

GUILLEMOT CORPORATION

Joint stock company with capital of €11,553,646.72

**Registered office: Place du Granier, BP 97143, 35571 Chantepie Cedex
414 196 758 R.C.S Rennes**

Half-year financial report June 30, 2011

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A- Summarized half-year consolidated balance sheet

ASSETS	Notes	Net 30.06.11	Net 31.12.10
(All entries are in €K)			
Excess fair market values	7	888	888
Intangible fixed assets	8	3,154	3,391
Tangible fixed assets	8	3,518	3,637
Financial fixed assets	9	260	293
Income tax receivables	17	0	0
Deferred tax assets	17	0	0
Non-current assets		7,820	8,209
Inventories	10	13,114	10,768
Customers		8,748	14,901
Other receivables		2,119	2,657
Financial assets	9	6,326	7,283
Cash and cash equivalents	16	2,859	3,446
Income tax receivables	17	47	5
Current assets		33,213	39,060
Total assets		41,033	47,269
LIABILITIES AND SHAREHOLDERS' EQUITY			
	Notes	30.06.11	31.12.10
(All entries are in €K)			
Capital (1)		11,554	11,524
Premiums (1)		10,472	10,433
Reserves and consolidated income (2)		-2,230	195
Forex adjustments		419	509
Group shareholders' equity	11	20,215	22,661
Minority interests		0	0
Shareholders' equity		20,215	22,661
Personnel commitments	13	301	260
Loans	14	274	789
Other liabilities	21	1,666	1,666
Deferred tax liabilities	17	0	0
Non-current liabilities		2,241	2,715
Suppliers		9,920	14,049
Short-term loans	14	4,698	2,367
Fiscal liabilities		249	382
Other liabilities		3,555	4,790
Provisions	12	155	305
Current liabilities		18,577	21,893
Total liabilities and shareholders' equity		41,033	47,269

(1) Of the consolidated parent company

(2) Net income for the fiscal year: €-2,449K

The notes presented in section E form an integral part of the summarized half-year consolidated financial statements.

B- Summarized half-year consolidated statement of net income and of gains and losses posted directly under shareholders' equity

- Summarized half-year consolidated statement of net income

(All entries are in €K)	Notes	30.06.11	30.06.10
Net sales	6	23,488	21,991
Purchases		-14,939	-12,707
External expenses		-5,907	-5,373
Personnel expenses		-4,659	-4,288
Taxes and duties		-205	-211
Depreciation and amortization		-836	-765
Provisions allowance		-182	-132
Changes in inventories		2,517	923
Other operating revenues		219	161
Other operating expenses		-900	-422
Current operating income		-1,404	-823
Operating income	15	-1,404	-823
Cash and cash equivalents revenues	16	0	6
Cost of gross financial debt	16	53	56
Cost of net financial debt	16	-53	-50
Other financial revenues	16	6	227
Other financial expenses	16	-970	-3,221
Income tax expenses	17	-28	-49
Net income before minority interests		-2,449	-3,916
including net income from terminated activities	18	0	0
Minority interest share		0	0
Group net income		-2,449	-3,916
Base earnings per share	19	-0.17 €	-0.27 €
Diluted earnings per share	19	-0.15 €	-0.24 €

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

(All entries are in €K)	30.06.11	30.06.10
Group share of net income	-2,449	-3,916
Forex adjustments	-90	256
Coverage derivatives revaluation	0	0
Financial assets available for sale revaluation	0	0
Fixed assets revaluation	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	-90	256
Net income and gains and losses posted directly under shareholders' equity - Group share	-2,539	-3,660
Net income and gains and losses posted directly under shareholders' equity - Minority share	0	0

The notes presented in section E form an integral part of the summarized half-year consolidated financial statements.

C- Summarized half-year consolidated shareholders' equity evolution table

(All entries are in €K)

	Notes	Capital	Premiums	Conso- lidated reserves	Net income	Forex adjust- ment	Total share- holders' equity
Balance at 01.01.10		11,524	10,433	3,729	-4,495	316	21,507
Overall income at 30.06.10					-3,916	256	-3,660
31.12.09 net income appropriation				-4,495	4,495		0
Stock options				111			111
Consolidated parent company securities				-36			-36
Gains and losses on treasury securities				53			53
Balance at 30.06.10		11,524	10,433	-638	-3,916	572	17,975
Balance at 01.01.11		11,524	10,433	-637	832	509	22,661
Overall income at 30.06.11					-2449	-90	-2,539
31.12.10 net income appropriation				832	-832		0
Stock options				56			56
Consolidated parent company securities				-16			-16
Gains and losses on treasury securities				-16			-16
Capital increase via options exercise		30	39				69
Balance at 30.06.11	11	11,554	10,472	219	-2,449	419	20,215

The notes presented in section E form an integral part of the summarized half-year consolidated financial statements.

D- Summarized half-year consolidated cashflow table

(All entries are in €K)	Notes	30.06.11	30.06.10
Cashflow linked to operating activities			
Net income of integrated companies		-2,449	-3,916
+ Depr., amort. and provisions allowance (excl. that linked to current assets)		890	821
- Depreciation, amortization and provisions recovery		-159	-77
- /+ Unrealized gains and losses linked to changes in fair value	16	970	3,211
+/- Expenses and revenues linked to stock options	11	56	111
-/+ Net gain/loss on disposals		-8	0
Deferred tax change	17	0	0
Cashflow after cost of net financial debt		-700	150
Cost of net financial debt	16	53	50
Cashflow before cost of net financial debt		-647	200
Cashflow Forex adjustment		4	-9
Inventories	10	-2,397	-818
Customers		6,064	4,843
Suppliers		-4,120	-4,883
Other		-379	-335
Working capital requirements change		-832	-1,193
Net cashflow linked to operating activities		-1,528	-1,052
Cashflow linked to investments			
Intangible fixed asset acquisitions	8	-110	-12
Tangible fixed asset acquisitions	8	-379	-269
Intangible and tangible fixed asset disposals		15	0
Financial fixed asset acquisitions	9	0	-30
Financial fixed asset disposals		0	0
Net cashflow on subsidiary acquisitions/disposals		0	0
Net cashflow linked to investment activities		-474	-311
Cashflow linked to financing activities			
Capital increase or cash contribution		70	0
Treasury stock buyback and resale		0	0
Debt issuance		0	0
Shareholders' current account reimbursement	21	-436	-77
Debt repayments	14	-500	-1,460
Other cashflow linked to financing activities		0	0
Total cashflow linked to financing activities		-866	-1,537
Forex adjustment impact		-34	92
Cashflow change		-2,902	-2,808
Net cashflow at fiscal year start	A and 14	2,090	7,323
Net cashflow at fiscal year end	A and 14	-812	4,515

The notes presented in section E form an integral part of the summarized half-year consolidated financial statements.

E- Notes on summarized half-year consolidated financial statements

(All entries are in €K unless otherwise noted)

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 11 countries including France, Germany, the UK, the United States, Canada, Spain, Holland, Italy, Belgium, Hong Kong and Romania and distributes its products across more than 50 countries worldwide. The Group's mission is to offer 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 at Place du Granier, BP 97143, 35 571 Chantepie Cedex.

2) *Basis for preparation of summarized half-year financial information*

This summary of half-year consolidated financial statements at June 30, 2011 has been prepared pursuant to the IAS 34 standard, Intermediate Financial Accounting. The summarized half-year report must be read along with the annual financial statements for fiscal 2010.

3) *Accounting methods*

The accounting methods employed are the same as those adopted for the preparation of the annual financial statements for the fiscal year ended December 31, 2010, as presented in the annual financial statements for the fiscal year ended December 31, 2010.

The following new standards, amendments to existing standards and interpretations must be applied in 2011.

New standards and interpretations:

IAS 24 revision – Related party disclosures

IAS 32 amendment – Financial instruments presentation

IFRS 1 amendment – First-time adoption of IFRS

IFRIC 14 amendment – The limit on a defined benefit asset, minimum funding requirements and their interaction

IFRIC 19 – Extinguishing financial liabilities with equity instruments

Amendments to existing standards pursuant to new texts and amendments resulting from the annual IFRS improvements project:

IAS 1 – Presentation of financial statements

IAS 21 – The effects of changes in foreign exchange rates

IAS 28 – Investments in associates

IAS 31 – Interests in joint ventures

IAS 32 – Financial instruments: presentation

IAS 34 – Interim financial reporting

IAS 39 – Financial instruments: recognition and measurement

IFRS 1 – First-time adoption of IFRS

IFRS 3 – Business combinations

IFRS 7 – Financial instruments: disclosures

IFRS 8 – Operating segments

IFRIC 13 – Customer loyalty programmes

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

4) *Report on activities*

The Guillemot Corporation Group's financial statements at June 30, 2011 are broken down as follows:

2011 CONSOLIDATED HALF-YEAR RESULTS

(in € millions) January 1, 2011 – June 30, 2011	30/06/2011	30/06/2010	Change
Sales	23.5	22.0	+6.82%
Hercules	13.1	17.2	-23.84%
Thrustmaster	10.4	4.8	+116.67%
Current operating income*	-1.4	-0.8	
Financial income	-1.0	-3.0	
Consolidated net income	-2.4	-3.9	
Earnings per share	€-0.17	€-0.27	

* After stock options

Activity

Over the first half of fiscal 2011, the Guillemot Corporation Group's consolidated sales figure increased by 7% to €23.5 million, thanks to good dynamics in terms of its international sales (those outside of Europe), which grew from 17% to 28% of total sales.

Results

Over the year's first half, current operating income amounted to €-1.4 million. This is linked to the increase in investments in expanding the Group's international network, and to new end-of-year projects. The Group maintained its gross accounting margin rate at 47% over the period. These projects will result in the launch this autumn of gaming accessories for the Xbox 360 console, following the new license signed with Microsoft, amongst other initiatives. The release of the new F458 wheel will open up this new market, which the Group had not previously been involved in.

Financial income amounted to €-1.0 million, mainly due to an unrealized loss in the Group's portfolio of Ubisoft and Gameloft securities.

Main balance sheet elements:

(in € millions)	30/06/2011	31/12/2010
Shareholders' equity	20.2	22.7
Net indebtedness (excluding MIS)*	3.8	1.8
Inventories	13.1	10.8
Current financial assets (MIS share)	6.3	7.3

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

The Group's shareholders' equity amounted to €20.2 million. Net indebtedness stood at €3.8 million, with the increase in working capital requirements related to the expansion of sales, as well as the increase in terms of the inventory level to €13.1 million, following on from the Group's new policy of keeping room to maneuver with respect to essential components, in order to ensure successful end-of-year production.

The Group's portfolio of marketable investment securities was valued at €6.3 million at June 30, 2011.

New end-of-year releases

Thrustmaster is expanding its partnerships, having signed a new licensing agreement with Microsoft. This will open up the market of official Xbox 360 accessories for the Group, as evidenced by the launch of the new F458 racing wheel, featuring joint Microsoft and Ferrari licenses.

With respect to Sony consoles, Thrustmaster is preparing accessories for the new PlayStation Vita console, and has announced a very high-end shifter to accompany its T500 RS wheel, which will also be compatible with all racing sim wheels.

For its part, Hercules continues to innovate within growing market segments: its range of DJ controllers is set to expand, and will see the introduction of a line of DJ headphones, as well as home studio speakers: XPS DJ Monitor.

The home connectivity market is growing strongly, with the convergence of connected devices. The Hercules PLC ranges are focused on miniaturization, the deciding factor in terms of the acceptance of these products in users' living rooms.

Prospects

Increasing sales in emerging markets, combined with the expansion of its product ranges, allow the Group to maintain its sales growth objective, and are set to result in positive operating income for the fiscal year.

5) *Scope of consolidation*

- a) Companies included within the Guillemot Corporation SA Group's scope of consolidation at June 30, 2011

COMPANY	SIREN number	Country	Percentage of control	Consolidation accounting 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 owing to their non-significant nature.

b) Changes to scope of consolidation

The company Guillemot Spain SL was created in May 2011, and was included within the scope of consolidation at this time.

6) *Information by sector*

Pursuant to the IFRS 8 standard on operating segments, the Group has presented the formats of information by sector on the same basis as those used for internal reporting presented to management.

Sector information by activity concerns the Hercules and Thrustmaster sectors of activity.

Sector information by geographic zone is based on the following geographical sectors: France, European Union (excluding France) and Other.

Sector information by activity

The Hercules sector of activity includes the following product ranges: 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, accessories for the Nintendo Wii and DS/DSi consoles.

- Statement of income by activity (in €K):

	30.06.11			30.06.10		
	Total	Hercules	Thrustmaster	Total	Hercules	Thrustmaster
Sales	23,488	13,132	10,356	21,991	17,218	4,773
Inter-activities sales	0	0	0	0	0	0
Depreciation and amortization	836	281	555	765	350	415
Provisions allowance	182	134	48	132	96	36
Current operating income	-1,404	-281	-1,123	-823	248	-1,071
Operating income	-1,404	-281	-1,123	-823	248	-1,071

- Balance sheet by sector of activity (in €K):

	30.06.11			31.12.10		
	Net			Net		
	30.06.11	Hercules	Thrustmaster	31.12.10	Hercules	Thrustmaster
Excess fair market values	888	888	0	888	888	0
Intangible fixed assets	3,154	1,656	1,498	3,391	1,454	1,937
Tangible fixed assets	3,518	1,806	1,712	3,637	1,771	1,866
Inventories	13,114	7,550	5,564	10,768	6,884	3,884
Customers	8,748	4,893	3,855	14,901	8,066	6,835
Unallocated assets	11,611	-	-	13,684	-	-
TOTAL ASSETS	41,033	16,793	12,629	47,269	19,063	14,522
Shareholders' equity	20,215	-	-	22,661	-	-
Provisions	456	256	200	565	371	194
Suppliers	9,920	5,561	4,359	14,049	8,631	5,418
Unallocated liabilities	10,442	-	-	9,994	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	41,033	5,817	4,559	47,269	9,002	5,612

Unallocated assets are financial assets, income tax assets, other receivables and cash.

Unallocated liabilities are loans, other liabilities, retirement provisions, fiscal liabilities and deferred tax liabilities.

Sector information by geographic zone

- Sales by geographic zone (in €K):

Sales in:	30.06.11	30.06.10
France	7,769	8,629
European Union (excluding France)	9,168	9,667
Other	6,551	3,695
TOTAL	23,488	21,991

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

	30.06.11				31.12.10			
	EU (excl.				EU (excl.			
	Net total	France	France)	Other	Net total	France	France)	Other
Excess fair market values	888	888	-	-	888	888	-	-
Tangible fixed assets	3,518	3,419	28	71	3,637	3,532	27	78
Financial assets	6,586	6,562	5	19	7,576	7,551	5	20
Inventories	13,114	9,638	-	3,476	10,768	7,754	0	3,014
Customers	8,748	2,887	3,412	2,449	14,901	4,172	7,600	3,129
Other receivables	2,119	1,973	105	41	2,657	2,510	87	60
Cash and cash equivalents	2,859	1,569	451	839	3,446	2,416	378	652
Income tax receivables	47	47	-	-	5	5	-	-
Unallocated assets	3,154	-	-	-	3,391	-	-	-
TOTAL ASSETS	41,033	26,983	4,001	6,895	47,269	28,828	8,097	6,953

Unallocated assets are intangible fixed assets.

7) *Excess fair market values*

a) Excess fair market values

Excess fair market values were broken down at June 30, 2011:

Excess fair market values change	Gross at 31.12.10	Change	Gross at 30.06.11
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

		Additional loss in value from		
	Provisions at 31.12.10	01.01.11 to 30.06.11	Provisions at 30.06.11	
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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
<hr/>				
Net value	Total	888	0	888

There is no amortization on excess fair market values under the IFRS standards. Pursuant to the IAS 36 standard, losses in value during previous fiscal years are not recovered at a later date.

At June 30, 2011, there was no indication of a loss in value on excess fair market values, and therefore no depreciation test potentially leading to the posting of an additional loss in value on Hercules goodwill was carried out. At June 30, 2011, the excess fair market values entry on the balance sheet was composed solely of a net amount of €888K corresponding to the fair value of Hercules goodwill from the subsidiary Hercules Thrustmaster SAS.

8) *Intangible and tangible fixed assets*

a) Intangible fixed assets

Intangible fixed assets are broken down as follows:

Gross values

	31.12.10	Scope mvt	Increase	Decrease	Forex adjustment	30.06.11
Brands	10,842					10,842
Development expenditure	0					0
Licenses	2,144					2,144
Concessions, patents...	780		110	3	-11	876
Other intangible fixed assets	1,061				-20	1,041
TOTAL	14,827	0	110	3	-31	14,903

Development expenditures undertaken by the Group cannot be individualized as a result of very short product cycles and numerous projects common to several ranges, which translates into accounting for these amounts as expenses pursuant to the IAS 38 standard.

Amortization and provisions

	31.12.10	Scope mvt	Increase	Decrease	Forex adjustment	30.06.11
Brands	8,110					8,110
Development expenditure	0					0
Licenses	1,528		325			1,853
Concessions, patents...	746		18	3	-11	750
Other intangible fixed assets	1,052		4		-20	1,036
TOTAL	11,436	0	347	3	-31	11,749

Brands include the Thrustmaster and Hercules brands acquired. These brands are subject to depreciation tests at each closing of accounts and are valued taking into account future discounted cashflow.

In the absence of a deep market for the brands in our 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 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, while the Hercules brand stands at €1,432K against an acquisition cost of €1,432K. At June 30, 2011, there was no indication of a loss in value giving rise to the implementation of depreciation tests.

Valuation of the Thrustmaster brand involves uncertainty and an adjustment risk over the years to come, in the event whereby the hypotheses employed for future cashflow generated by Thrustmaster's activities are revised upward or downward.

b) **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	30.06.11
Land	399					399
Buildings	5,325				-1	5,324
Technical installations	5,255		384	8	-9	5,622
Other tangible fixed assets	977		54	32	-6	993
Under development	189		325	384		130
TOTAL	12,145	0	763	424	-16	12,468

Buildings represent buildings located in Carentoir (France).

The €384K decrease in fixed assets under development corresponds to a transfer to the technical installations entry.

Depreciation

	31.12.10	Scope mvt	Increase	Decrease	Forex adjustment	30.06.11
Buildings	3,574		115			3,689
Technical installations	4,124		335	8	-9	4,442
Other tangible fixed assets	810		39	25	-5	819
TOTAL	8,508	0	489	33	-14	8,950

9) *Financial assets*

Non-current financial assets are broken down as follows:

Gross values

	31.12.10	Scope mvt	Increase	Decrease	Forex adjustment	30.06.11
Non-consolidated companies	55					55
Other fixed securities	78			32		46
Other financial fixed assets	215				-1	214
TOTAL	348	0	0	32	-1	315

Provisions

	31.12.10	Scope mvt	Increase	Decrease	Forex adjustment	30.06.11
Non-consolidated companies	55					55
TOTAL	55	0	0	0	0	55

Companies in which the Group does not exert a significant influence are not included within its scope of consolidation.

The gross book value of €55K for non-consolidated companies relates to the company Air2Web Inc (United States), the amount being totally provisioned at June 30, 2011. The movements on other fixed securities relate to the liquidity contract currently in place.

Current financial assets include Ubisoft Entertainment and Gameloft shares.

	Net 31.12.10	Disposal 30.06.11	Acquisition 30.06.11	Forex adjustment 30.06.11	Reevaluated gain/loss 30.06.11	Net 30.06.11
<i>Ubisoft Entertainment shares</i>						
Number	863,874	0	0	0	0	863,874
Fair value (in €K)	6,912	0	0	0	-939	5,973
<i>Gameloft shares</i>						
Number	68,023	0	0	0	0	68,023
Fair value (in €K)	371	0	0	0	-31	340
<i>Derivatives on Forex transactions</i>	0	0	0	0	13	13
Total value	7,283	0	0	0	-957	6,326

As of January 1, 2005, Ubisoft and Gameloft shares (listed on an active market) have been 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.

The Group holds 863,874 Ubisoft Entertainment shares, representing 0.91% of capital.

The Group also holds 68,023 Gameloft shares, representing 0.09% of capital.

The share prices used at December 31, 2010 were €8.00 for Ubisoft Entertainment shares and €5.46 for Gameloft shares. The share prices used at June 30, 2011 for the valuation of shares at their fair value were €6.913 for Ubisoft Entertainment shares and €5.00 for Gameloft shares. The resulting unrealized loss posted at June 30, 2011 amounted to €970K (see point 16).

10) *Inventories*

Inventories	Gross 31.12.10	Change in inventories (Result)	Scope mvt	Forex adjustments	Gross 30.06.11
Raw materials	3,751	-458			3,293
Finished products	9,378	2,729		-53	12,054
TOTAL	13,129	2,271	0	-53	15,347

Provisions	31.12.10	Increase	Decrease	Scope mvt	Forex adjustments	30.06.11
Raw materials	1,592	53	19			1,626
Finished products	769	8	170			607
TOTAL	2,361	61	189	0	0	2,233

Total inventories (net)	10,768					13,114
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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 net inventory value amounted to €13,114K at June 30, 2011.

11) *Shareholders' equity*

This capital is composed of 15,004,736 shares with a nominal value of €0.77 each.

The company Guillemot Corporation SA holds 275,256 treasury stock shares. These treasury stock shares reduced shareholders' equity by an amount of €771K.

At June 30, 2011, the percentage of capital represented by treasury stock shares was 1.83%.

Number of Guillemot Corporation shares

At 01/09/99	2,353,000
Bond conversion	67,130
Division of share's nominal value (02/2000)	2,420,130
Bond conversion	114,368
Creation of new shares	953,831
Equity warrants 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 warrants exercised	81,446
At 31/12/04	13,592,310
At 31/12/05	13,592,310
Equity warrants 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 30/06/11	15,004,736

Maximum number of shares to be created:

Through option exercise 1,564,132

Main features of stock option plans:

	5th plan	6th plan
Board of Directors meeting date	04.11.02	01.09.03
Number of shares	199,998	459,000
Nominal value	0.77 €	0.77 €
Subscription price	1.36 €	1.83 €
Exercise date	04.11.06 to 04.11.12	01.09.07 to 01.09.13
Number of shares subscribed to	-	16,700
Including during fiscal 2011	-	-
Cancelled or voided stock options	-	-
Remaining stock options	199,998	442,300
Options available for exercise at 30.06.11	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 date	22.02.10 to 22.02.16	22.02.08 to 22.02.16	18.02.12 to 18.02.18	18.02.10 to 18.02.18
Number of shares subscribed to	10500	12000	-	6,360
Including during fiscal 2011	-	-	-	-
Cancelled or voided stock options	-	-	-	-
Remaining stock options	422,500	234,000	383,000	210,640
Options available for exercise at 30.06.11	397,500	174,000	368,000	208,000

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

The Group has put in place remuneration plans paid out in shareholders' equity instruments (options on shares). The fair value of services rendered by employees in exchange for the granting of options is accounted for as expenses. The total amount posted as expenses over the period of acquisition of rights is determined by reference to the fair value of the options granted, without taking into account the conditions of the acquisition of rights, which are not market conditions. The conditions of the 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 of accounts, the company re-examines the number of options which may become available for exercise. If need be, the company posts the impact of the revision of its estimates in its statement of income as hedging for a corresponding adjustment in shareholders' equity.

The number of options potentially exercised takes into account the terms for the exercise of options relative 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 €56K under personnel expenses for the first half of fiscal 2011. The main data entered into the valuation model are 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 plans
- 45,560 options have been exercised to date.

12) Provisions for liabilities and expenses

Provisions for liabilities and expenses are broken down as follows:

		Increases	Used	Decreases	Forex	
	31.12.10	30.06.11	30.06.11	Unused	adjustments	30.06.11
				30.06.11	30.06.11	
Product returns	101		29		-4	68
Other	204	13	3	127		87
TOTAL	305	13	32	127	-4	155

13) Personnel commitments

The Group has no other post-retirement benefits programmes other than the legal programme 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 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
- TG05 mortality table
- 2010 reference salary, accounting for a 1% annual increase until end of career.

At June 30, 2011, the amount of the provision stood at €301K.

14) Loans

Financial liabilities are broken down as follows:

		Current (within 1 year)			Non-current	
	30.06.11	0-3 months	3-6 months	6-12 months	(1 year +)	31.12.10
Financial institution loans	1,284	253	255	515	261	1,783
Bond issues	0					0
Medium-term bank liabilities	13				13	13
Bank overdrafts and currency advances	3,671	3,671				1,356
Other	4	4				4
TOTAL	4,972	3,928	255	515	274	3,156

The Group has fixed-rate loans with financial institutions worth €1,300K and variable-rate loans worth €3,672K. At June 30, 2011, no loans were covered by acceleration clauses.

Net indebtedness

	30.06.11	31.12.10
Financial liabilities	4,971	3,156
Shareholders' current accounts	1,666	2,102
Liquid assets	2,859	3,446
Net indebtedness	3,778	1,812

At June 30, 2011, the Group's net indebtedness amounted to €3,778K. The Group also holds a share portfolio worth €6.3 million (in fair value at June 30, 2011).

15) *Operating income*

Operating income at June 30, 2011 amounted to €-1,404K, compared with €-823K at June 30, 2010.

16) *Financial income*

The net gearing cost stood at €53K at June 30, 2011. This includes interest charges and financial charges related to loans, as well as Forex losses and gains linked to the settling of financial liabilities.

Other financial revenues and expenses are broken down as follows:

	30.06.11	30.06.10
Forex differences	6	216
Unrealized gain/loss on Gameloft shares	-	11
Unrealized gain/loss on Ubisoft Entertainment shares	-	-
Total other financial revenues	6	227
Forex differences	-	-
Unrealized gain/loss on Gameloft shares	-31	-
Unrealized gain/loss on Ubisoft Entertainment shares	-939	-3,221
Total other financial expenses	-970	-3,221

Forex effect linked to currency conversion of subsidiaries:

All subsidiaries conduct business in their local currency, and the impact on shareholders' equity is €-90K.

Financial risk:

Pursuant to the IFRS 7 standard on financial instruments, the Group details hereafter its exposure to different financial risks:

Liquidity risk: At June 30, 2011, the Group had not used all of its loan and banking facilities and its net indebtedness was €3.8 million. The Group holds a portfolio of marketable investment securities worth €6.3 million in fair value at June 30, 2011.

Stock market price variation: The stock market price change on shares held impacts on the Group's income. For 2011, the 14% decrease in the price of Ubisoft Entertainment shares (in relation to the price at December 31, 2010) had an impact of €-939K on financial income. The 8% decrease in the price of Gameloft shares (in relation to the price at December 31, 2010) had an impact of €-31K on financial income.

Market rates variation: A 1% increase in interest rates taken on an annual basis and considering the balance at June 30, 2011 (the amount of variable rate financial liabilities) would have the impact of an increase in expenses of €37K. At June 30, 2011, the Group held no rate coverage contracts.

Exchange rates variation: The breakdown of the Group's assets and liabilities at June 30, 2011 was as follows (the position is given for non-covered amounts, which is to say those subject to currency variations).

Amounts of currencies exposed to positive or negative exchange variations:

(In €K)	USD	GBP
Assets	4,522	242
Liabilities	7,012	18
Net position before management	-2,490	224
Off-balance-sheet position	2,000	0
Net position after management	-490	224

A 10% increase in the rate of the American dollar, taken on an annual basis and considering the amount outstanding at June 30, 2011 (the amount of currencies exposed to exchange variations) would have the impact of an increase in financial expenses of €34K.

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, 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 sale prices of its products, given the seasonal nature of the company's activities, and could result in a temporary impact on gross margins.

It should be noted however that at the time of its orders, the Group purchases a portion of dollars, in cash or on maturity, in order to cover the Forex risk linked to a possible increase in the value of the dollar.

17) *Corporate income tax*

a) Income tax assets

At June 30, 2011, this heading contained partial income tax payments for a total of €47K.

b) Income tax expenses

Income tax expenses are broken down as follows:

	30.06.11	30.06.10
Deferred tax	0	0
Income tax payable	28	49
TOTAL	28	49

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.

At June 30, 2011, no deferred taxes were posted for any of the Group's subsidiaries, the probability of future taxable income not yet having been fully established.

The Group had access to tax-loss carryforwards totaling €61 million at the end of December 2010, including €56 million for the parent company Guillemot Corporation SA.

18) *Terminated activities*

The Group has not terminated any activities over the past five years.

19) *Earnings per share*

Base earnings per share

	30.06.11	30.06.10
Earnings	-2,449	-3,916
Average number of shares (K)	15,005	14,966
Treasury stock shares	-275	-243
	14,730	14,723
Base earnings per share	-0.17	-0.27

Diluted earnings per share

	30.06.11	30.06.10
Earnings	-2,449	-3,916
Average number of shares (K)	15,005	14,966
Treasury stock shares	-275	-243
	14,730	14,723
Maximum number of shares to be created		
Through bond conversion	0	0
Through option exercise	1,564	1,605
Through subscription rights exercise	0	0
	16,294	16,328
Diluted earnings per share	-0.15	-0.24

20) *Off-balance-sheet commitments*

Rental commitments: €433K
Documentary credits: €1,639K

21) *Transactions with associated parties*

The Group's capital is held by the company Guillemot Brothers SA (66.87%), the Guillemot family (7.30%), Guillemot Corporation SA (1.83%) and public shareholders (24.00%).

The associated parties are the company Guillemot Brothers SA and members of the Guillemot family controlling the issuer, the Group's consolidated subsidiaries (cf. scope of consolidation at note 5) and the Ubisoft Entertainment and Gameloft groups, entities in which members of the Guillemot family hold significant voting rights.

The company Guillemot Corporation SA has benefited over the course of previous fiscal years from current account waivers in the total amount of €7.7 million on the part of the founders of the Group's parent company and of the company Guillemot Brothers SA.

Over the period, Guillemot Corporation SA reimbursed €436K of these advances in shareholders' current accounts.

€1,666K remains on the balance sheet in shareholders' current account advances, to be reimbursed over the coming years with the stipulation that reimbursement may not exceed 20% of the parent company's annual net income.

Principal aggregates relating to the Ubisoft Entertainment and Gameloft groups:

	30.06.11	
(In €K)	Ubisoft Entertainment	Gameloft
Customer balance	683	1
Supplier balance	98	4
Revenues	740	9
Charges	383	26

22) *Seasonal nature of activities*

In principle, the Guillemot Corporation Group realizes 50% of its annual activities between September and December. The group employs the services of subcontractors in order to cover increased activity in terms of production and logistics during this period. Working capital requirements caused by these seasonal fluctuations are financed by way of short and medium-term funding.

23) *Post-closure events*

The Group has taken out medium-term bank loans totaling €4.5 million in order to finance its growth and the increase in working capital requirements.

F- Independent Auditors' report on 2011 half-year financial information

To Shareholders of
Guillemot Corporation SA
Place du Granier
BP 97143
35571 Chantepie Cedex

Ladies and Gentlemen,

In carrying out the tasks which were entrusted to us by your general meeting and pursuant to Article L. 451-1-2 III of the Monetary and financial code, we have conducted:

- A limited examination of the summarized half-year consolidated financial statements for the company Guillemot Corporation SA, relating to the period from January 1 to June 30, 2011, as appended to this report;
- Verification of the information provided in the half-year report on activities.

These summarized half-year consolidated financial statements were prepared under the authority of the Board of Directors. It falls to us, based on our limited examination, to express our conclusion regarding these statements.

1. Conclusion regarding financial statements

We have carried out our limited examination according to professional standards applicable in France. A limited examination mainly consists of meeting with members of management in charge of accounting and financial aspects, and the implementation of analytical procedures. These tasks are less exhaustive than those required for an audit carried out according to French professional standards. Therefore, the assurance that the financial statements, taken in their entirety, do not contain significant anomalies, obtained within the context of a limited examination is a moderate assurance, less thorough than that obtained in the context of an audit.

On the basis of our limited examination, we have uncovered no significant anomalies causing us to call into question the conformity of the summarized half-year consolidated financial statements with the IAS 34 standard – IFRS reference standard as adopted in the European Union relating to interim financial reporting.

2. Specific verifications

We have also proceeded with verification of the information provided in the half-year report on activities commenting upon the summarized half-year consolidated financial statements upon which we have based our limited examination. We have no observations to offer with respect to the sincerity of the information or its concordance with the summarized half-year consolidated financial statements.

Mont Saint-Aignan and Rennes, August 26, 2011,

Independent Auditors,

PricewaterhouseCoopers Audit
Pierre Lordereau
Partner

MB Audit SARL
Roland Travers
Partner

G- CEO's declaration regarding half-year report

I certify that, to the best of my knowledge, the financial statements presented in this half-year financial report have been drafted in accordance with applicable accounting standards and provide an accurate overview of the assets, financial standing and income of all companies included within the Guillemot Corporation Group's scope of consolidation, and that the half-year report on activities presented at point 4 provides an accurate view of the significant events having occurred during the first six months of the fiscal year, of their effect upon the half-year financial statements and of the principal transactions between associated parties, as well as a description of the main risks and uncertainties over the remaining six months of the fiscal year.

Carentoir, August 26, 2011

Claude GUILLEMOT
Chief Executive Officer