



FOR IMMEDIATE RELEASE:

NIKO PARTNERS RELEASES 2010 ANNUAL REVIEW & FIVE-YEAR FORECAST REPORT ON CHINA'S VIDEO GAME INDUSTRY

China Could Realize 100 Million New Gamers Over the Next 2-3 Years, Driven by Social Networking Games, MMOs and Casual Games

SAN JOSE, Calif. – April 28, 2010 – Niko Partners, the leading market intelligence firm on China's video game industry, today reiterated the vibrancy of China's video game industry, based on findings from its newly published 2010 Chinese Video Game industry Annual Review & Five-Year Forecast report, following Niko's recent forecast of \$4.52 billion in online games revenue in 2010. In the report, Niko confirms strong demand for digitally downloaded PC offline games as well as consoles and handhelds, in spite of piracy and the regulation that bans consoles. Niko calculated that total Chinese game software and services revenue, including PC offline, console, handheld, and (primarily) online games, reached \$4.61 billion in 2009, up 28 percent from 2008. The 2010 Annual Review & Forecast report is available now for \$8,000, and a subset version focused on online games, the 2010 Chinese Online Games Market Review & Forecast report, is available for \$5,000.

"Niko forecasts that by the end of this year 93 million Chinese gamers will play a mix of PC online, offline, console and handheld games, yet only the online segment generates legitimate revenue," said Lisa Cosmas Hanson, managing partner of Niko Partners. "Many drivers will push China's game market growth, particularly online games, to higher heights each year through our 5-year forecast period, and we anticipate a surge in new gamers – possibly as many as 100 million more - over the next few years."

Key insights in the report about China's video game industry include:

- Chinese consumers are entering the online game market at a rapid pace thanks to casual games such as social networking service (SNS) games and other growth drivers.
- China's 165,000 Internet cafés are used for social entertainment and competition as home PC penetration rises and gamers spend more time gaming at home.
- Chinese console gamers have eschewed previous generation consoles in favor of the Xbox 360, Wii and PlayStation 3.

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- The regulatory landscape continues to be burdensome for game companies.

The *2010 Annual Review & Five-Year Forecast Report on China's Video Game Industry* by Niko Partners is a thorough review and forecast of the 2009-2014 PC online, PC offline, casual games, social networking games, console, handheld games and hardware market. Based on 70,000 points of data collected by Niko Partners in 10 Chinese cities in February and March 2010, the study provides the largest and most comprehensive information published on the market overview, gamers, Internet cafés, regulations, online game operators, online games (including SNS), offline games, mobile games, console and handheld games and hardware, PC hardware, prepaid cards, retail, outsourced development, and important trends in supply and demand. For the first time ever, Niko also offers the *2010 Chinese Online Games Market Annual Review & Five-Year Forecast Report*, which is a trimmed down version and includes only the sections on gamers, online games, prepaid cards, Internet café usage and regulations. To purchase, contact info@nikopartners.com.

ABOUT NIKO PARTNERS

Niko Partners is the leading research firm focused on providing specialized market intelligence on China's video game industry. Founded in 2003, the firm conducts syndicated and custom research studies on Chinese gamers, online games, offline games, consoles, handhelds, regulatory issues, piracy, development, online operators, distribution, and retail. Niko Partners also offers consulting services including focus groups, partnership selection, market opportunity analysis, custom surveys in cities throughout China and customized data analysis. The goal of the research and strategic advisory services is to help understand the market, strategically enter or expand market share, and continue to profitably grow within China. The company is based in Silicon Valley and Shanghai, and its clients include worldwide leaders in game software, hardware, and services, as well as hedge funds, media companies, trade associations, and management consulting firms, all of whom have a vested interest in a thorough understanding of China's video game industry. The company launched *DFC-Niko Emerging Markets* in partnership with DFC Intelligence in February 2010 to extend its expertise and be able to cover 10 additional countries.

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