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Virtual Gifts Keep Giving at Mobile Community mig33: Sales Increase 400 Percent in Second Quarter

San Francisco – July 19, 2010 -- mig33, the world's largest mobile-first community, today announced that sales of virtual gifts among its 40 million registered users grew 400 percent in this year's second calendar quarter.

Last month, nearly 4 million virtual gifts were purchased in mig33, representing significant growth from the prior one million in monthly sales during the first quarter, as reported earlier this year. Furthermore, average revenue per paying user (ARPPU) continues to exceed US\$1/month in countries such as Indonesia, South Africa and India.¹

The growth comes within months of mig33 having released over 600 new virtual gifts, 450 new avatar items, and four new games, and unveiled new WAP services and web platforms that complement the very successful J2ME application responsible for much of its growth to date.

"Virtual goods have been one of many top priorities for mig33 in 2010, and that aligns with our goal of nurturing one of the fastest-growing mobile virtual economies in the world," said Steven Goh, CEO and co-founder of mig33. "Our focus continues to be on entertainment and access – in short, providing the best stuff to the most people. That means delivering the best mobile social entertainment services, like virtual goods, games, gifts and avatars, and making it easily available to hundreds of millions of consumers, whether via a mobile download, mobile WAP site or web access."

"This focus on entertainment and access is helping drive growth, further inspires our community, and make us the community of choice in mobile-first markets all over the world," said Goh. "mig33 is

successfully replicating – across a much wider geographic footprint -- the Social Networking Service (SNS) model so popular in East Asia.”

East Asian SNS leaders typically include Gree, DeNA, Mixi, and China's Tencent QQ (QQ), a multibillion dollar entity on which mig33's virtual economy is modeled.

Today's mig33 news comes as Facebook has recently announced the Aug. 1 closure of its Facebook Gifts store “to focus instead on improving other products.”² It had been speculated in 2008 that Facebook Gifts was generating \$30 – 40 million in annual revenue at that time.³

mig33 also outlined other data on its virtual gifts offerings. During the second quarter, sales of virtual gifts soared across Asia, Africa and the Middle East, with significant growth in India, Hong Kong, Taiwan, Saudi Arabia, South Africa, Egypt, Tanzania, Mozambique, and more. The hottest-selling items include a variety of hugs, kisses, flowers, gems and jewelry, among others.

In recent months, mig33 has continued to evolve from a mobile chat service to a social entertainment service with a thriving virtual economy. In the past year, mig33's registered users have doubled to 40 million. In addition to virtual goods, games, and avatars, mig33 has in recent months added groups and forums features, and launched both a new WAP site and AJAX client.

More recently, mig33 was the most-downloaded free application in Bharti Airtel's new Airtel App Central mobile application store⁴, which comes as mig33 further expands its geographic reach into mobile-first markets that include India, and other regions in Africa, Eastern Europe and the Middle East.

About mig33

mig33 is the world's largest mobile-first community, delivering communications and social entertainment to more than 40 million members. Everyday, members in over 200 countries engage in chat, share photos, join groups, send gifts, play games, create avatars, call friends, email and much more. The service is available worldwide and optimized for more than 2,000 handsets. Founded in 2005, mig33 is backed by Silicon Valley venture firms Accel Partners, Redpoint Ventures and DCM. For more information, please visit www.mig33.com.

¹http://blog.mig33.com/uploads/2009/09/Media-Release-mig33_growth2010.pdf

²<http://blog.facebook.com/blog.php?post=405727117130>

³<http://www.insidefacebook.com/2008/09/02/facebook-selling-virtual-gifts-at-30-40-millionyear-rate/>

⁴<http://www.medianama.com/2010/06/223-airtel-app-central-completes-4-months-cricketzone-top-paid-mig33-top-free-app/>