

Majesco Entertainment Company Continues To Deliver Top Line Growth And Improved Profitability– A Testament To Their Experienced Management Team, Creative Product Development And Marketing Strategy



Technology
Videogame Software
(COOL-NASDAQ)



Jesse Sutton
Chief Executive Officer and Director

BIO:

As CEO, Jesse Sutton oversees all aspects of Majesco's day-to-day operations. As a co-founder, Jesse has more than 20 years experience in business management and has been instrumental in developing and overseeing all of the company's key strategic alliances.

Company Profile:

Majesco Entertainment Company is a provider of video games for the mass market. Building on more than 20 years of operating history, the company is focused on developing and publishing a wide range of casual and family oriented

video games on Wii™, Nintendo DS™ and other leading systems. Franchise highlights include Cooking Mama™, Cake Mania® and Jillian Michaels' Fitness Ultimatum. The company's shares are traded on the Nasdaq Stock Market under the symbol: COOL. Majesco is headquartered in Edison, NJ and has an international office in Bristol, UK. More information about Majesco can be found online at www.majescoentertainment.com. @Majesco is on twitter or at www.twitter.com/majesco.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Sutton, what is the focus for Majesco Entertainment today?

Mr. Sutton: Majesco was started over 20 years ago. As a co founder, I have the unique ability to recognize industry trends in the context of what has happened historically. In the last 7 to 10 years, the industry has been focused on hard core gamers in the 18 to 35 year old male demographic. We saw an opportunity in the underserved mass market and family friendly demographic including tweens and women. That is where our focus has been and that is really where our success has been over the last few years. The Nintendo Wii and DS platforms have been very successful and are very conducive to mass market, family friendly games which is why many of our products have catered to these platforms. That said, the other platform makers have seen the potential of this market and are now creating accessories and controllers that provide similar game play dynamics. We are platform agnostic, so while we

have concentrated our recent development on the Wii and DS platforms, we will expand our offerings to those platforms as they garner more share of this key demographic.

CEOCFO: How did you recognize the trend and know it was time to jump on board?

Mr. Sutton: I have been in this industry for 20 plus years. During that time I have seen the evolution of gaming – seen trends develop, seen what has worked and what hasn't worked. We've had a close relationship with Nintendo for many years, and when I saw what they were trying to do with the DS -- bringing it to the mass market, appealing to those outside of the core 'gamers,' I knew this was where things were going and it was a segment we needed to be in.

CEOCFO: What products are you most excited about today?

Mr. Sutton: Our two most successful titles are *Jillian Michaels' Fitness Ultimatum 2009* which we developed for the Wii™ platform and *Cooking Mama™* for Nintendo DS™. We just launched *Jillian Michaels' Fitness Ultimatum 2010* for Wii and DS. Jillian Michaels is the celebrity fitness trainer, life coach, and star of the popular television series *The Biggest Loser*. Since the launch of the show Jillian has become an extremely popular fitness celebrity with a strong following. We launched the first Jillian Michaels fitness title during last year's holiday season and it has since sold more than 650,000 units. The Wii sequel, released in October, has exclusive new features including one-on-one training, new exercises hand-picked by Jillian herself, and much more. The game can be easily

paired with the portable Nintendo DS version. We are extremely excited about the future of this franchise. Our most well-known franchise is *Cooking Mama*, a simulation game that turns the stylus and Wii Remote into master cooking utensils. You don't have to know how to cook to have fun slicing and dicing, and mixing and flipping as you follow along with Mama, the feisty but endearing character that guides you through your meal preparation. *Cooking Mama* is the #1 best selling third party product in the history of the Nintendo DS platform, and it has been very successful on Wii as well. We recently expanded that franchise beyond cooking with the release of *Gardening Mama* which has been a top 10 selling DS product for the last 6 months and continues to sell really well going into the holidays.

We have a strong fourth quarter release schedule that includes *A Boy and His Blob* which has received fantastic reviews from the gaming community. The game is a rebirth of the NES classic that expands upon the original platform adventure and features groundbreaking hand drawn and painted animation technology. By feeding the blob jelly beans, players can activate his special abilities to transform him into tools that help the pair solve puzzles, defeat monsters and escape danger. We have also announced *Tetris* on Wii and DS for 2010. This is a very big deal for us considering *Tetris* is so well known and loved by the gaming and mass market community alike. We've also announced that Majesco has the interactive rights to *Zumba*, the dance fitness party craze that has been sweeping the nation and helping people get in shape with a very different formula that focuses on fun over grueling exercise reps.

CEO CFO: There are so many potential ideas; how do you choose what to develop?

Mr. Sutton: We combine our expertise with research and intuition about market opportunities. Having been around the industry for 20 years and getting a sense of what works and where we are in the cycle of a particular platform also helps

guide our decision-making. We have a green light process that involves marketing, development, sales and finance teams reviewing all products and evaluating whether they fit our model. We look at licenses and ideas that are either created internally or come to us from external partners. Then a game or concept will go to the executive green light team and we will consider it for publishing after it is tested and assuming it fits into our strategy. We maintain a very serious cost discipline with low cost development and marketing parameters.

CEO CFO: How does your strategy differ?

Mr. Sutton: One of the core competencies of Majesco Entertainment has always been its relationship with the retailers and the retail community. We've been through a lot in this industry and in order

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to maintain the credibility of your company, you have to maintain healthy relationships with the retail community. We have developed long term partnerships with the retailers and work hand-in-hand with them to ensure they are making money alongside us. There will be products that sell really well to everyone's benefit, but there are also products placed on the shelf that need help at point of purchase to make the sale. It's a partnership that you need to nurture and grow over a long period of time. In recent years, retailers have opted to not work with every publisher, and only do business with those publishers they're familiar with. This has caused a lot of companies to approach us to sell their product, because they can't get it on store shelves any other way other than partnering with the few publishers that are still direct to retail.

CEO CFO: Do you have an international side to your business?

Mr. Sutton: Yes, we have a group that is located in Bristol, United Kingdom and they focus on the PAN European part of the business. Right now, our main products, *Cooking Mama* and *Jillian Michaels*, are US centric because we only own the US rights. By-and-large, we get pretty good distribution and placement in Europe. We sell directly in the UK and we sell through distribution partners for the rest of the European territory.

CEO CFO: Do the same games that sell well here, sell well internationally?

Mr. Sutton: Europe is pretty much interested in the same kinds of games that are successful in the US. Outside of the sports genre, there is a similar acceptance of games in Europe as in the US. However, Japan is a very different culture with a different taste in games. Occasionally, you will get a brand that will crossover like *Mario* or *Pokemon*.

CEO CFO: How has this last year been for Majesco, given the economic downturn?

Mr. Sutton: To say that the economy didn't affect the business would be untruthful. While we have had tremendous growth this year, the current economic climate impacted that growth and we would have done even better had the econ-

omy been healthier. That said it seems like the economy has turned the corner a bit and we are heading in the right direction. The video game industry has been hit over the last 6 months with negative year-over-year comps, but September's were good and showed significant upside. Nintendo, Microsoft and Sony have all reduced the cost of their platforms going into this holiday season in order to bring more consumers to the cash register, which is good for publishers like Majesco.

CEO CFO: How big a part of the business is the holiday season for you?

Mr. Sutton: We have an October 31st year end, so it's a little tricky to answer that question on a quarterly basis. I would say that our 1st and 4th quarters--the October, November and December months--represent approximately 50-60 percent of our yearly sales.

CEOCFO: What is ahead for Majesco?

Mr. Sutton: It is more of the same: publishing strong titles and building franchises while controlling costs. What creates value in the videogame industry is building franchises, giving the investment community a sense of predictability and sustainability in knowing that that we will have sequels or can expand upon our successful franchises. It gives them a sense of where the company is and where the growth is essentially.

CEOCFO: Address potential investors;

why look at Majesco Entertainment Company?

Mr. Sutton: We remain excited about the prospects for the overall industry and specifically our position in the growing family friendly, casual game market. Our focus and the success we have achieved to date are driving many of the new opportunities for us. We believe we are well positioned to capitalize and leverage this momentum.

CEOCFO: What should people reading about Majesco remember most?

Mr. Sutton: Our growth strategy is anchored by a portfolio approach, limited development and marketing costs and minimal sales thresholds to reach profitability which ensures we are maximizing our success rate while we seek to develop new franchises. We have a proven track record and scalable fixed cost structure and are well positioned to continue to drive top line performance and deliver improved profitability.



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