



Gamania Reports Financial Results for the 9-month period ended Sep. 30, 2008

Taipei, Taiwan, R.O.C., Oct 27, 2008 — Gamania Digital Entertainment Co., Ltd. (OTC: 6180) today announced its consolidated revenues of NT\$2,847,344 thousand, gross margin of \$1,412,434 thousand with gross margin rate 49.61%, operating income of \$294,558 thousand, and consolidated after-tax income of NT\$246,226 thousand; its unconsolidated revenues of \$2,280,536 thousand, gross margin of \$1,109,901 thousand with gross margin rate 48.67%, operating income of \$355,955 thousand, net income of \$248,866 thousand, and earnings per share (EPS) \$1.62 for the 9-month period ended Sep 30, 2008 based on reviewed financial statements.

<Exhibit 1: Consolidated Financial Results>

Unit: NT\$ Thousand, except EPS	1Q08~3Q08	1Q07~3Q07	YoY
Operating Revenues	2,847,344	2,628,124	8.34%
Operating Cost	(1,434,910)	(1,296,201)	10.70%
Gross Margin	1,412,434	1,331,923	6.04%
Operating Expenses	(1,117,876)	(925,348)	20.81%
Operating Income	294,558	406,575	-27.55%
Non-operating Income (Expenses)	22,650	3,095	631.83%
Profit before Income Tax	317,208	409,670	-22.57%
Income Tax Benefit (Expenses)	(70,982)	(81,783)	-13.21%
Consolidated Net Income Attributable to	246,226	327,887	-24.91%
Minority Interest	(2,640)	(1,270)	107.87%
Shareholders	248,866	329,157	-24.39%
Earnings per Share(NT\$)	1.62	2.22	-

Source: Reviewed consolidated financial statements for the 9-month period ended Sep 30, 2007 and 2008.

<Exhibit 2: Unconsolidated Financial Results>

Unit: NT\$ Thousand, except EPS	1Q08~3Q08	1Q07~3Q07	YoY
Operating Revenues	2,280,536	2,160,115	5.57%
Operating Cost	(1,170,635)	(1,115,746)	4.92%
Gross Margin	1,109,901	1,044,369	6.27%
Operating Expenses	(753,946)	(604,035)	24.82%
Operating Income	355,955	440,334	-19.16%
Non-operating Income (Expenses)	(43,488)	(38,111)	14.11%
Profit before Income Tax	312,467	402,223	-22.31%
Income Tax Benefit (Expenses)	(63,601)	(73,066)	-12.95%
Net Income	248,866	329,157	-24.39%
Earnings per Share(NT\$)	1.62	2.22	-

Source: Reviewed unconsolidated financial statements for the 9-month period ended Sep 30, 2007 and 2008.



The consolidated revenues for the 9-month period ended Sep 30, 2008 increased 8.34% year-over-year based on contribution from releasing new titles and expansion packs and the popularity of the self-developed titles in Japan market such as “**Bright Shadow**” and “**Lucent Heart**”. In addition, the annual growth of revenues of Gamania Hong Kong and Gamania Japan both hit historical high, achieving 51.61% and 44.86%, respectively. Further, the net income of Gamania Hong Kong surged 61.97% year-over-year, along with the operation of Gamania Japan already turned profitable. The consolidated gross margin rate was 49.61%, compared to the margin rate 50.68% for the same period last year, mainly due to the change of product mix. Facing the rising rivalry of the online gaming market, Gamania adopted and implemented diversified product strategy to expand the client base; meanwhile, in order to deploy *East Asian* regions, Gamania also strengthened its R&D capacity gradually. Due to the abovementioned factors, in addition to the influence on recognizing employees’ bonus as expenses, the consolidated operating expenses rate increased compared to the same period last year. The net income for the 9-month period ended Sep 30, 2008 achieved NT\$248,866 thousand and EPS reached NT\$1.62. The net income for the third quarter of 2008 achieved NT\$73,668 thousand, with the quarter-over-quarter increase of 15.78%, mainly benefited from the seasonality of summer vacation.

Based on the current business outlook, three-kingdom MMOG “**Chi-bi**”, launched in Sep 2008 with the peak-concurrent-user over 26,000 and the total registered member about 300,000, may contribute the revenues for the forth quarter of 2008. Further, Gamania prepares to launch the new MMOG “**Atlantica**” (*awarded the best 2008 tactical MMOG in Korea*) and release the new episode of flagship title “**Lineage 1**” in the first quarter of 2009. The managerial level expects the quality titles and new expansion to create solid revenue contribution and sustain the growth momentum for the future.