



## HISTORICON 2013 Press Conference – Opening



Good afternoon and welcome to Historicon and our Press Conference 2013, it's not my first time here, way back in 1998 Iain and I played in the miniatures competition, I just thought you might like to know that!

Anyway, the next few days are dedicated to our Developers and of course our colleagues from the press, some of whom have travelled half way around the world for this, to hear what you guys have to say, so no pressure!

For me, it's a great privilege to meet with many of you personally for the first time and in particular **Gary Grigsby**, one of my all time wargaming hero's. Author and creator of Harpoon **Larry Bond** is joining us for dinner, his novel about North Korea, is one of my all time favorites and we will also be joined by **Terry Doherty Director of the Civil War Museum** and hopefully one of his troopers. So the conference is a real who's who of the wargaming world.

I would also like to thank **Paul Delany and the HMGS** for all their help and for allowing us to join them at this year's Historicon and to our own team for all their hard work and dedication in preparing for this event, and of course I have to say a special thanks to Marco who has put so much into ensuring that everything is just right.

And I am sure you will all join me in giving a very special welcome to our **guest of honour Dr. Buzz Aldrin**. Buzz has also recorded a cut down version of his presentation to share with you. This is made all the more poignant as **44 years ago this Sunday, on 21st July 1969** together with Neil Armstrong they were the first humans to set foot on the Moon's surface, in the Sea of Tranquility. He is a legend and a hero and it's been a real privilege for us to meet and work with him over the past twelve months, but for now on with the show.

So here we are in Fredericksburg Virginia, the heart of Civil War country, to celebrate the **150<sup>th</sup> anniversary of Gettysburg** and for our fans of the period, some great news to follow later. It's going to be a very exciting few days and we've got a great deal to share with you, so I'll only take a few minutes of your time to give you a quick **overview** of the group's performance, our latest projects and some of our new strategies.

Firstly, let me give you a brief explanation of what the "Slitherine Group" now is. We have grown into such a complex organization that sometimes even we don't know what to call ourselves. The Group is now composed of Matrix Games, Slitherine and Ageod; all three are publishing and development companies with a combined **staff of 25 spread across the globe**. We have offices in the US, the UK, France, Spain, Italy and Canada. Each company has its own objectives, audience and goals to make sure we don't stray too far from our core values.

Matrix continues to focus **on our traditional wargames** and as you're no doubt aware Matrix games can be highly specialist and often deep. Generally their titles are aimed at our long established community, who appreciate this level of accuracy and detailed gameplay.

Slitherine shares many of these core values and in addition generally tries to create games that **are suitable across the full range of gaming platforms** and here a different



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style of UI is often required, but that does not mean the games are simpler or dumbed down, and we have now brought our particular genre of games to the DS, Xbox and PS3 and these are all now available digitally on Xbox Live and Play Station Network where our first PS Vita title Legends of War went live last week, but the real excitement is centered around our move onto the tablets and other portables.

In addition we now have **Ageod who joined the group on the 1st of January** this year. For us Ageod are a natural fit, bringing their own distinctive style of strategy games to our audience, and beginning next month the Ageod store will be fully integrated into our sales engine, streamlining the entire buying process and allowing all AGEOD titles to be sold as full boxed copies. **Interestingly between 25 to 40% of our gamers**, dependent on the game of course, still want a full boxed copy with colour manual to go with their digital download. And going forwards as with all our games, **AGEOD titles will now only be available from our own sites** and we have some pretty exciting titles lined up for the future, but more of this from Philippe later.

So, as you can see we are a pretty unique group of businesses, there is much synergy here and that works well for us, in what is undoubtedly a highly specialist sector of the video games industry. So **where are we going next?** Well, over the next few months we'll launch a new chain of **Matrix Digital stores**, initially one for each of the European countries.

We have appointed territory managers for Italy, Spain and France with Germany to follow. These guys will oversee an **entirely new and localized Matrix Games digital store in each territory**. Our web engineers have built an entirely new back end, allowing our teams to get to work **translating over a million words** into their own languages. Our aim here is to present our entire catalogue of games to our fans worldwide, in their own languages, this will allow us to better inform and promote our titles to these as yet largely untapped markets; all part of our ongoing policy to take your games to a much wider audience.

For the statistically minded, total **growth over the past 3 years has been a staggering 480%**. Over the same period our purely retail sales have seen a much more moderate growth of only 19%, and we forecast that this will continue to be a diminishing factor. Compare and contrast **to the new tablet platforms where overall sales now account for just over 25% of the entire group turnover**, up from zero some 24 months ago. Sales here have been outstanding, often **outselling PC by a factor of 10:1** and bringing a whole new range of fans to the turn based strategy genre.

So, not unreasonably we think that the case is now made. **Fully featured games will and do command a sensible pricing policy** on these new platforms and it seems that we might not have been as crazy with **our pricing strategy**, as certain press outlets suggested. **My prediction at this event last year that others would soon be following in our wake** seems to have come to pass, with Ubisoft amongst others now announcing some realistic price points.

As yet we are struggling to fully understand the impact of all this new data, but what does seem to be true, is that growth on these **mobile devices may also be driving sales**



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to our **Digital PC market**. So for sure we are **niche**, we revel in that, but niche in our case is most certainly not small or insignificant.

Turning now to **the most important people in all of this; that's you our development partners**. You may be surprised to know that at the last count we had **112 different partners** scattered across the globe and this does not include our **3 internal development studios** or new titles currently in negotiations.

An interesting and very pleasing factor, is that the more games we release the more visitors come to our sites and there is no confusion with them, they know exactly what we do, so our **conversion rate is way above industry norms**. We are also seeing a new trend, **cross selling**. When a title releases we see a corresponding spike in similar or related games the exact opposite effect to some of our fears. So it very much looks like more is better.

You guys work tremendously hard to deliver your games, and large or small you share a professional and dedicated approach to your research and development that would put much larger studios to shame. **You are the beating heart** of this business and these next few days are for you. So take the stage and **showoff, promote your studio and present your latest projects, but also enjoy this time together, share experiences and embrace being part of this bigger picture**.

We very much look at our relationship with you as a partnership and frequently this involves us in much more than just development. We are often engaged on **legal, banking and funding issues. Contractual, copyright and intellectual property issues, staff payments, taxation**, in fact just about all the dross that frees you guys up to concentrate on making the best games you can.

And yet we are often **compared to the likes of Impulse or GamersGate** to name but a few. Theirs is a totally different business model, they are simply 21<sup>st</sup> Century shops, no more, no less. What we do is entirely different and pretty unique in this business and we know that deep down you really do appreciate all of this, because you tell us and you hang around.

**Our production teams work with you, preferably from the very outset**, often even at concept stage, right up to building the game installers and just about everything in between, then its onto marketing and PR. We also put a lot of effort into developing new technologies, new tools for our websites, new ways of reaching our customers and new software especially for the new tablet platforms.

Good examples of this are the ever-improving PBEM++ system, our online shops, including our new Territory Stores that are about to come on line. Our new notification system integrated into our launchers with automatic game updates, our game wrapper for iPad. These technologies together with our game servers are **all provided free, to incorporate into your games as you see fit**. These features are intended to drive up your sales, and here today we are announcing yet a **further new initiative** that we hope will take your games to the next level.



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We have formed a new Joint Partnership company with the Lordz Games Studio, called LORDZ MEDIA LIMITED. This company's **sole purpose** is to support our independent development partners, by providing immediate and easy access for all **in game assets and services**. What in effect this means is that large or small all of our Developers will have instant access to our pool of professionals, artists, musicians, voiceovers, videos, platform porters, UI artists and all of the creative assets that you consider will help you bring your games to the next level.

The **decision to utilize these resources or not, will remain entirely yours** and in many instances we will provide the **initial funding** to help make this possible, as we believe that a simple fact of life these days, is that **gamers now want better visuals, effects and a simpler UI to go with your great strategy games** and this new service will make it so much easier for you to achieve this.

So in a nutshell guys, this odd wargamy, strategy games, **niche sector of the industry** is far from shrinking or declining as some pundits may tell you. The truth is we are growing exponentially. This is a **vibrant and exciting business sector, surrounded by a dedicated and informed audience** and with the many new and exciting platforms coming on line, right now it's a good place to be and we trust that our friends from the press corps who will be sharing these next few days will help get that message out there.

Thank you very much  
JDM