

\ Why selling DRM-free products?



Before our arrival, the PC back-catalogue has historically suffered from two issues:

- heavy piracy from the early 90's onwards
- progressive disappearance of legal offerings

Our approach to *revive and monetize PC classics* relies on providing end users with a *100% hassle-free experience*. It works as follows:

- we do not add any DRM on the products we release. They have always been (and still are) available illegally and were generally released without any technical barriers to copying anyway. Adding DRM and negatively impacting the legal user's experience would either encourage piracy further or convince gamers to not purchase PC classics
- convince abandonware websites to become our affiliates. The illegal content is removed from those websites and is replaced by a banner redirecting visitors onto GOG to buy the game from us.

 Please see the next 2 slides for more information.
- ✓ dedicate significant resources to remaster and test old titles for modern Windows operating systems (XP, Vista, 7) and deliver superior ease of use to any budget retail edition or pirated copy



\ Making PC back-catalogue a legal & profitable market

Here are some of the abandonware websites we turned into our affiliates, with an estimation of their user traffic, which translates into paying customers for legal games:

Name	Estimated monthly unique visitors	URL	Comment
Abandonia	90,000		The biggest and most popular abandonware website in the world
Squakenet	85,000	www.squakenet.com	
DOSGamesArchive	27,000		
DOSGames	25,000	www.dosgames.com	
Home Of the Underdogs	N/A		One of the most famous abandonware websites for over 10 years.



\ A model that turned fruitful

GOG was launched in October 2008. Here is an overview on what we managed to achieve since then:

- ✓ Over 40+ partners on-board including Activision, Ubisoft, Atari/Hasbro, Interplay, Codemasters, & many others
- ✓ Ability to generate substantial annual sales offer substantial advances which are then recouped against royalties. Offer to Square-Enix: k \$
- ✓ Over 3.5M+ downloads from all over the world. 50% of sales done through North America.
- ✓ Regular userbase growth taking GOG to the position of 2nd most frequented and popular PC digital distribution platform behind Steam (source: www.alexa.com / 11th March 2011)
- ✓ Nominated for the MCV Industry Awards final as "Best Digital Distribution Team in 2010". Final to be held in London on April 7th 2011.



