

The logo for Game Power 7 features a large, stylized number '7' in the center. The '7' is rendered in a 3D, metallic style with a color gradient from light pink at the top to a darker pink at the bottom. Below the '7', the words 'GAME' and 'POWER' are stacked in a bold, blocky, metallic font with a similar color gradient. The entire logo is set against a dark grey background within a square frame.

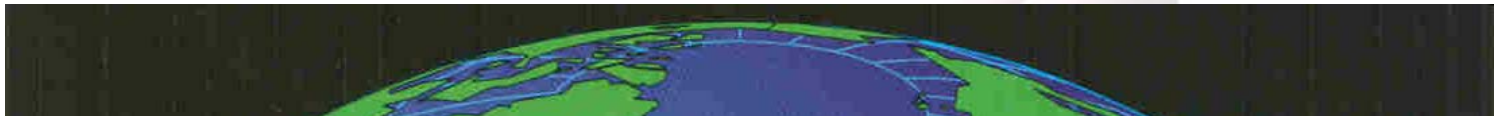
Gaming Business in the Middle East: Opportunities and Challenges







Region Overview



The Arab World

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Region Overview

- Population 338M - Area 13,900 km²
- 21 Countries have many in common, and so many versatility.
- Commons include:
 - Modesty and family values
 - Religion: Islam & Christianity
 - Language: Arabic
- Versatility in
 - Social
 - Economic
 - Technology



Region Economy

- Purchasing Power Parity (PPP) is an economic indicator for the purchasing capabilities of families
- PPP indicator ranges from
 - The highest
 - UAE \$49,600 (3rd worldwide)
 - Qatar \$29,800 (28th worldwide)
 - Bahrain \$25,800
 - To the lowest
 - Syria \$4,200
 - Sudan \$2,400
 - Yemen \$1000
 - And in between
- Contains some of the richest & poorest countries in the world



Region Society

Age Group	Total	Percent
Below 30	213M	64%
30+	122M	36%
Male Percent	173M	51.7%



Technology in the Region

Indicator	Total
Internet Penetration (% Population) – 2007	10.5%
Internet Users - 2008	37M
Internet Usage Growth (2000 – 2008)	1450%
Internet Users – Est. 2010	58M
Broadband Lines - 2007	2.6M 50% increase over 2006
Broadband Lines – Est. 2010	6.4M



Technology in the Region Broadband

- Broadband has taken off in the region 3 years ago
- Most countries in the region have started large investments for broadband infrastructure (both 3G and DSL technologies)
 - Growth of broadband lines per country between 50-120% yearly. Saudi Arabia DSL lines grew %480 between 2005-2007
 - Estimated number of 3G users by 2010 3M
 - WiMAX is available in 6 countries in the region



Technology in the Region Cyber Cafes

- Attending cyber cafes is very popular teens activity in countries with little broadband
- After 7:00pm, cyber cafes are packed
- Activities Include
 - Voice and video chat
 - Multiplayer games
 - Sports: Need for Speed, FIFA
 - FPS: Call of Duty, Counter Strike, Metal Gear
 - Strategy: Warcraft, C&C



Technology in the Region Computers

- PCs are the dominant gaming platform
- The latest versions of 3D games are acquired and played by teens in Internet cafes and at homes.
- High end cheap locally assembled PCs are very popular
 - High end CPU - 2 GB RAM - 512 MB Video Card – 17" Monitor
 - \$600



Laws & Regulations In the Region

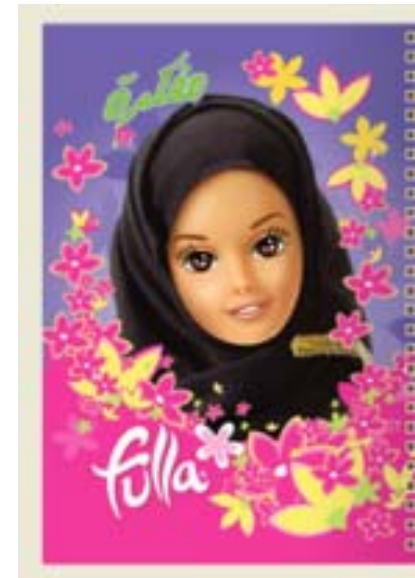
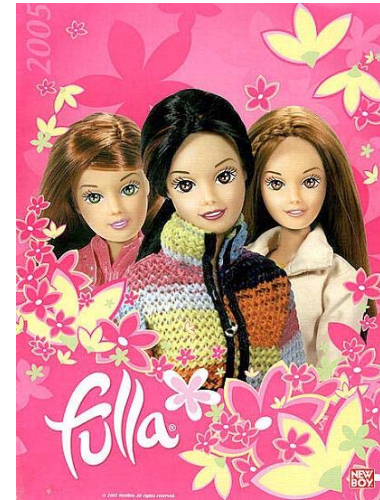
- Everything is permitted
 - No laws or regulations exist in regards to gaming in the region
- Yet, any thing could be prohibited!
- Hard to predict what could be prohibited and what could be ignored and permitted!!
- Several parties are responsible for permitting or prohibiting
 - Religious Institutions
 - Governments
 - Public



Laws & Regulations in the Region

Fulla

- Fulla the doll
 - Our culturalized replica of Barbie
 - Middle Eastern brunette doll
 - “Virtuous Doll”
- Fulla is the dominant trademark for all girl apparels, accessories, and school materials
- Over 4M dolls and over 10M accessories and apparels sold in the past 4 years
- 4,000 articles on world media (BBC, Herald, CNN, etc.) about how Fulla was able to drive Barbie out of the market!





Laws & Regulations in the Region Fulla

- Fulla success
 - Fulla has no boyfriend
 - Fulla is not blonde
 - Fulla's clothing is modest
 - Parents encourage their daughters to buy everything "Fulla"





MMO In The Region



Status Quo

- Rough estimation: 450k MMO players, and 1M browser based players
- Mostly: WOW, and some FTP MMOs
- 36.5M Internet user
- Percentage: ~0%
- The Arab World is an untouched MMO Gaming market.



Theoretically.... The Opposite!!

- The MMO Gaming should be very popular
 - Percentage of age group below 30 years is the highest in the world 64%
 - Kids, teens, and youth e-activities:
 - Chat
 - Social activities
 - Multiplayer game play
 - High percentage of Internet usage growth



WHY???

- No game publishers actively operating in the market
 - Localize and culturalize the games
 - Educate the concept of MMO games



Publishers Operating in the Region

- Gravity Middle East
 - Started operation 2005
 - Planned to publish Ragnarok II
 - Currently CBT for Ragnarok I
- Browser-based games
 - Several games: Travian, Bite Fight, Gladius, etc.
 - Achieved great success due to absence of real MMO Games
- A Chinese company announced their plans to publish several games in the region
- Game Power 7
 - Started operation November 2007
 - Published the first 3D MMO Game December 25th
 - Actively pursuing other online games cooperation opportunities



Challenges for Game Publishers

- Customer education
 - Less than 20% of kids and teens know what an MMO is and how you play it
 - Most of them know brands (WOW, Silkroad, etc.) not concept
- Heavy localization and culturalization requirements
 - Arabic language RTL problem
 - Game stories are aliens to the culture
 - Character clothing could trigger major sensitivities in several countries



Challenges for Game Publishers

- Payment methods
 - Credit cards
 - Not widely used
 - Rarely used online
 - Payment cards
 - Very few payment cards
 - Limited availability
 - Mobile payments
 - Operators deduct between 30-75% of the payment!!!
- Download Speed Limits
 - Most broadband lines are below 256 Kbps



Challenges for Game Publishers

- Internet Data Centers
 - Reliability
 - Very few IDCs can be considered good enough for MMO Hosting
 - Cost
 - Bandwidth and server collocation costs are very high
- Absence of official statistics and market studies
 - Major research firms have “blank pages” about MMOs in the region
 - All statistics that we used were “local made” through the help of our offices in the region



Expectations

	2008	2010	2013
Internet Users	36M	58M	88M
MMO Players	450K	5.8M	17.6M
Percent MMO Players / Internet Users	~ 0%	10%	20%



Arabic Rappelz Status

- CBT I December 2008
- CBT II January 2009
- OBT February 2009
- Commercial March 2009



Arabic Rappelz Status

- Same challenges that we anticipated
 - Players are always asking “When is the Game Over”!!
 - Players are always asking “Why can’t I aim when I shoot”!!
 - Distribution of Payment cards
 - Internet cafes and game shops refuse to cooperate as they do not know what MMO games
- Started with very small number of players
- Growing fast
 - CCU increase over 2 Months = %166
 - UV increase over 2 Months = %255
- Very high ARPBU
- Anticipate 100K players by the end of 2009



Rappelz Localization

- Localization & Culturalization
 - Culturalized Translation
 - Story Mythology
 - Respect religious concepts
 - Remove controversial mythologies
 - Avoid cultural taboos
 - Character Naming
 - Character Clothing

Character Clothing





Rappelz – Lessons Learned

- Make the game available through stores
 - Most users are unable to download the game
- Distribute your own payment cards
Physically
 - Users cannot pay online
- Very high marketing cost: Educate customers + Marketing
 - Users don't understand where is the Game Over!



Group Profile



Weiss Investment

Media

SpaceToon &
Space Power TV & Radio Channels

Spacetoon Production, Tiger Production,
& Venus Production

Spacetoon Magazine, Interactive CDs

spacetoon.com - SpaceZee

Trading

New Boy, Sweet Toon, Spacetoonat,
Pedia Tech

Real Estate

Spacetoon Mall, Spacetoon Theme Park

Gaming

Game Power 7



Spacetoon TV

- Satellite, free-to-air TV channels
 - Arabic
 - English
 - Bahasa
 - Indian
 - Russian
 - Farsi
- Kids edutainment cartoon channels
- Owns the largest library of Arabic dubbed animation in the world
- 85% of surveyed mothers said that they encourage their children to watch Spacetoon because of the "educational children programs"
- Spacetoon in-house studios produce proprietary cartoon programs
 - Licensed by other media companies
 - Requested by international organizations to convey global development messages to kids



Spacetoon.com

- Highest ranked Arabic website for kids
- Largest Arabic website for kids
 - Education, news, Entertainment, interactive, etc.)
- 85,000 active registered users
- 7 million hits per day



Other Media

- Spacatoon Magazine
- Spacatoon Radio
- Media Production
 - Spacatoon Production
 - Tiger Production
 - Venus Production
- Spacatoonat (Department Stores)
- SweetToon (Kids Nutrition)
- Pedia Tech (Technology)
- New Boy (Toys and Learning Materials)



Space Power



- A satellite, free-to-air TV channel
- Dedicated to teens & adolescence in the Arab world
- A pioneer channel, the first of its kind in the region.
- Conveys an educational message combined with entertainment.
- Sports, music, movies, reality programs, news & talk shows, Gaming and robot programs, etc.
- Accompanied by
 - Monthly Magazine
 - Social Web Site
- Launched April 2008



Partnerships in Korea

NFLAVOR

- Publishing Rappelz in our region
- First company to cooperate with us to culturalize and localize an MMO Game
- Building future cooperation and partnership plans



Partnerships in Korea



- Complete cooperation framework
 - Global gaming shows
 - Global gaming events
 - Global game publishing and development