



FUN
TECHNOLOGIES

In the Media

Business

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Liberty Media buys some Fun

**Fun is GTA online
game developer**

**Deal for 51% share
\$195 million U.S.**

Liberty Media, an American holding company with various cable and Internet businesses, is buying 51 per cent of Toronto-based online game developer Fun Technologies in a deal valued at \$195 million (U.S.).

Created in June 2002 by two co-founders of CryptoLogic Inc., a Canadian software company that develops and runs online gambling systems, Fun Technologies provides online games to well-known companies such as AOL and MSN.

Fun Technologies also runs an interactive television game-show service for GSN, a U.S. cable-TV channel co-owned by Sony and Liberty Media, which also owns the QVC Inc. shopping network and other companies.

The friendly deal between Liberty and Fun, announced from London yesterday, sent Fun shares up 67 cents (Canadian) to \$6.22 on the Toronto Stock Exchange, a 12 per cent gain over the previous close.

In New York, Liberty's A shares closed at \$7.75 (U.S.), up six cents, on the New York Stock Exchange.

Under the multi-stage deal, Liberty, based in Englewood, Colo., will invest \$50 million in Fun by purchasing 10.5 million of its common shares directly

from its treasury.

In the second part of the deal, Liberty will issue a tender offer to buy 23.2 million existing shares at 360 pence to take its total ownership in a recapitalized Fun to 51 per cent.

The price of 360 pence was established as a 40 per cent premium to Fun's stock price in London as of Friday, Fun chief executive Lorne Abony said in an interview.

The shares closed yesterday at 312.50 pence in London, up 33 pence or 11.81 per cent for the day. At yesterday's currency exchange rate, the cash offer translates into about \$7.45 (Canadian) or \$6.16 (U.S.) per share.

If more than 23.2 million Fun shares are tendered to the offer, its shareholders will be paid partly in cash and partly in shares of the "new" Fun Technologies.

Fun currently employs 200 people, with its head office and research employees based in Toronto. It also has 80 employees at an office in Los Angeles, which does a lot of the back-end processing required to run online games for its customers.

"We're the market leader in two of the fastest-growing sectors in online gaming, namely skill gaming and fantasy sports," Abony said in an interview.

Skill gaming involves wagering cash on any game that's not a game of chance or luck — games like chess, checkers, solitaire, spelling games.

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