



Carentoir, March 27, 2013

## 2012 ANNUAL RESULTS

Guillemot Corporation's financial statements for fiscal 2012, ended December 31, 2012, are broken down as follows:

| (in € millions)                     | 31/12/2012 | 31/12/2011 |
|-------------------------------------|------------|------------|
| January 1, 2012 – December 31, 2012 |            |            |
| Sales                               | 49.0       | 60.8       |
| Hercules digital peripheral devices | 32.6       | 35.4       |
| Thrustmaster gaming accessories     | 16.4       | 25.4       |
| Current operating income*           | -3.2       | +0.3       |
| Operating income                    | -2.7       | +0.3       |
| Financial income                    | +2.6       | -2.7       |
| Consolidated net income             | -0.3       | -2.5       |
| Income per share                    | €-0.02     | €-0.17     |

\* After stock options

(Audited financial statements, Independent Auditors' report on certification in progress)

### Activities

The Group's sales decreased by 19% to €49 million over fiscal 2012.

> **Thrustmaster**, whose sales decreased by 35%, is being impacted by the transition taking place in the video game accessories market. The year-end launch of a range of headsets for online gamers is promising: numerous awards received worldwide are positioning this new product range well to take advantage of the growth in online gaming. The rollout of next-generation consoles will breathe new life into sales of high-end accessories, the Group's speciality.

> **Hercules**: Weak PC sales during the second half of the year had an impact on the brand's traditional product ranges, which decreased by 13%; only sales of mainstream DJ products increased over the period. The new WAE wireless speakers, created to cater to consumers' enthusiasm for tablets and smartphones, were only released on the market at the very end of the year. Moreover, grocery and specialized mass market retailing, important sales drivers for Hercules in France and Germany, lost market share to the *eCommerce* channel, which was very dynamic, and in which the Group was less involved in these countries. The online sales market posted strong growth with respect to electronic products in 2012, and will continue its good performance in 2013; the Group will make this one of its business priorities for the year.

### Results and key balance sheet elements

The decrease in activity toward the end of the year had a significant impact on operating income, which amounted to €-2.7 million for fiscal 2012, as well as on working capital requirements. Year-end inventory levels increased from €10.9 million to €13.5 million. At the same time, the gross accounting margin decreased by 3.4% over the period, owing mainly to the pressure in terms of mass market retailing. Financial income of €2.6 million includes revaluation gains of €1.7 million on current financial assets (Marketable Investment Securities) composed of Ubisoft Entertainment and Gameloft securities, as well as a €0.7 million divestment gain on the sale of 250,000 Ubisoft Entertainment securities. Consolidated net income amounted to €-0.3 million, compared with €-2.5 million for the previous fiscal year. The Group's net indebtedness stood at €7.6 million, before taking into account Marketable Investment Securities worth €5.3 million. In 2012, the Group capitalized a portion of its Research and Development costs on key product lines identified as growth drivers: namely DJ products, WAE wireless speakers, gaming headsets and accessories for next-generation consoles.

| (in € millions)                | 31/12/2012 | 31/12/2011 |
|--------------------------------|------------|------------|
| Shareholders' equity           | 20.0       | 20.2       |
| Inventories                    | 13.5       | 10.9       |
| Intangible fixed assets        | 6.4        | 4.5        |
| Net indebtedness*              | 7.6        | 1.1        |
| Current financial assets (MIS) | 5.3        | 4.8        |

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

### **Strategy and prospects for 2013**

The Group has implemented an action plan, in order to improve performance with respect to its key points of focus:

- Optimizing the supply chain in order to significantly reduce inventory levels and working capital requirements.
- Orientating sales toward the most profitable customers and products in order to reestablish margins.
- Focusing sales activities on online distribution channels, with a view to better exploiting their potential.
- Intensifying Research and Development efforts in terms of creating accessories for the next-generation game consoles, and extending the Group's audio expertise.
- Positioning all of the Group's product lines to respond to the new uses opened up by smartphones and tablets, particularly with regard to the implementation of wireless technologies and the development of customized applications.

The Group is employing all of its resources in order to benefit from these new avenues for development, and forecasts a return to growth during the second half of fiscal 2013.

Guillemot Corporation is a designer and manufacturer of interactive entertainment hardware and accessories. The Group offers a diversified range of products under the *Hercules* and *Thrustmaster* brand names. Active in this market since 1984, the Guillemot Corporation Group is currently present in 11 countries (France, Germany, 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.

Contact: Guillemot Financial Information - Tel: +33 (0) 2 99 08 08 80 - Fax: +33 (0) 2 99 93 20 80 – [www.guillemot.com](http://www.guillemot.com)

**APPENDICES**  
(All entries are in €K)

**Consolidated statement of income at December 31, 2012 year-end**

| (in €K)                                           | 31.12.12      | 31.12.11      |
|---------------------------------------------------|---------------|---------------|
| <b>Net sales</b>                                  | 48,981        | 60,784        |
| Purchases                                         | -30,476       | -32,395       |
| External expenses                                 | -13,308       | -14,693       |
| Personnel expenses                                | -7,418        | -9,178        |
| Taxes and duties                                  | -343          | -418          |
| Depreciation and amortization                     | -1,816        | -1,689        |
| Provisions allowance                              | -814          | -877          |
| Changes in inventories                            | 3,173         | 621           |
| Other operating revenues                          | 316           | 334           |
| Other operating expenses                          | -1,518        | -2,186        |
| <b>Current operating income</b>                   | <b>-3,223</b> | <b>303</b>    |
| Other revenues from operations                    | 558           | 0             |
| Other expenses from operations                    | -48           | 0             |
| <b>Operating income</b>                           | <b>-2,713</b> | <b>303</b>    |
| Cash and cash equivalents revenues                | 26            | 3             |
| Cost of gross financial debt                      | 175           | 158           |
| Cost of net financial debt                        | -149          | -155          |
| Other financial revenues                          | 2,727         | 0             |
| Other financial expenses                          | 0             | -2,510        |
| Income tax expenses                               | -135          | -176          |
| <b>Net income before minority interests</b>       | <b>-270</b>   | <b>-2,538</b> |
| including net income from discontinued activities | 0             | 0             |
| Minority interest share                           | 0             | 0             |
| <b>Group net income</b>                           | <b>-270</b>   | <b>-2,538</b> |
| Base earnings per share                           | -€0.02        | -€0.17        |
| Diluted earnings per share                        | -€0.02        | -€0.16        |

## Consolidated balance sheet at December 31, 2012 year-end

| <b>ASSETS</b><br>(in €K)                               | <b>Net</b><br><b>31.12.12</b> | <b>Net</b><br><b>31.12.11</b> |
|--------------------------------------------------------|-------------------------------|-------------------------------|
| Excess fair market values                              | 888                           | 888                           |
| Intangible fixed assets                                | 6,447                         | 4,543                         |
| Tangible fixed assets                                  | 3,599                         | 3,495                         |
| Financial assets                                       | 366                           | 358                           |
| Current tax assets                                     | 0                             | 0                             |
| Deferred tax assets                                    | 0                             | 0                             |
| <b>Non-current assets</b>                              | <b>11,300</b>                 | <b>9,284</b>                  |
| Inventories                                            | 13,522                        | 10,869                        |
| Customers                                              | 11,963                        | 14,991                        |
| Other receivables                                      | 1,560                         | 2,515                         |
| Financial assets                                       | 5,331                         | 4,796                         |
| Cash and cash equivalents                              | 3,195                         | 6,281                         |
| Current tax assets                                     | 55                            | 28                            |
| <b>Current assets</b>                                  | <b>35,626</b>                 | <b>39,480</b>                 |
| <b>Total assets</b>                                    | <b>46,926</b>                 | <b>48,764</b>                 |
| <br>                                                   |                               |                               |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b><br>(in €K) | <b>31.12.12</b>               | <b>31.12.11</b>               |
| Capital (1)                                            | 11,554                        | 11,554                        |
| Premiums (1)                                           | 10,472                        | 10,472                        |
| Reserves and consolidated income (2)                   | -2,562                        | -2,292                        |
| Forex adjustments                                      | 488                           | 495                           |
| <b>Group shareholders' equity</b>                      | <b>19,952</b>                 | <b>20,229</b>                 |
| Minority interests                                     | 0                             | 0                             |
| <b>Shareholders' equity</b>                            | <b>19,952</b>                 | <b>20,229</b>                 |
| Personnel commitments/benefits                         | 410                           | 298                           |
| Loans                                                  | 978                           | 2,490                         |
| Other liabilities                                      | 1,666                         | 1,666                         |
| Deferred tax liabilities                               | 0                             | 0                             |
| <b>Non-current liabilities</b>                         | <b>3,054</b>                  | <b>4,454</b>                  |
| Suppliers                                              | 11,070                        | 15,832                        |
| Short-term loans                                       | 8,177                         | 3,209                         |
| Fiscal liabilities                                     | 220                           | 312                           |
| Other liabilities                                      | 4,219                         | 4,505                         |
| Provisions                                             | 234                           | 223                           |
| <b>Current liabilities</b>                             | <b>23,920</b>                 | <b>24,081</b>                 |
| <b>Total liabilities and shareholders' equity</b>      | <b>46,926</b>                 | <b>48,764</b>                 |

(1) Of the consolidated parent company

(2) Net income for the fiscal year: €-270K

## Consolidated cashflow table at December 31, 2012 year-end

| (in €K)                                                                                          | 31.12.12      | 31.12.11      |
|--------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>Cashflow linked to operating activities</b>                                                   |               |               |
| Net income of integrated companies                                                               | -270          | -2,538        |
| + Depreciation, amortization and provisions allowance (apart from that linked to current assets) | 1,999         | 1,895         |
| - Depreciation, amortization and provisions recovery                                             | -30           | -248          |
| -/+ Unrealized gains and losses linked to changes in fair value                                  | -1,827        | 2,486         |
| +/- Expenses and revenues linked to stock options                                                | 8             | 87            |
| -/+ Net gain/loss on disposals                                                                   | -673          | -7            |
| Deferred tax change                                                                              | 0             | 0             |
| <b>Cashflow after cost of net financial debt</b>                                                 | <b>-793</b>   | <b>1,675</b>  |
| Cost of net financial debt                                                                       | 151           | 155           |
| <b>Cashflow before cost of net financial debt</b>                                                | <b>-642</b>   | <b>1,830</b>  |
| Cashflow Forex adjustment                                                                        | 5             | -30           |
| Inventories                                                                                      | -2,653        | -93           |
| Customers                                                                                        | 3,028         | -76           |
| Suppliers                                                                                        | -4,762        | -493          |
| Other                                                                                            | 456           | 807           |
| <b>Working capital requirements change</b>                                                       | <b>-3,931</b> | <b>145</b>    |
| <b>Net cashflow linked to operating activities</b>                                               | <b>-4,719</b> | <b>1,790</b>  |
| <b>Cashflow linked to investments</b>                                                            |               |               |
| Intangible fixed asset acquisitions                                                              | -2,607        | -153          |
| Tangible fixed asset acquisitions                                                                | -1,171        | -895          |
| Intangible and tangible fixed asset disposals                                                    | 0             | 15            |
| Financial fixed asset acquisitions                                                               | -16           | -107          |
| Financial fixed asset disposals                                                                  | 1,965         | 7             |
| Net cashflow on subsidiary acquisitions/disposals                                                | 0             | 0             |
| <b>Net cashflow linked to investment activities</b>                                              | <b>-1,829</b> | <b>-1,133</b> |
| <b>Cashflow linked to financing activities</b>                                                   |               |               |
| Capital increase or cash contribution                                                            | 0             | 70            |
| Treasury stock buyback and resale                                                                | 0             | 0             |
| Debt issuance                                                                                    | 0             | 4,500         |
| Shareholders' current account reimbursement                                                      | 0             | -436          |
| Debt repayments                                                                                  | -2,259        | -1,534        |
| Other cashflow linked to financing activities                                                    | 0             | 0             |
| <b>Total cashflow linked to financing activities</b>                                             | <b>-2,259</b> | <b>2,600</b>  |
| <b>Forex adjustment impact</b>                                                                   | <b>-2</b>     | <b>8</b>      |
| <b>Cashflow change</b>                                                                           | <b>-8,809</b> | <b>3,265</b>  |
| Net cashflow at fiscal year start                                                                | 5,355         | 2,090         |
| Net cashflow at fiscal year end                                                                  | -3,454        | 5,355         |