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Welcome to our latest newsletter.

## JKLM Share Offer

Once again, we have more on the table than we have the finances to support, so we are looking for more shareholders, or for existing shareholders to increase their stake. We can get this from the bank, but would prefer to offer the opportunity to invest in JKLM to real people with a real interest in what we do.

We aim to pay dividends of 8% per annum, paid twice yearly, plus the opportunity to buy all the games we sell through our distribution network at 50% of their recommended retail price (or cost + 10%, whichever is higher), plus a free copy of every title produced by JKLM Games.

If you are interested, the full share contract is available at <http://www.jklmholdings.co.uk/documents.php>

If you have any questions or you would like to ask or just want a chat about the offer, please feel free to contact Markus at [Markus@jklmgames.com](mailto:Markus@jklmgames.com), or on +44 7817 173628

## JKLM Holdings

The biggest event in the last four months is of course Essen. Although we had no new games available ourselves, the show was a remarkable success. The most important and successful change we made this year was to bring all the companies we have worked with together to form a larger, more impressive stand. This brought a new dynamic to what we did. Some games attracted more attention than others, but as the big names drew people into the stand, the smaller games got the benefit of being seen by a much larger audience.

The biggest games were the Treefrog Games. We had a continuous queue out of the stand for over 4 hours from when we opened on Thursday, with people trying to get the last few copies of Tinnert's Trail.

We plan on doing the same again next year and hope to have an even bigger and better stand with more companies joining in.

Apart from Essen, the other big news is that we now have our distribution deal with Alliance up and running. They are proving to be a good choice to handle our distribution in America and we are already feeling the effects of this. We also now have a distribution deal with Seropeco in Australia, and they are just starting to sell our games down under.

## **JKLM Games**

When we realised that we were not going to get any games finished in time for Essen, we decided to change tactics and sell the licenses for language versions. This has proved a good decision, but has meant that all the games have been delayed whilst we add the languages and redo some of the graphics. However, these are now mostly finished and the games will be with us shortly.

In other developments, I have been commissioned to design a range of games for a major card shop retailer. This has meant that we can now seriously look at moving into the high street.

**Tulipmania 1637** has been available on JKLM Interactive for a while now. The feedback has been good and has led to a good number of pre-orders. The game is definitely worth trying out. It's based on the tulip market bubble in 17th century Holland, with players trying to invest in the tulips as the prices increase rapidly, but have an exit strategy set up for when the bubble bursts. It has excellent mechanics that make the game easy to learn, but not to play. This is now going to be in five languages, with a run of at least 3,000 copies.

**Huang Di** is also now available on JKLM Interactive, and is also bringing in a good number of pre-orders. The game is about building the Great Wall of China. It creates a frustrating choice of where to build, as players compete for honours. After failing to get this to the UK Expo and Essen, we are now adding 5 languages to the run. This means that we have sold 3,000 copies already.

**Ascendancy** is the new game from Nigel Buckle (**Celtic Quest**) and has a very nice feel to it. It will also appeal to those who like games with an RPG feel, as this game has different races for players to play: 4 in the original box and 12 that we will add later. As with **Tulipmania 1637** and **Huang Di**, we frantically tried to get it finished in time for Essen, but having failed to do so, we then started selling foreign language versions, and have already sold 3,000 copies in other languages.

### **What's Next**

Following the success of the initial run of Treefrog's **Tinners' Trail**, we have the rights to the reprint and will be bringing this out later in the year. It is already generating a lot of interest from companies who want to buy in and looks like it may be the biggest print run we have ever undertaken.

**On the Subway** is the follow up to **On the Underground**, but set on the New York subway. It is much the same game, but there are some changes to the rules. We have partnered with Alliance to preview this game at the New York Toy Fair in February 2009.

**Random Violence/Mercenary** is a fast "30 mins" fun game that will appeal to a very wide audience and may even be a game that can go into the high street. We are discussing possible licensing (to give the game high street appeal). The system lends itself to many different themes, offering further possibilities for the future. This will also be previewed at the New York Toy Fair. And I think it will do well.

We have just signed a contract for a game called **Chelsea**, which is being aimed at the high street. We have also been commissioned for nine games for next year also for the High Street.

We also have several other games in the offing which I will try and let you know about in the near future. Plus a series of games based around Fathers' Day, Mothers' Day and Halloween, and also an opportunity to do a series of games based upon the underground game that we have already done.

We also have a few other games in the offering that we will let you know about shortly.

## JKLM Interactive

JKLM Interactive now supports four games – Phoenicia, On the Underground, Tulipmania 1637 and Huang Di. The addition of support for turn based play (where you take your turn, close the software, and then get an e-mail when it's your turn again) has proved very popular with a lot more games being played, and typically 50-60 games in progress at any one time. It is also generating feedback on our new games before they are released, and is generating a good number of pre-orders for the new games.

If you're interested in giving it a go, download the Windows Client from [www.jklminteractive.co.uk](http://www.jklminteractive.co.uk).

## JKLMnP Distribution

Downturn? What downturn? Distribution had a successful year in 2008, nearly doubling its turnover again to just over £100,000. However, the company made a small loss on this. The biggest factor in the loss is the extra we had to pay on our bills from US and European companies as the pound slumped against both the Dollar and the Euro (in between getting the games and paying for them). The good news is that this is unlikely to happen again in the short term and it's making our prices attractive to foreign customers.

We have continued to gain more customers, particularly in Europe. In the run up to Christmas 2008, our sales to European retailers almost matched our sales in the UK. In particular, handling popular games like Agricola, Confucius, Le Havre and the Treefrog titles has boosted our sales and brought in new customers. Distribution has also contributed games to the stock we have sent to our American and Australian sub-distributors and will benefit from these sales as they come on stream.

For 2009 the plan is to continue expanding the business (though doubling again may be a bit ambitious!), particularly into Europe. As well as picking up small games publishers, we plan to add Mayfair Games to our portfolio. The main constraint on our expansion is the capital available, given that we try to maintain stock of all the games we carry.