



HEARD IN THE JUNGLE

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Last time I emphasized what we believe are the opportunities in the video game industry and perhaps that issue was a little more of a salesletter than newsletter. Sometimes I can't help myself. I have had a few meetings over the last 2 weeks with prospective franchisees and there are some noteworthy conditions in today's market.

As I mentioned before, many of you who receive this newsletter are in the wireless industry and therefore I relate a lot of the similarities with the video game industry. For those of you who are not in the wireless industry, I apologize if you become disinterested, but the industries share a lot of the same processes and customer base. After all, we all have wireless devices in our daily lives and video games now cross all demographic so the comparisons are familiar.

The video gaming industry is expected to triple over the next 4 years. Commercial rents are very attractive, we are seeing some rents falling as much as 50% on renewals because other retail is not growing like ours. The government is expanding the availability of SBA loans to stimulate entrepreneurial development. Desirable returns for investment money are not being found in traditional investments. Inexpensive family entertainment is paramount during poor economic times. Now if you are an entrepreneur, a real entrepreneur, you always look for an underserved market. Low interest rates and rents reduce the risk of a new venture. You can sit by and watch or you can or be a part of the opportunity.

We watch several websites and subscribe to many industry newsletters. I have a few to list for you in case you want to investigate franchises and the video game industry:

The Entertainment Software Association

www.theesa.com

GameSpot Daily Newsletter

newsletters@gamespot.online.com

GamesIndustry

robot@lists.eurogamer.net

MediaPost Publications

gaminginsider@mediapost.com

The Franchise King

thefranchiseking.typepad.com

The eBusiness Knowledge Base

<http://www.ebizmba.com/articles/video-games>

This site lists several video game sites

You can see below that the game stocks I am tracking are performing better than the Dow and all of these nos. are based on the new console and game environment. The sale of pre-played consoles and games are our driving market and will be for some time since the production of new release games is slowing down with the economic conditions.

In all industries each player in the channel has their day and now is the time for the retailers in the pre-played video game business. Retailers have superior margins now. There are still many markets in North America that do not have a retailer offering a trade-in program and demand for the service is sitting there waiting. We intend to be the best pre-played option for both sales and trades of video games and consoles.

There you have it, another salesletter. I may have to change the name, since it is hard not to speak positively about our industry when it is underserved and performing well in tough economic times.

As always, if you do not want to receive this email, just send one to me. My contact info is at the top.

Gaming Industry Stock Watch

Company	Symbol	3/20/2009	3/6/2009	52 Week High	52 Week low	% Change
Dow Index	IND	\$7,278.38	\$6,626.94	\$13,136.69	\$6,469.85	9.83%
Game Producers:						
Majesco Entertainment Co., Inc	COOL	\$1.18	\$0.64	\$1.40	\$0.36	84.38%
Electric Arts Entertainment, Inc.	ERTS	\$18.22	\$15.31	\$54.81	\$14.24	19.01%
Interplay Entertainment Corp.	IPLY	\$0.06	\$0.06	\$0.24	\$0.04	0.00%
Konami Deposit Receipt	KNM	\$14.95	\$12.97	\$42.79	\$12.77	15.27%
Midway Games, Inc.	MWYGQ	\$0.07	\$0.06	\$4.20	\$0.16	16.67%
Netease.com, Inc.	NTES	\$22.30	\$21.05	\$27.16	\$15.00	5.94%
THQ, Inc.	THQI	\$2.60	\$2.24	\$23.40	\$2.23	16.07%
Take Two Interactive Software, Inc.	TTWO	\$8.57	\$6.21	\$27.95	\$5.56	38.00%
Retailers:						
GameStop	GME	\$24.85	\$22.38	\$59.13	\$16.91	11.04%
Hollywood Video/Game Crazy		N/A	N/A	N/A	N/A	N/A
Consoles and Components:						
Immersion Corp.	IMMR	\$2.76	\$2.62	\$11.82	\$2.31	5.34%
Microsoft, Inc	MSFT	\$17.06	\$15.28	\$32.10	\$14.87	11.65%
Nintendo Deposit Receipt	NTDOY	\$36.00	\$33.36	\$74.12	\$31.50	7.91%
Sony	SNE	\$19.93	\$17.25	\$52.36	\$15.64	15.54%
Accessories:						
Mud Catz Interactive, inc.	MCZ	\$0.27	\$0.19	\$0.81	\$0.15	42.11%
Game Index		\$168.82	\$149.62	\$412.29	\$131.74	12.83%

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