

13 December 2013

Frontier Developments plc

Half year trading update

Frontier Developments plc (AIM: FDEV, "Frontier," the "Group"), a leading developer of video games with studios in Cambridge, UK and Halifax, Canada, announces the following trading update ahead of its results for the six months ended 30 November 2013.

The business has performed well and Frontier continues to deliver high quality, entertaining games. The Group continues to make good progress in its transition from being primarily a developer of video games for major external publishers into a business which develops and licenses technology to support games for major external publishers, other developers and Frontier's own self-published game titles. As expected, Frontier is seeing a reduction in headline revenue and EBITDA whilst it invests and puts in place the key elements that will facilitate this transition, but the Group is confident that the continued delivery of this plan will result in much greater opportunity and returns.

Frontier has now raised in excess of £2.1m from over 40,900 backers of *Elite: Dangerous* and has just released, on schedule, the Alpha Phase One to over 1,400 backers who each paid £200 to participate in this phase of development. In addition, the Group has completed initial integration of the *Elite: Dangerous* game code with the Oculus Rift Virtual Reality display system.

In October 2013 Frontier signed two agreements with Atari Interactive, Inc. relating to the publication of *RollerCoaster Tycoon 3* (RCT3) on new formats and also online distribution of the existing RCT3 and other Atari titles on PC and Mac platforms, which help accelerate the Group's self-publishing and ecommerce plans.

In November 2013, the Group successfully completed a title for Microsoft Game Studios in time for the launch of X-Box One - *Zoo Tycoon*. Frontier's Cobra technology allowed the Group to create the game efficiently and cost effectively, whilst delivering Frontier's outstanding artistic quality and gameplay tailored to the target audience.

Also in November 2013 the Group released *Coaster Crazy Deluxe* on both WiiU and iOS, each sharing the same cloud-based server using Frontier's Cobra technology.

The Group continues to have a strong balance sheet and, at 30 November 2013, Frontier had cash in excess of £11m, placing the Group in a good financial position to support its continuing investment plans going forwards.

David Braben, Chief Executive of Frontier Developments, said:

"The Group is well positioned to deliver on its plans, including Elite: Dangerous and its supporting technology. We continue to transition the business and look forward to further building on our reputation for innovative, high quality games and technology in 2014."

Frontier Developments expects to report its interim results in mid February 2014.

Enquiries:

Frontier Developments

+44 (0)1223 394 300

David Braben, CEO

David Walsh, COO

Neil Armstrong, CFO

Canaccord Genuity

+44 (0) 207 523 8000

Simon Bridges/Cameron Duncan

College Hill

+44 (0) 20 7457 2020

Kay Larsen/Adrian Duffield

About Frontier Developments

Frontier was founded in 1994 by David Braben, co-author of the seminal Elite game. The Group has 243 full-time employees and operations in Cambridge, UK and Halifax, Nova Scotia, Canada. Frontier has a proven track record of software technology development and innovation spanning several decades of rapid technological change. Frontier has leveraged its technology to develop innovative videogames across a wide variety of different game genres and platforms, and has established relationships with globally renowned partners.

About Cobra

Frontier's Cobra software technology has been developed and evolved since 1988. Initially conceived as a solution for the problem of easily porting the same game across different target hardware devices, Cobra today supports multi-core CPU and GPU architectures of PC, console, tablet and smartphone with a modular, high performance system offering of state of the art efficiency and visual fidelity that is applicable across a wide range of game genres.

Cobra incorporates a framework which enables rapid development of powerful game creation tools, which offer the ability to view, tweak and review changes to content (e.g. animations, audio, 3D models etc.) on target platforms in a live game session running on that platform, without the intervention of a programmer.

For more details on Cobra see http://www.frontier.co.uk/our_technology/