Dear Shareholders,

We look forward to discussing our Q1 results during today’s earnings call at 2:00 p.m. PT. We invite you to submit your questions to investors@zynga.com in advance. Below, you’ll find our quarterly letter which details our progress and performance over the last quarter.

CEO PERSPECTIVE

It’s been a productive two months leading Zynga as CEO. Across the company, I’m seeing our momentum and pace improve as our teams continue their commitment to growing our established live franchises and demonstrating more cost and operating discipline. As a result, we delivered a strong Q1 and good start to the year.

Last August, I joined the Board which gave me unique insights into the potential of Zynga’s business. In that time, it became clear to me that the company’s founding social gaming vision is even more relevant today on mobile given the capabilities of today’s devices and the possibilities of tomorrow’s platforms. My priority is to bring this vision to life in our games and lead our teams to deliver high quality experiences for players on time and profitably.

The biggest surprise for me has been how much operating leverage we have across the company, which we can unlock with improved planning, more focused execution and cost control. To get there, we have to look at things in new ways and operate differently in certain areas. In the short term, that means putting in place more disciplined, consistent development practices and more cross team collaboration. Over the long term, there’s no reason why Zynga’s margins can’t be more in line with its peers. We’re committed to improving our operating leverage and cost management to attain those levels.

In my experience, the best games in the world are made by small, complete teams with great chemistry who build games in a predictable and profitable way. Zynga has excellent talent, but we need to do more to concentrate our best and brightest on our biggest ideas. We’re building a world class studio and innovative creative culture. We’ll be aggressive in bringing in additional creative talent and leadership, while maintaining our financial discipline.

Zynga has all the ingredients it needs for a successful turnaround. These strengths include:

- **A galvanizing company vision.** Our vision for social gaming distinguishes us from others in the market. The company was founded with the simple premise that it’s more fun to play games with other people and that social gaming is a path to the mass market. In a competitive mobile market, with dramatically increasing user acquisition costs, our approach is to build games around social features and systems to deliver a higher quality player experience with increased levels of engagement, organic acquisition and leading long term retention.

- **Growing industry & audience.** We’re in the fastest growing market opportunity in entertainment with $53 billion in projected mobile game revenues by 2019. Mobile is now the number one platform for gaming with a global mass market audience that can play anytime, anywhere. Zynga serves a large mobile audience and continuing to grow our player base is a top priority for us.
• **Proven brands in popular genres.** We have a portfolio of established brands such as Words With Friends, Zynga Poker and FarmVille, in some of the fastest growing mobile gaming categories including Social Casino, Casual, Invest Express and Action Strategy. We’re committed to leveraging our experience in live operations to grow our franchises and introduce new IP in these categories.

• **Talented teams.** We have passionate teams at Zynga who are increasing their effectiveness and predictability with live game services and new game development. Our teams balance the art and science of game making by combining creative innovation with a player-centric, data driven approach to surprise and delight players.

• **Strong balance sheet.** We have $857 million in cash and marketable securities which puts us in a great position to compete in our growing industry.

Regarding our performance this past quarter, we’re making progress in our turnaround. In Q1, bookings were above the high end of our guidance range at $182 million and Adjusted EBITDA was above our range at $11 million. Our mobile momentum continued with mobile now representing 76% of our total bookings, up from 73% last quarter, and total mobile audience up 7% from last quarter. Apple is now our largest platform partner, surpassing Facebook in terms of online game bookings. Our outperformance in the quarter was primarily driven by continued gains in our live games and disciplined cost control.

When Mark came back as CEO in April 2015, he worked with our leaders to narrow and intensify focus around our best opportunities and bring our franchises back to health. Over the last few quarters this has paid off as we’ve grown our core live mobile franchises – Slots, Words With Friends and Zynga Poker – across both bookings and audience. In Q1, we saw double digit growth for these franchises, with mobile bookings up 54% from last year and up 5% sequentially. In addition, we grew our mobile audience with DAU up 5% from last quarter.

Turning to our portfolio, we remain on track to launch 10 games this year. So far, we’ve launched 4 new games worldwide – Willy Wonka and the Chocolate Factory Slots, Crazy Cake Swap, Spin It Rich! Slots and Vegas Diamond Slots. The remaining titles in our 2016 slate are all currently in soft launch with consumers. For NaturalMotion in particular, I’m pleased to announce that we expect to launch CSR2 in early Q3 and Dawn of Titans in late Q4. For Dawn of Titans, the feedback from soft launch is that our players are excited by the game’s quality and production value. We plan to focus the remaining time in development on increasing long term player retention and optimizing the game for live services post-launch.

As we look forward, we’re tuning to quality over quantity in terms of our title release schedule because our goal is to deliver sustainable games that engage over the long term and drive growth across audience, bookings and EBITDA. Our success will be determined by the quality of games delivered rather than the number of games launched.

**Q1 PERFORMANCE HIGHLIGHTS**

**Financial Highlights**

- Bookings of $182 million; above the high end of the guidance range, up 8% year-over-year and flat sequentially.
- Adjusted EBITDA of $11 million; above the guidance range.
- Advertising and other bookings up 42% year-over-year.
- $857 million in cash, cash equivalents and marketable securities.
- Completed the remaining $102 million of $200 million share repurchase announced at Q3 earnings.
Mobile Highlights
- Mobile bookings of $139 million or 76% of overall bookings, up 31% year-over-year and up 4% sequentially.
- Average Mobile Daily Active Users (mobile DAUs): 16 million; up 7% sequentially.
- Apple is now our largest platform partner, surpassing Facebook in terms of online game bookings.

Product Highlights
- Slots – Mobile bookings up 77% year-over-year and 13% sequentially. Launched Willy Wonka and the Chocolate Factory Slots which is now in the top 30 grossing Casino charts in the Apple App Store; entered into soft launch with True Vegas Slots; and this week we launched Spin It Rich! Slots worldwide.
- Zynga Poker – Mobile bookings up 13% year-over-year and 8% sequentially.
- Words With Friends – Delivered strong mobile bookings up 60% year-over-year.
- Match-3 – Launched Zindagi’s Crazy Cake Swap, which received Best New Game featuring from both Apple and Google at launch; entered into soft launch with two new games, Wizard of Oz: Magic Match and Ice Age: Arctic Blast.
- FarmVille – Entered into soft launch with new FarmVille mobile experience, FarmVille: Tropic Escape; worldwide launch expected in the second half of 2016.
- CSR2 – Currently testing across 11 markets with an expected worldwide launch in early Q3.
- Dawn of Titans – Scaled to 14 test markets with an expected worldwide launch in late Q4.

OUR PRODUCTS

Social Casino

Social Slots – This quarter, our Social Slots portfolio, which includes Hit it Rich! Slots, Wizard of Oz Slots, Black Diamond Casino Slots and Princess Bride Slots, grew mobile bookings by 77% over the prior year and 13% sequentially. We now have 4 Slots games in the top 30 highest grossing Casino category in the Apple App Store. In Q1, our Slots franchise continued to grow mobile audience driven primarily by the performance of Wizard of Oz Slots. Wizard of Oz Slots saw a strong performance in Q1 with sequential growth in mobile bookings of 13% and mobile DAU up 16% sequentially. This performance offset some of the declines in Hit it Rich! Slots in Q1, which saw an 8% sequential decline in mobile bookings.
In Q1, we launched 2 new Slots experiences with Vegas Diamond Slots and Willy Wonka and the Chocolate Factory Slots. For Wonka Slots, while its early days for the game, it's showing encouraging monetization, engagement and retention. This week, we also launched Spin It Rich! Slots worldwide and have an additional Slots title in soft launch – True Vegas Slots – which will launch worldwide in Q2.

**Zynga Poker** – Building on the positive momentum we saw in Q4 2015, our Zynga Poker team delivered strong results with mobile bookings in Q1 up 13% year-over-year and 8% sequentially. Looking ahead, the team is continuing to invest in new social features designed to increase engagement and retention and a robust loyalty program that rewards our players through a unique VIP experience.

**Casual**

**Words With Friends** – This past quarter was the strongest Q1 bookings performance for Words With Friends in the 6-year history of the game, with mobile bookings up 60% year-over-year. This was driven by a continued positive halo effect from holiday reactivations and new features such as Weekly Challenge, which we introduced to players in Q4. This feature is resonating with players and creating a more engaging experience, resulting in an increase in the number of words played, games created and ads served. The team’s investment in quality and expertise in live game operations is helping to maintain high levels of quality with a 4.5 Apple App Store star rating.

**Match-3** – This genre has a high affinity with our Slots players and we see an opportunity to build on that relationship by bringing them new experiences in Match-3. In Q1, the Zindagi team launched Crazy Cake Swap, which received Best New Game featuring from both Apple and Google. In Q2, we expect to launch Wizard of Oz: Magic Match, which leverages our FarmVille: Harvest Swap engine and Wizard of Oz license for social games. Additionally, we’ve secured a licensing deal with Fox Digital Entertainment for a game based on the Ice Age franchise, which includes content inspired by the upcoming Ice Age: Collision Course movie. We just soft-launched this new game, Ice Age: Arctic Blast, which we expect to launch worldwide in conjunction with the release of the film.

**Action Strategy**

**CSR2** – Over the last quarter, the NaturalMotion team has focused on developing new features for CSR2, including expanding the game’s social mechanics and adding more personalization in order to improve the game’s long term retention. The game’s high production values and quality is resonating with players with an average of 4.8 stars in the Apple App Store. We’re planning to bring CSR2 to worldwide audiences in early Q3.

**Dawn of Titans** – The game is currently in 14 test markets and its overall quality continues to resonate with players with an average of 4.6 stars in the Apple App Store. As we prepare for a worldwide launch in late Q4, the team is dedicating the remaining development time in soft launch to increasing long term player retention and optimizing the game for live services post-launch.

**Invest Express**

**FarmVille** – In late Q1, we entered into soft launch with a new FarmVille mobile experience, FarmVille: Tropic Escape. The new game leverages the FarmVille 2: Country Escape engine for players to build a tropical-themed world that offers them new ways to engage with our beloved FarmVille IP. FarmVille: Tropic Escape is currently being tested in 6 countries including Thailand, the Philippines, India, Singapore, the Netherlands and Belgium. We expect the game to launch worldwide later this year.

**CityVille** – The new CityVille mobile experience entered into soft launch in Q4 2015 and is currently being tested in the Philippines and India. We expect to expand our soft launch territories in 2016, and the team is continuing to tune and iterate the product based on valuable insights from players who are excited to see this beloved brand come to mobile.
Advertising

In Q1, we generated advertising and other bookings of $47 million, up 42% year-over-year. Advertising and other bookings accounted for 26% of our total bookings this past quarter, up from 20% a year ago. Similar to the previous quarter, this continued growth was driven by the Q1 performance of Words With Friends, increased optimization initiatives and strategic partnerships that drove a higher effective Cost Per Impression (eCPM). The team also continued to grow its Premium Programmatic and Direct offerings, working with a number of top advertising partners including Unilever, Coca-Cola, Netflix and NBC Universal.

OUR PLAN

We remain on track with our cost reduction plan. Non-GAAP gross margins in Q1 expanded by approximately 250 basis points from Q4 primarily owing to the elimination of duplicative data center costs as we completed our move to the cloud. We don’t expect our non-GAAP gross margin to further expand given the expected increase in mobile bookings as a percent of total bookings.

The majority of the decrease in non-GAAP operating expenses was driven by the reduction in the marketing spend, which brought down our non-GAAP sales and marketing expense by 13%. This was a result of us continuing to only invest in what we believe to be accretive user acquisition opportunities.

These expense reductions, combined with the higher than expected bookings, resulted in EBITDA of $11 million, above the high end of the guidance range.

Financial Outlook – We expect Q2 bookings to be in the range of $160 million to $170 million. The majority of the sequential decline in bookings is due to legacy, non-core mobile games and continued decline in web games. We expect Adjusted EBITDA to be between breakeven and positive $5 million. The sequential decline in EBITDA is expected to be driven by the decrease in bookings as we’re planning to hold non-GAAP operating expenses roughly flat.

2016 Slate – In terms of our slate, as we’ve said, we remain on track to launch 10 games this year. So far, we’ve launched 4 new games worldwide – Willy Wonka and the Chocolate Factory Slots, Crazy Cake Swap, Spin It Rich! Slots and Vegas Diamond Slots. The remaining titles in our 2016 slate are all currently in soft launch with consumers. For the remainder of the year, in Slots and Match-3 we plan to launch 3 games in the first half of this year with True Vegas, Wizard of Oz: Magic Match and Ice Age: Arctic Blast. In Invest Express, we expect to launch FarmVille: Tropic Escape and CityVille Mobile in the second half of 2016. Finally, in Action Strategy, we expect to launch CSR2 in early Q3 and Dawn of Titans in late Q4. The timing of new game launches may change depending on the soft launch performance of our products and we look forward to keeping you updated as we work to deliver the best experiences for our players.

Sincerely,

Frank Gibeau,  Michelle Quejado,
Chief Executive Officer   Interim Chief Financial Officer & Chief Accounting Officer
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Vice President of Communications
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NON-GAAP FINANCIAL MEASURES

Three months ended March 31, 2016

<table>
<thead>
<tr>
<th>GAAP Statement of Operations</th>
<th>Amortization of intangible assets from acquisitions</th>
<th>Change in deferred revenue</th>
<th>Restructuring expense, net</th>
<th>Contingent consideration fair value adjustment</th>
<th>Non-GAAP measure</th>
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<tbody>
<tr>
<td>In thousands, except per share data, unaudited</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$181,625</td>
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<tr>
<td>Total revenue</td>
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<td>Sales and marketing</td>
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<td>General and administrative</td>
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<td>Total costs and expenses</td>
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<td>(29,068)</td>
<td>(7,379)</td>
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<td>Income (loss) from operations</td>
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<td>29,608</td>
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<td>Interest income (expense), net</td>
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<td>Other income (expense), net</td>
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<td>Income (loss) before income taxes</td>
<td>(24,078)</td>
<td>29,608</td>
<td>7,379</td>
<td>(5,096)</td>
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<td>Provision for (benefit from) income taxes</td>
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<td>(930)</td>
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<tr>
<td>Net Income (loss)</td>
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<td>$24,203</td>
<td>$6,032</td>
<td>$(4,186)</td>
<td>$303</td>
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</table>

WASO

Diluted 871,093 882,350

EPS

Diluted $(0.03) $0.00

(1) Non-GAAP measure represents bookings
(2) Non-GAAP measure represents Non-GAAP Net Income (Loss)

FORWARD LOOKING STATEMENTS

We have provided in this letter certain non-GAAP financial measures, including total bookings, Adjusted EBITDA, advertising and other bookings, non-GAAP net income (loss), and mobile bookings, to supplement our consolidated financial statements prepared in accordance with GAAP (our “GAAP financial statements”). Management uses these non-GAAP financial measures internally in analyzing our financial results to assess operational performance and liquidity. Our non-GAAP financial measures may be different from non-GAAP financial measures used by other companies.

The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for our GAAP financial statements. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting and analyzing future periods. We believe these non-GAAP financial measures are useful to investors because they allow for greater transparency with respect to key financial metrics we use in making operating decisions and because our investors and analysts use them to help assess the health of our business. In line with our historical practice, the financial information presented herein is provided on a supplemental, non-GAAP basis unless otherwise indicated. We have provided reconciliations of these non-GAAP financial measures to the
most directly comparable GAAP financial measures in (i) the press release announcing our financial results for
the three months ended March 31, 2016 (which is included as Exhibit 99.1 to our current report on Form 8-K,
filed with the Securities and Exchange Commission (the “SEC”) on May 4, 2016, a copy of which may be
obtained by visiting our Investor Relations web site at http://investor.zynga.com or the SEC’s web site at
www.sec.gov), (ii) when filed, our Quarterly Report on Form 10-Q for the three months ended March 31, 2016,
a copy of which may be obtained by visiting our Investor Relations web site at http://investor.zynga.com or the
SEC’s web site at www.sec.gov, and (iii) our first quarter of 2016 earnings slides presentation, dated May 4,
2016, a copy of which may be obtained by visiting our Investor Relations web site at http://investor.zynga.com.

Some limitations of the non-GAAP financial measures included in this letter:

- Adjusted EBITDA and non-GAAP net income (loss) do not include the impact of stock-based expense,
  acquisition-related transaction expenses, contingent consideration fair value adjustments and
  restructuring expense;

- Bookings, Adjusted EBITDA and non-GAAP net income (loss) do not reflect that we defer and
  recognize online game revenue and revenue from certain advertising transactions over the estimated
  average life of durable virtual goods or as virtual goods are consumed;

- Adjusted EBITDA does not reflect income tax expense and does not include other income (expense)
  net, which includes foreign exchange gains and losses and interest income; and

- Adjusted EBITDA excludes depreciation and amortization of intangible assets, while non-GAAP net
  income (loss) excludes amortization of intangible assets from acquisitions. Although depreciation and
  amortization are non-cash charges, the assets being depreciated and amortized may have to be
  replaced in the future.

- Because of these limitations, you should consider the non-GAAP financial measures presented in this
  letter with our GAAP financial statements. See the GAAP to non-GAAP reconciliations in this letter and
  in the places listed above for further details.

FORWARD LOOKING STATEMENTS

This letter contains forward-looking statements relating to, among other things, our outlook for the second
quarter of 2016, including bookings, Adjusted EBITDA and non-GAAP operating expenses; certain other
financial items necessary for GAAP to non-GAAP reconciliation; our future operational plans, use of cash,
strategies and prospects; our cost structure and cost reduction plans and estimated savings and charges,
including elimination of duplicative data center costs; our ability to accelerate execution, drive profitability and
nurture creativity and innovation while reducing costs and lowering discretionary spend; the breadth and depth
of our 2016 game slate and the success of these games, including recently launched Willy Wonka and the
Chocolate Factory Slots, Spin It Rich! Slots, Vegas Diamond Slots and Crazy Cake Swap and future launches of
True Vegas Slots, Wizard of Oz Magic Match, Ice Age: Arctic Blast, FarmVille: Tropic Escape, Dawn of
Titans, CSR2 and CityVille mobile; our ability to change our mix of R&D and unlaunched game slate to live
games; our ability to increase the predictability of our business; our continued transition to mobile; our ability
to sustain player engagement, develop compelling social features, optimize to increase long-term player retention
and the lifetime value of our players, generate installs (including organically and through accretive player
acquisition spend) and monetize our live games (including our Slots franchise games, Words With Friends,
Zynga Poker, FarmVille franchise games and Match-3 franchise games) and games in geo-lock testing
(including True Vegas Slots, Wizard of Oz Magic Match, Ice Age: Arctic Blast, FarmVille: Tropic Escape, Dawn
of Titans, CSR2 and CityVille mobile); our ability to grow our mobile bookings in 2016 and beyond; our ability
to execute against our strategy and deliver long-term value to our shareholders, employees and players and fulfill
our mission to connect the world through games; our ability to attract and retain key employees in light of
business challenges, including employees key to franchise games and planned launches and senior
management; the impact of changes in our senior management team and management teams, new hires and
other changes in our organization; the strength of our balance sheet and our ability to effectively manage our cost structure and investments; our ability to improve our operating margins, the timely launch and success of our games, including the launch of our 2016 game slate (including the games noted above); our ability to improve our execution against audience growth and product quality; our ability to effectively market our games; our ability to execute in mobile; our ability to sustain and expand key games to sustain and grow audiences, bookings, and engagement, including games within our Slots franchise, Words With Friends, Zynga Poker, FarmVille franchise and Match-3 franchise; investment in new game development, marketing for live games and new game launches and core infrastructure in data and analytics; our ability to build on our social legacy in both our web games and our new mobile games and build a player network across mobile games; leverage licensed brands like Wizard of Oz and Willy Wonka and the Chocolate Factory, our ability to accurately forecast our upcoming game launches and bookings and revenue related to upcoming game launches and the performance of our existing games; our ability to operate in an entrepreneurial manner, innovate on game mechanics, and leverage data and analytics in our operations; our ability to create a world class studio and innovative create culture, our ability to utilize, protect, defend and enforce our intellectual property; and the market opportunity in the social gaming market, including the mobile market, the advertising market, the market for social game categories in which we invest, and our ability to capitalize on and contribute to this market opportunity.

Forward-looking statements often include words such as “outlook,” “project,” “plan,” “intend,” “could,” “should,” “would,” “will,” “might,” “anticipate,” “estimate,” “continue,” “believe,” “may,” “target,” “expect,” or similar expressions, the negative or plural of these words or expressions and statements in the future tense are generally forward-looking. The achievement or success of the matters covered by such forward-looking statements is subject to a number of risks, uncertainties, and assumptions. More information about factors that could affect our operating results is included under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2015, and, when filed, our Quarterly Report on Form 10-Q for the three months ended March 31, 2016, copies of which may be obtained by visiting our Investor Relations web site at http://investor.zynga.com or the SEC’s web site at www.sec.gov. Undue reliance should not be placed on the forward-looking statements in this letter, which are based on information available to us on the date hereof. There is no guarantee that the circumstances described in our forward-looking statements will occur. Except as required by law, we assume no obligation to update any forward-looking statements for any reason to conform these statements to actual results or to changes in our expectations. The results we report in our Quarterly Report on Form 10-Q for the three months ended March 31, 2016 could differ from the preliminary results we have announced in this letter.

References to game ratings contained in this letter are as of the date of this letter and are generally based on the average rating for the game’s most recent release or update in the applicable platform or app store. At times, there may be a limited number of ratings, especially if the current version of the game has only been released or updated recently.

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