



4Q 2011

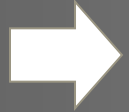
28 February 2012

Disclaimer – forward looking statements



- 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 relate to events and depend on circumstances that will occur in the 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 4Q 2011
2. Key financials
3. Project status
 1. Game overview
 2. Large scale MMO's
 3. Free-to-play MMO's
4. Summary and outlook

4Q 2011 highlights

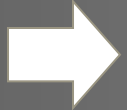


- The launch of Funcom's next large scale MMO, *The Secret World*, was rescheduled from April to June, to allow for more polish of the game. Most of the features and content of the game have now been implemented. Current focus is on polish, game play iterations and beta-testing.
- Funcom arranged several extensive hands-on press events for *The Secret World* in North America and Europe. This led to extensive coverage in the gaming press.
- Funcom also conducted extensive beta tests during 4Q 2011 and 1Q 2012. Funcom considers the feedback from the press events and beta tests to be positive and encouraging for the prospects of the game.
- The community for *The Secret World* grew further, and more than 750,000 gamers have so far signed up for the beta testing programs of the game.
- *Fashion Week Live*, Funcom's Facebook initiative, in partnership with 505 Games and IMG, is in the beta-testing phase and is expected to launch shortly.
- Funcom decided in 4Q to strengthen its cash base, primarily for maximizing the potential of *The Secret World*. Funcom raised USD 15 million through a convertible loan.
- Revenues in 4Q11 were 4,284 TUSD and Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) were -1,589 TUSD.

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Key financial summary, 4Q 2011



TUSD	4Q,2011	3Q,2011
Revenues	4,284	4,766
EBITDA	-1,589	-716
EBIT	-5,189	-2,155
EAT	-6,096	-3,169

Revenues

- Main source; revenues from the *Age of Conan* game
- Revenues down in 4Q11 compared to previous quarter when the new business model for *Age of Conan* was launched.

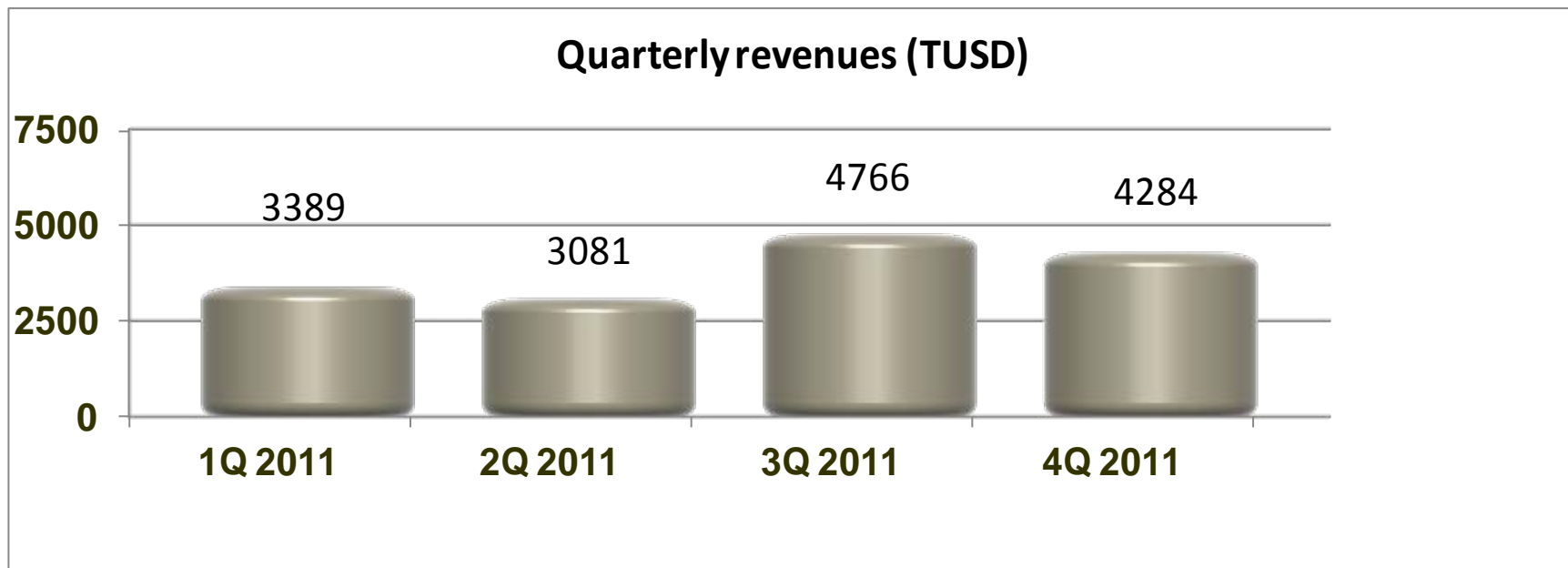
Earnings

- Build-up costs for *The Secret World* have and will impact EBITDA negatively towards launch.
- EBIT affected by an impairment charge of appr. 2.1 mUSD on certain games within the F2P-segment.

Consolidated statement of financial position

- Cash balance of 19,428 TUSD as of 31 Dec, 2011, equity-to-assets ratio of 55 %.
- The carrying amount of interest-bearing debt amounting to approximately 28.5 mUSD.

Key financial summary, 4Q 2011





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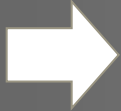
EBITDA (TUSD)



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Overview of main games

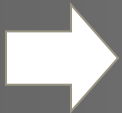


Game	Segment	Status
<i>Age of Conan</i>	Large scale MMO	Launched, Cash flow positive
<i>Anarchy Online</i>	Large Scale MMO	Launched, Cash flow positive
<i>The Secret World</i>	Large Scale MMO	In development, Investment phase
<i>Bloodline Champions</i>	Free-to-play MMO	Launched, Cash flow positive
<i>Fashion Week</i>	Free-to-play MMO, Social game	In development, Investment phase
<i>Pets vs Monsters</i>	Free-to-play MMO	In open beta phase, Investment phase
<i>Project A</i>	Large scale MMO	Concept phase, Investment phase

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Video



THE SECRET WORLD

Development status

- The development of TSW progressed well in 4Q. Most of the features and content of the game are now in the polish stage.
- The focus of the continued development is on polishing content, extending content, optimizing content and technology and on conducting beta-tests.
- Funcom continues and extends beta programs on an ongoing basis. Beta events include longer term content and balance testing, short term technology tests and short term functionality tests.
- Over 200 people are currently working on the project
- The DreamWorld 3.0 engine is stable and well performing, and the tech risk related to the development of TSW is relatively low for a MMO-game



THE SECRET WORLD

Status

- Funcom announced that over 750,000 players have signed up for beta-program participation for TSW. The Company expects this to expand significantly going forward. The Company expects the community of the *The Secret World* at launch to be significantly larger than for *Age of Conan* at the same time. Funcom interprets this as a significant positive indication for *The Secret World*.
- During 4Q 2011 and 1Q 2012 the Company conducted several extensive hands-on-events with journalists in North America and Europe.
- Funcom considers the feedback from the betas and the press hands-on events to be positive and encouraging for the prospects of the game. For instance 9 of 10 of beta players say that they are likely to play the game at launch. Funcom is also satisfied with the feedback the game is receiving on the core elements of the game.
- The higher PR and external activity is expected to continue in 1Q and 2Q 2012.



THE SECRET WORLD

Selected quotes from latest press hands-on*:

CVG

"the first MMO for a long time that I want to play"

Massively:

"*The Secret World* is a gorgeous game. It's fun to play"

G4TV

"I wasn't expecting to be cheering and screaming in excitement with my fellow gaming journalists."

ZAM

"The Secret World is going to be one of the most important MMORPGs of our time."

MMORPG

"For the MMO player that enjoys adventure RPGs and being challenged by a game, The Secret World should be tops on your list of games to play in 2012."

Destructoid

"the first MMO I've been excited about in a very long time."

* For more complete overview see thesecretworld.com

THE SECRET WORLD

External events: Preliminary time lines

- February: Press hands-on events, Oslo and Montreal
- March: GDC demos and press hands-on
- April: PAX demo and hands-on
- March-June: Ramp up of closed beta tests for tech, content and functionality
- May-June: Extensive open beta events, Funcom only and with global partners
- April-May: Launch of pre-order-program
- May-June: Final dimensioning of server park
- June: Launch



TSW target financial scenario



Target scenario

- Client sales 30 % higher than *Age of Conan*
- Majority of digital client sales
- Subs/client price as *Age of Conan*
- In-game store sales/uptick amounting to 35 % of subs. revenue
 - Anarchy Online: 30 %
 - Age of Conan: 100 %
- Healthy retention; 490,000 average subscribers

Funcom results

- First yr revenue est \$ 157 million
- Est. game profit margin: 53 %

Conan-like scenario

- 1,050,000 client sales first year
- Poor retention (only slightly better than *Age of Conan*)
280,000 average subscribers
- Other assumptions as above

- First yr revenue est \$ 100 million
- Est. game profit margin: 43 %

- League of Legends performance
- WOW performance
- SWTOR performance
- Upcoming MMO games
- PC gaming market status
- Online gaming market status

Future Funcom MMOs



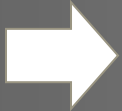
- DreamWorld game engine. Major competitive advantage for Funcom.
 - Most advanced MMO-tech available
 - Built for fast implementation and iterations and low cost development
 - Significantly lower cost of development for future games
- Operational costs
 - Significant reduction in costs through server tech and operational set-up
- Game Direction
 - Focus on utilizing technology strengths of DreamWorld
 - Player driven content, engagement and community
 - Multi-platform engagement
 - Utilize technology advantage for high-end games at highly competitive cost, up to 50% lower than competitors



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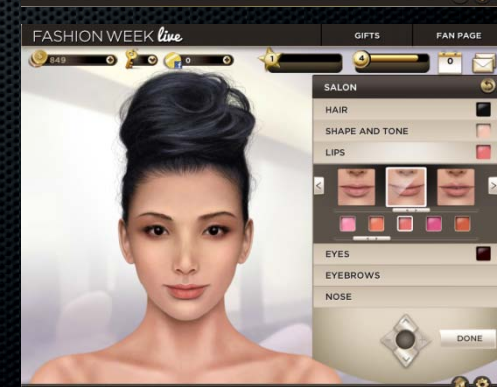


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Status *Fashion Week Live*

- *Fashion Week Live*, Funcom's first larger investment into the social games space, is currently in the later stages of limited beta testing. This phase has been extended somewhat primarily due to approval and partnership coordination.
- Funcom expects *Fashion Week Live* to launch and initiate monetization within the next 4-8 weeks.
- With *FWL*, The Company aims to bring its competence in high-end visual design and game play competence to the social games segment in a significant way, and the *Fashion Week Live* concept is a major effort in this direction
- *Fashion Week Live* is developed in a three-way partnership with IMG and 505 Games

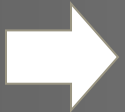


Update, other free-to-play games

- Revenues from *Bloodline Champions (BLC)* increased from 3Q to 4Q. The game is profitable and cash flow positive.
- During 4Q *BLC* was launched in Russia
- PvM received significant product updates during 4Q 2011 and in 1Q 2012 with the aim of improving conversions from players to customers and to extend customer life time.
- Distribution of PvM is currently being tested with a couple of major games portals, with positive indications.



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Summary and outlook



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Financial Outlook:

- Revenues for 1Q 2012 are expected to be lower than for 4Q 2011, mainly due to an expected reduction in revenues from *Age of Conan*.



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