





**FUN Technologies Inc.**  
**January 11, 2007**

**Trading update**

TORONTO, ONTARIO - FUN Technologies Inc. ("FUN") (TSX:FUN) (AIM:FUN), one of the world's leading online and interactive casual games and fantasy sports providers, today provided the following trading update.

**Current Trading and Outlook**

Revenues for the year ending December 31, 2006 (including the FUN Technologies PLC revenue from January 1, 2006 to March 9, 2006 and the FUN Technologies Inc 2006 revenue) increased in excess of 80% over FUN Technologies PLC's 2005 revenue. This 2006 revenue estimate is unaudited and is subject to change in conjunction with our final close procedures and external audit.

Management is optimistic about the Company's prospects for 2007. 2006 was a year of significant milestones for FUN including the Liberty Media Transaction, the acquisition of a significant skill gaming competitor "Worldwinner" and our continued consolidation of companies in our FUN Sports group. As FUN looks forward, we anticipate that our 2007 revenue will be in line with analyst expectations. We expect our gross margin percentage for 2007 to be comparable to that of our three months ended September 30, 2006. The decline in gross margin percentage compared to pre-2006 levels and our current working capital position may require us to consider additional funding to carry out our business plan. Possible sources of that funding include non-core asset sales or debt or equity funding either from external sources or from the Company's parent, Liberty Media Corporation.

The Company, in keeping with Canadian GAAP requirements, is in the process of completing its annual goodwill impairment test as at December 31, 2006. Under Canadian GAAP, goodwill is not amortized and is tested annually for impairment. Given our share price and our estimated enterprise value as at December 31, 2006, the Company anticipates recognizing a non-cash impairment as at December 31, 2006. Although the impairment test has not been completed, the Company expects the resulting non-cash charge will be significant.

We will continue to focus on customer acquisition efforts in 2007, including licensing of mainstream branded games, continuing to maximize existing partner arrangements and direct marketing to consumers in a cost efficient manner. Management has been extremely pleased with the results of our Scrabble Cubes game and the TV and Online marketing campaign focused on this new game. We will be completing the consolidation of our Skill Game platform in 2007 which will allow us to leverage our combined player base.

FUN has acquired numerous businesses in the past two years and in 2007 we will continue to integrate these businesses to further realize cost savings including software platform synergies, marketing and personnel costs. The consolidation of our Skill Game platforms will allow us to be more efficient and effective with our marketing spend. Fun will continue to expand its operations and realize the available synergies; we anticipate our software development and selling, general and administrative expenses to reduce as a percentage of revenue in 2007.

The Company will continue to pursue complementary acquisitions in 2007 which are in line with the Company's growth strategy.

Commenting on today's announcement, Lorne Abony, Chief Executive Officer, said: "We are pleased with the significant milestones FUN has accomplished in 2006, and look forward to a year

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of substantial growth in 2007. This will be our first full year as a Liberty Media controlled company and we are optimistic that the benefits from our Liberty relationship will yield positive results in 2007".

**Forward Lookin74**

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