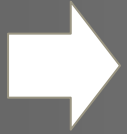




Q3 2007
Nov 1, 2007

Agenda



1. Company highlights
2. Project Status
3. Financials



Key financial summary, Q3 2007

TUSD	Q3,2007	Q3,2006
Revenue	1.764	2.217
EBIT	-1.774	-353
EAT	3.942	-1.234

Revenue

- Q3, 2007 revenue development as expected.
- Steady revenues from *Anarchy Online* and *Plutolife*.
- Revenues expected to decline slightly until launch of *Age of Conan*.

Earnings

- Negative EBIT, as anticipated, due to increase in hosting costs and other supporting costs related to *Age of Conan*.
- Positive EAT due to significant exchange rate fluctuations.

Balance

- Cash balance of TUSD 58,533 as of September 30, 2007 and low interest bearing debt.



Highlights in Q3 2007

- In August, the launch of *Age of Conan* was rescheduled to March 25, 2008. The Company decided to extend the development time of the game to improve accessibility to the game and enhance some key game systems, based on external feedback and internal analysis.
- The development of *Age of Conan* is on track for this launch date. The planned changes to the game have so far been implemented on time.
- The *Age of Conan* game is currently in the Beta phase of the development with focus on external game play testing and technical stress testing.
- *Age of Conan* continues to get praise and positive feedback from press and industry and won this year's official prize for 'Best Online Gam' at Europe's largest show for interactive entertainment, GC (Games Convention) in Leipzig, Germany.
- Funcom launched in-game sales of virtual items in *Anarchy Online*. Funcom believes that sales of virtual items will be a key component in some future MMOs and the Company believes that it will gain valuable experience from the services launched.
- Funcom started development of a casual MMO, targeted at younger and more casual MMO players.



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Anarchy Online and Dreamfall



Anarchy Online

- In its seventh year of operation
- Profitable game
- Sale of virtual items in *Anarchy Online* initiated as part of a process of continuous evaluation of business models for MMOs
- Content production focused on continuous online updates



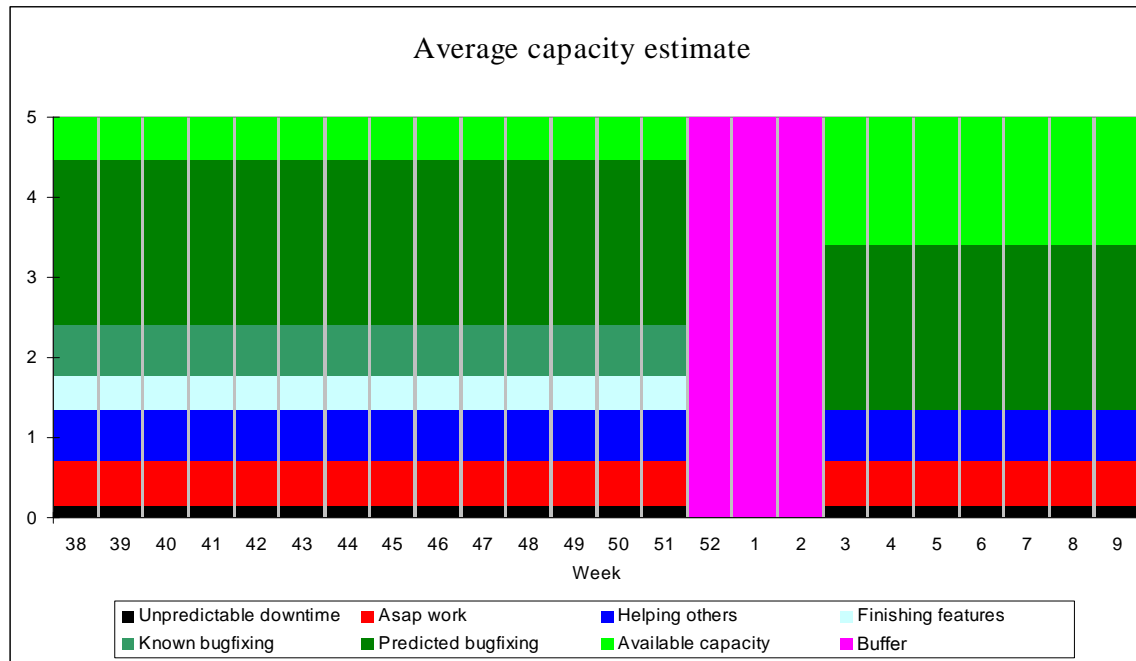
Dreamfall

- Online distribution
- “Game of the Year” edition published in the US
- Episodic content to be developed with support from Norwegian Film Fund



Age of Conan - Overall development status

- Close to content complete. Key focus going forward is getting to feature complete with revised features before year end 2007.
- Work with combat and related character development system has led to re-prioritizations of key coder resources.
- Game coder capacity* evaluation shows that there is a buffer for unforeseen technical issues.



* Main programmer team

Age of Conan – Beta Status

New Beta with improved combat system deployed in late September

Infrastructure

- Hosting centres for the *Age of Conan* game have been set up in Amsterdam and New Jersey in cooperation with IPSoft and will be expanded towards launch.
- Up to 1000 external players simultaneously. The number of testers will be expanded significantly in upcoming weeks.
- High deployment frequency of new versions of the game to the Beta servers.

Feedback

- General Beta test feedback is positive.
- No feedback so far indicates a need for further major changes to game systems.

Uncertainties and risks

- Tech performance under very heavy player activity.
- Unforeseen technical issues.
- Clear negative feedback on core game system.

Age of Conan - Game Status

Enhanced combat system

- Head Up Display
- Special attack initiation
- Icons types
- Targeting and movement
- GUI

Accessibility

- Character development system
- Character controls
- Improved help system

Character classes status

- 6 classes revised and on Beta

Age of Conan – Major awards

- Funcom was awarded the prestigious, official ‘Best Online Game of the Show’ award at the Games Convention in Leipzig, Germany in August 2007.
- The trade show is one of the largest gaming conventions in the world with between 200.000-300.000 visitors and by far the largest in Europe, with all of the major upcoming game titles represented.
- Funcom has also received prestigious awards at E3 and other major gaming conventions confirming its market momentum and following in the gamer market.
- The Game is widely regarded as one of the two most highly anticipated MMOs in development together with *Warhammer Online* from EA Mythic.



Age of Conan – Broad Press coverage

16 front page covers so far as well as consistent online coverage.

Age of Conan continues to track well on major gaming sites such as IGN, GameSpot, Gamespy, MMORPG.com as well as receiving covers on several magazines.





Funcom - Market update

Competitor update:

- Perpetual Entertainment stopped the development of its *Gods and Heroes* MMO planned to be released in Q1 2008.
- EA Mythic announced that they closed down the *Warhammer Online* beta servers for two months, starting October 10th 2007.

Industry continues to be attractive for financial markets

- EA acquired BioWare Corp. and Pandemic Studios for a total of 775 MUSD. Bioware is recognized for creating some of the highest-quality games in the industry, and has one unannounced MMO title in development. Lucas Arts and BioWare announced a cooperation on a new game project.
- ZeniMax Media, owner of Bethesda Softworks, announced it will receive \$300 million in funding to "increase game development and publishing, facilitate acquisitions, and finance MMOs" from Providence Equity Partners Inc.
- Two China based MMO publishers announced their plans to go Public:
 - Giant Interactive will raise more than 730 MUSD on NYSE at a Market Cap of USD 3bn.
 - NetDragon will raise more than 167 MUSD on Hong Kong Stock Exchange.



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Profit and loss account

PROFIT AND LOSS ACCOUNT <i>(Figures in TUSD)</i>	Third quarter		Accumulated		Full Year
	2007	2006	2007	2006	2006
Revenues, PC/Console	1,176	1,600	4,042	6,937	8,492
Revenues, Mobile	588	617	1,108	1,739	2,330
Total Operating Revenues	1,764	2,217	5,150	8,676	10,822
Cost of sales		-26		-42	-42
Operating expenses	-3,133	-2,019	-8,457	-7,309	-9,818
Depreciation, amortization and write down	-405	-524	-1,140	-3,528	-4,182
Total operating expenses	-3,538	-2,570	-9,597	-10,880	-14,042
Earnings Before Interest and Tax ("EBIT")	-1,774	-353	-4,447	-2,204	-3,220
Net financial items	5,440	-864	7,487	2,380	3,820
Earnings Before Tax ("EBT")	3,666	-1,216	3,040	175	600
Taxes	276	-18	1,454	-97	2,636
Earnings After Tax ("EAT")	3,942	-1,234	4,494	78	3,236
Attributable to minority interest	-71	-36	-132	-67	-111
Attributable to shareholders of Funcom N.V.	4,013	-1,198	4,626	145	3,347
Earnings per share (USD)	0.08	-0.03	0.09	0.00	0.07
Earnings per share fully diluted (USD)	0.07	-0.02	0.09	0.00	0.07
Average number of shares (1000)	52,177	47,745	49,196	47,745	46,969
Average number of shares fully diluted (1000)	54,152	48,995	51,171	48,995	48,306



Balance sheet

BALANCE SHEET <i>(Figures in TUSD)</i>	2007	30-Sep 2006	Full Year 2006
ASSETS			
Deferred tax asset	4,121		2,538
Other intangible assets	30,812	16,896	19,698
Tangible fixed assets	1,444	823	1,028
Long-term receivables	471		
Trade debtors	1,007	1,818	1,239
Prepayments and other receivables	1,953	1,150	1,612
Cash and cash equivalents	58,533	38,544	37,423
Total assets	98,341	59,231	63,538
EQUITY AND LIABILITIES			
Paid in capital	124,406	94,241	94,442
Other reserves	-30,086	-38,604	-35,325
Equity attributable to minority interest	34	231	196
Long-term liabilities	158	155	
Short-term liabilities	3,829	3,208	4,225
Total equity and liabilities	98,341	59,231	63,538



Interim segment results

INTERIM SEGMENT RESULTS	Q3	Q4	Q1	Q2	Q3
<i>(Figures in TUSD)</i>	2006	2006	2007	2007	2007
Revenues, PC/Console	1,600	1,555	1,194	1,084	1,176
Revenues, Mobile	617	591	599	509	588
Total operating revenues	2,217	2,146	1,793	1,593	1,764
Sales growth quarter by quarter (%)	-51.9 %	-3.2 %	-16.4 %	-11.2 %	10.7 %
EBIT PC/Console	-299	-752	-1,086	-1,316	-1,504
EBIT Mobile	-54	-264	-127	-144	-270
EBIT Total	-353	-1,017	-1,213	-1,460	-1,774