



HEARD IN THE JUNGLE

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You may have seen some news about video game retail industry sales being off 17% in March and April of this year. It is true. There are some underlying factors that indicate this is not really a slowing of the video game industry sales. In 2008, March industry sales were up 50% and April 2008 was up 57% over 2007. The entire year of 2008 was up 19%. May and June '09 will be a better indication of where the market is since the Mar/Apr '08 nos. were an anomaly.

You can also see the stock index below once again outperformed the DOW over the last 11 days by more than 60%. There is a lot of activity by the big-box retailers playing around with the trade-in model. They are trying to enter the trading market without bricks and mortar and in a lot of cases without any personal involvement. They think there is cream to be taken off the top and they have no desire to offer the consumer a complete solution like the one offered by Gorilla Games. They are also overlooking the retro market which is expanding rapidly. Their entry simply confirms what we have been saying all along, the market is underserved and welcomes a "pro shop" opportunity for gamers.

To continue with our series of brief bios on the team at Gorilla Games, I'll give you some info on myself. I joined Rhodes and Shipman at Gorilla Games last September after a brief retirement of just 6 months. With the exception of a couple years in the insurance business helping my wife get her agency off the ground, I have been involved in every level of distribution in the automotive aftermarket. The majority of that career, 16 years, was spent working with independently owned auto parts stores in both urban and rural markets.

We were a distributor of auto parts and also offered the stores a management and marketing program which was very successful. Our success came from a philosophy of concentrating our activity and assets on the success of the store because that would ultimately insure our success.

We worked with them on financial matters, marketing efforts, inventory management and store appearance. Fortunately for me, I was able to gain experience in finance, marketing, store

design and all the attributes that make an independent retail/wholesale operation successful. It didn't hurt having an education in accounting either. My real pleasure in life, other than my wife and children, is seeing the efforts of the store owners rewarded and having a small part in that success.

My wife and I live in Franklin, TN (Nashville area) and have called it home for over 30 years. I have been able to see a lot of this country and I am always interested meeting new people and seeing new places.

The move to the new Trademark License Agreement is coming right along and we will be kicking off a significant marketing program along with it. If you are thinking about a market that would be good for a store, please contact us. In the next 30 days the awareness of our program will expand exponentially and someone may beat you to the punch. Nearly 70% of the households have a game console so any market with 10,000 people or more is a good candidate.

Gaming Industry Stock Watch

Company	Symbol	5/30/2009	5/19/2009	52 Week High	52 Week low	% Change
Dow Index	IND	\$8,500.33	\$8,268.64	\$12,726.66	\$6,469.95	2.80%
Game Producers:						
Majesco Entertainment Co., Inc	COOL	\$1.38	\$1.39	\$1.70	\$0.36	-0.72%
Electric Arts Entertainment, Inc.	ERTS	\$22.99	\$21.62	\$50.55	\$14.24	6.34%
Interplay Entertainment Corp.	IPLY	\$0.07	\$0.06	\$0.20	\$0.04	16.67%
Konami Deposit Receipt	KNM	\$18.33	\$17.07	\$38.02	\$12.77	7.38%
Midway Games, Inc.	MWYGQ	\$0.07	\$0.07	\$4.20	\$0.07	0.00%
Netease.com, Inc.	NTES	\$35.55	\$30.45	\$34.37	\$15.00	16.75%
THQ, Inc.	THQI	\$6.43	\$5.23	\$22.18	\$2.23	22.94%
Take Two Interactive Software, Inc.	TTWO	\$8.63	\$8.81	\$27.95	\$5.56	-2.04%
Retailers:						
GameStop	GME	\$24.95	\$26.12	\$50.67	\$16.91	-4.48%
Hollywood Video/Game Crazy		N/A	N/A	N/A	N/A	N/A
Consoles and Components:						
Immersion Corp.	IMMR	\$4.45	\$3.91	\$9.80	\$2.31	13.81%
Microsoft, Inc	MSFT	\$20.89	\$20.22	\$29.57	\$14.87	3.31%
Nintendo Deposit Receipt	NTDOY	\$33.68	\$33.46	\$72.75	\$31.15	0.66%
Sony	SNE	\$26.23	\$26.48	\$52.36	\$15.64	-0.94%
Accessories:						
Mud Catz Interactive, inc.	MCZ	\$0.41	\$0.26	\$0.81	\$0.15	57.69%
Game Index		\$204.06	\$195.15	\$395.13	\$131.30	4.57%

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