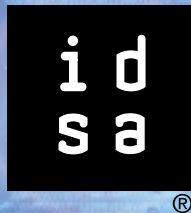


ESSENTIAL FACTS ABOUT THE COMPUTER AND VIDEO GAME INDUSTRY

2003 SALES, DEMOGRAPHICS
AND USAGE DATA



INTERACTIVE DIGITAL
SOFTWARE ASSOCIATION

www.idsa.com

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“THE NUMBERS TELL A TALE OF A BURGEONING INDUSTRY, BUT VIDEO GAMES ARE MORE THAN THAT – THEY’RE A MEDIUM, CAPABLE OF CREATING ICONS (MARIO, SONIC, LARA CROFT), CRAZES (POKÉMON AND DANCE DANCE REVOLUTION, A TWISTER-MEETS-DANCE FEVER RAGE SWEEPING ARCADES AND PLAYSTATIONS WORLDWIDE), AND LARGER CULTURAL RIPPLES (FROM TRANSFORMING TV SPORTS PRESENTATION TO CHANGING THE WAY STORIES ARE TOLD IN FILMS). VIDEOGAMES ARE A LANGUAGE, A CURRENCY OF COOL. AND FOR THOSE LEGIONS OF POP JUNKIES WHO LONG TO LIVE THEIR FANTASIES, VIDEOGAMES, AT THEIR BEST, ARE MAGIC.”

ENTERTAINMENT WEEKLY
DECEMBER 2002

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WHO ARE WE?

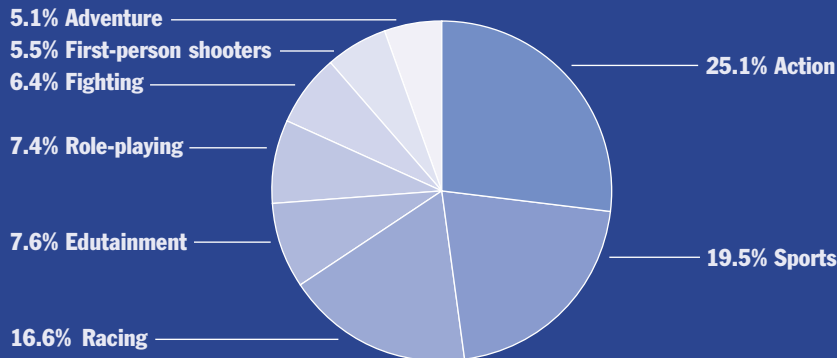
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All data in this document is from the IDSA'S 2003 consumer survey unless otherwise noted. The Interactive Digital Software Association (IDSA) released the results of its 2003 consumer survey at E³ on May 14, 2003. The annual research was conducted by the Services Division of Ipsos-Insight for the IDSA. The study is the most in-depth and targeted survey of its kind, gathering data from more than 1,350 nationally representative households that have been identified as owning either or both a video game console or a personal computer used to run entertainment software.

1958 Physicist Willy Higinbotham invents the first “video game”. His game, a table tennis-like game, was played on an oscilloscope. **1961** An MIT student creates Spacewar, the first interactive game on a mainframe computer. The unit took the entire floor space of a house. **1966** Sega Enterprises, Ltd., releases an electronic shooting gallery game, Periscope, the first arcade game.

What Were the Best-Selling Game Genres in 2002?

BEST-SELLING VIDEO GAME GENRES by units sold:

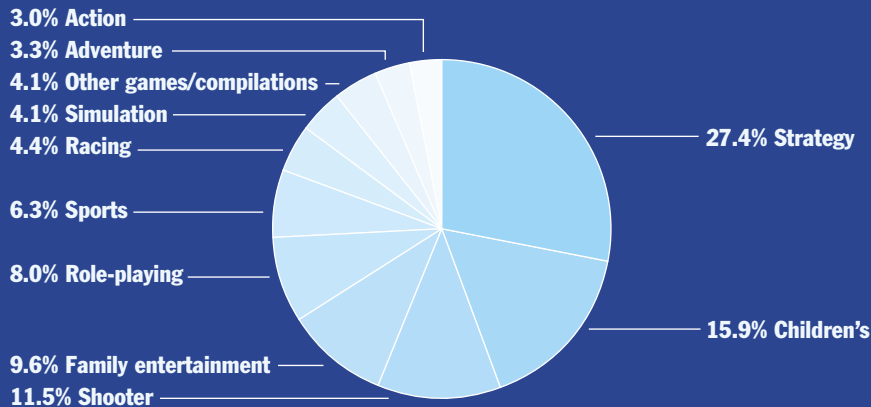


Source: The NPD Group / NPD Funworld® / TRSTS®

“KEEP IN MIND THAT THOSE WHO PLAYED PAC-MAN AND SPACE INVADERS IN THE LATE 70’S AND EARLY 80’S ARE NOW INTO THEIR 30’S AND HAVING KIDS OF THEIR OWN...VIDEO GAMES ARE A FORM OF ENTERTAINMENT SO IT MAKES SENSE TO HAVE CONTENT THAT’S APPROPRIATE/APEALING TO DIFFERENT AUDIENCES.”

MARC SALTZMAN, SYNDICATED COLUMNIST, CNN, NOVEMBER 2002

BEST-SELLING COMPUTER GAME GENRES by units sold:

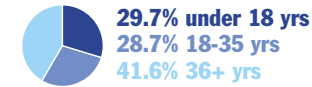


Source: The NPD Group / NPD Techworld™

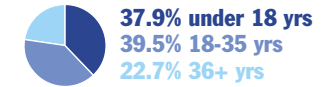
1971 Magnavox begins developing the Odyssey, a TV plug-in device that plays the tennis game that becomes Pong. 1972 Nolan Bushnell and Ted Dabney found Atari. 1974 Atari creates Pong, launching the home video game industry.

Who PLAYS Computer and Video Games?

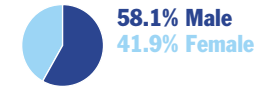
AGE OF MOST FREQUENT COMPUTER GAME PLAYER



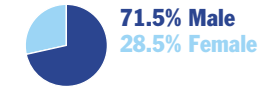
AGE OF MOST FREQUENT VIDEO GAME PLAYER



GENDER OF MOST FREQUENT COMPUTER GAME PLAYER

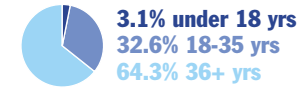


GENDER OF MOST FREQUENT VIDEO GAME PLAYER

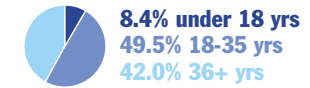


Who BUYS Computer and Video Games?

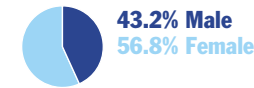
AGE OF MOST FREQUENT COMPUTER GAME BUYER



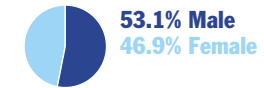
AGE OF MOST FREQUENT VIDEO GAME BUYER



GENDER OF MOST FREQUENT COMPUTER GAME BUYER



GENDER OF MOST FREQUENT VIDEO GAME BUYER



How Many Gamers Play Games Online?

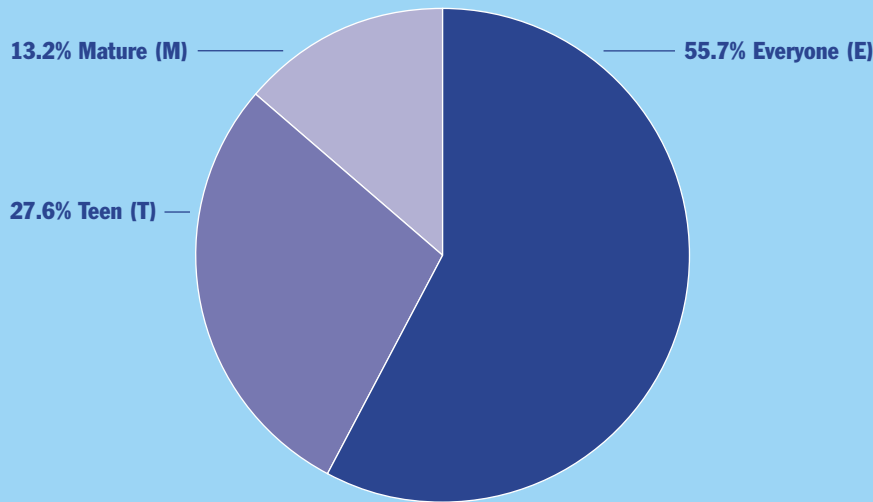
Thirty-seven percent of most frequent game players say they play games online, up from 31% last year and 18% in 1999.

How Many People Play Games On Mobile Devices?

Thirty-nine percent of Americans who own computers used to play games or game consoles report that they play games on mobile devices like handheld systems, PDAs and cell phones.

1976 Apple Computers releases the Apple I computer, their first single-circuit board computer with a video interface, 8K of RAM and a keypad. 1977 Atari introduces its first cartridge-based home system, the Atari 2600. 1978 Warren Robinett, the creator of Adventure, designs the first hidden feature within a game.

2002 COMPUTER AND VIDEO GAME SALES BY RATINGS by units sold:



Source: The NPD Group / NPD Funworld® TRSTS® and NPD Techworld™

“IN WHAT OTHER CREATIVE FIELD (THAN GAMES) DO YOU FIND AN ARTIST BORROWING FROM CONSUMER PSYCHOLOGY, EVOLUTIONARY THEORY, AND SOFTWARE PATHFINDING MODELS – NOT TO MENTION HOME DECORATING – ALL TO CREATE A TITLE THAT SELLS MILLIONS OF COPIES AND IS ALMOST DEMONICALLY FUN TO PLAY?”

STEVEN JOHNSON
WIRED, MARCH 2002

1981 The first video game magazine, Electronic Games, is founded by Arnie Katz and Bill Kunkel. **1983** Apple releases the “Lisa” the first personal computer to use a Graphical User Interface. **1985** Nintendo test markets the Nintendo Entertainment System (NES) in New York and introduces it in the U.S. one year later.

TOP 20 SELLING VIDEO GAMES OF 2002 by units sold:

RANK	TITLE	PLATFORM	PUBLISHER	RATING
1	Grand Theft Auto: Vice City	PS2	Take2	M
2	Grand Theft Auto 3	PS2	Take2	M
3	Madden NFL 2003	PS2	EA	E
4	Super Mario Advance 2	GBA	Nintendo	E
5	Gran Turismo 3	PS2	Sony	E
6	Medal of Honor Frontline	PS2	EA	T
7	Spider-Man	PS2	Activision	E
8	Kingdom Hearts	PS2	EA	E
9	Halo	XBX	Microsoft	M
10	Super Mario Sunshine	GCN	Nintendo	E
11	Tony Hawks Pro Skater 4	PS2	Activision	T
12	Yu-Gi-Oh! The Eternal Duelist Soul	GBA	Konami	E
13	Dragonball Z: The Legacy of Goku	GBA	Wizard Works	E
14	The Lord of the Rings: The Two Towers	PS2	EA	T
15	Yu-Gi-Oh! Dark Duel Stories	GBC	Konami	E
16	Yu-Gi-Oh! Forbidden Memories	PSX	Konami	E
17	NCAA Football 2003	PS2	EA	E
18	Sonic Advance	GBA	Sega	E
19	Tom Clancy's Splinter Cell	XBX	Ubi Soft	T
20	SOCOM:U.S. Navy Seals	PS2	Sony	M

Source: The NPD Group / NPD Funworld® / TRSTS®

TOP 20 SELLING COMPUTER GAMES OF 2002 by units sold:

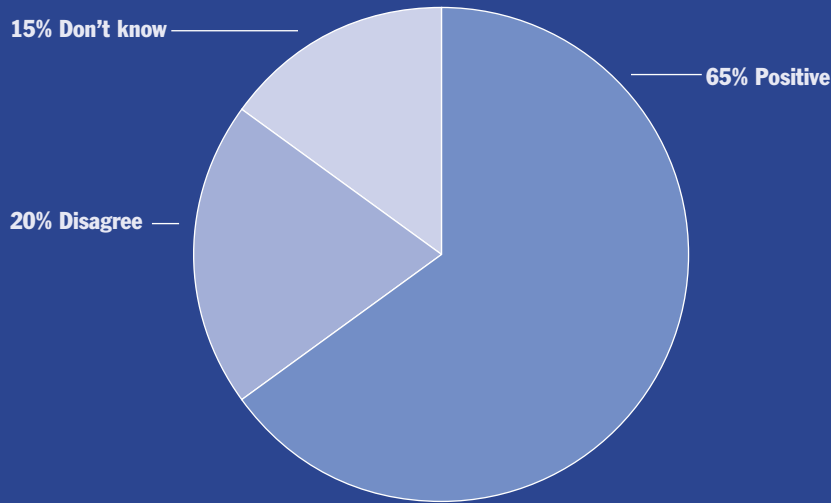
RANK	TITLE	PUBLISHER	RATING
1	The Sims: Vacation Expansion Pack	EA	T
2	The Sims: Unleashed Expansion Pack	EA	T
3	Warcraft III: Reign Of Chaos	Vivendi	T
4	Medal Of Honor: Allied Assault	EA	T
5	The Sims	EA	T
6	The Sims: Hot Date Expansion Pack	EA	T
7	The Sims Deluxe	EA	T
8	Zoo Tycoon	Microsoft	E
9	Harry Potter & The Sorcerer's Stone	EA	E
10	Roller Coaster Tycoon 2	Hasbro	E
11	Neverwinter Nights	Infogrames	T
12	Star Wars: Jedi Knight II: Jedi Outcast	Lucas Arts	T
13	Backyard Basketball	Infogrames	E
14	Dungeon Siege	Microsoft	M
15	Grand Theft Auto 3	Take 2	M
16	Backyard Football 2002	Infogrames	E
17	The Sims: House Party Expansion Pack	EA	T
18	Backyard Baseball 2003	Infogrames	T
19	Backyard Hockey	Infogrames	E
20	Sponge Bob Square Pants: Operation Krabby Patty	THQ	E

Source: The NPD Group / NPD Techworld™

1985 Commodore-Amiga 1000 – the first home, multimedia PC with 3D color, sound and games – is introduced. **1989** Nintendo releases the Game Boy, the first portable, hand-held game system. **1989** Sega Enterprises of Japan releases the Genesis in the U.S.

What Do Parents* Think About the Games Their Kids Are Playing?

More than 65% of parents believe computer and video games are a positive part of their children's lives, while 20% disagree and 15% say they don't know.



Where Are People Playing Games?

IN HOUSEHOLDS WITH GAME CONSOLES, PEOPLE ARE PLAYING ON CONSOLES LOCATED IN:

- 42% Living Rooms
- 34% Children's Bedrooms
- 17% Adults' Bedrooms

1990 Microsoft introduces Windows 3.0 for the PC. **1991** The 16-bit Super Nintendo Entertainment System (Super NES) is introduced. **1991** S3 introduces the first single-chip graphics accelerator for the PC.

How Involved Are Parents* in the Purchase of Games?

96% of parents say they always or sometimes pay attention to the content of the computer or video games their child plays.

60% of parents report that they play interactive games with their kids at least once a month. Forty-four percent of parents say they play games with their kids weekly or daily.

81% of parents say they do not purchase games that contain violent content for their kids, while 1 in 5 parents say they do choose to purchase such games for their kids.

89% of the time parents are present when games are purchased, according to game players under the age of 18.

*Parents with kids under 18 who also own a game console or computer used to play games.

1993 Panasonic begins marketing 3DO hardware which is offered as the first 32-bit video game device. **1994** Sega Saturn and Sony Playstation are launched in Japan. **1994** The IDSA and the ESRB are created.

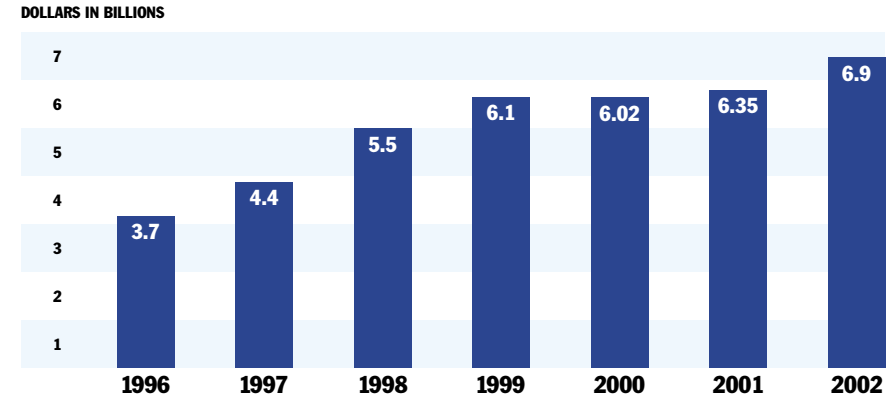
“THE RECORD-BREAKING SALES OF COMPUTER AND VIDEO GAMES IN 2002 WILL CONTINUE IN THE YEARS AHEAD AS MORE GROUND-BREAKING GAMES ARE INTRODUCED, HARDWARE PRICES COME DOWN, AND THE AUDIENCE FOR GAMES BROADENS AND DEEPENS. INDEED, WE BELIEVE THAT 2003 WILL BE THE PEAK YEAR OF THE CURRENT HARDWARE CYCLE, WITH SOFTWARE SALES SURGING AT LEAST 10% YET AGAIN, AND PERHAPS CONSIDERABLY MORE DEPENDING ON OTHER EXTERNAL FACTORS.”

DOUGLAS LOWENSTEIN
PRESIDENT, INTERACTIVE DIGITAL SOFTWARE ASSOCIATION (IDSA)
JANUARY 2003

1995 Sony releases Playstation in the U.S. 1996 The Nintendo 64 is released in the U.S. 1997 3D graphic accelerators for PCs enter the market in large volumes.

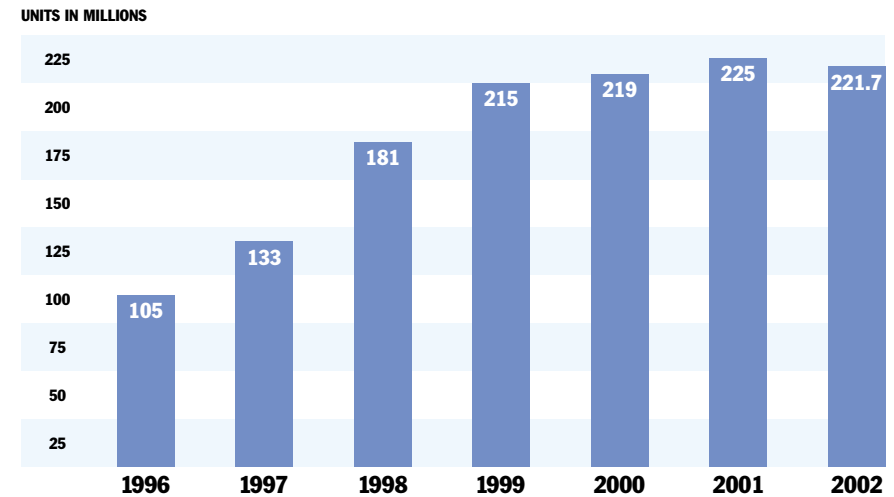
Historical Sales Information

U.S. COMPUTER AND VIDEO GAME DOLLAR SALES GROWTH



Source: The NPD Group / NPD Funworld® / TRSTS® and NPD Techworld™

U.S. COMPUTER AND VIDEO GAME UNIT SALES GROWTH



Source: The NPD Group / NPD Funworld® / TRSTS® and NPD Techworld™

1998 The Legend of Zelda: Ocarina of Time generates more retail revenues in the last six weeks of 1998 than any film released during the same period. 1999 Game-player Billy Mitchell scores 3,333,360 – the highest score a player can get – in the game Pac-Man. 2000 Playstation®2 launches in the U.S.

2003 Consumer Spending Poll

CONSUMERS WHO PLAN TO PURCHASE AT LEAST ONE COMPUTER OR VIDEO GAME IN 2003:

- 41%** of all Americans
- 63%** of parents
- 56%** of Americans under the age of 45
- 37%** of 45 to 54 year olds
- 26%** of 55 to 64 year olds

Source: KRC Research for the IDSA

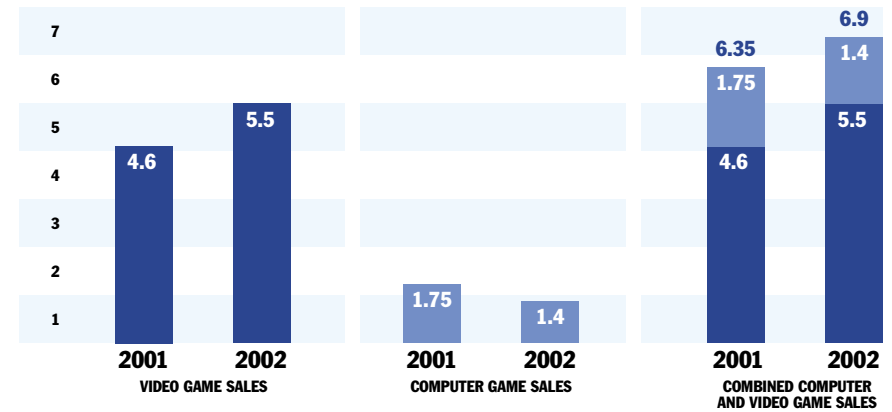
“THE QUALITY OF THE SOFTWARE IS WHAT’S DRIVING HARDWARE SALES...IF YOU LOOK AT THE LATEST AND GREATEST SOFTWARE RIGHT NOW COMPARED WITH WHERE IT WAS IN THE PAST, IT’S A QUANTUM LEAP IN TERMS OF QUALITY. IT’S A MUCH MORE IMMERSING EXPERIENCE THAN IT’S EVER BEEN.”

TOM ANDREWS
ANALYST, GERARD KLAUER MATTISON
THE DETROIT NEWS
DECEMBER 2002

2001 Microsoft introduces Xbox™. **2001** Nintendo introduces the Nintendo GameCube™. **2001** Sega of America releases the first online-compatible RPG game allowing thousands of gamers to play together online from any location.

U.S. COMPUTER AND VIDEO GAME DOLLAR SALES: 2001 AND 2002

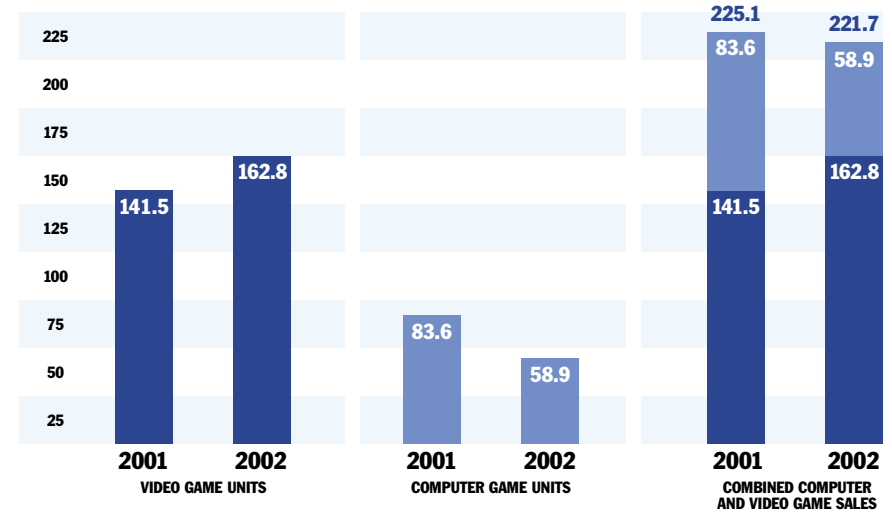
DOLLARS IN BILLIONS



Source: The NPD Group / NPD Funworld® / TRSTS® and NPD Techworld™

U.S. COMPUTER AND VIDEO GAME UNIT SALES: 2001 AND 2002

UNITS IN MILLIONS



Source: The NPD Group / NPD Funworld® / TRSTS® and NPD Techworld™

2001 Games are offered on cell phones in Japan. **2002** The Sims becomes the best-selling computer game of all time. **2002** The computer and video game industry brings in a record-breaking \$6.9 billion dollars in software sales.

About The Interactive Digital Software Association

Formed in 1994, the Interactive Digital Software Association (IDSA) is the U.S. association exclusively dedicated to serving the business and public affairs needs of companies that publish video and computer games for video game consoles, personal computers, and the Internet.

Association members include the nation's leading interactive entertainment software publishers, which collectively accounted for more than 90 percent of the \$6.9 billion in entertainment software revenues generated in the United States in 2002, and billions more in export sales of U.S.-made entertainment software.

The IDSA offers a range of services to its members including operating a global anti-piracy program, staging the Electronic Entertainment Expo trade show, fielding business and consumer research, and representing the industry at the federal, state and local levels on a wide range of policy issues.

IDSA Members

Acclaim Entertainment, Inc.	www.acclaim.com
Activision, Inc.	www.activision.com
Buena Vista Games	www.buenavistagames.com
Capcom USA, Inc.	www.capcom.com
Crave Entertainment	www.cravegames.com
Eidos Interactive	www.eidosinteractive.com
Electronic Arts	www.ea.com
id Software	www.idsoftware.com
Infogrames, Inc.	www.infogrames.com
Konami of America, Inc.	www.konami.com
LucasArts	www.lucasarts.com
MGM Interactive	www.mgm.com
Microsoft Corporation	www.microsoft.com
Midway Games, Inc.	www.midway.com
Namco Hometek, Inc.	www.namco.com
Nintendo of America Inc.	www.nintendo.com
NovaLogic, Inc.	www.novalogic.com
SEGA of America, Inc.	www.sega.com
Sony Computer Entertainment America	www.playstation.com
Take-Two Interactive Software, Inc.	www.take2games.com
THQ, Inc.	www.thq.com
Titus Software Corporation	www.titus-interactive.com
Ubi Soft Entertainment	www.ubi.com
Vivendi Universal Games	www.vivendiuniversalpublishing.com
Wild Tangent	www.wildtangent.com

IDSA Resources

For information on IDSA's global anti-piracy program: www.idsa.com/piracy.html

For information on IDSA's government affairs program: www.idsa.com/govt.html

For information on games and youth violence: www.idsa.com/pressroom.html

For more information on these or any other topics: www.idsa.com

Other Resources

Entertainment Software Rating Board (ESRB) www.esrb.org

The Entertainment Software Rating Board (ESRB) is a self-regulatory body established in 1994 by the Interactive Digital Software Association (IDSA). ESRB independently applies and enforces ratings, advertising guidelines, and online privacy principles adopted by the industry.

Academy of Interactive Arts and Sciences www.interactive.org

Located in Los Angeles, CA, the Academy of Interactive Arts & Sciences (AIAS) is an official professional academy of the \$7+ billion interactive entertainment software industry. AIAS is supported by the industry's leading companies.

E³Expo www.e3expo.com

The Electronic Entertainment Expo (E³), "Where Business Gets Fun," is the world's largest trade event exclusively dedicated to showcasing interactive entertainment and educational software and related products.

Interactive Entertainment Merchants Association (IEMA) www.iema.org

The Interactive Entertainment Merchants Association (IEMA) is the only U.S. trade association dedicated to serving the business interests of leading retailers that sell interactive entertainment software (including video and computer games, multimedia entertainment, peripherals and other software).

The NPD Group, Inc. www.npd.com

Since 1967 The NPD Group has provided the most reliable and comprehensive sales and marketing information available for a wide range of industries. As the gold standard for market information in each industry we track, more than 1,300 manufacturers and retailers rely on NPD to help them better understand their customers, product categories, distribution channels and competition in order to help guide their business and positively impact sales and revenues.