UNREAL
## ENGINE NEWS

WHY INDEPENDENT DEVELOPERS TURN TO UDK

There's never been a better time to check out the Unreal Development Kit (UDK), the free edition of Unreal Engine 3 (UE3), available at www.udk.com.

It's always been free to use until you're ready to deploy a commercial product, and even after the one-time $99 studio fee, Epic doesn't take a royalty until you pocket $50,000. We also regularly update UDK and never charge for upgrades.

Here is one example of how the commercial UDK back-end royalty structure works. Say you sell 15,000 copies of a $4.99 (USD) app, and your digital distribution platform takes 30 percent of total retail sales to $74,580, leaving you with $52,395. Epic takes 25 percent of the net amount over $50,000, or $598.75. That means you keep $51,796.25 or 69 percent of the total retail sales. Epic's total cut at this point is $697.75 or 1 percent of gross revenue.

In a second example (see chart), sales double and 30,000 copies at $4.99 generates $149,700. You have $104,790 after digital distribution fees. At this point, 61 percent of retail sales or $90,933.50 stays with you, the developer, and the total UDK investment comes to $13,796.50 or 9 percent of net revenue.

% Breakdown on Total Sales of $149,700 (USD)

9%
30%
61%
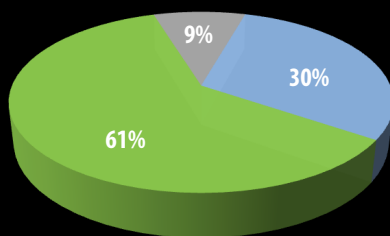
■ Gross Revenue ■ UDK Investment ■ Digital Distribution Fee

UDK provides access to the full UE3 feature set, including the Unreal Editor and its robust suite of tools, such as the Unreal Kismet visual scripting system, Unreal Matinee cinematic toolset, Unreal Cascade particle effects, Unreal Landscape terrain editor and Unreal Lightmass global illumination.

Also included are UE3's navigation mesh AI system, the Unreal skeletal animation system and other tools that would normally cost money to license or require significant internal resources to build.

UDK also ships with hundreds of thousands of dollars' worth of industry-leading middleware technologies, including the full Autodesk Scaleform GFx user interface software package, NVIDIA PhysX and APEX support, SpeedTree foliage editing, FaceFX facial animation, Bink Video, RealD stereo 3D features and more. All of this is available in the base licensing fee. Epic absorbs technology integration costs to ensure developers only gain from our work with great partners.

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UDK scales from lightweight mobile experiences to high-end PC gaming. After Epic demonstrated its next-gen "Samaritan" demo last year, UDK began shipping with DirectX 11 support, so anyone can use UE3 for high-end rendering, tessellation and beautiful post-processing effects.

Every day, developers release UDK projects without needing full source

UE3 access. Some studios, such as *Hawken* developer Adhesive Games and *Dungeon Defenders* creator Trendy Entertainment, start out using UDK and then transition to a more traditional UE3 deal.
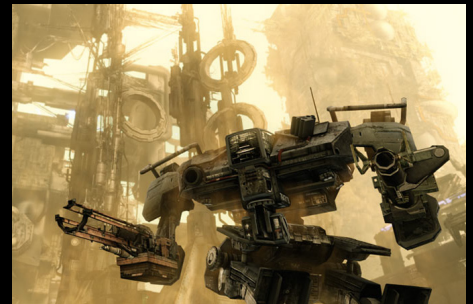
"By using UDK we were able to not only quickly create a prototype for *Hawken*, but also implement the majority of our gameplay and other game features," said Jon Kreuzer, technical director at Adhesive Games. "When the time was right we were able to easily transition to the full Unreal Engine license. Epic has been very helpful to us in our quest to achieve our creative vision for *Hawken*."

If your needs require full source code access, contact us at licensing@epic-games.com. We'll help you get started and find business terms that are right for your team.

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