

App Annie



The State of Play:

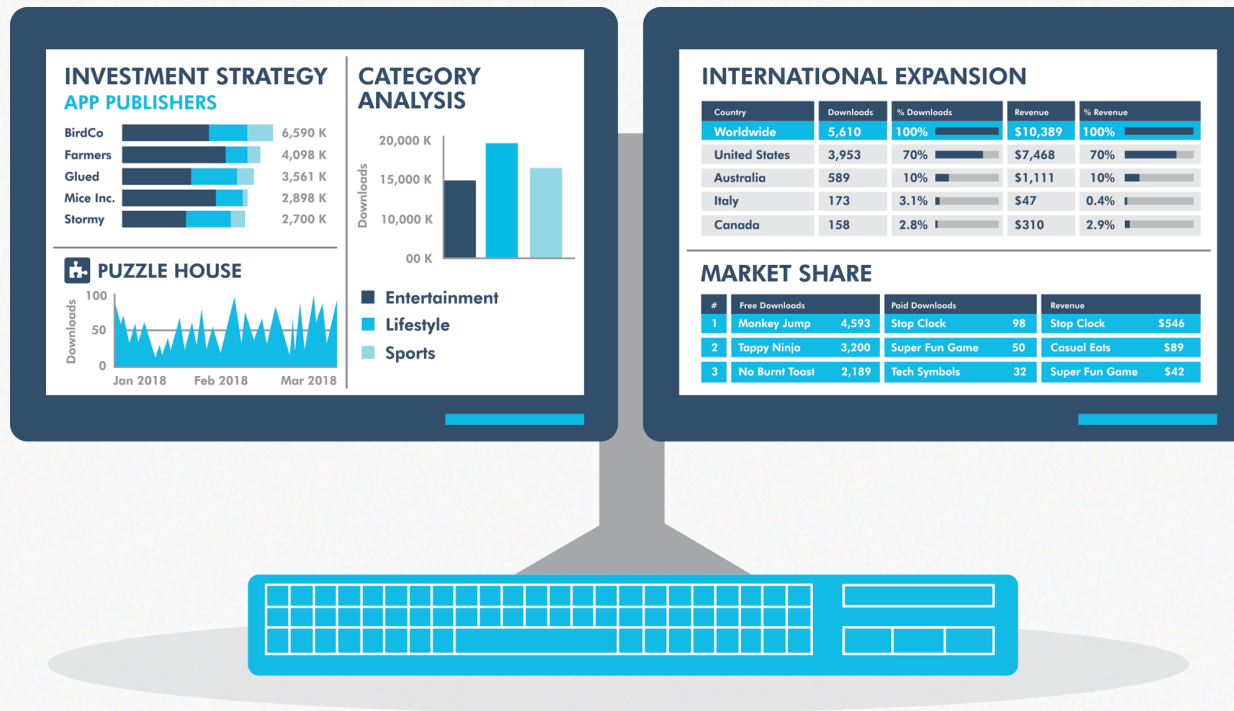
A look at the growth of
Google Play



This report is powered by App Annie Intelligence

The most accurate market data available for the app stores

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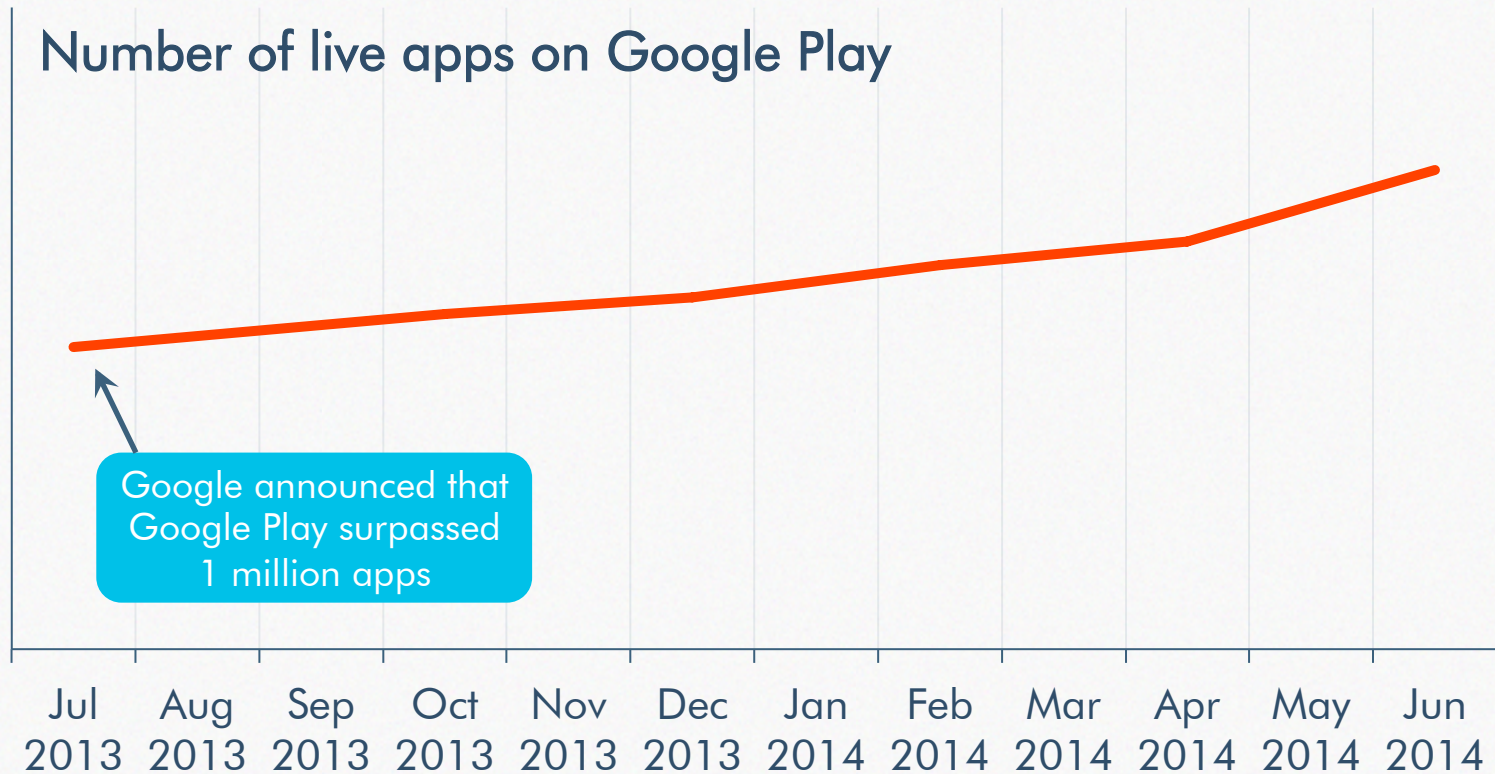




Apps, downloads and revenue.

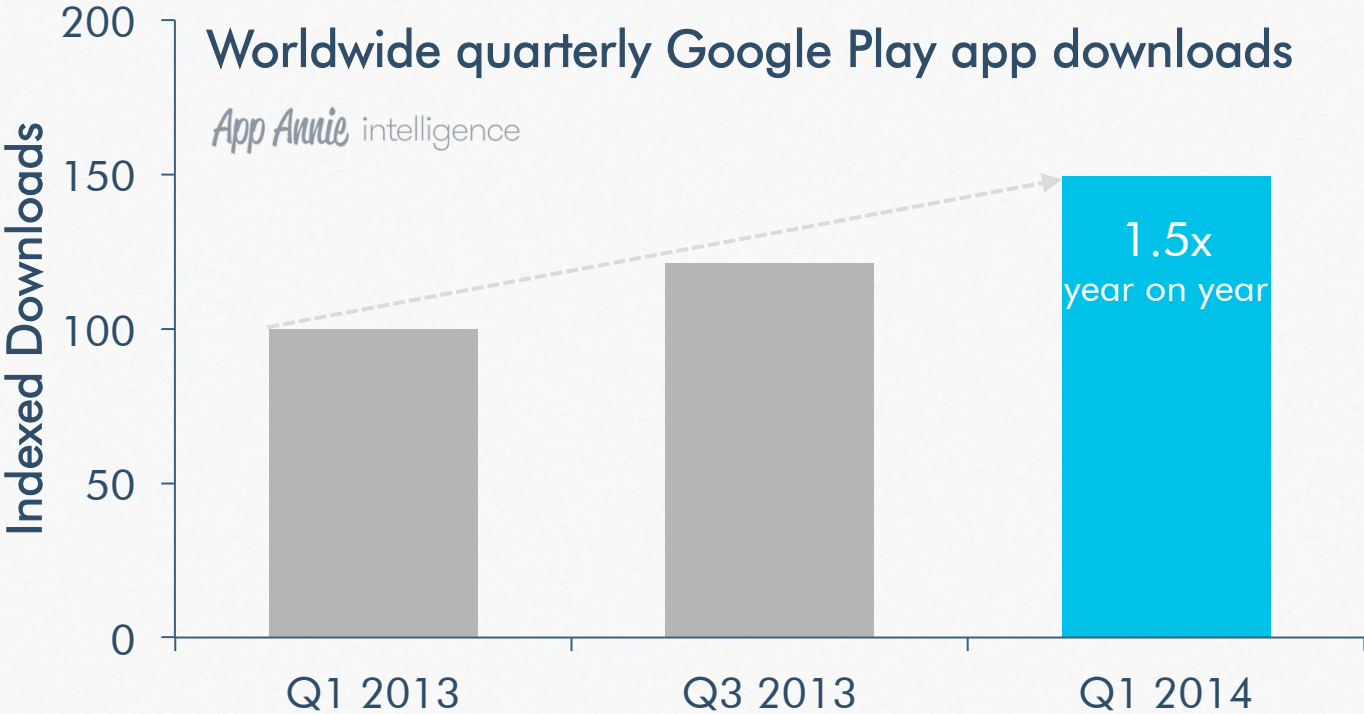
Google Play's phenomenal growth over the last year.

Publishers are launching an increasing number of apps on Google Play



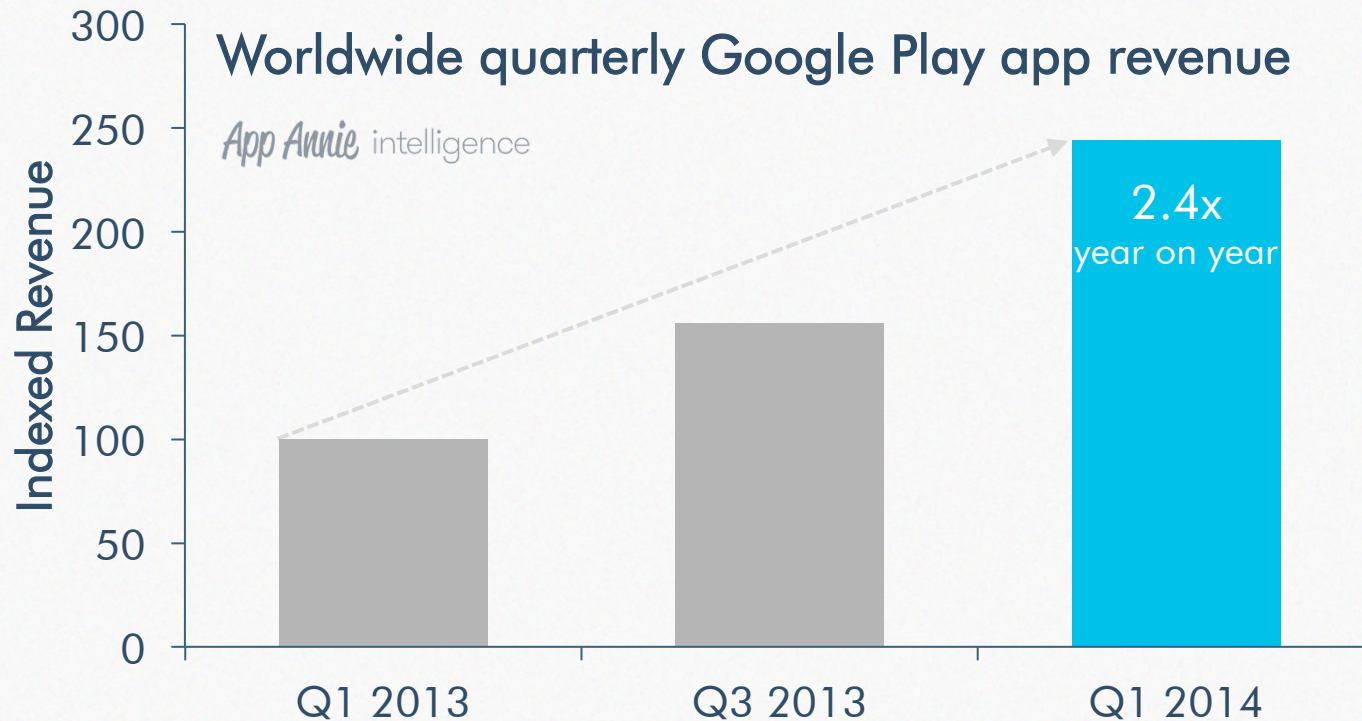
- There are now over 1.5 million apps available on Google Play
- The number of apps grew by around 60% between July 2013 and June 2014

The worldwide market for Google Play downloads continues to grow rapidly



- Quarterly app downloads from Google Play grew approximately 50% from Q1 2013 to Q1 2014

Revenue is soaring, outpacing download growth



- Google Play quarterly app revenue more than doubled from Q1 2013 to Q1 2014

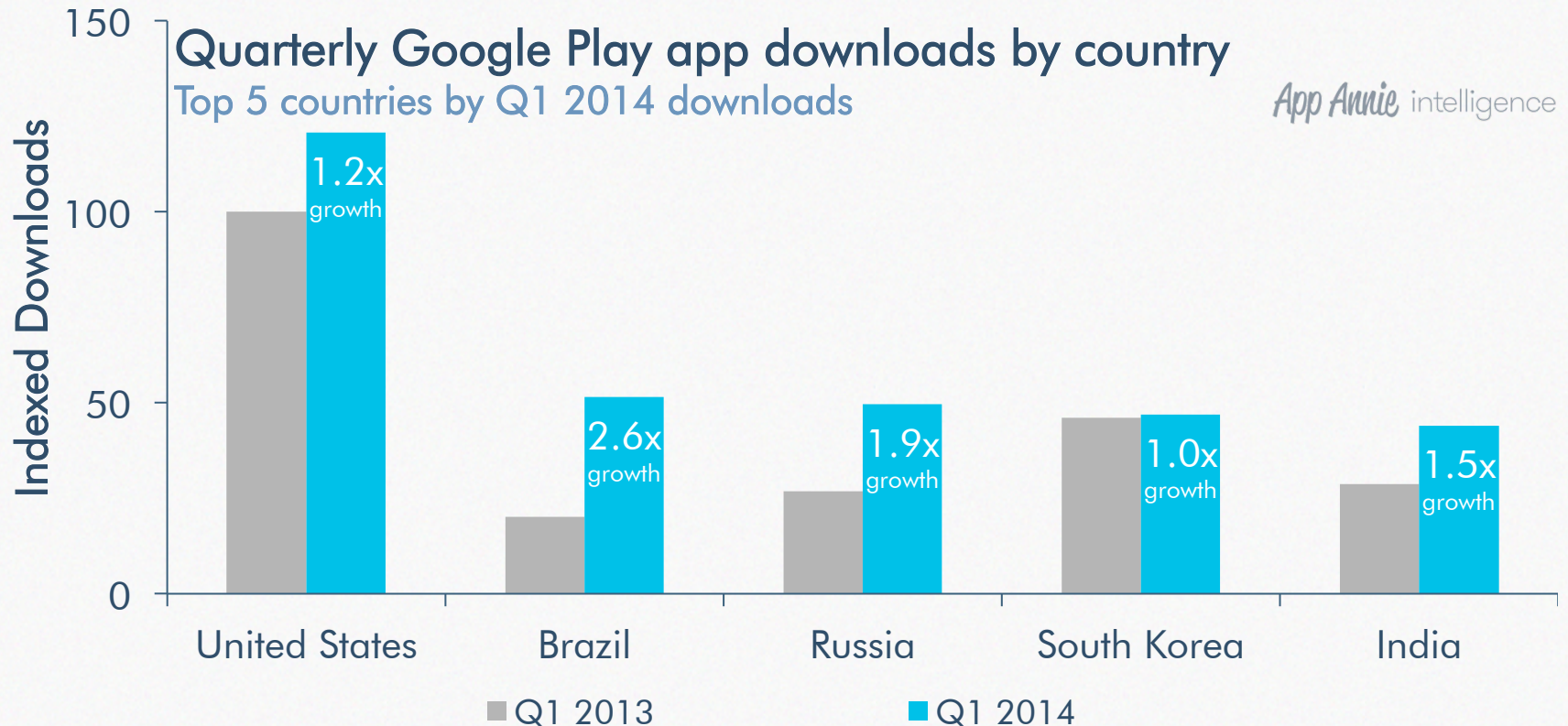
Growth in Google Play downloads and revenue presents an expanding opportunity for app publishers



Worldwide opportunities.

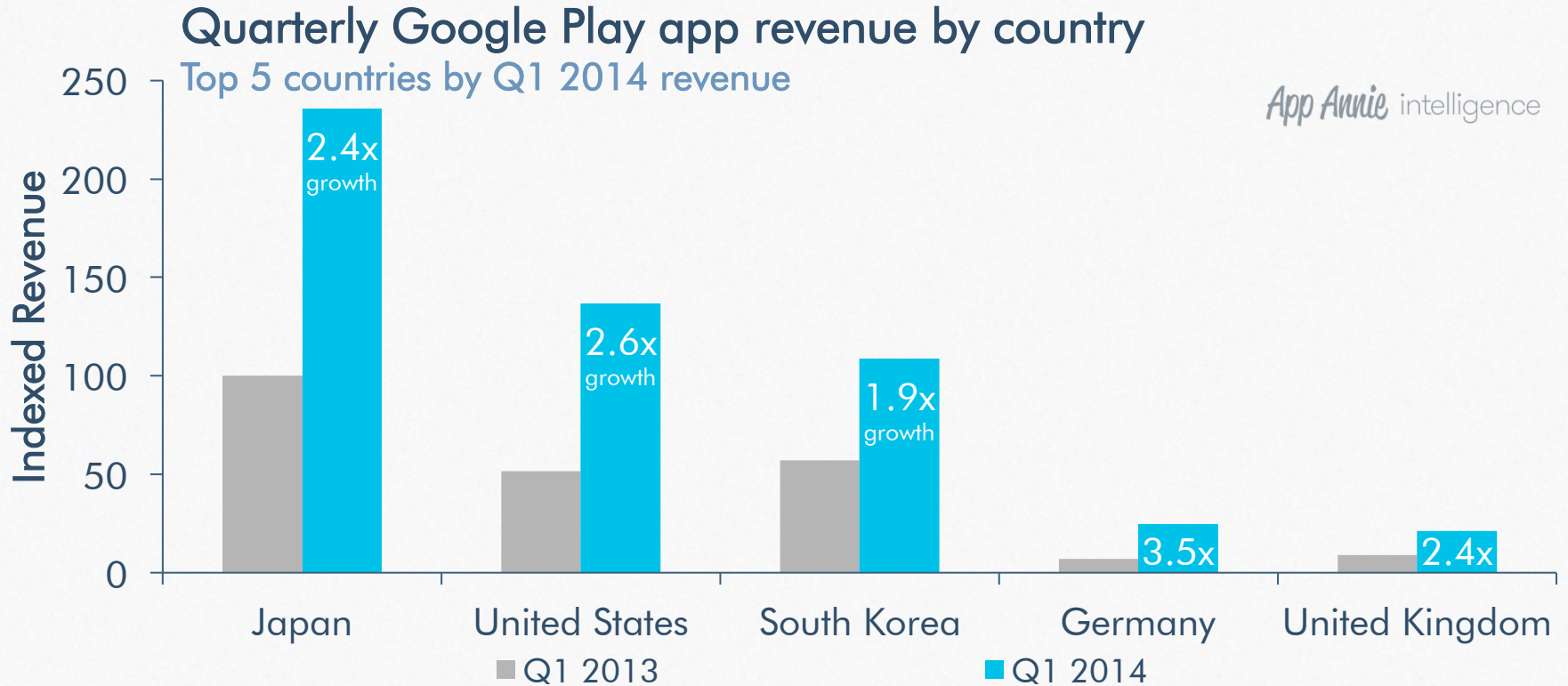
Google Play has expanded rapidly across a range of markets over the past year.

Advancing economies are leading download growth among Google Play's top markets



- All the largest Google Play markets experienced growth in the past year
- Brazil made significant gains to become the second largest market for Google Play downloads

Established markets are experiencing phenomenal growth in revenue



- Japan continues to dominate Google Play revenue
- After trailing South Korea since Q1 2013, growth in the United States propelled it back to second position for Google Play revenue in Q1 2014

Rapidly emerging markets offer new opportunities for publishers

Google Play App Downloads			Google Play App Revenue	
Rank Q1 2014	Country	Rank Change vs. Q1 2013	Country	Rank Change vs. Q1 2013
1	United States	-	Japan	-
2	Brazil	+5	United States	+1
3	Russia	+1	South Korea	-1
4	South Korea	-2	Germany	+1
5	India	-2	United Kingdom	-1
6	Mexico	+2	Taiwan	N/A*
7	Turkey	+10	France	-1
8	Germany	-2	Hong Kong	+2
9	Indonesia	+7	Australia	-2
10	Japan	-5	Russia	-1

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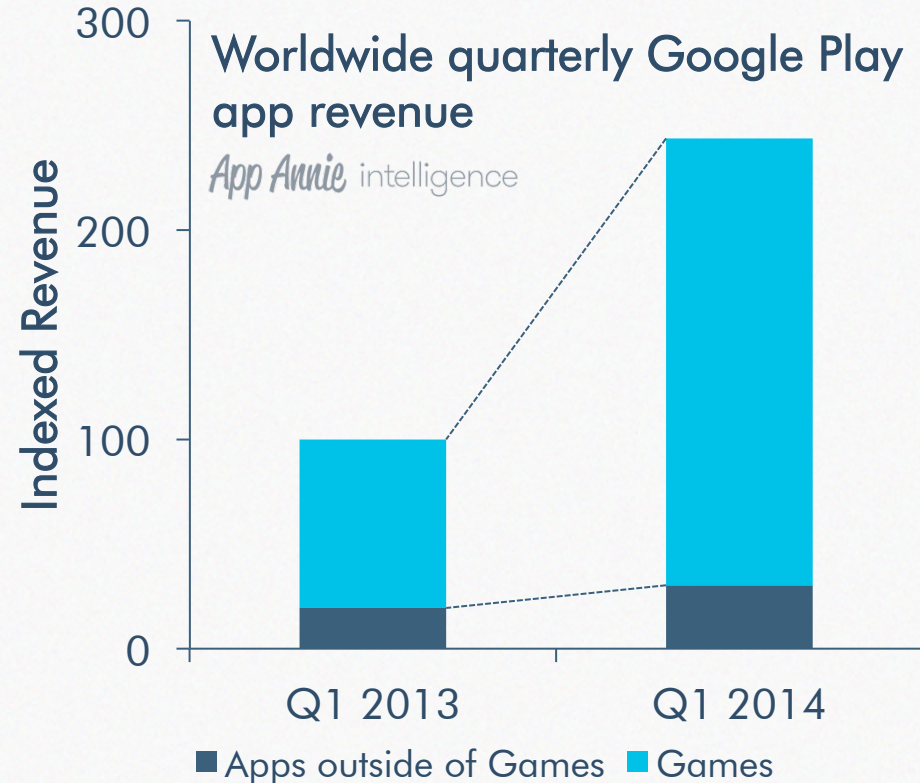
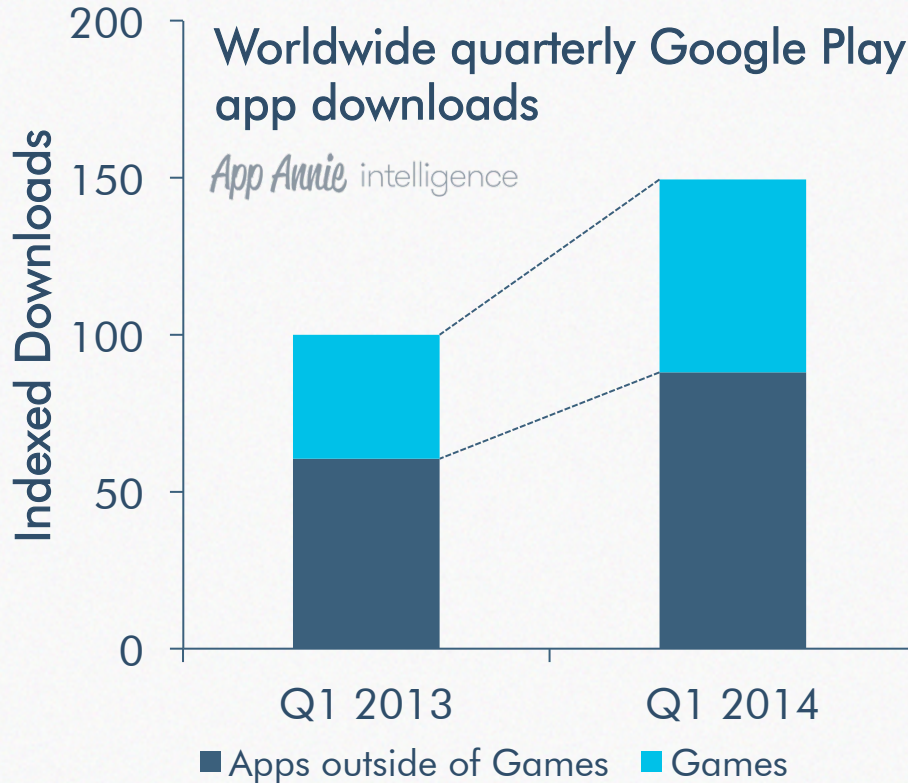
* Paid apps returned to Google Play in Taiwan in February 2013

- Brazil, Mexico, Turkey and Indonesia experienced phenomenal growth in downloads, driving them up the rankings
- Taiwan and Hong Kong showed significant potential for generating Google Play revenue

Category growth.

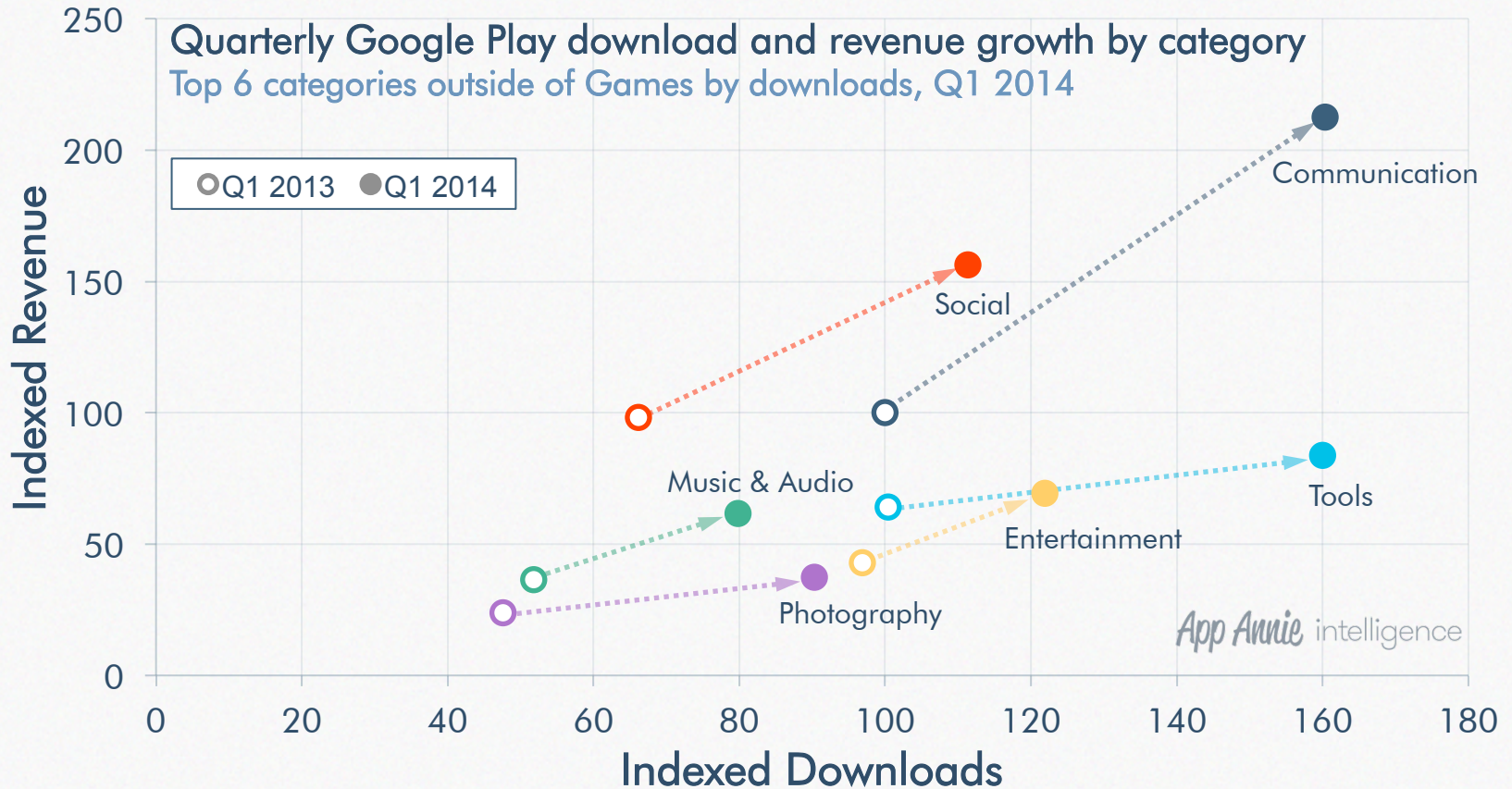
Games dominate Google Play, but opportunities outside of Games are expanding.

Games accelerate Google Play revenue growth



- In Q1 2014, Games accounted for almost 90% of Google Play app revenue, up from around 80% in Q1 2013
- Apps outside of Games provided about 60% of Google Play app downloads in Q1 2014

Although Games dominate revenue gains, growth is almost universal across categories



- Messaging apps supported high revenue growth for Communication and Social
- Tools and Communication categories displayed particularly rapid download growth

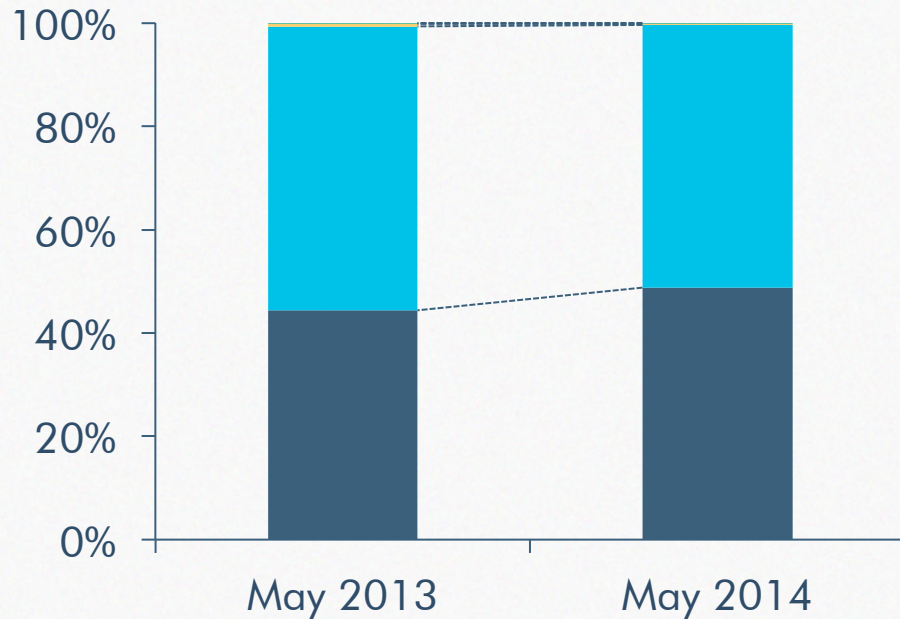


Freemium on the rise.

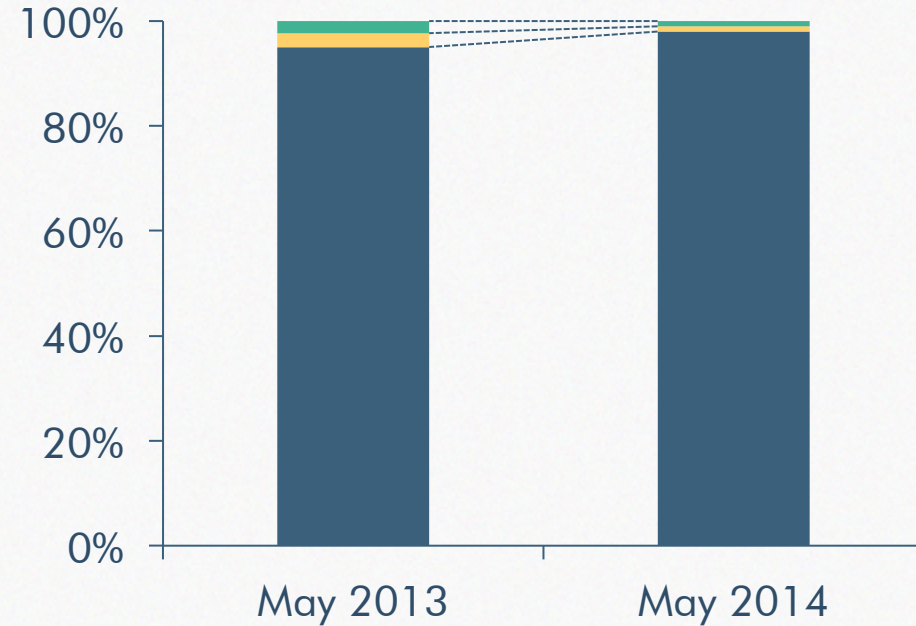
The freemium business model continues to grow across Google Play.

Freemium continues to grow in downloads and revenue

Worldwide monthly Google Play downloads



Worldwide monthly Google Play revenue



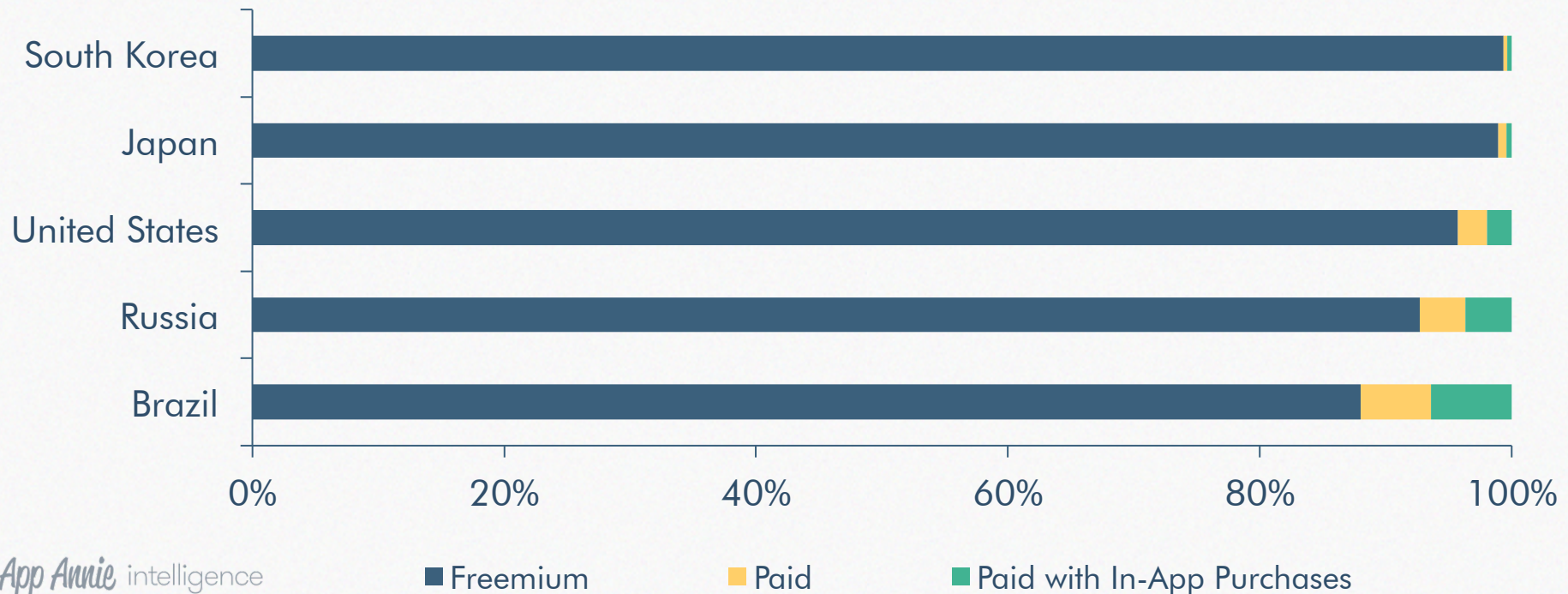
■ Freemium ■ Free ■ Paid ■ Paid with In-App Purchases

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- Freemium apps contributed almost half of Google Play downloads in May 2014
- Revenue from freemium apps grew to around 98% of total worldwide Google Play revenue in May 2014

Asian markets lead the way, but freemium dominates all major markets

Monthly Google Play app revenue by country, May 2014



- Asian markets have an exceptionally high proportion of revenue from freemium apps
- Emerging Google Play markets such as Brazil, Mexico and Turkey tend to have a slightly lower proportion of revenue from freemium apps

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Key Takeaways.

Google Play's worldwide growth is extending opportunities for app publishers

- An ever-increasing number of app publishers are utilizing Google Play
 - There are now well **over 1 million apps** available on Google Play
- App downloads and revenue from Google Play increased dramatically over the past year
 - Markets such as **Brazil, Russia, Mexico, Turkey and Indonesia** are driving growth in app downloads from Google Play
 - Google Play is experiencing rapid expansion of monetization in established markets such as **Japan, the United States and South Korea**
- Games played a major role in the acceleration of Google Play revenue growth, but almost all app categories experienced expansion
 - **Games** accounted for **almost 90% of revenue** in Q1 2014
- The **freemium business model** advanced its domination of Google Play app revenue, and represents a growing proportion of downloads
 - Asian markets lead the way in generating freemium revenue

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Thank you.

