



2013 Third Quarter Presentation

The Funcom Group
Funcom N.V. and subsidiaries

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Agenda



1. Key highlights 3Q 2013
2. Key financials
3. Project status
 1. Large scale MMO's
 2. MMO's in development
 3. Mobile and tablet work for hire
4. Summary and Outlook



3Q 2013 Highlights



- Revenues in 3Q13 were 5,336 TUSD compared to last year's launch quarter of The Secret World - 10,963 TUSD in 2Q12
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) for 3Q13 were positive with 1,729 TUSD compared to 2,634 TUSD in 3Q12
- Earnings before Interest and Tax (EBIT) for 3Q13 were 826 TUSD compared to 213 TUSD in 3Q12
- The significant operating cost decrease together with the receipt of multimedia tax credits lead to a cash inflow of 2,325 TUSD compared to - 42 TUSD in 2Q13
- In November 2013 the Company negotiated new loan financing with its majority shareholder KGJ Investments S.A., SICAV-SIF in the amount of 5,500 TUSD
- At Gamescom in Cologne the Company revealed the LEGO® Minifigures online game to the press for the first time. The feedback was highly positive, with good coverage.
- The team conducted its first organized focus group test with kids in the appropriate target group during 3Q with DeLevie Group Research, in New York with very positive feedback



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Key Financial Summary



TUSD	3Q 2013	3Q 2012
Revenues	5,336	10,963
EBITDA	1,729	2,634
EBIT	826	213
EAT	108	-449

Revenues

- Main source: revenues from The Secret World and Age of Conan games
- Accrual of both client sales and subscription
- Revenues consistent with previous quarter but lower compared to 3Q12, which was the launch quarter for The Secret World.

Earnings

- Higher than previous quarter but in decline compared to 3Q12 due to higher revenues from The Secret World in its launch quarter in 2012.

Consolidated statement of financial position and cash flow

- Cash flow positive in 3Q13 with 2,325 TUSD due to lower operating cost and receipt of multimedia tax credits
- Cash flow from operating activities also positive with 3,637 TUSD
- Cash balance of 3,498 TUSD as of 30 September 2013
- The carrying amount of total interest-bearing debt amounting to approximately 16,459 TUSD

Restructuring of loans and convertible bond loan

- The Company finalized the restructuring of the two loans and all of the proposed new loan terms were adopted by the EGM and the bondholders' meeting, both held in April 2013



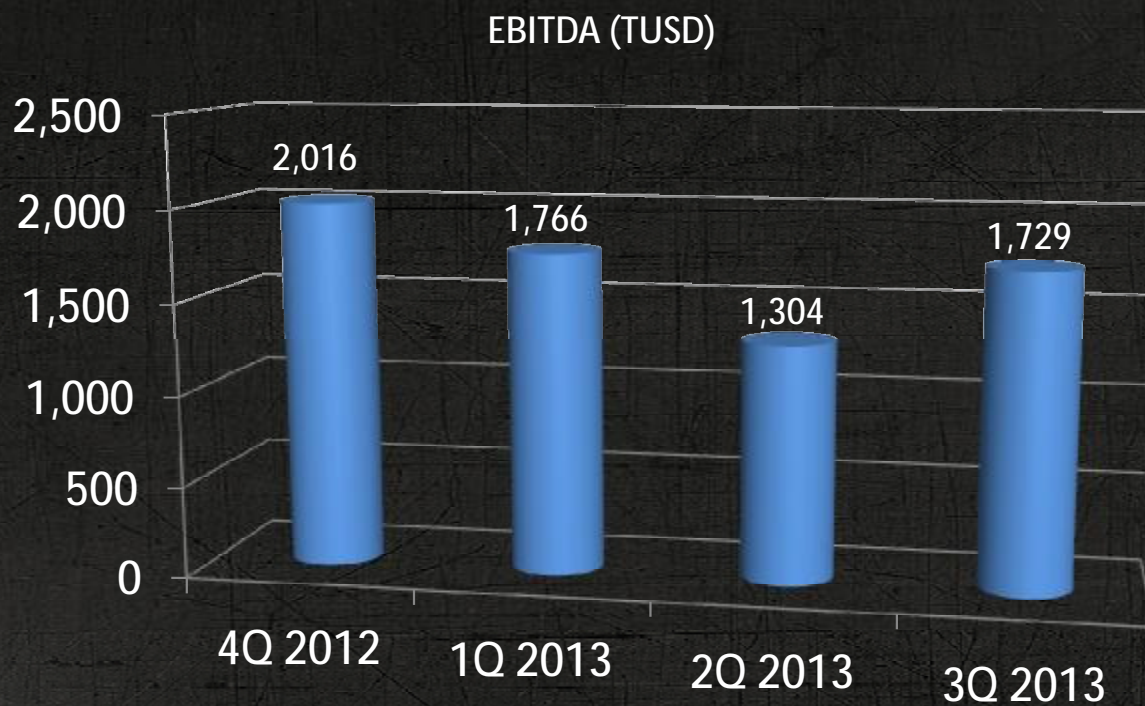
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Key Financial Summary, 3Q 2013 - Revenue



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Key Financial Summary, 3Q 2013 - EBITDA



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Large Scale MMO's



- In 3Q, the third quarter with the new buy-to-play business model for The Secret World, the Company experienced increased competitive pressure in the segment as well as from block buster games such as "Grand Theft Auto V" reducing in-game activity and revenue in all our games
- The Company initiated several campaigns and other activities to increase activity level
- The third major content upgrade to use the new business model for The Secret World, 'Issue 8 – The Venetian Agenda', was released recently with similar good up-take rate amongst players as the previous issues



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Large Scale MMO's

- Player numbers and revenues from Age of Conan and Anarchy Online were stable in 3Q
- The continuous focus of the development of these games are to add new features and content for the player base to extend player engagement time
- Work on the new engine and further updates to Anarchy Online continues
- All games in the large-scale MMO segment are cash flow positive and will remain so in the foreseeable future.
- We are pursuing further initiatives across all games in the future



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LEGO® Minifigures - update



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LEGO® Minifigures - update



- The project is on schedule and the team working on the game met all major deliveries during the 3rd quarter
- Delivered a significant amount of features and content primary focused on usability and the new player experience respectively
- In September DeLevie Group Research conducted focus testing of the game in New York. The results of the focus testing were extremely positive
- Tablet version of the game remains on schedule with first playable to be delivered in December
- Invitations to the first externals to participate in the closed beta phase will be sent this week
- In August Funcom had the first public reveal of the game at Gamescom in Cologne, Germany. Initial feedback has been very positive



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LEGO® Minifigures – focus group feedback



«I would never stop playing this game, unless I have to go to the bathroom»
Boy (8)

« You can build stuff, switch weapons and switch characters, cool to see LEGO figures coming to life! »
Boy (10)



« It's like they transported LEGO's into the real world. The world suddenly turned into LEGO's! »
Boy (8)

« I could do this for ten days and never stop! »
Boy (9)

«I would play this more than Minecraft, and I LOVE Minecraft!»
Boy (9)

Quotes from participants in focus group play session at DeLevie Group Research, New York – September 2013



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Montreal studio – mobile and tablet

- The projects range from 1-2 months projects to longer cycles of 12-24 months, with the initial focus being on 6-12 months projects
- First project with LEGO delivered on time and on budget in 3Q
- Projects in development in 3Q:
 - Project LEGO 2 (increased in scope)
 - Fashion Week Live
- The team consists mostly of seniors with long experience in both web, online, tablet and mobile development
- The team is actively pursuing other opportunities and by strengthening the business development department increasing the likelihood of securing future growth



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Summary and Outlook



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- In 4Q13 the Company expects lower revenues - please, refer to the 2012 annual report for the principles related to revenue recognition.

