Guillemot
CORPORATION

2013 REFERENCE DOCUMENT

INCLUDING THE **2013**
ANNUAL FINANCIAL REPORT

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This reference document was registered with the Autorité des Marchés Financiers (AMF) on April 29, 2014, pursuant to Article 212-13 of the AMF General Regulations. This document may be used in support of financial transactions when accompanied by a prospectus duly approved by the AMF. This document was drawn up by the issuer under the responsibility of the signatories.

The following information is incorporated into this reference document by way of reference:

- Consolidated financial statements for the fiscal year ended December 31, 2011, as well as the related Independent Auditors' report, found on pages 84 to 110 of the reference document registered with the AMF on 27/04/2012 (number D.12-0449);

- Consolidated financial statements for the fiscal year ended December 31, 2012, as well as the related Independent Auditors' report, found on pages 65 to 89 of the reference document registered with the AMF on 29/04/2013 (number D.13-0461).

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➢ 2013 MANAGEMENT REPORT

Ladies and Gentlemen,

We have summoned you to a general meeting, pursuant to legal, regulatory and statutory provisions, in order that you may examine the financial statements for the fiscal year ended December 31, 2013, and to provide you with an account of the activities of the Guillemot Corporation Group and of its parent company for said fiscal year.
The financial statements, reports or other documents and information stipulated by applicable legislation have been communicated to you or made available to you within the legal time limits.

1 ACTIVITIES AND RESULTS

Listed on the stock market since 1998 and active in this field since 1984, the Guillemot Corporation Group is a major player in the interactive entertainment market with its two brands, Hercules and Thrustmaster. Specializing in the design and marketing of digital devices and accessories for PC and game consoles, the Group focuses its activities around its two flagship brands: **Hercules** for the digital hardware and peripherals segment (wireless speakers for smartphones and tablets, mixing consoles for amateur and semi-professional DJs, DJ headphones, multimedia speakers, webcams…), the brand having refocused its activities on audio products in 2013; and **Thrustmaster** for PC and console gaming accessories, designed for users ranging from dedicated to casual gamers.

With operations in eleven countries at present (France, Germany, Great Britain, the United States, Canada, Spain, the Netherlands, Italy, Belgium, Hong Kong and Romania), Group continues to expand internationally, covering more than sixty countries worldwide and launching its brands in new countries including Saudi Arabia, Colombia, Peru and Mexico.

With its four Research and Development entities based in France, Canada, Romania and Hong Kong, the Group designs high-tech products, and puts innovation at the heart of its development model. The Group is now focusing its efforts on growth driver markets such as wireless speakers, audio headsets for online gamers and DJing, and has positioned itself to be ready for the arrival of the next-generation consoles, which represent a significant opportunity for the development of a market of dedicated accessories.

1.1 Hercules: A successfully-progressing transition to focus on new multimedia uses

Created in the United States in 1982 and purchased by Guillemot Corporation in November 1999, Hercules made its mark on the history of graphics cards by having been the worldwide pioneer in this field, and was responsible for creating a number of different standards. Specializing in the interactive entertainment market, Hercules has brought its own unique style to the marketplace, offering high-quality products designed to enhance users' performance and enjoyment. Hercules' experience and passion have resulted in a variety of product lines, all of which are in a constant state of evolution.

Today, Hercules' strategy mainly involves focusing on the successful ramp-up of its new audio ranges, including wireless speakers for tablets and smartphones, multimedia speakers and mixing consoles for DJs.

In 2013, Hercules refocused its activities on audio products, which accounted for nearly 90% of sales in the year's fourth quarter. Hercules has been concentrating on audio products via its lines of DJ consoles, as well as WAE wireless speakers for tablets and smartphones, to take advantage of the public's fascination with digital mixing. The brand's Wi-Fi 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 have focused on the creation of new products for 2014, designed for smartphone and tablet users.

- Audio range:

Hercules is making use of its Research and Development expertise and the latest digital technologies to design its products. The headphones designed by Hercules also benefit from its know-how in the world of DJing. Available in different versions, they are aimed at a wide cross-section of consumers and reflect the distinctive design cues popularized by DJs.
The WAE range distinguishes itself by way of the variety of products available, with more than ten different models allowing the brand to best respond to consumers' wants and needs. This range is available in two product families: wireless speakers for home use, and ultra-mobile outdoor solutions.
Hercules is also growing its positioning in the DJing market thanks to an expansion of its DJ range to focus on mass-market users and tablets.

- Webcams 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 update its range of webcams in 2013.

- Wi-Fi/Power Line Communication range:

In 2013, the Group decided not to renew its Wi-Fi and PLC ranges, which no longer allow for the generation of 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 for PC, a tablet version for iPad was delivered in late 2013.

1.1.1 DJing and digital music range

Having become a best-seller among amateur and mobile DJs, today the Hercules brand is a worldwide leader in the portable mixing controllers marketplace. A true pioneer in terms of mobile DJ consoles for computers by having launched the first portable dual-deck mixers featuring built-in audio, Hercules has chosen to offer specific products at both entry-level and midrange price points, paying particular attention to both ergonomics and software integration. The brand is well-placed to extend its leadership and is relying on a number of new releases in order to fully benefit from the public's growing enthusiasm for digital mixing. In parallel, in light of the boom in tablet sales, Hercules has decided to position itself in this highly dynamic sector by developing a range of DJ accessories for tablets. At the same time and after having made its entry with a complete line of DJing software for PC and Mac, Hercules has added another string to its bow by way of its DJUCED™ software, with a brand-new DJ app custom-designed for iPad, aimed at DJs wanting to discover mobile, touch-based DJing!

Given the digital DJing marketplace's constant state of evolution, Hercules continues to cater to professional and semi-professional DJs, remaining on the cutting edge of innovation and paying attention to professionals' needs.

In 2013, the launch of the **DJControl Air+** marked Hercules' entry into the large-format DJ controllers market, the console's extra-large jog wheels providing an improved DJing experience with enhanced precision. Its AIR control allows users to control the mix in a completely innovative way: via hand movements, without physical contact.

In January 2013, Hercules unveiled its latest DJ consoles at the *Consumer Electronics Show* in Las Vegas, with the **DJControl Instinct Street Edition** console available from April 2013, and the **DJ Control Air Street Edition** console.

These two limited-edition controllers were designed to respond to the new trends in urban culture and reflect today's looks in terms of DJing and music production hardware.

Since November 2013, Hercules has made it possible for all iPad® owners to discover mixing and the touch-based sensations of DJing, thanks to its two flagship "Made for iPad®" solutions:
- Hercules DJControl AIR for iPad®
- Hercules DJControl Instinct for iPad®

These new DJ controllers make mixing more mobile and user-friendly than ever before. Versatile solutions, they are ready to mix on any platform: not only iPad®, but also Mac and PC. Both products feature a built-in sound card allowing users to play their mix for the audience from the controller, while at the same time monitoring upcoming tracks on headphones. These new controllers include the new DJUCED™ App mixing application, allowing for mobile, touch-based tablet DJing on iPad®.

In December 2013, two new Hercules products – the DJControlWave for iPad® controller and the WAE NEO speaker – were each honored with a *2014 CES Innovations Design and Engineering Award* in the Home Audio category. A highly-coveted worldwide award, these two prizes are an acknowledgment of the Group's Research and Development and marketing know-how, and open up a global audience for these two products.

INTERNATIONAL CES
INNOVATIONS
DESIGN AND ENGINEERING
AWARDS
2014
HONOREE

DJControlWave, the first wireless DJ controller custom-designed for iPad®, represents a truly unique and innovative concept. Its ability to control an iPad® via *Bluetooth®* wireless technology, complete mobility thanks to a built-in rechargeable battery, and futuristic design combined with a dedicated DJing app made it possible for the controller to win this award, while its enthusiastic reception by an international audience provides a strong early indication of its sales potential.

1.1.2 Wireless speakers, multimedia speakers and DJ headphones range

1.1.2.1 Wireless speakers: WAE range

The home audio market is at a turning point. Apple's iTunes, Deezer, Spotify, Pandora and YouTube (amongst others) have become the leading music providers, allowing for the arrival of music on smartphones and tablets. Initially, this created the docking stations market, which evolved a great deal to arrive at today's wireless speakers solutions. Smartphones, which now store music libraries, allow users to remotely play music on wireless speakers thanks to *Bluetooth®* wireless technology. These speakers can be completely self-sufficient, equipped with a built-in rechargeable battery, allowing them to easily be moved anywhere in users' homes and accompany them in all of their different activities.

In December 2012, the Group created an innovation with its WAE *Wireless Audio Experience* concept. The different speakers in the WAE range allow users to find the system which best suits their aesthetic tastes, as well as their wants and needs in terms of audio quality and mobility.

Up until now, high-tech gear was mostly used indoors. Over the past few years, however, outdoor activities have surged in popularity: users want to be able to listen to their music anywhere outside, and even in the rain! With this in mind, Hercules launched its Outdoor wireless speaker range. Available since June 2013, this Outdoor speaker resists both splashes of water and dust (IP64-certified). Portable and self-sufficient, it is also available in an *Adventure Pack* version including accessories specially tailored for biking, backpacking and boating. Compatible with all equipment featuring *Bluetooth®* wireless technology, the speaker also features a built-in microphone for hands-free use with a smartphone. This *Bluetooth®* speaker is definitely designed for adventure!

WAE
* Wireless Audio Experience
by Hercules®

With its new WAE range featuring trendy looks and a strong personality, Hercules' objectives are to:

1) Offer a complete line of products responding to consumers' different needs in terms of uses; and
2) Develop products delivering high-quality audio and standout design, in order to position the WAE brand among the market leaders in wireless audio.

The WAE NEO speaker, a wireless *Bluetooth*® model featuring an innovative smart-light concept, combines a level of audio quality lauded by the press with rhythmic lighting effects which can easily be customized via a smartphone app. More than just a simple wireless speaker, the WAE NEO invites users to enjoy a true sensory and musical experience, thanks to the fusion of the power of sound with the magic of light. It features second-generation WAE audio performance, employing Hercules' own proprietary technology as well as MaxxAudio audio enhancement tools by Waves®, recipient of a Technical GRAMMY® Award.

1.1.2.2 Multimedia speakers

An expert audio manufacturer for more than 20 years, last October Hercules announced that it would be refreshing its best-selling lines of multimedia speakers – GLOSS and SLIM – to which a new arrival has been added: **Hercules 2.1 Gloss Bluetooth**. This wireless speaker kit allows users to play music stored on a smartphone, tablet or laptop computer. Super-versatile, this system lets all users play music from any device featuring *Bluetooth*® wireless technology – including computers, tablets, mobile phones and smartphones. This kit represents an attractive alternative to single-unit speakers.

Following on from its successful XPS SLIM series, Hercules was keen to rise to this technical challenge once more, in terms of ensuring crystal-clear audio combined with similarly slim satellite speaker design: the new Hercules 2.0 and 2.1 SLIM multimedia speakers are sure to please consumers. The 2.1 system is composed of two satellites and a high-volume subwoofer, for sound focused on performance and intense bass response.

Designed for audio mixing, the DJ Monitor 5 monitoring speakers were launched in July 2013 in order to complement the brand's DJing range, and target DJs' exacting needs in terms of music production and home studio gear. In conjunction with professionals in the world of DJing, Hercules' audio engineers designed the DJ Monitor 5 speakers to provide truly balanced frequency response. Putting the user experience at the heart of its development mission, the brand confirmed its own long-standing philosophy: user-friendliness is paramount.

1.1.2.3 DJ headphones

Hercules, the DJing and digital audio expert, extended its line of DJ headphones in late 2013 with an original set of headphones which puts the DJ squarely in the spotlight when hosting parties: **HDP DJ Light-Show Adv**.
These new headphones become a part of the DJ's performance: the earphones light up to the rhythm of the mix. DJs and music fans are also sure to appreciate their perfect audio fidelity, powerful sound, audio isolation and comfort. Similar in design to Hercules' professional headphones, the HDP DJ Light-Show Adv features a continuous curve from one earphone to the other: this makes them extremely comfortable to wear, easily adapting to any head size and perfectly isolating the DJ from exterior noise. Ideal for monitoring upcoming tracks while DJing in front of an audience, these headphones faithfully reproduce a wide range of frequencies.

1.1.3 Wi-Fi and Power Line Communication solutions

The Group's Wi-Fi and PLC product lines, which no longer allow for the generation of sufficient added value, will not be renewed.

1.1.4 Webcams

Hercules' know-how in this domain has allowed it to receive Microsoft's Windows Live certification.

In 2013, the brand continues to market its TWIST range, unveiled at the Las Vegas Consumer Electronics Show in January 2012. With this unique HD webcam collection full of innovative features and available in a variety of eye-catching colors, Hercules has succeeded in its mission of integrating high-definition technology into a mini-sized webcam. The brand did not update its range of webcams in 2013.

1.2 Thrustmaster: A strategy of innovation and partnerships

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, such as 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 late in the year of the next-generation consoles. Over the period, Thrustmaster strengthened its licensing agreements and partnerships with Microsoft® and Sony®, to create unique products for the launches of their new consoles. This allowed the brand to be the first manufacturer to launch racing wheels for Microsoft's Xbox One™ console, and the PlayStation®4 from Sony, 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, Thrustmaster has added to its range of audio headsets for online gamers – including one model, the Y-300P, featuring official PlayStation®3 and PlayStation®4 licenses.

1.2.1 Audio headsets for online gamers

After having launched headsets for the Xbox 360® and PlayStation®3 consoles, as well as for PC, Thrustmaster has extended its ranges to the new consoles, and created universal models for the previous generation of consoles.

Y-250CPX

With the launch of the *Y-250 CPX* headset, compatible with both PC and the Xbox® 360 and PlayStation®3 consoles, the Group positioned itself on the new generation of consoles as well, this headset also being compatible with the new PlayStation®4. Optimized for full compatibility with PlayStation®3, PlayStation®4, Xbox® 360 and PC, this headset delivers incredibly realistic audio sensations and perfectly balanced bass response.

Y-400Pw

The *Y-400Pw* wireless stereo headset was specially designed for the PlayStation®3 console, but is also compatible with PlayStation®4. Its advanced wireless technology allows for flawless communication without any signal distortion, while its superior-quality sound ensures the ultimate in realistic audio thanks to a stable frequency response curve, combined with a design perfectly matching the PlayStation®3 console.

Y-300P

Developed in conjunction with Sony Computer Entertainment Europe and licensed by Sony for both the PlayStation®3 and PlayStation®4 consoles, this headset was designed to optimize sound on the console. Delivering crystal-clear audio thanks to its superior-quality drivers, this headset features a noise-canceling microphone designed to isolate the user's voice and reduce ambient noise, in order to guarantee effective communication between gamers online.

1.2.2 Racing wheels

Racing wheels have always been a flagship department for Thrustmaster, which is mainly focused on the high end of the market. Since the dawn of video games, car racing has always represented its own unique genre. Car racing games lend themselves to everything that is attractive to players about gaming: realism, fun and suspense. With a great deal of new car racing games available, such as F1 2013 and the release of the game Gran Turismo 6 in December 2013, sales of racing wheels increased once again for the PlayStation®3 console. Thrustmaster's official presence at the E3 worldwide video game Expo at Microsoft and Sony's stands in Los Angeles in June 2013, along with the launch of a range of accessories for the new consoles, resulted in strengthening the brand's leadership position.

In order to allow car racing simulation fans to enjoy an absolutely unique and high-performance gaming experience, in late November 2013 Thrustmaster released the first official wheel licensed by Sony Computer Entertainment Europe for PlayStation®4, to coincide with the launch of the new console. Also compatible with the PlayStation®3 console, this product was developed to provide racing fans with total immersion in their favorite titles on both PlayStation® systems. The **T80** has been certified for these platforms, and will also be available in an officially-licensed DriveClub version.

The **TX Racing Wheel Ferrari 458 Italia Edition**, a Force Feedback wheel for the Xbox One™ console, was positioned to be ready for the system's launch title, Forza Motorsport 5: it is on track to become the gold standard in terms of wheels available for the console. This racing wheel provides gamers with new sensations, thanks to its brushless motor – an innovative technology in wheels – and its magnetic sensor, providing unrivaled precision.

The new Ferrari-licensed **Racing Wheel Red Legend Edition** echoes the lines of the wheels gracing the actual cars crafted by the celebrated prancing horse automaker, and features textured grips in the signature Ferrari red. Compatible with both PS3 and PC, this wheel includes a large 2-pedal pedal set, including a brake pedal with progressive resistance for the ultimate in realism.

1.2.3 Gamepads

Gamepads remain a complementary sector to the gamepads furnished by console manufacturers. The Group uses its Ferrari license and years of expertise to create highly ergonomic gamepads which meet the needs of the most demanding gamers. New related markets have emerged over recent years thanks to the need for gamepads compatible with new gaming-enabled home gateway devices, Smart TVs and tablets, which – thanks to their massive rise in popularity – now serve as portable game consoles.

1.2.4 Flight simulation accessories

Thrustmaster has long enjoyed a recognized leadership position in the design and development of flight simulation accessories. The brand has always distinguished itself from its competitors by way of the quality and realism of its high-end joysticks.

In late March 2013, Thrustmaster launched the **HOTAS Warthog Flight Stick**, a replica of the flight stick found on the U.S. Air Force's A-10C attack aircraft. Officially licensed by the U.S. Air Force, this H.E.A.R.T. technology-equipped joystick has been designed to accompany the HOTAS Warthog, the undisputed leader for discerning flight simulation fans.

1.3 Research and Development activities

Each year, the Group invests a significant amount of money in Research and Development, one of the keys to its competitiveness: the Group's sectors of activity – audio for Hercules, and gaming accessories for Thrustmaster – require a great deal of innovation, with the goal of providing a better experience for end users. For Thrustmaster gaming accessories, passionate gamers are looking for ever-more realistic sensations, enhanced precision and optimal ergonomic design, in order to bring their virtual experiences even closer to reality. In 2013, the Group's Research and Development teams made large contributions in preparing innovative accessories for the new game consoles: the new racing wheel for the Xbox One™ console required the fine-tuning of new technologies such as the brushless motor, used for the first time in a Force Feedback wheel and providing far smoother effects. Thanks to these efforts, the Group was the first in the world to release a racing wheel for Microsoft's Xbox One™ console, at the same time as it released the world's first wheel for the PlayStation®4 console – thereby gaining a significant advantage over its competitors.

For Hercules, consumers' expectations continue to increase both with respect to products' functionalities and ergonomics. Competition is now worldwide, which requires innovative and differentiated products.

Two Hercules products – the *DJControlWave* DJ controller for iPad®, and the *WAE NEO*, a wireless speaker featuring *Bluetooth*® technology and a smart-light concept – were honored with a *2014 CES Innovations Design and Engineering Award* in the Home Audio category at the American CES trade show in Las Vegas. A highly-coveted worldwide award, these two prizes are an acknowledgment of the Group's Research and Development and marketing know-how, and open up a global audience for these two products, which will help to grow Hercules' sales in 2014.

From the design of products organized by the Production Director in conjunction with engineers, project managers and marketing teams, Research and Development is a true cornerstone of the Group's strategy which, thanks to its technological expertise and innovative models, contributes to development. The Group's R&D workforce is composed of teams based in four different countries (France, Canada, Romania and Hong Kong). Efficiency and innovation are the major objectives.

In 2013, the Group devoted €4 million to Research and Development spending, representing 9% of consolidated sales.

1.4 Standing of the company, of the Group and of its activities during fiscal 2013

1.4.1 *Continuation of the Group's international expansion, with the majority of sales outside of France*

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

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

The Group distributes its products mostly via specialized wholesalers, while at the same time maintaining direct commercial relationships with its 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.

The group has a wide distribution network, including:
- In Europe and Russia: Amazon, Auchan, Bartsmit, Boulanger, Carrefour, Casino, Cdiscount, Conforama, Cora, Dixon, El Corte Ingles, Eldorado, Eroski, Euronics, Fcenter, Fnac, Grosbill.com, Intertoys, LDLC.com, Leclerc, Makro, Media Markt, Micromania, Multirama, M Video, Netto, NIX Russia, NetLabs Russia, Otto, PC World, PC City, Pixmania, Redcoon, Rue du Commerce, Sainsbury's, Saturn, Sonai, Tesco, Thomann, Toys "R" Us, Unieuro, Worten.
- In North America: Amazon.com, Best Buy, Buy.com, Cosco, Fry's, Future Shop, Guitar Center, J&R Computer World, Meijer Micro Center, New Egg, Sam Ash, TigerDirect, Musician's Friend.
- In South America: Carrefour, Walmart, Fnac and many local chains.

1.4.2 Ramping up of the Group's merchandising policy

At the same time, the Group has focused its merchandising activities with a view to promoting its products in stores. The store's role is to evolve to a greater degree into a venue for trying out products and getting advice, and the Group will continue to showcase its products with this in mind.

This initiative is already underway for the WAE Outdoor speaker and other products in the WAE range, along with DJ products, and will be expanded to include additional audio products as well.

1.4.3 Strengthening of the Group's commercial activity with a focus on online sales, thanks to the opening of the Hercules and Thrustmaster online stores

In 2013, the Group strengthened its commercial activity with a focus on online sales, allowing for better showcasing of its high-end offerings, which has resulted in the opening of many customer accounts.

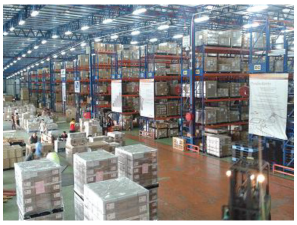
In late December 2013, Hercules and Thrustmaster announced the launch of their respective online shops (http://shop.hercules.com and http://shop.thrustmaster.com) in the French market. Rollout is scheduled for the rest of Europe and the United States in 2014. Opening these online shops represents an extension of the two brands' strategy to put customer relations at the heart of the Group's business. The Group has put different marketing initiatives in place to inform, guide and help its online customers, in addition to tailored logistics.

Products from the Hercules and Thrustmaster ranges are available for purchase with free shipping for standard deliveries, with exclusive special offers available to boost customer loyalty. This new service will allow the Group to provide potential consumers with access to its products in regions where it otherwise may not be present.

1.4.4 Optimization of the Group's supply chain via its logistics base in Asia

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 and 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 early 2013, the Group has been able to optimize the flow of products to all of its European, Asian and North and South American customers by way of direct deliveries from Asia, enabling it to optimize its supply chain in order to reduce inventories and working capital requirements, and ensure faster delivery services for its customers.



1.4.5 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, as well as audio headsets for online gamers). 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 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 adds 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 expertise represents a major advantage with respect to its competitors.
The Group benefits from the strength of its international positioning, allowing it to capture market share in countries with strong growth, and is putting itself in a position to accelerate its innovations over the coming years.

Main competitors by product category	
DJing	Numark / Pioneer / Vestax / M-Audio / DJ Tech / American Audio / Gemini / Stanton
Sound cards	Creative Labs
Webcams	Logitech / Microsoft
PC gaming accessories	Logitech / Saitek / Trust / Speed Link / Hama
Console gaming accessories	Big Ben Interactive / MadCatz / Genius / Nyko / Sony / SpeedLink / Hama / Microsoft
Speakers	Altec Lansing / Logitech / Philips / JBL / Bose / Edifier / Creative Labs
Wi-Fi/PLC	Belkin / D-Link / Devolo / Linksys / Netgear / SpeedLink / Buffalo / TP-Link / Trendnet
Audio headsets for online gamers	Tritton / Madcatz / Turtle Beach / Razer / SteelSeries / Logitech
Wireless speakers	JBL / Bose / Jawbone / Logitech / Creative Labs / Beats / Philips / Parrot / Jabra / Sonos / Braven

1.4.6 Thrustmaster's presence at the largest international trade shows

The Group was highly visible in 2013 at the largest international trade shows, 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, and others. This presence allows it to meet with all of its international customers, and expand its network of distributors.

Thrustmaster's official presence last June at the E3 international video game trade show at Microsoft and Sony's booths, along with the product ranges being prepared for the new consoles, have further strengthened the brand's position among customers as the must-have partner for late 2013. At the Microsoft booth, the demonstration of the new game Forza Motorsport® 5, which crystallizes the ambitions of the new Xbox One™ console with respect to racing games, took place with a prototype Thrustmaster wheel. At Sony's booth, the T500RS racing wheel (licensed by Gran Turismo) was on proud display, featured in a dozen demo cockpits for the new game Gran Turismo 6 which was launched in the autumn, with Thrustmaster as the official partner.

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

1.4.7 Worldwide press coverage

The Group has received awards worldwide and extremely positive reviews of its product lines for their quality, originality and reliability. The specialist press contributes to the promotion of the Group's products in this way, highlighting their strong points for mass-market users and providing a boost in terms of sales.

1.4.7.1 DJing range

The Group's presence at the main international trade shows including CES in Las Vegas, the NAMM Show in Anaheim, California, and Gamescom in Cologne, Germany, strengthens its visibility and demonstrates the brands' reputation on an international level, as evidenced in particular by the *CES Innovations Design and Engineering Award* received by the DJControlWave controller at CES Las Vegas in January 2014.

This innovation award was based on the product's technical performance and design.

A highly-coveted international award, the *2014 CES Innovations Design and Engineering Award* represents an acknowledgment of the Group's R&D and marketing expertise, and opens up a worldwide audience for this new product.

Computer Hoy

July 2013

Hercules DJ Control AIR+

Lo mejor y lo peor

Nos ha gustado su diseño en general, las múltiples posibilidades de uso que ofrece, su tecnología de detección por infrarrojos, los sensores de presión y que permite pinchar con agilidad, incluso si no tienes muchos conocimientos de DJ.

+ - Control de mezcla por infrarrojos
- Sampler y control de hot cues
- Jog wheels con sensor de presión

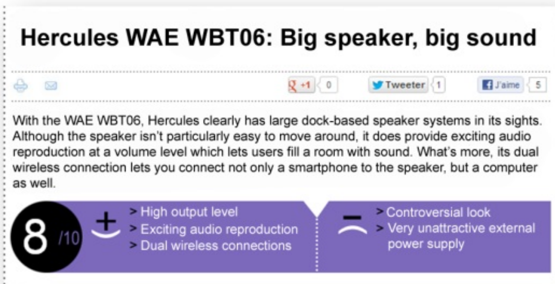
− - Nada que destacar

"We were pleased with its design in general: its multiple possibilities for use, infrared detection technology, and pressure sensors which make great scratching easy – even for those with very limited knowledge of DJing."

The pros: the infrared control, sampler and HotCue points, the pressure-detecting jog wheels

The cons: None to speak of

1.4.7.2 WAE range



Hercules WAE WBT06: Big speaker, big sound

+1 0 Tweeter 1 J'aime 5

With the WAE WBT06, Hercules clearly has large dock-based speaker systems in its sights. Although the speaker isn't particularly easy to move around, it does provide exciting audio reproduction at a volume level which lets users fill a room with sound. What's more, its dual wireless connection lets you connect not only a smartphone to the speaker, but a computer as well.

8 /10

+ > High output level
> Exciting audio reproduction
> Dual wireless connections

− > Controversial look
> Very unattractive external power supply

Ere Numerique.fr

LESNUMERIQUES

Logically, the sound benefits from the device's surface area, weight and power. Available output power is high, enough to fill a medium-sized room with sound. The speaker's audio reproduction is truly exciting: high and mid frequencies are very transparent, while bass is noticeable and full. You can feel its balanced output – the low end is generous, but not excessive. Overall the sound is dynamic, with lots of presence: you can listen to any type of music on this speaker, and it all sounds very good. Voices are clear and smooth, but orchestral and techno music also have the right amount of presence. One might critique a slight lack coherence in terms of the ratio of low mids with mid-bass, and upper bass which is slightly lacking, thereby cutting off the sound stage to some degree – no doubt this is the price to be paid for having such generous bass, and it's not really bothersome. The speaker can stand in for a small stereo system and take care of music playback in a living room or bedroom: all that's missing is the stereo effect. It quite easily compares with a high-end B&W Zeppelin-style speaker system, which of course is much more expensive.

Planet sans fil

Configuration: 18/20	
Battery life: 18/20	
Use: 18/20	
Signal quality: 19/20	
Overall score: 18.25/20	

Jeux Vidéo Magazine – June 2013

SANS FIL ET SANS CONTRAINTE

Une enceinte bien conçue et avec un excellent rendu.

Les enceintes audio sans fil sont le nouvel El Dorado du moment et placardisent les docks pour Smartphone. Le prix est certes un peu plus élevé par rapport aux autres produits de cette gamme, mais le rendu n'a rien de comparable. Avec ses basses très présentes, des aigus assez clairs et une faible distorsion du son, cette Hercules WBT06 affiche une finesse de son capable de séduire les mélomanes exigeants. Elle se connecte en Bluetooth à votre périphérique, mais est aussi livrée avec un dongle USB que l'on branche sur n'importe quel PC (portable ou desktop) afin d'envoyer le son sur l'enceinte sans le moindre fil.

Constructeur : Hercules
Prix : 250 € env.
17 | 20

58 / jeuxvideomagazine.com

NO WIRES AND NO CONSTRAINTS

A well-designed speaker with excellent audio reproduction

Wireless speakers represent today's El Dorado, and are taking over from smartphone docking stations in a big way. This speaker's price is definitely a bit higher than other products in this range, but its audio reproduction is on a whole different level: with its very noticeable bass, rather clear high frequencies and low audio distortion, the Hercules WBT06 delivers refined sound capable of winning over even demanding music lovers. It connects to your device via *Bluetooth*®, but also comes bundled with a USB dongle which can be connected to any PC (laptop or desktop), allowing you to stream its sound directly to the speaker – without any wires.

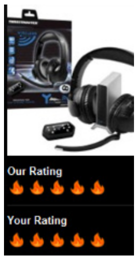
Manufacturer: Hercules
Price: €250 (approx.)
17/20

Hercules WAE BTP-05: Well-balanced

1.4.7.3 Gaming accessories for PC and consoles

- Gaming headsets

The English website Invision Game Community gave the Y-400Pw headset a score of 5 out of 5 in July 2013, with a “Buy” recommendation.



The Y-400Pw gaming headset received a score of 82% on the Portuguese Pluginreviews website on December 12, 2013, along with a silver award.

On October 17, 2013, the American website Biogamergirl published a review of the Y-400Pw and Y-400Xw headsets, giving them a score of

Score: 9 out of 10

- Racing wheels

The Italian Techstation website gave the Ferrari GTE Wheel Add-On five stars.

The French tech website **PC World** gave the T500RS racing wheel a score of 4 out of 5 stars on July 25, 2013.

The Brazilian tech website **Info** published a review of the T500RS racing wheel on February 9, 2013, giving it a score of 8.5 on 10.

In late August 2013, the **Hardware.Info** website published a test of 5 different racing wheels, and gave the F430 FFB wheel a very good **Silver Award**.

The Swedish gaming website **FZ** gave the TX Racing Wheel a score of 4 out of 5, along with the **Safe Buy Award**.

1.5 Results of company and Group activities

1.5.1 Key Group figures and information by sector

1.5.1.1 Key figures

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. section 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.

1.5.1.2 Information by sector

Detailed information by sector is set out in section 5.6 of the consolidated financial statements.

1.5.1.3 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**

- 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**

1.5.2 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**

1.6 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.

1.7 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.

2 SUBSIDIARIES AND INVESTMENTS

2.1 Guillemot Corporation Group organizational chart at December 31, 2013

The percentages set out below correspond to the percentage of capital held.

GUILLEMOT BROTHERS S.E. (1)	GUILLEMOT FAMILY	GUILLEMOT CORPORATION S.A.	PUBLIC
66.87%	6.74%	1.97%	24.42%

GUILLEMOT CORPORATION S.A.

SUBSIDIARIES		
Hercules Thrustmaster SAS	France	99.42%
Guillemot GmbH	Germany	99.75%
Guillemot Ltd	UK	99.99%
Guillemot Corporation (HK) Ltd	Hong Kong	99.50%
Guillemot S.A.	Belgium	99.93%
Guillemot Srl	Italy	100.00%
Guillemot Inc (2)	Canada	74.89%
Guillemot Inc	United States	99.99%
Guillemot Recherche & Développement Inc	Canada	99.99%
Guillemot Romania Srl	Romania	100.00%
Guillemot Spain SL	Spain	100.00%
Guillemot Administration et Logistique Sarl	France	99.96%
Guillemot Innovation Labs SAS	France	100.00%

INVESTMENTS		
Gameloft S.E.	France	0.08%
Ubisoft Entertainment S.A.	France	0.58%

(1) 100% owned by members of the Guillemot family.
(2) The Canadian company Guillemot Inc is 74.89% owned by Guillemot Corporation S.A., and 25.11% owned by the American company Guillemot Inc.

No acquisition or disposal of equity interests took place during the fiscal year ended December 31, 2013.

2.2 The parent company

Guillemot Corporation S.A., the Group's parent company, markets Hercules and Thrustmaster brand hardware and accessories to the Group's customers, apart from certain North American customers who are supplied directly by the Canadian subsidiary, Guillemot Inc.
The company owns the Hercules and Thrustmaster brands, and is responsible for the marketing investments that the brands require.
The company takes charge of and centralizes all billing for its products in all countries (except for North America). Product sales and marketing are carried out by specialized wholesalers in each country, in order to reduce the number of billing and delivery points.
Product manufacturing is handled by subcontractors chiefly located in Asia. The company provides its subcontractors with models, the main components (which it purchases directly from technology suppliers), and specific tools, in some instances.
The company holds virtually all securities of the Group's consolidated companies (there are no minority interests in the consolidated companies).
Guillemot Corporation's Directors manage the Group's subsidiaries.
The company holds the Group's main financial means (shareholders' equity, debenture and bank debt, banking facilities). It arranges current account advances for subsidiaries with financing requirements.

2.3 Sales and marketing subsidiaries

Sales and marketing subsidiaries are responsible for promotional, marketing and sales activities in the countries in which they are located, as well as their spheres of influence. The Group controls sales and marketing companies in France, Germany, Spain, Great Britain and Italy, and distributes its products in more than sixty countries worldwide.
Moreover, Hercules Thrustmaster SAS is a designer of interactive entertainment accessories for PC and consoles, as well as interactive entertainment hardware for PC. It manages development projects and marketing initiatives, as well as purchasing and sales functions for product lines.

2.4 Research and Development subsidiaries

Research and Development subsidiaries are responsible for designing and creating the products marketed by the Group.
The Group has three Research and Development entities: Hercules Thrustmaster SAS, based in France; Guillemot Recherche et Développement Inc, in Canada; and Guillemot Romania Srl, in Romania. The Group also has a technology watch center in Asia.

2.5 Other subsidiaries

The company Guillemot Administration et Logistique Sarl, based in France, is responsible for the packaging and shipping of products. It is also in charge of maintenance and development of tools and computer systems, as well as the Group's accounting, financial management and legal secretariat.

3 INVESTMENT POLICY

The Group's investment policy, in place for many years, consists of building added value and solid foundations by way of ongoing Research and Development investments. Research and Development investments accounted for more than 7% of sales over the past three years, and Research and Development teams represented 40% of the Group's workforce.
Moreover, the Group regularly studies potential opportunities for external growth.

4 SIGNIFICANT EVENTS SINCE THE END OF THE FISCAL YEAR

There have been no significant events since the end of the fiscal year.

5 SIGNIFICANT CHANGES TO FINANCIAL OR COMMERCIAL STANDING SINCE THE END OF THE FISCAL YEAR

No significant changes with respect to the Group's financial or commercial standing have taken place since the fiscal year-end date.

6 FORESEEABLE EVOLUTION AND FUTURE PROSPECTS

The launch of the new game consoles has breathed new life into the market, and has allowed the Group to position itself as the leading supplier of racing wheels for Microsoft's Xbox One™ console, and the PlayStation®4 from Sony. Many new releases are planned in order to expand the ranges of accessories for these new consoles, and generate growth for Thrustmaster. Following the refocusing of Hercules' activities on audio ranges and the creation of products designed for tablets and smartphones, the Group is expanding its international sales force in order to accentuate its presence in emerging markets. The Group is concentrating its Research and Development efforts on a more limited number of new products, in order to increase their levels of innovation and make them candidates for worldwide success. In order to respond to the needs in terms of showcasing its audio products in-store, the Group will step up its merchandising activities including a policy for the training of sales associates, putting display stands in place, demonstrating products, and more.
All of these business activities aim to foster an evolution with respect to the Group's sales and marketing network, in order to pave the way for the success of its new product lines in the second half of fiscal 2014, and to grow its sales for the year.

7 PRESENTATION OF FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013 AND NET INCOME APPROPRIATION

7.1 Comments on the Group's consolidated financial statements

No changes have been made to the presentation of financial statements or to valuation methods.

7.1.1 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.

7.1.2 Balance sheet

Non-current assets are 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 include 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 customers.
- The other receivables entry had a net value of €1,434K and mainly relates to value added tax receivables and down payment receivables.
- Financial assets amounted to €6,863K, and the cash and cash equivalents entry to €2,135K.
- Current 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.

Cashflow linked to activities is broken down as follows:

	At 31.12.13
Net income of integrated companies	-822
+ Depreciation, amortization and provisions allocations	2,766
- Depreciation, amortization and provisions reversals	-46
-/+ Unrealized gains and losses linked to changes in fair value	-1,658
+/- Expenses and revenues linked to stock options	0
-/+ Net gain/loss on disposals	-204
Deferred tax change	0
Cashflow after cost of net financial debt	**36**
Cost of net financial debt	220
Cashflow before cost of net financial debt	**256**
Cashflow Forex adjustment	3
Working capital requirements change	**1,237**
Net cashflow linked to activities	**1,276**
Cashflow linked to investment activities	
Cash outflow and inflow on tangible and intangible fixed assets	-2,879
Cash outflow and inflow on financial fixed assets	328
Net cashflow linked to investment activities	**-2,551**
Cashflow linked to financing activities	
Capital increase or cash contribution	0
Debt issuance	4,000
Shareholders' current account reimbursement	0
Debt repayments	-1,843
Other cashflow linked to financing activities	0
Total cashflow linked to financing activities	**2,157**
Forex adjustment impact	**-32**
Cashflow change	**850**
Net cashflow at fiscal year start	-3,454
Net cashflow at fiscal year end	-2,604

7.2 Comments on Guillemot Corporation S.A.'s financial statements

No changes have been made to the presentation of financial statements or to valuation methods.

7.2.1 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 are 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 operating income 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 is broken down as follows:

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

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

Net income on disposals of marketable investment securities mainly corresponded to income from the disposal of 863,874 Ubisoft Entertainment equity warrants for €230K. Disposal income on treasury stock securities within the context of the liquidity contract in effect amounted to €-5K.

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

Provisions allocations on subsidiaries' securities and current account advances 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 is broken down as follows:

Revenues and expenses on management transactions:	€-75K
Revenues and expenses on capital transactions:	€-701K
Provision reversals and allocations:	€-310K

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

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

The main performance results are as follows:

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

7.2.2 Balance sheet

Net fixed assets amounted to €11,478K. This includes €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 with respect to development costs. The company removed development costs which no longer meet the six activation criteria from assets, for a gross amount of €553K.

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

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

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

Marketable investment securities amounted to a net total of €6,306K.

Treasury stock shares held are 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.

Debts and liabilities are broken down as follows:

DEBTS/LIABILITIES STATEMENT (In €K)	At 31.12.13
Financial institution loans	4,660
Bonds	0
Medium-term bank liabilities	56
Bank overdrafts and currency advances	4,630
Trade accounts payable	12,674
Tax and social security liabilities	129
Other liabilities	2,689
Fixed asset liabilities	878
Intercompany	1,074
TOTAL	**26,790**
Loans entered into during the fiscal year	4,000
Repaid during the fiscal year through bond conversion	0
Loans repaid during the fiscal year	1,843
Loans received from individuals	0

Cashflow linked to activities is broken down as follows:

(In €K)	At 31.12.13
Net income	-1,542
Amortization and provisions allocations and reversals (1)	2,208
Net gain/loss on disposals	27
Operating income	**693**
Operating requirements change	1,662
Non-operating requirements change	191
Working capital requirements change	**1,853**
Cashflow linked to investment activities	
Intangible fixed asset acquisitions	-2,095
Tangible fixed asset acquisitions	-773
Intangible and tangible fixed asset disposals	0
Financial fixed asset acquisitions	-16
Financial fixed asset disposals	0
Subsidiary acquisitions/disposals	0
Net cashflow linked to investment activities	**-2,884**
Capital increase or contribution	0
Debt issuance	4,000
Debt repayments	-1,843
Net cashflow linked to financing activities	**2,157**
Cashflow change	**1,819**
Net cashflow at fiscal year start (2)	1,443
Net cashflow at fiscal year-end (2)	3,262

(1) Excluding allocations and reversals relating to provisions for the depreciation of marketable investment securities.
(2) Including marketable investment securities for their net amounts.

7.2.3 Information regarding payment deadlines

Pursuant to Articles L.441-6-1 and D.441-4 of the Commercial Code, we hereby inform you that upon closing of the fiscal year ended December 31, 2013, the balance of debts and liabilities with respect to suppliers was broken down as follows:

Supplier debts/liabilities *(All taxes included, in €K)*	< = 30 days		31 - 60 days inclusive		> = 61 days		Total (taxes incl.)	
	2013	2012	2013	2012	2013	2012	2013	2,012
Debts falling due*	6,037	6,000	2,391	1,526	3	2	8,431	7,528
Debts due	2,234	3,010	1,350	1,150	1,537	977	5,121	5,137
Total amount (taxes incl.)	**8,271**	**9,010**	**3,741**	**2,676**	**1,540**	**979**	**13,552**	**12,665**

* The breakdown of debts falling due is indicated by way of the due dates stipulated on contracts.

7.2.4 Net income appropriation

Having deducted all expenses and all taxes and amortization, the financial statements presented to you show a loss of €-1,541,889.91, which we recommend be assigned to the retained losses account.

We remind you that, pursuant to the terms of Article 243a of the General Tax Code, no dividends have been distributed over the past three fiscal years.

7.2.5 Non-fiscally deductible expenses or expenditures

Pursuant to the terms of Articles 223 quater and 223 quinquies of the General Tax Code, we wish to remind you that the financial statements for the past fiscal year do not take into account expenditures not deductible from fiscal income.

8 RISK FACTORS

The Group has carried out a review of the risks which could have a significant unfavorable effect on its activities, its financial standing or its results, and is of the opinion that there are no other significant risks than those set out below.

8.1 Risk linked to sector of activity

Guillemot Corporation operates within the mainstream computer and video game consoles markets, sectors which are sensitive to evolutions in terms of electronic technologies, to competition, to seasonal fluctuations and to the life cycles of video game consoles.

8.1.1 Technological risk

Guillemot Corporation uses the latest technologies to manufacture its product ranges, with many products employing different types of technologies.
The Group's engineering teams closely monitor technological developments in order to determine the features of upcoming products.
Research and Development teams based in France, North America and in Romania, aided by the Group's technological watch center in Hong Kong, are in constant direct contact with the market's major players and the development studios of major gaming software publishers. Nevertheless, rapid changes in technology may result in the obsolescence of certain products, translating into depreciation risks on inventories of these products.

8.1.2 Procurement risk

8.1.2.1 Dependence upon certain suppliers

The risk of dependence upon suppliers varies according to the technical nature of the product.
The Group has maintained regular business relationships with a good number of its suppliers over many years, and represents an attractive sales opportunity for them.
Nevertheless, the Group is not completely sheltered from changes in the commercial policies of the creators of technologies, who may in some cases reserve the use of these technologies for some of their other customers. Moreover, the extension of procurement times for components may result in significant production delays. The ending of production by certain suppliers of critical components may also require modifications to the electronic design of products, and thereby delay deliveries of the product lines in question by the corresponding amount of time.

8.1.2.2 Company shutdowns, mergers and concentration

The interactive entertainment market has witnessed cessations of activity, alliances and buyouts among its players in recent years.
In the event of a change in control of one of its suppliers, Guillemot Corporation's position in these markets allows it to anticipate alternative procurement sources. In some cases, these evolutions might require changes with respect to manufacturing and could result in longer production and supply lead times, impacting sales.

8.1.3 Industry competition risk

The Group has operated in this market for many years and has developed a strong reputation with both distributors and consumers. The Group is exposed to intense competition, and must constantly be vigilant as to the competitiveness of its product lines.
Its competitors are located around the world. The originality and performance of Guillemot's products provide for favorable comparisons with those of its competitors, as illustrated by the numerous awards and first-place rankings the company has received based on comparative testing in the specialist press both in Europe and the United States. A lack of competitiveness could impact upon the Group's results and its levels of business.

8.1.4 Computer/game console manufacturers competition risk

Following their purchase, some consumers supplement their computer's configuration according to the activities for which they plan to use it. Hercules hardware and Thrustmaster accessories in stores respond to these customers' needs. Nonetheless, some manufacturers may decide to include high-performance peripherals in their computers, thereby reducing the potential market. Moreover, some game console manufacturers limit access to technologies allowing for compatibility with their consoles, which may result in the potential obsolescence of certain products.

8.1.5 Business seasonality risk

The Guillemot Corporation Group carries out approximately 50% of its annual activities between September and December. The Group employs the services of subcontractors in order to operate successfully at increased manufacturing and distribution levels during that period. Working capital requirements caused by these seasonal fluctuations are financed by way of short and medium-term funding. Strong variations in terms of seasonality could result in inventory issues.

8.2 Industrial and environmental risk

The Group has not evaluated these risks, as it does not have its own production site. Product manufacturing is carried out by subcontractors. The Group's main subcontractors are ISO 9001 and ISO 14001-certified.

8.3 Market risk

8.3.1 Rate risk

At December 31, 2013, the Group had fixed-rate loans in the amount of €1,978K, and variable-rate loans worth €2,668K. The Group has put in place rate swap agreements on variable-rate loans in order to protect against changes with respect to loan interest payments, linked to interest rate variations. No loans were covered by acceleration clauses at December 31, 2013.
A 1% increase in interest rates, taken on an annual basis and considering the outstanding amount at December 31, 2013 (the amount of variable-rate financial liabilities not covered by rate swap agreements) would have an impact of a €33K increase in expenses.

8.3.2 Forex risk

As all of the major players in the multimedia industry conduct transactions in US dollars, there is no competitive advantage between one manufacturer and another translating into increased market share. As a result of the indexation of sale prices to dollar cost prices by all players in the industry, sale prices are either increased or decreased as a function of overall cost prices, where market dynamics permit.
The main currency for hardware and accessory purchases is the US dollar. In the United States, Canada and all other countries outside of Europe, the transaction currency is also the US dollar. In Europe, the Group sells mainly in euros.
Rapid currency variations and dips in the value of the US dollar in particular may result in lower sale prices for the Group's products and consequently impact on the value of merchandise inventories. Conversely, a strong and rapid increase in the value of the US dollar over the second half of the year would not allow the Group to offset this increase in full on the sale prices of its products, given the seasonal nature of the company's activities, and could result in a temporary impact on gross margins.
However, in order to limit the Group's risk, Guillemot Corporation covers Forex risks by way of buying on the spot market, forward purchase contracts and foreign currency options. Moreover, increased export sales over the past several years enhance its natural coverage and significantly decrease the Forex risk.

The Group's currency assets and liabilities at December 31, 2013 were as follows (figures are provided for non-covered assets, meaning those susceptible to currency variations):

Currency amounts susceptible to positive or negative fluctuations:

(In €K)	USD	GBP
Assets	4,196	778
Liabilities	10,224	25
Net pre-adjustment position	-6,028	753
Off-balance-sheet position	0	0
Net post-adjustment position	-6,028	753

A 10% increase in the US dollar rate considered on an annual basis and at the amount outstanding at December 31, 2013 (amount of currency exposed to Forex variations) would result in an increase in financial expenses of €437K.
The impact of Forex variations on other currencies is insignificant.

Forex effect linked to subsidiaries' currency conversion:
All subsidiaries use their local currency for operations. The impact on shareholders' equity was €-48K.

8.3.3 Share risk

The net value of listed securities in the company's portfolio at December 31, 2013 amounted to €6,868K.

Inventory of listed securities held at December 31, 2013

Inventory of portfolio securities	Market	Number of securities at 31/12/13	Market value (in €K) (1)
Ubisoft Entertainment S.A. (Shares)	NYSE Euronext (Paris)	613,874	6,311
Gameloft S.E. (Shares)	NYSE Euronext (Paris)	68,023	557
		Total	**6,868**

(1) The rate employed is equal to the rate on the last day of the month of December 2013 (Ubisoft Entertainment: €10.28; Gameloft: €8.19).

Changes in the stock market value of shares held have an impact on the Group's results. For 2014, a 10% decrease in the value of Ubisoft Entertainment shares (in relation to the price at December 31, 2013) would have an impact of €-631K on financial income.
A 10% decrease in the value of Gameloft shares (in relation to the price at December 31, 2013) would have an impact of €-56K on financial income.
At March 21, 2014, the Ubisoft Entertainment share's closing price was €12.59, representing an increase of 22% in relation to the price at December 31, 2013, and resulting in the posting of revaluation gain of €1,418K in the Group's consolidated financial statements at this date.

8.3.4 Credit risk

Credit risk represents the risk of financial loss in the event whereby a customer does not meet its contractual obligations. The Group has access to credit insurance to deal with this risk. The number of customers is relatively low, as a result of the Group's dealings with wholesalers. In some cases, the Group is obliged to grant additional credit where coverage is judged to be particularly ill-suited (cf. section 5.7.6 of the consolidated financial statements).

8.4 Liquidity risks

The company has undertaken a specific review of its liquidity risks, and considers that it is able to meet its future payment obligations.

8.4.1 Cashflow risk

The Group's net indebtedness is €9.0 million. In addition, the Group has a portfolio of Ubisoft Entertainment and Gameloft securities with a market value of €6.9 million at December 31, 2013.

The Group's indebtedness at December 31, 2013 is broken down as follows:

Type of security issued or loan	Fixed rate	Variable rate	Overall line amount	Settlement year	Coverage
Lending institution loans	1,978	2,688	4,646	2014-2016	Yes
Medium-term bank debt	13		13	2014	No
Bank overdrafts and currency advances	1,451	3,288	4,739	2014	No
Other	5	22	27	2014	No
Total (in €K)	**3,447**	**5,978**	**9,425**		

8.4.2 Acceleration clauses

At December 31, 2013, the Group had no loans covered by acceleration clauses.

8.5 Supply and price risk

A shortage of components or a resulting extension of supply timeframes could compel the Group to purchase its primary materials at higher prices if it were obliged to obtain them from suppliers other than those in its normal supply network. This could have an effect of delaying the production of certain products, thereby delaying deliveries as well. Each week, the Group reviews production planning in order to detect any potential delays, and thereby minimize the impact on production.

8.6 Legal risks

8.6.1 Litigation

There are no governmental, legal or arbitration proceedings, including all proceedings of which the company is aware, whether in abeyance or with which it is threatened, which may have or have had a significant effect on the company and/or the Group's financial standing or profitability over the past twelve months.

8.6.2 Intellectual property

The Group’s brands are mainly registered with the Office for Harmonisation in the Internal Market in Europe, the United States Patent and Trademark Office in the United States and the Canadian Intellectual Property Office in Canada, and also in other foreign countries via the World Intellectual Property Organization.
The Group protects the aesthetic features of its products (shapes and/or designs) by registering, for the most part, common designs and models with the Office for Harmonisation in the Internal Market.
The technical innovations of products designed by the Group are protected mainly by patents registered in France with the Institut National de la Propriété Industrielle (National Industrial Property Institute) and/or in Europe with the European patent office.
Prior to registering a brand or a common design and model, the Group carries out or commissions research based on its requirements, in order to verify the availability of the brand, design or model in question. For patents, the Group carries out prior art searches, or commissions prior art searches based on its requirements.
Nevertheless, the Group cannot guarantee that legal proceedings will not be brought against it. The costs related to its defense or to the payment of damages and interest in the event of an unfavorable outcome for the Group may have negative consequences on the Group's activities and financial standing.

8.6.3 Changes in regulations risk

The Group has taken steps to conform to the following directives: RoHS (Restriction of Hazardous Substances), WEEE (Waste Electrical and Electronic Equipment), and REACH (Registration, Evaluation, Authorization and restriction of CHemicals).
The Group keeps abreast of regulations in the different countries in which it operates, but cannot completely rule out the possibility that some regulations may have escaped its attention.

8.7 Other risks

8.7.1 Risk linked to product sales and marketing methods

The Group’s clientele is made up mainly of wholesalers who respond directly to the needs of customers in matters of logistics (centralized orders and deliveries). The top client accounts for 8% of consolidated sales, with the Group’s top five customers accounting for 30% and the top ten accounting for 44% of consolidated sales.
The amount of unrecovered matured receivables relating to the Group's top ten customers amounted to €705K at December 31, 2013.
Nevertheless, exacting selection of customers contributes to reducing customer risk.
The Group uses a credit insurance company to insure the risk of unmet payments (cf. consolidated financial statements, section 5.7.6).

8.7.2 Country risk

Export sales are significant. A deterioration of the situation in some countries could result in a drop in sales.
Partner subcontractors located in Asia undertake the core of the Group’s manufacturing.
Regional conflicts could impact upon the Group's supplies.

8.7.3 Operational assets risk

The Guillemot Corporation Group owns all of the assets required for its successful operation.

8.7.4 Risk insurance and coverage

The Group has taken out insurance for the main identified risks.
The Group holds insurance policies covering civil liability, for amounts of €4 million or €8 million, depending on the type of accident. The other insurance policies cover its buildings, installations, vehicles and inventories. Buildings located in France are insured at their replacement cost value of €6.5 million, and merchandise for €6.8 million. The Group also has policies on transported merchandise, in order to provide protection against major incidents which may affect the flow of goods. Transported merchandise is insured for a value of €765,000 per shipment, whatever its mode of transportation or destination.

8.7.5 Important contracts

To the company's knowledge, there are no important contracts giving rise to an obligation or important commitment for the Group as a whole, apart from those entered into within the context of normal business.

8.7.6 Risks linked to licensing agreements

Licensing agreements with brand or technology owners generally include early termination provisions. The termination of such a contract may have an impact on sales of the products governed by the licensing agreement in question, as well as on the value of remaining inventories.

9 GENERAL INFORMATION ABOUT THE COMPANY'S SHARE CAPITAL

9.1 Information regarding the company's capital

9.1.1 Amount of share capital at December 31, 2013

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 common shares, fully paid, with a nominal value of €0.77 each.

Since the closing of the fiscal year, no changes have taken place with regard to share capital.

The share capital evolution chart from the creation of the company Guillemot Corporation S.A. is presented in section 13.2 of the Management report.

9.1.2 Capital and voting rights breakdown

9.1.2.1 Evolution over the past three fiscal years

Over the course of the past three fiscal years, no significant changes have taken place with respect to the breakdown of the company's capital and voting rights.

The company Guillemot Corporation S.A. is jointly controlled by the company Guillemot Brothers S.E. and members of the Guillemot family. The company has not taken any particular measures to ensure that this control is not exercised in an abusive manner, apart from the presence of an independent Director on the Board of Directors in the person of Ms. Lair.

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

To the company's knowledge, no other shareholder directly or indirectly, alone or jointly, holds more than 5% of capital and voting rights apart from those indicated in the table above. The company does not have access to studies on identifiable bearer securities, allowing it to provide an indication regarding the number of its shareholders or on the breakdown of capital between resident and non-resident shareholders, or between individual shareholders and institutional investors.

At December 31, 2013, no employee share ownership existed in the sense of Article L.225-102 of the Commercial Code.

	At 31/12/2013					
Shareholders	**Number of shares**	**% of capital**	**Number of theoretical voting rights**	**% of theoretical voting rights**	**Number of voting rights exercisable at general meetings**	**% of voting rights exercisable at 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%
Gérard 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%**

At 31/12/2012						
Shareholders	**Number of shares**	**% of capital**	**Number of theoretical voting rights**	**% of theoretical voting rights**	**Number of voting rights exercisable at general meetings**	**% of voting rights exercisable at general meetings (1)**
GUILLEMOT BROTHERS S.A. (2)	10,034,030	66.87%	20,003,060	77.06%	20,003,060	77.93%
Michel GUILLEMOT	447,198	2.98%	894,396	3.45%	894,396	3.48%
Claude GUILLEMOT	412,860	2.75%	795,720	3.07%	795,720	3.10%
Christian GUILLEMOT	126,434	0.84%	252,868	0.97%	252,868	0.99%
Gérard GUILLEMOT	19,148	0.13%	38,296	0.15%	38,296	0.15%
Yves GUILLEMOT	2,861	0.02%	5,722	0.02%	5,722	0.02%
Other members of the Guillemot family	20,084	0.13%	20,886	0.08%	20,886	0.08%
Jointly	**11,062,615**	**73.73%**	**22,010,948**	**84.79%**	**22,010,948**	**85.75%**
Treasury stock (3)	289,459	1.93%	289,459	1.12%	0	0.00%
Public	3,652,662	24.34%	3,658,082	14.09%	3,658,082	14.25%
TOTAL	**15,004,736**	**100.00%**	**25,958,489**	**100.00%**	**25,669,030**	**100.00%**

At 31/12/2011						
Shareholders	**Number of shares**	**% of capital**	**Number of theoretical voting rights**	**% of theoretical voting rights**	**Number of voting rights exercisable at general meetings**	**% of voting rights exercisable at general meetings (1)**
GUILLEMOT BROTHERS S.A. (2)	10,034,030	66.87%	20,003,060	76.77%	20,003,060	77.61%
Michel GUILLEMOT	447,198	2.98%	894,396	3.43%	894,396	3.47%
Claude GUILLEMOT	382,860	2.55%	765,720	2.94%	765,720	2.97%
Christian GUILLEMOT	223,061	1.49%	446,122	1.71%	446,122	1.73%
Gérard GUILLEMOT	19,148	0.13%	38,296	0.15%	38,296	0.15%
Yves GUILLEMOT	2,861	0.02%	5,722	0.02%	5,722	0.02%
Other members of the Guillemot family	20,084	0.13%	20,886	0.08%	20,886	0.08%
Jointly	**11,129,242**	**74.17%**	**22,174,202**	85.10%	**22,174,202**	**86.04%**
Treasury stock (3)	282,710	1.88%	282,710	1.09%	0	0.00%
Public	3,592,784	23.95%	3,598,204	13.81%	3,598,204	13.96%
TOTAL	**15,004,736**	**100.00%**	**26,055,116**	**100.00%**	**25,772,406**	**100.00%**

(1) Members of the Guillemot family and the company Guillemot Brothers 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.

9.1.2.2 Capital and voting rights breakdown at February 28, 2014

At 28/02/2014						
Shareholders	**Number of shares**	**% of capital**	**Number of theoretical voting rights**	**% of theoretical voting rights**	**Number of voting rights exercisable at general meetings**	**% of voting rights exercisable at general meetings (1)**
GUILLEMOT BROTHERS S.E. (2)	10,034,030	66.87%	20,003,060	77.10%	20,003,060	77.75%
Michel GUILLEMOT	448,704	2.99%	895,902	3.45%	895,902	3.48%
Claude GUILLEMOT	414,367	2.76%	797,227	3.07%	797,227	3.10%
Christian GUILLEMOT	110,273	0.73%	219,040	0.84%	219,040	0.85%
Gérard 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	**11,044,948**	**73.61%**	**21,975,614**	**84.70%**	**21,975,614**	**85.42%**
Treasury stock (3)	217,256	1.45%	217,256	0.84%	0	0.00%
Public	3,742,532	24.94%	3,751,097	14.46%	3,751,097	14.58%
TOTAL	**15,004,736**	**100.00%**	**25,943,967**	**100.00%**	**25,726,711**	**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.

9.1.3 Crossing of threshold levels

To the company's knowledge, during the fiscal year ended December 31, 2013 and since the end of this fiscal year, no thresholds levels set out in Article L.233-7 of the Commercial Code have been crossed.

The total number of voting rights attached to shares of which the company's capital is composed, serving as the basis for calculating the crossing of threshold levels (theoretical voting rights), amounted to 25,943,967 at February 28, 2014.

9.1.4 Treasury stock

9.1.4.1 Share buyback program

The Board of Directors has an authorization from the general meeting of shareholders held on May 23, 2013, allowing it to proceed with share buybacks.

The terms of the share buyback program are as follows:

- Program duration: 18 months from the general meeting date (for an expiration date of November 22, 2014)
- Maximum percentage of capital authorized: 10%
- Maximum unitary purchase price: €5
- Buyback program objectives:

- Allow an investment services provider, working independently, to act on the market or to ensure liquidity of the security as part of a liquidity contract in accordance with the professional ethics charter recognized by the Autorité des marchés financiers,
- The conservation and subsequent remittance of securities, in payment or by exchange, as part of possible external growth operations, with the stipulation that the number of securities acquired to this effect may not exceed 5% of the securities composing the company's capital,
- Coverage for investment securities giving the holder the right to the allocation of company shares through conversion, exercise, reimbursement or exchange,
- Coverage of stock option plans and/or any other form of share allocation for employees and/or Directors of the company and/or of its Group,
- Cancellation of the shares acquired, subject to the adoption of a specific resolution by attendees of an extraordinary general meeting of shareholders on a specific resolution.

At the start of the fiscal year begun January 1, 2013, the company held 289,459 treasury stock shares. During the fiscal year ended December 31, 2013, 205,933 shares were acquired and 200,125 shares were disposed of as part of the liquidity contract granted to CM-CIC Securities.

The company did not cancel any treasury stock shares during the fiscal year ended December 31, 2013.

At December 31, 2013, the company held 295,267 treasury stock shares.

Number of shares registered in the company's name at December 31, 2012:	289,459
Number of shares acquired during the fiscal year ended December 31, 2013:	205,933
Average acquisition price:	€0.74
Number of shares sold during the fiscal year ended December 31, 2013:	200,125
Average sale price:	€0.76
Number of shares canceled during the fiscal year ended December 31, 2013:	0
Amount of execution fees during the fiscal year ended December 31, 2013:	0
Number of shares registered in the company's name at December 31, 2013:	295,267
Value of shares registered in the company's name at December 31, 2013 (valued at purchase price):	€684,832.92
Total nominal value of shares registered in the company's name at December 31, 2013:	€227,355.59
- *for conservation with a view to subsequent remittance, by exchange or in payment, as part of possible external growth operations:*	*€144,187.12*
- *as part of a liquidity contract:*	*€83,168.47*
Number of shares used during the fiscal year ended December 31, 2013: (sold as part of the liquidity contract)	200,125
Reallocations taken place during the fiscal year ended December 31, 2013:	Nil
Percentage of capital represented by the shares held at December 31, 2013:	1.97%

At February 28, 2014, the company held 217,256 treasury stock shares accounting for 1.45% of the company's capital, the company having purchased 67,094 shares and disposed of 145,105 shares since January 1, 2014 as part of the liquidity contract granted to CM-CIC Securities. No shares have been canceled since January 1, 2014.

9.1.4.2 Liquidity contract

On July 2, 2007, the company entrusted to CM-CIC Securities a liquidity contract which is still in effect. The company allocated a total amount of €300,000.00 to the liquidity account:

- €200,000.00 in cash upon signature of the liquidity contract on July 2, 2007;
- €50,000.00 in cash on January 28, 2009; and
- €50,000.00 in cash on September 16, 2011.

9.1.4.3 Description of the share buyback program to be submitted for approval by the general meeting of shareholders on May 22, 2014

A new share buyback program will be submitted to shareholders during the next annual general meeting of shareholders, with the following terms:

- Date of general meeting of shareholders, convened to authorize the new share buyback program: May 22, 2014
- Number of securities held by the issuer (directly and indirectly) at February 28, 2014: 217,256
- Percentage of capital held by the issuer (directly and indirectly) at February 28, 2014: 1.45%
- Breakdown by objectives of securities held by the issuer at February 28, 2014:

- conservation with a view to subsequent remittance, by exchange or in payment, as part of possible external growth operations: 187,256
- liquidity contract: 30,000

- Objectives of the new share buyback program:

- Allow an investment services provider, working independently, to act on the market or to ensure liquidity of the security as part of a liquidity contract in accordance with the professional ethics charter recognized by the Autorité des marchés financiers,
- The conservation and subsequent remittance of securities, in payment or by exchange, as part of possible external growth operations, with the stipulation that the number of securities acquired to this effect may not exceed 5% of the securities composing the company's share capital,
- Coverage for marketable securities giving the holder the right to the allocation of company shares through conversion, exercise, reimbursement or exchange,
- Coverage for stock option plans and/or any other form of share allocation for personnel and/or Directors of the company and/or its Group,
- Cancellation of the shares acquired, subject to the adoption of a specific resolution by attendees of an extraordinary general meeting of shareholders on a specific resolution.

- Maximum percentage of share capital that the issuer proposes to acquire: 10%.
- Maximum number of securities that the issuer proposes to acquire: 10% of the total number of shares composing the issuer's share capital at whatever time, this percentage applying to share capital adjusted according to operations which may affect it subsequent to the general meeting date. As the issuer held 217,256 shares at February 28, 2014, the maximum number it would be able to buy back at that date amounted to 1,283,217.
- Characteristics of securities that the issuer proposes to acquire: common Guillemot Corporation shares (ISIN FR0000066722) listed on the NYSE Euronext Paris exchange (compartment C).
- Maximum unitary purchase price: €5
- Duration of buyback program: 18 months from the general meeting date (expiring on November 21, 2015).

9.1.5 Potential capital

At February 28, 2014, the potential number of common shares to be issued amounted to 1,250,140.
This number corresponds in full to the stock options granted by the Board of Directors under authorization from the extraordinary general meeting of shareholders. It represents 7.69% of the sum of the shares composing the company’s share capital and these new potential shares.

	At 28/02/2014
Potential number of common shares to be issued	1,250,140
including on behalf of Claude Guillemot	*30,000*
including on behalf of Michel Guillemot	*30,000*
including on behalf of Yves Guillemot	*30,000*
including on behalf of Gérard Guillemot	*30,000*
including on behalf of Christian Guillemot	*30,000*
including on behalf of other members of the Guillemot family	*0*

9.1.6 Delegations of authority and of powers currently valid with respect to capital increases

The table summarizing the delegations of authority and of powers currently valid with respect to capital increases, granted to the Board of Directors by the general meeting of shareholders of the company Guillemot Corporation S.A. pursuant to Articles L.225-129-1 and L.225-129-2 of the Commercial Code, is set out below.

Delegation date	Delegation subject	Ceiling (1)	Delegation duration	Use during the fiscal year ended 31/12/2013
23/05/2013	1- Delegation of authority granted to Board of Directors to decide to increase share capital via the issue of common company shares and/or of marketable securities providing access to the company's capital or giving the right to allocation of debt securities (with maintenance of preferential subscription rights)	Maximum nominal amount of capital increases to be carried out: €8 million Maximum nominal amount of debt securities to be issued: €15 million	26 months, until 22/07/2015	Nil
23/05/2013	2- Delegation of authority granted to Board of Directors to decide to increase share capital via public offering, via the issue of common company shares and/or of marketable securities providing access to the company's capital or giving the right to allocation of debt securities (with removal of preferential subscription rights)	Maximum nominal amount of capital increases to be carried out: €8 million Maximum nominal amount of debt securities to be issued: €15 million	26 months, until 22/07/2015	Nil
23/05/2013	3- Delegation of authority granted to Board of Directors to decide to increase share capital by way of an offering or offerings stipulated in Article L.411-2, paragraph II of the Monetary and Financial Code, via the issue of common company shares and/or of marketable securities providing access to the company's capital or giving the right to allocation of debt securities (with removal of preferential subscription rights)	Maximum nominal amount of capital increases to be carried out: €8 million Maximum nominal amount of debt securities to be issued: €15 million	26 months, until 22/07/2015	Nil
23/05/2013	4- Authorization granted to Board of Directors to set the issue price for common company shares and/or of marketable securities to be issued via public offering(s) or by way of offering(s) stipulated in Article L.411-2, paragraph II of the Monetary and Financial Code, up to a limit of 10% of share capital per year	Up to 10% of the company's share capital per year	26 months, until 22/07/2015	Nil
23/05/2013	5- Authorization granted to Board of Directors to increase the amount of the issues decided upon by the Board of Directors by virtue of delegations 1, 2 and 3 above, in the event of excess demand	Pursuant to the terms of Article R.225-118 of the Commercial Code (i.e. up to 15% of the initial issue)	26 months, until 22/07/2015	Nil
23/05/2013	6- Delegation of powers granted to Board of Directors to proceed with share capital increases in order to remunerate contributions in kind granted to the company and composed of capital securities or of marketable securities granting access to capital	Up to 10% of the company's share capital	26 months, until 22/07/2015	Nil
23/05/2013	7- Delegation of powers granted to Board of Directors to grant stock options to salaried employees and/or executive directors of the company and/or of related companies	Up to a nominal overall limit of €600,000	38 months, until 22/07/2016	Nil
23/05/2013	8- Delegation of powers granted to Board of Directors to proceed with the bonus issue of company shares to salaried employees and/or executive directors of the company and/or of related companies	Maximum number of shares available for bonus issue: 2% of the number of shares of which the company's share capital is composed	38 months, until 22/07/2016	Nil

Delegation date	Delegation subject	Ceiling (1)	Delegation duration	Use during the fiscal year ended 31/12/2013
23/05/2013	9- Delegation of authority granted to Board of Directors to proceed with share capital increases reserved for members of an employee or group savings plan	Up to 2% of the company's share capital	26 months, until 22/07/2015	Nil

(1) The general meeting of shareholders held on May 23, 2013 set the overall ceiling for capital increases which may be decided upon by the Board of Directors by virtue of the delegations of authority or of powers or the authorizations set out in this summary table at a nominal amount of €8 million, and at an overall maximum nominal amount of €15 million for the debt securities which may be issued by virtue of delegations 1, 2 and 3, above.

9.2 Information regarding Guillemot Corporation shares

9.2.1 Company stock exchange information

Guillemot Corporation S.A. is listed on the NYSE Euronext Paris exchange (Compartment C).

ISIN code	:	FR0000066722
Market capitalization at December 31, 2013	:	€11,253,552.00
Market capitalization at February 28, 2014	:	€17,855,635.84

9.2.2 Guillemot Corporation share price evolution

Month	Total security transactions	Daily average security volume traded	Opening price on the last day of the month (€)	Monthly high price (€)	Monthly low price (€)
Sep-12	41,797	2,089	0.93	0.99	0.91
Oct-12	77,925	3,388	0.89	0.93	0.79
Nov-12	137,026	6,228	0.79	0.90	0.75
Dec-12	149,705	7,879	0.78	0.79	0.74
Jan-13	203,322	9,241	0.74	0.84	0.71
Feb-13	262,749	13,137	0.70	0.75	0.60
Mar-13	61,261	3,063	0.65	0.70	0.64
Apr-13	53,663	2,555	0.63	0.69	0.58
May-13	101,180	4,599	0.68	0.71	0.60
Jun-13	77,464	3,873	0.71	0.73	0.65
Jul-13	48,870	2,125	0.65	0.71	0.64
Aug-13	301,099	13,686	0.77	0.81	0.65
Sep-13	258,618	12,315	0.89	0.92	0.73
Oct-13	139,771	6,077	0.83	0.90	0.81
Nov-13	84,658	4,031	0.78	0.85	0.76
Dec-13	100,975	5,049	0.76	0.80	0.71
Jan-14	459,181	20,872	0.79	0.89	0.73
Feb-14	2,568,411	128,421	1.26	2.10	0.79

(Source: Euronext)

9.3 Other information

9.3.1 Shareholder commitments

There are no shareholder commitments.

9.3.2 Shareholder agreements

There are no shareholder agreements.

9.3.3 Capital pledges

There are no capital pledges.

9.3.4 Elements which may have an effect in the event of a public offering

9.3.4.1 Structure of capital – Direct or indirect investments in the company's capital

This information is set out in section 9.1.2 of the Management report.

9.3.4.2 Exercise of voting rights and share transfers

The company's bylaws do not stipulate any restrictions in exercising voting rights attached to company shares. The company has no knowledge of any agreement entered into between shareholders stipulating restrictions in exercising voting rights attached to company shares.
The company's bylaws do not stipulate any restrictions on the transfer of company shares. The company has no knowledge of any agreement entered into between shareholders stipulating restrictions on the transfer of company shares.
Moreover, the company has no knowledge of any agreement stipulating preferential conditions for the disposal or acquisition of shares.

9.3.4.3 List of holders of any securities including special control rights

There are no securities including special control rights.

9.3.4.4 Control mechanisms planned for in a potential employee share ownership system

No control mechanisms are planned for at this time, as the company has no employee share ownership.

9.3.4.5 Regulations applicable to the nomination and replacement of members of the Board of Directors

The company's bylaws do not stipulate any specific regulations in terms of the nomination or replacement of members of the Board of Directors. Consequently, the regulations applicable in this matter are those stipulated by law.

9.3.4.6 Powers of the Board of Directors with respect to share issue or buyback

The delegations of authority and of powers granted to the Board of Directors with respect to capital increases are set out in section 9.1.6 of the Management report.

Moreover, the Board of Directors has an authorization from the general meeting of shareholders held on May 23, 2013 allowing it to proceed with share buybacks.
The information regarding the use made by the Board of Directors of this authorization during the fiscal year ended December 31, 2013 and the features of the share buyback program are set out in section 9.1.4.1 of the Management report.

9.3.4.7 Regulations applicable to modification of company bylaws

Only the extraordinary general meeting of shareholders is authorized to modify the company's bylaws; with the stipulation that the general meeting may, in certain cases, decide to delegate its authority or powers to the Board of Directors, pursuant to legal and regulatory provisions.

9.3.4.8 Agreements stipulating compensation for members of the Board of Directors or employees

There are no agreements stipulating compensation for members of the Board of Directors or employees, if they should resign or are terminated without real and just cause, or if their employment ends due to a public offering.

10 INFORMATION REGARDING EXECUTIVE DIRECTORS

10.1 Administrative and management bodies

10.1.1 Administrative body

Name/ Professional address	Function	Appointment date	Term of office expiry
Claude Guillemot BP 2, 56204 La Gacilly Cedex	Chairman of the Board of Directors	September 1, 1997	Term of office set to expire at the RGM to take place in 2018
Michel Guillemot BP 2, 56204 La Gacilly Cedex	Director	September 1, 1997	Term of office set to expire at the RGM to take place in 2018
Yves Guillemot BP 2, 56204 La Gacilly Cedex	Director	September 1, 1997	Term of office set to expire at the RGM to take place in 2018
Gérard Guillemot BP 2, 56204 La Gacilly Cedex	Director	September 1, 1997	Term of office set to expire at the RGM to take place in 2018
Christian Guillemot BP 2, 56204 La Gacilly Cedex	Director	September 1, 1997	Term of office set to expire at the RGM to take place in 2018
Marie-Hélène Lair BP 2, 56204 La Gacilly Cedex	Director (independent member)	November 25, 2011	Term of office set to expire at the RGM to take place in 2017

10.1.2 Management body

Name/ Professional address	Function	Appointment date	Function expiry
Claude Guillemot BP 2 56204 La Gacilly Cedex	Chief Executive Officer	September 1, 1997	Function expires at end of Director's term of office
Michel Guillemot BP 2 56204 La Gacilly Cedex	Deputy CEO, Business Strategy	November 7, 1997	Function expires at end of Director's term of office
Yves Guillemot BP 2 56204 La Gacilly Cedex	Deputy CEO, Relations with video game console and computer manufacturers	November 7, 1997	Function expires at end of Director's term of office
Gérard Guillemot BP 2 56204 La Gacilly Cedex	Deputy CEO, Marketing Research	November 7, 1997	Function expires at end of Director's term of office
Christian Guillemot BP 2 56204 La Gacilly Cedex	Deputy CEO, Administration	September 1, 1997	Function expires at end of Director's term of office

10.1.3 Information regarding the expertise and experience of members of administrative and management bodies

- Mr. Claude Guillemot

Upon completion of his master's degree in economics at the University of Rennes I in 1981, followed by a specialization in industrial computer science at ICAM–Lille, Mr. Claude Guillemot joined his family business and, in 1984, oriented its activities to focus on the distribution of IT products. In 1985, a decision was made to specialize in distributing video games under the "Guillemot International Software" brand. With his four brothers, he then created the Guillemot Corporation Group in 1997, designing and manufacturing interactive entertainment hardware and accessories under the Hercules brand for digital peripheral devices (DJing and digital music, WiFi/PLC solutions, speaker kits and webcams), and Thrustmaster for PC and console video game accessories.

In 1986, he also founded the Ubisoft Entertainment Group – a developer and publisher of interactive games for PC and consoles – with his brothers, as well as the Gameloft Group in 2000, the worldwide leader in developing and publishing downloadable video games.

Mr. Claude Guillemot is Chief Executive Officer of the company Guillemot Corporation S.A., and Deputy CEO in the Ubisoft Entertainment and Gameloft Groups.

- Mr. Michel Guillemot

A graduate of EDHEC Business School in Lille and holder of the DECS (Higher Accounting Studies Diploma), Mr. Michel Guillemot understood early on the importance of mobile phones in the world of gaming, creating the company Ludiwap in 2000 before taking charge of Gameloft and becoming the current Chief Executive Officer following the merger of these two companies in 2001. Now based in London, he heads the Gameloft Group, the worldwide leader in developing and publishing downloadable video games.
Along with his four brothers, Mr. Michel Guillemot also co-founded the Guillemot Corporation Group (designer and manufacturer of interactive entertainment hardware and accessories under the Hercules and Thrustmaster brands) and the Ubisoft Entertainment Group (developer and publisher of interactive games for PC and consoles), in both of which he serves as Deputy CEO.

- Mr. Yves Guillemot

Following his business studies at IPME after having obtained a science baccalaureate, Mr. Yves Guillemot quickly joined his brothers to get started in the video games sector, then in the beginning stages of its meteoric growth. Currently Chief Executive Officer of the Ubisoft Entertainment Group, which he created with his four brothers and which is today one of the leading worldwide publishers and distributors of video games, Mr. Yves Guillemot was honored with the Entrepreneur of the Year award by the Ernst & Young audit firm in 2009.
A co-founder of the Guillemot Corporation Group (designer and manufacturer of interactive entertainment hardware and accessories under the Hercules and Thrustmaster brands) and of the Gameloft Group (worldwide leader in developing and publishing downloadable video games) along with his four brothers, he is Deputy CEO of the Guillemot Corporation Group, in charge of relations with video game console and computer manufacturers.

- Mr. Gérard Guillemot

A graduate of EDHEC Business School in Lille, Mr. Gérard Guillemot helped to establish the North American studios of the Ubisoft Entertainment Group, specializing in the development and publishing of interactive games for PC and consoles, which he founded with his four brothers. He was also responsible for launching Gameloft.com, an Internet gaming portal which he then floated on the stock exchange. Currently based in New York, Mr. Gérard Guillemot is President of the American company Longtail Studios Inc. Mr. Gérard Guillemot is also a co-founder of the Guillemot Corporation Group (designer and manufacturer of interactive entertainment hardware and accessories under the Hercules and Thrustmaster brands) and of the Gameloft Group (worldwide leader in developing and publishing downloadable video games), in both of which he serves as Deputy CEO.

- Mr. Christian Guillemot

A graduate of the European Business School in London, Mr. Christian Guillemot played a leading role in the stock market listing of the Ubisoft Entertainment Group (developer and publisher of interactive games for PC and consoles), the Guillemot Corporation Group (designer and manufacturer of interactive entertainment hardware and accessories under the Hercules and Thrustmaster brands) and the Gameloft Group (worldwide leader in developing and publishing downloadable video games), which he co-founded with his four brothers and in all of which he serves as Deputy CEO. Also Chief Executive Officer of the family-owned holding company Guillemot Brothers S.E., he concurrently manages the company Advanced Mobile Applications Ltd. in London, which specializes in lifestyle apps for mobile phones, and whose objective is to become a major player in the field of mobile telephony content.

- Ms. Marie-Hélène Lair

Following her advanced accounting studies, Ms. Lair practiced at an accounting firm until 1986, with responsibility for overseeing a portfolio of clients.
From 1986 to 1999, Ms. Lair served as Manager of a production center at BIS France. She headed up management of the center, overseeing production, customer credit, accounting and financial control. During this period (1992 to 1993), Ms. Lair also served as Accounting Director at the head office of the BIS Group.
From 1999 to 2004, Ms. Lair was Production Manager at the Vedior France Group (Temporary employment), where she was responsible for pay, accounting and management control. Ms. Lair was also a member of the Finance Executive Committee at Vedior France.

10.2 Other positions held and functions carried out by members of administrative and management bodies

10.2.1 Positions held and functions carried out within the Guillemot Corporation Group

10.2.1.1 Positions and functions in effect within the Guillemot Corporation Group at December 31, 2013

Name	Positions/functions carried out within the Guillemot Corporation Group
Claude Guillemot	**President:** Hercules Thrustmaster SAS (France), Guillemot Innovation Labs SAS (France) **President and Administrator:** Guillemot Inc. (Canada), Guillemot Recherche & Développement Inc. (Canada), Guillemot Inc. (United States) **Administrator:** Guillemot Ltd (UK), Guillemot Corporation (HK) Ltd (Hong Kong), Guillemot SA (Belgium), Guillemot Romania Srl (Romania), Guillemot Srl (Italy), Guillemot Spain SL (Spain) **Manager:** Guillemot GmbH (Germany)
Michel Guillemot	**Administrator:** Guillemot SA (Belgium), Guillemot Ltd (UK), Guillemot Inc. (United States), Guillemot Inc. (Canada)
Yves Guillemot	**Administrator:** Guillemot Ltd (UK), Guillemot Inc. (United States), Guillemot Inc. (Canada)
Gérard Guillemot	**Administrator:** Guillemot Ltd (UK), Guillemot Inc. (United States), Guillemot Inc. (Canada)
Christian Guillemot	**Manager:** Guillemot Administration et Logistique SARL (France) **Administrator:** Guillemot Corporation (HK) Ltd (Hong Kong), Guillemot Ltd (UK), Guillemot Inc. (United States), Guillemot Inc. (Canada), Guillemot Recherche & Développement Inc. (Canada), Guillemot SA (Belgium)

10.2.1.2 Expired positions and functions within the Guillemot Corporation Group over the past five years

None.

10.2.2 Other positions held and functions carried out outside of the Guillemot Corporation Group

10.2.2.1 Positions and functions in effect outside of the Guillemot Corporation Group at December 31, 2013

Name	Positions/functions carried out outside of the Guillemot Corporation Group
Claude Guillemot	**Deputy CEO and Administrator:** Gameloft SE* (France), Ubisoft Entertainment SA* (France) **Administrator:** Gameloft Inc. (United States), Gameloft Divertissements Inc. (Canada), Gameloft Ltd (UK), Gameloft Live Developpements Inc. (Canada), Ubisoft Nordic A/S (Denmark), Ubisoft Emirates FZ LLC (UAE) **Director and Deputy CEO:** Guillemot Brothers SE (UK) **Director:** Advanced Mobile Applications Ltd (UK) **Deputy Administrator:** Ubisoft Entertainment Sweden A/B (Sweden), Redlynx Oy (Finland)
Michel Guillemot	**Chief Executive Officer and Administrator:** Gameloft SE* (France) **Deputy CEO and Administrator:** Ubisoft Entertainment SA* (France) **President and Administrator:** Gameloft Inc. (United States), Gameloft Divertissements Inc. (Canada), Gameloft Ltd (UK), Gameloft Company Ltd (Vietnam), Gameloft Iberica SA (Spain), Gameloft Argentina S.A. (Argentina), Gameloft Co. Ltd (Korea), Gameloft Ltd (Hong Kong), Gameloft Philippines Inc. (Philippines), Gameloft Pte Ltd (Singapore), Gameloft Live Développements Inc. (Canada), Gameloft Private India Ltd (India), PT Gameloft Indonesia (Indonesia), Gameloft Entertainment Toronto Inc. (Canada), Gameloft New Zealand Ltd (New Zealand), Gameloft Hungary Software Development and Promotion kft (Hungary), Gameloft SDN. BHD. (Malaysia), Gameloft FZ-LLC (UAE), Gameloft KK (Japan) **President:** Gameloft Partnerships SAS (France), Gameloft France SAS (France), Ludigames SAS (France), Gameloft Srl (Romania), Gameloft Software (Beijing) Company Ltd (China), Gameloft Software (Chengdu) Company Ltd (China), Gameloft Software (Shenzhen) Company Ltd (China) **Director and Deputy CEO:** Guillemot Brothers SE (UK) **Director:** Advanced Mobile Applications Ltd (UK) **Manager:** Gameloft Rich Games Production France SARL (France), Gameloft GmbH (Germany), Gameloft Srl (Italy), Gameloft EOOD (Bulgaria), Gameloft S. de R.L. de C.V. (Mexico) **Administrator:** Gameloft Australia Pty Ltd (Australia), Gameloft de Venezuela SA (Venezuela)
Gérard Guillemot	**President:** Longtail Studios Inc. (United States), Longtail Studios Halifax Inc. (Canada), Longtail Studios PEI Inc. (Canada), Studios Longtail Quebec Inc. (Canada) **Deputy CEO and Administrator:** Gameloft SE* (France), Ubisoft Entertainment SA* (France) **Director and Deputy CEO:** Guillemot Brothers SE (UK) **Director:** Advanced Mobile Applications Ltd (UK) **Administrator:** Gameloft Inc. (United States), Gameloft Divertissements Inc. (Canada), Gameloft Live Developpements Inc. (Canada)
Christian Guillemot	**Director and Chief Executive Officer:** Guillemot Brothers SE (UK) **President and Director:** Advanced Mobile Applications Ltd (UK) **President:** Studio AMA Bretagne SAS (France), SAS du Corps de Garde (France), SC AMA Romania Srl (Romania) **Deputy CEO and Administrator:** Gameloft SE* (France), Ubisoft Entertainment SA* (France) **Administrator:** Gameloft Inc. (United States), Gameloft Divertissements Inc. (Canada), Gameloft Ltd (UK), Gameloft Live Developpements Inc. (Canada), Ubisoft Nordic A/S (Denmark)

Name	Positions/functions carried out outside of the Guillemot Corporation Group
Yves Guillemot	**Chief Executive Officer:** Ubisoft Entertainment SA* (France) **Deputy CEO and Administrator:** Gameloft SE* (France) **Chief Executive Officer and Administrator:** Ubisoft Emirates FZ LLC (UAE) **President:** Ubisoft EMEA SAS (France), Ubisoft France SAS (France), Ubisoft International SAS (France), Ubisoft Montpellier SAS (France), Ubisoft Paris SAS (France), Ubisoft Annecy SAS (France), Ubisoft Production Internationale SAS (France), Nadéo SAS (France), Owlient SAS (France), Ubisoft Motion Pictures Rabbids SAS (France), Ubisoft Motion Pictures Splinter Cell SAS (France), Ubisoft Motion Pictures Assassin's Creed SAS (France), Ubisoft Motion Pictures Far Cry SAS (France), Ubisoft Motion Pictures Ghost Recon SAS (France), Ubisoft LLC. (United States) **Director and Deputy CEO:** Guillemot Brothers SE (UK) **Director:** Advanced Mobile Applications Ltd (UK), Future Games of London (UK) **President and Administrator:** Ubisoft Divertissements Inc. (Canada), Ubisoft Musique Inc. (Canada), Ubisoft Editions Musique Inc. (Canada), Hybride Technologies Inc. (Canada), Ubisoft Toronto Inc. (Canada), Quazal Technologies Inc. (Canada), Ubisoft Nordic A/S (Denmark), Red Storm Entertainment Inc. (United States), Ubisoft Entertainment India Private Ltd (India), Ubi Games SA (Switzerland), Studio Ubisoft Saint-Antoine Inc. (Canada), 9275-8309 Québec Inc (Canada) **Manager:** Ubisoft Learning & Development SARL (France), Ubisoft Motion Pictures SARL (France), Script Movie SARL (France), Ubisoft Mobile Games SARL (France), Ubisoft Entertainment SARL (Luxembourg), Spieleenwicklungskombinat GmbH (Germany), Blue Byte GmbH (Germany), Ubisoft GmbH (Germany), Related Designs Software GmbH (Germany), Ubisoft Studios Srl (Italy), Ubisoft Sarl (Morocco), Ubisoft EooD (Bulgaria) **Vice-President and Administrator:** Ubisoft Inc. (United States) **Executive Administrator:** Shanghaï Ubi Computer Software Co. Ltd (China), Chengdu Ubi Computer Software Co. Ltd (China) **Administrator:** Rémy Cointreau SA* (France), Gameloft Divertissements Inc. (Canada), Gameloft Live Developpements Inc. (Canada), Ubisoft Pty Ltd (Australia), Ubisoft SA (Spain), Ubisoft Ltd (UK), Ubisoft Reflections Ltd (UK), Red Storm Entertainment Ltd (UK), Ubisoft Ltd (Hong Kong), Ubi Studios SL (Spain), Ubisoft SpA (Italy), Ubisoft KK (Japan), Ubisoft Osaka KK (Japan), Ubisoft BV (Pays Bas), Ubisoft Srl (Romania), Ubisoft Singapore Pte Ltd (Singapore), Ubisoft Entertainment Sweden A/B (Sweden), RedLynx Oy (Finland)

* Company listed on the NYSE Euronext Paris exchange

10.2.2.2 Expired positions and functions outside of the Guillemot Corporation Group over the past five years

Name	Expired positions/functions carried out outside of the Guillemot Corporation Group
Claude Guillemot	**Deputy CEO and Administrator:** Guillemot Brothers SE (France) **Administrator:** Ubisoft Sweden A/B (Sweden), Gameloft Iberica SA (Spain) **Deputy Administrator:** Ubisoft Norway A/S (Norway) **Alternate member of liquidation committee and President:** Ubisoft Norway A/S (Norway)
Michel Guillemot	**President:** Gameloft Software (Shanghai) Company Ltd (China) **Deputy CEO and Administrator:** Guillemot Brothers SE (France) **Manager:** Gameloft S.P.R.L. (Belgium), Gameloft S.r.o (Czech Republic) **Administrator:** Chengdu Ubi Computer Software Co. Ltd (China), Gameloft Ltd (Malta), Gameloft do Brasil Ltda (Brazil)
Yves Guillemot	**President and Administrator:** Chengdu Ubi Computer Software Co. Ltd (China), Ubisoft Arts Numériques Inc. (Canada), Ubisoft Vancouver Inc. (Canada), Ubisoft Canada Inc (Canada), L'Atelier Ubi Inc (Canada), Ubisoft Holdings Inc. (United States) **Deputy CEO and Administrator:** Guillemot Brothers SE (France) **President:** Ludi Factory SAS (France), Ubisoft Books and Records SAS (France), Ubisoft Computing SAS (France), Ubisoft Design SAS (France), Ubisoft Development SAS (France), Ubisoft Editorial SAS (France), Ubisoft Graphics SAS (France), Ubisoft Manufacturing & Administration SAS (France), Ubisoft Marketing International SAS (France), Ubisoft Operational Marketing SAS (France), Ubisoft Organisation SAS (France), Ubisoft Support Studios SAS (France), Ubisoft World SAS (France), Tiwak SAS (France), Ubisoft Finland OY (Finland) **Manager:** Ubisoft EMEA SARL (France), Ubisoft Art SARL (France), Ubisoft Castelnau SARL (France), Ubisoft Counsel & Acquisitions SARL (France), Ubisoft Gameplay SARL (France), Ubisoft Marketing France SARL (France), Ubisoft Market Research SARL (France), Ubisoft Paris Studios SARL (France), Ubisoft Production Annecy SARL (France), Ubisoft Production Internationale SARL (France), Ubisoft Studios Montpellier SARL (France), Ubisoft Production Montpellier SARL (France), Ubisoft Design Montpellier SARL (France), Ubisoft IT Project Management SARL (France), Ubisoft Innovation SARL (France), Ubisoft Créa SARL (France), Ubisoft Talent Management SARL (France), Ubisoft Services SARL (France), Max Design Entertainment Software Entwicklungs GmbH (Austria), Ubisoft GmbH (Germany) **Administrator:** Gameloft Inc. (United States), Ubisoft Norway A/S (Norway), Ubisoft Ltd (Irlande), Ubisoft Sweden A/B (Sweden) **Sole member of liquidation committee and President:** Ubisoft Norway A/S (Norway)
Gérard Guillemot	**Deputy CEO and Administrator:** Guillemot Brothers SE (France) **Deputy CEO:** Gameloft SA (France)
Christian Guillemot	**Chief Executive Officer:** Guillemot Brothers SE (France) **President:** AMA Studios SA (Belgium) **Administrator:** Ubisoft Sweden A/B (Sweden), Gameloft Iberica SA (Spain) **Vice-President:** Ubisoft Holdings Inc. (United States) **Co-Manager:** Studio AMA Bretagne SARL (France)

10.3 Remuneration of members of administrative and management bodies

10.3.1 Remuneration paid by Guillemot Corporation S.A.

Name		Gross amount paid (in €) from 01/01/13 to 31/12/13	Gross amount paid (in €) from 01/01/12 to 31/12/12
Claude Guillemot		**162,000**	**158,502**
Fixed remuneration		*147,000*	*143,502*
Variable annual remuneration		*0*	*0*
Variable multi-year remuneration		*0*	*0*
Exceptional remuneration		*0*	*0*
Attendance fees		*15,000*	*15,000*
	Fixed component:	*10,000*	*10,000*
	Variable component:	*5,000*	*5,000*
Benefits in kind		*0*	*0*
Michel Guillemot		**28,360**	**32,928**
Fixed remuneration		*18,360*	*17,928*
Variable annual remuneration		*0*	*0*
Variable multi-year remuneration		*0*	*0*
Exceptional remuneration		*0*	*0*
Attendance fees		*10,000*	*15,000*
	Fixed component:	*10,000*	*10,000*
	Variable component:	*0*	*5,000*
Benefits in kind		*0*	*0*
Yves Guillemot		**30,360**	**29,928**
Fixed remuneration		*18,360*	*17,928*
Variable annual remuneration		*0*	*0*
Variable multi-year remuneration		*0*	*0*
Exceptional remuneration		*0*	*0*
Attendance fees		*12,000*	*12,000*
	Fixed component:	*10,000*	*10,000*
	Variable component:	*2,000*	*2,000*
Benefits in kind		*0*	*0*
Gérard Guillemot		**28,360**	**32,928**
Fixed remuneration		*18,360*	*17,928*
Variable annual remuneration		*0*	*0*
Variable multi-year remuneration		*0*	*0*
Exceptional remuneration		*0*	*0*
Attendance fees		*10,000*	*15,000*
	Fixed component:	*10,000*	*10,000*
	Variable component:	*0*	*5,000*
Benefits in kind		*0*	*0*
Christian Guillemot		**33,360**	**32,928**
Fixed remuneration		*18,360*	*17,928*
Variable annual remuneration		*0*	*0*
Variable multi-year remuneration		*0*	*0*
Exceptional remuneration		*0*	*0*
Attendance fees		*15,000*	*15,000*
	Fixed component:	*10,000*	*10,000*
	Variable component:	*5,000*	*5,000*
Benefits in kind		*0*	*0*
Marie-Hélène Lair		**15,000**	**10,000**
Fixed remuneration		*0*	*0*
Variable annual remuneration		*0*	*0*
Variable multi-year remuneration		*0*	*0*
Exceptional remuneration		*0*	*0*
Attendance fees		*15,000*	*10,000*
	Fixed component:	*10,000*	*10,000*
	Variable component:	*5,000*	*0*
Benefits in kind		*0*	*0*
	Total	**297,440**	**297,214**

The total amount of attendance fees paid out by the company to members of the Board of Directors stood at €77,000 for the fiscal year.

The company's executive directors (Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot) are also remunerated for their functions of Chief Executive Officer or Deputy CEO. They do not have employment contracts.

The total gross remuneration paid out by the company to executive directors for their role as Director amounted to €220,440 for the fiscal year.

No benefits were paid out during the fiscal year, including in the form of the allocation of capital securities, debt securities or securities granting access to capital or granting the right to allocation of debt securities of the company or of the companies stipulated in Articles L. 228-13 and L. 228-93 of the Commercial Code.

No specific retirement benefits scheme has been put in place for the company's executive directors.

No commitments have been made by the company corresponding to elements of remuneration, indemnities or benefits due or potentially due as a result of the undertaking, ending or changing of these functions or subsequent to the same.

No remuneration has been paid by virtue of a profit-sharing plan or bonuses.

Guillemot Corporation S.A.'s executive directors have received no remuneration on the part of other Guillemot Corporation Group companies during the fiscal year.

10.3.2 Remuneration paid by the company controlling Guillemot Corporation S.A.

The company Guillemot Brothers S.E. controls the company Guillemot Corporation S.A., in the sense of Article L.233-16 of the Commercial Code.

Name	Gross amount paid (in €) from 01/01/13 to 31/12/13 (1)	Gross amount paid (in €) from 01/01/12 to 31/12/12 (1)
Claude Guillemot	401,892	339,996
Michel Guillemot	25,456	24,000
Yves Guillemot	29,748	24,996
Gérard Guillemot	539,445	539,709
Christian Guillemot	550,576	462,504
Marie-Hélène Lair	0	0
Total	**1,547,117**	**1,391,205**

(1) No variable or exceptional remuneration has been paid. No attendance fees have been paid. No benefits have been received.

10.3.3 Share subscription or purchase options

10.3.3.1 Share subscription or purchase options granted

During the fiscal year ended December 31, 2013, no share subscription or purchase options were granted to executive directors by Guillemot Corporation S.A. or by the other companies in the Guillemot Corporation Group.

The table below summarizes the share subscription or purchase options granted to executive directors during previous fiscal years:

General meeting date	20/02/03	15/06/06
Board of Directors meeting date (1)	**22/02/06**	**18/02/08**
Total number of shares available for subscription:	433,000	383,000
- including for subscription by the following executive directors:		
Claude Guillemot	15,000	15,000
Michel Guillemot	15,000	15,000
Yves Guillemot	15,000	15,000
Gérard Guillemot	15,000	15,000
Christian Guillemot	15,000	15,000
Option exercise start date	22/02/10	18/02/12
Option expiry date	22/02/16	18/02/18
Subscription price (in €)	1.74	1.91
Exercise terms	-	-
Number of shares subscribed to at December 31, 2013	10,500	0
- including by executive directors:	0	0
Cumulative number of stock options canceled or nullified	0	0
Remaining stock options at December 31, 2013	422,500	383,000

(1) Share subscription options granted by Guillemot Corporation S.A. No share purchase options were granted to executive directors during the fiscal year ended December 31, 2013, or during previous fiscal years.

Information regarding the share subscription options granted to the ten leading employee beneficiaries (excluding executive directors) and on the options exercised by the same is set out at section 13.3 of the Management report.

10.3.3.2 Share subscription or purchase options exercised

No share subscription or purchase options were exercised by executive directors during the fiscal year ended December 31, 2013, or during previous fiscal years.

10.3.4 Performance shares

No bonus shares were granted to executive directors of the company Guillemot Corporation S.A. during the fiscal year ended December 31, 2013, or during previous fiscal years.

10.3.5 Summary of remuneration of each executive director

The remuneration amounts indicated in the table below are those due and paid by the company Guillemot Corporation S.A. and by the company Guillemot Brothers S.E., which controls the company Guillemot Corporation S.A., in the sense of Article L.233-16 of the Commercial Code.

€ amounts				
Claude Guillemot	**Fiscal 2013**		**Fiscal 2012**	
Chief Executive Officer	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	548,892	548,892	484,081	483,498
Variable annual remuneration	0	0	0	0
Variable multi-year remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Attendance fees	15,000	15,000	15,000	15,000
Fixed component	*10,000*	*10,000*	*10,000*	*10,000*
Variable component	*5,000*	*5,000*	*5,000*	*5,000*
Benefits in kind			0	0
TOTAL	563,892	563,892	499,081	498,498

Michel Guillemot	**Fiscal 2013**		**Fiscal 2012**	
Deputy CEO	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	43,816	43,816	42,000	41,928
Variable annual remuneration	0	0	0	0
Variable multi-year remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Attendance fees	10,000	10,000	10,000	15,000
Fixed component	*10,000*	*10,000*	*10,000*	*10,000*
Variable component	*0*	*0*	*0*	*5,000*
Benefits in kind	0	0	0	0
TOTAL	53,816	53,816	52,000	56,928

Yves Guillemot	**Fiscal 2013**		**Fiscal 2012**	
Deputy CEO	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	48,108	48,108	42,996	42,924
Variable annual remuneration	0	0	0	0
Variable multi-year remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Attendance fees	12,000	12,000	12,000	12,000
Fixed component	*10,000*	*10,000*	*10,000*	*10,000*
Variable component	*2,000*	*2,000*	*2,000*	*2,000*
Benefits in kind	0	0	0	0
TOTAL	60,108	60,108	54,996	54,924

Gérard GUILLEMOT	**Fiscal 2013**		**Fiscal 2012**	
Deputy CEO	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	557,805	557,805	557,709	557,637
Variable annual remuneration	0	0	0	0
Variable multi-year remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Attendance fees	10,000	10,000	10,000	15,000
Fixed component	*10,000*	*10,000*	*10,000*	*10,000*
Variable component	*0*	*0*	*0*	*5,000*
Benefits in kind	0	0	0	0
TOTAL	567,805	567,805	567,709	572,637

Christian Guillemot Deputy CEO	Fiscal 2013		Fiscal 2012	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	568,936	568,936	480,504	480,432
Variable annual remuneration	0	0	0	0
Variable multi-year remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Attendance fees	15,000	15,000	15,000	15,000
Fixed component	*10,000*	*10,000*	*10,000*	*10,000*
Variable component	*5,000*	*5,000*	*5,000*	*5,000*
Benefits in kind	0	0	0	0
TOTAL	583,936	583,936	495,504	495,432

10.3.6 Summary of remuneration and of options and shares granted to each executive director

The remuneration amounts indicated in the table below are those due by the company Guillemot Corporation S.A. and by the company Guillemot Brothers S.E., which controls the company Guillemot Corporation S.A., in the sense of Article L.233-16 of the Commercial Code.

€ amounts

Claude Guillemot, Chief Executive Officer	**Fiscal 2013**	**Fiscal 2012**
Remuneration due for fiscal year	563,892	499,081
Valuation of variable multi-year remuneration granted during fiscal year	-	-
Valuation of options granted during fiscal year	-	-
Valuation of performance shares granted	-	-
TOTAL	563,892	499,081

Michel Guillemot, Deputy CEO	**Fiscal 2013**	**Fiscal 2012**
Remuneration due for fiscal year	53,816	52,000
Valuation of variable multi-year remuneration granted during fiscal year	-	-
Valuation of options granted during fiscal year	-	-
Valuation of performance shares granted	-	-
TOTAL	53,816	52,000

Yves Guillemot, Deputy CEO	**Fiscal 2013**	**Fiscal 2012**
Remuneration due for fiscal year	60,108	54,996
Valuation of variable multi-year remuneration granted during fiscal year	-	-
Valuation of options granted during fiscal year	-	-
Valuation of performance shares granted	-	-
TOTAL	60,108	54,996

Gérard Guillemot, Deputy CEO	**Fiscal 2013**	**Fiscal 2012**
Remuneration due for fiscal year	567,805	567,709
Valuation of variable multi-year remuneration granted during fiscal year	-	-
Valuation of options granted during fiscal year	-	-
Valuation of performance shares granted	-	-
TOTAL	567,805	567,709

Christian Guillemot, Deputy CEO	**Fiscal 2013**	**Fiscal 2012**
Remuneration due for fiscal year	583,936	495,504
Valuation of variable multi-year remuneration granted during fiscal year	-	-
Valuation of options granted during fiscal year	-	-
Valuation of performance shares granted	-	-
TOTAL	583,936	495,504

10.4 Various information regarding executive directors

10.4.1 Information regarding work contracts, additional pension schemes, compensation or advantages due or which may become due upon the ending or changing of duties of executive directors, and compensation relating to a non-competition clause

Executive directors	Work contract		Additional pension scheme		Compensation or benefits due or which may become due upon the ending or changing of duties		Compensation relating to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Claude Guillemot Chief Executive Officer		X		X		X		X
Michel Guillemot Deputy CEO		X		X		X		X
Yves Guillemot Deputy CEO		X		X		X		X
Gérard Guillemot Deputy CEO		X		X		X		X
Christian Guillemot Deputy CEO		X		X		X		X

10.4.2 Transactions stipulated in Article L.621-18-2 of the Monetary and Financial

During the fiscal year ended December 31, 2013, Mr. Christian Guillemot carried out transactions on Guillemot Corporation securities.

Declarant	Transaction type	Transaction date	Transaction venue	Number of securities	Per-unit price (€)	Transaction amount (€)
Christian Guillemot (1)	Sold/Purchased	8/2/2013	Euronext Paris	123,457	0.65	80,247.50
	Disposal	11/18/2013	Euronext Paris	14,467	0.80	11,577.94
	Disposal	11/20/2013	Euronext Paris	200	0.80	160.00
	Disposal	12/2/2013	Euronext Paris	3,000	0.80	2,400.00

(1) Administrator and Deputy Managing Director of Guillemot Corporation S.A.

10.4.3 Other information

Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot are brothers.

There are no restrictions regarding the disposal of executive directors' stakes in the company's capital, except, for the stock options granted since January 1, 2007, the obligation to maintain nominal ownership of 5% of the shares resulting from the exercise of options until the termination of their duties at the company. Moreover, it should be pointed out that the Board of Directors' rules and regulations stipulate that each Director must abstain from carrying out any transactions on company securities of whatever kind, upon becoming aware of an item of information of any type which may influence the security's market price, as well as during all periods preceding the publication of results.

Transactions between executive directors and the company, apart from common transactions carried out under normal conditions, are set out in the Independent Auditors' special report.

No loans or guarantees have been granted to or established in favor of the company's executive directors. No convictions for fraud, incriminations and/or official public penalties have been brought against the company's executive directors over the past five years.

None of the company's executive directors have been associated with a bankruptcy, sequestering or liquidation over the past five years. Moreover, none of the company's executive directors have been prohibited by a court from acting as a member of an administrative, management or supervisory body of an issuer, or from acting in the management or conducting of business of an issuer over the past five years.

To the company's knowledge, there are no potential conflicts of interest with respect to the issuer between the duties of any member of the Board of Directors and his or her own private interests and/or other duties.

There are no arrangements or agreements concluded between the main shareholders, customers, suppliers or other individuals by virtue of which any member of the company's administrative and management bodies has been selected as a member of an administrative or management body, or as a member of executive management.

There are no service contracts linking members of administrative or management bodies to the company or to any of its subsidiaries, stipulating the granting of benefits.

11 SOCIAL AND ENVIRONMENTAL INFORMATION

11.1 Social information

Social reporting questionnaires were submitted to each subsidiary in 2013 to allow for the collection of quantitative and qualitative information regarding all social categories included in the Grenelle 2 law, based on the entire scope of consolidation.

11.1.1 Employment

11.1.1.1 Total workforce and breakdown of salaries by sex, by age and by geographic zone

The workforce in place was broken down as follows:

	At 31/12/2013					At 31/12/2012				
	Parent company	Guillemot Admini-stration et Logistique	Hercules Thrust-master	Foreign sub-sidiaries	Total	Parent company	Guillemot Admini-stration et Logistique	Hercules Thrust-master	Foreign sub-sidiaries	Total
Total	**5**	**35**	**45**	**68**	**153**	**5**	**40**	**44**	**93**	**182**
Permanent	5	35	45	68	153	5	36	44	93	178
Fixed-term contract	0	0	0	0	0	0	4	0	0	4
Women	0	22	16	20	58	0	24	16	25	65
Men	5	13	29	48	95	5	16	28	68	117
Less than 30 years old	0	1	7	14	22	0	4	8	26	38
30 to 39 years old	0	9	15	33	57	0	11	15	46	72
40 to 49 years old	1	20	20	19	60	1	19	21	19	60
50 years old or more	4	5	3	2	14	4	6	0	2	12

The Group's average workforce for fiscal 2013 amounted to 164 people, compared with 181 individuals during fiscal 2012.

11.1.1.2 Hiring and dismissals

During the fiscal year ended December 31, 2013, six individuals were hired on a permanent basis: one in Canada, one in Romania and four in France (one at the company Guillemot Administration et Logistique, and three at the company Hercules Thrustmaster).
Four fixed-term contracts were entered into during the fiscal year, in France only (three at Guillemot Administration et Logistique, and one at Hercules Thrustmaster).
The Group was also obliged to proceed with the dismissal of six employees during the fiscal year, among its foreign subsidiaries.

In 2012, Group companies hired twenty-one individuals on a permanent basis (five in France and sixteen among its foreign subsidiaries). Ten fixed-term contracts were entered into during the fiscal year, among the Group's French companies owned.
The Group was obliged to proceed with two dismissals.

11.1.1.3 Salaries and their evolution

(In € K)	2013		2012	
Companies	**Salary payments**	**Social security charges**	**Salary payments**	**Social security charges**
Parent company	220	87	216	77
Hercules Thrustmaster SAS	2,303	1,039	2,465	1,102
Guillemot Administration et Logistique SARL	1,355	594	1,353	578
Consolidated foreign subsidiaries	2,517	393	2,945	480
Total	**6,395**	**2,113**	**6,979**	**2,237**

Salary changes are mainly based on individual negotiations, according to the evolution of employees' competencies and/or responsibilities. In addition, collective wage increases may be implemented; this was not the case in 2013, as opposed to 2012.

National or collective provisions (branch agreements…) apply to different Guillemot Corporation Group subsidiaries. The provisions of the Labor Code relating to profit-sharing, participation and employee savings plans are not applicable with respect to the Group's French companies.

11.1.2 Labor organization

11.1.2.1 Organization of work time

All employees of companies within the Group are affected by the applicable legislation in this category:
- 35 hours per week in France,
- 37.5 hours per week in the UK,
- 38.5 hours per week in Germany,
- 40 hours per week in in Canada, Spain, Romania and Hong Kong.

The number of employees working part-time (apart from part-time parental leave) among consolidated French and foreign subsidiaries represented 5.4% of the workforce at December 31, 2013 (compared with 6.6% in 2012).

The number of extra hours worked in 2013 amounted to 397 hours: 26 for the company Guillemot Administration et Logistique, and 371 for foreign companies (compared with 384 and 1,355 hours in 2012, respectively).

11.1.2.2 Absenteeism

For consolidated subsidiaries, the number of leave days during the fiscal year was broken down as follows:

	2013				2012			
	Guillemot Admini-stration et Logistique	Hercules Thrust-master	Foreign sub-sidiaries	Total	Guillemot Admini-stration et Logistique	Hercules Thrust-master	Foreign sub-sidiaries	Total
Sick days	189	406	88	**683**	90	192	254	**536**
Maternity leave	15	82	198	**295**	182	0	198	**380**
Work and travel-related accidents	4	0	69	**73**	0	0	0	**0**
Unpaid leave	6	1	20	**27**	9	5	62	**76**
Paternity leave	9	0	3	**12**	0	19	20	**39**
Other absence	5	9	14	**28**	12	24	21	**57**
Total	**228**	**498**	**392**	**1118**	**293**	**240**	**555**	**1088**

It should be noted that two instances of long-term sick leave accounted for 105 days (out of a total of 189 for Guillemot Administration et Logistique) and 261 days (out of a total of 406 for Hercules Thrustmaster), respectively.

In order to facilitate and perpetuate the return to professional activity following a period of work interruption, the Group's French subsidiaries consult with their Occupational Health and Safety (Santé au Travail) service and take into account its recommendations.
In 2013, these subsidiaries therefore worked on adapting the type of functions, work location or organization of work time for a number of employees due to medical reasons.

11.1.3 Social relations

11.1.3.1 Organization of social dialogue, particularly with regard to information and consultation procedures for personnel, as well as worker negotiations

Employees of one of the Group's two French subsidiaries are represented by employee delegates. This is also the case for one of the Group's foreign companies, in Romania, whose employees once again elected their representatives in 2013.

These institutions are informed and consulted with according to the regulatory framework.

11.1.3.2 Overview of collective agreements

All companies apply the collective regulations inherent to their activities: national agreements and branch agreements.

In 2013, the Romanian subsidiary, with its employee representatives, renegotiated its "Collective Work Agreement" and proceeded with its implementation. This "Collective Work Agreement" relates mainly to the rules applicable to the work contract and to the parties' rights and obligations.

11.1.4 Health and safety

11.1.4.1 Health and safety conditions in the workplace

The Group's French companies are continuing their work toward risk prevention, in particular by way of updating a unique document, allowing the Group to define, evaluate and analyze the risks to which employees may be exposed. The Group's different sites are subject to inspections according to the rules applicable to each country.

In addition, it should be noted that the Group's activities give rise to limited professional risk.

Employees regularly benefit from training in terms of safety, both with regard to being able to properly deal with dangers in the workplace (pursuant to applicable regulations), and also with respect to volunteers receiving first aid training (in Italy and in France, at Guillemot Administration et Logistique and Hercules Thrustmaster).

In addition to the presence of trauma kits, fire extinguishers and so on in the different workplaces, and the wearing of individual protective equipment in storage and handling areas (the importance of which is regularly noted), the Group's French companies have focused their efforts on three aspects of prevention, in particular: posture in front of a work screen, carrying loads and cardiac events.

The Group's French companies have been equipped with automatic defibrillators since 2011: early defibrillation combined with cardiopulmonary resuscitation strongly increases the chances of survival for a person in cardio-respiratory distress with ventricular fibrillation, the leading cause of sudden death among adults.

With respect to carrying loads, advice is available via the Intranet and is also explained by way of brochures and posters in all workspaces.

Similarly, as most workstations include the use of a computer, two online documents set out the simple rules allowing employees to properly arrange their computer-related workspace.

In addition, for services in which the sedentary nature of posts is particularly pronounced, an ergonomic study of these posts was carried out in 2013 by a Prevention Consultant attached to an Occupational Health and Safety service: this analysis resulted in recommendations regarding how to improve comfort while working, as well as the acquisition of complementary office automation equipment adapted to activities alternating between reading on-screen and reading via paper documents.

Finally, in 2013 the Group launched a new initiative regarding the question of quality of life in the workplace, putting in place a work group on well-being and efficiency in the workplace among one of its French subsidiaries.

11.1.4.2 Overview of agreements signed with trade unions or employee representatives regarding health and safety in the workplace

Measures relating to health and safety are represented in one of the sections of the "Collective Work Agreement" negotiated in Romania: they deal in particular with the provision of information for employees, equipment and the environment of workstations, and the frequency of training with regard to safety.

There were no other agreements signed in 2013 with respect to health and safety in the workplace.

11.1.4.3 Work accidents, particularly with regard to their frequency and severity, as well as occupational diseases

Two work accidents took place in 2013: the first at one of the Group's French companies, as a result of which the employee involved had a work stoppage of four days, and the second being a traffic accident which affected two employees of one of the Group's foreign subsidiaries, resulting in two temporary work interruptions for a cumulative duration of 69 days (§ 11.1.2.2).

One commuting-related work accident took place in 2012 at one of the Group's French companies, without consequences (no work stoppage).

11.1.5 Training

11.1.5.1 Policies implemented with regard to training

The consolidated French companies have a policy in place, the aim of which is to promote the adaptation of employees' skills to the prospects for change in the Group's fields of activity, via the implementation of a training plan.
Other training-related activities may take place at employees' request, or exceptionally based on commitments made upon signature of a work contract.

11.1.5.2 Total number of training hours

Companies	2013	2012
Parent company	0	0
Hercules Thrustmaster SAS	110	163
Guillemot Administration et Logistique SARL	110	168
Consolidated foreign subsidiaries	40	68
Total	**260**	**399**

These numbers only reflect training provided by authorized external organizations. Internal training sessions also take place, on a variety of topics: training with respect to our tools and methods as part of integration into the company or upon a change of position, regular training regarding our products for employees involved in our commercial activities, safety refresher training, help in using software packages, and so on. This type of internal training is not integrated into the figures set out above.

11.1.6 Equality of treatment

11.1.6.1 Measures taken to promote equality between women and men

The Group's companies take care to promote professional equality between female employees (58 in total, representing 38% of the workforce, compared with 65, or 36%, of the workforce at December 31, 2012) and male employees, with respect to pay, qualifications, professional promotions and hiring, even though due to the technical orientation of its fields of activity, a clear majority of engineering roles are occupied by men. However, a number of Management positions within the Group are occupied by women.

	At 31/12/2013					At 31/12/2012				
	Parent company	**Guillemot Admini-stration et Logistique**	**Hercules Thrust-master**	**Foreign sub-sidiaries**	**Total**	**Parent company**	**Guillemot Admini-stration et Logistique**	**Hercules Thrust-master**	**Foreign sub-sidiaries**	**Total**
Workforce	**5**	**35**	**45**	**68**	**153**	**5**	**40**	**44**	**93**	182
Women	*0*	*22*	*16*	*20*	**58**	*0*	*24*	*16*	*25*	65
Men	*5*	*13*	*29*	*48*	**95**	*5*	*16*	*28*	*68*	117
Male/female wage index*	n/a	0.9	1.5	2		n/a	0.9	1.5	1.9	

* Average contractual gross wage index in December between men and women.

This indicator continues to be monitored closely.

11.1.6.2 Measures taken to promote employment and integration of disabled workers

One of the Group's French companies employs a worker benefiting from the obligation to employ disabled workers.
Over the fiscal year, the Group's French companies also made use of services offered by ESATs (Etablissements et Services d'Aide par le Travail, organizations which help disabled people back into work), employing handicapped workers at a volume corresponding to corresponding to 1.02 units* (compared with 1.29 units for the previous year), as well as contributing via the DOETH (Déclaration obligatoire d'emploi des travailleurs handicapés – Mandatory declaration regarding the employment of handicapped workers) toward the integration of handicapped individuals.

* Unit: workforce benefiting from the obligation of employment owing to a handicap.

11.1.6.3 Policies to combat discrimination

The Group does its utmost to treat individual situations with the greatest attention.

The Group remains vigilant regarding the question of balanced recruitment and professional development between men and women, but remains confronted, owing to the importance of technical fields with respect to its activities, with a labor market in which women remain under-represented.

11.1.7 Promotion and respect of provisions of fundamental agreements regarding the International Labor Organization

11.1.7.1 Respect of freedom of association and of the right to collective bargaining

All Group companies are committed to respecting regulations in this area, translating for example into the election of employee representatives who carry out their role within the legal framework (§ 11.1.3.1).

11.1.7.2 Elimination of discrimination with respect to employment and occupation

Above all, the Group considers the competencies of its employees, and rejects any form of discrimination.

In order to limit any risks in this regard, personnel management employs the expertise of Human Resources professionals (internal and/or external to the company) with regard to recruiting procedures, as well as in terms of having contractual conditions validated by these professionals.

The Group is also sensitive to the integration of young people into the business world: it welcomes student workers – internships, studies – as part of their training curricula, and also supports Armorican Passport for Engagement projects, which works toward regional development by encouraging facilitating access to the business world for young people with a professional project.

11.1.7.3 Elimination of forced or compulsory labor

The implementation of jobs takes place within the framework of applicable legislation, pursuant to the rules regarding the management of labor contracts.

The Group works with subcontractors in Asia and applies due diligence by way of direct contracts with its suppliers and tripartite agreements with suppliers and customers which may request social audits with respect to production sites.

11.1.7.4 Effective abolition of child labor

The Group does not employ any workers under 18 years of age.

It is also stipulated in service contracts with subcontractors, with respect to production carried out in Asia, that child labor is strictly prohibited.

11.2 Environmental information

11.2.1 General policy regarding environmental matters

11.2.1.1 Organization of the company to take into account environmental matters and, where appropriate, evaluation or certification initiatives with respect to the environment

There are no internal environmental management services within the Group. Environmental issues are followed up by different departments within the Group (administration, logistics, R&D).

Environmental reporting questionnaires were submitted to each subsidiary in 2013 to allow for the collection of quantitative and qualitative information regarding all environmental themes included in the Grenelle 2 law, based on the entire scope of consolidation.

The Group is committed to making continual progress in this regard, and has put in place regular follow-up actions to improve certain environmental indicators.

11.2.1.2 Training and information initiatives for employees regarding environmental protection

The Group is educating its employees with respect to the environmental impact of activities by way of posters setting out the problems involved with printing, sorting and lighting, and is raising awareness among its subsidiaries regarding the importance of reducing their use of water, electricity and paper resources.
There were no training activities within the Group in 2013 regarding environmental protection.

11.2.1.3 Steps taken toward prevention of environmental risks and pollution

As the Group does not have a manufacturing site, it has little exposure to environmental risks or pollution and has not put in place any specific measures.
The logistics site at Carentoir is concerned with transportation issues.
A carrier protocol exists and sums up the obligations to be respected with regard to the site in order to prevent any environmental risks.

11.2.1.4 Amount of provisions and guarantees for risks with regard to the environment, unless this information is likely to cause serious prejudice to the company in an existing dispute

No specific provisions for environmental risks have been made, given the nature of the Group's activities.

11.2.2 Pollution and waste management

11.2.2.1 Measures for preventing, reducing or remedying air, water and soil emissions which may severely affect the environment

As the Group does not have a manufacturing site, it does not generate air, water or soil emissions which may severely affect the environment, and has not put in place any specific measures.
The Group mandates the use of eco-friendly products in maintaining and cleaning its facilities.
The logistics site has put in place a transportation protocol which obliges carriers to respect certain measures in order to avoid the risk of pollution at the site.

11.2.2.2 Measures taken to prevent, recycle and eliminate waste

Regarding the packaging of its products, the Group is constantly optimizing the shape and size of packaging in relation to the shape of its products, in order to limit packaging waste.
In terms of the recycling of packaging, Guillemot Corporation entrusts the collection, processing and recovery of packaging waste to Eco-Emballages for the packaging of products put on the French market, and to Landbell for the packaging of products put on the German market.
At the company's request, an external audit carried out by Eco Emballages took place in France in 2012, the objective of which was to define recommendations for actions to be made by the company in the short and medium term, in order to reduce the amount of primary, secondary and tertiary packaging put on the market. This audit also allowed for the definition of environmental, logistics and financial gains potentially achievable depending on the actions taken by the company.

With respect to the batteries and accumulators incorporated into its products, the Group entrusts specialized companies with the collection, processing, recovery and elimination of batteries and accumulators put on the French (Screlec), Dutch (Stibat) and German markets (GRS).

Regarding electrical and electronic waste, the Group has entrusted specialized companies with the collection, processing and recovery of products put on the French (Ecologic), Dutch (ICT-Milieu) and German markets (Interseroh Dienstleistungs).

Paper, cardboard and plastic waste collected at the French site is entrusted to a company responsible for its recycling. Electrical and electronic waste is entrusted to a company which dismantles the products in order to ensure the recycling and recovery of certain components. Printer cartridges and used batteries are entrusted to companies specializing in the recycling and recovery of these products. Broken wooden pallets are stored and picked up for repair by a dedicated organization.

The Group now systematically uses biodegradable loose-fill packaging particles for repackaging purposes. The Carentoir site has put in place a shredding procedure for office paper in order to reuse it for repackaging shipments. Cardboard boxes received are also reused for repackaging.

11.2.2.3 Taking into account of noise pollution and of any other form of pollution specific to an activity

The Group's activities do not create noise pollution for those nearby. Subsidiaries work only during the day. A transportation protocol is also in place for the logistics site at Carentoir, obliging carriers to respect noise and safety conditions.

11.2.3 Sustainable use of resources

11.2.3.1 Water consumption and water supply in accordance with local constraints

The sites occupied by the Group's companies consist solely of office space or warehouse storage facilities. The Group's consumption of water resources is therefore limited to typical levels of consumption for these types of premises. The Group is raising employees' awareness regarding saving water.

Water consumption:

Water (in m3)	2013	2012	Change
France*	393	433	-9%
Romania	471	570	-17%

* Premises located in the commune of Carentoir (56910).
Data is based on meter readings, while the figure published in 2012 was based on invoice data.

For the Group's other subsidiaries, it is physically impossible to determine the water consumption levels for rented offices (shared premises or water consumption included in charges).

11.2.3.2 Consumption of raw materials and measures taken to improve efficiency with respect to their use

The raw material mainly used by the Group's subsidiaries is office paper.
The Group's French subsidiaries now almost exclusively use recycled paper.
The Group constantly makes employees aware about the need to reduce their consumption of office paper, and mandates two-sided printing. Moreover, electronic archiving systems are developed for subsidiaries, and the implementation of exchanging paperless invoices with certain customers is taking place.

These factors contribute to significantly reducing paper consumption. Consumption among the Group's French entities was down by 20% in 2013, for overall consumption of 1.5 tons for French companies.

11.2.3.3 Consumption of energy, measures taken to improve energy efficiency and use of renewable energy

The sites occupied by the Group's companies consist solely of office space or warehouse storage facilities. The Group's consumption of energy resources is therefore limited to typical levels of consumption for these types of premises. The Group is raising employees' awareness regarding saving electricity, by way of posters.

Resource consumption by the Group's main companies:

	2013	2012	Change
Electricity (in kWh)			
Carentoir (France)*	253,951	282,550	-10%
Rennes (France)*	80,769	69,759	16%
Romania	41,247	90,266	-54%
Canada	47,133	48,474	-3%
Hong Kong	11,607	11,669	-1%
Italy	7,173	5,734	25%
Total	**441,880**	**508,452**	**-13%**

* Data is based on invoice data, while the figures published in 2012 were based on meter readings

	2013	2012	Change
Fuel (in litres)			
Carentoir (France)*	48,345	44,736	8%

* Data is based on meter readings, while the figure published in 2012 was based on invoice data

The Group has updated the heating system for its premises occupied by the Group's French companies in the commune of Carentoir over the past few years, putting in place a temperature control system.
Additional insulation work on all workspaces in the Group's warehouses, as well as a portion of its offices, was carried out in 2012.
Moreover, the Group is a member of Ecowatt, and uses an electricity generator in its premises at Carentoir during alert periods at times of peak consumption.
In Romania, the company has replaced all incandescent bulbs with energy-saving bulbs.
In various subsidiaries, motion detectors allow for optimizing the duration of lighting.
At the Group level, computers and other IT-related office hardware are powered off at the end of the work day.

The virtualization of servers is ongoing at the Carentoir site.

An external audit was carried out in 2012 on the French site at Carentoir in order to evaluate the energy situation, as well as the courses of action to be taken in order to achieve energy savings and improve energy efficiency. This audit has allowed the Group to define the areas of work required in order of priority, and identify possible actions to be taken. The main domains involved are energy management, lighting, heating and compressed air. The levels of performance have been judged to be relatively good with respect to these different issues (+70% in general).

11.2.3.4 Land use

The Group mainly uses office space.
The Group's activities do not present risks with regard to soil contamination.
The use of large racks allows for the optimization of space used in storage warehouses.
A plot of land unused by the Group at the Carentoir site is used by a local farmer.

11.2.4 Climate change

11.2.4.1 Greenhouse gas emissions

With respect to the transportation of merchandise, the Group optimizes the loading rates for trucks. The opening of a logistics platform in Hong Kong in 2013 has allowed it to increase direct deliveries (deliveries to customers without transiting through the Group's storage warehouses) and thereby decrease road transport significantly.

The Group advocates videoconferencing, and its employees use it regularly.

The virtualization of servers enables the Group to limit the use of air conditioners in computer facilities.
A low volume of air conditioners are used in office spaces.
Offices within large cities are located near to train stations and subways, to encourage employees to use public transportation.

11.2.4.2 Adapting to the consequences of climate change

In 2010 and 2011, the Group carried out works to improve the insulation of buildings which it owns, in order to render them less sensitive to temperature fluctuations.

11.2.5 Protection of biodiversity

11.2.5.1 Measures taken to preserve or improve biodiversity

Local initiatives exist. At the Carentoir site, green spaces are covered with organic mulching composed of pine bark. This avoids recourse to chemical herbicides, maintains the aeration and looseness of the soil, promotes biological life and the work of earthworms, protects beneficial insects during the winter and limits the drying out of soil in summer.

11.3 Information regarding societal commitments in favor of sustainable development

Social reporting questionnaires were submitted to each of the Group's subsidiaries in 2013 to allow for the collection of quantitative and qualitative information regarding all social categories included in the Grenelle 2 law, based on the entire scope of consolidation.

11.3.1 Territorial, economic and social impact of the company's activities

11.3.1.1 With respect to employment and regional development

The daily presence of employees in the offices of different subsidiaries has influenced local businesses (restaurants, supermarkets, delivery services, garages, parking lots…). Some subsidiaries have entered into agreements with local hotels or sports facilities.

In France, the Group supports regional establishments for the allocation of apprenticeship taxes and works with a variety of local businesses (Etablissement et service d'Aide par le Travail, a vocational rehabilitation center for disabled workers…).
In France, the Group offers its support in the form of donations to the Initiative Funds of the "Club des Trente", whose goal is to support and finance all general interest initiatives with a view to ensuring the equilibrium, expansion and prosperity of territories in western France; stimulate economic activities in western France, involve the business world with respect to the greater public, and among young people in particular; promote, spread and defend the values of engagement, initiative and responsibility.

This organization participated in financing the following projects in 2013:
The Armorican Passport for Engagement, which operates with a view to regional development by encouraging and facilitating access to the business world for young people with a professional project. The sponsorship of these young people by business leaders during their studies, in conjunction with financing from two bank partners, acts as a real accelerator for projects. The main goal is to transmit a business-related social and cultural heritage with young people socially isolated from the world of entrepreneurship by facilitating their access to the world of business, fostering their ambition and acting as a project accelerator, uncovering new talents.
Audencia, a Management school, whose incubator supports project promoters and young business creators by making available to them a dedicated physical space and awarding scholarships.
AgroCampus Ouest, Institut Supérieur des Sciences Agronomiques, Agroalimentaires et Horticoles, includes a hothouse for projects, Agro Up, which is positioned at the very start of business creation by accompanying its students who are promoting projects.

11.3.1.2 On local populations

The Group regularly donates computer-related hardware and furniture to local schools.
Its most recent donations took place in 2012.

11.3.2 Relationships formed with persons or organizations interested in the company's activities, in particular with integration associations, teaching establishments, environmental protection associations, consumer associations and local populations

11.3.2.1 Terms of dialogue with these persons or organizations

The Group's French companies take care to assign the apprenticeship tax, which contributes to financing the required spending for the development of technological and professional education, as well as apprenticeships, to its choice of establishments, in order to promote local facilities or create and maintain links, or even stimulate collaboration with educational streams and students.
In Romania, the subsidiary has an apprenticeship agreement with a university linked to technical support activities, which may result in the recruiting of students.

11.3.2.2 Partnership and sponsorship actions

The Group favors local integration associations with respect to some calls for tender regarding subcontracting and services. Local initiatives exist within the group where certain employees are involved in sports organizations, associations whose goal is to stimulate local economic activities, or charitable organizations.

11.3.3 Subcontracting and suppliers

11.3.3.1 Taking into account of social and environmental issues in purchasing policies

The Group asks that its subcontractors comply with legislative and regulatory provisions in effect relating to the environment, and encourages them not to use materials or substances which pose a threat to the environment.
Contracts with subcontractors in Asia include recommendations linked to social aspects (the prohibition of child labor, for example).
The Group's main subcontractors in Asia are ISO 9001 and 14001-certified.

11.3.3.2 The importance of subcontracting and taking into account in relationships with suppliers and subcontractors of their social and environmental responsibility

The Group makes use of subcontracting as part of the production of its products.
The majority of production takes place in Asia.
The Group has worked with subcontractors for many years and ensures that they respect the appropriate social and environmental conditions within production facilities. The Hong Kong subsidiary follows the progress of work at factories on a daily basis, and French engineers are regularly present on-site.
The Group also relies on subcontracting for studies, promotional and marketing services, as well as sales force services, and entrusts waste collection and recovery to "eco-organizations".

11.3.4 Fairness of practices

11.3.4.1 Actions undertaken to prevent corruption

In France, the Group notes the obligation of loyalty in its work contracts and verbally explains this principle upon taking on new employees.
Moreover, the securing of payments and strict controls on product inventories allow it to prevent any internal attempts at corruption.

11.3.4.2 Measures taken to promote the health and safety of consumers

The Group scrupulously follows the existing standards which cover electrical safety and the use of its products, and complies with the RoHS (Restriction of Hazardous Substances), WEEE (Waste Electrical and Electronic Equipment), and REACH (Registration, Evaluation, Authorization and restriction of CHemicals) directives for the related products.
The foremost preoccupation for development teams is to ensure consumer safety.

11.3.5 Other actions taken to support human rights

The Group supports and respects international laws and standards in this regard.

12 INDEPENDENT AUDITORS' VERIFICATION

The Independent Auditors will inform you of their reports on the financial statements for the fiscal year ended December 31, 2013. Their reports relate to the verification of the Group's annual and consolidated financial statements, the justification of their assessments and the specific verifications required by law. They will also inform you of their special report on the agreements stipulated in Articles L.225-38 and following of the Commercial Code.

You will then be informed of the proposed resolutions.

At that point, we will open up the debate and move on to voting on the resolutions submitted for your approval.

The Board of Directors
March 26, 2014

13 Documents and reports appended to the Management report

13.1 Financial table (Article R.225-102 of the Commercial Code) of the company Guillemot Corporation S.A.

Fiscal year	**2013**	**2012**	**2011**	**2010**	**2009**
Share capital at fiscal year end (in €K)	11,554	11,554	11,554	11,524	11,524
Number of common 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 dividends	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 executive directors, Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot, who do not have employment contracts.*

13.2 Share capital evolution chart since the creation of Guillemot Corporation S.A.

Amounts are expressed in euros from September 11, 2001, the date on which share capital was converted into euros.

Date	Transaction type	Number of shares	Cumulative number of shares	Share capital increase amount			Share capital reduction amount	Share's nominal value	Share capital increase amount	Cumulative capital amounts
				Through cash contribution or contribution in kind	Through conversion	Through reserve capitalization				
01/09/97	Company creation	1,000,000	1,000,000	-	-	-	-	FRF 20	-	FRF 20,000,000
01/08/98	2 for 1 split	1,000,000	2,000,000	-	-	-	-	FRF 10	-	FRF 20,000,000
24/11/98	Capital increase at public offering	353,000	2,353,000	FRF 3,530,000	-	-	-	FRF 10	FRF 98,840,000	FRF 23,530,000
23/02/00	Capital increase through bond conversion	67,130	2,420,130	-	FRF 671,300	-	-	FRF 10	FRF 30,152,775	FRF 24,201,300
23/02/00	2 for 1 split	2,420,130	4,840,260	-	-	-	-	FRF 5	-	FRF 24,201,300
17/05/00	Capital increase through bond conversion	93,550	4,933,810	-	FRF 467,750	-	-	FRF 5	FRF 21,009,922	FRF 24,669,050
17/05/00	Capital increase through equity warrant exercise	222	4,934,032	FRF 1,110	-	-	-	FRF 5	FRF 64,420	FRF 24,670,160
17/05/00	Capital increase through share issue	953,831	5,887,863	FRF 4,769,155	-	-	-	FRF 5	FRF 321,206,020	FRF 29,439,315
13/09/00	Capital increase through bond conversion	20,818	5,908,681	-	FRF 104,090	-	-	FRF 5	FRF 4,675,409	FRF 29,543,405
11/09/01	Capital increase through bond conversion	128,750	6,037,431	-	FRF 643,750	-	-	FRF 5	FRF 28,915,312	FRF 30,187,155
11/09/01	Conversion of capital into euros and removal of the nominal value	-	6,037,431	-	-	-	-	-	-	€4,602,002.11
16/05/02	Restoration of the nominal value and capital increase through nominal value increase (1)	-	6,037,431	-	-	46,819.76	-	0.77	-	4,648,821.87
16/05/02	Capital increase through bond conversion (1)	4,376	6,041,807	-	3,369.52	-	-	0.77	149,790.48	4,652,191.39
28/06/02	Capital increase through contribution in kind (2)	435,278	6,477,085	335,164.06	-	-	-	0.77	4,587,835.94	4,987,355.45
30/08/02	Capital increase through contribution in kind (3)	3,000,000	9,477,085	2,310,000	-	-	-	0.77	12,690,000	7,297,355.45
30/08/02	Capital reduction through treasury stock cancellation (4)	416,665	9,060,420	-	-	-	320,832.05	0.77	- 11,346,025	6,976,523.40
19/09/02	Capital increase through bond conversion (5)	6,000	9,066,420	-	4,620	-	-	0.77	205,380	6,981,143.40
23/12/03	Capital increase through contribution in kind (6)	4,444,444	13,510,864	3,422,221.88	-	-	-	0.77	10,577,778.12	10,403,365.28
19/01/04	Capital increase through equity warrant exercise (7)	81,446	13,592,310	62,713.42	-	-	-	0.77	181,624.58	10,466,078.70
16/11/06	Capital increase through equity warrant exercise (8)	101	13,592,411	77.77	-	-	-	0.77	4,422.23	10,466,156.47
16/11/06	Capital increase in cash (9)	1,076,233	14,668,644	828,699.41	-	-	-	0.77	1,571,300.59	11,294,855.88
18/09/07	Capital increase through bond conversion (10)	290,532	14,959,176	-	223,709.64	-	-	0.77	700,710.36	11,518,565.52
29/01/08	Capital increase through option exercise (11)	6,700	14,965,876	5,159.00	-	-	-	0.77	7,102.00	11,523,724.52
20/01/11	Capital increase through option exercise (12)	38,860	15,004,736	29,922.20	-	-	-	0.77	40,035.40	11,553,646.72

(1) At its session on May 16, 2002, the Board of Directors restored the mention of the nominal value in the bylaws to bring it to €0.77, using the authorization granted it by the general meeting of February 15, 2002. At this same session, the Board certified the number of bonds converted into shares since the start of the current fiscal year and certified the corresponding capital increase.

(2) The extraordinary general meeting of shareholders held on June 28, 2002 decided to increase capital via the creation of 435,278 new shares in remuneration for the contribution granted by the company Guillemot Participations S.A consisting of a share of the Italian company Guillemot Srl and representing 100% of the latter's capital. The number of new shares was determined by the value of the contribution, equal to €4,923,000, divided by the reference price of the Guillemot Corporation share corresponding to the average closing price over the sixty trading days preceding the general meeting date.

(3) The extraordinary general meeting of shareholders held on August 30, 2002 decided to increase capital via the creation of 3,000,000 new shares in remuneration for the contribution granted by the company Guillemot Brothers S.A. and consisting of one million Ubisoft Entertainment securities with a total value of €15 million; a parity of three new Guillemot Corporation shares per Ubisoft Entertainment share contributed was stipulated in the contribution contract signed between the company and Guillemot Brothers S.A. On August 14, 2002 the Commission des opérations de bourse issued registration number E.02-213 for the appendix of the Board of Directors' report presented at the extraordinary general meeting.

(4) On August 30, 2002, following the extraordinary general meeting, the Board of Directors used the authorization granted it by the combined general meeting of February 15, 2002 to cancel 416,665 treasury stock shares.

(5) On September 19, 2002 the Board of Directors certified the number of bonds converted into shares between May 16, 2002 and August 31, 2002.

(6) The extraordinary general meeting of shareholders held on December 23, 2003 decided to increase capital via a contribution in kind granted by the company Guillemot Brothers S.A. and consisting of five million Gameloft shares.

(7) On January 19, 2004, the Board of Directors certified the number of warrants issued on December 5, 2003 and exercised during the subscription period having expired on December 31, 2003.

(8) 100 equity warrants issued in 1999 were exercised during the fiscal year ended December 31, 2006. The equity warrants issued in 1999 were available for exercise up until August 31, 2006. Warrants not exercised as of this date lost all of their value and were written off from Eurolist at the end of the trading day on August 31, 2006.

(9) At its meeting on November 16, 2006, the Board of Directors decided to carry out the capital increase of €2,400,000, issue premium included, decided by the extraordinary general meeting of shareholders held October 31, 2006. The subscription of 1,076,233 new shares was settled in full by way of compensation with liquid and payable debts on the company, held by the company Guillemot Brothers S.A.

(10) At its meeting on September 18, 2007, the Board of Directors certified the number of bonds converted between January 1, 2007 and August 31, 2007, the bond issue's settlement date, and certified the corresponding capital increase. 13,206 bonds were converted during this period.

(11) At its meeting on January 29, 2008, the Board of Directors certified the number and the amount of shares issued during the fiscal year ended December 31, 2007, following the exercise of stock options. 6,700 stock options were exercised during this period.

(12) At its meeting on January 20, 2011, the Board of Directors certified the number and the amount of shares issued during the fiscal year ended December 31, 2010, following the exercise of stock options. 38,860 stock options were exercised during this period.

13.3 Special report on share subscription and purchase options (Article L.225-184 of the Commercial Code)

Pursuant to the terms of Article L.225-184 of the Commercial Code, we hereby present in this report the information regarding share subscription and purchase transactions carried out during the fiscal year ended December 31, 2013.

No stock option plans were put in place during the fiscal year ended December 31, 2013. No stock options were granted or exercised during the fiscal year. At December 31, 2013, the remaining stock options allowed for the potential creation of a maximum of 1,250,140 new shares, representing 7.69% of the sum of the securities composing the company's capital and these new shares.

The following table summarizes the stock option plans put in place by the company Guillemot Corporation S.A. during previous fiscal years, and still in effect during the fiscal year ended December 31, 2013:

General meeting date	20/02/03	20/02/03	20/02/03	15/06/06	15/06/06
Board of Directors meeting date	01/09/03	22/02/06	22/02/06	18/02/08	18/02/08
Total number of shares available for subscription, of which: - by company Directors - by the ten highest-allocated employees	459,000 0 218,000	433,000 75,000 157,500	246,000 0 82,000	383,000 75,000 200,000	217,000 0 130,000
First option exercise date	01/09/07	22/02/10	22/02/08	18/02/12	18/02/10
Options expiry date	01/09/13	22/02/16	22/02/16	18/02/18	18/02/18
Subscription price (in €)	1.83	1.74	1.77	1.91	1.91
Exercise terms	-	-	1/3 per yr.	-	1/3 per yr.
Number of shares subscribed to Including during the fiscal year ended 31/12/2013	16,700 0	10,500 0	12,000 0	0 0	6,360 0
Stock options canceled or nullified during the fiscal year ended 31/12/2013	442,300 (1)	0	0	0	0
Remaining stock options at 31/12/2013	0	422,500	234,000	383,000	210,640

(1) None of the stock options granted on September 1, 2003 have been exercised, and all of these stock options were nullified on September 1, 2013.

Moreover, we wish to point out that no stock options have been granted or exercised since the start of the fiscal year on January 1, 2014 and that to date, no stock option plan has been put in place.

Rennes, March 26, 2014

Chairman of the Board of Directors

13.4 Special report on bonus shares (Article L.225-197-4 of the Commercial Code)

Pursuant to the terms of Article L.225-197-4 of the Commercial Code, we hereby present in this report the information regarding bonus shares issued during the fiscal year ended December 31, 2013.

No bonus shares were granted to the company's executive directors or to non-executive director employees during the fiscal year ended December 31, 20123 nor during previous fiscal years.

Moreover, we wish to point out that no bonus shares have been granted since the start of the fiscal year on January 1, 2014.

Rennes, March 26, 2014

Chairman of the Board of Directors

13.5 Report from the Chairman of the Board of Directors on the preparatory and organizational conditions for the workings of the Board of Directors and internal control procedures put in place by the company (Article L.225-37 of the Commercial Code)

Ladies and Gentlemen,

Pursuant to the terms of Article L.225-37, paragraph 6 and following of the Commercial Code, I present herein an account of the terms of this report, regarding:
- the composition of your Board of Directors and the application of the principle of balanced representation of men and women therein,
- the preparatory and organizational conditions for the workings of your Board of Directors for the fiscal year ended December 31, 2013,
- the internal control and risk management procedures put in place by the company,
- the scope of the powers of the Chief Executive Officer,
- the terms regarding the participation of shareholders in general meetings, and
- the principles and rules used to determine remuneration and benefits granted to the company's executive directors.

This report has been prepared with the support of the Administration and Financial services based on the existing internal control procedures within the Group, and I have personally followed the progress of the work. This report was approved by the Board of Directors at its meeting held on March 26, 2014.

A - CORPORATE GOVERNANCE

The company refers to the Middlenext corporate governance code of December 2009 for listed companies with medium and smaller-sized securities. Details regarding this code are available on the Middlenext website (www.middlenext.com).
The Board of Directors has taken note of the elements set out in the "Points to be noted" section of the Middlenext code.

B - PREPARATION AND ORGANIZATION OF THE WORKINGS OF THE BOARD OF DIRECTORS

1) Composition of the Board of Directors

Article 9 of the bylaws stipulates that the company may be administered by a Board of Directors composed of between three members minimum and eighteen members maximum.
The duration of Directors' functions is six years. Each Director must own at least one share and may not be more than eighty years of age.

Your Board of Directors is composed of six members, including five men and one woman.
The percentage of male and female Directors now stands at 83.3% and 16.7%, respectively. Your Board of Directors intends to progressively admit more women to its ranks, in order to meet the recent legal provisions applicable in this regard.

No changes have occurred in terms of the composition of the Board of Directors during the fiscal year ended December 31, 2013.

Your Board of Directors includes one independent member in the sense of the Middlenext corporate governance code, said member being Ms. Marie-Hélène Lair.
The other five members of the Board of Directors, namely Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot, are not independent in the sense of the Middlenext corporate governance code, as they are also executive directors of the company and are brothers.
Your Board continues to search for independent Directors in order to comply with the terms of the Middlenext corporate governance code, but has not been able to finalize this search to date.
Your Board of Directors does not include a Director elected by employees.

Each Director also serving a role as elected officer (Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot) does not hold more than three other directorships in listed companies outside of the Guillemot Corporation Group.

The list of company Directors, including the functions which they perform as part of other companies and information regarding the experience and competence of each Director, is set out in sections 10.1 and 10.2 of the Management report.

2) Role and workings of the Board of Directors

The Board of Directors determines the guiding lines for the company's activities, and ensures their implementation. It wields its powers within the scope of the company's business purpose, and subject to the regulations expressly determined by law regarding shareholder meetings.
The Chairman of the Board of Directors organizes and directs the workings of the Board, providing accounts thereof to general meetings and carrying out its decisions. The Chairman represents the Board of Directors in its relations with third parties. The Chairman ensures the proper functioning of the company's various bodies, and ensures that Directors are able to carry out their duties.
At its meeting held April 29, 2002, your Board of Directors decided that the duties of the Chairman of the Board of Directors and of the Chief Executive Officer would be held by the same individual concurrently.

Your Board of Directors approved the Internal bylaws proposal put forth by its Chairman, at its meeting held October 31, 2007, which was then modified by the Board of Directors at its meetings held on March 12, 2010 and August 26, 2011.
In particular, this regulation sets out the role of the Board of Directors, the guiding principles for the workings of your Board of Directors, the duties of its members (the number of mandates which can be held concurrently, confidentiality, loyalty, conflicts of interest, transactions on company shares, and so on), and the rules for determining and remunerating its members. Your Board of Directors' rules and regulations are available on the company's website (www.guillemot.com).

In October 2013, Directors were invited to express their opinions on the workings of your Board of Directors and on the preparation of its works during 2013. All Directors shared their thoughts by way of a questionnaire mainly relating to the makeup of the Board, its workings, the frequency of meetings, the subjects dealt with, the quality of debates and the information provided to Directors. The results demonstrated a positive appreciation of the Board's ability to fulfill its mission.

3) Board of Directors meetings

The Board of Directors meets as frequently as the company's best interest dictates.

Meetings of the Board of Directors take place at the company's registered office, or at any alternate location indicated on the meeting notice. For the purposes of calculating quorum and majority, where authorized by law, Directors are deemed to be present when participating in a Board of Directors meeting by way of videoconferencing or telecommunications methods.

During the fiscal year ended December 31, 2013, your Board of Directors met six times. Meetings were presided over by the Chairman. The meeting attendance rate was 72.22%. The workings of your Board related to:

- Control of financial statements for the fiscal year ended December 31, 2012; Net income appropriation and distribution proposal; Approval of the report from the Chairman of the Board of Directors on internal controls and corporate governance; Preparation and convocation of the annual general meeting of shareholders.
- Control of provisional management documents stipulated in Article L.232-2 of the Commercial Code and the establishment of reports on said documents.
- Implementation of a share buyback program.
- Review of observations and recommendations of external auditors regarding the Group's IT environment.
- Review and approval of summarized half-year consolidated financial statements relating to the period from January 1, 2013 to June 30, 2013.
- Guaranteed to be granted to the English subsidiary Guillemot Ltd .
- Approval of provisional management documents stipulated in Article L.232-2 of the Commercial Code, and the drafting of reports on said documents.
- Deliberations regarding the company's policy with respect to professional and salary equality.
- Evaluation of the functioning of the Board of Directors and of the preparation of its works.

4) Convocation of Directors

Article 10 of the bylaws stipulates that Directors may be invited to meetings by any method, including verbally. During the fiscal year ended December 31, 2013, all convocations took place via email.

5) Informing Directors

All documents and information required for the Directors' duties were passed on to Directors or made available to them within a sufficient period of time prior to meetings, or were provided to Directors during the meetings themselves.

6) Remuneration of Directors

During the fiscal year ended December 31, 2013, a total amount of €77,000 was paid out to Directors by way of attendance fees. The breakdown of this sum is set out in paragraph 10.3.1 of the Management Report.

7) Specialized committees

At its meeting held July 16, 2009, using the exemption stipulated in Article L823-20 4° of the Commercial Code, the Board of Directors decided that the Board itself would carry out the following up of questions relating to the creation and control of accounting and financial information, since up to that date your Board had exclusively been composed of members carrying out the functions of Directors, and did not include any independent members.

In November 2011, a new Director was named with particular competencies in financial and accounting matters, and who is independent in the sense of the Middlenext corporate governance code.

The Chief Executive Officer chairs meetings of the Board of Directors meeting in the form of an audit committee, with the goal of fostering direct and immediate discussions at these meetings.

To date, no committees have been formed by the Board of Directors, which has judged it to be unnecessary to put in place a committee at the present time.

8) Meeting minutes

Minutes of meetings of the Board of Directors are drafted at the end of each meeting.

C - INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The Group relied on the recommendations put forth by the AMF in its report published January 22, 2007, as well as the frame of reference for internal controls among listed companies, updated in July 2010.
The Group has also used the implementation guide for medium and small securities of this frame of reference in order to facilitate reflection and communications on internal controls, and to allow the company to identify the points of control to be improved.

1) Internal control procedures objectives

Internal controls are a company system, defined and implemented under its responsibility, aiming to ensure:
- conformity with laws and regulations,
- the application of instructions and directions set by executive management,
- the proper functioning of the company's internal control procedures, particularly those contributing to the safeguarding of its assets,
- the reliability of financial information,
- and, more generally, promotion of the company's mastery of its activities, the efficiency of its operations and efficient use of its resources.

By contributing to preventing and mastering the risks of not meeting these objectives, the internal control system plays a key role in the conducting and steering of different activities.

Nonetheless, internal controls cannot provide an absolute guarantee that these objectives will be met.

2) General organization of internal controls

a) Scope of internal controls

The parent company verifies the existence of internal control systems among its subsidiaries, adapting the systems to the subsidiaries' own features, as well as with regard to relations between the parent company and its subsidiaries.

b) Parties charged with internal controls

The Guillemot Group's internal controls are based on the principles of delegation, authorization and separation of functions, translating into approval and validation procedures and processes.
The Group's associates are made aware of the rules of conduct and integrity which are the very foundation of the Group's internal controls. Associates have the required knowledge in order to establish, employ and monitor the internal control system, with respect to the objectives which have been assigned to them.

The organization and roles of the different bodies which contribute toward internal controls are detailed hereafter:

♦ **The Board of Directors** determines the directions of the Group's activities, and oversees their implementation.

♦ **The Chief Executive Officer** is responsible for developing the procedures and methods implemented in order to ensure the functioning and following of internal controls.

♦ **Administrative and Financial services** bring together functional services with a dual mission of expertise and control, including:

The Group's Management Control service provides the relevant numerical data (sales, margins, costs, etc.) to Directors.
Its objectives are:
- Implementation of reporting, steering and decision-making tools adapted to different levels of responsibility,
- Analysis of deviations between actual results and objectives, explanation of the causes of these deviations with respect to operating goals and follow-up of the implementation of corresponding corrective measures,
- Verification of the exactitude of base data and control of upkeep of accounting and financial information systems.

The Accounting and Consolidation service has the following objectives:
- Drafting of standard and consolidated half-year and annual financial statements, respecting legal obligations and within the timeframes required by financial markets.
- Responsibility for the implementation of accounting procedures,
- Definition and control of the application of financial security procedures, respecting the principle of separation of tasks between organizers and payers,
- Definition of the fiscal strategy, with the aid of financial advice,
- Coordination, with Independent Auditors, of the availability of information useful to their tasks.

The Treasury service
The service's goal is to follow the Group's cashflow levels and ensure optimal management.
The service organizes management of cashflow and decides on the use of financial resources in relation to each financial establishment.
In order to reduce the risk of error or fraud, powers delegated are allocated to a limited number of individuals given sole responsibility by executive management to process certain financial transactions according to predefined thresholds and authorizations.

The Legal service
The Group has an internal legal service responsible for providing services to companies within the Group.
This service is responsible for:
- Definition and control of the application of the Group's contractual policies,
- Follow-up of disputes, litigation and legal risk, and interfacing with the accounting service, allowing it to be taken into account with respect to finances,
- Following up off-balance-sheet commitments,
- Following up the Group's different insurance contracts.

The Human Resources service
The Human Resources service is centralized at the head office level. It is responsible for the Group's respecting of labor codes and organizes relations with bodies representing personnel.

The Financial Communications service
The Financial Communications service distributes the information required for shareholders, financial analysts and investors to be able to accurately assess the Group's strategy.

The Information Systems service
This service in charge of the Group's information systems manages the development of specific tools and is involved in the selection of computer solutions. It regularly follows the progress of computer projects and ensures their concordance with operational needs.

c) *Implementation of internal controls and risk management*

♦ **Management control procedures**

Business plan
Organization and planning is centralized and organized at the head office level by the Management Control service, which establishes the principles and calendar, guides the process by unit and verifies the strategy's compliance with the Group's strategy. This plan is updated on a half-yearly basis.

Annual budget
Operational and functional managers, in conjunction with the Management Control service and financial management, draw up an annual budget for the coming fiscal year.
The objectives set out are subject to validation by executive management, and the organization of two annual meetings attended by operational managers allows for progress to be followed.

Weekly operating report
The Management Control service drafts the weekly operating report addressed to executive management, containing the following information in particular:
- Consolidated sales,
- Gross margins,
- Costs,
- Inventory levels,
- Achievement indicators in relation to forecasts and budgets,
- Trend indicators.

Reconciliation with accounting data
Each quarter, the Management Control service reconciles accounting data in order to analyze and rectify deviations between:
- Management commitments and actual accounting expenses,
- Methods for meeting expenses via management control and actual expenses.

This reconciliation provides analysis data by sector.

Financial forecasts
In order to carry out the forecast approach developed in budgets and reinforce the coherence of management and treasury forecasts, the Accounting service prepares the following elements:
- The simplified statement of income, allowing for the preparation of selected performance result figures,
- The simplified balance sheet, in order to complete the income-based approach and analysis obtained from management forecasts with an asset-based approach, allowing the Group to anticipate the evolution of key entries such as fixed assets/investments or working capital requirements, and ensure the reliability of the treasury approach,
- The statement of changes in financial position, allowing for work on forecast indicators.

♦ **Commitment control procedures**

Drafting, approval and following-up of contracts
The Group's Legal service is engaged in securing and controlling commitments, in close collaboration with executive management and operational managers.

Contract control
Before being signed by the Group, contracts are submitted to the Legal service for verification. After contracts are signed, all original contracts are filed with the Legal service.

Purchases
The Group regularly works with the same suppliers it has used in the past. Opening of an account with a new supplier is the responsibility of management.

The procedure in place verifies the separation of functions inside of the purchasing cycle in particular, from orders to payment of invoices to the subsequent control of accounts.

Sales
General sales conditions are certified and reviewed on a yearly basis by the legal and commercial services according to regulatory changes, in particular.
The solvency of customers is an ongoing concern of the Group. Thus, from management to those responsible for customers, strict procedures are applied.
A rigorous process is established for new customers, who must obtain sufficient credit insurance coverage before any relations are established. The following of regulations (and the following-up of debtors) is permanent and systematic and is the responsibility of both the customer accounting service and commercial management. As the Group’s main customers are among major European retailers and distributors whose solvency is recognized, the Group’s credit risk is limited.

♦ **<u>Asset control procedures</u>**

Fixed assets
Fixed assets are managed by the general accounting service. Regular updates are obtained from a technical manager on the state of these assets.

Inventories
A physical inventory is carried out each year.
The Group has developed a computing tool for allowing for optimal monitoring of inventory, and in 2013 put in place a perpetual inventory procedure.

♦ **<u>Treasury control procedures</u>**

Securing payments
All of the Group’s payment methods are subject to security procedures, established via contracts with banks. These security procedures are combined with daily banking institution-accounting reconciliation.
The risk of internal fraud is limited, thanks to a procedure of separating tasks between the payment order issuer and the signatory.
In light of the upsurge of attempted fraud schemes with respect to transfer orders, in 2013 the Group strengthened its control procedures, and regularly alerts the accounting services and operational teams.

Liquidity risk management
The Treasury service is responsible for ensuring that the Group has constant sources of financing at its disposal, and that these sources are sufficient to meet its needs.
To accomplish this, a monthly analysis is carried out, combined with day-to-day updating of treasury forecasts and daily reporting to executive management regarding net cashflow.

Forex and interest rate risk coverage
Purchases of merchandise are carried out mainly in US dollars.
The Group invoices its customers mainly in euros.
As a result of the indexation of sale prices to dollar cost prices by all players in the Group's sector of activity, the Group’s sales prices are either increased or decreased as a function of overall cost prices. In order to limit the Group's Forex risk, Guillemot Corporation covers a portion of Forex variation risks by way of cash purchases, forward purchase contracts and foreign exchange options.
The interest rate risk is studied regularly by the Treasury service and validated by executive management.

♦ **<u>Financial information production and control procedures</u>**

Validation of sales figures
Each quarter, the Management Control service provides the Group’s consolidated sales figure.
Accounting of sales is ensured by the tabulations of invoicing data in invoicing software as part of accounting systems.
Reconciliation is carried out between data obtained from management controls and figures from accounting.

Accounting tools
The Group uses a variety of software tools for the requirements of general accounting, cashflow management, fixed asset management, pay and consolidation. The internal development of specific management tools allows the Group to optimize its requirements.

Analysis and control procedures
Recurring accounting events are regularly recorded using dedicated accounting software, ensuring optimal productivity and security.
The principle of separating tasks is applied at the accounting service level, in order to avoid the risk of error or fraud.
Great attention is paid to the security of computer data and processing (physical and software protection of access, safeguards, computer back-ups, etc.).
Access rights are managed centrally allowing for secure handling of companies' information and data, as well as the authorization and issuing of payments.
All balance sheet and statement of income entries are analyzed in comparison to the previous fiscal year, and all deviations are justified in the interest of controlling the risk of fraud or error.

Closing of accounts procedures
A presentation is given by the Accounting service to members of executive management regarding the closing of accounts, a procedure also subject to joint analysis of inventory postings in conjunction with the Management Control service. The posting of provisions is subject to a precise analysis of the risks to the operational and/or functional services involved, by the Legal service and, if need be, by outside advisors.
The drafting of the consolidated financial statements is carried out internally by the Consolidation service, which is responsible for the updating of consolidation parameters, as well as the preparation and drafting of statutory statements pursuant to IFRS standards. The main controls carried out by the Consolidation service relate to the controls regarding subsidiaries' returns and statements, the reviewing of adjusted control reports following consolidation processing and control of consolidation analysis reports.

Relations with Independent Auditors are organized as follows:
- A meeting prior to the closing of accounts provides for the establishment of a calendar and the organization of proceedings, and also allows for validation of the main accounting options,
- A summarization meeting is organized with the participation of members of executive management following the closing of accounts, allowing company officials to take note of any remarks put forth by the Independent Auditors regarding the company's financial statements or consolidated financial statements.

Financial statements are then presented to the Chairman of the Board of Directors, before being approved by the Board.

Financial communications
The Chief Executive Officer and Deputy CEOs are the main players involved in communicating financial information to the markets.
Financial management, along with the Communications and Legal services are also authorized to communicate financial information.
Financial communications are carried out by way of financial and accounting statements, reference documents and press releases.
These documents are validated by the various administrative and financial services involved, and the whole is then validated in turn by executive management.
Finally, the reference document is submitted to the Autorité des Marchés Financiers (AMF).
Financial information is sent out via email and telephone, as well as by post.

Financial information is also transmitted by way of a professional distributor meeting the criteria set out in the Autorité des Marchés Financiers General Regulations. Press releases are made available online on the Guillemot Group website (texts are available in both English and French on the website).

d) Drafting of accounting and financial information for shareholders
The internal control procedures set out in this report regarding the drafting and processing of accounting and financial information for shareholders, as well as those ensuring conformity with generally accepted accounting principles, are organized by members of executive management, who then delegate tasks to be carried out by the Administration and Financial services and oversee their execution.

e) Conclusion
The Guillemot Group's internal control procedures are constantly evaluated, allowing them to be updated and evolve in order to take into account modifications in terms of legislation and regulations applicable to the Group and its activities, amongst other factors.

The main events in 2013 were the following:
- Implementation of the exchange of paperless invoices with customers requesting the same.
- Putting in place of a product tracking system allowing for better identification of products by way of homogenizing serial number formats.
- Adaptation of the IT system for the management of a new warehouse based in Hong Kong.
- Putting in place of rotating inventories.
- Putting in place of forecast utilities for purchasing requirements with respect to components.

The main events to be carried out in 2014 are the following:
- Strengthening of firewalls allowing for new security policies.
- Putting in place of a standby server at the Carentoir site in order to allow for quick restarting of critical elements of the IT system in the event of a major disaster.
- Putting in place of new production monitoring utilities.

It is the opinion of the Chairman of your Board of Directors that the measures in place provide for the maintenance of effective internal controls.

D - POWERS OF CHIEF EXECUTIVE OFFICER

To date, the Board of Directors has made no limitations in terms of the particular powers granted to your company's Chief Executive Officer, other than those prescribed in the bylaws and by law.

E - PARTICIPATION OF SHAREHOLDERS IN GENERAL MEETINGS

The conditions for the participation of shareholders in general meetings are set out in Article 14 of the bylaws, quoted as follows: "General meetings include all shareholders of Guillemot Corporation other than the company itself. Meetings are convened and held in accordance with the conditions stipulated in applicable legal and regulatory provisions. General meetings are held at the company's registered office or at any other location indicated in the meeting notification.
They are presided over by the Chairman of the Board of Directors or, when unavailable, by a Director designated by the meeting.
All shareholders have the right, upon proof of identity, to participate in general meetings, whether by way of personal attendance, submission of a completed ballot form by post, or by proxy designation.
Justification for the right to participate in general meetings is obtained by registration of the securities held in the name of the shareholder or of the intermediary registered for his or her account pursuant to Article L.228-1 of the Commercial Code, by the third working day preceding the meeting date at zero hour, Paris time, either in the nominative securities registry held by the company, or in the bearer securities registry held by an authorized intermediary.
For bearer securities, registration of the securities in the bearer securities registry held by an authorized intermediary is certified by way of a certificate of participation delivered by said intermediary."

It is stipulated that a shareholder may be represented at general meetings by his or her spouse, by another shareholder, by the partner with which he or she has entered into a civil solidarity pact, or by any other natural or legal person of his or her choice (Article L225-106 of the Commercial Code).

F - PRINCIPLES AND REGULATIONS EMPLOYED TO DETERMINE REMUNERATION OF AND BENEFITS PROVIDED TO COMPANY DIRECTORS

Remuneration of company Directors is composed of a fixed component. It does not contain any variable component, nor benefits in kind.

To date, no specific retirement benefits scheme has been put in place for the company's executive directors, and no commitments have been made by the company corresponding to elements of remuneration, indemnities or benefits due or potentially due as a result of the undertaking, ending or changing of these functions or subsequent to the same.

When stock options are granted to company Directors, the number of options granted to each Director is the same, and options are also granted to Group employees. The Director must also be part of the company at the time when the options are exercised. Regarding the options granted since January 1, 2007, Directors must retain nominative registration of 5% of the shares resulting from the exercise of options until the end of their functions with the company.

In its meeting held on August 26, 2011, the Board of Directors decided upon the breakdown of the maximum overall annual set amount of €150,000 granted to Directors at the general meeting of shareholders held on May 25, 2011, for the purposes of attendance fees. The breakdown of attendance fees was determined according to Directors' diligence, as well as the amount of time devoted to their duties. Attendance fees are composed of both a fixed and a variable component.

The details regarding remuneration paid to company Directors during the fiscal year ended December 31, 2013 are set out in paragraph 10.3 of the Management report.
Moreover, in paragraph 10.4.1 of the Management report, information is provided relating to:

- work contracts and corporate mandates,
- severance benefits, and
- additional pension schemes.

G - INFORMATION STIPULATED IN ARTICLE L.225-100-3

The elements which may have an impact in the event of a public offering, stipulated in Article L.225-100-3 of the Commercial Code, are set out at section 9.3.4 of the Management report.

Rennes, March 26, 2014
Chairman of the Board of Directors

➢ CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2013

All entries are in €K.

1 CONSOLIDATED BALANCE SHEET

ASSETS (in €K)	**Notes / Paragraphs**	**Net 31.12.13**	**Net 31.12.12**
Excess fair market values	5.7.1	888	888
Intangible fixed assets	5.7.2	7,263	6,447
Tangible fixed assets	5.7.3	3,303	3,599
Financial assets	5.7.4	381	366
Income tax receivables	5.7.9	0	0
Deferred tax assets	5.8.6	0	0
Non-current assets		11,835	11,300
Inventories	5.7.5	9,987	13,522
Customers	5.7.6	15,719	11,963
Other receivables	5.7.7	1,434	1,560
Financial assets	5.7.4	6,863	5,331
Cash and cash equivalents	5.7.8	2,135	3,195
Income tax receivables	5.7.9	99	55
Current assets		36,237	35,626
Total assets		**48,072**	**46,926**

LIABILITIES AND SHAREHOLDERS' EQUITY (in €K)	**Notes / Paragraphs**	**31.12.13**	**31.12.12**
Capital (1)		11,554	11,554
Premiums (1)		10,472	10,472
Reserves and consolidated income (2)		-3,380	-2,562
Forex adjustments		440	488
Group shareholders' equity	5.7.10	19,086	19,952
Minority interests		0	0
Shareholders' equity		**19,086**	**19,952**
Personnel commitments	5.7.12	441	410
Loans	5.7.13	2,339	978
Other liabilities	5.7.14	1,666	1,666
Deferred tax liabilities	5.8.7	0	0
Non-current liabilities		**4,446**	**3,054**
Suppliers		11,597	11,070
Short-term loans	5.7.13	7,086	8,177
Fiscal liabilities		229	220
Other liabilities	5.7.14	5,345	4,219
Provisions	5.7.11	283	234
Current liabilities		**24,540**	**23,920**
Total liabilities and shareholders' equity		**48,072**	**46,926**

(1) Of the consolidated parent company.
(2) Net income for the fiscal year: €-822K.

The notes presented in section 5 form an integral part of the consolidated financial statements.

2 STATEMENT OF NET INCOME AND GAINS AND LOSSES POSTED DIRECTLY UNDER SHAREHOLDERS' EQUITY

- **Net consolidated statement of income**

(in €K)	**Notes / Paragraphs**	**31.12.13**	**31.12.12**
Net sales	5.6	43,679	48,981
Purchases	5.8.1	-20,465	-30,476
External expenses	5.8.1	-9,818	-13,308
Personnel expenses	5.8.1	-6,968	-7,418
Taxes and duties		-323	-343
Depreciation and amortization	5.8.2	-2,232	-1,816
Provisions allowance	5.8.2	-911	-754
Changes in inventories	5.8.3	-2,991	3,173
Other operating revenues	5.8.4	142	316
Other operating expenses	5.8.4	-1,762	-1,518
Current operating income		**-1,649**	**-3,163**
Other operations-related revenues	5.8.5	0	558
Other operations-related expenses	5.8.5	-703	-48
Operating income		**-2,352**	**-2,653**
Cash and cash equivalents revenues		1	26
Cost of gross financial debt		221	175
Cost of net financial debt	5.8.6	-220	-149
Other financial revenues	5.8.6	1,887	2,727
Other financial expenses	5.8.6	0	0
Income tax expenses	5.8.7	-137	-135
Net income before minority interests		**-822**	**-210**
including net income from terminated activities	5.8.8	0	0
Minority interest share		0	0
Group net income		**-822**	**-210**
Base earnings per share	5.8.9	-€0.06	-€0.01
Diluted earnings per share	5.8.9	-€0.05	-€0.01

- **Statement of net income and gains and losses posted directly under shareholders' equity**

(All entries are in €K)	**31.12.13**	**31.12.12**
Net attributable profit	**-822**	**-210**
Forex adjustments	-48	-7
Revaluation of coverage derivatives	0	0
Revaluation of financial assets available for sale	0	0
Revaluation of fixed assets	0	0
Actuarial gains and losses on defined benefit plans	3	-60
Share of gains and losses posted directly under shareholders' equity of equity method companies	0	0
Total gains and losses posted directly under shareholders' equity - Group share	**-45**	**-67**
Net income and gains and losses posted directly under shareholders' equity - Group share	-867	-277
Income and gains and losses posted directly under shareholders' equity - Minority interests	0	0

The notes presented in section 5 form an integral part of the consolidated financial statements.

3 CONSOLIDATED SHAREHOLDERS' EQUITY EVOLUTION

(All entries are in €K)

	Notes	Capital	Premiums	Conso-lidated reserves*	Net income	Forex adjust-ments	Total share-holders' equity
Balance at 01.01.12		11,554	10,472	246	-2,538	495	20,229
Comprehensive income at 31.12.12	5.8				-210	-7	-217
31.12.11 net income appropriation				-2,538	2,538		0
Stock options	5.7.10			8			8
Consolidated parent company securities	5.7.10			25			25
Capital gain/loss on treasury securities	5.7.10			-33			-33
Other	5.7.12			-60			-60
Balance at 31.12.12		11,554	10,472	-2,352	-210	488	19,952
Balance at 01.01.13		11,554	10,472	-2,352	-210	488	19,952
Comprehensive income at 31.12.13	5.8				-822	-48	-870
31.12.12 net income appropriation				-210	210		0
Stock options	5.7.10						0
Consolidated parent company securities	5.7.10			6			6
Capital gain/loss on treasury securities	5.7.10			-5			-5
Other	5.7.12			3			3
Balance at 31.12.13		11,554	10,472	-2,558	-822	440	19,086

* Including actuarial gains and losses of €126K at 01.01.2012, €66K at 01.01.2013 and €69K at 31.12.2013

The notes presented in section 5 form an integral part of the consolidated financial statements.

4 CONSOLIDATED CASHFLOW TABLE

(in €K)	Notes / Paragraphs	31.12.13	31.12.12
Cashflow linked to operating activities			
Net income of integrated companies		-822	-210
+ Depreciation, amortization and provisions allowance (apart from that linked to current assets)		2,766	1,939
- Depreciation, amortization and provisions recovery		-46	-30
- /+ Latent gains and losses linked to changes in fair value	5.8.6	-1,658	-1,827
+/- Expenses and revenues linked to stock options	5.7.10	0	8
-/+ Net gain/loss on disposals	5.7.4	-204	-673
Deferred tax change	5.8.7	0	0
Cashflow after cost of net financial debt		**36**	**-793**
Cost of net financial debt	5.8.6	220	151
Cashflow before cost of net financial debt		**256**	**-642**
Cashflow Forex adjustment		3	5
Inventories	5.7.5	3,535	-2,653
Customers	5.7.6	-3,756	3,028
Suppliers		526	-4,762
Other		932	456
Working capital requirements change		**1,237**	**-3,931**
Net cashflow linked to operating activities		**1,276**	**-4,719**
Cashflow linked to investments			
Intangible fixed asset acquisitions	5.7.2	-2,087	-2,607
Tangible fixed asset acquisitions	5.7.3	-800	-1,171
Intangible and tangible fixed asset disposals	5.7.3	8	0
Financial fixed asset acquisitions	5.7.4	-16	-16
Financial fixed asset disposals	5.7.4	344	1,965
Net cashflow on subsidiary acquisitions/disposals		0	0
Net cashflow linked to investment activities		**-2,551**	**-1,829**
Cashflow linked to financing activities			
Capital increase or cash contribution	5.7.10	0	0
Treasury stock buyback and resale		0	0
Debt issuance	5.7.13	4,000	0
Shareholders' current account reimbursement	5.7.14	0	0
Debt repayments	5.7.13	-1,843	-2,259
Other cashflow linked to financing activities		0	0
Total cashflow linked to financing activities		**2,157**	**-2,259**
Forex adjustment impact		**-32**	**-2**
Cashflow change		**850**	**-8,809**
Net cashflow at fiscal year start	5.7.8, 5.7.13	-3,454	5,355
Net cashflow at fiscal year end	5.7.8, 5.7.13	-2,604	-3,454

The notes presented in section 5 form an integral part of the consolidated financial statements.

5 APPENDICES TO CONSOLIDATED FINANCIAL STATEMENTS

5.1 General information

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 eleven countries including France, Germany, the UK, the United States, Canada, Spain, the Netherlands, Italy, Belgium, Hong Kong and Romania, and distributes its products in more than sixty countries worldwide. The Group's mission is to provide high-performance, ergonomic products which maximize the enjoyment of digital interactive entertainment end users.

The company is a joint stock company, with its registered office located at Place du Granier, BP 97143, 35 571 Chantepie Cedex.

5.2 Significant events of the fiscal year

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.

5.3 Reference

Pursuant to EC Regulation number 1606/2002 of July 19, 2002, the Guillemot Corporation Group presents herewith its consolidated financial statements for fiscal 2013 in accordance with the IFRS reference as adopted in the European Union (this reference is available on the European Commission's website at the following address:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).
These international accounting standards include the IFRS (International Financial Reporting Standards) and IAS (International Accounting Standards), as well as their interpretations.

5.4 Main accounting methods

5.4.1 New IFRS standards and interpretations

The following new standards, amendments to existing standards and interpretations must be applied in 2013:

IFRS7 amendments – Offsetting financial assets and financial liabilities
IAS1 amendments – Presentation of items of other comprehensive income
IFRS improvements – Batch of amendments for 2009-2011 period
IAS 19 revised – Employee benefits
IFRS 13 – Valuation at fair value
IAS 12 amendments – Deferred tax: Recovery of underlying assets

These new standards, amendments to existing standards and interpretations have not had a significant impact on the Group's financial statements.

5.4.2 Consolidation principles

Companies controlled directly or indirectly by the Guillemot Corporation Group are fully consolidated. All consolidated companies closed their accounts on December 31, 2013. Subsidiaries' accounting methods are aligned with those of the Group. Companies in which the Group does not exert a significant influence are not consolidated. The Guillemot Corporation Group does not exercise joint control in or significant influence on its other investments. Results of companies within the Group's scope of consolidation are consolidated from the date on which control was assumed, or from the company's creation date. Inter-company transactions between all companies within the Group are eliminated in accordance with accepted accounting practices. All significant transactions between consolidated companies are eliminated, as are unrealized internal results included in fixed assets and inventories of consolidated companies.

5.4.3 Intangible fixed assets

Brands

Brands acquired by the Group have been considered as having an indefinite lifespan and are therefore not eligible for amortization. Their duration of use is reexamined annually and brands are subject to depreciation tests at the level of the cashflow generating unit to which the intangible fixed asset belongs. A deprecation test is also carried out in the event of an indication of loss in value. In the absence of a deep market for the brands in the Group's sector of activity, the fair value method is not applied for valuation of brands held by the Group. The going value is the discounted value of future cashflow expected from an asset, which is to say of its continued use and removal at the end of its usefulness. This method is used for the valuation of brands.

Excess fair market values

When a subsidiary is acquired, its identifiable assets, liabilities and possible liabilities are recorded on the consolidated balance sheet at their fair value at this date. A positive residual amount between the acquisition cost of securities and the true value acquired by the Group in the net fair value of identifiable net assets is accounted for as "excess fair market values". After initial accounting, excess fair market values are evaluated at their cost less cumulative losses in value. Excess fair market values are subject to annual depreciation tests. Losses in value are not reversible. For the requirements of depreciation tests, the excess fair market value is assigned to each of the Group's cashflow-generating units which may benefit from the synergies involved.
Elements acquired by the Group classified as goodwill, and in particular intangible elements (customer base, market share, expertise and so on) allowing the company to carry out its activities and pursue its development, but which do not meet the identification criteria allowing them to be presented on their own on the consolidated balance sheet, are also assimilated into excess fair market values.

Research and Development costs

Research and Development costs are accounted for as expenses.
Development costs are accounted for as fixed assets where certain conditions have been met:
- The technical feasibility for completion of the intangible fixed asset so that it can be used or sold,
- The intent to complete the intangible fixed asset and use or sell it,
- The ability to use or sell it,
- The probability that future profits can be linked to this asset,
- The current or future availability of technical, financial or other resources necessary for carrying out the project,
- The ability to measure spending linked to this asset in a dependable way during its developmental phase.

Office automation software

Office automation software is amortized over its actual period of use, generally between 3 and 5 years.

Licenses

The company pays license fees in advance to third parties for distribution and reproduction rights. Once a contract has been signed, guaranteed amounts must be paid. These amounts are accounted for in a Licenses account in intangible fixed assets, where they meet the definition of an asset (identifiable, controlled and creating future economic advantages), and amortized on a straight-line basis.

5.4.4 Tangible fixed assets

Tangible fixed assets are recorded at their acquisition or transfer cost.
Depreciation of assets is calculated by the application of homogeneous rates within the Group, and is determined as a function of assets' estimated economic lives as follows:

Buildings:	20 years (straight-line)
Fixtures and fittings:	10 years (straight-line)
Technical installations:	between 1 and 10 years (straight-line)
Vehicles:	4 or 5 years (straight-line)
Office and computer equipment:	between 3 and 5 years (straight-line)
Office furniture:	between 5 and 10 years (straight-line)

The residual values and durations of use of assets are reviewed and adjusted, if need be, at each closing of accounts. Subsequent costs are included in the asset's worth or else accounted for as a separate asset if it is probable that future economic advantages associated with the asset will go to the Group and that the cost of the asset can be measured in a dependable manner.

5.4.5 Non-financial fixed asset depreciation

Fixed assets with an undetermined lifespan are not amortized, and are subject to annual depreciation tests. Amortized fixed assets are subject to depreciation tests where, due to particular events or circumstances, the coverability of their book values is cast into doubt. Depreciation is posted up to the limit of the surplus of the book value over the asset's recoverable value. An asset's recoverable value represents its fair value less disposal costs or its going value, if this is greater.

The fair value is the amount that can be obtained from the sale of an asset by way of a transaction under normal conditions of competition between well-informed, consenting parties, less buying-out costs. The going value is the discounted value of future cashflow expected from an asset, which is to say of its continued use and removal at the end of its usefulness.

For the purpose of evaluating depreciation, assets are grouped into cashflow-generating units, which represent the smallest group of identifiable assets which generate cashflow amounts largely independent of treasury entries generated by other assets or groups of assets. For non-financial assets (apart from goodwill) having undergone a loss in value, the possible recovery of the depreciation is examined at each annual or interim closing of accounts.

Brands and goodwill held in France are allocated to the two Hercules and Thrustmaster cashflow generating units comprising the segments of activity-related sectorial information.

5.4.6 Leases

Leases which transfer practically all of the liabilities and advantages inherent to an asset's property are considered as financing leases.

They are accounted for under assets at their resale cost and amortized as described above. The corresponding debt is recorded as a liability.

There were no financing leases underway at December 31, 2013.

5.4.7 Financial assets

The IFRS reference sets out four categories of financial assets: financial assets accounted for at their fair value under income, assets held until maturity, loans and receivables and assets available for sale.

Securities in the Group's portfolio are posted at their fair value (generally the acquisition cost), plus (for assets other than those classified as assets evaluated at their fair value as hedging for income) transaction costs directly attributable to the acquisition or issuing of the asset.

The inventory value of each holding is assessed according to its reevaluated share of equity and the company's future prospects. If this value falls below the book value, depreciation is recorded for the amount of the difference.

Treasury stock shares held at closing are deducted from the Group's shareholders' equity at their acquisition value, €685K at December 31, 2013 (FIFO method).

The fair asset value of financial assets is the share closing price on the last day of the fiscal year for listed securities, and the probable execution value for unlisted securities. Where the asset value is less than the acquisition value and where an objective indicator of depreciation exists, a provision for depreciation is posted.

In order to limit the Group's foreign exchange risk, Guillemot Corporation covers the risks of foreign exchange variations by way of forward purchase contracts and foreign exchange options. As these transactions do not meet the accounting criteria for coverage, they are posted as transaction instruments. These derived instruments are posted at their fair value on the transaction date on the balance sheet, under current financial assets or liabilities. The profit or loss resulting from the revaluation at fair value is immediately posted under financial income.

5.4.8 Income tax receivables

A distinction between current and non-current income tax receivables appears on the consolidated balance sheet.

5.4.9 Inventories

Inventories of companies within the Group are evaluated at their base cost, and exclude any inter-company holding gains and losses. Valuation is carried out according to the FIFO method (First In First Out).

Loan costs are not included in inventory valuation. Depreciation provisions are recorded when the cost of inventory is greater than its probable realizable value, less marketing costs. Obsolescence tests are carried out each year, and the probable realizable value is calculated according to the evolution observed and expected in terms of sales and the market prices of products.

5.4.10 Prepayments

This heading includes prepayments on orders made to suppliers.

5.4.11 Customers

Customers are recorded at their book value. A provision for depreciation is recorded at fiscal year-end if need be, based on an assessment of collection probabilities for trade accounts receivable. A depreciation provision is posted where there exists an objective indicator of the Group's inability to recover all amounts due according to the conditions initially stipulated at the time of the transaction. Significant financial difficulties encountered by the debtor, the probability of bankruptcy or the financial restructuring of the debtor and a failure or default in payment represent indicators for the depreciation of receivables.

5.4.12 Other receivables

Other receivables mainly include VAT receivables.

5.4.13 Deferred tax

Deferred taxes, which reflect the time differences between books values after consolidation reclassification and the fiscal bases of assets and liabilities, are posted according to the variable rate method. Deferred tax is posted in the statement of income and on the balance sheet in order to take into account current deficits, where their calculation on future fiscal earnings appears probable within reasonable recovery timeframes. Pursuant to the variable deferment method, the effects of possible tax rate variations on deferred tax posted previously is registered during the fiscal year in which the rate changes take place, in the statement of income or among the other elements of overall income, following the initial accounting method for the corresponding deferred tax amounts. Deferred tax assets are posted up to the limit of deferred tax liabilities:

they are compensated if the taxable entity has a legally binding right to compensate the callable tax assets and liabilities, and if these deferred tax assets and liabilities relate to taxes on income deducted by the same fiscal authority. Deferred tax is evaluated at the tax rate expected to be applied for the period during which the asset will be realized or the liability settled, based on the tax rates and fiscal regulations which have been adopted or nearly adopted at the end of the fiscal year.

5.4.14 Cash and cash equivalents

Cash and cash equivalents are comprised of cash accounts, accounts at banks and other financial institutions, and certificates of deposit (highly liquid investments maturing in less than three months, which do not represent a significant risk in terms of loss of value).

5.4.15 Foreign currency transactions and conversion of financial statements

Foreign currency denominated transactions are translated at their transaction rate or, where applicable, at their foreign exchange hedge contract rate. Non-covered foreign currency denominated assets and liabilities are translated at the closing rate. Forex adjustments for monetary assets and liabilities are incorporated into the consolidated net income figure for the period to which they relate.

All Groups subsidiaries use their local currencies for operations. Accounts of foreign subsidiaries not situated in high inflation zones are converted from foreign currencies according to the currencies' value at year-end, with Forex adjustments related to shareholders' equity.

5.4.16 Other liabilities

Other liabilities include compensation and benefits liabilities, current accounts, deferred income and assorted liabilities.

5.4.17 Provisions for liabilities and expenses

A provision is made where the company has a current obligation (legal or implicit) resulting from a past event and it is probable that an outlay of resources will be required in order to meet the obligation. The obligation amount may be estimated in a reliable fashion.

Provisions for risks linked to commercial litigation are included in this category.

5.4.18 Employee benefits

Upon retiring, Group employees are entitled to pension benefits calculated on the applicable collective agreement. This system is a defined benefits post-employment system.

The Group has no other post-retirement benefits programs other than the legal program stipulated by the collective agreements which govern the Group's employees.

A provision corresponding to the updated commitment is posted on the balance sheet under the personnel commitments heading.

5.4.19 Share-based payments

The Group has put in place remuneration plans denominated in shareholders' equity instruments (options on shares). The fair value of the services rendered by employees in exchange for the granting of options is accounted for as expenses. The total amount accounted for as expenses over the acquisition period of rights is determined by reference to the fair value of the options granted, without taking into account the conditions of acquisition of rights, which are not market conditions. The conditions of acquisition of rights which are not market conditions are integrated into the hypotheses on the number of options which may become available for exercise. At each closing date, the entity re-examines the number of options which may become available for exercise. If need be, the Group posts in its statement of income the impact of the revision of its estimates as hedging for a corresponding adjustment to shareholders' equity.

5.4.20 Information by sector

Operating sectors are presented on the same bases as those used in the internal reporting presented to the Group's executive management.

Information by sector broken down by activity relates to the Hercules and Thrustmaster sectors of activity. Information by sector broken down by geographic zone is based on the following geographical sectors: France, European Union (excluding France), and Other.

5.4.21 Product accounting

Pursuant to the IAS 18 standard, the overall sales figure is valued at the fair value of the compensation received or to be received, taking into account the amount of any commercial rebates or quantity-related rebates provided by the company. The Group's general sales conditions do not stipulate acceptance by the Group of unsold merchandise. Product sales are therefore registered and considered to be definitive as of the delivery date corresponding to the date of transfer of risks and benefits.

5.4.22 Public subsidies

Subsidies are listed in the statement of income and are deducted from the charges to which they relate. Any receivables with respect to the public body which has granted the subsidy are classified as other receivables.

5.4.23 Loans

Loans are initially presented on the balance sheet at their fair value. Loans are then accounted for at their amortized cost using the effective interest rate method. Loan costs are accounted for as expenses.

5.4.24 Earnings per share

The Group lists base earnings per share and diluted earnings per share based on consolidated net income.

Base earnings per share are calculated by dividing income by the average number of shares in circulation during the fiscal year, after deducting shares held by the Group.

Diluted earnings per share are calculated taking into account the conversion of all existing dilution instruments with respect to the average number of shares in circulation.

5.4.25 Uncertainties regarding valuations

Drafting of financial statements according to the IFRS requires employing certain determinant accounting estimations. Executive management must also use its judgment when applying the Group's accounting methods. The domains in which stakes are highest in terms of judgment or complexity, or those for which hypotheses and estimates are significant with regard to the consolidated financial statements, are set out in the appendix and relate mainly to intangible fixed assets, deferred tax, revenues, customer receivables, provisions and inventories.

5.5 Scope of consolidation

5.5.1 Companies included within the Guillemot Corporation Group's scope of consolidation

COMPANY	SIREN number	Country	Percentage of control/interest	Method
GUILLEMOT CORPORATION SA	414,196,758	France	Parent company	Full consolidation
GUILLEMOT Administration et Logistique SARL	414,215,780	France	99.96%	Full consolidation
HERCULES THRUSTMASTER SAS	399,595,644	France	99.42%	Full consolidation
GUILLEMOT Innovation Labs SAS	752,485,334	France	100.00%	Full consolidation
GUILLEMOT Ltd (b)		UK	99.99%	Full consolidation
GUILLEMOT Inc		Canada	74.89%(a)	Full consolidation
GUILLEMOT GmbH		Germany	99.75%	Full consolidation
GUILLEMOT Corporation (HK) Limited		Hong Kong	99.50%	Full consolidation
GUILLEMOT Recherche et Développement Inc		Canada	99.99%	Full consolidation
GUILLEMOT Romania Srl		Romania	100.00%	Full consolidation
GUILLEMOT Inc		United States	99.99%	Full consolidation
GUILLEMOT SA		Belgium	99.93%	Full consolidation
GUILLEMOT SRL		Italy	100.00%	Full consolidation
GUILLEMOT Spain SL		Spain	100.00%	Full consolidation

(a) Guillemot Inc (United States) also holds 25.11%. (b) The subsidiary Guillemot Ltd benefits from the statutory audit exemption.

Minority interests are not calculated in light of their non-significant nature.

5.5.2 Changes to scope of consolidation

There were no changes to the scope of consolidation.

5.6 Segment reporting

Pursuant to the IFRS 8 standard on operating sectors, the Group has presented the formats for information by sector on the same bases as those used in the internal reporting presented to the Group's executive management.

Information by sector broken down by activity relates to the Hercules and Thrustmaster sectors of activity. Information by sector broken down by geographic zone is based on the following geographical sectors: France, European Union (excluding France), and Other.

5.6.1 Segment reporting by activity

The Hercules sector of activity includes the following products: DJing, multimedia and wireless speaker systems, sound cards, Wi-Fi/PLC, netbooks and webcams.

The Thrustmaster sector of activity includes the following gaming accessories for PC and consoles: racing wheels, gamepads, joysticks, communications and mobility range, gaming headsets.

- Statement of income by activity (in € millions)

Sales breakdown:	31.12.13	31.12.12
Hercules	**21.4**	**32.6**
Digital devices	17.3	27.9
eCAFÉ netbooks	0.0	0.3
OEM	4.1	4.4
Thrustmaster	**22.3**	**16.4**
Gaming accessory ranges	22.3	16.4
TOTAL	**43.7**	**49.0**

- Statement of income by activity (in €K)

	31.12.13			31.12.12		
	Total	Hercules	Thrustmaster	Total	Hercules	Thrustmaster
Sales	43,679	21,365	22,314	48,981	32,560	16,421
Depreciation and amortization	2,233	1,288	945	1,816	844	972
Provisions allowance	911	711	200	813	539	274
Current operating income	-1,649	-1,643	-6	-3,223	-1,910	-1,313
Operating income	-2,352	-1,643	-709	-2,713	-1,376	-1,337

- Balance sheet by sector of activity (in €K)

	Net 31.12.13	Hercules	Thrustmaster	Net 31.12.12	Hercules	Thrustmaster
Excess fair market values	888	888	-	888	888	-
Intangible fixed assets	7,263	3,360	3,903	6,447	3,136	3,311
Tangible fixed assets	3,303	1,606	1,697	3,599	1,844	1,755
Inventories	9,987	5,378	4,609	13,522	8,837	4,685
Customers	15,719	5,240	10,479	11,963	7,076	4,887
Unallocated assets	10,912	-	-	10,507	-	-
TOTAL ASSETS	**48,072**	**16,472**	**20,688**	**46,926**	**21,781**	**14,638**
Shareholders' equity	19,086	-	-	19,952	-	-
Provisions	724	339	385	410	205	205
Suppliers	11,597	5,558	6,038	11,070	6,327	4,743
Unallocated liabilities	16,665	-	-	15,494	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**48,072**	**5,897**	**6,423**	**46,926**	**6,532**	**4,948**

Unallocated assets are financial assets, income tax assets, other receivables and cash.
Unallocated liabilities are loans, other liabilities, fiscal liabilities and deferred tax liabilities.

5.6.2 *Segment reporting by geographic zone*

- Sales by geographic zone (in €K):

Sales in:	**31.12.13**	**31.12.12**
France	11,730	17,174
EU (excluding France)	18,302	18,127
Other	13,647	13,680
TOTAL	**43,679**	**48,981**

- Overall value of assets by geographic location (in €K):

	31.12.13				**31.12.12**			
	Total net	**France**	**EU (excl. France)**	**Other**	**Net total**	**France**	**EU (excl. France)**	**Other**
Excess fair market values	888	888	0	0	888	888	0	0
Tangible fixed assets	3,303	3,228	22	53	3,599	3,514	20	65
Financial assets	381	351	8	22	5,697	5,665	8	24
Inventories	9,987	7,163	0	2,824	13,522	11,389	0	2,133
Customers	15,719	3,301	7,545	4,873	11,963	3,828	4,666	3,469
Other receivables	1,434	1,291	96	47	1,560	1,432	108	20
Cash and cash equivalents	2,135	1,420	259	456	3,195	2,578	266	351
Income tax receivables	99	0	0	0	55	55	0	0
Unallocated assets	14,126	-	-	-	6,447	-	-	-
TOTAL ASSETS	**48,072**	**17,642**	**7,930**	**8,275**	**46,926**	**29,349**	**5,068**	**6,062**

Unallocated assets are intangible fixed assets.

5.7 Balance sheet account explanatory notes

5.7.1 *Excess fair market values*

Excess fair market values were broken down at December 31, 2013 as follows:

Excess fair market values change	Gross at 31.12.12	Change	Gross at 31.12.13
Guillemot Ltd (UK)	1	-	1
Hercules Thrustmaster SAS (France)	1,299	-	1,299
Guillemot Administration et Logistique SARL (France)	233	-	233
Guillemot SA (Belgium)	233	-	233
Guillemot Inc (United States)	1,034	-	1,034
Guillemot Corporation SA (France)	941	-	941
Guillemot Inc (Canada)	16,894	-	16,894
Guillemot Srl (Italy)	4,392	-	4,392
Total	**25,027**	**0**	**25,027**

Excess fair market values depreciation	Provisions at 31.12.12	Additional loss in value from 01.01.13 to 31.12.13	Provisions at 31.12.13
Guillemot Ltd (UK)	1	-	1
Hercules Thrustmaster SAS (France)	411	-	411
Guillemot Administration et Logistique SARL (France)	233	-	233
Guillemot SA (Belgium)	233	-	233
Guillemot Inc (United States)	1,034	-	1,034
Guillemot Corporation SA (France)	941	-	941
Guillemot Inc (Canada)	16,894	-	16,894
Guillemot Srl (Italy)	4,392	-	4,392
Total	**24,139**	**0**	**24,139**
Net value **Total**	**888**	**0**	**888**

The application of a valuation test on excess fair market values from the subsidiary Hercules Thrustmaster SAS (net amount of €888K) and relating to Hercules goodwill, did not reveal any loss in value at December 31, 2013.
The recoverable value was determined based on going values.

The hypotheses used for applying this valuation test to the Hercules cashflow generating unit are the following:
- Operational cashflow to sales ratio of 5%.
- Short-term forecasts over 5 years (10% increase in sales for 2014 and 2015, and then stability over the next 3 years).
- 13% discount rate.
Pursuant to the IAS 36 standard, losses in value posted during previous fiscal years will not be recovered at a later date. The risk of additional depreciation involves a total amount of €888K. Valuation of excess fair market values presents an uncertainty and an adjustment risk over the years to come, in the event whereby the hypotheses employed for future cashflow generated by Hercules activities are revised downward. A 1% decrease in the cashflow to sales ratio would result in additional depreciation of €888K for the following period.

5.7.2 Intangible fixed assets

Intangible fixed assets are broken down as follows:

Gross values

	31.12.12	Scope mvt	Increase	Decrease	Forex adjustment	31.12.13
Brands	10,842					10,842
Development costs	1,860		1,326	497	3	2,692
Development costs in process	718		2,078	1,509		1,287
Licenses	1,805		281			2,086
Concessions, patents…	962		66	108	-29	891
Other intangible fixed assets	1,066		12		-48	1,030
TOTAL	**17,253**	**0**	**3,763**	**2,114**	**-74**	**18,828**

With respect to Development costs, since January 1, 2012 the Group has put in place project monitoring tools, allowing for reliable evaluation of spending linked to these assets.
Projects meeting the six eligibility criteria set out by the IAS 38 standard are now capitalized. The switch from fixed assets in progress to fixed assets under development costs takes place when the asset is put into production. Development costs capitalized over the period amounted to €807K in net value. The decrease of €497K in the Development costs heading relates to the disposal of assets which no longer meet the capitalization criteria. Guillemot Corporation Group companies which produce Development costs are Hercules Thrustmaster SAS, Guillemot Recherche & Développement Inc, Guillemot Romania Srl and Guillemot Corporation (HK) Limited. Capitalized costs relate to all product ranges for the Hercules and Thrustmaster brands.
The Licenses entry includes guaranteed amounts to be paid out over the lifespan of contracts.

Amortization and provisions	31.12.12	Scope mvt	Increase	Decrease	Forex adjustment	31.12.13
Brands	8110					8,110
Development costs	263		1,090	497		856
Licenses	510		303			813
Concessions, patents…	858		45	108	-29	766
Other intangible fixed assets	1,065		2		-47	1,020
TOTAL	**10,806**	**0**	**1,440**	**605**	**-76**	**11,565**

Brands include the Thrustmaster and Hercules brands acquired. These brands are subject to depreciation tests at each closing of accounts and are evaluated taking into account future discounted cashflow.
In the absence of a deep market for the brands in the Group's sector of activity, the fair value method is not applied for valuation of brands held by the Group.
The going value is the discounted value of future cashflow expected from an asset, which is to say of its continued use and removal at the end of its usefulness. This method is used for the valuation of brands.
The Hercules brand is assigned to the Hercules cashflow generating unit
The Thrustmaster brand is assigned to the Thrustmaster cashflow generating unit. The Thrustmaster brand has a net balance sheet value of €1,300K against an acquisition cost of €9,410K, and the Hercules brand has a net balance sheet value of €1,432K against an acquisition cost of €1,432K.
Pursuant to IAS 36, forecasts are made over five years with a terminal value.
The hypotheses used in calculating future discounted cashflow are the following:
- Operational cashflow to sales ratio of 5%

- Forecasts applied to business plan displaying growth (12% increase for 2014 and 2015, then stability for the following 3 years)
- Short-term projections over five years
- 13% discount rate.

Valuation of the Thrustmaster brand presents an uncertainty and an adjustment risk over the years to come, in the event whereby the hypotheses employed for future cashflow generated by Thrustmaster activities are revised either upward or downward. A 1% increase in the cashflow to sales ratio would result in a provision reversal of €2.4 million for the following period. Similarly, a 1% decrease in the cashflow to sales ratio would result in additional depreciation of €1.3 million.

Moreover, a 1% change either downward or upward in terms of the discount rate used would have an impact of €1 million on income.

There was no revision in value of the Hercules and Thrustmaster brands at December 31, 2013.

5.7.3 Tangible fixed assets

Tangible fixed assets related to operations are broken down as follows:

Gross values	**31.12.12**	**Scope mvt**	**Increase**	**Decrease**	**Forex adjustment**	**31.12.13**
Land	399					399
Buildings	5,364				-2	5,362
Technical installations	7,093		648	3,205	-23	4,513
Other tangible fixed assets	1,031		27	45	-9	1,004
Under development	224		773	648		349
TOTAL	**14,111**	**0**	**1,448**	**3,898**	**-34**	**11,627**

Buildings represent buildings located in Carentoir (France).
Tangible fixed assets under development in the amount of €648K have been transferred to the Technical installations entry during the fiscal year. Fixed assets under development mainly relate to molds and tools used in the production of new products. The Group disposed of obsolete materials for an amount of €3,205K (gross value).

Depreciation	**31.12.12**	**Scope mvt**	**Increase**	**Decrease**	**Forex adjustment**	**31.12.13**
Buildings	4,007		201		-1	4,207
Technical installations	5,610		802	3,178	-22	3,212
Other tangible fixed assets	895		64	45	-9	905
TOTAL	**10,512**	**0**	**1,067**	**3,223**	**-32**	**8,324**

5.7.4 Financial assets

Non-current financial assets are broken down as follows:

Gross values	**31.12.12**	**Scope mvt**	**Increase**	**Decrease**	**Forex adjustment**	**31.12.13**
Other fixed securities	82		1			83
Other financial fixed assets	284		16	1	-1	298
TOTAL	**366**	**0**	**17**	**1**	**-1**	**381**

Movements with respect to other fixed securities relate to the liquidity contract currently in place. Assets assigned to the liquidity account amounted to €300,000 in cash at December 31, 2013.
Movements with respect to other financial fixed assets relate to collateral deposits.

Current financial assets include Ubisoft Entertainment and Gameloft shares.

	Net 31.12.12	Disposal 31.12.13	Acquisition 31.12.13	Forex adjustment 31.12.13	Reval. gain/loss 31.12.13	Net 31.12.13
Ubisoft Entertainment shares						
Number	613,874					613,874
Fair value (in €K)	4,850				1,461	6,311
Gameloft shares						
Number	68,023					68,023
Fair value (in €K)	360				197	557
Ubisoft Entertainment equity warrants	0					0
Number	863,874	-863,874				0
Fair value (in €K)	121	-121			0	0
Derivatives on foreign exchange transactions	0				-5	-5
Total value	**5,331**	**-121**	**0**	**0**	**1,653**	**6,863**

Ubisoft Entertainment and Gameloft shares (listed on an active market) are valued at their fair value pursuant to the IAS 39 standard. These shares were classified in the financial assets category, valued at their fair value as hedging for income during the switch to IFRS standards.
At December 31, 2013, the Group held 613,874 Ubisoft Entertainment shares, representing 0.58% of share capital. Over the period, the Group disposed of 863,874 Ubisoft Entertainment equity warrants which had reached their final maturity for a total of €344K, resulting in a net capital gain of €223K for the fiscal year.
The Group also held 68,023 Gameloft shares, representing 0.08% of share capital.
The share prices used at December 31, 2012 were €7.90 for Ubisoft Entertainment shares, and €5.30 for Gameloft shares. The prices used at December 31, 2013 for the valuation of the shares at their fair value were €10.28 for the Ubisoft Entertainment shares, and €8.19 for Gameloft shares. The revaluation gain thereby posted at December 31, 2013 amounted to €1,658K.
In order to limit the Group's foreign exchange risk, Guillemot Corporation covers the risks of foreign exchange variations by way of forward purchase contracts and foreign exchange options. As these transactions do not meet the accounting criteria for coverage, they are posted as transaction instruments. These derived instruments are posted at their fair value on the transaction date on the balance sheet, under current financial assets or liabilities. The profit or loss resulting from the revaluation at fair value is immediately posted under financial income.

5.7.5 Inventories

Inventories	**Gross 31.12.12**	**Inventory change (Result)**	**Scope change**	**Forex adjustment**	**Gross 31.12.13**
Raw materials	1,418	-83		0	1,335
Finished products	13,249	-3,193		-147	9,909
TOTAL	**14,667**	**-3,276**	**0**	**-147**	**11,244**

Provisions	**31.12.12**	**Increase**	**Decrease**	**Scope change**	**Forex adjustment**	**31.12.13**
Raw materials	454	72	146		0	380
Finished products	691	343	150		-7	877
TOTAL	**1,145**	**415**	**296**	**0**	**-7**	**1,257**
Total net inventory	**13,522**					**9,987**

Inventories include electronic components and subsets as well as finished products. Provisions are made when the value of inventory is greater than its realizable value. The Group put in place a storage warehouse in Hong Kong in 2013, allowing it to increase direct deliveries from Asia and thereby optimize its global inventory level. Inventory decreased by 26% compared to the previous fiscal year.

The provision increase of €343K mainly includes a provision linked to products in the Hercules PLC range (€206K).

5.7.6 Customers

Customer receivables	Gross 31.12.12	Movements	Scope change	Forex adjustment	Reclassification	Gross 31.12.13
Customers	12,108	3,930		-196		15,842

Provisions	31.12.12	Allowances	Recoveries	Forex adjustment	Reclassification	31.12.13
Customers	145	39	58	-3		123

Customer receivables are covered by credit insurance, covering the majority of the Customers entry at December 31, 2013. The Customers entry had a net value of €15,719K at December 31, 2013, compared with €11,963K at December 31, 2012, linked to an increase in activity toward the end of the fiscal year.

5.7.7 Other receivables

	31.12.13	31.12.12
Advances and prepayments on account	595	494
VAT receivables	450	598
Supplier debtors	104	125
Other	51	73
Prepaid expenses	234	270
TOTAL	**1,434**	**1,560**

5.7.8 Cash and cash equivalents

	31.12.13	31.12.12
Cash	2,135	3,195
Cash equivalents	0	0
TOTAL	**2,135**	**3,195**

5.7.9 Income tax receivables

The figure on the balance sheet amounts to €99K, and relates to advance corporation tax due, including the Crédit d'Impôt Compétitivité Emploi in France for €70K.

5.7.10 Shareholders' equity

Share capital is composed of 15,004,736 shares with a nominal value of €0.77 each.

The company Guillemot Corporation S.A. holds 295,267 treasury stock shares. These treasury stock shares are deducted from shareholders' equity for a value of €685K.

At December 31, 2013, the percentage of share capital represented by treasury stock shares was 1.97%.

Number of Guillemot Corporation shares:

At 01/09/99	**2,353,000**
Bond conversion	67,130
2-for-1 stock split, 02/2000	2,420,130
Bond conversion	114,368
Creation of new shares	953,831
Equity w arrants exercised	222
At 31/08/00	**5,908,681**
Bond conversion	128,750
At 31/08/01	**6,037,431**
Bond conversion	10,376
Creation of new shares	3,435,278
Treasury stock cancellation	-416,665
At 31/08/02	**9,066,420**
Creation of new shares	4,444,444
At 31/12/03	**13,510,864**
Equity w arrants exercised	81,446
At 31/12/04	**13,592,310**
At 31/12/05	**13,592,310**
Equity w arrants exercised	101
Creation of new shares	1,076,233
At 31/12/06	**14,668,644**
Bond conversion	290,532
At 31/12/07	**14,959,176**
Stock options exercised	6,700
At 31/12/08	**14,965,876**
At 31/12/09	**14,965,876**
At 31/12/10	**14,965,876**
Stock options exercised	38,860
At 31/12/11	**15,004,736**
At 31/12/12	**15,004,736**
At 31/12/13	**15,004,736**

Maximum potential number of shares to be created:

Through option exercise	1,020,500

Main features of stock option plans underway at the beginning of fiscal 2012:

Board of Directors meeting date	**01.09.03**	**22.02.06**	**22.02.06**
Number of shares	459,000	433,000	246,000
Nominal value	€0.77	€0.77	€0.77
Subscription price	€1.83	€1.74	€1.77
Exercise dates	01.09.07	22.02.10	22.02.08
	to 01.09.13	to 22.02.16	to 22.02.16
Number of shares subscribed to	16,700	10500	12000
including during fiscal 2013	-	-	-
Stock options cancelled or nullified	442,300	-	-
Stock options remaining at 31.12.13	0	422,500	234,000
Options potentially exercisable at 31.12.13	0	376,000	134,500

Board of Directors meeting date	**18.02.08**	**18.02.08**
Number of shares	383,000	217,000
Nominal value	€0.77	€0.77
Subscription price	€1.91	€1.91
Exercise dates	18.02.12	18.02.10
	to 18.02.18	to 18.02.18
Number of shares subscribed to	-	6,360
including during fiscal 2013	-	-
Stock options cancelled or nullified	-	-
Stock options remaining at 31.12.13	383,000	210,640
Options potentially exercisable at 31.12.13	349,000	161,000

The Group has put in place remuneration plans denominated in shareholders' equity instruments (options on shares). The fair value of the services rendered by employees in exchange for the granting of options is accounted for as expenses. The total amount accounted for as expenses over the acquisition period of rights is determined by reference to the fair value of the options granted, without taking into account the conditions of acquisition of rights, which are not market conditions. The conditions of acquisition of rights which are not market conditions are integrated into the hypotheses on the number of options which may become available for exercise. At each closing date, the entity re-examines the number of options which may become available for exercise. If need be, the Group posts in its statement of income the impact of the revision of its estimates as hedging for a corresponding adjustment to shareholders' equity.

There were no charges posted for fiscal 2013, as the period of acquisition of rights had elapsed for all existing stock option plans.
The number of potentially exercisable options takes into account the exercise terms for options proper to each plan. 45,560 options have been exercised to date.

5.7.11 Provisions for liabilities and expenses

Provisions for liabilities and expenses are broken down as follows:

	31.12.12	Increases	Decreases		Forex	31.12.13
			Used	Unused	adjustment	
Product returns	81	46			-9	118
Other	153	58	46			165
TOTAL	**234**	**104**	**46**	**0**	**-9**	**283**

The Other provisions entry mainly includes a customs VAT amount due by a defaulting supplier and claimed from Guillemot Corporation by the administration, and an amount linked to a dispute with a component supplier.

5.7.12 Personnel commitments

The Group has no other post-retirement benefits programs other than the legal program stipulated by the collective agreements which govern the Group's employees.

A provision is calculated using the method of projected credit units, based on retirement benefits at the time of retirement according to seniority (these are the benefits which will be due to the employee at the time of his or her retirement).
The main actuarial hypotheses employed are the following:
- Calculation year 2013
- 3% discount rate
- Use of collective agreements for subsidiaries
- Retrospective calculation method for projected credit units
- 2013 reference salary, accounting for a 1% annual increase until end of career.

At December 31, 2013, the amount of the provision stood at €441K.
Pursuant to the revised IAS19 standard applicable January 1, 2013 retrospectively, all actuarial gains and losses are now posted under OCI (Other comprehensive Income), and no longer under results. The impact on the Group's shareholders' equity at December 31, 2013 was €69K. For 2013, actuarial gains and losses posted directly under shareholders' equity amounted to €3K, compared with €-60K for fiscal 2012.

5.7.13 Loans

Financial liabilities are broken down as follows:

	31.12.13	Current (within 1 yr)			Non-current (1 yr +)	31.12.12
		0-3 months	3-6 months	6-12 months		
Financial institution loans	4,646	714	716	877	2,339	2,490
Medium-term bank liabilities	13			13		13
Bank overdrafts and currency advances	4,739			4,739		6,648
Other	27			27		4
TOTAL	**9,425**	714	716	5,656	2,339	**9,155**

The Group has fixed-rate loans worth €1,978K and variable-rate loans worth €2,668K. The Group has put in place rate swap contracts on variable-rate loans to protect itself against shifts with regard to loan interest payments, linked to changes in interest rates. At December 31, 2013, no loans were covered by acceleration clauses.
Over the period, the Group reimbursed €1,843K in bank loans, and took out new loans totaling €4,000K.

At December 31, 2013, no debts were financed by currencies other than the euro.

Net indebtedness

	31.12.13	31.12.12	31.12.11
Financial liabilities	9,426	9,155	5,699
Shareholders' current accounts	1,666	1,666	1,666
Cash	2,135	3,195	6,281
Net indebtedness	**8,957**	**7,626**	**1,084**

The Group's net indebtedness stood at €8,957K at December 31, 2013.
The Group also held a share portfolio worth €6,868K (in fair value at December 31, 2013).

5.7.14 Other liabilities

	31.12.13		31.12.12
	Current	Non-current	
Compensation and benefits liabilities	1,702		1,812
Current accounts		1,666	1,666
Other	3,643		2,406
TOTAL	**5,345**	**1,666**	**5,884**

Other liabilities include €1,666K in current account advances contributed by founding shareholders. These advances were waived, with return to profits clauses.
In 2002 and 2003, founding shareholders of Guillemot Corporation waived current accounts for a total amount of €7.7 million. These waivers were combined with return to profits clauses, stipulating reimbursement once the parent company became profitable again.
Out of this €7.7 million, €6,034K has already been reimbursed pursuant to the terms set out in the current account agreements, which stipulated reimbursement according to the net income of the parent company Guillemot Corporation S.A.
Reimbursement may not exceed 80% of the first €4 million of net income, then 50% of the following million, then 20% thereafter. No reimbursement will take place in 2014, in light of loss-making results for the parent company Guillemot Corporation S.A. in 2013.
The balance of €1,666K (classified as non-current) will be progressively reimbursed over the years to come at the level of 20% of the annual net income of the parent company Guillemot Corporation S.A. This debt was not discounted at December 31, 2013.

5.8 Statement of income explanatory notes

5.8.1 Purchases, external expenses and personnel expenses

Purchases:
Purchases relate to purchases of primary materials (electronic components) and finished products, totaling €20,465K for fiscal 2013.

External expenses:
External expenses are broken down as follows:

	31.12.13	31.12.12
Subcontracting purchases	622	1,559
Unstored purchases, materials and supplies	134	160
Other external expenses	9,062	11,589
TOTAL	**9,818**	**13,308**

These costs were down by 26% over the year, the Group having adapted its cost structure in light of the lower level of activity at the start of the year. Other external expenses mainly include transport expenses for sales, publicity, marketing and external, non-capitalized Research and Development costs.

Personnel expenses:
Personnel expenses include personnel remuneration and benefits expenses.
The amount in this entry stood at €6,968K in 2013, compared with €7,418K in 2012. The decrease is linked to the reduction of the Group's workforce, which went from 182 to 153 individuals at December 31, 2013. An amount of €70K, linked to public subsidies obtained in Canada on Research and Development work, was deducted from personnel expenses for the fiscal year.

5.8.2 Depreciation and amortization

Depreciation and amortization are broken down as follows:

	31.12.13	31.12.12
Depreciation and amortization on intangible fixed assets	1,212	771
Depreciation and amortization on tangible fixed assets	1,020	1,045
TOTAL	**2,232**	**1,816**

Depreciation and amortization on intangible fixed assets mainly relate to guaranteed amounts to on licensing contracts (€303K), as well as capitalized Research and Development costs (€1,090K).
Depreciation and amortization on tangible fixed assets mainly relates to buildings for €202K and technical installations for €802K.

Provisions allowances are broken down as follows:

	31.12.13	31.12.12
Current assets provisions	39	105
Liabilities and expenses provisions	94	93
Inventory depreciation provisions	422	556
Other provisions	356	-
TOTAL	**911**	**754**

Inventory depreciation provisions mainly relate to products in the Hercules PLC range. Other provisions contain deprecation on capitalized R&D projects which no longer meet the capitalization criteria. The restatement impact for actuarial gains and losses according to the revised IAS 19 standard is €+60K for fiscal 2012 in the Provisions for liabilities and expenses heading.

5.8.3 Changes in inventories

The change in inventories includes provisions recoveries on inventories and negative and positive inventory variations, in particular.

5.8.4 Other operating revenues and expenses

	31.12.13	31.12.12
Revenues		
Other current asset recoveries	61	173
Other operating revenues	74	143
Fixed assets disposal price	7	-
Total revenues	142	316
Expenses		
Licenses	-1,728	-1,161
NBV of fixed asset disposals	-27	-
Other operating expenses	-7	-357
Total expenses	-1,762	-1,518
TOTAL	**-1,620**	**-1,202**

The increase in the Licenses heading results from the increase in Thrustmaster's activity over the year, and the signature of new partnerships linked to the launches of the new Microsoft Xbox One™ console and the PlayStation® 4 from Sony.

5.8.5 Other operations-related revenues and expenses

Other operations-related expenses in the amount of €703K relate to the resolution of a dispute with a supplier.

5.8.6 Cost of net financial debt, other financial expenses and revenues

The cost of net financial debt stood at €220K at December 31, 2013. This includes interest expenses and financial expenses linked to loans, as well as Forex losses and gains linked to the elimination of financial liabilities.

Other financial revenues and expenses are broken down as follows:

	31.12.13	31.12.12
Forex differences	6	227
Unrealized gain/loss on Gameloft shares	197	31
Gain on disposals of Ubisoft Entertainment shares	-	673
Unrealized gain/loss on Ubisoft Entertainment shares	1,461	1,675
Unrealized gain/loss on Ubisoft Entertainment equity warrants	223	121
Total other financial revenues	**1,887**	**2,727**
Forex differences	-	-
Unrealized gain/loss on Gameloft shares	-	-
Unrealized gain/loss on Ubisoft Entertainment shares	-	-
Total other financial expenses	**0**	**0**

Forex effect linked to currency conversion of subsidiaries:

All subsidiaries use local currency for their operations. The impact on shareholders' equity is €-48K.

Financial risk:

Pursuant to the IFRS 7 standard on financial instruments, the Group details hereafter its exposure to various financial risks:

Liquidity risk: At December 31, 2013, the Group had not used all of its loan and banking facilities, and its net indebtedness was €8.9 million.
The Group held a portfolio of marketable investment securities worth €6.9 million in fair value at December 31, 2013. No loans were covered by acceleration clauses at December 31, 2013.

Share price risk: The stock market price change on shares held impacts on the Group's income. For 2014, a 10% decrease in the price of Ubisoft Entertainment shares (in relation to the price at December 31, 2013) would have an impact of €-631K on financial income. A 10% decrease in the price of Gameloft shares (in relation to the price at December 31, 2013) would have an impact of €-56K on financial income.

At March 21, 2014, the closing price of Ubisoft Entertainment shares was €12.59, representing an increase of 22% in relation to December 31, 2013, resulting in the posting of a revaluation gain of €1,418K in the Group's consolidated financial statements at this date.

Market rates variation risk: A 1% increase in interest rates, taken on an annual basis and considering the balance at December 31, 2013 (the amount of variable-rate, non-covered financial liabilities) would have an impact of an increase in charges of €33K.

Exchange rates variation: The balance of the Group's currency-denominated assets and liabilities at December 31, 2013 was broken down as follows (the position is given for non-covered amounts, meaning those subject to currency variations):

Currency amounts exposed to positive or negative exchange rates variations:

(In €K)	USD	GBP
Assets	4,196	778
Liabilities	10,224	25
Net pre-adjustment position	-6,028	753
Off-balance-sheet position	0	0
Net post-adjustment position	-6,028	753

A 10% increase in the rate of the American dollar, taken on an annual basis and considering the balance at December 31, 2013 (the amount of currencies subject to exchange variations) would have an impact of an increase in financial charges of €437K.
The impact of exchange variations on other currencies is not significant.
As all of the major players in the multimedia industry conduct transactions in US dollars, there is no competitive advantage between one manufacturer and another translating into increased market share. As a result of the indexation of sales prices to dollar cost prices by all players in the industry, sales prices are either increased or decreased as a function of overall cost prices.
The main currency for hardware and accessory purchases is the US dollar. In the United States, Canada and all other countries outside of Europe, the transaction currency is also the US dollar. In Europe, the Group sells mainly in euros. Rapid currency variations and dips in the value of the US dollar in particular may result in lower sales prices for the Group's products and consequently impact on the value of merchandise inventories. Conversely, a strong and rapid increase in the value of the US dollar over the second half of the year would not allow the Group to offset this increase in full on the sales prices of its products, given the seasonal nature of the company's activities, and could result in a temporary impact on gross margins.
However, in order to limit the Group's risk, Guillemot Corporation covers Forex risks by way of buying on the spot market, forward purchase contracts and foreign currency options.
Moreover, increased export sales over the past several years enhance its natural coverage and significantly decrease the Forex risk.

Credit risk: credit risk represents the risk of financial loss in the event whereby a customer would fail to meet its contractual obligations. The Group has taken out credit insurance in order to protect against this risk. The number of customers is reduced, as the Group relies mainly on wholesalers. In some cases, the Group is obliged to grant additional credit where coverage is judged to be particularly ill-suited.

5.8.7 Income tax expenses

Income tax expenses are broken down as follows:

(In €K)	31.12.13	31.12.12
Deferred tax	0	0
Income tax payable	137	135
TOTAL	**137**	**135**

Income tax payable corresponds to the total income taxes of all Group companies.
Deferred tax is calculated based on temporary differences relating to tax adjustments, consolidation adjustments and losses carried forward.
In the light of loss-making results for previous fiscal years, the tax loss carryforwards balance of €65,783K (cf. the following table) did not result in the posting of deferred tax assets in the Group's consolidated financial statements at December 31, 2013.

Income tax for the fiscal year:

(In €K)	31.12.13
Pre-tax income	-685
Non-taxable income and expenses	0
Theoretical tax (33.33%)	-228
Non-deductible/taxable income tax expenses and revenues	5
Income tax on previous losses carried forward	-30
Income tax on non-included fiscal year losses	398
Income tax before adjustments	145
Rate differences	-13
Other	5
TOTAL	**137**

Tax loss carryforwards at December 31, 2013 are broken down as follows:

	(In €K)
Guillemot Corporation SA (France)	60,364
Guillemot GmbH (Germany)	1,542
Guillemot Inc (Canada)	3,180
Guillemot Corporation (HK) Ltd (Hong Kong)	320
Guillemot Ltd (England)	377
TOTAL	**65,783**

5.8.8 Discontinued activities

The Group has not discontinued any activities over the course of the past number of years.

5.8.9 Earnings per share

Base earnings per share

	31.12.13	**31.12.12**
Earnings	-822	-210
Indexed average number of shares (K)	15,005	15,005
Treasury stock shares	-685	-691
	14,320	14,314
Base earnings per share	-0.06	-0.01

Diluted earnings per share

	31.12.13	**31.12.12**
Earnings	-822	-210
Indexed average number of shares (K)	15,005	15,005
Treasury stock shares	-685	-691
	14,320	14,314
Maximum number of shares to be created		
Through bond conversion	0	0
Through option exercise	1,020	1,300
Through subscription rights exercise	0	0
	15,340	15,614
Diluted earnings per share	-0.05	-0.01

5.8.10 Advances and loans to executive management

No loans or advances have been made to executive management, in accordance with Article L.225-43 of the Commercial Code.

5.8.11 Off-balance-sheet commitments

- Rental commitments: €337K
- Documentary credits: €721K

5.8.12 Executive management remuneration

The company's executive directors (Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot) are remunerated for their functions of Chief Executive Officer or Deputy CEO. They do not have employment contracts. The total gross remuneration paid out by the company and by its subsidiaries to executive directors amounted to €220K for the fiscal year.

The amount of attendance fees paid out by the company to members of the Board of Directors was €77K for the fiscal year. This amount includes the sum of €15K paid to Ms. Marie-Hélène Lair, for her role as independent Director.
No specific retirement program has been put in place for Directors. No commitments have been made by the Group corresponding to elements of remuneration, indemnities or benefits due or potentially due as a result of the undertaking, ending or changing of these functions or subsequent to the same. No remuneration has been paid by virtue of a profit-sharing plan or bonuses. No share subscription or purchase options have been granted.

5.8.13 Workforce

At December 31, 2013, the Group had 153 employees worldwide, 69 of whom were managers.
Employees of the Group's European companies accounted for 82% of the workforce, and employees on other continents 19%.

5.8.14 Elements regarding associated companies

The parent company's capital is held by the company Guillemot Brothers S.E. (66.87%), the Guillemot family (6.74%), Guillemot Corporation (1.97%) and public shareholders (24.42%).

Associated companies are the company Guillemot Brothers S.E. and the members of the Guillemot family controlling the issuer, the Group's consolidated subsidiaries (cf. scope of consolidation presented in section 5.5.3) and the Ubisoft Entertainment and Gameloft groups, entities in which members of the Guillemot family hold significant voting rights.

The company Guillemot Corporation S.A. benefited over the course of previous fiscal years from current account waivers for a total amount of €7.7 million on the part of founders of the Group's parent company and of the company Guillemot Brothers S.E.
There remains on the balance sheet an amount of €1,666K in shareholders' current account advances, which will be reimbursed over fiscal years to come, with the stipulation that reimbursement may not exceed 20% of the parent company's annual net income. For 2014, no reimbursement will be made.

Principal aggregates relating to the Ubisoft Entertainment and Gameloft groups:

	31.12.13	
(In €K)	**Ubisoft Entertainment**	**Gameloft**
Customer balance	858	7
Supplier balance	108	4
Revenues	4,404	11
Charges	473	44

6 POST-CLOSURE EVENTS

There were no post-closure events.

7 DATA PERTAINING TO THE GUILLEMOT CORPORATION S.A. PARENT COMPANY

GUILLEMOT CORPORATION S.A. (In €K)	**31.12.13**	**31.12.12**
Sales	41,251	46,138
Operating income	-1,867	-4,624
Pre-tax income	-1,542	-408
Net income	-1,542	-408

8 FEES PAID TO INDEPENDENT AUDITORS AND MEMBERS OF THEIR NETWORKS

Independent Auditors' fees (in €)	PricewaterhouseCoopers Audit				MB Audit			
	Amount (Net of tax)		%		Amount (Net of tax)		%	
	2013	2012	2013	2012	2013	2012	2013	2012
Audit								
* Commissionership of accounts, certification, examination of individual and consolidated accounts								
- Issuer	55,000	58,000	92%	91%	37,900	41,000	90%	90%
- Globally integrated subsidiaries	4,500	6,000	8%	9%	3,000	3,000	7%	7%
* Other tasks and services directly linked to Independent Auditor duties								
- Issuer	0	0	0%	0%			0%	0%
- Globally integrated subsidiaries	0	0	0%	0%			0%	0%
Sub-total	**59,500**	**64,000**	**100%**	**100%**	**40,900**	**44,000**	**97%**	**97%**
Other services provided by networks to globally integrated subsidiaries (a)								
* Legal, fiscal, social	0	0	0%	0%	0	0	0%	0%
* Other (to be specified if > 10% of audit fees)	0	0	0%	0%	1,390	1,350	3%	3%
Sub-total	**0**	**0**	**0%**	**0%**	**1,390**	**1,350**	**3%**	**3%**
TOTAL	**59,500**	**64,000**	**100%**	**100%**	**42,290**	**45,350**	**100%**	**100%**

9 INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS – FISCAL YEAR ENDED DECEMBER 31, 2013

To shareholders of
Guillemot Corporation S.A.
Place du Granier
BP 97143
35571 CHANTEPIE Cedex

Ladies and Gentlemen shareholders,

As part of the auditing duties conferred upon us at your general meeting, we present herewith our report regarding the fiscal year ended December 31, 2013, on:

- our audit of the consolidated financial statements of the company Guillemot Corporation S.A., as attached to this report;
- the justification of our assessments;
- the specific verifications required by law.

The consolidated financial statements have been prepared by your Board of Directors. It is our task to provide an opinion on these consolidated financial statements, on the basis of our audit.

I - Opinion on the consolidated financial statements

We have conducted our audit in accordance with the professional standards of practice applicable in France; these standards require due diligence procedures in order to ascertain with reasonable certainty that the consolidated financial statements are free of material misstatement. An audit consists of an examination, on a sampling basis or by other methods of selection, of elements justifying the amounts and information presented in the consolidated financial statements. An audit also includes an assessment of the accounting principles applied, as well as of the significant estimates made in the presentation of the consolidated financial statements and of their overall presentation. It is our view that the audit we have carried out forms a true and fair basis for the opinion expressed below.

We hereby certify that the consolidated financial statements are orderly and sincere, according to the IFRS reference as adopted in the European Union, and that they provide a faithful image of the assets, financial standing and income of the whole comprised of the persons and entities included within the scope of consolidation.

Without calling into question the opinion expressed above, we would like to draw your attention to note 5.7.12 “Personnel commitments” in the appendix to the consolidated financial statements, which sets out the incidences of retrospective application of the revised IAS 19 standard relating to employee benefits.

II - Justification of our assessments

Pursuant to the terms of Article L. 823-9 of the Commercial Code relating to the justification of our assessments, we bring the following elements to your attention:

Accounting principles
Note 5.4.3 “Intangible fixed assets” in the appendix to the consolidated financial statements sets out the accounting methods relating to Research and Development costs. As part of our evaluation of the accounting principles followed by your company, we have verified the appropriate nature of the accounting methods mentioned above and of the information provided in the note to appendix 5.7.2 “Intangible fixed assets”, and are satisfied regarding their correct application.

Accounting estimates
The company systematically conducts, at each closing of accounts, a depreciation test on excess fair market values and intangible fixed assets and also evaluates the existence of indications of a loss in the value of fixed assets with an indefinite lifespan (the Hercules and Thrustmaster brands), pursuant to the methods set out in notes 5.4.3 “Intangible fixed assets”, 5.4.5 “Depreciation of non-financial assets,” as well as note 5.7.1 “Excess fair market values”. We have examined the methods employed in these depreciation tests, as well as the cashflow forecasts and hypotheses employed, and have verified that these notes provide the appropriate information.

The assessments arrived at in this way were in the context of our audit process for the annual consolidated financial statements, taken in their entirety, and have therefore contributed to the formation of our opinion expressed in the first section of this report.

III - Specific verifications

We have also carried out the specific verifications required by law of the information provided in the Group’s management report, in accordance with the professional standards of practice applicable in France.

We have no observations to offer on its sincerity or concordance with the consolidated financial statements.

Rennes, April 25, 2014

Independent Auditors

PricewaterhouseCoopers Audit
Yves Pelle

MB Audit SARL
Roland Travers

➢ FINANCIAL STATEMENTS AT DECEMBER 31, 2013

All entries are in €K.

1 BALANCE SHEET

ASSETS (in €K)	Gross **31.12.13**	Amort/Depr **31.12.13**	Net **31.12.13**	Net **31.12.12**
Intangible fixed assets	16,175	10,113	6,062	5,172
Tangible fixed assets	7,618	4,897	2,721	2,899
Financial fixed assets	43346	40651	2,695	2,684
Total fixed assets	**67,139**	**55,661**	**11,478**	**10,755**
Inventories	10,320	1,161	9,159	12,344
Advances and payments on account	549	0	549	350
Trade accounts receivable	14,932	102	14830	12,558
Other receivables	3,952	1,660	2292	1,694
Marketable investment securities	8,037	1,731	6306	5,222
Cash	1,586	0	1586	2,756
Total current assets	**39,376**	**4,654**	**34,722**	**34,924**
Adjustment accounts	286	0	286	306
TOTAL ASSETS	**106,801**	**60,315**	**46,486**	**45,985**

LIABILITIES AND SHAREHOLDERS' EQUITY (in €K)	**31.12.13**	**31.12.12**
Capital	11,554	11,554
Issuance, conversion and amalgamation premiums	10,555	10,555
Reserves	1,337	1,337
Retained earnings	-3,394	-2,986
Net income	-1,542	-408
Total shareholders' equity	**18,510**	**20,052**
Provisions	232	258
Financial liabilities	9,346	9,084
Trade accounts payable liabilities	12,674	12,010
Tax and social security liabilities	129	156
Fixed asset liabilities	878	655
Other liabilities	3,763	2,978
Total liabilities	**26,790**	**24,883**
Adjustment accounts	954	792
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**46,486**	**45,985**

2 STATEMENT OF INCOME

(in €K)	**31.12.13**	**31.12.12**
Sales	41,251	46,138
Stored production	-3,055	3,626
Capitalized production	2,131	2,682
Other operating revenues	765	1,090
Total operating revenues	**41,092**	**53,536**
Purchases	20,463	30,473
Inventory change	83	1,361
External expenses	17,621	22,083
Taxes and duties	133	136
Personnel expenses	307	294
Other expenses	2,150	2,034
Amortization,	1,819	1,186
Depreciation and provisions allocations	383	593
Total operating expenses	**42,959**	**58,160**
Operating income	**-1,867**	**-4,624**
Financial revenues on investments	0	0
Net gain on marketable investment security disposals	241	792
Other interest and similar income	67	139
Reversals of provisions and charge transfers	1,382	2,062
Forex gains	835	1,452
Total financial revenues	**2,525**	**4,445**
Financial allowance for amortization and provisions	195	467
Interest and financial expenses	235	241
Forex losses	668	1,223
Net expenses on marketable investment security disposals	16	40
Total financial expenses	**1,114**	**1,971**
Financial income	**1,411**	**2,474**
Ordinary income	**-456**	**-2,150**
Exceptional income	**-1,086**	**1,742**
Pre-tax income	-1,542	-408
Corporate income tax	0	0
Fiscal year net income	**-1,542**	**-408**

3 SELECTED PERFORMANCE RESULTS

The main performance results are as follows:

(in €K)	**31.12.13**	**31.12.12**
Fiscal year production	40,326	52,446
Added value	2,159	-1,471
Gross operating deficit	1,719	-1,901
Operating income	**-1,867**	**-4,624**

4 CASHFLOW TABLE

Cashflow linked to operating activities (in €K)	31.12.13	31.12.12
Net income	-1,542	-408
Depreciation, amortization and provisions allocations (1)	2,753	2,212
Depreciation, amortization and provisions reversals (1)	-545	-2,165
Net gain/loss on disposals	27	0
Operating income	**693**	**-361**
Operating requirements change	1,662	-1,807
Non-operating requirements change	191	373
Working capital requirements change	**1,853**	**-1,434**
Cashflow linked to investment activities		
Intangible fixed asset acquisitions	-2,095	-2,687
Tangible fixed asset acquisitions	-773	-1,121
Intangible and tangible fixed asset disposals	0	0
Financial fixed asset acquisitions	-16	-11
Financial fixed asset disposals	0	8
Net change on amalgamation	0	0
Net change on subsidiary acquisitions/disposals	0	-135
Net cashflow linked to investment activities	**-2,884**	**-3,946**
Cashflow linked to financing activities		
Capital increase or contribution	0	0
Debt issuance	4,000	0
Debt repayments	-1,843	-2,259
Shareholders' current account repayments	0	0
Net cashflow linked to financing activities	**2,157**	**-2,259**
Cashflow change	**1,819**	**-8,000**
Net cashflow at fiscal year start (2)	1,443	9,443
Net cashflow at fiscal year-end (2)	3,262	1,443

(1) Excluding the allocations and reversals regarding provisions for the depreciation of marketable investment securities (reclassified in 2012).
(2) Including marketable investment securities for their net amounts (reclassified in 2012).

5 APPENDICES TO FINANCIAL STATEMENTS

The notes and tables hereafter, presented in thousands of euros, form an integral part of the financial statements and represent an appendix to the balance sheet, before allocation of net income for the fiscal year ended December 31, 2013. The balance sheet total amounted to €46,486K. The income statement showed a loss of €-1,542K.

The fiscal year had a duration of twelve months, spanning the period from January 1 to December 31, 2013.

5.1 Significant events of the fiscal year

Fiscal 2013 saw the company Guillemot Corporation’s sales decrease by 10.6%.
Hercules, down 31.6% over the year, re-centered its activities in 2013 to focus on audio products, which accounted for nearly 90% of the brand’s fourth-quarter sales. Sales of Hercules peripheral devices decreased over the year. Thrustmaster generated growth of 33.2% for the year, ramping up its Research and Development efforts and strengthening its partnerships in order to create unique products for the launches of the next-generation consoles. This strategy allowed the brand to be the first manufacturer to release racing wheels for Microsoft’s Xbox One™ console as well as the PlayStation®4 from Sony, and to capitalize on the dynamism of this new market.

Over the year, the company adapted its structure while at the same time deploying its commercial strategy, with actions targeted toward online sales channels along with the implementation of its merchandising policy. Thanks to its cost control policy, the company lowered its costs by more than 19%, including Research and Development costs capitalized over the period.

Operating income amounted to €-1,867K, compared with €-4,624K at December 31, 2012.

Financial income amounted to €1,411K compared with €2,474K for the previous fiscal year. This result includes financial revenues of €1,195K linked to the reversal of the allowance on its portfolio of Ubisoft Entertainment S.A securities. Moreover, the company disposed of 863,874 Ubisoft Entertainment S.A. equity warrants, resulting in a financial gain of €344K.

Exceptional income was impacted by an exceptional charge of €703K, linked to the resolution of a dispute with a supplier.

Net income amounted to €-1,542K, compared with €-408K for the previous fiscal year. Net indebtedness amounted to €2,528K at December 31, 2013.

5.2 Financial accounting reporting principles

Guillemot Corporation S.A.'s annual financial statements follow the provisions relating to individual accounts of CRC regulation number 99-03, ratified by the decree June 22, 1999.

As of January 1, 2005, the company has applied the new accounting regulations on assets pursuant to CRC regulation 02-10 relating to amortization and depreciation of assets, and CRC regulation 04-06 relating to the definition, evaluation and accounting of assets.

Generally accepted accounting practices are applied in accordance with the principle of conservatism pursuant to the following basic regulations:
- going concern,
- consistency of application of accounting policies and methods,
- clearly identifiable accounting periods,

and pursuant to other generally recognized principles regarding the drafting and presentation of annual financial statements.

The basic method employed for the valuation of items recorded in the financial statements is the historic cost method.

5.3 Financial accounting reporting policies and methods

5.3.1 Intangible fixed assets

Goodwill

Goodwill includes all intangible elements acquired by the company (customer base, market share, expertise and so on) allowing it to carry out its activities and pursue its development.

The current value of goodwill is reviewed at each closing of accounts, comparing the market value to the going value.

The market value corresponds to the amount which may be obtained at sale, during a transaction concluded under normal market conditions. The going value is determined according to expected cashflow.

Goodwill is subject to depreciation if the asset worth is higher than the greater of the market or going values.

Brands

The brands acquired by the company have an undetermined lifespan.

The brands acquired by the company are subject to depreciation tests at each closing of accounts. The current value of brands is determined according to the market and their usefulness to the company. This is the result of a comparison between the market value and going value.

At closing, if the net book value is higher than the greater of the market or going values, depreciation is recorded.

Research and Development costs

Research and Development costs are accounted for as expenses for the period to which they relate.

Development production costs are determined in accordance with the Conseil National de la Comptabilité (National Accounting Advisory Board) pronouncement of April 1987, and must also respect the six knock-in conditions stipulated by the CRC 2004-06. According to the PCG (Plan Comptable Général – General Accounting Plan), this means that the company must respect the following cumulative conditions:
- The technical feasibility for completion of the intangible fixed asset so that it can be used or sold,
- The intent to complete the intangible fixed asset and use or sell it,
- The ability to use or sell the intangible fixed asset,
- The way in which the intangible fixed asset will generate probable future economic benefits,
- The availability of resources (technical, financial or other) required to complete the development and use or sell the intangible fixed asset,
- The ability to measure spending linked to the intangible fixed asset in a dependable manner during its developmental phase.

The amortization of development costs, carried out according to the duration of use of the asset in question, is applied over a period which may not exceed 5 years.

Patents and software

These are amortized on a straight-line basis over their actual duration of use.

5.3.2 Tangible fixed assets

Tangible fixed assets are recorded at their historic costs. The amortization periods, determined according to fixed assets' probable duration of use, are as follows:

- Buildings:	10 to 20 years (straight-line)
- Fixture and fittings:	1 to 20 years (straight-line)
- Technical installations:	1 to 10 years (straight-line)

5.3.3 Financial fixed assets

Portfolio securities are recorded at their acquisition prices, excluding incidental costs. The asset value of each investment is assessed as a function of its share of the company's reevaluated net worth, as well as its future growth potential. When this value is less than the recorded value, depreciation is recorded for the amount of the difference.

The fair asset value of financial assets is the average price during the last trading month of the fiscal year, for listed securities. If the asset value is less than the acquisition price, a provision for depreciation is recorded.

5.3.4 Inventories

Inventories are valued at their procurement costs. The gross value of inventory includes the purchase price and incidental fees.

Inventories are valued according to the First-In First-Out (FIFO) Method.

Depreciation provisions are recorded when the cost of inventory is greater than its probable sale value less sales and marketing costs.

5.3.5 Advances and payments on account

Advances and payments on account correspond to advances on orders paid to suppliers.

The company pays license fees in advance to third parties for distribution and production rights. The signature of licensing contracts may entail the payment of guaranteed amounts.

When billed for by third parties, these amounts are registered in a prepayment account and amortized on a pro rata basis according to product sales. When guaranteed amounts have not yet been registered in their entirety, an off-balance-sheet commitment is recorded for the balance.

At year-end, the unamortized amounts are reviewed against the related products' sales potential, and where sales prospects are insufficient, additional amortization is recorded.

5.3.6 Trade accounts receivable

Trade accounts receivable are recorded at their book value. Receivables are amortized, if need be, when their asset value is less than their book value.

5.3.7 Current account advances

Current account advances to subsidiaries are subject to a provision if the subsidiary's net worth falls below the asset value of the investment.

5.3.8 Translation of foreign currency denominated receivables and payables

Foreign currency denominated receivables and payables not covered by short-term Forex hedge sales or purchase contracts are converted at their closing rates, with the resulting loss or gain recorded on the balance sheet under a separate heading. A provision for foreign exchange loss is recorded where a loss is deemed likely to occur.

Forex gains or losses resulting from short-term Forex hedge sales or purchase contracts attached to receivables and liabilities are included in financial income.

5.3.9 Marketable investment securities

Parent company securities acquired by the Group on the stock market are included in this category according to the purchasing objective.

Securities are valued at the market price on the last day of the closing month.

A provision is made for unrealized potential depreciation.

Pursuant to the terms of Articles L.225-209 and following of the Commercial Code, treasury stock shares held in the context of a share buyback program are accounted for as marketable investment securities.

5.3.10 Cash

Cash is composed of accounts at banks. Bank accounts in foreign currencies are converted at their closing rates, and Forex adjustments are included in financial income.

5.3.11 Provisions

Provisions for Forex losses relating to the conversion of receivables and debts into foreign currencies, as well as commercial liabilities and disputes, are included under this heading.

5.4 Balance sheet account explanatory notes

5.4.1 Intangible fixed assets

Intangible fixed assets are broken down as follows:

Gross book values	31.12.12	Increase	Decrease	31.12.13
Research and development costs	1,939	1,385	497	2,827
Brands and goodwill	11,782	0	0	11,782
Concessions, patents, licenses, brands, software	276	69	108	237
Intangible fixed assets in progress	743	2,131	1,545	1,329
TOTAL	**14,740**	**3,585**	**2,150**	**16,175**

Brands include the Thrustmaster and Hercules brands acquired.

With respect to Development costs, since January 1, 2012 the Group has put in place project monitoring tools, allowing for reliable evaluation of spending linked to these assets.

Development costs are composed of all works carried out by Research and Development teams, with a view to providing the technical elements required for production. These may relate to personnel costs, external costs such as design, mock-up, prototype and sample costs, as well as to testing costs in factories. These costs are recorded in account 617, "Studies and Research".

Development costs relating to projects are capitalized if the 6 eligibility criteria set out in CRC 2004-06 are simultaneously met. The corresponding charges are debited to account to 232 "Intangible fixed assets in progress" by way of the crediting of account 72 "Capitalized production".
The movement from "Fixed asset in progress" to a fixed asset under "Development costs" takes place when the asset is put into production.
Subsidiaries of the company Guillemot Corporation which produce development costs are Hercules Thrustmaster SAS, Guillemot Recherche et Développement Inc, Guillemot Romania Srl and Guillemot Corporation (HK) Ltd. Capitalized costs relate to all product lines for the Hercules and Thrustmaster brands.
Development costs capitalized over the period amounted to €2,131K, including €69K in development costs linked to the launch of the e-commerce site in December 2013.
The company has reclassified development costs which no longer meet the 6 eligibility criteria. The amount removed for the fiscal year totaled €553K, including €56K in costs posted under intangible fixed assets and €497K in costs posted under development costs.

Amortization and depreciation	31.12.12	Increase	Decrease	31.12.13
Research and development costs	275	1,136	497	914
Brands and goodw ill	9,051	0	0	9,051
Concessions, patents, licenses, brands, softw are	242	14	108	148
TOTAL	**9,568**	**1,150**	**605**	**10,113**

Amortization of development costs, according to the duration of use of the asset in question, takes place over a period of 1 to 3 years.
The Thrustmaster brand had a net balance sheet value of €1,300K against an acquisition cost of €9,410K, while the Hercules brand had a net balance sheet value of €1,432K against an acquisition cost of €1,432K.

5.4.2 Tangible fixed assets

Tangible fixed assets are broken down as follows:

Gross values	31.12.12	Increase	Decrease	31.12.13
Land	219	0	0	219
Buildings and leasehold improvements	3,004	0	0	3,004
Technical installations/hardw are	6,604	647	3,206	4,045
Tangible fixed assets in progress	224	773	647	350
TOTAL	**10,051**	**1,420**	**3,853**	**7,618**

Amortization and depreciation	31.12.12	Increase	Decrease	31.12.13
Land	0	0	0	0
Buildings and leasehold improvements	1,985	133	0	2,118
Technical installations/hardw are	5,167	790	3,178	2,779
TOTAL	**7,152**	**923**	**3,178**	**4,897**

Tangible fixed assets in progress are composed of production materials currently being manufactured. The decrease in these fixed assets in progress corresponds to a transfer to the "hardware" entry for €647K. The acquisition of materials corresponds to the molds used for production.

The company disposed of obsolete materials for a total amount of €3,206K in gross value.

5.4.3 Financial fixed assets

Financial fixed assets are broken down as follows:

	31.12.12	Increase	Decrease	31.12.13
Equity securities	42,553			42,553
Other financial fixed assets	772	17	0	789
Deposits and guarantees	4			4
TOTAL	**43,329**	**17**	**0**	**43,346**

Movements with respect to other financial fixed assets relate to the liquidity contract currently in place, as well as a security deposit relating to the collection and recycling of waste electrical and electronic equipment in Germany. The liquidity account's cash balance amounted to €84K at December 31, 2013. The security deposit relating to waste processing amount to €228K.
Other financial fixed assets also include 132,619 treasury stock securities for a value of €477K.

Other financial fixed assets	31.12.12	Increase	Decrease	31.12.13
Treasury stock		**Allocations**	**Reversals**	
Number of securities	132,619	0	0	132,619
Gross value	477	0	0	477
Amortization	375	1	0	376
Net	**102**	**-1**	**0**	**101**

At December 31, 2013, Guillemot Corporation securities were valued at the average price in December of €0.76.

The average purchase price of Guillemot Corporation securities was €3.60.

Equity securities relate to securities of the subsidiaries of the company Guillemot Corporation.

Equity securities	31.12.12	Allocations	Reversals	31.12.13
Subsidiaries securities				
Gross value	42,553			42,553
Amortization	40,269	9	4	40,274
Net	2,284	-9	-4	2,279

Equity securities of company subsidiaries were provisioned for €40,274K:

Depreciation of the equity securities of subsidiaries is broken down as follows:
Companies 100% depreciated:
- Guillemot GmbH (Germany) €15K
- Guillemot Ltd (UK) €12,211K
- Guillemot Inc. (Canada) €23,032K

Other companies (depreciated according to their net worth):
- Guillemot Srl (Italy) €4,823K
- Guillemot SA (Belgium) €184K
- Guillemot Innovation Labs SAS (France) €9K

Subsidiaries table

	Currency	Reg. Office	Financial information (in €K)					Book value of securities (€K)		Value of loans and advances to company (€K)	Value of pledges and guaran-tees given	Amount of dividends received	Observations: depreciation applied on loans and advances
			Capital	Share-holders' equity other than capital (net income incl.)	Capital ownership	Last fiscal year sales (excl. taxes)	Last fiscal year income	Gross	Net				
Hercules Thrustmaster SAS (France)	EUR	Carentoir	279	1,329	99.42%	4,376	192	288	288	0	-	-	-
Guillemot Administration et Logistique SARL (France)	EUR	Carentoir	222	823	99.96%	2,674	87	222	222	0	-	-	-
Guillemot Ltd (UK)	GBP	Surrey	10,257	-10,320	99.99%	153	12	12,211	0	72	-	-	63
Guillemot S.A (Belgium)	EUR	Wemmel	175	57	99.93%	0	-3	416	232	0	-	-	-
Guillemot GmbH (Germany)	EUR	Obermichelbach	511	-1,259	99.75%	589	28	15	0	836	-	-	748
Guillemot Corporation (H-K) Limited (Hong Kong)	HKD	Hong Kong	1	325	99.50%	1,122	47	23	23	0	-	-	-
Guillemot Recherche et Développement Inc (Canada)	CAD	Montréal	1,132	206	99.99%	827	50	1,257	1,257	0	-	-	-
Guillemot Inc (United States)	USD	Sausalito	72	88	99.99%	0	-1	8	8	0	-	-	-
Guillemot Inc (Canada)	CAD	Montréal	32,813	-33,946	74.89%	5,875	-230	23,032	0	2,538	-	-	849
Guillemot SRL (Italy)	EUR	Milan	10	90	100.00%	316	4	4,923	100	0	-	-	-
Guillemot Romania Srl (Romania)	RON	Bucharest	17	302	100.00%	798	45	20	20	0	-	-	-
Guillemot Spain SL (Spain)	EUR	Madrid	3	43	100.00%	369	18	3	3	10	-	-	-
Guillemot Innovation Labs (France)	EUR	Carentoir	135	-9	100.00%	0	-5	135	126	0	-	-	-

5.4.4 Inventories

Inventories are broken down as follows:

Inventories	Gross 31.12.12	Inventory change (result)	Gross 31.12.13
Stored packaging	18	3	21
Finished goods	12,040	-3,055	8,985
Materials and goods in progress	1,400	-86	1,314
TOTAL	**13,458**	**-3,138**	**10,320**

Provisions	31.12.12	Increase	Decrease	31.12.13
Stored packaging	0	0	0	0
Finished goods	660	271	150	781
Materials and goods in progress	454	72	146	380
TOTAL	**1,114**	**343**	**296**	**1,161**

Inventories are composed of components and electronic subsets as well as finished products. Depreciation is posted when the value of inventory is greater than its realizable value.

In 2013, the company established a bonded warehouse in Hong Kong, allowing it to increase direct deliveries from Asia and thereby optimize its overall inventory levels. Inventory levels were down by 23% compared to the previous year.
The provisions increase of €343K mainly includes a provision linked to products in the Hercules PLC and WAE ranges for €286K.

5.4.5 Advances and payments on account

This relates to advances on orders paid to product suppliers. The amount of advances stood at €549K at fiscal year-end.

5.4.6 Trade accounts receivable

Trade accounts receivable are broken down as follows:

	Gross 31.12.13	Depreciation 31.12.13	Net 31.12.13	Net 31.12.12
Customers	14,932	102	14,830	12,558
TOTAL	**14,932**	**102**	**14,830**	**12,558**

Customer receivables are subject to credit insurance, which covered most of the customers entry at December 31, 2013. The Customers entry had a net value of €14,830K at December 31, 2013, compared with €12,558K at December 31, 2012, owing to the increase in activities toward the end of the year.

5.4.7 Receivables and debts/liabilities

Receivables and debts/liabilities are broken down as follows:

RECEIVABLES STATEMENT	Gross amount at 31.12.13	Less than 1 yr.	1 yr. +
Current asset receivables			
Supplier debtors	144	144	0
Trade accounts receivable	14,932	14,932	0
State (VAT and other receivables)	352	352	0
Intercompany	3,456	0	3,456
Prepaid expenses	181	181	0
TOTAL	**19,065**	**15,609**	**3,456**

Current account advances in the amount of €3,456K relate mainly to Guillemot GmbH (Germany) for €836K, Guillemot Ltd (UK) for €72K, Guillemot Inc. (Canada) for €2,538K and Guillemot Spain SL (Spain) for €10K.

State receivables are composed mainly of VAT receivables. The "Supplier debtors" entry is composed of accrued income.

DEBTS/LIABILITIES STATEMENT	Gross amount at 31.12.13	Due in less than 1 year	Due between 1 and 5 years
Financial institution loans	4,660	2,320	2,340
Bonds	0	0	0
Medium-term bank debt	56	56	0
Bank overdrafts and currency advances	4,630	4,630	0
Trade accounts payable	12,674	12,674	0
Tax and social security liabilities	129	129	0
Other liabilities	2,689	2,689	0
Fixed asset liabilities	878	878	0
Intercompany	1,074	0	1,074
TOTAL	**26,790**	**23,376**	**3,414**
Loans taken out during the fiscal year	4,000		
Loans repaid through bond conversion	0		
Loans repaid through reimbursement	1,843		
Loans received from individuals	0		

At fiscal year-end, the company Guillemot Corporation S.A. held fixed rate loans with financial institutions for €1,984K, and variable rate loans for €2,676K. The company has put in place rate swap contracts on variable-rate loans in order to protect itself against rate changes with respect to loan interest payments, linked to interest rate variations. At December 31, 2013, no loans were covered by acceleration clauses. The amount of current bank financing includes €1,451K in currency advances, and €3,179K in bank overdrafts.

Over the period, the company Guillemot Corporation S.A. repaid €1,843K in bank loans and took out €4,000K in new loans, in order to finance the increase in its working capital requirements.

At December 31, 2013, no debts were financed by currencies other than the euro.

Medium-term bank debt in the amount of €56K corresponded to deposits as part of rental contracts.

With respect to the current account waivers of 2002 combined with return to profits clauses, the company Guillemot Corporation S.A. did not reintegrate any amounts into balance sheet liabilities for fiscal 2013, in light of loss-making results. No reimbursement will therefore take place in 2014.

The current account advances granted by the subsidiaries Guillemot Recherche & Développement Inc (Canada) and Guillemot Innovation Labs SAS (France) amounted to €954K and €120K, respectively.

	31.12.13	**31.12.12**
Financial liabilities		
Debenture	0	0
Financial institution loans and debts	9,290	9,028
Financial loans and debts	56	56
Current account advances	1,074	1,196
	10,420	**10,280**
Available funds		
Net marketable investment securities	6,306	5,222
Cash	1,586	2,755
	7,892	**7,977**
Net indebtedness	**2,528**	**2,303**

The company's net indebtedness amounted to €2,528K.

The portfolio of marketable investment securities valued at their average price during December 2013 stood at €6,644K.

5.4.8 Marketable investment securities

This heading included 162,648 treasury stock shares for a value of €207K. The company also held 613,874 Ubisoft Entertainment S.A. securities, representing 0.58% of capital, for a value of €7,640K, and 68,023 Gameloft S.E. securities, representing 0.08% of capital, for a value of €190K.

	Gross 31.12.13	**Depreciation 31.12.13**	**Net 31.12.13**	**Net 31.12.12**
Marketable investment securities	7,830	1,647	6,183	4,987
Ubisoft Entertainment S.A. equity w arrants	0	0	0	114
Treasury stock	207	84	123	121
TOTAL	**8,037**	**1,731**	**6,306**	**5,222**

At December 31, 2013, treasury stock shares were valued at their average price in December of €0.76, and were subject to a depreciation provision for an amount of €84K.

Ubisoft Entertainment S.A. shares, valued at their average price in December of €9.761, were depreciated for €1,647K.

During the second half of the fiscal year, the company disposed of 863,874 Ubisoft Entertainment S.A. equity warrants, freely granted in 2012, resulting in a financial gain of €344K. The book value of Gameloft S.E. and Ubisoft Entertainment S.A. securities held amounted to €528K and €5,992K at the end of the fiscal year, respectively.

5.4.9 Cash

	31.12.13	31.12.12
Cash	1,586	2,755
Banking facilities	-4,630	-6,534
Net banking position	**-3,044**	**-3,779**

5.4.10 Adjustment accounts

Assets:

	31.12.13	31.12.12
Prepaid expenses	181	174
Deferred expenses allocated over a number of fiscal years	0	0
Bond redemption premium	0	0
Asset Forex adjustment	105	132
TOTAL	**286**	**306**

Asset Forex adjustments arise mainly from the translation at closing rates of receivables and liabilities denominated in foreign currencies. A provision for unrealized losses has been made.

Liabilities:

	31.12.13	31.12.12
Deferred revenues	819	677
Liability Forex adjustment	135	115
TOTAL	**954**	**792**

Deferred revenues correspond to products not delivered at December 31, 2013.

Forex adjustments arise mainly from the translation, at closing rates, of liabilities denominated in foreign currencies.

5.4.11 Accrued revenues

	31.12.13	31.12.12
Suppliers - credit to be received	104	125
Customers - invoices to be settled	9	2
TOTAL	**113**	**127**

5.4.12 Accrued expenses

	31.12.13	31.12.12
Financial institution loans - accrued interest	33	24
Accrued expenses - expected invoices	5,319	5,659
Customers - balances to be paid	1,430	1,320
Accrued taxes and social security benefits	57	67
Other expenses to be paid	1138	363
TOTAL	**7,977**	**7,433**

5.4.13 Elements regarding associated companies

Equity securities €42,553K

Gross current assets

Trade accounts receivable	€2,586K
Current account advances	€3,456K

Gross liabilities

Supplier and trade payables	€3,632K
Current account advances	€1,074K

Financial revenues	€67K
Financial expenses	€17K

5.4.14 Balance sheet provisions and allowances

		Increase	Decrease		
Provisions	**At 31.12.12**		**Used**	**Unused**	**At 31.12.13**
Forex	132	105	132	0	105
Expenses	126	47	46	0	127
Total	**258**	**152**	**178**	**0**	**232**

Forex provisions relate mainly to the discounting of foreign currency-denominated receivables and debts at the closing of accounts. The company partially reversed, for €46K, the expenses provision relating to a customs VAT amount due by a defaulting supplier and claimed from Guillemot Corporation by the administration. The increase corresponds to the provision for charges linked to a dispute with a component supplier.

		Allocation	Reversal	
Depreciation	**At 31.12.12**	**Increase**	**Decrease**	**At 31.12.13**
Financial fixed assets	40,269	9	4	40,274
Other financial fixed assets	375	2	0	377
Inventories	1,114	343	296	1,161
Trade accounts receivable	88	39	25	102
Intangible fixed assets	9,051	0	0	9,051
Other provisions for depreciation	4,557	80	1,246	3,391
Total	**55,454**	**473**	**1,571**	**54,356**

The increase in the provision on inventories includes €206K in provisions linked to products in the Hercules PLC range, €80K to products in the Hercules WAE range, and €57K for other products.

Ubisoft Entertainment S.A. shares and treasury stock shares were depreciated, at fiscal year-end, for an amount of €1,7311K.

The company depreciated accounts attached to its subsidiaries according to their net positions (equity securities for €40,274K, and current account advances for €1,660K).

Depreciations on other ex-Group receivables amounted to €102K and related to doubtful receivables.

5.4.15 Share capital

	Number of securities	Nominal value	Amount
At 31/12/12	15,004,736	0.77	11,553,646.72
Stock options exercise	0	0.77	0.00
At 31/12/13	**15,004,736**	0.77	**11,553,646.72**

Share capital is composed of 15,004,736 shares with a nominal value of €0.77 each.

Treasury stock accounted for 1.97% of capital.

Changes to shareholders' equity table:

In €K	Balance before allocation of fiscal year income at 31.12.12	Allocation of fiscal year income at 31.12.12	After allocation of fiscal year income at 31.12.12	Capital increase	Fiscal year income at 31.12.13	Balance at 31.12.13
Capital	11,554	0	11,554	0		11,554
Issuance and conversion premiums	10,436	0	10,436	0		10,436
Merger premium	119	0	119	0		119
Legal reserve	275	0	275	0		275
Other reserves	1,062	0	1,062	0		1,062
Debit carryforward	-2,986	-408	-3,394	0		-3,394
Income	-408	408	0	0	-1,542	-1,542
TOTAL	**20,052**	**0**	**20,052**	**0**	**-1,542**	**18,510**

Maximum number of shares to be created:

Through option exercise: 1,250,140

Current stock option plans:

Board of Directors meeting date	**01.09.03**	**22.02.06**	**22.02.06**	**18.02.08**	**18.02.08**
Number of shares	459,000	433,000	246,000	383,000	217,000
Nominal value	€0.77	€0.77	€0.77	€0.77	€0.77
Subscription price	€1.83	€1.74	€1.77	€1.91	€1.91
Exercise dates	from 01.09.07 to 01.09.13	from 22.02.10 to 22.02.16	from 22.02.08 to 22.02.16	from 18.02.12 to 18.02.18	from 18.02.10 to 18.02.18
Number of shares subscribed to	16,700	10,500	12,000	0	6,360
- including during fiscal 2013	0	0	0	0	0
Stock options cancelled or nullified	442,300	0	0	0	0
Remaining stock options	0	422,500	234,000	383,000	210,640

45,560 options have been exercised since their origin.

5.4.16 Advances and loans to executive management

No loans or advances have been made to executive management, in accordance with Article L.225-43 of the Commercial Code.

5.5 Statement of income explanatory notes

5.5.1 Sales breakdown

By geographic zone (in €K)	31.12.13	31.12.12
France	11,815	17,210
EU (excluding France)	18,258	18,111
Other	11,178	10,817
TOTAL	**41,251**	**46,138**

By sector of activity (in €K)	31.12.13	31.12.12
Thrustmaster	19,940	14,963
Hercules	21,311	31,175
TOTAL	**41,251**	**46,138**

5.5.2 Stored production

Stored production is broken down as follows:

	31.12.13	31.12.12
Stored production	-3,055	3,626
Total	**-3,055**	**3,626**

5.5.3 Capitalized production

Capitalized production is broken down as follows:

	31.12.13	31.12.12
Capitalized production	2,131	2,682
Total	**2,131**	**2,682**

Regarding development costs, since January 1, 2012 the company has put in place project monitoring tools, allowing it to reliably evaluate spending links to these assets.
Costs linked to projects meeting the activation criteria are now capitalized. The move from the expenses account to the "Intangible fixed assets in progress" account from the date on which the activation criteria were met resulted in operating revenues which amounted to €2,131K for the fiscal year.

5.5.4 Other operating revenues

	31.12.13	31.12.12
Provisions reversals	321	551
Expense transfers	203	253
Other revenues	241	286
Total	**765**	**1,090**

Provisions reversals relate to inventories for €296K, and receivables for €25K:
- The provisions reversal on inventories is explained by the sale or destruction of elements for which losses in value had been posted.
- The provisions reversal on receivables related to reversals of provisions regarding definitely non-recoverable doubtful client receivables.
Expense transfers of €203K corresponded to rebilling of costs with respect to third parties and to insurance payments received.
Other revenues mainly related to real estate revenues as part of rental contracts.

5.5.5 Purchases consumed

	31.12.13	31.12.12
Primary material purchases	20,463	30,473
Inventory variations	83	1,361
Total	**20,546**	**31,834**

5.5.6 Other operating expenses

Other operating expenses are broken down as follows:

	31.12.13	31.12.12
Other external purchases and expenses	17,621	22,083
Other expenses	2,150	2,034
Total	**19,771**	**24,117**

Transportation services accounted for €1,264K.

Subsidiary-related subcontracting services amounted to €8,717K. Marketing and publicity-related spending amounted for €3,859K.

Since January 1, 2012 the company has put in place project monitoring tools, allowing it to reliably evaluate spending links to this asset during its development phase. Costs relating to projects meeting the 6 activation criteria amounted to €2,131K for the fiscal year. Development costs which do not meet the activation criteria are definitively recorded under expenses, and amounted to €1,966K for fiscal 2013.

Other operating expenses essentially included license fees for an amount of €1,937. Operating licenses are charged against the product sales to which they relate on a pro rata basis.

Attendance fees due to members of the Board of Directors amounted to €77K for 2013.

5.5.7 Personnel expenses

	31.12.13	31.12.12
Salaries and processing	220	216
Benefits expenses	87	78
Total	**307**	**294**

The workforce December 31, 2013 was composed solely of executive Directors. The gross amount of total remuneration paid out for Directors' duties amounted to €220K.

5.5.8 Depreciation, amortization and provisions allowance

	31.12.13	31.12.12
Intangible fixed asset depreciation and amortization	924	295
Tangible fixed asset depreciation and amortization	895	891
Current assets depreciation	383	593
Provisions for liabilities and expenses	0	0
Total	**2,202**	**1,779**

Depreciation and amortization with respect to intangible fixed assets mainly related to development costs capitalized over the period from the good's production date, for a total amount of €924K for the fiscal year.

Depreciation and amortization with respect to tangible fixed assets mainly related to depreciation on buildings for €133K and to the molds used for the production of products, for an amount of €790K.

Depreciation on current assets included an allocation of €343K on inventories, including €286K in allocations linked to products in the Hercules PLC and WAE ranges.

The allocation for receivables amounted to €39K.

5.5.9 Financial income

	31.12.13	31.12.12
Financial revenues on investments	0	0
Total other financial revenues	**0**	**0**
Reversal on provisions and expense transfers	1,382	2,062
Financial allowance on amortization and provisions	195	467
Total allowance and provision reversals	**1,187**	**1,595**
Forex gains	835	1,452
Forex losses	668	1,223
Total Forex differences	**167**	**229**
Net revenues on marketable investment security disposals	241	792
Net expenses on marketable investment security disposals	16	40
Income on marketable investment security disposals	**225**	**752**
Other assimilated interest and revenues	67	139
Assimilated interest and revenues	235	241
Total interest revenues and expenses	**-168**	**-102**
TOTAL	**1,411**	**2,474**

Financial risks are as follows:

- Liquidity risk: At December 31, 2013, the Group had not used all of its loan and banking facilities, and its net indebtedness was €2,528K.
The Group held a portfolio of marketable investment securities worth €6,644K, valued at their average trading prices for the month of December 2013.

No loans were covered by acceleration clauses at December 31, 2013.

- Share price variation risk: The share price variation on shares held impacts on the Group's income. For 2013, a 10% decrease in the prices of Ubisoft Entertainment S.A., Gameloft S.E. and treasury stock shares (in relation to their prices at December 31, 2013) would have an impact of €-622K on financial income.
At March 21, 2014, the closing price of Ubisoft Entertainment shares was €12.585, representing an increase of 29% in relation to that on December 31, 2013, resulting in the posting of a depreciation provision reversal of €1,648K in the Group's financial statements at this date.

- Market rates variation risk: A 1% increase in interest rates, taken on an annual basis and considering the balance at December 31, 2013 (the amount of variable-rate financial liabilities) would have an impact of an increase in charges of €32K.

- Exchange rates variation: The balance of the Group's currency-denominated assets and liabilities at December 31, 2013 was broken down as follows (the position is given for non-covered amounts, meaning those subject to currency variations):

Currency amounts exposed to positive or negative exchange rates variations:

(In €K)	USD	GBP	CAD
Assets	7,725	780	0
Liabilities	10,353	25	635
Net pre-adjustment position	-2,628	755	-635
Off-balance-sheet position	0	0	0
Net post-adjustment position	-2,628	755	-635

A 10% increase in the rate of the American dollar, taken on an annual basis and considering the balance at December 31, 2013 (the amount of currencies subject to exchange variations) would have an impact of an increase in financial charges of €234K.

The impact of exchange variations on other currencies is not significant.

As all of the major players in the multimedia industry conduct transactions in US dollars, there is no competitive advantage between one manufacturer and another translating into increased market share. As a result of the indexation of sales prices to dollar cost prices by all players in the industry, sales prices are either increased or decreased as a function of overall cost prices.

The main currency for hardware and accessory purchases is the US dollar. In the United States, Canada and all other countries outside of Europe, the transaction currency is also the US dollar. In Europe, the Group sells mainly in euros. Rapid currency variations and dips in the value of the US dollar in particular may result in lower sale prices for the Group's products and consequently impact on the value of merchandise inventories. Conversely, a strong and rapid increase in the value of the US dollar over the second half of the year would not allow the Group to offset this increase in full on the sales prices of its products, given the seasonal nature of the company's activities, and could result in a temporary impact on gross margins.

However, in order to limit the Group's risk, Guillemot Corporation covers Forex risks by way of buying on the spot market, forward purchase contracts and foreign currency options.

Moreover, increased export sales over the past several years enhance its natural coverage and significantly decrease the Forex risk.

<u>- Credit risk:</u> Credit risk represents the risk of financial loss in the event whereby a customer would fail to meet its contractual obligations. The Group has taken out credit insurance in order to protect against this risk. The number of customers is reduced, as the Group relies mainly on wholesalers. In some cases, the Group is obliged to grant additional credit where coverage is judged to be particularly ill-suited.

<u>Financial provisions reversals and allowances:</u>

As a result of the financial difficulties encountered by the subsidiaries of Guillemot Corporation S.A., the company was obliged to depreciate the accounts of some subsidiaries during previous fiscal years. With respect to the net worth amounts at December 31, 2013, the equity securities and current account advances of some subsidiaries were subject to provisions allowances or reversals.

With respect to equity securities, the company posted an allowance of €9K for securities of the subsidiaries Guillemot S.A. (Belgium) and Guillemot Innovation Labs SAS (France), and reversed the depreciation provision for securities of Guillemot Srl (Italy) for €4K.

The company posted an additional allowance of €80K on the current account advance granted to the subsidiary Guillemot Inc. (Canada) and a provision reversal on the current account advances granted to the subsidiaries Guillemot Ltd (UK) for €14K and Guillemot GmbH (Germany) for €28K.

Other provisions reversals related to Ubisoft Entertainment S.A. securities valued at their average trading price during the month of December 2013 for €1,195K, and various reversals for unrealized Forex losses with respect to the previous fiscal year for €132K.

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

<u>Net revenues and expenses on marketable investment securities disposals:</u>

The company Guillemot Corporation S.A. posted a disposal result on treasury stock shares of €-5K during the year, within the context of the liquidity contract in effect. Moreover, during fiscal 2013, the company disposed of 863,874 Ubisoft Entertainment S.A. equity warrants freely granted in April 2012, thereby posting a net gain of €230K.

<u>Interest revenues and expenses:</u>

Interest revenues were chiefly comprised of €38K in interest on current account advances granted to subsidiaries.

Financial revenues also included an amount of €28K which corresponds to the reintegration into balance sheet assets of current account advances, waived by the parent company in 2004 to the benefit of its subsidiary Guillemot GmbH (Germany) with a return to profits clause.

Expenses for loan interest and banking institution interest accounted for €202K.
Current account interest charges accounted for €17K.

Discounts granted totaled €15K.

5.5.10 Exceptional income

Exceptional income includes extraordinary elements and elements which are unusual in terms of their amount or their effect on current activities.

	31.12.13	31.12.12
Exceptional revenues on management transactions	0	0
Exceptional revenues on capital transactions	0	558
Recoveries on provisions and expense transfers	46	1,235
Total exceptional revenues	**46**	**1,793**
Exceptional expenses on management transactions	75	28
Exceptional expenses on capital transactions	701	23
Exceptional amortization and provision allocations	356	0
Total exceptional expenses	**1,132**	**51**
TOTAL	**-1,086**	**1,742**

The partial provision reversal for €46K is linked to a customs VAT amount due by a defaulting supplier and claimed from Guillemot Corporation by the administration.

Other exceptional expenses include €703K corresponding to the resolution of a dispute with a supplier, and €27K in net book value with regard to discarded molds.

Allowances include €47K in expense provisions linked to a dispute with a component supplier. The company has reclassified development costs which no longer meet the 6 eligibility criteria. With the asset no longer being used, the company has therefore applied exceptional amortization of €309K for the remainder of the costs registered under assets not yet amortized at December 31, 2013.

5.5.11 Corporate income tax

Income at 31.12.13	Current	Exceptional	Net
Taxable base	-339	-1,086	-1425
Carry-forward of losses	339	1,086	1425
Income tax at 33.33%	0	0	0
Tax credits	0	0	0

The net decrease/increase in future income tax liability: temporarily non-deductible expenses (to be deducted next year):

- Provision Contribution Sociale de Solidarité des Sociétés (C3S) / Company social solidarity tax: €43K
- Forex change : €240K

Table of losses carried forward:

Year	Losses carried forward
2002	30,859
2003	7,690
2004	7,006
2005	9,171
2006	1,229
2009	565
2011	2,410
2012	357
2013	1,425
	60,712

5.5.12 Average workforce

	Total	Management	Non-management
31.12.13	5	5	0

The workforce at December 31, 2013 was composed solely of executive directors.

5.5.13 Financial commitments

Letters of intent:

Letters of support to Guillemot GmbH (Germany) and Guillemot Ltd (UK) as a shareholder regarding the continuity of operations at these companies.

Non-matured discounted notes:

€166K.

Outstanding documentary credits:

€721K.

Pension retirement benefits:

As the workforce is composed solely of executive directors, no pension retirement benefits are due.

Minima guaranteed on licenses:

€1,121K.

Forward purchases:
USD 1,000K at an average rate of 1.37018, maturing in January 2014.

Commitments given:
The company Guillemot Corporation S.A. received current account waivers granted during fiscal 2002 for a total amount of €6,500K on the part of the founders of the company.

These waivers are combined with a return to profits clause. The total amount reintegrated into balance sheet liabilities during previous fiscal years amounts to €4,834K. As fiscal 2013 showed a loss, the company did not reintegrate any funds into balance sheet liabilities.

The remaining €1,666K will be progressively re-integrated into balance sheet liabilities over the coming years at the rate of 20% of annual net income.

Commitments received:
Guillemot Corporation S.A. has waived €6 million in current account expenses for its subsidiary Guillemot GmbH (Germany).

This waiver is combined with a return to profits clause, whereby repayments may not exceed 50% of annual net income once the company returns to profits. As fiscal 2013 showed a profit for the subsidiary Guillemot GmbH (Germany) and given the reimbursement terms, the company Guillemot Corporation S.A. reintegrated an amount of €28K into its balance sheet assets. The remaining €5,746K will be progressively reimbursed over the coming years at the rate of 50% of annual net income.

Commitment received linked to operating activities: bank guarantees in the amount of €1,000,000.

5.5.14 Executive management remuneration

The company's executive directors (Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot) are remunerated for their functions of Chief Executive Officer or Deputy CEO. They do not have employment contracts. The total gross remuneration paid out by the company to executive directors amounted to €220K for the fiscal year.

The amount of attendance fees paid out by the company to members of the Board of Directors was €77K for the fiscal year. This amount included the sum of €15K paid to Ms. Marie-Hélène Lair, for her role as independent Director.

No specific retirement program has been put in place for Directors. No commitments have been made by the Group corresponding to elements of remuneration, indemnities or benefits due or potentially due as a result of the undertaking, ending or changing of these functions or subsequent to the same. No remuneration has been paid by virtue of a profit-sharing plan or bonuses. No share subscription or purchase options have been granted.

5.5.15 Consolidating company

GUILLEMOT CORPORATION S.A.
Place du Granier, BP 97143 – 35571 CHANTEPIE Cedex, France

5.6 Post-closure events

There were no post-closure events.

5.7 Proposed allocation of income

		In €	In €
Sources			
Retained earnings brought forward			
Income for fiscal year ended 31.12.2013			-1,541,889.91
including current result after tax:	*-456,072.18*		
Deduction from reserves			
Assignments			
Appropriation to reserves:			
- Legal reserve			
- Special long-term capital gains reserve			
- Other reserves			
Dividends			
Other allocations:			
- charges to issue premiums			
- charges to contribution premiums			
- charges to conversion premiums			
Retained losses		-1,541,889.91	
TOTAL		**-1,541,889.91**	**-1,541,889.91**

6 INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS – FISCAL YEAR ENDED DECEMBER 31, 2013

To shareholders of

Guillemot Corporation S.A.
Place du Granier
BP 97143
35571 Chantepie Cedex

Ladies and Gentlemen shareholders,

As part of the auditing duties conferred upon us at your general meeting, we present herewith our report regarding the fiscal year ended December 31, 2013, on:

- our audit of the financial statements of the company Guillemot Corporation S.A., as attached to this report;
- the justification of our assessments;
- the specific verifications and information required by law.

The annual financial statements have been prepared by your Board of Directors. It is our task to provide an opinion on these financial statements, on the basis of our audit.

I - Opinion on the annual financial statements

We have conducted our audit in accordance with the professional standards of practice applicable in France; these standards require due diligence procedures in order to ascertain with reasonable certainty that the annual financial statements are free of material misstatement. An audit consists of an examination, on a sampling basis or by other methods of selection, of elements justifying the amounts and information presented in the financial statements. An audit also includes an assessment of the accounting principles applied, as well as of the significant estimates made in the presentation of the financial statements and of their overall presentation. It is our view that the audit we have carried out forms a true and fair basis for the opinion expressed below.

We hereby certify that the annual financial statements are orderly and sincere, according to French accounting rules and principles, and that they provide an accurate representation of the result of transactions carried out during the past fiscal year, as well as of the financial situation and assets of the company at year-end.

II - Justification of our assessments

Pursuant to the terms of Article L.823-9 of the Commercial Code relating to the justification of our assessments, we bring to your attention the following elements:

<u>Accounting rules and methods</u>

- Note 5.3.1 of the appendix sets out the accounting rules and methods relating to Research and Development costs. As part of our assessment of the accounting rules and methods followed by your company, we have verified the appropriate nature of the above-mentioned accounting methods and of the information provided in appendix notes 5.4.1 and 5.5.3 and are satisfied that they have been applied correctly.

- Moreover, note 5.3.3 of the appendix sets out the accounting rules and methods relating to financial fixed assets. As part of our assessment of the accounting rules and principles and evaluation methods employed by your company, we have verified their appropriate nature and are satisfied that they have been applied correctly.

<u>Accounting estimates</u>

- Intangible fixed assets, and more precisely brands and goodwill, are tested for impairment according to the methods set out in notes 5.3.1 and 5.4.1. We have verified the appropriate nature of the methodology employed by the company, as well as of the hypotheses used.

- Inventories of finished products are subject to depreciation, described in notes 5.3.4, 5.4.4., 5.4.14 and 5.5.8 of the appendix. We have verified the appropriate nature of the methodology employed by the company and evaluated the reasonable nature of these estimates.

The assessments arrived at in this way were in the context of our audit process for the annual financial statements, taken in their totality, and therefore contributed to the formation of our opinion expressed in the first section of this report.

III - Specific verifications and information

We have also performed the specific verifications required by law, in accordance with professional standards of practice applicable in France.

We have no observations to make regarding the sincerity and concordance with the annual financial statements of the information provided in the Board of Directors' management report and documents addressed to shareholders in relation to the company's financial standing and annual financial statements.

Regarding the items of information supplied pursuant to the terms of Article L.225-102-1 of the Commercial Code with respect to remuneration and benefits paid and granted to the company's executive officers, as well as the commitments made in their favor, we have verified their concordance with the accounts or with the data used in drafting these accounts and, if need be, with the elements collected by your company from the companies controlling your company or controlled by it. Based on this work, we confirm the accuracy and sincerity of these items of information.

In accordance with the law, we are satisfied that the various items of information relating to the identities of holders of capital or voting rights have been communicated to you in the Management report.

Rennes, April 25, 2014

Independent Auditors

PricewaterhouseCoopers Audit	MB Audit SARL
Yves Pelle	Roland Travers

➢ CORPORATE GOVERNANCE AND INTERNAL CONTROLS

The company refers to the Middlenext corporate governance code for listed companies with medium and smaller-sized securities.

1 REPORT FROM CHAIRMAN OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE AND INTERNAL CONTROLS

This information is set out in section 13.5 of the Management report.

2 INDEPENDENT AUDITORS' REPORT DRAFTED PURSUANT TO ARTICLE L.225-235 OF THE COMMERCIAL CODE, ON THE REPORT FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE COMPANY GUILLEMOT CORPORATION – FISCAL YEAR ENDED DECEMBER 31, 2013

To shareholders of

Guillemot Corporation S.A.
Place du Granier
BP 97143
35571 Chantepie Cedex

Ladies and Gentlemen shareholders,

As Independent auditors of the company Guillemot Corporation S.A. and pursuant to the terms of Article L.225-235 of the Commercial Code, we present herein our report on the report assembled by your company's Chairman in accordance with the provisions of Article L.225-37 of the Commercial Code for the fiscal year ended December 31, 2013.

It is the Chairman's responsibility to assemble and submit for the Board of Directors' approval a report describing the internal control procedures and risk management procedures put in place at the company, and providing the other items of information required by Article L.225-37 of the Commercial Code, relating in particular to the system of corporate governance.

Our duties are to:

- communicate to you the observations we have noted with respect to the information contained in the Chairman's report, relating to the internal control procedures and management of risks regarding the drafting and processing of accounting and financial information; and

- certify that the report includes the other items of information required by Article L.225-37 of the Commercial Code, with the stipulation that it is not our duty to verify the accuracy of these other items of information.

We have carried out our work in accordance with the professional standards of practice applicable in France.

Information relating to the internal control procedures and the management of risks regarding the drafting and processing of accounting and financial information

Professional standards of practice require the implementation of due diligence procedures in order to evaluate the accuracy and sincerity of the information relating to the internal control procedures regarding the drafting and processing of accounting and financial information in the Chairman's report. In particular, these due diligence procedures consist of:

- informing ourselves of the internal control procedures and the management of risks relating to the drafting and processing of accounting and financial information underlying the information presented in the Chairman's report, as well as of the existing documentation;

- informing ourselves of the works which have allowed for the drafting of these items of information and of the existing documentation; and

- determining whether any major deficiencies in terms of internal controls relating to the drafting and processing of accounting and financial information we may have uncovered as part of our audit are subject to appropriate disclosure of information in the Chairman's report.

Based on these due diligence procedures, we have no observations to offer with respect to the company's internal control procedures and the management of the company's risks relating to the drafting and processing of accounting and financial information, presented in the report of the Chairman of the Board of Directors, drafted pursuant to the terms of Article L.225-37 of the Commercial Code.

Other information

We certify that the Chairman's report includes the other items of information required by Article L.225-37 of the Commercial Code.

Rennes, April 25, 2014

Independent Auditors

PricewaterhouseCoopers Audit	MB Audit SARL
Yves Pelle	Roland Travers

➢ INFORMATION REGARDING MARKETS AND TRENDS

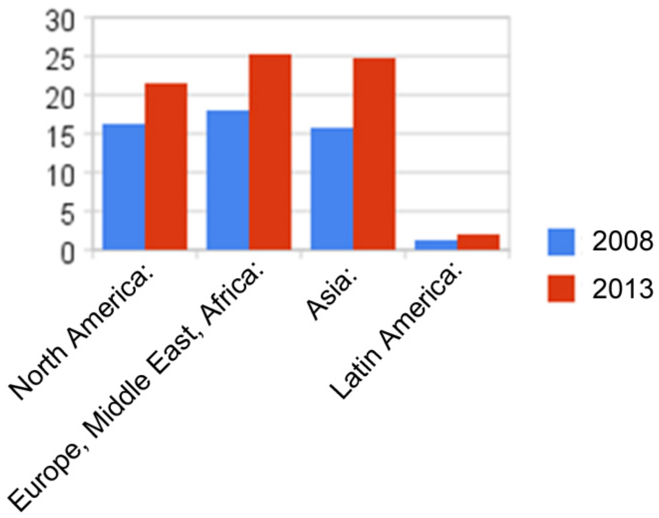
1 INFORMATION REGARDING MARKETS

1.1 The video game market in transition with the arrival of next-generation consoles

The video game market had been in decline until the arrival of the new Xbox One™ and PlayStation® 4 consoles at the end of the year, which achieved great success with more than seven million consoles sold in the two final months of the year (Source: www.vgchartz.com, 14/01/2014). These two new consoles have truly breathed new life into the market, which is set to grow in 2014. These consoles' rollout has been twice as fast as those of previous generations, giving new dynamics to the market which will continue in 2014 with the launches of a large number of games.

Video gaming is the leading cultural industry both in France and worldwide, in terms of sales figures. Within two years, worldwide sales in the video game sector went from €41.9 billion in 2011 to nearly €60 billion in 2012. According to the Syndicat National du Jeu Vidéo, the video game market should account for more than €75 billion in 2015 (Source: www.snjv.org, 14/01/2014). With €2.7 billion in sales, more than 90% of which is generated by the PC and consoles ecosystem, the French video game market is stable, proof of tremendous dynamism within an end-of-cycle context and against a backdrop of economic crisis (Source: www.afjv.com, 04/02/2014).

Video game market by region (in USD billions)



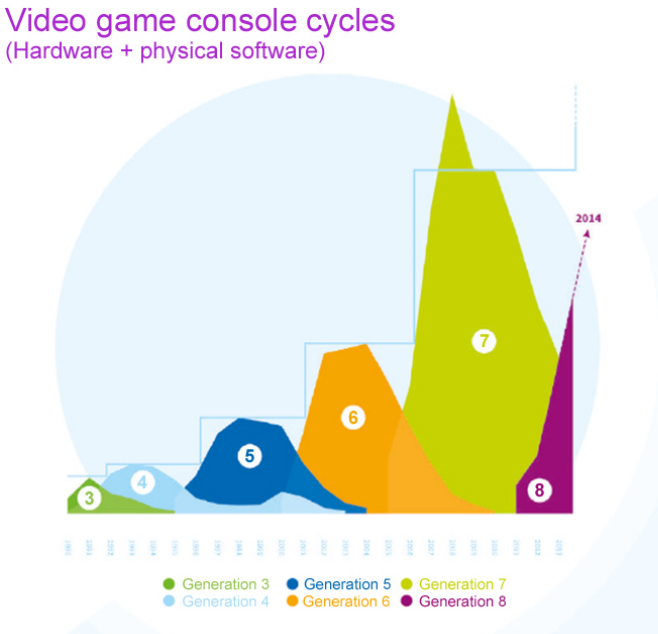
Source: PricewaterhouseCoopers

In Europe, the UK market remains dominant, widening its lead over France in 2013. These two countries have "between them produced more video games than the rest of Europe combined," according to the PricewaterhouseCoopers research firm (Source: http://playtime.blog.lemonde.fr, 26/06/2009).

New video game platforms such as smartphones, tablets and home gateway devices will also generate a new market for accessories and thereby contribute to the global growth of the gaming accessories market.

1.2 The game consoles market with the arrival of next-generation consoles

In 2013, consumers were in a waiting period linked to the arrival of the next-generation consoles. The video game industry is a cyclical market which creates new needs: this has been the case with every previous switch to a new generation of consoles, and continues to be true today.



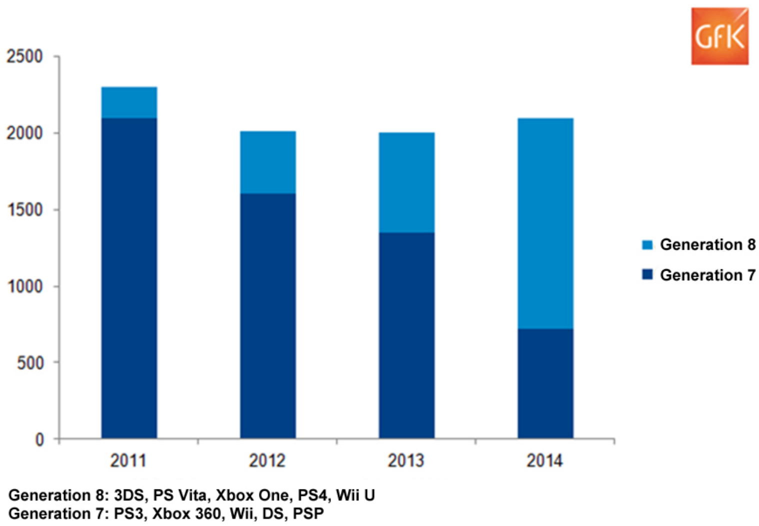
Source: GFK – late 2013 survey data

The launch of two new home consoles after seven years is a major event in the entertainment industry. Even though video gaming is also threatened by dematerialization and more mobile screens, the new generation of consoles – like all those before it – should reign for at least six to eight years.

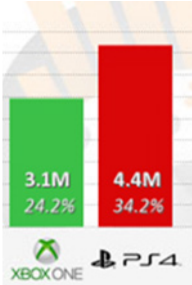
The consoles market continues to revolve around three major manufacturers: Microsoft, with its Xbox 360® and the new Xbox One™ released in late November 2013; Nintendo with the Wii® console; and Sony with the PlayStation®3 and its latest offering, the PlayStation®4.

Microsoft and Sony, the two giants, launched their new game consoles within a week of one another. True digital entertainment platforms for the home, the PS4 and Xbox One™ both incorporate new technologies for online uses which are now indispensable.
According to Futuresource Consulting, the cumulative number of PlayStation®4 consoles (36 million) and Xbox One™ consoles (30 million) should account for sixty-six million units sold worldwide by 2018 (Source: Multimédia à la Une, number 197, page 9, October 2013).

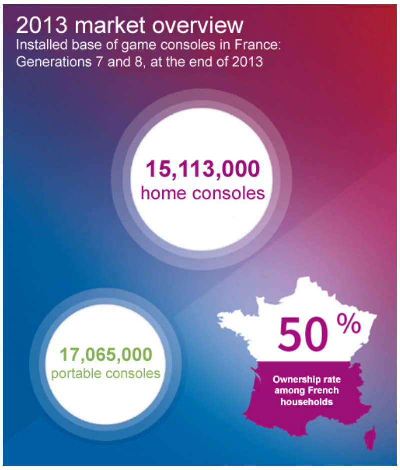
Share of console generations 7 and 8 within the interactive entertainment market in France



Worldwide installed base of new consoles



(Source: www.vgchartz.com, 14/01/2014)



(Source: GFK)

1.2.1 Nintendo Wii® / Nintendo Wii U®

2013 was "complicated" for Nintendo's Wii U® console, with sales ultimately falling short of forecasts. In the absence of significant sales dynamics, the new Japanese console will barely have sold more Wii U consoles in 12 months than Microsoft's Xbox One™ managed to achieve in just over one month.
The worldwide installed base of the Wii U console at January 14, 2014 amounted to 5.3 million units, nearly a year after its release (Source: www.vgchartz.com, 14/01/2014).

1.2.2 PlayStation®3 / PlayStation®4

The first three PlayStation consoles achieved so much success that the PlayStation brand has become synonymous with home video game consoles, particularly in France. The latest model – the PlayStation®4 console, available in Europe since November 29, 2013 – is well-placed to follow the successful path of its predecessors, as video games have become a major economic force for the world of entertainment as a whole. The PS4 console is set to break new ground and allow video gaming to forge a path for the years to come, but also descends from a lineage built on values which have created a strong link with gamers.
Sony Computer used the CES trade show in Las Vegas as a venue to provide some initial numbers regarding sales of its new home console, the PlayStation®4. According to the manufacturer, no less than 4.2 million consoles were sold to gamers as of December 28, 2013 (Source: www.jdli.com, 08/01/2014). Sony Computer also mentioned that 9.7 million PS4 games were sold over the same period, representing a very good ratio of 2.31 titles sold per console. The launch of the PS4 console has had a decisive impact on memberships for its online pay service, PlayStation®Plus, subscriptions to which have grown by 90%. This ecosystem is set to make its mark on the new generation of consoles (Source: www.jdli.com, 08/01/2014).

According to Andrew House, president and Group CEO of Sony Computer Entertainment, Sony aims to sell 5 million PS4 consoles by the end of its fiscal year, i.e. by the end of March 2014 (Source: Multimédia à la Une, number 197, page 9, October 2013). Released in the United States a few days before its availability in Europe, the PS4 console had a brilliant launch with no less than 1 million consoles sold in just the first few hours, according to the manufacturer (Source: Le Journal des Loisirs Interactifs, number 255, page 4, November 25, 2013). The console will launch in the Japanese market in late February 2014.

For its part, the PS3 console will focus to a greater degree on a family target audience. With an installed base of 5 million units in France, representing one in four households, in order to further its development, the PS3 must not only continue to offer innovative games, but also expand its audience (Source: Multimédia à la Une, number 197, page 25, October 2013).

1.2.3 Xbox 360 / Xbox One

Having entered the console market 10 years ago, Microsoft truly made its mark with the Xbox 360 console. Nearly eight years after its release, the Xbox 360 now shares the stage with the new Xbox One™, the next-generation console released on November 22, 2013. The launch of the Xbox One™ console in France was a big event much anticipated by consumers.
The Xbox One™ represents the new generation of all-in-one gaming and entertainment consoles destined to revolutionize living rooms in the 21st century. Microsoft's console has already managed to sell more than three million units in the thirteen countries in which it is available. According to Microsoft, the Xbox One™ was the "fastest-selling console during the month of November in the United States" (Source: www.jdli.com, 07/01/2014). The Xbox One™ console was designed by gamers for gamers, with a very strong focus on both video games and the delivery of entertainment over the next ten years. The most notable innovations seen in the new gamepad, which has retained the highly-appreciated ergonomic design of its predecessor, are the new impulse triggers.

1.2.4 Nintendo DS / 3DS

Since the start of 2013, the Nintendo 3DS ecosystem as a whole has grown by 31% in value (hardware, accessories and software including titles by third-party publishers) (Source: Le Journal des Loisirs Interactifs, number 245, page 52, 25/06/2013). Dynamics for the 3DS are sustained by an unrivaled pace of game releases.

1.3 The streaming audio, headphones and multimedia speakers markets

1.3.1 The streaming audio market: still booming

The audio market is transforming thanks to the explosion in sales of smartphones and tablets, and the rise of streaming sites which are becoming the main sources of music for consumers. No longer tied to physical media in order to listen to music, today's consumers want their favorite songs to follow them everywhere, whether indoors or outdoors.

The wireless speakers market is both very promising and competitive. The wireless standard is becoming the norm for listening to music and streaming audio, thanks to Deezer and Spotify, is becoming a major source for music with respect to smartphones, tablets and computers. After iTunes, these sites offer an unlimited selection of free or accessibly-priced music which can be played on wireless speakers at home, or when enjoying outdoor activities.

According to the GfK market research agency, the most important vector for the democratization of mobile audio is – and will remain – the smartphone (Source: www.qobuz.com, 09/09/2013).

This market, which has more than doubled in the United States this year to nearly USD 1 billion, is also highly sought-after by all companies involved in audio (Source: NPD).

NPD's figures clearly show the explosion in sales of this market in the United States, with growth of 142% in value between 2012 and 2013, and 227% in volume over the period (Source: NPD).

1.3.2 The headphones market: consumers are listening

In the era of dematerialized music, the headphones market is performing well and is even set to surpass the hi-fi market, having experienced sustained double-digit growth over the past few. In order to stand out from the crowd, manufacturers are redoubling their efforts in terms of both creativity and performance: each brand is cultivating its own unique style which aims to be completely original and a rallying point for a real community of fans.

In France, ten million pairs of headphones are sold per year, twice as many as was the case four years ago (Source: Ouest France, 07/02/2014): thanks to the democratization of smartphones and tablets, headphones are now in demand among all generations of users. Headphones have become a fashion accessory in recent years, even becoming a social status symbol. Headphones not only allow wearers to listen to their music wherever they like, but also let them display an image of themselves for the world to see. The high-end headphones market is spurred on by technological innovations: wireless models equipped with a smartphone-compatible microphone, noise-cancelling technology to reduce unwanted ambient sounds, and more.

1.3.3 The multimedia speakers market

The multimedia speakers market has followed the slowdown in terms of PC sales.
NPD's figures show the decline of this market in the United States, with a decrease of 21.3% in value between 2012 and 2013, but an increase of 2% in terms of average price.

1.3.4 The digital DJing market

This is an incredibly trendy market segment which has become a veritable lifestyle focus for young people: DJs are now regarded as respected artists, and enjoy worldwide smash hits. Famous DJs like David Guetta and Bob Sinclar have paved the way, with a multitude of others following in their footsteps internationally.

As this market is split up between music stores and electronics shops, there are few reliable and up-to-date indicators available with which to quantify its size and growth.

1.4 The Wi-Fi and Power Line Communication markets

The added value and volumes in the Wi-Fi and Power Line Communication markets having decreased sharply as result of competition from telephone operators, the Group has decided not to renew its product lines.

1.5 The PC market in decline and a tablet market with the wind in its sails

According to the IDC market intelligence firm, worldwide computer sales decreased by 10% over 2013 to 314.6 million units, to the benefit of tablets and smartphones (Source: www.jdli.com, 10/01/2014). The portable computer has transformed into a seductive and ultra-mobile object of beauty. Crafted of high-grade materials, featuring extremely thin designs, excellent performance and extended battery life, tablets have continued to erode sales of more traditional computers.

Tablets have experienced dizzying success, as their use is clearly perfectly complementary to that of smartphones and computers: tablets truly have the wind in their sails. Bearing this out, 50 million tablets were sold in three months at the start of 2013, compared with 77-78 million PS3 consoles over seven years (and very similar numbers for the Xbox 360) (Source: www.challenges.fr, 25/06/2013). According to analysts from the GfK market research institute, roughly 1.2 billion smartphones will be sold in 2014 (Source: www.qobuz.com, 09/09/2013). GfK estimates the number of tablets sold in France in 2013 at 6 million units (Source: Multimédia à la Une, number 193, page 10, June 2013).

According to Gartner, deliveries of traditional PCs (both desktop and laptop computers) will continue to decline worldwide in 2014 (Source: www.zdnet.fr; 10/01/2014).

- In the EMEA zone: the EMEA zone is responsible for the strongest negative impact with respect to the worldwide drop in PC sales, with decreases of more than 15%: -16.8% for the first quarter of 2013 and -16% for the second quarter, to 23.2 and 21.2 million PCs delivered, respectively, compared with more than 25 million for the corresponding periods in 2012 (Source: www.zdnet.fr; 10/01/2014). PC sales dropped by 10% in Asia in 2013, owing to competition from smartphones and tablets (Source: www.liberation.fr, 21/01/2014). In 2013, nearly 315.97 million PCs were sold, representing a decrease of 10% (Source: Journal du Net, 06/02/2014). For 2013, IDC estimates the decline in PC sales for mature markets at -8.4% (-9.8% for laptop PCs and -6% for desktop PCs), while for emerging markets PC sales will decrease by -11.3% (Source: www.journaldunet.fr, 06/02/2014).

1.6 The smart TV and new gaming-enabled home gateway devices market

1.6.1 Smart TVs and home gateway devices

The increase in terms of the power of the new home gateway devices available allows for a reasonably good gaming experience. This is generating new needs with regard to gaming accessories.

1.6.2 The audio headsets market for online gamers

The headsets market segment was down slightly in the United States, with a decrease in volume of -4.2% between 2012 and 2013 (Source: NPD).

The high-end segment accounts for a growing part of the market, and manufacturers are competing with one another in terms of technologies to create headsets with high added value. In the vast audio headsets market, models aimed at video game fans represent a specialized category unto itself: they must be designed to be real tools for gamers, or even combat gear, responding to highly specific needs. Many online games require effective communication with other players: therefore, in order to immerse themselves in the action without disrupting their teammates and so as not to waste time typing messages on a keyboard, a well-designed headset incorporating a high-performance microphone is an indispensable tool.

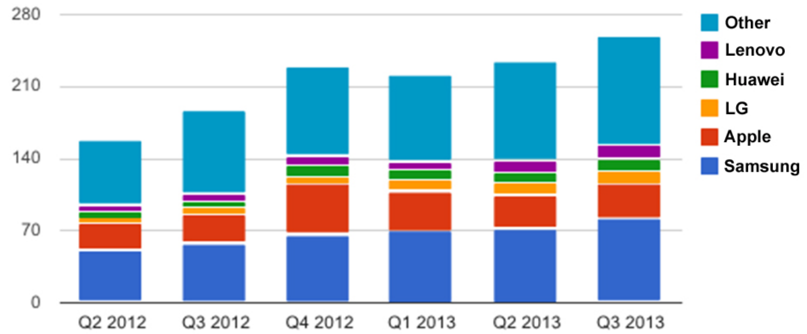
With the arrival of the new consoles, this market should experience an upturn in sales.

1.7 The smartphone market

The smartphone market has never before been as rich as it was in 2013: it was more dynamic than ever, due in particular to the proliferation of no-commitment subscriptions. The mass arrival of smartphones and tablets has given rise to an ecosystem of connected hardware, including wireless speakers.

Smartphones have experienced an explosion in popularity over the past few years, thanks to their increasingly powerful processors. The democratization in terms of smartphones and their associated operating costs, combined with the launch of 4G service in late January 2013, has made this sector very dynamic indeed. In 2013, Samsung strengthened its number one position in smartphones (above Apple), and dethroned Nokia in the mobile phones market. In the third quarter of 2013, worldwide deliveries of smartphones increased by 38.8%, to 254.8 million units (Source: www.ZDNet.fr, 05/11/2013).

2012/2013 worldwide smartphone sales (in millions of units)



Source IDC - via ZDNet.fr/chiffres-cles

1.8 The PC and game console accessories market

In 2013, the console gaming accessories market experienced a period of transition with the arrival of the next-generation consoles.

Nevertheless, figures published by NPD showed growth in terms of PC gaming accessories in the United States of +11.3% in value between 2012 and 2013, and +20% in volume despite an average price decrease of -7.3% (Source: NPD).

Comparing the second half of 2012 with the corresponding period of 2013, the PC gaming accessories market in the United States increased by +21.2% in value, and by +31.1% in volume.

Console gaming accessories, on the other hand, increased by +4.7% in value and +20.1% in volume between the second half of 2012 and the corresponding period of 2013 in the United States.

Sales of gamepads were up by more than 15% in value and by 7% in volume, with an average price increase of 8%.

2 INFORMATION REGARDING TRENDS

Thrustmaster: the Group was the first to develop and launch racing wheels for the two next-generation consoles, and is now one of the worldwide leaders in this market. The rapid growth in terms of the installed base of next generation consoles – the PlayStation®4 having sold more than 7 million units, and the Xbox One™ more than 4 million units – increases the commercial potential for Thrustmaster accessories.

Hercules: Hercules' Research and Development teams have developed very high-level expertise in terms of audio, allowing the Group to offer advanced hardware and software solutions in the fields of DJing, wireless speakers and multimedia. This expertise is regularly acknowledged by way of the international awards received by the Group, such as the two CES Innovations Design and Engineering Awards received by the Group at the American CES trade show in Las Vegas in January 2014. Hercules' strategy is to now focus on a limited number of products with higher added value, and distribute these products globally. The Group is implementing more qualitative distribution, and selecting points of sale which will allow for real development of these products with strong sales potential.

At the same time, the group is strengthening its commercial organization in Asia by way of a permanent presence in the region, and expanding its French sales team.

The Group's strategy of positioning itself in markets with strong potential, including that of accessories for next-generation consoles, tablets and smartphones, is now bearing fruit with an early success in terms of gaming accessories.

The strong growth in the installed base of smartphones and tablets provides the Group with the same potential for success with respect to audio accessories.

The Group anticipates sales growth for fiscal 2014.

➢ COMBINED GENERAL MEETING OF SHAREHOLDERS HELD MAY 22, 2014

1 AGENDA

- Within the remit of the regular general meeting

- Board of Directors' reports,
- Independent Auditors' reports,
- Approval of December 31, 2013 year-end financial statements,
- December 31, 2013 year-end net income appropriation,
- Approval of December 31, 2013 year-end consolidated financial statements,
- Approval of agreements stipulated in Article L.225-38 of the Commercial Code,
- Appointment of Ms. Maryvonne Le Roch - Nocéra as a company Director,
- Authorization of Board of Directors to carry out transactions on company shares,
- Fulfillment of legal formalities relating to the general meeting.

- Within the remit of the extraordinary general meeting

- Board of Directors' report,
- Independent Auditors' report,
- Authorization of Board of Directors to proceed with share capital reduction via cancellation of treasury stock shares,
- Fulfillment of legal formalities relating to the extraordinary general meeting.

2 TEXT OF RESOLUTIONS

- Within the remit of the regular general meeting

FIRST RESOLUTION
(Approval of December 31, 2013 year-end financial statements)
The general meeting, ruling in accordance with the conditions of quorum and majority required for regular general meetings, having been made aware of the Board of Directors' management report and of the Independent Auditors' reports, approves the December 31, 2013 year-end financial statements, as presented, as well as the transactions figuring in these statements or summarized in these reports.

SECOND RESOLUTION
(December 31, 2013 year-end net income appropriation)
The general meeting, ruling in accordance with the conditions of quorum and majority required for regular general meetings, decides to appropriate the December 31, 2013 year-end loss, amounting to €1,541,889.91, to the retained losses account.
The meeting takes cognizance of the fact that no dividends have been distributed over the course of the past three fiscal years.

THIRD RESOLUTION
(Approval of December 31, 2013 year-end consolidated financial statements)
The general meeting, ruling in accordance with the conditions of quorum and majority required for regular general meetings, having been made aware of the report on the Group's management in the Board of Directors' management report and of the Independent Auditors' report on the December 31, 2013 year-end consolidated financial statements, approves the consolidated financial statements for said fiscal year, as presented, as well as the transactions figuring in these statements or summarized in these reports.

FOURTH RESOLUTION
(Approval of agreements stipulated in Article L.225-38 of the Commercial Code)
The general meeting, ruling in accordance with the conditions of quorum and majority required for regular general meetings, having been made aware of the Independent Auditors' special report on the agreements stipulated in Article L.225-38 of the Commercial Code, approves the agreements referred to therein and the conclusions of said report.

FIFTH RESOLUTION
(Appointment of Ms. Maryvonne Le Roch - Nocéra as a company Director)
The general meeting, ruling in accordance with the conditions of quorum and majority required for regular general meetings, having been made aware of the Board of Directors' report, decides to appoint Ms. Maryvonne Le Roch - Nocéra as a company Director for a period of six years.
Ms. Maryvonne Le Roch - Nocéra's term of office as Director will come to an end upon completion of the regular general meeting convened in 2020 to approve the financial statements for the previous fiscal year.

SIXTH RESOLUTION
(Authorization of Board of Directors to carry out transactions on company shares)
The general meeting, ruling in accordance with the conditions of quorum and majority required for regular general meetings, having been made aware of the Board of Directors' report, authorizes the Board of Directors pursuant to the terms of Articles L.225-209 and following of the Commercial Code, of the European Communities Commission regulation 2273/2003 of December 22, 2003, and of the market practices sanctioned by the Autorité des Marchés Financiers, to proceed with the purchase of its own shares, up to a maximum of 10% of the total number of shares of which the company's capital is composed, this percentage applying to an adjusted capital according to transactions affecting it subsequent to the date of this meeting, with a view to:
- stimulation of the market or the liquidity of the security, via the intermediary of an investment services provider acting with full independence, within the context of a liquidity contract pursuant to the ethics charter recognized by the Autorité des Marchés Financiers,
- the conservation and subsequent remittance of securities, in payment or in exchange, within the context of possible external growth operations, with the stipulation that the number of securities acquired to this effect may not exceed 5% of the securities of which the company's capital is composed,
- the coverage of marketable securities granting the right to the allocation of company shares through conversion, exercise, reimbursement or exchange,
- the coverage of stock option plans and/or any other form of share allocation to employees and/or legal representatives of the company and/or its group,
- the cancellation of shares acquired, subject to the adoption of a specific resolution by the extraordinary general meeting of shareholders.

In the event whereby the shares are purchased in order to ensure the liquidity of the security, the number of shares taken into account in calculating the 10% limit set out above corresponds to the number of shares purchased, less the number of shares resold during the course of this authorization.
The number of shares which the company may hold, directly or indirectly, at whatever time, may not exceed 10% of the company's share capital, this percentage applying to an adjusted capital according to transactions affecting it subsequent to the date of this meeting.
The maximum purchase price per share is set at €5, representing, for the purposes of illustration based on the number of shares of which the company's capital was composed on February 28, 2014, a maximum purchase amount of €7,502,365.
The acquisition, disposal or transfer of shares may be carried out via all methods, one or more times, on the market or via a private treaty, including by transactions on blocks of securities (without a volume limit), and in compliance with applicable regulations.
These transactions may take place at any time, subject to the abstention periods stipulated in legal and regulatory provisions.
The meeting grants all powers to the Board of Directors, with subdelegation of authority according to the conditions set by law, in order to carry out this share buyback program, conclude any agreements or compacts, submit any orders, carry out any appropriation or reappropriation of the shares acquired, pursuant to applicable legal and regulatory provisions, carry out all required formalities and declarations and, generally, to accomplish whatever may be required.
This authorization is granted for a period of eighteen months as of the date of this meeting. For the unused portion, it terminates the authorization granted by the general meeting held May 23, 2013.

SEVENTH RESOLUTION
(Fulfillment of legal formalities relating to the general meeting)
The general meeting, ruling in accordance with the conditions of quorum and majority required for regular general meetings, grants all powers to the bearer of an original, copy or extract of this meeting's minutes to fulfill all legal formalities.

- Within the remit of the extraordinary general meeting

EIGHTH RESOLUTION
(Authorization of Board of Directors to proceed with capital reduction via cancellation of treasury stock shares)
The general meeting, ruling in accordance with the conditions of quorum and majority required for extraordinary general meetings, having been made aware of the Board of Directors' report and the Independent Auditors' report, and ruling in accordance with Article L.225-209 of the Commercial Code, authorizes the Board of Directors to proceed, one or more times at its sole discretion, with the cancellation of all or part of the treasury stock shares held by the company or which may be held following the buybacks carried out within the context of the share buyback program authorized by the sixth resolution submitted to this meeting or within the context of those authorized previously, within the limit of 10% of the number of shares of which the company's share capital is composed, by periods of twenty-four months, this percentage applying to an adjusted share capital according to transactions affecting it subsequent to the date of this meeting.
The general meeting confers all powers upon the Board of Directors to proceed with a capital reduction via the cancellation of shares, to set the terms, apply the difference between the book value of canceled shares and their nominal value on all available reserve and/or premium accounts, certify the execution, proceed with corresponding modifications to bylaws and all required formalities.
This authorization is granted for a period of eighteen months as of the date of this meeting. It terminates the authorization granted by the general meeting held May 23, 2013.

NINTH RESOLUTION
(Fulfillment of legal formalities relating to extraordinary general meeting)
The general meeting, ruling in accordance with the conditions of quorum and majority required for extraordinary general meetings, grants all powers to the bearer of an original, copy or extract of this meeting’s minutes to fulfill all legal formalities.

3 BOARD OF DIRECTORS’ REPORT

Ladies and gentlemen,

We have summoned you to a combined general meeting in order to submit for your approval the December 31, 2013 year-end financial statements, the appointment of a new company Director, and to ask you to rule on resolutions which involve the granting of two authorizations to your Board of Directors.

The first four resolutions submitted to you involve the December 31, 2013 year-end financial statements, and in particular:
- approval of the financial and consolidated financial statements drafted at this date;
- appropriation of the fiscal year's net result showing a loss of €1,541,889.91, which we propose to assign to the retained losses account; and
- approval of the regulated agreements entered into during the fiscal year ended December 31, 2013, having already been authorized by your Board of Directors.

By the fifth resolution, we ask that you appoint Ms. Maryvonne Le Roch - Nocéra as a Director of your company.
Ms. Maryvonne Le Roch - Nocéra would be appointed for a period of six years, and her term of office as Director would come to an end upon completion of the regular general meeting convened in 2020 to approve the financial statements for the previous fiscal year
We bring to your attention the fact that the appointment of Ms. Maryvonne Le Roch - Nocéra submitted for your approval would allow your Board to admit a second female member, and to thereby comply with the applicable legal provisions with respect to balanced representation of women and men within the Board of Directors.
Moreover, the appointment of Ms. Maryvonne Le Roch - Nocéra would allow your Board to include a second independent member as defined by the Middlenext corporate governance code.

The sixth resolution submitted for your consideration would allow your Board of Directors to continue to carry out transactions on the stock market on company shares with a view to allowing an investment services provider, working independently, to act on the market or to ensure liquidity of the security as part of a liquidity contract in accordance with the professional ethics charter recognized by the Autorité des marchés financiers.

Moreover, your Board would also like the ability to carry out transactions on the stock market on company shares with a view to:

- the conservation and subsequent remittance of securities, in payment or by exchange, as part of possible external growth operations; with the stipulation that the number of securities acquired to this effect may not exceed 5% of the securities composing the company's share capital,
- coverage for marketable securities granting the holder the right to the allocation of company shares, through conversion, exercise, reimbursement or exchange,
- coverage of stock option plans and/or of any other form of share allocation for personnel and/or executive directors of the company and/or its Group,
- the cancellation of shares acquired, subject to the adoption of a specific resolution by attendees of an extraordinary general meeting of shareholders on a specific resolution.

Your Board could proceed with the purchase of company shares up to a limit of 10% of the number of shares of which the company's share capital is composed at whatever time; with the stipulation that the number of shares that the company would come to hold, directly or indirectly, could not account for more than 10% of the company’s share capital.

The maximum purchase price per share is set at €5 euros, representing a maximum purchase amount of €7,502,365 based on the number of shares of which the company’s share capital was composed on February 28, 2014.

The acquisition, disposal or transfer of shares may be carried out at any time, including during a public offering period, one or more times and via all methods, on the market or over-the-counter, including by way of transactions on blocks of securities (without volume limitation), in accordance with applicable regulations.

This authorization would be granted to your Board of Directors for a period of 18 months as of the date of this meeting.

By the seventh resolution we ask that you grant powers to any person bearing an original, copy or extract of this meeting’s minutes with a view to fulfilling all formalities relating to the adoption or non-adoption of the resolutions within the regular general meeting's remit.

The eighth resolution proposed for your consideration would allow your Board, should it be deemed necessary, to reduce the company's share capital via the cancellation of shares which the company holds or may hold following buybacks carried out within the context of a share buyback program submitted to you in resolution six, and/or as part of previously authorized programs; with the stipulation that your Board of Directors could not cancel more than 10% of the number of shares composing the company's share capital, by periods of twenty-four months.

This authorization would allow your Board to set the terms of the capital reduction via cancellation of shares, certify its completion, apply the difference between the book value of the canceled shares and their nominal value on all available reserve and premium budget entries, and proceed with corresponding modifications to the bylaws.

This authorization would be granted to your Board of Directors for a period of 18 months as of the date of this meeting.

By the ninth resolution, we ask that you grant powers to any person bearing an original, copy or extract of this meeting’s minutes with a view to fulfilling all formalities relating to the adoption or non-adoption of the resolutions within the extraordinary general meeting's remit.

We hope that the proposals outlined above will meet with your approval.

Rennes, March 26, 2014,

The Board of Directors.

4 INDEPENDENT AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS – GENERAL MEETING APPROVING THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

To shareholders of

Guillemot Corporation S.A.
Place du Granier
BP 97143
35571 Chantepie Cedex

Ladies and Gentlemen shareholders,

In our capacity as Independent Auditors of your company, we hereby present to you our report on regulated agreements and commitments.

On the basis of the information provided to us, it is our duty to inform you of the essential features and details of those agreements and commitments of which we have been made aware or which we have discovered in the application of our mandate, without being obliged to pass judgment on their usefulness and validity, nor to look for the existence of other agreements and commitments. According to the provisions of Article R225-31 of the Commercial Code, it is your duty to assess whether it is in your interests to enter into these agreements before approving them.

Moreover, it is our duty to inform you regarding the information stipulated in Article R225-31 of the Commercial Code, as applicable, relating to the execution during this past fiscal year of the agreements and commitments already approved by the general meeting.

We have applied the due diligence procedures we have deemed necessary with respect to the professional doctrine of the Compagnie nationale des commissaires aux comptes (National Society of Statutory Auditors) relating to this task. These due diligence procedures consisted of verifying the concordance of the information provided to us with the original documents upon which this information is based.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE GENERAL MEETING

Agreements and commitments approved during the past fiscal year.

Pursuant to Article 225-40 of the Commercial Code, we have been advised of agreements which have been subject to prior authorization by your Board of Directors.

1- Guarantee granted to the company Guillemot Ltd
Directors involved: Messrs. Claude, Michel, Yves, Gérard, Christian Guillemot
Type and subject: On August 28, 2013, your company granted a guarantee to your English subsidiary Guillemot Ltd in order that the latter might be exempt from the obligation to have its accounts for the fiscal year ended December 31, 2012 audited by an independent auditor.
Terms: Guarantee of the liabilities of the company Guillemot Ltd at December 31, 2012 (amounting to £18,400), until such time as said liabilities are paid in full.
This agreement was approved by your Board of Directors on August 28, 2013.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements and commitments approved during previous years.

Pursuant to Article R.225-30 of the Commercial Code, we have been informed that the execution of the following agreements and commitments, already approved by the general meeting during previous years, took place during the past fiscal year.

1- Amendment to lease signed with the company Ubisoft Books and Records SASU
Director involved: Mr. Yves Guillemot
Type and subject: On July 1, 2010, your company established a commercial lease with the company Ubisoft Books and Records SASU, for an area of 111 m² to be used as office space. This agreement was approved by your Board of Directors on July 1, 2010.
On March 28, 2012, your Board of Directors authorized the signature of an amendment to said lease, noting that the company Ubisoft International SAS had subrogated the company Ubisoft Books and Records SASU with respect to all of its assets, rights and obligations, the latter having been dissolved without liquidation, effective November 30, 2011. The annual rent is set at €9,213 Net of Tax.
Terms: Rent received over the fiscal year amounted to €9,213 Net of Tax.

2- Amendment to lease signed with the company Guillemot Administration et Logistique Sarl
Director involved: Mr. Christian Guillemot
Type and subject: On July 1, 2010, your company established a commercial lease with the company Guillemot Administration et Logistique Sarl, for an area of 667 m² to be used as office space. The annual rent is set at €55,361 Net of Tax. This agreement was approved by your Board of Directors on July 1, 2010.
On October 24, 2012, your Board of Directors authorized the signature of an amendment to said lease on October 30, 2012, which took effect on November 1, 2012, modifying the area to 640 m^2, as well as the annual rent to €53,120 Net of Tax.
Terms: Rent received over the fiscal year amounted to €53,120 Net of Tax.

3- Lease signed with the company Guillemot Innovation Labs SAS
Director involved: Mr. Claude Guillemot
Type and subject: On October 30, 2012, your company established a commercial lease with the company Guillemot Innovation Labs SAS, for an area of 27 m² to be used as office space, which took effect on November 1, 2012. The annual rent is set at €2,241 Net of Tax.
Terms: Rent received over the fiscal year amounted to €2,241 Net of Tax.
This agreement was approved by your Board of Directors on October 24, 2012.

4- Amendment to lease established with the company Guillemot Administration et Logistique Sarl on December 1, 2002
Director involved: Mr. Christian Guillemot
Terms: The monthly rent is set at €9,343.00 Net of Tax.
Rent received over the fiscal year amounted to €112,116.00 Net of Tax.
This agreement was approved by your Board of Directors on August 20, 2007.

5- Lease established with the company Hercules Thrustmaster SAS
Director involved: Mr. Claude Guillemot
On July 1, 2010, your company established a commercial lease with the company Hercules Thrustmaster SAS, for an area of 570 m² to be used as office space. The annual rent is set at €47,310 Net of Tax.
Terms: Rent received over the fiscal year amounted to €47,310 Net of Tax.
This agreement was approved by your Board of Directors on July 1, 2010.

6- Application of the return to profits clause on current account advances waived during previous fiscal years
Directors involved: Messrs. Claude, Michel, Yves, Gérard, Christian Guillemot
On August 30, 2002, Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot waived receivables corresponding to non-interest-bearing advances, for a total of €4,999,997.10, with a return to profits clause included in the waiver of debt certificate. When the company returned to profits, it would reimburse Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot for the principal amount of the waived receivables, with the stipulation that the amount to be reimbursed annually could not exceed 4% of annual net income for each of the shareholders.
Terms: The amount of advances remaining to be reimbursed at December 31, 2013 was €1,666,316.20.

Rennes, April 25, 2014

Independent Auditors

PricewaterhouseCoopers Audit
Yves Pelle

MB Audit SARL
Roland Travers

5 REPORT OF THE INDEPENDENT AUDITOR, DESIGNATED AN INDEPENDENT THIRD-PARTY BODY, REGARDING THE CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT – FISCAL YEAR ENDED DECEMBER 31, 2013

To shareholders of the company:

In our role as Independent Auditor of the company Guillemot Corporation S.A. and designated as an independent third-party body, the admissibility of whose accreditation application has been certified by COFRAC (French Accreditation Committee), we present to you herewith our report on the social, environmental and societal information set out in the Management report (hereinafter the "CSR Information" – Corporate Social Responsibility), drafted with regard to the fiscal year ended December 31, 2013 pursuant to the terms of Article L.225-102-1 of the Commercial Code.

Responsibility of the company
It is the Board of Directors' responsibility to draft a Management report including the CSR Information stipulated in Article R.225-105-1 of the Commercial Code, pursuant to the procedures employed by the company (hereinafter the "Standards"), a summary of which is set out in the Management report and is available upon request at the company's registered office.

Independence and quality control
Our independence is defined by the regulatory texts, the professional code of ethics and the provisions set out in Article L.822-11 of the Commercial Code. Moreover, we have put in place a quality control system which includes documented policies and procedures whose aim is to ensure compliance with rules of conduct, professional standards of practice and applicable legal and regulatory texts.

Responsibility of the Independent Auditor
It is our responsibility, based on our work:
- to certify that the required CSR Information is set out in the Management report or that it is subject to, in the event of an omission, an explanation pursuant to the third paragraph of Article R.225-105 of the Commercial Code (Certification of presence of CSR Information);
- to express a conclusion of moderate assurance regarding the fact that the CSR Information, taken in its entirety, is presented, in all of its significant aspects, in a fair manner pursuant to the Standards (Reasoned opinion regarding the fairness of CSR Information).

Our work was carried out by a team of 5 individuals between December 2013 and March 2014, for a period of approximately 3 weeks.

We have carried out the work described hereinafter pursuant to the professional standards of practice applicable in France, and to the decision of May 13, 2013 determining the terms according to which the independent third-party body carries out its functions and, regarding the fairness opinion, to the international ISAE 3000[1] standard.

1- Certification of presence of CSR Information

We have been informed, based on interviews with the divisional managers involved, of the report regarding the guidelines with respect to sustainable development, according to the social and environmental consequences linked to the company's activities and of its corporate citizenship commitments and, where applicable, of the resulting actions or programs.

We have compared the CSR Information set out in the Management report with the list stipulated in Article R.225-105-1 of the Commercial Code.

In the absence of certain elements of consolidated information, we have verified that the explanations were provided pursuant to the terms of Article R.225-105 paragraph 3 of the Commercial Code.

We have verified that the CSR Information covers the scope of consolidation, namely the company as well as its subsidiaries in the sense of Article L.233-1, and the companies that it controls in the sense of Article L.233-3 of the Commercial Code: with the limits stipulated in paragraphs 11.1, 11.2.1.1 and 11.3 of the CSR section of the Management report.

Based on this work and taking into account the limits mentioned above, we certify the presence of the required CSR Information in the Management report.

2- Reasoned opinion regarding the fairness of CSR Information

Nature and scope of work

We have conducted 2 to 3 interviews with the individuals responsible for preparing the CSR Information in the divisions in charge of the processes for collecting the information and, where applicable, with the individuals responsible for the internal control and risk management procedures, in order to:

- determine the appropriateness of the Standards with regard to their pertinence, their completeness, their reliability, their neutrality and their comprehensibility, taking into consideration best practice in the sector, where applicable;

- verify the implementation of a process of collection, compilation, processing and control with regard to the completeness and the coherence of the CSR Information and to inform ourselves of the internal control and risk management procedures with respect to the drafting of the CSR Information.

We have determined the nature and the extent of our tests and controls according to the type and the importance of the CSR Information with respect to the company's characteristics, the social and environmental issues pertaining to its activities, its guidelines for sustainable development and best practice in the sector.

For the CSR Information we have considered to be the most important[2]:

- with regard to the consolidating entity, we have consulted the documentary sources and conducted interviews in order to corroborate qualitative information (organization, policies, actions), we have put in place analytical procedures with respect to quantitative information and verified, on a test basis, the calculations as well as the consolidation of data elements, and we have verified their coherence and correspondence with the other information included in the Management report;

- with regard to a representative sample of the sites (Carentoir and Rennes) that we have selected according to their activities, their contribution to the consolidated indicators, their installation and a risk analysis, we have conducted interviews in order to verify the proper application of the procedures and put in place tests of details based on sampling, consisting of verifying the calculations carried out and reconciliation of the data with supporting documents. The sample thereby selected represents 52% of the workforce, and between 76 and 100% of the quantitative environmental information.

For the other consolidated CSR Information, we have evaluated its coherence in relation to our knowledge of the company.

Finally, we have evaluated the pertinence of the explanations provided, where applicable, regarding the total or partial absence of certain items of information.

We judge that the sampling methods and samples sizes that we have employed in exercising our professional judgment allow us to formulate a conclusion with moderate assurance; a higher level of assurance would have required more extensive verification procedures. As a result of the use of sampling techniques as well as of the other limits inherent to the functioning of any information and internal control system, the risk of failing to detect a significant anomaly in the CSR Information cannot be completely excluded.

Conclusion

Based on our work, we have uncovered no significant anomalies which would lead us to call into question the fact that the CSR Information, taken in its totality, is presented in a fair manner, pursuant to the Standards.

Neuilly-sur-Seine, April 25, 2014

One of the Group's Independent Auditors
PricewaterhouseCoopers Audit

Yves Pelle Partner	Sylvain Lambert Partner, Sustainable Development Department

[1] *ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.*

[2] *Social information: workforce and male/female breakdown, seniority pyramid, movements into and out of the company, remuneration amounts and their evolution, health and safety conditions in the workplace, frequency and severity of work-related accidents, training policies implemented, number of training hours, policy implemented and measures taken to promote equality between women and men.*
Environmental information: preventative measures, recycling and disposal of waste, water consumption and water supply according to local constraints, energy consumption, measures taken to improve energy efficiency, and the use of renewable energy sources.
Societal information: taking into account of social and environmental issues in the procurement policy, the importance of subcontracting and its being taken into account in dealings with suppliers and subcontractors, the importance of suppliers' and subcontractors' social and environmental responsibilities, measures taken to promote the health and safety of consumers.

6 INFORMATION REGARDING THE CANDIDATE FOR DIRECTOR DUTIES

6.1 Surname, forename, age

Le Roch - Nocéra
Maryvonne
55 years of age

6.2 Employment held or functions carried out within the company

None.

6.3 Number of company shares owned or held by the candidate

None.

6.4 Professional references and professional activities

6.4.1 Positions held and functions carried out in other companies over the past five years

6.4.1.1 Current positions and functions

Vanves Distribution S.A.: General Manager and member of the Executive Board
Nautimar S.A.S.: President
Majimer S.A.R.L.: Manager
Du Lobreont S.C.I.: Manager
Du Chantier S.N.C.: Representative of Vanves Distribution S.A., which manages Du Chantier S.N.C.

6.4.1.2 Expired positions and functions

Nautimar S.A.: Director

6.4.2 Other information

Having graduated from the ISC Paris Business School with a DECS degree (Higher Accounting Studies Diploma), Maryvonne Le Roch - Nocéra joined the Edouard Salustro & Associés audit firm, where she was in charge of a portfolio of clients at Grégoire et Associés (Chartered Accountants/Auditors).
Ms. Le Roch - Nocéra moved to Brittany in 1986, in order to join her family's holding company: supermarkets, real estate companies.
From 2005 to 2007, she headed up the body responsible for business aviation at the Intermarché Group, and created the public transport airline company AIR ITM.
In 2007, she created an Intermarché in Surzur, and took over the Intermarché in Arzon in 2011.
Since 2006, Ms. Le Roch - Nocéra has also been a Board member of the Le Roch – Les Mousquetaires foundation.

➢ GENERAL INFORMATION

1 HISTORY OF THE GUILLEMOT CORPORATION GROUP

1984-1985

- The Guillemot firm organizes its activities around the distribution of computer-related and video game products.

1994-1996

- Guillemot International markets a range of hardware including sound cards and multimedia kits under the *Maxi* brand, and accessories under the *Fun Access* and *Access Line* brands.
- Guillemot International becomes the first company in the world to design, manufacture and market a 64-voice polyphonic sound card, the Maxi Sound 64, and to master true quadraphonic sound reproduction.
- The five Guillemot brothers create a network of sales and marketing companies in a number of countries (Belgium, Germany, the UK, Switzerland, the United States, Canada, Hong Kong).

1997

- Creation of Guillemot Corporation to become the head company of the Group: an international Group, organized by business segment, specializing in the design and distribution of interactive entertainment hardware and accessories, and software distribution.

1998-1999

- **Late November 1998:** Guillemot Corporation is successfully introduced into the New Market sector of the Paris Stock Exchange.
- In the field of gaming accessories, Guillemot Corporation becomes one of the worldwide leaders in racing wheels for PC with the acquisition of the Hardware and Accessories activities of the American Thrustmaster® Group.
- The Group signs an exclusive worldwide licensing agreement with Ferrari® for its PC and console racing accessories.
- The Group purchases the American company Hercules Computer Technology Inc., inventor of the PC graphics board, thereby completing the Group's manufacturing activities for sound cards and multimedia kits.

2000-2002

- The Group now organizes its activities around two brand names: Hercules® for PC hardware, and Thrustmaster® for PC and console gaming accessories.
- The Group focuses its activities on the design of interactive entertainment hardware and accessories and the related software.
- Strategic partnership between ATI and Hercules, worldwide leaders in graphics solutions, relating to the development of a range of graphics products including both high-end cards for hardcore gamers, and cards for family use.
- Significant restructuring is undertaken in order to significantly reduce the Group's breakeven point.
- The Extraordinary General Meeting approves a capital increase of €15 million reserved for company founders. The capital increase is carried out via the transfer of one million Ubisoft Entertainment securities.

  The transfer is remunerated by the creation of three million Guillemot Corporation securities.

2003-2004

- Reorganization of the Group's sales and marketing methods via specialized wholesalers in each country, in order to reduce the number of billing and delivery points.
- A capital increase worth €13.8 million is carried out via the contribution of 5 million listed securities of the company Gameloft.
- The Group exits the market for graphics boards and flat panel monitors, a sector in which its margins had been greatly reduced, in order to focus on its product lines with higher added value.
- The Group announces the launch of a range of Wi-Fi products and its acceptance into the Wi-Fi Alliance with its Hercules and Thrustmaster brands.

2005

- **January 31:** The Group publishes Guillemot Corporation's annual consolidated sales figure for fiscal 2004 amounting to €27.9 million, a decrease of 68.04% in relation to that of the previous year as a result of the ending of its 3D Display activities, which had accounted for 64% of sales.
- **September:** The Group launches a new line of Thrustmaster wheels under license from Ferrari, as well as a new range of accessories dedicated to the new Sony PSP® console.

- **November:** Hercules successfully enters the webcam market with highly competitive offerings and expands its range of digital music products.

2006

- **January 31:** The Group publishes its annual consolidated sales figure for fiscal 2005, amounting to €21.2 million.
- **November 16:** Guillemot Corporation's Board of Directors decides to carry out a reserved capital increase for €2.4 million, decided by the Extraordinary General Meeting of October 31, 2006.

2007

- **January 31:** The Group publishes its 2006 annual consolidated sales figure amounting to €36.3 million, an increase of 71.23%.
- **February:** Launch of a new range of Thrustmaster accessories for the Nintendo® Wii® and DS Lite consoles, and new universal multi-format Run'N'Drive gamepads for the European launch of Sony's PS3® console.
- **August 31:** Reimbursement of debenture for an amount of €6.9 million, corresponding to the convertible bonds issued in July 1999 remaining in circulation on the market.
- **October:** Launch of the first "water and dust-resistant" certified speaker system with the "Made for iPod®" license.
- **November:** Thrustmaster launches a new line of joysticks designed for flight simulation games.

2008

- **January:** Hercules unveils the new DJ Console RMX for professional DJs at the NAMM Show in California.
- **January 30:** The Group publishes its annual sales figure of €43.3 million, representing growth of 19%.
- **March 18:** The Group publishes its annual results for fiscal 2007, with current operating income growing by 100% to €2.8 million, and exceptional financial income of €24.4 million, linked to very strong gains in the Group's portfolio of marketable investment securities.
- **September:** Launch of the first product in the new Hercules eCAFÉ™ netbook range, responding to new lifestyle trends among consumers, with an emphasis on entertainment and fun and the ability to share in the wealth of materials available on the Internet – from anywhere. Hercules begins to market a totally new concept in high-end stereo speakers, specially designed for listening to music on a computer: Hercules XPS 2.0 60. The company announces the Hercules DJ Control Steel, a professional DJ controller for PC and Mac.

2009

- **January 29:** The Group publishes its annual sales figure of €49.6 million, representing an increase of 14.55%.
- **January:** Thrustmaster launches its new innovation: H.E.A.R.T HallEffect AccuRate Technology for the new T.16000M joystick.
- **September:** Signature of a licensing agreement with The Walt Disney Company Ltd for Western Europe, providing Thrustmaster with access to all of Disney's films and video games, and allowing Thrustmaster to manufacturer accessories dedicated to these games.

2010

- **January:** Publication of 2009 annual sales figure of €61.2 million, representing an increase of 23.39%.
- **June:** Three Hercules webcams receive the "*Optimized for Windows Live*" certification: Hercules Dualpix Exchange, Hercules Optical Glass and Hercules Classic Silver.
- **October:** Release of the new Thrustmaster flagship joystick, the HOTAS Warthog, licensed by the U.S. Air Force: the result of an intensive collaboration between Thrustmaster's development teams and members of the Simmer community.
- **December:** Announcement of the T500RS wheel and pedal set for PlayStation®3: an official product licensed by Sony Computer Entertainment, allowing users to live out a driving experience that is realistic, powerful and without compromises.

2011

- **January:** Publication of 2010 annual sales figure of €60.5 million.

  Launch of the T500RS, official wheel of the game Gran Turismo® 5.

  Thrustmaster receives the innovation prize in the category of gaming accessories for the HOTAS Warthog, at the CES trade show in Las Vegas.

  Panasonic Japan selects Thrustmaster to enrich its customers' video game entertainment experience with product ranges allowing them to play games on Panasonic television sets.

  Significant expansion of the Group's geographic coverage, from thirty-five to more than sixty countries worldwide.
- **May:** Launch of a new line of Disney-licensed products, with Cars 2-themed accessories available for PS3, Wii and DSi.

The Group further strengthens its positioning in emerging markets.

- **September:** Hercules launches its first set of active DJ monitoring speakers, with the Hercules XPS 2.0 80 DJ Monitor model.
- **November:** Hercules launches the first DJ controller for computers to feature both touch and hands-free controls, Hercules DJ Control AIR.

2012

- **January:** The Group publishes its 2011 annual sales figure, amounting to €60.8 million.

  Hercules unveils its new collection of webcams in vibrant, eye-catching colors: the Hercules HD Twist series.

  Thrustmaster presents its first line of officially-licensed accessories for PS Vita.
- **August:** New official Xbox 360 gamepads are launched, featuring highly innovative functionalities and ultimate precision, in order to respond to the needs of the most demanding gamers.
- **September:** The new DJConsole RMX2 is unveiled in New York, following in the footsteps of the DJ Console RMX.
- **December:** Launch of the WAE range of wireless speakers for smartphones and tablets.

2013

- **January:** The Group publishes its annual sales figure for fiscal 2012, amounting to €49 million, a decrease of 19.4%.

  Thrustmaster enters the gaming headsets market.
- **March:** The Group opens its logistics warehouse in Hong Kong.

  Hercules refocuses its activities on audio products. The Group steps up its R&D efforts and partnerships to create unique accessories for the launches of the next-generation consoles toward the end of the year.
- **May:** Launch of the new DJControl AIR+ controller, allowing for more creative functions than ever before and the control of effects via hands-free gestures.
- **June:** Hercules brings the new WAE Outdoor speaker to market, also available in an Adventure Pack version, allowing sports enthusiasts and fans of outdoor activities to stream music from their smartphones and tablets.

  October: Hercules refreshes its lines of multimedia speakers, and launches the Hercules 2.1 Gloss Bluetooth speaker kit.

  Hercules adds to its line of DJ headphones with the new, original HDP DJ Light-Show ADV model.
- **November:** Hercules begins to market the DJControl AIR for iPad® and DJControl Instinct for iPad® controllers.

  Launch of Thrustmaster's first officially-licensed Sony Computer Entertainment Europe (SCEE) racing wheel compatible with both PlayStation®3 and PlayStation®4.
- **December:** Thrustmaster launches the first racing wheel for Microsoft's new Xbox One™ console: the TX Racing Wheel Ferrari 458 Italia Edition, a Force Feedback model.

2014

- **January:** The group publishes its 2013 annual sales figure, amounting to €43.7 million.

  Hercules unveils the WAE NEO wireless speaker and the DJControlWave controller, each of which is honored with a 2014 CES Innovations Design and Engineering Award at the American CES trade show in Las Vegas.

2 GENERAL INFORMATION REGARDING THE COMPANY GUILLEMOT CORPORATION S.A.

2.1 General information

Corporate name	GUILLEMOT CORPORATION
Commercial name	GUILLEMOT
Legal form	Joint stock company with a Board of Directors, governed by the Commercial Code.
Registered office	Address: Place du Granier, BP 97143, 35571 Chantepie Cedex Telephone: +33 (0) 2 99 08 08 80
Nationality	French
Trade and companies register	414 196 758 R.C.S Rennes
APE code	4651Z
Creation date and duration	Formed on September 1, 1997 for a period of 99 years. Expires on November 11, 2096, unless otherwise extended or earlier dissolved.
Fiscal year	The company's fiscal year begins on January 1 and ends on December 31 of each year (Article 16 of the bylaws).

2.2 Incorporating document and bylaws

2.2.1 Company purpose (Article 3 of bylaws)

The company Guillemot Corporation's mandate in France and abroad, directly and indirectly, is as follows:
- The design, creation, production, publishing and distribution of multimedia, audiovisual and computer products, particularly multimedia hardware, accessories and software,
- The purchase, sale and, in general, trading in all forms including import and export, by lease or otherwise, of multimedia, audiovisual and computer products, including those intended for image and sound reproduction,
- The distribution and marketing of multimedia, audiovisual and computer products via all methods, including new communications technologies such as computer networks and online services,
- Consulting, assistance and training relating to any of the areas mentioned above,
- The involvement of the company in all operations relating to its mandate, whether in the form of the creation of new companies, the subscription or purchase of securities or rights, mergers or otherwise.
In general, all operations relating either directly or indirectly to the aforementioned mandate or to related or similar objectives facilitating the company's development.

2.2.2 General meetings

Article 14 of the bylaws specifies that "General meetings include all shareholders of Guillemot Corporation other than the company itself. Meetings are convened and held in accordance with the conditions stipulated in applicable legal and regulatory provisions. General meetings are held at the company's registered office or at any other location indicated in the meeting notification.
General meetings are presided over by the Chairman of the Board of Directors or, when unavailable, by a Director designated by the meeting.
All shareholders have the right, upon proof of identity, to participate in general meetings, whether by way of personal attendance, submission of a completed ballot form by post or by proxy designation.
Justification for the right to participate in general meetings is obtained by registration of the securities held in the name of the shareholder or of the intermediary registered for his or her account pursuant to Article L.228-1 of the Commercial Code, by the third working day preceding the meeting date at zero hour, Paris time, either in the nominative securities registry held by the company, or in the bearer securities registry held by an authorized intermediary.
For bearer securities, registration of the securities in the bearer securities registry held by an authorized intermediary is certified by way of a certificate of participation delivered by said intermediary."

Only general meetings are authorized to make changes to the rights of shareholders and the company's capital; however, it should be noted that in certain cases, the general meeting may decide to delegate its authorization or powers to the Board of Directors in accordance with legal and regulatory provisions.

2.2.3 Voting rights

Article 8 of the bylaws stipulates that "A double voting right is conferred, pro rata to their percentage of capital, upon all fully paid shares which have been held in nominative form for a period of two years or more by the same shareholder, as recorded in the company's register. This right is also conferred, from the moment of issue in the event of a capital increase via capitalization of reserves, earnings or share premiums, to registered shares freely allocated to a shareholder for old shares for which he/she benefits from this right."

These terms were established at the time of the company's creation and may not be removed apart from by way of a decision by the extraordinary general meeting, which alone is authorized to make changes to the company bylaws.
The double voting right ceases for any shares having been subject to a bearer conversion or property transfer. Nevertheless, the transfer by way of succession, liquidation of joint goods between spouses, or donation between parties of a successive nature for the benefit of a spouse or relative, does not result in the loss of the rights acquired and does not interrupt the two-year period mentioned above. This is also the case in the event of a transfer following a merger or demerger of a corporate shareholder. The merger or demerger of the company has no effect on the double voting right which may be exercised by the beneficiary company or companies, if the bylaws of said company or companies have established this (Article L.225-124 of the Commercial Code).

The company's bylaws do not stipulate any limitations on voting rights.

2.2.4 Allocation of net income (Article 17 of bylaws)

Net income is composed of the fiscal year's revenues less operating expenses, depreciation and amortization, and provisions.
The following are withdrawn from the fiscal year's earnings, reduced by the net losses of prior years, if applicable:
- Amounts to be allocated to reserves in accordance with applicable laws and bylaws and, in particular, at least 5% to constitute the legal reserve fund; this withdrawal ceases to be mandatory when the fund reaches an amount equal to one-tenth of capital and again becomes mandatory when the legal reserve, for whatever reason, drops below this percentage.
- Amounts which the general meeting, upon recommendation of the Board of Directors, deems useful to allocate to extraordinary or special reserves or to defer.

The balance shall be distributed to shareholders. However, apart from in the event of a capital reduction, no distribution can be made to shareholders whereby shareholders' equity is, or would subsequently become, less than the capital amount increased by reserves which the applicable laws and bylaws deem non-distributable.

The meeting may, in accordance with the stipulations set out in Article L.232-18 of the Commercial Code, recommend payment of dividends and interim dividends in full or in part through the issue of new shares.

2.2.5 Exceeding statutory threshold levels (Article 6 of bylaws)

All shareholders acting singularly or collectively, without prejudice to the threshold levels stipulated in Article L.233-7, paragraph 1 of the Commercial Code, whose direct capital holdings or voting rights increase to at least 1%, or a multiple of this percentage not greater than 4% of the company's capital, must notify the company via registered letter with confirmation of receipt within the time limit stipulated in Article L.233-7 of the Commercial Code.
The information stipulated in the preceding paragraph where threshold levels are surpassed by a multiple of 1% of capital or voting rights is equally applicable when the holding of capital or voting rights becomes less than the threshold level previously mentioned.
Failure to comply with the legal and bylaw declaration requirements regarding threshold levels shall result in the forfeiture of voting rights in accordance with the conditions set out in Article L.233-14 of the Commercial Code, following a request registered by one or more shareholders collectively holding at least 5% of share capital or of the company's voting rights.

2.2.6 Powers of the Chief Executive Officer (extract from Article 13 of bylaws)

Article 13 of the bylaws stipulates that the Chief Executive Officer is granted the most extensive powers to act on behalf of the company under any circumstances. The Chief Executive Officer exercises these powers within the scope of the company's purpose and subject to the powers expressly granted by law to general meetings and the Board of Directors.

2.2.7 Members of administrative and management bodies (extracts from Articles 9, 10 and 13 of bylaws)

The company is governed by a Board of Directors composed of a minimum of three members and a maximum of eighteen members.
The duration of Directors' term of office is six years.

During the existence of the company, Directors are appointed or reappointed by the regular general meeting of shareholders; however, in the event of merger or demerger, nomination may be carried out by the extraordinary general meeting deliberating upon the proposal.
In the event whereby, pursuant to applicable laws and regulations, a Director is appointed to replace another Director, the new Director shall only perform his or her duties for the remainder of the term of the person that he or she replaces.
A Director's term of office expires at the end of the regular general meeting deliberating upon the financial statements for the past fiscal year, held in the year during which his or her term of office expires. Directors are always eligible for reelection.
Directors must not be more than 80 years of age.
Each Director must own at least one company share.

From among its members who are natural persons, the Board of Directors elects a Chairman and sets the Chairman's term of office, which may not exceed the duration of his or her term of office as a Director, nor the statutory age limit.

The general management of the company is the responsibility of the Chairman of the Board of Directors, or another natural person named by the Board of Directors and holding the title of Chief Executive Officer.
Whereby the Board of Directors chooses to separate the functions of Chairman and Chief Executive Officer, it appoints the Chief Executive Officer, sets his or her term of office and, where applicable, the limits of his or her powers.
The Chief Executive Officer, whether this function is carried out by the Chairman of the Board of Directors or by another natural person, is responsible for the general management of the company and represents the company with respect to third parties.
Only one Chief Executive Officer may be appointed within the company, and may be dismissed at any time by the Board of Directors. In the event whereby the Chief Executive Officer is a Director, his or her term of office may not exceed that of his or her term of office as Director.

Based on a proposal by the Chief Executive Officer, whether this function is carried out by the Chairman of the Board of Directors or by another natural person, the Board of Directors may appoint one or more natural persons to assist the Chief Executive Officer, bearing the title Deputy CEO.
With respect to third parties, the Deputy CEO(s) hold(s) the same powers as the Chief Executive Officer.
There may be a maximum of five Deputy CEOs. In the event whereby the Deputy CEO is a Director, his or her term of office may not exceed that of his or her term of office as Director.

2.3 Liquidating dividends

Liquidating dividends are divided between associates in the same proportions as their investment in the company’s capital (Article L.237-29 of the Commercial Code).

2.4 Change in control

No provisions which could have the effect of delaying, deferring or preventing a change in control are included in the company’s incorporating document, bylaws, charter or regulations.

2.5 Identifiable bearer securities

The company may at any time, in accordance with legal and regulatory provisions, have recourse to Euroclear France with regard to the procedure for Identifiable Bearer Securities, in order to receive detailed information on the identities of its shareholders.

2.6 Consultation of documents and information regarding the company

Company bylaws, accounts and reports, as well as general meeting minutes, are made available for consultation by the company.

2.7 Dividend distribution policy

Guillemot Corporation S.A. plans to distribute dividends to its shareholders so long as the economic conditions for distribution are met.
No dividends have been distributed since the creation of the company.

3 RESPONSIBILITY FOR REFERENCE DOCUMENT AND DECLARATION

3.1 Responsibility for reference document

Mr. Claude Guillemot, Chief Executive Officer

3.1.1 Declaration of responsibility for reference document

I declare, having taken all reasonable measures to this effect, that to the best of my knowledge the information contained in this reference document is accurate and that nothing has been omitted which might affect the document's scope.

I declare that, to the best of my knowledge, the financial statements have been drafted pursuant to applicable accounting standards and that they provide an accurate overview of the assets, financial standing and income of the company and of the companies included within the scope of consolidation, and that the management report provides an accurate depiction of the evolution of the business activities, results and financial standing of the company and of the companies included within the scope of consolidation, as well as of the main risks and uncertainties confronting the same.

I have obtained a letter of completion of work from the company's Independent Auditors, in which they indicate that they have proceeded with verification of the information relating to the company's financial standing and statements, presented in the reference document, as well as reading through this reference document in its entirety.

The historical financial information included in this reference document was subject to reports by the Independent Auditors, set out on pages 93 and 94 for the consolidated financial statements for the fiscal year ended December 31, 2013, and on pages 115 to 117 for the financial statements for the fiscal year ended December 31, 2013, which do not include any reservations.

The Independent Auditors' report on the consolidated financial statements for the fiscal year ended December 31, 2013 includes a comment regarding the retrospective application of the revised IAS 19 standard relating to employee benefits, as set out in note 5.7.12 of the appendix.

The Independent Auditors' report on the financial statements for the fiscal year ended December 31, 2013 does not include any comments.

The Independent Auditors' reports on the consolidated financial statements and the financial statements for the fiscal year ended December 31, 2012 do not include any comments, but include a comment regarding the accounting for Research and Development costs under balance sheet assets, as described in note 5.7.2 of the appendix to the consolidated financial statements and note 5.4.1 of the appendix to the financial statements.

The Independent Auditors' reports on the consolidated financial statements and the financial statements for the fiscal year ended December 31, 2011 do not include any comments or reservations.

Carentoir, April 28, 2014

Mr. Claude Guillemot
Chief Executive Officer

4 RESPONSIBILITY FOR INDEPENDENT AUDITORS' REPORTS

Primary Independent Auditors	Appointment date	Expiration date of current term
PRICEWATERHOUSECOOPERS AUDIT S.A. (Member of the Compagnie régionale des commissaires aux comptes de Versailles) 63, rue de Villiers 92200 Neuilly sur Seine	General meeting held 20/05/2010.	General meeting approving the accounts for the fiscal year ending 31/12/2015.
MB AUDIT Sarl (Member of the Compagnie régionale de Rennes) 23, rue Bernard Palissy 35000 Rennes	General meeting held 23/05/2007. Term of office renewed on 05/07/2010.	General meeting approving the accounts for the fiscal year ending 31/12/2015.

Deputy Independent Auditors	Appointment date	Expiration date of current term
Mr. Yves Nicolas 63, rue de Villiers 92200 Neuilly sur Seine	General meeting held 20/05/2010.	General meeting approving the accounts for the fiscal year ending 31/12/2015.
Mr. Jacques Le Dorze 90, rue Chateaugiron 35000 Rennes	General meeting held 23/05/2007. Term of office renewed on 05/07/2010.	General meeting approving the accounts for the fiscal year ending 31/12/2015.

The fees paid to Independent Auditors and members of their networks are set out in section 8 of the consolidated financial statements.

5 RESPONSIBILITY FOR INFORMATION – INFORMATION POLICY

5.1 Responsibility for information

Mr. Claude Guillemot, Chief Executive Officer
Place du Granier, BP 97143, 35571 Chantepie Cedex
Tel. +33 (0) 2 99 08 08 80

5.2 Information policy – Documents accessible to the public

The Guillemot Corporation Group commits to always making clear and transparent financial information available to all of its shareholders, both institutional and individual, and to members of the financial community (analysts…), in a regular and consistent manner, along with information regarding its activities, strategic orientations and prospects, in accordance with stock market regulations.

The Group's information policy with respect to the financial community, investors and shareholders is defined by General Management.

Since January 1, 2013, the company has been transmitting its regulated information to the professional distributor Les Echos-Comfi (a distribution service by Les Echos), which also meets the criteria established by the Autorité des Marchés Financiers General Regulations and complies with the European directive known as the "Transparency Directive".

Moreover, all of the Group's financial press releases are subject to wide-scale, immediate, effective and comprehensive distribution, pursuant to regulatory obligations and within the required legal timeframes.

Financial press releases are also available on various financial websites (www.boursorama.fr; www.prline.fr...).

All publications relating to the Group's activities and financial standing are available, in both French and English versions, on the Guillemot Corporation S.A. website (www.guillemot.com). This website also presents the Group's activities and products.

Shareholders can contact the company at the following email address: financial@guillemot.fr.

The Group also organizes two SFAF *(Société Française des Analystes Financiers – French Society of Financial Analysts)* meetings per year, upon publication of its results.

All of the Group's publications (press releases, reference documents, annual financial reports…) are available upon request made out to the Group's Communications service, which makes these elements available to any person wishing to inform themselves as to the state of the Group's affairs and which, in particular, regularly sends out documentation following a request for the same.

The following documents are also available for consultation during the full period of validity of this reference document:
- The issuer's bylaws (available for consultation at the following address: 2 rue du Chêne Héleuc, 56910 Carentoir),
- All reports, as well as historical financial information included or referred to in this reference document (available for consultation on the www.guillemot.com website),
- Historical financial information for the two fiscal years preceding the publishing of this reference document (available for consultation on the www.guillemot.com website).

6 CONCORDANCE TABLE – REFERENCE DOCUMENT

The table of concordance below refers to the main headings of appendix 1 of Regulation (EC) 809/2004 of April 29, 2004, taken pursuant to the “Prospectus” directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003, effective July 1, 2005.

HEADINGS	Pages
13. EARNINGS FORECASTS OR ESTIMATES	Nil
14. ADMINISTRATIVE, MANAGEMENT AND MONITORING AND EXECUTIVE MANAGEMENT BODIES	
14.1 Administrative and management bodies	p. 37 to 40, 45 and 46
14.2 Potential conflicts of interest regarding administrative bodies and management	p. 46
15. REMUNERATION AND BENEFITS OF MEMBERS OF ADMINISTRATIVE, MANAGEMENT AND MONITORING AND EXECUTIVE MANAGEMENT BODIES	
15.1 Remuneration paid and benefits in kind allocated	p. 41 to 44
15.2 Amounts provisioned or earmarked for pension or retirement payments or other benefits	p. 42
16. WORKINGS OF ADMINISTRATIVE AND MANAGEMENT BODIES	
16.1 Expiration dates of current mandates and mandate durations	p. 37
16.2 Information regarding service contracts linking members of administrative and management bodies to the issuer or one of its subsidiaries and anticipating the allocation of benefits over the contract term	p. 46
16.3 Information regarding the issuer's auditing committee and remuneration committee	p. 62
16.4 Company directorship in place in the issuer's country of origin	p. 60
17. EMPLOYEES	
17.1 Number of employees	p. 46 and 92
17.2 Investments and stock options	p. 30 and 59
17.3 Agreement anticipating employee investment in the issuer's capital	Nil
18. MAIN SHAREHOLDERS	
18.1 Shareholders holding more than 5% of capital and voting rights	p. 30 and 31
18.2 Existence of different voting rights	p. 30 and 31
18.3 Issuer controls	p. 30 and 31
18.4 Agreement, known to the issuer, the implementation of which may lead to a change in control at a later date	Nil
19. TRANSACTIONS WITH RELATED COMPANIES	p. 92, 131 to 132
20. FINANCIAL INFORMATION REGARDING THE ISSUER'S ASSETS, FINANCIAL STANDING AND RESULTS	
20.1 Historical financial information	p. 2 and 69 to 93
20.2 Pro forma financial information	Nil
20.3 Financial statements	p. 69 to 93 and 95 to 115
20.4 Verification of historical financial information	p. 93 to 94 and 115 to 117
20.5 Date of latest financial information	31/12/2013
20.6 Intermediary and other financial information	Nil
20.7 Dividend distribution policy	p. 141
20.8 Legal and arbitration proceedings	p. 29
20.9 Significant changes to financial or commercial standing	p. 21
21. ADDITIONAL INFORMATION	
21.1 Share capital	p. 30 to 35 and 57 to 58
21.2 Charter and bylaws	p. 60 to 61, 139 to 141
22. IMPORTANT CONTRACTS	p. 30
23. INFORMATION FROM THIRD PARTIES, EXPERT DECLARATIONS AND INTEREST DECLARATIONS	Nil

7 TABLE – ANNUAL FINANCIAL REPORT

This reference document includes the annual financial report mentioned in Article L.451-1-2 of the Monetary and Financial Code, as well as in Article 222-3 of the Autorité des Marchés Financier General Regulations.

The table below refers to the sections of the reference document corresponding to the different headings of the annual financial report.

HEADINGS	Pages
1. Financial statements for the fiscal year ended December 31, 2013	p. 95 to 115
2. Independent Auditors' general report on the financial statements	p. 115 to 117
3. Consolidated financial statements for the fiscal year ended December 31, 2013	p. 69 to 92
4. Independent Auditors' report on the consolidated financial statements	p. 93 to 94
5. Management report	p. 5 to 68
6. Declaration of responsibility for the annual financial report	p. 142
7. Fees paid to Independent Auditors	p. 93
8. Report from the Chairman of the Board of Directors stipulated in Article L.225-37 of the Commercial Code	p. 60 to 68
9. Independent Auditors' report on the report from the Chairman of the Board of Directors	p. 118 to 119

8 CONCORDANCE TABLE – SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

SOCIAL INFORMATION		
Employment	Total workforce and breakdown of salaries by sex, by age and by geographic zone	p. 46
	Hiring and dismissals	p. 46
	Salaries and their evolution	p. 46 and 47
Labor organization	Organization of work time	p. 47
	Absenteeism	p. 47
Social relations	Organization of social dialogue, particularly with regard to information and consultation procedures for personnel, as well as worker negotiations	p. 47
	Overview of collective agreements	p. 47 and 48
Health and safety	Health and safety conditions in the workplace	p. 48
	Overview of agreements signed with trade unions or employee representatives regarding health and safety in the workplace	p. 48
	Work accidents, particularly with regard to their frequency and severity, as well as occupational diseases	p. 48
Training	Policies implemented with regard to training	p. 49
	Total number of training hours	p. 49
Equality of treatment	Measures taken to promote equality between women and men	p. 49
	Measures taken to promote employment and integration of disabled workers	p. 49
	Policies to combat discrimination	p. 49
Promotion and respect of provisions of fundamental agreements regarding the International Labor Organization	Respect of freedom of association and of the right to collective bargaining	p. 50
	Elimination of discrimination with respect to employment and occupation	p. 50
	Elimination of forced or compulsory labor	p. 50
	Effective abolition of child labor	p. 50

ENVIRONMENTAL INFORMATION		
General policy regarding environmental matters	Organization of the company to take into account environmental matters and, where appropriate, evaluation or certification initiatives with respect to the environment	p. 50
	Training and information initiatives for employees regarding environmental protection	p. 50
	Steps taken toward prevention of environmental risks and pollution	p. 50
	Amount of provisions and guarantees for risks with regard to the environment, unless this information is likely to cause serious prejudice to the company in an existing dispute	p. 51
Pollution and waste management	Measures for preventing, reducing or remedying air, water and soil emissions which may severely affect the environment	p. 51
	Measures taken to prevent, recycle and eliminate waste	p. 51
	Taking into account of noise pollution and of any other form of pollution specific to an activity	p. 51
Sustainable use of resources	Water consumption and water supply in accordance with local constraints	p.51 and 52
	Consumption of raw materials and measures taken to improve efficiency with respect to their use	p. 52
	Consumption of energy, measures taken to improve energy efficiency and use of renewable energy	p. 52 and 53
	Land use	p. 53
Climate change	Greenhouse gas emissions	p. 53
	Adapting to the consequences of climate change	p. 53
Protection of biodiversity	Measures taken to preserve or improve biodiversity	p. 53

INFORMATION REGARDING SOCIETAL COMMITMENTS PROMOTING SUSTAINABLE DEVELOPMENT		
Territorial, economic and social impact	With respect to employment and regional development	p. 53 and 54
	On local populations	p. 54
Relationships formed with persons or organizations interested in the company's activities	Terms of dialogue with these persons or organizations	p. 54
	Partnership and sponsorship actions	p. 54
Subcontracting and suppliers	Taking into account of social and environmental issues in purchasing policies	p. 54
	The importance of subcontracting and taking into account in relationships with suppliers and subcontractors of their social and environmental responsibility	p. 54
Fairness of practices	Actions undertaken to prevent corruption	p. 54
	Measures taken to promote the health and safety of consumers	p. 55
Other	Actions taken to support human rights	p. 55

9 CALENDAR OF EVENTS FOR THE CURRENT FISCAL YEAR

This calendar is provided by way of information purposes only and is subject to change.
As a rule, press releases are issued following the closing of the financial market.

2014 FINANCIAL COMMUNICATIONS CALENDAR		
January 30, 2014	After stock market closing	Publication of 2013 annual sales figure
March 27, 2014	After stock market closing	Publication of annual results at 31/12/2013
April 29, 2014	After stock market closing	Publication of Q1 2014 sales figure and quarterly information
May 22, 2014	-	Annual general meeting of Guillemot Corporation S.A. shareholders
July 24, 2014	After stock market closing	Publication of 2014 half-year sales figure
August 29, 2014	After stock market closing	Publication of 2014 half-year results
October 30, 2014	After stock market closing	Publication of Q3 2014 sales figure and quarterly information

10 GLOSSARY

2.1
Sound playback system with three channels: two channels reproducing stereo sound, and one channel for the subwoofer.

***Bluetooth*®**
Technology which employs a short-distance radio technique with the aim of simplifying connections between electronic devices. The first devices featuring version 3.0 of this technology went on sale in early 2010. This technology now allows for streaming of audio to wireless speakers.

BRICS
Acronym designating the group of countries including Brazil, Russia, India, China and South Africa, which are generally held to be strong emerging powers.

Brushless motor
This technology reduces friction and results in enhanced motor performance which, when incorporated into Force Feedback racing wheels, allows for improved driving sensations.

DJ
Abbreviation of Disc Jockey: a person who selects and plays music at a party, whether at home or at a nightclub, and can link up pieces of music with one another, mix them together and add effects, to create his or her own mixes. Many DJs are now highly creative artists in their own right, with worldwide acclaim.

DJing range
Range of products which includes controllers allowing for digital music mixing.

EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortization.

Game console
Electronic system dedicated to video games. There are two types of console: home consoles which connect to a television set and portable, small-format consoles, which have their own screen and can be taken anywhere. Home consoles have progressively evolved from the status of machines designed exclusively for gaming fans to that of family multimedia centers.

Gaming headset
Headset featuring a built-in microphone, allowing for communication between teams in online and network gaming.

Home gateway device
Internet box allowing the user to connect to and enjoy different services available online.

Merchandising
Term encompassing the entire range of optimization techniques with respect to the allocation of exhibition areas for products at points of sale, as well as product presentation. Merchandizing generally focuses on optimizing the selection of products available, the allocation of space per product and brand, the layout and organization of the point of sale and communication at the point of sale.

Monitoring speakers
Speakers allowing for the most accurate sound reproduction possible, for musicians or DJs wishing to fine-tune their creations.

Nintendo 3DS
Portable console from Nintendo, launched on February 26, 2011 in Japan, and on March 25, 2011 in France. The 3DS is the first glasses-free 3D console capable of rendering 3D effects without the need for any special eyewear, a process known as autostereoscopy.

OEM (Original Equipment Manufacturer)
Company whose role is to design and manufacture a product, taking into account its technical specifications, and then sell the product to another company who will be responsible for distributing it under its own brand name.

Pad
In electronic instruments: a type of button, generally large and rubber-clad, which triggers events (playback of a sound, application of an effect, launching of a command…). As opposed to standard push-buttons, a pad does not move when activated; rather, it deforms slightly and then returns to its original shape when released. Some pads are activated by a user's fingers, while others are used with implements such as musical hammers, sticks or via other means of mechanical contact.

Power Line Communication (PLC)
Technique allowing for the transfer of digital information via power lines, often in a home environment.

Scratching
Process consisting of using one's hand to move a record on a vinyl turntable, back and forth in alternation, producing a special effect by quickly and intermittently modifying the record's playback speed.

Smartphone
Smart mobile phone combining advanced features with a large number of available applications and a touchscreen interface.

Smart TV
Television directly or indirectly connected to the Internet, in order to provide a range of services to viewers.

Streaming
The act of listening to music via the Internet, without the need to download the file beforehand.

Webcam
Small digital camera, connected to a computer, allowing users to carry out videoconferencing via the Internet, or broadcast video images on the Web in real time.

Wi-Fi® (Wireless Fidelity)
Radio Frequency-based technology allowing for the creation of wireless computer networks and the sharing of Internet access via a router, modem router or "hotspot" (public connection point).

Wii U™
The successor to the Nintendo Wii console, the Wii U™ was unveiled by Nintendo at E3 2011 and was launched in late 2012. This console's main innovation is an innovative controller, resembling a tablet, featuring a 6.2-inch touchscreen.

This document is available on the issuer's website (www.guillemot.com). It will be sent free of charge to anyone submitting a written request to the address listed below.

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