Guillemot
CORPORATION

2014 REFERENCE DOCUMENT

INCLUDING THE **2014**
ANNUAL FINANCIAL REPORT

Hercules

THRUSTMASTER®

2014 REFERENCE DOCUMENT
INCLUDING THE 2014 ANNUAL FINANCIAL REPORT

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Pursuant to Article 28 of European Commission (EC) regulation 809/2004, the following information is included in this reference document by way of reference:

- Consolidated financial statements for the fiscal year ended December 31, 2013, as well as the related Independent Auditors' report, found on pages 69 to 94 of the reference document registered with the AMF on 29/04/2014 (number D.14-0426);

- 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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➢ 2014 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, 2014, 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 an innovative 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…), 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, China [Hong Kong] and Romania), the Group continues to expand internationally, particularly in the Asia-Pacific region, now distributing its products in more than seventy countries worldwide.

With its four Research and Development entities based in France, Canada, Romania and China (Hong Kong), the Group designs products on the cutting edge of technology, with a strong policy of innovation. The Group is now focusing its efforts on markets with very strong growth potential such as wireless speakers, audio headsets for online gamers and DJing, and has positioned itself as the undisputed leader in racing wheels for next-generation consoles.

1.1 Hercules: Refocusing of activities on audio products

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. For more than thirty years, Hercules has focused on innovation and on developing digital audio solutions which captivate users to an ever-increasing degree. Hercules continually invests in Research and Development, allowing it to offer devices recognized by many different innovation awards. From the era of its first sound card to its very latest highly-innovative mixing controllers, the brand has acquired expertise and know-how widely acknowledged in the audio world. Its lines of digital devices are constantly being added to, in order to offer consumers a wide range of products including wireless speakers for tablets and smartphones, multimedia speakers and mixing consoles for DJs.

In 2014, Hercules' new strategy was to focus on a limited number of products with higher added value, and to distribute these products worldwide. To do so, Hercules has relied on its Research and Development teams, who have developed very-high level audio expertise, thereby allowing the brand to offer remarkable hardware and software solutions for DJs and music lovers. 2014 also saw the brand refocus its activities on audio products, a move begun in 2013. Its Wi-Fi and PLC ranges were discontinued, owing to low added value.

- Audio range:

Its original know-how and expertise allow Hercules to rank among the leading manufacturers of portable DJ controllers for computers, and to act as a focal point for communities of DJs – from beginners through to experts – based on the brand's DJ experience. Over the years, Hercules – which created the first two-deck mixer for computers with a built-in audio interface – has worked to gain standing in the world of professional audio. This blend of different areas of expertise is found in all of the brand's product lines, with the very latest technologies incorporated into each – from its DJing solutions, through to its WAE wireless audio ranges and its multimedia speakers.

The WAE range distinguishes itself by way of the variety of products available: more than ten different models allow the brand to best respond to consumers' wants and needs, with the same exacting standards applied across the range.

- Webcams range:

The Group has already 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 continues to market this product line.

- Wi-Fi/PLC range:

The Group discontinued its Wi-Fi and PLC ranges in 2014, which no longer allowed 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. Large OEM projects begun in 2013 arrived at the end of their planned cycles in 2014. Other projects are currently being developed for the years to come.

1.1.1 DJing and digital music range

Having become a best-seller among amateur and mobile DJs, today the Hercules brand continues to be a worldwide leader in the portable mixing controllers marketplace.

Always innovative, Hercules was honored for the second consecutive year with the Innovation prize at the latest CES in Las Vegas with the CES 2015 Innovation Award Honoree distinction for its new **Hercules Universal DJ** console, specially designed for members of the super-connected generation with multiple digital devices. This new product ecosystem, incorporating *Bluetooth*® connectivity, allows users to mix using all of their screens (PC, Mac, smartphones and tablets). It allows for complementary use of tablets alongside PC and Mac computers, and lets DJs have partygoers vote for tracks to be played – thereby making their playlists even more crowd-pleasing, through interaction with members of the public. Its groundbreaking functionalities have opened up a whole new era: that of the DJ party 3.0. Now DJs can innovate by interacting with partygoers, and enjoy getting on the dance floor while staying in control of the mix via their favorite touchscreen controller.

DJCONTROL JOGVISION

CES INNOVATION AWARDS 2015 HONOREE

A second new product – the **DJControl Jogvision** controller, unveiled in a special preview at CES – also received the prestigious Innovation prize, for its new light-based interface allowing for display on the jog wheels of the playback speed of tracks, and enhanced precision in functions such as scratching. DJControl Jogvision will be launched in the second quarter of 2015.

In January 2014, Hercules received the 2014 CES Innovations Design and Engineering Award in the Home Audio category, for two of its new products: the **DJControlWave** controller – the first wireless DJ controller specially designed for iPad® – and the **WAE NEO** speaker. These two prizes represented recognition of the Group’s Research and Development and marketing know-how.

In the third quarter of 2014, Hercules also launched new editions of its main DJ consoles in order to boost sales. These new products were aimed at both amateur DJs, with the **DJControl AIR S Series** controller, and more advanced DJs, with the **DJControl AIR+ S Series** controller, and the **DJConsole Rmx2 Black-Gold** controller.

DJControl Air S Series

DJ Control AIR + S Series

DJCONSOLE RMX2 BLACK-GOLD

The **DJConsole Rmx2 Black-Gold** controller combines modern design with the DJing audio excellence of the Rmx2 series: high-resolution audio (24-bit/96 kHz), two balanced XLR outputs, two RCA outputs, two headphone outputs, two RCA jacks for previewing tracks, two stereo inputs and one microphone input (balanced XLR/jack).

1.1.2 Wireless speakers, multimedia speakers and DJ headphones range

1.1.2.1 Wireless speakers: WAE range

The migration of computer users to smartphones and tablets is a basic shift for which Hercules had been preparing over the two previous years, by deploying its Research and Development and sales and marketing teams to focus on these new markets. This resulted in the creation of the WAE range of wireless speakers for smartphones and tablets, the latest of which – the WAE NEO speaker – combines lighting effects with very high-quality audio. The strong increase in the installed base of smartphones and tablets provides the Group, which is now positioned in these markets, with promising prospects for its new lines of audio and DJ-related accessories.

WAE NEO, a wireless *Bluetooth*® speaker featuring a “smart light” concept, combines audio quality lauded by the press with rhythmic lighting effects which can easily be customized by users via a smartphone app. More than a simple wireless speaker, it provides a true sensory and musical experience thanks to the fusion of the power of sound and the magic of light. It features second-generation WAE audio, incorporating Hercules technology and MaxxAudio audio enhancement tools by Waves®, recipient of a Technical GRAMMY® award. In 2014, this new creation received the prestigious CES Innovations Design and Engineering Award. The speaker was selected by “Challenges,” the economic news magazine (number 412 from December 4-10, 2014, page 62) as one of their “100 high-tech objects” for the end of the year: “innovative, connected, useful, smart, high-performance, surprising gifts.” The WAE NEO speaker ranked number 9 in the opinion of the proud geeks on the editing staff.

Unveiled at CES trade show in Las Vegas in January 2014, this new product has been on the market since May 2014.

The wireless speakers market, experiencing strong growth in the United States, is taking hold in Europe with the emergence of a mass-market segment in which Hercules has positioned itself by way of its complete WAE range. The wireless speakers market is a demanding sector, in which Hercules has nevertheless been able to post good sales for its Outdoor line. In 2014, Hercules continued to roll out its new WAE products, including the WAE NEO speaker in particular, which was promoted on-site by partners selected for their ability to demo the product. At the same time the Outdoor concept made progress, with more and more retailers carrying the BTP04 in its WAE Outdoor and Adventure Pack versions. The Outdoor range is often chosen by sports enthusiasts for the intensity that it brings to their training sessions, as well as for its excellent resistance to outdoor conditions. The trend towards outdoor activities has experienced a considerable increase in popularity. In June 2013, Hercules designed an outdoor speaker resistant to water sprays and dust: the BTP04. The speaker is also available in an Adventure Pack version, including specific accessories for biking, backpacks, boating and more. Compatible with all devices incorporating *Bluetooth*® wireless technology, the speaker features a built-in microphone for hands-free use with smartphones. This *Bluetooth*® speaker is truly “made for adventure.” This range will be expanded by way of the evolution of existing models, and the launch of new products. The signing of partnership agreements with promising young sports champions – including Delphine Cousin, the 2014 IFCA Slalom Windsurfing World Champion – is part of the Group’s strategy to boost its brand recognition among these new communities of users.

1.1.2.2 Multimedia speakers

An expert audio manufacturer for more than twenty years, in more recent years Hercules has designed high-quality speaker systems and also produced speaker kits aimed at a wider market. All Hercules speakers include unique features, with the goal of responding to the constantly growing demand for technologies adapted to the new audio uses made possible by computers, smartphones and tablets. With the new, super-versatile **Hercules 2.1 Gloss Bluetooth** speaker system, users can remotely stream music from any *Bluetooth*® device – including computers, tablets and smartphones.

1.1.2.3 DJ headphones

Hercules, a DJing and digital audio expert, has extended its line of DJ headphones with a completely original model which puts the DJ firmly in the spotlight when hosting parties: **HDP DJ Light-Show Adv**. These innovative headphones feature eye-catching lighting that flashes to the beat of music.

1.1.3 Wi-Fi and Power Line Communication solutions

As the Group’s Wi-Fi and PLC product lines no longer allowed for the generation of sufficient added value, they were discontinued in 2014.

1.1.4 Webcams

The brand has marketed its TWIST line of webcams since 2013. This unique, very colorful HD collection incorporates high-definition technology in a mini-webcam.

1.2 Thrustmaster: A video gaming tradition further distinguished in 2014

THRUSTMASTER®

Founded in 1992 and purchased by Guillemot Corporation in 1999, Thrustmaster is proud to bring its know-how and technological prowess to the video game accessories market. For nearly twenty years, Thrustmaster has been developing solutions to meet the needs of all types of gamers, and let them get the most out of the games they love. Thrustmaster takes pride in creating products which make extremely precise gaming experiences possible, such as racing wheels and gamepads, as well as fun accessories for game consoles.

In order to take the levels of realism and immersion in legendary gaming worlds to new heights, Thrustmaster is committed to developing exceptional products and accessories featuring prestigious licenses, with the goal of providing users with a truly unique experience and helping them to achieve their video gaming dreams.

Today Thrustmaster is positioned as the partner of the most demanding gamers, and has become the leader in racing wheels. Over the years, the brand has brought new technologies to market, making possible ever-greater levels of precision and more accurate gaming sensations – including its patented H.E.A.R.T HallEffect AccuRate Technology, incorporated into brushless motors in Force Feedback racing wheels, as well as in some joysticks (T.16000M and HOTAS Warthog).

Thanks to its product lines specially developed for the next-generation consoles and the launch of new racing games, in 2014 Thrustmaster took advantage of the strong dynamics in the market, achieving numerous successes. This has allowed it to become the racing wheel leader, and continue its worldwide rollout with new product references.

1.2.1 Audio headsets for online gamers

Thrustmaster is active in the gaming headsets market, its products regularly receiving a wide variety of awards in recognition of their audio quality in the specialized press and websites: the brand has been earning its stripes in this segment. The massive surge in popularity of online games – including *War Thunder, World of Warplanes* and *Star Citizen* – is giving this market a big boost.

The Y-300P gaming headset features the official Sony Computer Entertainment Europe license both for Europe and the Middle East, and the Sony Computer Entertainment Japan license for Asia (including Japan), for the PlayStation®3 and PlayStation®4 consoles. With the Y-300P, Thrustmaster offers a headset providing ideal audio reproduction lauded by members of the press. The brand's Research and Development teams pulled out all the stops in order to achieve the best possible audio quality, and thereby receive Sony's certification.

1.2.2 Racing wheels

In 2014, Thrustmaster was positioned as the undisputed leader in racing wheels, with more than 50% market share in the United States over the year (Source: NPD). The brand also expanded its international distribution. Racing accessories continue to be the flagship department for Thrustmaster, and drive growth. The late September 2014 release of the game Forza Horizon 2 for Xbox One™ further heightened gamers' interest in Thrustmaster racing wheels on the console – particularly in the United States, where the Group is the sales leader. Thanks to partnerships with console manufacturers and developers of popular video game titles, Thrustmaster has strengthened its links with the gaming community, and its accessories are now recommended for use in many racing and simulation games. Over the period, Thrustmaster received Sony's approval for the T300RS racing wheel – the only high-end wheel for PlayStation®4 – and expanded its Sony license in Japan for the T80 and T300RS, as well as in the United States for the T300RS.

In 2015, the market remains very dynamic with the arrival of highly-anticipated car racing games including the new Forza Motorsport 6 for the Xbox One™ console, F1 2015 for PC/PS4™ and Xbox One™, and Project CARS on PC/PS4™ and Xbox One™ – a title on which Thrustmaster collaborated during its development in order to ensure optimal compatibility with its wheels. As long as video games have existed, car racing has always been a genre unto itself. Car racing titles lend themselves to everything attractive about video games: realism, intense sensations and suspense.

T300RS

The **T300RS** wheel, released to coincide with the launch of the Sony game DRIVECLUB™ in August 2014 and having received Sony's approval, has allowed the Group continue the international rollout of its lines of racing wheels on PlayStation®4. This brand-new racing wheel featuring next-generation Force Feedback for the PlayStation®4 console was unveiled at the American E3 trade show in June 2014. Thrustmaster accompanies virtual racers through their experience curve with the T300RS, as this simulator allows gamers to fully immerse themselves in the world of racing, making progress with their driving skills and thereby achieving better performance.

TX Racing Wheel Ferrari 458 Italia Edition

The **TX Racing Wheel Ferrari 458 Italia Edition,** a Force Feedback wheel for the Xbox One™ console, was ready for the launch of the racing title Forza Motorsport 5. It provides gamers with new sensations thanks to its brushless motor – an innovative technology in racing wheels – and its magnetic sensor, which ensures unrivaled precision.

Ferrari 458 Spider Racing Wheel

At the same time, Thrustmaster launched the **Ferrari 458 Spider Racing Wheel** – a more mass-market product for the Xbox One™ console. This realistic wheel with official Ferrari and Microsoft Xbox One™ licenses is a replica of the wheel on the Ferrari 458 Spider sports car. Large numbers of this wheel were delivered to GameStop, one of the biggest American chains.

Over the period, in order to satisfy the most demanding racers, Thrustmaster also developed an entire series of accessories with which to customize its high-end wheels as well as cockpits: F1 and GT car wheels, the T3PA Add-On pedal set featuring progressive sensitivity and three pedals, and an add-on shifter, in order to further boost the level of realism in racing games and create a complete product ecosystem for racing fans.

In 2014, the Group launched packs including the Thrustmaster TX Racing Wheel on Xbox One™ and the T100 FFB on PC with the game The Crew™ from Ubisoft Entertainment, allowing users to immerse themselves in the world of the game and enjoy a gaming experience with incredibly lifelike sensations.

1.2.3 Gamepads and joysticks

- Gamepads

Thrustmaster Score-A™ wireless gamepad

Using its strong gaming experience, Thrustmaster entered the world of tablets with its new Thrustmaster Score-A™ Wireless Gamepad controller. Launched in November 2014, it is a genuine full-featured gamepad for Android devices: the objective behind the controller is to provide gamers on different Android platforms with the best solution to help them get the most out of their games.
In order to offer the ideal solution, the Group's Research and Development teams opted for *Bluetooth*® 3.0 wireless technology, with more than forty hours of battery life.

This exclusive Ferrari gamepad features interactive backlighting for its mini-sticks (timed to coincide with events in games), two speed gauges and two high-frequency vibration motors in its handles. The mini-sticks allow for optimized precision two times greater than that of other gamepads on the market.

- <u>Joysticks</u>

The Group is a specialist in this segment, with its flagship products such as the **Hotas Warthog** and **T-Flight Hotas X**: this range will be one of the growth drivers for Thrustmaster. At the same time, Thrustmaster has established partnerships with video game publishers and cockpit manufacturers, who recommend joysticks designed by Thrustmaster.

1.2.4 Flight simulation accessories

For many years, Thrustmaster has enjoyed a very strong reputation for designing and developing 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

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. Each year, the Group invests a significant amount of money in Research and Development, one of the keys to its competitiveness: in 2014, the Group allotted €3.3 million to its Research and Development spending, representing 8% of consolidated sales.
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 2014, its Research and Development teams worked on designing innovative accessories for Microsoft's Xbox One™ console, as well as the PlayStation®4 from Sony. The release of the new T300 Ferrari GTE and T300RS racing wheels for Sony's PlayStation®4 and the Ferrari 458 Spider Racing Wheel for Microsoft's Xbox One™ required many hours of development and numerous technological innovations.
The Ferrari 458 Spider Racing Wheel is composed of a base incorporating a bungee cord mechanism with linear resistance (Thrustmaster's patented re-centering system), while the T300 RS – the first official Force Feedback wheel for PlayStation®4 – features a base equipped with a brushless industrial motor.
Thanks to these efforts, the Group has been able to position itself as the undisputed racing wheel leader, with more than 50% market share in the United States over the year (Source: NPD).

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.
Following on from the awards received at the American CES Las Vegas trade show in 2014 by the DJControlWave DJ controller for iPad®, and the *Bluetooth*® technology-equipped wireless speaker featuring a novel "smart light" concept (the WAE NEO), two other new Hercules products received an innovation prize in the Home Audio category at CES 2015.
DJControl Jogvision is the first mobile DJ controller to feature a display in the center of each jog wheel, simultaneously indicating both the playback speed and position in the track being played.
The Hercules Universal DJ controller features a unique, complete ecosystem allowing users to mix with all of their screens: PC, Mac, smartphones and tablets (Android or iOS).
These awards represent international recognition of the Group's R&D and marketing know-how, and give increasing prestige to the other products in the range.

1.4 Standing of the company, of the Group and of its activities during fiscal 2014

1.4.1 Acceleration of the internationalization of the Group's sales, with strong development in North America

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.
In 2014 the Group accelerated its internationalization with a strong increase in its North American sales, which grew from 15% to 24% of non-OEM sales for the fiscal year.

Sales outside of France in 2014 amounted to €32.8 million, accounting for 81% of total consolidated sales.

The Group distributes its products mostly via specialized wholesalers, while at the same time maintaining direct commercial relationships with its customers. The Group's direct clientele is mainly composed of wholesalers, who 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, M Video, Netto, NIX Russia, NetLabs Russia, PC World, PC City, Pixmania, Redcoon, Rue du Commerce, Sainsbury's, Saturn, Sonai, Tesco, Thomann, Toys "R" Us, Unieuro, Worten, Tesco.

- In North America: Amazon.com, Best Buy, Buy.com, Costco, Fry's, Future Shop, Gamestop, Walmart, Guitar Center, Meijer, Micro Center, New Egg, Sam Ash, TigerDirect, Musician's Friend.

- In South America: Carrefour, Walmart, Fnac, Saraiva, Extra, Fast, and many local chains.

1.4.2 Takeoff of sales in the Asia-Pacific region, and strengthening of the Group's commercial workforce in Asia

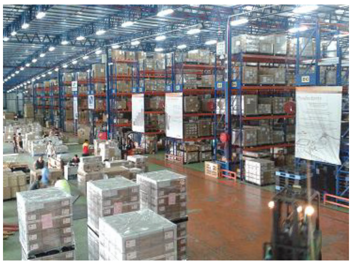
The Group also entered the Japanese market in 2014 with its ranges of accessories for the new consoles, which became its leading Asian sales zone in the fourth quarter of fiscal 2014. Sales in the Asia-Pacific region grew from 4% to 7% of non-OEM turnover. The opening of other networks is currently being studied, in order to expand the Group's potential. At the same time, the Group's ranges of racing wheels for PlayStation®4 and Xbox One™ are now being distributed in Japan, where the Group has bolstered its presence by also launching its website in Japanese in order to respond to a two-pronged approach: ensuring the continuity of the new website with its ten existing language versions, while at the same time also allowing it to be perfectly adapted for this exceptional market. Moreover, the Group strengthened its sales organization in Asia by way of a permanent presence in the region, and reinforced its Australian sales for a record year in 2014.

1.4.3 The new Hercules audio ranges continue to gain momentum

Hercules' new strategy is to focus on a limited number of products with higher added value, and to distribute these products globally. To achieve this, Hercules has relied on its Research and Development teams in order to develop very high-level expertise in the audio domain, thereby allowing it to offer remarkable hardware and software solutions in the fields of DJing, wireless speakers and multimedia speakers. This expertise has been rewarded by way of worldwide recognition via the many awards received by the Group, including the Innovation and Design awards received in 2014 and 2015 by the following products, respectively: the WAE NEO speaker, DJControlWave controller, and the Hercules Universal DJ and DJControl Jogvision controllers.

1.4.4 The Group's Asian logistics base firmly establishes itself

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 continues 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. In 2014, direct container deliveries from the Hong Kong warehouse increased, accounting for approximately 1/3 of sales, thereby facilitating the development of sales in the Asia-Pacific region.

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

seventy 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.

Main competitors by product category	
DJing	American Audio / DJ Tech / Gemini / KRK / M-Audio / Numark / Pioneer
Webcams	Logitech / Microsoft
PC gaming accessories	Hama / Logitech / Saitek / Speed Link / Trust
Console gaming accessories	Big Ben Interactive / Genius / Hama / MadCatz / Microsoft / Nyko / Sony / Speed Link / Trust
Speakers	Altec Lansing / Bose / Creative Labs / Edifier / JBL / Logitech / Philips
Audio headsets for online gamers	Logitech / MadCatz / Razer / SteelSeries / Tritton / Turtle Beach
Wireless speakers	Beats / Braven / Bose / Creative Labs / Jabra / Jawbone / JBL / Logitech / Philips / Parrot / Sonos

1.4.6 Strengthening of the Group's presence at the most important international trade shows, and partnerships between Thrustmaster and large game publishers

In 2014, the Group strengthened its presence at large 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 the Live from Games 14 show in Dubai.

Gamescom trade show, Cologne (Germany) – August 2014

Gaijin War Thunder booth

TX Racing Wheel at the Microsoft booth with Forza Motorsport 5

Sony booth with the game Driveclub and the Thrustmaster Driveclub wheel: 12 pods of the T300 RS racing wheel

E3 trade show, Las Vegas (United States) – June 2014

PlaySeat

Live from Games 14 trade show, Dubai (United Arab Emirates) – September 2014

NAMM Show trade show, Anaheim (United States) – January 2014

Just Dance World Cup Finals (France) – November 2014

At the Just Dance World Cup Finals, the WAE NEO speaker was among the prizes awarded to finalists.
In 2014, Thrustmaster entered into a number of partnership agreements.
The Group's participation in internationally-renowned trade shows not only provides it with the opportunity to meet with its customer base and expand its network of distributors, but also enables it to further boost its reputation by offering optimal visibility.

1.4.7 Awards on a global scale

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

For years now, Hercules' DJing range has received a large number of awards, including coveted distinctions. For two consecutive years, several products have received the CES Innovations Design and Engineering Award, which represents an acknowledgment of the Group's R&D and marketing know-how, and provides it with a worldwide audience for its new products.

At the most recent CES trade show in Las Vegas, the Hercules Universal DJ controller received the highly-coveted 2015 Honoree distinction as part of the CES Innovation Awards, for its unique product ecosystem, created for "connected" DJs. At the same event, DJControl Jogvision – the first Hercules DJ controller to feature displays built into its jog wheels – also received a 2015 CES Innovation Award.

At the MedPi trade show in Monaco, the DJControlWave controller received an innovation prize: Third Prize in the New Uses category of the MedPi Innovation Prizes. This category honors technological devices which make possible a new use or a new experience which did not previously exist.

The Spanish website Hardaily gave the DJConsole RMX2 controller a Platinum Award, with an extremely positive review.

1.4.7.2 WAE range

2014 was very rich in awards for the entire WAE range, and for the WAE NEO speaker, in particular.

In August 2014, the French magazine **Hardware Magazine** compared sixteen *Bluetooth®* multimedia speakers, and ranked the WAE NEO the "most powerful speaker among those selected."

The article was particularly positive, and mentioned the finish quality, lighting effects, the custom app with its numerous functions and – last but not least – the speaker's audio quality: "generous bass," "hot sound," "the most powerful speaker in this comparison," and "the speaker that provided the best listening sensations: at €200, it's certainly well-priced."

Hercules Wae Neo 200 €

La Wae Neo est l'enceinte la plus volumineuse de ce dossier et pèse 2,17 kg. Elle est donc assez encombrante dans un sac. Que ce soit la poignée caoutchoutée moulée dans une coque plastique laquée ou la plaque métallique perforée protégeant les haut-parleurs, les finitions de l'appareil sont impeccables. En façade, un encadrement de LED RGB émet une lumière multicolore assez puissante pour mettre un peu d'ambiance dans une pièce. Les effets sont personnalisables à travers une application Android/iOS (extinction, luminosité, couleurs, modes : statique/arc-en-ciel/réactif à la musique). Celle-ci propose aussi un lecteur, un mode veille, un égaliseur et un accès vers les plateformes Deezer, Spotify et SoundCloud, avec la possibilité de mélanger les morceaux en ligne et locaux dans les listes de lecture. L'équipement de la Wae Neo se contente de l'essentiel. Le NFC est présent, l'entrée audio auxiliaire miniJack également, mais elle ne possède pas de microphone ou de port USB de charge. Les deux boutons de volume sont présents en façade, celui du Bluetooth est à l'arrière. La batterie se recharge via le câble microUSB et l'adaptateur secteur livrés. Elle tient environ 12 h sans l'éclairage, moitié moins avec. La Wae Neo délivre un son chaud, enveloppant grâce à une bonne séparation stéréo et aux basses généreuses. Peut-être un peu trop même selon les préférences, ce qui peut s'ajuster dans les paramètres du smartphone ou les applications. Les médiums et les aigus méritent aussi d'être poussés afin d'apporter plus de clarté. Quel que soit le type de musique, cette enceinte s'en sort bien. C'est la plus puissante de ce comparatif avec la SoundLink III et elle sature peu. La faible dispersion du son oblige toutefois une bonne orientation des haut-parleurs. La Wae Neo n'est pas la plus petite des enceintes portables, ni la mieux équipée, mais c'est celle qui nous a donné les meilleures sensations à l'écoute et à 200 €, le tarif est bien positionné.

CONNECTIVITÉ SANS FIL : Bluetooth
INTERFACES : microUSB (recharge), entrée miniJack 3,5 mm
MICROPHONE : non
POIDS : 2,17 kg
DIMENSIONS : 340x140x120 mm

LES PLUS/LES MOINS
• NFC • Bonne qualité sonore et grosses basses
• Poignée de transport • Bonne puissance • Autonomie
• Equipement réduit • Taille

During the summer, the magazine **01net** published an article giving the speaker a score of **4/5**. The aspect most appreciated by the journalist was the speaker's innovative lighting: "As soon as it's turned on, it quickly becomes clear why this speaker won the Innovations Design and Engineering Awards at the latest CES trade show in Las Vegas." The speaker's app and audio quality were also much appreciated: "The WAE NEO's sound is powerful (15 W) and never saturates, even at full volume."

HERCULES WAE NEO 200 € env.

Cette enceinte garantit le son et la lumière

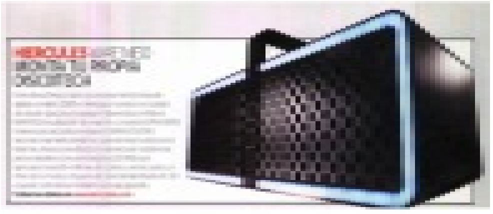
ON AIME
• Le cadre lumineux
• L'application Wae ergonomique
• La puissance sonore

ON N'AIME PAS
• Le poids

On vous l'accorde, cette grosse brique noire n'est pas follement engageante. Et pourtant, une fois allumée, on comprend vite pourquoi elle a reçu le prix de la "meilleure innovation design et ingénierie" lors du dernier CES de Las Vegas, en janvier dernier. La particularité de cette enceinte sans fil ? Son cadre lumineux qui change de couleur au gré de la musique. Il est possible de gérer et de personnaliser ces effets à l'aide de l'application gratuite WAE (iOS et Android). Intuitive et fluide, elle permet d'accéder à plusieurs modes (fête, ambiance, etc.), lesquels définissent les variations de couleurs et d'intensité lumineuse selon le rythme de la "ziq". Mieux, l'appli WAE propose un égaliseur sophistiqué pour jouer à l'apprenti ingénieur du son. Une attention qui ravira les amateurs de rock et de musique classique.

Si le son de l'enceinte Wae Neo est puissant (15 W) et ne sature jamais à pleine puissance, il tend naturellement à privilégier les basses. Finalement, on lui reprochera son manque d'autonomie (huit heures ou quinze heures avec les Leds éteintes), ainsi qu'un certain embonpoint (2 kg) qui lui interdit un usage réellement nomade. ■ FOUAD BENCHEMAN

CARACTÉRISTIQUES • **Connectique** NFC, Bluetooth 3.0, Jack 3,5 • **Puissance** 15 W • **Réponse en fréquence** 80 Hz–20 kHz • **Dimensions** 34 x 14 x 12 cm • **Poids** 2 kg



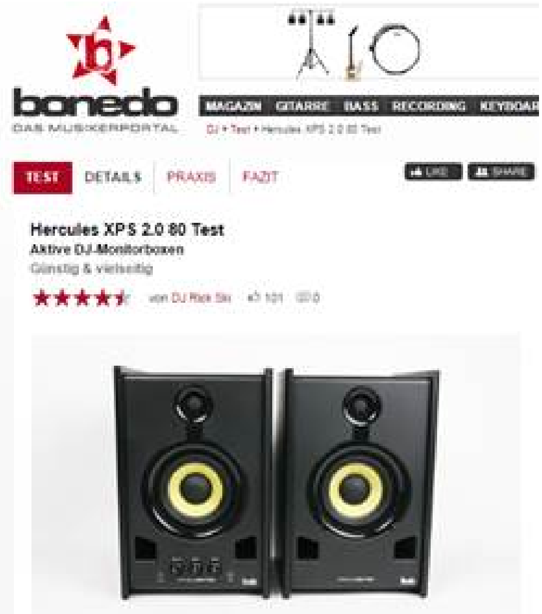
The Spanish press also published very positive articles on the WAE NEO speaker – particularly the article which appeared in Gadget in January 2015.

In December 2014, the Benelux website Hardware.info published an article which stated: “The WAE NEO is a powerful speaker that suits the primary goal perfectly: create a party. The colourful lighting is great, as well as the digital sound processing and high max volume. […] In the end, looking at similar speakers you still get a lot for the humble price of the WAE NEO. If you’re not looking for detailed sound reproduction and you just want to get a lot, get loud, and you like the lighting, then the WAE NEO really is a bargain. The WAE NEO therefore deserves a Hardware.Info Bronze Award.”

The smart light WAE NEO wireless speaker was selected by “Challenges,” the economic news magazine (number 412 from December 4-10, 2014, page 62) as one of their “100 high-tech objects” for the end of the year: “innovative, connected, useful, smart, high-performance, surprising gifts.” The WAE NEO speaker ranked number 9 in the opinion of the proud geeks on the editing staff.

1.4.7.3 Speakers range

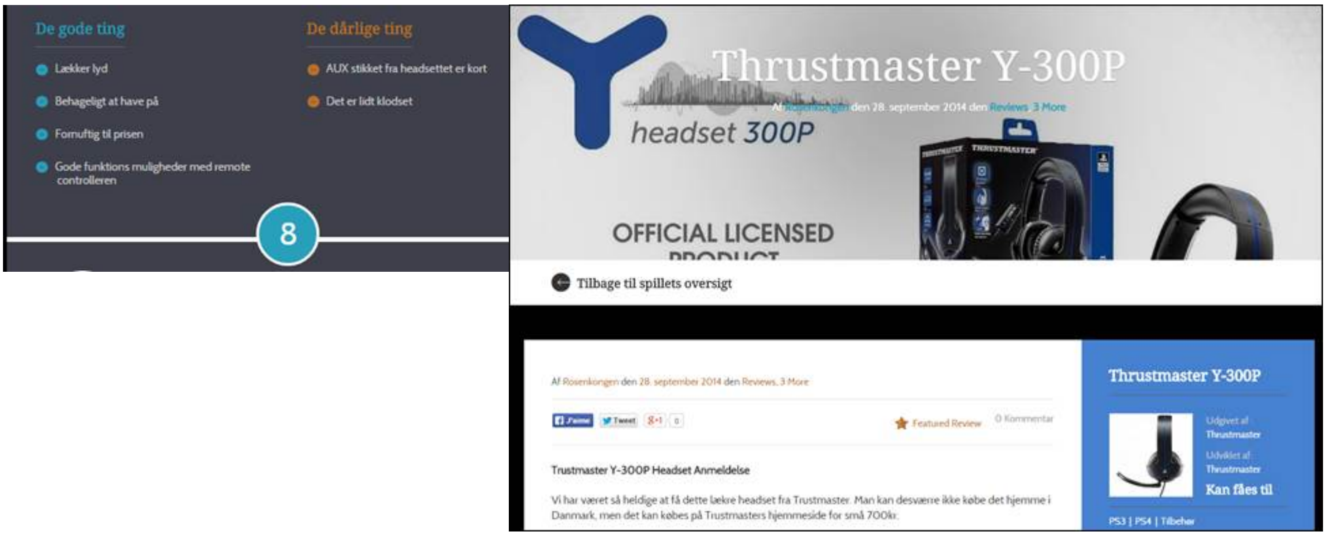
The German music website www.bonedo.fr gave the Hercules XPS 2.0 80 speaker 4.5 stars out of 5.



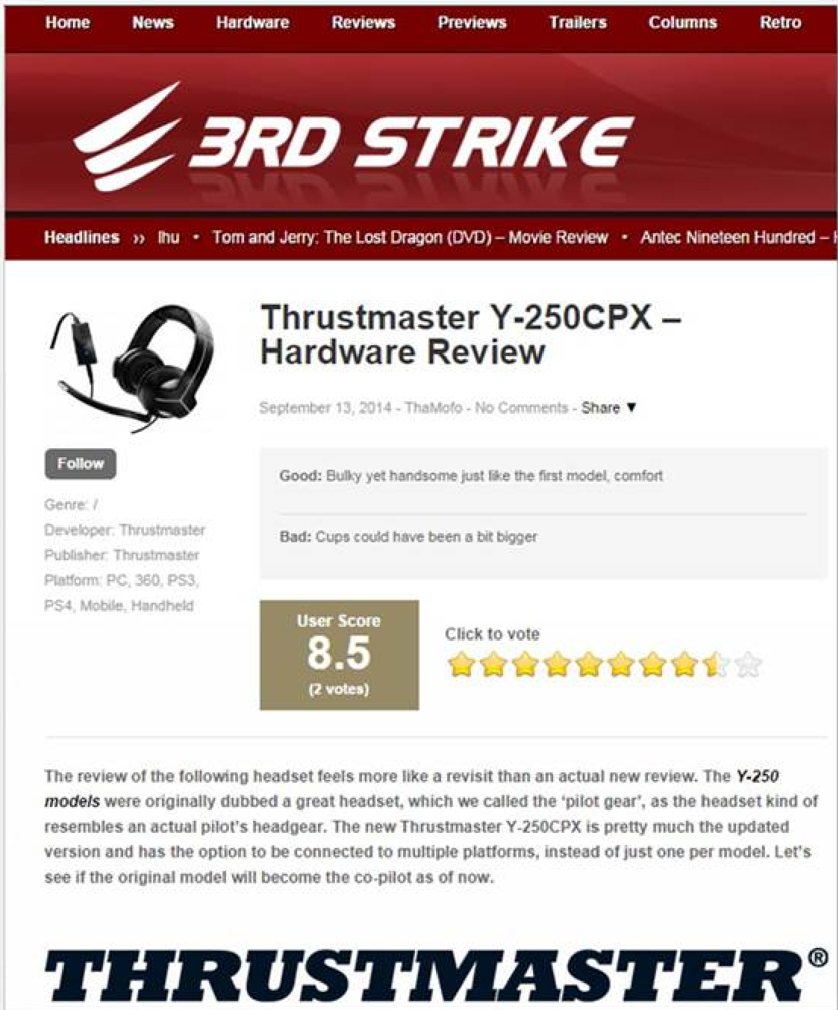
1.4.7.4 *Gaming accessories for PC and consoles*

- Gaming headsets

In late September 2014, the Danish gaming website www.Playstationforum.dk gave the Y-300P headset a score of 8 on 10.



In September 2014, the Belgian website 3rd Strike gave the Y-250 CPX gaming headset a score of 8.5 on 10.



In April 2014, the German website Techfire gave the Y-250P headset 4.5 stars out of 5. The journalist particularly appreciated its audio quality – especially in terms of bass – as well as its compatibility with the PlayStation®3 and PlayStation®4 consoles and PC.

In March 2014, the French website www.erenumerique.fr gave the Y-250 CPX headset a score of 8.5 on 10.

- Racing wheels

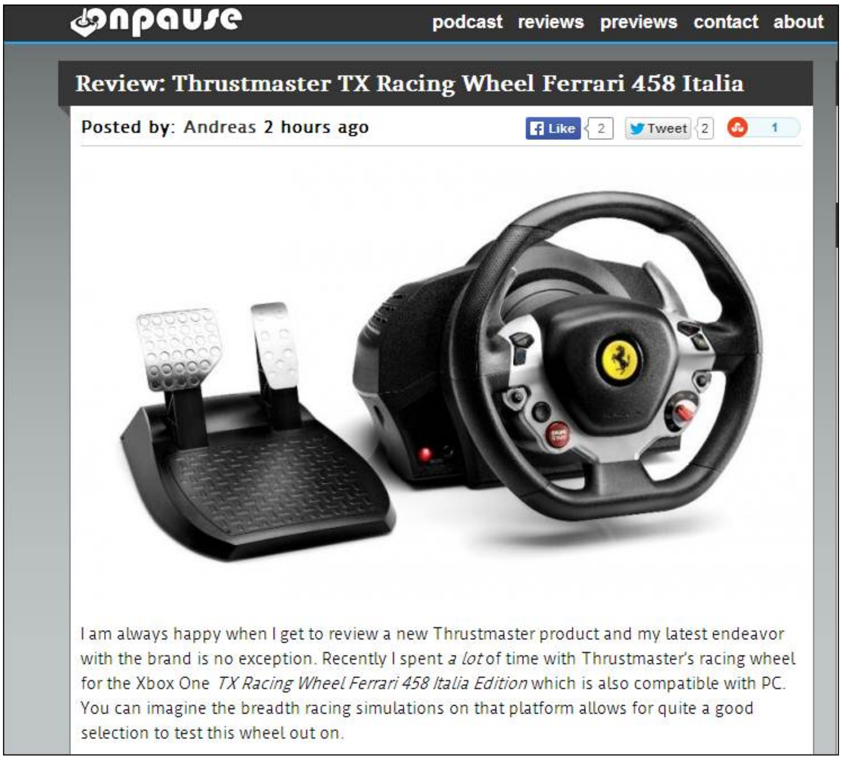
2014 was particularly rich in terms of awards received for racing wheels.

The German gaming website Games-Mag posted an article about the TX Racing Wheel in December 2014, giving it a score of 93% and a Gold Award.

On June 23, 2014, the French website www.erenumérique.fr posted a test of the TX Racing Wheel, with Stéphane Kauffmann giving it a score of 9 on 10.

In late November 2014, the T300 RS racing wheel received a score of 9 on 10 from the German "Rebelgamer" website. Among the qualities most appreciated by the journalist were the wheel's quality, its completely novel driving experience, Force Feedback and full compatibility with the PlayStation®3 and PlayStation®4 consoles.

The American gaming website www.onpause.org gave the TX Racing Wheel a score of 10 on 10.

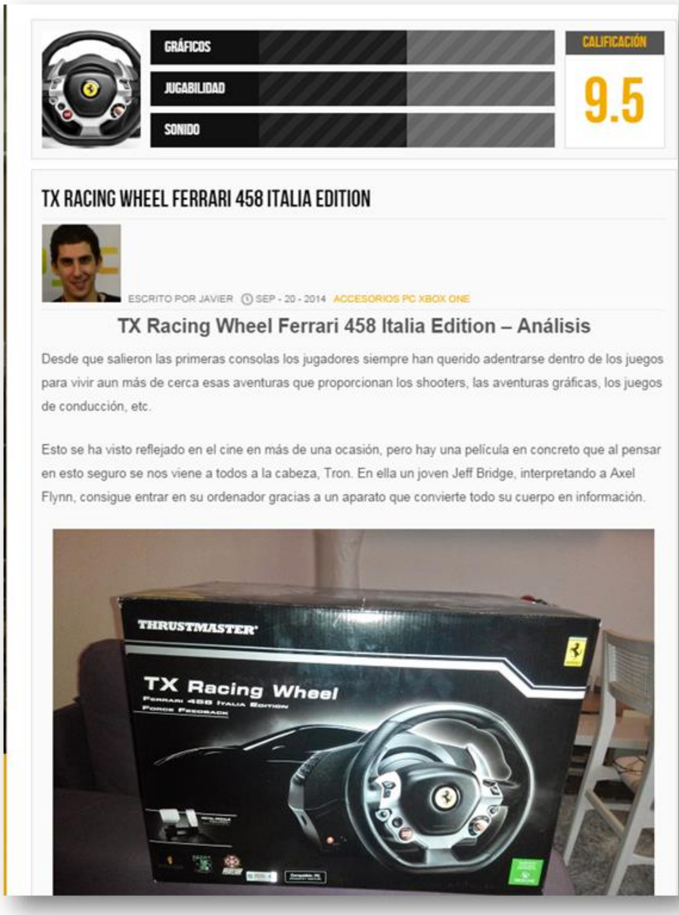


Score: 10 / 10

In December 2014, the German website “Die Unabhängigen Spieletester” posted a review of the T300 Ferrari GTE racing wheel, giving it a score of 9 on 10.

In September 2014, the TX Racing Wheel received a score of 4.5 stars out of 5 – plus a Gold Award – from the Italian website www.xtremehardware.com.

In Spain, the gaming website “Videojuegos y Consolas” gave the TX Racing Wheel a score of 9.5 on 10.



GRÁFICOS
JUGABILIDAD
SONIDO
CALIFICACIÓN
9.5

TX RACING WHEEL FERRARI 458 ITALIA EDITION

ESCRITO POR JAVIER SEP - 20 - 2014 ACCESORIOS PC XBOX ONE

TX Racing Wheel Ferrari 458 Italia Edition – Análisis

Desde que salieron las primeras consolas los jugadores siempre han querido adentrarse dentro de los juegos para vivir aun más de cerca esas aventuras que proporcionan los shooters, las aventuras gráficas, los juegos de conducción, etc.

Esto se ha visto reflejado en el cine en más de una ocasión, pero hay una película en concreto que al pensar en esto seguro se nos viene a todos a la cabeza, Tron. En ella un joven Jeff Bridge, interpretando a Axel Flynn, consigue entrar en su ordenador gracias a un aparato que convierte todo su cuerpo en información.

The Spanish gaming magazine “Hobby Consolas” unveiled the Ferrari 458 Spider Racing Wheel. After listing the product’s different functions, the journalist gave it 4 stars.

Lujo al estilo Cavallino Rampante

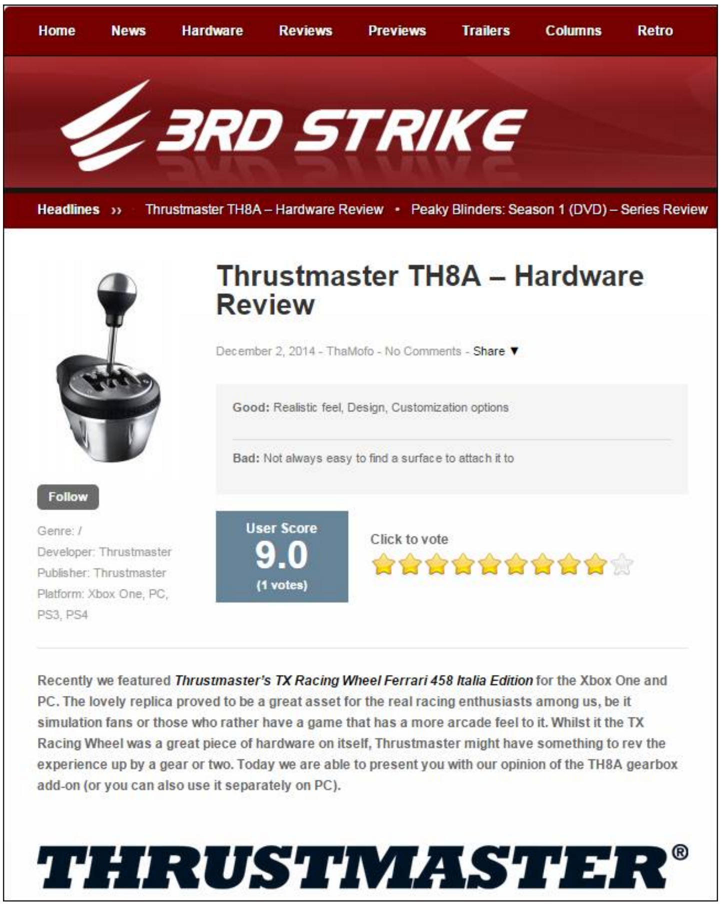
■ Nombre: Ferrari 438 Spider Racing Wheel ■ Compañía: Thrustmaster
■ Consola: Xbox One ■ Precio: 99,95 €

El segundo volante exclusivo de Thrustmaster para Xbox One es una réplica del que monta el Ferrari Spider, a escala 7/10 (unos 28 cm. de diámetro), que recrea hasta el más mínimo detalle del volante real del deportivo. Incluye agarraderas de goma roja, dos levas de metal para cambiar las marchas, pedales regulables con reposapiés ancho, así como 9 botones o el dial "Manetinno" con 2 posiciones para modificar los ajustes de conducción sobre la marcha. Además, en sus tripas esconde una amplitud de giro de 240º y el sistema "bungie cord", el sistema de recentrado del volante exclusivo de Thrustmaster que ofrece un realista sistema de resistencia lineal. El remate lo pone un sistema de anclaje central que se adapta a cualquier superficie.
www.thrustmaster.com

VALORACIÓN: ★ ★ ★ ★

- Gamepads/Joysticks

In December 2014, the Belgian website 3rd Strike gave the TH8A joystick a score of 9 on 10.



Home News Hardware Reviews Previews Trailers Columns Retro

3RD STRIKE

Headlines ›› Thrustmaster TH8A – Hardware Review • Peaky Blinders: Season 1 (DVD) – Series Review

Thrustmaster TH8A – Hardware Review

December 2, 2014 - ThaMofo - No Comments - Share ▼

Good: Realistic feel, Design, Customization options

Bad: Not always easy to find a surface to attach it to

Follow

Genre: /
Developer: Thrustmaster
Publisher: Thrustmaster
Platform: Xbox One, PC, PS3, PS4

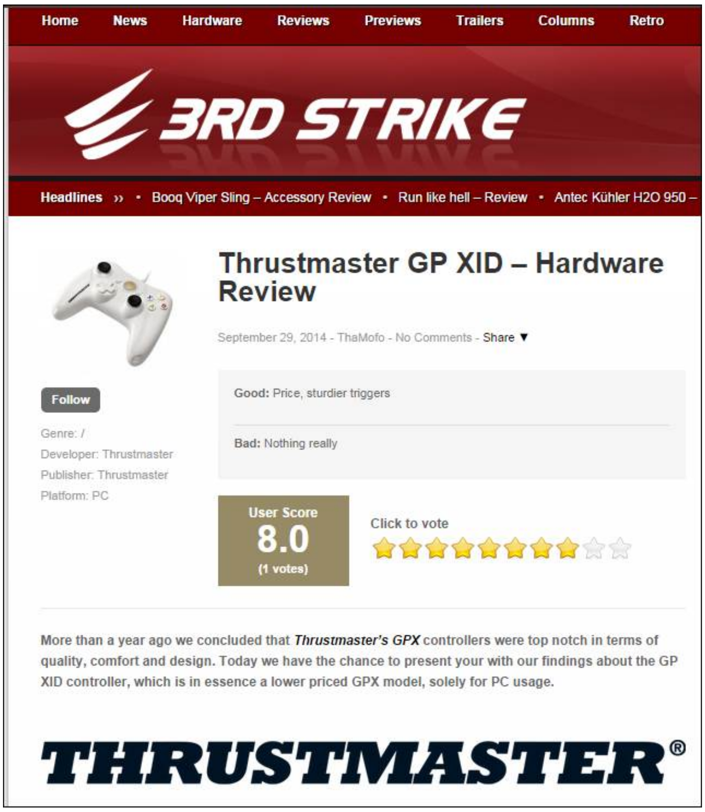
User Score 9.0 (1 votes)

Click to vote

Recently we featured *Thrustmaster's TX Racing Wheel Ferrari 458 Italia Edition* for the Xbox One and PC. The lovely replica proved to be a great asset for the real racing enthusiasts among us, be it simulation fans or those who rather have a game that has a more arcade feel to it. Whilst it the TX Racing Wheel was a great piece of hardware on itself, Thrustmaster might have something to rev the experience up by a gear or two. Today we are able to present you with our opinion of the TH8A gearbox add-on (or you can also use it separately on PC).

THRUSTMASTER®

In September 2014, 3rd Strike gave the GP XID gamepad a score of 8 on 10.



Home News Hardware Reviews Previews Trailers Columns Retro

3RD STRIKE

Headlines ›› • Booq Viper Sling – Accessory Review • Run like hell – Review • Antec Kühler H2O 950 –

Thrustmaster GP XID – Hardware Review

September 29, 2014 - ThaMofo - No Comments - Share ▼

Good: Price, sturdier triggers

Bad: Nothing really

Follow

Genre: /
Developer: Thrustmaster
Publisher: Thrustmaster
Platform: PC

User Score 8.0 (1 votes)

Click to vote

More than a year ago we concluded that *Thrustmaster's GPX* controllers were top notch in terms of quality, comfort and design. Today we have the chance to present your with our findings about the GP XID controller, which is in essence a lower priced GPX model, solely for PC usage.

THRUSTMASTER®

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, 2014 are broken down as follows:

In € millions	31/12/2014	31/12/2013
Sales	40.3	43.7
Current operating income	-2.5	-1.6
Operating income	-2.5	-2.4
Financial income*	1.8	1.7
Consolidated net income	-0.9	-0.8
Base earnings per share	€-0.06	€-0.06
Shareholders' equity	18.3	19.1
Net indebtedness (excluding MIS)**	7.2	9.0
Inventories	7.4	10.0
Intangible fixed assets	6.9	7.3
Current financial assets (MIS share)	7.0	6.9

* 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 2014 amounted to €40.3 million, representing a decrease of 8% in relation to the previous fiscal year. Operating income amounted to €-2.5 million, compared with a loss of €2.4 million at December 31, 2013.
Financial income of €1.8 million included revaluation gains of €1.8 million on current financial assets (MIS), composed of Ubisoft Entertainment and Gameloft securities, and a divestment gain of €0.4 million linked to the sale of 170,000 Ubisoft Entertainment shares.
Net income for the fiscal year amounted to €-0.9 million, compared with €-0.8 million in 2013.
Current financial assets amounted to €7.0 million at December 31, 2014. They are composed of Ubisoft Entertainment and Gameloft securities.
Net indebtedness stood at €7.2 million (before Marketable Investment Securities).
Shareholders' equity went from €19.1 million to €18.3 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)	31.12.2014	31.12.2013	31.12.2012
Hercules	**12.3**	**21.4**	**32.6**
Standard product lines	11.6	17.3	27.9
Netbooks	0.0	0.0	0.3
OEM	0.7	4.1	4.4
Thrustmaster	**28.0**	**22.3**	**16.4**
Standard product lines	28.0	22.0	16.4
OEM	0.0	0.0	0.0
TOTAL	**40.3**	**43.7**	**49.0**

- By geographic zone

(in € millions)	31.12.2014	31.12.2013	31.12.2012
France	7.5	11.7	17.2
European Union (excluding France)	18.2	18.3	18.1
Other	14.6	13.7	13.7
TOTAL	**40.3**	**43.7**	**49.0**

1.5.2 Operating income breakdown by activity

(in € millions)	31.12.2014	31.12.2013	31.12.2012
Hercules	-4.2	-1.7	-1.4
Thrustmaster	1.7	-0.7	-1.3
TOTAL	**-2.5**	**-2.4**	**-2.7**

1.6 Progress made and difficulties encountered

Fiscal 2014 showed sharp contrasts, with Thrustmaster's activities buoyed by both the rollout of the new game consoles and the new products specially developed to accompany the flagship games on these consoles, and Hercules' activities impacted by both the slowdown in the mass-market PC sector and the winding down of certain product ranges whose profitability was no longer ensured.
A very significant international prospecting effort was undertaken in order to expand the distribution zones for the Group's products, particularly with regard to gaming accessories. Moreover, the Group ramped up activities at its Hong Kong warehouse in order to ensure direct deliveries to its main customers and thereby optimize its supply chain. This enabled the Group to significantly reduce transportation, intermediate storage and the CO_2 footprint associated with its activities. It also allowed for a 26% reduction in terms of the Group's inventory levels, and improvements with regard to working capital requirements.

In 2014, the Group sped up its internationalization efforts with a strong increase in North American sales, allowing it to compensate for lower European sales and generate growth of 5% (excluding OEM activities) over the year's second half. The Group also rolled out its ranges of accessories for the new consoles in the Japanese market in 2014, which became its leading Asian sales zone in the fourth quarter of fiscal 2014. Sales in the Asia-Pacific region grew from 4% to 7% of non-OEM turnover, with the opening of other networks being studied in order to expand the Group's potential. Thrustmaster has positioned itself as the undisputed racing wheel leader, with more than 50% market share in the United States over the year (Source: NPD). This leadership should be further strengthened in 2015 thanks to the expansion of the brand's current range to include new product positioning points. The arrival of numerous car racing games including the new Forza Motorsport 6 on the Xbox One™ console, F1 2015 on PC/PS4™ and Xbox One™ and Project CARS on PC/PS4™ and Xbox One™ is breathing new life into the racing wheels market, while the surge in popularity of free-to-play games such as War Thunder and Elite: Dangerous is giving a boost to joystick sales. The Group also specializes in this market segment, with its flagship products including the HOTAS Warthog and T-Flight HOTAS X being recommended by game publishers. Thanks to its partnerships with console manufacturers and successful game developers, Thrustmaster has further strengthened its links with the gaming community. The Group's gaming headsets also receive numerous awards for their audio quality on specialist websites, with the brand becoming a benchmark in this segment.

Following the ending of its Wi-Fi and PLC ranges, which were no longer profitable, the Group has focused on its digital audio product lines by way of multimedia speakers, wireless speakers and DJ controllers. The multimedia speakers market has followed the decrease in PC sales. The Group has refreshed its product lines in order to maintain sales dynamics, but weak demand has delayed new product references. The wireless audio market is a demanding segment, with all of the large brands offering products in this category. Moreover, the number of products offered has increased very significantly, thereby heightening the level of competition.
The Group has been upgrading its product lines in order to make them stand out from their competition and allow them to occupy niche markets which appear promising. The splash-resistant WAE Outdoor speakers have taken their place in the market, with satisfactory coverage and sales levels. The WAE NEO speaker, which brings a lighting dimension to the world of audio, received a 2014 CES Innovations Design and Engineering Award at the American CES trade show in Las Vegas, and is paving the way for the Home Party market.
The Group has experienced good success with its mass-market DJ product lines (a segment which is expanding), while the more professional market has experienced a slowdown, with lower prices from leaders in this segment, and large competitors either ending their activities or being sold off. The Group's Research and Development efforts have allowed it to create extremely innovative new products which open up exciting new possibilities for "connected" DJs.
The Hercules Universal DJ mixer and the DJControlWave controller are now multi-screen devices, allowing for the use of tablets as extra touch-based controllers (in addition to a computer), or even replacing a computer completely for an even more mobile mixing experience.
The development of customized applications now allows DJs to let partygoers vote for tracks on their playlists, opening up a whole new dimension in terms of interaction and fun. In January 2014 and 2015, three Hercules DJ products received the CES Innovations Design and Engineering Award, an important factor in terms of their reputation for a worldwide rollout.

1.7 Business evolution analysis

Fiscal 2014 saw the Guillemot Corporation Group's sales decrease by 8%, along with highly contrasting developments in terms of its Hercules and Thrustmaster brands.

Thrustmaster, with €28 million in sales and growth of 26%, beat its ten-year sales record, and has positioned itself as the undisputed racing wheel leader with more than 50% market share in the United States over the year (Source: NPD). Thrustmaster enjoyed numerous successes in 2014 thanks to its product lines specially developed for the new game consoles, which have allowed it to become the leader in racing wheels.

Hercules, with annual sales down by 33% (excluding OEM activities), has suffered from the slowdown in the mass-market PC sector and the ending of its Wi-Fi and PLC ranges, while at the same time focusing its Research and Development efforts on its DJing and speaker-related audio lines.

Despite lower sales, over the year the Group managed to increase its gross accounting margin by 4 points, while at the same time stabilizing its level of costs and maintaining its Research and Development efforts.

Operating income amounted to €-2.5 million for fiscal 2014, compared with a result of €-2.4 million at December 31, 2013. Consolidated net income amounted to €-0.9 million, compared with €-0.8 million for the previous fiscal year. This result includes financial revenues of €2.2 million linked to a €1.8 million revaluation gain on the Group's portfolio of Ubisoft Entertainment and Gameloft securities, and a €0.4 million divestment gain on 170,000 Ubisoft Entertainment securities.

Shareholders' equity amounted to €18.3 million at December 31, 2014. The Group lowered its inventory levels, by optimizing the flow of products and increasing the volume of sales departing from its Hong Kong platform. Net indebtedness decreased to €7.2 million at December 31, 2014 (excluding its portfolio of marketable investment securities, valued at €7.0 million), compared with €9.0 million at December 31, 2013.

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, 2014

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%	1.90%	24.49%

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	0.41%

(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, 2014.

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, Italy and the United Kingdom, and distributes its products in more than seventy 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 nearly 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 Group operates in a market undergoing great transformation, thereby presenting interesting opportunities which are actively being pursued by its Research and Development teams.

A variety of factors will contribute to the sales growth of Thrustmaster's gaming accessories:
- The increase in the installed base of the new consoles.
- The current and emerging crop of car racing games.
- The explosion in popularity of aerial combat and space adventure games.
- The widespread rollout of gaming-enabled TV sets and home gateway devices.

The Group's new ranges of accessories have been designed to fully benefit from these growth vectors in the marketplace.

Hercules, focused on audio, is becoming the leader in solutions for "connected" DJs, and will be marketing new controllers to strengthen its product offerings aimed at both mass-market users and advanced DJs.
The acceleration in terms of the internationalization of the Group's sales, 36% of which already came from outside of Europe in 2014, will contribute to mitigating the effects stemming from the strong increase in the dollar, which is currently raising the cost of products sold in the euro zone, and which may impact on their sales.

These development factors provide the Group with a solid basis for its forecast of double-digit sales growth in 2015.

7 PRESENTATION OF FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014 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 €40,284K, excluding taxes.
The main operating expenses were purchases, for €17,836K.
External charges totaling €9,819K were mainly composed of transportation, publicity and marketing expenses.
Personnel expenses amounted to €7,065K, and depreciation and amortization provisions to €3,469K.
Taxes and duties amounted to €261K, and other revenues and expenses to €-2,174K.
Current operating income amounted to €-2,524K.
Operating income amounted to €-2,524K.
The net gearing cost stood at €202K, while other financial revenues and expenses totaled €1,959K, including revaluation gains of €1,838K on Ubisoft Entertainment and Gameloft shares held, and a divestment gain of €426K linked to the sale of 170,000 Ubisoft Entertainment shares.
After taking these elements into account, along with the tax charge of €137K, the Group's net income was €-904K.
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 €6,917K, net tangible fixed assets for €2,800K, and financial assets for €424K.

Current assets include the following elements:
- Inventories had a net value of €7,434K, taking into account inventory provisions of €1,271K.
- Trade accounts receivable amounted to a net value of €13,500K, taking into account a provision of €199K for doubtful customers.
- The other receivables entry had a net value of €1,507K and mainly relates to value added tax receivables and down payment receivables.
- Financial assets amounted to €6,959K, and the cash and cash equivalents entry to €1,791K.
- Current tax assets stood at €100K.

Shareholders' equity amounted to €18,274K.

Non-current liabilities amounted to €3,670K, including €1,758K in loans.

Current liabilities amounted to €20,376K, including €5,558K in loans.

Cashflow linked to activities is broken down as follows:

	At 31.12.14
Net income of integrated companies	-904
+ Depreciation, amortization and provisions allocations	2,888
- Depreciation, amortization and provisions reversals	-48
-/+ Unrealized gains and losses linked to changes in fair value	-1,838
+/- Expenses and revenues linked to stock options	0
-/+ Net gain/loss on disposals	-431
Deferred tax change	0
Cashflow after cost of net financial debt	**-333**
Cost of net financial debt	202
Cashflow before cost of net financial debt	**-131**
Cashflow Forex adjustment	42
Working capital requirements change	**1,926**
Net cashflow linked to activities	**1,635**
Cashflow linked to investment activities	
Cash outflow and inflow on tangible and intangible fixed assets	-2,081
Cash outflow and inflow on financial fixed assets	2,172
Net cashflow linked to investment activities	**91**
Cashflow linked to financing activities	
Capital increase or cash contribution	0
Debt issuance	1,000
Shareholders' current account reimbursement	0
Debt repayments	-2,307
Other cashflow linked to financing activities	-8
Total cashflow linked to financing activities	**-1,315**
Forex adjustment impact	**35**
Cashflow change	**446**
Net cashflow at fiscal year start	-2,604
Net cashflow at fiscal year end	-2,158

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 €36,572K.

Total operating revenues amounted to €36,482K.

The main operating expenses were purchases consumed for €17,954K, and external expenses for €16,587K.

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

Taxes and duties and personnel expenses amounted to €391K, and other expenses to €2,888K.

The amortization allowance amounted to €2,102K.

The allowance on provisions for current assets amounted to €489K.

Total operating revenues less all operating expenses resulted in operating income of €-3,929K.

Taking into account financial income of €5,390K, as well as exceptional income of €-378K, net income amounted to €1,083K.

Financial income is broken down as follows:

Financial revenues from investments:	€2,272K
Forex differences:	€55K
Financial interest revenues and expenses:	€-134K
Income from MIS disposals:	€1,336K
Provisions reversals and allowances:	€1,861K

Financial revenues from investments correspond to the dividends paid out by some Guillemot Corporation Group subsidiaries.

Interest revenues are mainly composed of €60K in current account interest, and €34K corresponding to the reintegration into balance sheet assets of a current account advance, this advance having been waived by the parent company in 2004 in favor of its subsidiary Guillemot GmbH (Germany) with a return to profits clause.

Financial expenses are mainly composed of loan and banking interest charges for €201K, and current account interest for €17K.

Net income on disposals of marketable investment securities mainly corresponded to income from the disposal of 170,000 Ubisoft Entertainment shares for €1,299K. Disposal income on treasury stock securities within the context of the liquidity contract in effect amounted to €37K.

Reversals on the impairment of subsidiaries' securities amounted to €13K, and provisions reversals on current account advances amounted to €584K. Other reversals of provisions relate to Ubisoft Entertainment securities for €1,385K, treasury stock securities for €31K, and various reversals relating to unrealized Forex losses for the previous fiscal year for €105K.

Provisions allocations on securities amounted to €15K.
The company Guillemot Corporation S.A. posted a provision of €242K 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:	€0K
Revenues and expenses on capital transactions:	€-317K
Provision reversals and allocations:	€-61K

Exceptional expenses include an amount of €271K corresponding to the reintegration into balance sheet liabilities of current account debts toward founding shareholders. These current account advances were waived by the latter in 2002, with return to profits causes.

The company posted exceptional amortization of €107K for development costs and materials which no longer meet the capitalization criteria.

The main performance results are as follows:

Fiscal year production:	€35,621K
Added value:	€1,079K
Earnings before interest, tax, depreciation and amortization:	€688K

7.2.2 Balance sheet

Net fixed assets amounted to €11,344K. This includes €6,291K in intangible fixed assets, €2,296K in tangible fixed assets and €2,757K in financial fixed assets.

Intangible fixed assets included €3,502K in net value with respect to development costs. The company removed development costs which no longer meet the capitalization criteria from assets, for a gross amount of €130K.

The company disposed of materials for a gross amount of €40K.

The company had inventory with a net value of €6,551K.

The trade accounts receivable entry amounted to €11,998K, taking into account provisions for doubtful customers of €178K.

Other receivables for a total net amount of €3,648K mainly include current account advances to subsidiaries for a net amount of €3,217K and VAT receivables.

Marketable investment securities amounted to a net total of €6,823K.

Treasury stock shares held are broken down between financial fixed assets (132,619 shares) and marketable investment securities (152,679 shares). The net amount of these securities was €250K, after a provision of €429K.

Shareholders' equity amounted to €19,593K.

Debts and liabilities are broken down as follows:

DEBTS/LIABILITIES STATEMENT (In €K)	At 31.12.14
Financial institution loans	3,345
Bonds	0
Medium-term bank liabilities	56
Bank overdrafts and currency advances	3,844
Trade accounts payable	10,550
Tax and social security liabilities	109
Other liabilities	1,831
Fixed asset liabilities	675
Intercompany	1,386
TOTAL	**21,796**
Loans entered into during the fiscal year	1,000
Repaid during the fiscal year through bond conversion	0
Loans repaid during the fiscal year	2,308
Loans received from individuals	0

Cashflow linked to activities is broken down as follows:

(In €K)	**At 31.12.14**
Net income	1,083
Amortization and provisions allocations and reversals (1)	1,693
Net gain/loss on disposals	0
Operating income	**2,776**
Operating requirements change	1,653
Non-operating requirements change	-311
Working capital requirements change	**1,342**
Cashflow linked to investment activities	
Intangible fixed asset acquisitions	-1,521
Tangible fixed asset acquisitions	-492
Intangible and tangible fixed asset disposals	0
Financial fixed asset acquisitions	-43
Financial fixed asset disposals	0
Subsidiary acquisitions/disposals	0
Net cashflow linked to investment activities	**-2,056**
Capital increase or contribution	0
Debt issuance	1,000
Debt repayments	-2,308
Net cashflow linked to financing activities	**-1,308**
Cashflow change	754
Net cashflow at fiscal year start (2)	3,262
Net cashflow at fiscal year-end (2)	4,016

(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, 2014, 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.)	
	2014	2013	2014	2013	2014	2013	2014	2013
Debts falling due*	6,797	6,037	1,982	2,391	69	3	8,848	8,431
Debts due	1,070	2,234	339	1,350	968	1,537	2,377	5,121
Total amount (taxes incl.)	**7,867**	**8,271**	**2,321**	**3,741**	**1,037**	**1,540**	**11,225**	**13,552**

* 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 gain of €1,082,723.41, 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. Game console manufacturers control the accessories able to function with their consoles: they can refuse concepts. The sale and marketing of new concepts and accessories therefore depends on the approval of game console manufacturers.

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, 2014, the Group had fixed-rate loans in the amount of €4,455K, and variable-rate loans worth €2,861K. 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, 2014.
A 1% increase in interest rates, taken on an annual basis and considering the outstanding amount at December 31, 2014 (the amount of variable-rate financial liabilities not covered by rate swap agreements) would have an impact of a €14K increase in expenses.

8.3.2 Forex risk

As all of the major players in the multimedia industry conduct transactions in U.S. 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 U.S. dollar. In the United States, Canada and all other countries outside of Europe, the transaction currency is also the U.S. dollar. In Europe, the Group sells mainly in euros.
Rapid currency variations and dips in the value of the U.S. 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 U.S. 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, 2014 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	6,527	756
Liabilities	10,145	50
Net pre-adjustment position	-3,618	706
Off-balance-sheet position	0	0
Net post-adjustment position	-3,618	706

A 10% increase in the U.S. dollar rate considered on an annual basis and at the amount outstanding at December 31, 2014 (amount of currency exposed to Forex variations) would result in an increase in financial expenses of €298K.
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 €+107K.

8.3.3 Share risk

The net value of listed securities in the company's portfolio at December 31, 2014 amounted to €6,959K.

Inventory of listed securities held at December 31, 2014

Inventory of portfolio securities	**Market**	**Number of securities at 31/12/14**	**Market value (in €K) (1)**
Ubisoft Entertainment S.A. (Shares)	Euronext (Paris)	443,874	6,731
Gameloft S.E. (Shares)	Euronext (Paris)	68,023	228
		Total	**6,959**

(1) The rate employed is equal to the rate on the last day of the month of December 2014 (Ubisoft Entertainment: €15.165; Gameloft: €3.34).

Changes in the stock market value of shares held have an impact on the Group's results. For 2015, a 10% decrease in the value of Ubisoft Entertainment shares (in relation to the price at December 31, 2014) would have an impact of €-673K on financial income.
A 10% decrease in the value of Gameloft shares (in relation to the price at December 31, 2014) would have an impact of €-23K on financial income.
At March 20, 2015, the Ubisoft Entertainment share's closing price was €17.185, representing an increase of 13% in relation to the price at December 31, 2014, and resulting in the posting of revaluation gain of €897K 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 €7.2 million. In addition, the Group has a portfolio of Ubisoft Entertainment and Gameloft securities with a market value of €7.0 million at December 31, 2014.

The Group's indebtedness at December 31, 2014 is broken down as follows:

Type of security issued or loan	Fixed rate	Variable rate	Overall line amount	Settlement year	Coverage
Lending institution loans	875	2,465	3,340	2015-2016	Partial
Bank overdrafts and currency advances	3,566	383	3,949	2015	No
Other	14	13	27	2015	No
TOTAL (in €K)	**4,455**	**2,861**	**7,316**		

8.4.2 Acceleration clauses

At December 31, 2014, 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. The Group has a forecasting policy with respect to component needs, and stores a portion of its critical components. Supply timeframes for critical components can increase without warning.

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 45% of consolidated sales.
The amount of unrecovered matured receivables relating to the Group's top ten customers amounted to €1,358K at December 31, 2014.
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 share capital

9.1.1 Amount of share capital at December 31, 2014

At December 31, 2014, 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 14.2 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 share 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 two independent Directors on the Board of Directors: Ms. Lair, and Ms. Le Roch - Nocera.

At December 31, 2014, the Guillemot family group directly and indirectly held 73.61% of capital and 85.66% 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 following table. 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, 2014, no employee share ownership existed in the sense of Article L.225-102 of the Commercial Code.

At 31/12/2014						
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	77.01%	20,003,060	77.87%
Michel Guillemot	448,704	2.99%	895,902	3.45%	895,902	3.49%
Claude Guillemot	414,367	2.76%	827,227	3.18%	827,227	3.22%
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%**	**22,005,614**	**84.72%**	**22,005,614**	**85.66%**
Treasury stock (3)	285,298	1.90%	285,298	1.10%	0	0.00%
Public	3,674,490	24.49%	3,683,055	14.18%	3,683,055	14.34%
TOTAL	**15,004,736**	**100.00%**	**25,973,967**	**100.00%**	**25,688,669**	**100.00%**

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.E. (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%**

(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, 2015

At 28/02/2015						
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	77.01%	20,003,060	77.87%
Michel Guillemot	448,704	2.99%	895,902	3.45%	895,902	3.49%
Claude Guillemot	414,367	2.76%	827,227	3.18%	827,227	3.22%
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%**	**22,005,614**	**84.72%**	**22,005,614**	**85.67%**
Treasury stock (3)	287,818	1.92%	287,818	1.11%	0	0.00%
Public	3,671,970	24.47%	3,680,535	14.17%	3,680,535	14.33%
TOTAL	**15,004,736**	**100.00%**	**25,973,967**	**100.00%**	**25,686,149**	**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, 2014 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 share capital is composed, serving as the basis for calculating the crossing of threshold levels (theoretical voting rights), amounted to 25,973,967 at February 28, 2015.

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 22, 2014, 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 21, 2015)
- 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 share 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, 2014, the company held 295,267 treasury stock shares. During the fiscal year ended December 31, 2014, 429,131 shares were acquired and 439,100 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, 2014.

At December 31, 2014, the company held 285,298 treasury stock shares.

Number of shares registered in the company's name at December 31, 2013:	295,267
Number of shares acquired during the fiscal year ended December 31, 2014:	429,131
Average acquisition price:	€0.90
Number of shares sold during the fiscal year ended December 31, 2014:	439,100
Average sale price:	€0.97
Number of shares canceled during the fiscal year ended December 31, 2014:	0
Amount of execution fees during the fiscal year ended December 31, 2014:	0
Number of shares registered in the company's name at December 31, 2014:	285,298
Value of shares registered in the company's name at December 31, 2014 (valued at purchase price):	€678,939.66
Total nominal value of shares registered in the company's name at December 31, 2014:	€219,679.46
- 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:	*€75,492.34*
Number of shares used during the fiscal year ended December 31, 2014: (sold as part of the liquidity contract)	439,100
Reallocations taken place during the fiscal year ended December 31, 2014:	Nil
Percentage of capital represented by the shares held at December 31, 2014:	1.90%

At February 28, 2015, the company held 287,818 treasury stock shares accounting for 1.92% of the company's share capital, the company having purchased 31,063 shares and disposed of 28,543 shares since January 1, 2015 as part of the liquidity contract granted to CM-CIC Securities. No shares have been canceled since January 1, 2015.

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 21, 2015

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 21, 2015
- Number of securities held by the issuer (directly and indirectly) at February 28, 2015: 287,818
- Percentage of capital held by the issuer (directly and indirectly) at February 28, 2015: 1.92%
- Breakdown by objectives of securities held by the issuer at February 28, 2015:

- conservation with a view to subsequent remittance, by exchange or in payment, as part of possible external growth operations: 187,256
- liquidity contract: 100,562

- 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 company'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 287,818 shares at February 28, 2015, the maximum number it would be able to buy back at that date amounts to 1,212,655.
- Characteristics of securities that the issuer proposes to acquire: common Guillemot Corporation shares (ISIN FR0000066722) listed on the Euronext Paris exchange (compartment C).
- Maximum unitary purchase price: €5

- Duration of buyback program: 18 months from the general meeting date (expiring on November 20, 2016).

9.1.5 Potential capital

At February 28, 2015, 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 28/02/2015
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 31/12/2014
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 share capital or giving the right to allocation of debt securities (with preservation 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 share 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 share 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

Delegation date	Delegation subject	Ceiling (1)	Delegation duration	Use during the fiscal year ended 31/12/2014
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
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 Euronext Paris exchange (Compartment C).

ISIN code	:	FR0000066722
Market capitalization at December 31, 2014	:	€14,254,499.20
Market capitalization at February 27, 2015	:	€12,303,883.52

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-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
Mar-14	1,535,774	73,132	1.10	1.37	1.00
Apr-14	453,865	22,693	1.11	1.17	1.03
May-14	218,315	10,396	1.03	1.11	0.96
Jun-14	186,498	8,881	0.93	1.02	0.92
Jul-14	147,184	6,399	0.79	0.95	0.78
Aug-14	61,566	2,932	0.82	0.86	0.73
Sep-14	149,834	6,811	0.78	0.87	0.75
Oct-14	274,456	11,933	0.72	0.78	0.62
Nov-14	205,954	10,298	0.78	0.87	0.67
Dec-14	578,523	27,549	0.91	1.15	0.77
Jan-15	212,915	10,139	0.85	0.98	0.83
Feb-15	106,010	5,301	0.82	0.90	0.82

(Source: Euronext)

(from 02/09/2013 to 28/02/2015)

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, to the company’s knowledge.

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 share 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 22, 2014 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, 2014 and the features of the share buyback program is 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
Maryvonne Le Roch - Nocera BP 2, 56204 La Gacilly Cedex	Director (independent member)	May 22, 2014	Term of office set to expire at the RGM to take place in 2020

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, 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, one of the worldwide leaders 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, one of the worldwide leaders 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 (one of the worldwide leaders 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 (one of the worldwide leaders 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 (one of the worldwide leaders 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., which specializes in applications for connected objects, telemedecine and teleassistance via Google Glass.

- 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.

- Ms. Maryvonne Le Roch - Nocera

On leaving the ICS Paris, holder of a postgraduate qualification in accounting, Maryvonne Le Roch - Nocera joined the firm of auditors Edouard Salustro & Associates. Thereafter, she was responsible for a portfolio of clients at Grégoire et Associés (Chartered accountant – auditor).
In 1986, she moved to Brittany to join the family holding company: supermarkets, real estate companies.
From 2005 to 2007, she headed up the entity in charge of business aviation of the Intermarché group and created the business aviation company Air ITM.
In 2007, she created the Intermarché in Surzur and in 2011 took over the one in Arzon.
Since 2006, she has also been a Board member of the Le Roch – Les Mousquetaires Foundation.

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, 2014

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, 2014

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 Divertissements Inc. (Canada), Gameloft Ltd (UK), Gameloft Live Developpements Inc. (Canada), Gameloft Madrid SL (Spain), Ubisoft Nordic A/S (Denmark), Ubisoft Emirates FZ LLC (United Arab Emirates) **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)
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 Divertissements Inc. (Canada), Gameloft Live Developpements Inc. (Canada)
Christian Guillemot	**Director and CEO:** 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 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
Michel Guillemot	**CEO 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 (South 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 (United Arab Emirates), Gameloft KK (Japan), Gameloft Madrid SL (Spain), Gameloft Uruguay SA (Uruguay), Gameloft OY (Finland), Gameloft LLC (Russia) **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)
Yves Guillemot	**CEO and Administrator:** Ubisoft Entertainment SA* (France) **Deputy CEO and Administrator:** Gameloft SE* (France) **CEO and Administrator:** Ubisoft Emirates FZ LLC (United Arab Emirates) **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) **President and Administrator:** Ubisoft Divertissements Inc. (Canada), Ubisoft Musique Inc. (Canada), Ubisoft Editions Musique Inc. (Canada), Hybride Technologies Inc. (Canada), Ubisoft Toronto 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), Ubisoft CRC Ltd (UK) **Manager:** Ubisoft Learning & Development SARL (France), Ubisoft Motion Pictures SARL (France), Script Movie SARL (France), Ubisoft Mobile Games SARL (France), Ubisoft Paris-Mobile SARL (France), Ubisoft Entertainment SARL (Luxembourg), 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), Future Games of London Ltd (UK), Ubisoft Ltd (Hong Kong), Ubi Studios SL (Spain), Ubisoft Barcelona Mobile SL (Spain), Ubisoft SpA (Italy), Ubisoft KK (Japan), Ubisoft Osaka KK (Japan), Ubisoft BV (Netherlands), Ubisoft Srl (Romania), Ubisoft Singapore Pte Ltd (Singapore), Ubisoft Entertainment Sweden A/B (Sweden), RedLynx Oy (Finland) **Supervisory Board member:** Lagardère SCA* (France)
Maryvonne Le Roch - Nocera	**CEO and Managing Board member:** Vanves Distribution S.A. (France)** **President:** Nautimar S.A.S. (France) **Manager:** Majimer S.A.R.L. (France), Du Lobreont S.C.I. (France)

* Company listed on the Euronext Paris exchange

** Vanves Distribution S.A. is also the manager of Du Chantier S.N.C.

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), Gameloft Inc. (United States) **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)
Gérard Guillemot	**Deputy CEO and Administrator:** Guillemot Brothers SE (France) **Deputy CEO:** Gameloft SA (France) **Administrator:** Gameloft Inc. (United States)
Christian Guillemot	**CEO and Administrator:** Guillemot Brothers SE (France) **President:** AMA Studios SA (Belgium) **Administrator:** Ubisoft Sweden A/B (Sweden), Gameloft Iberica SA (Spain), Gameloft Inc. (United States) **Vice-President:** Ubisoft Holdings Inc. (United States) **Co-Manager:** Studio AMA Bretagne SARL (France)
Maryvonne Le Roch - Nocera	**Administrator:** Nautimar S.A. (France)

Name	Expired positions/functions carried out outside of the Guillemot Corporation Group
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), Quazal Technologies 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), Spieleentwicklungskombinat GmbH (Germany) **Administrator:** Gameloft Inc. (United States), Ubisoft Norway A/S (Norway), Ubisoft Ltd (Ireland), Ubisoft Sweden A/B (Sweden) **Sole member of liquidation committee and President:** Ubisoft Norway A/S (Norway)

10.3 Remuneration of members of administrative and management bodies

10.3.1 Remuneration paid by Guillemot Corporation S.A.

The total amount of attendance fees paid out by the company to members of the Board of Directors stood at €83,096 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.

Name	Gross amount paid (in €) from 01/01/14 to 31/12/14	Gross amount paid (in €) from 01/01/13 to 31/12/13
Claude Guillemot	**162,000**	**162,000**
Fixed remuneration	*147,000*	*147,000*
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**	**28,360**
Fixed remuneration	*18,360*	*18,360*
Variable annual remuneration	*0*	*0*
Variable multi-year remuneration	*0*	*0*
Exceptional remuneration	*0*	*0*
Attendance fees	*10,000*	*10,000*
Fixed component:	*10,000*	*10,000*
Variable component:	*0*	*0*
Benefits in kind	*0*	*0*
Yves Guillemot	**30,360**	**30,360**
Fixed remuneration	*18,360*	*18,360*
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**	**28,360**
Fixed remuneration	*18,360*	*18,360*
Variable annual remuneration	*0*	*0*
Variable multi-year remuneration	*0*	*0*
Exceptional remuneration	*0*	*0*
Attendance fees	*10,000*	*10,000*
Fixed component:	*10,000*	*10,000*
Variable component:	*0*	*0*
Benefits in kind	*0*	*0*
Christian Guillemot	**33,360**	**33,360**
Fixed remuneration	*18,360*	*18,360*
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**	**15,000**
Fixed remuneration	*0*	*0*
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*
Maryvonne Le Roch - Nocera *	**6,096**	**0**
Fixed remuneration	*0*	*0*
Variable annual remuneration	*0*	*0*
Variable multi-year remuneration	*0*	*0*
Exceptional remuneration	*0*	*0*
Attendance fees	*6,096*	*0*
Fixed component:	*6,096*	*0*
Variable component:	*0*	*0*
Benefits in kind	*0*	*0*
Total	**303,536**	**297,440**

* Ms. Maryvonne Le Roch - Nocera was appointed a Director by the general meeting of shareholders held May 22, 2014.

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.

Nom	Gross amount paid (in €) from 01/01/14 to 31/12/14 (1)	Gross amount paid (in €) from 01/01/13 to 31/12/13 (1)
Claude Guillemot	432,840	401,892
Michel Guillemot	24,783	25,456
Yves Guillemot	32,124	29,748
Gérard Guillemot	544,949	539,445
Christian Guillemot	594,612	550,576
Marie-Hélène Lair	0	0
Maryvonne Le Roch - Nocera	0	0
Total	**1,629,308**	**1,547,117**

(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, 2014, 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, 2014	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, 2014	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, 2014, 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 14.3 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, 2014, or during previous fiscal years.

10.3.4 Bonus shares

No bonus shares were granted to executive directors of the company Guillemot Corporation S.A. during the fiscal year ended December 31, 2014, 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 2014**		**Fiscal 2013**	
Chief Executive Officer	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	579,840	579,840	548,892	548,892
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				
TOTAL	594,840	594,840	563,892	563,892

Michel Guillemot	**Fiscal 2014**		**Fiscal 2013**	
Deputy CEO	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	43,143	43,143	43,816	43,816
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	10,000	10,000	10,000
Fixed component	*10,000*	*10,000*	*10,000*	*10,000*
Variable component	*2,000*	*0*	*0*	*0*
Benefits in kind	0	0	0	0
TOTAL	55,143	53,143	53,816	53,816

Yves Guillemot	**Fiscal 2014**		**Fiscal 2013**	
Deputy CEO	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	50,484	50,484	48,108	48,108
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	12,000	12,000	12,000
Fixed component	*10,000*	*10,000*	*10,000*	*10,000*
Variable component	*0*	*2,000*	*2,000*	*2,000*
Benefits in kind	0	0	0	0
TOTAL	60,484	62,484	60,108	60,108

Gérard Guillemot	**Fiscal 2014**		**Fiscal 2013**	
Deputy CEO	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	563,309	563,309	557,805	557,805
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	10,000	10,000	10,000
Fixed component	*10,000*	*10,000*	*10,000*	*10,000*
Variable component	*5,000*	*0*	*0*	*0*
Benefits in kind	0	0	0	0
TOTAL	578,309	573,309	567,805	567,805

Christian Guillemot	**Fiscal 2014**		**Fiscal 2013**	
Deputy CEO	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	612,972	612,972	568,936	568,936
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	627,972	627,972	583,936	583,936

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 2014	Fiscal 2013
Remuneration due for fiscal year	594,840	563,892
Valuation of variable multi-year remuneration granted during fiscal year	-	-
Valuation of options granted during fiscal year	-	-
Valuation of bonus shares granted	-	-
TOTAL	594,840	563,892

Michel Guillemot, Deputy CEO	Fiscal 2014	Fiscal 2013
Remuneration due for fiscal year	55,143	53,816
Valuation of variable multi-year remuneration granted during fiscal year	-	-
Valuation of options granted during fiscal year	-	-
Valuation of bonus shares granted	-	-
TOTAL	55,143	53,816

Yves Guillemot, Deputy CEO	Fiscal 2014	Fiscal 2013
Remuneration due for fiscal year	60,484	60,108
Valuation of variable multi-year remuneration granted during fiscal year	-	-
Valuation of options granted during fiscal year	-	-
Valuation of bonus shares granted	-	-
TOTAL	60,484	60,108

Gérard Guillemot, Deputy CEO	Fiscal 2014	Fiscal 2013
Remuneration due for fiscal year	578,309	567,805
Valuation of variable multi-year remuneration granted during fiscal year	-	-
Valuation of options granted during fiscal year	-	-
Valuation of bonus shares granted	-	-
TOTAL	578,309	567,805

Christian Guillemot, Deputy CEO	Fiscal 2014	Fiscal 2013
Remuneration due for fiscal year	627,972	583,936
Valuation of variable multi-year remuneration granted during fiscal year	-	-
Valuation of options granted during fiscal year	-	-
Valuation of bonus shares granted	-	-
TOTAL	627,972	583,936

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 Code

During the fiscal year ended December 31, 2014, no executive directors carried out transactions on Guillemot Corporation securities.

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 share 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 2014 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 31/12/2014					At 31/12/2013				
	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**	**34**	**41**	**63**	**143**	**5**	**35**	**45**	**68**	**153**
Permanent	5	34	41	63	143	5	35	45	68	153
Fixed-term contract	0	0	0	0	0	0	0	0	0	0
Women	0	21	15	17	53	0	22	16	20	58
Men	5	13	26	46	90	5	13	29	48	95
Less than 30 years old	0	0	5	13	18	0	1	7	14	22
30 to 39 years old	0	8	13	26	47	0	9	15	33	57
40 to 49 years old	1	22	20	22	65	1	20	20	19	60
50 years old or more	4	4	3	2	13	4	5	3	2	14

The Group's average workforce for fiscal 2014 amounted to 145 people, compared with 164 individuals during fiscal 2013.

11.1.1.2 Hiring and dismissals

During the fiscal year ended December 31, 2014, eleven individuals were hired on a permanent basis: three in France (at the company Hercules Thrustmaster), two in Germany and six in Romania.
Five fixed-term contracts were entered into during the fiscal year: four in France (at Guillemot Administration et Logistique), and one in Canada.
The Group was also obliged to proceed with the dismissal of five employees during the fiscal year, among two of its foreign subsidiaries.

In 2013, Group companies hired six individuals on a permanent basis (one in Canada, one in Romania and four in France). Four fixed-term contracts were entered into during the fiscal year, among the Group's French companies only.
The Group was obliged to proceed with six dismissals.

11.1.1.3 Salaries and their evolution

(In € K)	2014		2013	
Companies	**Salary payments**	**Social security charges**	**Salary payments**	**Social security charges**
Parent company	220	91	220	87
Hercules Thrustmaster SAS	2,326	1,049	2,303	1,039
Guillemot Administration et Logistique SARL	1,312	580	1,355	594
Consolidated foreign subsidiaries	2,259	346	2,517	393
Total	**6,117**	**2,066**	**6,395**	**2,113**

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 the case in 2014, as opposed to 2013.

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 3.6% of the workforce at December 31, 2014 (compared with 5.4% at December 31, 2013).

The number of extra hours worked in 2014 amounted to 598 hours: 505 for France, and 93 for foreign companies (compared with 26 and 371 hours in 2013, respectively).

These extra hours worked in France were of an exceptional nature: all of them took place as part of a one-off event.

11.1.2.2 Absenteeism

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

	2014				2013			
	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	58	375	222	**655**	189	406	88	**683**
Maternity leave	88	148	5	**241**	15	82	198	**295**
Work and travel-related accidents	0	8	0	**8**	4	0	69	**73**
Unpaid leave	1	60	19	**80**	6	1	20	**27**
Paternity leave	0	0	13.5	**13.5**	9	0	3	**12**
Other absence	4	74	21	**99**	5	9	14	**28**
Total	**151**	**665**	**280.5**	**1096.5**	**228**	**498**	**392**	**1118**

It should be noted that one instance of long-term sick leave accounted for 261 of the 375 sick days for Hercules Thrustmaster.

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 particular, they strive for a return to work following a long interruption due to medical reasons, as well as adapting the details of functions and the context in which they are exercised.

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 the Group's Romanian subsidiary and of one of its two French subsidiaries are represented by employee delegates, elected in 2013 and 2014, respectively.

These institutions are informed and consulted with pursuant to regulations.

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 occupational risk.

Employees regularly benefit from training and retraining 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 France, at Guillemot Administration et Logistique and Hercules Thrustmaster).
In 2014, one management employee of the logistics department in France underwent training regarding occupational risk protection and prevention.

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 are equipped with automatic defibrillators: 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 group mandated with considering and making proposals on well-being and efficiency in the workplace among one of its French subsidiaries.
In 2014, a second work group was created based on this model in the Group's second French subsidiary.

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.

No other agreements regarding health and safety in the workplace were signed in 2013 or 2014.

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

A pedestrian commuting accident took place in 2014 at one of the Group's French companies, resulting in a temporary work interruption of eight days.

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 (cf. paragraph 11.1.2.2).

11.1.5 Training

11.1.5.1 Policies implemented with regard to training

The Group's 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.
In 2014, one of the Group's French companies contributed financially to the personal project of an employee who opted for individual training leave (congé individuel de formation – CIF).

11.1.5.2 Total number of training hours

Companies	**2014**	**2013**
Parent company	0	0
Hercules Thrustmaster SAS	311	110
Guillemot Administration et Logistique SARL	88	110
Consolidated foreign subsidiaries	106	40
Total	**505**	**260**

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 (53 in total, representing 37% of the workforce at December 31, 2014, compared with 58, or 38%, of the workforce at December 31, 2013) 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 31/12/2014					At 31/12/2013				
	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**	**34**	**41**	**63**	**143**	**5**	**35**	**45**	**68**	**153**
Women	*0*	*21*	*15*	*17*	**53**	*0*	*22*	*16*	*20*	**58**
Men	*5*	*13*	*26*	*46*	**90**	*5*	*13*	*29*	*48*	**95**
Male/female wage index*	n/a	1	1.5	1.8		n/a	0.9	1.5	2	

* 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

In 2014, one of the Group's French companies employed 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 0.53 units* (compared with 1.02 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.
In 2014, the Group's French companies took on five individuals as part of work placement programs.

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 2014 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 2014 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 recent years, 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. The Group is continuing with its analysis and integrates these elements as of its products' design phases.

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 two French sites 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. Electrical and electronic testing is carried out in certified laboratories. 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)	**2014**	**2013**	**Change**
France*	494	393	26%
Romania	199	471	-58%

* Premises located in the commune of Carentoir (56910).

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. The Group's overall annual consumption is estimated at 15 kilograms per person.

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:

Electricity (in kWh)	2014	2013	Change
Carentoir (France)	227,988	253,951	-10%
Rennes (France)	56,627	80,769	-30%
Romania	46,816	41,247	14%
Canada	44,577	47,133	-5%
Hong Kong	12,358	11,607	6%
Italy	3,054	7,173	-57%
Total	**391,420**	**441,880**	**-11%**

Fuel (in litres)	2014	2013	Change
Carentoir (France)	42,595	48,345	-12%

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 heating conduits in the Group's Carentoir warehouse was carried out in 2014.
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 Group operates using virtualized servers. The resulting reduction in the number of physical servers has translated into a decrease in electrical consumption.

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. The Group has put in place a heating control system following this audit.

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 is continuing to develop its platform, thereby decreasing the number of kilometers traveled by its products.

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 is used in office spaces.
Offices within large cities are located near to train stations and subways, encouraging employees to use public transportation.

11.2.4.2 Adapting to the consequences of climate change

In recent years, the Group has 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 promoting sustainable development

Social reporting questionnaires were submitted to each of the Group's subsidiaries in 2014 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 2014:
- 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 to 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.
- ENSMA (Ecole Nationale Supérieure de Mécanique et d'Aérotechnique – National Higher Mechanical and Aerotechnical School), which has created a Junior Enterprise within its establishment, with the goal of carrying out educational studies for professionals.

11.3.1.2 On local populations

The Group regularly donates computer-related hardware and furniture to local schools.

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.

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 AGREEMENTS STIPULATED IN ARTICLE L.225-102-1 OF THE COMMERCIAL CODE

No agreements stipulated in the final paragraph of Article L.225-102-1 of the Commercial Code have taken place during the fiscal year ended December 31, 2014.

13 INDEPENDENT AUDITORS' VERIFICATION

The Independent Auditors will inform you of their reports on the financial statements for the fiscal year ended December 31, 2014. 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 25, 2015

14 DOCUMENTS AND REPORTS APPENDED TO THE MANAGEMENT REPORT

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

Fiscal year	2014	2013	2012	2011	2010
Share capital at fiscal year end (in €K)	11,554	11,554	11,554	11,554	11,524
Number of common shares	15,004,736	15,004,736	15,004,736	15,004,736	14,965,876
Number of preference shares	0	0	0	0	0
Maximum number of shares to be created	1,250,140	1,250,140	1,692,440	1,892,438	1,992,438
Through bond conversion	0	0	0	0	0
Through stock option exercise	1,250,140	1,250,140	1,692,440	1,892,438	1,992,438
Through subscription rights exercise		0	0	0	0
Fiscal year transactions and results (in €K)					
Sales net of tax	36,572	41,251	46,138	60,820	59,668
Result before taxes, investments, allowances, provisions	1,382	-538	-2,008	1,195	3,960
Corporate income tax	0	0	0	0	0
Employee participation	0	0	0	0	0
Result after taxes, investments, allowances, provisions	1,083	-1,542	-408	-2,986	1,744
Distributed dividends	0	0	0	0	0
Earnings per share (in €)					
Result after taxes, investments before allowances and provisions	0.09	-0.04	-0.13	0.08	0.26
Result after taxes, investments, allowances and provisions	0.07	-0.10	-0.03	-0.20	0.12
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	220	216	210	210
Payroll deductions and social benefits (in €K)	91	87	78	70	57

** Relates to executive directors, Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot, who do not have employment contracts.*

14.2 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.

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

Ladies and gentlemen,

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, 2014.

No stock option plans were put in place during the fiscal year ended December 31, 2014. No stock options were granted or exercised during the fiscal year. At December 31, 2014, 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 share 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, 2014:

General meeting date	20/02/03	20/02/03	15/06/06	15/06/06
Board of Directors meeting date	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	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	22/02/10	22/02/08	18/02/12	18/02/10
Options expiry date	22/02/16	22/02/16	18/02/18	18/02/18
Subscription price (in €)	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 31/12/2014	10,500 0	12,000 0	0 0	6,360 0
Stock options canceled or nullified during the fiscal year ended 31/12/2014	0	0	0	0
Remaining stock options at 31/12/2014	422,500	234,000	383,000	210,640

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, 2015 and that to date, no stock option plan has been put in place.

Rennes, March 25, 2015

Chairman of the Board of Directors

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

Ladies and gentlemen,

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, 2014.

No bonus shares were granted to the company's executive directors or to non-executive director employees during the fiscal year ended December 31, 2014 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, 2015.

Rennes, March 25, 2015

Chairman of the Board of Directors

14.5 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, 2014,
- 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 25, 2015.

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 seven members, including five men and two women.
The percentage of male and female Directors now stands at 71.43% and 28.57%, 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.

During the fiscal year ended December 31, 2014, the composition of the Board of Directors has changed and now includes a new independent female Director in the sense of the Middlenext corporate governance code, in the person of Ms. Maryvonne Le Roch - Nocera.

Your Board of Directors now includes two independent members in the sense of the Middlenext corporate governance code, said members being Ms. Marie-Hélène Lair and Ms. Maryvonne Le Roch - Nocera.
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 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 the Archives 2011 section.

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, 2014, your Board of Directors met six times. Meetings were presided over by the Chairman. The meeting attendance rate was 83.33%. The workings of your Board related to:

- Control of financial statements for the fiscal year ended December 31, 2013; 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.
- Comfort letter to be issued to the German subsidiary Guillemot GmbH.
- Implementation of a share buyback program.
- Guarantee to be granted to the English subsidiary Guillemot Limited.
- Review of the monitoring of Research and Development projects.
- Review and approval of summarized half-year consolidated financial statements relating to the period from January 1, 2014 to June 30, 2014.
- Letter of support in favor of the English subsidiary Guillemot Limited.
- 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.
- Granting of authorization to sign a distribution contract with the companies Ubisoft Inc. and Ubisoft EMEA SAS.

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, 2014, 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, 2014, a total amount of €83,096 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 drafting 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 and May 2014, two new Directors were named with particular competencies in financial or accounting matters, and who are 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 has 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. The internal control field is not limited to procedures allowing for rendering accounting and financial information more reliable.

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.
All of 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 financial management and the Management Control service, which establish the principles and calendar, guide the process by unit and verify 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.
The 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.

♦ **Asset control procedures**

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
The Group has developed a computing tool for allowing for optimal monitoring of inventory, and has put in place a perpetual inventory procedure.

♦ **Treasury control procedures**

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, the Group has 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 U.S. 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.

♦ **Financial information production and control procedures**

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 projects put in place in recent years aiming to improve the reliability and mastery of the Group's activities were the following:

- Treasury: replacement of the banking communication protocol.
- Implementation of a new customer receivables monitoring utility.
- Monitoring and valuation of Research and Development works.
- Permanent inventory.
- Tracking of products in order to better identify products during after-sales service calls.
- Implementation of the exchange of electronic invoices with customers requesting the same.
- Implementation of a third-generation firewall allowing for the control of ports, IP addresses, applications, users and content.

The Group pays the greatest attention to the continuity of its activities, and system recoveries are tested on a yearly basis.

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.
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 second 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 (Article R.225-85 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.

At 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, 2014 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 OF THE COMMERCIAL CODE

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 25, 2015
Chairman of the Board of Directors

➢ CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2014

All entries are in €K.

1 CONSOLIDATED BALANCE SHEET

ASSETS (in €K)	**Notes**	**31.12.14**	**31.12.13**
Excess fair market values	5.7.1	888	888
Intangible fixed assets	5.7.2	6,917	7,263
Tangible fixed assets	5.7.3	2,800	3,303
Financial assets	5.7.4	424	381
Income tax receivables	5.7.9	0	0
Deferred tax assets	5.8.7	0	0
Non-current assets		11,029	11,835
Inventories	5.7.5	7,434	9,987
Customers	5.7.6	13,500	15,719
Other receivables	5.7.7	1,507	1,434
Financial assets	5.7.4	6,959	6,863
Cash and cash equivalents	5.7.8	1,791	2,135
Income tax receivables	5.7.9	100	99
Current assets		31,291	36,237
Total assets		**42,320**	**48,072**

LIABILITIES AND SHAREHOLDERS' EQUITY (in €K)	**Notes**	**31.12.14**	**31.12.13**
Capital (1)		11,554	11,554
Premiums (1)		10,472	10,472
Reserves and consolidated income (2)		-4,299	-3,380
Forex adjustments		547	440
Group shareholders' equity	5.7.10	18,274	19,086
Minority interests		0	0
Shareholders' equity		**18,274**	**19,086**
Personnel commitments	5.7.12	517	441
Loans	5.7.13	1,758	2,339
Other liabilities	5.7.14	1,395	1,666
Deferred tax liabilities	5.8.7	0	0
Non-current liabilities		**3,670**	**4,446**
Suppliers		9,919	11,597
Short-term loans	5.7.13	5,558	7,086
Fiscal liabilities		205	229
Other liabilities	5.7.14	4,428	5,345
Provisions	5.7.11	266	283
Current liabilities		**20,376**	**24,540**
Total liabilities and shareholders' equity		**42,320**	**48,072**

(1) Of the consolidated parent company.
(2) Net income for the fiscal year: €-904K.

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	31.12.14	31.12.13
Net sales	5.6	40,284	43,679
Purchases	5.8.1	-17,836	-20,465
External expenses	5.8.1	-9,819	-9,818
Personnel expenses	5.8.1	-7,065	-6,968
Taxes and duties		-261	-323
Depreciation and amortization	5.8.2	-2,737	-2,232
Provisions allowance	5.8.2	-732	-911
Changes in inventories	5.8.3	-2,184	-2,991
Other operating revenues	5.8.4	243	142
Other operating expenses	5.8.4	-2,417	-1,762
Current operating income		**-2,524**	**-1,649**
Other operations-related revenues	5.8.5	0	0
Other operations-related expenses	5.8.5	0	-703
Operating income		**-2,524**	**-2,352**
Cash and cash equivalents revenues		1	1
Cost of gross financial debt		203	221
Cost of net financial debt	5.8.6	**-202**	**-220**
Other financial revenues	5.8.6	2,595	1,887
Other financial expenses	5.8.6	-636	0
Income tax expenses	5.8.7	-137	-137
Net income before minority interests		**-904**	**-822**
including net income from terminated activities	5.8.8		0
Minority interest share		0	0
Group net income		**-904**	**-822**
Base earnings per share	5.8.9	-€0.06	-€0.06
Diluted earnings per share	5.8.9	-€0.06	-€0.05

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

(in €K)	31.12.14	31.12.13
Net attributable profit	**-904**	**-822**
Elements recyclable under income		
Forex adjustments	107	-48
Revaluation of coverage derivatives	0	0
Revaluation of financial assets available for sale	0	0
Elements not recyclable under income		
Revaluation of fixed assets	0	0
Actuarial gains and losses on defined benefit plans	-51	3
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	**56**	**-45**
Net income and gains and losses posted directly under shareholders' equity - Group share	-848	-867
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

(in €K)	Notes	Capital	Premiums	Conso-lidated reserves*	Net income	Forex adjust-ments	Total share-holders' equity
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
Balance at 01.01.14		11,554	10,472	-2,558	-822	440	19,086
Comprehensive income at 31.12.14	5.8				-904	107	-797
31.12.13 net income appropriation				-822	822		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			38			38
Other	5.7.12			-59			-59
Balance at 31.12.14		11,554	10,472	-3,395	-904	547	18,274

* Including actuarial gains and losses of €66K at 01.01.2013, €69K at 01.01.2014 and €19K at 31.12.2014.

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

4 CONSOLIDATED CASHFLOW TABLE

(in €K)	Notes	31.12.14	31.12.13
Cashflow linked to operating activities			
Net income of integrated companies		-904	-822
+ Depreciation, amortization and provisions allowance (apart from that linked to current assets)		2,888	2,766
- Depreciation, amortization and provisions recovery		-48	-46
- /+ Latent gains and losses linked to changes in fair value	5.8.6	-1,838	-1,658
+/- Expenses and revenues linked to stock options	5.7.10	0	0
-/+ Net gain/loss on disposals	5.7.4	-431	-204
Deferred tax change	5.8.7	0	0
Cashflow after cost of net financial debt		**-333**	**36**
Cost of net financial debt	5.8.6	202	220
Cashflow before cost of net financial debt		**-131**	**256**
Cashflow Forex adjustment		42	3
Inventories	5.7.5	2,553	3,535
Customers	5.7.6	2,218	-3,756
Suppliers		-1,677	526
Other		-1,168	932
Working capital requirements change		**1,926**	**1,237**
Net cashflow linked to operating activities		**1,635**	**1,276**
Cashflow linked to investments			
Intangible fixed asset acquisitions	5.7.2	-1,534	-2,087
Tangible fixed asset acquisitions	5.7.3	-560	-800
Intangible and tangible fixed asset disposals	5.7.3	13	8
Financial fixed asset acquisitions	5.7.4	-30	-16
Financial fixed asset disposals	5.7.4	2,202	344
Net cashflow on subsidiary acquisitions/disposals			0
Net cashflow linked to investment activities		**91**	**-2,551**
Cashflow linked to financing activities			
Capital increase or cash contribution	5.7.10	0	0
Dividends paid to minority interests		-8	0
Debt issuance	5.7.13	1,000	4,000
Shareholders' current account reimbursement	5.7.14	0	0
Debt repayments	5.7.13	-2,307	-1,843
Other cashflow linked to financing activities		0	0
Total cashflow linked to financing activities		**-1,315**	**2,157**
Forex adjustment impact		**35**	**-32**
Cashflow change		**446**	**850**
Net cashflow at fiscal year start	5.7.8 and 5.7.13	-2,604	-3,454
Net cashflow at fiscal year end	5.7.8 and 5.7.13	-2,158	-2,604

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

The Group's financial statements were approved on March 25, 2015 by the Board of Directors.
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 2014 saw an 8% decrease in sales for the Guillemot Corporation Group. Thrustmaster broke its 10-year sales record – at €28 million, up 26% – and established itself as the undisputed racing wheel leader, with more than 50% U.S. market share for the year (Source: NPD). Thrustmaster enjoyed many successes in 2014, thanks to its product ranges specially developed for the latest game consoles, which have allowed it to become the leader in the racing wheel marketplace. With respect to joysticks, the rise in popularity of "free-to-play" games – including War Thunder and Elite: Dangerous – stimulated the market.
Hercules, down 15% over the fourth quarter, reduced its sales decline due to the ending of its Wi-Fi and PLC activities. Sales of OEM products (accessories developed to company the products of third parties) went from €4.1 million to €0.7 million over the period, with the OEM projects initiated in 2013 arriving at the end of their duration. The Group focused on developing its DJ and speaker-related audio ranges.
The Group accelerated the pace of its international development, with strong sales growth in North America – which progressed from 15% to 24% of non-OEM sales for the year – making up for weaker European sales: over the second half of the year, sales were up by 5% (excluding OEM activities).
The Group also entered the Japanese market over the year, which became its leading International Export sales zone in the fourth quarter of fiscal 2014. Sales in the Asia-Pacific region grew from 4% to 7% of non-OEM turnover.
Despite lower sales, the Group increased its gross accounting margin by four points while stabilizing its cost level, and maintaining its R&D efforts.
Operating income amounted to €-2.5 million for fiscal 2014, compared with a result of €-2.4 million at December 31, 2013.
Consolidated net income amounted to €-0.9 million, compared with €-0.8 million for the previous fiscal year. This result includes financial revenues of €2.2 million linked to a revaluation gain of €1.8 million on the Group's portfolio of Ubisoft Entertainment and Gameloft securities, and a divestment gain of €0.4 million on 170,000 Ubisoft Entertainment securities.
Shareholders' equity amounted to €18.3 million at December 31, 2014. The Group decreased its inventory level, optimizing the flow of products and increasing the volume of sales departing from its platform in Hong Kong. Net indebtedness stood at €7.2 million at December 31, 2014 (excluding the Group's portfolio of marketable investment securities, valued at €7.0 million), compared with €9.0 million at December 31, 2013.

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 2014 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 2014:

The IFRS 10 standard ("Consolidated Financial Statements"), as well as the IFRS 10 amendments linked to the first application, stipulate a unique consolidation model which makes reference to the notion of control for the consolidation of any type of company. It replaces the IAS 27 standard ("Consolidated and Separate Financial Statements") with respect to consolidated financial statements, as well as the SIC 12 interpretation ("Consolidation: Special Purpose Entities").
The IFRS 11 standard ("Joint Arrangements"), as well as the IFRS 11 amendments linked to the first application, aim to reflect joint contracts in a more economic fashion by focusing on the duties and commitments linked to contracts, rather than on their legal form (as currently presented). The standard makes a distinction between joint operations and joint ventures. It standardizes the accounting of interest in joint ventures by imposing a single method.
The IFRS 12 standard ("Disclosure of Interests in Other Entities"), as well as the IFRS 12 amendments linked to the first application, replace and supplement the terms relating to the information to be provided as an appendix with regard to subsidiaries, joint ventures, associated companies and non-consolidated structured entities.
Application of the IFRS 10, IFRS 11 and IFRS 12 standards as well as the various related amendments is obligatory for fiscal years beginning January 1, 2014: they have not had an effect on the Group's financial performance. Subsequent to the publication of the new IFRS 10, IFRS 11 and IFRS 12 standards, the IAS 27 and IAS 28 standards were revised:
• IAS 27, renamed "Separate Financial Statements," no longer deals with consolidated financial statements, and therefore will no longer be applicable to the Group.
• IAS 28 ("Investments in Associates and Joint Ventures") describes the accounting procedure to be employed with respect to investments in associated companies and details the application of the equity method for these entities and joint ventures: the latter must now be consolidated by the equity method.

The amendment to the IAS 32 standard ("Financial Instruments: Presentation") clarifies certain terms which relate to compensation for financial assets and liabilities.
The amendment to the IAS 36 standard ("Impairment of Assets") relates to information regarding the recoverable amount of non-financial assets. This amendment indicates that the recoverable amount of an asset or of a cash-generating unit (CGU) must be provided only whereby a loss in value or a reversal has been posted for the period. The amendment requires additional information in the event whereby the recoverable amount is based on the fair value less disposal costs, particularly with regard to the valuation level of the asset or the cash-generating unit in the hierarchy of fair values according to IFRS 13 and, for valuations at levels 2 and 3, a description of the valuation techniques employed as well as the key hypotheses used, including the discount rate.
These standards, amendments to existing standards and interpretations have not had a significant impact on the Group's financial statements.

The new standards applicable in 2015 are the following:

IFRIC 21 ("Levies"), the interpretation of which was published in May 2013, is applicable for fiscal years beginning January 1, 2015: it was adopted by the European Union in June 2014. This text stipulates that the operative event with respect to accounting for the debt relating to various levies, duties and other fiscal deductions, which are not within the field of application of the IAS 12 standard, depends on the related terms of legislation, independent of the period of the deduction calculation scope. Consequently, a liability for payment of a levy cannot be accounted for progressively in interim financial statements, if there is no present obligation on the closing date of the interim period. The impact of this interpretation is limited for the Group.

In late May 2014, the IASB published the IFRS 15 standard, "Revenue from Contracts with Customers." This standard relates to the accounting and valuation of revenues from regular activities arising from contracts with customers: in other words, sales. This standard replaces the IAS 18 standard ("Revenues from regular activities") and the IAS 11 standard ("Construction Contracts"). The application of this standard, not yet adopted by the European Union, is set for fiscal years beginning January 1, 2017. This standard introduces a single analysis table independent of the transaction type (sale of goods, sale of services, granting of licenses…) including five successive steps:
– identification of the contract or contracts;
– identification of the vendor's different contractual obligations (*performance obligation*);
– determination of the transaction price;
– allocation of the transaction price to the different identified obligations;
– accounting for the corresponding sales.
Analysis of the impact of this standard is underway.

In July 2014, the IASB published the IFRS 9 standard ("Financial Instruments"), intended to replace IAS 32 and IAS 39, the standards currently in effect with regard to the presentation, recognition and valuation of financial instruments. This standard brings together the three phases which have made up the project: classification and valuation, depreciation and hedge accounting. The changes introduced by IFRS 9 relate to:

– the rules regarding the classification and valuation of financial assets which reflect the economic model within the scope of which they are managed, as well as their contractual cashflow amounts;

– the depreciation rules regarding customer receivables, now classified as "expected losses," and not "realized losses";

– the processing of hedge accounting.

The application of this standard, not yet adopted by the European Union, is set for fiscal years beginning January 1, 2018. Analysis of the impact of this standard is underway.

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, 2014. 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.

The amortization of development costs, applied according to the term of use of the asset in question, is based on a period which may not exceed five years.

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 according to the duration of contracts.

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, 2014.
Lease contracts in which practically all of the liabilities and advantages inherent to an asset's property is retained by the lessor are classified as operating leases. Payments made for operating leases (net of any incentive measure on the part of the lessor) are posted on the statement of income on a straight-line basis for the duration of the contract.

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, €679K at December 31, 2014 (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 other elements of comprehensive income.

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 & 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 and digital music, multimedia speakers, wireless speakers for smartphones and tablets, and webcams.
The Thrustmaster sector of activity includes the following gaming accessories for PC and consoles: racing wheels, gamepads, joysticks and gaming headsets.

- Statement of income by activity (in € millions)

Sales breakdown:	31.12.14	31.12.13
Hercules	**12.3**	**21.4**
Digital devices	11.6	17.3
OEM	0.7	4.1
Thrustmaster	**28.0**	**22.3**
Gaming accessory ranges	28.0	22.3
TOTAL	**40.3**	**43.7**

- Statement of income by activity (in €K)

	31.12.14			31.12.13		
	Total	Hercules	Thrustmaster	Total	Hercules	Thrustmaster
Sales	40,284	12,238	28,046	43,679	21,365	22,314
Depreciation and amortization	2,737	1,320	1,417	2,233	1,288	945
Provisions allowance	732	492	240	911	711	200
Current operating income	-2,524	-4,223	1,699	-1,649	-1,643	-6
Operating income	-2,524	-4,223	1,699	-2,352	-1,643	-709

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

	31.12.14			31.12.13		
	Total	Hercules	Thrustmaster	Total	Hercules	Thrustmaster
Excess fair market values	888	888	-	888	888	-
Intangible fixed assets	6,917	3,403	3,514	7,263	3,360	3,903
Tangible fixed assets	2,800	1,341	1,459	3,303	1,606	1,697
Inventories	7,434	3,491	3,943	9,987	5,378	4,609
Customers	13,500	4,129	9,371	15,719	5,240	10,479
Unallocated assets	10,781	-	-	10,912	-	-
TOTAL ASSETS	**42,320**	**13,252**	**18,287**	**48,072**	**16,472**	**20,688**
Shareholders' equity	18,274	-	-	19,086	-	-
Provisions	783	368	415	724	339	385
Suppliers	9,919	4,298	5,621	11,597	5,558	6,038
Unallocated liabilities	13,344	-	-	16,665	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**42,320**	**4,666**	**6,036**	**48,072**	**5,897**	**6,423**

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:	31.12.14	31.12.13
France	7,520	11,730
EU (excluding France)	18,193	18,302
Other	14,571	13,647
TOTAL	**40,284**	**43,679**

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

	31.12.14				31.12.13			
	Total	**France**	**EU (excl. France)**	**Other**	**Total**	**France**	**EU (excl. France)**	**Other**
Excess fair market values	888	888	0	0	888	888	0	0
Tangible fixed assets	2,800	2,685	18	97	3,303	3,228	22	53
Financial assets	7,383	7,340	10	33	7,244	7,214	8	22
Inventories	7,434	3,705	0	3,729	9,987	7,163	0	2,824
Customers	13,500	2,565	6,750	4,185	15,719	3,301	7,545	4,873
Other receivables	1,507	1,309	83	115	1,434	1,291	96	47
Cash and cash equivalents	1,791	1,016	294	481	2,135	1,420	259	456
Income tax receivables	100	99	0	1	99	99	0	0
Unallocated assets	6,917	-	-	-	7,263	-	-	-
TOTAL ASSETS	**42,320**	**19,607**	**7,155**	**8,641**	**48,072**	**24,604**	**7,930**	**8,275**

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, 2014 as follows:

Excess fair market values change	Gross at 31.12.13	Change	Gross at 31.12.14
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 31.12.13	Additional loss in value from 01.01.14 to 31.12.14	Provisions at 31.12.14
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, 2014.
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 the period from 2015 to 2019).
- Long-term growth rate of 2%.
- 12% discount rate.

Hercules' activity experienced a significant decrease in sales over the past two years, relating in particular to the ending of the Wi-Fi and PLC product ranges. The migration of computer users to smartphones and tablets is a basic shift for which Hercules had been preparing over the two previous years, by deploying its

Research and Development and sales and marketing teams to focus on these new markets. The re-centering of activities on audio products reassures the Group with respect to its hypotheses regarding double-digit growth for Hercules over the next five years.
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 0.5% decrease in the cashflow to sales ratio would result in additional depreciation of €0.7 million.

5.7.2 Intangible fixed assets

Intangible fixed assets are broken down as follows:

Gross values	31.12.13	Scope mvt	Increase	Decrease	Forex adjustment	31.12.14
Brands	10,842					10,842
Development costs	2,692		1,388	99	-2	3,979
Development costs in process	1,287		1,610	1,538	-1	1,358
Licenses	2,086			151		1,935
Concessions, patents…	891		12	41	6	868
Other intangible fixed assets	1,030		2	4	-46	982
TOTAL	**18,828**	**0**	**3,012**	**1,833**	**-43**	**19,964**

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 €251K in net value. The decrease of €99K 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.
A tax credit of €95K linked to public subsidies with respect to the Research and Development works of the subsidiary Guillemot Recherche & Développement Inc was posted for fiscal 2014.
The Licenses entry includes guaranteed amounts to be paid out over the lifespan of contracts.

Amortization and provisions	31.12.13	Scope mvt	Increase	Decrease	Forex adjustment	31.12.14
Brands	8110					8,110
Development costs	856		1,205	99		1,962
Licenses	813		552	151		1,214
Concessions, patents…	766		52	41	10	787
Other intangible fixed assets	1,020		5	5	-46	974
TOTAL	**11,565**	**0**	**1,814**	**296**	**-36**	**13,047**

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 for the Thrustmaster cashflow generating unit are the following:
- Operational cashflow to sales ratio of 5%.
- Forecasts applied to a business plan displaying growth (10% increase for 2015, then stability for the following 4 years).
- 12% 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 €2.7 million.
Similarly, a 0.5% decrease in the cashflow to sales ratio would result in additional depreciation of €1.1 million.
Moreover, a 1% increase in terms of the discount rate would have an impact of €-0.8 million on income. A 1% decrease in terms of the discount rate would have an impact of €+1.3 million on income.
There was no revision in value of the Hercules and Thrustmaster brands at December 31, 2014.

5.7.3 Tangible fixed assets

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

Gross values	31.12.13	Scope mvt	Increase	Decrease	Forex adjustment	31.12.14
Land	399					399
Buildings	5,362		21	18		5,365
Technical installations	4,513		499	9	3	5,006
Other tangible fixed assets	1,004		53	32	-37	988
Under development	349		474	524		299
TOTAL	**11,627**	**0**	**1,047**	**583**	**-34**	**12,057**

Buildings represent buildings located in Carentoir (France).
Tangible fixed assets under development in the amount of €487K 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 €41K (gross value).

Depreciation	31.12.13	Scope mvt	Increase	Decrease	Forex adjustment	31.12.14
Buildings	4,207		201	18	1	4,391
Technical installations	3,212		762	7	3	3,970
Other tangible fixed assets	905		44	57	4	896
TOTAL	**8,324**	**0**	**1,007**	**82**	**8**	**9,257**

5.7.4 Financial assets

Non-current financial assets are broken down as follows:

Gross values	31.12.13	Scope mvt	Increase	Decrease	Forex adjustment	31.12.14
Other fixed securities	83		43			126
Other financial fixed assets	298		30	30		298
TOTAL	**381**	**0**	**73**	**30**	**0**	**424**

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, 2014.
Movements with respect to other financial fixed assets relate to collateral deposits.

Current financial assets include Ubisoft Entertainment and Gameloft shares.

	Net 31.12.13	Disposal 31.12.14	Acquisition 31.12.14	Forex adjustment 31.12.14	Reval. gain/loss 31.12.14	Net 31.12.14
Ubisoft Entertainment shares						
Number	613,874	170,000				443,874
Fair value (in €K)	6,311	2,174			2,594	6,731
Gameloft shares						
Number	68,023					68,023
Fair value (in €K)	557				-329	228
Derivatives on foreign exchange transactions	-5				5	0
Total value	**6,863**	**2,174**	**0**	**0**	**2,270**	**6,959**

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.
Over the period, the Group disposed of 170,000 Ubisoft Entertainment shares at an average price of €12.79, thereby posting a gross divestment gain of €426K.
At December 31, 2014, the Group held 443,874 Ubisoft Entertainment shares, representing 0.41% of share capital.
The Group also held 68,023 Gameloft shares, representing 0.08% of share capital.
The share prices used at December 31, 2013 were €10.28 for Ubisoft Entertainment shares, and €8.19 for Gameloft shares. The prices used at December 31, 2014 for the valuation of the shares at their fair value were €15.165 for the Ubisoft Entertainment shares, and €3.34 for Gameloft shares. The revaluation gain thereby posted at December 31, 2014 amounted to €2,168K for Ubisoft Entertainment shares.
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 31.12.13	Inventory change (Result)	Scope change	Forex adjustment	Gross 31.12.14
Raw materials	1,335	-120			1,215
Finished products	9,909	-2,446		27	7,490
TOTAL	**11,244**	**-2,566**	**0**	**27**	**8,705**

Provisions	31.12.13	Increase	Decrease	Scope change	Forex adjustment	31.12.14
Raw materials	380	47	265			162
Finished products	877	353	125		4	1,109
TOTAL	**1,257**	**400**	**390**	**0**	**4**	**1,271**

Total net inventory	**9,987**	**7,434**

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.
Inventory decreased by 26% compared to the previous fiscal year.
The provision increase of €353K mainly includes provisions linked to products in the Hercules PLC range and the WAE range (€258K).

5.7.6 Customers

Customer receivables	Gross 31.12.13	Movements	Scope change	Forex adjustment	Reclassification	Gross 31.12.14
Customers	15,842	-2,285		142		13,699

Customer receivables are covered by credit insurance, covering the majority of the Customers entry at December 31, 2014. The Customers entry had a net value of €13,500K at December 31, 2014, compared with €15,719K at December 31, 2013, linked to a decrease in activity in the last quarter.

Provisions	31.12.13	Allowances	Recoveries	Forex adjustment	Reclassification	31.12.14
Customers	123	178	102			199

5.7.7 Other receivables

	31.12.14	31.12.13
Advances and prepayments on account	692	595
VAT receivables	353	450
Supplier debtors	113	104
Other	119	51
Prepaid expenses	230	234
TOTAL	**1,507**	**1,434**

5.7.8 Cash and cash equivalents

	31.12.14	31.12.13
Cash	1,791	2,135
Cash equivalents	0	0
TOTAL	**1,791**	**2,135**

5.7.9 Income tax receivables

The figure on the balance sheet amounts to €100K, and relates to advance corporation tax due, including the Crédit d'Impôt Compétitivité Emploi in France for €94K.

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 285,298 treasury stock shares. These treasury stock shares are deducted from shareholders' equity for a value of €679K.

At December 31, 2014, the percentage of share capital represented by treasury stock shares was 1.90%.

Maximum potential number of shares to be created:

Through option exercise	1,001,500

Main features of stock option plans:

	7th Plan	8th Plan	9th plan	10th plan
Board of Directors meeting date	**22.02.06**	**22.02.06**	**18.02.08**	**18.02.08**
Number of shares	433,000	246,000	383,000	217,000
Nominal value	€0.77	€0.77	€0.77	€0.77
Subscription price	€1.74	€1.77	€1.91	€1.91
Exercise dates	22.02.10	22.02.08	18.02.12	18.02.10
	to 22.02.16	to 22.02.16	to 18.02.18	to 18.02.18
Number of shares subscribed to	10,500	12,000	-	6,360
including during fiscal 2014	-	-	-	-
Stock options cancelled or nullified	-	-	-	-
Remaining stock options	422,500	234,000	383,000	210,640
Options potentially exercisable at 31.12.14	367,000	134,500	339,000	161,000

The first six stock option plans have been nullified.
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.
The number of potentially exercisable options takes into account the exercise terms for options proper to each plan.
Pursuant to the IFRS 2 standard regarding share benefits, stocks options have been valued at their fair value according to the Black & Scholes method. No charges were posted for fiscal 2014, with all plans being amortized.

5.7.11 Provisions for liabilities and expenses

Provisions for liabilities and expenses are broken down as follows:

	31.12.13	Increases	Decreases		Forex	31.12.14
			Used	Unused	adjustment	
Product returns	118	15			5	138
Other	165	10	47			128
TOTAL	**283**	**25**	**47**	**0**	**5**	**266**

The Other entry mainly includes amounts linked to supplier disputes.

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 2014.
- Discount rate: 2%, compared with 3% in 2013.
- Use of collective agreements for subsidiaries.
- Retrospective calculation method for projected credit units.
- TG05 mortality table.
- 2014 reference salary, accounting for a 1% annual increase until end of career.

At December 31, 2014, the amount of the provision stood at €517K, compared with €441K at December 31, 2013.

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 for fiscal 2014 was €+51K.

5.7.13 Loans

Financial liabilities are broken down as follows:

	31.12.14	Current (within 1 yr)			Non-current (1 yr +)	31.12.13
		0-3 months	3-6 months	6-12 months		
Financial institution loans	3,340	415	415	832	1,678	4,646
Bank overdrafts and currency advances	3,949	3,949				4,739
Other	27	27				40
TOTAL	**7,316**	4,391	415	832	1,678	**9,425**

The Group has fixed-rate loans worth €4,455K and variable-rate loans worth €2,861K. 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, 2014, no loans were covered by acceleration clauses.
Over the period, the Group reimbursed €2,307K in bank loans, and took out new loans totaling €1,000K.

At December 31, 2014, no debts were financed by currencies other than the euro.

Net indebtedness	**31.12.14**	**31.12.13**	**31.12.12**
Financial liabilities	7,316	9,426	9,155
Shareholders' current accounts	1,666	1,666	1,666
Cash	1,790	2,135	3,195
Net indebtedness	**7,192**	**8,957**	**7,626**

The Group's net indebtedness stood at €7,192K at December 31, 2014.
The Group also held a share portfolio worth €6,959K (in fair value at December 31, 2014).

5.7.14 Other liabilities

	31.12.14		31.12.13
	Current	**Non-current**	
Compensation and benefits liabilities	1,693		1,702
Current accounts	271	1,395	1,666
Other	2,464		3,643
TOTAL	**4,428**	**1,395**	**7,011**

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.
An amount of €271K will be reimbursed to founding shareholders in 2015.
The balance of €1,395K (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, 2014.

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 €17,836K for fiscal 2014.

External expenses

External expenses are broken down as follows:

	31.12.14	31.12.13
Subcontracting purchases	494	622
Unstored purchases, materials and supplies	165	134
Other external expenses	9,160	9,062
TOTAL	**9,819**	**9,818**

These costs were stable over 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 €7,065K in 2014, compared with €6,968K in 2013. An amount of €94K corresponding to the Crédit d'Impôt Compétitivité Emploi was posted as a deduction from personnel expenses in 2014 in the Group's French subsidiaries, compared with €70K in 2013.

5.8.2 Depreciation and amortization

Depreciation and amortization are broken down as follows:

	31.12.14	31.12.13
Depreciation and amortization on intangible fixed assets	1,741	1,212
Depreciation and amortization on tangible fixed assets	996	1,020
TOTAL	**2,737**	**2,232**

Depreciation and amortization on intangible fixed assets mainly relate to guaranteed amounts to on licensing contracts (€500K), as well as capitalized Research and Development costs (€1,205K).
Depreciation and amortization on tangible fixed assets mainly relates to buildings for €201K and technical installations for €762K.

Provisions allowances are broken down as follows:

	31.12.14	31.12.13
Current assets provisions	179	39
Liabilities and expenses provisions	50	94
Inventory depreciation provisions	396	422
Other provisions	107	356
TOTAL	**732**	**911**

Inventory depreciation provisions mainly relate to products in the Hercules PLC range. Other provisions contain depreciation on capitalized R&D projects which no longer meet the capitalization criteria.

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

	31.12.14	31.12.13
Revenues		
Other current asset recoveries	102	61
Other operating revenues	99	74
Fixed assets disposal price	42	7
Total revenues	243	142
Expenses		
Licenses	-2,121	-1,728
NBV of fixed asset disposals	-6	-27
Other operating expenses	-290	-7
Total expenses	-2,417	-1,762
TOTAL	**-2,174**	**-1,620**

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

5.8.5 Other operations-related revenues and expenses

There were no other operations-related revenues and expenses.

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

The cost of net financial debt stood at €202K at December 31, 2014. 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:

	31.12.14	31.12.13
Forex differences	-	6
Unrealized gain/loss on Gameloft shares	-	197
Gain on disposals of Ubisoft Entertainment shares	427	-
Unrealized gain/loss on Ubisoft Entertainment shares	2,168	1,461
Unrealized gain/loss on Ubisoft Entertainment equity warrants	-	223
Total other financial revenues	**2,595**	**1,887**
Forex differences	306	-
Unrealized gain/loss on Gameloft shares	330	-
Unrealized gain/loss on Ubisoft Entertainment shares	-	-
Total other financial expenses	**636**	**0**

Forex effect linked to currency conversion of subsidiaries:

All subsidiaries use local currency for their operations. The impact on shareholders' equity is €+107K.

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, 2014, the Group had not used all of its loan and banking facilities, and its net indebtedness was €7.2 million.
The Group held a portfolio of marketable investment securities worth €7.0 million in fair value at December 31, 2014. No loans were covered by acceleration clauses at December 31, 2014.

- Share price risk: The stock market price change on shares held impacts on the Group's income. For 2015, a 10% decrease in the price of Ubisoft Entertainment shares (in relation to the price at December 31, 2014) would have an impact of €-673K on financial income. A 10% decrease in the price of Gameloft shares (in relation to the price at December 31, 2014) would have an impact of €-23K on financial income.
At March 20, 2015, the closing price of Ubisoft Entertainment shares was €17.185, representing an increase of 13% in relation to December 31, 2014, resulting in the posting of a revaluation gain of €897K 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, 2014 (the amount of variable-rate, non-covered financial liabilities) would have an impact of an increase in charges of €14K.

- Exchange rates variation: The balance of the Group's currency-denominated assets and liabilities at December 31, 2014 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	6,527	756
Liabilities	10,145	50
Net pre-adjustment position	-3,618	706
Off-balance-sheet position	0	0
Net post-adjustment position	-3,618	706

A 10% increase in the rate of the American dollar, taken on an annual basis and considering the balance at December 31, 2014 (the amount of currencies subject to exchange variations) would have an impact of an increase in financial charges of €298K.
The impact of exchange variations on other currencies is not significant.
As all of the major players in the multimedia industry conduct transactions in U.S. 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 U.S. dollar. In the United States, Canada and all other countries outside of Europe, the transaction currency is also the U.S. dollar. In Europe, the Group sells mainly in euros. Rapid currency variations and dips in the value of the U.S. 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 U.S. 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.
There were no contracts underway at December 31, 2014.
Moreover, increased export sales over the past several years enhance the Group's 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 upon 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)	**31.12.14**	**31.12.13**
Deferred tax	0	0
Income tax payable	137	137
TOTAL	**137**	**137**

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 €66,121K (cf. the following table) did not result in the posting of deferred tax assets in the Group's consolidated financial statements at December 31, 2014.

Income tax for the fiscal year:

(In €K)	31.12.14
Pre-tax income	**-766**
Non-taxable income and expenses	0
Theoretical tax (33.33%)	**-255**
Non-deductible/taxable income tax expenses and revenues	-100
Income tax on previous losses carried forward	-280
Income tax on non-included fiscal year losses	770
Income tax before adjustments	**135**
Rate differences	-10
Other	12
TOTAL	**137**

Tax loss carryforwards at December 31, 2014 are broken down as follows:

(in €K)	31.12.14
Guillemot Corporation SA (France)	61,720
Guillemot GmbH (Germany)	1,542
Guillemot Inc (Canada)	2,105
Guillemot Corporation (HK) Ltd (Hong Kong)	350
Guillemot Ltd (England)	404
TOTAL	**66,121**

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	31.12.14	31.12.13
Earnings	-904	-822
Indexed average number of shares (K)	15,005	15,005
Treasury stock shares	-285	-685
	14,720	14,320
Base earnings per share	-0.06	-0.06

Diluted earnings per share	31.12.14	31.12.13
Earnings	-904	-822
Indexed average number of shares (K)	15,005	15,005
Treasury stock shares	-285	-685
	14,720	14,320
Maximum number of shares to be created		
Through bond conversion	0	0
Through option exercise	1,001	1,020
Through subscription rights exercise	0	0
	15,721	15,340
Diluted earnings per share	-0.06	-0.05

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: €466K
Documentary credits: €230K

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 €83K for the fiscal year. This amount includes the sum of €21K paid to independent Directors.
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, 2014, the Group had 143 employees worldwide, 70 of whom were managers.
Employees of the Group's European companies accounted for 80% of the workforce, and employees on other continents 20%.

5.8.14 *Elements regarding associated companies*

The parent company's share capital is held by the company Guillemot Brothers S.E. (66.87%), the Guillemot family (6.74%), Guillemot Corporation (1.90%) and public shareholders (24.49%).

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 5.5.1) 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 2015, the amount to be reimbursed stands at €271K.

Principal aggregates relating to the Ubisoft Entertainment and Gameloft groups:

	31.12.14	
(In €K)	**Ubisoft Entertainment**	**Gameloft**
Customer balance	376	0
Supplier balance	193	15
Revenues	1,000	6
Charges	485	63

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)	**31.12.14**	**31.12.13**
Sales	36,572	41,251
Operating income	-3,929	-1,867
Pre-tax income	1,083	-1,542
Net income	1,083	-1,542

8 FEES PAID TO INDEPENDENT AUDITORS AND MEMBERS OF THEIR NETWORKS

Independent Auditors' fees (in €)	PricewaterhouseCoopers				MB Audit			
	Amount (Net of tax)		%		Amount (Net of tax)		%	
	2014	2013	2014	2013	2014	2013	2014	2013
Audit								
* Commissionership of accounts, certification, examination of individual and consolidated accounts								
- Issuer	51,600	55,000	80%	92%	43,300	37,900	91%	90%
- Globally integrated subsidiaries	4,500	4,500	7%	8%	3,000	3,000	6%	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	**56,100**	**59,500**	**88%**	**100%**	**46,300**	**40,900**	**97%**	**97%**
Other services provided by networks to globally integrated subsidiaries (a)								
* Legal, fiscal, social	0	0	0%	0%	0	0	0%	0%
* Other (CSR audit for PWC)	8,000	0	12%	0%	1,380	1,390	3%	3%
Sub-total	**8,000**	**0**	**12%**	**0%**	**1,380**	**1,390**	**3%**	**3%**
TOTAL	**64,100**	**59,500**	**100%**	**100%**	**47,680**	**42,290**	**100%**	**100%**

9 INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS – FISCAL YEAR ENDED DECEMBER 31, 2014

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, 2014, 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.

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 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 notes 5.7.1 "Excess fair market values" and 5.7.2 "Intangible fixed assets." 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 27, 2015

Independent Auditors

PricewaterhouseCoopers Audit	MB Audit SARL
Yves Pelle	Roland Travers

➢ FINANCIAL STATEMENTS AT DECEMBER 31, 2014

All entries are in €K.

1 BALANCE SHEET

ASSETS (in €K)	Gross 31.12.14	Amort/Depr 31.12.14	Net 31.12.14	Net 31.12.13
Intangible fixed assets	17,566	11,275	6,291	6,062
Tangible fixed assets	8,070	5,774	2,296	2,721
Financial fixed assets	43389	40632	2,757	2,695
Total fixed assets	**69,025**	**57,681**	**11,344**	**11,478**
Inventories	7,633	1,082	6,551	9,159
Advances and payments on account	674	0	674	549
Trade accounts receivable	12,176	178	11,998	14,830
Other receivables	4,723	1,075	3,648	2,292
Marketable investment securities	7,159	336	6,823	6,306
Cash	1,038	0	1,038	1,586
Total current assets	**33,403**	**2,671**	**30,732**	**34,722**
Adjustment accounts	403		403	286
TOTAL ASSETS	**102,831**	**60,352**	**42,479**	**46,486**

LIABILITIES AND SHAREHOLDERS' EQUITY (in €K)	31.12.14	31.12.13
Capital	11,554	11,554
Issuance, conversion and amalgamation premiums	10,555	10,555
Reserves	1,337	1,337
Retained earnings	-4,936	-3,394
Net income	1,083	-1,542
Total shareholders' equity	**19,593**	**18,510**
Provisions	323	232
Financial liabilities	7,245	9,346
Trade accounts payable liabilities	10,550	12,674
Tax and social security liabilities	109	129
Fixed asset liabilities	675	878
Other liabilities	3,217	3,763
Total liabilities	**21,796**	**26,790**
Adjustment accounts	767	954
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**42,479**	**46,486**

2 STATEMENT OF INCOME

(in €K)	**31.12.14**	**31.12.13**
Sales	36,572	41,251
Stored production	-2,567	-3,055
Capitalized production	1,616	2,131
Other operating revenues	861	765
Total operating revenues	**36,482**	**41,092**
Purchases	17,834	20,463
Inventory change	120	83
External expenses	16,587	17,621
Taxes and duties	80	133
Personnel expenses	311	307
Other expenses	2,888	2,150
Amortization,	2,102	1,819
Depreciation and provisions allocations	489	383
Total operating expenses	**40,411**	**42,959**
Operating income	**-3,929**	**-1,867**
Financial revenues on investments	2,272	0
Net gain on marketable investment security disposals	1,353	241
Other interest and similar income	95	67
Reversals of provisions and charge transfers	2,118	1,382
Forex gains	1,197	835
Total financial revenues	**7,035**	**2,525**
Financial allowance for amortization and provisions	257	195
Interest and financial expenses	229	235
Forex losses	1,142	668
Net expenses on marketable investment security disposals	17	16
Total financial expenses	**1,645**	**1,114**
Financial income	**5,390**	**1,411**
Ordinary income	**1,461**	**-456**
Exceptional income	**-378**	**-1,086**
Pre-tax income	1,083	-1,542
Corporate income tax		0
Fiscal year net income	**1,083**	**-1,542**

3 SELECTED PERFORMANCE RESULTS

The main performance results are as follows:

(in €K)	**31.12.14**	**31.12.13**
Fiscal year production	35,621	40,326
Added value	1,079	2,159
Gross operating deficit	688	1,719
Operating income	**-3,929**	**-1,867**

4 CASHFLOW TABLE

Cashflow linked to operating activities (in €K)	31.12.14	31.12.13
Net income	1,083	-1,542
Depreciation, amortization and provisions allocations (1)	2,955	2,753
Depreciation, amortization and provisions reversals (1)	-1,262	-545
Net gain/loss on disposals		27
Operating income	**2,776**	**693**
Operating requirements change	1,653	1,662
Non-operating requirements change	-311	191
Working capital requirements change	**1,342**	**1,853**
Cashflow linked to investment activities		
Intangible fixed asset acquisitions	-1,521	-2,095
Tangible fixed asset acquisitions	-492	-773
Intangible and tangible fixed asset disposals	0	0
Financial fixed asset acquisitions	-43	-16
Financial fixed asset disposals	0	0
Net change on amalgamation	0	0
Net change on subsidiary acquisitions/disposals	0	0
Net cashflow linked to investment activities	**-2,056**	**-2,884**
Cashflow linked to financing activities		
Capital increase or contribution	0	0
Debt issuance	1,000	4,000
Debt repayments	-2,308	-1,843
Shareholders' current account repayments	0	0
Net cashflow linked to financing activities	**-1,308**	**2,157**
Cashflow change	**754**	**1,819**
Net cashflow at fiscal year start (2)	3,262	1,443
Net cashflow at fiscal year-end (2)	4,016	3,262

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

5 APPENDICES TO FINANCIAL STATEMENTS

The notes and tables hereinafter, 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, 2014. The balance sheet total amounted to €42,479K. The income statement showed a profit of €1,083K.
The fiscal year had a duration of twelve months, spanning the period from January 1 to December 31, 2014.

5.1 Significant events of the fiscal year

Fiscal 2014 saw the company Guillemot Corporation's sales decrease by 11.3%.
Thrustmaster, with €25 million in sales and growth of 24%, beat its ten-year sales record, and positioned itself as the undisputed racing wheel leader. Thrustmaster enjoyed numerous successes in 2014 thanks to its product lines specially developed for the new game consoles, which have allowed it to become the leader in racing wheels. With respect to joysticks, the rise in popularity of "free-to-play" games – including War Thunder and Elite: Dangerous – stimulated the market.
Hercules was down 44.8% over the year. Sales of OEM products (accessories developed to company the products of third parties) went from €4.1 million to €0.7 million over the period, with the OEM projects initiated in 2013 arriving at the end of their duration. After ending its Wi-Fi and PLC ranges, the company has focused on developing its DJing and speaker-related audio product lines.

Operating income amounted to €-3,929K, compared with €-1,867K at December 31, 2013.

Financial income amounted to €5,390K, compared with €1,411K for the previous fiscal year. This result includes financial revenues of €1,385K linked to the reversal of the allowance on its portfolio of Ubisoft Entertainment S.A. securities. Moreover, the company disposed of 170,000 Ubisoft Entertainment S.A. shares, resulting in a financial gain of €1,299K. Over the first half of the fiscal year, the company Guillemot Corporation S.A. received dividends from its subsidiaries for a total amount of €2,272K.

Net income amounted to €1,083K, compared with €-1,542K for the previous fiscal year.

Net indebtedness amounted to €770K at December 31, 2014, compared with a balance of €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 ANC (Autorité des Normes Comptables – the French accounting standards authority) regulation number 2014-03 of June 5, 2014, approved by the order of September 8, 2014. As of January 1, 2005, the company has applied the new accounting regulations on assets pursuant to CRC regulation 02-10 relating to the 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 regulation 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	31.12.13	Increase	Decrease	31.12.14
Research and development costs	2,827	1,388	74	4,141
Brands and goodwill	11,782	0	0	11,782
Concessions, patents, licenses, brands, software	237	0	0	237
Intangible fixed assets in progress	1,329	1,616	1,539	1,406
TOTAL	**16,175**	**3,004**	**1,613**	**17,566**

Brands include the Thrustmaster and Hercules brands acquired.
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 six 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. The amount of costs transferred to the “Development costs” account amounted to €1,483K. A tax credit of €95K linked to public subsidies with respect to the Research and Development works of the subsidiary Guillemot Recherche & Développement Inc was accounted for in fiscal 2014.

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 €1,616K.

The company has reclassified development costs which no longer meet the six eligibility criteria. The amount removed for the fiscal year totaled €130K in gross value, including €56K in costs posted under “Intangible fixed assets in progress” and €74K in costs posted under development costs.

Amortization and depreciation	31.12.13	Increase	Decrease	31.12.14
Research and development costs	914	1,205	74	2,045
Brands and goodwill	9,051	0	0	9,051
Concessions, patents, licenses, brands, software	148	31	0	179
TOTAL	**10,113**	**1,236**	**74**	**11,275**

Amortization of development costs, according to the duration of use of the asset in question, takes place over a period of 1 to 5 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	31.12.13	Increase	Decrease	31.12.14
Land	219	0	0	219
Buildings and leasehold improvements	3,004	21	0	3,025
Technical installations/hardw are	4,045	487	7	4,525
Tangible fixed assets in progress	350	471	520	301
TOTAL	**7,618**	**979**	**527**	**8,070**
Amortization and depreciation	**31.12.13**	**Increase**	**Decrease**	**31.12.14**
Land	0	0	0	0
Buildings and leasehold improvements	2,118	133	0	2,251
Technical installations/hardw are	2,779	751	7	3,523
TOTAL	**4,897**	**884**	**7**	**5,774**

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 €487K. The acquisition of materials corresponds to the molds used for production.
The company disposed of materials for a total amount of €40K in gross value.

5.4.3 Financial fixed assets

Financial fixed assets are broken down as follows:

	31.12.13	Increase	Decrease	31.12.14
Equity securities	42,553	0	0	42,553
Other financial fixed assets	789	43	0	832
Deposits and guarantees	4	0	0	4
TOTAL	**43,346**	**43**	**0**	**43,389**

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 €127K at December 31, 2014. The security deposit relating to waste processing amounted to €228K.
Other financial fixed assets also include 132,619 treasury stock securities for a value of €477K.

Other financial fixed assets	31.12.13	Increase	Decrease	31.12.14
Treasury stock		**Allocations**	**Reversals**	
Number of securities	132,619	0	0	132,619
Gross value	477	0	0	477
Amortization	376	0	21	355
Net	**101**	**0**	**21**	**122**

At December 31, 2014, Guillemot Corporation securities were valued at the average price in December of €0.92.

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	31.12.13	Allocations	Reversals	31.12.14
Subsidiaries securities				
Gross value	42,553	0	0	42,553
Amortization	40,274	-15	13	40,276
Net	**2,279**	**-15**	**13**	**2,277**

Equity securities of company subsidiaries were provisioned for €40,276K:

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) €4,810K
- Guillemot SA (Belgium) €194K
- Guillemot Innovation Labs SAS (France) €14K

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 by Guillemot Corporation S.A.	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	237	99.42%	4,400	191	288	288	462	-	1,276	-
Guillemot Administration et Logistique SARL (France)	EUR	Carentoir	222	142	99.96%	2,677	106	222	222	0	-	786	-
Guillemot Ltd (UK)	GBP	Surrey	10,979	-11,038	99.99%	101	8	12,211	0	77	-	-	59
Guillemot S.A (Belgium)	EUR	Wemmel	175	47	99.93%	0	-10	416	222	0	-	-	-
Guillemot GmbH (Germany)	EUR	Obermichelbach	511	-1,224	99.75%	591	34	15	0	870	-	-	713
Guillemot Corporation (H-K) Limited (Hong Kong)	HKD	Hong Kong	1	420	99.50%	1,112	46	23	23	0	-	-	-
Guillemot Recherche & Développement Inc (Canada)	CAD	Montréal	1,181	248	99.99%	661	32	1,257	1,257	0	-	-	-
Guillemot Inc (United States)	USD	Sausalito	82	98	99.99%	0	-1	8	8	0	-	-	-
Guillemot Inc (Canada)	CAD	Montréal	34,232	-34,637	74.89%	9,659	746	23,032	0	2,883	-	-	303
Guillemot SRL (Italy)	EUR	Milan	10	103	100.00%	310	13	4,923	113	0	-	-	-
Guillemot Romania Srl (Romania)	RON	Bucharest	17	125	100.00%	615	30	20	20	0	-	210	-
Guillemot Spain SL (Spain)	EUR	Madrid	3	61	100.00%	366	18	3	3	0	-	-	-
Guillemot Innovation Labs SAS (France)	EUR	Carentoir	135	-14	100.00%	0	-5	135	121	0	-	-	-

5.4.4 Inventories

Inventories are broken down as follows:

Inventories	Gross 31.12.13	Inventory change (result)	Gross 31.12.14
Stored packaging	21	-3	18
Finished goods	8,985	-2,567	6,418
Materials and goods in progress	1,314	-117	1,197
TOTAL	**10,320**	**-2,687**	**7,633**

Provisions

	31.12.13	Increase	Decrease	31.12.14
Stored packaging	0	0	0	0
Finished goods	781	264	125	920
Materials and goods in progress	380	47	265	162
TOTAL	**1,161**	**311**	**390**	**1,082**

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. Inventories were down by 26% in relation to the previous year. The provisions increase on finished products mainly includes provisions linked to products in the Hercules PLC and WAE ranges (€258K).

5.4.5 Advances and payments on account

This relates to advances on orders paid to product suppliers. The amount of advances stood at €674K at fiscal year-end.

5.4.6 Trade accounts receivable

Trade accounts receivable are broken down as follows:

	Gross 31.12.14	Depreciation 31.12.14	Net 31.12.14	Net 31.12.13
Customers	12,176	178	11,998	14,830
TOTAL	**12,176**	**178**	**11,998**	**14,830**

Customer receivables are subject to credit insurance, which covered most of the customers entry at December 31, 2014. The Customers entry had a net value of €11,998K at December 31, 2014, compared with €14,830K at December 31, 2013, owing to the decrease in activity in the year's last quarter.

5.4.7 Receivables and debts/liabilities

Receivables and debts/liabilities are broken down as follows:

RECEIVABLES STATEMENT	Gross amount at 31.12.14	Less than 1 yr.	1 yr. +
Current asset receivables			
Supplier debtors	154	154	0
Trade accounts receivable	12,176	12,176	0
State (VAT and other receivables)	277	277	0
Intercompany	4,292	0	4,292
Prepaid expenses	161	161	0
TOTAL	**17,060**	**12,768**	**4,292**

Current account advances in the amount of €4,292K relate mainly to the subsidiaries Guillemot GmbH (Germany) for €870K, Guillemot Ltd (UK) for €77K, Guillemot Inc. (Canada) for €2,883K and Hercules Thrustmaster SAS (France) for €462K.

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

DEBTS/LIABILITIES STATEMENT	Gross amount at 31.12.14	Due in less than 1 year	Due between 1 and 5 years
Financial institution loans	3,345	1,667	1,678
Bonds	0	0	0
Medium-term bank debt	56	56	0
Bank overdrafts and currency advances	3,844	3,844	0
Trade accounts payable	10,550	10,550	0
Tax and social security liabilities	109	109	0
Other liabilities	1,831	1,831	0
Fixed asset liabilities	675	675	0
Intercompany	1,386	0	1,386
TOTAL	**21,796**	**18,732**	**3,064**
Loans taken out during the fiscal year	1,000		
Loans repaid through bond conversion	0		
Loans repaid through reimbursement	2,308		
Loans received from individuals	0		

At fiscal year-end, the company Guillemot Corporation S.A. held fixed rate loans with financial institutions for €877K, and variable rate loans for €2,468K. 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, 2014, no loans were covered by acceleration clauses. The amount of current bank financing includes €3,569K in currency advances, and €275K in bank overdrafts.
Over the period, the company repaid €2,308K in bank loans and took out €1,000K in new loans.

At December 31, 2014, 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.
In 2002, founding shareholders waived current account debts for a total amount of €6,500K. These waivers were combined with return to profits clauses, stipulating reimbursement once the parent company became profitable again. Out of this €6,500K, €4,834K has already been reimbursed and the company Guillemot Corporation S.A. reintegrated an amount of €271K in current account liabilities into the balance sheet for fiscal 2014.
The current account advances granted by the subsidiaries Guillemot Recherche & Développement Inc (Canada) and Guillemot Innovation Labs SAS (France) amounted to €995K and €120K, respectively.

	31.12.14	31.12.13
Financial liabilities		
Debenture	0	0
Financial institution loans and debts	7,189	9,290
Financial loans and debts	56	56
Current account advances	1,386	1,074
	8,631	**10,420**
Available funds		
Net marketable investment securities	6,823	6,306
Cash	1,038	1,586
	7,861	**7,892**
Net indebtedness	**770**	**2,528**

The company's net indebtedness amounted to €770K.

The portfolio of marketable investment securities valued at their average price during December 2014 stood at €6,878K.

5.4.8 Marketable investment securities

This heading included 152,679 treasury stock shares for a value of €202K. The company also held 443,874 Ubisoft Entertainment S.A. securities, representing 0.41% of capital, for a value of €6,767K, and 68,023 Gameloft S.E. securities, representing 0.08% of capital, for a value of €190K.

	Gross 31.12.14	Depreciation 31.12.14	Net 31.12.14	Net 31.12.13
Marketable investment securities	6,957	262	6,695	6,183
Treasury stock	202	74	128	123
TOTAL	**7,159**	**336**	**6,823**	**6,306**

At December 31, 2014, treasury stock shares were valued at their average price in December of €0.92, and were subject to a depreciation provision for an amount of €74K.
Ubisoft Entertainment S.A. shares, valued at their average price in December of €14.653, were depreciated for €262K.
During the first half of the fiscal year, the company disposed of 170,000 Ubisoft Entertainment S.A. shares, resulting in a financial gain of €1,299K.

The book value of Gameloft S.E. and Ubisoft Entertainment S.A. securities held amounted to €234K and €6,504K at the end of the fiscal year, respectively.

5.4.9 Cash

	31.12.14	31.12.13
Cash	1,038	1,586
Banking facilities	-3,844	-4,630
Net banking position	**-2,806**	**-3,044**

5.4.10 Adjustment accounts

Assets:

	31.12.14	31.12.13
Prepaid expenses	161	181
Deferred expenses allocated over a number of fiscal years	0	0
Bond redemption premium	0	0
Forex adjustment assets	242	105
TOTAL	**403**	**286**

Forex adjustment assets arise mainly from the discounting at closing rates of liabilities denominated in foreign currencies. A provision for unrealized losses has been made.

Liabilities:

	31.12.14	31.12.13
Deferred revenues	571	819
Forex adjustment liabilities	196	135
TOTAL	**767**	**954**

Deferred revenues correspond to products not delivered at December 31, 2014.
Forex adjustment liabilities arise mainly from the discounting of receivables denominated in foreign currencies.

5.4.11 Accrued revenues

	31.12.14	31.12.13
Suppliers - credit to be received	147	104
Customers - invoices to be settled	2	9
TOTAL	**149**	**113**

5.4.12 Accrued expenses

	31.12.14	31.12.13
Financial institution loans - accrued interest	20	33
Accrued expenses - expected invoices	5,551	5,319
Customers - balances to be paid	759	1,430
Accrued taxes and social security benefits	37	57
Other expenses to be paid	948	1138
TOTAL	**7,315**	**7,977**

5.4.13 Elements regarding associated companies

Equity securities €42,553K

Gross current assets
Trade accounts receivable €1,966K
Current account advances €4,292K

Gross liabilities
Supplier and trade payables €2,480K
Current account advances €1,116K

Financial revenues €92K
Financial expenses €16K

5.4.14 Balance sheet provisions and allowances

		Increase	Decrease		
Provisions	**At 31.12.13**		**Used**	**Unused**	**At 31.12.14**
Forex	105	242	105	0	242
Expenses	127	0	46	0	81
Total	**232**	**242**	**151**	**0**	**323**

Forex provisions relate mainly to the discounting of foreign currency-denominated receivables and liabilities 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.

		Allocation	Reversal	
Depreciation	**At 31.12.13**	**Increase**	**Decrease**	**At 31.12.14**
Financial fixed assets	40,274	15	13	40,276
Other financial fixed assets	377	0	21	356
Inventories	1,161	311	390	1,082
Trade accounts receivable	102	178	102	178
Intangible fixed assets	9,051	0	0	9,051
Other provisions for depreciation	3,391	0	1,980	1,411
Total	**54,356**	**504**	**2,506**	**52,354**

The increase in the provision on inventories includes €41K in provisions linked to products in the Hercules PLC range, €239K to products in the Hercules WAE range, and €31K for other products.
Ubisoft Entertainment S.A. shares and treasury stock shares were depreciated, at fiscal year-end, for an amount of €336K.
The company depreciated accounts attached to its subsidiaries according to their net positions (equity securities for €40,276K, and current account advances for €1,075K).
Depreciations on other ex-Group receivables amounted to €178K and related to doubtful receivables.

5.4.15 Share capital

	Number of securities	Nominal value	Amount
At 31/12/13	15,004,736	0.77	11,553,646.72
Stock options exercise	0	0.77	0.00
At 31/12/14	**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 1.90% of capital.

Changes to shareholders' equity table:

In €K	Balance before allocation of fiscal year income at 31.12.13	Allocation of fiscal year income at 31.12.13	After allocation of fiscal year income at 31.12.13	Capital increase	Fiscal year income at 31.12.14	Balance at 31.12.14
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	-3,394	-1,542	-4,936	0		-4,936
Income	-1,542	1,542	0	0	1,083	1,083
TOTAL	**18,510**	**0**	**18,510**	**0**	**1,083**	**19,593**

Maximum number of shares to be created:

Through option exercise: 1,250,140

Current stock option plans:

Board of Directors meeting date	**22.02.06**	**22.02.06**	**18.02.08**	**18.02.08**
Number of shares	433,000	246,000	383,000	217,000
Nominal value	€0.77	€0.77	€0.77	€0.77
Subscription price	€1.74	€1.77	€1.91	€1.91
Exercise dates	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	10,500	12,000	0	6,360
- including during fiscal 2014	0	0	0	0
Stock options cancelled or nullified	0	0	0	0
Remaining stock options	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)	31.12.14	31.12.13
France	7,408	11,815
EU (excluding France)	18,187	18,258
Other	10,977	11,178
TOTAL	**36,572**	**41,251**

By sector of activity (in €K)	31.12.14	31.12.13
Thrustmaster	24,799	19,940
Hercules	11,773	21,311
TOTAL	**36,572**	**41,251**

5.5.2 Stored production

Stored production is broken down as follows:

	31.12.14	31.12.13
Stored production	-2,567	-3,055
Total	**-2,567**	**-3,055**

5.5.3 Capitalized production

Capitalized production is broken down as follows:

	31.12.14	31.12.13
Capitalized production	1,616	2,131
Total	**1,616**	**2,131**

Costs linked to projects meeting the capitalization criteria are capitalized. The move from the expenses account to the “Intangible fixed assets in progress” account from the date on which the capitalization criteria were met resulted in operating revenues which amounted to €1,616K for the fiscal year.

5.5.4 Other operating revenues

	31.12.14	31.12.13
Provisions reversals	492	321
Expense transfers	112	203
Other revenues	257	241
Total	**861**	**765**

Provisions reversals relate to inventories for €390K, and receivables for €102K.
Expense transfers of €112K 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

	31.12.14	31.12.13
Purchases of goods	1	0
Purchases of primary materials	17,833	20,463
Inventory variations	120	83
Total	**17,953**	**20,546**

5.5.6 Other operating expenses

Other operating expenses are broken down as follows:

	31.12.14	31.12.13
Other external purchases and expenses	16,587	17,621
Other expenses	2,888	2,150
Total	**19,475**	**19,771**

Transportation services accounted for €1,206K.
Subsidiary-related subcontracting services amounted to €8,683K. Marketing and publicity-related spending amounted for €3,344K.
Costs relating to projects meeting the 6 capitalization criteria amounted to €1,616K for the fiscal year. Development costs which do not meet the capitalization criteria are definitively recorded under expenses, and amounted to €1,947K for fiscal 2014.
Other operating expenses essentially included license fees for an amount of €2,635K. 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 €93K for 2014.

5.5.7 Personnel expenses

	31.12.14	31.12.13
Salaries and processing	220	220
Benefits expenses	91	87
Total	**311**	**307**

The workforce at December 31, 2014 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

	31.12.14	31.12.13
Intangible fixed asset depreciation and amortization	1,219	924
Tangible fixed asset depreciation and amortization	883	895
Current assets depreciation	489	383
Provisions for liabilities and expenses	0	0
Total	**2,591**	**2,202**

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 €1,219K 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 €750K.

Depreciation on current assets included an allocation of €311K on inventories, including €258K in allocations linked to products in the Hercules PLC and WAE ranges.

The allocation for receivables amounted to €178K.

5.5.9 Financial income

	31.12.14	31.12.13
Financial revenues on investments	2272	0
Total other financial revenues	**2272**	**0**
Reversal on provisions and expense transfers	2,118	1,382
Financial allowance on amortization and provisions	257	195
Total allowance and provision reversals	**1,861**	**1,187**
Forex gains	1,197	835
Forex losses	1,142	668
Total Forex differences	**55**	**167**
Net revenues on marketable investment security disposals	1,353	241
Net expenses on marketable investment security disposals	17	16
Income on marketable investment security disposals	**1,336**	**225**
Other assimilated interest and revenues	95	67
Assimilated interest and revenues	229	235
Total interest revenues and expenses	**-134**	**-168**
TOTAL	**5,390**	**1,411**

Over the first half of the fiscal year, the company Guillemot Corporation S.A. received dividends from its subsidiaries for a total amount of €2,272K.

Financial risks are as follows:

- Liquidity risk: At December 31, 2014, the Group had not used all of its loan and banking facilities, and its net indebtedness was €770K.
The Group held a portfolio of marketable investment securities worth €6,878K, valued at their average trading prices for the month of December 2014.
No loans were covered by acceleration clauses at December 31, 2014.

- Share price variation risk: The share price variation on shares held impacts on the Group's income. For 2014, 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, 2014) would have an impact of €-668K on financial income.
At March 20, 2015, the closing price of Ubisoft Entertainment shares was €17.185, representing an increase of 17.28% in relation to that on December 31, 2014, resulting in the posting of a depreciation provision reversal of €263K 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, 2014 (the amount of non-covered, variable-rate financial liabilities) would have an impact of an increase in charges of €13K.

- Exchange rates variation: The balance of the Group's currency-denominated assets and liabilities at December 31, 2014 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	4,799	757	0
Liabilities	10,316	56	489
Net pre-adjustment position	-5,517	701	-489
Off-balance-sheet position	0	0	0
Net post-adjustment position	-5,517	701	-489

A 10% increase in the rate of the American dollar, taken on an annual basis and considering the balance at December 31, 2014 (the amount of currencies subject to exchange variations) would have an impact of an increase in financial charges of €489K.

The impact of exchange variations on other currencies is not significant.

As all of the major players in the multimedia industry conduct transactions in U.S. 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 U.S. dollar. In the United States, Canada and all other countries outside of Europe, the transaction currency is also the U.S. dollar. In Europe, the Group sells mainly in euros. Rapid currency variations and dips in the value of the U.S. 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 U.S. 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.

Financial provisions reversals and allowances:

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, 2014, 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 €15K 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 €13K.
The company posted a provision reversal on the current account advances granted to the subsidiaries Guillemot Ltd (UK) for €4K, Guillemot GmbH (Germany) for €35K and Guillemot Inc (Canada) for €545K.
Other provisions reversals related to Ubisoft Entertainment S.A. securities valued at their average trading price during the month of December 2014 for €1,385K, and various reversals for unrealized Forex losses with respect to the previous fiscal year for €105K.
The company Guillemot Corporation S.A. posted a provision of €242K to cover the risk of unrealized Forex losses at the end of the fiscal year.

Net revenues and expenses on marketable investment securities disposals:

The company Guillemot Corporation S.A. posted a disposal result on treasury stock shares of €37K during the year, within the context of the liquidity contract in effect. Moreover, during fiscal 2014, the company disposed of 170,000 Ubisoft Entertainment S.A. shares, thereby posting a net gain of €1,299K in its financial statements.

Interest revenues and expenses:

Interest revenues were chiefly comprised of €60K in interest on current account advances granted to subsidiaries.
Financial revenues also included an amount of €34K which corresponds to the reintegration into balance sheet assets of current account advances, waived by the parent company in 2004 in favor of its subsidiary Guillemot GmbH (Germany) with a return to profits clause.
Expenses for loan interest and banking institution interest accounted for €201K.
Current account interest charges accounted for €17K.
Discounts granted totaled €11K.

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.

	31.12.14	31.12.13
Exceptional revenues on management transactions	0	0
Exceptional revenues on capital transactions	0	0
Recoveries on provisions and expense transfers	46	46
Total exceptional revenues	**46**	**46**
Exceptional expenses on management transactions	0	75
Exceptional expenses on capital transactions	317	701
Exceptional amortization and provision allocations	107	356
Total exceptional expenses	**424**	**1,132**
TOTAL	**-378**	**-1,086**

The 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 an amount of €271K corresponding to the reintegration into balance sheet liabilities of current account debts toward founding shareholders. These current account advances had been waived by the latter in 2002, with return to profits clauses.
The company has reclassified development costs which no longer meet the eligibility criteria, with the corresponding materials being disposed of. The company has therefore applied exceptional amortization of €107K at December 31, 2014.

5.5.11 Corporate income tax

Income at 31.12.14	Current	Exceptional	Net
Taxable base	-894	-378	-1272
Carry-forward of losses	894	378	1272
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: €25K
- Forex change : €439K

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
2014	1,272
TOTAL	**61,984**

5.5.12 Average workforce

	Total	Management	Non-management
31.12.14	5	5	0

The workforce at December 31, 2014 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:

€21K.

Outstanding documentary credits:

€230K.

Pension retirement benefits:

As the workforce is composed solely of executive directors, no pension retirement benefits are due.

Minima guaranteed on licenses:

€644K.

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 2014 showed a profit and given the reimbursement terms, the company reintegrated an amount of €271K into balance sheet liabilities, representing 20% of annual net income for fiscal 2014.
The remaining €1,395K 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 2014 showed a profit for the subsidiary Guillemot GmbH (Germany) and given the reimbursement terms, the company Guillemot Corporation S.A. reintegrated an amount of €34K into its balance sheet assets. The remaining €5,712K 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 €600K.

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 €83K for the fiscal year. This amount included the sum of €21K paid to independent Directors.
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 31.12.2014			1,082,723.41
including current result after tax:	*1,461,117.87*		
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		1,082,723.41	
TOTAL		**1,082,723.41**	**1,082,723.41**

6 Independent Auditors' report on financial statements – Fiscal year ended December 31, 2014

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, 2014, 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 regarding 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:

Accounting rules and methods

- Note 5.3.1 of the appendix ("Intangible fixed assets") 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 ("Intangible fixed assets") and 5.5.3 ("Capitalized production") and are satisfied that they have been applied correctly.

- Moreover, note 5.3.3 of the appendix ("Financial fixed assets") 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.

Accounting estimates

- Intangible fixed assets, and more precisely brands and goodwill, are tested for impairment according to the methods set out in notes 5.3.1 ("Intangible fixed assets") and 5.4.1 ("Intangible fixed assets"). 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 ("Inventories"), 5.4.4 ("Inventories"), 5.4.14 ("Balance sheet provisions and allowances") and 5.5.8 ("Depreciation, amortization and provisions allowance") 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 27, 2015

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 14.5 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, 2014

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, 2014.

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 and risk management 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 27, 2015

Independent Auditors

PricewaterhouseCoopers Audit
Yves Pelle

MB Audit SARL
Roland Travers

➢ INFORMATION REGARDING MARKETS AND TRENDS

1 INFORMATION REGARDING MARKETS

1.1 The video game market gets a boost thanks to the success of next-generation consoles

Within the space of a year, three new home platforms appeared on the market (Wii U™, Xbox One™ and PlayStation®4), launching the cycle of generation 8. These new platforms found their audiences very quickly, proving their acceptance by gamers. The launch of the new generation of consoles was a great success, which has translated into keen interest among gamers for these machines. With similar ambitions (namely positioning themselves in the gamer-related market and evolving into genuine entertainment and media center platforms), the PlayStation®4 and Xbox One™ consoles have pushed the world of video games into a new dimension: that of multi-connected gamers.

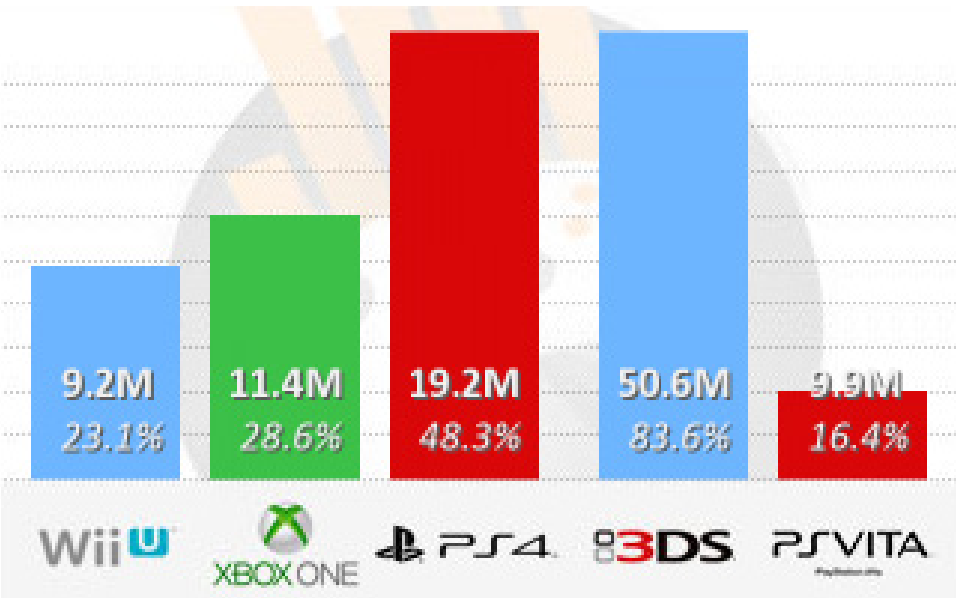
In less than two decades, video games have become a mainstream pastime, as well as a significant influence in the world economy. There is no doubt that the video game market experienced strong growth in 2014. Pushed forward by the rollout of next-generation consoles which replaced their predecessors, the video game industry confirmed its dynamic performance with 3% growth in 2014. With sales of €2.7 billion, 92% of which was generated by the console and PC ecosystem, video gaming upheld its spot as a top European market (Source: www.pockett.net, 10/02/2015). The new platforms proved to be a veritable growth engine for the market as a whole in 2014.

The research firm DFC Intelligence forecasts that worldwide sales of video games (online and offline) could exceed USD 100 billion in 2019 (Source: Multimédia à la Une, number 209 – November 2014, page 6).

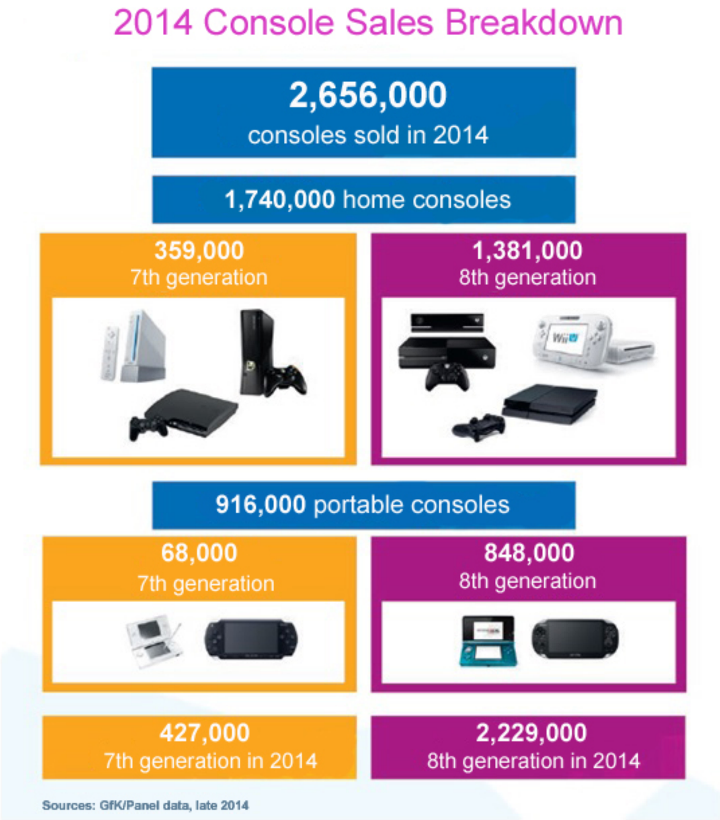
In 2014, consoles progressed in France by 24% with sales of €758 million, thanks to the rise of the new platforms which gave the entire market a boost. Generation 8 accounted for 84% of console sales in 2014, compared with 62% in 2013 (Source: SELL/GfK panel data, late 2014 – www.pockett.net, 10/02/2015).

The video game market is built around three segments: consoles, games and accessories. In 2014, 29% of sales in the video game market were generated by consoles, 61% by software and 10% by accessories (Source: SELL/GfK panel, late 2014, www.pockett.net, 10/02/2015). 4% growth is expected for the French video game market in 2015 (Source: www.essentiel-jeu-vidéo, SELL, February 2015).

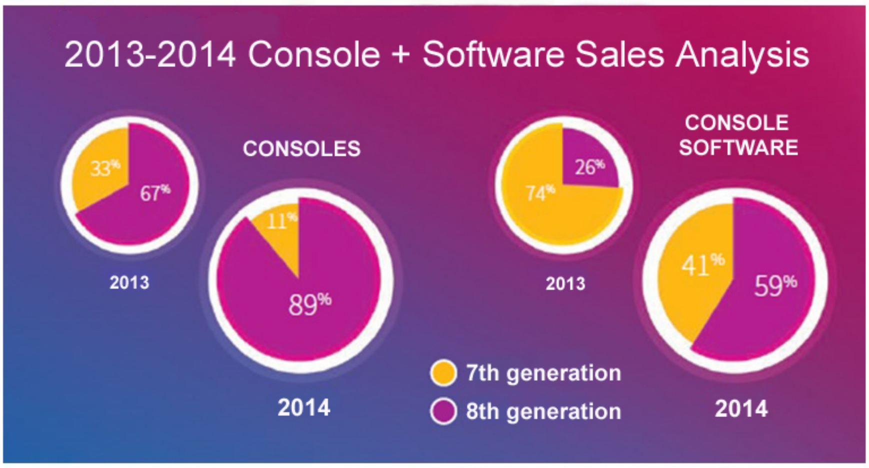
Installed base of new consoles worldwide



(Source: www.vgchartz.com, 07/02/2015)



The console market continues to be dominated by three long-standing manufacturers: Microsoft with its Xbox One™, released in late November 2013; Nintendo with its Wii U™ console; and Sony with its PlayStation®4, the last of the three to be released. Microsoft and Sony – the two "giants" – released their consoles within a week of one another. True home digital entertainment platforms, the PS4™ and Xbox One™ consoles incorporate new technologies for now-indispensable online uses.



(Source: SELL – February 2015 – www.essentiel-jeu-video.fr)

1.1.1 PlayStation®4

The first three PlayStation consoles experienced such success that the PlayStation brand became synonymous with home video game consoles, particularly in France.

PlayStation®4 – the latest model, available in Europe since November 29, 2013 – has enjoyed an excellent reception right from its launch. Today, the PlayStation®4's first year on the market has been better than that of any other console which has come before it. Sony's PS4™ celebrated its first birthday at practically the same time as it reached the milestone of having sold its first million units in the French market (Source: Le Journal des Loisirs Interactifs, number 277, 14/11/2014, page 3).

Since its launch, the new console has confirmed its leadership in this generation. While the goal announced by Sony had been to move five million units before the end of March 2014, more than 5.3 million units had been sold by February 8, 2014, at which point the console had not yet even been made available on the Japanese market (Source: Le Journal des Loisirs Interactifs, number 274, 20/10/2014, page 9). The PlayStation®4 is a console truly designed with gamers in mind. Sony has been successful in managing a two-pronged evolution: with respect to consumers, as video games have become an activity shared by the entire family to an ever-greater degree; and with respect to communications, with the entrenchment of social networking. More powerful and more interactive than ever, Sony's next-generation console has enjoyed the best launch of any Sony console to date. With its super-connected design and by promoting exchanges between gamers, this new console certainly responds to a very widespread desire among gamers to share their scores and experiences.

The installed base of new consoles continues to grow, with more than 18.5 million PlayStation®4 consoles for Sony, representing nearly 48% of the total market, and roughly 11 million for Microsoft's Xbox One™, accounting for 28.6% of the market (Source: www.vgchartz.com, 26/01/2015).

1.1.2 Xbox One™

The arrival of its Xbox 360® console on the market ten years ago represented a great success on the part of Microsoft in terms of making inroads into the marketplace. Nearly eight years after its launch, the Xbox 360® started sharing the stage with the new Xbox One™, the next-generation console released on November 22, 2013.
According to Microsoft France's Interactive Division Director, the rollout for the Xbox One™ console was even faster than that for the Xbox 360® following its launch. Over the first ten months of availability, sales volumes for the new console were 72% higher than those of the previous generation (Source: Le Journal des Loisirs Interactifs, number 277, 14/11/2014, page 24). The launch of the Xbox One™ console in France was a watershed event highly anticipated by consumers. Between October and December 2014, 6.6 million Xbox consoles were sold worldwide, including both Xbox One™ and Xbox 360® models (Source: www.jdli.com, 27/01/2015).

1.2 The streaming audio, headphones and multimedia speakers market

In the audio market, innovation is key in order to expand the scope of products and respond to users' new wants and needs in terms of consumption and content. Whether for home or on-the-go use, the industry is now capable of offering solutions tailored for any type of scenario.

1.2.1 The streaming audio market: Still booming

According to statistics from NPD, the streaming audio market in the United States in 2014 increased by 74% in volume and 58% in value (Source: NPD U.S., 2014).

Value			Volume			Average price		
2013	2014	2013/2014	2013	2014	2013/2014	2013	2014	2013/2014
$966,006,702	$1,524,929,759	+58%	9,342,737	16,262,146	+74%	$103.40	$93.77	-9%

With streaming audio, music connects to a source on the Web for direct access, allowing users to enjoy their favorite songs anywhere at home or outdoors. The audio market is now evolving quickly thanks to the huge rise in sales of smartphones and tablets, while streaming sites are becoming the main music sources for consumers. Freed from the need for physical media in order to listen to music, today's consumers want their music to follow them wherever they go, both indoors and outdoors.
This market, while demanding, is growing strongly in the United States and is emerging in Europe with the presence of a mass-market segment, in which Hercules has positioned itself with its complete and targeted WAE range. This market is set to pick up steam in 2015, owing to a massive take-up by mass-market users.

1.2.2 The headphones market

Wireless headphones incorporating *Bluetooth*® technology have become more and more indispensable for everyday life. They are becoming the standard both for the listening experience that they provide and for their looks, as they reflect the mobile enjoyment of music which has allowed wireless technology to gain ground in a similar way to what has been happening with other aspects of audio, and with video. Consumers want this level of freedom, and to be able to listen to their music anywhere without the hassle of cables. This market segment is focusing on high-end models, in-ear designs and wireless technology, which is beneficial both in terms of creating value and good products.

1.2.3 The multimedia speakers market

This market is highly correlated to sales of new computers, which is the main factor driving the purchase of multimedia speakers among consumers. Although this market is shrinking, it nevertheless remains very significant.

The following figures from NPD show a decline in this market in the United States between 2013 and 2014, with 11% less in terms of volume and 17% less in value.

Value			Volume			Average price		
2013	2014	2013/2014	2013	2014	2013/2014	2013	2014	2013/2014
$148,572,641	$123,157,640	-17%	3,851,686	3,435,641	-11%	$38.57	$35.85	-7%

1.2.4 The digital DJing market

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.

The DJing market follows two different axes:
- The first axis relates to high-end products designed to let DJs host public parties or perform in clubs, distributed by the music stores channel and by online retailers specializing in music.
- The second axis relates to mass-market consumers, keen to get started in DJing and host their own private parties.

Although no sales figures are available, the high-end market segment appears to be in decline. In our view, the mass-market segment – buoyed by the popularity of star DJs and the related music – seems to be experiencing growth.

Hercules is mainly positioned in the market for mobile products aimed primarily at mass-market users and amateur DJs.

1.3 The Wi-Fi and Power Line Communication market

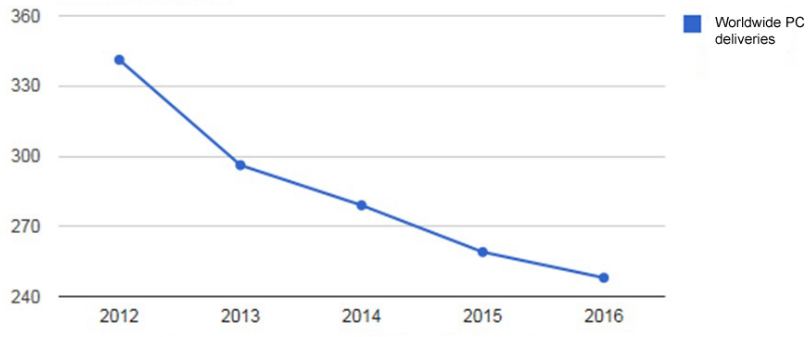
As added value and volumes in the Wi-Fi and Power Line Communication markets have decreased sharply owing to competition from telecommunications service providers, the Group has decided not to renew its product lines in these categories.

1.4 The PC market is stabilizing, with an attendant decline in the tablet market

These developments are a pleasant surprise for all PC manufacturers, as sales for 2014 were better than the forecasts from the IDC firm. Following an historic decline worldwide (-10%) in 2013, the PC market remained stable in 2014 (Source: www.journaldunet.com, 13/01/2015).

Recent evolutions in the market have favored the upgrading of the installed base of computers, resulting in better sales levels than had been forecast: thus, PC sales were down by “only” 2% in 2014, while analysts had hypothesized a drop of 4.8% (Source: Le Journal des Loisirs Interactifs, number 282, 26/01/2015, page 8). According to Gartner, 83.7 million PCs were sold worldwide in the fourth quarter of 2014 (Source: www.lesnumeriques.com). The PC market is stabilizing following a period of decline due to the diversification of user terminals. In the fourth quarter of 2014, Europe, the Middle East and Africa (EMEA) accounted for 26.5 million units sold, compared with 18.1 million for the United States: the EMEA zone therefore experienced a 2.8% increase in sales compared to the same period of the previous year (Source: www.journaldunetcom, 13/01/2015).

Worldwide PC deliveries (desktop and laptop)
in millions of units



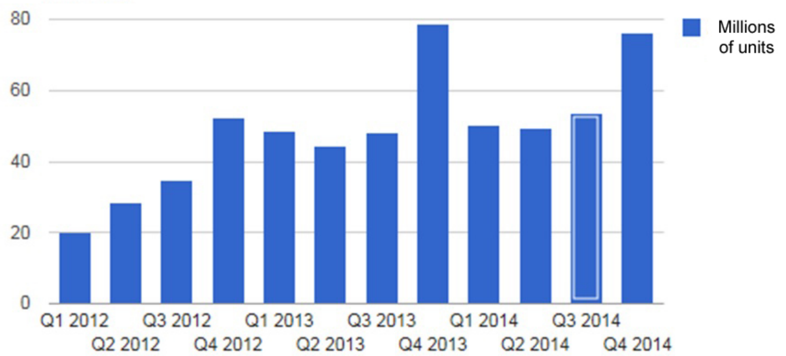
Source: Gartner, via ZDNet.fr/chiffres-cles

While ultra-mobile and hybrid computers are growing worldwide, numbers for traditional computers were basically stable at -0.2% and picking up in Europe. According to Gartner, deliveries of standard PCs (desktop and laptop models) will continue to decrease worldwide in 2015 (Source: www.zdnet.fr, 14/01/2015).

The tablet market is set to slow down in 2015, according to Gartner: tablet sales should increase by 8% in 2015, with 233 million units sold (Source: www.itrnews.com, 06/01/2015). In 2016, by contrast, sales of tablets should pick up again with 259 million units sold. In their entirety, sales of mobile terminals (PCs, tablets, smartphones…) are set to increase by 3.9% in 2015, with a volume of 2.57 billion units (Source: www.itrnews.com, 06/01/2015). The fourth quarter of 2014 saw a decrease in tablet deliveries, the first since this market was created: 76.1 million tablets were sold, representing a decrease of 3.2% in relation to the same period of 2013. Most affected by this decline was Apple, the sector’s leader: iPad sales were down by 17.8%, to 21.4 million units. Samsung, Apple’s challenger, also experienced a particularly difficult quarter, with a decrease of 18.4%. Within the top five manufacturers, only Lenovo experienced growth (9.1%), mainly due to its local presence (Source: www.zdnet.fr, 03/02/2015).

Although sales growth was down slightly for several months, GfK still forecast considerable volumes for the end-of-year holiday season, with 1.8 million units expected in December. 2015, by contrast, is set to be a more complex year in this IT segment. According to GfK, with 34% of households already equipped, the tablet is now firmly entrenched in homes and has become a real second multimedia screen. In 2015, nearly a quarter of the installed base of tablets will be two years old or more: tablets will therefore enter a repurchasing phase, and at the time of budgeting trade-offs, will be challenged to an ever-greater degree in terms of their uses by smartphones with large screens (which users always have easy access to) and hybrid PCs, which are much more practical with respect to productivity. In this context, differentiation by content represents an interesting growth driver (Source: www.afjv.com, 18/12/2014).

2012-2014 worldwide tablet sales
in millions of units



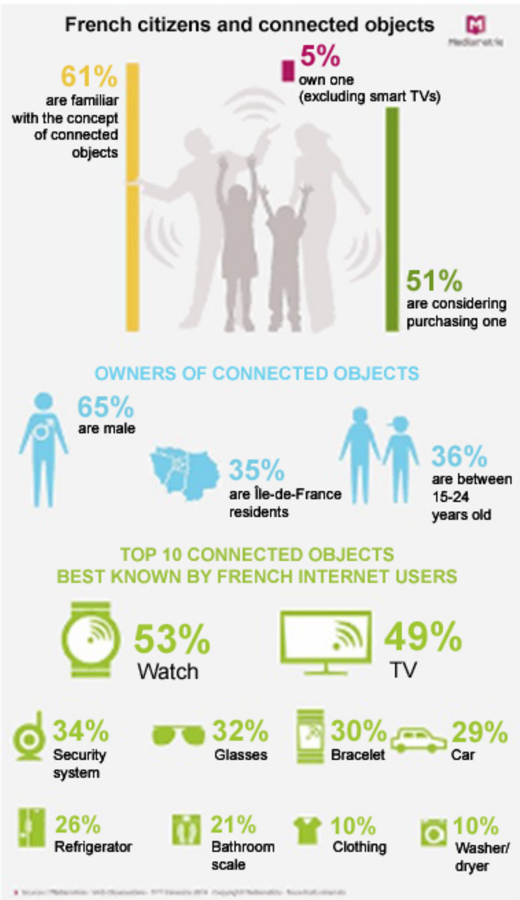
Source: IDC, via ZDNet.fr/chiffres-cles

1.5 The smartphones market

Today's world has become completely mobile, and it is mobile devices like smartphones, tablets and laptops which currently rule our daily digital lives. Thanks to their size, their functions and the fact that they can accompany their users anywhere, these devices can no longer simply exist on their own: they need accessories and other related devices. An entire ecosystem is therefore developing around these products. With the ubiquity of smartphones, tablet use now being widespread and laptops still necessary, many people are accumulating multiple mobile devices.
Smartphones remain a clearly delineated category in relation to tablets and computers. With a quickly-expanding range of apps and the multiplying legion of connected objects, performance and screen quality are key factors for smartphones. The smartphone market currently appears to be focusing more and more on high-end and low-end models.
GfK forecasts that within three years, 69% of the world's population will own a smartphone, resulting in more than 5 billion smartphone users worldwide in 2017 (Source: www.afjv.com, 13/10/2014).

1.6 The connected objects market

Connected objects are getting a lot of press nowadays: they are bringing the world of high-tech out of its bubble, and allowing it to be integrated into many different facets of daily life. A wide variety of objects can now be connected, thereby expanding their functionalities: such objects can now be consulted, monitored and operated remotely, thanks to their connection to a smartphone or to the Internet. The Gartner economic research firm forecasts more than 26 billion connected objects worldwide by the dawn of 2020 (Source: Le Journal des Loisirs Interactifs, number 266, 13/05/2014, page 30). According to GfK, more than two million connected objects will be sold in France in 2015 (Source: Le Journal des Loisirs Interactifs, number 266, 13/05/2014, page 30). From now on, connected products will definitely have a place in our world: in the eyes of many observers, we are truly at the beginning of a revolution. In the opinion of GfK, this sector will certainly experience strong growth over the years to come. In this context, GfK values the smart objects market in France at €400 million in 2015 (Source: Multimédia à la Une, number 202, April/May 2014, page 14). 51% of French Internet users are considering purchasing a connected object (Source: www.afjv.com, 10/12/2014).



(Source: www.afjv.com, 10/12/2014)

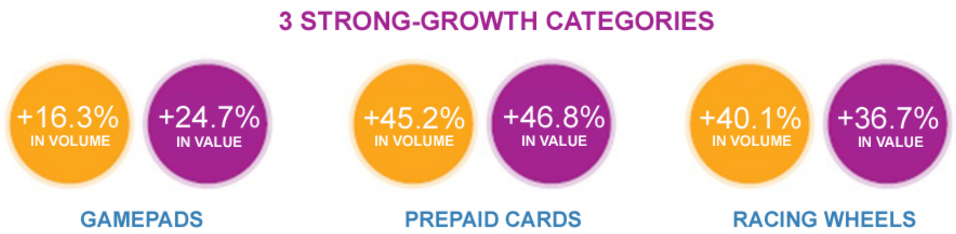
Connected objects represent today's great trend, and many pundits are referring to these developments as a new industrial revolution, a profound shift in terms of uses for everyday items, and other similarly grand pronouncements.

1.7 The accessories market for PCs, game consoles, home gateway devices and smart TVs

On both console and PC, one's gaming experience greatly depends on the control device being used. Gamepads are a real ergonomic challenge for beginners, while racing wheels become a necessity for those getting involved in racing games.

The accessories market for the new consoles is dynamic, with the prospect of a significant installed base in 2015. Moreover, new gaming stakeholders are entering the video game market. In a quickly-evolving video game accessories market, technological innovation is of the utmost importance.
In 2014, the accessories market accounted for €270 million with growth of 4%, generated by the potential associated with the installed base of consoles and characterized by strong sales of gamepads (Source: SELL/GfK panel data, late 2014 – www.pockett.net, 10/02/2015).
In 2015, the installed base of next-generation consoles will continue to expand. Many new releases are on the menu, enriching the catalog of games which make the most of the technological and creative potential of the new platforms.

In France, three categories of accessories are experiencing strong growth: gamepads, prepaid cards and racing wheels (Source: GfK/Panel data, late 2014).



Figures published by NPD relating to the United States show a 7% decrease in volume for PC gaming accessories, with a 2% increase in terms of value (Source: NPD), but a 6% increase for console accessories both in terms of value and volume (Source: NPD – 2014).
The racing wheel segment in the United States grew by 31% in volume, with a 91% increase in the average price (Source: NPD – 2014).

2 INFORMATION REGARDING TRENDS

The Group's activities are impacted by various different trends:
- The strong growth in the installed base of next-generation consoles, which has now surpassed thirty-three million units sold (Source: VGCHARTZ, 24/04/2015). These consoles are accompanied by a new crop of racing games and space simulation titles, which are significant factors influencing the purchase of Thrustmaster gaming accessories.
- Hercules is confronted with lower sales of multimedia PCs, which impacts upon sales of multimedia speakers and webcams.
- At the same time, the Group has invested in wireless speakers for smartphones and tablets, which are taking over from PCs in terms of consumers listening to their music. The wireless speakers market is now growing quickly in the United States and in Europe, and offers significant potential for the Group's new WAE lines of wireless speakers.

In the first quarter of 2015, the Group was able to take advantage of these trends to generate sales growth for its Thrustmaster accessories, and reduce the sales downturn for its Hercules product lines.
The Group forecasts double-digit sales growth for fiscal 2015.

➢ COMBINED GENERAL MEETING OF SHAREHOLDERS HELD MAY 21, 2015

1 AGENDA

- Within the remit of the regular general meeting

- Board of Directors' reports,
- Independent Auditors' reports,
- Approval of December 31, 2014 year-end financial statements,
- December 31, 2014 year-end net income appropriation,
- Approval of December 31, 2014 year-end consolidated financial statements,
- Approval of agreements stipulated in Article L.225-38 of the Commercial Code,
- Authorization of Board of Directors to carry out transactions on company shares,
- Fulfillment of legal formalities relating to the regular general meeting.

- Within the remit of the extraordinary general meeting

- Board of Directors' report,
- Independent Auditors' reports,
- Authorization of Board of Directors to proceed with share capital reduction via cancellation of treasury stock shares,
- Delegation of authority to the Board of Directors to issue regular company shares, equity securities granting access to other equity securities or granting the right to the allocation of debt securities, marketable securities granting access to equity securities to be issued, with preservation of preferential subscription rights,
- Delegation of authority to the Board of Directors to issue regular company shares, equity securities granting access to other equity securities or granting the right to the allocation of debt securities, marketable securities granting access to equity securities to be issued, with removal of preferential subscription rights, as part of a public offer or offers,
- Delegation of authority to the Board of Directors to issue regular company shares, equity securities granting access to other equity securities or granting the right to the allocation of debt securities, marketable securities granting access to equity securities to be issued, with removal of preferential subscription rights, as part of an offer or offers stipulated in part II of Article L.411-2 of the Monetary and Financial Code,
- Authorization to be granted to the Board of Directors to set the issue price of equity securities to be issued as part of a public offer or offers stipulated in part II of Article L.411-2 of the Monetary and Financial Code, up to a maximum of 10% of the company's share capital per year,
- Authorization to be granted to the Board of Directors to increase the amount of the issues which may be decided upon pursuant to the eighth, ninth and/or tenth resolutions, in the event of excess demand,
- Delegation of powers to the Board of Directors to proceed with capital increases, in order to remunerate contributions in kind granted to the company and composed of equity securities or marketable securities granting access to capital,
- Delegation of powers to the Board of Directors to grant stock options to salaried employees and/or legal representatives of the company and/or of related companies,
- Delegation of powers to the Board of Directors to proceed with the bonus issue of company shares to salaried employees and/or legal representatives of the company and/or of related companies,
- Delegation of authority to the Board of Directors to proceed with capital increases reserved for members of a company or group savings plan,
- Determination of the overall ceiling for capital increases,
- Harmonization of Article 14 of the bylaws relating to general meetings of shareholders,
- 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, 2014 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, 2014 year-end financial statements, as presented, as well as the transactions figuring in these statements or summarized in these reports.

SECOND RESOLUTION
(December 31, 2014 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, 2014 year-end profit, amounting to €1,082,723.41, 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, 2014 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, 2014 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
(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 share 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 share 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 share capital was composed on February 28, 2015, 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, including during a public offer period with respect to the company, subject to the abstention periods stipulated in legal and regulatory provisions.
The meeting grants all powers to the Board of Directors, with powers to subdelegate 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 22, 2014.

SIXTH RESOLUTION
(Fulfillment of legal formalities relating to the regular 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

SEVENTH RESOLUTION
(Authorization of Board of Directors to proceed with share 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, at any time, including during a public offer period with respect to the company, 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 fifth resolution submitted to this meeting or within the context of those authorized previously, within the limit of 10% of the company's share capital, 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 22, 2014.

EIGHTH RESOLUTION
(Delegation of authority to the Board of Directors to issue regular company shares, equity securities granting access to other equity securities or granting the right to the allocation of debt securities, marketable securities granting access to equity securities to be issued, with preservation of preferential subscription rights)
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' special report, pursuant to the terms of Articles L.225-129 and following of the Commercial Code, in particular Article L.225-129-2, and of Articles L.228-91 and following of said Code:
1) Grants the Board of Directors its authority to decide, should it be deemed beneficial, to issue, one or more times, in the proportions and at the times that it deems necessary, with preservation of shareholders' preferential subscription rights:
- regular company shares,
- equity securities granting access, immediately or in the future, to other equity securities of the company or granting the right to the allocation of debt securities,
- marketable securities granting access to equity securities of the company to be issued,

with the stipulation that these shares, equity securities and marketable securities may be issued free of charge or for a fee, in France or in other countries, in euros, in foreign currency or in any other unit of account established in reference to more than one currency;

2) Decides to set at a maximum nominal amount of eight (8) million euros the overall ceiling for capital increases which may be carried out by virtue of this delegation; with the stipulation that this ceiling is common to all capital increases which may be carried out by virtue of the ninth and tenth resolutions of this general meeting, and that this is set not taking into account the nominal value of regular company shares to possibly be issued in order to protect the holders of rights attached to securities and marketable securities granting access to the company's share capital;

3) Decides to set at fifteen (15) million euros the total maximum nominal amount of debt securities granting access to equity securities of the company which may be issued by virtue of this delegation, or at the equivalent value of this amount in the event of an issue in foreign currency or in a unit of account established in reference to more than one currency; with the stipulation that this amount is common to the debt securities granting access to equity securities of the company which may be issued by virtue of the ninth and tenth resolutions of this general meeting;

4) Decides that as shareholders have, in proportion to their amount of shares, an irreducible preferential subscription right to the securities and marketable securities which may be issued by virtue of this delegation, the Board of Directors shall also have the ability to apply a reducible subscription right in proportion to the rights of shareholders and according to their requests. If irreducible subscriptions and, if need be, reducible subscriptions have not absorbed a capital increase in full, the Board of Directors may use one or more of the following authorizations, according to the conditions prescribed by law and in the order determined by the Board of Directors:

- limit the amount of the capital increase to the amount of subscriptions, so long as the latter reach at least three quarters of the capital increase decided upon,
- freely allocate all or a portion of the shares, equity securities and/or marketable securities not subscribed to,
- offer to the public all or a portion of the shares, equity securities and/or marketable securities not subscribed to.

5) Moves that this delegation expressly includes, in favor of holders of securities and marketable securities granting access to the company's share capital which may be issued, the renunciation of shareholders of their preferential subscription right to the equity securities to which these securities and marketable securities give the right;

6) Decides that the Board of Directors may, should it be deemed beneficial, use this delegation during a public offer period with respect to the company;

7) Decides that the Board of Directors shall have all powers, with powers to subdelegate according to the conditions prescribed by law, to implement this delegation, particularly with regard to: setting the terms of each issue; determining the dates and terms of the issues, as well as the form and characteristics of the shares, equity securities and/or marketable securities to be issued; deciding upon, in the event of an issue of debt securities granting access to equity securities of the company, their subordinated or non-subordinated nature, setting their interest rate, their duration, the redemption price and the other issue and redemption terms according to market conditions, as well as the conditions according to which these securities give the holder the right to equity securities of the company; certifying the issue price of the shares, equity securities and/or marketable securities to be issued; setting the amounts to be issued and the subscription dates; setting the income accrual date (even if retroactive) of the securities to be issued, and determining their settlement method; setting the terms for the exercise of rights attached to the equity securities and/or marketable to be issued and, if need be, stipulating the market buyback conditions, as well as the ability to suspend the exercise of these rights; setting the terms according to which the preservation of the rights of holders of equity securities and/or marketable securities granting access to the company's share capital will be preserved, pursuant to legal and regulatory provisions; calculating the capital increase costs on the amount of related premiums and deducting from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital following each capital increase; generally taking all useful measures and making all arrangements, making any agreement or pact required for the successful completion of the issues planned upon; certifying the completion of each capital increase and proceeding with corresponding modifications to the bylaws;

8) Sets at twenty-six (26) months, as of the date of this meeting, the period during which this delegation may be used by the Board of Directors.

NINTH RESOLUTION

(Delegation of authority to the Board of Directors to issue regular company shares, equity securities granting access to other equity securities or granting the right to the allocation of debt securities, marketable securities granting access to equity securities to be issued, with removal of preferential subscription rights, as part of a public offer or offers)

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' special report, and pursuant to the terms of Articles L.225-129 and following of the Commercial Code, in particular Articles L.225-129-2, L.225-135, L.225-136, L.225-148, and of Articles L.228-91 and following of said Code:

1) Grants the Board of Directors its authority to decide, as part of a public offer or offers, should it be deemed beneficial, to issue, one or more times, in the proportions and at the times that it deems necessary, with removal of shareholders' preferential subscription rights:

- regular company shares,
- equity securities granting access, immediately or in the future, to other equity securities of the company or granting the right to the allocation of debt securities,
- marketable securities granting access to equity securities of the company to be issued,

with the stipulation that these shares, equity securities and marketable securities may be issued in France or in other countries, in euros, in foreign currency or in any other unit of account established in reference to more than one currency;

2) Decides to set at a maximum nominal amount of eight (8) million euros the overall ceiling for capital increases which may be carried out by virtue of this delegation; with the stipulation that this ceiling is common to all capital increases which may be carried out by virtue of the eighth and tenth resolutions of this general meeting, and that this is set not taking into account the nominal value of regular company shares to possibly be issued in order to protect the holders of rights attached to securities and marketable securities granting access to the company's share capital;

3) Decides to set at fifteen (15) million euros the total maximum nominal amount of debt securities granting access to equity securities of the company which may be issued by virtue of this delegation, or at the equivalent value of this amount in the event of an issue in foreign currency or in a unit of account established in reference to more than one currency; with the stipulation that this amount is common to the debt securities granting access to equity securities of the company which may be issued by virtue of the eighth and tenth resolutions of this general meeting;

4) Decides to remove the preferential subscription right of shareholders to the marketable securities to be issued, while allowing the Board of Directors the decision as to whether or not to stipulate, for all or a portion of each issue, a subscription priority period in favor of shareholders according to the terms it would set pursuant to applicable legal and regulatory provisions. This priority period would not result in the creation of negotiable rights but could, should the Board of Directors deem it beneficial, be exercised for both irreducible and/or reducible amounts;

5) Decides that if subscriptions, including if need be those by shareholders, have not absorbed the capital increase in full, the Board of Directors may use one and/or the other of the following authorizations, according to the conditions prescribed by law and in the order determined by the Board of Directors:

- limit the amount of the capital increase to the amount of subscriptions, so long as the latter reach at least three quarters of the capital increase decided upon,
- freely allocate all or a portion of the shares, equity securities and/or marketable securities not subscribed to.

6) Moves that this delegation includes, in favor of holders of securities and marketable securities granting access to the company's share capital which may be issued, the renunciation of shareholders of their preferential subscription right to the equity securities to which these marketable securities give the right;

7) Decides that the issue price of the equity securities to be issued will be determined pursuant to Article L.225-136 of the Commercial Code;

8) Decides that the Board of Directors may, should it be deemed beneficial, use this delegation during a public offer period with respect to the company;

9) Decides that the Board of Directors may use this delegation to remunerate securities submitted to the company as part of a public exchange offer initiated by the company on the securities of a company whose shares are traded in a regulated market as stipulated by Article L.225-148 of the Commercial Code and decide to remove, in favor of the holders of these securities, the preferential subscription right of shareholders to the securities and/or marketable securities to be issued by the company. The Board of Directors shall have all powers, with powers to subdelegate according to the conditions prescribed by law, to determine the exchange parity as well as, if need be, the amount of the cash adjustment to be paid; certify the number of securities submitted in the exchange; determine the dates and issue conditions, particularly with respect to the price and income accrual date of the securities and/or marketable securities to be issued; set the amounts to be issued; post to a contribution premium account under balance sheet liabilities, to which the rights of all shareholders would apply, the difference between the issue price of shares and their nominal value; and proceed, if need be, with calculation on said contribution premium of all costs and rights resulting from the authorized transaction;

10) Decides that the Board of Directors shall have all powers, with powers to subdelegate according to the conditions prescribed by law, to implement this delegation, particularly with regard to: setting the terms of each issue; determining the dates and terms of the issues, as well as the form and characteristics of the shares, equity securities and/or marketable securities to be issued; deciding upon, in the event of an issue of debt securities granting access to equity securities of the company, their subordinated or non-subordinated nature, setting their interest rate, their duration, the redemption price and the other issue and redemption terms according to market conditions, as well as the conditions according to which these securities give the holder the right to equity securities of the company; certifying the issue price of the shares, equity securities and/or marketable securities to be issued; setting the amounts to be issued and the subscription dates;

setting the income accrual date (even if retroactive) of the securities to be issued, and determining their settlement method; setting the terms for the exercise of rights attached to the equity securities and/or marketable securities to be issued and, if need be, stipulating the market buyback conditions, as well as the ability to suspend the exercise of these rights; setting the terms according to which the preservation of the rights of holders of equity securities and/or marketable securities granting access to the company's share capital will be preserved, pursuant to legal and regulatory provisions; calculating the capital increase costs on the amount of related premiums and deducting from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital following each capital increase; generally taking all useful measures and making all arrangements, making any agreement or pact required for the successful completion of the issues planned upon; certifying the completion of each capital increase and proceeding with corresponding modifications to the bylaws;

11) Sets at twenty-six (26) months, as of the date of this meeting, the period during which this delegation may be used by the Board of Directors.

TENTH RESOLUTION

(Delegation of authority to the Board of Directors to issue regular company shares, equity securities granting access to other equity securities or granting the right to the allocation of debt securities, marketable securities granting access to equity securities to be issued, with removal of preferential subscription rights, as part of an offer or offers stipulated in part II of Article L.411-2 of the Monetary and Financial Code)

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' special report, and pursuant to the terms of Articles L.225-129 and following of the Commercial Code, in particular Articles L.225-129-2, L.225-135, L.225-136, and of Articles L.228-91 and following of said Code, as well as of part II of Article L.411-2 of the Monetary and Financial Code:

1) Grants the Board of Directors its authority to decide, up to a maximum of 20% of the company's share capital per year, as part of an offer or offers stipulated in Article L.411-2 of the Monetary and Financial Code (namely an offer intended exclusively for (a) individuals providing the portfolio management investment service for third parties; or (b) qualified investors or a restricted group of investors, provided that such investors are acting on their own account), should it be deemed beneficial, to issue, one or more times, in the proportions and at the times that it deems necessary, with removal of shareholders' preferential subscription rights:

- regular company shares,
- equity securities granting access, immediately or in the future, to other equity securities of the company or granting the right to the allocation of debt securities,
- marketable securities granting access to equity securities of the company to be issued,

with the stipulation that these shares, equity securities and marketable securities may be issued in France or in other countries, in euros, in foreign currency or in any other unit of account established in reference to more than one currency;

2) Decides to set at a maximum nominal amount of eight (8) million euros the overall ceiling for capital increases which may be carried out by virtue of this delegation; with the stipulation that this ceiling is common to all capital increases which may be carried out by virtue of the eighth and ninth resolutions of this general meeting, and that this is set not taking into account the nominal value of regular company shares to possibly be issued in order to protect the holders of rights attached to securities and marketable securities granting access to the company's share capital;

3) Decides to set at fifteen (15) million euros the total maximum nominal amount of debt securities granting access to equity securities of the company which may be issued by virtue of this delegation, or at the equivalent value of this amount in the event of an issue in foreign currency or in a unit of account established in reference to more than one currency; with the stipulation that this amount is common to the debt securities granting access to equity securities of the company which may be issued by virtue of the eighth and ninth resolutions of this general meeting;

4) Decides to remove the preferential subscription right of shareholders to the shares, equity securities and marketable securities to be issued;

5) Decides that if subscriptions, including if need be those by shareholders, have not absorbed the capital increase in full, the Board of Directors may use one and/or the other of the following authorizations, according to the conditions prescribed by law and in the order determined by the Board of Directors:

- limit the amount of the capital increase to the amount of subscriptions, so long as the latter reach at least three quarters of the capital increase decided upon,
- freely allocate all or a portion of the shares, equity securities and/or marketable securities not subscribed to.

6) Moves that this delegation includes, in favor of holders of securities and marketable securities granting access to the company's share capital which may be issued, the renunciation of shareholders of their preferential subscription right to the equity securities to which these marketable securities give the right;

7) Decides that the issue price of the equity securities to be issued will be determined pursuant to Article L.225-136 of the Commercial Code;

8) Decides that the Board of Directors may, should it be deemed beneficial, use this delegation during a public offer period with respect to the company;

9) Decides that the Board of Directors may use this delegation to remunerate securities submitted to the company as part of a public exchange offer initiated by the company on the securities of a company whose shares are traded in a regulated market as stipulated by Article L.225-148 of the Commercial Code and decide to remove, in favor of the holders of these securities, the preferential subscription right of shareholders to the securities and/or marketable securities to be issued by the company. The Board of Directors shall have all powers, with powers to subdelegate according to the conditions prescribed by law, to determine the exchange parity as well as, if need be, the amount of the cash adjustment to be paid; certify the number of securities submitted in the exchange; determine the dates and issue conditions, particularly with respect to the price and income accrual date of the securities and/or marketable securities to be issued; set the amounts to be issued; post to a contribution premium account under balance sheet liabilities, to which the rights of all shareholders would apply, the difference between the issue price of shares and their nominal value; and proceed, if need be, with calculation on said contribution premium of all costs and rights resulting from the authorized transaction;

10) Decides that the Board of Directors shall have all powers, with powers to subdelegate according to the conditions prescribed by law, to implement this delegation, particularly with regard to: setting the terms of each issue; determining the dates and terms of the issues, as well as the form and characteristics of the shares, equity securities and/or marketable securities to be issued; deciding upon, in the event of an issue of debt securities granting access to equity securities of the company, their subordinated or non-subordinated nature, setting their interest rate, their duration, the redemption price and the other issue and redemption terms according to market conditions, as well as the conditions according to which these securities give the holder the right to equity securities of the company; certifying the issue price of the shares, equity securities and/or marketable securities to be issued; setting the amounts to be issued and the subscription dates; setting the income accrual date (even if retroactive) of the securities to be issued, and determining their settlement method; setting the terms for the exercise of rights attached to the equity securities and/or marketable to be issued and, if need be, stipulating the market buyback conditions, as well as the ability to suspend the exercise of these rights; setting the terms according to which the preservation of the rights of holders of equity securities and/or marketable securities granting access to the company's share capital will be preserved, pursuant to legal and regulatory provisions; calculating the capital increase costs on the amount of related premiums and deducting from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital following each capital increase; generally taking all useful measures and making all arrangements, making any agreement or pact required for the successful completion of the issues planned upon; certifying the completion of each capital increase and proceeding with corresponding modifications to the bylaws;

11) Sets at twenty-six (26) months, as of the date of this meeting, the period during which this delegation may be used by the Board of Directors.

ELEVENTH RESOLUTION

(Authorization to be granted to the Board of Directors to set the issue price of equity securities to be issued as part of a public offer or offers stipulated in part II of Article L.411-2 of the Monetary and Financial Code, up to a maximum of 10% of the company's share capital per year)

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' special report, and pursuant to the terms of Article L.225-136 of the Commercial Code:

1) Authorizes the Board of Directors, if using the delegations of authority set out in the ninth and tenth resolutions, to derogate from the price setting conditions stipulated in Article R.225-119 of the Commercial Code, up to a limit of 10% of the company's share capital per year, this percentage applying to an adjusted capital according to transactions affecting it subsequent to the date of this meeting, and to set the issue price of equity securities to be issued at a price at least equal to the weighted average of the trading prices on the last three (3) trading days preceding the date on which the issue price is set, possibly less a maximum reduction of 10%;

2) Decides that the nominal amount of capital increases decided upon by virtue of this resolution shall be calculated as part of the overall ceiling set in the seventeenth resolution of this meeting;

3) Sets at twenty-six (26) months, as of the date of this meeting, the period during which this authorization may be used by the Board of Directors;

4) Decides that the Board of Directors shall have all powers, with powers to subdelegate according to the conditions set by law, to implement this authorization;

5) Decides that the Board of Directors may, should it be deemed beneficial, use this authorization during a public offer period with respect to the company.

TWELFTH RESOLUTION
(Authorization to be granted to the Board of Directors to increase the amount of the issues which may be decided upon pursuant to the eighth, ninth and/or tenth resolutions, in the event of excess demand)
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' special report, and pursuant to the terms of Article L.225-135-1 of the Commercial Code:

1) Authorizes the Board of Directors, if using the delegations of authority set out in the eighth, ninth and tenth resolutions and if it has noted an excess subscription demand, to increase the number of securities to be issued, pursuant to the terms of Article R.225-118 of the Commercial Code;
2) Decides that the nominal amount of capital increases decided upon by virtue of this resolution shall be calculated as part of the overall ceiling set in the seventeenth resolution of this meeting;
3) Sets at twenty-six (26) months, as of the date of this meeting, the period during which this authorization may be used by the Board of Directors;
4) Decides that the Board of Directors shall have all powers, with powers to subdelegate according to the conditions set by law, to implement this authorization;
5) Decides that the Board of Directors may, should it be deemed beneficial, use this authorization during a public offer period with respect to the company.

THIRTEENTH RESOLUTION
(Delegation of powers to the Board of Directors to proceed with capital increases, in order to remunerate contributions in kind granted to the company and composed of equity securities or marketable securities granting access to capital)
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' special report, and pursuant to the terms of Article L.225-147 of the Commercial Code:

1) Grants to the Board of Directors all powers so that it may proceed, on the report of the Independent Auditor or Auditors stipulated in Article L.225-147 of the Commercial Code, with one or more increases of the company's share capital, via the issue of regular shares and/or of other securities granting access, immediately or in the future, to the company's share capital, in order to remunerate contributions in kind granted to the company and composed of equity securities or marketable securities granting access to capital, whereby the terms of Article L.225-148 are not applicable;
2) Decides to remove, in favor of holders of securities or marketable securities subject to contributions in kind, the preferential subscription right of shareholders to the securities or marketable securities issued by the company in remuneration for these contributions in kind;
3) Decides to set the maximum nominal amount of the capital increases which may be carried out immediately and/or in the future, by virtue of this delegation, at 10% of the company's share capital, at whatever time, this percentage applying to an adjusted capital according to transactions which may affect it subsequent to the date of this meeting;
4) Moves that this delegation entails the renunciation of shareholders of their preferential subscription rights to the equity securities to which the securities or marketable securities that will be issued by virtue of this delegation shall give them the right;
5) Decides that the Board of Directors may, should it be deemed beneficial, use this authorization during a public offer period with respect to the company;
6) Decides that the Board of Directors shall have all powers, with powers to subdelegate according to the conditions prescribed by law, to implement this delegation, particularly with regard to setting the issue conditions; certifying the list of equity securities or marketable securities submitted; setting the type and number of the shares or other securities to be issued, as well as their features and issue terms; setting the terms according to which the preservation of the rights of holders of securities or marketable securities granting access to the company's share capital will be ensured; ruling upon the valuation of the contributions and the granting of specific benefits, on the report of the Independent Auditor or Auditors stipulated in Article L.225-147 of the Commercial Code; calculating the capital increase costs on the amount of related contribution premiums and deducting from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital following each capital increase; certifying the execution of the capital increase and proceeding with corresponding modifications to the bylaws and, generally, to proceed with all formalities and declarations and request any authorizations required for the accomplishment of these contributions;
7) Sets at twenty-six (26) months, as of the date of this meeting, the duration of validity of the delegation subject to this resolution.

FOURTEENTH RESOLUTION

(Delegation of powers to the Board of Directors to grant stock options to salaried employees and/or legal representatives of the company and/or of related companies)

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' special report, and pursuant to the terms of Articles L.225-177 and following of the Commercial Code:

1) Authorizes the Board of Directors, should it be deemed beneficial, to grant to salaried employees and/or legal representatives of the company and/or of companies stipulated in Article L.225-180 of the Commercial Code, or to some of the aforementioned parties, options granting the right to subscription to company shares to be issued by way of increasing the company's share capital, up to a limit of a maximum overall nominal amount of six hundred thousand (600,000) euros;

2) Decides that this authorization, which the Board of Directors may use one or more times, is granted for a period of thirty-eight (38) months from the date of this meeting;

3) Decides that the subscription price of shares shall be determined by the Board of Directors the day on which the options are granted. This price may not be less than 80% of the average trading prices on the last twenty trading days preceding the date on which the stock options are granted;

4) Decides that the subscription price of shares may not be modified during the options' duration. However, should the company carry out one of the financial transactions stipulated in Article L.225-181 of the Commercial Code, the Board of Directors must, in that case, take the steps required in order to protect the interests of the option beneficiaries, according to the conditions stipulated in legal and regulatory provisions;

5) Decides that the period during which options must be exercised may not exceed a period of ten (10) years from the date on which they are granted;

6) Decides that the Board of Directors may decide to prohibit the immediate resale of all or part of the shares, provided that the time limit during which the shares may not be sold does not exceed three (3) years following the option exercise date;

7) Moves that this delegation entails, in favor of the option beneficiaries, the express renunciation of shareholders of their preferential subscription right to the shares to be issued as options are exercised;

8) Grants all powers to the Board of Directors in order to set, within the legal and regulatory limits, and according to the limits set out above, the conditions according to which options shall be granted, and particularly with regard to: setting the dates on which the options shall be granted; certifying the list or the categories of beneficiaries according to what it judges to be best-suited in terms of ensuring the motivation and loyalty of the beneficiaries to whom these options are granted; setting the number of securities to be granted to each beneficiary; setting the exercise conditions for options; setting the available exercise periods for options; setting the holding period for options, if need be; certifying the execution of capital increases resulting from the exercise of stock options; proceeding with corresponding modifications to the bylaws; calculating the capital increase costs on the amount of related premiums and deducting from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital following each capital increase; and generally carrying out the required formalities and taking all steps required to implement this authorization.

FIFTEENTH RESOLUTION

(Delegation of powers to the Board of Directors to proceed with the bonus issue of company shares to salaried employees and/or legal representatives of the company and/or of related companies)

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' special report, and pursuant to Articles L.225-197-1 and following of the Commercial Code:

1) Authorizes the Board of Directors, should it be deemed beneficial, to grant to salaried employees and/or legal representatives of the company and/or of companies stipulated in Article L.225-197-2 of the Commercial Code, or to certain categories of the aforementioned parties, bonus issues of regular company shares, whether existing or to be issued;

2) Decides that the percentage of share capital which may be allocated by virtue of this authorization may not exceed 2%, this percentage being determined on the date of the allocation decision taken by the Board of Directors;

3) Decides that this authorization, which the Board of Directors may use one or more times, is granted for a period of thirty-eight (38) months from the date of this meeting;

4) Decides that the granting of shares to beneficiaries shall be definitive at the end of a vesting period, the duration of which shall be set by the Board of Directors, and which may not be less than two years. However, in the event of the invalidity of the beneficiary corresponding to the classification of the second or third of the categories stipulated in Article L.341-4 of the Social Security Code, the Board of Directors is authorized to stipulate the definitive allocation of shares prior to the end of the vesting period and for these invalid beneficiaries, the shares shall be freely transferable;

5) Decides that the minimum duration of the obligation to hold on to shares by beneficiaries, beginning from the definitive allocation of shares, shall be set by the Board of Directors, and shall not be less than two (2) years. Nevertheless, in the event whereby the Board of Directors were to set a duration at least equal to four (4) years for the vesting period, for all or a portion of the shares granted, this could reduce or remove the duration of the obligation to hold on to shares;

6) Decides that existing regular shares available for bonus issue by way of this authorization must be acquired by the company within the context of Articles L.225-208 and following of the Commercial Code;

7) Grants to the Board of Directors its authority to decide upon, at its own discretion, one or more capital increases, via the issue of regular shares, to be carried out by incorporation of reserves, net profits or issue premiums, up to a limit of a maximum global ceiling of 2% of the company's share capital, this percentage applying to an adjusted capital according to transactions which may affect it subsequent to the date of this meeting, which is calculated commensurately upon the aforementioned ceiling regarding the percentage of share capital which may be allocated by the Board of Directors by virtue of this authorization;

8) Moves that this authorization includes, in favor of the beneficiaries of bonus shares, the renunciation of shareholders of their preferential subscription right to the shares which may be issued as part of capital increases via incorporation of reserves, net profits or issue premiums, decided upon by the Board of Directors by virtue of this authorization, and to any rights to the fraction of reserves, net profits or issue premiums thereby incorporated into the capital, subject to the definitive allocation to beneficiaries of said shares at the end of the vesting period;

9) Grants all powers to the Board of Directors, within legal and regulatory limits and according to the limits set out above, to implement this authorization and, in particular: determine if the bonus shares shall be shares to be issued or existing shares; set the conditions and, if need be, the allocation criteria of shares; set the allocation dates, the vesting period, and the holding period for the shares; determine the identity of share allocation beneficiaries, the number of shares granted to each beneficiary and the allocation terms of the shares; decide the conditions according to which the number of shares granted as a bonus issue shall be adjusted, if need be, in the event of possible future transaction on the company's share capital, in order to preserve the rights of beneficiaries; set the issue conditions for the shares to be issued; take all measures, conclude any agreements, draft all documents; certify the capital increases following the definitive allocations, and modify the bylaws accordingly; carry out all legal formalities and all declarations with respect to any organizations, and generally to do whatever may be required.

SIXTEENTH RESOLUTION

(Delegation of authority to the Board of Directors to proceed with capital increases reserved for members of a company or group savings plan)

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' special report, and pursuant to the terms of Articles L.225-129 and following of the Commercial Code, in particular Articles L.225-129-2 and L.225-129-6, of Articles L.225-138 and L.225-138-1 of said Code as well as to the terms of Articles L.3332-1 and following of the Labor Code:

1) Grants to the Board of Directors its authority to proceed, should it be deemed beneficial, with one or more increases of the company's share capital, in the proportions and at the times of its choosing, by way of the issue of equity securities or marketable securities granting access to the company's share capital, reserved for salaried employees of the company and/or of the companies stipulated in Article L.225-180 of the Commercial Code, within the context of a company or group savings plan;

2) Decides to remove, in favor of members of a savings plan, the preferential subscription right of shareholders to the equity securities or marketable securities granting access to the company's share capital to be issued;

3) Sets at twenty-six (26) months, as of the date of this meeting, the duration of validity of this delegation;

4) Decides that the overall nominal amount of capital increases carried out by virtue of this delegation may not exceed 2% of the amount of the company's share capital on the date of the Board of Directors' decision;

5) Decides that the subscription price of equity securities or marketable securities granting access to the company's share capital issued by virtue of this delegation shall be determined by the Board of Directors pursuant to the terms of Articles L.3332-18 through L.3332-24 of the Labor Code;

6) Grants all powers to the Board of Directors to implement this delegation and, in particular: set the terms of each issue; determine the allocation conditions, according to legal conditions, including conditions of seniority; certify the list of beneficiaries as well as the number of equity securities or marketable securities granting access to the company's share capital which may be subscribed to per beneficiary; set, within the legal limits, the issue price of equity securities or marketable securities granting access to the company's share capital, as well as the time periods granted to beneficiaries for the exercise of their rights; set the number of equity securities or marketable securities granting access to the company's share capital to be issued, the duration of the subscription period and the accrual date of the equity securities or marketable securities granting access to capital; set the settlement timeframes and terms for the equity securities or

marketable securities granting access to capital; certify the execution of the capital increase or increases and proceed with corresponding modifications to the bylaws; calculate capital increase costs on the amount of related premiums and deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital following each capital increase; and generally to carry out all formalities and take all measures required for the execution of the capital increase or increases.

SEVENTEENTH RESOLUTION
(Determination of the overall ceiling for capital increases)
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, decides to set, pursuant to the terms of Article L.225-129-2 of the Commercial Code:

- at eight (8) million euros the overall maximum nominal amount of capital increases which may be carried out immediately or in the future by virtue of the delegations of authority, powers and/or authorizations granted according to terms of the eighth, ninth, tenth, eleventh, twelfth, thirteenth, fourteenth, fifteenth and sixteenth resolutions of this meeting; with the stipulation that this ceiling does not take into account the nominal amount of equity securities to possibly be issued in order to protect the holders of rights attached to the securities and marketable securities granting access to the company's share capital;
- at fifteen (15) million euros the overall maximum nominal amount of debt securities granting access to equity securities of the company which may be issued by virtue of the eighth, ninth and tenth resolutions of this meeting.

EIGHTEENTH RESOLUTION
(Harmonization of Article 14 of the bylaws relating to general meetings of shareholders)
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, decides to harmonize the company's bylaws with Decree 2014-1466 of December 8, 2014, which modified the date and the criteria for establishing the list of persons authorized to participate in a general meeting, and to therefore modify the final paragraph of Article 14 of the bylaws as follows, the rest of said Article remaining unchanged:

Former wording:
"Proof of the right to participate in general meetings is provided by way of registration of the securities held in the shareholder's name (or in the name of the intermediary registered on his or her behalf 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 registered securities accounts held by the company, or in the bearer securities accounts held by an authorized intermediary. For bearer securities, registration of securities in the accounts held by the authorized intermediary is certified by way of a shareholding certificate issued by said intermediary."

New wording:
"Proof of the right to participate in general meetings is provided by way of book entry of the securities held in the shareholder's name (or in the name of the intermediary registered on his or her behalf pursuant to Article L.228-1 of the Commercial Code), by the second working day preceding the meeting date at zero hour, Paris time, either in the registered securities accounts held by the company, or in the bearer securities accounts held by an authorized intermediary. For bearer securities, entry of securities in the bearer securities accounts held by the authorized intermediary is certified by way of a shareholding certificate issued by said intermediary."

NINETEENTH RESOLUTION
(Fulfillment of legal formalities relating to the 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, 2014 year-end financial statements, and to ask you to rule on resolutions which involve the granting of authorizations or delegations of authority or of powers to your Board of Directors.

The first four resolutions submitted to you involve the December 31, 2014 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 profit of €1,082,723.41, 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, 2014, having already been authorized by your Board of Directors.

The fifth 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.

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, 2015.

The acquisition, disposal or transfer of shares may be carried out at any time, 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 legal and regulatory provisions.

This authorization would be granted to your Board of Directors for a period of eighteen (18) months as of the date of this meeting, with the stipulation that your Board would have all powers with which to decide upon its implementation.

By the sixth 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 seventh 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 the share buyback program submitted to you in resolution five, 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 (24) 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 eighteen (18) months as of the date of this meeting.

By the eighth, ninth and tenth resolutions, we ask you to grant a delegation of authority to your Board of Directors with regard to deciding upon, should it be deemed beneficial, the issue of:

- regular company shares,
- equity securities granting access, immediately or in the future, to other equity securities of the company or granting the right to the allocation of debt securities,
- marketable securities granting access to equity securities of the company to be issued.

Your Board of Directors does not have any immediate plans in this regard, but wishes to have at its disposal these delegations of authority so as to be able, for example, to increase the company's share capital should this prove necessary, to accompany the development of the Guillemot Corporation Group's activities or in order to improve its financial standing. Such delegations of authority would allow your Board to proceed with these issues, with increased flexibility, and would give the company better control over the timeframe for carrying out these possible issues.

We therefore propose granting your Board delegations of authority with regard to deciding upon, should it be deemed beneficial, one or more issues:

- with preservation of preferential subscription rights, free of charge or for a fee, and in the latter case, up to a maximum nominal capital increase amount of eight (8) million euros (eighth resolution);
- with removal of preferential subscription rights, via public offer, up to a maximum nominal capital increase amount of eight (8) million euros, with the stipulation that your Board would have the ability whether or not to stipulate a priority subscription period in favor of shareholders (ninth resolution); and/or
- with removal of preferential subscription rights, in particular by way of private investment benefiting qualified investors or a restricted group of investors, up to a limit of 20% of the company's share capital per year, and up to a maximum nominal capital increase amount of eight (8) million euros (tenth resolution).

The overall ceiling for the capital increases which may be carried out by virtue of the eighth, ninth and tenth resolutions, whether immediately and/or in the future, may not exceed a nominal amount of eight (8) million euros; an amount to which shall be added, if need be, the nominal amount of additional shares to be issued in order to preserve the rights of holders of securities and marketable securities granting access to the company's capital.

The total nominal amount of debt securities granting access to equity securities which may be issued by virtue of the eighth, ninth and tenth resolutions may not exceed fifteen (15) million euros.

With regard to the issues with preservation of preferential subscription rights which may be decided upon within the context of the delegation relating to the eighth resolution, we propose granting your Board the right to confer a reducible preferential subscription right to the benefit of shareholders subscribing to a number of shares greater than that which they may subscribe to in a preferential manner, in proportion to the subscription rights to which they are entitled, and in any event, within the limit of their requests. In the event whereby irreducible subscriptions and, if need be, reducible subscriptions have not absorbed the capital increase in full, the Board of Directors would have recourse to the following options, or some of these options, in the order that it shall determine:

- limiting the amount of the capital increase to the amount of subscriptions, so long as the latter reaches at least three quarters of the capital increase decided upon,
- freely distributing all or a portion of the shares, equity securities and/or marketable securities not subscribed to,
- offering to the public all or a portion of the shares, equity securities and/or marketable securities not subscribed to.

With regard to capital increases with removal of preferential subscription rights relating to the ninth and tenth resolutions, in the event whereby subscriptions have not absorbed the capital increase in full, the Board would have recourse to the following options, or one of these options, in the order that it shall determine:

- limiting the amount of the capital increase to the amount of subscriptions, so long as the latter reaches at least three quarters of the capital increase decided upon,
- freely distributing all or a portion of the shares, equity securities and/or marketable securities not subscribed to.

In the event of an issue without preferential subscription rights, the issue price will be set and determined pursuant to the terms of Article L.225-136 of the Commercial Code, which is to say that it will be at least equal to the weighted average of the trading prices on the last three (3) trading days preceding the issue price being set, possibly reduced by a maximum reduction of 5%.

These eighth, ninth and tenth resolutions involve granting to your Board the greatest flexibility of action in acting in the company's interest. Your Board would have the ability to opt for the most favorable issue types and terms, given the wide variety of marketable securities and constantly evolving stock markets.

Within the limit of the delegations relating to the eighth, ninth and tenth resolutions which would be granted by your meeting for a period of twenty-six (26) months, the Board would have recourse to the powers required to set the issue terms, certify the execution of the resulting capital increases and proceed with corresponding modifications to the bylaws.

The eleventh resolution submitted for your consideration consists of authorizing your Board of Directors to set, up to a limit of 10% of the company's share capital per year, the issue price of equity securities which may be issued by virtue of the delegations of authority which would be granted to your Board as per the ninth and tenth resolutions.

The issue price would be at least equal to the weighted average of the trading prices on the last three (3) trading days preceding the issue price being set, possibly reduced by a maximum reduction of 10%.

This authorization would be granted to your Board for a period of twenty-six (26) months from the date of this meeting.

By the twelfth resolution, we propose granting to your Board of Directors an authorization to increase the amount of the issues which may be decided upon by virtue of the eighth, ninth and tenth resolutions, in the event of excess demand.

The number of securities could thereby be increased within thirty (30) days of the subscription ending, up to a limit of 15% of the initial issue and at the same price as that used for the initial issue.

This authorization would be granted to your Board for a period of twenty-six (26) months from the date of this meeting.

The thirteenth resolution submitted for your consideration consists of granting your Board of Directors all powers in order to proceed with capital increases, up to a limit of 10% of share capital, with a view to remunerating contributions in kind which may be granted to the company and composed of equity securities or marketable securities granting access to capital.

Your Board of Directors does not have any immediate plans in this regard, but this resolution would give the Board all powers to with respect to setting the issue conditions; certifying the list of equity securities or marketable securities submitted; setting the type and number of shares or other securities to be issued in remuneration for contributions, as well as their characteristics and terms of issue; deliberating upon the valuation of contributions; certifying the execution of the capital increase and proceeding with corresponding modifications to the bylaws; and, more generally, proceeding with all formalities and declarations and requesting all authorizations required for the successful completion of these contributions.

This authorization would entail the express renunciation of shareholders, in favor of holders of the securities subject to contributions in kind, of their preferential subscription right to the equity securities issued by the company in remuneration for these contributions in kind, and would be granted for a period of twenty-six (26) months as of the date of this meeting.

The fourteenth resolution submitted for your consideration aims to authorize your Board to grant, should it be deemed beneficial, stock options to salaried employees and/or legal representative Directors of the company and/or of related companies, or to certain of these individuals, in order to better integrate them into the company's future and increase their loyalty.

This authorization, which your Board of Directors would be able to use one or more times, would be granted for a duration of thirty-eight (38) months from the date of this meeting. It would entail, to the benefit of option beneficiaries, the express renunciation of shareholders of their preferential subscription right to the shares to be issued as options are exercised.

The subscription options would give the holders the right to subscribe to new shares to be issued with a view to increasing the company's share capital, up to a limit of an overall nominal amount of €600,000; or, for information purposes, 5.20% of the number of shares of which the company's share capital is composed as of the date of this report.

The subscription price would be determined by your Board on the day on which the options are granted. It may not be less than 80% of the average of the trading prices on the twenty (20) trading days preceding the date on which the stock options are granted.

The period during which the options must be exercised may not exceed ten (10) years from the date on which they are granted.

We therefore submit for your consideration a vote on a resolution with regard to granting your Board all powers with effect to setting, within the legal and regulatory limits and according to the limits set out above, the conditions according to which the stock options would be granted, the exercise conditions for the options, and the possible exercise periods for the options; certifying the execution of the capital increases resulting from the exercise of options and proceeding with corresponding modifications to the bylaws.

The fifteenth resolution submitted for your consideration would allow your Board to proceed, should it be deemed beneficial, with the bonus issue of regular company shares, either existing or to be issued, to the benefit of salaried employees and/or legal representative Directors of the company and/or of related companies, or to some of these individuals, in order to better integrate them into the company's future and increase their loyalty.

The percentage of share capital which could be made available for bonus issue by virtue of this authorization may not exceed 2% on the date of the Board of Directors' decision to grant the shares.

This authorization, which your Board of Directors would be able to use one or more times, would be granted for a period of thirty-eight (38) months from the date of this meeting and would entail, to the benefit of the recipients of these bonus shares, the express renunciation of shareholders of their preferential subscription right.

The granting of shares to beneficiaries would be definitive at the end of a vesting period, the minimum duration of which could not be less than two (2) years; with the stipulation that in the event of the invalidity of the beneficiary, the Board of Directors would be authorized to stipulate the definitive granting of shares before the end of the vesting period, and that for these invalid beneficiaries, the shares would be freely transferable.

The minimum duration for holding on to shares by beneficiaries, starting from the definitive granting of shares, would be set by your Board, and may not be less than two (2) years; with the stipulation that in the event whereby your Board were to set for the vesting period a duration at least equal to four (4) years, your Board would be able to reduce or remove the duration for holding on to shares by beneficiaries.

The shares that would be granted could be existing shares bought back previously for this purpose by the company within the context of a share buyback program, and/or new shares that would be issued within the context of capital increases to be carried out by way of incorporation of reserves, net profits or premiums. To this effect, we ask you to grant a delegation of authority to your Board of Directors in order to decide upon these types of capital increases, up to an overall ceiling of 2% of the company's share capital. This capital increase ceiling would be calculated on the ceiling relating to percentage of the company's share capital which may be allocated as a bonus issue as per this authorization. This authorization would entail the express renunciation of shareholders of their preferential subscription right to the new shares issued in the context of capital increases via incorporation of reserves, net profits or issue premiums to be decided upon by your Board by virtue of this authorization, subject to the definitive granting of bonus shares to beneficiaries at the end of the vesting period.

We therefore submit for your consideration a vote on a resolution with a view to granting your Board all powers, within the legal and regulatory limits and according to the limits set out above, to implement this authorization, and, in particular, to determine the conditions according to which the bonus shares would be granted; determine the allocation dates, the vesting period, and the holding period for shares; determine the issue conditions for the shares to be issued, if need be; certify the capital increases following the definitive granting of shares and proceed with corresponding modifications to the bylaws.

The sixteenth resolution submitted for your consideration would allow your Board, should it be deemed beneficial, to decide to proceed with capital increases, reserved for salaried employees of the company and of associated companies, within the context of a company or group savings plan.

This delegation would entail, to the benefit of members of a savings plan, the express renunciation of shareholders of their preferential subscription right to equity securities or marketable securities granting access to the company's share capital which may be issued, and would be granted to your Board of Directors for a period of twenty-six (26) months from the date of this meeting.

The total nominal amount of capital increases which may be carried out by virtue of this delegation may not exceed 2% of the amount of the company's share capital on the date of the Board of Directors' decision.

The subscription price would be determined by your Board pursuant to the terms of Articles L.3332-18 through L.3332-24 of the Labor Code. It may neither be more than the average of the trading prices on the twenty (20) trading days preceding the date of the decision by your Board setting the subscription's opening date, nor more than 20% less than this average, or 30% whereby the duration of unavailability stipulated by the plan pursuant to Articles L. 3332-25 and L.3332-26 is greater than or equal to ten (10) years.

This resolution would grant all powers to your Board in order to proceed, one or more times, with capital increases reserved for members of a company or group savings plan, set the issue conditions, determine the allocation conditions, certify the capital increases and proceed with corresponding modifications to the bylaws.

By the seventeenth resolution, we propose, pursuant to Article L.225-129-2 of the Commercial Code, setting the overall ceiling for the issues which may be decided upon by your Board of Directors by virtue of the delegations of authority or of powers to be granted to your Board of Directors following this general meeting.

With respect to the overall maximum nominal amount of capital increases which may be carried out by virtue of the eighth, ninth, tenth, eleventh, twelfth, thirteenth, fourteenth, fifteenth and sixteenth resolutions, whether immediately or in the future, the overall ceiling would be set at eight (8) million euros; with the stipulation that this ceiling does not take into account the nominal amount of equity securities to possibly be issued in order to protect the holders of rights attached to the securities and marketable securities granting access to the company's capital.

Regarding the overall maximum nominal amount of the debt securities granting access to equity securities of the company which may be issued by virtue of the eighth, ninth and tenth resolutions of this meeting, the overall ceiling would be set at fifteen (15) million euros.

By the eighteenth resolution, we ask that you modify Article 14 of the bylaws in order to harmonize this article with the terms of Decree 2014-1466 of December 8, 2014, which modified the date and the criteria for establishing the list of persons authorized to participate in a general meeting.

By the nineteenth 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 25, 2015,

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, 2014

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 and commitments 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- Comfort letter issued to the company Guillemot GmbH
Director involved: Mr. Claude Guillemot
Type and subject: On April 28, 2014, your company issued a comfort letter to its German subsidiary Guillemot GmbH (a commitment made with a view to ensuring that the company Guillemot GmbH would have the financial means with which to be able to meet all of its obligations with respect both to third parties, and to employees of Guillemot GmbH).

This agreement was approved by your Board of Directors on April 28, 2014.

2- Guarantee granted to the company Guillemot Ltd
Directors involved: Messrs. Claude, Michel, Yves, Gérard, Christian Guillemot
Type and subject: On May 27, 2014, your company granted a guarantee to its 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, 2013 audited by an independent auditor.
Terms: Guarantee of the liabilities of the company Guillemot Ltd at December 31, 2013 (amounting to £13,677), until such time as said liabilities are paid in full.

This agreement was approved by your Board of Directors on May 22, 2014.

3- Letter of support issued to the company Guillemot Limited
Directors involved: Messrs. Claude, Michel, Yves, Gérard, Christian Guillemot
Type and subject: On August 27, 2014, your company issued a letter of support to its English subsidiary Guillemot Limited in order that the latter might continue its activities in the United Kingdom.
Terms: Confirmation of intent granted to continue to provide financial support to the company Guillemot Limited for a period of twelve (12) months as of the approval date of the accounts of the latter for the fiscal year ended December 31, 2013.

This agreement was approved by your Board of Directors on August 27, 2014.

4- Distribution contract entered into with the companies Ubisoft Inc. and Ubisoft EMEA SAS
Director involved: Mr. Yves Guillemot
Type and subject: On October 30, 2014, your company entered into a tripartite distribution contract with the companies Ubisoft Inc. and Ubisoft EMEA SAS, relating to the purchase, by the company Guillemot Corporation S.A., from the companies Ubisoft Inc. and Ubisoft EMEA SAS, of copies of the video game The Crew with a view to reselling the same along with racing wheels sold by the company Guillemot Corporation S.A. In parallel, the company Guillemot Corporation S.A. would provide the companies Ubisoft Inc. and Ubisoft EMEA SAS with racing wheels and headsets in order that the latter companies would be able to put in place promotional activities regarding these racing wheels and headsets, as well as with respect to the Thrustmaster brand belonging to the company Guillemot Corporation S.A. The contract relates to the period from May 1, 2014 to June 2, 2015; with the stipulation that a six-month selloff period would be put in place in order to sell off the remaining inventory at June 2, 2015.
Terms: Purchases accounted for as expenses during the fiscal year amounted to €30,000.00 Net of Tax. Purchases accounted for as revenues during the fiscal year amounted to €48,629.11 Net of Tax. Marketing costs accounted for as expenses during the fiscal year amounted to €48,629.11 Net of Tax.

This agreement was approved by your Board of Directors on October 29, 2014, with retroactive effect from May 1, 2014.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements and commitments approved during previous fiscal years.

Pursuant to Article 225-40 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 fiscal years, continued during the past fiscal year.

1- Amendment to lease signed with the company Guillemot Administration et Logistique Sarl
Director involved: Mr. Christian Guillemot
Type and subject: On December 1, 2002, your company established a lease with the company Guillemot Administration et Logistique Sarl. This agreement was approved by your Board of Directors on November 29, 2002.
An initial amendment to said lease was signed on February 14, 2006, taking effect on March 1, 2006, modifying the area to 3,636 m², as well as the monthly rent to €6,561.40 Net of Tax.
This agreement was approved by your Board of Directors on February 7, 2006.
A second amendment to said lease was signed on September 14, 2007, taking effect on September 17, 2007, modifying the area to 5,466 m², as well as the monthly rent to €9,343.00 Net of Tax.
This agreement was approved by your Board of Directors on August 20, 2007.
Terms: Rent received over the fiscal year amounted to €112,116.00 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.
An amendment to said lease was signed 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.
This agreement was approved by your Board of Directors on October 24, 2012.
Terms: Rent received over the fiscal year amounted to €53,120 Net of Tax.

3- 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. This agreement was approved by your Board of Directors on July 1, 2010. 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.

4- 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. An amendment to said lease was signed on March 28, 2012, 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, pursuant to the terms of Article 1844-5 of the Civil Code, effective November 30, 2011. This agreement was approved by your Board of Directors on March 28, 2012. 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.

5- Lease signed with the company Guillemot Innovation Labs SAS
Director involved: Monsieur 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.
This agreement was approved by your Board of Directors on October 24, 2012.
Terms: Rent received over the fiscal year amounted to €2,241 Net of Tax.

6- Shareholders' current account advances waived with return to profits clause
Directors involved: Messrs. Claude, Michel, Yves, Gérard, Christian Guillemot
Type and subject: On August 26, 2002, Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot each granted your company a non-interest-bearing shareholder's current account advance in the amount of €999,999.42 (for a total of €4,999,997.10).
Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot waived the full amount of their claim on August 30, 2002, subject to a return to profits. Your company accepted this debt waiver, acknowledging that when it returned to profits, it would reimburse Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot for the principal amount of the waived debt, with the understanding that the amount which could be reimbursed to each of them annually could not exceed 4% of your company's annual net profit.
Terms: The amount of shareholders' current account advances waived with a return to profits clause remaining to be reimbursed at December 31, 2014 stood at €1,666,316.20.

7- Guarantee granted to the company Guillemot Limited
Directors involved: Messrs. Claude, Michel, Yves, Gérard, Christian Guillemot
Type and subject: On August 28, 2013, your company granted a guarantee to its English subsidiary Guillemot Limited 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 Limited 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.

Rennes, April 27, 2015

Independent Auditors

PricewaterhouseCoopers Audit
Yves Pelle

MB Audit SARL
Roland Travers

5 REPORT OF ONE OF THE INDEPENDENT AUDITORS, DESIGNATED AN INDEPENDENT THIRD-PARTY BODY, REGARDING THE CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT – FISCAL YEAR ENDED DECEMBER 31, 2014

GUILLEMOT CORPORATION S.A.
Place du Granier
BP 97143
35571 Chantepie Cedex

To shareholders of the company:

In our role as Independent Auditor of the company Guillemot Corporation S.A., designated as an independent third-party body and accredited by COFRAC (French Accreditation Committee) under number 3-1060[1], we present to you herewith our report on the consolidated social, environmental and societal information with regard to the fiscal year ended December 31, 2014, set out in the Management report (hereinafter the "CSR Information" – Corporate Social Responsibility), 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, prepared pursuant to the standards 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 September 2014 and March 2015, for a period of 3 weeks. To aid us in carrying out our work, we employed the services of our CSR experts.

We have carried out the work described hereinafter pursuant to the professional standard of practice governing services relating to the social and environmental information falling within the scope of the due diligence procedures directly related to the statutory auditor's duties (NEP 9090), 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[2] 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, 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 (broken down in the appendix):

- 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[3] 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 70% of the workforce, 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 sample 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.

Rennes, March 25, 2015

One of the Group's Independent Auditors
PricewaterhouseCoopers Audit

Yves Pelle Partner	Sylvain Lambert Partner, Sustainable Development Department

[1] The scope of which is available for consultation on the www.cofrac.fr website
[2] ISAE 3000 – *Assurance engagements other than audits or reviews of historical financial information*
[3] France: Carentoir and Rennes
Romania: Bucharest

Appendix: List of the information that we have considered to be the most important

Social information:

- Workforce and male/female breakdown, breakdown by age, breakdown by geographic zone,
- Number of hires and dismissals,
- Remuneration,
- % of part-time workers and number of extra hours worked,
- Number of leave days,
- Health and safety conditions in the workplace (qualitative),
- Number of work-related accidents,
- Policies implemented with regard to training (qualitative),
- Number of training hours,
- Male/female breakdown, male/female wage index.

Environmental information:

- Measures taken to prevent, recycle and eliminate waste (qualitative),
- Water consumption in m^3,
- Electricity consumption in kWh and fuel consumption.

Societal information:

- With respect to employment and regional development (qualitative),
- Taking into account of social and environmental issues in purchasing policies (qualitative),
- The importance of subcontracting and taking into account in relationships with suppliers and subcontractors of their social and environmental responsibility (qualitative),
- Measures taken to promote the health and safety of consumers (qualitative).

➢ 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-based 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.
- **May:** Launch of the T300 racing wheel, the first Force Feedback wheel licensed for PlayStation®4.

  The Group steps up its international expansion with strong sales progress in North America, and its accessories for the new consoles being carried by the largest American video game chain.
- **September:** Thrustmaster strengthens its presence in Japan and launches the Japanese version of its website, in order to foster closer ties with the Japanese community.

  The Group's sales take off in the Asia-Pacific region, and the Group reinforces its Asian presence.

  The Group's Hong Kong warehouse begins to firmly establish itself, allowing for direct deliveries to large international customers.
- **October:** Evolution of a significant portion of the Hercules DJ product line, with the launches of new controllers: DJConsole RMX 2 Black-Gold, DJControl AIR S Series, and DJControl AIR+ S Series.
- **November:** Launch of the Thrustmaster Score-A™ Wireless Gamepad, a truly connected gamepad for Android devices, allowing users to control games on tablets and smart TVs running the Android operating system.
- **December:** Launch of two racing wheel packs: the TX Racing Wheel on Xbox One™ and the T100 FFB on PC with the game The Crew™ from Ubisoft Entertainment, allowing gamers to fully immerse themselves in the

world of the game, and providing a gaming experience with incredibly lifelike sensations.

2015

- **January:** The new DJ controllers for "connected" DJs – Hercules Universal DJ and DJControl Jogvision (the first Hercules DJ controller to feature displays built into its jog wheels) – both receive the highly-coveted CES 2015 Innovation Award Honoree distinction for their unique ecosystem at the Las Vegas trade show.

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."

The general meeting of shareholders held on May 21, 2015 will be called upon rule on a draft resolution with a view to updating Article 14 of the company's bylaws following the publication of Decree 2014-1466 of December 8, 2014, which modified the date and the criteria for establishing the list of persons authorized to participate in a general meeting. The draft resolution is set out in paragraph 2 of the section entitled "Combined general meeting of shareholders held May 21, 2015."

Only general meetings are authorized to make changes to the rights of shareholders and the company's share 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 (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 share 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 this reference document, as well as reading through the 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 102 and 103 for the consolidated financial statements for the fiscal year ended December 31, 2014, and on pages 123 to 125 for the financial statements for the fiscal year ended December 31, 2014, which do not include any comments or reservations.

The Independent Auditors' reports on the consolidated financial statements and the financial statements for the fiscal year ended December 31, 2013 do not include any reservations, but the Independent Auditors' report on the consolidated financial statements for the fiscal year ended December 31, 2013 includes a comment regarding the impacts of 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' reports on the consolidated financial statements and the financial statements for the fiscal year ended December 31, 2012 do not include any reservations, 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.

Carentoir, April 28, 2015

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
Telephone: +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 concordance table 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 to the Council of November 4, 2003, effective July 1, 2005.

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.

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. 55
	Hiring and dismissals	p. 56
	Salaries and their evolution	p. 56
Labor organization	Organization of work time	p. 56
	Absenteeism	p. 56 and 57
Social relations	Organization of social dialogue, particularly with regard to information and consultation procedures for personnel, as well as worker negotiations	p. 57
	Overview of collective agreements	p. 57
Health and safety	Health and safety conditions in the workplace	p. 57 and 58
	Overview of agreements signed with trade unions or employee representatives regarding health and safety in the workplace	p. 58
	Work accidents, particularly with regard to their frequency and severity, as well as occupational diseases	p. 58
Training	Policies implemented with regard to training	p. 58
	Total number of training hours	p. 58
Equality of treatment	Measures taken to promote equality between women and men	p. 58 and 59
	Measures taken to promote employment and integration of disabled workers	p. 59
	Policies to combat discrimination	p. 59
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. 59
	Elimination of discrimination with respect to employment and occupation	p. 59
	Elimination of forced or compulsory labor	p. 59
	Effective abolition of child labor	p. 59

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. 60
	Training and information initiatives for employees regarding environmental protection	p. 60
	Steps taken toward prevention of environmental risks and pollution	p. 60
	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. 60
Pollution and waste management	Measures for preventing, reducing or remedying air, water and soil emissions which may severely affect the environment	p. 60
	Measures taken to prevent, recycle and eliminate waste	p. 60 and 61
	Taking into account of noise pollution and of any other form of pollution specific to an activity	p. 61
Sustainable use of resources	Water consumption and water supply in accordance with local constraints	p. 61
	Consumption of raw materials and measures taken to improve efficiency with respect to their use	p. 61
	Consumption of energy, measures taken to improve energy efficiency and use of renewable energy	p. 61 and 62
	Land use	p. 62
Climate change	Greenhouse gas emissions	p. 62
	Adapting to the consequences of climate change	p. 62
Protection of biodiversity	Measures taken to preserve or improve biodiversity	p. 63

INFORMATION REGARDING SOCIETAL COMMITMENTS PROMOTING SUSTAINABLE DEVELOPMENT		
Territorial, economic and social impact	With respect to employment and regional development	p. 63
	On local populations	p. 63
Relationships formed with persons or organizations interested in the company's activities	Terms of dialogue with these persons or organizations	p. 63
	Partnership and sponsorship actions	p. 63
Subcontracting and suppliers	Taking into account of social and environmental issues in purchasing policies	p. 64
	The importance of subcontracting and taking into account in relationships with suppliers and subcontractors of their social and environmental responsibility	p. 64
Fairness of practices	Actions undertaken to prevent corruption	p. 64
	Measures taken to promote the health and safety of consumers	p. 64
Other	Actions taken to support human rights	p. 64

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.

2015 FINANCIAL COMMUNICATIONS CALENDAR		
January 29, 2015	After stock market closing	Publication of 2014 annual sales figure
March 26, 2015	After stock market closing	Publication of annual results at 31/12/2014
April 29, 2015	After stock market closing	Publication of Q1 2015 sales figure and quarterly information
May 21, 2015	-	Annual general meeting of Guillemot Corporation S.A. shareholders
July 23, 2015	After stock market closing	Publication of 2015 half-year sales figure
September 23, 2015	After stock market closing	Publication of 2015 half-year results
October 29, 2015	After stock market closing	Publication of Q3 2015 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.

Connected object
Device which must be connected to another device in order to function.

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
Activity consisting of hosting parties by programming, mixing, adapting or revisiting music for an audience by way of private performances (for friends, family members, or in an association or work-related environment…), public performances (shows at bars, restaurants, pubs, for concerts or parties…) or remote performances (broadcasting via the Internet, radio, television…). The DJ's job is generally to get audience members dancing.

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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