

The Guillemot Corporation Group's financial statements at June 30, 2012 are broken down as follows:

### **2012 CONSOLIDATED HALF-YEAR RESULTS**

(in € millions) January 1, 2012 – June 30, 2012	<b>30/06/2012</b>	<b>30/06/2011</b>	<b>Change</b>
Sales	20.3	23.5	-13.62%
Hercules	15.3	13.1	+16.79%
Thrustmaster	5.0	10.4	-51.92%
Operating income	-1.6	-1.4	-
Financial income*	0.0	-1.0	-
Consolidated net income	-1.7	-2.4	-
Earnings per share	€-0.11	€-0.17	-

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

#### **Activity**

During the first half of fiscal 2012, the Guillemot Corporation Group's consolidated sales figure amounted to €20.3 million, with growth in sales of Hercules brand products and a decrease in Thrustmaster's sales, which returned to the level of the first half of fiscal 2010.

Hercules digital devices made progress over the period, thanks to dynamic sales of products for DJs, which were strengthened by the June release of the DJControl Instinct. During the first half of the year Thrustmaster was confronted by a video game market which produced few new offerings, particularly in terms of new car racing games, the releases of which will be concentrated towards the end of the year, thereby offering better prospects for sales of racing wheels over that period.

The Group has taken into account the evolution of its markets and the new uses by consumers, and is working on new growth drivers for its Hercules and Thrustmaster lines. It is intensifying its Research and Development efforts in order to allow its new ranges to rival the best product offerings, and capture a significant share of these new market segments.

#### **Results**

Operating income amounted to €-1.6 million, including exceptional revenue of €0.5 million resulting from the resolution of a legal dispute in favor of the Group.

To clarify the comparison, it should be noted that during the first half of the year, the Group made changes to the accounting procedures for its Research and Development investments. Certain investments linked to new projects were blocked off, resulting in an increase in "Intangible fixed assets" of €1.4 million.

The decrease in Thrustmaster's activity had an impact of €2 million on the gross accounting margin.

Financial income stood at equilibrium, the value of the Group's portfolio of Ubisoft and Gameloft securities not having changed significantly. Consolidated net income amounted to €-1.7 million.

#### **Main balance sheet elements:**

(in € millions)	<b>30/06/2012</b>	<b>31/12/2011</b>
Shareholders' equity	18.5	20.2
Net indebtedness (excluding MIS)*	3.6	1.1
Inventories	13.1	10.9
Intangible fixed assets	5.9	4.5
Current financial assets (MIS share)	4.9	4.8

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

The Group's shareholders' equity amounted to €18.5 million. Net indebtedness at June 30, 2012 remained stable at €3.6 million in relation to June 30, 2011, without taking into account Marketable Investment Securities worth €4.9 million.

The inventory amount of €13.1 million remained at the same level as that on June 30, 2011.

Cash items amounted to €3.1 million, compared with €2.9 million at the same period of the previous fiscal year.

#### **Strategy for the development of new products**

**For Hercules**, the Group is focusing its efforts on the Audio market, by adding to its DJing range and introducing a brand-new line of wireless speakers designed for tablets and smartphones.

> **DJing**: The new DJCONSOLE RMX2 will be launched at a music-related event in New York on September 12. Following on from the best-selling DJConsole RMX, this newcomer's goal is to become the new benchmark product for semi-professional DJs.

> **Wireless speakers/New WAE (Wireless Audio Experience) range**: The widespread adoption of smartphones and the explosion in sales of tablets, which can host music libraries, are giving rise to a new wireless audio market: streaming audio.

New technologies now allow for high-resolution wireless sound, giving all users the ability to play their music with total freedom on speaker systems which can easily be set up anywhere at home or outdoors. The Group is investing in this field, in order to cover all of the new uses made possible by this technology, through its new WAE (Wireless Audio Experience) range.

**For Thrustmaster**, the Group is expanding into a new and booming accessories market: gaming headsets for PC and consoles. It is also preparing to launch a new range of accessories for the Xbox 360®, starting in September.

Making use of its know-how in terms of DJ headphones and wireless technologies, the Group is preparing to roll out a complete product range for this dynamic market niche with high added value. The first products will be launched towards the end of the year. The Group is also building on its partnership with Microsoft, with the launch of a new cockpit and new gamepads featuring official Ferrari® and Xbox 360® licenses. These products were unveiled to the American press at the Ferrari Store in San Francisco, and in Europe at the GamesCom trade fair in Cologne, Germany. The cockpit will accompany the very highly-anticipated game "Forza Horizon", to be released on Xbox 360® this autumn.

### **Prospects**

The Group maintains its forecast of sales growth for the year's second half, and anticipates positive operating income for the fiscal year.

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, Holland, Hong Kong, Spain, Romania and Italy, and distributes its products across 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.

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

**Consolidated net statement of income at June 30, 2012**

(All entries are in €K)	30.06.12	30.06.11
<b>Net sales</b>	20,275	23,488
Purchases	-13,568	-14,939
External expenses	-5,896	-5,907
Personnel expenses	-3,584	-4,659
Taxes and duties	-172	-205
Depreciation and amortization	-815	-836
Provisions allowance	-375	-182
Changes in inventories	2,354	2,517
Other operating revenues	246	219
Other operating expenses	-596	-900
<b>Current operating income</b>	<b>-2,131</b>	<b>-1,404</b>
Other operations-related revenues	558	0
Other operations-related expenses	-48	0
<b>Operating income</b>	<b>-1,621</b>	<b>-1,404</b>
Cash and cash equivalents revenues	26	0
Cost of gross financial debt	67	53
Cost of net financial debt	-41	-53
Other financial revenues	93	6
Other financial expenses	-39	-970
Income tax expenses	-78	-28
<b>Net income before minority interests</b>	<b>-1,686</b>	<b>-2,449</b>
<b>including net income from terminated activities</b>	<b>0</b>	<b>0</b>
Minority interest share	0	0
<b>Group net income</b>	<b>-1,686</b>	<b>-2,449</b>
Base earnings per share	€-0.11	€-0.17
Diluted earnings per share	€-0.10	€-0.15

## Consolidated balance sheet at June 30, 2012

<b>ASSETS</b>	<b>Net 30.06.12</b>	<b>Net 31.12.11</b>
(All entries are in €K)		
Excess fair market values	888	888
Intangible fixed assets	5,955	4,543
Tangible fixed assets	3,611	3,495
Financial assets	476	358
Income tax receivables	0	0
Deferred tax assets	0	0
<b>Non-current assets</b>	<b>10,930</b>	<b>9,284</b>
Inventories	13,067	10,869
Customers	7,815	14,991
Other receivables	2,241	2,515
Financial assets	4,908	4,796
Cash and cash equivalents	3,102	6,281
Income tax receivables	10	28
<b>Current assets</b>	<b>31,143</b>	<b>39,480</b>
<b>Total assets</b>	<b>42,073</b>	<b>48,764</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
	<b>30.06.12</b>	<b>31.12.11</b>
(All entries are in €K)		
Capital (1)	11,554	11,554
Premiums (1)	10,472	10,472
Reserves and consolidated income (2)	-3,987	-2,292
Forex adjustments	510	495
<b>Group shareholders' equity</b>	18,549	20,229
Minority interests	0	0
<b>Shareholders' equity</b>	<b>18,549</b>	<b>20,229</b>
Personnel commitments	308	298
Loans	1,738	2,490
Other liabilities	1,666	1,666
Deferred tax liabilities	0	0
<b>Non-current liabilities</b>	<b>3,712</b>	<b>4,454</b>
Suppliers	12,613	15,832
Short-term loans	3,303	3,209
Fiscal liabilities	241	312
Other liabilities	3,441	4,505
Provisions	214	223
<b>Current liabilities</b>	<b>19,812</b>	<b>24,081</b>
<b>Total liabilities and shareholders' equity</b>	<b>42,073</b>	<b>48,764</b>

(1) Of the consolidated parent company

(2) Net income for the fiscal year: €-1,686K

## Consolidated cashflow table at June 30, 2012

(All entries are in €K)	30.06.12	30.06.11
<b>Cashflow linked to operating activities</b>		
Net income of integrated companies	-1,686	-2,449
+ Depreciation, amortization and provisions allowance (excluding that linked to current assets)	851	890
- Depreciation, amortization and provisions recovery	-15	-159
-/+ Unrealized gains and losses linked to changes in fair value	-93	970
+/- Expenses and revenues linked to stock options	8	56
-/+ Net gain/loss on disposals	0	-8
Deferred tax change	0	0
<b>Cashflow after cost of net financial debt</b>	<b>-935</b>	<b>-700</b>
Cost of net financial debt	41	53
<b>Cashflow before cost of net financial debt</b>	<b>-894</b>	<b>-647</b>
Cashflow Forex adjustment	-4	4
Inventories	-2,138	-2,397
Customers	7,223	6,064
Suppliers	-2,931	-4,120
Other	-1,456	-379
<b>Working capital requirements change</b>	<b>698</b>	<b>-832</b>
<b>Net cashflow linked to operating activities</b>	<b>-241</b>	<b>-1,528</b>
<b>Cashflow linked to investments</b>		
Intangible fixed asset acquisitions	-1,651	-110
Tangible fixed asset acquisitions	-652	-379
Intangible and tangible fixed asset disposals	0	15
Financial fixed asset acquisitions	0	0
Financial fixed asset disposals	1	0
Net cashflow on subsidiary acquisitions/disposals	0	0
<b>Net cashflow linked to investment activities</b>	<b>-2,302</b>	<b>-474</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	0
Shareholders' current account reimbursement	0	-436
Debt repayments	-1,254	-500
Other cashflow linked to financing activities	0	0
<b>Total cashflow linked to financing activities</b>	<b>-1,254</b>	<b>-866</b>
<b>Forex adjustment impact</b>	<b>16</b>	<b>-34</b>
<b>Cashflow change</b>	<b>-3,781</b>	<b>-2,902</b>
Net cashflow at fiscal year start	5,356	2,090
Net cashflow at fiscal year end	1,575	-812