ESSENTIAL VIDEO GAME NEWS

MARKET, CONSUMPTION, USE

JUNE
2016

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

EDITORIAL

Under the auspices of growth and technological innovation.

The 11th edition of the IDEF, the annual trade show for members of the video gaming industry organised by SELL, is an opportunity to present technological innovations and new games which will be published in 2016, as well as to take stock of the market in the middle of the year and to get perspectives for 2016. The profiles of gamers are constantly changing and uses are multiplying. From the massive growth of eSports to virtual and augmented reality, a new era in the history of video gaming is on the horizon. Welcome to IDEF!

Our sector is in perpetual evolution and at the heart of technological innovation. The offering is progressing rapidly, as are the modes of consumption and purchase. This new edition of Video Gaming Essentials will help to decode these evolutions.

It would also seem to be important to take stock of the video gaming market and to offer an accurate analysis of the ecosystems which make it up: consoles, PC gaming and handheld. This new approach will help put these complementary sectors into perspective in that they are comprised of millions of gamers of diverse and varying profiles, and to demonstrate the richness of the gaming experience offered by the industry.

The global video gaming market grew by +4% during the 1st half of 2016, confirming its dynamism and excellent health. At the start of the year we noted strong changes in use and a move towards digital resources that is accelerating, multiplying the ways video games are played, when they are played and the industry's business models. All ecosystems - consoles, PC gaming and handheld - are growing.

More than ever before, video gaming finds itself at the crossroads of culture and technology. Gaming's combination of creativity and innovation continuously pushes the boundaries as the industry stakes its claim on many related sectors. In this way, it is organically maintaining its unique role as a laboratory where increasing numbers of talented people can express themselves. Media, content, technology, practice and experiences develop continuously at a very dynamic pace.

In this post-E3 period, during which end-of-year marketing and sales campaigns are being established, the outlook for our industry is highly positive and the market will grow by at least +3% by the end of 2016.

The arrival of virtual reality, the launch of new platforms and the richness of the catalogue of upcoming games for the end of the year are increasing the dynamism of the market and whetting the appetite of gamers.
A new story is being written with the arrival of virtual reality, offering developers new opportunities limited only by their creativity.

See you in October for the next edition of Essential Video Game News which will be published for Paris Games Week in October 2016.

Jean-Claude Ghinozzi
Chairman of SELL

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.

CHAPTER 1

UNDERSTANDING THE VIDEO GAME MARKET: ESSENTIAL DATA

GAMER NUMBERS DOUBLED IN ONLY 10 YEARS!

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.

PERCENTAGE OF GAMERS IN 2015

AVERAGE AGE OF GAMERS IN 2015

MALE / FEMALE BREAKDOWN IN 2015

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. 15 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 2015 Study

2015 MARKET REPORT

TURNOVER FRANCE

2.87

BILLION EUROS

(PHYSICAL + VIRTUAL MARKETS EXCLUDING HARDWARE AND ACCESSORIES GAMING PC)

+6%

MARKET GROWTH

CONSOLES
+ SOFTWARE
+ ACCESSORIES
+ ONLINE
+ HANDHELD

TOP 3

FRANCE IS IN THE TOP 3 EUROPEAN MARKETS
(along with England and Germany)

1.3 MILLIONS OF UNITS

FIFA 16

1.1 MILLIONS OF UNITS

CALL OF DUTY: BLACK OPS 3

2 VIDEO GAMES BROKE THE BARRIER FOR A MILLION UNITS SOLD IN 2015*

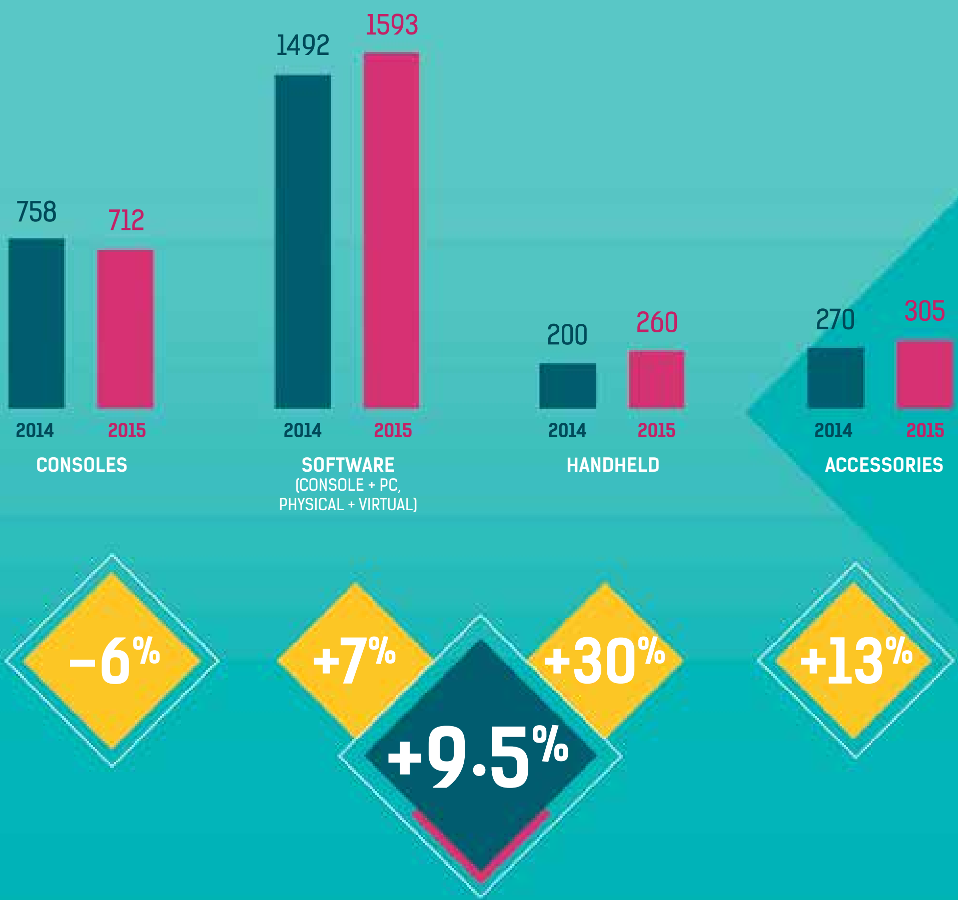
FIFA 16: **1.3 million**
Call Of Duty: Black Ops 3: **1.1 million**

The 2nd most sold cultural product in France in 2015 was video games: FIFA 16

Sources: SELL estimation, using GfK panel data at end 2015

CLOSE-UP: MARKET SEGMENTS 2015

Breakdown of turnover in
millions of Euros

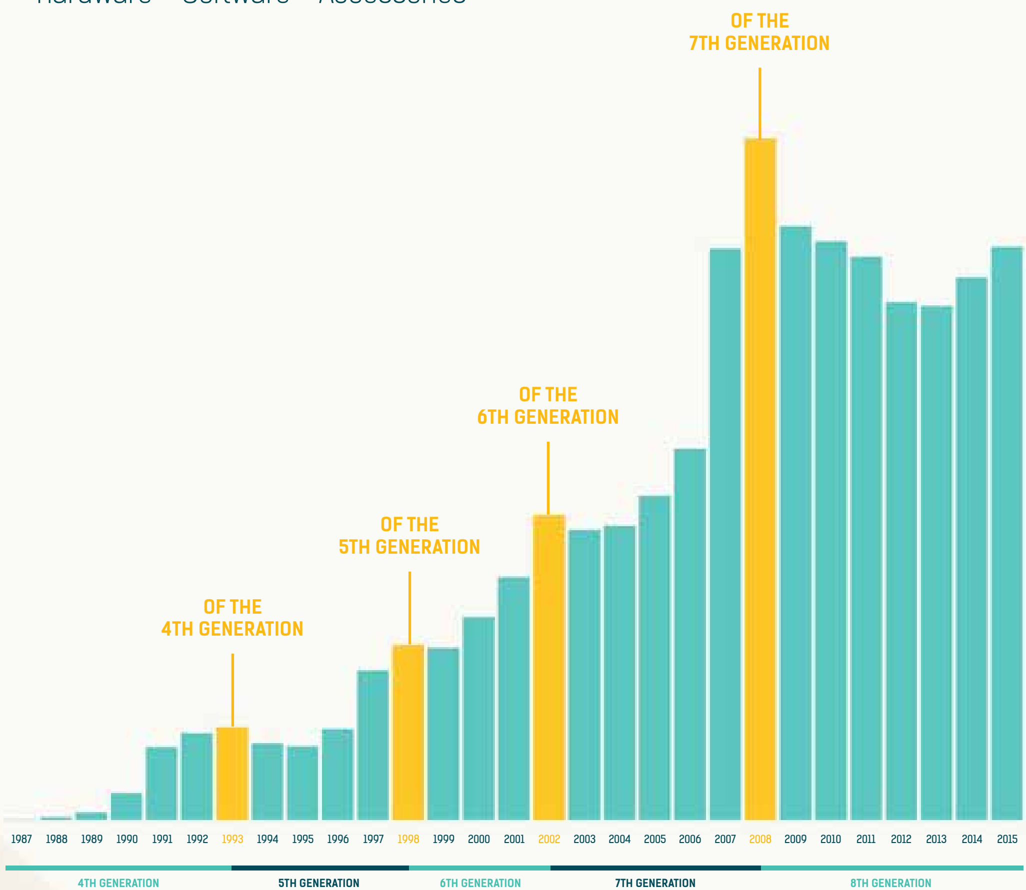


TURNOVER FOR GLOBAL SOFTWARE MARKET
(CONSOLE + PC + MOBILE, PHYSICAL + VIRTUAL)

Sources: SELL estimation, using GfK panel data at end 2015

THE CYCLE OF VIDEO GAMING CONSOLES

Hardware + Software + Accessories



THE VIDEO GAME CONSOLE MARKET OPERATES IN CYCLES.

Sources: SELL estimation, using GfK panel data

20 YEARS OF CONSOLES

5TH GENERATION

1993
Amiga CD32

1993
Atari Jaguar

1994
3DO

1995
Sega Saturn

1995
PlayStation

1997
Nintendo 64

1998
Game Boy Color

6TH GENERATION

1999
Sega Dreamcast

2000
PlayStation 2

2001
Game Boy Advance

2002
Xbox

Source: GfK

20 YEARS OF CONSOLES

2002
GameCube

2003
Game Boy Advance SP

2003
Nokia N-Gage

2005
Game Boy Micro

7TH GENERATION

2005
Nintendo DS

2005
PSP

2005
Xbox 360

2006
Nintendo Wii

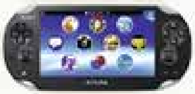
2007
PlayStation 3

Source: GFK

20 YEARS OF CONSOLES

8TH GENERATION

2011
Nintendo 3DS



2012
PS Vita

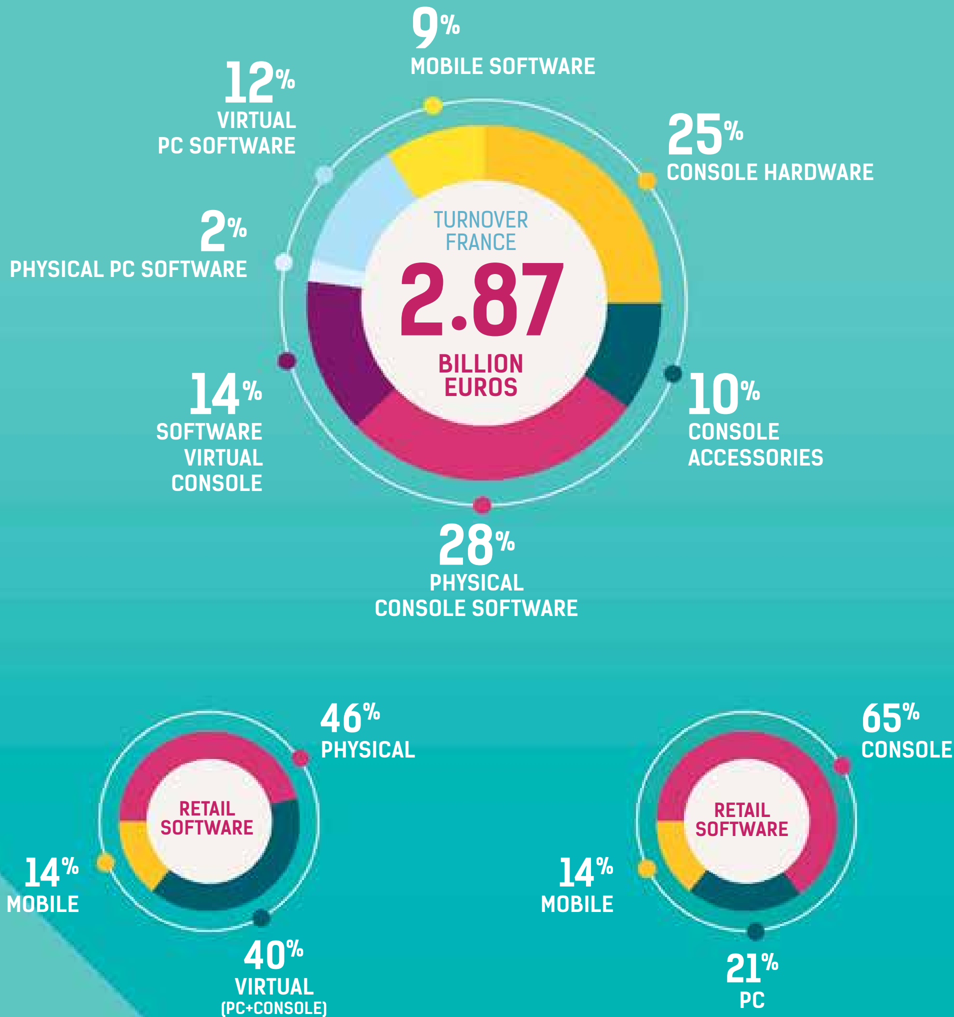
2012
Nintendo Wii U

2013
Xbox One

2013
PlayStation 4

Source: GfK

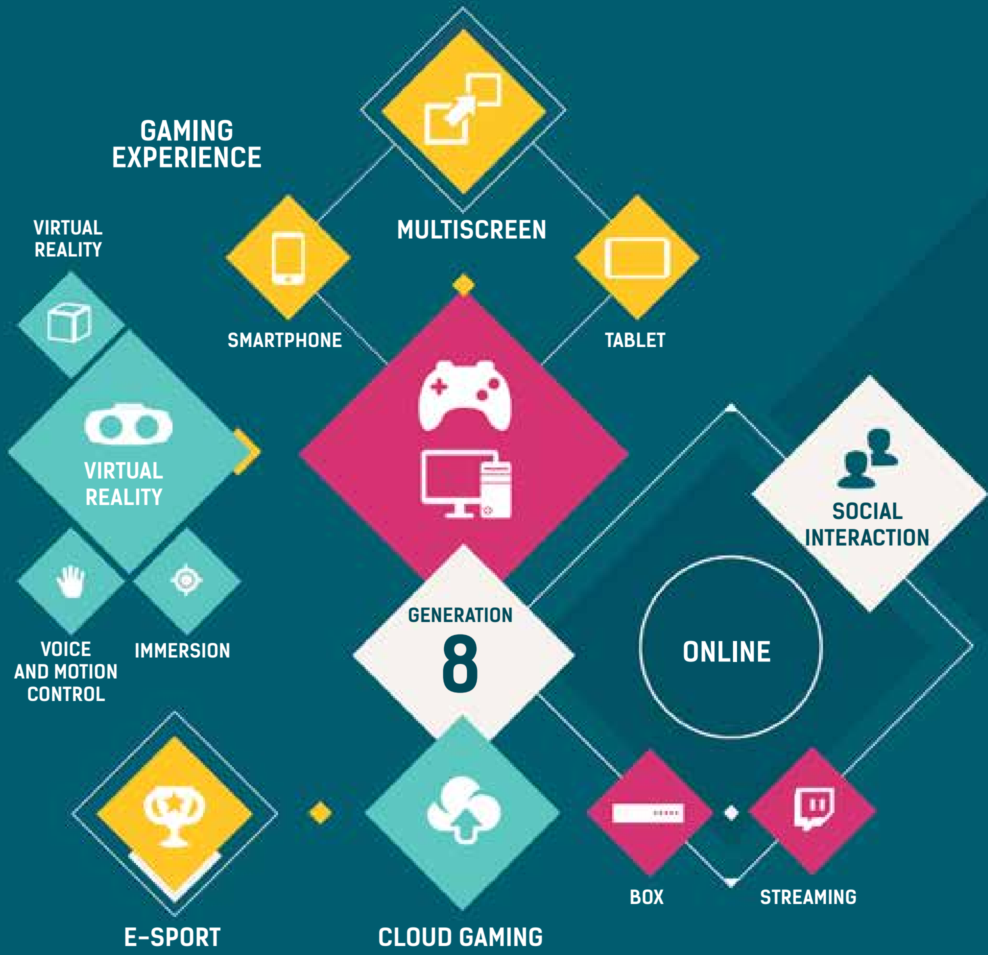
CLOSE-UP: MARKET SEGMENTS 2015



Sources: SELL estimation, using GfK panel data at end 2015

TRENDS AND INNOVATIONS

A market in perpetual change

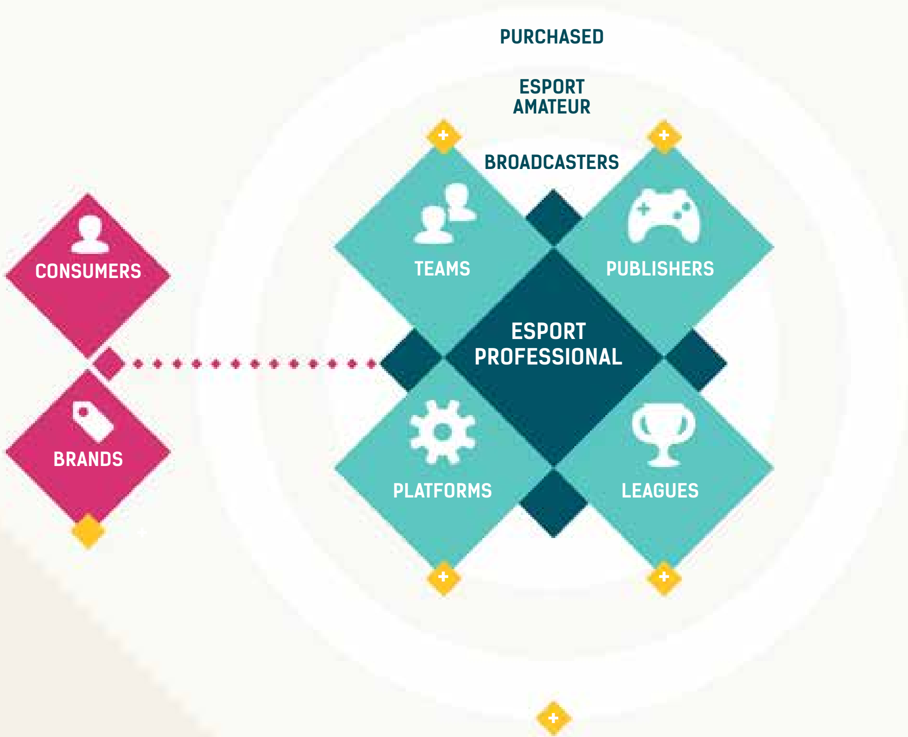


IMPROVING RECOGNITION OF ESPORTS IN FRANCE

Matthieu Dallon

Chairman of France eSports,
CEO of Oxent and founder of the ESWC

ESports or electronic sports refer to any competitive practice involving confrontation, performance and excelling, a digital resource and a video game. Considered a craze for many years, today eSport has transcended the gaming sphere with events hosted in stadia and broadcast live on television. Its cyber-athletes are the new idols of the digital generation.



Credit: L'Equipe / Fabien Mulot

IMPROVING RECOGNITION OF ESPORTS IN FRANCE

SEPTEMBER 2015: SELL proposes 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 4000 votes in favour, this amendment is at the head of the queue.

JANUARY 2016: During debates in 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 competition in France.

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

MAY 2016: the Senate grants official recognition of eSport and professional gamers.

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

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

FRANCE ESPORTS

The main historical actors of eSport come together to create "France eSports", a non-profit association under Law 1901 which was officially launched on 27 April 2016 by Axelle Lemaire at the Ministère de l'Economie. The purpose of the association is to represent the common interests of the economic actors, 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 presided over by Matthieu Dallon, CEO of Oxent, and the General Secretary is Rémy Chanson, a Director of Millenium (Webedia).

CHAPTER 2

THE 2016 FRENCH VIDEO GAME MARKET

TOTAL FOR THE FRENCH VIDEO GAMING MARKET 2016 AT THE END OF WEEK 22

1,140 MILLION EUROS

+4% (IN VALUE)

TOTAL MARKET 2016
(CONSOLES + PC GAMING*, PHYSICAL + DIGITAL)

CONSOLE

690 MILLION EUROS

IN VALUE **+0.4%**

60% OF GAMING TURNOVER

PC GAMING

338 MILLION EUROS

IN VALUE **+11%**

30% OF GAMING TURNOVER

HANDHELD

112 MILLION EUROS

IN VALUE **+8%**

10% OF GAMING TURNOVER

* PC gaming includes: Software (physical/digital) Hardware (sales of PCs fitted with high-performance graphics cards) Accessories (mouse, keyboard, screen) for PC gaming

Sources: SELL estimate, using GfK panel data, W01-W22 2015 vs W01-W22 2016

TOTAL SOFTWARE SALES FOR 2016 AT THE END OF WEEK 22

(console and PC ecosystems)

699 MILLION EUROS

+6% (IN VALUE)

GAME SOFTWARE

(CONSOLE GAMES + PC, PHYSICAL + DIGITAL)

CONSOLE

433 MILLION EUROS

IN VALUE **+8%**

62% OF SOFTWARE TURNOVER

PC GAMING

154 MILLION EUROS

IN VALUE MARKET

22% OF SOFTWARE TURNOVER

HANDHELD

112 MILLION EUROS

IN VALUE **+8%**

16% OF SOFTWARE TURNOVER

Sources: SELL estimate, using GfK panel data, W01-W22 2015 vs W01-W22 2016

CONSOLE ECOSYSTEM

Market Check 2016 at the end of week 22

TOTAL CONSOLE ECOSYSTEM MARKET 2016

End of week 22 (Hardware + Software + Accessories, physical + digital)

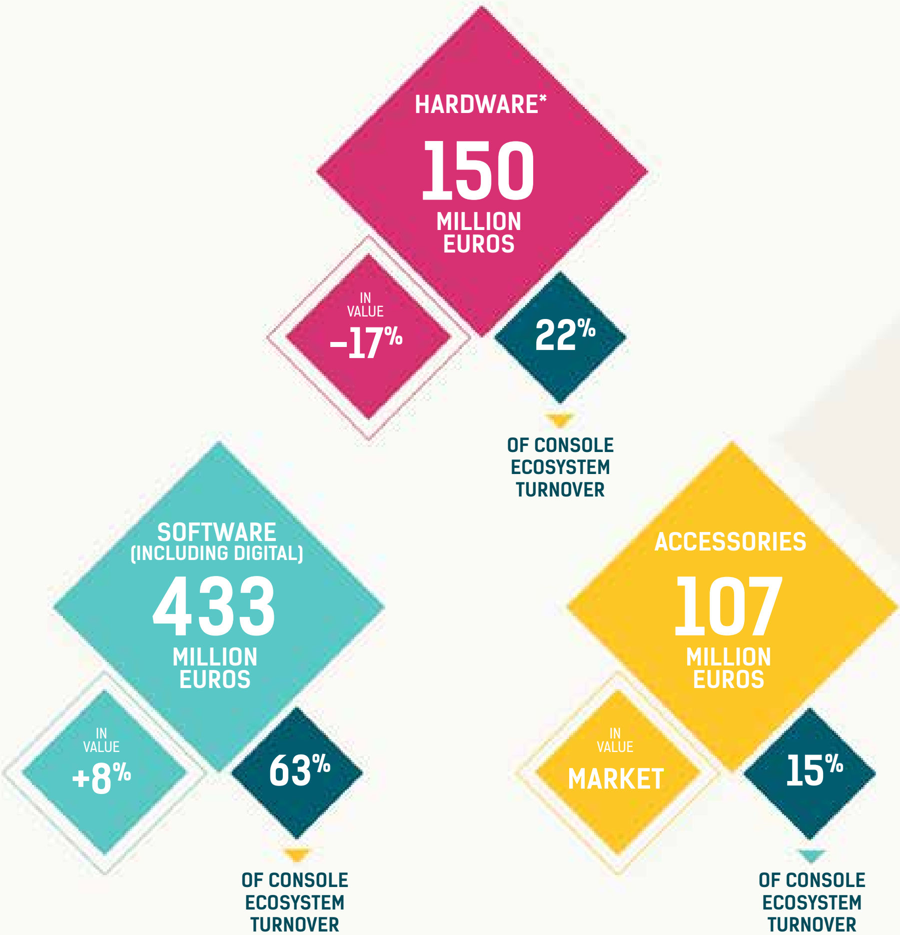
TOTAL CONSOLE ECOSYSTEM MARKET

690 MILLION EUROS

+0.4% IN VALUE

Sources: SELL estimate, using GfK panel data, W01-W22 2015 vs W01-W22 2016

BREAKDOWN OF TURNOVER FOR THE CONSOLE ECOSYSTEM 2016



Sources: SELL estimate, using GfK panel data, W01-W22 2015 vs W01-W22 2016

BASE OF 8TH GENERATION CONSOLES INSTALLED

4 MILLION
AT END OF MAY 2016
HOME CONSOLES

4.7 MILLION
AT END OF MAY 2016
HANDHELD CONSOLES

INSTALLATION OF THE PARK OF GENERATION 8 CONSOLES
(K UNITS)

Sources: GfK Panel data at end May 2016

TOP 20 GAMES CONSOLES 2016

At end of week 22. All platforms included label
Physical market

TOP 20 LABEL BY VOLUME

1	THE DIVISION	UBISOFT
2	UNCHARTED 4: A THIEF'S END	SONY
3	FAR CRY 4: PRIMAL	UBISOFT
4	CALL OF DUTY: BLACK OPS 3	ACTIVISION – BLIZZARD
5	FIFA 16	ELECTRONIC ARTS
6	GTA 5	TAKE-TWO INTERACTIVE
7	MINECRAFT	MICROSOFT
8	NARUTO SHIPPUDEN: ULTIMATE NINJA STORM 4	BANDAI NAMCO ENTERTAINMENT
9	LEGO MARVEL'S AVENGERS	WARNER INTERACTIVE
10	RAINBOW SIX SIEGE	UBISOFT
11	POKEMON MEGA DONJON MYSTERE	NINTENDO
12	RATCHET & CLANK	SONY
13	OVERWATCH ORIGINS EDITION	ACTIVISION – BLIZZARD
14	STAR WARS: BATTLEFRONT	ELECTRONIC ARTS
15	DARK SOULS III	BANDAI NAMCO ENTERTAINMENT
16	NBA 2K16	TAKE-TWO INTERACTIVE
17	FALLOUT 4	BETHESDA
18	THE LEGEND OF ZELDA: TWILIGHT PRINCESS	NINTENDO
19	LA NOUVELLE MAISON DU STYLE 2: REINES DE LA MODE	NINTENDO
20	STREET FIGHTER V	CAPCOM

TOP 20 LABEL BY VALUE

1	THE DIVISION	UBISOFT
2	UNCHARTED 4: A THIEF'S END	SONY
3	FAR CRY 4: PRIMAL	UBISOFT
4	CALL OF DUTY: BLACK OPS 3	ACTIVISION – BLIZZARD
5	FIFA 16	ELECTRONIC ARTS
6	GTA 5	TAKE-TWO INTERACTIVE
7	NARUTO SHIPPUDEN: ULTIMATE NINJA STORM 4	BANDAI NAMCO ENTERTAINMENT
8	RAINBOW SIX SIEGE	UBISOFT
9	LEGO MARVEL'S AVENGERS	WARNER INTERACTIVE
10	OVERWATCH ORIGINS EDITION	ACTIVISION – BLIZZARD
11	DARK SOULS III	BANDAI NAMCO ENTERTAINMENT
12	STAR WARS: BATTLEFRONT	ELECTRONIC ARTS
13	STREET FIGHTER V	CAPCOM
14	EA SPORTS UFC 2	ELECTRONIC ARTS
15	DOOM	BETHESDA
16	THE LEGEND OF ZELDA: TWILIGHT PRINCESS	NINTENDO
17	POKEMON MEGA DONJON MYSTERE	NINTENDO
18	MINECRAFT	MICROSOFT
19	NBA 2K16	TAKE-TWO INTERACTIVE
20	FALLOUT 4	BETHESDA

Sources: GfK Panel data at end of week 22 - 2016

TOP 20 GAMES CONSOLES 2016

At end of week 22. Reference: Physical market

TOP 20 ITEM BY VOLUME

1	UNCHARTED 4: A THIEF'S END – SONY	PS4
2	THE DIVISION – UBISOFT	PS4
3	FAR CRY 4: PRIMAL – UBISOFT	PS4
4	CALL OF DUTY: BLACK OPS 3 – ACTIVISION - BLIZZARD	PS4
5	FIFA 16 – ELECTRONIC ARTS	PS4
6	GTA 5 – TAKE-TWO INTERACTIVE	PS4
7	NARUTO SHIPPUDEN: ULTIMATE NINJA STORM 4 – BANDAI NAMCO ENTERTAINMENT	PS4
8	POKEMON MEGA DONJON MYSTERE – NINTENDO	3DS
9	THE DIVISION – UBISOFT	XBOX ONE
10	RAINBOW SIX SIEGE – UBISOFT	PS4
11	RATCHET & CLANK – SONY	PS4
12	LA NOUVELLE MAISON DU STYLE 2: REINES DE LA MODE – NINTENDO	3DS
13	STREET FIGHTER V – CAPCOM	PS4
14	OVERWATCH ORIGINS EDITION – ACTIVISION - BLIZZARD	PS4
15	FAR CRY 4: PRIMAL – UBISOFT	XBOX ONE
16	FALLOUT 4 – BETHESDA	PS4
17	MINECRAFT – MICROSOFT	PS4
18	YO-KAI WATCH – NINTENDO	3DS
19	EA SPORTS UFC 2 – ELECTRONIC ARTS	PS4
20	FIFA 16 – ELECTRONIC ARTS	PS3

TOP 20 ITEM BY VALUE

1	UNCHARTED 4: A THIEF'S END – SONY	PS4
2	THE DIVISION – UBISOFT	PS4
3	FAR CRY 4: PRIMAL – UBISOFT	PS4
4	CALL OF DUTY: BLACK OPS 3 – ACTIVISION - BLIZZARD	PS4
5	FIFA 16 – ELECTRONIC ARTS	PS4
6	GTA 5 – TAKE-TWO INTERACTIVE	PS4
7	NARUTO SHIPPUDEN: ULTIMATE NINJA STORM 4 – BANDAI NAMCO ENTERTAINMENT	PS4
8	THE DIVISION – UBISOFT	XBOX ONE
9	RAINBOW SIX SIEGE – UBISOFT	PS4
10	STREET FIGHTER V – CAPCOM	PS4
11	OVERWATCH ORIGINS EDITION – ACTIVISION - BLIZZARD	PS4
12	FAR CRY 4: PRIMAL – UBISOFT	XBOX ONE
13	POKEMON MEGA DONJON MYSTERE – NINTENDO	3DS
14	EA SPORTS UFC 2 – ELECTRONIC ARTS	PS4
15	RATCHET & CLANK – SONY	PS4
16	FIFA 16 – ELECTRONIC ARTS	PS3
17	DARK SOULS III – BANDAI NAMCO ENTERTAINMENT	PS4
18	LA NOUVELLE MAISON DU STYLE 2: REINES DE LA MODE – NINTENDO	3DS
19	CALL OF DUTY: BLACK OPS 3 – ACTIVISION - BLIZZARD	XBOX ONE
20	FALLOUT 4 – BETHESDA	PS3

Sources: GfK Panel data at end of week 22 - 2016

CONSOLE ACCESSORIES MARKET 2016

At end of week 22

33 MILLION EUROS

+3% IN VALUE

CONTROLLERS

CONSOLE GAMING: AN EXPERIENCE TO BE SHARED!

30 MILLION EUROS

+23% IN VALUE

DIGITAL AT RETAIL

STRONG INCREASE IN SALES OF CARDS FOR SEVERAL YEARS

Sources: GfK Panel data at end of week 22 - 2016

PC GAMING ECOSYSTEM

Market Check 2016 at the end of week 22

TOTAL CONSOLE ECOSYSTEM MARKET 2016

End of week 22 (Hardware + Software + Accessories, physical + digital)

MARKET TOTAL ECOSYSTEM PC GAMING

338

MILLION EUROS

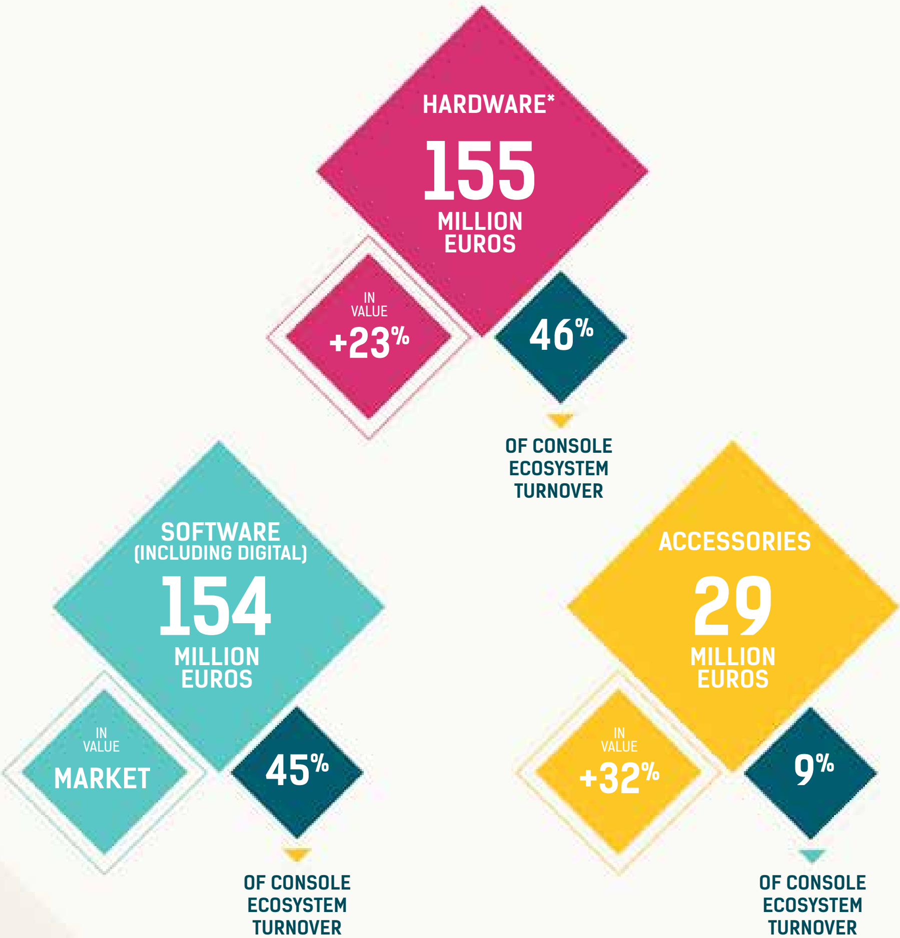
+11.4%

IN VALUE

Sources: SELL estimate, using GfK panel data, W01-W22 2015 vs W01-W22 2016

DISTRIBUTION OF TURNOVER IN THE PC GAMING ECOSYSTEM 2016

At the end of week 22



Sources: SELL estimate, using GfK panel data, W01-W22 2015 vs W01-W22 2016

TOP 20 PC GAMES 2016

At end of week 22. Reference: Physical market

TOP 20 LABEL BY VOLUME

1	SIMS 4	ELECTRONIC ARTS
2	FARMING SIMULATOR 15	FOCUS HOME INTERACTIVE
3	OVERWATCH ORIGINS EDITION	ACTIVISION – BLIZZARD
4	THE DIVISION	UBISOFT
5	RISE OF THE TOMB RAIDER	MICROSOFT
6	FAR CRY PRIMAL	UBISOFT
7	GTA 5	TAKE TWO INTERACTIVE
8	AMERICAN TRUCK SIMULATOR	SCS SOFTWARE
9	CIVILIZATION 5	TAKE TWO INTERACTIVE
10	DIABLO 3	ACTIVISION – BLIZZARD
11	FALLOUT 4	BETHESDA
12	STARWARS : BATTLEFRONT	ELECTRONIC ARTS
13	LES SIMS 4 : VIVRE ENSEMBLE	ELECTRONIC ARTS
14	FOOTBALL MANAGER 2016	SEGA
15	TOTAL WAR: WARHAMMER	SEGA
16	STARCRAFT 2: LEGACY OF THE VOID	ACTIVISION – BLIZZARD
17	THE ELDER SCROLL V: SKYRIM	BETHESDA
18	SIM CITY 5	ELECTRONIC ARTS
19	RAINBOW SIX SIEGE	UBISOFT
20	DOOM	BETHESDA

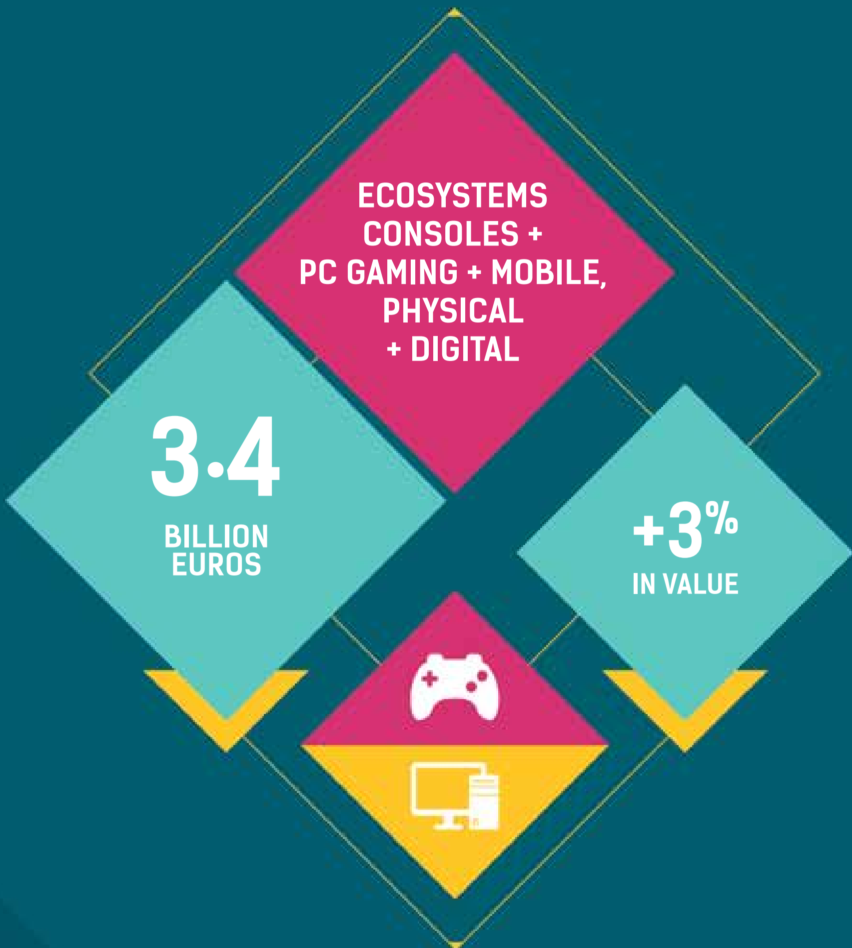
TOP 20 LABEL BY VALUE

1	SIMS 4	ELECTRONIC ARTS
2	OVERWATCH ORIGINS EDITION	ACTIVISION – BLIZZARD
3	THE DIVISION	UBISOFT
4	FAR CRY PRIMAL	UBISOFT
5	FARMING SIMULATOR 15	FOCUS HOME INTERACTIVE
6	RISE OF THE TOMB RAIDER	MICROSOFT
7	GTA 5	TAKE TWO INTERACTIVE
8	STAR WARS: BATTLEFRONT	ELECTRONIC ARTS
9	TOTAL WAR: WARHAMMER	SEGA
10	FALLOUT 4	BETHESDA
11	FOOTBALL MANAGER 2016	SEGA
12	DOOM	ACTIVISION – BLIZZARD
13	DARK SOULS III	BANDAI NAMCO ENTERTAINMENT
14	RAINBOW SIX SIEGE	UBISOFT
15	LES SIMS 4 : VIVRE ENSEMBLE	ELECTRONIC ARTS
16	STARCRAFT 2: LEGACY OF THE VOID	ACTIVISION – BLIZZARD
17	CALL OF DUTY: BLACK OPS 3	ACTIVISION – BLIZZARD
18	XCOM 2	TAKE TWO INTERACTIVE
19	THE WITCHER 3	BANDAI NAMCO ENTERTAINMENT
20	LES SIMS 4: AU TRAVAIL	ELECTRONIC ARTS

Sources: GfK Panel data at end of week 22 - 2016

FORECASTS FOR THE FRENCH VIDEO GAME INDUSTRY

End of 2016



Sources: SELL estimate, using GfK panel data,

MARKET PERSPECTIVES 2016

End of 2016

PC GAMING (INCLUDING DIGITAL)

+6% IN VALUE

847 MILLION EUROS

HARDWARE*

383 MILLION EUROS

IN VALUE +8%

45% OF CONSOLE ECOSYSTEM TURNOVER

SOFTWARE* (INCLUDING DIGITAL)

385 MILLION EUROS

IN VALUE MARKET

46% OF CONSOLE ECOSYSTEM TURNOVER

ACCESSORIES*

79 MILLION EUROS

IN VALUE +34%

9% OF CONSOLE ECOSYSTEM TURNOVER

CONSOLE ECOSYSTEM

+2% IN VALUE

2.259 MILLION EUROS

HARDWARE*

652 MILLION EUROS

IN VALUE –8%

29% OF CONSOLE ECOSYSTEM TURNOVER

SOFTWARE* (INCLUDING DIGITAL)

1.298 MILLION EUROS

IN VALUE +8%

57% OF CONSOLE ECOSYSTEM TURNOVER

ACCESSORIES*

310 MILLION EUROS

IN VALUE +2%

14% OF CONSOLE ECOSYSTEM TURNOVER

* PC gaming includes: Software (physical/digital) Hardware (sales of PCs fitted with high-performance graphics cards) Accessories (mouse, keyboard, screen) for PC gaming

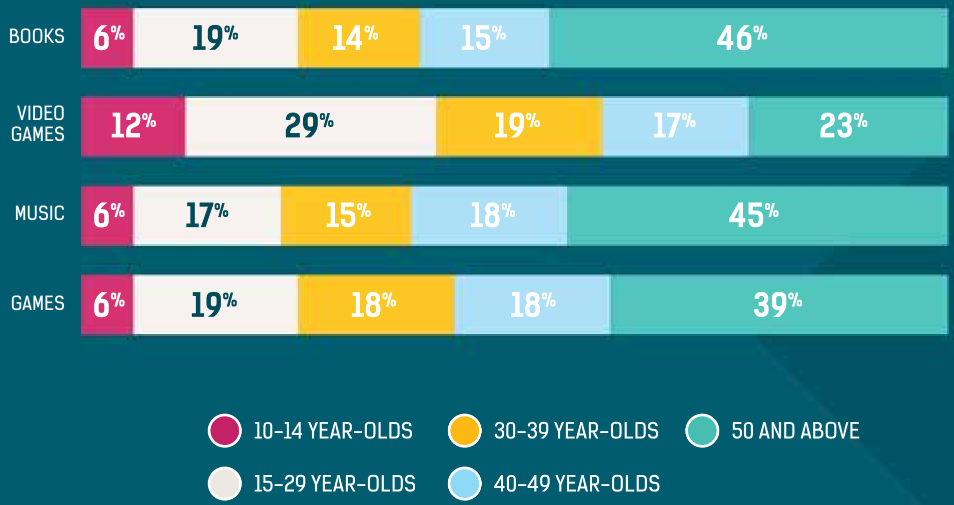
Sources : estimation GFK,/ Digital: SELL estimate

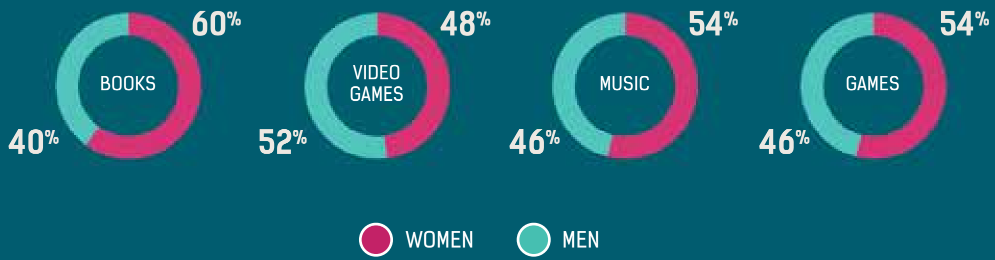
CHAPTER 3

BUYING HABITS IN FRANCE

BUYERS OF CULTURAL GOODS IN FRANCE IN 2015

As a percentage of buyers



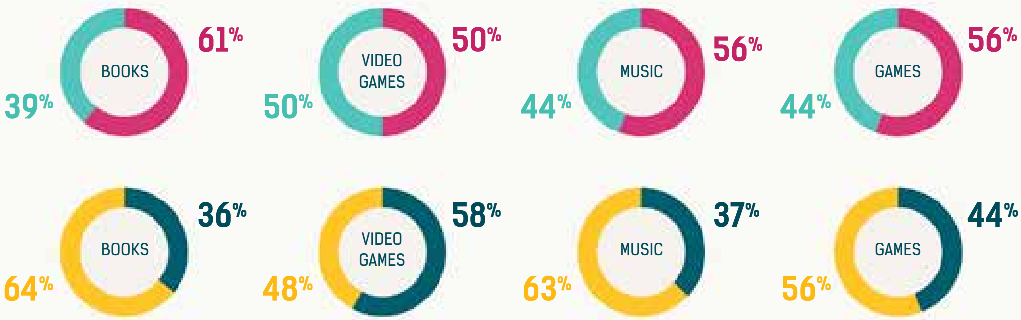


Source: GFK – ENTERTAINMENT consumer panel

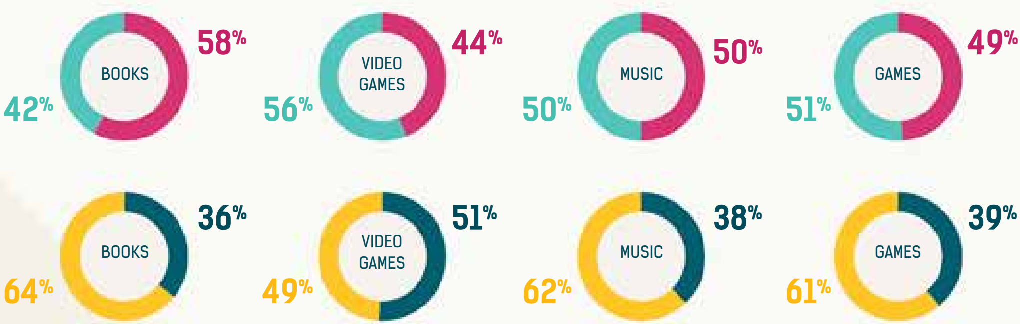
BUYERS ON INTERNET / IN STORES IN 2015

As a percentage of buyers

PURCHASES IN STORES



INTERNET PURCHASES

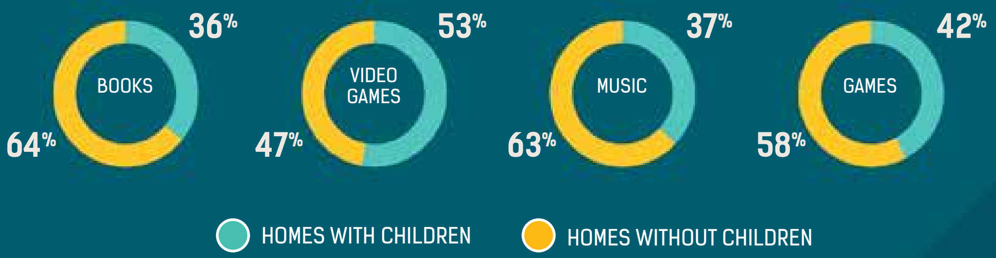


WOMEN MEN HOMES WITH CHILDREN HOMES WITHOUT CHILDREN

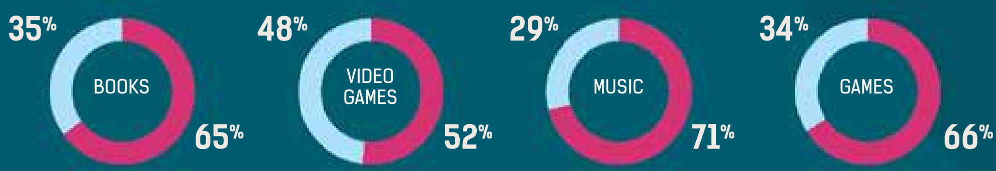
Source: GFK – ENTERTAINMENT consumer panel

THE GAME: A GIFT / ROLES OF PARENTS

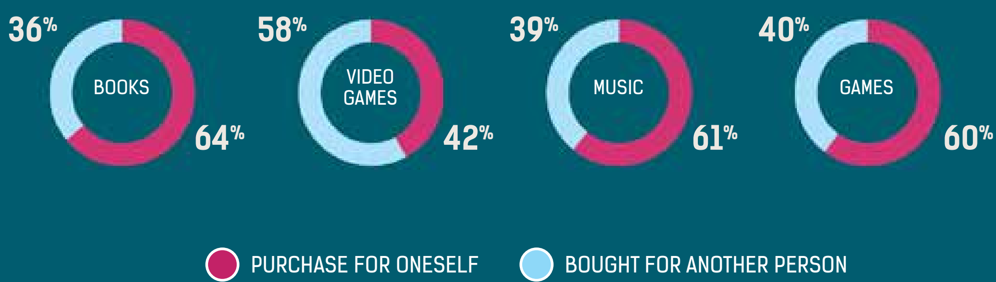
As a percentage of buyers



INTERNET PURCHASES (MARKET SHARE AS % OF SPENDING)



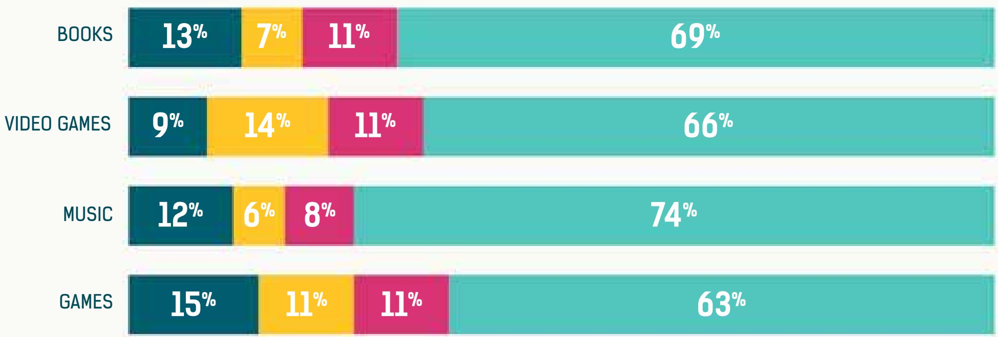
IN-STORE PURCHASES (MARKET SHARE AS % OF SPENDING)



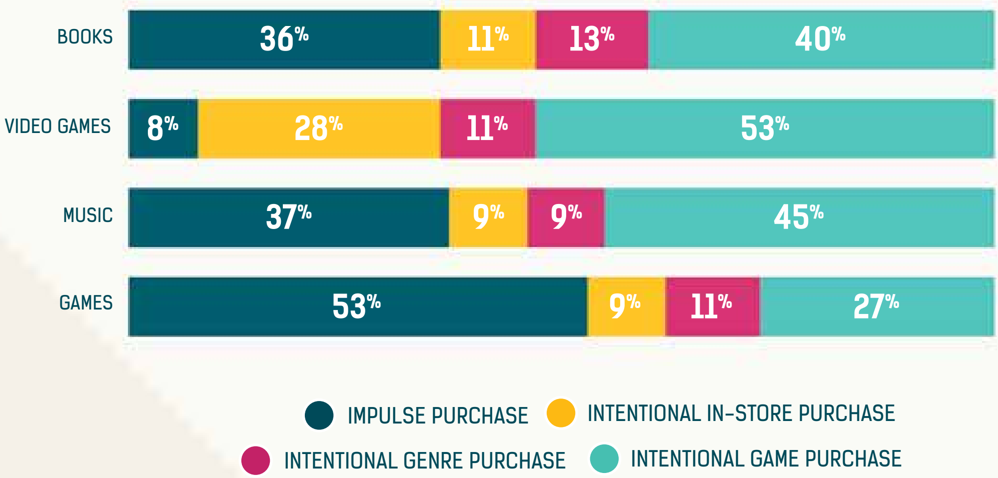
Source: GFK – ENTERTAINMENT consumer panel

PREMEDITATION BY TYPE OF GOOD / CIRCUIT

INTERNET PURCHASES (AS % OF PURCHASES BY VOLUME)

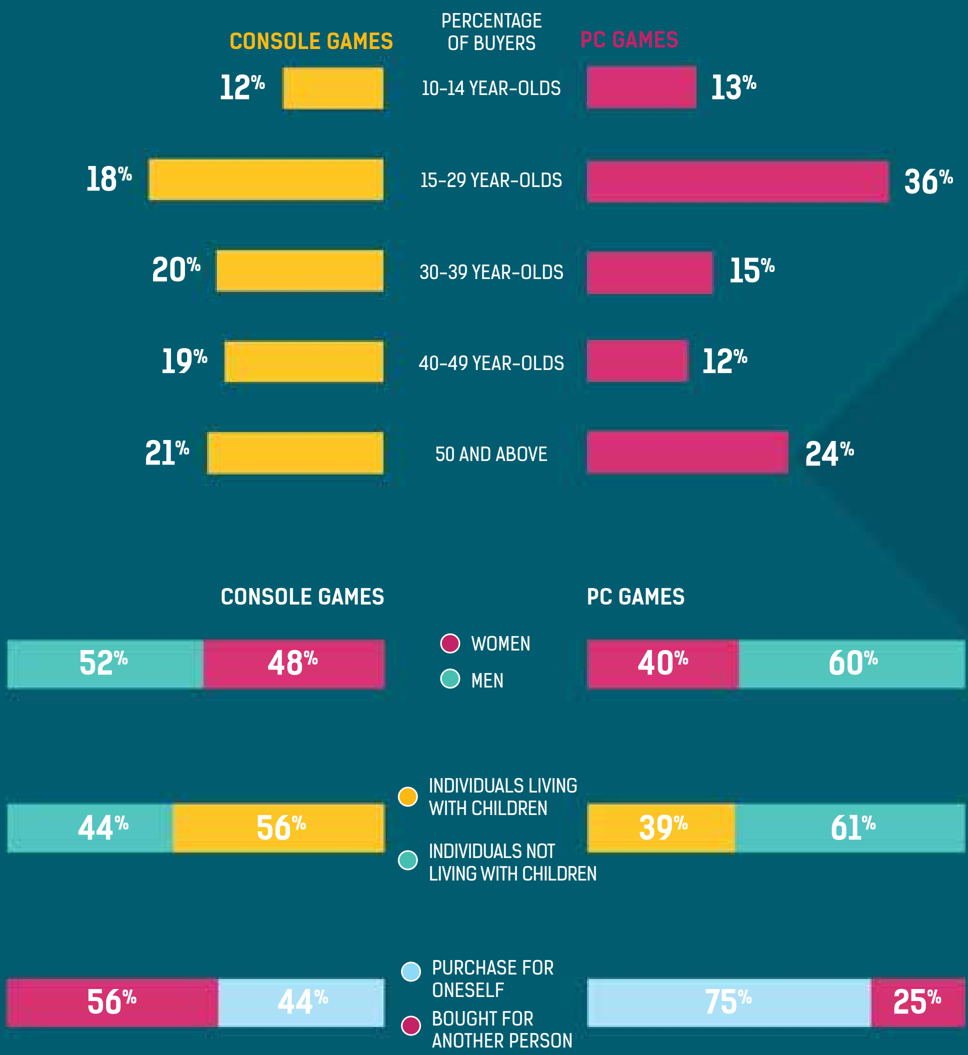


IN-STORE PURCHASES (AS % OF PURCHASES BY VOLUME)



Source: GFK – ENTERTAINMENT consumer panel

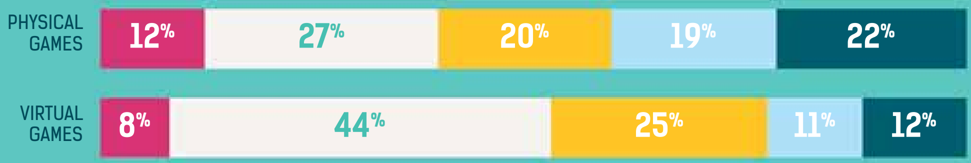
PC GAMES / CONSOLE GAMES: TWO COMPLEMENTARY SECTORS



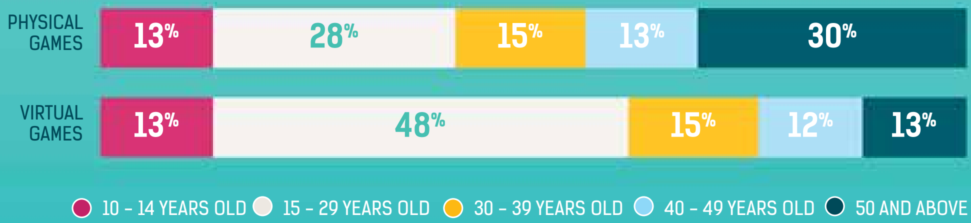
Source: GFK – ENTERTAINMENT consumer panel

PHYSICAL / DIGITAL PROFILE

CONSOLE GAMES (AS % OF BUYERS)

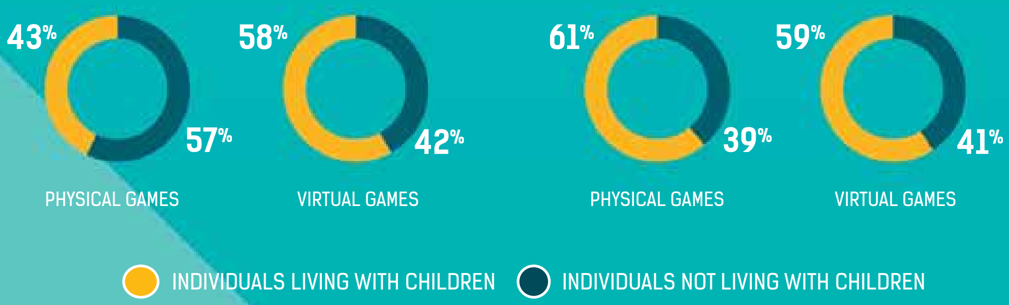


PC/MAC GAMES (AS % OF BUYERS)



CONSOLE GAMES (AS % OF BUYERS)

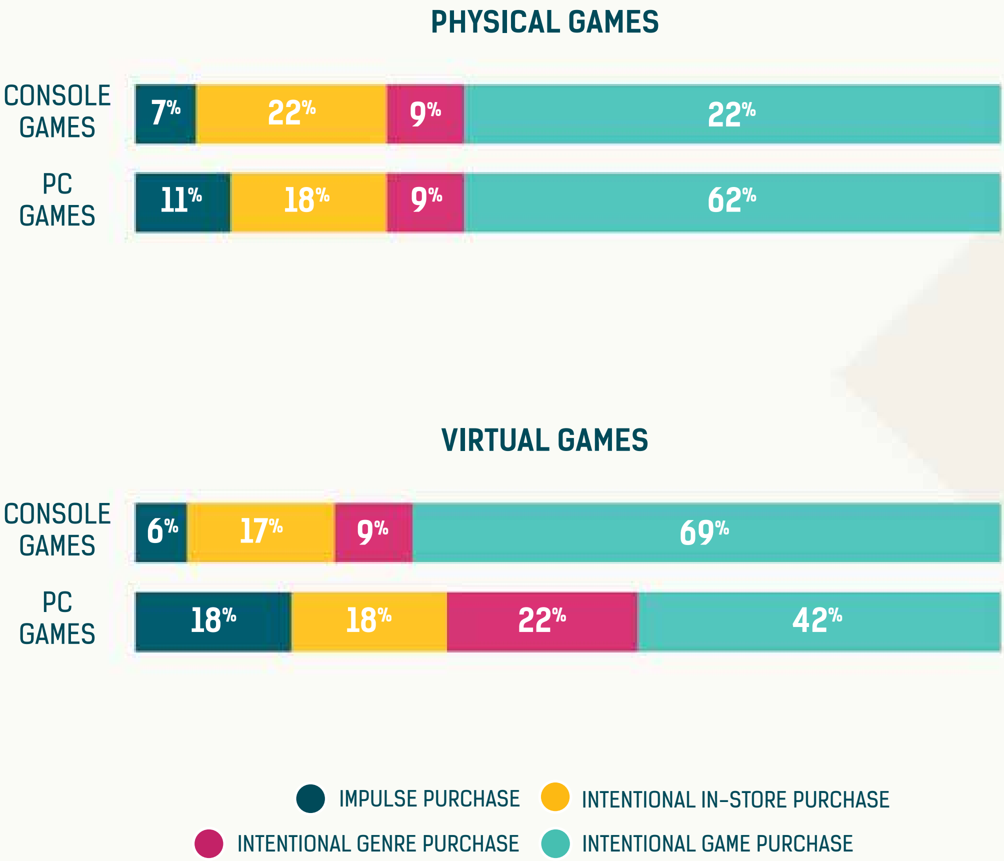
PC/MAC GAMES (AS % OF BUYERS)



Source: GFK – ENTERTAINMENT consumer panel

PC GAMES / CONSOLE GAMES: TWO COMPLEMENTARY SECTORS

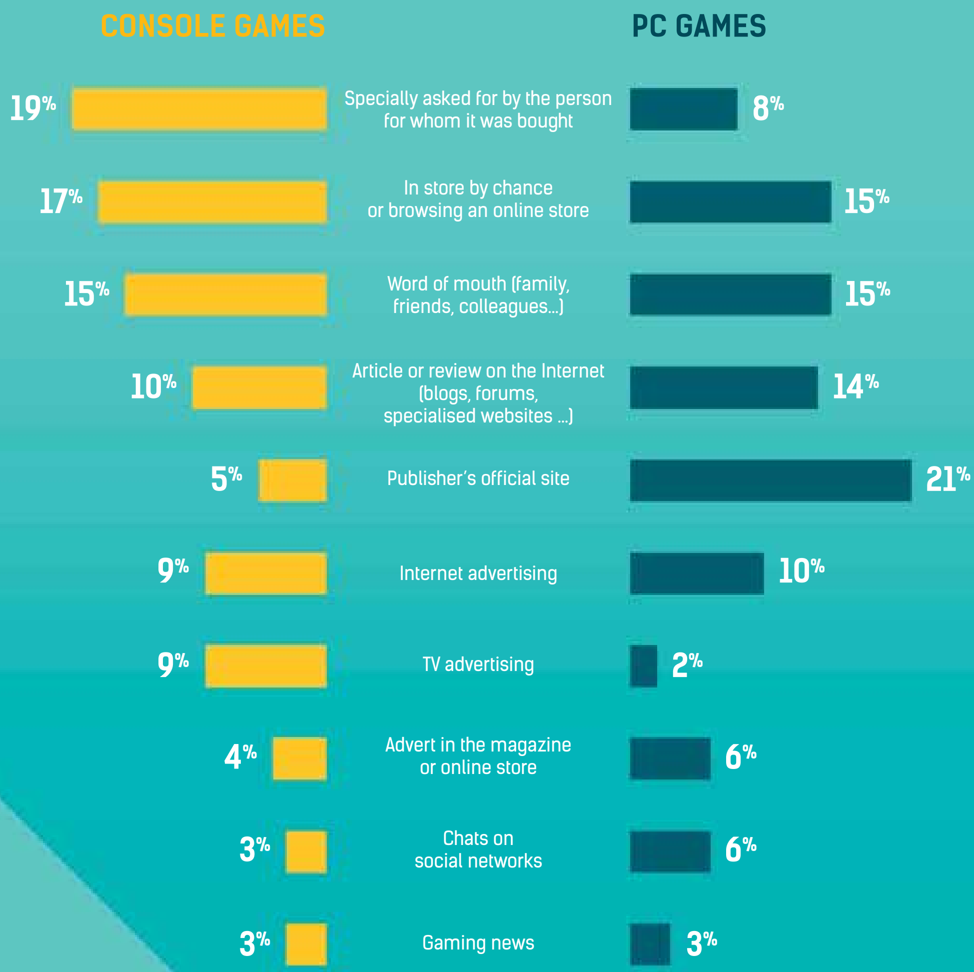
As a percentage of buyers



Source: GFK – ENTERTAINMENT consumer panel

PC GAMES / CONSOLE GAMES: KNOWLEDGE SOURCES

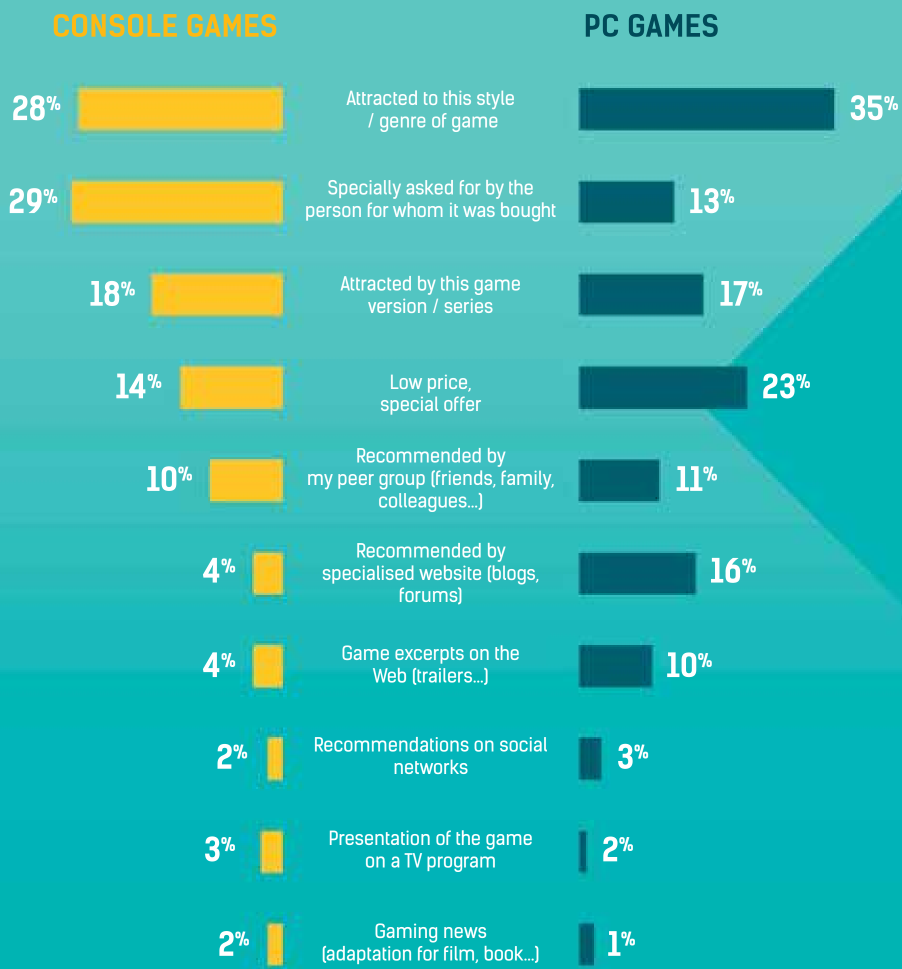
As percentage of purchase Volumes



Source: GFK – ENTERTAINMENT consumer panel

PC GAMES / CONSOLE GAMES: MOTIVATION TO BUY

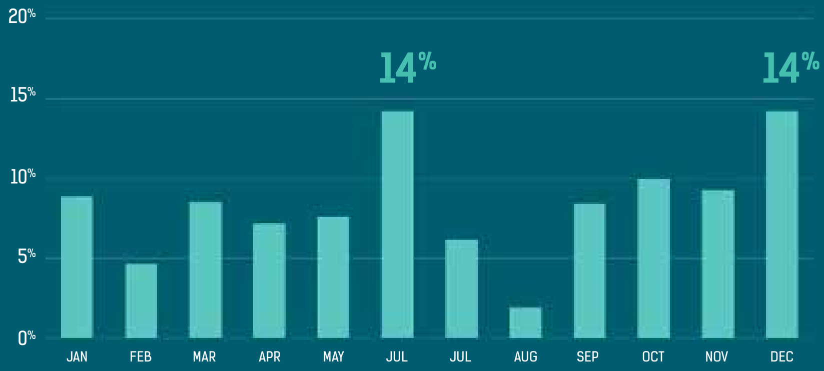
As percentage of purchase Volumes



Source: GFK – ENTERTAINMENT consumer panel

PC GAMES / CONSOLE GAMES: BUYING SEASONALITY

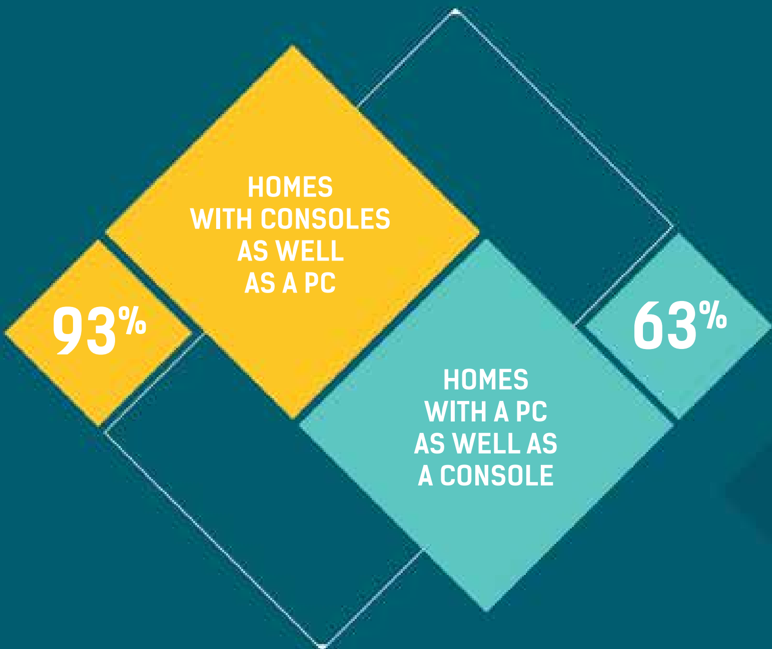
IN VOLUME PURCHASED
CONSOLE GAMES



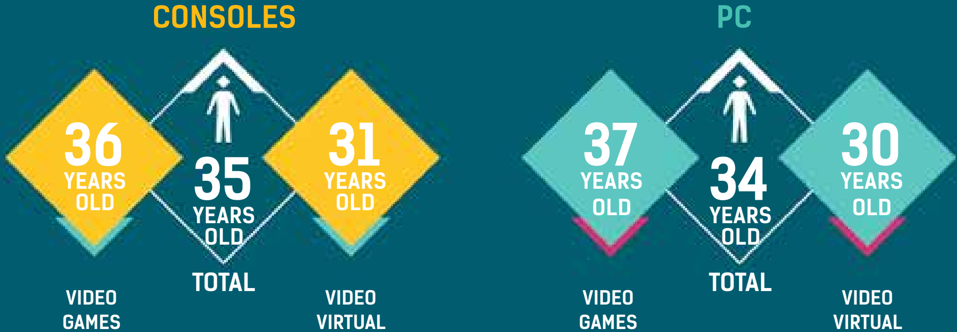
IN VOLUME PURCHASED
PC GAMES

Source: GFK – ENTERTAINMENT consumer panel

PC GAMES / CONSOLE GAMES: TWO COMPLEMENTARY SECTORS



AVERAGE AGE OF GAME BUYERS

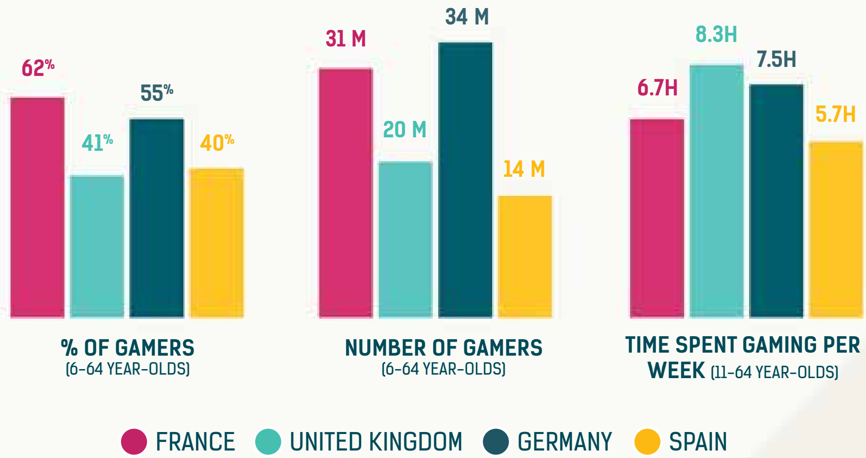


GfK REC survey

CHAPTER 4

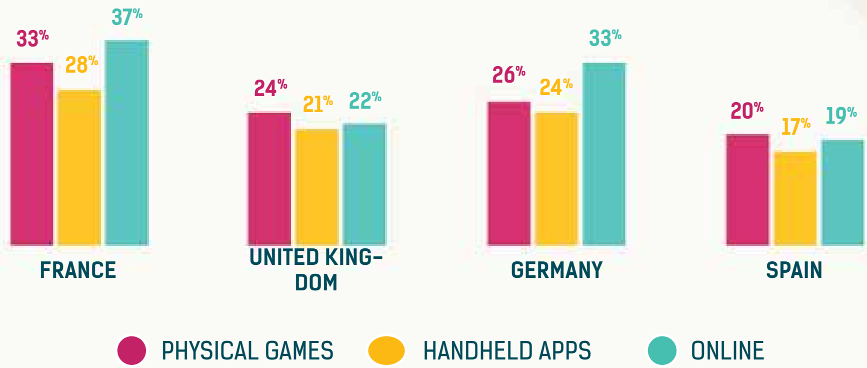
A EUROPEAN VISION OF VIDEO GAMING PRACTICES

PROFILES OF EUROPEAN GAMERS



WHAT ARE THEY PLAYING?

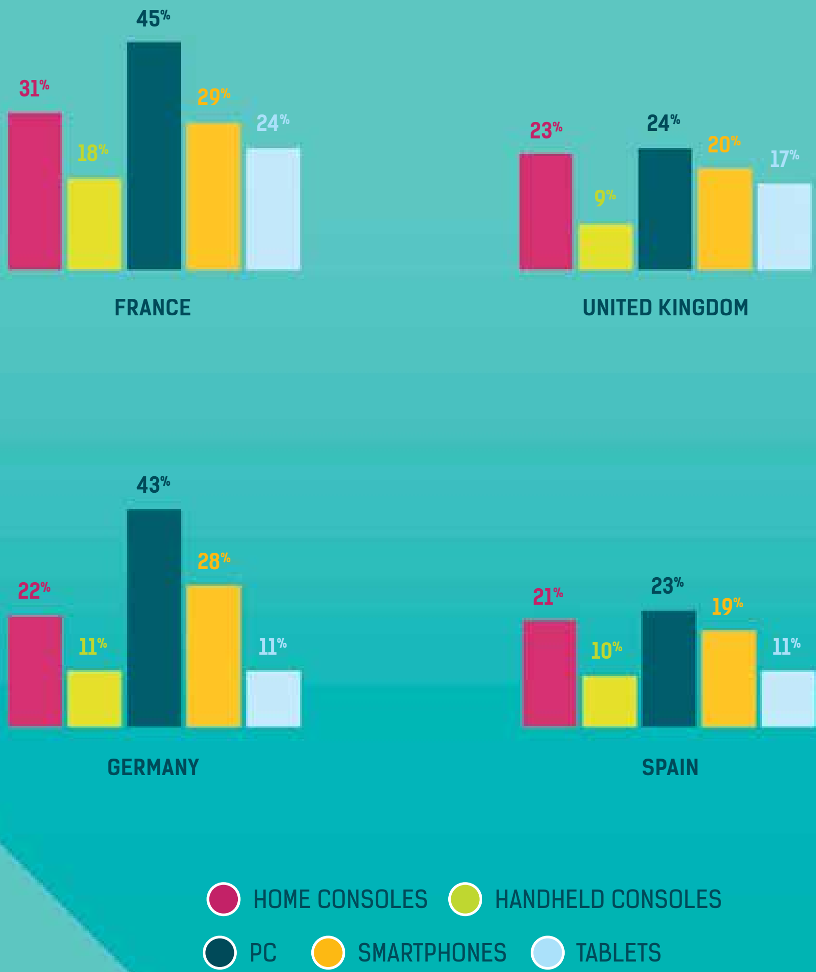
(6-64 YEAR-OLDS)



Physical games: all games that require a CD or a cartridge
Handheld applications: games that are free or to-buy apps on smartphones or tablets
Online: multi-player modes, free or to-buy, downloaded games, games on social networks and the Internet

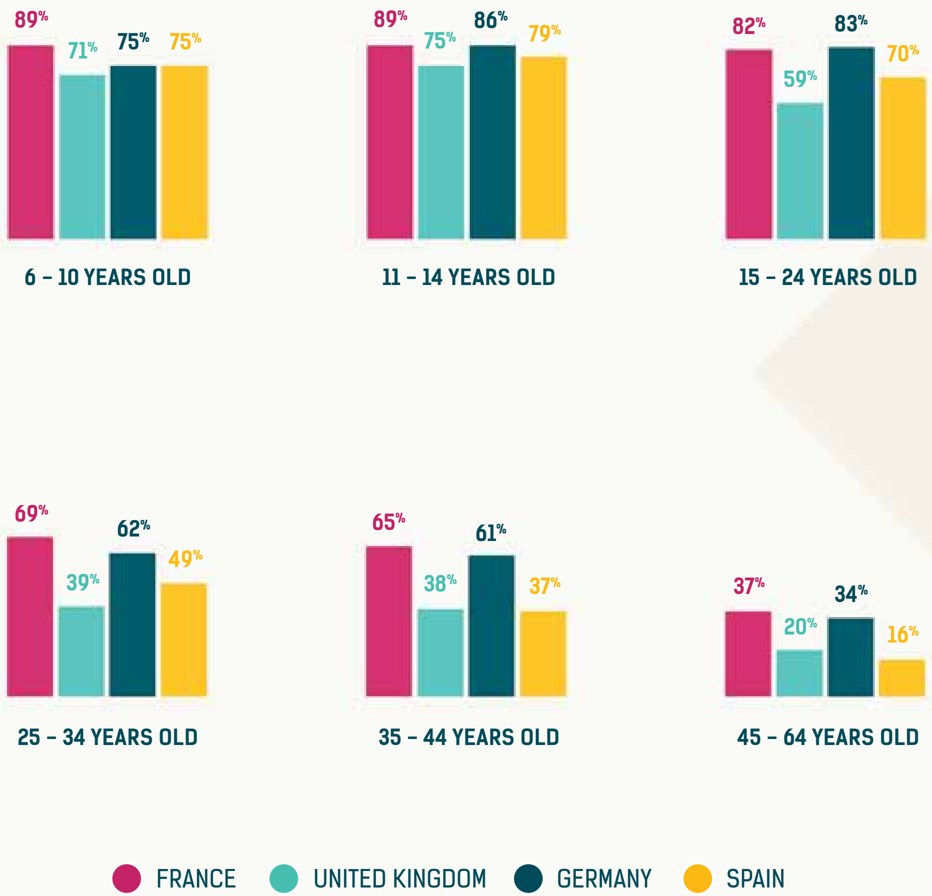
Sources: GameTrack / IPSOS / Q4 2015

BREAKDOWN OF EUROPEAN GAMERS BY PLATFORM
(6 – 64 YEAR-OLDS)



Sources: GameTrack / IPSOS / Q4 2015

BREAKDOWN OF EUROPEAN GAMERS BY AGE RANGE
(6 – 64 YEAR-OLDS)



Sources: GameTrack / IPSOS / Q4 2015

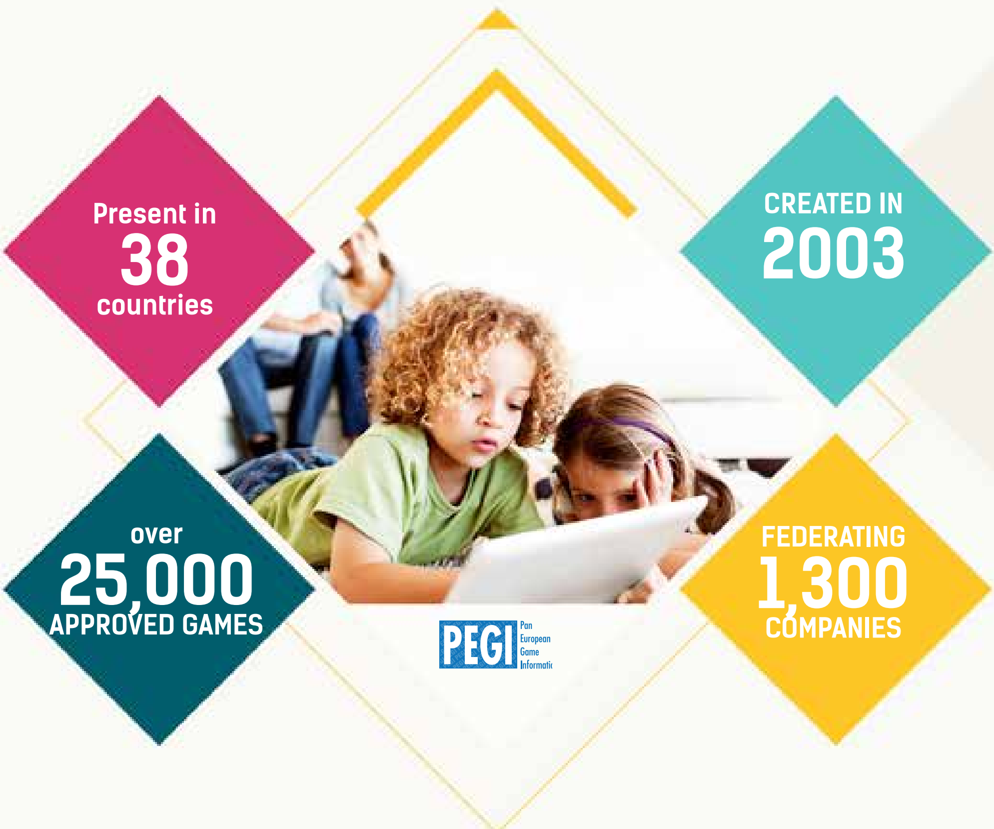
CHAPTER 5

A RESPONSIBLE INDUSTRY

PEGI: PAN EUROPEAN GAME INFORMATION

A responsible industry

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.

WHAT DO THE LABELS MEAN?

The PEGI labels appear on the front and back of the packaging, 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 below appear on the back of the packaging, indicating the main reasons why a game has a specific age rating.

This game contains bad language.

This game contains images which may encourage discrimination.

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

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

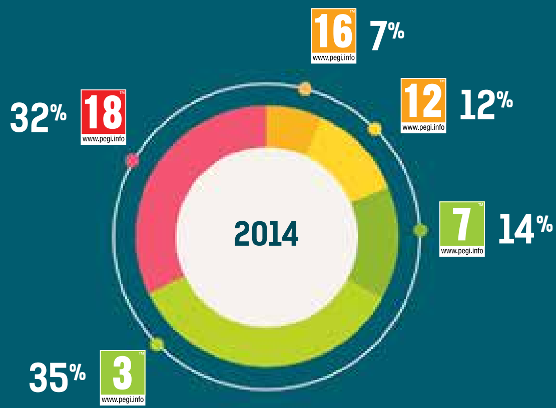
This game contains violent scenes.

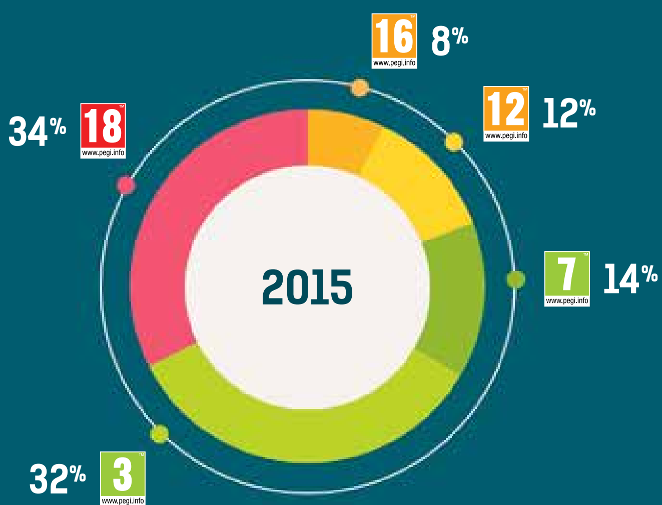
This game may frighten young children.

This game encourages and/or teaches gambling.

PEGI: SALES ANALYSIS

Market share in volume





SHARE OF GAMES RATED **PEGI 7 AND BELOW**

3 7

SHARE OF GAMES **RATED PEGI 12 AND BELOW**

3 7 12

Sources: GfK / Panel data at end 2015

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, 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 dedicated to 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 from their gaming and view the game itself more critically. 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), Internet Sans Crainte (Tralalere), 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.

PEDAGOJEUX.FR

Given the size that eSports have grown to over the last few years, PédaGoJeux has taken an interest in the phenomenon. Olivier Andrieu-Gérard, spokes person for PédaGoJeux takes stock of these new practices. A complete dossier is available on the PédaGoJeux website.

What are eSports?

Esports, or electronic sports, refer to all video games played competitively. These video games are played in competitions, alone or in teams, against other players. While the first competitions date back to the 70s, electronic sports have seen a phenomenal explosion over the last few months with competitions being organised for thousands of players and followed by millions more.

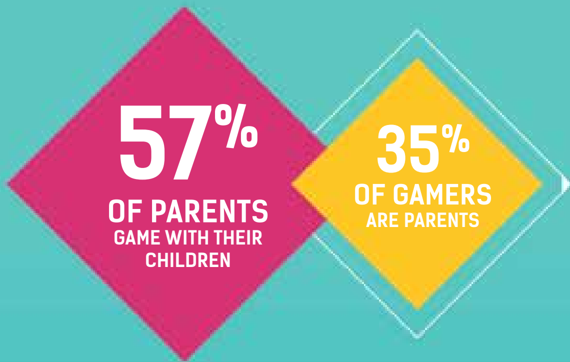
What is the opinion of PédaGoJeux?

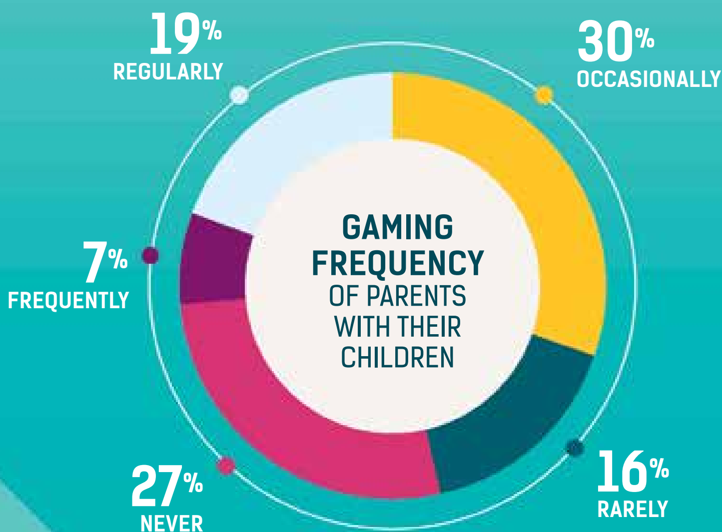
This new way of playing video games intrigues parents and raises legitimate questions in their minds. In response, we would advise parents to take an interest in eSports and to supervise their childrens' practices.
In general we should adopt the same attitudes to real sports and video games, taking an interest in results and successes, promoting the beneficial effects and limiting the negative ones!
For PédaGoJeux, when properly controlled, eSports can help people to perfect their skills, to develop strategic capabilities, improve mental capacities and encourage team work.
It should also be remembered that even though eSports are developing and becoming more professional giving rise to desires, there will only be a chosen few in the end.

What should parents pay particular attention to?

Firstly, check the game content: there are competitions for all types of video games. Some are for everyone and some are for adults only. You should also watch how much time is spent gaming. Children can be encouraged to play games far too much. However, progressing in a game does not mean that it has to be played all the time. On the contrary, caution must be exercised and healthy gaming practices adopted.
Children can also spend far to much time watching competitions, particularly online, even though they are not taking part in them. The size of the audience obviously attracts major advertisers. Furthermore, eSports competitions are closely followed and commented on. Comments can often be passionate, outspoken and sometimes exceed the legal boundaries.

PARENTS GAME WITH THEIR CHILDREN





Sources: SELL / GFK "French public and Video gaming" survey of 1,002 people aged between 10 and 65 / October 2015

WHY DO THEY GAME WITH THEM?

42%
BECAUSE THE CHILD ASKS THEM TO

43%
BECAUSE THE PARENT LIKES THE GAME

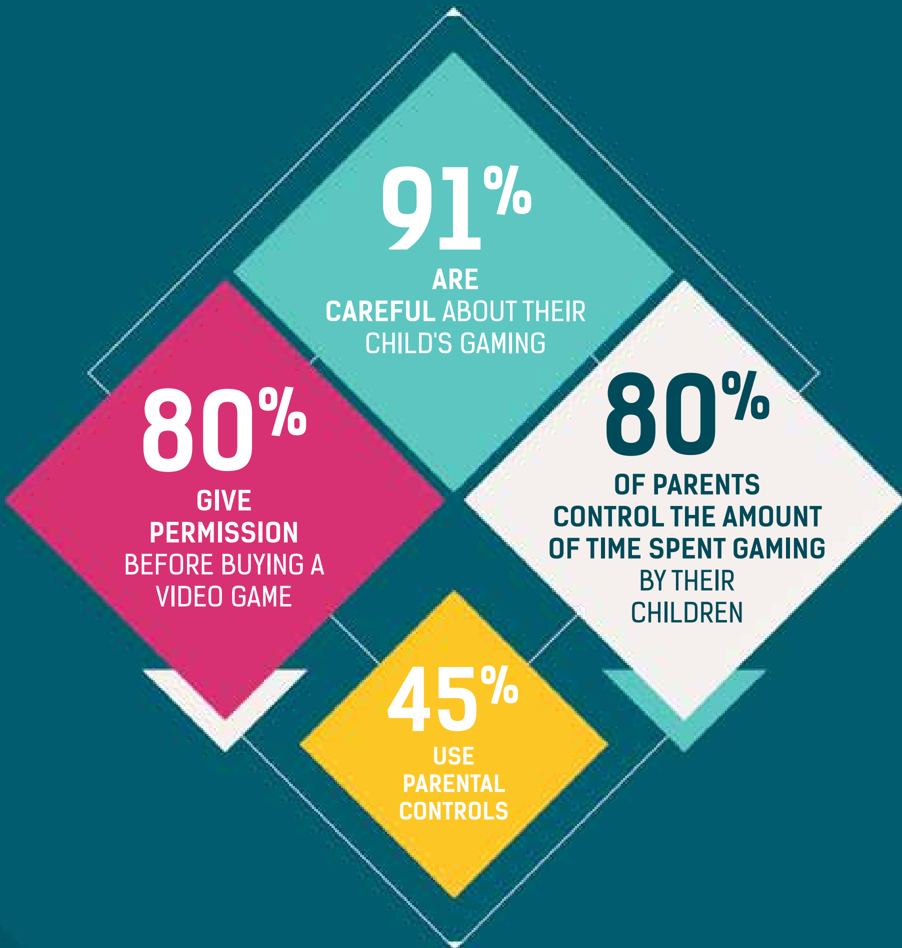
55%
IT'S AN OPPORTUNITY TO SHARE AN ACTIVITY

29%
FOR FUN

25%
BECAUSE IT MEANS THEY CAN CHECK THE CONTENT

Sources: SELL / GFK "French public and Video gaming" survey of 1,002 people aged between 10 and 65 / October 2015

ARE PARENTS INTERESTED AND CAREFUL?

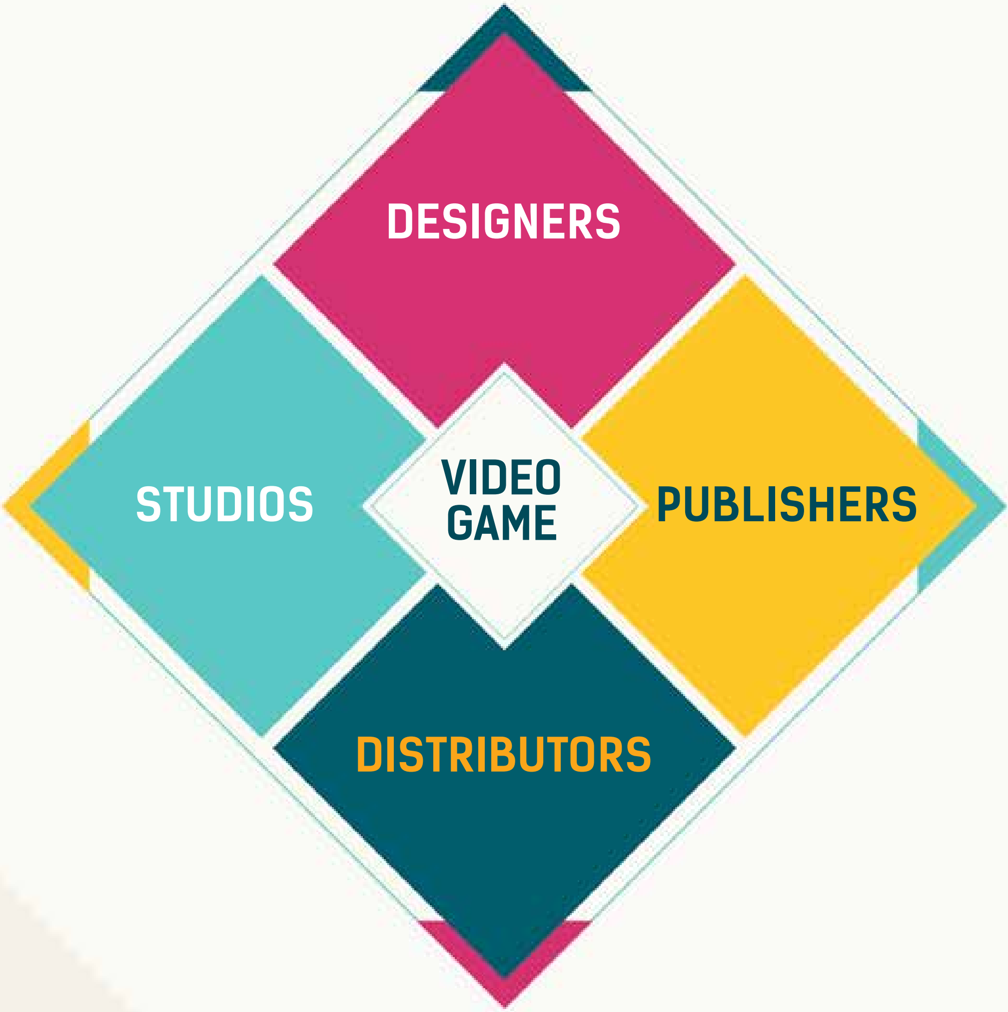


Sources: SELL / GFK "French public and Video gaming" survey of 1,002 people aged between 10 and 65 / October 2015

CHAPTER 6

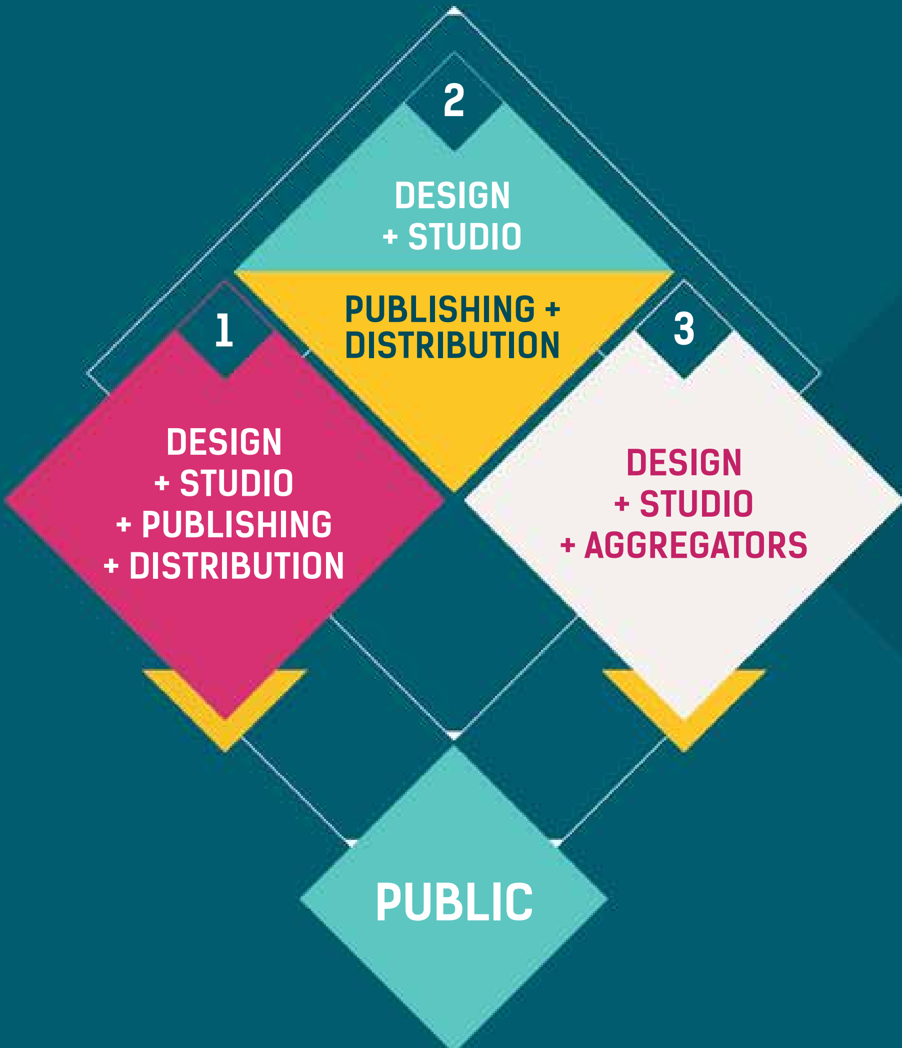
THE FRENCH VIDEO GAME INDUSTRY

THE VIDEO GAME ECOSYSTEM



BUSINESS MODELS

The 3 business models of video gaming



CHAPTER 7

KEY DATES FOR 2016

KEY DATES FOR 2016

PARIS GAMES WEEK **2016**

7th EDITION

INNOVATION

NEW PRODUCTS

GENERAL PUBLIC

CULTURE

FAMILIES

COLLEGES AND COURSES

GAMERS

ESPORT

PROFESSIONALS

LEARNING

STUDIOS

MANUFACTURERS, EDITORS, ACCESSORY MANUFACTURERS AND OPERATORS

IDEF **2016**

11th EDITION

3 FULLY IMMERSIVE DAYS

MANUFACTURERS, PUBLISHERS AND ACCESSORY MANUFACTURERS

BUSINESS MEETINGS

BUYERS

A POST-E3 EVENT

THE STRUCTURE OF THE VIDEO GAME MARKET

CHAPTER 8

SELL

THE MISSION OF SELL

SELL stands for the Syndicat des Editeurs de Logiciels de Loisirs, or the Union of Video Game Publishers.

Created in 1995, SELL is France's national organisation representing video games publishers and software manufacturers. Today it has around thirty members representing over 95 % of the sector's turnover, according to the GfK panel.

SELL promotes and defends the collective interests of interactive programme publishers in different domains where their products are used (on- and offline) and within the different professional economic or legal boundaries concerning them, contributing to the market's structure (ratings, promotion of the profession, anti-piracy, press, etc.) and its recognition by all professionals, public authorities and consumers.

SELL expresses our industry's desire for responsibility: the **PEGI** rating system, an informative tool for parents with **PédaGoJeux.fr**

SELL ALSO ORGANISES EVENTS FOR OUR INDUSTRY:

The European trade fair:
IDEF – www.idefexpo.com

The general public exhibition:
PARIS GAMES WEEK
www.parisgamesweek.com
307,000 visitors in 2015

THE MISSIONS OF SELL

THE BOARD OF DIRECTORS

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Orange
PDP
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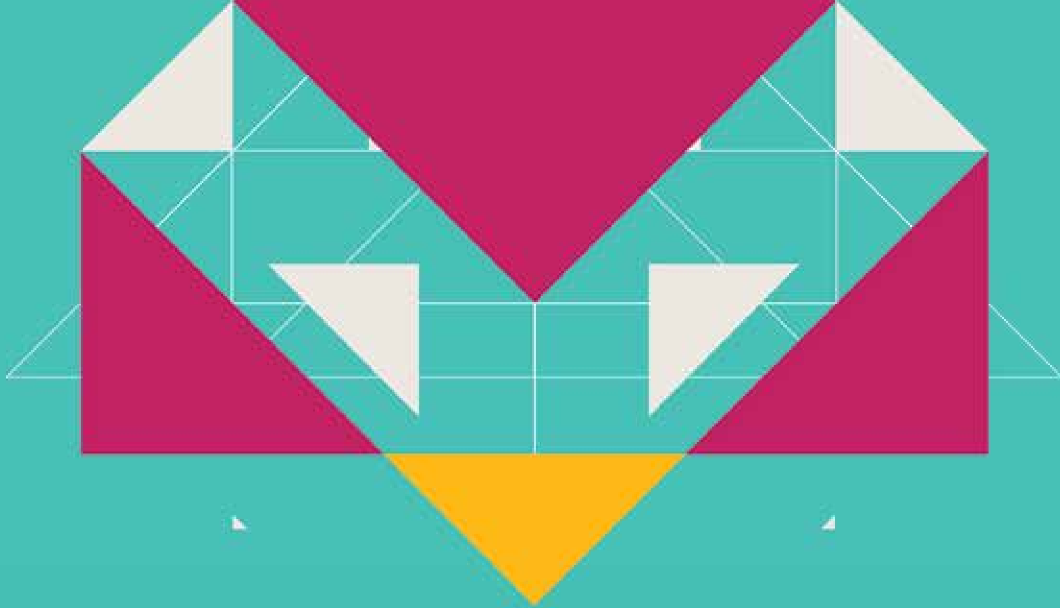
Sony
Square Enix
Take-Two Interactive
Ubisoft
Warner Bros Interactive



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