

2017 ANNUAL RESULTS: STRONG GROWTH

Guillemot Corporation's financial statements for fiscal 2017, ended December 31, 2017, are broken down as follows: (Audited financial statements, approved by the Board of Directors' meeting held March 16, 2018, and Independent Auditors' report regarding certification are pending)

(in € millions) January 1, 2017 – December 31, 2017	31/12/2017	31/12/2016	Change
Turnover	80.4	64.2	+25%
<i>Thrustmaster</i>	75.7	53.2	+42%
<i>Hercules</i>	4.7	11.0	-57%
Current operating income	3.9	0.6	+550%
Operating income	5.9	0.7	+743%
Financial income*	13.8	2.7	+411%
Consolidated net income	17.5	3.1	+465%
Income per share	€1.19	€0.21	+467%

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

Activity, results and key balance sheet elements

The Group's annual turnover in 2017 amounted to €80.4 million, up 25%.

Current operating income amounted to €3.9 million, compared with €0.6 million for the previous fiscal year. Operating income of €5.9 million included a write-down reversal of €3 million on the Thrustmaster brand, and a write-down of €1 million on the Hercules brand. Financial income included a revaluation gain of €13.5 million on the 443,874 Ubisoft securities held by the Group, and a net Forex gain of €0.5 million for the year. Consolidated net income amounted to €17.5 million, compared with €3.1 million for the previous fiscal year.

The Group invested €4 million in its Research and Development activities in 2017, accounting for 5% of consolidated turnover.

Balance sheet elements

(in € millions)	31/12/2017	31/12/2016
Shareholders' equity	45.5	28.4
Inventories	8.4	10.4
Net indebtedness*	1.2	9.1
Current financial assets (MIS)	28.5	15.0

*Marketable Investment Securities (MIS) are not taken into account in calculating net indebtedness.

Shareholders' equity amounted to €45.5 million at December 31, 2017. Net indebtedness amounted to €1.2 million at December 31, 2017 (excluding the Group's portfolio of marketable investment securities), compared with €9.1 million at December 31, 2016.

Current financial assets composed of Ubisoft Entertainment securities increased to €28.5 million at December 31, 2017. The Group's inventories decreased to €8.4 million in 2017 compared with €10.4 million for the previous fiscal year, as a result of the steady increase in direct deliveries from Asia to the Group's main customers. Cashflow generated by operating activities amounted to €9.7 million in 2017.

Strategic areas of focus

The Group's strategy is to employ strong partnerships. Globally-recognized licenses, combined with cutting-edge technologies developed by the Group's Research and Development teams, allow its products to move upmarket and promote international expansion. These drivers allow the Group to provide passionate consumers with products incorporating exclusive features, and a high-end hardware ecosystem (Depth Feedback technology in the T-GT racing wheel for the game Gran Turismo Sport, patents on the cooling system for Force Feedback motors used in racing wheels including the TS-PC Racer and on the Group's unique H.E.A.R.T. technology, Air Control in the Hercules DJControl Jogvision mixing controller).

Prospects for 2018

The Group is expanding its ranges of products, and further increasing its global presence. The Group anticipates generating new growth in terms of both its turnover and its operating income.

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

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APPENDICES
(All entries are in €K)

Consolidated statement of income at December 31, 2017 year end

(in €K)	31.12.17	31.12.16
Net turnover	80,448	64,226
Purchases	-41,571	-27,002
External expenses	-14,899	-14,488
Personnel expenses	-8,254	-8,276
Taxes and duties	-358	-264
Depreciation and amortization	-3,155	-2,641
Provisions allowance	-2,870	-1,361
Changes in inventories	-87	-6,411
Other operating revenues	398	168
Other operating expenses	-5,707	-3,342
Current operating income	3,945	609
Other revenues from operations	3,000	1,000
Other expenses from operations	-1,000	-887
Operating income	5,945	722
Cash and cash equivalents revenues	7	1
Cost of gross financial debt	170	264
Cost of net financial debt	-163	-263
Other financial revenues	13,992	3,297
Other financial expenses	0	-321
Income tax expenses	-2,232	-376
Net income before minority interests	17,542	3,059
including net income from discontinued activities	0	0
Minority interest share	0	0
Group net income	17,542	3,059
Base earnings per share	1.19	0.21
Diluted earnings per share	1.15	0.20

Consolidated balance sheet at December 31, 2017 year end

ASSETS		
(in €K)	31.12.17	31.12.16
Goodwill	0	0
Intangible fixed assets	10,649	7,781
Tangible fixed assets	2,318	2,683
Financial assets	416	457
Tax assets	544	380
Deferred tax assets	0	0
Non-current assets	13,927	11,301
Inventories	8,367	10,369
Customers	23,913	21,703
Other receivables	1,348	1,497
Financial assets	28,470	15,003
Current tax assets	0	50
Cash and cash equivalents	10,294	2,164
Current assets	72,392	50,786
Total assets	86,319	62,087
LIABILITIES AND SHAREHOLDERS' EQUITY		
(in €K)	31.12.17	31.12.16
Capital (1)	11,554	11,554
Premiums (1)	10,472	10,472
Reserves and consolidated income (2)	23,162	5,634
Forex adjustments	281	705
Group shareholders' equity	45,469	28,365
Minority interests	0	0
Shareholders' equity	45,469	28,365
Personnel commitments/benefits	904	847
Loans	5,703	1,672
Other liabilities	0	972
Deferred tax liabilities	2,588	1,018
Non-current liabilities	9,195	4,509
Suppliers	15,376	13,395
Short-term loans	4,861	8,643
Fiscal liabilities	960	224
Other liabilities	9,455	6,175
Provisions	1,003	776
Current liabilities	31,655	29,213
Total liabilities and shareholders' equity	86,319	62,087

(1) Of the consolidated parent company

(2) Net income for the fiscal year: €+17,542K

Consolidated cashflow table at December 31, 2017 year end

(in €K)	31.12.17	31.12.16
Cashflow linked to operating activities		
Net income of integrated companies	17,542	3,059
+ Depreciation, amortization and provisions allowance (apart from that linked to current assets)	5,552	4,184
- Depreciation, amortization and provisions recovery	-3,460	-1,000
-/+ Unrealized gains and losses linked to changes in fair value	-13,467	-3,165
+/- Expenses and revenues linked to stock options	0	0
-/+ Net gain/loss on disposals	-2	-131
Deferred tax change	1,570	303
Cashflow after cost of net financial debt	7,735	3,250
Cost of net financial debt	163	263
Cashflow before cost of net financial debt	7,898	3,513
Cashflow Forex adjustment	-42	91
Inventories	2,002	6,966
Customers	-2,210	-6,827
Suppliers	1,981	-4,943
Other	189	63
Working capital requirements change	1,962	-4,741
Net cashflow linked to operating activities	9,655	-1,400
Cashflow linked to investments		
Intangible fixed asset acquisitions	-1,620	-1,442
Tangible fixed asset acquisitions	-667	-804
Intangible and tangible fixed asset disposals	2	2
Financial fixed asset acquisitions	-2	-33
Financial fixed asset disposals	0	547
Net cashflow on subsidiary acquisitions/disposals	0	0
Net cashflow linked to investment activities	-2,287	-1,730
Cashflow linked to financing activities		
Capital increase or cash contribution	568	0
Dividends paid to minority shareholders	0	0
Debt issuance	9,500	0
Shareholders' current account reimbursement	0	-424
Debt repayments	-3,157	-3,501
Other cashflow linked to financing activities	0	0
Total cashflow linked to financing activities	6,911	-3,925
Forex adjustment impact	-47	75
Cashflow change	14,232	-6,980
Net cashflow at fiscal year start	-3,953	3,027
Net cashflow at fiscal year end	10,279	-3,953