



January 2015



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**Large + Fast
growing** user base

122.0mn
MAU in 3Q2014 ⁽²⁾

27.4mn
DAU in 3Q2014 ⁽²⁾



No.1 Independent mobile game
publishing platform in
China in 2014Q3 ⁽¹⁾

Partnership with leading
game developers



High quality and diversified
game portfolio

27 casual games ⁽²⁾



25 mid- and hardcore games ⁽²⁾

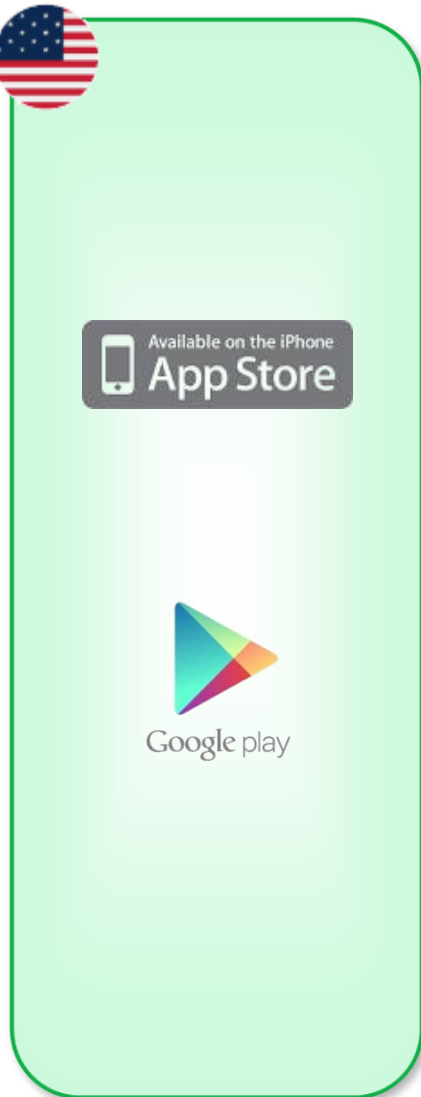


Higher user engagement

Note:

(1) By number of active users in 2014Q3

(2) As of September 30, 2014



The unique value we offer to the China mobile game ecosystem

Mobile game developers

- ✓ In-depth understanding of user behavior
- ✓ Seamless publishing and monetization
- ✓ Marketing and operational capabilities

Third party distribution channels

- ✓ Quality content
- ✓ Special editions and marketing activities

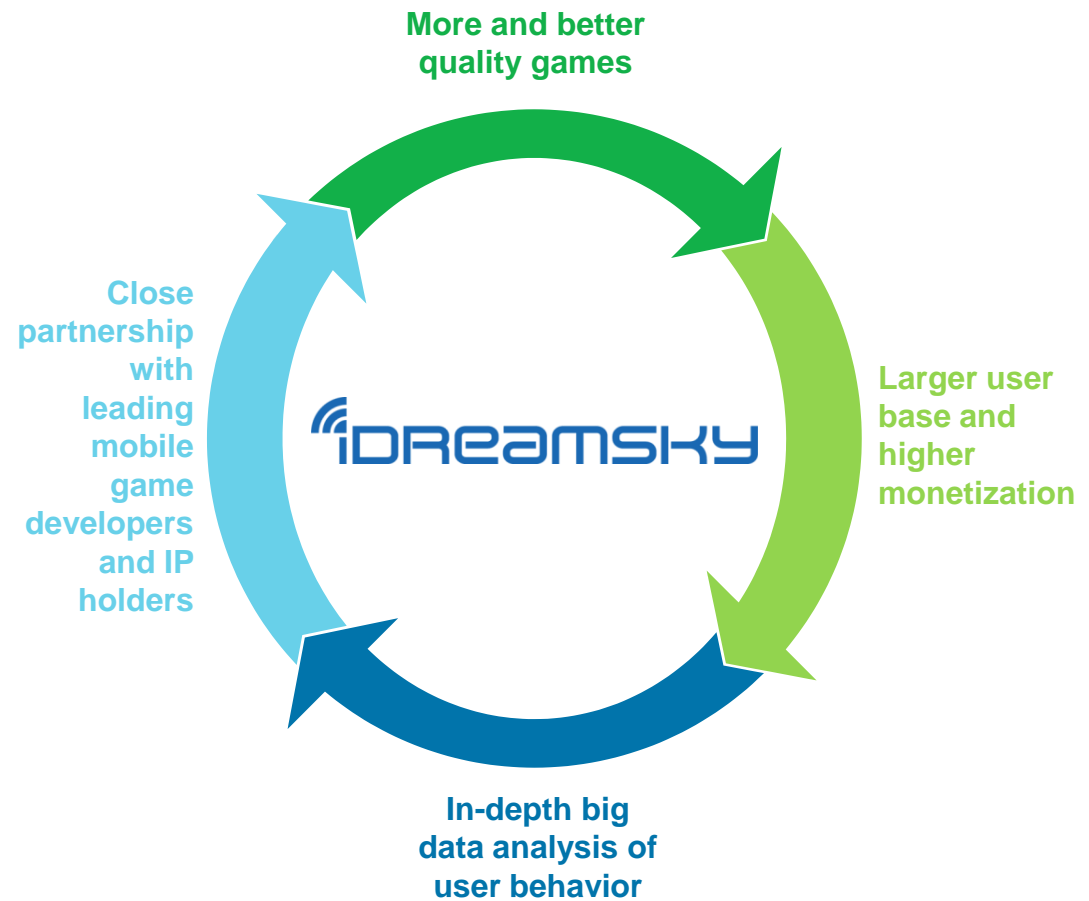
Payment solutions

- ✓ Large user base
- ✓ Large number of transactions
- ✓ Strong cash flow

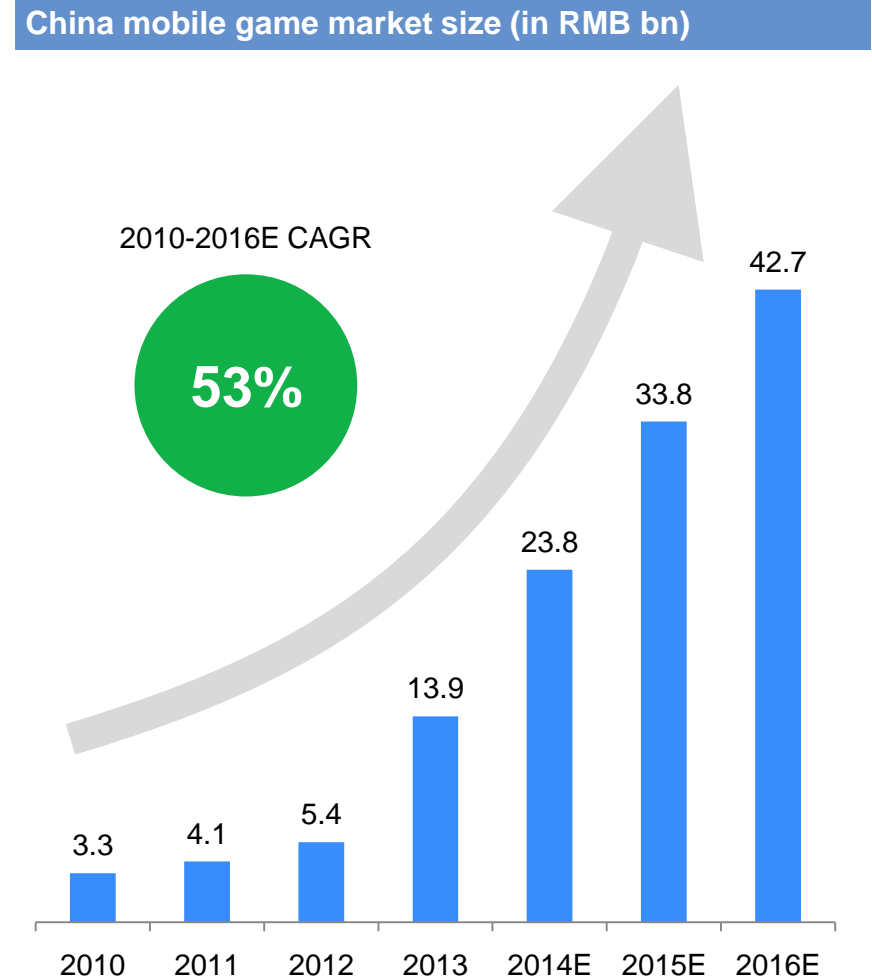
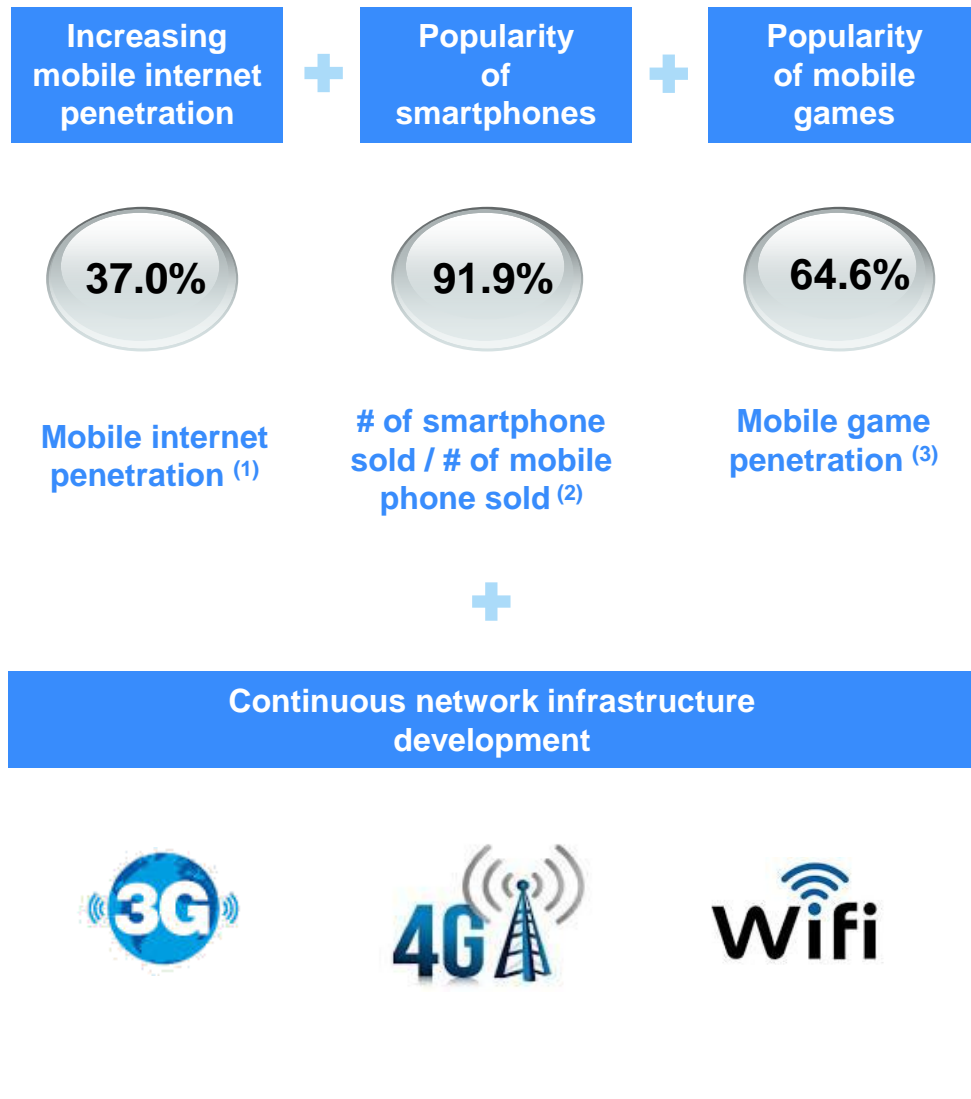
Users

- ✓ High quality entertainment experience
- ✓ Continuous updates
- ✓ Live game services and social connectivity

Strong network and platform effect

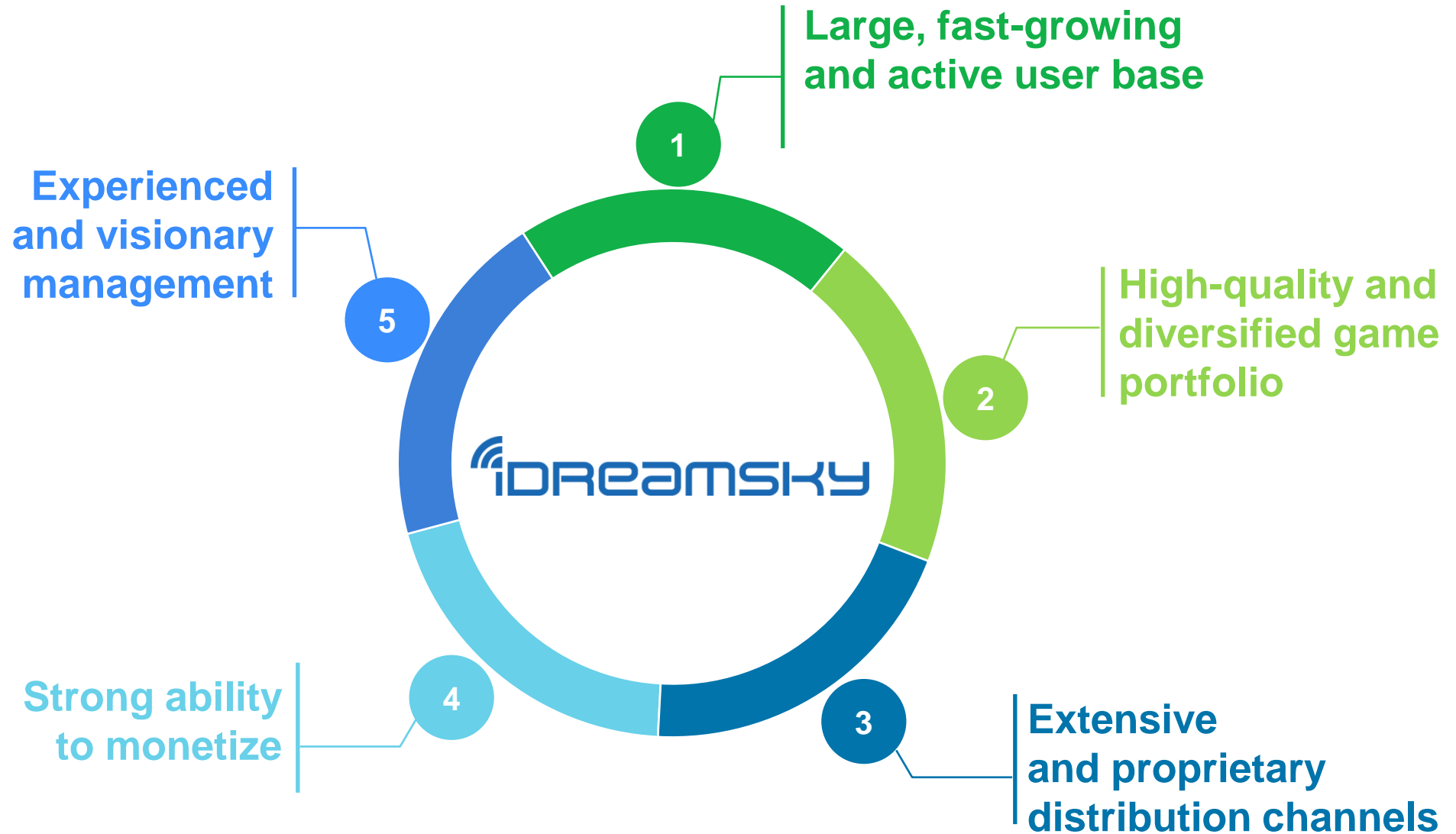


Fast-growing mobile game industry in China



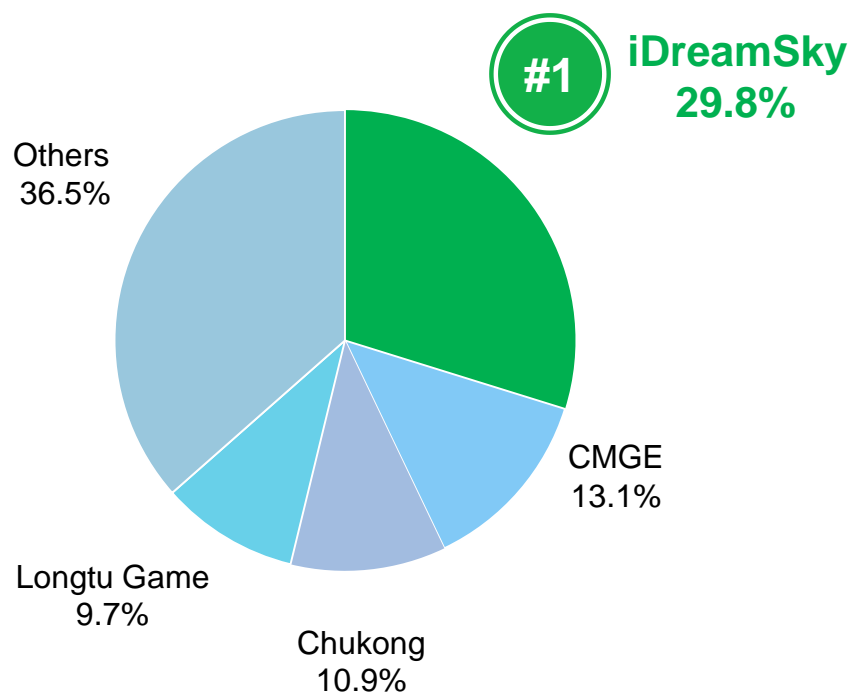
Source: Analysys International

Note:
(1) Analysys International, 2013
(2) Analysys International, 2014 Q2
(3) Analysys International, as of June 2013; mobile game penetration = number of mobile game users / number of mobile internet users



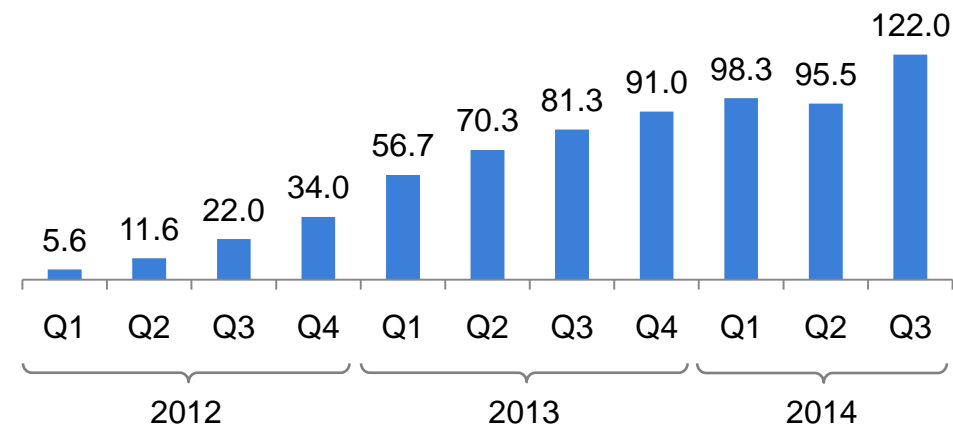
iDreamSky: A publishing platform with strong data-driven publishing and operational capabilities

Independent mobile game publishing platforms in China

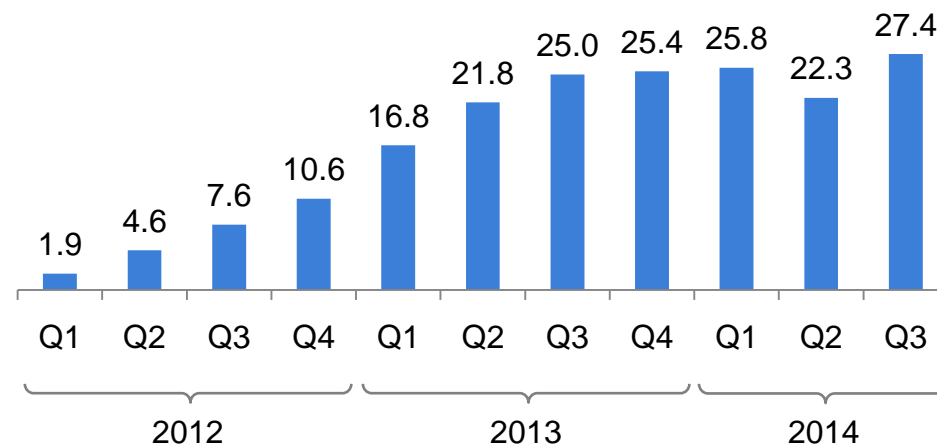
2014Q3 market share by number of active users ⁽¹⁾

Large, fast-growing and active user base

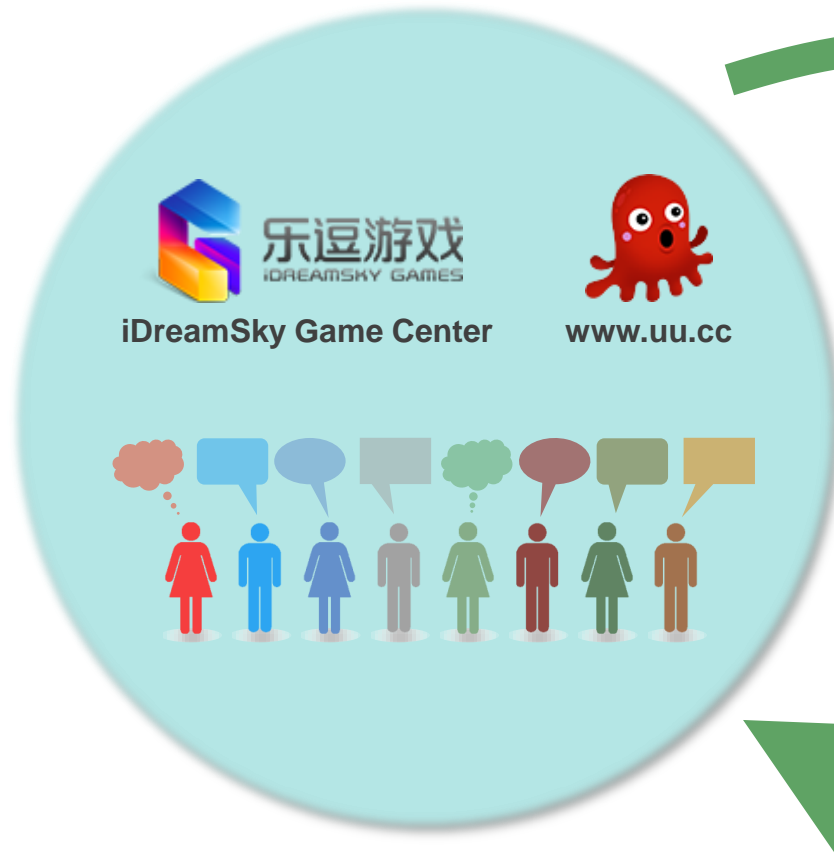
MAU (in mn)



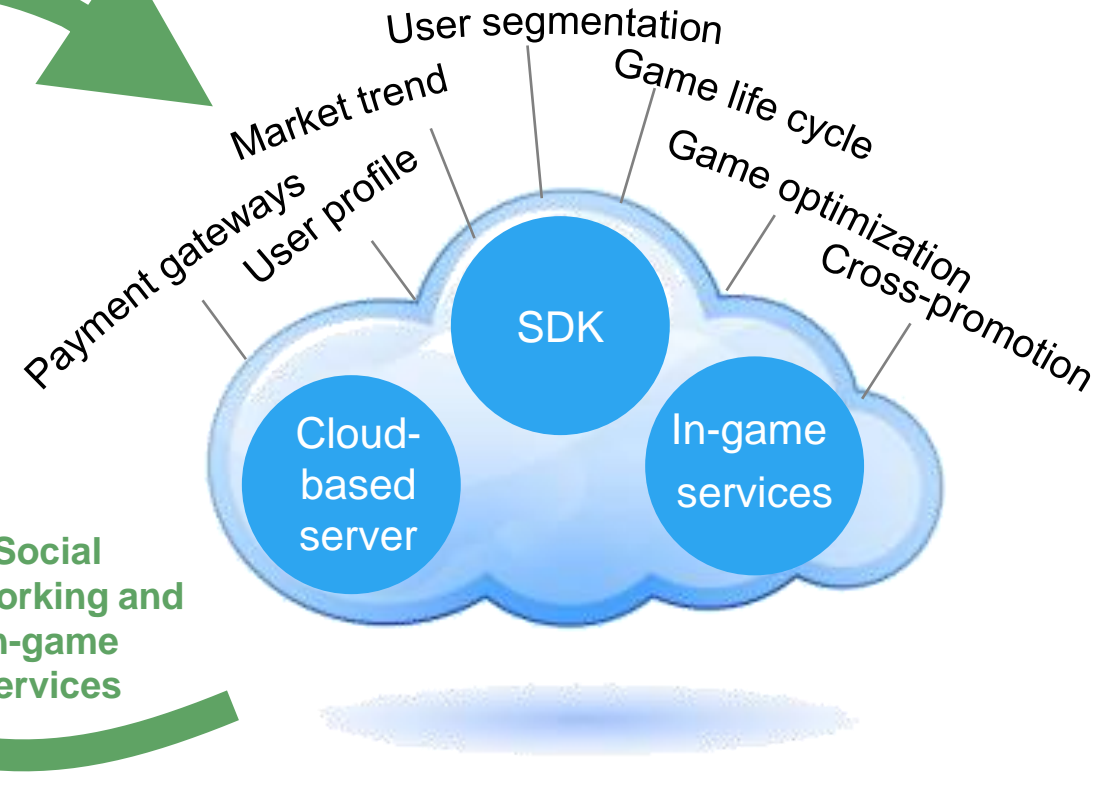
DAU (in mn)



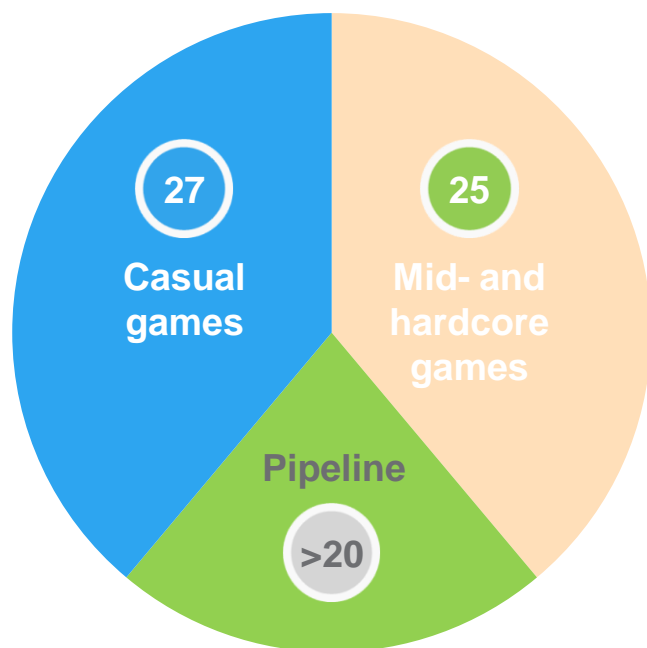
User Community



Games as A Service



Provide high quality user experience to achieve higher platform user retention

A large and diversified portfolio ⁽¹⁾

Strong and trusted relationship with CPs

Exclusive
partnership
in ChinaTrusted by
game
developers

- ✓ Access to source code
- ✓ Flexibility in game redesigning and optimization

Proven track record of sourcing and publishing popular games

Game center



www.uu.cc

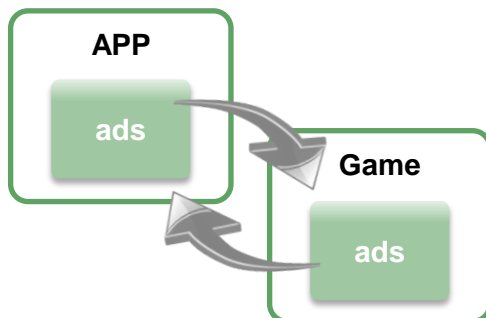
Proprietary
distribution
channel

>30%

In-game cross promotion



Traffic exchange



Third-party
distribution
channels

<70%

Game downloads and
activations in 2014Q3

Distribution channels

All major distribution channels

App stores



Mobile carriers



Device app stores



Social networking



Payment solutions

>50 payment solutions (1)

Mobile carriers

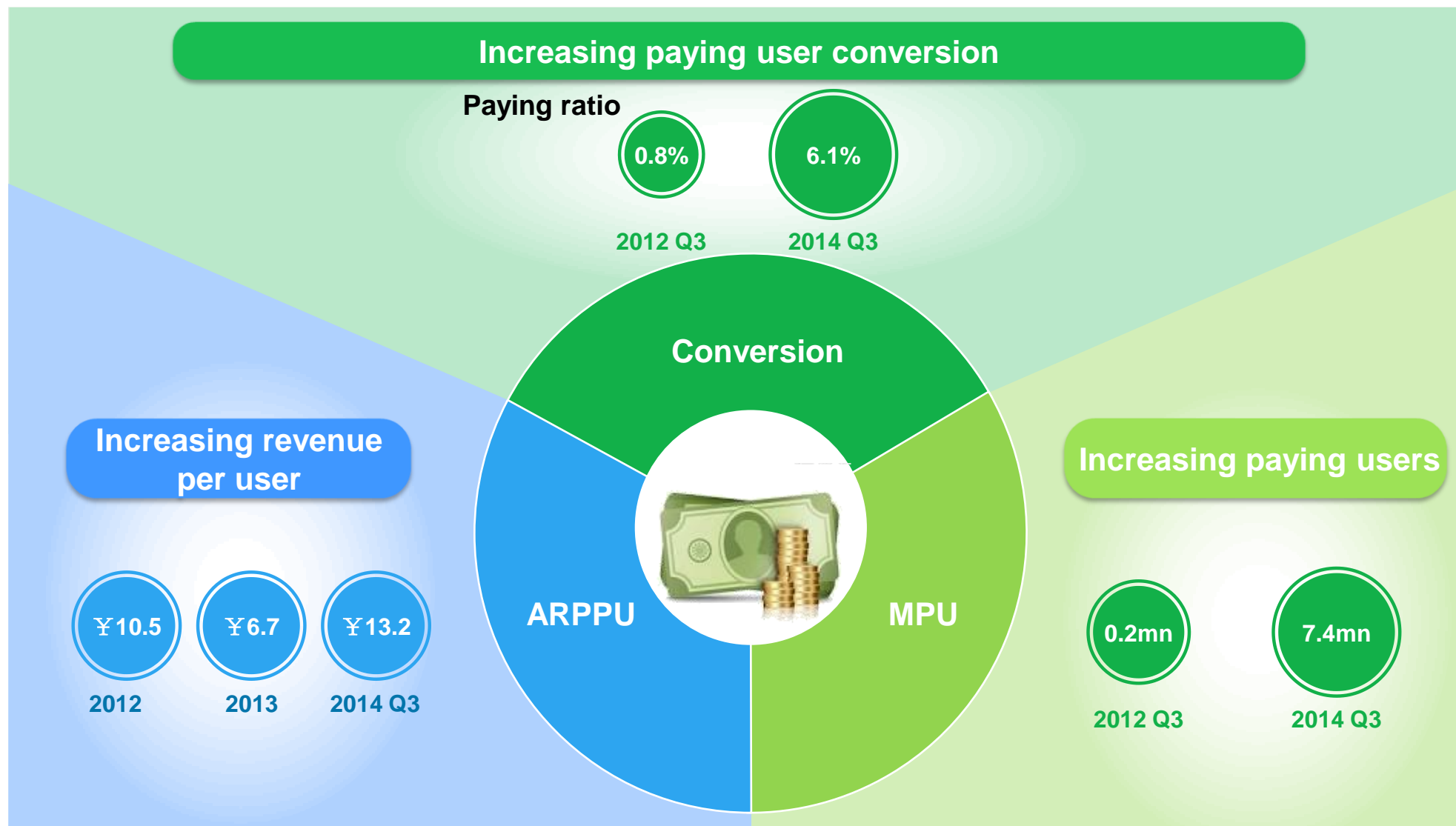


Mobile payment platforms



Other third-party payment platforms





- ✓ Casual games to attract new users and cultivate paying habit due to low paying barrier
- ✓ Convert casual game players to mid-and hardcore games players through in-game cross promotion to achieve higher ARPPU
- ✓ Continuous optimization of game content and monetization points based on big data analysis have led to higher retention

Industry / management experience

Previous experiences



Michael Chen
CEO, Co-founder

10+

- Previously led the development of mobile applications at Achievo and served as a software engineer in Huawei
- Served as director of Shenzhen Guoxin, a provider of mobile family-to-school communication service



Jeff Lyndon Ko
President, Co-founder

10+

- Previously served as director at Rullingnet, co-founder of Humble Gaming and VP at Interzone etc.
- Currently a co-president of the Global Mobile Game Confederation



Anfernee Guan
CTO, Co-founder

10+

- Previously served as a technology director at Guangzhou Startcom, a project manager at Achievo and a department manager of ChinaGPS



Jun Zou
CFO

20+

- Previously served as CFO of Dangdang (NYSE: DANG), Xunlei (NASDAQ: XNET) and Huawei Technology's global technical services unit
- Served in progressive managerial roles and eventually as global controller for the managed services business unit at Ericsson in the U.S. and Sweden

Strong and well-known shareholders

Tencent 腾讯

LEGEND
CAPITAL
君联资本

Redpoint

lenovo®



1






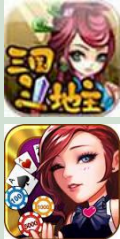


Continuous increase of user base



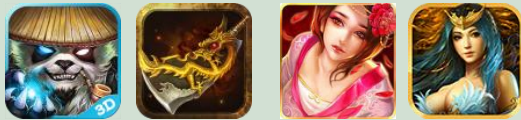


2

Further diversified game portfolio

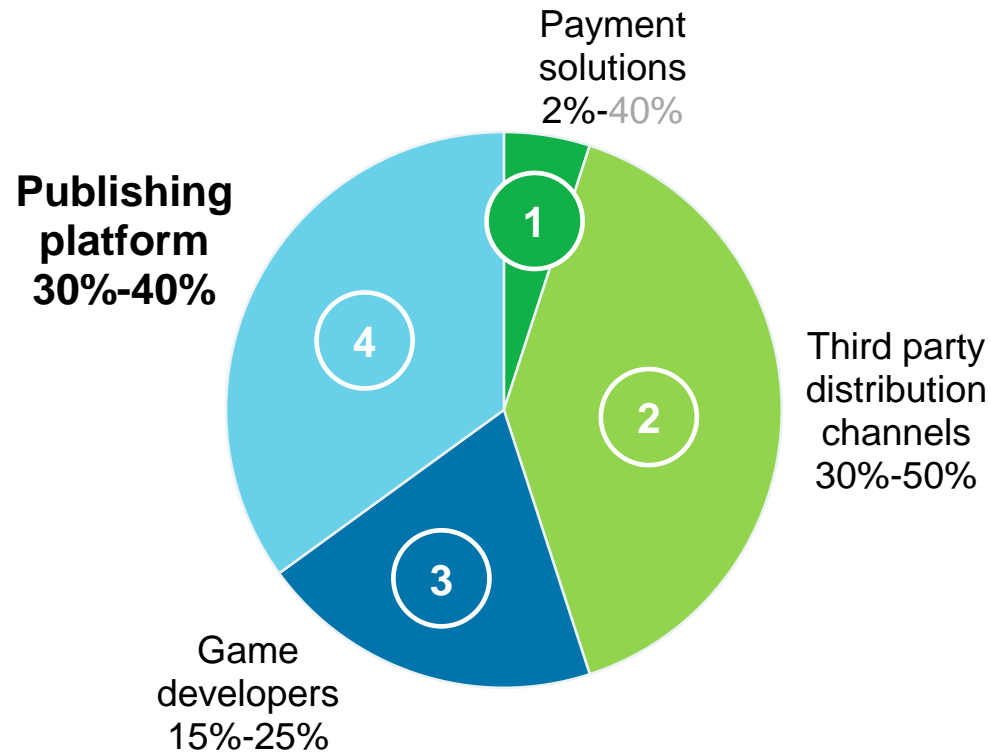
Casual Games

Racing	Casual	Puzzle	Shooting	Sports	Chess	Music	RPG	Problem-solving
								

Mid-and Hardcore Games

RPG	Card	Tower defense
		

Typical revenue breakdown in China mobile game industry ⁽¹⁾



**Cash “collected”
by the publisher:**



**Recognized as
game revenue ⁽²⁾**



**Recognized as cost
of revenues ⁽²⁾**



Source: Analysys International

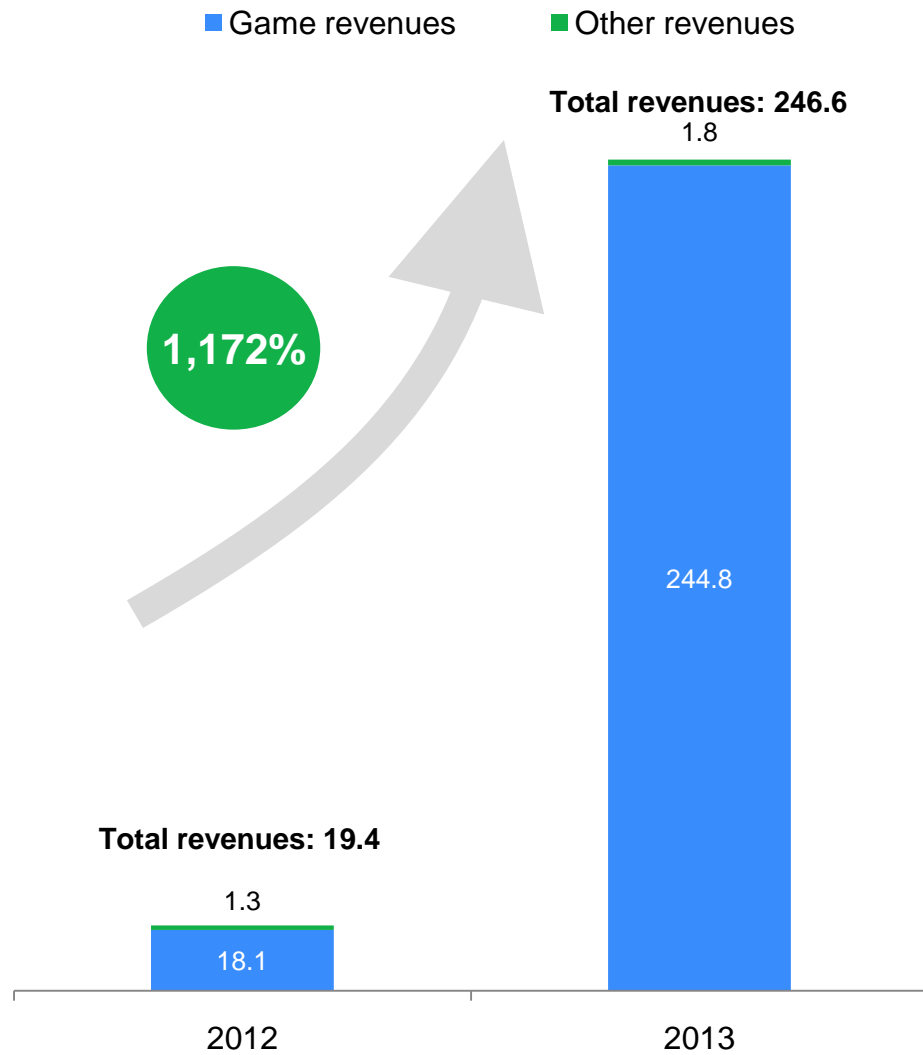
Note:

(1) Based on gross billings

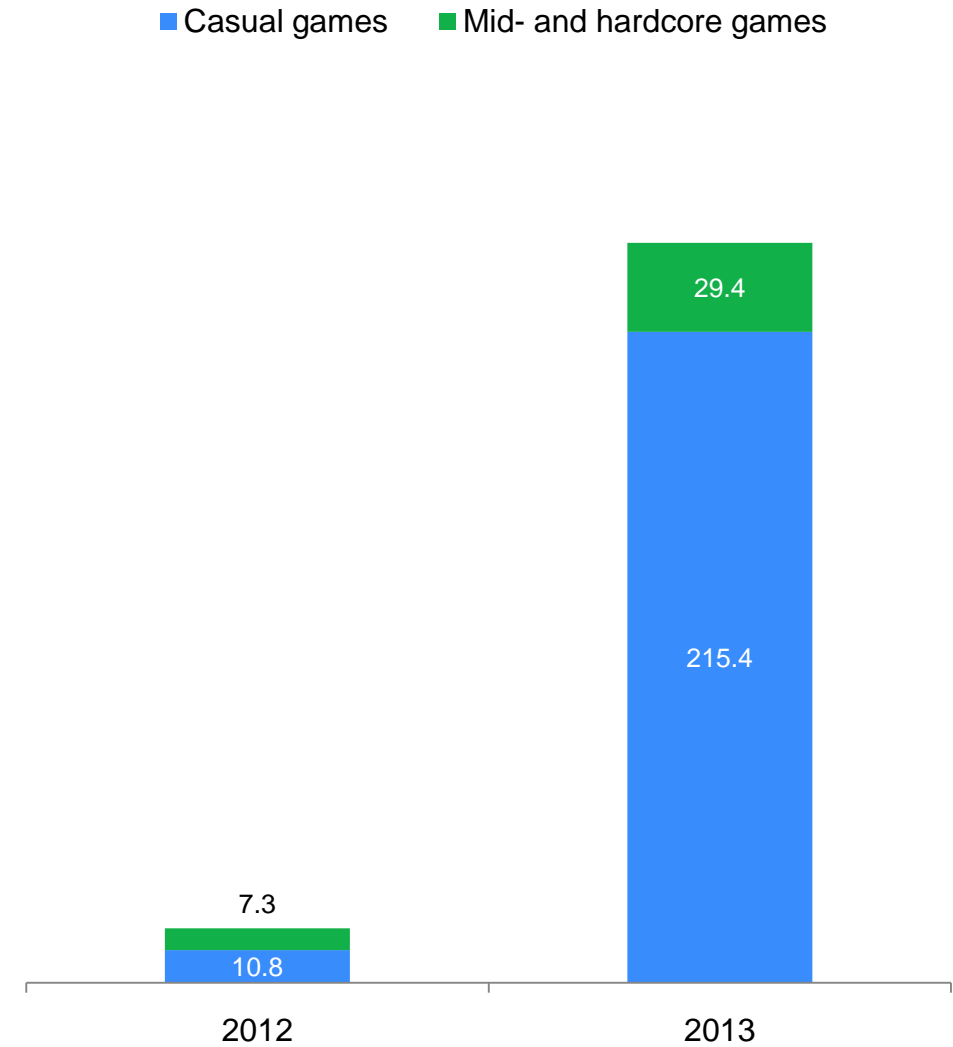
(2) For games licensed from third-party developers

Strong revenue growth

Revenues (in RMB millions)



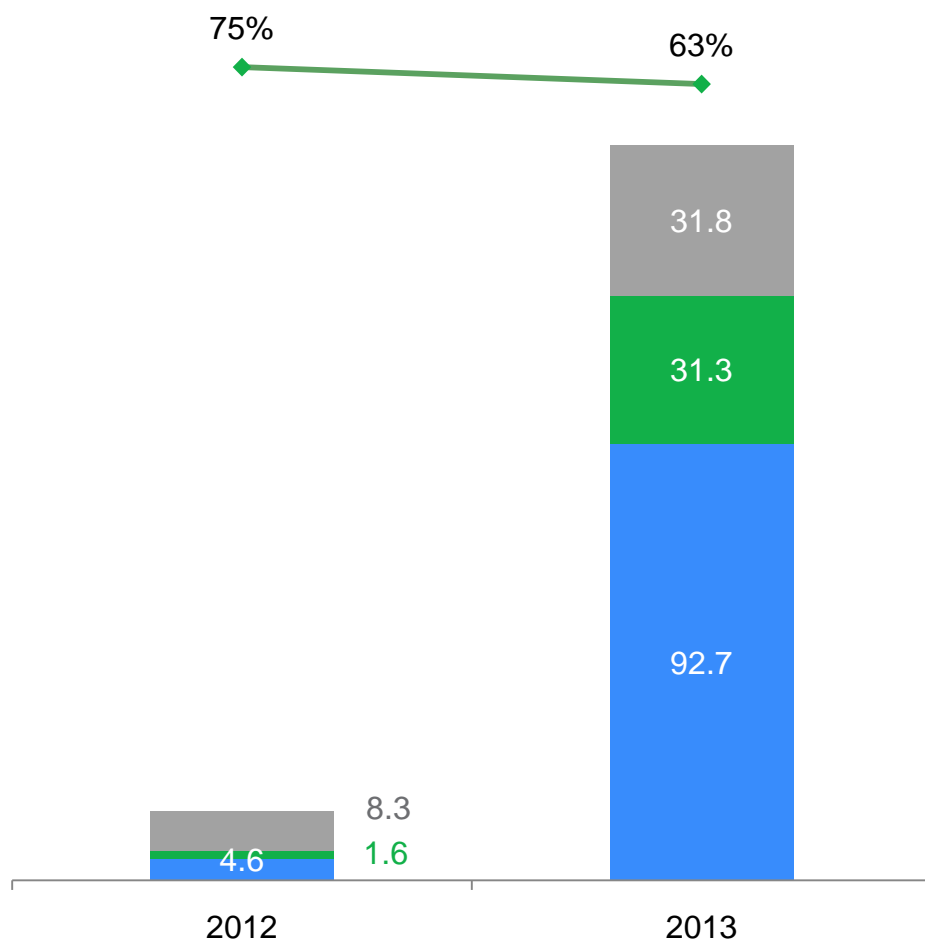
Game revenues breakdown (in RMB millions)



Expanding gross margin

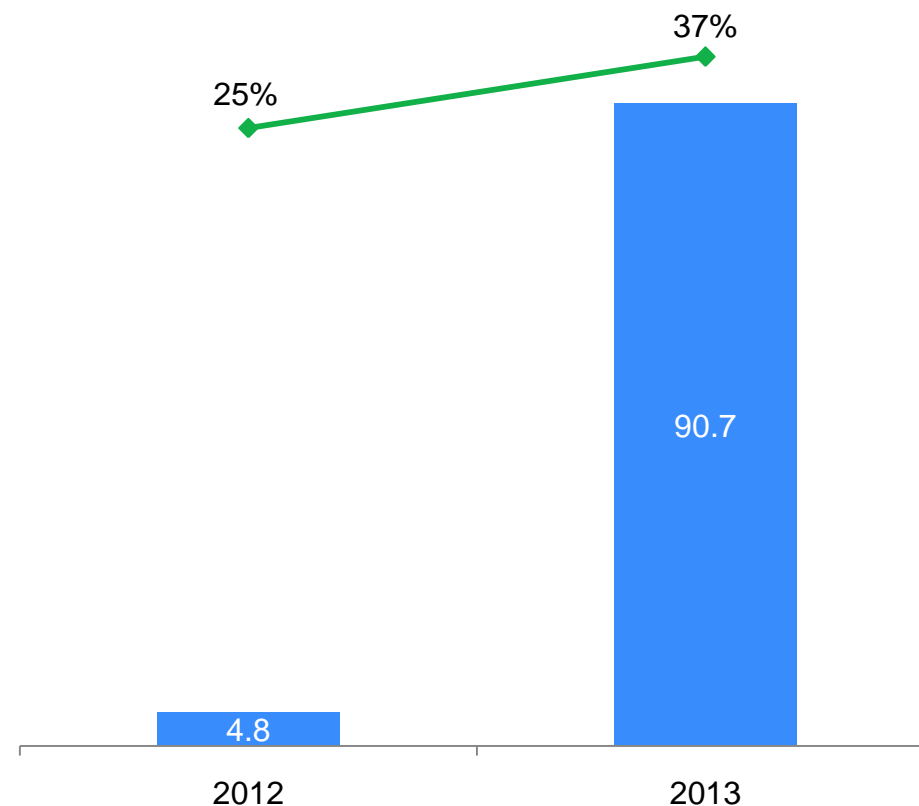
Cost of revenues (in RMB millions)

Others
Distribution channel cost
Payment handling cost
As % of revenues



Gross profit (in RMB millions)

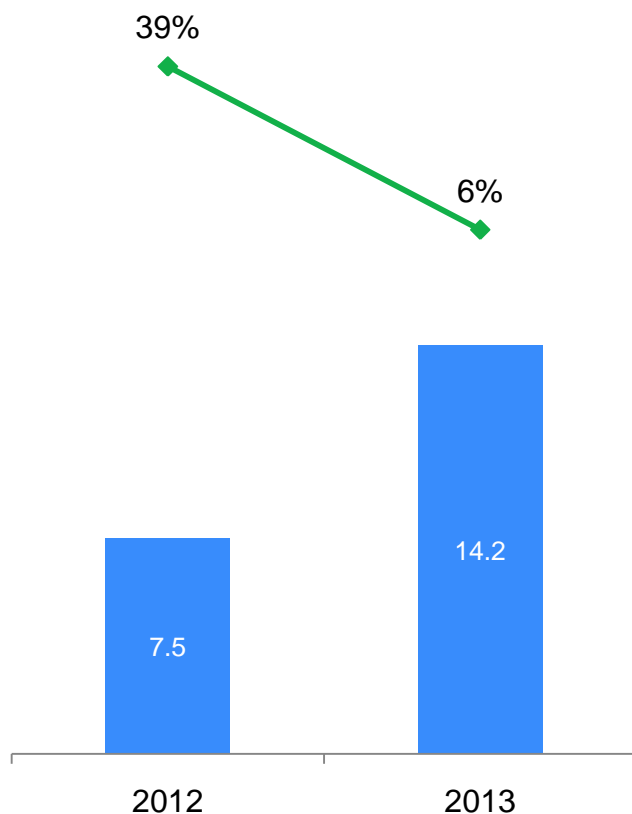
Gross profit
Gross margin %



Low operating expenses leading to strong operating profitability

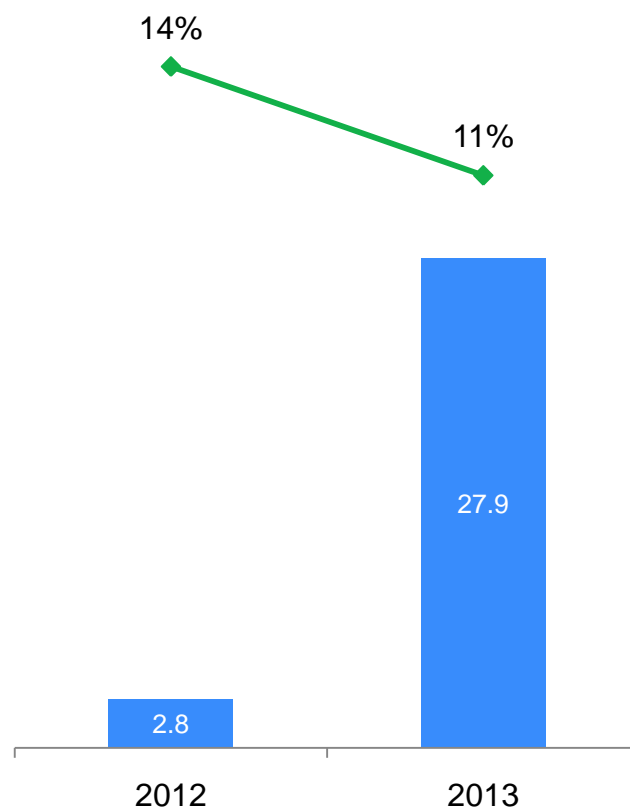
R&D expenses (in RMB millions)

R&D expenses As % of revenues



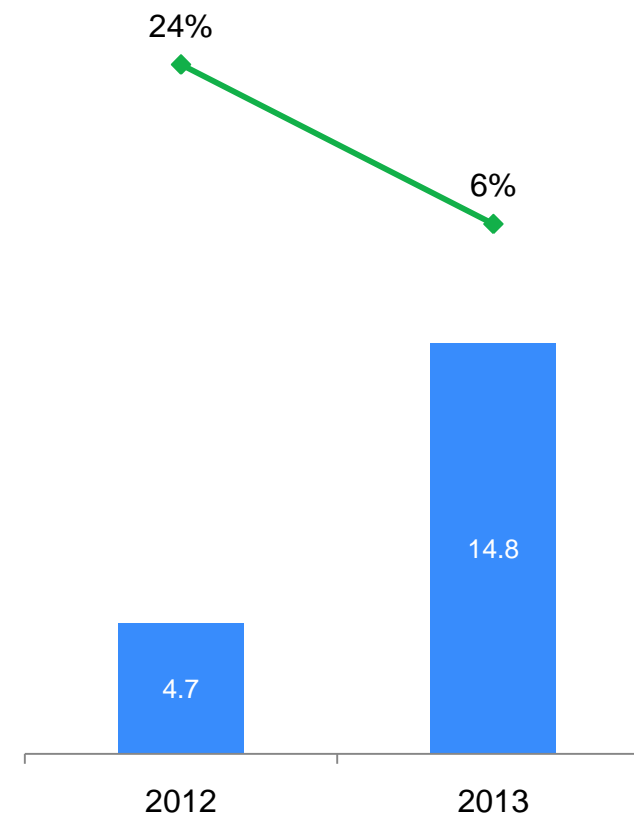
S&M expenses (in RMB millions)

S&M expenses As % of revenues



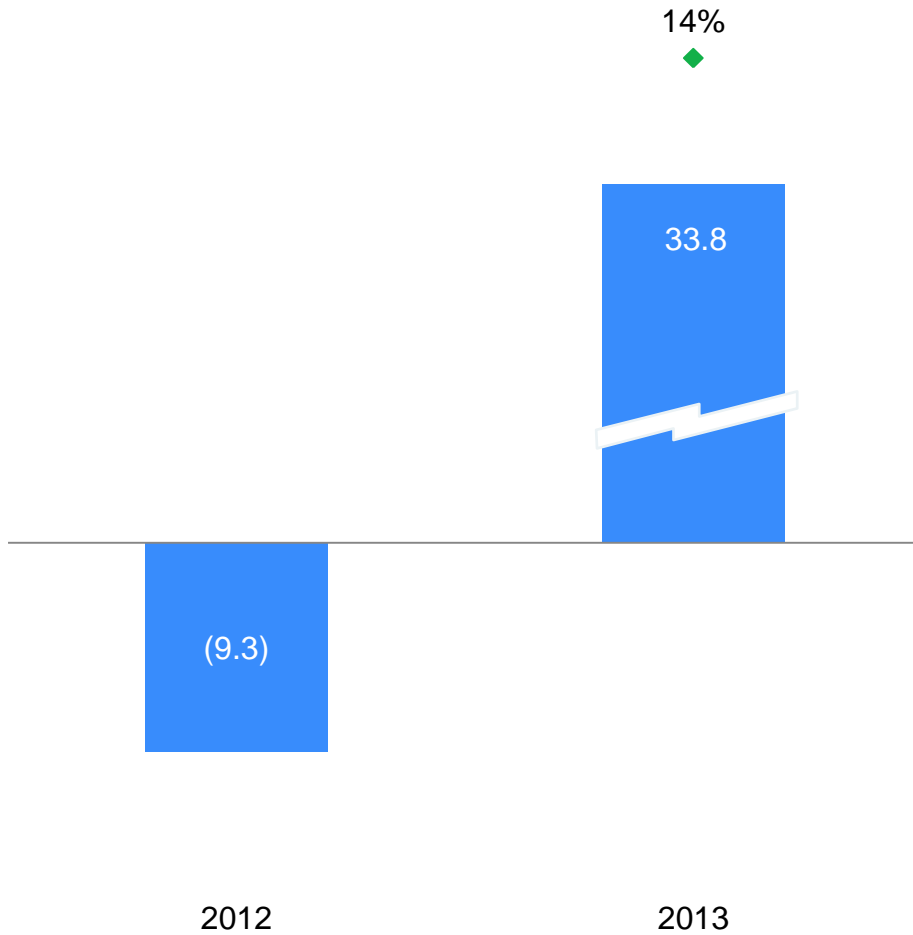
G&A expenses (in RMB millions)

G&A expenses As % of revenues



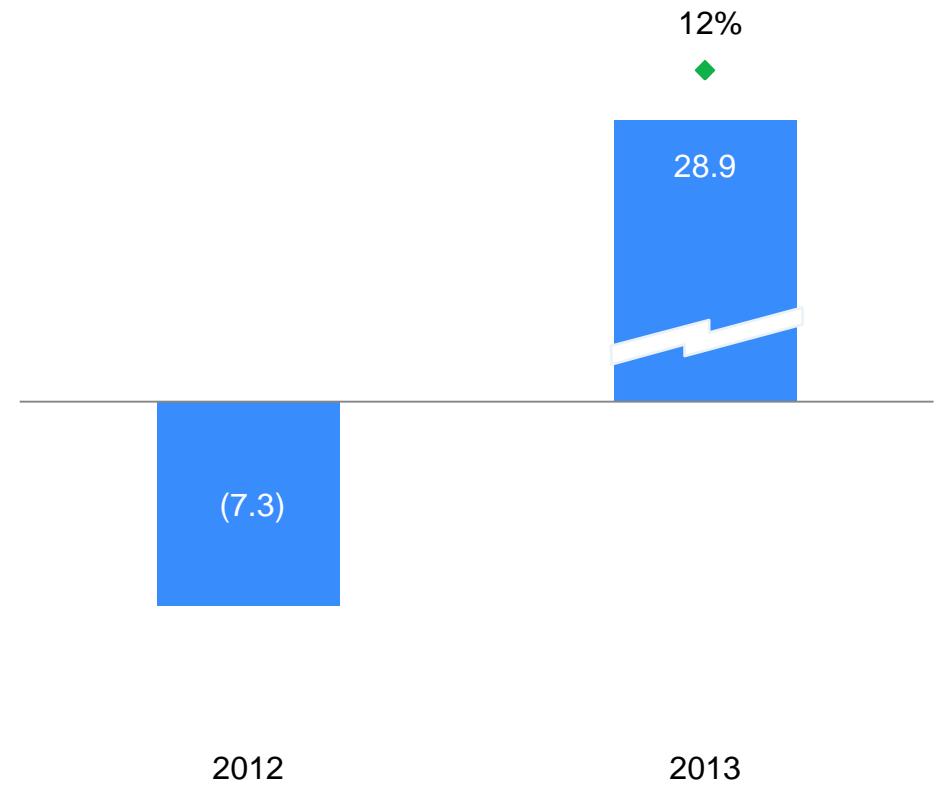
Operating profit (in RMB millions)

Operating profit Operating margin %



Non-GAAP adjusted net income / (loss) (in RMB millions)

Non-GAAP adjusted net income Non-GAAP adjusted net income margin %



Financial highlights – income statement summary

	2013 Q3	2014 Q2	2014 Q3		QoQ	YoY
	in RMB '000	in RMB '000	in RMB '000	in USD '000	%	%
Total revenues	78,262	187,152	294,458	47,973	57.3%	276.2%
Gross profit	28,522	80,365	123,226	20,076	53.3%	332.0%
<i>Gross margin</i>	<i>36.4%</i>	<i>42.9%</i>	<i>41.8%</i>			
Non-GAAP operating profit	12,586	41,052	58,797	9,580	43.2%	367.2%
<i>Non-GAAP OP margin</i>	<i>16.1%</i>	<i>21.9%</i>	<i>20.0%</i>			
Non-GAAP net income	11,321	32,439	56,788	9,253	75.1%	401.6%
<i>Non-GAAP net margin</i>	<i>14.5%</i>	<i>17.3%</i>	<i>19.3%</i>			

Note: non-GAAP numbers that exclude non-cash intangible amortization, share-based compensation costs and gain/(loss) from the disposal of subsidiaries .



iDREAMSKY

THANKS!