



2013 Annual Results

Sales of €233.3M, up 12%
 Current operating income of €28.4M, up 39%
 Operating cash flow of €24.5M, up 26%
 Net cash of €60.3M

Paris (France), March 19, 2014 - Gameloft's consolidated profit and loss statement for the year ending December 31, 2013; breaks down as follows:

In millions of €	2013	2012
Sales	233.3	208.3
Cost of sales	- 40.5	- 32.6
Gross profit	192.8	175.8
R&D	- 106.8	- 103.1
Sales and marketing	- 36.1	- 35.5
Administration	- 20.9	- 17.2
Other operating income and expenses	-0.4	0.5
Current operating income	28.4	20.4
Stock-based compensation	- 3.5	- 4.0
Other income and expenses	- 1.3	- 1.6
Operating income	23.6	14.9
Financial income	- 7.5	- 0.5
Net income before tax	16.1	14.3
Tax expense	-8.5	- 5.0
Net income	7.5	9.3

In 2013, Gameloft's consolidated sales reached €233.3 million, up by 12% year on year. On a constant-exchange-rate basis, the full-year growth stood at 16% in 2013. EMEA represented 32% of 2013 sales; North America, 28%; LATAM, 21%; and APAC, 19%. Sales continue to be driven by the worldwide success of Gameloft games on smartphones and tablets. Gameloft's 2013 sales on smartphones and

tablets grew by 36% year on year. Gameloft's growth was also driven by the success of the free-to-play business model: sales of virtual goods and advertising currently account for more than 85% of the company's smartphone revenues. This free-to-play model enables Gameloft to reach very large audiences. In the last 30 days, no less than 160 million people have played a Gameloft game on their smartphone or tablet. This model also increases the longevity of the company's products. Games launched prior to 2013 accounted for more than 75% of the company's revenues in 2013.

The gross profit for 2013 reached €192.8 million, up 10%. The gross margin for the period reached 83%, relatively stable compared with the gross margin of 84% achieved in 2012.

"The solid growth in sales, stable headcount and efficient cost control have allowed Gameloft to significantly increase its current operating income which stood at €28.4 million, up 39% year on year", stated Alexandre de Rochefort, Chief Financial Officer of Gameloft. R&D costs represented 46% of sales in 2013, compared with 49% in 2012. Sales & Marketing costs represented 15% of sales in 2013, compared with 17% in 2012. Administration costs represented 9% of sales in 2013, compared with 8% in 2012. The current operating margin of 2013 therefore reached 12.2% compared with 9.8% in 2012.

Compensation costs related to stock options and bonus shares awarded to employees stood at €3.5 million in 2013. Stock-based compensation costs do not negatively impact the company's equity and cash level. Other income and expenses of €1.3 million are essentially linked to the restructuring of Gameloft's development studios in India and the Philippines. Gameloft's 2013 operating income therefore reached €23.6 million, up 59% year on year, and the company's operating margin stood at 10.1%. Excluding capitalized R&D, Gameloft's 2013 operating income was €24.2 million, up 32%.

Net financial income for 2013 amounted to -€7.5 million and is essentially comprised of latent foreign exchange losses on intragroup receivables related to the fall of several foreign currencies against the Euro (Brazilian Real, Canadian Dollar, Japanese Yen, etc.) and of losses on the cash repatriation from Argentina initiated in August 2013. The net income before tax therefore stood at €16.1 million, up 12% year on year.

The tax expense reached €8.5 million. The amount of unrecognized consolidated tax loss carry-forwards at the end of December 2013 was €10.3 million. The net income for 2013 stood at €7.5 million, down 19% year on year.

Healthy financial position and investing for the future

For the fifth year in a row Gameloft has significantly improved its financial position. The company's equity stood at €136.3 million and net cash reached €60.3 million at the end of December 2013.

Cash generation was strong during 2013 and allowed the company to invest heavily in its IT infrastructure: Gameloft's operating cash flow reached €24.5 million, up 26% year on year, of which close to €15 million was invested in IT equipment. These investments have allowed Gameloft to smoothly manage the massive increase of its daily users on smartphones and tablets: the company's number of daily active users increased to 20 million at the end of 2013 from 9 million a year before.

Given its healthy net cash position, Gameloft launched a share buy-back plan in April 2013. At the end of December 2013 the company had bought, at an average price of €5.55 per share, 1,117,473 Gameloft shares on the market representing 1.38% of the capital on December 16, 2013. In accordance with the General Assembly's delegation granted on June 19, 2013, Gameloft's Board of Directors decided to cancel with immediate effect these 1,117,473 shares on December 17, 2013.

Outlook for 2014

Gameloft was the second-ranked game publisher in the world in terms of game downloads on smartphones and tablets in 2013 according to the App Annie Index. With more than 20 million daily active users and 1 billion Gameloft freemium games downloaded to date, the company is a key and leading player of the mobile gaming market. In addition, the huge success of Gameloft's last two major releases: *Despicable Me: Minion Rush* and *Asphalt 8 Airborne* highlights the company's ability to release worldwide hits in a very competitive environment.

Gameloft has the in-house development capacity to release every year around fifteen high quality smartphone games and to support over 20 game services. These games are launched worldwide in 15 different languages on 4,000 smartphone models. *"There is, to our knowledge, no equivalent to Gameloft's development and distribution capacity and catalogue of games in the mobile gaming industry"*, stated Michel Guillemot, Gameloft's Chief Executive Officer.

In 2013, 1 billion smartphones were sold, compared with 700 million in 2012¹. Gameloft anticipates another year of solid growth for smartphones and tablets in 2014. The continuing strength of the smartphone and tablet market and the solid line-up of new high-quality games to be released in 2014 by Gameloft should sustain the company's growth in the coming quarters. Therefore, the company anticipates another year of growth in sales, results and net cash in 2014.

Sales for the first quarter of 2014 will be published on April 28, 2014, after the market closes.

About Gameloft:

A leading global publisher of digital and social games, Gameloft® has established itself as one of the top innovators in its field since 2000. Gameloft creates games for all digital platforms, including mobile phones, smartphones and tablets (including Apple® iOS and Android® devices), set-top boxes and connected TVs. Gameloft operates its own established franchises such as Asphalt®, Order & Chaos, Modern Combat and Dungeon Hunter and also partners with major rights holders including Universal®, Illumination Entertainment®, Disney®, Marvel®, Hasbro®, FOX®, Mattel® and Ferrari®. Gameloft is present on all continents, distributes its games in over 100 countries and employs over 5,200 developers. Gameloft is listed on NYSE Euronext Paris (Euronext: GFT.PA, Bloomberg: GFT FP, Reuters: GLFT.PA). Gameloft is traded OTC in the US (sponsored Level 1 ADR ticker: GLOFY).

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¹ Consumer Electronic Association, January 2014

PROFIT & LOSS ACCOUNT (K€)	2013	2012
Revenue	233,296	208,315
Cost of sales	-40,540	-32,555
Gross margin	192,756	175,759
R&D	-106,828	-103,054
Sales and Marketing	-36,138	-35,522
Administration	-20,931	-17,239
Other operating income and expenses	-443	504
Current operating income	28,417	20,448
Stock-based compensation	-3,520	-3,985
Other income and expenses	-1,302	-1,613
Operating income	23,595	14,850
Cost of net financial indebtedness	2,094	1,327
Exchange rate gains	7,370	5,869
Exchange rate losses	-16,992	-7,730
Net financial income	-7,529	-534
Net income before tax	16,066	14,316
Tax expense	-8,541	-5,036
Net profit (group share)	7,526	9,280
Earnings per share	0.09	0.12
Fully diluted earnings per share	0.09	0.11

BALANCE SHEET (K€)	31/12/2013	31/12/2012
ASSETS		
Net intangible fixed assets	8,146	10,482
Net tangible fixed assets	16,445	9,098
Non-current financial assets	6,749	6,630
Tax assets	11,163	12,916
Total non-current assets	42,503	39,126
Client receivables	62,802	59,658
Other receivables	20,572	20,520
Cash and cash equivalents	61,797	55,654
Total current assets	145,171	135,832
TOTAL	187,675	174,958
LIABILITIES		
Capital	4,201	4,091
Issue premium	88,553	85,669
Reserves	35,973	28,937
Net income	7,526	9,280
Shareholder equity	136,253	127,977
Non-current liabilities	4,286	4,400
Current liabilities	47,135	42,582
TOTAL	187,675	174,958

CASH FLOW STATEMENT (K€)	2013	2012
Net income	7,526	9,280
Amortization and provisions	13,598	16,390
Stock-based compensation	3,520	3,985
Capitalized R&D	-782	-1,368
Asset sales	397	347
Other non-cash items	1,682	-294
Deferred tax	25,941	28,340
Self-financing capacity		
	-9,680	-17,380
Change in trade receivables	8,252	8,559
Change in operating liabilities	-1,428	-8,822
Change in working capital		
	24,513	19,518
Operating cash flow		
License acquisitions	-6,114	-5,536
Acquisitions of intangible fixed assets	-766	-812
Acquisitions of tangible fixed assets	-15,750	-6,097
Acquisitions of other fixed financial assets	-845	-546
Repayment of loans and other financial assets	343	353
Asset sales	74	60
Total cash flows linked to investments	-23,059	-12,578
Free cash flow	1,454	6,940
Capital increase related to stock options and bonus shares	10,000	13,179
Share buyback	-6,202	0
Total cash flows from financing activities	3,797	13,179
Effect of exchange rate changes	-528	-1,461
Change in cash	4,723	18,658
Net cash at the beginning of the period	55,606	36,948
Net cash at the end of the period	60,329	55,606