

## **Online games market in China grew 63% to \$2.8 billion in 2008, according to Pearl Research**

San Francisco, CA, April 8, 2009 – Pearl Research forecasts the online games market in China will exceed \$5.5 billion in 2012. The market grew more than 63% to reach \$2.8 billion in 2008. These findings are contained in Pearl Research’s new 140-page “Games Market in China” study.

Many Chinese game operators continue to be optimistic in 2009, stating that the worldwide economic downturn has had little effect on their business. Games constitute a small-ticket item and users have not cut back as much on this type of discretionary spending.

Allison Luong, Managing Director of Pearl Research said, “Trends to track in 2009 include the growth of social networking sites in China, with over 55 million users, and their cross-pollination with games. One overall concern is the lack of diversification with many game operators relying on a single title for the bulk of revenues. In addition, a glut of content with more than 200 games on the market, makes releasing a breakout hit increasingly difficult.”

Pearl Research’s findings:

- China’s most popular online game, Netease’s “Fantasy Westward Journey” achieved 1.8 million peak concurrent users, followed by Giant’s “Zhengtuo Online” with 1.5 million users, Tencent’s “Dungeon and Fighter” at 1.2 million users, and Blizzard’s “World of Warcraft” at 1 million.
- Game operators in China experienced strong revenue growth in 2008. Six game operators, Tencent, Changyou (CYOU), The9 (NASDAQ: NCTY), Netease (NASDAQ: NTES), Shanda (NASDAQ:SNDA) and Giant (NYSE: GA) crossed the \$200 million revenue mark.
- Approximately 70% of China’s 298 million Internet users are under the age of 30. This group is most likely to seek out online entertainment, including games, music, and chatting, which Pearl Research believes will drive revenues for the online gaming market.

Pearl Research’s “Games Market in China” study provides an in-depth analysis of the Chinese games market. The report contains 2006 to 2013 forecasts; inhibitors and drivers to growth; deep marketplace analysis; profiles of key market players; and strategic conclusions. Please call (+1) 415-738-7660 or email [research \(at\) pearlresearch.com](mailto:research@pearlresearch.com) to purchase this report.



### **About Pearl Research**

Pearl Research, a business intelligence and consulting firm, specializes in the digital entertainment and technology markets with a special focus on emerging markets and platforms. Based in San Francisco and China, Pearl Research publishes in-depth research reports and provides customized research and consulting services. Visit us at <http://www.pearlresearch.com>.

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