Guillemot
CORPORATION

REFERENCE DOCUMENT
INCLUDING THE **2011 ANNUAL FINANCIAL REPORT**

Hercules

THRUSTMASTER®

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

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CONTENTS

1. THE GUILLEMOT CORPORATION GROUP ---------- 6

1.1. HISTORY ---------- 6
1.2. GUILLEMOT CORPORATION'S ACTIVITIES ---------- 10
1.2.1. Hercules: employing high-performance technologies for innovative product lines ---------- 11
1.2.2. Thrustmaster: a solid video gaming tradition with a worldwide reputation ---------- 15
1.2.3. Strengthened positioning in all emerging countries ---------- 17
1.2.4. Many articles and awards worldwide: platforms for growth ---------- 17
1.3. KEY GROUP FIGURES AND INFORMATION BY SECTOR ---------- 20
1.3.1. Key Group figures ---------- 20
1.3.2. Information by sector ---------- 20
1.4. THE WORLDWIDE INTERACTIVE ENTERTAINMENT MARKET ---------- 22
1.4.1. The digital music, speakers and headphones market ---------- 23
1.4.2. The WiFi and Power Line Communication market ---------- 23
1.4.3. The webcam market ---------- 24
1.4.4. The PC and netbook market, and the boom in tablets ---------- 24
1.4.5. The market for Smart TVs and new gaming-enabled home gateway boxes ---------- 25
1.4.6. The game consoles market ---------- 26
1.4.7. The PC and consoles accessories market ---------- 28
1.5. A DENSE COMPETITIVE ENVIRONMENT ---------- 29
1.6. A DIVERSIFIED, INTERNATIONAL CUSTOMER BASE ---------- 30
1.7. SALES OBJECTIVES FOR FISCAL 2012 ---------- 31
1.8. QUARTERLY FINANCIAL INFORMATION ---------- 31
1.9. GROUP ORGANIZATIONAL CHART AT APRIL 18, 2012 ---------- 33

2. GENERAL INFORMATION REGARDING THE COMPANY AND ITS CAPITAL ---------- 34

2.1. GENERAL INFORMATION REGARDING THE ISSUER ---------- 34
2.1.1. Corporate name and commercial name ---------- 34
2.1.2. Legal form ---------- 34
2.1.3. Registered office ---------- 34
2.1.4. Nationality ---------- 34
2.1.5. Trade and companies register ---------- 34
2.1.6. Creation date and duration ---------- 34
2.1.7. Incorporating document and bylaws ---------- 34
2.1.8. Liquidating dividends ---------- 37
2.1.9. Change in control ---------- 37
2.1.10. Identifiable bearer securities ---------- 37
2.1.11. Consultation of documents and information regarding the company ---------- 37
2.2. GENERAL INFORMATION ABOUT THE COMPANY'S SHARE CAPITAL ---------- 37
2.2.1. Share capital ---------- 37
2.2.2. Share buyback program ---------- 38
2.2.3. Delegations of authority and of powers currently valid with respect to capital increases -- 39
2.2.4. Potential capital ---------- 39
2.2.5. Bonus shares ---------- 41
2.2.6. Shareholder commitments ---------- 41
2.2.7. Capital pledges ---------- 41
2.3. DIVIDEND DISTRIBUTION POLICY ---------- 41
2.4. IMPORTANT CONTRACTS ---------- 41
2.5. COMPANY STOCK EXCHANGE INFORMATION ---------- 41
2.5.1. Information regarding Guillemot Corporation shares ---------- 42
2.5.2. Guillemot Corporation share price evolution (in €) ---------- 42

3. RISK FACTORS ---------- 43

3.1. RISK LINKED TO SECTOR OF ACTIVITY ---------- 43
3.1.1. Technological risk ---------- 43
3.1.2. Procurement risk ---------- 43
3.1.3. Industry competition risk ---------- 43

3.1.4. Computer/game console manufacturers competition risk ---------- 43
3.1.5. Business seasonality risk ---------- 44
3.2. INDUSTRIAL AND ENVIRONMENTAL RISK ---------- 44
3.3. MARKET RISK ---------- 44
3.4. LIQUIDITY RISK ---------- 44
3.5. PROCUREMENT AND PRICE RISK ---------- 44
3.6. LEGAL RISK ---------- 44
3.7. OTHER RISKS ---------- 44
3.7.1. Risk linked to product sales and marketing methods ---------- 44
3.7.2. Country risk ---------- 44
3.7.3. Operational assets risk ---------- 44
3.7.4. Changes in regulations risk ---------- 44
3.7.5. Risk insurance and coverage ---------- 45

4. MANAGEMENT REPORT ---------- 46

4.1. ACTIVITIES AND RESULTS ---------- 46
4.1.1. Standing of the company, its Group and its activities during fiscal 2011 ---------- 46
4.1.2. Results of company and Group activities ---------- 47
4.1.3. Progress made and difficulties encountered ---------- 48
4.1.4. Business evolution analysis ---------- 48
4.1.5. Foreseeable evolution and future prospects ---------- 49
4.2. RESEARCH AND DEVELOPMENT ACTIVITIES ---------- 49
4.3. INVESTMENT POLICY ---------- 50
4.4. SIGNIFICANT CHANGES TO FINANCIAL OR COMMERCIAL STANDING SINCE THE END OF THE FISCAL YEAR ---------- 50
4.5. SIGNIFICANT EVENTS SINCE THE END OF THE FISCAL YEAR ---------- 50
4.6. MAIN RISKS TO WHICH GUILLEMOT CORPORATION IS EXPOSED ---------- 50
4.6.1. Market risks ---------- 50
4.6.2. Liquidity risks ---------- 52
4.6.3. Supply and price risk ---------- 52
4.6.4. Country risk ---------- 52
4.6.5. Legal risks ---------- 52
4.7. GUILLEMOT CORPORATION GROUP SUBSIDIARIES AND INVESTMENTS ---------- 53
4.7.1. Guillemot Corporation Group organizational chart at December 31, 2011 ---------- 53
4.7.2. Equity participation and divestments ---------- 53
4.7.3. Activities of the parent company and of its main subsidiaries ---------- 53
4.8. INFORMATION ON FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011 ---------- 55
4.8.1. The Group's consolidated financial statements ---------- 55
4.8.2. Guillemot Corporation S.A. financial statements ---------- 56
4.9. NET INCOME APPROPRIATION ---------- 59
4.10. NON-FISCALLY DEDUCTIBLE EXPENSES OR EXPENDITURES ---------- 59
4.11. INFORMATION REGARDING GUILLEMOT CORPORATION S.A.'S SHARE CAPITAL ---------- 59
4.11.1. Share capital breakdown at December 31, 2011 ---------- 59
4.11.2. Capital breakdown at December 31, 2011 ---------- 59
4.11.3. Treasury stock ---------- 59
4.11.4. Transactions stipulated in Article L.621-18-2 of the Monetary and Financial Code ---------- 60
4.11.5. Elements which may have an effect in the event of a public offering ---------- 60
4.12. INFORMATION REGARDING EXECUTIVE OFFICERS ---------- 61
4.12.1. Administrative body ---------- 61
4.12.2. Management body ---------- 62
4.12.3. Other positions held and functions carried out by members of administrative and management bodies during the fiscal year ended December 31, 2011 ---------- 62
4.12.4. Remuneration of members of administrative and management bodies ---------- 63
4.13. SOCIAL AND ENVIRONMENTAL INFORMATION ---------- 65
4.13.1. Social information ---------- 65
4.13.2. Social commitments ---------- 67
4.13.3. Environmental information ---------- 67
4.14. INDEPENDENT AUDITORS' VERIFICATION ---------- 69
4.15. MANAGEMENT REPORT APPENDICES ---------- 70

4.15.1. Financial table (Article R.225-102 of the Commercial Code) of the company Guillemot Corporation S.A. ---- 70
4.15.2. Special report on share subscription and purchase options (Article L.225-184 of the Commercial Code) ---- 71
4.15.3. Special report on bonus shares (Article L.225-197-4 of the Commercial Code) ---- 71
4.15.4. Share capital evolution chart since the creation of Guillemot Corporation S.A. ---- 72
4.15.5. Delegations of authority and of powers currently valid with respect to share capital increases ---- 74
4.15.6. 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) ---- 75

5. CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2011 ---- 84

5.1. CONSOLIDATED BALANCE SHEET ---- 84
5.2. STATEMENT OF NET INCOME AND GAINS AND LOSSES POSTED DIRECTLY UNDER SHAREHOLDERS' EQUITY ---- 85
5.3. CONSOLIDATED SHAREHOLDERS' EQUITY EVOLUTION ---- 86
5.4. CONSOLIDATED CASHFLOW TABLE ---- 87
5.5. APPENDICES TO CONSOLIDATED FINANCIAL STATEMENTS ---- 88
5.5.1. General information ---- 88
5.5.2. Significant events of the fiscal year ---- 88
5.5.3. Reference ---- 88
5.5.4. Main accounting methods ---- 88
5.5.5. Scope of consolidation ---- 93
5.5.6. Segment reporting ---- 94
5.5.7. Balance sheet account explanatory notes ---- 95
5.5.8. Statement of income explanatory notes ---- 102
5.6. POST-CLOSURE EVENTS ---- 107
5.7. DATA PERTAINING TO THE GUILLEMOT CORPORATION S.A. PARENT COMPANY ---- 107
5.8. FEES PAID TO INDEPENDENT AUDITORS AND MEMBERS OF THEIR NETWORKS ---- 108
5.9. INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS – FISCAL YEAR ENDED DECEMBER 31, 2011 ---- 109

6. FINANCIAL STATEMENTS AT DECEMBER 31, 2011 ---- 111

6.1. BALANCE SHEET ---- 111
6.2. STATEMENT OF INCOME ---- 112
6.3. SELECTED PERFORMANCE RESULTS ---- 112
6.4. CASHFLOW TABLE ---- 113
6.5. APPENDICES TO FINANCIAL STATEMENTS ---- 113
6.5.1. Significant events of the fiscal year ---- 113
6.5.2. Financial accounting reporting principles ---- 114
6.5.3. Financial accounting reporting policies and methods ---- 114
6.5.4. Balance sheet account explanatory notes ---- 116
6.5.5. Statement of income explanatory notes ---- 124
6.5.6. Post-closure events ---- 129
6.5.7. Proposed allocation of income ---- 129
6.6. INDEPENDENT AUDITORS' REPORT ON YEAR-END FINANCIAL STATEMENTS ---- 130
6.6.1. Independent Auditors' report on financial statements – Fiscal year ended December 31, 2011 ---- 130
6.6.2. Independent Auditors' Special Report on regulated agreements and commitments – Fiscal year ended December 31, 2011 ---- 131

7. COMPANY DIRECTORSHIP ---- 134

7.1. COMPANY DIRECTORSHIP ---- 134
7.1.1. Administrative and management bodies ---- 134
7.1.2. Other positions held and functions carried out within the Group by members of administrative and management bodies over the past five years ---- 134
7.1.3. Other positions held and functions carried out outside of the Group by members of administrative and management bodies over the past five years ---- 134
7.1.4. Remuneration of executive officers ---- 135
7.1.5. Transactions stipulated in Article L.621-18-2 of the Monetary and Financial Code ---- 138

7.1.6. Assorted information regarding executive officers ---------- 138
7.2. PREPARATORY AND ORGANIZATIONAL CONDITIONS FOR THE WORKINGS OF THE BOARD OF DIRECTORS AND INTERNAL CONTROL PROCEDURES ---------- 139
7.2.1. Report from the Chairman of the Board of Directors ---------- 139
7.2.2. Independent Auditors' report drafted pursuant to Article L.225-235 of the Commercial Code, on the report of the Chairman of the Board of Directors – Fiscal year ended December 31, 2011 ---------- 139

8. COMBINED GENERAL MEETING OF SHAREHOLDERS HELD MAY 24, 2012 ---------- 141

8.1. AGENDA ---------- 141
8.2. TEXT OF RESOLUTIONS ---------- 141
8.3. BOARD OF DIRECTORS' REPORT ---------- 144

9. CALENDAR OF EVENTS FOR THE CURRENT FISCAL YEAR ---------- 146

10. GLOSSARY ---------- 147

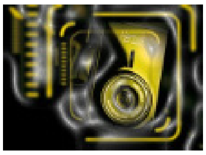
11. REFERENCE DOCUMENT ---------- 149

11.1. RESPONSIBILITY FOR REFERENCE DOCUMENT AND ATTESTATION ---------- 149
11.1.1. Responsibility for reference document ---------- 149
11.1.2. Declaration of responsibility for reference document ---------- 149
11.2. RESPONSIBILITY FOR INFORMATION – INFORMATION POLICY ---------- 150
11.2.1. Responsibility for information ---------- 150
11.2.2. Information policy – Documents accessible to the public ---------- 150
11.3. RESPONSIBILITY FOR INDEPENDENT AUDITORS' REPORTS ---------- 151
11.4. TABLE OF CONCORDANCE ---------- 152

12. ANNUAL FINANCIAL REPORT ---------- 156

1. THE GUILLEMOT CORPORATION GROUP

1.1. HISTORY



1984

- The Guillemot firm organizes its activities around the distribution of computer products.

1994-96

- 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

- **September 1**: 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

- **End of November**: Guillemot Corporation is successfully introduced into the New Market sector of the Paris Stock Exchange.

1999

- 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 group Thrustmaster®.
- 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

- The Group now organizes its activities around the two brand names Hercules® for PC hardware, and Thrustmaster® for PC and console gaming accessories.

2001

- **August**: The Group focuses its activities on the design of interactive entertainment hardware and accessories and the related software.

2002

- **January 10**: 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.
- **June**: Significant restructuring is undertaken in order to significantly reduce the Group's breakeven point.
- **August**: 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

- 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.
- **December**: A new capital increase worth €13.8 million is carried out via the contribution of 5 million listed securities of the company Gameloft.

2004

- **February**: The Guillemot Group exits the market for graphics boards and flat panel monitors, a sector in which its margins had been greatly reduced. Guillemot Corporation decides to concentrate on its product lines with higher added value.
- **November**: The Group announces the launch of a range of WiFi 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.

The Group focuses its Research and Development investments on the development of the product lines based on the new strategic axes it has defined:

- The WiFi range, which has received the highest awards in Europe,
- The new range of webcams, which has performed brilliantly in its entry into the market,
- The digital music range, which has enabled Hercules to reposition itself among the leading brands in this sector in terms of quality, both for speakers and DJing products,
- Accessories for the new game consoles, with the range of accessories for PSP having resulted in an early success for Thrustmaster in this market.

2006

- **January 31**: The Group publishes its annual consolidated sales figure for fiscal 2005, amounting to €21.2 million.
- **February**: Hercules begins marketing new WiFi adapters optimized to facilitate connections to Livebox® from Wanadoo, featuring France Telecom's "OK Livebox" certification.
- **April**: The Group launches the Fun Access® WiFi USB key for PSP, a highly innovative product allowing Sony® PSP game consoles to directly connect to the Internet for online gaming.
- **July**: Hercules launches a new line of speakers with three new models, and releases a new high-end Hercules webcam.
- **July 28**: The Group publishes its consolidated half-year sales figure, up 57% to €11.6 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 multiformat 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.
- **September**: Hercules releases two new webcams; Thrustmaster expands its ranges of accessories for Wii®; and a new line of Hercules multimedia speakers is launched – XPS Lounge.
- **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 dedicated to 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%.
- **February**: Hercules launches its new webcam, the Hercules Dualpix Chat and Show, which includes innovative functions.
- **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.
- **April**: Hercules strengthens its presence in the webcam market with the release of the Hercules Classic Link.
- **August**: Launch of the new community website, the Hercules DJ MIX ROOM, a meeting place for DJs from around the world. Release of the Thrustmaster Glow Saber Duo Pack NW for Wii® gamers. Thrustmaster continues to refresh its line of joysticks with the T-Flight HOTAS X, a HOTAS model featuring presets for the most popular flight simulation games on the market.
- **August 29**: The Group publishes its half-year results, and announces the launch of the new eCAFÉ™ UMPC range from Hercules.
- **September**: Launch of the first product in the new Hercules eCAFÉ™ range, responding to new lifestyle trends among consumers, with an emphasis on entertainment and fun and the ability to share in the wealth of diverse materials available on the Internet – from any location. 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.
- **October**: Launch of the new Hercules WiFi N Access point, offering users the advantages of the recently-implemented WiFi N standard. Launch of the new high-end Hercules Dualpix Infinite webcam. Launch of the new collection for the Nintendo DS® Lite console with the "Silver" range.

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.
- **February**: Hercules unveils new eCAFÉ™ models featuring the Microsoft® Windows XP® operating system environment.
- **March**: The Group publishes its annual results for fiscal 2008, with current operating income of €0.5 million.
- **September**: Four Ferrari-licensed limited edition gamepads are launched.

  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.
- **October**: Launch of the brand-new, high-definition Hercules Dualpix Emotion webcam.

2010

- **January**: Publication of 2009 annual sales figure of €61.2 million, representing an increase of 23.39%.

  Sneak preview announcement regarding the new portable mixing console from Hercules, DJ Console MK4.
- **March**: Publication of 2009 annual results, with operating income of €-0.9 million.
- **April**: Launch of the XPS 2.0 35 USB speakers, the first Hercules 2.0 kit with a unique power supply, via a computer's USB port.
- **May**: Unveiling of the range of Toy Story 3 accessories for game consoles, developed by Thrustmaster.

  Launch of the Ferrari Wireless GT Cockpit 430 Scuderia Edition, a cockpit ensemble featuring a built-in wheel and pedal set for PlayStation®3 and PC.
- **June**: Three Hercules webcams receive the "*Optimized for Windows Live*" certification: Hercules Dualpix Exchange, Hercules Optical Glass and Hercules Classic Silver.

- **July**: Announcement of the smallest of USB WiFi N keys: the Hercules Wireless N USB Pico, certified for 802.11N. Launch of new products employing major Disney licenses, including Cars, Epic Mickey, Fairies, Tron…
- **August**: Launch of the Hercules ePlug™ 200 Mini, the perfect solution for users looking for an unobtrusive connection method to complement their wireless network.
- **September**: The brand-new DJ controller with a built-in audio interface, Hercules DJ Console 4-Mx, goes on sale. A truly novel professional console, it is designed for mobile DJs and radio DJs, with its large jog wheels and mixing on four virtual decks.
- **October**: Launch of a new speaker system with the Hercules XPS 101, a genuine high-end 2.1 audio system combining acoustic excellence, aesthetic design and high-quality materials, beyond the usual industry standards. Release of the new Thrustmaster flagship joystick, the HOTAS Warthog, licensed by the US Air Force: the result of an intensive collaboration between Thrustmaster's development teams and members of the Simmer community.
- **November**: Unveiling of the latest newcomer in the line of Hercules HD webcams: Hercules Dualpix HD720p Emotion.
- **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.

  Sales outside of Europe grow from 17% to 28% of the Group's sales figure.
- **August**: Unveiling of the new collection of Hercules multimedia speakers, with the Arc White range and the Hercules XPS Sound Bar USB.

  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.

  Launch of a new line of webcams, with the Hercules HD Sunset and Hercules HD Exchange.
- **November**: Hercules launches the first DJ controller for computers to feature both touch and hands-free controls, Hercules DJ Control AIR.

  Thrustmaster releases two new licensed gamepads, proudly sporting the Ferrari colors: the F1 Wireless Gamepad Ferrari 150° Italia Alonso Edition, and the F1 Dual Analog Gamepad Ferrari 150° Italia Exclusive Edition.

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.

1.2. GUILLEMOT CORPORATION'S ACTIVITIES

Listed on the stock market since 1998 and active in this field since 1984, the Guillemot Corporation Group has become a leading player in the interactive entertainment market. Specializing in the design and manufacturing of hardware and accessories for PC and game consoles, the Group bases its development strategy around its two brands: Hercules for video (webcams), audio (speakers, mixing consoles for amateur and semi-professional DJs…), WiFi and PLC solutions (routers, USB adapters, WiFi keys…), as well as a line of ultra-mobile PCs; and Thrustmaster for PC and console gaming accessories, for users ranging from hardcore to casual gamers.

The Guillemot Corporation Group has a varied portfolio with extensive product lines, and is currently present in eleven countries including France, Germany, the UK, the United States, Canada, Spain, Holland, Italy, Belgium, Hong Kong and Romania. Since 2010, the Group has significantly expanded the geographic coverage of its distribution network, from thirty-five to more than sixty countries worldwide. The emergence of new regions with strong growth potential provides the Group with an opportunity to further extend its reach, and to strengthen the image of its brands.

At its four Research and Development centers based in France, Hong Kong, Canada and Romania, the Group's highly-experienced R&D teams design innovative high-tech products. The key element of the Group's strategy, innovation drives growth for the Group's brands, while the scope of its product ranges allows it to benefit from the diversity of its markets, both in terms of value and geographical opportunities. The Group distinguishes itself by way of an original approach with respect to the markets in which it operates, with a philosophy based on adding value both in terms of uses and ergonomics, allowing it to stand out from its competitors within highly competitive markets.

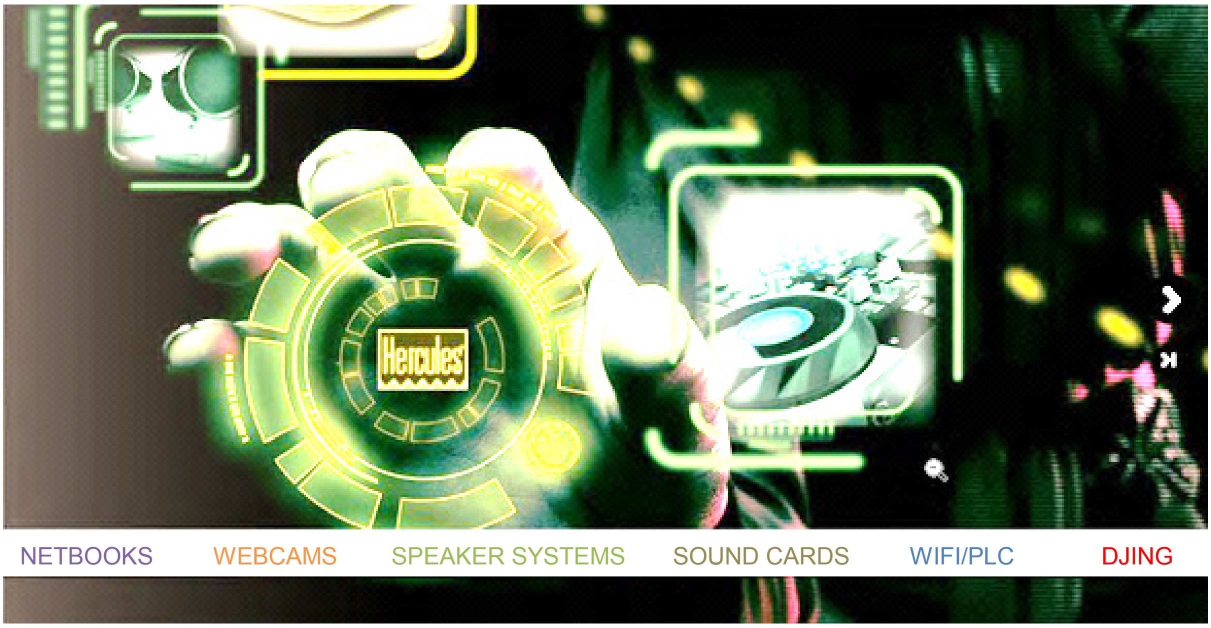
Conscious of the importance of remaining as close as possible to its customer base, the Group is constantly taking up and meeting new challenges, as well as establishing a solid footing in market segments with strong growth potential.

The Group has put an emphasis on internationalization, with a strategy of:

- Extending the presence of its distribution networks to encompass the most important European markets, along with branching into emerging markets,
- Continually adding to its product ranges with innovative new offerings which reflect its mastery of a variety of technologies,
- Anticipating upcoming technologies,
- Satisfying the most demanding consumers.

1.2.1. HERCULES: EMPLOYING HIGH-PERFORMANCE TECHNOLOGIES FOR INNOVATIVE PRODUCT LINES

Founded in 1982 in the United States and purchased by Guillemot Corporation in November 1999, Hercules focuses on quality and innovation. Known for its specialized, solid expertise, Hercules offers complete lines for six different product families, aimed at a variety of consumer groups: digital DJing solutions, webcams, speaker systems, sound cards, mass-market WiFi and Power Line Communication (PLC) solutions, as well as eCAFÉ™ netbooks.

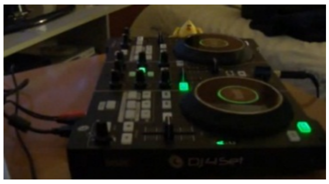


Hercules' strategy is to base its development on:

1. Audio, with the move towards DJ lifestyle products and wireless speakers.
2. Home connectivity via Power Line Communication, which is becoming the main convergence technology.
3. Market trends, in order to anticipate emerging standards.
4. Advanced marketing and consumer studies via the Internet and focus groups.
5. Exclusive designs approved and appreciated by consumers.
6. More effective communication, in order to reach an even larger public.
7. A cutting-edge R&D department, familiar with the latest technologies.
8. Building up its presence in growth markets.

1.2.1.1. DJing and digital music range

Following its withdrawal from the graphics board market in 2004, Hercules focused on developing its audio range with the DJ Console, which met with great success. Becoming a bestseller among amateur and mobile digital DJs, the Hercules brand has become a leader and pioneer of mobile DJ consoles for computers, releasing the first dual-deck portable mixer with built-in audio. From its beginnings, the DJ Console has markedly evolved, as the world of DJing becomes more and more professional. The **DJ 4Set**, unveiled at the CES trade show in Las Vegas in January 2011, has experienced great success since its launch. A real performance powerhouse accessible to a wide cross-section of users, it offers all the sensations of a professional controller, combined with ease-of-use. This mobile DJ mixing station features functions found in advanced controllers, with its two large pressure-detecting touch wheels (perfect for scratching) and built-in sound card with two stereo outputs plus a microphone input. This console was specially designed for all DJing fans who want to do some wild mixing and scratching at parties. Aimed at beginner and semi-professional DJs on the go, this new "remixed" controller has got what it takes to set DJing fans' hearts racing.



In late November 2011, Hercules unveiled its latest mobile digital DJing controller: **Hercules DJ Control AIR**, the first portable USB DJ controller to feature hands-free as well as touch controls. This new controller employs a variety of innovations which make mixing both fun and intuitive: on a unique mobile mixing surface, Hercules has brought together a full set of controls that make it easy for users to "make the big leap" into the world of mixing. Among its standout features is the "AIR Control", which allows for hands-free mixing. The DJ Control Air's pads are also velocity-sensitive, allowing users to control the volume of sound samples launched by tapping on the pads, along with an effects parameter.

1.2.1.2. Headphones and speakers range

With its background as the leader in mobile mixing consoles for computers, Hercules decided to expand its product offerings to include a line of headphones specially designed for DJs: in so doing, the brand put an emphasis on audio quality and a design tailor-made for DJing. Following the successful launch of its DJ headphones and the new DJ Control Air, Hercules will be focusing on wireless speakers. This high added-value market segment is growing quickly, as the diversity of music sources (tablets, smartphones and computers) gives rise to new dimensions in terms of uses, as well as users' needs with respect to mobility and the freedom to enjoy their music wherever they might be.

* **<u>Headphones</u>:** Hercules unveiled its line of headphones, designed for both committed and aspiring DJs. A highly stylized model – the **HDP DJ-Pro M1001**, lauded by the specialist press – is aimed at semi-professional and professional DJs. Designed for previewing tracks, it allows for precise sound analysis thanks to its frequency response range of 5 Hz to 30 kHz. These headphones provide quality sound reproduction, along with great listening comfort. Their ear-pieces pivot on three axes of rotation, allowing for one-ear monitoring, as well as folding for easy transportation.

The **HDP DJ-Adv G501** headphones, designed for amateur DJs, combine high-quality sound reproduction with real listening comfort. Featuring a shape similar to that of the professional version, they stand out thanks to their black lacquer finish and green edging and details.

* **<u>Speakers</u>:** Hercules launched a complete White range, which boosted sales in the later part of the year and strengthened growth in its speakers segment. Ushering in a completely new design for the Hercules range, the XPS ARC WHITE speakers stand out thanks to their refined, slightly arched lines. To look perfect next to any computer, Hercules opted for a white lacquer finish on the back of the satellites, along with protective grilles crafted of black lacquered metal. Available from late August 2011, the **XPS 2.1 20 ARC WHITE** speakers are composed of two satellites, a subwoofer and a wired remote featuring volume controls and a line input to easily connect an MP3 player or other audio device. The **XPS 2.0 10 ARC WHITE** speakers are the 2.0 version of the product: the volume controls, on/off button and line input are located on the left satellite.

* **<u>DJ speakers</u>:** Hercules also unveiled its first active DJ monitoring speaker kit, representing the natural and logical evolution of its DJing range, formerly composed of controllers, and designed to further respond to DJs' needs and expectations. Monitoring speakers are now an essential element of any DJ's studio gear, for beginner, amateur and advanced users alike. These speakers deliver precise audio reproduction, allowing DJs to accurately take into account all facets of the sound to better prepare their mixes. The **XPS 2.0 80 DJ Monitor** system is composed of two compact wooden speakers.

1.2.1.3. WiFi and PLC solutions

Hercules continues to miniaturize its Power Line Communication range via its first PLC adapter to feature a built-in electrical outlet, the Hercules ePlug 200 Mini Pass Thru. Thanks to its additional filtered outlet, this new ePlug adapter lets users plug in any electrical device or power strip, while guaranteeing data rate performance under all circumstances. In practical terms, it ensures high-performance theoretical data rates of up to 200 Mbps: perfect for high-definition television via ADSL, video streaming, online gaming and even IP telephony. The outlet features energy-saving technology, automatically switching to standby mode when not in use. The Hercules ePlug 200 HD pack includes two adapters, for the ultimate in convenience and performance. Designed with living rooms in mind, this pack provides three Ethernet ports and allows users to connect up to three devices to their network at the same time. Its very mainstream positioning includes the fact that the ePlug 200 HD has been optimized for HDTV via ADSL, and is able to stream all of users' multimedia and Internet data simultaneously.

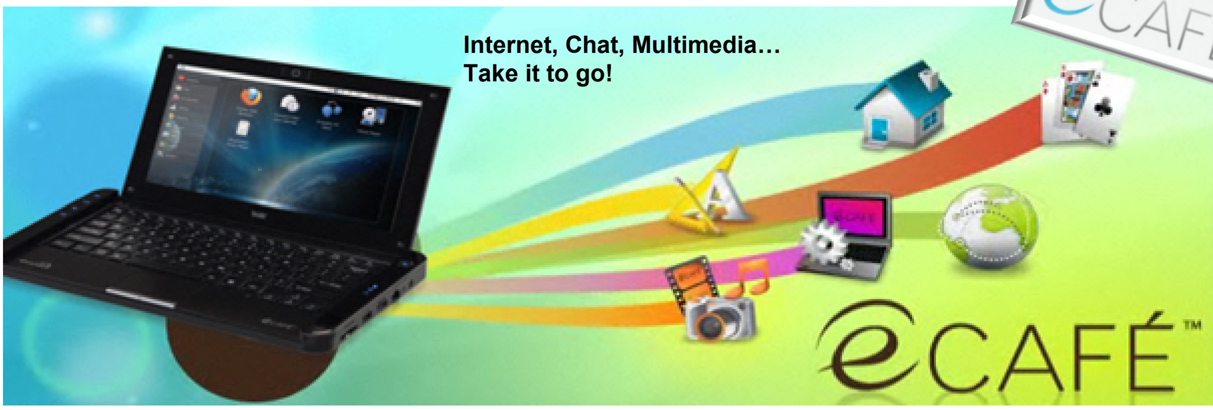
1.2.1.4. Webcams

Hercules is a well-known brand in terms of webcams worldwide, with sales in the Top 3 in many countries. Its know-how in this domain has resulted in the brand receiving the Windows Live certification. In 2011, Hercules added four new models to its line of webcams. The new HD range is perfect for video chats, even in low-light conditions: equipped with three sensors able to pick up even the faintest amount of light, it is able to ensure a clear image even in near-darkness.

- In January 2012, Hercules unveiled its totally new and unique, vibrantly-colored HD collection at the CES trade show in Las Vegas, available as of April.

With this eye-catching, multicolored range of webcams, Hercules has succeeded in its quest to incorporate high-definition technology into a mini-webcam: the other innovation lies in the flexible base, making these webcams totally unique. Featuring a thin metal frame covered in soft yet resistant silicone, the base can be bent in any direction, allowing for the webcam to be perfectly positioned in any situation.

1.2.1.5. eCAFÉ™ netbooks range



Active in the netbooks market since 2008, Hercules has oriented its technological choices so as to best respond to two fundamental features of mobility: lightweight design, combined with extended battery life for its systems. Since its entry into the mobile computing market, Hercules has decided to take things even further by launching a new generation of eCAFÉ with two new models.
The new range of netbooks pioneered the use of ARM chipsets, allowing for extended battery life and nearly instant startup times. Featuring unique performance which remains unrivaled, eCAFÉ netbooks are the only available netbooks based on ARM technology, able to play videos in Flash format found on most websites, including YouTube.

A real technological marvel, the **eCAFE Slim HD** model is the slimmest and lightest in its category. Extremely thin and flat at only 21 mm thick, it features a 10-inch screen along with the essential connectors.

The **eCAFE EX HD** model takes battery life to a whole new level, providing 13 hours of use in real-world conditions. It lets users easily watch videos on their TV set thanks to its HDMI port and multimedia control buttons.

These two new eCAFÉ models are the ultra-mobile entertainment accessories *par excellence*. Their incredibly smooth video playback highlights their effective design, along with allowing users to enjoy the vast majority of their favorite activities on the Internet.

1.2.2. THRUSTMASTER: A SOLID VIDEO GAMING TRADITION WITH A WORLDWIDE REPUTATION

Founded in 1992 and purchased by Guillemot Corporation in 1999 to complete its ranges of accessories, the Thrustmaster brand enjoys a strong worldwide reputation for the design and development of flight and motor sports simulation accessories. For nearly twenty years, Thrustmaster has been proud to bring all of its know-how and technological expertise to the video game accessories market. Thrustmaster's experienced Research and Development teams design innovative high-tech products from start to finish, and aim to offer solutions which provide a truly immersive video gaming experience for users.

In order to boost the level of realism and immersion in legendary worlds of games, Thrustmaster makes use of licensing agreements and prestigious partnerships, including for example the Ferrari® license for wheels and gamepads, the license signed in 2009 with *The Walt Disney Company Ltd*, the licenses signed in 2010 with the Sony group for Gran Turismo 5 with the aim of bringing increasing levels of realism and immersion to the well-loved gaming franchise, and the US Air Force. This unique positioning by way of strong licenses is an important advantage for the brand and its worldwide distribution.

Proud of its fundamental values of passion, innovation and quality, Thrustmaster's goal is to offer users a unique experience in order to take their performance to the next level, and provide them with total immersion by way of enhanced realism.

Thrustmaster's strategy is based on:

1. An exclusive portfolio of original products, thanks to its multiple strengths: Design, Marketing and Technologies.
2. Partnerships and licensing agreements with brands which stand out in their respective fields.
3. The international rollout of its product ranges.
4. Positioning in the "gamers" segments.

1.2.2.1. Racing wheels

Having forged an enviable reputation in the realm of high-end simulation with its joysticks, Thrustmaster logically decided to target the world of car racing. For the release of the racing game Gran Turismo 5 on PS3, in January 2011 the brand launched the **T500RS**, specially developed for the occasion. In this way, Thrustmaster took advantage of the arrival of the game to bring a major new asset to its high-end wheel with this ensemble (wheel and pedal set). The T500RS is the perfect illustration of the long-standing collaboration between the Gran Turismo brand and Thrustmaster, sharing common values such as passion, innovation and quality.

At Monza in Italy in September 2011, Thrustmaster launched the Ferrari F1 Wheel Integral T500 wheel, an adaptation of the T500 aimed at the world of F1 and featuring a new steering wheel. A replica of the wheel on the Ferrari 150° Italia, this elegant wheel provides incredibly faithful rendering of sensations thanks to 150 mNm of torque. This T500 features two rotary encoder knobs, eight push buttons and three metal switches with a re-centering function.

Thanks to these features, two gaming modes are available: "standard" and "advanced". The pedal set offers users a choice of two positions: "suspended" or "floor-mounted", perfect for Formula 1 games. The pedal set is crafted entirely of metal for optimal stability and resistance, and features three adjustable pedals, including a brake pedal with reinforced resistance.

This new wheel was launched at the last Italian Grand Prix in Monza alongside the drivers of the Scuderia Ferrari, Fernando Alonso and Felipe Massa. Press articles have described it as the "best racing simulator ever tested".

In parallel and coinciding with the release of the game Forza Motorsport 4 from Microsoft, the new **Ferrari 458 Italia** wheel, featuring official Ferrari and Microsoft Xbox 360 licenses, is the first Ferrari replica wheel for Xbox 360. With a steering wheel 28 cm in diameter and a rubber textured grip, users will be able to lap consistently throughout their races in total comfort. Under the hood is an automatic "bungee cord" re-centering system, offering progressive resistance.

1.2.2.2. Gamepads

In late 2011, Thrustmaster launched two new officially-licensed Ferrari gamepads sporting the colors of the Ferrari 150° Italia: the F1 Wireless Gamepad Ferrari 150° Italia Alonso Edition, and the F1 Dual Analog Gamepad Ferrari 150° Italia Exclusive Edition.

An exclusive, numbered wireless gamepad employing 2.4 GHz technology, the F1 Wireless Gamepad Ferrari 150° combines ergonomic design and comfort for the best possible performance. The gamepad is signed by the official Scuderia driver, Fernando Alonso, and features an optical wheel with 90° of rotation plus a re-centering function, along with two progressive triggers for extremely precise control of the user's actions.

The F1 Dual Analog Gamepad Ferrari 150° Italia Exclusive Edition is a fully plug-and-play controller, a real must-have in the world of PC gamepads. Its handling is particularly comfortable, thanks to the materials used in its construction.

In addition, in order to respond to the needs of a large number of racing fans, in autumn 2011 Thrustmaster launched the TH8 RS, an independent and versatile high-end gear shifter. Its two available configuration options, H-pattern and sequential, allow drivers to easily select their preferred driving style. The TH8 RS introduced totally new technological innovations (with patents pending), allowing Thrustmaster to offer a product able to satisfy even the most demanding racing gamers, by taking realism to a whole new level. With a detachable knob plus a shift stick 13 cm tall and compatible with real universal shifter knobs, the TH8 RS is compatible with the T500RS wheel on PlayStation®3, and with all wheels on the market on PC.

1.2.2.1. Flight simulation accessories

Thrustmaster has a very well-known reputation for designing and developing both flight and car racing simulation accessories. The brand has always distinguished itself from its competitors by way of the quality and realism of its high-end joysticks. In January 2011, the HOTAS Warthog received the "innovation prize" in the Accessories category at the CES trade show in Las Vegas.

1.2.2.2. Official PlayStation Vita-licensed accessories

A range of official Sony-licensed accessories has been available for the new PlayStation Vita console since its launch on February 22, 2012 in Europe and the United States.

Thrustmaster has launched a whole new line of protective cases for the console: in fact, the PS Vita had only just been released when a variety of specially-designed cases for the console were already available on the market.

For users with an adventurous spirit, Thrustmaster offers a case designed for fans of Nathan Drake, the well-known hero of the game Uncharted™. With its military-themed design, directly inspired by the world of Uncharted, the case lets PS Vita owners take their console with them in total safety, wherever their adventures may lead. Optimized for full compatibility with all of the PS Vita's communication functions, this case ensures optimal protection for gamers on the move.

Thrustmaster also offers the VIP Case for the PS Vita console: with its very fashionable good looks, this case is perfect for users searching for a touch of style and refinement.

1.2.3. STRENGTHENED POSITIONING IN ALL EMERGING COUNTRIES

Market growth has moved to new zones such as the BRICS countries, the United States and the Middle East. With this in mind, the Group has ramped up its commercial activities on an international level, and positioned its R&D teams, product lines and sales focus so as to be able to take full advantage.
In 2010, the Group had already significantly expanded its distribution areas, from thirty-five to more than fifty countries worldwide. In 2011, the Group continued in this vein by increasing its international customer base, opening more than eighty new customer accounts over the year. The growing commercial importance of these countries opens up new opportunities for the Group, allowing it to benefit from the faster development of these markets.

1.2.3.1. A commercial zone expanding to include growth markets

In fiscal 2011, sales outside of France amounted to €42 million, representing 69% of total consolidated sales.

1.2.3.2. A high-performance logistics operation

The Group spans the three worldwide zones of influence – North America, Europe and Asia – and optimizes the flow of its products, particularly by way of its subsidiary located in Hong Kong, which organizes deliveries via container shipments directly from Asia to countries in which goods are sold. 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 service providers in North America and Asia.

1.2.4. MANY ARTICLES AND AWARDS WORLDWIDE: PLATFORMS FOR GROWTH

A large number of awards and a variety of articles – in France, Europe and internationally – regularly single out the Hercules and Thrustmaster product lines for their quality, originality and reliability. The specialist press thereby provides a valuable "window" onto these products for end users, highlighting their strong points on a mainstream level and thus giving a boost to sales.

1.2.4.1. WiFi/Power Line Communication ranges

In June 2011, the English magazine eWeek Channel Insider gave the Hercules ePlug 200 a score of 9 on 10 for its quality/price ratio.

1.2.4.2. Webcam range

The American website ChipChik gave the new Hercules HD Twist webcam range 5 stars.

1.2.4.3. Netbook range

In August 2011, the www.erenumérique.com website gave the eCAFÉ Slim HD and Ex HD a score of 8 on 10.

The Spanish magazine singled out the Hercules eCAFÉ Ex HD as being "more than a simple netbook," giving it 5 stars.

1.2.4.4. *DJing and speakers range*

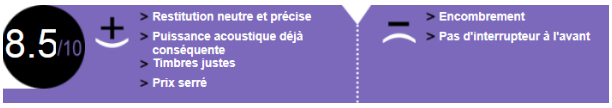
The Hercules DJ 4Set received the "4Gamers Bronze" award in Holland, via the www.4gamers.nl website.

In February 2012, the new DJ Control AIR received a score of 7.5 on 10 in a test published by macGénération, noting that it was a controller "NOT TO BE MISSED."


A ne pas manquer
Test du Hercules DJ Control Air
Hercules complète sa (déjà large) gamme de contrôleurs par ce modèle AIR, à destination d'un public débutant / initié. À la fois contrôleur MIDI et carte son, il se présente comme une solution...
> Lire le labo

In November 2011, the Dutch website www.nlhardware.info gave the XPS 2.0 80 DJ Monitor speakers its "Silver Award".

In March, the www.erenumerique.fr website published a complete test on Hercules' monitoring speakers, giving the system a score of 8.5 on 10. The journalist pointed out that *"the Hercules XPS 2.0 80 DJ Monitor speakers were created with semi-pro customers in mind, and more particularly for home studio mixers and musicians looking for precise, reliable and affordable monitoring speakers."*



In March 2012, the HDP DJ-Pro M1001 headphones received an overall score of 7.5 on 10 from the Spanish website www.djmag.es: 9 on 10 for quality, and 7 for their quality/price ratio.

1.2.4.5. *Gaming accessories for PC and consoles*

In January 2012, the Ferrari F1 Wheel Integral racing wheel received the "GameStar Platin-Award" (Platinum award) from the www.gamestar.de website.

In November 2011, this same wheel received the "Top Produkte" (Top product) ranking from the German www.pcgameshardware.de website.

The Spanish magazine "Como Funciona?" gave this Ferrari-licensed wheel a score of 4 out of 4.

CÓMO FUNCIONA? DECEMBER 2011 4/4

The T500RS wheel has received many awards since its launch, including 2 awards in the UK from the www.hardwarelook.com website in November 2011, and 19 on 20 from the French magazine MicroHebdo in February 2011, with a rating of "Excellent."

The Russian magazine Zhelezo gave the wheel a score of 10 on 10 in its April edition, along with its "Editor's Choice" award.

2 awards and 10/10 for the T500RS

In October 2011, the TH8 RS gear shifter received a score of 9 on 10 in the United States on the InsideSimRacing.tv website.

Score: 9/10

The HOTAS Warthog received a “Platinum award” from the English magazine PC Pilot.

In its March 2012 edition, the German magazine PS3M gave the new range of accessories for PS Vita a score of 8 out of 9.

The same magazine gave the F1 Wireless Gamepad Ferrari 150° Italia Alonso Edition a score of 7.5 out of 9.

1.3. KEY GROUP FIGURES AND INFORMATION BY SECTOR

1.3.1. KEY GROUP FIGURES

(in € millions)	31.12.2011	31.12.2010	31.12.2009
Sales	60.8	60.5	61.2
Current operating income*	0.3	1.7	-0.9
Operating income	0.3	1.7	-0.9
Financial income**	-2.7	-0.7	-3.4
Consolidated net income	-2.5	0.8	-4.5
Base income per share	-0.17 €	0.06 €	-0.31 €
Shareholders' equity	20.2	22.7	21.5
Net indebtedness (excluding MIS)*	1.1	1.8	-1.0
Current financial assets (MIS)	4.8	7.3	8.8
Inventories	10.9	10.8	9.8

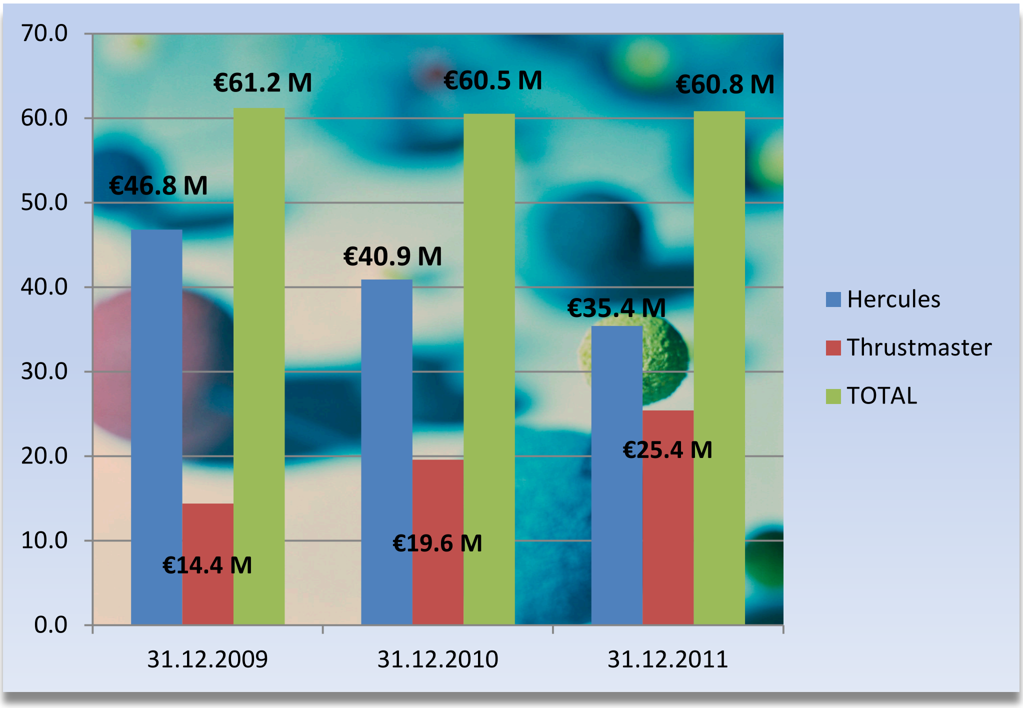
* After stock options.
** Financial income includes the cost of net financial indebtedness as well as other financial expenses and revenues (cf. paragraph 5.5.8.5).
*** Cf. paragraph 5.5.7.13.

1.3.2. INFORMATION BY SECTOR

Detailed information by sector is set out in note 5.5.6 of the consolidated financial statements.

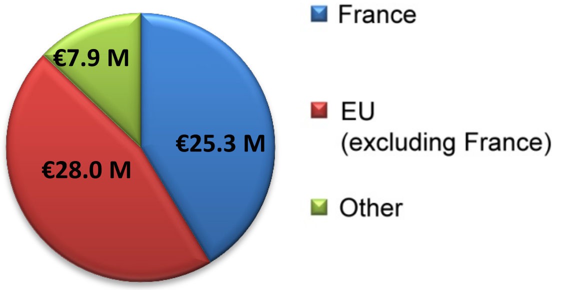
1.3.2.1. Sales breakdown

- By sector of activity:

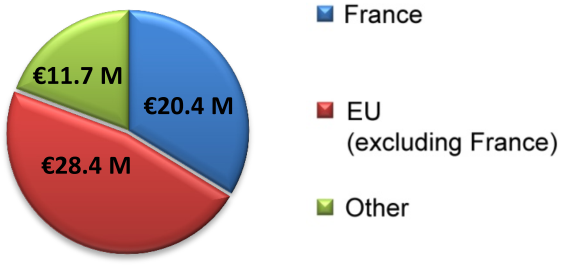


- By geographic zone:

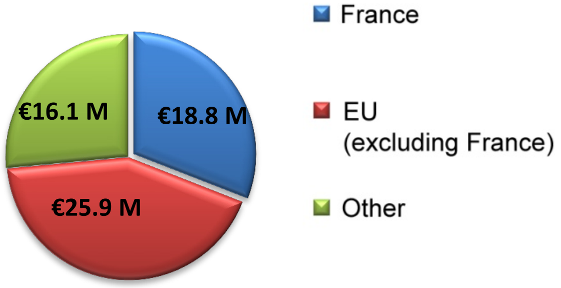
31.12.2009



31.12.2010



31.12.2011



1.3.2.2. Current operating income breakdown

- By sector of 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**

1.4. THE WORLDWIDE INTERACTIVE ENTERTAINMENT MARKET

Despite a less favorable economic context, the worldwide video game market should continue to expand over the coming years. GFK forecasts a rebound for the interactive entertainment market in 2012, thanks to the launches of the PlayStation Vita and Wii U (Source: Distribution, Ventes et Services Magazine, Back-to-school special issue, September 2011, page 55).

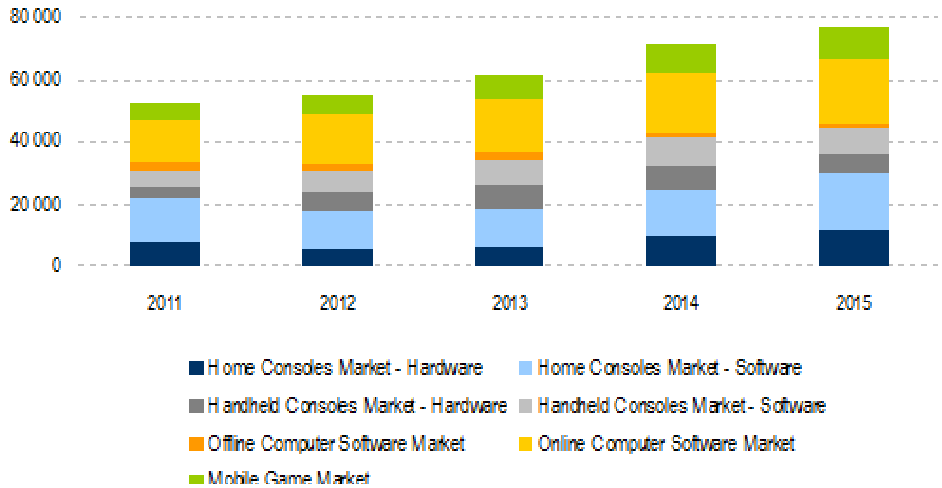
2012 will be a transitional year in the high-tech world, with a number of transformations and questions posed in a variety of different sectors.

Today, more and more people in France are becoming fans of the world of interactive entertainment, with 28 million gamers across the country (Source: www.ludomag.com, 09/01/2012). These include not only the traditional "gamer" base, but also men and women (50% of gamers) attracted by new hardware and the lure of new experiences. As a result of the new possibilities opened up by the Wii, Move and Kinect have successfully followed in its footsteps since 2010. Now very mainstream, the interactive entertainment market has seen its influence develop to a great extent, with the population purchasing more and more of its products.

According to figures released by NPD, the American video game market remained stable during the highly-strategic month of November 2011 (Source: www.jdli.com, 22/12/2011). Between 2000 and 2011, the worldwide video game market grew from €22 billion to €52 billion, an increase of €30 billion (Source: www.afjv.com, 27/10/2011).

Starting in 2012, global sales in the sector should once again begin to grow significantly (5.3%), with double-digit growth to follow in 2013 in 2014, thanks to sales of next-generation consoles (Source: www.afjv.com, Idate study, 27/10/2011).

Worldwide video game market, 2011-2015 (€ millions)



According to Gartner, worldwide IT spending should increase by 3.7% in 2012, to USD 3.8 billion (Source : www.itrnews.com, 07/01/2012). Ownership of multimedia hardware in France is on the rise: televisions, home and portable game consoles, computers of all descriptions, portable music players, digital cameras, portable DVD players… The list goes on.

In 2012, worldwide spending on high-tech products is set to break the USD 1 billion mark for the first time (roughly €785 million), representing growth of 5% in relation to 2011, according to forecasts delivered by the GfK Institute at the opening of the CES electronics trade show in Las Vegas in January 2012.

The Group deals in markets which depend both on increased access to high-speed Internet, and increased sales of game consoles and smart TVs:

- Digital music devices and speakers market
- WiFi and Power Line Communication market
- Webcam market
- PC market
- Netbook market
- Gaming accessories market for PC and consoles
- Market for smart TVs and “boxes” allowing users to play games.

1.4.1. THE DIGITAL MUSIC, SPEAKERS AND HEADPHONES MARKET

The audio market benefits from the success of the iPhone and other smartphones. In fact, these products are becoming the main listing source for music, and their mobility is giving rise to a new market for wireless speakers, docking stations and mini-speakers. According to the latest figures from the GFK/Observatoire de la Musique study, digital music sales accounted for 13% of the total value of the French market over the first half of 2011, an increase of 2.5%. After deducting earnings related to streaming and ringtone sales, sales in the digital music market amounted to €50.2 million over the first half of the year, representing an increase of 18.1% in relation to the same period of the previous fiscal year (Source: www.numerama.com, 31/10/2011). Consumers can't seem to get enough of high-end audio products including headphones, stereo systems and speaker kits… The high-end segment accounted for 11% of the market, compared with 7% a year earlier (Source: Les Echos, 27/02/2012, page 23).

➢ **THE DJING MARKET**

The digital DJing market is now very much a mainstream concern, becoming a genuine "lifestyle" for the younger generations. The past few years have seen a creative renewal in DJing, with top DJs including David Guetta and Bob Sinclar having taken up a strong position in terms of music sales: their mixes are often right up at the top of charts. This phenomenon has had a decisive effect on young people's growing enthusiasm for mixing, resulting in increased sales (of mixing and DJ gear in France, for example). Digital mixing controllers have emerged to take up a strong position within the DJing market. A reflection of the emergence of mixing and of users' passion for the art, digital controllers are taking up increasing amounts of space on the shelves of electronics and music-related retailers.

➢ **HEADPHONES**

Headphones have become a status symbol in today's high-tech world. The headphones sector is growing strongly, and has developed into a very promising market all through the course of 2011; in this way, the average price of headphones increases significantly year-on-year. This market has been among the top movers of units over the past few years, behind mobile/smartphones and TV sets. Sales of products retailing for more than €200 grew by 13%, to 119,000 units (Source: Les Echos, 27/02/2012, page 23). The public's taste for headphones can be explained by way of a profound shift in listening habits – music has become a personal affair, with the unbridled growth of smartphones accompanying this development.

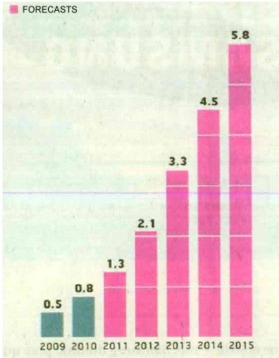
1.4.2. THE WIFI AND POWER LINE COMMUNICATION MARKET

Thanks to the explosion which has taken place in terms of home networks and their various (and growing) connection needs, there are sunny days ahead for the WiFi market and for the PLC market, in particular. The sharing and streaming of Internet-based media within the home to smart TVs and tablets gives rise to the need for devices able to relay the signal throughout all of the rooms in a user's home. Power Line Communication ensures very high-speed network performance – even with high-definition content – unobstructed by any obstacles (including walls), via a home's electrical wiring. WiFi also plays its part in connecting tablets and smartphones. These new uses have resulted in the need for PLC kits and WiFi repeaters, in order to maintain optimal transmission quality throughout the user's living space.

➢ **WIFI**

WiFi has now saturated the world of IT (routers, portable computers...) and is being incorporated to ever-greater degrees into mainstream products. According to forecasts from the iSuppliResearch firm, deliveries of WiFi chipsets are set to double this year, to 1 billion units. This same firm has also forecast exceptional growth to come for the WiFi chipsets market, with volumes rising to 2 billion units in 2014 as a result of the integration of WiFi into increasing numbers of high-tech products (Source: www.zdnet.fr, 18/02/2011). This wireless transmission standard, using frequency bands which require no license, has become a major concern for telecom companies. According to Informa Telecoms, the number of public access points (or "hotspots") will more than quadruple by 2015. In particular, 47% of mobile phone companies believe that this technology has become crucial in terms of both satisfying their customers, and easing the strain on their networks (Source: Les Echos, High-Tech Médias, 02/01/2012, page 17). In the United States, free hotspots are popping up everywhere and are now truly widespread.

Number of public WiFi hotspots
(Worldwide, in millions)



In-Stat forecasts 11 billion connections to WiFi hotspots by 2014: by the end of 2010, 2 billion sessions were logged on wireless networks. It is therefore to be expected that with the growth in use of WiFi devices, there will be a significant related increase in terms of these connections. Asia is growing quickly, with one quarter of the connections forecast by 2014. Mobile devices (tablets, telephones...) will account for half of the connections (Source: www.canardwifi.com, 05/01/2011). According to Millennial, WiFi accounts for 33% of mobile traffic in the United States (Source: www.harakiwi.net, 09/09/2011). In England, there are plans for the capital to become a giant WiFi hotspot in 2012 and the largest WiFi network, set to debut for the opening of the Olympic Games in London.

- **POWER LINE COMMUNICATION**

PLC continues to grow and make inroads into the world of mainstream "wireless" technology, with data rates steadily increasing over the past few years. The release of new products such as 500 Megabit adapters will further strengthen this trend, as these devices respond perfectly to the market's requirements. The entertainment options available today for users require them to have a very high-performance network installed at home, able to provide high data rates, in order to get the most out of the various uses and applications available. The manufacturer Devolo remains the leader in PLC. The mainstream PLC market is split up into two parts: firstly, there are mass-market PLC plug-in adapters. Speeds are now mostly up to 200 Mbps with a trend toward smaller sizes, as this aspect is an important element for the target market. Secondly, there is a more high-tech market with an emphasis on the fastest speeds (currently 500 Mbps) and also more sophisticated solutions such as a built-in WiFi access point feature, transmission of audio to stereo systems and even sharing video from a single source. Like 200 Mbps before it, the adoption of 500 Mbps will gradually grow to become the norm, its very high speeds thus naturally taking over the market.

1.4.3. THE WEBCAM MARKET

This market is now becoming of significant interest in emerging countries where high-speed Internet access is growing strongly, thus giving rise to increased needs in terms of devices for video chats. In more mature markets such as Europe and the United States, sales have been slowing down.

1.4.4. THE PC AND NETBOOK MARKET, AND THE BOOM IN TABLETS

The IT market experienced a bit of a shakeup this year. 2011 was a year of transition, while 2012 will be a year of profound technological developments: a year in which a shift begins to truly take place in the market. Today, the "computer" no longer exists as a homogeneous entity – there are many different types, with many different forms, all interacting and communicating with one another. New studies conducted by GFK and Médiamétrie show that the computer market continues to grow, with nearly three quarters of French households now equipped with computer gear: in the third quarter of 2011, 73.2% of French households had one or more computers (Source: www.afjv.com, 03/11/2011). Access to the Internet, the need for mobility and the trend towards ultra-portability remain the main drivers for growth. Both firms also note that the portable computers segment is growing two times faster than that of computers in general: today 44.1% of French households have a portable computer, compared with 40% a year earlier (Source: www.itrnews.com, 04/11/2011). Sales of portable computers are set to continue to grow over the years to come. The IHS institute forecasts 324.9 million units sold in 2015, thanks to the emergence of a range of PC tablet computers. Despite intense competition from multimedia tablets, portable computers remain a practical and indispensable tool of modern life. Netbooks remain a powerful force within the industry: 3.4 million households owned a netbook in 2011, compared with 2.2 million in 2010.

525,000 French households plan to purchase a tablet computer within the next six months (Source: www.itrnews.com, 04/11/2011). According to forecasts by the firm PRTM, the number of tablets sold worldwide is set to grow from 17 million units in 2010 to approximately 200 million units in 2014 (Source: www.lemonde.fr, 04/03/2011).

Although tablets are quickly gaining in popularity, it seems that they will complement personal computers. This market is strategic, as it is positioned at the crossroads between smartphones and ultraportable computers: in a multi-device environment, tablets have found their users. According to the DisplaySearch firm, 72.7 million tablets were shipped by manufacturers in 2011. This is more than IDC's forecast, which predicted 63 million tablets sold worldwide in 2011 (Source: www.zdnet.fr, 10/01/2012). A study carried out by the Orange Advertising Network showed that tablets are currently competing in terms of use with televisions and personal computers. In France, 28% of tablet users watch on-demand content, 28% enjoy streaming multimedia content and 35% "watch television" on their tablet. This amount of use is having an impact of a decrease of 10% in terms of personal computer consumption among tablet owners in France (Source: www.afjv.com, 29/11/2011).

Following on from laptops, netbooks and tablets, the first "ultraportable" computers have recently begun arriving on the scene. PC industry leaders are attempting to breathe new life into the portable computer market with the "Ultrabook" concept: this new category of computer combines the performance of a laptop with the structural advantages of a tablet. Faced with the success of tablets (and in particular Apple's iPad, with approximately 50 million units sold since the device first went on sale in the spring 2010 – Source: Les Echos, 26/12/2011, page 16), PC manufacturers believe that they have found their own new champion: the Ultrabook. Today ultrabooks represent a new market segment which responds to a variety of needs, while at the same time promoting new uses on PC. In a single product, it is now possible to enjoy the functionalities of a laptop, netbook and tablet. Thinner, faster to boot up and designed to consume less energy, these new ultrabooks could, according to IHS iSuppli, account for 13% of PC sales worldwide in 2012 (Source: Les Echos, Focus on High-Tech & Media, 06-07/01/2012, page 22). This concept should allow the PC industry to confront the new competition from tablets and revive the portable computer market, as these innovations are certainly set to generate a great deal of enthusiasm on the part of users. Over the past few years, the portable computer market has seen average prices decrease, which is due in particular to strong demand in the consumer market, multi-device ownership and the arrival of netbooks, which have made the mobile IT playing field more accessible.

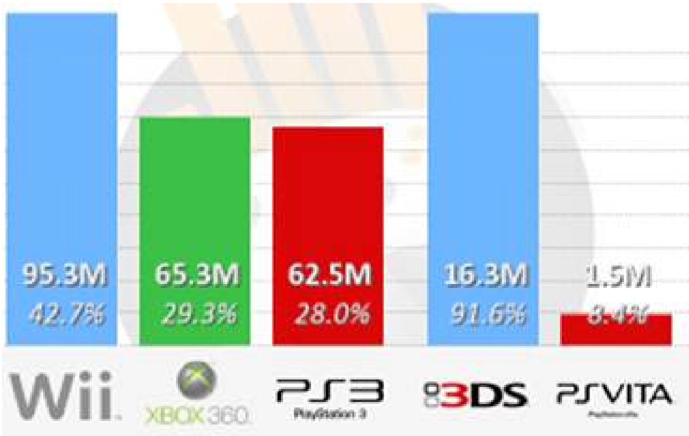
1.4.5. THE MARKET FOR SMART TVS AND NEW GAMING-ENABLED HOME GATEWAY BOXES

* **Smart TVs**: At a time where tablets are invading store shelves and captivating consumers' attention, flat-screen TV manufacturers are exploring new uses and technologies to make their flat-screen sets more interactive. Aware that consumers' use of a device is just as important as the hardware itself, these manufacturers are speeding up the integration of new services and content in an attempt to truly get Smart TVs firmly established in the marketplace. Manufacturers will soon be obliged to lean toward Smart TV models, as users are keen for their TV sets to feature new content and be able to communicate with other electronic devices. Today, Smart TVs appear to be sufficiently established to become a distinguishing factor in the marketplace. In this context, sales forecasts of 2.5 million Smart TVs sold by the end of 2011, with an installed base of 9 million Smart TVs by 2013, are encouraging for the sector (Source: Multimédia à la Une, #174 – September 2011, page 21). Initially received with some hesitation by retailers when they were first introduced, Smart TVs are now starting to find their place on store shelves. This major technological evolution is redefining the place and the role of television sets. This is still a very young market, but also a very promising one: in France, the installed base of Smart TVs has already exceeded 1 million units (Source: Distribution, Ventes et Services Magazine, #100, November 2011, page 37). If 2010 was the year of 3D, 2011 and 2012 may be the years of the Smart TV. Smart TVs open up new functionalities, and allow consumers to use their television sets differently.

*** Home gateway boxes**: The technological evolution of these "boxes" (Internet access points in users' homes) now allows for the necessary levels of processing power required to play mainstream games. The latest boxes available in France from companies such as Free, Orange and SFR come with a suite of games. Along with Smart TVs, these boxes are becoming a new market for gaming accessories such as gamepads.

1.4.6. THE GAME CONSOLES MARKET

The current game consoles market has been established for several years: Microsoft's Xbox 360®, Nintendo's Wii® and Sony's PlayStation®3.
As the evolution of the video game market is still influenced by the lifecycles of home-based consoles, the availability of next-generation machines as of 2012 will inject new growth into the sector, which should result in sales of gaming software reaching the €60 billion mark by the end of 2015 (Source: www.afjv.com, 23/06/2011). In September 2011, the installed base of consoles represented more than 5.3 million units in France (Source: Multimédia à la Une, #174, September 2011, page 33). At this stage, mainstream users are looking for product offerings which are reassuring and encouraging in terms of games, and which provide a gaming experience with the best quality/investment ratio to spend their money on. The Nintendo Wii has aimed to respond to this demand. According to GFK, equipment ownership rates among gamers increased thanks in particular to the arrival of the Kinect and PlayStation Move accessories.
In the early years of the new millennium, the consoles segment accounted for nearly 70% of market revenues at the strongest point in its commercial cycle. While still continuing to prosper, it may only account for roughly 40% by 2015 (Source: www.afjv.com, 12/12/2011 - IDATE).



(Source: www.vgchartz.com)

- **NINTENDO WII / NINTENDO WII U**

The Japanese manufacturer Nintendo aims to have an installed base of 6 million Wii consoles in France in 2012, and to therefore sell approximately 500,000 additional consoles during the year, which will also be the year of the Wii U, set for release in late 2012 (Source: www.gameblog.fr, 31/01/2012). The Wii U will function with a controller equipped with a 6.2-inch touchscreen, allowing gamers to play and surf the Internet without having to use their TV screen. Nintendo unveiled the Wii U at the E3 expo in Los Angeles. With the Wii U, Nintendo intends to set itself apart from its competition: Nintendo's aim is clearly to continue on along the lines of what it has achieved with the Wii, which dramatically increased the potential target market of video game players. With HD graphics, the Nintendo Wii U is set to take immersion in games even further. Thanks to the new controller with its built-in screen, and also owing to the ability to start a game on one system and continue playing it on the controller, this console will mark a turning point in Nintendo's history and provide an enhanced gaming experience. The Wii will continue to exist even after the release of the Wii U, as Nintendo's aim is one of innovation, as opposed to cannibalization or substitution.

- **KINECT**

Available since late 2010, the Kinect has been an extraordinary success with more than 10 million units sold by the end of September 2011, making it the fastest-selling IT product yet in this amount of time (Source: Multimédia à la Une, #174 – September 2011, page 28). Since the launch of this innovative camera in November 2010, a total of 18 million units have been sold worldwide (Source: www.lefigaro.fr, 10/01/2012). Kinect has proved to be more than just a technology, and is an important concept which has marked a step forward in the industry. Kinect was one of the most daring gambles, and also one of the greatest successes in terms of video games in 2010. Undoubtedly, one of the most interesting functions has been the arrival of Kinect's voice-recognition capabilities, while many other innovative ideas are also in the works. In early 2012, more than 50% of consoles sold by Microsoft were bundled with Kinect. Since February 1, 2012, the Windows version of Kinect has been available in twelve countries including the United States, the UK, Germany and France (Source: www.generation-nt.com, 10/01/2012).

➢ PLAYSTATION®3 / PS VITA / PLAYSTATION®4

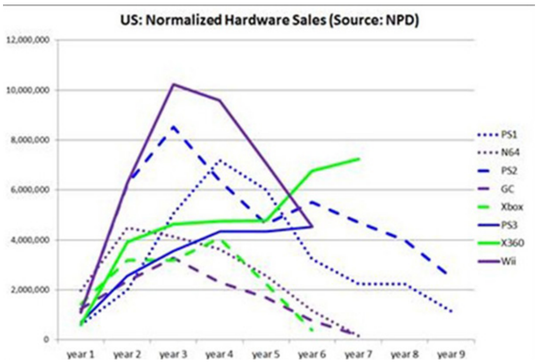
With 845,000 PS3 consoles sold in 2011, representing 60% more units sold than the Xbox 360 and 10% more than the Wii, the PS3 has confirmed its position at the head of the pack in France. In less than five years, the PS3 has taken up residence in 3.7 million households in France. In the software market, with 8.7 million PS3 game sold in France (9% more than in 2010), PS3 remains French gamers' favorite platform. “In a global market which has declined by 7% compared to 2010, the PlayStation ecosystem and the PS3 in particular is the only growth driver. The PS3 has therefore confirmed its unrivaled leadership in the French market, and more specifically in the market for high-definition consoles. In 2012, we are soon set to pass the 4 million mark in terms of PS3 consoles sold in France, and can already announce that the PS3 is and will remain the leader in 2012,” stated Philippe Cardon, CEO of SCE France (Source: www.afjv.com, 16/01/2012). Worldwide, 62.5 million PS3 units have been sold since the console's launch (Source: www.vgchartz.com).

Sony's new portable console, the PS Vita, was launched in Japan on December 17, 2011. According to Sony, the PS Vita has sold 500,000 units in Japan since its release (Source: www.lefigaro.fr, 10/01/2012), while 1.5 million units have been sold worldwide since the console's launch (Source: www.vgchartz.com). The PS Vita was released in Europe and North America on February 22, 2012, taking up the reins from the PSP, which has sold 73 million units worldwide since its launch in 2004 (Source: www.itrgames.com, 18/02/2012). The PS Vita represents the latest generation of portable video game consoles. Equipped with a 5-inch OLED touchscreen, a rear panel which is also touch-sensitive, two cameras and two joysticks, this console has everything that gaming fans are looking for. The console is perfectly suited for hardcore gamers who want to enjoy their games on the go. In addition to its new technical capabilities, the successor to the PSP lets users connect to the Internet and directly download games and movies. Another essential feature is the inclusion of a second analog stick. An emphasis has been placed on the console's community-oriented aspect, thanks to its “Near” mode which lets gamers stay connected with their friends and exchange data with nearby consoles. A high-end device, in particular thanks to its on-board technologies, the PS Vita is aimed at mature, well-informed technophile users.

The new PlayStation®4 is set for release in 2013-2014. According to the Asian information website Digitimes, Foxconn and Pegatron Technology, manufacturers of the PS3, will start producing its successor with a target of 20 million units (Source: www.zdnet.fr, 05/07/2011). The PS4 will be equipped with motion-sensing technology similar to that of Microsoft's Kinect.

➢ XBOX 360 / XBOX 720

According to NPD, the Xbox 360 remains the number one console in the American market. In NPD’s estimate, more than 270,000 Xbox 360 consoles were sold in January 2012 in the United States, allowing it to control 49% of the home consoles market with USD 301 million in sales (games and accessories included) (Source: www.itrgames.com, 14/02/2012). Microsoft has revealed that the Xbox 360 console has sold 66 million units worldwide since its launch in 2005. Sales of this home console have had a very large boost during the end-of-year holiday season, with 9 million units sold between October and December 2011. These strong sales dynamics were particularly impressive in the United States, with nearly one million Xbox 360 consoles sold during Thanksgiving week, including 800,000 units on Black Friday alone, the day which traditionally kicks off the massive end-of-year sales period (Source: www.lefigaro.fr, 10/01/2012).



(Source: www.itrgames.com, 14/02/2012)

The upcoming Xbox 720, which will replace the current Xbox 360, is set for release in 2013.

➢ **NINTENDO DS / 3DS**

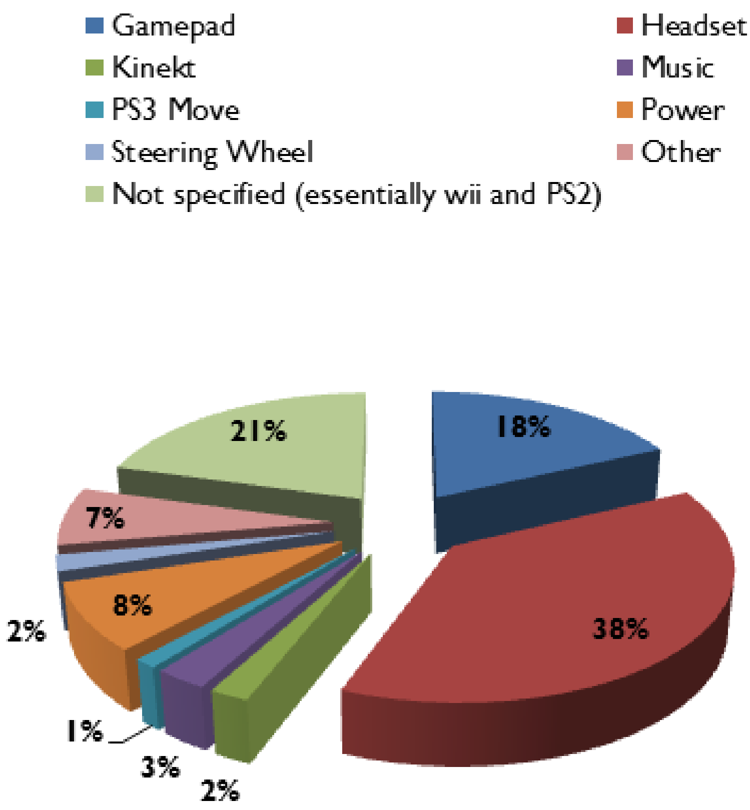
The Nintendo DS remains the highest-selling console in France (Source: Multimédia à la Une, #174, September 2011, page 32). In order to ensure strong sales for the future, Nintendo very quickly decided to reposition its price, which should allow for a significant expansion of the console's installed base, a fundamental concern for the 3DS ecosystem and its upcoming games. Nintendo aims to have sold four million units in Japan by next February, relying on the release of a number of high-profile games in order to achieve this goal (Source: www.zdnet.fr, 08/12/2011). The 3DS generated 65% of its annual sales in late 2011, enjoying a veritable sales explosion during this period. 761,000 units were sold in France in 2011, the 3DS being the console with the highest sales since its launch in late March 2011, even though it was not the highest-selling console of 2011. It is clear that the price drop has been extremely beneficial for the 3DS, allowing for significantly increased sales toward the end of the year. Nintendo intends to accelerate things still further in 2012, forecasting 1,500,000 3DS units sold, with growth of +14% for the portable console's ecosystem as a whole (Source: www.gameblog.fr, 31/01/2012).

1.4.7. THE PC AND CONSOLES ACCESSORIES MARKET

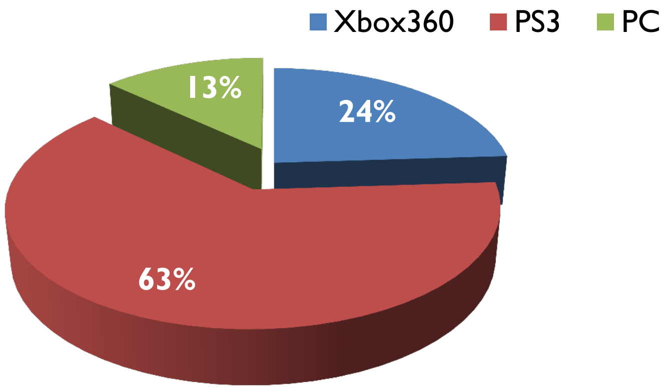
The game consoles accessories market grew strongly in 2011, influenced by sales of Kinect accessories from Microsoft and Move accessories from Sony.
In the United States in 2011, the third-party accessories market (produced by companies other than the console manufacturers themselves) saw its main growth in terms of:
- Headsets, with sales of USD 205 million,
- Controllers, with sales of USD 69 million,
- Racing accessories (mainly wheels), with sales of USD 11 million (Source: NPD – US).

The controllers segment ranks second in the game consoles accessories market, right behind headsets.

Game console accessories – United States, 2011 (in value) – Third party



Racing accessories breakdown – United States, November 2010/December 2011



(Source: NPD – US)

1.5. A DENSE COMPETITIVE ENVIRONMENT

The Group operates within diversified markets, with products aimed at both gaming fans and music fans (with its DJing and speakers ranges), as well as all users looking to expand their networks and their Internet capabilities at home, via its WiFi, PLC and webcam product lines.
The Group is increasing the distribution zones for its products, which are now available in more than sixty countries worldwide.
Owing to the diverse nature and number of its products, the Group has a significant number of competitors, spread out all around the world.

Main competitors by product category	
DJing	Numark / Vestax / M-Audio / DJ Tech / American Audio / Gemini / Stanton / Pioneer
Sound cards	Creative Labs
Webcams	Logitech / Microsoft / Trust
PC gaming accessories	Logitech / Saitek / Trust / Speed Link / Hama
Console gaming accessories	Big Ben Interactive / Logitech / MadCatz / Nintendo / Nyko / Sony / SpeedLink / Hama
Speakers	Altec Lansing / Logitech / Philips / JBL / Bose / Edifier / Creative Labs
WiFi/PLC	Belkin / D-Link / Devolo / Linksys / Netgear / SpeedLink / Buffalo / TP-Link
Ultraportable computers	Acer / Asus / Dell / Fujitsu Siemens / HP / LG / Lenovo / Medion / MSI / Packard Bell / Samsung

In order to differentiate itself from its competition, the Group has developed an approach relying on specialization, with a strong commitment to R&D and marketing which allows it to remain on the cutting edge in terms of uses in these different markets. This has translated into the launch of many new products over the past year – including, among the most advanced Ferrari-licensed Formula 1 racing wheels, the T500RS, a wheel specially designed for Gran Turismo racing and positioned at the highest end of the market. In terms of music, the DJ Control AIR mixing console has ushered in remarkable innovations in the marketplace, including the “AIR control” function.

The DJ HDP DJ-Pro M1001 and HDP DJ-Adv G501 headphones, along with the XPS 2.0 80 DJ Monitor monitoring speakers, have been praised by the specialist press with laudatory comments such as *“The goal in terms of quality has been met: Hercules headphones can take their place among the elite”* (Source: KR Home Studio, 02-03/2012), and calling them *"a very tasty cocktail of performance"* (Source: www.erenumerique.fr 07/03/2012).

The quality of our webcams, along with the level of precision in terms of the night vision that they provide, has resulted in their being selected for an equipment test in American police cruisers. The new Twist webcams, for their part, have been hailed in the press as offering a true innovation in the world of webcams.

1.6. A DIVERSIFIED, INTERNATIONAL CUSTOMER BASE

The Group's international strategy is based on three different axes:

- Accelerating its development in emerging markets and the BRICS countries,
- Strengthening its operations in Europe,
- Making inroads into new markets.

Sales outside of France have increased from 66% to 69%. The Group's main distribution network remains the European market, which accounted for more than 70% of sales. Sales outside of Europe grew from €11.7 to €16.1 million.

The Group mostly sells via specialized wholesalers, while at the same time maintaining direct commercial relationships with its customers. The Group's clientele is composed mainly of wholesalers who respond directly to customers' needs in logistical matters (centralized orders and deliveries). These wholesalers 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 has a presence in the specialist music network of independent music resellers, specialized chain stores and online sales sites, and has strengthened its presence among online resellers in general.

The Group has a wide distribution network, including:

- In Europe: Amazon, Auchan, Bartsmit, Boulanger, Carrefour, Casino, Cdiscount, Conforama, Cora, Dixons, El Corte Ingles, Eldorado, Eroski, Euronics, Fcenter, Fnac, Game, Grosbill.com, Intertoys, LDLC.com, Leclerc, Littlewoods, Makro, Media Markt, Micromania, Multirama, M Video, Netto, NIX Russia, NetLabs Russia Otto, PC World, PC City, Pixmania, Plaisio, Quelle, Redcoon, Rue du commerce, Sainsbury's, Saturn, Sonai, Surcouf.com, Tesco, Thomann, Toys R Us, Unieuro, Worten.

- In North America: Amazon.com, Best Buy, Buy.com, Cosco, Fry's, Future Shop, Guitar Center, J&R Computer World, Meijer Micro Center, New Egg, Sam Ash, TigerDirect.

1.7. SALES OBJECTIVES FOR FISCAL 2012

The Group forecasts growth for the fiscal year.
Hercules: In 2012, Hercules is basing its strategy on further growing and diversifying its audio range, the main element of the brand's dynamics.
Thrustmaster: Thrustmaster will build up its range of gaming accessories, particularly in terms of racing wheels and gamepads, along with entering into the gaming headset market.

1.8. QUARTERLY FINANCIAL INFORMATION

On April 26, 2012, the Group put out the following press release regarding its consolidated sales for the first quarter of fiscal 2012 (unaudited data).

€11.1M IN SALES FOR Q1 2012

January 1, 2012 to March 31, 2012 (in € millions)	**2012**	**2011**	**Change**
Hercules	**7.7**	**7.2**	**+7%**
Digital peripheral devices	7.1	7.2	-1%
eCAFÉ™ netbooks	0.0	0.0	-
OEM	0.6	0.0	-
Thrustmaster	**3.4**	**6.2**	**-45%**
Gaming accessories	3.4	6.2	-45%
OEM	0.0	0.0	-
TOTAL	**11.1**	**13.4**	**-17%**

The Group's sales for the first quarter of fiscal 2012 amounted to €11.1 million, representing a decrease of 17% in relation to the same period of the previous year, owing to an unfavorable comparison with respect to the launch of new products.
Sales of digital peripheral devices under the Hercules brand increased by 7% over the first quarter. The two departments responsible for boosting sales were Audio, which saw double-digit growth, and OEM.
Thrustmaster, for its part, saw its sales decrease by 45%: the first quarter of fiscal 2012 did not include the launches of any new products for the brand, while the first quarter of 2011 saw the launch of the T500RS racing wheel, the official wheel of the game Gran Turismo®5, which accounted for nearly 40% of the sales figure, and benefited from a large crop of car racing games which helped to stimulate sales of wheels.

For the second quarter, Hercules' presence in the market will be very strong, with the launch of major new products which allow the Group to forecast double-digit growth for its overall sales.

- New Hercules products

Hercules is basing its strategy on strengthening and diversifying its audio range, the main engine of the brand's dynamics.

- Audio streaming: The first wireless speakers in the new WAE (*Wireless Audio Experience*) range will allow Hercules to enter this product sector, a new market which is taking off very quickly, as of the second quarter.
- Speakers: Following the successful launch of its high-end XPS 101 speakers, Hercules is expanding this product family with the release of the XPS 41 speaker kit, which follows the same design lines and which targets a more mainstream clientele. Moreover, speakers whose strong point is their enhanced bass response will also be launched during the quarter, with an emphasis on young users and get-togethers with friends.
- DJing: World Music Day (Fête de la Musique) is the key event to take place during this period. The Group will take advantage of the opportunity provided by this event to launch two new DJ controllers to be announced shortly, along with new monitoring speakers for amateur DJs.
- PLC/Audio: The Group is innovating within the Power Line Communication sector, by combining PLC, WiFi and audio technologies to allow users to stream audio throughout their home. The ePLUG 200 HD WiFi plays music wirelessly on a hi-fi system or speakers anywhere in the user's home, in addition to its primary function of extending the user's home network and Internet access.

- New Thrustmaster products

The seasonal nature of activities in the video game sector will result in the majority of new products being launched over the second half of 2012, in order to line up the launches of the Group's products with those of the flagship games to be released toward the end of the year. However, Thrustmaster is aiming to be on hand for the important months of the Olympic Games and the European Football Championship with new versions of its best-selling gamepads, such as a Duo pack of the T-Wireless Black model for fans of cooperative games and of football/soccer, in particular.

- Financial standing at March 31, 2012

Net indebtedness (excluding Marketable Investment Securities): €0.1 million
MIS portfolio value: €5.1 million

- Prospects for 2012

The Group is maintaining its forecast of sales growth and positive operating income for the fiscal year.

1.9. GROUP ORGANIZATIONAL CHART AT APRIL 18, 2012

GUILLEMOT BROTHERS S.A. (1)	GUILLEMOT FAMILY	GUILLEMOT CORPORATION S.A.	PUBLIC
66.87%	7.30%	1.99%	23.84%

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 et 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%

INVESTMENTS

Gameloft S.A.	France	0.09%
Ubisoft Entertainment S.A.	France	0.91%

(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.

2. GENERAL INFORMATION REGARDING THE COMPANY AND ITS CAPITAL

2.1. GENERAL INFORMATION REGARDING THE ISSUER

2.1.1. CORPORATE NAME AND COMMERCIAL NAME

Corporate name: GUILLEMOT CORPORATION
Commercial name: GUILLEMOT

2.1.2. LEGAL FORM

Joint stock company with a Board of Directors, governed by the Commercial Code.

2.1.3. REGISTERED OFFICE

Address: Place du Granier, BP 97143, 35571 Chantepie Cedex
Telephone: +33 (0) 2 99 08 08 80

2.1.4. NATIONALITY

French

2.1.5. TRADE AND COMPANIES REGISTER

414 196 758 R.C.S Rennes
APE code: 4651Z

2.1.6. 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.

2.1.7. INCORPORATING DOCUMENT AND BYLAWS

2.1.7.1. 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.

2.1.7.2. 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."

Only general meetings are authorized to make changes to the rights of shareholders and the company's 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.

2.1.7.3. 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, 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 shareholder company. 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, if the bylaws of said company or companies have established this (Article L.225-124 of the Commercial Code).

The company's bylaws do not stipulate any limitations on voting rights.

2.1.7.4. 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, in the case 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.

2.1.7.5. Fiscal year (Article 16 of bylaws)

The company's fiscal year begins on January 1 and ends on December 31 of each year.

2.1.7.6. 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 forfeit 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 the company's voting rights.

2.1.7.7. 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.

2.1.7.8. 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 Chief Executive Officer.
With respect to third parties, the Deputy Chief Executive Officer or Officers hold the same powers as the Chief Executive Officer.

There may be a maximum of five Deputy Chief Executive Officers. In the event whereby the Deputy 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.

2.1.8. LIQUIDATING DIVIDENDS

Liquidating dividends are divided between associates in the same proportions as their investment in the company's capital (Article L.237-29 of the Commercial Code).

2.1.9. 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.

2.1.10. 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.

2.1.11. 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.

2.2. GENERAL INFORMATION ABOUT THE COMPANY'S SHARE CAPITAL

2.2.1. SHARE 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 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 paragraph 4.15.4 of the Management report.

2.2.1.1. Capital and voting rights breakdown at April 18, 2012

Shareholders	**Number of shares**	**% of capital**	**% of voting rights (1)**
Claude Guillemot	382,860	2.55%	2.97%
Michel Guillemot	447,198	2.98%	3.47%
Yves Guillemot	2,861	0.02%	0.02%
Gérard Guillemot	19,148	0.13%	0.15%
Christian Guillemot	223,061	1.49%	1.73%
Other members of the Guillemot family	20,084	0.13%	0.08%
GUILLEMOT BROTHERS S.A.(2)	10,034,030	66.87%	77.66%
Jointly	**11,129,242**	**74.17%**	**86.09%**
Treasury stock (3)	297,899	1.99%	0.00%
Public	3,577,595	23.84%	13.91%
TOTAL	**15,004,736**	**100.00%**	**100.00%**

(1) Voting rights exercisable at 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) 100% controlled by members of the Guillemot family.
(3) Treasury stock shares without voting rights.

The company Guillemot Corporation S.A. is jointly controlled by the company Guillemot Brothers S.A. and members of the Guillemot family; however, the company judges that there is no risk of this control being exercised in an abusive manner.

To the company's knowledge, no other shareholder holds more than 5% of capital and voting rights apart from those indicated in the table above. 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 individual shareholders or institutional investors, or between residents and non-residents.

No employee share ownership exists in the sense of Article L.225-102 of the Commercial Code.

At April 18, 2012, the number of treasury stock shares held amounted to 297,899 and represented 1.99% of the company's share capital, the company having – since January 1, 2012 – purchased 104,052 shares and disposed of 88,863 shares within the context of the liquidity contract granted to CM-CIC Securities. No shares have been canceled since January 1, 2012.

The information stipulated in the second paragraph of Article L.225-211 of the Commercial Code is set out in paragraph 4.11.3 of the Management report.

2.2.1.2. Shareholding evolution over the past three years

Over the course of the past three years, no significant changes have taken place with regard to the breakdown of the company's share capital and voting rights.

Shareholders	At 31/12/2011			At 31/12/2010			At 31/12/2009		
	Number of shares	% of capital	% of voting rights (1)	Number of shares	% of capital	% of voting rights (1)	Number of shares	% of capital	% of voting rights (1)
Claude Guillemot	382,860	2.55%	2.97%	382,860	2.56%	2.97%	382,860	2.56%	2.66%
Michel Guillemot	447,198	2.98%	3.47%	447,198	2.99%	3.47%	447,198	2.99%	3.17%
Yves Guillemot	2,861	0.02%	0.02%	2,861	0.02%	0.02%	2,861	0.02%	0.02%
Gérard Guillemot	19,148	0.13%	0.15%	19,148	0.13%	0.15%	43,883	0.29%	0.19%
Christian Guillemot	223,061	1.49%	1.73%	223,061	1.49%	1.73%	223,061	1.49%	1.38%
Other members of the Guillemot family	20,084	0.13%	0.08%	20,084	0.13%	0.08%	20,084	0.13%	0.08%
GUILLEMOT BROTHERS S.A.(2)	10,034,030	66.87%	77.61%	10,034,030	67.05%	77.65%	10,034,030	67.05%	78.29%
Jointly	**11,129,242**	**74.17%**	**86.03%**	**11,129,242**	**74.37%**	**86.07%**	**11,153,977**	**74.53%**	**85.80%**
Treasury stock (3)	282,710	1.88%	0.00%	256,174	1.71%	0.00%	257,225	1.72%	0.00%
Public	3,592,784	23.95%	13.97%	3,580,460	23.92%	13.93%	3,554,674	23.75%	14.20%
TOTAL	**15,004,736**	**100.00%**	**100.00%**	**14,965,876**	**100.00%**	**100.00%**	**14,965,876**	**100.00%**	**100.00%**

(1) Voting rights exercisable at 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) 100% controlled by members of the Guillemot family.
(3) Treasury stock shares without voting rights.

2.2.1.3. Shareholders' agreements

There are no shareholders' agreements.

2.2.1.4. Crossing of threshold levels

The total number of voting rights attached to shares of which the company's capital is composed, serving as the basis for calculating the crossing of threshold levels (theoretical or gross voting rights), amounted to 26,055,116 at April 18, 2012.

To the company's knowledge, during the fiscal year ended December 31, 2011 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.

2.2.2. SHARE BUYBACK PROGRAM

The information required by Article L.225-211 of the Commercial Code regarding the fiscal year ended December 31, 2011 is set out in paragraph 4.11.3 of the Management report.

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 24, 2012
- Number of securities held by the issuer (directly and indirectly) at April 18, 2012: 297,899
- Percentage of capital held by the issuer (directly and indirectly) at April 18, 2012: 1.99%
- Breakdown by objectives of securities held by the issuer at April 18, 2012:

- conservation with a view to subsequent remittance, by exchange or in payment, as part of possible external growth operations: 187,256
- liquidity contract: 110,643

- 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 issuer'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 297,899 shares at April 18, 2012, the maximum number it would be able to buy back at that date amounted to 1,202,574.
- Characteristics of securities that the issuer proposes to acquire: common Guillemot Corporation shares (ISIN FR0000066722) listed on the NYSE Euronext Paris exchange (compartment C).
- Maximum unitary purchase price: €10
- Duration of buyback program: 18 months from the general meeting date (expiring on November 23, 2013).

2.2.3. 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 at December 31, 2011 with respect to capital increases, granted to the Board of Directors by the general meeting of shareholders pursuant to Articles L.225-129-1 and L.225-129-2 of the Commercial Code, is set out in paragraph 4.11.5 of the Management report.
Since the end of the fiscal year, the company's Board of Directors has not used any of these delegations.

2.2.4. POTENTIAL CAPITAL

At April 18, 2012, the potential number of common shares to be issued amounted to 1,892,438.
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 11.20% of the sum of the shares composing the company's share capital and these new potential shares.

	At 18/04/2012
Potential number of common shares to be issued	1,892,438
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*

2.2.4.1. Stock option allocations

- Authorization from extraordinary general meeting of December 21, 2000

The combined general meeting of December 21, 2000 authorized the Board of Directors to allocate Group personnel stock options not exceeding 100,000 shares, representing a maximum capital increase of €76,224.51.

The Board of Directors, using this authorization, decided on April 17, 2001 to allocate stock options on 28,000 shares to Group employees. No options were allocated to executive management. None of these stock options granted on April 17, 2001 were exercised, and the stock options were rendered null and void on April 17, 2011.

Using this authorization once again, the Board of Directors decided on April 18, 2001 to allocate stock options on 72,000 shares to Group employees. No options were allocated to executive management. None of these stock options granted on April 18, 2001 were exercised, and the stock options were rendered null and void on April 18, 2011.

- Authorization from extraordinary general meeting of February 15, 2002

The combined general meeting of February 15, 2002 authorized the Board of Directors to allocate Group personnel stock options not exceeding 200,000 shares, representing a maximum capital increase of €154,000.

Using this authorization, the Board of Directors decided on November 4, 2002 to allocate Group personnel stock options on 199,998 shares. No options were allocated to executive management. No stock options have been exercised to date.

- Authorization from extraordinary general meeting of February 20, 2003

The combined general meeting of February 20, 2003 authorized the Board of Directors to allocate Group personnel stock options not exceeding 2,000,000 shares, representing a maximum capital increase of €1,540,000.

Using this authorization, the Board of Directors decided on September 1, 2003 to allocate Group personnel stock options on 459,000 shares. No options were allocated to executive management. 16,700 stock options have been exercised to date.

Using this authorization, the Board of Directors decided on February 22, 2006 to allocate stock options to employees of the Group's French companies on 433,000 shares, 75,000 of which were allocated to executive management. 10,500 stock options have been exercised to date.

Using this authorization, the Board of Directors decided on February 22, 2006 to allocate stock options to employees of the Group's foreign companies on 246,000 shares. No options were allocated to executive management. 12,000 stock options have been exercised to date.

- Authorization from extraordinary general meeting of June 15, 2006

The combined general meeting of June 15, 2006 authorized the Board of Directors to allocate stock options not exceeding 1,000,000 shares, representing a maximum capital increase of the €770,000, to executive management and/or employees of the company and/or of the companies stipulated in Article L225-180 of the Commercial Code.

Using this authorization, the Board of Directors decided on February 18, 2008 to allocate stock options on a total of 383,000 shares to certain employees and Directors of the Group's French companies. 75,000 options were allocated to company Directors, each of whom must retain registered ownership of 5% of the shares resulting from the exercise of options until the termination of their duties at the company. No stock options have been exercised to date.

Using this authorization, the Board of Directors decided on February 18, 2008 to allocate stock options to certain employees of the Group's foreign companies on a total of 217,000 shares. No options were allocated to executive management. 6,360 stock options have been exercised to date.

2.2.4.2. Stock option plan history

General meeting date	21/12/00	21/12/00	15/02/02	20/02/03	20/02/03
Board of Directors meeting date	17/04/01	18/04/01	04/11/02	01/09/03	22/02/06
Total number of shares available for subscription, of which: - by company Directors - by the ten highest-allocated employees	28,000 0 2,520	72,000 0 6,160	199,998 0 199,998	459,000 0 218,000	433,000 75,000 157,500
First option exercise date	17/04/05	18/04/02	04/11/06	01/09/07	22/02/10
Option expiration date	17/04/11	18/04/11	04/11/12	01/09/13	22/02/16
Subscription price (in €)	29	29	1.36	1.83	1.74
Exercise terms	-	25% per yr.	-	-	-
Number of shares subscribed to - during the fiscal year ended 31/12/2011 - during the fiscal year begun 01/01/2012	0 0 0	0 0 0	0 0 0	16,700 0 0	10,500 0 0
Stock options canceled or nullified	28,000	72,000	0	0	0
Remaining stock options	0	0	199,998	442,300	422,500

General meeting date	20/02/03	15/06/06	15/06/06
Board of Directors meeting date	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	246,000 0 82,000	383,000 75,000 200,000	217,000 0 130,000
First option exercise date	22/02/08	18/02/12	18/02/10
Option expiration date	22/02/16	18/02/18	18/02/18
Subscription price (in €)	1.77	1.91	1.91
Exercise terms	1/3 per yr.	-	1/3 per yr.
Number of shares subscribed to - during the fiscal year ended 31/12/2011 - during the fiscal year begun 01/01/2012	12,000 0 0	0 0 0	6,360 0 0
Stock options canceled or nullified	0	0	0
Remaining stock options	234,000	383,000	210,640

2.2.4.3. Stock options allocated and subscribed to since January 1, 2012

No stock options have been allocated or subscribed to since January 1, 2012.

2.2.5. BONUS SHARES

This information is set out in paragraph 4.15.3 of the Management report.
Moreover, no bonus shares have been allocated since the start of the fiscal year on January 1, 2012.

2.2.6. SHAREHOLDER COMMITMENTS

There are no shareholder commitments.

2.2.7. CAPITAL PLEDGES

There are no capital pledges.

2.3. 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.

2.4. 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.

2.5. COMPANY STOCK EXCHANGE INFORMATION

Guillemot Corporation S.A. is listed on the NYSE Euronext Paris exchange (Compartment C).

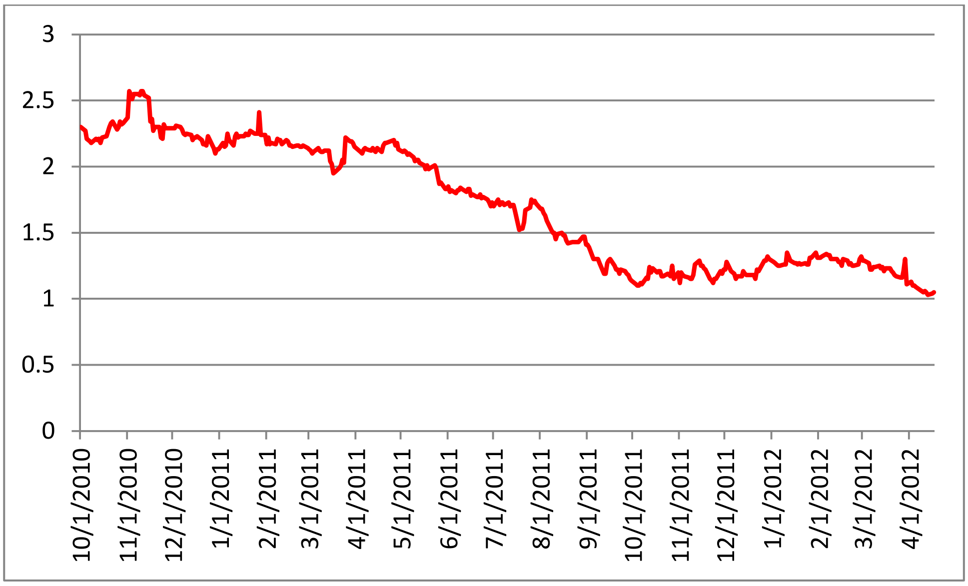
ISIN code : FR0000066722
Market capitalization at December 31, 2011 : €19,506,156.80
Market capitalization at April 17, 2012 : €15,754,972.80

2.5.1. INFORMATION REGARDING GUILLEMOT CORPORATION SHARES

Month	Total security transactions	Daily average security volume traded	Opening price on the last day of the month (€)	Monthly high price (€)	Monthly low price (€)
Oct-10	226,399	10,780	2.31	2.36	2.15
Nov-10	655,541	29,797	2.30	2.64	2.20
Dec-10	311,529	13,544	2.13	2.32	2.07
Jan-11	370,168	17,627	2.21	2.41	2.08
Feb-11	167,297	8,364	2.16	2.26	2.12
Mar-11	388,280	16,881	2.18	2.35	1.93
Apr-11	179,460	9,445	2.18	2.26	2.08
May-11	298,294	13,558	1.85	2.18	1.80
Jun-11	121,696	5,531	1.71	1.94	1.65
Jul-11	240,269	11,441	1.69	1.85	1.49
Aug-11	145,591	6,330	1.46	1.74	1.30
Sep-11	197,152	8,961	1.16	1.41	1.10
Oct-11	403,565	19,217	1.15	1.32	0.97
Nov-11	281,590	12,799	1.18	1.30	1.10
Dec-11	196,068	9,336	1.30	1.35	1.14
Jan-12	205,362	9,334	1.34	1.40	1.18
Feb-12	142,113	6,767	1.26	1.37	1.23
Mar-12	393,165	17,871	1.18	1.37	1.09
Apr-12 (1)	69,890	6,989	1.04	1.14	1.00

(1) from April 1 to 17, 2012 (Source: Euronext)

2.5.2. GUILLEMOT CORPORATION SHARE PRICE EVOLUTION (IN €)



3. 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.

3.1. RISK LINKED TO SECTOR OF ACTIVITY

Guillemot Corporation operates within the mainstream computer and video game consoles markets, sectors which are sensitive to changes in electronic microprocessor and telecommunications technologies, to competition and seasonal fluctuations.

3.1.1. TECHNOLOGICAL RISK

Guillemot Corporation uses the latest technologies to manufacture its product ranges, each product employing different types of technologies.
The Group's Research and Development engineering teams monitor technological developments closely to ensure that the Group's upcoming products incorporate the most up-to-date features.
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.

3.1.2. PROCUREMENT RISK

3.1.2.1. Dependence on 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.

3.1.2.2. 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.

3.1.3. 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 strong 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.

3.1.4. 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. Moreover, some game console manufacturers limit access to technologies allowing for compatibility with their consoles, which may result in the potential obsolescence of certain products.

3.1.5. 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.

3.2. 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.

3.3. MARKET RISK

Market risks (rates, Forex, shares and credit) are set out in paragraph 4.6.1 of the Management report.

3.4. LIQUIDITY RISK

Liquidity risks (cash position, acceleration clauses) are set out in paragraph 4.6.2 of the Management report.

3.5. PROCUREMENT AND PRICE RISK

These risks are set out in paragraph 4.6.3 of the Management report.

3.6. LEGAL RISK

These risks are set out in paragraph 4.6.5 of the Management report.

3.7. OTHER RISKS

3.7.1. 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 9% of consolidated sales, with the Group's top five customers accounting for 29% and the top ten accounting for 43% of consolidated sales.
The amount of unrecovered matured receivables relating to the Group's top ten customers amounted to €1,385K at December 31, 2011.
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. paragraph 5.5.7.6).

3.7.2. COUNTRY RISK

This risk is set out in paragraph 4.6.4 of the Management report.

3.7.3. OPERATIONAL ASSETS RISK

The Guillemot Corporation Group owns all of the assets required for its successful operation.

3.7.4. 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.

3.7.5. 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 €6.2 million, and merchandise for €6.5 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.

4. 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, 2011, 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.

4.1. ACTIVITIES AND RESULTS

Guillemot Corporation designs and manufactures interactive entertainment hardware and accessories, offering a wide range of diversified products under the Hercules and Thrustmaster brand names. Active in this field since 1984, the Guillemot Corporation Group is currently present in eleven countries including France, Germany, the UK, the United States, Spain, Holland, Belgium, Hong Kong, Romania, Canada and Italy, 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.

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

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

4.1.1.1. 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 activities consist 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.

4.1.1.2. 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.

4.1.2. 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 (cf. paragraph 4.6.2.1).
*** 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.

4.1.2.1. 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**

▪ 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**

4.1.2.2. 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**

4.1.3. 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.

4.1.4. 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.

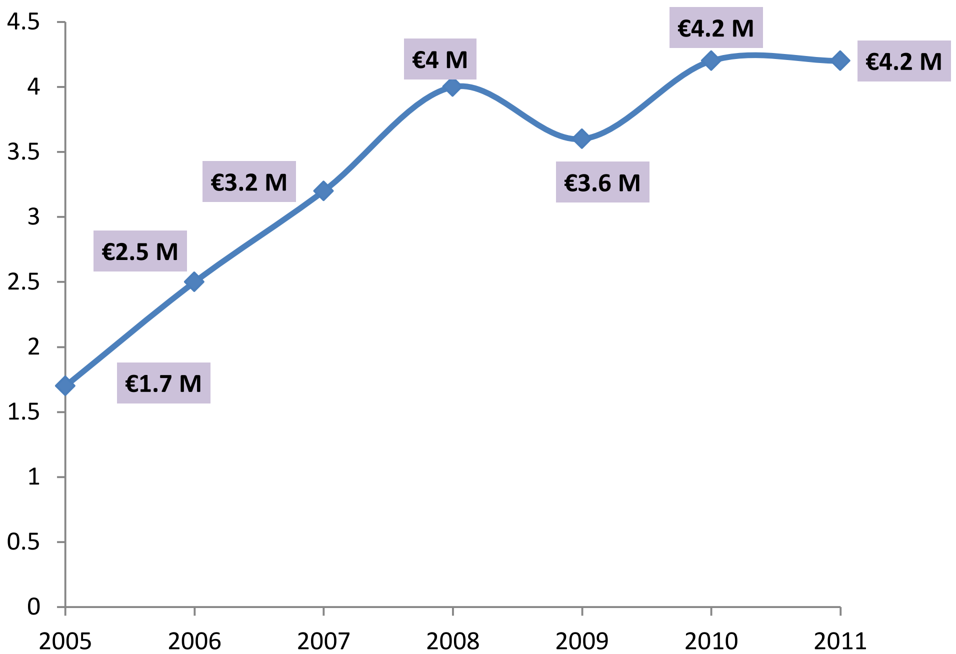
4.1.5. FORESEEABLE EVOLUTION AND FUTURE PROSPECTS

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 consistent 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.

4.2. RESEARCH AND DEVELOPMENT ACTIVITIES

From the design of products orchestrated by the Production Director, in collaboration with engineers, project heads and marketing teams, Research and Development is an essential component of the Group's growth. Research and Development's goal is to contribute to the Group's growth by developing new processes, new technologies and new products, thanks to its technological expertise and vision. The Group's overall R&D resources are split up among teams and facilities based in four different countries (France, Canada, Hong Kong and Romania). Efficiency and innovation are the major objectives.

In 2011, the Group devoted €4.2 million to its Research and Development spending, representing 7% of consolidated sales.



In 2011, an emphasis was placed on the following developments:

Console and PC accessories

In terms of racing wheels and joysticks, the Group's Research and Development teams worked on the following products:

- The Ferrari F1 Wheel Add-On, a life-size detachable replica of the wheel of the Ferrari F1 2011, designed for use on the base of the T500RS wheel.
- The TH8RS, an independent and versatile high-end gear shifter.
- Thrustmaster's Ferrari F458 Italia Racing Wheel for Xbox 360, the world's first wheel with official Ferrari and Microsoft Xbox 360 licenses.

DJing

With respect to audio products, the Group's Research and Development teams developed the DJ Control AIR over the course of the year, the first portable USB DJ controller to feature both hands-free "air" and touch controls.

Speakers

Thanks to its twenty years of audio expertise, Hercules created its first active monitoring speaker system with the release of the Hercules XPS 2.080 DJ Monitor kit, providing precise sound reproduction and allowing DJs to therefore work on their mixes more effectively.

eCAFÉ™ netbooks

The Group's Research and Development teams worked on the new eCAFÉ™ range, which brings together the latest technological innovations, taking the concept of ultra-mobility even further. This new netbook range is based on next-generation ARM processors, incorporating technology which allows users to play videos in Flash format on most websites, including on YouTube.

WiFi/PLC

The R&D teams worked to enable the Group to enter the market for wireless speaker systems in 2012, thereby harmoniously combining its know-how in terms of audio technologies with its strong competencies in the world of wireless communications, as demonstrated by its many models of USB WiFi adapters.

Webcams

Hercules has been innovating by working to create a totally new and unique collection of webcams: mini-sized, available in a variety of colors and featuring a flexible base, the Hercules HD Twist webcams were unveiled at the CES trade show in Las Vegas on January 10, 2012.

Software interfaces

A dedicated R&D team works on software interfaces for Hercules and Thrustmaster products, ensuring a simple and intuitive experience for end users.

4.3. 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.
Moreover, the Group regularly studies potential opportunities for external growth.

4.4. SIGNIFICANT CHANGES TO FINANCIAL OR COMMERCIAL STANDING SINCE THE END OF THE FISCAL YEAR

No significant changes with regard to the Group's financial or commercial standing have occurred since the fiscal year-end date.

4.5. SIGNIFICANT EVENTS SINCE THE END OF THE FISCAL YEAR

In March 2012, the Group received the sum of USD 735,000 from a former supplier, thereby bringing to a close a dispute underway since 2006 and linked to the ending of its 3D Display activities.
No accrued revenues existed in the Group's financial statements at December 31, 2011.

4.6. MAIN RISKS TO WHICH GUILLEMOT CORPORATION IS EXPOSED

4.6.1. MARKET RISKS

4.6.1.1. Rate risk

At December 31, 2011, the Group had fixed-rate loans in the amount of €3,374K, and variable-rate loans worth €1,375K. No loans were covered by acceleration clauses at December 31, 2011.
A 1% increase in interest rates, taken on an annual basis and considering the outstanding amount at December 31, 2011 (the amount of variable-rate financial liabilities) would have an impact of a €9K increase in expenses. During 2011, the Group put in place an interest rate swap contract, allowing it to manage the interest rate risk linked to exposure to a 3-month variable EURIBOR.

4.6.1.2. Forex risk

As all of the major players in the multimedia industry conduct transactions in US 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 US dollar. In the United States, Canada and all other countries outside of Europe, the transaction currency is also the US dollar. In Europe, the Group sells mainly in euros. Rapid currency variations and dips in the value of the US 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 US 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 two years enhance its natural coverage and significantly decrease the Forex risk.

The Group's currency assets and liabilities at December 31, 2011 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	2,132	735
Liabilities	8,046	40
Net pre-adjustment position	-5,914	695
Off-balance-sheet position	0	0
Net post-adjustment position	-5,914	695

A 10% increase in the US dollar rate considered on an annual basis and at the amount outstanding at December 31, 2011 (amount of currency exposed to Forex variations) would result in an increase in financial expenses of €457K.
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 is €-14K.

4.6.1.3. Share risk

The net value of listed securities in the company's portfolio at December 31, 2011 amounted to €4,797K.

Inventory of listed securities held at December 31, 2011

Inventory of portfolio securities	Market	Number of securities at 31/12/11	Market value (in €K) (1)
Ubisoft Entertainment S.A.	NYSE Euronext (Paris)	863,874	4,468
Gameloft S.A.	NYSE Euronext (Paris)	68,023	329
		Total	**4,797**

(1) The rate employed is equal to the rate on the last day of the month of December 2011 (Ubisoft Entertainment: €5.171; Gameloft: €4.84).

Changes in the stock market value of shares held have an impact on the Group's results. For 2012, a 10% decrease in the value of Ubisoft Entertainment shares (in relation to the price at December 31, 2011) would have an impact of €-447K on financial income.
A 10% decrease in the value of Gameloft shares (in relation to the price at December 31, 2011) would have an impact of €-33K on financial income.
At March 23, 2012, the Ubisoft Entertainment share's closing price was €5.657, representing an increase of 9% in relation to the price at December 31, 2011, and resulting in the posting of revaluation gain of €420K in the Group's consolidated financial statements at this date.

4.6.1.4. 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.

4.6.2. 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.

4.6.2.1. Cashflow risk

The Group's net indebtedness is €1.1 million. In addition, the Group has a portfolio of Ubisoft Entertainment and Gameloft securities with a market value of €4.8 million at December 31, 2011.

The Group's indebtedness at December 31, 2011 is broken down as follows:

Type of security issued or loan	Fixed rate	Variable rate	Overall line amount	Settlement year	Coverage
Lending institution loans	3,374	1,375	4,749	2012-2014	Yes
Medium-term bank debt	13		13	2012	No
Bank overdrafts and currency advances		926	926	2012	No
Other	11		11	2012	No
Total (in €K)	**3,398**	**2,301**	**5,699**		

4.6.2.2. Acceleration clauses

At December 31, 2011, the Group had no loans covered by acceleration clauses.

4.6.3. 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 has 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.

4.6.4. COUNTRY RISK

Export sales are growing strongly. 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.

4.6.5. LEGAL RISKS

4.6.5.1. 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.

4.6.5.2. 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.

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 priority research, or commissions priority research based on its requirements.

However, the company cannot guarantee that proceedings will not be taken against it. Costs related to defense or payment of damages and interest in the event of an unfavorable outcome for the Group could have negative consequences in terms of the Group's activities and financial standing.

4.7. GUILLEMOT CORPORATION GROUP SUBSIDIARIES AND INVESTMENTS

4.7.1. GUILLEMOT CORPORATION GROUP ORGANIZATIONAL CHART AT DECEMBER 31, 2011

GUILLEMOT BROTHERS S.A. (1)	GUILLEMOT FAMILY	GUILLEMOT CORPORATION S.A.	PUBLIC
66.87%	7.30%	1.88%	23.95%

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 et 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%
INVESTMENTS		
Gameloft S.A.	France	0.09%
Ubisoft Entertainment S.A.	France	0.91%

(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.

4.7.2. EQUITY PARTICIPATION AND DIVESTMENTS

During the fiscal year ended December 31, 2011, the company Guillemot Corporation S.A. created a Spanish subsidiary, Guillemot Spain SL; Guillemot Corporation S.A. holds all of the subsidiary's share capital, amounting to €3,100. This subsidiary's main activities involve the provision of services in the following domains: identification of potential buyers of products (including computers, computer hardware, multimedia and audiovisual products, software, interactive entertainment hardware and accessories, as well as any products linked to new technologies) and of the needs of these potential buyers; the presentation and demonstration of the aforementioned products to potential buyers; development and growing of retail sales of the aforementioned products via local distributors; assistance with respect to trade negotiation, sales promotion, publicity and marketing.

Moreover, during the fiscal year ended December 31, 2011, securities held by the company in the American company Air2Web Inc were canceled as part of a merger transaction of the latter with a third-party company. At December 31, 2011, the company Guillemot Corporation S.A. no longer held any Air2Web Inc securities.

4.7.3. ACTIVITIES OF THE PARENT COMPANY AND OF ITS MAIN SUBSIDIARIES

4.7.3.1. 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 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.

4.7.3.2. 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, the UK and Italy, and distributes its products in more than sixty 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.

4.7.3.3. 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.
Research and Development spending amounted to €4.2 million for the 2011 fiscal year, representing 7% of consolidated sales.
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 required for carrying out the project,
- The ability to measure spending linked to this asset in a dependable way during its developmental phase.

Currently, development costs are accounted for as expenses, as very short product cycles and a variety of projects common to several product lines do not allow the Group to individualize development costs.
The Research and Development workforce accounts for 42% of the Group's employees.

4.7.3.4. 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.

4.8. INFORMATION ON FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

4.8.1. THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

4.8.1.1. Changes made to the presentation of financial statements or to valuation methods

No changes have been made to the presentation of financial statements or to valuation methods.

4.8.1.2. 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.

4.8.1.3. 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 had 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 customers.
- The other receivables entry had a net value of €2,515K and mainly relates to value added tax receivables and down payment receivables.
- Financial assets amounted to €4,796K, and the cash and cash equivalents entry to €6,281K.
- Current 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 allocations	1,895
- Depreciation, amortization and provisions reversals	-248
-/+ Unrealized 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

4.8.2. GUILLEMOT CORPORATION S.A. FINANCIAL STATEMENTS

4.8.2.1. Changes made to the presentation of financial statements or to valuation methods

No changes have been made to the presentation of financial statements or to valuation methods.

4.8.2.2. 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 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:	€-131K
Financial interest revenues and expenses:	€-123K
Income from MIS disposals:	€-75K
Provisions recoveries and allowances:	€-3,378K

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 for €32K.
Discounts granted amounted to €58K.

Net income 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.

Reversals on the impairment of securities amounted to €80K and relate to participating interests in subsidiaries for €25K, and to securities of the company Air2Web (United States) for €55K. The latter were cancelled as part of a financial transaction involving the company Air2Web (United States).
Other reversals of provisions correspond to provision write-backs on current account advances for a total amount of €56K, and various reversals relating to unrealized Forex losses for the previous fiscal year for €132K.

Impairment provisions on securities related to Ubisoft Entertainment and treasury stock securities for €2,378K. Provisions allocations on securities and subsidiaries' current account advances 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:	€0K
Revenues and expenses on capital transactions:	€-55K
Provision reversals and allocations :	€-115K

The exceptional result on capital transactions corresponds to the removal of securities of the company Air2Web (United States).
The company posted an exceptional allocation of €150K, relating to a customs VAT amount due by a defaulting supplier and claimed from Guillemot Corporation by the administration.

The main performance results are as follows:

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

4.8.2.3. 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 had inventory with a net value of €8,947K.

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

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

Marketable investment securities amounted to 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	**At 31.12.11**
(In €K)	
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

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, 2011, the balance of debts and liabilities with respect to suppliers was broken down as follows:

Supplier debts/liabilities	< = 30 days		31 - 60 days inclusive		> = 61 days		Total (taxes incl.)	
(All taxes included, in €K)	2011	2010	2011	2010	2011	2010	2011	2,010
Debts falling due*	8,475	6,816	3,359	4,275	11	408	11,845	11,499
Debts due	3,030	2,674	637	670	815	591	4,482	3,935
Total amount (taxes incl.)	**11,505**	**9,490**	**3,996**	**4,945**	**826**	**999**	**16,327**	**15,434**

* The breakdown of debts falling due is indicated by way of the due dates stipulated on contracts.

Cashflow linked to activities is broken down as follows:

(In €K)	**At 31.12.11**
Net income	-2,986
Amortization and provisions allocations and reversals	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

4.9. NET INCOME APPROPRIATION

Having deducted all expenses and all taxes and amortization, the financial statements presented to you show a loss of €2,985,680.37, 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 since the company's creation.

4.10. 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.

4.11. INFORMATION REGARDING GUILLEMOT CORPORATION S.A.'S SHARE CAPITAL

4.11.1. SHARE CAPITAL BREAKDOWN AT DECEMBER 31, 2011

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 common shares, fully paid, with a nominal value of €0.77 each.

4.11.2. CAPITAL BREAKDOWN AT DECEMBER 31, 2011

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.

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.

To the company's knowledge, no other shareholder directly and indirectly held more than 5% of capital.

During the fiscal year ended December 31, 2011, no threshold levels stipulated in Article L.233-7 of the Commercial Code were crossed.

At December 31, 2011, there was no employee share ownership in the sense of Article L.225-102 of the Commercial Code.

4.11.3. TREASURY STOCK

At the start of the fiscal year begun January 1, 2011, the company held 256,174 treasury stock shares. During the fiscal year ended December 31, 2011, 463,949 shares were acquired and 437,413 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, 2011.

At December 31, 2011, the company held 282,710 treasury stock shares.

Number of shares registered in the company's name at December 31, 2010:	256,174
Number of shares acquired during the fiscal year ended December 31, 2011:	463,949
Average acquisition price:	€1.67
Number of shares sold during the fiscal year ended December 31, 2011:	437,413
Average sale price:	€1.69
Number of shares canceled during the fiscal year ended December 31, 2011:	0
Amount of execution fees during the fiscal year ended December 31, 2011:	0
Number of shares registered in the company's name at December 31, 2011:	282,710
Value of shares registered in the company's name at December 31, 2011 (valued at purchase price):	€715,801.71
Total nominal value of shares registered in the company's name at December 31, 2011: *- for conservation with a view to subsequent remittance, by exchange or in payment, as part of possible external growth operations:* *- as part of a liquidity contract:*	€217,686.70 *€144,187.12* *€73,499.58*
Number of shares used during the fiscal year ended December 31, 2011: (sold as part of a liquidity contract)	437,413
Reallocations taken place during the fiscal year ended December 31, 2011:	Nil
Percentage of capital represented by the shares held at December 31, 2011:	1.88%

4.11.4. TRANSACTIONS STIPULATED IN ARTICLE L.621-18-2 OF THE MONETARY AND FINANCIAL CODE

Nil.

4.11.5. ELEMENTS WHICH MAY HAVE AN EFFECT IN THE EVENT OF A PUBLIC OFFERING

4.11.5.1. Structure of capital – Direct or indirect investments in the company's capital

This information is set out in paragraph 4.11.2.

4.11.5.2. 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 in the transfer of company shares. The company has no knowledge of any agreement entered into between shareholders stipulating restrictions in the transfer of company shares.
Moreover, the company has no knowledge of any agreement stipulating preferential conditions for the disposal or acquisition of shares.

4.11.5.3. List of holders of any securities including special control rights

There are no securities including special control rights.

4.11.5.4. 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.

4.11.5.5. 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.

4.11.5.6. Powers of the Board of Directors with respect to share issue or buyback

The delegations of authority and of powers conferred to the Board of Directors with respect to capital increases are set out at paragraph 4.15.5.

Moreover, the Board of Directors has an authorization from the general meeting of shareholders held on May 25, 2011, 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, 2011 is set out in paragraph 4.11.3.

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 24, 2012)
- Maximum percentage of capital authorized: 10%
- Maximum unitary purchase price: €10
- 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 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.

4.11.5.7. 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.

4.11.5.8. 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.

4.12. INFORMATION REGARDING EXECUTIVE OFFICERS

4.12.1. ADMINISTRATIVE BODY

Name/ Professional address	**Function**	**Appointment/renewal 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 renewed on 15/06/06	Term of office set to expire at the RGM to take place in 2012
Michel Guillemot BP 2 56204 La Gacilly Cedex	Director	September 1, 1997 Term of office renewed on 15/06/06	Term of office set to expire at the RGM to take place in 2012
Yves Guillemot BP 2 56204 La Gacilly Cedex	Director	September 1, 1997 Term of office renewed on 15/06/06	Term of office set to expire at the RGM to take place in 2012
Gérard Guillemot BP 2 56204 La Gacilly Cedex	Director	September 1, 1997 Term of office renewed on 15/06/06	Term of office set to expire at the RGM to take place in 2012
Christian Guillemot BP 2 56204 La Gacilly Cedex	Director	September 1, 1997 Term of office renewed on 15/06/06	Term of office set to expire at the RGM to take place in 2012
Marie-Hélène Lair BP 2 56204 La Gacilly Cedex	Director	November 25, 2011	Term of office set to expire at the RGM to take place in 2017

The regular general meeting of shareholders held on November 25, 2011 decided, based on a proposal by the Board of Directors, to appoint Ms. Marie-Hélène Lair as a Director of the company for a period of six years.

4.12.2. MANAGEMENT BODY

Name/ Professional address	Function	Appointment/renewal date	Function expiry
Claude Guillemot BP 2 56204 La Gacilly Cedex	Chief Executive Officer	September 1, 1997 Function renewed on 16/06/06	Function expires at end of Director's term of office
Michel Guillemot BP 2 56204 La Gacilly Cedex	Deputy Chief Executive Officer, Business Strategy	November 7, 1997 Function renewed on 16/06/06	Function expires at end of Director's term of office
Yves Guillemot BP 2 56204 La Gacilly Cedex	Deputy Chief Executive Officer, Relations with video game console and computer manufacturers	November 7, 1997 Function renewed on 16/06/06	Function expires at end of Director's term of office
Gérard Guillemot BP 2 56204 La Gacilly Cedex	Deputy Chief Executive Officer, Marketing Research	November 7, 1997 Function renewed on 16/06/06	Function expires at end of Director's term of office
Christian Guillemot BP 2 56204 La Gacilly Cedex	Deputy Chief Executive Officer, Administration	September 1, 1997 Function renewed on 16/06/06	Function expires at end of Director's term of office

4.12.3. OTHER POSITIONS HELD AND FUNCTIONS CARRIED OUT BY MEMBERS OF ADMINISTRATIVE AND MANAGEMENT BODIES DURING THE FISCAL YEAR ENDED DECEMBER 31, 2011

4.12.3.1. Other positions held and functions carried out within the Guillemot Corporation Group

Name	Positions held/Functions carried out within the Group
Claude Guillemot	**President:** Hercules Thrustmaster SAS (France) **President and Administrator:** Guillemot Inc (Canada), Guillemot Recherche et 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 et Développement Inc (Canada), Guillemot SA (Belgium)

4.12.3.2. Other positions held and functions carried out outside of the Guillemot Corporation Group

Name	Positions held/Functions carried out outside of the Group
Claude Guillemot	**Deputy Chief Executive Officer and Administrator:** Guillemot Brothers SA (France), Gameloft SA* (France), Ubisoft Entertainment SA* (France) **Administrator:** Gameloft Inc. (United States), Gameloft Iberica SA (Spain), Gameloft Inc. (Canada), Gameloft Ltd (UK), Gameloft Live Developpements Inc (Canada), Ubisoft Nordic A/S (Denmark), Ubisoft Sweden A/B (Sweden), Ubisoft Emirates FZ LLC (UAE) **Director:** Advanced Mobile Applications Ltd (UK) **Deputy Administrator:** Ubisoft Entertainment Sweden A/B (Sweden), Redlynx Oy (Finland)
Michel Guillemot	**Chief Executive Officer and Administrator:** Gameloft SA* (France) **Deputy Chief Executive Officer and Administrator:** Guillemot Brothers SA (France), Ubisoft Entertainment SA* (France) **President and Administrator:** Gameloft Inc (United States), Gameloft Inc (Canada), Gameloft Ltd (UK), Gameloft KK (Japan), Gameloft Company Ltd (Vietnam), Gameloft Iberica SA (Spain), Gameloft Argentina S.A. (Argentina), Gameloft Co. Ltd (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) **President:** Gameloft Partnerships SAS (France), Gameloft Live SAS (France), Ludigames SAS (France), Gameloft Srl (Romania), Gameloft Software (Beijing) Company Ltd (China), Gameloft Software (Shanghai) Company Ltd (China), Gameloft Software (Chengdu) Company Ltd (China), Gameloft Software (Shenzhen) Company Ltd (China) **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), Gameloft S.P.R.L. (Belgium), Gameloft S.r.o (Czech Republic) **Administrator:** Gameloft Australia Pty Ltd (Australia), Gameloft de Venezuela SA (Venezuela)

Name	Positions held/Functions carried out outside of the Group
Yves Guillemot	**Chief Executive Officer:** Ubisoft Entertainment SA* (France) **Deputy Chief Executive Officer and Administrator:** Guillemot Brothers SA (France), Gameloft SA* (France) **President:** 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) **Director:** Advanced Mobile Applications Ltd (UK) **President and Administrator:** Ubisoft Divertissements Inc (Canada), Ubisoft Canada Inc (Canada), Ubisoft Music Inc (Canada), Ubisoft Music Publishing Inc (Canada), Ubisoft Digital Arts Inc (Canada), Hybride Technologies Inc (Canada), Ubisoft Vancouver Inc (Canada), Ubisoft Toronto Inc (Canada), Quazal Technologies Inc (Canada), Ubisoft Nordic A/S (Denmark), Red Storm Entertainment Inc (United States), Ubisoft Holdings Inc (United States), Ubisoft Entertainment India Private Ltd (India), Ubi Games SA (Switzerland), Ubisoft Emirates FZ LLC (UAE) **Manager:** Ubisoft EMEA SARL (France), Ubisoft Learning & Development SARL (France), Ubisoft Motion Pictures SARL (France), Ubisoft Entertainment SARL (Luxembourg), Spieleenwicklungskombinat GmbH (Germany), Blue Byte GmbH (Germany), Ubisoft GmbH (Germany), Ubisoft Studios Srl (Italy), Ubisoft Sarl (Morocco), Ubisoft BV (Netherlands) **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:** Gameloft Inc (Canada), Gameloft Live Developpements Inc (Canada), Ubisoft Pty Ltd (Australia), Ubisoft SA (Spain), Ubisoft Ltd (UK), Ubisoft Entertainment Ltd (UK), Red Storm Entertainment Ltd (UK), Ubisoft Ltd (Hong Kong), Ubi Studios SL (Spain), Ubisoft SpA (Italy), Ubisoft KK (Japan), Ubisoft Osaka KK (Japan), Ubisoft Srl (Romania), Ubisoft Singapore Pte Ltd (Singapore), Ubisoft Sweden AB (Sweden), Ubisoft Entertainment Sweden AB (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 Chief Executive Officer and Administrator:** Guillemot Brothers SA (France), Gameloft SA* (France), Ubisoft Entertainment SA* (France) **Director:** Advanced Mobile Applications Ltd (UK) **Administrator:** Gameloft Inc. (United States), Gameloft Inc (Canada), Gameloft Live Developpements Inc (Canada)
Christian Guillemot	**Chief Executive Officer:** Guillemot Brothers SA (France) **President and Director:** Advanced Mobile Applications Ltd (UK) **Vice-President:** Ubisoft Holdings Inc (United States) **Deputy Chief Executive Officer and Administrator:** Gameloft SA* (France), Ubisoft Entertainment SA* (France) **Administrator:** Gameloft Inc (United States), Gameloft Iberica SA (Spain), Gameloft Inc (Canada), Gameloft Ltd (UK), Gameloft Live Developpements Inc (Canada), Ubisoft Nordic A/S (Denmark), Ubisoft Sweden AB (Sweden)

* Company listed on NYSE Euronext (Paris).

4.12.4. REMUNERATION OF MEMBERS OF ADMINISTRATIVE AND MANAGEMENT BODIES

To date, the Board of Directors has not yet established a remuneration committee.

4.12.4.1. 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 €26,014 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 Chief Executive Officer. 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 €209,988 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 officers.

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 officers have received no remuneration on the part of other Guillemot Corporation Group companies during the fiscal year.

Name	Gross amount paid (in €) from 01/01/11 to 31/12/11	Gross amount paid (in €) from 01/01/10 to 31/12/10
Claude Guillemot	**145,004**	**140,004**
Fixed remuneration	*140,004*	*140,004*
Variable remuneration	*0*	*0*
Exceptional remuneration	*0*	*0*
Attendance fees	*5000*	*0*
Fixed component:	*5000*	*0*
Variable component:	*0*	*0*
Benefits in kind	*0*	*0*
Michel Guillemot	**22,496**	**17,496**
Fixed remuneration	*17,496*	*17,496*
Variable remuneration	*0*	*0*
Exceptional remuneration	*0*	*0*
Attendance fees	*5000*	*0*
Fixed component:	*5000*	*0*
Variable component:	*0*	*0*
Benefits in kind	*0*	*0*
Yves Guillemot	**22,496**	**17,496**
Fixed remuneration	*17,496*	*17,496*
Variable remuneration	*0*	*0*
Exceptional remuneration	*0*	*0*
Attendance fees	*5000*	*0*
Fixed component:	*5000*	*0*
Variable component:	*0*	*0*
Benefits in kind	*0*	*0*
Gérard Guillemot	**22,496**	**17,496**
Fixed remuneration	*17,496*	*17,496*
Variable remuneration	*0*	*0*
Exceptional remuneration	*0*	*0*
Attendance fees	*5000*	*0*
Fixed component:	*5000*	*0*
Variable component:	*0*	*0*
Benefits in kind	*0*	*0*
Christian Guillemot	**22,496**	**17,496**
Fixed remuneration	*17,496*	*17,496*
Variable remuneration	*0*	*0*
Exceptional remuneration	*0*	*0*
Attendance fees	*5000*	*0*
Fixed component:	*5000*	*0*
Variable component:	*0*	*0*
Benefits in kind	*0*	*0*
Marie-Hélène Lair	**1,014**	**0**
Fixed remuneration	*0*	*0*
Variable remuneration	*0*	*0*
Exceptional remuneration	*0*	*0*
Attendance fees	*1014*	*0*
Fixed component:	*1014*	*0*
Variable component:	*0*	*0*
Benefits in kind	*0*	*0*
Total	**236,002**	**209,988**

4.12.4.2. Remuneration paid by the controlling company

The company Guillemot Brothers S.A. controls the company Guillemot Corporation S.A., in the sense of Article L.233-16 of the Commercial Code.

Name	Gross amount paid (in €) from 01/01/11 to 31/12/11 (1)	Gross amount paid (in €) from 01/01/10 to 31/12/10 (1)
Claude Guillemot	339,996	339,996
Michel Guillemot	42,313	243,756
Yves Guillemot	24,996	24,996
Gérard Guillemot	462,496	362,496
Christian Guillemot	462,504	462,504
Marie-Hélène Lair	0	0
Total	**1,332,305**	**1,433,748**

(1) No variable or exceptional remuneration has been paid. No attendance fees have been paid. No benefits have been received.

4.13. SOCIAL AND ENVIRONMENTAL INFORMATION

4.13.1. SOCIAL INFORMATION

4.13.1.1. Workforce information

4.13.1.1.1. Total 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**
Permanent	5	76	92	173
Fixed-term contract	0	4	0	4

The Group's average workforce for 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.

4.13.1.1.2. Hiring

During the fiscal year ended December 31, 2011, twenty-three people were hired on a permanent basis: one in Italy, one in the UK, one in Hong Kong, two in Canada, three in Spain, three in Germany, three in France and nine in Romania. Eleven people were hired under fixed-term contracts during the fiscal year, including nine within the Group's French companies. The Group's Romanian and Canadian subsidiaries encountered difficulties in terms of hiring, as a result of tightness in the job market with respect to fields of specialized engineering.

4.13.1.1.3. Dismissals and grounds

There were no dismissals during the course of the fiscal year.

4.13.1.1.4. Additional hours

The number of additional hours for the Group's French companies amounted to 524, with 3,663 additional hours for the Group's foreign companies.

4.13.1.1.5. External manpower

Recourse to temporary external manpower among the Group's French companies during the fiscal year accounted for 1,393 workdays (in full-time equivalence). Foreign companies which employed this manpower category accounted for 44 workdays.

4.13.1.2. Organization of work time

All employees of companies within the Group are affected by the applicable legislation in this category:

France:	35 hours
Canada:	40 hours
UK:	40 hours
Hong Kong:	40 hours
Spain:	40 hours
Romania:	40 hours
Germany:	38.5 hours

A legally-imposed 35-hour work week affects employees of the Group's French companies. The organization of this work time varies, depending on the requirements of the different fields of activity as well as employees' wishes, from equal daily work hours to, more frequently, a 37-hour work week with the granting of one recap day every four weeks.

The number of employees working part-time (apart from part-time parental leave) among consolidated French and foreign subsidiaries represented 6.8% of the workforce at December 31, 2011.

4.13.1.2.1. Absenteeism and grounds

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

	France	Excluding France
Sick days	150	186
Maternity leave	10	41
Work and travel-related accidents	9	0
Unpaid leave	26	142
Paternity leave	0	0
Other absence	9	25
Total	**204**	**394**

4.13.1.3. Pay

(In €)	Parent company	Consolidated French subsidiaries	Consolidated foreign subsidiaries	Total
Salary payments during the fiscal year	209,988	3,873,287	2,778,215	6,861,490
Payroll taxes during the fiscal year	69,399	1,702,626	477,653	2,249,678

Salary changes are based on individual negotiations, according to the evolution of employees' competencies and/or responsibilities. In addition, collective wage increases were implemented at the start of 2011.

The provisions of the Labor Code relating to profit-sharing, participation and employee savings plans are not applicable.
The company respects professional equality between its female (numbering 62, or 35% of the workforce, at December 31, 2011) and male employees, in terms of pay, qualifications, classifications, professional promotions and hiring.

4.13.1.4. Professional relations and collective agreements

Employees of one of the Group's three consolidated French companies were represented by personnel representatives in 2011.

4.13.1.5. Health and safety conditions

The Group’s French companies are continuing their work towards 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. In addition, it should be noted that the Group’s activities give rise to limited professional risk.

4.13.1.6. Training

The consolidated French companies have respected the framework defined by the regulations in this matter, employing a policy meant to promote the adaptation of employees’ skills to the prospects for change in the Group’s fields of activity.
The number of days dedicated to training for French consolidated companies during the fiscal year amounted to 129, compared with 115 the previous year and 94 one year earlier. 90 days were dedicated to training among the Group’s foreign subsidiaries.

4.13.1.7. Employment and integration of disabled workers

One of the Group's French companies employs 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 the Centres d’Aide par le Travail, corresponding to 1.59 units (compared with 1.20 units for the previous year).

Furthermore, the amount contributed by the Group’s French companies during the year with a view to the professional integration of disabled persons represented €7,118.

4.13.1.8. *Company benefits and social schemes*

The Group's companies have organized activities for their personnel, and may also participate in the financing of social activities (cultural expeditions for employees' children, etc.).

4.13.1.9. *Subcontracting*

The Group employs subcontracting as part of the production of its products. The Group also employs subcontracting for studies, promotion and marketing services and sales force, and entrusts the collection and valuation of waste materials to "eco-organizations".

4.13.1.10. *Relations developed with associations for social integration, educational institutions, associations for the protection of the environment, consumers' associations, and neighborhood populations*

Student trainees are regularly taken on by different companies within the Group.

4.13.1.11. *Taking into account by foreign subsidiaries of the impact of their activities on the regional development of local populations*

Nil.

4.13.2. SOCIAL COMMITMENTS

To date, the Group has not yet undertaken any social commitments with regard to combatting discrimination and the promotion of diversity.

4.13.3. ENVIRONMENTAL INFORMATION

4.13.3.1. *Consumption of water resources, raw materials and energy – Measures taken to improve energy efficiency and recourse to renewable forms of energy, soil use conditions, pollution to air, water and soil dramatically affecting the environment, noise and olfactory pollution and waste – Measures taken to limit damage to biological balance, to the natural environment, to protected animal and vegetal species – Measures taken to ensure the conformity of the company's activities with the legislative and regulatory provisions in this field*

The Group has no manufacturing site, with product manufacturing carried out by subcontractors.
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.

- Resources

The Group's facilities consist solely of office space or warehouse storage facilities. The Group's consumption of water and energy resources is therefore limited to typical levels of consumption for these types of premises. The Group is raising employees' awareness regarding saving water and electricity.

Consumption of resources by the Group's French companies:

	2011	2010	Change
Water (in m3)*	612	424	44.34%
Electricity (in kWh)	336,033	293,767	14.39%
Fuel (in liters)*	34,674	66,141	-47.58%

* Premises located in the commune of Carentoir (56910)

The increased consumption of water is related to a shift with respect to metering data over the period.
The Group has updated the heating system for its premises occupied by the Group's French companies in the commune of Carentoir, putting in place a temperature control system. Additional insulation work on all workspaces in the Group's warehouses, as well as a portion of its offices, was carried out in 2011.
Moreover, the Group is a member of Ecowatt, and uses an electricity generator in its premises at Carentoir during alert periods.

Consumables:

The Group's French subsidiaries now almost exclusively use recycled paper.
The Group is constantly raising awareness among its employees regarding the reduction of their use of office paper: it stipulates that double-sided printing be used for printouts. Moreover, certain services with access to an electronic archival system have appreciably reduced their paper consumption levels. Office paper consumption among the Group's French companies amounted to €4K in 2011 (or 1.9 tons).

The Group now systematically uses biodegradable protective packing materials for the purposes of repackaging.

- 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 valuation 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.

With respect to the batteries and accumulators incorporated into its products, the Group entrusts specialized companies with the collection, processing, valuation 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 valuation of products put on the French (Ecologic), Dutch (ICT-Milieu) and German markets (Interseroh Dienstleistungs).

Additionally, waste paper, cardboard and used batteries generated at the French site are collected by service providers for recovery purposes.

4.13.3.2. Assessment or certification actions undertaken in terms of environmental protection

Nil.

4.13.3.3. Existence within the company of internal services in charge of environmental management issues, training and information of employees on these issues, means dedicated to the reduction of environmental risks, as well as the organization put in place to deal with pollution accidents with consequences beyond the company's site

The Group has no manufacturing site, with product manufacturing carried out by subcontractors. There are no internal environmental management services within the Group.

4.13.3.4. Amount of provisions and guarantees allocated for environmental risk

No provisions and guarantees for environmental risks have been made.

4.13.3.5. Amount of compensation for environmental damages paid during the fiscal year arising from a court ruling and measures taken to repair these environmental damages

Guillemot Corporation S.A. has made no compensation as a result of a court ruling on environmental matters.

4.13.3.6. Objectives assigned to foreign subsidiaries

The Group is raising awareness among employees of its subsidiaries in terms of reducing their use of water, electricity and paper resources.

4.14. INDEPENDENT AUDITORS' VERIFICATION

The Independent Auditors will inform you of their reports on the financial statements for the fiscal year ended December 31, 2011. 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 28, 2012

4.15. MANAGEMENT REPORT APPENDICES

4.15.1. 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 common 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 dividends	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.*

4.15.2. SPECIAL REPORT ON SHARE SUBSCRIPTION AND PURCHASE OPTIONS (ARTICLE L.225-184 OF THE COMMERCIAL CODE)

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, 2011.

No stock option plans were put in place during the fiscal year ended December 31, 2011. No stock options were granted or exercised during the fiscal year. At December 31, 2011, the remaining stock options allow for the potential creation of a maximum of 1,892,438 new shares, representing 11.20% of the sum of the securities composing the company's capital and these new shares.

To date, the company has not put in place any share purchase option plans.

The following table summarizes the stock option plans put in place by the company during previous fiscal years, and still in effect during the fiscal year ended December 31, 2011:

General meeting date	21/12/00	21/12/00	15/02/02	20/02/03	20/02/03	20/02/03	15/06/06	15/06/06
Board of Directors meeting date	17/04/01	18/04/01	04/11/02	01/09/03	22/02/06	22/02/06	18/02/08	18/02/08
Total number of shares available for subscription, of which:	28,000	72,000	199,998	459,000	433,000	246,000	383,000	217,000
- by company Directors	0	0	0	0	75,000	0	75,000	0
- by the ten highest-allocated employees	2,520	6,160	199,998	218,000	157,500	82,000	200,000	130,000
First option exercise date	17/04/05	18/04/02	04/11/06	01/09/07	22/02/10	22/02/08	18/02/12	18/02/10
Options expiry date	17/04/11	18/04/11	04/11/12	01/09/13	22/02/16	22/02/16	18/02/18	18/02/18
Subscription price (in €)	29	29	1.36	1.83	1.74	1.77	1.91	1.91
Exercise terms	-	25% per yr.	-	-	-	1/3 per yr.	-	1/3 per yr.
Number of shares subscribed to	0	0	0	16,700	10,500	12,000	0	6,360
Including during the fiscal year ended 31/12/2011	0	0	0	0	0	0	0	0
Stock options canceled or nullified during the fiscal year ended 31/12/2011	28,000 (1)	72,000 (2)	0	0	0	0	0	0
Remaining stock options	0	0	199,998	442,300	422,500	234,000	383,000	210,640

(1) None of the stock options granted on April 17, 2001 have been exercised, and all of these stock options were nullified on April 17, 2011.
(2) None of the stock options granted on April 18, 2001 have been exercised, and all of these stock options were nullified on April 18, 2011.

Rennes, March 28, 2012
Chairman of the Board of Directors

4.15.3. SPECIAL REPORT ON BONUS SHARES (ARTICLE L.225-197-4 OF THE COMMERCIAL CODE)

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, 2011.
No bonus shares were granted to the company's executive officers or to non-executive officer employees during the fiscal year ended December 31, 2011, nor during previous fiscal years.

Rennes, March 28, 2012
Chairman of the Board of Directors

4.15.4. 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 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 SA 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 callable liquid claims 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.

4.15.5. DELEGATIONS OF AUTHORITY AND OF POWERS CURRENTLY VALID WITH RESPECT TO SHARE CAPITAL INCREASES

Hereafter is presented the summary table of delegations of authority and of powers currently valid with respect to share capital increases, granted by the general meeting of shareholders of the company Guillemot Corporation S.A. to the Board of Directors pursuant to Articles L.225-129-1 and L.225-129-2 of the Commercial Code.

Delegation date	Delegation subject	Ceiling (1)	Delegation duration	Use during the fiscal year ended 31/12/2011
25/05/2011	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 capital or giving the right to allocation of debt securities (with maintenance 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 24/07/2013	Nil
25/05/2011	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 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 24/07/2013	Nil
25/05/2011	Delegation of authority granted to Board of Directors to decide to increase share capital by way of an offering stipulated in Article L.411-2 of the Monetary and Financial Code (private investment benefiting qualified investors or a restricted group of investors), via the issue of common company shares and/or of marketable securities providing access to the company's 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 24/07/2013	Nil
25/05/2011	Delegation of power 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 24/07/2013	Nil
25/05/2011	Delegation of power 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 24/07/2014	Nil
25/05/2011	Delegation of power 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 24/07/2014	Nil
25/05/2011	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 24/07/2013	Nil

(1) The general meeting of shareholders held on May 25, 2011 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 set out in this summary table at a nominal amount of €8 million.

4.15.6. 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, 2011,
- 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 officers,

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 28, 2012.

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.

During the course of the fiscal year ended December 31, 2012, Ms. Marie-Hélène Lair was appointed as a Director by the general meeting of shareholders. Your Board of Directors is now composed of six members, including five men and one woman. The percentage of male Directors and female Directors now stands at 83.3% and 16.7%, 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.

Your Board of Directors includes one independent member in the sense of the Middlenext corporate governance code, said member being Ms. Marie-Hélène Lair. Your Board continues to search for independent Directors in order to comply with the terms of the Middlenext corporate governance code, but has not been able to finalize this search to date.

Your Board of Directors does not include a Director elected by employees.

The list of company Directors, including the functions which they perform as part of other companies, is set out in paragraphs 4.12.1, 4.12.2 and 4.12.3 of the Management report.

The duration of Directors' functions is six years. Directors are always re-eligible. Each Director must hold at least one company share and may not be more than 80 years of age.

In the course of the company's activity, Directors are appointed or renewed by the regular general meeting of shareholders; however, in the event of merger or demerger, nomination may take place by way of the extraordinary general meeting on operations.

When, pursuant to applicable legal and regulatory provisions, a Director is named as replacement for another, the replacement Director is only authorized to carry out his or her duties for the duration of the predecessor's remaining mandate.
A Director's duties end upon closing of the regular general meeting regarding the financial statements for the past fiscal year, held during the year in which the Director's mandate expires.

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 and the duties of its members. Your Board of Directors' rules and regulations are available on the company's website (www.guillemot.com).

3) Board of Directors meetings

The Board of Directors meets as frequently as the company's best interest dictates, being a minimum of four times per year.

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, 2011, your Board of Directors met seven times. Meetings were presided over by the Chairman. The meeting attendance rate was 91.42%. The workings of your Board related to:

- Recognition of the exercise of stock options having taken place during the fiscal year ended December 31, 2010; Recognition of the corresponding share capital increase; Corresponding amendments to company bylaws.
- Evaluation of the workings of the Board of Directors and of the preparation of its works; Review of the project to create a Spanish subsidiary.
- Control of financial statements for the fiscal year ended December 31, 2010; Net income appropriation proposal; Review and approval of the draft report from the Chairman of the Board of Directors, stipulated in Article L.225-37 of the Commercial Code; Resolutions to be presented to annual general meeting of shareholders; Convocation of annual general meeting of shareholders; Reimbursement of shareholders' current account advances waived with return to profits clauses.
- Control of provisional management documents stipulated in Article L.232-2 of the Commercial Code and the establishment of reports on said documents.
- Control of summarized half-year consolidated financial statements relating to the period from January 1, 2011 to June 30, 2011; Breakdown of attendance fees; Modifications to Board of Directors' rules and regulations.
- Proposal to appoint a new Director; Convocation of a general meeting of shareholders; Reimbursement of Directors' expenses.
- Control of periodical documents stipulated in Article L.232-2 of the Commercial Code, and the establishment of reports on said documents.

4) Convocation of Directors

Pursuant to Article 10 of the bylaws, Directors were invited via all methods, including verbally.
Independent Auditors were invited to Board meetings where the Group's annual financial statements were to be examined and certified, pursuant to Article L.823-17 of the Commercial Code.

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, 2011, a total amount of €26,014 was paid out to Directors by way of attendance fees.

7) Specialized committees

At its meeting held July 16, 2009, the Board of Directors decided that the Board itself would carry out the following up of questions relating to the creation and control of accounting and financial information.

To date, no committees have been formed by the Board of Directors. However, it may arise that in the future, and according to the company's development, one or more specialized committees could be formed.

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 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.

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.
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 towards 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 time frames 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 Management 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 the Management Control service, which establishes the principles and calendar, guides the process by unit and verifies 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. 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
A physical inventory is carried out each year.
Following up of inflow, outflow and storage of merchandise is subject to a rigorous procedure, using a specific, internally-developed management utility. Quantitative controls are carried out regularly for products which move significant numbers of units.

♦ **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.

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 US 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 industry, the Group's sales prices are either increased or decreased as a function of overall cost prices. Consequently, it has been decided not to subscribe to Forex coverage. However, at the time of its orders, the Group purchases a portion of dollars in order to cover the Forex risk linked to a possible increase in the value of the dollar.
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 based on a plan of homogeneity of recorded information.
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 Executive Managing Directors are the main players involved in communicating financial information to the markets.
The Communications and Legal services are also authorized to communicate financial information.
Financial communications are drafted using financial and accounting reports, reference documents and press releases as their raw material.
These documents are validated by the various services involved: Legal, Accounting, Consolidation, Human Resources, 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 provided by way of financial information notices published in a business financial daily with national circulation, as well as through press releases available 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 main actions undertaken in 2011 were the following:

- A switch was made to virtualized servers, which will allow for a return to normal activities within a very short timeframe in the event of any incident, as well as providing enhanced security.
- The Group's cashflow management software was completely updated, in order to meet the banking communication constraints imposed by the rollout of the SEPA European payment system.

For 2012, the main projects relate to:

- The implementation of encryption and electronic email signatures for management positions.
- The development of an IT tool allowing for optimized inventory monitoring, as part of the perpetual inventory objective.
- The implementation of tools integrating an approach to Research and Development costs by project, allowing for more precise monitoring of costs.
- The continued rollout of self-evaluation questionnaires, the goal of which is to identify any possible areas of weakness within operational bodies, and strengthen the culture of internal controls.

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. General meetings are held at the company's registered office or at any other location indicated in the meeting notification. They 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."

It is stipulated that a shareholder may be represented at general meetings by his or her spouse, by another shareholder, by the partner with which he or she has entered into a civil solidarity pact, or by any other natural or legal person of his or her choice (Article L225-106 of the Commercial Code).

F - PRINCIPLES AND REGULATIONS EMPLOYED TO DETERMINE REMUNERATION OF 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.

In 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.

G - INFORMATION STIPULATED IN ARTICLE L.225-100-3

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 paragraph 4.11.5 of the Management report.

Rennes, March 28, 2012
Chairman of the Board of Directors

5. CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2011

All entries are in €K.

5.1. CONSOLIDATED BALANCE SHEET

ASSETS (in €K)	**Notes / Paragraphs**	**Net 31.12.11**	**Net 31.12.10**
Excess fair market values	5.5.7.1	888	888
Intangible fixed assets	5.5.7.2	4,543	3,391
Tangible fixed assets	5.5.7.3	3,495	3,637
Financial assets	5.5.7.4	358	293
Income tax receivables	5.5.7.9	0	0
Deferred tax assets	5.5.8.6	0	0
Non-current assets		9,284	8,209
Inventories	5.5.7.5	10,869	10,768
Customers	5.5.7.6	14,991	14,901
Other receivables	5.5.7.7	2,515	2,657
Financial assets	5.5.7.4	4,796	7,283
Cash and cash equivalents	5.5.7.8	6,281	3,446
Cash and cash equivalents	5.5.7.9	28	5
Current assets		39,480	39,060
Total assets		**48,764**	**47,269**

LIABILITIES AND SHAREHOLDERS' EQUITY (in €K)	**Notes / Paragraphs**	**31.12.11**	**31.12.10**
Capital (1)		11,554	11,524
Premiums (1)		10,472	10,433
Reserves and consolidated income (2)		-2,292	195
Forex adjustments		495	509
Group shareholders' equity	5.5.7.10	20,229	22,661
Minority interests		0	0
Shareholders' equity		**20,229**	**22,661**
Personnel commitments	5.5.7.12	298	260
Loans	5.5.7.13	2,490	789
Other liabilities	5.5.7.14	1,666	1,666
Deferred tax liabilities	5.5.8.6	0	0
Non-current liabilities		**4,454**	**2,715**
Suppliers		15,832	14,049
Short-term loans	5.5.7.13	3,209	2,367
Fiscal liabilities		312	382
Other liabilities	5.5.7.14	4,505	4,790
Provisions	5.5.7.11	223	305
Current liabilities		**24,081**	**21,893**
Total liabilities and shareholders' equity		**48,764**	**47,269**

(1) Of the consolidated parent company.
(2) Net income for the fiscal year: €-2,538K.

The notes presented at paragraph 5.5 form an integral part of the consolidated financial statements.

5.2. STATEMENT OF NET INCOME AND GAINS AND LOSSES POSTED DIRECTLY UNDER SHAREHOLDERS' EQUITY

- Net consolidated statement of income

(in €K)	Notes / Paragraphs	31.12.11	31.12.10
Net sales	5.5.6	60,784	60,471
Purchases	5.5.8.1	-32,395	-34,139
External expenses	5.5.8.1	-14,693	-13,472
Personnel expenses	5.5.8.1	-9,178	-8,622
Taxes and duties		-418	-461
Depreciation and amortization	5.5.8.2	-1,689	-1,542
Provisions allowance	5.5.8.2	-877	-861
Changes in inventories	5.5.8.3	621	1,558
Other operating revenues	5.5.8.4	334	260
Other operating expenses	5.5.8.4	-2,186	-1,447
Current operating income		**303**	**1,745**
Operating income		**303**	**1,745**
Cash and cash equivalents revenues		3	8
Cost of gross financial debt		158	128
Cost of net financial debt	5.5.8.5	-155	-120
Other financial revenues	5.5.8.5	0	1,072
Other financial expenses	5.5.8.5	-2,510	-1,659
Income tax expenses	5.5.8.6	-176	-206
Net income before minority interests		**-2,538**	**832**
including net income from terminated activities	5.5.8.7	0	0
Minority interest share		0	0
Group net income		**-2,538**	**832**
Base earnings per share	5.5.8.8	-€0.17	€0.06
Diluted earnings per share	5.5.8.8	-€0.16	€0.05

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

(All entries are in €K)	31.12.11	31.12.10
Net attributable profit	**-2,538**	**832**
Forex adjustments	-14	193
Revaluation of coverage derivatives	0	0
Revaluation of financial assets available for sale	0	0
Revaluation of fixed assets	0	0
Actuarial gains and losses on defined benefit plans	0	0
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	**-14**	**193**
Net income and gains and losses posted directly under shareholders' equity - Group share	-2,552	1,025
Income and gains and losses posted directly under shareholders' equity - Minority interests	0	0

The notes presented at paragraph 5.5 form an integral part of the consolidated financial statements.

5.3. CONSOLIDATED SHAREHOLDERS' EQUITY EVOLUTION

(All entries are in €K)

	Notes / Paragraphs	Capital	Premiums	Conso-lidated reserves	Net income	Forex adjust-ments	Total share-holders' equity
Balance at 01.01.10		11,524	10,433	3,729	-4,495	316	21,507
Comprehensive income at 31.12.10					832	193	1,025
31.12.09 net income appropriation				-4,495	4,495		0
Stock options				176			176
Consolidated parent company securities				-66			-66
Capital gain/loss on treasury securities				48			48
Other				-29			-29
Balance at 31.12.10		11,524	10,433	-637	832	509	22,661
Balance at 01.01.11		11,524	10,433	-637	832	509	22,661
Comprehensive income at 31.12.11	5.5.8.				-2538	-14	-2,552
31.12.10 net income appropriation				832	-832		0
Stock options	5.5.7.10.			87			87
Consolidated parent company securities	5.5.7.10.			39			39
Capital gain/loss on treasury securities	5.5.7.10.			-75			-75
Capital increase via options exercise		30	39				69
Balance at 31.12.11		11,554	10,472	246	-2,538	495	20,229

The notes presented at paragraph 5.5 form an integral part of the consolidated financial statements.

5.4. CONSOLIDATED CASHFLOW TABLE

(in €K)	Notes / Paragraphs	31.12.11	31.12.10
Cashflow linked to operating activities			
Net income of integrated companies		-2,538	832
+ Depreciation, amortization and provisions allowance (apart from that linked to current assets)		1,895	1,622
- Depreciation, amortization and provisions recovery		-248	-71
- /+ Latent gains and losses linked to changes in fair value	5.5.8.5	2,486	1,527
+/- Expenses and revenues linked to stock options	5.5.7.10	87	176
-/+ Net gain/loss on disposals		-7	0
Deferred tax change	5.5.8.6	0	0
Cashflow after cost of net financial debt		**1,675**	**4,086**
Cost of net financial debt	5.5.8.5	155	120
Cashflow before cost of net financial debt		**1,830**	**4,206**
Cashflow Forex adjustment		-30	1
Inventories	5.5.7.5	-93	-787
Customers	5.5.7.6	-76	-1,743
Suppliers		-493	-2,532
Other		807	-878
Working capital requirements change		**145**	**-5,940**
Net cashflow linked to operating activities		**1,790**	**-1,853**
Cashflow linked to investments			
Intangible fixed asset acquisitions	5.5.7.2	-153	-27
Tangible fixed asset acquisitions	5.5.7.3	-895	-815
Intangible and tangible fixed asset disposals	5.5.7.3	15	0
Financial fixed asset acquisitions	5.5.7.4	-107	-149
Financial fixed asset disposals	5.5.7.4	7	6
Net cashflow on subsidiary acquisitions/disposals		0	0
Net cashflow linked to investment activities		**-1,133**	**-985**
Cashflow linked to financing activities			
Capital increase or cash contribution	5.5.7.10	70	0
Treasury stock buyback and resale		0	0
Debt issuance	5.5.7.13	4,500	0
Shareholders' current account reimbursement	5.5.7.14	-436	-77
Debt repayments	5.5.7.13	-1,534	-2,384
Other cashflow linked to financing activities		0	0
Total cashflow linked to financing activities		**2,600**	**-2,461**
Forex adjustment impact		**8**	**66**
Cashflow change		**3,265**	**-5,233**
Net cashflow at fiscal year start	5.5.7.8 / 5.5.7.13	2,090	7,323
Net cashflow at fiscal year end	5.5.7.8 / 5.5.7.13	5,355	2,090

The notes presented at paragraph 5.5 form an integral part of the consolidated financial statements.

5.5. APPENDICES TO CONSOLIDATED FINANCIAL STATEMENTS

5.5.1. GENERAL INFORMATION

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, Spain, the United States, Canada, Belgium, Holland, Hong Kong, Romania and Italy, 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.

5.5.2. SIGNIFICANT EVENTS OF THE FISCAL YEAR

Fiscal 2011 saw a slight increase in sales for the Guillemot Corporation Group, to €60.8 million. Market growth has moved on to new regions (the BRICS countries, the United States, the Middle East…) and the Group has positioned its R&D teams, its product lines and its commercial activities to fully benefit from this shift. These actions on the Group's part have shown their first effects, with sales outside of Europe growing by 38% over the year.
The Group's policy of refreshing and expanding its Hercules product lines has started to bear fruit, with double-digit growth in the audio segment over the last quarter of fiscal 2011, in particular. Current operating income amounted to €+0.3 million for fiscal 2011, compared with a result of €+1.7 million at December 31, 2010.
Consolidated net income amounted to €-2.5 million, compared with €+0.8 million for the previous fiscal year. This result was impacted by revaluation charge of €2.5 million with respect to the portfolio of Ubisoft Entertainment and Gameloft securities held by the Group, the portfolio's value having decreased from €7.3 million at December 31, 2010 to €4.8 million at December 31, 2011. Shareholders' equity went from €22.7 million to €20.2 million at December 31, 2011. The Group's net indebtedness amounted to €1.1 million at December 31, 2011 (excluding its portfolio of marketable investment securities, valued at €4.8 million).

5.5.3. REFERENCE

Pursuant to EC Regulation number 1606/2002 of July 19, 2002, the Guillemot Corporation Group presents herewith its consolidated financial statements for fiscal 2011 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.

5.5.4. MAIN ACCOUNTING METHODS

5.5.4.1. New IFRS standards and interpretations

The main new texts which must be applied in 2011 are as follows:
IAS 24 revised – Related party disclosures.
IAS 32 amended – Financial instruments: Presentation.
IFRS 1 amended – First-time adoption of International Financial Reporting Standards.
IFRIC 14 amended – The limit on a defined benefit asset, minimum funding requirements and their interaction.
IFRIC 19 – Extinguishing financial liabilities with equity instruments.
IFRS 2010 annual improvement process.

These standards, amendments to existing standards and interpretations have not had a significant impact on the Group's financial statements.

5.5.4.2. Consolidation principles

Companies controlled directly or indirectly by the Guillemot Corporation Group are fully consolidated. All consolidated companies closed their accounts on December 31, 2011. 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.

5.5.4.3. 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.

Currently in the consolidated financial statements, development costs are accounted for under expenses, as very short product cycles and a variety of projects common to several product lines do not allow for the individualization of development costs.

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.

5.5.4.4. 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.

5.5.4.5. 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 lowest level generating independent cashflow amounts. 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.

5.5.4.6. 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, 2011.

5.5.4.7. 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, €716K at December 31, 2011 (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.

5.5.4.8. Income tax receivables

A distinction between current and non-current income tax receivables appears on the consolidated balance sheet.

5.5.4.9. 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.

5.5.4.10. Prepayments

This heading includes prepayments on orders made to suppliers.

5.5.4.11. 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.

5.5.4.12. Other receivables

Other receivables mainly include VAT receivables.

5.5.4.13. 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.

5.5.4.14. 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).

5.5.4.15. 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 shareholders' equity.

5.5.4.16. Other liabilities

Other liabilities include compensation and benefits liabilities, current accounts, deferred income and assorted liabilities.

5.5.4.17. 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.

5.5.4.18. 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.

5.5.4.19. 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.

5.5.4.20. 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.

5.5.4.21. 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.

5.5.4.22. 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.

5.5.4.23. 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.

5.5.4.24. 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.

5.5.5. SCOPE OF CONSOLIDATION

5.5.5.1. 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 Ltd		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 et 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%.

Minority interests are not calculated in light of their non-significant nature.

5.5.5.2. Changes to scope of consolidation

The company Guillemot Spain SL was created in May 2011, and entered the Group's scope of consolidation at this time.

5.5.6. 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.

5.5.6.1. Segment reporting by activity

The Hercules sector of activity includes the following products: netbooks, webcams, speaker systems, sound cards, WiFi/PLC and DJing.
The Thrustmaster sector of activity includes the following gaming accessories for PC and consoles: racing wheels, gamepads, joysticks, communications and mobility range, and accessories for the Wii and Nintendo DS/DSi consoles.

Statement of income by activity (in €K)

	31.12.11			31.12.10		
	Total	**Hercules**	**Thrustmaster**	**Total**	**Hercules**	**Thrustmaster**
Sales	60,784	35,360	25,424	60,471	40,839	19,632
Inter-activities sales	-	-	-	0	-	-
Depreciation and amortization	1,689	635	1,054	1,542	774	768
Provisions allowance	877	619	258	861	626	235
Current operating income	303	282	21	1,745	1,585	160
Operating income	303	282	21	1,745	1,585	160

Balance sheet by sector of activity (in €K)

	31.12.11			31.12.10		
	Net 31.12.11	**Hercules**	**Thrustmaster**	**Net 31.12.10**	**Hercules**	**Thrustmaster**
Excess fair market values	888	888	-	888	888	-
Intangible fixed assets	4,543	1,502	3,041	3,391	1,454	1,937
Tangible fixed assets	3,495	1,826	1,669	3,637	1,771	1,866
Inventories	10,869	6,044	4,825	10,768	6,884	3,884
Customers	14,991	8,242	6,749	14,901	8,066	6,835
Unallocated assets	13,978	-	-	13,684	-	-
TOTAL ASSETS	**48,764**	**18,502**	**16,284**	**47,269**	**19,063**	**14,522**
Shareholders' equity	20,229	-	-	22,661	-	-
Provisions	521	261	260	565	371	194
Suppliers	15,833	7,785	8,048	14,049	8631	5418
Unallocated liabilities	12,181	-	-	9,994	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**48,764**	**8,046**	**8,308**	**47,269**	**9,002**	**5,612**

Unallocated assets are financial assets, income tax assets, other receivables and cash.
Unallocated liabilities are loans, other liabilities, fiscal liabilities and deferred tax liabilities.

5.5.6.2. Segment reporting by geographic zone

Sales by geographic zone (in €K):

Sales in:	**31.12.11**	**31.12.10**
France	18,818	20,408
EU (excluding France)	25,918	28,406
Other	16,048	11,657
TOTAL	**60,784**	**60,471**

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

	31.12.11				31.12.10			
	Net total	France	EU (excl. France)	Other	Net total	France	EU (excl. France)	Other
Excess fair market values	888	888			888	888	-	-
Tangible fixed assets	3,495	3,403	23	69	3,637	3,532	27	78
Financial assets	5,154	5,123	10	21	7,576	7,551	5	20
Inventories	10,869	8,013	0	2,856	10,768	7,754	0	3,014
Customers	14,991	4,197	7,046	3,748	14,901	4,172	7,600	3,129
Other receivables	2,515	2,339	122	55	2,657	2,510	87	60
Cash and cash equivalents	6,281	5,223	381	677	3,446	2,416	378	652
Income tax receivables	28	28			5	5	-	-
Unallocated assets	4,543				3,391	-	-	-
TOTAL ASSETS	**48,764**	**29,214**	**7,582**	**7,426**	**47,269**	**28,828**	**8,097**	**6,953**

Unallocated assets are intangible fixed assets.

5.5.7. BALANCE SHEET ACCOUNT EXPLANATORY NOTES

5.5.7.1. Excess fair market values

Excess fair market values were broken down at December 31, 2011 as follows:

Excess fair market values change	Gross at 31.12.10	Change	Gross at 31.12.11
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 31.12.10	Additional loss in value from 01.01.11 to 31.12.11	Provisions at 31.12.11
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, 2011.
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 3.5%
- Short-term forecasts over 5 years (5% increase in sales for 2012 and 2013, and then stability over the next 3 years).
- 13% discount rate.

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 1% decrease in the cashflow to sales ratio would result in additional depreciation of €888K for the following period.

5.5.7.2. Intangible fixed assets

Intangible fixed assets are broken down as follows:

Gross values

	31.12.10	Scope mvt	Increase	Decrease	Forex adjustment	31.12.11
Brands	10,842					10,842
Development costs	0					0
Licenses	2,144		295			2,439
Concessions, patents…	780		153	3	3	933
Other intangible fixed assets	1,061				3	1,064
TOTAL	**14,827**	**0**	**448**	**3**	**6**	**15,278**

Development costs undertaken by the Group cannot be individualized as a result of very short product cycles and a variety of projects common to several product ranges, resulting in a posting under expenses pursuant to the IAS 38 standard.
The Licenses entry includes guaranteed amounts to be paid out over the lifespan of contracts.

Amortization and provisions	31.12.10	Scope mvt	Increase	Decrease	Forex adjustment	31.12.11
Brands	8110					8,110
Development costs	0					0
Licenses	1,528			760		768
Concessions, patents…	746		50	3	2	795
Other intangible fixed assets	1,052		7		3	1,062
TOTAL	**11,436**	**0**	**57**	**763**	**5**	**10,735**

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 are the following:
- Operational cashflow to sales ratio of 3.5%
- Forecasts applied to business plan displaying growth (5% increase for 2012 and 2013, then stability for the following 3 years)
- Short-term projections over five years
- 13% 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 €2.3 million for the following period. Similarly, a 1% decrease in the cashflow to sales ratio would result in additional depreciation of €1.3 million.

Moreover, a 1% change either downward or upward in terms of the discount rate used would have an impact of €0.6 million on income.
There was no revision in value of the Hercules and Thrustmaster brands at December 31, 2011.

5.5.7.3. Tangible fixed assets

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

Gross values	31.12.10	Scope mvt	Increase	Decrease	Forex adjustment	31.12.11
Land	399					399
Buildings	5,325		34			5,359
Technical installations	5,255		798	8	2	6,047
Other tangible fixed assets	977		78	46	1	1,010
Under development	189		773	788		174
TOTAL	**12,145**	**0**	**1,683**	**842**	**3**	**12,989**

Buildings represent buildings located in Carentoir (France).
Tangible fixed assets under development in the amount of €788K have been transferred to the Technical installations entry during the fiscal year. Fixed assets under development mainly relate to molds used in the production of new products.

Depreciation	31.12.10	Scope mvt	Increase	Decrease	Forex adjustment	31.12.11
Buildings	3,574		230			3,804
Technical installations	4,124		723	8	2	4,841
Other tangible fixed assets	810		77	39	1	849
TOTAL	**8,508**	**0**	**1,030**	**47**	**3**	**9,494**

5.5.7.4. Financial assets

Non-current financial assets are broken down as follows:

Gross values	31.12.10	Scope mvt	Increase	Decrease	Forex adjustment	31.12.11
Non-consolidated companies	55			55		0
Other fixed securities	78		50	37		91
Other financial fixed assets	215		57	5		267
TOTAL	**348**	**0**	**107**	**97**	**0**	**358**

Provisions	31.12.10	Scope mvt	Increase	Decrease	Forex adjustment	31.12.11
Non-consolidated companies	55			55		0
TOTAL	**55**	**0**	**0**	**55**	**0**	**0**

Companies in which the Group does not exert a significant influence are not included within its scope of consolidation.
Movements with respect to non-consolidated companies relate to securities of the company Air2Web (United States), which were cancelled during the fiscal year, following a financial transaction involving this company. Movements with respect to other fixed assets relate to the liquidity contract currently in place. Resources assigned to the liquidity account amounted to €300,000 in cash at December 31, 2011.
Movements with respect to other financial fixed assets relate to collateral deposits.

Current financial assets include Ubisoft Entertainment and Gameloft shares.

	Net 31.12.10	Disposal 31.12.11	Acquisition 31.12.11	Forex adjustment 31.12.11	Reval. gain/loss 31.12.11	Net 31.12.11
Ubisoft Entertainment shares						
Number	863,874					863,874
Fair value (in €K)	6,912				-2,445	4,467
Gameloft shares						
Number	68,023					68,023
Fair value (in €K)	371				-42	329
Derivatives on foreign exchange transactions	0					0
Total value	**7,283**	**0**	**0**	**0**	**-2,487**	**4,796**

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.
At December 31, 2011, the Group held 863,874 Ubisoft Entertainment shares, representing 0.91% of share capital.
The Group also held 68,023 Gameloft shares, representing 0.09% of share capital.
The share prices used at December 31, 2010 were €8.00 for Ubisoft Entertainment shares, and €5.46 for Gameloft shares. The prices used at December 31, 2011 for the valuation of the shares at their fair value were €5.171 for the Ubisoft Entertainment shares, and €4.84 for Gameloft shares. The revaluation loss thereby posted at December 31, 2011 amounted to €2,486K. No depreciation has been posted on financial assets, the fair value being greater than the acquisition cost of the financial assets.
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. No currency hedging contracts were in place at December 31, 2011.

5.5.7.5. Inventories

Inventories	**Gross 31.12.10**	**Inventory change (Result)**	**Scope change**	**Forex adjustment**	**Gross 31.12.11**
Raw materials	3,751	-972			2,779
Finished products	9,378	964		9	10,351
TOTAL	**13,129**	**-8**	**0**	**9**	**13,130**

Provisions	**31.12.10**	**Increase**	**Decrease**	**Scope change**	**Forex adjustment**	**31.12.11**
Raw materials	1,592	228	95			1,725
Finished products	769	298	531			536
TOTAL	**2,361**	**526**	**626**	**0**	**0**	**2,261**
Total net inventory	**10,768**					**10,869**

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. The increase in the provision of €526K mainly includes a provision related to products in the Hercules eCAFÉ™ range of netbooks. The net inventory value was stable in relation to that of the previous fiscal year.

5.5.7.6. Customers

Customer receivables	Gross 31.12.10	Movements	Scope change	Forex adjustment	Reclassification	Gross 31.12.11
Customers	14,992	194		16		15,202

Provisions	31.12.10	Allowances	Recoveries	Forex adjustment	Reclassification	31.12.11
Customers	91	149	29			211

Customer receivables are covered by credit insurance, covering the majority of the Customers entry at December 31, 2011. The Customers entry had a net value of €14,991K at December 31, 2011, compared with €14,901K at December 31, 2010.

5.5.7.7. Other receivables

	31.12.11	31.12.10
Advances and prepayments on account	358	695
VAT receivables	1,698	1,625
Supplier debtors	92	48
Other	47	34
Prepaid expenses	320	255
TOTAL	**2,515**	**2,657**

5.5.7.8. Cash and cash equivalents

	31.12.11	31.12.10
Cash	6,281	3,446
Cash equivalents	0	0
TOTAL	**6,281**	**3,446**

5.5.7.9. Current tax assets

The figure on the balance sheet amounts to €28K, and relates to advance corporation tax due.

5.5.7.10. 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 282,710 treasury stock shares. These treasury stock shares are deducted from shareholders' equity for a value of €716K.
At December 31, 2011, the percentage of share capital represented by treasury stock shares was 1.88%.

Number of Guillemot Corporation shares:

At 01/09/99	**2,353,000**
Bond conversion	67,130
2-for-1 stock split, 02/2000	2,420,130
Bond conversion	114,368
Creation of new shares	953,831
Equity w arrants exercised	222
At 31/08/00	**5,908,681**
Bond conversion	128,750
At 31/08/01	**6,037,431**
Bond conversion	10,376
Creation of new shares	3,435,278
Treasury stock cancellation	-416,665
At 31/08/02	**9,066,420**
Creation of new shares	4,444,444
At 31/12/03	**13,510,864**
Equity w arrants exercised	81,446
At 31/12/04	**13,592,310**
At 31/12/05	**13,592,310**
Equity w arrants exercised	101
Creation of new shares	1,076,233
At 31/12/06	**14,668,644**
Bond conversion	290,532
At 31/12/07	**14,959,176**
Stock options exercised	6,700
At 31/12/08	**14,965,876**
At 31/12/09	**14,965,876**
At 31/12/10	**14,965,876**
Stock options exercised	38,860
At 31/12/11	**15,004,736**

Maximum potential number of shares to be created:

Through option exercise	1,511,632

Main features of stock option plans:

	3rd Plan	**4th Plan**	**5th Plan**	**6th Plan**
Board of Directors meeting date	**17.04.01**	**18.04.01**	**04.11.02**	**01.09.03**
Number of shares	28,000	72,000	199,998	459,000
Nominal value	0.77 €	0.77 €	0.77 €	0.77 €
Subscription price	29 €	29 €	1.36 €	1.83 €
Exercise dates	17.04.05	18.04.02	04.11.06	01.09.07
	to 17.04.11	to 18.04.11	to 04.11.12	to 01.09.13
Number of shares subscribed to	-	-	-	16,700
including during fiscal 2011	-	-	-	-
Stock options cancelled or nullified	28,000	72,000	-	-
Stock options remaining at 31.12.11	-	-	199,998	442,300
Options potentially exercisable at 31.12.11	-	-	133,332	283,300

	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	10500	12000	-	6,360
including during fiscal 2011	-	-	-	-
Stock options cancelled or nullified	-	-	-	-
Stock options remaining at 31.12.11	422,500	234,000	383,000	210,640
Options potentially exercisable at 31.12.11	388,000	159,000	364,000	184,000

The first four stock option plans have been rendered null and void.
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 on share benefits, stock options have been evaluated at their fair value according to the Black & Scholes method, giving rise to the posting of a charge of €87K under personnel expenses for fiscal 2011. The main data entered in the valuation model were the following:
- Share volatility = 100% for plans 6-7-8, and 40% for plans 9 and 10
- Risk-free rate = 3.45% for plans 6-7-8, and 3.96% for plans 9 and 10
- Number of years before expiration of options = 6 to 7, depending on the plan.

45,560 options have been exercised to date.

5.5.7.11. Provisions for liabilities and expenses

Provisions for liabilities and expenses are broken down as follows:

	31.12.10	Increases	Decreases		Forex	31.12.11
			Used	Unused	adjustment	
Product returns	101		50		-1	50
Other	204	167	17	181		173
TOTAL	**305**	**167**	**67**	**181**	**-1**	**223**

The Other provisions entry mainly includes a customs VAT amount due by a defaulting supplier and claimed from Guillemot Corporation by the administration.
The decrease in the Other provisions entry for €181K relates to changes in the application of the German law regarding taxes on netbooks.

5.5.7.12. 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 2011
- 5% discount rate
- Use of collective agreements for subsidiaries
- Retrospective calculation method for projected credit units
- 2011 reference salary, accounting for a 1% annual increase until end of career.

At December 31, 2011, the amount of the provision stood at €298K.

5.5.7.13. Loans

Financial liabilities are broken down as follows:

	31.12.11	Current (within 1 yr)			Non-current (1 yr +)	31.12.10
		0-3 months	3-6 months	6-12 months		
Financial institution loans	4,749	625	628	1,006	2,490	1,783
Medium-term bank liabilities	13			13		13
Bank overdrafts and currency advances	926			926		1,356
Other	11			11		4
TOTAL	**5,699**	625	628	1,956	2,490	**3,156**

The Group has fixed-rate loans worth €3,374K and variable-rate loans worth €1,375K. At December 31, 2011, no loans were covered by acceleration clauses.
Over the period, the Group reimbursed €1,534K in bank loans, and took new loans in the amount of €4,500K, in order to finance the increase in terms of its working capital requirements.

At December 31, 2011, no debts were financed by currencies other than the euro.

Net indebtedness

	31.12.11	31.12.10	31.12.09
Financial liabilities	5,699	3,156	4,219
Shareholders' current accounts	1,666	2,102	2,179
Cash	6,281	3,446	7,362
Net indebtedness	**1,084**	**1,812**	**-964**

The Group's net indebtedness stood at €1,084K at December 31, 2011.
The Group also held a share portfolio worth €4,796K (in fair value at December 31, 2011).

5.5.7.14. Other liabilities

	31.12.11		31.12.10
	Current	Non-current	
Compensation and benefits l	1,788		1,710
Current accounts		1,666	2,102
Other	2,717		2,645
TOTAL	**4,505**	**1,666**	**6,457**

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 was reimbursed in between 2007 and 2011, 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.
Reimbursement may not exceed 80% of the first €4 million of net income, then 50% of the following million, then 20% thereafter. No reimbursement will take place in 2012, in light of loss-making results for the parent company Guillemot Corporation S.A. in 2011.
The balance of €1,666K (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, 2011.

5.5.8. STATEMENT OF INCOME EXPLANATORY NOTES

5.5.8.1. Purchases, external expenses and personnel expenses

Purchases

Purchases relate to purchases of primary materials (electronic components), totaling €32,395K for fiscal 2011.

External expenses

External expenses are broken down as follows:

	31.12.11	31.12.10
Subcontracting purchases	1,542	2,262
Unstored purchases, materials and supplies	323	241
Other external expenses	12,828	10,969
TOTAL	**14,693**	**13,472**

Other external expenses mainly include transportation, publicity, marketing and Research and Development costs. These costs were 17% higher than the previous fiscal year, as a result of increased marketing costs and international expansion.
The total amount of Research and Development spending posted as expenses for the fiscal year stands at €4,154K. Development costs assumed during the fiscal year have not been fixed. Rapid product cycles and a variety of projects assigned to several product ranges do not allow for the individualization of development costs, leading to a posting under expenses pursuant to the IAS 38 standard, as the Group is unable to measure spending linked to this asset during its developmental phase in a reliable manner.

Personnel expenses

Personnel expenses include personnel remuneration and benefits expenses.
The amount in this entry stood at €9,178K in 2011, compared with €8,622K in 2010. The amount linked to stock options accounted for as personnel expenses over the period was €87K, compared with a charge of €176K in 2010. These options were valued according to the Black & Scholes method, this model being best suited to the valuation of options which cannot be exercised until the end of their lifespan.

5.5.8.2. Depreciation and amortization

Depreciation and amortization are broken down as follows:

	31.12.11	31.12.10
Depreciation and amortization on intangible fixed assets	661	470
Depreciation and amortization on tangible fixed assets	1,028	1,072
TOTAL	**1,689**	**1,542**

The decrease in amortization on intangible fixed assets relates to lower amortization on guaranteed amounts linked to licensing contracts.
Depreciation and amortization on tangible fixed assets mainly relates to buildings for €230K and technical installations for €723K.

Provisions allowances are broken down as follows:

	31.12.11	31.12.10
Current assets provisions	147	14
Liabilities and expenses provisions	56	80
Inventory depreciation provisions	524	767
Other provisions	150	-
TOTAL	**877**	**861**

Provisions for inventory depreciation mainly relate to products in the Hercules eCAFÉ™ range of netbooks.
The Other provisions entry relates to a provision regarding a customs VAT amount due by a defaulting supplier and claimed from Guillemot Corporation by the administration.

5.5.8.3. Changes in inventories

The change in inventories includes provisions recoveries on inventories and negative and positive inventory variations, in particular.

5.5.8.4. Other operating revenues and expenses

	31.12.11	31.12.10
Revenues		
Other current asset recoveries	226	152
Other operating revenues	93	108
Fixed assets disposal price	15	0
Total revenues	334	260
Expenses		
Licenses	-2,151	-1,395
NBV of fixed asset disposals	-8	0
Other operating expenses	-27	-52
Total expenses	-2,186	-1,447
TOTAL	**-1,852**	**-1,187**

5.5.8.5. Cost of net financial debt, other financial expenses and revenues

The cost of net financial debt stood at €155K at December 31, 2011. 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:

	31.12.11	31.12.10
Forex differences	-	940
Unrealized gain/loss on Gameloft shares	-	131
Total other financial revenues	**0**	**1,071**
Forex differences	-24	-
Unrealized gain/loss on Gameloft shares	-42	-
Unrealized gain/loss on Ubisoft Entertainment shares	-2,444	-1,659
Total other financial expenses	**-2,510**	**-1,659**

Forex effect linked to currency conversion of subsidiaries:

As all subsidiaries use local currency for their operations, the impact on shareholders' equity is €-14K.

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, 2011, the Group had not used all of its loan and banking facilities, and its net indebtedness was €1.1 million.
The Group held a portfolio of marketable investment securities worth €4.8 million in fair value at December 31, 2011. No loans were covered by acceleration clauses at December 31, 2011.

Share price risk: The stock market price change on shares held impacts on the Group's income. For 2012, a 10% decrease in the price of Ubisoft Entertainment shares (in relation to the price at December 31, 2011) would have an impact of €-447K on financial income. A 10% decrease in the price of Gameloft shares (in relation to the price at December 31, 2011) would have an impact of €-33K on financial income.
At March 23, 2012, the closing price of Ubisoft Entertainment shares was €5.657, representing an increase of 9% in relation to December 31, 2011, resulting in the posting of a revaluation gain of €420K 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, 2011 (the amount of variable-rate financial liabilities) would have an impact of an increase in charges of €9K. During fiscal 2011, the Group put in place an interest rate swap contract, allowing it to manage the interest rate risk linked to exposure to a 3-month variable EURIBOR.

Exchange rates variation: The balance of the Group's currency-denominated assets and liabilities at December 31, 2011 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	2,132	735
Liabilities	8,046	40
Net pre-adjustment position	-5,914	695
Off-balance-sheet position	0	0
Net post-adjustment position	-5,914	695

A 10% increase in the rate of the American dollar, taken on an annual basis and considering the balance at December 31, 2011 (the amount of currencies subject to exchange variations) would have an impact of an increase in financial charges of €457K.
The impact of exchange variations on other currencies is not significant.
As all of the major players in the multimedia industry conduct transactions in US 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 US dollar. In the United States, Canada and all other countries outside of Europe, the transaction currency is also the US dollar. In Europe, the Group sells mainly in euros. Rapid currency variations and dips in the value of the US 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 US 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 two 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.

5.5.8.6. Income tax expenses

Income tax expenses are broken down as follows:

	31.12.11	31.12.10
Deferred tax	0	0
Income tax payable	176	206
TOTAL	**176**	**206**

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 €64,164K (cf. the following table) did not result in the posting of deferred tax assets in the Group's consolidated financial statements at December 31, 2011.

Income tax for the fiscal year:

	31.12.11
Pre-tax income	-2,362
Non-taxable income and expenses	87
Theoretical tax (33.33%)	-758
Non-deductible/taxable income tax expenses and revenues	17
Income tax on previous losses carried forward	-35
Income tax on non-included fiscal year losses	983
Income tax before adjustments	207
Rate differences	-14
Other	-17
TOTAL	**176**

Tax loss carryforwards at December 31, 2011 are broken down as follows:

	In €K
Guillemot Corporation SA (France)	58,863
Guillemot GmbH (Germany)	1,606
Guillemot Inc (Canada)	2,866
Guillemot Corporation (HK) Ltd (Hong Kong)	419
Guillemot Ltd (England)	410
TOTAL	**64,164**

5.5.8.7. Discontinued activities

The Group has not discontinued any activities over the course of the past number of years.

5.5.8.8. Earnings per share

Base earnings per share

	31.12.11	31.12.10
Earnings	-2,538	832
Indexed average number of shares (K)	15,005	14,966
Treasury stock shares	-283	-256
	14,722	14,710
Base earnings per share	-0.17	0.06

Diluted earnings per share

	31.12.11	31.12.10
Earnings	-2,538	832
Indexed average number of shares (K)	15,005	14,966
Treasury stock shares	-283	-256
	14,722	14,710
Maximum number of shares to be created		
Through bond conversion	0	0
Through option exercise	1,511	1,564
Through subscription rights exercise	0	0
	16,233	16,274
Diluted earnings per share	-0.16	0.05

5.5.8.9. 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.

5.5.8.10. Off-balance-sheet commitments

Rental commitments: €386K
Documentary credits: €3,319K

5.5.8.11. 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 Chief Executive Officer. 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 €210K for the fiscal year.
The amount of attendance fees paid out by the company to members of the Board of Directors was €26K for the fiscal year. This amount includes the sum of €1K paid to Ms. Marie-Hélène Lair, for her role as independent Director.
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.

5.5.8.12. Workforce

At December 31, 2011, the Group had 172 employees worldwide, 78 of whom were managers.
Employees of the Group's European companies accounted for 82% of the workforce, and employees on other continents 18%.

5.5.8.13. Elements regarding associated companies

The parent company's capital is held by the company Guillemot Brothers S.A. (66.80%), the Guillemot family (7.30%), Guillemot Corporation (1.88%) and public shareholders (23.94%).

Associated companies are the company Guillemot Brothers and the members of the Guillemot family controlling the issuer, the Group's consolidated subsidiaries (cf. scope of consolidation presented at paragraph 5.5.3) and the Ubisoft Entertainment and Gameloft groups, entities in which members of the Guillemot family exercise control and 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.A.
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 2012, no reimbursement will be made.

Principal aggregates relating to the Ubisoft Entertainment and Gameloft groups:

	31.12.11	
(In €K)	**Ubisoft Entertainment**	**Gameloft**
Customer balance	194	7
Supplier balance	161	4
Revenues	3,768	15
Charges	646	50

5.6. POST-CLOSURE EVENTS

In March 2012, the Group received the sum of USD 735,000 from a former supplier, thereby bringing to a close a dispute underway since 2006 and linked to the ending of its 3D Display activities.

5.7. DATA PERTAINING TO THE GUILLEMOT CORPORATION S.A. PARENT COMPANY

GUILLEMOT CORPORATION SA (in €K)	**31.12.11**	**31.12.10**
Sales	60,820	59,668
Operating income	891	1,344
Pre-tax income	-2,986	1,744
Net income	-2,986	1,744

5.8. 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)		%	
	2011	2010	2011	2010	2011	2010	2011	2010
Audit								
* Commissionership of accounts, certification, examination of individual and consolidated accounts								
- Issuer	57,000	56,000	93%	93%	40,500	40,000	90%	88%
- Globally integrated subsidiaries	4,000	4,000	7%	7%	3,000	3,000	7%	7%
* Other tasks and services directly linked to Independent Auditor duties								
- Issuer	0	0	0%	0%		0	0%	0%
- Globally integrated subsidiaries	0	0	0%	0%		0	0%	0%
Sub-total	**61,000**	**60,000**	**100%**	**100%**	**43,500**	**43,000**	**97%**	**95%**
Other services provided by networks to globally integrated subsidiaries								
* Legal, fiscal, social	0	0	0%	0%	0	0	0%	0%
* Other (to be specified if > 10% of audit fees)	0	0	0%	0%	1,320	2,455	3%	5%
Sub-total	**0**	**0**	**0%**	**0%**	**1,320**	**2,455**	**3%**	**5%**
TOTAL	**61,000**	**60,000**	**100%**	**100%**	**44,820**	**45,455**	**100%**	**100%**

5.9. INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS – FISCAL YEAR ENDED DECEMBER 31, 2011

To shareholders of
Guillemot Corporation SA
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, 2011, 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:

The company systematically conducts, at each closing of accounts, a depreciation test on excess fair market values and intangible fixed assets 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 5.5.4.3. "Intangible fixed assets", 5.5.4.5. "Depreciation of non-financial assets," as well as note 5.5.7.2. 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 thereby arrived at 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.

Mont Saint Aignan and Rennes, April 25, 2012

Independent Auditors

PricewaterhouseCoopers Audit	MB Audit SARL
Pierre Lordereau	Roland Travers

6. FINANCIAL STATEMENTS AT DECEMBER 31, 2011

All entries are in €K.

6.1. BALANCE SHEET

ASSETS (in €K)	Gross 31.12.11	Amort/Depr 31.12.11	Net 31.12.11	Net 31.12.10
Intangible fixed assets	12,053	9,272	2,781	2,738
Tangible fixed assets	8,941	6,273	2,668	2,732
Financial fixed assets	43191	40586	2,605	2,925
Total fixed assets	**64,185**	**56,131**	**8,054**	**8,395**
Inventories	11,193	2,246	8,947	9,818
Advances and payments on account	252	0	252	766
Trade accounts receivable	16,553	124	16429	14,218
Other receivables	4,341	1,432	2909	3,329
Marketable investment securities	9,363	4,583	4780	7,197
Cash	5,574	0	5574	2,793
Total current assets	**47,276**	**8,385**	**38,891**	**38,121**
Adjustment accounts	502	0	502	279
TOTAL ASSETS	**111,963**	**64,516**	**47,447**	**46,795**

LIABILITIES AND SHAREHOLDERS' EQUITY (in €K)	31.12.11	31.12.10
Capital	11,554	11,524
Issuance, conversion and amalgamation premiums	10,555	10,514
Reserves	1,337	219
Retained earnings	0	-626
Net income	-2,986	1,744
Total shareholders' equity	**20,460**	**23,375**
Provisions	477	306
Financial liabilities	5,728	3,198
Trade accounts payable liabilities	16,200	15,287
Tax and social security liabilities	163	158
Fixed asset liabilities	127	147
Other liabilities	3,685	3,853
Total liabilities	**25,903**	**22,643**
Adjustment accounts	607	471
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**47,447**	**46,795**

6.2. STATEMENT OF INCOME

(in €K)	**31.12.11**	**31.12.10**
Sales	60,820	59,668
Stored production	9	-475
Other operating revenues	1,208	1,101
Total operating revenues	**62,037**	**60,294**
Purchases	32,395	34,157
Inventory change	972	-1,705
External expenses	22,999	22,479
Taxes and duties	188	207
Personnel expenses	280	267
Other expenses	2,830	1,894
Depreciation, amortization	864	846
and provisions allocations	618	805
Total operating expenses	**61,146**	**58,950**
Operating income	**891**	**1,344**
Financial revenues on investments	0	0
Net gain on marketable investment security disposals	5	70
Other interest and similar income	120	67
Reversals of provisions and charge transfers	269	918
Forex gains	1,025	2,340
Total financial revenues	**1,419**	**3,395**
Financial allow ance for amortization and provisions	3,647	2,043
Interest and financial expenses	243	254
Forex losses	1,156	1,723
Net expenses on marketable investment security disposals	80	22
Total financial expenses	**5,126**	**4,042**
Financial income	**-3,707**	**-647**
Ordinary income	**-2,816**	**697**
Exceptional income	**-170**	**1,047**
Pre-tax income	-2,986	1,744
Corporate income tax	0	0
Fiscal year net income	**-2,986**	**1,744**

6.3. SELECTED PERFORMANCE RESULTS

The main performance results are as follows:

(in €K)	**31.12.11**	**31.12.10**
Fiscal year production	60,829	59,193
Added value	4,463	4,262
Gross operating deficit	3,995	3,788
Operating income	**891**	**1,344**

6.4. CASHFLOW TABLE

Cashflow linked to operating activities (in €K)	**31.12.11**	**31.12.10**
Net income	-2,986	1,744
Depreciation, amortization and provisions allocations	5,279	3,693
Depreciation, amortization and provisions reversals	-1,098	-1,477
Net gain/loss on disposals	55	-1,489
Operating income	**1,250**	**2,471**
Operating requirements change	-112	-10,933
Non-operating requirements change	-80	250
Working capital requirements change	**-192**	**-10,683**
Cashflow linked to investment activities		
Intangible fixed asset acquisitions	-61	0
Tangible fixed asset acquisitions	-782	-750
Intangible and tangible fixed asset disposals	0	0
Financial fixed asset acquisitions	-102	-130
Financial fixed asset disposals	39	5,898
Net change on amalgamation	0	0
Net change on subsidiary acquisitions/disposals	-3	0
Net cashflow linked to investment activities	**-909**	**5,018**
Cashflow linked to financing activities		
Capital increase or contribution	70	0
Debt issuance	4,500	56
Debt repayments	-1,534	-2,424
Shareholders' current account repayments	0	0
Net cashflow linked to financing activities	**3,036**	**-2,368**
Cashflow change	**3,185**	**-5,562**
Net cashflow at fiscal year start	10,841	16,403
Net cashflow at fiscal year-end	14,026	10,841

6.5. APPENDICES TO FINANCIAL STATEMENTS

The notes and tables hereafter, 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, 2011. The balance sheet total amounted to €47,447K. The income statement showed a loss of €2,986K.
The fiscal year had a duration of twelve months, spanning the period from January 1 to December 31, 2011.

6.5.1. SIGNIFICANT EVENTS OF THE FISCAL YEAR

Fiscal 2011 saw a slight increase in sales for the Guillemot Corporation Group, to €60.8 million. Market growth has moved on to new regions (the BRICS countries, the United States, the Middle East…) and the Group has positioned its R&D teams, its product lines and its commercial activities to fully benefit from this shift. These actions on the Group's part have shown their first effects, with sales outside of Europe growing by 49% over the year.

Operating income amounted to €+891K, compared with €+1,344K at December 31, 2010.
Net income stood at €-2,986K, compared with €+1,744K for the previous fiscal year. This result was impacted by an impairment provision of €2,325K on the portfolio of Ubisoft Entertainment held by Guillemot Corporation, the portfolio's value having decreased from €6,734K at December 31, 2010 to €4,409K at December 31, 2011.

Net cashflow amounted to €3,567K at December 31, 2011.

The accounting audit begun in September 2010 with respect to fiscal years 2007 through 2009 was completed in April 2011, without rectification.

6.5.2. FINANCIAL ACCOUNTING REPORTING PRINCIPLES

Guillemot Corporation S.A.'s annual financial statements follow the provisions relating to individual accounts of CRC regulation number 99-03, ratified by the decree June 22, 1999. As of January 1, 2005, the company has applied the new accounting regulations on assets pursuant to CRC regulation 02-10 relating to 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 other generally recognized principles regarding the presentation of financial statements.

The basic method employed for the valuation of items recorded in the financial statements is the historic cost method.

6.5.3. FINANCIAL ACCOUNTING REPORTING POLICIES AND METHODS

6.5.3.1. 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 the six knock-in conditions stipulated by the 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.
Currently, Research and Development costs are accounted for as expenses, as very short product cycles and a variety of projects common to several product ranges do not allow for the individualization of development costs.

Patents and software

These are amortized on a straight-line basis over their actual duration of use.

6.5.3.2. Tangible fixed assets

Tangible fixed assets are recorded at their historic costs. The amortization periods, determined according to fixed assets' probable duration, are as follows:

- Buildings:	10 to 20 years (straight-line)
- Fixture and fittings:	1 to 10 years (straight-line)
- Technical installations:	1 to 10 years (straight-line)
- Computer equipment:	3 to 5 years (straight-line)
- Office equipment:	3 to 5 years (straight-line)
- Furniture:	5 to 10 years (straight-line)
- Vehicles:	4 to 5 years (straight-line)

6.5.3.3. 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.

6.5.3.4. 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 FIFO method.
Depreciation provisions are recorded when the cost of inventory is greater than its probable sale value less sales and marketing costs.

6.5.3.5. 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.

6.5.3.6. 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.

6.5.3.7. 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.

6.5.3.8. 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.

6.5.3.9. *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.

6.5.3.10. *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.

6.5.3.11. *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.

6.5.4. BALANCE SHEET ACCOUNT EXPLANATORY NOTES

6.5.4.1. *Intangible fixed assets*

Intangible fixed assets are broken down as follows:

Gross book values	31.12.10	Increase	Decrease	31.12.11
Brands and goodwill	11,782	0	0	11,782
Concessions, patents, licenses, brands, software	210	61	0	271
TOTAL	**11,992**	**61**	**0**	**12,053**

Brands include the Thrustmaster and Hercules brands acquired.

Amortization and depreciation	31.12.10	Increase	Decrease	31.12.11
Brands and goodwill	9,051	0	0	9,051
Concessions, patents, licenses, brands, software	203	18	0	221
TOTAL	**9,254**	**18**	**0**	**9,272**

The Thrustmaster brand has a net balance sheet value of €1,300K against an acquisition cost of €9,410K, while the Hercules brand has a net balance sheet value of €1,432K against an acquisition cost of €1,432K.
Research and Development costs were accounted for as expenses over the fiscal year, as the company is unable to meet all of the capitalization criteria stipulated by CRC 2004-06.

6.5.4.2. *Tangible fixed assets*

Tangible fixed assets are broken down as follows:

Gross values	31.12.10	Increase	Decrease	31.12.11
Land	219	0	0	219
Buildings and leasehold improvements	2,979	8	0	2,987
Technical installations/hardware	4,780	788	8	5,560
Fixed assets under construction	189	774	788	175
TOTAL	**8,167**	**1,570**	**796**	**8,941**

Amortization and depreciation	31.12.10	Increase	Decrease	31.12.11
Land	0	0	0	0
Buildings and leasehold improvements	1,714	138	0	1,852
Technical installations/hardw are	3,721	708	8	4,421
TOTAL	**5,435**	**846**	**8**	**6,273**

Fixed assets under construction are composed of production materials currently being manufactured. The decrease in these fixed assets under construction corresponds to a transfer to the "hardware" entry for €788K. The acquisition of materials corresponds to the molds used for production.

6.5.4.3. Financial fixed assets

Financial fixed assets are broken down as follows:

	31.12.10	Increase	Decrease	31.12.11
Participating interests	42,470	3	55	42,418
Other financial fixed assets	702	102	35	769
Deposits and guarantees	8	0	4	4
TOTAL	**43,180**	**105**	**94**	**43,191**

Participating interests	31.12.10	Increase Allocations	Decrease Reversals	31.12.11
Subsidiaries interests				
Gross value	42,415	3	0	42,418
Depreciation	40,015	279	25	40,269
Net	2,400	-276	-25	2,149
Non-Group interests				
Gross value	55	0	55	0
Depreciation	55	0	55	0
Net	0	0	0	0

Non-Group participating interests correspond to securities of the company Air2Web Inc (United States), and were fully depreciated. They were cancelled on October 3, 2011, following a financial transaction with respect to this company.

Movements regarding other financial fixed assets relate to the liquidity contract in effect. Reimbursements of security deposits amounted to €4K.

The subsidiary Guillemot Spain SL (Spain) was created on May 12, 2011 and is 100% owned by the company Guillemot Corporation S.A. The value of the subsidiary's securities amounts to €3K.

Participating interests of company subsidiaries were provisioned for €40,269K:

Depreciation of the participating interests 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) €4,831K
- Guillemot SA (Belgium) €180K

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	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	1,032	99.42%	4,948	181	288	288	0	-	-	-
Guillemot Administration et Logistique SARL (France)	EUR	Carentoir	222	657	99.96%	2,950	110	222	222	0	-	-	-
Guillemot Ltd (UK)	GBP	Chertsey	10,237	-10,331	99.99%	237	18	12,211	0	120	-	-	94
Guillemot S.A (Belgium)	EUR	Wemmel	175	61	99.93%	2	21	416	236	0	-	-	-
Guillemot GmbH (Germany)	EUR	Obermichelbach	511	-1,319	99.75%	1,213	39	15	0	1,006	-	-	808
Guillemot Corporation (H-K) Limited (Hong Kong)	HKD	Hong Kong	1	255	99.50%	1,034	41	23	23	0	-	-	-
Guillemot Recherche et Développement Inc (Canada)	CAD	Montréal	1,257	110	99.99%	891	58	1,257	1,257	0	-	-	-
Guillemot Inc (United States)	USD	Sausalito	77	97	99.99%	0	-1	7	7	0	-	-	-
Guillemot Inc (Canada)	CAD	Montréal	36,428	-37,136	74.89%	4,754	-950	23,032	0	1,545	-	-	530
Guillemot SRL (Italy)	EUR	Milan	10	82	100.00%	376	4	4,923	92	0	-	-	-
Guillemot Romania Srl (Romania)	RON	Bucarest	17	217	100.00%	1,043	52	20	20	0	-	-	-
Guillemot Spain SL (Spain)	EUR	Madrid	3	13	100.00%	189	13	3	3	20	-	-	-

Other long-term securities represent 132,619 treasury stock securities for a value of €477K.

At December 31, 2011, Guillemot Corporation securities were valued at the average price in December of €1.21.

The average purchase price of Guillemot Corporation securities was €3.60.

Other financial fixed assets	31.12.10	Increase	Decrease	31.12.11
Treasury stock		**Allocations**	**Reversals**	
Number of securities	132,619	0	0	132,619
Gross value	477	0	0	477
Amortization	184	133	0	317
Net	**293**	**-133**	**0**	**160**

6.5.4.4. Stocks

Inventories are broken down as follows:

	Gross 31.12.11	Depreciation 31.12.11	Net 31.12.11	Net 31.12.10
Stored packaging	11	0	11	20
Finished goods	8,414	521	7,893	7,658
Materials and goods in progress	2,768	1,725	1,043	2,140
TOTAL	**11,193**	**2,246**	**8,947**	**9,818**

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. Depreciation totaled €1,211K on old 3D Display products (activities in this field were discontinued in 2004) and €1,035K on other products, mainly including a provision linked to the first products in the Hercules eCAFÉ™ netbook range.

6.5.4.5. Advances and payments on account

This relates to advances on orders paid to product suppliers. The amount of advances stood at €252K at fiscal year-end.

6.5.4.6. Trade accounts receivable

Trade accounts receivable are broken down as follows:

	Gross 31.12.11	Provision 31.12.11	Net 31.12.11	Net 31.12.10
Customers	16,553	124	16,429	14,218
TOTAL	**16,553**	**124**	**16,429**	**14,218**

Customer receivables are subject to credit insurance, which covered most of the customers entry at December 31, 2011. Depreciation is posted where the asset value of receivables is less than their book value. The asset value of receivables from subsidiaries is valued according to their net worth. The Customers entry had a net value of €16,429K at December 31, 2011, compared with €14,218K at December 31, 2010.

6.5.4.7. Receivables and debts/liabilities

Receivables and debts/liabilities are broken down as follows:

RECEIVABLES STATEMENT	Gross amount at 31.12.11	Less than 1 yr.	1 yr. +
Current asset receivables			
Supplier debtors	94	94	0
Trade accounts receivable	16,553	16,553	0
State (VAT and other receivables)	1,556	1,556	0
Intercompany	2,691	2,691	0
Prepaid expenses	175	175	0
TOTAL	**21,069**	**21,069**	**0**

Current account advances in the amount of €2,691K relate mainly to Guillemot GmbH (Germany) for €1,006K, Guillemot Ltd (UK) for €120K, Guillemot Inc (Canada) for €1,545K and Guillemot Spain SL (Spain) for €20K.

State receivables are composed mainly of VAT receivables, including €701K relating to VAT credit reimbursement requests. The "Supplier debtors" entry is composed of accrued income.

DEBTS/LIABILITIES STATEMENT	Gross amount at 31.12.11	Due in less than 1 year	Due between 1 and 5 years
Financial institution loans	4,761	2,271	2,490
Bonds	0	0	0
Medium-term bank debt	56	56	0
Bank overdrafts and currency advances	911	911	0
Trade accounts payable	16,200	16,200	0
Tax and social security liabilities	163	163	0
Other liabilities	2,626	2,626	0
Fixed asset liabilities	127	127	0
Intercompany	1,059	1,059	0
TOTAL	**25,903**	**23,413**	**2,490**
Loans taken out during the fiscal year	4,500		
Loans repaid through bond conversion	0		
Loans repaid through reimbursement	1,534		
Loans received from individuals	0		

At fiscal year end, the company Guillemot Corporation S.A. held fixed rate loans with financial institutions for €3,374K, and variable rate loans for €1,375K. At December 31, 2011, no loans were covered by acceleration clauses.

Over the period, the company Guillemot Corporation S.A. repaid €1,534K in bank loans and took out €4,500K in new loans, in order to finance the increase in its working capital requirements.

At December 31, 2011, no debts were financed by currencies other than the euro.

Medium-term bank debt in the amount of €56K corresponds to deposits as part of rental contracts.

With respect to the current account waivers of 2002 combined with return to profits clauses, the company Guillemot Corporation S.A. repaid a total of €436K to founding shareholders in 2011. The company has not has reintegrated any amounts into balance sheet liabilities for fiscal 2011, in light of loss-making results. No reimbursement will therefore take place in 2012.

The current account advance granted by the company Guillemot Recherche & Développement Inc (Canada) amounts to €1,059K.

	31.12.11	31.12.10
Financial liabilities		
Debenture	0	0
Financial institution loans and debts	5,672	3,142
Financial loans and debts	56	56
Current account advances	1,059	1,487
	6,787	**4,685**
Available funds		
Net marketable investment securities	4,780	7,197
Cash	5,574	2,793
	10,354	**9,990**
Net indebtedness	**-3,567**	**-5,305**

The company is not in a position of net indebtedness, with net cashflow of €3,567K.
The portfolio of marketable investment securities valued at their average price during December 2011 stood at €4,911K.

6.5.4.8. Marketable investment securities

This heading includes 150,091 treasury stock shares for a value of €238K, 863,874 Ubisoft Entertainment S.A. securities for a value of €8,934K and 68,023 Gameloft S.A. securities for a value of €191K.

	Gross 31.12.11	Provision 31.12.11	Net 31.12.11	Net 31.12.10
Marketable investment securities	9,125	4,525	4,600	6,924
Treasury stock	238	58	180	273
TOTAL	**9,363**	**4,583**	**4,780**	**7,197**

At December 31, 2011, treasury stock shares were valued at their average price in December of €1.21, and were subject to a depreciation provision for an amount of €58K. The asset value of Gameloft S.A. and Ubisoft Entertainment S.A. securities amounted to €320K and €4,409K at the end of the fiscal year, respectively.

6.5.4.9. Cash

	31.12.11	31.12.10
Cash	5,574	2,793
Banking facilities	-911	-1,354
Net banking position	**4,663**	**1,439**

The increase in the net banking position is related to the taking out of new medium-term loans during the fiscal year.

6.5.4.10. Adjustment accounts

Assets:

	31.12.11	31.12.10
Prepaid expenses	175	146
Deferred expenses allocated over a number of fiscal years	0	0
Bond redemption premium	0	0
Asset Forex adjustment	327	133
TOTAL	**502**	**279**

Asset Forex adjustments arise mainly from the translation at closing rates of receivables and liabilities denominated in foreign currencies. A provision for unrealized losses has been made.

Liabilities:

	31.12.11	31.12.10
Deferred revenues	264	417
Liability Forex adjustment	343	54
TOTAL	**607**	**471**

Forex adjustments arise mainly from the translation, at closing rates, of liabilities denominated in foreign currencies.

6.5.4.11. Accrued revenues

	31.12.11	31.12.10
Suppliers - credit to be received	92	48
Customers - invoices to be settled	2	1
TOTAL	**94**	**49**

6.5.4.12. Accrued expenses

	31.12.11	31.12.10
Financial institution loans - accrued interest	22	20
Accrued expenses - expected invoices	6,919	6,595
Customers - balances to be paid	1,596	1,419
Accrued taxes and social security benefits	88	126
Other expenses to be paid	917	818
TOTAL	**9,542**	**8,978**

6.5.4.13. Elements regarding associated companies

Participating interests	€42,418K
Gross current assets	
Trade accounts receivable	€3,595K
Current account advances	€2,691K
Gross liabilities	
Supplier and trade payables	€2,862K
Current account advances	€1,059K
Financial revenues	€119K
Financial expenses	€32K

6.5.4.14. Balance sheet provisions and allowances

		Increase	Decrease		
Provisions	**At 31.12.10**		**Used**	**Unused**	**At 31.12.11**
Forex	132	327	132	0	327
Expenses	174	157	181	0	150
Total	**306**	**484**	**313**	**0**	**477**

Forex provisions relate mainly to the discounting of foreign currency-denominated receivables and debts at the closing of accounts. The provision reversal for expenses concerns the application of a tax on netbooks in Germany, implemented in 2009.
The provision for €157K is mainly related to a customs VAT amount due by a defaulting supplier and claimed from Guillemot Corporation by the administration.

		Allocation	Reversal	
Depreciation	**At 31.12.10**	**Increase**	**Decrease**	**At 31.12.11**
Financial fixed assets	40,071	279	80	40,270
Other financial fixed assets	184	132	0	316
Inventories	2,338	533	625	2,246
Trade accounts receivable	69	78	23	124
Intangible fixed assets	9,051	0	0	9,051
Other provisions for depreciation	3,163	2,908	56	6,015
Total	**54,876**	**3,930**	**784**	**58,022**

The increase in the provision on inventories of €533K mainly relates to a provision linked to the Hercules eCAFÉ™ netbook range. The decrease in depreciation of €625K is explained by the sale or destruction of elements for which losses in value had been posted.

Ubisoft Entertainment S.A. marketable investment securities and treasury stock shares, valued at their average rates in December 2011, were depreciated at the end of the fiscal year for an amount of €4,583K.

The company depreciated accounts attached to its subsidiaries according to their net positions (participating interests for €40,270K, and current account advances for €1,432K).
Depreciations on other ex-Group receivables amounted to €124K and relate to old contested and doubtful receivables.

6.5.4.15. Share capital

	Number of securities	Nominal value	Amount
At 31/12/10	14,965,876	0.77	11,523,724.52
Stock options exercise	38,860	0.77	29,922.20
At 31/12/11	**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 1.88% of capital.

Changes to shareholders' equity table

In €K	Balance before allocation of fiscal year income at 31.12.10	Allocation of fiscal year income at 31.12.10	After allocation of fiscal year income at 31.12.10	Capital increase	Fiscal year income at 31.12.11	Balance at 31.12.11
Capital	11,524		11,524	30		11,554
Issuance and conversion premiums	10,396		10,396	40		10,436
Merger premium	118		118			118
Legal reserve	219	56	275			275
Other reserves	0	1,062	1,062			1,062
Debit carryforward	-626	626	0			0
Income	1,744	-1,744	0		-2,986	-2,986
TOTAL	**23,375**	**0**	**23,375**	**70**	**-2,986**	**20,459**

Maximum number of shares to be created:

Through option exercise: 1,892,438

Stock option plans:

	3rd Plan	4th Plan	5th Plan	6th Plan
Board of Directors meeting date	**17.04.01**	**18.04.01**	**04.11.02**	**01.09.03**
Number of shares	28,000	72,000	199,998	459,000
Nominal value	€0.77	€0.77	€0.77	€0.77
Subscription price	€29	€29	€1.36	€1.83
Exercise dates	from 17.04.05	from 18.04.02	from 04.11.06	from 01.09.07
	to 17.04.11	to 18.04.11	to 04.11.12	to 01.09.13
Number of shares subscribed to	0	0	0	16,700
- including during fiscal 2011	0	0	0	0
Stock options cancelled or nullified	28,000	72,000	0	0
Remaining stock options	0	0	199,998	442,300

	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	from 22.02.10	from 22.02.08	from 18.02.12	from 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	0	6,360
- including during fiscal 2011	0	0	0	0
Stock options cancelled or nullified	0	0	0	0
Remaining stock options	422,500	234,000	383,000	210,640

The first four stock option plans have been rendered null and void.

45,560 options have been exercised since their origin.

6.5.4.16. 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.

6.5.5. STATEMENT OF INCOME EXPLANATORY NOTES

6.5.5.1. Sales breakdown

By geographic zone (in €K)	**31.12.11**	**31.12.10**
France	18,843	20,508
EU (excluding France)	25,954	28,412
Other	16,023	10,748
TOTAL	**60,820**	**59,668**

By sector of activity (in €K)	**31.12.11**	**31.12.10**
Thrustmaster	24,754	19,341
Hercules	36,066	40,327
TOTAL	**60,820**	**59,668**

6.5.5.2. *Stored production*

Stored production is broken down as follows:

	31.12.11	31.12.10
Stored production	9	-475
Total	**9**	**-475**

6.5.5.3. *Other operating revenues*

	31.12.11	31.12.10
Provisions reversals	794	555
Expense transfers	175	296
Other revenues	239	250
Total	**1,208**	**1,101**

Provisions reversals relate mainly to inventories for €591K, the tax on netbooks in Germany for €181K, and receivables for €22K, and are broken down as follows:

- The provisions recovery on inventories is explained by the sale or destruction of elements for which losses in value had been posted.

- The provisions reversal regarding the tax on netbooks in Germany relates to changes in the application of the law in Germany.

- The provisions reversal on receivables relates to reversals on provisions for various definitely non-recoverable doubtful accounts of €22K.

6.5.5.4. *Purchases consumed*

	31.12.11	31.12.10
Primary material purchases	32,395	34,157
Inventory variations	972	-1,705
Total	**33,367**	**32,452**

6.5.5.5. *Other operating expenses*

Other operating expenses are broken down as follows:

	31.12.11	31.12.10
Other external purchases and expenses	22,999	22,479
Other expenses	2,830	1,894
Total	**25,829**	**24,373**

Transportation services accounted for €2,307K.

Other external expenses are mainly composed of subcontracting services for €8,472K. The latter includes subsidiary-related services for €7,501K and waste treatment services for €138K. Marketing and publicity services accounted for €5,978K.

As development costs cannot be individualized, the company is unable to reliably measure spending linked to this asset during its developmental phase. The amount of spending directly registered in expenses in 2011 amounted to €4,154K.

Other operating expenses essentially include license fees for an amount of €2,756K. 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 €48K for 2011.

6.5.5.6. Personnel expenses

	31.12.11	31.12.10
Salaries and processing	210	210
Benefits expenses	70	57
Total	**280**	**267**

Guillemot Corporation S.A.'s personnel is composed solely of five executive directors.

6.5.5.7. Depreciation, amortization and provisions allowance

	31.12.11	31.12.10
Fixed asset depreciation and amortization	864	846
Current assets depreciation	611	788
Provisions for liabilities and expenses	7	17
Total	**1,482**	**1,651**

Depreciation and amortization on fixed assets mainly relates to depreciation on buildings for €138K and amortization on the molds used for the production of products, for a total amount of €708K.

Depreciation on current assets includes an allocation of €533K relating to inventories of finished products linked to the Hercules eCAFÉ™ netbook range.

The allocation for receivables amounted to €78K.

6.5.5.8. Financial income

	31.12.11	31.12.10
Financial revenues on investments	0	0
Total other financial revenues	**0**	**0**
Recovery on provisions and expense transfers	269	918
Financial allowance on amortization and provisions	3,647	2,043
Total allowance and provision recoveries	**-3,378**	**-1,125**
Forex gains	1,025	2,340
Forex losses	1,156	1,723
Total Forex differences	**-131**	**617**
Net revenues on marketable investment security disposals	5	70
Net expenses on marketable investment security disposals	80	22
Income on marketable investment security disposals	**-75**	**48**
Other assimilated interest and revenues	120	67
Assimilated interest and revenues	243	254
Total interest revenues and expenses	**-123**	**-187**
TOTAL	**-3,707**	**-647**

Forex and market risks

During 2011, the Group put in place an interest rate swap contract, allowing it to manage the interest rate risk linked to exposure to a 3-month variable EURIBOR, for a nominal amount of €1,375K.

Financial provisions recoveries and allowances

As a result of the financial difficulties encountered by the subsidiaries of Guillemot Corporation S.A., the company was obliged to depreciate all accounts associated with its subsidiaries during previous fiscal years. With respect to the net worth amounts at December 31, 2011, the participating interests and current account advances of some subsidiaries were subject to provisions reversals. Mainly involved are the participating interests of the subsidiaries Guillemot S.A. (Belgium) for €21K and

Guillemot Srl (Italy) for €4K, and the current account advances granted to the subsidiaries Guillemot Ltd (UK) for €16K and Guillemot GmbH (Germany) for €40K.

Guillemot Corporation reversed, for an amount of €55K, the provision for depreciation of securities of the company Air2Web (United States), following the cancellation of the securities as part of a financial transaction with respect to this company.

The other provisions reversals relate to various reversals for unrealized foreign exchange losses for the previous fiscal year, for €132K. The company Guillemot Corporation S.A. posted a provision of €327K to cover the unrealized foreign exchange loss risk at the end of the fiscal year.

Ubisoft Entertainment securities and treasury stock shares, valued at their average stock market price in December 2011, were subject to an additional allocation for a total amount of €2,378K.

Net revenues and expenses on marketable investment securities disposals

The company Guillemot Corporation SA posted a disposal result on treasury stock shares of €-75K during the year, within the context of the liquidity contract in effect.

Interest revenues and expenses

Interest revenues are chiefly comprised of €80K in interest on current account advances granted to subsidiaries.
Financial revenues also include an amount of €39K which corresponds to the reintegration into balance sheet assets of current account advances, waived by the parent company in 2004 to the benefit of its subsidiary Guillemot GmbH (Germany) with a return to profits clause.
Expenses for loan interest and banking institution interest account for €153K.
Current account interest charges account for €32K.
Discounts granted total €58K.

6.5.5.9. Exceptional income

Exceptional income includes extraordinary elements and elements which are unusual in terms of their amount or their effect on current activities.

	31.12.11	31.12.10
Exceptional revenues on management transactions	0	0
Exceptional revenues on capital transactions	0	5,898
Recoveries on provisions and expense transfers	35	4
Total exceptional revenues	**35**	**5,902**
Exceptional expenses on management transactions	0	10
Exceptional expenses on capital transactions	55	4,845
Exceptional amortization and provision allocations	150	0
Total exceptional expenses	**205**	**4,855**
TOTAL	**-170**	**1,047**

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

The exceptional allocation of €150K relates to a customs VAT amount due by a defaulting supplier and claimed from Guillemot Corporation by the administration.

6.5.5.10. Corporate income tax

Income at 31.12.11	Current	Exceptional	Net
Taxable base	-2240	-170	-2410
Carry-forward of losses	2240	170	2410
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 €78K
- Forex change €670K

Table of losses carried forward

	2011	2009	2006	2005	2004	2003	2002	Total
Losses carried forward	2410	565	1,229	9171	7,006	7,690	30,859	**58,930**

6.5.5.11. Average workforce

	Total	Management	Non-management
31.12.11	5	5	0

The workforce at December 31, 2011 was composed solely of executive directors.

6.5.5.12. 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:

€358K.

Outstanding documentary credits:

€3,319K.

Pension retirement benefits:

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

Minima guaranteed on licenses:

€1,362K.

Return to profits clause:

Commitments given:
The company Guillemot Corporation SA 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 2011 showed a loss, the company did not reintegrate any funds into balance sheet liabilities. The remaining €1,666K will be progressively re-integrated into balance sheet liabilities over the coming years at the rate of 20% of annual net income.

Commitments received:
Moreover, 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 2011 showed a profit for the subsidiary Guillemot GmbH (Germany) and given the reimbursement terms, the company Guillemot Corporation S.A. reintegrated an amount of €39K into its balance sheet assets. The remaining €5,806K will be progressively reimbursed over the coming years at the rate of 50% of annual net income.

6.5.5.13. 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 Chief Executive Officer. They do not have employment contracts. The total gross remuneration paid out by the company to executive directors amounted to €210K for the fiscal year.

The amount of attendance fees paid out by the company to members of the Board of Directors was €26K for the fiscal year. This amount includes the sum of €1K paid to Ms. Marie-Hélène Lair, for her role as independent Director.

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.

6.5.5.14. Consolidating company

GUILLEMOT CORPORATION S.A.
Place du Granier, BP 97143 – 35571 CHANTEPIE Cedex

6.5.6. POST-CLOSURE EVENTS

In March 2012, the Group received the sum of USD 735,000 from a former supplier, thereby bringing to a close a dispute underway since 2006 and linked to the ending of its 3D Display activities.

6.5.7. PROPOSED ALLOCATION OF INCOME

The fiscal year ended December 31, 2011 showed a loss of €2,985,680.37. The proposal with respect to the allocation of income is to assign the loss to the retained losses account for the amount of €2,985,680.37.

6.6. INDEPENDENT AUDITORS' REPORT ON YEAR-END FINANCIAL STATEMENTS

6.6.1. INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS – FISCAL YEAR ENDED DECEMBER 31, 2011

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, 2011, 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 on 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:

- Intangible fixed assets, and more precisely brands and goodwill, are tested for impairment according to the methods set out in notes 6.5.3.1 and 6.5.4.1. We have verified the appropriate nature of the methodology employed by the company.
- Inventories of finished products are subject to depreciation, described in notes 6.5.3.4, 6.5.4.4., 6.5.4.14 and 6.5.5.7 of the appendix. We have verified the appropriate nature of the methodology employed by the company and evaluated the reasonable nature of these estimates.
- Receivables and liabilities, in particular shareholders' current accounts, were subject to an appropriate examination as a result of the exercise of the return to profits clause and the resulting commitment, as described in note 6.5.4.7 of the appendix.
- Moreover, note 6.5.3.3 of the appendix 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.

The assessments thus arrived at 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 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.

Mont Saint Aignan and Rennes, April 25, 2012

Independent Auditors

PricewaterhouseCoopers Audit	MB Audit SARL
Pierre Lordereau	Roland Travers

6.6.2. INDEPENDENT AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS – FISCAL YEAR ENDED DECEMBER 31, 2011

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.

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 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.

Reimbursement of current accounts waived with return to profits clause
Directors involved: Messrs. Claude, Michel, Yves, Gérard, Christian Guillemot
Terms: On August 30, 2002, the five brothers waived €4,999,997.10, in receivables corresponding to non-interest-bearing advances, with a return to profits clause included in the waiver of debt certificate. Over fiscal 2010, the application of this clause resulted in the reimbursement of €435,955.15.
Terms: The reimbursement of the abovementioned amount of €435,955.15 took place on May 31, 2011.
This agreement was approved by your Board of Directors on April 18, 2011.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements and commitments approved during previous years, the execution of which took place during the past fiscal year.

Pursuant to Article R.225-30 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 years, took place during the past fiscal year.

1- Amendment to lease established with the company Guillemot Administration et Logistique Sarl on December 1, 2002
Director involved: Mr. Christian Guillemot
Terms: The monthly rent is set at €9,343.00 Net of Tax.
Rent received over the fiscal year amounted to €112,116.00 Net of Tax.
This agreement was approved by your Board of Directors on August 20, 2007.

2- Lease established with the company Guillemot Administration et Logistique Sarl
Director involved: Mr. Christian Guillemot
On July 1, 2010, your company established a commercial lease with the company Guillemot Administration et Logistique Sarl, for an area of 667m² to be used as office space. The annual rent is set at €55,361 Net of Tax.
Terms: Rent received over the fiscal year amounted to €55,361 Net of Tax.
This agreement was approved by your Board of Directors on July 1, 2010.

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 570m² to be used as office space. 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.
This agreement was approved by your Board of Directors on July 1, 2010.

4- Lease established with the company Ubisoft Books and Records SASU
Director involved: Mr. Yves Guillemot
On July 1, 2010, your company established a commercial lease with the company Ubisoft Books and Records SASU, for an area of 111m² to be used as office space. 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.
This agreement was approved by your Board of Directors on July 1, 2010.

5- Application of the return to profits clause on current account advances waived during previous fiscal years

Directors involved: Messrs. Claude, Michel, Yves, Gérard, Christian Guillemot

On August 30, 2002, Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot waived receivables corresponding to non-interest-bearing advances, for a total of €4,999,997.10, with a return to profits clause included in the waiver of debt certificate. When the company returned to profits, it would reimburse Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot for the principal amount of the waived receivables, with the stipulation that the amount to be reimbursed annually could not exceed 4% of annual net income for each of the shareholders.

Terms: The amount of advances remaining to be reimbursed at December 31, 2011 was €1,666,316.20.

Mont Saint Aignan and Rennes, April 25, 2012

Independent Auditors

PricewaterhouseCoopers Audit
Pierre Lordereau

MB Audit SARL
Roland Travers

7. COMPANY DIRECTORSHIP

7.1. COMPANY DIRECTORSHIP

The company refers to the Middlenext corporate governance code for listed companies with medium and smaller-sized securities.

7.1.1. ADMINISTRATIVE AND MANAGEMENT BODIES

This information is set out in paragraphs 4.12.1 and 4.12.2 of the Management report.

7.1.2. OTHER POSITIONS HELD AND FUNCTIONS CARRIED OUT WITHIN THE GROUP BY MEMBERS OF ADMINISTRATIVE AND MANAGEMENT BODIES OVER THE PAST FIVE YEARS

7.1.2.1. Current positions held and functions carried out within the Group

This information is set out in paragraph 4.12.3.1 of the Management report.

7.1.2.2. Expired positions held and functions carried out within the Group

Nil.

7.1.3. OTHER POSITIONS HELD AND FUNCTIONS CARRIED OUT OUTSIDE OF THE GROUP BY MEMBERS OF ADMINISTRATIVE AND MANAGEMENT BODIES OVER THE PAST FIVE YEARS

7.1.3.1. Current positions held and functions carried out outside of the Group

This information is set out in paragraph 4.12.3.2 of the Management report.

7.1.3.2. Expired positions held and functions carried out outside of the Group

Name	Expired positions held/Functions carried out outside of the Group over the past five years
Claude Guillemot	**Administrator and Vice President:** Ubisoft Divertissements Inc (Canada) **Vice President:** Ubisoft Digital Arts Inc (Canada) **Administrator:** Ubisoft Canada Inc (Canada), Ubisoft Music Inc (Canada), Ubisoft Music Publishing Inc (Canada), Ubisoft Inc (United States), Ubisoft Holdings Inc (United States), Ubisoft Ltd (Ireland), Shanghaï Ubi Computer Software Co. Ltd (China), Jeuxvideo.com S.A. (France) **Deputy Administrator:** Ubisoft Norway A/S (Norway) **Deputy Member of Liquidation Committee and President:** Ubisoft Norway A/S (Norway)
Michel Guillemot	**Manager:** Ubisoft Studios Srl (Italy), Ubi Studios SL (Spain), L'Odyssée Interactive Games Sarl (France) **Administrator:** Jeuxvideo.com S.A. (France), Shanghaï Ubi Computer Software Co. Ltd (China), Ubisoft SA (Spain), Ubisoft KK (Japan), Ubisoft Inc (United States), Ubisoft Holdings Inc (United States), Chengdu Ubi Computer Software Co. Ltd (China)
Yves Guillemot	**President and Administrator:** Chengdu Ubi Computer Software Co. Ltd (China) **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 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), Ubisoft Warenhandels GmbH (Austria), Max Design Entertainment Software Entwicklungs GmbH (Austria), Ubisoft GmbH (Germany) **Administrator:** Jeuxvideo.com S.A. (France), Gameloft Inc (United States), Ubisoft Norway A/S (Norway) Ubisoft Ltd (Ireland) **Liquidator:** Ubisoft Warenhandels GmbH (Austria) **Sole Member of Liquidation Committee and President:** Ubisoft Norway A/S (Norway)
Gérard Guillemot	**Deputy Chief Executive Officer:** Gameloft SA (France) **Administrator:** Shanghaï Ubi Computer Software Co. Ltd (China), Ubisoft SA (Spain), Ubisoft Inc (United States), Ubisoft Holdings Inc (United States), Jeuxvideo.com S.A. (France)
Christian Guillemot	**Administrator:** Shanghaï Ubi Computer Software Co. Ltd (China), Ubisoft Inc (United States), Ubisoft Holdings Inc (United States), Ubisoft Ltd (UK), Jeuxvideo.com S.A. (France)

7.1.4. REMUNERATION OF EXECUTIVE OFFICERS

7.1.4.1. Summary of remuneration and of options and shares granted to each executive director

The remuneration amounts payable indicated in the table below are those due by the company Guillemot Corporation S.A. and by the company Guillemot Brothers S.A., 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 2011**	**Fiscal 2010**
Remuneration due for fiscal year (1)	490,000	480,000
Valuation of options granted during fiscal year	0	0
Valuation of performance shares granted during fiscal year	0	0
TOTAL	490,000	480,000

Michel Guillemot, Deputy Chief Executive Officer	**Fiscal 2011**	**Fiscal 2010**
Remuneration due for fiscal year (1)	69,809	261,252
Valuation of options granted during fiscal year	0	0
Valuation of performance shares granted during fiscal year	0	0
TOTAL	69,809	261,252

Yves Guillemot, Deputy Chief Executive Officer	**Fiscal 2011**	**Fiscal 2010**
Remuneration due for fiscal year (1)	49,492	42,492
Valuation of options granted during fiscal year	0	0
Valuation of performance shares granted during fiscal year	0	0
TOTAL	49,492	42,492

Gérard Guillemot, Deputy Chief Executive Officer	**Fiscal 2011**	**Fiscal 2010**
Remuneration due for fiscal year (1)	489,992	379,992
Valuation of options granted during fiscal year	0	0
Valuation of performance shares granted during fiscal year	0	0
TOTAL	489,992	379,992

Christian Guillemot, Deputy Chief Executive Officer	**Fiscal 2011**	**Fiscal 2010**
Remuneration due for fiscal year (1)	490,000	480,000
Valuation of options granted during fiscal year	0	0
Valuation of performance shares granted during fiscal year	0	0
TOTAL	490,000	480,000

(1) Due by Guillemot Corporation S.A. to:

	Fiscal 2011	*Fiscal 2010*
Claude Guillemot	*150,004*	*140,004*
Michel Guillemot	*27,496*	*17,496*
Yves Guillemot	*24,496*	*17,496*
Gérard Guillemot	*27,496*	*17,496*
Christian Guillemot	*27,496*	*17,496*

7.1.4.2. 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.A., which controls the company Guillemot Corporation S.A., in the sense of Article L.233-16 of the Commercial Code.

€ amounts				
Claude GUILLEMOT	**Fiscal 2011**		**Fiscal 2010**	
Chief Executive Officer	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration (1)	480,000	480,000	480,000	480,000
Variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Attendance fees	10,000	5,000	0	0
Fixed component	*5,000*	*5,000*	*0*	*0*
Variable component	*5,000*	*0*	*0*	*0*
Benefits in kind	0	0	0	0
TOTAL	490,000	485,000	480,000	480,000

Michel GUILLEMOT	**Fiscal 2011**		**Fiscal 2010**	
Deputy Chief Executive Officer	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration (1)	59,809	59,809	261,252	261,252
Variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Attendance fees	10,000	5,000	0	0
Fixed component	*5,000*	*5,000*	*0*	*0*
Variable component	*5,000*	*0*	*0*	*0*
Benefits in kind	0	0	0	0
TOTAL	69,809	64,809	261,252	261,252

Yves GUILLEMOT	**Fiscal 2011**		**Fiscal 2010**	
Deputy Chief Executive Officer	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration (1)	42,492	42,492	42,492	42,492
Variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Attendance fees	7,000	5,000	0	0
Fixed component	*5,000*	*5,000*	*0*	*0*
Variable component	*2,000*	*0*	*0*	*0*
Benefits in kind	0	0	0	0
TOTAL	49,492	47,492	42,492	42,492

Gérard GUILLEMOT	**Fiscal 2011**		**Fiscal 2010**	
Deputy Chief Executive Officer	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration (1)	479,992	479,992	379,992	379,992
Variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Attendance fees	10,000	5,000	0	0
Fixed component	*5,000*	*5,000*	*0*	*0*
Variable component	*5,000*	*0*	*0*	*0*
Benefits in kind	0	0	0	0
TOTAL	489,992	484,992	379,992	379,992

Christian GUILLEMOT	**Fiscal 2011**		**Fiscal 2010**	
Deputy Chief Executive Officer	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration (1)	480,000	480,000	480,000	480,000
Variable remuneration	0	0	0	0
Exceptional remuneration	0	0	0	0
Attendance fees	10,000	5,000	0	0
Fixed component	*5,000*	*5,000*	*0*	*0*
Variable component	*5,000*	*0*	*0*	*0*
Benefits in kind	0	0	0	0
TOTAL	490,000	485,000	480,000	480,000

(1) Due and paid by Guillemot Corporation S.A. to:

	Fiscal 2011		Fiscal 2010	
	Amounts due	*Amounts paid*	*Amounts due*	*Amounts paid*
Claude Guillemot	*150,004*	*145,004*	*140,004*	*140,004*
Michel Guillemot	*27,496*	*22,496*	*17,496*	*17,496*
Yves Guillemot	*24,496*	*22,496*	*17,496*	*17,496*
Gérard Guillemot	*27,496*	*22,496*	*17,496*	*17,496*
Christian Guillemot	*27,496*	*22,496*	*17,496*	*17,496*

7.1.4.3. Attendance fees paid during fiscal 2011

The total amount of attendance fees paid out by the company Guillemot Corporation S.A. to members of the Board of Directors amounted to €26,014 for the fiscal year.

€ amounts

Member of Board of Directors		Fiscal 2011	Fiscal 2010
Claude Guillemot		5,000	0
	Fixed component	*5,000*	*0*
	Variable component	*0*	*0*
Michel Guillemot		5,000	0
	Fixed component	*5,000*	*0*
	Variable component	*0*	*0*
Yves Guillemot		5,000	0
	Fixed component	*5,000*	*0*
	Variable component	*0*	*0*
Gérard Guillemot		5,000	0
	Fixed component	*5,000*	*0*
	Variable component	*0*	*0*
Christian Guillemot		5,000	0
	Fixed component	*5,000*	*0*
	Variable component	*0*	*0*
Marie-Hélène Lair		1,014	0
	Fixed component	*1,014*	*0*
	Variable component	*0*	*0*
TOTAL		**26,014**	**0**

7.1.4.4. Share subscription or purchase options granted during fiscal 2011 to each executive director by Guillemot Corporation S.A. and by all Group companies

Nil.

7.1.4.5. Share subscription or purchase options exercised during fiscal 2011 by each executive director

Nil.

7.1.4.6. Performance shares granted to each executive director

No bonus shares have been granted to executive directors of the company Guillemot Corporation S.A.

7.1.4.7. Performance shares which have become available for each executive director during fiscal 2011

No bonus shares have been granted to executive directors of the company Guillemot Corporation S.A.

7.1.4.8. History of share subscription or purchase options granted to executive officers

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: - including for subscription by executive officers: Claude Guillemot Michel Guillemot Yves Guillemot Gérard Guillemot Christian Guillemot	433,000 15,000 15,000 15,000 15,000 15,000	383,000 15,000 15,000 15,000 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 April 18, 2012	0	0
Cumulative number of stock options canceled or nullified	0	0
Remaining stock options	433,000	383,000

(1) Share subscription options granted by Guillemot Corporation S.A. No share purchase options have been granted to executive officers.

Information on the share subscription options granted to the ten leading employee beneficiaries (excluding executive officers) and on the options exercised by the same are set out at paragraphs 4.15.2 and 2.2.4.3.

7.1.4.9. 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 advantages 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 Chief Executive Officer		X		X		X		X
Yves GUILLEMOT Deputy Chief Executive Officer		X		X		X		X
Gérard GUILLEMOT Deputy Chief Executive Officer		X		X		X		X
Christian GUILLEMOT Deputy Chief Executive Officer		X		X		X		X

7.1.5. TRANSACTIONS STIPULATED IN ARTICLE L.621-18-2 OF THE MONETARY AND FINANCIAL CODE

This information is set out at paragraph 4.11.4 of the Management report.

7.1.6. ASSORTED INFORMATION REGARDING EXECUTIVE OFFICERS

Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot are brothers.

There are no restrictions regarding the disposal of executive officers' stakes in the company's 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 whatever kind which may influence the security's market price, as well as during all periods preceding the publication of results.

Transactions between executive officers and the issuer, apart from common transactions carried out under normal conditions, are set out in the Independent Auditors' Special Report at paragraph 6.6.2.

No loans or guarantees have been granted to or established in favor of the company's executive officers. No convictions for fraud, incriminations and/or official public penalties have been brought against the company's executive officers over the past five years.

None of the company's executive officers have been associated with a bankruptcy, sequestering or liquidation over the past five years. Moreover, none of the company's executive officers 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 their 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 issuer or to any of its subsidiaries, stipulating the granting of benefits.

7.2. PREPARATORY AND ORGANIZATIONAL CONDITIONS FOR THE WORKINGS OF THE BOARD OF DIRECTORS AND INTERNAL CONTROL PROCEDURES

7.2.1. REPORT FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

This information is set out in paragraph 4.15.6 of the Management report.

7.2.2. INDEPENDENT AUDITORS' REPORT DRAFTED PURSUANT TO ARTICLE L.225-235 OF THE COMMERCIAL CODE, ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS – FISCAL YEAR ENDED DECEMBER 31, 2011

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, 2011.

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 company directorship.

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 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.

Mont Saint Aignan and Rennes, April 25, 2012

Independent Auditors

PricewaterhouseCoopers Audit
Pierre Lordereau

MB Audit SARL
Roland Travers

8. COMBINED GENERAL MEETING OF SHAREHOLDERS HELD MAY 24, 2012

8.1. AGENDA

➢ WITHIN THE REMIT OF THE REGULAR GENERAL MEETING

- Board of Directors' reports,
- Independent Auditors' reports,
- Approval of December 31, 2011 year-end financial statements,
- Approval of December 31, 2011 year-end consolidated financial statements,
- December 31, 2011 year-end net income appropriation,
- Approval of agreements stipulated in Article L.225-38 of the Commercial Code,
- Renewal of Director’s term of office for Mr. Claude Guillemot,
- Renewal of Director’s term of office for Mr. Michel Guillemot,
- Renewal of Director’s term of office for Mr. Yves Guillemot,
- Renewal of Director’s term of office for Mr. Gérard Guillemot,
- Renewal of Director’s term of office for Mr. Christian Guillemot,
- Authorization of Board of Directors to carry out transactions on company shares,
- Fulfillment of legal formalities relating to the 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,
- Fulfillment of legal formalities relating to the extraordinary general meeting.

8.2. TEXT OF RESOLUTIONS

➢ WITHIN THE REMIT OF THE REGULAR GENERAL MEETING

▪ FIRST RESOLUTION

(Approval of December 31, 2011 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, 2011 year-end financial statements, as presented, as well as the transactions figuring in these statements or summarized in these reports.
The general meeting grants the Directors discharge in the execution of their mandate for said fiscal year.

▪ SECOND RESOLUTION

(Approval of December 31, 2011 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, 2011 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.

▪ THIRD RESOLUTION

(December 31, 2011 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, 2011 year-end loss, amounting to €2,985,680.37, 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.

- <u>FOURTH RESOLUTION</u>

(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.

- <u>FIFTH RESOLUTION</u>

(Renewal of Director’s term of office for Mr. Claude Guillemot)
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, decides to renew the Director’s term of office for Mr. Claude Guillemot for a new period of six years, expiring at the end of the regular general meeting to be convened in 2018 in order to deliberate upon the financial statements for the past fiscal year.

- <u>SIXTH RESOLUTION</u>

(Renewal of Director’s term of office for Mr. Michel Guillemot)
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, decides to renew the Director’s term of office for Mr. Michel Guillemot for a new period of six years, expiring at the end of the regular general meeting to be convened in 2018 in order to deliberate upon the financial statements for the past fiscal year.

- <u>SEVENTH RESOLUTION</u>

(Renewal of Director’s term of office for Mr. Yves Guillemot)
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, decides to renew the Director’s term of office for Mr. Yves Guillemot for a new period of six years, expiring at the end of the regular general meeting to be convened in 2018 in order to deliberate upon the financial statements for the past fiscal year.

- <u>EIGHTH RESOLUTION</u>

(Renewal of Director’s term of office for Mr. Gérard Guillemot)
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, decides to renew the Director’s term of office for Mr. Gérard Guillemot for a new period of six years, expiring at the end of the regular general meeting to be convened in 2018 in order to deliberate upon the financial statements for the past fiscal year.

- <u>NINTH RESOLUTION</u>

(Renewal of Director’s term of office for Mr. Christian Guillemot)
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, decides to renew the Director’s term of office for Mr. Christian Guillemot for a new period of six years, expiring at the end of the regular general meeting to be convened in 2018 in order to deliberate upon the financial statements for the past fiscal year.

- <u>TENTH RESOLUTION</u>

(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 share capital according to transactions affecting it subsequent to the date of this meeting, 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,
- 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 executive directors 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 share capital according to transactions affecting it subsequent to the date of this meeting.

The maximum purchase price per share is set at €10, representing, for the purposes of illustration based on the number of shares of which the company's capital was composed on February 29, 2012, a maximum purchase amount of €15,004,730.

The acquisition, disposal or transfer of shares may be carried out at any time, including during a public offering period, at one or more times and via all methods, 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, subject to the abstention periods stipulated in legal and regulatory provisions.

The meeting grants all powers to the Board of Directors, with subdelegation of authority 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 combined general meeting held May 25, 2011.

- ELEVENTH RESOLUTION

(Fulfillment of legal formalities relating to the 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

- TWELFTH RESOLUTION

(Authorization of Board of Directors to proceed with 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, 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 tenth resolution submitted to this meeting or within the context of those authorized previously, within the limit of 10% of the number of shares of which the company's share capital is composed, 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, calculate 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 25, 2011.

- THIRTEENTH 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.

8.3. 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, 2011 year-end financial statements, to ask that you renew the terms of office for five Directors, and to ask you to rule on two resolutions which involve the granting of authorizations to your Board of Directors in order to carry out transactions on company securities as part of a share buyback program.

The first four resolutions submitted to you involve the December 31, 2011 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 loss of €2,985,680.37, which we propose to assign to the retained losses account; and
- approval of the agreements authorized by the Board of Directors and entered into by the company and Directors during the fiscal year ended December 31, 2011.

By the fifth, sixth, seventh, eighth and ninth resolutions, we ask that you renew the terms of office for Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot, which are set to expire at this general meeting. The terms of office as Director for Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot will be renewed for a new period of six years, expiring at the end of the regular general meeting to be convened in 2018 in order to deliberate upon the financial statements for the past fiscal year.

The tenth 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; with the stipulation that the number of shares that the company would come to hold, directly or indirectly, could not account for more than 10% of the company's share capital.
The maximum purchase price per share is set at €10 euros, representing a maximum purchase amount of €15,004,730 based on the number of shares of which the company's share capital was composed on February 29, 2012.
The acquisition, disposal or transfer of shares may be carried out at any time, including during a public offering period, 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 regulations.

This authorization would be granted to your Board of Directors for a period of 18 months as of the date of this meeting.

By the eleventh 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 twelfth 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 a share buyback program submitted to you in resolution ten, 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 months.
This authorization would allow your Board to set the terms of the capital reduction via cancellation of shares, certify its completion, proceed with corresponding modifications to the bylaws and calculate the difference between the book value of the canceled shares and their nominal value on all available reserve and premium budget entries.
The authorization would be granted to your Board of Directors for a period of 18 months as of the date of this meeting.

By the thirteenth 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 agreement.

The Board of Directors.

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.

2012 FINANCIAL COMMUNICATIONS CALENDAR		
January 26, 2012	After stock market closing	Publication of 2011 annual sales figure
March 29, 2012	After stock market closing	Publication of annual results at 31/12/2011
April 26, 2012	After stock market closing	Publication of Q1 2012 sales figure and quarterly information
May 24, 2012	-	Annual general meeting of Guillemot Corporation S.A. shareholders
July 26, 2012	After stock market closing	Publication of 2012 half-year sales figure
August 30, 2012	After stock market closing	Publication of 2012 half-year results
October 25, 2012	After stock market closing	Publication of Q3 2012 sales figure and quarterly information

10. GLOSSARY

2.X
System designating a stereo speaker kit with two speakers.

2.1
Sound playback system with three channels: two channels reproducing stereo sound, and one channel for the subwoofer.

5.1
Kit composed of five speakers and a subwoofer: two front satellites (right and left), one center channel speaker for dialog, and two rear speakers.

AIR (Adjustment by InfraRed)
Infrared proximity sensor allowing a DJ to control his or her choice of function (volume, effect…) without touching the mixing controller, simply by holding a hand out flat and moving it above the sensor.

Box
Internet box device allowing the user to connect and enjoy different services available online.

BRICS
Acronym designating the group of countries including Brazil, Russia, India, China and South Africa, which are generally held to be strong emerging powers.

Cashflow
The amounts of cash moving in and out of a business.

Chat
Internet service allowing users to freely communicate in writing in real time, generally by way of short exchanges by individuals identified by user names.

DJ
Abbreviation of Disc Jockey. A person who selects and plays music at a party, whether at home or at a night club, and can link up pieces of music with one another, mix them together and add effects, to create his or her own mixes. The DJ's role is growing, and becoming even more professional.

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.

Hotspot
A highly-visited, clearly delineated public space (for example, cafés, hotels, transportation stations and hubs…) providing access to a wireless network which allows users of mobile phones or computers to easily connect to the Internet.

Jog wheel
In DJing: wheel simulating the functioning of the platter on a vinyl turntable. Jog wheels control the playback of a CD, DVD, MP3 player or a computer. Jog wheels are used to move within a music track, to speed up or slow down music playback, or to produce sound effects such as scratching.

Nintendo 3DS
New 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 their 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.

PlayStation Vita
New portable console from Sony, released in Japan on December 17, and in Europe and North America on February 22, 2012. Equipped with a 5-inch OLED touchscreen, a rear panel which is also touch-sensitive, two cameras and two joysticks, this new arrival represents the latest generation of portable video game consoles and is primarily aimed at hardcore gamers who want to enjoy their games on the go.

Power Line Communication (PLC)
Technology allowing for the transfer of digital information via existing electrical wiring (in a residence, for example).

Scratching
Process consisting of using one's hand to move a vinyl record on a vinyl turntable, back and forth in alternation, producing a special effect by quickly and intermittently modifying the playback speed of the vinyl record.

Smartphone
Smart mobile phone combining the advanced functions of a PDA (personal digital assistant) with a telephone, allowing for uses such as an electronic agenda, messaging and much more.

Smart TV
Television directly or indirectly connected to the Internet, in order to provide a range of services to viewers.

Streaming
Instant downloading and playback of various audio and video formats via the Internet, without the need to download the entire file beforehand.

Ultraportable computer
Very small-sized, lightweight portable computer whose main appeal is that it can be easily transported and used anywhere, taking up minimum space while still providing good performance.

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 connected to the Web via a router, modem router or "hotspot" (public connection points).

Wii U
Initially referred to as Project Café, Wii 2 or Wii HD in the media, this console is the successor to the Nintendo Wii. It was unveiled by Nintendo at E3 2011 and will be launched in late 2012. This console's main innovation is an innovative controller, resembling a tablet, featuring a 6.2-inch touchscreen.

11. REFERENCE DOCUMENT

11.1. RESPONSIBILITY FOR REFERENCE DOCUMENT AND ATTESTATION

11.1.1. RESPONSIBILITY FOR REFERENCE DOCUMENT

Mr. Claude Guillemot, Chief Executive Officer

11.1.2. 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 presented in chapter 4 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 the reference document, as well as reading through this 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 109 and 110 for the consolidated financial statements for the fiscal year ended December 31, 2011, and on pages 130 and 131 for the financial statements for the fiscal year ended December 31, 2011, which have been issued without comment or reservation.

The Independent Auditors' reports on the consolidated financial statements and the financial statements for the fiscal years ended December 31, 2009 and December 31, 2010 have been issued without comment or reservation.

Carentoir, April 26, 2012

Mr. Claude GUILLEMOT
Chief Executive Officer

11.2. RESPONSIBILITY FOR INFORMATION – INFORMATION POLICY

11.2.1. RESPONSIBILITY FOR INFORMATION

Mr. Claude Guillemot, Chief Executive Officer
Place du Granier, BP 97143, 35571 Chantepie Cedex
Tel. +33 (0) 2 99 08 08 80

11.2.2. 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 2007, the Group has taken all measures to respond to the European Directive of "transparency" and has established a contract with the distributor Hugin managing the electronic distribution of its regulated information in real time for investors across all of the European Union.

Thus, 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).

11.3. 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 company PricewaterhouseCoopers Audit S.A. was appointed to the post of primary Independent Auditor by the general meeting of shareholders held on May 20, 2010, replacing the company PricewaterhouseCoopers Entreprises Sarl, whose term of office had expired. During the same general meeting, Mr. Yves Nicolas was appointed to the post of deputy Independent Auditor, replacing Mr. Yves Lainé, whose term of office had expired.

The terms of office of the company MB Audit Sarl, primary Independent Auditor, and of Mr. Jacques Le Dorze, deputy Independent Auditor, were renewed during the general meeting of shareholders held on July 5, 2010.

The fees paid to Independent Auditors and members of their networks are set out in paragraph 5.8.

11.4. TABLE OF CONCORDANCE

The table of concordance 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 of the Council of November 4, 2003, effective July 1, 2005.

HEADINGS	Pages
1. PERSONS RESPONSIBLE	
1.1 Responsibility for reference document information	p. 149
1.2 Declaration of responsibility for reference document	p. 149
2. INDEPENDENT AUDITORS	p. 151 and 108
3. SELECTED FINANCIAL INFORMATION	p. 20 and 21
4. RISK FACTORS	
4.1 Risks linked to issuer's sector of activity	p. 43 and 44
4.2 Risks linked to company	p. 43, 44, 45, 50 to 52, 104 and 105
5. INFORMATION REGARDING THE ISSUER	
5.1 History and evolution of the issuer	p. 6 to 9 and 34
5.2 Investments	p. 49 to 50, 54 and 87
6. OVERVIEW OF ACTIVITIES	
6.1 Main activities	p. 10 to 19
6.2 Main markets	p. 22 to 30
6.3 Exceptional events	Nil
6.4 Potential dependence	p. 43 and 44
6.5 Supporting elements of any declarations regarding the competitive position of the issuer	p. 29
7. ORGANIZATIONAL CHART	
7.1 Overview description of the Group	p. 33 and 53 to 54
7.2 Listing of significant subsidiaries	p. 118
8. REAL ESTATE, MANUFACTURING AND EQUIPMENT HOLDINGS	
8.1 Significant existing or planned tangible fixed assets	p. 97
8.2 Environmental concerns subject to impact on the use of tangible fixed assets	p. 67 and 68
9. ANALYSIS OF FINANCIAL STANDING AND INCOME	
9.1 Financial standing	p. 46 to 48 and 102
9.2 Operating income	p. 47 to 48
10. CASHFLOW AND CAPITAL	
10.1 Information regarding the issuer's capital	p. 84, 86 and 99
10.2 Source, amount and description of the issuer's cashflow	p. 87 and 99
10.3 Information regarding the issuer's loan conditions and financing structure	p. 102 and 104 to 105
10.4 Information regarding any restrictions on use of capital having appreciably influenced or potentially influencing the issuer's operations	p. 52
10.5 Information regarding expected financing sources required to honor commitments (future investments – tangible fixed assets)	p. 52 and 102
11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES	p. 49, 50, 89, 96, 97 and 103
12. INFORMATION ON TRENDS	
12.1 Main trends having impacted on production, sales, inventories, costs and sale prices since closing of last fiscal year	p. 31, 32 and 49
12.2 Known trend, uncertainty or demand or any reasonable commitment or event able to appreciably impact upon the issuer's prospects, at least for the current fiscal year	p. 31, 32 and 49

HEADINGS	Pages
13. EARNINGS FORECASTS OR ESTIMATES	Nil
14. ADMINISTRATIVE, MANAGEMENT AND MONITORING AND EXECUTIVE MANAGEMENT BODIES	
14.1 Administrative and management bodies	p. 61 to 63, 134 and 138 to 139
14.2 Potential conflicts of interest regarding administrative bodies and management	p. 139
15. REMUNERATION AND BENEFITS OF MEMBERS OF ADMINISTRATIVE, MANAGEMENT AND MONITORING AND EXECUTIVE MANAGEMENT BODIES	
15.1 Remuneration paid and benefits in kind allocated	p. 63, 64 and 135 to 138
15.2 Amounts provisioned or earmarked for pension or retirement payments or other benefits	p. 63
16. WORKINGS OF ADMINISTRATIVE AND MANAGEMENT BODIES	
16.1 Expiration dates of current mandates and mandate durations	p. 61 and 62
16.2 Information regarding service contracts linking members of administrative and management bodies to the issuer or one of its subsidiaries and anticipating the allocation of benefits over the contract term	p. 139
16.3 Information regarding the issuer's auditing committee and remuneration committee	p. 63 and 77
16.4 Company directorship in place in the issuer's country of origin	p. 75
17. EMPLOYEES	
17.1 Number of employees	p. 65 and 107
17.2 Investments and stock options	p. 37, 41 and 71
17.3 Agreement anticipating employee investment in the issuer's capital	Nil
18. MAIN SHAREHOLDERS	
18.1 Shareholders holding more than 5% of capital and voting rights	p. 37
18.2 Existence of different voting rights	p. 37
18.3 Issuer controls	p. 37
18.4 Agreement, known to the issuer, the implementation of which may lead to a change in control at a later date	Nil
19. TRANSACTIONS WITH RELATED COMPANIES	p. 107, 131 to 133
20. FINANCIAL INFORMATION REGARDING THE ISSUER'S ASSETS, FINANCIAL STANDING AND RESULTS	
20.1 Historical financial information	p. 84 to 108 and 155
20.2 Pro forma financial information	Nil
20.3 Financial statements	p. 84 to 108 and 111 to 129
20.4 Verification of historical financial information	p. 109 to 110 and 130 to 131
20.5 Date of latest financial information	31/12/2011
20.6 Intermediary and other financial information	p. 31 and 32
20.7 Dividend distribution policy	p. 41
20.8 Legal and arbitration proceedings	p. 52
20.9 Significant changes to financial or commercial standing	p. 50
21. ADDITIONAL INFORMATION	
21.1 Capital	p. 37 to 41 and 59 to 60 and 72 to 73
21.2 Charter and bylaws	p. 34 to 37, 75 to 77
22. IMPORTANT CONTRACTS	p. 41
23. INFORMATION FROM THIRD PARTIES, EXPERT DECLARATIONS AND INTEREST DECLARATIONS	Nil

HEADINGS	Pages
24. DOCUMENTS ACCESSIBLE BY THE PUBLIC	p. 150
25. INFORMATION ON INVESTMENTS	p. 117 and 118

The following information is incorporated into this reference document by way of reference:

- Consolidated financial statements for the fiscal year ended December 31, 2009, as well as the related Independent Auditors' report, found on pages 86 to 113 of the reference document registered with the AMF on 29/04/2010 (number D.10-0351);

- Consolidated financial statements for the fiscal year ended December 31, 2010, as well as the related Independent Auditors' report, found on pages 83 to 109 of the reference document registered with the AMF on 29/04/2011 (number D.11-0398).

12. 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.

HEADINGS	**Pages**
1. Financial statements for the fiscal year ended December 31, 2011	p. 111 to 129
2. Independent Auditors' general report on the financial statements	p. 130 to 131
3. Consolidated financial statements for the fiscal year ended December 31, 2011	p. 84 to 108
4. Independent Auditors' report on the consolidated financial statements	p. 109 to 110
5. Management report	p. 46 to 83
6. Declaration of responsibility for the annual financial report	p. 149
7. Fees paid to Independent Auditors	p. 108
8. Report from the Chairman of the Board of Directors stipulated in Article L.225-37 of the Commercial Code	p. 75 to 83
9. Independent Auditors' report on the report from the Chairman of the Board of Directors	p. 139 to 140