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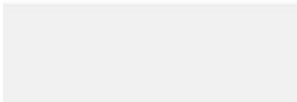
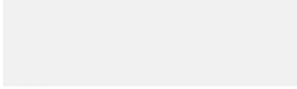
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Fri, 2013/01/04 - 11:53pm

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marqaha



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City of Heroes General Article: Profitable or Not?

Frontpage News: Yes



MMORPG.com has an interesting report on the financial situation of CoH. They cite an anonymous former Paragon employee who gives some alleged real numbers.

Quote:

- CoH was profitable even before they converted to Free to Play but were even more so after the conversion.
- The studio's total annual operating cost was 4 million USD. They grossed 12 million in revenue annually.
- NCSOFT paid \$8 million USD to buy CoH. They wanted \$80 million USD to sell it. They only value it at \$3 million for tax purposes.
- CoH had a high retention rate. Subscribers had a stick rate of 95-98%.
- NCSOFT has no plans for a CoH 2. Paragon wanted to do it but NCSOFT was growing ever more uncomfortable with a Superhero IP, worried that it wouldn't work in today's market.
- Brian Clayton tried to orchestrate a management buyout of Paragon starting over a year ago because it became progressively more difficult to deal with NCSOFT. They had

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Published on Adversity Social Gamers (<http://adversitysg.org>)

- created a Kickstarter page and a campaign video, but it never went to press.
- They (Paragon) had a second project in the works. It was a compromise to not being able to make CoH 2. It was the show "Lost" meets Minecraft. You crash-landed on an island and you were able to build your own fortress and weapons. You teamed up with other players to tackle the mysteries of the island.

NCSOFT responds, saying "not true!" but their own [Q2 2012 Earnings Report](#) [4] supports at least some of the allegations. We don't have their Q3 data because CoH is conspicuously absent from that report.

Who knows what's true, but its certainly interesting.

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