



REFERENCE DOCUMENT 2012



Pursuant to Article 212-13 of the General Regulations of the Autorité des Marchés Financiers (AMF), this reference document was filed with the AMF on 30 April 2013 under the number D. 13-0478. It may be used in support of a financial operation if accompanied by a “note d’opération” (securities note) approved by the AMF. This document has been authored by the issuer and is binding upon the signatories.

Pursuant to Article 28 of European Commission (EC) Regulation 809/2004, the following information is included in this reference document by way of reference:

- The consolidated and individual financial statements for the fiscal year ended 31 December 2010, as well as the related auditors’ reports, appear on pages 74 to 148 of the reference document filed with the AMF on 29 April 2011 under number D.11-426.
- The consolidated and individual financial statements for the fiscal year ended 31 December 2011, as well as the related auditors’ reports, appear on pages 77 to 152 of the reference document filed with the AMF on 27 April 2012 under number D.12-0463.

Copies of this document are available at the registered office of GAMELOFT SE – 14 rue Auber, 75009 Paris

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1. PERSONS RESPONSIBLE FOR THE DOCUMENT AND FOR THE AUDIT OF THE FINANCIAL STATEMENTS

1.1 Person Responsible for the Reference Document

Mr Michel Guillemot

Chief Executive Officer of Gameloft SE (hereinafter the “company” or “Gameloft”)

1.2 Certification of the Person Responsible for the Document

I hereby certify, after taking all reasonable measures in this respect, that the information contained in this reference document is, to my knowledge, true and correct and that there are no omissions that could impair its meaning.

I hereby certify that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and fairly reflect the assets, financial position and earnings of the company and of all the consolidated companies, and that the management report appearing on pages 12 to 79 fairly reflects changes in the business, profit and financial position of the company and of all the consolidated companies and provides a description of the main risks and uncertainties to which they are exposed.

I have obtained from the statutory auditors, Audit AMLD and Mazars, a letter of audit completion indicating that they have audited the information concerning the financial position and financial statements presented in this reference document and have read the reference document in its entirety.

The consolidated financial statements presented in this reference document were the subject of a statutory auditors' report appearing on page 121 of the current reference document for the fiscal year ended December 31 2012. This report was issued without qualification.

The individual financial statements presented in this reference document were the subject of a statutory auditors' report appearing on page 150 of the current reference document for the fiscal year ended 31 December 2012. This report was issued without qualification.

The consolidated financial statements for the fiscal year ended 31 December 2011 were the subject of a statutory auditors' report prepared according to IRFS standards and containing a comment regarding the fact that there was a change in the activation of Gameloft SE's losses carried forward as well as the discontinuation of some game projects, featured in section 3.1.8 of the 2011 Gameloft reference document submitted to the AMF on 27 April 2012 under number D. 12-463.

The individual financial statements for the fiscal year ended 31 December 2011 were the subject of a statutory auditors' report containing a comment regarding the fact that there was the discontinuation of some game projects, featured in section 3.2.7 of the 2011 Gameloft reference document submitted to the AMF on 27 April 2012 under number D. 12-463.

The consolidated financial statements for the fiscal year ended 31 December 2010 were the subject of a statutory auditors' report prepared according to IRFS standards and containing a comment regarding the fact that there were no changes in the deferred tax assets in the amount of €10,291,000 on Gameloft's fiscal deficit and featured in section 3.1.5.5 of the 2010 Gameloft reference document submitted to the AMF on 29 April 2011 under number D. 11-426.

The individual financial statements for the fiscal year ended 31 December 2010 were the subject of a statutory auditors' report. This report was issued without qualification or comment.

Paris, 29 April 2013,

Mr Michel Guillemot

Chairman of the Board of Directors and Chief Executive Officer

1.3 Persons Responsible for the Audit of the Financial Statements

1.3.1 Principal Auditors

	Date of Appointment	Term and Expiration Date
Audit AMLD 27A Bvd Solférino 35000 Rennes	19 June 2012	Six fiscal years expiring after the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 December 2017
MAZARS 61 rue Henri Regnault 92075 La Défense Cedex	19 June 2012	Six fiscal years expiring after the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 December 2017

1.3.2 Acting Auditors

	Date of Appointment	Term and Expiration Date
Mr Jean-Maurice El Nouchi 61 rue Henri Regnault 92075 La Défense Cedex	19 June 2012	Six fiscal years expiring after the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 December 2017
Mr Benoît Flechon 16 avenue de Bel Air 75012 Paris	19 June 2012	Six fiscal years expiring after the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 December 2017

1.4 Person Responsible for Financial Communications

Mr Michel Guillemot
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Phone: (33) 1 58 16 20 40
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1.5 Financial Communications Schedule

Publication of 2013 first-quarter revenue: 14 May 2013.

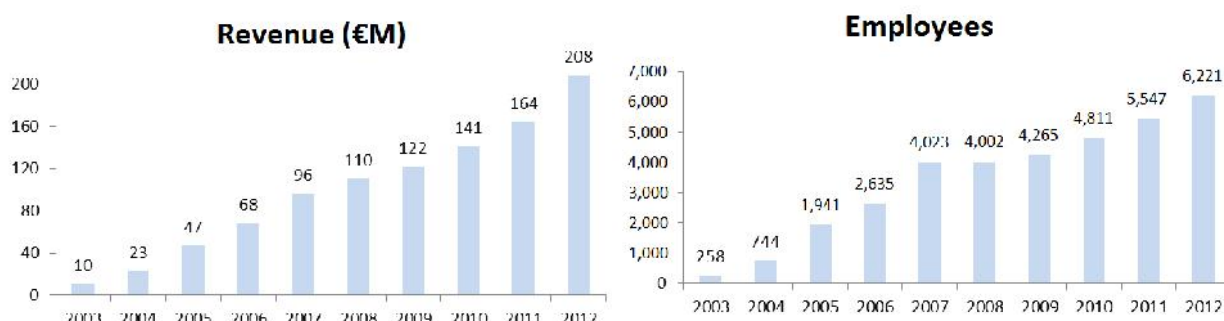
2. MANAGEMENT REPORT

2.1. Group Activity and Earnings for Fiscal Year 2012

2.1.1 Presentation of the Group

2.1.1.1 History – Company Activity

Gameloft creates and publishes downloadable video games for mobile telephones, smartphones, touch tablets, set-top boxes, and Smart TVs. The company has positioned itself since the year 2000 as a pioneer and as one of the top innovators in its field. Gameloft develops all of its games in-house in its production studios and has its own portfolio of original properties with established franchises, such as *Real Football*, *Asphalt*, *Modern Combat*, *Dungeon Hunter*, *Gangstar* and *Order & Chaos*. In addition, partnership agreements with major rights holders such as Disney•Pixar, Mattel®, Hasbro®, FOX®, Universal, Marvel®, DC Comics, and Sega allow Gameloft to associate its games with the biggest international brands: Spider-Man, Cars, Playmobil, Iron Man, UNO, Ice Age, My Little Pony, the NFL, etc. Gameloft has a studio on every continent, distributes its games in over 100 countries and, as of 31 December 2012, employs 6,221 people in 28 countries around the world.



2.1.1.1.1 Mobile and Tablet Games

The use of mobile telephones has spread very quickly. The number of worldwide mobile subscribers was estimated at 6 billion at the beginning of 2012¹ versus only 100 million in 1996². This figure makes the mobile telephone the most adopted personal technology in the world, ahead of the television (4.9 billion), and far ahead of the PC (1.9 billion).³ For a game developer and publisher, this user base represents a unique opportunity to sell its products to a population that is considerably larger than that of traditional video games. For this reason, the Gameloft Group has positioned itself in this market since 2000, where it has become a major player thanks to a diversified, high-quality game catalogue, strong licences and the largest customer and distributor networks in the market.

Initially, the application in 2002 of Java and Brew technologies to mobile telephones revolutionised the mobile phone games market, paving the way for three major advances in the mobile gaming industry:

- Consumers were able to directly download real video games to their mobile telephones at a price that was generally between 3 and 6 euros in developed countries and between 0.5 and 2 euros in emerging countries.
- The downloading of a Java or Brew game and the quality of the game itself are not dependent on the quality of the telecom networks. Telecommunications networks, whether 2G or 3G, allow consumers to download a Java or Brew game in less than one minute.
- Java and Brew technologies are standards to which all mobile telephone manufacturers are gradually being forced to adhere. This standardisation allowed Gameloft to run its games at a low cost on most Java and Brew

¹ Source: International Telecommunication Union, July 2012

² Source: CSFB, July 2002

³ Source: ZDnet.fr, September 2009

telephones. At the beginning of 2012, the number of Java telephones worldwide reached 3 billion as compared to 2 billion in 2008 and 1 billion in 2006⁴.

A genuine pioneer in the mobile phone industry, Gameloft was one of the very first companies in the world to develop games for Java and Brew telephones, collectively referred to as "feature phones", and has offered an extensive catalogue of downloadable games for these feature phones since the end of 2002.

This catalogue is compatible with almost all feature phones sold today. The games run on Nokia, Samsung, LG, ZTE, HTC, and Huawei telephones, to name a few. All in all, the company currently offers more than 400 Gameloft games that can be downloaded onto more than 300 different models of feature phones that are sold across the world. Game sales on these feature phones represented 47% of the company's total revenue in fiscal year 2012, which constitutes a decrease of 1% in comparison with 2011.

In 2008, the arrival of a new generation of mobile phones, called smartphones, brought on a second major shift in the mobile video game market. Unlike Java and Brew, smartphone games are developed natively; in other words, directly on the telephone's operating system (Apple's iOS, Google's Android, Microsoft's WP8, Samsung's Tizen, etc.). These smartphones allow for the production of games that are several hundred megabytes in size, while Java and Brew only allowed for applications of a few megabytes. Furthermore, the vast majority of smartphones have a touchscreen and motion-sensing functionality that allow for greater immersion and for a greater variety of possible game types. The gameplay experience on a smartphone is therefore appreciably better than it would be on a telephone that uses Java and Brew, while the sale price of a smartphone game is only slightly higher than that of a Java or Brew game. For consumers, the price/quality ratio of a mobile game is therefore significantly increased thanks to the smartphone and, consequently, these consumers now download three to four times more games on their smartphones than they did on their Java and Brew telephones.

The graphical evolution of the *Real Football* franchise between 2002 and 2012



As a result, the mobile game market witnessed a second growth phase in 2008. The smartphone is progressively replacing the feature phone around the world and is generating more game sales than feature phones, which allows the mobile gaming industry to continue to develop rapidly. In 2012, 700 million smartphones were sold, compared to 490 million in 2011⁵.

Accordingly, in 2008, Gameloft began its successful shift towards smartphones and touch interfaces, and produced a number of noteworthy games, especially for Apple's iOS, and Google's Android platforms. For the first time, annual revenue surpassed the 100-million-euro mark. In 2009, new franchises such as *N.O.V.A. Near Orbit Vanguard Alliance* and *Modern Combat* were released and were met with immediate success, while mobile gaming classics such as *Real Football*, *Asphalt* and *Gangstar* won the hearts of 3D- and high-resolution-gaming enthusiasts with new smartphone incarnations that rivalled the quality of the best games on portable consoles. Licensed games such as *Spider-Man: Total Mayhem* and *UNO*, which were developed and published by Gameloft, also became bestsellers on various online application stores. To date, Gameloft has developed over 140 smartphone games, and more than two-thirds of its development teams will henceforth be working on the production of new high-definition games for smartphones. Presently, Gameloft develops for over 1,500 different models of smartphones.

⁴ Source: Oracle, January 2012

⁵ Source: Strategy Analytics, January 2013

Examples of Gameloft smartphone games (*Spider-Man: Total Mayhem*, *Modern Combat*, *UNO*, etc.)



In 2010, Gameloft achieved comparable success in the touch tablet market, and as of the following year, focused on new entertainment platforms such as Smart TVs and set-top boxes, as well as the HTML5 format for Internet browsers. 2011 and 2012 saw significant additions to the catalogue of new games aimed at an even broader audience, notably with the release of free-to-play, social and mass market games such as *The Oregon Trail: American Settler*, *Fantasy Town* and *Ice Age Village*, but without neglecting more "hard-core" gamers, who enjoyed new franchises such as *Order & Chaos* and *World at Arms*, as well as the latest instalments of the *Modern Combat*, *Dungeon Hunter* and *Gangstar* series. The adoption of the "free-to-play" system constitutes an important development in the company's business model, since games that make use of this approach are free to download and do not generate revenue except through the sale of virtual goods that allow the consumer to progress more quickly through the game. During the final quarter of 2012, more than 60% of Gameloft's revenue on smartphones and touch tablets came from the sale of virtual goods.

Game sales on these smartphones and touch tablets represented 51% of Gameloft's total revenue in fiscal year 2012, an increase of 90% compared to 2011.

2.1.1.1.2 Console Games, PC Games and TV Games

In 2008, a new generation of game consoles was made available to consumers, allowing them to download games rather than purchase them in stores as game cartridges. Gameloft immediately positioned itself in this new "downloadable" console market. For instance, in March 2008 the company launched its first game, *Brain Challenge*, for Microsoft's Xbox LIVE Arcade service. This service allows Xbox console owners to download mass market games via the Internet at a price far below that of game cartridges sold in stores. Xbox LIVE Arcade games are therefore sold at around 5 to 10 euros in Europe and \$5 to \$10 in the United States. In addition, Gameloft then made available 12 and 20 games respectively for Nintendo's WiiWare and DSiWare services and 8 games for Sony's PlayStation®Network service, which run based on the same principle as Xbox LIVE Arcade. However, in the second quarter of 2011, it was decided that the company would no longer work on new projects for consoles. Disappointing sales of the Nintendo 3DS and the PS Vita, and competition on smartphones and touch tablets, led the company to concentrate on the heart of its business which is the mobile phone and the touch tablet, the market for which is noticeably more dynamic than that of consoles. Therefore, throughout the 2011 fiscal year, Gameloft reassigned all of

the teams that had been working on console game projects (approximately 240 employees) to smartphone, touch tablet and Smart TV projects.

In 2010, Gameloft entered the social gaming market. The main characteristic of these games is that the main goal is to bring together players within the game itself and to allow them to exchange messages, virtual gifts, etc. Facebook is the main platform on which these games are played. During the course of fiscal year 2011, Gameloft launched three PC games on social networks. However, as was the case with its console activity, over the course of fiscal year 2011, the company decided to put its focus on smartphones and touch tablets. In 2011, Gameloft's weak growth prospects in the niche of PC games, tied to the absence of a real organised market for social games, led the company to reassign all of its teams (approximately 120 employees) to the more promising sector of smartphone, touch tablet, and Smart TV games.

Gameloft creates games for the latest generation of set-top boxes and Smart TVs. Agreements have been signed with Internet service providers (ISPs) Free and Orange on their latest generation of boxes, as well as with Panasonic, Samsung and Lenovo regarding new lines of Smart TVs. Thanks to new technologies embedded in set-top boxes or directly in televisions, consumers can now download video games and play them directly on their television without needing a game console. Naturally, Gameloft has taken an interest in these new platforms, which have many points in common with its existing downloadable-game activities for mobile phones and tablets.



Revenue generated by console, TV and PC games represented 2% of the total for 2012.

2.1.1.1.3 Gameloft Game Distribution

On feature phones, smartphones and touch tablets, Gameloft has three main distribution networks for its games: telephone manufacturers, telecom operators, and its own distribution platform.

1. The telephone manufacturers that are currently Gameloft customers and partners are Nokia, Samsung, Apple, LG, ZTE, Motorola, RIM, Huawei, etc. These manufacturers have created their own mobile game download platforms for smartphones, touch tablets, and feature phones which compete directly with the operators' platforms. Gameloft therefore sells its mobile games through Apple (App Store for iPhone and iPad), Google (Google Play), Amazon (Appstore), Nokia (OVI Store), Samsung (Samsung Apps), RIM (App World), etc. The manufacturer acts as a distributor of Gameloft games and the revenues generated are shared between the manufacturer and Gameloft. In addition to offering downloadable games on manufacturers' portals, some manufacturers buy one or more games from Gameloft at a fixed price and integrate them directly into their telephones. The game can therefore be used by the consumer immediately at no additional cost. Gameloft estimates that the manufacturers accounted for roughly 52% of their total revenue.

2. Gameloft games are distributed by more than 200 telecom operators in over 100 countries worldwide. To date, none of Gameloft's competitors has a comparable distribution network. Mobile telephone subscribers can purchase and download Gameloft games directly onto their telephones through the operator's app store. This store provides access to Gameloft's game catalogue. This catalogue describes the games and indicates their price. Consumers simply select the game and download it to their telephone. Billing is handled by the operator with the cost of the game included in the consumer's telephone bill. In this case, the operator acts as a distributor of Gameloft games, and the revenues

generated are shared between the operator and the company. Gameloft estimates that the operators accounted for roughly 43% of the company's total revenue in 2012.

3. Mobile and tablet games can also be downloaded directly from the various Gameloft portals. The company estimates that roughly 2% of its revenue for 2012 was generated through this distribution channel.

The distribution of Gameloft games for set-top boxes and Smart TVs is handled through the ISPs' and television manufacturers' app stores. Billing is handled by these digital distribution platforms and revenue is shared between the ISPs and manufacturers, and Gameloft.

2.1.1.2 Group Strategy

Since its founding in 2000, Gameloft's highest commitment has been to the quality of its products. It is for this reason that all of Gameloft's games are developed internally and nothing is outsourced to third-party developers. In this way, the company can control the quality of its productions throughout the entirety of the creative process. The other key element in the company's strategy involves ensuring that its games are available to the largest number of consumers possible. Consequently, since 2002, Gameloft has put into place sizeable production teams whose role is to adapt and test the company's creations on all the phones available in the world today. In parallel, Gameloft has put together a one-of-a-kind distribution network which allows it to sell all of its products worldwide. For several years now, the company has been reaping the rewards of its investments in production and distribution. These investments have allowed Gameloft to grow rapidly in the last few years and to position itself as a market leader, which has also translated into the reliable profitability of the company since 2009.

Gameloft now has:

- the greatest internal development capabilities in the industry, well ahead of its competitors, with nearly 5,200 employees in its production studios; the amount allocated for research and development, excluding charges related to stock options, represented 49% of revenue in 2012, compared to 47% in 2011;
- unique know-how that is illustrated by the numerous awards that its mobile games have received around the world;
- a catalogue of 140 smartphone and touch tablet games spanning 1,500 models and 13 different languages;
- a catalogue of feature phone games that generate recurring revenue, made up of more than 400 games on over 300 models of mobile telephones;
- new internal and external licences that have been successfully added to the Gameloft catalogue, such as *Order & Chaos Duels*, *Dungeon Hunter*, *World at Arms*, *Wild Blood*, *Ice Age Village*, *The Dark Knight Rises*, *Kingdoms & Lords*, *Playmobil Pirates*, *My Little Pony*, *Littlest Pet Shop*, *The Amazing Spider-Man*, *Iron Man 3*, *Men In Black 3*, *Real Football 2013*, *Asphalt 7: Heat*, *UNO*, Ferrari, and the NFL;
- a unique distribution network made up of more than 200 operators that distribute Gameloft's games in more than 100 countries around the world;
- a growing number of market opportunities for its products, as indicated by the release of Gameloft games for smartphones, for touch tablets, on Smart TVs, and on Internet service providers' set-top boxes.

The company's long-term objective is to retain its position as a world leader in downloadable games for mobile telephones and consoles. The company is pursuing this goal by:

- creating a diversified, high-quality catalogue of downloadable games in-house;
- making this catalogue available on the largest number of platforms;
- including world-renowned licences in its catalogue;
- implementing the most extensive distribution network in the world.

2.1.1.2.1 The Only Game Catalogue of Its Kind in the World

To date, nearly 5,200 Gameloft Group employees are involved in developing and porting downloadable games. This creative force, which is unparalleled in the gaming industry, has allowed the company to develop a catalogue of more than 500 games covering all genres, including mass market, action, sport, puzzle and adventure games, to name a few. The development activity includes both the creation of new games and porting, a process by which each new game is

adapted to all existing platforms and models. The greatest barrier to penetrating the downloadable game industry is the large number of telephone models, tablets, and consoles on the market. All mobile phone manufacturers develop their own lines of phones which differ from their competitors' models. Although the technology used is the same from one platform to another, the screens differ in size, the processors have different characteristics, and so on. Each game must therefore be adapted to many models in order to reach the largest number of consumers.

Gameloft's Game Catalogue

Action/Adventure	Mass Market/Arcade	Sports
9mm	1 vs. 100	Asphalt: Urban GT II 3D
Assassin's Creed	Abracadaball	Asphalt 3: Street Rules
Assassin's Creed HD	Deal or No Deal	Asphalt 3: Street Rules 3D
Assassin's Creed - Altaïr's Chronicles	Beowulf	Asphalt 4: Elite Racing
Assassin's Creed - Revelations	Block Breaker Deluxe	Asphalt 4: Elite Racing 3D
Blades of Fury	Block Breaker Deluxe 2	Asphalt 5
Blitz Brigade	Block Breaker Deluxe 3	Asphalt 6: Adrenaline
Brothers in Arms 3D	Blokus	Asphalt Injection
Brothers in Arms: Earned in Blood	Brain Challenge	Asphalt 7: Heat
Brothers in Arms: Art of War	Brain Challenge 2: Anti-Stress	Death Race
Brothers in Arms: Hour of Heroes	Bridge Odyssey	Driver
Brothers in Arms 2: Global Front	Bubble Bash	Driver: San Francisco
Chuck Norris: Bring on the Pain	Cannon Rats	Fast Five
Cops: L.A. Police	Castle Frenzy	Ferrari: World Championship
Cowboys & Aliens	Castle of Magic	Ferrari GT: Evolution
Die Hard 4.0	Catz	GT Racing: Motor Academy
Dungeon Hunter	Where's Wally Now?	K.O. Fighters
Dungeon Hunter 2	Chess Classics	Let's Golf!
Dungeon Hunter 3	Christmas Pool	Let's Golf!
Dungeon Hunter 4	Pocket Chef	Let's Golf! 3
Earth Invasion	Crazy Taxi	Marcel Desailly Pro Soccer
Earthworm Jim	Detective Ridley and the Mysterious Enigma	Massive Snowboarding 3D
Eternal Legacy	Desperate Housewives	Motocross: Trial Extreme
Far Cry 2	Diamond Twister	NBA Pro Basketball 2009
Gangstar	DJ Mix Tour	NBA Smash!
Gangstar 2: Kings of L.A.	Dogz	NFL 2009
Gangstar Rio: City of Saints	Dogz 2	NFL 2010
Gangstar: Miami Vindication	Domino Fever	NFL 2011
Ghost Recon 2	Fantasy Town	NFL Pro 2012
Ghost Recon: Jungle Storm 3D	Fashion Icon	Nitrostreet Racing
Heroes	Fishing Kings	NFL Pro 2013
Hero of Sparta	Fort Boyard	Off-Road Dirt Motocross
Heroes of Order & Chaos	Gameloft Backgammon	Pro Moto Racing
Iron Man 2	Gameloft Casino	Real Golf 2011
Jurassic Park	Gameloft's Solitaire	Rayman Golf
Kingdoms & Lords	Green Farm	Rayman Kart
Night at the Museum 2	Grey's Anatomy	Real Football 2009
The Chronicles of Narnia: The Voyage of the Dawn Treader	Guitar Rock Tour	Real Football 2010
The Adventures of Tintin: The Secret of the Unicorn	Harry Potter and the Deathly Hallows - Part 2	Real Football 2011
Immortals	High School Hook Ups	Real Football 2012
Surf's Up	Hulkamania Wrestling	Real Football: Manager Edition 2009
Lost	Ice Age Village	Real Football: 2013
Lost Planet 2	LEGO Batman	Real Football: Manager Edition 2010
Medieval Combat: Age of Glory	CSI: NY	Real Tennis
The Mummy: Tomb of the Dragon Emperor	CSI: Miami	Reggie Bush Pro Football 2007

March of Heroes	Let's Go Bowling	Roland Garros 2009
Men In Black 3	Littlest Pet Shop	Skater Nation
Might and Magic	Lock 'Em Up	Vijay Singh Pro Golf 2007
Might and Magic II	Date or Ditch	Vijay Singh Pro Golf 2007 3D
Mission: Impossible 3	Love Triangle: Dating Challenge	
Modern Combat: Domination	Megacity Empire: New York	
Modern Combat: Sandstorm	Mega Tower Assault	
Modern Combat 2: Black Pegasus	Miami Nights: Singles in the City	
Modern Combat 3: Fallen Nation	Miami Nights 2: The City Is Yours	
Modern Combat 4: Zero Hour	Midnight Pool	
N.O.V.A.: Near Orbit Vanguard Alliance	Midnight Pool 2	
N.O.V.A. 2: Near Orbit Vanguard Alliance	Midnight Pool 3	
N.O.V.A. 3: Near Orbit Vanguard Alliance	Midnight Bowling	
Order & Chaos Online	Midnight Bowling 3D	
Order & Chaos Duels	Midnight Bowling 2	
Predators	Midnight Casino	
Pirates of the Seven Seas	Midnight Pool 2	
Prince of Persia: The Two Thrones	Monster Life	
Prince of Persia: Harem Adventures	My Life in New York	
Prince of Persia: The Sands of Time	My Little Pony - Friendship Is Magic	
Prince of Persia: Warrior Within	Mystery Mansion Pinball	
Prince of Persia Classic	Everyday English Trainer	
Prince of Persia HD	Naval Battle: Mission Commander	
Rainbow Six 3: Raven Shield	New York Nights: Success in the City	
Rainbow Six: Broken Wing	New York Nights 2: Friends for Life	
Rainbow Six: Urban Crisis	Where's Wally? In Hollywood	
Rayman 3	Paris Nights	
Rayman Raving Rabbids	Platinum Kakuro	
Resident Evil: Uprising	Platinum Mahjong	
Rise of Lost Empires	Platinum Solitaire	
Rogue Planet	Platinum Solitaire 2	
Sacred Odyssey: Rise of Ayden	Platinum Solitaire 3	
Shadow Guardian	Platinum Sudoku	
Sherlock Holmes	Platinum Sudoku 2	
Shrek the Third	Playful Minds	
Shrek Kart	Playmobil Pirates	
Shrek Party	Pop Superstar: Road to Celebrity	
Shrek Forever After	Questions pour un champion	
Siberian Strike	Rayman Bowling	
Siberian Strike: Episode II	Sally's Studio	
Silent Ops	Sexy Poker 2009	
Six-Guns	Sexy Poker Manga	
Soul of Darkness	Sexy Vegas	
Ultimate Spider-Man: Total Mayhem	Shark Dash	
Spider-Man: Toxic City	Sid Meier's Civilization V	
Splinter Cell	Sonic Advance	
Splinter Cell: Chaos Theory	Sonic Unleashed	
Splinter Cell: Chaos Theory 3D	Spring Break Fever	
Splinter Cell Double Agent	Spooks	
Splinter Cell: Pandora Tomorrow	Tank Battles	
Splinter Cell: Pandora Tomorrow 3D	Texas Hold 'Em Poker	
Splinter Cell: Conviction	The Oregon Trail	
Star Battalion	The Oregon Trail: American Settler	
Starfront: Collision	TV Show King	
Terminator Salvation	UNO™	

The Amazing Spider-Man		
The Dark Knight Rises		
The Settlers		
Tom Clancy's Ghost Recon: Jungle Storm		
Tom Clancy's Rainbow Six 3		
Tom Clancy's Rainbow Six: Lockdown		
Tom Clancy's Rainbow Six: Vegas		
Shadow Guardian		
Tom Clancy's H.A.W.X.		
Wild Blood		
Wonder Zoo		
World at Arms		
Zombie Infection		
Zombiewood		

Source: Gameloft, March 2013

Gameloft records its mobile game development costs as expenses at the time they are incurred. Each year, the company develops and places on various operators' sites thousands of versions of its games in order to cover the more than 300 different models of feature phones and 1,500 models of smartphones currently on the market and the 13 languages supported by the company. Given this extreme fragmentation and the more general nature of the sales-related information received from operators, Gameloft is not in a position to reliably calculate the development costs of different versions of its mobile phone games and the future economic benefits of each of these versions. On this basis, the group does not meet all the capitalisation criteria set out in IAS 38; expenses are recognised as expenses. However, the company does capitalise its development costs related to the creation of games for Sony on PlayStation®Store and PlayStation®Vita, for Mac, set-top boxes and Smart TVs. The decision to completely stop production of new games for console and PC led the company to fund and depreciate all console and PC games yet to be put on sale at 31 December 2011, as well as console and PC games that were put on sale but whose sales prospects were very limited, particularly due to the absence of future marketing support linked to the reassignment of internal R&D, sales, and marketing teams towards smartphones, tablets and TVs.

By choosing to insource all its design teams, the company places special emphasis on the quality of its productions. As a result, Gameloft was chosen as the best game developer in 2011 for all existing mobile platforms. In addition, Gameloft games have been particularly well-received by consumers and market professionals, as evidenced by the many awards and honours which the company has received around the world:

- Gameloft won the "Best Mobile Game" award for its *Ice Age Village* game at the 2012 Mobile Excellence Awards.
- In November 2012, *Zombiewood* won a gold medal from Pocket Gamer France: "Zombiewood is an excellent surprise from Gameloft [...] Tense, easy to grasp and instantly addictive, we can't recommend it enough".
- *N.O.V.A. 3: Near Orbit Vanguard Alliance* and *Modern Combat 4: Zero Hour* were ranked first among a selection of the best games of 2012 published by Famitsu App.
- Gameloft was chosen as the best developer of 2011 by Pocket Gamer, an authoritative news and review site. "The explosive growth of the mobile games industry meant coming up with our list of the top 50 developers of 2011, which was a tricky task," said Jon Jordan, editor of PocketGamer.biz. "Yet, despite the competition, there's no question Gameloft deserves the top spot. It has demonstrated the ability to create a wide range of great games for all mobile and portable platforms, while growing its business at an impressive rate."
- Gameloft received an award from jeuxvidéo.com for best iOS action/adventure game of 2011 for *The Adventures of Tintin*.
- Gameloft received an award from jeuxvidéo.com for best iOS MMORPG game of 2011 for *Order & Chaos Online*.
- Gameloft was also awarded the prize for best game at the Mobile World Congress 2009 trade show in Barcelona for its Real Football title. The Mobile World Congress is the largest telecom trade show in the world.
- Gameloft received the 2010 "iLounge Editor's Choice Developer" prize for best iPhone publisher from the iLounge website.
- Gameloft also received the 2009 "Editor's Choice" award for iPhone/iPod Touch for *Modern Combat: Sandstorm*.

2.1.1.2.2 A Catalogue of Strong Licences

Gameloft has a clear positioning in a mass market. The use of world-renowned licences and brands is therefore crucial for gaining a foothold in today's mobile game market. Gameloft has entered into many licence agreements since January 2004 in an effort to enhance its mobile game catalogue and ensure its leadership in this field. For example, the company owns the exclusive rights to the following licences for feature phones and/or smartphones and touch tablets:



The company has also made its mark over the years in the mobile gaming market with its own franchises, many of which have become benchmarks in the industry, including:



2.1.1.2.3 The Most Extensive Distribution Network in the Industry

With more than 200 operators distributing its games in over 100 countries, Gameloft now has the most complete telecom distribution network in the mobile game sector. All major European, North and South American, and Asian operators currently work with Gameloft. As a result, the company now has a presence among all major telecom operators worldwide. The company is also continuing to diversify its operator distribution network, mainly by targeting India, the Middle East and Africa.

Gameloft's Telecom Operator Partners

<i>North America</i>		<i>Asia Pacific</i>	
United States	Verizon, Sprint, Cingular, Nextel, T-Mobile, US Cellular, Midwest Wireless, Boost, Alltel, Metro PCS, Cricket, Virgin, Helio	Hong Kong	Hutchison, Sunday, Starhub, Peoples, Smartone, CSL
Canada	Rogers, Telus, Bell Mobility, Fido, Virgin Canada, Cityfone, Unicef	China	China Mobile, China Unicom
<i>Europe</i>		Japan	KDDI, Vodafone, DoCoMo, Willcom
Germany	Vodafone, T-Mobile, E-Plus, O2	Malaysia	Maxis, Celcom, Digi, MOL AccessPortal
United Kingdom	Vodafone, T-Mobile, O2, Orange, H3G	Singapore	SingTel, M1, StarHub
France	Orange France, SFR, Bouygues Telecom	Philippines	Globe Telecom, Smart
Italy	TIM, Omnitel Vodafone, Wind, H3G	South Korea	SKT, KTF, LG Telecom

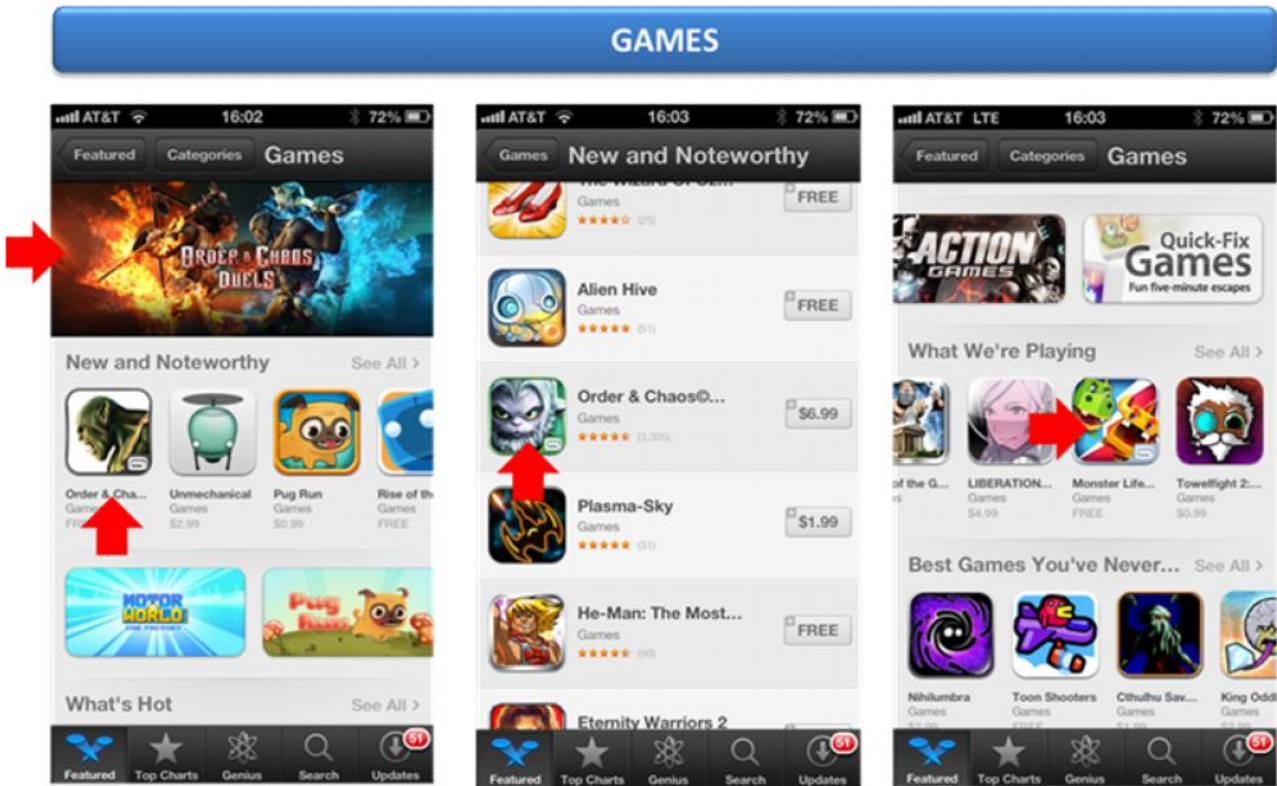
Spain	Telefonica, Vodafone, Amena	Thailand	Orange, DTAC, AIS, Real Move
Netherlands	T-Mobile, O2, Vodafone, KPN	Australia	Vodafone, Optus, Telstra, H3G
Belgium	Mobistar, Proximus, Base	Indonesia	Indosat, Telkomsel
Portugal	Optimus, TMN, Vodafone	New Zealand	Vodafone, Telecom NZ
Sweden	Telia, Vodafone, Tele2, H3G	South America	
Norway	Elisa, Sonera, Tele2, Netcom	Brazil	Vivo, Claro, Oi, Tim Brasil
Ireland	Vodafone, O2, H3G	Argentina	Movistar, CTI Movil, Claro
Luxembourg	Vodafone, VoxMobile	Guatemala	BellSouth, Movistar
Austria	T-Mobile, Mobikom, One, H3G	Venezuela	Telcom Movinet, Movistar
Switzerland	Swisscom, Orange	Peru	BellSouth, Telefonica
Greece	Vodafone, Cosmote	Ecuador	Concel, BellSouth
Czech Republic	Eurotel, T-Mobile	Panama	BellSouth
Slovakia	Eurotel	Mexico	Telcel, USACell, Movistar
Hungary	T-Mobile, Vodafone, Pannon	Chile	BellSouth, Movitel, Movistar
Poland	T-Mobile, Play P4, Polkomtel	Bolivia	Entel
Finland	Elisa, Telia	Colombia	BellSouth, Columbia Movil
Lithuania	Bité, Omnitel	Puerto Rico	Verizon, Centennial
Estonia	Radiolinja Eesti, Tele 2	Nicaragua	BellSouth
Romania	Orange, Vodafone	Rest of the world	
Croatia	VIPnet, HT Mobile	Israel	Orange, Cellcom, Pelephone
Slovenia	SiMobil, Mobitel	Turkey	Turkcell
Serbia	Telekom Srbija	Egypt	Vodafone
Bulgaria	Mobitel	Réunion	Orange, SFR
Denmark	Telia, H3G, Sonofon, Telmore	Dominican Republic	Orange, Codetel
Iceland	Iceland Telecom	Cameroon	MTN Cameroon
Russia	MTS, MegaFon	Morocco	Meditel
Malta	Go Mobile, Vodafone	Caribbean	Orange
Cyprus	MTN, Vodafone	Georgia	GeoCell, MagtiCom
		India	Airtel, Hutchinson
		UAE	Qanawat, Cellempower
		Jordan	MobileCom
		South Africa	MTN, Vodacom
		Tunisia	Tunisiana
		Algeria	Wataniya

Source: Gameloft

Distributorship agreements have been signed with all the major manufacturers from Apple to Nokia and Amazon to Google, and strong relationships have been established over the years with these industry players. This means that Gameloft distributes its games through the biggest smartphone- and tablet-game download platforms like Apple's App Store, Google Play, Amazon's Appstore, Nokia's Ovi Store, Samsung Apps, etc. These manufacturers represented roughly 52% of the company's revenue in fiscal year 2012. As is the case with the telecom operators, by virtue of its size and the quality of its creations, Gameloft benefits from heightened exposure on these app stores. During the

launch of a new game, Gameloft often receives very prominent placement on the app stores belonging to Apple, Google, Amazon, etc. as is clear from a few recent examples below:

Prominent placement for *Order & Chaos Duels*, *Order & Chaos Online*, and *Monster Life* on the U.S. App Store (March 2013)



Prominent placement globally for Playmobil Pirates on Google Play (January 2013)



2.1.1.3 Market Outlook

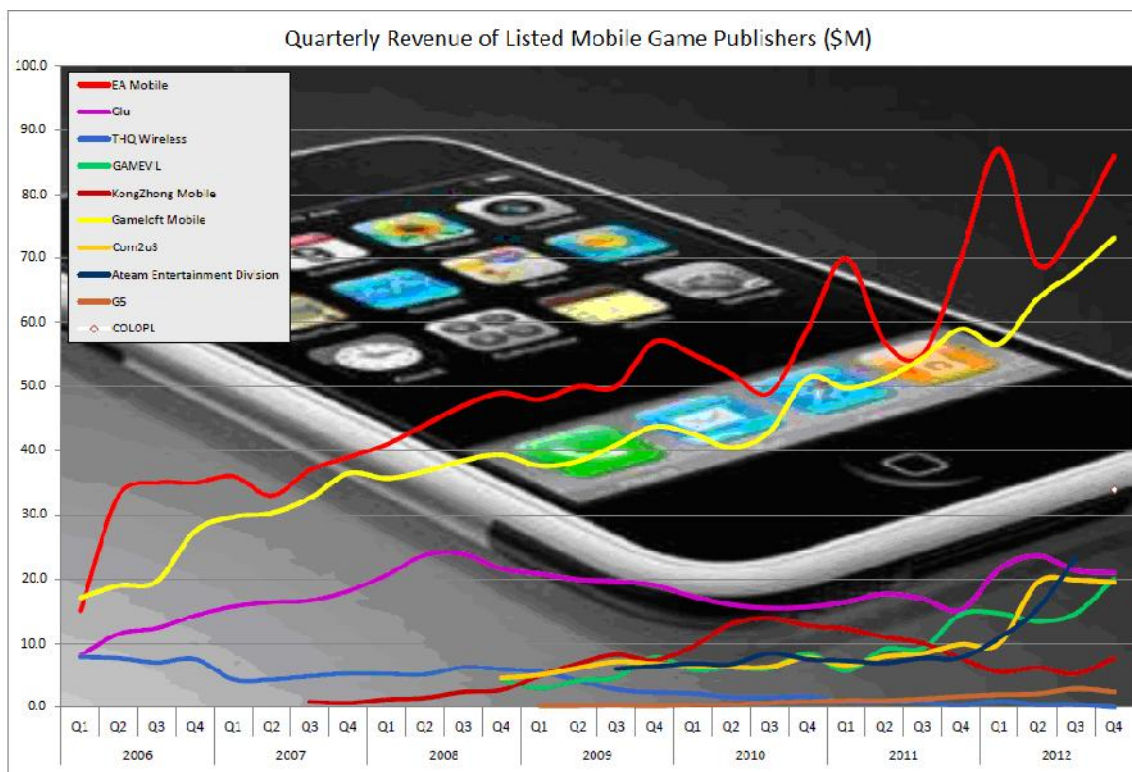
With a 27% increase in operations for 2012, Gameloft continues to grow rapidly. This 27% growth in sales is the company's largest over the last five fiscal years:

- Gameloft fully benefits from the growth in terms of the install base for smartphones and touch tablets, from innovations by long-time manufacturers such as Nokia, Samsung, etc. and from the arrival of extremely dynamic and ambitious players such as Apple, Google, Amazon, and Microsoft.
- Gameloft continues to gain a share of the smartphone, touch tablet, and feature phone markets.
- Gameloft is one of the few companies on the market with sufficient resources and know-how to consistently have a product presence at the launch of new downloadable game platforms.

The company therefore anticipates growth in the 2013 fiscal year in terms of revenue.

It should, however, be noted that:

- Today, Gameloft's games are mostly downloaded to feature phones, smartphones, and touch tablets; the penetration rate of these devices will determine the company's future growth rate in revenue.
- The feature phone video game market was extremely competitive between 2000 and 2006 because it was heavily financed by venture capital companies. This source of financing all but dried up in 2007, and the market then witnessed a period of rapid consolidation. Many of Gameloft's competitors have filed for bankruptcy since 2007 or been sold to other industry players, including InFusio, Oasys, Superscape, iFone, iPlay, Hands On, The Mighty Troglodytes, etc. Vivendi Games, a subsidiary of the Vivendi Group, and THQ Wireless, a subsidiary of THQ, potentially strong competitors for Gameloft, announced that they were closing. Today, Gameloft and Electronic Arts share the top two spots in the feature phone market, far ahead of other competitors in an otherwise uncompetitive world market. The level of competition in terms of smartphones and touch tablets has noticeably gone up in parallel with the substantial increase in fundraising which recently took place in this business segment. The last few months in particular have witnessed a return to fundraising on the part of smaller independent publishers who are looking to take advantage of the explosion in terms of the install base of smartphones and touch tablets. Competition in the global mobile gaming market has now increased to levels similar to where they were in 2000 to 2006. The growth of Gameloft's operations will depend on its ability to consolidate its current position among the market leaders.



Source: Arkéon, February 2013

2.1.2 Fiscal Year 2012 Earnings

2.1.2.1 Highlights of Fiscal Year 2012

In September 2012, Gameloft S.A. made the transition to a European Company, Gameloft SE.

- Share capital increases:

Gameloft saw an increase of share capital through the issuance of stock options and bonus shares in the amount of €14,280,000, of which €14,044,000 were issue premiums. The share capital is currently €4,091,000.

Subsidiary company Gameloft Korea increased its shareholder's equity capital by €3,893,000 during the year in order to comply with local regulations through a share capital increase authorised by Gameloft SE.

- Change in reporting entity:

In 2012, two new companies were created and consolidated in Budapest, Hungary (Gameloft Hungary Kft.) and in Auckland, New Zealand (Gameloft New Zealand Limited). Gameloft SPRL Belgium was liquidated on 30 June 2012.

- Impact of currency fluctuations on revenue:

Currencies such as the Brazilian real and the Argentine peso fell sharply in 2012. This impacted our consolidated financial statements, particularly in terms of revenue, with a negative exchange rate differential of €1,140,000. On the other hand, the values of the Japanese yen, United States dollar, pound sterling, Chinese yuan, and Mexican peso increased in 2012, generating a positive revenue differential of €4,448,000 as compared to the same period in 2011.

2.1.2.2 Quarterly and Annual Consolidated Revenue

Revenue (million euros)*	2012	2011	Change
1 st quarter	44.8	39.5	+14%
2 nd quarter	50.4	37.4	+35%
3 rd quarter	55.4	40.6	+37%
4 th quarter	57.7	47.0	+23%
Total	208.3	164.4	+27%

* rounded figures

On the whole, the consolidated revenue for fiscal year 2012 reached 208.3 million euros, an annual increase of 27%. On a comparable exchange rate basis, the growth rate in revenue over twelve months reached 25%, compared to 19% in fiscal year 2011.

Fiscal year 2012 marked the company's greatest revenue increase, by absolute amount, since its creation:

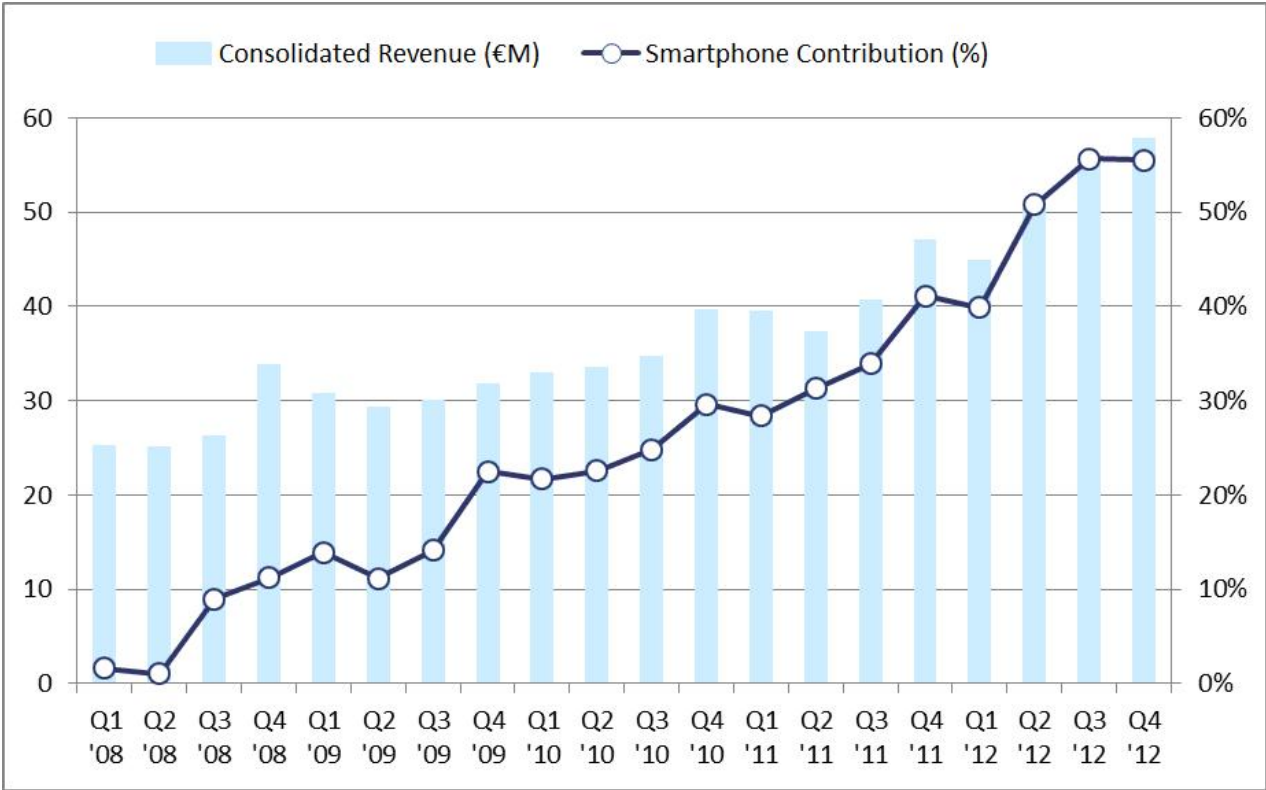
(million euros)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenue	2.5	10.2	23.2	46.8	68.4	96.1	110.3	122.0	141.0	164.4	208.3
Additional revenue	-	7.7	13.0	23.6	21.6	27.7	14.3	11.6	19.0	23.4	44.0

2.1.2.3 Revenue by Business Segment

12-Month Fiscal Year	31/12/12		31/12/11	
	€K	%	€K	%
Smartphones	106,316	51%	55,947	34%

Feature phones	97,110	47%	98,265	60%
Large screens	4,889	2%	10,145	6%
Total Revenue	208,315	100%	164,357	100%

The group's operations were carried by the tremendous success experienced by Gameloft’s games on the smartphone and touch tablet markets. On the whole, sales for fiscal year 2012 on smartphones and touch tablets increased by 90%. They represented 51% of the company's total revenue, compared to 34% during the same period in 2011.



2.1.2.4 Revenue by Geographic Region

12-Month Fiscal Year	31/12/12		31/12/11	
	€K	%	€K	%
EMEA	55,481	27%	56,731	34%
North America	65,574	31%	47,350	29%
Latin America	42,022	20%	32,751	20%
Asia-Pacific	45,238	22%	27,525	17%
Total	208,315	100%	164,357	100%

North America represented 31% of annual revenue; the EMEA region, 27%; Asia-Pacific, 22%; and Latin America, 20%.

2.1.2.5 Change in Income

INCOME STATEMENT (€K)	2012	2011
Revenue	208,315	164,357
Cost of sales*	-32,555	-19,377

Gross margin	175,759	144,980
R&D	-103,054	-78,011
Sales and marketing	-35,522	-30,046
Administration	-17,239	-14,508
Other operating income and expenses	504	-432
Operating income/expenses from ordinary activities	20,448	21,982
Share-based payments	-3,985	-2,139
Other operating income and expenses	-1,613	-5,311
Operating income/expense	14,850	14,532
Cost of net financial debt	1,327	377
Financial income	5,869	5,097
Financial expense	-7,730	-6,618
Net financial income/expense	-534	-1,144
Net pre-tax profit/loss	14,316	13,388
Tax expense	-5,036	4,837
Net profit	9,280	18,225

This income statement differs from the consolidated income statement standardized by the IFRS because of its reclassification of Share-based payments under Operating income/expense.

The tremendous success of licenced games such as *Ice Age Village*, *The Dark Knight Rises* and *The Amazing Spider-Man* influenced the gross margin for 2012. Cost of sales therefore reached 68% in 2012 and lowered the company's gross margin to 84%, compared to 88% in 2011. The cost of sales reached 32.6 million euros and was made up of 22 million euros in royalties on licences and 10.5 million euros in sales commissions.

In addition, Gameloft hired nearly 800 new employees during fiscal year 2012 in order to finalise the company's transition towards the free-to-play model described in paragraph 2.1.1.1.1, and to prepare for growth in the coming years. Nonetheless, the strong growth in revenue and strict cost tracking in the company's three departments (Research and Development, Sales and Marketing, and Administration) allowed Gameloft to limit the impact of its large-scale recruitment to its operating expenses, which reached 14.9 million euros, constituting an increase of 2% as compared to 2011.

Before recognition of share-based payments, R&D costs represented 49% of revenue for 2012, Sales and Marketing expenses 17%, and Administrative expenses 8%. In 2011, these figures were at 47%, 18% and 9% respectively. R&D expenses slightly increased in terms of percentage of revenue and Sales and Marketing, and Administrative expenses decreased.

However, it is crucial to highlight two accounting items that had a negative impact on the 2012 accounts, and that render a direct comparison between the 2012 and 2011 numbers problematic:

- Having transferred its console and PC game development teams, the costs for which were capitalised toward the development of smartphone games and directly recorded as expenses, Gameloft's net R&D costs were capitalised to the balance sheet and therefore removed from the income statement, which fell by 6.5 million euros between 2011 and 2012. Based on comparable data, putting aside capitalised R&D, the operating income from ordinary activities rose by 26% in 2012.
- Henceforth, remuneration in the form of bonus shares will be amortised over two years instead of the previous four. This quicker amortisation of allotments of bonus shares explains the strong increase in share-based payments, which reached 4 million euros in 2012 compared to 2.1 million euros in 2011. In addition, it is important to note that this expense has no effect on the company's equity or its cash situation and that this

quicker amortisation of bonus shares will have a positive impact on the operating expense for fiscal years 2014 through 2016 inclusively.

Other non-recurring operating expenses are largely restructuring costs related to certain Chinese subsidiary companies. Gameloft wanted to concentrate its Chinese development studios' activities on high value-added tasks such as creation, as opposed to lesser value-added tasks such as porting and testing. This strategic shift allowed the company to balance the costs of its Chinese studios with their activities. Nearly all of Gameloft's workforce in China will now be focused on game development and creation.

The net financial expense was 5 million euros, an improvement compared to 2011, particularly due to interest income from cash investments which reached 1.3 million euros in 2012.

The amount of consolidated non-capitalised losses to carry over reached 9.4 million euros at 31 December 2012.

The net annual earning was 9.3 million euros, a decrease of 49% compared with fiscal year 2011. It is important, however, to qualify this figure by bearing in mind the activation of an amount of 9.6 million euros in losses carried forward in France in 2011, which makes comparing the two fiscal years difficult. Putting aside the activation of losses carried forward and capitalised R&D, the net profit for 2012 increased by 13%, compared to that of 2011.

2.1.2.6 Change in Working Capital Requirement (WCR) and Debt

Cash flow statement	2012	2011
Cash flow from operating activities		
Net profit	9,280	18,225
Depreciation of tangible and intangible assets	17,804	18,001
Change in provisions	-1,415	596
Development costs	-1,368	-7,934
Income related to stock options and similar	3,985	2,139
Change in deferred taxes	-294	-9,066
Sales of assets	347	154
Cash from operations	28,340	22,115
Change in trade receivables	-17,380	-12,400
Change in operating liabilities	8,559	6,533
Change in WCR	-8,822	-5,867
Operating cash flow	19,518	16,248
Investment-related cash flow		
Purchases of intangible assets	-6,348	-4,508
Purchases of tangible assets	-6,097	-5,190
Purchases of other financial assets	-546	-810
Repayment of loans and other financial assets	353	912
Other cash flows	60	49
Total investment-related cash flows	-12,578	-9,547
Cash flow from financing activities		
Share capital increase	13,179	101
Increase in issue premium		4,173
Other cash flows		6
Total cash flows from financing activities	13,179	4,280
Impact of translation gains and losses	-1,461	834
Change in cash and cash equivalents	18,658	11,815
Net cash and cash equivalents at start of fiscal year	36,948	25,133
Net cash and cash equivalents at end of fiscal year	55,606	36,948

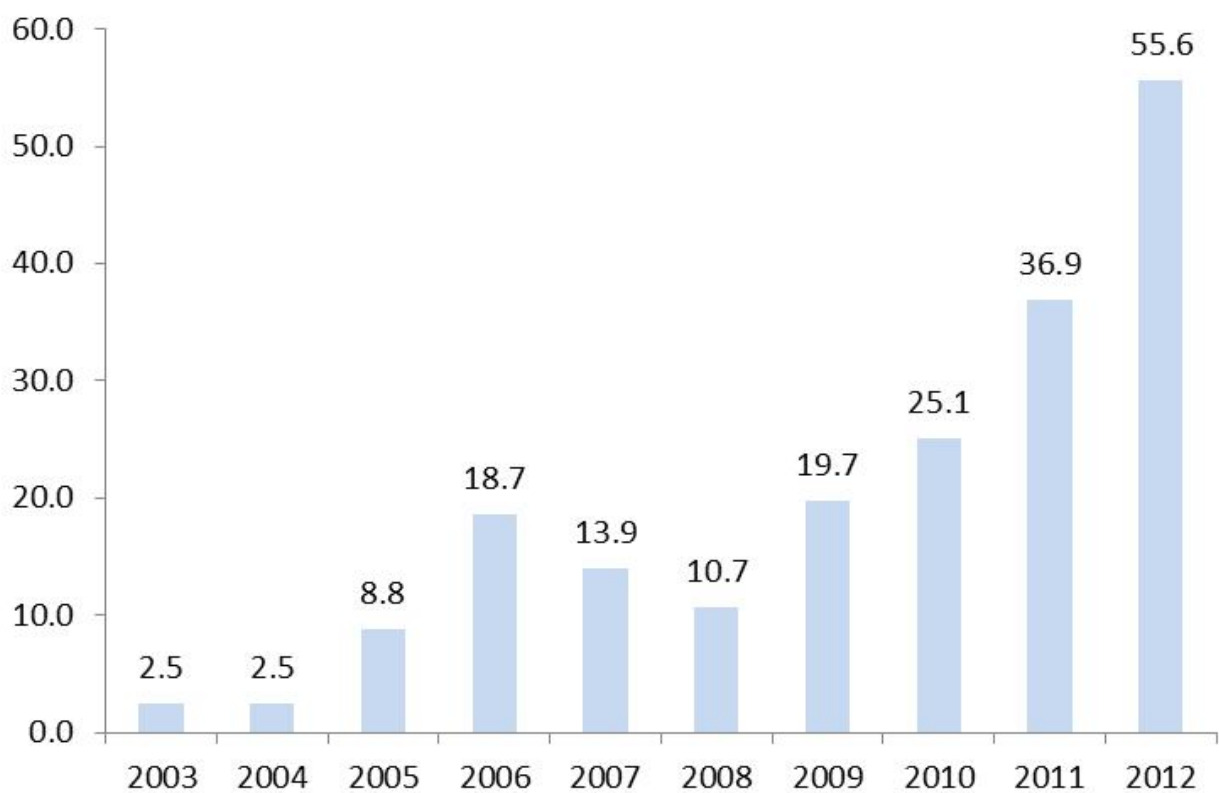
This cash flow statement differs from the one standardized by the IFRS, mainly because of the reclassification of internal development costs under operating cash flow.

The company’s cash from operations rose by 28% and is now at +28.3 million euros compared to +22.1 million euros in 2011.

The change in the Working Capital Requirement was -8.8 million euros compared to -5.9 million euros in 2011. Gameloft’s financial position is particularly solid as of 31 December 2012.

The company’s equity capital reached 128 million euros and the net cash and cash equivalents were at 55.6 million euros. Cash generation was particularly strong with 18.7 million euros of additional net cash and cash equivalents generated over the year. Therefore, Gameloft has at its disposal the necessary financial means to continue to grow rapidly and to gain market share all over the world.

Year-End Net Cash (€M)



2.1.2.7 Policy on Financing of Assets

The company does not make use of securitisation contracts, “cession Dailly” (Dailly assignments), sales with option of repurchase, discounts or factoring.

2.1.3 Cash Assets and Capital

2.1.3.1 Change in Shareholders' Equity Capital

The company's equity capital reached 128 million euros and the net cash and cash equivalents were at 55.6 million euros. Operating cash flow is largely positive, totalling 22.8 million euros for the fiscal year as a whole.

2.1.3.2 Cash Flow

Cash flows related to net development cost investments are spread out regularly over nine- to fifteen-month periods, given that all projects progressively increase in intensity but that teams are generally split up over several projects. They represented -3.5 million euros in 2012. Cash flows related to investments into the “licence acquisitions” item represented 5.5 million euros in 2012.

Cash flows related to financing activities are mostly capital increases amounting to 13.2 million euros, made up of issue premiums emanating from the conversion of stock options and the awarding of bonus shares.

2.1.3.3 Borrowing Terms and Financing Structure

Financing is handled internally; the company does not rely on loans to finance itself, except for occasional cash flow shortages. Having generated more than 18.7 million euros of net cash and cash equivalents, the company has at its disposal the financial means to continue to invest and grow rapidly.

2.1.4 Sustained Development

2.1.4.1 Human Resources

2.1.4.1.1 Supporting the Growth of Gameloft

2.1.4.1.1.1 The Market's Top Development Operation

Gameloft pursued its growth strategy throughout fiscal year 2012 and has enlarged its development teams all year long so that nearly 5,200 employees work exclusively on video games for mobile phones and consoles. The company is also growing because of the opening of new studios. These in-house creative teams are a major asset in the group's strategy. The fact that Gameloft has its own development studios allows it to guarantee the quality of its games, while still maintaining its responsiveness and flexibility.

In this context of rapid growth, Gameloft seeks to promote a work environment that reflects its corporate culture and that values expertise, creativity and innovation. In order to remain at the cutting edge of innovation, Gameloft pays special attention to recruiting the best talent in the mobile phone video game industry. The company's strategic international presence through its 28 production sites allows it to attract well-established industry professionals from around the world. In the video game industry, the creation process requires a strong collaborative effort between the various teams involved, since all the technical and artistic fields interact throughout the entire process.

2.1.4.1.1.2 A Group with International Influence

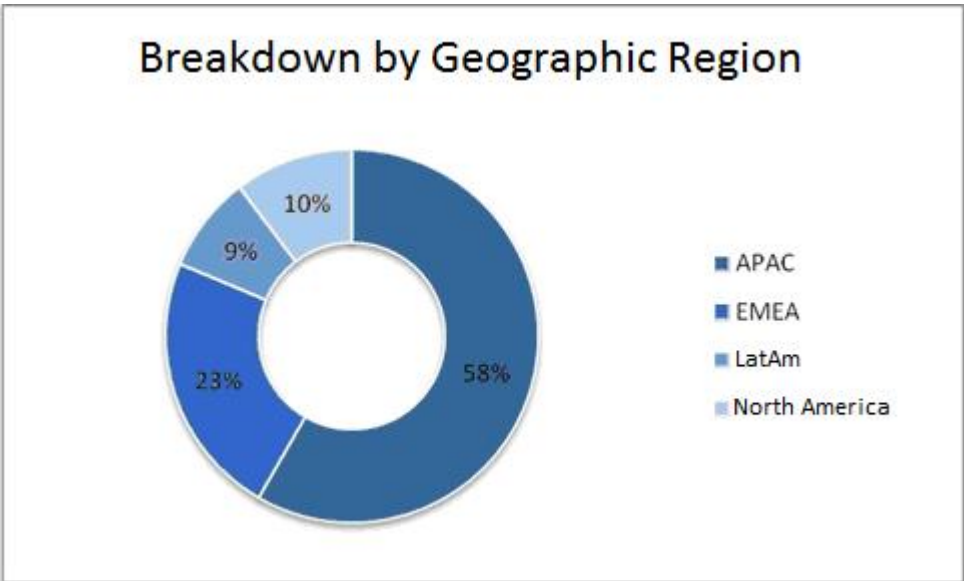
International growth has always been a strong part of Gameloft's strategy.

Our business has a foothold on every continent and is made up of a number of structures that operate on a human scale.

As of 31 December 2012, the worldwide workforce is divided as follows:

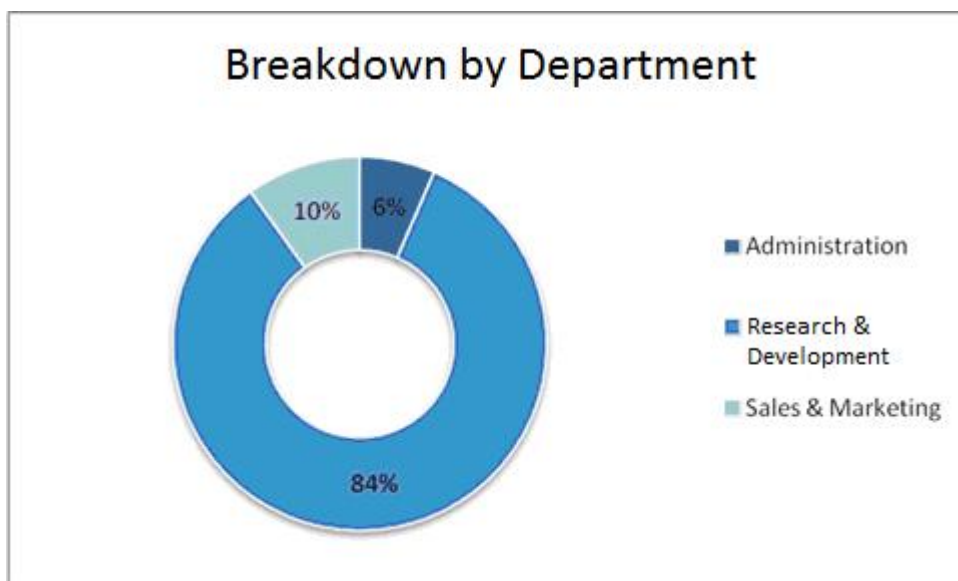
• Breakdown by geographic region:

	31/12/10	31/12/11	31/12/12
EMEA	844	1,066	1,430
North America	483	586	641
Latin America	535	487	521
Asia-Pacific	2,949	3,322	3,629
Total	4,811	5,461	6,221



• Breakdown by department:

	31/12/10	31/12/11	31/12/12
Administration	285	331	405
Sales & Marketing	512	538	624
Research & Development	4,014	4,592	5,192
Total	4,811	5,461	6,221



2.1.4.1.1.3 Attracting the Talent of Tomorrow

In order to keep up with the group's strong growth, Gameloft engaged in a major recruitment effort over the course of 2012. Consequently, the group created more than 750 jobs, some of which were linked to freemium and paymium game development. In a dynamic market, Gameloft knew how to quickly grow its teams.

In order to remain at the cutting edge of innovation, Gameloft pays attention to recruiting the best talent in the video game industry from all over the world. A special place is reserved for local talent. Gameloft is developing partnerships, largely with universities and local schools that specialise in video games, that involve posting job openings on school websites, offering internships, holding on-campus contests in order to recruit talent, and actively taking part in job fairs in certain countries like Vietnam, Canada and the United States.

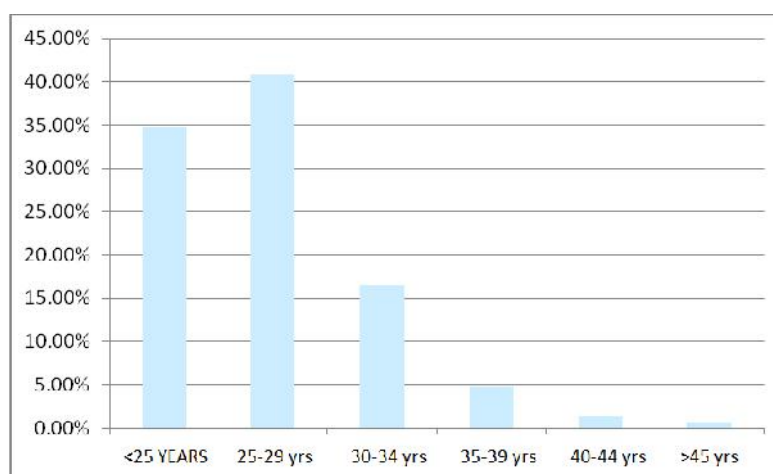
The group also needs to retain its key existing talent in a context where turnover is part of the culture and characteristic of the new generation. These retention efforts boil down to offering appealing prospects and on the rapid acquisition of responsibility in an international environment.

In 2012, Gameloft also restructured its studios in China. In effect, the company wanted to concentrate its Chinese R&D studios' activities on high value-added tasks and for this reason, proceeded to close its Shanghai studio, as well as the porting and testing departments in its Beijing and Chengdu studios.

The group is seeking to attract increasingly creative talent that's capable of thinking outside the box and of adapting to rapidly changing conditions.

With an average age of 27, Gameloft is a major player in youth employment.

2012 Age Bar Graph within the Gameloft Group



Video gaming on mobile platforms is constantly evolving. For this reason, new types of jobs are constantly appearing.

82% of the group's employees are men, and 18% are women.

This distribution can be explained by the large number of developers making up the production teams who essentially come from a technical background. Women make up 46% of the Administration and Finance teams, and 28% of the Sales and Marketing teams.

In addition, particular attention is paid to female applicants.

In fact, a very large number of women are attracted to mass-market mobile and casual games and games which particularly target female consumers.

For this reason, Gameloft is seeking to increase the exposure of its creation teams to feminine perspectives.

	Women		Men		Total
Workforce	1,112	17.87%	5,109	82.13%	6,221

Facing increasingly tougher competition, Gameloft developed an appealing compensation policy which aims to attract and retain talent.

Compensation provided to employees factors in local market conditions, applicable legislation, and their level of performance.

Compensation is reviewed every year, a process which aims to recognize individual performance and retain the group's key talents.

Gameloft also developed an employee stock ownership plan involving stock options and bonus shares. This policy is a way of recognising the performance and contributions made by key talent to the Gameloft Group's development, as well as serving as an assurance of their future employment with the company.

2.1.4.1.2 Supporting Individual Development

Every employee is responsible for their own career development.

Employees benefit from help from their managers and from human resources, who support teams throughout the evolution of their careers.

Skills are generally acquired and shared through hands-on training and exchanges.

Hands-on learning aside, Gameloft employees benefited from 136,095 hours of training in 2012.

The majority of those training hours were related to technical skills used in production. Management and language-skill training was also provided.

Since video game work is a recent phenomenon, some studios have come up with two- to four-week integration programs when someone starts at a position. These in-house training programs aim to support new talent in order to allow them to start contributing as quickly as possible and to adapt to the specificities of video games.

Teams are regularly informed of company strategy and news through a variety of channels, including a monthly informational newsletter, internal meetings in all the branches, and team seminars. The diversity of our employees and the different cultures and customs that are brought together allow for a diverse work environment. Employees benefit from considerable autonomy in their work. The working methods in place encourage employees to become truly involved. Our production methods are constantly evolving and ensure a work setting that, at all levels, encourages experimentation, new ideas, and the taking of initiative and responsibility by the various teams.

2.1.4.1.3 Maintaining Close Links with Employees

Gameloft is concerned about maintaining close links with employees.

Social dialogue is led on a daily basis by local management and the human resources managers in the various studios. It involves listening to employees and their concerns in various forums: internal meetings, organisation of seminars, etc.

Employees and management also have opportunities to meet in a more informal setting during local social events, and cocktail and year-end parties.

2.1.4.1.4 Providing a Work Setting that Ensures Well-Being

Gameloft is vigilant about maintaining a professional environment that ensures the health, safety and well-being of every employee.

The goal is to allow all our talent to express their passion and creativity in a setting that favours self-realization, which encourages experimentation, innovative ideas, and the taking of initiative and responsibility by various teams on all levels.

Prioritizing in this way allows us to report a remarkably low number of work accidents. Only nine work accidents and one work-related illness were declared in 2012.

The group complies with the conventions of the International Labour Organization (ILO), notably in terms of the effective abolition of forced or compulsory labour, everywhere that it has activity in the world.

2.1.4.1.5 A Multicultural Company

The group has a foothold on every continent and is made up of many nationalities.

The diversity of its talent is one of its greatest resources and is also an opportunity for employees to open themselves up to the world. For this reason, Gameloft is committed to fighting discrimination in all its forms, whether it is during hiring or at any other point in an employee's professional career. The group would like its teams to reflect the diversity of its consumers around the world.

No person may be excluded from recruitment procedures, no employee may be sanctioned, dismissed or be the object of direct or indirect discriminatory measures, particularly with regard to compensation, training, assignment, promotion, transfer, or renewal of their contract because of their ancestry, gender, mores, sexual orientation or gender identity, age, marital status or pregnancy, genetic traits, actual or assumed membership or non-membership to an ethnic group, nation or race, their political opinions, trade union or fraternal activities, religious beliefs, physical appearance, family name, or because of their health or disability.

All Gameloft employees (managers or members of HR) taking part in the selection of talent commit to only request information from candidates that will serve the purpose of learning more about their professional aptitudes and their motivations for becoming part of the group.

These meetings end with tests or case studies which aim to place the candidates in professional situations. In this way, the risk of discrimination is limited even further.

2.1.4.1.6 Gameloft SE Employment in France

2.1.4.1.6.1 Working Environment and Conditions

- *Workforce*

In fiscal year 2012, the average workforce at Gameloft SE was 37 employees: 28 men and 9 women.

- *Layoffs*

During fiscal year 2012, the company carried out 2 layoffs.

- *Organisation of work time*

Since 1 January 2011, a change of work times was carried out in accordance with the provisions of the applicable collective agreement. In France, employees work on a full-time basis.

There has been no notable absenteeism in the company.

- *Labour relations and collective agreements*

The company abides by the provisions of the Syntec collective agreement. To date, only one representative has been elected.

- *Health and safety conditions*

The company abides by legal norms in terms of occupational health and safety in France.

- *Employing and integrating persons with a disability*

The company abides by the relevant legal framework.

- *Use of subcontracting*

Gameloft occasionally makes use of freelancers (notably for artistic performances) and temporary workers. In certain locations, peripheral tasks (caretaking, cleaning, etc.) are entrusted to external companies.

2.1.4.1.6.2 Developing Expertise

Gameloft has integrated the DIF (individual right to training) into its training policy.

In fiscal year 2012, there was a total of 2,834 hours.

2.1.4.1.6.3 Employment and Non-Discrimination

Information related to employment and non-discrimination in France is listed below:

- 97% of Gameloft's workforce in France is made up of management;
- Women make up 26% of all employees and 96% of them are part of the management;
- In terms of compensation, equal opportunity for men and women is observed;
- 100% of employees have open-ended contracts (CDI).

2.1.4.1.6.4 Compensation

Gross average monthly compensation (premium included) was €8,254 as of the date of the drafting of this document.

2.1.4.2 Community Enterprises

Nil.

2.1.4.3 Information Related to the Impact of the Company's Activities on the Environment

Data related to the group's impact on the environment only concerns its activities directly related to the production and publishing of video games. Given that the company only produces and markets video games, in France and abroad, through electronic distribution, which is an entirely virtual medium, its direct impact on the environment is very minimal, be it in terms of emissions into the air (including greenhouse gases), the water, or the ground, or in terms of odour or sound nuisances. Gameloft's water and raw material consumption is not significant. This policy also extends to everyday life with the recycling of paper, selective sorting of trash, coffee capsules, and used printer cartridges being handled by external service providers.

2.1.4.3.1 Teleconference Tools and Business Travel Policy

Given the international nature of the group, employees are required to travel regularly to other locations.

The group's policy aims to minimise the environmental consequences of its employee travel and to encourage employees to optimise the efficiency of their trips as much as possible.

The following measures are therefore favoured and encouraged among employees, who are made aware of the importance of:

- managing employee agendas so that travel is limited to the minimum required;
- choosing modes of transportation that are the least costly and least harmful to the environment;
- making use of video conferences, audio conferences and other collaborative methods.

2.1.4.3.2 Managing the Life Cycle and Recycling of Used Computer Equipment

Gameloft takes an active role in ensuring the recycling of its electric, electronic and computer equipment. The vast majority of Gameloft's branches manage end-of-life computer equipment by relying on external service providers such as specialised organisations or companies.

2.1.4.4 Clarifications and Restrictions

Information presented concerns the entire Gameloft group, except when expressly stated otherwise.

Certain indicators are not considered applicable given the group's activities:

- methods devoted to the prevention of environmental risks and pollution;
- measures to prevent, reduce or counteract waste in the air, water or soil having a serious effect on the environment
- taking into account sound nuisances or any other form of pollution specific to an activity;
- use of soil;
- measures taken to preserve or develop biodiversity;
- adapting to the consequences of climate change;
- other actions taken in favour of human rights (corruption, etc.).

In addition, methodology related to certain indicators can present limitations owing to:

- the absence of recognised definitions on a national and/or international level;
- required estimations or the limited availability of internal or external data necessary for calculations;
- practical methods of collecting or monitoring data to be implemented within certain entities in the group.

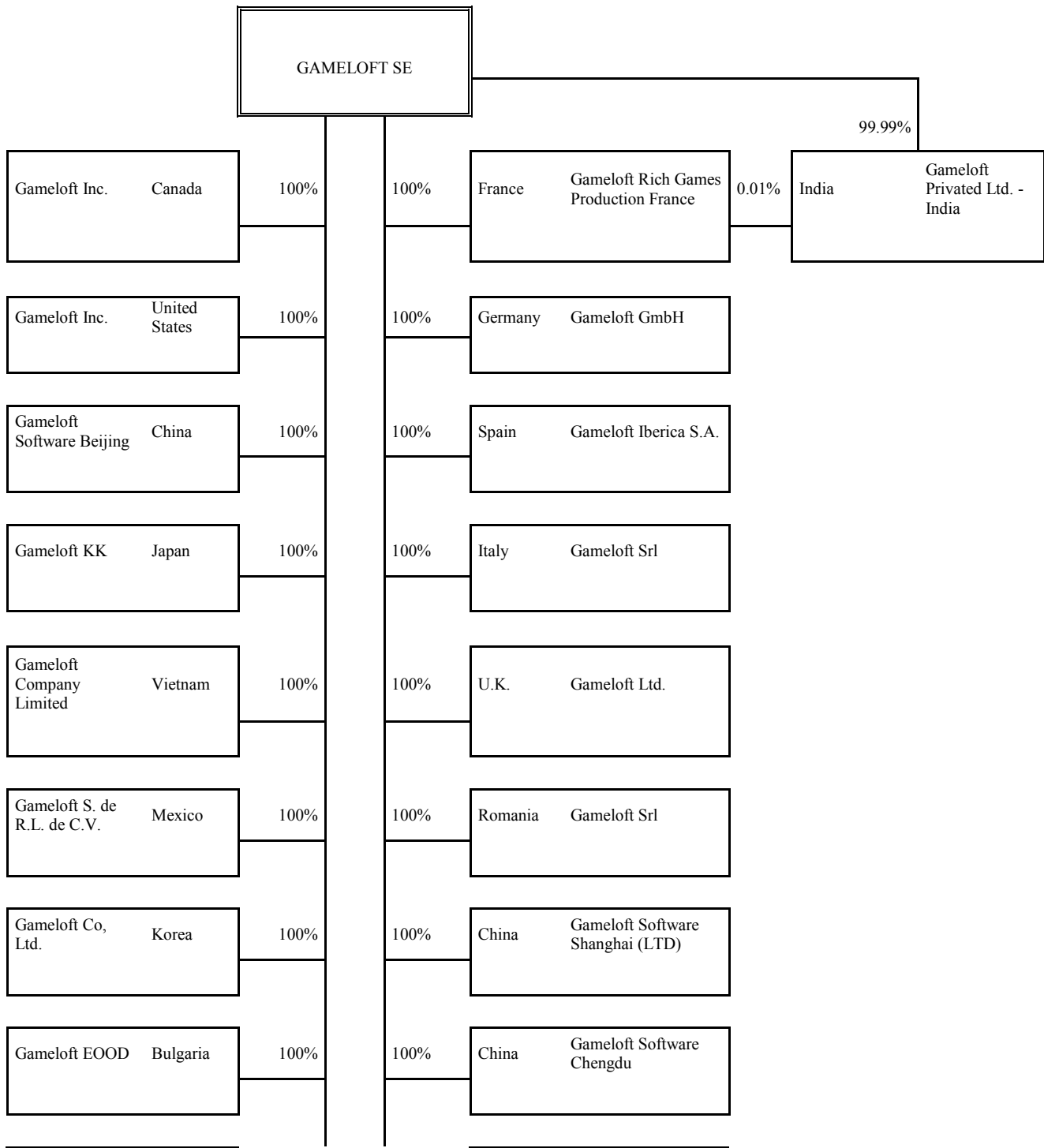
Finally, data concerning certain indicators relevant to our activity were not presented for fiscal year 2012, notably:

- The number of group-wide layoffs or resignations;
- Recorded data related to absenteeism;
- All group-wide data related to the duration of work times and type of employment contract;
- Average compensation within the group and changes therein, information which is not easily made operable considering the economic situation in certain countries;
- The collective agreements and the organisation of social dialogue at group level;
- The policies carried out by the group for taking into account social and environmental issues in the purchasing policy.

In order to ensure the reliability of the indicators tracked group-wide, common social and environmental reporting tools will be put in place in the future. Since these common tools were not introduced in a consistent manner in fiscal year 2012, these indicators were not subject to publication.

2.1.5 Subsidiaries and Equity Capital Holdings

2.1.5.1 Organisational Chart as of 31 December 2012



Gameloft Australia Pty Ltd.	Australia	100%	100%	Argentina	Gameloft Argentina SA
Gameloft LLC	Ukraine	100%	100%	France	Gameloft Partnerships SAS
Gameloft Do Brazil Ltda	Brazil	100%	100%	France	Gameloft France SAS
Gameloft Pte Ltd.	Singapore	100%	100%	Czech Republic	Gameloft S.r.o.
Gameloft Ltd.	Hong Kong	100%	100%	Philippines	Gameloft Philippines Inc.
Ludigames SAS	France	100%	100%	Venezuela	Gameloft de Venezuela S.A.
Gameloft Live Inc.	Canada	100%	100%	China	Gameloft Software Shenzhen Co.
PT Gameloft Indonesia	Indonesia	100%	100%	Hungary	Gameloft Hungary Kft.
Gameloft Toronto	Canada	100%	100%	New Zealand	Gameloft New Zealand Limited

2.1.5.2 Change over the Fiscal Year

The company created two new subsidiary companies in Budapest, Hungary (Gameloft Hungary Kft.) and in Auckland, New Zealand (Gameloft New Zealand Limited). The share capital of these two subsidiary companies is 100% held by Gameloft SE.

2.1.5.3 Subsidiary Activities

Subsidiaries (in thousands of euros)	Fiscal Year Ended 31/12/12		Fiscal Year Ended 31/12/11	
	Revenue	Profit/Loss	Revenue	Profit/Loss
Production activity				
Gameloft Software Shanghai LTD. - China	820	-456	3,499	42

Gameloft Rich Games Production France	2,644	27	3,929	79
Gameloft Ltd. Vietnam	12,154	356	7,886	437
Gameloft Software Chengdu	5,209	130	4,233	73
Gameloft Software Shenzhen Co. Ltd.	1,535	-74	1,022	-58
Gameloft Toronto	4,178	199	2,224	100
Gameloft Hungary Kft. (Hungary)	422	14	-	-
Distribution activity				
Gameloft GmbH Germany	36	-240	181	3
Gameloft SRL (Italy)	2,963	20	3,552	110
Gameloft Partnerships	2,476	51	2,693	72
Gameloft Pte Ltd. (Singapore)	484	75	771	26
Gameloft LTD. (England)	2,355	46	2,605	66
Gameloft Limited (Hong Kong)	202	4	246	28
Gameloft Live	654	19	662	23
Gameloft Live Divertissements	834	41	862	42
Gameloft Do Brasil Ltd.	10,545	-611	8,133	175
Gameloft Sro (Czech Republic)	-	6	-	-61
Ludigames	15	-2	44	1
Gameloft Venezuela	545	12	271	6
Mixed activity				
Gameloft Inc. – Canada	21,871	1,084	18,666	1,173
Gameloft Inc. United States	44,222	1,626	30,652	760
Gameloft Iberica S.A. (Spain)	10,022	358	9,412	291
Gameloft SRL (Romania)	13,643	420	10,306	163
Gameloft Software Beijing (China)	10,900	748	10,085	640
PT Gameloft Indonesia	4,085	121	2,083	134
Gameloft KK (Japan)	8,383	2,582	3,761	859
Gameloft Australia Ltd.	785	23	3,189	55
Gameloft EOOD – Bulgaria	2,845	120	2,053	83
Gameloft Argentina	14,487	7,968	12,922	3,886
Gameloft Co, Ltd. – Korea	6,707	461	2,451	-2,741
Gameloft Privated Ltd. - India	3,117	95	2,974	111
Gameloft R.L. de C.V.	20,247	22	16,007	1,670
Gameloft LLC	3,213	112	2,087	37
Gameloft Philippines	3,408	-151	2,372	72
Gameloft New Zealand	4,863	171	-	-

The group's activity is divided into two sections:

- The first is marketing activity, primarily by the following companies: Gameloft GmbH in Germany, Gameloft Iberica in Spain, Gameloft LTD in the United Kingdom, Gameloft Inc. in the United States, Gameloft Srl in Italy, Gameloft Venezuela, Gameloft Do Brasil Ltd. in Brazil, Gameloft Pte Ltd. in Singapore, Gameloft Limited in Hong Kong, Gameloft France and Gameloft Partnerships in France, and Gameloft SE, which distribute Gameloft's catalogue of games for mobile phones in their respective regions.
- The second is game creation and development activity, primarily by the following companies that develop downloadable games for mobile phones and consoles: Gameloft SRL in Romania; Gameloft Inc. in Canada; Gameloft Software Beijing, Chengdu, Shanghai and Shenzhen in China; Gameloft Argentina; Gameloft Ltd. Vietnam; Gameloft Privated Ltd. in India; Gameloft LLC in Ukraine; and Gameloft RGPf and Gameloft SE in France.

Some of our subsidiaries are active in both categories, such as Gameloft Inc. in the United States, Gameloft R.L. de C.V., Gameloft Romania, Gameloft Divertissements Inc. and Gameloft Software Beijing.

The parent company, located in France, coordinates activities with different subsidiaries and develops downloadable mobile phone and console games. It employs 37 people as of 31 December 2012.

2.1.6 General Information

2.1.6.1 Investment Policy

Gameloft has pursued a longstanding investment policy which allows it to establish itself on new platforms, to create new licences in different genres, and more generally, to grow its market share.

Investments in non-current assets include intangible assets, tangible assets, non-current financial assets, deferred tax assets, and assets being sold or discontinued businesses.

€K	Non-current assets		
In 2012	Intangible assets	Tangible assets	Financial & deferred tax assets
EMEA	8,707	1,938	1,208
North America	2,006	1,436	880
Latin America	5	340	259
Asia-Pacific	167	2,522	790
Total	10,885	6,237	3,137

€K	Non-current assets		
In 2011	Intangible assets	Tangible assets	Financial & deferred tax assets
EMEA	11,587	1,120	9,727
North America	466	1,297	397
Latin America	11	336	177
Asia-Pacific	202	2,436	677
Total	12,266	5,190	10,978

Investments are completely financed internally. Gameloft generated more than 18.7 million euros of net cash in 2012.

Non-current assets are allocated to the segments based on their geographic location.

€K	Non-current assets	
	31/12/12	31/12/11
EMEA	22,371	23,317
North America	9,896	6,511
Latin America	1,162	1,463
Asia-Pacific	6,139	5,148
Total	39,569	36,439

2.1.6.2 Research and Development Policy

Gameloft invests extensively in research and development in order to create and develop innovative, high-quality games. The amount allocated for research and development, not excluding charges related to stock options, represents 50.4% of revenue.

Gameloft provides all necessary means to facilitate the development of its games, be it in terms of competent, motivated personnel, or in terms of infrastructure, with the goal of quickly communicating with subsidiary production teams, as well as making telephony resources available to the different development teams.

Development costs for downloadable console games are capitalised once the feasibility and profitability of the project can reasonably be considered to be assured. Development costs for games on the new platforms are fixed once their technical feasibility has been established and they have been considered collectable.

For mobile phone game development, Gameloft records development costs as expenses at the time they are incurred. Each year, the company develops and places on various operators' sites thousands of versions of its games in order to cover the more than 300 different models of feature phones and 1,500 models of smartphones on the market and the 13 languages supported by the company. Given this extreme fragmentation and the more general nature of the sales-related information received from operators, Gameloft is not in a position to reliably calculate the development costs of different versions of its mobile phone games and the future economic benefits of each of these versions. On this basis, the group does not meet all the capitalisation criteria set out in IAS 38; expenses are recognised as expenses.

2.1.7 Risk Factors

Gameloft carried out a review of risks that could have a significantly negative effect on its activity, its financial situation or its earnings (or its capacity to reach its goals) and deemed that there are no other significant risks other than those presented here.

Risks identified are categorised by type of risk.

2.1.7.1 Risks Related to Activity

2.1.7.1.1 Risks Related to Failure to Implement the Development Plan

Gameloft forecasts a significant increase in sales in the coming year. Failure to achieve this anticipated success within a certain time period could adversely affect the market value of Gameloft's shares.

2.1.7.1.2 Risks Related to Delays in the Release of a Major Game

In a competitive context, the announcement of a delay in the release of an anticipated game can have a negative impact not only on a company's share price but also in terms of revenue and therefore operating margin. This delay can result from a delay in the game's development or in the time needed to port it to several types of telephones. The priority is the release of high-quality, innovative games that also comply with cost and delivery time objectives.

2.1.7.1.3 Risks Related to Employees

The group's success hinges on such factors as the performance and training of its production teams. The development of new technology and the desire to produce more creative and innovative games require specific expertise. Gameloft could face challenges in terms of recruiting experienced individuals with specialised technical skills at its studios to ensure its growth. Gameloft SE has purchased an insurance policy to cover all the group's de jure or de facto directors in case of pecuniary liability.

2.1.7.1.4 Risks Related to the Departure of Key Employees

The company's success is closely linked to its ability to maintain a relationship with its key employees. If, for whatever reason, they leave or become unavailable for an extended period, this could have an impact on the company. The company's future success will also depend on its ability to attract, train, retain and motivate very technically skilled employees. Losing one or more key employees or managers, or failing to attract new highly skilled staff could have a significant negative impact on the company's revenue, earnings and financial position. The company is organised today in such a way as to minimise risk related to the departure or extended unavailability of key employees or managers. One measure aimed at reducing this risk is stock option plans and bonus share issues.

2.1.7.1.5 Risks Related to Dependence on Clients

Gameloft has several hundred partners (telecom operators and feature phone, smartphone and touch tablet manufacturers) that are responsible for distributing its games to consumers around the world. Despite this strong diversification, one Gameloft partner represented a significant part of the company's revenue in 2012. In fact, Apple generated slightly more than 30% of the Gameloft Group's pre-tax revenue during fiscal year 2012. No other Gameloft client or partner made up more than 10% of the company's revenue. The top five clients and top ten clients respectively represent 46% and 54% of the Gameloft Group's pre-tax revenue for fiscal year 2012.

2.1.7.1.6 Risks Related to Dependence on Suppliers, Subcontractors and Strategic Partners

No supplier has ever represented more than 10% of the Gameloft Group's operational expenditures since its establishment. The company works with several hundred suppliers around the world and has not identified any major risks related to dependence on any supplier in particular. Gameloft also works very closely with a certain number of strategic partners who hold trademarks that the company uses for its licenced games. The company's ability to maintain good business relations with these trademark holders is important to Gameloft's future development (see 2.1.7.2.4 Risks Related to Licence Agreements).

The company has no significant financial dependence on its subcontractors or suppliers that is likely to affect its development plan.

2.1.7.1.7 Risks Related to Changes in Technology

Gameloft is part of a very competitive market, marked by quickly changing technologies that require serious investment in research and development and are subject to economic fluctuations.

Like all publishers, Gameloft is dependent on technological advances. In order to remain competitive, it is essential for a publisher to properly anticipate market tendencies and choose the right development format for a game. This selective and strategic choice is very important relative to the amounts invested. An inappropriate choice could have negative consequences on expected revenue. However, Gameloft still remains proficient in the necessary technologies and has the resources it needs to adapt to technological changes in its core business. Gameloft thus continues to invest in its studios in order to guarantee its mastery of future technologies, while still reinforcing its production force in new countries and limiting costs, thanks to operations in countries such as China, Romania, and Vietnam, where production costs are lower. The amount allocated for R&D by the company represents 50% of its revenue.

2.1.7.1.8 Risks Related to Information Systems and Computer Security

Despite the many integration systems implemented, Gameloft is not entirely protected from computer abuse, intrusions, problems with network user identification, and so on. Changes in regulations, the implementation of new mobility solutions, the spread of viruses and increased use of the Internet are just a few reasons why global security solutions need to be put in place. Information is a strategic resource of considerable value and must therefore be protected in an appropriate manner. Information system security protects information from these threats to ensure business continuity. Security measures are aimed at guaranteeing the confidentiality, integrity and availability of information.

2.1.7.1.9 Risks Related to Growth Management

The company's ability to manage its growth effectively will require it to implement, improve and make effective use of all its resources. Any significant growth in activity could subject the company, its managers and its teams to a great deal of pressure. In particular, the company must continue to develop its infrastructure and financial and operating procedures, replace or upgrade its information systems and recruit, train, motivate, manage and retain key employees. The management team's inability to manage growth effectively would have a significant negative impact on the company's revenue, earnings and financial position.

2.1.7.1.10 Risks Related to Grants

In Canada, Gameloft receives significant grants: in 2012, these grants rose to 8.6 million euros. Any changes to government policy could have a significant impact on production costs and the profitability of the company. Gameloft makes sure to regularly renegotiate its agreements and does not anticipate any major risk in the next few years.

2.1.7.2 Legal Risks

2.1.7.2.1 Litigation – Legal Proceedings and Arbitration

There are no government, court or arbitration proceedings, including any proceedings of which the company is aware, which are pending or with which it is threatened, that could have or have had a significant impact on the financial position or profitability of the company and/or group over the past 12 months, other than that which is accounted for in the consolidated accounts.

2.1.7.2.2 Regulatory Environment

The company, like all game publishers, must abide by a number of national regulations, notably concerning the content of games and consumer protection. Non-compliance with these regulations can have a negative impact on sales (delayed release or recalling of products from the market, for example).

Gameloft has developed tools and set up the necessary procedures to comply with local laws and regulations regarding consumer protection, including making information on game content accessible to consumers (according to the "age rating" systems of Europe's PEGI and the ESRB in the United States), the protection of personal data (through the development of "opt in" membership schemes, both in Europe and the United States), and the protection of minors (through the COPPA (Children's Online Privacy Protection Act), and by the establishment of procedures for receiving parental consent). Compliance with the regulatory environment also involves an internal policy aimed at fighting corruption in all its forms.

2.1.7.2.3 Intellectual Property Risks

Gameloft's game catalogue is protected by intellectual property rights. Gameloft's brands are protected through registrations in Europe and internationally (for France, the Institut National de la Propriété Industrielle in Paris; for Europe, the Office for Harmonisation in the Internal Market; internationally, the World Intellectual Property Organisation; and for the North American market, the US Patent and Trademark Office in Washington). This catalogue's success, however, could lead to attempts at copying and piracy. To prevent this risk, the company must implement a permanent monitoring system and act quickly when illegal copies are placed online.

2.1.7.2.4 Risks Related to Licence Agreements

Each year, Gameloft signs numerous licencing partnership contracts that allow it to diversify its game catalogue and increase its revenue. In this way, Gameloft benefits from these brands' reputations, which substantially increases the sales potential of associated games. The possible termination of certain partnerships for any reason – either at Gameloft's initiative or that of its partners – could have a negative impact on the company's future revenues and operating income, to the extent that the loss is not offset by other new licences. Licences represented 40% of sales in 2012, including 6% for Ubisoft-licensed games.

2.1.7.3 Industrial Risks or Risks Related to the Environment

To date, the group is not aware of any industrial or environmental risk. Gameloft did not set up a provision or obtain any guarantee to cover possible environmental risks (earthquake, natural disaster, etc.) and did not pay any indemnity in this respect during the fiscal year. However, the company remains attentive to regulatory changes in the countries where it has operations.

2.1.7.4 Financial Risks

Within the framework of its activity, the group is more or less exposed to financial risk (notably in regards to foreign exchange, financing and liquidity, interest rates), and risks related to securities.

The policy of the group consists of:

- minimizing the impact of exposure to market risk on its earnings, and to a lesser extent, on its balance sheet;
- centralised monitoring and managing of its risk exposure;
- not making use of derivatives, except for economic coverage.

2.1.7.4.1 Risks Related to Foreign Exchange

Given the group's international presence, it can be subject to fluctuations in exchange rates in the following three cases:

- Concerning its operational activity: sales and operating expenses of the group's subsidiaries are primarily issued in the currency of their country. Nonetheless, certain transactions, like distribution contracts and the billing of benefits between companies, can be issued in another currency. The operating margin of the subsidiaries in question can then be exposed to fluctuations in exchange rates relative to their functional currency.

- Concerning its financing activity: in applying its risk centralisation policy, the group manages multicurrency financing and cash and cash equivalents.

- During the process of converting into euros its subsidiaries' accounts that were issued in foreign currency: the operating income/expense from ordinary activities can be carried out in currencies other than the euro. Therefore, the exchange rates of foreign currencies can have an impact on the group's income statement. These fluctuations also cause variation in the book value of assets and liabilities denominated in currencies found in the consolidated balance sheet.

Change in exchange rates of principal currencies:

	31/12/12		31/12/11	
	Average Rate	Closing Rate	Average Rate	Closing Rate
US dollar	1.28560	1.31940	1.39171	1.29390
Canadian dollar	1.28479	1.31370	1.37564	1.32150
Pound sterling	0.81110	0.81610	0.86777	0.83530
Japanese yen	102.62121	113.61000	111.02107	100.200
Argentine peso	5.84852	6.48790	5.74526	5.56790
Mexican peso	16.90867	17.18450	17.27907	18.0512
Brazilian real	2.50970	2.70360	2.32592	2.41590
Korean won	1,448.19536	1,406.23	1,541.04864	1,498.69
Australian dollar	1.24134	1.27120	1.34816	1.27230

Financial risk-sensitivity regarding exchange rates:

31/12/2012 (€K)	Impact on Profit/Loss before Tax		Impact on Equity Capital before Taxes	
Investments	Increase of 1%	Decrease of 1%	Increase of 1%	Decrease of 1%
Brazilian real	-5.3	+5.5	-96.4	+98.4
Argentine peso	-4.8	+4.9	-60.9	+62.2
Total	-10.1	+10.4	-157.3	+160.6

Exposure of operating assets and liabilities in the main currencies:

31/12/12 Currency	Assets (1) (€K)	Liabilities (2) (€K)	Net Exposure before Hedging (€K)	Rate-Hedging Instruments	Net Exposure after Hedging (€K)
Euro	22,895	21,726	1,169	-	1,169
\$ US	13,884	5,594	8,290	-	8,290
\$ CAD	11,509	3,669	7,840	-	7,840
Argentine peso	5,349	2,910	2,439	-	2,439
Brazilian real	3,554	345	3,209	-	3,209
Mexican peso	4,204	2,041	2,163	-	2,163
Other currencies	18,783	6,249	12,534	-	12,534
Total	80,178	42,534	37,644	-	37,644

1) Operating assets include accounts receivable net of provisions as well as other receivables

2) Operating liabilities includes supplier debt, tax and social security liabilities, and other debts

2.1.7.4.2 Credit Risk

Credit risk represents the group's risk of financial loss in the event that a client fails to make its payment. At 31 December 2012, the amount of past due trade receivables not yet amortised was not significant.

2.1.7.4.3 Liquidity Risks

As part of its operational activity, the group did not amass a recurring or significant debt. Operating cash flows have been sufficient since fiscal year 2009 to self-finance operational activity and organic growth. However, the group may have to increase its debt by using lines of credit to finance developments. The group's cash assets and portfolio of short-term investment securities available for sale enable it to meet its commitments without any liquidity risk.

Additionally, the group runs certain liquidity risks associated with commercial activity on an international level, notably risks related to capital and exchange controls, and restrictions imposed on the repatriation of funds.

2.1.7.4.4 Interest Rate Risks

The group does not rely on credit institutions to finance itself. However, it uses short- and medium-term financing facilities that charge interest based on the EURIBOR interest rate and invests its available cash in investment products that bear interest based on short-term variable rates. In this context, the group is subject to changes in variable rates and assesses this risk on a regular basis.

2.1.7.4.5 Risks Related to the Need for Additional Capital

For companies doing business in fast-growing markets, and in particular in the mobile phone games market, it is often impossible to make precise medium- or long-term financial forecasts. Given the rapid changes brought about by competition, repositioning or technological changes, Gameloft may need additional working capital. The company believes that the growth of its activity could require it to turn to the financial markets. Since some shareholders would not take part in a share capital increase of this type, this could result in stock dilution.

2.1.7.4.6 Risks Related to Securities

Given its share repurchase policy and the authority given by the General Meeting, the company can end up buying its own shares. Fluctuations in share prices purchased this way have no impact on the group's earnings.

2.1.7.4.7 Investment Policy

The financial crisis of the last few years has significantly altered the banking landscape and calls for more restraint and dynamic risk management in the group's investment policy. Almost all of the group's cash flow goes through HSBC, known on the market for its financial solidity. All cash assets must remain readily available by limiting risk-taking on capital as much as possible. They tend to be invested in products that have a high degree of safety and very low volatility. On 31 December 2012, financial investments consisted of interest-bearing accounts.

2.1.7.5 Insurance and Risk Coverage

In order to optimise and centralise risk management and to prevent losses, Gameloft put in place, as of 1 January 2008, a group insurance programme that allows all its subsidiaries to have full professional civil liability and operational civil liability coverage. This comprehensive programme was revised at the end of 2012 and new coverage was put in place as of 1 January 2013.

The company also took out an insurance policy for pecuniary liability for its directors in order to assist them in the event of claims made against them.

Finally, an insurance contract, "Employment Practices Liability", has been established for the group as of 1 February 2010. This contract covers the liability of Gameloft and its affiliates for any social violations.

The overall cost of the Gameloft Group's insurance policy is €340,000.

2.1.8 Commitments

A number of games are marketed according to licence agreements signed by Gameloft. The commitments made and recorded provide for the payment of guaranteed minimums for use of the game. The commitments made with respect to this guaranteed minimum total €5,919,000.

The company's management has made no other firm commitments on future investments.

There is no minority interest in the group's structure. There is therefore no risk related to the buyout of minority interests.

The Gameloft Group has commitments toward some of the group's subsidiaries:

- In calculating its leases, Gameloft Divertissements Inc. has agreed with the lessor, in accordance with rent regulations and the obligations outlined in the leases, to a chattel mortgage of CAD 322,000 on all chattels found in the leased premises until the coming of term on 15 August 2014.
- The operating commitments related to rental expenditures through all of the Gameloft Group's subsidiaries total €16,185,000 on all current leases.
- Gameloft Divertissements Inc. put in place a line of credit for CAD 3,000,000 with HSBC.
- A commitment from the Government of Ontario in the form of a grant agreement with hiring and spending conditions over 5 years amounting to CAD 1,725,000 to benefit Gameloft Entertainment Inc. Toronto.
- HSBC acted as a guarantor for Gameloft's account with Ferrari in the amount of €710,000 within the framework of a licensing agreement linking Gameloft to Ferrari.
- Securing credit facilities amounting to CAD 500,000 for Gameloft Entertainment Toronto Inc., from HSBC Bank Canada.

2.1.9 Events Subsequent to the Close of Year

In the first quarter of 2013, Gameloft decided to close its production studio in India.

2.2 Year-End Financial Statements at 31 December 2012

2.2.1 Individual Financial Statements of Gameloft SE at 31 December 2012

2.2.1.1 Gameloft SE Balance Sheet at 31 December 2012 (€K)

ASSETS	31/12/12 Gross €K	31/12/12 Amort./Dep. €K	31/12/12 12-Month Fiscal Year Net €K	31/12/11 12-Month Fiscal Year Net €K
Intangible assets	56,655	48,019	8,636	11,445
Tangible assets	5,744	4,452	1,292	756
Financial assets	13,334	1,297	12,037	9,364
Long-term assets	75,733	53,769	21,964	21,565
Trade receivables and related accounts	125,402	2,386	123,016	97,910
Other receivables	23,639	1,242	22,397	13,655
Short-term investment securities	-	-	-	-
Cash on hand	18,648	-	18,648	19,682
Current assets	167,689	3,628	164,061	131,247
Accruals	3,628	-	3,628	2,664
Total assets	247,051	57,397	189,654	155,476

LIABILITIES	31/12/12 12-Month Fiscal Year €K	31/12/11 12-Month Fiscal Year €K
Capital	4,091	3,855
Premiums	85,669	71,625
Reserves	-5,707	-8,757
Fiscal year profit/loss	661	3,050
Shareholders' Equity Capital	84,714	69,773
Provisions for contingencies and charges	3,348	2,518
Misc. financial debts (1)	674	2,151
Trade payables and related accounts	83,152	66,683
Tax and social security liabilities	1,383	1,366
Debts on assets	6,149	4,210
Other debts	6,995	5,857
Total debts	98,353	80,267
Accruals	3,240	2,917
Total Liabilities	189,654	155,476
(1) including partners' current accounts	628	2,110

2.2.1.2 Gameloft SE Income Statement at 31 December 2012 (€K)

€K	Fiscal Year 12 Months Ended 31/12/12	Fiscal Year 12 Months Ended 31/12/11
Total operating income	170,534	141,349
Total operating expense	-172,723	-131,524
Operating Profit/Loss	-2,189	9,825
Total financial income (1)	11,620	5,681
Total financial expense (2)	- 8,635	-6,923
Net financial income/expense	2,485	-1,242
Profit/loss from ordinary activities	796	8,583
Extraordinary profit/loss	-272	-5,321
Pre-tax profit/loss	524	3,262
Income tax	137	-212
Net fiscal year profit/loss	661	3,050
(1) Income concerning affiliates:	6,615	2,433
(2) Expenses concerning affiliates:	1,285	2,173

2.2.2 Financial Table (Art. 135 of the Decree of 23 March 1967) (€K)

Fiscal Year	31/12/08	31/12/09	31/12/10	31/12/11	31/12/12
	12 Months	12 Months	12 Months	12 Months	12 Months
Share capital (€)	3,680,255	3,739,894	3,754,146	3,855,299	4,090,926
No. of ordinary shares	73,605,094	74,797,874	75,082,924	77,105,980	81,818,524
No. of preferred shares	-	-	-	-	-
Maximum no. of shares that may be created	7,011,987	11,821,550	13,933,150	12,921,504	8,586,835
By exercised options	6,358,987	11,101,300	12,486,150	11,769,354	7,347,235
By bonus issues of shares		720,250	1,447,000	1,152,150	1,239,600
By BSPCE subscriptions	653,000	0	0	0	0
Revenue	84,911	96,252	111,121	131,787	165,160
Profit/loss before tax, profit-sharing, depreciation and provisions	7,876	15,301	22,200	21,396	10,843
Income tax	-	11	-10	-212	137
Profit-sharing	-	-	0	0	0
Profit/loss after tax, profit-sharing, depreciation and provisions	-5,067	4,653	9,815	3,050	661
Dividend payout	-	-	0	0	0
Per share, profit/loss after tax and before depreciation and provisions (€)	0.11	0.20	0.30	0.27	0.13
Per share, profit/loss after tax and depreciation and provisions (€)	-0.07	0.06	0.13	0.04	0.01
Dividend allocated to each share	-	-	-	-	-
Average number of employees	35	30	30	28	37
Total payroll	4,007	3,898	3,760	3,973	4,067
Social security taxes and benefits	1,821	1,719	1,758	1,782	2,029

2.2.3 Proposed Allocation of Profit

Less all expenses, taxes and depreciation, the accounts presented give a positive result of €660,763.59.

We propose to allocate the gain of 31 December 2012, in the amount of €660,763.59, to the balance brought forward. Pursuant to the provisions of Article 243 *bis* of the French General Tax Code, no distribution of dividends has taken place in the last three fiscal years and the company has no intention of distributing dividends in the near future.

Pursuant to the provisions of Article 223 *quater* of the French General Tax Code, the amount of €10,000, corresponding to either non-deductible expenses or costs under Article 39-4 of the French General Tax Code, was registered in the current fiscal year and restated.

The company does not hold any of its own stock at 31 December 2012.

2.2.4 The LME Law – Gameloft SE Payment Deadlines (€K)

Pursuant to Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, at the close of the fiscal year on 31 December 2011/2, the balance of debts to suppliers breaks down by due date as follows:

€K	Trade Payables		Trade Payables on Assets		Total	
	2011	2012	2011	2012	2011	2012
Non-group trade payables						
Payments:						
0 to 30 days	1,508	2,067	641	1,162	2,149	3,229
30 to 60 days	908	659	255	44	1,163	703
Overdue	1,136	1,063	42	61	1,178	1,124
Non-group trade payables	3,552	3,789	938	1,267	4,490	5,056
Intra-group debts	51,012	63,993	212	441	51,224	64,434
GROUP invoices pending	6,367	6,003	22	0	6,389	6,003
Invoices pending	5,752	9,367	3,038	4,441	8,790	13,808
Total accounts payable	66,683	83,152	4,210	6,149	70,893	89,301

2.3. Information about the Company

2.3.1 General Information about the Company

Corporate name

The corporate name of the company is Gameloft SE.

Registered office

The company's registered office is located at 14 rue Auber, 75009 Paris (France).

Legal form

Gameloft is a European Company.

Applicable legislation

Company governed by the provisions of Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European company, the provisions of Council Directive No. 2001/86/EC of 8 October 2001, as well as the provisions of the French Commercial Code dealing with companies in general and European companies.

Date created and duration

The company was founded on 1 December 1999 for a duration of 99 years starting on the date of its registration in the French Corporate and Trade Register, i.e. until 22 February 2099, barring its extension or early dissolution.

Corporate and Trade Register

The company is registered with the Corporate and Trade Register under number 429 338 130 RCS Paris.

Location for consulting legal documents related to the company

The company's legal documents can be consulted at the following address: 14 rue Auber, 75009 Paris.

Accounting period

The accounting period, which lasts twelve months, begins on 1 January and ends on 31 December.

Managing Body of the Company

The Board of Directors, in its meeting on 3 December 2001, decided not to separate the functions of the Chairman of the Board of Directors from those of Chief Executive Officer; the general management of the company is taken on by the Chairman of the Board of Directors, Mr Michel Guillemot, Chief Executive Officer of the company.

The Chief Executive Officer of the company is assisted by Executive Vice Presidents named by the Board of Directors; the number should not exceed 5 people. Mr Michel Guillemot, Chief Executive Officer of the company, is assisted by four Executive Vice Presidents:

- Mr Christian Guillemot, Executive Vice President
- Mr Claude Guillemot, Executive Vice President
- Mr Yves Guillemot, Executive Vice President
- Mr Gérard Guillemot, Executive Vice President

2.3.2 Additional Information about the Company

2.3.2.1 Memoranda of Association and Articles of Association

2.3.2.1.1 Corporate Purpose (Article 3 of the Articles of Association)

The company's purpose in France and abroad, whether direct or indirect, is as follows:

* The design, creation, publication and distribution of games and services related to video games and, more generally, of all software, products or services intended for users of digital devices, including in particular digital televisions and related activities, and mobile telephones and smart mobile electronic devices, such as mobile devices using Wireless Application Protocol or any other communication standards allowing the processing and high- and low-speed exchange of text and data;

* The creation of online services and content intended for enthusiasts of video games and new technologies and all related activities;

* The purchase, sale and, in general, the trade in any manner, by lease or otherwise, of all multimedia, audio-visual and computer products, as well as all image and sound reproduction products;

* The company's participation in all operations related to its corporate purpose through the creation of new companies, the subscription or purchase of shares or rights of ownership, merger or other means.

And more generally, all operations directly or indirectly related to the aforementioned corporate purpose or all similar or related purposes which are likely to contribute to the company's development.

2.3.2.1.2 Year-End Financial Statements – Allocation and Distribution of Profit (Article 26 of the Articles of Association)

Net profit/loss is equal to income during the fiscal year minus operating expenses, depreciation and provisions.

The following amounts are subtracted from the annual profits, less prior year losses, if any:

* Sums added to reserves as provided by law or the Articles of Association and, in particular, at least 5% to supply the legal reserve fund. This deduction ceases to be mandatory once said fund equals one-tenth of the share capital, but again becomes mandatory if the legal reserve falls below this level for any reason.

* Sums which the General Meeting, on the recommendation of the Board of Directors, considers appropriate to allocate to all extraordinary or special reserves or to carry forward.

The balance is distributed to the shareholders. However, except in case of a reduction of capital, no distribution may be made to shareholders if, following said distribution, the shareholders' equity capital is or would be less than the amount of capital plus reserves which may not be distributed under the law or the Articles of Association.

Pursuant to Article L. 232-18 of the French Commercial Code, the meeting may propose an option by which the dividend or interim dividends are paid in whole or in part through the delivery of new shares of the company.

2.3.2.1.3 General Meetings (Articles 20, 21, and 22 of the Articles of Association)

a) Convening and holding of General Meetings

The General Meetings are convened and proceedings are held under the conditions established by law.

b) Access to Meetings - Powers

The General Meeting is made up of all shareholders, regardless of the number of shares they own, provided that the required payments have been made and that the voting rights have not been revoked.

The right to participate in the company's general meetings is evidenced by the registration of the shares in the name of the shareholder or the intermediary acting on his/her behalf (under the conditions provided by law) by 12:00 a.m. Paris time of the third business day preceding the meeting:

- for registered shareholders: in the registered securities accounts maintained by the company;
- for bearer shareholders: in the bearer securities accounts maintained by the authorised intermediary, under the conditions provided by applicable regulations.

In addition, owners of registered or bearer shares must, at least three days prior to the meeting, have filed a proxy form or vote-by-mail form, or the single-copy document used in lieu of it, or, if the Board of Directors has so decided, an admission card application. However, the Board of Directors will, if it deems appropriate, have the power at all times to shorten this period. It will also have the power to authorise the remote transmission (including by electronic means) to the company of the proxy and vote-by-mail forms under the conditions provided by the laws and regulations in force.

When an electronic signature is used, said signature must be in a form that meets the conditions defined in the first sentence of paragraph two of Article 1316-4 of the French Civil Code.

c) Attendance list - Meeting committee - Minutes

An attendance list, duly signed by the shareholders in attendance and proxies, and to which are attached the powers granted to each proxy and, where applicable, the vote-by-mail ballots, is certified correct by the Meeting committee. Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by the Vice President or the eldest among the Vice Presidents of the Board of Directors if one or more Vice Presidents have been named, or otherwise by a Director specially designated by the board for this purpose. In the case the Vice President or Vice Presidents, if any have been named, are unable to chair the meeting or if the board hasn't designated a Director, the meeting will elect its own Chairman.

The function of vote teller is filled by the two shareholders, who are present and so accept, and who, both personally and as proxies, hold the largest number of votes.

The meeting committee thus formed designates a secretary, who may be chosen from among non-shareholders.

The minutes are drawn up and copies or excerpts of the proceedings are issued and certified in accordance with the law.

d) Ordinary and Extraordinary General Meetings

Ordinary and Extraordinary General Meetings, voting in accordance with the quorum and majority conditions required by the applicable laws and regulations, exercise the powers granted to them by law.

The same is true for incorporation-type meetings, i.e. those called to decide on the approval of a contribution in kind or the granting of a special benefit.

2.3.2.1.4 Holdings outside the Statutory Thresholds (Article 8 of the Articles of Association)

Any shareholder acting alone or in concert, without prejudice to the laws applicable to exceeding or falling below the thresholds referred to in Article L. 233-7 of the French Commercial Code, who comes to hold directly or indirectly at least 1% of the company's capital or voting rights or a multiple of this percentage up to and including 4% must inform the company within the time period stipulated in Article L. 233-7 of said code by registered letter with return receipt.

The same disclosure requirement applies, in the same time period and using the same methods, whenever the fraction of the share capital or voting rights held becomes less than one of the aforementioned thresholds.

Failure to declare the legal or statutory thresholds results in the loss of voting rights under the conditions referred to in Article L. 233-14 of the French Commercial Code, at the request of one or more shareholders who together hold at least 5% of the company's capital or voting rights.

2.3.2.1.5 Rights Attached to Shares (Articles 9 and 10 of the Articles of Association)

Each share gives a right to ownership of the corporate assets and liquidating dividend in proportion to the percentage of capital it represents.

Whenever a shareholder is required to hold several shares in order to exercise a right of any kind, such as in case of a share-for-share exchange or a consolidation or allotment of shares, or following a share capital increase or reduction regardless of the terms and conditions thereof, a merger or any other operation, the owners of fewer shares than those required may exercise their rights only if they take it upon themselves to pool their shares and, if necessary, to purchase or sell the number of shares or rights forming the odd lot needed.

On 24 February 2000, Gameloft's Extraordinary General Meeting granted double voting rights to fully-paid registered shares (Article 10 of the Articles of Association). This double voting right was granted only to shares that were shown to be registered to the same shareholder for at least two years.

This double voting right is also granted at the time of issue, in case of a share capital increase by capitalisation of reserves, earnings or issue premiums, to registered shares allotted free of charge to a shareholder in exchange for old shares for which this right was enjoyed (Article 10 of the Articles of Association).

In accordance with Article L. 225-225 of the French Commercial Code, double voting rights are automatically revoked if the share is converted to a bearer share. They are also revoked if ownership of the shares is transferred. However, transfers resulting from succession, liquidation of communal property between spouses or gifts inter vivos in favour of a spouse or parent who is entitled to inherit do not result in loss of the acquired right and do not interfere with the two-year period.

2.3.2.1.6 Amendments to the Articles of Association

The Articles of Association are amended upon a decision of the Extraordinary General Meeting.

2.3.2.2 Share Capital

2.3.2.2.1 Change in Share Capital during the Fiscal Year Ended 31 December 2012

2.3.2.2.1.1 Share Capital Increase

After exercising share rights attached to stock options, the Gameloft Group's employees applied for 4,109,044 shares during the fiscal year ended 31 December 2012. This capital increase was noted by the Board of Directors during their meetings on 6 July 2012 and 10 January 2013. The company's share capital therefore increased by 235,627.20 euros through the issue of 4,109,044 new shares with a par value of 0.05 euros due to the exercising of share rights attached to stock warrants by the company, and 30,175 euros through the issue of 603,500 new shares with a par value of 0.05 due to the awarding of bonus shares.

2.3.2.2.1.2 Share Capital at 31 December 2012

At 31 December 2012, Gameloft SE share capital consisted of 81,818,524 shares, each with a par value of 0.05 euros, for a total of 4,090,926.20 euros.

2.3.2.2.2 Buyback by the Company of Its Own Shares

2.3.2.2.2.1 Governing Authority at the Date of the Current Report

The Combined General Meeting of 19 June 2012 renewed the authorisation, previously given by the Combined General Meeting of 22 June 2011, in favour of the Board of Directors allowing the company to repurchase its own shares, pursuant to Article L. 225-209 et seq. of the French Commercial Code (hereinafter the "Buyback Programme").

2.3.2.2.2.2 Description of the Share Buyback Programme from the Combined General Meeting of 19 June 2012

Affected shares: Normal Gameloft SE shares listed on Euronext Paris Eurolist Compartment B, ISIN code: FR 0000079600.

Objectives of the new buyback programme:

The objectives of the programme are:

- to cancel shares acquired by a reduction of capital within the limits established by law;
- to implement any company stock option plan within the framework of the conditions of Articles L. 225-177 et seq. of the French Commercial Code;
- to grant bonus shares within the framework of Articles L. 225-197-1 et seq. of the French Commercial Code;
- to issue or transfer shares to employees to allow them to benefit from the company's growth or as part of the creation of an employee savings plan, under conditions provided by law;
- to retain shares and deliver them in exchange or as payment for future external growth operations initiated by the company, mergers, split-ups or contributions, in accordance with recognised market practices and applicable regulations;
- to ensure the liquidity of Gameloft's stock and stimulate the market on which it is traded through a liquidity contract made with an investment services provider that complies with an ethics charter recognised by the Autorité des marchés financiers.

Maximum share capital, maximum number, and characteristics of securities: The maximum purchase price per share is set at 7 euros and the maximum number of shares which the company may purchase is set at 10% of the total number of shares comprising the capital on the date of the purchase. In theory, the maximum number of shares that may be purchased based on the number of shares existing on 31 December 2012 is 8,181,852. The total amount that the company can spend to buy back its own shares may not exceed 57,272,964 euros.

Duration of the programme: This share buyback programme is authorised to continue for eighteen months beginning from the Combined General Meeting of 19 June 2012 until 19 December 2013.

Status of the previous programme: During the course of the previous share buyback programme, the terms of which are described in the share buyback programme approved by the Combined General Meeting of 22 June 2011, the company did not repurchase any of its own shares and does not hold any of its own shares to date.

2.3.2.2.3 Unissued Authorised Capital

2.3.2.2.3.1 Delegations Granted by the General Meeting to the Board of Directors Regarding Capital Increases

1- In its eighteenth resolution, the Combined General Meeting of 19 June 2012 approved a delegation of authority to the Board of Directors in order to allow an increase in the company's share capital, on one or more occasions, in France and abroad, up to a maximum nominal amount of 5 million euros, through the issue, with shareholders' pre-emptive rights, of ordinary shares of the company and securities of any kind granting entitlement to the company's capital. The period during which this authorisation is valid was set at 26 months starting on the date of said General Meeting.

This authorisation caused prior authorisations granted by the General Meeting to become null and void, including the undrawn portions, previous authorisations having the same purpose.

The company's Board of Directors has not, to date, made use of such a delegation in order to increase the company's share capital.

2- In its nineteenth resolution, the Combined General Meeting of 19 June 2012 approved a delegation of authority to the Board of Directors in order to allow an increase in the company's share capital, on one or more occasions, in France and abroad, up to a maximum nominal amount of 5 million euros, through the issue, without shareholders' preemptive rights, of ordinary shares of the company and any securities granting entitlement to the company's capital. The period during which this authorisation is valid was set at 26 months starting on the date of said General Meeting. This authorisation caused prior authorisations granted by the General Meeting to become null and void, including the undrawn portions, previous authorisations having the same purpose.

The company's Board of Directors has not, to date, made use of such a delegation in order to increase the company's share capital.

3- In its twenty-third resolution, the Combined General Meeting of 19 June 2012 authorised the Board of Directors to carry out capital increases reserved for those enrolled in a group savings plan offered by the company and/or companies or groups of companies affiliated with it pursuant to the provisions of Articles L. 225-129, L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code and under the conditions set out in Articles L. 3332-1 et seq. of the French Labour Code, up to a maximum nominal amount representing 1% of the share capital as of the date of the Board of Directors' decision. The period during which this authorisation is valid was set at 26 months starting on the date of said General Meeting.

This authorisation caused prior authorisations granted by the General Meeting to become null and void, including the undrawn portions, previous authorisations having the same purpose.

The company's Board of Directors has not, to date, made use of such a delegation in order to increase the company's share capital.

4- In its twenty-first resolution, the Combined General Meeting of 19 June 2012 approved a delegation with the intention to authorise the Board of Directors to grant options giving a right to subscribe for the company's shares as well as options giving the right to purchase company shares to company employees and managers. The number of bonus shares that may be subscribed for or purchased may not exceed 3% of the total number of shares comprising the company's share capital as of the date of the Board of Directors' allotment decision. The period during which this authorisation is valid was set at 38 months starting on the date of said General Meeting.

This authorisation caused prior authorisations granted by the General Meeting to become null and void, including the undrawn portions, previous authorisations having the same purpose.

The company's Board of Directors has, at 6 July 2012, made partial use of such a delegation within the authorised limits in order to allocate Gameloft company shares to some paid employees and managers of the Group.

5- In its twenty-second resolution, the Combined General Meeting of 19 June 2012 approved a delegation with the intention to authorise the Board of Directors to issue bonus shares of the company to some of the group's employees and managers. The number of bonus shares issued may not exceed 1% of the total number of shares comprising the company's share capital as of the date of the Board of Directors' allotment decision. The period during which this authorisation is valid was set at 38 months starting on the date of said General Meeting.

The company's Board of Directors has, at 6 July 2012, made partial use of such a delegation within the authorised limits in order to issue Gameloft bonus shares to some paid employees and managers of the company.

2.3.2.2.3.2 Summary Table of Delegations Granted by the General Meeting to the Board of Directors Regarding Capital Increases

	General Meeting	Term	Authorised Amount	Usage of Delegations in Previous Years	Usage of Delegations This Fiscal Year
Delegation to allow a share capital increase by issuing shares and/or all securities providing access to share capital, while maintaining preemptive rights	AGM of 19 June 2012	Valid for 26 months starting on the date of said AGM, i.e. until 19 August 2014	Maximum nominal amount of shares that may be issued: 5,000,000 euros	-	-

Delegation to allow the increase of share capital by issuing shares and/or all securities providing access to share capital, without maintaining pre-emptive rights	AGM of 19 June 2012	Valid for 26 months starting on the date of said AGM, i.e. until 19 August 2014	Maximum nominal amount of shares that may be issued: 5,000,000 euros	-	-
Delegation to allow the issue of bonus shares of the company to the group's employees and managers	AGM of 19 June 2012	Valid for 38 months starting on the date of said AGM, i.e. until 19 August 2015	The total number of shares that can be allotted as bonus shares may not exceed 1% of the shares comprising the share capital	-	The Board of Directors on 6 July 2012 approved the issue of 750,000 bonus shares
Delegation to allow the granting of subscription options and share purchase rights to employees and company managers	AGM of 19 June 2012	Valid for 38 months starting on the date of said AGM, i.e. until 19 August 2015	The total number of shares related to subscription options may not exceed 3% of the shares comprising the share capital	-	The Board of Directors on 6 July 2012 approved the issue of 1,606,000 stock options
Delegation to decide share capital increase by issuing shares reserved for those enrolled in a group savings plan	AGM of 19 June 2012	Valid for 26 months starting on the date of said AGM, i.e. until 19 August 2014	Maximum nominal amount of the share capital increase is fixed at 1% of the share capital as of the date of the Board's decision	-	-

2.3.2.2.4 Potential Capital

At 31 December 2012, the number of subscription options open and not yet exercised reached 7,347,235 and the number of bonus share issues reached 1,239,600.

If all of these options were exercised and the performance and attendance conditions related to bonus shares were met, resulting in their final purchase by their recipient, Gameloft SE's capital would increase as follows:

	Potential Shares	Potential Capital (€)
Stock options not exercised	7,347,235	367,361.75
Bonus issues of shares	1,239,600	61,980.00
Total	8,586,835	429,341.75

At 31 December 2012, the exercise of all the warrants and options and bonus shares, namely 8,586,835 shares, would result in a potential dilution of 9.50%.

2.3.2.2.5 Share Subscription Options (Plans in Effect at 31 December 2012)

Stock option plans approved in 2007:

	Managers and Employees of the Gameloft Group's US and Canadian Subsidiaries			The Gameloft Group's Managers and Employees, Excluding Employees of the Group's US and Canadian Subsidiaries.		
Board of Directors' meeting	03/01/2007			03/01/2007		
Number of shares eligible for subscription	710,100			2,811,000		
Number of people concerned	39			123		
of which are managers	1			4		
Start of exercise period	03/01/09	03/01/10	03/01/11	03/01/09	03/01/10	03/01/11
End of exercise period	03/01/13	03/01/13	03/01/13	03/01/13	03/01/13	03/01/13
Subscription price (€)	4.30	4.30	4.30	4.10	4.10	4.10
Options cancelled at 31/12/12	82,700	82,700	82,700	122,100	122,100	453,200
Options exercised at 31/12/12	128,466	128,466	124,468	109,468	109,468	1,581,068

Options not yet exercised at 31/12/12	25,534	25,534	29,532	12,134	12,134	26,132
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Stock option plans approved in 2008:

	Managers and Employees of the Gameloft Group's US and Canadian Subsidiaries			The Gameloft Group's Managers and Employees, Excluding Employees of the Group's US and Canadian Subsidiaries.		
Board of Directors' meeting	11/04/2008			11/04/2008		
Number of shares eligible for subscription	534,300			3,110,250		
Number of people concerned	48			199		
of which are managers	1			4		
Start of exercise period	11/04/10	11/04/11	11/04/12	11/04/10	11/04/11	11/04/12
End of exercise period	11/04/14	11/04/14	11/04/14	11/04/14	11/04/14	11/04/14
Subscription price (€)	2.95	2.95	2.95	2.80	2.80	2.80
Options cancelled at 31/12/12	21,100	22,100	32,100	89,700	118,490	442,800
Options exercised at 31/12/12	157,000	116,800	49,100	255,897	110,948	794,310
Options not yet exercised at 31/12/12	0	39,200	96,900	0	35,955	776,040

Stock option plans approved in 2009:

	Managers and Employees of the Gameloft Group's Subsidiaries	
Board of Directors' meeting	14/05/09	
Number of shares eligible for subscription	2,208,500	
Number of people concerned	189	
of which are managers	2	
Start of exercise period	14/05/11	14/05/13
End of exercise period	14/05/15	14/05/15
Subscription price (€)	2.36	2.36
Options cancelled at 31/12/12	116,350	202,775
Options exercised at 31/12/12	574,442	220,943
Options not yet exercised at 31/12/12	413,458	680,532

Stock option plans approved in 2010:

	Managers and Employees of the Gameloft Group's Subsidiaries	
Board of Directors' meeting	01/06/2010	
Number of shares eligible for subscription	2,240,000	
Number of people concerned	189	
of which are managers	2	
Start of exercise period	01/06/2012	01/06/2013
End of exercise period	01/06/2014	01/06/2014
Subscription price (€)	3.82	3.82
Options cancelled at 31/12/12	161,750	170,250
Options exercised at 31/12/12	479,750	-
Options not yet exercised at 31/12/12	478,500	949,750

Stock option plans approved in 2011:

	Managers and Employees of the Gameloft Group's Subsidiaries	
Board of Directors' meeting	20/09/2011	
Number of shares eligible for subscription	2,245,000	
Number of people concerned	170	
of which are managers	2	
Start of exercise period	20/09/2013	20/09/2014
End of exercise period	20/09/2015	20/09/2015
Subscription price (€)	3.87	3.87
Options cancelled at 31/12/12	45,000	45,000
Options exercised at 31/12/12	-	-
Options not yet exercised at 31/12/12	1,077,500	1,077,500

Stock option plans approved in 2012:

	Managers and Employees of the Gameloft Group's Subsidiaries	
Board of Directors' meeting	06/07/2012	
Number of shares eligible for subscription	1,606,000	
Number of people concerned	147	
of which are managers	0	
Start of exercise period	06/07/2014	
End of exercise period	06/07/2016	
Subscription price (€)	4.88	
Options cancelled at 31/12/12	15,100	
Options exercised at 31/12/12	-	
Options not yet exercised at 31/12/12	1,590,900	

Information on the employee stock ownership plan

Stock Options Granted to and Exercised by the Top 10 Non-Management Employees	Number	Weighted Average Price	Plan Number and Expiration Date
Stock Options Granted during the Fiscal Year by the Issuer and Across All the Group's Companies Combined	354,000	€4.88	Plan Number 12 of 06/07/2014
Options Exercised during the Fiscal Year by the 10 Employees Who Exercised the Greatest Number of Exercised Options Across All the Group's Companies Combined	1,127,431	€3.66	Plan Number 7 of 03/01/2013 Plan Number 8 of 11/04/2014 Plan Number 9 of 14/05/2015 Plan Number 10 of 01/06/2014

2.3.2.2.6 Bonus Issues of Shares (Plans in Effect at 31 December 2012)

Bonus share plans approved in 2009:

	French Managers and Employees of Gameloft SE
Date of the Board of Directors' meeting	21/04/09

Total number of shares	720,750
Total number of recipients	55
of which are managers	3
including 10 top employee allottees	418,500
Date of purchase of shares	21/04/11
Retention end date – date of transferability	22/04/13
Performance conditions	- Employee recipients: continuous presence in the Gameloft Group during the entirety of the vesting period. - Proxy recipients: internal and external performance conditions.
Number of shares cancelled at 31/12/12	3,500
Number of shares cancelled at 31/12/12	717,250
Total shares at 31/12/12	0

Bonus share plans approved in 2010:

	French Managers and Employees of Gameloft SE
Date of the Board of Directors' meeting	01/06/2010
Total number of shares	733,250
Total number of recipients	60
of which are managers	3
including 10 top employee allottees	417,000
Date of purchase of shares	01/06/2012
Retention end date – date of transferability	01/06/2014
Performance conditions	- Employee recipients: continuous presence in the Gameloft Group during the entirety of the vesting period. - Proxy recipients: internal and external performance conditions.
Number of shares cancelled at 31/12/12	129,750
Number of shares cancelled at 31/12/12	603,500
Total shares at 31/12/12	0

Bonus share plans approved in 2011:

	French Managers and Employees of Gameloft SE
Date of the Board of Directors' meeting	20/09/2011
Total number of shares	548,900
Total number of recipients	47
of which are managers	3
including 10 top employee allottees	310,900
Date of purchase of shares	20/09/2013
Retention end date – date of transferability	20/09/2015
Performance conditions	- Employee recipients: continuous presence in the Gameloft Group during the entirety of the vesting period. - Proxy recipients: internal and external performance conditions.
Number of shares cancelled at 31/12/12	54,600
Total shares at 31/12/12	494,300

Bonus share plans approved in 2012:

	The Gameloft Group's Managers and Employees
Date of the Board of Directors' meeting	06/07/2012
Total number of shares	750,000
Total number of recipients	51
of which are managers	5
including 10 top employee allottees	375,800
Date of purchase of shares	06/07/2014
Retention end date – date of transferability	06/07/2016
Performance conditions	- Employee recipients: continuous presence in the Gameloft Group during the entirety of the vesting period. - Proxy recipients: internal and external performance conditions.
Number of shares cancelled at 31/12/12	4,700
Total shares at 31/12/12	745,300

2.3.2.2.7 The Employee Stock Ownership Plan within the Framework of a Collective Employee Shareholding Plan (Hereinafter FCPE)

The Combined General Meeting of 19 June 2012 authorised the Board of Directors to issue, at its sole discretion, a share capital increase reserved for French employees, within a maximum limit of 1% of the share capital as of the date of the Board of Directors' decision, via the FCPE. The Board of Directors did not make use of this authorisation during the fiscal year ended 31 December 2012.

2.3.2.2.8 Change in Share Capital over the Last Three Fiscal Years

Date	Type of Operation	Number of Shares	Total Number of Shares	Share Par Value	Issue Premium			
						By Cash Contribution	By Contribution in Kind	Total Capital
31/12/10	Share capital increase noted after exercise of stock options in 2010	285,050	75,082,924	€0.05	€859,402.50	€873,655		€3,754,146.20
31/12/11	Share capital increase noted after exercise of stock options and bonus shares in 2011	2,023,056	77,105,980	€0.05	€4,172,948.30	€4,274,101.10		€3,855,299
31/12/12	Share capital increase noted after exercise of stock options and bonus shares in 2012	4,712,544	81,818,524	€0.05	€14,040,907.30	€14,276,534.50		€4,090,926.20

2.3.2.2.9 Securities Not Representing Capital

Nil.

2.3.2.2.10 Purchase Rights or Obligations Linked to Capital Subscribed but Not Paid

Nil.

2.3.2.2.11 Options or Agreements Not Conditional on a Member of the Group

Nil.

2.3.2.2.12 Identifying Security Holders

Article 7 of the Articles of Association authorises the company to implement a procedure identifying security holders.

2.3.2.2.13 Provision Causing a Delay in Change in Control

Nil.

2.3.2.2.14 Clause Establishing Approval Requirement

Nil.

2.3.2.2.15 Provision Governing Changes in Capital when These Conditions Are Stricter than Those Provided by Law

Nil.

2.3.2.2.16 Gameloft Shares

2.3.2.2.16.1 Change in Share Price

Month	Maximum Price (in Euros)	Minimum Price (in Euros)	Average Price (in Euros)	Trading Volume
January 2009	1.74	1.37	1.56	1,461,584
February 2009	1.67	1.26	1.51	1,216,053
March 2009	1.83	1.27	1.62	1,826,636
April 2009	2.65	1.56	1.97	3,253,467
May 2009	3.04	2.50	2.78	2,660,309
June 2009	2.98	2.60	2.76	1,540,829
July 2009	2.77	2.16	2.42	6,083,667
August 2009	2.91	2.60	2.78	1,998,601
September 2009	3.89	2.65	3.27	9,789,983
October 2009	3.96	3.10	3.68	3,840,852
November 2009	3.68	3.11	3.36	5,715,564
December 2009	3.53	2.92	3.26	3,680,869
January 2010	4.21	3.50	3.82	5,813,838
February 2010	3.94	3.00	3.25	5,219,969
March 2010	3.60	3.12	3.37	4,737,550
April 2010	4.15	3.54	3.81	6,586,115
May 2010	4.08	3.52	3.83	6,705,810
June 2010	4.07	3.62	3.86	3,696,432
July 2010	3.79	3.37	3.66	2,356,564
August 2010	3.81	3.36	3.57	1,846,746
September 2010	3.66	3.41	3.55	2,559,663
October 2010	4.45	3.58	4.16	4,114,696
November 2010	4.93	4.20	4.46	4,046,386
December 2010	5.46	4.32	4.96	5,963,381
January 2011	5.28	4.76	4.97	4,202,473
February 2011	4.75	4.47	4.62	6,015,561
March 2011	4.19	4.67	4.61	7,451,640
April 2011	4.92	4.42	4.58	4,290,665
May 2011	5.14	4.84	5.04	3,727,124
June 2011	5.27	4.87	5.00	2,599,910
July 2011	4.59	5.02	4.82	1,835,818
August 2011	3.72	4.84	4.02	3,880,946
September 2011	3.92	3.58	3.70	2,670,903
October 2011	4.11	3.21	4.03	3,900,309
November 2011	4.76	3.90	4.76	6,975,501
December 2011	5.04	4.48	4.84	4,616,441
January 2012	5.40	4.79	5.03	2,962,053
February 2012	5.39	4.83	5.07	3,625,599
March 2012	5.10	4.09	4.78	6,506,432

April 2012	4.87	4.21	4.59	3,507,525
May 2012	5.08	4.43	4.81	3,159,908
June 2012	5.05	4.71	4.85	2,142,367
July 2012	5.02	4.46	4.82	2,352,842
August 2012	5.01	4.64	4.81	1,625,346
September 2012	5.28	4.65	5.00	3,846,236
October 2012	5.45	5.04	5.30	2,266,743
November 2012	5.74	5.11	5.38	3,487,809
December 2012	5.74	5.14	5.41	3,329,191

2.3.2.2.16.2 Change in Number of Shares

	Par Value in €	Number of Shares	Amount in €K
At 31/12/09	0.05	74,797,874	3,740
Exercised options on 11/04/2008	0.05	144,950	7
US options exercised on 11/04/2008	0.05	94,100	5
Exercised options on 03/01/2007	0.05	38,000	2
US options exercised on 03/01/2007	0.05	8,000	0
At 31/12/10	0.05	75,082,924	3,754
Exercised options on 11/01/2006	0.05	10,000	0
Exercised options on 03/01/2007	0.05	271,405	14
US options exercised on 03/01/2007	0.05	87,200	4
F options exercised on 03/01/2007	0.05	188,206	9
Exercised options on 11/04/2008	0.05	221,895	11
US options exercised on 11/04/2008	0.05	130,600	7
F options exercised on 11/04/2008	0.05	43,000	2
Exercised options on 14/05/2009	0.05	353,500	18
Allotment of bonus shares on 21/04/2009	0.05	717,250	36
At 31/12/11	0.05	77,105,980	3,855
Exercised options on 03/01/2007	0.05	394,795	20
US options exercised on 03/01/2007	0.05	286,200	14
F options exercised on 03/01/2007	0.05	1,170,794	59
Exercised options on 11/04/2008	0.05	729,165	37
US options exercised on 11/04/2008	0.05	98,200	5
F options exercised on 11/04/2008	0.05	508,255	25
Exercised options on 14/05/2009	0.05	441,885	22
Exercised options on 01/06/2010	0.05	479,750	24
Allotment of bonus shares on 01/06/2010	0.05	603,500	30
At 31/12/12	0.05	81,818,524	4,091

2.3.2.2.17 Dividends

The company has not distributed any dividends in the course of the last three fiscal years and does not foresee, for the moment, distributing any in the near future.

2.3.2.2.18 Securities Services Provider

CACEIS Corporate Trust
14 rue Rouget de Lisle
92862 Issy-les-Moulineaux Cedex 09

2.3.2.3 Key Shareholders

2.3.2.3.1 Changes in the Share Structure over the Last Three Fiscal Years

At 31 December 2010	Capital and Voting Rights			
	Number of Shares	% of Capital	Voting Rights	% of Voting Rights
Guillemot family	11,178,294	14.888%	22,197,688	25.673%
Guillemot Brothers S.A.	5,174,548	6.892%	10,349,096	11.969%

Claude Guillemot	2,042,706	2.721%	4,085,412	4.725%
Michel Guillemot	1,683,050	2.242%	3,366,100	3.893%
Yves Guillemot	382,609	0.510%	756,318	0.875%
Gérard Guillemot	688,648	0.917%	1,377,296	1.593%
Christian Guillemot	781,703	1.041%	1,563,406	1.808%
Yvette Guillemot	170,030	0.226%	340,060	0.393%
Marcel Guillemot	95,000	0.127%	190,000	0.220%
Tiphaine Guillemot	160,000	0.213%	170,000	0.197%
Guillemot Corporation S.A.	68,023	0.091%	68,023	0.079%
Treasury shares	-	0.000%	-	0.000%
Fidelity (FMR)	8,377,701	11.158%	8,377,701	9.689%
T. Rowe Price	7,466,181	9.944%	7,466,181	8.635%
Crédit Agricole	6,314,783	8.410%	6,314,783	7.303%
Allianz	5,101,591	6.795%	5,101,591	5.900%
Public	36,576,351	48.714%	36,936,812	42.721%
Total	75,082,924	100%	86,462,779	100%

At 31 December 2011

Capital and Voting Rights

	Number of Shares	% of Capital	Voting Rights	% of Voting Rights
Guillemot family	10,407,217	13.498%	20,590,284	23.487%
Guillemot Brothers S.A.	4,918,221	6.379%	9,836,442	11.221%
Claude Guillemot	2,061,456	2.674%	4,104,162	4.682%
Michel Guillemot	1,692,050	2.194%	3,375,100	3.850%
Yves Guillemot	401,359	0.521%	775,068	0.884%
Gérard Guillemot	568,648	0.737%	1,137,296	1.297%
Christian Guillemot	340,453	0.442%	662,156	0.755%
Yvette Guillemot	170,030	0.221%	340,060	0.388%
Marcel Guillemot	95,000	0.123%	190,000	0.217%
Tiphaine Guillemot	160,000	0.208%	170,000	0.194%
Guillemot Corporation S.A.	68,023	0.088%	68,023	0.078%
Treasury shares	-	0.000%	-	0.000%
Fidelity (FMR)	8,742,775	11.339%	8,742,775	9.973%
T. Rowe Price	7,519,735	9.752%	7,519,735	8.578%
Crédit Agricole	3,777,745	4.899%	3,777,745	4.390%
Amiral Gestion	3,168,076	4.109%	3,168,076	3.614%
Public	43,422,409	56.315%	43,767,451	49.926%
Total	77,105,980	100%	87,664,089	100%

At 31 December 2012

Capital and Voting Rights

	Number of Shares	% of Capital	Voting Rights	% of Voting Rights
Guillemot family	10,662,832	13.032%	19,825,899	21.725%
Guillemot Brothers S.A.	4,398,221	5.376%	8,796,442	9.639%
Claude Guillemot	2,113,956	2.584%	4,156,662	4.555%
Michel Guillemot	2,885,165	3.526%	4,568,215	5.006%
Yves Guillemot	216,359	0.264%	390,068	0.427%
Gérard Guillemot	568,648	0.695%	1,137,296	1.246%
Christian Guillemot	55,453	0.068%	77,156	0.085%
Yvette Guillemot	170,030	0.208%	340,060	0.373%
Marcel Guillemot	95,000	0.116%	190,000	0.208%
Tiphaine Guillemot	160,000	0.196%	170,000	0.186%

Guillemot Corporation S.A.	68,023	0.083%	68,023	0.075%
Treasury shares	-	0.000%	-	0.000%
Fidelity (FMR)	8,853,946	10.821%	8,853,949	9.702%
Cyrte Investments	4,288,319	5.241%	4,288,319	4.699%
T. Rowe Price	3,936,233	4.811%	3,936,233	4.313%
Amiral Gestion	3,168,076	3.872%	3,168,076	3.472%
Public	50,841,095	62.139%	51,116,479	56.014%
Total	81,818,524	100%	91,256,975	100%

2.3.2.3.2 Distribution of Capital and Voting Rights at 31 March 2013

At 31 March 2013	<i>Capital and Voting Rights</i>			
	Number of Shares	% of Capital	Voting Rights	% of Voting Rights
Guillemot family	10,532,843	12.872%	19,565,899	21.469%
Guillemot Brothers S.A.	4,268,221	5.216%	8,536,442	9.367%
Claude Guillemot	2,113,956	2.583%	4,156,662	4.561%
Michel Guillemot	2,885,165	3.526%	4,568,215	5.013%
Yves Guillemot	216,359	0.264%	390,068	0.428%
Gérard Guillemot	568,648	0.695%	1,137,296	1.248%
Christian Guillemot	55,453	0.068%	77,156	0.085%
Yvette Guillemot	170,030	0.208%	340,060	0.373%
Marcel Guillemot	95,000	0.116%	190,000	0.208%
Tiphaine Guillemot	160,000	0.196%	170,000	0.186%
Guillemot Corporation S.A.	68,023	0.083%	68,023	0.075%
Treasury shares	-	0.000%	-	0.000%
Fidelity (FMR)	8,853,946	10.820%	8,853,949	9.715%
Cyrte Investments	4,288,319	5.241%	4,288,319	4.705%
T. Rowe Price	3,936,233	4.810%	3,936,233	4.319%
Amiral Gestion	3,168,076	3.872%	3,168,076	3.476%
Public	50,981,084	62.302%	51,255,025	56.240%
Total	81,828,524	100%	91,135,524	100%

To the company's knowledge, there are no other shareholders who own 5% or more, either directly, indirectly or in concert, of the capital or voting rights.

2.3.2.3.3 Holdings outside Thresholds concerning Capital and Voting Rights

2.3.2.3.3.1 Gameloft SE Holdings outside Thresholds concerning Capital and Voting Rights during Fiscal Year 2012:

- On 13 February 2012, the share of voting rights held by Crédit Agricole S.A. (91-93 boulevard Pasteur, 75015 Paris, France) indirectly through the intermediaries of Crédit Agricole Corporate and Investment Bank and Crédit Agricole Chevreux fell below the 4% statutory threshold. Crédit Agricole S.A. then held 3,439,094 Gameloft shares representing as many voting rights, i.e. 4.46% of capital and 3.93% of existing voting rights.
- On 22 February 2012, the share of voting rights held by Mr Michel Guillemot rose above the 4% statutory threshold. Mr Michel Guillemot then individually held 2,312,050 Gameloft shares representing 3,955,100 voting rights, i.e. 2.98% of capital and 4.54% of existing voting rights.
- On 19 March 2012, the share of capital held by Groupama Asset Management rose above the 1% statutory threshold. Groupama Asset Management then held 868,896 Gameloft shares representing as many voting rights, i.e. 1.12% of capital and 0.99% of existing voting rights.

- On 22 March 2012, the share of capital held by Cyrt Investments B.V. (Flevolaan 41a, 1411 KC Naarden, The Netherlands) rose above the 5% statutory threshold. Cyrt Investments B.V., acting on behalf of the fund account it manages, then held 4,058,319 Gameloft shares representing as many voting rights, i.e. 5.22% of capital and 4.61% of existing voting rights.
- On 22 March 2012, the share of capital held by BNP Paribas Asset Management fell below the 1% statutory threshold. BNP Paribas Asset Management then held 638,049 Gameloft shares representing as many voting rights, i.e. 0.82% of capital and 0.72% of existing voting rights.
- On 23 March 2012, the share of capital held by Mr Michel Guillemot rose above the 3% statutory threshold. Mr Michel Guillemot then individually held 2,396,050 Gameloft shares representing 4,079,100 voting rights, i.e. 3.08% of capital and 4.63% of existing voting rights.
- On 11 April 2012, the share of voting rights held by Mr Michel Guillemot rose above the 5% statutory threshold. Mr Michel Guillemot then individually held 2,795,165 Gameloft shares representing 4,478,215 voting rights, i.e. 3.59% of capital and 5.08% of existing voting rights.
- On 1 June 2012, the share of capital and voting rights held by UBS Investment Bank, Wealth Management and Corporate Center fell below the 1% statutory threshold. UBS Investment Bank, Wealth Management and Corporate Center then held 134,605 Gameloft shares representing as many voting rights, i.e. 0.17% of capital and 0.15% of existing voting rights.
- On 13 June 2012, the share of capital held by T. Rowe Price Associates, Inc. (100 East Pratt Street, Baltimore, Maryland 21202, USA) rose above the 5% statutory threshold. T. Rowe Price Associates, Inc. then held 3,936,233 Gameloft shares representing as many voting rights, i.e. 5.01% of capital and 4.43% of existing voting rights.
- On 18 June 2012, the share of capital held by Crédit Agricole S.A. (91-93 boulevard Pasteur, 75015 Paris, France) indirectly through the intermediary of Crédit Agricole Corporate and Investment Bank fell below the 4% statutory threshold. Crédit Agricole S.A. then held 3,121,463 Gameloft shares representing as many voting rights, i.e. 3.97% of capital and 3.52% of existing voting rights.
- On 3 July 2012, the share of capital and voting rights held by Crédit Agricole S.A. (91-93 boulevard Pasteur, 75015 Paris, France) indirectly through the intermediary of Crédit Agricole Corporate and Investment Bank fell below the 3% statutory threshold. Crédit Agricole S.A. then held 2,320,193 Gameloft shares representing as many voting rights, i.e. 2.95% of capital and 2.61% of existing voting rights.
- On 13 August 2012, the share of capital held by T. Rowe Price Associates, Inc. (100 East Pratt Street, Baltimore, Maryland 21202, USA) fell below the 5% statutory threshold. T. Rowe Price Associates, Inc. then held 3,960,799 Gameloft shares representing as many voting rights, i.e. 4.97% of capital and 4.42% of existing voting rights.
- On 13 September 2012, the share of capital and voting rights held by Crédit Agricole S.A. (91-93 boulevard Pasteur, 75015 Paris, France) indirectly through the intermediary of Crédit Agricole Corporate and Investment Bank fell below the 2% statutory threshold. Crédit Agricole S.A. then held 1,301,565 Gameloft shares representing as many voting rights, i.e. 1.64% of capital and 1.45% of existing voting rights.
- On 19 September 2012, the share of voting rights held by FMR LLC (82 Devonshire Street, Boston, Massachusetts 02109, USA) fell below the 10% statutory threshold. FMR LLC then held 8,947,849 Gameloft shares representing as many voting rights, i.e. 11.25% of capital and 9.99% of existing voting rights.
- On 24 September 2012, the share of voting rights held by Guillemot Brothers S.A. (Place de l'Etoile, 59910 Carentoir) fell below the 10% statutory threshold. Guillemot Brothers S.A. then held 4,398,221 Gameloft shares representing 8,796,442 voting rights, i.e. 5.53% of capital and 9.88% of existing voting rights.
- On 1 October 2012, the share of voting rights held by FMR LLC (82 Devonshire Street, Boston, Massachusetts 02109, USA) rose above the 10% statutory threshold. FMR LLC then held 8,947,849 Gameloft shares representing as many voting rights, i.e. 11.25% of capital and 10.05% of existing voting rights.

- On 15 November 2012, the share of voting rights held by FMR LLC (82 Devonshire Street, Boston, Massachusetts 02109, USA) fell below the 10% statutory threshold. FMR LLC then held 8,853,949 Gameloft shares representing as many voting rights, i.e. 11.13% of capital and 9.95% of existing voting rights.

2.3.2.3.3.2 Gameloft SE Holdings outside Thresholds concerning Capital and Voting Rights after the Closing of Fiscal Year 2012:

- On 15 March 2013, the share of capital and voting rights held by the Canada Pension Plan Investment Board (One Queen Street East Suite 2500, Toronto, Ontario M5C 2W5, Canada) rose above the 1% statutory threshold. The Canada Pension Plan Investment Board then held 1,378,120 Gameloft shares representing as many voting rights, i.e. 1.68% of capital and 1.51% of existing voting rights.

2.3.2.3.4 Agreements Made by the Company Which Are Amended or Terminated in Case of Change in Control

Some of the company's agreements could be terminated in case of a change in control of the company, with the stipulation that such an occurrence is not routine and that this is merely a possibility.

2.3.2.3.5 Shareholders' Agreements

To the company's knowledge, there are no declared or undeclared shareholders' agreements concerning Gameloft shares.

2.4 Corporate Governance

2.4.1 Code of Corporate Governance

In application of the 3 July 2008 Act implementing the European Union Directive 2006/46/EC of 14 June 2006, the company shall thus refer to the code of corporate governance of listed companies published in December 2008, resulting from the consolidation of the AFEP and the MEDEF's October 2003 report and the AFEP/MEDEF's January 2007 and October 2008 recommendations on the compensation of executive directors of listed companies (the "AFEP/MEDEF code") notably through the report prescribed by Article L. 225-37 of the French Commercial Code. The AFEP/MEDEF code is available on the MEDEF website (www.medef.fr).

2.4.2 Composition and Operation of the Board of Directors and Management

2.4.2.1 Composition of the Board of Directors

Name	Start Date of Term	Expiration Date of Term
Michel Guillemot Chairman of the Board of Directors	3 December 2001 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Christian Guillemot Director	Incorporation meeting of 1 December 1999 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Claude Guillemot Director	Incorporation meeting of 1 December 1999 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Yves Guillemot Director	Incorporation meeting of 1 December 1999 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December

		2014
Gérard Guillemot Director	Incorporation meeting of 1 December 1999 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Marie-Thérèse Guiny Director	General Meeting of 22 June 2011	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2016

2.4.2.2 The Group's Management

Name	Start Date of Term	Expiration Date of Term
Michel Guillemot Chief Executive Officer	3 December 2001 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Christian Guillemot Executive Vice President Administration	1 December 1999 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Claude Guillemot Executive Vice President Technologies	1 December 1999 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Yves Guillemot Executive Vice President Strategy and Development	1 December 1999 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Gérard Guillemot Executive Vice President Strategy and Development	1 June 2008 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014

2.4.2.3 Rules Applicable to the Appointment and Replacement of the Members of the Board of Directors

During the course of the company's existence, directors are appointed, reappointed or removed by the Ordinary General Meeting.

Between two meetings, and in case of a vacancy due to death or resignation, the Board of Directors may make appointments on a temporary basis and these appointments must be approved at the next meeting.

When, pursuant to the laws and regulations in force, a director is appointed to replace another director, he holds this office only for the remainder of his predecessor's term.

Directors are appointed for six years. Their terms of office expire at the end of the Ordinary General Meeting called to approve the financial statements of the preceding fiscal year and held during the year in which their terms expire.

2.4.2.4 Operation of the Board of Directors and Management

The Board of Directors defines the company's general strategic policies, which are in turn implemented by General Management under its supervision. Subject to the powers expressly granted to shareholders' meetings and within the limits of the corporate purpose, the Board of Directors deals with all issues affecting the company's proper functioning and, through its proceedings, handles all matters concerning the company. In addition to the Board of

Directors' meetings, each director receives information on a regular basis from General Management regarding the company's business and current operations.

To help the Board members prepare their work and based on necessity, memoranda are sent in advance to the Directors. Minutes of the Board of Directors' meetings are prepared at the end of the meeting and sent immediately to all the Directors.

2.4.2.5 Absence of Fraud Conviction, of Association with Bankruptcy or of Incrimination and/or Public Sanction

To the company's knowledge, over the last five years:

- none of the members of the Board of Directors has been convicted of fraud;
- none of the members of the Board of Directors has been associated with a bankruptcy, receivership or court-ordered liquidation proceeding;
- no official public incrimination and/or sanction has been delivered by a statutory or regulatory authority against any of the members of the Board of Directors.

To the company's knowledge, in the last five years no member of the Board of Directors has been prohibited by a court from acting in his capacity as a member of an issuer's administrative, management or supervisory body or from being involved in the management or running of an issuer's business.

2.4.2.6 Loans and Guarantees Granted to the Board of Directors

The company has not extended any loan or granted any guarantee to a member of the Board of Directors.

2.4.2.7 Potential Conflicts of Interest concerning Members of the Board of Directors

To the company's knowledge, there is no potential conflict of interest between any of the members of the company's Board of Directors' obligations toward the company and their own private interests.

Michel, Claude, Yves, Gérard and Christian Guillemot are brothers and members of the Management and Board of Directors of Gameloft SE and Ubisoft Entertainment S.A. As such, there may be potential conflicts of interest when these two companies have occasion to work together on certain projects.

The two companies are bound by a trademark licence contract under which Ubisoft Entertainment S.A. granted to Gameloft SE a licence to operate trademarks that it owns or for which it was granted a licence to operate. The trademark licence was granted in return for the payment of royalties proportional to the sales figures posted by Gameloft SE. This agreement is one of Gameloft SE's regulated agreements, the details of which appear in §5.1 of this document.

Gérard Guillemot is a Director of Gameloft SE and Longtail Studios Inc. Christian Guillemot is a Director of Gameloft SE and Longtail Studios Inc. Gameloft SE distributed to its telecom operator customers the *Love Triangle* mobile game developed by the design studios at Longtail Studios Inc. This agreement is one of Gameloft SE's regulated agreements, the details of which appear in §5.1 of this document.

Michel, Claude, Yves, Gérard and Christian Guillemot are Directors of Gameloft SE and Advanced Mobile Applications Limited. Gameloft SE distributed the mobile games developed by Advanced Applications Limited's design studios.

2.4.2.8 Services Contract with the Issuer and Its Subsidiaries

No services contract has been made between the members of the Board of Directors and the issuer or any of the group's subsidiaries which grants a benefit at the end of such contract.

2.4.3 Composition/Role and Functions of the Board of Directors' Committees

2.4.3.1 Composition of the Committees

Appointments and Compensation Committee	Audit Committee
Marie-Thérèse Guiny, Chairperson	Marie-Thérèse Guiny, Chairperson
Claude Guillemot, Secretary	Claude Guillemot
	Christian Guillemot

2.4.3.2 Role and Functions of the Committees of the Board

2.4.3.2.1 Appointments and Compensations Committee

The role of the Appointments and Compensation Committee is to review the compensation of the members of the Board of Directors, the Chief Executive Officer and the Executive Vice Presidents and to decide whether it is appropriate to grant them stock options. The Committee will review candidacies and make proposals to the Board of Directors regarding the appointment or reappointment of directors and, in particular, the selection of independent directors.

2.4.3.2.2 Audit Committee

The role of the Audit Committee is to:

- examine the accounts and ensure the appropriateness and consistency of the accounting methods used to prepare the company's consolidated and individual financial statements;
- monitor the financial reporting process;
- monitor the efficiency of the internal control and risk management systems.

2.4.4 Other Offices Held by Directors

2.4.4.1 Offices Currently Held at 31 December 2012

2.4.4.1.1 Offices Currently Held within the Gameloft Group

Member	Offices Currently Held
Michel Guillemot	Manager of Gameloft Rich Games Production France SARL President of Gameloft Partnerships SAS President of Gameloft France SAS President of Ludigames SAS President and Director of Gameloft Inc. (United States) President and Director of Gameloft Inc. (Canada) President and Director of Gameloft Limited (Great Britain) President of Gameloft Srl (Romania) President of Gameloft Software (Beijing) Company Ltd. (China) President of Gameloft Software (Chengdu) Company Ltd. (China) President of Gameloft Software (Shenzhen) Company Ltd. (China) Manager of Gameloft GmbH (Germany) Manager of Gameloft Srl (Italy) Manager of Gameloft EOOD (Bulgaria) Manager of Gameloft S. de R.L. de C.V. (Mexico) Manager of Gameloft S.R.O. (Czech Republic) President and Director of Gameloft KK (Japan) President and Director of Gameloft Company Ltd. (Vietnam) President and Director of Gameloft Iberica S.A. (Spain) President and Director of Gameloft Argentina S.A. (Argentina) President and Director of Gameloft Private India (India) President and Director of Gameloft Co. Ltd. (Korea)

	President and Director of Gameloft Ltd. (Hong Kong) President and Director of Gameloft Philippines Inc. (Philippines) President and Director of Gameloft Limited (Singapore) President and Director of PT Gameloft Indonesia (Indonesia) President of Gameloft Live Développements Inc. (Canada) President and Director of Gameloft Entertainment Toronto Inc. (Canada) President and Director of Gameloft New Zealand (New Zealand) President and Director of Gameloft Hungary Software Development and Promotion Kft. (Hungary) Director of Gameloft Australia Pty. Ltd. (Australia) Director of Gameloft de Venezuela S.A. (Venezuela)
Claude Guillemot	Director of Gameloft Inc. (United States) Director of Gameloft Iberica S.A. (Spain) Director of Gameloft Inc. (Canada) Director of Gameloft Limited (England) Director of Gameloft Live Développements Inc. (Canada)
Yves Guillemot	Director of Gameloft Inc. (Canada) Director of Gameloft Live Développements Inc. (Canada)
Gérard Guillemot	Director of Gameloft Inc. (United States) Director of Gameloft Inc. (Canada) Director of Gameloft Live Développements Inc. (Canada)
Christian Guillemot	Director of Gameloft Inc. (United States) Director of Gameloft Iberica S.A. (Spain) Director of Gameloft Inc. (Canada) Director of Gameloft Limited (England) Director of Gameloft Live Développements Inc. (Canada)

2.4.4.1.2 Offices Currently Held outside the Gameloft Group

Michel Guillemot	Director and Executive Vice President of Guillemot Brothers SE (France) Director and Executive Vice President of Ubisoft Entertainment S.A. (France) Director of Advanced Mobile Applications Ltd. (Great Britain) Director and Executive Vice President of Guillemot Corporation S.A. Director of Guillemot Inc. (United States) Director of Guillemot Limited (Great Britain) Director of Guillemot Inc. (Canada) Director of Guillemot S.A. (Belgium)
Claude Guillemot	Director and Executive Vice President of Guillemot Brothers SE (France) Director and Executive Vice President of Ubisoft Entertainment S.A. (France) Director of Ubisoft Nordic A/S (Denmark) Director of Ubisoft Sweden A/B (Sweden) Director of Ubisoft Emirates FZ LLC (United Arab Emirates) Alternate Director of Ubisoft Entertainment Sweden A/B (Sweden) Alternate Director of Redlynx Oy (Finland) Director of Advanced Mobile Applications Ltd. (Great Britain) President of Hercules Thrustmaster SAS Chief Executive Officer of Guillemot Corporation S.A. Chief Executive Officer of Guillemot Innovation Labs SAS (France) President and Director of Guillemot Inc. (Canada) President and Director of Guillemot Recherche et Développement Inc. (Canada) President and Director of Guillemot Inc. (United States) Manager of Guillemot GmbH (Germany) Director of Guillemot Limited (Great Britain) Director of Guillemot Corporation (HK) Limited (Hong Kong) Director of Guillemot S.A. (Belgium) Director of Guillemot S.R.L. (Italy) Director of Guillemot Romania S.R.L. (Romania) Director of Guillemot Spain S.L. (Spain)
Yves Guillemot	Director and Executive Vice President of Guillemot Brothers SE (France)

	<p> Chief Executive Officer of Ubisoft Entertainment S.A. (France) President of Ubisoft France SAS (France) President of Ubisoft Emea SAS (France) President of Ubisoft International SAS (France) President of Ubisoft Montpellier SAS (France) President of Ubisoft Paris SAS (France) President of Ubisoft Annecy SAS (France) President of Ubisoft Production Internationale SAS (France) President of Nadéo SAS (France) President of Owlent SAS (France) President of Ubisoft Motion Pictures Rabbids SAS (France) President of Ubisoft Motion Splinter Cell SAS (France) President of Ubisoft Motion Assassin's Creed SAS (France) President of Ubisoft Motion Far Cry SAS (France) President of Ubisoft Motion Ghost Recon SAS (France) President and Director of Ubisoft Divertissements Inc. (Canada) President and Director of Ubisoft Canada Inc. (Canada) President and Director of Ubisoft Music Inc. (Canada) President and Director of Ubisoft Publishing Music Inc. (Canada) President and Director of Hybride Technologies Inc. (Canada) President and Director of Ubisoft Toronto Inc. (Canada) President and Director of Quazal Technologies Inc. (Canada) President and Director of Ubisoft Nordic A/S (Denmark) President and Director of Red Storm Entertainment Inc. (United States) President and Director of Ubisoft Entertainment India Private Ltd. (India) President and Director of Ubi Games S.A. (Switzerland) Chief Executive Officer and Director of Ubisoft Emirates FZ LLC (United Arab Emirates) Manager of Ubisoft Learning & Development SARL (France) Manager of Ubisoft Motion Pictures SARL (France) Manager of Ubisoft Entertainment SARL (Luxembourg) Manager of Spieleentwicklungskombinat GmbH (Germany) Manager of Ubisoft GmbH (Germany) Manager of Blue Byte GmbH (Germany) Manager of Ubisoft EooD (Bulgaria) Manager of Ubisoft Studios S.R.L. (Italy) Manager of Ubisoft SARL (Morocco) Manager of Script Movie SARL (France) Vice President and Director of Ubisoft Inc. (United States) Executive Director of Shanghai Ubi Computer Software Company Ltd. (China) Executive Director of Chengdu Ubi Computer Software Company Ltd. (China) Director of Ubisoft BV (Netherlands) Director of Ubisoft Pty. Ltd. (Australia) Director of Ubisoft S.A. (Spain) Director of Ubisoft Ltd. (Great Britain) Director of Ubisoft Entertainment Ltd. (Great Britain) Director of Red Storm Entertainment Ltd. (Great Britain) Director of Ubisoft Ltd. (Hong Kong) Director of Ubisoft Studios S.L. (Spain) Director of Ubisoft S.p.A. (Italy) Director of Ubisoft KK (Japan) Director of Ubisoft Osaka KK (Japan) Director of Ubisoft S.R.L. (Romania) Director of Ubisoft Singapore Pte. Ltd. (Singapore) Director of Ubisoft Sweden AB (Sweden) Director of Ubisoft Entertainment Sweden AB (Sweden) Director of Redlynx Oy (Finland) Director and Executive Vice President of Guillemot Corporation S.A. Director of Guillemot Inc. (United States) Director of Guillemot Limited (Great Britain) </p>
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	Director of Guillemot Inc. (Canada) Director of Ubisoft Reflections Ltd. (Great Britain) Director of Advanced Mobile Applications Ltd. (Great Britain)
Gérard Guillemot	Director and Executive Vice President of Guillemot Brothers SE President of Longtail Studios Inc. (United States) President of Longtail Studios Halifax Inc. (Canada) President of Longtail Studios Quebec Inc. (Canada) Director of Advanced Mobile Applications Ltd. (Great Britain) Director and Executive Vice President of Ubisoft Entertainment S.A. Director and Executive Vice President of Guillemot Corporation S.A. Director of Guillemot Limited (Great Britain) Director of Guillemot Inc. (United States) Director of Guillemot Inc. (Canada)
Christian Guillemot	Chief Executive Officer of Guillemot Brothers SE President and Director of Advanced Mobile Applications Ltd. (Great Britain) President of AMA Studios (Belgium) Director of SC AMA Romania S.R.L. (Romania) Vice President of Ubisoft Holdings Inc. (United States) Director and Executive Vice President of Ubisoft Entertainment S.A. Director of Ubisoft Nordic A/S (Denmark) Director of Ubisoft Sweden AB (Sweden) Manager of Guillemot Administration et Logistique SARL Co-manager of Studio AMA Bretagne (France) Director and Executive Vice President of Guillemot Corporation S.A. Director of Guillemot Inc. (United States) Director of Guillemot Limited (Great Britain) Director of Guillemot Corporation (HK) Limited (Hong Kong) Director of Guillemot S.A. (Belgium) Director of Guillemot Inc. (Canada) Director of Guillemot Recherche et Développement Inc. (Canada)

2.4.4.2 Expired Terms (Last 5 Fiscal Years)

2.4.4.2.1 Expired Terms within the Gameloft Group

Member	Expired Terms
Michel Guillemot	President of Gameloft Software (Shanghai) Company Ltd. (China) Manager of L'Odyssée Interactive Games SARL (France) Manager of Gameloft S.P.R.L. (Belgium) Director of Gameloft Ltd. (Malta) Director of Gameloft Do Brasil Ltda (Brazil)
Yves Guillemot	Director of Gameloft Inc. (United States)
Gérard Guillemot	Executive Vice President of Gameloft S.A.

2.4.4.2.2 Expired Terms outside of the Gameloft Group

Member	Expired Terms
Michel Guillemot	Manager of Ubi Studios S.R.L. (Italy) Manager of Ubisoft Studios S.L. (Spain) Director of Shanghai Ubi Computer Software Company Ltd. (China) Director of Ubisoft Inc. (United States) Director of Ubisoft Holdings Inc. (United States) Director of Chengdu Ubi Computer Software Company Ltd. (China)
Claude Guillemot	Director and Vice President of Ubisoft Divertissements Inc. (Canada) Vice President of Ubisoft Digital Arts Inc. (Canada) Director of Ubisoft Canada Inc. (Canada) Director of Ubisoft Music Inc. (Canada) Director of Ubisoft Workshop Inc. (Canada) Director of Ubisoft Inc. (United States) Director of Ubisoft Holdings Inc. (United States)

	Director of Ubisoft Limited (Ireland) Director of Shanghai Ubi Computer Software Co. Ltd. (China) Alternate Director of Ubisoft Norway A/S (Norway) Alternate member of the liquidation committee and President of Ubisoft Norway A/S (Norway)
Yves Guillemot	President and Director of Chengdu Ubi Computer Software Company Ltd. (China) President and Director of Ubisoft Digital Arts Inc. (Canada) President and Director of Ubisoft Vancouver Inc. (Canada) President and Director of Ubisoft Holdings Inc. (United States) President of Ludi Factory SAS President of Ubisoft Books and Records SAS President of Ubisoft Computing SAS President of Ubisoft Design SAS President of Ubisoft Development SAS President of Ubisoft Editorial SAS President of Ubisoft Graphics SAS President of Ubisoft Manufacturing & Administration SAS President of Ubisoft Marketing International SAS President of Ubisoft Operational Marketing SAS President of Ubisoft Organisation SAS President of Ubisoft Support Studios SAS President of Ubisoft World SAS President of Tiwak SAS President of Ubisoft Finland Oy (Finland) Manager of Ubisoft Art SARL Manager of Ubisoft Castelnau SARL Manager of Ubisoft Counsel & Acquisitions SARL Manager of Ubisoft Gameplay SARL Manager of Ubisoft Marketing France SARL Manager of Ubisoft Market Research SARL Manager of Ubisoft Paris Studios SARL Manager of Ubisoft Production Annecy SARL Manager of Ubisoft Production Internationale SARL Manager of Ubisoft Studios Montpellier SARL Manager of Ubisoft Production Montpellier SARL Manager of Ubisoft Design Montpellier SARL Manager of Ubisoft IT Project Management SARL Manager of Ubisoft Innovation SARL Manager of Ubisoft Créa SARL Manager of Ubisoft Talent Management SARL Manager of Ubisoft Services SARL Manager of Ubisoft Warenhandels GmbH (Austria) Manager of Max Design Entertainment Software Entwicklungs GmbH (Austria) Manager of Ubisoft GmbH (Germany) Director of Ubisoft Norway A/S (Norway) Director of Ubisoft Ltd. (Ireland) Liquidator of Ubisoft Warenhandels GmbH (Austria) Sole member of the liquidation committee and President of Ubisoft Norway A/S (Norway)
Gérard Guillemot	Director of Shanghai Ubi Computer Software Company Ltd. (China) Director of Ubisoft Inc. (United States) Director of Ubisoft Holdings Inc. (United States)
Christian Guillemot	Director of Shanghai Ubi Computer Software Company Ltd. (China) Director of Ubisoft Inc. (United States) Director of Ubisoft Holdings Inc. (United States) Director of Ubisoft Ltd. (Great Britain)

2.4.5 Compensation of Senior Executives

Pursuant to Article L. 225-102-1, paragraph 1 and paragraph 2 of the French Commercial Code, presented below are the details of the total compensation and benefits of any kind paid out to company managers during the fiscal year.

Summary table of compensation granted to each executive director in 2012:

Amounts in Euros	Total Gross Compensation	Directors' Fees	Valuation of the Options Granted during the Fiscal Year	Number of Bonus Shares Allocated	Fair Value
Michel Guillemot	754,696	25,000	304,560	94,000	3.24
Claude Guillemot	31,248	25,000	38,880	12,000	3.24
Gérard Guillemot	37,728	25,304	38,880	12,000	3.24
Yves Guillemot	31,248	25,000	38,880	12,000	3.24
Christian Guillemot	31,248	25,000	38,880	12,000	3.24

2.4.5.1 Compensation and Benefits of Any Kind Earned by Executive Directors

The compensation of the executive directors consists of fixed compensation and benefits in kind. The executive directors do not receive variable compensation. They may be granted stock options and performance shares. The total is determined by the Board of Directors on the recommendation of the Compensation Committee. As of 2009, stock options and performance shares granted to the executive directors are subject to performance conditions.

The tables below include the compensation and benefits of any kind due and/or paid out to the senior executives as related to their mandate by:

- (i.) the company;
- (ii.) the companies controlled, as per Article L. 233-16 of the French Commercial Code, by the company under which the mandate is exercised;
- (iii.) the companies controlled, as per Article L. 233-16 of the French Commercial Code, by the company or companies that control the company under which the mandate is exercised;
- (iv.) the company or companies that control, with respect to the same Article, the company under which the mandate is exercised.

The total gross compensation issued during the fiscal year by the company, controlled companies, as per Article L. 233-16 of the French Commercial Code, and by the controlling company where they exercise their mandate, was €1,485,000, of which €727,000 was issued by Gameloft SE.

Amounts in Euros		Michel Guillemot	Claude Guillemot	Gérard Guillemot	Yves Guillemot	Christian Guillemot	TOTAL Compensation for 2012
GAMELOFT SE	Gross Fixed Compensation	60,000	31,248	-	31,248	31,248	153,744
	Directors' fees	25,000	25,000	-	25,000	25,000	100,000
	Share-based payments	265,427	58,164	33,344	58,164	58,164	473,263
Gameloft Inc.	Gross Fixed Compensation			37,728			37,728
	Directors' fees			25,304			25,304
Gameloft Ltd.	Gross Fixed Compensation	184,934					184,934
Gameloft HK	Gross Fixed Compensation	248,121					248,121
Gameloft PTE	Gross Fixed Compensation	261,641					261,641
Total		1,045,123	114,412	96,376	114,412	114,412	1,484,736

For 2012, the total gross compensation paid to the executive directors, and for which a provision was set up, was €1,484,736.

2.4.5.2 Directors' Fees and Other Compensation Received by Non-Executive Directors

The General Meeting on 22 June 2011 decided to grant an annual maximum of 150,000 euros in director's fees to be shared among the members of the Board of Directors, until decided otherwise.

As a result, the six managers were entitled to the maximum amount of directors' fees in 2012.

2.4.5.3 Stock Option and Subscription Plan

The executive directors receiving the options described below must keep in registered form five per cent (5%) of the shares resulting from the exercise of options until termination of their duties.

Stock Options Granted to Company Managers by the Company during the Fiscal Year:

During the course of fiscal year 2012, no share subscription options were granted to managers.

Stock Options Granted to Company Managers by the Company during Previous Fiscal Years

STOCK OPTIONS GRANTED DURING PREVIOUS FISCAL YEARS					
	Plan Number 6 of 11/01/2006	Plan Number 7 of 03/01/2007	Plan Number 8 of 11/04/2008		
Date of the Board of Directors' meeting	11/01/2006	03/01/2007	11/04/2008		
Total number of shares eligible for subscription by:					
- Mr Michel Guillemot	90,000	270,000		300,000	
- Mr Christian Guillemot	90,000	30,000	37,500		
- Mr Yves Guillemot	90,000	30,000	37,500		
- Mr Claude Guillemot	90,000	30,000	37,500		
- Mr Gérard Guillemot	90,000	90,000			37,500
Start date for exercising stock options	11/01/2010	03/01/2011	11/04/2012	11/04/2010	11/04/2010
Expiration date	11/01/2012	03/01/2013	11/04/2014	11/04/2014	11/04/2014
Subscription price	€5.35	€4.10	€2.80	€2.80	€2.95
Exercise period	50% per year starting 11/01/2010 through 11/01/2012	From 03/01/2011 through 03/01/2013	From 11/04/2012 through 11/04/2014	1/3 per year starting 11/04/2010 through 11/04/2014	1/3 per year starting 11/04/2010 through 11/04/2014
Number of shares subscribed at 31 December 2012	-	450,000	75,000	300,000	-
Cumulative number of cancelled or voided share subscription options	225,000	-	-	-	-
Remaining share subscription options at the end of the fiscal year	-	-	37,500	-	37,500

STOCK OPTIONS GRANTED DURING PREVIOUS FISCAL YEARS			
	Plan Number 9 of 14/05/2009	Plan Number 10 of 01/06/2010	Plan Number 11 of 20/09/2011
Date of the Board of Directors' meeting	14/05/2009	01/06/2010	20/09/2011
Total number of shares eligible for subscription by:			
- Mr Michel Guillemot	300,000	300,000	300,000
- Mr Gérard Guillemot	37,500	37,500	37,500
Start date for exercising stock options	14/05/2011	01/06/2012	20/09/2013
Expiration date	14/05/2015	01/06/2014	20/09/2015
Subscription price	€2.36	€3.82	€3.87

Exercise period	50% starting 14/05/2011 through 14/05/2015 and 50% starting 14/05/2013 through 14/05/2015	50% starting 01/06/2012 through 01/06/2014 and 50% starting 01/06/2013 through 01/06/2014	50% starting 20/09/2013 through 20/09/2015 and 50% starting 20/09/2014 through 20/09/2015
Number of shares subscribed at 31 December 2012	150,000	150,000	-
Cumulative number of cancelled or voided share subscription options	-	67,500	-
Remaining share subscription options at the end of the fiscal year	187,500	120,000	337,500

Exercise of the options granted by the Board of Directors to the company managers is subject to an internal performance condition and an external performance condition. Furthermore, the exercise of options granted by the Board of Directors to the company managers is conditional on the purchase of stocks by these same executive directors, for a volume equalling 1% of the amount of net gain that each earned after taxes.

Stock options exercised by each executive director during the fiscal year

	OPTIONS EXERCISED BY COMPANY MANAGERS DURING THE FISCAL YEAR					
Name of Executive Director:	Type of Operation	Plan Date	Date of Operation	Number of Shares	Exercise Price	Amount of Operation
Michel Guillemot	Acquisition	03/01/2007	22/02/2012	270,000	€4.10	€1,107,000
	Acquisition	11/04/2008	22/02/2012	200,000	€2.80	€560,000
	Acquisition	11/04/2008	11/04/2012	100,000	€2.80	€280,000
	Acquisition	14/05/2009	22/02/2012	150,000	€2.36	€354,000
	Acquisition	01/06/2010	01/06/2012	150,000	€3.82	€573,000
Yves Guillemot	Transfer	03/01/2007	12/12/2012	30,000	€4.10	€123,000
Christian Guillemot	Transfer	03/01/2007	04/04/2012	30,000	€4.10	€123,000
	Transfer	11/04/2008	18/04/2012	37,500	€2.80	€105,000
Gérard Guillemot	Transfer	03/01/2007	08/11/2012	30,000	€4.30	€129,000
	Transfer	03/01/2007	11/12/2012	60,000	€4.30	€258,000
Claude Guillemot	Transfer	03/01/2007	06/12/2012	30,000	€4.10	€123,000
	Acquisition	11/04/2008	04/05/2012	37,500	€2.80	€105,000

2.4.5.4 Bonus Issues of Shares

Bonus issues of shares allotted during the fiscal year to company managers by the Company

	BONUS ISSUES OF SHARES ALLOTTED TO COMPANY MANAGERS DURING THE FISCAL YEAR					
Name of Executive Director:	Date of the Board of Directors' meeting	Number of shares	Date of purchase of shares	Option fair value	Retention end date – date of transferability	Performance conditions
- Mr Michel Guillemot	06/07/2012	94,000	06/07/2014	€3.24	06/07/2016	Internal and external performance conditions
- Mr Yves Guillemot	06/07/2012	12,000	06/07/2014	€3.24	06/07/2016	Internal and external performance conditions
- Mr Christian Guillemot	06/07/2012	12,000	06/07/2014	€3.24	06/07/2016	Internal and external performance conditions
- Mr Gérard Guillemot	06/07/2012	12,000	06/07/2014	€3.24	06/07/2016	Internal and external performance conditions
- Mr Claude Guillemot	06/07/2012	12,000	06/07/2014	€3.24	06/07/2016	Internal and external performance conditions
TOTAL		142,000				

Bonus issues of shares allotted by the Company during previous fiscal years to company managers

	BONUS ISSUES OF SHARES ALLOTTED TO MANAGERS DURING THE FISCAL YEAR ENDED 31 DECEMBER 2011					
Name of Executive Director:	Date of the Board of Directors' meeting	Number of shares	Date of purchase of shares	Option fair value	Retention end date – date of transferability	Performance conditions
- Mr Christian Guillemot	20/09/2011	14,500	20/09/2013	€2.40	20/09/2015	Internal and external performance conditions
- Mr Yves Guillemot	20/09/2011	14,500	20/09/2013	€2.40	20/09/2015	Internal and external performance conditions
- Mr Claude Guillemot	20/09/2011	14,500	20/09/2013	€2.40	20/09/2015	Internal and external performance conditions
TOTAL		43,500				

	BONUS ISSUES OF SHARES ALLOTTED DURING THE FISCAL YEAR ENDED 31 DECEMBER 2010						
Name of Executive Director:	Date of the Board of Directors' meeting	Number of shares	Number of shares exercised in 2012	Date of purchase of shares	Option fair value	Retention end date – date of transferability	Performance conditions
- Mr Christian Guillemot	01/06/2010	18,750	15,000	19/06/2012	€2.44	20/06/2014	Internal and external performance conditions
- Mr Yves Guillemot	01/06/2010	18,750	15,000	19/06/2012	€2.44	20/06/2014	Internal and external performance conditions
- Mr Claude Guillemot	01/06/2010	18,750	15,000	19/06/2012	€2.44	20/06/2014	Internal and external performance conditions
TOTAL		56,250	45,000				

	BONUS ISSUES OF SHARES ALLOTTED DURING THE FISCAL YEAR ENDED 31 DECEMBER 2009						
Name of Executive Director:	Date of the Board of Directors' meeting	Number of shares	Number of shares exercised in 2011	Date of purchase of shares	Option fair value	Retention end date – date of transferability	Performance conditions
- Mr Christian Guillemot	21/04/09	18,750	18,750	22/06/11	€1.19	23/06/13	Internal and external performance conditions
- Mr Yves Guillemot	21/04/09	18,750	18,750	22/06/11	€1.19	23/06/13	Internal and external performance conditions
- Mr Claude Guillemot	21/04/09	18,750	18,750	22/06/11	€1.19	23/06/13	Internal and external performance conditions
TOTAL		56,250	56,250				

2.4.5.5 Compensation and Benefits Due to Termination of the Duties of the Company's Managers

Executive Directors	Employment Contract		Supplemental Retirement Plan		Indemnities or Benefits Owed or Potentially Owed as a Result of the Termination or Change in Duties		Indemnities under a Non-Compete Clause	
	Yes	No	Yes	No	Yes	No	Yes	No
- Mr Michel Guillemot		X		X		X		X
- Mr Christian		X		X		X		X

Guillemot							
- Mr Yves Guillemot		X		X		X	X
- Mr Claude Guillemot		X		X		X	X
- Mr Gérard Guillemot		X		X		X	X

No commitment has been made in favour of the members of the Board of Directors with regard to compensation, financial consideration or benefits owed or likely to be owed as a result of the termination or change in their duties or subsequent to said duties.

2.4.6 Operations Referred to in Article L. 621-18-2 of the French Monetary and Financial Code and 222-15-3 of the General Regulations of the AMF

Reported by:		Mr Michel Guillemot		
Title:		Director and Chief Executive Officer		
Description of the financial instrument:		Shares		
Place of operation:		Paris		
Type of Operation	Date of Operation	Number of Shares	Price	Amount of Operation
Exercise of stock options	22/02/2012	200,000	€2.80	€560,000.00
Exercise of stock	22/02/2012	270,000	€4.10	€1,107,000.00
Exercise of stock	22/02/2012	150,000	€2.36	€354,000.00
Acquisition	23/03/2012	84,000	€4.367	€366,849.00
Acquisition	26/03/2012	68,033	€4.4857	€305,178.00
Acquisition	27/03/2012	71,000	€4.4856	€318,480.00
Acquisition	28/03/2012	100,082	€4.6022	€460,592.00
Exercise of stock options	11/04/2012	100,000	€2.80	€280,000.00
Exercise of stock options	01/06/2012	150,000	€3.82	€573,000.00

Reported by:		Mr Christian Guillemot		
Title:		Director and Executive Vice President		
Description of the financial instrument:		Shares		
Place of operation:		Paris		
Type of Operation	Date of Operation	Number of Shares	Price	Amount of Operation
Transfer	13/02/2012	108,440	€5.1047	€553,553.67
Transfer	14/02/2012	91,560	€5.1098	€467,853.29
Exercise of stock options	04/04/2012	30,000	€4.10	€123,000.00
Transfer	04/04/2012	30,000	€4.411	€132,342.00
Exercise of stock options	18/04/2012	37,500	€2.80	€105,000.00
Transfer	18/04/2012	37,500	€4.776	€179,100.00
Transfer	17/09/2012	20,000	€5.0686	€101,372.00
Transfer	18/09/2012	7,236	€5.0906	€36,836.00
Transfer	19/09/2012	72,764	€5.1176	€372,377.05

Reported by:	Mr Yves Guillemot
Title:	Director and Executive Vice President

Description of the financial instrument:			Shares	
Place of operation:			Paris	
Type of Operation	Date of Operation	Number of Shares	Price	Amount of Operation
Transfer	13/09/2012	200,000	€5.02	€1,004,000.00
Exercise of stock options	11/12/2012	30,000	€4.10	€123,000.00
Transfer	12/12/2012	30,000	€5.5269	€165,807.00

Reported by:			Mr Gérard Guillemot	
Title:			Director and Executive Vice President	
Description of the financial instrument:			Shares	
Place of operation:			Paris	
Type of Operation	Date of Operation	Number of Shares	Price	Amount of Operation
Exercise of stock options	08/11/2012	30,000	€4.30	€129,000.00
Transfer	08/11/2012	30,000	€5.3382	€160,146.00
Exercise of stock options	11/12/2012	60,000	€4.30	€258,000.00
Transfer	11/12/2012	60,000	€5.6188	€337,128.00

Reported by:			Mr Claude Guillemot	
Title:			Director and Executive Vice President	
Description of the financial instrument:			Shares	
Place of operation:			Paris	
Type of Operation	Date of Operation	Number of Shares	Price	Amount of Operation
Exercise of stock options	08/05/2012	37,500	€2.80	€105,000.00
Exercise of stock options	06/12/2012	30,000	€4.10	€123,000.00
Transfer	06/12/2012	30,000	€5.5863	€167,589.00

Reported by:			Guillemot Brothers European Company	
Person related to:			Mr Christian Guillemot Title: Director and Chief Executive Officer	
Description of the financial instrument:			Shares	
Place of operation:			Paris	
Type of Operation	Date of Operation	Number of Shares	Price	Amount of Operation
Transfer	18/05/2012	20,345	€4.9031	€99,753.57
Transfer	21/05/2012	49,726	€4.9027	€243,791.66
Transfer	22/05/2012	48,924	€4.9081	€240,123.88
Transfer	25/05/2012	21,049	€4.9013	€103,167.46
Transfer	28/05/2012	450	€4.90	€2,205.00
Transfer	29/05/2012	1,531	€4.90	€7,502.00
Transfer	31/05/2012	4,032	€4.90	€19,757.00
Transfer	01/06/2012	14,200	€4.90	€69,580.00
Transfer	07/06/2012	10,000	€4.90	€49,000.00
Transfer	11/06/2012	49,743	€4.90	€244,099.00
Transfer	24/09/2012	300,000	€5.19	€1,557,000.00

3. FINANCIAL STATEMENTS

3.1 Consolidated Financial Statements at 31 December 2012

3.1.1 Statement of Consolidated Financial Position at 31 December 2012 (€K)

ASSETS	Notes	Net	Net
		12-Month Fiscal Year	12-Month Fiscal Year
		31/12/12	31/12/11
Intangible assets	3.1.5.5.1	10,482	11,856
Tangible assets	3.1.5.5.2	9,098	7,509
Non-current financial assets	3.1.5.5.3	2,397	2,211
Deferred tax assets	3.1.5.5.4	12,916	11,400
Other non-current receivables	3.1.5.5.5	<u>4,233</u>	<u>3,463</u>
Non-current assets		39,126	36,439
Trade receivables and related accounts	3.1.5.5.6	59,658	50,609
Other current assets	3.1.5.5.7	20,520	13,416
Cash and cash equivalents	3.1.5.5.8	<u>55,654</u>	<u>38,034</u>
Current assets		135,832	102,060
Total assets		174,958	138,499

LIABILITIES	Notes	12-Month Fiscal Year	12-Month Fiscal Year
		31/12/12	31/12/11
Capital		4,091	3,855
Premiums		85,669	71,625
Consolidated reserves, and translation gains and losses		28,937	9,209
Consolidated profit/loss		<u>9,280</u>	<u>18,225</u>
Shareholders' equity capital (group share)	3.1.4	127,977	102,914
Minority interests			
Total shareholders' equity capital		127,977	102,914
Provisions for contingencies and charges	3.1.5.5.10	109	70
Employee benefits	3.1.5.5.11	461	443
Deferred tax liabilities	3.1.5.5.12	<u>3,830</u>	<u>2,573</u>
Non-current liabilities		4,400	3,086
Financial debts	3.1.5.5.13	48	1,086
Trade payables and related accounts	3.1.5.5.14	26,220	17,394
Other debts and current liabilities	3.1.5.5.15	<u>16,313</u>	<u>14,019</u>
Current liabilities		42,581	32,499
Total Liabilities		174,958	138,499

3.1.2 Consolidated Statement of Comprehensive Income at 31 December 2012 **(€K)**

3.1.2.1 Consolidated Income Statement

	Notes	12-Month Fiscal Year 31/12/12	12-Month Fiscal Year (1) 31/12/11
Revenue	3.1.5.5.16	208,315	164,357
Cost of sales	3.1.5.5.17	-32,555	-19,377
Research & Development costs	3.1.5.5.18	-105,085	-79,102
Commercial expenses	3.1.5.5.19	-36,491	-30,542
Overhead costs	3.1.5.5.20	-18,225	-15,061
Net amortisation and provisions	3.1.5.5.21	-272	-228
Other operating income	3.1.5.5.22	1,844	239
Other operating expenses	3.1.5.5.22	-1,069	-444
Operating income/expenses from ordinary activities		16,463	19,843
Net amortisation, depreciation and provisions	3.1.5.5.23	-	-5,311
Other operating income and expenses	3.1.5.5.23	-1,613	-
Operating income/expense		14,850	14,532
Cost of net financial debt		1,327	377
Other financial income		5,869	5,097
Other financial expenses		-7,730	-6,618
Net financial income/expense	3.1.5.5.24	-534	1,144
Tax expense	3.1.5.5.25	-5,036	4,837
Net profit/loss for the period		9,280	18,225
• <i>Share attributable to minority interests</i>		0	0
• <i>Share attributable to the owners of the group's parent company</i>		9,280	18,225
Basic earnings per share	3.1.5.3.1.19	0.12	0.24
Diluted earnings per share		0.11	0.23

(1) See note 3.1.5.3.1.3 Reconciliation with the consolidated financial statements published at 31 December 2011

3.1.2.2 Consolidated Statement of Net Profit/Loss and Accrued Gains and Losses of Shareholder Equity Capital

	31/12/12	31/12/11
Net profit/loss (group share)	9,280	18,225
Exchange differences resulting from the conversion of activities abroad, and gains and losses	-2,402	+24
Other	-80	+208
Other parts of the comprehensive income (recorded under shareholder's equity capital and net of tax)	6,798	+232
Comprehensive consolidated income	6,798	18,457
• <i>Share attributable to minority interests</i>	0	0
• <i>Share attributable to the owners of the group's parent company</i>	6,798	18,457

3.1.3 Consolidated Cash Flow Statements at 31 December 2012 (€K)

€K		12-Month Fiscal Year	12-Month Fiscal Year
	Notes	31/12/12	31/12/11
Cash flow from operating activities			
Net profit		9,280	18,225
Depreciation of tangible and intangible assets		17,804	18,001
Change in provisions		-1,415	596
Change in deferred taxes	3.1.5.5.25	-294	-9,066
Income related to stock options and similar	3.1.5.5.20	3,985	2,139
Other non-disbursed expenses	3.1.5.5.1	404	-
Capital gains and losses	3.1.5.5.22	347	154
Cash from operations		30,112	30,048
Change in trade receivables		-17,380	-12,400
Change in operating liabilities		8,559	6,533
Change in operating working capital		-8,822	-5,867
Total operating cash flow		21,290	24,182
Investment-related cash flow			
Purchases of intangible assets		-2,584	-8,746
Purchases of tangible assets		-6,097	-5,190
Purchases of other financial assets		-546	-810
Acquisition of advances on licences		-5,536	-3,695
Sales of assets		60	49
Repayment of deposits, guarantees, and other financial assets		353	912
Change in reporting entity			
Other cash flows			
Total investment-related cash flows		-14,350	-17,481
Cash flow from financing activities			
Share capital increases related to stock options and bonus issues of shares	3.1.5.5.9	13,179	4,274
Other cash flows			6
Total cash flows from financing activities		13,179	4,280
Impact of translation gains and losses		-1,461	834
Change in cash and cash equivalents		18,658	11,815
Net cash and cash equivalents at start of fiscal year		36,948	25,133
Net cash and cash equivalents at end of fiscal year		55,606	36,948

The net cash and cash equivalents at the end of the fiscal year are detailed below:

	31/12/12	31/12/11
Cash and cash equivalents	55,654	38,034
Bank overdrafts (included in the current financial debts)	-48	-1,086
Net cash	55,606	36,948

3.1.4 Statement of Changes in Consolidated Shareholders' Equity Capital at 31 December 2012 (€K)

	Capital	Premiums	Consolidated Profit/Loss	Consolidated Reserves (excluding reserves related to stock options)	Consolidated Reserves Stock Options	Translation Gains and Losses	Directly Held Stocks	Shareholders' Equity Capital Group Share	Minority Interests	Total Shareholders' Equity Capital
Position at 31 December 2010	3,754	67,452	13,566	-22,823	17,557	-1,723	0	77,783	-	77,783
Share capital increase of the consolidating company	101	4,173						4,274		4,274
Consolidated fiscal year profit/loss			18,225	-				18,225		18,225
Consolidated N-1 income statement			-13,566	13,566						
Other changes				469	2,139	24		2,632		2,632
Position at 31 December 2011	3,855	71,625	18,225	-8,788	19,696	-1,699	0	102,914	-	102,914
Consolidated fiscal year profit/loss			9,280					9,280		9,280
Other parts of the comprehensive income				-80		-2,402		-2,482		-2,482
Total comprehensive income			9,280	-80		-2,462		6,798		6,798
Share capital increase of the consolidating company	236	14,044						14,280		14,280
Consolidated N-1 income statement			-18,225	18,225				-		-
Benefits to employees on stock and bonus share subscription					3,985			3,985		3,985
Position at 31 December 2012	4,091	85,669	9,280	9,357	23,681	-4,101	0	127,977	-	127,977

The “translation gains and losses” item includes, in particular, exchange differentials from conversion of the financial statements of non-Eurozone subsidiaries. Changes in translation gains and losses for fiscal year 2012 mainly consist of:

Currency	Interest Rate at 31/12/2011	Interest Rate at 31/12/2012	Impact on Equity Capital (€K)
Argentine peso	5.5679	6.48789	-1,279
US dollar	1.2939	1.3194	-366
Korean won	1,498.69	1,406.23	-274
Pound sterling	0.83530	0.8161	-53
Mexican peso	18.0512	17.1845	+155
Japanese yen	100.20	113.61	+71

3.1.5 Notes to the Consolidated Financial Statements

The following notes and tables are presented in thousands of euros.

3.1.5.1 Introduction

A world leader in the development and publishing of downloadable video games, Gameloft has positioned itself since the year 2000 as one of the top innovators in its field. Gameloft creates games for every digital platform, including mobile telephones, smartphones and tablets (Apple iOS and Android), set-top boxes, Smart TVs, social networks, and consoles. Partnership agreements with major rights holders allow Gameloft to associate its games with big international brands such as UNO™, Spider-Man, Harry Potter, LEGO, Ice Age, and Sonic. Gameloft has its own portfolio of original properties with established franchises like *Real Football*, *Asphalt*, *Modern Combat*, and *N.O.V.A.: Near Orbit Vanguard Alliance*. Gameloft has a studio on every continent, distributes its games in 80 countries and today employs 6,221 people in 27 countries around the world.

In September 2012, Gameloft S.A. made the transition to a European Company, Gameloft SE.

Gameloft SE is located in France.

Thanks to its agreements with all of the main wireless telecom operators, telephone manufacturers, and its specialized distributors, as well as its virtual store, www.gameloft.com, Gameloft distributes its games in more than 100 countries.

Gameloft is listed on segment B of the Paris Stock Exchange (ISIN: FR0000079600, Bloomberg: GFT FP, Reuters: GFT).

Gameloft SE's consolidated financial statements include Gameloft SE and its subsidiaries.

The Gameloft Group's consolidated accounts at 31 December 2012 have been approved by the Board of Directors on 15 April 2013.

3.1.5.2 Highlights

- Share capital increases:

Gameloft saw an increase of share capital through the issuance of stock options and bonus shares in the amount of €14,280,000, of which €14,044,000 were issue premiums. The share capital is currently €4,091,000.

- Change in reporting entity:

In 2012, two new companies were created and consolidated in Budapest, Hungary (Gameloft Hungary Kft.) and in Auckland, New Zealand (Gameloft New Zealand Limited). Gameloft SPRL Belgium was liquidated on 30 June 2012.

- Impact of currency fluctuations on revenue:

Currencies such as the Brazilian real and the Argentine peso fell sharply in 2012. This impacted our accounts and, more importantly, our revenue, with a negative exchange rate differential of €1,140,000. This year, the Japanese yen, United States dollar, pound sterling, Chinese yuan, and Mexican peso increased, generating a positive revenue differential of €4,448,000 as compared to the same period in 2011.

3.1.5.3 Accounting Principles and Methods

3.1.5.3.1 General Principles – Primary Basis of Accounting

3.1.5.3.1.1 Basis for the Preparation of Financial Statements

The Gameloft Group's consolidated financial statements at 31 December 2012 are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as of the balance sheet date.

The IFRS as adopted by the European Union may be consulted on the website of the European Commission: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The group did not apply in advance standards, amendments and interpretations for which application was not mandatory as of 1 January 2012.

The IFRS as adopted by the European Union differ from the IFRS published by the IASB in several respects. Nevertheless, the group has made sure that the financial information presented would not have been substantially different if it had applied the IFRS as published by the IASB.

The consolidated financial statements are presented in thousands of euros, noted as €K, the parent company's functional currency.

The group's consolidated financial statements were drawn up on the basis of historical cost, with the exception of derivative instruments and financial assets held for transaction purposes or classified as available for sale, which are measured at their fair value.

Non-current assets are measured at the lower of their book value or fair value minus selling costs.

3.1.5.3.1.2 Effects of the IFRS Accounting Standards and Interpretations Applicable as of 1 January 2012

Standards, amendments and interpretations entering into force at 1 January 2012

- Amendment to IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendment to IFRS 7: "Financial Instruments: Disclosures" – Disclosures – Transfer Transactions of Financial Assets
- Amendment to IAS 12: Deferred Tax: Recovery of Underlying Assets

These amendments have no impact on, or are not applicable to, the group's financial statements.

Standards, amendments and interpretations adopted by the European Union for which application is optional for fiscal years starting on 1 January 2012

- Amendment to IAS 1: Presentation of Financial Statements (applicable to reporting periods as of 1 July 2012).
- Amendment to IAS 19: Employee Benefits (applicable to reporting periods as of 1 January 2013).

Standards, amendments and interpretations published by the IASB and not yet adopted by the European Union for the fiscal year beginning 1 January 2012

- Amendment to IFRS 1: Government Loans
- Amendment to IFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendment to IFRS 32: Offsetting Financial Assets and Financial Liabilities
- Amendment to IFRS 10: Consolidated Financial Statements
- IFRS 11 - Joint Arrangements
- Amendment to IFRS 12 – Disclosure of Interests in Other Entities
- IAS 27 – Separate Financial Statements (2011)
- IFRS 13 - Fair Value Measurement

These standards or amendments are applicable to reporting periods as of 1 January 2013.

The impacts of these standards, amendments and interpretations have not been anticipated in these consolidated financial statements and cannot be reasonably estimated at this date.

3.1.5.3.1.3 Reconciliation with the Consolidated Financial Statements Published at 31 December 2011

At 31 December 2012, presentation changes and simplifications were made to the income statement, including:

- A: Restatement of self-constructed assets in abatement of R&D expenses;
- B: Other business-related income (write-back on advances and on marketed games) reclassified as provisions, cost of sales and R&D costs;

- C: Closing inventory reclassified as cost of sales;
- D: Provisions (provisions on advances and marketed games) reclassified as R&D costs and cost of sales;
- E: Equivalent to:
 - Employees' interest reclassified as R&D personnel expenses;
 - Unused deductions at source reclassified as tax expenses.

	Published in 2011 31/12/11	A	B	C	D	E	TOTAL Reclassifications	Published in 2012 31/12/11
Revenue	164,357							164,357
Self-constructed assets	8,013	-8,013					-8,013	-
Closing inventory	-13			13			13	-
Other business-related income	3,197		-3,197				-3,197	-
Cost of sales	-19,040		248	-13	-572		-337	-19,377
Research & Development costs	-88,861	8,013	2,798		-1,016	-36	9,759	-79,102
Commercial expenses	-30,542						-	-30,542
Overhead costs	-15,061						-	-15,061
Net amortisation and provisions	-1,967		151		1,588		1,739	-228
Other operating income	239						-	239
Other operating expenses	<u>-1,347</u>	=	=	=	=	<u>903</u>	<u>903</u>	<u>-444</u>
Operating income/expenses from ordinary activities	18,976	-	-	-	-	867	867	19,843
Other operating income and expenses	-							-
Net depreciation and provisions	<u>-5,311</u>	=	=	=	=	=	=	<u>-5,311</u>
Operating income/expense	13,665	-	-	-	-	867	867	14,532
Cost of net financial debt	377							377
Financial income	5,097							5,097
Financial expense	<u>-6,618</u>	=	=	=	=	=	=	<u>-6,618</u>
Net financial income/expense	-1,144					867	867	-1,144
Employees' interest	-36					36	36	-
Tax expense	5,740					-903	-903	4,837
Net profit/loss for the period	18,225	0	0	0	0	0	0	18,225

3.1.5.3.1.4 Consolidation Principles

The group's subsidiaries are fully consolidated once the group exercises control over them. Exclusive control is the direct or indirect power to guide a company's financial and operational policies in order to obtain benefits from its activities. To assess control, potential voting rights that are currently exercisable are taken into account, as well as the power to appoint or remove the members of the managing bodies and to have this body hold the majority of voting rights. Control is presumed to exist when the parent company holds, either directly or indirectly, more than one-half of an entity's voting rights.

Subsidiaries' financial statements are included in the consolidated financial statements from the date on which control begins until the date on which it ends.

Ad hoc entities are consolidated if, on the basis of a substantial analysis of the relationship with the group and the expected risks and benefits, the group concludes that it has control over it.

Companies that are not significant to the group are not consolidated. At 31 December 2012, there was no exclusion from the scope of consolidation.

Earnings of companies that have become part of the consolidated group are consolidated as of each company's acquisition date or creation date. Liquidated companies and companies in the process of liquidation or whose criteria are insignificant are not included in the scope of consolidation.

▪ Subsidiaries

A subsidiary is an entity controlled by Gameloft SE. Control exists when the company has the power to guide, either directly or indirectly, the entity's financial and operational policies in order to obtain benefits from its activities.

To assess control, potential voting rights that are currently exercisable or convertible are taken into account.

Subsidiaries' financial statements are included in the consolidated financial statements from the date on which control begins until the date on which it ends.

- Transactions eliminated in the consolidated financial statements

Balance sheet balances, unrealised gains and losses and income and expenses resulting from intra-group transactions are eliminated when the consolidated financial statements are prepared, in accordance with the applicable rules regarding consolidation.

Unrealised gains resulting from transactions with affiliates and jointly-controlled entities are eliminated in proportion to the group's percentage of interest in the entity.

Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that they do not represent impairments.

All significant transactions between the consolidated companies as well as unrealised inter-company earnings included in fixed assets have been eliminated.

Conversion to euros of items of French companies expressed in foreign currencies

Income and expenses from transactions in foreign currencies are recorded at their equivalent value as of the transaction date.

Assets and liabilities are generally converted at the closing rate, and exchange differentials resulting from this conversion are entered on the income statement.

Conversion of transactions and financial statements of foreign companies

Conversion of transactions in foreign currencies:

The group's entities use their local currency as their functional currency. Transactions in foreign currencies are converted to their functional currency at the exchange rate in effect on the transaction date.

Monetary assets and liabilities in foreign currencies are converted at the exchange rate in effect on the balance sheet date. The resulting foreign exchange gains and losses are recorded as financial income or expense.

Foreign exchange gains and losses related to loans or borrowings with a foreign subsidiary which, in substance, are an integral part of the net investment in this subsidiary, are recognised directly in shareholders' equity capital until the date of sale of the net investment, at which time they are transferred to profit or loss.

Conversion of financial statements of foreign subsidiary companies:

Foreign entities' accounts are converted to euros as follows:

Assets and liabilities (including goodwill, if any, and value adjustments as of the acquisition date) are converted based on the official exchange rates in effect on the balance sheet date.

Income and expenses are converted at the rate close to the exchange rates on the transaction dates.

Shareholders' equity capital is kept at the historical rate. Translation gains and losses are recorded under shareholders' equity capital. Translation gains and losses are entered on the income statement when the subsidiary is sold.

3.1.5.3.1.5 Estimates and Judgment

Preparation of the consolidated financial statements according to IFRS standards requires that the group's management use judgment and make estimates and assumptions which have an impact on the application of accounting methods and on the amounts shown in the financial statements. These underlying estimates and assumptions are made and reviewed continuously based on past experience and other factors regarded as reasonable in light of the circumstances. They serve as the basis for the exercise of judgement necessary in determining the book values of assets and liabilities, which cannot be obtained from other sources. Actual values may differ from estimated values. Significant judgments made by management to implement the Group's accounting methods and analyse the main sources of uncertainty relating to

estimates are identical to those described in the financial statements for the fiscal year ended 31 December 2011. The accounting methods described below were applied continuously to all the periods presented in the consolidated financial statements and uniformly to the group's entities.

Summary of the main estimates:

Note	Estimate	Type of Information Disclosed
§3.1.5.3.2.1	Impairment losses	Principal hypotheses used to determine the recoverable value of assets
§ 3.1.5.3.2.11 & Note 9	Share-based payments	Model, underlying assumptions for determining fair values
§3.1.5.3.2.10 & Note 10	Provisions	Underlying assumptions for assessing and estimating risks
Note 25	Corporate income tax	Assumptions used for recognition of deferred tax assets and conditions for applying tax legislation

3.1.5.3.1.6 Segment Information

In light of the group's organisational structure and the commercial links among the various subsidiaries, we proceed on the basis that the group operates in a single market in several geographic regions (EMEA, North America, Latin America, and Asia-Pacific).

In accordance with IFRS 8 - Operating Segments, the segment information by geographic region presented in point 5.6 is the information used by the group's management, and particularly by its Chief Executive Officer, in order to make decisions in terms of resources and evaluate the company's performance.

3.1.5.3.2 Valuation Rules and Methods Applied by the Group

3.1.5.3.2.1 Intangible Assets

In accordance with IAS 38 "Intangible Assets", only those assets whose cost can be measured reliably and for which it is probable that future economic benefits exist are recognised as assets.

These costs are measured based on the acquisition cost if acquired from a third party, and based on production costs if internally generated.

- Brands

Brands acquired by the group are valued at the end of each year based on their contribution to commercial activity. This contribution is measured using criteria such as presence among the top-selling brands in the market and revenue likely to be generated in the future.

At year-end, if their valuation is less than their book value, a provision for impairment is recorded.

Expenses related to brands created in-house are recognised as expenses, as are expenses incurred to renew their protection.

- Development costs

Gameloft draws a distinction between two types of activity in order to recognise its development costs:

- For console games, PC games and TV games:

Development costs for game consoles, whether for PC or TV, are capitalised on the balance sheet when the criteria set out in IAS 38 have been met:

- 1) Technical feasibility needed to complete the intangible asset for its use or sale;
- 2) The company's intention to complete the intangible asset and to use or sell it;
- 3) The company's ability to use or sell the intangible asset;
- 4) The intangible asset's ability to generate future economic benefits;
- 5) The fact that the company has the appropriate technical, financial and other resources to complete the development

and to use or sell the intangible asset;

6) The company's ability to reliably measure the costs attributable to the intangible asset during its development.

Development costs that do not meet these criteria are recorded as expenses during the fiscal year in which they were incurred.

These costs are measured based on direct salary costs plus social security charges and operating costs, such as committed costs.

Development costs are first recognised as intangible assets in progress over the course of development. They are then transferred to the "other intangible assets" account when the game is completed.

These costs are amortised over 18 months on a straight-line basis once the product is released on the market. Technical feasibility is determined on a product-by-product basis. At the end of the fiscal year, and for each software product, a value test is performed and the amount not yet amortised is compared to future sales forecasts. If these sales forecasts are insufficient, a provision for impairment is applied accordingly.

The companies do not conduct basic research.

- For mobile phones

For mobile phone games, Gameloft currently records development costs as expenses at the time they are incurred. Each year, the company develops and places on various operators' sites thousands of versions of its games in order to cover the more than 300 different models of feature phones and 1,500 models of smartphones on the market and the 13 languages supported by the company. Given this extreme fragmentation and the more general nature of the sales-related information received from operators, Gameloft is not in a position to reliably calculate the development costs of different versions of its mobile phone games and the future economic benefits of each of these versions. On this basis, the group does not meet all the capitalisation criteria set out in IAS 38; expenses are recognised as expenses.

- Licences

Licences cover distribution and reproduction rights acquired from third-party publishers. The signing of licence agreements results in the payment of guaranteed amounts. These amounts are recognised in an "advances on licences" account. All commitments (guaranteed amounts stipulated in the contract) are recognised in the accounts.

These advances are reduced based on the amount of royalties paid in connection with sales or are amortised on a straight-line basis for flat fees.

At the end of the fiscal year, the net book value is compared to the future sales forecasts to which the terms of the contract are applied. If these sales forecasts are insufficient, an additional provision for impairment is then applied accordingly.

- Office software

Office software is amortised over 12 months on a straight-line basis.

3.1.5.3.2.2 Tangible Assets

Expenses related to tangible assets are recorded as assets at their acquisition cost when the following criteria are met:

- It is probable that future economic benefits are associated with this asset;
- The acquisition cost can be reliably measured.

Tangible assets are shown on the balance sheet at their cost price less accumulated amortisation and accumulated impairment losses, if any. Assets are shown on the balance sheet at their acquisition cost less cash discounts and any investment subsidies granted. Given the types of assets owned, no component separate from the principal assets has been identified. The residual values are considered zero.

The depreciation calculated on the basis of rates consistent throughout the group is determined according to the following methods and useful life:

- | | |
|-------------------------------------|--------------------------------------|
| - Fixtures and facilities: | 5 years (straight-line method) |
| - Transportation equipment: | 5 years (straight-line method) |
| - Computer and telephone equipment: | 2 and 3 years (straight-line method) |
| - Furniture: | 10 years (straight-line method) |

The residual values and useful lives of the assets are reviewed and, where applicable, adjusted annually or when operating conditions are subject to long-term changes.

3.1.5.3.2.3 Assets Acquired through Direct Financing Leases

Lease contracts that transfer nearly all risks and benefits inherent to ownership of the asset are considered direct financing leases.

Assets financed through direct financing leases are restated in the consolidated financial statements as if the company had acquired them directly and financed them through loans.

The amount recorded on the asset side is equal to the lower of the fair value of the leased asset or the present value of the minimum lease payments, less amortisation cost and total impairment.

3.1.5.3.2.4 Non-current Financial Assets

Equity holdings and long-term investments are recorded as “non-consolidated companies” since they are not held for the purpose of realising short-term profits. These assets are shown on the balance sheet at their fair value. Changes in fair value are recorded under shareholders’ equity capital.

Other securities are valued at their historical cost, exclusive of incidental expenses.

Deposits and guarantees are recorded under “Loans and receivables”.

3.1.5.3.2.5 Deferred Tax and Current Tax

Income tax: Expense or income that includes the current tax expense/income and the deferred tax expense/income. Tax is recognised in profit or loss unless it pertains to items that are recognised directly in shareholders’ equity capital, in which case it is recognised in shareholders’ equity capital.

Current tax is:

- The estimated amount of tax due on taxable profit for a period. It is calculated using the tax rates adopted or substantively adopted as of the balance sheet date.
- Any adjustment to the amount of current tax for previous periods.

Deferred tax is determined and recognised based on the balance sheet approach of the liability method for all temporary differences between the book value of the assets and liabilities and their tax basis. The following items do not result in recognition of deferred tax:

- initial recognition of goodwill;
- initial recognition of an asset or liability in a transaction which is not a business combination and which affects neither accounting income nor taxable income.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which the asset is realised and the liability is settled based on the tax laws that have been adopted or substantively adopted by the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that the Group will have future taxable income on which the temporary differences can be applied. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available.

Deferred taxes are shown on the balance sheet separately from payable tax assets and liabilities and are recorded as non-current items.

According to IAS 12, §74 and 75, an entity shall offset deferred tax assets and deferred tax liabilities if, and only if:

- the entity has a legally enforceable right to set off the recognised amounts; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

3.1.5.3.2.6 Other Non-current Receivables

Other non-current receivables include Research and Development tax credits from prior fiscal years. They are recorded when they are definitively accepted from the local bodies and their expiration periods are of 10 and 20 years.

3.1.5.3.2.7 Trade Receivables and Related Accounts

Trade receivables and related accounts were measured at their fair value at the time they were recorded. Since receivables are due in less than one year, they are not discounted. Where applicable, a provision for impairment is set up based on the expected collectability of the receivables at year's end.

3.1.5.3.2.8 Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and cash equivalents as defined by IAS 7: short-term investments – generally less than three months – which are easily cashable or sellable in very little time, convertible to an amount of cash and not subject to a significant risk of changes in value through the income statement. They are entered on the balance sheet at their fair value and changes are recorded in net financial income/expense.

3.1.5.3.2.9 Share Capital

Ordinary shares:

Incidental costs directly attributable to the issue of ordinary shares or stock options are recognised as a deduction from shareholders' equity capital, net of tax effects.

Treasury shares:

Shares of the parent company which are held by the parent company or one of its consolidated subsidiaries are recognised as a reduction of shareholders' equity at their acquisition cost. Changes in fair value during the holding period are not recognised. Gains or losses on disposal of these securities are charged to shareholders' equity capital, net of tax effects.

The group currently has no treasury shares.

3.1.5.3.2.10 Provisions for Contingencies and Charges

A provision is recorded when:

- the company has a present obligation (legal or constructive) resulting from a past event;
- it is probable that an outflow of resources representing economic benefits will be needed to settle the obligation;
- the amount of the obligation can be measured reliably.

If these conditions are not met, no provision is recorded.

3.1.5.3.2.11 Benefits Granted to Employees

- Retirement indemnities

In accordance with each country's laws and practices, Gameloft participates in retirement, social security and pension plans, the benefits of which depend on various factors, such as seniority, salaries and payments made to mandatory public plans.

These may be defined contribution plans or defined benefit plans:

- For defined contribution plans, the pension supplement is determined by the accumulated capital resulting from the contributions made by the employee and the company to external funds, which are generally public pension plans or specific defined contribution plans. Expenses correspond to the contributions made during the fiscal year. The group has no subsequent obligation to its employees. Within the group, this is the practice applied in Italy, Japan and England.
- For defined benefit schemes (or plans), the employee receives from the group a payment on retirement determined according to parameters such as age, length of employment and salary. Within the group, this is the practice applied in France, Korea, Hong Kong, Argentina and the United States.

Based on the way each plan works and the data provided by each country, an actuarial calculation called "projected unit credit method" has been used to measure the employer's future obligations. This method entails determining the value of each employee's probable and discounted future benefits at the time of his/her retirement. The fiscal year's net cumulative actuarial gains and losses are recognised immediately in the income statement.

The assumptions made as of 31 December 2012 for France are as follows:

	France
Rate of growth in salaries	3%
Basis of calculation	Annual salary
Specific calculation conditions	-
Discount rate	2.8%
Retirement initiated by the employee	65 years

In addition, changes in the workforce, the estimate of which is based on the prospective life table established by the INSEE and a turnover rate resulting from statistical observation, are considered.

Within the Gameloft Group, defined benefit plans are not funded by any investments in various instruments, equity capital securities or bond investments.

- End of contract indemnities

The provision for end-of-employment contract indemnities for employees in Vietnam includes the accumulated benefits acquired by the employees during their year of service until 2008. The indemnities are paid to the employee upon his/her termination and the group has no further debts toward the employee once the indemnity is paid. Rights are updated annually based on the provisions that apply in Vietnam. Unemployment coverage funded by the employer and the employee was introduced in 2009. Within the group, cash outs are recognised as expenses if the group made an offer encouraging voluntary termination of employment and if that offer is accepted in a reliable fashion.

- Stock options and bonus shares

The benefit granted to employees at the time of issuance of stock options (value of the option as of the date of issuance) and bonus shares constitutes additional compensation recorded as a payroll expense and spread out over the benefit vesting period.

For stock option and bonus share plans, the accounting expense represents the valuation of the options as of the grant date of each plan. The fair value of the options therefore depends on the date on which they are vested. The recognition of this deferred compensation as loss is spread out over the vesting period.

Stock option and bonus share plans are measured based on Gameloft's share price on the day of the Board of Directors meeting that decided on the awarding of those stock options and bonus shares, bearing in mind the period during which the shares will be non-assignable after the acquisition of the awaited rights or dividend. The fair value of these instruments, determined at the grant date, is recognised as an expense in compensation for the equity capital and spread over the period during which the beneficiaries acquire their rights. The evaluation of the expense takes into account the probability of meeting the performance and attendance conditions.

In accordance with IFRS 2, only plans issued after 7 November 2002 and for which vesting had not occurred on 1 January 2005 are measured and recorded as payroll expenses. Prior plans are not measured and not recorded.

Volatility criteria have been established based on two phases:

- determination of the historical volatility of the share price over a period commensurate with the term of the option;
- recognition of concrete information which suggests that the future will differ from the past.

The risk-free rate, also called "constant maturity rate", is the yield of a notional French fungible Treasury bond with a 5- or 7-year maturity.

The method used to value stock options and bonus shares is based on the binomial model.

The bonus shares and stock options allotted are subject to internal and external performance conditions being met by managers. For employees, exercising stock options requires that their employment contract still be in force on the exercise date and throughout the duration of the plans, and for the awarding of bonus shares, the employee's employment contract must be in force and uninterrupted by the company throughout the two-year period following the grant date during which the shares will be non-assignable.

Plans in effect as of 31 December 2012:

	2007 Stock Option Plan	2008 Stock Option Plan	2009 Stock Options and Bonus Shares Plan	
Volatility	39% (1)	45% (2)	44% (3)	
Turnover rate linked to termination from the group	8% per year	5.5% per year for France 12% per year for the USA – Canada 8% per year for the rest of the world	5.5% per year for France 8% per year for the USA – Canada 8% per year for the rest of the world	
Assumptions regarding distributions of dividends	None	None	None	
Risk-free rate	Average between the 5-year constant maturity rate and the 7-year constant maturity rate	Average between the 5-year constant maturity rate and the 7-year constant maturity rate	Average between the 5-year constant maturity rate and the 7-year constant maturity rate	
	3.93%	3.90%	2.95%	2.39% for the bonus shares allotted

(1) Volatility was determined by restating Gameloft's historical share price over the first three years of listing.

(2) Volatility was determined by using Gameloft's historical share price from April 2003 to April 2008.

(3) Volatility was determined by using Gameloft's historical share price from April 2004 to April 2009.

	2010 Stock Options and Bonus Shares Plan	2011 Stock Options and Bonus Shares Plan	2012 Stock Options and Bonus Shares Plan
Volatility	55% (4)	53.8% (5)	45.8% (6)
Turnover rate linked to termination from the group	6% per year for France 8% per year for the rest of the world	6% per year for France 8% per year for the rest of the world	6% per year for France 8% per year for the rest of the world
Assumptions regarding distributions of dividends	None	None	None
Risk-free rate	Average between the 3-year constant maturity rate and the 5-year constant maturity rate	Average between the 3-year constant maturity rate and the 5-year constant maturity rate	Average between the 3-year constant maturity rate and the 5-year constant maturity rate
	1.36%	1.52%	1.094%

(4) Volatility was determined by using Gameloft's historical share price from June 2007 to June 2010.

(5) Volatility was determined by using Gameloft's historical share price from September 2008 to September 2011.

(6) Volatility was determined by using Gameloft's historical share price from July 2008 to July 2012.

- Individual right to training (DIF)

The law of 4 May 2004 gives French employees an individual right to training (“droit individuel à la formation” - DIF). This new right entitles them, at their request but with the employer’s approval, to take part in training courses. Each year, based on the agreements applicable at the company, full-time personnel employed under open-ended contracts who have at least one year of seniority at the company acquire a right to 20 hours of training. Employees with one year of seniority as of 7 May 2005 may benefit from this law.

The rights acquired annually may be accumulated over a six-year period, i.e. a maximum of 120 hours.

The total amount of DIF hours accumulated at 31 December 2012 represented 5,315 hours.

3.1.5.3.2.12 Trade Payables and Related Accounts

Trade payables and related accounts are valued at the amortised cost.

3.1.5.3.2.13 Revenue

According to IAS 18-7/18-8, a business which is acting as a principal in a transaction recognises the amounts billed to the end client as revenue. In order to determine if a business is acting as a principal or as an agent, the risks and responsibilities taken by the business to deliver the goods or render the services should be evaluated. In this regard, Gameloft referred to the EITF 99-19 standard, in the context of applying for the IFRS, which provides a list of indicators to determine whether a business is acting as a principal or an agent.

For every contract signed, Gameloft examines its characteristics in order to determine whether it is appropriate to recognise the net or gross revenue from services rendered by agents.

Revenue from mobile game activity is the company's core business, thanks in particular to innovations by long-time telephone manufacturers and the arrival of powerful newcomers. Revenue is determined via information from our distribution network (operators, affiliates, manufacturers, etc.) showing the number of downloads of our games to their various servers and based on the terms of the contract.

Console revenue comes from home console game download services (Xbox LIVE Arcade, 3DS, PS Vita, and PlayStation®Network), the latest generation of set-top boxes, and Smart TVs. For this game revenue, we use the same accounting method as for mobile game activity.

3.1.5.3.2.14 Cost of Sales

Cost of sales includes console game cartridge or disc production costs excluding change in inventory, royalties and costs related to the sale of games based on the various download options.

3.1.5.3.2.15 Operating Income/Expense from Ordinary Activities and Total Operating Income/Expense

Operating income/expense from ordinary activities is defined as all income and expenses not resulting from financial activities, equity-accounted companies, businesses discontinued or being sold and taxes.

Total operating income/expense includes operating income/expense from ordinary activities and other operating income and expenses.

Other operating income and expenses are few in number and correspond to litigation, and very unusual, abnormal and infrequent events of a significant amount.

The group believes that the “Operating income/expense from ordinary activities” subtotal presented separately in the income statement makes recurrent operational performance easier to understand and gives users of the financial statements useful information for analysing this performance.

3.1.5.3.2.16 Cost of Financing and Other Financial Income and Expenses

Net financial income/expense consists of the cost of net financial debt and other financial income and expenses.

The cost of net financial debt includes:

- cash and cash equivalents income, which includes gains/losses on disposals of short-term investment securities and interest income;
- the cost of gross financial debt, which includes all interest expense on financing operations.

Other financial income and expenses include gains/losses on disposals of non-consolidated shares, changes in fair value of financial instruments (assets, liabilities and derivatives), foreign exchange gains and losses and other financial income and expenses.

Gameloft does not use derivative instruments to manage or reduce its exposure to risks of changes in foreign exchange rates.

3.1.5.3.2.17 Cash Flow Statement

The cash flow statement is presented according to the indirect method (on the basis of net profit/loss) in accordance with IAS 7.

Cash flows for the fiscal year are broken down into flows generated by business activity, investment operations and financing activities.

The net impact of changes in reporting entity is presented in a special section on cash flows related to investment operations.

The cash assets shown in the cash flow statement include cash, short-term investment securities, cash equivalents and cash credit.

No parent company dividends were paid at 31 December 2012 with regard to 2011 profit.

3.1.5.3.2.18 Related Parties

The group's related parties include companies over which the group exercises control (i.e. the power to guide an entity's financial and operational policies in order to obtain benefits from its activities), joint control or significant influence; shareholders who exercise joint control over the group's joint ventures; minority shareholders who exercise significant influence over the group's subsidiaries; the group's company managers, executives and directors; persons having the authority and responsibility for the planning, management and control of the entity's activities, either directly or indirectly; and companies in which these persons exercise control, joint control or significant influence or hold a significant voting right.

3.1.5.4 Basic Earnings per Share

The group calculates earnings per share using, on the one hand, net profit and, on the other hand, net profit of the consolidated group before taxes and minority interests.

Basic net earnings per share after dilution are calculated based on the weighted average number of outstanding shares, less the weighted average number of dilutive items.

Calculation of earnings per share after dilution takes into account the potential impact of the exercise of dilutive instruments (such as subscription options and share purchase rights, convertible loans, etc.) of the theoretical number of shares. When funds are raised on the date of the exercise of the rights associated to dilutive instruments, the "buyback" method is used to determine the theoretical number of shares to take into account.

- Basic earnings per share

This is the ratio of net profit to the weighted average number of outstanding shares.

- Diluted earnings per share

These earnings are calculated by dividing:

- net profit before dilution plus the after-tax amount of savings in financial costs resulting from the conversion of the diluting instruments;
- by the average weighted number of outstanding ordinary shares, plus the number of shares that would be created as a result of the conversion of the convertible instruments into shares and the exercise of rights.

	31/12/12	31/12/11
Net profit/loss - Group share (€) – A	9,280,120	18,224,813
Number of weighted ordinary shares – B	79,534,252	76,410,413
Basic earnings per share – C = A/B	0.117	0.239
Number of weighted ordinary shares after inclusion of potentially diluting instruments – D	82,645,279	80,649,269
Net profit/loss (€) – E	9,280,120	18,224,813
Net earnings per diluted share – F= E / D	0.112	0.226
Operating income/expense from ordinary activities (€)	16,462,869	19,842,956
Operating income/expense from ordinary activities per share	0.2070	0.2597
Operating income/expense from ordinary activities per diluted share	0.1992	0.2460

The number of diluted shares related to stock options is 2,036,560 shares and the number of diluted shares related to bonus share plans is 1,074,468 shares.

3.1.5.4 Scope of Consolidation

3.1.5.4.1 Companies Included in the Gameloft Group's Consolidated Financial Statements at 31 December 2012

Only significant entities are presented in the table below. The materiality of an entity is assessed in terms of its contribution to the group's Research & Development costs and to sales figures. Other subsidiaries whose contributions are insignificant are not included in this list.

Company	Country	Acquisition / Creation Date	Activity - Sector	Percentage of Interest	Percentage of Control	Method
GAMELOFT SE 429,338,130	France	1999	Mobile Distribution / Production	-	Parent company	Full Consolidation
Gameloft Inc.	USA	2000	Mobile Distribution / Production	100.00%	100%	Full Consolidation
Gameloft Inc. Divertissements	Canada	2000	Mobile Distribution / Production	100.00%	100%	Full Consolidation
Gameloft Ltd.	United Kingdom	2001	Mobile Distribution / Production	100.00%	100%	Full Consolidation
Gameloft Iberica S.A.	Spain	2001	Mobile Distribution / Production	100.00%	100%	Full Consolidation
Gameloft SRL	Italy	2001	Mobile Distribution	100.00%	100%	Full Consolidation
Gameloft SRL	Romania	2001	Mobile Production / Distribution	100.00%	100%	Full Consolidation
Gameloft Software Beijing Ltd.	China	2003	Mobile Production /	100.00%	100%	Full Consolidation

Gameloft KK	Japan	2004	Distribution Mobile	100.00%	100%	Full Consolidation
Gameloft Ltd. Vietnam	Vietnam	2004	Production / Distribution Mobile	100.00%	100%	Full Consolidation
Gameloft S. de R.L. de C.V.	Mexico	2005	Production Mobile	100.00%	100%	Full Consolidation
Gameloft Privated Ltd.	India	2005	Production / Distribution Mobile	100.00%	100%	Full Consolidation
Gameloft Co. Ltd.	Korea	2005	Production / Distribution Mobile	100.00%	100%	Full Consolidation
Gameloft Argentina	Argentina	2005	Distribution / Production Mobile	100.00%	100%	Full Consolidation
Gameloft Do Brasil Ltda	Brazil	2007	Production / Distribution Mobile	100.00%	100%	Full Consolidation
Gameloft Australia Pty Ltd.	Australia	2007	Distribution Mobile	100.00%	100%	Full Consolidation
Gameloft Philippines	Philippines	2009	Distribution Mobile	100.00%	100%	Full Consolidation
Gameloft Software Shenzhen Co. Ltd.	China	2010	Production / Distribution Mobile	100.00%	100%	Full Consolidation
PT Gameloft Indonesia	Indonesia	2010	Production Mobile	100.00%	100%	Full Consolidation
			Production / Distribution			

The annual balance sheet date for consolidated companies is 31 December.

3.1.5.4.2 Change in Reporting Entity

The consolidation scope used for fiscal year 2012 differs from that of 2011 with the inclusion of two new subsidiaries created during the fiscal year, Gameloft Hungary Kft. and Gameloft New Zealand Limited, as well as the exit of Gameloft SPRL.

3.1.5.5 Notes to the Balance Sheet and Income Statement

Profit/loss from ordinary activities includes all ordinary activities carried out by Gameloft as part of its business, as well as any related activities undertaken by it that are incidental to or in line with its ordinary activities.

1. INTANGIBLE ASSETS

Intangible assets at 31 December 2012 were as follows:

Assets	At 31/12/11 Cumulative	Increases	Decreases	Book Transfer	Change in reporting entity	Exchange Differential	At 31/12/12 Cumulative
Software	2,922	812	-286			-30	3,418
Marketed games	26,534	796		412			27,742
Advances on licences	24,101	8,705	-5,250			-43	27,513
Games in production	664	975	-404	-412			824
Gross Total	54,221	11,288	-5,940	-		-73	59,497

Amortisation	At 31/12/11 Cumulative	Increases	Decreases	Book Transfer	Change in reporting entity	Exchange Differential	At 31/12/12 Cumulative
Software	2,599	595	-128			-12	3,054
Marketed games	19,460	4,037		2,160			25,657
Advances on licences	17,060	6,680	-5,250			36	18,526
Games in production	-						-
Subtotal	39,119	13,472	-5,378	2,160		24	47,237
Provisions							
Marketed games	2,167	748		-2,160			756
Games in production	22	103	-12				112
Advances on licences	1,057	464	-611				910
Subtotal	3,246	1,315	-623	-2,160		-	1,778
Total of depreciations and amortisations	42,365	14,787	-8,161			24	49,015
Net intangible assets	11,856						10,482

Development costs are defined as the costs required to develop games that have been completed or are already marketed on new platforms such as the Nintendo DSi, 3DS, Sony's PSN and the PS Vita, Apple's iPad and Mac, Smart TVs such as the Freebox v6 Revolution, Samsung TV, and more.

The increase in development costs for completed or marketed games on new platforms, such as Sony's PS Vita, Apple's Mac, Smart TVs, and set-top boxes, is in the amount of €796,000 for fiscal year 2012.

Games in production include development costs of games not yet completed as of the balance sheet date, and this year there was an increase of €975,000, of which €412,000 are for games marketed during that period.

The company performs feasibility tests of projects and their marketing. In 2012, Gameloft conducted a review of its current projects. Based on these analyses, the company decided to record as expenses cancelled development in the amount of €404,000.

Advances on licences pertain to licence agreements signed with various automobile manufacturers, golf courses, top-ranked athletes like golfers Anthony Kim, Vijay Singh, and Camillo Villegas, footballers Steven Gerrard and Robinho, FIFPro (International Federation of Professional Footballers), the NFL and so on.

In 2012, new licence agreements were signed, mainly with Hasbro for the *My Little Pony* and *Littlest Pet Shop* games, and with Playmobil, as well as agreements for the *Iron Man 3*, *Fast & Furious 6*, and *Despicable Me 2* games. These contracts are a continuation of agreements from the preceding years, such as agreements with Paramount for the 2011 film *The Adventures of Tintin*; Universal for *Fast Five*, which came out in May 2011; Sony Pictures for the legendary *Men In Black 3*, released in April 2012; as well as Fox for *Ice Age 4: Continental Drift*, which came out in April 2012; DC Comics for *The Dark Knight Rises*; Marvel for *The Avengers*; TT Games for the release of *LEGO Batman*; Epic Games for the use of the Unreal engine; and Classic Media for the release of the *Where's Wally Now?* game; Warner Bros. for the release of the final instalment of *Harry Potter and the Deathly Hallows*; Fox for the adaptation of the *Avatar* game on various platforms; and Marvel for *Iron Man 2* and *Spider-Man*. Gameloft also signed licence agreements related to board games, TV series, and game shows such as *Blokus*, *UNO*, *Sonic* by Sega, *Topa ou Não Topa* (the Brazilian version of *Deal or No Deal*), *CSI*, etc.

The decrease in advances on licences in the amount of €5,250,000 pertains to licences to which Gameloft is no longer contractually entitled as of 31 December 2012.

The increase in amortisation and provisions for marketed games and games in development was €4,037,000 and €851,000, respectively. The amortisations correspond to an amortisation plan over 18 months of development costs as of the game's release date. Impairment loss tests were conducted on all marketed games and games in development at the end of the fiscal year, consequently resulting in a depreciation of €851,000.

The increase in amortisation for advances on licences resulted from the rise of sales, which led to an increase in royalties prorated based on the sales of various licensed products in the amount of €6,680,000.

In light of the weak sales outlook for certain licences, an additional amortisation in the amount of €464,000 was recorded at 31 December 2012.

In comparison, intangible assets at 31 December 2012 were as follows:

Assets	At 31/12/10 Cumulative	Increases	Decreases	Book Transfer	Change in Reporting Entity	Exchange Differential	At 31/12/11 Cumulative
Software	2,213	778	-124	22		33	2,922
Marketed games	18,032	5,123	-3,381	6,760			26,534
Advances on licences	22,452	3,555	-1,916			10	24,101
Games in production	4,613	2,819	-8	-6,760			664
TOTAL	47,311	12,275	-5,429	22	-	43	54,221
Amortisation	At 31/12/10 Cumulative	Increases	Decreases	Book Transfer	Change in Reporting Entity	Exchange Differential	At 31/12/11 Cumulative
Software	1,888	696	32	21		26	2,599
Marketed games	12,700	10,141	-3,381				19,460
Advances on licences	15,385	3,611	-1,916			-20	17,060
Games in production	-						-
Subtotal	29,973	14,448	-5,329	21		6	39,119
Provisions							
Marketed games	1,749	2,935	-2,516				2,167
Games in production	292	12	-282				22
Advances on licences	733	572	-248				1,057
Subtotal	2,774	3,519	-3,046	-	-	-	3,246
TOTAL	32,747	17,967	-8,375	21	-	6	42,365
Net intangible assets	14,564						11,856

2. TANGIBLE ASSETS

Tangible assets are as follows:

Assets	At 31/12/11 Cumulative	Increases	Decreases	Book Transfer	Change in Reporting Entity	Exchange Differential	At 31/12/12 Cumulative
Plant and machinery	3,698	1,267	-134	-88		-48	4,695
Transportation equipment	-						
Computer equipment and furniture	18,785	4,969	-1,661	88		-65	22,117
Leased computer equipment	115		-16			+1	100
TOTAL	22,598	6,236	-1,811	0		-112	26,911
Amortisation	At 31/12/11 Cumulative	Increases	Decreases	Book Transfer	Change in Reporting Entity	Exchange Differential	At 31/12/12 Cumulative
Plant and machinery	2,176	611	-136	-24		-40	2,586
Transportation equipment	-						
Computer equipment and furniture	12,802	3,792	-1,477	24		-10	15,131
Leased computer equipment	111	1	-16			1	97
Construction work in progress							
TOTAL	15,089	4,404	-1,629	0		-49	17,813
Net tangible assets	7,509						9,098

The increase in tangible assets was due to:

- the development of different production studios with significant hirings in 2012 and the replacement of certain

equipment;

- the purchase of mobile telephones for the purpose of creating games.

The reductions in computer equipment are related to sales and disposals.

The reductions in general facilities are mainly due to disposals.

No borrowing costs are added to the costs of the assets.

In comparison, tangible assets were as follows at 31/12/2011:

Assets	At 31/12/10 Cumulative	Increases	Decreases	Book Transfer	Change in Reporting Entity	Exchange Differential	At 31/12/11 Cumulative
Plant and machinery	2,868	874	-83			38	3,698
Computer equipment and furniture	15,708	4,316	-1,437	-22		220	18,785
Leased computer equipment	114					1	115
TOTAL	18,690	5,190	-1,519	-22		259	22,598

Amortisation	At 31/12/10 Cumulative	Increases	Decreases	Book Transfer	Change in Reporting Entity	Exchange Differential	At 31/12/11 Cumulative
Plant and machinery	1,650	552	-31			5	2,176
Computer equipment and furniture	10,966	3,136	-1,393	-21		114	12,802
Leased computer equipment	110	1					111
TOTAL	12,726	3,689	-1,424	-21		119	15,089
Net tangible assets	5,964						7,509

3. NON-CURRENT FINANCIAL ASSETS

Assets	At 31/12/11 Cumulative	Increases	Decreases	Reclassifications	Change in Reporting Entity	Exchange Differential	At 31/12/12 Cumulative
Deposits and guarantees	2,211	546	-353	11		-18	2,397
Loans	-						
TOTAL	2,211	546	-353	11		-18	2,397

The increases in deposits and guarantees mainly concern Gameloft Beijing (€73,000), Gameloft Romania (€63,000), Gameloft Vietnam (€52,000), Gameloft Korea (€49,000), Gameloft Singapore (€48,000), and Gameloft Mexico (€45,000).

The decreases mainly concern Gameloft Korea (€118,000), Gameloft SE (€62,000), and Gameloft Shanghai (€38,000).

4. DEFERRED TAX ASSETS

	31/12/12	31/12/11
Capitalised losses	10,528	9,696
Timing differences	2,388	1,704
TOTAL	12,916	11,400

Deferred tax assets are recorded if they are likely to be recovered, in particular if taxable income is expected during the period in which the deferred tax assets are valid.

At 31 December 2012, capitalised losses totalled €10,528,000, of which €10,076,000 came from Gameloft SE.

Timing differences are mainly related to provisions for accrued expenses and deferred depreciation.

Capitalised and non-capitalised losses among the group's various subsidiaries:

	31/12/12		31/12/11	
€K	Capitalised Losses	Non-Capitalised Losses	Capitalised Losses	Non-Capitalised Losses
Gameloft Hong Kong		71		441
Gameloft Canada	162		30	
Gameloft Iberica		182		607
Gameloft Brazil		103		507
Gameloft Australia		81		274
Gameloft SE	10,076		9,638	
Gameloft Singapore		28		68
Gameloft Divertissements Live	32		24	
Gameloft Czech Republic		28		173
Gameloft Toronto	258		3	
Gameloft Ltd. UK		618		2,520
Gameloft Ltd. Co.		483		5,315
Gameloft GmbH		643		1,834
Gameloft Software Shanghai Ltd.		83		59
Xing Fu		58		
Gameloft Software Shenzhen Co. Ltd.		21		49
Gameloft KK				1,930
Gameloft SPRL				3
Gameloft Venezuela				20
TOTAL	10,528	2,399	9,696	14,127

The expiration periods of the capitalised tax losses are as follows:

- 20 years: €452,000
- Unlimited: €10,076,000

The expiry of due dates of the non-capitalised tax losses are as follows:

- At 1 year: €127,000
- At 2 years: €14,000
- At 3 years: €14,000
- At 4 years: €48,000
- At 5 years: €90,000
- At 9 years: €483,000
- At 14 years: €158,000
- At 15 years: €24,000
- Unlimited: €1,441,000

Deferred tax assets with respect to the French tax consolidation group are to be used until 2015.

5. OTHER NON-CURRENT RECEIVABLES

	31/12/12	31/12/11
R&D tax credits	4,225	3,461
Other	8	2
TOTAL	4,233	3,463

These R&D tax credits correspond to tax receivables held by the Canadian subsidiaries from 2005 through 2012.

The receivables for 2005 and 2006 are chargeable to taxes due for a period of 10 years. The receivables for the following years are usable over 20 years.

6. TRADE RECEIVABLES AND RELATED ACCOUNTS

	31/12/12	31/12/11
Trade receivables and related accounts	60,340	51,087
Impairment of accounts receivable and related accounts	-682	-478
Total	59,658	50,609

The average term of payment of the Gameloft Group's customers is 92 days.

Most trade receivables are due in less than one year and the impact of discounting is not significant and not recorded (cf. table §6.6 of the current report).

The trade receivables item is higher than it was at 31 December 2012 due to the final quarter's revenue increases for that year.

7. OTHER CURRENT ASSETS

Other assets are as follows:

	31/12/12	31/12/11
VAT	2,577	2,594
Other tax and social security receivables	14,838	8,648
Credit notes from suppliers	63	9
Receivables from suppliers	157	253
Advance payments made	31	10
Other	349	390
Pre-paid expenses	1,405	1,132
Called-up share capital	1,100	379
TOTAL	20,520	13,416

Almost all other receivables are payable within a period of less than one year.

Tax receivables in the amount of €14,521,000 are primarily made up of the following items:

- €9,584,000 for operating subsidies, partly from 2011 and from 2012 due to the Canadian subsidiaries;
- €1,672,000 are related to subsidies and other deferred tax assets for Gameloft Argentina;
- €786,000 in tax assets for Gameloft Mexico.

Social security claims represented €317,000.

8. CASH AND CASH EQUIVALENTS

The "cash and cash equivalents" item includes bank account balances totalling €55,653,000 at 31 December 2012 compared to €38,034,000 at 31 December 2011.

The change in net cash breaks down as follows:

Cash Detail	31/12/12	31/12/11
Cash on hand	24,702	26,350
Cash equivalents	30,951	11,684
TOTAL Positive cash flow	55,653	38,034
Bank overdrafts and short-term credit	-48	-1,086
TOTAL	55,606	36,948
<i>Cash assets whose use is limited (1)</i>	<i>8,824</i>	<i>3,851</i>

- (1) Given the current restrictions in Argentina regarding the repatriation of cash assets and on international payments, the use of available cash at the level of the subsidiary is limited to local payments only.

At 31 December 2012 there was a net financial surplus of €55,606,000 compared to €36,948,000 at 31 December 2011.

The cash assets and cash equivalents items are related to the following countries:

- France in the amount of €18,656,000
- Brazil in the amount of €10,921,000
- Argentina in the amount of €8,824,000
- The United States in the amount of €4,917,000
- Japan in the amount of €1,829,000

The cash assets and cash equivalents are made up of investments that are immediately available and free of charge.

9. SHAREHOLDERS' EQUITY CAPITAL

Capital

At 31 December 2012, Gameloft SE share capital consisted of 81,818,524 shares, each with a par value of 0.05 euros, for a total of 4,090,926.20 euros.

In 2012, Gameloft saw an increase of share capital through the issuance of stock options and bonus shares resulting in a share capital increase totalling €236,000, and an issue premium increase totalling €14,044,000. In fiscal year 2012, the amount collected from share capital increases was €13,179,000, the balance of €1,100,000 having been collected in January 2013.

Each share gives a right to ownership of the corporate assets and liquidating dividend in proportion to the percentage of capital it represents.

A voting right double that granted to other shares, based on the percentage of share capital they represent, is attached to all fully paid-up shares which are proven to be registered in the same shareholder's name for at least two years.

This right is also granted at the time of issue, in case of a share capital increase by capitalisation of reserves, earnings or issue premiums, to registered shares allotted free of charge to a shareholder in exchange for old shares for which this right was enjoyed.

Number of Gameloft SE Shares

	Par Value in €	Number of Shares	Amount in €K
At 31/12/09	0.05	74,797,874	3,740
Exercised options on 11/04/2008	0.05	144,950	7
US options exercised on 11/04/2008	0.05	94,100	5
Exercised options on 03/01/2007	0.05	38,000	2
US options exercised on 03/01/2007	0.05	8,000	0
At 31/12/10	0.05	75,082,924	3,754
Exercised options on 11/01/2006	0.05	10,000	0
Exercised options on 03/01/2007	0.05	271,405	14
US options exercised on 03/01/2007	0.05	87,200	4
F options exercised on 03/01/2007	0.05	188,206	9
Exercised options on 11/04/2008	0.05	221,895	11
US options exercised on 11/04/2008	0.05	130,600	7
F options exercised on 11/04/2008	0.05	43,000	2
Exercised options on 14/05/2009	0.05	353,500	18
Allotment of bonus shares on 21/04/2009	0.05	717,250	36
At 31/12/11	0.05	77,105,980	3,855
Exercised options on 03/01/2007	0.05	394,795	20
US options exercised on 03/01/2007	0.05	286,200	14
F options exercised on 03/01/2007	0.05	1,170,794	59
Exercised options on 11/04/2008	0.05	729,165	37
US options exercised on 11/04/2008	0.05	98,200	5
F options exercised on 11/04/2008	0.05	508,255	25
Exercised options on 14/05/2009	0.05	441,885	22
Exercised options on 01/06/2010	0.05	479,750	24
Allotment of bonus shares on 01/06/2010	0.05	603,500	30
At 31/12/12	0.05	81,818,524	4,091

Stock options and bonus shares

As a reminder, the conditions under which stock options and bonus shares may be exercised are as follows:

Date of Board of Directors' Meeting	11/01/06	Balance at 31/12/06	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	2,790,300	2,716,200	2,547,900	2,401,800	2,335,500	2,212,500	1,329,000	0
Number of shares cancelled:		74,100	242,400	388,500	454,800	577,800	1,451,300	2,780,300
Number of people concerned:	101							
of which are managers	5							

Start of exercise period	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008
End of exercise period	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012
Subscription price	5.35 euros	5.35 euros	5.35 euros	5.35 euros	5.35 euros	5.35 euros	5.35 euros	5.35 euros

Date of Board of Directors' Meeting	11/01/06	Balance at 31/12/06	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	612,000	468,000	363,000	333,000	333,000	333,000	333,000	0
Number of shares cancelled:		144,000	249,000	279,000	279,000	279,000	279,000	612,000
Number of people concerned: of which are managers	33 0							
Start of exercise period	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008
End of exercise period	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012
Subscription price	5.61 euros	5.61 euros	5.61 euros	5.61 euros	5.61 euros	5.61 euros	5.61 euros	5.61 euros

Date of Board of Directors' Meeting	7/06/06	Balance at 31/12/06	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	40,200	40,200	40,200	10,200	10,200	10,200	10,200	0
Number of shares cancelled:	-	-	-	30,000	30,000	30,000	30,000	40,200
Number of people concerned: of which are managers	2 0							
Start of exercise period	07/06/2010	07/06/2010	07/06/2010	07/06/2010	07/06/2010	07/06/2010	07/06/2010	07/06/2010
End of exercise period	07/06/2012	07/06/2012	07/06/2012	07/06/2012	07/06/2012	07/06/2012	07/06/2012	07/06/2012
Subscription price	5.37 euros	5.37 euros	5.37 euros	5.37 euros	5.37 euros	5.37 euros	5.37 euros	5.37 euros

Date of Board of Directors' Meeting	03/01/07	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	2,811,000	2,734,800	2,535,000	2,421,700	2,238,000	1,630,989	50,400
Number of shares cancelled:		76,200	276,000	389,300	535,000	682,400	697,400
Number of people concerned: of which are managers	127 4						
Start of exercise period	03/01/2009	03/01/2009	03/01/2009	03/01/2009	03/01/2009	03/01/2009	03/01/2009
End of exercise period	03/01/2013	03/01/2013	03/01/2013	03/01/2013	03/01/2013	03/01/2013	03/01/2013
Subscription price	4.10 euros	4.10 euros	4.10 euros	4.10 euros	4.10 euros	4.10 euros	4.10 euros

Date of Board of Directors' Meeting	03/01/07	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	710,100	604,800	530,400	511,200	494,200	377,000	80,600
Number of shares cancelled:		105,300	179,700	198,900	207,900	237,900	248,100
Number of people concerned: of which are managers	38 1						
Start of exercise period	03/01/2009	03/01/2009	03/01/2009	03/01/2009	03/01/2009	03/01/2009	03/01/2009
End of exercise period	03/01/2013	03/01/2013	03/01/2013	03/01/2013	03/01/2013	03/01/2013	03/01/2013
Subscription price	4.30 euros	4.30 euros	4.30 euros	4.30 euros	4.30 euros	4.30 euros	4.30 euros

Date of Board of Directors' Meeting	11/04/2008	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	3,110,250	3,015,000	2,850,600	2,595,350	2,059,465	811,995
Number of shares cancelled:		95,250	259,650	369,950	640,940	650,990
Number of people concerned: of which are managers	199 4					
Start of exercise period	11/04/2010	11/04/2010	11/04/2010	11/04/2010	11/04/2010	11/04/2010
End of exercise period	11/04/2014	11/04/2014	11/04/2014	11/04/2014	11/04/2014	11/04/2014
Subscription price	2.80 euros	2.80 euros	2.80 euros	2.80 euros	2.80 euros	2.80 euros

Date of Board of Directors' Meeting	11/04/2008	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	534,300	525,300	508,200	398,900	244,900	136,100
Number of shares cancelled:		9,000	26,100	41,300	64,700	75,300
Number of people concerned: of which are managers	48 1					
Start of exercise period	11/04/2010	11/04/2010	11/04/2010	11/04/2010	11/04/2010	11/04/2010
End of exercise period	11/04/2014	11/04/2014	11/04/2014	11/04/2014	11/04/2014	11/04/2014
Subscription price	2.95 euros	2.95 euros	2.95 euros	2.95 euros	2.95 euros	2.95 euros

Date of Board of Directors' Meeting	14/05/2009	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	2,208,500	2,130,900	2,003,800	1,539,800	1,093,990
Number of shares cancelled:		77,600	204,700	315,200	319,125
Number of people concerned:	189				
of which are managers	2				
Start of exercise period	14/05/2011	14/05/2011	14/05/2011	14/05/2011	14/05/2011
End of exercise period	14/05/2015	14/05/2015	14/05/2015	14/05/2015	14/05/2015
Subscription price	2.36 euros	2.36 euros	2.36 euros	2.36 euros	2.36 euros

Date of Board of Directors' Meeting	01/06/2010	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	2,240,000	2,200,200	2,010,000	1,428,250
Number of shares cancelled:		39,800	230,000	332,000
Number of people concerned:	189			
of which are managers	2			
Start of exercise period	01/06/2012	01/06/2012	01/06/2012	01/06/2012
End of exercise period	01/06/2014	01/06/2014	01/06/2014	01/06/2014
Subscription price	3.82 euros	3.82 euros	3.82 euros	3.82 euros

Date of Board of Directors' Meeting	20/09/2011	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	2,245,000	2,235,000	2,155,000
Number of shares cancelled:		10,000	90,000
Number of people concerned:	170		
of which are managers	2		
Start of exercise period	20/09/2013	20/09/2013	20/09/2013
End of exercise period	20/09/2015	20/09/2015	20/09/2015
Subscription price	3.87 euros	3.87 euros	3.87 euros

Date of Board of Directors' Meeting	06/07/2012	Balance at 31/12/12
Number of shares eligible for subscription:	1,606,000	1,590,900
Number of shares cancelled:		15,100
Number of people concerned:	147	
of which are managers	0	
Start of exercise period	06/07/2014	06/07/2014
End of exercise period	06/07/2016	06/07/2016
Subscription price	4.88 euros	4.88 euros

Allotment of Bonus Shares	21/04/2009	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Date of Board of Directors' Meeting	21/04/2009				
Maturity - Vesting period	2 years - 22/04/2011				
End of holding period	2 years - 22/04/2013				
Number of instruments allotted	720,750	720,250	717,250	0	0
Number of shares cancelled:	-	500	3,500	3,500	3,500
Number of people concerned:	55				
of which are managers	3				

Allotment of Bonus Shares	01/06/2010	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Date of Board of Directors' Meeting	01/06/2010			
Maturity - Vesting period	2 years - 01/06/2012			
End of holding period	2 years - 01/06/2014			
Number of instruments allotted	733,250	729,750	624,750	0
Number of shares cancelled:	-	3,500	108,500	129,750
Number of people concerned:	60			
of which are managers	3			

Allotment of Bonus Shares	20/09/2011	Balance at 31/12/11	Balance at 31/12/12
Date of Board of Directors' Meeting	20/09/2011		
Maturity - Vesting period	2 years - 20/09/2013		
End of holding period	2 years - 20/09/2015		
Number of instruments allotted	548,900	527,400	494,300
Number of shares cancelled:	-	21,500	54,600
Number of people concerned:	47		
of which are managers	3		

Allotment of Bonus Shares	06/07/2012	Balance at 31/12/12
Date of Board of Directors' Meeting	06/07/2012	
Maturity - Vesting period	2 years – 06/07/2014	
End of holding period	2 years – 06/07/2016	
Number of instruments allotted	750,000	745,300
Number of shares cancelled:	-	4,700
Number of people concerned:	51	
of which are managers	5	

The bonus shares allotted, which are subject to performance conditions being met by managers only, are unavailable for four years following the allotment date. Since the shares allotted are ordinary shares and belong to the same category as the old shares that comprise the company's share capital, at the end of the vesting period the shareholder employee receives the dividends and voting rights attached to all his/her shares.

In total, at 31 December 2012, the maximum number of shares that may be created through the exercise of stock options and bonus shares is 7,347,235 and 1,239,600, respectively.

The cancellations recorded during the year are the result either of terminations of recipients prior to the start of the period in which they could exercise their rights or the expiration of plans under market conditions making it impossible to exercise all the rights.

Gameloft holds no treasury shares.

10. PROVISIONS FOR CONTINGENCIES

Non-current liabilities:	At 31/12/11	Allocations for the Year	Write-Backs for the Year	Change in Reporting Entity	At 31/12/12
			Amount Used during the Year	Amount Not Used during the Year	
For risks	70	109	-70		109
Total	70	109	-70		109

Provisions for contingencies were recorded for lawsuits concerning employees (€109,000).

There are no new tax audits in progress at the foreign or French subsidiaries. To date, no adjustment proposal has been received, and consequently, no provision was recorded in the accounts.

11. EMPLOYEE BENEFITS

	At 31/12/11	Allocations	Write-Backs	Exchange Differential	Reclassifications	At 31/12/12
Provisions for retirement	343	7		10		360
Provision for end of contract indemnities	100	27	-23	-3		101
TOTAL	443	385	-375	7		461

The provision for retirement indemnities at 31 December 2012 primarily concerns the following subsidiaries:

- Gameloft Korea for €190,000
- Gameloft SE for €82,000
- Gameloft HK for €35,000
- Gameloft SRL Italy for €16,000

Since the institution of unemployment coverage in Vietnam, the provision for end of contract indemnities is recorded directly as payroll expenses for all employees hired since 1 January 2009. The provision for end of contract indemnities is equivalent to that of employees who joined the company before 31 December 2008. The write-backs are due to the departure of employees who joined the company before 31 December 2008, and the provisions are due to wage increases.

12. DEFERRED TAX LIABILITIES

	31/12/12	31/12/11
Subsidies to be received	3,704	2,559
Miscellaneous	126	14
TOTAL	3,830	2,573

The Canadian subsidiaries receive multimedia credits. As these credits are taxable in the year in which they are received but recorded on a fiscal year basis for the year to which they're connected, the company must recognise a deferred tax liability.

The subsidies will be received in fiscal year 2013.

13. FINANCIAL DEBTS

The Gameloft Group has no non-current financial debts.

Current financial debts are as follows:

	31/12/12	31/12/11
Bank overdrafts	48	1,086
Financial debts	48	1,086

	Less than 1 Year	1 Year to 5 Years	More than 5 Years
Amounts still due at 31/12/12	48		

Bank overdrafts are used to fund occasional cash flow shortages.

14. TRADE PAYABLES AND RELATED ACCOUNTS

	31/12/12	31/12/11
Trade payables	18,957	13,402
Trade payables on assets	7,263	3,992
Total	26,220	17,394

Trade payables are due in less than one year. Given this short period, they are not subject to significant interest rate risk.

15. OTHER DEBTS AND CURRENT LIABILITIES

Other current debts are as follows:

	31/12/12	31/12/11
Customer credit balances and payments received	340	717
Other debts	479	824
Unearned income	811	1,325
Social security liabilities	8,132	6,545
Tax liabilities	6,551	4,608
TOTAL	16,313	14,019

Unearned income is primarily related to advances on subsidies received from the American subsidiary.

Social security liabilities mainly concern Gameloft Divertissements Inc. (€2,064,000), Gameloft SE (€1,068,000), Gameloft Romania SRL (€983,000), Gameloft Vietnam (€611,000), Gameloft Software Beijing (€443,000), Gameloft Toronto (€331,000) and Gameloft Argentina (€305,000).

The tax liabilities mainly concern Gameloft Argentina (€2,434,000), Gameloft SE (€315,000), Gameloft S. de R.L. de C.V. (€644,000), Gameloft Software Beijing (€234,000), Gameloft Do Brasil Ltd. (€223,000), Gameloft Philippines (€515,000), Gameloft Japan (€600,000), and Gameloft Romania SRL (€233,000).

16. REVENUE

The breakdown of revenue by geographic region is as follows:

	12-Month Fiscal Year		12-Month Fiscal Year	
	31/12/12		31/12/11	
	€K	%	€K	%
EMEA	55,481	27%	56,731	34%
North America	65,574	31%	47,350	29%
Latin America	42,022	20%	32,751	20%
Asia-Pacific	45,238	22%	27,525	17%
Total	208,315	100%	164,357	100%

North America represented 31% of annual revenue, the EMEA region 27%, Asia-Pacific 22%, and Latin America 20%.

The breakdown of revenue by activity is as follows:

	12-Month Fiscal Year		12-Month Fiscal Year	
	31/12/12		31/12/11	
	€K	%	€K	%
Smartphones	106,316	51%	55,947	34%
Feature phones	97,110	47%	98,265	60%
Large screens	4,889	2%	10,145	6%
Total Revenue	208,315	100%	164,357	100%

On the whole, the consolidated revenue for fiscal year 2012 reached 208.3 million euros, an annual increase of 27%. The group's operations were carried by the tremendous success experienced by Gameloft's games on the smartphone and touch tablet markets. On the whole, sales for fiscal year 2012 on smartphones and touch tablets increased by 90%. They represented 51% of the company's total revenue, compared to 34% during the same period in 2011.

17. COST OF SALES

Cost of sales is as follows:

	31/12/12	31/12/11
Purchases of goods	-	24
Expenses related to cost of sales	10,512	7,231
Costs of royalties	15,510	8,187
Depreciation expenses	6,680	3,611
Net provisions for licences	-147	324
TOTAL	32,555	19,377

"Expenses related to cost of sales" pertain to all costs related to the sale of games on various platforms. "Costs of royalties" pertain to the sale of licensed games. The tremendous success of licenced games like *Ice Age Village*, *The Dark Knight Rises* and *The Amazing Spider-Man* led to a strong increase in royalty costs.

Provisions for asset impairment represented €464,000 of licence depreciation determined based on the profitability of games allowing for the guaranteed amounts before the expiry of various contracts.

18. RESEARCH & DEVELOPMENT COSTS

Research & Development costs are as follows:

	31/12/12	31/12/11
Other external charges (1)	16,524	6,401
Employee compensation	73,298	58,875
Operating subsidy	-7,689	-6,249
Social security charges	13,645	11,154
Taxes	749	607
Amortisation expense on capital assets	8,021	10,097
Net provisions for capitalised games	537	-1,782
TOTAL	105,085	79,102

(1) Adjusted for self-constructed assets

Research & Development costs pertain to the costs related to game development.

At 31 December 2012, R&D included 5,192 employees, which marks a 13% increase.

The “employee compensation” and “social security charges” items increased by 24% during the year.

The amount of subsidies received in Canada and Argentina is calculated based on Gameloft Canada’s and Gameloft Argentina’s payroll for R&D department employees.

Expenses related to amortisation and impairment decreased due to the depreciations of capitalised development costs in the amount of €4,339,000 in 2012 compared with €6,760,000 in 2011.

Provisions for asset impairment are determined based on the profitability of console games, Smart TV games, or set-top box games already marketed or still in production. At 31 December 2012, the net provision was €537,000 on depreciation of games that have been marketed or are in production compared to -€1,782,000 in December 2011.

19. COMMERCIAL EXPENSES

Sales & Marketing costs are as follows:

	31/12/12	31/12/11
Other external charges	15,845	12,373
Employee compensation	15,799	13,530
Operating subsidy	-417	-396
Social security charges	3,619	3,281
Taxes	1,224	1,408
Amortisation expense on capital assets	421	346
TOTAL	36,491	30,542

Commercial expenses are made up of all expenses related to the marketing and sale of the company’s mobile and console games (marketing, B2B sales teams, B2C, Business Intelligence teams, purchasing advertising space, trade shows, etc.).

At 31 December 2012, the Sales & Marketing department had 624 employees, which marks a 16% increase.

Advertising, marketing and trade show expenses for the year totalled €8,846,000 compared to €5,899,000 in 2011. In 2012, these expenses represent 4.25% of revenue compared to 3.59% in 2011, an increase related to the group's strategic policy.

The “employee compensation and social security charges” item increased by 16%.

Operating subsidies include multimedia credits granted by the Canadian government for certain types of functions, including the Sales & Marketing function, and subsidies received from the Argentine government.

20. ADMINISTRATIVE COSTS

Administrative costs are as follows:

	31/12/12	31/12/11
Other external charges	6,873	5,911
Employee compensation	9,040	6,864
Operating subsidy	-656	-425
Social security charges	1,740	1,452
Taxes	404	614
Amortisation expense on capital assets	824	645
TOTAL	18,225	15,061

Administrative costs are made up of expenses related to the company’s accounting, legal, information technology and human resources teams.

At 31 December 2012, the Administrative segment had 405 employees, which was a 22% increase compared to 2011.

External charges sharply increased due to the implementation and development of Internet network lines in order to facilitate the downloading of our games, constituting a total increase of 16%.

The “employee compensation and social security charges” item increased by 30%.

Operating subsidies include multimedia credits granted by the Canadian government for certain types of functions, including the Administrative function, and subsidies received from the Argentine government.

Depreciation increased following the purchase of a large amount of computer equipment at all the group's subsidiaries, as well as the renovation of several sites and the increase in administrative staff between the two periods.

Information regarding pensions and similar benefits and share-based payments:

	31/12/12	31/12/11
Pensions and similar benefits	385	188
Share-based payments	3,985	2,139

21. NET AMORTISATION AND PROVISIONS

	31/12/12	31/12/11
Provisions on current assets	248	121
Provisions	502	258
Write-backs of provisions on current assets	-34	-17
Write-backs of provisions	-445	-134
TOTAL	272	228

The allocations and write-backs on depreciations of current assets relate to the recognition of provisions for trade receivables in the amount of €248,000 and write-backs for €34,000.

The provisions and write-backs of provisions include the recognition of a retirement commitment and end of contract indemnities (€385,000), and a write-back (€375,000); as well as a provision for labour-related lawsuits (€117,000), and a write-back (€70,000).

22. OTHER OPERATING EXPENSES AND INCOME

Other operating income and expenses are as follows:

	31/12/12	31/12/11
Gain/loss on disposal of assets	-347	-154
Other income	1,766	191
Other expenses	-644	-241
TOTAL	775	-205

The “gain/loss on disposal” item includes the sale of computer equipment as well as equipment that was disposed.

Other income mainly includes €1,139,000 in deductions at source on Japanese revenue that was unduly deducted from 2008 through 2011, and for which repayment was received from the Japanese taxation authorities in December 2012.

23. OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses are as follows:

	31/12/12	31/12/11
Net amortisation, depreciation and provisions	-	-5,311
Other operating revenue	-	-
Other operating expenses	-1,613	-
TOTAL	-1,613	-5,311

The other charges are related to tax penalties on a distribution agreement for games or legal and fiscal litigation (€305,000), and restructuring costs of certain Chinese subsidiaries (€1,308,000).

Gameloft wanted to concentrate its Chinese development studios activities on high value-added tasks like creation, as opposed to lesser value-added tasks like porting and testing. This strategic shift allowed the company to balance the

costs of its Chinese studios with their activities. Nearly all of Gameloft's workforce in China will now be focused on game development and creation.

This restructuring led to the outright closure of the Shanghai studio, to the closure of the QA (testing) department in Beijing, and of the porting department in Chengdu. These costs are significant and non-recurring within Gameloft strategy and have therefore been identified in order to facilitate the presentation of the group's recurring performance.

In 2011, the net amortisation, depreciation and provisions reflected the strategic decision taken during the second half of that year to concentrate the company's creation efforts on smartphones and touch tablets, leading to the cancellation of several projects for which the development costs were capitalised. The recognized depreciations and amortisations were in the amount of €5,311,000.

24. NET FINANCIAL INCOME/EXPENSE

Net financial income/expense breaks down as follows:

	31/12/12	31/12/11
Cost of net financial debt	1,327	377
<i>Interest on financing activities</i>	<i>-148</i>	<i>-104</i>
<i>Income related to cash and cash equivalents</i>	<i>1,475</i>	<i>481</i>
Financial income	5,869	5,097
<i>Foreign exchange gains</i>	<i>5,866</i>	<i>5,097</i>
<i>Other financial income</i>	<i>3</i>	
Financial expense	7,730	6,618
<i>Foreign exchange losses</i>	<i>7,730</i>	<i>6,618</i>
TOTAL	-534	-1,144

The company has financial debts in euros.

The company had no interest rate or foreign currency hedge at 31 December 2012 or at 31 December 2011.

“Cash and cash equivalents income” is investment income from the various interest-bearing accounts, of which €544,000 is in Brazilian investments, €498,000 is in Argentinian investments, and €332,000 is in interest-bearing accounts in France.

The “interest on financing activities” item includes the financial expenses (€38,000) related to the short-term loan financed by HSBC in Canada to fund Gameloft Divertissements Inc.’s occasional cash flow shortages, and €79,000 in financial charges on late payment fees for Gameloft Philippines.

25. INCOME TAX

Income tax consists of the following:

	31/12/12	31/12/11
Current tax	5,330	4,229
Deferred tax	-294	-9,066
Total	5,036	-4,837

Current tax:

Taxes were calculated for all companies reporting a profit based on the tax rates in effect in each country.

Tax liabilities mainly concern the following subsidiaries:

- Gameloft Argentina for €1,292,000
- Gameloft Brazil for €1,250,000
- Gameloft SE for €1,306,000

Since 1 January 2009, a tax consolidation agreement between the French companies is in place.

Tax reconciliation:

	31/12/12	31/12/11
Pre-tax profit/loss	14,316	12,487
Notional tax expense calculated at the tax rate of the parent company	4,772	4,162
Effect of tax losses:		
Losses used during the fiscal year not previously capitalised	-1,678	-10,599
Deferred taxation not recorded in the losses for the period	197	659
Effect of differential between tax rates	886	-82
Differences between corporate income and consolidated income	859	1,023
<i>of which are share-based payments</i>	1,106	713
<i>of which are intragroup provisions</i>	1,330	-551
<i>of which is Colombian taxation</i>	-466	472
<i>of which are unused deductions at source</i>	1,319	1,088
<i>of which are tax cuts for video game development companies (USA and Argentina)</i>	-1,589	-742
<i>of which is income from deductions at source related to previous fiscal years</i>	-400	-
<i>Other differences</i>	-441	43
Actual tax expense	5,036	-4,837

3.1.5.6 Segment Information

In accordance with IFRS 8 - Operating Segments, the information presented below for the only operating segment is identical to the one presented to the chief operating decision maker (Chief Executive Officer) in order to make decisions regarding the allocation of resources to a segment of the company and to evaluate its performance.

Since Gameloft has worldwide management, it does not identify different segments in this instance. However, an analysis by geographic sector can be presented as follows:

€K	Revenue	
	31/12/12	31/12/11
EMEA	55,481	56,731
North America	65,574	47,350
Latin America	42,022	32,751
Asia-Pacific	45,238	27,525
Total	208,315	164,357

For the purpose of presenting information by geographic segment, revenue is determined on the basis of the customers' geographic location. Non-current assets are allocated to the segments based on their geographic location.

€K	Non-current assets	
	31/12/12	31/12/11
EMEA	22,371	23,317
North America	9,896	6,511
Latin America	1,162	1,463
Asia-Pacific	6,139	5,148
Total	39,569	36,439

Non-current assets include intangible assets, tangible assets, non-current financial assets, deferred tax assets, other non-current receivables and assets being sold or discontinued businesses.

Moreover, as detailed below, Gameloft has one client that generates at least 10% of total revenue:

€K	Revenue			
	31/12/12		31/12/11	
	Amount	%	Amount	%
Apple	64,289	30.86%	36,587	22.26%
Total	64,289	30.86%	36,587	22.26%

3.1.6 Additional Information

1. Off-balance sheet commitments

Guarantees given: none

Collateral provided: none

Guarantees received: - HSBC acted as a guarantor for our supplier Ferrari in the amount of €710,000, following our licensing agreement.

Cash credits: - Gameloft Divertissements Inc. received a line of credit for CAD 3,000,000 with HSBC.

- Secured credit facilities amounting to CAD 500,000 for Gameloft Entertainment Toronto Inc., from HSBC Bank Canada.

Off-balance sheet commitments:

Off-balance sheet commitments related to operating activities	Characteristics		
	Description	Commitment End Date	At 31/12/12
	Business leases	31/12/2020	€16,185,000
Commitments related to the implementation of operating agreements	A commitment from the Government of Ontario in the form of a grant agreement with hiring and spending conditions over 5 years to benefit Gameloft Entertainment Inc. Toronto.		CAD 1,725,000
Guaranteed commitments, mortgages, etc.	Chattel mortgage to guarantee the payment of rent and adherence to the obligations stipulated in the leases entered into by the lessor and Gameloft Divertissements Inc.	15/08/2014	CAD 322,000

Discounted bills not due: none

Financial leases: none

Other commitments:

There are no other significant off-balance sheet commitments.

2. Compensation of the group's senior executives

The total gross compensation granted to senior executives in 2012 by both the company and its subsidiaries was €1,485,000, of which €473,000 was for share-based payments in application of the IFRS 2 standard.

During the fiscal year ended 31 December 2012, Gameloft SE decided to compensate its directors with directors' fees.

	2012	2011
Salaries, misc. charges and benefits	€1,012,000	€830,000
Share-based payments	€473,000	€310,000
Total pensions and other post-employment benefits		
Severance pay		

Total compensation	€1,485,000	€1,140,000
Stock options and bonus shares issued during the year	142,000	381,000

3. Loans extended to the group's senior executives

At 31 December 2012, no advance or credit was extended to the group's senior executives pursuant to Article L. 225-43 of the French Commercial Code.

4. Personnel

The workforce at 31 December 2012 breaks down as follows:

a) Breakdown by geographic region:

	31/12/10	31/12/11	31/12/12
EMEA	844	1,066	1,430
North America	483	586	641
Latin America	535	487	521
Asia-Pacific	2,949	3,322	3,629
Total	4,811	5,461	6,221

b) Breakdown by department:

	31/12/10	31/12/11	31/12/12
Administration	285	331	405
Sales & Marketing	512	538	624
Research & Development	4,014	4,592	5,192
Total	4,811	5,461	6,221

In 2012, the workforce showed strong growth.

c) Average number of employees

	2012	2011
Administration	368	308
Sales & Marketing	581	525
Research & Development	4,892	4,303
Total	5,841	5,136

5. IFRS 7 – Financial Instruments

IFRS 7 sets out the rules for presenting financial information related to financial instruments, as defined by IAS 32 “Financial Instruments: Presentation” and IAS 39 “Financial Instruments: Recognition and Measurement”. The amendment to IAS 1 calls for the presentation of qualitative information about the objectives, principles and processes of operations impacting share capital and the presentation of quantitative information about the elements comprising share capital.

The following table shows the net book value by category and the fair value of the group's financial instruments (according to the definitions provided by IAS 32) at 31/12/12 and 31/12/11:

ASSETS		Category Fair Value	December 2012		December 2011	
Net Book Value in €K	Category IAS 39		Book Value	Fair Value	Book Value	Fair Value
Non-current financial assets (excluding securities)	Loans and receivables at amortised cost		2,397		2,211	

Non-current financial assets (securities)	Assets available for sale at fair value through equity capital	Level 3	0		0	
Other non-current receivables	Loans and receivables at amortised cost		4,233		3,463	
Trade receivables and related accounts	Loans and receivables at amortised cost		59,658		50,609	
Other receivables and accruals	Loans and receivables at amortised cost		20,520		13,416	
Cash and cash equivalents	Financial assets at fair value through profit or loss	Level 1	55,654	55,654	38,034	38,034

LIABILITIES		Category Fair Value	December 2012		December 2011	
Net Book Value in €K	Category IAS 39		Book Value	Fair Value	Book Value	Fair Value
Non-current financial debts	Financial liabilities at amortised cost		0		0	
Financial debts	Financial liabilities at amortised cost		48		1,086	
Trade payables	Financial liabilities at amortised cost		26,220		17,394	
Other debts and current liabilities	Financial liabilities at amortised cost		16,313		14,019	

In accordance with the amendment to IFRS 7 – “Financial Instruments: Disclosures”, the following table shows the distribution among the three hierarchy levels for the financial assets and liabilities measured at fair value:

level 1: for financial assets listed on an active market, fair value corresponds to the listed price;

level 2: for financial assets not listed on an active market and for which observable market data exists which the group can use to measure their fair value;

level 3: for financial assets not listed on an active market and for which no observable market data exists to measure their fair value.

As a reminder, the other financial instruments valued at amortised cost are not included in the following table:

Item	31/12/2012			
	Level 1	Level 2	Level 3	Total
Non-current financial assets (securities)				0
Cash and cash equivalents	55,654			55,654
Total assets at fair value	55,654	0	0	55,654
Total liabilities at fair value	0	0	0	0

Item	31/12/2011			
	Level 1	Level 2	Level 3	Total
Non-current financial assets (securities)			-	0
Cash and cash equivalents	38,034			38,034
Total assets at fair value	38,034	0	0	38,034
Total liabilities at fair value	0	0	0	0

- Securities-related risk management

Risk related to the company's shares

Given its share repurchase policy and the authority given by the General Meeting, the company can end up buying its own shares. Fluctuations in share prices purchased this way have no impact on the group's earnings.

Risk related to other shares

Equity capital holdings in listed companies may have a negative impact on the group's earning in case of a significant and/or prolonged decrease in the share price.

At 31 December 2012, equity capital holdings did not include any shares in companies listed on the stock market.

- Liquidity risk management

The group has no significant risk on financial debts and its short-term investment securities (available for sale or cash equivalents). The group's short-term investment security portfolio consists mainly of short-term money market investments with guaranteed rates and capital. Cash and cash equivalents allow the group to meet its commitments without any risk of liquidity.

- Interest rate risk management

The group does not rely on credit institutions to finance itself; however, it uses short- and medium-term financing that charges interest and places its available cash and cash equivalents in investment products bearing interest based on short-term variable rates. In this context, the group is subject to changes in variable rates and assesses this risk on a regular basis.

- Foreign exchange risk management

The group owns assets, collects revenue and incurs expenses and commitments directly and through subsidiaries in a large number of foreign currencies; however, accounts are presented in euros. Consequently, when financial statements are prepared, values of assets, liabilities, revenue and expenses are converted from other currencies to euros, according to the exchange rates applicable on that date. Therefore, increases and decreases in the value of the euro in relation to these other currencies will affect the value of these elements in the financial statements, even if their value has not changed in their original currency.

Nevertheless, Gameloft uses a natural foreign currency hedging system to the extent that its intra-group relations, current account advances to subsidiaries, re-invoicing of subsidiaries' expenses to the parent company and royalties to subsidiaries are done in foreign currencies (US dollars, Canadian dollars, pounds sterling, etc.) and that through losses, income in foreign currencies compensates for the company's expenses in foreign exchanges.

To date, the group has not implemented foreign currency hedging for its internal cash flows.

Change in exchange rates of principal currencies:

	31/12/12		31/12/11	
	Average Rate	Closing Rate	Average Rate	Closing Rate
US dollar	1.28560	1.31940	1.39171	1.29390
Canadian dollar	1.28479	1.31370	1.37564	1.32150
Pound sterling	0.81110	0.81610	0.86777	0.83530
Japanese yen	102.62121	113.61000	111.02107	100.200
Argentine peso	5.84852	6.48790	5.74526	5.56790
Mexican peso	16.90867	17.18450	17.27907	18.0512
Brazilian real	2.50970	2.70360	2.32592	2.41590
Korean won	1,448.19536	1,406.23	1,541.04864	1,498.69
Australian dollar	1.24134	1.27120	1.34816	1.27230

Impact on sales figures of the variation in exchange rates during the year:

€K	31/12/12	31/12/11
US dollar	2,694	-1,188
Canadian dollar	156	-26
Pound sterling	152	-20
Japanese yen	639	226
Argentine peso	-257	-1,247
Mexican peso	273	-401
Brazilian real	-833	-39
Korean won	167	-4

Chinese yuan	203	1
Australian dollar	63	49

Financial debt sensitivity:

	Amount	Type of Interest Rate	Interest Rate	Face Value	Int./Year	Var. of +1%	Difference in €K
Bank loan, France	48	Variable	-	-	0	0	-
Cash Assets & Investments	55,654	Variable	-	55,654			
Total					0	0	-

The breakdown of financial debts by currency is as follows:

	31/12/12	31/12/11
Euros	48	60
Canadian dollar	-	1,026
Financial debts	48	1,086

Credit risk:

Credit risk represents the group's risk of financial loss in the event that a client fails to make its payment. At 31 December 2012, the amount of past due trade receivables not yet amortised was not significant.

31/12/12						Amount of Past Due Assets Not Amortised		
	Note	Book Value	Provisions	Net Profit/Loss in €K	Amount of Assets Not Yet Due	0-6 Months	6 Months to 1 Year	More than 1 Year
Non-current and current operating financial assets								
Trade receivables	6	60,340	682	59,658	25,672	31,062	1,693	1,231
Other current trade receivables	7	20,520		20,520		11,657	5,411	3,453
Other financial assets in loans and receivables								
LOANS AND RECEIVABLES								
Other non-current financial assets								
Other current financial assets								
		80,860	682	80,178	25,672	42,719	7,104	4,684

6. Information regarding related parties

In accordance with IAS 24, transactions carried out with companies owned and controlled by common senior executives and transactions carried out with subsidiaries not included in the group's consolidated financial statements are considered transactions with related parties.

In application of the IAS 24.16 standard, presented below are the details of the total compensation and benefits of any kind issued to company managers during the fiscal year.

I. Compensation and Benefits of Any Kind Earned by Executive Directors

The compensation of the executive directors consists of fixed compensation and benefits in kind. The executive directors do not receive variable compensation. They may be granted stock options and performance shares. The total is determined by the Board of Directors on the recommendation of the Compensation Committee. As of 2009, stock options and performance shares granted to the executive directors are subject to performance conditions.

The tables below include the compensation and benefits of any kind issued to the senior executives as related to their mandate by:

(i.) the company;

- (ii.) the companies controlled, as per Article L. 233-16 of the French Commercial Code, by the company under which the mandate is exercised;
- (iii.) the companies controlled, as per Article L. 233-16 of the French Commercial Code, by the company or companies that control the company under which the mandate is exercised;
- (iv.) the company or companies that control, with respect to the same Article, the company under which the mandate is exercised.

The total gross compensation issued during the fiscal year by the company, controlled companies as defined by IAS 24.16, and by the controlling company where they exercise their mandate, was €1,485,000, of which €727,000 was issued by Gameloft SE.

Amounts in Euros		Michel Guillemot	Claude Guillemot	G�rard Guillemot	Yves Guillemot	Christian Guillemot	TOTAL Compensation for 2012
GAMELOFT SE	Gross Fixed Compensation	60,000	31,248	-	31,248	31,248	153,744
	Directors' Fees	25,000	25,000	-	25,000	25,000	100,000
	Share-Based Payments	265,427	58,164	33,344	58,164	58,164	473,263
Gameloft Inc.	Gross Fixed Compensation			37,728			37,728
	Directors' Fees			25,304			25,304
Gameloft Ltd.	Gross Fixed Compensation	184,934					184,934
Gameloft HK	Gross Fixed Compensation	248,121					248,121
Gameloft PTE	Gross Fixed Compensation	261,641					261,641
Total		1,045,123	114,412	96,376	114,412	114,412	1,484,736

For 2012, the total gross compensation issued to the executive directors, and for which a provision was set up, was €1,484,736.

II. Bonus issues of shares

	BONUS ISSUES OF SHARES ALLOTTED TO COMPANY MANAGERS DURING THE FISCAL YEAR					
Name of Executive Director:	Date of the Board of Directors' meeting	Number of shares	Date of purchase of shares	Option fair value	Retention end date – date of transferability	Performance conditions
Michel Guillemot	06/07/2012	94,000	06/07/2014	�3.24	06/07/2016	Internal and external performance conditions
Yves Guillemot	06/07/2012	12,000	06/07/2014	�3.24	06/07/2016	Internal and external performance conditions
Christian Guillemot	06/07/2012	12,000	06/07/2014	�3.24	06/07/2016	Internal and external performance conditions
G�rard Guillemot	06/07/2012	12,000	06/07/2014	�3.24	06/07/2016	Internal and external performance conditions
Claude Guillemot	06/07/2012	12,000	06/07/2014	�3.24	06/07/2016	Internal and external performance conditions
TOTAL		142,000				

III. Compensation and Benefits Due to Termination of the Duties of the Company's Managers

Executive Directors	Employment Contract	Supplemental Retirement Plan	Indemnities or Benefits Owed or Potentially Owed as a Result of the Termination or Change in Duties	Indemnities under a Non-Compete Clause
---------------------	---------------------	------------------------------	---	--

	Yes	No	Yes	No	Yes	No	Yes	No
Michel Guillemot		X		X		X		X
Christian Guillemot		X		X		X		X
Yves Guillemot		X		X		X		X
Claude Guillemot		X		X		X		X
G�rard Guillemot		X		X		X		X

No commitment has been made in favour of the members of the Board of Directors with regard to compensation, financial consideration or benefits owed or likely to be owed as a result of the termination or change in their duties or subsequent to said duties.

IV. Transactions carried out with companies owned by common senior executives:

a) With Ubisoft Group:

Operating expenses:

Re-invoicing of services provided by Ubisoft on behalf of Gameloft SE ( 163,000);

Royalties under a licence agreement with Ubisoft Entertainment by which Gameloft SE is authorised to use their brand reached  1,334,000 for 2012, compared to  1,560,000 for 2011.

Operating income:

Re-billing of services provided by Gameloft SE on behalf of Ubisoft Entertainment in the amount of - 115,000 in 2012, compared to  2,596,000 in 2011;

Marketing by Ubisoft EMEA under a distribution agreement for console games produced by Gameloft SE (- 1,000).

b) With AMA:

Transactions relate to re-invoicing of royalties for the marketing of games produced by AMA in the amount of  384,000 in 2012, compared to  136,000 in 2011.

c) With Longtail Studios:

The transactions concern royalties on sales completed by Gameloft SE for distribution of the *Love Triangle* mobile game ( 2,000).

d) With Guillemot Brothers:

In fiscal year 2012, no transactions were made with Guillemot Brothers.

	31/12/12	31/12/11
Assets (in �K)		
Equity capital holdings		
Trade receivables and related accounts		1,084
Other receivables		
Prov. on other receivables		
Receivables from suppliers		
Debts (in �K)		
Trade payables and related accounts	424	1,359
Financial debts		
Customer credit balances	34	
Operating profit/loss (in �K)	- 1,998	561
Operating income	- 116	2,717
Operating expenses	1,882	2,156

7. Market risk

Interest rate risk: Since Gameloft SE's debts are at a fixed rate, except for occasional cash flow needs, its income is not impacted by rate variations.

Foreign exchange risk: Gameloft has not implemented a foreign currency hedging system.

8. Subsequent events

In the first quarter of 2013, the Gameloft Private Ltd. India production studio was closed.

9. Auditors' fees

The table below lists the fees of Gameloft's Auditors for services provided in 2012.

	Audit AMLD				MAZARS		MB Audit			
	Amount		%		Amount	%	Amount		%	
	2012	2011	2012	2011	2012	2012	2012	2011	2012	2011
Audit €K										
Audit and certification of year-end and consolidated financial statements										
• Issuer	103.6	126.2	93.4%	95.1%	95	56.6%	-	77.1	-	84.4%
• Fully consolidated subsidiaries	7.3	6.5	6.6%	4.9%	72.7	43.4%	6.1	14.2	100%	15.6%
Other work and services directly related to the Auditors' duties										
• Issuer				-					-	-
• Fully consolidated subsidiaries				-					-	-
Subtotal	110.9	132.7	100%	100%	167.7	100%	6.1	91.3	100%	100%
Other services provided by the networks to fully consolidated subsidiaries										
Legal, fiscal, social				-			-	-	-	-
Others (specify if > 10% higher than audit fees)				-			-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-
TOTAL	110.9	132.7	100%	100%	167.7	100%	6.1	91.3	100%	100%

3.1.7 Auditors' Report on the Consolidated Financial Statements

Dear Shareholders,

In performing the duties entrusted to us by your General Meeting, we present to you our report for the fiscal year ended 31 December 2012 regarding:

- the audit of the consolidated financial statements of Gameloft SE, as attached to this report;
- the basis for our assessments;
- the specific verification required by law.

The consolidated financial statements were approved by the Board of Directors. It is our task, on the basis of our audit, to express an opinion on these financial statements.

I - Opinion regarding the consolidated financial statements

We have conducted our audit in accordance with the standards of professional practice applicable in France. These standards require the use of due diligence to provide reasonable assurance that the consolidated financial statements do not contain any significant misstatements. An audit consists of verifying, through audit testing or other selection methods, the evidence supporting the amounts and information contained in the consolidated financial statements. It also entails assessing the accounting principles applied, the significant estimates used and the overall presentation of the financial statements. We deem that the information we have collected is sufficient and appropriate to form our opinion.

We certify that the consolidated financial statements are, from the standpoint of IFRS standards as adopted in the European Union, true and in good order and fairly present the assets, financial situation and profits of the group comprised of the persons and entities included in the consolidation scope.

II - Basis for the assessments

Pursuant to Article L 823-9 of the French Commercial Code in regard to the basis for our assessments, we wish to bring the following points to your attention:

- As indicated in note 5.3.2.1 and paragraph 1 of note 5.5 of the consolidated accounts, the intangible assets include development costs of games that have been marketed or are in production, and of licences. Impairment tests are conducted on these intangible assets. We have assessed the capitalisation of development costs and licences, verified the implementation methods of the impairment tests, and assessed the reasonableness of the forecasts and assumptions in use. We also verified that the financial statements provided appropriate information.
- As specified in paragraph 4, "Deferred tax assets", of note 5.5 of the consolidated accounts, your company records deferred tax assets as losses carried forward if taxable income is expected during the period in which the deferred tax assets are valid. We have assessed the reasonableness of estimates used and verified that the financial statements provided appropriate information.

Our assessments were made within the context of our audit of the consolidated financial statements as a whole, and have thus contributed to our opinion expressed in the first part of this report.

III - Specific verification

In accordance with the standards of professional practice applicable in France, we have also conducted the specific verification required by law of the information provided regarding the group, which is provided in the management report.

We have no comments regarding the truthfulness and consistency of the information with the consolidated financial statements.

Courbevoie and Rennes, 29 April 2013

The Auditors

MAZARS

AUDIT AMLD

Simon Beillevaire

André Métayer

Correlation table of appendix notes:

Auditors' Report

Note 5.3.2.1

Note 5.5 §1

Note 5.5 §4

Reference Document

Paragraph 3.1.5.3.2.1

Paragraph 3.1.5.5 §1

Paragraph 3.1.5.5 §4

3.2 Financial Statements at 31 December 2012

3.2.1 Balance Sheet at 31 December 2012 (€K) (12-Month Fiscal Year)

ASSETS		31/12/12	31/12/12	31/12/12	31/12/11
	Notes	Gross €K	Amort./Dep. €K	12-Month Fiscal Year Net €K	12-Month Fiscal Year Net €K
Intangible assets	3.2.3.5.1	56,655	48,019	8,636	11,445
Tangible assets	3.2.3.5.2	5,744	4,452	1,292	756
Financial assets	3.2.3.5.3	13,334	1,297	12,037	9,364
Long-term assets		75,733	53,769	21,964	21,565
Trade receivables and related accounts	3.2.3.5.4	125,402	2,386	123,016	97,910
Other receivables	3.2.3.5.5	23,639	1,242	22,397	13,655
Cash on hand	3.2.3.5.9	18,648	-	18,648	19,682
Current assets		167,689	3,628	164,061	131,247
Accruals	3.2.3.5.10	3,628	-	3,628	2,664
Total assets		247,051	57,397	189,654	155,476

LIABILITIES		31/12/12	31/12/11
	Notes	12-Month Fiscal Year €K	12-Month Fiscal Year €K
Share capital		4,091	3,855
Issue and merger premiums		85,669	71,625
Reserves		-5,707	-8,757
Fiscal year profit/loss		661	3,050
Shareholders' Equity Capital	3.2.3.5.11	84,714	69,773
Provisions for contingencies and charges	3.2.3.5.14	3,348	2,518
Misc. financial debts (1)	3.2.3.5.15	674	2,151
Trade payables and related accounts	3.2.3.5.16	83,152	66,683
Tax and social security liabilities	3.2.3.5.17	1,383	1,366
Debts on assets	3.2.3.5.18	6,149	4,210
Other debts	3.2.3.5.19	6,995	5,857
Total debts		98,353	80,267
Accruals	3.2.3.5.20	3,240	2,917
Total Liabilities		189,654	155,476
(1) Debts of group current accounts		628	2,110

3.2.2 Income Statement at 31 December 2012 (€K)

	Notes	12-Month Fiscal Year Ended 31/12/12	12-Month Fiscal Year Ended 31/12/11
Sales of merchandise	3.2.3.5.21	-	121
Output sold during the fiscal year	3.2.3.5.21	165,160	131,666
Closing Inventory	3.2.3.5.21	-	-13
Self-constructed assets during the fiscal year	3.2.3.5.21	1,772	7,942
Other operating income and transfers of expenses	3.2.3.5.22	<u>3,602</u>	<u>1,633</u>
Total operating income		170,534	141,349
Purchases and other supplies	3.2.3.5.23	119,558	94,927
Other operating purchases and external charges	3.2.3.5.24	31,793	18,799
Taxes		979	1,034
Personnel expenses	3.2.3.5.25	6,096	5,755
Other expenses		1,371	889
Depreciation and provisions	3.2.3.5.26	<u>12,926</u>	<u>10,120</u>
Total operating expense		172,723	131,524
Operating Profit/Loss		-2,189	9,825
Income from other securities and receivables from long-term assets (1)		2,453	2,036
Other interest and similar income (1)		548	352
Write-backs of provisions (1)		6,347	1,232
Foreign exchange gains		<u>2,272</u>	<u>2,061</u>
Total financial income		11,620	5,681
Provisions		4,543	4,464
Other interest and similar expenses (2)		10	113
Foreign exchange losses		<u>4,082</u>	<u>2,346</u>
Total financial expense		8,635	6,923
Net financial income/expense	3.2.3.5.27	2,985	-1,242
Profit/loss from ordinary activities		796	8,583
Extraordinary profit/loss	3.2.3.5.28	-272	-5,321
Pre-tax profit/loss		524	3,262
Income tax	3.2.3.5.29	137	-212
Net fiscal year profit/loss		661	3,050
(1) Income concerning affiliates:		6,615	2,433
(2) Expenses concerning affiliates:		1,285	2,173

3.2.3 Notes to Individual Financial Statements

The following notes and tables, presented in thousands of euros, are an integral part of the year-end financial statements for the year ended 31 December 2012 and constitute the appendix to the balance sheet before distribution of earnings, the total of which is €189.7 million, showing a profit of €660,800. The fiscal year is 12 months long and covers the period from 1 January 2012 to 31 December 2012.

3.2.3.1 Highlights of the Fiscal Year

In September 2012, Gameloft S.A. made the transition to a European Company, Gameloft SE.

- Creation and capital increase of the subsidiaries:

The Gameloft Korea Ltd. subsidiary benefited from a share capital increase by Gameloft SE in the amount of €3,893,000 in order to comply with local regulations.

In 2012, two new companies were created in Budapest, Hungary (Gameloft Hungary Kft.) and in Auckland, New Zealand (Gameloft New Zealand Limited). Gameloft SPRL Belgium was liquidated on 30 June 2012.

- Share capital increases:

Gameloft SE saw an increase of share capital through the issuance of stock options and bonus shares in the amount of €14,280,000, of which €14,044,000 were issue premiums. The share capital is currently €4,091,000.

3.2.3.2 Comparability of Accounts and Change in Estimate

No reclassification was made on the individual financial statements of 31 December 2012.

3.2.3.3 Accounting Principles

General accounting rules were applied while respecting the conservatism principle in accordance with the basic rules below:

- continuity of operation;
- consistency of accounting methods from one fiscal year to the next;
- faithful representation, consistency, and truthfulness;
- time period concept;

and in accordance with the general rules regarding the preparation and presentation of year-end financial statements.

The basic method used to determine the value of booked items is the historical cost method.

The accounting methods used conform to industry practices, and no future change in method is planned at this time.

Gameloft's year-end financial statements comply with the provisions related to individual financial statements of Regulation 99-03 approved by the order of 22 June 1999; Regulation 2000-06 regarding liabilities, adopted by the French Accounting Regulations Committee (CRC); Regulation R 2002-10 regarding assets, applicable since 1 January 2003; and Regulation CRC 2004-06 regarding the definition, recognition and valuation of assets.

Gameloft applies the benchmark treatment of recognising as assets the development costs of its games on consoles such as the Nintendo 3DS, Sony's PSN and PS Vita, and new platforms like Apple's Mac, Smart TVs, and the new generation of set-top boxes.

3.2.3.4 Accounting Rules and Methods

3.2.3.4.1 Intangible Assets

- Brands

Brands acquired by the company are valued at the end of each year based on their contribution to commercial activity. This contribution is measured using criteria such as presence among the top-selling brands in the market and revenue likely to be generated in the future.

At year's end, if their valuation is less than their book value, a provision for impairment is recorded.

Expenses related to brands created in-house are recognised as expenses, as are expenses incurred to renew their protection.

These costs are measured based on the acquisition cost if acquired from a third party, and based on production costs if internally generated.

- Development costs:

Gameloft draws a distinction between two types of activity in order to recognise its development costs:

- For console games, PC games and TV games:

Under French standards, the conditions for capitalising commercial software are as follows:

According to the General Chart of Accounts (PCG Art. 311-3.2), all the following criteria must be met:

- 1) Technical feasibility needed to complete the intangible asset for its use or sale;
- 2) The intention to complete the intangible asset and to use or sell it;
- 3) The ability to use or sell the intangible asset;
- 4) The asset's ability to generate probable future economic benefits;
- 5) The availability of the appropriate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- 6) The ability to reliably measure the costs attributable to the intangible asset during its development.

Development costs that do not meet these criteria are recorded as expenses during the fiscal year in which they were incurred.

These costs are measured based on direct salary costs plus social security charges and operating costs, such as committed costs.

Development costs are first recognised as intangible assets in progress over the course of development. They are then transferred to the "other intangible assets" account when the game is marketed.

These costs are amortised over 18 months on a straight-line basis once the product is released on the market. Technical feasibility is determined on a product-by-product basis. At the end of the fiscal year, and for each software product, a value test is performed and the amount not yet amortised is compared to future sales forecasts. If these sales forecasts are insufficient, additional depreciation is applied accordingly.

The company does not conduct basic research.

- For mobile phones:

For mobile phone games, Gameloft currently records development costs as expenses at the time they are incurred.

Each year, the company develops and places on various operators' sites thousands of versions of its games in order to cover the more than 300 different models of feature phones and 1,500 models of smartphones on the market and the 13 languages supported by the company. Given this extreme fragmentation and the more general nature of the sales-

related information received from operators, Gameloft is not in a position to reliably calculate the development costs of different versions of its mobile phone games and the future economic benefits of each of these versions. On this basis, the group does not meet all the capitalisation criteria set out in Article 311-3.2 of the General Chart of Accounts; expenses are recognised as expenses.

- Licences

Licences cover distribution and reproduction rights acquired from third-party publishers. The signing of licence agreements results in the payment of guaranteed amounts. These amounts are recognised in an “advances on licences” account. All commitments (guaranteed amounts stipulated in the contract) are recognised in the accounts.

These advances are reduced based on the amount of royalties paid in connection with sales or are amortised on a straight-line basis for flat fees.

At the end of the fiscal year, the net book value is compared to the future sales forecasts to which the terms of the contract are applied. If these sales forecasts are insufficient, additional depreciation is then applied accordingly.

- Office software

Office software is amortised over 12 months on a straight-line basis.

3.2.3.4.2 Tangible Assets

Expenses related to tangible assets are recorded as assets at their acquisition cost when the following criteria are met:

- It is probable that future economic benefits are associated with this asset;
- The acquisition cost can be reliably measured.

These are booked at their historical cost.

Long-term assets must be identifiable, and be used over a period of time. Assets are shown on the balance sheet at their acquisition cost less cash discounts and any investment subsidies granted. Given the types of assets owned, no component separate from the principal assets has been identified. The company regards the practical life of the assets as their useful life.

The following depreciation rates are applied:

- | | |
|-------------------------------------|--------------------------------------|
| - Fixtures and facilities: | 5 years (straight-line method) |
| - Transportation equipment: | 5 years (straight-line method) |
| - Computer and telephone equipment: | 2 and 3 years (straight-line method) |
| - Furniture: | 10 years (straight-line method) |

The residual values and useful lives of the assets are reviewed and, where applicable, adjusted annually or when operating conditions are subject to long-term changes.

3.2.3.4.3 Financial Assets

Equity capital holdings are recorded at their historical cost, exclusive of incidental expenses.

If this value is less than the value in use, a provision for impairment is set up to cover the difference. A provision for current accounts and loans is set up in the case of a net negative share position. In addition, a provision for trade receivables and/or contingencies is set up for the surplus of a residual net negative share position.

The value in use takes into account the share of equity capital that the securities represent, adjusted to reflect the potential for development and income for the distribution and development subsidiaries.

3.2.3.4.4 Inventory

Inventory is valued based on the cost price determined under normal business conditions. It is valued using the FIFO method.

The gross value of finished products includes the purchase price and incidental expenses. Financial costs are excluded from inventory valuation in all cases.

A provision for impairment is set up when the probable net realisable value is less than the book value.

The inventory has not been put up as collateral.

3.2.3.4.5 Trade Receivables and Related Accounts

These are measured at their face value. Where applicable, receivables are depreciated through a provision for impairment based on the likelihood of their collection at the balance sheet date.

3.2.3.4.6 Transactions in Foreign Currencies

Income and expenses in foreign currencies are recognised on the basis of monthly exchange rates.

Receivables, debts and cash assets in foreign currencies are converted to euros at the rate in effect on 31 December 2012. Unrealised gains and losses on long-term receivables and debts are reported on the balance sheet as translation gains and losses. A provision for foreign exchange losses is set up for unrealised unhedged losses.

Translation gains and losses on cash assets and current accounts in foreign currencies are recognised immediately as foreign exchange income/expense.

3.2.3.4.7 Other Receivables

These are primarily current account advances made to the group's subsidiaries. A provision is set up for these advances if the subsidiary's re-valued net position, reduced to the percentage owned, becomes negative. The provision would then be equal to the negative amount obtained.

3.2.3.4.8 Short-Term Investment Securities

Shares of listed companies are valued at the average market price of the last closing month. A provision is set up for unrealised capital losses (General Chart of Accounts Article 332.6).

Securities in short-term investment funds are valued at their purchase price or market value, whichever is lower.

3.2.3.4.9 Cash on Hand

Cash on hand consists of bank account balances and term deposits that can be released at any time.

3.2.3.4.10 Provisions for Contingencies and Charges

A provision is recorded when:

- the company has a present obligation (legal or constructive) resulting from a past event;
- it is probable that an outflow of resources representing economic benefits will be needed to settle the obligation;
- the amount of the obligation can be measured reliably.

If these conditions are not met, no provision is recorded.

At 31 December 2012, provisions for contingencies and charges concern:

- foreign exchange risk related to the discounting of receivables and debts denominated in foreign currencies;
- provisions for industrial disputes;
- provisions for retirement benefits.

An actuarial calculation called a "projected unit credit method" has been used to measure the employer's future obligations. This method entails determining the value of each employee's probable and discounted future benefits at the time of his/her retirement.

The assumptions made as of 31 December 2012 are as follows:

	France
Rate of growth in salaries	3%
Discount rate	2.80%
Retirement initiated by the employee	65 years

In addition, changes in the workforce, the estimate of which is based on the prospective life table established by the INSEE and a turnover rate resulting from statistical observation are considered.

3.2.3.4.11 Extraordinary Profit/Loss

Extraordinary income and expenses include extraordinary items and items which, by their nature, are considered extraordinary by accounting law (sale of assets, loss or gain on sales of treasury shares, etc.).

3.2.3.5 Notes to the Balance Sheet and Income Statement

Balance sheet:

1. Intangible assets

Intangible assets are as follows:

Assets

	At 31/12/11 Gross	Increases	Decreases	Book Transfer	Exchange Differential	At 31/12/12 Gross
Software	319	119				438
Brands	1,829					1,829
Development costs	26,534	796		412		27,742
Development costs in progress	664	975	-404	-412		824
Advances on licences	23,878	7,147	-5,203			25,822
TOTAL	53,225	9,037	-5,607	-		56,655

Amortisation and provisions

Amortisation	At 31/12/11 Gross	Increases	Decreases	Book Transfer	Exchange Differential	At 31/12/12 Gross
Software	294	59				353
Development costs	19,460	4,037		2,160		25,657
Advances on licences	16,950	6,616	-5,203		39	18,402
Subtotal	36,704	10,712	-5,203	2,160	39	44,412

Provisions	At 31/12/11 Gross	Increases	Decreases	Book Transfer	Exchange Differential	At 31/12/12 Gross
Brands	1,829					1,829
Development costs	2,189	851		-2,160		868
Advances on licences	1,057	464	-611		-	910
Subtotal	5,075	1,315	-611	-2,160	-	3,607
TOTAL	41,779	12,027	-5,814	0	39	48,019
Net intangible assets	11,445		-			8,636

Development costs are defined as the costs required to develop games that have been completed or are already marketed on new platforms such as the Nintendo DSi, 3DS, Sony's PSN and the PS Vita, Apple's iPad and Mac, Smart TVs such as the Freebox v6 Revolution, and Samsung TV.

The increase in development costs for completed or marketed games on new platforms such as Sony's PS Vita, Apple's Mac, Smart TVs, and set-top boxes, is in the amount of €796,000 for fiscal year 2012.

Games in production include development costs of games not yet completed as of the balance sheet date, and this year there was an increase of €975,000, of which €412,000 are for games marketed during that period.

The company performs feasibility tests of the project and its marketing. In 2012, Gameloft conducted a review of its current projects. Based on these analyses, the company decided to record as expenses cancelled development in the amount of €404,000.

Advances on licences pertain to licence agreements signed with various automobile manufacturers, golf courses, top-ranked athletes like golfers Anthony Kim, Vijay Singh, and Camillo Villegas, footballers Steven Gerrard and Robinho, FIFPro (International Federation of Professional Footballers), the NFL and so on.

In fiscal year 2012, new licence agreements were signed, primarily with Hasbro for the *My Little Pony* and *Littlest Pet Shop* games, and with Playmobil, as well as agreements for the *Iron Man 3*, *Fast & Furious 6* and *Despicable Me 2* games.

These contracts are a continuation of agreements from the preceding years, such as agreements with Paramount for the 2011 film *The Adventures of Tintin*; Universal for *Fast Five*, which came out in May 2011; Sony Pictures for the legendary *Men In Black 3*, released in April 2012; as well as Fox for *Ice Age 4: Continental Drift*, which came out in April 2012; DC Comics for *The Dark Knight Rises*; Marvel for *The Avengers*; TT Games for the release of *LEGO Batman*; Epic Games for the use of the Unreal engine; and Classic Media for the release of the *Where's Wally Now?* game; Warner Bros. for the release of the final instalment of *Harry Potter and the Deathly Hallows*; Fox for the adaptation of the *Avatar* game on various platforms; and Marvel for *Iron Man 2* and *Spider-Man*. Gameloft also signed licence agreements related to board games, TV series, and game shows such as *Blokus*, *UNO*, *Sonic* by Sega, *Topa ou Não Topa* (the Brazilian version of *Deal or No Deal*), *CSI*, etc.

The decrease in advances on licences in the amount of €5,203,000 pertains to licences to which Gameloft is no longer contractually entitled as of 31 December 2012.

The increase in amortisation and provisions for marketed games and games in development was €4,037,000 and €851,000, respectively. The amortisations correspond to an amortisation plan over 18 months of development costs as of the game's release date. Impairment loss tests were conducted on all marketed games and games in development at the end of the fiscal year, resulting in a depreciation of €851,000.

The increase in amortisation for advances on licences resulted from the rise of sales, which led to an increase in royalties prorated based on the sales of various licensed products in the amount of €6,616,000.

In light of the weak sales outlook for certain licences, an additional amortisation in the amount of €464,000 was recorded at 31 December 2012.

As a reminder, intangible assets were as follows at 31 December 2011:

Assets

	At 31/12/10				At 31/12/11
	Gross	Increases	Decreases	Book Transfer	Gross
Software	251	95	-27		319
Brands	1,829				1,829
Development costs	18,032	5,123	-3,381	6,760	26,534
Development costs in progress	4,613	2,819	-8	-6,760	664
Advances on licences	22,302	3,466	-1,890		23,878
TOTAL	47,028	11,495	-5,306	-	53,225

Amortisation and provisions

Amortisation	At 31/12/10 Cumulative	Increases	Decreases	Exchange Differential	At 31/12/11 Cumulative
Software	186	135	-27		294
Development costs	12,700	10,141	-3,381		19,460
Advances paid/licences	15,298	3,567	-1,890	-25	16,950

Subtotal	28,184	13,843	-5,298	-25	36,704
Provisions					
Brands	1,829				1,829
Development costs	2,041	2,947	-2,798		2,189
Advances paid/licences	733	572	-248		1,057
Subtotal	4,602	3,519	-3,046		5,075
Gross Amort. & Prov.	32,786	17,362	-8,344	-25	41,779
Net intangible assets	14,242				11,445

2. Tangible assets

Tangible assets are as follows:

Assets

	At 31/12/11				At 31/12/12
	Gross	Increases	Decreases	Book Transfer	Gross
Plant and machinery	82	369	-82		369
Computer equipment and furniture	4,427	990	-42		5,375
TOTAL	4,509	1,359	-124	-	5,744

Amortisation

	At 31/12/11				At 31/12/12
	Cumulative	Increases	Decreases	Book Transfer	Cumulative
Plant and machinery	77	43	-82		38
Computer equipment and furniture	3,676	779	-41		4,414
TOTAL	3,753	822	-123	-	4,452
Net tangible assets	756				1,292

The increases in tangible assets pertain to the purchase of mobile telephones, the replacement of computer equipment, and to work and improvements to the premises.

Decreases in computer equipment and furniture are the result of disposals after replacing equipment.

As a reminder, tangible assets were as follows at 31 December 2011:

Assets

	At 31/12/11				At 31/12/11
	Gross	Increases	Decreases	Book Transfer	Gross
Plant and machinery	82				82
Computer equipment and furniture	4,666	645	-915	31	4,427
TOTAL	4,748	645	-915	31	4,509

Amortisation

	At 31/12/10				At 31/12/11
	Cumulative	Increases	Decreases	Book Transfer	Cumulative
Plant and machinery	70	7			77
Computer equipment and furniture	3,720	840	-915	31	3,676
Total amortisation	3,790	847	-915	31	3,753
Net tangible assets	958				756

3. Financial assets

Financial assets are as follows:

Assets

	Gross At 31/12/11	Increases	Decreases	Gross At 31/12/12
Equity capital holdings	8,996	3,895	- 20	12,871
Other long-term investments	150			150
Deposits and guarantees	335	40	- 62	313
TOTAL	9,481	3,935	- 82	13,334

Provisions

	At 31/12/11 Cumulative	Increases	Decreases	At 31/12/12 Cumulative
Equity capital holdings	116	1,184	- 3	1,297
Total provisions	116	1,184	- 3	1,297
Net financial assets	9,364			12,037

The increase in equity capital holdings is due to the creation of two new subsidiary companies in Budapest, Hungary (Gameloft Hungary Kft.) and in Auckland, New Zealand (Gameloft New Zealand Limited) for €2,000, and the share capital increase of Gameloft Korea for €3,893,000.

The decrease in equity capital holdings is due to the liquidation of Gameloft SPRL Belgium on 30 June 2012.

The increase in security deposits is due mainly to the indexing of Gameloft SE's rent.

The provisions pertain to the shares of Gameloft Korea (€1,019,000) and Gameloft Shanghai (€165,000).
The write-backs of provisions pertain to the equity capital holdings of Gameloft SPRL.

As a reminder, financial assets were as follows at 31 December 2011:

Assets

	Gross At 31/12/10	Increases	Decreases	Book Transfer	Gross At 31/12/11
Equity capital holdings	8,912	136	-15	-38	8,996
Other long-term investments	150				150
Deposits and guarantees	262	76	-3		335
TOTAL	9,324	212	-18	-38	9,481

Provisions

	At 31/12/10 Cumulative	Increases	Decreases	At 31/12/11 Cumulative
Equity capital holdings	190		-74	116
Total provisions	190		-74	116
Net financial assets	9,134			9,364

Subsidiaries and equity capital holdings:

€K	Subsidiaries		Equity Capital Holdings	
	French	Foreign	French	Foreign
Book value of shares held:				
- gross	118	12,753	-	-
- net	118	11,456	-	-
Total loans and advances granted		12,389	-	-
Total dividends collected		2,453	-	-

Subsidiaries and equity capital holdings:

	Currency	Capital in Foreign Currencies	SE Other than Capital in Foreign Currencies	Share of Capital Held (%)	Book Value of Shares (Gross in €)	Book Value of Shares (Net in €)	Total Loans and Advances Granted in €	Total Securities and Guarantees Provided in Foreign Currencies	Revenue at 31/12/12 in Foreign Currencies	Earnings At 31/12/12 in Foreign Currencies	Dividends Distributed in €
SUBSIDIARIES CAPITAL HELD AT LEAST 50%											
Gameloft Inc. Divertissements (Canada)	\$ CAD	3,971,142	7,178,736	100.00%	2,855,807	2,855,807	11,139	CAD 3,000,000	28,100,182	1,393,428	-
Gameloft Inc. (USA)	\$ US	2,001,000	9,173,130	99.99%	2,316,726	2,316,726			56,851,453	2,089,811	-
Gameloft Ltd.	£	1,000	-1,822,617	99.50%	1,666	1,666			1,909,837	36,926	-
Gameloft GmbH	€	25,000	2,083,148	100.00%	25,000	-	99		35,778	-239,966	-
Gameloft Iberica S.A. (Spain)	€	560,161	387,124	100.00%	560,162	560,162	4,658,420		10,022,020	357,623	-
Gameloft S.R.L. (Romania)	RON	191,600	2,937,715	100.00%	106,259	106,259			60,820,994	1,871,979	-
Gameloft S.R.L. (Italy)	€	96,900	511,286	99.74%	97,870	97,870			2,962,883	19,976	-
Gameloft Software Beijing Ltd.	RMB	1,663,264	75,052,855	100.00%	173,340	173,340			88,396,468	6,150,983	-
Gameloft KK	YEN	10,000,000	-7,324,458	100.00%	78,720	78,720			860,511,830	264,982,954	-
Gameloft Software Shanghai Ltd.	RMB	1,655,320	-1,640,267	100.00%	166,661	1,831			6,649,023	-3,701,813	-
Gameloft Software Chengdu	RMB	1,603,220	-5,942,565	100.00%	155,678	155,678			42,238,750	1,052,530	-
Gameloft Ltd. (Vietnam)	\$	50,000	1,589,066	100.00%	40,317	40,317	83,371		15,625,500	457,163	-
Gameloft EOOD (Bulgaria)	€	52,510	210,618	100.00%	53,000	53,000			2,845,245	120,458	-
Gameloft S. de R.L. de C.V.	\$ PESO	1,997,000	65,006,176	99.95%	140,028	140,028			342,357,924	379,296	-
Gameloft Privated Ltd.	INR	103,026	48,437,858	99.99%	1,977	1,977			213,918,486	6,494,953	-
Gameloft Co. Ltd.	KRW	5,875,987,490	-8,723,936,909	100.00%	3,973,597	2,874,078	4,542,926		9,885,588,579	667,926,203	-
Gameloft Argentina	ARS	1,200,000	64,211,651	95.00%	939,037	939,037		USD 144,000	84,729,943	46,602,430	2,453,206
Gameloft LLC (Ukraine)	UAH	2,921,164	669,880	100.00%	280,000	280,000			33,014,360	1,151,409	-
Gameloft Do Brasil Ltda	BRL	478,918	-2,116,017	99.00%	165,000	165,000			26,464 890	-1,532,616	-
Gameloft Australia Pty Ltd.	\$ AUD	5,000	-274,851	100.00%	2,936	2,936			975,074	28,848	-
Gameloft SRO (Czech Republic)	CZK	200,000	-11,201,701	100.00%	7,108	-	364,057		-	141,317	-
Gameloft Singapore Ltd.	SGD	100,000	-132,322	100.00%	56,436	56,436	460,972		777,578	120,719	-
Gameloft Venezuela	VEF	275,392	105,540	99.00%	78,104	78,104	425		3,003,305	65,348	-
Gameloft Philippines Inc.	PHP	9,000,000	-5,518,566	99.99%	141,975	141,975			945,775	-8,170,656	-

	Currency	Capital in Foreign Currencies	SE Other than Capital in Foreign Currencies	Share of Capital Held (%)	Book Value of Shares (Gross in €)	Book Value of Shares (Net in €)	Total Loans and Advances Granted in €	Total Securities and Guarantees Provided	Revenue at 31/12/12 in Foreign Currencies	Earnings At 31/12/12 in Foreign Currencies	Dividends Distributed in €
SUBSIDIARIES CAPITAL HELD AT LEAST 50%											
Gameloft Hong Kong Ltd.	HKD	10,000	-9,905,757	100.00%	869	-	2,267,860		2,017,116	40,440	
Gameloft Developpements Live Inc.	CAD	150,000	211,443	100.00%	94,215	94,215			1,071,422	52,154	
PT Gameloft Indonesia	IDR	892,200,000	1,517,094,324	99.00%	73,176	73,176			50,840,405,631	1,320,109,843	
Gameloft Software Shenzhen Co. Ltd.	RMB	1,347,560	-1,271,331	100.00%	157,518	157,518			12,444,714	-598,785	
Gameloft Toronto	CAD	10,000	392,785	100.00%	7,483	7,483		CAD 500,000	5,367,673	255,545	
Gameloft Hungary	HUF	500,000	4,133,534	100.00%	1,756	1,756			121,974,717	4,128,522	
Gameloft New Zealand	NZD	100	270,787	100.00%	63	63			7,717,623	270,887	
Gameloft Rich Games Production France SARL 75 001 Paris - 450 415 237 00012	€	7,500	423,839	99.80%	7,485	7,485			2,643,793	26,716	-
Gameloft Partnerships SAS 75 008 Paris – 488 934 506 00020	€	37,000	338,345	100.00%	37,000	37,000			2,475,743	50,959	-
Gameloft France SAS 75 008 Paris – 500 819 537 00019	€	37,000	111,655	100.00%	37,000	37,000			653,746	18,614	-
Ludigames SAS 75008 Paris – 508 543 964 00011	€	37,000	-2,312	100.00%	37,000	37,000			14,841	-2,474	-
EQUITY CAPITAL HOLDINGS CAPITAL HELD BETWEEN 10 AND 50%											
TOTAL	€				12,870,970	11,573,645	12,389,270				2,453,206

4. Trade receivables and related accounts

	31/12/12	31/12/11
Trade receivables and related accounts	125,402	100,364
Impairment of trade receivables and related accounts	-2,386	-2,454
Total	123,016	97,910

At 31 December 2012, the provisions for accounts receivable concerned third-party customers totalling €248,000. Intra-group impairment of accounts receivable notably concerns Gameloft GMBH for €2,050,000 for its net negative share position.

The increase in accounts receivable is related to our strong activity growth in the 2012 fiscal year compared to 2011. Nearly 73% of the accounts receivable item consists of intra-group receivables (€91,495,000).

Most non-group accounts receivable are due in less than 1 year.

5. Other receivables

	31/12/12	31/12/11
Credit notes from suppliers	402	248
Government (VAT credit, etc.)	2,327	1,475
Group and partners	13,830	12,531
Receivables from suppliers	5,031	3,532
Other corporate receivables	5	0
Called-up share capital	1,100	379
Other miscellaneous debtors	943	581
TOTAL	23,639	18,746

Generally suppliers come under the intra-group suppliers item (€4,907,000).

	31/12/12	31/12/11
Provisions for group and partners	1,242	5,092
TOTAL	1,242	5,092

The “provisions on other receivables” item pertains to advances granted to Gameloft Hong Kong (€794,000), Gameloft Vietnam (€83,000), and Gameloft SRO (€364,000). The sharp change in provisions is due to the write-back recorded for Gameloft Korea in connection to the share capital increase during the period.

6. Due dates of receivables and debts

STATUS OF RECEIVABLES	Gross Amount	Less than 1 Year	More than 1 Year
Receivables on current assets			
Accounts receivable and related accounts	125,402	76,200	49,202
Government (VAT credit, etc.)	2,327	2,325	2
Group and partners	13,830	8,168	5,662
Credit notes from suppliers	402	367	35
Receivables from suppliers	5,031	5,031	
Other miscellaneous debtors	943	943	
Called-up share capital	1,100	1,100	-
TOTAL	149,035	94,134	54,901
STATUS OF DEBTS	Gross Amount	Less than 1 Year	More than 1 Year
Financial debts	46	46	
Trade payables and related accounts	83,152	64,423	18,729
Tax and social security liabilities	1,383	1,383	
Other debts	6,995	6,995	
Debts on assets	6,149	6,087	62
Group and partners	628	-	628
TOTAL	98,353	78,934	19,419

Provisions in the amount of €1,242,000 were recorded on 31 December 2012 for current accounts advances of subsidiaries.

7. Accrued assets

	31/12/12	31/12/11
Credit notes from suppliers	402	248
Unbilled assets from customers	23,889	23,971
Accrued assets from the government	198	-
TOTAL	24,489	24,219

Accrued assets concerning unbilled clients on 31 December amount to €23,889,000 of which €13,473,000 are intra-group billings.

8. Short-term investment securities

Short-term investment securities are recorded at their acquisition cost. At the year-end closing, a provision is set up for any capital losses.

To date, Gameloft does not hold short-term investment securities.

9. Cash on hand

The "cash on hand" item represents the balance of bank accounts totalling €18,648,000 at 31 December 2012 compared to €19,682,000 at 31 December 2011.

These cash assets are made up of contracts that are immediately available and free of charge.

10. Accruals

	31/12/12	31/12/11
Prepaid expenses	362	263
Asset translation adjustments	3,266	2,401
Total	3,628	2,664

The asset translation adjustments pertain mainly to the update of trade receivables.

11. Shareholders' equity capital

	Balance at 31/12/11	Share Capital Increase	Change in Share Capital	Profit/Loss 31/12/11	Profit/Loss 31/12/12	Balance at 31/12/12
Share Capital	3,855	236				4,091
Issue Premium	71,001	14,044				85,045
Merger premium	624					624
Other reserves	-8,757			3,050		-5,707
Fiscal year profit/loss	3,050			-3,050	661	661
TOTAL	69,773	14,280	-	-	661	84,714

Gameloft benefited from an increase of share capital through the issuance of stock options and bonus shares in the amount of €14,280,000. Shareholders' equity capital is positive at €84,714,000 compared to €69,773,000 in 2011.

In fiscal year 2012, the amount collected from share capital increases was €13,179,000, the balance having been collected in January 2013.

Number of Gameloft SE Shares

	Par Value in €	Number of Shares	Amount in €K
At 31/12/09	0.05	74,797,874	3,740
Exercised options on 11/04/2008	0.05	144,950	7
US options exercised on 11/04/2008	0.05	94,100	5
Exercised options on 03/01/2007	0.05	38,000	2
US options exercised on 03/01/2007	0.05	8,000	0
At 31/12/10	0.05	75,082,924	3,754
Exercised options on 11/01/2006	0.05	10,000	0
Exercised options on 03/01/2007	0.05	271,405	14
US options exercised on 03/01/2007	0.05	87,200	4
F options exercised on 03/01/2007	0.05	188,206	9
Exercised options on 11/04/2008	0.05	221,895	11
US options exercised on 11/04/2008	0.05	130,600	7
F options exercised on 11/04/2008	0.05	43,000	2
Exercised options on 14/05/2009	0.05	353,500	18
Allotment of bonus shares on 21/04/2009	0.05	717,250	36
At 31/12/11	0.05	77,105,980	3,855
Exercised options on 03/01/2007	0.05	394,795	20
US options exercised on 03/01/2007	0.05	286,200	14
F options exercised on 03/01/2007	0.05	1,170,794	59
Exercised options on 11/04/2008	0.05	729,165	37
US options exercised on 11/04/2008	0.05	98,200	5
F options exercised on 11/04/2008	0.05	508,255	25
Exercised options on 14/05/2009	0.05	441,885	22
Exercised options on 01/06/2010	0.05	479,750	24
Allotment of bonus shares on 01/06/2010	0.05	603,500	30
At 31/12/12	0.05	81,818,524	4,091

Stock options and bonus shares

As a reminder, the conditions under which stock options and bonus shares may be exercised are as follows:

Date of Board of Directors' Meeting	11/01/06	Balance at 31/12/06	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	2,790,300	2,716,200	2,547,900	2,401,800	2,335,500	2,212,500	1,329,000	0
Number of shares cancelled:		74,100	242,400	388,500	454,800	577,800	1,451,300	2,780,300
Number of people concerned:	101							
of which are managers	5							
Start of exercise period	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008
End of exercise period	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012
Subscription price	5.35 euros	5.35 euros	5.35 euros	5.35 euros	5.35 euros	5.35 euros	5.35 euros	5.35 euros

Date of Board of Directors' Meeting	11/01/06	Balance at 31/12/06	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	612,000	468,000	363,000	333,000	333,000	333,000	333,000	0
Number of shares cancelled:		144,000	249,000	279,000	279,000	279,000	279,000	612,000
Number of people concerned:	33							
of which are managers	0							
Start of exercise period	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008
End of exercise period	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012
Subscription price	5.61 euros	5.61 euros	5.61 euros	5.61 euros	5.61 euros	5.61 euros	5.61 euros	5.61 euros

Date of Board of Directors' Meeting	7/06/06	Balance at 31/12/06	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	40,200	40,200	40,200	10,200	10,200	10,200	10,200	0
Number of shares cancelled:	-	-	-	30,000	30,000	30,000	30,000	40,200
Number of people concerned:	2							
of which are managers	0							

Start of exercise period	07/06/2010	07/06/2010	07/06/2010	07/06/2010	07/06/2010	07/06/2010	07/06/2010	07/06/2010
End of exercise period	07/06/2012	07/06/2012	07/06/2012	07/06/2012	07/06/2012	07/06/2012	07/06/2012	07/06/2012
Subscription price	5.37 euros	5.37 euros	5.37 euros	5.37 euros	5.37 euros	5.37 euros	5.37 euros	5.37 euros

Date of Board of Directors' Meeting	03/01/07	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	2,811,000	2,734,800	2,535,000	2,421,700	2,238,000	1,630,989	50,400
Number of shares cancelled:		76,200	276,000	389,300	535,000	682,400	697,400
Number of people concerned: of which are managers	127 4						
Start of exercise period	03/01/2009	03/01/2009	03/01/2009	03/01/2009	03/01/2009	03/01/2009	03/01/2009
End of exercise period	03/01/2013	03/01/2013	03/01/2013	03/01/2013	03/01/2013	03/01/2013	03/01/2013
Subscription price	4.10 euros	4.10 euros	4.10 euros	4.10 euros	4.10 euros	4.10 euros	4.10 euros

Date of Board of Directors' Meeting	03/01/07	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	710,100	604,800	530,400	511,200	494,200	377,000	80,600
Number of shares cancelled:		105,300	179,700	198,900	207,900	237,900	248,100
Number of people concerned: of which are managers	38 1						
Start of exercise period	03/01/2009	03/01/2009	03/01/2009	03/01/2009	03/01/2009	03/01/2009	03/01/2009
End of exercise period	03/01/2013	03/01/2013	03/01/2013	03/01/2013	03/01/2013	03/01/2013	03/01/2013
Subscription price	4.30 euros	4.30 euros	4.30 euros	4.30 euros	4.30 euros	4.30 euros	4.30 euros

Date of Board of Directors' Meeting	11/04/2008	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	3,110,250	3,015,000	2,850,600	2,595,350	2,059,465	811,995
Number of shares cancelled:		95,250	259,650	369,950	640,940	650,990
Number of people concerned: of which are managers	199 1					
Start of exercise period	11/04/2010	11/04/2010	11/04/2010	11/04/2010	11/04/2010	11/04/2010
End of exercise period	11/04/2014	11/04/2014	11/04/2014	11/04/2014	11/04/2014	11/04/2014
Subscription price	2.80 euros	2.80 euros	2.80 euros	2.80 euros	2.80 euros	2.80 euros

Date of Board of Directors' Meeting	11/04/2008	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	534,300	525,300	508,200	398,900	244,900	136,100
Number of shares cancelled:		9,000	26,100	41,300	64,700	75,300
Number of people concerned: of which are managers	48 1					
Start of exercise period	11/04/2010	11/04/2010	11/04/2010	11/04/2010	11/04/2010	11/04/2010
End of exercise period	11/04/2014	11/04/2014	11/04/2014	11/04/2014	11/04/2014	11/04/2014
Subscription price	2.95 euros	2.95 euros	2.95 euros	2.95 euros	2.95 euros	2.95 euros

Date of Board of Directors' Meeting	14/05/2009	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	2,208,500	2,130,900	2,003,800	1,539,800	1,093,990
Number of shares cancelled:		77,600	204,700	315,200	319,125
Number of people concerned: of which are managers	189 2				
Start of exercise period	14/05/2011	14/05/2011	14/05/2011	14/05/2011	14/05/2011
End of exercise period	14/05/2015	14/05/2015	14/05/2015	14/05/2015	14/05/2015
Subscription price	2.36 euros	2.36 euros	2.36 euros	2.36 euros	2.36 euros

Date of Board of Directors' Meeting	01/06/2010	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	2,240,000	2,200,200	2,010,000	1,428,250
Number of shares cancelled:		39,800	230,000	332,000
Number of people concerned: of which are managers	189 2			
Start of exercise period	01/06/2012	01/06/2012	01/06/2012	01/06/2012
End of exercise period	01/06/2014	01/06/2014	01/06/2014	01/06/2014
Subscription price	3.82 euros	3.82 euros	3.82 euros	3.82 euros

Date of Board of Directors' Meeting	20/09/2011	Balance at 31/12/11	Balance at 31/12/12
Number of shares eligible for subscription:	2,245,000	2,235,000	2,155,000
Number of shares cancelled:		10,000	90,000
Number of people concerned:	170		
of which are managers	2		
Start of exercise period	20/09/2013	20/09/2013	20/09/2013
End of exercise period	20/09/2015	20/09/2015	20/09/2015
Subscription price	3.87 euros	3.87 euros	3.87 euros

Date of Board of Directors' Meeting	06/07/2012	Balance at 31/12/12
Number of shares eligible for subscription:	1,606,000	1,590,900
Number of shares cancelled:		15,100
Number of people concerned:	147	
of which are managers	0	
Start of exercise period	06/07/2014	06/07/2014
End of exercise period	06/07/2016	06/07/2016
Subscription price	4.88 euros	4.88 euros

Allotment of Bonus Shares	21/04/2009	Balance at 31/12/09	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Date of Board of Directors' Meeting	21/04/2009				
Maturity - Vesting period	2 years - 22/04/2011				
End of holding period	2 years - 22/04/2013				
Number of instruments allotted	720,750	720,250	717,250	0	0
Number of shares cancelled	-	500	3,500	3,500	3,500
Number of people concerned	55				
of which are managers	3				

Allotment of Bonus Shares	01/06/2010	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12
Date of Board of Directors' Meeting	01/06/2010			
Maturity - Vesting period	2 years - 01/06/2012			
End of holding period	2 years - 01/06/2014			
Number of instruments allotted	733,250	729,750	624,750	0
Number of shares cancelled	-	3,500	108,500	129,750
Number of people concerned	60			
of which are managers	3			

Allotment of Bonus Shares	20/09/2011	Balance at 31/12/11	Balance at 31/12/12
Date of Board of Directors' Meeting	20/09/2011		
Maturity - Vesting period	2 years - 20/09/2013		
End of holding period	2 years - 20/09/2015		
Number of instruments allotted	548,900	527,400	494,300
Number of shares cancelled	-	21,500	54,600
Number of people concerned	47		
of which are managers	3		

Allotment of Bonus Shares	06/07/2012	Balance at 31/12/12
Date of Board of Directors' Meeting	06/07/2012	
Maturity - Vesting period	2 years - 06/07/2014	
End of holding period	2 years - 06/07/2016	
Number of instruments allotted	750,000	745,300
Number of shares cancelled	-	4,700
Number of people concerned	51	
of which are managers	5	

The bonus shares allotted, which are subject to performance conditions being met by managers only, are unavailable for four years following the allotment date. Since the shares allotted are ordinary shares and belong to the same category as the old shares that comprise the company's share capital, at the end of the vesting period the shareholder employee receives the dividends and voting rights attached to all his/her shares.

In total, at 31 December 2012, the maximum number of shares that may be created through the exercise of stock options and bonus shares is 7,347,235 and 1,239,600, respectively.

The cancellations recorded during the year are the result either of terminations of recipients prior to the start of the period in which they could exercise their rights or the expiration of plans under market conditions making it impossible to exercise all the rights.

Gameloft holds no treasury shares.

12. Accrued expenses

	31/12/12	31/12/11
Bank charges payable	0	2
TOTAL Loans and Financial Debts	0	2
Suppliers, invoices pending	15,370	12,119
Suppliers, invoices pending intangible assets	4,441	3,038
Suppliers, invoices pending tangible assets	0	22
Credit notes issued	6,373	4,849
Tax liabilities	123	159
Social security liabilities	749	641
TOTAL	27,056	20,828

Credit notes issued have sharply increased this year due to a transfer price policy implemented on 1 January 2010.

Invoices pending represent €6,003,000 of intra-group debts and €5,666,000 of debts from royalties on sales of licensed games.

13. Items pertaining to affiliates

The transactions made with the subsidiaries of the Gameloft group are as follows:

	31/12/12	31/12/11
Assets		
Tangible assets	536	1,962
Equity capital holdings	12,871	8,996
Other financial assets	150	150
Trade receivables and related accounts	91,495	72,688
Prov. on accounts receivable	-2,137	-2,277
Other receivables – Current accounts	13,830	12,531
Other receivables – Tax integration	157	106
Prov. on other receivables	-1,242	-5,092
Receivables from suppliers	5,246	3,593
Other miscellaneous receivables		530
Debts		
Provision for contingencies and expenses	-	-
Trade payables and related accounts	70,439	57,613
Financial debts	628	2,110
Unearned income	126	69
Other miscellaneous debts	-	-
Customer credit balances	6,281	4,355
Profit/Loss		
Operating income	59,945	46,296
Operating expenses	119,927	95,083
Financial income	6,615	2,433
Financial expense	1,285	2,173

Transactions carried out with companies owned by common senior executives concerning operations with Guillemot Brothers, the Ubisoft group, AMA and Longtail Studios are as follows:

	31/12/12	31/12/11
Assets		
Trade receivables and related accounts	-	1,084
Liabilities		
Trade payables and related accounts	419	1,354

Customer credit balances	34	
Profit/Loss		
Operating income	-116	2,716
Operating expenses	1,881	2,152

14. Provisions recorded on the balance sheet

	At 31/12/11	Allocations for the Year	Write-Backs for the Year	At 31/12/12
Provisions for contingencies and charges				
For foreign exchange risks	2,401	3,266	-2,401	3,266
For risks	82			82
For charges	35	-	-35	-
Total	2,518	3,266	-2,436	3,348
Provisions for valuation				
On brands	1,829			1,829
On marketed games	2,189	851	-2,172	868
On advances/licences	1,057	464	-611	910
On equity capital holdings	116	1,184	-3	1,297
On stocks	1		-1	-
On accounts receivable	2,454	75	-143	2,386
On other receivables	<u>5,092</u>	<u>93</u>	<u>-3,943</u>	<u>1,242</u>
Total	12,738	2,667	-6,873	8,532
Total	15,256	5,933	-9,309	11,880

In light of business prospects, a depreciation on marketed games in the amount of €851,000 was recorded for the fiscal year. Based on tests regarding the recovery of unhedged loans, a depreciation of €464,000 was recorded at 31 December 2012.

The provisions pertaining to the equity holdings relate to Gameloft Korea Ltd. (€1,019,000) and Gameloft Shanghai (€165,000).

The “provisions on accounts receivable” item pertains to non-group receivables (€72,000) and intra-group receivables (€3,000).

The “provisions on other receivables” item pertains to advances granted to Gameloft Hong Kong (€71,000), and Gameloft SRO (€22,000).

The write-backs for expenses were recorded for lawsuits concerning employees (€35,000).

The write-backs of provisions pertain to R&D expenses recorded on 31 December 2012 (€2,172,000) of which €2,160,000 was transferred to the "depreciation expense" item, and to advances on licences (€611,000).

The write-backs of provisions pertain to the equity capital holdings of Gameloft SPRL (€3,000).

Write-backs of provisions of accounts receivable are completely intra-group receivables for Gameloft GmbH (€143,000).

The write-backs of provisions for valuation on other receivables total €3,941,000 for Gameloft Korea and €2,000 for Gameloft Vietnam.

15. Financial debts

Financial debts are as follows:

	31/12/12	31/12/11
Loans and similar accounts	46	41
Current account advances	628	2,110
Financial debts	674	2,151

	Less than 1 Year	1 Year to 5 Years	More than 5 Years
Amounts still due at 31/12/12	46	628	

Financial surplus:

	31/12/12	31/12/11
Financial debts	46	41
Cash on hand	18,648	19,682
Net financial surplus	18,602	19,641

At 31 December 2012 there was a net financial surplus of €18,602,000 compared to €19,641,000 at 31 December 2011.

All financial debts are based on a fixed rate and are in euros.

16. Trade payables and related accounts

	31/12/12	31/12/11
Trade Payables	83,152	66,683
Total	83,152	66,683

The average period for paying our non-group suppliers is less than 90 days.

The increase in receivables from suppliers is linked to the company's sharp activity growth during the 2012 fiscal year, including the debts of the group's subsidiaries for a total of €70,000,000 compared to €57,600,000 in 2011.

17. Tax and social security liabilities

	31/12/12	31/12/11
Tax liabilities	315	466
Social security liabilities	1,068	900
Total	1,383	1,366

The "tax liabilities" item is primarily made up of VAT debts in the amount of €189,000.

The social security liabilities are primarily made up of €321,000 in debts to social welfare bodies, and €430,000 in salary debts related to leave benefits.

18. Debts on assets

	31/12/12	31/12/11
Debts on assets	6,149	4,210
Total	6,149	4,210

Debts from suppliers on assets sharply increased and are mainly due to debts on advances on licences (€6,026,000).

Operating liabilities are as follows:

	Less than 1 Year	1 Year to 5 Years	More than 5 Years
Amounts still due at 31/12/12	90,684	-	-

19. Other debts

	31/12/12	31/12/11
Credit notes issued	6,373	4,849
Credit balances of customer accounts	232	219
Other debts	390	789
Total	6,995	5,857

Credit notes issued are related to intra-group suppliers (€6,211,000) and have sharply increased this year due to a transfer price policy implemented on 1 January 2010.

20. Accruals

	31/12/12	31/12/11
Unearned income	226	69
Translation adjustments	3,014	2,848
Total	3,240	2,917

The “unearned income” item consists of client billing related to services not yet provided at the year-end closing. The “translation adjustments” liability is mostly related to the discounting of debt from suppliers (€1,020,000) and account receivables (€1,994,000). Account receivables in Canadian dollars, Japanese yen, Australian dollars and Philippine pesos varied greatly compared to the rate of 31 December 2011.

Income Statement:

Profit/loss from ordinary activities includes all ordinary activities carried out by Gameloft as part of its business, as well as any related activities undertaken by it which are incidental to or in line with its ordinary activities.

Mobile game development costs are recorded as expenses over the entire year. As described above, development costs of games for new platforms are capitalised when they meet the capitalisation criteria.

Production cost consists of the cost of “supplies” (other materials and supplies) plus other costs incurred by the company in the course of game production.

21. Consolidated revenue, self-constructed assets and inventoried production

The breakdown of revenue by business activity at 31 December 2012 is as follows:

	31/12/12		31/12/11	
	€K	%	€K	%
Smartphones	74,940	45%	47,018	36%
Feature phones	86,715	53%	77,880	59%
Large screens	3,505	2%	6,889	5%
Total revenue	165,160	100%	131,787	100%
Self-constructed assets	1,772	-	7,942	-
Closing inventory	0	-	-13	-
Total	166,932	-	139,716	-

The company’s operations were carried by the tremendous success experienced by Gameloft’s games on the smartphone and touch tablet markets. On the whole, sales for fiscal year 2012 on smartphones and touch tablets increased, moving from 36% to 45%.

The breakdown of revenue by geographic area at 31 December 2012 is as follows:

	31/12/12		31/12/11	
	€K	%	€K	%
EMEA <i>including France</i>	46,577 14,315	28% 9%	52,877 14,181	40% 11%
North America	70,252	43%	43,091	33%
Asia-Pacific	27,754	17%	18,848	14%
Latin America	20,577	12%	16,971	13%
Total Revenue	165,160	100%	131,787	100%
Self-Constructed Assets	1,772	-	7,942	-
Closing Inventory	0	-	-13	-
Total	166,932	-	139,716	-

North America represented 43% of annual revenue, the EMEA region 28%, Asia-Pacific 17%, and Latin America 12%.

22. Other operating income and transfer of charges

Other operating income is as follows:

	31/12/12	31/12/11
Write-backs of provisions	802	572
Transfer of charges	1,552	1,022
Other income	1,248	39
Total	3,602	1,633

The “transfer of charges” item concerns the re-invoicing of overhead costs (€1,503,000).

The “write-backs of provisions” item relates to provisions for charges for lawsuits concerning employees (€35,000); provisions for asset depreciation (€623,000), of which €611,000 is depreciation of advances on licences and €12,000 is depreciation of development costs; provisions for trade receivables (€143,000); and a provision for inventory of finished products (€1,000).

Other income is mainly from repayments of deductions at source in Japan wrongly deducted by one of our clients.

23. Purchases and other supplies

Cost of goods sold consists of development costs on mobile games (€118,168,000), and related overhead costs (€1,390,000).

24. Other operating purchases and external charges

Other operating purchases are as follows:

	31/12/12	31/12/11
Comm. and brokerage fees on sales & admin. subcontracting and marketing	5,303	3,455
Telecommunication and small equipment costs	338	418
Advertising and marketing expenses	6,141	2,961
Conference and trade fair expenses	56	82
Travel expenses	651	520
Professional expenses	764	587
Royalties	15,262	7,839
Other	3,278	2,937
Total	31,793	18,799

25. Personnel expenses

At 31 December 2012, the company had 41 employees, of which 4 were managers.

The amount of personnel expenses corresponding to game production is €2,829,000.

26. Operating amortisations, depreciations and provisions

Allocations are as follows:

	31/12/12	31/12/11
Amortisation of intangible assets	59	136
Amortisation of intangible assets: development costs	4,038	4,940
Amortisation of intangible assets: licences	6,616	3,567
Depreciation of tangible assets	823	847
Provisions	1,390	630
TOTAL	12,926	10,120

The “amortisation of intangible assets” item concerns the amortisation of software and development costs, as well as advances on licences amortised according to sales volume or on a straight-line basis for flat fees, depending on the contracts.

Intangible development costs are amortised on a straight-line basis over 18 months for games on the market. At 31 December 2012, Gameloft had nearly 230 games capitalised and commercially available on various digital platforms, such as the Mac, iPad, DSi, 3DS, PSN, set-top boxes and Smart TVs.

The “provisions” item concerns depreciations on development costs (€851,000), on trade receivables (€75,000), and on asset impairment (€464,000) related to advances on licences.

27. Net financial income/expense

Net financial income/expense breaks down as follows:

	31/12/12	31/12/11
Financial income:		
Income from other securities and receivables from long-term assets	2,453	2,036
Other interest and similar income	548	352
Write-backs of provisions	6,347	1,232
Foreign exchange gains	2,272	2,061
	11,620	5,681
Financial expenses:		
Provisions	4,543	4,464
Other interest and similar expenses	10	113
Foreign exchange losses	4,082	2,346
	8,635	6,923
Net financial income/expense	2,985	-1,242

The write-backs of provisions in the amount of €6,347,000 are as follows:

- €3,943,000 for current account advances, of which €3,941,000 was for Gameloft Korea Ltd., and €2,000 was for Gameloft Vietnam;
- €3,000 for equity capital holdings, of which €3,000 was for Gameloft S.P.R.L.;
- €2,401,000 for foreign exchange losses.

“Other financial income” is interest derived from investments from interest-bearing contracts.

The provisions in the amount of €4,543,000 are as follows:

- €93,000 for current account advances, of which €71,000 was for Gameloft Hong Kong, and €22,000 was for Gameloft SRO;
- €1,184,000 for equity holdings, of which €1,019,000 was for Gameloft Korea Ltd., and €165,000 for Gameloft Shanghai.
- €3,266,000 for foreign exchange losses.

All of Gameloft's debts are based on a fixed rate and are in euros. The company has no foreign exchange hedging strategy.

Nevertheless, Gameloft uses a natural foreign currency hedging system to the extent that its intra-group relations, current account advances to subsidiaries, re-invoicing of subsidiaries' expenses to the parent company and royalties to subsidiaries are done in foreign currencies (US dollars, Canadian dollars, pounds sterling, etc.) and that through losses, income in foreign currencies compensates for the company's expenses in foreign exchanges. To date, the group has not implemented foreign currency hedging for its internal cash flows.

The company had no interest rate or foreign currency hedge at 31 December 2012.

28. Extraordinary profit/loss

Extraordinary items are income or expenses resulting from events or transactions that are clearly distinct from the company's ordinary activities and are therefore not expected to recur on a frequent or regular basis.

Extraordinary profit/loss is as follows:

	31/12/12	31/12/11
Extraordinary income:		
Write-backs of provisions	-	2,794
Extraordinary income from capital transactions	17	15
Extraordinary income from management operations	-	35
	17	2,844
Extraordinary expenses:		
Extraordinary expenses on management operations	269	3
Extraordinary expenses on capital transactions	20	15
Depreciation and provisions	-	8,147
	289	8,165
Total extraordinary profit/loss	-272	-5,321

The "extraordinary expenses on management operations" are expenses related to the resolution of commercial litigation (€269,000).

The "extraordinary expenses on capital transactions" item pertains to the net book value of tangible assets and financial assets (€20,000).

29. Corporate income tax

Following French Law 2012-1509 of 29 December 2012, losses can be carried over in the amount of €1 million, plus 50% of earnings exceeding that threshold.

The portion of carry-over losses not yet used at 31 December 2012:

	31/12/12	31/12/08	31/12/07	31/12/06	31/12/05	31/12/04	31/12/03	31/12/02	31/08/01	31/08/00
Carry-over losses *	-	2,586	3,064	-	-	-	-	13,996	8,891	379
TOTAL	-	2,586	3,064	-	-	-	-	13,996	8,891	379

* non-cumulative data

In fiscal year 2012, the reductions and increases in the future tax burden were as follows:

Future Tax Burden	Basis	Tax
Organic provision for the year	269	90
Tax on tourism vehicles	15	5
Contribution to housing tax	18	6
Unrealised foreign exchange gains	3,014	1,004
TOTAL REDUCTIONS	3,316	1,105

The tax rate in effect at 31 December 2012 was 33.33%.

Income tax consists of the following:

At 31/12/12	Accounting Basis	Corporate Tax
Pre-tax profit/loss on ordinary activities	796	-
Extraordinary profit/loss	-272	-
Pre-tax profit/loss	524	-

At 1 January 2013, there were €28,915,000 in non-lapsing losses carried forward for Gameloft SE and €1,311,000 in losses carried forward indefinitely in terms of tax consolidation for the group.

Income tax consists of the following:

	31/12/12	31/12/11
Current tax	-137	212
Total	-137	212

Gameloft SE and its French subsidiaries, Gameloft Rich Games Production France, Gameloft Partnerships, Gameloft France and Ludigames opted to adopt a tax consolidation agreement starting on 1 January 2009.

There was no impact on the amount of tax savings as a result of the tax integration of the French subsidiaries. The parent company, Gameloft SE, alone assumes responsibility for tax liability.

3.2.3.6 Additional Information

1. Parent company

Gameloft SE – 14 rue Auber, 75009 Paris

2. Personnel

In fiscal year 2012, the average workforce at Gameloft SE was 37 employees, 28 men and 9 women.

All of Gameloft SE's employees are management, with the exception of one.

3. Financial commitments and other information

Off-balance sheet commitments:

Off-balance sheet commitments related to operating activities	Characteristics		At 31/12/12
	Description	Commitment End Date	
	Business leases	31/12/2020	€4,721,000
Commitments related to the implementation of operating agreements	Guarantor on behalf of Gameloft Toronto for a line of credit with HSBC.		CAD 500,000
	Guarantor on behalf of Gameloft Divertissements Inc. for a line of credit with HSBC.		
			CAD 3,000,000
Guaranteed commitments, mortgages, etc.	-		-

Off-balance sheet commitments received related to operating activities	Characteristics	At 31/12/12
	Description	
Commitments related to the implementation of operating agreements	Commitment towards Gameloft GmbH following its debt write-off authorised by Gameloft SE with a clawback provision for five financial years and accumulated net income exceeding €800,000.	€748,755

As a shareholder, Gameloft SE issued letters of support to the Australian and British subsidiaries at 31 December, 2012 to ensure the continued operation of these struggling companies.

Discounted bills not due:	none
Collateral provided:	none
Cash credits:	none
Guarantees received:	HSBC acted as a guarantor for our supplier Ferrari in the amount of €710,000, following our licensing agreement.
Financial leases:	none

Other commitments:

The law of 4 May 2004 gives French employees an individual right to training (“droit individuel à la formation” - DIF). This right entitles them, at their request but with the employer’s approval, to take part in training courses.

Each year, based on the agreements applicable at the company, full-time personnel employed under open-ended contracts who have at least one year of seniority at the company acquire a right to 20 hours of training. Employees with one year of seniority as of 7 May 2005 may benefit from this law.

The rights acquired annually may be accumulated over a six-year period, i.e. a maximum of 120 hours. At 31 December 2012, hours totalled 2,834.

4. Subsequent Events

In the first quarter of 2013, Gameloft decided to close its production studio in India. No other event is likely to have an impact on the financial statements.

5. Compensation of the group’s senior executives

The total gross compensation paid by the Company to executives in 2012 was €254,000.

At the same time, the General Meeting on 22 June 2011, decided to grant an annual maximum of 150,000 euros in director's fees to be shared among the members of the Board of Directors, until decided otherwise.

As a result, the six managers were entitled to the maximum amount of directors' fees in 2012.

	2012	2011
Salaries, misc. charges and benefits	€254,000	€154,000
Total pensions and other post-employment benefits		
Severance pay		
Total stock options and bonus shares issued	142,000	381,000

Amounts in Euros	Gameloft SE			Total Compensation for 2012
	Gross Fixed Compensation	Benefits in kind	Directors' fees	
Michel Guillemot	60,000	0	25,000	85,000
Claude Guillemot	31,248	0	25,000	56,248
Gérard Guillemot	-	0	0	-
Yves Guillemot	31,248	0	25,000	56,248
Christian Guillemot	31,248	0	25,000	56,248
Total	153,744	0	100,000	253,744

No commitment has been made in favour of the members of the Board of Directors with regard to compensation, financial consideration or benefits owed or likely to be owed as a result of the termination or change in their duties or subsequent to said duties.

6. Loans extended to the group's senior executives

At 31 December 2012, no advance or credit was extended to the group's senior executives pursuant to Article L. 225-43 of the French Commercial Code.

3.2.4 Auditors' Report on the Financial Statements Ended 31 December 2012

Dear Shareholders,

In performing the duties entrusted to us by your General Meeting, we present to you our report for the fiscal year ended 31 December 2012 regarding:

- the audit of the year-end financial statements of Gameloft SE, as attached to this report;
- the basis for our assessments;
- the specific verifications and information required by law.

The year-end financial statements were approved by the Board of Directors. It is our task, on the basis of our audit, to express an opinion on these financial statements.

I - Opinion regarding the year-end financial statements

We have conducted our audit in accordance with the standards of professional practice applicable in France. These standards require the use of due diligence to provide reasonable assurance that the year-end financial statements do not contain any significant misstatements. An audit consists of verifying, through audit testing or other selection methods, the evidence supporting the amounts and information contained in the year-end financial statements. It also entails assessing the accounting principles applied, the significant estimates used and the overall presentation of the financial statements. We deem that the information we have collected is sufficient and appropriate to form our opinion.

We certify that the year-end financial statements are, from the standpoint of French accounting rules and principles, true and in good order and fairly present the company's net profit from operations during the previous fiscal year, as well as its financial position and assets at the end of said year.

II - Basis for the assessments

Pursuant to Article L 823-9 of the French Commercial Code in regard to the basis for our assessments, we wish to bring the following points to your attention:

- As indicated in note 3.4.1 and paragraph 1 of note 3.5 of the year-end financial statements, the intangible assets include development costs of games that have been marketed or are in production, and of licences. Impairment tests are conducted on these intangible assets. We have assessed the capitalisation of development costs and licences, verified the implementation methods of the impairment tests, and assessed the reasonableness of the cash flow forecasts and assumptions in use. We also verified that the financial statements provided appropriate information.

- Your company recognises provisions for impairment of equity holdings in the manner laid down in Note 3.4.3 "Financial assets" of the year-end financial statements. We have undertaken an assessment of the approach taken by your company and have conducted tests to ensure the application of these methods. As part of our assessment, we verified the reasonableness of these estimates.

Our assessments were made within the context of our audit of the year-end financial statements as a whole, and therefore provided a basis for the opinion expressed by us in the first part of this report.

III - Specific verifications and information

In accordance with the professional standards applicable in France, we also conducted the specific verifications required by law.

We have no observation to make regarding the fairness and consistency with the year-end financial statements of the information provided in the Board of Directors' management report and in the documents sent to the shareholders pertaining to the financial position and year-end financial statements.

With regard to the information provided pursuant to the provisions of Article L.225-102-1 of the French Commercial Code regarding the compensation and benefits paid to the company managers and the commitments made to them, we have verified its consistency with the financial statements or with the data used to prepare these financial statements and, where applicable, with the information compiled by your company from the companies that control your company or are controlled by it. Based on this work, we certify that this information is true and accurate.

In accordance with the law, we have verified that all the information relative to the identity of holders of capital and voting rights was provided to you in the management report.

Courbevoie and Rennes, 29 April 2013

The Auditors

MAZARS

AUDIT AMLD

Simon Billevaire

André Métayer

Correlation table of appendix notes:

Auditors' Report

Note 3.4.1

Note 3.5 §1

Note 3.4.3

Reference Document

Paragraph 3.2.3.4.1

Paragraph 3.2.3.5 §1

Paragraph 3.2.3.4.3

4. GOVERNANCE AND INTERNAL CONTROL

4.1 Report of the Chairman of the Board of Directors on the Conditions under Which the Board's Work is Prepared and Organised and on the Internal Control Procedures Implemented by the Company

This report, prepared in accordance with Article L. 225-37 of the French Commercial Code and Article L. 621-18-3 of the French Monetary and Financial Code, details the conditions under which the Board of Directors' work is prepared and organised, as well as the internal control and risk management procedures implemented by the company.

It describes the key components of the system implemented by the company in terms of organisation and procedures applicable to the company and to its subsidiaries whose financial statements are consolidated based on the full consolidation method. This report was prepared with the help of the company's Legal and Finance department and presented to the Board of Directors on 15 April 2013.

In drafting this report, the company referred to the Code of Corporate Governance for Listed Companies published by AFEP/MEDEF in December 2008 resulting from the consolidation of the AFEP and MEDEF report of October 2003 and the AFEP/MEDEF recommendations of January 2007 and October 2008 regarding the compensation of executive directors of listed companies (the "AFEP/MEDEF" Code) available on the MEDEF website (www.medef.fr).

4.1.1 Corporate Governance

The system of corporate governance to which this report makes reference is the "Code of Corporate Governance for Listed Companies" published by AFEP and MEDEF in December 2008 and available on the MEDEF website (www.medef.fr), hereinafter referred to as the "AFEP/MEDEF Code".

4.1.1.1 Conditions under Which the Board of Directors' Work is Prepared and Organised

4.1.1.1.1 Organisation and Operation of the Board of Directors

a) Board Members

At 31 December 2012, the Board of Directors consisted of six members, four of whom are also executive vice presidents and assist the chief executive officer. Ms Marie-Thérèse Guiny is not an executive vice president.

Name	Age and Nationality	Start Date of Term	Expiration Date of Term
Michel Guillemot Chief Executive Officer	54 years French	3 December 2001 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Christian Guillemot Executive Vice President Administration	47 years French	Incorporation meeting of 1 December 1999 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Claude Guillemot Executive Vice President Technologies	56 years French	Incorporation meeting of 1 December 1999 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Yves Guillemot Executive Vice President	52 years French	Incorporation meeting of 1 December 1999	At the end of the AGM called to approve the financial statements for the

Strategy and Development		Term renewed on 25 June 2009	fiscal year ending 31 December 2014
Gérard Guillemot Executive Vice President Strategy and Development	51 years French	Incorporation meeting of 1 December 1999 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Marie-Thérèse Guiny	66 years French	Combined General Meeting of 22 June 2011	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2016

In accordance with legal and statutory provisions, directors are appointed, reappointed or removed by the Ordinary General Meeting. Each director must own at least one share in the company. The term for directors of the company is currently set at 6 years. Gameloft directors' terms therefore do not comply with the AFEP-MEDEF code which recommends terms that do not exceed 4 years. The modification of the term for Gameloft's directors is still scheduled and will involve a change to the Articles of Association, which will occur upon approval by the shareholders' General Meeting during the next renewal of Gameloft's directorships.

Given the lack of a work committee and the fact that the employees do not hold a significant percentage of capital, no employee representative is involved in the Board's work.

b) Independent director

The Board of Directors is made up of five members of the Guillemot family, as well as an independent director, Ms Marie-Thérèse Guiny. Ms Guiny has a degree in accounting. From 1966 to 1992, she worked as an accountant and a chief accountant at several different companies. She joined the Guillemot Corporation in 1992, where she held a number of positions before being named Director of Accounting and Finance from 1999 to 2006. She is 66 years old and holds 50 Gameloft shares. Ms Marie-Thérèse Guiny is an independent director as defined by the AFEP-MEDEF code, bearing in mind that an independent administrator (i) must have no relationship of any kind with the corporation, its group or the management of either that is such as to colour his or her judgment and (ii) must meet the following criteria:

- Must not be an employee or executive director of the corporation, or an employee or director of its parent company or a company that it consolidates, and must not have been in such a position for the previous five years;
- Must not be an executive director of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive director of the corporation (currently in office or having held such office going back five years) is a director;
- Must not be a customer, supplier, investment banker or commercial banker that is material to the corporation or its group, or to a significant part of whose business the corporation or its group accounts;
- Must not be related by close family ties to an executive director;
- Must not have been an auditor of the corporation within the previous five years;
- Must not have been a director of the corporation for more than twelve years.

The AFEP-MEDEF code recommends that independent directors should account for at least a third of the Board of Directors in companies controlled by majority shareholders.

With respect to the company's specific situation, particularly the distribution of its shareholders, with the Guillemot group acting as a long-standing principal shareholder, the company does not feel an urgent need to appoint a second independent director to the Board, especially given the highly active role played by the single independent director. In this regard, the Company believes it is respecting the spirit of the Code.

Nonetheless, the Board of Directors will continue to examine the issue in terms of the framework of paths it could take in order to apply the principle of equal representation of women and men on the Board of Directors.

c) Equal representation of women and men on the Board of Directors

As of 1 January 2017, a measure will be put in place by law, establishing a minimum threshold of representation of 40% for members of the Board of Directors and supervisory boards for companies whose securities are admitted to trading on a regulated market. As a transitional measure, Article 5-II of the law of 27 January 2011 requires that listed companies not have a proportion of directors or supervisory board members of either gender of less than 20% upon the first Ordinary General Meeting after 1 January 2014. This same text also requires that if one of the two genders is not represented on the Board of Directors on the date of publication of the law, then

at least one representative of that gender must be named during the next Ordinary General Meeting that would approve the nomination of directors.

In accordance with Law No. 2011-103 of 27 January 2011, Ms Marie-Thérèse Guiny was nominated as administrator of the Company on 22 June 2011.

As of the date of the current report, the Board of Directors has one female member, and is therefore below the rate of female members set out by the first stage of Law No. 2011-103 of 27 January 2011. Nonetheless, the company intends to meet the requirements of Law No. 2011-103 of 27 January 2011 so that the proportion of female directors is not less than 20% by the first Ordinary General Meeting after 1 January 2014.

d) Chairman of the Board of Directors and Chief Executive Officer

Pursuant to the provisions of the French law on new economic regulations of 15 May 2001 (loi NRE), the company's Articles of Association provide the ability to separate the functions of Chairman of the Board of Directors from those of Chief Executive Officer.

However, in accordance with a deliberation of 3 December 2001, the Board of Directors decided not to separate the functions of Chairman of the Board of Directors from those of Chief Executive Officer and consequently opted to combine the functions of Chairman of the Board of Directors and Chief Executive Officer of the company, with the Chairman of the Board of Directors also assuming responsibility for the company's general management.

The Chairman represents the Board of Directors. He organises and directs the Board's work and reports on it to the General Meeting. He ensures that the governing bodies (Board of Directors and General Meeting) over which he presides function properly. The Chief Executive Officer directs the company and represents it vis-à-vis third parties. He is vested with the fullest powers to act on the company's behalf.

e) Limits placed by the Board of Directors on the powers of the Chief Executive Officer

The powers of the Chief Executive Officer and the Executive Vice Presidents are not subject to any statutory limitation or limitation imposed by the Board.

f) Powers and duties of the Board of Directors

The Board considers matters that come under its authority as provided by legal and statutory provisions.

Pursuant to the provisions of Article L. 225-35 of the French Commercial Code and the provisions of its own internal rules, the Board of Directors determines the company's general strategic policies, which are in turn implemented by General Management under its supervision. Subject to the powers expressly granted to shareholders' meetings by law and the Articles of Association and within the limits of the corporate purpose, the Board of Directors deals with all issues affecting the company's proper functioning and, through its proceedings, handles all matters concerning the company.

The Board of Directors therefore:

- defines the group's objectives and strategy in accordance with its corporate culture and values;
- chooses the way in which General Management is organised (whether to separate or combine the functions of Chairman and Chief Executive Officer);
- exercises, as it deems appropriate, the authorisations granted to it by the General Shareholders' Meeting;
- examines and approves the financial statements;
- oversees the management and ensures the quality of information provided to shareholders and the markets via the financial statements or during major transactions.

g) Information provided to the directors

The Chief Executive Officer provides the directors with the necessary information and documentation to perform their duties and prepare the proceedings as provided by Article L. 225-35 of the French Commercial Code. Moreover, each director may obtain additional information on his or her own initiative and the Chief Executive Officer is always available to provide explanations and important information to the Board of Directors.

Directors are required to not disclose confidential information given to them as such by the Chairman of the Board of Directors.

h) Board of Directors' meetings

Board meetings are held at the registered office or any other place indicated in the meeting notice. For calculating the quorum and majority, directors participating in the Board meeting via videoconference or telecommunications media are deemed to be present. However, the actual presence or presence by representation will be required for all Board proceedings related to the closing of the year-end and consolidated financial statements, as well as the drafting of the management report and the report on the group's management. Pursuant to Article L. 225-38 of the French Commercial Code, the auditors are called to Board meetings at which the year-end financial statements are reviewed and approved.

The decisions of the Board of Directors are taken as a simple majority of the present or represented members, with a tie-breaking vote cast by the Chairman in the case of a split vote.

The Board met 11 times in 2012. The directors attended the Board meetings regularly, with an overall attendance rate of 78.80% in 2012.

They participated actively and freely in the proceedings and contributed their knowledge and professional expertise in an effort to promote the general interest of the shareholders and the company.

Following are the main agendas of the meetings:

- 26 January 2012: Share capital increase following the exercising of share rights attached to stock warrants during fiscal year 2011 (five out of six directors present).
- 30 January 2012: Formation of a subsidiary company in New Zealand. Formation of a subsidiary company in Hungary (five out of six directors present).
- 21 March 2012: Approval of the individual and consolidated financial statements for the fiscal year ended 31 December 2011. Proposed allocation of profit. Notice to attend the annual general meeting (four out of six directors present).
- 20 April 2012: Renewal of term proposal regarding an Auditor and the nomination of new Auditors. Analysis and preparation of the report on the projected management documents for 2012 (four out of six directors present).
- 9 May 2012: Draft terms of conversion of the company into a European company. Draft articles of association of the company as a European company. Preparation and notice to attend the general meeting (five out of six directors present).
- 1 June 2012: Final allotment of bonus shares for the benefit of employees; recognition of the final completion of the capital increase resulting from the allotment of bonus shares to the executive directors (five out of six directors present).
- 6 July 2012: Final allotment of bonus shares for the benefit of the managers; share capital increase following the exercising of share rights attached to stock warrants during the first quarter of 2012. Bonus issue of shares to the group's employees and managers. Decision to implement a stock option plan for the group's employees (five out of six directors present).
- 3 August 2012: Capital subscription of Gameloft Co. Ltd. (South Korea) by capitalisation of the current account (four out of six directors present).
- 4 September 2012: Approval of the half-year accounts at 30 June 2012. Preparation of the half-year financial report (five out of six directors present).

- 7 September 2012: Recognition of the final completion of the conversion of the company into a European company (five out of six directors present).
- 23 October 2012: Update of the report on the projected management documents for 2012 (five out of six directors present).

i) Evaluation of the Board of Directors' work

As recommended by the AFEP/MEDEF code, at its meeting of 15 April 2013, the Board of Directors developed and approved a self-evaluation questionnaire for the Board of Directors and its committees, which was then sent to each director.

The self-evaluation primarily concerns the composition of the Board, its operation, the frequency and duration of meetings, subjects covered, the nature of the discussions, information provided to the directors, and duties of its specialised committees.

It shall be recalled that a self-evaluation of the Board of Directors was undertaken during fiscal year 2011, according to which, in its meeting on 21 March 2012, the Board of Directors decided that the results were positive and showed that the Board's operation was largely satisfactory on the whole.

4.1.1.1.2 The Board of Directors' Committees

The Board of Directors is assisted by two specialised committees: the Appointments and Compensation Committee and the Audit Committee.

These two committees are comprised exclusively of directors. Their members are appointed by the Board of Directors, which also appoints their chairmen.

These committees' specific powers and rules of operation were defined by the Board at the time of their creation and integrated into the internal rules.

a) Appointments and Compensation Committee

The Board of Directors is assisted by a specialised committee: the Appointments and Compensation Committee. This committee is comprised exclusively of directors. Its members are appointed by the Board of Directors, which also appoints its chairman. The committee's specific powers and rules of operation were defined by the Board at the time of its creation.

• Members

At 31 December 2012, this Committee was made up of Ms Marie-Thérèse Guiny, Chairperson, who was assisted by Claude Guillemot.

The AFEP-MEDEF code of corporate governance calls for the Appointments and Compensation Committee to have a majority of independent directors and no executive directors. The Appointments and Compensation Committee is composed of two members, an independent director and an executive director. The make-up of the Appointments and Compensation Committee therefore does not comply with the AFEP-MEDEF code. Nonetheless, the Board of Directors considers that, with respect to the unique nature of the company (notably the distribution of its shareholders, with the Guillemot family as majority shareholders) and to the current make-up of the Board of Directors, the committee as it is currently configured best corresponds to the operational needs of the company.

• Role

The role of the Appointments and Compensation Committee is to review the compensation of the members of the Board of Directors, the Chief Executive Officer and the Executive Vice Presidents and to decide whether it is appropriate to grant them stock options. The Committee will review candidacies and make proposals to the Board of Directors regarding the appointment or reappointment of directors and, in particular, the selection of independent directors.

The Appointments and Compensations Committee provides the Board with data for comparison and evaluation, particularly for practices related to:

- studying and making proposals regarding the compensation of managers;
- suggesting rules to the Board regarding the distribution of directors' fees and the individual amounts of payments to be made in this regard to directors, taking into account the directors' attendance at the Board;
- suggesting to the Board the total amount for directors' fees to be proposed to the company's General Meeting;
- providing the Board of Directors with an opinion on the general policy regarding the awarding of stock options which must be reasonable and appropriate and on a plan regarding options established by the group's General Management, indicating to the Board of Directors its proposal covering stock options and subscriptions by listing the reasons behind its choice as well as the consequences, setting the frequency of allotments;
- looking into all questions submitted by the Chairman related to the points laid out above and, where appropriate, projects related to the employee stock ownership plan.

• Meetings

The Appointments and Compensation Committee met two times in 2012. The members attended the Committee meetings regularly, with an attendance rate of 100%.

• Summary of the Committee's work in fiscal year 2012:

- 20 April 2012: Renewal of the term of AUDIT AMLD as a Principal Auditor, and appointment of MAZARS as Auditor. Appointment of Mr Benoît Fléchon and Mr Jean-Maurice El Nouchi as Acting Auditors.
- 6 July 2012: Final bonus issues of shares allotted to managers. Establishment of the principles of a plan to issue bonus shares and the principles of a stock option plan.

b) Audit Committee

The Board of Directors is assisted by the Audit Committee. This committee is comprised exclusively of directors. Its members are appointed by the Board of Directors, which also appoints its chairman. The committee's specific powers and rules of operation were defined by the Board at the time of its creation.

• Members

This committee is made up of Ms Marie-Thérèse Guiny, Mr Claude Guillemot, and Mr Christian Guillemot. This committee is chaired by Ms Marie-Thérèse Guiny.

The AFEP-MEDEF code of corporate governance calls for the Audit Committee to have a two-thirds majority of independent directors and no executive directors. The Audit Committee is composed of three members, an independent director and two executive directors. The make-up of the Audit Committee therefore does not comply with the AFEP-MEDEF code. Nonetheless, the Board of Directors considers that, with respect to the unique nature of the company, and to the current make-up of the Board of Directors, the committee as it is currently configured best corresponds to the company's working methods. In fact, the entirety of the Audit Committee possesses, due to their training and professional experience, auditing and financial competencies which exceed the requirements of Article L. 823.19 of the French Commercial Code, according to which at least one member of the Committee must possess such competencies.

• Role

The role of the Audit Committee is to:

- examine the accounts and ensure the appropriateness and consistency of the accounting methods used to prepare the company's consolidated and individual financial statements;
- monitor the financial reporting process;
- monitor the efficiency of the internal control and risk management systems.

• Meetings

The Appointments and Compensation Committee met two times in 2012. The members attended the Committee meetings regularly, with an attendance rate of 100%.

- Summary of the Committee's work in fiscal year 2012:

21 March 2012: Review of individual and consolidated accounts for the fiscal year ended 31 December 2011.

4 September 2012: Review of the half-year accounts at 30 June 2012.

4.1.1.2 Compensation of the Company Managers

4.1.1.2.1 Compensation

The compensation of the executive directors consists of fixed compensation and benefits in kind. The executive directors do not receive variable compensation. They may be granted stock options and performance shares. The total is determined by the Board of Directors on the recommendation of the Compensation Committee. Stock options and performance shares granted to the executive directors are subject to performance conditions.

The total gross compensation issued during the fiscal year by the company, controlled companies as defined by Article L. 233-16, and by the controlling company where they exercise their mandate, was €1,485,000, of which €727,000 was issued by Gameloft SE.

In accordance with the recommendations of the AFEP-MEDEF and the AMF made on 22 December 2008, information on compensation of Senior Executives is detailed in the corresponding tables of the company's Management Report.

4.1.1.2.2 Directors' Fees

In consideration of the responsibilities assumed, but also of time spent preparing for Board meetings and of active participation, the company was authorised by the General Meeting of 22 June 2011 to pay to its Directors fees amounting to a maximum set at €150,000 per year.

Each of Gameloft's managers was granted €25,000 in the form of directors' fees the fiscal year ended 31 December 2012.

4.1.1.2.3 Stock Options Plan

Stock options are granted to employees and the executive directors by the Board of Directors on the recommendation of the Compensation Committee. Stock options are a way of recognising the recipient's performance and contribution to the Gameloft Group's development as well as an assurance of his/her future employment with the company.

At the time of each plan, the Compensation Committee and the Board assess the nature of the options to be granted – subscription or purchase – based primarily on financial considerations. A list of recipients is proposed by General Management to the Compensation Committee, which reviews it and submits it to the Board of Directors, which grants the options. The Board also determines the conditions under which the options may be exercised, the exercise price and the vesting period. The exercise price is based on the average share price during the 20 trading days preceding the date of the grant decision, during which no discount is provided. The plans generally provide for a four-year vesting period. In addition, the executive directors receiving options must keep in registered form five per cent (5%) of the shares resulting from the exercise of options until termination of their duties.

In accordance with the AFEP/MEDEF code and the recommendations issued in October 2008 by AFEP and MEDEF regarding the compensation of executive directors, the awarding of stock options to executive directors is subject to a performance condition.

Exercise of the options granted by the Board of Directors to the executive directors is also conditional upon the purchase of shares by these same executive directors for a volume equal to 1% of the total net gain, after-tax, realised by each of them.

4.1.1.2.4 Stock Options Exercised during the Fiscal Year by the Executive Directors

OPTIONS EXERCISED BY COMPANY MANAGERS DURING THE FISCAL YEAR						
Name of Executive Director:	Type of Operation	Plan Date	Date of Operation	Number of Shares	Exercise Price	Amount of Operation
Michel Guillemot	Acquisition	03/01/2007	22/02/2012	270,000	€4.10	€1,107,000
	Acquisition	11/04/2008	22/02/2012	200,000	€2.80	€560,000
	Acquisition	11/04/2008	11/04/2012	100,000	€2.80	€280,000
	Acquisition	14/05/2009	22/02/2012	150,000	€2.36	€354,000
	Acquisition	01/06/2010	01/06/2012	150,000	€3.82	€573,000
Yves Guillemot	Transfer	03/01/2007	12/12/2012	30,000	€4.10	€123,000
Christian Guillemot	Transfer	03/01/2007	04/04/2012	30,000	€4.10	€123,000
	Transfer	11/04/2008	18/04/2012	37,500	€2.80	€105,000
Gérard Guillemot	Transfer	03/01/2007	08/11/2012	30,000	€4.30	€129,000
	Transfer	03/01/2007	11/12/2012	60,000	€4.30	€258,000
Claude Guillemot	Transfer	03/01/2007	06/12/2012	30,000	€4.10	€123,000
	Acquisition	11/04/2008	04/05/2012	37,500	€2.80	€105,000

4.1.1.2.5 Bonus Issue of Shares

The bonus shares issued to the paid employees and executive directors of the company and of the companies or groups of companies related to it within the meaning of Article L. 225-197-2 of the French Commercial Code are approved by the Board of Directors on the recommendation of the Compensation Committee. Bonus shares are a way of recognising the recipient's performance and contribution to the company's development as well as an assurance of his/her future employment with the company.

A list of recipients is proposed by General Management to the Compensation Committee, which reviews it and submits it to the Board of Directors, which issues the bonus shares. The Board, with the authorisation of the general meeting, establishes the conditions and criteria that must be met by the recipients of new shares allotted free of charge, decides on the number of shares to be issued and notes the definitive allotment dates and the dates from which the shares may be freely sold, in light of legal restrictions.

In addition, the executive directors receiving bonus shares must keep in registered form five per cent (5%) of the shares allotted until termination of their duties.

In accordance with the AFEP/MEDEF code and the recommendations issued in October 2008 by AFEP and MEDEF regarding the compensation of executive directors, the awarding of bonus shares to executive directors is subject to a performance condition.

Vesting of the bonus shares allotted by the Board of Directors to the executive directors is also conditional upon the purchase of shares by these same executive directors for a volume equal to 1% of the total net gain, after-tax, realised by each of them.

4.1.1.2.6 Employment Contract, Retirement Benefits and Non-Compete Clause Offered to the Executive Directors

None of the directors are under an employment contract. No commitment has been made in favour of the members of the Board of Directors with regard to compensation, financial consideration or benefits owed or likely to be owed as a result of the termination or change in their duties or subsequent to said duties.

4.1.1.2.7 Services Contract with the Issuer and Its Subsidiaries

No services contract has been made between the members of the Board of Directors and the issuer or any of the group's subsidiaries which grants a benefit at the end of such contract.

4.1.1.3 Terms and Conditions of Shareholders' Participation in General Meetings

Pursuant to Article 14 of the Articles of Association and Article R. 225-85 of the French Commercial Code, all

shareholders are entitled to participate in the meetings, upon proof of identity, by attending the meeting in person, returning a vote-by-mail ballot or designating a proxy in accordance with the applicable laws and regulations, under the following conditions:

- Holders of registered shares must be listed in the company's records under their own name;
- Holders of bearer shares must file at the place indicated in the meeting notice a certificate issued by an authorised broker showing that their shares listed in the records are non-transferable up to the Meeting date. These formalities must be completed at least five (5) days prior to the Meeting.

Shareholders who wish to attend the meeting in person must request to do so by returning their voting form either directly to CACEIS (registered shareholders) or to their financial broker (bearer shareholders). They will then receive an admission card.

A meeting notice, along with a vote-by-mail ballot or proxy form, will be sent automatically to registered shareholders. Bearer shareholders must contact the financial broker who manages their shares in order to obtain the vote-by-mail ballot or proxy form.

In order to be honoured, requests for vote-by-mail ballots or proxy forms must be received at least five days prior to the meeting date at Gameloft – Service Assemblées – 14 rue Auber – 75009 Paris.

4.1.2 Internal Control and Risk Management Procedures

General Management expresses its clear, on-going commitment to maintain and improve a reliable, effective system of internal control built on a strong ethical foundation, an appropriate organisation, defined responsibilities and proven competencies in order to ensure transparent management and well-informed shareholders, all key components of good governance.

4.1.2.1 Definitions and Objectives of Internal Control

In order to prepare this report on fiscal year 2012, Gameloft chose to draw on the internal control reference framework and the recommendations published by the AMF.

According to this framework, internal control is defined as a system which seeks to ensure:

- compliance with laws and regulations;
- the implementation of the instructions and policies defined by General Management;
- proper functioning of the company's internal processes, particularly those that help to protect its assets;
- the reliability of financial reporting.

This system must also facilitate control of the company's activities, the effectiveness of its operations and the efficient use of its resources, as well as allowing the company to take significant operational, financial or compliance risks into consideration. The internal control system also plays a key role in management and oversight of the company's activities.

The aim of internal control is therefore to:

- ensure that management activities, transactions carried out and employee behaviour are in line with the guidelines issued by the Board;
- ensure that transactions comply with applicable laws and regulations;
- prevent and manage risks inherent to the company's activity and risks of errors or fraud, particularly in the accounting and finance areas.

Internal control procedures related to preparing and processing accounting and financial information include those which allow the company to produce the financial statements and information concerning the company's financial situation.

To this end, Gameloft has taken significant steps toward assessing the appropriateness of its internal control system and evaluating its effectiveness on an on-going basis. The internal control system will therefore continue

to be adapted to the specific needs and requirements of the group and its subsidiaries and to changes in its external environment.

However, the group is aware that the internal control system cannot provide an absolute guarantee that the objectives will be attained and that all the risks that the company may face will be managed.

4.1.2.2 Scope of the Internal Control System

This report covers all controlled companies included in the group's scope of consolidation and describes the internal control system put in place by Gameloft to ensure the reliability of its individual and consolidated financial statements.

Each company applies the procedures, the main characteristics of which are summarised below. This internal control is based on the following key principles:

- recognition of the full responsibility of the directors of the group's companies;
- a system of regular financial reporting;
- a regular and/or occasional review of key points and of the company's activity.

4.1.2.3 Risk Management

In carrying out its activities, the group is exposed to a number of risks that can impact its performance and its ability to attain its strategic and financial objectives. In order to identify and analyse these risks and the measures taken to manage them, the company has developed a risk map which is updated annually and is the product of a dynamic approach spearheaded by management teams and followed up by operational and functional teams.

The following steps were taken in mapping these risks:

- identification of all the company's activities;
- evaluation and classification of the risks and of their impact on each of the company's activities;
- evaluation of the quality of the controls and preventive measures.

The procedures put in place form an operational framework within the company. They are updated regularly in order to eventually become real risk management tools that can be used at all levels of the organisation, in particular for analysis of computer and non-financial risks.

The company's goal is therefore to strengthen its systematic approach toward risk analysis, thanks in particular to the creation of risk indicators. It intends to rely as much as possible on existing guidelines in order to improve its evaluation methods, further identify and document control procedures and better monitor its action plans.

An analysis of the key risks, their impact on the company's financial statements and the principal measures taken to manage them are described in the chapter of the management report entitled "Risk Factors".

4.1.2.4 General Organisation of Internal Control

a) The key players or departments involved in internal control activities

(i) Organisation:

The following are involved in the internal control system:

Chief Executive Officer: defines and guides the group's strategy. He is responsible for developing the procedures and the measures taken to ensure the operation and monitoring of internal control.

Board of Directors: determines the policies that guide the company's activity and ensures that they are implemented. It oversees the company's management, particularly by approving the year-end financial statements and reviewing the half-year financial statements. The Board of Directors represents, as a group, all shareholders and is required to act at all times in the group's best corporate interest. Its proceedings cover all issues vital to the group, including in particular general strategic policies. It therefore has access to all the

necessary documents and reports to fulfil this purpose. Moreover, each director may obtain additional information on his or her own initiative and the Chief Executive Officer is always available to provide explanations and important information to the Board of Directors.

Audit Committee: as part of its responsibilities, the Audit Committee prepares the decisions of the Board of Directors and makes recommendations or issues notices to the Board on a variety of topics, including:

- the review of the company's individual and consolidated financial statements;
- the review of the company's cash flows;
- the accounting measures and principles taken to draw up financial statements;
- the preparation of financial information;
- the consistency and effectiveness of the internal control and risk management systems.

Other key players in internal control: Gameloft is organised into game development subsidiaries and marketing subsidiaries. The Gameloft Group's management, based in France, informs its subsidiaries of the strategic directions to follow and oversees their implementation.

The organisation of internal control is centred on four international departments:

- Development
- Sales and Marketing
- Finance and Accounting
- Legal and Human Resources

These four central departments are overseen by Gameloft's Chief Executive Officer, whose powers are derived from certain laws and regulations. The company has introduced a procedures manual and conducts application tests on a regular basis.

• ***Development***

The Development department oversees the activity of the mobile game development studios located in France, Spain, Canada, the United States, Japan, South Korea, Romania, Bulgaria, China, Vietnam, India, Mexico, Argentina, the Philippines, Indonesia, New Zealand and Hungary. The studios report weekly to the Development department on the progress of the games currently under development. Publishing decisions for the development of new games are made by the Development department together with the Sales and Marketing department.

• ***Sales and Marketing***

The Sales and Marketing department oversees the activity of the mobile game marketing teams located in France, Germany, the United Kingdom, Spain, Italy, the United States, Canada, Japan, South Korea, China, India, Mexico, Argentina, Brazil, Hong Kong, Singapore, Malaysia, Indonesia, Australia, and South Africa. These marketing teams handle the distribution and marketing of mobile games in the geographic areas for which they are responsible. The managers of these departments have broad latitude in terms of seeking out new partners to distribute the games. However, all partnership and game distribution agreements are approved by the Sales and Marketing department located in France, which facilitates monitoring and minimises risk. Each marketing subsidiary sends a detailed weekly account of its sales and marketing activity (new contacts, report of customer meetings, etc.) to the Sales and Marketing department.

• ***Finance and Accounting***

The Finance and Accounting department's areas of responsibility include cash flow management, monitoring of accounting and management rules, identifying external growth investments, finance, and relations with the financial community and shareholders. It also coordinates the company's corporate policy. The administrative departments at the registered office may be consulted by the company's subsidiaries outside of management channels. Each manager of a development or marketing subsidiary is a signatory on the subsidiary's bank account and independently manages its expenses and physical investments (limited for the most part to computer equipment). Every month, however, each subsidiary manager sends a detailed monthly income statement and a cash flow report to the Financial and Accounting department, which can then closely monitor changes in income and expenses on a global scale. These monthly income statements are then sent immediately to the company's two other departments, thus enabling them to monitor changes in the subsidiaries for which they are responsible.

• ***Legal department and Human Resources***

The group's Legal department ensures the legal certainty of the group and its managers. The Legal department's duties include the formalisation and drafting of all contracts. It monitors laws and regulations in order to identify

and anticipate changes to them. In addition, all legal proceedings and pre-litigation disputes are monitored by the Legal department in close collaboration with law firms.

The task of the subsidiaries' human resource teams is to develop and implement the necessary policies, programmes and tools to meet the recruitment objectives defined at the group level, while also ensuring the development of each employee's potential and skills. These teams also ensure compliance with local regulations and implementation of the group's policies regarding overall and individual performance improvement through regular evaluations, a development plan, customised training, the granting of stock options, enrolment in savings plans, etc.

(ii) Tools and operating methods:

The IT teams, which are part of the Information Systems department, ensure that teams have the appropriate tools to do their jobs. Together with the operational and functional teams, they determine the information systems required for information production and secure management of operations. A wide range of tools is used by the group, including commercial software and tools developed in-house. These tools are constantly updated to meet the growing needs of information management and analysis.

b) Control activities

In addition to the risk management system, the group has also implemented numerous control processes at all levels of the company. The functional departments at the registered office play a key role in this area by ensuring that the subsidiaries' activities adhere to group guidelines and by assisting them with risk management, such as when local teams do not have sufficient qualifications:

- **The management control department** monitors the company's performance by tracking operations via monthly reports submitted by all the group's subsidiaries. Given the group's small size, there is no "Internal Audit" system. The "Management Control" department is part of the Development department. The group's management control is the management control coordination unit that monitors all activity of the mobile game development studios at the group level. Prior to starting development on each new game, forecasts are made regarding the composition of the development team, the amount of time allocated to development and the number of devices on which the game will be developed. This work method makes it possible to determine with the greatest accuracy the projected development cost of each game and serves as an efficient alert system in case of a delay in game development. Any variance between estimated and actual costs is analysed and subsequent games benefit from the lessons learned. The financial controllers monitor the entire financial reporting cycle and regularly audit the subsidiaries on their performance, results and activity.
- **The consolidation department** prepares the Group's consolidated financial statements and provides all the expertise required to prepare and analyse the monthly financial statements. It issues the accounting procedures applicable within the group. It ensures compliance with the rules and regulations in force in order to fairly present the Group's activity and financial position.
- **The cash management department** coordinates the cash management of the French and foreign subsidiaries by, among other things, overseeing projected cash flows. It ensures that the foreign exchange and liquidity risk management policies are consistent with the financial information published and manages off-balance sheet commitments.
- **The legal department**, which specialises in corporate law, contract law, legal proceedings and intellectual property, assists and advises the subsidiaries on legal matters. It coordinates joint studies or studies of interest to the Group and offers legislative support to local entities in order to manage risk in different areas.
- **The information systems department** collaborates on the choice of computer tools and ensures consistency at both the technical and functional level. It also tracks the progress of IT projects on a regular basis and ensures they meet the need defined by the functional teams and the budgets approved by management. The security department is responsible for ensuring and organising the protection of the information system, whether this entails the security of the various applications, the server architecture, the computer rooms or the organisation at the group level.

c) Internal control related to the preparation and processing of financial and accounting information

Internal control procedures related specifically to the preparation and processing of financial and accounting information are designed to define and implement the accounting policy and manage resources and constraints in order to meet the company's objectives. Preparing and processing financial and accounting information is primarily the responsibility of the Finance and Accounting department.

In terms of financial information, Gameloft has a decentralised organisation. Each subsidiary's financial statements are prepared by the local accounting and financial teams under the supervision of the subsidiary's managers.

Preparation of the individual financial statements

The Finance and Accounting department is responsible for preparing Gameloft's financial statements in a manner that ensures accuracy and compliance with the regulations of the market on which the company is listed: Euronext Paris – Segment B.

The accounting procedures are in line with the key objectives of completeness, precision, compliance of transaction recording with the applicable rules, and consistency of the recording method with the group's rules.

Specific procedures apply to the recording of entries that affect the main balance sheet, income statement and off-balance sheet items.

The financial statements of each subsidiary are prepared under the supervision of their manager by the local accounting services, which ensure compliance with the tax and regulatory restrictions of their respective countries. These statements are subject to a limited review on the half-year financial statements and an audit by the auditors of each entity for the year-end closing.

Preparation of the consolidated financial statements

The consolidated financial statements are prepared by the Finance and Accounting department based on data collected from the information systems and the financial statements prepared by the subsidiaries.

Since 2005, the Group's consolidated financial statements have been drawn up in accordance with international standards (IFRS). They are prepared quarterly based on a schedule established by the Finance and Accounting department at the time of each closing.

The entities' consolidation reporting packages are completed by the subsidiaries' accountants. The Financial and Accounting department produces the consolidated financial statements for the entire group. It ensures that the source data submitted by the subsidiaries is consistent and that the consolidated financial statements are prepared in accordance with the rules and regulations in force and fairly present the group's activity and financial position.

Each quarter, the group announces its consolidated revenue. The group's consolidated financial statements are published twice a year. They are audited annually and undergo a limited review twice a year, as required by law. They are approved by the Board of Directors and then by the general shareholders' meeting. Each year, the group also publishes financial documentation.

Collection procedures and off-balance sheet commitments

During half-year and year-end account closings, the information needed to prepare consolidated off-balance sheet commitments is collected by the Finance and Accounting department from all departments in the company and subsidiaries of the Group.

Off-balance sheet commitments are ultimately validated by the Auditors as part of their audit on the financial statements.

Procedures for monitoring operational assets

The Group uses software to monitor assets for accounting purposes. During each closing, the information from these applications is reconciled with the accounting records.

Financial communication

Aside from the Chief Executive Officer, the Financial and Accounting department is solely authorised to release financial information concerning the group and its strategy outside the company, with the Board of Directors responsible for final approval.

Under the supervision of the Administrative and Financial Director, the group's Finance and Accounting Director, in collaboration with the Legal department, drafts the following documents:

- Financial press releases
- Half-year management report
- Reference document
- Presentation for the General Meeting

Financial information is released in strict compliance with the market operating rules and the principle of equal treatment of investors.

Audit performed by the Auditors

The on-going and independent mission of the Auditors of the company and its subsidiaries is to verify the company's book values and accounting documents, ensure that the accounting records comply with the rules in force, and verify consistency with the year-end financial statements and the truthfulness of the information provided in the Board of Directors' management report and in the documents sent to shareholders regarding the financial position and financial statements of the group and its subsidiaries.

The Auditors perform their work twice a year when certifying the half-year financial statements and the year-end and consolidated financial statements. They are routinely informed of specific significant operations.

The Auditors are informed prior to the preparation of the financial statements and present a summary of their work to the group's Finance and Accounting department at the time of half-year and year-end closings.

4.1.2.5 Action Plan for Improving Internal Control

Gameloft's general management is mindful of changes in the legal and regulatory framework of corporate governance and internal control.

In collaboration with the Board of Directors, it is introducing more stringent measures in both these areas while endeavouring to ensure that all of the company's management levels remain flexible and responsive.

The group has maintained light management structures during fiscal year 2012 while ensuring the observance of policy principles based on the autonomy of operational entities in order to

- ensure the proper application of rules and procedures;
- monitor changes in regulatory requirements;
- maintain efficient management of key risks;
- guarantee reliable, regular and high-quality financial information.

Generally speaking, continuous improvement of the procedures, standards and information systems remains one of the primary objectives and is in line with a three-fold commitment to efficiency, management and control.

Paris, 15 April 2013,

Chairman of the Board of Directors

4.2 Auditors' Report Prepared in Accordance with Article L. 225-235 of the French Commercial Code on the Report of the Chairman of the Board of Directors of Gameloft SE

Dear Shareholders,

In our capacity as auditors of Gameloft SE and in accordance with the provisions of Article L. 225-235 of the French Commercial Code, we present to you our report on the report prepared by your company's Chairman, pursuant to the provisions of Article L. 225-37 of the French Commercial Code for the fiscal year ended 31 December 2012.

The Chairman is responsible for preparing and submitting to the Board of Directors for approval a report which details the internal control and risk management procedures implemented at the company and provides the additional information required by Article L. 225-37 of the French Commercial Code relative to, among other things, the system of corporate governance.

It is our responsibility to

- provide our observations based on the information contained in the Chairman's report concerning the internal control and risk management procedures related to the preparation and processing of accounting and financial information;
- certify that the report contains the additional information required by Article L. 225-37 of the French Commercial Code, with the stipulation that it is not our responsibility to verify the fairness of this additional information.

We have performed our work in accordance with the professional standards applicable in France.

Information concerning the internal control and risk management procedures related to the preparation and processing of accounting and financial information

The professional standards require that we follow certain procedures to assess the fairness of the information concerning the internal control and risk management procedures related to the preparation and processing of accounting and financial information contained in the Chairman's report.

These procedures consist of

- acquiring an understanding of the internal control and risk management procedures related to the preparation and processing of the accounting and financial information underlying the information presented in the Chairman's report as well as the existing documentation;
- acquiring an understanding of the work involved in preparing this information and of the existing documentation;

- determining whether major weaknesses in internal control related to the preparation and processing of accounting and financial information detected by us during our audit are appropriately reported in the Chairman's report.

Based on this work, we have no observation regarding the information about the company's internal control and risk management procedures related to the preparation and processing of accounting and financial information, as contained in the Chairman of the Board of Directors' report, which was prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

Additional information

We certify that the report of the Chairman of the Board of Directors contains the additional information required by Article L. 225-37 of the French Commercial Code.

Rennes and Courbevoie, 29 April 2013

The Auditors

AUDIT AMLD

MAZARS

André Métayer
Associate

Simon Beillevaire
Associate

5. LEGAL INFORMATION

5.1 Special Auditors' Report on Regulated Agreements and Commitments

Dear Shareholders,

In our capacity as your company's auditors, we present to you our report on regulated agreements and commitments.

It is also our responsibility to inform you, based on the information provided to us, of the characteristics and essential terms and conditions of the agreements and commitments that have been brought to our attention or that we may have found during our audit, without our being required to comment on their usefulness or relevance, nor to search for the existence of other agreements and commitments. According to the provisions of Article R. 225-31 of the French Commercial Code, it is your responsibility to assess whether it is in your interest to enter into these agreements and commitments before approving them.

Moreover, it is our responsibility to inform you, where appropriate, of the information pursuant to Article R. 225-31 of the French Commercial Code related to the authorisation during the fiscal year just ended of agreements and commitments already approved by the General Meeting.

We have followed the procedures that we deemed necessary based on the accounting standards of the Compagnie nationale des commissaires aux comptes (French National Association of Auditors) relative to this audit. These procedures involved verifying the consistency of the information provided to us with the source documents from which it was derived.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR THE APPROVAL OF THE GENERAL MEETING

AGREEMENTS AND COMMITMENTS APPROVED DURING THE FISCAL YEAR JUST ENDED

Pursuant to Article L. 225-40 of the French Commercial Code, we have been advised of the following agreements and commitments for which prior authorisation was granted by your Board of Directors.

Capital subscription of Gameloft Co. Ltd. (South Korea) by capitalisation of the current account.

Director concerned: Mr Michel Guillemot

Nature and purpose:

On 3 August 2012, your Board of Directors authorised the subscription to a capital increase of Gameloft Co. Ltd. (South Korea) by capitalisation of the current account.

Terms and conditions:

This capital subscription was accomplished through the capitalisation of the current account amounting to 3,893,485 euros.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

AGREEMENTS AND COMMITMENTS APPROVED IN PRIOR FISCAL YEARS THAT REMAINED EXTANT DURING THE FISCAL YEAR JUST ENDED

Pursuant to Article R.225-30 of the French Commercial Code, we have been advised that the following agreements and commitments, approved in prior fiscal years, were performed during the fiscal year just ended.

1- Licence agreement with Ubisoft Entertainment S.A.

Directors concerned: Messrs Christian, Claude, Gérard, Michel, and Yves Guillemot

Nature and purpose:

On 28 January 2009, your Board of Directors authorised the signing of a licence agreement with Ubisoft Entertainment S.A., under which Ubisoft Entertainment granted to your company a licence to develop, promote and distribute video games belonging to Ubisoft Entertainment S.A. for Apple's iPhone, iPod touch and iPad.

Terms and conditions:

This licence was granted in return for the payment of royalties proportional to the sales figures posted by Gameloft SE. During the fiscal year, the total royalties amounted to 678,625.11 euros.

2- Trademark licence contract with Ubisoft Entertainment S.A.

Directors concerned: Messrs Christian, Claude, Gérard, Michel, and Yves Guillemot

Nature and purpose:

On 24 August 2003, your Board of Directors authorised the signing of a licence agreement with Ubisoft Entertainment S.A., under which Ubisoft Entertainment granted to your company a licence to operate trademarks that it owns or for which it was granted a licence to operate. This licence contract took effect retroactively as of 1 April 2002.

Terms and conditions:

The trademark licence was granted in return for the payment of royalties proportional to the sales figures posted by Gameloft SE.

During the fiscal year, the total royalties amounted to 640,280.57 euros.

3- Distribution contract signed with Longtail Studios Inc.

Directors concerned: Messrs Christian and Gérard Guillemot

Nature and purpose:

On 20 January 2006, your Board of Directors authorised the signing of a contract with Longtail Studios Inc. for the distribution of *Love Triangle: Dating Challenge*, a video game for mobile telephones. Under the terms of this contract, Longtail Studios Inc. grants worldwide distribution rights to the *Love Triangle: Dating Challenge* mobile game to Gameloft SE in return for the payment of a royalty equal to 50% of the revenues earned by Gameloft SE on sales of the game. This distribution contract took effect retroactively as of 1 July 2005.

Terms and conditions:

During the fiscal year, the total royalties amounted to 1,615.89 euros.

Rennes and Courbevoie, 29 April 2013

The Auditors

AUDIT AMLD

André Métayer
Associate

MAZARS

Simon Beillevaire
Associate

5.2 Combined General Meeting of 19 June 2013

5.2.1 Ordinary Portion of the Meeting

First Resolution (*Approval of individual financial statements and discharge of the directors*) - The General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings and having read the management report from the Board of Directors, and the auditors' report on the financial statements, approve the individual financial statements of the fiscal year ended 31 December 2012 as they have been presented, showing a net book profit of 660,763.59 euros.

Second Resolution (*Allocation of profit*) - The General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings and having read the management report from the Board of Directors on the Company's position and activity during the fiscal year ended 31 December 2012, and the Auditors' report for said fiscal year, resolves to allocate the profit totalling 660,763.59 euros on 31 December 2012, to losses carried forward.

The General Meeting also notes that no dividends were distributed during the last three fiscal years.

Third Resolution (*Approval of the consolidated financial statements*) - The General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings and having read the Board of Directors' management report and the Auditors' report on the consolidated financial statements on the fiscal year ended 31 December 2012, approves the consolidated financial statements for said fiscal year, as presented, which show a profit of 9,280,119.90 euros.

Fourth Resolution (*Approval of the agreements referred to in Article L. 225-38 et seq. of the French Commercial Code*) - The General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings and having read the special report drawn up by the Auditors on the agreements and commitments provided by Articles L. 225-38 et seq. of the French Commercial Code, approves the agreements and commitments referred to in this report under the conditions of said report.

Fifth Resolution (*Authorisation for Gameloft SE to repurchase its own shares*) - The General Meeting, voting in accordance with the quorum and the majority conditions required for Ordinary General Meetings and having read the Board of Directors' report, authorises the Board of Directors, with powers of delegation established by law, in accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code, to trade in the company's shares on the stock exchange for all purposes authorised or which may be authorised by the laws and regulations in force, including in particular to

- cancel them through the reduction of capital within the limits prescribed by law, upon the adoption by the Extraordinary General Meeting of the seventh resolution hereinafter;
- implement any company stock option plan within the framework of the conditions of Articles L. 225-177 et seq. of the French Commercial Code;
- issue bonus shares within the framework of Articles L. 225-197-1 et seq. of the French Commercial Code;
- issue or sell shares to employees to allow them to benefit from the company's growth or as part of the creation of an employee savings plan, under the conditions provided by law;
- the allotment of shares, while exercising the rights attached to securities granting access to capital by redemption, conversion, exchange, or presentation of a bond or by any other manner;
- retain and deliver them in exchange or as payment for future external growth operations initiated by the Company, mergers, split-ups or contributions, in accordance with recognised market practices and applicable regulations;
- ensure the liquidity of Gameloft's stock and stimulate the market on which it is traded through a liquidity contract made with an investment services provider that complies with an ethics charter recognised by the AMF.

The maximum number of shares that the Company may purchase is set at 10% of the total number of shares comprising the Company's capital, with the stipulation that the number of shares purchased by the Company in order to retain and subsequently remit them as payment or exchange in connection with a merger, split-up or contribution may not exceed 5% of its capital.

The maximum purchase price per share is set at 10 euros. The total amount which the company can spend to buy back its own shares may not exceed 81,818,520 euros, based on the number of shares making up the share capital at 31 December 2012.

However, in the event of operations involving the company's capital, including in particular a capital increase through the capitalisation of reserves, bonus issue of shares, stock split or consolidation of shares, amortisation of capital, or any other operation involving the capital, the General Meeting authorises the Board of Directors to adjust the purchase price previously mentioned in order to take into account the effect of these operations on the share value.

Shares can be purchased, sold, exchanged or transferred on the market, by private tender or otherwise, by any means and particularly through transfers of blocks of shares, through stock option transactions or the use of any derived financial instrument and within a time frame approved by the Board of Directors.

This authorisation is granted for a period of 18 months starting on the date of this meeting. It replaces the authorisation granted by the general meeting on 19 June 2012, for the undrawn portion.

In order to ensure the execution of this authorisation, all powers are conferred to the Board of Directors, with powers of delegation, to resolve and implement this authorisation, to specify the terms and their detailed conditions if necessary, to implement the purchasing programme and particularly to place stock exchange orders of any kind, to finalise all agreements in order to keep records of stock purchases and sales, to fulfil all declarations and formalities toward the AMF and all other organisations, and to perform necessary tasks in general.

Sixth Resolution (*Powers for formalities*) – The General Meeting grants the bearer of a copy or excerpt of the minutes of this Meeting full power to file all documents and complete all formalities required by law wherever necessary.

5.2.2 Extraordinary Portion of the Meeting

Seventh Resolution (*Delegation of powers to grant to the Board of Directors to reduce the share capital of the Company through the cancellation of self-owned shares*) - The General Meeting, voting in accordance with the quorum and majority conditions required for Extraordinary General Meetings, having read the report from the Board of Directors and the special Auditors' report, authorises the Board of Directors, in accordance with the provisions of Article L. 225-209 of the French Commercial Code, to cancel, at its sole discretion, on one or more occasions, within the limit of 10% of the total number of shares comprising the Company's capital existing on the date of the transaction, per period of twenty-four months, all or part of acquired shares pursuant to the authority voted by the current General Meeting in the fifth resolution and to correspondingly reduce the share capital, and to charge the difference between the acquisition cost of the cancelled shares and their nominal value against available premiums and reserves, including the legal reserve up to a limit of 10% of the cancelled capital. This authorisation is granted for a period of 18 months starting on the date of this meeting. It replaces the authorisation given by the General Meeting on 19 June 2012 in its seventeenth resolution.

In order to ensure this authorisation is carried out, all powers are conferred to the Board of Directors, with powers of delegation, to implement this authorisation and particularly to complete cancellation and reduction of capital, to decide the number of shares to cancel, to ascertain the completion of capital reduction and consequently modify the articles of association, to fulfil all resulting formalities, procedures and declarations to all entities, and to take any necessary actions in general.

Eighth Resolution (*Authorisation to be granted to the Board of Directors to approve an increase in the Company's share capital through the issue of shares and/or securities of any kind granting entitlement to the Company's capital or granting rights to the allotment of debt securities, with pre-emptive rights*) - The General Meeting, voting in accordance with the quorum and the majority conditions required for Extraordinary General Meetings and having read the Board of Directors' report and the special Auditors' report, and in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code and in particular Article L. 225-129-2 and Articles L. 228-91 et seq. of the French Commercial Code:

1 - Authorises the Board of Directors to approve and carry out a share capital increase, on one or more occasions, in France and abroad, in the proportion and times it deems appropriate, through the issue, with

shareholders' pre-emptive rights, of ordinary shares of the Company and securities of any kind granting entitlement to the Company's capital, with the stipulation that the shares and other securities may be subscribed for either in cash or by the offsetting of claims, either in whole or in part, by capitalisation of reserves, earnings or premiums, or, under the same conditions, to approve the issue of securities giving a right to allot debt securities governed by Articles L. 228-91 et seq. of the French Commercial Code.

2 - Sets the term during which the authorisation granted under this resolution is valid at 26 months starting on the date of this General Meeting.

3 - Resolves that the maximum nominal amount of share capital increases that may be carried out immediately and/or in the future under the aforementioned authorisation is set at five hundred thousand euros, to which will be added, where applicable, the nominal value of the additional ordinary shares to be issued in order to protect, in accordance with applicable laws and regulations, the interests of holders of securities granting entitlement to capital, with the stipulation that this amount will be charged against the total maximum amount of any capital increase set in the fifteenth resolution of the current General Meeting.

4 - Resolves, moreover, that the maximum nominal amount of debt securities granting entitlement to the capital, which may be issued under the current authorisation, cannot exceed three million euros or the equivalent of this amount if they are issued in a foreign currency or a currency unit based on several currencies, with the stipulation that this amount applies to all debt securities which the Board of Directors is authorised, by this General Meeting, to issue.

5 - Decides that, in the event that this authorisation is used by the Board of Directors:

- shareholders have, in proportion to the amount of their shares, a pre-emptive right on a non-reducible basis;
- the Board of Directors will also be authorised to grant shareholders the right to subscribe, on a reducible basis, for a number of securities greater than that for which they could subscribe on a non-reducible basis, in proportion to their share rights and within the limit of their request;
- if the subscriptions on a non-reducible and, where applicable, a reducible basis, do not take up the entire capital increase, the Board of Directors may, under the conditions provided by the law and in the order that it deems appropriate, use one and/or more of the following powers:
 - limit the capital increase to the amount of subscriptions received, on the condition that this amount is at least three-fourths of the approved increase;
 - freely distribute all or part of the shares or, in the case of securities granting entitlement to the capital, said securities for which the issue was approved but which were not subscribed for;
 - make available to the public, through a public offering, all or part of the shares or, in the case of securities granting entitlement to the capital, said unsubscribed securities, on the French market and/or abroad and/or on the international market.

6 - Notes that, where applicable, the current authorisation automatically implies, for the benefit of holders of the securities granting entitlement to shares of the Company that may be issued pursuant to this authorisation, a waiver by shareholders of their pre-emptive right to the new shares to which these securities give a right.

7 - Resolves that the Board of Directors will have full powers, with powers of delegation under the conditions provided by law, to implement this delegation of authority for purposes that include determining the dates and terms and conditions of the issues as well as the form and characteristics of the securities to create; determining the prices and conditions of the issues, setting the amounts to be issued, and setting the subscription date and the due date, which may be retroactive, of the shares to be issued; determining the method of payment of the shares or other securities issued, the listing of the shares created, the financial servicing of new shares and the exercise of the associated rights; charging, where applicable, the capital increase expenses against the amount of the premiums related thereto and deducting from this amount the sums needed to supply the legal reserve; making all adjustments aimed at taking into account the impact of operations, particularly in case of a change in the share's nominal value, the capital increase through capitalisation of reserves, bonus issues of shares, division or consolidation of shares, distribution of reserves or any other assets, amortisation of the capital, or any other operation related to shareholders' equity capital, and, where applicable, establishing the terms and conditions under which the rights of holders of securities granting entitlement to the capital will be protected; noting the completion of each capital increase and amending the articles of association accordingly and, in general, entering into all agreements, particularly ensuring the successful completion of the proposed issues, and taking all measures and completing all formalities required for the issue under the aforementioned delegation of authority.

8 - Resolves that the current authorisation nullifies any previous authorisation having the same purpose.

9 - Resolves, moreover, that, in the event of an issue of debt securities granting entitlement to capital, the Board of Directors will have full powers, with powers of delegation under the conditions provided by law, to decide whether or not these securities are subordinated, to set their interest rate and interest repayment terms, the term, the fixed or variable redemption price, with or without a premium, the amortisation terms based on market conditions and the conditions under which these securities will entitle the holder to the Company's shares.

Ninth Resolution (*Authorisation to be granted to the Board of Directors to approve an increase in the Company's share capital through the issue of shares and/or securities of any kind granting entitlement to the Company's capital or granting rights to the allotment of debt securities, without maintaining pre-emptive rights with an offer to the public*) - The General Meeting, voting in accordance with the quorum and the majority conditions required for Extraordinary General Meetings and having read the Board of Directors' report and the special Auditors' report, and in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code, particularly of Articles L. 225-129-2, L. 225-135, L. 225-136, and the provisions of Articles L. 228-91 et seq. of the aforementioned Code:

1 - Authorises the Board of Directors to approve and carry out a share capital increase, on one or more occasions, in France and abroad, through a public offer, in the proportion and at the times it deems appropriate, through the issue, without shareholders' pre-emptive rights, of ordinary shares of the Company and securities of any kind granting entitlement to the Company's capital, with the stipulation that the shares and other securities may be subscribed for either in cash or by the offsetting of claims, either in whole or in part, by capitalisation of reserves, earnings or issue premiums or, under the same conditions, to approve the issue of securities giving a right to the grant of debt securities governed by Articles L. 228-91 et seq. of the French Commercial Code.

2 - Sets the term during which the authorisation granted under this resolution is valid at 26 months starting on the date of this General Meeting.

3 - Resolves that the maximum nominal amount of share capital increases that may be carried out immediately or in the future under the aforementioned authorisation is set at five hundred thousand euros, which will include, where applicable, the nominal value of the additional ordinary shares to be issued in order to protect, in accordance with applicable laws and regulations, the interests of holders of securities granting entitlement to capital, with the stipulation that this amount will be charged against the total maximum amount of any capital increase set in the fifteenth resolution of the current General Meeting.

4 - Resolves, moreover, that the maximum nominal amount of debt securities granting entitlement to the capital, which may be issued under the current authorisation, cannot exceed three million euros or the equivalent of this amount if they are issued in a foreign currency or a currency unit based on several currencies, with the stipulation that this amount applies to all debt securities which the Board of Directors is authorised, by this General Meeting, to issue.

5 - Resolves to cancel pre-emptive rights of shareholders to the shares and other securities that may be issued under this authorisation. It is understood that the Board of Directors may grant shareholders a preferred subscription right to all or part of the issue during the period and under the conditions established by it in accordance with applicable laws and regulations. This preferred subscription right will not result in the creation of negotiable rights but may, if the Board of Directors deems appropriate, be exercised on both a non-reducible and reducible basis.

6 - Resolves that, if the subscriptions of the shareholders and the public do not take up the entire issue of shares or securities, the Board of Directors may, in the order it deems appropriate, use any of the following powers:

- limit the capital increase to the amount of the subscriptions, on the condition that this amount is at least three-fourths of the approved increase;
- freely distribute all or part of the unsubscribed shares.

7 - Notes that, where applicable, the current authorisation automatically implies, for the benefit of holders of the securities granting entitlement to shares of the Company that may be issued pursuant to this resolution, an express waiver by shareholders of their pre-emptive right to the new shares to which these securities give a right.

8 - Resolves that the amount of the consideration received or potentially received at a later date by the Company for each share issued or to be issued pursuant to this authorisation, given the issue price of detachable stock

purchase warrants if such warrants are issued, will be at least equal to the minimum price stipulated by applicable laws and regulations as of the date of issue.

9 - Resolves that the Board of Directors will have full powers, with powers of delegation under the conditions provided by law, to implement this delegation of authority for purposes that include determining the dates and terms and conditions of the issues as well as the form and characteristics of the securities to create; determining the prices and conditions of the issues, setting the amounts to be issued, and setting the subscription date and the due date, which may be retroactive, of the shares to be issued; determining the method of payment of the shares or other securities issued, the listing of the shares created, the financial servicing of new shares and the exercise of the associated rights; charging, where applicable, the capital increase expenses against the amount of the premiums related thereto and deducting from this amount the sums needed to supply the legal reserve; making all adjustments aimed at taking into account the impact of operations, particularly in case of a change in the share's nominal value, the capital increase through capitalisation of reserves, bonus issues of shares, division or consolidation of shares, distribution of reserves or any other assets, amortisation of the capital, or any other operation related to shareholders' equity capital, and, where applicable, establishing the terms and conditions under which the rights of holders of securities granting entitlement to the capital will be protected; noting the completion of each capital increase and amending the articles of association accordingly and, in general, entering into all agreements, particularly ensuring the successful completion of the proposed issues, and taking all measures and completing all formalities required for the issue under the aforementioned delegation of authority.

10 - Resolves that the current authorisation nullifies any previous authorisation having the same purpose.

11 - Resolves, moreover, that, in the event of an issue of debt securities granting entitlement to capital, the Board of Directors will have full powers, with powers of delegation under the conditions provided by law, to decide whether or not these securities are subordinated, to set their interest rate and interest repayment terms, the term, the fixed or variable redemption price, with or without a premium, the amortisation terms based on market conditions and the conditions under which these securities will entitle the holder to the Company's shares.

Tenth Resolution (*Authorisation to be granted to the Board of Directors to approve an increase in the Company's share capital through the issue of shares and/or securities of any kind granting entitlement to the Company's capital or granting rights to the allotment of debt securities, without maintaining pre-emptive rights with an offer referring to Article L. 411-2, II of the French Monetary and Financial Code*) - The General Meeting, voting in accordance with the quorum and the majority conditions required for Extraordinary General Meetings and having read the Board of Directors' report and the special Auditors' report, and in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code, particularly of Articles L. 225-129-2, L. 225-135, L. 225-136, and the provisions of Articles L. 228-91 et seq. of the aforementioned code, as well as the provisions of Article L. 411-2, II of the French Monetary and Financial Code:

1 - Authorises the Board of Directors to approve and carry out a share capital increase, on one or more occasions, in France and abroad, through an offer referring to Article L. 411-2, II of the French Monetary and Financial Code (bearing in mind that this is exclusively offered to (a) persons providing portfolio management investment service for third parties or, (b) qualified investors or a restricted group of investors, with the exception that these investors be acting on their own account), the proportion and at the times it deems appropriate, through the issue, without shareholders' pre-emptive rights, of ordinary shares of the Company and securities of any kind granting entitlement to the Company's capital, with the stipulation that the shares and other securities may be subscribed for either in cash or by the offsetting of claims, either in whole or in part, by capitalisation of reserves, earnings or issue premiums or, under the same conditions, to approve the issue of securities giving a right to the grant of debt securities governed by Articles L. 228-91 et seq. of the French Commercial Code.

2 - Sets the term during which the authorisation granted under this resolution is valid at 26 months starting on the date of this General Meeting.

3 - Resolves that the maximum nominal amount of share capital increases that may be carried out immediately or in the future under the aforementioned authorisation is set at five hundred thousand euros, which will include, where applicable, the nominal value of the additional ordinary shares to be issued in order to protect, in accordance with applicable laws and regulations, the interests of holders of securities granting entitlement to capital, with the stipulation that this amount will be charged against the total maximum amount of any capital increase set in the fifteenth resolution of the current General Meeting. In any case, any issuing of equity security

as part of the current authorisation by an offer referred to in Article L. 411-2, II of the French Monetary and Financial Code cannot exceed the limits applicable on the date of its issuance.

4 - Resolves, moreover, that the maximum nominal amount of debt securities granting entitlement to the capital, which may be issued under the current authorisation, cannot exceed three million euros or the equivalent of this amount if they are issued in a foreign currency or a currency unit based on several currencies, with the stipulation that this amount applies to all debt securities which the Board of Directors is authorised, by this General Meeting, to issue.

5 - Resolves to cancel pre-emptive rights of shareholders to the shares and other securities that may be issued under this authorisation.

6 - Resolves that, if the subscriptions do not take up the entire issue of shares or securities, the Board of Directors may, in the order it deems appropriate, use any of the following powers:

- limit the capital increase to the amount of the subscriptions, on the condition that this amount is at least three-fourths of the approved increase;
- freely distribute all or part of the unsubscribed shares.

7 - Notes that, where applicable, the aforementioned authorisation automatically implies, for the benefit of holders of the securities granting entitlement to shares of the Company that may be issued pursuant to this authorisation, an express waiver by shareholders of their pre-emptive right to the new shares to which these securities give a right.

8 - Resolves that the amount of the consideration received or potentially received at a later date by the Company for each share issued or to be issued pursuant to this authorisation, given the issue price of detachable stock purchase warrants if such warrants are issued, will be at least equal to the minimum price stipulated by applicable laws and regulations as of the date of issue.

9 - Resolves that the Board of Directors will have full powers, with powers of delegation under the conditions provided by law, to implement this delegation of authority for purposes that include determining the dates and terms and conditions of the issues as well as the form and characteristics of the securities to create; determining the prices and conditions of the issues, setting the amounts to be issued, and setting the subscription date and the due date, which may be retroactive, of the shares to be issued; determining the method of payment of the shares or other securities issued, the listing of the shares created, the financial servicing of new shares and the exercise of the associated rights; charging, where applicable, the capital increase expenses against the amount of the premiums related thereto and deducting from this amount the sums needed to supply the legal reserve; making all adjustments aimed at taking into account the impact of operations, particularly in case of a change in the share's nominal value, the capital increase through capitalisation of reserves, bonus issues of shares, division or consolidation of shares, distribution of reserves or any other assets, amortisation of the capital, or any other operation related to shareholders' equity capital, and, where applicable, establishing the terms and conditions under which the rights of holders of securities granting entitlement to the capital will be protected; noting the completion of each capital increase and amending the articles of association accordingly and, in general, entering into all agreements, particularly ensuring the successful completion of the proposed issues, and taking all measures and completing all formalities required for the issue under the aforementioned delegation of authority.

10 - Resolves that the current authorisation nullifies any previous authorisation having the same purpose.

11 - Resolves, moreover, that, in the event of an issue of debt securities granting entitlement to capital, the Board of Directors will have full powers, with powers of delegation under the conditions provided by law, to decide whether or not these securities are subordinated, to set their interest rate and interest repayment terms, the term, the fixed or variable redemption price, with or without a premium, the amortisation terms based on market conditions and the conditions under which these securities will entitle the holder to the Company's shares.

Eleventh Resolution (*Delegation of authority to grant to the Board of Directors in order to increase the number of shares to issue in the case of capital increase, either with or without pre-emptive rights*) - The General Meeting, voting in accordance with the quorum and majority conditions required for Extraordinary General Meetings, having read the report from the Board of Directors and the special Auditors' report and in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code:

1 - Authorises the Board of Directors, with powers of delegation, under the conditions provided by law, to increase the number of shares to be issued in the event of an issue of shares or securities granting entitlement to the capital, with or without pre-emptive rights, as described in the eighth, ninth, and tenth resolutions, at the same price as that used for the primary issue, within 30 days of the subscription and up to a maximum of 15% of the number of shares in the primary issue.

2 - Resolves that the nominal amount of the additional capital increase that may be carried out under this resolution will be charged against the total maximum amount of any capital increase set in the fifteenth resolution of this General Meeting.

The authorisation thus granted to the Board of Directors is valid for a period of 26 months starting on the date of this General Meeting and nullifies any previous authorisation having the same purpose.

Twelfth Resolution (*Authorisation to allow the Combined General Meeting to grant share subscription or purchase options to employees and managers of the group*) - The General Meeting, voting in accordance with the quorum and majority conditions required for Extraordinary General Meetings, having read the report from the Board of Directors and the special Auditors' report and in accordance with the provisions of Articles L. 225-177 through L. 225-186 of the French Commercial Code:

1 - Authorises the Board of Directors to grant, on one or more occasions, to the staff members that it deems appropriate from among the employees and possibly the managers of the Company and/or of the companies or groups of companies affiliated with it under the conditions set out in Article L. 225-180 of the French Commercial Code, options giving a right to subscribe for new ordinary shares of the company to be issued, as well as options giving a right to purchase existing ordinary shares of the company resulting from buybacks carried out by the company under the conditions provided by law, with the stipulation that, pursuant to the provisions of Article L. 225-182 of the French Commercial Code, the Board of Directors may not grant options to managers and employees of the company and of the companies or groups of companies affiliated with it under the conditions set out in Article L. 225-180 of the French Commercial Code who own more than 10% of the company's share capital.

The General Meeting also authorises the Board of Directors, pursuant to Article L. 225-185 of the French Commercial Code, to grant said options to the Chairman of the Board of Directors, the Chief Executive Officer and the Executive Vice Presidents, provided that at least one of the conditions defined in Article L. 225-186-1 of the French Commercial Code is met.

2 - Sets the term during which the authorisation granted under this resolution is valid at 38 months starting on the date of this General Meeting.

3 - Resolves that the number of ordinary shares that may be subscribed for or purchased by the recipients by exercising the options that will be granted by the Board of Directors under this authorisation may not exceed 0.5% of the number of shares comprising the share capital as of the date of the Board of Directors' grant decision, with the stipulation that the amount of the capital increases carried out under this resolution will be included in the total maximum amount of all capital increases set by the fifteenth resolution of this General Meeting.

4 - Resolves that the subscription or purchase price of the ordinary shares paid by the option recipients will be set by the Board of Directors on the date on which it grants the options to the recipients with the stipulation that:

- for options to subscribe to ordinary shares, the subscription price of ordinary shares will be equal to the average opening price of Gameloft shares observed over the course of twenty trading sessions prior to the option grant date;
- for options to purchase ordinary shares, the purchase price of ordinary shares will be equal to the average opening price of Gameloft shares observed over the course of twenty trading sessions prior to the option grant date, with the stipulation that, in all cases, the purchase price of ordinary shares cannot be below the market purchase price of ordinary shares held by the Company, pursuant to Articles L. 225-208 and L. 225-209 of the French Commercial Code.

The price set for the subscription or purchase of ordinary shares may not be revised during the option period, subject to adjustments which the Board of Directors must make in accordance with the laws and regulations in force.

5 - Notes that the options may not be authorised by the Board of Directors:

- within the ten trading sessions preceding and following the date on which the consolidated financial statements or, failing that, the year-end financial statements are made public;
- during the period between the date on which the Company's governing bodies become aware of information which, if made public, could have a significant effect on the price of the Company's shares and the date following the tenth trading session after this information has been made public;
- less than twenty trading sessions after the shares of a coupon giving a right to a dividend or capital increase have been detached.

6 - Notes that, pursuant to the provisions of Article L. 225-178 of the French Commercial Code, this authorisation implies, for the benefit of the stock option recipients, an express waiver by shareholders of their pre-emptive right to the shares issued as the options are exercised. The share capital increase resulting from the exercise of stock options will be completely achieved solely through the declaration of the option exercise, accompanied by the subscription form and payment, in cash or by the offsetting of claims, of the corresponding sum.

7 - Grants full powers to the Board of Directors, with powers of delegation under the conditions provided by law, to:

- set, according to the legal conditions and limits, the dates on which the options will be granted;
- establish the list of option recipients, the number of options granted to each of them and the conditions under which the options may be exercised;
- determine the period during which the options are valid (with the stipulation that the options must be exercised within a period not exceeding ten years);
- set the option exercise date(s) or period(s), with the stipulation that the Board of Directors may (a) move up the option exercise dates or periods, (b) keep the options exercisable, or (c) change the dates or periods during which the shares obtained by exercising the options may not be sold or converted to bearer form;
- set the exercise conditions and, if applicable, the criteria for granting the options and, in particular, limit, suspend, restrict or prohibit (a) the exercise of the options or (b) the sale of ordinary shares obtained by exercising the options, during certain periods or starting from the date of certain events, and its decision may (i) apply to all or some of the options and (ii) involve all or some of the recipients. These conditions may include clauses prohibiting the exercise of the options during one or more periods and clauses prohibiting the immediate resale of all or some of the ordinary shares without the required share retention period exceeding three years from date the option was exercised, with the stipulation that, for options granted to managers, the Board of Directors must either (a) decide that the options may not be exercised by the concerned parties prior to termination of their duties or (b) set the number of shares that they must keep in registered form until termination of their duties;
- set the maximum percentage of options that may be granted to the executive directors with respect to the total amount defined in this resolution;
- determine the due date, which may be retroactive, of the new ordinary shares resulting from the exercise of stock options;
- in the circumstances provided for by law, take the necessary measures to protect the interests of the option recipients under the conditions set out in Article L.228-99 of the French Commercial Code;
- in general, enter into all agreements, draw up all documents, note the capital increases following the exercise of options, amend the articles of association accordingly and where applicable, complete all necessary formalities, make all declarations to any entities and take whatever other action may be necessary.

8 - Resolves that, in the event that the options to subscribe for and/or purchase ordinary shares are granted to persons domiciled or residing abroad or to persons domiciled or residing in France but subject to a foreign tax system, the Board of Directors may revise the conditions that apply to the options to subscribe for and/or purchase ordinary shares to ensure that they comply with the provisions of the foreign law in question and receive the best possible tax treatment. To this end, the Board of Directors may, at its discretion, implement one or more sub-plans that apply to the various categories of employees subject to foreign law.

9 - Resolves that this authorisation nullifies, as of this day the undrawn portion, where applicable, of any previous authorisation having the same purpose.

Thirteenth Resolution (*Delegation of powers to grant to the Board of Directors for the purpose of proceeding with the allocation of bonus shares of the Company to employees and corporate managers*) - The General

Meeting, voting in accordance with the quorum and majority conditions required for Extraordinary General Meetings, having read the report from the Board of Directors and the special Auditors' report and in accordance with the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code:

1- Authorises the Board of Directors to approve, under the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code, on one or more occasions and at its sole discretion, the allotment of new or existing Company shares to employees of the Company and of the companies or groups of companies affiliated with it under the conditions set out in Article L. 225-197-2 of the French Commercial Code and the managers of the Company and of the companies or groups of companies affiliated with it and who meet the conditions pursuant to Article L. 225-197-1, II of the French Commercial Code, in the conditions defined hereinafter.

2- Authorises the Board of Directors to proceed, where applicable, with one or more capital increases by capitalisation of earnings, reserves or issue premiums in order to issue bonus shares.

3 - Sets the term during which the authorisation granted under this resolution is valid at 38 months starting on the date of this General Meeting.

4 - Resolves that the total number of new or existing shares that can be allotted under this authorisation is set at 2% of the number of shares comprising the share capital as of the date of the Board of Directors' decision, with the stipulation that this number will be charged against the total maximum amount of any capital increase set by the fifteenth resolution of this general meeting.

5 - Resolves that the final allotment of shares to the company's managers as part of the current authorisation will be subject to the meeting of performance conditions defined by the Board of Directors.

6 - Resolves that the allotment of shares to their recipients will be final at the end of a minimum vesting period of two years and that the recipient must hold said shares for two years starting from the date of their final allotment, with the stipulation that the allotment of the aforementioned shares to their recipients will be final before the expiry of the aforementioned vesting period in the event of a disability of the recipient, falling into category 2 or 3 defined in Article L. 341-4 of the French Social Security Code, obliging the recipient to cease professional activities of any kind, and that the aforementioned shares will be freely transferrable in the event a recipient is disabled under the conditions provided by the aforementioned provisions of the French Social Security Code.

7 - Notes, concerning the issue of bonus shares, that this decision implies, for the benefit of bonus share recipients, the express waiver by shareholders of their pre-emptive rights on the aforementioned shares.

8 - Resolves that this authorisation nullifies, as of this day the undrawn portion, where applicable, of any previous authorisation having the same purpose.

9 - Grants full powers to the Board of Directors, with powers of delegation under the conditions provided by law, to implement this authorization and in particular to

- determine if the bonus shares to be allotted will be new or existing shares;
- determine the identity of the recipients, or the category(ies) of the recipients, of the issue of shares from among the employees and managers of the Company and of companies or aforementioned groups of companies and the number of shares allotted to each recipient;
- set the conditions and, where applicable, the criteria of share allotment, particularly the minimum vesting period and the required share retention period for each recipient, under the conditions pursuant hereinafter, with the stipulation that, concerning bonus shares allotted to managers, the Board of Directors must either (a) decide that the bonus shares cannot be sold by the concerned parties before the termination of their duties or (b) set the number of bonus shares that they must keep in registered form until the termination of their duties;
- set the maximum percentage of shares that can be allotted to Executive Directors with respect to the total amount defined in this resolution;
- set, within the legal limits and conditions, the dates the bonus shares will be allotted;
- make provisions for the power to suspend share allotment rights temporarily;
- note the final allotment dates and the dates from which the shares can be freely transferred, given legal restrictions;

- register bonus shares to a registered account under the recipient's name, mentioning the unavailability and the period of unavailability of the account, and revoke the unavailability of the share under any circumstance for which the applicable regulation would allow it;
- enter into all agreements, draw up all documents, note the capital increases following the final issues, amend the articles of association accordingly and where applicable, complete all necessary formalities, make all declarations to any entities and take whatever other action may be necessary.

10 - Resolves that the Company may, where applicable, modify the number of bonus shares needed to maintain the rights of the recipients, according to possible operations on the Company's capital under the circumstances pursuant to Article L. 225-181 of the French Commercial Code.

Fourteenth Resolution (*Authorisation to be granted to the Board of Directors to approve a share capital increase through the issue of shares and/or securities reserved for those enrolled in a group savings plan*) – The General Meeting, voting in accordance with the quorum and majority conditions required for Extraordinary General Meetings and having read the Board of Directors' report and the special Auditors' report, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 225-129-6, L. 225-138-1 and L. 228-91 et seq. of the French Commercial Code and under the conditions set out in Articles L. 3332-1 et seq. of the French Labour Code:

1 - Authorises the Board of Directors to approve a share capital increase, on one or more occasions and at its sole discretion, at the times and under the terms and conditions that it deems appropriate, through the issue of ordinary shares or securities granting entitlement to new or existing ordinary shares of the Company, to be subscribed for in cash, reserved for those enrolled in a group savings plan offered by the Company and/or of the companies or groups of companies affiliated with it under the conditions set out in Article L. 225-180 of the French Commercial Code.

2 - Resolves that the nominal amount of the increase in the company's capital, whether immediate or in the future, resulting from all issues carried out under this authorisation is set at 0.5% of the amount of the share capital as of the date of the Board of Directors' decision, with the stipulation that the amount of the capital increases carried out under this resolution will be charged against the total maximum amount set by the fifteenth resolution of this General Meeting.

3 - Resolves to cancel, in favour of the aforementioned employees enrolled in one or more company savings plans, the pre-emptive subscription right of shareholders to the ordinary shares or securities granting entitlement to ordinary shares to be issued under this authorization.

4 - Resolves that the subscription price of the shares or securities issued will be determined under the conditions defined in Articles L. 3332-19 of the French Labour Code.

5 - Resolves to set the maximum discount offered as part of a savings plan at 15% of the average opening price of Gameloft's shares on Euronext Paris during the twenty trading sessions prior to the date of the decision establishing the opening date of the subscriptions, with the stipulation that the Board of Directors may reduce this discount if deemed appropriate, such as in the case of an offer to those enrolled in a Company stock savings plan on the international market and/or abroad in order to meet the requirements of applicable local laws.

6 - Resolves, moreover, that the Board of Directors may also allot to the aforementioned recipients bonus shares or other securities granting entitlement to the Company's capital under the conditions pursuant to legal and regulatory provisions, in substitution for all or part of the discount referred to in paragraph 5 and/or as a matching contribution, with the stipulation that the benefit resulting from this allotment may not exceed the limits set out in Articles L. 3332-21 and L. 3332-11 of the French Labour Code.

7 - Sets the term during which the authorisation granted under this resolution is valid at 26 months starting on the date of this General Meeting.

8 - Resolves that each capital increase will be carried out only up to the amount of the shares subscribed for by the aforementioned recipients, either individually or via employees' mutual funds or open-end investment companies governed by Article L. 214-40-1 of the French Monetary and Financial Code.

9 - Grants full powers to the Board of Directors, with powers of delegation under the conditions provided by law, to implement this authorization in accordance with the conditions approved herein, for purposes that include:

- determining the characteristics, amount and terms and conditions of any issue;
- determining the companies and recipients involved;
- deciding whether the shares can be subscribed for directly by those enrolled in a savings plan or via employees' mutual funds or open-end investment companies governed by Article L. 214-40-1 of the French Monetary and Financial Code;
- determining the nature and the terms and conditions of the capital increase, as well as the terms and conditions of the issue;
- where applicable, establishing the conditions, particularly seniority, that the recipients must meet in order to subscribe for the new ordinary shares or securities to be issued as part of the capital increases covered by this resolution;
- setting the amounts of these issues and determining the subscription prices, the terms and conditions of the issues of shares or securities carried out under this authorisation, including in particular their due date, and the terms and conditions of their payment and delivery;
- determining the opening and closing dates of subscriptions;
- noting or having noted the completion of the capital increase by the issue of ordinary shares up to the amount of the ordinary shares actually subscribed for;
- at its sole discretion and if it deems it appropriate, charging, where applicable, the expenses and professional and other fees resulting from such issues against the issue premiums and deducting, where applicable, the sums needed to supply the legal reserve from the issue premiums;
- in general, completing all tasks and formalities, making all decisions and entering into all appropriate or necessary agreements in order to (i) ensure the successful completion of the issues carried out under this authorisation and particularly, for the issue, subscription, delivery, interest payment date, listing of the shares created, financial servicing of the new shares and exercise of the rights attached thereto, and (ii) note the final completion of the capital increase(s), amend the articles of association accordingly and (iii) complete all necessary formalities to carry out the capital increases and, in general, take whatever action is necessary.

10 - Resolves that this authorisation nullifies any previous authorisation having the same purpose.

Fifteenth Resolution (*Assessment of the total maximum amount of capital increases*) - The General Meeting, voting in accordance with the quorum and majority conditions required for Extraordinary General Meetings, after having read the report from the Board of Directors, resolves to establish the total maximum amount of the capital increase that may result, immediately or in the future, from all issues of shares and/or securities granting entitlement to the capital carried out pursuant to the authorisations stipulated in the eighth, ninth, tenth, eleventh, twelfth, thirteenth and fourteenth resolutions of the current General Meeting, at a total nominal amount of two million euros.

It is hereby stipulated that the aforementioned amount does not include the nominal value of shares that may be issued in connection with the adjustments made, in accordance with applicable laws and contractual provisions, to protect the rights of holders of securities granting entitlement to the Company's capital.

Sixteenth Resolution (*Powers for formalities*) - The General Meeting grants the bearer of a copy or excerpt of the minutes of this Meeting full power to file all documents and complete all formalities required by law wherever necessary.