FEBRUARY 2017

ESSENTIAL

VIDEO GAME NEWS

MARKET - CONSUMPTION - USE

S.E.L.L.
SYNDICAT DES EDITEURS DE LOGICIELS DE LOISIRS

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EDITORIAL

SELL, which has been representing and providing structure to video game publishers in France for over twenty years, aims to deliver the keys to understanding the market, its function and its developments, at a time when gaming and distribution modes are rapidly changing.

With *Essential Video Game News*, the objective is to draw up a complete inventory of the sector, presenting a report of the French market in 2016, the trends which drive the gamers and also the perspectives for development in the coming year.

Video gaming represents the successful digital transformation of entertainment industries. Solidly rooted in artistic creativity and technological innovation, gaming owes its success to the developers, manufacturers, publishers and accessory manufacturers who combine their talents and expertise to offer gamers a multitude of experiences that are ceaselessly renewed and revised. A genuine mass leisure industry, gaming has risen to the position of 2nd cultural industry in France with the objective of quickly becoming the leading market. This pop culture sees its icons go beyond the realm of video gaming. Cinema, cartoons or even derivative products... the richness of this industry is its ability to renew itself and deliver dreams to gamers. Whether on a console, PC or handheld device, the playing fields are continuously growing and meeting.

In 2016, the video game market reached its highest level since the

"IN 2016, THE VIDEO GAME MARKET REACHED ITS HIGHEST LEVEL SINCE THE PEAK OF GENERATION 7."

peak of generation 7 in 2008. All ecosystems combined (console, PC and handheld), the industry translates its dynamic energy into 4% growth and sales of 3.46 billion euros.
The console ecosystem was stable in 2016 and is still generating the major share of the industry's global value (63%). For sales of hardware, software or accessories, the market has definitively embraced the 8th generation and continues to grow. Note that the sales of hardware are slightly down and generation 7 is no longer generating value after the initial peak in 2015 for generation 8 consoles. But 2017 is looking very dynamic for this segment with the rise in strength of new versions launched in 2016, the arrival of new consoles and also the installation of virtual reality which arrived on the market at the end of the year.

Overall, console software is posting 4% growth buoyed by the vitality of the virtual market and 20% of generation 8 sales. Accessories are permanently broadening their ranges and continue to move forward with 6% growth. Prepaid cards, a great example of digital at retail, are enjoying their strongest ever growth and testify to the opportunities in developing modes of consumption and use.
In 2016, PC gaming witnessed an exceptional year with 20% growth buoyed by PC sales, a market where equipment had been completely overhauled thanks to the arrival of new brands in the most dynamic segment of the PC market. This ecosystem represents 29% of the global value of the gaming industry and now exceeds one billion euros. Mobile gaming, which generates 8% of video gaming value in France, continues to grow after a year marked by great popular success stories.

2017 is looking to be an historic year thanks to growth supported by all gaming ecosystems. Exciting new products are expected on the different segments. Different uses and ways of gaming continue to spread, meet and complement each other, offering unequally gaming possibilities. Gamers will never have experienced a better time to play and share.

Julie Chalmette
SELL Chairwoman

Hardware: console

Software: game

Console scope: hardware + software + accessories, physical + virtual

PC gaming scope: hardware + software + accessories, physical + virtual

Handheld scope: handheld video games

CONTENTS

Essential Video Game News is produced by the Union of Video Game Publishers (SELL).
It reflects the market, consumption and use of the French video gaming industry.

NOTE: 2015 had 53 weeks of sales, unlike 2016:
- 2015 goes from week 01-2015 to week 53-2015
- 2016 goes from week 01-2016 to week 52-2016

Sales data in this report includes physical sales and also estimations for the virtual share.

CHAPTER 1

THE FRENCH VIDEO GAME MARKET

2016 MARKET REPORT

SALES FROM THE FRENCH VIDEO GAME MARKET

3.46 BILLION EUROS

HARDWARE MARKET
+ SOFTWARE
(PHYSICAL AND VIRTUAL)
+ ACCESSORIES
+ HANDHELD

+4% MARKET GROWTH

63%

CONSOLE
Ecosystem
Hardware, software and accessories

8%

HANDHELD
Ecosystem

29%

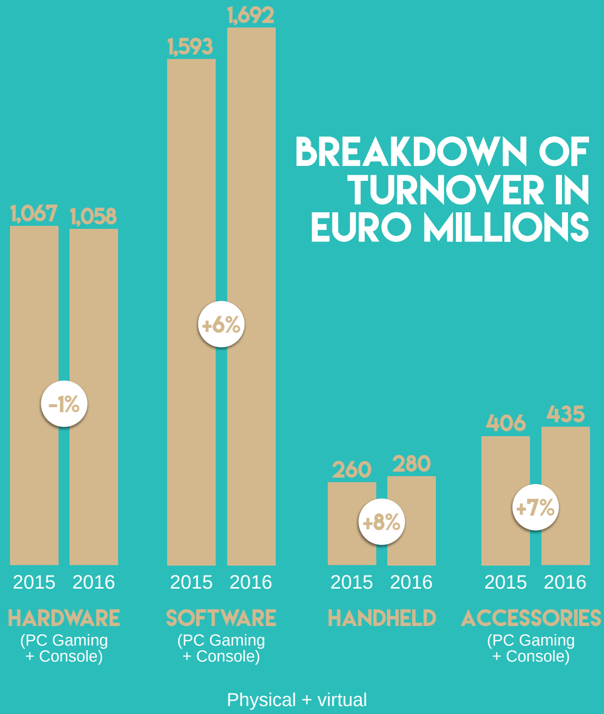
PC GAMING*
Ecosystem
Hardware, software and accessories

***Hardware** *(sales of PCs fitted with high-performance graphics cards)*, **software** *(physical, virtual)* **and accessories** *(mouse, keyboard, screen)* **for PC gaming**

Source: SELL estimation, using GfK panel data at end 2016

CLOSE-UP ON MARKET SEGMENTS

BREAKDOWN OF TURNOVER IN EURO MILLIONS



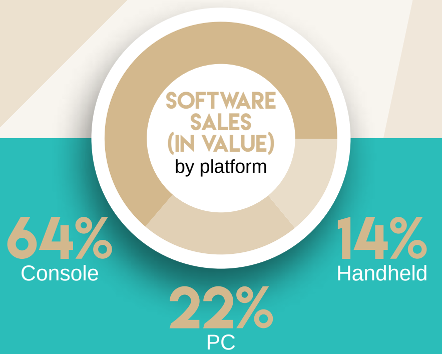
+4%

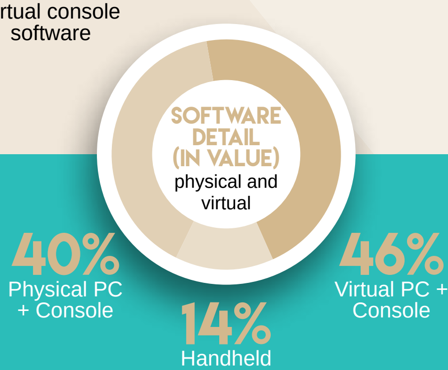
TURNOVER FOR GLOBAL MARKET

[CONSOLES + PC GAMING + HANDHELD (PHYSICAL AND VIRTUAL MARKET)]

Source: SELL estimation, using GfK panel data at end 2016

CLOSE-UP ON MARKET SEGMENTS

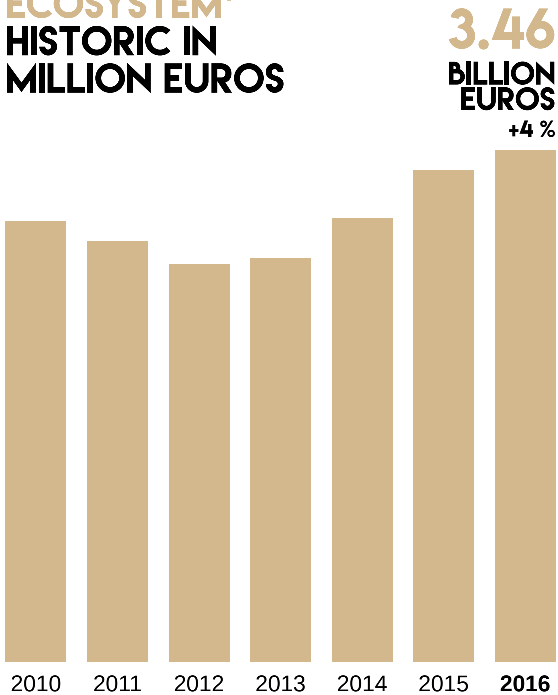




Source: SELL estimation, using GfK panel data at end 2016

DEVELOPMENT IN SALES

TOTAL ECOSYSTEM* HISTORIC IN MILLION EUROS



*Console ecosystem + PC + handheld, physical + virtual

Source: SELL estimation, using GfK panel data at end 2016

CONSOLE ECOSYSTEM

BREAKDOWN OF 2016 TURNOVER IN EURO MILLIONS

28%
600 MILLION
CONSOLE HARDWARE

58%
1,253 MILLION
CONSOLE SOFTWARE
PHYSICAL + VIRTUAL

15%
324 MILLION
CONSOLE ACCESSORIES

Source: SELL estimation, using GfK panel data at end 2016

CONSOLE SCOPE
HARDWARE

ESTABLISHED CONSOLE BASE
7TH AND 8TH GENERATION AT END 2016

39,487,000

HOME CONSOLES

7TH GENERATION
ESTABLISHED BASE
14,951,000
OF **24,500** WHICH WERE SOLD IN 2016

GENERATION 8
ESTABLISHED BASE
5,078,000
OF **1,468,000** WHICH WERE SOLD IN 2016

HANDHELD CONSOLES

7TH GENERATION
ESTABLISHED BASE
14,170,000
OF **7,200** WHICH WERE SOLD IN 2016

GENERATION 8
ESTABLISHED BASE
5,288,000
OF **725,000** WHICH WERE SOLD IN 2016

ESTABLISHED BASE
OF **RETROGAMING** CONSOLES
117,000
OF WHICH **111,000** WERE SOLD IN 2016

ESTABLISHED BASE
OF **OTHER MEDIA**
13,300
OF WHICH **7,800** WERE SOLD IN 2016

IN 2016, FRANCE HAD **28,015,423** HOMES.
52% OF THEM HAVE A GAMES CONSOLE.

NUMBER OF FRENCH HOUSEHOLDS WITH GENERATION 8 CONSOLES	2013	2014	2015	2016
HOME CONSOLES	2.30%	7.10%	12.60%	18%
HANDHELD DEVICES	6.50%	8.30%	9.90%	11%

Source: SELL estimation, using GfK panel data at end 2016

CONSOLE SOFTWARE

TURNOVER 2016

CONSOLE SOFTWARE
PHYSICAL + VIRTUAL

+4%

1,253 MILLION EUROS

CONSOLE SOFTWARE GENERATION 8
PHYSICAL + VIRTUAL

+20%

1,140 MILLION EUROS

Source: SELL estimation, using GfK panel data at end 2016

CONSOLE ACCESSORIES

TURNOVER 2016

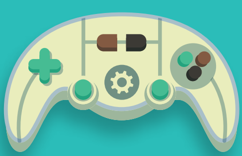
CONSOLE ACCESSORIES

+6%

324 MILLION EUROS

TOP 5 SEGMENTS

01



CONTROLLER

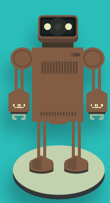
02

PREPAID CARD

03

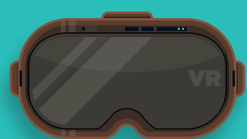
HEADSET

04



GAMING TOY

05



VIRTUAL REALITY

Source: SELL estimation, using GfK panel data at end 2016

A LOOK BACK AT THE GENERATIONS OF CONSOLES

DATE OF RELEASE IN EUROPE

5TH GENERATION

ATARI JAGUAR	AMIGA CD32	3DO	SEGA SATURN	PLAYSTATION	NINTENDO 64	GAME BOY COLOR
1993	September 1993	1994	8th July 1995	9th September 1995	1st March 1997	23rd November 1998

6TH GENERATION

SEGA DREAMCAST	PLAYSTATION 2	GAME BOY ADVANCE	XBOX	GAMECUBE	GAME BOY ADVANCE	SP NOKIA N-GAGE	GAME BOY MICRO
14th October 1999	24th November 2000	22nd March 2001	14th March 2002	3rd May 2002	28th March 2003	1st October 2003	4th November 2005

7TH GENERATION

NINTENDO DS	SONY PSP	XBOX 360	NINTENDO WII	PLAYSTATION 3
11th March 2005	1st September 2005	2nd December 2005	8th December 2006	23rd March 2007

8TH GENERATION

NINTENDO 3DS	PS VITA	NINTENDO WII U	XBOX ONE	PLAYSTATION 4
25th March 2011	25th February 2012	30th November 2012	22nd November 2013	29th November 2013

PC GAMING ECOSYSTEM

BREAKDOWN OF 2016 TURNOVER IN EURO MILLIONS

45%
458 MILLION
PC GAMING

44%
439 MILLION
PC SOFTWARE
PHYSICAL + VIRTUAL

11%
111 MILLION
PC ACCESSORIES

Source: SELL estimation, using GfK panel data at end 2016

PC GAMING HARDWARE

TURNOVER 2016

OFFICE PC
105
MILLION EUROS

HANDHELD PC
353
MILLION EUROS

Source: SELL estimation, using GfK panel data at end 2016

PC GAMING ACCESSORIES

TURNOVER 2016

PC ACCESSORIES
111
MILLION EUROS

TOP 3 SEGMENTS

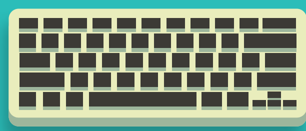
01

GAMER SCREEN

02

GAMER MOUSE

03



GAMER KEYBOARD

Source: SELL estimation, using GfK panel data at end 2016

TOP 20 GAMES IN 2016

ALL PLATFORMS IN VOLUME*

01 FIFA 17
Electronic Arts
1,426,209

02 POKEMON SUN AND MOON
Nintendo
805,390

03 BATTLEFIELD 1
Electronic Arts
509,845

04 CALL OF DUTY: INFINITE WARFARE
Activision Blizzard
465,816

05 GTA V
Take-Two Interactive
452,636

06 UNCHARTED 4: A THIEF'S END
Sony
360,833

07 MINECRAFT
Microsoft
321,357

08 THE DIVISION
Ubisoft
310,386

09 CALL OF DUTY: BLACK OPS III
Activision Blizzard
301,069

10 FIFA 16
Electronic Arts
295,772

11 WATCH DOGS 2
Ubisoft
268,067

12 FAR CRY: PRIMAL
Ubisoft
246,442

13 FINAL FANTASY XV
Square Enix
235,822

14 OVERWATCH ORIGINS
Activision Blizzard
234,755

15 YO-KAI WATCH
Nintendo
222,218

16 JUST DANCE 2017
Ubisoft
216,176

17 MAFIA III
Take-Two Interactive
170,109

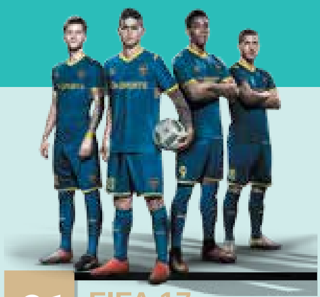
18 RAINBOW SIX SIEGE
Ubisoft
166,576

19 FARMING SIMULATOR 17
Focus Home Interactive
159,161

20 LEGO MARVEL'S AVENGERS
Warner Bros. Interactive Entertainment
154,311

*Physical market excluding hard bundle sales
Source: GfK 2016 panel data

TOP 20 GAMES FOR 2016
ALL PLATFORMS
IN VALUE*



01 FIFA 17
Electronic Arts
83,972,806

02 POKEMON SUN AND MOON
Nintendo
31,283,621

03 BATTLEFIELD 1
Electronic Arts
29,814,388

04 CALL OF DUTY: INFINITE WARFARE
Activision Blizzard
29,457,792

05 UNCHARTED 4: A THIEF'S END
Sony
22,960,502

06 GTA V
Take-Two Interactive
22,831,351

07 THE DIVISION
Ubisoft
18,968,971

08 WATCH DOGS 2
Ubisoft
15,274,249

09 CALL OF DUTY: BLACK OPS III
Activision Blizzard
15,115,335

10 FIFA 16
Electronic Arts
14,399,081

11 FAR CRY: PRIMAL
Ubisoft
14,108,779

12 OVERWATCH ORIGINS
Activision Blizzard
13,910,870

13 FINAL FANTASY XV
Square Enix
13,865,625

14 MAFIA III
Take-Two Interactive
9,561,731

15 RAINBOW SIX SIEGE
Ubisoft
8,278,714

16 JUST DANCE 2017
Ubisoft
8,049,967

17 YO-KAI WATCH
Nintendo
8,047,249

18 MINECRAFT
Microsoft
7,979,579

19 NARUTO SHIPPŪDEN : ULTIMATE NINJA STORM 4
Bandai Namco Games
7,584,588

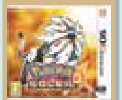
20 NBA 2K17
Take-Two Interactive
7,409,454

*Physical market
Source: GfK 2016 panel data

TOP 20 GAMES FOR 2016
BY PLATFORM IN VOLUME*

1

FIFA 17
PS4 / Electronic Arts
971,583

2

POKEMON SUN
3DS / Nintendo
398,792

3

BATTLEFIELD 1
PS4 / Electronic Arts
363,839

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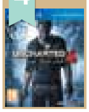
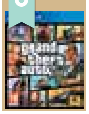
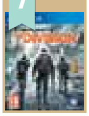
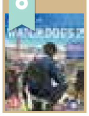

UNCHARTED 4: A THIEF'S END
PS4 / Sony
345,501

5

POKEMON MOON
3DS / Nintendo
330,874

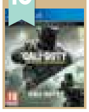
6

GTA V
PS4 / Take-Two Interactive
294,433

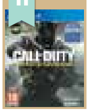
7

THE DIVISION
PS4 / Ubisoft
209,391

8

WATCH DOGS 2
PS4 / Ubisoft
206,533

9

YO-KAI WATCH
3DS / Nintendo
177,087

10

CALL OF DUTY: INFINITE WARFARE LEGACY EDITION
PS4 / Activision Blizzard
176,502

11

CALL OF DUTY: INFINITE WARFARE
PS4 / Activision Blizzard
174,474

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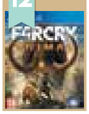
FAR CRY: PRIMAL
PS4 / Ubisoft
171,560

13

CALL OF DUTY: BLACK OPS III
PS4 / Activision Blizzard
170,893

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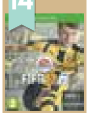
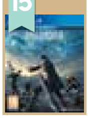
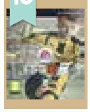
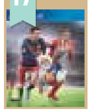

FIFA 17
Xbox One / Electronic Arts
169,087

15

FINAL FANTASY XV
PS4 / Square Enix
167,774

16

FIFA 17
PS4 / Electronic Arts
156,343

17

FIFA 16
PS4 / Electronic Arts
151,117

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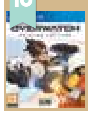

OVERWATCH: ORIGINS EDITION
PS4 / Activision Blizzard
140,871

19

JUST DANCE 2017
Wii / Ubisoft
132,905

20

MAFIA III
PS4 / Take-Two Interactive
129,242

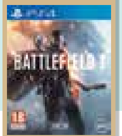
*Physical market

Source: GfK 2016 panel data

TOP 20 GAMES FOR 2016
BY PLATFORM IN VALUE*

1

FIFA 17
PS4 / Electronic Arts
57,225,303

2

BATTLEFIELD 1
PS4 / Electronic Arts
21,568,531

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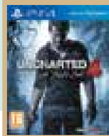
UNCHARTED 4: A THIEF'S END
PS4 / Sony
21,487,918

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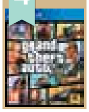
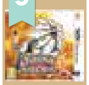
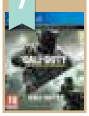
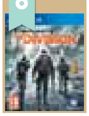

GTA V
PS4 / Take-Two Interactive
16,300,054

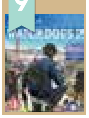
5

POKEMON SUN
3DS / Nintendo
15,327,646

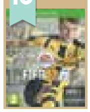
6

POKEMON MOON
3DS / Nintendo
12,593,970

7

CALL OF DUTY: INFINITE WARFARE
LEGACY EDITION
PS4 / Activision Blizzard
12,514,385

8

THE DIVISION
PS4 / Ubisoft
12,470,837

9

WATCH DOGS 2
PS4 / Ubisoft
11,344,210

10

FIFA 17
Xbox One / Electronic Arts
9,995,736

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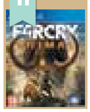
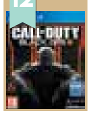
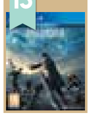
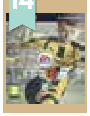

FAR CRY 4: PRIMAL
PS4 / Ubisoft
9,789,623

12

CALL OF DUTY: BLACK OPS III
PS4 / Activision Blizzard
9,509,028

13

FINAL FANTASY XV
PS4 / Square Enix
9,221,075

14

FIFA 17
PS4 / Electronic Arts
8,914,589

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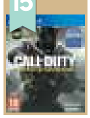
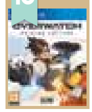
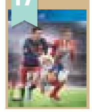
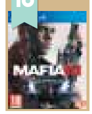

CALL OF DUTY: INFINITE WARFARE
PS4 / Activision Blizzard
8,537,860

16

OVERWATCH: ORIGINS EDITION
PS4 / Activision Blizzard
8,385,048

17

FIFA 16
PS4 / Electronic Arts
8,012,981

18

MAFIA III
PS4 / Take-Two Interactive
7,182,326

19

YO-KAI WATCH
3DS / Nintendo
6,488,558

20

BATTLEFIELD 1
Xbox One / Electronic Arts
6,360,991

*Physical market

Source: GfK 2016 panel data

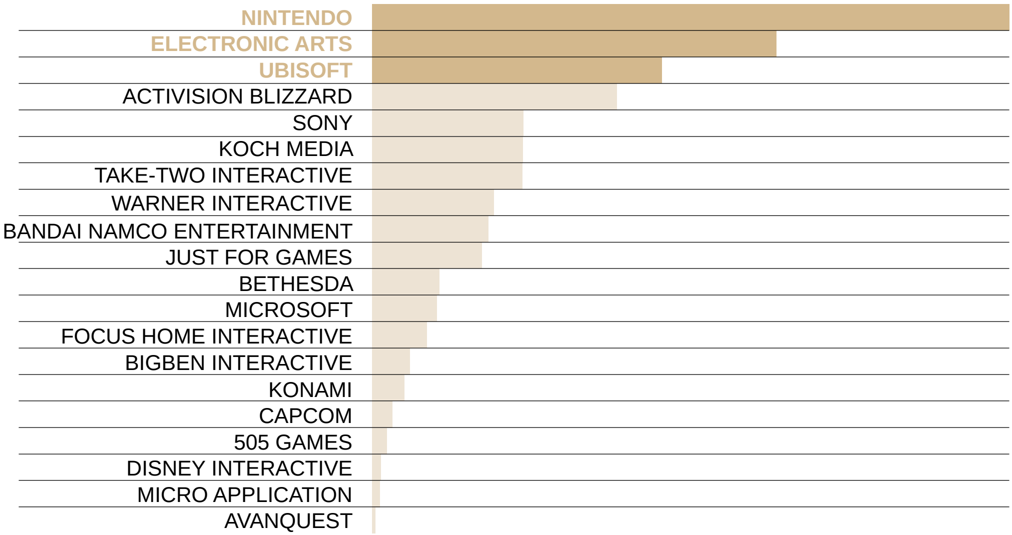
TOP 10 TYPES OF VIDEO GAMES BOUGHT IN 2016 IN VOLUME*

ACTION / ADVENTURE	4,865,263
FPS / SHOOTING GAME	3,186,627
ROLE-PLAYING	2,972,501
SPORTS	2,679,827
RACING	1,052,099
MULTIMEDIA	991,518
MUSICAL GAMES	831,710
STRATEGY	830,246
COMBAT	618,777
MULTIPLAYER	390,028

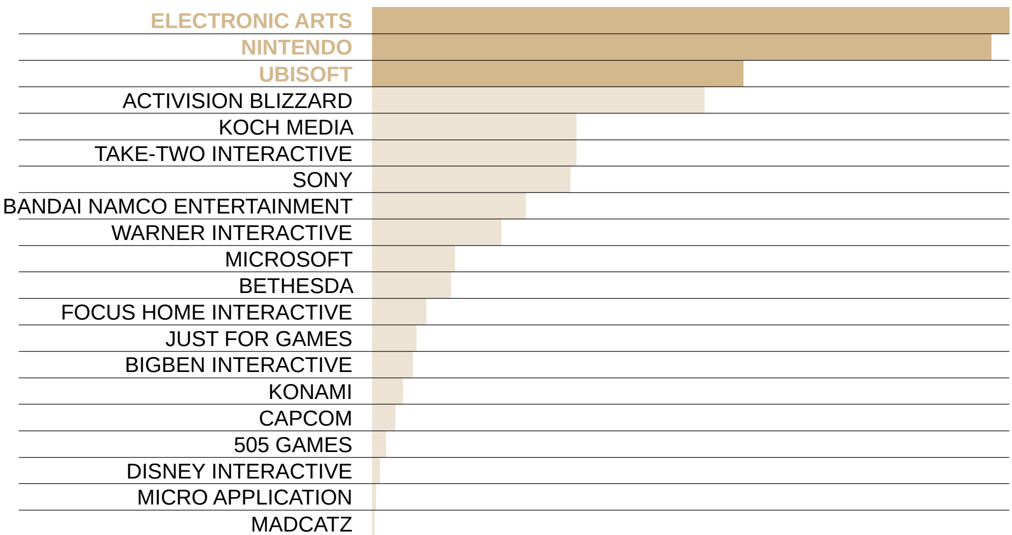
*Physical market
Source: GfK 2016 panel data

TOP 20
DEVELOPERS IN 2016

IN VOLUME



IN VALUE



*Physical market

Source: GfK 2016 panel data

SUMMARY OF 2016

4%

GROWTH

(GLOBAL VIDEO GAMING MARKET)

BUOYED BY

3 ECOSYSTEMS

PC GAMING

The PC Gaming market achieved an **historic comeback** in 2016 and now exceeds one billion euros.

Sales of PC Gaming enjoyed **growth of**

30%

CONSOLE

The console ecosystem generates

63%

value for the video game industry

The console market has definitively embraced the 8th generation:

2016 marked the arrival of new versions of generation 8 consoles which will, over the coming months, gain in strength.

Sales of generation 8 games are growing by 20%.

Accessories are experiencing their third consecutive year of growth and benefited from the arrival of virtual reality on the market.

HANDHELD

Handheld gaming **grew by**

8%

In 2016, the handheld market was marked by the success of major licenses.

PERSPECTIVES

2017

AN HISTORIC YEAR FOR VIDEO GAMING IN FRANCE!

The video game market continues to develop and enrich the gamer experience.

The dynamic of the three ecosystems which make up the video game industry in France offers very positive perspectives for 2017 with strong growth expected. New gaming modes are now available on the market and new consoles are announced for the coming months. This richness and vitality create a virtuous circle for hardware, software and accessories for consoles, PC gaming and handheld devices. The unequalled offer for gamers and the development of different gaming modes are slowly making the boundaries between gaming practices disappear; this marks the opening of a new era in video gaming.

IMPROVING RECOGNITION OF ESPORTS IN FRANCE

KEY DATES

SEPTEMBER 2015: SELL proposed an amendment to the framework of the draft Law on the digital republic proposed by Axelle Lemaire and intended to give electronic sports a safe legal framework which can promote growth in the sector. With over 4,000 votes in favour, this amendment went to the head of the queue.

JANUARY 2016: During debates at the National Assembly, Prime Minister Manuel Vallls launched a parliamentary mission under the auspices of the UDI Deputy Rudy Salles and the PS senator Jérôme Durain, intended to promote the development of video gaming competitions in France.

MARCH 2016: Rudy Salles and Jérôme Durain officially submitted their interim report to Axelle Lemaire for the Law to be examined by the Senate.

MAY 2016: the Senate officially recognised eSport and professional gamers.

JUNE 2016: A joint Senate / National Assembly meeting was held to finalise the framework of the text of the digital Law.

JULY 2016: The National Assembly adopted the law.

SEPTEMBER 2016: The Senate unanimously approved the law on the Digital Republic.

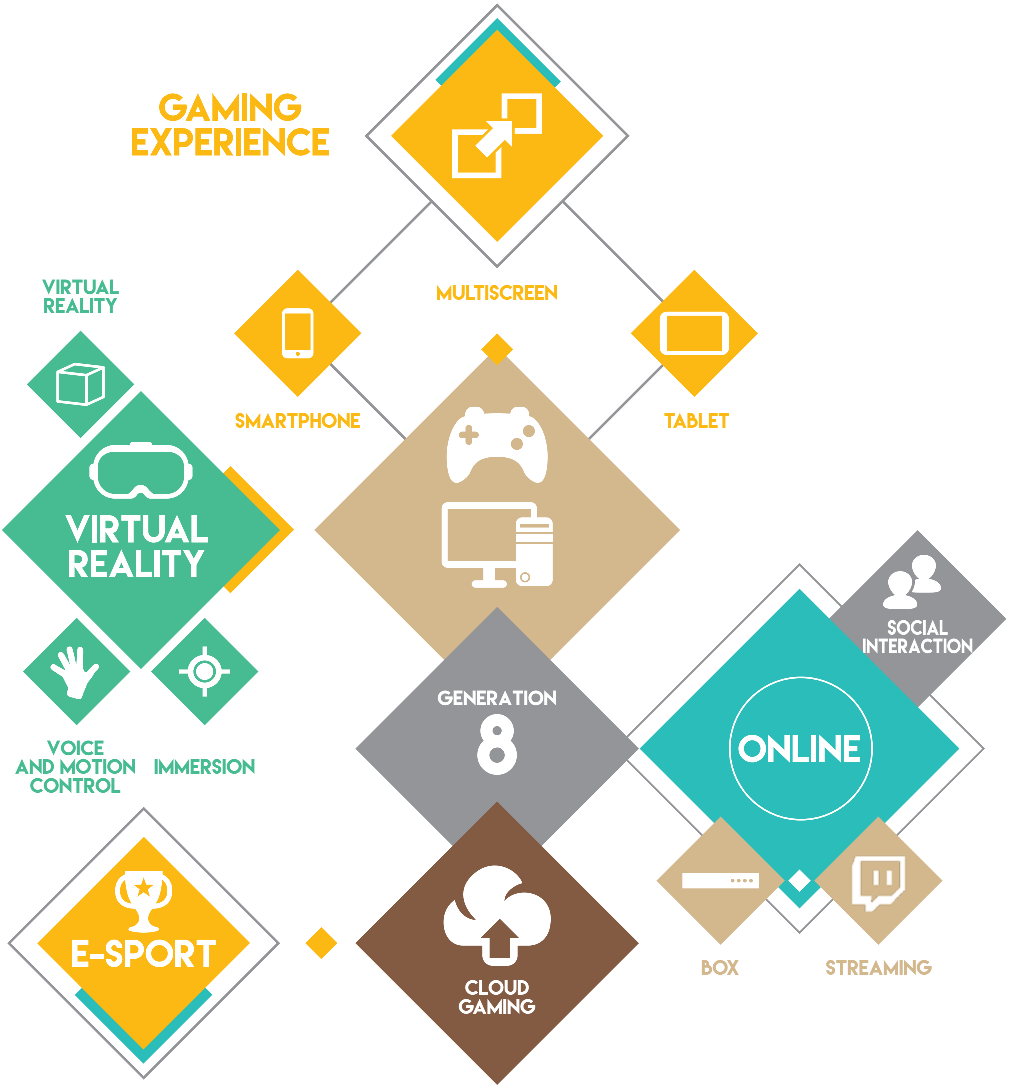
CREATION OF THE "FRANCE ESPORTS" ASSOCIATION: THE FIRST STEP TOWARDS A FEDERATION OF ESPORT AMATEURS AND PROFESSIONALS

The main historical actors in eSport came together to create "France eSports", a non-profit association under Law 1901 which was officially launched on 27th April 2016 by Axelle Lemaire at the Ministry for the Economy. The purpose of the association is to represent the common interests of the businesses, professionals and amateurs in the sector and to promote its development in a context of professionalism and structuring of the practices used in electronic sports.

The 10 founding members include: Association Futurolan, LDLC Event, ESL, Lyon e-Sport, Malorian, O'Gaming TV, OXENT, SELL, SNJV and Webedia. The Association is chaired by Matthieu Dallon (ESWC) and the General Secretary is Stéphan Euthine (LDLC).

TRENDS AND INNOVATIONS

A MARKET IN PERPETUAL CHANGE



CHAPTER 2

CONSUMPTION AND USE

VIDEO GAMING:
A LEISURE ACTIVITY FOR EVERYONE

The history of video gaming in France dates back to the 1980s. The last twenty years have seen the industry and how it is used change dramatically. Today it is the 2nd largest cultural industry behind books. Gaming has slowly become generalised, entering every French home.

2005
29% OF REGULAR GAMERS

2016
52% OF REGULAR GAMERS

In the early 2000s, **only 20%** of the French population said they played video games, a large proportion being men with an average age of **21**. Sixteen years later and one out of every two French people now say they play video games with almost equal sexual parity and an average age that extends way beyond 30.

Source: GfK 2005 Gamers Study and GfK/Sell Study, October 2016

FRENCH PEOPLE AND THEIR HABITS

FRENCH HABITS (hours per week)		GAMER HABITS (hours per week)
28.1	SURF THE WEB + 0.2 hours	28.3
21.4	WATCH TELEVISION - 3.3 hours	18.1
9.1	LISTEN TO THE RADIO + 0.7 hours	8.4
7.5	LISTEN TO MUSIC + 1.5 hours	9
4.3	WATCH VIDEOS (DVD, BR, VOD, STREAMING) + 1.1 hours	5.5
3.8	READ BOOKS + 0.2 hours	3.6
3.7	PLAY ON THE SMARTPHONE AND TABLET + 1.4 hours	5.1
3.5	PLAY ON THE CONSOLE AND PC + 1.5 hours	5
2.6	READ NEWSPAPERS AND JOURNALS + 0 hours	2.6
1.1	GO TO THE CINEMA + 0.2 hours	1.3

Based on 1,002 people aged between 10 and 65, October 2016

VIDEO GAMING: A LEISURE ACTIVITY FOR EVERYONE

52% OF FRENCH PEOPLE PLAY REGULARLY

70% OF FRENCH PEOPLE PLAY AT LEAST OCCASIONALLY

54% OF MEN

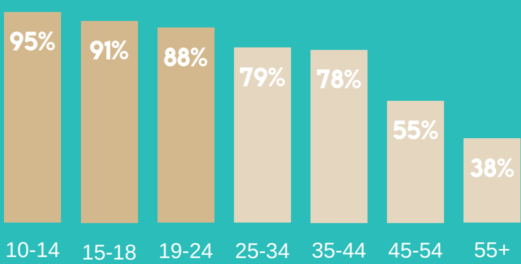
46% OF WOMEN

34 YEARS OLD AVERAGE AGE OF A VIDEO GAMER

35 FOR MEN

32 FOR WOMEN

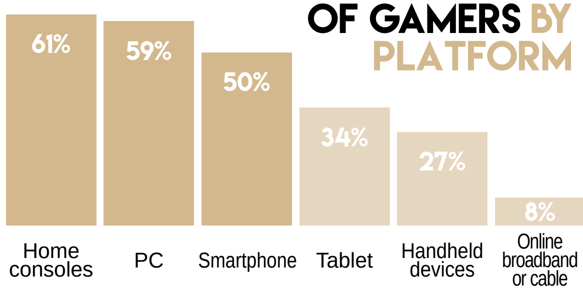
PERCENTAGE OF GAMERS BY AGE GROUP

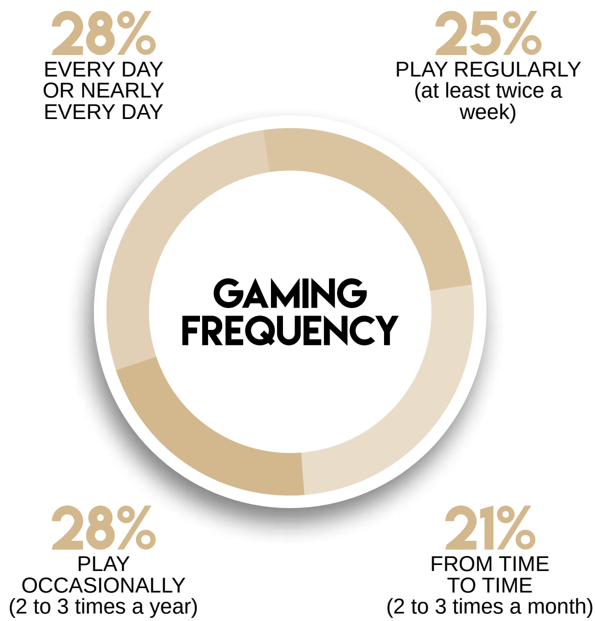


Source: SELL / GFK "The French and Video gaming" survey
Based on 1,002 people aged between 10 and 65, October 2016

HOW PEOPLE PLAY

BREAKDOWN OF GAMERS BY PLATFORM





Source: SELL / GFK "The French and Video gaming" survey
Based on 1,002 people aged between 10 and 65, October 2016

FRENCH PEOPLE AND VIDEO GAMES

56% OF FRENCH PEOPLE THINK THAT VIDEO GAMES ENCOURAGE CHILDREN'S DEVELOPMENT

62% OF FRENCH PEOPLE CONSIDER VIDEO GAMING A POSITIVE ACTIVITY

76% OF FRENCH PEOPLE CONSIDER VIDEO GAMING A LEISURE ACTIVITY FOR THE WHOLE FAMILY

---

1 OUT OF 2 FRENCH PEOPLE SEE GAMING AS A CULTURAL ACTIVITY

Source: SELL / GFK "The French and Video gaming" survey
Based on 1,002 people aged between 10 and 65, October 2016

CHAPTER 3

A RESPONSIBLE INDUSTRY

CREATED IN **2003**	PRESENT IN **38 COUNTRIES**	**OVER 25,000** APPROVED GAMES	FEDERATING **1,300 COMPANIES**

PEGI

PAN EUROPEAN GAME INFORMATION

Since 17th December 2015, the PEGI system has been accredited by the French Home Secretary. The government has made the age and risk rating system mandatory for the video gaming sector.

The PEGI age rating system (Pan European Game Information) gives parents throughout Europe the opportunity to make enlightened decisions before purchasing a video game.

Launched in spring 2003, it has replaced a certain number of national age ratings through a unique system that is now used in most European countries. The system enjoys the support of the leading console manufacturers, including Sony, Microsoft and Nintendo, and also interactive game publishers and developers throughout Europe. From this year, it is also applied to all new apps available from Google Play. The age rating system was created by the ISFE - the Interactive Software Federation of Europe.

PEGI LABELS

THE LABELS

This game contains **bad language.**

This game contains **violent scenes.**

This game contains images which may encourage **discrimination**.

This game may **frighten** young children.

This game refers to the use of **drugs** (including tobacco and alcohol).

This game encourages and/or **teaches gambling**.

This game shows **nudity** and/or sexual behaviour or makes **sexual references**.

This game allows **online gaming** and may therefore allow inappropriate content.

What do the labels mean?

The PEGI labels appear on the front and back of the cover, indicating one of the following age ratings: 3, 7, 12, 16 and 18. They provide a reliable indication of the suitability of the game's content with regard to the protection of minors.

The age rating does not take into account the difficulty of the game or the skills required to play it. The labels above appear on the back of the cover, indicating the main reasons why a game has a specific age rating.

There is an age for everything. There is a video game for every age.

For twenty years, SELL (the Union of Video Game Publishers) has been working with gamers and parents on more responsible video gaming practices. From 2003 and under the impetus of the Interactive Software Federation of Europe, SELL developed a rating system for video game content: the PEGI system. Managed by an independent organisation, the system guarantees comprehensible and precise information, regardless of how much consumers know about video gaming.

A public interest service recognised by the European Commission in 2007 and by the French government in 2014. A decision which formalised ten years of constructive work to offer gamers clear information. As well as the institution and promotion of the PEGI rating system, since 2008 SELL has been supporting and contributing to the PédaGoJeux collective, responsible for providing better explanations to parents, gamers and educators about video games.

On the initiative of all its members, SELL launched a huge national awareness and information campaign about the standardised PEGI rating system for video games created in 2003.

Recognised as a general interest venture by the French government's Information Department, this campaign demonstrates the commitment and values of the video game industry, whose first priority remains responsibility and information for consumers and gamers.

PARENT BEHAVIOUR TOWARDS VIDEO GAMES

88% OF PARENTS ARE CAREFUL ABOUT THEIR CHILD'S GAMING

65% OF FRENCH PEOPLE PLAY VIDEO GAMES WITH THEIR CHILDREN

WHY DO THEY GAME WITH THEM?

48%	11%	38%	59%	19%	39%
because the children ask them to	because they want to	for fun	to share an activity	to check game content	because they like to game

GAMING FREQUENCY OF PARENTS WITH THEIR CHILDREN

17%	9%	39%	19%	16%
regularly	frequently	occasionally	Rarely	Never

Source: SELL / GFK "The French and Video gaming" survey
Based on 1,002 people aged between 10 and 65, October 2016

PEGI ANALYSIS OF THE 2016 OFFER

69%

OF GAMES
RATED PEGI 12 AND BELOW

3 www.pegi.info 7 www.pegi.info 12 www.pegi.info

50%

OF GAMES
RATED PEGI 7 AND BELOW

3 www.pegi.info 7 www.pegi.info

31%

OF GAMES RATED
PEGI 16 AND 18

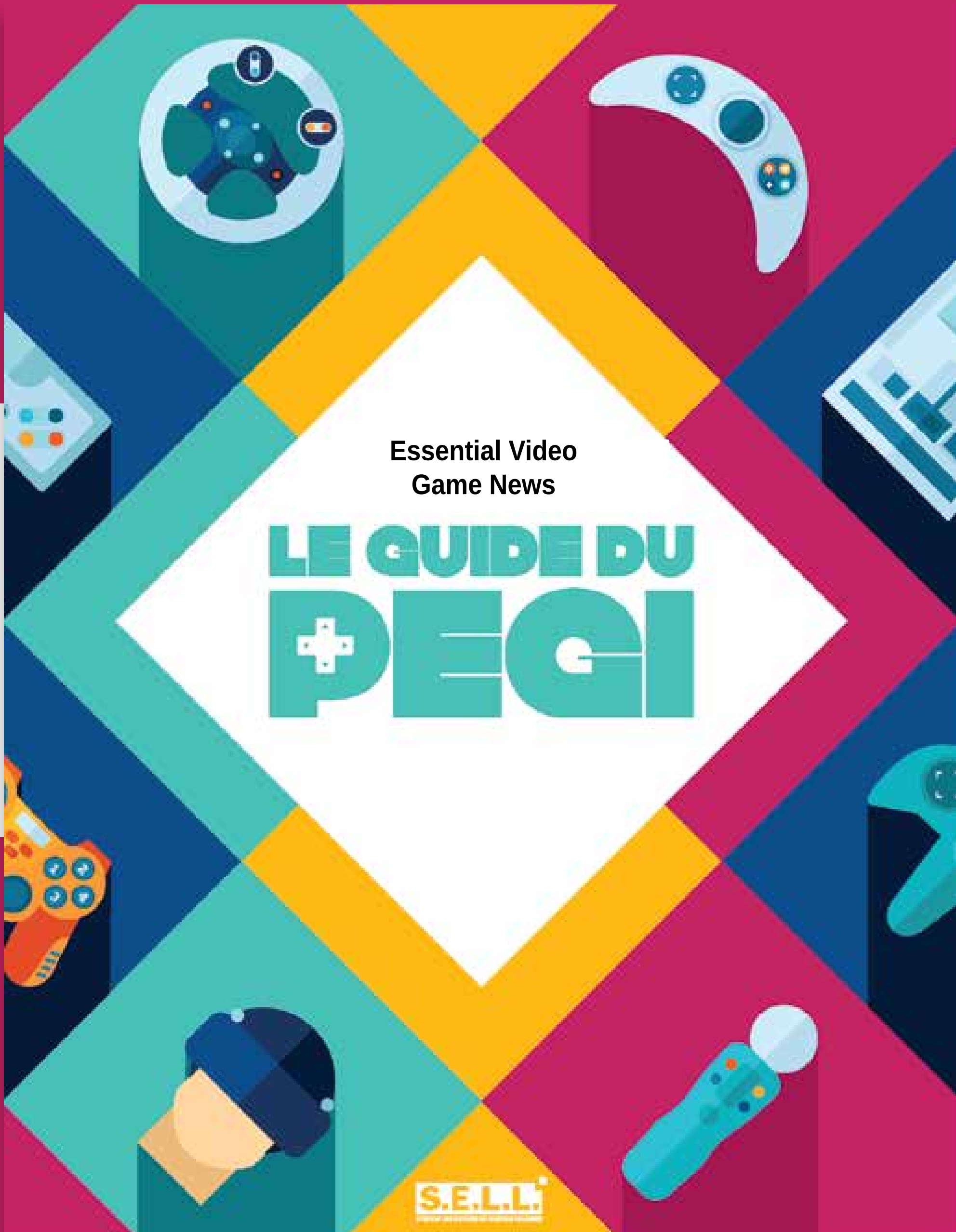
16 www.pegi.info 18 www.pegi.info

*Physical market
Source: GfK 2016 panel data

PEGI SALES ANALYSIS*

MARKET SHARE
IN 2016

*Physical market
Source: GfK 2016 panel data


Essential Video
Game News
LE GUIDE DU
PEGI
S.E.L.L.

Find it on the SELL website: sell.fr

Essential Video Game News - special issue

LE GUIDE DU PEGI

PEDAGOJEUX.FR

THE WEBSITE FOR INFORMATION AND RAISING AWARENESS ABOUT VIDEO GAMES

The PédaGoJeux website guides parents and educators through the complex world of video gaming. On pedagojeux.fr, parents can find all the best practices and keys to understanding how to best support their children in this leisure activity.

Questions about gaming time, sleep, age and game content are major concerns for adults today. PédaGoJeux believes it is essential that parents know and understand the PEGI labels so they can select games suitable to their child's age and sensitivity and adapted to their family values. In the opinion of PédaGoJeux, talking to their children about their gaming experiences and gaming together as a family are also essential.

To extend its scope, PédaGoJeux has been developing a network of educational mediators since 2014, the PédaGoJeux Ambassadors, who are for the most part state or charity entities working in the fields of family awareness and information. In 2014, this programme received the "Défenseur des droits" label at a celebration of the 25th anniversary of the Convention on the Rights of the Child.

In 2015, PédaGoJeux focused more specifically on younger gamers and created PédaGoJeux Junior, a space with content dedicated to 6-12 year olds. With Tralalere (Internet Sans Crainte) and SELL, two of its founding members, PédaGoJeux is involved in the launch of GameCode, a video game design app for 9-14 year-olds. It encourages them to move from consumer to designer and gives them the resources to take a step back and view the game itself more critically in terms of how they game themselves. With GameCode, children will see behind the scenes of how a video game is made and discover programming, developing their digital knowledge and culture.

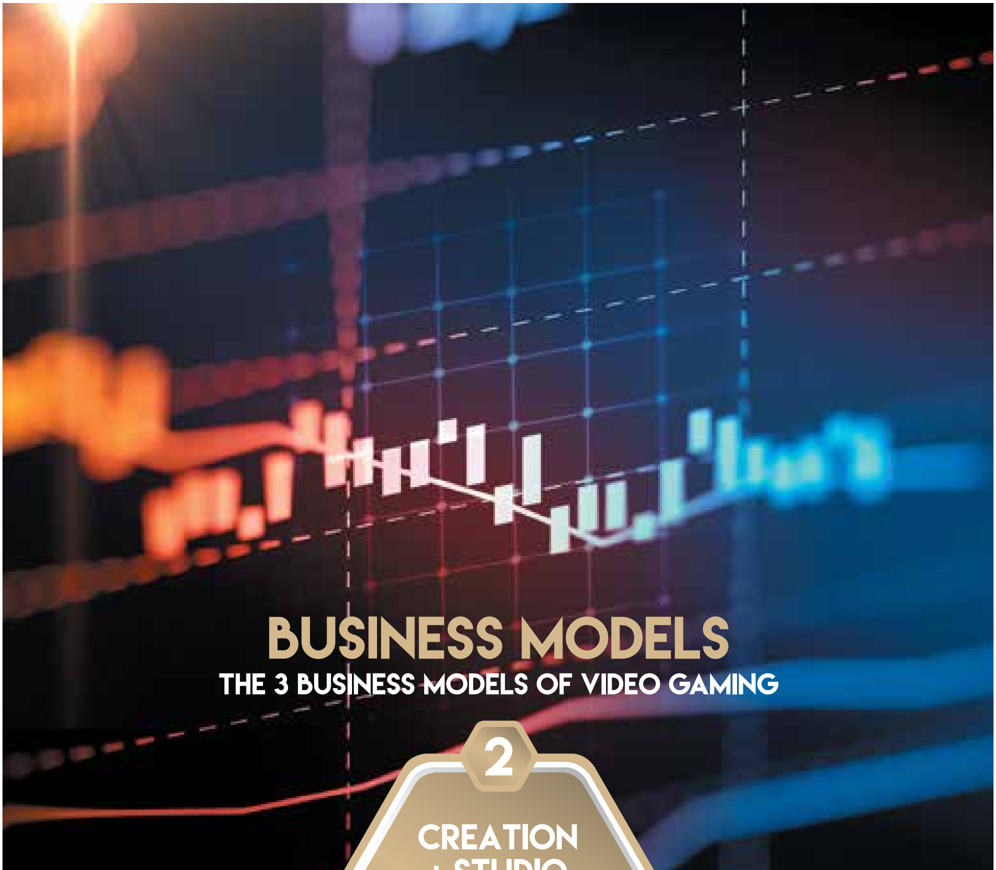
PédaGoJeux is a collective created in 2008 by people from public bodies, the gaming industry and associations.

The current active members of the PédaGoJeux collective are: the National Union of Family Associations (UNAF), Tralalere (Internet Sans Crainte), the Ministry for Family Affairs, Union of Video Game Publishers (SELL), Bayard Jeunesse and JeuxOnLine. The multi-representational organisation of PédaGoJeux ensures a balanced approach to video gaming. Without demonising or venerating gaming, our objective is to present the benefits and advantages of video games and the points of concern.

CHAPTER 4

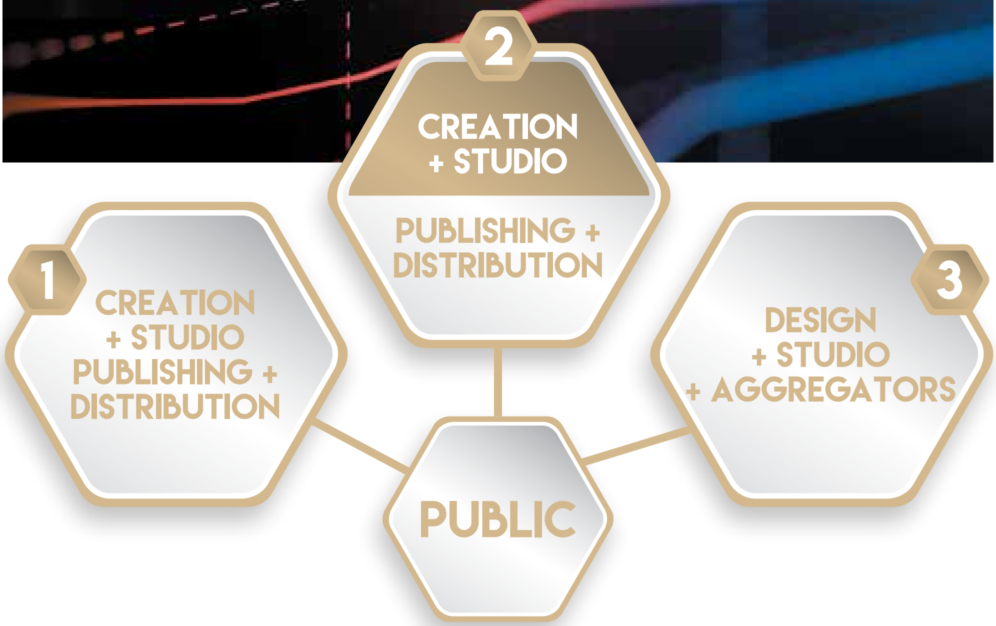
THE VIDEO GAME INDUSTRY

THE VIDEO GAME ECOSYSTEM



BUSINESS MODELS

THE 3 BUSINESS MODELS OF VIDEO GAMING



CHAPTER 5

SELL

THE UNION OF VIDEO GAME PUBLISHERS

THE MISSIONS OF SELL

THE UNION OF VIDEO GAME PUBLISHERS (SELL) WAS FOUNDED IN 1995 BY KEY PLAYERS ON THE VIDEO GAME MARKET. To support the growing video game industry and its accessibility, video game professionals (console manufacturers, game developers, accessory manufacturers, etc.) needed to speak with the same voice. Following the example of the Interactive Software Federation of Europe (ISFE) which defends the interests of the video gaming sector on a European level, SELL immediately became the primary contact for French public institutions, the media and different associations.

In twenty years, SELL has taken many decisive actions to ensure video gaming is recognised as one of France's favourite leisure activities. This success is not solely down to the quality of games sold by SELL members. Aware of their responsibilities to gamers and their friends and families, in 2003 SELL members implemented a simple, complete and independent video game rating system: **PEGI** (Pan European Game Information). SELL expressed the industry's desire to be responsible through the PEGI rating system and through an information resource for parents (**PédaGoJeux**).
Under the presidency of **Jean-Claude Ghinozzi** (Director of the Retail Sales and Marketing Division for Microsoft France) and **Emmanuel Martin** (SELL General Delegate), in 2015 this commitment to society became concrete with the PEGI system's approval from the French Home Secretary as the rating system for video games in France.

SELL's main objective is to promote video games and gaming with the general public, national and European stakeholders and the authorities. For this, SELL organises two shows every year, the Interactive & Digital Entertainment Festival (IDEF) and Paris Games Week (PGW), federating the main operators in the video game sector.

IDEF is a trade fair. Ever year, all of the video game industry comes together there. Over three days, they present industry buyers with gaming trends and new products and services which will create a buzz for the Christmas season. Furthermore, panels, conferences and round tables introduce and explain new usages and new technologies which will move the video game industry forward, an industry which is enjoying constant growth.

Photo: Nicolas Gavet

PUBLIC
- PEGI
- PÉDAGOJEUX
- Fighting piracy

PROFESSIONALS
- Studies
- Information
- Public relations
- IDEF

S.E.L.L.

GAMERS
- PARIS GAMES WEEK
- Info
- News
- Prevention

PUBLIC AUTHORITIES
- Government
- Institutions
- European Union

Paris Games Week is a general public show. Over five days, hundreds of thousands of gamers, their families and friends will play and discover the latest titles, technologies and peripherals for the Christmas season. Even though it is open to all and has events suitable for every audience, Paris Games Week has an area specially designed for younger gamers: Junior PGW. There, children and parents can discover games, accessories and activities designed for a younger audience. PGW is also an opportunity to meet some of the colleges offering courses in video gaming and digital design. Finally, the world's third largest video game show couldn't forget the professionals! Game Connection is a space where industry professionals can meet and discover creations and offers which will hit the headlines in the coming months and years.

SELL also has a vocation to defend the interests of its members and, more generally, all of the video game sector. This includes software developers, console manufacturers, accessory manufacturers and also development studios and colleges offering video game courses.

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Take-Two Interactive

John Parkes
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THE MEMBERS OF SELL

Activision Blizzard

Bandai Namco Entertainment

Bethesda

Bigben Interactive

Capcom

Disney Interactive

Electronic Arts

Focus Home Interactive

Game One

Gravity Europe

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Microsoft

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Orange

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Square Enix

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SYNDICAT DES EDITEURS DE LOGICIELS DE LOISIRS

sell.fr

Julie Chalmette
Chairwoman

Emmanuel Martin
General Delegate
e.martin@sell.fr

Anne-Sophie Montadier
Communication and Marketing Manager
as.montadier@sell.fr