

Business Update (December 2012) - Bubble Gum Interactive (BGI)



Highlights

- The Turner EMEA TV campaign has kicked off with 3,000 spots in 6 countries and is ramping up both free player registrations and sales as well. We're looking at around 100,000 sign ups in this first week and are expecting this to increase as the messaging compounds, kids go on festive holiday breaks and then start talking when they go back to school in January.
- You can see the English version of the TVC here <http://www.youtube.com/watch?v=OxJsbnKNe2g>.
- Game cards are available now in Australia and New Zealand at EB Games and are extending out into more retailers through the holidays. They'll also be launching in Brazil next week!
- Australian TV advertising will take place in January on Channel 9 and Channel GO! with 300 spots that should drive further awareness in a peak sales period (summer holidays)
- Miniclip Deal launched 15th December and is driving high volumes of sign ups in tier 1 markets. We're working to hone in on our target audience of 8 – 10 year olds and are seeing first conversions. Check out the site.
- Jetpack Jinx mobile game has launched on the iOS and Android platform with awesome reviews and early sales via in-app purchasing
- The Space Heroes Universe cartoon episode 1 is now live. This brand awareness/marketing tool will drive traffic to the virtual world. The toon launched on Android and iOS (pending Apple approval) as well as on our Space Heroes YouTube Channel.

Market traction and growth

- Sales conversions for the VW are ramping up – this month looks to be best month so far with 400 new sales already.
- Although we have had a slower than expected ramp up of sales; with significant new multi-territory, multi-platform end of year marketing and affiliate activity, our target of 50,000 paid subscribers is projected for the end of March / early April.
- This will see the Company reach operational breakeven, depending on rev share percentages with affiliates.
- We are starting to see early sales of our Jetpack Jinx mobile game upgrade packs via in-app purchasing, nothing ground breaking at this stage, but sales none the less.

Business Development and Distribution

- Turner EMEA TV and Online campaign is driving increasing traffic to the game. The ads are broadcast daily in the 6 territories with online ads accompanying.
- Miniclip – Our partnership with Miniclip launched on 8th December. Miniclip has a massive global audience with more than 13 million users in our demographic and we are seeing strong volumes of traffic from them. These players have a distinct profile, enjoying the minigames in Space Heroes Universe in particular.
- Negotiations are also underway with Terra in South America, and looking positive pending further discussions this week.
- Combined affiliate deals with Mini-clip and Terra will mean substantial marketing uplift in North American, UK and South American markets.

Marketing and PR

- Positive feature in Polygon regarding our brand franchise reach.
- Profile building article in the Australian Financial Review highlighting our positioning for global reach.
- Since launch, Jetpack Jinx has scored an impressive 5/5 from the iOS community, 4.9/5 from the Google Play Community, has been awarded a Famigo APProved badge and has had excellent critical reviews. Here's some of our faves –
 - 5/5 from Android Headlines <http://androidheadlines.com/2012/12/featured-game-review-jetpack-jinx.html>
 - 4.2/5 from Android Tapp <http://www.androidtapp.com/jetpack-jinx/> (It also made their top android games of November)
 - Jinx named a 'Must Have' by Geek Magazine <http://www.geekmagazine.org/2012/12/07/jetpack-jinx-for-android-review/>
 - 5/5 and family-friendly approved by Famigo www.famigo.com/app/jetpack-jinx/

Brand Licensing Development

- Bubble Gum Interactive is proceeding with three licensing agencies – targeting UK/Europe, Australia and the USA/Canada. The agencies are preparing license plans for our first physical merchandise.

Sydney Angel Sidecar Fund Investment

- Cost of Investment \$500,000
- Book Value \$900,000