

8. INFORMATION REGARDING GUILLEMOT CORPORATION S.A.'S SHARE CAPITAL

At December 31, 2013, the closing date of the last fiscal year, subscribed capital amounted to €11,553,646.72, representing a total of 15,004,736 ordinary shares, fully paid, with a nominal value of €0.77 each.

At December 31, 2013, the Guillemot family Group directly and indirectly held 73.61% of capital, and 85.68% of the voting rights available for exercise during general meetings.

Shareholders	At 31/12/2013					
	Number of shares	% of capital	Number of theoretical voting rights	% of theoretical voting rights	Number of voting rights exercisable during general meetings	% of voting rights exercisable during general meetings (1)
GUILLEMOT BROTHERS S.E. (2)	10,034,030	66.87%	20,003,060	77.10%	20,003,060	77.99%
Michel GUILLEMOT	448,704	2.99%	895,902	3.45%	895,902	3.49%
Claude GUILLEMOT	414,367	2.76%	797,227	3.07%	797,227	3.11%
Christian GUILLEMOT	110,273	0.73%	219,040	0.84%	219,040	0.85%
G�rard GUILLEMOT	20,654	0.14%	39,802	0.15%	39,802	0.16%
Yves GUILLEMOT	4,367	0.03%	7,228	0.03%	7,228	0.03%
Other members of the Guillemot family	12,553	0.08%	13,355	0.05%	13,355	0.05%
Jointly	11,044,948	73.61%	21,975,614	84.70%	21,975,614	85.68%
Treasury stock (3)	295,267	1.97%	295,267	1.14%	0	0.00%
Public	3,664,521	24.42%	3,673,086	14.16%	3,673,086	14.32%
TOTAL	15,004,736	100.00%	25,943,967	100.00%	25,648,700	100.00%

(1) Members of the Guillemot family and the company Guillemot Brothers S.E. benefit from double voting rights attached to some of their shares.

(2) 100% controlled by members of the Guillemot family.

(3) Treasury stock shares without voting rights.

9. WORKFORCE

The workforce in place was broken down as follows:

	At 31/12/2013				At 31/12/2012			
	Parent company	French subsidiaries	Foreign subsidiaries	Total	Parent company	French subsidiaries	Foreign subsidiaries	Total
Workforce	5	80	68	153	5	84	93	182

For the Group, the average workforce during fiscal 2013 amounted to 164 people, compared with 181 in 2012.

10. FINANCIAL TABLE (ARTICLE R.225-102 OF THE COMMERCIAL CODE) OF THE COMPANY GUILLEMOT CORPORATION S.A.

Fiscal year	2013	2012	2011	2010	2009
Capital at fiscal year end (in €K)	11,554	11,554	11,554	11,524	11,524
Number of ordinary shares	15,004,736	15,004,736	15,004,736	14,965,876	14,965,876
Number of preference shares	0	0	0	0	0
Maximum number of shares to be created	1,250,140	1,692,440	1,892,438	1,992,438	2,031,298
Through bond conversion	0	0	0	0	0
Through stock option exercise	1,250,140	1,692,440	1,892,438	1,992,438	2,031,298
Through subscription rights exercise	0	0	0	0	0
Fiscal year transactions and results (in €K)					
Sales net of tax	41,251	46,138	60,820	59,668	61,237
Result before taxes, investments, allowances, provisions	-538	-2,008	1,195	3,960	-213
Corporate income tax	0	0	0	0	0
Employee participation	0	0	0	0	0
Result after taxes, investments, allowances, provisions	-1,542	-408	-2,986	1,744	308
Distributed result	0	0	0	0	0
Earnings per share (in €)					
Result after taxes, investments before allowances and provisions	-0.04	-0.13	0.08	0.26	-0.01
Result after taxes, investments, allowances and provisions	-0.10	-0.03	-0.20	0.12	0.02
Dividend allocated to each share	0	0	0	0	0
Workforce					
Average employee workforce*	5	5	5	5	5
Aggregate remuneration amount (in €K)	220	216	210	210	210
Payroll deductions and social benefits (in €K)	87	78	70	57	57

* Relates to legal representative Directors, Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot, who do not have employment contracts.