



PlaySpan and Magid Associates Release Survey on Virtual Goods Market Penetration and Projected Growth in North America

Did You Know 12% of Americans Spent An Average of \$30 Last Year on Virtual Goods?

(NEW YORK, NY & SANTA CLARA, CA) – July 30, 2009 – Research and consultancy firm, Frank N. Magid Associates, and PlaySpan, the leader in monetization solutions for online games, virtual worlds, and social networks, today announce a new study that evaluates attitudes and behaviors of media and entertainment consumers on virtual goods expenditures.

According to the study, 12% of the overall population surveyed reported that they had bought virtual goods in the last 12 months. However, a closer look at the digital entertainment habits of virtual goods buyers reveals that virtual world visitors are the heaviest virtual goods buyers, with 46% of these consumers buying virtual goods (from virtual worlds, games or social networks) and nearly one third of iPhone owners buying from the same platforms.

Other results were reported as follows:

Largest demographic of consumers who have reported buying virtual goods:

1. 17% of Females ages 25 to 34
2. 15% of Males 12 to 17 and 18 to 24
3. 15% of Female 12 to 17
4. 15% of Females ages 35 to 44

Where consumers are buying from:

1. Marketplace of the virtual world or game that a user is playing in (29%)
2. The official Web site of the virtual world or game (29%)
3. A web site of an authorized reseller of the virtual items (25%)
4. A web site of an unauthorized reseller of the virtual items (8%)
5. Another player (7%)
6. Other (5%)
7. Not sure (27%)

Ethnic breakdown of virtual goods purchasers:

1. 16% of Asian Americans
2. 14% of Latinos
3. 12% of Caucasians
4. 10% of African Americans

While the greatest number of consumers (51%) that bought virtual goods said they were not sure how much they spent last year, those who did recall (27%) said they spent less than \$50 in the last year on virtual goods, with the average price of all transactions averaging \$30. Another group of consumers (15%) said they spent \$100 or more, driving substantial annual revenue per user

“The fact that lots of people are reaching into their pocket to buy virtual goods is impressive, but even more impressive is that some of those consumers are spending considerable dollars,” said Mike Vorhaus, President, Magid Advisors. “As this market grows, Magid believes that the majority of consumers will continue to spend \$50 or more on virtual goods every year, and this will grow to be a multi-billion dollar market.”

“This data reinforces the high growth potential of microtransactions and digital goods for online games and virtual world developers,” said Eric Hartness, Chief Marketing Officer of PlaySpan. “Our internal data and client conversations also corroborate the findings, and we’ve noticed a significant increase in the number of customers who now spend several hundred dollars per month on digital goods.”

According to various sources, revenue from virtual goods now stands at a \$200-250 million dollar market in the U.S. alone, with firms such as Strategy Analytics reporting that microtransactions are expected to grow from slightly over \$1 billion today worldwide to \$17.3 billion in 2015.

Please note: Virtual goods, according to the study, were defined as non-physical objects that are purchased and exchanged on the Internet in games, virtual worlds and social networks. The actual description of virtual goods can be simple items such as virtual points or tokens or more complex items such as avatars.

The survey was conducted between April 20 through April 25, 2009. It was a nationally representative online survey of 1,927 people, of whom, 1,697 were between the ages of 18 and 64 and 230 were between the ages of 12 and 17.

Copies of the research may be requested via email at gus.perez@playspan.com

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About Frank N. Magid Associates

Founded in 1957, Frank N. Magid Associates provides research-driven, strategic media counsel on the evolving consumer mindset for clients in 37 countries. The company helps businesses that are struggling to make sense of a constantly evolving marketplace connect with an increasingly elusive, splintered consumer who is seemingly hidden behind an expansive array of technologies. Magid not only provides businesses with an understanding of the attitudes, opinions and actions of today's technology-saturated consumers, but also offers research-driven strategic advice on how to successfully brand, advertise, market and design their products and services. For more information, please visit Magid on the Web at www.magid.com.

About PlaySpan, Inc.

PlaySpan™ is the leader in monetization solutions for over 1,000 online games, virtual worlds, and social networks. PlaySpan's patent-pending in-game virtual goods commerce and micropayment platform enables game publishers and developers to generate new revenues, acquire new users, and extend the loyalty of existing users.

PlaySpan also offers global payment solutions through its subsidiary PayByCash® with 85 payment methods in 180 countries. The ULTIMATE GAME CARD® is used by consumers to pay for 300 multiplayer games and around 700 games on popular social networking sites. It is available in about 45,000 retail locations across North America and growing rapidly worldwide.

Social network payment solutions are available through Spare Change®. Acquired by PlaySpan in April 2009, Spare Change is the first and leading payments platform designed specifically for social networks. Featured on over 700 applications, across Facebook, MySpace and Bebo, Spare Change empowers developers to successfully monetize their applications through micro payments. The Spare Change platform enables users to make safe, convenient, and friendly 1-click purchases through a variety of funding sources.

PlaySpan is headquartered in Silicon Valley with offices in Virginia, Ohio, and Mumbai. Investors include Easton Capital, Menlo Ventures, STIC and Novel TMT Ventures. The company has recently won the 2009 OnHollywood Category Award for Best Gaming Company.

For more information about PlaySpan, visit <http://corp.playspan.com>

For more information about Spare Change visit: www.sparechangepayments.com

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VSC PR for PlaySpan

Eric Gonzalez, 415-272-0836

eric@vsconsulting.com