



Chances and Risks in the European MMOG Market

Patrick Streppel



gamigo AG

- Founded in 2001 with offices in Hamburg and New York
- A subsidiary of Axel Springer AG – a leading European media company
- Investment into Reaktor Media GmbH, Hannover and OnsOn Soft, Korea
- >120 full-time employees and more than 100 freelancers (support, GMs)
- Leading European publisher and operator of MMOGs
 - Experienced: total of 19 MMOG-launches in Europe
 - Top 3 Player according to CCU and revenue
 - Already 7 languages
 - First launch in North America in 2010
 - 6 new titles have been launched in 2011, 2 new titles in Q4 2011

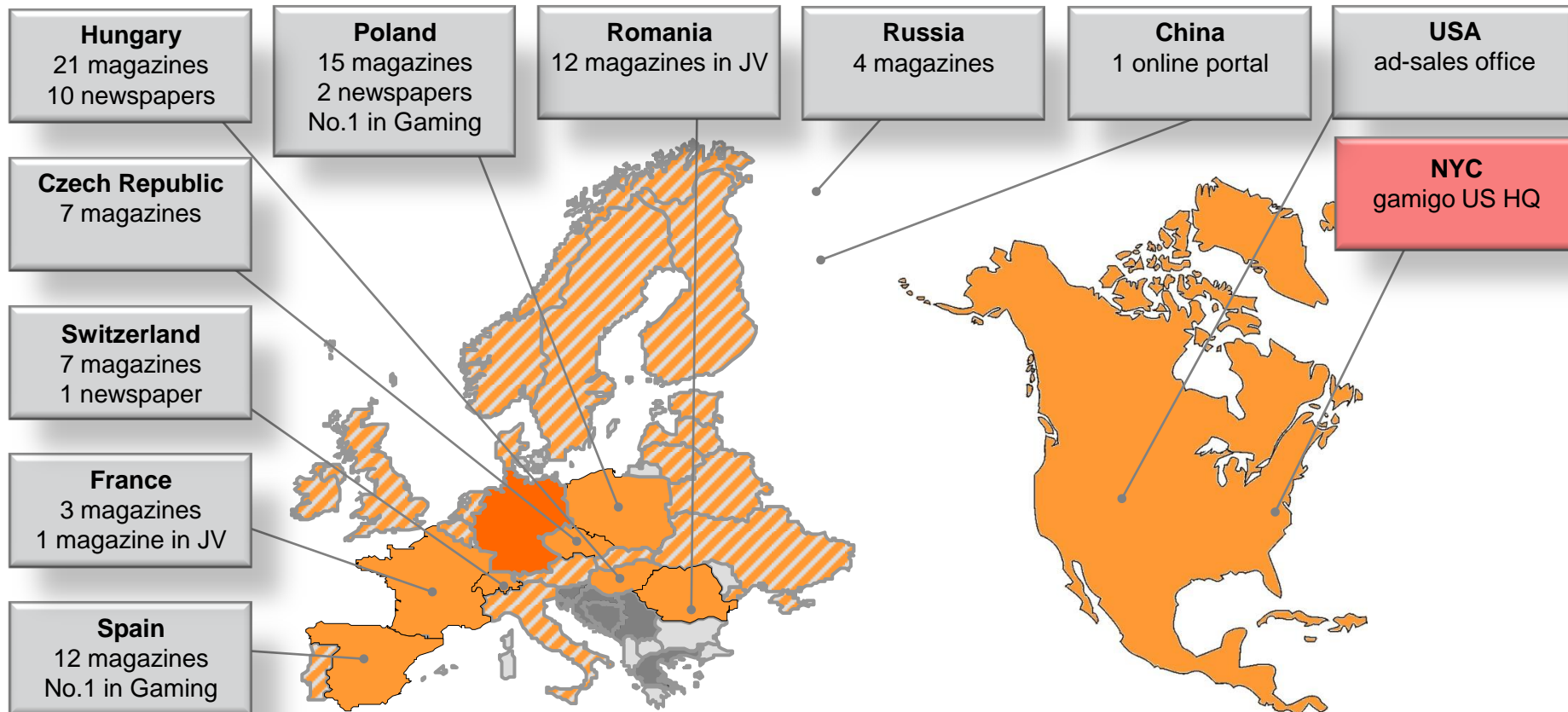
gamigo languages:



International Profile

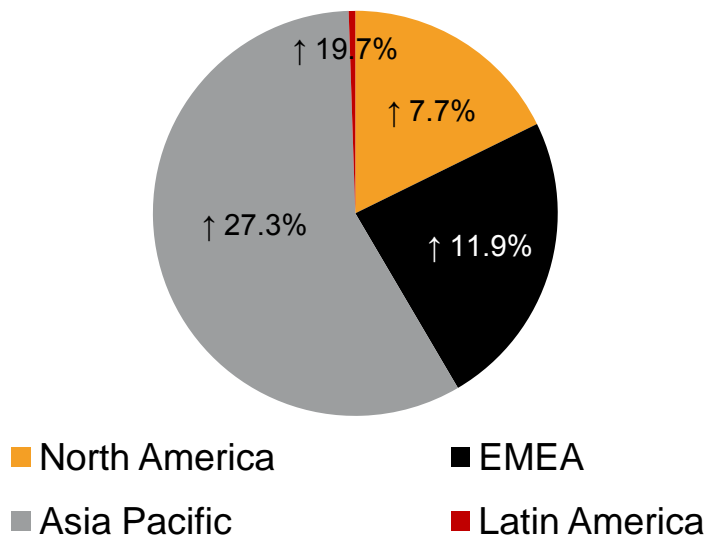
Strong European Presence and Further Progressing

- gamigo uses Axel Springer's international operations to effectively cover all of Western Europe and North America

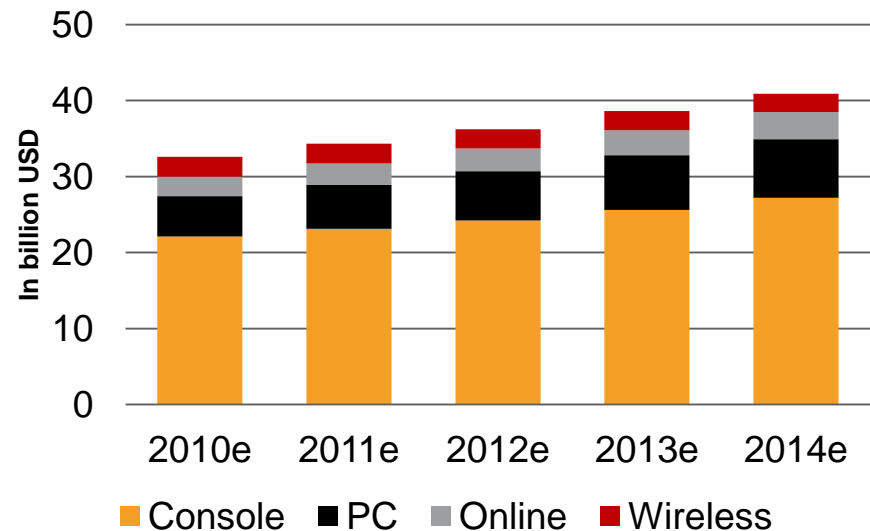


Market Growth Estimate

Global Online Game Market Size by Region in 2009



Game Market Growth in EMEA and NA 2010 - 2014



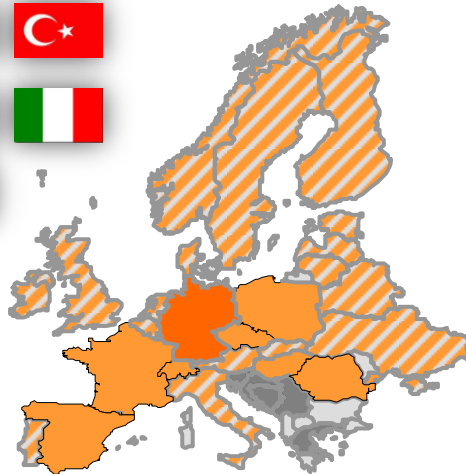
Online Games on PC with moderate growth in EMEA and North America; smaller than Consoles; Latin America stronger growing segment

Source: PWC Global entertainment and media outlook: 2010-2014

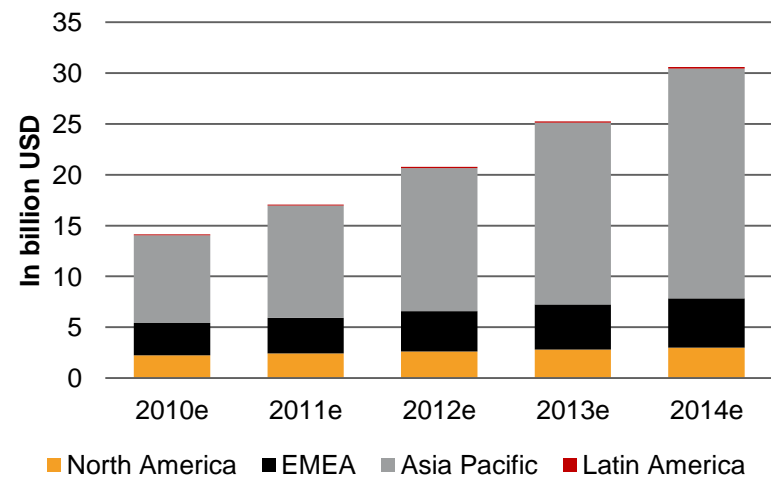
European Market – User behaviors

- EU Market:
 - 2nd biggest online game market with 12% growth rate. *
 - multi-culture (Countries)
 - multi- language (Game versions)
- EU User behavior
 - MMO players are minority
 - High Customer loyalty
 - High ARPU
 - High game request/Graphic

gamigo languages:

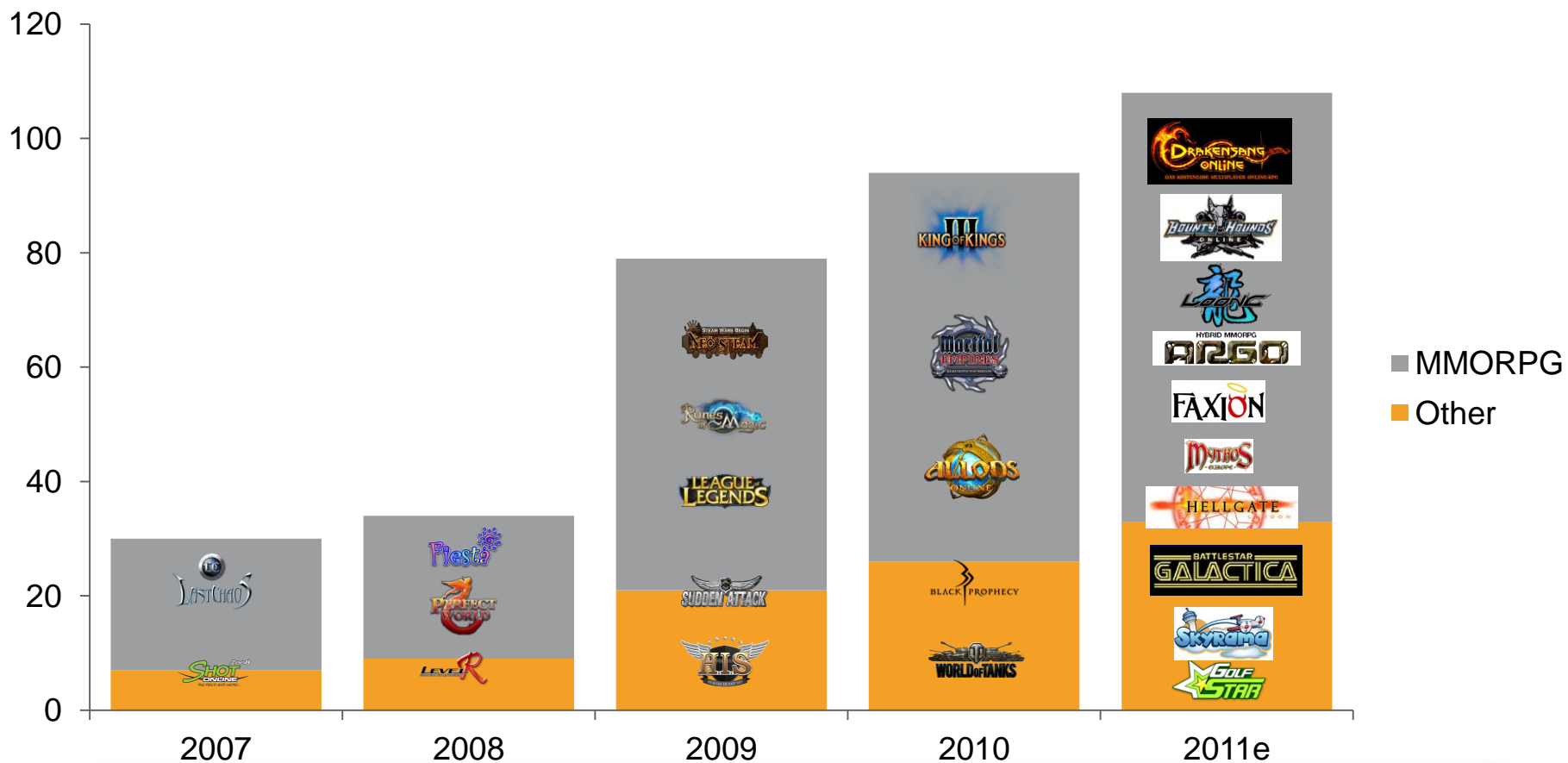


Online game Market Growth
2010 - 2014*



*Source: PWC Global entertainment and media outlook: 2010-2014

Free-to-Play Product Releases EMEA/NA



Growing number of launches follow market growth; Subscription Games now shifting; MMORPG remains main category

(Based on all entries with date in the MMOSite.com Database 07/11/11 273 games in 2007-2011, 199 MMORPGs, 74 Others)

Free-to-Play Product EMEA/NA



PoisonVille



Faxion



Mytheon



Mythos



AIKA



Divine Souls



World of Tanks



Battlestar



Skyrama



Cultures Online



Drakensang



Hellgate



Argo



Black Prophecy



Current Industry Trends

Risks

New market entries

Increased development costs

Quality rise

Chances

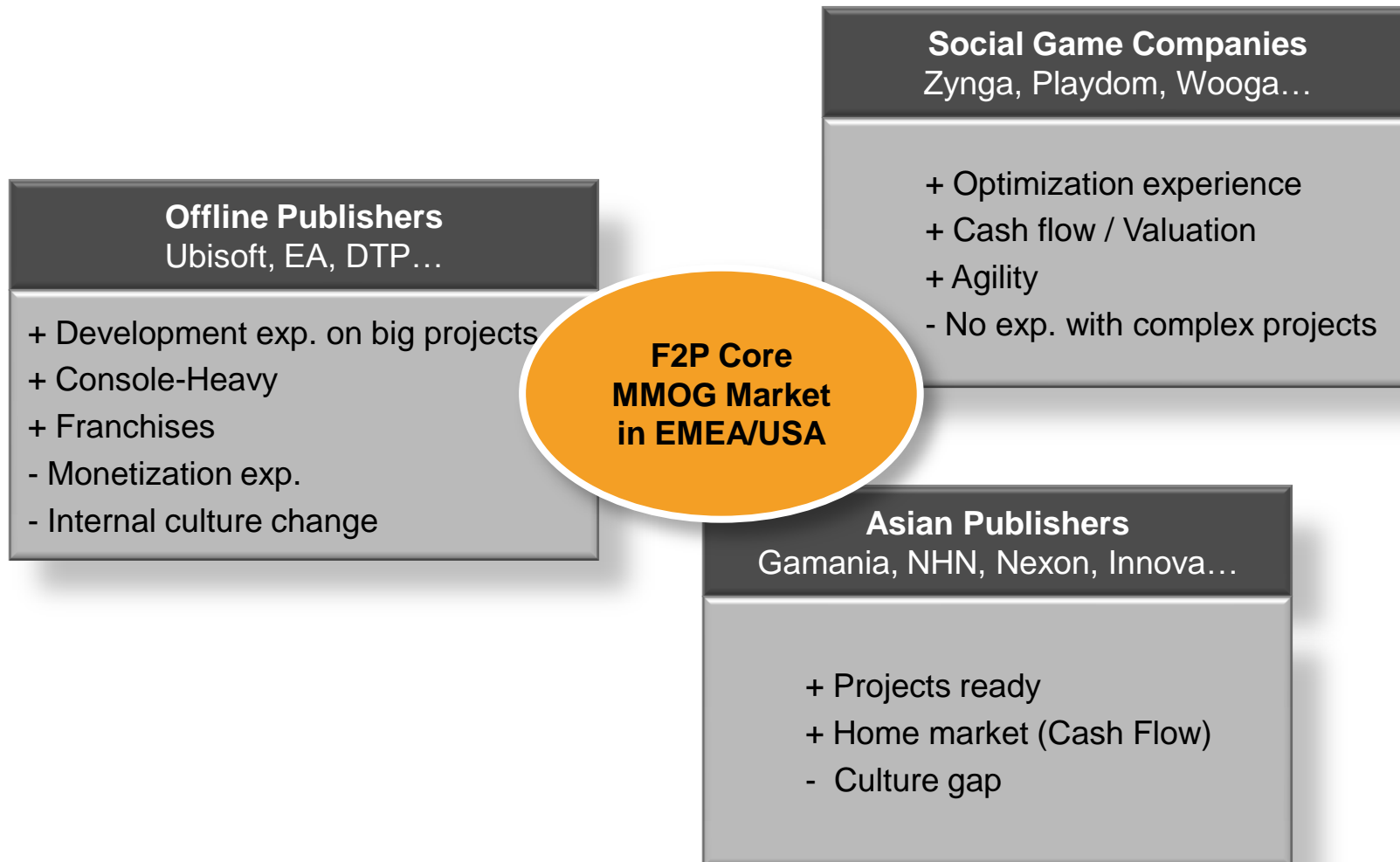
New platforms

New territories

New Genres

Chances and risks about to outweigh, but adaption of strategy might be needed

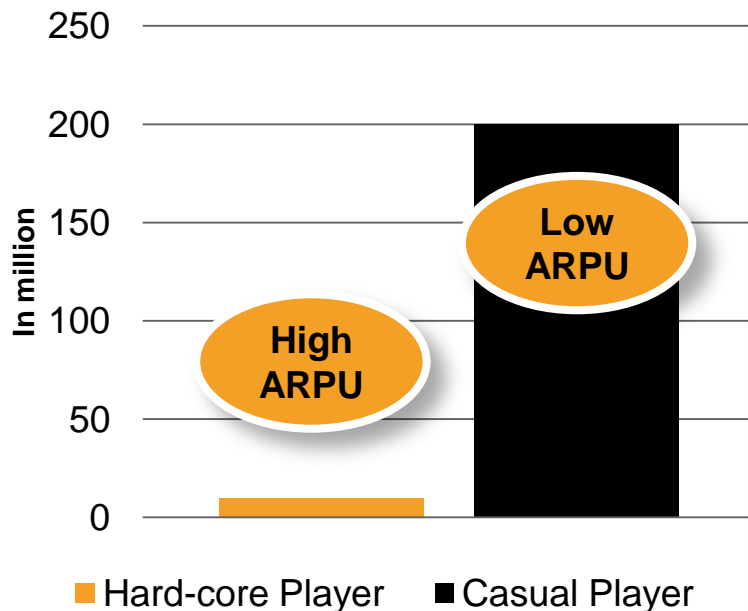
Risk: Increased competition through new players



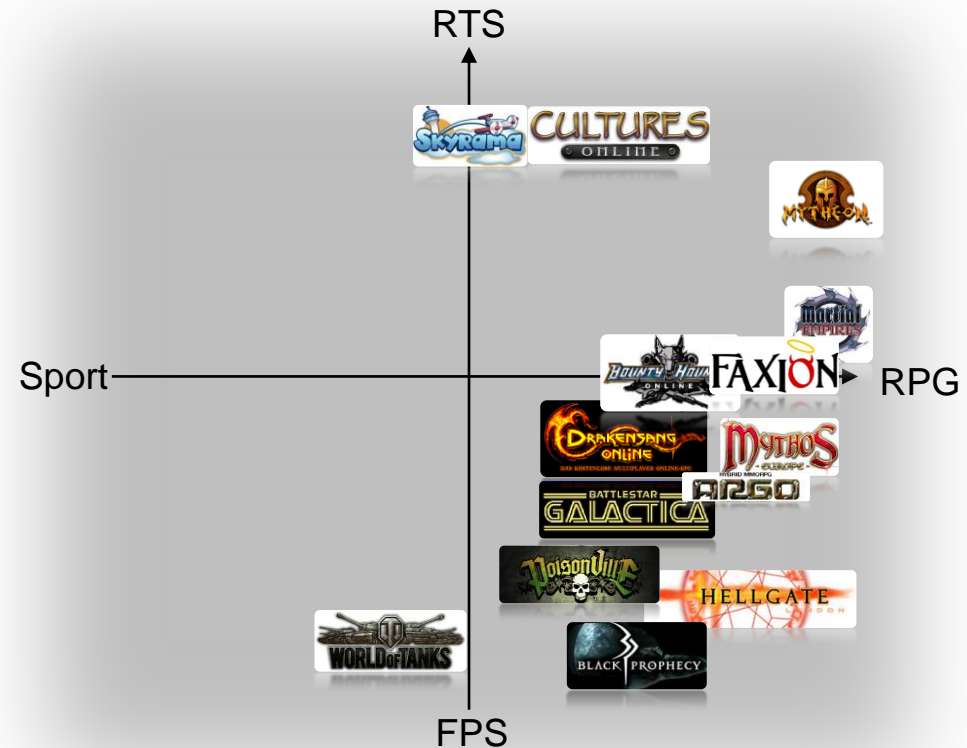
A lot of cash to enter the market -> fight or ally?

New Genres: Beyond “Asian Grinders”

Hard-core / Casual



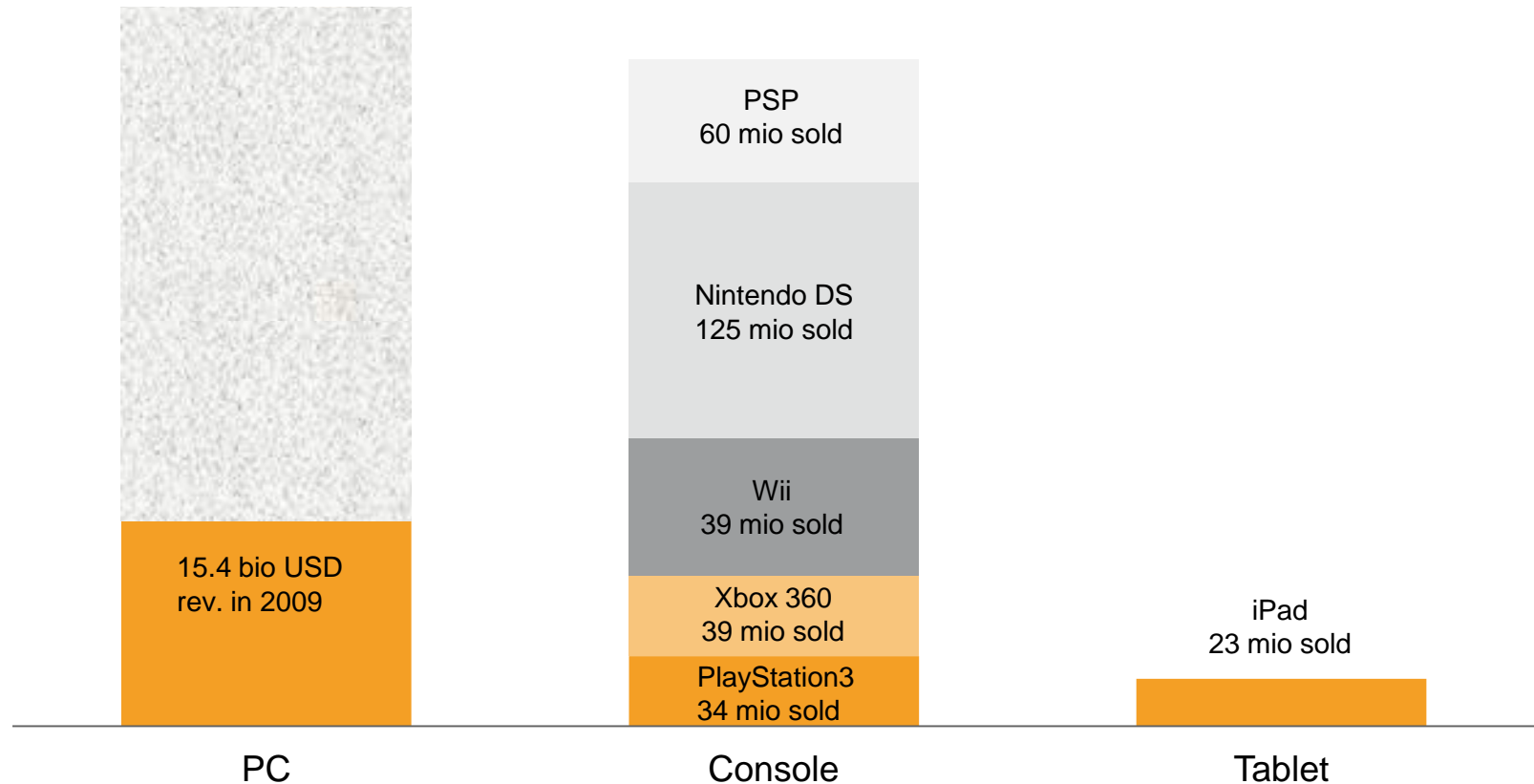
Classic Genres



Source: <http://www.hoastoolshop.com/?p=191>
CGA: The Casual Games Association

Even though casual audiences are huge, the ARPU (ARPPU and lifetime) are much smaller, resulting in a competitive “volume business”

New Platforms



Installed base of gaming PCs much higher, but revenue level of “Online ready” consoles seem to indicate a huge potential market

Source: PWC Global entertainment and media outlook: 2010-2014

Gamigo Portfolio 2012



Otherland
Non-Targeting
MMORPG



Patrician Online
Economic Sim



Soul Master
MMORTS



**Jagged Alliance
Online**
Turn-based Strategy



Grimlands
Shooter-RPG



Bloody Bite
Building Strategy



Nexus Conflict
Real Time
Strategy



UFO Online
Turn-based Strategy



THANK YOU FOR YOUR ATTENTION

This was a presentation by gamigo AG

Patrick Streppel
Vorstand/Member of the Executive Board

gamigo AG
Behringstraße 16 b
22765 Hamburg – Germany
Patrick.Streppel@gamigo.com

Tel. +49 - 40 - 411 855 - 276

Fax +49 - 40 - 411 855 - 255

www.gamigo.com | <http://corporate.gamigo.com>