



Q4 2007  
Feb 6 2008

# Agenda

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1. Key financials
2. Project Status
3. Financials

## Key financial summary, Q4 2007

TUSD	Q4,2007	Q4,2006
Revenue	1.745	2.146
EBIT	-3.075	-1.017
EAT	-2.331	3.156

### Revenue

- Q4, 2007 revenue is according to plan. Higher revenues in Q4 2006 were due to the launch of Lost Eden – an expansion pack to *Anarchy Online*.
- Steady revenues from *Anarchy Online* and Plutolife
- Revenues expected to decline slightly until launch of *Age of Conan*.

### Earnings

- EBIT as anticipated, due to increase in sales and marketing activities and other supporting costs related to *Age of Conan*

### Balance

- Cash balance of TUSD 52,366 as of December 31, 2007 and low interest bearing debt.

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# Updated brand identity and web sites launched



- Updated *Age of Conan* game sites launched in English, French, Spanish and German
- During January, *Age of Conan* sites had more than 600.000 unique visitors, according to Google Analytics\*
- The community for *Age of Conan* continues to grow and the activity on the game's forums is higher than ever

\* There are several sources of uncertainty in these numbers, but they are, in the opinion of the Company, of the right order of magnitude. The true number might be higher or lower than 600.000

# Pre-order programs launched with several key retail chains



## Pre-order programs

- By pre-ordering game, customers get access to in-game benefits
- Collectors edition announced
- Pre-order offerings on best-seller lists for online shops of EBGames and Gamestop for last 1.5 weeks\*

\* Funcom does not have any indication as to what volume this represents nor how accurately those lists reflect sales



# Advertising status



- Online testing campaigns have been run in December and January to test online advertising concepts and ads
- Some print advertising starting from March
- Some targeted online advertising has been running during 2007

# Beta program

## General Beta

- People are regularly invited to general beta to ensure testing of content and getting game play feedback

## Tech Beta

- Dedicated tests are conducted to test specific aspects of the game. Players are invited specifically to these events.

## Sign-ups

- More than 500.000 people have so far signed up for the *Age of Conan* Beta and/or for the game newsletter

## Feedback

- Interpreting beta and forum feedback on fun factor is often difficult
  - Very often problem/issue oriented
  - Dominated by hard core players
  - History has shown that game forums usually turn negative after launch regardless of quality and success of game (ref. WOW, EQ1 & 2 etc)
  - History has shown that beta forums usually turn more and more negative as the game gets closer to launch
  - Funcom has a policy of not moderating boards too harshly





# Press coverage, readership and expectations

## Covers

- The Age of Conan game has so far received around 20 covers in gaming magazines and numerous cover mentions

## Coverage

- The game has, in the opinion of the Company, received very broad coverage from press in Europe and North America, through numerous articles on major gaming publications
- Feedback seems generally positive
- Readership of the articles published seems very good

## Anticipation

- High scores on rating lists on MMO-sites
- Most anticipated game on several MMO-dedicated sites
- On lists of top 5-20 top PC games of 2008 on mainstream gaming sites
- Some tracking numbers on mainstream sites are lower than expected, given size of community and press coverage



## Market update

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- Blizzard and Activision announced a merger in December 2007 valuing the gaming assets of Blizzard at USD 8.1 billion.
- In November 2007 EA Mythic announced that Warhammer Online was delayed.  
No concrete launch date has been set, but the game is expected to be released in the first half of EAs fiscal year ending in September 2008
- In January 2008, there were significant changes to the board of Eidos' parent company, SCi Entertainment PLC ("SCi"). Funcom has an established and good working relationship with Phil Rogers, the new CEO of SCi. Funcom has received assurances from the new SCi board and the management at Eidos that they are fully committed to the success of the Age of Conan game and that Age of Conan continues to be one of their most important titles of 2008.
- Blizzard Entertainment announced in January 2008 that the number of subscribers for its World of Warcraft MMO recently passed the 10 million mark worldwide. Over 2 million of these subscribers were located in Europe, over 2.5 million were located in North America and around 5.5 million were located in Asia.

# Other game projects



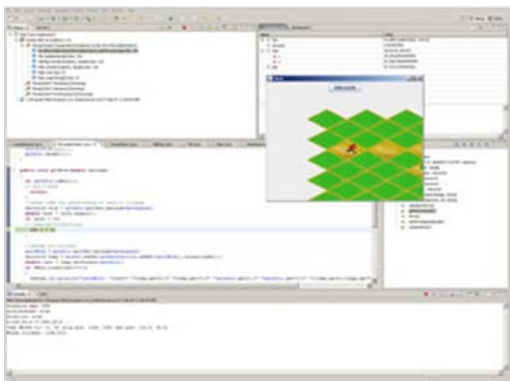
## Anarchy Online

- Continuous delivery of content and features
- Work on Booster pack
- New rendering engine in implementation



## The Secret World

- Built with the Funcom proprietary DreamWorld Engine
- 4 playfields well underway towards completion
- Team of 30 people on project
- Parts of team currently assisting Age of Conan on specific tasks



## Casual MMOs

- In technology development phase
- Key resources in place

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# Balance sheet

<b>BALANCE SHEET</b> <i>(Figures in TUSD)</i>	<b>31-Dec</b>	
	<b>2007</b>	<b>2006</b>
<b>ASSETS</b>		
Deferred tax asset	4,509	2,538
Other intangible assets	35,697	19,698
Tangible fixed assets	1,661	1,028
Long-term receivables	469	
Trade debtors	977	1,239
Prepayments and other receivables	2,067	1,612
Cash and cash equivalents	52,366	37,423
<b>Total assets</b>	<b>97,746</b>	<b>63,538</b>
<b>EQUITY AND LIABILITIES</b>		
Paid in capital	124,384	94,442
Other reserves	-32,299	-35,325
Equity attributable to minority interest	62	196
Long-term liabilities	87	
Short-term liabilities	5,512	4,225
<b>Total equity and liabilities</b>	<b>97,746</b>	<b>63,538</b>

# Profit and loss account

<b>PROFIT AND LOSS ACCOUNT</b> <i>(Figures in TUSD)</i>	<b>Fourth quarter</b>		<b>Full Year</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Revenues, PC/Console	1,167	1,555	4,621	8,492
Revenues, Mobile	578	591	2,274	2,330
<b>Total Operating Revenues</b>	<b>1,745</b>	<b>2,146</b>	<b>6,895</b>	<b>10,822</b>
Cost of sales				-42
Operating expenses	-4,616	-2,509	-13,073	-9,818
Depreciation, amortization and write down	-204	-654	-1,344	-4,182
Total operating expenses	-4,820	-3,163	-14,417	-14,042
<b>Earnings Before Interest and Tax ("EBIT")</b>	<b>-3,075</b>	<b>-1,017</b>	<b>-7,522</b>	<b>-3,220</b>
Net financial items	197	1,440	7,685	3,820
Earnings Before Tax ("EBT")	-2,878	423	163	600
Taxes	547	2,733	2,001	2,636
<b>Earnings After Tax ("EAT")</b>	<b>-2,331</b>	<b>3,156</b>	<b>2,164</b>	<b>3,236</b>
Attributable to minority interest	-22	-44	-154	-111
Attributable to shareholders of Funcom N.V.	-2,309	3,200	2,318	3,347
Earnings per share (USD)	-0.04	0.07	0.05	0.07
Earnings per share fully diluted (USD)	-0.04	0.07	0.04	0.07
Average number of shares (1000)	57,695	47,745	50,087	46,969
Average number of shares fully diluted (1000)	59,608	49,083	52,000	48,306



# Interim segment results

<b>INTERIM SEGMENT RESULTS</b> <i>(Figures in TUSD)</i>	<b>Q4 2006</b>	<b>Q1 2007</b>	<b>Q2 2007</b>	<b>Q3 2007</b>	<b>Q4 2007</b>
Revenues, PC/Console	1,555	1,194	1,084	1,176	1,167
Revenues, Mobile	591	599	509	588	578
Total operating revenues	2,146	1,793	1,593	1,764	1,745
Sales growth quarter by quarter (%)	-3.2 %	-16.4 %	-11.2 %	10.7 %	-1.1 %
EBIT PC/Console	-752	-1,086	-1,316	-1,504	-2,882
EBIT Mobile	-264	-127	-144	-270	-193
EBIT Total	-1,017	-1,213	-1,460	-1,774	-3,075