



HEARD IN THE JUNGLE

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It's amazing how quick a couple of weeks go by when you have a newsletter to get out. It's really not that bad. As a matter of fact (from one who has a tendency to procrastinate) it is just about right.

I want to address a couple of FAQ's later in the newsletter but first I want to address the recent performance of the game stocks I list below.

I subscribe to The Franchise King blog (thefranchiseking.typepad.com) and he frequently asks the question, "Shouldn't I take charge of my own future and direct my IRA/401K funds to open a franchise to build my retirement funds instead of leaving my future to increasingly unpopular investment community. I am not going to tell you to take your retirement and open a Gorilla Games store. That is a personal choice for you to investigate. What I recommend is you take a greater involvement in your future by being more active in the management of those and other funds you have. If you really don't want to go to the trouble of informing yourself on how to improve the performance and security of those funds, then a franchise is probably not for you.

If you take a look at the stock table over the last 4 weeks, you will see that the DOW has grown 20.98%. That may not make you feel better if you have lost 50% of your value in the last year, but 21% per month is not too bad. If you had bought one share each of the stocks on the watch list below, your return would have been 27.57%. That's 31.38% more than the DOW. Am I pushing the stocks below? No. Am I informing you of an industry that is performing better than the general economy? Yes.

Now for those FAQs I promised. First, "Aren't all the games going to be online in the future and won't that affect the bricks and mortar?". Games have been played online for many years now and they are primarily strategy games. The bandwidth required to download a game with graphics and activities equivalent to console video discs prevents PC games from competing. Most PC games are only played on an interactive basis, with someone else online. Video Games can be played that way and can be played offline and singularly. They can be played where no internet service is available. I know the internet is everywhere, but what about grandma's house or the vacation rental you go to? When you buy or subscribe to a PC game, what do you have. Can you hold it in your hand? Can you trade it in? Can you let a friend borrow it or exchange it for one of his/hers? You know those rhetorical questions are all no and therefore bricks and mortar will be around for a while.

I also know that over the years to come bandwidths will change and the game business will change as well. Perhaps one will go to a game store to play a game itself. Maybe game stores will be the place that invests in internet connections suitable to sell downloads to consumers. We believe the current video gaming community will continue to enjoy the value and opportunities that game discs and consoles offer for several years to come.

Second FAQ, "What makes Gorilla Games different from the others?". This is the easy one. Nearly all the retail competitors we have are corporately owned. Having come from a world of corporate and independently owned auto parts stores myself, Rhodes Thompson and Shipman Northcutt having extensive history with corporate and independently owned wireless stores, we can testify to the success of the independent operator. Independent ownership offers the community involvement and expertise that relates to

improved performance and will consistently better a corporate operation. We also offer our customers the “try before you buy” opportunity. We actively monitor trade values for video games and consoles and we are the premier trade-in location in our markets. We have developed a business model that works well in large markets and also now have one for markets of 10,000 to 50,000 that are not currently served by a store that offers game and console trades. We intend to have a 100% success rate for our franchisees and will do so by carefully choosing the right markets and operators. Coupon clippers need not apply.

All in all, the success of the franchisee, given the tools and guidance we provide, is to offer his/her customers the best possible customer experience and value. If we have chosen the right market and location, the success ultimately falls on the franchisee’s ability to perform. That’s why we are selective in the process.

If your financial advisor is like us, congratulations on your selection and ask him about how you are invested in the video games industry.

Additional industry link:

www.gamedaily.com

Interesting article:

<http://www.msnbc.msn.com/id/30010325/>

See you in a couple of weeks!

Gaming Industry Stock Watch

Company	Symbol	4/3/2009	3/20/2009	52 Week High	52 Week low	% Change
Dow Index	IND	\$8,017.59	\$7,278.38	\$13,136.69	\$6,469.85	10.16%
Game Producers:						
Majesco Entertainment Co., Inc	COOL	\$1.46	\$1.18	\$1.70	\$0.36	23.73%
Electric Arts Entertainment, Inc.	ERTS	\$20.70	\$18.22	\$54.81	\$14.24	13.61%
Interplay Entertainment Corp.	IPLY	\$0.06	\$0.06	\$0.24	\$0.04	0.00%
Konami Deposit Receipt	KNM	\$15.68	\$14.95	\$42.79	\$12.77	4.88%
Midway Games, Inc.	MWYGQ	\$0.08	\$0.07	\$4.20	\$0.08	14.29%
Netease.com, Inc.	NTES	\$27.26	\$22.30	\$27.80	\$15.00	22.24%
THQ, Inc.	THQI	\$3.83	\$2.60	\$23.40	\$2.23	47.31%
Take Two Interactive Software, Inc.	TTWO	\$8.30	\$8.57	\$27.95	\$5.56	-3.15%
Retailers:						
GameStop	GME	\$29.78	\$24.85	\$59.13	\$16.91	19.84%
Hollywood Video/Game Crazy		N/A	N/A	N/A	N/A	N/A
Consoles and Components:						
Immersion Corp.	IMMR	\$3.24	\$2.76	\$11.82	\$2.31	17.39%
Microsoft, Inc	MSFT	\$18.75	\$17.06	\$32.10	\$14.87	9.91%
Nintendo Deposit Receipt	NTDOY	\$37.20	\$36.00	\$74.12	\$31.50	3.33%
Sony	SNE	\$24.23	\$19.93	\$52.36	\$15.64	21.58%
Accessories:						
Mud Catz Interactive, inc.	MCZ	\$0.30	\$0.27	\$0.81	\$0.15	11.11%
Game Index		\$190.87	\$168.82	\$413.23	\$131.66	13.06%

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