

MobileMonday Shanghai

- 34 Now playing
- 5 Coming attractions
- 15 In The Pipeline



Mobile Online Game Business

Market Overview



Troodon
快乐 随 手 可 得

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PC Online Game Business in China

- Of all the 12 public Chinese internet companies in US capital market, 6 are PC online game companies.

NASDAQ: NCTY NTES PWRD SNDA SOHU NYSE: GA

- In 2008Q1, these 6 companies' total market value is 15B USD(50%), revenue is 461M USD (62%) , net profit is 190M USD (80%),

PC online game is by far the most successful internet business in China

Common conceptions of Mobile Online Game

- Players only play Mobile Online Game (MOG) for short periods of time
- Because game effect is limited by the small cellphone screen, players would not pay as much as they pay for PC online games
- Mobile Online Game (MOG) businesses will have a much smaller market than PC Online Game (POG) businesses

MOG – Who are playing

According to our operations data

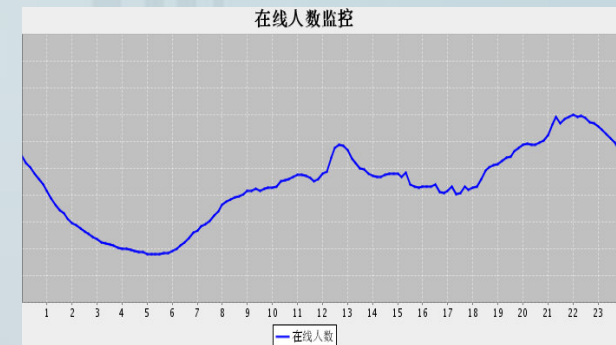
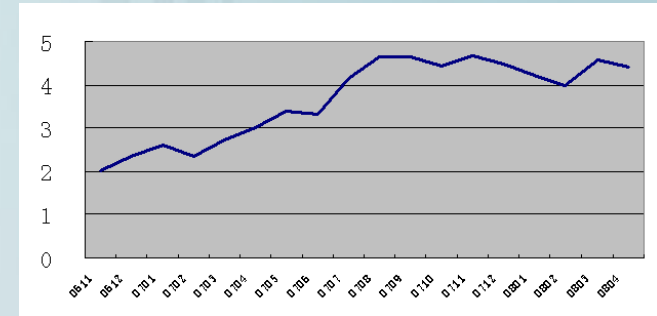
- Users play for 4.5 hours per day on average;
- most have their battery charger on when they play
- Users spend most of their leisure time in the game

MOG User Characters

- Have a lot of free times
- Do not have any other better entertainment options during their main free time

Conclusions

- MOG users have limitations in entertainment activities during the majority of their free time
- They regard MOG as their best and primary form of entertainment



MOG – How much they pay

Business Index of Online Game Business

Peak Concurrent User (PCU)

Average Concurrent User (ACU)

Average Revenue Per ACU (ARPU) = Product Revenue / ACU

POG ARPU (08Q1, Charge by Item Model)

PWRD:153 RMB; NetDragon :140RMB; GA:288 RMB

POG Industry Average: 100RMB

Troodon's ARPU (08Q2)

Heroes of Song Dynasty: 180 RMB;

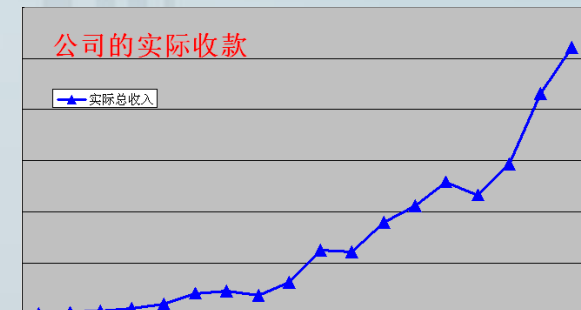
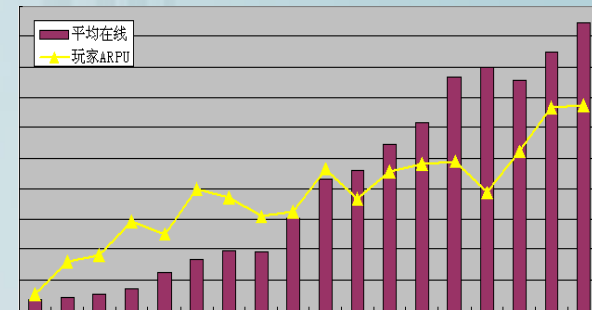
Pirate King: 120 RMB

Customers pay as much as, or even more than, what they pay for PC online games

MOG – How fast the market is growing

History of <Heroes of Song Dynasty>

- Troodon's first product for GSM phone users
- First MOG in China that charges players by game items only
- Started testing in Nov. 2006; 18 months operation by Apr 2008
- **By Q2. 2008, this game had a PCU over 25,000. Which is the No.1 in MOG market, measured by the number of concurrent online user**



MOG – How big the market will become

MOG market will become much bigger than POG market eventually

- MOG's user base is much bigger than POG user base
- Customers pay no less for MOG than for POG

MOG market will boom soon

- An acceptable traffic fee will be the final fuse needed for the MOG market to boom
- With the 3G coming, traffic fee won't be a problem anymore

In 5 years, the MOG market will rise to \$1 billion USD in China



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Thanks!

