



SUMMARY OF THE GUILLEMOT CORPORATION GROUP'S STANDING DURING THE FISCAL YEAR ENDED DECEMBER 31, 2011

1. STANDING OF THE COMPANY AND OF THE GROUP AND OF ITS ACTIVITIES DURING FISCAL 2011

In 2011, the Group continued to expand internationally, and now distributes its products in more than sixty countries worldwide.

1.1. Hercules

Audio range:

Hercules has strengthened its presence in the DJing market with the launch of the DJ Control AIR, a brand-new line of DJ headphones and new Home Studio speakers.

Following these successful launches, the Group will focus on wireless speakers. This value-added segment is expanding quickly, as the diversity of musical sources (tablets, smartphones, PC) is giving rise to a new dimension with respect to consumers' uses and needs in terms of mobility and freedom; and Hercules' audio expertise will allow it to respond effectively to these factors.

Webcam range:

The Group completely updated its range of webcams in 2011, focusing on high-definition technologies and redefining the graphic charter for its product packaging. Hercules launched its new line with the Hercules HD Twist at the CES trade show in Las Vegas. Representing a completely novel concept with its flexible base, this range of webcams features an innovative design and eye-catching colors, offering an emotional touch to consumers in search of originality. Initial reactions from customers and journalists has been highly positive.

WiFi/PLC range:

Hercules has rolled out its Power Line Communication product ranges in a variety of countries. The Mini lines have been experiencing great success, and the phenomenon of an increasing move toward digital connectedness allows for expansion at all levels of performance.

Hercules netbooks:

The new eCAFÉ™ range, launched in the second quarter of 2011, offers an ultra-portable computer with excellent battery life for under €200.

OEM:

The Group's OEM activity consists of manufacturing accessories for third parties, which are included along with their products. In 2011, the Group delivered a guitar cable allowing gamers to connect a real electric guitar to play the game RockSmith on the PlayStation®3 and Xbox 360® consoles.

1.2. Thrustmaster

Thrustmaster creates original new accessories for gaming fans.

This policy allows it to expand its customer base worldwide, and has seen accessories sales outside of Europe double over the year. Following the PlayStation®3 and PC, platforms for which the Group launched its Ferrari®-licensed F1 Integral racing wheel during the fourth quarter, along with its TH8 RS gear shifter, the brand has positioned itself in the Xbox 360® market as well with the Ferrari F458 wheel.

The Xbox 360® is an important axis of development for 2012, as the console is performing very well in the United States, England and some of the BRICS countries. A range of officially-licensed Sony® accessories for the new PlayStation® Vita console was released to coincide with the console's launch in Europe and the United States in late February 2012.

2. RESULTS OF COMPANY AND GROUP ACTIVITIES

Guillemot Corporation's consolidated financial statements for the fiscal year ended December 31, 2011 are broken down as follows:

In € millions	31/12/2011	31/12/2010
Sales	60.8	60.5
Current operating income*	0.3	1.7
Operating income	0.3	1.7
Financial income**	-2.7	-0.7
Consolidated net income	-2.5	0.8
Base earnings per share	€-0.17	€0.06
Inventories	10.9	10.8
Shareholders' equity	20.2	22.7
Net indebtedness (excluding MIS)***	1.1	1.8
Current financial assets (MIS)	4.8	7.3

* After stock options.

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

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

Consolidated annual sales for fiscal 2011 amounted to €60.8 million, representing an increase of 0.50% in relation to the previous fiscal year. Current operating income amounted to €0.3 million, compared with a gain of €1.7 million at December 31, 2010. It should be noted that Research and Development costs were fully accounted for as expenses during the fiscal year.

Financial income of €-2.7 million includes revaluation losses of €2.5 million on current financial assets (MIS), composed of Ubisoft Entertainment and Gameloft securities.

Net income for the fiscal year amounted to €-2.5 million, compared with €+0.8 million in 2010.

Current financial assets amounted to €4.8 million at December 31, 2011. They are composed of Ubisoft Entertainment and Gameloft securities.

Net indebtedness stood at €1.1 million (before Marketable Investment Securities).

Shareholders' equity went from €22.7 million to €20.2 million.

▪ Sales breakdown by sector of activity

(in € millions)	31.12.2011	31.12.2010	31.12.2009
Hercules	35.4	40.9	46.8
Standard product lines	32.3	37.8	32.5
Netbooks	0.7	2.2	8.4
OEM	2.4	0.9	5.9
Thrustmaster	25.4	19.6	14.4
Standard product lines	24.5	18.3	13.5
OEM	0.9	1.3	0.9
TOTAL	60.8	60.5	61.2

▪ Sales breakdown by geographic zone

(in € millions)	31.12.2011	31.12.2010	31.12.2009
France	18.8	20.4	25.3
European Union (excluding France)	25.9	28.4	28.0
Other	16.1	11.7	7.9
TOTAL	60.8	60.5	61.2

▪ Operating income breakdown by activity

(in € millions)	31.12.2011	31.12.2010	31.12.2009
Hercules	0.3	1.5	-0.6
Thrustmaster	0.0	0.2	-0.3
TOTAL	0.3	1.7	-0.9

3. PROGRESS MADE AND DIFFICULTIES ENCOUNTERED

Fiscal 2011 saw a slight increase in the Group's consolidated annual sales figure, to €60.8 million.

Market growth has moved on to new regions (the BRICS countries, the US, the Middle East...), and the Group has strengthened its sales teams and its marketing activities in these countries, resulting in a 37% increase in sales outside of Europe over the fiscal year.

Among the main progress achieved, the Group has continued to expand its geographic distribution coverage, and now distributes its products in more than sixty countries.

The T500RS racing wheel, a realistic simulator with official Gran Turismo®5 and PlayStation® licenses, became the new worldwide benchmark Force Feedback wheel in 2011.

Hercules has also extended its DJ range to include monitoring speakers and a line of headphones specially designed for DJs, in a quickly growing market which continues to expand to the general public.

Among the difficulties encountered, the third quarter was impacted by lower sales in Europe, following more difficult circumstances over the summer. Nonetheless, Hercules and Thrustmaster enjoyed good sales dynamics at the end of the year, allowing the Group to post slight overall growth.

The netbook market declined sharply in 2011, affected in particular by the arrival of tablets.

4. BUSINESS EVOLUTION ANALYSIS

The Group's sales increased by 0.50% in relation to the previous fiscal year, with an annual increase of 30% for the Thrustmaster brand, owing to the launch of original new accessories for gaming fans, compared with a decrease of 13% for Hercules, mainly impacted by lower netbook sales.

Current operating income for fiscal 2011 amounted to €0.3 million, compared with a gain of €1.7 million at December 31, 2010. It should be noted that Research and Development costs were fully accounted for as expenses over the fiscal year.

Financial income of €-2.7 million includes revaluation losses of €2.5 million on current financial assets (marketable investment securities), composed of Ubisoft Entertainment and Gameloft securities.

Net income amounted to €-2.5 million, compared with €0.8 million at December 31, 2010.

Inventories at fiscal year-end amounted to €10.9 million, compared with €10.8 million at December 31, 2010.

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. The Group has also renewed lines of credit and obtained new medium-term credit for an amount of €4.5 million, in order to finance the increase in its working capital requirements.

The Group's net indebtedness stood at €1.1 million at December 31, 2011 (excluding marketable investment securities), compared with net indebtedness of €1.8 million at December 31, 2010.

Moreover, the Group holds a share portfolio worth €4.8 million (valued at its fair value on December 31, 2011), to be used if needed to finance its investments.

5. FORESEEABLE EVOLUTION AND FUTURE PROSPECTS

The Group is building its future with the goal of constant innovation, and in markets offering attractive prospects. The Group's main objectives for 2012 are as follows:

- Continuing to roll out all Hercules and Thrustmaster product lines, to achieve complete and homogeneous coverage in all regions in which the Group is present,
- Maintaining a strong level of innovation and differentiation in all of its product lines,
- Consolidating its international position by successfully moving into new countries.

6. INFORMATION REGARDING THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

6.1. Statement of income

During the fiscal year, the Group posted consolidated sales of €60,784K, excluding taxes.

The main operating expenses were purchases for €32,395K.

External charges totaling €14,693K were mainly composed of transportation, publicity and marketing expenses.

Personnel expenses amounted to €9,178K, and depreciation and amortization provisions to €2,566K.

Taxes and duties amounted to €418K, and other revenues and expenses to €-1,852K.

Current operating income amounted to €303K.

Operating income amounted to €303K.

The net gearing cost stood at €155K, while other financial revenues and expenses totaled €-2,510K, including revaluation losses of €2,486K on Ubisoft Entertainment and Gameloft shares held.

After taking these elements into account, along with the tax charge of €176K, the Group's net income was €-2,538K.

Base income per share was €-0.17.

6.2. Balance sheet

Non-current assets are composed of net excess fair market values for €888K, net intangible fixed assets for €4,543K, net tangible fixed assets for €3,495K, and financial assets for €358K.

Current assets include the following elements:

- Inventories have a net value of €10,869K, taking into account inventory provisions of €2,261K.
- Trade accounts receivable amounted to a net value of €14,991K, taking into account a provision of €211K for doubtful accounts.
- The other receivables entry has a net value of €2,515K and mainly relates to tax receivables on added value and advance payments receivables.
- Financial assets amounted to €4,796K, and the cash and cash equivalents entry to €6,281K.
- Income tax assets stood at €28K.

Shareholders' equity amounted to €20,229K.

Non-current liabilities amounted to €4,454K, including €2,490K in loans.

Current liabilities amounted to €24,081K, including €3,209K in loans.

Cashflow linked to activities is broken down as follows:

	At 31.12.11
Net income of integrated companies	-2,538
+ Depreciation, amortization and provisions allowance	1,895
- Depreciation, amortization and provisions recovery	-248
-/+ Latent gains and losses linked to changes in fair value	2,486
+/- Expenses and revenues linked to stock options	87
-/+ Net gain/loss on disposals	-7
Deferred tax change	0
Cashflow after cost of net financial debt	1,675
Cost of net financial debt	155
Cashflow before cost of net financial debt	1,830
Cashflow Forex adjustment	-30
Working capital requirements change	145
Net cashflow linked to activities	1,790
Cashflow linked to investment activities	
Cash outflow and inflow on tangible and intangible fixed assets	-1,033
Cash outflow and inflow on financial fixed assets	-100
Net cashflow linked to investment activities	-1,133
Cashflow linked to financing activities	
Capital increase or cash contribution	70
Debt issuance	4,500
Shareholders' current account reimbursement	-436
Debt repayments	-1,534
Other cashflow linked to financing activities	0
Total cashflow linked to financing activities	2,600
Forex adjustment impact	8
Cashflow change	3,265
Net cashflow at fiscal year start	2,090
Net cashflow at fiscal year end	5,355

7. INFORMATION REGARDING GUILLEMOT CORPORATION S.A.'S FINANCIAL STATEMENTS

7.1. Statement of income

During the fiscal year, the company Guillemot Corporation posted sales of €60,820K.

Total operating revenues amounted to €62,037K.

The main operating expenses were purchases consumed for €33,367K, and external expenses for €22,999K.

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

Taxes and duties and personnel expenses amounted to €468K, and other expenses to €2,830K.

The amortization allowance amounted to €864K.

The allowance on provisions for current assets and for liabilities and expenses amounted to €618K.

Total operating revenues less all operating expenses resulted in operating income of €891K.

Taking into account financial income of €-3,707K, as well as the exceptional result of €-170K, net income amounted to €-2,986K.

Financial income is broken down as follows:

Forex differences	:	€-131 K
Interest/financial revenues and expenses	:	€-123 K
Income from MIS disposals	:	€-75 K
Provisions recoveries and allowances	:	€-3,378 K

Financial revenues are mainly composed of €80K in current account interest, and €39K 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 €153K, and current account interest charges for €32K.

Discounts granted amounted to €58K.

Net revenues on disposals of marketable investment securities in the amount of €-75K correspond to the result of the disposal of treasury stock securities within the context of the liquidity contract in effect.

Recoveries on the depreciation of securities amounted to €80K and relate to participating interests in subsidiaries for €25K, and securities of the company Air2Web (United States) for €55K. The latter were cancelled as part of a financial transaction with respect to the company Air2Web (United States).

Other recoveries on provisions correspond to provision recoveries on current account advances for a total amount of €56K, and various recoveries relating to unrealized Forex losses for the previous fiscal year of €132K.

Allowances for the depreciation of securities relate to Ubisoft Entertainment securities and treasury stock securities for €2,378K. Allowances for provisions on securities and current account advances of subsidiaries amounted to €809K.

The company Guillemot Corporation S.A. posted a provision of €327K 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	:	€0 K
Revenues and expenses on capital transactions	:	€-55 K
Provisions recoveries and allowances	:	€-115 K

The exceptional income on capital transactions corresponds to the removal of securities of the company Air2Web (United States).

The company posted an exceptional allowance of €150K, linked to a VAT customs amount due by a defaulting supplier and claimed from Guillemot Corporation by the administration.

The main performance results are as follows:

Fiscal year production	:	€60,829 K
Added value	:	€4,463 K
Earnings before interest, tax, depreciation and amortization	:	€3,995 K

7.2. Balance sheet

Net fixed assets amounted to €8,054K. This includes €2,781K in intangible fixed assets, €2,668K in tangible fixed assets and €2,605K in financial fixed assets.

The company has inventory with a net value of €8,947K.

The trade accounts receivable entry amounted to €16,429K, taking into account provisions for doubtful accounts of €124K.

Other receivables for a total net amount of €2,909K mainly include current account advances to subsidiaries for a net amount of €1,259K and VAT claims, including €701K in VAT credit reimbursement which has been requested.

Marketable investment securities represented a net amount of €4,780K.

Treasury stock shares held are broken down between financial fixed assets (132,619 shares) and marketable investment securities (150,091 shares). The net amount of these securities was €340K, after a provision of €375K.

Shareholders' equity amounted to €20,460K.

Debts and liabilities are broken down as follows:

DEBTS/LIABILITIES STATEMENT (In €K)	At 31.12.11
Financial institution loans	4,761
Bonds	0
Medium-term bank liabilities	56
Bank overdrafts and currency advances	911
Trade accounts payable	16,200
Tax and social security liabilities	163
Other liabilities	2,626
Fixed asset liabilities	127
Intercompany	1,059
TOTAL	25,903
Loans entered into during the fiscal year	4,500
Repaid during the fiscal year through bond conversion	0
Loans repaid during the fiscal year	1,534
Loans received from individuals	0

Cashflow linked to activities is broken down as follows:

(In €K)	At 31.12.11
Net income	-2,986
Amortization and provisions allowances and recoveries	4,181
Net gain/loss on disposals	55
Operating income	1,250
Operating requirements change	-112
Non-operating requirements change	-80
Working capital requirements change	-192
Cashflow linked to investment activities	
Intangible fixed asset acquisitions	-61
Tangible fixed asset acquisitions	-782
Intangible and tangible fixed asset disposals	0
Financial fixed asset acquisitions	-102
Financial fixed asset disposals	39
Subsidiary acquisitions/disposals	-3
Net cashflow linked to investment activities	-909
Capital increase or contribution	70
Debt issuance	4,500
Debt repayments	-1,534
Net cashflow linked to financing activities	3,036
Cashflow change	3,185
Net cashflow at fiscal year start	10,841
Net cashflow at fiscal year-end	14,026

8. INFORMATION REGARDING GUILLEMOT CORPORATION S.A.'S CAPITAL

At December 31, 2011, the closing date of the last fiscal year, subscribed capital amounted to €11,553,646.72, representing a total of 15,004,736 ordinary shares, fully paid, with a nominal value of €0.77 each.

At December 31, 2011, the Guillemot family Group directly and indirectly held 74.17% of capital, and 86.04% of the voting rights available for exercise during general meetings.

Shareholders	At 31/12/2011				At 31/12/2010			
	Number of securities	%	Number of voting rights (1)	%	Number of securities	%	Number of voting rights (1)	%
Members of the Guillemot family (2)	1,095,212	7.30%	2,171,142	8.42%	1,095,212	7.32%	2,171,142	8.43%
Guillemot Brothers S.A. (3)	10,034,030	66.87%	20,003,060	77.61%	10,034,030	67.05%	20,003,060	77.65%
Jointly	11,129,242	74.17%	22,174,202	86.04%	11,129,242	74.37%	22,174,202	86.07%
Treasury stock	282,710	1.88%	0	0.00%	256,174	1.71%	0	0.00%
Public	3,592,784	23.94%	3,598,204	13.96%	3,580,460	23.92%	3,587,379	13.93%
Total	15,004,736	100.00%	25,772,406	100.00%	14,965,876	100.00%	25,761,581	100.00%

(1) Voting rights exercisable during general meetings. Members of the Guillemot family and the company Guillemot Brothers S.A. benefit from double voting rights attached to some of their shares.

(2) Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot, Directors of Guillemot Corporation S.A., as well as two other members of the Guillemot family.

(3) 100% controlled by members of the Guillemot family.

9. WORKFORCE

The workforce in place at December 31, 2011 is broken down as follows:

	Parent company	French subsidiaries	Foreign subsidiaries	Total
Workforce at December 31, 2011	5	80	92	177
Open-term contract	5	76	92	173
Fixed-term contract	0	4	0	4

For the Group, the average workforce over the fiscal year amounted to 180 people.

The workforce at December 31, 2010 stood at 180 people; at December 31, 2009, the figure was 171 people.

10. FINANCIAL TABLE (ARTICLE R.225-102 OF THE COMMERCIAL CODE) OF THE COMPANY GUILLEMOT CORPORATION S.A.

Fiscal year	2011	2010	2009	2008	2007
Capital at fiscal year end (in €K)	11,554	11,524	11,524	11,524	11,519
Number of ordinary shares	15,004,736	14,965,876	14,965,876	14,965,876	14,959,176
Number of preference shares	0	0	0	0	0
Maximum number of shares to be created	1,892,438	1,992,438	2,031,298	2,131,298	1,634,464
Through bond conversion	0	0	0	0	0
Through stock option exercise	1,892,438	1,992,438	2,031,298	2,131,298	1,634,464
Through subscription rights exercise	0	0	0	0	0
Fiscal year transactions and results (in €K)					
Sales net of tax	60,820	59,668	61,237	50,162	43,303
Result before taxes, investments, allowances, provisions	1,195	3,960	-213	3,533	4,008
Corporate income tax	0	0	0	-19	-30
Employee participation	0	0	0	0	0
Result after taxes, investments, allowances, provisions	-2,986	1,744	308	1,823	5,182
Distributed result	0	0	0	0	0
Earnings per share (in €)					
Result after taxes, investments before allowances and provisions	0.08	0.26	-0.01	0.23	0.27
Result after taxes, investments, allowances and provisions	-0.20	0.12	0.02	0.12	0.35
Dividend allocated to each share	0	0	0	0	0
Workforce					
Average employee workforce*	5	5	5	5	5
Aggregate remuneration amount (in €K)	210	210	210	208	206
Payroll deductions and social benefits (in €K)	70	57	57	60	67

* Relates to legal representative Directors, Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot, who do not have employment contracts.