



**FUN
TECHNOLOGIES**
PRESS RELEASE

FUN Technologies plc
February 8, 2006

FUN Technologies announces preliminary unaudited year-end results

LONDON, England – FUN Technologies plc (“FUN” or “the Company”), one of the world's leading online casual gaming providers, announced today its preliminary unaudited results for the three and twelve months ended 31 December 2005.

2005 Q4 Highlights

- Consolidated revenue in the quarter of £5.6 million
- Pro forma EBITDA in the quarter of £1.7 million. FUN recorded a GAAP loss in the quarter after taxation of approximately £0.5 million
- The Company entered into a share purchase and support agreement with Liberty Media Corporation (“Liberty”) where it is proposed that Liberty will indirectly acquire a majority interest in FUN pursuant to a Scheme of Arrangement under section 425 of the UK Companies Act 1985
- Subsequent to the quarter end, FUN continued its expansion into new distribution channels through the acquisition of the business of Octopi LLC (“Octopi”), a leading mobile game developer

Lorne Abony, CEO of FUN, commented, “I am pleased to report another strong quarter, capping off a very successful year for the Company. We have exceeded our goals of rapid organic growth, strategic acquisitions and significant new distribution partnerships. Most importantly, we are confident that this year's accomplishments have laid the foundation for creating additional value in 2006 and beyond. We look forward to the future with great excitement.”

The preliminary financial results contained herein have not been audited or reviewed by the independent external auditors of the Company, KPMG Audit plc and, as such, remain subject to such adjustments as may be required by such auditors in connection with their audit of FUN's results for the year ended 31 December 2005. Such preliminary unaudited financial results are being released at this time to provide shareholders of FUN, who will be voting on the Scheme referred to above at the Court Meeting scheduled for 17 February 2006 and making elections in the Mix and Match Facility with the most current financial results available.

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Forward-looking statements

This news release may contain forward-looking statements that are based on current projections and are not guarantees of future performance, and involve certain risks and uncertainties that are difficult to predict. The future results of the Company may differ materially from those expressed in the forward-looking statements contained in this news release, due to, among other factors, the risks and uncertainties inherent in the business of the Company, the risk factors discussed in the Company's 2004 Annual Information Form, and in other documents published or filed by, or on behalf of, the Company from time to time with the Canadian securities regulators. The Company does not undertake any obligation to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this news release or to reflect the occurrence of unanticipated events.

CHAIRMAN'S STATEMENT

I am pleased to report a year of significant growth and achievements for the Company.

Revenue growth

FUN's revenue for the full year of 2005 was £13.7 million, up £12.7 million from 2004's revenue. £9.4 million of revenue was attributable to acquisitions made in 2005. All of the Company's business units grew organically over the course of the year.

Operational focus and profitability

In 2005, the Company sharpened its focus on casual games and achieved positive pro forma EBITDA, recording positive pro forma EBITDA of £1.8 million for the year ended December 31, 2005. EBITDA growth was driven by the Company's fantasy division. On the year, the Company posted a GAAP loss of £7.0 million. While the strong positive pro forma EBITDA generation underscores the health of the Company's operating divisions, in 2006 we intend to focus on investing in future growth.

Agreement with Liberty Media Corporation

On 22 November 2005, the Company announced that it had entered into a share purchase and support agreement with Liberty Media Corporation, pursuant to which Liberty would indirectly acquire a majority interest in FUN Technologies plc by way of a Scheme of Arrangement under section 425 of the UK Companies Act 1985. Pursuant to the Scheme, a newly incorporated Canadian subsidiary of Liberty ("New FUN") will acquire all of the issued and outstanding ordinary shares in FUN, on a fully diluted basis, in exchange for aggregate consideration consisting of approximately £83.7 million in cash and approximately 32.4 million common shares of New FUN (including common shares that would be issuable upon exercise of outstanding options, warrants and other rights to subscribe for ordinary shares of FUN). The cash consideration to be paid by New FUN under the Scheme will be funded by Liberty by way of a subscription for common shares of New FUN for the aggregate consideration of US\$50 million plus approximately £83.7 million, payable in cash. If the Scheme becomes effective, FUN will become a wholly-owned subsidiary of New FUN, Liberty will beneficially own approximately 51% of the New FUN shares, on a fully-diluted basis, and the current FUN shareholders and holders of options, warrants and other rights to subscribe for ordinary shares of FUN, collectively, will own or have the right to acquire the remaining 49% of the New FUN shares, on a fully-diluted basis.

Liberty is a U.S. holding company owning interests in a broad range of electronic retailing, media, communications and entertainment businesses. Its businesses include widely recognised brands and companies, including GSN, QVC, Encore, Starz, IAC/InterActiveCorp, Expedia and News Corporation.

This is a significant achievement both for FUN stakeholders and for the future prospects of FUN's businesses. We believe that the completion of this transaction will significantly enhance shareholder value in both the short and long term. We further believe Liberty is the right strategic partner to enable FUN's businesses to realize their full potential, through access to Liberty's world-class media and entertainment properties and affiliates.

Strategic acquisitions

In 2005, FUN grew its fantasy division through the acquisitions of the business of Fanball Interactive and Don Best Sports. We see great growth potential for fantasy sports, particularly with the intersection of interactive technologies. We believe that by combining a market leader in fantasy solutions with a leader in sports gaming statistics, FUN can realize significant synergies and opportunities.

In January 2006, FUN acquired the business of Octopi, a leading mobile games developer. Octopi's expertise will enable FUN to accelerate its growth through the mobile distribution channel.

Outlook

At an operational level, our skill and fantasy divisions will turn their sights towards European expansion and product and channel expansion. At a corporate level, we look forward to the completion of the proposed transaction with Liberty, which, pending shareholder approval and sanction of the High Court, is expected to close on 8 March 2006. However, there can be no assurances that the proposed transaction will be completed. We continue to explore acquisition and consolidation opportunities in the casual games space and related businesses. We look forward to an exciting 2006 for FUN.

Andrew Rivkin
Non Executive Chairman

Supplementary financial information

In addition to disclosing preliminary results in accordance with UK generally accepted accounting principles (GAAP), FUN also provides supplementary non-GAAP measures as a method of evaluating the Company's operating performance.

Management uses pro forma EBITDA as a measure of enterprise-wide performance. EBITDA is defined as earnings before interest income, taxes, depreciation and amortization. Pro forma EBITDA also excludes income from associate companies and joint ventures, and other charges, including those related to discontinued operations and costs related to the proposed transaction with Liberty Media Corporation. Management believes pro forma EBITDA is a useful measure that facilitates period-to-period operating comparisons and allows the Company to compare its operating results with its competitors. Pro forma EBITDA does not have any standardized meaning prescribed by GAAP and is not necessarily comparable to similar measures presented by other companies. Pro forma EBITDA is not a measure of performance under UK GAAP and should not be considered in isolation or as a substitute for net earnings (loss) prepared in accordance with UK GAAP. The Company has provided a reconciliation of pro forma EBITDA to UK GAAP net earnings (loss) below.

In £000s
(Unaudited)

Pro Forma EBITDA Summary

Three months ended December 31	<u>2005</u>	<u>2004</u>
	1,726	(2,027)
Twelve months ended December 31	<u>2005</u>	<u>2004</u>
	1,794	(2,440)

Pro Forma EBITDA Calculation	Three months ended December 31		Twelve months ended December 31	
	2005	2004	2005	2004
(Loss) for the period	(521)	(814)	(7,040)	(2,126)
Discontinued operations	221	155	588	907
Gain from sale	(2,157)	(1,395)	(2,157)	(1,395)
Tax provision	1,195	5	2,000	5
Interest receivable and similar income	(13)	(131)	(161)	(200)
Share of operating (loss)/income in				
associate undertaking	17	(468)	608	(468)
Depreciation of tangible assets	180	23		45
Amortization of intangible assets	1,993	598	6,757	792
Transaction costs	811	-	811	-
Pro Forma EBITDA	1,726	(2,027)	1,794	(2,440)

NOTICE TO READER OF THE PRELIMINARY UNAUDITED ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

The preliminary unaudited consolidated financial statements of FUN Technologies plc (the “Company”) and the accompanying unaudited consolidated balance sheets as at December 31, 2005, the preliminary unaudited annual consolidated profit and loss account and preliminary unaudited consolidated statements of cash flows for the three- and twelve-month periods then ended, are the responsibility of the Company’s management. These consolidated financial statements have not been audited or reviewed on behalf of the shareholders by the independent external auditors of the Company, KPMG Audit plc.

The preliminary unaudited consolidated financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with accounting principles generally accepted in the United Kingdom.

FUN Technologies plc
Consolidated Balance Sheet

(Expressed in £000s)
As at December 31, 2005
(Unaudited)

	2005	2004
	Unaudited	Audited
Fixed Assets		
Intangible assets	40,975	4,470
Tangible assets	1,185	387
	42,160	4,857
Investment in associate undertaking	-	2,313
Other investments	766	-
Total investments	766	2,313
Current Assets		
Debtors	2,517	1,458
Cash at hand and in bank	5,804	21,634
	8,321	23,092
Creditors		
Amounts falling due within one year	(6,688)	(1,312)
Net current assets	1633	21,780
Total assets less current liabilities	44,559	28,950
Creditors		
Amounts falling due after more than one year	(5,731)	(517)
Net Assets	38,828	28,433
Capital and reserves		
Called up share capital	4,490	2,067
Share premium account	43,709	28,886
Shares to be issued	-	6
Capital redemption reserve	664	664
Other reserve	310	(293)
Profit and loss account	(10,343)	(2,897)
Shareholders' funds - equity	38,828	28,433

See accompanying notes to the unaudited preliminary consolidated financial statements. These unaudited preliminary financial statements should be read in conjunction with the 2004 Annual Consolidated Financial Statements.

FUN Technologies plc
Consolidated Profit and Loss Account – Unaudited
(Expressed in £000s except for per share amounts)

	Three months ended Dec. 31		Twelve months ended Dec. 31	
	2005	2004	2005	2004
Turnover				
Continuing	1,314	541	4,243	1,025
Acquisition	4,243	-	9,430	-
	5,557	541	13,673	1,025
Discontinued operations	-	-	-	-
Group turnover	5,557	541	13,673	1,025
Cost of goods sold	(1,421)	(196)	(3,308)	(411)
Gross profit	4,136	345	10,365	614
Research and Development	(740)	(374)	(1,660)	(950)
Administrative expenses	(4,875)	(1,838)	(15,455)	(2,912)
	(1,479)	(1,867)	(6,750)	(3,248)
Group operating profit / (loss)				
Continuing	(2,091)	(1,722)	(6,133)	(2,341)
Acquisition	833	-	(29)	-
	(1,258)	(1,722)	(6,162)	(2,341)
Discontinued operations	(221)	(155)	(588)	(907)
Total group operating loss	(1,479)	(1,867)	(6,750)	(3,248)
Share of operating loss in associate undertaking - discontinued	(17)	(468)	(608)	(468)
Loss on ordinary activities before interest and other income	(1,496)	(2,335)	(7,358)	(3,716)
Gain on disposal of part of investment in associate undertaking	2,157	1,395	2,157	1,395
Interest receivable and similar income	13	131	161	200
Profit / (loss) on ordinary activities before taxation	674	(809)	(5,040)	(2,121)
Tax provision	(1,195)	(5)	(2,000)	5
Loss for the period	(521)	(814)	(7,040)	(2,126)
Basic and diluted loss per share (in pence)	(1.0)	(3.3)	(14.1)	(8.6)

See accompanying notes to the unaudited preliminary consolidated financial statements. These unaudited preliminary financial statements should be read in conjunction with the 2004 Annual Consolidated Financial Statements.

FUN Technologies plc
Consolidated Statement of Cash Flows

(Expressed in £000s)

(Unaudited)

	Three months ended Dec. 31		Twelve months ended Dec. 31	
	2005	2004	2005	2004
Net cash inflow/(outflow) from operating activities	(424)	(1,912)	2,552	(2,764)
Returns on investments and servicing	13	130	161	200
Capital expenditure and financial investment	(279)	(240)	(1,186)	(387)
Acquisitions and disposals	3,227	(973)	(26,451)	(5,893)
Cash inflow/(outflow) before management of liquid resources and financing	2,537	(2,995)	(24,924)	(8,844)
Management of liquid resources	357	1,175	19,915	3,400
Financings	581	22,536	8,823	26,636
Increase/(decrease) in cash in the period	3,475	20,716	3,814	21,192

Reconciliation of Net Cash Flow to Movement in Net Funds

(Expressed in £000s)

(Unaudited)

	Three months ended Dec. 31		Twelve months ended Dec. 31	
	2005	2004	2005	2004
Increase/(decrease) in cash in the period	3,475	20,716	3,814	21,192
Cash (inflow)/outflow from (decrease)/increase in liquid resources	(357)	(1,175)	(19,915)	(3,400)
Translation differences and other non-cash movements	(31)	404	271	405
Movement in net funds in the period	3,087	19,945	(15,830)	18,197
Net funds at the start of the period	2,717	1,689	21,634	3,437
Net funds at the end of the period	5,804	21,634	5,804	21,634

See accompanying notes to the unaudited preliminary consolidated financial statements. These unaudited preliminary financial statements should be read in conjunction with the 2004 Annual Consolidated Financial Statements.

FUN Technologies plc

NOTES TO THE PRELIMINARY UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended December 31, 2005

(Unaudited)

(Expressed in £000s except for per share amounts)

1. The preliminary unaudited consolidated results have been approved by the Company's Board of Directors and prepared under the historical cost convention and in accordance with applicable accounting standards using accounting policies that have been applied consistently.
2. Loss per share

	Three months ended Dec. 31		Twelve months ended Dec. 31	
	2005	2004	2005	2004
Loss for the period	(521)	(814)	(7,040)	(2,126)
Weighted average number of shares outstanding	50,013	24,754	50,013	24,754
Basic loss per share (in pence)	(1.0)	(3.3)	(14.1)	(8.6)

The financial information set out above does not constitute the Company's statutory accounts for the 52 weeks ended December 31, 2005. The information relating to the 52 weeks ended December 31, 2004 has been extracted from the 2004 Annual Report and Accounts, which received an unqualified auditors' report and have been delivered to the Registrar of Companies.