



Paris, March 19, 2009

Current operating income of €3.3M, up 15% and in line with expectations

2008 Annual Results

Gameloft's financial statements for the year ending 31 December 2008 break down as follows:

In €M	2008	2007
Turnover	110.3	96.1
Other Income	0.3	0.0
Cost of goods sold	(11.1)	(9.0)
R&D	(57.6)	(51.8)
Sales & Marketing	(30.1)	(23.9)
Administration	(9.2)	(7.6)
Other income and expenses	0.7	(0.8)
Current operating income*	3.3	2.9
Stock-based compensation	(2.7)	(3.0)
Other operational revenues and expenses	(0.3)	(0.2)
Operating income	0.4	(0.3)
Financial result	(1.2)	(1.5)
Tax expense	(0.9)	(2.3)
Group Share Net Income	(1.8)	(4.1)

**before stock-based compensation*

Gameloft achieved consolidated revenues of €110.3 million for 2008, up by 15% from the previous year. Mobile games accounted for 93% of the company's annual sales, while the console game business covered the remaining 7%.

The current operating income for 2008 reached €3.3 million, up 15% with 2007. The current operation margin stands at 3.0% and is in line with expectations.

The annual impact from expensing stock options is €2.7 million. This charge has no impact on the company's equity and cash level.

Interest income amounted to €(1.2) million and is mainly comprised of exchange rate losses, due to the high volatility of the American dollar and the Pound Sterling in 2008. Annual net income stands at €(1.8) million.

Healthy financial position

Gameloft's financial position is very solid at 31 December 2008. The company's equity stood at €49.4 million and net cash was €10.7M. Self-financing capacity is largely positive and reached €2.4 million over the full year. Gameloft therefore has the financial resources necessary for its international growth strategy.

Main events of 2008

- For the 4th year in a row, Gameloft has reached top rating for the best mobile game publishers.
- Gameloft now has a catalogue of 27 games for Apple iPhone and iPod touch. Of these 27 games, 16 are or have made it to the top 10 paid games, and some games are still in these lists 6 months after their release.
- Gameloft has sold over two million games on the App Store in just eight months.
- Gameloft has launched 14 games for Google's Android
- Gameloft's games are the best referenced and the most widely sold on the Smartphones (the next generation Internet phones) released in 2008
- Gameloft has had a stable staff base since 2007, with 4,000 employees at the end of 2008, including 3,300 creators.
- New licenses have been added successfully to Gameloft's catalogue, such as *Spiderman*, *Terminator Salvation*, *Ferrari*, *NBA*, *The Oregon Trail*.
- The brands created by Gameloft generated 61% of the company's downloads in 2008
- Gameloft further consolidated its distribution network in 2008, and now has over 180 operators and over 150 affiliates distribute our games in more than 80 countries throughout the world.

Outlook for 2009

With activity up by 15% in 2008 and especially by 31% in the last quarter, Gameloft seems to be weathering the worldwide economic slowdown quite well:

- Gameloft is probably the player that has benefitted most from the innovations introduced by historical phone manufacturers such as Nokia and Samsung and from the arrival of new dynamic players in the market such as Apple and Google
- Gameloft continues to win over substantial market shares in Smartphones along with traditional Java and Brew phones
- Gameloft is one of the very rare players in the market that has the resources and know-how allowing it to be present systematically at the launch of all the new consoles with downloading platforms (PlayStation Network, PSP Store, Nintendo WiiWare, etc).

Gameloft is expecting growth in 2009 in terms of sales as well as in terms of profitability.

Sales for the first quarter of 2009 will be published on April 28, 2009 after the close.

Disclaimer

This press release may contain estimated financial data, information on future operations and projects, and on future economic performance. These projected items are provided on the basis of a forecast. They are subject to market risks and uncertainties and can vary substantially with the actual results that will be published. Estimated financial data was presented at the Board of Directors and has not been reviewed by the Auditors. (Additional information is provided in Gameloft's latest Reference Document, filed on June 6, 2008 with the *Autorité des marchés financiers* [French Financial Services Authority]).

About Gameloft

Gameloft designs video games for the iPhone, iPod touch, all smart phones and mobile phones, Nintendo Wii Ware and Nintendo DSi, Microsoft's Xbox LIVE Arcade, Sony PSP Store and Sony PlayStation Network.

Fully designed and developed internally, Gameloft's games enjoy scores awarded by specialized media exceeding 79%, year after year. As such, Gameloft is recognized as the best developer in the industry.

All of the games are available through digital distribution. Thanks to agreements with all of the main telecom operators, phone manufacturers and specialized distributors, as well as its www.gameloft.com shop, Gameloft's games are available in 80 countries.

Partnership agreements with major licensors such as Ubisoft Entertainment, Universal Pictures, ABC, Touchtone Television, Dreamworks Animations SKG, Endemol, 20th Century Fox, Viacom, Sony Pictures, Warner Bros., FIFPro, Ferrari, Roland-Garros, Gus Hansen, Kobe Bryant, Derek Jeter, Robinho, Reggie Bush, Chuck Norris, Patrick Vieira, Christophe Dominici and Jonny Wilkinson allow Gameloft to associate its games with strong international brands. In addition to these brands, Gameloft has its own brands, such as Block Breaker Deluxe, Asphalt: Urban GT and New York Nights.

Gameloft has locations in New York, San Francisco, Seattle, Montreal, Mexico, Buenos Aires, Bogota, Caracas, Sao Paulo, Santiago, Paris, London, Düsseldorf, Copenhagen, Milan, Madrid, Lisbon, Vienna, Warsaw, Bucharest, New Delhi, Kuala Lumpur, Jakarta, Peking, Tokyo, Hong Kong, Seoul, Singapore and Sydney.

Gameloft is listed in Compartment B of the Paris Stock Exchange (ISIN: FR0000079600, Bloomberg: GFT FP, Reuters: GLFT.PA).

Contact:

Anne-Laure Desclèves

Head of Communications

Tel +331 5816 2082

anne-laure.desclèves@gameloft.com

For more information, go to www.gameloft.com

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P&L (in thousands of euros)	2008	2007
Revenues	110 332	96 071
Other revenue from the activity (excluding capitalized R&D)	259	40
Cost of sales	-11 129	-9 036
R&D (including capitalized R&D)	-57 568	-51 809
Sales and Marketing	-30 068	-23 898
Administration	-9 196	-7 637
Other operating income and expenses	714	-834
Current operating income*	3 344	2 897
Stock-based compensation	-2 696	-2 995
Other income and expenses	-295	-168
Operating income	352	-267
Cost of net financial indebtedness	197	620
Interest income	5 033	3 078
Interest expense	-6 458	-5 197
Financial result	-1 228	-1 499
Income Tax	-933	-2 315
Net income	-1 809	-4 080
. Group's share	-1 809	-4 080
Income per share	-0,02	-0,06
Diluted income per share	-0,02	-0,05

BALANCE SHEET (in thousands of euros)	31/12/2008	31/12/2007
ASSETS		
Net intangible fixed assets	11 228	7 154
Net tangible fixed assets	5 083	5 345
Non-current financial assets	2 674	2 288
Other non-current assets	1 950	627
Total non-current assets	20 935	15 413
Inventory	2 428	70
Client receivables	35 143	30 485
Investment securities	2 507	6 266
Cash	8 967	7 794
Other current assets	7 001	5 929
Total current assets	56 046	50 544
TOTAL ASSETS	76 981	65 957
LIABILITIES		
Capital	3 680	3 653
Issue premium	63 790	62 860
Reserves	-16 225	-15 240
Result	-1 809	-4 080
Shareholders' equity	49 436	47 194
Non-current liabilities	1 298	1 224
Current liabilities	26 247	17 539
TOTAL LIABILITIES	76 981	65 957

CASH FLOW STATEMENT (in thousands euros)	2008	2007
Operating transactions		
Net income	-1 809	-4 080
Depreciation of tangible and intangible fixed assets	10 283	6 852
Variation of provisions	1 120	48
Result from stocks options and assimilated	2 696	2 995
Variations in deferred taxes and taxes paid	-568	1 190
Sales of assets	384	345
Capitalized R&D expense	-5 962	-3 537
License acquisition	-3 751	-3 843
Self-financing capacity	2 393	-29
Change in stocks	-2 359	41
Change in operating receivables	-7 053	-4 782
Change in operating debts	5 811	3 265
Change in the working capital requirement	-3 601	-1 476
Operating cash flow	-1 208	-1 505
Transactions linked to investments		
Acquisitions of intangible fixed assets	-662	-169
Acquisitions of tangible fixed assets	-2 796	-4 539
Acquisition of other fixed financial assets	-371	-1 822
Acquisition of controlling interests	-352	-64
Repayment of loans and other capital assets	441	501
Change in scope	120	-113
Other transactions	74	1
Total transactions linked to investments	-3 546	-6 206
Transactions from financing		
Reimbursement of loans	-42	-136
Capital increase	27	115
Increase in the issue premium	930	4 268
Change in shareholders' current accounts	1	0
Total flows from financing transactions	916	4 248
Change in cash flow	-3 838	-3 463
Net cash flow at the beginning of the year	13 938	18 660
Impact of conversion differentials	649	-1 259
Net cash flow at the end of the year	10 748	13 938