



HEARD IN THE JUNGLE

February 6, 2009

Videogames outsell DVD and Blu-ray in 2008

Retail sales of videogames overtook that of DVD and Blu-ray for the first time, as sales of packaged media grew 6 per cent worldwide to hit USD 61 billion in 2008, according to Media Control GfK International.

Videogame sales grew 20 per cent in 2008, to USD 32 billion, which GfK says was driven by the popularity of Nintendo Wii, while combined DVD and Blu-ray sales fell 6 per cent, to USD 29 billion.

GfK predicts games will grow to represent 57 per cent of packaged media sales in the next 12 months, up from 53 per cent in 2008 and 47 per cent the year before.

Videogame software sales are expected to grow 12 per cent this year, to reach USD 36 billion, as reported by Videobusiness.com. This growth is in comparison to a decline in DVD and Blu-ray expected to be around 4 per cent to USD 27 billion - however Blu-ray itself will more than double to USD 2.9 billion. The 2008 result is under GfK's mid-year forecast, which had predicted games would grow by 22 per cent, as well as DVD and Blu-ray growing 1 per cent. GfK's US president, Amy Heller, attributed the underperformance to the current economic downturn.

James Lee 08:42 (BST)

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Most all of you that receive this newsletter are in or near the wireless business since Shipman Northcutt and Rhodes Thompson, our founders, are in that industry. We have built this distribution from our own network and not from simply acquiring any and all email addresses available. You will not find an ad in a magazine or on a website, other than our own, that solicits names, interest and/ or prospective franchisees.

We are not looking for anyone with interest, we are looking for people with a proven retail track record with interest. People that understand the video gaming market is emerging and is currently underserved. It lacks retailers with local ties and this is an opportunity that prospers when it is tied to the community it serves.

We are not bullish on the retail video game industry because we are selling franchises, we are selling franchises because we are bullish on the market. If you look at the stock watch below, you will see that 9 of the 14 stocks listed are up over the last 2 weeks and only 3 are down.

Many of the large game production companies have announced cutbacks in the production of new games that are not sequels to the established games and this will strengthen the used game market, our specialty.

You can sit back and watch us grow or you can grow with us, we welcome you to the jungle either way. In the next few issues I will continue to share our philosophy, core purpose and values. I invite observations, input and article contributions from our readers.

Stan Marks – Director of Franchise Development

Gaming Industry Stock Watch

Company	Symbol	2/6/2009	1/23/2009	52 Week High	52 Week low
Game Producers:					
Majesco Entertainment Co., Inc	COOL	\$0.70	\$0.70	\$1.08	\$0.04
Electric Arts Entertainment, Inc.	ERTS	\$19.34	\$17.00	\$52.61	\$15.32
Interplay Entertainment Corp.	IPLY	\$0.07	\$0.07	\$0.24	\$0.05
Konami Deposit Receipt	KNM	\$18.11	\$20.01	\$42.79	\$15.25
Midway Games, Inc.	MWY	\$0.27	\$0.22	\$4.20	\$0.16
Netease.com, Inc.	NTES	\$20.55	\$17.91	\$27.16	\$15.00
THQ, Inc.	THQI	\$3.25	\$3.79	\$25.18	\$3.29
Take Two Interactive Software, Inc.	TTWO	\$7.78	\$7.46	\$27.95	\$6.84
Retailers:					
GameStop	GME	\$28.01	\$25.85	\$51.13	\$16.91
Hollywood Video/Game Crazy					
Consoles and Components:					
Immerion Corp.	IMMR	\$5.29	\$4.34	\$11.82	\$2.22
Microsoft, Inc	MSFT	\$19.66	\$17.20	\$35.00	\$17.07
Nintendo Deposit Receipt	NTDOY	\$38.60	\$42.64	\$74.12	\$32.00
Sony	SNE	\$20.88	\$20.32	\$52.36	\$18.09
Accessories:					
Mud Catz Interactive, inc.	MCZ	\$0.40	\$0.39	\$1.06	\$0.25

Note: Some of these companies are heavily involved in products other than game related ones.