



3Q 2012
23 Nov. 2012

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- This presentation contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking. You should not place undue reliance on these forward-looking statements for many reasons.
- These forward-looking statements reflect current views with respect to future events and are by their nature subject to significant risk and uncertainties because they relates to events and depend on circumstances that will occur in future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.
- Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity or performance will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Unless we are required by law to update these statements, we will not necessarily update any of these statements after the date of this presentation, either to conform them to actual results or to changes in our expectations.

Agenda



1. Key highlights 3Q 2012
2. Key financials
3. Project status
 1. Game overview
 2. Large scale MMO's
 3. Free-to-play MMO's
4. Summary and outlook

3Q 2012 highlights



- Full commercial launch of *The Secret World* took place 3 July. The launch was executed solidly with no technical issues or difficulties.
- Revenues in 3Q 2012 were 10,963 TUSD compared to 4,766 TUSD for 3Q 2011.
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) for 3Q 2012 were positive with 2,634 TUSD compared to -716 TUSD for 3Q 2011.
- Cash flow from operating activities for 3Q 2012 was positive with 2,750 TUSD. Cash position at end 3Q 2012 amounts to 17,643 TUSD. In 4Q the Company has on maturity repaid interest-bearing borrowings amounting to appr. 6,000 TUSD.
- The billing for *The Secret World* for the previous month (October) amounted to approximately 1,100 TUSD. As part of the process of optimizing the revenue for the game, the Company is currently working on updating and refining the business model.
- Due to lower sales of *The Secret World* than expected, the Company initiated significant cost-cut measures. Amongst other factors, such as the development of a LEGO game, based on the Minifigures line, the goal of bringing the Company cash flow positive may not be achieved during 2013.
- The LEGO project reached its first milestone with a fully workable client after 6 weeks of production time.
- Universal and Conan Inc announced a new movie, «The Legend of Conan», to star Arnold Schwarzenegger with a target release date in summer 2014.
- On 22 October the Company announced it had retained ABG Sundal Collier and GP Bullhound to undertake a broad review of the strategic options available, which now is in process. Funcom will update the market on the development of these processes when relevant.

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Key financial summary, 3Q 2012



| TUSD | 3Q,2012 | 3Q,2011 |
|----------|---------|---------|
| Revenues | 10,963 | 4,766 |
| EBITDA | 2,634 | -716 |
| EBIT | 213 | -2,155 |
| EAT | -449 | -3,169 |

Revenues

- Main source: revenues from *The Secret World* and *Age of Conan* games
- Accrual of both client sales and subscription implemented
- Revenues up in 3Q12 compared to same period in 2011 due to the launch of *The Secret World* on July 3, 2012

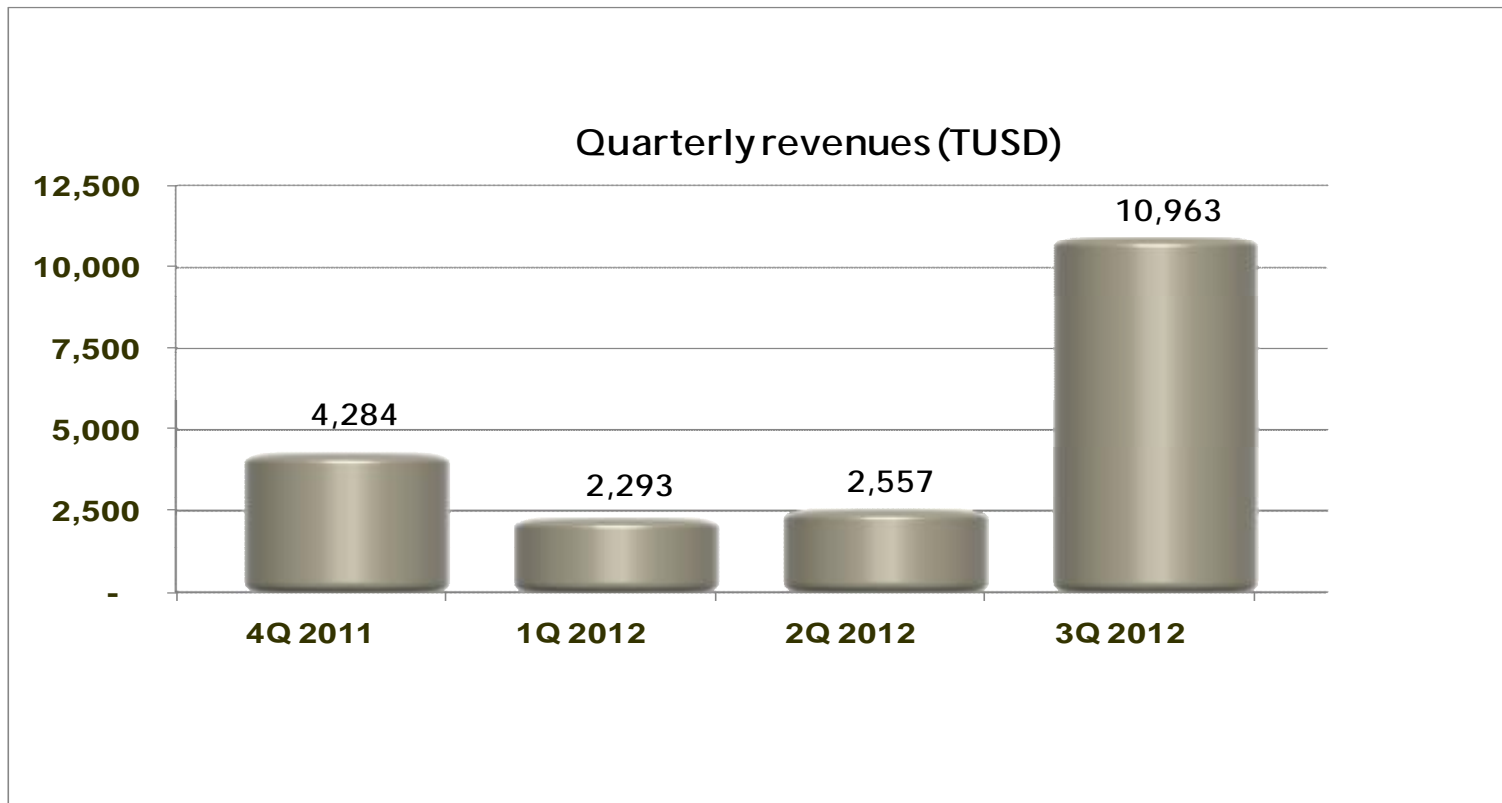
Earnings

- Positively impacted by the revenues from *The Secret World*

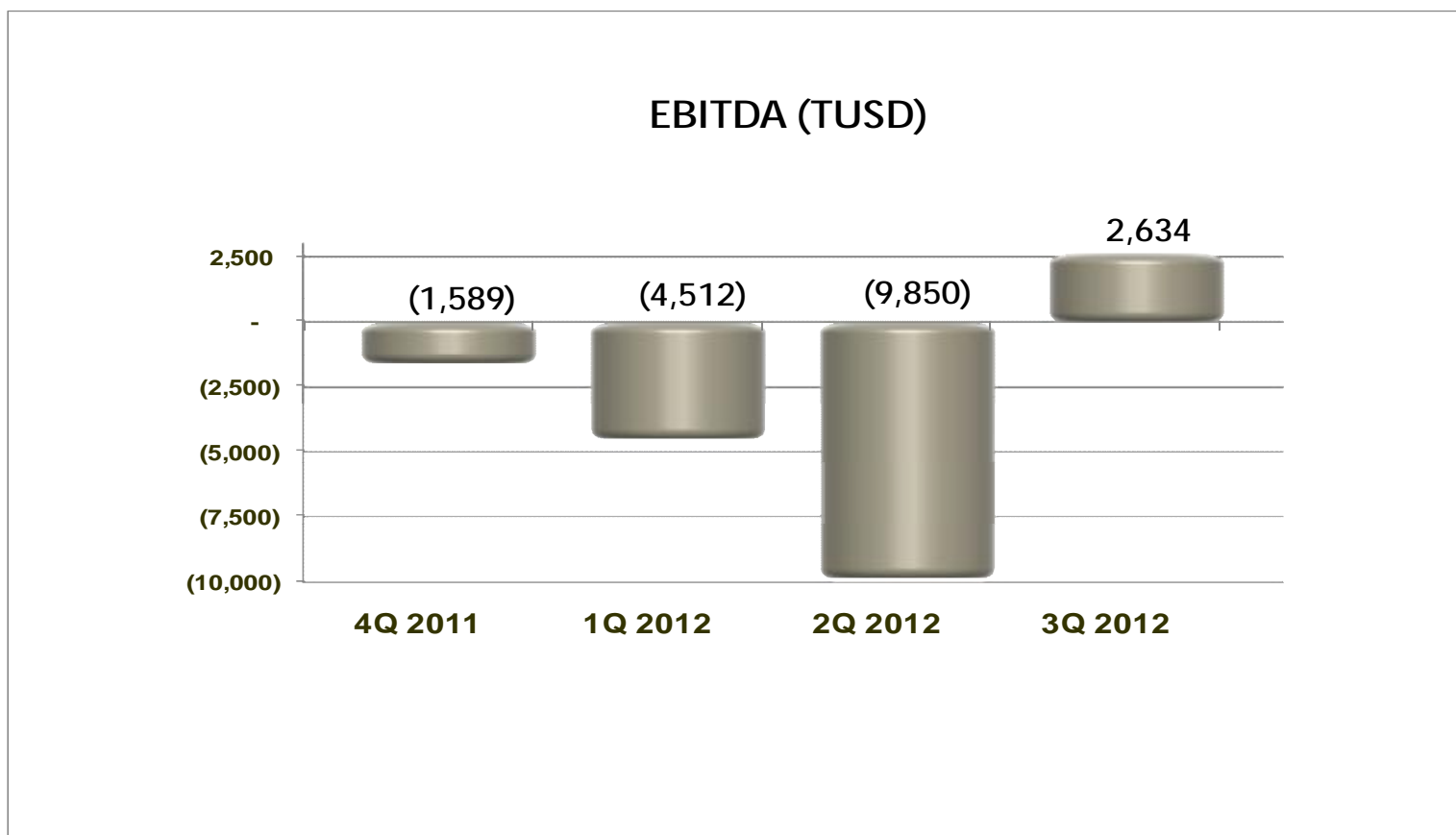
Consolidated statement of financial position

- Cash balance of 17,643 TUSD as of 30 September 2012
- The carrying amount of total interest-bearing debt amounting to approximately 23,100 TUSD.

Key financial summary, 3Q 2012



Key financial summary, 3Q 2012



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Overview of main games



| Game | Segment | Status |
|----------------------------|-------------------------------|--|
| <i>The Secret World</i> | Large Scale MMO | Launched, Cash flow positive |
| <i>Age of Conan</i> | Large scale MMO | Launched, Cash flow positive |
| <i>Anarchy Online</i> | Large Scale MMO | Launched, Cash flow positive |
| <i>Bloodline Champions</i> | Free-to-play MMO | Launched, Cash flow positive |
| <i>Fashion Week Live</i> | Free-to-play MMO, Social game | Launched, Monetization and partner phase |
| <i>Pets vs Monsters</i> | Free-to-play MMO | Launched, Monetization and partner phase |
| “LEGO Minifigures” | Free-to-play MMO | Core team in place, 1st milestone passed |
| Project A | Free-to-play MMO | Concept and negotiation phase |

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Video



THE SECRET WORLD

Status

- Full commercial launch of *The Secret World* commenced on 3 July. The launch was executed solidly with no technical issues or difficulties
- Launched on the Steam platform as an additional distribution channel
- The Company has released four major game updates for the game since launch, adding more content and features to the game
- A refined and updated business model has been under development in 3Q
- The refined and updated business model will include new and increased PR and marketing initiatives
- The game currently have a 82 % user score on game ranking site MetaCritic, and a review average of 73 % on the same site
- Guild Wars 2 and Mists of Pandaria, the latest expansion pack to World of Warcraft, have dominated the market for the last months, thus impacting sales of *The Secret World*. World of Warcraft is continuing to hold a strong position in the market in spite of the increased competition



THE SECRET WORLD

Development update

- The development of *The Secret World* is now almost fully handled by the studio in Montreal
- The most recent update, Issue # 4, added a brand new raid to the game, set in the middle of Times Square in New York, as well as a lot of game updates.
- The team is continuously working on addressing key areas for improvement as highlighted by press feedback. This includes tweaks to combat, accessibility and additional features
- The upcoming content update, Issue # 5, will contain several new storylines and mysteries for players to explore



Funcom game update



§ Age of Conan: Unchained

- § Free-to-play hybrid, with Premium subscription and ingame store
- § More than 3,100,000 players so far
- § Focus on updates tied to Conan lore, as well as a constant update of items and utilities to purchase through the ingame store
- § Universal and Conan Inc announced a new movie, «The Legend of Conan», to star Arnold Schwarzenegger with a target release date in summer 2014



§ Anarchy Online

- § Free-to-play hybrid, with Premium subscription and ingame store
- § More than 2,000,000 players so far
- § Very community oriented game, with updates on high-end content and store updates. Fun and seasonal content sell well.



- § 6,000,000+ gamers have played Funcoms online games including Bloodline Champions



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LEGO video



LEGO game scope



- § Grants Funcom the rights to make an MMORPG + companion mobile apps based on the Minifigure Line of LEGO Toys
- § Allows for development on PC, Mac, iOS, Android and Windows Mobile platforms
- § Term of the contract ends 3 years after the commercial launch of the game, and is renewable
- § Territory of the contract is global
- § 18 months development time – target release date 1H 2014
- § Will be promoted through LEGO.com, as well as through other channels



LEGO game overview



- § Collection driven children MMO based on the LEGO Minifigures property
- § Flashy & fun combat: Strong visual presentation drives the gameplay. Filled with LEGO style humor
- § Power bricks: Collect bricks and store them in different configurations to increase your power
- § Engaging PvP: Brawls, team battles and team challenges
- § Diverse worlds: Game environments will cover a broad range from the outer space to the lands of Greek mythology
- § First major milestone reached – fully playable game concept already on servers



Future Funcom games



§ Project A

- § Funcom has signed a letter of intent with a major gaming company for a license involving a strong brand, fitting very well with the strategy for the Company going forward.



§ Game Direction for future games

- § Building smaller, more focused online games
- § Player driven content, engagement and community
- § Focus on the midcore gaming segment
- § Multi-platform engagement, flexible business models



§ DreamWorld game platform. Major competitive advantage for Funcom.

- § Most advanced and flexible MMO-tech available
- § Built for fast implementation and iterations and low cost development
- § Utilize technology advantage for at highly competitive cost, up to 50 % lower than competitors



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- On 22 October the Company announced it had retained ABG Sundal Collier and GP Bullhound to undertake a broad review of the strategic options available, which now is in process. Funcom will update the market on the development of these processes going forward when relevant.
- The Company expects revenues for 4Q 2012 to be lower than in 3Q 2012 due to lower sales of *The Secret World*.



Last slide
