

Gamania Reports 2005 Third Quarter Financial Results

TAIPEI, Taiwan, October 28, 2005 – Gamania Digital Entertainment Company today announced its third quarter audited financial results ended September 30, 2005.

Third quarter net sales revenue was NT\$448.1 million while gross income and operating income were NT\$225.5 million and NT\$51.5 million, respectively. For first three quarters in 2005, accumulated net sales revenue was NT\$1,301.2 million; while accumulated gross profit and operating income were NT\$ 661.9 million and NT\$160.6 million, respectively. Accumulated net income before tax was NT\$20.1 million and accumulated EPS before tax was NT\$0.14.

With successful launch of our new casual game 「 Maple Story 」, our net sales revenue increased 12.0% QoQ, while gross profit and net profit increased 11.7% QoQ and 46.7% QoQ respectively. However, increased R&D expenses, risen promotional expenses for our three newly launched online games; and increased marketing expenses of 「 EQ II East 」 in China, Hong Kong, and Korea; as well as worse than expected performance of 「 EQ II East 」 all negatively impacted our overall earnings result in third quarter.

2005 1Q~3Q Audited Financial Results:

Item	1~3Q(2005)		1~3Q(2004)	
	Amount	%	Amount	%
Unit:NT\$ thousand				
Sales revenue	1,301,176	100.00%	1,501,733	100.00%
Gross Profit	661,914	50.87%	777,943	51.80%
Operating Income	160,643	12.35%	320,831	21.36%
Net Income before tax	20,105	1.55%	82,991	5.53%
Net Income after tax	(24,351)	-1.87%	100,824	6.71%