



A letter to our stakeholders

Firstly, a huge thank you to everyone who has helped nDreams this year; staff, our business partners, everyone who played our games, and the growing community who follow us online. This letter is an opportunity to tell you about what's happening here at nDreams and to ask for your continued support as we hurtle headlong into 2010.

2009 has been an incredible year for us. We've more than doubled in size, released our first major project (Xi) with significant success, and invested heavily in a move into digital publishing. We now have nine live projects (as opposed to one this time last year!), and our activities are split almost 50/50 between exciting 'work for hire' projects with a number of major partners and 'self publishing' across a range of digital platforms.

We now have over 20 internal staff based in Farnborough, and up to 30 external staff on nDreams projects at any one time. We're working with a range of superb external partners, including art outsourcing, QA, mobile development, recruitment, legal, writing, motion capture, music and even film production. Our thanks to them all for their professionalism and support.

In 2009, we launched our Brand division. We lured Matt Willifer from his plum role as Head of Planning at M&C Saatchi to bring our approach to games – high quality, narrative-led, innovative – to the world of advertising. We've already got two major projects in development, and if you're an advertiser who wants to talk to your consumers in an engaging, exciting and, above all, fun way, get in touch.

Social Reality Gaming

nDreams have become one of Europe's largest and most successful Alternate Reality Game (ARG) developers (although we prefer the term 'Social Reality Games', since we're big believers in social integration and shouting about the games loudly rather than keeping them secret). 'Xi' launched at the start of 2009, and received over four million visits in 12 weeks, with over 650,000 unique players taking part. Our central 'Hub' space has now received almost six million visits.

We have an even larger ARG in development that launches in early 2010. It's truly global, and I believe it stands a real chance of being the largest ARG in the world next year. We're very excited about it, and we'll let you know when it launches so you can take part.

Facebook

We've been following the rise of social gaming closely, and have two Facebook projects in development. We are focusing on narrative-driven Facebook games that are unlike anything currently available on social platforms. We plan to self-publish both of these. The first is due out in Q1 2010, and the second later in the year, both developed using the Unity engine. We plan to grow our Facebook team rapidly and I expect this to be a major focus in 2010.

PlayStation Home

nDreams is now one of the world's leading independent developers and publishers in PlayStation Home, the expanding virtual world on Sony's PlayStation 3 console which now has over 10 million users. In the last two years, we have released 19 Home spaces and 13 Home items across multiple territories, and we are well known by the Home community in Europe and North America for delivering innovative, high quality content.

We published our first self-funded Home space, the Pirate Galleon, in Europe and North America in Q3 2009 and hope to launch this in Japan soon. We have more innovative spaces and virtual items in development and we're determined to continue to push the bar in terms of what is possible in Home.

iPhone

We currently have two iPhone apps in development, which are due out early in 2010. We're particularly proud of the unique co-publishing arrangement we're trialing with one of the titles. We'll reveal more as the project develops.

Retail / Console

Non-digital retail is very much a secondary aim of our company, but two of the projects that we're creating for digital platforms lend themselves to additional distribution at retail, and we'll be talking to distribution partners and publishers regarding these. We are registered Sony, Microsoft and Nintendo developers, and our key focus with regards to console gaming is on digital distribution, looking at XLA and PSN in particular.

The Future

I'm proud that we have been entirely self-funded so far. Revenue continues to grow strongly, and 2009 has been mainly about internal investment; building the core team and creating a stream of new IP to self-publish.

Moving forwards, we're focused on becoming the leading narrative-based social game publisher, pushing large-scale ARGs in a new, more mass-market direction and continuing to create ever more ambitious and exciting projects inside PlayStation Home.

With your continued support, I hope we can reach these goals, or at least have fun trying. Most importantly, we're going to stay true to our principles. Our focus will continue to be on innovation, whether that's gameplay, platforms or business models. We'll continue to donate a percentage of our profits to charity, and we'll continue to listen to the people who play our games, whether it's through forums, Twitter or email.

Thanks again for your support – it's hugely appreciated.

Patrick O'Lunaigh

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