Global Internet Industry Research

BRAZIL

Avazu Holding

CONTENTS

INTRODUCTION

Thanks to the large size population, mobile internet development has been booming in BRIC, ranking forefront of the world in recent years. On the other hand, the significance of BRIC also makes it the focus of major internet corporations' strategy layout. Under the action of the two forces, BRIC may be leading the world trend of internet.

As one of the BRIC countries, Brazil is world' s 11th and Latin America' s biggest game market. According to Newzoo, the game market of Brazil is about $1.5 billion in 2015, and is expected to reach $1.6 billion in 2016. Meanwhile, Brazil is also the biggest ad market in Latin America, the IAB' s prediction for 2016 is an investment of 10.4 million Reais, 12% more than 9.3 million Reais in previous year.

Although there was years of economic turmoil, the digital marketing will be growing at double-digit rates in next few years. Brazil's game and digital ad market still has unlimited potential.

Industry Environment

1

1

Policy

1 Harsh labor laws & High taxes

Brazilian Law requires if foreigners intend to run a business in local Brazil, the natives in the foreign company must represent nearly half shares. To protect local employees, Brazilian dismissal system is quite strict to foreign companies. Employees cannot be fired that easily. Moreover, the game industry tax is far higher than other industries. These circumstances may keep large companies like Google and Tencent alive but others are struggling to survive.

2 Payment problems suppress impulse buying

Cash and account transfer are very popular payment terms in Brazil, for it's complicated to apply for a credit card. Banks also require applicants must have official career and stable income in case of any malicious overdraft. On the other hand, mobile game industry is not the only one facing the high commission of local operators and heavy tax. To those who try to develop the Brazilian market, it is certain to be a major concern.

3 Faultiness of local mobile game industry & Talent shortage

Facing many challenges and developing relatively late,the Brazilian game industry is still at a very early stage. "Our local schools offer fantastic courses in art and design, but in development it hasn't involved as many as that",a local practitioner said. Meanwhile, most Brazilian game developers consist of minor workshops. When compared to Medias who offer high-paying jobs, workshops show weak marketing competition and have few advantages to pay higher salary or attract talents.

4 Government attention is insufficient

The piracy rate in Brazil is the lowest in the whole Latin America. However, it's still a big threat to game publishers. In Brazil, digital game becomes a more affordable choice because of its lower tax compared with console game. In the long run, Brazilian manufactures desire to see the reduction of piracy rate and high tax, whereas the government said it's not worth to make legal changes for such a small market.

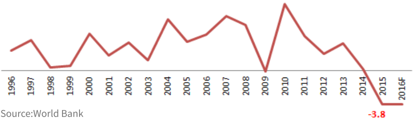
2

Economy & Population

1 Economy

In 2015, Brazil's annual GDP grew -3.8%. The negative growth trend is predicted to remain in 2016. This has been the 3rd two-year fall ever through all records since 1901. Brazil's economy is now facing a serious recession under the influence of commodity price depression and low domestic consumption. As a member of BRIC, although Brazil had once been seen to deserve an optimistic prospect, the evaluation from experts and analysts now turns to "depression" from initial "recession". The ratio of capital and labor is continuously falling, which has restrained the GDP growth recovery and it's hard to reverse the dispirited employment data even if the GDP showed any sign of recovery.

Brazil GDP Growth(Annual %)



Source:World Bank

According to the *World Economic Outlook* published in April by IMF, Brazil's economy will result in negative influences caused by its political unrest. With 2015's worst economic performance ever since 1990, it's predicted the recession will remain the same with last year's at a negative 3.8%. The growing political crisis leads to a sharp cutoff of investment and consumption expense. Brazil's economy will become even worse than expected.

If it follows the negative 3.8% predicted by IMF, Brazil's economy will probably hit fresh lows in 2016 since the continuous two-year recession of economic in 1930. This should be the one and only through Brazil's records that the economy shrinks 7.6% over two years. Besides, it is mentioned in IMF that in 2017 Brazil's economy will be zero growth, which means it isn't likely to recover the next year. However at the same time, the World Bank has estimated Brazil's economy will fall 3.5% while the Brazilian financial institution lately estimates 3.77% and National Industry Confederation estimates 3.1% on 12th.

Thanks to the large size population, mobile internet development has been booming in BRIC, ranking forefront of the world in recent years. On the other hand, the significance of BRIC also makes it the focus of major internet corporations' strategy layout. Under the action of the two forces, BRIC may be leading the world trend of internet.

2016 is a key year to Brazil. The Olympic Games will be taking place in Rio de Janeiro. Is it able to save Brazil's economy from depression? In addition, grassroots construction and public security, these are the major concerns to maintain the internet growth as well.

Table 1.1. Overview of the *World Economic Outlook* Projections
(Percent change, unless noted otherwise)

		Projections		Difference from January 2016 *WEO Update*[1]		Difference from October 2015 WEO[1]	
	2015	2016	2017	2016	2017	2016	2017
World Output	**3.1**	**3.2**	**3.5**	**–0.2**	**–0.1**	**–0.4**	**–0.3**
Advanced Economies	**1.9**	**1.9**	**2.0**	**–0.2**	**–0.1**	**–0.3**	**–0.2**
United States	2.4	2.4	2.5	–0.2	–0.1	–0.4	–0.3
Euro Area	1.6	1.5	1.6	–0.2	–0.1	–0.1	–0.1
Germany	1.5	1.5	1.6	–0.2	–0.1	–0.1	0.1
France	1.1	1.1	1.3	–0.2	–0.2	–0.4	–0.3
Italy	0.8	1.0	1.1	–0.3	–0.1	–0.3	–0.1
Spain	3.2	2.6	2.3	–0.1	0.0	0.1	0.1
Japan	0.5	0.5	–0.1	–0.5	–0.4	–0.5	–0.5
United Kingdom	2.2	1.9	2.2	–0.3	0.0	–0.3	0.0
Canada	1.2	1.5	1.9	–0.2	–0.2	–0.2	–0.5
Other Advanced Economies[2]	2.0	2.1	2.4	–0.3	–0.4	–0.6	–0.5
Emerging Market and Developing Economies	**4.0**	**4.1**	**4.6**	**–0.2**	**–0.1**	**–0.4**	**–0.3**
Commonwealth of Independent States	–2.8	–1.1	1.3	–1.1	–0.4	–1.6	–0.7
Russia	–3.7	–1.8	0.8	–0.8	–0.2	–1.2	–0.2
Excluding Russia	–0.6	0.9	2.3	–1.4	–0.9	–1.9	–1.7
Emerging and Developing Asia	6.6	6.4	6.3	0.1	0.1	0.0	0.0
China	6.9	6.5	6.2	0.2	0.2	0.2	0.2
India[3]	7.3	7.5	7.5	0.0	0.0	0.0	0.0
ASEAN-5[4]	4.7	4.8	5.1	0.0	0.0	–0.1	–0.2
Emerging and Developing Europe	3.5	3.5	3.3	0.4	–0.1	0.5	–0.1
Latin America and the Caribbean	–0.1	–0.5	1.5	–0.2	–0.1	–1.3	–0.8
Brazil	–3.8	–3.8	0.0	–0.3	0.0	–2.8	–2.3
Mexico	2.5	2.4	2.6	–0.2	–0.3	–0.4	–0.5
Middle East, North Africa, Afghanistan, and Pakistan	2.5	3.1	3.5	–0.5	–0.1	–0.8	–0.6
Saudi Arabia	3.4	1.2	1.9	0.0	0.0	–1.0	–1.0
Sub-Saharan Africa	3.4	3.0	4.0	–1.0	–0.7	–1.3	–0.9
Nigeria	2.7	2.3	3.5	–1.8	–0.7	–2.0	–1.0
South Africa	1.3	0.6	1.2	–0.1	–0.6	–0.7	–0.9

Source:IMF

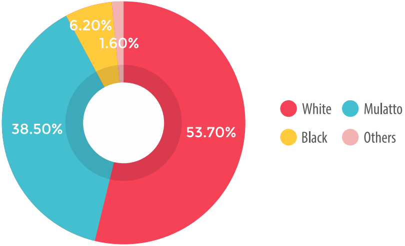
2 Population

1.Porfile

The World Bank data in 2014 shows Brazil holds a population of 202 million. With the capital city Brasilia, the major cities also include Saint Paul (70 million) and Rio de Janeiro (15 million). The most populous region is in the south east which has 42% population of the whole Brazil. The border region between Saint Paul and Rio forms a commercial zone. Attracting 23% population, it becomes the most crowded area of Brazil.

2.Race

Due to a variety of historical reasons, it is super complex with Brazil's racial formation. The population along the coast of the Atlantic Ocean is dense while inland areas are scarcer. The culture differences in different races are notable: Southern residents are of European descent, while the northern and northeastern parts of the population are indigenous; some have a European or African descent. Brazil's nations are most widely distributed in the south east area which includes white (Portuguese and Italian descent), hybrid, African-Brazilian mix, and the generations of Asian and Indian. According to statistics in 2014, 53.7% of the Brazilians are white, 38.5% are mulatto, 6.2% are black, yellow and Indian constitutes 1.6%.



3

Culture

1 Education

Education inequality is a very serious question in Brazil, especially in the regional & ethnic disparity.

The enrollment ratio of southeastern RiodeJaneiro is much higher than western Amazon-as, and the enrollment ratio of northeastern Maranhao always kept the lowest level.

In Brazil, the proportion of uneducated Caucasians is 15% lower than colored people, for finishing 11 -year-education, Caucasian's ratio is 5% higher than colored people, for finishing University Education, Caucasian's ratio is 8% higher than colored people.And the averagemonthlywage for Caucasians is 15% higher than colored people, the average monthly wage of Caucasians who finished university education is 30% higher than colored people.

2 Belief and Taboo

- 1.Catholicism is the predominant faith in Brazil, and the minorities are Christian, Judaism and other denominations.
- 2.The Brazilians are taboo"13", because most of them regard "13"as a sinister aspect which can bring misfortune and disasters to people.
- 3.The British and American popular gesture"OK"is nasty in Brazil.
- 4.Advertising Taboo

1) The advertisement displayed by verbal is far more popular. Once Brazilian football team lost the World Cup, fans comforted players with the banner "Every Thing Will Be Fine". When Brazilian football team win the World Cup, fans encouraged players to keep improving with the banner"Success is the past".

In 1970s, Brazilian advertising industry preferred to oral language rather than written expression to customers. And in this way, the relationship between advertisements and customers was closer. Customers also responded the advertisements positively since they were just talking with closet friends.

2) The Brazilians regard purple as a taboo(purple means sorrow), and also dislike purple flowers(often be used at funerals). Death is liken to the falling yellow leaves. So pale brown means death which is a big taboo in Brazil. All in all, advertisements should avoid purple and yellow.

3) In 1990s, Brazilian advertising industry faced 2 key situations: Make effective advertising campaign and won numerous international awards to catch more attention and commercial activities.

However, there is a big barrier for these two goals: Portuguese. Although it is an official language(51% Brazilians speak) in Brazil, Portuguese is still an unfamiliar language for other 12 countries in Latin America. This situation has set an obstacle for customers to understand fantastic advertisements. What's more, puns, jokes and other forms of words can't be translated appropriately. As a result, to a great extend, Brazilian advertisements depend on Visual Communication.

4) Brazilians' openness for body and taboo for violent pornography in ads have formed a sharp contrast. Brazilians get used to the violent and corrupt in society, so they don't want that appear in their films, TV or ads. They prefer other things such as poverty, street crime, group, corruption, other social issues and something encouraging. However, they are not shy about nudity and sex — it's a cultural phenomena.

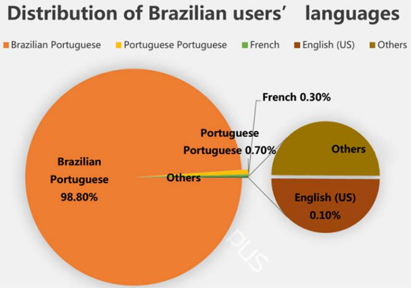
5) Sensitive advertisements are tightly regulated in Brazil, especially related to alcohol, tobacco and other limited substances. Brazilian advertisements are ruled by Constitution. According to the rules from 9294/1996, advertisers must remind customers the risk the advertised products (products' alcohol >13°), and also, can never be related to the information about driving, health and etc. According to the fourth rule of 9294/1996, alcohol ads can only run between 9 PM to 6 AM on radio or TV with warning information or advice. For example: "Do Not Drive After Drinking", "Drink Moderately" and "Only For Adult".

6) Conanda passed a resolution in 2014 through its legal power, prohibiting advertisements targeting children in Brazil. This resulted to a milestone shift in Brazil in regard to marketing to children. Consequently, the Official Federal Gazette of Brazil published the Conanda Resolution 163, which henceforth considered all advertising targeting children as abusive. The particular resolution stated that the act of advertising and marketing to children in Brazil with the ultimate intention of influencing them to use any service or product was henceforth abusive. It is illegal according to the Consumer Defense Code.

3 Official Language

Brazil is divided into 26 States and 1 Federal Region(Brasilia Federal Region), and the city is in the administrative of the State. Brazil was an Portugal's colony in history and declared independence on September 7, 1822. The official language of Brazil is Portuguese.

In Brazil, 99.5% of population speaks Portuguese. Among these population, 98.8% speaks Brazilian-Portuguese, 0.7% speaks Portuguese-Portuguese, and only a few people speak French and English.



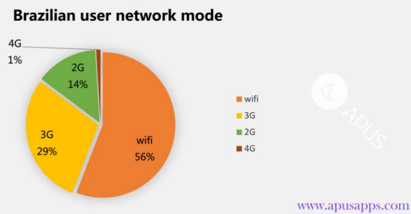
4

Network Coverage

There are still more room for improving the Communication infrastructure and Tariff setting. Now 3G still takes hold in Brazil, and the 4G infrastructure faces varies limitations.

The dominant way to go online for Brazilian users are Wi-Fi, 3G and 2G.

The penetration of Wi-Fi is 56% -- the most popular in Brazil, 3G is 29%, which is twice as many as 2G, 4G is Start-up, the market share is only 1%.



5

Operator

The four major Brazilian operators include:
1.The local operator: VIVO: VIVO is a joint venture created by Telefonica(a multinationaltelecomgiant enterprise)and PT(Portugal Telecom).
2.Claro-- the subsidiary of America Móvil
3.TIM Brasil --Telecom Italia
4.Oi -- the local operator

According to the updated data from Teleco, VIVO, TIM, Claro and OI have formed a monopoly and almost hold the whole Brazilian operating market share. VIVO holds the most market share -- 28.42% among them.

Operator	2013	2014	2015	Jan/16	Feb/16	IQ16
Vivo	28.49%	28.48%	28.42%	28.48%	28.39%	28.42%
TIM	27.09%	26.97%	25.69%	26.01%	26.09%	26.09%
Claro	25.34%	25.33%	25.59%	25.28%	25.36%	25.32%
Oi	18.52%	18.14%	18.64%	18.57%	18.52%	18.52%
Nextel	0.12%	0.54%	0.97%	0.97%	0.96%	0.94%
Algar	0.37%	0.43%	0.50%	0.51%	0.51%	0.51%
Porto Seguro	0.04%	0.10%	0.14%	0.14%	0.14%	0.14%
Sercomtel	0.02%	0.02%	0.03%	0.03%	0.03%	0.03%
others	0.01%	0.001%	0.02%	0.02%	0.02%	0.02%
Mobile Accesses	**271.100**	**280,729**	**257,814**	**257.248**	**258,053**	**257.811**

6

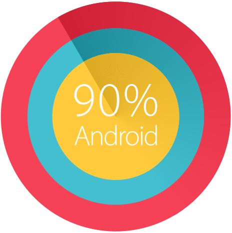
Mobile Phone Usage

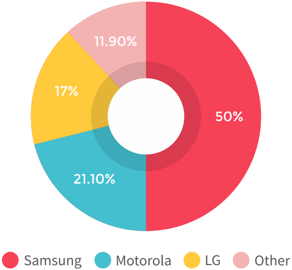
The total number of cellphones in Brazil is 282 million, the number of 3G is 149 million, 4G is 7.55 million. According to the research from eMarketer, the cellphone users has reached 54.3 million in 2015, and will be 64 million by 2016. The smart-phone market will expand by a large margin in the future.

90% of Brazilians are using Android smart-phone, and just a few people use iPhone because iPhone is twice expensive as much as Android smart-phone. The price of iPhone 5s in Brazil is 2799 Reais(about 815 dollars). In comparison, the average price of Android smart-phone is just 163 dollars(about ￥1070).In other words, only a few rich people can afford iPhone, as a result, Brazilian users prefer Android smart-phone better naturally.

According to the mobile phone brands, Samsung, LG, Motorola hold the most market share, and Samsung's market share is 50%, Motorola(21.2%), LG(17%).

The TOP10 mobile phone models are all belonged to Samsung and Motorola, and the average price is in ￥1500.





Source: mCent

SUMMARY

1.GDP growth in Brazil was -3.8% in 2015, and will be present negative growth

In 2016. 2016 is a key year for Brazil, and the Olympic Games will be taking place in Rio de Janeiro. Is it able to save Brazil's economic from depression? What concerns to maintain the growth of internet industry is strengthening infrastructure and keeping public security.

2. The cellphone users in Brazil has reached 54.3 million in 2015, and will be 64 million by 2016. The smart-phone market will expand by a large margin in the future.

3.90% of Brazilians are using Android smart-phone, and just a few people use iPhone. According to the mobile phone brands, Samsung, LG, Motorola hold the most market share, and Samsung's market share is 50%, Motorola(21.2%), LG(17%).

4.In Brazil, 99.5% of population speaks Portuguese, only a few people speak French and English.

5.The dominant way to go online for Brazilian users are Wi-Fi, 3G and 2G, 4G is just start-up.

6.Advertisements should avoid purple and yellow, and Brazilians' openness to body and taboo for violent pornography in ads have formed a sharp contrast. What's more, sensitive advertisements are tightly regulated in Brazil, especially related to alcohol, tobacco and other limited substances.

7.Thanks to the large size population, BRIC has rapidly developed the mobile internet industry, ranking forefront of the world in recent years. On the other hand, the significance of BRIC makes it the focus of major internet corporations' strategy layout. Under the action of the two forces, the BRIC may be leading trend of the world's internet.

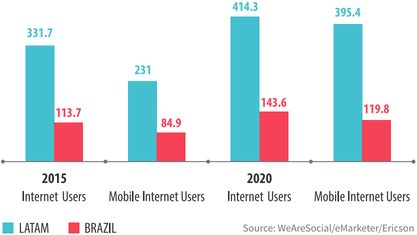
Internet Usage

2

1

Internet Users

(Millions)



Source: WeAreSocial/eMarketer/Ericson

The Internet users in Brazil are about 110 million, 34.3% of the whole Latin-American Internet users. The mobile Internet users are 84.90 million, 36.7% of the whole Latin-American mobile Internet users. It is predicted that the Internet users in Brazil will be 144 million by 2020, and there will be 120 million mobile internet users among them.

2

Internet User Behavior

Cross-Device Users

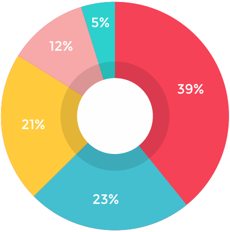
78.6m
Desktop

54.3m
Smartphone Users

10.7m
Tablet Users

The desktop users are 78.6 million,
the smart-phone users are 54.3 million,
and the tablet users are 10.7 million.

User Age

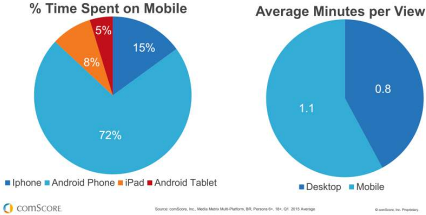


- 15~24
- 25~34
- 35~44
- 45~54
- 55+

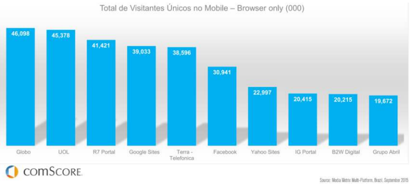
Source:GlobalWebIndex

The major Internet users are
young people from ages 15 to 35.

Mobile User Behavior

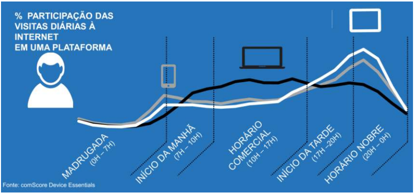


The most frequent platform which Brazil users visit most is Android smart-phone.

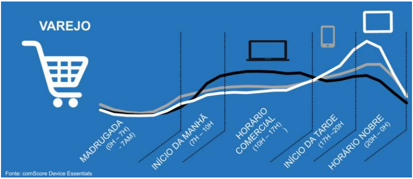


The most frequent websites are Globo, UOL, R7 Portal, Google and etc.

The most frequent Apps include WhatsApp, Google Play, Google, YouTube and etc.

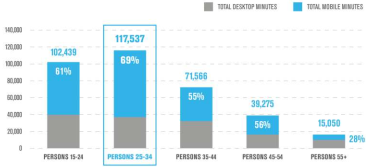


There are two peak-hours for Brazil users to use smart-phone. One is 6AM-7AM, the other is 20PM-22PM, and it is true for tablet. When it comes to PC, it is 10AM-17PM.



The most frequent time for Brazil mobile(smart-phone&tablet) Internet users ranges from 20PM to 22PM. For PC, it is ranging from 10AM to 17PM.

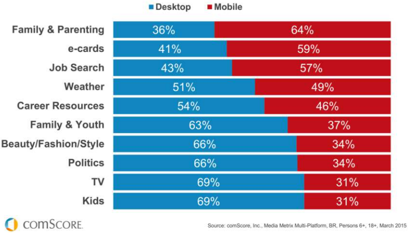
MOBILE LEADS TOTAL MINS FOR MOST, 25 – 34S ACCOUNT FOR MOST DIGITAL TIME OVERALL



comScore

The users who spend most time on mobile are persons 25-34, then are persons 15-24.

Desktop VS. Mobile



The content that desktop users are preferred are about kids, TV, politics and etc.

The content that Mobile users are preferred are about family & Youth, e-cards, job search and etc.

QUARTER OF TOP 20 PROPERTIES SEE HIGHER MOBILE THAN DESKTOP MINUTES PER USER

	Average minutes per user	
	DESKTOP	MOBILE
Google Sites	379	1,009
Facebook	641	1,942
UOL	82	27
R7 Portal	20	18
Globo	133	51
Terra - Telefonica	38	13
Microsoft Sites	178	66
Yahoo Sites	60	23
Grupo NZN	15	22
IG Portal	32	8

	Average minutes per user	
	DESKTOP	MOBILE
MercadoLibre	31	33
Grupo Abril	10	10
B2W Digital	20	40
OLX Inc.	41	31
Wikimedia Foundation Sites	7	7
VEVO	52	14
Warner Music	27	-
Wordpress.com*	4	3
Nova Pontocom	14	12
Twitter	28	72

comScore

Compared with desktop, Brazilian internet users tend to visit Google and Facebook on mobile devices.

Internet Investment and Financing

In 2015, Brazil's digital advertising spending was 9.3 billion Reais, including 1.038 billion Reais on video advertising investment, 3.148 billion Reais on display + social ads, and 5.169 billion Reais on search and classified ads.

The growth on Brazil's digital advertising will be 12% and the overall industry will reach 1.04 billion Reais by 2016. An executive from IBA Brazil said although there was years of economic turmoil, the digital marketing will be growing at double-digit rates in next few years.

Portal & Vertical Website

Portals	Verticals
UOL	Baixaki
globo.com	bolsademulher
iG	InfoMoney
terra	TECMUNDO
msn	vagalume
R7	ovirgula.com.br
YAHOO!	vevo

UOL

UOL is the largest online content and digital service company in Brazil. With monthly unique visitor reaching 60 million, its users have covered more than 80% audience. The major lines of business include publishing, news, web media, ad network, web service, payment, hosting service, cloud computing, mobile marketing, announcement, e-commerce, retail, recruitment solutions, pricing comparisons, e-learning, mobile payment and so on.

Globo

Globo.com is a portal website where users can get the latest news of financial, shopping apps, economic, entertainment, politics, automobile, employment, education, technology, health, culture, Brazil daily and the world daily.

IG

IG is a portal website focusing on news, politics, sports, music, celebrity, technology and fashion. Launched in Jan 2000, it became the largest family visitor portal website in Brazil, and achieved 22 million unique visitors, which takes up 22% of the Brazilian cyber citizen.

Baixaki

Baixaki is the first vertical website launched in 2000. At present, its 12 separate websites own 360 thousand unique visitors per month. Baixaki joined Brazil's largest game website in 2014. It has ranked the first place of Brazil mobile internet. Baixaki collects all vertical websites to generate excellent online content and has a mission of promoting and entertaining people's lives. It now owns the ninth large size audience of Brazilian mobile internet.

bolsa demulher

Bolsa demulher is the largest classified lifestyle website with multiple platforms. Based on its content service quality, it owns fancy famous professional websites specializing on female: beauty, health care and food.

Infomoney

Infomoney is the largest individual investment and financial education related website in Brazil.

SUMMARY

1.The Internet users in Brazil are about 110 million, 34.3% of the whole Latin-American Internet users. The mobile Internet users are 84.90 million, 36.7% of the whole Latin-American mobile Internet users. It is predicted that the Internet users in Brazil will be 144 million by 2020, and there will be 120 million mobile internet users among them.

2.The desktop users are 78.6 million, the smart-phone users are 53.5 million, and the tablet users are 10.7 million.

3.The major Internet users are young people from 15 to 35.The most frequent platform which Brazil users visit most is Android smart-phone. The most frequent websites are Globo,UOL,R7 Portal, Google and etc.

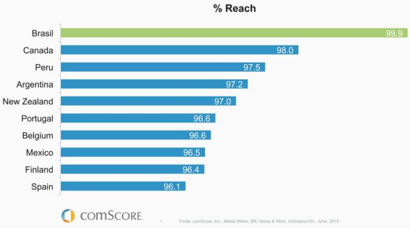
4.The peak-hour for Brazilian mobile internet users is 20PM-22PM,and most of the users prefer shopping online during this time.

5.In 2015, Brazil's digital media investment was $25.93 billion, including $2.87 billion on video advertising investment, $8.76 billion on display + social ads, and $14.39 billion on search and classified ads.

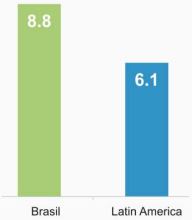
6.The most frequent portal websites include:UOL, Globo, IG, Terra and etc.The main vertical websites are aixaki, bolsa, demulher, Infomoney and etc.

Social Network

3

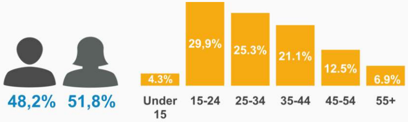


Brazil social media keeps a leading role in the world.



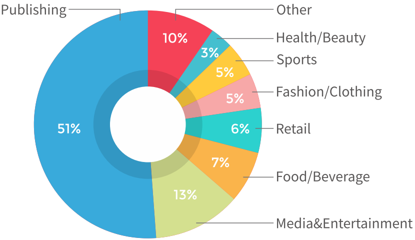
The average time Brazil internet users spending in the social media is about 8.8 hrs, which is 3 hrs longer than the average time in Latin America.

The most popular social network in Brazil is Facebook, Facebook Messenger, LinkedIn and Google+ , where Facebook and Facebook Messenger is far ahead.



The gender split of Brazil social network user is roughly equal, social media was somewhat more popular among women than men.

The age group of Brazil social network users is between 15~44 years old, of these the main ages is 15~24 years old.

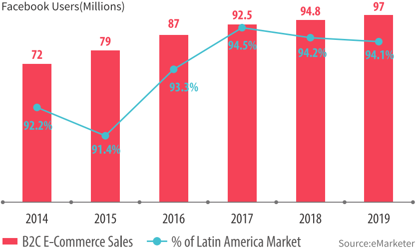


Source:Shareablee
Platforms:Facebook, Twitter, Instagram Metrics: Total Actions

Publishing is the most posted content in Brazil social network, accounted for half of the market, followed by the media & entertainment and food etc.

Facebook

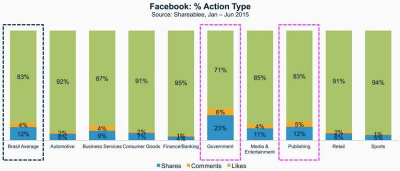
Facebook Users(Millions)



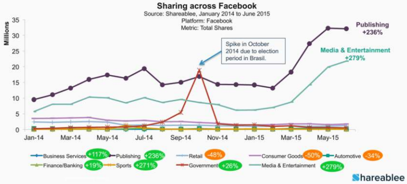
Source:eMarketer

Facebook users of Brazil in 2016 is expected to reach 87 million, accounting for 93.3% of the whole social network users, 72.6% of the internet users, nearly half of the Brazil population.

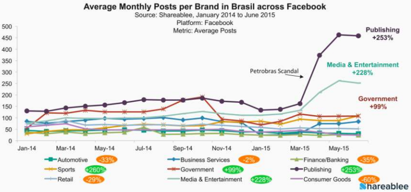
Facebook User Behavior



Most Facebook user behavior is likes, followed by shares and comments. Likes behavior are mostly related in finance and sports field, shares and comments are mostly related in government and digital publishing.

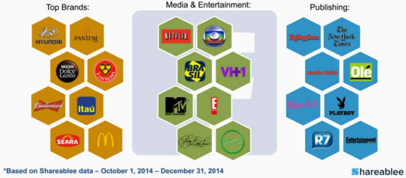


Overall, Brazil Facebook users to share content mainly focused on digital publications (magazines, etc.) and entertainment media in the past year, and there is still a growth trend in the future.

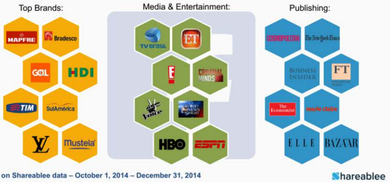


Posts on Facebook are mainly about digital publications(magazines, etc.) , government related and media entertainment.

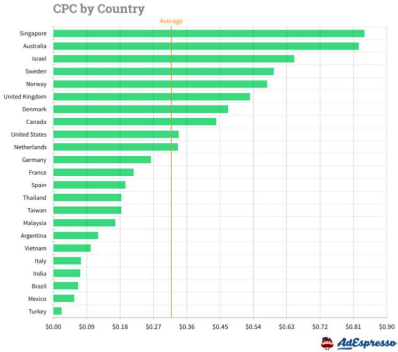
Sports, education and entertainment content in Facebook are most popular among young people.

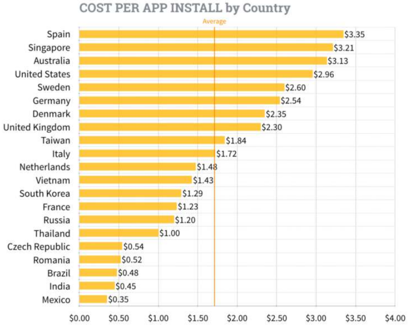


Older people pay more attention to state affairs and finance.

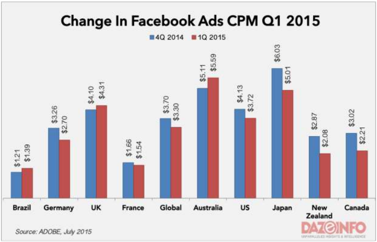


KPI of Facebook Ads

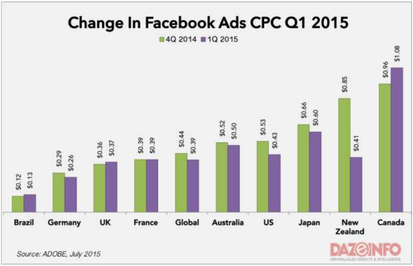




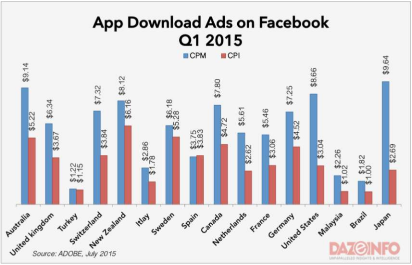
The CPC and CPI of Facebook ads in Brazil is lower than the global average, which is $0.07 and $0.48 respectively.



Compared with the previous quarter ($1.21), Brazil's Facebook ads CPM in Q1 2015 is $1.39, makes an increase of 15%.with thesignificantly reduce of social media giant New Zealand (28%) and Canada (27%) , Brazil has showed the highest increase of 15%.



2015 Q1 Facebook ads CPC is $0.13, rising from last quarter.



The CPI of Brazil in Q1 2015 is the lowest in the above countries, it is $1, dropped 45% than last quarter.

SUMMARY

1.The most popular social network in Brazil is Facebook, Facebook Messenger, LinkedIn and Google+ , where Facebook and Facebook Messenger is far ahead.

2. The gender split of Brazil social network user is roughly equal, the users group is between 15~24 years old.

3. Publishing is the most posted content in Brazil social network, accounted for half of the market, followed by the media & entertainment etc.

4.Facebook users of Brazil in 2016 is expected to reach 87 million, accounting for 93.3% of the whole social network users.

5.Posts on Facebook are mainly digital publications(magazines, etc.) , government related and media entertainment.

6.Sports, education and entertainment content in Facebook are most popular among young people, older people pay more attention to state affairs and finance.

7. The CPC and CPI of Facebook ads in Brazil is lower than the global average, which is $0.07 and $0.48 respectively.

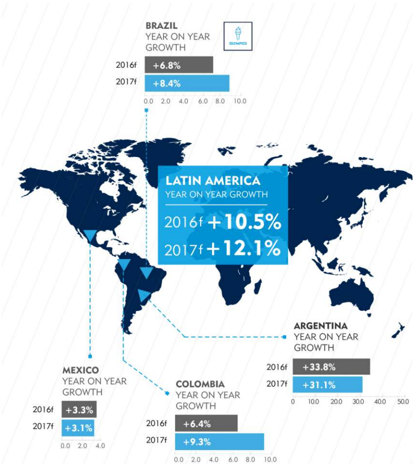
Advertising

4

According to CARAT, advertising expenditures in the Latin American region are forecast to grow by +10.5% in 2016 to reach US$26.8 billion, a 5% share of total global advertising spend. Double digit growth in the region, the highest globally, is driven by high growth rates in Argentina and Brazil.

With a predicted total share of spend of 66.0% in 2016, TV is still the main medium to build reach quickly in Brazil. Due to the widespread usage and growth of mobile devices in Brazil, Mobile

advertising spend is forecast to increase by 81.8% in 2016 in the market.

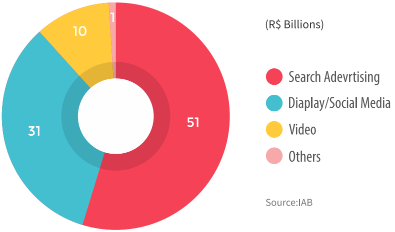


The IAB's prediction for 2016 is an investment of 10.4 million Reais, 12% more than previous year.

2015 Brazilian digital ad market is formed mainly by search, which accounted for R$5.1bn in revenue, followed by display and social media (R$3.1bn) and video (R$1bn).

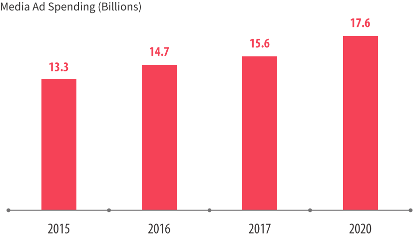
Programmatic is poised for massive growth in Latin America, with Brazil leading the way compared to the rest of the region. According to eMarketer, premium programmatic digital display ad spending in Brazil is expected to hit$12.4 million in 2016, and $11.6 million in the rest of Latin America.

Transparency, view-ability and ad blockers will remain hot topics. Video will keep increasing, as well as mobile campaigns. 35.9% of marketers in Brazil say they will increase their spending on data-driven marketing this year.



Source:IAB

Media Ad



eMarketer estimates that $13.3 billion was spent on total media ad spending in Brazil in 2015 and projects $14.7 billion will be spent in 2016. That number rises to $15.6 billion in 2017 and eventually to $17.6 billion in 2020.

Total Media Ad Spending in Brazil, by Media. 2015
Billions of Brazilian reals and % of total

	Ad spending	%of total
Broadcast TV	22.06	62.9%
Pay TV	3.22	9.2%
Newspapers*	2.88	8.2%
Display**	1.82	5.2%
Magazines*	1.60	4.6%
Search***	1.58	4.5%
Radio	1.28	3.6%
Out-of-home	0.45	1.3%
Cinema	0.22	0.6%
Total	**35.10**	**100%**

*Note:numbers may not add up to 100% due to rounding:*print only; **banners, buttons and rich media; ***sponsored links and product listing ads(PLA) on desktop and tablet*
Source: Kantar Ibope Media and Grupo de Midia São Paulo, “Media Compass” conducted with the support of Grupo Meio & Mensagem and Associacão Brasileira das Agencias de Publicidade(Abap), March 28, 2016

207840 **www.eMarketer.com**

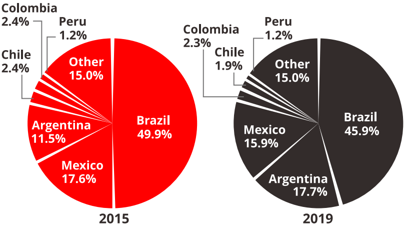
Broadcast TV, a long-popular medium for advertising in Brazil, continues its market dominance, according to a March 2016 report from Kantar Ibope Media and Grupo de Mídia São Paulo. Nearly 63% of ad spending went toward placements on broadcast TV in 2015,with the next-closest medium-pay TV-lagging far behind. Broadcast TV ad spending amounted to BRL22.06 billion; the other media channel, pay TV, made up 9.2% of total spending, at BRL3.22 billion, Newspaper ads(8.2%), at BRL288 million, etc.

Digital Ad

Home to a population of 203 million this year, Brazil is the largest market in Latin America by any measure. Advertising spending is no exception. Digital ad spending in the country will rise 16.0% to reach $3.4 billion in 2015, eMarketer estimates. Such level of investment equates to a mighty 49.9% share of all digital advertising expenditures in the region this year.

Digital Ad Spending Share in Latin America, By Country, 2015 & 2019

% of total

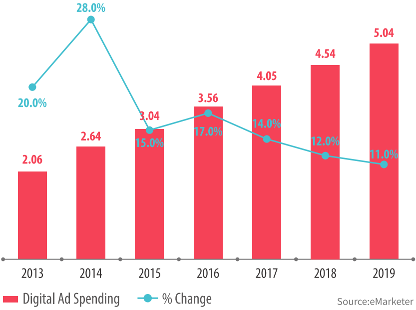


Note: Latin America's share of digital as spending worldwide will reach 4.0% in 2015 and 4.5% in 2019; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet - connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging - based advertising

Source: eMARKETER, Sep 2015

197945 **www.eMarketer.com**

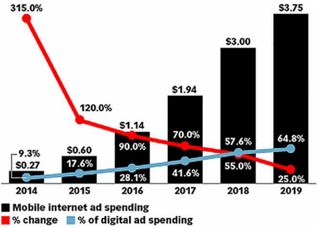
Digital Ad Spending (Billions)



According to eMarketer report, expenditures in digital advertising is about $3 billion in 2015, it is expected to reach 3.6 billion in 2016, and will exceed $5 billion in 2019.

Mobile Internet Ad Spending in Brazil, 2014-2019

Billions, % change and % of digital ad spending



Note: converted at the exchange rate of US$1=BRL2.35; includes display(banners, video and rich media) and search; excludes SMS, MMS, and P2P messaging - based advertising; includes ad spending on tablets

Source: eMarketer, Sep 2015

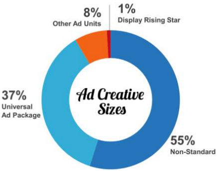
196575 **www.eMarketer.com**

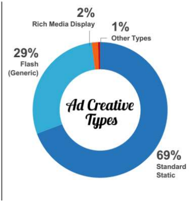
Mobile internet ad spending will rise 120% in 2015 and will maintain robust double-digit rates throughout the forecast period to keep Brazil tops in the region—eMarketer estimates that mobile ad budget will reach $599.3 million this year. That amount represents 46.5% of all mobile ad spending in Latin America. By2019, expenditures in mobile ads will reach $3.75 billion to represent 64.8% of all digital ad spending in Brazil -- up from 17.6% this year.

However, it is important to note that as massive as Brazil may seem against the regional background, Latin America currently contributes only 4.0% to the global tally of digital ad spending and an even smaller 1.8% portion to mobile internet ad spending worldwide, eMarketer estimates.

Display Ad

More than half of Brazilian display ads are non-standard sizes and 69% are standard static types.



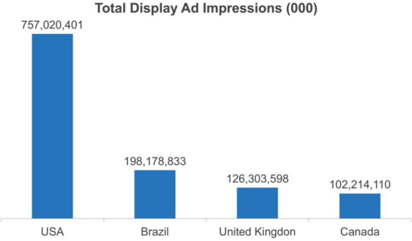


comScore

Source: comScore, Inc., Ad Metrix, BR, Home & Work, Persons: 6+, Mont March 2015

On Average, Brazil Delivered 66 billion Impressions per months.

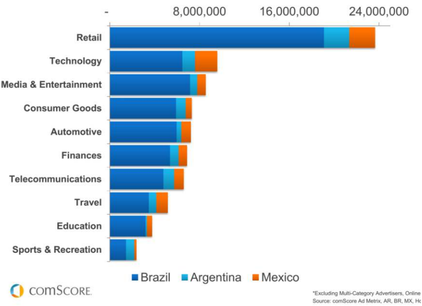
Brazil ranks 2nd in the world in terms of total impressions, only behind the US.



comScore

Source: comScore, Inc., Ad Metrix, BR, Home & Work, Persons 6+, Q1 2015
Source: comScore, Inc., Ad Metrix, CA, US, UK, Home & Work, Persons 2+, Q1 2015

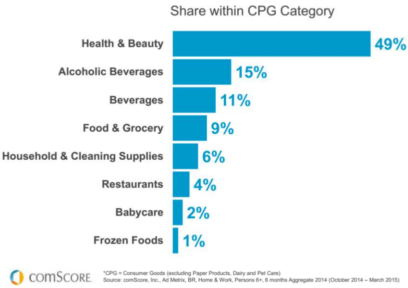
Brazil Display Ad Impressions of Each Industries



In Latin America, impressions of each Brazil industries in 3 months are far ahead of Argentina and Mexico.

Brazil delivered 20 million impressions in retail industry within 3 months, followed by technology industry,more than 6 million impressions.

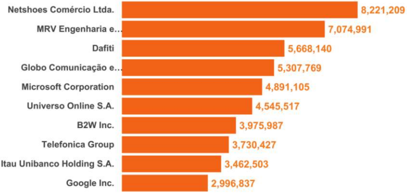
Consumer Packaged Goods Advertising by Category



CPG displayadvertising is led byHealth & Beautysector, followed byAlcoholic Beverages.

Top 10 Advertisers by Display Ad Impressions

The main display advertisers in Brazil are Netshoes Comercio Ltda. (Brazil online retailers, sales of footwear, sports equipment and supplies, etc.), MRVEngenharia (Brazil's largest real estate construction company), Dafiti (online fashion retailer),Globo Comunicacao (network) and Microsoft, etc.

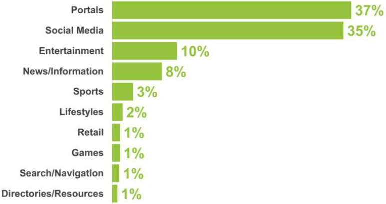


comScore

Source: comScore, Inc., Ad Metrix, BR, Home & Work, Persons 6+, 6months Aggregate (October 2014 – March 2015)

Display Ad Publishers TOP 10

Portals and Social Media sites account for nearly 3 out of every 4 online display ads delivered in Brazil.



comScore

*Excluding Corporate Presence, Promotional Servers, Services
Source: comScore, Inc., Ad Metrix, BR, Home & Work, Persons 6+, 6 Months Aggregate (October 2014 – March 2015)

Video Ad

Video is one of the fastest-growing digital ad formats around the world, and research suggests Brazil is no exception. On both mobile and the desktop, the number of video ad impressions being served is growing dramatically.

According to data from TubeMogul drawn from its own platform, 224.1 million desktop-based pre-roll video ad impressions were served daily during Q2 2015, up from 173.9 million in Q1—a quarter-over-quarter increase of 28.9%.

Digital Video Ad Volume in Brazil, by Inventory Type, Q2 2014-Q2 2015
Millions of average daily impressions on the TubeMogul platform

	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Pre roll*	18.2	48.0	118.9	173.9	224.1
Mobile**	5.7	18.3	6.2	55.3	35.9

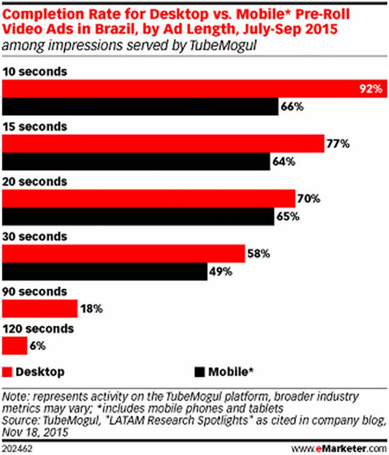
*Note:represent activity on the TubeMogul platforms, broader industry metrics may vary; *desktop only; **includes pre - roll and interactive in-app inventory on mobile phones and tablets*

*Source: TubeMogul, *Q2 2015Quarterly Update: Brazil,*Aug 13, 2015*

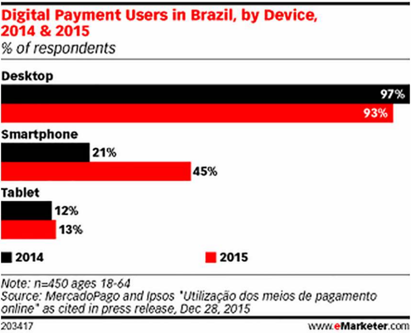
195015 **www.eMarketer.com**

There are significant differences in how tolerant digital video viewers in Latin America are of pre-roll ads depending on what device they're using, according to data from TubeMogul on ads served on its platform between July and September 2015. In Brazil, Latin America's largest market, completion rates were higher for pre-roll video ads viewed on desktop computers than on mobile devices. That was the case regardless of the length of the pre-roll—in fact, the shortest pre-rolls had the biggest variance in completion by device.

That was because, while desktop completion rates were highest for the shortest pre-rolls and fell fairly steadily as ads got longer, completion rates on mobile devices hovered around two-thirds for several ad lengths. Mobile users in Brazil don't differentiate much between 10-, 15- and 20-second video ads.



Digital Payment



Digital payments in Brazil are getting more mobile, according to 2015 data. Research from MercadoPago and Ipsos indicates fewer digital payments users in the country are relying on desktop PCs to make such payments. In 2014, 97% of all digital payments users in the country paid via desktop. Last year, that was down 4 points. The change likely does not indicate a smaller absolute number of desktop-based digital payments users, but simply a drop in the share paying via desktops as the total population rises—thanks to mobile devices. Over the same period, the share of digital payments users who paid via smartphone more than doubled, from 21% to 45%. The share who used tablets rose slightly, by 1 percentage point. In 2014, Brazil had the No. 2 mobile payment penetration rate of any country in Latin America, according to GfK. Respondents in Brazil also used mobile payments more frequently than average for the region.

SUMMARY

1. The IAB's prediction for 2016 is an investment of 10.4 million Reais, 12% more than previous year.

2.The Brazilian digital ad market is formed mainly by search, which accounted for R$5.1bn in revenue, followed by display and social media (R$3.1bn) and video (R$1bn).

3.eMarketer estimates that $13.3 billion was spent on total media ad spending in Brazil in 2015 and projects $14.7 billion will be spent in 2016. That number rises to $15.6 billion in 2017 and eventually to $17.6 billion in 2020.

4.Mobile internet ad spending will rise 120% in 2015 and will maintain robust double-digit rates throughout the forecast period to keep Brazil tops in the region -- eMarketer estimates that mobile ad budget will reach $599.3 million this year. That amount represents 46.5% of all mobile ad spending in Latin America. By 2019, expenditures in mobile ads will reach $3.75 billion to represent 64.8% of all digital ad spending in Brazil -- up from 17.6% this year.

5.More than half of Brazilian display ads are non-standard sizes and 69%

are standard static types.

6.On Average, Brazil Delivered 66 billion Impressions per months.

Brazil ranks 2nd in the world in terms of total impressions, only behind the US

7.CPG display advertising is led by Health & Beauty sector, followed by Alcoholic Beverages.

8.The main display advertisers in Brazil are Netshoes Comercio Ltda. (Brazil online retailers, sales of footwear, sports equipment

SUMMARY

and supplies, etc.), MRVEngenharia (Brazil's largest real estate construction company), Dafiti (online fashion retailer),Globo Comunicacao (network) and Microsoft, etc.

Portals and Social Media sites account for nearly 3 out of every 4online display ads delivered in Brazil.

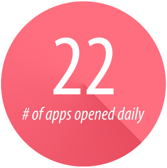
9.According to data from TubeMogul drawn from its own platform, 224.1 million desktop-based pre-roll video ad impressions were served daily during Q2 2015, up from 173.9 million in Q1—a quarter-over-quarter increase of 28.9%.

Programmatic is poised for massive growth in Latin America, with Brazil leading the way compared to the rest of the region. According to eMarketer, premium programmatic digital display ad spending in Brazil is expected to hit$12.4 million in 2016,and $11.6 million in the rest of Latin America.

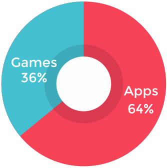
APP

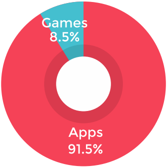
5

The average Brazilian user has 63 apps installed, while the daily average number of applications used is 22.



APUS Global mobile analysis shows that the Brazil ratio of games and apps in Google Play is 4:6, the ratio of installed games and apps is 1:9.

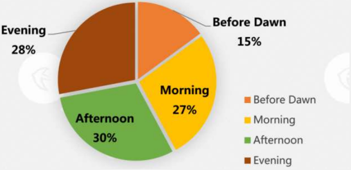




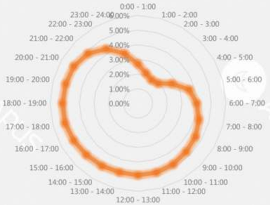
Brazil users like a variety of games to choose from. However, some users will not install too many games in a short amount of time.

Brazilian users are 16% more active during the daytime (morning & afternoon) than at night, the late-night hours' is the most minimal. Activity peaks during lunch and dinner time.

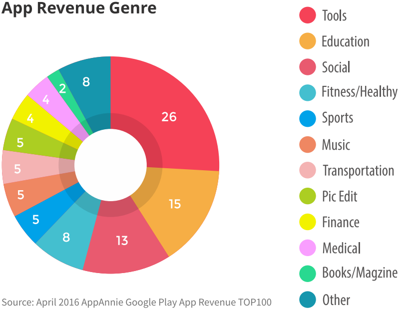
Activity proportion in different time



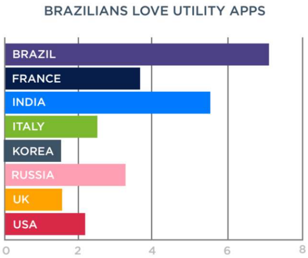
Activity distribution in different hours



App Revenue Genre



Source: April 2016 AppAnnie Google Play App Revenue TOP100

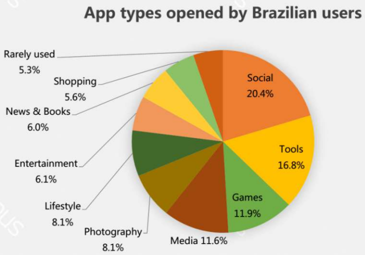


In AppAnnie iOS & Google Play app revenue TOP100, there are 26 tools application, account for the highest proportion, followed by education (15) and the social class (13), etc.

Brazilians like their tools. They are among the global leaders in installing utility and tool apps, both on Android and iOS -- about 7% of the installs marketers measure in Brazil with TUNE are for mobile utilities. Most of the rest of the world is hovering around the 1-2% mark. In Brazil, 500M of data flow will take off their 13 hours minimum wage. The high cost of mobile data traffic required smartphone users to clean up space, scan for viruses by tools app, such as cleaning the master. so that the smartphone could running more smoothly, reduce unnecessary flow loss.

Opened Apps

The most opened apps in Brazil are: Communication & Social, Tools and Games.



1.On average themost downloaded apps are of the Tools type, however Tool apps have lowusage rates.

2.The average usage and installation of Communication apps are high in Brazil, as these types ofapps generally meet the most essential need (communication) of mobile users.

3.The apps of Games type is different from apps of Tools type. Its average usages is nearly 50%higher than its average installation. It means everyone will not install too much games, but they use them much more frequently. In addition, apps of Photography, Entertainment, and Shopping types are similar with game type.

4.It is similar between the average usages and average installation of apps in Media & Video, Lifestyle, and News & Magazines types.

Daily Active Apps

The daily active apps of Brazil is almost dominated by Google and Facebook's apps, social apps leading the role in Brazil's daily active apps.

The daily active users of Facebook's WhatsApp Messenger, Facebook, and Facebook Messenger is 1.5 times more than usersof Google's application.

Facebook's WhatsApp Messenger has most of the daily active users, the number is 2 times more than Google's Hangouts.

TOP APPS IN BRAZIL BY DAU

1	Goole Play services
2	WhatsApp Messenger
3	Facebook
4	Google
5	Messenger
6	YouTube
7	Google+
8	Chrome Browser
9	Hangouts
10	Gmail
11	Instagram
12	Google Maps
13	Twitter
14	Google Drive
15	Google Play Music

Highlited apps are Facebook-owned apps
Analysis based on a sampling of mCent users in June 2015

Source:mCent

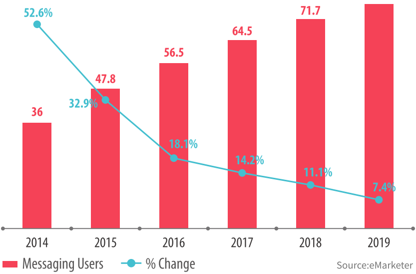
Messaging App

According to eMarketer, there are 52.4 million messaging app users in Brazil in 2015, it is expected to reach 62.7 million in 2016. By 2019, the number will climb to 77million, accounting for one-third of the Brazilian population.

According to eMarketer estimates, Brazil in 2015 users of mobile instant messaging applications, 52.4 million, 2016 will rise to 62.7 million, by 2019, the users will climb to 77 million, accounting for one-third of the Brazilian population.

More than half of messaging app users would agree to receive ads for any brand or product in exchange for free messaging apps, according to Mobile Time and Opinion Box. Messaging apps in Brazil keeps a stable growth, and some app users are close to the population number.

Messaging Users in Brazil(Millions)

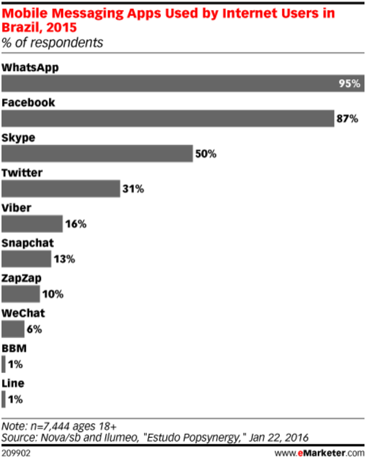


Source:eMarketer

For most people in Brazil, texting was never truly accessible. The cost of SMS in the country was as much as 55 times more than in North America and far too expensive for most residents. So when the messaging service WhatsApp entered the market, in 2009, allowing users to send messages to anyone for free and regardless of their mobile carrier, people gravitated toward the platform. Today, 96% of Brazilians with access to a smartphone use WhatsApp as their primary method of communication.

WhatsApp was originally marketed as an app with one purpose: messaging. But in Brazil WhatsApp has become something much bigger than a chat app: a one-stop solution for everyone.

Small businesses in Brazil have learned to use the platform to engage and interact with customers; larger companies list WhatsApp as one of the main ways to talk to consumers; Even government agencies have adopted WhatsApp.



WhatsApp and Facebook Messenger are the two most popular mobile messaging apps in Brazil. Nearly 100% of internet users in Brazil use WhatsApp, more than any other messaging app or service, according to January 2016 research conducted by Ilumeo and Nova/sb. Nearly nine in 10 of those surveyed also said they use Facebook Messenger. Half of respondents useSkype; about 31% use Twitter.

Demographic Profile of Smartphone Users in Brazil Who Have Select Social/Messaging Apps on Their Home Screen, Nov 2015

% of respondents

1 Facebook (n=929)
2 Facebook Messenger (n=415)
3 Instagram (n=528)
4 Snapchat (n=127)
5 Twitter (n=228)
6 YouTube (n=372)
7 WhatsApp (n=1,150)

	1	2	3	4	5	6	7
Gender							
Female	62%	64%	67%	65%	57%	59%	62%
Male	38%	36%	33%	35%	43%	41%	38%
Age							
16-29	45%	46%	52%	82%	46%	43%	44%
30-49	43%	41%	39%	16%	47%	44%	43%
50+	12%	13%	9%	2%	7%	13%	13%

Note: read as 62% of respondents who have WhatsApp on their smartphone home screen are female
Source: Mobile Time and Opinion Box, "Panorama Mobile Time/Opinion Box - Uso de apps no Brasil," Dec 2015

205014 www.eMarketer.com

According to Mobile Time and Opinion Box, a strong majority of smartphone users with a variety of social and messaging apps on the home screen of their device are women. The female tilt was strongest for Instagram. Two-thirds of smartphone users in the country who had Instagram on their home screen in November were women. The female skew for Snapchat (65%) was nearly as strong, followed by Facebook Messenger(64%).

In contrast, men likes Twitter(43%) most and YouTube (41%).

when it came to Snapchat, a dramatic 82% of people with the app installed on their home screen were ages 16 to 29. but ages 30~49 are more like using Twitter.

Brazil APP in iOS & Google Play

AppAnnie iOS & Google Play 2015 Worldwide Downloads

iOS 2015 Worldwide Downloads

Rank	Country	Rank Change vs. 2014
1	China	▲ 1
2	United States	▼ 1
3	Japan	-
4	United Kingdom	-
5	Russia	-
6	France	-
7	Germany	▲ 1
8	Canada	▼ 1
9	Australia	-
10	Brazil	▲ 1

Google Play 2015 Worldwide Downloads

Rank	Country	Rank Change vs. 2014
1	United States	-
2	Brazil	-
3	India	-
4	Russia	-
5	Mexico	▲ 1
6	Indonesia	▲ 2
7	Turkey	-
8	South Korea	▼ 3
9	Thailand	▲ 1
10	Germany	▼ 1

Source:AppAnnie

iOS 2015 download of Brazil ranked 10th in the world, rose by 1 from 2014, while Google Play download ranked second, this is mainly due to more than 90% of the smartphone in Brazil are android mobile phone, Brazil is the world's android superpower.

AppAnnie 2015 iOS & Google Play TOP 10 Brazil Apps Publishers

Top Apps of 2015: Brazil Combined iOS and Google Play Downloads

Rank	App	Company
1	WhatsApp Messenger	Facebook
2	Facebook	Facebook
3	Facebook Messenger	Facebook
4	Instagram	Facebook
5	Palco MP3	Studio Sol
6	Antivirus Booster & Cleaner	PSafe
7	imo	imo.im
8	Clean Master	Cheetah Mobile
9	4shared	New IT Solutions
10	Snapchat	Snapchat

Top Companies of 2015: Brazil Combined iOS and Google Play Downloads Outside of Games

Rank	Company	Headquarters
1	Facebook	United States
2	Cheetah Mobile	China
3	Google	United States
4	Studio Sol	Brazil
5	Sungy Mobile	China
6	PSafe	Brazil
7	Outfit7	Cyprus
8	Microsoft	United States
9	Holaverse	China
10	Baidu	China

Source:AppAnnie

According to AppAnnie reports, Facebook leads the top in Brazil 2015 iOS&Google Play download, top4 apps both for its products: WhatsApp, Facebook, Facebook Messenger, Instagram.

Social and tools are popular in Brazil, which covers the top 10 downloads in 2015.

Studio Sol's Palco MP3 and Psafe's Antivirus Booster&Cleaner are two local apps, the two companies also listed in the TOP10 download publisher.

2015 iOS & Google Play TOP 10 Apps Publishers

Top Apps of 2015: Brazil Combined iOS and Google Play Revenue

Rank	App	Company
1	**Spotify**	Spotify
2	**PlayKids**	Naspers
3	**Deezer**	Deezer
4	**Tinder**	InterActiveCorp (IAC)
5	**Rdio**	Rdio
6	**Sing! Karaoke**	Smule
7	**Badoo**	Badoo
8	**LinkedIn**	Linkedin
9	**Skype**	Microsoft
10	**LOVOO**	LOVOO

Top Companies of 2015: Brazil Combined iOS and Google Play Revenue Outside of Games

Rank	Company	Headquarters
1	**Spotify**	Sweden
2	**Naspers**	South Africa
3	**Deezer**	France
4	**InterActiveCorp (IAC)**	United States
5	**Smule**	United States
6	**Microsoft**	United States
7	**ZeroUm Digital**	Brazil
8	**Rdio**	United States
9	**Badoo**	United Kingdom
10	**Linkedin**	United States

Source:AppAnnie

According to AppAnnie, there are 5 social apps (Tinder, Badoo, LinkedIn, Skype, LOVOO), 3 music apps (Soptify, Deezer, Sing! Karaoke, Rdio) and 1 Kids (Playkids) listed in 2015 iOS & Google Play TOP10 app. Social and Music are popular in Brazil, Brazil users are willing to spending in these apps.

5 American publishing companies of 2015 iOS & Google Play TOP 10 Apps account for half of the App market in Brazil, whereas only one Brazil company (ZeroUm Digital).

SUMMARY

1.The average Brazilian user has 63 apps installed, while the daily average number of applications used is 22.

2.Brazilian users are 16% more active during the daytime (morning & afternoon) than at night, the late-night hours is the most minimal. Activity peaks during lunch and dinner time.

3.iOS 2015 download of Brazil ranked 10th in the world, rose by 1 from 2014, while Google Play download ranked second, same as last year.

4.According to AppAnnie reports, Facebook leads the top in Brazil 2015 iOS & Google Play download, top4 apps both for its products: WhatsApp, Facebook, Facebook Messenger, Instagram.

Social and tools are popular in Brazil, which covers the top10 downloads in 2015.

5.Studio Sol's Palco MP3 and Psafe's Antivirus Booster & Cleaner are two local apps, the two companies also listed in the TOP10 download publisher.

6.According to AppAnnie, there are 5 social apps (Tinder, Badoo, LinkedIn, Skype, LOVOO), 3 music apps (Soptify, Deezer, Sing! Karaoke, Rdio) and 1 Kids (Playkids) listed in 2015 iOS & Google Play TOP10 app. Social and Music are popular in Brazil, Brazil users are willing to spending in these apps.

7. American publishing companies of 2015 iOS & Google Play TOP 10 Apps account for half of the App market in Brazil, whereas only one Brazil company (ZeroUm Digital).

8.In AppAnnie iOS & Google Play app revenue TOP100, there are 26tools application, account for the highest proportion, followed by education (15) and the social class (13), etc.

SUMMARY

9.The types of the most opened apps in Brazil are: Communication & Social, Tools and Games.

10.The daily active apps of Brazil is almost dominated by Google and Facebook's apps, social apps leading the role in Brazil's daily active apps. The daily active users of Facebook's WhatsApp Messenger, Facebook, and Facebook Messenger is 1.5 times more than users of Google's application.

11.WhatsApp and Facebook Messenger are the two most popular mobile messaging apps in Brazil, followed by Telegram , Skype, and viber, etc.

Game

6

History of the Brazilian Game Market

The sales of gaming hardware and software in Brazil has historically been driven by factors such as the prohibition of imports, high taxation and the adoption of practices such as smuggling and piracy.

Video games were not officially allowed to be imported to Brazil until the 1990's, and the only consoles legally commercialized in the country prior to this period were the ones manufactured in Brazilian territory. Following the lift of import embargoes, video games have since been categorized as non-essential products by the country's regulatory agencies, and were charged rates similar to the ones applied to firearms and alcoholic beverages.

This burdening taxation led many of the largest video game manufacturers in the world to avoid entering the country's market due to the difficulty of distributing their products. By then, the Brazilian public showed great enthusiasm for gaming but official retail prices were far too expensive.

As sales prices for video games and consoles in Brazil remained extraordinarily high throughout the 1990's, many consumers and gray market sellers saw the practice of illegal imports, mostly through unsupervised borders of countries like Paraguay, as a more viable alternative to bringing these products into the country.

Not only did illegal importing become general practice, games piracy in Brazil remained high during this period, driven by the lack of available products combined with the high prices charged by the country's retailers. This scenario led to the development of some intriguing characteristics in the gaming market in Brazil, particularly in the case of consoles.

Manufacturers that did establish operations in the country saw their products receive extraordinary and prolonged success due to the lower prices offered to Brazilian consumers when compared to more recent and highly taxed hardware. This was the case for Sega, which launched their Genesis console in Brazil under the name Mega Drive in 1990 following a partnership with national company TecToy.

The console, developed in the 1980's, was very successful in Brazil and iterated until 2009, at some point reaching more than 70% of the market share for gaming hardware in the country. In fact, as of 2015 it is still possible to purchase updated or emulated versions of legacy consoles such as Sega's Master System and Mega Drive from major Brazilian retailers. These platforms serve as entry-level gaming devices for Brazilian consumers, being offered at prices as low as BRL 100.

A similar case for prolonged console life span can be made for Sony's

Playstation 2, which after being discontinued in most global markets remained one of the best selling consoles in Brazil, almost 15 years after its launch, due to its affordable price and wide availability.

Although factors such as smuggling and piracy remain largely relevant to Brazilian gamers, some changes in the country's regulation and presence of foreign manufacturers have had significant impact on the market.

One of the major breakthroughs to happen over the last few years was the introduction of several gaming hardware manufacturers to Brazil. This is the case for Microsoft, which started manufacturing the Xbox 360 consoles in 2011 and the Xbox One console, prior to its launch in 2013. Meanwhile, competitor Sony initiated the manufacturing of the Playstation 2 console in 2009 and the Playstation 3 console in 2013, and recently announced that Playstation 4 would start manufacturing in the near future.

Due to Brazilian policies towards imported products, locally manufactured hardware meant prices significantly reduced, which contributed to the increase in sales of gaming consoles by legalized retailers. Not only that, but the price of games was also substantially reduced due to the exemption of certain taxes on industrialized products introduced by a law in 2011

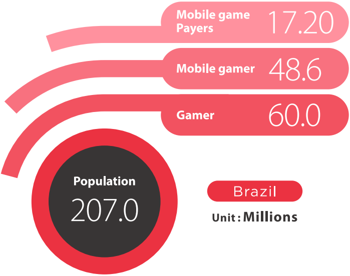
In addition to home consoles, other gaming platforms have gained traction in Brazil as of recent years. This is the case for premium PC games, which regained a large share of piracy adopters after the introduction of competitively-priced online marketplaces such as publisher Valve's Steam. Free to play PC games, which have long been a mainstay in the minds of Brazilian gamers, attracted even more fans following the launch of massively successful e-sports titles like League of Legends and Defense of The Ancients 2.

On the other hand, mobile platforms such as smartphones and tablets saw rapid adoption in Brazil due to their reduced prices and became one of the main pillars of gaming, driven by reductions in sales prices of smartphones and tablets and a large quantity of free mium downloadable software available.

With the population's interest in this medium continually increasing and the combined cost for gaming in Brazil being reduced in recent years, the size of the national market has displayed unprecedented growth, with analysts indicating a total value approaching USD 2.6 billion. According to market analyst NewZoo, Brazil is currently the 11th largest market for gaming in the world.

Game-Playing Population

Mobile Game-Playing Population



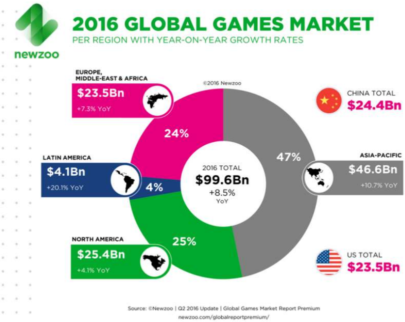
Source: Newzoo&OneSky

According to data released in May 2015 by Newzoo and OneSky, of the 48.6 million mobile video game players in Brazil last year, 17.2 million paid for games, representing 35.4% of the group.

Most mobile gamers in Brazil will play via smartphone - 48.5 million-while the tablet audience will make up 20.7 million. The story will be similar next year: 51.4 million will be smartphone gamers, and 22.8 million will play on tablets.

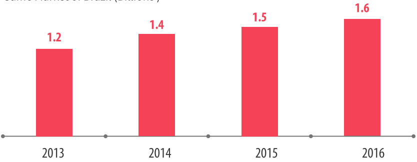
The Game Market

2016 Latin America Game Market



According to Newzoo, Latin America games market will see healthy growth again, reaching $4.1 billion in 2016, an impressive 20.1% increase. Mobile games will generate $1.4 billion, up significantly from $900 million last year.

Game Market of Brazil (Billions)

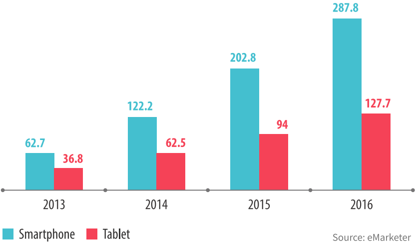


Source:SuperData&eMarketer

As world’s 11th and Latin America’s biggest game market, the game market of Brazil is about $1.5 billion in 2015, and is expected to reach $1.6 billion in 2016.

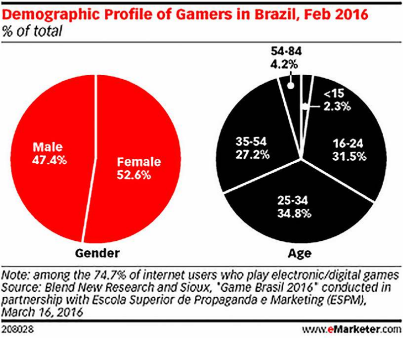
As one of the bric countries, Brazil's games payment rate is much higher than other countries. 56% of Brazil gamers wiling to pay for games, players spending $43.54 each year on average in the game.

Mobile Game Market of Brazil(Millions)

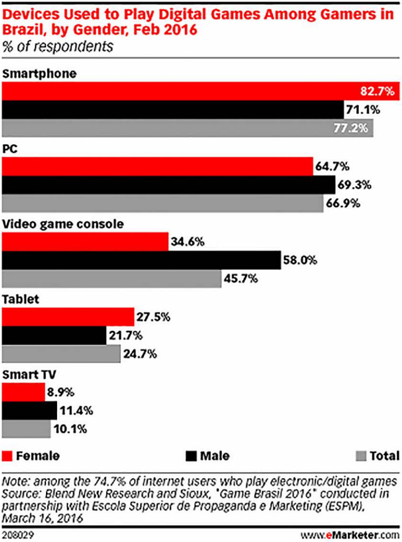


Source: eMarketer

In 2015 mobile game market of Brazil, the scale of smartphone game is about $203 million, tablet computer games is 94 million, the total is nearly $300 million; It is expectedto reach$4.16 millionin 2016 (smartphone game: $287.8 million; tablet computer games: $127.7 million).



Nearly a third (31.5%) of gamers in Brazil are ages 16 to 24, while those ages 25 to 34 make up the largest group of gamers in the country. But those ages 35 to 54 should not be underestimated: 27.2% of those who game in Brazil fall in that range. A July 2015 report estimates that of the roughly 204 million people living in Brazil, only 16.5% are ages 15 to 24, meaning this age group is significantly over-represented among players of digital games. The country's median age is around 30. And while across all ages the gender split is roughly equal, females make up a slightly larger percentage of gamers in Brazil.



Smartphones are the most popular device to play games on across genders. Females, however, are more likely to play games on their smartphone, at 82.7% vs. 71.1% of male respondents. And for females, smart phones really are the way to go—the next most frequent device used to play games is PCs, at 64.7%. Male gamers, by contrast, were almost equally likely to play on smartphones as they were on PCs—and their use of consoles was far ahead of that of women.

Game Developers

	8D Games	Their business mainly includes games, applications, mobile, web development, and digital games.
	Gameblox	They mainly focus on game development, application development services (typical product: Warner Bros, Hypermarcas/Neo Quimica, Unimed, Banana Boat)
	Hive Digital	The biggest game developers and leading online marketing studio in Latin America, focused on digital content management and iOS platform content development.
	Uplay Mobile	It is the entertainment (such as mobile content, mobile games, mobile phone App) content producers and developers with Brazil's largest network channels and developers of games and multimedia platform. It committed to contact the content producers and developers on the market through different technologies and platforms. The main products are uContent uSmart and uStore.

Game Publishers

Alcateia

Established in 1984 and located in Sao Paulo, Alcateia is one of the three biggest computer and electronic products distributor in Brazil and Latin America, which also runs the host game. It has more than 500 emploies and serves over 25000 customers.

Incomp

It's the professional distributors of computer games/application/software and hardware/peripherals. Their products arefrom Microsoft, Linksys, inc., warner game, Electronic Arts, Positivo, Limplex, NORTON, Fullgames ubisoft, Big Ben and EcoGames. It committed to looking for new products and partners in Brazil.

NC Games

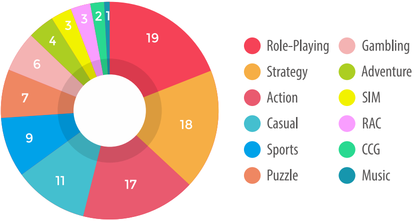
The biggest game publisher r in Latin America, mainly focus on video game publish from more than 300 stores and large retailers across the country.

Rcell

The largest agent of mobile devices, digital cameras and games in Brazil. Products include: mobile devices: Samsung, LG, MOTOROLA, Microsoft, Nokia, SONY mobile, Huawei, OneTouch alcatel Shanghai bell (asb), as well as SONY, Disney, Warner and the various blizzard games.

The Branch of World Famous Game Company in Brazil

Popular Game Genre



Source:Google Play TOP Games Revenue - April 2016

Brazil mobile game players are more like role-playing,strategies and actions types of games, for these types of games they are willing to paid for it.

Brazil Game in iOS & Google Play

AppAnnie iOS & Google Play TOP 10 Download Game & Publisher of 2015

Top Games of 2015: Brazil Combined iOS and Google Play Downloads

Rank	Game	Company
1	Pou	Zakeh
2	Subway Surfers	Kiloo
3	My Talking Angela	Outfit7
4	My Talking Tom	Outfit7
5	Despicable Me	Gameloft
6	Kite Fighting	Maiworm
7	Zombie Tsunami	MobiGame, ZPLAY
8	8 Ball Pool	Miniclip
9	Candy Crush Soda Saga	King
10	Exploration	Andrzej Chomiak

Top Companies of 2015: Brazil Combined iOS and Google Play Games Downloads

Rank	Company	Headquarters
1	Gameloft	France
2	Doodle Mobile	China
3	Electronic Arts	United States
4	King	United Kingdom
5	Outfit7	Cyprus
6	Miniclip	Switzerland
7	Zakeh	Lebanon
8	Kiloo	Denmark
9	Rovio	Finland
10	XPEC	Taiwan

According to App Annie, BraziliOS & Google Play TOP10 download games of 2015 include:9 casual games and 1 sports games, which shows that Brazil gamers are prefer to download the free casual game.

In Brazil 2015 iOS & Google Play download TOP 10 list, there is only one Chinese company, and no Brazil publisher is on the list.

2015 iOS & Google Play TOP10 Games & Publishers

Top Games of 2015: Brazil Combined iOS and Google Play Revenue

Rank	Game	Company
1	Clash of Clans	Supercell
2	Candy Crush Saga	King, Tencent
3	Candy Crush Soda Saga	King
4	Game of War – Fire Age	Machine Zone
5	Summoners War	GAMEVIL
6	Clash of Kings	Elex Technology
7	Marvel Contest of Champions	Kabam
8	Hay Day	Supercell
9	Hearthstone: Heroes of Warcraft	Activision Blizzard
10	Farm Heroes Saga	King

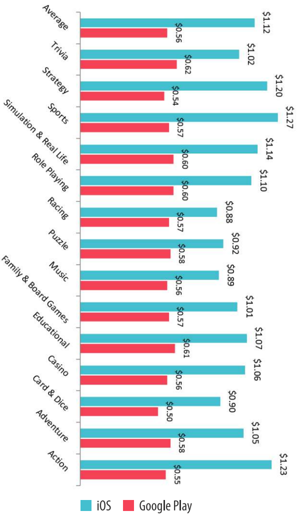
Top Companies of 2015: Brazil Combined iOS and Google Play Games Revenue

Rank	Company	Headquarters
1	Supercell	Finland
2	King	United Kingdom
3	Electronic Arts	United States
4	Gameloft	France
5	GAMEVIL	South Korea
6	Kabam	United States
7	Elex Technology	China
8	Machine Zone	United States
9	Activision Blizzard	United States
10	Time Warner	United States

According to AppAnnie, there are 3 Strategy games (Clash of Clans, Game of War-Fire Age, Clash of Kings), 3 Puzzle games (Candy Crush Saga, Candy Crush Soda Saga, Fam Heroes Saga), 1 RPG game (Summoners War), 1 Action game(Marvel Contest of Champions), 1 Casual game (Hay Day) and 1 Card game listed in Brazil 2015 iOS & Google Play TOP10.

There are 5 American publishing companies, 2 Asia companies, 1 Chinese company and 1 Korea company listed in Brazil 2015 iOS & Google Play TOP 10 Game Publishers, whereas no Brazil company is on the list.

iOS & Google Play Game CPI



Source:Chartboost

The highest CPI of Brazil's iOS game is sports game ($1.27), followed by action game ($1.23), RAC ($0.88) is the lowest. The average CPI is $1.12.

The highest CPI of Google Play game is casual puzzle game ($0.62), followed by education game ($0.61), card game ($0.50) is the lowest. The average is $0.56.

The CPI of iOS game are 2 times than Google Play, the average CPI of Amazon is about $0.45.

SUMMARY

1.According to data released in May 2015 by Newzoo and OneSky, of the 48.6 million mobile video game players in Brazil last year, 17.2 million paid for games, representing 35.4% of the group. Most mobile gamers in Brazil will play via smartphone—48.5 million—while the tablet audience will make up 20.7 million. The story will be similar next year: 51.4 million will be smartphone gamers, and 22.8 million will play on tablets.

2.As world's 11th and Latin America's biggest game market, the game market of Brazil is about $1.5 billion in 2015, and is expected to reach $1.6 billion in 2016.

3.As one of the bric countries, Brazil's games payment rate is much higher than other countries. 56% of Brazil gamers wiling to pay for games, players spending $43.54 each year on average in the game.

4.In 2015 mobile game market of Brazil, the scale of smartphone game is about $203 million, tablet computer games is 94 million, the total is nearly $300 million; It is expected to reach$4.16 million in 2016 (smartphone game: $287.8 million; tablet computer games: $127.7 million).

5.The females gamer in Brazil accounted for 52.6%, males accounted for 47.7%, across all ages the gender split is roughly equal, females make up a slightly larger percentage of gamers in Brazil; Nearly a third (31.5%) of gamers in Brazil are ages 16 to 24.

6.Brazil's local game developers are mainly 8D Games, GameBlox, Hive Digital, Uplay Mobile etc. Local game publishers are mainly Alcateia, Incomp, NC Games, Rcell etc. The world's famous game company are all incorporated in Brazil.

7.Brazil mobile game players are more like role-playing,strategies

SUMMARY

and actions types of games, for these types of games they are willing to paid for it.

8.There are 5 American publishing companies, 2 Asia companies, 1 Chinese company and 1 Korea company listed in Brazil 2015 iOS & Google Play TOP 10 Game Publishers, and no Brazil company is on the list.

9.The highest CPIof Brazil's iOS game is sports game ($1.27),followed by action game ($1.23), RAC ($0.88) is the lowest. The average CPI is $1.12.

10.The highest CPI of Google Play game is casual puzzle game ($0.62),followed by education game ($0.61), card game ($0.50) is the lowest. The average is $0.56.

11.The CPI of iOS game are 2 times than Google Play, the average CPI of Amazon is about $0.45.

Avazu Holding

E-Commerce

7

The Development of E-Commerce

In recent years, the e-commerce sector has expanded rapidly in Brazil and the country has turned into the main market for online stores in Latin America.

The Brazilian population has experienced substantial changes in the last years, such as the increase in purchasing power, the increase in access to broadband connections, the explosion in sales of connected devices, among others. For the e-commerce sector, these phenomenons led to a massive increase in the number of Brazilians that made purchases online, and contributed to making the country one of the major markets for e-commerce in the world.

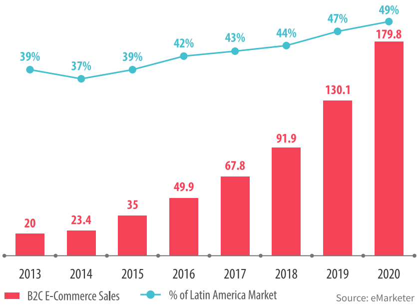
According to analyst E-bit, from 2011 to 2014 the revenue for the e-commerce sector in Brazil increased 91.4%, reaching BRL 35.8 billion. During 2015 yearly growth rates are expected to be maintained, leading the e-commerce sector to reach a total revenue of BRL 43 billion. Close to 8 million Brazilians make their first online purchase each year, a rate that contributes to the sustained growth the sector has experienced recently.

Currently, Brazilians from all regions and social segments are becoming e-commerce customers, even though certain groups still display a notably higher affinity for this sales channel. For e-commerces that plan to start operations in Brazil, understanding the characteristics of the Brazilian audience, especially in terms of the most common habits for online purchases, could substantially improve their chances of success in the country and help in shaping a viable strategy to enter this market.

With the increase of payment platform, studies suggest that the Brazilian is generally believed that mobile phone payment will be more safer. According to research, clothing and jewelry are the most popular products in Brazil, which accounted for 59% in mobile payment, accounted for 56% in the smartphone payment.

According to E - Bit's latest report, Brazilian online sales is of 41.3 billionReais ($11.62 billion) in 2015, increased 15.3% from last year. The average online sales has an increase of 12% than 2014, which is 388 Reais ($109.2). The number of online shopping users are 39.1 million , increased by 3% in 2014, the total order is increased by 12%, reaching 106.5 million.

B2C E-Commerce (Billions)



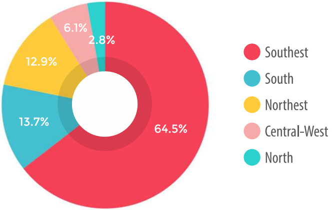
Brazil B2C e-commerce is the leading role in Latin America, account for 50% in Latin America e-commerce market.

Brazil B2C e-commerce is of $35 billion in 2015, it is expected to reach $50 in 2016 and will continue to increase in future years.

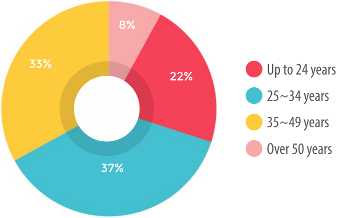
Profile of E-commerce Customers in Brazil

1 Demographics by Region, Age and Social Class

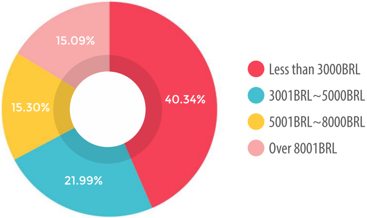
Some Brazilian regions are known for concentrating a substantial portion of the country's population and for displaying higher adoption rates for technologies like broadband connections and connected devices, so it should be expected that these would also be the regions that hold the most e-commerce customers. According to E-bit research, the regions responsible for the most e-commerce orders in Brazil are:



Their research was able to assess the age segments that are most important for the e-commerce sector, and discover that most customers in Brazil are aged 35 or above. The current age profile of Brazilian e-commerce customers are:

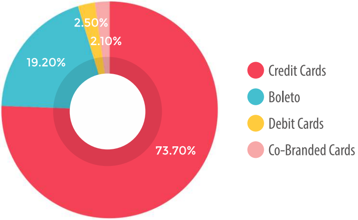


The social classes most relevant for the e-commerce sector in Brazil are the middle to lower classes, which are the most numerous in the country and have recently gained increased access to technologies such as broadband connections and mobile devices. The social classes that represent the most e-commercecustomers,divided into categories of monthly household earnings, include:



2 Payment Methods

In terms of the most used payment methods, credit cards and Boletos Bancários remain the ubiquitous choices for e-commerce customers in Brazil. A payment method category that has increased its adoption as of late is the one of co-branded store credit cards, which appeal to customers due to the offering of special discounts and loyalty programmes. Some of the most popular payment methods for e-commerce in Brazil are:



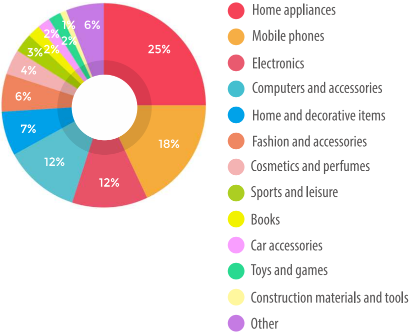
Credit cards in Brazil are commonly used to split payments into multiple installments, and this practice is adopted by the majority of e-commerce purchases made using this method. According to surveys, only four out of ten credit card purchases are paid through a single installment, while payments split into three installments represent 13.5% of these purchases and payments split into ten installments represent 11% of them. E-commerce customers in Brazil that use credit cards split their payments on average into 3.7 installments.

Brazil online payment is mainly by bank transfer and Boleto payment, Boleto is a dominated payment method supported by several Brazilian banks in Brazil. Customer can authorized any bank transfer through Internet banking by Bar Code identification number. After ordered online, costumer will receive an invoice with barcode, then they can take it to pay at any store or bank branches.
30% of the transaction are online transactions, except about 2 billion transactions every year. Boleto is generally the first payment choice in Brazil for it is the only supported payment method by companies and government, also because of the difficult application of cross border credit card and the common phenomenon of cash transactions in Brazil. AliExpress and LightInTheBox are all supported Boleto now.

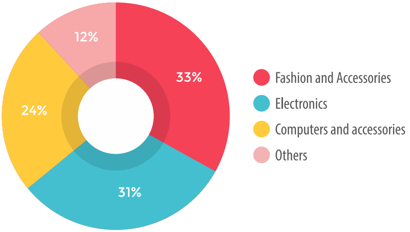
A purchase condition that has become common for e-commerces in Brazil over the last few years is free shipping, which is mostly offered for customers in regions next to the largest urban areas and distribution centers of the country. Overall, close to 45% of e-commerce purchases of physical goods in Brazil are granted free shipping.

3 Popular Categories and Cross Border Purchases

In terms of volume of sales, categories such as fashion and accessories, home appliances, mobile phones and cosmetics remain the most popular for Brazilian e-commerce purchases. However, in terms of sales revenue other categories are found to be the most important for e-commerce in Brazil. These include:



As of recent years, the number of purchases made from foreign e-commerce web sites by Brazilian customers has increased substantially, mostly due to the increased offer of lower priced products in these stores. It is estimated that 38% of e-commerce customers in Brazil make purchases from foreign online stores, and some of the most commonly purchased categories include:



Suffering from the recession, currency devaluation, high inflation and high unemployment in 2015, Brazilian customers remain active in online shopping. E-commerce market has become one of the "lost paradise"in Brazil industry, among them Chinese e-commerce website accounted for half of the market.

In recent years, the number of cross border shopping customers in Brazil has an explosive growth. There are only 7.3 million consumers in 2013, the number has increased to 14.9 million in 2015. The proportion of cross border shopping customers has increased to 54% from 33% and 38% of last two years.

Chinese e-commerce websites, especially AliExpress is the first choice for Brazil cross border shopping customers. The market share of AliExpress and the number of cross border shopping customers increased in the same pace, which has increased to 50% in 2014 from 20% in 2013, far more than Amazon and Ebay. Although the number has decreased to 46% in 2015, it is still the most popular overseas online shopping website in Brazil. Professionals believe that there are 3 points that attract the Brazilians: the cheaper price, the free logistics (free shipping is attractive to the Brazilian), and the product that is not native to Brazil. Although the delivery time of cross border shopping usually takes for a month long, it still accepted by the prepared Brazil customers.

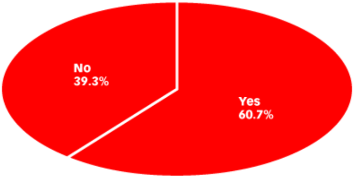
The first overseas orders in 2014 "1111" shopping festival is from Brazil, the Brazilian consumer are active in China's cross board festival, second only to Russia in the world. Founded in 2011, Brazil's AliExpressh as an average of 18000 new registered users a day, nearly 10million cumulative number of users. This, in a sense, China e-commerce is changing the Brazilian online shopping habits.

E-commerce Sites

The majority of e-commerce sites in Brazil use social media for sales and marketing, according to a research from PayPal and BigData on March 2016 revealed that about 60% of e-commerce sites in Brazil use social media for sales and marketing, among those sites Facebook is the most popular platform. Although very little referral traffic were comes from social media, the majority of e-commerce sites still find it worthwhile to try and create brand presence on social media sites.

Ecommerce Sites in Brazil that Use Social Media for Sales and Marketing, March 2016

% of sites analyzed



Source: PayPal Brasil and BigData Corp., "O perfil do e-commerce brasileiro" as cited in PayPal Brasil company blog, April 4, 2016

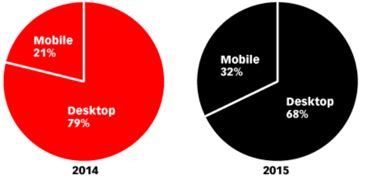
210470 www.eMarketer.com

Desktop & Mobile

1 Ecommerce Traffic

Desktop vs. Mobile Share of Ecommerce Site Traffic According to Consumer Goods Digital Retailers in Brazil, 2014 & 2015

% of total

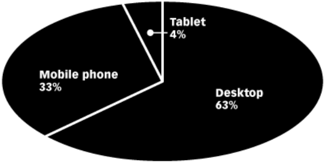


Source: Associação Brasileira de Comércio Eletrônico (ABComm), "O Mobile Commerce no Brasil" as cited in press release, Jan 4, 2016

210289 www.eMarketer.com

Ecommerce Traffic Share in Brazil, by Device, July 2015-March 2016

% of total



Source: Betalabs, "Estatistica de Plataformas de Ecommerce" as cited in press release, April 2016

210583 www.eMarketer.com

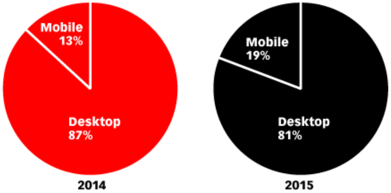
Ecommerce site traffic in Brazil is still the domain of desktops, with 68% of consumer goods retailer traffic coming from there.

Mobile totaled just one-third of all consumer goods retailer traffic in 2015. While that's still a considerably smaller share than desktop, examining 2014's figures casts the narrative in a different light. 2014 saw mobile holding just a 21% share, which means that, over the course of one year, mobile seized more than 10% of the market from desktop traffic.

2 Ecommerce Conversions

Desktop vs. Mobile Share of Ecommerce Conversions According to Consumer Goods Digital Retailers in Brazil, 2014 & 2015

% of total

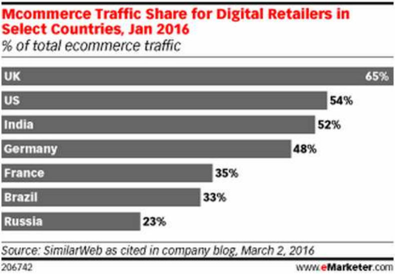


Source: Associação Brasileira de Comércio Eletrônico (ABComm), "O Mobile Commerce no Brasil" as cited in press release, Jan 4, 2016

210290 www.eMarketer.com

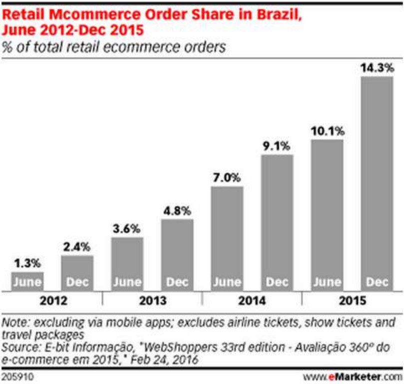
While mobile did gain 6% of market share over the year, from 13% to 19%, desktop still holds 81% of conversion share. meanwhile, estimated that mobile held just 12% of all Ecommerce sales in terms of volume. So while shoppers in Brazil are certainly doing more browsing on mobile devices, they're still far more likely to take action on a desktop computer—where they're also likely to spend more.

Mcommerce



Mcommerce traffic in the UK made up 65% of all total ecommerce traffic in January, the highest figure for any country studied in a March 2016 SimilarWeb report. The Brazil mcommerce traffic share was 33%, the sixth in the world.

1 Retail Mcommerce Order

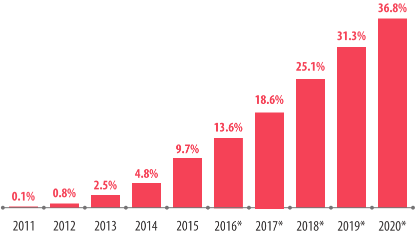


According to E-bit Information, the share of retail ecommerce orders in Brazil that were made via mobile devices reached 14.3% in December, up from 10.1% in June. That was sharper growth than previously seen; the retail mcommerce order share grew just 1 point from December 2014 to June 2015.

Criteo reported that in Q4 2015, 18.6% of all ecommerce transactions across its user base in Brazil were mcommerce. That was up from 10.% a year earlier.

Most of those transactions occurred on mobile phones, Criteo found: 15.0% of the total, vs. 3.5% on tablets.

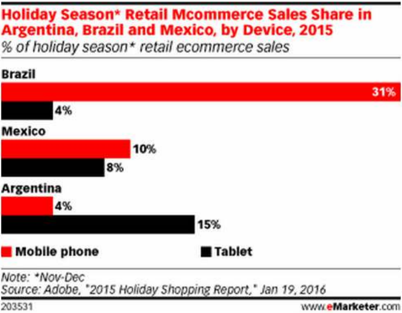
2 Mcommerce market share of Retail eCommerce



According to eMarketer, Brazil retail eCommerce sales will reach $22.1 billion in 2016,makes an increase of 13.5% than last year. However, it account for only 3.6% of the total sales in Brazil consumer goods.

The mobile transactions in 2016 will account for 3.6% of the total retail eCommerce sales, which is expected to about $3 billion. It is expected that the mobile transactions will account for 36.8% in 2020, nearly three times in 2016.

3 Holiday Season Retail Mcommerce Sales in Brazil



According to Adobe, mobile phones accounted for a significantly larger share of holiday season retail ecommerce sales in Brazil than in nearby Mexico or Argentina. In Brazil, nearly a third of holiday digital sales occurred on mobile phones; an additional 4% were transacted on tablets. That compared to a total mcommerce sales share of 18% in Mexico and 19% in Argentina—well under the share in Brazil just from mobile phones.

The E-commerce Website

SUMMARY

1. Brazil B2C e-commerce is the leading role in Latin America, account for 50% in Latin America e-commerce market.

Brazil B2C e-commerce is of $35 billion in 2015, it is expected to reach $50 in 2016 and will continue to increase in future years.

2.The southeast of Brazil still hold the most e-commerce customers, most customers in Brazil are aged 35 or above.

3.In terms of the most used payment methods, credit cards and Boletos Bancários remain the ubiquitous choices for e-commerce customers in Brazil. A payment method category that has increased its adoption as of late is the one of co-branded store credit cards, which appeal to customers due to the offering of special discounts and loyalty programmes.

4.Home appliances, mobile phones and electronic products are the most popular e-commerceproducts.

5.38% of Brazilian customers choose to shopping on foreign e-commerce websites, mostly due to the increased offer of lower priced products in these stores. Cloths accessories and 3C products are two most popular products.

6.While mobile did gain 6% of market share over the year, from 13% to 19%, desktop still holds 81% of conversion share. meanwhile, estimated that mobile held just 12% of all ecommerce sales in terms of volume. So while shoppers in Brazil are certainly doing more browsing on mobile devices, they're still far more likely to take action on a desktop computer—where they're also likely to spend more.

7.According to eMarketer , Brazil retail eCommerce sales will reach to $22.1 billion in 2016,makes an increase of 13.5% than last year. However, it account for only 3.6% of the total sales in Brazil consumer goods.

SUMMARY

8.The mobile transactions in 2016 will account for 3.6% of the total retail eCommerce sales, which is expected to about $3 billion. It is expected that the mobile transactions will account for 36.8% in 2020, nearly three times in 2016.

9.In Brazil, nearly a third of holiday digital sales occurred on mobile phones, an additional 4% were transacted on tablets.

10.As the world's 10th largest e-commerce market, the Braziliane-commerce has attracted many attentions of the global industry, at present, Brazil's payment, logistics development is still in the relatively primitive stage, if these problems are solved, the outbreak of the Brazilian market will usher in more. E-commerce will continue to grow in the next few years in Brazil, especially for mobile devices.