



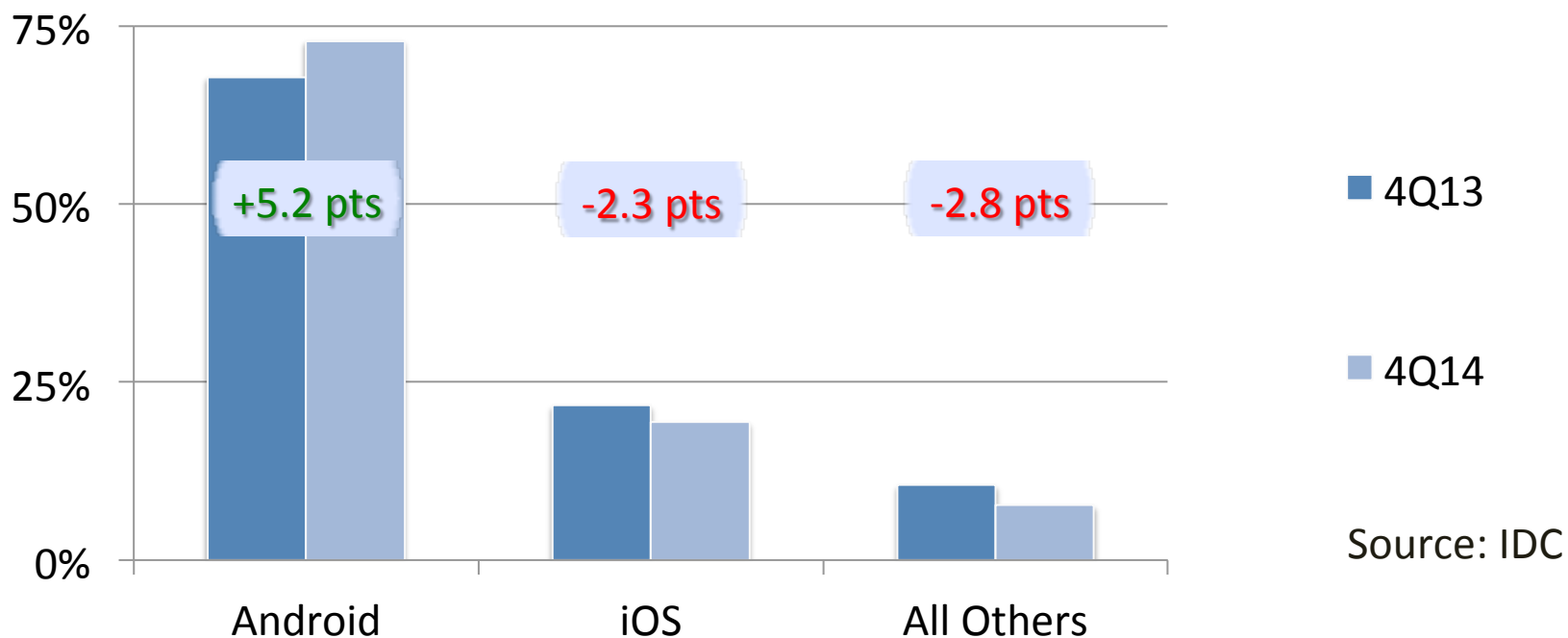
App Annie

Portable Gaming Spotlight, 2014 Review
February 2015

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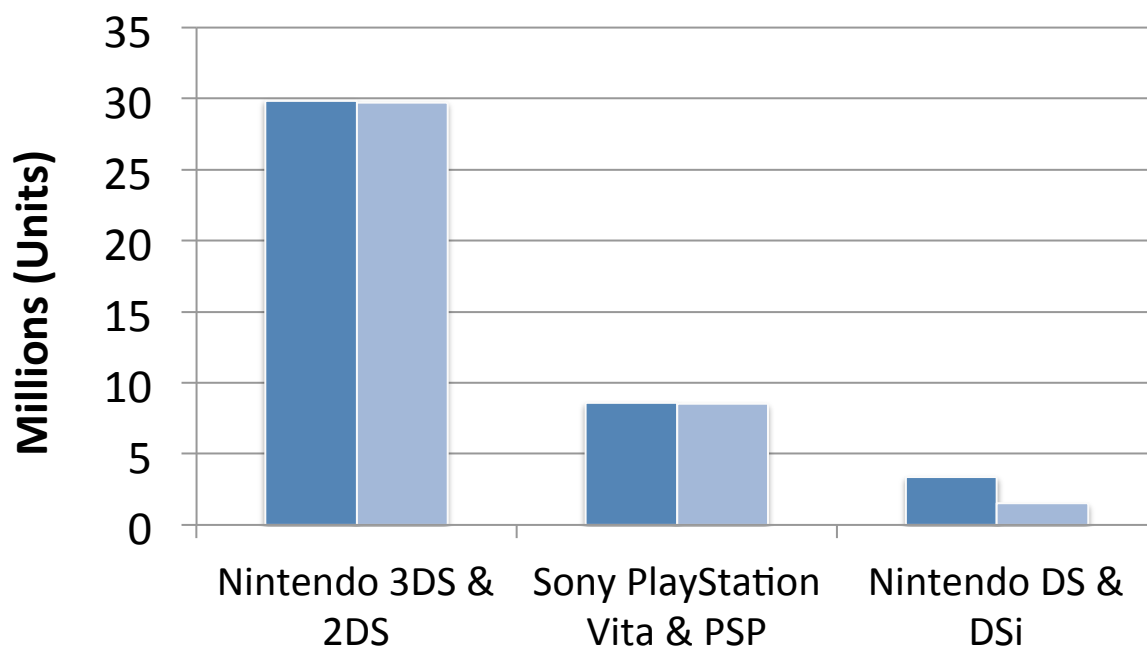
- 1 Installed Base Snapshot**
- 2 2014 Spending Patterns
- 3 Key Themes & Takeaways

Worldwide Smartphones & Tablets Used for Gaming Installed Base Shares by OS, 4Q13 & 4Q14



- The installed base (IB) for smartphones and tablets used for gaming exceeded 1B in 4Q14 for the first time
- Android's share of this installed base approached 75% in 4Q14
- "All Others" is largely Windows, BlackBerry and Symbian devices

Worldwide Handheld Game Console Software Shipments: Packaged Games & Digital Full Game Downloads, 4Q13 & 4Q14*



■ 4Q13 ■ 4Q14

- Hardware platforms span all SKUs

* Represents combined packaged game shipments & digitally purchased copies of these same games (excludes titles that received digital distribution only).

Source: IDC

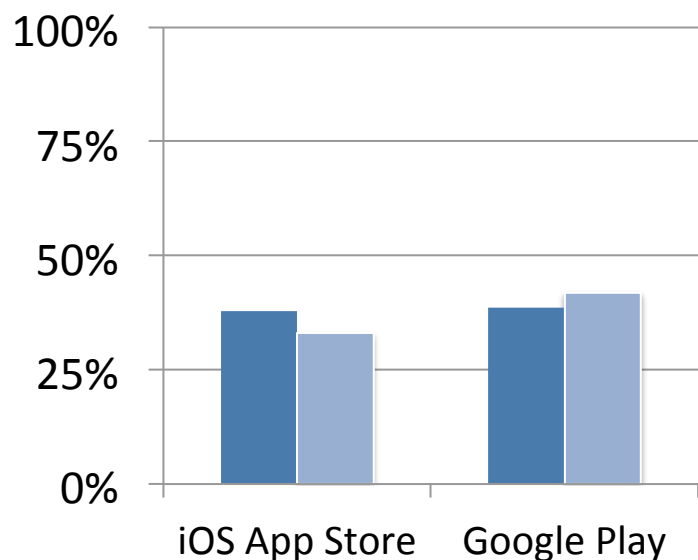
- The global installed base for handheld game consoles ended 2014 at ~175MM devices
- Full game software shipments/sales volumes in 4Q14 were 5% below that of 4Q13, but this was almost entirely due to decreased DS/DSi demand

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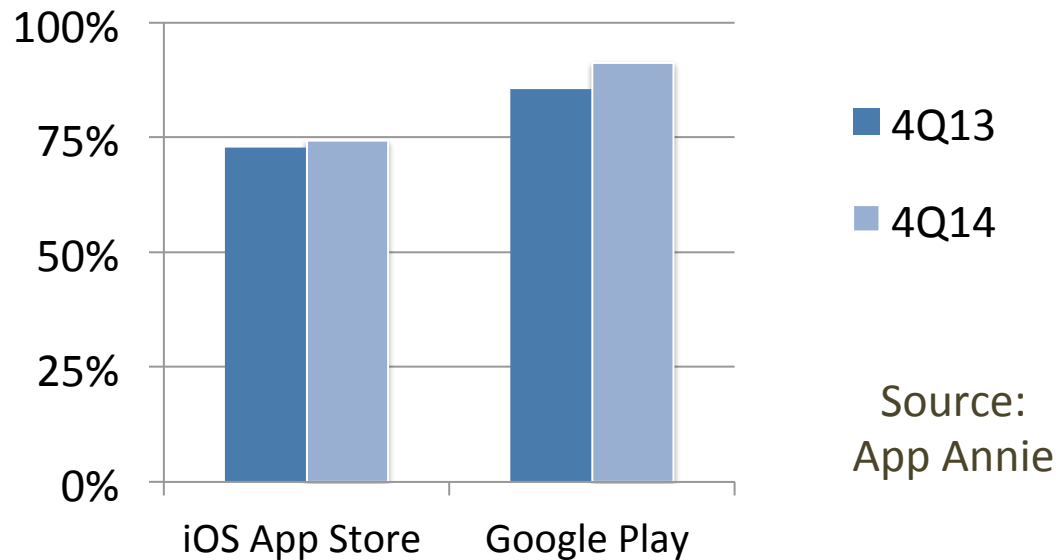
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Worldwide Share of iOS & Google Play Downloads & Consumer Spending Attributable to Games, 4Q13 & 4Q14

Games: Share of App Store Downloads

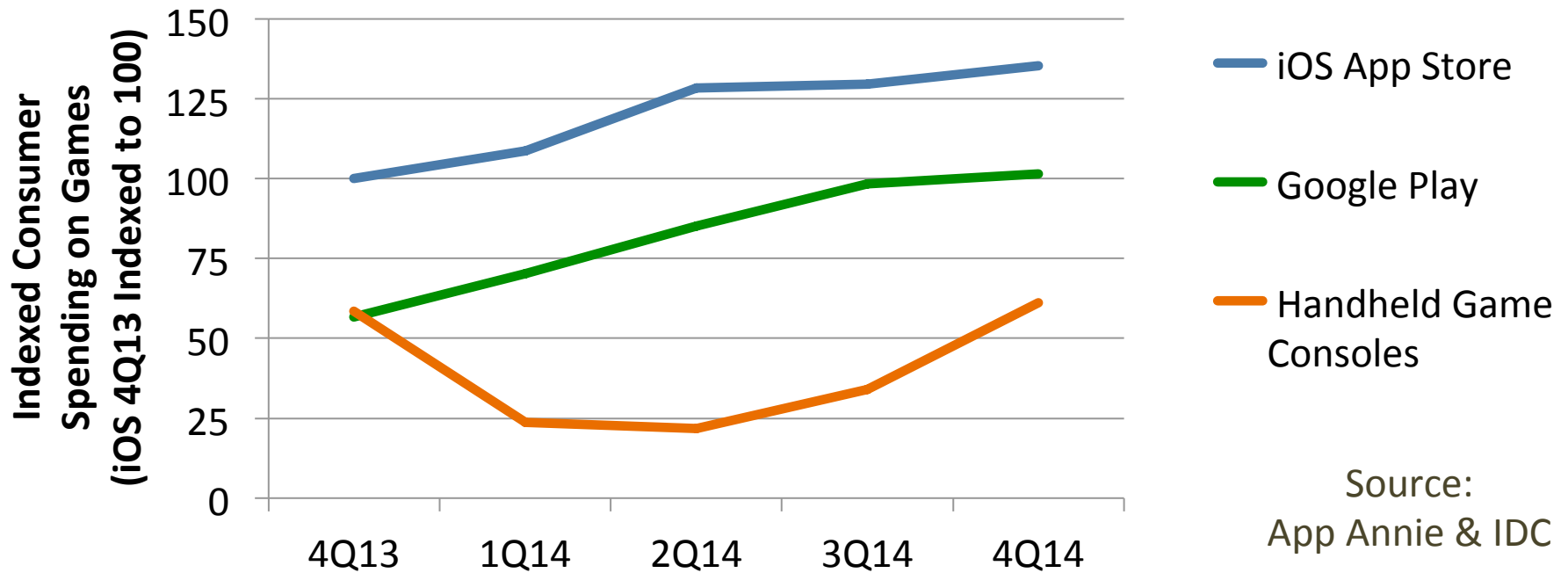


Games: Share of App Store Consumer Spending



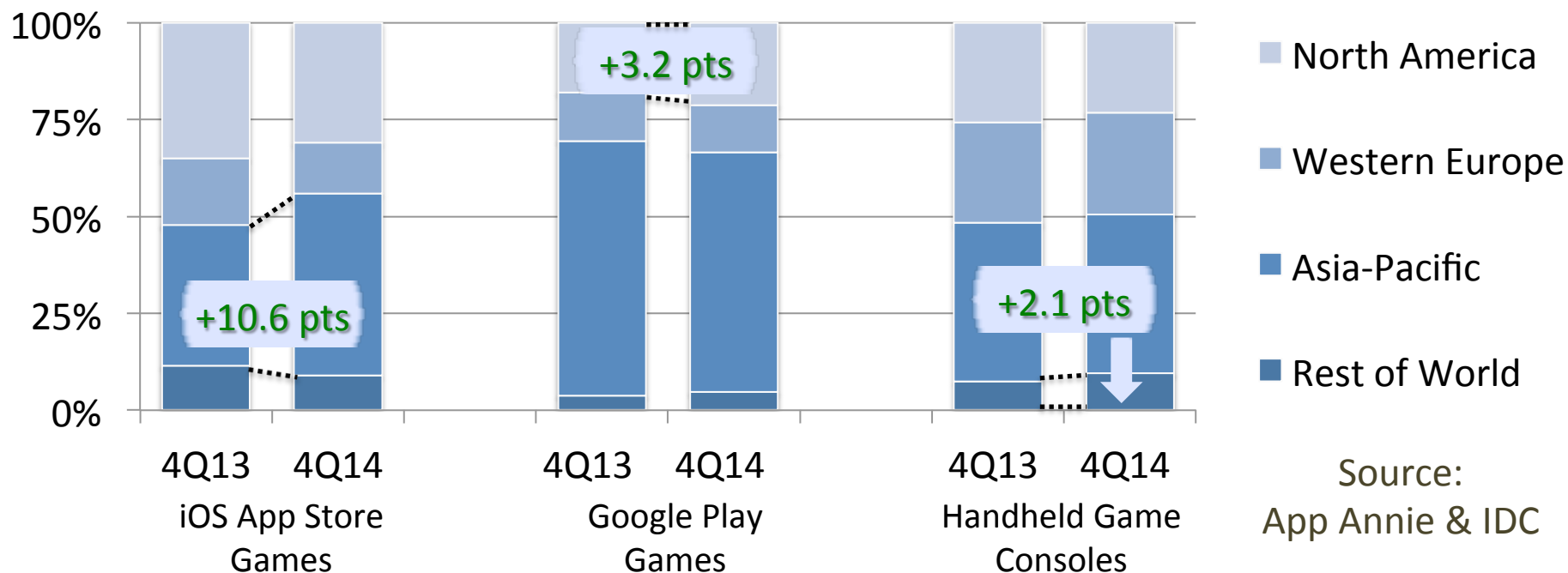
- Games were ~30% of downloads on iOS and ~40% on Google Play in 4Q14
- The share of consumer spending on games for Google Play grew incrementally from 4Q13 to 4Q14; it was effectively flat on iOS
- Results span applicable smartphones and tablets (plus iPod Touch)

Worldwide Mobile & Handheld Game Console Consumer Spending on Games by Quarter, 4Q13–4Q14



- iOS App Store game revenue grew over 30% from 4Q13 to 4Q14 and Google Play game revenue grew over 75%
- Handheld game console software continued to be a highly seasonal business; packaged and digital game spending rose ~5% from 4Q13 to 4Q14, mostly due to an uptick in the retail price of full games

Worldwide Mobile & Handheld Game Console Consumer Spending Shares on Games, by Region, 4Q13 & 4Q14



Source:
App Annie & IDC

- Asia-Pacific gained in share of game spending for the iOS App Store, while North America outpaced the market on Google Play
- On handheld game consoles, “Rest of World” showed an incremental share gain as game sales held up relatively well in pockets of Latin America and Central and Eastern Europe

Top 5 Grossing Portable Games Worldwide by Platform, 4Q14

Rank	iOS App Store	Google Play	Handheld Game Consoles
1	Clash of Clans Supercell, Finland	Puzzle & Dragons GungHo Online, Japan	Pokémon Omega Ruby / Alpha Sapphire ★ N3DS; Game Freak/Nintendo, Japan
2	Puzzle & Dragons GungHo Online, Japan	Clash of Clans Supercell, Finland	Super Smash Bros. for Nintendo 3DS N3DS; Sora/Bandai Namco/Nintendo, Japan
3	Candy Crush Saga King, United Kingdom	モンスターストライク (Monster Strike) Mixi, Japan	Monster Hunter 4G / Ultimate ★ N3DS; Capcom, Japan
4	モンスターストライク (Monster Strike) Mixi, Japan	Candy Crush Saga King, United Kingdom	Youkai Watch 2 N3DS; Level-5, Japan
5	Game of War – Fire Age Machine Zone, United States	ディズニー ツムツム (Disney Tsum Tsum) LINE, Japan	Tomodachi Life N3DS; Nintendo, Japan

★ = New entrant to top 5 in 4Q14 (not in top 5 for 3Q14)

Source:
App Annie & IDC

Top 5 Grossing Portable Games Worldwide by Platform, 2014

Rank	iOS App Store	Google Play	Handheld Game Consoles
1	Clash of Clans Supercell, Finland	Puzzle & Dragons GungHo Online, Japan	Pokémon Omega Ruby / Alpha Sapphire ★ N3DS; Game Freak/Nintendo, Japan
2	Candy Crush Saga King, United Kingdom	Clash of Clans ★ Supercell, Finland	Super Smash Bros. for Nintendo 3DS ★ N3DS; Sora/Bandai Namco/Nintendo, Japan
3	Puzzle & Dragons GungHo Online, Japan	Candy Crush Saga King, United Kingdom	Pokémon X / Y N3DS; Game Freak/Nintendo, Japan
4	Game of War – Fire Age ★ Machine Zone, United States	モンスターストライク (Monster Strike) ★ Mixi, Japan	Monster Hunter 4G / Ultimate N3DS; Capcom, Japan
5	Hay Day Supercell, Finland	Hay Day ★ Supercell, Finland	Youkai Watch 2 ★ N3DS; Level-5, Japan

★ = New entrant to top 5 in 2014 (not in top 5 for 2013)

Source:
App Annie & IDC

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Key Themes & Takeaways, 2014

- In late 2014, the global number of smartphones and tablets used for gaming topped 1B for the first time
- Google Play's gaming ecosystem continued to benefit from strong growth in the global installed base of smartphones and tablets
- Consumer spending on games increased notably from 4Q13 to 4Q14; iOS App Store revenue grew over 30% worldwide, while Google Play revenue grew over 75%
- Game spending for handheld consoles rose ~5% from 4Q13 to 4Q14 but the installed base for these devices declined >10MM in 2014
- Unlike in 4Q13, game spending on both iOS and Google Play exceeded that of handheld game consoles in 4Q14

Key Themes & Takeaways, 2014 (Continued)

- More than 80% of combined iOS and Google Play consumer app spending in 4Q14 came from games, up compared to 4Q13; on Google Play this share topped 90% in 2H14
- iOS game revenue held up particularly well in the United States, generating ~1.9 times as much revenue as Google Play games
- Western Europe remained a region of relative strength for Nintendo and Sony handheld game console platforms
- Nintendo's game sales relied more heavily on third-party studios in 2014 than in 2013, potentially suggesting a strategic shift toward more platform "openness"

QUESTIONS?



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