



HEARD IN THE JUNGLE

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WHAT ARE YOU AFRAID OF?

Even if you are just a casual reader of this little piece, you know how all of us at Gorilla Games feel about the strength of the video game market. We tout its growth, its broad demographic, the strength of our offering and the success of our stores. If we have given you accurate information about the industry and our business model, you probably have a store or are pursuing the opportunity right now.

I really want to speak to those of you who have not for the next few paragraphs. Don't pass this off just because of the headline. It is directed at no one in particular. What I want to speak to here is **fiscal fear in general**. Fiscal fear is the fear of losing money in a business or investment. Fiscal Fear is real and can be positive or negative depending on its source and the opportunity associated with the fear.

Things Entrepreneurs should be afraid of:

1. Bad Business Models
2. Bad Business People
3. High Interest Rates
4. Oppressive Government
5. Lack of Flexibility
6. Shrinking Industries

There is one glaring item missing from this list in my opinion, but then I made the list. The missing item is **Failure**. Why shouldn't you have fiscal fear when it comes to failure in a business? In my opinion a business failure when all efforts were made to achieve success and constitutes an education and therefore has value. If all the creative entrepreneurs before us had significantly feared failure, no one would have ever pushed the markets and technology that has driven economic expansion since the beginning of time. I also did not list one's own fear of success, because if you truly believe you may not be successful, it's hard to be called an entrepreneur.

It's OK to be afraid of all the things that happen in any given market, it's not OK to be afraid of your ability to see the changes and adapt. It's OK to lack some of the skills it takes to own a business, it's not OK to reject the learning opportunity they present. It's OK to fail at a business venture. It's not OK to never try again. What are you afraid of?

We have always placed confidence in the fact that independently-owned video games stores can offer a better customer experience than the corporately-owned ones. Our newest store in Jacksonville, FL recently confirmed our belief.

On a Saturday morning, Karen Ossi, the owner had a customer show up about 7:30am. The store does not open until 10:00am. Karen let the lady in the store and she informed Karen that she worked for a cruise ship company and that she was in charge of the children's entertainment program on the ship. She was sailing that afternoon and needed 10 PS2 games to take with her. Karen helped her make the choices and the lady expressed her gratitude for the special attention and promised to return on behalf of the cruise company for future purchases.

We have all heard sales stories like this over the years for nearly every industry that exists. The point here is a simple one. The owner cares. If this had been a corporate store, it is entirely possible the lady might never have gotten any attention from the store manager until opening time. That is assuming there would have been a manager there 2 ½ hours before opening. The difference in a customer experience is the little things and no one cares more than the people that are invested in the operation. Great work Karen!

Gaming Industry Stock Watch

Company	Symbol	4/23/2010	4/9/2010	52 Week High	52 Week low	% Change
Dow Index	IND	\$11,204.28	\$10,992.35	\$11,205.64	\$7,938.98	1.93%
Game Producers:						
Majesco Entertainment Co., Inc	COOL	\$0.84	\$0.87	\$2.39	\$0.75	-3.45%
Electric Arts Entertainment, Inc.	ERTS	\$19.97	\$19.36	\$23.76	\$15.70	3.15%
Ubisoft Entertainment SA	UBSFF	\$13.50	\$13.70	\$24.75	\$11.70	-1.46%
Konami Deposit Receipt	KNM	\$19.73	\$19.53	\$21.98	\$14.80	1.02%
Activision Blizzard, Inc	ATVI	\$11.60	\$12.48	\$13.14	\$9.93	-7.05%
Netease.com, Inc.	NTES	\$36.98	\$37.11	\$48.50	\$25.23	-0.35%
THQ, Inc.	THQI	\$8.12	\$7.54	\$9.03	\$3.39	7.69%
Take Two Interactive Software, Inc.	TTWO	\$11.21	\$10.51	\$12.57	\$7.00	6.66%
Retailers:						
GameStop	GME	\$25.22	\$23.30	\$31.68	\$17.12	8.24%
Hollywood Video/Game Crazy		N/A	N/A	N/A	N/A	N/A
Consoles and Components:						
Immersion Corp.	IMMR	\$6.02	\$5.84	\$6.18	\$3.41	3.08%
Microsoft, Inc	MSFT	\$30.96	\$30.34	\$31.58	\$19.01	2.04%
Nintendo Deposit Receipt	NTDOY	\$41.73	\$40.89	\$43.95	\$28.26	2.05%
Sony	SNE	\$34.98	\$36.81	\$40.45	\$23.60	-4.97%
Accessories:						
Mad Catz Interactive, inc.	MCZ	\$0.49	\$0.46	\$0.57	\$0.22	6.52%
Game Index		\$261.35	\$258.74	\$310.53	\$180.12	1.01%

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