

CD PROJEKT summarizes the first half of 2014

- In the first half of the year the CD PROJEKT Group reported 6.31 million PLN in pre-tax profits and 4.54 million PLN in net profits attributable to shareholders of the parent company, as well as 11.49 million PLN in positive cash flows. During this period the Company continued to finance several large-scale projects, including the development of The Witcher 3: Wild Hunt and Cyberpunk 2077.
- CD PROJEKT RED successfully launched the marketing campaign accompanying the release of The Witcher 3 which is currently scheduled for 24 February 2015.
- By the end of the year the Company also intends to release The Witcher Battle Arena (mobile game) and The Witcher Adventure Game (board game).

In the first half of the year the net profit of the CD PROJEKT Group attributable to shareholders of the parent entity was 4.54 million PLN, with revenues estimated at 74.59 million PLN.

„Despite concurrent development and promotional activities, including those related to The Witcher 3, the CD PROJEKT Group reported a profit and generated cash. This means that the Group is fully capable of financing its ambitious projects by itself. This creative independence enables us to focus on releasing an outstanding product, which is a prerequisite of commercial success.” – says Adam Kiciński, President of the Board of CD PROJEKT.

At the end of the first half of the year the Group held cash and cash equivalents valued at 51.18 million PLN (compared to 26.51 million PLN the year before).

2014 was a pivotal year from the perspective of marketing activities accompanying the release of The Witcher 3. In the first half of the year CD PROJEKT RED published a selection of trailers, all of which were enthusiastically received by gamers and gaming media alike. The newest installment in The Witcher franchise was also among the “hottest” upcoming games at key trade fairs – E3 in Los Angeles and gamescom in Cologne.

The favorable reception of The Witcher 3 and its increasing media presence generated substantial interest in the game’s preorder campaign (launched in June) as well as in the Studio’s earlier releases – The Witcher and The Witcher 2, both of which sold more copies than during the preceding quarters.

In some countries the limited Collector’s Edition release of The Witcher 3 was entirely sold out within days of the start of the preorder campaign. In Poland it took just over 24 hours for the 10 thousand available Collector’s Edition copies to sell out on cdp.pl.

Highlights of the first half of the year include the expansion of The Witcher universe with additional product lines. In cooperation with Dark Horse Comics the Company published five issues of a Witcher-themed comic book series. The Witcher Adventure Game – a board game with a digital tablet edition – is scheduled for release later this year. In the final quarter of 2014 the Company will release The Witcher Battle Arena, a mobile videogame representing CD PROJEKT’s first experiment with an entirely new business model. The above activities should generate additional revenues while stabilizing the Company’s revenue stream. They also provide support for The Witcher franchise and generate interest in the upcoming release of The Witcher 3: Wild Hunt.

In the first half of 2014 the most significant contribution to the Group's revenues and profits came from the global digital videogame distribution segment, with 35.59 million PLN in revenues and 4.52 million PLN in net profit. Throughout the first half of the year the Company finalized work on two R&D projects. June marked the beginning of beta tests of GOG Galaxy – a pioneering technology supporting, among others, unhindered multiplayer gaming. The first release to make use of GOG Galaxy is the closed beta of The Witcher Adventure Game. Soon afterwards – in August – GOG.com unveiled new additions to its online platform, with support for distribution of DRM-free motion pictures. The layout of the web portal was modernized and moreover GOG.com now supports payments in several local currencies: EUR, GBP, AUD and RUB.