



2013 Analyst Day

May 30, 2013



Safe-Harbor Statement

This presentation contains "forward-looking" statements including those regarding: the number of first and third party titles that Glu expects to publish in 2013 and 2014; forecasted smartphone and feature phone subscriptions growth; forecasted smartphone and tablet unit sales growth in comparison to projected sales growth of computers; Glu's product roadmap for the remainder of 2013; our expectation that advertising revenues will increase from current levels; our belief that Glu has the foundation in place for long-term growth; Glu's areas of focus and the actions it intends to take in its efforts to transition to becoming a games-as-a-service company; Glu's 2014 product strategy; the planned evolution of Glu's products towards primarily consumable economies, deep meta-game and monetization systems and socially/competitively driven gameplay; our belief that deeper visibility within our player acquisition channels will enable Glu to drive increasing improvement to ROI on its marketing spend; our intention to form preferred partnerships with key player acquisition channels and ad networks; our expectation that we will see revenue growth from video advertising; our intention to work directly with the top 25 advertisers and agencies on direct advertising deals; our expectation that we will roll out a test with an ad-funded loyalty program in the near future, which we expect will have a positive effect on retention while also adding incremental ad revenue; our guidance for Q2 2013 and FY 2013; and our long-term operating model. These forward-looking statements are subject to material risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Investors should consider important risk factors, which include: the risk that consumer demand for smartphones, tablets and next-generation platforms does not grow as significantly as we anticipate or that we will be unable to capitalize on any such growth; the risk that we do not realize a sufficient return on our investment with respect to our efforts to develop freemium games for smartphones and tablets, the risk that we do not maintain our good relationships with Apple and Google; the risk that our development expenses for games for smartphones are greater than we anticipate; the risk that our recently and newly launched games are less popular than anticipated; the risk that our newly released games will be of a quality less than desired by reviewers and consumers; the risk that the mobile games market, particularly with respect to social, freemium gaming, is smaller than anticipated; and other risks detailed under the caption "Risk Factors" in our Form 10-Q filed with the Securities and Exchange Commission on May 10, 2013 and our other SEC filings. You can locate these reports through our website at <http://www.glu.com/investors>.

These "forward-looking" statements are based on estimates and information available to us on May 30, 2013 and we are under no obligation, and expressly disclaim any obligation, to update or alter our forward-looking statements whether as a result of new information, future events or otherwise.



Use of Non-GAAP Financial Measures

Glu uses in this presentation certain non-GAAP measures of financial performance. The presentation of these non-GAAP financial measures is not intended to be considered in isolation from, as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP, and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP measures have limitations in that they do not reflect all of the amounts associated with Glu's results of operations as determined in accordance with GAAP. The non-GAAP financial measures used by Glu include non-GAAP revenues, non-GAAP Smartphone revenues, non-GAAP freemium revenues, non-GAAP gross margins, non-GAAP operating expenses, non-GAAP operating margin, non-GAAP Profit/(Loss) and Adjusted EBITDA. These non-GAAP financial measures exclude the following items from Glu's unaudited consolidated statements of operations:

- *Change in deferred revenues and royalties;*
- *Amortization of intangible assets;*
- *Stock-based compensation expense;*
- *Restructuring charges;*
- *Change in fair value of Blammo earnout;*
- *Transitional costs;*
- *Impairment of goodwill;*
- *Release of tax liabilities; and*
- *Foreign currency exchange gains and losses primarily related to the revaluation of assets and liabilities.*

In addition, Glu has included in this presentation "Adjusted EBITDA" figures which are used to evaluate Glu's operating performance and is defined as non-GAAP operating income/(loss) excluding depreciation.

Glu believes that these non-GAAP financial measures, when taken together with the corresponding GAAP financial measures, provide meaningful supplemental information regarding Glu's performance by excluding certain items that may not be indicative of Glu's core business, operating results or future outlook. Glu's management uses, and believes that investors benefit from referring to, these non-GAAP financial measures in assessing Glu's operating results, as well as when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate comparisons of Glu's performance to prior periods.

For a reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, please refer to the tables attached to Glu's earnings press release for the quarter ended March 31, 2013, which is available on our website at <http://www.glu.com/investors>.



Agenda & Presenting Team

CEO
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**President of
Studios**
Ricchetti

**Sn. Dir.
Monetization**
Tucker

**President of
Publishing**
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CFO
Ludwig



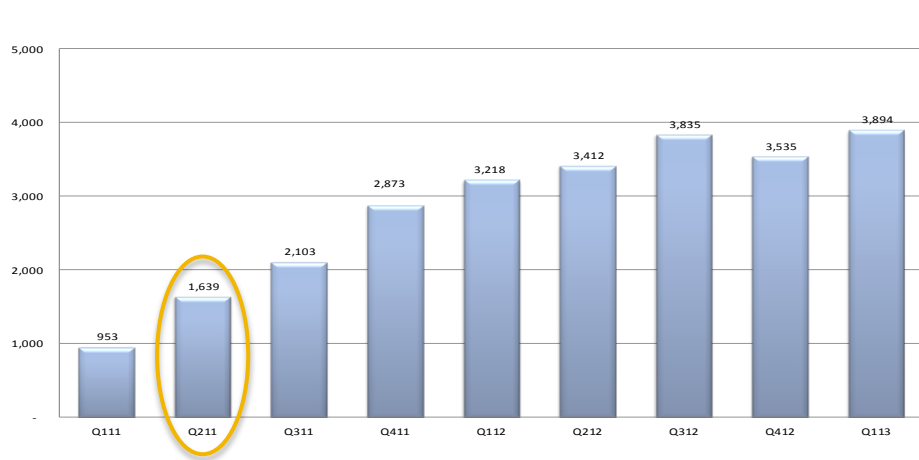
Q&A



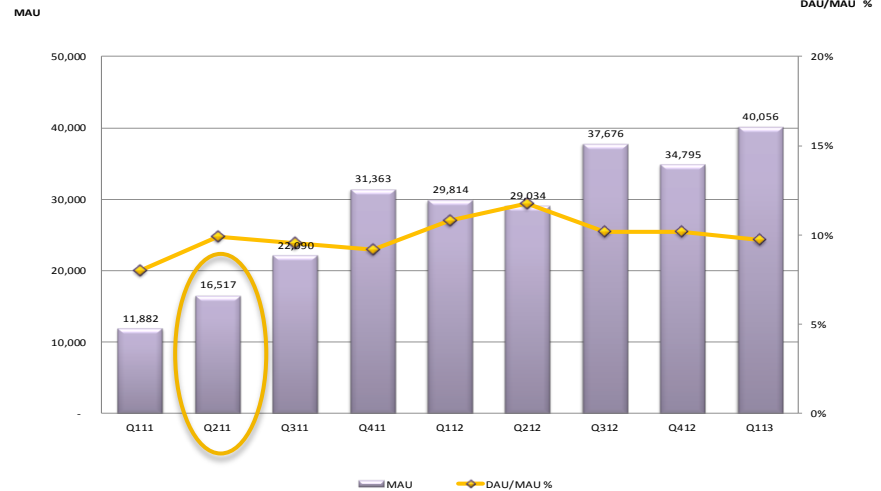
Since Last Analyst Day: 2.5x Audience Size



Daily Active Users (Average DAU) (In 000s)



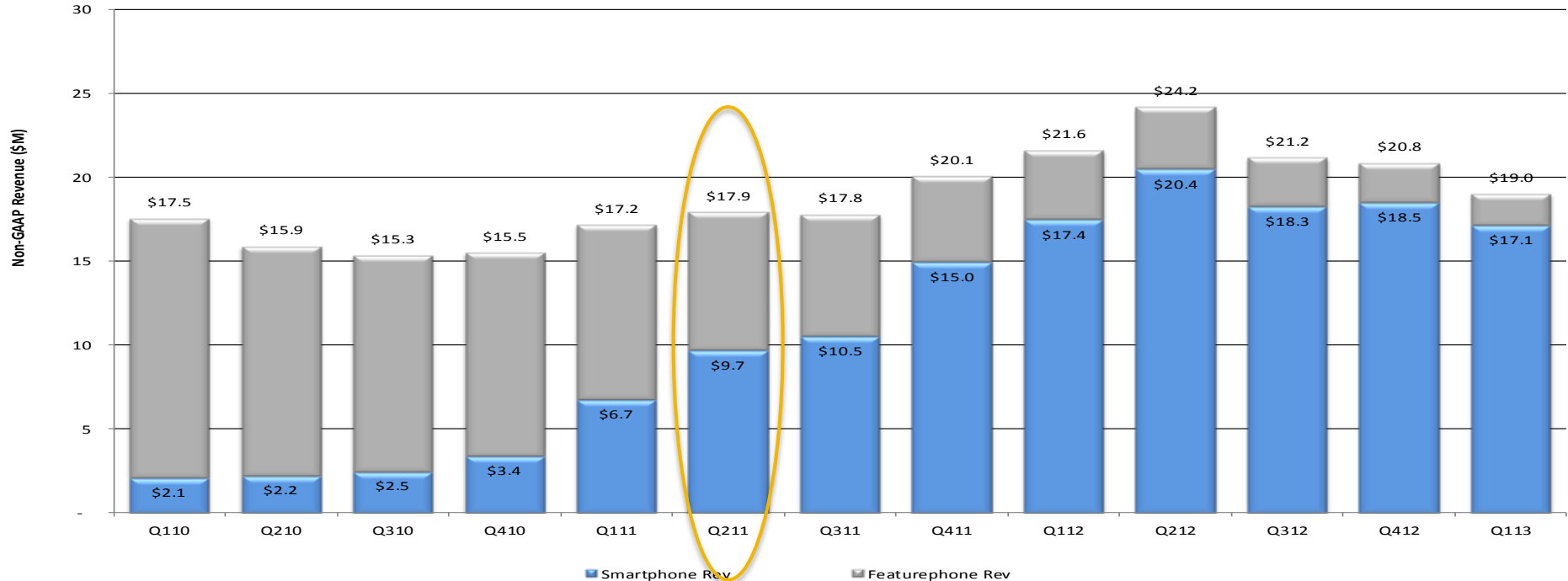
Monthly Active Users (MAU) (In 000s)



Note: MAU/DAU calculation methodology was changed in Q411 to more accurately reflect the user metrics which had the effect of increasing our Q411 MAU/DAU by less than 5% from what it would have been under our previous methodology. This change affects the comparability of Q411 and subsequent MAU/DAU data to prior quarters.

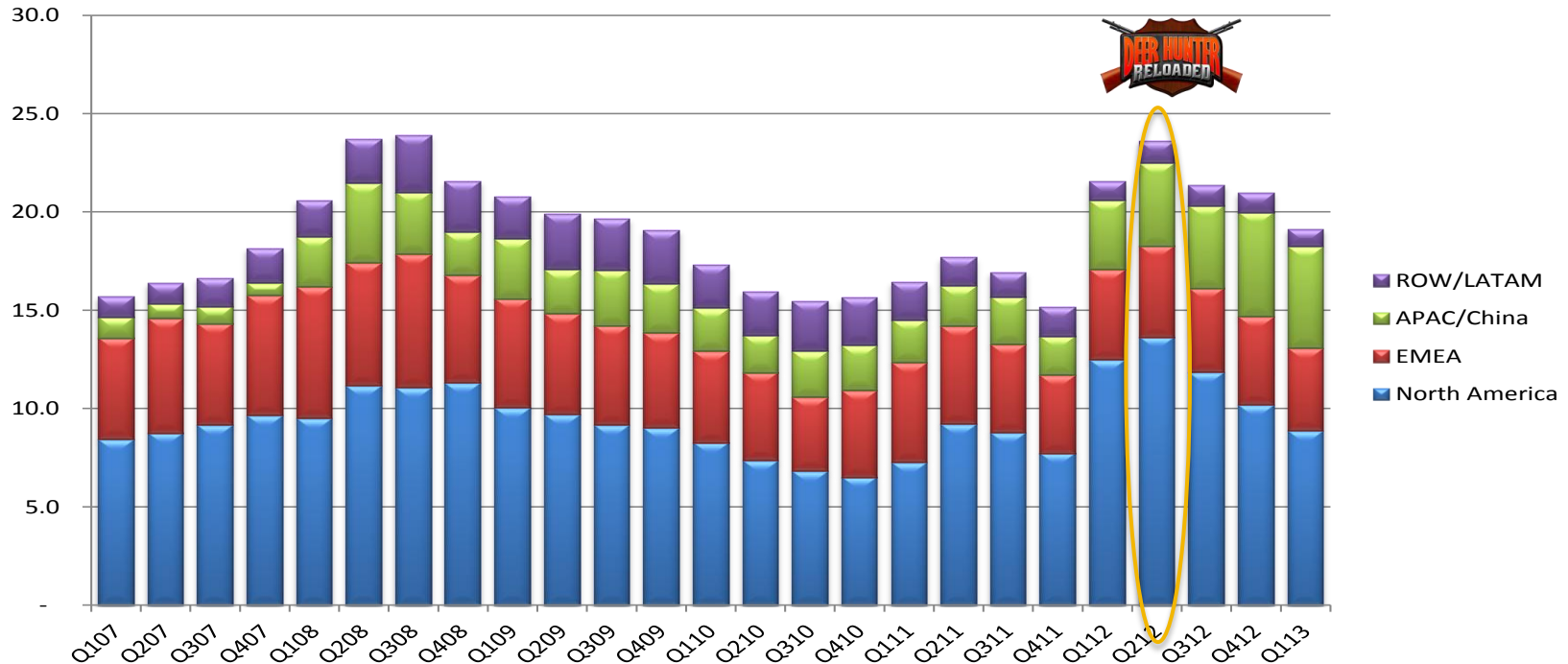


Since Last Analyst Day: Doubled Smartphone Revenue



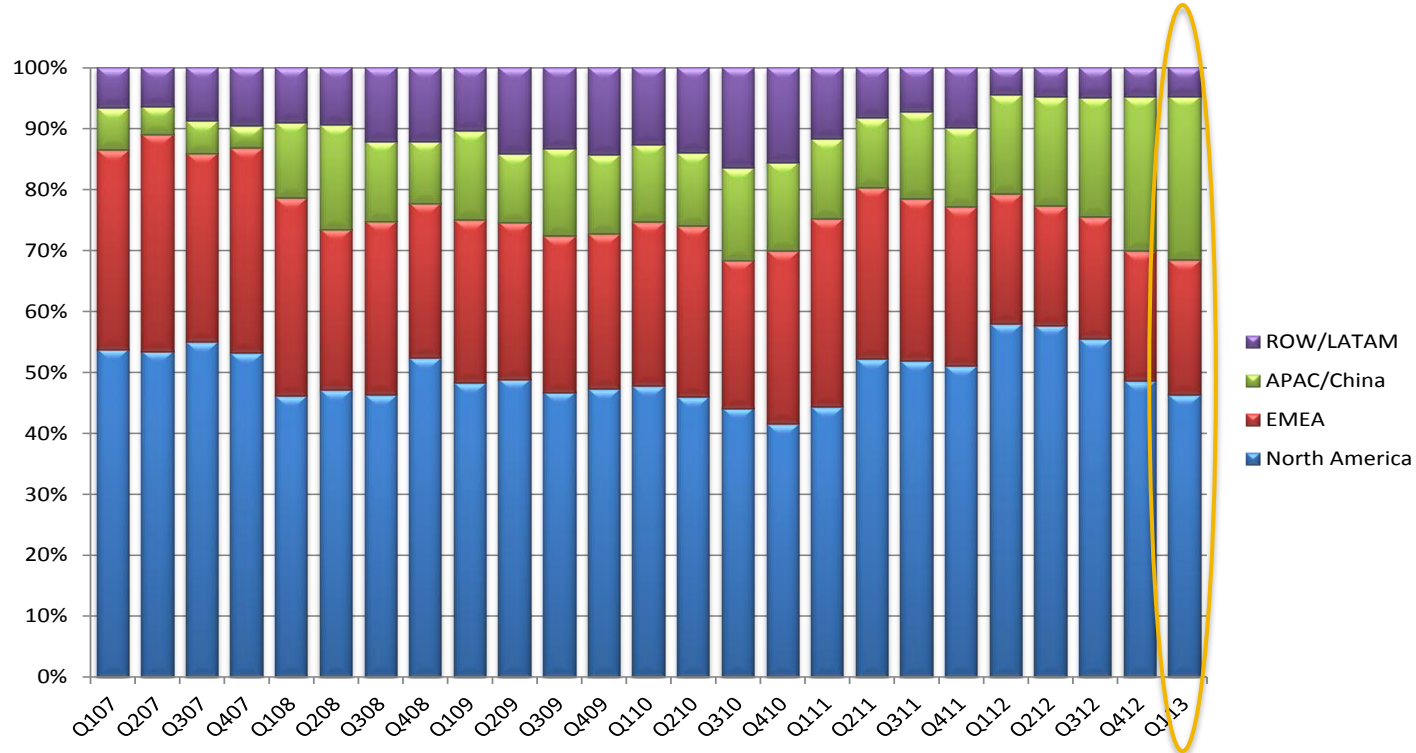


Since Last Analyst Day: Seen a (Modest) Hit





Since Last Analyst Day: Asia Now 30%





Last 6 Months: Retooling

1. World class new talent in top two layers of mgmt

2. Internal studio shift to GaaS



3. ARPD AU proof points



4. 3rd Party Publishing



Two Business Models

1st Party

- c.a. 12 launches per year
- GaaS evolution drives LTV
- Portfolio evolving
- Gung-Ho/Supercell upside
- 92% gross margin

Virtuous Circle

3rd Party

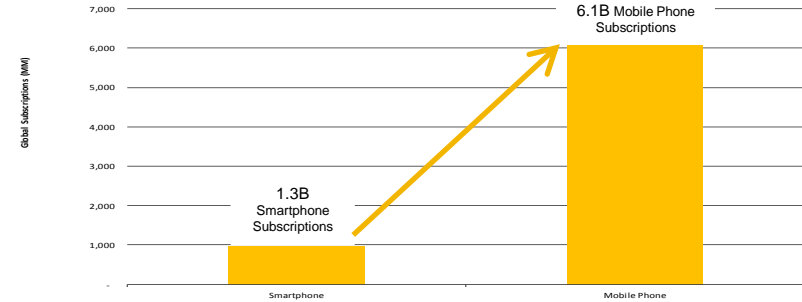
- c.a. 6 in 2013
 - c.a. 12 in 2014
 - Reduced risk profile to 1st Party
 - 50%+ gross margin
 - Leveraging global:
 - Office presence
 - Tools & technology
 - Platform expertise
- Smoothing of business cycle
 - Growing distribution power
 - Economies of scale
 - Accrete greater long term strategic value



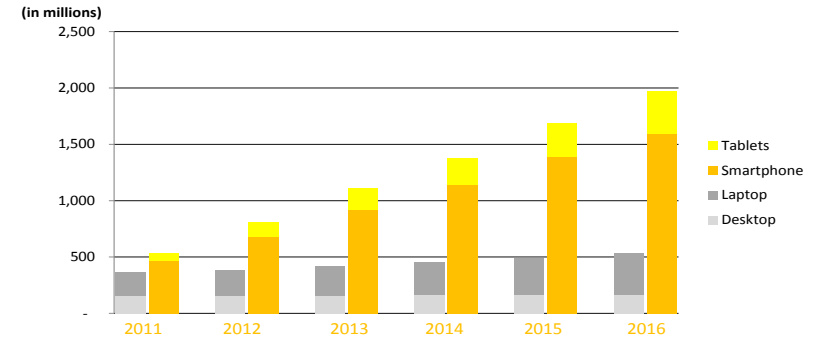
Tail Winds

1. Continued growth of Asia
2. Next emerging markets
3. Tablet penetration
4. Video ad demand

Global Smartphone vs. Mobile Phone Subscriptions, Q411



'InternetTrends' Presentation at the D10 conference by Mary Meeker, Kleiner Perkins Caufield Byers; 5/30/2012



Data Source: BI Intelligence Global Smartphone Unit Sales forecast 2/29/2012; Gartner 4/10/2012



Look Out For

1. First PVE + PVP
2. First Battle Card Game
3. First 3rd party
4. First GaaS
5. Rise in advertising revenues



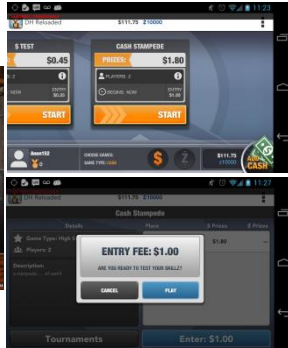


Seeking Inflection Points

1. Platforms
2. Real Money



Skill

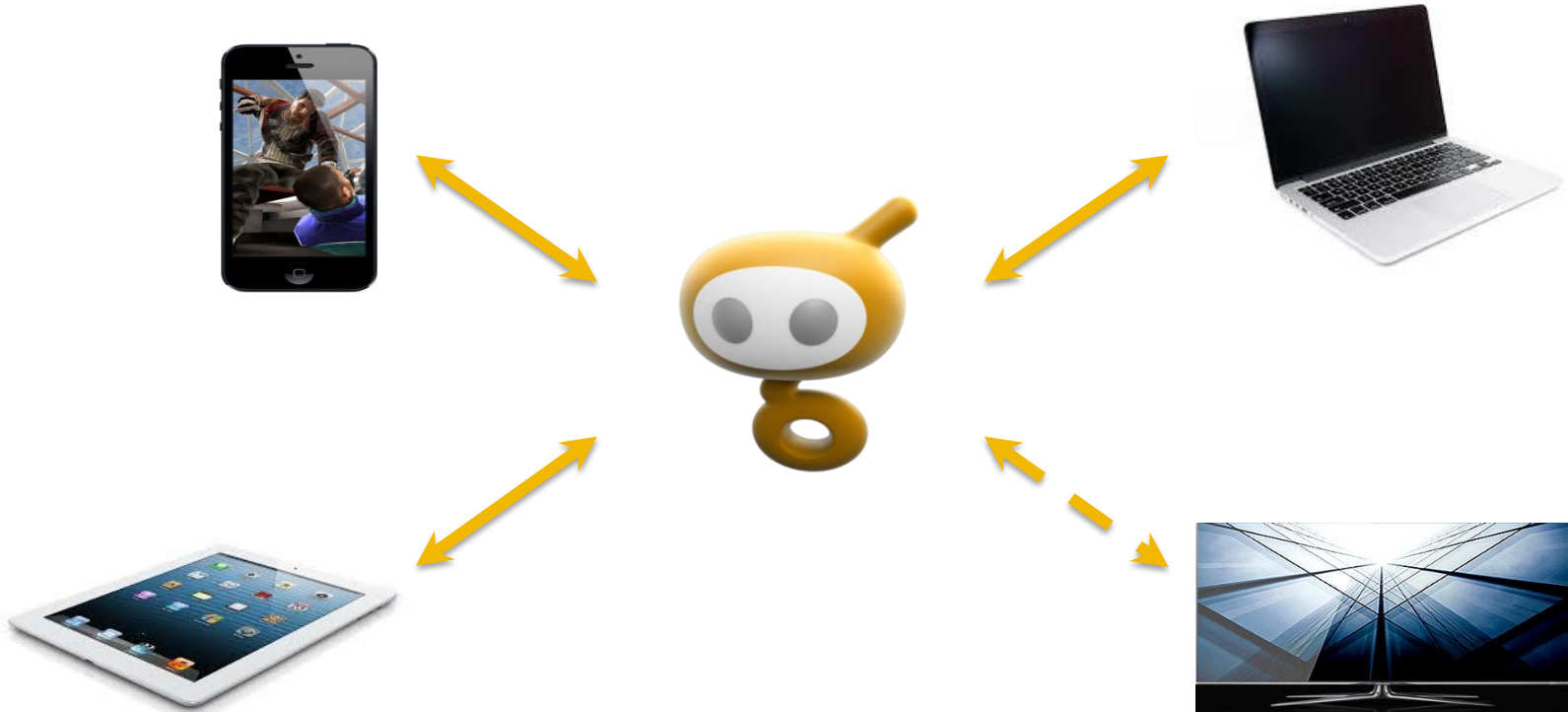


Gambling





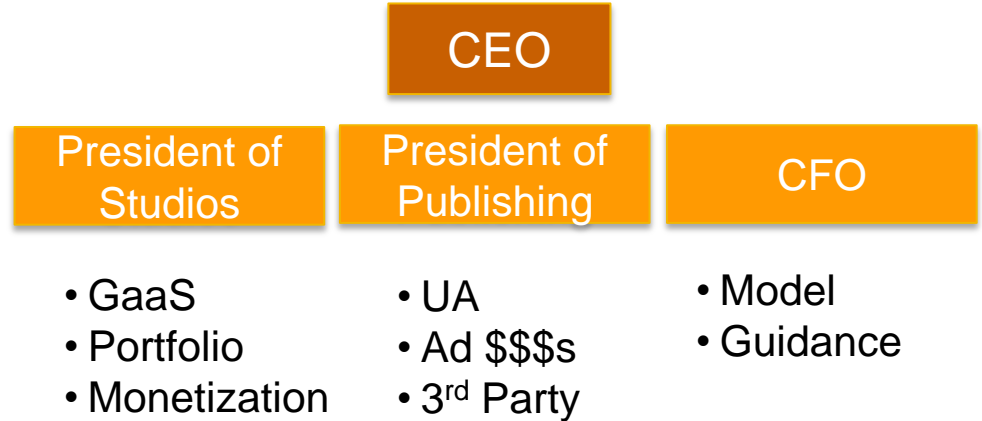
Quad Screen Future





Set for Success

1. World class talent density
2. 1st party core business
3. New 3rd party division
4. Underlying technology efficiency
5. New initiative inflection points



Foundations for Long Term Growth



2013-14 Product Strategy

Making the Transition to “Games as a Service”



Overview

1. Learnings from Q1
2. What are “Games as a Service”?
3. Making the Transition
4. 2014 Product Strategy



Learnings from Q1



Q1 Titles

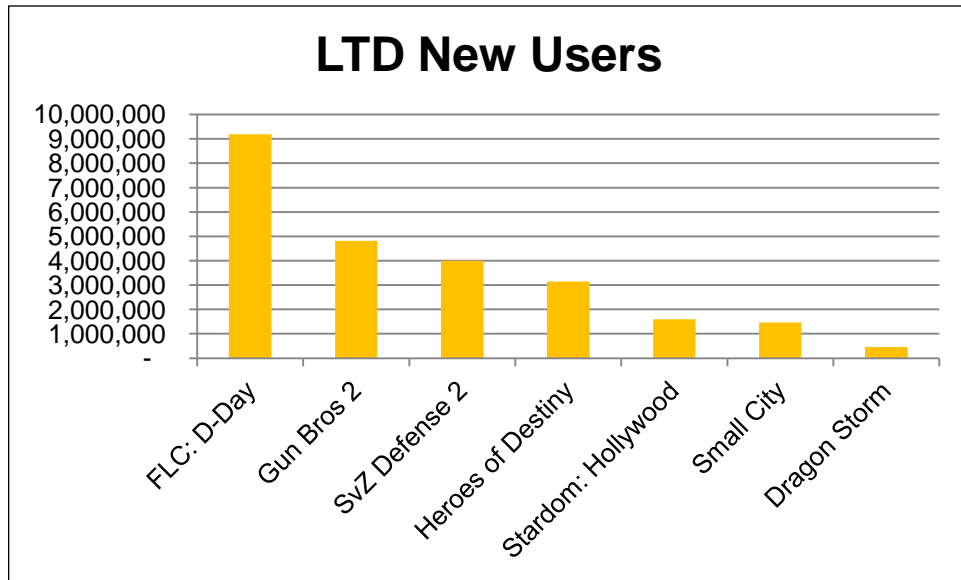
Title	Date	Studio	Theme/Genre
Dragon Storm	2/6	Seattle	Fantasy MMO Strategy
Stardom: Hollywood	2/13	Toronto	Pop Culture Life Sim
Gun Bros 2	2/20	San Francisco	Sci-fi Arcade Shooter
Small City	2/27	Beijing	Casual City Sim
Samurai vs. Zombies Defense 2	3/6	Seattle	Fantasy Tower Defense
Heroes of Destiny	3/13	Moscow	Fantasy RTS/RPG
Frontline Commando: DDay	3/27	Moscow	WW2 First-person Shooter



Q1 Results: Reach

Glu titles continue to attract mass audiences

- + FLC: DD is one of our biggest titles ever
- + FLC:DD, GB2, SvZ2, HoD have all averaged 40K+ new users/day
- DS did not download and scale well

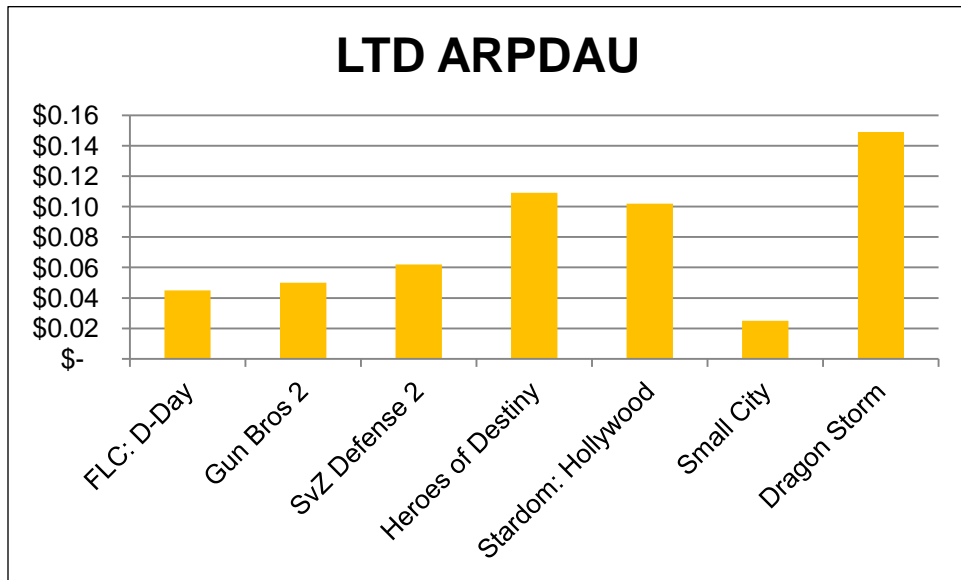




Q1 Results: ARPDau

Record Glu ARPDau on a couple key titles

- + DS peaked at almost \$.25 ARPDau
- + HoD doubled our typical action game ARPDau
- SC did not monetize well





Q1 Learnings: Strengths

Good at OIP, learning to build deep PvE

- Investment in HoD by new monetization team paid off
 - Proves we can move the needle on ARPDau
 - Even without server-side tech/features
- We're still excellent at creating original IP
 - All seven titles are Glu-built franchises
 - Most have role to play in future portfolio





Q1 Learnings: Weaknesses

All titles need stronger long-term retention

- Some issues are related to single-player gameplay, e.g.:
 - Deep investment and progression
 - Well balanced game systems
 - Clear, easy-to-use interfaces
- We're making progress toward solving these issues
 - Solving rest of the long-term retention equation requires “GaaS”



What are “Games as a Service”?



My Background

Nine years working solely on Games as a Service (“GaaS”)

- 5 years at EA's Pogo.com
 - Persistent investment
 - Vibrant online community
- 1 year at Zynga
 - Live operations and analysis
 - Mobile and Facebook
- 3 years at Kabam
 - Ran Kingdoms of Camelot on FB & mobile
 - Founded & built mobile business





What Defines GaaS

Five key elements set GaaS apart from 1P games

1. Always online, both players and operators
2. Investment in a persistent “world”
3. Frequently updated content & events
4. Ongoing player interaction
5. E-commerce operations and analysis



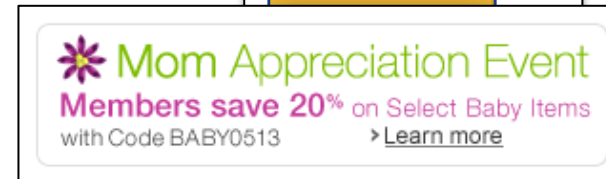
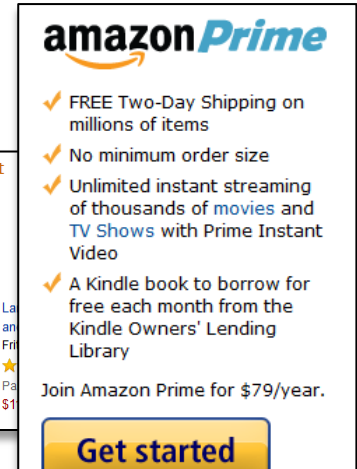


Why Building GaaS is Different

Product launch is just the beginning

Running GaaS like running Amazon:

- Analyzing loads of behavioral data
- Ongoing relationship with customers
- Targeting different customers in different ways



Requires investment in BI, CS, PM, server tech, etc.



Why GaaS is Important to Glu

Like free-to-play, GaaS is an evolution not a fad

- Mobile gaming market has shifted in last 18 months
 - Majority of top-grossing games are always online
 - US & iOS market growth have slowed
- GaaS approach key in this climate
 - We won't be first GaaS business
 - But mobile gaming is still young
 - We can be the best





Making the Transition at Glu



Making the Transition to GaaS

Four key areas of focus

1. Rebalancing Organizational Structure
2. Increasing Talent Density
3. Sharing Central Technology
4. Refining Development Processes



Organizational Structure

Focus, focus, focus

- Streamline unprofitable teams
- Increase focus of senior management
- Invest in central services



Organizational Structure

Glu Studios Q4 2012

4 Central Services



SF Headquarters



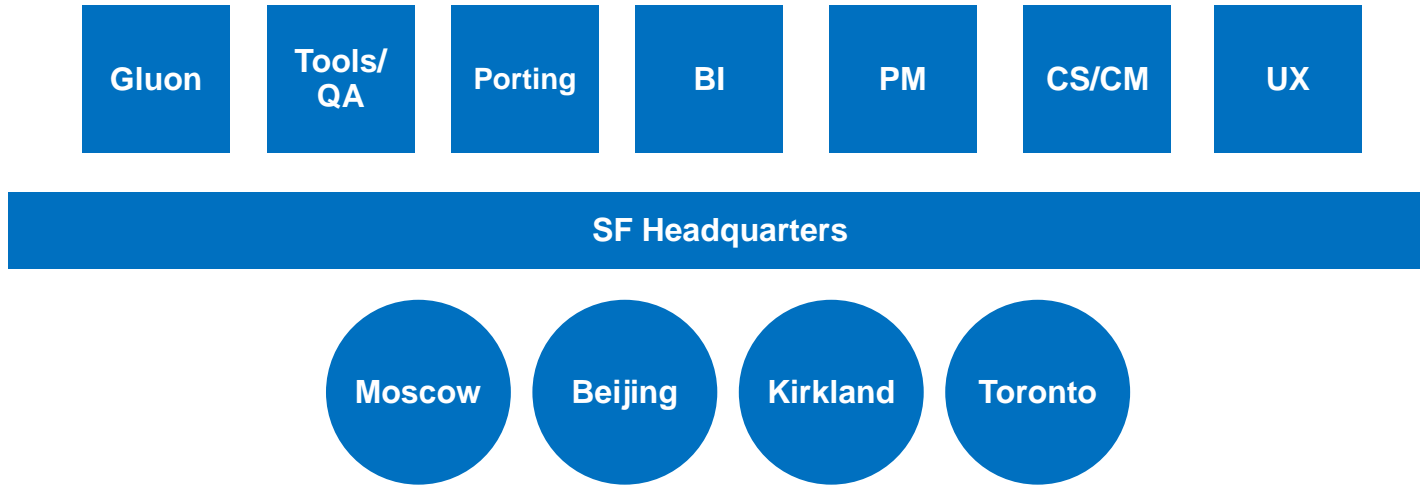
7 Studios



Organizational Structure

Glu Studios Q2 2013

7 Central Services



4 Studios



Organizational Structure

Strengthening the core

- By reducing our studio footprint, we go from 16 to 12 game teams
- And free up resources to strengthen central services:
 - Production & design support for offshores
 - BI analysts
 - Live operations PMs
 - Community managers
 - User researcher
 - Engineers for central tech



Increasing Talent Density

Progress so far

- Built a strong product management team, focusing on monetization
- Recruited free-to-play (“FTP”) product and design talent in SF
- Established a full-service UX design function
- Hire GM with strong GaaS experience for Kirkland



Increasing Talent Density

Still to come

1. Increased FTP design talent across studios
 - SF HQ strong now
 - Aggressively pursuing additions in Beijing, Moscow and Kirkland
2. Strong server engineers
 - Server architecture is the backbone of GaaS
 - Server engineers build it **and** run it



Sharing Central Technology

Gluon is the evolution of GST backend

- Gluon is a GaaS server platform built on GST tech
- Productized to work across all Glu games
- Offers key GaaS features like leaderboards and chat
- Rolling out with H2 games



Refining Development Processes

Updated org requires updated dev approach

- Ongoing collaboration with new central services
- More early focus on monetization
- Active partnership with Gluon team
- More late focus on live game launch & operations



2014 Product Strategy



Social Gaming 2.0 (1/2)

Further broadening our reach & accessibility

Reach & Accessibility			
Themes	Genres	Tech	Gameplay

Current Portfolio	Both hardcore & casual	Arcade, sim	Thick clients	3D
	High DAU, low ARPDAU	Lots of shooters	Wifi only	“Active” mechanics

Future Portfolio	More midcore focus, less casual & hardcore	Retain lead in shooters	More games under 50MB	More 2D
	More focus on High ARPDAU, lower DAU	More strategy, RPG, card, resource mgmt	Wifi and 3G	More “passive” mechanics



Social Gaming 2.0 (2/2)

Realizing the GaaS strategy in our games

Games as a Service			
Economy	Social Features	Tech	Live Ops

Current Portfolio	Free to play “1.0”	Some PvP	Client based	Occasional
	Durable goods, paywalls	Async, friend-based social	Larger, less frequent updates	Item/IAP sales

Future Portfolio	Free to play “2.0”	More PvP	Server based	Constant
	Consumable goods, multiple spending paths	Real-time, in-game social	Smaller, more frequent updates	Sales, events, promos, etc.



Monetization Evolved



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- I. Product evolution
- II. Evolving analytics
- III. Demonstrated successes
- IV. Summary



Product Evolution

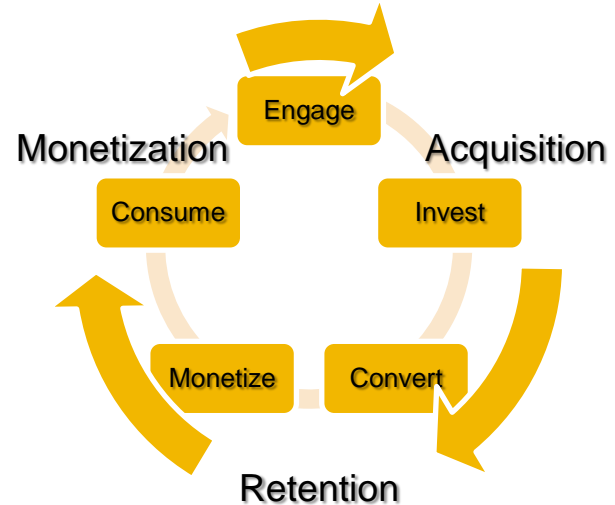


- Primarily durable economies
- Pay walls
- Single player experiences

- Primarily consumable economies
- Deep meta-game & monetization systems
- Socially/competitively driven gameplay

Toward:

- Primarily consumable economies
- Deep meta-game & monetization systems
- Socially/competitively driven gameplay

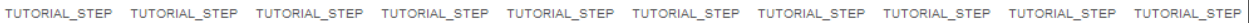




Evolving Analytics



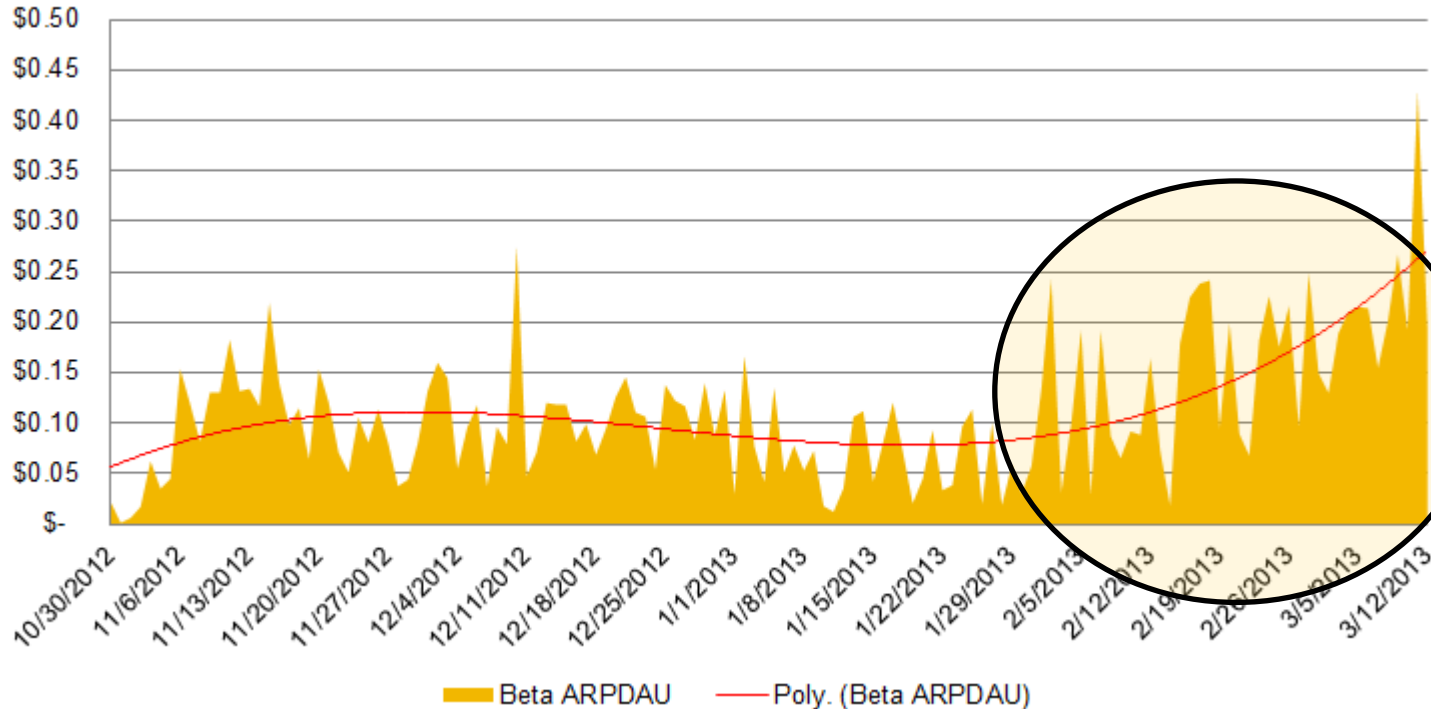
a. FCN Main Dash	
b. Economy Balancing	
c. Missioning and IAPs	
d. HC Durables	
e. In Mission Action	Fa
f. HC/SC Spent	10





Heroes of Destiny

Beta ARPDau



Changes:

- Economy balancing
- Added consumables
- Improved upgrade system
- Reduced pay walls



Early Success



HEROES of DESTINY



Released in Q1 2013

- Peak of \$0.14 ARPDAU
 - **2.8x the \$0.05-0.06 past releases**
- Features consumables
- Significant re-balancing in beta
- Single player experience





1.1 Goals

- Controlled content release
- Less dependency on Heroes
- Increased consumable revenues
- Increased buyer conversion
- Increased ARPDAU
- Improved retention





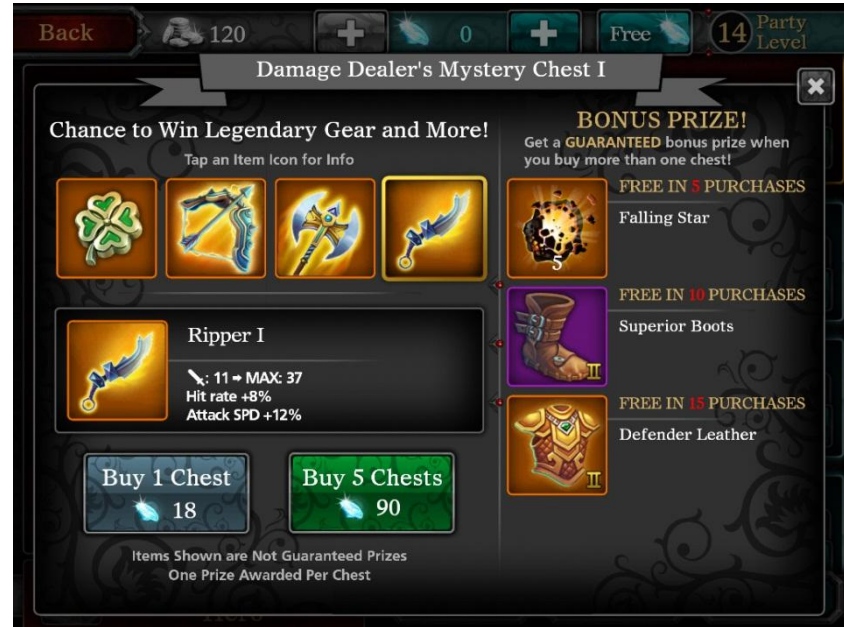
1.1 Changes

Mystery Boxes

- Probability based payouts
- Lower barrier of entry

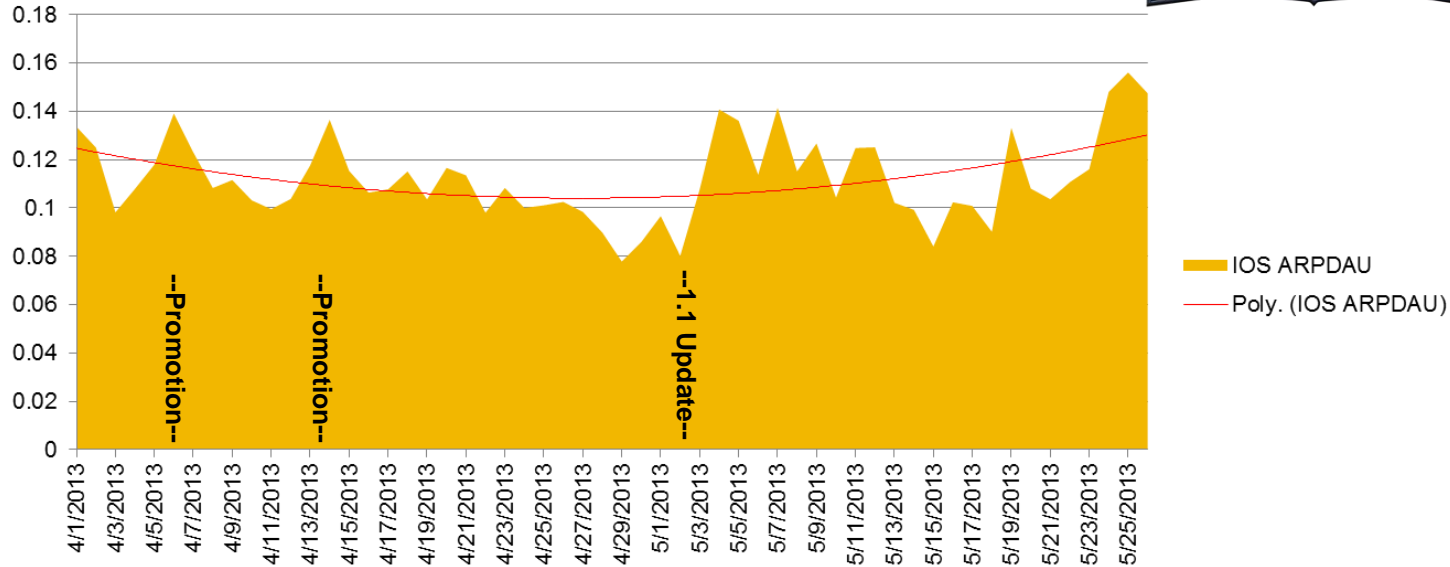
Daily Rewards

- Exposure to probability systems
- Increased retention





IOS ARPDau



Notation Details

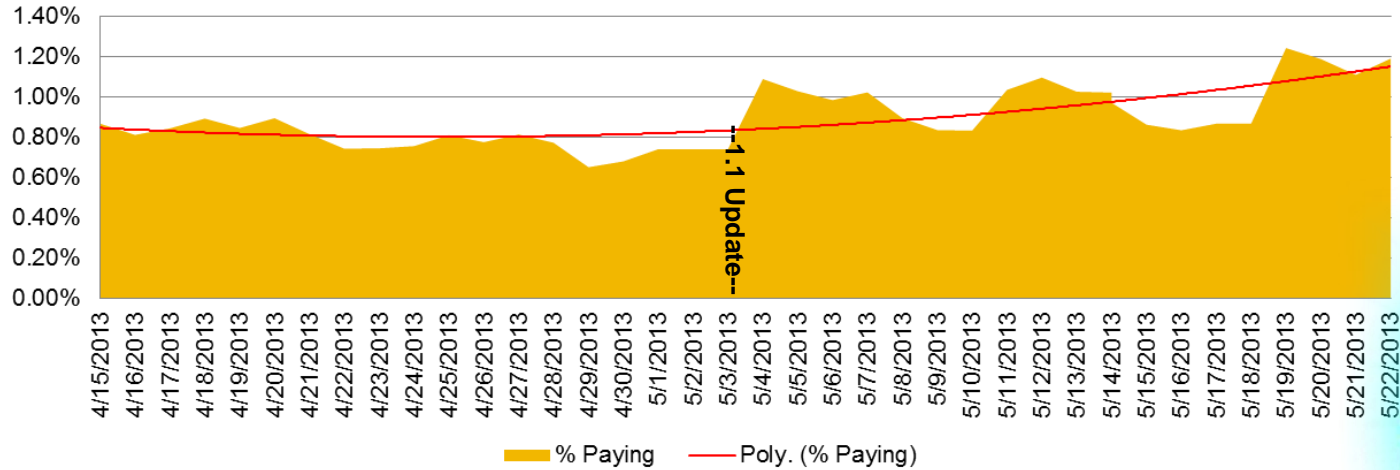
Promotions deliver spikes in total ARPDau & \$\$

Weekly average ARPDau **increased 41%** V1.1 release vs. previous weeks average

ARPDau decline has reversed and flattened 10% higher



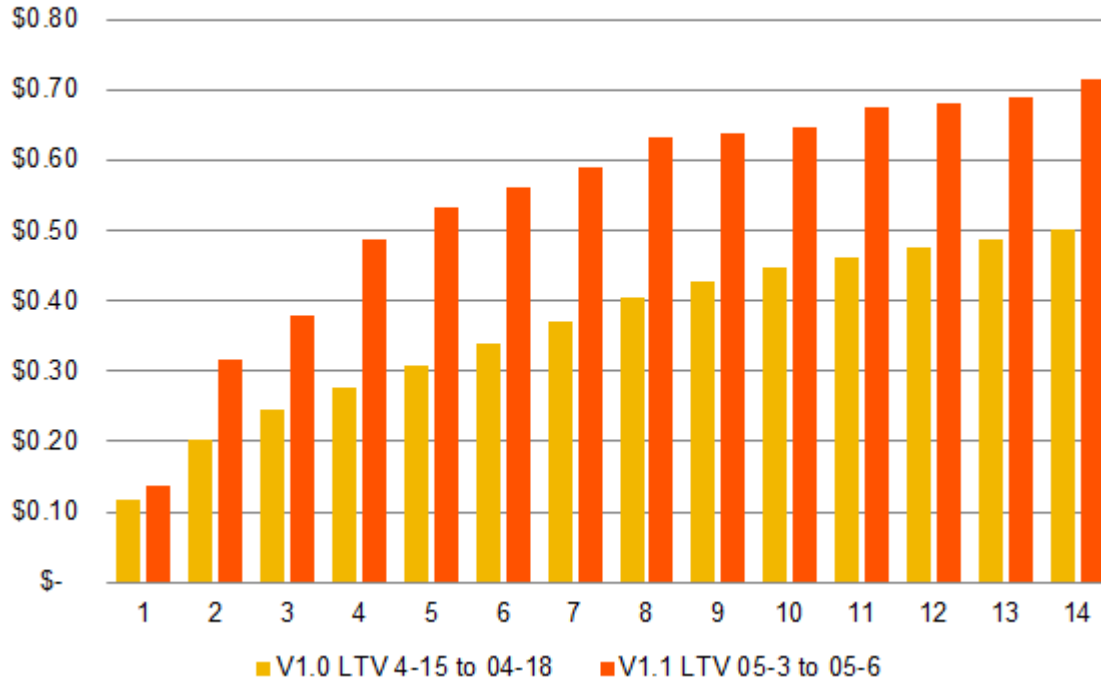
% Paying



	4/15 - 5/3	5/4 - 5/22
Average % Paying	.79%	1%



V1.0 LTV vs. 1.1 LTV



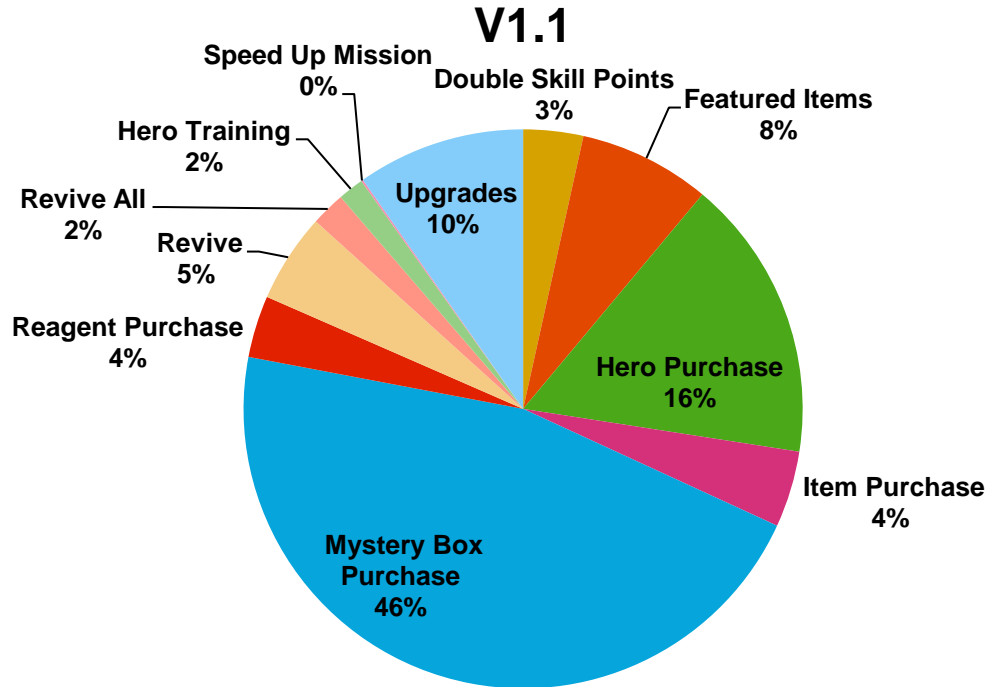
Key Notes:

- 2/3 spend occurs after 3rd day
- **43%** gain over V1.0

(V1.1 Understated due to cohorts that have not lived for 14 days)



Revenue contribution by category of sales iOS



Key Impacts:

- Removed Hero dependency
- More stable revenue
- Lower barrier of entry
- Greater demand for consumables



FRONTLINE COMMANDO D★DAY



Released in Q1 2013

- Highest DAU game peak 1.1M (iOS/Android)
- Primarily durable economy
- Skill based third person shooter
- Single player experience





1.1 Goals

- More \$\$\$ from existing packages
- Increased ARPDAU
- Increased buyer conversion





1.1 Changes

1. Re-priced content

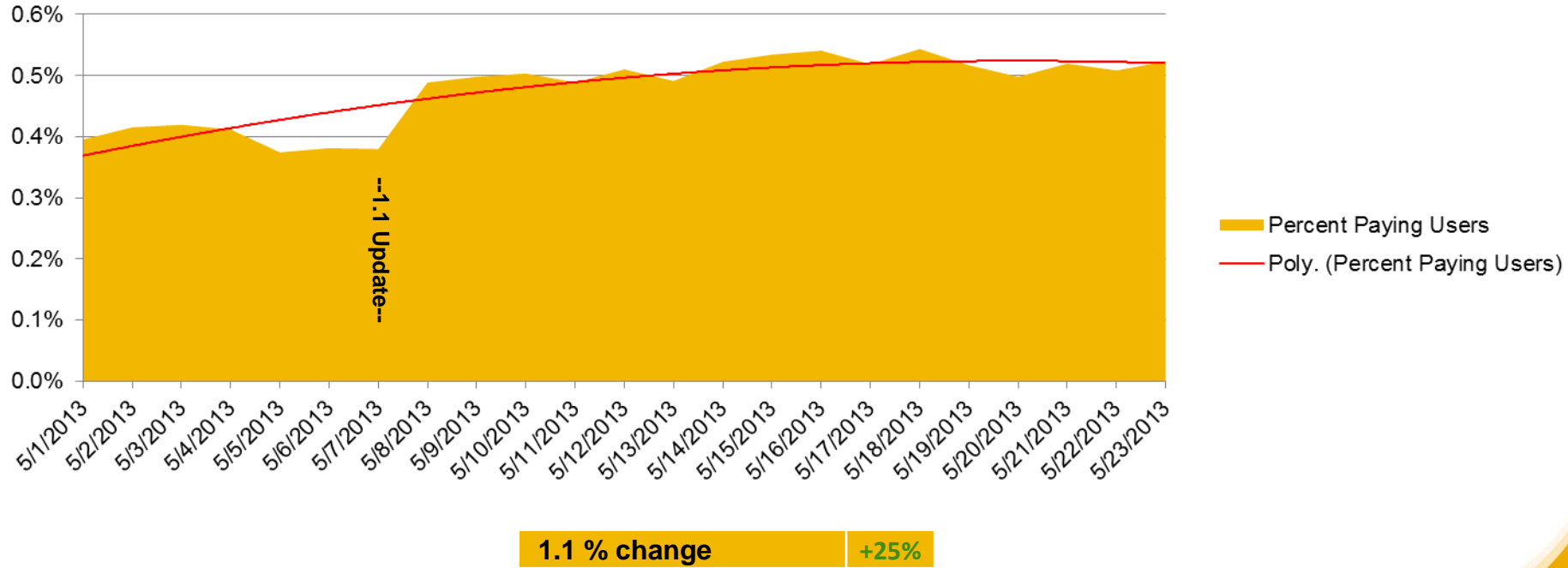
- General durables
- Packages

2. “Try before you buy” upsells



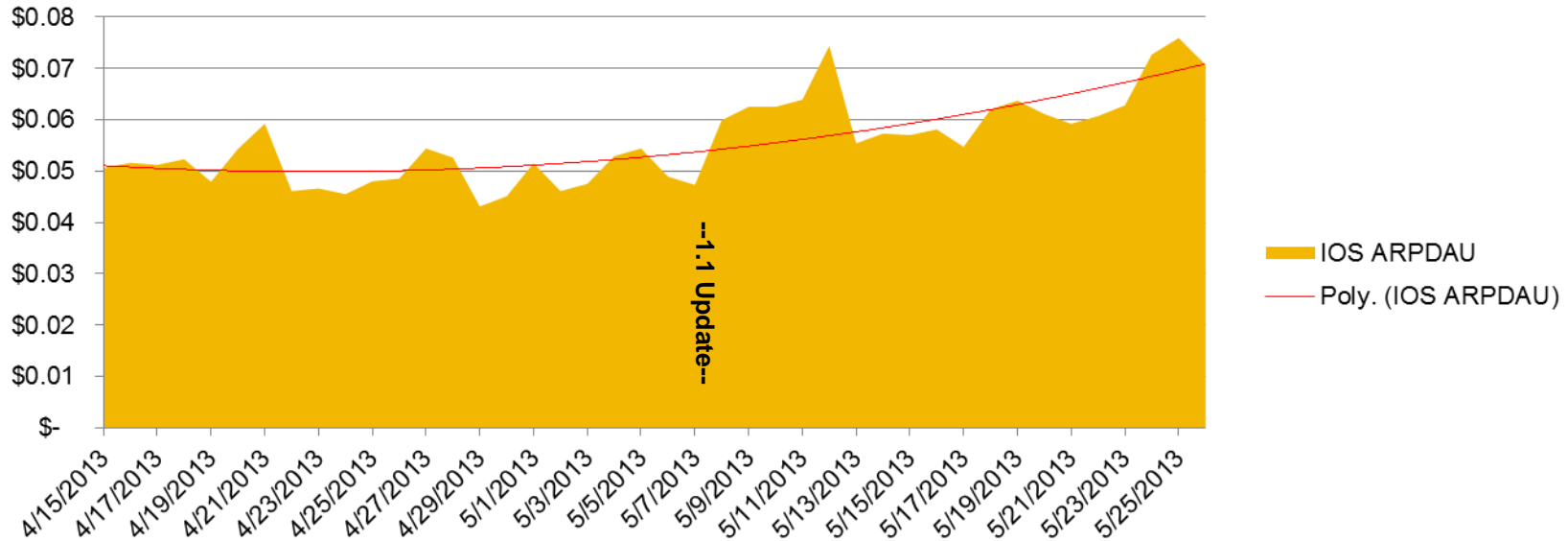


Percent Paying Users





IOS ARPPDAU

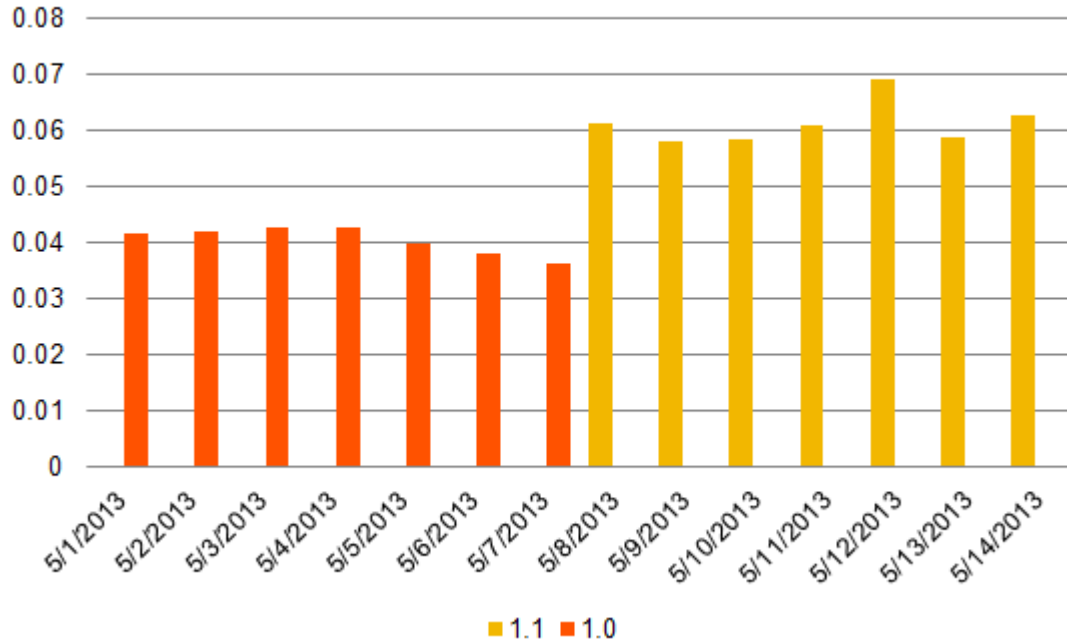


Aggregated (V1.0+1.1) ARPPDAU

+28%



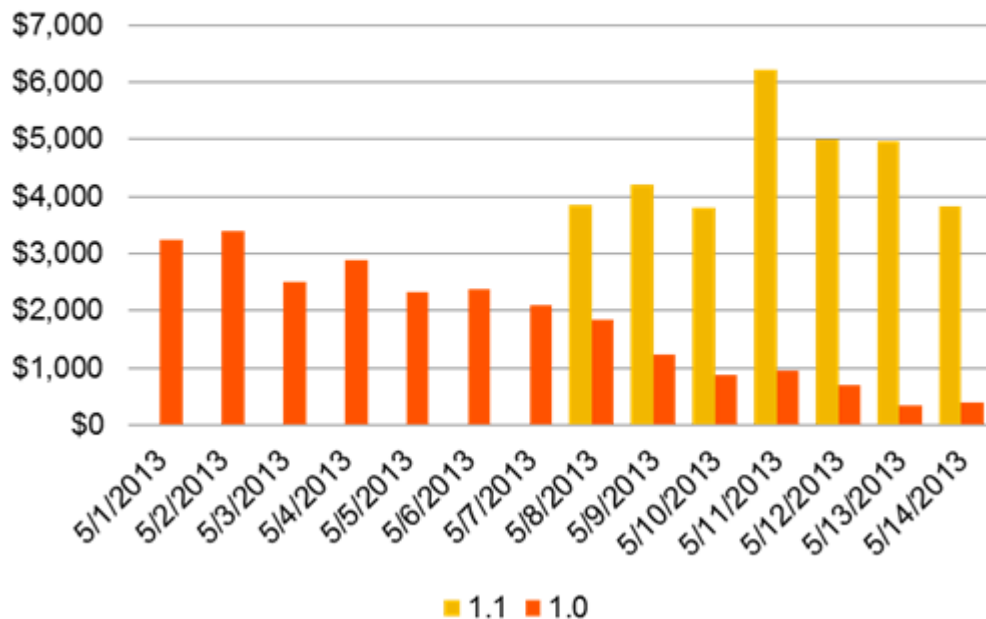
ARPPDAU by Version



Version	Average ARPPDAU
1.0	\$0.046
1.1	\$0.061



Package Revenue After Optimization

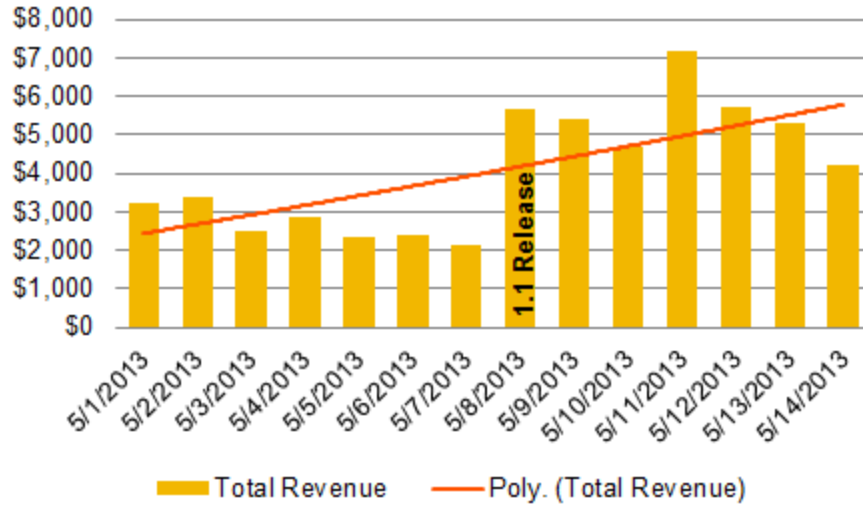


Key Notes:

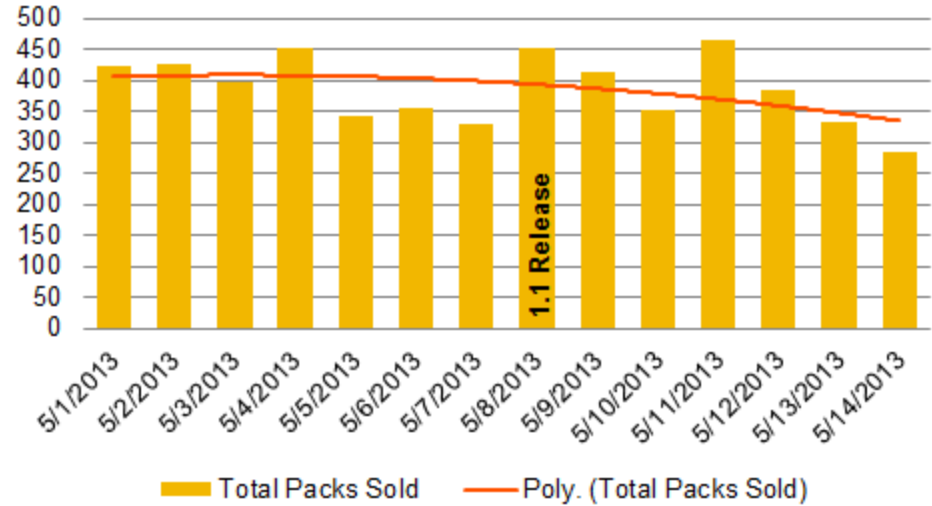
- With >75% adoption, 1.1 rev alone exceeds previous 1.0



Revenue Before/After 1.1

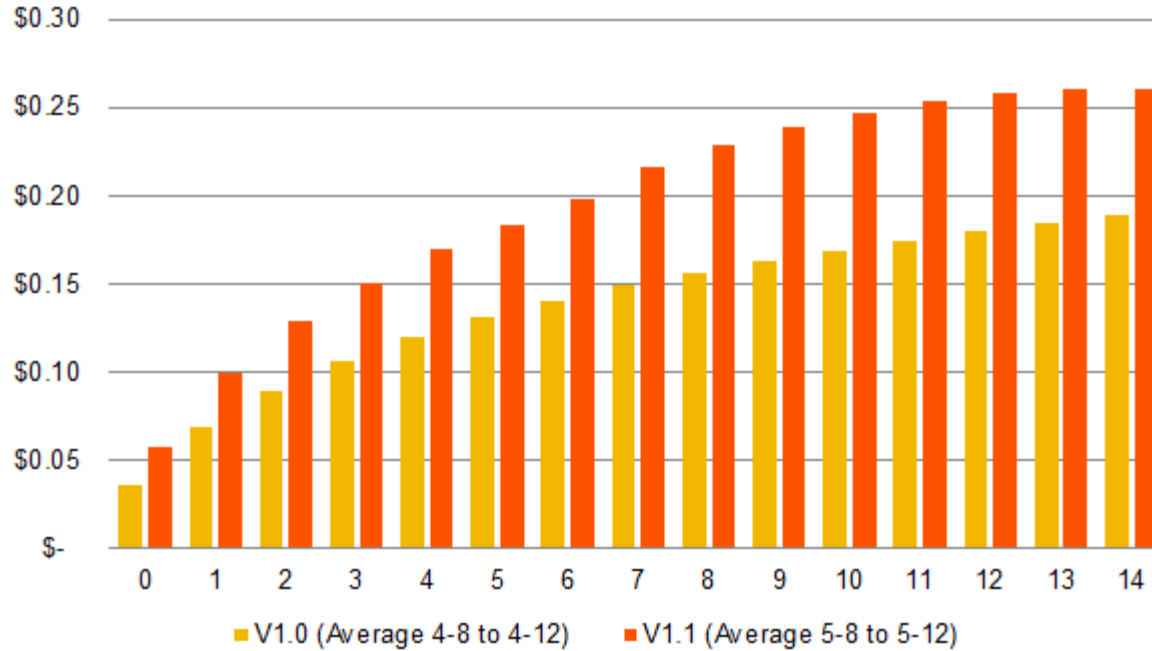


Packs Sold Before/After 1.1





V1.0 LTV vs. 1.1 LTV



Key Notes:

- 38% gain over V1.0

(V1.1 Understated due to cohorts that have not lived for 14 days)



iOS Contrast

First month after launch

FLC D-Day

- Large DAU
- ARPPDAU \$0.064

Vs.

FLC

- Medium DAU
- ARPPDAU \$0.049

CK 1

- Large DAU
- ARPPDAU \$0.047



ETERNITY WARRIORS II



ETERNITY WARRIORS II



Released in Q3 2012

- Multiplayer Co-op
- Primarily durable economy
- Skill based action RPG





ETERNITY WARRIORS II



3.2 Goals

- Increase durable lifetimes
- Increase ARPDAU
- Increased buyer conversion





ETERNITY WARRIORS II



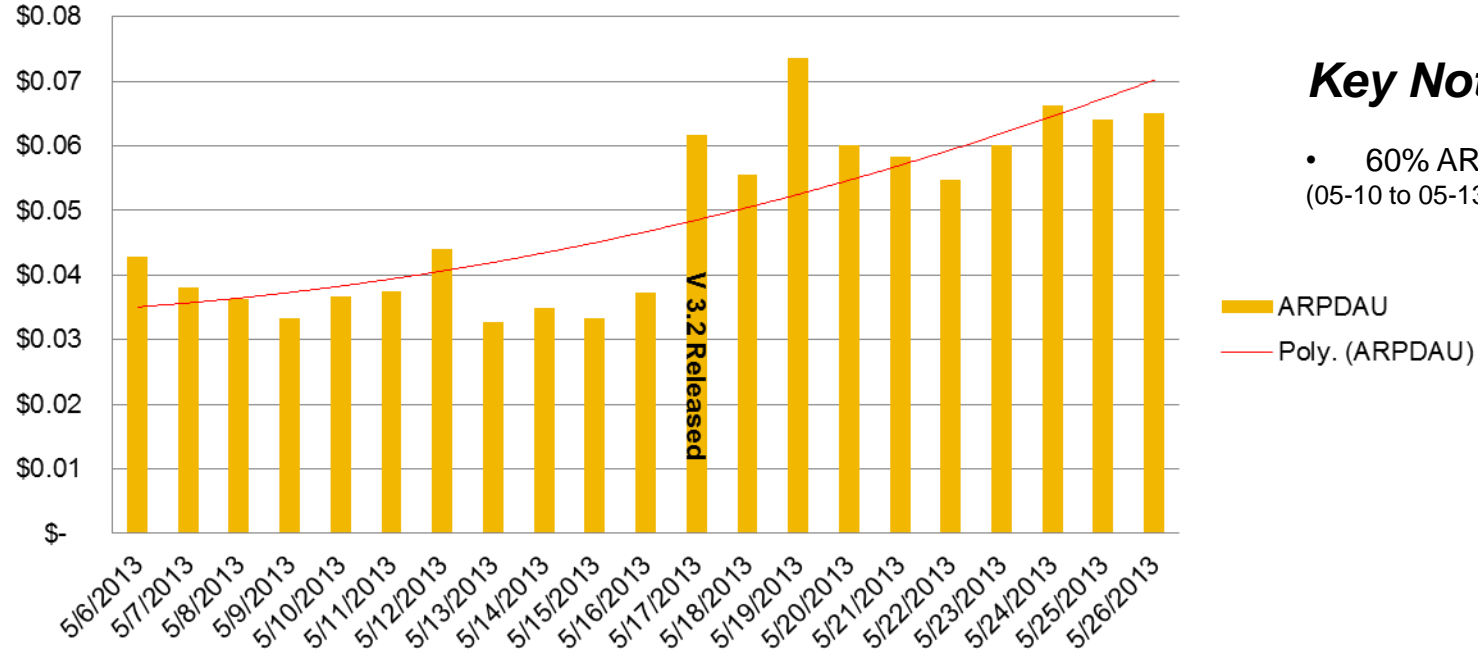
3.2 Changes

- New content monetization system





ARPDau Change 3.1 to 3.2

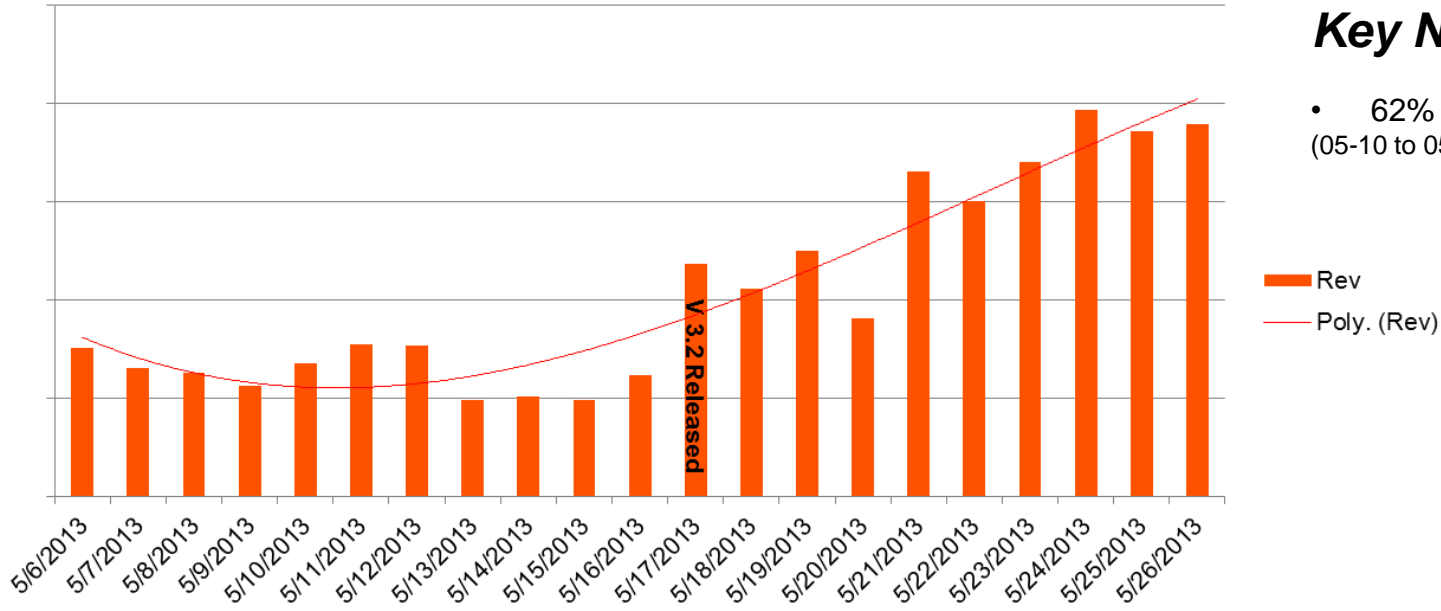


Key Notes:

- 60% ARPDau increase (05-10 to 05-13 vs. 05-17 to 05-20)



Revenues pre/post 3.2

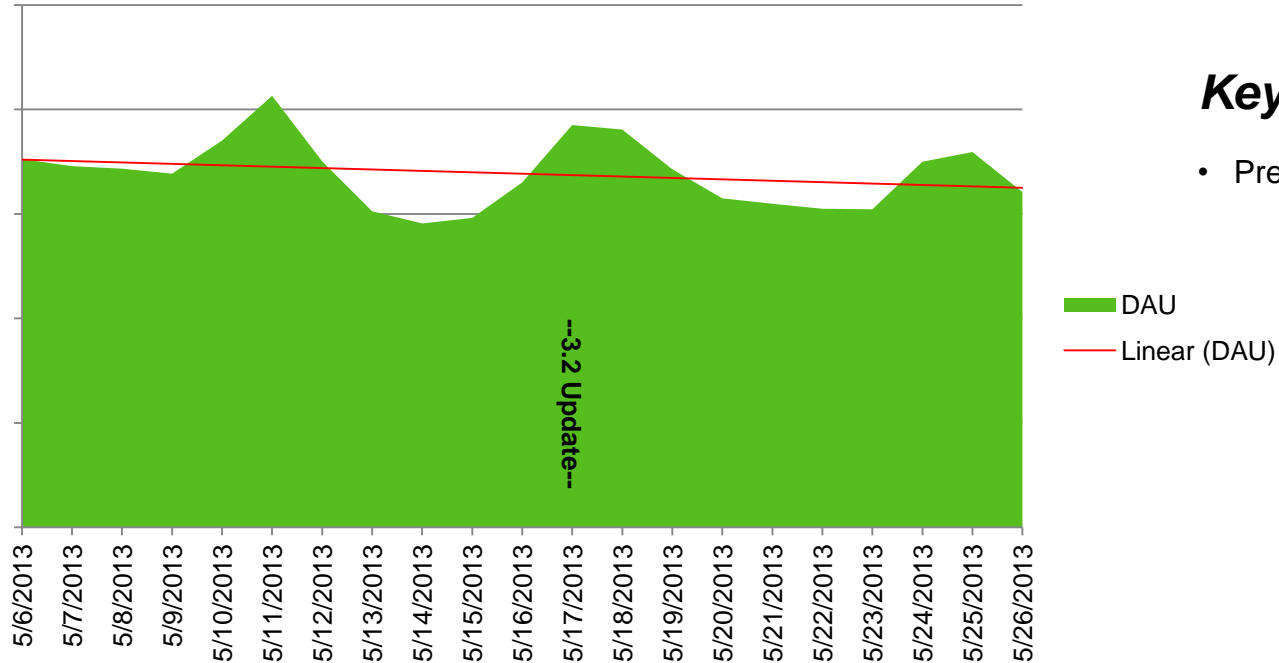


Key Notes:

- 62% Rev increase
(05-10 to 05-13 vs. 05-17 to 05-20)

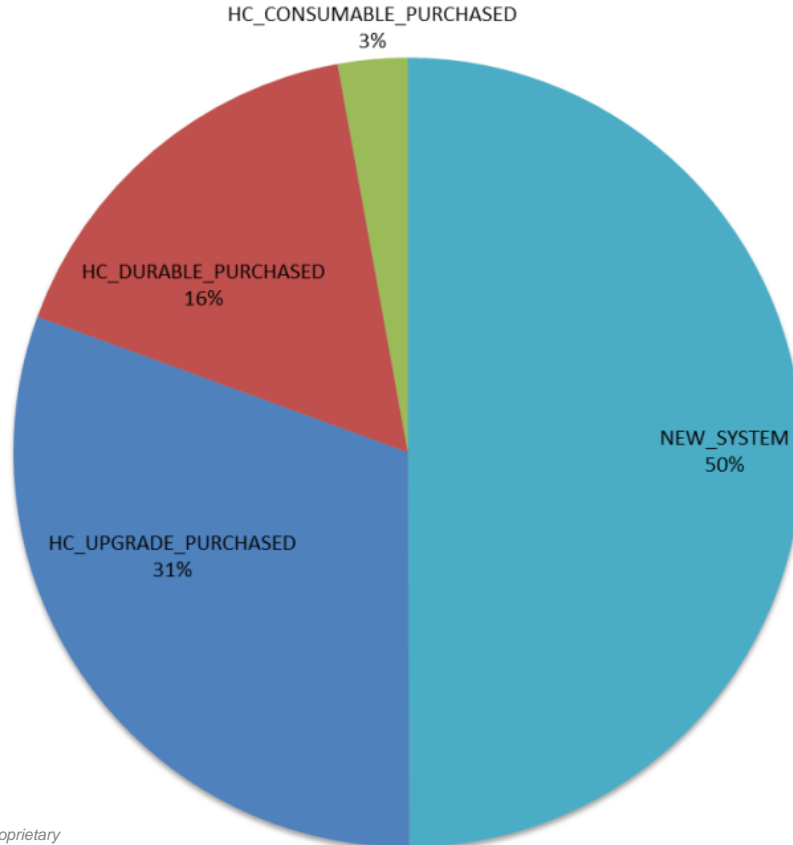


DAU V3.1 Vs V 3.2





V3.2 HC Distribution



Key Notes:

- Less durable dependency
- Leverages content better
- Higher total revenues





Released in Q4 2012

- Peak DAU over 600K+ (iOS/Android)
- Primarily durable economy
- Skill based third person shooter
- Single player experience





2.0 Goals

- Increase durable lifetimes
- Increase user engagement
- Upsell spenders
- Increase ARPDAU
- Increased buyer conversion





2.0 Changes

Endless Mode

- Extends product life
- More opportunities to spend
- Leverage event content

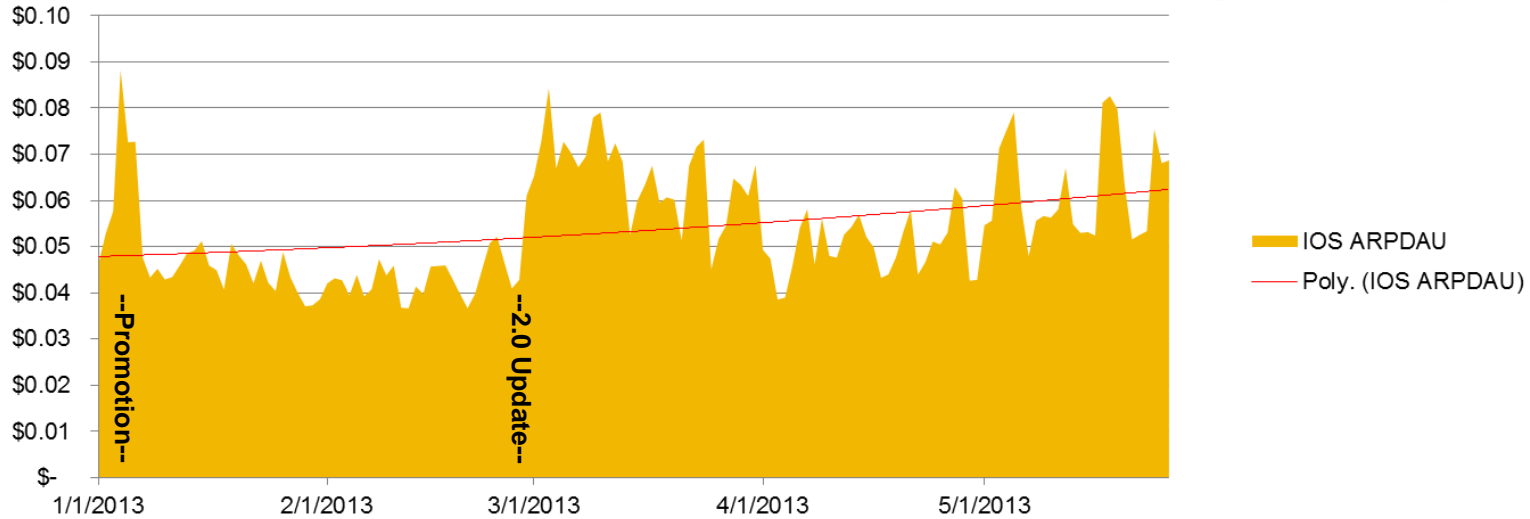
New Content & Promotional Tools

- Upsell feature packs
- Additional IAP/VGP functionality





IOS ARPDau



FOR ONE EXPLOSIVE WEEKEND ONLY:
NEW- RHINO MGL GRENADE LAUNCHER

5150 CREDITS

ONLY IN v2.0.2 **GET IT NOW!**

Key Notes

- Weekly ARPDau increased **57%**
- Average monthly ARPDau up **51%**
- New ARPDau is holding higher

GET THE ULTIMATE ADVANTAGE!

50% OFF INFINITE MAG

REGULARLY: 600 Credits
SALE PRICE: 300 Credits

50% OFF AUTO-AIM

REGULARLY: 600 Credits
SALE PRICE: 300 Credits

FOR A LIMITED TIME ONLY! VISIT THE STORE **GET THE DEAL!**



iOS Contrast

Late stage lifecycle

CK 2

- Large DAU
- ARPDau \$0.064

Vs.

FLC

- Large DAU
- ARPDau \$0.044

CK 1

- Medium DAU
- ARPDau \$0.036



Summary



Monetization 2.0

Data
Analysis

Monetization
Design

Tools/Tech

Economies &
Meta-Game



Early Results

Higher ARPDAU

Better Conversion

Higher LTVs



Publishing Strategy

Player acquisition, ad monetization, & 3rd party publishing



Player Acquisition



Distribution Advantage

We are focused on driving improvements in three core areas:

Deep Visibility / Optimization

Optimal Glu Network Cross Promotion Effectiveness

Preferential Terms



Deep Optimization

We are now gaining deeper visibility within each channel we acquire users from.

This gives us the ability to optimize across multiple dimensions including source app, device type, OS version, user location, etc.

This deeper visibility will enable us to drive increasing improvement to ROI on our marketing spend.





Cross Promotion

- Taking advantage of our 3.9MM daily active users to drive cross promotion across our portfolio of 1st and 3rd party titles
- We have started to separately measure and manage internal cross promotion
- Leveraging our high reach, low LTV titles to drive users to our higher LTV titles





Preferential Terms

We are forming preferred partnerships with key player acquisition channels / ad networks that are in the best interest of both parties:

- Glu gains distribution leverage
- Channel partner gains larger share of Glu's player acquisition budget





Advertising Monetization



Increasing Advertising Revenue

In addition to optimizing existing channels, we are focusing on:

Video Revenue

Direct Deals With Advertisers

Implementing New Ad Models



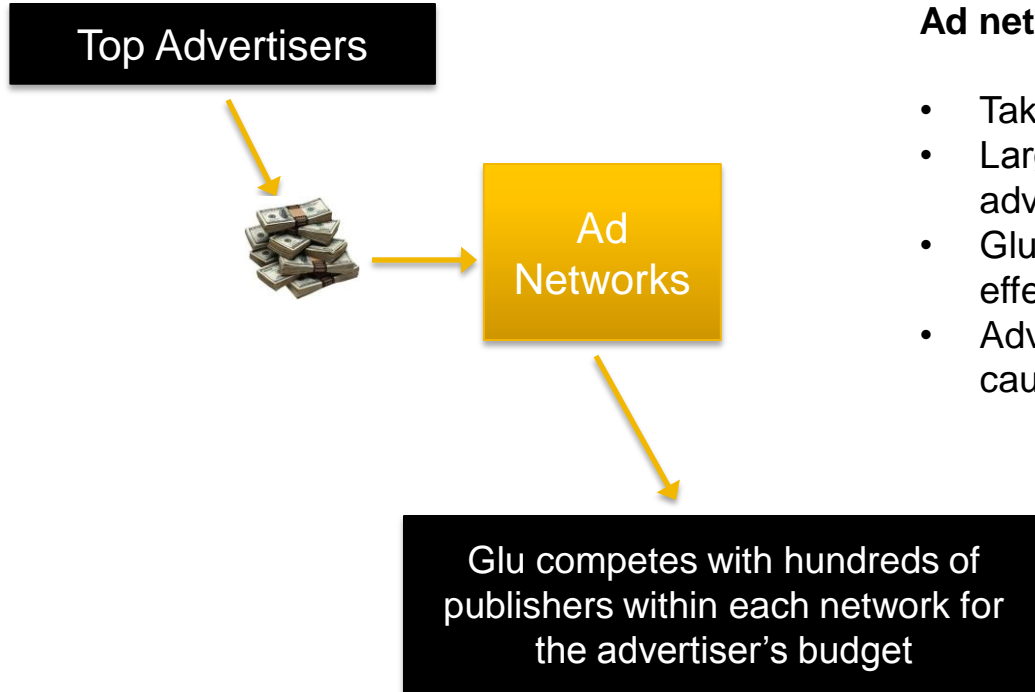
Video

We are actively working on integrating video advertising from multiple partners, and expect to see growth from this revenue channel





Direct Deals



Ad networks not optimal for multiple reasons:

- Take 30%+ cut (rev share + other fees)
- Large network of publishers “fighting” for the advertising dollars
- Glu gets lumped in with poor quality inventory – effectively Glu is subsidizing poor quality apps
- Advertisers bid less per action due to the dilution caused by poor quality apps in each ad network



Direct Deals

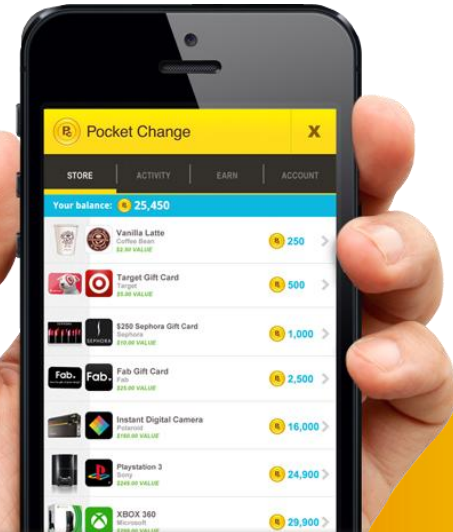
- We will focus on working directly with the Top 25 advertisers & agencies
- We will continue to work closely with our ad network partners, but we should be able to capture a larger piece of the pie and higher CPI/CPA bid rates by working directly with top spenders



Engagement Networks

New platforms have emerged that are effectively powering ad-funded loyalty programs

We expect to roll out a test with one of these networks in the near future. We expect this will have a positive effect on retention while also adding incremental ad revenue





International Networks

Exploring opportunities to work with local networks in key markets like Korea, China, and Japan

当金币不足时，玩家可以选择“获取免费金币”；
打开积分墙并通过下载激活应用赚取积分(金币)。

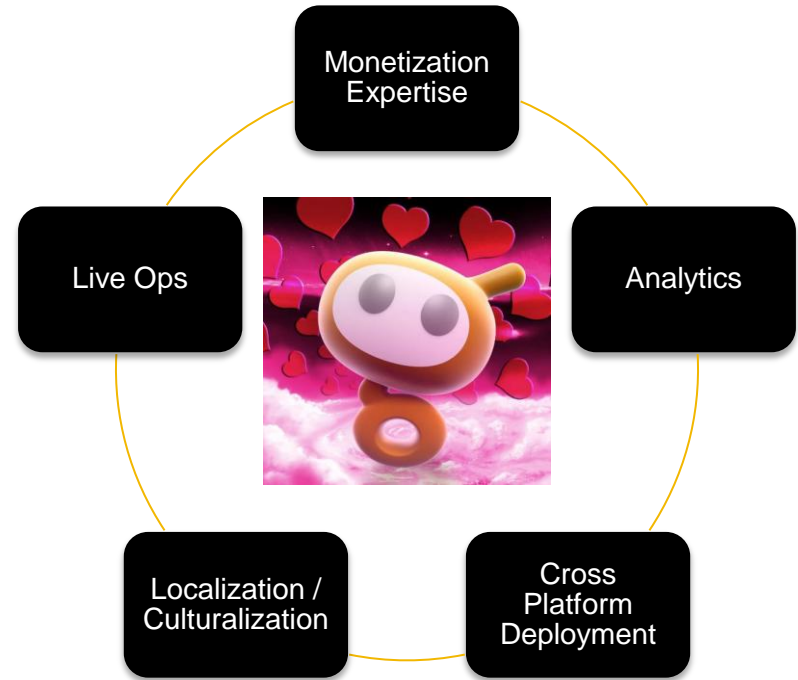
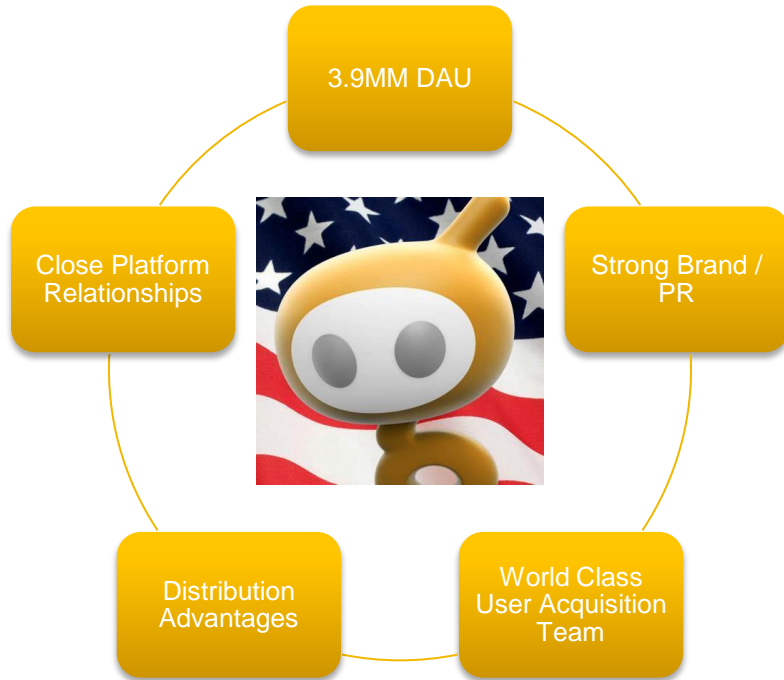




3rd Party Publishing



Glu's Unique Position





Glu's Unique Position

3.9MM DAU



OS Reach



Device Coverage
(700+ devices)



Localization

English, Chinese, Korean, Japanese, Portuguese, Russian, French, German, Italian, Spanish



Progress

- Hired VP of 3rd Party Publishing and Publishing Operations team
- Signed 2 contracts and 1 binding LOI
- Pipeline progressing with strong opportunities globally
- 6 titles expected to go live by Dec '13
- Focus on high LTV titles that have proven success in other markets

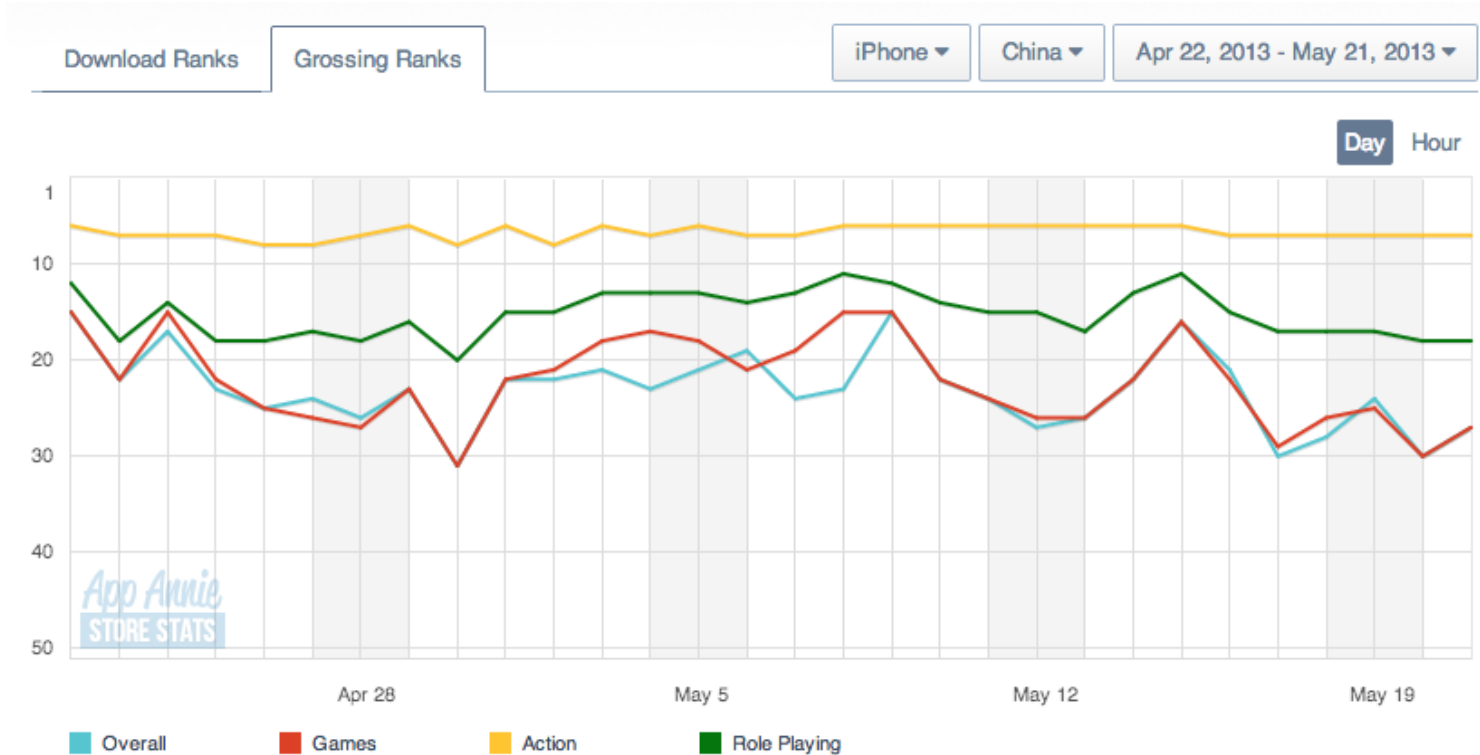


Warriors of Magi





Warriors of Magi – Top Grossing in China



Top Grossing ranks in China consistently in the Top 30 overall

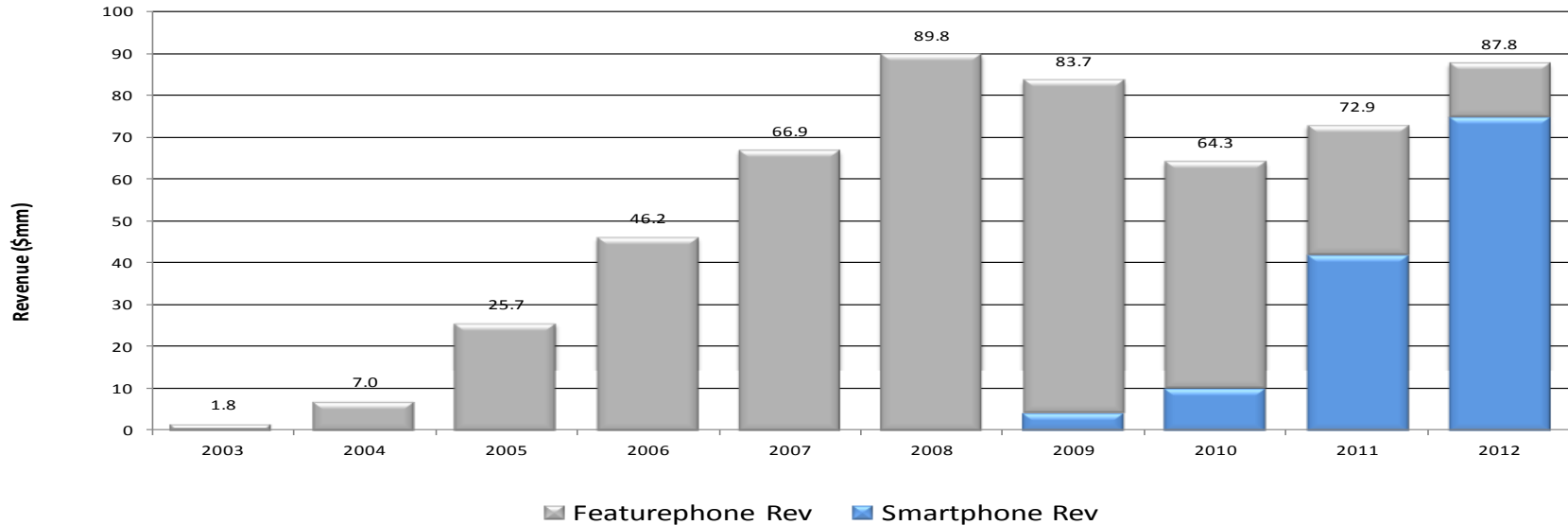


Financial Update

May 30, 2013

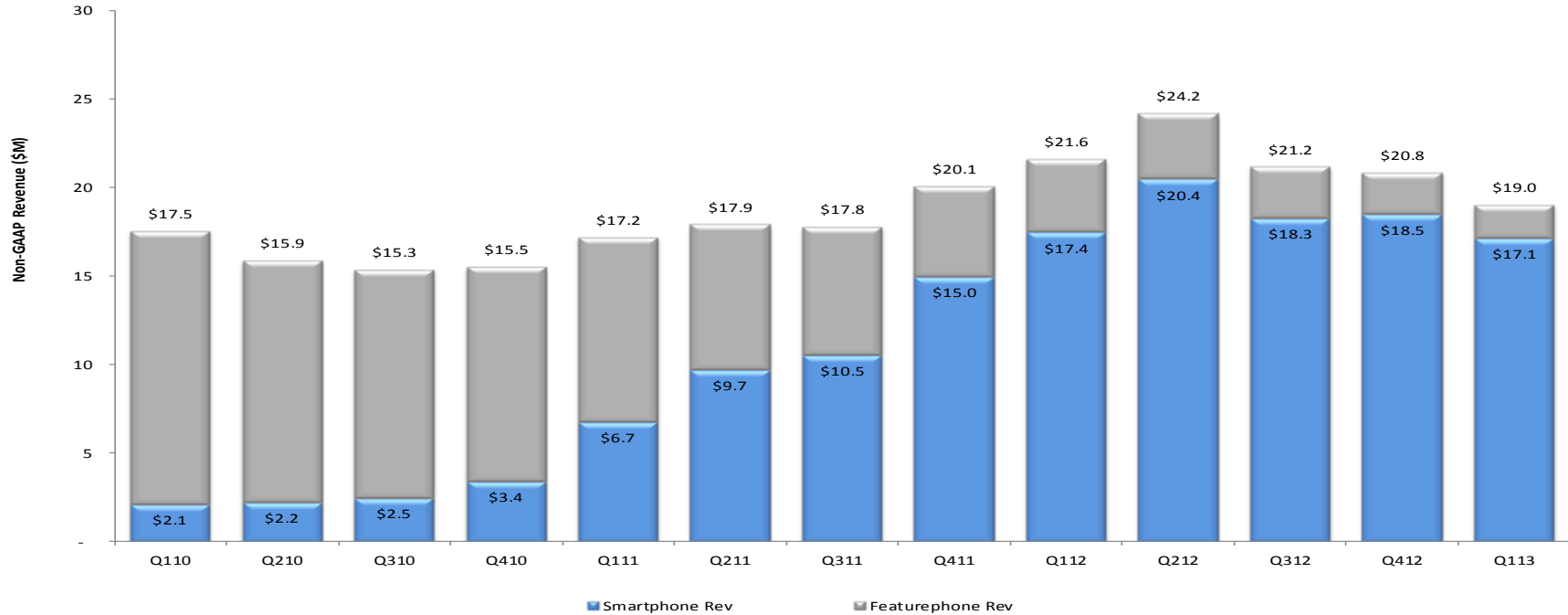


Annual Non-GAAP Revenue



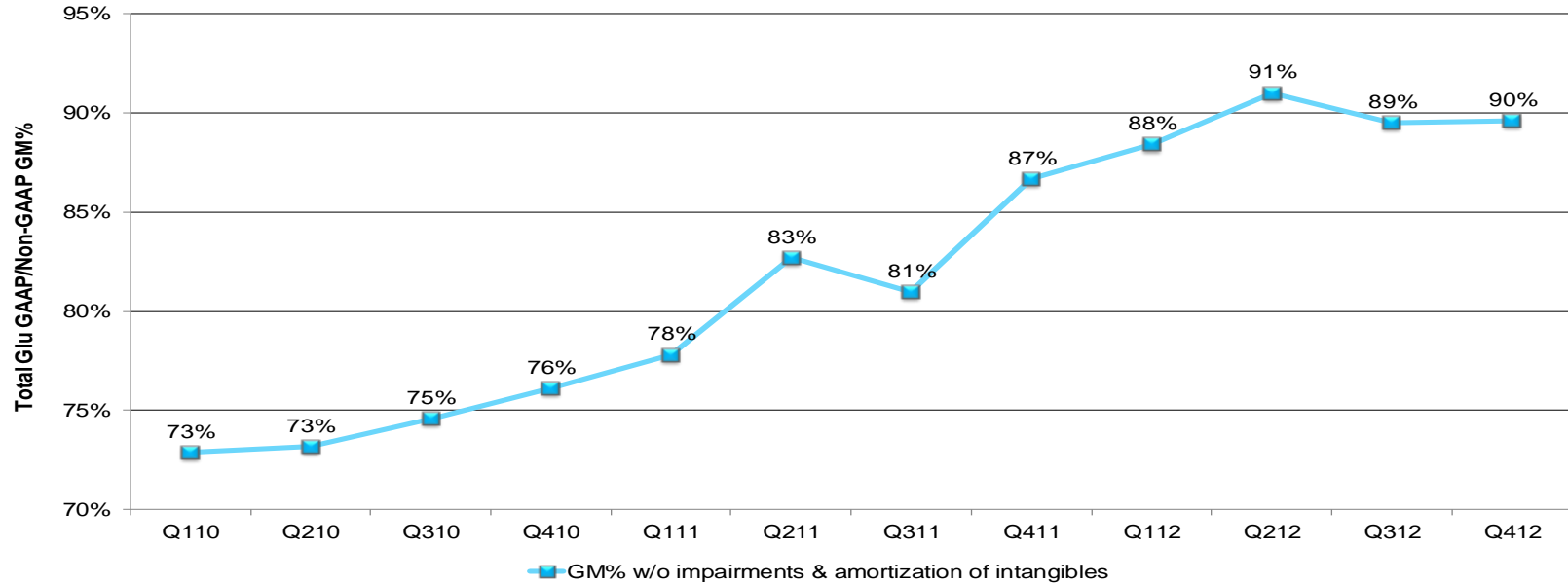


Non-GAAP Smartphone Revenue





Success of Original IP Titles Drives Gross Margin Growth





Maintaining Strong Balance Sheet

(\$ in millions)	Q113	Q412	Q112
Cash and cash equivalents	21.2	22.3	28.9
Accounts receivable, net	12.4	11.9	14.2
Prepaid expenses, royalties and other current assets	2.5	2.5	2.2
Other assets	5.1	5.3	4.1
Intangible assets & goodwill	28.8	30.3	30.9
Total Assets	\$ 69.9	\$ 72.3	\$ 80.3
Accounts payable and accrued liabilities	9.7	10.2	8.0
Accrued expenses, royalties and other liabilities	11.7	14.2	20.5
Deferred revenue	8.7	9.0	7.2
Common stock/Paid in capital	277.8	271.0	262.9
Accumulated deficit & other comprehensive income	(237.9)	(232.1)	(218.3)
Total Liabilities and Stockholders' Equity	\$ 69.9	\$ 72.3	\$ 80.3



Corporate Governance



April 2013 Board of Director Changes

- Matt Drapkin resigned
- Lorne Abony added as Director and Chair of Strategy Committee:
 - CEO Mood Media (TSE: MM)
 - Co-Founded FUN Technology, sold to Liberty Media
 - Prior board member of Crypto-Logic, early online gambling software vendor



June 6th Annual Stockholder Meeting Proposals

- #1: Election of Three Directors:
 - Niccolo de Masi
 - Bill Miller
 - Brooke Seawell
- #2: Amendments to the 2007 Equity Incentive Plan
 - Increase shares by 7.2 million for use over next 24 months
 - Agree to ISS fungible ratio, no re-pricing w/o stockholder approval and reduction to 6 years for maximum allowable term of options
- #3: Ratification of PricewaterhouseCoopers as Independent Auditors



Q213 and Full Year 2013 Guidance and Long Term Model



Re-Affirming Q213 Non-GAAP Guidance

(\$ in millions, except EPS)	Q113 Actual	Q213 Guidance Low	Q213 Guidance High
Featurephone Revenue	1.9	1.3	1.3
Smartphone Revenue	17.1	15.2	16.2
Total Revenue	19.0	16.5	17.5
Gross Margin (%)	90.0%	90.5%	90.5%
Operating Expense	19.3	19.9	19.9
Operating Income/(Loss)	(2.2)	(5.0)	(4.1)
Depreciation Addback	0.7	0.6	0.6
Adjusted EBITDA	(1.5)	(4.4)	(3.5)
Net Income/(Loss)	(2.3)	(5.1)	(4.2)
Basic Shares	66.4	69.0	69.0
Diluted Shares	70.1	71.3	71.3
Earnings/(Loss) Per Basic Share	\$(0.03)	\$(0.07)	\$(0.06)



Re-Affirming 2013 Full Year Non-GAAP Guidance

(\$ in millions)	2012	2013 Guidance		2013 Guidance vs. 2012	
		Low	High	Low	High
Featurephone Revenue	13.1	4.0	4.5	(70%)	(66%)
Smartphone Revenue	74.6	80.0	84.0	7%	13%
Total Revenue	87.8	84.0	88.5	(4%)	1%
Gross Margin (%)	89.8%	88.0%	88.0%		
Operating Expense	83.4	83.0	85.5		
Operating Income/(Loss)	(4.6)	(9.1)	(7.6)		
Depreciation Addback	2.4	2.9	2.9		
Adjusted EBITDA	(2.3)	(6.2)	(4.7)		
Net Income/(Loss)	(5.1)	(9.9)	(8.4)		
Basic Shares (millions)	64.3	68.6			
Diluted Shares (millions)	69.4	71.8			
Earnings/(Loss) Per Basic Share	(0.08)	(0.14)	(0.12)		
Cash Balance (millions)	\$22.3	\$14.0+			



2013 Full Year High Guidance By Business Unit

(\$ in millions)	2013 High End Guidance		
	1st Party	3rd Party	Total
Featurephone	4.5		4.5
Smartphone	76.5	7.5	84.0
Revenue	81.0	7.5	88.5
% of total revenue	92%	8%	
COGS	6.9	3.75	10.6
Gross Margin	74.1	3.75	77.9
Gross Margin %	91.5%	50.0%	88.0%
Operating Expenses	81.5	4.0	85.5
Op Profit/(Loss)	(7.4)	(0.25)	(7.6)
Depreciation	2.9	-	2.9
Adjusted EBITDA	(4.5)	(0.25)	(4.7)



Long Term Model

(\$ in millions)	2012A			2013E			Long Term Model		
	1st Party	3rd Party	Total	1st Party	3rd Party	Total	1st Party	3rd Party	Total
% of Total Revs	100%	0%	100%	92%	8%	100%	50%	50%	100%
Gross Margin %	89.8%			91.5%	50.0%		92.0%	50.0%	
Blended Gross Margin			89.8%			88.0%			71.0%
	<u>Actual</u>			<u>Range</u>			<u>Range</u>		
				<u>Low</u>	<u>High</u>		<u>Low</u>	<u>High</u>	
Gross Margin		90%		88%	88%		71%	71%	
R&D		58%					23%	20%	
S&M		23%					20%	19%	
G&A		14%					6%	6%	
Total Opex		95%					50%	45%	
Non-GAAP Profit/(Loss)		-5%		-11%	-9%		21%	26%	
Depreciation		3.0%		3.5%	3.3%		1%	1%	
Adjusted EBITDA		-3%		-7%	-5%		22%	27%	



Key Statistics

Market Statistics (as of May 23, 2013)

(in millions except per share and volume data)

Stock Price	\$2.63
52 Week High	\$5.90
52 Week Low	\$1.99
Basic Shares Outstanding	68.5
Avg. Daily Volume (last 90 days)	4,117,375
Market Capitalization	\$180.2
Debt	\$0
Cash*	\$21.2
Enterprise Value	\$159.0

*Cash balance as of 3/31/2013

Average Daily Volume is calculated using the last 90 calendar days



Demos + Q&A