

Gamania Reports 2005 Audited Financial Result

Gamania Digital Entertainment Co., Ltd. today announced its 2005 audited financial results. For 2005, Net Sales Revenue was NT\$1,852.47 million, while Operating Revenue was NT\$227.46 million, and Net Loss Before Tax was NT\$206.0million and EPS after tax was -1.77. Audited financial results in 4Q05 were: sales revenue was NT\$551.29 million (increased 23.03% QoQ and 25.46 % YoY), and operating income was NT\$66.82 million (increased 29.71% QoQ and 20.58% YoY). The better operating performance was mainly driven by our new game "Maple story." However, to expand Asian on-line game market as well as to increase our product portfolio, in 2004 the investment to Taiwan Index was conducted to obtain the MMORPG "Seal online". At the same time, one of the three largest MMORPGS in European and American market, the EQII, was in our product portfolio retargeted to Asian market as "EQII East" through strategic alliance with Sony Online Entertainment. However, due to the bursting casual game titles in the second half of 2005, the "Seal online" was impacted.

Besides, in a conservative fashion reflecting the mismatch of expectation of EQII East around Asia, the Taiwan's GAAP No.35 was applied in 4Q by recognizing the licensing fees of "Seal on line" and "EQII East". Operation of China and Korea subsidiary was also scaled down concerning their operational inefficiency. Overall result was a Net Loss of NT\$226M. The impairment losses were balance sheet items, which had limited impact on company's cash flow and operations.

Foreseeing the 2006, with the heating of sales revenue from Maple Story, which created historical revenue record in February and a 47.63% YoY increase in accumulated sales revenue, plus upcoming in-house games scheduled in the second half of this year, the operational performance is expected to rise.

Unit :(NT\$1,000)

Item	FY 2005 audited F/S
Net Sales Revenue	1,852,468
Gross Profit	927,192
Operating Income	227,458
Net Income before tax	(205,981)
Net Income after tax	(260,033)
EPS (NT\$, after tax)	(1.77)