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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2012

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 001-33368

Glu Mobile Inc.
(Exact name of registrant as specified in its charter)

Delaware	**91-2143667**
(State or Other Jurisdiction of Incorporation or Organization)	**(IRS Employer Identification No.)**
45 Fremont Street, Suite 2800 San Francisco, California	**94105**
(Address of Principal Executive Offices)	**(Zip Code)**

(415) 800-6100
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value $0.0001 per share	**NASDAQ Global Market**

Securities registered pursuant to Section 12(g) of the Act:
None
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 Regulation S-T (§ 232.405 of this chapter during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See

the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting stock held by non-affiliates of the registrant as of June 30, 2012, the last business day of the registrant's most recently completed second fiscal quarter, based upon the closing price of such stock on such date as reported by The NASDAQ Global Market, was approximately $333,137,884. Shares of common stock held by each executive officer and director of the registrant and by each person who owns 10% or more of the registrant's outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of outstanding shares of the registrant's common stock as of March 1, 2013 was 66,635,920.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement for registrant's 2013 Annual Meeting of Stockholders to be filed pursuant to Regulation 14A within 120 days after registrant's fiscal year ended December 31, 2012 are incorporated by reference into Part III of this Annual Report on Form 10-K.

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Forward-Looking Statements

The information in this Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. For example, words such as "may," "will," "should," "estimates," "predicts," "potential," "continue," "strategy," "believes," "anticipates," "plans," "expects," "intends" and similar expressions are intended to identify forward-looking statements. Our actual results and the timing of certain events may differ significantly from the results discussed in the forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed elsewhere in this report, particularly in the section titled "Risk Factors," and the risks discussed in our other Securities and Exchange Commission (the "SEC") filings. We undertake no obligation to update the forward-looking statements after the date of this report, except as required by law.

PART I

Item 1. *Business*

General

Glu Mobile develops and publishes a portfolio of action/adventure and casual games designed to appeal to a broad cross section of the users of smartphones and tablet devices who purchase our games through direct-to-consumer digital storefronts, such as the Apple App Store, Google Play store, Amazon Appstore, Microsoft Xbox Live marketplace and Samsung App Store. We create games based on our own brands, including *Blood & Glory*, *Big Time Gangsta*, *Contract Killer*, *Contract Killer: Zombies*, *Deer Hunter*, *Eternity Warriors*, *Frontline Commando*, *Gun Bros*, *Samurai vs. Zombies Defense* and *Stardom*, as well as third-party licensed brands. We are based in San Francisco, California.

We were incorporated in Nevada in May 2001 as Cyent Studios, Inc. and changed our name to Sorrent, Inc. later that year. In November 2001, we incorporated a wholly owned subsidiary in California, and, in December 2001, we merged the Nevada corporation into this California subsidiary to form Sorrent, Inc., a California corporation. In May 2005, we changed our name to Glu Mobile Inc. In March 2007, we completed our initial public offering and our common stock is traded on the NASDAQ Global Market under the symbol "GLUU." Except where the context requires otherwise, in this Annual Report on Form 10-K, references to "Company," "Glu," "Glu Mobile," "we," "us" and "our" refer to Glu Mobile Inc., and where appropriate, its subsidiaries.

Available Information

We file annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other reports, and amendments to these reports, required of public companies with the SEC. The public can read and copy the materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549 and can obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. We make available free of charge on the Investor Relations section of our corporate website all of the reports we file with the SEC as soon as reasonably practicable after they are filed. Our internet website is located at www.glu.com and our Investor Relations website is located at www.glu.com/investors. The information on our website is not incorporated into this report, unless otherwise expressly stated. **Copies of our Annual Report on Form 10-K for the year ended December 31, 2012 may also be obtained, without charge, by contacting Investor Relations, Glu Mobile Inc., 45 Fremont Street, Suite 2800, San Francisco, California 94105 or by calling 415-800-6100.**

Business Developments and Strategy

Since January 1, 2012, we have taken the following actions to support our business:

- We continued to focus our efforts on developing and publishing games for smartphones and tablet devices, such as Apple's iPhone and iPad and mobile devices utilizing Google's Android operating system, such as Samsung's Galaxy product line and Amazon's Kindle Fire. Our significant achievements related to these efforts included the following:
  - We generated $74.4 million in smartphone revenues in 2012, a 112% increase from the $35.1 million in smartphone revenues we generated in 2011.
  - Smartphone revenues comprised 85.0% of our total revenues in 2012 compared with 53.0% of our total revenues in 2011.

- Our gross margin increased to 85.5% from 72.2% in 2012.
- In December 2012, we had approximately 3.5 million daily active users and 34.8 million monthly active users of our games on our primary distribution platforms, including Apple's App Store, the Google Play Store, Amazon's Appstore and the Mac App Store.
- As of December 31, 2012, we had approximately 384.0 million cumulative installs of our smartphone games on our primary distribution platforms noted in the preceding bullet, including approximately 54.0 million installs during the fourth quarter of 2012.

- We continued to execute on our strategy to become the leading developer and publisher of "freemium" games for smartphones, tablets and other platforms. Freemium games are games that a player can download and play for free, but which allow players to access a variety of additional content and features for a fee and to engage with various advertisements and offers that generate revenues for us. We released 21 freemium games during 2012, and expect to release approximately 15 additional freemium titles during 2013.
- In April 2012, we acquired from Atari, Inc. the Deer Hunter trademark and associated domain names and also entered into an agreement with Atari for the exclusive, irrevocable, sublicensable and transferable worldwide license to the other intellectual property associated with the Deer Hunter brand. The acquisition of the *Deer Hunter* brand assets enabled us to expand our portfolio of original intellectual property and to eliminate our royalty payments to Atari for games based on this brand. We subsequently released *Deer Hunter Reloaded* in April 2012, which was one of our highest revenue-generating games of 2012.
- We significantly increased the revenues that we generate from titles based on our own intellectual property, deriving 80.5% of our total revenues in 2012 from original intellectual property titles compared with 49.3% in 2011. Some of the successful original intellectual property titles that we launched in 2012 were *Blood & Glory: Legend, Contract Killer 2, Contract Killer: Zombies 2, Deer Hunter Reloaded* and *Eternity Warriors 2,* each of which was a sequel or brand extension of our existing original intellectual property. We also launched a new original intellectual property title, *Samurai vs. Zombies Defense*. We intend to continue to base the substantial majority of our games upon our own intellectual property, which we believe will continue to increase our margins and enhance our long-term value.
- In August 2012, we acquired GameSpy Industries, Inc., a provider of technology and services for multiplayer and server-based gaming.
- In October 2012, we entered into an agreement with Probability PLC to create Glu original intellectual property branded mobile casino games for consumers in the United Kingdom and Italy. Probability launched a real-money slots game based on our *Samurai vs. Zombies Defense* brand in the first quarter of 2013.
- In November 2012, we hired Matt Ricchetti as our first President of Studios to oversee all of our worldwide development studios and focus on improving the monetization of our games.
- Although our primary focus is creating and distributing freemium games based on our own intellectual property, to further expand our business, in February 2013, we announced the creation of our Glu Publishing division, which will seek to enter into strategic relationships with third-party developers to publish their titles through our network of distribution channels.

The mobile games market continued to undergo significant changes in 2012. There has been, and we believe that there will continue to be, an increase in the number of smartphones sold as consumers continue to migrate from traditional feature phones to these next-generation devices. In addition, since early 2010, Apple, Amazon, Microsoft, Samsung and a number of other manufacturers have introduced tablet devices, which enable mobile game developers to create titles that are optimized for larger screen sizes and designed to take advantage of the tablets' advanced capabilities and functionality. Furthermore, during the fourth quarter of 2012, Apple introduced a smaller version of its tablet, the iPad mini, which could spur additional consumer adoption of tablets. We believe that the worldwide proliferation of smartphones and tablets will continue for the foreseeable future.

We continued to execute on our strategy of becoming the leading developer and publisher of freemium games for smartphones, tablets and other advanced platforms. In order for us to achieve this goal, we must develop and publish mobile games that are widely accepted and commercially successful on digital storefronts that distribute games for these devices and platforms. These include Apple's App Store and Mac App Store, the Google Play Store and Google Chrome, Amazon's Appstore, Microsoft's Xbox Live Marketplace and the Samsung App Store. Accordingly, we have concentrated our product development efforts exclusively towards developing new titles for smartphones, tablets and advanced platforms, and intend to continue to devote significantly fewer resources in future periods towards selling and supporting games for feature phones.

We have succeeded in generating a large number of downloads of our games. This is in part because our games can be downloaded and played for free, which enables us to build a significantly larger customer base more quickly than we could if we charged users an up-front fee for downloading our games, which was our previous feature phone business model. In addition, we believe that our games consistently have high production values, are visually appealing and have engaging core gameplay. These characteristics have typically resulted in highly positive consumer reviews and enhanced our reputation for publishing compelling freemium games. We also believe that we have been a consistently good partner of both Apple and Google, which has contributed to the majority of our games receiving featuring on their storefronts when they are commercially released.

However, for us to continue to execute on our strategy of becoming the leading developer and publisher of freemium games for smartphones, tablets and other advanced platforms, we must improve our monetization of the many daily and monthly active users of our games. We believe that deep monetization is one of the primary areas in which we must be proficient to succeed in the mobile gaming industry in 2013 and beyond. Accordingly, we have implemented a number of measures designed to improve the monetization of our games. These include: (1) hiring a number of new personnel with monetization expertise; (2) including new categories of games in our planned 2013 product portfolio that often have higher monetization rates than our single-player focused action/adventure and casual games (such as role-playing games and real-time strategy games); and (3) including deeper "meta game" functionality in our game, by which we mean increasing the player's ability to continue to create content or otherwise invest in the game outside the core gameplay loop, which we believe should result in increased player retention.

Our Products

We develop and publish a portfolio of action/adventure and casual games designed to appeal to a broad cross section of the users of smartphones and tablet devices. Although we have licensed, and intend to continue to selectively license, third-party brands, we have since 2010 concentrate on developing games based on our own intellectual property, which include *Big Time Gangsta', Blood & Glory, Bug Village, Contract Killer, Contract Killer: Zombies, Deer Hunter*, *Dragon Storm*, *Eternity Warriors, Frontline Commando, Gun Bros, Lil' Kingdom, Samurai vs. Zombies Defense, Small Street* and *Stardom.*

Although users can download and play our freemium games free of charge, they can purchase virtual currency to buy various virtual items to enhance their gameplay experience – we refer to these as "in-app purchases" or "micro-transactions". Some of the benefits that players receive from their in-app purchases include:

- *Play Longer Through Better Equipment* – We generally design our games to become significantly more challenging as the player advances through the game. For a game like *Blood & Glory Legend,* players can use their virtual currency to purchase more powerful weapons, stronger armor and healing potions to increase their odds of continued survival.
- *Play Longer Through Energy Replenishment* – We design some of our games, such as *Contract Killer*, to have short playing sessions, the duration of which are limited by the energy available for each session. Players of *Contract Killer* can use their virtual currency to purchase items that will replenish their energy and enable them to extend their game play session.
- *Accelerate Game Progress* – Although some players are content to slowly "grind" their way through progressing in a game, other users are willing to purchase items to accelerate their progression. For example, *Dragon Storm* enables players to spend their virtual currency to have tasks, such as the construction of buildings, instantly completed, thus allowing the user to accelerate his or her progress in the game.
- *Customization* – Our games generally enable consumers to express themselves by customizing their character or the world the character inhabits. For example, *Stardom: Hollywood* allows users to personalize their characters' appearance, clothing and living environment, as well as purchase special items available for a limited time, such as for holidays.

We sell virtual currency to consumers at various prices ranging from $0.99 to $99.99, which is consistent with storefront pricing guidelines, with the significant majority of player purchases occurring at the lower price points. The digital storefronts generally share with us 70% of the consumers' payments for virtual currency, which we record as revenues. Consumers may also acquire virtual currency through game play or by completing offers, as described below.

In addition to in-app purchases of virtual currency, we also monetize our games through offers and in-game advertising. Offers enable users to acquire virtual currency without paying cash but by instead taking specified actions, such as downloading another application, watching a short video, subscribing to a service or completing a survey. We work with third parties to provide these offers to end users of our freemium games, and we receive a payment from the third-party offer provider based on consumers responding to these offers. We also work with third-party advertising aggregators who embed advertising, such as banner ads, in our games; the aggregators typically pay us based on the number of impressions, which is the number of times an advertisement is shown to a player. In addition, we from time to time work directly with other application developers to include advertising for their applications in our games, and the developers pay us based on either the number of impressions in our games or the number of users who download the developer's application.

We have generally designed our games to incorporate social features that enhance the user's game play experience, and we intend to continue to introduce more social, community-based features into many of our new titles by leveraging the technology that we acquired in the GameSpy acquisition. For example, *Dragon Storm* includes live chat functionality and enables users to create alliances with other players, *Gun Bros 2* enables players across Apple's iOS and Mac OS platforms to compete against each other in real-time, synchronous combat, and *Stardom: Hollywood* allows users to incorporate their friends into the game by filming movies and going on dates with them. Many of our games also leverage technologies such as Apple's Game Center or Facebook Connect, which enables players to compare their high scores and achievements with their friends and against the global leaderboard.

Our smartphone games typically have "thick clients" due to their high production values and, in some cases, 3-D graphics. A thick client game means that our games have a large file size, often 100 megabytes or more, that resides on the player's device. Because of the inherent limitations of the digital platforms and telecommunications networks, which, at best, only allow applications that are less than 50 megabytes to be downloaded over a carrier's wireless network, users generally must download one of our games either via a wireless Internet (wifi) connection or initially to their computer and then load the game to their device.

The table below sets forth each of the titles that we released in 2012, as well as the title's launch date, genre and whether it was based on Glu's intellectual property or a licensed brand.

Title	Release Date	Genre	Intellectual Property
Poker Hold'em Challenge	February 2012	Alternative Sports	Glu Owned
Rogue Racing	February 2012	Alternative Sports	Glu Owned
Small Street	February 2012	Casual	Glu Owned
Samurai vs. Zombies Defense	March 2012	Action-Adventure	Glu Owned
Deer Hunter Reloaded	April 2012	Alternative Sports	Glu Owned
Lil' Kingdom	April 2012	Casual	Glu Owned
Mutant Roadkill	July 2012	Action-Adventure	Glu Owned
Blood & Glory Legend	August 2012	Action-Adventure	Glu Owned
Eternity Warriors 2	August 2012	Action-Adventure	Glu Owned
Gears & Guts	August 2012	Action-Adventure	Glu Owned
Ham on the Run	August 2012	Casual	Glu Owned
Tavern Quest	August 2012	Casual	Glu Owned
Bombshells: Hell's Belles	September 2012	Action-Adventure	Glu Owned
Campers!	September 2012	Casual	Glu Owned
Enchant U	September 2012	Casual	Glu Owned
Indestructible	September 2012	Action-Adventure	Glu Owned
My Dragon	September 2012	Casual	Glu Owned
Contract Killer 2	October 2012	Action-Adventure	Glu Owned
Death Dome	October 2012	Action-Adventure	Glu Owned
Call of Duty Black Ops Zombies(Premium; Android devices only)	August 2012	Action-Adventure	Licensed
Contract Killer: Zombies 2	November 2012	Action-Adventure	Glu Owned
Dragon Slayer	November 2012	Action-Adventure	Glu Owned

As the table illustrates, all but one of our 2012 games was based on our own intellectual property, and we expect this to be the case for the substantial majority of the games that we release in 2013. In 2012, 2011 and 2010, games based on our own intellectual property accounted for approximately 80.5%, 49.3% and 21.9% of our revenues, respectively.

For games based on licensed brands, we share with the licensor a portion of our revenues. The average royalty rate that we paid on games based on licensed intellectual property was approximately 36.5% in 2012, 31.4% in 2011 and 33.4% in 2010. However, the individual royalty rates that we pay can be significantly above or below the average based on a variety of factors, such as the strength of the licensed brand, our development and porting obligations, and the platforms for which we are permitted to distribute the licensed content. The substantial majority of our licenses were entered into before 2010, and do not grant us the right to develop games for smartphone platforms.

Although for the past three years we have focused our efforts on developing freemium games, we also continue to sell premium games, which consumers download for a fee. Our premium games are generally our feature phone titles that are based on licensed intellectual property, though we do on occasion sell premium games for smartphones, such as *Call of Duty Black Ops Zombies*, and we generally do not continue to update premium games after the initial launch. We typically sell our premium games at prices ranging between $0.99 and $6.99, which is consistent with storefront pricing guidelines. For our premium smartphone games, we generally receive 70% of the consumers' payments from the digital storefront owner, as we do with sales of virtual currency. For our feature phone business, end users typically purchase our games from their wireless carrier and are charged on their monthly phone bill. Carriers normally share with us 40% to 65% of their subscribers' payments for our games, which we record as revenues.

Sales, Marketing and Distribution

We market, sell and distribute our games primarily through direct-to-consumer digital storefronts, such as Apple's App Store, the Google Play Store, Amazon's Appstore, Microsoft's Xbox Live Marketplace and the Samsung App Store. In addition to publishing our smartphone games on direct-to-consumer digital storefronts, we also publish some of our titles on other platforms, such as the Mac App Store and Google Chrome. The significant majority of our smartphone revenues have historically been derived from Apple's iOS platform, which accounted for 53.9% and 34.0% of our total revenues in 2012 and 2011, respectively. We received the majority of these iOS-related revenues directly from Apple, which represented 35.7% and 20.7% of our total revenues in 2012 and 2011, respectively, with the balance of our iOS-related revenues generated from offers and advertisements in games distributed on the Apple App Store. In addition, we generated approximately 25.5% and 11.0% of our total revenues in 2012 and 2011, respectively, from the Android platform, of which 17.6% and 6.8%, respectively, we received directly from Google for distribution of our games through the Google Play store and the balance of which we received from advertisements and offers and from other platforms that distribute apps that run the Android operating system (e.g., the Amazon App Store). We also work with third parties, including Tapjoy from which we generated 13.2% and 13.0% of our total revenues in 2012 and 2011, respectively, to provide incented offers to our players. Our revenues from Tapjoy declined significantly after Apple informed us early in the fourth quarter of 2012 that we could no longer include links to Tapjoy's HTML5 website in our games. No other smartphone platform, other than iOS and Android, or smartphone customer accounted for more than 10% of our total revenues in 2012 or 2011.

Because of the fragmentation inherent in the Android platform, we need to "port" – or convert into separate versions – our games for a significant percentage of the approximately 700 Android-based devices that are currently commercially available, many of which have different technical requirements. Since the number and variety of Android-based smartphones and tablets shipped worldwide continues to grow, we must maintain and enhance our porting capabilities, which have required, and will likely continue to require, us to invest considerable resources in this area.

As part of our efforts to successfully market our games on the direct-to-consumer digital storefronts, we attempt to educate the storefront owners about our title roadmap and seek to have our games featured or otherwise prominently placed within the storefront. We believe that the featuring or prominent placement of our games facilitates organic user discovery and is likely to result in our games achieving a greater degree of commercial success. We believe that a number of factors may influence the featuring or placement of a game, including:

- the perceived attractiveness of the title or brand;
- the level of critical or commercial success of the game or of other games previously introduced by a publisher;
- incorporation of the storefront owner's latest technology in the publisher's title;
- how strong the consumer experience is on all of the devices that discover titles using any given digital storefront;
- the publisher's relationship with the applicable storefront owner and future pipeline of quality titles for it; and
- the current market share of the publisher.

In addition to our efforts to secure prominent featuring or placement for our games, we have also undertaken a number of marketing initiatives designed to acquire customers and increase downloads of our games and increase sales of virtual currency, including:

- Undertaking extensive outreach efforts with video game websites and related media outlets, such as providing reviewers with access to our games prior to launch;
- Paying third parties, such as Tapjoy, AdMob, iAd or Flurry, to advertise or incentivize consumers to download our games through offers or recommendations;
- Using "push" notifications to alert users of sales on virtual currency or items in our games;
- Cross-promoting our games through banner advertisements in our other games, as well as advertising our games in our competitors' games; and
- Using social networking websites, such as facebook and Twitter, to build a base of fans and followers to whom we can quickly and easily provide information about our games.

We also distribute our games through OEM arrangements, in which we receive revenues from various handset and other manufacturers to develop titles that are customized to run on their particular device. These arrangements represent a small portion of our total revenues.

For our feature phone business, we market and sell our games primarily through wireless carriers via placement in the "deck" of games and other applications that the carriers choose to make available to their customers. End users download our feature phone games to their handsets, and typically their carrier bills them a one-time fee or monthly subscription fee, depending on the end user's desired payment arrangement and the carrier's offerings. Our carrier distribution agreements establish the portion of revenues that the carrier will retain. Wireless carriers generally control the price charged to end users either by approving or establishing the price of the games charged to their subscribers. Some of our carrier agreements also restrict our ability to change established prices. We currently have agreements with numerous wireless carriers. No wireless carrier represented 10% or more of our revenues in 2012 or 2011, but Verizon Wireless accounted for 15.2% of our revenues in 2010. No other carrier represented more than 10% of our revenues in any of these years.

In addition, in the first quarter of 2013, we announced that we had established Glu Publishing, a third-party publishing business under which we will seek to acquire the rights to certain games that have been successful in international markets and localize, port to various devices and distribute the titles in new markets through our distribution channels. As part of these efforts, we hired a Vice President of Third-Party Publishing in the first quarter of 2013 and expect to hire additional personnel to support this business.

Development Studios

We have five global studios housing an aggregate of approximately 18 development teams that create and develop our games. These studios are based in San Francisco, California; Kirkland, Washington; Toronto, Canada; Beijing China; and Moscow, Russia. We also have development staff in Hyderabad, India who support our studios. Our President of Studios has primary responsibility for overseeing our development studios and their game development and monetization efforts across all of our titles.

Our game development process involves a significant amount of creativity, particularly with respect to developing original intellectual property franchises or games in which we license intellectual property from motion pictures or brands that are not based on games from other media. In addition, even where we license intellectual property based on console or Internet games, our developers must create games that are inspired by the game play of the original. In each of these cases, creative and technical studio expertise is necessary to design games that appeal to end users and work well on mobile phones and tablets with their inherent limitations, such as small screen sizes and control buttons.

Our development personnel are located in five different countries across three continents, which results in certain inherent complexities. To address these issues, we have instituted our Glu University training program. Glu University is designed to increase interaction among our studio teams, including having international studio team members regularly spend time in our San Francisco headquarters. The goal of this program is to ensure that we increase the uniformity, quality and commercial success of our games.

Product Development

We have developed proprietary technologies and product development processes that are designed to enable us to rapidly and cost effectively develop and publish games that meet the expectations and preferences of consumers and the needs of our distributors. These technologies and processes include:

- core development platforms;
- porting tools and processes;
- broad development capabilities;
- limited application hosting;
- provisioning and billing capabilities; and
- merchandising, monetization tools and marketing platform.

Since the markets for our products are characterized by rapid technological change, particularly in the technical capabilities of mobile phones and tablets, and changing end-user preferences, continuous investment is required to innovate and publish new games, regularly update our games, and modify existing games for distribution on new platforms. We have instituted a number of measures that are designed to both increase the speed with which we bring our game concepts to market, and earlier in the product development cycle identify and terminate game concepts that are unlikely to be commercially successful. For example, we typically publish our games in a limited market for several months prior to worldwide launch to identify bugs and refine gameplay and monetization before publishing the game globally. We have historically published the majority of our games internally, and have, in certain cases, retained a third-party to support our development activities. We also use third-party development tools to create many of our games, including a game development engine licensed from Unity Technologies to create most of our newest games.

We also rely on our own servers and third-party infrastructure to operate our games and to maintain and provide our analytics data. In particular, a significant portion of game traffic is hosted by Amazon Web Services, which provides us server redundancy by using multiple locations on various distinct power grids, and we expect to continue utilizing Amazon for a significant portion of our hosting services for the foreseeable future. In addition, to operate our GameSpy business, which provides technology and services for multiplayer and server-based gaming, we have a transition services agreement with IGN Entertainment, Inc., GameSpy's former parent corporation, under which IGN provides hosting services to us until August 2, 2014, unless IGN or we earlier terminate the agreement.

Research and development expenses were $54.3 million, $39.1 million and, $25.2 for 2012, 2011 and 2010, respectively.

Seasonality

Many new smartphones and tablets are released in the fourth calendar quarter to coincide with the holiday shopping season. Because many end users download our games soon after they purchase or receive their new devices, we generally experience seasonal sales increases based on the holiday selling period. Although we believe that the majority of this holiday impact occurs during the fourth quarter, some of this seasonality also occurs for us in our first calendar quarter due to some lag between device purchases and game purchases. However, the impact of this seasonality on our operating results is to some degree affected by our title release schedule. For example, we delayed several of our titles that had been scheduled to be released in the fourth quarter of 2012 into 2013, which caused our smartphone revenues for the fourth quarter of 2012 to remain relatively consistent with our smartphone revenues for the prior quarter despite the seasonality effect. In addition, companies' advertising budgets are generally highest during the fourth quarter and decline significantly in the first quarter of the following year, which affects the revenues we derive from advertisements and offers in our games. Conversely, our marketing expenses also increase in the fourth quarter, since demand for marketing is higher during the holiday season and this increased demand drives up marketing costs.

Competition

Developing, distributing and selling mobile games is a highly competitive business, characterized by frequent product introductions and rapidly emerging new platforms, technologies and storefronts. For end users, we compete primarily on the basis of game quality, brand and customer reviews. We compete for promotional and digital storefront placement based on these factors, as well as our relationship with the storefront owner, historical performance, perception of sales potential and relationships with licensors of brands and other intellectual property. For content and brand licensors, we compete based on royalty and other economic terms, perceptions of development quality, porting abilities, speed of execution, distribution breadth and relationships with storefront owners. We also compete for experienced and talented employees.

We compete with a continually increasing number of companies, including Zynga, DeNA, Gree, Nexon and many well-funded private companies, including Kabam, Rovio, Storm 8/Team Lava and Supercell. We also compete for consumer spending with large companies, such as Activision, Electronic Arts (EA Mobile), Gameloft and Take-Two Interactive, whose games for smartphones and tablets are primarily premium rather than freemium. In addition, given the open nature of the development and distribution for smartphones and tablets, we also compete or will compete with a vast number of small companies and individuals who are able to create and launch games and other content for these devices using relatively limited resources and with relatively limited start-up time or expertise. As an example of the competition that we face, it has been estimated that more than 125,000 active games were available on Apple's App Store as of December 31, 2012. The proliferation of titles in these open developer channels makes it difficult for us to differentiate ourselves from other developers and to compete for end users who purchase content for their devices without substantially increasing marketing or development costs.

Some of our competitors and our potential competitors have one or more advantages over us, either globally or in particular geographic markets, which include:

- significantly greater financial resources;
- greater experience with the freemium games business model and more effective game monetization;
- stronger brand and consumer recognition regionally or worldwide;
- greater experience integrating community features into their games and increasing the revenues derived from their users;
- the capacity to leverage their marketing expenditures across a broader portfolio of mobile and non-mobile products;
- larger installed customer bases from related platforms, such as console gaming or social networking websites, to which they can market and sell mobile games;
- more substantial intellectual property of their own from which they can develop games without having to pay royalties;
- lower labor and development costs and better overall economies of scale;
- greater platform-specific focus, experience and expertise; and
- broader global distribution and presence.

For more information on our competition, please see the Risk Factor – "The markets in which we operate are highly competitive, and many of our competitors have significantly greater resources than we do" and the other risk factors contained in Item 1A of this report.

Intellectual Property

Our intellectual property is an essential element of our business. We use a combination of trademark, copyright, trade secret and other intellectual property laws, confidentiality agreements and license agreements to protect our intellectual property. Our employees and independent contractors are required to sign agreements acknowledging that all inventions, trade secrets, works of authorship, developments and other processes generated by them on our behalf are our property, and assigning to us any ownership that they may claim in those works. Despite our precautions, it may be possible for third parties to obtain and use without our consent intellectual property that we own or license. Unauthorized use of our intellectual property by third parties, including piracy, and the expenses incurred in protecting our intellectual property rights, may adversely affect our business. In addition, some of our competitors have in the past released games that are nearly identical to successful games released by their competitors in an effort to confuse the market and divert users from the competitor's game to the copycat game. To the extent that these tactics are employed with respect to any of our games, it could reduce our revenues.

Our trademarks that have been registered with the U.S. Patent and Trademark Office include Glu, our 2-D 'g' character logo and several of our game titles, including *Big Time Gangsta', Blood & Glory, Bonsai Blast*, *Brain Genius*, *Bug Village, Contract Killer, Deer Hunter, Eternity Warriors, Frontline Commando, Gun Bros, Magic Life, Night World, Space Monkey*, *Super K.O. Boxing* and *Zombie Isle*. In addition, we have trademark applications pending with the U.S. Patent and Trademark Office for our 3-D 'g' character logo and for many of our game titles. For certain titles we do not yet have, and do not intend to seek, trademark registration. We also own, or have applied to own, one or more registered trademarks in certain foreign countries, depending on the relevance of each brand to other markets. Registrations of both U.S. and foreign trademarks are renewable every ten years.

We also use third-party development tools to create many of our games, including a game development engine licensed from Unity Technologies to create most of our newest games. For more information on our relationship with Unity, please see the Risk Factor – "We use a game development engine licensed from Unity Technologies to create many of our games. If we experience any prolonged technical issues with this engine or if we lose access to this engine for any reason, it could delay our game development efforts and cause us our financial results to fall below expectations for a quarterly or annual period, which would likely cause our stock price to decline," contained in Item 1A of this report.

From time to time, we encounter disputes over rights and obligations concerning intellectual property. If we do not prevail in these disputes, we may lose some or all of our intellectual property protection, be enjoined from further sales of our games or other applications determined to infringe the rights of others, and/or be forced to pay substantial royalties to a third party, any of which would have a material adverse effect on our business, financial condition and results of operations.

Government Regulation

We are subject to various federal, state and international laws and regulations that affect our business, including those relating to the privacy and security of customer and employee personal information and those relating to the Internet, behavioral tracking, mobile applications, advertising and marketing activities, sweepstakes and contests, and gambling. Additional laws in all of these areas are likely to be passed in the future, which could result in significant limitations on or changes to the ways in which we can collect, use, host, store or transmit the personal information and data of our customers or employees, communicate with our customers, and deliver products and services, or may significantly increase our compliance costs. As our business expands to include new uses or collection of data that are subject to privacy or security regulations, our compliance requirements and costs will increase and we may be subject to increased regulatory scrutiny.

For more information on governmental regulation related to our business, please see the Risk Factor – "Our business is subject to increasing governmental regulation. If we do not successfully comply with or otherwise respond to these regulations, our business may suffer," contained in Item 1A of this report.

Financial Information about Segments and Geographic Areas

We manage our operations and allocate resources as a single reporting segment. Financial information about our segment and geographic areas is incorporated into this section by reference to Note 12 of Notes to Consolidated Financial Statements contained in Item 8 of this report. In addition, financial information regarding our operations, assets and liabilities, including our total net revenue and net loss for the years ended December 31, 2010, 2011 and 2012 and our total assets as of December 31, 2011 and 2012, is included in our Consolidated Financial Statements contained in Item 8 of this report.

For more information on our international operations, please see the Risk Factor – "We face added business, political, regulatory, operational, financial and economic risks as a result of our international operations and distribution, any of which could increase our costs and adversely affect our operating results," contained in Item 1A of this report.

Employees

As of February 28, 2013, we had 567 employees, of which 290 were based in the United States and Canada, 139 were based in Europe, 132 were based in Asia and six were based in Latin America. Our employees in Brazil and China are represented by a labor union. We have not experienced any employment-related work stoppages and consider relations with our employees to be good. We believe that our future success depends in part on our continued ability to hire, assimilate and retain qualified employees.

Executive Officers

The following table shows Glu's executive officers as of March 1, 2013 and their areas of responsibility. Their biographies follow the table.

Name	Age	Position
Niccolo M. de Masi	32	President, Chief Executive Officer and Director
Eric R. Ludwig	43	Executive Vice President and Chief Financial Officer
Scott J. Leichtner	42	Vice President, General Counsel and Corporate Secretary
Matthew P. Ricchetti	41	President of Studios

Niccolo M. de Masi has served as our President and Chief Executive Officer and as one of our directors since January 2010. Prior to joining Glu, Mr. de Masi was the Chief Executive Officer and President of Hands-On Mobile, a mobile technology company and developer and publisher of mobile entertainment, from October 2009 to December 2009, and previously served as the President of Hands-On Mobile from March 2008 to October 2009. Prior to joining Hands-On Mobile, Mr. de Masi was the Chief Executive Officer of Monstermob Group PLC, a mobile entertainment company, from June 2006 to February 2007. Mr. de Masi joined Monstermob in 2004 and, prior to becoming its Chief Executive Officer, held positions as its Managing Director and as its Chief Operating Officer where he was responsible for formulating and implementing Monstermob's growth and product strategy. Prior to joining Monstermob, Mr. de Masi worked in a variety of corporate finance and operational roles within the technology, media and telecommunications (TMT) sector, beginning his career with JP Morgan on both the TMT debt capital markets and mergers and acquisitions teams in London. He has also worked as a physicist with Siemens Solar and within the Strategic Planning and Development divisions of Technicolor. Mr. de Masi holds an M.A. degree in Physics, and an MSci. degree in Electronic Engineering—both from Cambridge University.

Eric R. Ludwig has served as our Executive Vice President and Chief Financial Officer since October 2011 and has served as our Chief Financial Officer since August 2008. Mr. Ludwig previously held the position of Senior Vice President, Chief Financial Officer and Chief Administrative Officer from September 2010 to October 2011. Prior to becoming our Chief Financial Officer, Mr. Ludwig served as our Vice President, Finance, Interim Chief Financial Officer from May 2008 to August 2008, served as our Vice President, Finance from April 2005 to May 2008 and served as our Director of Finance from January 2005 to April 2005. In addition, Mr. Ludwig has served as our Assistant Secretary since July 2006. Prior to joining us, from January 1996 to January 2005, Mr. Ludwig held various positions at Instill Corporation, an on-demand supply chain software company, most recently as Chief Financial Officer, Vice President, Finance and Corporate Secretary. Prior to Instill, Mr. Ludwig was Corporate Controller at Camstar Systems, Inc., an enterprise manufacturing execution and quality systems software company, from May 1994 to January 1996. He also worked at Price Waterhouse L.L.P. from May 1989 to May 1994. Mr. Ludwig holds a B.S. degree in Commerce from Santa Clara University and is a Certified Public Accountant (inactive).

Scott J. Leichtner has served as our Vice President, General Counsel and Corporate Secretary since September 2010. Mr. Leichtner joined Glu in June 2009 as our Senior Corporate Counsel. Prior to joining us, Mr. Leichtner was a corporate attorney at Fenwick & West LLP, a law firm serving technology and life sciences clients, from October 1997 to May 2009. Mr. Leichtner holds a B.S. degree in Political Science from Duke University and a J.D. degree from the University of Michigan.

Matthew P. Ricchetti has served as our President of Studios since October 2012. Before joining us, Mr. Ricchetti was employed by Kabam, a free-to-play games company, from June 2010 to October 2012, holding various roles and most recently as its Vice President of Mobile. From May 2009 through June 2010, Mr. Ricchetti was a Senior Game Designer and Product Manager at Zynga, Inc., a social games company. From September 2004 to May 2009, Mr. Ricchetti was a Designer and Producer at Electronic Arts, Inc., a digital interactive entertainment company. Mr. Ricchetti holds a B.A. degree in Religious Studies and East Asian Studies from Brown University.

Item 1A. *Risk Factors*

Our business is subject to many risks and uncertainties, which may affect our future financial performance. If any of the events or circumstances described below occurs, our business and financial performance could be harmed, our actual results could differ materially from our expectations and the market value of our stock could decline. The risks and uncertainties discussed below are not the only ones we face. There may be additional risks and uncertainties not currently known to us or that we currently do not believe are material that may harm our business and financial performance. Because of the risks and uncertainties discussed below, as well as other variables affecting our operating results, past financial performance should not be considered as a reliable indicator of future performance and investors should not use historical trends to anticipate results or trends in future periods.

We have a history of net losses, may incur substantial net losses in the future and may not achieve profitability.

We have incurred significant losses since inception, including a net loss of $13.4 million in 2010, a net loss of $21.1 million in 2011 and a net loss of $20.5 million in fiscal 2012. As of December 31, 2012, we had an accumulated deficit of $232.3 million. We expect our costs in 2013 to increase over 2012 levels as we implement additional initiatives designed to increase revenues, such as hiring additional research and development personnel focused on improving the monetization of our games, developing games with greater complexity and higher production values, and increasing the amount we spend marketing our new titles. If our revenues do not increase to offset these additional expenses, if we experience unexpected increases in operating expenses or if we are required to take additional charges related to impairments or restructurings, we will continue to incur losses and will not become profitable. In addition, our revenues declined in 2010 from 2009, and only increased slightly in each of 2011 and 2012 from the preceding year. If we are unable to significantly increase our revenues or reduce our expenses, it will continue to negatively affect our operating results and our ability to achieve and sustain profitability.

We have a relatively new and evolving business model with a short operating history.

In early 2010, we changed our business model to focus on becoming a leading publisher of "freemium" games for smartphones, tablets and other advanced platforms. Freemium games are games that a player can download and play for free, but which allow players to access a variety of additional content and features for a fee and to engage with various advertisements and offers that generate revenues for us. We launched our first freemium titles in the fourth quarter of 2010, so we have a short history operating in this business model, which limits the experience upon which we can draw when making operating decisions. Our efforts to develop freemium games may prove unsuccessful or, even if successful, it may take more time than we anticipate to achieve significant revenues because, among other reasons:

- we may have difficulty optimizing the monetization of our games due to our relatively limited experience creating games that include micro-transaction capabilities, advertising and offers;
- we intend to continue to develop substantially all of our games based upon our own intellectual property, rather than well-known licensed brands, and we may encounter difficulties in generating sufficient consumer interest in and downloads of our games, particularly since we have had relatively limited success generating significant revenues from games based on our own intellectual property;

- many well-funded public and private companies have released, or plan to release, freemium games, and this competition will make it more difficult for us to differentiate our games and derive significant revenues from them;
- freemium games have a relatively limited history, and it is unclear how popular this style of game will become or remain or its revenue potential;
- our freemium strategy assumes that a large number of players will download our games because they are free and that we will subsequently be able to effectively monetize the games; however, players may not widely download our games for a variety of reasons, including poor consumer reviews or other negative publicity, ineffective or insufficient marketing efforts, lack of sufficient community features, lack of prominent storefront featuring and the relatively large file size of some of our games—our thick-client games often utilize a significant amount of the available memory on a user's device, and due to the inherent limitations of the smartphone platforms and telecommunications networks, which only allow applications that are less than 50 megabytes to be downloaded over a carrier's wireless network, players must download one of our thick-client games either via a wireless Internet (wifi) connection or initially to their computer and then side-loaded to their device;
- even if our games are widely downloaded, we may fail to retain users or optimize the monetization of these games for a variety of reasons, including poor game design or quality, lack of community features, gameplay issues such as game unavailability, long load times or an unexpected termination of the game due to data server or other technical issues, or our failure to effectively respond and adapt to changing user preferences through game updates;
- the billing and provisioning capabilities of some smartphones and tablets are currently not optimized to enable users to purchase games or make in-app purchases, which make it difficult for users of these smartphones and tablets to purchase our games or make in-app purchases and could reduce our addressable market, at least in the short term; and
- the Federal Trade Commission has indicated that it intends to review issues related to in-app purchases, particularly with respect to games that are marketed primarily to minors, and the commission might issue rules significantly restricting or even prohibiting in-app purchases or name us as a defendant in a future class-action lawsuit.

If we do not achieve a sufficient return on our investment with respect to our freemium business model, it will negatively affect our operating results and may require us to formulate a new business strategy.

We rely on a very small portion of our total players for nearly all of our revenues that we derive from in-app purchases.

Since our freemium games can be downloaded and played for free, we have succeeded in generating a significant number of game installations and significant user-base growth. However, we rely on a very small portion of our total users for nearly all of our smartphone revenues derived from in-app purchases. Since the launch of our first freemium titles in the fourth quarter of 2010, the percentage of unique paying users for our largest revenue-generating freemium games has been approximately 1%; however, in the initial period following the launch of a game, the percentage may be higher, and the percentage of unique paying users is generally lower than 1% for our less successful titles. To significantly increase our revenues, we must either increase the number of users who make in-app purchases or increase the amount that our paying players spend in our games. We have to date encountered difficulties with game monetization (for example, developing a sufficient quantity and variety of virtual goods to enable a relatively large scale of in-app purchases by an individual user). We might not succeed in our efforts to increase the monetization rates of our users, particularly if we are unable to increase the number of community features in our games. If we are unable to convert non-paying players into paying players or if the average amount of revenues that we generate from our users does not increase or declines, our business may not grow, our financial results will suffer, and our stock price may decline.

We derive the majority of our revenues from Apple's App Store and the Google Play Store, and if we are unable to maintain a good relationship with each of Apple and Google or if either of these storefronts were unavailable for any prolonged period of time, our business will suffer.

We derive the majority of our revenues from Apple's App Store and Google's Play Store, which accounted for 54.0% and 25.5%, respectively, of our total revenues in 2012. We believe that we have good relationships with each of Apple and Google, which has contributed to the majority of our freemium games being featured on their storefronts when they were commercially released. If we do not receive prominent featuring, users may find it more difficult to discover our games and we may not generate significant revenues from them. We may also be required to spend significantly more on marketing campaigns to generate substantial revenues on these platforms. In addition, currently neither Apple nor Google charges a publisher when it features one of their apps. If either Apple or Google were to charge publishers to feature an app, it could cause our marketing expenses to increase considerably. Accordingly, any change or deterioration in our relationship with either of these customers could materially harm our business and likely cause our stock price to decline.

We also rely on the continued functioning of the Apple App Store and the Google Play Store. In the past these digital storefronts have been unavailable for short periods of time or experienced issues with their in-app purchasing functionality. If either of these events recurs on a prolonged basis or other similar issues arise that impact our ability to generate revenues from these storefronts, it would have a material adverse effect on our revenues and operating results. In addition, if these storefront operators fail to provide high levels of service, our end users' ability to access our games may be interrupted or end users may not receive the virtual currency or goods for which they have paid, which may adversely affect our brand.

The operators of digital storefronts on which we publish our freemium games in many cases have the unilateral ability to change and interpret the terms of our contract with them.

Unlike our legacy feature phone business in which we and the wireless carrier or other distributor negotiated the business terms related to the distribution of our feature phone games, we distribute our freemium games through direct-to-consumer digital storefronts, for which the distribution terms and conditions are often "click through" agreements that we are not able to negotiate with the storefront operator. For example, we are subject to each of Apple's and Google's standard click-through terms and conditions for application developers, which govern the promotion, distribution and operation of applications, including our games, on their storefronts. Each of Apple and Google can unilaterally change their standard terms and conditions with no prior notice to us. In addition, the agreement terms can be vague and subject to changing interpretations by the storefront operator. For example, in the second quarter of 2011, Apple began prohibiting certain types of virtual currency-incented advertising offers in games sold on the Apple App Store. These offers accounted for approximately one-third of our smartphone revenues during the three months ended June 30, 2011, and our inability to subsequently use such offers negatively impacted our smartphone revenues thereafter. Most recently, Apple informed us early in the fourth quarter of 2012 that we could no longer include links to Tapjoy's HTML5 website in our games, which negatively impacted our ability to generate revenue through incented offers in that quarter and will likely negatively impact our revenues in future periods. Any similar changes in the future that impact our revenues could materially harm our business, and we may not receive significant or any advance warning of such change. In addition, each of Apple and Google have the right to prohibit a developer from distributing its applications on its storefront if the developer violates its standard terms and conditions. If Apple or Google or any other storefront operator determines that we are violating its standard terms and conditions, by a new interpretation or otherwise or prohibits us from distributing our games on its storefront, it would materially harm our business and likely cause our stock price to significantly decline.

The markets in which we operate are highly competitive, and many of our competitors have significantly greater resources than we do.

Developing, distributing and selling mobile games is a highly competitive business, characterized by frequent product introductions and rapidly emerging new platforms, technologies and storefronts. For end users, we compete primarily on the basis of game quality, brand and customer reviews. We compete for promotional and storefront placement based on these factors, as well as our relationship with the digital storefront owner, historical performance, perception of sales potential and relationships with licensors of brands and other intellectual property. For content and brand licensors, we compete based on royalty and other economic terms, perceptions of development quality, porting abilities, speed of execution, distribution breadth and relationships with storefront owners or carriers. We also compete for experienced and talented employees.

We compete with a continually increasing number of companies, including Zynga, DeNA, Gree, Nexon and many well-funded private companies, including Kabam, Rovio, Storm 8/Team Lava and Supercell. We also compete for consumer spending with large companies, such as Activision, Electronic Arts (EA Mobile), Gameloft and Take-Two Interactive, whose games for smartphones and tablets are primarily premium rather than freemium. In addition, given the open nature of the development and distribution for smartphones and tablets, we also compete or will compete with a vast number of small companies and individuals who are able to create and launch games and other content for these devices using relatively limited resources and with relatively limited start-up time or expertise. As an example of the competition that we face, it has been estimated that more than 125,000 active games were available on Apple's App Store as of December 31, 2012. The proliferation of titles in these open developer channels makes it difficult for us to differentiate ourselves from other developers and to compete for end users without substantially increasing our marketing expenses and development costs.

Some of our competitors and our potential competitors have one or more advantages over us, either globally or in particular geographic markets, which include:

- significantly greater financial resources;
- greater experience with the freemium games business model and more effective game monetization;
- stronger brand and consumer recognition regionally or worldwide;

- greater experience integrating community features into their games and increasing the revenues derived from their users;
- the capacity to leverage their marketing expenditures across a broader portfolio of mobile and non-mobile products;
- larger installed customer bases from related platforms, such as console gaming or social networking websites, to which they can market and sell mobile games;
- more substantial intellectual property of their own from which they can develop games without having to pay royalties;
- lower labor and development costs and better overall economies of scale;
- greater platform-specific focus, experience and expertise; and
- broader global distribution and presence.

If we are unable to compete effectively or we are not as successful as our competitors in our target markets, our sales could decline, our margins could decline and we could lose market share, any of which would materially harm our business, operating results and financial condition.

Our financial results could vary significantly from quarter to quarter and are difficult to predict, which in turn could cause volatility in our stock price.

Our revenues and operating results could vary significantly from quarter to quarter due to a variety of factors, many of which are outside of our control. As a result, comparing our operating results on a period-to-period basis may not be meaningful. In addition, we may not be able to accurately predict our future revenues or results of operations. We base our current and future expense levels on our internal operating plans and sales forecasts, and our operating costs are to a large extent fixed. As a result, we may not be able to reduce our costs sufficiently to compensate for an unexpected shortfall in revenues, and even a small shortfall in revenues could disproportionately and adversely affect financial results for that quarter.

In addition to other risk factors discussed in this section, factors that may contribute to the variability of our quarterly results include:

- our ability to increase the number of our paying players and the amount that each paying player spends in our games;
- the popularity and monetization rates of our new games released during the quarter and the ability of games released in prior periods to sustain their popularity and monetization rates;
- the number and timing of new games released by us and our competitors, particularly those games that may represent a significant portion of revenues in a quarter, which timing can be impacted by internal development delays, shifts in product strategy and how quickly digital storefront operators review and approve our games for commercial release;
- changes in the prominence of storefront featuring for our games and those of our competitors;
- fluctuations in the size and rate of growth of overall consumer demand for smartphones, tablets, games and related content;
- decisions by us to incur additional expenses, such as increases in marketing or research and development, or unanticipated increases in vendor-related costs, such as hosting fees;
- the timing of successful mobile device launches;
- the seasonality of our industry;
- changes in accounting rules, such as those governing recognition of revenue, including the period of time over which we recognize revenue for in-app purchases of virtual currency and goods within certain of our games;

- fluctuations in the fair market value of the contingent consideration issued to the Blammo non-employee shareholders, as the fair value of the contingent consideration will be measured during each reporting period until the end of the earn-out period in March 2015;
- the amount and timing of charges related to impairments of goodwill, intangible assets, prepaid royalties and guarantees; for example, in 2010 and 2011, we impaired $663,000 and $531,000, respectively, of certain prepaid royalties and royalty guarantees, and in 2012, we impaired $3.6 million of our goodwill related to our APAC reporting unit; and
- macro-economic fluctuations in the United States and global economies, including those that impact discretionary consumer spending.

Consumer tastes are continually changing and are often unpredictable, and we compete for consumer discretionary spending against other forms of entertainment; if we fail to develop and publish new mobile games that achieve market acceptance, our sales would suffer.

Our business depends on developing and publishing mobile games that consumers will want to download and spend time and money playing. We must continue to invest significant resources in research and development, analytics and marketing to introduce new games and continue to update our successful freemium games, and we often must make decisions about these matters well in advance of product release to timely implement them. Our success depends, in part, on unpredictable and volatile factors beyond our control, including consumer preferences, competing games, new mobile platforms and the availability of other entertainment activities. If our games and related applications do not meet consumer expectations, or they are not brought to market in a timely and effective manner, our business, operating results and financial condition would be harmed. For example, we intend to include new categories of games in our planned 2013 product portfolio that often have higher monetization rates than our single-player focused action/adventure and casual games (such as role-playing games and real-time strategy games). We have limited experience creating these types of games, and if we do not succeed in these efforts, it will negatively impact our revenues and operating results for 2013 and beyond. Even if our games are successfully introduced and initially adopted, a failure to continue to update them with compelling content or a subsequent shift in the entertainment preferences of consumers could cause a decline in our games' popularity that could materially reduce our revenues and harm our business, operating results and financial condition. Furthermore, we compete for the discretionary spending of consumers, who face a vast array of entertainment choices, including games played on personal computers and consoles, television, movies, sports and the Internet. If we are unable to sustain sufficient interest in our games compared to other forms of entertainment, our business and financial results would be seriously harmed.

If we do not successfully establish and maintain awareness of our brand and games, if we incur excessive expenses promoting and maintaining our brand or our games or if our games contains defects or objectionable content, our operating results and financial condition could be harmed.

We believe that establishing and maintaining our brand is critical to establishing a direct relationship with end users who purchase our products from direct-to-consumer channels and to maintaining our existing relationships with distributors and content licensors, as well as potentially developing new such relationships. Increasing awareness of our brand and recognition of our games is particularly important in connection with our strategic focus of developing games based on our own intellectual property. Our ability to promote the Glu brand and increase recognition of our games depends on our ability to develop high-quality, engaging games. If consumers, digital storefront owners and branded content owners do not perceive our existing games as high-quality or if we introduce new games that are not favorably received by them, then we may not succeed in building brand recognition and brand loyalty in the marketplace. In addition, globalizing and extending our brand and recognition of our games is costly and involves extensive management time to execute successfully, particularly as we expand our efforts to increase awareness of our brand and games among international consumers. Although we have significantly increased our sales and marketing expenditures in connection with the launch of our games, these efforts may not succeed in increasing awareness of our brand or the new games. If we fail to increase and maintain brand awareness and consumer recognition of our games, our potential revenues could be limited, our costs could increase and our business, operating results and financial condition could suffer.

In addition, if a game contains objectionable content, we could experience damage to our reputation and brand. The majority of our successful freemium games are in the action/adventure genre, and we expect that the majority of the games that we will release in 2013 will be in that category. Some of these games contain violence or other content that certain consumers may find objectionable. For example, Apple has assigned our *Big Time Gangsta* game a 17-and-older rating due to its violence and drug and alcohol references. In addition, Google required us to submit two versions of our *Blood & Glory* and *Contract Killer: Zombies* games, one of which did not depict blood. Despite these ratings and precautions, consumers may be offended by certain of our game content games and children to whom these games are not targeted may choose to play them nonetheless. In addition, one of our employees or an employee of an outside developer could include hidden features in one of our games without our knowledge, which might contain profanity, graphic violence, sexually explicit or otherwise objectionable material. If consumers believe that a game we published contains objectionable content, it could harm our brand, consumers could refuse to buy it or demand a refund, and could pressure the digital platform operators to no longer allow us to publish the game on their platforms. Similarly, if one of our games is introduced with defects or has playability issues, it could results in negative user reviews and damage our brand. These issues could be exacerbated if our customer service department does not timely and adequately address issues that our users have encountered with our games.

We have depended on a small number of games for a significant portion of our revenues in recent fiscal periods. If these games do not continue to succeed or we do not release highly successful new games, our revenues would decline.

In the mobile gaming industry, new games are frequently introduced, but a relatively small number of games account for a significant portion of industry sales. Similarly, a significant portion of our revenues comes from a limited number of games, although the games in that group have shifted over time. Our growth depends on our ability to consistently launch new games that generate significant revenues. For example, in the third quarter of 2012, we launched 11 new games, only two of which generated significant revenues, which, in part, contributed to our revenues declining from the second quarter of 2012. Developing and launching our games and providing future content updates requires us to invest significant time and resources with no guarantee that our efforts will result in significant revenues. This risk will be magnified in 2013 because we expect to launch approximately 15 new freemium games during the year compared with the 21 freemium games that we published in 2012. As a result, if any of the games that we publish in 2013 are not successful, it will have a disproportionate impact on our overall revenue expectations for the year, and we will need to generate greater revenues from our other games to compensate for unsuccessful titles. If our new games are not successful or if we are not able to cost-effectively extend the lives of our successful games, our revenues could be limited and our business and operating results would suffer.

If we fail to maintain and enhance our capabilities for porting games to a broad array of mobile devices, particularly those utilizing the Android operating system, our revenues and financial results could suffer.

We derive the majority of our revenues from the sale of games for smartphones and tablets that utilize Apple's iOS or Google's Android operating systems. Unlike the Apple ecosystem in which Apple controls both the device (iPhone, iPod Touch and iPad) and the storefront (Apple's App Store), the Android ecosystem is highly fragmented since a large number of OEMs manufacture and sell Android-based devices that run a variety of versions of the Android operating system, and there are many Android-based storefronts in addition to the Google Play Store. For us to sell our games to the widest possible audience of Android users, we must port our games to a significant portion of the more than 700 Android-based devices that are commercially available, many of which have different technical requirements. Since the number of Android-based smartphones and tablets shipped worldwide is growing significantly, it is important that we maintain and enhance our porting capabilities, which could require us to invest considerable resources in this area. These additional costs could harm our business, operating results and financial condition. In addition, we must continue to increase the efficiency of our porting processes or it may take us longer to port games to an equivalent number of devices, which would negatively impact our margins. If we fail to maintain or enhance our porting capabilities, our revenues and financial results could suffer.

We use a game development engine licensed from Unity Technologies to create many of our games. If we experience any prolonged technical issues with this engine or if we lose access to this engine for any reason, it could delay our game development efforts and cause us our financial results to fall below expectations for a quarterly or annual period, which would likely cause our stock price to decline.

We use a game development engine licensed from Unity Technologies to create many of our games, and we expect to continue to use this engine for the foreseeable future. Because we do not own this engine, we do not control its operation or maintenance. As a result, any prolonged technical issues with this engine might not be resolved quickly, despite the fact that we have contractual service level commitments from Unity. In addition, although Unity cannot terminate our agreement absent an uncured material breach of the agreement by Glu, we could lose access to this engine under certain circumstances, such as a natural disaster that impacts Unity or a bankruptcy event. If we experience any prolonged issues with regard to the operation of the Unity game development engine or if we lose access to this engine for any reason, it could delay our game development efforts and cause us to not meet revenue expectations for a quarterly or annual period, which would likely cause our stock price to decline. Further, if one of our competitors acquired Unity, the acquiring company would be less likely to renew our agreement, which could impact our game development efforts in the future, particularly with respect to sequels to games that were created on the Unity engine.

We derive a significant portion of our revenues from advertisements and offers that are incorporated into our freemium games through relationships with third parties. If we lose the ability to provide these advertisements and offers for any reason, or if any events occur that negatively impact the revenues we receive from these sources, it would negatively impact our operating results.

We derive revenues from our freemium games though in-app purchases, advertisements and offers. We incorporate advertisements and offers into our games by implementing third parties' software development kits. We rely on these third parties to provide us with a sufficient inventory of advertisements and offers to meet the demand of our user base. If we exhaust the available inventory of these third parties, it will negatively impact our revenues. If our relationship with any of these third parties terminates for any reason, or if the commercial terms of our relationships do not continue to be renewed on favorable terms, we would need to locate and implement other third party solutions, which could negatively impact our revenues, at least in the short term. Furthermore, the revenues that we derive from advertisements and offers is subject to seasonality, as companies' advertising budgets are generally highest during the fourth quarter and decline significantly in the first quarter of the following year, which negatively impacts our revenues in the first quarter (and conversely significantly increases our marketing expenses in the fourth quarter).

In addition, the actions of the storefront operators can also negatively impact the revenues that we generate from advertisements and offers. For example, in the second quarter of 2011, Apple began prohibiting certain types of virtual currency-incented advertising offers in games sold on the Apple App Store. These offers accounted for approximately one-third of our revenues during the three months ended September 30, 2011, and our inability to utilize such offers has negatively impacted our revenues. In addition, in the third quarter of 2012, Apple made changes to its terms and conditions that could, depending on how Apple interprets them, negatively impact the revenues we generate from third-party advertising service providers. Any similar changes in the future that impact our revenues that we generate from advertisements and offers could materially harm our business .

Our acquisition activities may disrupt our ongoing business, may involve increased expenses and may present risks not contemplated at the time of the transactions.

We have acquired, and may continue to acquire, companies, products and technologies that complement our strategic direction. Acquisitions involve significant risks and uncertainties, including:

- diversion of management time and a shift of focus from operating the businesses to issues related to integration and administration;
- inability to successfully integrate the acquired technology and operations into our business and maintain uniform standards, controls, policies and procedures;
- challenges retaining the key employees, customers and other business partners of the acquired business;
- inability to realize synergies expected to result from an acquisition;
- an impairment of acquired goodwill and other intangible assets in future periods would result in a charge to earnings in the period in which the write-down occurs;
- the internal control environment of an acquired entity may not be consistent with our standards and may require significant time and resources to improve;
- in the case of foreign acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries; and
- liability for activities of the acquired companies before the acquisition, including violations of laws, rules and regulations, commercial disputes, tax liabilities and other known and unknown liabilities.

In addition, if we issue equity securities as consideration in an acquisition, as we did for our acquisitions of Griptonite, Blammo and GameSpy, our current stockholders' percentage ownership and earnings per share would be diluted. For example, our Blammo acquisition agreement provides that the former Blammo shareholders may earn up to 3,312,937 shares of our common stock if Blammo achieves certain net revenue targets during the years ending March 31, 2013, March 31, 2014 and March 31, 2015. Because acquisitions are inherently risky, our transactions may not be successful and may, in some cases, harm our operating results or financial condition.

We rely on a combination of our own servers and third party infrastructure to operate our games. If we experience any system or network failures, cyber attacks or any other interruption to our games, it could reduce our sales, increase costs or result in a loss of revenues or end users of our games.

We rely on digital storefronts and other third-party networks to deliver games to our customers and on their or other third parties' billing systems to track and account for our game downloads. We also rely on our own servers and third-party infrastructure to operate our connected games. In particular, a significant portion of our game traffic is hosted by Amazon Web Services, which service provides server redundancy and uses multiple locations on various distinct power grids. Amazon may terminate its agreement with us upon 30 days notice. Amazon experienced a power outage during the second quarter of 2012, which affected the playability of our games for approximately one day. While this particular event did not adversely impact our business, a similar outage of a longer duration could. In addition, we use, or plan to use, GameSpy's services and equipment for many of our games, which is subject to a transitional data center services agreement between us and IGN, GameSpy's former parent corporation, that terminates on August 2, 2014, unless IGN or we earlier terminate the agreement. Any technical problem with, cyber attack on, or loss of access to these third parties' or our systems, servers or other technologies could result in the inability of end users to download or play our games, prevent the completion of billing for a game or result in the loss of users' virtual currency or other in-app purchases, interfere with access to some aspects of our games or result in the theft of end-user personal information. For example, some users of our Android-based games have experienced issues receiving the virtual currency that they purchased and paid for. In addition, if virtual assets are lost, or if users do not receive their purchased virtual currency, we may be required to issue refunds, we may receive negative publicity and game ratings, we may lose users of our games, and we may become subject to regulatory investigation or class action litigation, any of which would negatively affect our business. Any of these problems could harm our reputation or cause us to lose end users or revenues or incur substantial repair costs and distract management from operating our business.

Changes in foreign exchange rates and limitations on the convertibility of foreign currencies could adversely affect our business and operating results.

We currently transact business in more than 70 countries in more than 20 different currencies, with Pounds Sterling and Euros being the primary international currencies in which we transact business. Conducting business in currencies other than U.S. Dollars subjects us to fluctuations in currency exchange rates that could have a negative impact on our reported operating results. We experienced significant fluctuations in currency exchange rates in 2010, 2011 and 2012, and expect to experience continued significant fluctuations in the future. We incur expenses for employee compensation and other operating expenses at our non-U.S. locations in the local currency, and an increasing percentage of our international revenue is from customers who pay us in currencies other than the U.S. dollar. Fluctuations in the exchange rates between the U.S. dollar and those other currencies could result in the dollar equivalent of these expenses being higher and/or the dollar equivalent of the foreign-denominated revenue being lower than would be the case if exchange rates were stable. This could have a negative impact on our operating results. To date, we have not engaged in exchange rate hedging activities, and we do not expect to do so in the foreseeable future.

We face additional risk if a currency is not freely or actively traded. Some currencies, such as the Chinese Renminbi in which our Chinese operations principally transact business, are subject to limitations on conversion into other currencies, which can limit our ability to react to rapid foreign currency devaluations and to repatriate funds to the United States should we require additional working capital.

We face added business, political, regulatory, operational, financial and economic risks as a result of our international operations and distribution, any of which could increase our costs and adversely affect our operating results.

International sales represented approximately 45.0%, 50.1% and 55.1% of our revenues in 2012, 2011 and 2010, respectively. To target international markets, we develop games that are customized for consumers in those markets. We have international offices located in a number of foreign countries including Canada, China, India and Russia. We expect to maintain our international presence, and we expect international sales will continue to be an important component of our revenues, particularly in APAC markets. Risks affecting our international operations include:

- our ability to develop games that appeal to the tastes and preferences of consumers in international markets;
- difficulties developing, staffing, and simultaneously managing a large number of varying foreign operations as a result of distance, language, and cultural differences;
- multiple and conflicting laws and regulations, including complications due to unexpected changes in these laws and regulations;
- our ability to develop, customize and localize games that appeal to the tastes and preferences of consumers in international markets;
- competition from local game developers that have significant market share in certain foreign markets and a better understanding of local consumer preferences;
- potential violations of the Foreign Corrupt Practices Act and local laws prohibiting improper payments to government officials or representatives of commercial partners;
- regulations that could potentially affect the content of our products and their distribution, particularly in China;
- foreign exchange controls that might prevent us from repatriating income earned in countries outside the United States, particularly China;

- potential adverse foreign tax consequences, since due to our international operations, we must pay income tax in numerous foreign jurisdictions with complex and evolving tax laws;
- political, economic and social instability;
- restrictions on the export or import of technology;
- trade and tariff restrictions and variations in tariffs, quotas, taxes and other market barriers; and
- difficulties in enforcing intellectual property rights in certain countries.

These risks could harm our international operations, which, in turn, could materially and adversely affect our business, operating results and financial condition.

If we fail to deliver our games at the same time as new mobile devices are commercially introduced, our sales may suffer.

Our business depends, in part, on the commercial introduction of new mobile devices with enhanced features, including larger, higher resolution color screens, improved audio quality, and greater processing power, memory, battery life and storage. For example, the introduction of new and more powerful versions of Apple's iPhone and iPad and devices based on Google's Android operating system, have helped drive the growth of the mobile games market. In addition, consumers generally purchase the majority of content, such as our games, for a new device within a few months of purchasing it. We do not control the timing of these device launches. Some manufacturers give us access to their mobile devices prior to commercial release. If one or more major manufacturers were to stop providing us access to new device models prior to commercial release, we might be unable to introduce games that are compatible with the new device when the device is first commercially released, and we might be unable to make compatible games for a substantial period following the device release. If we do not adequately build into our title plan the demand for games for a particular mobile device or experience game launch delays, we miss the opportunity to sell games when new mobile devices are shipped or our end users upgrade to a new mobile device, our revenues would likely decline and our business, operating results and financial condition would likely suffer.

Our business and growth may suffer if we are unable to hire and retain key personnel.

Our future success will depend, to a significant extent, on our ability to retain and motivate our key personnel, namely our management team, particularly Niccolo de Masi, our President and Chief Executive Officer, and Matthew Ricchetti, our President of Studios, as well as experienced game development personnel who may experience uncertainty due to the restructuring we implemented in the fourth quarter of 2012, in which we eliminated nearly 100 positions in our Kirkland and Sao Paolo studios. In addition, to grow our business, execute on our business strategy and replace departing employees, we must identify, hire and retain qualified personnel. Competition for qualified management, game development and other staff can be intense. Attracting and retaining qualified personnel may be particularly difficult for us if our stock price remains relatively depressed, since individuals may elect to seek employment with other companies that they believe have better long-term prospects. Competitors have in the past and may in the future attempt to recruit our employees, and our management and key employees are not bound by agreements that could prevent them from terminating their employment at any time. In addition, we do not maintain a key-person life insurance policy on any of our officers. Our business and growth may suffer if we are unable to hire and retain key personnel.

We may need to raise additional capital or borrow funds to grow our business, and we may not be able to raise capital or borrow funds on terms acceptable to us or at all.

We expect to continue to use cash in our operations during 2013 as we seek to grow our business. As of December 31, 2012, we had $22.3 million of cash and cash equivalents. If our cash and cash equivalents and cash inflows are insufficient to meet our cash requirements, we will need to seek additional capital to fund our operations, and we may be unable to do so on terms that are acceptable to us or at all. Equity financings would dilute our existing stockholders, particularly given our current stock price, and the holders of new securities may receive rights, preferences or privileges that are senior to those of existing stockholders. Alternatively, we may wish to enter into a credit facility or other debt arrangement, and we may be unable to procure one on terms that are acceptable to us, particularly in light of the current credit market conditions. If we require new sources of financing but they are insufficient or unavailable, we would be required to modify our operating plans to align them with available resources, which would harm our ability to grow our business.

Our business is subject to increasing governmental regulation. If we do not successfully respond to these regulations, our business may suffer.

We are subject to a number of domestic and foreign laws and regulations that affect our business. Not only are these laws constantly evolving, which could result in their being interpreted in ways that could harm our business, but legislation is also continually being introduced that may affect both the content of our products and their distribution. In the United States, for example, numerous federal and state laws have been introduced which attempt to restrict the content or distribution of games. Legislation has been adopted in several states, and proposed at the federal level, that prohibits the sale of certain games to minors. If such legislation is adopted, it could harm our business by limiting the games we are able to offer to our customers or by limiting the size of the potential market for our games. We may also be required to modify certain games or alter our marketing strategies to comply with new and possibly inconsistent regulations, which could be costly or delay the release of our games. The Federal Trade Commission has also indicated that it intends to review issues related to in-app purchases, particularly with respect to games that are marketed primarily to minors. If the Federal Trade Commission issues rules significantly restricting or even prohibiting in-app purchases, it would significantly impact our business strategy. In addition, two self-regulatory bodies in the United States (the Entertainment Software Rating Board) and the European Union (Pan European Game Information) provide consumers with rating information on various products such as entertainment software similar to our products based on the content (for example, violence, sexually explicit content, language). Furthermore, the Chinese government has adopted measures designed to eliminate violent or obscene content in games. In response to these measures, some Chinese telecommunications operators have suspended billing their customers for certain mobile gaming platform services, including those services that do not contain offensive or unauthorized content, which could negatively impact our revenues in China. Any one or more of these factors could harm our business by limiting the products we are able to offer to our customers, by limiting the size of the potential market for our products, or by requiring costly additional differentiation between products for different territories to address varying regulations.

Furthermore, the growth and development of freemium gaming and the sale of virtual goods may prompt calls for more stringent consumer protection laws that may impose additional burdens on companies such as ours. We anticipate that scrutiny and regulation of our industry will increase and that we will be required to devote legal and other resources to addressing such regulation. For example, existing laws or new laws regarding the regulation of currency and banking institutions may be interpreted to cover virtual currency or goods. If that were to occur we may be required to seek licenses, authorizations or approvals from relevant regulators, the granting of which may depend on us meeting certain capital and other requirements and we may be subject to additional regulation and oversight, all of which could significantly increase our operating costs. Changes in current laws or regulations or the imposition of new laws and regulations in the United States or elsewhere regarding these activities may dampen the growth of freemium gaming and impair our business.

We sometimes offer our players various types of sweepstakes, giveaways and promotional opportunities, and in October 2012, we announced a strategic relationship with Probability PLC to offer a suite of Glu-branded mobile slot games in the United Kingdom and Italy. We are subject to laws in a number of jurisdictions concerning the operation and offering of such activities and games, many of which are still evolving and could be interpreted in ways that could harm our business. Any court ruling or other governmental action that imposes liability on providers of online services could result in criminal or civil liability and could harm our business.

In addition, because our services are available worldwide, certain foreign jurisdictions and others may claim that we are required to comply with their laws, including in jurisdictions where we have no local entity, employees or infrastructure.

The laws and regulations concerning data privacy and data security are continually evolving, and our actual or perceived failure to comply with these laws and regulations could harm our business.

We are subject to federal, state and foreign laws regarding privacy and the protection of the information that we collect regarding our users, which laws are currently in a state of flux and likely to remain so for the foreseeable future. The U.S. government, including the Federal Trade Commission and the Department of Commerce, is continuing to review the need for greater regulation over collecting information concerning consumer behavior on the Internet and on mobile devices. For example, in December 2012, the Federal Trade Commission adopted amendments to the Children's Online Privacy Protection Act to strengthen privacy protections for children under age 13. In addition, the European Union has proposed reforms to its existing data protection legal framework. Various government and consumer agencies have also called for new regulation and changes in industry practices. For example, in February 2012, the California Attorney General announced a deal with Amazon, Apple, Google, Hewlett-Packard, Microsoft and Research in Motion to strengthen privacy protection for users that download third-party apps to smartphones and tablet devices. In response to developments in the interpretation and understanding of regulations such as these and guidance and inquiries from the California Attorney General, we released updates to our *My Dragon* and *Deer Hunter Reloaded* games to make our privacy policy readily accessible to players of these games as required by the California Online Privacy Protection Act. If we do not follow existing laws and regulations, as well as the rules of the smartphone platform operators, with respect to privacy-related matters, or if consumers raise any concerns about our privacy practices, even if unfounded, it could damage our reputation and operating results.

All of our games are subject to our privacy policy and our terms of service located on our corporate website. If we fail to comply with our posted privacy policy, terms of service or privacy-related laws and regulations, including with respect to the information we collect from users of our games, it could result in proceedings against us by governmental authorities or others, which could harm our business. In addition, interpreting and applying data protection laws to the mobile gaming industry is often unclear. These laws may be interpreted and applied in conflicting ways from state to state, country to country, or region to region, and in a manner that is not consistent with our current data protection practices. Complying with these varying requirements could cause us to incur additional costs and change our business practices. Further, if we fail to adequately protect our users' privacy and data, it could result in a loss of player confidence in our services and ultimately in a loss of users, which could adversely affect our business.

In the area of information security and data protection, many states have passed laws requiring notification to users when there is a security breach for personal data, such as the 2002 amendment to California's Information Practices Act, or requiring the adoption of minimum information security standards that are often vaguely defined and difficult to implement. Costs to comply with these laws may increase as a result of changes in interpretation. Furthermore, any failure on our part to comply with these laws may subject us to significant liabilities.

Our stock price has fluctuated and declined significantly since our initial public offering in March 2007, and may continue to fluctuate, may not rise and may decline further.

The trading price of our common stock has fluctuated in the past and is expected to continue to fluctuate in the future, as a result of a number of factors, many of which are outside our control, such as changes in the operating performance and stock market valuations of other technology companies generally, or those in our industry in particular, such as Electronic Arts and Zynga.

In addition, The NASDAQ Global Market on which our common stock is listed has recently and in the past experienced extreme price and volume fluctuations that have affected the market prices of many companies, some of which appear to be unrelated or disproportionate to their operating performance. These broad market fluctuations could adversely affect the market price of our common stock. In the past, following periods of volatility in the market price of a particular company's securities, securities class action litigation has often been brought against that company. Securities class action litigation against us could result in substantial costs and divert our management's attention and resources.

Our facilities are located near known earthquake fault zones, and the occurrence of an earthquake or other natural disaster could damage our facilities and equipment, which could require us to curtail or cease operations.

Our principal offices are located in the San Francisco Bay Area, an area known for earthquakes. We are also vulnerable to damage from other types of disasters, including power loss, fires, explosions, floods, communications failures, terrorist attacks and similar events. If any natural or other disaster were to occur, our ability to operate our business at our facilities could be impaired.

If we do not adequately protect our intellectual property rights, it may be possible for third parties to obtain and improperly use our intellectual property and our business and operating results may be harmed.

Our intellectual property is essential to our business. We rely on a combination of copyright, trademark, trade secret and other intellectual property laws and contractual restrictions on disclosure to protect our intellectual property rights. To date, we have not sought patent protection, so, we will not be able to protect our technologies from independent invention by third parties. Despite our efforts to protect our intellectual property rights, unauthorized parties may attempt to copy or otherwise to obtain and use our technology and games, and some parties have distributed "jail broken" versions of our games where all of the content has been unlocked and made available for free. Further, some of our competitors have released games that are nearly identical to successful games released by their competitors in an effort to confuse the market and divert users from the competitor's game to the copycat game. To the extent that these tactics are employed with respect to any of our games, it could reduce our revenues that we generate from these games. Monitoring unauthorized use of our games is difficult and costly, and we cannot be certain that the steps we have taken will prevent piracy and other unauthorized distribution and use of our technology and games, particularly in certain international jurisdictions, such as China, where the laws may not protect our intellectual property rights as fully as in the United States. In the future, we may have to litigate to enforce our intellectual property rights, which could result in substantial costs and divert our management's attention and our resources.

In addition, although we require our third-party developers to sign agreements not to disclose or improperly use our trade secrets and acknowledging that all inventions, trade secrets, works of authorship, developments and other processes generated by them on our behalf are our property and to assign to us any ownership they may have in those works, it may still be possible for third parties to obtain and improperly use our intellectual properties without our consent. This could harm our brand, business, operating results and financial condition.

We may become involved in litigation, including intellectual property disputes, which may disrupt our business and require us to pay significant damage awards.

Third parties may sue us, including for intellectual property infringement, or initiate proceedings to invalidate our intellectual property, which, if successful, could disrupt our business, cause us to pay significant damage awards or require us to pay licensing fees. For example, on November 5, 2012, Mobile Transformation LLC filed a complaint against us in The U.S. District Court for The District of The State of Delaware claiming that we were infringing one of its patents and seeking unspecified damages; we settled this matter in December 2012. In the event of a successful claim against us, we might be enjoined from using our or our licensed intellectual property, we might incur significant licensing fees and we might be forced to develop alternative technologies. If we fail or are unable to develop non-infringing technology or games or to license the infringed or similar technology or games on a timely basis, we may be forced to withdraw games from the market or prevented from introducing new games. We might also incur substantial expenses in defending against third-party claims, regardless of their merit.

In addition, we use open source software in some of our games and expect to continue to use open source software in the future. We may face claims from companies that incorporate open source software into their products, claiming ownership of, or demanding release of, the source code, the open source software and/or derivative works that were developed using such software, or otherwise seeking to enforce the terms of the applicable open source license. These claims could also result in litigation, require us to purchase a costly license or require us to devote additional research and development resources to change our games, any of which would have a negative effect on our business and operating results.

Our reported financial results could be adversely affected by changes in financial accounting standards or by the application of existing or future accounting standards to our business as it evolves.

Our reported financial results are impacted by the accounting policies promulgated by the SEC and accounting standards bodies and the methods, estimates, and judgments that we use in applying our accounting policies. Due to recent economic events, the frequency of accounting policy changes may accelerate, including conversion to unified international accounting standards. Policies affecting software revenue recognition have affected, and could further significantly affect, the way we account for revenue. For example, the accounting for revenue derived from smartphone platforms and freemium games, particularly with regard to micro-transactions, is still evolving and, in some cases, uncertain. We currently defer revenues related to virtual goods and currency over the average playing period of paying users, which approximates the useful life of the transaction. While we believe our estimates are reasonable based on available game player information, we may revise such estimates in the future as our games' operation periods change. Any adjustments arising from changes in the estimates of the lives of these virtual items would be applied prospectively on the basis that such changes are caused by new information indicating a change in the game player behavior patterns of our paying users. Any changes in our estimates of useful lives of these virtual items may result in our revenues being recognized on a basis different from prior periods' and may cause our operating results to fluctuate. As we enhance, expand and diversify our business and product offerings, the application of existing or future financial accounting standards, particularly those relating to the way we account for revenue, could have a significant adverse effect on our reported results although not necessarily on our cash flows.

If we are unable to maintain effective internal control over financial reporting, the accuracy and timeliness of our financial reporting may be adversely affected.

If we are unable to maintain adequate internal controls for financial reporting, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal controls as required pursuant to the Sarbanes-Oxley Act, investor confidence in the accuracy of our financial reports may be impacted or the market price of our common stock could be negatively impacted.

Unanticipated changes in our income tax rates or exposure to additional tax liabilities may affect our future financial results.

Our future effective income tax rates may be favorably or unfavorably affected by unanticipated changes in the valuation of our deferred tax assets and liabilities, or by changes in tax laws or their interpretation. Determining our worldwide provision for income taxes requires significant judgments. The estimation process and applicable laws are inherently uncertain, and our estimates are not binding on tax authorities. Our effective tax rate could also be adversely affected by a variety of factors, many of which are beyond our control. Recent and contemplated changes to U.S. tax laws, including limitations on a taxpayer's ability to claim and utilize foreign tax credits and defer certain tax deductions until earnings outside of the U.S. are repatriated to the U.S., could impact the tax treatment of our foreign earnings. In addition, we are subject to the continuous examination of our income tax returns by the Internal Revenue Service and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine whether or not our provision for income taxes is adequate. These continuous examinations may result in unforeseen tax-related liabilities, which may harm our future financial results.

We must charge, collect and/or pay taxes other than income taxes, such as payroll, value-added, sales and use, net worth, property and goods and services taxes, in both the U.S. and foreign jurisdiction. If tax authorities assert that we have taxable nexus in a jurisdiction, they may seek to impose past as well as future tax liability and/or penalties. Any such impositions could also cause significant administrative burdens and decrease our future sales. Moreover, state and federal legislatures have been considering various initiatives that could change our tax position regarding sales and use taxes.

Finally, as we change our international operations, adopt new products and new distribution models, implement changes to our operating structure or undertake intercompany transactions in light of changing tax laws, our tax expense could increase.

Some provisions in our certificate of incorporation and bylaws may deter third parties from seeking to acquire us.

Our certificate of incorporation and bylaws contain provisions that may make the acquisition of our company more difficult without the approval of our board of directors, including the following:

- our board of directors is classified into three classes of directors with staggered three-year terms;
- only our chairman of the board, our lead independent director, our chief executive officer, our president or a majority of our board of directors is authorized to call a special meeting of stockholders;
- our stockholders are able to take action only at a meeting of stockholders and not by written consent;
- only our board of directors and not our stockholders is able to fill vacancies on our board of directors;
- our certificate of incorporation authorizes undesignated preferred stock, the terms of which may be established and shares of which may be issued without stockholder approval; and
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before a meeting of stockholders.

Item 1B. *Unresolved Staff Comments*

None.

Item 2. *Properties*

Our principal locations, their purposes, the approximate square footage of the facilities at these locations and the expiration dates for the leases on facilities at those locations as of December 31, 2012 are shown in the table below.

Location	Purpose	Approximate Square Feet	Principal Lease Expiration Date
San Francisco, California	Corporate headquarters	19,000	November 2013
Beijing, China	Asia-Pacific corporate offices and development studio	15,775	December 2013
Hyderabad, India	Research and development center	8,425	July 2016
Kirkland, Washington	Development studio	54,450	September 2013
Moscow, Russia	Development studio	16,025	June 2017
Toronto, Canada	Development studio	6,375	January 2018

We believe our space is adequate for our current needs and that suitable additional or substitute space will be available to accommodate the foreseeable expansion of our operations. We are currently evaluating alternative locations for both our San Francisco and Kirkland operations and anticipate moving into new facilities when the current leases on those facilities expire. We expect that our operating expenses will increase as a result of these moves, since we will need to lease more space and at rates that we believe will be higher than those for our current leases. See Note 7 to the financial statements in Item 8 of this report for more information about our lease commitments.

Item 3. *Legal Proceedings*

On November 5, 2012, Mobile Transformation LLC (“Mobile Transformation”) filed a complaint against us in the U.S. District Court for the District of the State of Delaware, claiming that our systems and methods for displaying advertisements with [played] data via various video game applications infringe its U.S. Patent No. 6,351,736. Mobile Transformation sought unspecified damages for our alleged infringement of its patent, as well as its costs and expenses, including attorneys’ fees, incurred in prosecuting this claim. In December 2012, without admitting infringement or liability, we entered into a non-exclusive license agreement with Mobile Transformation to settle the dispute, and Mobile Transformation dismissed the complaint against us with prejudice.

From time to time, we are subject to various claims, complaints and legal actions in the normal course of business. We are not currently party to any pending litigation, the outcome of which will have a material adverse effect on our operations, financial position or liquidity. However, the ultimate outcome of any litigation is uncertain and, regardless of outcome, litigation can have an adverse impact on us because of defense costs, potential negative publicity, diversion of management resources and other factors.

Item 4. *Mine Safety Disclosures*

Not applicable.

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Market Information for Common Stock

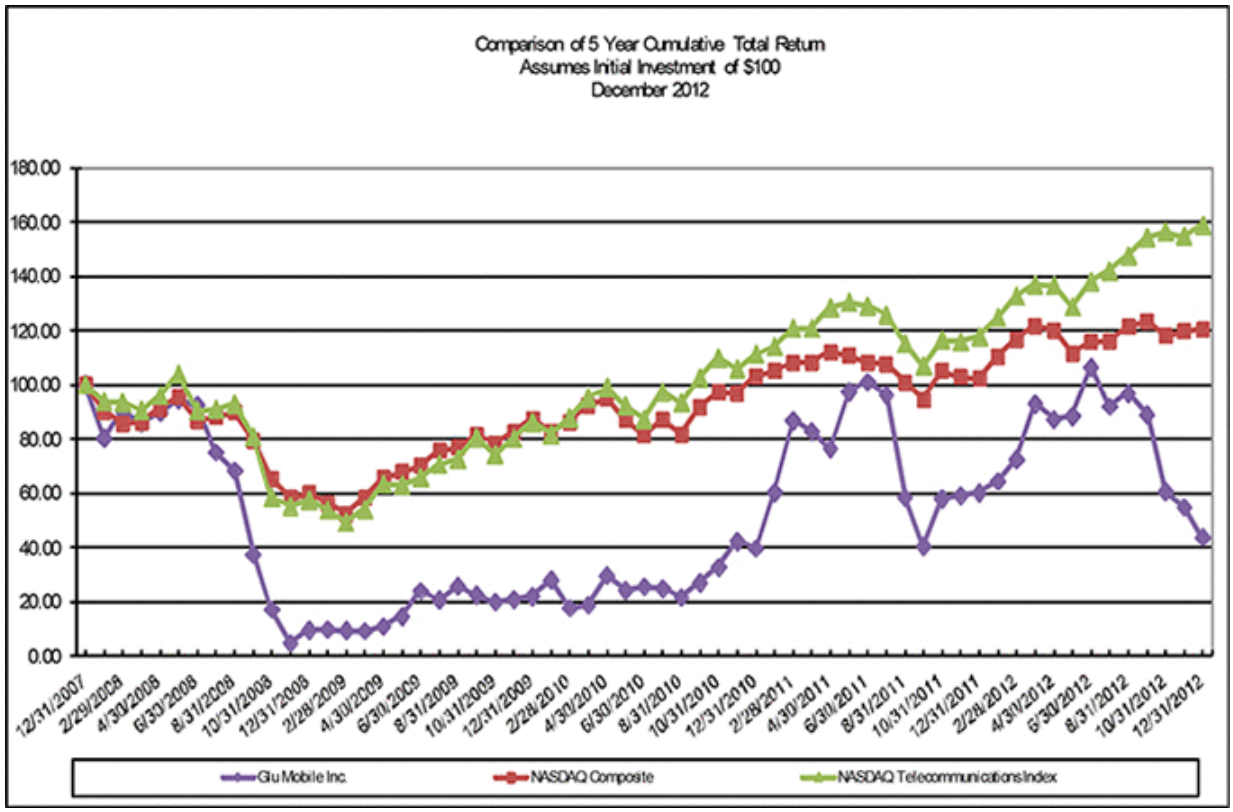
Our common stock has been listed on The NASDAQ Global Market under the symbol "GLUU" since our initial public offering in March 2007. The following table sets forth, for the periods indicated, the high and low intra-day prices for our common stock as reported on The NASDAQ Global Market. The closing price of our common stock on February 28, 2013 was $2.26.

	High	Low
Year ended December 31, 2011		
First quarter	$ 5.08	$ 1.92
Second quarter	$ 5.75	$ 3.17
Third quarter	$ 6.10	$ 2.05
Fourth quarter	$ 3.81	$ 1.80
Year ended December 31, 2012		
First quarter	$ 5.18	$ 2.67
Second quarter	$ 5.65	$ 3.85
Third quarter	$ 5.90	$ 4.19
Fourth quarter	$ 4.74	$ 1.99

Our stock price has fluctuated and declined significantly since our initial public offering. Please see the Risk Factor – "Our stock price has fluctuated and declined significantly since our initial public offering in March 2007, and may continue to fluctuate, may not rise and may decline further" – in Item 1A of this report.

Stock Price Performance Graph

The following graph shows a comparison from December 31, 2007 through December 31, 2012 of the cumulative total return for an investment of $100 (and the reinvestment of dividends) in our common stock, the NASDAQ Composite Index and the NASDAQ Telecommunications Index. Such returns are based on historical results and are not intended to suggest future performance.



The information under the heading "Stock Price Performance Graph" shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act of 1934, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act, and shall not be incorporated by reference into any registration statement or other document filed by us with the SEC, whether made before or after the date of this report, regardless of any general incorporation language in such filing, except as expressly set forth by specific reference in such filing.

Equity Compensation Plan Information

The following table sets forth certain information, as of December 31, 2012, concerning securities authorized for issuance under all of our equity compensation plans: our 2001 Second Amended and Restated Stock Option Plan (the "2001 Plan"), which terminated when we adopted the 2007 Equity Incentive Plan (the "2007 Plan"), 2007 Employee Stock Purchase Plan (the "ESPP") and 2008 Equity Inducement Plan (the "Inducement Plan"). The ESPP contains an "evergreen" provision, pursuant to which on January 1st of each year we automatically add 1% of our shares of common stock outstanding on the preceding December 31st to the shares reserved for issuance under the ESPP; this evergreen provision expires after the scheduled increase on January 1, 2015. In addition, pursuant to a "pour over" provision in our 2007 Plan, options that are cancelled, expired or terminated under the 2001 Plan are added to the number of shares reserved for issuance under our 2007 Plan.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a) (c)
Equity compensation plans approved by security holders	8,798,421	$ 3.18	1,526,593(1)
Equity compensation plans not approved by security holders	2,122,332(2)	2.59	437,790(3)
Total	10,920,753	$ 3.07	1,964,383(4)

(1) Represents 740,689 shares available for issuance under our the 2007 Plan, which plan permits the grant of incentive and non-qualified stock options, stock appreciation rights, restricted stock, stock awards and restricted stock units; and 785,904 shares available for issuance under the ESPP.
(2) Represents outstanding options under the Inducement Plan.
(3) Represents shares available for issuance under the Inducement Plan, under which we may only grant non-qualified stock options.
(4) Excludes 660,221 shares available for issuance under the ESPP, which were added to the share reserve on January 1, 2013 pursuant to the evergreen provision described above.

In March 2008, in connection with our acquisition of Superscape Group plc, our Board of Directors adopted the Inducement Plan to augment the shares available under our existing 2007 Plan. The Inducement Plan, which has a ten-year term, did not require the approval of our stockholders. We initially reserved 600,000 shares of our common stock for grant and issuance under the Inducement Plan. On December 28, 2009, the Compensation Committee of our Board of Directors increased the number of shares reserved for issuance under the Inducement Plan by 819,245 shares. We used all of the 1,250,000 shares then available for a stock option grant to Niccolo M. de Masi in connection with his appointment as our new President and Chief Executive Officer. Furthermore, in connection with the acquisitions of Griptonite and Blammo, the Compensation Committee increased the number of shares reserved for issuance under our Inducement Plan by 1,050,000 shares to grant stock options to certain of the new non-executive officer employees of Griptonite and Blammo. In addition, in November 2012, the Compensation Committee further increased the number of shares available for issuance by an additional 300,000 shares, all of which we used to award a stock option grant to our newly hired President of Studios. Accordingly, as of December 31, 2012, we had reserved a total of 2,769,245 shares of our common stock for grant and issuance under the Inducement Plan since its inception, of which, 2,122,332 shares were subject to outstanding stock options and 437,790 shares were available for issuance. The remaining 209,123 shares represent shares that were subject to previously granted options under the Inducement Plan that have been exercised by the option holders.

Under the Inducement Plan, we may only grant Nonqualified Stock Options ("NSOs") and may award grants only to persons not previously an employee or director of Glu, or following a bona fide period of non-employment, as an inducement material to such individual's entering into employment with us and to provide incentives for such persons to exert maximum efforts for our success. We may grant NSOs under the Inducement Plan at prices less than 100% of the fair value of the shares on the date of grant, at the discretion of our Board of Directors. The fair value of our common stock is determined by the last sale price of our stock on The NASDAQ Global Market on the date of determination. If any option granted under the Inducement Plan expires or terminates for any reason without being exercised in full, the unexercised shares will be available for grant under the Inducement Plan. All outstanding NSOs are subject to adjustment for any future stock dividends, splits, combinations, or other changes in capitalization as described in the Inducement Plan. If we were acquired and the acquiring corporation did not assume or replace the NSOs granted under the Inducement Plan, or if we were to liquidate or dissolve, all outstanding awards will expire on such terms as our Board of Directors determines.

Stockholders

As of March 1, 2013, we had approximately 72 record holders of our common stock and hundreds of additional beneficial holders.

Dividend Policy

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of our Board of Directors.

Recent Sales of Unregistered Securities

Not applicable.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not applicable.

Item 6. ***Selected Financial Data***

The following selected consolidated financial data should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," Item 8, "Financial Statements and Supplementary Data," and other financial data included elsewhere in this report. Our historical results of operations are not necessarily indicative of results of operations to be expected for any future period.

	Year Ended December 31,				
	2012	2011	2010	2009	2008
	(In thousands, except per share amounts)				
Consolidated Statements of Operations Data:					
Revenues	$ 87,493	$66,185	$ 64,345	$ 79,344	$ 89,767
Cost of revenues:					
Royalties and other cost of revenues	8,940	12,389	16,643	21,829	22,562
Impairment of prepaid royalties and guarantees	—	531	663	6,591	6,313
Amortization of intangible assets	3,783	5,447	4,226	7,092	11,309
Total cost of revenues	12,723	18,367	21,532	35,512	40,184
Gross profit	74,770	47,818	42,813	43,832	49,583
Operating expenses(1):					
Research and development	54,275	39,073	25,180	25,975	32,140
Sales and marketing	20,893	14,607	12,140	14,402	26,066
General and administrative	14,744	14,002	13,108	16,271	20,971
Amortization of intangible assets	1,980	825	205	215	261
Restructuring charge	1,371	545	3,629	1,876	1,744
Acquired in-process research and development	—	—	—	—	1,110
Impairment of goodwill	3,613	—	—	—	69,498
Total operating expenses	96,876	69,052	54,262	58,739	151,790
Loss from operations	(22,106)	(21,234)	(11,449)	(14,907)	(102,207)
Interest and other income (expense), net	(347)	747	(1,265)	(1,127)	(1,359)
Loss before income taxes and cumulative effect of change in accounting principle	(22,453)	(20,487)	(12,714)	(16,034)	(103,566)
Income tax benefit (provision)	1,994	(614)	(709)	(2,160)	(3,126)
Net loss	(20,459)	(21,101)	(13,423)	(18,194)	(106,692)
Net loss per share—basic and diluted	$ (0.32)	$ (0.37)	$ (0.38)	$ (0.61)	$ (3.63)
Weighted average common shares outstanding—basic and diluted	64,318	57,518	35,439	29,853	29,379
(1) Includes stock-based compensation expense as follows:					
Research and development	$ 3,491	$ 1,387	$ 480	$ 716	$ 714
Sales and marketing	386	351	217	564	5,174
General and administrative	1,945	1,372	871	1,646	2,097

	Year Ended December 31,				
	2012	2011	2010	2009	2008
	(In thousands)				
Cash and cash equivalents and short-term investments	$ 22,325	$32,212	$12,863	$ 10,510	$19,166
Total assets	72,275	82,804	44,816	57,738	92,076
Current portion of long-term debt	—	—	2,288	16,379	14,000
Long-term debt, less current portion	—	—	—	—	10,125
Total stockholder's equity	$ 38,887	$49,173	$13,885	$11,693	$ 26,794

Please see Note 1, Note 3 and Note 7 of Notes to Consolidated Financial Statements, for a discussion of factors such as accounting changes, business combinations, and any material uncertainties (if any) that may materially affect the comparability of the information reflected in selected financial data, described in Item 8 of this report.

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

You should read the following discussion of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included in Item 8, "Financial Statements and Supplementary Data" of this report. In addition to our historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this report, particularly in Item 1A, "Risk Factors."

Our Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") includes the following sections:

- An Overview that discusses at a high level our operating results and some of the trends that affect our business;
- Critical Accounting Policies and Estimates that we believe are important to understanding the assumptions and judgments underlying our financial statements;
- Recent Accounting Pronouncements;
- Results of Operations, including a more detailed discussion of our revenues and expenses; and
- Liquidity and Capital Resources, which discusses key aspects of our statements of cash flows, changes in our balance sheets and our financial commitments.

Overview

This overview provides a high-level discussion of our operating results and some of the trends that affect our business. We believe that an understanding of these trends is important to understand our financial results for fiscal 2012, as well as our future prospects. We do not intend this summary to be exhaustive, or to be a substitute for the detailed discussion and analysis provided elsewhere in this report, including our consolidated financial statements and accompanying notes.

Financial Results and Trends

Revenues for 2012 were $87.5 million, a 32% increase from 2011, in which we reported revenues of $66.2 million. This increase was primarily due to a significant increase in revenues that we generated from our games that we publish for smartphones and tablet devices, such as Apple's iPhone and iPad and mobile devices utilizing Google's Android operating system, such as Samsung's Galaxy product line and Amazon's Kindle Fire. Our smartphone revenues increased from $35.1 million in 2011 to $74.4 million in 2012, and our feature phone revenues declined from $31.1 million in 2011 to $13.1 million in 2012. We believe that the migration of users from feature phones to smartphone devices will continue during 2013 and for the foreseeable future as consumers increasingly upgrade their mobile phones. Accordingly, we have concentrated our product development efforts exclusively towards developing new titles for smartphones, tablets and other advanced platforms, such as the Mac App Store and Google Chrome, and intend to continue to devote significantly fewer resources towards selling games for feature phones in future periods.

The significant majority of our smartphone revenues have historically been derived from Apple's iOS platform, which accounted for 54.0% of our total revenues in 2012 compared with 34.0% of our total revenues in 2011. We received the majority of these iOS-related revenues directly from Apple, which represented 35.7% of our total revenues in 2012 compared with 20.7% of our total revenues in 2011, with the balance of our iOS-related revenues generated from offers and advertisements in games distributed on the Apple App Store. In addition, we generated approximately 25.5% and 11.0% of our total revenues in 2012 and 2011, respectively, from the Android platform, of which 17.6% and 6.8% we received directly from Google for distribution of our games through the Google Play store and the balance of which we received from other platforms that distribute apps that run the Android operating system (e.g., the Amazon App Store). We expect the percentage of our total revenues that we derive from each of Apple and Google to increase in 2013.

To increase our revenues we must continue to execute on our strategy of becoming the leading developer and publisher of freemium games for smartphones, tablets and other advanced platforms. Freemium games are games that a player can download and play for free, but which allow players to access a variety of additional content and features for a fee and to engage with various advertisements and offers that generate revenues for us. Because our games can be downloaded and played for free, we are able to more quickly build a significantly larger customer base than we could if we charged users an upfront fee for downloading our games, which was our previous feature phone business model.

However, for us to continue to execute on our strategy, we must improve our monetization of our players. We believe that deep monetization is one of the primary areas in which we must be proficient to succeed in the mobile gaming industry in 2013 and beyond. Accordingly, we have implemented a number of measures designed to improve our game monetization These include: (1) hiring a number of new personnel with monetization expertise, (2) including new categories of games in our planned 2013 product portfolio that often have higher monetization rates than our single-player focused action/adventure and casual games (such as role-playing games and real-time strategy games), and (3) including deeper "meta game" functionality in our games, by which we mean increasing the player's ability to continue to create content or otherwise invest in the game outside the core gameplay loop, which we believe should result in increased player retention.

In addition, our revenues will continue to depend significantly on growth in the mobile games market, our ability to successfully compete against a continually increasing number of developers and the overall strength of the economy, particularly in the United States. Our revenues also depend on maintaining our continued good relationship with the digital storefront operators, primarily Apple and Google, each of whom could unilaterally alter their terms of service in ways that could harm our business. For example, Apple has beginning in the second quarter of 2011 made several changes to its app store developer agreement relating to privacy and our ability to include certain types of third-party advertising in our games. These changes have in the past, and may in the future, negatively impact our smartphone revenues.

Our net loss in 2012 was $20.5 million versus a net loss of $21.1 million in 2011. This decrease in our net loss was primarily due to an increase in revenues of $21.3 million due to continued growth in sales of our smartphone games, a decrease in our cost of revenues of $5.6 million due to a decrease in royalty-burdened revenues as we continued to focus on developing games based on our own original intellectual property, and a decrease in our tax provision of $2.6 million due primarily to the expiration of statutes of limitations in certain jurisdictions and the subsequent release of uncertain tax provisions. These favorable factors were partially offset by an increase in operating expenses of $27.8 million driven by additional personnel and facility costs associated with the acquisitions of Griptonite, Blammo and GameSpy, increased research and development and sales and marketing expenses associated with the developing and launching our freemium titles, goodwill impairment charge in our APAC reporting unit and additional contingent consideration expense related to the Blammo acquisition. We also had increased expense in our other income and expenses of $1.1 million related primarily to unfavorable foreign exchange movements in 2012 compared to 2011. Our operating results were also affected by fluctuations in foreign currency exchange rates of the currencies in which we incurred meaningful operating expenses (principally the British Pound Sterling, Euro, Chinese Renminbi, Brazilian Real and Russian Ruble), and our customers' reporting currencies, and these currencies fluctuated significantly in 2012 and 2011.

Our ability to attain and sustain profitability depends not only on our ability to grow our revenues, but also on the extent to which we must incur additional operating expenses to grow our business. The largest component of our recurring expenses is personnel costs, which consist of salaries, benefits and incentive compensation, including bonuses and stock-based compensation. We significantly increased our spending on sales and marketing initiatives in 2012 from 2011 in connection with the launch and promotion of our freemium games, and we anticipate that our sales and marketing expenditures will continue to increase during 2013, since advertising costs in our industry have generally been rising. We expect that the restructuring measures we implemented during in the fourth quarter of 2012, which primarily consisted of headcount reductions in our Kirkland studio and winding down our studio in Brazil, will enable us to hire additional personnel with monetization expertise without increasing our overall research and development expenses. Overall, we expect our operating expenses to slightly increase in 2013 from 2012, so we must significantly grow our revenues from current levels to achieve profitability.

Cash and cash equivalents at December 31, 2012 totaled $22.3 million, a decrease of $9.9 million from the $32.2 million balance at December 31, 2011. This decrease was primarily due to the $5.0 million in cash we used to purchase the Deer Hunter brand assets, $6.7 million of cash used in operations and $2.0 million of capital expenditures. These outflows were partially offset by $3.2 million of proceeds received from warrant exercises, option exercises and purchases under our employee stock purchase program and $913,000 of cash received from the GameSpy acquisition. We expect to have cash and cash equivalents of at least $14.0 million at December 31, 2013.

Key Operating Metrics

We manage our smartphone business by tracking various non-financial operating metrics that give us insight into user behavior in our freemium and premium smartphone games. The three metrics that we use most frequently are Daily Active Users (DAU), Monthly Active Users (MAU), and Average Revenue Per Daily Active User (ARPDAU). Our methodology for calculating DAU, MAU and ARPDAU may differ from the methodology used by other companies to calculate similar metrics.

DAU is the number of individuals who played a particular smartphone game – either premium or freemium – on a particular day. An individual who plays two different games on the same day is counted as two active users for that day when we aggregate DAU across games. In addition, an individual who plays the same game on two different devices during the same day (e.g., an iPhone and an iPad) is also counted as two active users for each such day when we average or aggregate DAU over time. Average DAU for a particular period is the average of the DAUs for each day during that period. We use DAU as a measure of player engagement with the titles that our players have downloaded.

MAU is the number of individuals who played a particular smartphone game – either premium or freemium – in the month for which we are calculating the metric. An individual who plays two different games in the same month is counted as two active users for that month when we aggregate MAU across games. In addition, an individual who plays the same game on two different devices during the same month (e.g., an iPhone and an iPad) is also counted as two active users for each such month when we average or aggregate MAU over time. Average MAU for a particular period is the average of the MAUs for each month during that period. We use the ratio between DAU and MAU as a measure of player retention.

ARPDAU is the total freemium smartphone revenue – consisting of micro-transactions, advertisements and offers – for the measurement period divided by the number of days in the measurement period divided by the DAU for the measurement period. ARPDAU reflects game monetization. Revenues for purposes of our ARPDAU calculation are our freemium revenues from micro-transactions and offers. Under our revenue recognition policy, we recognize these revenues over the estimated average playing period of a user, but our methodology for calculating our DAU does not align with our revenue recognition policy for micro-transactions and offers, under which we defer revenues. For example, if a title is introduced in the last month of a quarter, we defer a substantial portion of the micro-transaction and offer revenue to future months, but the entire DAU for the newly released title is included in the month of launch.

We calculate DAU, MAU and ARPDAU for only our primary distribution platforms, such as Apple's App Store, the Google Play Store, Amazon's Appstore and the Mac App Store; we are not able to calculate these metrics across all of our distribution channels. In addition, the platforms that we include for purposes of this calculation have changed over time, and we expect that they will continue to change as our business evolves, but we do not expect that we will adjust prior metrics to take any such additions or deletions of distribution platforms into account. We believe that calculating these metrics for only our primary distribution platforms at a given period is generally representative of the metrics for all of our distribution platforms. Moreover, we rely on the data analytics software that we incorporate into our games to calculate and report the DAU, MAU and ARPDAU of our games, and we make certain adjustments to the analytics data to address inconsistencies between the information as reported and our DAU and MAU calculation methodology.

The table below sets forth our aggregate DAU, MAU and ARPDAU for all of our then-active smartphone titles for the periods specified, followed by a qualitative discussion of the changes in these metrics. Aggregate DAU and MAU include users of both our freemium and premium titles, whereas aggregate ARPDAU is calculated based only on revenues from our freemium games. Aggregate DAU and MAU for each period presented represents the aggregate metric for the last month of the period. For example, DAU for the three months ended December 31, 2012 is aggregate daily DAU for the month of December 2012 calculated for all active smartphone freemium and premium titles in that month across the distribution platforms for which we calculate the metric. In addition, in the fourth quarter of 2011, we changed our methodology for calculating DAU and MAU to more accurately reflect these metrics. This change increased our fourth quarter 2011 DAU and MAU by less than 5% over the prior methodology, and the information for the first three quarters of 2011 has not been adjusted to reflect the methodology change.

	For the Three Months Ended							
	2011				2012			
	March 31	June 30	September 30	December 31	March 31	June 30	September 30	December 31
	(In thousands, except aggregate ARPDAU)							
Aggregate DAU	953	1,639	2,103	2,873	3,218	3,412	3,835	3,535
Aggregate MAU	11,882	16,516	22,090	31,363	29,814	29,034	37,675	34,795
Aggregate ARPDAU	$ 0.04	$ 0.05	$ 0.04	$ 0.03	$ 0.05	$ 0.06	$ 0.05	$ 0.05

Each of our aggregate DAU and MAU have generally increased sequentially from quarter to quarter because we have released more freemium games and expanded our portfolio of titles. Our aggregate ARPDAU has fluctuated slightly quarter to quarter primarily based on the ARPDAU performance of new titles released during the quarter. For the most recent quarter-to-quarter comparison, each of aggregate DAU and MAU decreased from September 30, 2012 to December 31, 2012 primarily because we released only four new freemium titles during the fourth quarter of 2012 — *Contract Killer 2, Contract Killer Zombies 2, Death Dome* and *Dragon Slayer* — compared with 11 titles released during the third quarter of 2012 and additionally due to decreases in these metrics for our catalog of previously released titles. These decreases were partially offset by increases to DAU and MAU attributable to *Eternity Warriors 2, Contract Killer 2* and *Contract Killer Zombies 2*. Our aggregate ARPDAU remained relatively flat from September 30, 2012 to December 31, 2012 since higher ARPDAU from titles released during the fourth quarter were offset by declines in ARPDAU in our catalog titles. The ratios between DAU and MAU (that is, DAU divided by MAU) decreased due to poor player retention on both our catalog of previously released titles and newly released titles that were not generating meaningful revenues; in general, increases in the ratio between DAU and MAU indicate better player retention.

Each of our aggregate DAU, MAU and ARPDAU increased from December 31, 2011 to December 31, 2012. Aggregate DAU and MAU increased primarily due to increased downloads related to the introduction of 21 new freemium titles during 2012, and aggregate ARPDAU increased due to higher revenues associated with those 21 new titles, which supplemented the revenues that we received from certain of the more popular games in our catalog of existing titles. These increases were partially offset by declines in aggregate DAU, MAU and ARPDAU for our catalog titles, primarily because we are no longer releasing content updates for them. Future increases in our aggregate DAU, MAU and ARPDAU will depend on our ability to retain current players, attract new paying players, launch new games and expand into new markets and distribution platforms.

Significant Transactions

Acquisition of GameSpy

On August 2, 2012, we completed the acquisition of GameSpy from IGN Entertainment, Inc., or IGN, by issuing to IGN 600,000 shares of our common stock, of which 90,000 shares will be held in escrow until November 2, 2013 as security to satisfy indemnification claims.

Purchase of the Deer Hunter Brand Assets

On April 1, 2012, we acquired from Atari, Inc. its Deer Hunter trademark and associated domain names and also took a license to the other intellectual property associated with the Deer Hunter brand for total consideration of $5.0 million in cash.

Acquisition of Griptonite

On August 1, 2011, we completed the acquisition of Griptonite from Foundation 9 Entertainment, Inc., or Foundation 9, by issuing 6,106,015 shares of our common stock to Foundation 9. In addition, we may be required to issue up to an additional 5,301,919 shares or in specified circumstances pay additional cash to satisfy indemnification obligations in the case of, among other things, breaches of our representations, warranties and covenants in the merger agreement.

Acquisition of Blammo

On August 1, 2011, we completed the acquisition of Blammo by entering into a Share Purchase Agreement among Glu, Blammo and the owners of Blammo's outstanding share capital (the "Sellers"). Under the Share Purchase Agreement we purchased all of the Blammo share capital, and we (1) issued to the Sellers an aggregate 1,000,000 shares of our common stock and (2) agreed to issue to the Sellers up to an aggregate of an additional 3,312,937 shares of our common stock (the "Additional Shares") if Blammo achieves certain baseline and upside net revenue targets during the years ending March 31, 2013 (up to 909,091 Additional Shares), March 31, 2014 (up to 1,250,000 Additional Shares) and March 31, 2015 (up to 1,153,846 Additional Shares).

Public Offering

In January 2011, we completed the a public offering in which we sold an aggregate of 8,414,635 shares of our common stock at a price to the public of $2.05 per share for net proceeds of approximately $15.7 million after underwriting discounts and commissions and offering expenses. The underwriters of the 2011 Public Offering were Roth Capital Partners, LLC, Craig-Hallum Capital Group LLC, Merriman Capital, Inc. and Northland Capital Markets.

Private Placement

In August 2010, we completed a private placement of our common stock in which we issued and sold to certain investors an aggregate of 13,495,000 shares of common stock at $1.00 per share and warrants exercisable to purchase up to 6,747,500 shares of common stock at $1.50 per share for initial net proceeds of approximately $13.2 million (excluding any proceeds we may receive upon exercise of the warrants).

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with United States generally accepted accounting principles, or GAAP. These accounting principles require us to make certain estimates and judgments that can affect the reported amounts of assets and liabilities as of the dates of the consolidated financial statements, the disclosure of contingencies as of the dates of the consolidated financial statements, and the reported amounts of revenues and expenses during the periods presented. Although we believe that our estimates and judgments are reasonable under the circumstances existing at the time these estimates and judgments are made, actual results may differ from those estimates, which could affect our consolidated financial statements.

We believe the following to be critical accounting policies because they are important to the portrayal of our financial condition or results of operations and they require critical management estimates and judgments about matters that are uncertain:

- revenue recognition;
- fair value;
- business combinations – purchase accounting;
- long-lived assets;
- goodwill;
- stock-based compensation; and
- income taxes.

Revenue Recognition

We generate revenues through the sale of our games on traditional feature phones and smartphones and tablets, such as Apple's iPhone and iPad and other mobile devices utilizing Google's Android operating system. Smartphone games are distributed primarily through digital storefronts, such as the Apple App Store, and feature phone games are distributed primarily through wireless carriers.

Smartphone revenue

We distribute our games for smartphones and tablets on digital storefronts such as the Apple's App Store and the Google Play Store. Within these storefronts, users can download our freemium games and pay to acquire virtual currency which is redeemed in the game for virtual goods. We recognize revenue when persuasive evidence of an arrangement exists, the service has been provided to the user, the price paid by the user is fixed or determinable, and collectability is reasonably assured. Determining whether and when some of these criteria have been satisfied requires judgments that may have a significant impact on the timing and amount of revenue we report in each period. For the purpose of determining when the service has been provided to the player, we have determined that an implied obligation exists to the paying user to continue displaying the purchased virtual goods within the game over the virtual goods' estimated useful lives.

We sell both consumable and durable virtual goods, and we receive reports from digital storefronts, such as the Apple App Store, which breakdown the various purchases made in our games for a given time period. We review these reports and determine on a per-item basis whether the purchase was a consumable virtual good or a durable virtual good. Consumable goods are items consumed at a predetermined time or otherwise have limitations on repeated use, while durable goods are items accessible to the user over an extended period of time. Our revenues from consumable virtual goods have been immaterial since we launched our first freemium title in the fourth quarter of 2010. We recognize revenue from the sale of virtual currency and other virtual items ratably over the estimated average playing period of paying users, which has generally been three months. If a new game is launched and only a limited period of paying player data is available, then we also consider other qualitative factors, such as the playing patterns for paying users for other games with similar characteristics. Where we do not have the ability to differentiate revenues from durable and consumable virtual goods, all revenues are deferred ratably over the average playing period of paying users.

We compute our estimated average playing period of paying users at least once each year, and more frequently if qualitative evidence exists that would indicate a possible change in estimated average playing life, including consideration of changes in the characteristics of games. We have examined the playing patterns of paying users across a representative sample of our games including both the action-adventure and casual genres. To compute the estimated average playing period for paying users, we consider the initial purchase date as the player's starting point. We then group the daily populations of paying players (the "daily cohort") from the date of their first purchase within the game and track each daily cohort to understand the number of players from each daily cohort who played the game after the initial purchase. To determine the ending point of a paying player's life beyond the date for which observable data is available, we extrapolate the actual observed attrition rate for each daily cohort. For this extrapolation we use the actual observed attrition percentages for each daily cohort in each of the games in our sample and forecast future declines based on the continuation of the attrition trend line from the actual observed player data. We then compute a weighted average using this larger dataset (actual observed attrition + extrapolated attrition) to arrive at the weighted-average playing period of paying users for each game. We then compute a revenue-based weighted average of the estimated playing period across all of the games in the sample to arrive at the overall weighted average playing period of paying users. We apply this weighted average playing period for all paying users to all of our games because the computed weighted average playing period for each game is generally consistent across all of our games analyzed. While we believe our estimates to be reasonable based on available game player information, we may revise such estimates in the future as the games' operation periods change. Any adjustments arising from changes in the estimates of the lives of these virtual goods would be applied prospectively on the basis that such changes are caused by new information indicating a change in game player behavior patterns. Any changes in our estimates of useful lives of these virtual goods may result in revenues being recognized on a basis different from prior periods' and may cause our operating results to fluctuate.

We also have relationships with certain advertising service providers for advertisements within our smartphone games and revenue from these advertisers is generated through impressions, click-throughs, banner ads and offers. Revenue is recognized as advertisements are delivered, an executed contract exists, the price is fixed or determinable and collectability has been reasonably assured. Delivery generally occurs when the advertisement has been displayed or the offer has been completed by the user. Certain offer advertisements that result in the user receiving virtual currency are deferred and recognized over the average playing period of paying users.

Feature phone revenue

Our feature phone revenues are derived primarily by licensing software products in the form of mobile games. We distribute these products primarily through mobile telecommunications service providers ("carriers"), which market the games to end users. License fees are usually billed by the carrier upon download of the game by the end user and are generally billed monthly. Revenues are recognized from our games when persuasive evidence of an arrangement exists, the game has been delivered, the fee is fixed or determinable, and the collection of the resulting receivable is probable. We consider a signed license agreement to be evidence of an arrangement with a carrier and a "clickwrap" agreement to be evidence of an arrangement with an end user. For these licenses, we define delivery as the download of the game by the end user.

Other estimates and judgments

We estimate revenues from carriers and digital storefronts in the current period when reasonable estimates of these amounts can be made. Certain carriers and digital storefronts provide reliable interim preliminary reporting and others report sales data within a reasonable time frame following the end of each month, both of which allow us to make reasonable estimates of revenues and therefore to recognize revenues during the reporting period. Determination of the appropriate amount of revenue recognized involves judgments and estimates that we believe are reasonable, but it is possible that actual results may differ from our estimates. When we receive the final reports, to the extent not received within a reasonable time frame following the end of each month, we record any differences between estimated revenues and actual revenues in the reporting period. Historically, the revenues on the final revenue report have not differed by more than one half of 1% of the reported revenues for the period, which we deem to be immaterial.

In accordance with ASC 605-45, *Revenue Recognition: Principal Agent Considerations* , we recognize as revenues the amounts the carrier and digital storefronts reports as payable upon the sale of our games. We have evaluated our carrier and digital storefront agreements and have determined that we are not the principal when selling our games. Key indicators that we evaluated to reach this determination include:

- wireless subscribers directly contract with the carriers and digital storefronts, which have most of the service interaction and are generally viewed as the primary obligor by the subscribers;
- carriers and digital storefronts generally have responsibility for fulfillment which includes delivery of the content and have significant control over the types of games that they offer to their subscribers;
- the limited number of digital storefronts currently available in the marketplace;
- carriers and digital storefronts are directly responsible for billing and collecting fees from their subscribers, including the resolution of billing disputes;
- carriers and digital storefronts generally pay us a fixed percentage of their revenues or a fixed fee for each game;
- carriers and digital storefronts generally must approve the price of our games in advance of their sale to subscribers or provide tiered pricing thresholds, and the more significant carriers generally have the ability to set the ultimate price charged to their subscribers; and
- we have limited risks, including no inventory risk and limited credit risk.

Fair Value Measurements

We account for fair value in accordance with ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"). Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. We use a three tier hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The first two are levels in the hierarchy are considered observable inputs and the last is considered unobservable. Our cash and cash equivalents are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. As of December 31, 2012 and December 31, 2011, we had $22.3 million and $32.2 million in cash and cash equivalents. The carrying value of accounts receivable and payables approximates fair value due to the short time to expected receipt of payment or cash.

Level 3 liabilities consist of acquisition-related non-current liabilities for contingent consideration (i.e., earnouts) related to the acquisition of Blammo. The former Blammo shareholders have the opportunity to earn additional shares of our common stock based on future net revenues generated by Blammo during the fiscal years ending March 31, 2013, March 31, 2014 and March 31, 2015. See Note 3 of the Notes to Consolidated Financial Statements for further details regarding the Blammo acquisition. The expected number of shares to be issued in each year depends on the probability of Blammo achieving the net revenue targets set forth in the acquisition agreement, and we used a risk-neutral framework to estimate the probability of achieving these revenue targets for each year. The fair value of the contingent consideration was determined using a digital option, which captures the present value of the expected payment multiplied by the probability of reaching the revenue targets for each year. Key assumptions for the year ended December 31, 2012 included a discount rate of 35.0%, volatility of 38.0%, risk-free rates of between 0.05% and 0.28% and probability-adjusted revenue levels. Key assumptions for the year ended December 31, 2011 included a discount rate of 25.0%, volatility of 53.0%, risk-free rates of between 0.15% and 0.42% and probability-adjusted revenue levels. Probability-adjusted revenue is a significant input that is not observable in the market, which ASC 820-10-35 refers to as a Level 3 input. The fair value of these contingent liabilities recorded on our consolidated balance sheet as of December 31, 2012 and December 31, 2011 was $2.5 million and $796,000, respectively.

Business Combinations — Purchase Accounting

We apply ASC 805, *Business Combinations* ("ASC 805"), which is the accounting guidance related to business combinations. The standard has an expanded definition of a business and a business combination; requires recognition of assets acquired, liabilities assumed, and contingent consideration at their fair value on the acquisition date with subsequent changes recognized in earnings; requires acquisition-related expenses and restructuring costs to be recognized separately from the business combination and expensed as incurred; requires in-process research and development to be capitalized at fair value as an indefinite-lived intangible asset until completion or abandonment; and requires that changes in accounting for deferred tax asset valuation allowances and acquired income tax uncertainties after the measurement period be recognized as a component of provision for taxes.

We account for acquisitions of entities that include inputs and processes and have the ability to create outputs as business combinations. The purchase price of the acquisition is allocated to tangible assets, liabilities, and identifiable intangible assets acquired based on their estimated fair values. The excess of the purchase price over those fair values is recorded as goodwill. Acquisition-related expenses and restructuring costs are expensed as incurred. While we use our best estimates and assumptions as a part of the purchase price allocation process to accurately value assets acquired and liabilities assumed at the business combination date, these estimates and assumptions are inherently uncertain and subject to refinement. As a result, during the preliminary purchase price allocation period, which may be up to one year from the business combination date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. After the preliminary purchase price allocation period, we record adjustments to assets acquired or liabilities assumed subsequent to the purchase price allocation period in our operating results in the period in which the adjustments were determined.

Long-Lived Assets

We evaluate our long-lived assets, including property and equipment and intangible assets with finite lives, for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable in accordance with ASC 360, *Property Plant & Equipment* ("ASC 360"). Factors considered important that could result in an impairment review include significant underperformance relative to expected historical or projected future operating results, significant changes in the manner of use of the acquired assets, significant negative industry or economic trends, and a significant decline in our stock price for a sustained period of time. We recognize impairment based on the difference between the fair value of the asset and its carrying value. Fair value is generally measured based on either quoted market prices, if applicable, or a discounted cash flow analysis.

Goodwill

In accordance with ASC 350, *Intangibles – Goodwill and Other* ("ASC 350"), we do not amortize goodwill or other intangible assets with indefinite lives but rather test them for impairment. ASC 350 requires us to perform an impairment review of our goodwill balance at least annually, which we do as of September 30 each year, and also whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. In our impairment reviews, we look at the goodwill allocated to our reporting units — the Americas, EMEA and Asia-Pacific ("APAC").

Under new accounting guidance adopted for 2011, we evaluate qualitative factors and overall financial performance to determine whether it is necessary to perform the first step of the two-step goodwill test. This step is referred to as "Step 0." Step 0 involves, among other qualitative factors, weighing the relative impact of factors that are specific to the reporting unit as well as industry and macroeconomic factors. After assessing those various factors, if it is determined that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then the entity will need to proceed to the first step of the two-step goodwill impairment test. ASC 350 requires a multiple-step approach to testing goodwill for impairment for each reporting unit annually, or whenever events or changes in circumstances indicate the fair value of a reporting unit is below its carrying amount. The first step measures for impairment by applying the fair value-based tests at the reporting unit level. The second step (if necessary) measures the amount of impairment by applying the fair value-based tests to individual assets and liabilities within each reporting unit. The fair value of the reporting units is estimated using a combination of the market approach, which utilizes comparable companies' data, and/or the income approach, which uses discounted cash flows.

We have three geographic regions comprised of the (1) Americas, (2) APAC and (3) EMEA regions. As of December 31, 2012, we only had goodwill attributable to the APAC and Americas reporting units. The cash flows of these reporting units reflect the income and expenses of assets directly employed by, and liabilities related to, the operations of the reporting unit, including revenue related to local contractual relationships, but excludes revenue related to global contractual relationships such as digital store fronts which are owned by the U.S. and allocated directly to the Americas reporting unit. In performing our annual goodwill impairment assessment for 2012, we performed a qualitative assessment for our Americas reporting unit; based on this qualitative assessment, we concluded that performing the two-step impairment test was unnecessary for our Americas reporting unit. We performed the first step of the goodwill impairment test for our APAC reporting unit as prescribed in ASC 350 and concluded that we failed the step, since the estimated fair value of our reporting unit was less than the carrying value due to accelerated declines in the local feature phone business and the recent restructuring of our operations in the APAC region. To determine the fair value of the APAC reporting unit, we utilized the discounted cash flow method and market method. We have consistently utilized both methods in our goodwill impairment tests and we weight both results equally. We use both methods in our goodwill impairment tests since we believe that both in conjunction provide a reasonable estimate of the determination of fair value of the reporting unit – the discounted cash flow method being specific to anticipated future results of the reporting unit and the market method, which is based on our market sector including our competitors.

In step two of our impairment analysis, we have allocated the fair value of the APAC reporting unit to all tangible and intangible assets and liabilities in a hypothetical sale transaction to determine the implied fair value of the reporting unit's goodwill. As a result of the step two analysis, we have concluded that a portion of the goodwill remaining that had been attributed to the APAC reporting unit was impaired. The total non-cash goodwill impairment charge recorded in 2012 was $3.6 million. In 2011 and 2010 we did not record any goodwill impairment charges as the fair values of our reporting units exceeded their respective carrying values.

The determination as to whether a write-down of goodwill is necessary involves significant judgment based on our short-term and long-term projections. The assumptions supporting the estimated future cash flows of the reporting unit, including operating margins, long-term forecasts, discount rates and terminal growth rates, reflect our best estimates. Changes in our market capitalization, long-term forecasts and industry growth rates could require additional impairment charges to be recorded in future periods for the remaining goodwill.

Stock-Based Compensation

We apply the fair value provisions of ASC 718, *Compensation-Stock Compensation* ("ASC 718"). ASC 718 requires the recognition of compensation expense, using a fair-value based method, for costs related to all share-based payments, including stock options. ASC 718 requires companies to estimate the fair value of share-based payment awards on the grant date using an option pricing model. The fair value of stock options and stock purchase rights granted pursuant to our equity incentive plans and 2007 Employee Stock Purchase Plan, respectively, is determined using the Black-Scholes valuation model. The determination of fair value is affected by the stock price, as well as assumptions regarding subjective and complex variables such as expected employee exercise behavior and expected stock price volatility over the expected term of the award. Generally, these assumptions are based on historical information and judgment is required to determine if historical trends may be indicators of future outcomes. Employee stock-based compensation expense is calculated based on awards ultimately expected to vest and is reduced for estimated forfeitures. Forfeitures are revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates and an adjustment to stock-based compensation expense will be recognized at that time. Changes to the assumptions used in the Black-Scholes option valuation calculation and the forfeiture rate, as well as future equity granted or assumed through acquisitions could significantly impact the compensation expense we recognize.

In 2012, 2011 and 2010, we recorded total employee non-cash stock-based compensation expense of $5.8 million, $3.1 million and $1.6 million, respectively. The 2012 and 2011 compensation expense includes contingent consideration potentially issuable to the Blammo employees, which is recorded as research and development expense over the term of the earn-out periods, as these employees are primarily employed in product development. We re-measure the fair value of the contingent consideration each reporting period and only record a compensation expense for the portion of the earn-out target which is likely to be achieved. The total fair value of this liability has been estimated at $2.2 million and $1.2 million as of December 31, 2012 and 2011, respectively, of which $1.5 million and $551,000 of stock-based compensation expense has been recorded during the years ended December 31, 2012 and 2011, respectively. In future periods, stock-based compensation expense may increase as we issue additional equity-based awards to continue to attract and retain key employees. Additionally, ASC 718 requires that we recognize compensation expense only for the portion of stock options that are expected to vest. If the actual number of forfeitures differs from that estimated by management, we may be required to record adjustments to stock-based compensation expense in future periods.

Income Taxes

We account for income taxes in accordance with ASC 740, *Income Taxes* (ASC 740). As part of the process of preparing our consolidated financial statements, we are required to estimate our income tax benefit (provision) in each of the jurisdictions in which we operate. This process involves estimating our current income tax benefit (provision) together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within our consolidated balance sheet using the enacted tax rates in effect for the year in which we expect the differences to reverse.

We record a valuation allowance to reduce our deferred tax assets to an amount that more likely than not will be realized. As of December 31, 2012 and 2011, our valuation allowance on our net deferred tax assets was $63.7 million and $63.0 million, respectively. While we have considered future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for the valuation allowance, in the event we were to determine that we would be able to realize our deferred tax assets in the future in excess of our net recorded amount, we would need to make an adjustment to the allowance for the deferred tax asset, which would increase income in the period that determination was made.

We account for uncertain income tax positions in accordance with ASC 740-10, which clarifies the accounting for uncertainty in income taxes recognized in financial statements. ASC 740-10 prescribes a recognition threshold and measurement attribute of tax positions taken or expected to be taken on a tax return. The interpretation also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Our policy is to recognize interest and penalties related to unrecognized tax benefits in income tax expense.

Results of Operations

The following sections discuss and analyze the changes in the significant line items in our statements of operations for the comparison periods identified.

Comparison of the Years Ended December 31, 2012 and 2011

Revenues

	Year Ended December 31,	
	2012	2011
	(In thousands)	
Feature phone	$13,135	$ 31,091
Smartphone	74,358	35,094
Revenues	$87,493	$66,185

Our revenues increased $21.3 million, or 32.2%, from $66.2 million in 2011 to $87.5 million in 2012, due to a $39.3 million increase in smartphone revenues resulting from increased sales growth on Apple's iOS-based devices and Android-based devices related primarily to micro-transactions, offers and advertisements. This was partially offset by an $18.0 million decline in feature phone revenues primarily due to the continued migration of users from feature phones to smartphones and our shift in our product development focus towards developing new titles for smartphone devices. Our smartphone revenues do not include approximately $9.0 million of revenues as of December 31, 2012 relating primarily to offers and in-app-purchases that have been deferred over the weighted average useful lives of paying users. International revenues (defined as revenues generated from distributors, advertising service providers and carriers whose principal operations are located outside the United States or, in the case of the digital storefronts, the revenues generated by end-user purchases made outside of the United Sates) increased by $6.1 million, from $33.2 million in 2011 to $39.3 million in 2012. This was primarily related to an $8.6 million increase in our APAC revenues, primarily related to increased revenues from Korea, China and Australia resulting from additional revenues attributable to smartphone storefronts and OEM relationships. This increase was partially offset by a decrease of $2.5 million in our EMEA and Americas, excluding the United States, revenues, primarily related to declining feature phone revenues.

Smartphone Revenues

	Year Ended December 31,	
	2012	2011
	(In thousands)	
Smartphone Revenue by Type		
Micro-Transactions	$47,371	$16,346
Advertisements	8,673	2,376
Offers	12,054	8,907
Other	6,260	7,465
Smartphone Revenues	$74,358	$35,094

Our smartphone revenues increased $39.3 million, or 111.9%, from $35.1 million in 2011 to $74.4 million in 2012, which was primarily related to a $31.0 million increase in micro-transactions (in-app purchases), a $6.3 million increase in advertisements and $3.1 million increase in offer revenues resulting from our launching 21 titles in 2012 compared to 19 titles in 2011 and our higher monetization of our users in 2012. However, our revenues from offers were negatively impacted in the second half of 2012 when we lost the ability to make certain types of offers available to our users on the Apple platform. We are able to generate revenues from micro-transactions, advertisements or offers, and we often change the focus of our monetization efforts among methods within a given game over the life of the title in an attempt to maximize revenue. For example, we may elect to disable advertisements within a game if we believe doing so will encourage users to play the game longer and thus increase the chance that they will make micro-transactions or complete offers, which generally result in higher revenues for us than advertisements. We rely on a very small portion of our total users for nearly all of our smartphone revenues derived from micro-transactions purchases. Since the launch of our first freemium titles in the fourth quarter of 2010, the percentage of unique paying users for our largest revenue-generating freemium games has been approximately 1%; however, in the initial period following the launch of a game, the percentage may be higher, and the percentage of unique paying users is generally lower than 1% for our less successful titles.

Cost of Revenues

	Year Ended December 31,	
	2012	2011
	(In thousands)	
Cost of revenues:		
Royalties and other cost of revenues	$ 8,940	$ 12,389
Impairment of prepaid royalties and guarantees	—	531
Amortization of intangible assets	3,783	5,447
Total cost of revenues	$12,723	$ 18,367
Revenues	$87,493	$66,185
Gross margin	85.5%	72.2%

Our cost of revenues decreased $5.6 million, or 30.7%, from $18.4 million in 2011 to $12.7 million in 2012. This decrease was primarily due to a $4.8 million decrease in royalties associated with a decline in royalty-burdened revenue and a $1.7 million decrease in amortization of intangible assets. This decrease was partially offset by a $775,000 increase in hosting fees to support our freemium titles. Revenues attributable to games based upon original intellectual property increased as a percentage of revenues from 49.3% in 2011 to 80.5% in 2012, primarily due to our focus on developing freemium games for smartphones and tablets that are based on our own intellectual property. The average royalty rate that we paid on games based on licensed intellectual property, excluding royalty impairments, increased from 31.4% in 2011 to 36.5% in 2012. Overall royalties, including impairment of prepaid royalties and guarantees, as a percentage of total revenues decreased from 15.1% in 2011 to 7.1% in 2012. We expect that our gross margin will remain relatively flat for 2013; as sales of games based on our own original intellectual property replaces branded game sales, we expect that this benefit will be offset by increased hosting costs related to our freemium games.

Research and Development Expenses

	Year Ended December 31,	
	2012	2011
	(In thousands)	
Research and development expenses	$54,275	$39,073
Percentage of revenues	62.0%	59.0%

Our research and development expenses increased $15.2 million, or 39.0%, from $39.1 million in 2011 to $54.3 million in 2012. The increase in research and development costs was primarily due to an $11.9 million increase in salaries, benefits and variable compensation under our employee bonus plans due to higher average headcount during 2012 mainly resulting from the acquisitions of Griptonite and Blammo at the beginning of August 2011 and GameSpy at the beginning of August 2012 but prior to the restructuring in the fourth quarter of 2012, in which we decreased our research and development headcount. As a result of the restructuring in the fourth quarter of 2012, our research and development headcount decreased from 467 employees at the end of 2011 to 433 employees at the end of 2012. The increase in our research and development expenses was also due to a $2.1 million increase in stock-based compensation expense, primarily resulting from vesting of the expense over the expected term and changes in the fair market values of contingent consideration issued to employees who are former shareholders of Blammo, a $2.1 million increase in allocated facility and overhead costs associated with higher average headcount during the year and a $1.1 million increase in temporary and consulting fees associated with the development, localization and testing of our smartphone titles. These increases were partially offset by a $2.6 million decrease in payments made to external developers of our titles. As a percentage of revenues, research and development expenses increased from 59.0% in 2011 to 62.0% in 2012. Research and development expenses included $3.5 million of stock-based compensation expense in 2012 and $1.4 million in 2011. We anticipate that our research and development expenses will increase slightly during 2013 in absolute dollars and as a percentage of revenues as we continue to hire employees with monetization and game design expertise, which we expect will offset the savings that we realized in connection with the restructuring measures that we implemented in the fourth quarter of 2012.

Sales and Marketing Expenses

	Year Ended December 31,	
	2012	2011
	(In thousands)	
Sales and marketing expenses	$20,893	$14,607
Percentage of revenues	23.9%	22.1%

Our sales and marketing expenses increased $6.3 million, or 43.0%, from $14.6 million in 2011 to $20.9 million in 2012. The increase was primarily due to a $6.6 million increase in marketing promotions associated with our freemium games. Salaries, benefits and variable compensation costs remained relatively flat despite increasing our sales and marketing headcount from 33 in 2011 to 38 in 2012, as higher aggregate salary costs were partially offset by lower variable compensation. The increase in expenditures for variable marketing was partially offset by a $353,000 decrease in professional and consulting fees for third party marketing firms utilized in Latin America and Asia. As a percentage of revenues, sales and marketing expenses increased from 22.1% in 2011 to 23.9% in 2012. Sales and marketing expenses included $386,000 of stock-based compensation expense in 2012 and $351,000 in 2011. We expect our sales and marketing expenditures to continue to increase during 2013 in absolute dollars and as a percentage of revenues in connection with the sales and marketing initiatives we intend to undertake related to the new freemium games that we expect to release during 2013.

General and Administrative Expenses

	Year Ended December 31,	
	2012	2011
	(In thousands)	
General and administrative expenses	$14,744	$14,002
Percentage of revenues	16.9%	21.2%

Our general and administrative expenses increased $742,000, or 5.3%, from $14.0 million in 2011 to $14.7 million in 2012. The increase was primarily due to a $735,000 increase in salaries, benefits and variable compensation as headcount increased from 62 in 2011 to 66 in 2012, a $573,000 increase in stock based compensation expense and a $228,000 change in the fair market value of contingent consideration issued to the Blammo non-employee shareholders. The increase in our general and administrative expenses was partially offset by an $845,000 decrease in allocated facility and overhead costs. As a percentage of revenues, general and administrative expenses decreased from 21.2% in 2011 to 16.9% in 2012. General and administrative expenses included $1.9 million of stock-based compensation expense in 2012 and $1.4 million in 2011. We anticipate that our general and administrative expenses will increase slightly during 2013 in absolute dollars and as a percentage of revenues. In addition, we may also be exposed to continued fluctuations in the fair market value of the contingent consideration issued to the Blammo non-employee shareholders, as the fair value of the contingent consideration will be measured during each reporting period until the end of the earn-out period in March 2015.

Other Operating Expenses

Our restructuring charge increased from $545,000 in 2011 to $1.4 million in 2012. Our restructuring charges for 2012 were comprised of employee termination costs in our San Francisco, California; Kirkland, Washington; Sao Paolo, Brazil, China and Spain offices. We anticipate incurring additional termination costs of approximately $450,000 in connection with other restructuring activities implemented in the first quarter of 2013 to better align sales and marketing with our current business strategy and to finalize the closure of our Brazil office.

Our amortization of intangible assets increased from $825,000 in 2011 to $2.0 million in 2012. This increase was due to amortization expense associated with non-competition agreements capitalized at their fair value as part of the purchase accounting for both the Griptonite and Blammo acquisitions.

Our goodwill impairment charge increased from zero in 2011 to $3.6 million in 2012 due to a decline in the estimated fair value of our APAC reporting unit attributable to an accelerated decline in the local feature phone business and the recent restructuring of our operations in the region.

Other Income (Expense), net

Interest and other income/(expense), net, decreased from a net income of $747,000 in 2011 to net expense of $347,000 in 2012. This decrease was primarily due to foreign currency losses related to the revaluation of certain assets and liabilities including accounts payable and accounts receivable.

Income Tax Provision

Our income tax provision changed from an expense of $614,000 in 2011 to a benefit $2.0 million in 2012. This change was primarily due to the release of uncertain tax positions in one foreign jurisdiction due to the expiration of the statute of limitations, release of valuation allowances, changes in the jurisdictions included in the anticipated effective tax rate computation and changes in pre-tax income in certain foreign entities. The provision for income taxes differs from the amount computed by applying the statutory U.S. federal rate principally due to the effect of our non-U.S. operations, non-deductible stock-based compensation expense, changes in the valuation allowance and increased foreign withholding taxes.

Our effective income tax rates for future periods will depend on a variety of factors, including changes in the deferred tax valuation allowance, as well as changes in our business such as intercompany transactions, any acquisitions, any changes in our international structure, any changes in the geographic location of our business functions or assets, changes in the geographic mix of our income, any changes in or termination of our agreements with tax authorities, changes in applicable accounting rules, applicable tax laws and regulations, rulings and interpretations thereof, developments in tax audit and other matters, and variations in our annual pre-tax income or loss. We incur certain tax expenses that do not decline proportionately with declines in our pre-tax consolidated income or loss. As a result, in absolute dollar terms, our tax expense will have a greater influence on our effective tax rate at lower levels of pre-tax income or loss than at higher levels. In addition, at lower levels of pre-tax income or loss, our effective tax rate will be more volatile. At December 31, 2012, we anticipated that the liability for uncertain tax positions, excluding interest and penalties, could decrease by approximately $1.5 million within the next twelve months due to the expiration of certain statutes of limitation in foreign jurisdictions in which we do business.

Comparison of the Years Ended December 31, 2011 and 2010

Revenues

	Year Ended December 31,	
	2011	2010
	(In thousands)	
Feature phone	$ 31,091	$54,475
Smartphone	35,094	9,870
Revenues	$66,185	$64,345

Our revenues increased $1.8 million, or 2.9%, from $64.3 million in 2010 to $66.2 million in 2011, due to a $25.2 million increase in smartphone revenues resulting from increased sales growth on Apple's iOS-based devices and Android devices related primarily to micro-transactions, offers and advertisements. This was partially offset by a $23.4 million decline in feature phone revenues primarily due to the continued migration of users from feature phones to smartphones and our shift in our product development focus towards developing new titles for smartphone devices. Our smartphone revenues do not include approximately $7.1 million of revenues as of December 31, 2011, relating primarily to offers and in-app-purchases which have been deferred over their average useful lives. In 2011 approximately 11.1% of our total revenues were generated by our *Gun Bros* title, while no individual title accounted for 10% or more of our total revenues in 2010. International revenues (defined as revenues generated from carriers and other distributors whose principal operations are located outside the United States) decreased by $2.2 million, from $35.4 million in 2010 to $33.2 million in 2011.This was primarily related to a $3.3 million decrease in our Americas, excluding the United States, revenues, primarily related to declining feature phone revenues. This decrease was partially offset by a $1.2 million increase in our EMEA revenues, primarily related to increased revenues from certain OEM relationships and smartphone revenue growth on Apple and Android digital storefronts, partially offset by continued declines in our carrier-based business.

Cost of Revenues

	Year Ended December 31,	
	2011	2010
	(In thousands)	
Cost of revenues:		
Royalties	$ 12,389	$16,643
Impairment of prepaid royalties and guarantees	531	663
Amortization of intangible assets	5,447	4,226
Total cost of revenues	$ 18,367	$21,532
Revenues	$66,185	$64,345
Gross margin	72.2%	66.5%

Our cost of revenues decreased $3.2 million, or 14.7%, from $21.5 million in 2010 to $18.4 million in 2011. This decrease was primarily due to a $6.8 million decrease in royalties associated with a decline in royalty-burdened revenue, impairments and recoupments of previously impaired titles. This decrease was partially offset by a $2.4 million increase in hosting fees to support our freemium titles and a $1.2 million increase in amortization of intangible assets associated with the additional intangible assets we acquired as part of both the Griptonite and Blammo acquisitions. Revenues attributable to games based upon branded intellectual property decreased as a percentage of revenues from 78.1% in 2010 to 50.7% in 2011, primarily due to our focus on developing freemium games for smartphones and tablets that are based on our own intellectual property. Revenues attributable to games based upon original intellectual property were 49.3% of our total revenues for 2011. The average royalty rate that we paid on games based on licensed intellectual property, excluding royalty impairments, decreased from 33.4% in 2010 to 31.4% in 2011 due to decreased sales of titles with higher royalty rates. Overall royalties, including impairment of prepaid royalties and guarantees, as a percentage of total revenues decreased from 27.1% in 2010 to 15.1% in 2011.

Research and Development Expenses

	Year Ended December 31,	
	2011	2010
	(In thousands)	
Research and development expenses	$39,073	$25,180
Percentage of revenues	59.0%	39.1%

Our research and development expenses increased $13.9 million, or 55.2%, from $25.2 million in 2010 to $39.1 million in 2011. The increase in research and development costs was primarily due to a $8.4 million increase in salaries, benefits and variable compensation under our employee bonus plans as we increased our research and development headcount from 369 employees in 2010 to 467 employees in 2011, mainly resulting from the acquisitions of the Griptonite and Blammo studios in the third quarter of 2011. The increase was also due to a $3.9 million increase in outside service fees associated with the development of new freemium smartphone games by external developers as part of our Glu Partners program, a $907,000 increase in stock-based compensation expense, which includes a $551,000 charge associated with the contingent consideration issued to employees of Blammo who had been shareholders of Blammo and a $496,000 increase in travel and entertainment associated with additional travel related to the integration of the Griptonite acquisition and travel from our regional offices to our U.S. headquarters as part of our Glu University initiative. As a percentage of revenues, research and development expenses increased from 39.1% in 2010 to 59.0% in 2011. Research and development expenses included $1.4 million of stock-based compensation expense in 2011 and $480,000 in 2010.

Sales and Marketing Expenses

	Year Ended December 31,	
	2011	2010
	(In thousands)	
Sales and marketing expenses	$14,607	$12,140
Percentage of revenues	22.1%	18.9%

Our sales and marketing expenses increased $2.5 million, or 20.3%, from $12.1 million in 2010 to $14.6 million in 2011. The increase was primarily due to a $3.2 million increase in marketing promotions associated with the launch of our social, freemium game titles. This amount was partially offset by a $384,000 decrease in salaries, benefits, variable compensation and expatriate costs as we reduced our sales and marketing headcount from 48 in 2010 to 33 in 2011, which was the result of headcount reductions in our EMEA region and lower cost locations. We also had a $341,000 decrease in allocated facility and overhead costs, resulting from lower sales and marketing headcount. As a percentage of revenues, sales and marketing expenses increased from 18.9% in 2010 to 22.1% in 2011. Sales and marketing expenses included $351,000 of stock-based compensation expense in 2011 and $217,000 in 2010.

General and Administrative Expenses

	Year Ended December 31,	
	2011	2010
	(In thousands)	
General and administrative expenses	$14,002	$13,108
Percentage of revenues	21.2%	20.4%

Our general and administrative expenses increased $894,000, or 6.8%, from $13.1 million in 2010 to $14.0 million in 2011. The increase in general and administrative expenses was primarily due to a $1.1 million increase in professional, consulting and outside service fees associated primarily with the external legal, audit and valuation services performed as part of the Griptonite and Blammo acquisitions and a $501,000 increase in stock-based compensation expense. We also had a $281,000 increase in salaries, benefits and variable compensation due primarily to a $317,000 increase in variable compensation under our employee bonus plans. However, salaries and benefit costs decreased in 2011 compared to 2010 despite headcount increasing from 56 in 2010 to 62 in 2011. This is due to the fact that costs attributable to the additional headcount that we added in the third and fourth quarters of 2011 did not fully offset lower salary costs from the first six months of 2011. The increase in general and administrative expenses was partially offset by a $1.0 million decrease in allocated facility and overhead costs due to increased research and development headcount in 2011. As a percentage of revenues, general and administrative expenses increased from 20.4% in 2010 to 21.2% in 2011. General and administrative expenses included $1.4 million of stock-based compensation expense in 2011 and $871,000 in 2010.

Other Operating Expenses

Our restructuring charge decreased from $3.6 million in 2010 to $545,000 in 2011. Our restructuring charges for 2011 were comprised of $472,000 related to employee termination costs in our United States, China, Brazil, Italy and United Kingdom offices and $73,000 related primarily to facility-related charges associated with vacating a portion of our Moscow office.

Our amortization of intangible assets increased from $205,000 in 2010 to $825,000 in 2011. This increase was due to amortization expense associated with non-competition agreements capitalized at their fair value as part of the purchase accounting for both the Griptonite and Blammo acquisitions.

Other Income (Expense), net

Interest and other income/(expense), net, increased from a net expense of $1.3 million in 2010 to net income of $747,000 in 2011. This change was primarily due to an increase in foreign currency gains of $1.5 million related to the revaluation of certain assets and liabilities including accounts payable and accounts receivable, and a $546,000 decrease in net interest expense related to the lower balances outstanding on the MIG notes and borrowings under our credit facility.

Income Tax Provision

Our income tax provision decreased from $709,000 in 2010 to $614,000 in 2011. This decrease was primarily due to a partial release of our valuation allowance, pursuant to ASC 805-740, as a result of the acquisition of Griptonite. This decrease was partially offset by higher taxable profits in certain foreign jurisdictions, primarily the United Kingdom, changes in the valuation allowance and increased foreign withholding taxes resulting from increased sales in countries with withholding tax requirements. The provision for income taxes differs from the amount computed by applying the statutory U.S. federal rate principally due to the effect of our non-U.S. operations, non-deductible stock-based compensation expense, an increase in the valuation allowance and increased foreign withholding taxes. Our effective income tax rate for the year ended December 31, 2011 was 3.0% compared to 5.6% in the prior year. The lower effective tax rate in 2011 was mainly attributable to higher pre-tax income in our U.K. entity, changes in withholding taxes and non-deductible stock based compensation. These changes were partially offset by a release of our valuation allowance associated with the acquisition of Griptonite.

Liquidity and Capital Resources

	Year Ended December 31,		
	2012	2011	2010
	(In thousands)		
Consolidated Statement of Cash Flows Data:			
Capital expenditures	$ 2,014	$ 2,708	$ 710
Cash flows provided by (used in) operating activities	(6,749)	(6,727)	2,249
Cash flows provided by (used in) investing activities	(6,101)	7,634	(710)
Cash flows provided by financing activities	3,205	18,379	1,141

Since our inception, we have incurred recurring losses and we had an accumulated deficit of $232.3 million as of December 31, 2012.

Operating Activities

In 2012, net cash used in operating activities was $6.7 million, compared to net cash used in operating activities of $6.7 million in 2011. The cash utilized in our business was primarily due to a net loss of $20.5 million, a decrease in other long-term liabilities of $3.1 million and decreases in accrued compensation of $1.3 million and accrued royalties of $1.1 million. These amounts were partially offset by adjustments for non-cash items, including goodwill impairment charges of $3.6 million, amortization expense of $5.8 million, stock-based compensation expense of $5.8 million and depreciation expense of $2.4 million.

In 2011, net cash used in operating activities was $6.7 million, compared to net cash provided by operating activities of $2.2 million in 2010. This increase in cash utilized in our business was primarily due to a net loss of $21.1 million and a decrease in accrued royalties of $3.4 million. These amounts were partially offset by an increase in deferred revenues of $6.2 million. In addition, we had adjustments for non-cash items, including amortization expense of $6.3 million, stock-based compensation expense of $3.1 million and depreciation expense of $1.8 million.

In 2010, net cash provided by operating activities was $2.2 million, compared to net cash provided by operating activities of $1.1 million in 2009. This increase in cash from operations was primarily due to a decrease in accounts receivable of $5.2 million due to declining sales of games for feature phones in our carrier-based business and improved cash collections, a $3.7 million decrease in our prepaid royalties, a $1.8 million increase in accrued compensation and a $1.1 million increase in accounts payable. In addition, we had adjustments for non-cash items, including amortization expense of $4.4 million, depreciation expense of $2.0 million, stock-based compensation expense of $1.6 million and impairment of prepaid royalties of $663,000. These amounts were partially offset by a net loss of $13.4 million and a decrease in accrued royalties of $5.3 million.

Investing Activities

Our primary investing activities have consisted of purchases of property and equipment and leasehold improvements for our offices. We expect to use more cash in investing activities in 2013 for property and equipment related to supporting our infrastructure and our development and design studios. We expect to fund these investments with our existing cash and cash equivalents.

In 2012, we used $6.1 million of cash in investing activities related primarily to $5.0 million used to purchase the *Deer Hunter* trademark and brand assets during the second quarter of 2012 and $2.0 million of payments for leasehold improvements, computer, server and networking equipment and software to support our freemium games. These cash outflows were partially offset by $913,000 in cash acquired in connection with our acquisition of GameSpy in the third quarter of 2012.

In 2011, cash from investing activities was $7.6 million, which primarily consisted of $10.3 million in cash acquired in connection with our acquisition of Griptonite. This was partially offset by $2.7 million used in the purchase of property, plant and equipment, mainly relating to the purchases of computer, server and networking equipment to support our freemium games, purchases of software and the additions of leasehold improvements.

In 2010, we used $710,000 of cash for investing activities resulting primarily from purchases of computer and networking equipment, software and leasehold improvements.

Financing Activities

In 2012, net cash provided by financing activities was $3.2 million due to proceeds received from option and warrant exercises and purchases under our employee stock purchase plan.

In 2011, net cash provided by financing activities was $18.4 million due primarily to $15.7 million of net proceeds received from our underwritten public offering of stock in January 2011 and $5.7 million of proceeds received from option and warrant exercises and purchases under our employee stock purchase plan. These inflows were partially offset by $2.3 million that we repaid under our credit facility and a payment of $698,000 relating to taxes that had been withheld on the December 31, 2010 promissory note payment made to the former MIG shareholders.

In 2010, net cash provided by financing activities was $1.1 million due primarily to the $13.2 million of net proceeds that we received from the 2010 Private Placement and $598,000 of proceeds that we received from option exercises and purchases under our employee stock purchase plan. These inflows were partially offset by the $10.3 million that we paid during 2010 with respect to the promissory notes and bonuses that we issued to the MIG shareholders and $2.4 million that we paid down under our credit facility.

Sufficiency of Current Cash and Cash Equivalents

Our cash and cash equivalents were $22.3 million as of December 31, 2012. Cash and cash equivalents held outside of the U.S. in various foreign subsidiaries were $4.0 million as of December 31, 2012, most of which are held by our United Kingdom subsidiary. Under current tax laws and regulations, if cash and cash equivalents held outside the U.S. are distributed to the U.S. in the form of dividends or otherwise, we may be subject to additional U.S. income taxes and foreign withholding taxes. We have not provided deferred taxes on unremitted earnings attributable to foreign subsidiaries because these earnings are intended to be reinvested indefinitely.

We expect to fund our operations and satisfy our contractual obligations during 2013 primarily through our cash and cash equivalents and cash flows from operations. However, we expect to use cash in our operations during 2013 as we seek to grow our business. We believe our cash and cash equivalents and cash inflows will be sufficient to meet our anticipated cash needs for at least the next 12 months. However, our cash requirements for the next 12 months may be greater than we anticipate due to, among other reasons, revenues that are lower than we currently anticipate, greater than expected operating expenses, particularly with respect to our research and development and sales and marketing initiatives, use of cash to fund our foreign operations and the impact of foreign currency rate changes, unanticipated limitations or timing restrictions on our ability to access funds that are held in our non-U.S. subsidiaries or any investments or acquisitions that we may decide to pursue.

If our cash sources are insufficient to satisfy our cash requirements, we may seek to raise additional capital. However, we may be unable to do so on terms that are favorable to us or at all, particularly given current capital market and overall economic conditions.

Contractual Obligations

The following table is a summary of our contractual obligations as of December 31, 2012:

	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	Thereafter
			(In thousands)		
Operating lease obligations	$ 8,478	$ 3,195	$ 4,389	$ 894	$ —
Uncertain tax position obligations, including interest and penalties(1)	3,859	—	—	—	3,859
Blammo earn-out (2)	2,654	1,855	799	—	—
Total contractual obligations	$14,991	$ 5,050	$5,188	$ 894	$3,859

(1) As of December 31, 2012, unrecognized tax benefits and potential interest and penalties were classified within “Other long-term liabilities” on our consolidated balance sheets. As of December 31, 2012, the settlement of our income tax liabilities cannot be determined; however, the liabilities are not expected to become due within the next 12 months.

(2) As of December 31, 2012, the contingent consideration issued to the former Blammo shareholders had a fair value of $2.7 million. The fair value represents the present value of probability-adjusted revenues related to the Blammo earnout for fiscal 2013, fiscal 2014 and fiscal 2015. As of December 31, 2012, we had recorded $2.5 million on our consolidated balance sheets as employee shareholders of Blammo must continue to provide services during the earnout periods.

Off-Balance Sheet Arrangements

At December 31, 2012, we did not have any significant off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K, that are not already disclosed in this report.

Inflation

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. If our costs were to become subject to significant inflationary pressures, we might not be able to fully offset these higher costs through price increases. Our inability or failure to do so could harm our business, operating results and financial condition.

Recent Accounting Pronouncements

In May 2011, the FASB issued Accounting Standards Update ("ASU") 2011-04, *Fair Value Measurements (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs, ("ASU 2011-04").* ASU 2011-04 changes the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements to ensure consistency between U.S. GAAP and IFRS. ASU 2011-04 also expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. The adoption of this standard did not materially impact our consolidated financial statements.

In June 2011, the FASB issued ASU 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income, ("ASU 2011-05")*. ASU 2011-05 eliminates the option to report other comprehensive income and its components in the statement of changes in equity. ASU 2011-05 requires that all non-owner changes in stockholders' equity be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. The adoption of this standard did not materially impact our consolidated financial statements.

In September 2011, the FASB issued ASU 2011-08, *Testing Goodwill for Impairment* (the "revised standard"). The revised standard is intended to reduce the cost and complexity of the annual goodwill impairment test by providing entities an option to perform a "qualitative" assessment to determine whether further impairment testing is necessary. The revised standard is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. An entity has the option to first assess qualitative factors to determine whether it is necessary to perform the current two-step test. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required. The adoption of this standard did not materially impact our consolidated financial statements.

In February 2013, the FASB issued ASU 2013-2, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income.* This guidance requires the presentation of the effects on the line items of net income of significant amounts reclassified out of accumulated other comprehensive income, but only if the item reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. The guidance is effective for fiscal years beginning after December 15, 2012. We do not believe that the adoption of ASU 2013-2 will have a material impact on our consolidated financial statements.

Item 7A. *Quantitative and Qualitative Disclosures about Market Risk*

Interest Rate and Credit Risk

Our exposure to interest rate risk relates primarily to our investment portfolio and the potential losses arising from changes in interest rates.

We are potentially exposed to the impact of changes in interest rates as they affect interest earned on our investment portfolio. As of December 31, 2012, we had no short-term investments and substantially all $22.3 million of our cash and cash equivalents was held in operating bank accounts earning nominal interest. Accordingly, we do not believe that a 10% change in interest rates would have a significant impact on our interest income, operating results or liquidity related to these amounts.

The primary objectives of our investment activities are, in order of importance, to preserve principal, provide liquidity and maximize income without significantly increasing risk. We do not currently use or plan to use derivative financial instruments in our investment portfolio.

As of December 31, 2012 and December 31, 2011, our cash and cash equivalents were maintained by financial institutions in the United States, the United Kingdom, Brazil, Canada, China, France, Hong Kong, India, Italy, Russia and Spain and our current deposits are likely in excess of insured limits.

Our accounts receivable primarily relate to revenues earned from domestic and international wireless carriers and digital storefronts. We perform ongoing credit evaluations of our carriers' financial condition but generally require no collateral from them. At December 31, 2012, Apple accounted for 44.3%, Medium Entertainment (PlayHaven) accounted for 13.2% and Google accounted for 10.8% of total accounts receivable. At December 31, 2011, Apple accounted for 26.6%, Tapjoy accounted for 18.0%, Telecomunicaciones Movilnet accounted for 11.7% and Google accounted for 10.3% of total accounts receivable.

Foreign Currency Exchange Risk

We transact business in more than 70 countries in more than 20 different currencies, and in 2011 and 2012, some of these currencies fluctuated significantly. Our revenues are usually denominated in the functional currency of the carrier or distributor while the operating expenses of our operations outside of the United States are maintained in their local currency, with the significant operating currencies consisting of British Pound Sterling ("GBP"), Chinese Renminbi, Brazilian Real and Russian Ruble. Although recording operating expenses in the local currency of our foreign operations mitigates some of the exposure of foreign currency fluctuations, variances among the currencies of our customers and our foreign operations relative to the United States Dollar ("USD") could have and have had a material impact on our results of operations.

Our foreign currency exchange gains and losses have been generated primarily from fluctuations in GBP versus the USD and in the Euro versus GBP. At month-end, non-functional currency-denominated accounts receivable and intercompany balances are marked to market and unrealized gains and losses are included in other income (expense), net. Translation adjustments arising from the use of differing exchange rates are included in accumulated other comprehensive income in stockholders' equity. We have in the past experienced, and in the future expect to experience, foreign currency exchange gains and losses on our accounts receivable and intercompany receivables and payables. Foreign currency exchange gains and losses could have a material adverse effect on our business, operating results and financial condition.

There is also additional risk if the currency is not freely or actively traded. Some currencies, such as the Chinese Renminbi, in which our Chinese operations principally transact business, are subject to limitations on conversion into other currencies, which can limit our ability to react to foreign currency devaluations.

To date, we have not engaged in exchange rate hedging activities, and we do not expect to do so in the foreseeable future.

Item 8. ***Financial Statements and Supplementary Data***

GLU MOBILE INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Glu Mobile Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of comprehensive loss, of stockholders' equity and of cash flows present fairly, in all material respects, the financial position of Glu Mobile Inc. and its subsidiaries at December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our audits (which were integrated audits in 2012 and 2011). We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded GameSpy Industries, Inc. from its assessment of internal control over financial reporting as of December 31, 2012 because it was acquired by the Company in a business combination during 2012. We have also excluded GameSpy Industries, Inc. from our audit of internal control over financial reporting. GameSpy Industries, Inc. is a wholly owned subsidiary whose total assets and total revenues represent 0.9% and 1.2%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2012.

/s/ PricewaterhouseCoopers LLP

San Jose, California
March 15, 2013

GLU MOBILE INC.

CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

	As of December 31,	
	2012	2011
	(In thousands, except per share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 22,325	$ 32,212
Accounts receivable, net	11,881	11,821
Prepaid royalties	—	483
Prepaid expenses and other	2,487	1,881
Total current assets	36,693	46,397
Property and equipment, net	5,026	3,934
Other long-term assets	227	404
Intangible assets, net	10,889	10,078
Goodwill	19,440	21,991
Total assets	$ 72,275	$ 82,804
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 7,269	$ 6,894
Accrued liabilities	2,124	939
Accrued compensation	5,989	5,404
Accrued royalties	2,781	3,865
Accrued restructuring	4	887
Deferred revenues	9,031	7,139
Total current liabilities	27,198	25,128
Other long-term liabilities	6,190	8,503
Total liabilities	33,388	33,631
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Preferred stock, $0.0001 par value; 5,000 shares authorized at December 31, 2012 and 2011; no shares issued and outstanding at December 31, 2012 and 2011	—	—
Common stock, $0.0001 par value: 250,000 authorized at December 31, 2012 and 2011; 66,022 and 63,749 shares issued and outstanding at December 31, 2012 and 2011	6	6
Additional paid-in capital	271,016	260,744
Accumulated other comprehensive income	167	266
Accumulated deficit	(232,302)	(211,843)
Total stockholders' equity	38,887	49,173
Total liabilities and stockholders' equity	$ 72,275	$ 82,804

The accompanying notes are an integral part of these consolidated financial statements.

GLU MOBILE INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Year Ended December 31,		
	2012	2011	2010
	(In thousands, except per share data)		
Revenues	$ 87,493	$66,185	$ 64,345
Cost of revenues:			
Royalties and other cost of revenues	8,940	12,389	16,643
Impairment of prepaid royalties and guarantees	—	531	663
Amortization of intangible assets	3,783	5,447	4,226
Total cost of revenues	12,723	18,367	21,532
Gross profit	74,770	47,818	42,813
Operating expenses:			
Research and development	54,275	39,073	25,180
Sales and marketing	20,893	14,607	12,140
General and administrative	14,744	14,002	13,108
Amortization of intangible assets	1,980	825	205
Restructuring charge	1,371	545	3,629
Impairment of goodwill	3,613	—	—
Total operating expenses	96,876	69,052	54,262
Loss from operations	(22,106)	(21,234)	(11,449)
Interest and other income/(expense), net:			
Interest income/(expense)	21	(29)	(575)
Other income/(expense), net	(368)	776	(690)
Interest and other income/(expense), net	(347)	747	(1,265)
Loss before income taxes	(22,453)	(20,487)	(12,714)
Income tax benefit/(provision)	1,994	(614)	(709)
Net loss	$(20,459)	$ (21,101)	$ (13,423)
Net loss per share — basic and diluted	$ (0.32)	$ (0.37)	$ (0.38)
Weighted average common shares outstanding — basic and diluted	64,318	57,518	35,439

The accompanying notes are an integral part of these consolidated financial statements.

GLU MOBILE INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

	Year Ended December 31,		
	2012	2011	2010
Net Loss	$ (20,459)	$ (21,101)	$ (13,423)
Other comprehensive income/(loss):			
Foreign currency translation adjustments	(99)	(893)	228
Other comprehensive income/(loss)	(99)	(893)	228
Comprehensive loss	$(20,558)	$(21,994)	$(13,195)

The accompanying notes are an integral part of these consolidated financial statements.

GLU MOBILE INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Other Compre-hensive Income (loss)	Accumulated Deficit	Total Stockholders' Equity Deficit
	Shares	Amount				
Balances at December 31, 2009	30,360	$ 3	$ 188,078	$ 931	$(177,319)	$ 11,693
Net loss	—	—	—	—	(13,423)	(13,423)
Stock-based compensation expense	—	—	1,568	—	—	1,568
Vesting of early exercised options	—	—	2	—	—	2
Issuance of common stock upon exercise of stock options	330	—	287	—	—	287
Issuance of common stock upon Private Placement, net of issuance costs	13,495	1	13,218	—	—	13,219
Issuance of common stock pursuant to Employee Stock Purchase Plan	400	—	311	—	—	311
Foreign currency translation adjustment	—	—	—	228	—	228
Balances at December 31, 2010	44,585	$ 4	$ 203,464	$ 1,159	$ (190,742)	$ 13,885
Net loss	—	—	—	—	(21,101)	(21,101)
Stock-based compensation expense	—	—	2,559	—	—	2,559
Issuance of other common stock	51	—	200	—	—	200
Issuance of common stock upon exercise of stock options	859	—	1,633	—	—	1,633
Issuance of common stock upon exercise of warrants	2,475	—	3,711	—	—	3,711
Issuance of common stock as consideration for acquisitions	7,106	1	33,157	—	—	33,158
Issuance of common stock upon Secondary Offering, net of issuance costs	8,415	1	15,660	—	—	15,661
Issuance of common stock pursuant to Employee Stock Purchase Plan	258	—	360	—	—	360
Foreign currency translation adjustment	—	—	—	(893)	—	(893)
Balances at December 31, 2011	63,749	$ 6	$ 260,744	$ 266	$ (211,843)	$ 49,173
Net loss	—	—	—	—	(20,459)	(20,459)
Stock-based compensation expense	—	—	4,271	—	—	4,271
Issuance of common stock upon exercise of stock options	806	—	1,357	—	—	1,357
Issuance of common stock upon exercise of warrants	413	—	619	—	—	619
Issuance of common stock as consideration for acquisition	600	—	2,796	—	—	2,796
Issuance of common stock pursuant to Employee Stock Purchase Plan	454	—	1,229	—	—	1,229
Foreign currency translation adjustment	—	—	—	(99)	—	(99)
Balances at December 31, 2012	66,022	$ 6	$271,016	$ 167	$ (232,302)	$ 38,887

The accompanying notes are an integral part of these consolidated financial statements.

GLU MOBILE INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2012	2011	2010
		(In thousands)	
Cash flows from operating activities:			
Net loss	$(20,459)	$(21,101)	$ (13,423)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	2,368	1,846	1,975
Amortization of intangible assets	5,763	6,272	4,431
Stock-based compensation	5,822	3,110	1,568
Change in fair value of Blammo earnout	167	(61)	—
Interest expense on debt	—	4	413
Amortization of loan agreement costs	—	70	188
Non-cash foreign currency remeasurement (gain)/loss	365	(789)	699
Impairment of goodwill	3,613	—	—
Impairment of prepaid royalties and guarantees	—	531	663
Changes in allowance for doubtful accounts	281	296	(42)
Changes in operating assets and liabilities, net of effect of acquisitions:			
Accounts receivable	2,430	(64)	5,237
Prepaid royalties	483	1,458	3,696
Prepaid expenses and other assets	(368)	2,073	(113)
Accounts payable	(586)	602	1,139
Other accrued liabilities	(459)	(177)	(1,223)
Accrued compensation	(1,300)	978	1,839
Accrued royalties	(1,133)	(3,402)	(5,278)
Deferred revenues	206	6,198	(70)
Accrued restructuring charge	(883)	(1,575)	1,055
Other long-term liabilities	(3,059)	(2,996)	(505)
Net cash (used in)/provided by operating activities	(6,749)	(6,727)	2,249
Cash flows from investing activities:			
Purchase of property and equipment	(2,014)	(2,708)	(710)
Purchase of intangible assets	(5,000)	—	—
Net cash received from acquisitions	913	10,342	—
Net cash (used in)/provided by investing activities	(6,101)	7,634	(710)
Cash flows from financing activities:			
Proceeds from line of credit	—	—	37,356
Payments on line of credit	—	(2,288)	(39,729)
MIG loan payments	—	(698)	(10,302)
Proceeds from public offering, net	—	15,661	—
Proceeds from private placement, net	—	—	13,218
Proceeds from exercise of stock options and ESPP	2,586	1,993	598
Proceeds from exercise of stock warrants and issuance of common stock	619	3,711	—
Net cash provided by financing activities	3,205	18,379	1,141
Effect of exchange rate changes on cash	(242)	63	(327)
Net increase/(decrease) in cash and cash equivalents	(9,887)	19,349	2,353
Cash and cash equivalents at beginning of period	32,212	12,863	10,510
Cash and cash equivalents at end of period	$ 22,325	$ 32,212	$ 12,863
Supplemental disclosures of cash flow information			
Common stock issued for acquisitions	$ 2,796	$ 33,158	$ —
Interest paid	$ —	$ —	$ 1,349
Income taxes paid	$ 394	$ 1,453	$ 507

The accompanying notes are an integral part of these consolidated financial statements.

GLU MOBILE INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share data and percentages)

NOTE 1 — THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company

Glu Mobile Inc. (the "Company" or "Glu") was incorporated in Nevada in May 2001 and reincorporated in the state of Delaware in March 2007. The Company develops and publishes a portfolio of action/adventure and casual games designed to appeal to a broad cross section of the users of smartphones and tablet devices who purchase our games through direct-to-consumer digital storefronts, such as the Apple App Store, Google Play store, Amazon Appstore, Microsoft Xbox Live marketplace and Samsung App Store. The Company creates games based on its own original intellectual property, as well as third-party licensed brands.

The Company has incurred recurring losses from operations since inception and had an accumulated deficit of $232,302 as of December 31, 2012. For the year ended December 31, 2012, the Company incurred a net loss of $20,459. The Company may incur additional losses and negative cash flows in the future. Failure to generate sufficient revenues, reduce spending or raise additional capital could adversely affect the Company's ability to achieve its intended business objectives.

Basis of Presentation

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All material intercompany balances and transactions have been eliminated.

Use of Estimates

The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires the Company's management to make judgments, assumptions and estimates that affect the amounts reported in its consolidated financial statements and accompanying notes. Management bases its estimates on historical experience and on various other assumptions it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Significant estimates and assumptions reflected in the financial statements include, but are not limited to, the estimated lives that we use for revenue recognition, the allowance for doubtful accounts, useful lives of property and equipment and intangible assets, accrued liabilities, income taxes, fair value of stock awards issued and contingent consideration issued to Blammo shareholders, accounting for business combinations, and evaluating goodwill and long-lived assets for impairment. Actual results may differ from these estimates and these differences may be material.

Revenue Recognition

The Company generates revenues through the sale of games on traditional feature phones and smartphones and tablets, such as Apple's iPhone and iPad and other mobile devices utilizing Google's Android operating system. Feature phone games are distributed primarily through wireless carriers and smartphone games are distributed primarily through digital storefronts such as the Apple App Store.

Smartphone revenue

The Company distributes its games for smartphones and tablets on digital storefronts such as the Apple's App Store and the Google Play Store. Within these storefronts, users can download the Company's freemium games and pay to acquire virtual currency which can be redeemed in the game for virtual goods. The Company recognizes revenue, when persuasive evidence of an arrangement exists, the service has been provided to the user, the price paid by the user is fixed or determinable, and collectability is reasonably assured. Determining whether and when some of these criteria have been satisfied requires judgments that may have a significant impact on the timing and amount of revenue the Company reports in each period. For the purposes of determining when the service has been provided to the player, the Company has determined that an implied obligation exists to the paying user to continue displaying the purchased virtual goods within the game over the virtual goods' estimated useful lives.

The Company sells both consumable and durable virtual goods and receives reports from the digital storefronts, such as the Apple App Store, which breakdown the various purchases made from their games over a given time period. The Company reviews these reports to determine on a per-item basis whether the purchase was a consumable virtual good or a durable virtual good. Consumable goods are items consumed at a predetermined time or otherwise have limitations on repeated use, while durable goods are items accessible to the user over an extended period of time. The Company's revenues from consumable virtual goods have been immaterial over the previous two years and are one-time actions that can be purchased directly by the player through the digital storefront. The Company recognizes the revenues from these items immediately, since it believes that the delivery obligation has been met and there are no further implicit or explicit performance obligations related to the purchase of that consumable virtual good. Revenues from durable virtual goods are generated through the purchase of virtual coins by users through a digital storefront. Players convert the virtual coins within the game to durable virtual goods such as weapons, armor or other accessories to enhance their game-playing experience. The durable virtual goods remain in the game for as long as the player continues to play. The Company believes this represents an implied service obligation, and accordingly, they recognize the revenues from the purchase of these durable virtual goods over the estimated average playing period of paying users. Based on the Company's analysis, the estimated weighted average useful life of a paying user is approximately three months, and this estimate has been consistent since the Company's initial analysis. If a new game is launched and only a limited period of paying player data is available, then the Company also considers other qualitative factors, such as the playing patterns for paying users for other games with similar characteristics. While the Company believes its estimates to be reasonable based on available game player information, it may revise such estimates in the future as the games' operation periods change. Any adjustments arising from changes in the estimates of the lives of these virtual goods would be applied prospectively on the basis that such changes are caused by new information indicating a change in game player behavior patterns. Any changes in the Company's estimates of useful lives of these virtual goods may result in revenues being recognized on a basis different from prior periods' and may cause its operating results to fluctuate.

The Company also has relationships with certain advertising service providers for advertisements within smartphone games and revenue from these advertisers is generated through impressions, clickthroughs, banner ads and offers. Revenue is recognized as advertisements are delivered, an executed contract exists, the price is fixed or determinable and collectability has been reasonably assured. Delivery generally occurs when the advertisement has been displayed or the offer has been completed by the user. Certain offer advertisements that result in the user receiving virtual currency are deferred and recognized over the average playing period of paying users.

Feature phone revenue

The Company's feature phone revenues are derived primarily by licensing software products in the form of mobile games. The Company distributes its products primarily through mobile telecommunications service providers ("carriers"), which market the games to end users. License fees are usually billed by the carrier upon download of the game by the end user and are generally billed monthly. Revenues are recognized from the Company's games when persuasive evidence of an arrangement exists, the game has been delivered, the fee is fixed or determinable, and the collection of the resulting receivable is probable. Management considers a signed license agreement to be evidence of an arrangement with a carrier and a "clickwrap" agreement to be evidence of an arrangement with an end user. For these licenses, the Company defines delivery as the download of the game by the end user.

Other estimates and judgments

The Company estimates revenues from carriers and digital storefronts in the current period when reasonable estimates of these amounts can be made. Certain carriers and digital storefronts provide reliable interim preliminary reporting and others report sales data within a reasonable time frame following the end of each month, both of which allow the Company to make reasonable estimates of revenues and therefore to recognize revenues during the reporting period. Determination of the appropriate amount of revenue recognized involves judgments and estimates that the Company believes are reasonable, but it is possible that actual results may differ from the Company's estimates. When the Company receives the final reports, to the extent not received within a reasonable time frame following the end of each month, the Company records any differences between estimated revenues and actual revenues in the reporting period when the Company determines the actual amounts. Historically, the revenues on the final revenue report have not differed by more than one half of 1% of the reported revenues for the period, which the Company deemed to be immaterial.

In accordance with ASC 605-45, *Revenue Recognition: Principal Agent Considerations* , the Company recognizes as revenues the amounts the carrier and digital storefronts reports as payable upon the sale of the Company's games. The Company has evaluated its carrier and digital storefront agreements and has determined that it is not the principal when selling its games. Key indicators that it evaluated to reach this determination include:

- wireless subscribers directly contract with the carriers and digital storefronts, which have most of the service interaction and are generally viewed as the primary obligor by the subscribers;
- carriers and digital storefronts generally have responsibility for fulfillment which includes delivery of the content and have significant control over the types of games that they offer to their subscribers;
- the limited number of digital storefronts currently available in the marketplace;

- carriers and digital storefronts are directly responsible for billing and collecting fees from their subscribers, including the resolution of billing disputes;
- carriers and digital storefronts generally pay the Company a fixed percentage of their revenues or a fixed fee for each game;
- carriers and digital storefronts generally must approve the price of the Company's games in advance of their sale to subscribers or provide tiered pricing thresholds, and the Company's more significant carriers generally have the ability to set the ultimate price charged to their subscribers; and
- the Company has limited risks, including no inventory risk and limited credit risk.

Deferred Licensing Fees and Related Costs

Certain premium licensed games sold on digital storefronts such as Apple's App Store require the revenue to be deferred due to additional services and incremental unspecified digital content to be delivered in the future without an additional fee. The Company is obligated to pay ongoing licensing fees in the form of royalties related to these games. As revenues are deferred, the related ongoing licensing fees and costs are also deferred. The deferred licensing fees and related costs are recognized in the consolidated statements of operations in the period in which the related sales are recognized as revenue.

Cash and Cash Equivalents

The Company considers all investments purchased with an original or remaining maturity of three months or less at the date of purchase to be cash equivalents. The Company deposits cash and cash equivalents with financial institutions that management believes are of high credit quality. Deposits held with financial institutions often exceed the amount of insurance on these deposits.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash, cash equivalents and accounts receivable.

The Company derives its accounts receivable from revenues earned from customers located in the U.S. and other locations outside of the U.S. The Company performs ongoing credit evaluations of its customers' financial condition and, generally, requires no collateral from its customers. The Company bases its allowance for doubtful accounts on management's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company reviews past due balances over a specified amount individually for collectability on a monthly basis. It reviews all other balances quarterly. The Company charges off accounts receivable balances against the allowance when it determines that the amount will not be recovered.

The following table summarizes the revenues from customers in excess of 10% of the Company's revenues:

	Year Ended December 31,		
	2012	2011	2010
Apple	35.7%	20.7%	— %
Google	17.6	—	—
Tapjoy	13.2	13.0	—
Verizon Wireless	—	—	15.2

At December 31, 2012, Apple accounted for 44.3%, Medium Entertainment (PlayHaven) accounted for 13.2% and Google accounted for 10.8% of total accounts receivable. At December 31, 2011, Apple accounted for 26.6%, Tapjoy accounted for 18.0%, Telecomunicaciones Movilnet accounted for 11.7% and Google accounted for 10.3% of total accounts receivable.

Fair Value

The Company accounts for fair value in accordance with ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"). Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. The Company uses a three tier hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The first two levels in the hierarchy are considered observable inputs and the last is considered unobservable. The Company's cash and investment instruments are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Level 3 liabilities consist of acquisition-related non-current liabilities for contingent consideration (i.e., earnouts). Please refer to Note 4 for further details.

Prepaid or Guaranteed Licensor Royalties

The Company's royalty expenses consist of fees that it pays to branded content owners for the use of their intellectual property, including trademarks and copyrights, in the development of the Company's games. Royalty-based obligations are either paid in advance and capitalized on the balance sheet as prepaid royalties or accrued as incurred and subsequently paid. These royalty-based obligations are expensed to cost of revenues at the greater of the revenues derived from the relevant game multiplied by the applicable contractual rate or an effective royalty rate based on expected net product sales. Advanced license payments that are not recoupable against future royalties are capitalized and amortized over the lesser of the estimated life of the branded title or the term of the license agreement.

The Company's contracts with some licensors include minimum guaranteed royalty payments, which are payable regardless of the ultimate volume of sales to end users. In accordance with ASC 460-10-15, *Guarantees* ("ASC 460"), the Company recorded a minimum guaranteed liability of zero and approximately $300 as of December 31, 2012 and 2011, respectively. When no significant performance remains with the licensor, the Company initially records each of these guarantees as an asset and as a liability at the contractual amount. The Company believes that the contractual amount represents the fair value of the liability. When significant performance remains with the licensor, the Company records royalty payments as an asset when actually paid and as a liability when incurred, rather than upon execution of the contract. The Company classifies minimum royalty payment obligations as current liabilities to the extent they are contractually due within the next twelve months.

Each quarter, the Company evaluates the realization of its royalties as well as any unrecognized guarantees not yet paid to determine amounts that it deems unlikely to be realized through product sales. The Company uses estimates of revenues, cash flows and net margins to evaluate the future realization of prepaid royalties and guarantees. This evaluation considers multiple factors, including the term of the agreement, forecasted demand, game life cycle status, game development plans, and current and anticipated sales levels, as well as other qualitative factors such as the success of similar games and similar genres on mobile devices for the Company and its competitors and/or other game platforms (e.g., consoles, personal computers and Internet) utilizing the intellectual property and whether there are any future planned theatrical releases or television series based on the intellectual property. To the extent that this evaluation indicates that the remaining prepaid and guaranteed royalty payments are not recoverable, the Company records an impairment charge to cost of revenues in the period that impairment is indicated. The Company had no impairment charges in 2012. The Company recorded impairment charges to cost of revenues of $531 and $663 during the years ended December 31, 2011and 2010, respectively.

Goodwill and Intangible Assets

In accordance with ASC 350, *Intangibles-Goodwill and Other* ("ASC 350"), the Company's goodwill is not amortized but is tested for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Under ASC 350, the Company performs the annual impairment review of its goodwill balance as of September 30. This impairment review involves a multiple-step process as follows:

Step — 0 Under new accounting guidance adopted for 2011, the Company evaluates qualitative factors and overall financial performance to determine whether it is necessary to perform the first step of the two-step goodwill test. This step is referred to as "Step 0." Step 0 involves, among other qualitative factors, weighing the relative impact of factors that are specific to the reporting unit as well as industry and macroeconomic factors. After assessing those various factors, if it is determined that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then the entity will need to proceed to the first step of the two-step goodwill impairment test.

Step — 1 The Company compares the fair value of each of its reporting units to the carrying value including goodwill of that unit. For each reporting unit where the carrying value, including goodwill, exceeds the unit's fair value, the Company moves on to step 2. If a unit's fair value exceeds the carrying value, no further work is performed and no impairment charge is necessary.

Step — 2 The Company performs an allocation of the fair value of the reporting unit to its identifiable tangible and intangible assets (other than goodwill) and liabilities. This allows the Company to derive an implied fair value for the unit's goodwill. The Company then compares the implied fair value of the reporting unit's goodwill with the carrying value of the unit's goodwill. If the carrying amount of the unit's goodwill is greater than the implied fair value of its goodwill, an impairment charge would be recognized for the excess.

In 2012, the Company concluded that a portion of the goodwill attributed to the APAC reporting unit was impaired and recorded a $3,613 impairment charge. In 2011 and 2010, the Company did not record any goodwill impairment charges as the fair values of the reporting units exceeded their respective carrying values.

Purchased intangible assets with finite lives are amortized using the straight-line method over their useful lives ranging from one to nine years and are reviewed for impairment in accordance with ASC 360, *Property, Plant and Equipment* ("ASC 360").

Long-Lived Assets

The Company evaluates its long-lived assets, including property and equipment and intangible assets with finite lives, for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable in accordance with ASC 360. Factors considered important that could result in an impairment review include significant underperformance relative to expected historical or projected future operating results, significant changes in the manner of use of acquired assets, significant negative industry or economic trends, and a significant decline in the Company's stock price for a sustained period of time. The Company recognizes impairment based on the difference between the fair value of the asset and its carrying value. Fair value is generally measured based on either quoted market prices, if available, or a discounted cash flow analysis.

Property and Equipment

The Company states property and equipment at cost. The Company computes depreciation or amortization using the straight-line method over the estimated useful lives of the respective assets or, in the case of leasehold improvements, the lease term of the respective assets, whichever is shorter.

The depreciation and amortization periods for the Company's property and equipment are as follows:

Computer equipment	Three years
Computer software	Three years
Furniture and fixtures	Three years
Leasehold improvements	Shorter of the estimated useful life or remaining term of lease

Research and Development Costs

The Company charges costs related to research, design and development of products to research and development expense as incurred. The types of costs included in research and development expenses include salaries, contractor fees and allocated facilities costs.

Software Development Costs

The Company applies the principles of ASC 985-20, *Software-Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed* ("ASC 985-20"). ASC 985-20 requires that software development costs incurred in conjunction with product development be charged to research and development expense until technological feasibility is established. Thereafter, until the product is released for sale, software development costs must be capitalized and reported at the lower of unamortized cost or net realizable value of the related product. The Company has adopted the "tested working model" approach to establishing technological feasibility for its games. Under this approach, the Company does not consider a game in development to have passed the technological feasibility milestone until the Company has completed a model of the game that contains essentially all the functionality and features of the final game and has tested the model to ensure that it works as expected. To date, the Company has not incurred significant costs between the establishment of technological feasibility and the release of a game for sale; thus, the Company has expensed all software development costs as incurred. The Company considers the following factors in determining whether costs can be capitalized: the emerging nature of the mobile game market; the lack of pre-orders or sales history for its games; the uncertainty regarding a game's revenue-generating potential; and its historical practice of canceling games at any stage of the development process.

Internal Use Software

The Company recognizes internal use software development costs in accordance with ASC 350-40, *Intangibles-Goodwill and Other-Internal Use Software* ("ASC 350-40"). Thus, the Company capitalizes software development costs, including costs incurred to purchase third-party software, beginning when it determines certain factors are present including, among others, that technology exists to achieve the performance requirements and/or buy versus internal development decisions have been made. The Company capitalized certain internal use software costs totaling approximately $1,598, $1,787 and $117 during the years ended December 31, 2012, 2011 and 2010, respectively. The estimated useful life of costs capitalized is generally three years. During the years ended December 31, 2012, 2011 and 2010, the amortization of capitalized software costs totaled approximately $1,014, $507 and $262, respectively. Capitalized internal use software development costs are included in property and equipment, net.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, *Income Taxes* ("ASC 740"), which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in its financial statements or tax returns. Under ASC 740, the Company determines deferred tax assets and liabilities based on the temporary difference between the financial statement and tax bases of assets and liabilities using the enacted tax rates in effect for the year in which it expects the differences to reverse. The Company establishes valuation allowances when necessary to reduce deferred tax assets to the amount it expects to realize.

The Company accounts for uncertain tax positions in accordance with ASC 740, which requires companies to adjust their financial statements to reflect only those tax positions that are more-likely-than-not to be sustained. ASC 740 prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. The Company's policy is to recognize interest and penalties related to unrecognized tax benefits in income tax expense.

Restructuring

The Company accounts for costs associated with employee terminations and other exit activities in accordance with ASC 420, *Exit or Disposal Cost Obligations* ("ASC 420"). The Company records employee termination benefits as an operating expense when it communicates the benefit arrangement to the employee and it requires no significant future services, other than a minimum retention period, from the employee to earn the termination benefits. In addition, termination benefits related to international employees are recognized when the amount of such termination benefits becomes estimable and payment is probable.

Stock-Based Compensation

The Company applies the fair value provisions of ASC 718, *Compensation-Stock Compensation* ("ASC 718"). ASC 718 requires the recognition of compensation expense, using a fair-value based method, for costs related to all share-based payments including stock options. ASC 718 requires companies to estimate the fair value of share-based payment awards on the grant date using an option pricing model. The fair value of stock options and stock purchase rights granted pursuant to the Company's equity incentive plans and 2007 Employee Stock Purchase Plan ("ESPP"), respectively, is determined using the Black-Scholes valuation model. The determination of fair value is affected by the stock price, as well as assumptions regarding subjective and complex variables such as expected employee exercise behavior and expected stock price volatility over the expected term of the award. Generally, these assumptions are based on historical information and judgment is required to determine if historical trends may be indicators of future outcomes. Employee stock-based compensation expense is calculated based on awards ultimately expected to vest and is reduced for estimated forfeitures. Forfeitures are revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates and an adjustment to stock-based compensation expense will be recognized at that time. Changes to the assumptions used in the Black-Scholes option valuation calculation and the forfeiture rate, as well as future equity granted or assumed through acquisitions could significantly impact the compensation expense the Company recognizes.

The Company has elected to use the "with and without" approach as described in determining the order in which tax attributes are utilized. As a result, the Company will only recognize a tax benefit from stock-based awards in additional paid-in capital if an incremental tax benefit is realized after all other tax attributes currently available to the Company have been utilized. In addition, the Company has elected to account for the indirect effects of stock-based awards on other tax attributes, such as the research tax credit, through its statement of operations.

The Company accounts for equity instruments issued to non-employees in accordance with the provisions of ASC 718 and ASC 505-50.

Advertising Expenses

The Company expenses the production costs of advertising, including direct response advertising, the first time the advertising takes place. Advertising expense was $12,124, $6,114 and $3,184 in the years ended December 31, 2012, 2011 and 2010, respectively.

Comprehensive Income/(Loss)

Comprehensive income/(loss) consists of two components, net loss and other comprehensive income/(loss). Other comprehensive income/(loss) refers to revenues, expenses, gains and losses that under GAAP are recorded as an element of stockholders' equity but are excluded from net income/(loss). The Company's other comprehensive income/(loss) included only of foreign currency translation adjustments from those subsidiaries not using the U.S. dollar as their functional currency.

Foreign Currency Translation

In preparing its consolidated financial statements, the Company translated the financial statements of its foreign subsidiaries from their functional currencies, the local currency, into U.S. Dollars. This process resulted in unrealized exchange gains and losses, which are included as a component of accumulated other comprehensive loss within stockholders' deficit.

Cumulative foreign currency translation adjustments include any gain or loss associated with the translation of a subsidiary's financial statements when the functional currency of a subsidiary is the local currency. However, if the functional currency is deemed to be the U.S. Dollar, any gain or loss associated with the translation of these financial statements would be included within the Company's statements of operations. If the Company disposes of any of its subsidiaries, any cumulative translation gains or losses would be realized and recorded within the Company's statement of operations in the period during which the disposal occurs. If the Company determines that there has been a change in the functional currency of a subsidiary relative to the U.S. Dollar, any translation gains or losses arising after the date of change would be included within the Company's statement of operations.

Business Combination

The Company applies the accounting standard related to business combinations, ASC 805, *Business Combinations* ("ASC 805'). The standard has an expanded definition of a business and a business combination; requires recognition of assets acquired, liabilities assumed, and contingent consideration at their fair value on the acquisition date with subsequent changes recognized in earnings; requires acquisition-related expenses and restructuring costs to be recognized separately from the business combination and expensed as incurred; requires in-process research and development to be capitalized at fair value as an indefinite-lived intangible asset until completion or abandonment; and requires that changes in accounting for deferred tax asset valuation allowances and acquired income tax uncertainties after the measurement period be recognized as a component of provision for taxes.

The Company accounts for acquisitions of entities that include inputs and processes and have the ability to create outputs as business combinations. The purchase price of the acquisition is allocated to tangible assets, liabilities, and identifiable intangible assets acquired based on their estimated fair values. The excess of the purchase price over those fair values is recorded as goodwill. Acquisition-related expenses and restructuring costs are expensed as incurred. While the Company uses its best estimates and assumptions as a part of the purchase price allocation process to accurately value assets acquired and liabilities assumed at the business combination date, these estimates and assumptions are inherently uncertain and subject to refinement. As a result, during the preliminary purchase price allocation period, which may be up to one year from the business combination date, the Company may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. After the preliminary purchase price allocation period, the Company records adjustments to assets acquired or liabilities assumed subsequent to the purchase price allocation period in its operating results in the period in which the adjustments were determined.

Recent Accounting Pronouncements

In May 2011, the FASB issued ASU 2011-04, *Fair Value Measurements (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs, ("ASU 2011-04").* ASU 2011-04 changes the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements to ensure consistency between U.S. GAAP and IFRS. ASU 2011-04 also expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. The adoption of this standard did not materially impact the Company's consolidated financial statements.

In June 2011, the FASB issued ASU 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income, ("ASU 2011-05")*. ASU 2011-05 eliminates the option to report other comprehensive income and its components in the statement of changes in equity. ASU 2011-05 requires that all non-owner changes in stockholders' equity be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. The adoption of this standard did not materially impact the Company's consolidated financial statements.

In September 2011, the FASB issued ASU 2011-08, *Testing Goodwill for Impairment* (the "revised standard"). The revised standard is intended to reduce the cost and complexity of the annual goodwill impairment test by providing entities an option to perform a "qualitative" assessment to determine whether further impairment testing is necessary. The revised standard is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. An entity has the option to first assess qualitative factors to determine whether it is necessary to perform the current two-step test. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required. The adoption of this standard did not materially impact the Company's consolidated financial statements.

In February 2013, the FASB issued ASU 2013-2, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income. This guidance requires the presentation of the effects on the line items of net income of significant amounts reclassified out of accumulated other comprehensive income, but only if the item reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. The guidance is effective for fiscal years beginning after December 15, 2012. The Company does not believe that the adoption of ASU 2013-2 will have a material impact on the Company's consolidated financial statements.

NOTE 2 — NET LOSS PER SHARE

The Company computes basic net loss per share by dividing its net loss for the period by the weighted average number of common shares outstanding during the period less the weighted average unvested common shares subject to restrictions by the Company.

	Year Ended December 31,		
	2012	2011	2010
Net loss	$(20,459)	$(21,101)	$(13,423)
Basic and diluted shares:			
Weighted average common shares outstanding	64,932	57,834	35,439
Weighted average unvested common shares subject to restrictions	(614)	(316)	—
Weighted average shares used to compute basic and diluted net loss per share	64,318	57,518	35,439
Net loss per share — basic and diluted	$ (0.32)	$ (0.37)	$ (0.38)

The following weighted average options and warrants to purchase common stock and unvested shares of common stock subject to restrictions have been excluded from the computation of diluted net loss per share of common stock for the periods presented because including them would have had an anti-dilutive effect:

	Year Ended December 31,		
	2012	2011	2010
Warrants to purchase common stock	4,187	5,344	2,435
Unvested common shares subject to restrictions	614	316	—
Options to purchase common stock	10,321	8,112	6,347
	15,122	13,772	8,782

NOTE 3 — ACQUISITIONS

Acquisition of GameSpy Industries, Inc.

On August 2, 2012, the Company completed the acquisition of GameSpy pursuant to an Agreement and Plan of Merger (the "GameSpy Merger Agreement") by and among the Company, Galileo Acquisition Corp., a California corporation and wholly owned subsidiary of the Company ("Galileo"), IGN and GameSpy. Pursuant to the terms of the GameSpy Merger Agreement, Galileo merged with and into GameSpy in a statutory reverse triangular merger (the "GameSpy Merger"), with GameSpy surviving the GameSpy Merger as a wholly owned subsidiary of the Company. GameSpy, which is based in California, provides technology and services for multiplayer and server-based gaming. The Company acquired GameSpy as part of its efforts to enhance the monetization and retention of the Company's players by incorporating GameSpy's technology that powers community functionality, synchronous multiplayer and asynchronous player versus player mechanics into the Company's games.

Pursuant to the terms of the GameSpy Merger Agreement, the Company issued to IGN, as GameSpy's sole shareholder, in exchange for all of the issued and outstanding shares of GameSpy capital stock, a total of 600 shares of the Company's common stock, for consideration of approximately $2,796, based on the $4.66 closing price of the Company's common stock on The NASDAQ Global Market on August 2, 2012; 90 shares of which will be held in escrow until November 2, 2013 as security to satisfy indemnification claims under the GameSpy Merger Agreement. In addition, the Company, GameSpy and IGN entered into a Transition Services Agreement, pursuant to which IGN will provide to the Company and GameSpy certain backend data center transition services related to GameSpy's private cloud storage infrastructure for up to two years following the acquisition.

The allocation of the GameSpy purchase price was based upon valuations for certain assets acquired and liabilities assumed. The valuation was based upon calculations and valuations, and the Company's estimates and assumptions are subject to change as the Company obtains additional information for its estimates during the respective measurement periods (up to one year from the acquisition date). The following table summarizes the fair values of assets acquired and liabilities assumed at the date of acquisition:

Assets acquired:	
Cash	$ 913
Accounts receivable, net	1,695
Property and equipment	485
Intangible assets:	
Customer contracts and related relationships	250
Titles, content and technology	1,300
Goodwill	1,096
Total assets acquired	5,739
Liabilities assumed:	
Other accrued liabilities	(689)
Deferred revenue	(1,684)
Deferred tax liability	(570)
Total liabilities acquired	(2,943)
Net acquired assets	$ 2,796

Acquisition-related intangibles included in the above table are finite-lived and are being amortized on a straight-line basis over their estimated lives of two to three years, which approximates the pattern in which the economic benefits of the intangible assets are expected to be realized.

In connection with the acquisition of GameSpy, the Company recorded net deferred tax liabilities of $570, which were primarily related to identifiable intangible assets and net operating losses.

The Company allocated the residual value of $1,096 to goodwill. Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired. In accordance with ASC 350, *Intangibles – Goodwill and Other* ("ASC 350"), goodwill will not be amortized but will be tested for impairment at least annually. Goodwill created as a result of the GameSpy acquisition is not deductible for tax purposes.

Acquisition of Griptonite, Inc.

On August 2, 2011, the Company completed the acquisition of Griptonite, Inc., a Washington corporation ("Griptonite") and formerly a wholly owned subsidiary of Foundation 9 Entertainment, Inc., a Delaware corporation ("Foundation 9"), pursuant to an Agreement and Plan of Merger, as amended on August 15, 2011 (the "Merger Agreement"), by and among the Company, Granite Acquisition Corp., a Washington corporation and wholly owned subsidiary of the Company ("Sub"), Foundation 9 and Griptonite. Pursuant to the terms of the Merger Agreement, Sub merged with and into Griptonite in a statutory reverse triangular merger (the "Merger"), with Griptonite surviving the Merger as a wholly owned subsidiary of the Company. Griptonite, which is based in Kirkland, Washington, is a developer of games for advanced platforms, including handheld devices. The Company acquired Griptonite to increase its studio development capacity and augment its existing development efforts to accelerate the introduction of new titles on smartphones and tablets.

In connection with the Merger, the Company issued to Foundation 9, as Griptonite's sole shareholder, in exchange for all of the issued and outstanding shares of Griptonite capital stock, a total of 6,106 shares of the Company's common stock, for consideration of approximately $28,088, using the $4.60 closing price of the Company's common stock on The NASDAQ Global Market on August 2, 2011. 600 of the initial shares that were held in escrow to satisfy potential indemnification claims under the Merger Agreement were released on November 2, 2012. In addition, the Company may be required to issue additional shares (not to exceed 5,302 shares) or in specified circumstances pay additional cash (i) in satisfaction of indemnification obligations in the case of breaches of the Company's and Sub's representations, warranties and covenants in the Merger Agreement or (ii) pursuant to potential working capital adjustments.

The allocation of the Griptonite purchase price was based upon valuations for certain assets acquired and liabilities assumed. The following table summarizes the fair values of assets acquired and liabilities assumed at the date of acquisition:

Assets acquired:	
Cash	$ 10,300
Accounts receivable	1,558
Prepaid and other current assets	1,028
Property and equipment	796
Other long term assets	33
Intangible assets:	
Non-compete agreements	3,200
Developed Technology	2,500
Goodwill	12,670
Total assets acquired	32,085
Liabilities assumed:	
Accounts payable and other accrued liabilities	(1,226)
Deferred tax liability and other long-term liabilities	(2,771)
Total liabilities	(3,997)
Net acquired assets	$ 28,088

Acquisition-related intangibles included in the above table are finite-lived and are being amortized on a straight-line basis over their estimated lives ranging from three months to two years which approximates the pattern in which the economic benefits of the intangible assets are realized.

The Company allocated the residual value of $12,670 to goodwill. Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired. In accordance with ASC 350, goodwill will not be amortized but will be tested for impairment at least annually. Goodwill created as a result of the Griptonite acquisition is not deductible for tax purposes.

Assumption of Griptonite Lease

In connection with the Merger, the Company assumed lease obligations related to the premises located in Kirkland, Washington (the "Griptonite Lease"). The Griptonite Lease covers approximately 54 rentable square feet and initially had a term that ended on September 30, 2015; however, in August 2012, the Company and the landlord entered into an amendment to the Griptonite Lease that changed the termination date to September 30, 2013. As part of the 2011 purchase accounting adjustments for Griptonite, the Company eliminated the existing deferred rent balance and recorded a fair value adjustment to reflect the current market value of the unfavorable operating lease commitment. The fair value of the unfavorable operating lease obligation was $477 and $901, respectively, as of December 31, 2012 and 2011. The Griptonite Lease has been included in the future lease obligations disclosed in Note 7.

Acquisition of Blammo Games Inc.

On August 1, 2011, the Company completed the acquisition of Blammo Games Inc. ("Blammo"), by entering into a Share Purchase Agreement (the "Share Purchase Agreement") by and among the Company, Blammo and each of the owners of the outstanding share capital of Blammo (the "Sellers"). Blammo is a developer of freemium games located in Toronto, Canada.

Pursuant to the terms of the Share Purchase Agreement, the Company purchased from the Sellers all of the issued and outstanding share capital of Blammo (the "Share Purchase"), and in exchange for such Blammo share capital, the Company (i) issued to the Sellers, in the aggregate, 1,000 shares of the Company's common stock (the "Initial Shares"), which resulted in initial consideration of $5,070 using the $5.07 closing price of the Company's common stock on The NASDAQ Global Market on August 1, 2011, and (ii) agreed to issue to the Sellers, in the aggregate, up to an additional 3,313 shares of the Company's common stock (the "Additional Shares") if Blammo achieves certain Net Revenue targets during the years ending March 31, 2013, March 31, 2014 and March 31, 2015, as more fully described below under "Contingent Consideration." 100 of the Initial Shares that were held in escrow to satisfy potential indemnification claims under the Share Purchase Agreement were released on August 1, 2012.

The allocation of the Blammo purchase price was based upon valuations for certain assets acquired and liabilities assumed. The following table summarizes the fair values of assets acquired and liabilities assumed at the date of acquisition:

Assets acquired:	
Cash and other assets	$ 69
Intangible assets:	
Non-compete agreements	1,400
In-process research and development	300
Goodwill	4,309
Total assets acquired	6,078
Liabilities assumed:	
Accounts payable and other accrued liabilities	(287)
Other long-term liabilities	(721)
Total liabilities	(1,008)
Net acquired assets	$ 5,070

Acquisition-related intangibles included in the above table are finite-lived and are being amortized on a straight-line basis over their estimated lives ranging from one to four years which approximates the pattern in which the economic benefits of the intangible assets are realized.

In connection with the acquisition of Blammo, in 2011, the Company recorded net deferred tax liabilities of $416, with a corresponding adjustment to goodwill. These deferred taxes were primarily related to identifiable intangible assets and net operating losses.

The Company allocated the residual value of $4,309 to goodwill. Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired. In accordance with ASC 350, goodwill will not be amortized but will be tested for impairment at least annually. Goodwill created as a result of the Blammo acquisition is not deductible for tax purposes.

Contingent Consideration

The Additional Shares will be issued to the Sellers if, and to the extent that, Blammo achieves certain Net Revenue (as such term is defined in the Share Purchase Agreement) performance targets as follows: (i) for fiscal 2013 (April 1, 2012 through March 31, 2013), (a) 227 Additional Shares will be issued to the Sellers if, and only in the event that, Blammo meets its Baseline Net Revenue goal for such fiscal year, and (b) up to an additional 682 Additional Shares will be issued to the Sellers to the extent that Blammo exceeds its Baseline Net Revenue goal and meets its Upside Net Revenue goal for such fiscal year, (ii) for fiscal 2014 (April 1, 2013 through March 31, 2014), (a) 417 Additional Shares will be issued to the Sellers if, and only in the event that, Blammo meets its Baseline Net Revenue goal for such fiscal year, and (b) up to an additional 833 Additional Shares will be issued to the Sellers to the extent that Blammo exceeds its Baseline Net Revenue goal and meets its Upside Net Revenue goal for such fiscal year, and (iii) for fiscal 2015 (April 1, 2014 through March 31, 2015), (a) no Additional Shares will be issued to the Sellers if Blammo does not meet its Baseline Net Revenue goal for such fiscal year and (b) up to 1,154 Additional Shares will be issued to the Sellers to the extent that Blammo exceeds its Baseline Net Revenue goal and meets its Upside Net Revenue goal for such fiscal year. To the extent that Blammo meets its Baseline Net Revenue goal for a fiscal year but does not meet its Upside Net Revenue goal for such fiscal year, Additional Shares will be issued to the Sellers on a straight-line basis based on the amount by which Blammo exceeded the Baseline Net Revenue goal. Blammo's Baseline and Upside Net Revenue goals for fiscal 2013, 2014 and 2015 are as follows:

Fiscal Year	Baseline Net Revenue	Upside Net Revenue
Fiscal 2013	$ 3,500	$ 5,000
Fiscal 2014	$ 5,500	$ 10,000
Fiscal 2015	$ 8,500	$ 15,000

Three of the five Sellers are also employees of Blammo. If any of these employee Sellers voluntarily terminates his employment with Blammo (other than because of a disability that prevents him or her from performing his job) or if the Company or Blammo terminates such Seller's employment for Cause (as such term is defined in the Share Purchase Agreement), then such Seller will be eligible to receive Additional Shares if and when such Additional Shares are earned as described above only with respect to the fiscal year in which such termination of employment occurs (and all previous fiscal years to the extent applicable), but not with respect to any Additional Shares issued in any subsequent fiscal year. In such an event, the Additional Shares that such Seller would have otherwise received will be forfeited and will not be issued by the Company or distributed to the other Sellers, but the other Sellers' rights to receive Additional Shares will not otherwise be affected. The fair value of the contingent consideration issued to the three Sellers who are also employees of Blammo is not considered part of the purchase price, since vesting is contingent upon these employees' continued service during the earn-out periods. The Company records the contingent consideration issued to these employees as a compensation expense over the earn-out period of one to three years. See Note 10 for further details. At acquisition, in accordance with ASC 805, *Business Combinations*, the Company recorded $306 of the contingent consideration as part of the purchase accounting allocation; this amount represents the fair value of the portion of the forecasted Additional Shares to be issued to the Sellers who are not employees of Blammo. This amount is fair valued in every reporting period. The total fair value of this liability has been estimated at $412 and $245 as of December 31, 2012 and 2011, respectively, of which fair value expense adjustment of $167 and fair value benefit adjustment of $61 was recorded during the years ended December 31, 2012 and 2011, which represent the changes in fair since the date of acquisition for both respective periods. In accordance with ASC 805, changes in the fair value of non-employee contingent consideration are recognized in general and administrative expense.

Valuation Methodology

The Company engaged a third-party valuation firm to aid management in its analyses of the fair value of GameSpy, Griptonite and Blammo. All estimates, key assumptions and forecasts were either provided by or reviewed by the Company. While the Company chose to utilize a third-party valuation firm, the fair value analyses and related valuations represent the conclusions of management and not the conclusions or statements of any third party.

Intangible assets acquired consist of non-compete agreements, customer contracts, acquired technology and in-process research and development ("IPR&D").

The Blammo and Griptonite non-compete agreements were valued using the loss of income method, which is an income approach. Two separate cash flows were prepared, one to model the cash flow with the non-compete agreements in place, and one without the agreements. The difference between the debt-free cash flow of the two models was then discounted to present value using the discount rate of 25%.

In the valuation of Griptonite's developed technology, the replacement cost method of the cost approach was used. Although the Company does not expect to use the acquired technology, it was deemed likely that a market participant would perceive value in acquiring and integrating these technologies into their own platforms. The value was determined based on the engineering costs to replace or recreate the developed technology. Key assumptions used included, work hours to recreate, costs per month and remaining total and economic life.

As of the valuation date, Blammo was in the process of developing one game, which was launched in December 2011. The Company estimated that the majority of the revenues associated with this game would be generated in 2012 and 2013. The fair value was calculated using the multi-period excess earning method of the income approach, and significant assumptions used included the discount rate, forecasted revenues, forecasted cost of goods sold and forecasted operating expense. The Company capitalized approximately $300 of IPR&D costs associated with the above game at the acquisition date. These costs were reclassified to *"Titles, Content and Technology"* in the fourth quarter of 2011 upon launch of the game and amortized over the estimated life of the game of two years.

In the valuation of GameSpy customer contracts, these contracts were valued over their remaining terms, which included consideration of moderate anticipated renewals and is consistent with market participant considerations. These contracts were fair valued using the Multi-Period Excess Earnings ("MPEE") method of the income approach and key assumptions used included: projected revenue and operating expenses for GameSpy's remaining contracts, the remaining contractual period of the contracts and a discount rate of 14%. The Company valued developed technology using the replacement cost method of the cost approach and based on the perceived value that a market participant would ascribe to the GameSpy technology, which allows for hosting multi-player games on mobile devices and other platforms. Key assumptions used included fully burdened headcount spending information. As of the valuation date, the fair value of GameSpy's deferred revenue was $1,684, which reflects the costs including hosting fees, salaries and benefits, equipment and facilities to support the contractual obligations associated with these revenues, plus a market participant margin. The deferred revenue will be recognized on a straight-line basis over 24 months.

In the valuation of the goodwill balance for Griptonite, Blammo and GameSpy, the Company gave consideration to the future economic benefits of other assets that were not individually identified or separately recognized. The acquired studio workforce for each of these acquisitions was estimated to have value, and since the acquired workforce is not individually identified or separately recognized, it was subsumed within the goodwill recognized as part of each business combination. The Company further planned to leverage its preexisting contractual relationships with digital storefronts to distribute new titles developed by the Griptonite and Blammo studios and the expected synergies are reflected in the value of the goodwill recognized. The Company also plans to use the GameSpy technology to enhance the monetization and retention of the Company's players, and these synergies are reflected in the value of goodwill recognized.

Pro Forma Financial Information (unaudited)

The results of operations for GameSpy, Griptonite and Blammo and the estimated fair market values of the assets acquired and liabilities assumed have been included in the Company's consolidated financial statements since the date of each acquisition. During 2011, Griptonite contributed approximately $825 to the Company's net revenue and increased net losses by $9,511. The results of the acquisitions resulted in an increase to the Company's net loss due to lower revenue generated from the work-for-hire contracts that were substantially completed during 2011 and due to the amortization of acquired identified intangible assets.

The unaudited pro forma financial information in the table below summarizes the combined results of the Company's operations and those of Griptonite for the periods shown as if the acquisition of Griptonite had occurred on January 1, 2010. The pro forma financial information includes the business combination accounting effects of the acquisition, including amortization charges from acquired intangible assets. The pro forma financial information presented below is for informational purposes only, and is subject to a number of estimates, assumptions and other uncertainties. In addition, the pro forma financial information presented below does not include the unaudited financial information of Blammo and GameSpy, since these were not material.

	Year Ended December 31,	
	2011	2010
Total pro forma revenues	$ 76,864	$ 85,200
Pro forma net loss	(21,256)	(16,620)
Pro forma net loss per share — basic and diluted	(0.35)	(0.40)

All of the goodwill related to the GameSpy, Blammo and Griptonite transactions was assigned to the Company's Americas reporting unit. See Note 6 for additional information related to the changes in the carrying amount of goodwill.

NOTE 4 — FAIR VALUE MEASUREMENTS

Fair Value Measurements

The Company's cash and cash equivalents, which were held in operating bank accounts, are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. As of December 31, 2012 and December 31, 2011, the Company had $22,325 and $32,212 in cash and cash equivalents. The carrying value of accounts receivable and payables approximates fair value due to the short time to expected receipt of payment or cash.

Liabilities for Contingent Consideration

Level 3 liabilities consist of acquisition-related non-current liabilities for contingent consideration (i.e., earnouts) related to the acquisition of Blammo. The former Blammo shareholders have the opportunity to earn additional shares of the Company's common stock based on future net revenues generated by Blammo during the fiscal years ending March 31, 2013, March 31, 2014 and March 31, 2015. See Note 3 for further details regarding the Blammo acquisition. The expected number of shares to be issued in each year depends on the probability of Blammo achieving the Net Revenue targets, and the Company used a risk-neutral framework to estimate the probability of achieving these revenue targets for each year. The fair value of the contingent consideration was determined using a digital option, which captures the present value of the expected payment multiplied by the probability of reaching the revenue targets for each year. Key assumptions for the year ended December 31, 2012 included a discount rate of 35.0%, volatility of 38.0%, risk-free rates of between 0.05% and 0.28% and probability-adjusted revenue levels. Key assumptions for the year ended December 31, 2011 included a discount rate of 25.0%, volatility of 53.0%, risk-free rates of between 0.15% and 0.42% and probability-adjusted revenue levels. Probability-adjusted revenue is a significant input that is not observable in the market, which ASC 820 refers to as a Level 3 input. The fair value of these contingent liabilities recorded on the Company's consolidated balance sheet as of December 31, 2012 and 2011, was $2,512 and $796, respectively. As of December 31, 2012, the Company has recorded $1,855 of the total contingent consideration as a current liability in accrued compensation and the remainder has been recorded in other long-term liabilities since settlement is greater than one year from the end of the reporting period.

NOTE 5 — BALANCE SHEET COMPONENTS

Property and Equipment

	December 31,	
	2012	2011
Computer equipment	$ 6,255	$ 5,318
Furniture and fixtures	566	485
Software	6,304	4,707
Leasehold improvements	2,227	1,763
	15,352	12,273
Less: Accumulated depreciation and amortization	(10,326)	(8,339)
	$ 5,026	$ 3,934

Depreciation and amortization for the years ended December 31, 2012, 2011 and 2010 were $2,368, $1,846 and $1,975, respectively.

Accounts Receivable

	December 31,	
	2012	2011
Accounts receivable	$ 12,313	$12,621
Less: Allowance for doubtful accounts	(432)	(800)
	$11,881	$11,821

Accounts receivable includes amounts billed and unbilled as of the respective balance sheet dates.

The movement in the Company's allowance for doubtful accounts is as follows:

Description	Balance at Beginning of Year	Additions	Deductions	Balance at End of Year
Year ended December 31, 2012	$ 800	$ 202	$ 570	$ 432
Year ended December 31, 2011	$ 504	$ 390	$ 94	$ 800
Year ended December 31, 2010	$ 546	$ 153	$ 195	$ 504

The Company had no significant write-offs or recoveries during the years ended December 31, 2012, 2011 and 2010.

Other Long-Term Liabilities

	December 31,	
	2012	2011
Uncertain tax position obligations	$3,859	$5,264
Deferred income tax liability	647	1,150
Contingent earnout liability	657	796
Unfavorable lease obligations	—	664
Other	1,027	629
	$6,190	$ 8,503

NOTE 6 — GOODWILL AND INTANGIBLE ASSETS

Intangible Assets

The Company's intangible assets were acquired in connection with the acquisitions of Macrospace in 2004, iFone in 2006, MIG in 2007, Superscape in 2008, Griptonite and Blammo in 2011 and GameSpy in 2012, as well as in connection with the purchase of the Deer Hunter trademark and brand assets in 2012. The carrying amounts and accumulated amortization expense of the acquired intangible assets, including the impact of foreign currency exchange translation at December 31, 2012 and 2011 were as follows:

		December 31, 2012			December 31, 2011		
	Estimated Useful Life	Gross Carrying Value (Including Impact of Foreign Exchange)	Accumulated Amortization Expense (Including Impact of Foreign Exchange)	Net Carrying Value (Including Impact of Foreign Exchange)	Gross Carrying Value (Including Impact of Foreign Exchange)	Accumulated Amortization Expense (Including Impact of Foreign Exchange)	Net Carrying Value (Including Impact of Foreign Exchange)
Intangible assets amortized to cost of revenues:							
Titles, content and technology	2 yrs	$ 12,781	$ (11,518)	$ 1,263	$ 11,391	$ (11,097)	$ 294
Catalogs	1 yr	1,257	(1,257)	—	1,216	(1,216)	—
ProvisionX Technology	6 yrs	207	(207)	—	200	(200)	—
Carrier contract and related relationships	5 yrs	19,585	(16,421)	3,164	19,206	(13,451)	5,755
Licensed content	5 yrs	2,952	(2,952)	—	2,924	(2,924)	—
Service provider license	9 yrs	467	(262)	205	463	(208)	255
Trademarks	7 yrs	5,225	(760)	4,465	222	(222)	—
		42,474	(33,377)	9,097	35,622	(29,318)	6,304
Other intangible assets amortized to operating expenses:							
Emux Technology	6 yrs	1,341	(1,341)	—	1,297	(1,297)	—
Noncompete agreement	4 yrs	5,187	(3,395)	1,792	5,167	(1,393)	3,774
		6,528	(4,736)	1,792	6,464	(2,690)	3,774
Total intangibles assets		$ 49,002	$ (38,113)	$ 10,889	$ 42,086	$ (32,008)	$ 10,078

The Company has included amortization of acquired intangible assets directly attributable to revenue-generating activities in cost of revenues. The Company has included amortization of acquired intangible assets not directly attributable to revenue-generating activities in operating expenses. The Company acquired approximately $1,550 of intangible assets as part of the GameSpy acquisition in the third quarter of 2012. The Company acquired approximately $7,400 of intangible assets as part of the Griptonite and Blammo acquisitions in the third quarter of 2011, which includes approximately $300 of Blammo IPR&D that was reclassified as *"Titles, Content and Technology"* in the fourth quarter of 2011; see Note 3 for further details.

On April 1, 2012, the Company acquired from Atari, Inc. ("Atari") its Deer Hunter trademark and associated domain names and also took a license to the other intellectual property associated with the Deer Hunter brand for total consideration of $5,000 in cash (the "Consideration"). The License Agreement has a term equal to the longer of (i) 99 years and ii) the expiration of the copyrights in and copyrightable elements of the Deer Hunter intellectual property assets. The acquisition price has been recorded as acquired intangible assets and classified within *"Trademarks"* in the above table and will be amortized over the estimated useful life of seven years.

During the years ended December 31, 2012, 2011 and 2010, the Company recorded amortization expense in the amounts of $3,783, $5,447 and $4,226, respectively, in cost of revenues. During the years ended December 31, 2012, 2011 and 2010, the Company recorded amortization expense in the amounts of $1,980, $825 and $205, respectively, in operating expenses. The Company recorded no impairment charges during the years ended December 31, 2012, 2011 and 2010.

As of December 31, 2012, the total expected future amortization related to intangible assets was as follows:

Period Ending December 31,	Amortization Included in Cost of Revenues	Amortization Included in Operating Expenses	Total Amortization Expense
2013	$ 4,212	$ 1,315	$ 5,527
2014	1,495	382	1,877
2015	1,019	95	1,114
2016	764	—	764
2017	714	—	714
2018 and thereafter	893	—	893
	$ 9,097	$ 1,792	$ 10,889

Goodwill

The Company has goodwill resulting from its MIG, GameSpy, Blammo and Griptonite acquisitions as of December 31, 2012. The Company attributed all of the goodwill resulting from the MIG acquisition to its Asia and Pacific ("APAC") reporting unit. The Company acquired $17,044 and $1,031 of goodwill during 2011 and 2012 respectively as part of the GameSpy, Blammo and Griptonite acquisitions, which was fully assigned to its Americas reporting unit; see Note 3 for further details. The Company had fully impaired in prior years all goodwill allocated to its EMEA reporting unit related to the Superscape acquisition. The goodwill allocated to the Americas reporting unit is denominated in U.S. Dollars ("USD") and the goodwill allocated to the APAC reporting

unit is denominated in Chinese Renminbi (“RMB”). As a result, the goodwill attributed to the APAC reporting unit is subject to foreign currency fluctuations.

Goodwill by geographic region is as follows:

	December 31, 2012				December 31, 2011			
	Americas	EMEA	APAC	Total	Americas	EMEA	APAC	Total
Balance as of January 1								
Goodwill	$41,915	$ 25,354	$ 24,220	$ 91,489	$ 24,871	$ 25,354	$ 24,039	$ 74,264
Accumulated Impairment Losses	(24,871)	(25,354)	(19,273)	(69,498)	(24,871)	(25,354)	(19,273)	(69,498)
	17,044	—	4,947	21,991	—	—	4,766	4,766
Goodwill Acquired during the year	1,031	—	—	1,031	17,044	—	—	17,044
Effects of Foreign Currency Exchange	—	—	31	31	—	—	181	181
Impairment Losses	—	—	(3,613)	(3,613)	—	—	—	—
Balance as of period ended:	18,075	—	1,365	19,440	17,044	—	4,947	21,991
Goodwill	42,946	25,354	24,251	92,551	41,915	25,354	24,220	91,489
Accumulated Impairment Losses	(24,871)	(25,354)	(22,886)	(73,111)	(24,871)	(25,354)	(19,273)	(69,498)
Balance as of period ended:	$ 18,075	$ —	$ 1,365	$ 19,440	$ 17,044	$ —	$ 4,947	$ 21,991

In accordance with ASC 350, the Company's goodwill is not amortized but is tested for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Under ASC 350, the Company performs the annual impairment review of its goodwill balance as of September 30 or more frequently if triggering events occur.

Under new accounting guidance adopted for 2011, the Company evaluates qualitative factors and overall financial performance to determine whether it is necessary to perform the first step of the two-step goodwill test. This step is referred to as "Step 0." Step 0 involves, among other qualitative factors, weighing the relative impact of factors that are specific to the reporting unit as well as industry and macroeconomic factors. After assessing those various factors, if it is determined that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then the entity will need to proceed to the first step of the two-step goodwill impairment test. ASC 350 requires a multiple-step approach to testing goodwill for impairment for each reporting unit annually, or whenever events or changes in circumstances indicate the fair value of a reporting unit is below its carrying amount. The first step measures for impairment by applying the fair value-based tests at the reporting unit level. The second step (if necessary) measures the amount of impairment by applying the fair value-based tests to individual assets and liabilities within each reporting unit. The fair value of the reporting units is estimated using a combination of the market approach, which utilizes comparable companies' data, and/or the income approach, which uses discounted cash flows.

The Company has three reporting units comprised of the 1) Americas, 2) EMEA and 3) APAC regions. As of September 30, 2012, the Company had goodwill attributable to the APAC and Americas reporting units. The cash flows of these reporting units reflect the income and expenses of assets directly employed by, and liabilities related to, the operations of the reporting unit, including revenue related to local contractual relationships, but excludes revenue related to global contractual relationships such as digital store fronts which are owned by the U.S. and allocated directly to the Americas reporting unit. In performing its annual goodwill impairment assessment for 2012, the Company performed this qualitative assessment for its Americas reporting unit; based on this qualitative assessment, the Company concluded that performing the two-step impairment test was unnecessary for its Americas reporting unit. The Company performed the first step of the goodwill impairment test for its APAC reporting unit as prescribed in ASC 350 and concluded that it failed the step, since the estimated fair value of the reporting unit was less than its carrying value due to accelerated declines in the local feature phone business and the recent restructuring of the Company's operations in the APAC region. In order to determine the fair value of the APAC reporting unit, the Company utilized the discounted cash flow method and market method. The Company has consistently utilized both methods in its goodwill impairment tests and weights both results equally. The Company uses both methods in its goodwill impairment tests since it believes that both in conjunction provide a reasonable estimate of the determination of fair value of the reporting unit – the discounted cash flow method being specific to anticipated future results of the reporting unit and the market method, which is based on the Company's market sector including its competitors.

In step two of its impairment analysis, the Company allocated the fair value of the APAC reporting unit to all tangible and intangible assets and liabilities in a hypothetical sale transaction to determine the implied fair value of the reporting unit's goodwill. As a result of the step two analysis, the Company concluded that a portion of the goodwill remaining that had been attributed to the APAC reporting unit was impaired. The total non-cash goodwill impairment charge recorded in the third quarter of 2012 was $3,613.

The determination as to whether a write-down of goodwill is necessary involves significant judgment based on short-term and long-term projections of the Company. The assumptions supporting the estimated future cash flows of the reporting unit, including operating margins, long-term forecasts, discount rates and terminal growth rates, reflect the Company's best estimates. Changes in the Company's market capitalization, long-term forecasts and industry growth rates could require additional impairment charges to be recorded in future periods for the remaining goodwill.

NOTE 7 — COMMITMENTS AND CONTINGENCIES

Leases

The Company leases office space under non-cancelable operating facility leases with various expiration dates through January 2018. Rent expense for the years ended December 31, 2012, 2011 and 2010 was $2,704, $2,237 and $2,652, respectively. The terms of the facility leases provide for rental payments on a graduated scale. The Company recognizes rent expense on a straight-line basis over the lease period, and has accrued for rent expense incurred but not paid. The deferred rent balance was $632 and $223 at December 31, 2012 and 2011, respectively, and was included within other long-term liabilities.

At December 31, 2012, future minimum lease payments under non-cancelable operating leases were as follows:

Period Ending December 31,	Minimum Operating Lease Payments
2013	$ 3,195
2014	1,381
2015	1,457
2016	1,551
2017	880
2018 and thereafter	14
	$ 8,478

Income Taxes

As of December 31, 2012, unrecognized tax benefits and potential interest and penalties are classified within “Other long-term liabilities” on the Company’s consolidated balance sheets. As of December 31, 2012, the settlement of the Company’s income tax liabilities could not be determined; however, the liabilities are not expected to become due within the next 12 months.

Indemnification Arrangements

The Company has entered into agreements under which it indemnifies each of its officers and directors during his or her lifetime for certain events or occurrences while the officer or director is or was serving at the Company’s request in that capacity. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company has a director and officer insurance policy that limits its exposure and enables the Company to recover a portion of any future amounts paid. As a result of its insurance policy coverage, the Company believes the estimated fair value of these indemnification agreements is minimal. Accordingly, the Company had recorded no liabilities for these agreements as of December 31, 2012 or 2011.

In the ordinary course of its business, the Company includes standard indemnification provisions in most of its license agreements with carriers and other distributors. Pursuant to these provisions, the Company generally indemnifies these parties for losses suffered or incurred in connection with its games, including as a result of intellectual property infringement and viruses, worms and other malicious software. The term of these indemnity provisions is generally perpetual after execution of the corresponding license agreement, and the maximum potential amount of future payments the Company could be required to make under these indemnification provisions is generally unlimited. The Company has never incurred costs to defend lawsuits or settle indemnified claims of these types. As a result, the Company believes the estimated fair value of these indemnity provisions is minimal. Accordingly, the Company had recorded no liabilities for these provisions as of December 31, 2012 or 2011.

Contingencies

From time to time, the Company is subject to various claims, complaints and legal actions in the normal course of business. The Company assesses its potential liability by analyzing specific litigation and regulatory matters using available information. The Company’s estimate of losses is developed in consultation with inside and outside counsel, which involves a subjective analysis of potential results and outcomes, assuming various combinations of appropriate litigation and settlement strategies. After taking all of the above factors into account, the Company determines whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed reasonable probable and the amount can be reasonable estimated. The Company further determines whether an estimated loss from a contingency should be disclosed by assessing whether a material loss is deemed reasonably possible. Such disclosure will include an estimate of the additional loss or range of loss or will state that an estimate cannot be made.

The Company does not believe it is party to any currently pending litigation, the outcome of which is reasonably likely to have a material adverse effect on its operations, financial position or liquidity. However, the ultimate outcome of any litigation is uncertain and, regardless of outcome, litigation can have an adverse impact on the Company because of defense costs, potential negative publicity, diversion of management resources and other factors.

NOTE 8 — DEBT

MIG Notes

In December 2007, the Company acquired MIG to accelerate its presence in China. In December 2008, the Company amended the MIG merger agreement to acknowledge the full achievement of the earnout milestones and at the same time entered into secured promissory notes in the aggregate principal amount of $20,000 payable to the former MIG shareholders (the "Earnout Notes") as full satisfaction of the MIG earnout. The Earnout Notes required that the Company pay off the remaining principal and interest in installments. In December 2008, the Company also entered into secured promissory notes in the aggregate principal amount of $5,000 payable to two former shareholders of MIG (the "Special Bonus Notes") as full satisfaction of the special bonus provisions of their employment agreements. The Company had fully repaid both the Earnout Notes and Special Bonus Notes as of March 31, 2011.

Credit Facility

In December 2008, the Company entered into a revolving credit facility (the "Credit Facility"), the terms of the Credit Facility were amended in August 2009, February 2010, March 2010 and February 2011. The Credit Facility, as amended, provided for borrowings of up to $8.0 million, subject to a borrowing base equal to 80% of the Company's eligible accounts receivable. The Credit Facility expired on June 30, 2011 and all borrowings were repaid in full.

NOTE 9 — STOCKHOLDERS' EQUITY/(DEFICIT)

Common Stock

At December 31, 2012, the Company was authorized to issue 250,000 shares of common stock. As of December 31, 2012, the Company had reserved 16,851 shares for future issuance under its stock plans and outstanding warrants.

Preferred Stock

At December 31, 2012, the Company was authorized to issue 5,000 shares of preferred stock.

Acquisitions

On August 1, 2011, the Company issued an aggregate of 1,000 shares of its common stock to the Sellers in connection with the Company's acquisition of Blammo.

On August 2, 2011, the Company issued an aggregate of 6,106 shares of its common stock to Foundation 9 in connection with the Company's acquisition of Griptonite.

On August 2, 2012, the Company issued an aggregate of 600 shares of its common stock to IGN in connection with the Company's acquisition of GameSpy.

See Note 3 – Business Combinations – for more information about these acquisitions.

Secondary Offering

In January 2011, the Company sold in an underwritten public offering an aggregate of 8,415 shares of its common stock at a public offering price of $2.05 per share for net proceeds of approximately $15,661 after underwriting discounts and commissions and offering expenses. The underwriters of this offering were Roth Capital Partners, LLC, Craig-Hallum Capital Group LLC, Merriman Capital, Inc. and Northland Capital Markets.

Shelf Registration Statement

In December 2010, the Securities and Exchange Commission declared effective the Company's shelf registration statement which allows the Company to issue various types of debt and equity instruments, including common stock, preferred stock and warrants. Issuances under the shelf registration will require the filing of a prospectus supplement identifying the amount and terms of the securities to be issued. The ability to issue debt and equity is subject to market conditions and other factors impacting the Company's borrowing capacity. The Company has a $30,000 limit on the amount securities that can be issued under this shelf registration statement and has already utilized $17,250 of this amount as of December 31, 2012 pursuant to the public offering in January 2011 described above.

Private Placement

In August, 2010, the Company completed the Private Placement in which it issued to the investors (i) an aggregate of 13,495 shares of the Company's common stock at $1.00 per share and (ii) warrants initially exercisable to purchase up to 6,748 shares of the Company's common stock at $1.50 per share (the "Warrants"), for initial proceeds of approximately $13,218 net of issuance costs (excluding any proceeds the Company may receive upon exercise of the Warrants). Of this amount, $2,198 was allocated to the value of the Warrants and $11,020 was allocated to the common stock. All amounts are recorded within stockholders' equity.

Warrants to Purchase Common Stock

The Warrants issued in connection with the 2010 Private Placement have an initial exercise price of $1.50 per share of common stock, can be exercised immediately, have a five-year term and provide for weighted-average anti-dilution protection in addition to customary adjustment for dividends, reorganization and other common stock events. During the years ended December 31, 2012, 2011 and 2010, investors exercised warrants to purchase 413, 2,475 and zero shares of the Company's common stock, and the Company received gross proceeds of $619, $3,711 and zero in connection with these exercises.

Warrants outstanding at December 31, 2012 were as follows:

Date of Issuance	Term (Years)	Exercise Price per Share	Number of Shares Outstanding Under Warrant
May 2006	7	$ 9.03	106
August 2010	5	1.50	3,860
			3,966

NOTE 10 — STOCK OPTION AND OTHER BENEFIT PLANS

2007 Equity Incentive Plan

In January 2007, the Company's Board of Directors adopted, and in March 2007 the stockholders approved, the 2007 Equity Incentive Plan (the "2007 Plan"). At the time of adoption, there were 1,766 shares of common stock authorized for issuance under the 2007 Plan plus 195 shares of common stock from the Company's 2001 Stock Option Plan (the "2001 Plan") that were unissued. In addition, shares that were not issued or subject to outstanding grants under the 2001 Plan on the date of adoption of the 2007 Plan and any shares issued under the 2001 Plan that are forfeited or repurchased by the Company or that are issuable upon exercise of options that expire or become unexercisable for any reason without having been exercised in full, will be available for grant and issuance under the 2007 Plan. On June 3, 2010, at the Company's 2010 Annual Meeting of Stockholders, the Company's stockholders approved an amendment to the 2007 Plan to increase the aggregate number of shares of common stock authorized for issuance under the 2007 Plan by 3,000 shares. Furthermore, the number of shares available for grant and issuance under the 2007 Plan will be increased automatically on January 1 of each of 2008 through 2012 by an amount equal to 3% of the Company's shares outstanding on the immediately preceding December 31, unless the Company's Board of Directors, in its discretion, determines to make a smaller increase.

The Company may grant options under the 2007 Plan at prices no less than 85% of the estimated fair value of the shares on the date of grant as determined by its Board of Directors, provided, however, that (i) the exercise price of an incentive stock option ("ISO") or non-qualified stock options ("NSO") may not be less than 100% or 85%, respectively, of the estimated fair value of the underlying shares of common stock on the grant date, and (ii) the exercise price of an ISO or NSO granted to a 10% stockholder may not be less than 110% of the estimated fair value of the shares on the grant date. Prior to the Company's IPO, the Board determined the fair value of common stock in good faith based on the best information available to the Board and Company's management at the time of the grant. Following the IPO, the fair value of the Company's common stock is determined by the last sale price of such stock on the NASDAQ Global Market on the date of determination. The stock options granted to employees generally vest with respect to 25% of the underlying shares one year from the vesting commencement date and with respect to an additional 1/48 of the underlying shares per month thereafter. Stock options granted during 2007 prior to October 25, 2007 have a contractual term of ten years and stock options granted on or after October 25, 2007 have a contractual term of six years.

The 2007 Plan also provides the Board of Directors the ability to grant restricted stock awards, stock appreciation rights, restricted stock units, performance shares and stock bonuses. As of December 31, 2012, 740 shares were available for future grants under the 2007 Plan.

2007 Employee Stock Purchase Plan

In January 2007, the Company's Board of Directors adopted, and in March 2007 the Company's stockholders approved, the 2007 Employee Stock Purchase Plan (the "2007 Purchase Plan"). The Company initially reserved 667 shares of its common stock for issuance under the 2007 Purchase Plan. On each January 1 for the first eight calendar years after the first offering date, the aggregate number of shares of the Company's common stock reserved for issuance under the 2007 Purchase Plan will be increased automatically by the number of shares equal to 1% of the total number of outstanding shares of the Company's common stock on the immediately preceding December 31, provided that the Board of Directors may reduce the amount of the increase in any particular year and provided further that the aggregate number of shares issued over the term of this plan may not exceed 5,333. The 2007 Purchase Plan permits eligible employees, including employees of certain of the Company's subsidiaries, to purchase common stock at a discount through payroll deductions during defined offering periods. The price at which the stock is purchased is equal to the lower of 85% of the fair market value of the common stock at the beginning of an offering period or after a purchase period ends.

In January 2009, the 2007 Purchase Plan was amended to provide that the Compensation Committee of the Company's Board of Directors may fix a maximum number of shares that may be purchased in the aggregate by all participants during any single offering period (the "Maximum Offering Period Share Amount"). The Committee may later raise or lower the Maximum Offering Period Share Amount. The Committee established the Maximum Offering Period Share Amount of 500 shares for the offering period that commenced on February 15, 2009 and ended on August 14, 2009, and a Maximum Offering Period Share Amount of 200 shares for each offering period thereafter. In October 2011, the Committee increased the Maximum Offering Period Share Amount for the offering period that commenced on August 22, 2011 and for each offering period thereafter to 300 shares.

As of December 31, 2012, 786 shares were available for issuance under the 2007 Purchase Plan.

2008 Equity Inducement Plan

In March 2008, the Company's Board of Directors adopted the 2008 Equity Inducement Plan (the "Inducement Plan") to augment the shares available under its existing 2007 Plan. The Inducement Plan did not require the approval of the Company's stockholders. The Company initially reserved 600 shares of its common stock for grant and issuance under the Inducement Plan. On December 28, 2009, the Company's Board of Directors appointed Niccolo de Masi as the Company's President and Chief Executive Officer and the Compensation Committee of the Company's Board of Directors awarded him a non-qualified stock option to purchase 1,250 shares of the Company's common stock, which was issued on January 4, 2010 under the Inducement Plan. Immediately prior to the grant of this award, the Compensation Committee amended the Inducement Plan to increase the number of shares available for grant under the plan by 819 shares to 1,250 shares. In August 2011, the Compensation Committee of the Company's Board of Directors increased the number of shares reserved for issuance under the Company's 2008 Equity Inducement Plan by 1,050 shares. The Company utilized these additional shares to grant stock options to certain of the new non-executive employees of Griptonite and Blammo to purchase shares of the Company's common stock. In November 2012, the Compensation Committee amended the Inducement Plan to increase the number of shares available for grant under the plan by 300 shares. In each case, all of the newly authorized shares were granted promptly following each such increase. The Company may only grant NSOs under the Inducement Plan. Grants under the Inducement Plan may only be made to persons not previously an employee or director of the Company, or following a bona fide period of non-employment, as an inducement material to such individual's entering into employment with the Company and to provide incentives for such persons to exert maximum efforts for the Company's success. The Company may grant NSOs under the Inducement Plan at prices less than 100% of the fair value of the shares on the date of grant, at the discretion of its Board of Directors. The fair value of the Company's common stock is determined by the last sale price of such stock on the NASDAQ Global Market on the date of determination.

As of December 31, 2012, 438 shares were reserved for future grants under the Inducement Plan.

Stock Option Activity

The following table summarizes the Company's stock option activity:

	Shares Available	Options Outstanding: Number of Shares	Options Outstanding: Weighted Average Exercise Price	Weighted Average Contractual Term (Years)	Aggregate Intrinsic Value
Balances at December 31, 2009	2,654	4,841	3.49		
Increase in authorized shares	3,911				
Options granted	(4,841)	4,841	1.30		
Options canceled	2,424	(2,424)	3.66		
Options exercised	—	(330)	0.87		
Balances at December 31, 2010	4,148	6,928	2.02		
Increase in authorized shares	2,388				
Options granted	(4,925)	4,925	3.66		
Options canceled	1,250	(1,250)	2.50		
Options exercised	—	(859)	1.90		
Balances at December 31, 2011	2,861	9,744	2.80		
Increase in authorized shares	300				
Options granted	(3,399)	3,399	3.84		
Options canceled	1,416	(1,416)	3.89		
Options exercised	—	(806)	1.68		
Balances at December 31, 2012	1,178	10,921	$ 3.07	4.17	$ 3,684
Options vested and expected to vest at December 31, 2012		9,429	$ 3.03	4.03	$ 3,523
Options exercisable at December 31, 2012		4,705	$ 2.92	3.33	$2,517

At December 31, 2012, the options outstanding and currently exercisable by exercise price were as follows:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (in Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$0.42 – $ 1.19	1,345	2.82	$ 1.03	986	$ 1.00
$1.21 – $ 1.23	1,110	3.03	1.22	764	1.22
$1.30 – $ 2.03	1,302	3.66	1.67	691	1.66
$2.16 – $ 2.83	380	5.71	2.30	18	2.45
$2.90 – $ 2.90	1,273	4.78	2.90	376	2.90
$2.98 – $ 3.29	1,130	5.69	3.28	31	3.17
$3.39 – $ 3.78	1,098	4.05	3.72	497	3.71
$3.88 – $ 4.30	1,209	4.95	4.25	132	4.06
$4.35 – $ 4.66	1,123	4.41	4.53	465	4.52
$4.72 – $ 11.88	951	3.73	6.33	745	6.67
$0.42 – $ 11.88	10,921	4.17	$ 3.07	4,705	$ 2.92

The Company has computed the aggregate intrinsic value amounts disclosed in the above table based on the difference between the original exercise price of the options and the fair value of the Company's common stock of $2.28 per share at December 31, 2012. The total intrinsic value of awards exercised during the years ended December 31, 2012, 2011 and 2010 was $2,114, $2,065 and $142, respectively.

Stock-Based Compensation

The Company recognizes stock-based compensation expense in accordance with ASC 718, and has estimated the fair value of each option award on the grant date using the Black-Scholes option valuation model and the weighted average assumptions noted in the following table.

	Year Ended December 31,		
	2012	2011	2010
Dividend yield	— %	— %	— %
Risk-free interest rate	0.60%	1.06%	1.15%
Expected term (years)	4.00	4.02	3.12
Expected volatility	65%	65%	77%

The Company based its expected volatility on its own historic volatility and the historical volatility of a peer group of publicly traded entities. The expected term of options gave consideration to early exercises, post-vesting cancellations and the options' six-year contractual term. The risk-free interest rate for the expected term of the option is based on the U.S. Treasury Constant Maturity Rate as of the date of grant. The weighted-average fair value of stock options granted during the year ended December 31, 2012, 2011 and 2010 was $1.90, $1.81 and $0.67 per share, respectively.

The Company calculated employee stock-based compensation expense based on awards ultimately expected to vest and reduced it for estimated forfeitures. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

The following table summarizes the consolidated stock-based compensation expense by line items in the consolidated statement of operations:

	Year Ended December 31,		
	2012	2011	2010
Research and development	$ 3,491	$1,387	$ 480
Sales and marketing	386	351	217
General and administrative	1,945	1,372	871
Total stock-based compensation expense	$5,822	$3,110	$1,568

The above table includes compensation expense attributable to the contingent consideration potentially issuable to the Blammo employees who were former shareholders of Blammo, which is recorded as research and development expense over the term of the earn-out periods, since these employees are primarily employed in product development. The Company re-measures the fair value of the contingent consideration each reporting period and only records a compensation expense for the portion of the earn-out target which is likely to be achieved. In addition, the Company is exposed to potential continued fluctuations in the fair market value of the contingent consideration in each reporting period, since re-measurement is impacted by changes in the Company's share price and the assumptions used by the Company; see Note 3 for further details. The total fair value of this liability has been estimated at $2,242 and $1,176 as of December 31, 2012 and 2011, respectively, of which $1,549 and $551 of stock-based compensation expense has been recorded during the years ended December 31, 2012 and 2011, respectively.

Consolidated net cash proceeds from option exercises were $1,357, $1,633 and $287 for the year ended December 31, 2012, 2011 and 2010, respectively. The Company realized no significant income tax benefit from stock option exercises during the year ended December 31, 2012, 2011 and 2010. As required, the Company presents excess tax benefits from the exercise of stock options, if any, as financing cash flows rather than operating cash flows.

At December 31, 2012, the Company had $7,300 of total unrecognized compensation expense under ASC 718, net of estimated forfeitures and excluding unvested Blammo stock-based contingent consideration expense, which will be recognized over a weighted-average period of 2.73 years. As permitted by ASC 718, the Company has deferred the recognition of its excess tax benefit from non-qualified stock option exercises.

Restricted Stock

The Company did not grant any restricted stock options during the years ended December 31, 2012, 2011 or 2010.

401(k) Defined Contribution Plan

The Company sponsors a 401(k) defined contribution plan covering all employees. The Company does not match the contributions made by its employees.

NOTE 11 — INCOME TAXES

The components of loss before income taxes by tax jurisdiction were as follows:

	Year Ended December 31,		
	2012	2011	2010
United States	$ (6,745)	$(25,159)	$(14,527)
Foreign	(15,708)	4,672	1,813
Loss before income taxes	$ (22,453)	$ (20,487)	$ (12,714)

The components of income tax provision were as follows:

	Year Ended December 31,		
	2012	2011	2010
Current:			
Federal	$ —	$ —	$ —
State	(4)	(2)	(3)
Foreign	913	(2,698)	(1,311)
	909	(2,700)	(1,314)
Deferred:			
Federal	497	1,452	—
State	64	211	—
Foreign	524	423	605
	1,085	2,086	605
Total:			
Federal	497	1,452	—
State	60	209	(3)
Foreign	1,437	(2,275)	(706)
	$1,994	$ (614)	$ (709)

The difference between the actual rate and the federal statutory rate was as follows:

	Year Ended December 31,		
	2012	2011	2010
Tax at federal statutory rate	34.0%	34.0%	34.0%
State tax, net of federal benefit	0.3	1.0	—
Foreign rate differential	(0.6)	1.4	0.4
Research and development credit	—	2.1	1.5
Acquired in-process research and development	—	—	0.3
United Kingdom research and development refund	—	—	1.1
Withholding taxes	(0.3)	(0.1)	(3.7)
Goodwill impairment	(5.5)	—	—
Stock-based compensation	(2.7)	(1.3)	(1.0)
Non-deductible intercompany bad debt	(16.5)	—	—
FIN 48 interest and release	10.0	(0.4)	(1.8)
Other	(0.7)	(0.4)	1.7
Valuation allowance	(9.1)	(39.3)	(38.1)
Effective tax rate	8.9%	(3.0)%	(5.6)%

During 2012, the Company's United Kingdom subsidiary recognized an intercompany bad debt expense of approximately $10,870 that is non-tax deductible for United Kingdom tax purposes.

Deferred tax assets and liabilities consist of the following:

	December 31, 2012			December 31, 2011		
	US	Foreign	Total	US	Foreign	Total
Deferred tax assets:						
Fixed assets	$ 571	$ 1,501	$ 2,072	$ 644	$ 1,587	$ 2,231
Net operating loss carryforwards	32,795	12,207	45,002	31,318	13,677	44,995
Accruals, reserves and other	3,605	121	3,726	4,821	96	4,917
Foreign tax credit	6,086	—	6,086	5,767	—	5,767
Stock-based compensation	2,723	58	2,781	1,748	65	1,813
Research and development credit	2,839	—	2,839	3,143	—	3,143
Other	2,873	11	2,884	2,573	12	2,585
Total deferred tax assets	$51,492	$ 13,898	$ 65,390	$ 50,014	$ 15,437	$ 65,451
Deferred tax liabilities:						
Macrospace, MIG and iFone intangible assets	$ —	$ (498)	$ (498)	$ —	$ (931)	$ (931)
GameSpy intangible assets	(506)	—	(506)	—	—	—
Blammo intangible assets	—	(261)	(261)	—	(429)	(429)
Griptonite intangible assets	(949)	—	(949)	(2,149)	—	(2,149)
Fixed assets	—	—	—	—	—	—
Other	—	(9)	(9)	—	(10)	(10)
Net deferred tax assets	50,037	13,130	63,167	47,865	14,067	61,932
Less valuation allowance	(50,037)	(13,674)	(63,711)	(47,865)	(15,150)	(63,015)
Net deferred tax liability	$ —	$ (544)	$ (544)	$ —	$ (1,083)	$ (1,083)

The Company has not provided deferred taxes on unremitted earnings attributable to foreign subsidiaries because these earnings are intended to be reinvested indefinitely. No deferred tax asset was recognized since the Company does not believe the deferred tax asset will reverse in the foreseeable future. The amount of accumulated foreign earnings of the Company's foreign subsidiaries total $2,536 as of December 31, 2012. If the Company's foreign earnings were repatriated, additional tax expense might result. The Company determined that the calculation of the amount of unrecognized deferred tax liability related to these cumulative unremitted earnings attributable to foreign subsidiaries is not practicable. The Company recorded a release of its valuation allowance of $562 and $1,702 during 2012 and 2011. This release is associated with the acquisitions of GameSpy in August 2012 and Griptonite in August 2011. Pursuant to ASC 805-740, changes in the Company's valuation allowance that stem from a business combination should be recognized as an element of the Company's deferred income tax expense or benefit. In accordance with ASC 740 and based on all available evidence on a jurisdictional basis, the Company believes that, it is more likely than not that its deferred tax assets will not be utilized, and has recorded a full valuation allowance against its net deferred tax assets in each of its jurisdictions except for one entity in China. The Company assesses on a periodic basis the likelihood that it will be able to recover its deferred tax assets. The Company considers all available evidence, both positive and negative, including historical levels of income or losses, expectations and risks associated with estimates of future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for the valuation allowance. If it is not more likely than not that the Company expects to recover its deferred tax assets, the Company will increase its provision for taxes by recording a valuation allowance against the deferred tax assets that it estimates will not ultimately be recoverable. The available negative evidence at December 31, 2012 included historical and projected future operating losses. As a result, the Company concluded that an additional valuation allowance of $696, net of the described releases, was required to reflect the gross increase in its deferred tax assets prior to valuation allowance during 2012. As of December 31, 2012, the Company considered it more likely than not that its deferred tax assets would not be realized with their respective carryforward periods.

At December 31, 2012, the Company has net operating loss carryforwards of approximately $86,265 and $78,694 for federal and state tax purposes, respectively. These carryforwards will expire from 2013 to 2032. In addition, the Company has research and development tax credit carryforwards of approximately $2,839 for federal income tax purposes and $3,369 for California tax purposes. The federal research and development tax credit carryforwards will begin to expire in 2022. The California state research credit will carry forward indefinitely. The Company has approximately $6,078 of foreign tax credits that will begin to expire in 2017, and approximately $12 of state alternative minimum tax credits that will carryforward indefinitely. The Company's ability to use its net operating loss carryforwards and federal and state tax credit carryforwards to offset future taxable income and future taxes, respectively, may be subject to restrictions attributable to equity transactions that result in changes in ownership as defined by Internal Revenue Code Section 382.

In addition, at December 31, 2012, the Company has net operating loss carryforwards of approximately $49,829 for United Kingdom tax purposes that are all limited and can only offset a portion of the annual combined profits in the United Kingdom until the net operating losses are fully utilized.

A reconciliation of the total amounts of unrecognized tax benefits was as follows:

	Year Ended December 31,	
	2012	2011
Beginning balance	$ 4,034	$ 3,326
Reductions of tax positions taken during previous years	(631)	(82)
Additions based on uncertain tax positions related to the current period	410	740
Additions based on uncertain tax positions related to prior periods	813	50
Ending balance	$ 4,626	$ 4,034

The total unrecognized tax benefits as of December 31, 2012 and 2011 include approximately $3,104 and $2,694, respectively of unrecognized tax benefits that have been netted against deferred tax assets. As of December 31, 2012, approximately $817 of unrecognized tax benefits, if recognized, would impact the Company's effective tax rate. A portion of this amount, if recognized, would adjust the Company's deferred tax assets which are subject to valuation allowance. As of December 31, 2011, approximately $19 of unrecognized tax benefits, if recognized, would impact the Company's effective tax rate. In addition, as of December 31, 2012, the liability for uncertain tax positions decreased by approximately $631 due to the release of uncertain tax positions in the second quarter of 2012, as certain statutes of limitation in foreign jurisdictions in which the Company does business expired. Furthermore, as of December 31, 2012, the liability for uncertain tax positions increased by approximately $813 due to utilization of net operating losses related to prior periods in one of the Company's foreign jurisdictions in the fourth quarter of 2012. At December 31, 2012, the Company anticipated that the liability for uncertain tax positions, excluding interest and penalties, could decrease by approximately $1,516 within the next twelve months due to the expiration of certain statutes of limitation in foreign jurisdictions in which the Company does business.

The Company's policy is to recognize interest and penalties related to unrecognized tax benefits in income tax expense. The Company has accrued $2,348 of interest and penalties on uncertain tax positions as of December 31, 2012, as compared to $3,935 as of December 31, 2011. Approximately $182, $248 and $239 of accrued interest and penalty expense related to estimated obligations for unrecognized tax benefits was recognized during 2012, 2011 and 2010 respectively. During 2012, the Company released $1,798 of interest and penalties on uncertain tax positions due to the expiration of certain statutes of limitation in foreign jurisdictions in which the Company does business.

The Company is subject to taxation in the United States and various foreign jurisdictions. The material jurisdictions subject to examination by tax authorities are primarily the State of California, United States, United Kingdom Canada and China. The Company's federal and California tax returns are open by statute for tax years 2002 and forward and could be subject to examination by the tax authorities. The statute of limitations for the Company's 2010 and 2011 tax returns for the various entities in the United Kingdom will close in 2013. The Company's China income tax returns are open by statute for tax years 2007 and forward.

NOTE 12 — SEGMENT REPORTING

ASC 280, *Segment Reporting* ("ASC 280"), establishes standards for reporting information about operating segments. It defines operating segments as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company's chief operating decision-maker is its Chief Executive Officer. The Company's Chief Executive Officer reviews selected financial information on a geographic basis; however this information is included within one operating segment for purposes of allocating resources and evaluating financial performance.

Accordingly, the Company reports as a single reportable segment—mobile games. For purpose of enterprise-wide disclosures, a breakdown of the Company's total sales to customers in the feature phone and smartphone markets is shown below:

	Year Ended December 31,		
	2012	2011	2010
Feature phone	$13,135	$ 31,091	$54,475
Smartphone	74,358	35,094	9,870
	$87,493	$66,185	$ 64,345

For purposes of enterprise-wide disclosures, the Company attributes revenues to geographic areas based on the country in which the distributor's, advertising service provider's or carrier's principal operations are located. In the case of digital storefronts, revenues are attributed to the geographic location where the end-user makes the purchase. The Company generates its revenues in the following geographic regions:

	Year Ended December 31,		
	2012	2011	2010
United States of America	$ 48,172	$ 32,998	$28,909
Americas, excluding the USA	4,142	6,085	9,385
EMEA	17,971	18,526	17,332
APAC	17,208	8,576	8,719
	$ 87,493	$66,185	$ 64,345

The Company attributes its long-lived assets, which primarily consist of property and equipment, to a country primarily based on the physical location of the assets. Property and equipment, net of accumulated depreciation and amortization, summarized by geographic location was as follows:

	Year Ended December 31,		
	2012	2011	2010
Americas	$ 3,649	$3,101	$1,013
EMEA	1,092	420	714
APAC	285	413	407
	$5,026	$3,934	$2,134

NOTE 13 — RESTRUCTURING

Restructuring information as of December 31, 2012 was as follows:

	Restructuring						
	2012	2011		2010		2009	
	Workforce	Workforce	Facilities Related	Workforce	Facilities Related	Facilities Related	Total
Balance as of January 1, 2011	—	$ —	—	296	1,585	581	$ 2,462
Charges to operations	—	548	96	41	—	—	685
Non Cash Adjustments	—	—	(86)	(117)	—	(23)	(226)
Charges settled in cash	—	(548)	(10)	(220)	(932)	(324)	(2,034)
Balance as of December 31, 2011	—	—	—	—	653	234	887
Charges to operations	1,371	—	—	—	—	—	1,371
Charges settled in cash	(1,367)	—	—	—	(653)	(234)	(2,254)
Balance as of December 31, 2012	$ 4	$ —	$ —	$ —	$ —	$ —	$ 4

During 2009, 2010, 2011 and 2012, the Company's management approved restructuring plans to improve the effectiveness and efficiency of its operating model and reduce operating expenses around the world. The 2012 restructuring plans included $1,371 of restructuring charges relating to employee termination costs in the Company's APAC, Brazil and Kirkland, Washington offices and a reduction of executive sales and marketing headcount in the United States and Spain. The 2011 restructuring plans included $548 of restructuring charges relating to employee termination costs in the Company's APAC, Latin America, Russia and United Kingdom offices. The remaining restructuring charge of $96 related primarily to facility-related charges resulting from vacating a portion of the Company's Moscow offices. Since the inception of the 2010 restructuring plan through December 31, 2012, the Company incurred $1,581 of restructuring charges relating to employee termination costs in the Company's United States, APAC, Latin America and United Kingdom offices. The Company also incurred additional facility-related restructuring charges of $1,854 related primarily to the relocation of the Company's corporate headquarters to San Francisco. The Company does not expect to incur any additional charges under the 2011, 2010 and 2009 restructuring plans.

As of December 31, 2012, the Company's remaining restructuring liability of $4 was comprised primarily of employee termination costs which were fully paid in the first quarter of 2013. As of December 31, 2011, the Company's remaining restructuring liability of $887 was comprised of facility related costs and was fully paid down during 2012. The Company anticipates incurring additional termination costs of approximately $450 in 2013 in connection with other restructuring activities implemented in the first quarter of 2013 in order to better align sales and marketing and research and development expenses with the Company's current business strategy and to finalize the closure of its Brazil office.

NOTE 14 — QUARTERLY FINANCIAL DATA (unaudited, in thousands)

The following table sets forth unaudited quarterly consolidated statements of operations data for 2011 and 2012. The Company derived this information from its unaudited consolidated financial statements, which it prepared on the same basis as its audited consolidated financial statements contained in this report. In its opinion, these unaudited statements include all adjustments, consisting only of normal recurring adjustments that the Company considers necessary for a fair statement of that information when read in conjunction with the consolidated financial statements and related notes included elsewhere in this report. The operating results for any quarter should not be considered indicative of results for any future period.

	For the Three Months Ended							
	2011				2012			
	March 31	June 30	September 30	December 31	March 31	June 30	September 30	December 31
	(In thousands)							
Revenues	$ 16,426	$ 17,680	$ 16,905	$ 15,174	$ 21,544	$ 23,621	$ 21,347	$ 20,981
Cost of revenues:								
Royalties and other cost of revenues	3,469	3,121	3,223	2,576	2,557	2,137	2,194	2,052
Impairment of prepaid royalties and guarantees	371	—	160	—	—	—	—	—
Amortization of intangible assets	817	703(a)	2,375	1,552	753	932	1,025	1,073
Total cost of revenues	4,657	3,824	5,758	4,128	3,310	3,069	3,219	3,125
Gross profit	11,769	13,856	11,147	11,046	18,234	20,552	18,128	17,856
Operating expenses:								
Research and development	7,166	8,439(b)	10,808(b)	12,660(d)	15,033	15,697(d)	9,979	13,566
Sales and marketing	3,757	3,344	3,576	3,930	4,375	4,701	5,545	6,272
General and administrative	2,934	3,506	3,748	3,814	4,366	4,556	2,466	3,356
Amortization of intangible assets	—	—	330	495	495	495	495	495
Impairment of goodwill	—	—	—	—	—	— (f)	3,613	—
Restructuring charge	490	147	—	(92)	—	320	213	838
Total operating expenses	14,347	15,436	18,462	20,807	24,269	25,769	22,311	24,527
Income (loss) from operations	(2,578)	(1,580)	(7,315)	(9,761)	(6,035)	(5,217)	(4,183)	(6,671)
Interest and other income (expense), net	180	329	344	(106)	(366)	210	(455)	264
Loss before income taxes	(2,398)	(1,251)	(6,971)	(9,867)	(6,401)	(5,007)	(4,638)	(6,407)
Income tax benefit (provision)	(774)	(501)(c)	813	(152)	(440)(e)	2,019(e)	1,075	(660)
Net loss	$ (3,172)	$ (1,752)	$ (6,158)	$ (10,019)	$ (6,841)	$ (2,988)	$ (3,563)	$ (7,067)
Net loss per share — basic and diluted	$ (0.06)	$ (0.03)	$ (0.10)	$ (0.16)	$ (0.11)	$ (0.05)	$ (0.06)	$ (0.11)

(a) Amortization of intangible assets of $2,375 in the third quarter of 2011 was driven by increased amortization expense associated with intangible assets acquired in the acquisitions of Griptonite and Blammo.

(b) Research and development expense of $10,808 and $12,660 in the third and fourth quarters of 2011 were related to additional personnel and facility costs associated with the acquisitions of Griptonite and Blammo.

(c) The income tax benefit of $813 in the third quarter of 2011 was due primarily to the release of the valuation allowance associated with the acquisition of Griptonite.

(d) Changes in the research and development expense from $15,033 in the first quarter of 2012 and $9,979 in the third quarter of 2012 was due primarily to changes in the fair market value of contingent consideration issued to employees who are former shareholders of Blammo.

(e) The income tax benefit of $2,019 in the second quarter of 2012 was due primarily to the release of uncertain tax positions in certain foreign jurisdictions due to the expiration of the statute of limitations. The income tax benefit of $1,075 in the third quarter of 2012 was due primarily to the release of the GameSpy valuation allowance upon acquisition and changes in pre-tax income in certain foreign entities.

(f) The goodwill impairment charge of $3,613 in the third quarter of 2012 was due to a decline in the estimated fair value of the APAC reporting unit attributable to an accelerated decline in the local feature phone business and the recent restructuring of the Company's operations in the region.

NOTE 15 — RELATED PARTY TRANSACTIONS

Hany Nada, one of the Company's directors, serves as one of the seven managing directors of Granite Global Ventures II L.L.C., the general partner of each of Granite Global Ventures II L.P. and GGV II Entrepreneurs Fund L.P., which together beneficially owned approximately 8.7% of the Company's stock as of December 31, 2012. Hany Nada also serves as one of the seven managing directors of GGV Capital IV L.L.C., the general partner of each of GGV Capital IV L.P. and GGV Capital IV Entrepreneurs Fund L.P. (together, "GGV IV"). During October and December 2012, GGV IV acquired an approximate 33.7% shareholding in Medium Entertainment, which does business as PlayHaven ("Medium") and Hany Nada became a member of the Board of Directors. The Company had a preexisting relationship with Medium as of the date of GGV IV's investment in Medium, and for 2012, the Company generated revenues of $6,285 from Medium. As of December 31, 2012, Medium accounted for 13.2% of the Company's total accounts receivable balance.

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2012, our disclosure controls and procedures are designed to provide reasonable assurance and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2011 based on the guidelines established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the results of this evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2012 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles.

The scope of management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2012 excluded GameSpy Industries Inc. because we acquired the company through a business combination in 2012. GameSpy Industries' total assets and total revenues represented 0.9% and 1.2%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2012.

The effectiveness of our internal control over financial reporting as of December 31, 2012 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report appearing on page 48.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our fourth fiscal quarter ended December 31, 2012 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. ***OTHER INFORMATION***

On January 25, 2013, we terminated our publisher agreement with Tapjoy, Inc., under which Tapjoy provides incented offers to players of our freemium games. The termination was to be effective as of March 1, 2013. On February 26, 2013, we and Tapjoy entered into an amendment to the publisher agreement (the "Tapjoy Amendment"), under which our termination letter was nullified and the term of the agreement was extended through March 1, 2014. We have filed the Tapjoy Amendment as an exhibit to this report.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

Except for information about our executive officers, the information required for this Item 10 is incorporated by reference from our Proxy Statement to be filed in connection with our 2013 Annual Meeting of Stockholders. For information with respect to our executive officers, see "Executive Officers" at the end of Part I, Item 1 of this report.

We maintain a Code of Business Conduct and Ethics that applies to all employees, officers and directors. Our Code of Business Conduct and Ethics is published on our website at www.glu.com/investors. We disclose on our website amendments to certain provisions of our Code of Business Conduct and Ethics, or waivers of such provisions granted to executive officers and directors.

Item 11. ***Executive Compensation***

The information required for this Item is incorporated by reference from our Proxy Statement to be filed for our 2013 Annual Meeting of Stockholders.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required for this Item is incorporated by reference from our Proxy Statement to be filed for our 2013 Annual Meeting of Stockholders.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information required for this Item is incorporated by reference from our Proxy Statement to be filed for our 2013 Annual Meeting of Stockholders.

Item 14. ***Principal Accounting Fees and Services***

The information required for this Item is incorporated by reference from our Proxy Statement to be filed for our 2013 Annual Meeting of Stockholders.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a)(1) Financial Statements: The financial statements filed as part of this report are listed on the index to financial statements on page 47.

(2) Financial Schedules: All schedules have been omitted because they are not required, not applicable, not present in amounts sufficient to require submission of the schedule, or the required information is otherwise included.

(b) Exhibits. The exhibits listed on the Exhibit Index (following the Signatures section of this report) are included, or incorporated by reference, in this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GLU MOBILE INC.

Date: March 15, 2013

By: /s/ Niccolo M. de Masi
Niccolo M. de Masi, President and Chief Executive Officer

Date: March 15, 2013

By: /s/ Eric R. Ludwig
Eric R. Ludwig, Executive Vice President and Chief Financial Officer

POWER OF ATTORNEY

By signing this Annual Report on Form 10-K below, I hereby appoint each of Niccolo M. de Masi, Eric R. Ludwig and Scott J. Leichtner as my attorney-in-fact to sign all amendments to this Form 10-K on my behalf, and to file this Form 10-K (including all exhibits and other documents related to the Form 10-K) with the Securities and Exchange Commission. I authorize each of my attorneys-in-fact to (1) appoint a substitute attorney-in-fact for himself and (2) perform any actions that he believes are necessary or appropriate to carry out the intention and purpose of this Power of Attorney. I ratify and confirm all lawful actions taken directly or indirectly by my attorneys-in-fact and by any properly appointed substitute attorneys-in-fact.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacity and on the dates indicated.

Signature	Title	Date
/s/ Niccolo M. de Masi Niccolo M. de Masi	President, Chief Executive Officer and Director (Principal Executive Officer)	March 15, 2013
/s/ Eric R. Ludwig Eric R. Ludwig	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 15, 2013
/s/ William J. Miller William J. Miller	Chairman of the Board	March 15, 2013
/s/ Matthew A. Drapkin Matthew A. Drapkin	Director	March 15, 2013
/s/ Ann Mather Ann Mather	Director	March 15, 2013
/s/ Hany M. Nada Hany M. Nada	Director	March 15, 2013
/s/ A. Brooke Seawell A. Brooke Seawell	Director	March 15, 2013
/s/ Benjamin T. Smith, IV Benjamin T. Smith, IV	Director	March 15, 2013

Exhibit Index

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
2.01	Agreement and Plan of Merger, dated as of August 2, 2011 by and among Glu Mobile Inc., Granite Acquisition Corp., Foundation 9 Entertainment, Inc. and Griptonite, Inc.	8-K	001-33368	2.01	08/02/11	
2.02	Amendment No. 1 to Agreement and Plan of Merger, dated as of August 2, 2011 by and among Glu Mobile Inc., Granite Acquisition Corp., Foundation 9 Entertainment, Inc. and Griptonite, Inc.	8-K	001-33368	2.01	08/15/11	
2.03	Share Purchase Agreement, dated as of August 1, 2011, by and among Glu, Blammo Games Inc. and each of the owners of the outstanding share capital of Blammo.	8-K	001-33368	2.02	08/02/11	
2.04	Agreement and Plan of Merger, dated as of August 2, 2012 by and among Glu Mobile Inc., Galileo Acquisition Corp, IGN Entertainment, Inc. and GameSpy Industries, Inc.	10-Q	001-33368	2.01	11/09/12	
3.01	Restated Certificate of Incorporation of Glu Mobile Inc.	S-1/A	333-139493	3.02	02/14/07	
3.02	Amended and Restated Bylaws of Glu Mobile Inc.	8-K	001-33368	99.01	10/28/08	
4.01	Form of Registrant's Common Stock Certificate.	S-1/A	333-139493	4.01	02/14/07	
10.01#	Form of Indemnity Agreement entered into between Glu Mobile Inc. and each of its directors and executive officers, effective as of June 15, 2009.	8-K	001-33368	10.01	06/15/09	
10.02#	2001 Stock Option Plan, form of option grant used from December 19, 2001 to May 2, 2006, form of option grant used from December 8, 2004 to May 2, 2006 and forms of option grant used since May 2, 2006.	S-1/A	333-139493	10.02	01/22/07	
10.03(A)#	2007 Equity Incentive Plan, as amended.	8-K	001-33368	99.01	06/07/11	
10.03(B)#	For the 2007 Equity Incentive Plan, forms of (a) Notice of Stock Option Grant, Stock Option Award Agreement and Stock Option Exercise Agreement, (b) Notice of Restricted Stock Award and Restricted Stock Agreement, (c) Notice of Stock Appreciation Right Award and Stock Appreciation Right Award Agreement, (d) Notice of Restricted Stock Unit Award and Restricted Stock Unit Agreement and (e) Notice of Stock Bonus Award and Stock Bonus Agreement.	S-1/A	333-139493	10.03	02/16/07	
10.04#	2007 Employee Stock Purchase Plan, as amended and restated on August 1, 2011.	10-K	001-33368	10.04	03/14/12	
10.05#	2008 Equity Inducement Plan, as amended and restated on November 13, 2012.					X
10.05(B)#	For the 2008 Equity Inducement Plan, forms of Notice of Stock Option Grant, Stock Option Award Agreement and Stock Option Exercise Agreement.	10-K	001-33368	10.05	03/21/10	
10.06#	Forms of Stock Option Award Agreement (Immediately Exercisable) and Stock Option Exercise Agreement (Immediately Exercisable) under the Glu Mobile Inc. 2007 Equity Incentive Plan.	10-Q	001-33368	10.05	08/14/08	

10.07#	Employment Agreement between Glu Mobile Inc. and Niccolo M. de Masi, dated December 28, 2009.	8-K	001-33368	99.02	01/04/10	
10.08#	Summary of Compensation Terms of Niccolo M. de Masi.	8-K	001-33368	—	12/14/12	
10.9#	Change of Control Severance Agreement, dated as of December 28, 2009, by and between Glu Mobile Inc. and Niccolo M. de Masi.	8-K	001-33368	99.03	01/04/10	
10.10#	Amendment, dated as of July 7, 2011, to Change of Control and Severance Agreement between Glu Mobile Inc. and Niccolo M. de Masi, dated as of , December 28, 2009.	10-Q	001-33368	10.01	11/14/11	
10.11#	Summary of Compensation Terms of Eric R. Ludwig.	8-K	001-33368	—	12/14/12	
10.12#	Change of Control Severance Agreement, dated as of October 10, 2008, between Glu Mobile Inc. and Eric R. Ludwig.	10-K	001-33368	10.09	03/13/09	
10.13#	Amendment, dated as of July 7, 2011, to Change of Control and Severance Agreement between Glu Mobile Inc. and Eric R. Ludwig, dated as of October 10, 2008.	10-Q	001-33368	10.02	11/14/11	
10.14#	Summary of Compensation Terms of Scott J. Leichtner.	8-K	001-33368	—	12/14/12	
10.15#	Summary of Change of Control Severance Arrangement between Glu Mobile Inc. and Scott J. Leichtner, dated as of July 7, 2011.					X
10.16#	Offer Letter between Glu Mobile Inc. and Matthew Ricchetti, dated as of October 8, 2012.					X
10.17#	Glu Mobile Inc. 2012 Executive Bonus Plan.	8-K	001-33368	99.01	12/12/11	
10.18#	Glu Mobile Inc. 2013 Executive Bonus Plan.	8-K/A	001-33368	99.01	01/18/13	

10.19#	Summary of Non-Employee Director Compensation Program, adopted on October 4, 2012.					X
10.20	Sublease, dated as of September 29, 2010, by and between BlackRock Institutional Trust Company and Glu Mobile Inc.	8-K	001-33368	99.01	10/04/10	
10.21	First Amendment to Sublease, dated as of September 29, 2010, by and between BlackRock Institutional Trust Company and Glu Mobile Inc.	8-K	001-33368	99.02	10/04/10	
10.22	Lease Agreement by and among Foundation 9 Entertainment, Inc., Griptonite, Inc. and Marymoor Warehouse Associates, LLC, dated as of November 5, 2007	10-Q	001-33368	10.05	11/14/11	
10.23	Second Amendment to Lease Agreement, dated as of August 9, 2012, to the Lease Agreement by and among Glu Mobile Inc. and Marymoor Warehouse Associates, LLC, dated as of November 5, 2007.	10-Q	001-33368	2.01	11/09/12	
10.24	Form of Warrant dated as of May 2, 2006 by and between Pinnacle Ventures I Equity Holdings LLC and Glu Mobile Inc., by and between Pinnacle Ventures I Affiliates, L.P. and Glu Mobile Inc., and by and between Pinnacle Ventures II Equity Holdings, LLC and Glu Mobile Inc.	S-1	333-139493	10.20	12/19/06	
10.25	Purchase Agreement, dated as of June 30, 2010, by and between Glu Mobile Inc. and certain PIPE investors.	8-K	001-33368	99.01	07/06/10	
10.26	Form of Warrant by and between Glu Mobile Inc. and certain PIPE investors.	8-K	001-33368	4.01	07/06/10	
10.27	iOS Developer Program License Agreement between Glu Games Inc. and Apple Inc., as amended to date.					X
10.28	Android Market Developer Distribution Agreement between Glu Games Inc. and Google Inc., as amended to date.					X
10.29+	Publisher Agreement, dated as of March 15, 2012, by and between Glu Games Inc. and Tapjoy, Inc.	10-Q	011-33368	10.01	05/10/12	
10.30++	Amendment No. 1 to Publisher Agreement, entered into as of February 26, 2013, by and between Glu Games Inc. and Tapjoy, Inc.					X
10.31+	License Agreement, dated as of March 31, 2012, by and between Glu Mobile Inc. and Atari, Inc.	10-Q/A	001-33368	10.01	10/12/12	
10.32+	Trademark and Domain Name Assignment and License Agreement, dated as of March 31, 2012, by and between Glu Mobile Inc. and Atari Inc.	10-Q	001-33368	10.02	08/09/12	
10.33++	Unity Technologies Software License Agreement between Glu Mobile Inc. and Unity Technologies ApS, dated as of October 29, 2012.					X
21.01	List of Subsidiaries of Glu Mobile Inc.					X
23.01	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm.					X

24.01	Power of Attorney (see the Signature Page to this report).	
31.01	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rule 13a-14(a).	X
31.02	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rule 13a-14(a).	X
32.01	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350 and Securities Exchange Act Rule 13a-14(a)/15d-14(a).*	X
32.02	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 and Securities Exchange Act Rule 13a-14(a)/15d-14(a). *	X
101.INS†	XBRL Report Instance Document	
101.SCH†	XBRL Taxonomy Extension Schema Document	
101.CAL†	XBRL Taxonomy Calculation Linkbase Document	
101.LAB†	XBRL Taxonomy Label Linkbase Document	
101.PRE†	XBRL Presentation Linkbase Document	
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document	

# Indicates a management compensatory plan or arrangement.
+ Certain portions of this exhibit have been omitted and have been filed separately with the SEC pursuant to an order granting confidential treatment issued by the SEC under Rule 24b-2 as promulgated under the Exchange Act.
++ Certain portions of this exhibit have been omitted and have been filed separately with the SEC pursuant to a request for confidential treatment under Rule 24b-2 as promulgated under the Exchange Act.
† Indicates furnished herewith.
* This certification is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that Glu Mobile Inc. specifically incorporates it by reference.

EXHIBIT 10.05

GLU MOBILE INC.

2008 Equity Inducement Plan

(adopted by the Committee on March 13, 2008)

(as amended and restated through November 13, 2012)

1. PURPOSE. The purpose of this Plan is to provide incentives to attract, retain and motivate eligible persons whose potential contributions are important to the success of the Company, and any Parents and Subsidiaries that exist now or in the future, by offering them an opportunity to participate in the Company's future performance through the grant of Awards. Capitalized terms not defined elsewhere in the text are defined in Section 19.

2. SHARES SUBJECT TO THE PLAN.

2.1 Number of Shares Available. Subject to Section 2.3 and any other applicable provisions hereof, the total number of Shares reserved and available for grant and issuance pursuant to this Plan is the aggregate of (1) 600,000 Shares reserved as of the Effective Date of the Plan, (2) an additional 819,245 Shares reserved as of December 28, 2009, (3) an additional 1,050,000 Shares reserved as of August 1, 2011 and (4) an additional 300,000 Shares reserved as of November 13, 2012, plus Shares subject to Awards, and Shares issued upon exercise of Awards, will again be available for grant and issuance in connection with subsequent Awards under this Plan to the extent such Shares: (i) are subject to issuance upon exercise of an Option granted under this Plan but which cease to be subject to the Option for any reason other than exercise of the Option; (ii) are subject to Awards granted under this Plan that are forfeited or are repurchased by the Company at the original issue price; (iii) are surrendered pursuant to an Exchange Program; or (iv) are subject to Awards granted under this Plan that otherwise terminate without such Shares being issued. Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan.

2.2 Minimum Share Reserve. At all times the Company shall reserve and keep available a sufficient number of Shares as shall be required to satisfy the requirements of all outstanding Awards granted under this Plan and all other outstanding but unvested Awards granted under this Plan.

2.3 Adjustment of Shares. If the number of outstanding Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company, without consideration, then (a) the number of Shares reserved for issuance and future grant under the Plan set forth in Section 2.1 and (b) the Exercise Prices of and number of Shares subject to outstanding Awards, shall be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and in compliance with applicable securities laws; provided that fractions of a Share will not be issued.

3. ELIGIBILITY. Awards may be granted only to persons who (a) were not previously an employee or director of the Company or any Parent or Subsidiary of the Company or (b) have completed a period of bona fide non-employment by the Company, and any Parent or Subsidiary of the Company; and then only as an incentive material to such persons entering into employment with the Company or any Parent or Subsidiary of the Company. A person eligible for an Award under this Plan may be granted more than one Award under this Plan.

4. ADMINISTRATION.

4.1 Committee Composition; Authority . This Plan will be administered by the Committee or by the Board acting as the Committee. Subject to the general purposes, terms and conditions of this Plan, and to the direction of the Board, the Committee will have full power to implement and carry out this Plan. Notwithstanding the foregoing, the grant of any Award shall not be effective unless: (i) if the grant is made by the Board, then it must be approved by a majority of the Outside Directors on the Board; and (ii) if the grant is made by the Committee, then the Committee must be comprised solely of Outside Directors (except as otherwise permitted under the rules of the NASD). The Committee will have the authority to:

(a) construe and interpret this Plan, any Award Agreement and any other agreement or document executed pursuant to this Plan;

(b) prescribe, amend and rescind rules and regulations relating to this Plan or any Award;

(c) select persons to receive Awards;

(d) determine the form and terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Committee will determine;

(e) determine the number of Shares or other consideration subject to Awards;

(f) determine the Fair Market Value in good faith, if necessary;

(g) determine whether Awards will be granted singly, in combination with, in tandem with, or as alternatives to, other Awards under this Plan or any other incentive or compensation plan of the Company or any Parent or Subsidiary of the Company;

(h) grant waivers of Plan or Award conditions;

(i) determine the vesting, exercisability and payment of Awards;

(j) correct any defect, supply any omission or reconcile any inconsistency in this Plan, any Award or any Award Agreement;

(k) determine whether an Award has been earned;

(l) determine the terms and conditions of any, and to institute any Exchange Program;

(m) reduce or waive any criteria with respect to Performance Factors;

(n) adjust Performance Factors to take into account changes in law and accounting or tax rules as the Committee deems necessary or appropriate; and

(o) make all other determinations necessary or advisable for the administration of this Plan.

4.2 Committee Interpretation and Discretion. Any determination made by the Committee with respect to any Award shall be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of the Plan or Award, at any later time, and such determination shall be final and binding on the Company and all persons having an interest in any Award under the Plan. Any dispute regarding the interpretation of the Plan or any Award Agreement shall be submitted by the Participant or Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and the Participant. The Committee may delegate to one or more executive officers the authority to review and resolve disputes with respect to Awards held by Participants who are not Insiders, and such resolution shall be final and binding on the Company and the Participant.

4.3 Section 16 of the Exchange Act. Awards granted to Insiders must be approved by two or more "non-employee directors" (as defined in the regulations promulgated under Section 16 of the Exchange Act).

5. OPTIONS. The Committee may grant Options to Participants, which will be Nonqualified Stock Options (" ***NQSOs***") and will determine the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may be exercised, and all other terms and conditions of the Option, subject to the following:

5.1 Option Grant. Each Option granted under this Plan will be an NQSO. An Option may be, but need not be, awarded upon satisfaction of such Performance Factors during any Performance Period as are set out in advance in the Participant's individual Award Agreement. If the Option is being earned upon the satisfaction of Performance Factors, then the Committee will: (x) determine the nature, length and starting date of any Performance Period for each Option; and (y) select from among the Performance Factors to be used to measure the performance, if any. Performance Periods may overlap and Participants may participate simultaneously with respect to Options that are subject to different performance goals and other criteria.

5.2 Date of Grant. The date of grant of an Option will be the date on which the Committee makes the determination to grant such Option, or a specified future date. The Award Agreement and a copy of this Plan will be delivered to the Participant within a reasonable time after the granting of the Option.

5.3 Exercise Period. Options may be exercisable within the times or upon the conditions as set forth in the Award Agreement governing such Option; provided, however, that no Option will be exercisable after the expiration of six (6) years from the date the Option is granted. The Committee also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Committee determines.

5.4 Exercise Price. The Exercise Price of an Option will be determined by the Committee when the Option is granted. Payment for the Shares purchased may be made in accordance with Section 6. The Exercise Price of a NQSO may be less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant in the Committee's discretion.

5.5 Method of Exercise. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Committee and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share. An Option will be deemed exercised when the Company receives: (i) notice of exercise (in such form as the Committee may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Full payment may consist of any consideration and method of payment authorized by the Committee and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 2.3 of the Plan. Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

5.6 Termination. The exercise of an Option will be subject to the following (except as may be otherwise provided in an Award Agreement):

(a) If the Participant is Terminated for any reason except for Cause or the Participant's death or Disability, then the Participant may exercise such Participant's Options only to the extent that such Options would have been exercisable by the Participant on the Termination Date no later than three (3) months after the Termination Date (or such shorter time period or longer time period not exceeding five (5) years as may be determined by the Committee), but in any event no later than the expiration date of the Options.

(b) If the Participant is Terminated because of the Participant's death (or the Participant dies within three (3) months after a Termination other than for Cause or because of the Participant's Disability), then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the Termination Date and must be exercised by the Participant's legal representative, or authorized assignee, no later than twelve (12) months after the Termination Date (or such shorter time period not less than six (6) months or longer time period not exceeding five (5) years as may be determined by the Committee), but in any event no later than the expiration date of the Options.

(c) If the Participant is Terminated because of the Participant's Disability, then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the Termination Date and must be exercised by the Participant (or the Participant's legal representative or authorized assignee) no later than twelve (12) months after the Termination Date, but in any event no later than the expiration date of the Options.

(d) If the Participant is Terminated for Cause, then Participant's Options shall expire on such Participant's Termination Date, or at such later time and on such conditions as are determined by the Committee, but in any event no later than the expiration date of the Options.

5.7 Limitations on Exercise. The Committee may specify a minimum number of Shares that may be purchased on any exercise of an Option, provided that such minimum number will not prevent any Participant from exercising the Option for the full number of Shares for which it is then exercisable.

5.8 Modification, Extension or Renewal. The Committee may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefor, provided that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted.

6. PAYMENT FOR SHARE PURCHASES.

Payment from a Participant for Shares purchased pursuant to this Plan may be made in cash or by check or, where expressly approved for the Participant by the Committee and where permitted by law (and to the extent not otherwise set forth in the applicable Award Agreement):

(a) by cancellation of indebtedness of the Company to the Participant;

(b) by surrender of shares of the Company held by the Participant that have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Award will be exercised or settled;

(c) by waiver of compensation due or accrued to the Participant for services rendered or to be rendered to the Company or a Parent or Subsidiary of the Company;

(d) by consideration received by the Company pursuant to a broker-assisted and/or same day sale (or other) cashless exercise program implemented by the Company in connection with the Plan;

(e) by any combination of the foregoing; or

(f) by any other method of payment as is permitted by applicable law.

7. WITHHOLDING TAXES.

7.1 Withholding Generally. Whenever Shares are to be issued in satisfaction of Awards granted under this Plan, the Company may require the Participant to remit to the Company an amount sufficient to satisfy applicable federal, state, local and international withholding tax requirements prior to the delivery of Shares pursuant to exercise of any Award. Whenever payments in satisfaction of Awards granted under this Plan are to be made in cash, such payment will be net of an amount sufficient to satisfy applicable federal, state, local and international withholding tax requirements.

7.2 Stock Withholding. The Committee, in its sole discretion and pursuant to such procedures as it may specify from time to time, may require or permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld, or (iii) delivering to the Company already-owned Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld. The Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

8. TRANSFERABILITY. Unless determined otherwise by the Committee, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution. If the Committee makes an Award transferable, such Award will contain such additional terms and conditions as the Committee deems appropriate. All Awards shall be exercisable: (i) during the Participant's lifetime only by (A) the Participant, or (B) the Participant's guardian or legal representative; and (ii) after the Participant's death, by the legal representative of the Participant's heirs or legatees

9. PRIVILEGES OF STOCK OWNERSHIP; VOTING AND DIVIDENDS . No Participant will have any of the rights of a shareholder with respect to any Shares until the Shares are issued to the Participant. After Shares are issued to the Participant, the Participant will be a shareholder and have all the rights of a shareholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares.

10. CERTIFICATES. All certificates for Shares or other securities delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions as the Committee may deem necessary or advisable, including restrictions under any applicable federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted.

11. ESCROW; PLEDGE OF SHARES. To enforce any restrictions on a Participant's Shares, the Committee may require the Participant to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated, and the Committee may cause a legend or legends referencing such restrictions to be placed on the certificates. Any Participant who is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under this Plan will be required to pledge and deposit with the Company all or part of the Shares so purchased as collateral to secure the payment of the Participant's obligation to the Company under the promissory note; provided, however, that the Committee may require or accept other or additional forms of collateral to secure the payment of such obligation and, in any event, the Company will have full recourse against the Participant under the promissory note notwithstanding any pledge of the Participant's Shares or other collateral. In connection with any pledge of the Shares, the Participant will be required to execute and deliver a written pledge agreement in such form as the Committee will from time to time approve. The Shares purchased with the promissory note may be released from the pledge on a pro rata basis as the promissory note is paid.

12. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE. An Award will not be effective unless such Award is in compliance with all applicable federal and state securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver certificates for Shares under this Plan prior to: (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and/or (b) completion of any registration or other qualification of such Shares under any state or federal law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any state securities laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so. This Plan shall not take effect until the fifteen (15) day period provided pursuant to Nasdaq rule 4310(c)(17) has expired.

13. NO OBLIGATION TO EMPLOY. Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent or Subsidiary of the Company or limit in any way the right of the Company or any Parent or Subsidiary of the Company to terminate Participant's employment or other relationship at any time.

14. CORPORATE TRANSACTIONS.

14.1 Assumption or Replacement of Awards by Successor. In the event of a Corporate Transaction any or all outstanding Awards may be assumed or replaced by the successor corporation, which assumption or replacement shall be binding on all Participants. In the alternative, the successor corporation may substitute equivalent Awards or provide substantially similar consideration to Participants as was provided to stockholders (after taking into account the existing provisions of the Awards). The successor corporation may also issue, in place of outstanding Shares of the Company held by the Participant, substantially similar shares or other property subject to repurchase restrictions no less favorable to the Participant. In the event such successor or acquiring corporation (if any) refuses to assume, convert, replace or substitute Awards, as provided above, pursuant to a Corporate Transaction, then notwithstanding any other provision in this Plan to the contrary, such Awards will expire on such transaction at such time and on such conditions as the Board (or, the Committee, if so designated by the Board) will determine; the Board (or, the Committee, if so designated by the Board) may, in its sole discretion, accelerate the vesting of such Awards in connection with a Corporate Transaction. In addition, in the event such successor or acquiring corporation (if any) refuses to assume, convert, replace or substitute Awards, as provided above, pursuant to a Corporate Transaction, the Committee will notify the Participant in writing or electronically that such Award will be exercisable for a period of time determined by the Committee in its sole discretion, and such Award will terminate upon the expiration of such period. Awards need not be treated similarly in a Corporate Transaction.

Notwithstanding anything to the contrary in this Section 14.1, the Committee, in its sole discretion, may grant Awards that provide for acceleration upon a Corporate Transaction or in other events in the specific Award Agreements.

14.2 Assumption of Awards by the Company. The Company, from time to time, also may substitute or assume outstanding awards granted by another company, whether in connection with an acquisition of such other company or otherwise, by either; (a) granting an Award under this Plan in substitution of such other company's award; or (b) assuming such award as if it had been granted under this Plan if the terms of such assumed award could be applied to an Award granted under this Plan.

15. TERM OF PLAN. Unless earlier terminated as provided herein, this Plan will become effective on the Effective Date and will terminate ten (10) years from the date this Plan is adopted by the Committee. This Plan and all Awards granted hereunder shall be governed by and construed in accordance with the laws of the State of Delaware.

16. AMENDMENT OR TERMINATION OF PLAN. The Board or Committee may at any time terminate or amend this Plan in any respect, including, without limitation, amendment of any form of Award Agreement or instrument to be executed pursuant to this Plan; provided, however, that the Board or Committee will not, without the approval of the shareholders of the Company, amend this Plan in any manner that requires such shareholder approval; provided further, that a Participant's Award shall be governed by the version of this Plan then in effect at the time such Award was granted.

17. NONEXCLUSIVITY OF THE PLAN. Neither the adoption of this Plan by the Committee, nor any provision of this Plan, will be construed as creating any limitations on the power of the Board or Committee to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock awards and bonuses otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

18. INSIDER TRADING POLICY. Each Participant who receives an Award shall comply with any policy adopted by the Company from time to time covering transactions in the Company's securities by Employees, officers and/or directors of the Company.

19. DEFINITIONS. As used in this Plan, and except as elsewhere defined herein, the following terms will have the following meanings:

"***Award***" means an Option awarded under the Plan.

"***Award Agreement***" means, with respect to each Award, the written or electronic agreement between the Company and the Participant setting forth the terms and conditions of the Award, which shall be in substantially a form (which need not be the same for each Participant) that the Committee has from time to time approved, and will comply with and be subject to the terms and conditions of this Plan.

"***Board***" means the Board of Directors of the Company.

"***Cause***" means (a) the commission of an act of theft, embezzlement, fraud, dishonesty, (b) a breach of fiduciary duty to the Company or a Parent or Subsidiary, or (c) a failure to materially perform the customary duties of Employee's employment.

"***Code***" means the United States Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"***Committee***" means the Compensation Committee of the Board or those persons to whom administration of the Plan, or part of the Plan, has been delegated as permitted by law, or an "independent compensation committee" (as such term is defined for purposes of the rules of the National Association of Securities Dealers, Inc.).

"***Company***" means Glu Mobile Inc., or any successor corporation.

"***Corporate Transaction***" means the occurrence of any of the following events: (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then-outstanding voting securities; (ii) the consummation of the sale or disposition by the Company of all or substantially all of the Company's assets; or (iii) the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

"***Director***" means a member of the Board.

"***Disability***" means total and permanent disability as defined in Section 22(e)(3) of the Code, provided, however, that the Committee in its discretion may determine whether a total and permanent disability exists in accordance with non-discriminatory and uniform standards adopted by the Committee from time to time, whether temporary or permanent, partial or total, as determined by the Committee.

"***Effective Date***" means the expiration of the fifteen (15) day waiting period following the adoption of the Plan by the Committee, as set forth in Section 12.

"***Employee***" means any person, including Officers, employed by the Company or any Parent or Subsidiary of the Company and who meets the eligibility requirements as set forth in Section 3.

"***Exchange Act***" means the United States Securities Exchange Act of 1934, as amended.

"***Exercise Price***" means the price at which a holder of an Award may purchase the Shares issuable upon exercise of an Award.

"***Exchange Program***" means a program pursuant to which outstanding Awards are surrendered, cancelled or exchanged for cash, the same type of Award or a different Award (or combination thereof).

"***Fair Market Value***" means, as of any date, the value of a share of the Company's Common Stock determined as follows:

(a) if such Common Stock is publicly traded and is then listed on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading as reported in *The Wall Street Journal* or such other source as the Board or the Committee deems reliable;

(b) if such Common Stock is publicly traded but is neither listed nor admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in *The Wall Street Journal* or such other source as the Board or the Committee deems reliable; or

(c) if none of the foregoing is applicable, by the Board or the Committee in good faith.

"***Insider***" means an officer or director of the Company or any other person whose transactions in the Company's Common Stock are subject to Section 16 of the Exchange Act.

"***Option***" means an award of an option to purchase Shares pursuant to Section 5.

"***Outside Director***" means a Director who is not an Employee of the Company or any Parent or Subsidiary and who is an "independent" director under the rules of the Nasdaq Stock Market, as may be amended from time to time.

"***Parent***" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of such corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

"***Participant***" means a newly hired Employee who receives an Award under this Plan at the time of his or her employment. The term "Participant" shall include individuals who were previously employed by the Company, or any Parent or Subsidiary of the Company, who have undergone a bona fide period of non-employment by the Company. The term "Participant" shall also include individuals who become Employees of the Company, or any Parent or Subsidiary of the Company, as the result of a merger or acquisition.

"***Performance Factors***" means the factors selected by the Committee, which may include, but are not limited to the, the following measures (whether or not in comparison to other peer companies) to determine whether the performance goals established by the Committee and applicable to Awards have been satisfied:

- Net revenue and/or net revenue growth;
- Earnings per share and/or earnings per share growth;
- Earnings before income taxes and amortization and/or earnings before income taxes and amortization growth;
- Operating income and/or operating income growth;
- Net income and/or net income growth;
- Total stockholder return and/or total stockholder return growth;
- Return on equity;
- Operating cash flow return on income;
- Adjusted operating cash flow return on income;
- Economic value added;
- Individual business objectives; and
- Company specific operational metrics.

"***Performance Period***" means the period of service determined by the Committee, not to exceed five (5) years, during which years of service or performance is to be measured for the Award.

"***Plan***" means this Glu Mobile Inc. 2008 Equity Inducement Plan.

"***SEC***" means the United States Securities and Exchange Commission.

"***Securities Act***" means the United States Securities Act of 1933, as amended.

"***Shares***" means shares of the Company's Common Stock, as adjusted pursuant to Sections 2 and 14, and any successor security.

"***Subsidiary***" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

"***Termination***" or "***Terminated***" means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide services as an employee of the Company or a Parent or Subsidiary of the Company. An employee will not be deemed to have ceased to provide services in the case of (i) sick leave, (ii) military leave, or (iii) any other leave of absence approved by the Committee; provided, that such leave is for a period of not more than 90 days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to employees in writing. In the case of any employee on an approved leave of absence, the Committee may make such provisions respecting suspension of vesting of the Award while on leave from the employ of the Company or a Parent or Subsidiary of the Company as it may deem appropriate, except that in no event may an Award be exercised after the expiration of the term set forth in the applicable Award Agreement. The Committee will have sole discretion to determine whether a Participant has ceased to be employed and the effective date on which the Participant ceased to be so employed (the " ***Termination Date***").

EXHIBIT 10.15

Summary of Change of Control Severance Arrangement

between Glu Mobile Inc. and Scott Leichtner

Effective as of July 7, 2011

In the event that the employment of Scott Leichtner (the "***Employee***"), the Vice President, General Counsel and Corporate Secretary of Glu Mobile Inc. (the "***Company***"), is terminated without Cause or as a result of an Involuntary Termination at any time within 12 months after a Change of Control, and the Employee delivers to the Company a signed general release of claims, then he will receive (i) six months of his then-current annual base salary, (ii) 50% of his annual bonus for such calendar year, based on the target potential amount (not the amount actually payable), (iii) an additional 36 months of vesting with respect to each of his then-outstanding and not fully vested equity awards and (iv) up to six months of continuation coverage for him (and any eligible dependents) pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985.

The defined terms used above have the following meanings:

"***Cause***" means (i) the Employee's committing of an act of gross negligence, gross misconduct or dishonesty, or other willful act, including misappropriation, embezzlement or fraud, that materially adversely affects the Company or any of the Company's customers, suppliers or partners, (ii) his personal dishonesty, willful misconduct in the performance of services for the Company, or breach of fiduciary duty involving personal profit, (iii) his being convicted of, or pleading no contest to, any felony or misdemeanor involving fraud, breach of trust or misappropriation or any other act that the Company's Board reasonably believes in good faith has materially adversely affected, or upon disclosure will materially adversely affect, the Company, including the Company's public reputation, (iv) any material breach of any agreement with the Company by him that remains uncured for 30 days after written notice by the Company to him, unless that breach is incapable of cure, or any other material unauthorized use or disclosure of the Company's confidential information or trade secrets involving personal benefit or (v) his failure to follow the lawful directions of the Company's chief executive officer, in the scope of his employment unless he reasonably believes in good faith that these directions are not lawful and notifies the chief executive officer of the reasons for his belief.

"***Involuntary Termination***" means the Employee's resignation of employment from the Company expressly based on the occurrence of any of the following conditions, without the Employee's informed written consent, provided, however, that with respect to each of the following conditions, the Employee must (a) within 90 days following its occurrence, deliver to the Company a written notice explaining the specific basis for the Employee's belief that the Employee is entitled to terminate the Employee's employment due to an Involuntary Termination and (b) give the Company an opportunity to cure any of the following within 30 days following delivery of such notice and explanation (i) a material reduction in his duties, position or responsibilities, or his removal from these duties, position and responsibilities, unless he is provided with a position of substantially equal or greater organizational level, duties, authority and compensation; provided, however, that a change of title, in and of itself, or a reduction of duties, position or responsibilities solely by virtue of the Company's being acquired and made part of a larger entity will not constitute an "Involuntary Termination," (ii) a greater than 15% reduction in his then-current annual base compensation that is not applicable to the Company's other executive officers, or (iii) a relocation to a facility or a location more than 30 miles from his then-current location of employment.

"***Change of Control***" means the closing of (i) a merger or consolidation in one transaction or a series of related transactions, in which the Company's securities held by the Company's stockholders before the merger or consolidation represent less than 50% of the outstanding voting equity securities of the surviving corporation after the transaction or series of related transactions, (ii) a sale or other transfer of all or substantially all of the Company's assets as a going concern, in one transaction or a series of related transactions, followed by the distribution to the Company's stockholders of any proceeds remaining after payment of creditors or (iii) a transfer of more than 50% of the Company's outstanding voting equity securities by the Company's stockholders to one or more related persons or entities other than the Company in one transaction or a series of related transactions.

EXHIBIT 10.16

October 8, 2012

Matthew Ricchetti
[Address]
[Address]

Re: **Offer of Employment**

Dear Matthew:

Glu Mobile Inc. (the "Company") is pleased to offer you a full-time regular exempt position with the Company as President of Studios reporting to me. We would like your employment to begin on October 30, 2012 (the "Start Date") or such later Start Date as may be mutually agreeable. We are pleased to find someone with your vision and commitment to work as an integral part of our team. This offer is contingent on the Company's satisfactory acceptance of reference and background checks.

You will be entitled to receive a biweekly salary of $10,000 (equal to a $260,000 annual salary) (the "Base Salary") to be paid in accordance with the Company's normal payroll procedures. You will also be eligible to participate in a Company bonus plan for the Company's 2013 fiscal year with a target of 100% of your annual Base Salary. The bonus plan will be based on specific Company objectives related to the performance of the game development studios under your supervision. The specific bonus plan objectives will be determined by me, after consultation with you, prior to the beginning of the Company's 2013 fiscal year and, if required, will be approved by the Company's Board or a committee of the Company's Board.

We will recommend that the Compensation Committee of the Company's Board of Directors (the "Compensation Committee") grant you an option to purchase up to 300,000 shares of the common stock of the Company at the then current fair market value, which will be the closing price of the Company's common stock on The NASDAQ Global Market on the date of grant. We expect that the Compensation Committee will grant you your option on the second Tuesday of the month following your Start Date; accordingly, if your Start Date is October 30, 2012, then we would expect that your stock option would be granted to you on November 13, 2012. In addition, in connection with the Company's 2013 Annual Refresh Grant Program, which we anticipate will occur in approximately April 2013, and contingent upon your continued satisfactory job performance, we will recommend that the Compensation Committee grant you an option to purchase up to 100,000 shares of the common stock of the Company at the then current fair market value. Each of your stock options will vest over four years, with 25% of the total number of shares subject to the option vesting on the one-year anniversary of the date of grant and the remainder vesting in equal installments on the monthly date of grant anniversary each month thereafter. All stock options issued to you shall be governed by the terms and conditions of the Company's 2008 Equity Inducement Plan or 2007 Equity Incentive Plan (as applicable) and Stock Option Agreement, which agreement will be executed by you and the Company upon Compensation Committee approval of the grant of the stock options hereunder.

glu mobile
45 fremont street
suite 2800
san francisco, CA 94105-2209

tel: 415-800-6100.
fax: 415-800-6087
www.glu.com

In addition, we are offering you a signing bonus of $110,000, less applicable payroll taxes (the "Signing Bonus"). The Signing Bonus will be paid to you in equal monthly installments over the course of your first year of employment with the Company – that is, the initial 1/12 th of your Signing Bonus will be paid to you in your first paycheck following the one-month anniversary of your Start Date, the next 1/12 th of your Signing Bonus will be paid to you in your first paycheck following the two-month anniversary of your Start Date and so on until the final installment of your Signing Bonus is paid in your first paycheck following the one-year anniversary of your Start Date. If your employment with the Company (or any affiliate of the Company) ends for any reason other than death, disability or reduction in force before the first anniversary of your Start Date, the Company will have no obligation to pay to you any portion of your Signing Bonus which is unpaid on the date of your termination of employment with the Company (or any affiliate of the Company).

As a Company employee, you will also be eligible to receive certain employee benefits, as modified by the Company from time to time, including medical, dental, and vision insurance coverage; sixteen days personal time off per year, plus such additional holiday time as is provided to the Company's other regular employees; this currently includes the period between Christmas and New Year's Day. If your employment starts during October of this year, you are entitled to four Company holidays during the Christmas through New Year's Day period, and if your employment starts during November or December of this year, you are entitled to three Company holidays during the Christmas through New Year's Day period.

Your employment with the Company is for no specified period and constitutes an "AT-WILL" employment arrangement. As a result, you are free to resign at any time, with or without notice, for any reason or for no reason, subject to your potential obligation to repay all or a portion of your Signing Bonus, as described above. Similarly, the Company is free to conclude its employment relationship with you at any time, with or without notice and with or without cause.

For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of the Start Date, or our employment relationship with you may be terminated.

As a condition of your employment, you will be required to sign and comply with the Employee Proprietary Information and Inventions Agreement, a copy of which is attached hereto as Exhibit A. In addition, you agree that you will not engage in any other employment, occupation, consulting or other business activity related to the business in which the Company is now involved or becomes involved during the term of your employment, nor will you engage in any activities that conflict with your obligations to the Company.

This letter, along with the Employee Proprietary Information and Information Agreement, sets forth the terms and conditions of your employment with the Company and supersede any prior representations or agreements, whether written or oral. This letter may not be modified or amended except by a written agreement, signed both by an officer of the Company and you.

To accept the Company's offer of employment, please sign and date this letter in the space provided below and return it to me no later than October 12, 2012.

We believe Glu Mobile is poised to achieve great success. We anticipate that you will be a critical component of that success. We look forward to working with you.

Sincerely,

GLU MOBILE INC.

/s/ Niccolo De Masi
Niccolo De Masi, President & CEO

ACCEPTED AND AGREED TO

this 8th day of October , 2012

/s/ Matthew Ricchetti
Matthew Ricchetti

EXHIBIT A
GLU MOBILE INC.

PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

This Proprietary Information and Inventions Agreement (the "Agreement") is made and entered into this 8 th day of October, 2012 by and between GLU MOBILE INC., a Delaware corporation (the "Company"), and Matthew Ricchetti (the "Employee"), and confirms the parties' mutual understanding with respect to the subject matter hereof, and constitutes a material part of the consideration for Employee's employment and/or continued employment with the Company.

1. Confidential Information.

a. Definition. Employee acknowledges and agrees that Employee has obtained or may now or hereafter obtain from the Company certain of the Company's confidential information, in whatever form, which includes, but is not limited to, all of the Company's (i) past, present and future research, (ii) business, development and marketing plans, (iii) customer lists and customer relationships, (iv) prices (except where publicly disclosed by the Company) and pricing strategies, (v) secret inventions, processes, methods and specifications, (vi) compilations of information (including, without limitation, studies, records, reports, drawings, memoranda, drafts and any other related information), (vii) trade secrets, (viii) product development proposals, and (ix) other ideas, concepts, strategies, designs, suggestions and recommendations relating, without limitation, to any of the foregoing or to any product developed or proposed to be developed by the Company or by the Employee and/or others for the Company (collectively, the "Confidential Information"). "Confidential Information" does not include any of the foregoing items which: i) at the time of disclosure was known to Employee free of any confidentiality obligations; and ii) has become publicly and widely known and made generally available through no wrongful act of Employee or of others who were under confidentiality obligations as to the information involved.

b. Non-Disclosure and Return of Confidential Information . Employee hereby acknowledges and agrees that the Company is the owner of all of the Confidential Information, as defined in Paragraph 1(a) of this Agreement, and all copyrights, trade secrets, patents, trademarks and all other intellectual or industrial property rights contained in, or associated with, any or all such Confidential Information. Employee shall not disclose to any other person, firm, corporation or other entity any of the Company's Confidential Information, or use any such Confidential Information for any purpose whatsoever, except as authorized in writing by the Company, and the Employee shall not, and shall not attempt to, reverse engineer, decompile or disassemble any of the Company's Products without the Company's prior written consent. Employee hereby acknowledges and agrees that the unauthorized use or disclosure of any of the Company's Confidential Information or any of the Company's intellectual or industrial property rights, constitute unfair competition under applicable law, and Employee shall not at any time during the term of this Agreement or thereafter engage in any such unfair competition with respect to the Company. Employee agrees that all Confidential Information are and shall remain the Company's property. Except in the course of providing services to the Company as an Employee, Employee agrees that Confidential Information shall not be copied by Employee without the Company's prior written consent, and shall not be removed from the Company's premises without the Company's prior written consent. Employee agrees that all Confidential Information shall be returned to the Company, along with any and all copies, immediately upon request therefore, or upon the termination of Employee's employment with the Company, whichever is first to occur.

c. Previous Employer's Proprietary Information. During the course of employment with the Company, or at any other time, Employee shall not wrongfully use or disclose to the Company any proprietary information or trade secrets of Employee's former employer(s). Employee shall not bring onto the Company's premises any such information without first obtaining the express written consent of such former employer(s).

d. Third Party's Information. Employee acknowledges that the Company has received and may hereafter receive certain proprietary information from one or more third parties to which the Company is subject to a duty of non-disclosure and to restrictions on the use thereof. Employee agrees that the Employee owes the Company and any such third party, during the term of employment with the Company and thereafter, a duty to hold all such information in the strictest confidence, and Employee shall not disclose any such third party proprietary information or any portion thereof to any person, firm, corporation or other entity, or make use of such third party proprietary information in any way without the Company's and the third party's prior written consent.

2. Inventions.

a. Ownership. All designs, processes, methods, formulas, techniques, artwork, brochures, manuals, products, procedures, programs, drawings, notes, documents, information, materials, discoveries and inventions (the "Designs and Inventions") made, conceived or developed by Employee alone or with others which (i) result from or relate to any and all work performed by Employee for the Company (the "Work"), (ii) may be disclosed to Employee by the Company while Employee performs any such Work, (iii) use or have used equipment, supplies, facilities or trade secret or confidential information of the Company's, (iv) relate at the time of conception or reduction to practice thereof to the business of the Company or to its actual or demonstrably anticipated research and development, or (v) use or have used the hours for which Employee is compensated by the Company, shall be the sole property of the Company, shall be considered "works made for hire" (as that term is defined under the United States Copyright Act, as amended), and shall be assigned to the Company immediately upon conception or development; provided, however, that any Design and Invention that does not meet any of the foregoing conditions shall not be deemed to be assigned by Employee to the Company hereunder. The Company shall have the sole right to determine the method of protection for any Designs and Inventions, which are owned by, or assigned to, the Company pursuant to this Paragraph 2(a), including the right to keep the same as trade secrets, to file and execute patent applications thereon, to use and disclose the same without prior patent applications, to file registrations for copyright or trademark thereon in the Company's own name or to follow any other procedure that the Company deems appropriate. Employee shall (i) disclose promptly to the Company in writing all such Designs and Inventions that are within the scope of this Paragraph 2(a); and (ii) provide the Company, at the Company's expense, with all assistance, and take all other actions, including the execution, delivery and filing of all applications, deeds of assignment, instruments and other documents, as reasonably requested by the Company, in order to permit the Company to obtain patents and/or register copyrights or trademarks, as the case may be, or otherwise to perfect and/or protect the Company's ownership of all rights, title and interests in and to all such Designs and Inventions. Employee hereby grants to the Company an irrevocable power of attorney to apply for and to execute such applications and deeds of assignment of any patent, copyright, trademark or other intellectual property right, in Employee's name, as the Company, in its sole discretion, determines to be necessary or appropriate to perfect and/or protect the Company's ownership of all rights, title and interests in and to all such Designs and Inventions. Employee's obligations under this Paragraph 2(a) with respect to such Designs and Inventions shall survive the termination of Employee's employment by the Company.

b. Exemptions. Notwithstanding the provisions of Paragraph 3(a) of this Agreement, nothing herein shall obligate Employee to assign to the Company any inventions, or any rights therein, which fully qualify under the provisions of Section 2870 of the California Labor Code which provides as follows:

Invention on Own Time—Exemption from Agreement

a. Any provision in any employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to any invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

b. To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

c. Previous Inventions. As a matter of record, Employee hereby certifies that attached hereto as Exhibit A is a complete and accurate list of all inventions and/or improvements relevant to the subject matter of this Agreement which have been made or conceived or first reduced to practice by Employee, alone or jointly with others, prior to the date of Employee's employment by the Company or any affiliate of the Company, which such inventions and/or improvements Employee desires not to be covered by this Agreement. IF EMPLOYEE FAILS TO ATTACH SUCH A LIST TO THE AGREEMENT, THEN SUCH OMISSION SHALL CONSTITUTE A REPRESENTATION BY EMPLOYEE THAT THERE ARE NO SUCH INVENTIONS AND/OR IMPROVEMENTS AT THE TIME OF SIGNING THIS AGREEMENT.

d. Subsequent Inventions. Employee understands and agrees that all designs and inventions reduced to practice following the termination of Employee's employment until the first anniversary of the termination of Employee's employment shall be presumed to have been conceived during Employee's employment with the Company and with the use of the Company's confidential or trade secret information, but such presumption may be overcome by a showing that such design or invention was conceived after such employment and without the use of any such information.

3. Pre-existing Obligation.

Employee represents and warrants that Employee is not under any pre-existing obligation(s) inconsistent with the provisions of this Agreement, and has not and will not enter into any contract which conflicts with, or would, if performed by Employee, cause a breach of, this Agreement.

Non-Solicitation of Employees/Consultants. During Employee's employment with the Company and for a period of one (1) year thereafter, Employee will not directly or indirectly solicit away employees or consultants of the Company for Employee's own benefit or for the benefit of any other person or entity.

Non-Solicitation of Suppliers/Customers. During and after the termination of Employee's employment with the Company, Employee will not directly or indirectly solicit or otherwise take away customers or suppliers of the Company if, in so doing, Employee accesses, uses or discloses any trade secrets or proprietary or confidential information of the Company. Employee acknowledges and agrees that the names and addresses of the Company's customers and suppliers, and all other confidential information related to them, including their buying and selling habits and special needs, whether created or obtained by, or disclosed to Employee during Employee's employment, constitute trade secrets or proprietary or confidential information of the Company.

4. Injunctive Relief.

Employee acknowledges that a remedy at law for any breach of this Agreement may be inadequate relief, and Employee therefore agrees that the Company shall be entitled to injunctive relief, among other remedies, in case of any such breach or threatened breach by Employee.

5. Survival of Terms.

The provisions of paragraphs 1, 2, 4, 5, and 6 and shall survive the termination of Employee's employment with the Company, and no such termination shall relieve Employee from liability for any breach of this Agreement.

6. Attorneys' Fees.

If any legal action is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default of misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action, in addition to any other relief to which that party may be entitled.

7. Governing Law.

This Agreement shall be governed by the laws of California, without giving effect to the principles of conflicts of law.

8. Severability.

If any term or provision of this Agreement shall be held invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected and each other term and provision of this Agreement shall be valid to the fullest extent permitted by law.

9. Headings.

The paragraph headings contained in this Agreement are for reference only and shall not be considered as substantive parts of the Agreement.

10. Entire Agreement; Modification; Waiver.

This Agreement constitutes the entire agreement between the parties with respect to the subject matter contained herein and supersedes all prior and contemporaneous agreements, representations and understandings of the parties. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both parties. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

11. Binding Effect.

This Agreement shall be binding on and shall inure to the benefit of the parties to it and their respective heirs, legal successors, representatives and assigns.

12. Attorney Review.

Employee agrees that he or she has read and understands the terms of this Agreement, and that Employee is entering into the same voluntarily and without duress. Employee acknowledges that he or she has consulted with an attorney of the Employee's own choosing, or has had a reasonable opportunity to do so, concerning Employee's rights, duties and obligations under the terms of this Agreement. The rule of construction that any uncertainties or ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendment or modification hereto.

IN WITNESS WHEREOF, the parties have duly executed this Proprietary Information and Inventions Agreement as of the date and year first written above.

GLU MOBILE INC.	**EMPLOYEE**
By: /s/ Niccolo De Masi	/s/ Matthew Ricchetti
Niccolo De Masi, President & CEO	Matthew Ricchett

EXHIBIT 10.19

GLU MOBILE INC.
SUMMARY OF NON-EMPLOYEE DIRECTOR COMPENSATION PROGRAM

(As Amended on October 4, 2012)

On October 4, 2012 our Board approved the following program with respect to the compensation of our non-employee directors:

Cash Compensation

Annual Retainer Fee:	$ 20,000
Chairman of the Board Fee:	$ 20,000
Annual Committee Fees:	
Audit Committee Chair	$ 20,000
Audit Committee Member (other than Chair)	$ 5,000
Compensation Committee Chair	$ 15,000
Compensation Committee Member (other than Chair)	$ 5,000
Nominating and Governance Committee Chair	$ 5,000
Nominating and Governance Committee Member (other than Chair)	$ 5,000

All cash compensation will be paid in quarterly installments based upon continuing service. We will also reimburse our directors for reasonable expenses in connection with attendance at Board and committee meetings.

Equity Compensation

Each year at about the time of our annual meeting of stockholders, each non-employee director will receive an additional equity award of, at that director's discretion, either 16,667 shares of restricted stock or an option to purchase 50,000 shares of our common stock. In either case the award will vest pro rata monthly over one year. About the time he or she joins the Board of Directors, each new non-employee director will receive an initial equity award of, at that director's discretion, either (a) a grant of 20,000 shares of restricted stock or (b) an option to purchase 60,000 shares of our common stock. In either case the award will vest as to 16 2/3% of the shares after six months and thereafter vest pro rata monthly over the next 30 months.

PLEASE READ THE FOLLOWING LICENSE AGREEMENT TERMS AND CONDITIONS CAREFULLY BEFORE DOWNLOADING OR USING THE APPLE SOFTWARE. THESE TERMS AND CONDITIONS CONSTITUTE A LEGAL AGREEMENT BETWEEN YOU AND APPLE.

iOS Developer Program License Agreement

Purpose

You would like to use the Apple Software (as defined below) to develop one or more Applications (as defined below) for Apple-branded products running the iOS. Apple is willing to grant You a limited license to use the Apple Software to develop and test Your Applications on the terms and conditions set forth in this Agreement.

Applications developed under this Agreement can be distributed in three ways: (1) through the App Store, if selected by Apple, (2) through the VPP/B2B Program Site, if selected by Apple, and (3) on a limited basis for use on Registered Devices (as defined below).

Applications that meet Apple's Documentation and Program Requirements may be submitted for consideration by Apple for distribution via the App Store or VPP/B2B Program Site. If submitted by You and selected by Apple, Your Applications will be digitally signed by Apple and distributed through the App Store or VPP/B2B Program Site, as applicable. Distribution of free (no charge) Applications (including those that use the In-App Purchase API for the delivery of free content) will be subject to the distribution terms contained in Schedule 1 to this Agreement. If You would like to distribute Applications for which You will charge a fee or would like to use the In-App Purchase API for the delivery of fee-based content, You must enter into a separate agreement with Apple ("Schedule 2"). If You would like to distribute Custom B2B Applications via the VPP/B2B Program Site, You must enter into a separate agreement with Apple ("Schedule 3"). You may also create Passes (as defined below) for use on Apple-branded products running the iOS under this Agreement and distribute such Passes for use by Passbook.

1. Accepting this Agreement; Definitions

1.1 Acceptance

In order to use the Apple Software and related services, You must first agree to this License Agreement. If You do not or cannot agree to this License Agreement, You are not permitted to use the Apple Software or related services. Do not download or use the Apple Software or any related services in that case.

You accept and agree to the terms of this License Agreement on Your own behalf and/or on behalf of Your company, organization, educational institution, or agency, instrumentality, or department of the federal government as its authorized legal representative, by doing either of the following:

(a) checking the box displayed at the end of this Agreement if You are reading this on an Apple website; or

(b) clicking an "Agree" or similar button, where this option is provided by Apple.

1.2 Definitions

Whenever capitalized in this Agreement:

"Ad Support APIs" means the APIs that provide the Advertising Identifier and Advertising Preference.

“Advertising API” means the Documented API that enables You to use Apple’s advertising service to deliver advertising to Your Application.

“Advertising Identifier” means a unique, non-personal, non-permanent identifier provided by iOS through the Ad Support APIs that is associated with a particular iOS device.

“Advertising Preference” means the iOS setting that enables an end-user to set an ad tracking preference.

“Agreement” means this iOS Developer Program License Agreement, including any attachments, Schedule 1 and any exhibits thereto which are hereby incorporated by this reference.

“App Store” means an electronic store and its storefronts branded, and owned and/or controlled by Apple or an affiliate of Apple.

“Apple” means Apple Inc., a California corporation with its principal place of business at One Infinite Loop, Cupertino, California 95014, U.S.A.

“Apple Maps Service” means the mapping platform and Map Data provided by Apple via the MapKit API for iOS version 6 or later and for use by You only in connection with Your Applications.

“Apple Push Notification” or “APN” means the Apple Push Notification service that Apple may provide to You to enable You to transmit Push Notifications to Your Application.

“APN API” means the Documented API that enables You to use the APN to deliver a Push Notification to Your Application.

“Apple Software” means the SDK, the iOS, the Provisioning Profiles and any other software that Apple provides to You under the Program, including any Updates thereto that may be provided to You by Apple.

“Apple Subsidiary” means a corporation at least fifty percent (50%) of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are owned or controlled, directly or indirectly, by Apple, and that is involved in the operation of or otherwise affiliated with the App Store or VPP/B2B Program Site, including without limitation Apple Pty Limited, iTunes S.à.r.l., and iTunes K.K.

“Application” means one or more software programs developed by You in compliance with the Documentation and the Program Requirements, under Your own trademark or brand, and for specific use with an iOS Product, including bug fixes, updates, upgrades, modifications, enhancements, supplements to, revisions, new releases and new versions of such software programs.

“Authorized Developers” means Your employees and contractors, members of Your organization or, if You are an educational institution, Your faculty and staff who (a) each have an active and valid Registered Apple Developer account with Apple, (b) have a demonstrable need to know or use the Apple Software in order to develop and test Applications, and (c) to the extent such individuals will have access to Apple Confidential Information, each have written and binding agreements with You to protect the unauthorized use and disclosure of such Apple Confidential Information.

“Authorized Test Devices” means iOS Products owned or controlled by You that have been designated by You for testing and development purposes and specifically registered with Apple under this Program.

“Custom B2B Application” means a Licensed Application that is customized by You for use by a specific VPP Customer or group of VPP Customers and that is selected and digitally signed by Apple for distribution through the VPP/B2B Program Site.

“Documentation” means any technical or other specifications or documentation that Apple may provide to You for use in connection with the Apple Software.

“Documented API(s)” means the Application Programming Interface(s) documented by Apple in published Apple Documentation and which are contained in the Apple Software.

“Entitlement” means an identifier provided by Apple that allows Your Application to access certain Apple services.

“FOSS” (Free and Open Source Software) means any software that is subject to terms that, as a condition of use, copying, modification or redistribution, require such software and/or derivative works thereof to be disclosed or distributed in source code form, to be licensed for the purpose of making derivative works, or to be redistributed free of charge, including without limitation software distributed under the GNU General Public License or GNU Lesser/Library GPL.

“Game Center” means the gaming community service and related APIs provided by Apple for use by You in connection with Your Applications and/or Your Mac App Store applications that are associated with Your developer account. The Game Center may consist of an Apple confidential, pre-release version of the Game Center service or a production, commercially-available version of such service.

“iCloud” means the iCloud online service provided by Apple that includes remote online storage.

“iCloud Storage APIs” means the APIs that allow storage and retrieval of user-generated documents and other files, and allow storage and retrieval of key value data (e.g., a list of stocks in a finance App, settings for an App) for Applications and Multi-Platform Software through the use of iCloud.

“In-App Purchase API” means the Documented API that enables additional content, functionality or services to be delivered or made available for use within an Application with or without an additional fee.

“iOS” means the iOS operating system software provided by Apple for use by You only in connection with Your Application development and testing, which, from time to time during the Term, may consist of an Apple confidential, pre-release version of the iOS operating system software or a gold master “GM” production, commercially-available version of the iOS operating system software (or any successor thereto).

“iOS Accessory” means a non-Apple branded hardware device that interfaces, communicates, or otherwise interoperates with or controls an iOS Product through the iPod Accessory Protocol.

“iOS Product” means an Apple-branded product that runs the iOS.

“iPod Accessory Protocol” or “iAP” means Apple’s proprietary protocol for communicating with iOS Products and which is licensed under Apple’s MFi Licensing Program.

“iTunes Connect” means Apple’s proprietary online content management tool for Applications.

“Licensed Application” means an Application that (a) meets and complies with all of the Documentation and Program Requirements, and (b) has been selected and digitally signed by Apple for production distribution, and includes any additional permitted functionality, content or services provided by You from within an Application using the In-App Purchase API.

“Licensed Application Information” means screen shots, images, artwork, icons and/or any other text, descriptions, representations or information relating to a Licensed Application that You provide to Apple for use in accordance with Schedule 1, or, if applicable, Schedule 2 or Schedule 3.

“Limited Advertising Purposes” means frequency capping, conversion events, estimating the number of unique users, security and fraud detection, debugging, and other uses that may be permitted by Apple in Documentation for the Ad Support APIs.

“Local Notification” means a message, including any content or data therein, that Your Application delivers to end-users at a pre-determined time or when Your Application is running in the background and another application is running in the foreground.

“MFi Licensing Program” means a separate Apple program that offers iOS Accessory developers, among other things, a license to incorporate certain Apple technology into a hardware device to interface, communicate or otherwise interoperate with or control iOS Products.

“MFi Licensee” means a party who has been granted a license by Apple under the MFi Licensing Program.

“Map Data” means any content, data or information provided through the Apple Maps Service including, but not limited to, imagery, terrain data, latitude and longitude coordinates, points of interest and traffic data.

“MapKit API” means the Documented API that enables You to add mapping functionality to Applications.

“Multi-Platform Software” means other versions of Your software applications (i) that have the same title and substantially equivalent features and functionality as Your Licensed Application and that are made available by You for use on supported versions of OS X and/or supported versions of Windows (as identified in the Documentation), and (ii) that update data with Your Licensed Application through the use of iCloud.

“Multitasking” means the ability of Applications to run in the background while other Applications are running on the iOS.

“Pass(es)” means one or more digital passes (e.g., movie tickets, coupons, loyalty reward vouchers, boarding passes, membership cards, etc.) developed by You under this Agreement, under Your own trademark or brand, and which are signed with Your Pass ID.

“Pass ID” means the combination of an Apple-issued certificate and Push Application ID that is used by You to sign Your Passes and/or communicate with the APN.

“Pass Information” means the text, descriptions, representations or information relating to a Pass that You provide to Your end-users on or in connection with a Pass.

“Passbook” means Apple’s installed iOS feature that has the ability to store and display Passes for use on iOS Products.

“Program” means the overall iOS application development, testing, digital signing, and distribution program contemplated in this Agreement.

“Program Requirements” mean the technical, human interface, design, product category, security, performance, and other criteria and requirements specified by Apple, including but not limited to the current set of requirements set forth in Section 3.3, as they may be modified from time to time by Apple in accordance with this Agreement.

“Provisioning Profiles” means the provisioning profiles provided by Apple for use by You in connection with Your Application development and testing, and limited distribution of Your Applications for use on Registered Devices.

“Push Application ID” means the unique identification number or other identifier that Apple assigns to an Application or Pass in order to permit it to access and use the APN.

“Push Notification” means a message, including any content or data therein, that You transmit to end-users and that is delivered in Your Application and/or to Your Pass within Passbook.

“Registered Devices” means iOS Products owned or controlled by You, or owned by individuals who are affiliated with You, that You have specifically registered with Apple under this Program.

“Security Solution” means the proprietary Apple content protection system marketed as Fairplay, to be applied to Licensed Applications distributed on the App Store to administer Apple’s standard usage rules for Licensed Applications, as such system and rules may be modified by Apple from time to time.

“SDK” (Software Development Kit) means the Documentation, software (source code and object code), applications, sample code, simulator, tools, libraries, APIs, data, files, and materials provided by Apple for use by You in connection with Your Application development, and includes any Updates that may be provided by Apple to You pursuant to this Agreement.

“Term” means the period described in Section 12.

“Updates” means bug fixes, updates, upgrades, modifications, enhancements, supplements, and new releases or versions of the Apple Software, or to any part of the Apple Software.

“Volume Purchase Program” or “VPP” means an Apple program that offers the ability to obtain Custom B2B Applications and make volume purchases of Licensed Applications.

“VPP/B2B Program Site” means an electronic store and its storefronts branded, and owned and/or controlled by Apple or an affiliate of Apple, and that is only accessible to VPP Customers.

“VPP Customer(s)” means a third party that is enrolled in Apple’s Volume Purchase Program.

“You” and “Your” means and refers to the person(s) or legal entity (whether the company, organization, educational institution, or governmental agency, instrumentality, or department) using the Apple Software or otherwise exercising rights under this Agreement. For the sake of clarity, You may authorize contractors to develop Applications on Your behalf, but any such Applications must be submitted under Your developer account.

2. Internal Use License and Restrictions

2.1 Permitted Uses and Restrictions

Subject to the terms and conditions of this Agreement, Apple hereby grants You during the Term, a limited, non-exclusive, personal, revocable, non-sublicensable and non-transferable license to:

(a) Install a reasonable number of copies of the Apple Software on Apple-branded computers owned or controlled by You, to be used internally by You or Your Authorized Developers for the sole purpose of developing or testing Applications, unless otherwise specified by Apple;

(b) Make and distribute a reasonable number of copies of the Documentation to Authorized Developers for their internal use only and for the sole purpose of developing or testing Applications;

(c) Install one (1) copy of the iOS and a Provisioning Profile on each of Your Authorized Test Devices, up to the number of Authorized Test Devices that You have registered and acquired licenses for, to be used internally by You or Your Authorized Developers for the sole purpose of developing and testing Your Applications; and

(d) Install a Provisioning Profile on each of Your Registered Devices, up to the limited number of Registered Devices that You have registered and acquired licenses for, for the sole purpose of enabling the distribution and use of Your Applications on such Registered Devices.

Apple reserves the right to set the limited number of iOS Products that each Licensee may register with Apple and obtain licenses for under this Program (a "Block of Registered Device Licenses"), as specified on the Program web portal. For the purposes of limited distribution on Registered Devices under Section 7.2, each company, organization, educational institution or affiliated group may only acquire one (1) Block of Registered Device Licenses per company, organization, educational institution or group, unless otherwise agreed in writing by Apple. You agree not to knowingly acquire, or to cause others to acquire, more than one Block of Registered Device Licenses for the same company, organization, educational institution or group.

2.2 Authorized Test Devices and Pre-Release Apple Software

As long as an Authorized Test Device contains any pre-release versions of the Apple Software or uses pre-release versions of services, You agree to restrict access to such Authorized Test Device to Your Authorized Developers and to not disclose, show, rent, lease, lend, sell or otherwise transfer such Authorized Test Device to any third party. You further agree to take reasonable precautions to safeguard, and to instruct Your Authorized Developers to safeguard, all Authorized Test Devices from loss or theft.

You acknowledge that by installing any pre-release Apple Software or using any pre-release services on Your Authorized Test Devices, these Devices may be "locked" into testing mode and may not be capable of being restored to their original condition. Any use of any pre-release Apple Software or pre-release services are for evaluation and development purposes only, and You should not use any pre-release Apple Software or pre-release services in a commercial operating environment or with important data. You should back up any data prior to using the pre-release Apple Software or pre-release services. Apple shall not be responsible for any costs, expenses or other liabilities You may incur as a result of provisioning Your Authorized Test Devices and Registered Devices, Your Application development or the installation or use of this Apple Software or any pre-release Apple services, including but not limited to any damage to any equipment, or any damage, loss, or corruption of any software, information or data.

2.3 Confidential Nature of Pre-Release Apple Software and services

From time to time during the Term, Apple may provide You with pre-release versions of the Apple Software or related services that constitute Apple Confidential Information and are subject to the confidentiality obligations of this Agreement. Such pre-release Apple Software and related services should not be relied upon to perform in the same manner as a final-release commercial-grade product, nor used with data that is not sufficiently and regularly backed up, and may include features, functionality or APIs for software or services that are not yet available. You acknowledge that Apple may not have publicly announced the availability of such pre-release Apple Software or related services, that Apple has not promised or guaranteed to You that such pre-release software or services will be announced or made available to anyone in the future, and that Apple has no express or implied obligation to You to announce or commercially introduce such software or services or any similar or compatible technology. You expressly acknowledge and agree that any research or development that You perform with respect to pre-release versions of the Apple Software or related services is done entirely at Your own risk.

2.4 Copies

You agree to retain and reproduce in full the Apple copyright, disclaimers and other proprietary notices (as they appear in the Apple Software and related services and Documentation provided) in all copies of the Apple Software and Documentation that You are permitted to make under this Agreement.

2.5 Ownership

Apple retains all rights, title, and interest in and to the Apple Software and any Updates it may make available to You under this Agreement. You agree to cooperate with Apple to maintain Apple's ownership of the Apple Software, and, to the extent that You become aware of any claims relating to the Apple Software, You agree to use reasonable efforts to promptly provide notice of any such claims to Apple. The parties acknowledge that this Agreement does not give Apple any ownership interest in Your Applications or Passes.

2.6 No Other Permitted Uses

Except as otherwise set forth in this Agreement, You agree not to rent, lease, lend, upload to or host on any website or server, sell, redistribute, or sublicense the Apple Software, Apple-issued certificates, or any services, in whole or in part, or to enable others to do so. You may not use the Apple Software, Apple-issued certificates, or any services provided hereunder for any purpose not expressly permitted by this Agreement, including any applicable Attachments and Schedules. You agree not to install, use or run the SDK on any non-Apple-branded computer, not to install, use or run the iOS and Provisioning Profiles on or in connection with devices other than iOS Products, or to enable others to do so. You may not and You agree not to, or to enable others to, copy (except as expressly permitted under this Agreement), decompile, reverse engineer, disassemble, attempt to derive the source code of, modify, decrypt, or create derivative works of the Apple Software, Apple-issued certificates or any services provided by the Apple Software or otherwise provided hereunder, or any part thereof (except as and only to the extent any foregoing restriction is prohibited by applicable law or to the extent as may be permitted by licensing terms governing use of open-sourced components or sample code included with the Apple Software). You agree not to exploit any Apple Software, Apple-issued certificates, or services provided hereunder in any unauthorized way whatsoever, including but not limited to, by trespass or burdening network capacity, or by harvesting or misusing data provided by such Apple Software, Apple-issued certificates, or services. Any attempt to do so is a violation of the rights of Apple and its licensors of the Apple Software or services. If You breach any of the foregoing restrictions, You may be subject to prosecution and damages. All licenses not expressly granted in this Agreement are reserved and no other licenses, immunity or rights, express or implied are granted by Apple, by implication, estoppel, or otherwise. This Agreement does not grant You any rights to use any trademarks, logos or service marks belonging to Apple, including but not limited to the iPhone or iPod word marks. If You make reference to any Apple products or technology or use Apple's trademarks, You agree to comply with the published guidelines at http://www.apple.com/legal/trademark/guidelinesfor3rdparties.html , as modified by Apple from time to time.

2.7 Updates; No Support or Maintenance

Apple may extend, enhance, or otherwise modify the Apple Software or services (or any part thereof) provided hereunder at any time without notice, but Apple shall not be obligated to provide You with any Updates to the Apple Software or services. If Updates are made available by Apple, the terms of this Agreement will govern such Updates, unless the Update is accompanied by a separate license in which case the terms of that license will govern. Apple is not obligated to provide any maintenance, technical or other support for the Apple Software or services. You acknowledge that Apple has no express or implied obligation to announce or make available any Updates to the Apple Software or to any services to anyone in the future. Should an Update be made available, it may have APIs, features, services or functionality that are different from those found in the Apple Software licensed hereunder or the services provided hereunder.

3. Your Obligations

3.1 General

You certify to Apple and agree that:

(a) You are of the legal age of majority in the jurisdiction in which You reside (at least 18 years of age in many countries) and have the right and authority to enter into this Agreement on Your own behalf, or if You are entering into this Agreement on behalf of Your company, organization, educational institution, or agency, instrumentality, or department of the federal government, that You have the right and authority to legally bind such entity or organization to the terms and obligations of this Agreement;

(b) All information provided by You to Apple or Your end-users in connection with this Agreement or Your Application or Passes, including without limitation Licensed Application Information or Pass Information, will be current, true, accurate, supportable and complete and, with regard to information You provide to Apple, You will promptly notify Apple of any changes to such information. Further, You agree that Apple may share such information (including email address and mailing address) with third parties who have a need to know for purposes related thereto (e.g., intellectual property questions, customer service inquiries, etc.);

(c) You will comply with the terms of and fulfill Your obligations under this Agreement, including obtaining any required consents for Your Authorized Developers' use of the Apple Software and services, and You agree to monitor and be fully responsible for all such use by Your Authorized Developers and their compliance with the terms of this Agreement;

(d) You will be solely responsible for all costs, expenses, losses and liabilities incurred, and activities undertaken by You and Authorized Developers in connection with the Apple Software and services, the Registered Devices, Your Applications, Your Passes and Your related development and distribution efforts, including, but not limited to, any related development efforts, network and server equipment, Internet service(s), or any other hardware, software or services used by You in connection with Your use of any services;

(e) For the purposes of Schedule 1(if applicable), You represent and warrant that You own or control the necessary rights in order to appoint Apple and Apple Subsidiaries as Your worldwide agent for the delivery of Your Licensed Applications, and that the fulfillment of such appointment by Apple and Apple Subsidiaries shall not violate or infringe the rights of any third party; and

(f) You will not act in any manner which conflicts or interferes with any existing commitment or obligation You may have and no agreement previously entered into by You will interfere with Your performance of Your obligations under this Agreement.

3.2 Use of the Apple Software

As a condition to using the Apple Software and any services, You agree that:

(a) You will only use the Apple Software and any services for the purposes and in the manner expressly permitted by this Agreement and in accordance with all applicable laws and regulations;

(b) You will not use the Apple Software or any services for any unlawful or illegal activity, nor to develop any Application or Pass which would commit or facilitate the commission of a crime, or other tortious, unlawful or illegal act;

(c) Your Application will be developed in compliance with the Documentation and the Program Requirements, the current set of which is set forth in Section 3.3 below, and any Passes will also be developed in compliance with the Documentation and the Program Requirements;

(d) To the best of Your knowledge and belief, Your Application, Licensed Application Information, Pass and Pass Information do not and will not violate, misappropriate, or infringe any Apple or third party copyrights, trademarks, rights of privacy and publicity, trade secrets, patents, or other proprietary or legal rights (e.g., musical composition or performance rights, video rights, photography or image rights, logo rights, third party data rights, etc. for content and materials that may be included in Your Application);

(e) You will not, through use of the Apple Software, Apple-issued certificates, services or otherwise, create any Application, Pass or other code or program that would disable, hack or otherwise interfere with the Security Solution, or any security, digital signing, digital rights management, verification or authentication mechanisms implemented in or by the iOS, this Apple Software, any services or other Apple software or technology, or enable others to do so;

(f) You will not, directly or indirectly, commit any act intended to interfere with the Apple Software or related services, the intent of this Agreement, or Apple's business practices including, but not limited to, taking actions that may hinder the performance or intended use of the App Store, VPP/B2B Program Site, or the Program (e.g., submitting fraudulent reviews of Your own Application or any third party application, choosing a name for Your Application that is substantially similar to the name of a third party application in order to create consumer confusion, or squatting on application names to prevent legitimate third party use);

(g) Applications developed using the Apple Software may only be distributed if selected by Apple (in its sole discretion) for distribution via the App Store or VPP/B2B Program Site or for limited distribution on Registered Devices (ad hoc distribution) as contemplated in this Agreement; and (h) Passes developed using the Apple Software may be distributed to Your end-users via email, a website or an Application. You agree that all development of Passes must be in accordance with the terms of this Agreement, including Attachment 5.

3.3 Program Requirements for Applications and Passes

Any Application developed using this Apple Software must meet all of the following criteria and requirements, as they may be modified by Apple from time to time. Passes are subject to the same criteria:

APIs and Functionality:

3.3.1 Applications may only use Documented APIs in the manner prescribed by Apple and must not use or call any private APIs.

3.3.2 An Application may not download or install executable code. Interpreted code may only be used in an Application if all scripts, code and interpreters are packaged in the Application and not downloaded. The only exception to the foregoing is scripts and code downloaded and run by Apple's built-in WebKit framework, provided that such scripts and code do not change the primary purpose of the Application by providing features or functionality that are inconsistent with the intended and advertised purpose of the Application as submitted to the App Store.

3.3.3 Without Apple's prior written approval or as permitted under Section 3.3.23 (In-App Purchase API), an Application may not provide, unlock or enable additional features or functionality through distribution mechanisms other than the App Store or VPP/B2B Program Site.

3.3.4 An Application may only read data from or write data to an Application's designated container area on the device, except as otherwise specified by Apple.

3.3.5 An Application must have at least the same features and functionality when run by a user in compatibility mode on an iPad (e.g., an iPhone app running in an equivalent iPhone-size window on an iPad must perform in substantially the same manner as when run on the iPhone; provided that this obligation will not apply to any feature or functionality that is not supported by a particular hardware device, such as a video recording feature on a device that does not have a camera). Further, You agree not to interfere or attempt to interfere with the operation of Your Application in compatibility mode.

3.3.6 You may use the Multitasking services only for their intended purposes as described in the Documentation.

User Interface, Data Collection, Local Laws and Privacy:

3.3.7 Applications must comply with the Human Interface Guidelines and other Documentation provided by Apple.

3.3.8 Any form of user or device data collection, or image, picture or voice capture or recording (collectively "Recordings"), and any form of data, content or information collection, processing, maintenance, uploading, syncing, storage, transmission, sharing, disclosure or use performed by, through or in connection with Your Application must comply with all applicable privacy laws and regulations as well as any related Program Requirements, including but not limited to any notice or consent requirements. In particular, a reasonably conspicuous audio, visual or other indicator must be displayed to the user as part of the Application to indicate that a Recording is taking place.

3.3.9 You and Your Applications (and any third party with whom you have contracted to serve advertising) may not collect user or device data without prior user consent, and then only to provide a service or function that is directly relevant to the use of the Application, or to serve advertising in accordance with Sections 3.3.12 and 3.3.13. You may not use analytics software in Your Application to collect and send device data to a third party.

3.3.10 You must provide clear and complete information to users regarding Your collection, use and disclosure of user or device data, e.g., a link to Your privacy policy on the App Store. Furthermore, You must take appropriate steps to protect such data from unauthorized use, disclosure or access by third parties. If a user ceases to consent or affirmatively revokes consent for Your collection, use or disclosure of his or her user or device data, You (and any third party with whom you have contracted to serve advertising) must promptly cease all such use.

3.3.11 Applications must comply with all applicable criminal, civil and statutory laws and regulations, including those in any jurisdictions in which Your Applications may be offered or made available. In addition:

- You and the Application must comply with all applicable privacy and data collection laws and regulations with respect to any collection, use or disclosure of user or device data.

- Applications may not be designed or marketed for the purpose of harassing, abusing, spamming, stalking, threatening or otherwise violating the legal rights (such as the rights of privacy and publicity) of others.

- Neither You nor Your Application may perform any functions or link to any content, services, information or data or use any robot, spider, site search or other retrieval application or device to scrape, mine, retrieve, cache, analyze or index software, data or services provided by Apple or its licensors, or obtain (or try to obtain) any such data, except the data that Apple expressly provides or makes available to You in connection with such services. You agree that You will not collect, disseminate or use any such data for any unauthorized purpose.

Advertising Identifier

3.3.12 You and Your Applications (and any third party with whom you have contracted to serve advertising) may use the Advertising Identifier, and any information obtained through the use of the Advertising Identifier, only for the purpose of serving advertising. If a user resets the Advertising Identifier, then You agree not to combine, correlate, link or otherwise associate, either directly or indirectly, the prior Advertising Identifier and any derived information with the reset Advertising Identifier. Further, You agree not to combine, correlate, link or otherwise associate, either directly or indirectly, any other permanent, device-based identifier with a user's Advertising Identifier.

Advertising Preference

3.3.13 For Applications compiled for any iOS version providing access to the Ad Support APIs:

- You agree to check a user's Advertising Preference prior to serving any advertising using the Advertising Identifier, and You agree to abide by a user's setting in the Advertising Preference.

- If a user has set their Advertising Preference to limit ad tracking, You may use the Advertising Identifier, and any information obtained through the use of the Advertising Identifier, only for Limited Advertising Purposes.

- The foregoing restrictions also apply to Your use of any other permanent, device-based identifiers for advertising, and any information obtained through the use of such identifiers.

Location and Maps; User Consents:

3.3.14 For Applications that use location-based APIs (e.g., Core Location, MapKit API) or otherwise provide location-based services, such Applications may not be designed or marketed for automatic or autonomous control of vehicle behavior, or for emergency or life-saving purposes. In addition, Applications that offer location-based services or functionality must notify and obtain consent from an individual before his or her location data is collected, transmitted or otherwise used by the Application.

3.3.15 If You choose to provide Your own location-based service, data and/or information in conjunction with the Apple maps provided through the Apple Maps Service (e.g., overlaying a map or route You have created on top of an Apple map), You are solely responsible for ensuring that Your service, data and/or information correctly aligns with any Apple maps used. For Applications that use location-based APIs for real-time navigation (including, but not limited to, turn-by-turn route guidance and other routing that is enabled through the use of a sensor), You must have an end-user license agreement that includes the following notice: YOUR USE OF THIS REAL TIME ROUTE GUIDANCE APPLICATION IS AT YOUR SOLE RISK. LOCATION DATA MAY NOT BE ACCURATE.

3.3.16 Applications must not disable, override or otherwise interfere with any Apple-implemented system alerts, warnings, display panels, consent panels and the like, including, but not limited to, those that are intended to notify the user that the user's location data, address book data, calendar, photos, and/or reminders are being collected, transmitted, maintained, processed or used, or intended to obtain consent for such use. If consent is denied or withdrawn, Applications may not collect, transmit, maintain, process or utilize such data or perform any other actions for which the user's consent has been denied or withdrawn.

3.3.17 If Your Application uses or accesses the MapKit API from a device running iOS version 6 or later, Your Application will access and use the Apple Maps Service. All use of the MapKit API and Apple Maps Service will be in accordance with the terms of this Agreement (including the Program Requirements) and Attachment 6 (Additional Terms for the use of the Apple Maps Service). If Your Application uses or accesses the MapKit API from a device running iOS version 5 or earlier, Your Application will access and use the Google Mobile Maps (GMM) service. Such use of the GMM Service is subject to Google's Terms of Service which are set forth at: http://code.google.com/apis/maps/terms/iPhone.html . If You do not accept such Google Terms of Service, including, but not limited to all limitations and restrictions therein, You may not use the GMM service in Your Application, and You acknowledge and agree that such use will constitute Your acceptance of such Terms of Service.

Content and Materials:

3.3.18 Any master recordings and musical compositions embodied in Your Application must be wholly-owned by You or licensed to You on a fully paid-up basis and in a manner that will not require the payment of any fees, royalties and/or sums by Apple to You or any third party. In addition, if Your Application will be distributed outside of the United States, any master recordings and musical compositions embodied in Your Application (a) must not fall within the repertoire of any mechanical or performing/communication rights collecting or licensing organization now or in the future and (b) if licensed, must be exclusively licensed to You for Your Application by each applicable copyright owner.

3.3.19 If Your Application includes or will include any other content, You must either own all such content or have permission from the content owner to use it in Your Application.

3.3.20 Applications may be rejected if they contain content or materials of any kind (text, graphics, images, photographs, sounds, etc.) that in Apple's reasonable judgment may be found objectionable or inappropriate, for example, materials that may be considered obscene, pornographic, or defamatory.

3.3.21 Applications must not contain any malware, malicious or harmful code, program, or other internal component (e.g., computer viruses, trojan horses, "backdoors") which could damage, destroy, or adversely affect the Apple Software, services, iOS Products or other software, firmware, hardware, data, systems, services, or networks.

3.3.22 If Your Application includes any FOSS, You agree to comply with all applicable FOSS licensing terms. You also agree not to use any FOSS in the development of Your Application in such a way that would cause the non-FOSS portions of the Apple Software to be subject to any FOSS licensing terms or obligations.

3.3.23 Your Application may include promotional sweepstake or contest functionality provided that You are the sole sponsor of the promotion and that You and Your Application comply with any applicable laws and fulfill any applicable registration requirements in the country or territory where You make Your Application available and the promotion is open. You agree that You are solely responsible for any promotion and any prize, and also agree to clearly state in binding official rules for each promotion that Apple is not a sponsor of, or responsible for conducting, the promotion.

3.3.24 Your Application may include a direct link to a page on Your web site where you include the ability for an end-user to make a charitable contribution, provided that You comply with any applicable laws (which may include providing a receipt), and fulfill any applicable regulation or registration requirements, in the country or territory where You enable the charitable contribution to be made. You also agree to clearly state that Apple is not the fundraiser.

In-App Purchase API:

3.3.25 All use of the In-App Purchase API and related services must be in accordance with the terms of this Agreement (including the Program Requirements) and Attachment 2 (Additional Terms for Use of the In-App Purchase API).

Advertising API:

3.3.26 If You choose to use the Advertising API in Your Application, then You must enter into a separate written agreement with Apple and/or an Apple Subsidiary before any distribution of Your Licensed Application may take place via the App Store or VPP/B2B Program Site.

iOS Accessories:

3.3.27 Your Application may interface, communicate, or otherwise interoperate with or control an iOS Accessory (as defined above) through Bluetooth or Apple's 30-pin dock connector only if (i) such iOS Accessory is licensed under Apple's MFi Licensing Program at the time that You initially submit Your Application, (ii) the MFi Licensee has added Your Application to a list of those approved for interoperability with their iOS Accessory, and (iii) the MFi Licensee has received approval from the Apple MFi Licensing Program for such addition.

Regulatory Compliance for Health, Medical and Related Apps:

3.3.28 You will fulfill any applicable regulatory requirements, including full compliance with all applicable laws, regulations, and policies related to the manufacturing, marketing, sale and distribution of Your Application in the United States, and in particular the requirements of the U.S. Food and Drug Administration ("FDA"), and the laws, regulations and policies of any other applicable regulatory bodies in any countries or territories where You use or make Your Application available. However, You agree that you will not seek any regulatory marketing permissions or make any determinations that may result in any Apple products being deemed regulated or that may impose any obligations or limitations on Apple. By submitting Your Application to Apple for selection for distribution via the App Store or VPP/B2B Program Site, You represent and warrant that You are in full compliance with any applicable laws, regulations, and policies, including but not limited to all FDA laws, regulations and policies, related to the manufacturing, marketing, sale and distribution of Your Application in the United States, as well as in other countries or territories where You plan to make Your Application available via the App Store or VPP/B2B Program Site. You also represent and warrant that You will market Your Application only for its cleared or approved intended use/indication for use, and only in strict compliance with applicable regulatory requirements. Upon Apple's request, You agree to promptly provide any such clearance documentation to support the marketing of Your Application. You agree to promptly notify Apple in accordance with the procedures set forth in Section 15.6 of any complaints or threats of complaints regarding Your Application in relation to any such regulatory requirements, in which case Apple may remove Your Application from the App Store or VPP/B2B Program Site.

Cellular Network:

3.3.29 If an Application requires or will have access to the cellular network, then additionally such Application:

- Must comply with Apple's best practices and other guidelines on how Applications should access and use the cellular network; and

- Must not in Apple's reasonable judgment excessively use or unduly burden network capacity or bandwidth.

3.3.30 Because some mobile network operators may prohibit or restrict the use of Voice over Internet Protocol (VoIP) functionality over their network, such as the use of VoIP telephony over a cellular network, and may also impose additional fees, or other charges in connection with VoIP, You agree to inform end-users, prior to purchase, to check the terms of agreement with their operator, for example, by providing such notice in the marketing text that You provide accompanying Your Application on the App Store. In addition, if Your Application allows end-users to send SMS messages, then You must inform the end-user, prior to use of such functionality, that standard text messaging rates or other carrier charges may apply to such use.

APN (Apple Push Notification service) and Local Notifications:

3.3.31 All use of Push Notifications via the APN or Local Notifications must be in accordance with the terms of this Agreement (including the Program Requirements) and Attachment 1 (Additional Terms for Apple Push Notification service and Local Notifications).

Game Center:

3.3.32 All use of the Game Center must be in accordance with the terms of this Agreement (including the Program Requirements) and Attachment 3 (Additional Terms for the Game Center).

iCloud Storage:

3.3.33 All use of the iCloud Storage APIs, as well as Your use of the iCloud service under this Agreement, must be in accordance with the terms of this Agreement (including the Program Requirements) and Attachment 4 (Additional Terms for the use of iCloud).

Passbook:

3.3.34 Your development of Passes, and use of the Pass ID and Passbook under this Agreement, must be in accordance with the terms of this Agreement (including the Program Requirements, where applicable) and Attachment 5 (Additional Terms for Passes).

Additional Services or End-User Pre-Release Software:

3.3.35 From time to time, Apple may provide access to additional services or pre-release Apple Software for You to use in connection with Your Applications, or as an end-user for evaluation purposes. Some of these may be subject to separate terms and conditions in addition to this Agreement, in which case Your usage will also be subject to those terms and conditions. Such services or software may not be available in all languages or in all countries, and Apple makes no representation that they will be appropriate or available for use in any particular location. To the extent You choose to access such services or software, You do so at Your own initiative and are responsible for compliance with any applicable laws, including but not limited to applicable local laws. To the extent any such software includes Apple's FaceTime or Messages feature, You acknowledge and agree that when You use such features, the telephone numbers and device identifiers associated with Your Authorized Test Devices, as well as email addresses and/or Apple ID information You provide, may be used and maintained by Apple to provide and improve such software and features. Certain services made accessible to You through the Apple Software may be provided by third parties. You acknowledge that Apple will not have any liability or responsibility to You or any other person (including to any end-user) for any third-party services or for any Apple services. Apple and its licensors reserve the right to change, suspend, remove, or disable access to any services at any time. In no event will Apple be liable for the removal of or disabling of access to any such services. Further, upon any commercial release of such software or services, or earlier if requested by Apple, You agree to cease all use of the pre- release Apple Software or services provided to You as an end-user for evaluation purposes under this Agreement.

3.3.36 If Your Application accesses the Twitter service through the Twitter API, such access is subject to Twitter terms of service set forth at: http://dev.twitter.com. If You do not accept such Twitter terms of service, including, but not limited to all limitations and restrictions therein, You may not access the Twitter service in Your Application through the use of the Twitter API, and You acknowledge and agree that such use will constitute Your acceptance of such terms of service.

3.3.37 If Your Application accesses data from an end-user's Address Book through the Address Book API, You must notify and obtain consent from the user before his or her Address Book data is accessed or used by Your Application. Further, Your Application may not provide an automated mechanism that transfers only the Facebook Data portions of the end-user's Address Book altogether to a location off of the end-user's device. For the sake of clarity, this does not prohibit an automated transfer of the user's entire Address Book as a whole, so long as user notification and consent requirements have been fulfilled; and does not prohibit enabling users to transfer any portion of their Address Book data manually (e.g., by cutting and pasting) or enabling them to individually select particular data items to be transferred.

4. Changes to Program Requirements or Terms

Apple may change the Program Requirements or the terms of this Agreement at any time. New or modified Program Requirements will not retroactively apply to Applications already in distribution. In order to continue using the Apple Software or any services, You must accept and agree to the new Program Requirements and/or new terms of this Agreement. If You do not agree to new Program Requirements or new terms, Your use of the Apple Software and any services will be suspended or terminated by Apple. You agree that Your acceptance of such new Agreement terms or Program Requirements may be signified electronically, including without limitation, by Your checking a box or clicking on an "agree" or similar button. Nothing in this Section shall affect Apple's rights under Section 8 below.

5. Digital Signing; Restrictions on Certificates

All Applications must be signed with an Apple-issued certificate in order to be installed on Registered Devices. All Passes must be signed with a Pass ID to be recognized and accepted by Passbook. During the Term of this Agreement, You may obtain development-related digital certificates from Apple, subject to a maximum number as reasonably determined by Apple, that will allow Your Application and Your Pass to be installed and tested on Authorized Test Devices. You may also obtain, during the Term, one or more production digital certificates from Apple, subject to a maximum number as reasonably determined by Apple, to be used for the sole purpose of signing Your Application(s) prior to submission of Your Application to Apple or limited distribution of Your Application for use on Registered Devices.

In relation to this, You represent and warrant to Apple that: (a) You will not take any action to interfere with the normal operation of any Apple-issued digital certificates or Provisioning Profiles; (b) You are solely responsible for preventing any unauthorized person from having access to Your digital certificates and corresponding private keys and You will use best efforts to safeguard Your digital certificates and corresponding private keys from compromise; (c) You agree to immediately notify Apple in writing if You have any reason to believe there has been a compromise of any of Your digital certificates or corresponding private keys; (d) You will not provide or transfer Apple-issued digital certificates provided under this Program to any third party, nor use Your digital certificate to sign a third party's application or pass; and (e) You will use Apple-issued certificates provided under this Program exclusively for the purpose of signing Your Passes and/or accessing the APN service, or signing Your Applications for testing, submission to Apple and/or for limited distribution for use on Registered Devices as contemplated under this Program, and only in accordance with this Agreement.

You further represent and warrant to Apple that the licensing terms governing Your Application or Your Pass, or governing any third party code or FOSS included in Your Application or Pass, will be consistent with and not conflict with the digital signing or content protection aspects of the Program or any of the terms, conditions or requirements of the Program or this Agreement. In particular, such licensing terms will not purport to require Apple (or its agents) to disclose or make available any of the keys, authorization codes, methods, procedures, data or other information related to the Security Solution, digital signing or digital rights management mechanisms utilized as part of the Program. If You discover any such inconsistency or conflict, You agree to immediately notify Apple of it and will cooperate with Apple to resolve such matter. You acknowledge and agree that Apple may immediately cease distribution of any affected Licensed Applications or Passes, and may refuse to accept any subsequent Application or Pass submissions from You until such matter is resolved to Apple's reasonable satisfaction.

6. Application Submission and Selection

6.1 Submission to Apple

You may submit Your Application for consideration by Apple for distribution via the App Store or VPP/B2B Program Site once You decide that Your Application has been adequately tested and is complete. By submitting Your Application, You represent and warrant that Your Application complies with the Documentation and Program Requirements then in effect as well as with any additional guidelines that Apple may post on the Program web portal. You further agree that You will not attempt to hide, misrepresent or obscure any features, content, services or functionality in Your submitted Applications from Apple's review or otherwise hinder Apple from being able to fully review such Applications. In addition, You agree to inform Apple in writing through iTunes Connect if Your Application connects to a physical device, including an iOS Accessory, and, if so, to disclose the means of such connection (whether iAP, the headphone jack, or any other communication protocol or standard) and identify at least one physical device with which Your Application is designed to communicate. If requested by Apple, You agree to provide access to or samples of any such devices at your expense (samples will not be returned). You agree to cooperate with Apple in this submission process and to answer questions and provide information and materials reasonably requested by Apple regarding Your submitted Application, including insurance information You may have relating to Your Application, the operation of Your business, or Your obligations under this Agreement. Apple may require You to carry certain levels of insurance for certain types of Applications and name Apple as an additional insured.

If You make any changes to an Application (including to any functionality made available through use of the In-App Purchase API) after submission to Apple, You must resubmit the Application to Apple. Similarly all bug fixes, updates, upgrades, modifications, enhancements, supplements to, revisions, new releases and new versions of Your Application must be submitted to Apple for review in order for them to be considered for distribution via the App Store or VPP/B2B Program Site. Further, if Your Application is accepted for distribution via the App Store or VPP/B2B Program Site, You agree that Apple may use Your Application for the limited purpose of compatibility testing of Your Application with Apple products and services, for finding and fixing bugs in Apple products and services, for internal use in evaluating iOS performance issues in Your Application, and for purposes of providing other information to You (e.g., crash logs). In the event that Apple provides You with crash logs for Your Application, You agree to only use such crash logs for purposes of fixing bugs and improving the performance of Your Application and related products.

6.2 Selection by Apple for Distribution

You understand and agree that Apple may, in its sole discretion:

(a) determine that Your Application does not meet all or any part of the Documentation or Program Requirements then in effect;

(b) reject Your Application for distribution for any reason, even if Your Application meets the Documentation and Program Requirements; or

(c) select and digitally sign Your Application for distribution via the App Store or VPP/B2B Program Site.

Apple shall not be responsible for any costs, expenses, damages, losses (including without limitation lost business opportunities or lost profits) or other liabilities You may incur as a result of Your Application development, use of this Apple Software, use of any services, certificates or APIs provided hereunder, or participation in the Program, including without limitation the fact that Your Application may not be selected for distribution via the App Store or VPP/B2B Program Site. You will be solely responsible for developing Applications that are safe, free of defects in design and operation, and comply with applicable laws and regulations. You will also be solely responsible for any documentation and end-user customer support and warranty of Your Applications. The fact that Apple may have reviewed, tested, approved or selected an Application will not relieve You of any of these responsibilities.

7. Distribution

Applications developed under this Agreement may be distributed in three ways: (1) through the App Store, if selected by Apple, (2) through the VPP/B2B Program Site, if selected by Apple, and (3) through Ad Hoc distribution in accordance with Section 7.2.

7.1 Delivery of Freely Available Licensed Applications via the App Store; Certificates

If Your Application qualifies as a Licensed Application, it is eligible for delivery to end-users via the App Store by Apple and/or an Apple Subsidiary. If You would like Apple and/or an Apple Subsidiary to deliver Your Licensed Application or authorize additional content, functionality or services You make available in Your Licensed Application through the use of the In-App Purchase API to end-users for free (no charge) via the App Store, then You appoint Apple and Apple Subsidiaries as Your legal agent pursuant to the terms of Schedule 1, for Licensed Applications designated by You as free of charge applications.

If Your Application qualifies as a Licensed Application and You intend to charge end-users a fee of any kind for Your Licensed Application or within Your Licensed Application through the use of the In-App Purchase API, You must enter into a separate agreement (Schedule 2) with Apple and/or an Apple Subsidiary before any such commercial distribution of Your Licensed Application may take place via the App Store or before any such commercial delivery of additional content, functionality or services for which you charge end-users a fee may be authorized through the use of the In-App Purchase API in Your Licensed Application.

If Your Application qualifies as a Custom B2B Application, then You must enter into a separate agreement (Schedule 3) with Apple and/or an Apple Subsidiary before any distribution of Your Custom B2B Application to VPP Customers may take place via the VPP/B2B Program Site. To the extent that You enter (or have previously entered) into Schedule 2 or Schedule 3 with Apple and/or an Apple Subsidiary, the terms of Schedule 2 or 3 will be deemed incorporated into this Agreement by this reference.

When an end-user installs Your Licensed Application, Apple will provide You with a transaction receipt signed with an Apple-issued certificate. It is Your responsibility to verify that such certificate and receipt were issued by Apple, as set forth in the Documentation. You are solely responsible for Your decision to rely on any such certificates and receipts. YOUR USE OF OR RELIANCE ON SUCH CERTIFICATES AND RECEIPTS IN CONNECTION WITH A PURCHASE OF AN APPLICATION IS AT YOUR SOLE RISK. APPLE MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, ACCURACY, RELIABILITY, SECURITY, OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS WITH RESPECT TO SUCH DIGITAL CERTIFICATES AND RECEIPTS. You agree that You will only use such receipts and certificates in accordance with the Documentation, and that You will not interfere or tamper with the normal operation of such digital certificates or receipts, including but not limited to any falsification or other misuse.

7.2 Distribution on Registered Devices (Ad Hoc Distribution)

Subject to the terms and conditions of this Agreement, You may also distribute Your Applications to individuals within Your company, organization, educational institution, group, or who are otherwise affiliated with You for use solely on a limited number of Registered Devices (as specified on the Program web portal), if Your Application has been digitally signed using Your Apple-issued digital certificate as described in this Agreement. By distributing Your Application in this manner, You represent and warrant to Apple that Your Application complies with the Documentation and Program Requirements then in effect and You agree to cooperate with Apple and to answer questions and provide information about Your Application, as reasonably requested by Apple.

You also agree to be solely responsible for determining which individuals within Your company, organization, educational institution or affiliated group should have access to and use of Your Applications and Registered Devices, and for managing such Registered Devices. Apple shall not be responsible for any costs, expenses, damages, losses (including without limitation lost business opportunities or lost profits) or other liabilities You may incur as a result of distributing Your Applications in this manner, or for Your failure to adequately manage, limit or otherwise control the access to and use of Your Applications and Registered Devices.

You will be responsible for attaching or otherwise including, at Your discretion, any relevant usage terms with Your Applications. Apple will not be responsible for any violations of Your usage terms. You will be solely responsible for all user assistance, warranty and support of Your Applications.

7.3 No Other Distribution Authorized Under this Agreement

Except for the distribution of freely available Licensed Applications, the distribution of Applications for use on Registered Devices as set forth in Sections 7.1 and 7.2 above, and the distribution of Passes in accordance with Attachment 5, no other distribution of programs or applications developed using the Apple Software is authorized or permitted hereunder. In the absence of a separate agreement with Apple, You agree not to distribute Your Application to third parties via other distribution methods or to enable or permit others to do so.

8. Revocation

You understand and agree that Apple may cease distribution of Your Licensed Application(s) and/or Licensed Application Information or revoke the digital certificate of any of Your Applications or Your Passes at any time. By way of example only, Apple might choose to do this if at any time:

(a) Any of Your Provisioning Profiles, digital certificates or corresponding private keys has been compromised or Apple has reason to believe that either has been compromised;

(b) Apple has been notified or otherwise has reason to believe that Your Application or Pass violates, misappropriates, or infringes the rights of a third party or of Apple;

(c) Apple has reason to believe that Your Application or Pass contains malicious or harmful code, malware, programs or other internal components (e.g., software virus);

(d) Apple has reason to believe that Your Application or Pass damages, corrupts, degrades, destroys or otherwise adversely affects the devices it operates on, or any other software, firmware, hardware, data, systems, or networks accessed or used by the Application;

(e) You breach any term or condition of this Agreement or the Registered Apple Developer terms and conditions;

(f) Any information or documents provided by You to Apple for the purpose of verifying Your identity or obtaining Provisioning Profiles or Apple-issued digital certificates is false or inaccurate;

(g) Any representation, warranty or certification provided by You to Apple in this Agreement is untrue or inaccurate;

(h) Apple is required by law, regulation or other governmental or court order to take such action;

(i) You request that Apple take such action in accordance with Schedule 1;

(j) You misuse or overburden any services provided hereunder;

(k) You fail to renew this Agreement and pay the applicable renewal fee; or

(l) Apple has reason to believe that such action is prudent or necessary.

9. Program Fees

As consideration for the rights and licenses granted to You under this Agreement and Your participation in the Program, You agree to pay Apple the requisite annual program fees as set forth on the Program website. The fees are non-refundable. Any taxes that may be levied on the Apple Software or Your use of it shall be Your responsibility. Your program fees must be paid up and not in arrears at the time You submit (or resubmit) Applications to Apple under this Agreement, and Your continued use of the Program web portal is subject to Your payment of such fees.

10. Confidentiality

10.1 Information Deemed Apple Confidential

You agree that all pre-release versions of the Apple Software (including pre-release Documentation) and services, any terms and conditions contained herein that disclose pre-release features of the Apple Software or services, the terms and conditions of Schedule 2 (available separately to cover distribution of paid-for Licensed Applications via the App Store) and the terms and conditions of Schedule 3 (available separately to cover distribution of Custom B2B Applications to VPP Customers via the VPP/B2B Program Site) will be deemed "Apple Confidential Information"; provided however that upon the commercial release of the Apple Software the terms and conditions that disclose pre-release features of the Apple Software or services will no longer be confidential. Notwithstanding the foregoing, Apple Confidential Information will not include: (i) information that is generally and legitimately available to the public through no fault or breach of Yours, (ii) information that is generally made available to the public by Apple, (iii) information that is independently developed by You without the use of any Apple Confidential Information, (iv) information that was rightfully obtained from a third party who had the right to transfer or disclose it to You without limitation, or (v) any FOSS included in the Apple Software and accompanied by licensing terms that do not impose confidentiality obligations on the use or disclosure of such FOSS.

10.2 Obligations Regarding Apple Confidential Information

You agree to protect Apple Confidential Information using at least the same degree of care that You use to protect Your own confidential information of similar importance, but no less than a reasonable degree of care. You agree to use Apple Confidential Information solely for the purpose of exercising Your rights and performing Your obligations under this Agreement and agree not to use Apple Confidential Information for any other purpose, for Your own or any third party's benefit, without Apple's prior written consent. You further agree not to disclose or disseminate Apple Confidential Information to anyone other than: (i) those of Your employees and contractors, or those of Your faculty and staff if You are an educational institution, who have a need to know and who are bound by a written agreement that prohibits unauthorized use or disclosure of the Apple Confidential Information; or (ii) except as otherwise agreed or permitted in writing by Apple. You may disclose Apple Confidential Information to the extent required by law, provided that You take reasonable steps to notify Apple of such requirement before disclosing the Apple Confidential Information and to obtain protective treatment of the Apple Confidential Information. You acknowledge that damages for improper disclosure of Apple Confidential Information may be irreparable; therefore, Apple is entitled to seek equitable relief, including injunction and preliminary injunction, in addition to all other remedies.

10.3 Information Submitted to Apple Not Deemed Confidential

Apple works with many application and software developers and some of their products may be similar to or compete with Your Applications. Apple may also be developing its own similar or competing applications and products or may decide to do so in the future. To avoid potential misunderstandings, Apple cannot agree, and expressly disclaims, any confidentiality obligations or use restrictions, express or implied, with respect to any information that You may provide in connection with this Agreement or the Program, including information about Your Application, Licensed Application Information and metadata (such disclosures will be referred to as "Licensee Disclosures"). You agree that any such Licensee Disclosures will be **non-confidential**. Apple will be free to use and disclose any Licensee Disclosures on an unrestricted basis without notifying or compensating You. You release Apple from all liability and obligations that may arise from the receipt, review, use, or disclosure of any portion of any Licensee Disclosures. Any physical materials You submit to Apple will become Apple property and Apple will have no obligation to return those materials to You or to certify their destruction.

10.4 Press Releases and Other Publicity

You may not issue any press releases or make any other public statements regarding this Agreement, its terms and conditions, or the relationship of the parties without Apple's express prior written approval, which may be withheld at Apple's discretion.

11. Indemnification

To the extent permitted by applicable law, You agree to indemnify and hold harmless, and upon Apple's request, defend, Apple, its directors, officers, employees, independent contractors and agents (each an "Apple Indemnified Party") from any and all claims, losses, liabilities, damages, taxes, expenses and costs, including without limitation, attorneys' fees and court costs (collectively, "Losses"), incurred by an Apple Indemnified Party and arising from or related to any of the following: (i) Your breach of any certification, covenant, obligation, representation or warranty in this Agreement, including Schedule 2 and Schedule 3 (if applicable); (ii) any claims that Your Application or the distribution, sale, offer for sale, use or importation of Your Application (whether alone or as an essential part of a combination), Licensed Application Information, metadata, Pass or Pass Information violate or infringe any third party intellectual property or proprietary rights; (iii) Your breach of any of Your obligations under the EULA (as defined in Schedule 1 or Schedule 2 or Schedule 3 (if applicable)) for Your Licensed Application; (iv) Apple's permitted use, promotion or delivery of Your Licensed Application, Licensed Application Information, Pass, Pass Information, metadata, related trademarks and logos, or images and other materials that You provide to Apple under this Agreement, including Schedule 2 or Schedule 3 (if applicable); (v) any claims, including but not limited to any end-user claims, regarding Your Pass, Pass Information, or related logos, trademarks, content or images; or (vi) Your use (including Your Authorized Developers' use) of the Apple Software or services, Your Application, Licensed Application Information, Pass, Pass Information, metadata, Your Authorized Test Devices, Your Registered Devices, or Your development and distribution of any Application or Pass.

You acknowledge that neither the Apple Software nor any services are intended for use in the development of Applications or Passes in which errors or inaccuracies in the content, functionality, services, data or information provided by the Application or Pass or the failure of the Application or Pass, could lead to death, personal injury, or severe physical or environmental damage, and, to the extent permitted by law, You hereby agree to indemnify, defend and hold harmless each Apple Indemnified Party from any Losses incurred by such Apple Indemnified Party by reason of any such use.

In no event may You enter into any settlement or like agreement with a third party that affects Apple's rights or binds Apple in any way, without the prior written consent of Apple.

12. Term and Termination

12.1 Term

The Term of this Agreement shall extend until the one (1) year anniversary of the original activation date of Your Program account ("Effective Date"). Thereafter, subject to Your payment of annual renewal fees and compliance with the terms of this Agreement, the Term will automatically renew for successive one (1) year terms, unless sooner terminated in accordance with this Agreement.

12.2 Termination

This Agreement and all rights and licenses granted by Apple hereunder and any services provided hereunder will terminate, effective immediately upon notice from Apple:

(a) if You or any of Your Authorized Developers fail to comply with any term of this Agreement other than those contained in Section 10 (Confidentiality) and fail to cure such breach within 30 days after becoming aware of or receiving notice of such breach;

(b) if You or any of Your Authorized Developers fail to comply with the terms of Section 10;

(c) in the event of the circumstances described in the subsection entitled "Severability" below;

(d) if You, at any time during the Term, commence an action for patent infringement against Apple;

(e) if You become insolvent, fail to pay Your debts when due, dissolve or cease to do business, file for bankruptcy, or have filed against You a petition in bankruptcy; or

(f) if You engage, or encourage others to engage, in any misleading, fraudulent, improper, unlawful or dishonest act relating to this Agreement, including, but not limited to, misrepresenting the nature of Your submitted Application (e.g., hiding or trying to hide functionality from Apple's review, falsifying consumer reviews for Your Application, etc.).

Apple may also terminate this Agreement, or suspend Your rights to use the Apple Software or services, if You fail to accept any new Program Requirements or Agreement terms as described in Section 4.

Either party may terminate this Agreement for its convenience, for any reason or no reason, effective 30 days after providing the other party with written notice of its intent to terminate.

12.3 Effect of Termination

Upon the termination of this Agreement for any reason, You agree to immediately cease all use of the Apple Software and services and erase and destroy all copies, full or partial, of the Apple Software and any information pertaining to the services (including Your Push Application ID) and all copies of Apple Confidential Information in Your and Your Authorized Developers' possession or control. At Apple's request, You agree to provide written certification of such destruction to Apple. Upon the expiration of the Delivery Period defined and set forth in Schedule 1, all Licensed Applications and Licensed Application Information in Apple's possession or control shall be deleted or destroyed within a reasonable time thereafter, excluding any archival copies maintained in accordance with Apple's standard business practices or required to be maintained by applicable law, rule or regulation. The following provisions shall survive any termination of this Agreement: Sections 1, 2.5, 2.6, 3.1(d), 3.1(e), 3.1(f), 3.2(d), 3.2(e), 3.2(f), 3.2(g), 3.3, 5 (second and third paragraphs), 6.1, 6.2, 7.1 (Schedule 1 for the Delivery Period), 7.3, 8, and 10 through 15 inclusive; within Attachment 1, the third sentence of Section 1.1, Section 2, the second and third sentences of Section 3, Section 4, the second and third sentences of Section 5, and Section 6; within Attachment 2, Sections 1.3, 2, 3, 4, 5, the second and third sentence of 6, 7, and 8; within Attachment 3, Section 1, 2 (except the second sentence of Section 2.1), 3 and 4; within Attachment 4, the last sentence of Section 1.2, Sections 1.3, 2, 3, and 4; within Attachment 5, 2.2, 2.3, 2.4 (but only for existing promotions), 3.3, and 5; and within Attachment 6, 1.2, 1.3, 2, 3, and 4. For the avoidance of doubt, upon any termination of this Agreement, You may not make available any content, functionality, or services through the use of the In-App Purchase API. Apple will not be liable for compensation, indemnity, or damages of any sort as a result of terminating this Agreement in accordance with its terms, and termination of this Agreement will be without prejudice to any other right or remedy Apple may have, now or in the future.

13. NO WARRANTY

The Apple Software or services may contain inaccuracies or errors that could cause failures or loss of data and it may be incomplete. Apple or its licensors may provide or make available through the Apple Software or as part of the Program, certain web-based applications, service-related software, certificate-issuance services, App Store services or other services for Your use (collectively the "Services" for purposes of this Section 13 and 14). Apple and its licensors reserve the right to change, suspend, remove, or disable access to any Services (or any part thereof) at any time without notice. In no event will Apple or its licensors be liable for the removal of or disabling of access to any such Services. Apple or its licensors may also impose limits on the use of or access to certain Services, or may remove the Services for indefinite time periods or cancel the Services at any time and in any case and without notice or liability. YOU EXPRESSLY ACKNOWLEDGE AND AGREE THAT USE OF THE APPLE SOFTWARE, SECURITY SOLUTION, AND ANY SERVICES IS AT YOUR SOLE RISK AND THAT THE ENTIRE RISK AS TO SATISFACTORY QUALITY, PERFORMANCE, ACCURACY AND EFFORT IS WITH YOU. THE APPLE SOFTWARE, SECURITY SOLUTION, AND ANY SERVICES ARE PROVIDED "AS IS" AND "AS AVAILABLE", WITH ALL FAULTS AND WITHOUT WARRANTY OF ANY KIND, AND APPLE, APPLE'S AGENTS AND APPLE'S LICENSORS (COLLECTIVELY REFERRED TO AS "APPLE" FOR THE PURPOSES OF SECTIONS 13 AND 14) HEREBY DISCLAIM ALL WARRANTIES AND CONDITIONS WITH RESPECT TO THE APPLE SOFTWARE, SECURITY SOLUTION, AND SERVICES, EITHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES AND CONDITIONS OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, TIMELINESS, AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS. APPLE DOES NOT WARRANT AGAINST INTERFERENCE WITH YOUR ENJOYMENT OF THE APPLE SOFTWARE, SECURITY SOLUTION, OR SERVICES, THAT THE APPLE SOFTWARE, SECURITY SOLUTION, OR SERVICES WILL MEET YOUR REQUIREMENTS, THAT THE OPERATION OF THE APPLE SOFTWARE, SECURITY SOLUTION, OR THE PROVISION OF SERVICES WILL BE UNINTERRUPTED, TIMELY, SECURE OR ERROR-FREE, THAT DEFECTS OR ERRORS IN THE APPLE SOFTWARE, SECURITY SOLUTION, OR SERVICES WILL BE CORRECTED, OR THAT THE APPLE SOFTWARE, SECURITY SOLUTION, OR SERVICES WILL BE COMPATIBLE WITH FUTURE APPLE PRODUCTS, SERVICES OR SOFTWARE OR ANY THIRD PARTY SOFTWARE, APPLICATIONS, OR SERVICES, OR THAT ANY INFORMATION STORED OR TRANSMITTED THROUGH ANY APPLE SOFTWARE OR SERVICES WILL NOT BE LOST, CORRUPTED OR DAMAGED. YOU ACKNOWLEDGE THAT THE APPLE SOFTWARE AND SERVICES ARE NOT INTENDED OR SUITABLE FOR USE IN SITUATIONS OR ENVIRONMENTS WHERE ERRORS, DELAYS, FAILURES OR INACCURACIES IN THE TRANSMISSION OR STORAGE OF DATA OR INFORMATION BY OR THROUGH THE APPLE SOFTWARE OR SERVICES COULD LEAD TO DEATH, PERSONAL INJURY, OR FINANCIAL, PHYSICAL, PROPERTY OR ENVIRONMENTAL DAMAGE, INCLUDING WITHOUT LIMITATION THE OPERATION OF NUCLEAR FACILITIES, AIRCRAFT NAVIGATION OR COMMUNICATION SYSTEMS, AIR TRAFFIC CONTROL, LIFE SUPPORT OR WEAPONS SYSTEMS. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY APPLE OR AN APPLE AUTHORIZED REPRESENTATIVE WILL CREATE A WARRANTY NOT EXPRESSLY STATED IN THIS AGREEMENT. SHOULD THE APPLE SOFTWARE, SECURITY SOLUTION, OR SERVICES PROVE DEFECTIVE, YOU ASSUME THE ENTIRE COST OF ALL NECESSARY SERVICING, REPAIR OR CORRECTION. Location data as well as any maps data provided by any Services or software is for basic navigational purposes only and is not intended to be relied upon in situations where precise location information is needed or where erroneous, inaccurate or incomplete location data may lead to death, personal injury, property or environmental damage. Neither Apple nor any of its licensors guarantees the availability, accuracy, completeness, reliability, or timeliness of location data or any other data or information displayed by any Services or software.

14. LIMITATION OF LIABILITY

TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, IN NO EVENT WILL APPLE BE LIABLE FOR PERSONAL INJURY, OR ANY INCIDENTAL, SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES WHATSOEVER, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF PROFITS, LOSS OF DATA, BUSINESS INTERRUPTION OR ANY OTHER COMMERCIAL DAMAGES OR LOSSES, ARISING OUT OF OR RELATED TO THIS AGREEMENT, YOUR USE OR INABILITY TO USE THE APPLE SOFTWARE, SECURITY SOLUTION OR SERVICES, DIGITAL CERTIFICATES, OR YOUR DEVELOPMENT EFFORTS OR PARTICIPATION IN THE PROGRAM, HOWEVER CAUSED, WHETHER UNDER A THEORY OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), PRODUCTS LIABILITY, OR OTHERWISE, EVEN IF APPLE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY REMEDY. In no event shall Apple's total liability to You under this Agreement for all damages (other than as may be required by applicable law in cases involving personal injury) exceed the amount of fifty dollars ($50.00).

15. General Legal Terms

15.1 Third Party Notices. Portions of the Apple Software or services may utilize or include third party software and other copyrighted material. Acknowledgements, licensing terms and disclaimers for such material are contained in the electronic documentation for the Apple Software and services, and Your use of such material is governed by their respective terms.

15.2 Consent to Collection and Use of Data—Pre-Release Versions of iOS. In order to test and improve Apple's products and services, and unless You or Your Authorized Developers opt-out as set forth below, You acknowledge that Apple and its subsidiaries and agents will be collecting, using, storing, processing and analyzing (collectively, "Collecting") diagnostic and usage logs from Your Authorized Test Devices (that are running such pre-release versions of iOS) as part of the developer seeding process. This information will be Collected in a form that does not personally identify You or Your Authorized Developers and may be Collected from Your Authorized Test Devices at any time, including when You or Your Authorized Developers sync to iTunes or automatically over a secure over-the-air connection. The information that would be Collected includes, but is not limited to, general diagnostic and usage data, various unique device identifiers, and, if Location Services is enabled for Diagnostics, the location of the Device once per day, the location when a call ends, and the wireless/cellular network coverage and current radio conditions at a particular location. **By installing or using pre-release versions of iOS on Your Authorized Test Devices, You acknowledge and agree that Apple and its subsidiaries and agents have Your permission to Collect all such information and use it as set forth above. If You do not agree to the foregoing, You may choose to turn off Diagnostics by going to Settings > General > About > Diagnostics & Usage on the Device. You can also choose to turn off Location Services for Diagnostics at any time. To do so, open Settings, tap Location Services, tap System Services and turn off the Diagnostics switch on the Device.**

15.3 Consent to Collection and Use of Data—Other Pre-Release Apple Software and services. In order to test and improve Apple's products and services, and only if You choose to install or use other pre-release Apple Software or services provided as part of the developer seeding process, You acknowledge that Apple and its subsidiaries and agents may be Collecting diagnostic, technical, usage and related information from other pre-release Apple Software and services. Apple will notify You about the Collection of such information on the Program web portal, and You should carefully review the Release Notes and other information disclosed by Apple in such location prior to choosing whether or not to install or use any such pre-release Apple Software or services. **By installing or using such pre-release Apple Software and services, You acknowledge and agree that Apple and its subsidiaries and agents have Your permission to Collect any and all such information and use it as set forth above.**

15.4 Assignment; Relationship of the Parties. This Agreement may not be assigned, nor may any of Your obligations under this Agreement be delegated, in whole or in part, by You by operation of law, merger, or any other means without Apple's express prior written consent and any attempted assignment without such consent will be null and void. Except for the agency appointment as specifically set forth in Schedule 1 (if applicable), this Agreement will not be construed as creating any other agency relationship, or a partnership, joint venture, fiduciary duty, or any other form of legal association between You and Apple, and You will not represent to the contrary, whether expressly, by implication, appearance or otherwise. This Agreement is not for the benefit of any third parties.

15.5 Independent Development. Nothing in this Agreement will impair Apple's right to develop, acquire, license, market, promote, or distribute products or technologies that perform the same or similar functions as, or otherwise compete with, Applications, Licensed Applications or any other products or technologies that You may develop, produce, market, or distribute.

15.6 Notices. Any notices relating to this Agreement shall be in writing. Notices will be deemed given by Apple when sent to You at the email address or mailing address You provided during the sign-up process. All notices to Apple relating to this Agreement will be deemed given (a) when delivered personally, (b) three business days after having been sent by commercial overnight carrier with written proof of delivery, and (c) five business days after having been sent by first class or certified mail, postage prepaid, to this Apple address: iOS Developer Program Licensing, Apple Inc., 12545 Riata Vista Circle, MS 198-3SW, Austin, TX 78727, U.S.A. You consent to receive notices by email and agree that any such notices that Apple sends You electronically will satisfy any legal communication requirements. A party may change its email or mailing address by giving the other written notice as described above.

15.7 Severability. If a court of competent jurisdiction finds any clause of this Agreement to be unenforceable for any reason, that clause of this Agreement shall be enforced to the maximum extent permissible so as to effect the intent of the parties, and the remainder of this Agreement shall continue in full force and effect. However, if applicable law prohibits or restricts You from fully and specifically complying with, or appointing Apple and Apple Subsidiaries as Your agent under, Schedule 1 or the Sections of this Agreement entitled "Internal Use License and Restrictions", "Your Obligations" or "Digital Signing of Applications; Restrictions on Certificates", or prevents the enforceability of any of those Sections or Schedule 1, this Agreement will immediately terminate and You must immediately discontinue any use of the Apple Software as described in the Section entitled "Term and Termination."

15.8 Waiver and Construction. Failure by Apple to enforce any provision of this Agreement shall not be deemed a waiver of future enforcement of that or any other provision. Any laws or regulations that provide that the language of a contract will be construed against the drafter will not apply to this Agreement. Section headings are for convenience only and are not to be considered in construing or interpreting this Agreement.

15.9 Export Control. You may not use, export, re-export, import, sell or transfer the Apple Software except as authorized by United States law, the laws of the jurisdiction in which You obtained the Apple Software, and any other applicable laws and regulations. In particular, but without limitation, the Apple Software may not be exported or re-exported (a) into any U.S. embargoed countries or (b) to anyone on the U.S. Treasury Department's list of Specially Designated Nationals or the U.S. Department of Commerce Denied Person's List or Entity List. By using the Apple Software, You represent and warrant that You are not located in any such country or on any such list. You also agree that You will not use the Apple Software for any purposes prohibited by United States law, including, without limitation, the development, design, manufacture or production of nuclear, missiles, or chemical or biological weapons. You certify that pre-release versions of the Apple Software will only be used for development and testing purposes, and will not be rented, sold, leased, sublicensed, assigned, or otherwise transferred. Further, You certify that You will not transfer or export any product, process or service that is a direct product of such pre-release Apple Software.

15.10 Government End-users. The Apple Software and Documentation are "Commercial Items", as that term is defined at 48 C.F.R. §2.101, consisting of "Commercial Computer Software" and "Commercial Computer Software Documentation", as such terms are used in 48 C.F.R. §12.212 or 48 C.F.R. §227.7202, as applicable. Consistent with 48 C.F.R. §12.212 or 48 C.F.R. §227.7202-1 through 227.7202-4, as applicable, the Commercial Computer Software and Commercial Computer Software Documentation are being licensed to U.S. Government end-users (a) only as Commercial Items and (b) with only those rights as are granted to all other end-users pursuant to the terms and conditions herein. Unpublished-rights reserved under the copyright laws of the United States.

15.11 Dispute Resolution; Governing Law. Any litigation or other dispute resolution between You and Apple arising out of or relating to this Agreement, the Apple Software, or Your relationship with Apple will take place in the Northern District of California, and You and Apple hereby consent to the personal jurisdiction of and exclusive venue in the state and federal courts within that District with respect any such litigation or dispute resolution. This Agreement will be governed by and construed in accordance with the laws of the United States and the State of California, except that body of California law concerning conflicts of law.

Notwithstanding the foregoing, if You are an agency, instrumentality or department of the federal government of the United States, then this Agreement shall be governed in accordance with the laws of the United States of America, and in the absence of applicable federal law, the laws of the State of California will apply. Further, and notwithstanding anything to the contrary in this Agreement (including but not limited to Section 11 (Indemnification)), all claims, demands, complaints and disputes will be subject to the Contract Disputes Act (41 U.S.C. §§601-613), the Tucker Act (28 U.S.C. § 1346(a) and § 1491), or the Federal Tort Claims Act (28 U.S.C. §§ 1346(b), 2401-2402, 2671-2672, 2674-2680), as applicable, or other applicable governing authority. For the avoidance of doubt, if You are an agency, instrumentality, or department of the federal, state or local government of the U.S. or a U.S. public and accredited educational institution, then Your indemnification obligations are only applicable to the extent they would not cause You to violate any applicable law (e.g., the Anti-Deficiency Act), and You have any legally required authorization or authorizing statute.

If You (as an entity entering into this Agreement) are a U.S. public and accredited educational institution or an agency, instrumentality, or department of a state or local government within the United States, then (a) this Agreement will be governed and construed in accordance with the laws of the state (within the U.S.) in which Your entity is domiciled, except that body of state law concerning conflicts of law; and (b) any litigation or other dispute resolution between You and Apple arising out of or relating to this Agreement, the Apple Software, or Your relationship with Apple will take place in federal court within the Northern District of California, and You and Apple hereby consent to the personal jurisdiction of and exclusive venue of such District unless such consent is expressly prohibited by the laws of the state in which Your entity is domiciled.

This Agreement shall not be governed by the United Nations Convention on Contracts for the International Sale of Goods, the application of which is expressly excluded.

15.12 Entire Agreement; Governing Language. This Agreement constitutes the entire agreement between the parties with respect to the use of the Apple Software licensed hereunder and supersedes all prior understandings and agreements regarding its subject matter, including the iOS SDK Agreement (clickwrap) accompanying the SDK. This Agreement may be modified only: (a) by a written amendment signed by both parties, or (b) to the extent expressly permitted by this Agreement (for example, by Apple by written or email notice to You). Any translation of this Agreement is done for local requirements and in the event of a dispute between the English and any non-English version, the English version of this Agreement shall govern. If You are located in the province of Quebec, Canada, the following clause applies: The parties hereby confirm that they have requested that this Agreement and all related documents be drafted in English. Les parties ont exigé que le présent contrat et tous les documents connexes soient rédigés en anglais.

Attachment 1
(to the Agreement)
Additional Terms for Apple Push Notification service and Local Notifications

The following terms are in addition to the terms of the Agreement and apply to any use of the APN (Apple Push Notification service) in Your Application and/or in Your Pass or the delivery of Local Notifications to Your Application or Pass:

1. Use of the APN and Local Notifications

1.1 Your Application and/or Your Pass may only access the APN via the APN API and only if You have been assigned a Push Application ID or Pass ID by Apple. Except for the limited purpose of Section 5 below, You agree not to share your Push Application ID or Pass ID with any third party. You understand that Your Application will not be permitted to access or use the APN after expiration or termination of Your Agreement.

1.2 You are only permitted to use the APN and the APN APIs for the purpose of sending Push Notifications to Your Application or Your Pass on an iOS Product as expressly permitted by the Agreement (including but not limited to this Attachment 1) and the APN Documentation, and You must only do so in accordance with all applicable laws and regulations (including all intellectual property laws). You further agree that You must disclose to Apple any use of the APN as part of the submission process for Your Application.

1.3 You understand that before You send an end-user any Push Notifications through the APN, the end-user must provide consent to receive such Notifications. You agree not to disable, override or otherwise interfere with any Apple-implemented consent panels or any Apple system preferences for enabling or disabling Notifications functionality. If the end-user's consent to receive Push Notifications is denied or later withdrawn, You may not send the end-user Push Notifications.

2. Additional Requirements

2.1 You may not use the APN or Local Notifications for the purpose of sending unsolicited messages to end-users or for the purpose of phishing or spamming, including, but not limited to, engaging in any types of activities that violate anti-spamming laws and regulations, or that are otherwise improper, inappropriate or illegal.

2.2 You may not use the APN or Local Notifications for the purposes of advertising, product promotion, or direct marketing of any kind (e.g., up-selling, cross-selling, etc.), including, but not limited to, sending any messages to promote the use of Your Application or advertise the availability of new features or versions. Notwithstanding the foregoing, You may use the APN or Local Notifications for promotional purposes in connection with Your Pass so long as such use is directly related to the Pass, e.g., a store coupon may be sent to Your Pass in Passbook.

2.3 You may not excessively use the overall network capacity or bandwidth of the APN, or unduly burden an iOS Product with excessive Push Notifications or Local Notifications, as may be determined by Apple in its reasonable discretion. In addition, You agree not to harm or interfere with Apple's networks or servers, or any third party servers or networks connected to the APN, or otherwise disrupt other developers' use of the APN.

2.4 You may not use the APN or Local Notifications to send material that contains any obscene, pornographic, offensive or defamatory content or materials of any kind (text, graphics, images, photographs, sounds, etc.), or other content or materials that in Apple's reasonable judgment may be found objectionable by the end-user of Your Application or Your Pass.

2.5 You may not transmit, store or otherwise make available any material that contains viruses or any other computer code, files or programs that may harm, disrupt or limit the normal operation of the APN or an iOS Product, and You agree not to disable, spoof, hack or otherwise interfere with any security, digital signing, verification or authentication mechanisms that are incorporated in or used by the APN, or enable others to do so.

3. Delivery by the APN or via Local Notifications

You understand and agree that in order to provide the APN and make Your Push Notifications available on iOS Products, Apple may transmit Your Push Notifications across various public networks, in various media, and modify or change Your Push Notifications to comply with the technical and other requirements for connecting to networks or devices. You acknowledge and agree that the APN is not, and is not intended to be, a guaranteed or secure delivery service, and You shall not use or rely upon it as such. Further, as a condition to using the APN or delivering Local Notifications, You agree not to transmit sensitive personal or confidential information belonging to an individual (e.g., a social security number, financial account or transactional information, or any information where the individual may have a reasonable expectation of secure transmission) as part of any such Notification, and You agree to comply with any applicable notice or consent requirements with respect to any collection, transmission, maintenance, processing or use of an end-user's personal information.

4. Your Acknowledgements

You acknowledge and agree that:

4.1 Apple may at any time, and from time to time, with or without prior notice to You (a) modify the APN, including changing or removing any feature or functionality, or (b) modify, deprecate, reissue or republish the APN APIs. You understand that any such modifications may require You to change or update Your Applications or Your Passes at Your own cost. Apple has no express or implied obligation to provide, or continue to provide, the APN and may suspend or discontinue all or any portion of the APN at any time. Apple shall not be liable for any losses, damages or costs of any kind incurred by You or any other party arising out of or related to any such service suspension or discontinuation or any such modification of the APN or APN APIs.

4.2 The APN is not available in all languages or in all countries and Apple makes no representation that the APN is appropriate or available for use in any particular location. To the extent You choose to access and use the APN, You do so at Your own initiative and are responsible for compliance with any applicable laws, including but not limited to any local laws.

4.3 Apple provides the APN to You for Your use with Your Application or Your Pass, and does not provide the APN directly to any end-user. You acknowledge and agree that any Push Notifications are sent by You, not Apple, to the end-user of Your Application, and You are solely liable and responsible for any data or content transmitted therein and for any use of the APN in Your Application. Further, You acknowledge and agree that any Local Notifications are sent by You, not Apple, to the end-user of Your Application, and You are solely liable and responsible for any data or content transmitted therein.

4.4 Apple makes no guarantees to You in relation to the availability or uptime of the APN and is not obligated to provide any maintenance, technical or other support for the APN.

4.5 Apple reserves the right to remove Your access to the APN or revoke Your Push Application ID at any time in its sole discretion.

4.6 Apple may monitor and collect information (including but not limited to technical and diagnostic information) about Your usage of the APN to aid Apple in improving the APN and other Apple products or services and to verify Your compliance with this Agreement; provided however that Apple will not access or disclose the content of any Push Notification unless Apple has a good faith belief that such access or disclosure is reasonably necessary to: (a) comply with legal process or request; (b) enforce the terms of this Agreement, including investigation of any potential violation hereof; (c) detect, prevent or otherwise address security, fraud or technical issues; or (d) protect the rights, property or safety of Apple, its developers, customers or the public as required or permitted by law.

5. Third Party Service Providers

You are permitted to employ or retain a third party ("Service Provider") to assist You in accessing and using the APN in Your Applications or Your Passes, including, but not limited to, engaging any such Service Provider to maintain and administer Your Applications' servers on Your behalf, provided any such Service Provider's access to and use of the APN is only done on Your behalf in providing such services to You for Your Application and/or Your Pass and in accordance with these terms, and is subject to a binding written agreement between You and the Service Provider with terms at least as restrictive and protective of Apple as those set forth herein, including, but not limited to, confidentiality for pre-release versions of the APN and indemnity obligations to Apple. Any actions undertaken by any such Service Provider in relation to Your Push Application and/or arising out of this Agreement shall be deemed to have been taken by You, and You (in addition to the Service Provider) shall be responsible to Apple for all such actions (or any inactions), including but not limited to indemnifying Apple against any harm caused by the Service Provider acting on Your behalf. In the event of any actions or inactions that would constitute a violation of this Agreement or otherwise cause any harm, Apple reserves the right to require You to change Service Providers.

6. Additional Liability Disclaimer

APPLE SHALL NOT BE LIABLE FOR ANY DAMAGES OR LOSSES ARISING FROM ANY INTERRUPTIONS TO THE APN OR ANY USE OF NOTIFICATIONS, INCLUDING, BUT NOT LIMITED TO, ANY POWER OUTAGES, SYSTEM FAILURES, NETWORK ATTACKS, SCHEDULED OR UNSCHEDULED MAINTENANCE, OR OTHER INTERRUPTIONS.

Attachment 2
(to the Agreement)
Additional Terms for Use of the In-App Purchase API

The following terms are in addition to the terms of the Agreement and apply to any use of the In-App Purchase API in Your Application:

1. Use of the In-App Purchase API

1.1 You may use the In-App Purchase API only to enable end-users to access or receive content, functionality, or services that You make available for use within Your Application (e.g., digital books, additional game levels, access to a turn-by-turn map service). You may not use the In-App Purchase API to offer goods or services to be used outside of Your Application.

1.2 You must submit to Apple for review and approval all content, functionality, or services that You plan to provide through the use of the In-App Purchase API in accordance with these terms and the processes set forth in Section 6 of the Agreement. For all submissions, You must provide the name, text description, price, unique identifier number, and other information that Apple reasonably requests (collectively, the "Submission Description"). Apple reserves the right to review the actual content, functionality or service that has been described in the Submission Descriptions at any time, including, but not limited to, in the submission process and after approval of the Submission Description by Apple. If You would like to provide additional content, functionality or services through the In-App Purchase API that are not described in Your Submission Description, then You must first submit a new or updated Submission Description for review and approval by Apple prior to making such items available through the use of the In-App Purchase API. Apple reserves the right to withdraw its approval of content, functionality, or services previously approved, and You agree to stop making any such content, functionality, or services available for use within Your Application.

1.3 All content, functionality, and services offered through the In-App Purchase API are subject to the Program Requirements for Applications, and after such content, services or functionality are added to a Licensed Application, they will be deemed part of the Licensed Application and will be subject to all the same obligations and requirements.

2. Additional Restrictions

2.1 You may not use the In-App Purchase API to enable an end-user to set up a pre-paid account to be used for subsequent purchases of content, functionality, or services, or otherwise create balances or credits that end-users can redeem or use to make purchases at a later time.

2.2 You may not enable end-users to purchase Currency of any kind through the In-App Purchase API, including but not limited to any Currency for exchange, gifting, redemption, transfer, trading or use in purchasing or obtaining anything within or outside of Your Application. "Currency" means any form of currency, points, credits, resources, content or other items or units recognized by a group of individuals or entities as representing a particular value and that can be transferred or circulated as a medium of exchange.

2.3 Content and services may be offered through the In-App Purchase API on a subscription basis (e.g., subscriptions to newspapers and magazines). Rentals of content, services or functionality through the In-App Purchase API are not allowed (e.g., use of particular content may not be restricted to a pre-determined, limited period of time).

Notwithstanding the provisions of Section 3.3.9 of the Agreement, if Your Licensed Application is content based (e.g., magazines and newspapers) and offered on an auto-renewing subscription basis through the use of the In-App Purchase API, You may collect certain user data (e.g., user name, email address, zip code), provided that You clearly and conspicuously notify the user of Your privacy policy and that its terms will govern the ways that You may use such information, and further provided that the user consents to Your collection and use prior to gathering such data. You agree to maintain, and strictly comply with the terms of, Your privacy policy.

2.4 You may not use the In-App Purchase API to send any software updates to Your Application or otherwise add any additional executable code to Your Application. An In-App Purchase item must either already exist in Your Application waiting to be unlocked, be streamed to Your Application after the In-App Purchase API transaction has been completed, or be downloaded to Your Application solely as data after such transaction has been completed.

2.5 You may not use the In-App Purchase API to deliver any items that contain content or materials of any kind (text, graphics, images, photographs, sounds, etc.) that in Apple's reasonable judgment may be found objectionable or inappropriate, for example, materials that may be considered obscene, pornographic, or defamatory.

2.6 With the exception of items of content that an end-user consumes or uses up within Your Application (e.g., virtual supplies such as construction materials) (a "Consumable"), any other content, functionality, services or subscriptions delivered through the use of the In-App Purchase API (e.g., a sword for a game) (a "Non-Consumable") must be made available to end-users in accordance with the same usage rules as Licensed Applications (e.g., any such content, services or functionality must be available to all of the devices associated with an end-user's account). You will be responsible for identifying Consumable items to Apple and for disclosing to end-users that Consumables will not be available for use on other devices.

3. Your Responsibilities

3.1 For each successfully completed transaction made using the In-App Purchase API, Apple will provide You with a transaction receipt. It is Your responsibility to verify the validity of such receipt prior to the delivery of any content, functionality, or services to an end-user and Apple will not be liable for Your failure to verify that any such transaction receipt came from Apple.

3.2 Unless Apple provides You with user interface elements, You are responsible for developing the user interface Your Application will display to end-users for orders made through the In-App Purchase API. You agree not to misrepresent, falsely claim, mislead or engage in any unfair or deceptive acts or practices regarding the promotion and sale of items through Your use of the In-App Purchase API, including, but not limited to, in the Licensed Application Information and any metadata that You submit through iTunes Connect. You agree to comply with all applicable laws and regulations, including those in any jurisdictions in which you make content, functionality, services or subscriptions available through the use of the In-App Purchase API, including but not limited to consumer laws and export regulations.

3.3 Apple may provide hosting services for Non-Consumables that You would like to provide to Your end-users through the use of the In-App Purchase API. Even if Apple hosts such Non-Consumables on Your behalf, You are responsible for providing items ordered through the In-App Purchase API in a timely manner (i.e., promptly after Apple issues the transaction receipt, except in cases where You have disclosed to Your end-user that the item will be made available at a later time) and for complying with all applicable laws in connection therewith, including but not limited to, laws, rules and regulations related to cancellation or delivery of ordered items. You are responsible for maintaining Your own records for all such transactions.

3.4 You will not issue any refunds to end-users of Your Application, and You agree that Apple may issue refunds to end-users in accordance with the terms of Schedule 2.

4. Apple Services

4.1 From time to time, Apple may choose to offer additional services and functionality relating to In-App Purchase API transactions. Apple makes no guarantees that the In-App Purchase API or any related services will continue to be made available to You or that they will meet Your requirements, be uninterrupted, timely, secure or free from error, that any information that You obtain from the In-App Purchase API or any related services will be accurate or reliable or that any defects will be corrected.

4.2 You understand that You will not be permitted to access or use the In-App Purchase API after expiration or termination of Your Agreement.

5. Your Acknowledgements

You acknowledge and agree that:

5.1 Apple may at any time, and from time to time, with or without prior notice to You (a) modify the In-App Purchase API, including changing or removing any feature or functionality, or (b) modify, deprecate, reissue or republish the In-App Purchase API. You understand that any such modifications may require You to change or update Your Applications at Your own cost in order to continue to use the In-App Purchase API. Apple has no express or implied obligation to provide, or continue to provide, the In-App Purchase API or any services related thereto and may suspend or discontinue all or any portion of thereof at any time. Apple shall not be liable for any losses, damages or costs of any kind incurred by You or any other party arising out of or related to any suspension, discontinuation or modification of the In-App Purchase API or any services related thereto.

5.2 Apple provides the In-App Purchase API to You for Your use with Your Application, and may provide services to You in connection therewith (e.g., hosting services for Non-Consumable items). Apple is not responsible for providing or unlocking any content, functionality, services or subscriptions that an end-user orders through Your use of the In-App Purchase API. You acknowledge and agree that any such items are made available by You, not Apple, to the end-user of Your Application, and You are solely liable and responsible for such items ordered through the use of the In-App Purchase API and for any such use of the In-App Purchase API in Your Application or for any use of services in connection therewith.

5.3 Apple makes no guarantees to You in relation to the availability or uptime of the In-App Purchase API or any other services that Apple may provide to You in connection therewith, and Apple is not obligated to provide any maintenance, technical or other support related thereto.

6. Third Party Service Providers

You are permitted to employ or retain a Service Provider to assist You in delivery of content, functionality, services or subscriptions through the In-App Purchase API including, but not limited to, engaging any such Service Provider to maintain and administer Your Applications' servers on Your behalf, provided any such Service Provider's access to and use of the In-App Purchase API is only done on Your behalf in providing such services to You for Your Application and in accordance with these terms, and is subject to a binding written agreement between You and the Service Provider with terms at least as restrictive and protective of Apple as those set forth herein, including, but not limited to, confidentiality for pre-release versions of the Apple Software and indemnity obligations to Apple. Any actions undertaken by any such Service Provider in relation to Your Application, Your use of the In-App Purchase API, and/or arising out of this Agreement shall be deemed to have been taken by You, and You (in addition to the Service Provider) shall be responsible to Apple for all such actions (or any inactions), including but not limited to indemnifying Apple against any harm caused by the Service Provider acting on Your behalf. In the event of any actions or inactions that would constitute a violation of this Agreement or otherwise cause any harm, Apple reserves the right to require You to change Service Providers.

7. Use of Digital Certificates for In-App Purchase

When an end-user completes a transaction using the In-App Purchase API in Your Application, Apple will provide You with a transaction receipt signed with an Apple-issued certificate. It is Your responsibility to verify that such certificate and receipt were issued by Apple, as set forth in the Documentation. You are solely responsible for Your decision to rely on any such certificates and receipts. YOUR USE OF OR RELIANCE ON SUCH CERTIFICATES AND RECEIPTS IN CONNECTION WITH THE IN-APP PURCHASE API IS AT YOUR SOLE RISK. APPLE MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, ACCURACY, RELIABILITY, SECURITY, OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS WITH RESPECT TO SUCH DIGITAL CERTIFICATES AND RECEIPTS. You agree that You will only use such receipts and certificates in accordance with the Documentation, and that You will not interfere or tamper with the normal operation of such digital certificates or receipts, including but not limited to any falsification or other misuse.

8. Additional Liability Disclaimer

APPLE SHALL NOT BE LIABLE FOR ANY DAMAGES OR LOSSES ARISING FROM THE USE OF THE IN-APP PURCHASE API AND ANY RELATED SERVICES, INCLUDING, BUT NOT LIMITED TO, (I) ANY LOSS OF PROFIT (WHETHER INCURRED DIRECTLY OR INDIRECTLY), ANY LOSS OF GOODWILL OR BUSINESS REPUTATION, ANY LOSS OF DATA SUFFERED, OR OTHER INTANGIBLE LOSS, (II) ANY CHANGES WHICH APPLE MAY MAKE TO THE IN-APP PURCHASE API OR ANY SERVICES, OR FOR ANY PERMANENT OR TEMPORARY CESSATION IN THE PROVISION OF THE IN-APP PURCHASE API OR ANY SERVICES (OR ANY FEATURES WITHIN THE SERVICES) PROVIDED THEREWITH, OR (III) THE DELETION OF, CORRUPTION OF, OR FAILURE TO PROVIDE ANY DATA TRANSMITTED BY OR THROUGH YOUR USE OF THE IN-APP PURCHASE API OR SERVICES. It is Your responsibility to maintain appropriate alternate backup of all Your information and data, including but not limited to any Non-Consumables that You may provide to Apple for hosting services.

Attachment 3
(to the Agreement)
Additional Terms for the Game Center

The following terms are in addition to the terms of the Agreement and apply to any use of the Game Center service by You or Your Application; provided however that You may only use confidential, pre-release versions of the Game Center service for testing and development of Your Application and may not use such pre-release service in Your Licensed Application or disclose it in any way until it is publicly released by Apple.

1. Use of the Game Center service

1.1 You and Your Application may not connect to or use the Game Center service in any way not expressly authorized by Apple. You agree to only use the Game Center service in accordance with this Agreement (including this Attachment 3), the Game Center Documentation and in accordance with all applicable laws. You understand that neither You nor Your Application will be permitted to access or use the Game Center service after expiration or termination of Your Agreement.

1.2 Apple may provide You with a unique identifier which is associated with an end-user's alias as part of the Game Center service (the "Player ID"). You agree to not display the Player ID to the end-user or to any third party, and You agree to only use the Player ID for differentiation of end-users in connection with Your use of the Game Center. You agree not to reverse look-up, trace, relate, associate, mine, harvest, or otherwise exploit the Player ID, aliases or other data or information provided by the Game Center service, except to the extent expressly permitted herein. For example, You will not attempt to determine the real identity of an end-user.

1.3 You will only use information provided by the Game Center service as necessary for providing services and functionality for Your Applications as well as any Mac App Store applications that You have associated with Your developer account. For example, You will not host or export any such information to a third party service. Further, You agree not to transfer or copy any user information or data (whether individually or in the aggregate) obtained through the Game Center service to a third party except as necessary for providing services and functionality for Your Applications (and Your Mac App Store applications), and then only with express user consent and only if not otherwise prohibited in this Agreement.

1.4 You will not attempt to gain (or enable others to gain) unauthorized use or access to the Game Center service (or any part thereof) in any way, including but not limited to obtaining information from the Game Center service using any method not expressly permitted by Apple. For example, You may not use packet sniffers to intercept any communications protocols from systems or networks connected to the Game Center, scrape any data or user information from the Game Center, or use any third party software to collect information through the Game Center about players, game data, accounts, or service usage patterns.

2. Additional Restrictions

2.1 You agree not to harm or interfere with Apple's networks or servers, or any third party servers or networks connected to the Game Center service, or otherwise disrupt other developers' or end-users' use of the Game Center. You agree that, except for testing and development purposes, You will not create false accounts through the use of the Game Center service or otherwise use the Game Center service to misrepresent information about You or Your Application in a way that would interfere with an end-users' use of the Game Center service, e.g., creating inflated high scores through the use of cheat codes or falsifying the number of user accounts for Your Application.

2.2 You will not institute, assist, or enable any disruptions of the Game Center, such as through a denial of service attack, through the use of an automated process or service such as a spider, script, or bot, or through exploiting any bug in the Game Center service or Apple Software. You agree not to probe, test or scan for vulnerabilities in the Game Center service. You further agree not to disable, spoof, hack, undermine or otherwise interfere with any data protection, security, verification or authentication mechanisms that are incorporated in or used by the Game Center service, or enable others to do so.

2.3 You will not transmit, store or otherwise make available any material that contains viruses or any other computer code, files or programs that may harm, disrupt or limit the normal operation of the Game Center or an iOS Product.

2.4 You agree not to use any portion of the Game Center service for sending any unsolicited, improper or inappropriate messages to end-users or for the purpose of poaching, phishing or spamming of Game Center users. You will not reroute (or attempt to reroute) users of the Game Center to another service using any information You obtain through the use of the Game Center service.

2.5 You shall not charge any fees to end-users for access to the Game Center service or for any data or information provided therein.

3. Your Acknowledgements

You acknowledge and agree that:

3.1 Apple may at any time, and from time to time, with or without prior notice to You (a) modify the Game Center service, including changing or removing any feature or functionality, or (b) modify, deprecate, reissue or republish the Game Center APIs or related APIs. You understand that any such modifications may require You to change or update Your Applications at Your own cost. Apple has no express or implied obligation to provide, or continue to provide, the Game Center service and may suspend or discontinue all or any portion of the Game Center service at any time. Apple shall not be liable for any losses, damages or costs of any kind incurred by You or any other party arising out of or related to any such service suspension or discontinuation or any such modification of the Game Center service or Game Center APIs.

3.2 As long as the Game Center service is a confidential, pre-release service, You will only allow it to be used for testing and development purposes by Your Authorized Developers and only for use on Your Authorized Test Devices, and You will not use any Game Center APIs in Your Licensed Applications. You agree to restrict access to such Authorized Test Devices in accordance with the terms of the Agreement.

3.3 Apple makes no guarantees to You in relation to the availability or uptime of the Game Center service and is not obligated to provide any maintenance, technical or other support for such service.

3.4 Apple reserves the right to remove Your access to the Game Center service at any time in its sole discretion.

3.5 Apple may monitor and collect information (including but not limited to technical and diagnostic information) about Your usage of the Game Center service to aid Apple in improving the Game Center and other Apple products or services and to verify Your compliance with this Agreement.

4. Additional Liability Disclaimer

APPLE SHALL NOT BE LIABLE FOR ANY DAMAGES OR LOSSES ARISING FROM ANY INTERRUPTIONS TO THE GAME CENTER OR ANY SYSTEM FAILURES, NETWORK ATTACKS, SCHEDULED OR UNSCHEDULED MAINTENANCE, OR OTHER INTERRUPTIONS.

Attachment 4
(to the Agreement)
Additional Terms for the use of iCloud

The following terms are in addition to the terms of the Agreement and apply to Your use of the iCloud service for software development and testing in connection with Your Application or Multi-Platform Software. If You receive access to a beta trial for the end-user iCloud service, then Your usage as an end-user of the pre-release iCloud service will be subject to the terms accompanying such beta trial in addition to the terms of this Agreement. You may not use the pre-release iCloud Storage APIs or iCloud service in Your Licensed Application or Multi-Platform Software, or disclose it in any way until it is publicly released by Apple.

1. Use of iCloud

1.1 Your Application or Multi-Platform Software may only access the iCloud service via the iCloud Storage APIs, and then only if You have been assigned an Entitlement by Apple. You agree not to access the iCloud service, or any content, data or information contained therein, other than through the iCloud Storage APIs or as otherwise licensed by Apple. You agree not to share Your Entitlement with any third party or use it for any purposes not expressly permitted by Apple.

1.2 You understand that You will not be permitted to access or use the iCloud service for software development or testing after expiration or termination of Your Agreement; however users who have Your Applications or Multi-Platform Software installed and who have a valid end-user account with Apple to use iCloud may continue to access their user-generated documents and files in accordance with the applicable iCloud terms and conditions. You agree not to interfere with a user's ability to access iCloud (or the user's own user-generated documents and files) or to otherwise disrupt their use of the iCloud in any way and at any time.

1.3 Your Application is only permitted to use the iCloud service and the iCloud Storage APIs for the purpose of storage and retrieval of key value data (e.g., a list of stocks in a finance App, settings for an App) for Your Applications and Multi-Platform Software, and enabling Your end-users to access user-generated documents and files through the iCloud service. You agree to only use the iCloud service and iCloud Storage APIs as expressly permitted by the Agreement (including but not limited to this Attachment 4) and the iCloud Documentation, and in accordance with all applicable laws and regulations.

1.4 You may allow a user to access their user-generated documents and files from iCloud through the use of Your Applications as well as from Multi-Platform Software. However, You may not share key value data from Your Application with other Applications or Multi-Platform Software, unless You are sharing such data among different versions of the same title (e.g., the iPhone version of an Application can share key value data with an iPad or Mac App Store version of the same titled Application), or You have user consent.

2. Additional Requirements

2.1 You understand there are storage capacity limits for the iCloud service. If You or Your end-user reaches such capacity, then You or Your end-user may be unable to use the iCloud service until You or Your end-user have removed enough data from the service to meet the capacity limits or increased storage capacity, and You or Your end-user may be unable to access or retrieve data from iCloud during this time.

2.2 You may not charge any fees to users for access to or use of the iCloud service through Your Applications and Multi-Platform Software, and You agree not to sell access to the iCloud service in any other way, including but not limited to operating Your own file storage service or reselling any part of the service. You will only use the iCloud service in Your Application or Multi-Platform Software to provide storage for an end-user who has a valid end-user account with Apple and only for use in accordance with the terms of such user account. For example, You will not induce any end-user to violate the terms of their applicable iCloud service agreement with Apple or to violate any Apple usage policies for data or information stored in the iCloud service.

2.3 You may not excessively use the overall network capacity or bandwidth of the iCloud service or otherwise burden such service with unreasonable data loads. You agree not to harm or interfere with Apple's networks or servers, or any third party servers or networks connected to the iCloud, or otherwise disrupt other developers' or users' use of the iCloud service.

2.4 You will not disable or interfere with any warnings, iOS system settings, notices, or notifications that are presented to an end-user of the iCloud service by Apple.

3. Your Acknowledgements

You acknowledge and agree that:

3.1 Apple may at any time, with or without prior notice to You (a) modify the iCloud Storage APIs, including changing or removing any feature or functionality, or (b) modify, deprecate, reissue or republish the iCloud Storage APIs. You understand that any such modifications may require You to change or update Your Applications or Multi-Platform Software at Your own cost. Apple has no express or implied obligation to provide, or continue to provide, the iCloud service and may suspend or discontinue all or any portion of the iCloud service at any time. Apple shall not be liable for any losses, damages or costs of any kind incurred by You or any other party arising out of or related to any such service suspension or discontinuation or any such modification of the iCloud service or iCloud Storage APIs.

3.2 The iCloud service is not available in all languages or in all countries and Apple makes no representation that the iCloud service is appropriate or available for use in any particular location. To the extent You choose to provide access to the iCloud service in Your Applications or Multi-Platform Software through the iCloud Storage APIs, You do so at Your own initiative and are responsible for compliance with any applicable laws.

3.3 Apple makes no guarantees to You in relation to the availability or uptime of the iCloud service and is not obligated to provide any maintenance, technical or other support for the iCloud service. Apple is not responsible for any expenditures, investments, or commitments made by You in connection with the iCloud service, or for any use of or access to the iCloud service.

3.4 Apple reserves the right to revoke Your access to the iCloud service or impose limits on Your use of the iCloud service at any time in Apple's sole discretion. In addition, Apple may impose or adjust the limit of transactions Your Applications or Multi-Platform Software may send or receive through the iCloud service or the resources or capacity that they may use at any time in Apple's sole discretion.

3.5 Apple may monitor and collect information (including but not limited to technical and diagnostic information) about usage of the iCloud service to aid Apple in improving the iCloud service and other Apple products or services and to verify compliance with this Agreement; provided however that Apple will not access or disclose any user-generated documents or files, or key value data, stored using the iCloud Storage APIs and iCloud service unless Apple has a good faith belief that such access, use, preservation or disclosure is reasonably necessary to: (a) comply with legal process or request; (b) enforce the terms of this Agreement, including investigation of any potential violation hereof or of the applicable end-user terms of service; (c) detect, prevent or otherwise address security risk, fraud or technical issues; or (d) protect the rights, property or safety of Apple, its developers, customers or the public as required or permitted by law.

4. Additional Liability Disclaimer

NEITHER APPLE NOR ITS SERVICE PROVIDERS SHALL BE LIABLE FOR ANY DAMAGES OR LOSSES ARISING FROM ANY USE, MISUSE, RELIANCE ON, INABILITY TO USE, INTERRUPTION, SUSPENSION OR TERMINATION OF THE iCLOUD STORAGE SERVICE OR ANY UNAUTHORIZED ACCESS TO, ALTERATION OF, OR DELETION, DESTRUCTION, DAMAGE, LOSS OR FAILURE TO STORE ANY OF YOUR DATA OR ANY END-USER DATA OR ANY CLAIMS ARISING FROM ANY USE OF THE FOREGOING BY YOUR END-USERS.

Attachment 5
(to the Agreement)
Additional Terms for Passes

The following terms are in addition to the terms of the Agreement and apply to Your development and distribution of Passes:

1. Pass ID Usage and Restrictions

You may use the Pass ID only for purposes of digitally signing Your Pass for use with Passbook and/or for purposes of using the APN service with Your Pass. You may distribute Your Pass ID as incorporated into Your Pass in accordance with Section 2 below only so long as such distribution is under Your own trademark or brand. To the extent that You reference a third party's trademark or brand within Your Pass (e.g., a store coupon for a particular good), You represent and warrant that You have any necessary rights. You agree not to share, provide or transfer Your Pass ID to any third party (except for the limited purpose set forth in Attachment 1, Section 5), nor use Your Pass ID to sign a third party's pass.

2. Pass Distribution; Marketing Permissions

2.1 Subject to the terms of this Agreement, You may distribute Your Passes to end-users by the web, email, or an Application. You understand and agree that Your end-users must accept Your Passes before they will be loaded into Passbook and they can remove Your Passes from Passbook at any time.

2.2 By distributing Your Passes in this manner, You represent and warrant to Apple that Your Passes comply with the Documentation and Program Requirements then in effect and the terms of this Attachment 5. Apple shall not be responsible for any costs, expenses, damages, losses (including without limitation lost business opportunities or lost profits) or other liabilities You may incur as a result of distributing Your Passes in this manner.

2.3 You agree to state on the Pass Your name and address, and the contact information (telephone number; email address) to which any end-user questions, complaints, or claims with respect to Your Pass should be directed. You will be responsible for attaching or otherwise including, at Your discretion, any relevant end-user usage terms with Your Pass. Apple will not be responsible for any violations of Your end-user usage terms. You will be solely responsible for all user assistance, warranty and support of Your Pass. You may not charge any fees to end-users in order to use Passbook to access Your Pass.

2.4 By distributing Your Passes as permitted in this Agreement, You hereby permit Apple to use (i) screen shots of Your Pass; (ii) trademarks and logos associated with Your Pass; and (iii) Pass Information, for promotional purposes in marketing materials and gift cards, excluding those portions which You do not have the right to use for promotional purposes and which You identify in writing to Apple. You also permit Apple to use images and other materials that You may provide to Apple, at Apple's reasonable request, for promotional purposes in marketing materials and gift cards.

3. Additional Pass Requirements

3.1 Apple may provide You with templates to use in creating Your Passes, and You agree to choose the relevant template for Your applicable use (e.g., You will not use the boarding pass template for a movie ticket).

3.2 Passes may only operate and be displayed in Passbook, which is Apple's designated container area for the Pass, or through Passbook on the lock screen of an iOS Product.

3.3. Notwithstanding anything else in Section 3.3.9 of the Agreement, with prior user consent, You and Your Pass may share user and/or or device data with Your Application so long as such sharing is for the purpose of providing a service or function that is directly relevant to the use of the Pass and/or Application, or to serve advertising in accordance with Sections 3.3.12 and 3.3.13 of the Agreement.

4. Apple's Right to Review Your Pass; Revocation

You understand and agree that Apple reserves the right to review and approve or reject any Pass that You would like to distribute for use by Your end-users, or that is already in use by Your end-users, at any time during the Term of this Agreement. If requested by Apple, You agree to promptly provide such Pass to Apple. You agree not to attempt to hide, misrepresent, mislead, or obscure any features, content, services or functionality in Your Pass from Apple's review or otherwise hinder Apple from being able to fully review such Pass, and, You agree to cooperate with Apple and answer questions and provide information and materials reasonably requested by Apple regarding such Pass. If You make any changes to Your Pass after submission to Apple, You agree to notify Apple and, if requested by Apple, resubmit Your Pass prior to any distribution of the modified Pass to Your end-users. Apple reserves the right to revoke Your Pass ID and reject Your Pass for distribution to Your end-users for any reason and at any time in its sole discretion, even if Your Pass meets the Documentation and Program Requirements and terms of this Attachment 5; and, in that event, You agree that You may not distribute such Pass to Your end-users.

5. Additional Liability Disclaimer

APPLE SHALL NOT BE LIABLE FOR ANY DAMAGES OR LOSSES ARISING FROM ANY USE, DISTRIBUTION, MISUSE, RELIANCE ON, INABILITY TO USE, INTERRUPTION, SUSPENSION, OR TERMINATION OF PASSBOOK, YOUR PASS ID, YOUR PASSES, OR ANY SERVICES PROVIDED IN CONNECTION THEREWITH, INCLUDING BUT NOT LIMITED TO ANY LOSS OR FAILURE TO DISPLAY YOUR PASS IN PASSBOOK OR ANY END-USER CLAIMS ARISING FROM ANY USE OF THE FOREGOING BY YOUR END-USERS.

Attachment 6
(to the Agreement)
Additional Terms for the use of the Apple Maps Service

The following terms are in addition to the terms of the Agreement and apply to any use of the Apple Maps Service in Your Application.

1. Use of the Maps Service

1.1 Your Application may access the Apple Maps Service only via the MapKit API. You agree not to access the Apple Maps Service or the Map Data other than through the MapKit API.

1.2 You will use the Apple Maps Service and Map Data only as necessary for providing services and functionality for Your Application. You agree to use the Apple Maps Service and MapKit API only as expressly permitted by this Agreement (including but not limited to this Attachment 6) and the MapKit Documentation, and in accordance with all applicable laws and regulations.

1.3 You acknowledge and agree that results You receive from the Apple Maps Service may vary from actual conditions due to variable factors that can affect the accuracy of the Map Data, such as weather, road and traffic conditions, and geopolitical events.

2. Additional Restrictions

2.1 Your Application must not remove, obscure or alter Apple's or its licensors' copyright notices, trademarks, or any other proprietary rights or legal notices, documents or hyperlinks that may appear in or be provided through the Apple Maps Service.

2.2 You will not use the Apple Maps Service in any manner that enables or permits bulk downloads or feeds of the Map Data, or any portion thereof, or that in any way attempts to extract, scrape or reutilize any portions of the Map Data. For example, neither You nor Your Application may use or make available the Map Data, or any portion thereof, as part of any secondary or derived database.

2.3 You will not copy, modify, translate, create a derivative work of, publish or publicly display the Map Data in any way other than as permitted herein.

2.4 You will not use the Map Data provided by Apple without using it with a corresponding Apple map.

2.5 Map Data may not be cached, pre-fetched, or stored by You or Your Application, other than on a temporary and limited basis solely to improve the performance of the Apple Maps Service with Your Application.

2.6 You may not charge any fees to end-users solely for access to or use of the Apple Maps Service through Your Application, and You agree not to sell access to the Apple Maps Service in any other way.

3. Your Acknowledgements

You acknowledge and agree that:

3.1 Apple may at any time, with or without prior notice to You (a) modify the Apple Maps Service and/or the MapKit API, including changing or removing any feature or functionality, or (b) modify, deprecate, reissue or republish the MapKit API. You understand that any such modifications may require You to change or update Your Applications at Your own cost. Apple has no express or implied obligation to provide, or continue to provide, the Apple Maps Service and may suspend or discontinue all or any portion of the Apple Maps Service at any time. Apple shall not be liable for any losses, damages or costs of any kind incurred by You or any other party arising out of or related to any such service suspension or discontinuation or any such modification of the Apple Maps Service or MapKit API.

3.2 The Apple Maps Service may not be available in all countries or languages, and Apple makes no representation that the Apple Maps Service is appropriate or available for use in any particular location. To the extent You choose to provide access to the Apple Maps Service in Your Applications or through the MapKit API, You do so at Your own initiative and are responsible for compliance with any applicable laws.

3.3 If the Apple Maps Service is provided to You as a confidential, pre-release service, You will only allow it to be used for testing and development purposes by Your Authorized Developers and only for use on Your Authorized Test Devices, and You will not use the pre-release version of the Apple Maps Service in Your Licensed Applications. You agree to restrict access to such Authorized Test Devices in accordance with the terms of the Agreement.

4. Additional Liability Disclaimer

NEITHER APPLE NOR ITS LICENSORS OR SERVICE PROVIDERS SHALL BE LIABLE FOR ANY DAMAGES OR LOSSES ARISING FROM ANY USE, MISUSE, RELIANCE ON, INABILITY TO USE, INTERRUPTION, SUSPENSION OR TERMINATION OF THE APPLE MAPS SERVICE, INCLUDING ANY INTERRUPTIONS DUE TO SYSTEM FAILURES, NETWORK ATTACKS, OR SCHEDULED OR UNSCHEDULED MAINTENANCE.

Schedule 1

1. Appointment of Agent

1.1 You hereby appoint Apple and Apple Subsidiaries (collectively "Apple") as Your worldwide agent for the delivery of the Licensed Applications to end-users, during the Delivery Period. You hereby acknowledge that Apple will deliver the Licensed Applications to end-users in Apple's own name, through one or more App Stores, but for You and on Your behalf. For purposes of this Schedule 1, the term "Licensed Application" includes any additional permitted functionality, content or services provided by You from within a Licensed Application using the In-App Purchase API. The most current list of App Store countries among which you may select shall be set forth in the iTunes Connect site and may be updated from time to time.

1.2 In furtherance of Apple's appointment under Section 1.1 of this Schedule 1, You hereby authorize and instruct Apple to:

(a) solicit and obtain orders on Your behalf for Licensed Applications from end-users located in the countries You designate under Section 2.1 hereof;

(b) provide hosting services to You, in order to allow for the storage of, and end-user access to, the Licensed Applications and to enable third party hosting of such Licensed Applications solely as otherwise licensed or authorized by Apple;

(c) make copies of, format, and otherwise prepare Licensed Applications for acquisition and download by end-users, including adding the Security Solution;

(d) allow end-users to access and re-access copies of the Licensed Applications, so that end-users may acquire from You and electronically download those Licensed Applications, Licensed Application Information, and associated metadata to end-users through one or more App Stores, and You hereby authorize distribution of Your Licensed Applications under this Schedule 1 for use by multiple end users under a single Apple ID when the Licensed Applications are provided to such users through Apple Configurator in accordance with the Apple Configurator software license agreement;

(e) use (i) screen shots and/or up to 30 second excerpts of the Licensed Applications; (ii) trademarks and logos associated with the Licensed Applications; and (iii) Licensed Application Information, for promotional purposes in marketing materials and gift cards, excluding those portions of the Licensed Applications, trademarks or logos, or Licensed Application Information which You do not have the right to use for promotional purposes, and which You identify in writing at the time that the Licensed Applications are delivered by You to Apple under Section 2.1 of this Schedule 1, and use images and other materials that You may provide to Apple, at Apple's reasonable request, for promotional purposes in marketing materials and gift cards; and

(f) otherwise use Licensed Applications, Licensed Application Information and associated metadata as may be reasonably necessary in the delivery of the Licensed Applications in accordance with this Schedule 1. You agree that no royalty or other compensation is payable for the rights described above in Section 1.2 of this Schedule 1.

1.3 The parties acknowledge and agree that their relationship under this Schedule 1 is, and shall be, that of principal and agent, and that You, as principal, are, and shall be, solely responsible for any and all claims and liabilities involving or relating to, the Licensed Applications, as provided in this Schedule 1. The parties acknowledge and agree that Your appointment of Apple as its agent under this Schedule 1 is non-exclusive.

1.4 For purposes of this Schedule 1, the "Delivery Period" shall mean the period beginning on the Effective Date of the Agreement, and expiring on the last day of the Agreement or any renewal thereof; provided, however, that Apple's appointment as Your agent shall survive expiration of the Agreement for a reasonable phase-out period not to exceed thirty (30) days and further provided that, solely with respect to Your end-users, subsections 1.2(b), (c), and (d) of this Schedule 1 shall survive termination or expiration of the Agreement unless You indicate otherwise pursuant to sections 4.1 and 6.2 of this Schedule 1.

1.5 All of the Licensed Applications delivered by You to Apple under Section 2.1 of this Schedule 1 shall be made available by Apple for download by end-users at no charge. Apple shall have no duty to collect any fees for the Licensed Applications for any end-user and shall have no payment obligation to You with respect to any of those Licensed Applications under this Schedule 1. In the event that You intend to charge end-users a fee for any Licensed Application or In-App Purchase, You must enter (or have previously entered) into a separate agreement (Schedule 2) with Apple with respect to that Licensed Application.

2. Delivery of the Licensed Applications to Apple

2.1 You will deliver to Apple, at Your sole expense, using the iTunes Connect site, the Licensed Applications, Licensed Application Information and associated metadata, in a format and manner prescribed by Apple, as required for the delivery of the Licensed Applications to end-users in accordance with this Schedule 1. Metadata You deliver to Apple under this Schedule 1 will include: (i) the title and version number of each of the Licensed Applications; (ii) the countries You designate, in which You wish Apple to allow end-users to download those Licensed Applications; (iii) any copyright or other intellectual property rights notices; and (iv) Your end-user license agreement ("EULA"), if any, in accordance with Section 3.2 of this Schedule 1.

2.2 All Licensed Applications will be delivered by You to Apple using software tools, a secure FTP site address and/or such other delivery methods as prescribed by Apple.

2.3 You hereby certify that all of the Licensed Applications You deliver to Apple under this Schedule 1 are authorized for export from the United States to each of the countries designated by You under Section 2.1 hereof, in accordance with the requirements of the United States Export Administration Regulations, 15 C.F.R. Parts 730-774. Without limiting the generality of this Section 2.3, You certify that (i) none of the Licensed Applications contains, uses or supports any data encryption or cryptographic functions; or (ii) in the event that any Licensed Application contains, uses or supports any such data encryption or cryptographic functionality, You will, upon request, provide Apple with a PDF copy of Your Encryption Registration Number (ERN), or export classification ruling (CCATS) issued by the United States Commerce Department, Bureau of Industry and Security and PDF copies of appropriate authorizations from other countries that mandate import authorizations for that Licensed Application, as required. You acknowledge that Apple is relying upon Your certification in this Section 2.3 in allowing end-users to access and download the Licensed Applications under this Schedule 1. Except as provided in this Section 2.3, Apple will be responsible for compliance with the requirements of the Export Administration Regulations in allowing end-users to access and download the Licensed Applications under this Schedule 1.

3. Ownership and End-User Licensing and Delivery of the Licensed Applications to End Users

3.1 You acknowledge and agree that Apple, in the course of acting as agent for You, is hosting, or pursuant to Section 1.2(b) of this Schedule 1 may enable authorized third parties to host, the Licensed Application(s), and is allowing the download of those Licensed Application(s) by end-users, on Your behalf. However, You are responsible for hosting and delivering content or services sold or delivered by You using the In-App Purchase API, except for content that is included within the Licensed Application itself (i.e., the In-App Purchase simply unlocks the content) or content hosted by Apple pursuant to Section 3.3 of Attachment 2 of the Program Agreement. The parties acknowledge and agree that Apple shall not acquire any ownership interest in or to any of the Licensed Applications or Licensed Applications Information, and title, risk of loss, responsibility for, and control over the Licensed Applications shall, at all times, remain with You. Apple may not use any of the Licensed Applications or Licensed Application Information for any purpose, or in any manner, except as specifically authorized in this Schedule 1.

3.2 You may deliver to Apple Your own EULA for any Licensed Application at the time that You deliver that Licensed Application to Apple, in accordance with Section 2.1 of this Schedule 1; provided, however, that Your EULA must include and may not be inconsistent with the minimum terms and conditions specified on Exhibit A to this Schedule 1 and must comply with all applicable laws in all countries where You wish Apple to allow end-users to download that Licensed Application. Apple shall allow each end-user to which Apple allows access to any such Licensed Application to review Your EULA (if any) at the time that Apple delivers that Licensed Application to that end-user, and Apple shall notify each end-user that the end-user's use of that Licensed Application is subject to the terms and conditions of Your EULA (if any). In the event that You do not furnish Your own EULA for any Licensed Application to Apple, You acknowledge and agree that each end-user's use of that Licensed Application shall be subject to Apple's standard EULA (which is part of the App Store Terms of Service).

3.3 You hereby acknowledge that the EULA for each of the Licensed Applications is solely between You and the end-user and conforms to applicable law, and Apple shall not be responsible for, and shall not have any liability whatsoever under, any EULA or any breach by You or any end-user of any of the terms and conditions of any EULA.

3.4 A Licensed Application may read or play content (magazines, newspapers, books, audio, music, video) that is offered outside of the Licensed Application (such as, by way of example, through Your website) provided that You do not link to or market external offers for such content within the Licensed Application. You are responsible for authentication access to content acquired outside of the Licensed Application.

3.5 You may offer in-app subscriptions for free in select territories using the In-App Purchase API subject to the terms of this Schedule 1, provided that the Licensed Application is Newsstand-enabled pursuant to section 3.7 below and You clearly and conspicuously disclose to users the following information regarding Your in-app subscription:

- Title of publication or service
- Subscription may be discontinued at any time by removing app from device
- Links to Your Privacy Policy and Terms of Use

3.6 To the extent you promote and offer in-app subscriptions, You must do so in compliance with all legal and regulatory requirements.

3.7 If Your Licensed Application is periodical content-based (e.g., magazines and newspapers), Apple may provide You with the name, email address, and zip code associated with a user's account when they request an auto-renewing subscription via the In-App Purchase API, provided that such user consents to the provision of data to You, and further provided that You may only use such data to promote Your own products and otherwise in strict compliance with Your publicly posted Privacy Policy, a copy of which must be readily viewed and is consented to in Your Licensed Application.

3.8 Licensed Applications offering subscription services under this Schedule 1 must be included in Apple's Newsstand program provided that, in addition to the requirements set forth in paragraphs 3.5, 3.6 and 3.7, You:

- Enable the Licensed Application as a Newsstand app in the iTunes Connect tool
- Authorize Apple to select "Newsstand" as the Licensed Application's secondary category
- Utilize the In-App Purchase API, include any additional code, and comply with any other requirements as identified and updated from time to time in Newsstand-related documentation found in the iOS developer library and the iTunes Connect Developer Guide
- Provide updated cover art with each new issue
- Confirm that the content of the Licensed Application is a periodical (e.g., newspaper or magazine)

You acknowledge and agree that Apple reserves the right to recategorize or reject your Licensed Application if it is not appropriate for Newsstand.

4. Content Restrictions and Software Rating

4.1 You represent and warrant that: (a) You have the right to enter into this Agreement, to reproduce and distribute each of the Licensed Applications, and to authorize Apple to permit end-users to download and use each of the Licensed Applications through one or more App Stores; (b) none of the Licensed Applications, or Apple's or end-users' permitted uses of those Licensed Applications, violate or infringe any patent, copyright, trademark, trade secret or other intellectual property or contractual rights of any other person, firm, corporation or other entity and that You are not submitting the Licensed Applications to Apple on behalf of one or more third parties; (c) each of the Licensed Applications is authorized for distribution, sale and use in, export to, and import into each of the countries designated by You under Section 2.1 of this Schedule 1, in accordance with the laws and regulations of those countries and all applicable export/import regulations; (d) none of the Licensed Applications contains any obscene, offensive or other materials that are prohibited or restricted under the laws or regulations of any of the countries You designate under Section 2.1 of this Schedule 1; (e) all information You provide using the iTunes Connect tool, including any information relating to the Licensed Applications, is accurate and that, if any such information ceases to be accurate, You will promptly update it to be accurate using the iTunes Connect tool; and (f) in the event a dispute arises over the content of Your Licensed Applications or use of Your intellectual property on the App Store, You agree to follow Apple's app dispute process on a non-exclusive basis and without any party waiving its legal rights.

4.2 You shall use the software rating tool set forth on iTunes Connect to supply information regarding each of the Licensed Applications delivered by You for marketing and fulfillment by Apple through the App Store under this Schedule 1 in order to assign a rating to each such Licensed Application. For purposes of assigning a rating to each of the Licensed Applications, You shall use Your best efforts to provide correct and complete information about the content of that Licensed Application with the software rating tool. You acknowledge and agree that Apple is relying on: (i) Your good faith and diligence in accurately and completely providing the requested information for each Licensed Application; and (ii) Your representations and warranties in Section 4.1 hereof, in making that Licensed Application available for download by end-users in each of the countries You designate hereunder. Furthermore, You authorize Apple to correct the rating of any Licensed Application of Yours that has been assigned an incorrect rating; and You agree to any such corrected rating.

4.3 In the event that any country You designate hereunder requires the approval of, or rating of, any Licensed Application by any government or industry regulatory agency as a condition for the distribution and/or use of that Licensed Application, You acknowledge and agree that Apple may elect not to make that Licensed Application available for download by end-users in that country from any App Store.

5. Responsibility and Liability

5.1 Apple shall have no responsibility for the installation and/or use of any of the Licensed Applications by any end-user. You shall be solely responsible for any and all product warranties, end-user assistance and product support with respect to each of the Licensed Applications.

5.2 You shall be solely responsible for, and Apple shall have no responsibility or liability whatsoever with respect to, any and all claims, suits, liabilities, losses, damages, costs and expenses arising from, or attributable to, the Licensed Applications and/or the use of those Licensed Applications by any end-user, including, but not limited to: (i) claims of breach of warranty, whether specified in the EULA or established under applicable law; (ii) product liability claims; and (iii) claims that any of the Licensed Applications and/or the end-user's possession or use of those Licensed Applications infringes the copyright or other intellectual property rights of any third party.

6. Termination

6.1 This Schedule 1, and all of Apple's obligations hereunder, shall terminate upon the expiration or termination of the Agreement.

6.2 In the event that You no longer have the legal right to distribute the Licensed Applications, or to authorize Apple to allow access to those Licensed Applications by end-users, in accordance with this Schedule 1, You shall promptly notify Apple and withdraw those Licensed Applications from the App Store using the tools provided on the iTunes Connect site; provided, however, that such withdrawal by You under this Section 6.2 shall not relieve You of any of Your obligations to Apple under this Schedule 1, or any liability to Apple and/or any end-user with respect to those Licensed Applications.

6.3 Apple reserves the right to cease allowing download by end-users of the Licensed Applications at any time, with or without cause, by providing notice of termination to You. Without limiting the generality of this Section 6.3, You acknowledge that Apple may cease allowing download by end-users of some or all of the Licensed Applications if Apple reasonably believes that: (i) those Licensed Applications are not authorized for export to one or more of the countries designated by You under Section 2.1 hereof, in accordance with the Export Administration Regulations; (ii) those Licensed Applications and/or any end-user's possession and/or use of those Licensed Applications, infringe patent, copyright, trademark, trade secret or other intellectual property rights of any third party; or (iii) the distribution and/or use of those Licensed Applications violates any applicable law in any country You designate under Section 2.1 of this Schedule 1. An election by Apple to cease allowing download of any Licensed Applications, pursuant to this Section 6.3, shall not relieve You of Your obligations under this Schedule 1.

6.4 You may withdraw any or all of the Licensed Applications from the App Store, at any time, and for any reason, by using the tools provided on the iTunes Connect site, except that, with respect to Your end-users, You hereby authorize and instruct Apple to fulfill sections 1.2(b), (c), and (d) of this Schedule 1, which shall survive termination or expiration of the Agreement unless You indicate otherwise pursuant to sections 4.1 and 6.2 of this Schedule 1.

7. Legal Consequences

The relationship between You and Apple established by this Schedule 1 may have important legal consequences for You. You acknowledge and agree that it is Your responsibility to consult with Your legal advisors with respect to Your legal obligations hereunder.

EXHIBIT A
(to Schedule 1)
Instructions for Minimum Terms of Developer's
End-User License Agreement

1. Acknowledgement: You and the end-user must acknowledge that the EULA is concluded between You and the end-user only, and not with Apple, and You, not Apple, are solely responsible for the Licensed Application and the content thereof. The EULA may not provide for usage rules for Licensed Applications that are less restrictive than the Usage Rules set forth for Licensed Applications in, or otherwise be in conflict with, the App Store Terms of Service as of the Effective Date (which You acknowledge You have had the opportunity to review).

2. Scope of License: The license granted to the end-user for the Licensed Application must be limited to a non-transferable license to use the Licensed Application on an iOS Product that the end-user owns or controls and as permitted by the Usage Rules set forth in the App Store Terms of Service.

3. Maintenance and Support: You must be solely responsible for providing any maintenance and support services with respect to the Licensed Application, as specified in the EULA, or as required under applicable law. You and the end-user must acknowledge that Apple has no obligation whatsoever to furnish any maintenance and support services with respect to the Licensed Application.

4. Warranty: You must be solely responsible for any product warranties, whether express or implied by law, to the extent not effectively disclaimed. The EULA must provide that, in the event of any failure of the Licensed Application to conform to any applicable warranty, the end-user may notify Apple, and Apple will refund the purchase price for the Licensed Application to that end-user; and that, to the maximum extent permitted by applicable law, Apple will have no other warranty obligation whatsoever with respect to the Licensed Application, and any other claims, losses, liabilities, damages, costs or expenses attributable to any failure to conform to any warranty will be Your sole responsibility.

5. Product Claims: You and the end-user must acknowledge that You, not Apple, are responsible for addressing any claims of the end-user or any third party relating to the Licensed Application or the end-user's possession and/or use of that Licensed Application, including, but not limited to: (i) product liability claims; (ii) any claim that the Licensed Application fails to conform to any applicable legal or regulatory requirement; and (iii) claims arising under consumer protection or similar legislation. The EULA may not limit Your liability to the end-user beyond what is permitted by applicable law.

6. Intellectual Property Rights: You and the end-user must acknowledge that, in the event of any third party claim that the Licensed Application or the end-user's possession and use of that Licensed Application infringes that third party's intellectual property rights, You, not Apple, will be solely responsible for the investigation, defense, settlement and discharge of any such intellectual property infringement claim.

7. Legal Compliance: The end-user must represent and warrant that (i) he/she is not located in a country that is subject to a U.S. Government embargo, or that has been designated by the U.S. Government as a "terrorist supporting" country; and (ii) he/she is not listed on any U.S. Government list of prohibited or restricted parties.

8. Developer Name and Address: You must state in the EULA Your name and address, and the contact information (telephone number; E-mail address) to which any end-user questions, complaints or claims with respect to the Licensed Application should be directed.

9. Third Party Terms of Agreement: You must state in the EULA that the end-user must comply with applicable third party terms of agreement when using Your Application, e.g., if You have a VoIP application, then the end-user must not be in violation of their wireless data service agreement when using Your Application.

10. Third Party Beneficiary: You and the end-user must acknowledge and agree that Apple, and Apple's subsidiaries, are third party beneficiaries of the EULA, and that, upon the end-user's acceptance of the terms and conditions of the EULA, Apple will have the right (and will be deemed to have accepted the right) to enforce the EULA against the end-user as a third party beneficiary thereof.

EXHIBIT 10.28

Developer Distribution Agreement

Definitions

Google: Google Inc., a Delaware corporation with principal place of business at 1600 Amphitheatre Parkway, Mountain View, CA 94043, United States.

Device: Any device that can access the Market, as defined herein.

Products: Software, content and digital materials distributed via the Market.

Market: The marketplace Google has created and operates which allows registered Developers in certain countries to distribute Products directly to users of Devices.

Developer or You: Any person or company who is registered and approved by the Market to distribute Products in accordance with the terms of this Agreement.

Developer Account: A publishing account issued to Developers that enables the distribution of Products via the Market.

Payment Processor(s): Any party authorized by Google to provide payment processing services that enable Developers with optional Payment Accounts to charge Device users for Products distributed via the Market.

Payment Account: A financial account issued by a Payment Processor to a Developer that authorizes the Payment Processor to collect and remit payments on the Developer's behalf for Products sold via the Market. Developers must be approved by a Payment Processor for a Payment Account and maintain their account in good standing to charge for Products distributed in the Market.

Authorized Carrier: A mobile network operator who is authorized to receive a distribution fee for Products that are sold to users of Devices on its network.

1. Introduction

1.1 The Market is a publicly available site on which Android Developers can distribute Products for Devices. In order to distribute Products on the Market, you must acquire and maintain a valid Developer Account.

1.2 If you want to charge a fee for your Products, you must also acquire and maintain a valid Payment Account from an authorized Payment Processor.

2. Accepting this Agreement

2.1 This agreement ("Agreement") forms a legally binding contract between you and Google in relation to your use of the Market to distribute Products. In order to use the Market to distribute Products, you must first agree to this Agreement by clicking to accept where this option is made available to you. You may not distribute Products on the Market if you do not accept this Agreement.

2.2 You may not use the Market to distribute Products and may not accept the Agreement unless you are verified as a Developer in good standing. This Agreement will automatically terminate if you are (a) not a Developer in good standing, or (b) a person or entity barred from using Android software under the laws of the United States or other countries including the country in which you are resident or from which you use the Android software.

2.3 If you are agreeing to be bound by this Agreement on behalf of your employer or other entity, you represent and warrant that you have full legal authority to bind your employer or such entity to this Agreement. If you do not have the requisite authority, you may not accept the Agreement or use the Market on behalf of your employer or other entity.

3. Pricing and Payments.

3.1 This Agreement covers both Products you choose to distribute for free and Products for which you charge a fee (once payment processing is enabled on the Market). In order to charge a fee for your Products, you must have a valid Payment Account under a separate agreement with a Payment Processor. If you already have a Payment Account with a Payment Processor before signing up for the Market, then the terms of this Agreement shall supersede your Payment Account terms and condition for Products sold via the Market.

You may set the price for your Products in the currencies permitted by the Payment Processor. The Market may display to users the price of Products in their native currency, but it is not responsible for the accuracy of currency rates or conversion

3.2 The price you set for Products will determine the amount of payment you will receive. A Transaction Fee, as defined below, will be charged on the sales price and apportioned to the Payment Processor and, if one exists, the Authorized Carrier. The remainder (sales price less Transaction Fee) will be remitted to you. The "Transaction Fee" is set forth here and may be revised by Google from time to time. Developer is responsible for determining if a Product is taxable and the applicable tax rate for the Payment Processor to collect for each taxing jurisdiction where Products are sold. Developer is responsible for remitting taxes to the appropriate taxing authority.

3.3 You may also choose to distribute Products for free. If the Product is free, you will not be charged a Transaction Fee. You may not collect future charges from users for copies of the Products that those users were initially allowed to download for free. This is not intended to prevent distribution of free trial versions of the Product with an "upsell" option to obtain the full version of the Product: Such free trials for Products are encouraged. However, if you want to collect fees after the free trial expires, you must collect all fees for the full version of the Product through the Payment Processor on the Market. In this Agreement, "free" means there are no charges or fees of any kind for use of the Product. All fees received by Developers for Products distributed via the Market must be processed by the Market's Payment Processor.

3.4 **Special Refund Requirements.** The Payment Processor's standard terms and conditions regarding refunds will apply except the following terms apply to your distribution of Products on the Market.

Products that can be previewed by the buyer (such as ringtones and wallpapers): No refund is required or allowed.

Products that cannot be previewed by the buyer (such as applications): You authorize Google to give the buyer a full refund of the Product price if the buyer requests the refund within 48 hours after purchase.

3.5 **You Support Your Product.** You will be solely responsible for support and maintenance of your Products and any complaints about your Products. Your contact information will be displayed in each application detail page and made available to users for customer support purposes.

Failure to provide adequate support for your Products may result in low Product ratings, less prominent product exposure, low sales and billing disputes. Except in cases when multiple disputes are initiated by a user with abnormal dispute history, billing disputes received by Payment Processor for Products sold for less than $10 may be automatically charged back to the Developer, in addition to any handling fees charged by the Payment Processor. Chargeback requests for Products $10 or more will be handled in accordance with the Payment Processor's standard policy.

3.6 **Reinstalls.** Users are allowed unlimited reinstalls of each application distributed via the Market, provided however that if you remove a Product(s) from the Market pursuant to clauses (i), (ii), (iii) or (iv) of Section 7.1, such Product(s) shall be removed from all portions of the Market and users shall no longer have a right or ability to reinstall the affected Products.

4. Use of the Market by You

4.1 Except for the license rights granted by you in Section 5 below, Google agrees that it obtains no right, title or interest from you (or your licensors) under this Agreement in or to any of Products, including any intellectual property rights which subsist in those applications.

4.2 You agree to use the Market only for purposes that are permitted by (a) this Agreement and (b) any applicable law, regulation or generally accepted practices or guidelines in the relevant jurisdictions (including any laws regarding the export of data or software to and from the United States or other relevant countries).

4.3 You agree that if you use the Market to distribute Products, you will protect the privacy and legal rights of users. If the users provide you with, or your Product accesses or uses, user names, passwords, or other login information or personal information, you must make the users aware that the information will be available to your Product, and you must provide legally adequate privacy notice and protection for those users. Further, your Product may only use that information for the limited purposes for which the user has given you permission to do so. If your Product stores personal or sensitive information provided by users, it must do so securely and only for as long as it is needed. But if the user has opted into a separate agreement with you that allows you or your Product to store or use personal or sensitive information directly related to your Product (not including other products or applications) then the terms of that separate agreement will govern your use of such information. If the user provides your Product with Google Account information, your Product may only use that information to access the user's Google Account when, and for the limited purposes for which, the user has given you permission to do so.

4.4 **Prohibited Actions.** You agree that you will not engage in any activity with the Market, including the development or distribution of Products, that interferes with, disrupts, damages, or accesses in an unauthorized manner the devices, servers, networks, or other properties or services of any third party including, but not limited to, Android users, Google or any mobile network operator. You may not use customer information obtained from the Market to sell or distribute Products outside of the Market.

4.5 **Non-Compete.** You may not use the Market to distribute or make available any Product whose primary purpose is to facilitate the distribution of software applications and games for use on Android devices outside of the Market.

4.6 You agree that you are solely responsible for (and that Google has no responsibility to you or to any third party for) any Products you distribute through the Market and for the consequences of your actions (including any loss or damage which Google may suffer) by doing so.

4.7 You agree that you are solely responsible for (and that Google has no responsibility to you or to any third party for) any breach of your obligations under this Agreement, any applicable third party contract or terms of service, or any applicable law or regulation, and for the consequences (including any loss or damage which Google or any third party may suffer) of any such breach.

4.8 The Market will allow you to protect your Products so that users may not share Products with other users or devices.

4.9 **Product Ratings.** The Market will allow users to rate Products. Only users who download the applicable Product will be able to rate it. Product ratings will be used to determine the placement of Products on the Market with higher rated Products generally given better placement, subject to Google's ability to change placement at Google's sole discretion. The Market may also assign you a composite score for any Product that has not received user ratings. A Developer Composite Score will be a representation of the quality of your Product based on your history and will be determined at Google's sole discretion. For new Developers without Product history, Google may use or publish performance measurements such as uninstall and/or refund rates to identify or remove Products that are not meeting acceptable standards, as determined by Google. Google reserves the right to display Products to users in a manner that will be determined at Google's sole discretion.

Your Products may be subject to user ratings to which you may not agree. You may contact Google if you have any questions or concerns regarding such ratings.

4.10 **Marketing Your Product.** You will be responsible for uploading your Products to the Market, providing required Product information to users, and accurately disclosing the security permissions necessary for the Product to function on user Devices. Products that are not properly uploaded will not be published in the Market.

4.11 Restricted Content. Any Product you distribute on the Market must adhere to the Developer Program Policies.

5. License Grants

5.1 You grant to Google a nonexclusive, worldwide, and royalty-free license to: copy, perform, display, and use the Products for administrative and demonstration purposes in connection with the operation and marketing of the Market and to use the Products to make improvements to the Android platform.

5.2 You grant to Google a nonexclusive, and royalty-free license to distribute the Products according to the publishing options selected by you on the Product upload page of the Market.

5.3 Google may use consultants and other contractors in connection with the performance of obligations and exercise of rights under this agreement, provided that such consultants and contractors will be subject to the same obligations as Google. After termination of this Agreement, Google will not distribute your Product, but may retain and use copies of the Product for support of the Market and the Android platform.

5.4 You grant to the user a non-exclusive, worldwide, and perpetual license to perform, display, and use the Product on the Device. If you choose, you may include a separate end user license agreement (EULA) in your Product that will govern the user's rights to the Product in lieu of the previous sentence.

5.5 You represent and warrant that you have all intellectual property rights, including all necessary patent, trademark, trade secret, copyright or other proprietary rights, in and to the Product. If You use third-party materials, You represent and warrant that you have the right to distribute the third-party material in the Product. You agree that You will not submit material to Market that is copyrighted, protected by trade secret or otherwise subject to third party proprietary rights, including patent, privacy and publicity rights, unless You are the owner of such rights or have permission from their rightful owner to submit the material.

6. Brand Features and Publicity

6.1 **"Brand Features"** means the trade names, trade marks, service marks, logos, domain names, and other distinctive brand features of each party, respectively, as owned (or licensed) by such party from time to time.

6.2 Each party shall own all right, title and interest, including without limitation all intellectual property rights, relating to its Brand Features. Except to the limited extent expressly provided in this Agreement, neither party grants, nor shall the other party acquire, any right, title or interest (including, without limitation, any implied license) in or to any Brand Features of the other party. Subject to the terms and conditions of this Agreement, Developer grants to Google and its affiliates a limited, non-exclusive license during the term of this Agreement to display Developer Brand Features, submitted by Developer to Google, for use solely online or on mobile devices and in either case solely in connection with the distribution and sale of Developer's Product through the Market, or to otherwise fulfill its obligations under this Agreement. If Developer discontinues the distribution of specific Products on the Market, Google will cease use of the discontinued Products' Brand Features pursuant to this Section 6.2, except as necessary to allow Google to effectuate Section 3.6. Nothing in this Agreement gives Developer a right to use any of Google's trade names, trademarks, service marks, logos, domain names, or other distinctive brand features.

6.3 **Publicity.** In addition to the license granted in 6.2 above, for purposes of marketing the presence, distribution and sale of the Developer's Product in the Market, Google and its affiliates may include Developer Brand Features, submitted by Developer to Google: (i) within the Market and in any Google-owned online or mobile properties; (ii) in online or mobile communications outside the Market when mentioned along with other Market Products; (iii) when making announcements of the availability of the Product online or on mobile devices; (iv) in presentations; and (v) in customer lists which appear either online or on mobile devices (which includes, without limitation, customer lists posted on Google websites). If Developer discontinues the distribution of specific Products on the Market, Google will cease use of the discontinued Products' Brand Features for such marketing purposes. Google grants to Developer a limited, non-exclusive, worldwide, royalty-free license to use the Android Brand Features for the term of this Agreement solely for marketing purposes and only in accordance with the Android Brand Guidelines).

7. Product Takedowns.

7.1 **Your Takedowns.** You may remove your Products from future distribution via the Market at any time, but you must comply with this Agreement and the Payment Processor's Payment Account terms of service for any Products distributed through the Market, including but not limited to refund requirements. Removing your Products from future distribution via the Market does not (a) affect the license rights of users who have previously purchased or downloaded your Products, (b) remove your Products from Devices or from any part of the Market where previously purchased or downloaded applications are stored on behalf of users, or (c) change your obligation to deliver or support Products or services that have been previously purchased or downloaded by users. Notwithstanding the foregoing, in no event will Google maintain on any portion of the Market (including, without limitation, the part of the Market where previously purchased or downloaded applications are stored on behalf of users) any Product that you have removed from the Market and provided written notice to Google that such removal was due to (i) an allegation of infringement, or actual infringement, of any copyright, trademark, trade secret, trade dress, patent or other intellectual property right of any person, (ii) an allegation of defamation or actual defamation, (iii) an allegation of violation, or actual violation, of any third party's right of publicity or privacy, or (iv) an allegation or determination that such Product does not comply with applicable law.

If you remove a Product from the Market pursuant to clauses (i), (ii), (iii) or (iv) of this Section 7.1, and an end user purchased such Product within a year before the date of takedown, at Google's request, you must refund to the affected end user all amounts paid by such end user for such affected Product, less the portion of the Transaction Fee specifically allocated to the credit card/payment processing for the associated transaction.

7.2 **Google Takedowns.** While Google does not undertake an obligation to monitor the Products or their content, if Google is notified by you or otherwise becomes aware and determines in its sole discretion that a Product or any portion thereof or your Brand Features; (a) violates the intellectual property rights or any other rights of any third party; (b) violates any applicable law or is subject to an injunction; (c) is pornographic, obscene or otherwise violates Google's hosting policies or other terms of service as may be updated by Google from time to time in its sole discretion; (d) is being distributed by you improperly; (e) may create liability for Google or Authorized Carriers; (f) is deemed by Google to have a virus or is deemed to be malware, spyware or have an adverse impact on Google's or an Authorized Carrier's network; (g) violates the terms of this Agreement or the Developer Program Policies for Developers; or (h) the display of the Product is impacting the integrity of Google servers (i.e., users are unable to access such content or otherwise experience difficulty), Google may remove the Product from the Market or reclassify the Product at its sole discretion. Google reserves the right to suspend and/or bar any Developer from the Market at its sole discretion.

Google enters into distribution agreements with device manufacturers and Authorized Carriers to place the Market software client application for the Market on Devices. These distribution agreements may require the involuntary removal of Products in violation of the Device manufacturer's or Authorized Carrier's terms of service.

In the event that your Product is involuntarily removed because it is defective, malicious, infringes intellectual property rights of another person, defames, violates a third party's right of publicity or privacy, or does not comply with applicable law, and an end user purchased such Product within a year before the date of takedown,: (i) you must refund to Google, all amounts received, plus any associated fees (i.e. chargebacks and payment transaction fees), and (ii) Google may, at its sole discretion, withhold from your future sales the amount in subsection (i) above.

8. Your Developer Credentials

8.1 You agree that you are responsible for maintaining the confidentiality of any developer credentials that may be issued to you by Google or which you may choose yourself and that you will be solely responsible for all applications that are developed under your developer credentials. Google may limit the number of Developer Accounts issued to you or to the company or organization you work for.

9. Privacy and Information

9.1 In order to continually innovate and improve the Market, Google may collect certain usage statistics from the Market and Devices, including but not limited to, information on how the Market and Devices are being used.

9.2 The data collected is examined in the aggregate to improve the Market for users and Developers and is maintained in accordance with Google's Privacy Policy. To ensure the improvement of Products, limited aggregate data may be available to you upon written request.

10. Terminating this Agreement

10.1 This Agreement will continue to apply until terminated by either you or Google as set out below.

10.2 If you want to terminate this Agreement, you must provide Google with thirty (30) days prior written notice (unless this Agreement terminates under Section 14.1) and cease your use of any relevant developer credentials.

10.3 Google may at any time, terminate this Agreement with you if:

(A) you have breached any provision of this Agreement; or

(B) Google is required to do so by law; or

(C) you cease being an authorized Developer; or

(D) Google decides to no longer provide the Market.

11. DISCLAIMER OF WARRANTIES

11.1 YOU EXPRESSLY UNDERSTAND AND AGREE THAT YOUR USE OF THE MARKET IS AT YOUR SOLE RISK AND THAT THE MARKET IS PROVIDED "AS IS" AND "AS AVAILABLE" WITHOUT WARRANTY OF ANY KIND.

11.2 YOUR USE OF THE MARKET AND ANY MATERIAL DOWNLOADED OR OTHERWISE OBTAINED THROUGH THE USE OF THE MARKET IS AT YOUR OWN DISCRETION AND RISK AND YOU ARE SOLELY RESPONSIBLE FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR OTHER DEVICE OR LOSS OF DATA THAT RESULTS FROM SUCH USE.

11.3 GOOGLE FURTHER EXPRESSLY DISCLAIMS ALL WARRANTIES AND CONDITIONS OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES AND CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

12. LIMITATION OF LIABILITY

12.1 YOU EXPRESSLY UNDERSTAND AND AGREE THAT GOOGLE, ITS SUBSIDIARIES AND AFFILIATES, AND ITS LICENSORS SHALL NOT BE LIABLE TO YOU UNDER ANY THEORY OF LIABILITY FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL CONSEQUENTIAL OR EXEMPLARY DAMAGES THAT MAY BE INCURRED BY YOU, INCLUDING ANY LOSS OF DATA, WHETHER OR NOT GOOGLE OR ITS REPRESENTATIVES HAVE BEEN ADVISED OF OR SHOULD HAVE BEEN AWARE OF THE POSSIBILITY OF ANY SUCH LOSSES ARISING.

13. Indemnification

13.1 To the maximum extent permitted by law, you agree to defend, indemnify and hold harmless Google, its affiliates and their respective directors, officers, employees and agents, and Authorized Carriers from and against any and all third party claims, actions, suits or proceedings, as well as any and all losses, liabilities, damages, costs and expenses (including reasonable attorneys fees) arising out of or accruing from (a) your use of the Market in violation of this Agreement, and (b) your Product that infringes any copyright, trademark, trade secret, trade dress, patent or other intellectual property right of any person or defames any person or violates their rights of publicity or privacy.

13.2 To the maximum extent permitted by law, you agree to defend, indemnify and hold harmless the applicable Payment Processors (which may include Google and/or third parties) and the Payment Processors' affiliates, directors, officers, employees and agents from and against any and all third party claims, actions, suits or proceedings, as well as any and all losses, liabilities, damages, costs and expenses (including reasonable attorneys fees) arising out of or accruing from taxes related to Your distribution of Products distributed via the Market.

14. Changes to the Agreement

14.1 Google may make changes to this Agreement at any time by sending the Developer notice by email describing the modifications made. Google will also post a notification on the Market site describing the modifications made. The changes will become effective, and will be deemed accepted by Developer, (a) immediately for those who become Developers after the notification is posted, or (b) for pre-existing Developers, the modified Agreement will become effective upon Developer's acceptance of the modified Agreement (except changes required by law which will be effective immediately). Pre-existing Developers will show their acceptance of the modified Agreement by going to the Market site and accepting the modified Agreement. In the event that Developer does not agree with the modifications to the Agreement within thirty (30) days after the date the email is sent, then Google will suspend the distribution of your Products until Developer agrees to the modified Agreement. In the event that You do not agree with the modifications within ninety (90) days after the date the email is sent, then You must terminate your use of the Market, which will be your sole and exclusive remedy.

15. General Legal Terms

15.1 This Agreement constitutes the whole legal agreement between you and Google and governs your use of the Market, and completely replaces any prior agreements between you and Google in relation to the Market.

15.2 You agree that if Google does not exercise or enforce any legal right or remedy which is contained in this Agreement (or which Google has the benefit of under any applicable law), this will not be taken to be a formal waiver of Google's rights and that those rights or remedies will still be available to Google.

15.3 If any court of law, having the jurisdiction to decide on this matter, rules that any provision of this Agreement is invalid, then that provision will be removed from this Agreement without affecting the rest of this Agreement. The remaining provisions of this Agreement will continue to be valid and enforceable.

15.4 You acknowledge and agree that each member of the group of companies of which Google is the parent shall be third party beneficiaries to this Agreement and that such other companies shall be entitled to directly enforce, and rely upon, any provision of this Agreement that confers a benefit on (or rights in favor of) them. Other than this, no other person or company shall be third party beneficiaries to this Agreement.

15.5 EXPORT RESTRICTIONS. PRODUCTS ON THE MARKET MAY BE SUBJECT TO UNITED STATES EXPORT LAWS AND REGULATIONS. YOU MUST COMPLY WITH ALL DOMESTIC AND INTERNATIONAL EXPORT LAWS AND REGULATIONS THAT APPLY TO YOUR DISTRIBUTION OR USE OF PRODUCTS. THESE LAWS INCLUDE RESTRICTIONS ON DESTINATIONS, USERS AND END USE.

15.6 The rights granted in this Agreement may not be assigned or transferred by either you or Google without the prior written approval of the other party. Neither you nor Google shall be permitted to delegate their responsibilities or obligations under this Agreement without the prior written approval of the other party.

15.7 This Agreement, and your relationship with Google under this Agreement, shall be governed by the laws of the State of California without regard to its conflict of laws provisions. You and Google agree to submit to the exclusive jurisdiction of the courts located within the county of Santa Clara, California to resolve any legal matter arising from this Agreement. Notwithstanding this, you agree that Google shall still be allowed to apply for injunctive remedies (or an equivalent type of urgent legal relief) in any jurisdiction.

15.8 The obligations in Sections 5, 6.2 (solely as necessary to permit Google to effectuate Section 3.6), 7, 11, 12, 13, and 15 will survive any expiration or termination of this Agreement.

Transaction Fees

For applications that you choose to sell in Google Play, the transaction fee is equivalent to 30% of the application price. You receive 70% of the payment and the remaining 30% goes to the distribution partner and operating fees.

Chargebacks: A chargeback occurs when a buyer disputes a transaction with the credit card issuer. Learn more about chargeback fees.

Chargebacks

A chargeback occurs after a buyer contacts their credit card issuer to dispute a charge that appears on their credit card statement. Chargebacks may be issued for a number of reasons including but not limited to the following:

- An unauthorized party has made a purchase with the buyer's credit card.
- The buyer has concerns about the validity of the purchase.
- The buyer has been charged multiple times for the same order.
- The buyer is unsatisfied with a purchase and hasn't been able to resolve the problem with the merchant.
- The buyer hasn't received the purchased items as they were described.
- The buyer hasn't received the purchased items.

The Chargeback Process

1. Your buyer contacts the credit card issuer to dispute a specific charge.
2. The credit card issuer contacts the appropriate credit card association, who then notifies Google of the chargeback.
3. If the chargeback is less than $10 USD (7 GBP, 8 EUR, 1000 JPY, 15 AUD, 12 CAD, 40 ILS, 15 NZD, 80 SEK, 150 MXN, 65 NOK, 35 PLN, 65 DKK, 15 CHF, 200 CZK, 80 HKD or 15 SGD), the chargeback amount will be automatically debited from your Checkout account. Therefore, if you receive complaints about an application, consider a refund to avoid the chargeback.
4. If the chargeback is greater than or equal to $10 USD (7 GBP, 8 EUR, 1000 JPY, 15 AUD, 12 CAD, 40 ILS, 15 NZD, 80 SEK, 150 MXN, 65 NOK, 35 PLN, 65 DKK, 15 CHF, 200 CZK, 80 HKD or 15 SGD), Google will alert you of the chargeback via email. You should only respond to this email if you have had any email correspondence with the buyer or any other information that could help us to contest the chargeback on your behalf. Occasionally we may also ask you for specific documentation. If you have additional information that you would like us to review, you must reply to the email by the indicated reply-by date.
5. Google reviews the details of the chargeback and, if possible, submits the evidence to the credit card issuer in an attempt to reverse the chargeback.
6. If Google successfully disputes the chargeback on your behalf, no further action is required. If the credit card issuer does not resolve the chargeback in your favor, your Google Checkout account will be debited for the full amount of the chargeback.

Chargeback Liability

If you're found liable for a chargeback:

1. You'll receive a notification email from Google with details about the chargeback.
2. You'll receive a credit for the variable amount of the transaction fee you were originally charged.
3. You'll be charged for the full amount of the chargeback.
4. The debited chargeback amount will appear on your Payout Summary page under **Other Activity.**

Things to Remember if You Receive a Chargeback Notification:

- Because credit card issuers require that any documentation be received within a certain number of days, prompt replies to our information requests are necessary if you have any substantial information to contest the chargeback. Once this time frame has expired and the credit card issuer has resolved a chargeback in the buyer's favor, they will not review any additional documentation.
- The final status of a chargeback may not be determined for several weeks or occasionally several months after it is initiated. However, if your account is debited at any point, you will receive an email notification.
- Keep in mind that Google can only attempt to reverse the chargeback on your behalf. The credit card issuer is ultimately responsible for determining the resolution of a chargeback.
- Jan 30, 2013

Google Play Developer Program Policies

The policies listed below play an important role in maintaining a positive experience for everyone using Google Play. Defined terms used here have the same meaning as in the Developer Distribution Agreement. Be sure to check back from time to time, as these policies may change.

Content Policies

Our content policies apply to any content your application displays or links to, including any ads it shows to users and any user-generated content it hosts or links to. In addition to complying with these policies, the content of your app must be rated in accordance with our Content Rating Guidelines.

- **Sexually Explicit Material:** We don't allow content that contains nudity, graphic sex acts, or sexually explicit material. Google has a zero-tolerance policy against child pornography. If we become aware of content with child pornography, we will report it to the appropriate authorities and delete the Google Accounts of those involved with the distribution.
- **Violence and Bullying:** Depictions of gratuitous violence are not allowed. Applications should not contain materials that threaten, harass or bully other users.
- **Hate Speech:** We don't allow the promotion of hatred toward groups of people based on their race or ethnic origin, religion, disability, gender, age, veteran status, or sexual orientation/gender identity.
- **Impersonation or Deceptive Behavior:** Don't pretend to be someone else, and don't represent that your app is authorized by or produced by another company or organization if that is not the case. Products or the ads they contain also must not mimic functionality or warnings from the operating system or other applications. Developers must not divert users or provide links to any other site that mimics or passes itself off as another application or service. Apps must not have names or icons that appear confusingly similar to existing products, or to apps supplied with the device (such as Camera, Gallery or Messaging).
- **Personal and Confidential Information:** We don't allow unauthorized publishing or disclosure of people's private and confidential information, such as credit card numbers, Social Security numbers, driver's and other license numbers, or any other information that is not publicly accessible.
- **Intellectual Property:** Don't infringe on the intellectual property rights of others, (including patent, trademark, trade secret, copyright, and other proprietary rights), or encourage or induce infringement of intellectual property rights. We will respond to clear notices of alleged copyright infringement. For more information or to file a DMCA request, please visit our copyright procedures.
- **Illegal Activities:** Keep it legal. Don't engage in unlawful activities on this product.
- **Gambling:** We don't allow content or services that facilitate online gambling, including but not limited to, online casinos, sports betting and lotteries.
- **Dangerous Products:** Don't transmit viruses, worms, defects, Trojan horses, malware, or any other items that may introduce security vulnerabilities to or harm user devices, applications, or personal data. We don't allow content that harms, interferes with the operation of, or accesses in an unauthorized manner, networks, servers, or other infrastructure. Apps that collect information (such as the user's location or behavior) without the user's knowledge (spyware), malicious scripts and password phishing scams are also prohibited on Google Play, as are applications that cause users to unknowingly download or install applications from sources outside of Google Play.

Network Usage and Terms

Applications must not create unpredictable network usage that has an adverse impact on a user's service charges or an Authorized Carrier's network. Applications also may not knowingly violate an Authorized Carrier's terms of service for allowed usage or any Google terms of service.

Spam and Placement in the Store

Developers are important partners in maintaining a great user experience on Google Play.

- Do not post repetitive content.
- Product descriptions should not be misleading or loaded with keywords in an attempt to manipulate ranking or relevancy in the Store's search results.
- Developers also should not attempt to change the placement of any Product in the Store by rating an application multiple times, or by offering incentives to users to rate an application with higher or lower ratings.
- Apps that are created by an automated tool or wizard service must not be submitted to Google Play by the operator of that service on behalf of other persons.
- Do not post an app where the primary functionality is to:
    - Drive affiliate traffic to a website or
    - Provide a webview of a website not owned or administered by you (unless you have permission from the website owner/administrator to do so)
- Do not send SMS, email, or other messages on behalf of the user without providing the user with the ability to confirm content and intended recipient.

Paid and Free Applications

- **App purchases:** Developers charging for applications and downloads from Google Play must do so by using Google Play's payment system.
- **In-app purchases:** Developers offering additional content, services or functionality within an application downloaded from Google Play must use Google Play's payment system as the method of payment, except:
    - where payment is primarily for physical goods or services (e.g. buying movie tickets; e.g. buying a publication where the price also includes a hard copy subscription); or
    - where payment is for digital content or goods that may be consumed outside of the application itself (e.g. buying songs that can be played on other music players)

Developers must not mislead users about the applications they are selling nor about any in-app services, goods, content or functionality they are selling.

Subscriptions and Cancellations

Google's subscription cancellation policy is that a user will not receive a refund for the current billing period when cancelling a subscription, but will continue to receive issues and updates of the relevant subscription content (if any) for the remainder of the billing period, regardless of the cancellation. You (as the content or access provider) may implement a more flexible refund policy with your users directly, and it is your responsibility to notify your users of those policies and ensure that the policies comply with applicable law.

Ad Policy

The policy below covers all ads that are implemented in and bundled with apps. These rules are important in maintaining a positive experience for everyone using Android apps from Google Play. Be sure to check back from time to time, as these policies may change.

1. **Developer Terms apply to the entire user experience of your application/extension**

   Please be aware that Google's Developer Distribution Agreement and Developer Program Policies (together, "Developer Terms") apply to each application ("app") as well as any ads or third-party libraries bundled or made available through the app. Offer your users a consistent, policy compliant, and well communicated user experience.

   In general, ads are considered part of your app for purposes of content review and compliance with the Developer Terms. Therefore all of the policies, including those concerning illegal activities, violence, sexually explicit content, and privacy violations, apply. Please take care to use advertising which does not violate these policies.

   Ads which are inconsistent with the app's content rating also violate our Developer Terms.

2. **Ads Context**

   It must be clear to the user which app each ad is associated with or implemented in. Ads must not make changes to the functioning of the user's device outside the ad by doing things such as installing shortcuts, bookmarks or icons or changing default settings without the user's knowledge and consent. If an ad makes such changes it must be clear to the user which app has made the change and the user must be able to reverse the change easily, by either adjusting the settings on the device, advertising preferences in the app, or uninstalling the app altogether.

   Ads must not simulate or impersonate system notifications or warnings.

3. **Ad Walls**

   Forcing the user to click on ads or submit personal information for advertising purposes in order to fully use an app provides a poor user experience and is prohibited. Users must be able to dismiss the ad without penalty.

4. **Interfering with Third-party Ads and Websites**

   Ads associated with your app must not interfere with any ads on a third-party application.

Policy Enforcement

In the event that your application is removed from Google Play, you will receive an email notification to that effect. If you have any questions or concerns regarding a removal or a rating/comment from a user, you may contact us at http://support.google.com/googleplay/android-developer. Serious or repeated violations of the Developer Distribution Agreement or this Content Policy will result in account termination. Repeated infringement of intellectual property rights, including copyright, will also result in account termination. For more information on Google's copyright policies, please see here.

Rating your application content for Google Play

How to rate your application for Google Play

Developers must label their applications according to Google Play ratings system, which consists of four levels:

- Everyone
- Low maturity
- Medium maturity
- High maturity

Guidelines

Use the guidelines and definitions below to classify the content in your applications.

- This includes all content, including user generated content, in-app products, and advertisements.
- All applications should adhere to the Google Play Developer Content Policy .

Alcohol, Tobacco and Drugs

- Apps that contain illegal content are not permitted in Google Play. Apps that include references to drugs, alcohol or tobacco products must be rated **medium maturity** or above. Apps that primarily focus on the consumption or sale of drugs, alcohol or tobacco must be rated **high maturity**.

Gambling

- Apps that facilitate real gambling are not permitted in Google Play. Apps with gambling themes or simulated gambling must be rated **medium maturity** or **high maturity**.

Hate

- Hate speech is not allowed in Google Play. Apps that contain inflammatory content must be rated **medium maturity** or **high maturity**.

Location

- Applications rated everyone must not ask users for their location. Apps that access location data must be rated **low maturity** or above. Apps that publish or share users' location with others must be rated **medium maturity** or **high maturity**.

Profanity and Crude Humor

- Apps that include profanity or crude humor should be rated **medium maturity** or **high maturity**.

Sexual and Suggestive Content

- Pornography is not permitted in Google Play. Apps that include suggestive or sexual references must be rated **medium maturity** or **high maturity**. Apps that focus on suggestive or sexual references must be rated **high maturity**.

User Generated Content and User to User Communication

- Apps rated **everyone** must not host any user generated content or enable communication between users. Apps that focus on allowing users to find each other and communicate should be rated **medium maturity** or **high maturity**.

Violence

- Apps that contain mild cartoon or fantasy violence must be rated **low maturity** or above. Apps that contain realistic or intense fantasy violence must be rated **medium maturity** or **high maturity**, and those that contain graphic violence must be rated **high maturity**. Gratuitous real violence is not allowed in Google Play.

Mis-rated Apps

Please note that users can notify us if they believe an app is incorrectly rated. If we agree that the flagged app is incorrectly rated, we will re-rate it per our guidelines. Repeat offenders may be subject to further action, up to and including account termination.

Jan 30, 2013

Brand Guidelines

We encourage you to use the Android and Google Play brands with your Android app promotional materials. You can use the icons and other assets on this page provided that you follow the guidelines described below.

Android

The following are guidelines for the Android brand and related assets.

Android in text

MediaPlayer

for Android™

for Android™

- Android™ should have a trademark symbol the first time it appears in a creative.
- Android should always be capitalized and is never plural or possessive.
- “Android” by itself cannot be used in the name of an application name or accessory product. Instead use “for Android.”
    - Incorrect: “Android MediaPlayer”
    - Correct: “MediaPlayer for Android”

  If used with your logo, “for Android” needs to be smaller in size than your logo. First instance of this use should be followed by a TM symbol, “for Android™”.
- Android may be used as a descriptor, as long as it is followed by a proper generic term.
    - Incorrect: “Android MediaPlayer” or “Android XYZ app”
    - Correct: “Android features” or “Android applications”

Any use of the Android name needs to include this attribution in your communication:

Android is a trademark of Google Inc.

Android robot

100x118 | 200x237
Illustrator (.ai)

The Android robot can be used, reproduced, and modified freely in marketing communications. The color value for print is PMS 376C and the online hex color is #A4C639.

When using the Android Robot or any modification of it, proper attribution is required under the terms of the Creative Commons Attribution license:

The Android robot is reproduced or modified from work created and shared by Google and used according to terms described in the Creative Commons 3.0 Attribution License.

You may not file trademark applications incorporating the Android robot logo or derivatives thereof. We want to ensure that the Android robot remains available for all to use.

Android logo

The Android logo may not be used. Nor can this be used with the Android robot.

The custom typeface may not be used.

Google Play

The following are guidelines for the Google Play brand and related assets.

Google Play in text

Always include a TM symbol on the first or most prominent instance of Google Play™ in text.

When referring to the mobile experience, use “Google Play” unless the text is clearly instructional for the user. For example, a marketing headline might read “Download our games on Google Play™,” but instructional text would read “Download our games using the Google Play™ Store app.”

Any use of the Google Play name or icon needs to include this attribution in your communication:

Google Play is a trademark of Google Inc.

48x48 | 96x96
Illustrator (.ai)

Google Play Store icon

You may use the Google Play Store icon, but you may not modify it.

As mentioned above, when referring to the Google Play Store app in copy, use the full name: “Google Play Store.” However, when labeling the Google Play Store icon directly, it’s OK to use “Play Store” alone to accurately reflect the icon label as it appears on a device.

Google Play badge

129x45 | 172x60

129x45 | 172x60

The “Get it on Google Play” and “Android App on Google Play” logos are badges that you can use on your web site and promotional materials, to point to your products on Google Play.

- Do not modify the color, proportions, spacing or any other aspect of the badge image.
- When used alongside logos for other application marketplaces, the Google Play logo should be of equal or greater size.
- When used online, the badge should link to either:
    - A list of products published by you, for example: http://play.google.com/store/search?q=publisherName
    - A specific app product details page within Google Play, for example: http://play.google.com/store/apps/details?id=packageName

To quickly create a badge that links to your apps on Google Play, use the Googe Play badge generator (provides the badge in over 40 languages).

To create your own size, download an Adobe® Illustrator® (.ai) file for the Google Play badge in over 40 languages.

For details on all the ways that you can link to your product details page in Google Play, see Linking to your products

If you are not sure you meet these brand guidelines, please contact us.

EXHIBIT 10.30

***Confidential Treatment has been requested for the marked portions of this exhibit pursuant to Rule 24b-2 of the Securities Act of 1934, as amended**

VIA EMAIL & OVERNIGHT COURIER
February 25, 2013

Mike DeLeat
Glu Games Inc.
45 Fremont Street, Suite 2800
San Francisco, CA 94105

RE: TAPJOY, INC. PUBLISHER AGREEMENT

Dear Mike:

This letter confirms that in connection with that certain Publisher Agreement by and between Glu Games Inc. ("Publisher") and Tapjoy, Inc. ("Tapjoy"), dated March 1, 2012 ("Agreement"), both parties have agreed to renew the Agreement on the condition that certain terms are amended as follows during the 2013 Renewal Term (as defined below):

1. Notwithstanding Section 14 of the Agreement, the parties mutually agree to extend the Term of Agreement for an additional twelve (12) months, commencing as of March 1, 2013 ("2013 Renewal Term"), and agree that either party may terminate the Agreement at any time during the 2013 Renewal Term with thirty (30) days' prior written notice to the other party. To that end, the second sentence of Section 14 of the Agreement is deleted in its entirety, and the parties instead mutually agree that upon the expiration of the 2013 Renewal Term, the Term of the Agreement shall continue until either party provides thirty (30) days' prior written notice to the other party of its intent to terminate the Agreement. The 2013 Renewal Term and any continuation of the Agreement following the expiration of the 2013 Renewal Term shall be considered "Renewal Terms" for the purposes of the Agreement.

2. Section 2.4 of the Agreement relating to [*] will be amended such that [*].

3. The [*] set forth on page one of the Agreement shall be deleted in its entirety.

4. Section 6 of the Agreement relating to [*] shall be deleted in its entirety.

5. The first three sentences of Section 2.2 of the Agreement shall remain unchanged, but the remainder of the paragraph shall be deleted in its entirety.

6. Section 2.7 of the Agreement shall be deleted in its entirety.

* Confidential treatment has been requested with respect to the information statement contained within the "[*]" marking. The marked portions have been omitted from this filing and filed separately with the Securities and Exchange Commission.

7. Publisher's letter terminating the Agreement, dated January 25, 2013, shall be of no force or effect.

8. Except as set forth in this letter, the Agreement shall remain unchanged and in full force and effect. In case of any conflict between any term and/or condition of this letter and any term and/or condition of the Agreement, the terms and/or conditions of this letter shall prevail, precede, govern and supersede such conflicting terms and/or conditions. No modification of this letter shall be of any force or effect unless made in writing and signed by each of the parties.

Please sign on the line below to indicate your agreement to these terms and return the signed copy via email to the attention of Tapjoy's general counsel at legal@tapjoy.com no later than February 28, 2012. Once the signed copy is received by Tapjoy, these terms will become effective as of March 1, 2013.

Yours truly,
TAPJOY, INC.

/s/ Christine Lee

Christine Lee
SVP Global Partner Relations

Acknowledged and Agreed:

Glu Games Inc.

By: /s/ Niccolo De Masi

Print Name: Niccolo De Masi

Title: CEO

Date: 2/26/13

* Confidential treatment has been requested with respect to the information statement contained within the "[*]" marking. The marked portions have been omitted from this filing and filed separately with the Securities and Exchange Commission.

EXHIBIT 10.33

***Confidential Treatment has been requested for the marked portions of this exhibit pursuant to Rule 24b-2 of the Securities Act of 1934, as amended**

UNITY TECHNOLOGIES SOFTWARE LICENSE AGREEMENT

This Software License Agreement (this "***Agreement***") is entered into and made effective as of October 29, 2012 (the "***Effective Date***"), by and between **Unity Technologies ApS**, a Danish corporation with its principal place of business at Vendersgade 28, DK-1363, Copenhagen, Denmark ("***UTECH***"), and **Glu Mobile Inc.**, a Delaware corporation with its principal place of business at 45 Fremont Street, Suite 2800, San Francisco, CA 94105 ("***CUSTOMER***").

1. Definitions.

1.1 "***Affiliate"*** means an entity which controls, is controlled by or is under common control with a party hereto, where "control" means the power to control the composition of the board of directors of the relevant party (whether by contract, corporate law or other means), or the possession of more than half of the voting equity share capital of the relevant party, or the ability to consolidate such company's financial statements with those of such party in accordance with generally accepted accounting principles.

1.2 "***CUSTOMER Modifications***" means modifications to the Unity Source Code made by CUSTOMER by exercising its rights under Section 2.1.

1.3 "***Prior Agreement***" means the Software License Agreement by and between UTECH and CUSTOMER or its Affiliates entered into and effective as of March 23, 2011.

1.4 "***Title***" means one of CUSTOMER's or its Affiliates' products for which CUSTOMER or its Affiliates wishes to use the Unity Products, including Customers' updates to such Title whether made during or after the Term (as defined below in Section 7.1 of this Agreement). For the avoidance of doubt, CUSTOMER's use of the Unity Products after the Term shall be in accordance with Section 7.3 hereof.

1.5 "***Unity Object Code***" means the binary object code based on the source code for Unity Products.

1.6 "***Unity Product(s)"*** means each of (i) UTECH's 3D development editor and engine software offerings incorporated into (a) Unity Pro and (b) Unity Pro add-on products that are identified and described in Exhibit A, and (ii) Unity Web Player, each as identified and defined in Exhibit A and all Updates thereto.

1.7 "***Unity Source Code***" means the source code for [*].

1.8 "***Unity Source Code for PC/MAC***" means the source code for Unity Pro for PC/MAC [*].

1.9 "***Updates***" means interim Unity Source Code and Unity Object Code, as applicable, software releases and error correction releases of the Unity Product, or parts thereof, which fix or correct known problems, but which do not provide the substantial feature enhancements which would be included in an upgrade or new version of the Unity Product (e.g., going from v. 4.0 to 4.1 or adding a software patch or bug fix that does not change the version number).

1.10 "***Upgrade***" means an upgrade to the Unity Products [*].

1.11 "***UTECH Marks***" means the name "**UNITY**," as well as all other trademarks, service marks, logos or trade names used by UTECH to identify itself and/or its products and services during the Term (as defined below in Section 7.1 of this Agreement).

* Confidential treatment has been requested with respect to the information statement contained within the "[*]" marking. The marked portions have been omitted from this filing and filed separately with the Securities and Exchange Commission.

2. License Grant.

2.1 Unity Source Code Licenses. Subject to payment of the applicable license fees set forth in Exhibit C and subject to the terms and conditions of this Agreement, for the duration of the Term (as defined below in Section 7.1 of this Agreement), UTECH grants to CUSTOMER a limited, worldwide, non-exclusive, non-transferable, non-sublicensable (except as permitted herein) license to (a) use, reproduce and modify the Unity Source Code to create CUSTOMER Modifications (also known as "derivative works" under U.S. copyright law), (b) to use and reproduce CUSTOMER Modifications, and (c) use and reproduce the Unity Source Code, each such license for the sole purposes of the creation, publication and distribution of CUSTOMER's or its Affiliates' Titles for the applicable platforms and environments specifically identified on Exhibit B and for no other purpose or products. For the avoidance of doubt, [*].

2.2 Object Code License. Subject to payment of the applicable license fees set forth in Exhibit C and subject to the terms and conditions of this Agreement, UTECH grants CUSTOMER and its Affiliates a limited, worldwide, non-exclusive, non-transferable, non-sublicensable (except as permitted herein), perpetual license to use and reproduce (a) the Unity Object Code, whether provided by UTECH (i.e., the Unity Products) or as the result of CUSTOMER's compiling efforts during the Term (i.e., object code of the Unity Source Code), to the licensed Unity Products, and (b) CUSTOMER Modifications, in object code only, as compiled by CUSTOMER or its Affiliates, for the sole purposes of the creation, publication and distribution of CUSTOMER's Titles for the applicable platforms and environments specifically identified on Exhibit B and for no other purpose or products. CUSTOMER may distribute the runtime portion of the Unity Products (less the Unity Web Player) solely as embedded or incorporated into the Titles and solely to third parties to whom CUSTOMER or its Affiliates licenses or sells the Titles pursuant to an agreement that is equally protective of UTECH and its licensors as this Agreement. For the avoidance of doubt, iOS Pro, Android Pro, and Team License (as such term is defined in Exhibit A) add-on licenses must be purchased for each individual that requires access to such tools, in addition to the Unity Pro license.

2.3 Unity Pro Seat License Required For Each Developer. Use of the Unity Products is limited to the number of applicable seat licenses purchased for each individual using the Unity Products. For clarity, and unless otherwise agreed in writing, a single license (or seat) means the right for a designated individual user to use the applicable Unity Product on one computer; provided that such Unity Product may be installed on a second computer for sole use by the same individual user associated with that license (or seat). CUSTOMER and its Affiliates may not use the free version of the Unity Products as a substitute for purchasing Pro licenses for such Unity Products; provided, however, that CUSTOMER shall be provided 30-day trial versions of the relevant Unity Products upon reasonable request.

2.4 Copy Protection. CUSTOMER agrees that the copy protection and license key code components of the Unity Editor product may not be modified, changed or circumvented in any way. CUSTOMER may not under any circumstances distribute the Unity Source Code, CUSTOMER Modifications or the Unity Object Code as a standalone program either alone, with its Titles or otherwise to any third parties, except as otherwise permitted by Section 2.6 of this Agreement.

2.5 Restrictions; CUSTOMER Requirements. CUSTOMER acknowledges that the Unity Products contain trade secrets of UTECH, its Affiliates, and its licensors, and, in order to protect such trade secrets and other interests that UTECH, its Affiliates and its licensors may have in the Unity Products, except to the extent expressly authorized above in Section 2.1 above, CUSTOMER agrees not to modify, reverse engineer, decompile or disassemble the Unity Products or permit a third party to do any of the foregoing. Except as expressly provided in Section 2.6 below, CUSTOMER shall not distribute sell, sublicense or otherwise transfer the Unity Products. CUSTOMER will comply with (i) all laws and regulations applicable to CUSTOMER's use of Unity Products and, (ii) in all material respects, with all laws and regulations applicable to CUSTOMER's creation and/or commercialization of each Title.

2.6 Third Party Contractors. The parties recognize that CUSTOMER and its Affiliates may, from time to time during the Term (as defined below in Section 7.1), utilize third-party developers for the testing, development, and operation (with respect to online services) of certain Titles (collectively, "***Subcontracted Services***"). The rights granted to CUSTOMER and its Affiliates in Sections 2.1-2.2 above include the right to sublicense such rights and licenses to the applicable Unity Products to its appointed third-party developers and to transfer the Title development, testing and/or operation to such appointed third-party developers for the sole purpose of having such third-party developers provide the Subcontracted Services to CUSTOMER and its Affiliates. CUSTOMER is responsible for ensuring that such third-party developers enter into an agreement that will obligate them to comply with the terms and conditions of this Agreement. Such agreement between CUSTOMER or one of its Affiliates and each third-party developer will provide in particular that the

licenses, materials and rights applicable to the Unity Products granted therein will be used solely by the third-party developers for the Subcontracted Services and that all embodiments of the Unity Product will be returned to CUSTOMER or one of its Affiliates upon completion or other termination of such Subcontracted Services. Further, it is agreed and understood that any third party developers who have not already purchased Unity Products for use in development for CUSTOMER's Titles must have licenses to Unity Products in order to provide Subcontracted Services, and therefore shall be required to either (i) purchase licenses to Unity Products, or (ii) have licenses to Unity Products provided to them by CUSTOMER via CUSTOMER's sublicensing rights set forth in this Section 2.6 (and CUSTOMER shall acquire or transfer such licenses to them). CUSTOMER shall be responsible for its subcontractors' compliance with all the terms and conditions of this Agreement or any breach thereof.

2.7 CUSTOMER Modifications. CUSTOMER agrees to deliver to UTECH all CUSTOMER Modifications it creates. [*]

2.8. UTECH Ownership; CUSTOMER OWNERSHIP. [*] UTECH and its Affiliates own all right, title and interest in and to the Unity Products and associated documentation or confidential information and reserves all rights and licenses in and to the Unity Products not expressly granted to CUSTOMER or its Affiliates under this Agreement. CUSTOMER's rights in the Unity Products are limited to those expressly granted in this Agreement. CUSTOMER and/or its Affiliates own all right, title and interest in and to the Titles [*] associated documentation or confidential information and reserves all rights and licenses in and to the Titles [*] not expressly granted to UTECH or its Affiliates under this Agreement.

2.9 Copyright Notice. CUSTOMER shall not remove, alter or otherwise modify any copyright, trademark or other notices of proprietary interest contained in the Unity Products, Unity Source Code and documentation. CUSTOMER shall provide the following attribution credit clearly visible on a page easily accessible by Title end users, such as the "About" page, within all CUSTOMER Titles that utilize the Unity Products: " **This program was created using Unity** [*]**. Portions of this program © 2005-2012 Unity Technologies."** or "**This program was created using Unity** [*]**. Portions of this program © 2005-2012 Unity Technologies."** as may be applicable.

2.10 Bankruptcy. The parties hereby acknowledge and agree that, in the event of the bankruptcy of UTECH, the licenses granted to CUSTOMER and its Affiliates in this Agreement constitute a "license of intellectual property" and shall be subject to Section 365(n) of the United States Bankruptcy Code, and that CUSTOMER and its Affiliates shall be entitled to all rights and benefits of such Section 365(n) in accordance with its terms and conditions. For the avoidance of doubt, CUSTOMER and its Affiliates have no obligation to use the Unity Products.

3. Support and Updates.

3.1 Enterprise Support. Subject to payment of the applicable license fees set forth in Exhibit C and subject to the terms and conditions of this Agreement, UTECH shall provide CUSTOMER and its Affiliates with enterprise level support during the Initial Term (as defined in Section 7.1 of the Agreement) in accordance with the terms set forth in Exhibit D.

3.2 Updates. In the event that UTECH makes Updates to the Unity Products (including, but not limited to, the Unity Object Code) generally available during the Term (as defined below in Section 7.1), UTECH will make such Updates available to CUSTOMER and its Affiliates at no additional charge and will deliver such Updates to CUSTOMER and its Affiliates at least as often as UTECH commercially releases such Updates. For the avoidance of doubt, CUSTOMER's and its Affiliates' right to receive Updates hereunder does not include any custom additions to the Unity Product developed by UTECH, unless such additions are made commercially available to all UTECH customers as an Update. Other than as set forth in Section 3.3 below, new versions or upgrades are not included with any licenses.

3.3 Upgrades. During the Term (as defined below in Section 7.1) of this Agreement, UTECH will make commercially reasonable efforts to deliver to CUSTOMER Upgrades for all of the Unity Products previously licensed pursuant to the Prior Agreement, including, if applicable, Unity Source Code, within fifteen (15) days of such Upgrades becoming generally and commercially available to UTECH's licensees. Upon delivery of such Upgrades for the previously licensed Unity Products, the Prior Agreement shall be superseded by this Agreement with respect to the Unity Products and Unity Source Code licensed therein, and shall have no further force or effect; such Upgrades and Unity Products shall be governed by the provisions of this Agreement. To the extent Unity Products delivered to CUSTOMER during the Term are not the [*], UTECH will make commercially reasonable efforts to deliver the Upgrades within fifteen (15) days of such Upgrades becoming generally and commercially available to UTECH's licensees.

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3.4 Connectivity. The Unity Products may make Internet connections to remote servers to (i) check for Updates; (ii) provide anonymous usage statistics used by UTECH to improve the Unity Products; and (iii) validate license keys and confirm compliance with the terms of this Agreement.

3.5 Unity Source Code for PC/MAC. CUSTOMER acknowledges and agrees that, while CUSTOMER [*] CUSTOMER has [*]. Notwithstanding the foregoing, [*] in accordance with the terms in the Enterprise Support Agreement set forth in Exhibit D, [*] in accordance with the terms of Exhibit D, CUSTOMER may [*].

4. Confidentiality.

4.1 Confidential Information. For purposes of this Agreement "***Confidential Information***" means: (a) the Unity Products and the intellectual property embodied therein; (b) the intellectual property embodied in the software of any Title or any other proprietary CUSTOMER source code or source code of a CUSTOMER Affiliate disclosed to UTECH; (c) any non-public data or information disclosed by one party or its Affiliates (the "***Discloser***") to the other party or its Affiliates (the "***Recipient***") that is marked "confidential" or "proprietary" at the time of disclosure or which the Recipient should reasonably know to be confidential given the nature of the data or information and the circumstance of disclosure; and (d) the specific terms and conditions of this Agreement.

4.2 Exceptions. The obligations set forth in Section 4.3 will not apply to any information that: (a) is or becomes generally known to the public through no fault of or breach of this Agreement by the Recipient; (b) is rightfully known by the Recipient at the time of disclosure without an obligation of confidentiality; (c) is independently developed by the Recipient without use of the Discloser's Confidential Information; or (d) is rightfully obtained by the Recipient from a third party without restriction on use or disclosure. In addition, either party may disclose a copy of this Agreement or the specific terms and conditions set forth herein in the event such information is required to be disclosed by a competent legal or governmental authority or the rules of the Securities and Exchange Commission or The NASDAQ Stock Market, provided that (i) the party subject to such disclosure requirement (A) gives the other party prompt written notice of such requirement prior to the disclosure, (B) provides the party that is not subject to the disclosure requirement with a reasonable opportunity to review and provide input on any materials that are submitted to such competent legal or governmental authority, the Securities and Exchange Commission or The NASDAQ Stock Market, and (C) uses its commercially reasonable efforts to obtain an order protecting the Agreement or the redacted portions thereof from public disclosure to the greatest degree reasonably possible under the circumstances or, if permitted by the rules of the competent legal or governmental authority, the Securities and Exchange Commission or The NASDAQ Stock Market, gives the Discloser a reasonable opportunity to seek a protective order or equivalent, and (ii) all information related to pricing is redacted from the Agreement prior to disclosure, provided that the party not subject to the disclosure requirement understands that the party that is subject to the disclosure requirement cannot guarantee whether such competent legal or governmental authority, the Securities and Exchange Commission or The NASDAQ Stock Market will ultimately permit such pricing information to be redacted.

4.3 Obligations. Except as expressly permitted by this Agreement, during the Term (as defined below in Section 7.1) of this Agreement, the Recipient will:

(a) not disclose the Discloser's Confidential Information except (i) to the employees or contractors of the Recipient to the extent that they need to know that Confidential Information for the purpose of performing the Recipient's obligations under this Agreement, and who are bound by confidentiality terms with respect to that Confidential Information, which terms are no less restrictive than those contained in this Section 4.3; or (ii) as required to be disclosed by law, to the extent required to comply with that legal obligation, provided that the Recipient will promptly notify the Discloser of such obligation;

(b) use the Discloser's Confidential Information only for the purpose of performing Recipient's obligations and/or exercising Recipient's rights under this Agreement; and

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(c) use commercially reasonable care in handling and securing the Discloser's Confidential Information, and employ reasonable data security measures that the Recipient ordinarily uses with respect to protecting its own confidential information of similar nature and importance from disclosure.

4.4 Return of Confidential Information. Except as otherwise expressly provided in this Agreement, the Recipient will return to the Discloser, and destroy or erase all of the Discloser's Confidential Information in tangible form, upon the expiration or termination of this Agreement, and the Recipient will promptly certify in writing to the Discloser that it has so erased or destroyed such Confidential Information.

5. Fees.

5.1 Fees. In consideration for the licenses granted and for the provision of Updates and Upgrades by UTECH to CUSTOMER and its Affiliates hereunder, CUSTOMER agrees to pay the License Fees set forth and further defined in Exhibit C. CUSTOMER may order additional licenses by executing and delivering to UTECH a quote or other mutually agreed order form to UTECH. This Agreement shall govern the payment of all such orders, and nothing contained in CUSTOMER's quote, order or other communication shall in any way modify this Agreement; provided, however, that all licenses granted by virtue of a CUSTOMER order placed by CUSTOMER and accepted by UTECH during the Term (as defined below in Section 7.1) of this Agreement shall be subject to all provisions of this Agreement. UTECH shall invoice CUSTOMER for such License Fees and for the fees applicable to additional licenses granted to CUSTOMER during the Term (as defined below in Section 7.1) and CUSTOMER shall pay all invoices no later than thirty (30) days from receipt of an invoice.

5.2 Verification. UTECH may, upon reasonable suspicion that CUSTOMER has violated either (a) one or more of the use restrictions of the licenses granted under Sections 2.1, 2.2, or (2.6 in the case of Subcontracted Services) or (b) the provisions of Sections 2.3, 2.4 or 2.5 (or 2.6 in the case of Subcontracted Services) of this Agreement and with fifteen (15) business days' prior written notice, access CUSTOMER's facilities and computer systems for the sole purpose of reviewing and verifying CUSTOMER's compliance with the relevant material terms of this Agreement. Such verification processes shall, to the extent reasonably possible, occur during times other than CUSTOMER's business hours and be minimally intrusive to CUSTOMER so as to allow CUSTOMER's business operations to continue uninterrupted during the verification process. In the event CUSTOMER has not paid for all Unity Products then in use by CUSTOMER or additional licenses for platforms on which Titles have been deployed are required for CUSTOMER's compliance with the relevant material terms of this Agreement, CUSTOMER shall pay UTECH's resulting invoice in accordance with the provisions of Section 5.1 above.

5.3 Tax. CUSTOMER will pay all amounts due under this Agreement in U.S. currency. All fees payable under this Agreement are net amounts and are payable in full, without deduction for taxes or duties of any kind. CUSTOMER will be responsible for, and will promptly pay, all taxes and duties of any kind (including but not limited to sales, use and withholding taxes) associated with this Agreement or CUSTOMER's receipt or use of the Unity Products, except for taxes based on UTECH's net income. In the event that UTECH is required to collect any tax for which CUSTOMER is responsible, CUSTOMER will pay such tax directly to UTECH. If CUSTOMER pays any withholding taxes that are required to be paid under applicable law, CUSTOMER will furnish UTECH with written documentation of all such tax payments, including receipts.

5.4 Unity Accounts Receivable. All CUSTOMER payments will be sent to UTECH's accounts receivable at the following addresses:

Check Payments
Unity Technologies ApS
345 Broadway Street, Suite 200
San Francisco, CA 94133
Attn: Accounts Receivable

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Wire Payments
[*]
ABA number (routing number): [*]
SWIFT: [*]
Account number: [*]
Account: Unity Technologies ApS

6. Marketing and Branding.

6.1 Publicity. Neither party shall, without the prior written consent of the other party, issue any press release or other publicity relating to this Agreement, the other party or the relationship between the parties. Notwithstanding the foregoing, during the Term, UTECH may use CUSTOMER's name in its customer lists and web site, and may list and display CUSTOMER's names of Titles, along with screenshots and marketing materials provided by CUSTOMER to UTECH on UTECH's web site upon public release of each Title. CUSTOMER shall use commercially reasonable efforts to provide screenshots and marketing materials reasonably requested by UTECH within fifteen (15) days of such request.

6.2 Branding. [*] Any use of a UTECH Mark by CUSTOMER must correctly attribute ownership of such mark to UTECH and must be in accordance with applicable law and UTECH's then-current trademark usage guidelines, if applicable. CUSTOMER hereby grants to UTECH and its Affiliates a non-exclusive, non-transferable license, during the Term (as defined below in Section 7.1), to use the CUSTOMER's marks solely in connection with Section 6.1 above and any additional branding initiatives that the parties may mutually agree upon in writing. Any use of a CUSTOMER's mark by UTECH must correctly attribute ownership of such mark to CUSTOMER and must be in accordance with applicable law and CUSTOMER's then-current trademark usage guidelines, if applicable, or as otherwise approved in advance by CUSTOMER in writing. CUSTOMER acknowledges and agrees that UTECH owns the UTECH Marks and that any and all goodwill and other proprietary rights that are created by or that result from CUSTOMER's use of a UTECH Mark hereunder inure solely to the benefit of UTECH, and likewise, UTECH acknowledges and agrees that CUSTOMER owns CUSTOMER's marks and that any goodwill and other proprietary rights that are created by or result from UTECH's use of the CUSTOMER marks inures solely to the benefit of CUSTOMER. Therefore, neither party will at any time contest or aid in contesting the validity or ownership of any mark belonging to the other party or take any action in derogation of the owning party's rights therein, including, but not limited to, applying to register any trademark, trade name or other designation that is confusingly similar to any marks belonging to the other party.

7. Term and Termination.

7.1 Term. This Agreement will commence on the Effective Date and will continue in effect for a period of two (2) years (the " ***Initial Term***"), unless this Agreement is earlier terminated pursuant to Section 7.2. Upon expiration of the Term, [*] by providing UTECH at least thirty (30) days prior written notice [*] the "***Term***." CUSTOMER acknowledges and agrees that each [*] shall not include Enterprise Support set forth in Section 3.1 and further detailed in Exhibit D.

7.2 Termination. Either party may terminate this Agreement at any time upon written notice to the other party if the other party breaches any material term hereof and fails to cure such breach within thirty (30) days after receiving written notice of such breach from the non-breaching party.

7.3 Effects of Termination. Upon expiration of the Term, CUSTOMER and its Affiliates shall cease all use of the Unity Source Code and will promptly permanently delete or destroy all copies of the Unity Source Code and so certify in writing. CUSTOMER and its Affiliates may continue to use any fully paid up licenses for the Unity Products in Unity Object Code form after the expiration of the Term. Thus such expiration shall have no effect on CUSTOMER's Titles whether such Titles were released during the term of the Prior Agreement or during the Term or on CUSTOMER's ability to support the same, provided that CUSTOMER's support of its Titles does not imply any right to use or access to the Unity Source Code after the Term. Notwithstanding the foregoing, in the case of termination of this Agreement by UTECH for an uncured material breach by CUSTOMER of Sections 2.1-2.6, 4, or 5.1 of this Agreement (to the extent CUSTOMER is able to take commercially reasonable steps to cure such breach), CUSTOMER will immediately cease all use of the Unity Source Code and all Unity Products in Unity Object Code form, and will promptly return to UTECH, permanently delete and/or destroy any copies of the Unity Source Code and Unity Object Code and so certify in writing. All payable amounts of License Fees are immediately due and payable upon any termination of this Agreement other than a termination by CUSTOMER for an uncured breach by UTECH.

7.4 Survival. After termination or expiration of this Agreement, the following Sections will survive: Section 1, 2, 4, 7, 8, 9, 10 and 11.

8. Representations; Disclaimer of Warranties.

8.1 UTECH's Representations & Warranties. UTECH makes the following representations and warranties to CUSTOMER:

(a) The Unity Products will not infringe upon any copyright, trademark, trade secret or other proprietary right (other than a patent right) of another party; and to the best of UTECH's knowledge the Unity Products will not infringe upon any patent rights of another party.

(b) Use of UTECH's trademarks, as directed by UTECH, on and in connection with the marketing and distribution of the Titles, will not infringe any trademark rights of others.

(c) UTECH has full corporate power to enter into this Agreement, to carry out its obligations hereunder and to grant the rights herein granted to CUSTOMER and its Affiliates.

8.2 CUSTOMER's Representations & Warranties. CUSTOMER makes the following representations and warranties to UTECH: CUSTOMER has full power to enter into this Agreement and to carry out its obligations hereunder and to grant the rights herein granted to UTECH and its Affiliates.

8.3 UTECH Indemnity. UTECH agrees to indemnify, hold harmless and defend CUSTOMER and its Affiliates from all third party claims, defense costs (including reasonable attorneys' fees), settlements, judgments and other expenses arising out of or on account of the following (i) alleged or actual infringement or violation of any trademark, copyright, patent, trade secret or other proprietary right, where such alleged or actual infringement or violation is caused directly by the Unity Products or UTECH's Marks, except to the extent any such claim arises solely from CUSTOMER's or CUSTOMER's Affiliates' Modifications, whether or not UTECH was knowledgeable about the alleged or actual infringement, as applicable or (ii) alleged or actual violation of privacy rights of CUSTOMER's end users where such violation of privacy rights was caused directly by the Unity Products. In the event that CUSTOMER is enjoined from distributing one or more Titles in any country due to a claim for which UTECH is obligated to indemnify CUSTOMER pursuant to this Section 8, at UTECH's option, UTECH will use its commercially reasonable efforts to procure a license from any claimants with respect to the Unity Product that will enable CUSTOMER to continue distributing the affected Titles in that country. In the event UTECH chooses to not seek or is unable to procure a license from any claimants with respect to the Unity Product that will enable CUSTOMER to continue distributing the affected Titles in that country, at CUSTOMER's option, UTECH shall use commercially reasonable efforts to assist CUSTOMER in procuring such licenses. Notwithstanding the above, UTECH shall have no liability to CUSTOMER for any claim to the extent that such claim is based upon any element of a Title other than the licensed Unity Product or portions thereof incorporated into such Titles or to the extent that it is a claim for which CUSTOMER has agreed to indemnify UTECH in Section 8.4 below. The rights granted to CUSTOMER under this Sections 8.3 shall be CUSTOMER's sole and exclusive remedy for any alleged infringement of any intellectual property rights of any third party.

8.4 CUSTOMER Indemnification. CUSTOMER agrees to indemnify, hold harmless and defend UTECH and its Affiliates from all third party claims, defense costs (including reasonable attorneys' fees), judgments, settlements and other expenses arising out of the following: (i) alleged or actual infringement or violation of any trademark, copyright, patent, or trade secret which alleged or actual infringement or violation is caused directly by the Titles (except for claims arising with respect to the Unity Products or UTECH's Marks or for claims which UTECH has agreed to indemnify CUSTOMER in Section 8.3 above); (ii) alleged or actual violation of privacy rights of CUSTOMER's end users (except where such violation of privacy rights was caused directly by the Unity Products); and (iii) any violation by CUSTOMER (or any of its agents) of any law or regulation applicable to (a) CUSTOMER's use of the Unity Products licensed by UTECH under this Agreement or (b) CUSTOMER's creation, publication, commercialization, and distribution of the Titles.

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8.5 Indemnification Procedures. If any action shall be brought against one of the parties hereto in respect to which indemnity may be sought against the other party (the "***Indemnifying Party***") pursuant to Sections 8.3 or 8.4 above, the Indemnifying Party's obligation to provide such indemnification will be conditioned on receipt of prompt notice of such claim (including the nature of the claim and the amount of damages and nature of other relief sought, if available) being provided to the Indemnifying Party by the party against which such action is brought (the " ***Indemnified Party***"). The Indemnified Party's rights and the Indemnifying Party's obligations to indemnify, hold harmless and defend the Indemnified Party are not to be conditioned upon the timing of the delivery or receipt of such notice unless the Indemnified Party suffers actual detriment or prejudice as a result of the delay in providing the notice to the Indemnifying Party. The Indemnifying Party shall, upon written notice from the Indemnified Party, conduct all proceedings or negotiations in connection with the action, assume the defense thereof, including settlement negotiations in connection with the action, and will be responsible for the costs of such defense, negotiations and proceedings. The Indemnifying Party will have sole control of the defense and settlement of any claims for which it provides indemnification hereunder, provided that the Indemnifying Party will not enter into any settlement of such claim without the prior approval of the Indemnified Party, which approval will not be unreasonably withheld. The Indemnified Party shall cooperate with the Indemnifying Party in all reasonable respects in connection with the defense of any such action at the expense of the Indemnifying Party. The Indemnified Party shall have the right to retain separate counsel and participate in the defense of the action or claim at its own expense.

8.6 Disclaimer. Except for the express warranties of UTECH in this Section 8, UTECH makes no other warranties, relating to the Unity Product, including Unity Source Code, express or implied. UTECH disclaims and excludes any and all implied warranties, including but not limited to implied warranties of merchantability or fitness for a particular purpose. CUSTOMER will make no warranty, express or implied, on behalf of UTECH.

9. Limitation of Liability.

[*], IN NO EVENT WILL EITHER PARTY OR ITS AFFILIATES BE LIABLE FOR ANY INDIRECT, PUNITIVE, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT (INCLUDING LOSS OF BUSINESS, REVENUE, PROFITS, USE, DATA OR OTHER ECONOMIC ADVANTAGE), HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY, EVEN IF SUCH PARTY HAS BEEN PREVIOUSLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EXCEPT FOR A MISUSE OF UTECH'S INTELLECTUAL PROPERTY BY CUSTOMER, INCLUDING BUT NOT LIMITED TO A MISUSE OF UTECH'S INTELLECTUAL PROPERTIES IN CONNECTION WITH VIOLATIONS OF SECTION 2, OR A BREACH OF THE CONFIDENTIALITY OBLIGATIONS UNDER SECTION 4 BY A PARTY OR ITS AFFILIATES, EACH PARTY AND THEIR RESPECTIVE AFFILIATES' TOTAL LIABILITY TO ONE ANOTHER UNDER THIS AGREEMENT IS LIMITED TO THE AMOUNT OF THE FEES PAID OR PAYABLE TO UTECH BY CUSTOMER.

10. General Provisions.

10.1 Assignment. Neither party may assign its rights and obligations under this Agreement, in whole or in part, without the prior written consent of the other party, which consent will not be unreasonably withheld; provided, however, that this Agreement may be assigned by either party (a) to an entity that acquires all or substantially all of the assets or stock of the party (an " **M&A Event**"), or (b) to an Affiliate of such party. The parties hereby acknowledge and agree that it shall be reasonable for UTECH to withhold its consent if CUSTOMER's M&A Event is to occur with a company whose primary business is competitive with UTECH, or if CUSTOMER's Affiliate is a company whose primary business is competitive with UTECH. Any attempt to assign this Agreement, without such consent, will be null and of no effect. Subject to the foregoing, this Agreement will bind and inure to the benefit of each party's successors and permitted assigns.

10.2 Entire Agreement. Following the termination of the Prior Agreement in accordance with Section 3.3, this Agreement and its Exhibits constitutes the entire, final and exclusive understanding and agreement between the parties pertaining to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties. The provisions of this Agreement may not be amended or supplemented in any way except by written agreement executed by both parties hereto.

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10.3 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California excluding that body of law known as conflict of laws. The parties expressly agree that the United Nations Convention on Contracts for the International Sale of Goods will not apply. Any legal action or proceeding arising under this Agreement will be brought exclusively in the federal or state courts located in the Northern District of California and the parties hereby irrevocably consent to the personal jurisdiction and venue therein.

10.4 Attorneys' Fees. In any suit or proceeding between the parties relating to this Agreement, the prevailing party will have the right to recover from the other(s) its costs and reasonable fees and expenses of attorneys, accountants, and other professionals incurred in connection with the suit or proceeding, including costs, fees and expenses upon appeal, separately from and in addition to any other amount included in such judgment. This provision is intended to be severable from the other provisions of this Agreement, and shall survive and not be merged into any such judgment.

10.5 Relationship of parties. The parties have the status of independent contractors, and nothing in this agreement shall be deemed to place the parties in the relationship of employer-employee, principal-agent, partners or joint venturers, nor to confer on either party any express or implied right, power or authority to enter into any agreement or commitment on behalf of the other party, nor to impose any obligation upon the other party.

10.6 Force Majeure. Neither party shall be deemed in default of the Agreement to the extent that performance of their obligations or attempts to cure any breach are delayed or prevented by reason of any act of God, fire, natural disaster, accident, act of government, shortage of materials or supplies or any other cause beyond the control of such party ("***Force Majeure***").

10.7 Partial Invalidity. Should any provision of this Agreement be held to be void, invalid or inoperative, the remaining provisions of this Agreement shall not be affected and shall continue in effect as though such provisions were deleted.

10.8 Injunctive Relief. The parties acknowledge and agree that in the event of any breach of Sections 2.1-2.6, 4, and 5.2, the non-breaching party will suffer irreparable damage for which it will have no adequate remedy at law. Accordingly, the non-breaching party will be entitled to seek injunctive and other equitable remedies to prevent or restrain, temporarily or permanently, such breach, in addition to any other remedy that such non-breaching may have at law or in equity.

10.9 Nonexclusive Remedy. Except as expressly set forth in this Agreement, the exercise by either party of any of its remedies under this Agreement will be without prejudice to its other remedies under this Agreement or otherwise.

10.10 Notices. Any notice required by this Agreement will be effective and deemed received three (3) days after posting with the United States Postal Service when mailed by certified mail, return receipt requested, properly addressed and with the correct postage, or one (1) day after pick-up by or drop-off to the courier server when sent by overnight courier, properly addressed and prepaid. All communications will be sent to the addresses set forth above or to such other address as may be specified by either party to the other in accordance with this Section. Either party may change its address for notices under this Agreement by giving written notice to the other party by the means specified in this Section.

A copy of any notice sent to UTECH shall also be sent (and notices shall not be deemed as delivered until such copy is sent) to:

Unity Technologies
345 Broadway Street, Suite 200
San Francisco, CA 94133
Attn: General Counsel

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10.11 Export Control. CUSTOMER agrees to comply fully with all relevant export laws and regulations of the United States (**"Export Laws"**) to ensure that neither the Unity Product, nor any direct product thereof are: (a) exported or re-exported directly or indirectly in violation of Export Laws; or (b) used for any purposes prohibited by the Export Laws, including but not limited to nuclear, chemical, or biological weapons proliferation.

11. Signatures.

This Agreement is valid if signed in two copies, each party receiving one copy. This Agreement may also be signed in multiple counterparts, including via facsimile transmission, all of which taken together shall constitute one agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the Effective Date by their duly authorized representatives.

UNITY TECHNOLOGIES APS	**GLU MOBILE INC.**
By: /s/ Henrik Nielsen	By: /s/ Niccolo De Masi
Name: Henrik Nielsen	Name: Niccolo De Masi
Title: CFO & COO	Title: CEO

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***Confidential Treatment has been requested for the marked portions of this exhibit pursuant to Rule 24b-2 of the Securities Act of 1934, as amended**

Exhibit A

Unity Products

Unity Pro versions [*]

The Unity engine and editor that provide an authoring environment with a series of integrated tools, modules, and components which is designed to allow for the creation of interactive content, as well as providing for asset management, project revision and tracking, and team-based production, and all Updates thereto.

[*] and [*] add-ons

Optional Unity Pro add-ons that provide the ability to publish on the [*] platforms, and all Updates thereto.

Unity Source Code

Unity Source Code (as defined in the Agreement) for the [*] Pro add-ons described above. CUSTOMER acknowledges and agrees that, [*]

Unity Team License An add-on component to the Unity Pro editor which provides tools for development teams to share and develop interactive content while maintaining version control, synchronized projects assets, and other components on a project by project basis, and all Updates thereto.

Unity Web Player UTECH's client that integrates with browsers or comparable interface for all available platforms that can play back UTECH files, and all Updates thereto.

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Exhibit B

CUSTOMER TITLES

Titles:

CUSTOMER and its Affiliates may develop [*], in accordance with the terms and provisions of this Agreement.

Platforms:

[*]

For the avoidance of doubt, CUSTOMER acknowledges and agrees that CUSTOMER and its Affiliates may use the Unity Source Code and create [*].

* If and when Unity Pro for Windows 8 for desktop and tablet becomes commercially available

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Exhibit C

License Fees and Payment Terms

License fee for the Term: USD [*] (the "***License Fee***")

The License Fee entitles CUSTOMER to:

- Unity Source Code for [*], including [*], for the duration of the Term
- [*] new Unity Pro [*]seat licenses*+
- [*] Upgrades of Unity Pro from [*]*
- [*] new Team Licenses [*]+
- [*] Upgrades of CUSTOMER's existing Team Licenses [*]
- [*] new Unity [*] seat licenses+
- [*] Upgrades of CUSTOMER's existing Unity [*] licenses [*]
- [*] new Unity [*] seat licenses+
- [*] Upgrades of CUSTOMER's existing Unity [*] licenses [*]
- Enterprise Support for the duration of the Initial Term

* Any add-on product licenses must be purchased separately for each developer/seat that requires access to such add-on product, in addition to the Unity Pro license.

\+ In the event version [*] is not commercially available on the Effective Date, UTECH shall deliver to CUSTOMER version [*] of the Unity Product on the Effective Date, and shall Upgrade such licenses as soon as such Upgrade becomes commercially available.

The License Fee shall be payable in four (4) installments in accordance with Section 5 of the Agreement as follows:

- $[*] due and payable no later than thirty (30) days from the Effective Date of this Agreement (less a credit for [*];
- $[*] due and payable six (6) month from the Effective Date of this Agreement;
- $[*] due and payable twelve (12) months from the Effective Date of this Agreement; and
- $[*] due and payable eighteen (18) months from the Effective Date of this Agreement.

During the Initial Term only, CUSTOMER may order additional seat licenses of Unity Products, at a [*] discount from UTECH's then-current published price list located at https://store.unity3d.com, by placing an order in accordance with Section 5.1 of the Agreement. In the event that UTECH releases Windows Phone 8 add-on versions of the Unity Product during the Initial Term, the [*] discount for seat licenses set forth herein shall apply to the Windows Phone 8 add-on licenses purchased during the Initial Term. Payment for such additional orders shall be due and payable no later than thirty (30) days from receipt of invoice, in accordance with Section 5.1 of the Agreement.

In the event CUSTOMER wishes to use Unity Source Code for PC/MAC [*]:

Additional Source	List Price	1-2 Titles	3-4 Titles	5-6 Titles	7+ Titles
Code Licenses (Unrestricted)*	**[*]**	**[*]**	**[*]**	**[*]**	**[*]**
Unity Source Code for PC/MAC [*]	$[*]	$[*]	$[*]	$[*]	$[*]

[*]***; prices are per Title, per year of source code access; Unity Pro seat licenses must be purchased separately (as needed); no use of source code after expiration of the designated source code term***

CONFIDENTIAL

* Confidential treatment has been requested with respect to the information statement contained within the "[*]" marking. The marked portions have been omitted from this filing and filed separately with the Securities and Exchange Commission.

	List Price	1-2 Titles	3-4 Titles	5-6 Titles	7+ Titles
Additional Source Code Licenses (Restricted Use)*	[*]	[*]	[*]	[*]	[*]
Unity Source Code for PC/MAC [*]	$ [*]	$ [*]	$ [*]	$ [*]	$ [*]

* [*]***; prices are per Title, per year of source code access; Unity Pro seat licenses must be purchased separately; no use of source code after designated source code term***

	0-6 Months Fee	6-12 Months Fee	13-24 Months Fee	24+ Months No Transferability
Unity Source Code for PC/MAC Transferability Per Title	**[*] of Title License fee**	**[*] of Title License fee**	**[*] of Title License fee**	**[*]**

[*] Fees:

After the Initial Term, should CUSTOMER elect to exercise its option for a [*] (as such term is defined in Section 7.1), CUSTOMER shall pay UTECH [*] per each [*], payable in full prior to the commencement of each [*] but no later than thirty (30) days from receipt of UTECH's invoice in accordance with Section 5.1 of the Agreement.

Subject to the payment of the [*] Fee, during each such [*] CUSTOMER and its Affiliates may, [*], and only for versions [*], and (2) [*].

CUSTOMER acknowledges and agrees that each [*] shall not include any [*] as set forth in Section [*] of the Agreement and further detailed [*]. Standard support, consisting of email at support@unity3d.com and access to the online support forum and Unity Answers knowledge base on the UTECH website may be available, but CUSTOMER understands that even such support may be limited in the event a new version ([*]) of the Unity Product has been released.

* Confidential treatment has been requested with respect to the information statement contained within the "[*]" marking. The marked portions have been omitted from this filing and filed separately with the Securities and Exchange Commission.

***Confidential Treatment has been requested for the marked portions of this exhibit pursuant to Rule 24b-2 of the Securities Act of 1934, as amended**

Exhibit D

ENTERPRISE SUPPORT AGREEMENT

Definitions:

'**Software**' means the Unity Products licensed by the CUSTOMER and its Affiliates and for which CUSTOMER has purchased Support.

'Support' means the Enterprise Support Manager Services and Enterprise Support Services as further defined in Section A "Enterprise Support Terms" of this Support Agreement below.

'Support Agreement' means this Enterprise Support Agreement.

'**Support Personnel**' means any Unity employee, any agent or other third party authorized by Unity to provide Support.

'Support Request' means a question, issue or concern posted on the support website as notified by Unity in the English language.

"**Unity**" means Unity Technologies ApS or its Affiliates.

A. Enterprise Support Terms:

Capitalized words used in this Support Agreement but not defined shall retain the meanings ascribed to them in the Unity Technologies Software License Agreement, entered into between Unity and Glu Mobile Inc. ("CUSTOMER") (the "Agreement").

In accordance with the terms of this Support Agreement, Unity will provide CUSTOMER and its Affiliates the following Support services during the Initial Term (as defined in Section 7.1 of the Agreement):

Enterprise Support Manger Services: Unity will assign to CUSTOMER a designated Enterprise Support Manager (" **ESM**"). The ESM will be responsible for the following services:

a) Coordinating and facilitating Unity Personnel and technical resources as needed to enable (1) a holistic approach to solution deployment and management, (2) effective and timely communication between Unity and CUSTOMER teams, (3) proactive identification of and resolution of emerging issues, and (4) effective prioritization of efforts by considering business impact on CUSTOMER and support priorities.

b) Maintaining an understanding and awareness of CUSTOMER's technical use of Software and engagement and act as a liaison between CUSTOMER and other Unity technical departments as required.

c) Escalation management for Critical requests (as further referred to in the Section B below).

d) Proactive communication on relevant/ covered product releases, where available.

e) [*] on-site visits by the ESM (each a "**Site Visit**") or another qualified Support engineer, during each twelve (12)-month period during the Term on mutually agreeable dates. Each of the Site Visits will be at least one (1) month apart and will not exceed two (2) days duration. All travel and living expenses associated with the Site Visit shall be paid for by Unity. CUSTOMER acknowledges and agrees that the Site Visits cannot be carried over to subsequent one (1) year periods; additional on-site visits can be purchased for a fee.

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Support Services: Unity will provide to CUSTOMER the following "Support Services" during the Term:

a) Provide [*], based on CUSTOMER's US location) support service responses for critical issues (Priority 1) affecting any Software products; provide support service responses during regular business hours for non-critical issues (Priority 2-4) affecting any Software. Regular business hours are CUSTOMER-location dependent and defined as:

- Europe: 9am through 5pm, Monday to Friday
- US: 8am through 4pm, Monday to Friday
- Asia: 9am through 5pm Monday to Friday

In addition, on up to [*] occasions during a [*] period, and with [*] advance notice, Unity can make ESM and Support engineers available during weekends to deal with Critical, Urgent and Important Priority (Priority levels 1, 2 and 3) level issues.

b) Respond to properly submitted Support Requests concerning installation, activation, license migration, configuration, troubleshooting and/or any other issues which may arise in connection with the Software in accordance with the response times specified in this Support Agreement; responses to be provided by Unity Support engineers;

c) Undertake commercially reasonable efforts, at Unity's discretion, to provide either work-arounds or to correct faults in the Software.

B. Response Time Objectives:

Priority	Severity	Initial Response Time
1	***Critical***	[*]
2	Urgent	[*]
3	Important	[*]
4	Minor	[*]

- CRITICAL (Priority 1) — **the problem results in extremely serious interruptions to development of Titles.** It has affected, or could affect, the entire CUSTOMER team. Data integrity is compromised or the issue is at risk of causing missed critical project deadlines or deliverables. CUSTOMER shall call its ESM for all critical priority 1 issues.
- URGENT (Priority 2) — **the problem results in serious interruptions to development of Titles.** Portions of the CUSTOMER team cannot perform important tasks, but the error does not impair essential operations. Major game components cannot operate correctly due to issues with the Software or APIs or performance issues are apparent.
- IMPORTANT (Priority 3) — **the problem causes interruptions in development of Titles.** It does not prevent operation of a Title. The error is attributed to malfunctioning or incorrect behavior of the Software. The issue will affect a pilot or proof-of-concept.

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- MINOR (Priority 4) — **the problem results in minimal or no interruptions to development of Titles** (no business impact). The issue consists of "how to" questions including issues related to APIs and integration, installation and configuration inquiries, enhancement requests, or documentation questions.

For Priority 1 Critical case Support Requests, the response time shall be not more than [*] from the time CUSTOMER contacts Unity. Customer shall:

- Initiate all Critical case requests via telephone (to be provided by Unity), such call to be initiated by a senior level developer or producer.
- Reproduce the alleged error.
- Provide Unity with a designated contact during the remedy period, either onsite or by pager, to assist with data gathering, troubleshooting, testing and applying the proposed solution.

In the event CUSTOMER does not fulfill the above-referenced requirements, Unity, in its sole and reasonable discretion, may downgrade the priority level of the Support Request.

For all Priority level Support Requests, Unity shall undertake commercially reasonable efforts to; a) acknowledge receipt of a Support Request from a technical support contact within the time allotted ("**Initial Response Time**") (such acknowledgements will generally be via the same medium of communication by which the Support Request was reported); b) provide a short status report to CUSTOMER within a reasonable time after the Support Request is acknowledged; and c) address the Support Request by providing a remedy that could take the form of eliminating the defect in order to bring the Software into substantial conformity with applicable documentation, providing updates, or demonstrating how to avoid the effects of the defect with reasonable effort. For Critical and Urgent Support Requests, UTECH shall make commercially reasonable efforts to address the Support Request as set forth in subsection (c) of this paragraph above within two (2) business days after the Initial Response Time (the " ***Secondary Response Time***"). When UTECH is not able to address a Support Request within the Secondary Response Time, then UTECH shall promptly notify CUSTOMER as to the planned response time for such Support Request, which planned response time shall be reasonable in light of the severity and priority of the applicable Support Request, subject to the limitations described in Section D below. Where CUSTOMER has licensed Unity Source Code, a remedy may also include error & code corrections, patches, bug fixes, workarounds (i.e. temporary solutions used to complete a task that would not otherwise be possible due to a problem or limitation in the affected Software), replacement deliveries or any other type of software or documentation corrections or modifications. Each party acknowledges that despite a party's reasonable efforts, not all problems may be solvable.

UTECH enterprise Support engineers will investigate each Support Request. Where on-going investigation is required, CUSTOMER will receive regular updates to their Support Request. Additionally, such updates may increase or lower the severity of the issue, in which case the frequency of updates will change accordingly.

If Unity, in its sole and reasonable discretion, determines that remote troubleshooting and investigation techniques employed by Unity have been unsuccessful and that on-site support is the most effective way to provide the services and deliverables, CUSTOMER will not be charged for such onsite support but will be charged for travel and living expenses.

Customer shall have unlimited access to Unity's on-line support resources at http://unity3d.com/support/.

CUSTOMER acknowledges and agrees that Unity may, at its reasonable discretion, subcontract the provision of Support, other than the ESM role, to third parties; provided, however, that Unity shall continue to remain primarily responsible under the terms of this Support Agreement and shall ensure that such third party service provider provides all Support Services in accordance with the terms herein and in accordance with best industry standards. In all instances Unity will use suitably qualified Support Personnel.

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C. CUSTOMER Obligations:

CUSTOMER shall:

a) Use suitable qualified engineers and artists to develop using the Software;

b) Use industry recognized development methodologies;

c) Provide accurate and complete descriptions of problems and issues;

d) Co-operate with Support Personnel where elaboration of an issue is required;

e) Provide script, artwork or project folders where needed by Support Personnel, subject to the confidentiality provisions of the Agreement and any other CUSTOMER confidentiality restrictions; (in the event Unity determines, at its reasonable discretion, that such script, artwork or project folders are necessary in order to respond to a Support Request, but such script, artwork or project files are not provided by CUSTOMER, UTECH shall not be liable for resolution of such Support Request);

f) Provide development timetables including milestones and deliverables, subject to CUSTOMER confidentiality restrictions, as necessary to enable Unity to provide timely and efficient Support Services;

g) Recognize that Support Services are often a collaborative and iterative process;

h) Assign each problem a priority level as set out below;

i) Close Support Requests when the issue or problem has been resolved;

j) Designate up to ten (10) named qualified, English-speaking, technical support contacts and shall provide contact details (in particular e-mail address and telephone number) by means of which the ESM can contact at any time. CUSTOMER's designated technical support contacts shall be authorized representative empowered to make necessary decisions for CUSTOMER or bring about such decisions without undue delay;

k) Share Support responses between members of the team;

m) Assess Support responses for suitability to the CUSTOMER and respond in a timely fashion when the response is not suitable.

D. Limitations:

Unity's obligation to provide Support Services shall extend only to the most recent version of the Software and CUSTOMER acknowledges and agrees that Support shall be limited for any prior version of the Software, but Unity will provide support of prior versions to the extent the provision of such support is commercially reasonable and not burdensome.

Support Requests sent to Unity using methods other than that defined by Support Request site will be handled in a manner of Unity's choosing and will not qualify for the response times set out above.

CUSTOMER may require to *lock down* on a particular version of Software. In the event that CUSTOMER will request prior permission to lock down, and if granted by Unity, then Unity shall provide Support to CUSTOMER only for that locked down version. When errors or malfunctions exist in the locked down version that have been fixed in later versions, Unity shall have no obligation to continue to fix the locked down version.

* Confidential treatment has been requested with respect to the information statement contained within the "[*]" marking. The marked portions have been omitted from this filing and filed separately with the Securities and Exchange Commission.

Unity shall neither provide Support to end users of the CUSTOMER's Titles nor to sub-contractors working for CUSTOMER.

Unity will have no obligation to provide support services of any kind for problems in the operation or performance of the Software to the extent caused by any of the following (each, a ***"CUSTOMER-Generated Error"***): (a) if Unity can show that the problem is caused by third party software or hardware products or use of the Unity Product in conjunction therewith or (b) CUSTOMER's use of the Software other than as authorized in this Agreement. If Unity determines that it is necessary to perform Support Services for a problem in the operation or performance of the Software that is caused by a CUSTOMER-Generated Error, then Unity will notify CUSTOMER thereof as soon as Unity is aware of such CUSTOMER-Generated Error and Unity will have the right to invoice CUSTOMER at Unity's then-current time and materials rates for all such Support Services performed by Unity and CUSTOMER will pay Unity within thirty (30) days of the date of such invoices.

Where resolution to a Support Request requires an extended time period in to provide the final response, Unity shall provide regular updates to CUSTOMER at reasonable intervals in light of the severity and priority for the applicable Support Request.

Unity does not warrant or guarantee that the final response times set out above in this Support Agreement will be met, or that claimed or actual defects or malfunctions in the Software will in fact be corrected.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, UNITY EXPRESSLY DISCLAIMS ALL WARRANTIES TERMS OR CONDITIONS OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO ANY IMPLIED WARRANTIES TERMS AND CONDITIONS OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT, WITH RESPECT TO ANY SUPPORT.

CUSTOMER EXPRESSLY UNDERSTANDS AND AGREES THAT UNITY AND ITS SUBSIDIARIES, HOLDING COMPANIES AND OTHER AFFILIATES SHALL NOT BE LIABLE TO CUSTOMER UNDER ANY THEORY OF LIABILITY (WHETHER CONTRACT, TORT INCLUDING NEGLIGENCE OR OTHERWISE) FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL CONSEQUENTIAL OR EXEMPLARY DAMAGES THAT MAY BE INCURRED BY CUSTOMER THROUGH THE PROVIDED SUPPORT, INCLUDING ANY LOSS OF DATA, GOODWILL, BUSINESS REPUTATION OR OTHER INTANGIBLE LOSS WHETHER OR NOT LICENSOR OR ITS REPRESENTATIVES HAVE BEEN ADVISED OF OR SHOULD HAVE BEEN AWARE OF THE POSSIBILITY OF ANY SUCH LOSSES ARISING.

* Confidential treatment has been requested with respect to the information statement contained within the "[*]" marking. The marked portions have been omitted from this filing and filed separately with the Securities and Exchange Commission.

Exhibit 21.01

GLU MOBILE INC.

Subsidiaries as of March 15, 2013

Name of Subsidiary	State or Other Jurisdiction of Incorporation or Organization
Beijing Qinwang Technology Co. Ltd.	People's Republic Of China
Beijing Zhangzhong MIG Information Technology Co. Ltd.	People's Republic Of China
Blammo Games Inc.	Ontario, Canada
GameSpy Industries, Inc.	California, USA
Glu Games Inc.	Delaware, USA
Glu Mobile Brasil Ltd.	Brazil
Glu Mobile Limited	Hong Kong
Glu Mobile Limited	United Kingdom
Glu Mobile (Russia) Ltd.	United Kingdom
Glu Mobile Technology (Beijing) Co. Ltd.	People's Republic Of China
Griptonite, Inc.	Washington, USA
Griptonite Games Inc.	Delaware, USA
Griptonite Games India Private Limited	India
Maverick Mobile Entertainment (Beijing) Limited	People's Republic Of China

We have omitted certain subsidiaries which, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of December 31, 2012.

Exhibit 23.01

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-141487, 333-149996, 333-157959, 333-165813, 333-172983, 333-176318 and 333-180110) and in the Registration Statements on Form S-3 (Nos. 333-169131, 333-170577, 333-176325 and 333-176327) of Glu Mobile Inc. of our report dated March 15, 2013 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

San Jose, California
March 15, 2013

EXHIBIT 31.01

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13A-14(A)/15D-14(A) OF THE SECURITIES EXCHANGE ACT AND SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Niccolo M. de Masi, certify that:

1. I have reviewed this Annual Report on Form 10-K of Glu Mobile Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 15, 2013

/s/ Niccolo M. de Masi

Niccolo M. de Masi
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.02

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULE 13A-14(A)/15D-14(A) OF THE SECURITIES EXCHANGE ACT AND SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Eric R. Ludwig, certify that:

1. I have reviewed this Annual Report on Form 10-K of Glu Mobile Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 15, 2013

/s/ Eric R. Ludwig

Eric R. Ludwig
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.01

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. §1350

The undersigned, Niccolo M. de Masi, the President and Chief Executive Officer of Glu Mobile Inc. (the "Company"), pursuant to 18 U.S.C. §1350, hereby certifies that:

(i) the Annual Report on Form 10-K for the period ended December 31, 2012 of the Company (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 15, 2013

By: /s/ Niccolo M. de Masi
Niccolo M. de Masi
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.02

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO §18 U.S.C. SECTION 1350

The undersigned, Eric R. Ludwig, the Senior Vice President, Chief Financial Officer and Chief Administrative Officer of Glu Mobile Inc. (the "Company"), pursuant to 18 U.S.C. §1350, hereby certifies that:

(i) the Annual Report on Form 10-K for the period ended December 31, 2012 of the Company (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and.

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 15, 2013

By: /s/ Eric R. Ludwig
Eric R. Ludwig
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)