

Bondoufle, France
February 9, 2011



Terms of the proposed acquisition of I2G

Cybergun, at a briefing today in Paris, announced the terms of its proposed acquisition of I2G¹. The new entity, formed to leverage intellectual property rights in the entertainment industry, would be active in the world of toys (Airsoft, Paintball, water guns, etc.) and video games.

I2G: A recognized and innovative player in the video games industry

Founded in 2007 by Frederic Chesnais (formerly of Atari and Lazard), I2G is an executive producer of video games. The New York-based company has developed an innovative business model centered on acquiring IP rights and structuring financing. The company uses selected partners to develop and distribute its games.

This approach allows I2G to minimize risks—including financial—while controlling product quality all along the value chain. In its 2009 fiscal year (ended March 31, 2010), I2G posted revenues of US\$8.6 million and operating income of US\$3.2 million for an operating margin of 37%. The company has no debt and net assets at March 31, 2010 of US\$3.3 million.

A transaction financed mainly by stock

The total cost for the full acquisition of I2G, once approved, would be €16.8 million. The transaction would be settled through the exchange of €12.8 million in stock and the payment of €4 million in cash. Cybergun would issue 1,050,000 new shares for the deal; its post-transaction capital would comprise 4,270,426 shares. The reference price for Cybergun's stock has been set at €12.15.

A new, more powerful entity

Based on the aggregated financial statements of both companies² at March 31, 2010, the new entity would have combined revenue of more than €61 million and a combined operating profit of €8.5 million, for a profit margin of nearly 14%. The contribution of I2G's video game business would diversify Cybergun's revenue sources while improving its profitability.

The move would also strengthen the Group's financial position. The two companies' aggregated net debt at September 30, 2010 would total \$23.4 million, for combined equity of €32.5 million³. Through I2G's business model, the new Cybergun Group would reduce the structural financing needs of its business (WCR in sales days).

¹ Transaction subject to customary conditions precedent

² Including the contribution of Spartan Imports

³ After the issue of stock in consideration of I2G's contribution

Finalization expected in April

Cybergun's shareholders are to be convened at an extraordinary general meeting in April to approve the terms of the merger. An information document on the proposed transaction [*Document E*, to be filed with the market regulator] will be sent to the shareholders ahead of this meeting. The new Cybergun would thus be operational within the first weeks of its 2011 fiscal year.

Frederic Chesnais, Chairman and Founder of I2G, had this to say: *"At Cybergun I found the same culture of entrepreneurship and the same desire to create value from a strong asset: intellectual property rights. This merger takes place at a time when new technologies are allowing the convergence of the real and digital worlds. Cybergun will now be able to position itself as a major player in this convergence."*

Jerome Marsac, Chairman and Founder of Cybergun, added: *"Cybergun's exciting adventure continues. Ten years ago, we set out to conquer the North American market and few people believed in our chances of success. Ten years later, we generate almost two-thirds of our sales in the U.S. and are present in the top distribution networks. Today, we are setting our sights on the video games market with the same ambition and the same desire to succeed. The contribution of I2G, the evolution of this market, and our experience in licensing are all valuable strengths that will allow us to meet this challenge."*

Confirmation of Cybergun's strong growth

Meanwhile, Cybergun has confirmed the tremendous increase in its business and strong organic growth leading up to the I2G acquisition. At December 31, 2010, the Group's 9-month aggregate sales were up 45%, and 28% on a comparable basis (excluding foreign currency effects, acquisitions, and divestitures). The company's growth to nine months is thus considerably ahead of its historical annual rate of 20%.

Cybergun will announce its annual revenue for fiscal year 2010 on April 26, 2010, after market close.

About Cybergun: www.cybergun.com

Listed on NYSE Euronext Paris, Cybergun is a world leader in recreational shooting. The Group's revenue has grown at an average annual rate of nearly 20% for the past 15 years. In 2009, Cybergun posted €50 million in revenue, with 55% generated in the U.S. and 38% in Europe. Qualified as an "innovative enterprise" by French agency OSEO Innovation, Cybergun is eligible for investment from French innovation-focused funds (FCPI).

Cybergun stock: FR0004031839 – CYB

Cybergun bond 8% / OCT16: FR0010945725 – CYBO

Contacts: Actus Finance

Analysts – Investors: Jérôme Fabreguettes-Leib at +33 (0)1 77 35 04 36

Journalists: Nicolas Bouchez at +33 (0)1 77 35 04 37

Discover the world of Cybergun products in video:

www.youtube.com/MrCybergun

www.techgroupglobal.com/4/tv-commercial