



iPhone breathes new life into mobile gaming market

London 31st July 2008. The world's top four games publishers are taking an ever bigger share of the market for mobile games, according to the latest report from media analyst Screen Digest (www.screendigest.com). EA Mobile, Gameloft, Glu and THQ Wireless have seen their global market shares increase from 11 per cent to 22 per cent in 2007 and the figure is rising, particularly in Western Europe.

iPhone and other touchscreens could revolutionise the market

Released in the same month that Apple's iPhone 3G went on sale, the report reveals the potentially revolutionary impact that touchscreen handsets could have on mobile gaming. In particular, Screen Digest expects that the iPhone will drive the growth of the North American market raising it to the leading global market by revenue next year.

From the perspective of both games developers and mobile users, these units have the potential to be the number one device for mobile gaming. This is supported by recently released retail sales figures that show 10 million applications were downloaded from the Apple online store in the three days after the iPhone 3G went on sale on July 11. However the handset presents technical challenges for developers, limiting the sophistication of the games on offer which in turn restricts audience retention.

Gameloft poised to overtake EA Mobile

By consistently producing good quality titles and focusing on increasing its catalogue, Gameloft has created strong company growth. In comparison, the current market leader EA Mobile has faltered. On 31 March 2008, Gameloft

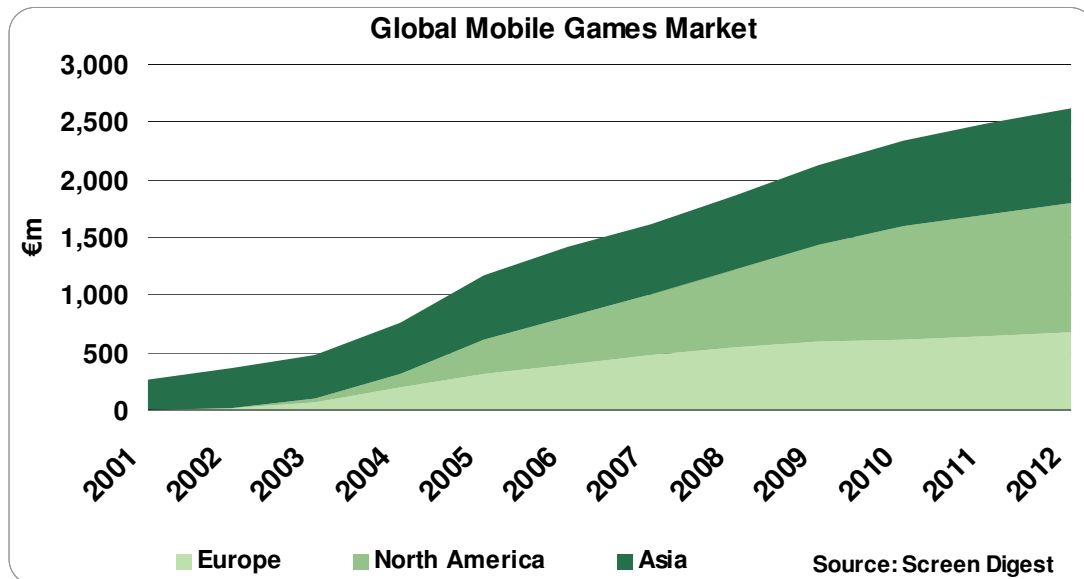
reportedly earned \$40m, only \$1m less than EA Mobile. Screen Digest expects Gameloft to usurp EA's leadership position during the remainder of 2008 and then to retain its position as the leading mobile games publisher for the foreseeable future. Gameloft's next challenge will be conquering the all-important US market, where revenue shares are better.

A €2.6bn market value by 2012

Screen Digest anticipates that the mobile games market will generate an extra €1bn in the next five years to reach a total value of €2.6bn by 2012.

Historically, Asia has been the biggest market in terms of industry revenues with over 37 per cent market share in 2007, but Screen Digest predicts that from 2009 onwards, North America will become the largest market.

North America has been experiencing continued growth, generating an average of €125m every year for the past four years. We expect this revenue growth to continue and double the market value to just over €1.1bn by 2012.



Ad-supported games market still evolving

Whilst ad-supported games represent only a tiny proportion of total mobile games downloads, multimedia plug-ins such as Flash Lite, installed on many handsets in Japan and now increasingly in Western countries, may provide a

platform for web-based games that rely on display advertising. Screen Digest believes that the future for advertising in mobile games will be through integrated campaigns, whether through multi-platform gaming specialists or as part of larger mobile advertising.

Ronan de Renesse, Senior Mobile Analyst says “Whilst the current demand for games that can be played on the iPhone is giving the mobile gaming industry a much needed boost, there are a number of issues that will need to be addressed by games developers. They need to overcome technical challenges to deliver more enticing games to a wider audience of gamers – and they need to do this fast. So whilst in the short term the iPhone is boosting sales of mobile games, the favour won’t be returned until the iPhone can support a major blockbuster title – or two.”

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About this research

The analysis in this press release is taken from Screen Digest’s latest report – Mobile Gaming Value Chain: Opportunities for Publishers, Developers and Network Operators. The report includes a detailed description of delivery platforms, a competitive analysis of major mobile games publishers, and a description of value chain models for on-portal, off-portal and physical distribution. Forecasts are provided to 2012 with total market growth, total revenues, industry revenues and operator revenues for Asia Pacific, Europe and North America

About Screen Digest

Screen Digest is the pre-eminent firm of industry analysts covering global media markets. Headquartered in London, with offices in New York and Carmel, California, we employ a team

of 40 specialist analysts covering film, television, broadband, mobile, cinema, home entertainment and gaming. Our online services and reports provide the information and analysis upon which hundreds of media companies worldwide base their decisions. Most recently we have launched Global Media Intelligence (GMI), a new service which provides research and analysis specifically for media-focused institutional investors. www.screendigest.com. To find out more, please contact Screen Digest sales sales@screendigest.com Tel: +44 (0) 20 7424 2820.