

## Bubble Gum Interactive Update Feb 2012

### Product Development

Little Space Heroes launched on 14<sup>th</sup> December worldwide – we received significant press coverage of this including sites like AOL Massively, Save Game Online, MMGN and MMORPG. The game is the most advanced offering in its class, and estimated to be at least twice as big in scale and gameplay as Club Penguin, which is still the number 1 virtual world for kids (but not for much longer!). If you've not played for some time we invite you to blast off for adventure and see first-hand how the kids are playing and having fun. We have passed 30,000 registrations, putting on 22,000 new members in the last eight weeks, with current growth of ~500 new members a day, currently tracking upwards at ~20% week over week. We are already seeing early sales after the launch of commercial billing, with two payment methods offering convenient worldwide billing for customers, including:

- Credit Card (Visa/Mastercard) in 10 currencies including USD, CAD, GBP, EUR, AUD, NZD and more
- Zeevex Prepaid gift cards have launched in the USA, see the [press release here](#)
- We are now working on PayPal integration and with the leading prepaid gift card provider in the UK and will roll out more prepaid gift card methods in Q2 2012
- Multiple currency billing will be further supported by language localisation in equivalent languages to be completed Q2, bolstering reach and sales including our ability to roll out additional foreign language affiliate deals (Italian, French, German, Spanish, Portuguese, Arabic, Japanese, Mandarin and others). This will extend our reach beyond any other player in the market in regards to localisation for parents and caregivers navigating sales and purchase pages.
- The core virtual world will continue to evolve with a solid roadmap of updates that will bring additional content, quests, games and more into the game world focused on retention and conversion from free to paid memberships, with some exciting releases due over the next few months and beyond, never seen before in the space.
- Our BigPond deal was extended last week to include mobile device distribution with addition discussions evolving around taking the Little Space Heroes brand onto TBox and iTV channels.
- Projected finish date for our first mobile device title on iOS and Android is Q2 2012... with some super exciting offerings on these platforms. The games will be freemium to support core virtual world brand awareness but also provide a lucrative additional revenue stream.

## Distribution / Marketing / PR

Telstra BigPond affiliate deal launched 19<sup>th</sup> December. This sees Australia's #1 ISP promoting Little Space Heroes via BigPond and other digital channels. BigPond has promoted us via a home page takeover, on-network advertising, PR and via a [dedicated microsite](#)

Little Space Heroes is receiving outstanding reviews (average 9/10) from leading games and parenting websites, visit our [Kudos page](#) for more

Secured ESRB, PEGI and Family Friendly Video Games accreditation, which is essential for parental confidence across Tier 1 and EU markets.

Successfully tested online advertising in 5 Tier 1 markets; online ads lead to conversion rates double that of organic growth and in line with best in breed virtual worlds including Club Penguin (av. 50% vs. 25% U/B to active players). Our initial online ad campaign in 5 markets commenced 1<sup>st</sup> of February and expected to net over 100,000 users by Q2 2012.

Negotiated great magazine sponsorships with 3 Australian kids titles reaching 250,000+ with street dates mid to late March ahead of Easter holidays.

Little Space Heroes has [won its first award](#) – “Best-in-class” in the Games category from the Interactive Media Awards.

Paul Grey has been invited to speak on a panel at “[TechConnect 2012](#)” conference. He will be doing this in Sydney in April.

Phil Mason (CEO) keeps getting asked to speak at numerous events but is too busy with his plans for global domination.

## Brand licensing and franchise development

The property is spreading its wings across with many exciting ways to extend to other digital and non-digital platforms and iterations. This includes:

- Mobile games (after a deal with BigPond)
- Interactive cartoons (for cable, iTV, mobile and tablets)
- We are in preliminary discussions with two leading global brand licencing agencies to investigate means to take Little Space Heroes brand into other categories.