

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, 2013

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A- Summarized half-year consolidated balance sheet

ASSETS	Notes	Net 30.06.13	Net 31.12.12
<i>(All entries are in €K)</i>			
Excess fair market values	7	888	888
Intangible fixed assets	8	7,054	6,447
Tangible fixed assets	8	3,511	3,599
Financial fixed assets	9	356	366
Income tax receivables	17	0	0
Deferred tax assets	17	0	0
Non-current assets		11,809	11,300
Inventories	10	11,678	13,522
Customers		7,045	11,963
Other receivables		1,213	1,560
Financial assets	9	6,787	5,331
Cash and cash equivalents	14	899	3,195
Income tax receivables	17	50	55
Current assets		27,672	35,626
Total assets		39,481	46,926
LIABILITIES AND SHAREHOLDERS' EQUITY			
	Notes	30.06.13	31.12.12
<i>(All entries are in €K)</i>			
Capital (1)		11,554	11,554
Premiums (1)		10,472	10,472
Reserves and consolidated income (2)		-5,332	-2,562
Forex adjustments		488	488
Group shareholders' equity	11	17,182	19,952
Minority interests		0	0
Shareholders' equity		17,182	19,952
Personnel commitments	13	446	410
Loans	14	212	978
Other liabilities	21	1,666	1,666
Deferred tax liabilities	17	0	0
Non-current liabilities		2,324	3,054
Suppliers		7,209	11,070
Short-term loans	14	9,216	8,177
Fiscal liabilities		205	220
Other liabilities		3,109	4,219
Provisions	12	236	234
Current liabilities		19,975	23,920
Total liabilities and shareholders' equity		39,481	46,926

(1) Of the consolidated parent company

(2) Net income for the fiscal year: €-2,765K

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	30.06.13	30.06.12
Net sales	6	14,121	20,275
Purchases		-6,121	-13,568
External expenses		-4,260	-5,896
Personnel expenses		-3,705	-3,584
Taxes and duties		-164	-172
Depreciation and amortization		-1,046	-815
Provisions allowance		-177	-375
Changes in inventories		-1,740	2,354
Other operating revenues		108	246
Other operating expenses		-376	-596
Current operating income		-3,360	-2,131
Other operations-related revenues		0	558
Other operations-related expenses		-693	-48
Operating income	15	-4,053	-1,621
Cash and cash equivalents revenues	16	1	26
Cost of gross financial debt	16	86	67
Cost of net financial debt	16	-85	-41
Other financial revenues	16	1,456	93
Other financial expenses	16	-28	-39
Income tax expenses	17	-55	-78
Net income before minority interests		-2,765	-1,686
including net income from terminated activities	18	0	0
Minority interest share		0	0
Group net income		-2,765	-1,686
Base earnings per share	19	€-0.19	€-0.11
Diluted earnings per share	19	€-0.17	€-0.10

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

(All entries are in €K)	30.06.13	30.06.12
Group share of net income	-2,765	-1,686
<i>Recyclable OCI items</i>		
Forex adjustments	0	15
Coverage derivatives revaluation	0	0
Financial assets available for sale revaluation	0	0
<i>Non-recyclable OCI items</i>		
Fixed assets revaluation	0	0
Actuarial gains and losses on defined benefit plans	8	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	8	15
Net income and gains and losses posted directly under shareholders' equity - Group share	-2,757	-1,671
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 01.01.12		11,554	10,472	246	-2,538	495	20,229
Overall income at 30.06.12					-1,686	15	-1,671
31.12.11 net income appropriation				-2,538	2,538		0
Stock options				8			8
Consolidated parent company securities				-15			-15
Gains and losses on treasury securities				-2			-2
Other							0
Balance at 30.06.12		11,554	10,472	-2,301	-1,686	510	18,549
Balance at 01.01.13		11,554	10,472	-2,292	-270	488	19,952
Overall income at 30.06.13					-2,765		-2,765
31.12.12 net income appropriation				-270	270		0
Stock options							0
Consolidated parent company securities				3			3
Gains and losses on treasury securities				-15			-15
Other				7			7
Balance at 30.06.13	11	11,554	10,472	-2,567	-2,765	488	17,182

* Including actuarial gains and losses of €126K at 01.01.2012, and €66K at 01.01.2013.

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	30.06.13	30.06.12
Cashflow linked to operating activities			
Net income of integrated companies		-2,765	-1,686
+ Depr., amort. and provisions allowance (excl. that linked to current assets)		1,168	851
- Depreciation, amortization and provisions recovery		-48	-15
- /+ Unrealized gains and losses linked to changes in fair value	16	-1,456	-93
+/- Expenses and revenues linked to stock options	11	0	8
-/+ Net gain/loss on disposals		19	0
Deferred tax change	17	0	0
Cashflow after cost of net financial debt		-3,082	-935
Cost of net financial debt	16	85	41
Cashflow before cost of net financial debt		-2,997	-894
Cashflow Forex adjustment		10	-4
Inventories	10	1,844	-2,138
Customers		4,918	7,223
Suppliers		-3,861	-2,931
Other		-779	-1,456
Working capital requirements change		2,122	698
Net cashflow linked to operating activities		-950	-241
Cashflow linked to investments			
Intangible fixed asset acquisitions	8	-1,158	-1,651
Tangible fixed asset acquisitions	8	-458	-652
Intangible and tangible fixed asset disposals		8	0
Financial fixed asset acquisitions	9	-2	0
Financial fixed asset disposals		0	1
Net cashflow on subsidiary acquisitions/disposals		0	0
Net cashflow linked to investment activities		-1,610	-2,302
Cashflow linked to financing activities			
Capital increase or cash contribution		0	0
Treasury stock buyback and resale		0	0
Debt issuance		0	0
Shareholders' current account reimbursement	21	0	0
Debt repayments	14	-752	-1,254
Other cashflow linked to financing activities		0	0
Total cashflow linked to financing activities		-752	-1,254
Forex adjustment impact		-12	16
Cashflow change		-3,324	-3,781
Net cashflow at fiscal year start	A and 14	-3,454	5,356
Net cashflow at fiscal year end	A and 14	-6,778	1,575

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, Belgium, the Netherlands, Hong Kong, Spain, Romania and Italy, and distributes its products in more than 60 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, 2013 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 2012.

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, 2012, as presented in the annual financial statements for the fiscal year ended December 31, 2012.

The following new standards, amendments to existing standards and interpretations must be applied in 2013:

IFRS7 amendments – Offsetting financial assets and financial liabilities

IAS1 amendments – Presentation of items of Other Comprehensive Income

IFRS improvements – Range of amendments from 2009-2011

IAS 19 revised – Employee benefits

IFRS 13 – Fair value measurement

IAS 12 amendments – Deferred tax: Recovery of underlying assets

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, 2013 are broken down as follows:

2013 CONSOLIDATED HALF-YEAR RESULTS

(in € millions)	30/06/2013	30/06/2012	Change
January 1, 2013 – June 30, 2013			
Sales	14.1	20.3	-30.54%
Hercules digital devices	7.6	12.8	-40.63%

	OEM	0.7	2.2	-68.18%
	Thrustmaster	5.8	5.0	+16.00%
Current operating income		-3.4	-2.1	-
Operating income		-4.1	-1.6	-
Financial income*		1.3	0.0	-
Consolidated net income		-2.8	-1.7	-
Earnings per share		€-0.19	€-0.11	-

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

Activity

During the first half of the fiscal year, the Group posted lower sales of €14.1 million, with sales of Hercules digital devices decreasing by 40.6%, and sales of Thrustmaster accessories rebounding by 16%.

Thrustmaster's performance in a transitional market can be attributed to the brand's promotion and showcasing at the latest E3 worldwide video game expo in Los Angeles, and the expansion of the distribution network to include emerging market economies with strong growth potential (South America, Russia and the Middle East).

Lower Hercules sales are mainly due to inventory adjustments in the distribution channel, which accrued along with the slowdown in PC sales over the period.

During the first half of fiscal 2013, the Group adapted its structure while at the same time deploying its commercial strategy, with actions targeted toward online sales channels along with the implementation of its merchandising policy.

Moreover, the Group is ideally positioned to benefit from the arrival of the new game consoles which are set to revive the gaming accessories market, as well as from the repositioning of the current consoles, which will boost their sales. The official partnership with Sony Computer Entertainment Europe for the new PlayStation®4 console, along with the Microsoft partnership for the Xbox® One, confirm Thrustmaster's ability to play a key role in these new markets. In addition, the ascent of smartphones and tablets as the main vector for music listening opens up substantial opportunities for wireless audio devices. The WAE (*Wireless Audio Experience*) range, which draws on Hercules' R&D audio expertise, features many advantages with which to win over these new consumers.

Results

Current operating income amounted to €-3.4 million. Financial income stood at €1.3 million, owing mainly to unrealized gains on the Group's portfolio of marketable investment securities. Consolidated net income amounted to €-2.8 million. Thanks to its cost control policy, the Group cut its expenses by nearly 20%, including Research and Development costs capitalized over the period. The Group's workforce has also decreased. The gross accounting margin remained stable in relation to that of the previous fiscal year.

Main balance sheet elements:

(in € millions)	30/06/2013	31/12/2012
Shareholders' equity	17.2	20.0
Net indebtedness (excluding MIS)*	10.2	7.6
Inventories	11.7	13.5
Current financial assets (MIS share)	6.8	5.3

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

With shareholders' equity of €17.2 million, the Group's financial structure is solid. At June 30, 2013, net indebtedness stood at €10.2 million, compared with €7.6 million at December 31, 2012. The Group holds a portfolio of marketable investment securities valued at €6.8 million at June 30, 2013, and which has increased by more than €1 million in value since that date (value at August 27, 2013). The Group's inventory level decreased to €11.7 million.

Prospects

As the recently announced partnerships demonstrate, the technological investments made over the past few years – along with its know-how – perfectly position the Group to fully benefit from the potential of the new consoles, which will be launched toward the end of the year, as well as from the expansion of the wireless audio market.

The Group maintains its forecast of growth over the second half of the fiscal year.

5) *Scope of consolidation*

- a) Companies included within the Guillemot Corporation S.A. Group's scope of consolidation at June 30, 2013

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 Innovation Labs SAS	752,485,334	France	100.00%	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

There were no changes to the scope of consolidation.

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: DJing, multimedia and wireless speaker systems, sound cards, WiFi/PLC, netbooks and webcams.

The Thrustmaster sector of activity includes the following gaming accessories for PC and consoles: racing wheels, gamepads, joysticks, communications and mobility range, gaming headsets.

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

	Total	30.06.13		Total	30.06.12	
		Hercules	Thrustmaster		Hercules	Thrustmaster
Sales	14,121	8,354	5,767	20,275	15,266	5,009
Inter-activities sales	0			0	0	0
Depreciation and amortization	1,046	624	422	815	327	488
Provisions allowance	177	93	84	375	302	73
Current operating income	-3,360	-1,728	-1,632	-2,131	-942	-1,189
Operating income	-4,053	-1,728	-2,325	-1,621	-407	-1,214

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

	30.06.13			31.12.12		
	Net 30.06.13	Hercules	Thrustmaster	Net 31.12.12	Hercules	Thrustmaster
Excess fair market values	888	888	0	888	888	0
Intangible fixed assets	7,054	3,458	3,596	6,447	3,136	3,311
Tangible fixed assets	3,511	1,818	1,693	3,599	1,844	1,755
Inventories	11,678	7,439	4,239	13,522	8,837	4,685
Customers	7,045	4,110	2,935	11,963	7,076	4,887
Unallocated assets	9,305	-	-	10,507	-	-
TOTAL ASSETS	39,481	17,713	12,463	46,926	21,781	14,638
Shareholders' equity	17,182	-	-	19,952	-	-
Provisions	682	341	341	644	322	322
Suppliers	7,209	3,802	3,407	11,070	6327	4743
Unallocated liabilities	14,408	-	-	15,260	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	39,481	4,143	3,748	46,926	6,649	5,065

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:	30.06.13	30.06.12
France	4,970	8,578
European Union (excluding France)	4,847	6,612
Other	4,304	5,085
TOTAL	14,121	20,275

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

	30.06.13				31.12.12			
	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	3,511	3,438	15	58	3,599	3,514	20	65
Financial assets	7,143	7,110	8	25	5,697	5,665	8	24
Inventories	11,678	8,704	-	2,974	13,522	11,389	0	2,133
Customers	7,045	2,536	2,395	2,114	11,963	3,828	4,666	3,469
Other receivables	1,213	1,075	108	30	1,560	1,432	108	20
Cash and cash equivalents	899	270	295	334	3,195	2,578	266	351
Income tax receivables	50	50	-	-	55	55	-	-
Unallocated assets	7,054	-	-	-	6,447	-	-	-
TOTAL ASSETS	39,481	24,071	2,821	5,535	46,926	29,349	5,068	6,062

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, 2013 as follows:

Excess fair market values change	Gross at 31.12.12	Change	Gross at 30.06.13
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 31.12.12	Additional loss in value from	
		01.01.13 to 30.06.13	Provisions at 30.06.13
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
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There is no amortization of 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, 2013, 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, 2013, 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	31.12.12	Scope mvt	Increase	Decrease	Forex	30.06.13
					adjustment	
Brands	10,842					10,842
Development costs	1,860		480		1	2,341
Development costs under construction	718		1,157	492		1,383
Licenses	1,805					1,805
Concessions, patents...	962			15	-11	936
Other intangible fixed assets	1,066				-19	1,047
TOTAL	17,253	0	1,637	507	-29	18,354

With respect to development costs, since January 1, 2012 the Group has put in place project management tools, allowing for the reliable evaluation of spending linked to these assets.

Projects meeting the 6 eligibility criteria set out in the IAS 38 standard are now capitalized. The switch from fixed assets under construction to fixed assets (development costs) takes place when the asset is put into production. Development costs capitalized over the period amounted to €775K in net value. Guillemot Corporation Group companies which produce development costs are Hercules Thrustmaster SAS, Guillemot R&D Inc, Guillemot Romania Srl and Guillemot Corporation (HK) Limited. Capitalized costs relate to all product lines for the Hercules and Thrustmaster brands.

Amortization and provisions	31.12.12	Scope mvt	Increase	Decrease	Forex	30.06.13
					adjustment	
Brands	8,110					8,110
Development costs	263		370			633
Licenses	510		144			654
Concessions, patents...	858		26	15	-11	858
Other intangible fixed assets	1,065				-20	1,045
TOTAL	10,806	0	540	15	-31	11,300

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, 2013, 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

	31.12.12	Scope mvt	Increase	Decrease	Forex adjustment	30.06.13
Land	399					399
Buildings	5,364				-1	5,363
Technical installations	7,093		319	456	-10	6,946
Other tangible fixed assets	1,031		6	39	-3	995
Fixed assets under construction	224		453	319		358
TOTAL	14,111	0	778	814	-14	14,061

Buildings represent buildings located in Carentoir (France).

The €319K decrease in fixed assets under construction corresponds to a transfer to the technical installations entry. Tangible fixed assets under construction mainly relate to molds and tools allowing for the production of new items.

Depreciation

	31.12.12	Scope mvt	Increase	Decrease	Forex adjustment	30.06.13
Buildings	4,007		100			4,107
Technical installations	5,610		383	430	-9	5,554
Other tangible fixed assets	895		36	39	-3	889
TOTAL	10,512	0	519	469	-12	10,550

9) *Financial assets*

Non-current financial assets are broken down as follows:

Gross values

	31.12.12	Scope mvt	Increase	Decrease	Forex adjustment	30.06.13
Other fixed securities	82					82
Other financial fixed assets	284		2	12		274
TOTAL	366	0	2	12	0	356

The movements on other fixed securities relate to the liquidity contract currently in place. Assets assigned to the liquidity account amounted to €300,000 in cash at June 30, 2013.

Other financial fixed assets relate to deposits and guarantees paid out.

Current financial assets include Ubisoft Entertainment and Gameloft shares.

	Net 31.12.12	Disposal 30.06.13	Acquisition 30.06.13	Forex adjustment 30.06.13	Reevaluated gain/loss 30.06.13	Net 30.06.13
<i>Ubisoft Entertainment shares</i>						
Number	613,874	0	0	0	0	613,874
Fair value (in €K)	4,850	0	0	0	1,326	6,176
<i>Gameloft shares</i>						
Number	68,023	0	0	0	0	68,023
Fair value (in €K)	360	0	0	0	5	365
<i>Ubisoft Entertainment equity warrants</i>						
Number	863,874	0	0	0	0	863,874
Fair value (in €K)	121	0	0	0	124	245
<i>Derivatives on Forex transactions</i>						
	0	0	0	0	0	0
Total value	5,331	0	0	0	1,455	6,786

Ubisoft 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.

The Group holds 613,874 Ubisoft Entertainment shares, representing 0.64% of capital.

The Group also holds 68,023 Gameloft shares, representing 0.08% of capital.

The share prices used at December 31, 2012 were €7.90 for Ubisoft Entertainment shares and €5.30 for Gameloft shares. The share prices used at June 30, 2013 for the valuation of shares at their fair value were €10.06 for Ubisoft Entertainment shares and €5.38 for Gameloft shares. The resulting unrealized gain posted at June 30, 2013 amounted to €1,456K (see point 16).

10) Inventories

Inventories	Gross 31.12.12	Change in inventories (Result)	Scope mvt	Forex adjustments	Gross 30.06.13
Raw materials	1,418	288			1,706
Finished products	13,249	-2,255		-59	10,935
TOTAL	14,667	-1,967	0	-59	12,641

Provisions	31.12.12	Increase	Decrease	Scope mvt	Forex adjustments	30.06.13
Raw materials	454	8	135			327
Finished products	691	15	67		-3	636
TOTAL	1,145	23	202	0	-3	963

Total inventories (net)	13,522					11,678
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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 €11,678K at June 30, 2013.

11) Shareholders' equity

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

The company Guillemot Corporation S.A. holds 310,934 treasury stock shares. These treasury stock shares reduced shareholders' equity by an amount of €688K.

At June 30, 2013, the percentage of capital represented by treasury stock shares was 2.07%.

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 31/12/11	15,004,736
At 31/12/12	15,004,736
At 30/06/13	15,004,736

Maximum potential number of shares to be created:
 Through options exercise 1,299,800

Main features of stock option plans:

	6th plan	7th plan	8th plan	9th plan	10th plan
Board of Directors meeting date	01.09.03	22.02.06	22.02.06	18.02.08	18.02.08
Number of shares	459,000	433,000	246,000	383,000	217,000
Nominal value	€0.77	€0.77	€0.77	€0.77	€0.77
Subscription price	€1.83	€1.74	€1.77	€1.91	€1.91
Exercise date	01.09.07 to 01.09.13	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	16,700	10,500	12,000	-	6,360
Including during fiscal 2013	-	-	-	-	-
Cancelled or voided stock options	-	-	-	-	-
Remaining stock options	442,300	422,500	234,000	383,000	210,640
Options available for exercise at 30.06.13	266,300	378,000	140,500	349,000	166,000

The first five 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 valued at their fair value according to the Black & Scholes method. No charges were posted for the first half of fiscal 2013, all of the plans having been amortized.

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:

	31.12.12	Increases		Decreases		Forex adjustments
		30.06.13	Used 30.06.13	Unused 30.06.13	30.06.13	
Product returns	81		24			-3
Other	153	52	23			
TOTAL	234	52	47	0		-3

13) 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 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 2013
- 3% discount rate
- Use of collective agreements for subsidiaries
- Retrospective calculation method for projected credit units
- TG05 mortality table
- 2012 reference salary, accounting for a 1% annual increase until end of career.

At June 30, 2013, the amount of the provision stood at €446K.

Pursuant to the revised IAS19 standard applicable retrospectively as of January 1, 2013, all actuarial gains and losses are now accounted for under OCI (Other Comprehensive Income), and no longer under net income. The impact on the Group's shareholders' equity at June 30, 2013 was €8K. No actuarial gains and losses were posted under OCI at June 30, 2012.

14) Loans

Financial liabilities are broken down as follows:

	30.06.13	Current (within 1 year)			Non-current (1 year +)	31.12.12
		0-3 months	3-6 months	6-12 months		
Financial institution loans	1,738	379	381	767	212	2,490
Bond issues						0
Medium-term bank liabilities	13				13	13
Bank overdrafts and currency advances	7,677	7,677				6,648
Other						4
TOTAL	9,428	8,056	381	767	225	9,155

The Group has fixed-rate loans with financial institutions worth €3,880K and variable-rate loans worth €5,548K. At June 30, 2013, no loans were covered by acceleration clauses.

Net indebtedness	30.06.13	31.12.12
Financial liabilities	9,428	9,155
Shareholders' current accounts	1,666	1,666
Liquid assets	899	3,195
Net indebtedness	10,195	7,626

At June 30, 2013, the Group's net indebtedness amounted to €10,195K. The Group also held a share portfolio worth €6.8 million (in fair value at June 30, 2013).

15) Operating income

Operating income at June 30, 2013 amounted to €-4,053K, compared with €-1,621K at June 30, 2012.

This result includes a sum of €693K posted under Other operations-related expenses, which corresponds to the resolution of a dispute with a supplier.

16) Financial income

The net gearing cost stood at €85K at June 30, 2013. 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:

	30.06.13	30.06.12
Forex differences	0	0
Unrealized gain/loss on Gameloft shares	5	4
Unrealized gain/loss on Ubisoft Entertainment shares	1,327	89
Unrealized gain/loss on Ubisoft Entertainment equity warrants	124	0
Total other financial revenues	1,456	93
Forex differences	-28	-39
Unrealized gain/loss on Gameloft shares	0	0
Unrealized gain/loss on Ubisoft Entertainment shares	0	0
Total other financial expenses	-28	-39

Forex effect linked to currency conversion of subsidiaries:

All subsidiaries conduct business in their local currency, and the impact on shareholders' equity was nil.

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, 2013, the Group had not used all of its loan and banking facilities and its net indebtedness was €10.2 million. The Group held a portfolio of marketable investment securities worth €6.8 million in fair value at June 30, 2013.

Stock market price variation: The stock market price change on shares held impacts on the Group's income. For the second half of fiscal 2013, a 10% decrease in the price of Ubisoft Entertainment shares (in relation to the price at June 30, 2013) would have an impact of €-618K on financial income. A 10% decrease in the price of Gameloft shares (in relation to the price at June 30, 2013) would have an impact of €-37K on financial income.

Market rates variation: A 1% increase in interest rates taken on an annual basis and considering the balance at June 30, 2013 (the amount of variable rate financial liabilities) would have the impact of an increase in expenses of €49K.

Exchange rates variation: The breakdown of the Group's assets and liabilities at June 30, 2013 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	2,467	235
Liabilities	8,358	12
Net position before management	-5,891	223
Off-balance-sheet position		0
Net position after management	-5,891	223

A 10% increase in the rate of the American dollar, taken on an annual basis and considering the amount outstanding at June 30, 2013 (the amount of currencies exposed to exchange variations) would have the impact of an increase in financial expenses of €450K.

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.

However, in order to limit the Group's currency risk, Guillemot Corporation covers currency fluctuation risks by way of spot purchases, forward purchase agreements and foreign currency options.

Moreover, the increase in export sales seen over the past several years strengthens the Group's natural coverage, and significantly decreases the currency risk.

Credit risk: Credit risk represents the risk of financial loss in the event whereby a client 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.

17) *Corporate income tax*

a) Income tax assets

At June 30, 2013, this heading contained partial income tax payments and an Employment Competitiveness Tax Credit (Crédit d'Impôt Compétitivité Emploi – France) for a total of €50K.

b) Income tax expenses

Income tax expenses are broken down as follows:

	30.06.13	30.06.12
Deferred tax	0	0
Income tax payable	55	78
TOTAL	55	78

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 tax loss carry-forwards.

At June 30, 2013, no deferred tax assets 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 carry-forwards totaling €65 million at the end of December 2012, including €59 million for the parent company Guillemot Corporation S.A.

18) *Terminated activities*

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

19) *Earnings per share*

Base earnings per share

	30.06.13	30.06.12
Earnings	-2,765	-1,686
Average number of shares (K)	15,005	15,005
Treasury stock shares	-311	-301
	14,694	14,704
Base earnings per share	-0.19	-0.11

Diluted earnings per share		
	30.06.13	30.06.12
<hr/>		
Earnings	-2,765	-1,686
Average number of shares (K)	15,005	15,005
Treasury stock shares	-311	-301
	14,694	14,704
Maximum number of shares to be created		
Through bond conversion	0	0
Through option exercise	1,300	1,512
Through subscription rights exercise	0	0
	15,994	16,216
Diluted earnings per share	-0.17	-0.10
<hr/>		

20) *Off-balance-sheet commitments*

Rental commitments:	€530K
Documentary credits:	€2,388K

21) *Transactions with associated parties*

The Group's capital is held by the company Guillemot Brothers S.E. (66.87%), the Guillemot family (6.86%), Guillemot Corporation S.A. (2.07%) and public shareholders (24.20%).

The associated parties are the company Guillemot Brothers S.E. 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 S.A. 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 S.E.

€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:

	30.06.13	
(In €K)	Ubisoft Entertainment	Gameloft
<hr/>		
Customer balance	723	1
Supplier balance	111	4
Revenues	816	1
Charges	241	22
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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*

There were no post-closure events.

F- Independent Auditors' report on 2013 half-year financial information

To Shareholders of

Guillemot Corporation S.A.

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 S.A., relating to the period from January 1 to June 30, 2013, 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.

Without calling into question the conclusion expressed above, we would like to draw your attention to note 13 ("Personnel commitments"), which sets out the impact of the retrospective application of the revised IAS 19 standard with respect to employee benefits.

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.

Rennes, August 28, 2013

Independent Auditors,

PricewaterhouseCoopers Audit

MB Audit SARL

Yves Pelle

Roland Travers

Partner

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 28, 2013

Claude Guillemot
Chief Executive Officer