



Telltale Tells of New Funding

Granite and IDG Ventures SF give Sam & Max a license to fight crime.

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By **Herbert A. Sample**

A leader in the episodic gaming sector, Telltale announced Tuesday that it will receive \$5.1 million in second-round financing in an effort to broaden its product line and add employees. The new funding is led by Granite Ventures.

Telltale, based in San Rafael, California, was founded three years ago by a trio of expatriates from LucasArt Entertainment, which developed games from the hit "Star Wars" and "Indiana Jones" movie series.

The company is perhaps best known for its episodic adventure game "Sam & Max: Season 1," a saga centered on a well-dressed dog and a rabbit-like being who act as unofficial police officers, battling criminals and other evildoers. It is based on a 15-year-old PC game.

Though its main characters are animated animals that look more cuddly than menacing, the game is aimed less at children and more at adults because of its wry humor and puzzles. Telltale also produces "Boneville," "Ankh," "Samorost",, and "Al Emmo," as well as games based on the television shows "CSI" and "Law and Order." The games can be accessed at Telltale's or GameTap's sites. GameTap is owned by Time Warner.

The company received \$500,000 in venture funding in the spring of 2005, and last year, it obtained an \$825,000 bridge note from angel funder Keiretsu Forum. That note will now convert into a small portion of the second-round funding, with the balance provided by Granite and IDG Ventures SF.

Dan Connors, CEO and co-founder, says the latest batch of dollars will help his firm secure additional licensing of popular TV shows that can be made into games. The funding will also help Telltale broaden the platforms on which the games can be played-- from PCs to Microsoft's Xbox and Nintendo's Wii-- and hire additional content-related and back-office staff.

Chris Hollenbeck, managing director at Granite, said Telltale was attractive because of its experienced team, the availability of content for new games, and the new model the company is pursuing in episodic gaming.

"Traditional game development is like blockbuster movies," he said, noting that such films typically cost tens of millions of dollars for production, development, and marketing before audiences see them. "This is much more like TV. It's a much lower cost of development, much quicker cycle times, and you get audience feedback and then you can iterate and adapt along the way."

Mr. Hollenbeck also noted that the widening reach of broadband Internet service makes it far easier to distribute game programs and episodes, even those that are several dozen megabytes in size.

