

## 2016 CONSOLIDATED HALF-YEAR RESULTS

The Guillemot Corporation Group's financial statements at June 30, 2016 are broken down as follows:

Q1 + Q2 (in € millions) January 1, 2016 – June 30, 2016	30/06/2016	30/06/2015	Change
Thrustmaster gaming accessories ranges	16.4	17.5	-6%
<b>Thrustmaster total</b>	<b>16.4</b>	<b>17.5</b>	<b>-6%</b>
Hercules digital devices	3.9	3.5	+11%
OEM*	0.2	0.4	-50%
<b>Hercules total</b>	<b>4.1</b>	<b>3.9</b>	<b>+5%</b>
<b>Total</b>	<b>20.5</b>	<b>21.4</b>	<b>-4%</b>
Current operating income	-3.2	-1.4	-
Operating income	-3.2	-1.4	-
Financial income**	2.8	0.2	-
Consolidated net income	-0.9	-1.2	-
Earnings per share	€-0.06	€-0.08	-

\* Accessories developed to accompany products of third-party companies (*Original Equipment Manufacturer*).

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

### Activity

During the first half of fiscal 2016, the Group posted sales of €20.5 million, down 4%, with 11% sales growth for Hercules digital devices to €3.9 million, and a 6% decrease in terms of sales of Thrustmaster gaming accessories to €16.4 million. Sales of racing wheels, which drive Thrustmaster's activity, decreased over the first half of the year, not benefiting from the launches of major new games, contrary to the previous fiscal year.

### Results

Over the period, the Group posted an operating loss of €3.2 million, the increase in which was due to increased marketing and sales-related investments over the year's first half, as well as lower Thrustmaster sales.

During the first half of the year, this resulted in a stronger presence at large international trade shows dedicated to the Group's product lines, in preparation for the run-up to the end of the year. All of these investments in terms of personnel, marketing and sales-related costs resulted in an overall increase of €1.1 million in costs for the first half of fiscal 2016. At the same time, the postponed launches of major titles in terms of car racing and flight simulation games on consoles and PC, originally scheduled for the first half of 2016, had the effect of a drop in demand for simulation accessories and lower sales, resulting in a decrease with respect to the Group's gross margin of €0.7 million.

Financial income amounted to €+2.8 million, owing to the higher share price of Ubisoft securities and the disposal of the remainder of Gameloft securities.

Over the period, consolidated net income was €-0.9 million.

### Main balance sheet elements:

(in € millions)	30/06/2016	31/12/2015
Shareholders' equity	24.5	25.2
Inventories	17.0	17.3
Net indebtedness (excluding MIS)*	13.7	6.1
Current financial assets (MIS share)	14.7	12.2

\* Marketable Investment Securities are not taken into account in calculating net indebtedness.

The Group's shareholders' equity amounted to €24.5 million at June 30, 2016. Its Gameloft shares were sold at €8 each during the first half of the year, resulting in a net disposal gain of €0.13 million. The net unrealized gain at June 30, 2016 amounted to €2.8 million for the Ubisoft Entertainment shares held by the Group. At June 30, 2016, the Group's net indebtedness excluding Marketable Investment Securities stood at €13.7 million, linked to the one-off increase in terms of working capital requirements as a result of higher inventory levels, with most end-of-year purchases having already been anticipated at this date.

## Flagship products for the end of the year

The Group has structured its end-of-year activities around the following products:

### ❖ **Thrustmaster**

- **Racing wheel ranges:** The Group has extended its lines of console racing wheels with the springtime launch of the TMX wheel for the Xbox One® console, which will be joined toward the end of the year by a limited-series TMX PRO version for some large customers. They are set to benefit from the launch on September 27 of the highly-anticipated game Forza Horizon 3. Two new Gran Turismo-licensed racing wheels were underway to accompany the latest version of the game upon its release, including a very high-end flagship wheel for the brand, which was unveiled at the announcement of the game GT Sport in London in May. The game's postponement until 2017 will result in a delayed launch for this wheel. This year's crop of car racing games, while not quite as strong as initially anticipated, will nevertheless feature exciting new titles thanks to the upcoming launches of WRC 6, Forza Horizon 3 and Sony's Driveclub VR for PlayStation®VR, in particular.
- **Joystick ranges:** Thrustmaster will be launching a complete line of simulation accessories toward the end of the year, including a rudder, throttle and joysticks (T.16000M FCS HOTAS, TFRP and T.16000M FCS), for PC and virtual reality games.

### ❖ **Hercules**

- **DJing range:** The new Hercules P32 DJ controller, featuring 32 digital pads allowing users to spice up their mixes with samples on the fly, was launched in the spring and will gain momentum in the latter part of the year. This controller excelled in a competition against the biggest brands in the sector, winning the DJ Mag Tech Award for the best controller under £600: the magazine also went out of its way to highlight the perfect match between the controller and its DJUCED™ 40° software, published by the company. The new DJControl Instinct P8, launched in September, lets beginner DJs get started in the world of remixing thanks to its eight pads.
- ❖ **Wireless speakers range:** A new outdoor model will very soon be added to Hercules' line of water-resistant speakers. It will be the perfect companion for the new iPhone® 7, which will feature water resistance for the first time.

## Prospects

The consoles market is set to be very dynamic in the run-up to the end of the year thanks to deliveries of Microsoft's new Xbox One® S console, and the launches of the new Sony PS4 Slim and PS4 Pro consoles – which will be accompanied by the PlayStation®VR virtual reality headset.

The postponement of the game GT Sport until 2017 obliges the Group to delay the launch of its Gran Turismo-licensed flagship racing wheel, originally set for release in late 2016, until next year as well.

The Group now forecasts sales in excess of €60 million for the fiscal year.

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 end users.

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**APPENDICES**  
(All entries are in €K)

**Consolidated net statement of income at June 30, 2016**

(All entries are in €K)	30.06.16	30.06.15
<b>Net sales</b>	20,464	21,441
Purchases	-9,800	-14,731
External expenses	-6,617	-5,461
Personnel expenses	-4,346	-3,664
Taxes and duties	-218	-176
Depreciation and amortization	-1,329	-1,241
Provisions allowance	-170	-420
Changes in inventories	-353	4,304
Other operating revenues	106	112
Other operating expenses	-926	-1,558
<b>Current operating income</b>	<b>-3,189</b>	<b>-1,394</b>
Other operations-related revenues	0	0
Other operations-related expenses	0	0
<b>Operating income</b>	<b>-3,189</b>	<b>-1,394</b>
Cash and cash equivalents revenues	1	0
Cost of gross financial debt	115	82
Cost of net financial debt	-114	-82
Other financial revenues	2,946	396
Other financial expenses	-56	-124
Income tax expenses	-466	-42
<b>Net income before minority interests</b>	<b>-879</b>	<b>-1,246</b>
<b>including net income from terminated activities</b>	<b>0</b>	<b>0</b>
Minority interest share	0	0
<b>Group net income</b>	<b>-879</b>	<b>-1,246</b>
Base earnings per share	€-0.06	€-0.08
Diluted earnings per share	€-0.06	€-0.08

## Consolidated balance sheet at June 30, 2016

ASSETS	Net 30.06.16	Net 31.12.15
<i>(All entries are in €K)</i>		
Excess fair market values	888	888
Intangible fixed assets	7,034	7,081
Tangible fixed assets	2,688	2,682
Financial assets	447	459
Income tax receivables	0	0
Deferred tax assets	0	0
<b>Non-current assets</b>	<b>11,057</b>	<b>11,110</b>
Inventories	17,036	17,336
Customers	10,398	14,876
Other receivables	1,438	1,445
Financial assets	14,652	12,250
Income tax receivables	334	329
Cash and cash equivalents	2,061	6,372
<b>Current assets</b>	<b>45,919</b>	<b>52,608</b>
<b>Total assets</b>	<b>56,976</b>	<b>63,718</b>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
	<b>30.06.16</b>	<b>31.12.15</b>
<i>(All entries are in €K)</i>		
Capital (1)	11,554	11,554
Premiums (1)	10,472	10,472
Reserves and consolidated income (2)	1,872	2,803
Forex adjustments	568	419
<b>Group shareholders' equity</b>	<b>24,466</b>	<b>25,248</b>
Minority interests	0	0
<b>Shareholders' equity</b>	<b>24,466</b>	<b>25,248</b>
Personnel commitments	660	589
Loans	2,928	4,182
Other liabilities	972	972
Deferred tax liabilities	1,154	715
<b>Non-current liabilities</b>	<b>5,714</b>	<b>6,458</b>
Suppliers	10,019	18,337
Short-term loans	11,893	6,870
Fiscal liabilities	302	273
Other liabilities	4,266	6,195
Provisions	316	337
<b>Current liabilities</b>	<b>26,796</b>	<b>32,012</b>
<b>Total liabilities and shareholders' equity</b>	<b>56,976</b>	<b>63,718</b>

(1) Of the consolidated parent company

(2) Net income for the fiscal year: €-879K

## Consolidated cashflow table at June 30, 2016

(All entries are in €K)	30.06.16	30.06.15
<b>Cashflow linked to operating activities</b>		
Net income of integrated companies	-879	-1,246
+ Depreciation, amortization and provisions allowance (excluding that linked to current assets)	1,428	1,571
- Depreciation, amortization and provisions recovery	-37	-23
-/+ Unrealized gains and losses linked to changes in fair value	-2,814	-396
+/- Expenses and revenues linked to stock options	0	0
-/+ Net gain/loss on disposals	-132	0
Deferred tax change	438	0
<b>Cashflow after cost of net financial debt</b>	<b>-1,996</b>	<b>-94</b>
Cost of net financial debt	114	82
<b>Cashflow before cost of net financial debt</b>	<b>-1,882</b>	<b>-12</b>
Cashflow Forex adjustment	17	-3
Inventories	299	-4,329
Customers	4,479	1,602
Suppliers	-8,318	2,490
Other	-1,605	561
<b>Working capital requirements change</b>	<b>-5,145</b>	<b>324</b>
<b>Net cashflow linked to operating activities</b>	<b>-7,124</b>	<b>227</b>
<b>Cashflow linked to investments</b>		
Intangible fixed asset acquisitions	-703	-1,049
Tangible fixed asset acquisitions	-392	-322
Intangible and tangible fixed asset disposals	2	6
Financial fixed asset acquisitions	-39	-4
Financial fixed asset disposals	544	0
Net cashflow on subsidiary acquisitions/disposals	0	0
<b>Net cashflow linked to investment activities</b>	<b>-588</b>	<b>-1,369</b>
<b>Cashflow linked to financing activities</b>		
Capital increase or cash contribution	0	0
Dividends paid to minority interests	0	-1
Debt issuance	0	0
Shareholders' current account reimbursement	-424	-271
Debt repayments	-1,916	-829
Other cashflow linked to financing activities	0	0
<b>Total cashflow linked to financing activities</b>	<b>-2,340</b>	<b>-1,101</b>
<b>Forex adjustment impact</b>	<b>49</b>	<b>10</b>
<b>Cashflow change</b>	<b>-10,003</b>	<b>-2,233</b>
Net cashflow at fiscal year start	3,027	-2,158
Net cashflow at fiscal year end	-6,975	-4,391