



REFERENCE DOCUMENT

2013



Pursuant to Article 212-13 of the General Regulations of the Autorité des Marché Financiers (AMF), this reference document was filed with the AMF on 17 April 2014 under the number D.14-0377. 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 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.
- The consolidated and individual financial statements for the fiscal year ended 31 December 2012, as well as the related auditors' reports, appear on pages 81 to 151 of the reference document filed with the AMF on 30 April 2013 under number D.13-0478.

Copies of this document are available at GAMELOFT S.E.'s registered office: 14 rue Auber, 75009 PARIS.

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European Company with capital of 4,201,441.20 euros
Tel.: (33) 1 58 16 20 40
Paris Corporate and Trade Register No. 429 338 130 - NAF code 5821Z

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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 11 to 93 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 Mazards, 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 143 of the current reference document for the fiscal year ended 31 December 2013. This report was issued without qualification and contains observations on the economic situation in Argentina, notably the impact of the difference between the use of the official and unofficial rates on the principle aggregates of Gameloft's Argentina subsidiary in the consolidated accounts, and on the effects of the change in method for the application of the IAS 19 amendment on defined benefit plans.

The individual financial statements presented in this reference document were the subject of a statutory auditors' report appearing on page 173 of the current reference document for the fiscal year ended 31 December 2013. This report was issued without qualification or comment.

The consolidated financial statements for the fiscal year ended 31 December 2012 were prepared according to IFRS standards and were the subject of a statutory auditors' report. This report was issued without qualification or comment.

The individual financial statements for the fiscal year ended 31 December 2012, were the subject of a statutory auditors' report. This report was issued without qualification or comment.

The consolidated financial statements for the fiscal year ended 31 December 2011 were prepared according to IFRS standards and were the subject of a statutory auditors' report containing a comment regarding the fact that recorded in the fiscal year's financial statements were the activation of Gameloft's deferrable losses as well as the abandonment of certain game developments outlined 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 recorded in the fiscal year's financial statements

was the abandonment of certain game developments outlined in section 3.2.7 of the 2011 Gameloft reference document submitted to the AMF on 27 April 2012 under number D. 12- 463.

Paris, 16 April 2014,

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 Principle Auditors

	Date of Appointment	Term and Expiration Date
Audit AMLD 2, rue de la Paillette 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 92 075 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
Monsieur Jean-Maurice El Nouchi 61, rue Henri Regnault 92 075 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
Monsieur Benoît Flechon 16 Avenue du 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
Chief Executive Officer
14, rue Auber
75 009 Paris
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1.5 Financial Communications Schedule

Publication of 2014 first-quarter revenue: 28 April 2014.

2. MANAGEMENT REPORT

2.1. Group Activity and Earnings for Fiscal Year 2013

2.1.1 Presentation of the Group

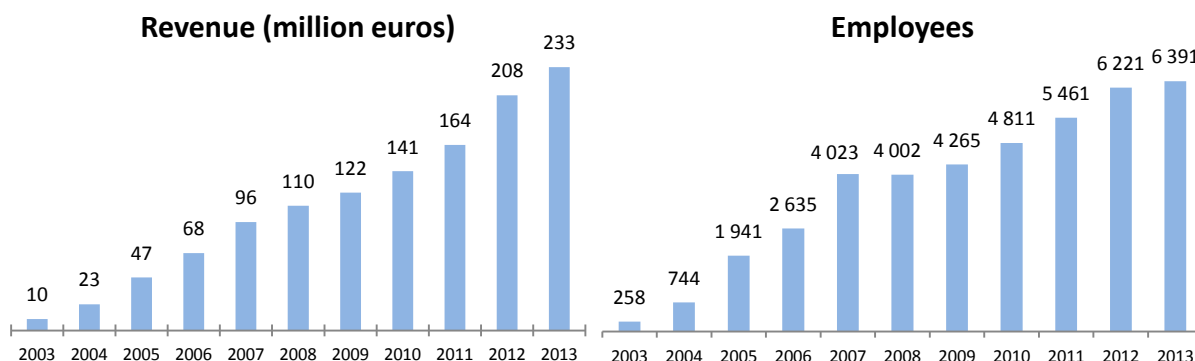
2.1.1.1 History and Company Activity

Gameloft creates and publishes downloadable video games for mobile phones, touch tablets, set-top boxes and Smart TVs.



**1 MILLION
GAMELOFT
GAMES ARE
DOWNLOADED
EACH DAY**

A pioneer in its field since its creation in 2000, the company has asserted itself as one of the most innovative enterprises in the sector. Gameloft develops all of its games in its internal production studios and has at its disposal a portfolio of proprietary brands including well-established franchises such as *Asphalt*, *Modern Combat*, *Order & Chaos*, *Dungeon Hunter*, *World at Arms*, *Real Football* and *Gangstar*. Partnership agreements with major rights holders such as Disney•Pixar, Mattel®, Hasbro®, FOX®, Universal, Marvel®, DC Comics, and Sega allow Gameloft to associate some of its games with the biggest international brands: Spider-Man, *Cars*, Playmobil, Iron Man, *UNO*, *Despicable Me*, *Ice Age*, *My Little Pony*, the NFL, etc.



After 14 years of continuous growth, Gameloft joined the SBF 120 index and remains a major player and key figure in an industry that is predicted to experience rapid growth in the coming years. Today Gameloft has a studio on every continent, distributes its games in nearly 120 countries and employs almost 6,400 people spread across 30 countries around the world.

2.1.1.1.1 Mobile and Tablet Games

The use of mobile telephones has spread very quickly over the last twenty years. The number of mobile subscribers worldwide was estimated at 6.8 billion at the end of 2013¹ compared to 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 (1.6 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 game catalogue, strong licences and the largest customer and distributor networks in the market.

The application in 2002 of Java and Brew technologies to mobile telephones revolutionised the mobile phone games market by permitting three major advances:

- Consumers were able to download real video games directly to their mobile phones for a price generally between €3 and €6 in developed countries and between €0.5 and €2 in emerging countries.
- The downloading of a Java or Brew game and the quality of the game itself did not depend on the quality of the telecom networks. Telecommunications networks, whether 2G or 3G, allowed consumers to download a Java or Brew game in less than one minute.
- Java and Brew technologies quickly imposed themselves on all telephone manufacturers. This standardisation allowed the market to develop rapidly. At the beginning of 2014, the number of Java telephones worldwide reached 3 billion, compared to 2 billion in 2008 and 1 billion in 2006⁴.

A genuine pioneer in the mobile gaming 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 2002. This catalogue is compatible with most feature phones sold today. All in all, the company currently offers more than 375 Gameloft games that can be downloaded on 220 different models of feature phones and which are sold around the world.



Game sales on these feature phones represented 27% of the company's revenue in the final quarter of fiscal year 2013.

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 which 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. For consumers, the price-quality ratio of a mobile game is therefore significantly increased thanks to the smartphone and

¹ Source: International Telecommunication Union, October 2013

² Source: CSFB, July 2002

³ Source: Deloitte, January 2013

⁴ Source: Oracle, March 2014

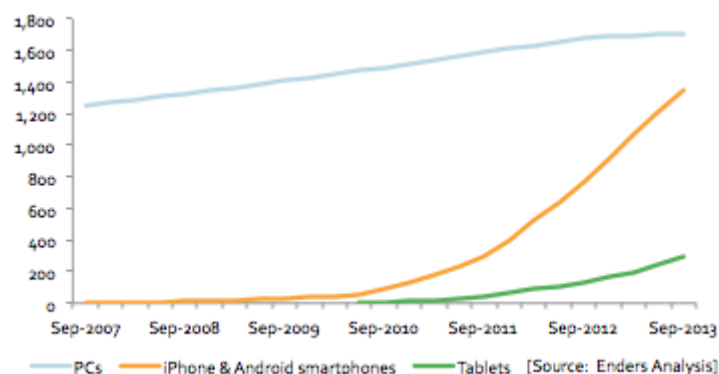
consequently, these consumers now download three to four times more games on their smartphones than they did on their Java and Brew telephones.



From feature phone to smartphone: The evolution of the *Real Football* franchise from 2002 to 2013

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 2013, 1 billion smartphones were sold, compared to 700 million in 2012⁵, and the install base of smartphones should, for the first time, surpass that of PCs over the course of fiscal year 2014.

Evolution of PC, Smartphone, and Tablet Installed Bases (in millions of units)



In 2008, Gameloft successfully began its shift toward smartphones and touchscreens, and produced noteworthy games for Apple's iOS and Google's Android. Gameloft was the first company to launch 6 games on Apple's App Store when it opened on 9 July 2008. 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 150 smartphone games and more than 90% of its development teams will henceforth be working on the production of smartphone games. Presently, Gameloft develops for over 4,000 different smartphone models.

⁵ Source: Consumer Electronic Association, January 2014

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. Beginning in 2011, a significant part of the new game catalogue was aimed at an even broader audience, notably with the release of free-to-play, social and mass market games such as *Despicable Me*, *Wonder Zoo*, *UNO & Friends*, and *Ice Age Village*, but without neglecting "hard-core" gamers, who enjoyed new franchises such as *Order & Chaos* and *World at Arms*, as well as the latest instalments of *Modern Combat*, *Dungeon Hunter* and *Gangstar*. 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. More than 85% of Gameloft's revenue from smartphones and touch tablets currently comes from the sale of virtual goods.

Game sales on these smartphones and touch tablets represented a little more than 70% of Gameloft's total revenue as of the fourth quarter of fiscal year 2013.

2.1.1.1.2 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 for their latest generation of set-top 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 TV games represented 2% of the total during the fourth quarter of fiscal year 2013.

2.1.1.1.3 Gameloft Game Distribution

On feature phones, smartphones and touch tablets, Gameloft has several distribution networks for its games.



1. Online stores for smartphones and touch tablets, collectively referred to as "app stores", accessible on mobile devices, tablets and PCs, represent an increasingly important part of mobile app sales around the world. In this way, Gameloft distributes its smartphone and tablet games via the online portals belonging to Apple (App Store), Google (Google Play), Microsoft (Windows Phone Store) and Amazon (Amazon Appstore). In addition, since 2012 Gameloft has distributed its games via several Asian platforms present in China, Japan and Korea: Tencent, Baidu, LINE, Kakao, etc. In total, all of these online stores accounted for a little more than 50% of the company's 2013 revenue.

2. Telephone manufacturers have also created their own mobile game download portals for smartphones, touch tablets and feature phones. Gameloft distributes its games in this manner in collaboration with Nokia, Samsung, LG, ZTE, Motorola, RIM, Huawei, etc. These manufacturers act as distributors for Gameloft's 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 around 17% of 2013 revenue.

3. Gameloft games are distributed by more than 200 telecom operators in nearly 120 countries worldwide. To date, none of Gameloft's competitors has put together a comparable distribution network. Mobile telephone subscribers can purchase and download Gameloft games directly onto their telephones through the operator's app store. 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 30% of total revenue for 2013.

4. Mobile and tablet games can also be downloaded directly from the various Gameloft portals. The company estimates that a little over 1% of its revenue for 2013 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.

2.1.1.1.4 Highlights of 2013

Gameloft is the second largest publisher in the world on iOS and Android in terms of the number of games downloaded, according to the annual rankings provided by App Annie in January 2014.

2013 also marked Gameloft's entry into the SBF 120 stock market index. This entry into SBF 120 occurred on 23 September 2013 in accordance with the decision taken by the NYSE Euronext Paris Expert Indices Committee.



Moreover, as of April 2013 the company has put in place a share buyback programme. Over the course of fiscal year 2013, Gameloft purchased 1,117,473 of its own shares, representing 1.38% of capital on 16 December 2013. In compliance with the delegation granted by the Combined General Meeting of 19 June 2013, in its seventh resolution, the Board of Directors, in its session on 17 December 2013, decided to cancel 1,117,473 of the company's own shares, effective immediately.

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. Our 27 studios across the Americas, Europe and Asia also allow us to consolidate our leadership while combining our global vision with a local approach. By drawing from this unrivalled cultural and linguistic diversity, we adapt our games to the special features of each market.

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 an extended distribution network that allows it to sell all of its products worldwide. Gameloft has the most complete distribution network in the digital game industry: direct agreements with more than 200 operators in more than 120 countries; with all the major online app stores (App Store, Google Play, Windows Store and Amazon Appstore); with major mobile phone, smartphone and tablet manufacturers; with social networks; and with the manufacturers of Smart TVs and set-top boxes. Gameloft also has one of the largest worldwide presences on social networks (more than 11 million fans on Facebook and 210 million views on YouTube, as of February 2014) and adapts its marketing strategy to each market. 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 and to position itself as a market leader, which has also translated into the reliable profitability of the company since 2009.



As a result, today Gameloft has:

- the greatest internal development capabilities in the industry, well ahead of its competitors, with more than 5,200 employees in its production studios. The amount allocated for research and development, excluding charges related to stock options, represented 46% of revenue in 2013;
- unique know-how that is illustrated by the numerous awards that its mobile games have received around the world;
- a catalogue of 150 smartphone and touch tablet games spanning 4,000 models and 15 different languages;
- a catalogue of 375 feature phone games that generate recurring revenue on 220 models of mobile telephones;
- internal and external licences that are known around the world such as *Order & Chaos*, *Despicable Me*, *Dungeon Hunter*, *World at Arms*, *Gangstar*, *Ice Age*, *The Dark Knight Rises*, *Wonder Zoo*, *Playmobil*, *My Little Pony*, *Modern Combat*, *Littlest Pet Shop*, *The Amazing Spider-Man*, *Iron Man 3*, *Real Football*, *Asphalt*, *UNO*, the NFL, etc.;
- a distribution network made up of more than 200 operators that distribute Gameloft's games in almost 120 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.

2.1.1.2.1 The Only Game Catalogue of Its Kind in the World

To date, more than 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 the creation of new games, regular updates for existing games in order to prolong their lifespan, and porting, a process by which each new game is adapted to all existing platforms and models. One of the barriers 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 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 220 different models of feature phones and 4,000 models of smartphones currently on the market and the 15 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 set-top boxes and Smart TVs.

2.1.1.2.2 World-Renowned Quality

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 by the ME Awards as the best game developer of 2013 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 prestigious BAFTA Kid's Vote Award 2013 in the "video game" category for its major release *Despicable Me: Minion Rush*
- Gameloft was chosen as Best Developer of 2013 and received the ME Awards prize in London
- The game *Dungeon Hunter 4* on Windows Phone won Pocket Gamer France's gold medal in December 2013: "The world has been fleshed out and the bestiary and scenery are at once plentiful and nicely done, which allows you to quickly immerse yourself in the game... An adventure that is at once rich and enthralling." Score: 9.3/10
- The game *Asphalt 8: Airborne* on iPhone/iPad won Pocket Gamer France's gold medal in September 2013: "The new instalment offers fun, content, scenery that is varied and colourful, and online play that is particularly appealing." Score: 9/10
- The game *Thor: The Dark World* on iPhone/iPad won Pocket Gamer France's silver medal in October 2013: "The challenges are numerous, as is the variety of battles and worlds, and the visual aspect is one of the game's strengths. It's hard to ask for more." Score: 8/10
- Gameloft received the 2013 "iLounge Editor's Choice Developer" prize for best iPhone publisher from the iLounge website.
- Gameloft also received the 2013 "Editor's Choice" award for iPhone/iPod touch for *Asphalt 8: Airborne*.



2.1.1.2.3 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 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:

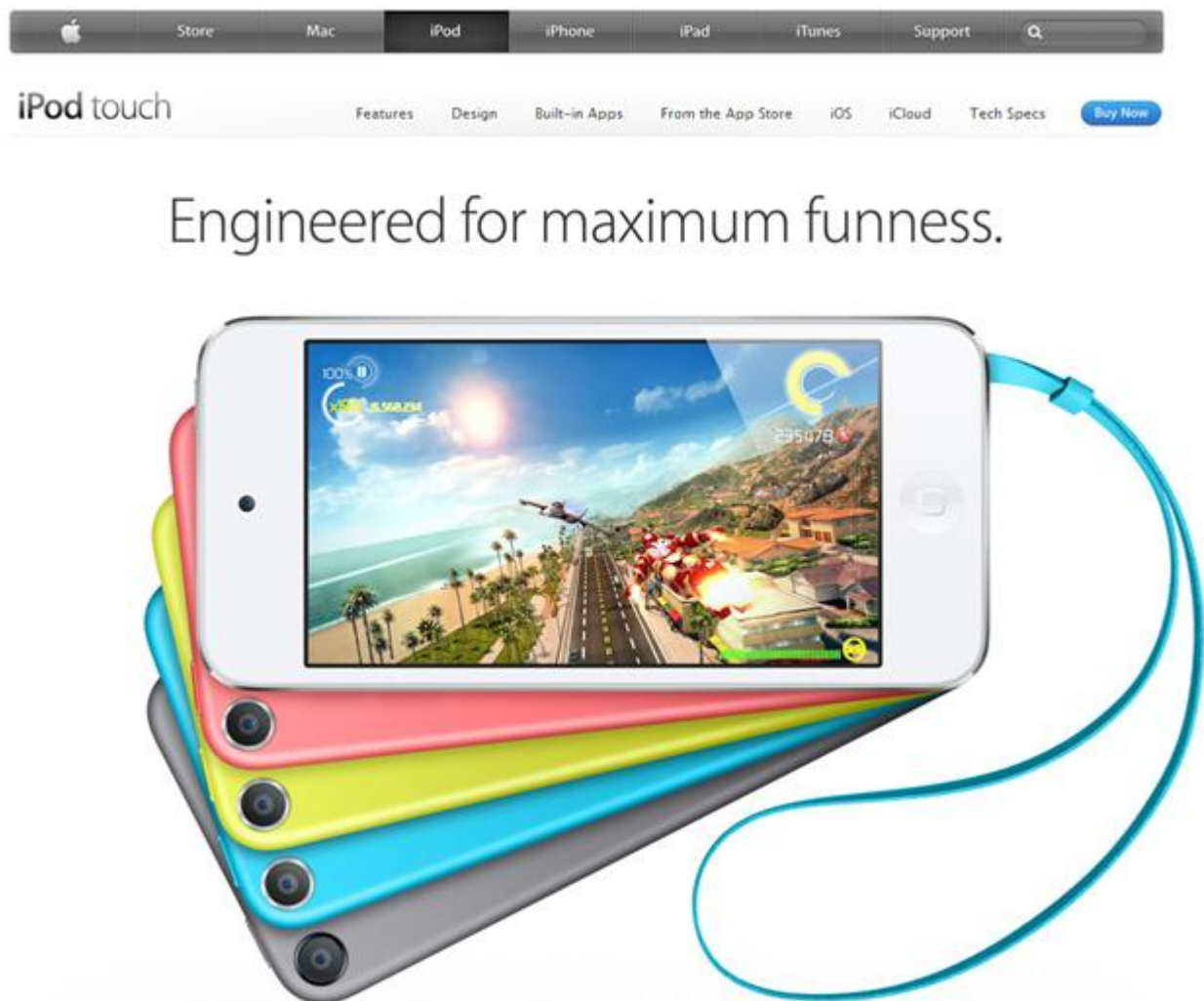


2.1.1.2.4 The Most Extensive Distribution Network in the Industry

With more than 200 operators distributing its games in nearly 120 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.

Distributorship agreements have been signed with all the major manufacturers and distribution platforms in the industry from Apple to Nokia, Samsung, Amazon and 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, Microsoft's Windows Phone Store, Samsung Apps, etc. 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.

Product Placement for the game *Iron Man 3* on Apple.com (October 2013)



2.1.1.3 Market Outlook

With a growth in comparable exchange rate basis of 16% of its activity in 2013, Gameloft continues to grow rapidly.

- 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 2014 fiscal year in terms of revenue and results.

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 market players, including InFusio, Oasys, Superscape, iPhone, iPlay, Hands On, etc. Vivendi Games, a subsidiary of the Vivendi Group, and THQ Wireless, a subsidiary of THQ, both potentially strong competitors for Gameloft, also announced their closure during this period. Today, Gameloft and Electronic Arts⁶ 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 increased in parallel with the substantial increase in fundraising and mergers-acquisitions that recently took place in this business segment. 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.

2.1.2 Earnings for Fiscal Year 2013

2.1.2.1 Highlights of Fiscal Year 2013

- Share capital increases:

Gameloft saw an increase of share capital through the issuance of stock options and bonus shares in the amount of €9,197,000, of which €9,031,000 were issue premiums, and a reduction of share capital through the cancellation of its own shares in the amount of €6,202,000. The share capital is currently €4,201,000.

- Change in reporting entity:

⁶ Source: Quarterly publications of Electronic Arts, a competing company.

In 2013, two new companies were created and consolidated in Kuala Lumpur, Malaysia (Gameloft SDN. BHD) and in Dubai, United Arab Emirates (Gameloft FZ-LLC). Gameloft Shanghai was liquidated on 20 December 2013.

- Impact of currency fluctuations on revenue:

Currencies such as the Brazilian real, US dollar, Japanese yen, Venezuelan peso and Argentine peso fell sharply in 2013. This impacted our consolidated financial statements, particularly in terms of revenue, with a negative exchange rate differential of €9,153,000.

2.1.2.2 Quarterly and Annual Consolidated Revenue

Revenue (million euros)*	2013	2012	Change
1 st quarter	54.2	44.8	+21%
2 nd quarter	55.2	50.4	+10%
3 rd quarter	61.7	55.4	+11%
4 th quarter	62.3	57.7	+8%
Total	233.3	208.3	+12%

* rounded figures

On the whole, the revenue for fiscal year 2013 reached 233.3 million euros, an annual increase of 12%. On a comparable exchange rate basis, the growth rate in revenue over twelve months reached 16%, compared to 25% in fiscal year 2012.

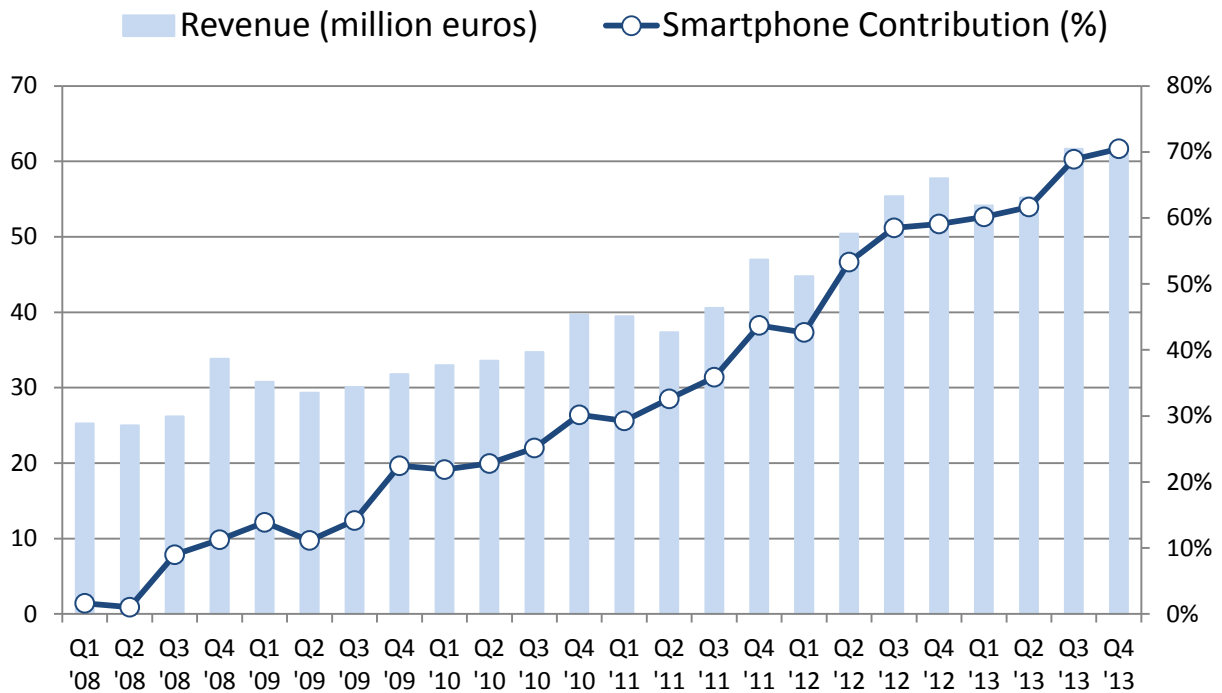
million euros	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenue	10.2	23.2	46.8	68.4	96.1	110.3	122.0	141.0	164.4	208.3	233.3
Additional revenue	7.7	13.0	23.6	21.6	27.7	14.3	11.6	19.0	23.4	44.0	25.0

2.1.2.3 Revenue by Business Segment

12-Month Fiscal Year	31/12/13		31/12/12	
	€K	%	€K	%
Smartphones	152,976	66%	112,480*	54%
Feature phones	75,755	32%	90,945*	44%
TV	4,565	2%	4,889	2%
Total Revenue	233,296	100%	208,315	100%

* reclassification of €6,164,000 in revenue (pocket HD Games) from feature phones to smartphones

The group's operations were carried by the success experienced by Gameloft's games on the smartphone and touch tablet markets. On the whole, sales for fiscal year 2013 on smartphones and touch tablets increased by 36%. They represented 66% of the company's total revenue, compared to 54% during the same period in 2012. In the fourth quarter of fiscal year 2013, smartphone revenue contributed to more than 70% of the company's total revenue.



2.1.2.4 Revenue by Geographic Region⁷

12-Month Fiscal Year	31/12/13		31/12/12	
	€K	%	€K	%
EMEA	75,317	32%	55,481	27%
North America	64,393	28%	65,574	31%
LATAM	48,991	21%	42,022	20%
APAC	44,595	19%	45,238	22%
Total	233,296	100%	208,315	100%

In 2013, the EMEA region represented 32% of annual revenue, North America 28%, Latin America 21% and Asia-Pacific 19%.

⁷ EMEA: Europe, the Middle East and Africa; LATAM: Latin America; APAC: Asia Pacific

2.1.2.5 Change in Income

INCOME STATEMENT (€K)	2013	2012
Revenue	233,296	208,315
Cost of sales	-40,540	-32,555
Gross margin	192,756	175,759
R&D	-106,828	-103,054
Sales and marketing	-36,138	-35,522
Administration	-20,931	-17,239
Other operating income and expenses	-443	504
Operating income/expenses from ordinary activities	28,417	20,448
Share-based payments	-3,520	-3,985
Other operating income and expenses	-1,302	-1,613
Operating income/expense	23,595	14,850
Cost of net financial debt	2,094	1,327
Financial income	7,370	5,869
Financial expense	-16,992	-7,730
Net financial income/expense	-7,529	-534
Net pre-tax profit/loss	16,066	14,316
Tax expense	8,541	-5,036
Net profit	7,526	9,280

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.

On the whole, the consolidated revenue for fiscal year 2013 reached 233.3 million euros, an annual increase of 12%. The Group's growth continues to be carried by the success experienced by Gameloft's games in the smartphone and touch tablet markets. During fiscal year 2013, the company's sales in this business segment increased by 36%. The growth in activity is also linked to the success of the "free-to-play" model: As of now, the sale of virtual goods and advertising contributes to over 85% of Gameloft's smartphone revenue. This business model allows the company to reach a very wide audience. During the last thirty days, no fewer than 160 million consumers have played a Gameloft game on their smartphone or tablet. This business model also allows for greater longevity of the company's products: A little more than 75% of Gameloft's 2013 revenue came from games on the market before 2013.

The company's gross margin was 192.8 million euros, an annual increase of 10%. It represented 83% of revenue for 2013, a relatively stable level when compared to the gross margin of 84% from fiscal year 2012. The tremendous success of licensed games such as *Despicable Me: Minion Rush*, *Ice Age Village*, *The Dark Knight Rises* and *The Amazing Spider-Man* influenced the gross margin for 2013. The cost of sales reached 40.5 million euros and was made up of 29.3 million euros in royalties on licences and 11.2 million euros in sales commissions.

The solid growth in revenue, combined with the stabilisation of the workforce and the rigorous tracking of costs, has allowed Gameloft to markedly increase its current operating income, which reached 28.4 million euros, an increase of 39%. Research & Development costs represented 46% of revenue in 2013, compared to

49% in 2012. Sales and Marketing costs represented 15% of revenue in 2013, compared to 17% in 2012. Administrative costs represented 9% of revenue in 2013, compared to 8% in 2012. The current operating margin for fiscal year 2013 is therefore 12.2%, compared to 9.8% in 2012.

Share-based payments reached 3.5 million euros in 2013. This expense had no impact on the company's equity or its cash situation. Other non-recurring operating expenses in the amount of 1.3 million euros are largely related to the restructuring costs of the company's subsidiaries in India and the Philippines. The company proceeded to restructure its production base in order to take into account the major changes that took place in its market over the last two years, and most notably the advances in feature phone and smartphone technology. In particular, the Group's needs in terms of porting and testing noticeably diminished due to the increasing standardisation of mobile phones and their operating systems.

Operating income/expense was therefore 23.6 million euros, an increase of 59%, and the operating margin was 10.1%. Excluding capitalised Research & Development costs, operational income was 24.2 million euros, an annual increase of 32%.

Gameloft's net financial income/expense is -7.5 million euros, a decline compared to 2012. This change is mainly due to unrealised exchange losses on intragroup debts, taking into account the sharp decline of certain currencies compared to the euro (the Brazilian real, the Canadian dollar, the Japanese yen, etc.), and the repatriation of cash from Argentina in September 2013. The net pre-tax profit/loss was therefore 16.1 million euros, an increase of 12%.

Tax expenses for 2013 were 8.5 million euros. The amount of consolidated non-capitalised losses to carry over reached 10.3 million euros at 31 December 2013. The net annual earning was therefore 7.5 million euros, a decrease of 19%.

Sound Financial Position and Future Investments

For the fifth year in a row, Gameloft's financial position is noticeably strong. At 31 December 2013, the company's equity capital reached 136.3 million euros and the net cash and cash equivalents were at a record 60.3 million euros. Cash flow generation was particularly strong in fiscal year 2013 and it allowed the company to invest heavily in IT infrastructure: Operating cash flow was 24.5 million euros, an increase of 22%, of which almost 15 million euros were invested in the purchase of IT materials. These investments allowed Gameloft to calmly manage the extremely rapid build-up in the number of users for its smartphone and tablet games: In this way, the company went from 9 million to 20 million daily players between January and December 2013.

2.1.2.6 Change in Working Capital Requirement (WCR) and Debt

Cash flow statement	2013	2012
Cash flow from operating activities		
Net profit	7,526	9,280
Depreciation of tangible and intangible assets	13,355	17,804
Change in provisions	242	-1,415
Development costs	-782	-1,368
Income related to stock options and similar	3,520	3,985
Change in deferred taxes	1,682	-294
Sales of assets	397	347
Cash from operations	25,940	28,340
Change in trade receivables	-9,680	-17,380
Change in operating liabilities	8,252	8,559
Change in WCR	-1,428	-8,822

Operating cash flow	24,512	19,518
Investment-related cash flow		
Purchases of intangible assets	-6,880	-6,348
Purchases of tangible assets	-15,750	-6,097
Purchases of other financial assets	-845	-546
Repayment of loans and other financial assets	343	353
Other cash flows	74	60
Total investment-related cash flows	-23,058	-12,578
Cash flow from financing activities		
Share capital increase	10,000	13,179
Buyback of own shares	-6,202	
Other cash flows		
Total cash flows from financing activities	3,797	13,179
Impact of translation gains and losses	-528	-1,461
Change in cash and cash equivalents	4,723	18,658
Net cash and cash equivalents at start of fiscal year	55,606	36,948
Net cash and cash equivalents at end of fiscal year	60,329	55,606

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 diminished by 8% and was at +25.9 million euros compared to +28.3 million euros in 2012.

The change in the Working Capital Requirement was of -1.4 million euros compared to -8.8 million euros in 2012. Gameloft's financial position is particularly solid as of 31 December 2013.

The company's equity capital reached 136.3 million euros and the net cash and cash equivalents were at 60.3 million euros. Cash generation was 4.7 million euros of additional net cash and cash equivalents 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.

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 136.2 million euros and the net cash and cash equivalents were at 60.3 million euros. Operating cash flow is largely positive, totalling 25.9 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 -588 thousand euros in 2013. Cash flows related to investments into the "licence acquisitions" item represented 6.1 million euros in 2013.

Cash flows related to financing activities are mostly capital increases amounting to 10 million euros, made up of issue premiums emanating from the conversion of stock options and the awarding of bonus shares, and the cancellation of own-share buybacks in the amount of 6.2 million euros.

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 4.7 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 Note on Methodology

2.1.4.1.1 Reporting Period

The reporting focuses on the period between 1 January 2013 to 31 December 2013 for all social, environmental and societal issues.

2.1.4.1.2 Reporting Scope

Social and societal reporting concerns all of the Group's subsidiaries.

Environmental reporting rests on a questionnaire that covers all 27 of the Group's representative studios. Trade offices represent 1.41% of the workforce and are excluded from the reporting scope but are taken into account in the overall coverage rate and in the carbon emissions report. In certain cases, the indicators are not available for the entirety of the Group's scope. As such, the reports will point out the limited scope by indicating the areas concerned.

2.1.4.1.3 Reporting Principle

The Group's Administrative Department in charge of managing and coordinating the non-financial reporting has devised a reporting framework. This framework:

- defines a list of quantitative and qualitative indicators;
- specifies the definitions of the indicators;
- outlines the rules for collecting and calculating the indicators.

This reporting framework serves as a reference for the Administrative Department, which is based at headquarters and which is responsible for this information and for its use. This Department is in charge of communicating with its local representatives or correspondents with a view to collecting the required information.

The existing procedure aims to ensure that the information collected is available, consistent and documented.

Clarification of Information Collection Methods:

Social and societal indicators are collected using a report in the form of an Excel spreadsheet that is transmitted to all local HR departments.

Environmental indicators are collected with the help of questionnaires that are sent to different local sites.

Consolidation

Social, societal and environmental indicators are transmitted by the Group's bodies to the Group's Administrative Department, who consolidates and ensures their coherence.

2.1.4.2 Human Resources

Without the talent and passion of its teams, Gameloft could not be a major global player in digital and social game publishing. It is thanks to our employees' continuing excellence and sense of detail that we are able to offer high-quality products to millions of fans worldwide.

In order to remain on the cutting edge of innovation, Gameloft has developed unique know-how for attracting and retaining the best talent in the video game industry from all over the world.

Talent management is therefore a strong strategic focus for the Group.

2.1.4.2.1 The Market's Top Development Operation

At 31 December 2013, Gameloft employed 6,391 people⁸ around the world. More than 5,200 employees work exclusively on video games for mobile phones.

At this point, the company has at its disposal all the internal development teams necessary to launch around 15 high-quality games on mobile platforms each year.

After an important recruitment effort over the previous two fiscal years, Gameloft stabilised its workforce in 2013.

During the first quarter of 2013, Gameloft proceeded to close its production studio in Hyderabad, India and its testing department in Manila in the Philippines. The company proceeded with this restructuring of its production facilities in order to take into account the major changes that took place in its market over the last two years, and most notably the advances in feature phone and smartphone technology. In particular, the Group's needs in terms of porting and testing noticeably diminished due to the increasing standardisation of mobile phones and their operating systems.

To our knowledge, there is no other company in the mobile game industry that possesses a production and distribution capacity approaching that of Gameloft. 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 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.

Gameloft's strategic international presence through its 27 production sites allows it to attract well-established industry professionals from around the world.

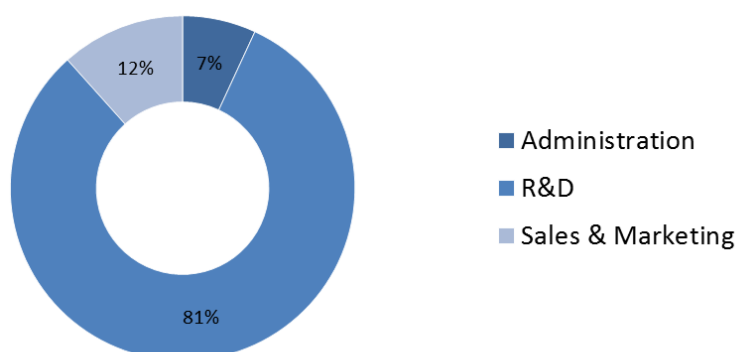
As of 31 December 2013, the worldwide workforce is divided up as follows:

- *Breakdown by department:*

⁸ The workforce is comprised of all employees hired to the workforce at 31 December, regardless of the length of their employment contracts. Interns, temporary workers, and employees from external companies are not taken into account.

	31/12/11	31/12/12	31/12/13
Administration	331	405	438
Sales & Marketing	538	624	739
Research & Development	4,592	5,192	5,214
Total	5,461	6,221	6,391

Breakdown of the Workforce by Department



2.1.4.2.2 Attracting and Retaining Talent

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.

2.1.4.2.2.1 School Relations and Employer Brand Representative

Gameloft's companies maintain long-term partnerships with higher-education institutions and the education community. Gameloft's general policy is to allow the Group's companies to lean on Gameloft's employer brand for their own recruitment, whether in volume or quality. A number of joint arrangements were made locally by the Group's companies with higher-education institutions and universities.

These partnerships take on different forms: exclusive announcements, open houses, employee involvement in the curriculum, participation in graduation juries, Group presentations in the auditorium, organising contests, etc.

In France, Gameloft donates part of its apprenticeship tax to target schools.

Partnership Example: Supinfogame

Supinfogame is a video game school that provides training in creation: Art, Game Design, Programming and Project Management. The quality of its curriculum is recognised worldwide because the school's graduates occupy positions of responsibility at the heart of several international leaders in the video game market, including Gameloft.

In order to reinforce the ties between Gameloft and this school, several highlights punctuate the university calendar: a Group presentation in the auditorium, the organisation of an intensive double week, collective recruitment session for students in their final year, involvement by ambassadors at the heart of the curriculum to pass on their knowledge, participation in graduation juries, etc.

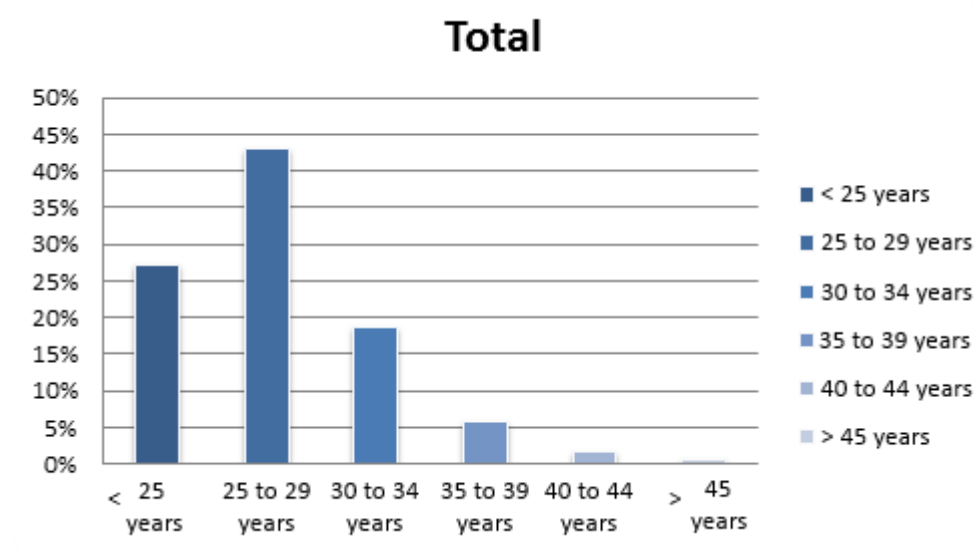
These different actions have allowed Gameloft to reinforce its employer brand among the school's students. As a result, some of them are selected and integrated into our studios as part of an end-of-studies internship, and are then hired.

Gameloft is seeking to attract increasingly creative talent that's capable of thinking outside the box and of adapting to rapidly changing conditions. These partnership schools allow the creation of a veritable breeding ground of talent.

The average age is 27 and a half years, while the video game industry itself is barely 30 years old.

The weak representation of older age brackets is due to the recentness of the Group's founding.

2013 Age Bar Graph within the Gameloft Group⁹



2.1.4.2.2.2 Supporting Individual Development

Our growth rests in part on the development of our expertise.

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

Hands-on learning aside, Gameloft employees benefited from 153,479 hours of training in 2013, divided as follows:

Type of Training	Number of Hours	Percentage
Programming	58,461	38.09%
Basic skills	56,099	36.55%
Language courses	15,165	9.88%
Quality Assurance (QA)	11,322	7.38%
Management, project management	4,224	2.75%

⁹ The New Zealand-based workforce was not taken into account in accordance with the legal provisions in effect in that country.

Reception, integration	4,031	2.63%
Interpersonal training	2,786	1.81%
Internal procedures	401	0.26%
Health and safety	703	0.46%
Customer Care	168	0.11%
HR, accounting, legal	120	0.08%
Grand Total	153,479	100%

36.55% of training provided in 2013 concerned the acquisition of basic skills. This training allows employees to acquire the knowledge, know-how and aptitudes necessary to keep their jobs.

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

During these first weeks, these programmes allow new recruits to meet key contacts, acquire an understanding of the jobs, the challenges to overcome, and the company's expectations.

These actions also comply with Gameloft's desire to supplement the knowledge of candidates who were essentially recruited right after their university courses.

Montreal Example

When a new employee arrives at the Montreal studio, the recruit is given a custom training programme.

Along with the employee, the HR team defines the goal of the training according to their career path and their job at Gameloft. The two parties together determine the content of the training, the methods of apprenticeship and the educational tools to implement, as well as the associated evaluation methods.

This training plan is also put in place to guide employees during professional development.

In-house trainers are selected according to their levels of experience and expertise. These programmes are greatly appreciated by the employees and by the trainers who, in this way, are able to pass on their skills. The training favours rapid integration within the different teams and is seen as one of the tools for retaining talent.

This integration programme is rounded out by a mentorship programme. This plan allows employees to listen, ask questions and understand in a less formal manner. The mentor can give objective advice on the experience, on the learning process and on ways of creating a network within the Group.

Training courses in programming also constituted an important focus in 2013, since more than 38% of training hours in 2013 concerned this field. The Group develops innovative games for all the digital platforms of tomorrow. This goal rests in large part on our knowledge of various technologies. As a result, Gameloft's teams know how to create games for more than 3,000 different models of smartphones and tablets, and 350 telephone models.

The language courses are a testament to the Group's international dimension.

In addition, the hours of QA training demonstrate Gameloft's desire to offer the best experience to consumers, no matter the platform. The quality of its creations is part of the Group's DNA; this characteristic is even more important in a context where social and digital video games become a comprehensive service.

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

As an example, jobs related to monetisation have appeared since the adoption of the Freemium model.

Within the framework of this rapid and permanent change, workshops have started to complement traditional training plans.

Workshops help employees to get to know the company, to acquire knowledge and expertise, to have exchanges with managers and peers, and to develop their networks.

These moments favour collaborative work and the sharing of best practices.

Monetisation Workshop Example

Monetisation is at the heart of Gameloft's strategic challenges. Very little training in the market addresses this issue. This is why four workshops were organised on the subject in 2013 within the Group: one in San Francisco during the Game Developers Conference, which brought together Monetisation Directors and the heads of different positions within the Group, and three on each continent, which brought together the Monetisation Director and the Game Monetisation Managers. The curriculum for these workshops went beyond the simple act of team building.

Over the course of the workshops, each person shares their best practices and learns about different cross-platform tools as well as global issues (acquisition of players, CRM, etc.).

These collective work sessions are strongly appreciated by the participants, who come out of the experience motivated.

Gameloft actively supports the professional development of its talent by offering them numerous career opportunities.

In this framework, our managers, in association with Human Resources, play a key role in detecting and revealing talent.

The managers identify key talents in order to offer them paths and prospects that are in line with their ambitions.

One of Gameloft's challenges is 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 to the rapid acquisition of responsibility in an international environment.

Our compensation policy is also aimed at retaining our talent.

2.1.4.2.2.3 An Appealing Compensation Policy

Facing increasingly tough 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.

The Group's payroll increased by 8.44% in 2013, going from 116,987,000 euros at 31 December 2012 to 126,860,000 euros at 31 December 2013.

2.1.4.2.3 Diversity

The diversity of our talent is one of our greatest resources and is also an opportunity for our employees to open themselves up to the world. This opening manifests itself in different forms: long-distance collaborations, cross-company teams, international assignments, etc.

2.1.4.2.3.1 A Multicultural Group with International Influence

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

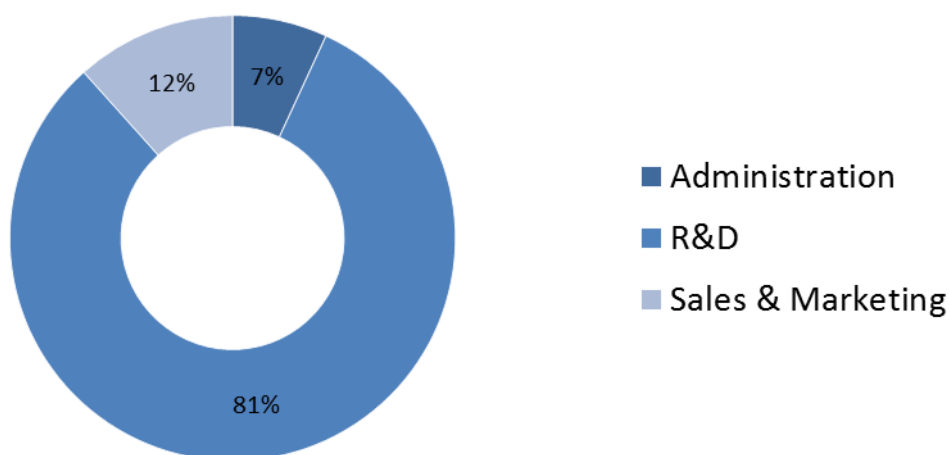
Our business has a foothold on every continent and is made up of a number of structures that operate on a human scale, consisting of several nationalities.

As of 31 December 2013, the worldwide workforce is divided up as follows:

- *Breakdown by geographic region:*

	31/12/11	31/12/12	31/12/13
EMEA	1,066	1,430	1,972
North America	586	641	720
LATAM	487	521	468
APAC	3,322	3,629	3,231
Total	5,461	6,221	6,391

Breakdown of the Workforce by Department



2.1.4.2.3.2 Diversity of Men and Women at Group Level

	Women		Men		Total
Workforce	1,189	18.6%	5,202	81.4%	6,391

More than eight out of ten employees are men. This distribution can be explained by the large number of developers making up the Research and Development teams, who essentially come from a technical background.

Nevertheless, the proportion of women slightly increased as compared to last year. Indeed, women represent 18.5% of the Group's workforce. In addition, women make up more than 47.5% of the Administration teams and 31% (an increase of 3% compared to 2012) of the Sales and Marketing teams.

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 female perspectives.

Women also have access to positions of responsibility. Thus 25% of employees who have the status of Vice-President are women.

Gameloft wishes to pursue this dynamic in the coming years. This desire falls within a larger framework that seeks to combat all forms of discrimination and ensure that the fundamental conventions of the ILO are respected.

2.1.4.2.3.2 Non-discrimination

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.

Thus 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.

In order to encourage the occupational integration of disabled people, Gameloft has signed several partnership agreements with the ESAT ("Etablissement et Service d'Aide par le Travail") for supply contracts in France.

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.

Gameloft believes that the principles of human rights apply to people, nations and, by extension, companies. This is why the Group complies with the conventions of the International Labour Organization (ILO), notably in terms of the effective abolition of forced or compulsory labour and child labour, everywhere that it has activity in the world.

Thus the Group does not recruit minors and each employee receives a salary commensurate to their work.

Respect for diversity and human rights falls within a larger objective that aims to promote well-being in the workplace.

2.1.4.2.4 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.

2.1.4.2.4.1 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.

As far as labour representative bodies are concerned, the Group's companies comply with the legislations in effect in the countries where we are present.

A collective agreement concerning work times, work conditions and paid holidays was signed within the Group in 2013.

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

Teams are regularly informed of company strategy and news through a variety of channels, including internal meetings in all subsidiaries, team seminars, and emails about Gameloft's latest news.

In addition, all of the financial news and information documents published by the Group are available on the gameloft.com website.

2.1.4.2.4.2 Health: An Absolute Priority

Gameloft endeavours to protect the health, both physical and mental, of every employee. Prioritizing in this way allows us to be able to report a remarkably low number of work accidents. Thus only two commuting accidents were declared in 2013. As a result, the levels of accident frequency and severity were non-existent in 2013 since no work-related accidents were reported during the fiscal year. In addition, no work-related illnesses were recorded in 2013.

Some of our studios are equipped with exercise facilities and relaxation rooms, which all of their employees can access for free. These facilities, which are paid for by the Group, address the employees' strong expectations of creating a friendly space at the heart of their work environment.

Some studios have also arranged partnerships with external fitness facilities in order to allow employees to benefit from discounted rates.

In China, sporting associations that bring together several sports (basketball, football, tennis, swimming, badminton) were created. This initiative was met with great success as 40% of employees decided to take part.

2.1.4.2.4.3 An Organisation with Flexible Work Hours

Each of the Group's subsidiaries enforces legal or contractual working hours, which vary from one country to the next.

In spite of the company's size, our priority is to maintain contact between our teams every day. We encourage simple, direct and informal communication adapted to our business segment.

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.

This approach, which relies upon mutual trust, allows us to motivate our employees for whom their jobs are, above all, a passion.

As a result, there has been no notable absenteeism in the company.

In France, the rate of absenteeism for work-related illnesses and accidents¹⁰ was 0.62% in 2013 and 0.20% for other reasons not including paid holidays and TOIL¹¹.

This indicator will nonetheless be the object of a more detailed follow-up on a Group scale in 2014.

Ultimately, we want to ensure that we favour close-knit organisations as much as possible (more than 70% of studios have fewer than 150 employees), open spaces that encourage collaborative work and facilitate communication, with managers who are available for their teams and HR representatives who are close by.

2.1.4.3 Environment: Environmental Indicators

2.1.4.3.1 General Policy on Environmental Matters

2.1.4.3.1.1 General Organisation

The Gameloft Group's environmental impact can be summarized in terms of its production and publication of mobile games for iOS, Android and Java. Considering its activity, the company's impact on the environment remains low.

This year, the Group launched an internal inquest with the different local studios in order to assess their impact on environmental matters. The consolidated data will be analysed in order to distinguish the best practices of certain studios and to confirm their applicability at a Group level.

The standards put in place locally can be organised according to 4 approaches:

- 1 - Determine and identify the areas for improvement to reduce the impact of waste.
- 2 - Determine and identify the areas for improvement related to the use of sustainable resources.
- 3 - Determine and identify the areas for improvement to reduce energy consumption (electricity, heating, air conditioning).
- 4 - Determine and identify the areas for improvement to reduce greenhouse emissions.

2.1.4.3.1.2 Local Organisation

There is no awareness programme at a Group level for environmental questions.

¹⁰ Number of days off for illness and work-related accidents / (average monthly workforce * number of days worked)

Reasons for sick-leave: illness, long-term illness, hospitalisation, medical examination

¹¹ Number of days off for reasons other than paid holidays / (average monthly workforce * number of days worked)

Other reasons for days off: employee's marriage, marriage of family member, death of spouse, death of parent, death of other family member, family event, unpaid leave, recovery

At present, employee awareness is organised locally. In fiscal year 2013, only 5 studios had awareness programs.

The Paris studio is BREEAM certified.

The Auckland studio created a committee related to environmental questions of hygiene and security. Meetings are organised every quarter in order to discuss objectives and methods that can be put in place to make employees aware of environmental issues. Email campaigns are carried out regularly in order to remind employees to turn off their computers and lights in the common areas. Beyond saving energy, the committee also focuses on questions relating to recycling and selective sorting. Several selective-sorting trash cans have been installed in the common areas, and posters explaining the recycling process have been posted throughout the studio.

In Argentina, the Gameloft Cares programme, managed by the Human Resources department, puts different actions in place every month: email campaigns to remind employees to turn off their computers, replacement of plastic cups with Gameloft mugs, replacement of incandescent bulbs with low-energy bulbs, and poster campaigns to save water in the washrooms and to recycle printer paper.

In China, an employee who is a public relations specialist regularly enacts email campaigns reminding employees of the importance of carpooling. In order to increase awareness of environmental protection among employees, several employees participated in the "Earth Hour" event, which consisted of turning off the lights for one hour on 23 March 2013.

In Romania, the Cluj studio actively participated in the "Let's Do It!" programme, which consists of removing garbage from green urban areas. During fiscal year 2013, 20 employees participated in this event and collected 110 bags of garbage.

2.1.4.3.1.3 Provisions and Guarantees

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 and did not pay any indemnity in this respect during the fiscal year.

2.1.4.3.2 Pollution and Trash Management

2.1.4.3.2.1 Air, Water and Soil Emissions

As part of its activity, the risk of direct emissions by the Group into the air, water or soil that would seriously harm the environment appears to be non-existent.

2.1.4.3.2.2 Trash Management

Gameloft has identified 4 categories of trash that are linked to its activity.

- Paper
- Computer equipment
- Used telephones
- Other consumables (batteries, cartridges, plastic garbage)

For the most part, the Group's trash is thrown out or recycled.

- Paper: The majority of studios recycle used paper (17 studios in fiscal year 2013)
- Computer equipment: Gameloft actively participates in recycling used computers and electronic equipment. In 2013, 13 studios made use of an external company to recycle their computer equipment. In some cases, computer equipment is directly recovered by the manufacturer.

- Used telephones and tablets: At 31 December 2013, Gameloft took inventory of 34,190 telephones and tablets in all of its studios. As of 2013, the Group authorises the scrapping or recycling of devices that are no longer necessary to the production process. In fiscal year 2013, four studios proceeded to recycle used devices.
- Other consumables: Certain studios have collection points for sorting and recycling waste. These collection points are usually situated in the common areas (cafeteria, breakroom).
 - ✓ Ink cartridges: 17 studios recycle their ink cartridges. These ink cartridges are either sent back to the manufacturer directly (Xerox, HP, etc.) or collected by external service providers who will recycle them. Six studios reuse their ink cartridges by refilling them several times.
 - ✓ Cardboard: Given its activity, the Gameloft studios ship a significant amount of telephones, tablets and computer equipment within the Group itself. As a result, collecting and recycling cardboard is an important issue. In fiscal year 2013, 18 studios recycled their cardboard. Some studios prefer to keep their cardboard in their storage rooms instead of recycling it in order to use it again in future deliveries.
 - ✓ Batteries: 3 studios collect and recycle their batteries thanks to drop-off points situated in strategic locations (front desk, etc.).

In order to limit the use of plastic cups, six studios distributed mugs to their employees.

2.1.4.3.2.3 Noise and Other Forms of Pollution

Due to its activity, Gameloft's direct impact on the environment in terms of noise, olfactory and all other forms of pollution remains low. Moreover, all of our games possess a "mute" function that allows our users to cut the sound when the game launches.

2.1.4.3.3 Use of Sustainable Resources

2.1.4.3.3.1 Water Consumption and Provisioning

Considering its activity, the Group did not identify any important impacts in terms of water stress. Water consumption within Gameloft remains low and is limited to domestic uses (sanitation, cleaning, cooking, etc.). The majority of studios cannot provide details about their water consumption as this is directly included in their rental expenses.

In order to reduce their consumption, some studios put in place different measures such as the use of automatic or induction faucets, as in France, China, and Canada, and the use of ecological, low-flow toilets as in Mexico. The Paris studio is the first to have installed waterless urinals in 2013.

Moreover, in a great many studios, restroom management is the responsibility of the locations' proprietors. Because of this, the studios cannot act directly to change the restroom equipment. In these cases, in order to contribute to the limitation of water consumption in some studios, as in the Philippines and in New Zealand, awareness posters are placed directly in the lavatories.

2.1.4.3.3.2 Usage and Management of Consumables

Gameloft only measures the consumption of paper, since it is the most significant in terms of consumables that are purchased.

Usually the Group considers that paper purchases are consumed over the period.

This consumption can be summed up to bureaucratic use, excluding company brochures.

During fiscal year 2013, the Group took stock of the following paper consumption:

	Paper consumption in kilograms	Number of studios concerned	Representativeness of the studios concerned in terms of the Group's workforce	Paper consumption per employee in kilograms
Paper	6,323	25	97.59%	1.01

Paper consumption represents around 1.01 kg of paper per employee per year. During fiscal year 2013, 6 studios favoured the purchase of recycled paper.

In order to reduce their paper consumption, the studios in Auckland and Montreal opted for a paperless pay-stub management policy; in total, this represented a savings of 1,524 pages for Auckland and 13,257 pages for Montreal.

In order to encourage employees to recycle paper, the studios in New Zealand and Montreal installed paper collectors next to the printers. Other studios in Argentina and Vietnam favoured poster campaigns in which the goal was to limit the consumption of paper and to promote recycling.

Studios in Shenzhen and Montreal put in place authorisation levels on all of their printers in order to limit the number of printings.

2.1.4.3.3.3 Use of Soil

The Group's impact regarding the use of soil remains limited due to the fact that studios are installed vertically in mostly urban areas.

2.1.4.3.4 Electricity Consumption and Recourse to Renewable Energy

Given its activity, Gameloft considers electricity to be its only significant energy source.

During fiscal year 2013, the Group took stock of an electricity consumption of 5,373.65 MW-h, which can be broken down as follows:

	Canada	France	China	Other Countries	Total
Consumption in MW-h during fiscal year 2013	1,146.96	143.83	742.65	3,340.21	5,373.65
Electricity consumption (in %)	21.34%	2.68%	13.82%	62.16%	100%
Workforce (in %)	12.34%	1.86%	17.54%	68.27%	100%

China and Canada are the countries that consume the most electricity. These two countries represent 13.82% and 21.34% of energy consumption, respectively.

Some studios use electricity from renewable energy sources. In this way, 90% of the production of the Auckland studio's service provider, Mercury Energy, comes from geothermal and hydraulic sources. The studios in Canada are also supplied by hydroelectricity. The Montreal studio established a partnership with electricity supplier Hydro Quebec, 98% of whose production comes from hydroelectric dams.

12 studios use energy-efficient bulbs.

During the current fiscal year, the Group has taken stock of several measures that aim to reduce overall energy consumption.

The studios actively communicate on location to spread awareness among employees and to encourage them to save energy. 18 studios have launched email campaigns to remind employees to shut down their computers in the evening and to turn off lights in the common areas.

In order to limit energy consumption, some studios have climate control and heating devices that are automatically shut down at night and on weekends, as in New Orleans. Other studios have assigned one person or team with the task of turning off lights and computers at night. In Beijing, the caretaker ensures that lights are turned off during the day and that computers are shut down at night once the employees have left.

The studio in Da Nang has put in place a computer programme that detects computers that have not been shut down at night. This way, the head of IT can directly lodge a complaint with the relevant employee and his/her supervisor.

The studios in Paris, Chengdu and Barcelona have their washrooms equipped with motion detectors to limit energy consumption in shared areas.

2.1.4.3.1.5. Climate Change

2.1.4.3.5.1 Greenhouse Gas Emissions

As of now, neither the Group nor its studios have put in place a process for optimising their carbon footprint or for measuring their greenhouse gas emissions.

The Group has identified 3 sources of greenhouse gas emissions:

- employee travel
- buildings' energy consumption (2.1.4.3.1.4)
- greenhouse gases emitted by servers managed by Gameloft's suppliers

2.1.4.3.5.2 Employee Travel

Given its activity and the international nature of the Group, employees are required to travel regularly to other locations.

During fiscal year 2013, only eight studios and three commercial offices were able to assess the impact of their travels and measure their greenhouse gas emissions. The information that follows was supplied by their travel agencies.

	Distance (km travelled)	Carbon emissions (in kg)	Carbon emissions (in %)	Workforce respondents (in %)
France¹²	2,819,264	354,342	50.41%	4.54%
Romania¹³	1,256,496	134,304	19.10%	63.83%
Spain¹⁴	132,272	53,332	7.59%	13.06%
Asia (Singapore, Hong Kong,	561,728	79,162	11.26%	1.10%

¹² Representing 1.16% of the Group's workforce

¹³ Representing 16.29% of the Group's workforce

¹⁴ Representing 3.33% of the Group's workforce

Malaysia)¹⁵				
Others (Korea, New Zealand, Argentina)¹⁶	575,868	81,839	11.64%	17.47%
Total	5,345,628	702,979	100%	100%

The activity of the Asian commercial offices and of the head office represented only 1.10% and 4.54% of the workforce that responded, but accounted for 11.26% and 50.41% of the Group's emissions.

As a result, the Group is encouraged to optimise the efficiency of their trips as much as possible:

- limit the amount of employee travel
- favour the use of video and audio conferencing as much as possible The Group created an internal communication tool, GL share, which allows employees in different studios to organise meetings and telephone conferences.

Actions have been taken at a studio-level in order to limit employees' greenhouse gas emissions.

- Most studios are located in downtown areas, close to metro stations and bus stops. Because of this, employees can get to work using public transportation. Only the Indonesian and Vietnamese studios use motorcycles as the main form of transportation, owing to the low quality of public transportation, dense traffic and regular traffic jams.

Some studios, such as Auckland, favour carpooling by offering a reduction in parking fees for those who arrive in groups.

Finally, other studios encourage the use of bicycles by providing spaces as well as secure parking, like in Montreal.

2.1.4.3.5.3 Greenhouse Gases Emitted by Servers Managed by Gameloft's Suppliers

Due to its activity, the Group uses numerous hosting services provided by different service providers. These service providers are situated all over the world and, at present, are not able to measure the Group's (direct or indirect) greenhouse gas emissions.

2.1.4.3.5.4 Adapting to the Consequences of Climate Change

Given its activity, we don't consider Gameloft to be directly affected by the consequences of climate change.

2.1.4.3.5.5 Protection of Biodiversity

During fiscal year 2013, the manager of the Paris studio put in motion several actions that aim to protect biodiversity. The patios were rearranged and aromatic plants and market gardens were planted.

2.1.4.4 Societal

Gameloft commits itself socially by working with a whole series of stakeholders to create a sustainable future for everyone.

2.1.4.4.1 A Company that Listens to Its Customers

Gameloft designs its games to offer the best experience to consumers, no matter the platform.

¹⁵ Representing 0.28% of the Group's workforce

¹⁶ Representing 4.46% of the Group's workforce

Within the framework of the creation process, we bring together consumers from several countries during focus groups in order to take into account their opinions.

During these test sessions, the participants have the chance to play an exclusive game that's in production. When questioned, the panel lets us know their opinions on various aspects (graphics, gameplay elements, controls, etc.) and gives the game an overall score. A report is then generated and sent to the team in charge of the relevant game's creation in order to ensure that customer expectations are met.

In terms of player relations, Gameloft strives to be present on all channels through which consumers express themselves. On social networks, the community managers create relationships by offering content that is rich, varied and exclusive, and by choosing a tone and message that is adapted to each type of player, from mass-market games to games that appeal to more seasoned players. The regular appearance of new social networks drives the company to constantly revamp its communication methods. Finally, the customer support service has many channels: a standard phone service is in place for more than 15 languages all over the world; on a daily basis, dedicated teams take charge of customer requests from online discussion forums and from emails as quickly as is possible, all while providing clear and thorough responses.

Gameloft respects the standards and legislations in force for mobile games related to keeping its customers informed and ensure their safety. The Group respects the Children Online Privacy Protection Act (COPPA), which has as its objective to protect the collection and use of personal data belonging to minors of less than 13 years of age who reside in the United States or in one of the American territories. In order to conform to COPPA regulations, mobile games that are sold to American residents contain, on the one hand, a pop-up that asks the game's user to specify their date of birth during the game's launch, and on the other hand, a specific notice directed at parents to warn them that the game can collect the user's personal information and can allow in-app purchases. In cases where a user is identified as a minor of less than 13 years of age, access to social networks that are available in the game will be automatically deactivated if the user's parents do not provide written consent.

2.1.4.4.2 Territorial, Economic and Social Impacts

For a company like Gameloft, the coexistence of two contrasting macroeconomic contexts in the countries where its studios are located -- developed countries on the one hand and emerging countries on the other -- constitutes a real challenge.

Gameloft wishes to participate in the local economic life near studios where the Group is established by recruiting the majority of its employees from the surrounding employment area. In this way, Gameloft contributes to market and employment development, and to the economic development in general, of several regions around the world.

2.1.4.4.3 Human Rights

Respect for rights and freedoms is part of Gameloft's fundamental values. The Group combats all forms of discrimination, harassment, all manner of forced labour and child labour, and all breaches of the freedom of association. Gameloft's policy aims to respect the right to work in all countries in which it is established and to take into account the fundamental conventions of the International Labour Organization (ILO) on this subject.

When they are welcomed into the company, each employee is reminded of the basic principles by bringing to their attention the fundamental texts and regulatory texts in their local context.

2.1.4.4.4 Subcontracting and Suppliers

Due to its activity and its internationalization, purchases are usually made locally. The high technical and technological content (powerful computers) of our needs and of our purchases mean that the ecological criterion cannot be held as the primary criterion when choosing a supplier.

On the other hand, when it comes to choosing office supplies, Gameloft mainly chooses certified paper (PEFC in the Paris studio).

2.1.4.4.5 Actions Taken to Prevent Corruption

Gameloft operates in an industry in which corruption is not considered to be a major concern. No significant risk was identified, which is why there was no action implemented to prevent corruption in 2013.

2.1.4.5 Report from Independent Third-Party Entity on Consolidated Social, Environmental and Societal Information Appearing in the Management Report

Dear Shareholders,

In our capacity as an independent third-party entity, whose admissibility of the application for accreditation was accepted by Cofrac, and as a member of the Gameloft auditor's network, we present to you our report on the consolidated social, environmental and societal issues for the fiscal year ended 31 December 2013, presented in the management report (hereinafter the "CSR Information"), in application of the provisions of Article L.225-102-1 of the French Commercial Code.

Company Responsibility

The Board of Directors must prepare a management report containing the CSR information outlined in Article R.225-105-1 of the French Commercial Code, in compliance with the company's internal reporting standards (hereinafter "Reference Document"), a summary of which appears in the management report.

Independence and Quality Control

Our independence is defined by the regulatory documents, our profession's code of conduct, as well as the provisions outlined in Article L.822-11 of the French Commercial Code. Moreover, we have put in place a system of quality control that contains documented policies and procedures that aim to ensure compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent Third-Party Entity Responsibility

It is our task, on the basis of our work:

- to attest whether the required CSR Information is present in the management report or, if not present, whether an appropriate explanation is given in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Attestation of Presence of CSR Information);
- to provide limited assurance on whether the CSR Information, taken as a whole, is fairly presented, in all significant aspects, in accordance with the Reference Document (Limited Assurance on CSR Information).

Our work was performed by a team of 3 to 5 people between December 2013 and March 2014 for a duration of about 13 weeks. To assist us in our work, we called on our CSR experts.

We performed the work described below in accordance with professional standards applicable in France and with the 13 May 2013 decree determining the methods by which the independent third-party entity can conduct its work.

1. Attestation of Presence of CSR Information

We obtained an understanding, based on interviews with the management of relevant departments, of the strategy for sustainable development in terms of the social and environmental consequences related to the company's activity and its social commitments, as well as, where appropriate, corresponding actions or programmes.

We have compared the CSR Information presented in the management report with the list provided in Article R.225-105-1 of the French Commercial Code.

In cases where certain consolidated information was absent, we have verified that explanations were provided in accordance with the provisions in Article R.225-105, paragraph 3, of the French Commercial Code.

We verified that the CSR Information covered the consolidated areas, namely the company and its subsidiaries, as outlined in Article L.233-1, and the companies it controls, as outlined in Article L.233-3 of the French Commercial Code, with the limitations specified in the note on methodology in paragraph "Note on Methodology" of the management report.

Based on this work, and taking into account the limitations mentioned above, we confirm the presence in the management report of the required CSR Information.

2. Limited Assurance on CSR Information

Nature and Scope of the Work

We performed around 5 interviews with the people responsible for the preparation of the CSR Information, with management in charge of the data collection process and, where applicable, with the people responsible for internal control processes and risk management, in order to:

- assess the suitability of the Reference Document in terms of its relevance, completeness, reliability, neutrality, and clarity, taking into consideration, where relevant, the industry's best practices;
- verify that a process was implemented for the collection, compilation, processing and control of the CSR Information to ensure its completeness and consistency, and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information in relation to the company's characteristics, the social and environmental issues related to its activities, its strategy for sustainable development, and the industry's best practices.

For the CSR Information which we considered the most important¹⁷:

- at the level of the consolidated entity and entities, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;

¹⁷ Workforce and breakdown by age, gender and geographic region, number of training hours, diversity of men and women at Group level, consumer safety.

- at the level of the representative selection of sites that we chose¹⁸ based on their activity, their contribution to the consolidated indicators, their location, and a risk analysis, we conducted interviews to verify the correct application of procedures and to identify possible omissions, and conducted detailed tests based on samples, which consisted of verifying the calculations that were made and connecting the data to the supporting documents. Therefore, the sample selected represented 41% of the workforce.

For the other consolidated CSR Information, we assessed its consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided related to, if necessary, the total or partial absence of certain information.

We consider that the sample methods and sample sizes that we employed by exercising our professional judgement allow us to express a limited-assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

¹⁸ Gameloft Vietnam and Gameloft SRL (Romania) completed interviews, mainly for the "Diversity of Men and Women at Group Level" and "Consumer Safety" information.

Reservation

The lack of traceability in terms of documentation related to training hours entails some uncertainty regarding the data reported.

Conclusion

Based on our work, and with the above reservation, we have not detected any significant anomaly that would cause us to doubt that the CSR Information, taken as a whole, has been fairly presented in compliance with the Reference Document.

Observation

Without calling into question our conclusion above, we draw your attention to the following point: The documentation for certain definitions used to establish reporting practices still needs to be completed.

Courbevoie, 16 April 2014

Independent Third-Party Entity

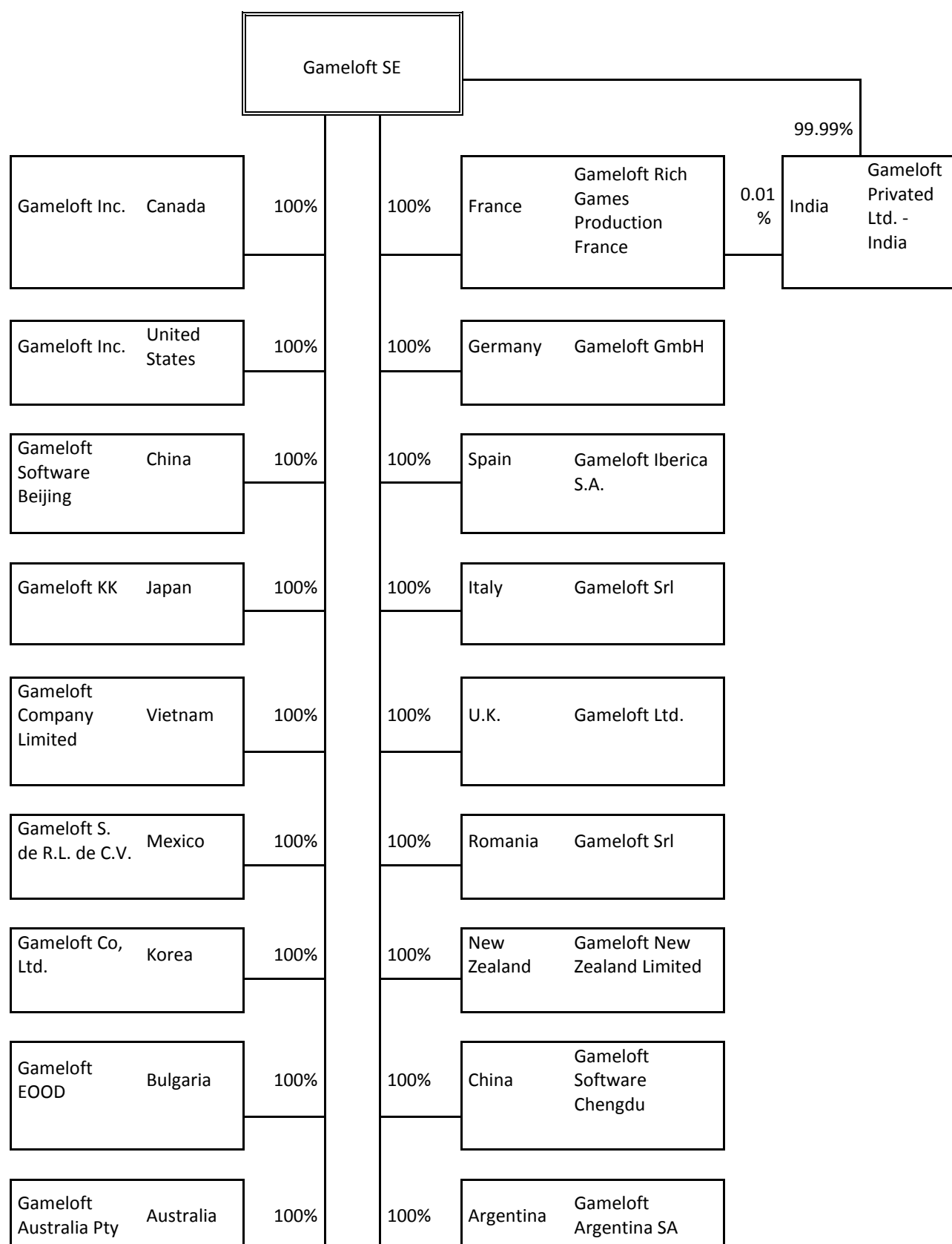
MAZARS SAS

SIMON BEILLEVAIRE – ASSOCIATE

EMMANUELLE RIGAUDIAS – CSR DEPARTMENT AND SUSTAINABLE
DEVELOPMENT ASSOCIATE

2.1.5 Subsidiaries and Equity Capital Holdings

2.1.5.1 Organisational Chart as of 31 December 2013



Ltd.					
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. Ltd.
PT Gameloft Indonesia	Indonesia	100%	100%	Hungary	Gameloft Hungary Kft.
Gameloft Toronto	Canada	100%	100%	United Arab Emirates	Gameloft FZ-LLC
Gameloft SDN. BHD	Malaysia	100%			

2.1.5.2 Change over the Fiscal Year

The company created two new companies, one in Kuala Lumpur, Malaysia (Gameloft SDN. BHD), and the other in Dubai, United Arab Emirates (Gameloft FZ-LLC). The share capital of these two subsidiary companies is 100% held by Gameloft SE. Gameloft Software Shanghai was liquidated during this period.

2.1.5.3 Subsidiary Activities

Subsidiaries (in thousands of euros)	Fiscal Year Ended 31/12/13		Fiscal Year Ended 31/12/12	
	Revenue	Profit/Loss	Revenue	Profit/Loss
Production Activity				
Gameloft Rich Games Production France	2,709	97	2,644	27
Gameloft Ltd. Vietnam	12,981	454	12,154	356
Gameloft Software Chengdu	5,811	20	5,209	130
Gameloft Software Shenzhen Co. Ltd.	1,950	-232	1,535	-74
Gameloft Toronto	3,416	201	4,178	199
Gameloft Hungary Kft. (Hungary)	1,212	8	422	14
Distribution Activity				
Gameloft GmbH Germany	306	24	36	-240
Gameloft SRL (Italy)	2,180	-22	2,963	20
Gameloft Partnerships	1,921	69	2,476	51
Gameloft Pte Ltd. (Singapore)	320	-2	484	75
Gameloft Privated Ltd. - India	2,232	-469	3,117	95
Gameloft LTD. (England)	2,476	64	2,355	46
Gameloft Limited (Hong Kong)	291	54	202	4
Gameloft Live	891	25	654	19
Gameloft Live Divertissements	903	54	834	41
Gameloft Do Brasil Ltd.	11,083	749	10,545	-611
Gameloft Sro (Czech Republic)	-	-47	-	6
Ludigames	2	-5	15	-2
Gameloft SDN. BHD	24	1		
Gameloft FZ-LLC	-	-88		
Gameloft Venezuela	873	-5	545	12
Mixed Activity				
Gameloft Inc. – Canada	24,248	1,384	21,871	1,084
Gameloft Inc. United States	51,163	-216	44,222	1,626
Gameloft Iberica S.A. (Spain)	11,845	226	10,022	358
Gameloft SRL (Romania)	18,299	467	13,643	420
Gameloft Software Beijing (China)	11,479	301	10,900	748
Gameloft WSHT	1,248	-10	807	142
PT Gameloft Indonesia	4,079	232	4,085	121
Gameloft KK (Japan)	1,867	-1,915	8,383	2,582
Gameloft Australia Ltd.	727	7	785	23
Gameloft EOOD – Bulgaria	4,777	218	2,845	120
Gameloft Argentina	14,282	7,274	14,487	7,968
Gameloft Co, Ltd. – Korea	4,717	28	6,707	461
Gameloft R.L. de C.V.	20,830	816	20,247	22
Gameloft LLC	3,467	169	3,213	112
Gameloft Philippines	2,375	80	3,408	-151
Gameloft New Zealand	6,054	129	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 and Shenzhen in China; Gameloft Argentina; Gameloft Ltd. Vietnam; Gameloft LLC in Ukraine; 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 30 people as of 31 December 2013.

2.1.6 General Information

2.1.6.1 Investment Policy

Gameloft has pursued a sustained 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, and assets being sold or discontinued businesses.

€K	Non-current Assets		
In 2013	Intangible Assets	Tangible Assets	Financial Assets
EMEA	2,669	1,590	242
North America	2,907	12,333	449
LATAM	18	444	19
APAC	40	1,247	556
Total	5,635	15,614	1,267

€K	Non-current Assets		
In 2012	Intangible Assets	Tangible Assets	Financial Assets
EMEA	8,707	1,938	1,208
North America	2,006	1,436	880
LATAM	5	340	259
APAC	167	2,522	790
Total	10,885	6,237	3,137

Investments are completely financed internally. Gameloft generated more than 4.7 million euros of net cash in 2013, excluding the purchase of own shares in the amount of 6.2 million euros.

Non-current assets are presented here by segment based on their geographic location.

€K	Non-current Assets	
	31/12/13	31/12/12
EMEA	7,792	11,649
North America	18,776	8,148
LATAM	763	722
APAC	4,009	5,691
Total	31,340	26,210

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 46.6% 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 220 different models of feature phones and 15 languages supported by the company, as well as the 4,000 models of smartphones. 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 of 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, two Gameloft partners represented a significant part of the company's revenue in 2013. In fact, the companies Apple and Google generated almost 32% and 13%, respectively, of the Gameloft Group's pre-tax revenue during fiscal year 2013. 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 54% and 60% of the Gameloft Group's pre-tax revenue for fiscal year 2013.

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 licensed 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 research and development by the company represents 46.6% 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 and recognises significant grants: In 2013 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 both the Children's Online Privacy Protection Act, or "COPPA", and 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 partnership contracts with brands 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 44% of sales in 2013, including 4% 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:

	31/12/13		31/12/12	
	Average Rate	Closing Rate	Average Rate	Closing Rate
US dollar	1.328	1.379	1.286	1.319
Canadian dollar	1.368	1.467	1.285	1.314
Pound sterling	0.849	0.834	0.811	0.816
Japanese yen	129.660	144.720	102.621	113.610
Argentine peso	7.279	8.984	5.849	6.488
Mexican peso	16.964	18.073	16.909	17.184
Brazilian real	2.867	3.258	2.510	2.704
Korean won	1,453.856	1,450.93	1,448.195	1,406.23
Australian dollar	1.377	1.542	1.241	1.271

Exposure of operating assets and liabilities in the main currencies:

31/12/13 Currency	Assets (1) (€K)	Liabilities (2) (€K)	Net Exposure before Hedging (€K)	Rate-Hedging Instruments	Net Exposure after Hedging (€K)
Euro	21,779	24,394	-2,615	-	-2,615
USD	19,045	7,149	11,896	-	11,896
CAD	10,913	4,309	6,604	-	6,604
Argentine peso	5,438	2,533	2,905	-	2,905
Brazilian real	3,104	728	2,376	-	2,376
Mexican peso	4,540	1,405	3,135	-	3,135
Other currencies	18,555	5,149	13,406	-	13,406
Total	83,374	45,667	37,707	-	37,707

- (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

Financial risk-sensitivity regarding exchange rates:

31/12/2013 (in €K)	Impact on Profit/Loss before Tax		Impact on Equity Capital before Taxes	
	Increase of 1%	Decrease of 1%	Increase of 1%	Decrease of 1%
Investments				
Brazilian real	-5	+5	-120	+122
Argentine peso	-0	+0	-45	+45
Total	-5	+5	-165	+167

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 2013, 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. At 31 December 2013, 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 the civil liability of company directors and executive directors for these directors in order to assist them in the event of claims made against them.

The overall cost of the Gameloft Group's insurance policy is €355,000.

2.1.8 Off-balance Sheet Commitments

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 €40,557,000 on all current leases.
- Gameloft Divertissements Inc. put in place a line of credit for CAD 4,000,000 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.
- Secured credit facilities amounting to CAD 1,000,000 for Gameloft Entertainment Toronto Inc., from HSBC Bank Canada.
- Gameloft SE has two liquidity commitments toward HSBC with deals made by mutual agreement and dated 7 and 17 January 2014 for exchange transactions of US dollars against euros (USD 1.5 million and USD 2 million, respectively).

2.1.9 Events Subsequent to the Close of Year

Given the 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. In this context, the Group had already identified, on 31 December 2012, the part of its cash flow in Argentina that could be put to limited use (see note 3.1.5.5.8 in the appendix to the consolidated accounts of 31 December 2012).

The economic situation in Argentina continued to degrade over the course of 2013 and the beginning of 2014. The measures taken by the Argentinean government regarding the control of exchange operations resulted in the devaluation of its own currency on 24 January 2014 (20% devaluation by the end of January 2014).

In the absence of any reliable information concerning the unofficial exchange rate for fiscal year 2013, the Group continued to use the official exchange rate for the conversion of its Argentinean subsidiary's accounts at 31 December 2013.

No other event is likely to have an impact on the financial statements.

2.2 Year-End Individual Financial Statements at 31 December 2013

2.2.1 Individual Financial Statements of Gameloft SE at 31 December 2013

2.2.1.1 Gameloft SE Balance Sheet at 31 December 2013 (in €K)

ASSETS	31/12/13 Gross €K	31/12/13 Amort./Dep. €K	31/12/13 12-Month Fiscal Year Net €K	31/12/12 12-Month Fiscal Year Net €K
Intangible assets	58,640	54,185	4,455	8,636
Tangible assets	6,421	5,261	1,160	1,292
Financial assets	13,249	1,277	11,972	12,037
Long-term assets	78,310	60,724	17,587	21,964
Trade receivables and related accounts	129,195	1,625	127,570	123,016
Other receivables	45,548	1,308	44,240	22,397
Short-term investment securities	-	-	-	-
Cash on hand	21,674	-	21,674	18,648
Current assets	196,418	2,933	193,484	164,061
Accruals	8,732		8,732	3,628
Total assets	283,460	63,657	219,803	189,654

LIABILITIES	31/12/13 12-Month Fiscal Year €K	31/12/12 12-Month Fiscal Year €K
Capital	4,201	4,091
Premiums	88,553	85,669
Reserves	-5,046	-5,707
Fiscal year profit/loss	9,441	661
Shareholders' Equity Capital	97,150	84,714
Provisions for contingencies and charges	7,760	3,348
Misc. financial debts (1)	726	674
Trade payables and related accounts	104,307	83,152
Tax and social security liabilities	1,428	1,383
Debts on assets	3,239	6,149
Other debts	3,272	6,995
Total debts	112,973	98,353
Accruals	1,920	3,240
Total Liabilities	219,803	189 654
(1) including partners' current accounts	628	628

2.2.1.2 Gameloft SE Income Statement at 31 December 2013 (in €K)

€K	Fiscal Year 12 Months Ended 31/12/13	Fiscal Year 12 Months Ended 31/12/12
Total operating income	198,949	170,534
Total operating expense	-187,256	-172,723
Operating Profit/Loss	11,693	-2,189
Total financial income (1)	14,538	11,620
Total financial expense (2)	-16,485	-8,635
Net financial income/expense	-1,948	2,485
Profit/loss from ordinary activities	9,745	796
Extraordinary profit/loss	-167	-272
Pre-tax profit/loss	9,578	524
Income tax	137	137
Net fiscal year profit/loss	9,441	661
(1) Income concerning affiliates:	6,544	6,615
(2) Expenses concerning affiliates:	421	1,285

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

Fiscal Year	31/12/09	31/12/10	31/12/11	31/12/12	31/12/13
	12 Months	12 Months	12 Months	12 Months	12 Months
Share capital (€)	3,739,894	3,754,146	3,855,299	4,090,926	4,201,441
No. of ordinary shares	74,797,874	75,082,924	77,105,980	81,818,524	84,028,824
No. of preferred shares	-	-	-	-	-
Maximum no. of shares that may be created	11,821,550	13,933,150	12,921,504	8,586,835	6,331,312
By exercised options	11,101,300	12,486,150	11,769,354	7,347,235	4,004,812
By bonus issues of shares	720,250	1,447,000	1,152,150	1,239,600	2,326,500
By BSPCE subscriptions	0	0	0	0	0
Revenue	96,252	111,121	131,787	165,160	194,854
Profit/loss before tax, profit-sharing, depreciation and provisions	15,301	22,200	21,396	10,843	20,316
Income tax	11	-10	-212	137	-137
Profit-sharing	-	0	0	0	0
Profit/loss after tax, profit-sharing, depreciation and provisions	4,653	9,815	3,050	661	9,441
Dividend payout	-	0	0	0	0
Per share, profit/loss after tax and before depreciation and provisions (€)	0.20	0.30	0.27	0.13	0.24
Per share, profit/loss after tax and depreciation and provisions (€)	0.06	0.13	0.04	0.01	0.11
Dividend allocated to each share	-	-	-	-	-
Average number of employees	30	30	28	37	30
Total payroll	3,898	3,760	3,973	4,067	3,750

Social security taxes and benefits	1,719	1,758	1,782	2,029	1,853
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2.2.3 Proposed Allocation of Profit

Less all expenses, taxes and depreciation, the accounts presented give a positive result of €9,441,176.96.

We propose to allocate the gain of 31 December 2013 as balance carried forward in the amount of €5,147,484.80, as legal reserve in the amount of €214,684.61, and as other reserve in the amount of €4,079,007.55.

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 €6,000, 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 no longer holds any of its own stock at 31 December 2013.

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 2012, the balance of debts to suppliers breaks down by due date as follows:

€K	Trade Payables		Trade Payables on Assets		Total	
	2013	2012	2013	2012	2013	2012
Non-group trade payables						
Payments:						
0 to 30 days	3,404	2,067	499	1,162	3,903	3,229
30 to 60 days	742	659	11	44	753	703
Overdue	707	1,063	8	61	715	1,124
Non-group trade payables	4,853	3,789	518	1,267	5,371	5,056
Intra-group debts	72,751	63,993	189	441	72,940	64,434
GROUP invoices pending	11,924	6,003	0	0	11,924	6,003
Invoices pending	14,779	9,367	2,532	4,441	17,311	13,808
Total accounts payable	104,307	83,152	3,239	6,149	107,546	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. 225-124 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 2013

2.3.2.2.1.1 Share Capital Increase

After exercising share rights attached to stock options, the Gameloft Group's employees applied for 2,847,173 shares during the fiscal year ended 31 December 2013. This capital increase was noted by the Board of Directors during their meetings on 9 July 2013 and 15 January 2014. The company's share capital therefore increased by 142,358.65 euros through the issue of 2,847,173 new shares with a par value of 0.05 euros due to the exercising of share rights attached to stock warrants by the company over the course of the fiscal year ended 31 December 2013.

Moreover, the company's share capital increased by 24,030 euros through the issue of 480,600 new shares with a par value of 0.05 euros following the final allotment of bonus shares for the benefit of the company's employees during the Board of Directors' meeting on 20 September 2013.

2.3.2.2.1.1 Share Capital Decrease

The company's share capital was reduced by €55,873.65 following the cancellation of 1,117,473 of its own shares held by the company during the Board of Directors' meeting on 17 December 2013.

2.3.2.2.1.3 Share Capital at 31 December 2013

At 31 December 2013, Gameloft SE's share capital consisted of 84,028,824 shares, each with a par value of 0.05 euros, for a total of 4,201,441.20 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 2013 renewed the authorisation, previously given by the Combined General Meeting of 19 June 2012, 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 2013

Affected shares: ordinary 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 10 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 2013 is 8,181,852. The total amount that the company can spend to buy back its own shares may not exceed 81,818,520 euros.

Duration of the programme: This share buyback programme is authorised to continue for eighteen months beginning from the Combined General Meeting on 19 June 2013 until 19 December 2014.

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 19 June 2012, the company performed the operations detailed in the table below.

Summary Statement Table

Percentage of own capital held, directly and indirectly, at 19 June 2013:	0.77%
Number of shares cancelled over the previous 24 months:	1,117,473

Number of shares held in the portfolio at 19 June 2013:	630,078
Portfolio's book value at 19 June 2013:	€3,263,978.59
Portfolio's market value at 19 June 2013:	€3,452,827.44

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 eighth resolution, the Combined General Meeting of 19 June 2013 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 500,000 euros, through the issue of shares and/or securities of any kind granting entitlement to the company's capital or granting a right to allot debt securities, with shareholders' pre-emptive rights. 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 ninth resolution, the Combined General Meeting of 19 June 2013 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 500,000 euros, through the issue of shares and/or securities of any kind granting entitlement to the company's capital or granting a right to allot debt securities, with the cancellation of shareholders' pre-emptive rights by public offering. 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 tenth resolution, the Combined General Meeting of 19 June 2013 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 500,000 euros, through the issue of shares and/or securities of any kind granting entitlement to the company's capital or granting a right to allot debt securities, with the cancellation of shareholders' pre-emptive rights by way of an offer as defined in section II of Article L.411-2 of the French Monetary and Financial Code. 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 fourteenth resolution, the Combined General Meeting of 19 June 2013 approved a delegation with the intention of authorising 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 0.5% 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.

5 - In its twelfth resolution, the Combined General Meeting of 19 June 2013 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 the Group's employees and managers. The number of shares that can be subscribed to or purchased may not exceed 0.5% 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 not, to date, made use of such a delegation in order to increase the company's share capital.

6 - In its thirteenth resolution, the Combined General Meeting of 19 June 2013 approved a delegation with the intention of authorising 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 2% 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, as of 19 September 2013, 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 pre-emptive rights	AGM of 19 June 2013	Valid for 26 months starting on the date of said AGM, i.e. until 19 August 2015	Maximum nominal amount of shares that may be issued: 500,000 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 by public offering	AGM of 19 June 2013	Valid for 26 months starting on the date of said AGM, i.e. until 19 August 2015	Maximum nominal amount of shares that may be issued: €500,000	-	-
Delegation to allow the increase	AGM of 19	Valid for 26	Maximum nominal	-	-

of share capital by issuing shares and/or all securities providing access to share capital, without maintaining pre-emptive rights by way of an offer as defined in section II of Article L.411-2 of the French Monetary and Financial Code	June 2013	months starting on the date of said AGM, i.e. until 19 August 2015	amount of shares that may be issued: €500,000		
Delegation to allow the issue of bonus shares of the company to the group's employees and managers	AGM of 19 June 2013	Valid for 38 months starting on the date of said AGM, i.e. until 19 August 2016	The total number of shares that can be allotted as bonus shares may not exceed 2% of the shares comprising the share capital	-	The Board of Directors on 19 September 2013 approved the issue of 1,600,000 bonus shares
Delegation to allow the granting of subscription options and share purchase rights to employees and company managers	AGM of 19 June 2013	Valid for 38 months starting on the date of said AGM, i.e. until 19 August 2016	The total number of shares related to subscription options may not exceed 0.5% of the shares comprising the share capital	-	-
Delegation to decide share capital increase by issuing shares reserved for those enrolled in a group savings plan	AGM of 19 June 2013	Valid for 26 months starting on the date of said AGM, i.e. until 19 August 2015	Maximum nominal amount of the share capital increase is fixed at 0.5% of the share capital as of the date of the Board's decision	-	-

2.3.2.2.4 Potential Capital

At 31 December 2013, the number of subscription options open and not yet exercised reached 4,004,812 and the number of bonus share issues reached 2,326,500.

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 (in €)
Stock options not exercised	4,004,812	200,240.60
Bonus issues of shares	2,326,500	116,325.00
Total	6,331,312	316,565.60

At 31 December 2013, the exercise of all the warrants and options and bonus shares, namely 6,331,312 shares, would result in a potential dilution of 7.53%.

2.3.2.2.5 Share Subscription Options (Plans in Effect at 31 December 2013)

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 31/12/13	21,100	22,100	32,100	89,700	118,490	442,800
Options exercised at 31/12/13	157,000	156,000	108,700	255,897	146,903	1,442,050
Options not yet exercised at 31/12/13	0	0	37,300	0	0	128,300

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 31/12/13	116,400	211,325
Options exercised at 31/12/13	911,731	527,732
Options not yet exercised at 31/12/13	76,119	365,193

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 31/12/13	131,500	242,750
Options exercised at 31/12/13	988,500	404,250
Options not yet exercised at 31/12/13	0	473,000

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 31/12/13	112,750	129,750
Options exercised at 31/12/13	463,000	-
Options not yet exercised at 31/12/13	546,750	992,750

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 31/12/13	220,600
Options exercised at 31/12/13	-
Options not yet exercised at 31/12/13	1,385,400

Information on the employee stock ownership plan

Stock Options or Share Purchases Granted to and Exercised by the Top 10 Non-management Employees	Total number of options granted / shares subscribed to or purchased	Weighted Average Price	Plan Number and Expiration Date
Options granted during the fiscal year, by the issuer and any company authorised to grant the issuer's options, to ten of the issuer's employees and any company in this scope, to those holding the highest number of options thus granted (general information)	474,500	€4,736 and €4,461	Plan Number 13 of 19/09/2016
Options held for the issuer and the aforementioned companies, exercised during the fiscal year by the issuer's ten employees and companies holding the highest number of options thus purchased or subscribed to (general information)	942,700	€3.13	Plan Number 8 of 11/04/2014 Plan Number 9 of 14/05/2015 Plan Number 10 of 01/06/2014 Plan Number 11 of 20/09/2015

2.3.2.2.6 Bonus Issues of Shares (Plans in Effect at 31 December 2013)

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 31/12/13	3,500
Number of shares allotted at 31/12/13	717,250
Total shares at 31/12/13	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 31/12/13	129,750
Number of shares allotted at 31/12/13	603,500
Total shares at 31/12/13	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 31/12/13	68,300
Number of shares allotted at 31/12/13	480,600
Total shares at 31/12/13	0

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 31/12/13	17,500
Total shares at 31/12/13	732,500

Bonus share plans approved in 2013:

	The Gameloft Group's Managers and Employees
Date of the Board of Directors' meeting	19/09/2013
Total number of shares	1,600,000
Total number of recipients	180
of which are managers	5
including 10 top employee allottees	474,500
Date of purchase of shares	19/09/2016
Retention end date – date of transferability	19/09/2018
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 31/12/13	6,000
Total shares at 31/12/13	1,594,000

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 2013 authorised the Board of Directors to issue, at its sole discretion, a share capital increase reserved for French employees, within a maximum limit of 0.5% of the share capital amount 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 2013.

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
31/12/11	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
09/07/13	Share capital increase noted after exercise of stock options in first quarter of 2013	1,148,201	82,966,725	€0.05	€3,464,699.61	€3,522,109.66		€4,148,336.25
20/09/13	Share capital increase noted after final allotment of bonus shares in 2013	480,600	83,447,325	€0.05	-€24,030	€0		€4,172,366.25
17/12/13	Reduction of share capital noted after the cancellation of shares in 2013	1,117,473	82,329,852	€0.05	-€6,146,571.80		-€6,202,445.45	€4,116,492.60
31/12/13	Share capital increase noted after exercise of stock options in second quarter of 2013	1,698,972	84,028,824	€0.05	€5,590,021.82	€5,674,970.42		€4,201,441.20

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 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
January 2013	5.45	4.90	5.18	3,532,328
February 2013	5.39	5.08	5.23	1,720,357
March 2013	5.39	5.05	5.21	1,260,814
April 2013	5.17	4.40	4.84	2,776,517
May 2013	5.68	5.06	5.42	3,492,508
June 2013	5.60	5.05	5.44	2,218,495
July 2013	6.11	5.32	5.72	4,400,717
August 2013	6.51	5.98	6.22	2,107,814
September 2013	7.82	6.48	7.00	5,171,810
October 2013	8.42	7.35	7.86	5,830,016
November 2013	8.35	7.19	7.88	5,517,978

December 2013	8.23	7.40	7.76	2,229,360
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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
US options exercised on 03/01/2007	0.05	44,600	2
W options exercised on 11/04/2008	0.05	147,550	7
US options exercised on 11/04/2008	0.05	98,800	5
F options exercised on 11/04/2008	0.05	536,145	27
W options exercised on 14/05/2009	0.05	644,078	32
W options exercised on 01/06/2010	0.05	913,000	46
W options exercised on 20/09/2011	0.05	463,000	23
Allotment of bonus shares on 20/09/2011	0.05	480,600	24
Cancellation of own shares	0.05	-1,117,473	-56
At 31/12/13	0.05	84,028,824	4,201

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 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%

At 31 December 2013		Capital and Voting Rights		
	Number of Shares	% of Capital	Voting Rights	% of Voting Rights

Guillemot family	10,206,880	12.147%	18,836,359	20.208%
Guillemot Brothers S.E.	4,068,221	4.841%	8,136,442	8.729%
Claude Guillemot	2,148,333	2.557%	4,209,789	4.516%
Michel Guillemot	2,905,043	3.457%	4,957,093	4.932%
Yves Guillemot	110,736	0.132%	163,195	0.175%
G�rard Guillemot	588,525	0.700%	1,157,173	1.241%
Christian Guillemot	60,378	0.072%	71,379	0.077%
Yvette Guillemot	165,644	0.197%	331,288	0.355%
Tiphaine Guillemot	160,000	0.190%	170,000	0.182%
Guillemot Corporation S.A.	68,023	0.081%	68,023	0.073%
Treasury shares	-	0.000%	-	0.000%
Fidelity (FMR)	10,186,984	12.123%	10,186,984	10.929%
DNB Asset Management	4,312,974	5.133%	4,312,974	4.627%
Cyrte Investments	3,991,584	4.750%	3,991,584	4.282%
T. Rowe Price	3,201,341	3.810%	3,201,341	3.435%
Public	52,061,038	61.956%	52,613,775	56.445%
Total	84,028,824	100%	93,211,040	100%

2.3.2.3.2 Distribution of Capital and Voting Rights at 31 March 2014

At 31 March 2014			Capital and Voting Rights			
	Number of Shares	% of Capital	Theoretical Voting Rights	% of Theoretical Voting Rights	Voting Rights Exercisable in GM	% of Voting Rights Exercisable in GM
Guillemot family	10,244,380	12.186%	19,498,245	20.765%	19,498,245	20.772%
Guillemot Brothers SE	4,068,221	4.839%	8,136,442	8.665%	8,136,442	8.668%
Claude Guillemot	2,148,333	2.556%	4,209,789	4.483%	4,209,789	4.485%
Michel Guillemot	2,905,043	3.456%	5,221,479	5.561%	5,221,479	5.562%
Yves Guillemot	148,236	0.176%	200,695	0.214%	200,695	0.214%
Gérard Guillemot	588,525	0.700%	1,157,173	1.232%	1,157,173	1.233%
Christian Guillemot	60,378	0.072%	71,379	0.076%	71,379	0.076%
Yvette Guillemot	165,644	0.197%	331,288	0.353%	331,288	0.353%
Tiphaine Guillemot	160,000	0.190%	170,000	0.181%	170,000	0.181%
Guillemot Corporation S.A.	68,023	0.081%	68,023	0.072%	68,023	0.072%
Treasury shares	31,000	0.037%	31,000	0.033%	-	0.000%
Fidelity (FMR)	10,186,984	12.118%	10,186,984	10.849%	10,186,984	10.852%
DNB Asset Management	4,312,974	5.130%	4,312,974	4.593%	4,312,974	4.595%
T. Rowe Price	3,201,341	3.808%	3,201,341	3.409%	3,201,341	3.410%
Public	56,021,622	66.640%	56,605,359	60.279%	56,605,359	60.299%
Total	84,066,324	100%	93,901,028	100%	93,870,028	100%

To the company's knowledge, no other shareholder owns, directly or indirectly, alone or in concert, more than 5% 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's Holdings outside Thresholds concerning Capital and Voting Rights during Fiscal Year 2013:

- On 15 March 2013, the share capital and voting rights held by Canada Pension Investment Board (One Queen Street East, Suite 2600, PO Box 101, Toronto, Ontario M5C 2W5, Canada) rose above the 1% statutory threshold. Canada Pension 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.
- On 31 May 2013, the share capital held by Cyrte Investments B.V. (Flevolaan 41a, 1411 KC Naarden, The Netherlands) fell below the 5% statutory threshold. Cyrte Investments B.V., acting on behalf of the fund account it manages, then held 4,009,110 Gameloft shares representing as many voting rights, i.e. 4.90% of capital and 4.40% of existing voting rights.
- On 30 July 2013, the share capital and voting rights held by Crédit Agricole S.A. (91-93 boulevard Pasteur, 75015 Paris, France) indirectly through the intermediary Crédit Agricole Corporate and Investment Bank fell below the 1% statutory threshold. Crédit Agricole S.A. no longer held a single Gameloft share, nor voting right.
- On 18 October 2013 the share capital held by Guillemot Brothers S.E. (2 Cresswell Gardens, SW5 OBJ, London, United Kingdom) fell below the 5% statutory threshold. Guillemot Brothers S.E. then held 4,114,715 Gameloft shares representing 8,229,430 voting rights, i.e. 4.93% of capital and 8.86% of existing voting rights.
- On 25 October 2013, share capital and voting rights held by Covéa Finance SAS (8-12 rue de Boissy d'Anglas, 75008 Paris, France) rose above the 1% and 2% statutory thresholds. Covéa Finance SAS,

acting on behalf of the fund account it manages, then held 1,995,562 Gameloft shares representing as many voting rights, i.e. 2.44% of capital and 2.15% of existing voting rights.

- On 15 November 2013, share capital held by DNB Asset Management AS (Dronning Eufemias gate 30, M-12N, 0191 Oslo, Norway), a company subject to Norwegian law, rose above the 5% statutory threshold. DNB Asset Management AS, acting on behalf of the fund account it manages, then held 4,312,974 Gameloft shares representing as many voting rights, i.e. 5.17% of capital and 4.65% of existing voting rights.

2.3.2.3.3.2 Gameloft SE's Holdings outside Thresholds concerning Capital and Voting Rights after the Closing of Fiscal Year 2013:

- On 19 February 2014, share capital and voting rights held by Covéa Finance SAS (8-12 rue de Boissy d'Anglas, 75008 Paris, France) fell below the 2% statutory threshold. Covéa Finance SAS, acting on behalf of the fund account it manages, then held 1,604,032 Gameloft shares representing as many voting rights, i.e. 1.91% of capital and 1.73% of existing voting rights.
- On 11 March 2014, the share of voting rights held by Mr Michel Guillemot rose above the 5% statutory threshold. Mr Michel Guillemot then individually held 2,905,043 Gameloft shares representing 5,221,479 voting rights, i.e. 3.46% of capital and 5.56% 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

The company adheres to the MiddleNext corporate governance code for small and midcaps of December 2009, most notably in the creation of the report prescribed in Article L. 225-37 of the French Commercial Code.

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	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	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	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	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
G�rard Guillemot Director	Incorporation meeting of 1 December 1999	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Marie-Th�r�se 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	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	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	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	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
G�rard Guillemot Executive Vice President Strategy and Development	1 June 2008	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.

Messrs Michel, Claude, Yves, Gérard and Christian Guillemot are brothers and members of the Management and Board of Directors of Gameloft SE and Ubisoft Entertainment SA. 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 SA granted the company an exclusive licence permitting Gameloft SE to market and promote certain trademarks and video games owned by Ubisoft Entertainment SA on mobile feature phones as well as mobile phones and tablets running iOS and Android. 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 President of 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.

Messrs 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 Compensation 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 Mandates and Functions Exercised by Members of the Administrative and Management Bodies

2.4.4.1 Mandates and Functions Exercised within the Gameloft Group

2.4.4.1.1 Mandates and Functions in Effect at 31 December 2013 within the Gameloft Group

Member	Mandates and Functions Exercised within the Gameloft Group
Michel Guillemot	President: Gameloft Partnerships SAS (France), Gameloft France SAS (France), Ludigames SAS (France), Gameloft SRL (Romania), Gameloft Software (Beijing) Company Ltd. (China), Gameloft Software (Chengdu) Company Ltd. (China), Gameloft Software (Shenzhen) Company Ltd. (China) President and Director: Gameloft Inc. (United States), Gameloft Divertissements Inc. (Canada), Gameloft Live Développements Inc. (Canada), Gameloft Entertainment Toronto Inc. (Canada), Gameloft Limited (United Kingdom), Gameloft KK (Japan), Gameloft Company Ltd. (Vietnam), Gameloft Iberica SA (Spain), Gameloft Argentina S.A. (Argentina), Gameloft Private India Ltd. (India),

	<p>Gameloft Co. Ltd. (Korea), Gameloft Ltd. (Hong Kong), Gameloft Philippines Inc. (Philippines), Gameloft Pte Limited (Singapore), PT Gameloft Indonesia (Indonesia), Gameloft New Zealand Ltd. (New Zealand), Gameloft Hungary Software Development and Promotion Kft. (Hungary), Gameloft SDN BHD (Malaysia), Gameloft FZ-LLC (United Arab Emirates)</p> <p>Manager: Gameloft Rich Games Production France SARL (France), Gameloft GmbH (Germany), Gameloft SRL (Italy), Gameloft EOOD (Bulgaria), Gameloft S. de R.L. de C.V. (Mexico)</p> <p>Director: Gameloft Australia Pty. Ltd. (Australia), Gameloft de Venezuela S.A. (Venezuela)</p>
Claude Guillemot	Director: Gameloft Inc. (United States), Gameloft Divertissements Inc. (Canada), Gameloft Limited (United Kingdom), Gameloft Live Développements Inc. (Canada)
Yves Guillemot	Director: Gameloft Divertissements Inc. (Canada), Gameloft Live Développements Inc. (Canada)
Gérard Guillemot	Director: Gameloft Inc. (United States), Gameloft Divertissements Inc. (Canada), Gameloft Live Développements Inc. (Canada)
Christian Guillemot	Director: Gameloft Inc. (United States), Gameloft Divertissements Inc. (Canada), Gameloft Live Développements Inc. (Canada), Gameloft Limited (United Kingdom)

2.4.4.1.2 Mandates and Functions Expired over the Course of the Last Five Fiscal Years within the Gameloft Group

Member	Mandates and Functions Exercised within the Gameloft Group
Michel Guillemot	<p>President: Gameloft Software (Shanghai) Company Ltd. (China)</p> <p>Manager: Gameloft S.P.R.L. (Belgium), Gameloft S.R.O. (Czech Republic)</p> <p>Director: Gameloft Ltd. (Malta), Gameloft Do Brasil Ltda (Brazil)</p>
Claude Guillemot	Director: Gameloft Iberica SA (Spain)
Yves Guillemot	Director: Gameloft Inc. (United States)
Gérard Guillemot	Executive Vice President: Gameloft SA (France)
Claude Guillemot	Director: Gameloft Iberica SA (Spain)

2.4.4.2 Mandates and Functions Exercised outside of the Gameloft Group

2.4.4.2.1 Mandates and Functions in Effect at 31 December 2013 outside of the Gameloft Group

Member	Mandates and Functions Exercised outside of the Gameloft Group
Michel Guillemot	<p>Director and Executive Vice President: Ubisoft Entertainment SA (France), Guillemot Corporation SA (France)</p> <p>Manager and Executive Vice President: Guillemot Brothers SE (United Kingdom)</p> <p>Manager: Advanced Mobile Applications Ltd. (United Kingdom)</p> <p>Director: Guillemot Inc. (United States), Guillemot Limited (United Kingdom), Guillemot Inc. (Canada), Guillemot SA (Belgium)</p>
Claude Guillemot	<p>Chief Executive Officer: Guillemot Corporation SA (France)</p> <p>Director and Executive Vice President: Ubisoft Entertainment SA (France)</p> <p>Manager and Executive Vice President: Guillemot Brothers SE (United Kingdom)</p> <p>Manager: Advanced Mobile Applications Ltd. (United Kingdom)</p> <p>President: Hercules Thrustmaster SAS (France), Guillemot Innovation Labs SAS (France)</p> <p>President and Director: Guillemot Inc. (Canada), Guillemot Recherche et Développement Inc. (Canada), Guillemot Inc. (United States)</p> <p>Manager: Guillemot GmbH (Germany)</p> <p>Director: Ubisoft Nordic A/S (Denmark), Ubisoft Emirates FZ-LLC (United Arab Emirates), Guillemot Limited (United Kingdom), Guillemot Corporation (HK) Limited (Hong Kong), Guillemot SA (Belgium), Guillemot SRL (Italy), Guillemot Romania SRL (Romania), Guillemot Spain SL (Spain)</p> <p>Alternate Director: Ubisoft Entertainment Sweden A/B (Sweden), Redlynx Oy (Finland)</p>
Yves Guillemot	Chief Executive Officer: Ubisoft Entertainment SA (France)

	<p><u>Director and Executive Vice President:</u> Guillemot Corporation SA (France)</p> <p><u>Manager and Executive Vice President:</u> Guillemot Brothers SE (United Kingdom)</p> <p><u>President:</u> Ubisoft France SAS (France), Ubisoft Emea SAS (France), Ubisoft International SAS (France), Ubisoft Montpellier SAS (France), Ubisoft Paris SAS (France), Ubisoft Annecy SAS (France), Ubisoft Production Internationale SAS (France), Nadéo SAS (France), Owlent SAS (France), Ubisoft Motion Pictures Rabbids SAS (France), Ubisoft Motion Pictures Splinter Cell SAS (France), Ubisoft Motion Pictures Assassin's Creed SAS (France), Ubisoft Motion Pictures Far Cry SAS (France), Ubisoft Motion Ghost Recon SAS (France), Ubisoft LLC (United States)</p> <p><u>President and Director:</u> Ubisoft Divertissements Inc. (Canada), Ubisoft Musique Inc. (Canada), Ubisoft Editions Musique Inc. (Canada), Hybride Technologies Inc. (Canada), Ubisoft Toronto Inc. (Canada), Quazal Technologies Inc. (Canada), Studio Ubisoft Saint-Antoine Inc. (Canada), 9275-8309 Québec Inc. (Canada), Ubisoft Nordic A/S (Denmark), Red Storm Entertainment Inc. (United States), Ubisoft Entertainment India Private Ltd. (India), Ubi Games SA (Switzerland)</p> <p><u>Chief Executive Officer and Director:</u> Ubisoft Emirates FZ-LLC (United Arab Emirates)</p> <p><u>Manager:</u> Ubisoft Learning & Development SARL (France), Ubisoft Motion Pictures SARL (France), Ubisoft Mobile Games SARL (France), Script Movie SARL (France), Ubisoft Entertainment SARL (Luxemburg), Spieleentwicklungskombinat GmbH (Germany), Ubisoft GmbH (Germany), Blue Byte GmbH (Germany), Related Designs Software GmbH (Germany), Ubisoft EOOD (Bulgaria), Ubisoft Studios SRL (Italy), Ubisoft SARL (Morocco)</p> <p><u>Vice President and Director:</u> Ubisoft Inc. (United States)</p> <p><u>Executive Director:</u> Shanghai Ubi Computer Software Company Ltd. (China), Chengdu Ubi Computer Software Co. Ltd. (China)</p> <p><u>Director:</u> Rémy Cointreau SA (France), Ubisoft Pty. Ltd. (Australia), Ubisoft SA (Spain), Ubisoft Ltd. (United Kingdom), Ubisoft Reflections Ltd. (United Kingdom), Red Storm Entertainment Ltd. (United Kingdom), Ubisoft Ltd. (Hong Kong), Ubi Studios SL (Spain), Ubisoft SpA (Italy), Ubisoft KK (Japan), Ubisoft Osaka KK (Japan), Ubisoft BV (Netherlands), Ubisoft SRL (Romania), Ubisoft Singapore Pte Ltd. (Singapore), Ubisoft Entertainment Sweden A/B (Sweden), Redlynx Oy (Finland), Guillemot Inc. (United States), Guillemot Limited (United Kingdom), Guillemot Inc. (Canada)</p> <p><u>Manager:</u> Advanced Mobile Applications Ltd. (United Kingdom), Future Games of London (United Kingdom)</p>
Gérard Guillemot	<p><u>President:</u> Longtail Studios Inc. (United States), Longtail Studios Halifax Inc. (Canada), Longtail Studios PEI Inc. (Canada), Longtail Studios Quebec Inc. (Canada)</p> <p><u>Director and Executive Vice President:</u> Ubisoft Entertainment SA (France), Guillemot Corporation SA (France)</p> <p><u>Manager and Executive Vice President:</u> Guillemot Brothers SE (United Kingdom)</p> <p><u>Manager:</u> Advanced Mobile Applications Ltd. (United Kingdom)</p> <p><u>Director:</u> Guillemot Limited (United Kingdom), Guillemot Inc. (United States), Guillemot Inc. (Canada)</p>
Christian Guillemot	<p><u>Manager and Chief Executive Officer (CEO):</u> Guillemot Brothers SE (United Kingdom)</p> <p><u>Director and Executive Vice President:</u> Ubisoft Entertainment SA (France), Guillemot Corporation SA (France)</p> <p><u>President and Director:</u> Advanced Mobile Applications Ltd. (United Kingdom)</p> <p><u>President:</u> Studio AMA Bretagne SAS (France), SAS du Corps de Garde (France), SC AMA Romania S.R.L. (Romania)</p> <p><u>Manager:</u> Guillemot Administration et Logistique SARL (France)</p> <p><u>Director:</u> Ubisoft Nordic A/S (Denmark), Guillemot Inc. (United States), Guillemot Limited (United Kingdom), Guillemot Corporation (HK) Limited (Hong Kong), Guillemot SA (Belgium), Guillemot Inc. (Canada), Guillemot Recherche et Développement Inc. (Canada), Longtail Studios Inc.</p>

2.4.4.2.2 Mandates and Functions Expired over the Course of the Last Five Years outside of the Gameloft Group

Member	Mandates and Functions Exercised outside of the Gameloft Group
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Michel Guillemot	<u>Executive Vice President and Director:</u> Guillemot Brothers SE (France) <u>Director:</u> Chengdu Ubi Computer Software Company Ltd. (China)
Claude Guillemot	<u>Executive Vice President and Director:</u> Guillemot Brothers SE (France) <u>Director:</u> Ubisoft Sweden A/B (Sweden) <u>Alternate Director:</u> Ubisoft Norway A/S (Norway) <u>Alternate Member of the Liquidation Committee and President:</u> Ubisoft Norway A/S (Norway)
Yves Guillemot	<u>President and Director:</u> Chengdu Ubi Computer Software Co. Ltd. (China), Ubisoft Vancouver Inc. (Canada), Ubisoft Holdings Inc. (United States), Ubisoft Canada Inc. (Canada), Ubisoft Arts Numériques Inc. (Canada), L'Atelier Ubi Inc. (Canada) <u>Executive Vice President and Director:</u> Guillemot Brothers SE (France) <u>President:</u> Ludi Factory SAS (France), Ubisoft Books and Records SAS (France), Ubisoft Computing SAS (France), Ubisoft Design SAS (France), Ubisoft Development SAS (France), Ubisoft Editorial SAS (France), Ubisoft Graphics SAS (France) Ubisoft Manufacturing & Administration SAS (France), Ubisoft Marketing International SAS (France), Ubisoft Operational Marketing SAS (France), Ubisoft Organisation SAS (France), Ubisoft Support Studios SAS (France), Ubisoft World SAS (France), Tiwak SAS (France), Ubisoft Finland OY (Finland) <u>Manager:</u> Ubisoft EMEA SARL (France), Ubisoft Art SARL (France), Ubisoft Castelnau SARL (France), Ubisoft Counsel & Acquisitions SARL (France), Ubisoft Gameplay SARL (France), Ubisoft Marketing France SARL (France), Ubisoft Market Research SARL (France), Ubisoft Paris Studios SARL (France), Ubisoft Production Annecy SARL (France), Ubisoft Production Internationale SARL (France), Ubisoft Studios Montpellier SARL (France), Ubisoft Production Montpellier SARL (France), Ubisoft Design Montpellier SARL (France), Ubisoft IT Project Management SARL (France), Ubisoft Innovation SARL (France), Ubisoft Créa SARL (France), Ubisoft Talent Management SARL (France), Ubisoft Services SARL (France), Max Design Entertainment Software Entwicklungs GmbH (Austria), Ubisoft GmbH (Germany) <u>Director:</u> Ubisoft Norway A/S (Norway), Ubisoft Ltd. (Ireland), Ubisoft Sweden A/B (Sweden) <u>Sole Member of the Liquidation Committee and President:</u> Ubisoft Norway A/S (Norway)
Gérard Guillemot	<u>Executive Vice President and Director:</u> Guillemot Brothers SE (France)
Christian Guillemot	<u>Chief Executive Officer and Director:</u> Guillemot Brothers SE (France) <u>President:</u> AMA Studios SA (Belgium) <u>Director:</u> Ubisoft Sweden A/B (Sweden) <u>Vice President:</u> Ubisoft Holdings Inc. (United States) <u>Co-manager:</u> Studio AMA Bretagne SARL (France)

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.

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

Exercise of the options and final awarding of bonus shares granted by the Board of Directors to the company managers are subject to the following conditions, set by the Board of Directors:

- a continuous presence in the Gameloft Group during the entirety of the vesting period, and
- performance conditions that must be satisfied during the vesting period, combining internal performance conditions (goals in terms of marketing new games) and external performance

conditions (development of the Gameloft Group's consolidated annual revenue, compared to the average natural growth rate of its main competitors).

At the start of the acquisition period, the allotted bonus shares will be non-transferable and must be held by the executive directors for a minimum period of two years beginning on the date of the final allotment.

Furthermore, and considering the familial structure of the company's shareholders, the Board of Directors has fixed at 1% the net gain after taxes earned by each of the managers, the amount of company shares that each of them will be entitled to acquire during the availability of bonus shares, and has placed conditions on the purchase of shares by these same executive directors for an amount equal to 1% of the net gain after taxes earned by each during the exercise of stock options.

Summary Table of Compensation Granted to Each Executive Director in 2013

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	761,655	25,000	686,895	165,000	4,163
Claude Guillemot	31,248	25,000	91,183	20,625	4,421
G�rard Guillemot	36,520	25,373	85,862	20,625	4,163
Yves Guillemot	31,248	25,000	91,183	20,625	4,421
Christian Guillemot	31,248	25,000	91,183	20,625	4,421

SUMMARY TABLE OF COMPENSATION AND OPTIONS AND SHARES ALLOTTED TO EACH EXECUTIVE DIRECTOR		
Amounts in Euros	Fiscal Year 2012	Fiscal Year 2013
Michel Guillemot		
Compensations Owed at the Start of the Fiscal Year (in �)	754,696	761,655
Directors' Fees (in �)	25,000	25,000
Valuation of the Options Granted during the Fiscal Year (in �)	-	-
Valuation of Bonus Shares (in �)	304,560	686,895
Total	1,084,256	1,473,550
Claude Guillemot		
Compensations Owed at the Start of the Fiscal Year (in �)	31,248	31,248
Directors' Fees (in �)	25,000	25,000
Valuation of the Options Granted during the Fiscal Year (in �)		-
Valuation of Bonus Shares (in �)	38,880	91,183
Total	95,128	147,431
G�rard Guillemot		
Compensations Owed at the Start of the Fiscal Year (in �)	37,728	36,520
Directors' Fees (in �)	25,304	25,373
Valuation of the Options Granted during the Fiscal Year (in �)		-
Valuation of Bonus Shares (in �)	38,880	85,862
Total	101,912	147,755
Yves Guillemot		
Compensations Owed at the Start of the Fiscal Year (in �)	31,248	31,248
Directors' Fees (in �)	25,000	25,000
Valuation of the Options Granted during the Fiscal Year (in �)		-
Valuation of Bonus Shares (in �)	38,880	91,183
Total	95,128	147,431

Christian Guillemot		
Compensations Owed at the Start of the Fiscal Year (in €)	31,248	31,248
Directors' Fees (in €)	25,000	25,000
Valuation of the Options Granted during the Fiscal Year (in €)		-
Valuation of Bonus Shares (in €)	38,880	91,183
Total	95,128	147,431
GRAND TOTAL	1,471,552	2,063,598

2.4.5.1 Compensation and Benefits of Any Kind Earned by Executive Directors

The compensation of the executive directors consists of fixed compensation. 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 table below includes 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 companies where they exercise their mandate, was 1,017,000 euros, of which 254,000 euros were issued by Gameloft SE.

SUMMARY TABLE OF THE COMPENSATIONS OF EACH EXECUTIVE DIRECTOR								
Amounts in Euros	Fiscal Year 2012				Fiscal Year 2013			
	Amount Owed in €		Amount Paid in €		Amount Owed in €		Amount Paid in €	
	Gameloft SE	Other Compani es	Gameloft SE	Other Compan ies	Gameloft SE	Other Companie s	Gameloft SE	Other Compa nies
Michel Guillemot								
Fixed Compensation	60,000	694,696	60,000	694,696	60,000	701,655	60,000	701,655
Directors' Fees	25,000		25,000		25,000	-	25,000	-
Benefits in Kind	-	-	-	-	-	-	-	-
Total	85,000	694,696	85,000	694,696	85,000	701,655	85,000	701,655
Claude Guillemot								
Fixed Compensation	31,248	-	31,248	-	31,248	-	31,248	-
Directors' Fees	25,000	-	25,000	-	25,000	-	25,000	-
Benefits in Kind								
Total	56,248	-	56,248	-	56,248	-	56,248	-
Gérard Guillemot								
Fixed Compensation	-	37,728	-	37,728	-	36,520	-	36,520

Directors' Fees	-	25,304	-	25,304		25,373		25,373
Benefits in Kind								
Total	-	63,032	-	63,032	-	61,893	-	61,893
Yves Guillemot								
Fixed Compensation	31,248	-	31,248	-	31,248	-	31,248	-
Directors' Fees	25,000	-	25,000	-	25,000	-	25,000	-
Benefits in Kind								
Total	56,248	-	56,248	-	56,248	-	56,248	-
Christian Guillemot								
Fixed Compensation	31,248	-	31,248	-	31,248	-	31,248	-
Directors' Fees	25,000	-	25,000	-	25,000	-	25,000	-
Benefits in Kind								
Total	56,248	-	56,248	-	56,248	-	56,248	-
GRAND TOTAL	253,744	757,728	253,744	757,728	253,744	763,548	253,744	763,548

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

In consideration of the responsibilities assumed, but also of time spent preparing for Board meetings and the active participation of Directors in sessions, 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 euros per year to be distributed among the members of the Board of Directors, until determined otherwise.

TABLE FOR DIRECTORS' FEES AND OTHER COMPENSATIONS RECEIVED BY NON-EXECUTIVE DIRECTORS				
Amounts in Euros	Fiscal Year 2012		Fiscal Year 2013	
Non-executive Directors	Directors' Fees	Other Compensations	Directors' Fees	Other Compensations
Marie-Thérèse Guiny	25,000	-	25,000	-
Total	25,000	-	25,000	-

2.4.5.3 Stock Option and Subscription Plan

Stock Options Granted to Company Executive Directors by the Company during the Fiscal Year:

During the course of fiscal year 2013, no share subscription options were granted to company managers.

Stock Options Granted to Company Executive Directors by the Company during Previous Fiscal Years

STOCK OPTIONS GRANTED TO EXECUTIVE DIRECTORS 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 2013	-	450,000	75,000	300,000	37,500
Cumulative number of cancelled or voided share subscription options	225,000	-	-	-	-
Remaining share subscription options at the end of the fiscal year	-	-	37,500	-	-

STOCK OPTIONS GRANTED TO EXECUTIVE DIRECTORS 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 2013	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

Stock options exercised by the executive directors during the fiscal year

STOCK OPTIONS EXERCISED BY THE EXECUTIVE DIRECTORS DURING THE FISCAL YEAR						
Name of Executive Director	Type of Operation	Plan Number and Date	Date of Operation	Number of Shares	Exercise Price	Amount of Operation
Gérard Guillemot	Transfer	Plan Number 8 of 11/04/2008	06/02/2013	10,000	€2.95	€54,770.00
Gérard Guillemot	Transfer	Plan Number 8 of 11/04/2008	15/05/2013	27,500	€2.95	€151,652.00

2.4.5.4 Bonus Issues of Shares

Bonus Shares Allotted to the Executive Directors by the Company during the Fiscal Year

BONUS SHARES ALLOTTED TO THE EXECUTIVE DIRECTORS BY THE COMPANY DURING THE FISCAL YEAR						
Name of Executive	Plan Date	Number	Date of	Option	Date of	Performance Conditions

Director:		of Shares	Acquisition	Fair Value	Availability	
Michel Guillemot	19/09/2013	165,000	19/09/2016	€4.16	19/09/2018	Internal and external performance conditions
Yves Guillemot	19/09/2013	20,625	19/09/2016	€4.42	19/09/2018	Internal and external performance conditions
Christian Guillemot	19/09/2013	20,625	19/09/2016	€4.42	19/09/2018	Internal and external performance conditions
Gérard Guillemot	19/09/2013	20,625	19/09/2016	€4.16	19/09/2018	Internal and external performance conditions
Claude Guillemot	19/09/2013	20,625	19/09/2016	€4.42	19/09/2018	Internal and external performance conditions
TOTAL		247,500				

Bonus Shares Allotted to the Executive Directors by the Company during Previous Fiscal Years

It should be noted that the final awarding of bonus shares by the Board of Directors to the Executive Directors over the course of previous fiscal years was subject to the acquisition conditions set by the Board of Directors.

BONUS SHARES ALLOTTED TO THE EXECUTIVE DIRECTORS DURING PREVIOUS FISCAL YEARS						
	Plan Number 12		Plan Number 11		Plan Number 10	
Plan Date	06/07/2012		20/09/2011		01/06/2010	
Total number of shares	Allotted	Definitively Allotted	Allotted	Definitively Allotted	Allotted	Definitively Allotted
	2012	2014	2011	2013	2010	2012
- Mr Michel Guillemot	94,000		-	-	-	
- Mr Yves Guillemot	12,000		-	-	-	
- Mr Christian Guillemot	12,000		14,500	14,500	18,750	15,000
- Mr Gérard Guillemot	12,000		14,500	14,500	18,750	15,000
- Mr Claude Guillemot	12,000		14,500	14,500	18,750	15,000
TOTAL	142,000	-	43,500	43,500	56,250	45,000
Date of Acquisition	06/07/2014		20/09/2013		19/06/2012	
Option Fair Value	€3.24		€2.40		€2.44	
Date of Availability	06/07/2016		20/09/2015		20/06/2014	
Performance Conditions	Internal and external performance conditions		Internal and external performance conditions		Internal and external performance conditions	

Bonus Shares That Became Available for Each Manager during the Fiscal Year

Bonus Shares That Became Available for Each Manager	Plan Date	Number of shares that became available during the fiscal year	Acquisition Conditions
Christian Guillemot	21/04/09	18,750	Vesting of the bonus shares is conditional upon the purchase of shares for a volume equal to 1% of the net gain earned after taxes. The date of this acquisition will take place at the moment the shares become available.
Yves Guillemot	21/04/09	18,750	Vesting of the bonus shares is conditional upon the purchase of shares for a volume equal to 1% of the net gain earned after taxes. The date of this acquisition will take place at the moment the shares become available.
Claude Guillemot	21/04/09	18,750	Vesting of the bonus shares is conditional upon the purchase of shares for a volume equal to 1% of the net gain earned after taxes. The date of this acquisition will take place at the moment the shares become available.
Total		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
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.

2.4.6 Operations Referred to in Article L. 621-18-2 of the French Monetary and Financial Code and 223-26 of the General Regulations of the AMF

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	20/09/2013	18,750	€7,0134	€131,501.25
Transfer	18/11/2013	10,702	€8.1172	€86,870.27

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	19/09/2013	20,000	€7.0167	€140,334.00
Transfer	20/09/2013	20,000	€7,0134	€140,268.00
Transfer	23/09/2013	20,000	€7.0692	€141,384.00
Transfer	24/09/2013	20,000	€7.028	€140,560.00
Transfer	25/09/2013	40,000	€7.0367	€281,468.00
Transfer	26/09/2013	5,500	€7.3277	€40,302.35
Transfer	26/09/2013	14,500	€7.4405	€107,887.25

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	06/02/2013	10,000	€2.95	€29,500.00
Transfer	06/02/2013	10,000	€5.1770	€51,770.00
Exercise of stock options	15/05/2013	27,500	€2.95	€81,125.00
Transfer	15/05/2013	27,500	€5.5146	€151,652.00

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	22/02/2013	125,758	€5.316	€668,530.00
Transfer	18/03/2013	4,242	€5.370	€22,780.00
Transfer	14/10/2013	9,000	€7.8155	€70,339.00
Transfer	15/10/2013	30,000	€7.8395	€235,185.00
Transfer	16/10/2013	11,000	€7.8689	€86,557.90
Transfer	18/10/2013	103,506	€7.8743	€815,037.29
Transfer	21/10/2013	46,494	€7.8686	€365,842.68

3. FINANCIAL STATEMENTS

3.1 Consolidated Financial Statements at 31 December 2013

3.1.1 Statement of Consolidated Financial Position at 31 December 2013 (€K)

ASSETS	Notes	Net	Net
		12-Month Fiscal Year	12-Month Fiscal Year
		31/12/13	31/12/12
Intangible assets	3.1.5.5.1	8,146	10,482
Tangible assets	3.1.5.5.2	16,445	9,098
Non-current financial assets	3.1.5.5.3	2,573	2,397
Deferred tax assets	3.1.5.5.4	11,163	12,916
Other non-current receivables	3.1.5.5.5	<u>4,177</u>	<u>4,233</u>
Non-current assets		42,503	39,126
Trade receivables and related accounts	3.1.5.5.6	62,802	59,658
Other current assets	3.1.5.5.7	20,572	20,520
Cash and cash equivalents	3.1.5.5.9	<u>61,797</u>	<u>55,654</u>
Current assets		145,171	135,832
Total assets		187,675	174,958

LIABILITIES	Notes	12-Month Fiscal Year	12-Month Fiscal Year
		31/12/13	31/12/12
Capital		4,201	4,091
Premiums		88,553	85,669
Consolidated reserves, and translation gains and losses		35,973	28,937
Consolidated profit/loss		<u>7,526</u>	<u>9,280</u>
Shareholders' equity capital (group share)	3.1.4	136,253	127,977
Minority Interests			
Total shareholders' equity capital		136,253	127,977
Provisions for contingencies and charges	3.1.5.5.11	112	109
Employee benefits	3.1.5.5.12	622	461
Deferred tax liabilities	3.1.5.5.13	<u>3,553</u>	<u>3,830</u>
Non-current liabilities		4,287	4,400
Financial debts	3.1.5.5.14	1,468	48
Trade payables and related accounts	3.1.5.5.15	29,079	26,220
Other debts and current liabilities	3.1.5.5.16	<u>16,588</u>	<u>16,313</u>
Current liabilities		47,135	42,581
Total liabilities		187,675	174,958

3.1.2 Consolidated Statement of Comprehensive Income at 31 December 2013 (€K)

3.1.2.1 Consolidated Income Statement

	Notes	12-Month Fiscal Year 31/12/13	12-Month Fiscal Year 31/12/12
Revenue	3.1.5.5.17	233,296	208,315
Cost of sales	3.1.5.5.18	-40,540	-32,555
Research & Development costs	3.1.5.5.19	-108,650	-105,085
Commercial expenses	3.1.5.5.20	-36,952	-36,491
Overhead costs	3.1.5.5.21	-21,813	-18,225
Net amortisation and provisions	3.1.5.5.22	-146	-272
Other operating income	3.1.5.5.23	1,066	1,844
Other operating expenses	3.1.5.5.23	<u>-1,364</u>	<u>-1,069</u>
Operating income/expenses from ordinary activities		24,897	16,463
Other operating expenses	3.1.5.5.24	<u>-1,302</u>	<u>-1,613</u>
Operating income/expense		23,595	14,850
Cost of net financial debt		2,094	1,327
Other financial income		7,370	5,869
Other financial expenses		<u>-16,992</u>	<u>-7,730</u>
Net financial income/expense	3.1.5.5.25	-7,529	-534
Tax expense	3.1.5.5.26	-8,541	-5,036
Net profit/loss for the period		7,526	9,280
• Share attributable to minority interests		0	0
• Share attributable to the owners of the Group's parent company		7,526	9,280
Basic earnings per share	3.1.5.3.1.19	0.09	0.12
Diluted earnings per share		0.09	0.11

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

in thousands of euros	31/12/13	31/12/12
Net profit/loss (group share)	7,526	9,280
Other parts of the comprehensive income		
Parts that can later be reclassified as net profit:		
• Translation gains/losses, net of tax	-5,276	-2,402
• Revaluation of derivative instrument coverage		
• Other	-31	-80
• Tax on other parts of the comprehensive income		
Parts not reclassified later as net profit:		
• Actuarial gains and losses related to provisions for retirement benefits, net of tax	-38	
Other parts of the comprehensive income (recorded under shareholder's equity capital and net of tax)	-5,345	-2,482
• of which are group share	-5,345	-2,482
• of which are minority interests		
Comprehensive consolidated income	2,181	6,798

• Share attributable to minority interests	0	0
• Share attributable to the owners of the Group's parent company	2,181	6,798

3.1.3 Consolidated Cash Flow Statements at 31 December 2013 (€K)

€K		12-Month Fiscal Year	12-Month Fiscal Year
	Notes	31/12/13	31/12/12
Cash flow from operating activities			
Net profit		7,526	9,280
Depreciation of tangible and intangible assets		13,355	17,804
Change in provisions		242	-1,415
Change in deferred taxes	3.1.5.5.26	1,682	-294
Income related to stock options and similar	3.1.5.5.21	3,520	3,985
Other non-disbursed expenses	3.1.5.5.1	649	404
Capital gains and losses	3.1.5.5.23	397	347
Cash from operations		27,372	30,112
Change in trade receivables		-9,680	-17,380
Change in operating liabilities		8,252	8,559
Change in operating working capital		-1,428	-8,822
Total operating cash flow		25,944	21,290
Investment-related cash flow			
Purchases of intangible assets		-2,197	-2,584
Purchases of tangible assets		-15,750	-6,097
Purchases of other financial assets		-845	-546
Acquisition of advances on licences		-6,114	-5,536
Sales of assets		77	60
Repayment of deposits, guarantees, and other financial assets		343	353
Other cash flows		-3	
Total investment-related cash flows		-24,490	-14,350
Cash flow from financing activities			
Share capital increases related to stock options and bonus issues of shares	3.1.5.5.10	10,000	13,179
Buyback of own shares		-6,202	
Total net cash flows from financing activities		3,797	13,179
Impact of translation gains and losses		-528	-1,461
Change in net cash		4,723	18,658
Net cash and cash equivalents at start of fiscal year		55,606	36,948
Net cash and cash equivalents at end of fiscal year		60,329	55,606

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

	31/12/13	31/12/12
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Cash and Cash Equivalents	61,797	55,654
Bank overdrafts (included in the current financial debts)	-1,468	-48
Net cash	60,329	55,606

3.1.4 Statement of Changes in Consolidated Shareholders' Equity Capital at 31 December 2013 (€K)

	Capital	Reserves Related to Capital	Consolidat ed 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 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
Consolidated fiscal year profit/loss			7,526					7,526		7,526
Other parts of the comprehensive income				-69		-5,695		-5,764		-5,764
Total comprehensive income			7,526	-69	-	- 5,695		1,762	-	1,762
Share capital increase of the consolidating company	166	9,031						9,197		9,197
Cancellation of own shares	-56	-6,147						-6,203		-6,203
Consolidated N-1 income statement			-9,280	9,280				-		-
Benefits to employees on stock and bonus share subscription					3,519			3,519		3,519
Position at 31 December 2013	4,201	88,553	7,526	18,568	27,200	-9,796	0	136,253	-	136,253

The "translation gains and losses" item includes exchange differentials from conversion of the financial statements of non-eurozone subsidiaries.

Changes in translation gains and losses for fiscal year 2013 mainly consist of:

Currency	Interest Rate at 31/12/2012	Interest Rate at 31/12/2013	Impact on Equity Capital (€K)
Argentine peso	6.48789	8.9838	-2,536
US dollar	1.3194	1.3791	-718
Canadian dollar	1.3137	1.4671	-1,059
Korean won	1,406.23	1,450.93	+62
Pound sterling	0.8161	0.8337	+48
Mexican peso	17.1845	18.0731	-242
Japanese yen	113.61	144.72	+208

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

Gameloft SE is located in France.

Gameloft is listed on the SBF 120 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 2013 have been approved by the Board of Directors on 19 March 2014.

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 9,197,000 euros, of which 9,031,000 euros were issue premiums, and a reduction of share capital through the cancellation of its own shares in the amount of 6,202,000 euros. The share capital reached 4,201,000 euros at the end of December 2013.

- Change in reporting entity:

In 2013, two new companies were created and consolidated in Kuala Lumpur, Malaysia (Gameloft SDN. BHD) and in Dubai, United Arab Emirates (Gameloft FZ-LLC). Gameloft Shanghai was liquidated on 20 December 2013.

- Impact of currency fluctuations on revenue:

Currencies such as the Brazilian real, US dollar, Japanese yen, Venezuelan peso and Argentine peso fell sharply in 2013. This impacted our consolidated financial statements, particularly in terms of revenue, with a negative exchange rate differential of 9,153,000 euros.

- Activity of the Argentine Subsidiary:

Given the 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. In this context, the Group had already identified, on 31 December 2012, the part of its cash flow in Argentina that could be put to limited use (see note 3.1.5.5.8 in the appendix to the consolidated accounts of 31 December 2012).

The economic situation in Argentina continued to degrade over the course of 2013 and the beginning of 2014. The measures taken by the Argentinean government regarding the control of exchange operations resulted in the devaluation of its own currency on 24 January 2014 (20% devaluation by the end of January 2014).

In the absence of any reliable information concerning the unofficial exchange rate for fiscal year 2013, the Group continued to use the official exchange rate for the conversion of its Argentinean subsidiary's accounts at 31 December 2013. The impact of the discrepancy between the official conversion rate and the unofficial conversion rate on the Group's main aggregates at 31 December 2013 is presented below:

In €K	Impact of the discrepancy between official and unofficial conversion rates
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	-20%	-30%	-40%
Revenue	-1,874	-2,594	-3,212
Net profit	-1,014	-1,404	-1,738
Cash assets	-875	-1,212	-1,500
Net asset	-1,381	-1,584	-2,368

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 2013 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_fr.htm.

The group did not apply in advance standards, amendments and interpretations for which application was not mandatory as of 1 January 2013.

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 2013

Standards, amendments and interpretations entering into force at 1 January 2013

- Annual improvements of IFRS international standards for financial information, 2009-2011 cycle.
- Amendment to IFRS 1 – Government Loans
- Amendment to IFRS 7 – "Financial Instruments: Disclosures": Offsetting Financial Assets and Financial Liabilities
- IFRS 13 – Fair Value Measurement
- Amendment to IAS 1 – Presentation of Items of Other Comprehensive Income
- Revision of IAS 19 – Employee Benefits: Defined Benefit Plans
- Amendment to IAS 12 – Income Tax – Deferred Tax: Recovery of Underlying Assets
- IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

The only standards that had an impact on the accounts ended 31 December 2013 are the revised IAS 19 "Employee Benefits" (as presented in section 3.1.5.3.1.4) and the amendment to IAS 1 on the presentation of items of other comprehensive income.

Standards, amendments and interpretations adopted by the European Union for which application is optional for fiscal years starting on 1 January 2013

- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IAS 27 – Separate Financial Statements
- IAS 28 – Investments in Associates and Joint Ventures
- Amendment to IAS 32 – "Financial Instruments – Presentation": Offsetting Financial Assets and Financial Liabilities

These standards or amendments are applicable to reporting periods as of 1 January 2014 and were not foreseen by Gameloft.

Standards, amendments and interpretations published by the IASB and not yet adopted by the European Union at 1 January 2013

- Amendment to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets (effective as of 1 January 2014)
- Amendment to IAS 39 – Notation of Derivatives and Continuation of Hedge Accounting (effective as of 1 January 2014)
- Amendment to IAS 19 – Employee Contributions (effective as of 1 July 2014)
- Annual improvements of IFRS international standards for financial information, 2010-2012 and 2011-2013 cycles (effective as of 1 January 2014)
- IFRIC 21 – Levies (effective as of 1 January 2014)

3.1.5.3.1.3 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 2013, 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 an impairment.

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.

3.1.5.3.1.4 Change in Method

The first application of the revised IAS 19 standard entails the following modifications:

- The entirety of the actuarial gains and losses is recorded in the other parts of the comprehensive income.
- The cost of past services is immediately recognised in the income statement.
- The expected return of plan assets is evaluated using the discount rate of the commitments.

The retrospective application of the revised IAS 19 has no significant impact on the Group's accounts at 31 December 2013, as no restatements were recognised.

3.1.5.3.1.5 Estimates and Judgement

Preparation of the consolidated financial statements according to IFRS standards requires that the group's management use judgement 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 2013. 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 3.1.5.4 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 of intangible assets 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; social security charges according to time spent on projects on one hand and operating costs, such as committed costs directly related to development costs, on the other.

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 entered accordingly.

The companies do not conduct basic research.

- On mobile phones and tablets:

For mobile phone and tablet 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 220 different models of feature phones and 4,000 models of smartphones on the market and the 15 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. The useful life of licences depends on the duration of these contracts (duration of usage rights).

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

At the end of the fiscal year, the remaining 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 entered 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. These tax credits are mainly operating subsidies.

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.

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 Employee Benefits

- Post-employment benefits and 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 Canada, the United States, Argentina, China, 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, Mexico and Korea.

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 according to the provisions of the revised IAS 19 standard.

This method consists of determining, separately for each plan, the amount of future benefits gained by the employee in exchange for services rendered over the course of the current and prior periods, while taking into account actuarial assumptions, notably the probable turnover of beneficiaries, salary increases, predicted life expectancy and the probable length of employment for employees; this amount is updated in order to determine its present value.

The Group immediately recognises the entirety of actuarial gains and losses for defined benefit plans as other parts of the comprehensive income. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The assumptions made as of 31 December 2013 are as follows:

	France	Mexico	Korea
Rate of growth in salaries	3%	5%	5.35%
Basis of calculation	Annual salary	Annual salary	Monthly salary
Specific calculation conditions	-	-	-
Discount rate	3%	7%	4.07%
Retirement initiated by the employee	65 years	65 years	-

The assumption concerning changes in the workforce is based on the prospective life table established by the INSEE for France, and on a turnover rate resulting from statistical observation.

Within the Gameloft Group, defined benefit plans are not funded by any investments in various instruments, equity capital securities or bond investments, with the exception of Korea. The fair value of plan assets is, where necessary, deducted from the amount of the commitment.

The provision for end-of-employment contract indemnities for employees, primarily in Vietnam, includes the accumulated benefits acquired by the employees during their years of service. 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. 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 by the employees.

- 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

allotted to the beneficiary. 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.

The volatility criteria were set by the determination of the historical volatility of the share price over a period commensurate with the term of the option.

The factors taken into account are:

- The risk-free rate, which applies to the yield of a French fungible Treasury bond at 3, 5 or 7 years.
- A yield assumption of the share established by the distribution of dividends.

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. This obligation is integrated in the valuation of the option by means of a valuation based on the cost of the financial arrangement corresponding to line-of-credit loans intended to cover the share's absence of liquidity during this period, in accordance with the Conseil National de la Comptabilité (CNC) report of December 2004.

Plans in effect as of 31 December 2013:

	2008 Stock Option Plan	2009 Stock Options and Bonus Shares Plan		2010 Stock Options and Bonus Shares Plan
Volatility	45% (1)	44% (2)		55% (3)
Turnover rate linked to termination from the group	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		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 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 3-year constant maturity rate and the 5-year constant maturity rate
	3.90%	2.95%	2.39% for the bonus shares allotted	1.36%

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

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

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

	2011 Stock Options and Bonus Shares Plan	2012 Stock Options and Bonus Shares Plan	2013 Bonus Shares Plan
Volatility	53.8% (4)	45.8% (5)	29.5% (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	1.9%
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	The 3-year constant maturity rate
	1.52%	1.094%	0.61%

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

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

(6) Volatility was determined by using Gameloft's historical share price from September 2010 to September 2013.

▪ 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 2013 represented 4,247 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

Distribution and sale of games

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 paragraph 21 of the appendix to the IAS 18 standard, in the context of applying IFRS, which provides a list of indicators to determine whether a business is acting as a principal or an agent.

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(R)Network), the latest generation of set-top boxes, and Smart TVs. For this revenue, we use the same accounting method as for mobile game activity.

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:

- Responsibility during the transaction

- Storage risk
- Freedom to determine the price
- Determination of the good's specifications
- Credit Risk

On the basis of these criteria, and in accordance with the IAS 18 standard, all revenue is measured at the fair value of the compensation received or that will be received, net of VAT and other taxes.

Services contract

Revenue corresponding to development and publication services carried out for third-party accounts includes licence fees and other remunerations received, which are considered as gains and recognised as revenue as soon as the service is rendered.

The state of progress is determined according to the contracts by milestones certifying its execution in physical terms, or else via the progress of costs budgeted for the contract.

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. Receipts related to different grants are recognised as changes in the operational working capital requirement in correlation with the type of expense they are intended to finance.

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 2013 with regard to 2012 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.

3.1.5.3.2.3 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.

	31/12/13	31/12/12
Net profit/loss, group share (€) – A	7,525,658	9,280,120
Number of weighted ordinary shares – B	82,694,908	79,534,252
Basic earnings per share – C = A/B	0.091	0.117

Number of weighted ordinary shares after inclusion of potentially diluting instruments – D	86,330,341	82,645,279
Net profit/loss (€) – E	7,525,658	9,280,120
Net earnings per diluted share – F = E/D	0.087	0.112
Operating income/expense from ordinary activities (€)	24,896,830	16,462,869
Operating income/expense from ordinary activities per share	0.301	0.2070
Operating income/expense from ordinary activities per diluted share	0.288	0.1992

The number of diluted shares related to stock options is 2,114,596 shares and the number of diluted shares related to bonus share plans is 1,520,838 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 2013

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%	100%	Full Consolidation
Gameloft Inc. Divertissements	Canada	2000	Mobile Distribution/Production	100%	100%	Full Consolidation
Gameloft Ltd.	United Kingdom	2001	Mobile Distribution/Production	100%	100%	Full Consolidation
Gameloft Iberica S.A.	Spain	2001	Mobile Distribution/Production	100%	100%	Full Consolidation
Gameloft SRL	Italy	2001	Mobile Distribution	100%	100%	Full Consolidation
Gameloft SRL	Romania	2001	Mobile Production/Distribution	100%	100%	Full Consolidation
Gameloft Software Beijing Ltd.	China	2003	Mobile Production/Distribution	100%	100%	Full Consolidation
Gameloft KK	Japan	2004	Mobile Production/Distribution	100%	100%	Full Consolidation
Gameloft Ltd. Vietnam	Vietnam	2004	Mobile Production	100%	100%	Full Consolidation
Gameloft S. de R.L. de C.V.	Mexico	2005	Mobile Production/Distribution	100%	100%	Full Consolidation
Gameloft Privated Ltd.	India	2005	Mobile Distribution	100%	100%	Full Consolidation
Gameloft Co. Ltd.	Korea	2005	Mobile Distribution/Pr	100%	100%	Full Consolidation

Gameloft Argentina	Argentina	2005	Production/Distribution	100%	100%	Full Consolidation
Gameloft Do Brasil Ltda	Brazil	2007	Mobile Production/Distribution	100%	100%	Full Consolidation
Gameloft Australia Pty Ltd.	Australia	2007	Mobile Distribution	100%	100%	Full Consolidation
Gameloft Philippines	Philippines	2009	Mobile Production/Distribution	100%	100%	Full Consolidation
Gameloft Software Shenzhen Co. Ltd.	China	2010	Mobile Production	100%	100%	Full Consolidation
PT Gameloft Indonesia	Indonesia	2010	Mobile Production/Distribution	100%	100%	Full Consolidation

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 2013 differs from that of 2012 with the inclusion of two new subsidiaries created during the fiscal year, Gameloft SDN. BHD in Malaysia and Gameloft FZ-LLC in Dubai, and with the liquidation of Gameloft Shanghai on 20 December 2013.

3.1.5.5 Notes to the Balance Sheet and Income Statement

Balance Sheet

1. INTANGIBLE ASSETS

Intangible assets at 31 December 2013 were as follows:

Assets	At 31/12/12 (Cumulative)	Increases	Decreases	Book Transfer	Change in Reporting Entity	Exchange Differential	At 31/12/13 (Cumulative)
Software	3,418	774	-234			-233	3,725
Marketed games	27,742	881		502			29,125
Advances on licences	27,513	3,429				-159	30,783
Games in production	824	551	-649	-502			224
Gross Total	59,497	5,635	-884	0		-392	63,857
Amortisation	At 31/12/12 (Cumulative)	Increases	Decreases	Book Transfer	Change in Reporting Entity	Exchange Differential	At 31/12/13 (Cumulative)
Software	3,054	709	-207			-176	3,379
Marketed games	25,657	1,326		502			27,485
Advances on licences	18,526	4,681				-81	23,126
Games in production	-						
Subtotal	47,237	6,716	-207	502		-257	53,990
Provisions							
Marketed games	756	65		-502			319
Games in production	112		-26				86
Advances on licences	910	472	-66				1,316

Subtotal	1,778	537	-92	-502		1,721
Total of depreciations and amortisations	49,015	7,683	-729	-	-257	55,711
Net intangible assets	10,482					8,146

Development costs are defined as the costs required to develop games that have been completed or are already marketed on new platforms such as consoles (Nintendo DSi, 3DS, Sony's PSN and the PS Vita, Apple's iPad), Smart TVs and set-top boxes (Freebox Revolution, Orange Box, Samsung TV, Panasonic, Lenovo) and other platforms (Apple's Mac, Windows 8).

The increase in development costs for completed or marketed games on new platforms such as Smart TVs and set-top boxes was €881,000 in fiscal year 2013.

Games in production include development costs of games not yet completed as of the balance sheet date. In 2013, the cost of games in production represented €551,000, of which €502,000 are for games marketed during that period. Self-constructed assets are €1,432,000.

The company performs feasibility tests of projects and their marketing. In 2013, 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 €649,000.

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, FIFA (International Federation of Professional Footballers), the NFL and so on.

In fiscal year 2013, new games were released following the signing of licence agreements, mainly with Marvel for the game *Iron Man 3*; with the *Fast & Furious 6* film, released in May 2013; and for the game *Despicable Me: Minion Rush*, based on Universal's film *Despicable Me 2*, released in June 2013. Also during this period, Gameloft reiterated its desire to work with prestigious partners by renewing licence agreements such as *The Amazing Spider-Man* from Spider-Man Merchandising and Classic Spider-Man from Marvel. These contracts are a continuation of agreements from the preceding years, such as agreements with Hasbro for the games *My Little Pony* and *Littlest Pet Shop*; Playmobil; multiple film releases from Sony Pictures, including its legendary *Men In Black 3*, released in April 2012; Fox's *Ice Age 4: Continental Drift*, also released in April 2012; DC Comics for the game *The Dark Knight Rises*; films released in 2011, such as Paramount's *The Adventures of Tintin* in October, Universal's *Fast Five* in May, Marvel's *The Avengers*; TT Games for the release of the game *Lego Batman*; Epic Games for the use of the Unreal engine; Classic Media for 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 renewal of contracts 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*, *Topa ou Não Topa* (the Brazilian version of Deal or No Deal), and *CSI*.

The increase in amortisations for marketed games and games in development is €1,828,000. 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 period, consequently resulting in a depreciation of €65,000 and a write-up of €26,000.

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 €4,681,000.

In light of the weak sales outlook for certain licences, an additional amortisation in the amount of €472,000 was recorded at 31 December 2013.

In comparison, 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
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	42,365	14,787	-8,161	-	-	24	49,015
Net intangible assets	11,856						10,482

2. TANGIBLE ASSETS

Tangible assets are as follows:

Assets	At 31/12/12 (Cumulative)	Increases	Decreases	Book Transfer	Change in Reporting Entity	Exchange Differential	At 31/12/13 (Cumulative)
Plant and machinery	4,695	738	-609		-19	-346	4,458
Transportation equipment							
Computer equipment and furniture	22,117	14,654	-2,334			-2,056	32,381
Leased computer equipment	100		-9			-10	81
Tangible assets in progress		222				-3	219
TOTAL	26,911	15,614	-2,952		-19	-2,415	37,139

Amortisation	At 31/12/12 (Cumulative)	Increases	Decreases	Book Transfer	Change in Reporting Entity	Exchange Differential	At 31/12/13 (Cumulative)
Plant and machinery	2,586	667	-358	3	-13	-180	2,705
Transportation equipment							
Computer equipment and furniture	15,131	5,543	-2,139			-626	17,909
Leased computer equipment	97	1	-9			-10	79
TOTAL	17,813	6,211	-2,506	3	-13	-816	20,694

Net tangible assets	9,098	16,445
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The increase in tangible assets was due to:

- the development of different production studios with hiring in 2013 and the replacement of certain equipment;
- the purchase of dedicated servers for downloading and hosting games;
- 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 December 2012:

Assets	At 31/12/11 (Cumulative)	Increases	Decreases	Book Transfer	Change in Reporting Entity	Exchange Differenti al	At 31/12/12 (Cumulative)
Plant and machinery	3,698	1,267	-134	-88		-48	4,695
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 Differenti al	At 31/12/12 (Cumulative)
Plant and machinery	2,176	611	-136	-24		-40	2,586
Computer equipment and furniture	12,802	3,792	-1,477	24		-10	15,131
Leased computer equipment	111	1	-16			1	97
TOTAL	15,089	4,404	-1,629	0		-49	17,813
Net tangible assets	7,509						9,098

3. NON-CURRENT FINANCIAL ASSETS

Assets	At 31/12/12 (Cumulative)	Increases	Decreases	Reclassifications	Change in Reporting Entity	Exchange Differential	At 31/12/13 (Cumulative)
Deposits and guarantees	2,397	667	-343			-148	2,573
Loans							
TOTAL	2,397	667	-343			-148	2,573

The increases in deposits and guarantees mainly concern Gameloft Iberica for €168,000, Gameloft Japan for €152,000, Gameloft SE for €56,000 and Gameloft Korea for €47,000.

The decreases mainly concern Gameloft Korea for €75,000, Gameloft Iberica for €60,000 and Gameloft Vietnam for €44,000.

In comparison, non-current financial assets were as follows at 31 December 2012:

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

guarantees

Loans

TOTAL	2,211	546	-353	11	-18	2,397
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4. DEFERRED TAX ASSETS

	31/12/13	31/12/12
Capitalised losses	9,262	10,528
Timing differences	1,901	2,388
TOTAL	11,163	12,916

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 2013, capitalised losses reached €9,262,000, of which €8,923,000 came from Gameloft SE.

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

The tax on capitalised and non-capitalised losses among the Group's various subsidiaries was as follows:

€K	31/12/13		31/12/12	
	Capitalised Losses	Non-capitalised Losses	Capitalised Losses	Non-capitalised Losses
Gameloft Hong Kong		62		71
Gameloft Canada			162	
Gameloft Iberica		76		182
Gameloft Brazil				103
Gameloft Australia		57		81
Gameloft SE	8,923		10,076	
Gameloft Singapore		10		28
Gameloft Divertissements Live	44		32	
Gameloft Czech Republic		9		28
Gameloft Toronto	270		258	
Gameloft Ltd. UK		562		618
Gameloft Ltd. Co.		505		483
Gameloft GmbH		631		643
Gameloft Software Shanghai Ltd.				83
Xing Fu				58
Gameloft Software Shenzhen Co. Ltd.		63		21
Gameloft Inc.	26			
Gameloft India		148		
Gameloft KK		622		
Gameloft Xing Fu		65		
TOTAL	9,262	2,811	10,528	2,399

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

- 20 years: €314,000
- Unlimited: €8,948,000

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

- At 5 years: €137,000
- At 8 years: €148,000
- At 9 years: €622,000
- At 10 years: €505,000
- At 18 years: €76,000
- Unlimited: €1,323,000

Deferred tax assets with respect to capitalised losses of the French tax consolidation group are to be used until

2016.

5. OTHER NON-CURRENT RECEIVABLES

	31/12/13	31/12/12
R&D tax credits	4,170	4,225
Other	7	8
TOTAL	4,177	4,233

These research and development tax credits correspond to tax receivables held by the Canadian subsidiaries from 2005 through 2013.

As a result of a legislative change, the receivables for 2006 are chargeable to taxes due for a period of 20 years, like the receivables of the following years.

6. TRADE RECEIVABLES AND RELATED ACCOUNTS

	31/12/13	31/12/12
Trade receivables and related accounts	63,336	60,340
Impairment of accounts receivable and related accounts	-534	-682
Total	62,802	59,658

The average term of payment of the Gameloft Group's customers is 89 days.

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

The trade receivables item is higher than it was at 31 December 2013 due to the final quarter's revenue increases.

7. OTHER CURRENT ASSETS

Other assets are as follows:

	31/12/13	31/12/12
VAT	2,223	2,577
Other tax and social security receivables	14,814	14,838
Receivables from suppliers & credits to be received	324	251
Other Receivables	301	349
Pre-paid expenses	2,612	1,405
Called-up share capital	298	1,100
TOTAL	20,572	20,520

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

Tax receivables in the amount of €14,193,000 are primarily made up of the following items:

- €9,865,000 for operating subsidies due to the Canadian subsidiaries by the Canadian administration, mainly related to fiscal year 2013
- €1,549,000 are related to subsidies and other deferred tax assets for Gameloft Argentina
- €1,020,000 for Gameloft New York
- €573, 000 in tax assets for Gameloft Mexico

Social security claims represented €621,000.

8. STATUS OF EXPIRED RECEIVABLES

STATUS OF EXPIRED RECEIVABLES	Net amount	0 to 3 months	3 to 6 months	6 months to 1	More than 1

	year		year		
Receivables on current assets					
Trade receivables and related accounts	62,802	53,435	5,084	3,335	947
VAT	2,223	1,578	248	294	103
Other tax and social security receivables	14,814	6,116	2,284	4,237	2,177
Receivables from suppliers & credits to be received	324	226	16	21	60
Other Receivables	301	224	1	4	71
Pre-paid expenses	2,612	1,778	266	473	96
Called-up share capital	298	298	-	-	-
	83,374	63,656	7,899	8,365	3,454

The Group depreciates its receivables in accordance with an analysis of their precedence.

9. CASH AND CASH EQUIVALENTS

The “cash and cash equivalents” item includes bank account balances and allocations for €61,797,000 at 31 December 2013 compared to €55,653,000 at 31 December 2012.

The change in net cash breaks down as follows:

Cash Detail	31/12/13	31/12/12
Cash on hand	28,079	24,702
Cash equivalents	33,718	30,951
Gross Cash Total	61,797	55,653
Bank overdrafts and short-term credit	-1,468	-48
Net Cash Total	60,329	55,606
<i>Cash assets whose use is limited (1)</i>	<i>6,327</i>	<i>8,824</i>

(1) Given the current restrictions in Argentina and Venezuela 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 2013 there was a net financial surplus of €60,329,000 compared to €55,606,000 at 31 December 2012.

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

- France in the amount of €21,728,000
- Brazil in the amount of €15,597,000
- The United States in the amount of €8,978,000
- Argentina in the amount of €6,907,000
- Mexico in the amount of €1,270,000

The cash assets and cash equivalents are made up of investments that are immediately available and free of charge. These cash equivalents are term deposits with first-class banks kept in order to cope with short-term liquidity commitments, with the following characteristics:

- The initial capital and interest accumulated during previous quarters are guaranteed;
- The term deposits provide, from the outset, opt-outs that can be exercised every three months, maximum (taking into account the notice period);
- Early opt-outs can be exercised at any time without penalty, other than a diminished compensation for the quarter in progress at the date of withdrawal.

10. SHAREHOLDERS' EQUITY CAPITAL

Capital

At 31 December 2013, Gameloft SE's share capital consisted of 84,028,824 shares, each with a par value of 0.05 euros, for a total of 4,201,441.20 euros.

In 2013, Gameloft proceeded to increase its share capital through the issuance of stock options and bonus shares, resulting in a share capital increase of €9,197,000, of which €9,031,000 were issue premiums, and a reduction of share capital through the cancellation of its own shares in the amount of €6,202,000, of which €6,147,000 were issue premiums. In fiscal year 2013, the amount collected from share capital increases was €10,000,000, the balance of €298,000 having been collected in January 2014.

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 31/12/10	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
US options exercised on 03/01/2007	0.05	44,600	2
W options exercised on 11/04/2008	0.05	147,550	7
US options exercised on 11/04/2008	0.05	98,800	5
F options exercised on 11/04/2008	0.05	536,145	27
W options exercised on 14/05/2009	0.05	644,078	32
W options exercised on 01/06/2010	0.05	913,000	46
W options exercised on 20/09/2011	0.05	463,000	23
Allotment of bonus shares on 20/09/2011	0.05	480,600	24
Cancellation of own shares	0.05	-1,117,473	-56
At 31/12/13	0.05	84,028,824	4,201

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	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	Balance at 31/12/13
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	0
Number of shares cancelled:		76,200	276,000	389,300	535,000	682,400	697,400	747,800
Number of people concerned:	127							
of which are managers	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	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	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	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	Balance at 31/12/13
Number of shares eligible for subscription:	710,100	604,800	530,400	511,200	494,200	377,000	80,600	0
Number of shares cancelled:		105,300	179,700	198,900	207,900	237,900	248,100	284,100
Number of people concerned:	38							
of which are managers	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	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	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	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	Balance at 31/12/13
Number of shares eligible for subscription:	3,110,250	3,015,000	2,850,600	2,595,350	2,059,465	811,995	128,300
Number of shares cancelled:		95,250	259,650	369,950	640,940	650,990	650,990
Number of people concerned:	199						
of which are managers	4						
Start of exercise period	11/04/2010	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	11/04/2014
Subscription price	2.80 euros	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	Balance at 31/12/13
Number of shares eligible for subscription:	534,300	525,300	508,200	398,900	244,900	136,100	37,300
Number of shares cancelled:		9,000	26,100	41,300	64,700	75,300	75,300
Number of people concerned:	48						
of which are managers	1						
Start of exercise period	11/04/2010	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	11/04/2014
Subscription price	2.95 euros	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	Balance at 31/12/13
Number of shares eligible for subscription:	2,208,500	2,130,900	2,003,800	1,539,800	1,093,990	441,312
Number of shares cancelled:		77,600	204,700	315,200	319,125	327,725
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	14/05/2011

End of exercise period	14/05/2015	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	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	Balance at 31/12/13
Number of shares eligible for subscription:	2,240,000	2,200,200	2,010,000	1,428,250	473,000
Number of shares cancelled:		39,800	230,000	332,000	374,250
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	01/06/2012
End of exercise period	01/06/2014	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	3.82 euros

Date of Board of Directors' Meeting	20/09/2011	Balance at 31/12/11	Balance at 31/12/12	Balance at 31/12/13
Number of shares eligible for subscription:	2,245,000	2,235,000	2,155,000	1,539,500
Number of shares cancelled:		10,000	90,000	242,500
Number of people concerned: of which are managers	170 2			
Start of exercise period	20/09/2013	20/09/2013	20/09/2013	20/09/2013
End of exercise period	20/09/2015	20/09/2015	20/09/2015	20/09/2015
Subscription price	3.87 euros	3.87 euros	3.87 euros	3.87 euros

Date of Board of Directors' Meeting	06/07/2012	Balance at 31/12/12	Balance at 31/12/13
Number of shares eligible for subscription:	1,606,000	1,590,900	1,385,400
Number of shares cancelled:		15,100	220,600
Number of people concerned: of which are managers	147 0		
Start of exercise period	06/07/2014	06/07/2014	06/07/2014
End of exercise period	06/07/2016	06/07/2016	06/07/2016
Subscription price	4.88 euros	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	Balance at 31/12/13
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	0
Number of shares cancelled:	-	500	3,500	3,500	3,500	3,500
Number of people concerned: of which are managers	55 3					

Allotment of Bonus Shares	01/06/2010	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12	Balance at 31/12/13
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	0

Number of shares cancelled:	-	3,500	108,500	129,750	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	Balance at 31/12/13
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	0
Number of shares cancelled:	-	21,500	54,600	68,300
Number of people concerned:	47			
of which are managers	3			

Allotment of Bonus Shares	06/07/2012	Balance at 31/12/12	Balance at 31/12/13
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	732,500
Number of shares cancelled:	-	4,700	17,500
Number of people concerned:	51		
of which are managers	5		

Allotment of Bonus Shares	19/09/2013	Balance at 31/12/13
Date of Board of Directors' Meeting	19/09/2013	
Maturity - Vesting period	3 years – 19/09/2016	
End of holding period	2 years – 19/09/2018	
Number of instruments allotted	1,600,000	1,594,000
Number of shares cancelled:	-	6,000
Number of people concerned:	180	
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 2013, the maximum number of shares that may be created through the exercise of stock options and bonus shares is 4,004,812 and 2,326,500, 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.

In April 2013, Gameloft SE implemented a share buyback programme, but at the closing date it did not hold any treasury shares.

11. PROVISIONS FOR CONTINGENCIES AND CHARGES

Non-current	At 31/12/12	Allocations for the Year	Write-Backs for the Year	Change in Reporting	At 31/12/13
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liabilities:		Entity	
		used	unused
For risks	109	59	-56
Total	109	59	-56
			-
			112

Provisions for contingencies were recorded for lawsuits concerning employees for €112,000.

12. EMPLOYEE BENEFITS

Change in actuarial debt	Post-employment benefits	Retirement indemnities	Gross commitments
At 31/12/12	170	393	563
Cost of services rendered	27	316	343
Interest charges	3	16	19
Benefits/contributions paid	0	-209	-209
Actuarial gains/losses	57	37	95
Exchange differentials	18	-17	1
Reclassifications	0	0	0
At 31/12/13	275	536	811

Change in hedge assets	Post-employment benefits	Retirement indemnities	Hedge assets
At 31/12/12	0	0	0
Cost of services rendered	0	0	0
Interest charges	0	4	4
Contributions paid by the employer	0	234	234
Benefits paid by hedge assets	0	-47	-47
Actuarial gains/losses	0	-1	-1
Exchange differentials	0	0	0
At 31/12/13	0	189	189

The provision for post-employment benefits at 31 December 2013 primarily concerns France for €172,000.

Net commitments for retirement benefits primarily concern the following countries:

- Vietnam for €182,000
- Mexico for €107,000
- Korea for €57,000

In Korea, the Group has recourse to a hedge asset whose fair value is €189,000 at the end of 2013, and for which the expected return in 2014 is €8,000.

13. DEFERRED TAX LIABILITIES

	31/12/13	31/12/12
Subsidies to be received	3,352	3,704
Miscellaneous	201	126

TOTAL	3,553	3,830
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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.

14. FINANCIAL DEBTS

The Gameloft Group has no non-current financial debts.

Current financial debts are as follows:

	31/12/13	31/12/12
Bank overdrafts	1,468	48
Financial debts	1,468	48

	Less than 1 Year	1 Year to 5 Years	More than 5 Years
Amounts still due at 31/12/13	1,468		

Bank overdrafts are used to fund occasional cash flow shortages.

15. TRADE PAYABLES AND RELATED ACCOUNTS

	31/12/13	31/12/12
Trade Payables	24,684	18,957
Trade payables on assets	4,395	7,263
Total	29,079	26,220

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

16. OTHER DEBTS & CURRENT LIABILITIES

Other current debts are as follows:

	31/12/13	31/12/12
Customer credit balances and payments received	888	340
Other debts	322	479
Unearned income	810	811
Social security liabilities	8,296	8,132
Tax liabilities	6,272	6,551
TOTAL	16,588	16,313

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

Social security liabilities primarily concern Gameloft Divertissements Inc. for €2,130,000, Gameloft SE for €988,000, Gameloft Romania SRL for €879,000, Gameloft Vietnam for €756,000, Gameloft Software Beijing for €637,000, Gameloft Inc. for €432,000 and Gameloft Toronto for €324,000.

The tax liabilities primarily concern Gameloft Argentina for €2,194,000, Gameloft SE for €286,000, Gameloft S. de R.L. de C.V. for €770,000, Gameloft Rich Games for €226,000, Gameloft Philippines for €287,000, Gameloft India for €185,000 and Gameloft Indonesia for €161,000.

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.

17. REVENUE

The breakdown of revenue by geographic region is as follows:

	12-Month Fiscal Year		12-Month Fiscal Year	
	31/12/13		31/12/12	
	€K	%	€K	%
EMEA	75,317	32%	55,481	27%
North America	64,393	28%	65,574	31%
LATAM	48,991	21%	42,022	20%
APAC	44,595	19%	45,238	22%
Total	233,296	100%	208,315	100%

North America represented 28% of annual revenue; the EMEA region, 32%; Asia-Pacific, 19%; and Latin America, 21%.

The breakdown of revenue by activity is as follows:

	12-Month Fiscal Year		12-Month Fiscal Year	
	31/12/13		31/12/12	
	€K	%	€K	%
Smartphones	152,976	66%	106,316	54%
Feature phones	75,755	32%	97,110	47%
TV	4,565	2%	4,889	2%
Total Revenue	233,296	100%	208,315	100%

On the whole, the consolidated revenue for fiscal year 2013 reached 233.3 million euros, an annual increase of 12%. 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 2013 on smartphones and touch tablets increased by 36%. They represented 66% of the company's total revenue, compared to 54% during the same period in 2012. In the fourth quarter of fiscal year 2013, smartphone revenue contributed to more than 70% of the company's total revenue.

18. COST OF SALES

The cost of sales includes commission fees incurred during the download of our games, licence costs related to certain games as well as the amortisation of licences and the eventual depreciation of licences. They are as follows:

	31/12/13	31/12/12
Expenses related to cost of sales	11,205	10,512
Costs of royalties	24,248	15,510
Depreciation expenses	4,681	6,680
Net provisions for licences	406	-147
TOTAL	40,540	32,555

"Expenses related to cost of sales" pertain to all costs related to the sale of games that use the various available download options.

"Costs of royalties" pertain to the sale of licensed games.

Provisions for asset impairment represented €472,000 of licence depreciation determined based on the profitability of games to recoup the guaranteed amounts before the expiry of various contracts. The write-backs of provisions for licences represented €66,000 for the year.

19. RESEARCH & DEVELOPMENT COSTS

Research & Development costs are as follows:

	31/12/13	31/12/12
Other external charges	14,973	13,371
Self-constructed R&D assets	1,431	1,772
Employee compensation	79,337	74,679
Operating subsidy	-8,334	-7,689
Social security charges	15,189	13,645
Taxes	828	749
Amortisation expense on capital assets	5,617	8,021
Net provisions for capitalised games	-391	537
TOTAL	108,650	105,085

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

At 31 December 2013, R&D included 5,214 employees.

The "employee compensation" and "social security charges" items increased by 7% during the year. The "employee compensation" item also includes payroll expenses related to stock options and bonus issues of shares in the amount of €1,822,000 at 31 December 2013.

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.

The amortisation expenses and depreciations decreased due to the amortisation of capitalised development costs in the amount of €1,366,000 in 2013 compared with €4,876,000 in 2012.

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 2013, provisions represented €65,000 and write-backs of provisions were €456,000, being a net provision of -€391,000 on depreciation of games that have been marketed or are in production, compared to €537,000 in December 2012.

20. COMMERCIAL EXPENSES

Sales & Marketing costs are as follows:

	31/12/13	31/12/12
Other external charges	14,786	15,188
Employee compensation	17,743	16,456
Operating subsidy	-348	-417
Social security charges	3,755	3,619
Taxes	529	1,224
Amortisation expense on capital assets	487	421
TOTAL	36,952	36,491

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, E-commerce, purchasing advertising space, trade shows, etc.).

At 31 December 2013, the Sales & Marketing department had 739 employees, which marks an 18% increase.

Advertising, marketing and trade show expenses for the year totalled €7,733,000 compared to €8,846,000 in 2012. In 2013, these expenses represent 3.31% of revenue, compared with 4.25% in 2012. This decrease is related to the Group's strategic policy.

The "employee compensation" and "social security charges" items increased by 7%. The "employee compensation" item also includes payroll expenses related to stock options and bonus issues of shares in the amount of €815,000 at 31 December 2013.

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.

21. ADMINISTRATIVE COSTS

Administrative costs are as follows:

	31/12/13	31/12/12
Other external charges	7,876	6,873
Employee compensation	9,843	9,040
Operating subsidy	-933	-656
Social security charges	1,905	1,740
Taxes	552	404
Amortisation expense on capital assets	2,571	824
TOTAL	21,813	18,225

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

At 31 December 2013, the Administrative segment had 438 employees which was an 8% increase compared to 2012.

The increase in external charges is related to the implementation and development of Internet network lines in order to facilitate the downloading of our games, constituting a total increase of 15%.

The "employee compensation" and "social security charges" items increased by 9%. The "employee compensation" item also includes payroll expenses related to stock options and bonus issues of shares in the amount of €883,000 at 31 December 2013.

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. These subsidies are recognised in the income statement as soon as the salary expenditures are entered and the calculation is made with respect to each employee in order to determine the percentage of the subsidy.

The depreciation expenses increase with the growth of the administrative workforce between the two periods being compared and the purchase of a substantial amount of computer equipment including several servers for downloading and hosting our games.

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

	31/12/13	31/12/12
Pensions and similar benefits	449	385
Share-based payments	3,519	3,985

22. NET AMORTISATION AND PROVISIONS

	31/12/13	31/12/12
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Provisions on current assets	118	248
Provisions	527	502
Write-backs of provisions on current assets	-199	-34
Write-backs of provisions	-301	-445
TOTAL	146	272

The allocations and write-backs on depreciations of current assets primarily relate to the recognition of provisions for trade receivables in the amount of €85,000 and write-backs for €199,000.

The provisions and write-backs of provisions include the recognition of retirement commitments and end-of-contract indemnities (€449,000), and a write-back (€245,000), as well as a provision for labour-related lawsuits (€78,000) and a write-back (€56,000).

23. OTHER OPERATING EXPENSES AND INCOME

Other operating income and expenses are as follows:

	31/12/13	31/12/12
Gain/loss on disposal of assets	-396	-347
Other income	989	1,766
Other expenses	-891	-644
TOTAL	-298	775

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

The "other income" item mainly includes requests for regularisation of taxes from past fiscal years in the amount of €588,000.

The "other expenses" are related to tax penalties on distribution agreements for games or legal and fiscal litigation (€84,000), bad debts (€420,000) and the payment of directors' fees (€150,000).

24. OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses are as follows:

	31/12/13	31/12/12
Net amortisation, depreciation and provisions	-296	-
Other operating income	-	-
Other operating expenses	-1,006	-1,613
TOTAL	-1,302	-1,613

The other expenses are mainly related to restructuring costs in India and the Philippines as well as a suspicion of fraud.

In fiscal year 2013, Gameloft proceeded to close its production studio in Hyderabad, India and its testing department in Manila in the Philippines. The company proceeded with this restructuring of its production facilities in order to take into account the major changes that took place in its market over the last two years, and most notably the advances in feature phone and smartphone technology. In particular, the Group's needs in terms of porting and testing noticeably diminished due to the increasing standardisation of mobile phones and their operating systems.

The closure of the Hyderabad studio resulted in the departure of all of that studio's 201 employees, who worked on porting the Group's creations to multiple models of mobile phones. The cost of closing this studio reached €709,000. The closure of the testing department in Manila resulted in the departure of 142 employees whose job was to test the company's smartphone games. The cost of this restructuring reached €248,000.

Gameloft now employs 120 people in its Manila studio, for the most part specialised in porting the Group's creations to different telephone models.

In 2012, other operating expenses consisted largely of restructuring costs related to certain Chinese subsidiary companies.

25. NET FINANCIAL INCOME/EXPENSE

Net financial income/expense breaks down as follows:

	31/12/13	31/12/12
Cost of net financial debt	2,094	1,327
<i>Interest on financing activities</i>	-89	-148
<i>Income related to cash and cash equivalents</i>	2,183	1,475
Financial income	7,370	5,869
<i>Foreign exchange gains</i>	7,370	5,866
<i>Other financial income</i>	-	3
Financial expense	16,992	7,730
<i>Foreign exchange losses</i>	16,992	7,730
TOTAL	-7,529	-534

The company has financial debts in euros.

The company had no interest rate or foreign currency hedge at 31 December 2013.

"Income related to cash and cash equivalents" is investment income from the various interest-bearing accounts, of which €793,000 is in Brazilian investments, €835,000 is in Argentinean investments, and €375,000 is in interest-bearing accounts in France.

The "interest on financing activities" item includes the financial expenses (€35,000) related to the short-term loan financed by HSBC in Canada to fund Gameloft Divertissements Inc.'s occasional cash flow shortages.

The drop in exchange income compared to 2012 is mainly due to unrealised exchange losses on intragroup debts, taking into account the sharp decline of certain currencies compared to the euro (the Brazilian real, the Canadian dollar, the Japanese yen, etc.), and the repatriation of cash from Argentina in September 2013 (in the amount of €2,707,000).

26. INCOME TAX

Income tax consists of the following:

	31/12/13	31/12/12
Current tax	6,858	5,330
Deferred tax	1,683	-294
Total	8,541	5,036

Current tax:

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

In France, deductions at source are attributable to taxes the year the deduction is reported when a financial agreement exists between the countries concerned. Starting in fiscal year 2012, the company decided to apply the following priority rule according to these scenarios:

- Existence of a financial agreement between the two countries: The amount paid to foreign financial

authorities is equitable to a prepaid tax and is therefore classified as tax expenses.

- No financial agreement between the two countries: The amount paid to foreign financial authorities is equitable to a tax and must be recognised as operating expenses.

It should be noted that as far as Gameloft is concerned, a financial agreement exists between France and the principal countries in which the Group is present.

Tax liabilities mainly concern the following subsidiaries:

- Gameloft Argentina for €2,144,000
- Gameloft Brazil for €1,630,000
- Gameloft SE for €1,402,000

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

Tax reconciliation:

	31/12/13	31/12/12
Pre-tax profit/loss	16,066	14,316
Notional tax expense calculated at the tax rate of the parent company	5,355	4,772
Effect of tax losses:		
Losses used during the fiscal year not previously capitalised	-52	-1,678
Deferred taxation not recorded in the losses for the period	936	197
Effect of differential between tax rates	-874	-109
Differences between corporate income and consolidated income	3,176	1,854
<i>of which are share-based payments</i>	842	1,106
<i>of which are intragroup provisions</i>	355	1,330
<i>of which is Colombian taxation</i>	-	-466
<i>of which are unused deductions at source</i>	1,482	1,319
<i>of which is income from deductions at source related to previous fiscal years</i>	-	-400
	497	-441
<i>Other differences</i>		
Actual tax expense	8,541	5,036

The tax difference related to intra-group provisions is the result of write-backs of provisions for non-deductible intra-group debts in the amount of €355,000.

The deductions at source reported by the Group's different subsidiaries are definitively lost once fiscal benefits are not sufficient to absorb them. In 2013, the tax expense related to unused deductions at source totalled €1,482,000.

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.

The Gameloft company is organised into three departments: R&D, Sales & Marketing and Administration. Since fiscal year 2006, the tracking of the company's costs has been organised by function; that is to say, in relation to these three departments. These costs per department are detailed at the end of each quarter and allow for the precise tracking of changes in the company's profitability and current strategic priorities. On the other hand, the company is not organised according to market technologies.

- These technologies change so rapidly that organising the company by technological platform would be destabilising and destructive to its value.
- Moreover, each of the three departments works in a cross-disciplinary fashion on all of the technological platforms for which Gameloft markets products. Several R&D, Sales & Marketing and Administration teams are thus regularly called upon to work on cross-disciplinary projects that involve at once feature phones, smartphones and televisions. This renders a distinction of costs by technological platform unreliable, indeed simply impossible in most cases.
- Finally, the distinction between feature phones and smartphones is expected to disappear very shortly. These last few years, the company wished to communicate to its shareholders the allocation of its revenue by technological platform for the sake of transparency and because it possessed the necessary tools to perform reliable follow-ups on its sales by distribution platform. Soon it will no longer be the case as the technological boundary between feature phones and smartphones disappears. Today, Gameloft works on 4,000 different smartphone models and 220 different feature phone models. With the arrival on one hand of entry-level smartphones made by Chinese manufacturers, and on the other hand the launch of feature phones that are more and more sophisticated, the feature phone/smartphone distinction is progressively becoming meaningless. As of fiscal year 2014, it is probable the company will no longer be in a position to reliably distinguish between smartphone and feature phone revenue.

However, an analysis by geographic sector can be presented as follows:

€K	Revenue	
	31/12/13	31/12/12
EMEA	75,317	55,481
North America	64,393	65,574
LATAM	48,991	42,022
APAC	44,595	45,238
Total	233,296	208,315

Concerning income from ordinary activities, based on information available to telephone operators and manufacturers, the company is not in a position to distinguish the origin for significant countries.

Moreover, as detailed below, Gameloft now has two clients that generate at least 10% of total revenue:

€K	Revenue			
	31/12/13		31/12/12	
	Amount	%	Amount	%
Apple	74,543	31.95%	64,289	30.86%
Google	29,978	12.85%	13,903	6.67%
Total	104,521	44.80%	78,192	37.54%

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.

Non-current assets include intangible assets, tangible assets, non-current financial assets, other non-current receivables and assets being sold or discontinued businesses. Deferred tax assets are excluded in compliance with the standard.

Non-current assets in the countries of origin and by significant countries are as follows:

€K	Non-current Assets	
	31/12/13	31/12/12

Canada	15,008	6,300
France	5,955	10,278
United States	3,769	1,848
China	1,128	1,191
Vietnam	945	1,665
Spain	722	355
Romania	511	483
Mexico	496	435
Korea	413	609
Indonesia	412	792
Other	1,981	2,254
Total	31,340	26,210

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 4,000,000 from HSBC.

Secured credit facilities amounting to CAD 1,000,000 for Gameloft Entertainment Toronto Inc., from HSBC Bank Canada.

Off-balance sheet commitments:

Off-balance sheet commitments related to operating activities	Characteristics		At 31/12/13
	Description	Commitment End Date	
	Business leases		€39,717,000
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
	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
Guaranteed commitments, mortgages, etc.			USD 1,500,000
	Gameloft SE has two liquidity commitments toward HSBC with deals made by mutual agreement and dated 7 and 17 January 2014 for exchange transactions of US dollars against euros.		USD 2,000,000

Discounted bills not due: none

Financial leases: none

Other commitments:

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

There are no other significant off-balance sheet commitments.

2. Events subsequent to year's end

Given the 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. In this context, the Group had already identified, on 31 December 2012, the part of its cash flow in Argentina that could be put to limited use (see note 3.1.5.5.8 in the appendix to the consolidated accounts of 31 December 2012).

The economic situation in Argentina continued to degrade over the course of 2013 and the beginning of 2014. The measures taken by the Argentinean government regarding the control of exchange operations resulted in the devaluation of its own currency on 24 January 2014 (20% devaluation by the end of January 2014).

In the absence of any reliable information concerning the unofficial exchange rate for fiscal year 2013, the Group continued to use the official exchange rate for the conversion of its Argentinean subsidiary's accounts at 31 December 2013. The impacts of the discrepancy between the official rate and the unofficial rate on the Group's main aggregates are presented in note 3.1.5.2 of the current appendix to the consolidated accounts of 31 December 2013.

No event is likely to have an impact on the financial statements.

3. Compensation of the group's senior executives

The total gross compensation granted to senior executives in 2013, by both the company and its subsidiaries was €1,516,000, of which €499,000 was for share-based payments in application of the IFRS 2 standard.

During the fiscal year ended 31 December 2013, Gameloft SE decided to compensate its directors with directors' fees.

	2013	2012
Salaries, misc. charges and benefits	€1,017,000	€1,012,000
Share-based payments	€499,000	€473,000
Total pensions and other post-employment benefits		
Severance pay		
Total compensation	€1,516,000	€1,485,000
Stock options and bonus shares issued during the year	247,500	142,000

4. Loans extended to the group's senior executives

At 31 December 2013, no advance or credit was extended to the group's senior executives pursuant to Article L. 225-43 of the French Commercial Code.

5. Workforce

The workforce at 31 December 2013 breaks down as follows:

a) Breakdown by geographic region:

	31/12/11	31/12/12	31/12/13
EMEA	1,066	1,430	1,972
North America	586	641	720
LATAM	487	521	468
APAC	3,322	3,629	3,231
Total	5,461	6,221	6,391

b) Breakdown by department:

	31/12/11	31/12/12	31/12/13
Administration	331	405	438
Sales & Marketing	538	624	739
Research & Development	4,592	5,192	5,214
Total	5,461	6,221	6,391

c) Average number of employees

	2013	2012
Administration	421	368
Sales & Marketing	693	581
Research & Development	5,046	4,892
Total	6,160	5,841

6. 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 31/12/13 and 31/12/12:

ASSETS		Fair Value Category	December 2013		December 2012	
Net Book Value in €K	IAS 39 Category		Book Value	Fair Value	Book Value	Fair Value
Non-current financial assets (excluding securities)	Loans and receivables at amortised cost	Level 3	2,573		2,397	
Non-current financial assets (securities)	Assets available for sale at fair value through equity capital		0		0	
Other non-current receivables	Loans and receivables at amortised cost		4,176		4,233	
Trade receivables and related accounts	Loans and receivables at amortised cost		62,802		59,658	
Other receivables and accruals	Loans and receivables at amortised cost		20,572		20,520	
Cash and cash equivalents	Financial assets at fair value through profit or loss	Level 1	61,797	61,797	55,654	55,654

LIABILITIES		Fair Value Category	December 2013		December 2012	
Net Book Value in €K	IAS 39 Category		Book Value	Fair Value	Book Value	Fair Value
Non-current financial debts	Financial liabilities at amortised cost		0		0	
Financial debts	Financial liabilities – Fair value through profit or loss		1,468	1,468	48	48
Trade payables	Financial liabilities at amortised cost		29,079		26,220	
Other debts and current	Financial liabilities at		16,588		16,313	

liabilities	amortised cost					
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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	31/12/2013			
	Level 1	Level 2	Level 3	Total
Non-current financial assets (securities)				
Cash and cash equivalents	61,797			61,797
Total assets at fair value	61,797			61,797
Financial debts	1,468			1,468
Total liabilities at fair value	1,468	0	0	1,468

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
Financial debts	48			48
Total liabilities at fair value	48	0	0	48

- 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 2013, 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 financial statements, even if their value has not changed in their original currency.

To date, the group has not implemented foreign currency hedging for its internal cash flows.

The breakdown of financial debts by currency is as follows:

	31/12/13	31/12/12
Euros	100	48
Canadian dollar	1,365	-
UAE dirham	3	
Financial debts	1,468	48

Impact on sales figures of the variation in exchange rates during the year:

€K	31/12/13	31/12/12
Argentine peso	-3,115	-257
US dollar	-1,575	2,694
Brazilian real	-1,550	-833
Japanese yen	-454	639
Venezuelan bolívar	-404	-41
Indonesian rupiah	-182	-5
Pound sterling	-118	152
Canadian dollar	-108	156
Australian dollar	-85	63
Mexican peso	-26	273
Korean won	-3	167
Chinese yuan	-3	203

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 2013, the amount of past due trade receivables not yet amortised was not significant.

31/12/13					Amount of Past Due Assets Not Amortised				
€K	Note	Book Value	Provision	Net Profit/Loss	Amount of Assets Not Yet Due	0-3 Months	3-6 Months	6 Months - 1 Year	More than One Year
Non-current and current operating financial assets									
Trade receivables	6	63,336	534	62,802		53,435	5,084	3,335	947
Other current trade receivables	7	20,848	276	20,572		10,221	2,814	5,030	2,507

Other financial assets in loans and receivables									
LOANS AND RECEIVABLES									
Other non-current financial assets									
Other current financial assets									
		84,184	810	83,374		63,656	7,899	8,365	3,454

7. 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. The executive directors do not receive variable compensation. They may be granted stock options and bonus 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 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 €1,516,000, of which €754,000 was issued by Gameloft SE.

Amounts in Euros		Michel Guillemot	Claude Guillemot	G�rard Guillemot	Yves Guillemot	Christian Guillemot	TOTAL Compensation for 2013
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	328,247	42,985	41,436	42,985	42,985	498,638
Gameloft Inc.	Gross Fixed Compensation			36,520			36,520
	Directors' Fees			25,373			25,373
Gameloft Ltd.	Gross Fixed Compensation	208,582					208,582
Gameloft HK	Gross Fixed Compensation	240,192					240,192
Gameloft PTE	Gross Fixed Compensation	252,881					252,881
Total		1,114,902	99,233	103,329	99,233	99,233	1,515,930

For 2013, the total gross compensation issued to the executive directors, and for which a provision was set up, reached 1,515,930 euros.

II. Bonus Issues of Shares

BONUS SHARES ALLOTTED TO THE EXECUTIVE DIRECTORS BY THE COMPANY DURING THE FISCAL YEAR						
Name of Executive Director	Plan Date	Number of Shares	Date of Acquisition	Option Fair Value	Date of Availability	Performance Conditions
Michel Guillemot	19/09/2013	165,000	19/09/2016	€4.16	19/09/2018	Internal and external performance conditions
Yves Guillemot	19/09/2013	20,625	19/09/2016	€4.42	19/09/2018	Internal and external performance conditions
Christian Guillemot	19/09/2013	20,625	19/09/2016	€4.42	19/09/2018	Internal and external performance conditions
Gérard Guillemot	19/09/2013	20,625	19/09/2016	€4.16	19/09/2018	Internal and external performance conditions
Claude Guillemot	19/09/2013	20,625	19/09/2016	€4.42	19/09/2018	Internal and external performance conditions
TOTAL		247,500				

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
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.

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 for €349,000.

Royalties under a licence agreement with Ubisoft Entertainment by which Gameloft SE is authorised to use their brand reached €1,147,000 for 2013, compared to €1,334,000 for 2012.

Operating income:

Re-billing of services provided by Gameloft SE on behalf of Ubisoft Entertainment for €142,000 in 2013 compared to - €115,000 in 2012.

b) With AMA:

Transactions relate to re-invoicing of royalties for the marketing of games produced by AMA in the amount of €451,000 in 2013, compared to €384,000 in 2012.

Re-invoicing of costs from an advertising campaign by Gameloft SE for €56,000.

c) With Longtail Studios:

The transactions concern royalties on sales completed by Gameloft SE for distribution of the *Love Triangle* mobile game (€1,000).

	31/12/13	31/12/12
Assets (in €K)		
Equity capital holdings		
Trade receivables and related accounts	192	
Debts (in €K)		
Trade payables and related accounts	1,091	424
Customer credit balances		34
Operating profit/loss (in €K)	-1,750	-1,998
Operating income	198	116
Operating expenses	-1,948	-1,882

8. 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.

9. Auditors' fees

The table below lists the fees of Gameloft's Auditors for services provided in 2013.

	Audit AMLD				MAZARS			
	Amount		%		Amount		%	
	2012	2013	2012	2013	2012	2013	2012	2013
Audit €K								
Audit and certification of year-end and consolidated financial statements								
• Issuer	103.6	110	93.6%	93.1%	95	125	56.6%	51.0%
• Fully consolidated subsidiaries	7.3	7.5	6.4%	6.9%	72.7	120	43.4%	49.0%
Other work and services directly related to the Auditors' duties								
• Issuer								
• Fully consolidated								

subsidiaries								
Subtotal	110.9	117.5	100%	100%	167.7	245	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	117.5	100%	100%	167.7	245	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 2013 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 elements justifying 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.

Without calling into question the opinion expressed above, we draw your attention to:

- Paragraph 4 of note 3.1.5.2 "Highlights" and paragraph 2 of note 3.1.6 "Additional Information," which detail the economic situation in Argentina, notably the impact of the difference between the use of the official and unofficial exchange rates on the principle aggregates of Gameloft's Argentina subsidiary in the Group's consolidated accounts.
- Note 3.1.5.3.1.4 "Change in Method," which sets out the effects of applying the amendment to IAS 19 to defined benefit plans.

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 3.1.5.3.2.1 and paragraph 1 of note 3.1.5.5 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 3.1.5.5 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 Group's management report.

With the exception of the impact of the facts set out in the first part of this report, we have no other comments regarding the truthfulness and consistency of the information with the consolidated financial statements.

Courbevoie and Rennes, 16 April 2014

The Auditors

MAZARS

AUDIT AMLD

Simon Beillevaire

Eric Moulois

3.2 Financial Statements at 31 December 2013

3.2.1 Balance Sheet at 31 December 2013 (€K) (12-Month Fiscal Year)

ASSETS	Notes	31/12/ 13	31/12/ 13	31/12/ 13	31/12/ 12
		Gross €K	Amort./Dep. €K	12-Month Fiscal Year Net €K	12-Month Fiscal Year Net €K
Intangible assets	3.2.3.5.1	58,640	54,185	4,455	8,636
Tangible assets	3.2.3.5.2	6,421	5,261	1,160	1,292
Financial assets	3.2.3.5.3	13,249	1,277	11,972	12,037
Long-term assets		78,310	60,724	17,587	21,964
Trade receivables and related accounts	3.2.3.5.4	129,195	1,625	127,570	123,016
Other receivables	3.2.3.5.5	45,548	1,308	44,240	22,397
Cash on hand	3.2.3.5.9	21,674		21,674	18,648
Current assets		196,417	2,933	193,484	164,061
Accruals	3.2.3.5.10	8,732	-	8,732	3,628
Total assets		283,460	63,657	219,803	189,654

LIABILITIES	Notes	31/12/13	31/12/12
		12-Month Fiscal Year €K	12-Month Fiscal Year €K
Share capital		4,201	4,091
Issue and merger premiums		88,553	85,669
Reserves		-5,046	-5,707
Fiscal year profit/loss		9,441	661
Shareholders' Equity Capital	3.2.3.5.11	97,150	84,714
Provisions for contingencies and charges	3.2.3.5.14	7,760	3,348
Misc. financial debts (1)	3.2.3.5.15	726	674
Trade payables and related accounts	3.2.3.5.16	104,307	83,152
Tax and social security liabilities	3.2.3.5.17	1,428	1,383
Debts on assets	3.2.3.5.18	3,239	6,149
Other debts	3.2.3.5.19	3,272	6,995
Total debts		112,973	98,353
Accruals	3.2.3.5.20	1,920	3,240
Total Liabilities		219,803	189,654
(1) Debts of group current accounts		628	628

3.2.2 Income Statement at 31 December 2013 (€K)

	Notes	12-Month Fiscal Year Ended 31/12/13	12-Month Fiscal Year Ended 31/12/12
Sales of merchandise	3.2.3.5.21	-	-
Output sold during the fiscal year	3.2.3.5.21	194,854	165,160
Closing inventory	3.2.3.5.21	-	-
Self-constructed assets during the fiscal year	3.2.3.5.21	1,431	1,772
Other operating income and transfers of expenses	3.2.3.5.22	<u>2,664</u>	<u>3,602</u>
Total operating income		198,949	170,534
Purchases and other supplies	3.2.3.5.23	128,229	119,558
Other operating purchases and external charges	3.2.3.5.24	43,468	31,793
Taxes		1,369	979
Personnel expenses	3.2.3.5.25	5,603	6,096
Other expenses		1,196	1,371
Depreciation and provisions	3.2.3.5.26	<u>7,391</u>	<u>12,926</u>
Total operating expense		187,256	172,723
Operating Profit/Loss		11,693	-2,189
Income from other securities and receivables from long-term assets (1)		5,928	2,453
Other interest and similar income (1)		783	548
Write-backs of provisions (1)		3,639	6,347
Foreign exchange gains		<u>4,187</u>	<u>2,272</u>
Total financial income		14,538	11,620
Provisions (2)		7,960	4,543
Other interest and similar expenses (2)		2	10
Foreign exchange losses		<u>8,524</u>	<u>4,082</u>
Total financial expense		16,485	8,635
Net financial income/expense	3.2.3.5.27	-1,948	2,985
Profit/loss from ordinary activities		9,745	796
Extraordinary Profit/Loss	3.2.3.5.28	-167	-272
Pre-tax profit/loss		9,578	524
Income tax	3.2.3.5.29	-137	137
Net fiscal year profit/loss		9,441	661
(1) Income concerning affiliates:		6,544	6,615
(2) Expenses concerning affiliates:		421	1,285

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 2013 and constitute the appendix to the balance sheet before distribution of earnings, the total of which is €219.8 million, showing a profit of €9.4 million. The fiscal year is 12 months long and covers the period from 1 January 2013 to 31 December 2013.

3.2.3.1 Highlights of the Fiscal Year

- Creation and capital increase of the subsidiaries:

In 2013, two new companies were created, in Kuala Lumpur, Malaysia (Gameloft SDN. BHD) and in Dubai, United Arab Emirates (Gameloft FZ-LLC). Gameloft Shanghai was liquidated on 20 December 2013.

- Increase and decrease of share capital:

Gameloft saw an increase of share capital through the issuance of stock options and bonus shares in the amount of €9,197,000, of which €9,031,000 were issue premiums, and a reduction of share capital through the cancellation of its own shares in the amount of €6,202,000. The share capital is currently €4,201,000.

3.2.3.2 Comparability of Accounts and Change in Estimate

No reclassification was made on the individual financial statements of 31 December 2013.

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 new platforms such as 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.

- On mobile phones and tablets:

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 220 different models of feature phones and 4,000 models of smartphones on the market and the 15 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 due 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 Trade Receivables and Revenue

Trade receivables 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.

The recognition of revenue is measured according to the nature of the service conducted:

Distribution and sale of games

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:

- Responsibility during the transaction
- Storage risk
- Freedom to determine the price
- Determination of the good's specifications
- Credit Risk

On the basis of these criteria, all revenue is measured at the fair value of the compensation received or that will be received, net of VAT and other taxes.

Services contract

Revenue corresponding to development and publication services carried out for third-party accounts includes licence fees and other remunerations received, which are considered as gains and recognised as revenue as soon as the service is rendered.

The state of progress is determined according to the contracts by milestones certifying its execution in physical terms, or else via the progress of costs budgeted for the contract.

3.2.3.4.5 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 2013. 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.

3.2.3.4.6 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.

3.2.3.4.7 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.

3.2.3.4.8 Cash on Hand

Cash on hand consists of bank account balances and term deposits that can be released at any time.

3.2.3.4.9 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 2013, provisions for contingencies and charges concern:

- foreign exchange risk related to the discounting of receivables and debts denominated in foreign currencies;
- provisions for subsidiaries whose net worth is negative;
- 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 provision is established according to the recommendations of ANC 2013-02.

Change in actuarial debt	Retirement indemnities	Gross commitments
At 31/12/12	82	82
Cost of services rendered	7	7
Interest charges	2	2
Benefits/contributions paid	-	-
Actuarial gains/losses	54	54
At 31/12/13	€145,000	€145,000

The assumptions made as of 31 December 2013 are as follows:

	France
Rate of growth in salaries	3%
Discount rate	3%
Retirement initiated by the employee	65 years

The assumption concerning changes in the workforce is based on the prospective life table established by the INSEE, TG 2005, and on a turnover rate resulting from statistical observation.

3.2.3.4.10 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 31/12/12					At 31/12/13
	Gross	Increases	Decreases	Book Transfer	Exchange Differential	Gross
Software	438	89				527
Brands	1,829					1,829
Development costs	27,742	881		502		29,125
Development costs in progress	824	551	-649	-502		224
Advances on licences	25,822	1,112				26,934
TOTAL	56,655	2,633	-649	-	-	58,639
Amortisation and provisions						
Amortisation	At 31/12/12					At 31/12/13
	Gross	Increases	Decreases	Book Transfer	Exchange Differential	Gross
Software	353	113				466
Development costs	25,657	1,326		502		27,485
Advances on licences	18,402	4,344			-63	22,683
Subtotal	44,412	5,783		502	-63	50,634
Provisions	At 31/12/12					At 31/12/13
	Gross	Increases	Decreases	Book Transfer	Exchange Differential	Gross
Brands	1,829					1,829
Development costs	868	65	-27	-502		405
Advances on licences	910	472	-66			1,316
Subtotal	3,607	537	-93	-502		3,550
TOTAL	48,019	6,320	-93	-	-63	54,184
Net intangible assets	8,636					4,455

Development costs are defined as the costs required to develop games that have been completed or are already marketed on new platforms such as consoles (Nintendo DSi, 3DS, Sony's PSN and the PS Vita, Apple's iPad), Smart TVs and set-top boxes (Freebox Revolution, Orange Box, Samsung TV, Panasonic, Lenovo) and other platforms (Apple's Mac, Windows 8).

The increase in development costs for completed or marketed games on new platforms such as Smart TVs and set-top boxes was €881,000 in fiscal year 2013.

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 €551,000 of which €502,000 are for games marketed during the period.

The company performs feasibility tests of the project and its marketing. In 2013, 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 €694,000.

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 2013, new games were released following the signing of licence agreements, mainly with Marvel for the game *Iron Man 3*; with the *Fast & Furious 6* film, released in May 2013; and for the game *Despicable Me: Minion Rush*, based on Universal's film *Despicable Me 2*, released in June 2013. Contracts were signed with Disney for the upcoming games *Cars* and *Monsters University*. Also during this period, Gameloft reiterated its desire to work with prestigious partners by renewing licence agreements such as *The Amazing Spider-Man* from Spider-Man Merchandising and Classic Spider-Man from Marvel. These contracts are a continuation of agreements from the preceding years, such as agreements with Hasbro for the games *My Little Pony* and *Littlest Pet Shop*; Playmobil; multiple film releases from Sony Pictures, including its legendary *Men In Black 3*, released in April 2012; Fox's *Ice Age 4: Continental Drift*, also released in April 2012; DC Comics for the game *The Dark Knight Rises*; films released in 2011, such as Paramount's *The Adventures of Tintin in October*, Universal's *Fast Five* in May, Marvel's *The Avengers*; TT Games for the release of the game *Lego Batman*; Epic Games for the use of the Unreal engine; Classic Media for 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 renewal of contracts 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 *UNO*, *Topa ou Não Topa* (the Brazilian version of Deal or No Deal), and *CSI*.

The increase in amortisation and provisions for marketed games and games in development was €1,326,000 and €65,000, 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 €65,000.

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 €4,344,000.

In light of the weak sales outlook for certain licences, an additional amortisation in the amount of €472,000 was recorded at 31 December 2013.

As a reminder, intangible assets were as follows at 31 December 2012:

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 (Cumulative)	Increases	Decreases	Book Transfer	Exchange Differential	At 31/12/12 (Cumulative)
Software	294	59				353
Development costs	19,460	4,037		2,160		25,657
Advances paid/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 (Cumulative)	Increases	Decreases	Book Transfer	Exchange Differential	At 31/12/12 (Cumulative)
Brands	1,829					1,829
Development costs	2,189	851		-2,160		868
Advances paid/licences	1,057	464	-611		-	910
Subtotal	5,075	1,315	-611	-2,160	-	3,607
Gross Amort. & Prov.	41,779	12,027	-5,814	-0	39	48,019
Net intangible assets	11,445					8,636

2. Tangible Assets

Tangible assets are as follows:

Assets

	At 31/12/12 Gross	Increases	Decreases	Book Transfer	At 31/12/13 Gross
Plant and machinery	369	14			383
Computer equipment and furniture	5,375	666	-2		6,039
TOTAL	5,744	680	-2	-	6,422
Amortisation					
	At 31/12/12 (Cumulative)	Increases	Decreases	Book Transfer	At 31/12/13 (Cumulative)
Plant and machinery	38	75			113
Computer equipment and furniture	4,414	737	-2		5,149
TOTAL	4,452	812	-2		5,262
Net tangible assets	1,292				1,160

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 2012:

Assets

	At 31/12/11 Gross	Increases	Decreases	Book Transfer	At 31/12/12 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 (Cumulative)	Increases	Decreases	Book Transfer	At 31/12/12 (Cumulative)
Plant and machinery	77	43	-82		38
Computer equipment and furniture	3,676	779	-41		4,414
Total amortisation	3,753	822	-123		4,452
Net tangible assets	756				1,292

3. Financial Assets

Financial assets are as follows:

Assets

	Gross At 31/12/12	Increases	Decreases	Gross At 31/12/13
Equity capital holdings	12,871	92	-167	12,796
Other long-term investments	150			150
Deposits and guarantees	313	56	-65	304
TOTAL	13,334	148	-232	13,250
Provisions				
	At 31/12/12 (Cumulative)	Increases	Decreases	At 31/12/13 (Cumulative)
Equity capital holdings	1,297	145	-165	1,277
Total provisions	1,297	145	-165	1,277
Net financial assets	12,037			11,973

The increase in equity capital holdings is due to the creation of two subsidiaries in Kuala Lumpur in Malaysia (Gameloft SDN. BHD) for €81,000 and in Dubai, United Arab Emirates (Gameloft FZ-LLC) for €10,000.

The increase in security deposits is due mainly to the indexing of Gameloft SE's rent and the contractual guarantee on behalf of one of our suppliers.

The provisions pertain to the shares of Gameloft Korea (€51,000), Gameloft KK (€79,000), Gameloft Dubai (€10,000) and Ludigames (€5,000).

The write-backs of provisions pertain to the equity capital holdings of Gameloft Shanghai following its liquidation on 20 December 2013.

As a reminder, financial assets were as follows at 31 December 2012:

Assets

	Gross At 31/12/11	Increases	Decreases	Book Transfer	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

Subsidiaries and equity capital holdings:

€K	Subsidiaries		Equity Capital Holdings	
	French	Foreign	French	Foreign
Book value of shares held:				
- gross	118	12,677	-	-
- net	113	11,405	-	-
Total loans and advances granted		31,912	-	-
Total dividends collected		5,928	-	-

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 & Guarantees Provided in Foreign Currencies	Revenue at 31/12/13 in Foreign Currencies	Earnings at 31/12/13 in Foreign Currencies	Dividends Distributed in €
SUBSIDIARIES CAPITAL HELD AT LEAST 50%											
Gameloft Inc. Divertissements (Canada)	CAD	3,971,142	9,073,343	100.00%	2,855,807	2,855,807	12,491,506	CAD 4,000,000	33,182,664	1,894,607	
Gameloft Inc. (USA)	USD	2,001,000	9,714,753	99.50%	2,316,726	2,316,726			67,952,212	-286,520	
Gameloft Ltd.	£	1,000	-1,768,293	99.50%	1,666	1,666			2,102,904	54,324	
Gameloft GmbH	€	25,000	2,058,971	100.00%	25,000	-	274,036		306,138	24,177	
Gameloft Iberica S.A. (Spain)	€	560,161	613,420	100.00%	560,162	560,162	13,807,675		11,845,162	226,296	
Gameloft S.R.L. (Romania)	RON	191,600	5,000,824	100.00%	106,259	106,259			80,867,775	2,063,109	
Gameloft S.R.L. (Italy)	€	96,900	489,163	99.74%	97,870	97,870			2,179,939	-22,123	
Gameloft Software Beijing Ltd.	RMB	1,663,264	77,510,633	100.00%	173,340	173,340			93,729,142	2,457,779	
Gameloft KK	YEN	10,000,000	-255,569,230	99.90%	78,720	-			242,076,761	-248,244,772	
Gameloft Software Chengdu	RMB	1,603,220	-5,780,822	100.00%	155,678	155,678			47,446,282	161,743	
Gameloft Ltd. (Vietnam)	\$	50,000	2,190,560	100.00%	40,317	40,317	79,762		17,240,144	603,155	
Gameloft EOOD (Bulgaria)	€	52,510	428,769	100.00%	53,000	53,000			4,776,936	218,151	
Gameloft S. de R.L. de C.V.	\$ PESO	1,997,000	78,851,802	99.95%	140,028	140,028			353,377,704	13,845,626	
Gameloft Privated Ltd.	INR	103,026	11,934,915	99.99%	1,977	1,977			173,784,503	36,502,943	
Gameloft Co. Ltd.	KRW	5,875,987,490	-8,637,600,574	100.00%	3,973,597	2,823,340	2,910,847		6,858,082,402	40,729,663	
Gameloft Argentina	ARS	1,200,000	78,160,924	95.00%	939,037	939,037		USD 144,000	103,958,339	52,949,273	5,927,772
Gameloft LLC (Ukraine)	UAH	2,921,164	2,464,171	100.00%	280,000	280,000			36,798,496	1,794,291	
Gameloft Do Brasil Ltda	BRL	478,918	-30,054	99.00%	165,000	165,000			31,773,914	2,146,071	
Gameloft Australia Pty Ltd.	AUD	5,000	-265,533	100.00%	2,936	2,936			1,000,739	9,318	
Gameloft SRO (Czech Republic)	CZK	200,000	-12,426,013	100.00%	7,108	-	361,108		-	-1,224,312	
Gameloft Singapore Ltd.	SGD	100,000	-184,852	100.00%	56,436	56,436	434,654		531,358	-2,651	
Gameloft Venezuela	VEF	275,392	69,185	100.00%	78,104	78,104	425		7,008,116	-36,355	
Gameloft Philippines Inc.	PHP	9,000,000	-1,012,914	100.00%	141,975	141,975			133,977,604	4,505,652	
Gameloft Hong Kong Ltd.	HKD	10,000	-9,352,966	100.00%	869	-	1,548,648		3,002,656	552,791	

	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 & Guarantees Provided	Revenue at 31/12/13 in Foreign Currencies	Earnings at 31/12/13 in Foreign Currencies	Dividends Distributed in €
SUBSIDIARIES CAPITAL HELD AT LEAST 50%											
Gameloft Developpements Live Inc.	CAD	150,000	284,682	100.00%	94,215	94,215			1,235,524	73,240	
PT Gameloft Indonesia	IDR	892,200,000	4,549,819,759	99.00%	73,176	73,176			56,528,446,675	3,217,290,118	
Gameloft Software Shenzhen Co. Ltd.	RMB	1,347,560	-3,164,096	100.00%	157,518	157,518			15,922,118	-1,892,765	
Gameloft Toronto	CAD	10,000	667,358	100.00%	7,483	7,483		CAD 1,000,000	4,674,910	274,573	
Gameloft Hungary	HUF	500,000	6,456,048	100.00%	1,756	1,756			359,780,593	2,322,514	
Gameloft New Zealand	NZD	100	479,904	100.00%	63	63			9,809,490	209,117	
Gameloft FZ-LLC Dubai	AED	50,000	-435,625	100.00%	10,295	-			-	-435,625	
Gameloft SDN. BHD - Malaysia	MYR	350,000	2,316	100.00%	81,426	81,426	3,398		106,201	2,316	
Gameloft Rich Games Production France SARL 75 001 Paris - 450 415 237 00012	€	7,500	520,558	99.80%	7,485	7,485			2,709,344	96,718	-
Gameloft Partnerships SAS 75 008 Paris – 488 934 506 00020	€	37,000	407,842	100.00%	37,000	37,000			1,921,208	69,498	-
Gameloft France SAS 75 008 Paris – 500 819 537 00019	€	37,000	136,805	100.00%	37,000	37,000			891,235	25,150	-
Ludigames SAS 75008 Paris – 508 543 964 00011	€	37,000	-7,198	100.00%	37,000	31,894			2,091	-4,886	-
EQUITY CAPITAL HOLDINGS CAPITAL HELD BETWEEN 10 AND 50%											
TOTAL	€				12,796,030	11,518,676	31,912,058				

4. Trade receivables and related accounts

	31/12/13	31/12/12
Trade receivables and related accounts	129,195	125,402
Impairment of accounts receivable and related accounts	-1,625	-2,386
Total	127,570	123,016

At 31 December 2013, the provisions for accounts receivable concerning third-party customers totalled €320,000. Intra-group impairment of accounts receivable notably concerns Gameloft GmbH for €1,180,000, Gameloft KK for €24,000 and Gameloft Sro (Czech Republic) for €99,000, for their negative share positions.

The increase in accounts receivable is related to our activity growth in the 2013 fiscal year compared to 2012. Nearly 70% of the accounts receivable item consists of intra-group receivables (€90,631,000).

Most non-group accounts receivable are due in less than 1 year.

5. Other Receivables

	31/12/13	31/12/12
Government (VAT credit, etc.)	1,136	2,327
Group and partners	32,150	13,830
Receivables from suppliers & credits to be received	10,540	5,433
Other corporate receivables	588	5
Called-up share capital	298	1,100
Other miscellaneous debtors	837	943
TOTAL	45,548	23,639

Generally suppliers come under the intra-group suppliers item (€10,406,000).

	31/12/13	31/12/12
Provisions for group and partners	1,308	1,242
TOTAL	1,308	1,242

The "provisions on other receivables" item pertains to advances granted to Gameloft Hong Kong (€593,000), Gameloft Vietnam (€80,000), Gameloft SRO (€361,000) and Gameloft GmbH (€274,000).

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	129,195	129,195		
Government (VAT credit, etc.)	1,136	1,136		
Group and partners	32,150		32,150	
Receivables from suppliers & credits to be received	10,540	10,540		
Other corporate receivables	588	588	-	
Other miscellaneous debtors	837	132	705	
Called-up share capital	<u>298</u>	<u>298</u>	-	
TOTAL	174,744	141,889	32,855	
STATUS OF DEBTS	Gross Amount	Less than 1 Year	1 to 5 years	More than 5 Years
Financial debts	99	99		
Trade payables and related accounts	104,307	104,307		
Tax and social security liabilities	1,428	1,428		

Other debts	3,272	3,272		
Debts on assets	3,239	3,011	228	
Group and partners	<u>628</u>	<u>-</u>	<u>628</u>	<u>-</u>
TOTAL	112,973	112,117	856	-

Provisions in the amount of €1,308,000 were recorded on 31 December 2013 for current account advances of subsidiaries.

7. Accrued assets

	31/12/13	31/12/12
Credit notes from suppliers	2,526	402
Unbilled assets from customers	34,828	23,889
Accrued assets from social welfare bodies	588	-
Accrued assets from the government	11	198
TOTAL	37,953	24,489

Accrued assets concerning unbilled clients on 31 December amounts to €34,828,000 of which €13,277,000 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 €21,674,000 at 31 December 2013 compared to €18,648,000 at 31 December 2012.

These cash assets are made up of contracts that are immediately available and free of charge.

10. Accruals

	31/12/13	31/12/12
Prepaid expenses	1,191	362
Asset translation adjustments	7,541	3,266
Total	8,732	3,628

The asset translation adjustments pertain mainly to the update of trade receivables in the amount of €7,329,000.

11. Shareholders' Equity Capital

	Balance at 31/12/12	Share Capital Increase	Change in Share Capital	Profit/Loss 31/12/12	Profit/Loss 31/12/13	Balance at 31/12/13
Share capital	4,091	166	-56			4,201
Issue premium	85,045	9,031	-6,147			87,930
Merger premium	624					624
Other reserves	-5,707			661		- 5,046
Fiscal year profit/loss	661			-661	9,441	9,441
TOTAL	84,714	9,197	-6,202	-	9,441	97,150

The company benefited from an increase of share capital through the issuance of stock options and bonus shares in the amount of €9,197,000 and a reduction of share capital through the cancellation of its own shares in the amount of €6,202,000. Shareholders' equity capital is positive at €97,150,000 compared to €84,714,000 in 2012.

In fiscal year 2013, the amount collected from share capital increases was €3,797,000, the balance having been collected in January 2014.

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
US options exercised on 03/01/2007	0.05	44,600	2
W options exercised on 11/04/2008	0.05	147,550	7
US options exercised on 11/04/2008	0.05	98,800	5
F options exercised on 11/04/2008	0.05	536,145	27
W options exercised on 14/05/2009	0.05	644,078	32
W options exercised on 01/06/2010	0.05	913,000	46
W options exercised on 20/09/2011	0.05	463,000	23
Allotment of bonus shares on 20/09/2011	0.05	480,600	24
Cancellation of own shares	0.05	-1,117,473	-56
At 31/12/13	0.05	84,028,824	4,201

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	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	Balance at 31/12/13
Number of shares eligible for	2,811,000	2,734,800	2,535,000	2,421,700	2,238,000	1,630,989	50,400	0

subscription:

Number of shares cancelled: 76,200 276,000 389,300 535,000 682,400 697,400 747,800

Number of people concerned: 127

of which are managers 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 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 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 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	Balance at 31/12/13
Number of shares eligible for subscription:	710,100	604,800	530,400	511,200	494,200	377,000	80,600	0
Number of shares cancelled:		105,300	179,700	198,900	207,900	237,900	248,100	284,100
Number of people concerned:	38							
of which are managers	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	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	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	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	Balance at 31/12/13
Number of shares eligible for subscription:	3,110,250	3,015,000	2,850,600	2,595,350	2,059,465	811,995	128,300
Number of shares cancelled:		95,250	259,650	369,950	640,940	650,990	650,990
Number of people concerned:	199						
of which are managers	4						
Start of exercise period	11/04/2010	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	11/04/2014
Subscription price	2.80 euros	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	Balance at 31/12/13
Number of shares eligible for subscription:	534,300	525,300	508,200	398,900	244,900	136,100	37,300
Number of shares cancelled:		9,000	26,100	41,300	64,700	75,300	75,300
Number of people concerned:	48						
of which are managers	1						
Start of exercise period	11/04/2010	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	11/04/2014
Subscription price	2.95 euros	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	Balance at 31/12/13
Number of shares eligible for subscription:	2,208,500	2,130,900	2,003,800	1,539,800	1,093,990	441,312
Number of shares cancelled:		77,600	204,700	315,200	319,125	327,725
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	14/05/2011
End of exercise period	14/05/2015	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	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	Balance at 31/12/13
Number of shares eligible for subscription:	2,240,000	2,200,200	2,010,000	1,428,250	473,000
Number of shares cancelled:		39,800	230,000	332,000	374,250
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	01/06/2012
End of exercise period	01/06/2014	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	3.82 euros

Date of Board of Directors' Meeting	20/09/2011	Balance at 31/12/11	Balance at 31/12/12	Balance at 31/12/13
Number of shares eligible for subscription:	2,245,000	2,235,000	2,155,000	1,539,500
Number of shares cancelled:		10,000	90,000	242,500
Number of people concerned: of which are managers	170 2			
Start of exercise period	20/09/2013	20/09/2013	20/09/2013	20/09/2013
End of exercise period	20/09/2015	20/09/2015	20/09/2015	20/09/2015
Subscription price	3.87 euros	3.87 euros	3.87 euros	3.87 euros

Date of Board of Directors' Meeting	06/07/2012	Balance at 31/12/12	Balance at 31/12/13
Number of shares eligible for subscription:	1,606,000	1,590,900	1,385,400
Number of shares cancelled:		15,100	220,600
Number of people concerned: of which are managers	147 0		
Start of exercise period	06/07/2014	06/07/2014	06/07/2014
End of exercise period	06/07/2016	06/07/2016	06/07/2016
Subscription price	4.88 euros	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	Balance at 31/12/13
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	0
Number of shares cancelled:	-	500	3,500	3,500	3,500	3,500
Number of people concerned: of which are managers	55 3					

Allotment of Bonus Shares	01/06/2010	Balance at 31/12/10	Balance at 31/12/11	Balance at 31/12/12	Balance at 31/12/13
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	0
Number of shares cancelled:	-	3,500	108,500	129,750	129,750
Number of people concerned: of which are managers	60 3				

Allotment of Bonus Shares	20/09/2011	Balance at 31/12/11	Balance at 31/12/12	Balance at 31/12/13
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	0
Number of shares cancelled:	-	21,500	54,600	68,300
Number of people concerned:	47			
of which are managers	3			

Allotment of Bonus Shares	06/07/2012	Balance at 31/12/12	Balance at 31/12/13
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	732,500
Number of shares cancelled:	-	4,700	17,500
Number of people concerned:	51		
of which are managers	5		

Allotment of Bonus Shares	19/09/2013	Balance at 31/12/13
Date of Board of Directors' Meeting	19/09/2013	
Maturity - Vesting period	3 years – 19/09/2016	
End of holding period	2 years – 19/09/2018	
Number of instruments allotted	1,600,000	1,594,000
Number of shares cancelled:	-	6,000
Number of people concerned:	180	
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 2013, the maximum number of shares that may be created through the exercise of stock options and bonus shares is 4,004,812 and 2,326,500, 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.

In April 2013, Gameloft SE implemented a share buyback programme, but at the closing date it did not hold any treasury shares.

12. Accrued expenses

	31/12/13	31/12/12
Suppliers, invoices pending	26,703	15,370
Suppliers, invoices pending intangible assets	2,532	4,441
Credit notes issued	2,707	6,373

Tax liabilities	154	123
Social security liabilities	633	749
TOTAL	32,729	27,056

Credit notes issued have decreased this year due to a transfer price policy implemented on 1 January 2010.

Invoices pending represent €11,924,000 of intra-group debts and €7,804,000 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:

	31/12/13	31/12/12
Assets		
Intangible assets	128	
Tangible assets	2,657	536
Equity capital holdings	12,796	12,871
Other financial assets	150	150
Trade receivables and related accounts	90,631	91,495
Prov. on accounts receivable	-1,305	-2,137
Other receivables – Current accounts	32,623	13,830
Other receivables – Tax integration	238	157
Prov. on other receivables	-1,308	-1,242
Receivables from suppliers	10,406	5,246
Other miscellaneous receivables		
Debts		
Provision for contingencies and expenses	74	-
Trade payables and related accounts	84,864	70,439
Financial debts	628	628
Unearned income	102	126
Customer credit balances	2,707	6,281
Profit/Loss		
Operating income	67,979	59,945
Operating expenses	129,652	119,927
Financial income	6,544	6,615
Financial expense	421	1,285

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:

	31/12/13	31/12/12
Assets		
Trade receivables and related accounts	192	-
Liabilities		
Trade payables and related accounts	1,091	419
Customer credit balances	-	34
Profit/Loss		
Operating income	198	-116
Operating expenses	1,948	1,881

14. Provisions recorded on the balance sheet

	At 31/12/12	Allocations for the Year	Write-Backs for the Year		At 31/12/13
			Used	Unused	
Provisions for contingencies and charges					
For foreign exchange risks	3,266	7,541		-3,266	7,541
For risks	82	63			145
For charges	-	<u>74</u>	-	-	<u>74</u>
Total	3,348	7,678	-	-3,266	7,760
Provisions for valuation					
On brands	1,829				1,829
On marketed games	868	65	-529		405
On advances/licences	910	472	-66		1,316
On equity capital holdings	1,297	145	-165		1,277
On stocks	-				-
On accounts receivable	2,386	121		-882	1,625
On other receivables	<u>1,242</u>		-	<u>-208</u>	<u>1,308</u>
		274			
Total	8,532	1,077	-760	-1,090	7,760
Total	11,880	8,755	-760	4,356	15,520

In light of business prospects, a depreciation on marketed games in the amount of €65,000 was recorded for the fiscal year. Based on tests regarding the recovery of unhedged loans, a depreciation of €472,000 was recorded at 31 December 2013.

The allocation of equity holdings pertains to Gameloft Dubai (€10,000), Gameloft KK (€79,000), Gameloft Korea Ltd. (€51,000) and Ludigames (€5,000).

The "provisions on accounts receivable" item pertains to non-group receivables (€95,000) and intra-group receivables (€26,000), of which €24,000 was for Gameloft KK receivables and €2,000 was for Gameloft Dubai receivables.

The "provisions on other receivables" item pertains to advances granted to Gameloft GmbH (€274,000).

The write-backs of provisions pertain to R&D expenses recorded on 31 December 2013 for €529,000, of which €502,000 was transferred to the "depreciation expense" item, and for €66,000 for advances on licences.

The write-backs of provisions pertain to the equity capital holdings of Gameloft Shanghai (€165,000).

The write-backs of provisions for trade receivables reached €882,000 in total. €858,000 concerns intra-group receivables, of which €843,000 was from Gameloft GMBH and €19,000 was from Gameloft SRO; the remaining €24,000 was receivables from third parties.

The write-backs of provisions for valuation on other receivables total €201,000 for Gameloft Hong Kong, €3,000 for Gameloft SRO and €4,000 for Gameloft Vietnam.

15. Financial debts

Financial debts are as follows:

	31/12/13	31/12/12
Loans and similar accounts	99	46
Current account advances	628	628
Financial debts	726	674

Net financial surplus

	31/12/13	31/12/12
Financial debts	99	46
Cash on Hand	21,674	18,648
Net financial surplus	-21,575	-18,602

At 31 December 2013 there was a net financial surplus of €21,575,000 compared to €18,602,000 at 31 December 2012.

All financial debts are based on a fixed rate and are in euros.

16. Trade Payables and Related Accounts

	31/12/13	31/12/12
Trade payables	104,307	83,152
Total	104,307	83,152

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 2013 fiscal year, including the debts of the group's subsidiaries for a total of €84,700,000 compared to €70,000,000 in 2012.

17. Tax and social security liabilities

	31/12/13	31/12/12
Tax liabilities	440	315
Social security liabilities	988	1,068
Total	1,428	1,383

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 €491,000 in debts to social welfare bodies, and €304,000 in salary debts related to leave benefits.

18. Debts on assets

	31/12/13	31/12/12
Debts on assets	3,239	6,149
Total	3,239	6,149

Debts from suppliers on assets sharply decreased and are mainly due to debts on advances on licences in the amount of €3,029,000.

19. Other debts

	31/12/13	31/12/12
Credits not issued & credit balances of customer accounts	3,271	6,605
Other debts	1	390
Total	3,272	6,995

"Credits not issued" concern intra-group suppliers for €2,707,000.

20. Accruals

	31/12/13	31/12/12
Unearned income	297	226

Translation adjustments	1,623	3,014
Total	1,920	3,240

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 (€1,470,000) and account receivables (€153,000).

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 2013 is as follows:

	31/12/13		31/12/12	
	€K	%	€K	%
Smartphones	142,908	73%	74,940	45%
Feature phones	48,771	25%	86,715	53%
TV	3,175	2%	3,505	2%
Total Revenue	194,854	100%	165,160	100%
Self-constructed assets	1,431	-	1,772	-
Closing inventory	-	-	0	-
Total	196,285	-	166,932	-

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 2013 on smartphones and touch tablets sharply increased, moving from 45% to 73%.

The breakdown of revenue by geographic area at 31 December 2013 is as follows:

	31/12/13		31/12/12	
	€K	%	€K	%
EMEA	58,570	30%	46,577	28%
<i>including France</i>	9,849	5%	14,315	9%
North America	82,231	42%	70,252	43%
APAC	29,512	15%	27,754	17%
LATAM	24,541	13%	20,577	12%
Total Revenue	194,854	100%	165,160	100%
Self-Constructed Assets	1,431	-	1,772	-
Closing Inventory	-	-	0	-
Total	196,285	-	166,932	-

North America represented 42% of annual revenue; the EMEA region, 30%; Asia-Pacific, 15%; and Latin America, 13%.

22. Other operating income and transfer of charges

Other operating income is as follows:

	31/12/13	31/12/12
Write-backs of provisions	974	802
Transfer of charges	1,061	1,552
Other income	629	1,248
Total	2,664	3,602

The "transfer of charges" item concerns the re-invoicing of overhead costs (€779,000).

The "write-backs of provisions" item relates to provisions for asset depreciation in the amount of €92,000, of which €66,000 is depreciation of advances on licences and €26,000 is depreciation of development costs, and provisions for trade receivables in the amount of €882,000.

The "other income" item mainly includes requests for repayment of taxes on Organic wrongly declared in 2010, 2011 and 2012.

23. Purchases and other supplies

Cost of goods sold consists of development costs on mobile games (€126,494,000) and related overhead costs (€1,735,000).

24. Other operating purchases and external charges

Other operating purchases are as follows:

	31/12/13	31/12/12
Comm. and brokerage fees on sales and administrative subcontracting and marketing	7,264	5,303
Telecommunication and small equipment costs	417	338
Advertising and marketing expenses	6,086	6,141
Conference and trade fair expenses	63	56
Travel expenses	697	651
Professional expenses	779	764
Royalties	24,850	15,262
Other	3,312	3,278
Total	43,468	31,793

25. Personnel expenses

At 31 December 2013, the company had 33 employees, of which 4 were managers.

The amount of personnel expenses corresponding to game production is €2,837,000.

26. Operating amortisations, depreciations and provisions

Allocations are as follows:

	31/12/13	31/12/12
Amortisation of intangible assets	113	59
Amortisation of intangible assets: development costs	1,326	4,038
Amortisation of intangible assets: licences	4,344	6,616
Depreciation of tangible assets	811	823
Provisions	796	1,390

TOTAL	7,391	12,926
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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 2013, Gameloft had nearly 260 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 mainly concerns depreciations on development costs (€65,000), on trade receivables (€121,000), on asset impairments related to advances on licences (€472,000) and a provision for retirement benefits (€63,000).

27. Net financial income/expense

Net financial income/expense breaks down as follows:

	31/12/13	31/12/12
Financial income:		
Income from other securities and receivables from long-term assets	5,928	2,453
Other interest and similar income	783	548
Write-backs of provisions	3,639	6,347
Foreign exchange gains	<u>4,188</u>	<u>2,272</u>
	14,538	11,620
Financial expense:		
Provisions	7,960	4,543
Other interest and similar expenses	2	10
Foreign exchange losses	<u>8,524</u>	<u>4,082</u>
	16,485	8,635
Net financial income/expense	-1,948	2,985

The write-backs of provisions in the amount of €3,639,000 are as follows:

- €208,000 for current account advances, of which €201,000 were for Gameloft Hong Kong, €3,000 were for Gameloft Sro (Czech Republic) and €4,000 were for Gameloft Vietnam;
- €165,000 for equity holdings, of which €165,000 were for Gameloft Shanghai;
- €3,266,000 for foreign exchange losses.

"Other financial income" is interest derived from investments from interest-bearing contracts, as well as €408,000 for the re-invoicing of interest on current account advances.

The provisions in the amount of €7,960,000 are as follows:

- €274,000 for current account advances, of which €274,000 were for Gameloft GMBH;
- €145,000 for equity holdings, of which €51,000 were for Gameloft Korea Ltd., €79,000 were for Gameloft KK, €10,000 were for Gameloft Dubai and €5,000 were for Ludigames;
- €7,541,000 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.

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 2013.

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:

	31/12/13	31/12/12
Extraordinary income:		
Write-backs of provisions	502	-
Extraordinary income from capital transactions		17
Extraordinary income from management operations		=
	502	17
Extraordinary expenses:		
Extraordinary expenses on management operations	-	269
Extraordinary expenses on capital transactions	167	20
Depreciation and provisions	<u>502</u>	=
	669	289
Total extraordinary profit/loss	-167	-272

The "extraordinary expenses on capital transactions" item pertains to the net book value of financial assets in the amount of €167,000 for the liquidation of Gameloft Shanghai.

29. Corporate income tax

Following article 24 of French Law 2012-1509 of 29 December 2012, losses can be carried over in the amount of €1,000,000, plus 50% of earnings exceeding that threshold.

The portion of carry-over losses not yet used at 31 December 2013:

	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
Carry-over losses *	-	2,586	3,064	-	-	-	-	13,996	7,043
TOTAL	-	2,586	3,064	-	-	-	-	13,996	7,043

* non-cumulative data

In fiscal year 2013, the reductions and increases in the future tax burden were as follows:

Future Tax Burden	Basis	Tax
Organic provision for the year	14	5
Tax on tourism vehicles	9	3
Unrealised foreign exchange gains	1,623	541
TOTAL REDUCTIONS	1,646	549

The tax rate in effect at 31 December 2013 was 33.33%.

Income tax consists of the following:

At 31/12/13	Accounting Basis	Corporate Tax
Pre-tax profit/loss on ordinary activities	9,745	-
Extraordinary profit/loss	-167	-
Pre-tax profit/loss	9,578	-

At 1 January 2014, there were €26,688,000 in non-lapsing losses carried forward for Gameloft SE and €80,000 in losses carried forward indefinitely in terms of tax consolidation for the group.

Income tax consists of the following:

	31/12/13	31/12/12
Current tax	-137	137
Total	-137	137

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.

The amount of tax savings was non-existent 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 2013, the average workforce at Gameloft SE was 31 employees, 23 men and 8 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 31/12/13
	Description	Commitment End Date	
Commitments related to the implementation of operating agreements	Business leases	31/12/2020	€4,156,000
	Guarantor on behalf of Gameloft Toronto for a line of credit with HSBC.		CAD 1M
	Guarantor on behalf of Gameloft Divertissements Inc. for a line of credit with HSBC.		CAD 4M
	Gameloft SE has a commitment toward HSBC for deals made by mutual agreement and dated 7 and 17 January 2014 for a currency exchange of euros to US dollars.		USD 1.5M USD 2M
Guaranteed commitments, mortgages, etc.	-		-

Off-balance sheet commitments received related to operating activities			At 31/12/13
	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
	Gameloft SE has a commitment from HSBC for deals made by mutual agreement and dated 7 and 17 January 2014 for a currency exchange of euros to US dollars.	USD 1.5M USD 2M

As a shareholder, Gameloft SE issued letters of support to the subsidiaries in Singapore, Dubai and in France with Ludigames at 31 December 2013 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 2013, hours totalled 2,612.

4. Events Subsequent to the Close of Year

No 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 during the year 2013 was €254,000.

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 company managers were entitled to the maximum amount of directors' fees in 2013.

Amounts in Euros	Gameloft SE			Total Compensation for 2013
	Gross Fixed Compensation	Benefits in Kind	Directors' Fees	
Michel Guillemot	60,000		25,000	85,000
Claude Guillemot	31,248		25,000	56,248
Gérard Guillemot				-
Yves Guillemot	31,248		25,000	56,248
Christian Guillemot	31,248		25,000	56,248
Total	153,744	-	100,000	253,744

	2013	2012
Salaries, misc. charges and benefits	€254K	€254K

Total pensions and other post-employment benefits		
Severance pay		

Total stock options and bonus shares issued	247,500	142,000
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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 2013, 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 2013

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 2013 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. 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 entails examining, on a test basis or by 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 3.2.3.4.1 and paragraph 1 of note 3.2.3.5 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 3.2.3.4.3 "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' 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 equity investments and control, and relative to the identity of holders of capital and voting rights, was provided to you in the management report.

Courbevoie and Rennes, 16 April 2014

The Auditors

MAZARS

Simon Beillevaire

AUDIT AMLD

Eric Moulois

4. GOVERNANCE AND INTERNAL CONTROL

4.1 Report by the Chairman of the Board of Directors on Corporate Governance and Internal Controls

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 19 March 2014.

In putting together the current report, the company, following the Board of Directors' decision of 7 February 2014, adheres henceforth to the MiddleNext corporate governance code for small and midcaps of December 2009, which seems better suited to the company with regard to its size and the structure of its shareholding. This code is available on the MiddleNext website (www.middlenext.com).

4.1.1 Corporate Governance

In its 7 February 2014 session, the company's Board of Directors decided to adopt the MiddleNext corporate governance code for small and midcaps of December 2009 (the "MiddleNext code") as the code to be referred to by the company in matters of corporate governance, deeming it best suited to the company's size and the structure of its shareholding. This code is available on the MiddleNext website (www.middlenext.com).

The MiddleNext code contains points of vigilance that recall the questions the Board of Directors must ask itself in order to further the proper functioning of governance. The company's Board of Directors took note of these key points during its 7 February 2014 session.

At the date of the current report's publication, the company has not complied with the entirety of the recommendations decreed by the MiddleNext code. In accordance with the provisions in paragraph 7 of Article L. 225-37 of the French Commercial Code, the current report specifies the MiddleNext code provisions that were dismissed and explains the reasons why.

The company does not consider itself to be in compliance with the following recommendations:

- Independent director

In order to comply with recommendation No. 8 of the MiddleNext code, the Board of Directors decided, in its 19 March 2014 session, to have the shareholders vote on the appointment of a second independent director during the next General Meeting on 18 June 2014.

- Publication of the Board of Directors' internal rules:

At the date of the current report's publication, the company has not made public the new internal rules bestowed upon its Board of Directors on 7 February 2014, but plans to publish them on the company's website.

- Compensation of directors:

The total amount of directors' fees is allotted equally to the directors. Indeed, the company considers that, even if a director cannot participate in a Board meeting, they remain committed to their responsibilities. Moreover, the directors devote time to their duties outside of meetings.

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 2013, 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	55 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	48 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	57 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 Strategy and Development	53 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
Gérard Guillemot Executive Vice President Strategy and Development	52 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	67 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 recommendation No. 7 of the MiddleNext code, the managing directors do not hold more than three other directorial mandates for listed companies outside of the Gameloft Group.

In accordance with legal and statutory provisions, directors are appointed, reappointed or removed by the General Meeting. During the appointment or renewal of each director's term, information regarding their experience and competence is conveyed in the annual report and to the General Meeting. The appointment of each director is the subject of a separate resolution, in accordance with recommendation No. 9 of the MiddleNext code. Each director must own at least one share in the company.

The term for directors of the company is currently set at 6 years in consideration of its specific character, in particular the breakdown of its shareholdings with members of the Guillemot family historically serving as key shareholders. This duration is in compliance with recommendation No. 10 of the MiddleNext code which advises that the statutory duration of the directors' terms be adapted to the company's specific features, within the limits of the law.

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 Marie-Thérèse Guiny is an independent director as defined by recommendation No. 8 of the MiddleNext corporate governance code, bearing in mind that an independent administrator must meet the following criteria:

- Must not be an employee or executive director of the company or of a company in its group, and must not have been in such a position for the previous three years;
- Must not be a customer, supplier, or banker that is material to the company or its group, or to a significant part of whose business the corporation or its group accounts;
- Must not be a key shareholder in the company;
- Must not be related by close family ties to an executive director or to a key shareholder;
- Must not have been an auditor of the company within the previous three years.

Recommendation No. 8 of the MiddleNext code advises that the Board include two independent members. This number can be brought down to one member, assuming the Board is composed of five members or fewer.

In order to comply with recommendation No. 8 of the MiddleNext code, the Board of Directors decided, in its 19 March 2014 session, to have the shareholders vote during the next General Meeting, on 18 June 2014, on the appointment of a second independent director in the person of Ms Odile Grandet, for a term of six years expiring at the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 December 2019.

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 law no. 2011-103 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.

In this way, if the company's next General Meeting, to be held on 18 June 2014, appoints Ms Odile Grandet as one of the company's directors, the make-up of the company's Board of Directors will be in compliance with the provisions of law no. 2011-103 of 27 January 2011 relating to the equal representation of women and men on boards of directors and supervisory boards, and professional equality.

d) Ethics of the directors

In compliance with recommendation No. 7 of the MiddleNext code, each director is made aware of the responsibilities incumbent upon them at the moment of their appointment and is encouraged to observe the code of ethics related to their mandate.

Directors must comply with legal rules governing the holding of multiple appointments, inform the Board of any conflict of interest arising after their appointment, show proof of diligence at Board meetings and General Meetings, and ensure that they have all the necessary information about the Board meetings' agenda before making any decisions.

Directors are required to not disclose confidential information given to them as such by the Chairman of the Board of Directors.

e) Powers and duties of the Board of Directors

The Board meets and deliberates on questions relevant to its competence in virtue of legal and statutory provisions, and in accordance with the provisions of its internal rules, which defines, in compliance with recommendation No. 6 of the MiddleNext code, the Board's role, make-up, and its main operating guidelines, as well as the duties of its members and the rules that determine the members' compensations.

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.

f) 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.

In compliance with recommendation No. 11 of the MiddleNext code, all documents and information necessary to the duties of the directors were given to them or put at their disposal within a sufficient period of time before Board meetings. 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.

g) 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 (NRE law), 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. It was decided that this arrangement was the most favourable to the proper functioning of the company and the efficiency of the decision-making process.

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.

h) 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.

i) Board of Directors' meetings

The Board of Directors meets as often as the company's interests require, and at a minimum of four times per year in compliance with recommendation No. 13 of the MiddleNext code.

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 12 times in 2013. The directors attended the Board meetings regularly, with an overall attendance rate of 79.19% in 2013.

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:

- Share capital increase following the exercising of share rights attached to stock warrants during fiscal year 2012.
- Review of the project to establish a new subsidiary company in Dubai (United Arab Emirates).
- Review and approval of the individual and consolidated financial statements for the fiscal year ended 31 December 2012. Proposed allocation of profit. Preparation of the annual financial report. Evaluation of the Board's operations and preparation of its tasks. Preparation and notice to attend the Annual Ordinary General Meeting.
- Authorisation of a guarantee commitment in favour of the company's Canadian subsidiaries.
- Share capital increase following the exercising of share rights attached to stock warrants during the first half of fiscal year 2013.
- Guarantee commitment awarded in favour of the Gameloft New Zealand Limited subsidiary company.

- Review and approval of the half-year accounts at 30 June 2013. Preparation of the half-year financial report.
- Bonus issue of shares to employees and executive directors.
- Increase in share capital resulting from the bonus issue of shares to employees and executive directors.
- Update of the report on the projected management documents for 2013 and authorisation of lease guarantees for Gameloft Divertissements (Canada) and Gameloft Inc. (USA).
- Authorisation of a regulated agreement: licence agreement with Ubisoft Entertainment S.A.
- Share capital decrease due to the cancellation of own shares.

j) Evaluation of the Board of Directors' work

As advised by recommendation No. 15 of the MiddleNext code, at its meeting of 15 April 2013 the Board of Directors invited the directors to express themselves with regards to the operation of the Board and the preparation of its duties, by using a self-evaluation questionnaire for the Board of Directors and its committees, which was sent to each director.

The self-evaluation primarily concerned 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. What emerged was a positive appraisal of the Board's ability to carry out its mandate.

4.1.1.1.2 The Board of Directors' Committees

In accordance with recommendation No. 12 of the MiddleNext code, we are making you aware of the company's choice as regards specialised committees.

Considering the company's situation, the Board of Directors decided to create 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

• *Composition:* This Committee is made up of Ms Marie-Thérèse Guiny, Chairperson, who is assisted by Claude Guillemot.

• *Mission:* 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 company 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.

b) Audit Committee

• *Composition:* 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.

• *Mission:* 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.

4.1.1.1.3 Compensation of the Executive Directors

The policy for compensation and benefits of all types awarded to the company's executive directors complies with recommendation No. 2 of the MiddleNext code. Indeed, the principles used to determine compensation correspond to the following criteria: completeness, balance, benchmark, consistency, readability, worth and transparency.

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 paid by the company to members of the Board of Directors over the course of the fiscal year reached €1,017,292.

In accordance with recommendation No. 2 of the MiddleNext code, information on compensation of executive directors is detailed in the corresponding tables of the company's Management Report.

4.1.1.1.4 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.

In compliance with recommendation No. 14 of the MiddleNext code, it is specified that each of Gameloft's executive directors were granted 25,000 euros in directors' fees over the course of the fiscal year ended 31 December 2013.

4.1.1.1.5 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 recommendation No. 5 of the MiddleNext code regarding the compensation of executive directors, the awarding of stock options to, and purchase of shares by, executive directors are subject to relevant performance conditions reflecting the company's medium- and long-term interest.

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.

4.1.1.1.6 Stock Options Exercised during the Fiscal Year by the Executive Directors

STOCK OPTIONS EXERCISED BY THE EXECUTIVE DIRECTORS DURING THE FISCAL YEAR						
Name of Executive Director:	Type of Operation	Plan Number and Date	Date of Operation	Number of Shares	Exercise Price	Amount of Operation
Gérard Guillemot	Transfer	Plan Number 8 of 11/04/2008	06/02/2013	10,000	€2.95	€54,770.00
Gérard Guillemot	Transfer	Plan Number 8 of 11/04/2008	15/05/2013	27,500	€2.95	€151,652.00

4.1.1.1.7 Bonus Issues 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 recommendation No. 5 of the MiddleNext code regarding the compensation of executive directors, the awarding of bonus shares to executive directors is subject to relevant performance conditions reflecting the company's medium- and long-term interest.

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.

4.1.1.1.8 Employment Contract, Retirement Benefits and Supplementary Retirement Plans Offered to the Executive Directors

None of the executive directors are under an employment contract, as endorsed by recommendation No. 1 of the MiddleNext code. No commitment has been made in favour of the executive 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, as endorsed by recommendation No. 3 of the MiddleNext code. Executive directors do not benefit from any additional retirement commitments, as endorsed by recommendation No. 4 of the MiddleNext code.

4.1.1.2 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 2013, 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, South Africa, the United Arab Emirates and Malaysia. 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 which 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 needs 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 2013 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, 19 March 2014,

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 of the Board, pursuant to the provisions of Article L. 225-37 of the French Commercial Code for the fiscal year ended 31 December 2013.

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

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, 16 April 2014

The Auditors

MAZARS

AUDIT AMLD

Simon Beillevaire

Eric Moulois

5. LEGAL INFORMATION

5.1 Special Auditors' Report on Regulated Agreements and Commitments

General Meeting called to approve the accounts for the fiscal year ended 31 December 2013

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

I- 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.

1 - Licence agreement with Ubisoft Entertainment S.A.

- Directors concerned:

Messrs Christian, Claude, Gérard, Michel and Yves Guillemot

- Nature and purpose:

On 9 December 2013, your Board of Directors authorised the signing of a licence agreement with Ubisoft Entertainment S.A., under which Ubisoft Entertainment granted to your company an exclusive licence permitting Gameloft SE to market and promote certain trademarks and video games owned by Ubisoft Entertainment S.A. on mobile feature phones as well as mobile phones and tablets running iOS and Android. This licence contract took effect retroactively as of 1 April 2013.

- *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 436,821.73 euros.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

II- 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 S.A. 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. This licence contract expired on 31 March 2013.

- *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 165,505 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. This licence contract expired on 31 March 2013.

- *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 268,812.77 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 1,106.92 euros.

Rennes and Courbevoie, 16 April 2014

The Auditors

MAZARS

AUDIT AMLD

Simon Beillevaire

Eric Moulois

5.2 Combined General Meeting of 18 June 2014

5.2.1 Ordinary Portion of the Meeting

First Resolution (*Approval of individual financial statements for fiscal year 2013*) - 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 2013 as they have been presented, showing a net book profit of 9,441,176.96 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 2013 and the Auditors' report for said fiscal year, resolves to allocate the profit totalling 9,441,176.96 euros in the following manner:

- 5,147,484.80 euros as balance carried forward;
- 214,684.61 euros as legal reserve;
- 4,079,007.55 euros as other reserve.

The General Meeting also notes that no dividends were distributed during the last three fiscal years.

Third Resolution (*Approval of the consolidated financial statements for fiscal year 2013*) - 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 2013, approves the consolidated financial statements for said fiscal year, as presented, which show a profit of 7,525,658.17 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 (*Appointment of Ms Odile Grandet to the position of director*) - The General Meeting, on the advice of the Board of Directors and after consulting with the Appointments and Compensation Committee, decided to appoint Ms Odile Grandet to the position of director for a term of six years expiring at the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 December 2019.

Sixth Resolution (*Fixation of the annual amount of directors' fees*) - The General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having read the Board of Directors' report and after consulting with the Appointments and Compensation Committee, fixed the maximum annual amount of directors fees to be divided among the members of the Board of Directors at 175,000 euros, until decided otherwise.

Seventh Resolution (*Authorisation to be granted to the Board of Directors with a view to allowing the company to trade in 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 eighth resolution hereinafter;
- 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;
- 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 84,028,824 euros, based on the number of shares making up the share capital at 31 December 2013.

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 2013 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.

5.2.2 Extraordinary Portion of the Meeting

Eighth Resolution (*Authorisation to be granted to the Board of Directors with a view to reducing the company's share capital by cancelling 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 its seventh 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 2013 in its seventh 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.

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, 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 - 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.

3 - 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.

4 - 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.

5 - 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.

6 - Sets the term during which the authorisation granted under this resolution is valid at 26 months starting on the date of this General Meeting.

7 - Resolves that the current authorisation nullifies any previous authorisation having the same purpose.

8 - 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.

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.

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 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 - 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.

3 - 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.

4 - 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.

5 - 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.

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 resolution, an express waiver by shareholders of their pre-emptive right to the new shares to which these securities give a right.

7 - 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.

8 - Sets the term during which the authorisation granted under this resolution is valid at 26 months starting on the date of this General Meeting.

9 - Resolves that the current authorisation nullifies any previous authorisation having the same purpose.

10 - 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.

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 (*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 - 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.

3 - 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.

4 - Resolves to cancel pre-emptive rights of shareholders to the shares and other securities that may be issued under this authorisation.

5 - 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.

6 - 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.

7 - 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.

8 - Sets the term during which the authorisation granted under this resolution is valid at 26 months starting on the date of this General Meeting.

9 - Resolves that the current authorisation nullifies any previous authorisation having the same purpose.

10 - 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.

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.

Twelfth 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 ninth, tenth and eleventh 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.

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 paid employees and managers of the Group, or to some of them*) - 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 - Resolves that the total number of new or existing shares that can be allotted under this authorisation cannot exceed 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.

4 - 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.

5 - Resolves that the allotment of shares to their recipients will be final at the end of a vesting period whose duration will be set by the Board of Directors, with the stipulation that this duration cannot be less than two years, and that the beneficiaries must hold onto the aforementioned shares for a duration fixed by the Board of Directors, and that this holding period cannot be less than two years starting from the final allocation of the aforementioned shares, with the further 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. However, the General Meeting authorises the Board of Directors, in cases where the vesting period for all or part of one or more allotments will be a minimum of four years, not to impose any holding period for the shares concerned. Inasmuch as it is necessary, it should be noted that the Board of Directors can provide for vesting periods and holding periods that are longer than the aforementioned minimum durations.

6 - 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.

7 - Sets the term during which the authorisation granted under this resolution is valid at 38 months starting on the date of this General Meeting.

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 authorisation.

4 - Resolves that the subscription price of the shares or securities issued will be determined under the conditions defined in Article 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 - 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.

8 - Sets the term during which the authorisation granted under this resolution is valid at 26 months starting on the date of this General Meeting.

9 - Resolves that this authorisation nullifies any previous authorisation having the same purpose.

10 - 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.

Fifteenth Resolution (*Setting 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 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.