



SUMMARY OF THE GUILLEMOT CORPORATION GROUP'S STANDING DURING THE FISCAL YEAR ENDED DECEMBER 31, 2015

1. STANDING OF THE COMPANY, OF THE GROUP AND OF ITS ACTIVITIES DURING FISCAL 2015

With annual turnover of €65.8 million, up 63%, fiscal 2015 was a particularly dynamic year for the Group, thanks to 98% growth for Thrustmaster, tempered by a 15% decrease on the part of Hercules. The Group has taken up the number one spot in terms of racing wheels for game consoles in Europe and North America, by way of the expansion of its racing product ecosystem. At the same time, Thrustmaster has also positioned itself well in the joysticks market.

For Hercules, the growth of its mass-market DJ products and wireless speakers has not yet allowed the brand to compensate for the slowdown in terms of multimedia speakers for PC.

1.1. Acceleration of the Group's international growth, with booming sales in North America and the UK

Sales outside of France in fiscal 2015 amounted to €56 million, representing 85% of total consolidated turnover.

Sales in North America and the Asia-Pacific region drove growth, while the initial rollout of Thrustmaster's product lines in China also contributed to sales growth in Asia.

1.2. Expansion of geographic distribution coverage

The Group expanded its geographic distribution coverage in 2015, now shipping its products to more than 85 countries worldwide.

1.3. Active worldwide logistics

The Group covers three worldwide regions which account for the majority of high-tech product sales – North and South America, Europe and Asia – and optimizes the flow of its products, organizing direct deliveries from production sites in Asia to each continent.

The Group has its own international logistics base in France with an extensive storage capacity, allowing it to cover all of Europe for both wholesaler and e-commerce deliveries, and the East, and uses logistics service providers in North America and Asia.

Thanks to the development and evolution of its logistics platform in Hong Kong since early 2013, the Group continues to optimize the flow of products to all of its European, Asian and American customers by way of direct deliveries from Asia, allowing it to optimize its supply chain, and ensure faster delivery services for its customers. In 2015, direct container deliveries from the warehouse in Hong Kong continued to increase, facilitating sales growth, improving delivery times and reducing the impact of transportation on the environment. The Group is currently studying the option of a new warehouse facility in China.

1.4. Leadership position for Thrustmaster racing wheels

Thrustmaster has confirmed its leadership in terms of racing wheels for the next-generation game consoles, relying on its strategic partnerships with Sony, Microsoft and Ferrari.

1.5. The Group faces competition

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

Owing to the diverse nature of its ranges and the number of products, competition remains strong and spread out worldwide. The strength of the Group's Research and Development teams represents one of the keys to its competitiveness, which requires innovative and differentiated products. In this highly competitive context, the Group operates in markets undergoing profound shifts. In order to make itself stand out in the eyes of its customers, the Group constantly refreshes or extends 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 also benefits from the strength of its international positioning, allowing it to capture growth in countries with strong development.

1.6. Bolstering of the Group's presence at the largest international trade shows, and partnerships between Thrustmaster and major game publishers

In 2015, the Group bolstered its participation in the largest international and professional trade shows, with an active presence at exhibitions such as the NAMM Show in Anaheim, California for DJ products, E3 in Los Angeles, California, Gamescom in Cologne, Germany for gaming accessories, CES in Las Vegas, Nevada and in Shanghai for the first time, the BPM exhibition in Birmingham, England and Paris Games Week in Paris, France.

1.7. Hercules

The Group continued its Research and Development investments in 2015 with respect to its mass-market audio product lines, and by offering innovative solutions for both beginner and advanced DJs.

DJ range:

Having become a best-seller among amateur and mobile digital DJs, the Hercules brand remains a worldwide leader in the market for portable mass-market mixing controllers allowing users to get started in the world of DJing, and is strengthening its product range for advanced DJs.

Hercules launched a new lineup of DJ controllers in 2015, including both high-end models for the music products sales channel, and more mass-market controllers for beginner DJs.

DJControl Jogvision – the brand's new flagship offering for advanced DJs – is the most advanced controller at this price point, impressing users with its quality.

DJControl Jogvision: Having received the prestigious CES Innovation Awards Honoree distinction in January 2015, the controller DJControl Jogvision brings the jog wheel back to center stage. Its luminous interface allows for the playback speed of tracks to be displayed on the jog wheels, and facilitates enhanced precision with functions such as scratching. Bundled with the software Serato DJ Intro, DJControl Jogvision is the first mobile DJ controller to feature a display in the center of each jog wheel simultaneously showing both the playback speed and position in a track. These displays allow DJs to optimize their focus, responsiveness and track syncing, and pay more attention to the music and their audience instead – all while enjoying a highly-refined design. Available since September 12 and launched at the BPM 2015 show in Birmingham, England, this new controller reflects Hercules' ambitions in semi-professional DJing. Hercules' first mobile DJ controller with displays built into its jog wheels, DJControl Jogvision offers users completely new functionalities in this category – features generally found only in very high-end products.

DJControl Glow: With this controller, available since September 10, 2015, Hercules is targeting younger users – beginner DJs, keen to get started in the world of DJing. Its impressive lighting effects bring an entirely new dimension to the parties, with the controller being perfectly suited for mobile use. Its two decks allow users to mix two different music tracks together, while simplifying DJing techniques by way of instant syncing. It boasts an interstellar look that will awaken the force in budding DJs.

DJControl Compact: With this new ultra-portable controller available since September 2015, Hercules has positioned itself in the ultra-portable market segment. Measuring just 13.4 x 3.9 inches/34 x 10 cm, this controller offers the most features in its product category: practical and very powerful, it allows users to quickly get a feel for key DJing functions. DJControl Compact is the perfect ultra-mobile companion for precise control of DJ software, and has been lauded as “the most complete controller in its category”.

Wireless speakers, multimedia speakers and DJ headphones range:

Wireless speakers (WAE range): In 2015, Hercules focused on outdoor uses for wireless speakers, with the launch of the model Hercules WAE Outdoor 04Plus in late June 2015.

Over the year, Hercules added to its WAE Outdoor range with unique functionalities specially designed with the community of “riders” in mind.

Thanks to the rise in popularity of audio streaming, Hercules is now benefiting from good momentum with respect to its WAE Outdoor range for smartphones and tablets.

Hercules was involved with the 2015 French BMX Championships, for the launch of its new *Bluetooth®* wireless speaker designed for riders, Hercules WAE Outdoor 04Plus. Powerful and rock-solid, this speaker is totally ride-proof: shock- and water-resistant, it is also fully protected against snow, dust, sand and even mud. Pumping out impressive sound despite its compact size, the speaker is perfect for outdoor training sessions, allowing users to experience all of their rides accompanied by their favorite music.

The extremely positive reception for the speaker WAE Outdoor 04Plus by riders prompted Hercules to respond to the community's needs to an even greater degree, by launching a pack giving them more freedom than ever! The brand's line of wireless speakers was extended to include a new version of the most powerful model: the speaker Hercules WAE Outdoor 04Plus Pack. This pack includes the speaker in a brand-new color scheme, along with two unique attachment accessories. Riders can now enjoy their music with real output power on skatepark ramps and BMX tracks everywhere.

The signing of partnerships with promising young sports stars – including Delphine Cousin, 2015 PWA Slalom World Champion runner-up and 2015 French Champion – is part of the Group's strategy to boost its profile and brand recognition among these new communities of users.

Multimedia speakers: An expert audio manufacturer for more than two decades, Hercules has been designing high-quality speaker systems for many years and also produces speaker kits aimed at a wider market. All of its models include unique features, with the goal of responding to the ever-increasing demand for speaker technologies adapted to the new audio uses for computers, smartphones and tablets.

Still highly involved in this market segment, in November 2015 Hercules announced three new multimedia speaker systems – the 2.1 Cube, 2.1 20 and 2.0 10, with output power levels of 40, 12 and 6 watts, respectively. The 2.1 Cube, with its elegant black-on-black look, includes two cube-shaped satellites and a powerful subwoofer. The 2.1 20 model features a midnight blue

finish, and is also composed of two cube-shaped satellites and a subwoofer. The 2.0 10 model features two rectangular-shaped speakers with an attractive black finish. In order to reduce the environmental impact of its products, Hercules has designed its packaging using recycled cardboard and less cushioning materials, by optimizing the space taken up by products.

DJ headphones: In 2015, Hercules – the DJing and digital audio expert – continued to roll out its line of DJ headphones with a completely original model which puts the DJ firmly in the spotlight when hosting parties: HDP DJ Light-Show ADV. These groundbreaking headphones display an eye-catching light show which pulses to the beat of the music.

1.8. Thrustmaster

In 2015, Thrustmaster strengthened its leadership with respect to racing wheels for next-generation consoles, buoyed by the success of its wheels and the increase in the installed base of the new consoles, now numbering more than 57 million units sold (next-generation Xbox One® and PlayStation®4 consoles – Source: www.vgchartz.com, 06/02/2016), and became the leader in console racing wheels in Europe and North America.

Over the years, the brand has brought new technologies to market allowing for enhanced precision and sensations, such as its patented H.E.A.R.T HallEffect AccuRate Technology™ for extreme precision in Force Feedback wheels and some joysticks (T.16000M and HOTAS Warthog).

In 2015, Thrustmaster added to its racing product ecosystem with the launch of a standalone version of a high-end, 100% metal three-pedal pedal set. The brand has rolled out its lines of accessories in the Japanese market, and reinforced its strategic positioning thanks to its partnerships with Sony, Microsoft, Ferrari and the U.S. Air Force, allowing it to make inroads in markets worldwide.

Thrustmaster has also created a unique gaming ecosystem which includes shifters, pedal sets and add-ons, while its T300 RS and T300 Ferrari GTE wheels have won over gaming fans and become must-haves for playing the latest racing games including Project CARS – an ultra-realistic simulation title released in spring 2015, which gave a boost to sales of high-end racing wheels for PC and consoles. The brand has benefitted from the good crop of new car racing games – in particular the September 2015 launch of Forza Motorsport® 6, the car racing simulation title.

▪ **Headsets for online gamers:**

Thrustmaster is active in the gaming headsets market, with its products regularly receiving awards for their audio quality on specialist websites, the brand certainly having earned its stripes in this segment. With the growth of online gaming, the headsets market has flourished: they are indispensable accessories which immerse the gamer into the heart of the action, allowing for communication with teammates.

With its recent Y-280CPX model, Thrustmaster created a gaming headset with extended compatibility by way of its ability to be used with not only PlayStation®4, Xbox One® (with a headset adapter), PC, Xbox 360®, Mac®, Nintendo Wii U™, Nintendo 3DS™ and PlayStation®Vita consoles, but also MP3 players, tablets and smartphones. This high-performance new generation of headsets with amplified bass is rooted in Thrustmaster's proven audio expertise.

In 2015, Thrustmaster launched its first gaming headset officially licensed for Xbox One: Y-300X. Featuring high-definition sound, it provides crystal-clear audio thanks to its very powerful drivers.

▪ **Racing wheels:**

In 2015, Thrustmaster strengthened its leadership in racing wheels for next-generation consoles and solidified its strategic positioning thanks to its partnerships with Sony, Microsoft and Ferrari, giving it access to markets worldwide. The brand is now the leader in terms of wheels for consoles in Europe and North America. Racing accessories remain Thrustmaster's flagship department, driving growth.

The strategy of expanding its ecosystem around the high-end bases T300 Force Feedback on the console PlayStation4 and TX wheel on the console Xbox One bore fruit in 2015. Thanks to partnerships with console manufacturers and successful game developers, Thrustmaster has consolidated its ties with the gaming community, its accessories now regularly being recommended for use in a wide variety of racing and simulation titles. Many Thrustmaster wheels have earned legendary reputations, including the wheel Ferrari F1 Wheel Integral T500, while others such as the wheels TX Racing Wheel, Ferrari 458 Italia Edition and T300 RS have become the gold standard in their respective categories.

2015 was a highly dynamic year, with a plentiful crop of games. As long as video games have existed, car racing has represented a genre unto itself. Car racing games lend themselves to everything that is attractive about video games: realism, sensations and suspense. Racing simulations always have the wind in their sails, with a particularly good current batch of games in 2015 including Forza Motorsport® 6 on Xbox One and certainly Project CARS on PC, as well as on the consoles PlayStation4 and Xbox One. Racing wheels are an indispensable tool in order to get the most out of these titles, creating a niche market but one with high added value. Thrustmaster has made this its specialty, and created an ecosystem with a racing wheel base for each platform: T300 for PC and the console PlayStation4, and TX for the console Xbox One. The wheel itself can also be changed, as can the pedal set.

Particularly well-suited for the game Project CARS, Thrustmaster has released two special editions: TX Leather Edition, which includes a leather-wrapped wheel, along with a three-pedal set for Xbox One and PC; and T300 Ferrari Alcantara® Edition, with the GT wheel. Both offer the ultimate in racing sensations in terms of Force Feedback, precision and feel.

Thrustmaster has relied on the expansion of its racing product ecosystem for gaming fans and on the launch of the new, more affordable T150 Force Feedback for PlayStation4 to generate this growth – an official wheel for Sony's PlayStation3 and PlayStation4 consoles which allows gamers to feel all of the different track surfaces thanks to its Force Feedback function, and really enjoy the full racing experience in games.

Thrustmaster's Premium editions – including T300 Ferrari Integral Racing Wheel Alcantara® Edition and TX Racing Wheel Leather Edition – have bolstered the brand's presence in the high end of the market.

In 2015, Thrustmaster expanded its racing ecosystem with the launch of a standalone version of its high-end, 100% metal three-pedal pedal set, T3PA-PRO, as well as a GT-style add-on wheel wrapped in hand-stitched leather. Also, the brand's detachable 599XX EVO 30 Wheel Add-On, a genuine 8:10 scale replica of the wheel on Ferrari 599XX EVO, is a true collector's edition. Compatible with all Thrustmaster wheels, it features well-designed controls for effective, fun and high-performance racing, and also includes the Thrustmaster Quick Release system.

▪ **Gamepads:**

With its strong experience in the world of gaming, Thrustmaster entered the tablet market in late 2014 with its Thrustmaster Score-A™ Wireless Gamepad. Launched in November 2014, this gamepad is compatible with Bluetooth® 3.0 wireless technology: it pairs easily with both smartphones and tablets, allowing users to get the most out of the different games available on Google Play. It features an ergonomic design and includes non-slip grips for comfortable handling, along with a variety of intuitive controls.

▪ **Joysticks:**

The Group specializes in this segment with its flagship products such as HOTAS Warthog and T-Flight HOTAS X: this range is one of Thrustmaster's growth drivers. At the same time, Thrustmaster has developed partnerships with game publishers and cockpit manufacturers, who recommend joysticks designed by Thrustmaster. The high-end joystick HOTAS Warthog – a replica of the flight controls on the A-10C attack aircraft, officially licensed by the U.S. Air Force – is the gold standard in the market for aerial combat joysticks. The joystick T-Flight HOTAS X – a more mass-market model, with its detachable throttle – is the most full-featured joystick in its category. The market for flight-oriented games is growing quickly, with many free-to-play titles enjoying global success and bringing together communities of millions of gamers.

▪ **Flight simulation accessories:**

In 2015, Thrustmaster also launched the world's first joystick designed for the PlayStation4 console and officially licensed by Sony, the T-Flight HOTAS 4, to accompany War Thunder-style simulation games on the console. Thrustmaster's goal was to bring its extensive expertise in joysticks to PS4™ gamers with this new model, providing them with a unique new easy-to-use experience.

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, 2015 are broken down as follows:

In € millions	31/12/2015	31/12/2014
Turnover	65.8	40.3
Current operating income	2.4	-2.5
Operating income	2.9	-2.5
Financial income*	4.9	1.8
Consolidated net income	7.0	-0.9
Base earnings per share	€0.48	€-0.06
Shareholders' equity	25.2	18.3
Net indebtedness (excluding MIS)**	6.1	7.2
Inventories	17.3	7.4
Intangible fixed assets	7.1	6.9
Current financial assets (MIS share)	12.2	7.0

* 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 turnover for fiscal 2015 amounted to €65.8 million, representing an increase of 63% in relation to the previous fiscal year. Current operating income amounted to €2.4 million, compared with a loss of €2.5 million at December 31, 2014.

Operating income amounted to €2.9 million, and includes an Other operating revenue of €0.5 million linked to the receipt during the fiscal year of a Research Tax Credit relating to works carried out between 2012 and 2014 by its French Research and Development subsidiary.

Financial income of €4.9 million included revaluation gains of €5.3 million on current financial assets (MIS), composed of Ubisoft Entertainment and Gameloft securities.

Net income for the fiscal year amounted to €7.0 million, compared with €-0.9 million in 2014.

Current financial assets amounted to €12.2 million at December 31, 2015. They are composed of Ubisoft Entertainment and Gameloft securities.

Net indebtedness stood at €6.1 million (before Marketable Investment Securities).

Shareholders' equity increased from €18.3 million to €25.2 million.

▪ **Turnover breakdown by sector of activity**

(in € millions)	31.12.2015	31.12.2014	31.12.2013
Hercules	10.5	12.3	21.4
Standard product lines	9.3	11.6	17.3
OEM	1.2	0.7	4.1
Thrustmaster	55.3	28.0	22.3
Standard product lines	55.1	28.0	22.0
OEM	0.2	0.0	0.0
TOTAL	65.8	40.3	43.7

▪ Turnover breakdown by geographic zone

(in € millions)	31.12.2015	31.12.2014	31.12.2013
European Union	42.7	25.7	30.0
North America	16.2	9.9	8.8
Other	6.9	4.7	4.9
TOTAL	65.8	40.3	43.7

▪ Operating income breakdown by activity

(in € millions)	31.12.2015	31.12.2014	31.12.2013
Hercules	-2.4	-4.2	-1.7
Thrustmaster	5.3	1.7	-0.7
TOTAL	2.9	-2.5	-2.4

3. INFORMATION REGARDING THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

3.1. Statement of income

During the fiscal year, the Group posted consolidated turnover of €65,799K, excluding taxes.

The main operating expenses were purchases, for €42,790K.

External charges totaling €14,547K were mainly composed of transportation, publicity and marketing expenses.

Personnel expenses amounted to €7,137K, and depreciation and amortization provisions to €4,085K.

Taxes and duties amounted to €314K, and other revenues and expenses to €-5,145K.

Current operating income amounted to €2,448K.

Operating income amounted to €2,931K.

The net gearing cost stood at €199K, while other financial revenues and expenses totaled €+5,128K, including revaluation gains of €5,292K on Ubisoft Entertainment and Gameloft shares held.

After taking these elements into account, along with the tax charge of €817K, the Group's net income was €7,043K.

Base income per share was €0.48.

3.2. Balance sheet

Non-current assets were composed of net excess fair market values for €888K, net intangible fixed assets for €7,081K, net tangible fixed assets for €2,682K, and financial assets for €459K.

Current assets included the following elements:

- Inventories had a net value of €17,336K, taking into account inventory provisions of €1,299K.
- Trade accounts receivable amounted to a net value of €14,876K, taking into account a provision of €290K for doubtful accounts.
- The other receivables entry had a net value of €1,445K and mainly related to receivables on value added tax and advance payments receivables.
- Financial assets amounted to €12,709K, and the cash and cash equivalents entry to €6,372K.
- Income tax assets stood at €329K.

Shareholders' equity amounted to €25,248K.

Non-current liabilities amounted to €6,458K, including €4,182K in loans.

Current liabilities amounted to €32,012K, including €6,870K in loans and foreign currency advances.

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

4.1. Statement of income

During the fiscal year, the company Guillemot Corporation S.A. posted turnover of €61,438K.

Total operating revenues amounted to €72,981K.

The main operating expenses were purchases consumed for €42,486K, and external expenses for €20,847K.

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

Taxes and duties and personnel expenses amounted to €441K, and other expenses to €5,641K.

The amortization allowance amounted to €1,939K.

The allowance on provisions for current assets amounted to €688K.

Total operating revenues less all operating expenses resulted in an operating result of €939K.

Taking into account financial income of €1,879K, as well as exceptional income of €-1,123K, net income amounted to €1,695K.

Financial income was broken down as follows:

Financial revenues from investments:	€238K
Forex differences:	€130K
Financial interest revenues and expenses:	€-172K
Income from MIS divestments:	€25K
Provisions reversals and allowances:	€1,658K

Financial revenues from investments corresponds to the dividends paid out by some Guillemot Corporation Group subsidiaries. Interest revenues were mainly composed of €57K in current account interest, and €34K 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 €206K, and current account interest charges for €16K.

Divestment income on treasury stock securities within the context of the liquidity contract in effect amounted to €25K.

Reversals of impairment on subsidiaries' securities amounted to €995K, and provisions reversals on current account advances to €332K. Other provisions reversals related to Ubisoft Entertainment securities for €263K, treasury stock securities for €35K, and various reversals for unrealized Forex losses with respect to the previous fiscal year for €242K.

Allowances for provisions on securities amounted to €113K. The company Guillemot Corporation S.A. posted a provision of €184K 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:	€-10K
Revenues and expenses on capital transactions:	€-463K
Provisions reversals and allowances:	€-650K

Exceptional expenses included an amount of €424K corresponding to the reintegration into balance sheet liabilities of current account debts toward founding shareholders.

These advances had been waived by the latter in 2002 with return to profits clauses.

The company posted €684K in exceptional amortization on development costs and materials which no longer met the capitalization criteria.

The main performance results were as follows:

Fiscal year production:	€71,920K
Added value:	€8,587K
Earnings before interest, tax, depreciation and amortization:	€8,146K

4.2. Balance sheet

Net fixed assets amounted to €12,485K. This included €6,462K in intangible fixed assets, €2,200K in tangible fixed assets and €3,823K in financial fixed assets.

Intangible fixed assets included €3,705K in net value in terms of development costs. The company removed from its assets development costs which no longer met the capitalization criteria, for a gross value of €822K.

The company disposed of materials for a gross amount of €1,207K.

The company had inventory with a net value of €15,291K.

The trade accounts receivable entry amounted to €13,595K, taking into account provisions for doubtful accounts of €229K.

Other receivables for a total net amount of €3,848K mainly included current account advances to subsidiaries for a net amount of €3,489K, and VAT claims.

Marketable investment securities represented a net amount of €7,120K.

Treasury stock shares held were broken down between financial fixed assets (132,619 shares) and marketable investment securities (102,724 shares). The net amount of these securities was €372K, after a provision of €306K.

Shareholders' equity amounted to €21,288K.

5. PROGRESS MADE AND DIFFICULTIES ENCOUNTERED

With annual turnover of €65.8 million, up 63%, fiscal 2015 was particularly dynamic for the Group thanks to 98% growth for Thrustmaster, tempered by a 15% decrease with respect to Hercules. Over the period, the growth in terms of Hercules' mass-market DJ products and wireless speakers did not yet compensate for the slowdown in multimedia speakers for PC, whereas Thrustmaster was able to achieve good positioning in the joysticks market while at the same time accentuating its leadership with regard to racing wheels. 2015 demonstrated the Group's ability to meet new challenges and allowed it to capture new market share on an international level, bearing witness to the strengths of its unique position.

In 2015, Thrustmaster benefited from the launch of numerous car racing games, including Forza Motorsport® 6, launched in September. Thrustmaster is now the leader in console racing wheels in both Europe and North America. Thrustmaster has relied on the expansion of its racing product ecosystem for gaming fans and the launch of T150 Force Feedback wheel for the PlayStation®4 console in order to generate this growth. Premium editions – including T300 Ferrari Integral Racing Wheel Alcantara® Edition and TX Racing Wheel Leather Edition – have bolstered the brand's presence in the high end of the market. Thrustmaster also launched the world's first joystick designed for the PlayStation®4 console and officially licensed by Sony, the T.Flight HOTAS 4, to accompany War Thunder-style simulation games on the console.

Commercially, the following significant events took place in 2015:

- Strengthening of the Group's geographical distribution coverage, with products now being delivered to more than 85 countries worldwide.
- Increase in sales outside of France of more than 70%.
- Opening of a commercial subsidiary in China during the year's third quarter.
- Reinforcement of the Group's sales and marketing teams in North America, where sales now account for 25% of total turnover.
- Strong positioning in the UK market, with sales quadrupling over the year.
- Rollout of the Group's gaming product lines in the South Korean market.

For several years now, Hercules has chosen to focus on its audio product lines including multimedia speakers, wireless speakers and DJ controllers. Buoyed by the success of its mass-market DJ controllers, WAE wireless speakers and OEM sales, Hercules began to roll out its new mass-market DJ products for the end-of-year holiday season. The market with respect to advanced users is highly competitive, with the presence of well-regarded corporate brands: making inroads in this marketplace requires very innovative products.

The Group's software expertise has allowed it to develop the DJUCED™ DJ software, which gives a competitive advantage to its mass-market controllers by way of new functionalities and unique compatibility features.

With regard to products, the desk DJControl Instinct is the brand's spearhead in its mass-market DJ range, while the desk Hercules Universal DJ – which is compatible with both smartphones and tablets, and which is tied in with the DJUCED™ DJ software – ranked among the best-sellers in terms of value over the period. A partnership with one of the major DJing schools in the United States, the Scratch DJ Academy, was signed in order to organize training sessions and concerts using DJControl Jogvision, further strengthening the brand's legitimacy and standing.

For Hercules, the growth of its mass-market DJ products and wireless speakers has not yet allowed the brand to compensate for the slowdown in terms of multimedia speakers for PC.

6. BUSINESS EVOLUTION ANALYSIS

Fiscal 2015 saw a 63% increase in turnover for the Guillemot Corporation Group, and highly contrasting developments with respect to the activities of its Hercules and Thrustmaster brands.

Thrustmaster, with turnover of €55.3 million and 98% growth, solidified its leadership position with regard to racing wheels, offering gamers a complete racing ecosystem with high-end products. The installed base of 8th generation Xbox One® and PlayStation®4 consoles increased to more than 50 million units over the year.

Hercules, with its annual turnover down 15%, is still subject to the slowdown of the mass-market PC sector and the ending of its Wi-Fi and PLC product lines, while focusing its Research and Development efforts on its DJ and speaker ranges, with innovative and unique products.

Operating income for fiscal 2015 stood at €2.9 million, compared with an operating result of €-2.5 million at December 31, 2014. Consolidated net income amounted to €7.0 million, compared with €-0.9 million for the previous fiscal year. This result includes a financial revenue of €5.3 million linked to a revaluation gain on the portfolio of Ubisoft Entertainment and Gameloft securities held by the Group. The deferred tax expenses posted linked to this unrealized gain amounted to €0.7 million.

Shareholders' equity amounted to €25.2 million at December 31, 2015. The Group's financial structure is solid, with net indebtedness down to €6.1 million at December 31, 2015 (excluding its €12.2 million portfolio of marketable investment securities), compared with €7.2 million December 31, 2014.

7. FORESEEABLE EVOLUTION AND FUTURE PROSPECTS

The Group is operating in a market filled with opportunities.

A number of factors are favorable in terms of the sales growth of Thrustmaster gaming accessories:

- The steadily increasing installed base of new game consoles.
- The large crop of new car racing games providing an ultra-realistic experience, further enhanced by way of very high-performance accessories.
- The explosion in terms of the sales and popularity of aerial and space combat games, particularly with regard to free-to-play titles allowing users to experience real piloting control with a quality joystick.

The Group's targeted ranges of accessories and partnerships with game publishers will allow it to fully benefit from these growth vectors in the marketplace.

For its part, Hercules – a leader in mass-market DJ controllers – continues to offer innovative new functionalities to amateur and advanced DJs thanks to its mastery of both hardware and software technologies, and develop its market. The wireless speakers market is growing quickly and the Group, specializing in outdoor speakers, is aiming for success among young sports-loving users.

These growth factors buoy the Group in anticipating new sales growth for fiscal 2016, Thrustmaster being perfectly positioned with its extended ranges of high-end racing wheels and joysticks to accompany the 2016 launches of highly-anticipated new games, and virtual reality headsets which will take realism and immersion to amazing new heights.

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

At December 31, 2015, 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, 2015, the Guillemot family group directly and indirectly held 73.39% of capital, and 85.35% of the voting rights available for exercise during general meetings.

At 31/12/2015						
Shareholders	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	77.81%
Michel Guillemot	448,704	2.99%	895,902	3.45%	895,902	3.48%
Claude Guillemot	414,367	2.76%	827,227	3.19%	827,227	3.22%
Christian Guillemot	77,752	0.52%	155,504	0.60%	155,504	0.60%
G�rard Guillemot	20,654	0.14%	39,802	0.15%	39,802	0.15%
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	11,012,427	73.39%	21,942,078	84.57%	21,942,078	85.35%
Treasury stock (3)	235,343	1.57%	235,343	0.91%	0	0.00%
Public	3,756,966	25.04%	3,765,986	14.52%	3,765,986	14.65%
TOTAL	15,004,736	100.00%	25,943,407	100.00%	25,708,064	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 31/12/2015				At 31/12/2014			
	Parent company	French subsidiaries	Foreign subsidiaries	Total	Parent company	French subsidiaries	Foreign subsidiaries	Total
Workforce	5	85	67	157	5	75	63	143

For the Group, the average workforce during fiscal 2015 amounted to 147 people, compared with 145 in 2014.