

2017 CONSOLIDATED HALF-YEAR RESULTS

The Guillemot Corporation Group's financial statements at June 30, 2017 are broken down as follows:

Q1 + Q2 (in € millions) January 1, 2017 – June 30, 2017	30/06/2017	30/06/2016	Change
Thrustmaster gaming accessories ranges	24.8	16.4	+51%
Thrustmaster total	24.8	16.4	+51%
Hercules digital devices	1.3	3.9	-67%
OEM*	0.4	0.2	+100%
Hercules total	1.7	4.1	-59%
Total turnover	26.5	20.5	+29%
Current operating income	-0.2	-3.2	-
Operating income	-0.2	-3.2	-
Financial income**	7.4	2.8	-
Income tax expenses	-1.1	-0.5	-
Consolidated net income	6.1	-0.9	-
Earnings per share	€0.41	€-0.06	-

* 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

The Group posted turnover of €26.5 million for the first half of fiscal 2017, up 29%. The Group is consolidating its growth in Europe, and is taking full advantage of Thrustmaster's international momentum, particularly in the North American region.

This growth accelerated during the second quarter, to +31%, with turnover of €15.1 million. Both wholesalers and retail and eTail chains are showing significant uptake with regard to Thrustmaster's new accessories for PC and game consoles, for the impending launches of blockbuster video games (Gran Turismo® Sport [to be launched on October 18], Forza Motorsport® 7, Project CARS® 2...) very highly anticipated by the communities of gamers on PS4™, Xbox One® and PC.

In line with forecasts, the definitive ending of the sale of multimedia speakers and webcam product lines resulted in a significant decrease in terms of Hercules' turnover over the first half of the year, the brand's activity now being exclusively focused on its DJing and WAE wireless speaker ranges.

Results

For the first half of the fiscal year, operating income amounted to €-0.2 million, compared with a loss of €3.2 million for the first half of fiscal 2016.

The increase in turnover combined with maintenance of the gross accounting margin rate above 50% and a very modest increase with respect to all expenses (+1%) have contributed to this nearly balanced result.

Financial income of €+7.4 million includes in particular an unrealized gain of €7 million linked to the revaluation of the Group's portfolio of Ubisoft Entertainment securities. Income tax expenses amounted to €1.1 million for the year's first half. Consolidated net income stood at €6.1 million, compared with a loss of €0.9 million for the first half of fiscal 2016.

Main balance sheet elements

(in € millions)	30/06/2017	31/12/2016
Shareholders' equity	34.2	28.4
Inventories	14.6	10.4
Net indebtedness (excluding MIS)*	7.7	9.1
Current financial assets (MIS share)	22.1	15.0

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

The Group's shareholders' equity increased to €34.2 million at June 30, 2017. At June 30, 2017, net indebtedness excluding Marketable Investment Securities (MIS) stood at €7.7 million. MIS were valued at €22.1 million at June 30, 2017. Despite the increase in inventories, the Group achieved a decrease in terms of its working capital requirements of €1.5 million.

Product launches for the end of the year

The end-of-year season for Thrustmaster and Hercules will be based around the launches of many new products:

❖ **Thrustmaster**

- **Racing wheels:** The launches of two new high-end racing wheels, combined with the releases of racing games on both PC and consoles, will ensure that Thrustmaster is well-positioned for the coming months.
 - Thrustmaster's new racing wheel for Xbox One® and Xbox One® X, the TS-XW Racer Sparco P310 Competition Mod, will be launched on October 7. Its wheel is a 1:1 scale replica of the genuine Sparco P310 Competition wheel, used in real race cars. Virtual racers on both Xbox One® and PC will be won over by the wheel's advanced technologies, allowing for the most accurate rendering of real-life racing sensations. This wheel firmly establishes the partnership between Thrustmaster and Sparco.
 - The T-GT wheel, available to the public since September 15, is Thrustmaster's ultimate racing simulator for the game Gran Turismo® Sport. The T-GT is a true powerhouse of major innovations with regard to eSports competition, based on three fundamental aspects: the customized motor system incorporated into the T-GT's servo base; exclusive innovations for Gran Turismo® Sport gameplay (T-DFB – transmission of depth feedback sensations via the steering column); and the T-GT's wheel, including four rotary selectors used to select settings in real time while racing.
- **Joysticks:** Thrustmaster will very shortly launch the T.Flight Hotas One – the first official flight simulator for Xbox One®, providing flight sim fans on the console with an absolutely unique experience.

❖ **Hercules**

Hercules is strengthening its innovation process by way of expanded development axes based around a “party” concept, employing a design thinking-oriented approach, and implementing a big data strategy for an in-depth understanding of the features and functions most important to its DJ users.

- **DJUCED™ software:** With the goal of fostering creativity without any limits, the DJUCED teams are releasing a new version of DJUCED™ 40°, 3.6, including an online streaming service which will give users access to more than 70,000 Hi-Res albums directly in the software. The partnership agreement will be announced on September 21. In October, Hercules will be the official sponsor of the BPM | PRO 2017 show in Birmingham, England, Europe's big DJ-related trade show for the autumn season, where it will unveil the latest developments in both its software and hardware ranges.

Prospects

The Group is combining the launches of its new high-end racing wheels with the releases of very highly-anticipated racing games on PC and the most recent game consoles, in order to equip the new generation of eSports and simulation gamers.

The Group confirms its forecast of double-digit sales growth, along with positive operating income for fiscal 2017.

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 net statement of income at June 30, 2017

(All entries are in €K)	30.06.17	30.06.16
Net turnover	26,538	20,464
Purchases	-18,104	-9,800
External expenses	-5,794	-6,617
Personnel expenses	-4,082	-4,346
Taxes and duties	-166	-218
Depreciation and amortization	-1,440	-1,329
Provisions allowance	-596	-170
Changes in inventories	4,995	-353
Other operating revenues	341	106
Other operating expenses	-1,917	-926
Current operating income	-225	-3,189
Other operations-related revenues	0	0
Other operations-related expenses	0	0
Operating income	-225	-3,189
Cash and cash equivalents revenues	1	1
Cost of gross financial debt	84	115
Cost of net financial debt	-83	-114
Other financial revenues	7,453	2,946
Other financial expenses	0	-56
Income tax expenses	-1,052	-466
Net income before minority interests	6,093	-879
including net income from terminated activities	0	0
Minority interest share	0	0
Group net income	6,093	-879
Base earnings per share	€0.41	€-0.06
Diluted earnings per share	€0.40	€-0.06

Consolidated balance sheet at June 30, 2017

ASSETS	Net 30.06.17	Net 31.12.16
<i>(All entries are in €K)</i>		
Excess fair market values	0	0
Intangible fixed assets	9,600	7,781
Tangible fixed assets	2,485	2,683
Financial assets	462	457
Income tax assets	415	380
Deferred tax assets	0	0
Non-current assets	12,962	11,301
Inventories	14,629	10,369
Customers	14,223	21,703
Other receivables	1,641	1,497
Financial assets	22,052	15,003
Cash and cash equivalents	2,408	2,164
Income tax assets receivables	0	50
Current assets	54,953	50,786
Total assets	67,915	62,087
LIABILITIES AND SHAREHOLDERS' EQUITY		
	30.06.17	31.12.16
<i>(All entries are in €K)</i>		
Capital (1)	11,554	11,554
Premiums (1)	10,472	10,472
Reserves and consolidated income (2)	11,735	5,634
Forex adjustments	414	705
Group shareholders' equity	34,175	28,365
Minority interests	0	0
Shareholders' equity	34,175	28,365
Personnel commitments	918	847
Loans	583	1,672
Other liabilities	972	972
Deferred tax liabilities	2,000	1,018
Non-current liabilities	4,473	4,509
Suppliers	14,199	13,395
Short-term loans	8,583	8,643
Fiscal liabilities	341	224
Other liabilities	5,873	6,175
Provisions	271	776
Current liabilities	29,267	29,213
Total liabilities and shareholders' equity	67,915	62,087

(1) Of the consolidated parent company

(2) Net income for the fiscal year: €+6,092K

Consolidated cashflow table at June 30, 2017

(All entries are in €K)	30.06.17	30.06.16
Cashflow linked to operating activities		
Net income of integrated companies	6,092	-879
+ Depreciation, amortization and provisions allowance (excluding that linked to current assets)	1,545	1,428
- Depreciation, amortization and provisions recovery	-502	-37
-/+ Unrealized gains and losses linked to changes in fair value	-7,049	-2,814
+/- Expenses and revenues linked to stock options	0	0
-/+ Net gain/loss on disposals	-2	-132
Deferred tax change	982	438
Cashflow after cost of net financial debt	1,066	-1,996
Cost of net financial debt	83	114
Cashflow before cost of net financial debt	1,149	-1,882
Cashflow Forex adjustment	-17	17
Inventories	-4,260	299
Customers	7,480	4,479
Suppliers	804	-8,318
Other	-2,475	-1,605
Working capital requirements change	1,549	-5,145
Net cashflow linked to operating activities	2,598	-7,124
Cashflow linked to investments		
Intangible fixed asset acquisitions	-946	-703
Tangible fixed asset acquisitions	-229	-392
Intangible and tangible fixed asset disposals	2	2
Financial fixed asset acquisitions	-2	-39
Financial fixed asset disposals	0	544
Net cashflow on subsidiary acquisitions/disposals	0	0
Net cashflow linked to investment activities	-1,175	-588
Cashflow linked to financing activities		
Capital increase or cash contribution	0	0
Dividends paid to minority interests	0	0
Debt issuance	0	0
Shareholders' current account reimbursement	0	-424
Debt repayments	-1,253	-1,916
Other cashflow linked to financing activities	0	0
Total cashflow linked to financing activities	-1,253	-2,340
Forex adjustment impact	-32	49
Cashflow change	138	-10,003
Net cashflow at fiscal year start	-3,953	3,027
Net cashflow at fiscal year end	-3,815	-6,975