

**Confidential**



**Have a Good GAME!**

# **Gamania Digital Entertainment**



**Chief Finance Officer  
Hank Su**

# Disclaimer



**This presentation material contains forward-looking statements and information. Forward-looking statements are statements that are not historical facts, including statements about our beliefs and expectations. Any statement in this presentation material that states our beliefs, expectations, predictions or intentions is a forward-looking statement. These statements are based on plans, estimates and projections as they are currently available to the management of Gamania Digital Entertainment Co., Ltd. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events, or otherwise. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement.**

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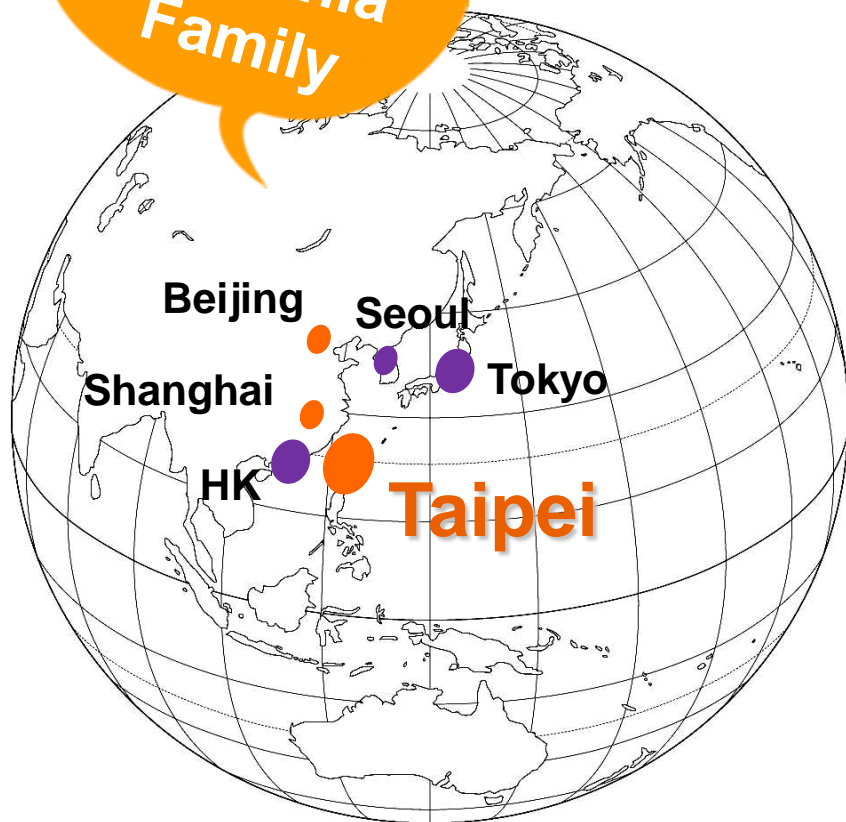


# **Company Overview**

# Leading Online Game Service Provider



Gamania  
Family



- Game Operating & Developing Business
- Game Operating Business

## Snapshot

- Online game operator and developer
- Headquarters in Taipei
- Branches in Taiwan, Tokyo, HK, Beijing, Shanghai, & Seoul
- Listed in 2002 ([6180.TT](#))
- Capital about US\$47m
- Employees around 1,200

## Main Game Titles

- Operates **20** MMOGs, “Lineage” & “Maple Story” are flagship titles
- Operates **15** Casuals, “CSO”, “Kart Rider”, “BnB”, & “Getamped” are popular
- Launched **14** new titles in 2008 and plans to launch more new titles in 2009

\* The conversion rate is based on USD\$1.00 =NTD\$33.917 as published by Central Bank of the ROC (Taiwan) on Mar 31, 2009

# Major Operating Sites' Profile



**Entity Name**



<b>1. Setup Time</b>	<b>1995</b>	<b>2000</b>	<b>2001</b>	<b>2004</b> <i>(Invested)</i>
<b>2. Location</b>	<b>Taipei</b>	<b>Hong Kong</b>	<b>Tokyo</b>	<b>Taipei</b>
<b>3. Business</b>	<b>Game Operator &amp; Developer</b>	<b>Game Operator</b>	<b>Game Operator</b>	<b>Game Operator</b>
<b>4. Capital</b>	<b>USD\$47m</b>	<b>USD\$5m</b>	<b>USD\$3m</b>	<b>USD\$3m</b>
<b>5. Employees</b>	<b>750</b>	<b>61</b>	<b>77</b>	<b>93</b>
<b>6. MMOG titles</b>	<b>12</b>	<b>16</b>	<b>7</b>	<b>5</b>
<b>7. Casual titles</b>	<b>10</b>	<b>12</b>	<b>0</b>	<b>4</b>

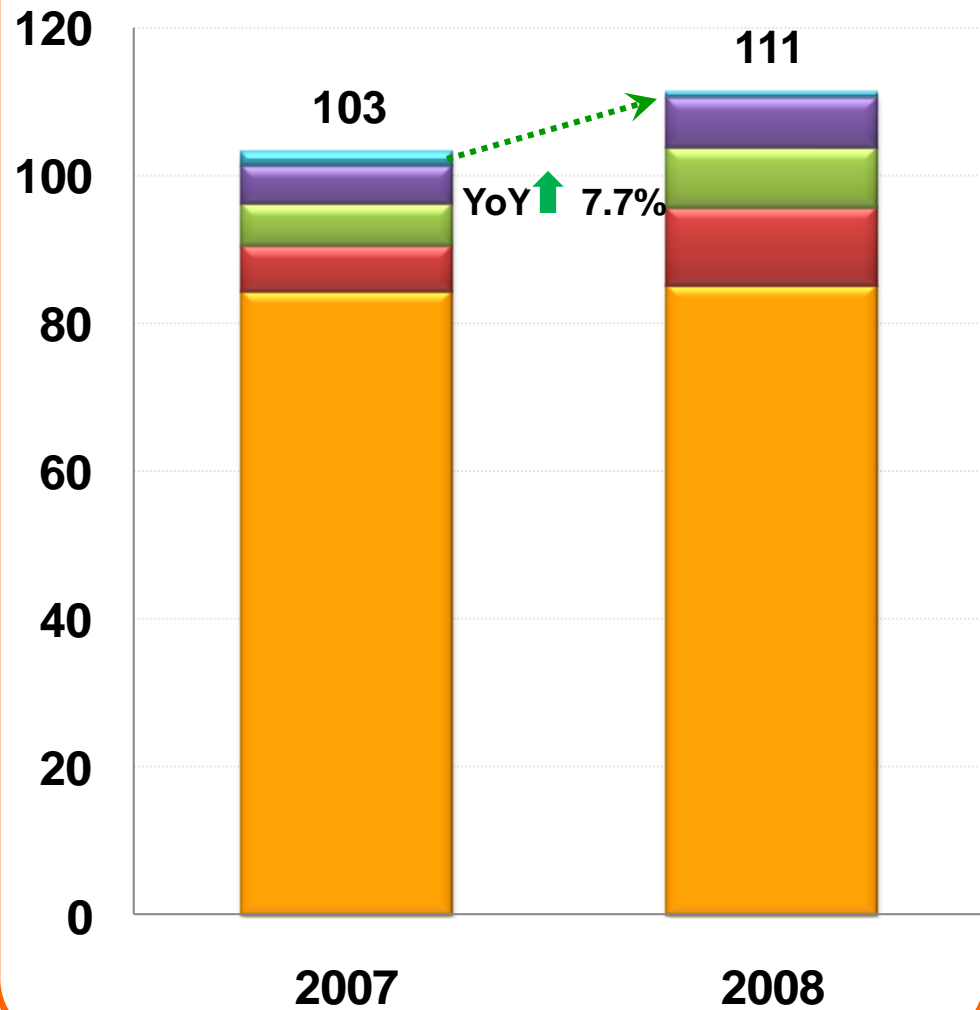
Source: Company Data

\* The conversion rate is based on USD\$1.00 =NTD\$33.917/HKD\$7.7501/JPY\$98.330 as published by Central Bank of the ROC (Taiwan) on Mar 31, 2009

# Annual Revenue by Operating Sites

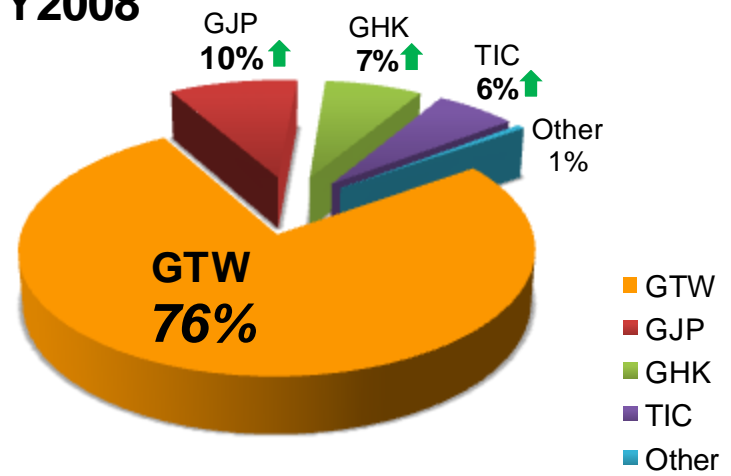


USD \$m    ■ Other   ■ TIC   ■ GHK   ■ GJP   ■ GTW

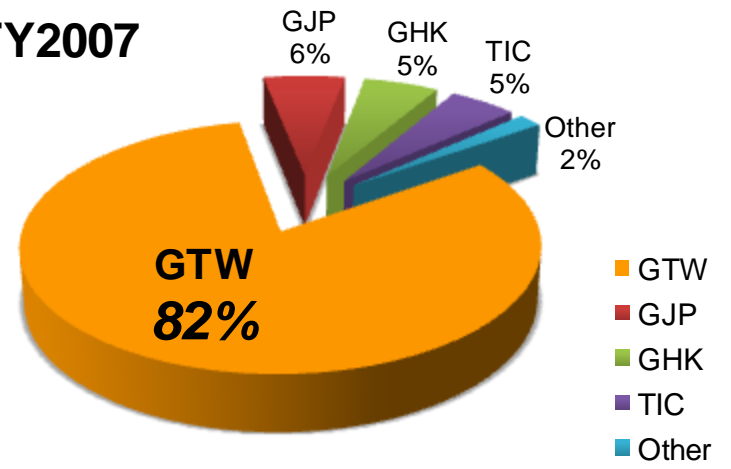


Source: Company Data

**FY2008**



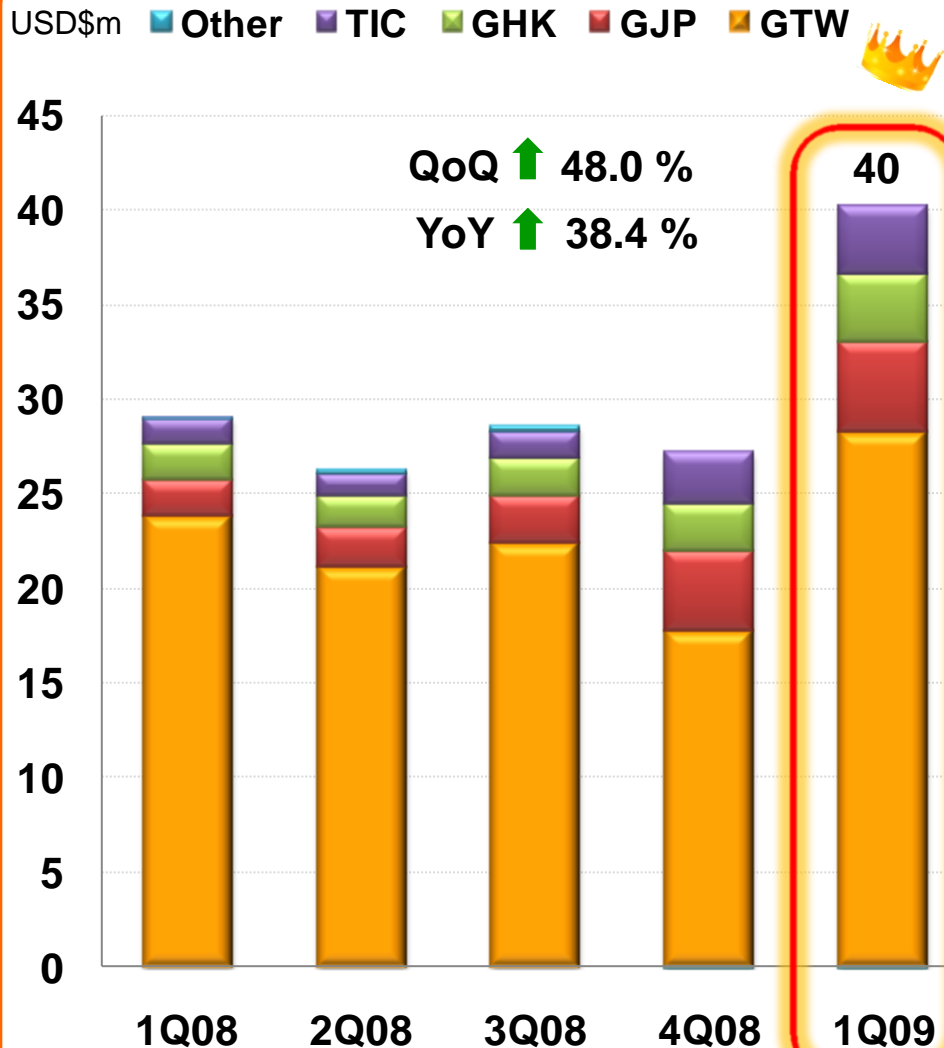
**FY2007**



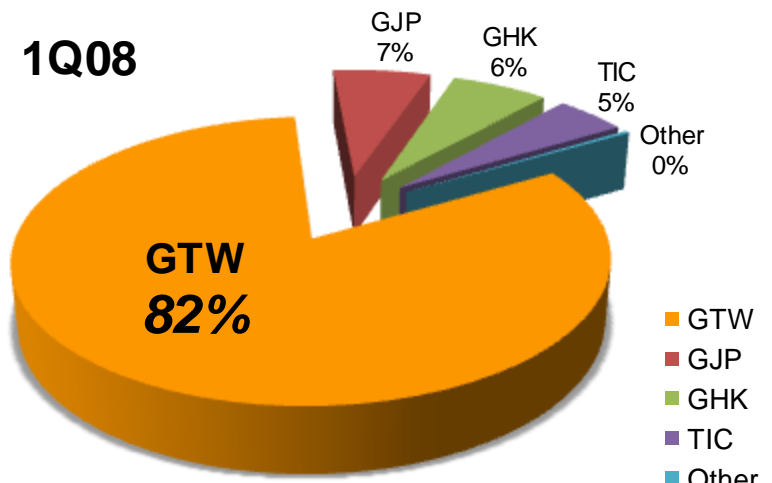
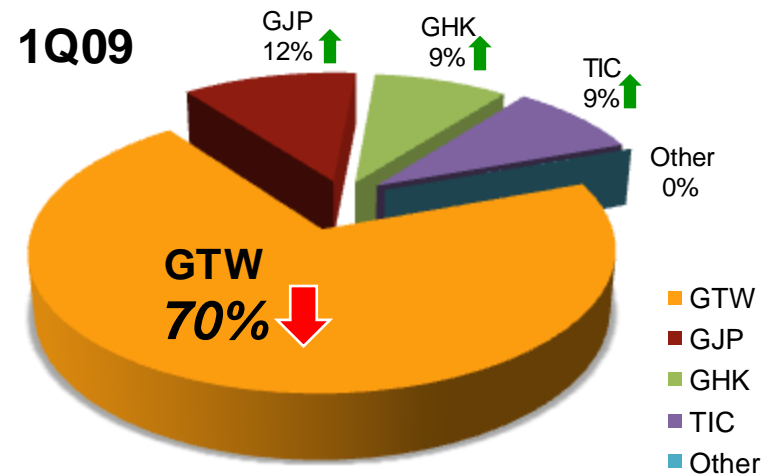
Source: Company Data

\*The conversion rate is based on USD\$1.00 = NTD\$33.917 on Mar 31, 2009

# Quarterly Revenue by Operating Sites



Source: Company Data



Source: Company Data



# Milestones



1995 ~ 2000

- Headquartered in Taipei in 1995
- Launched first self-developed PC game “Convenience Store”
- Established Gamania corporate logo
- **“Convenience Store”** was granted **“The Best Game”** by Taipei Computer Association
- Launched first Massively Multi-player online game (MMOG) **“Lineage”** in 2000

2001 ~ 2005

- **“Lineage”** was granted the **“The Best Online Game”** by Taipei Computer Association
- Gamania logo was granted **“The Golden Award”** in Taiwan
- Gamania logo was granted **“The Golden Award”** and posted in China CIS Year Book
- **“Hero 108”** was granted **“Digital Content Prototype Design Award: Animation”**
- Launched **“Maple Story”** in 2005 and successfully attract the young users

2006 ~ Now

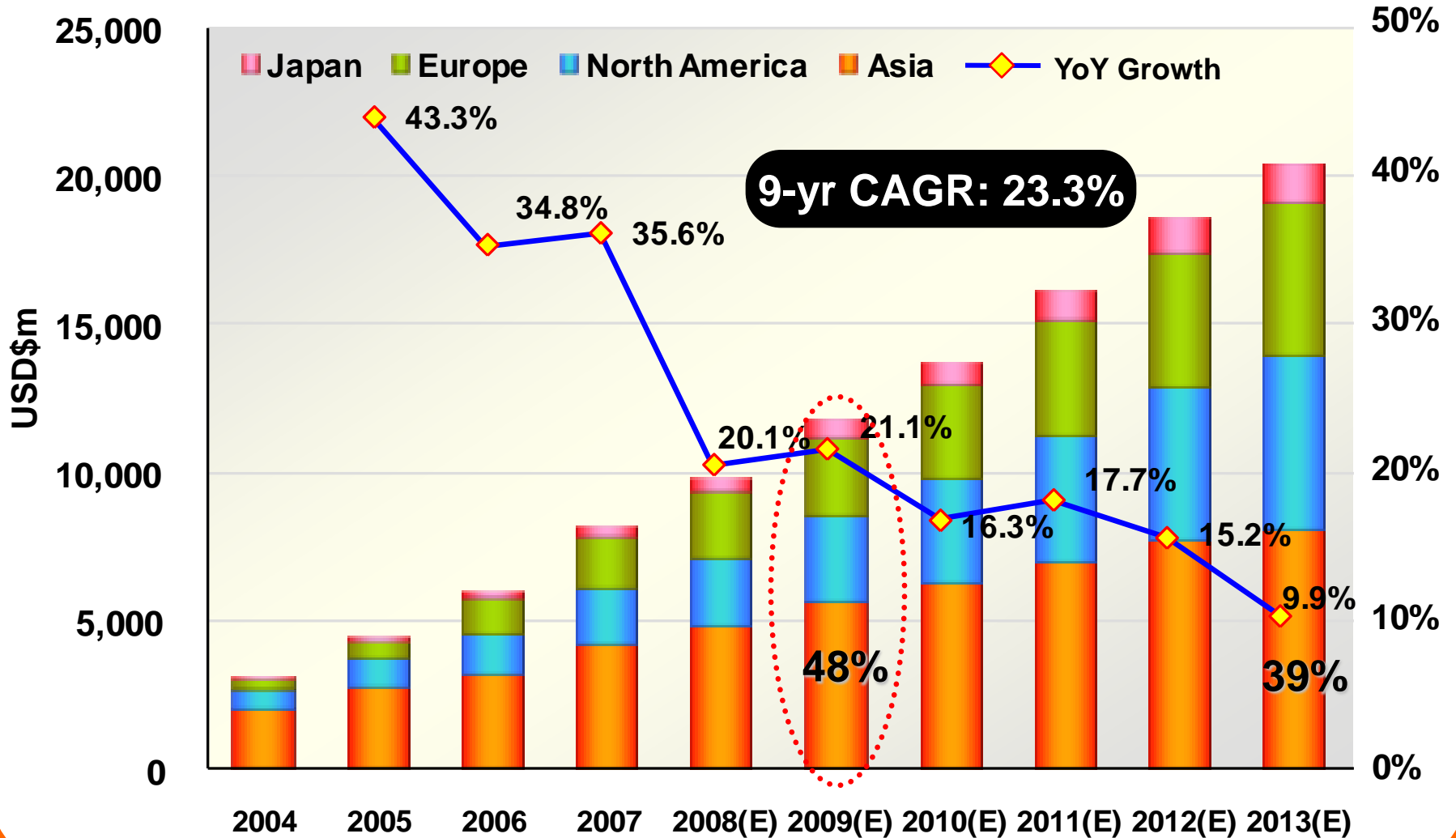
- **“Zodiac”** was granted the **“Digital Content Prototype Design Award: Online Game”**
- Launched casual game “Kart Rider”
- Launched first self-developed MMOG **“Bright Shadow”**
- Launched self-developed MMOG “Zodiac” & “SianMoDao”
- **“gamania.com”** ranked Top 4 in online entertainment and Top 35 in Taiwan Web100, granted by Business Next
- Gamania was granted **“Taiwan Superior Brands”** by Bureau of Foreign Trade, Ministry of Economic Affairs.





**Industry Introduction**

## Global Online Game Market Scale



Source: DFC Intelligence (2008)

# Overview of 2008 Global Market

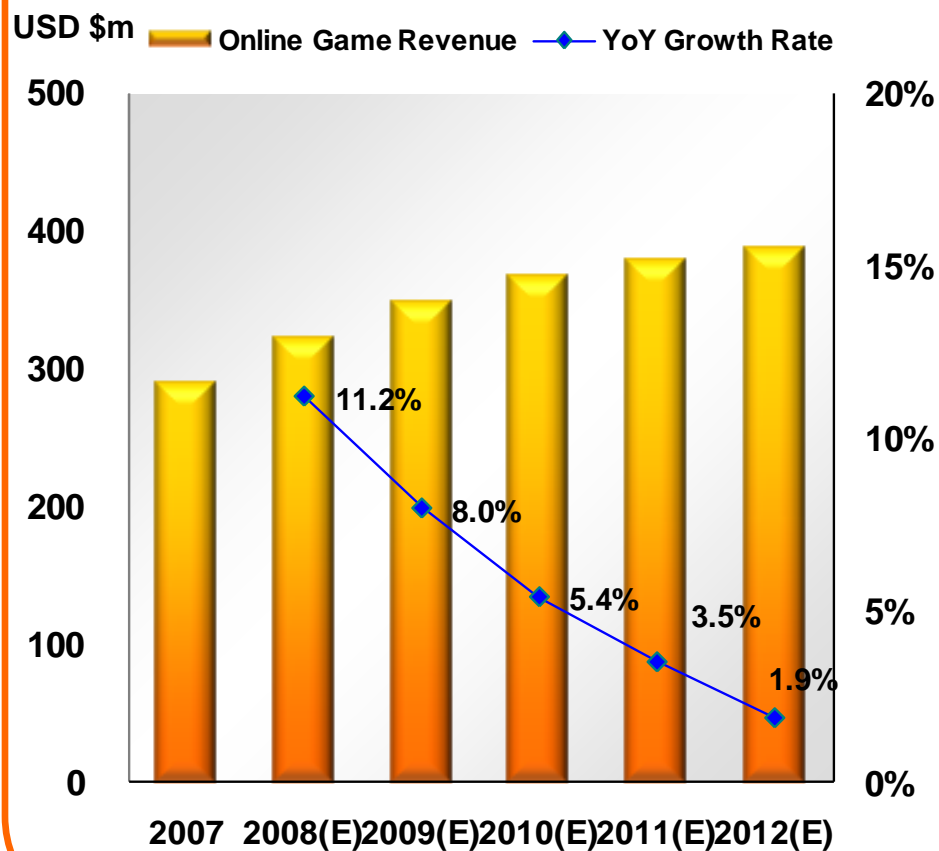


<b>Region</b>	<b>08 Market Scale (USD \$m)</b>	<b>Composition</b>	<b>CAGR (2008-2012)</b>
<b>North America</b>	<b>2,318</b>	<b>23.9%</b>	<b>22.2%</b>
<b>Europe</b>	<b>2,194</b>	<b>22.6%</b>	<b>20.2%</b>
<b>China</b>	<b>1,914</b>	<b>19.7%</b>	<b>15.8%</b>
<b>Korea</b>	<b>1,088</b>	<b>11.2%</b>	<b>5.4%</b>
<b>Japan</b>	<b>450</b>	<b>4.6%</b>	<b>27.2%</b>
<b>Taiwan</b>	<b>322</b>	<b>3.3%</b>	<b>4.7%</b>
<b>South East Asia</b>	<b>175</b>	<b>1.8%</b>	<b>16.5%</b>
<b>Other</b>	<b>1,256</b>	<b>12.9%</b>	<b>14.1%</b>
<b>Total</b>	<b>9,717</b>	<b>100.0%</b>	<b>17.6%</b>

Source: DFC Intelligence (2008) & IDC (2008)

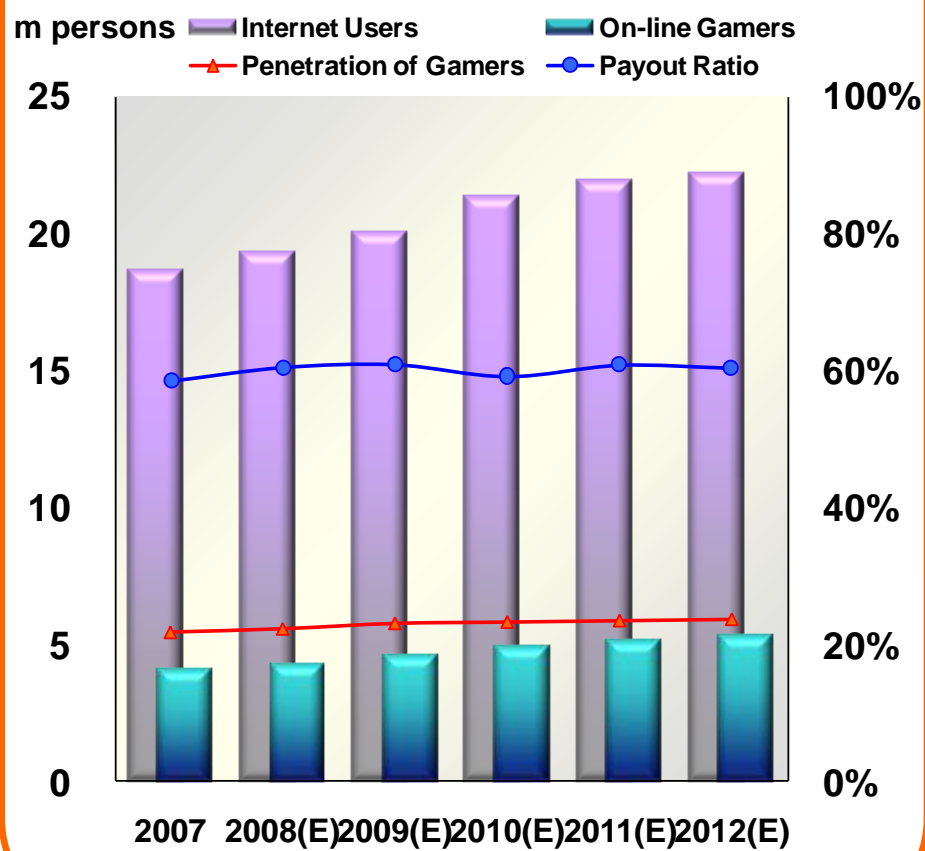
# Taiwan Market

## Taiwan Online Game Market



Source: IDC (2008)

## Internet Users vs. Online Gamers

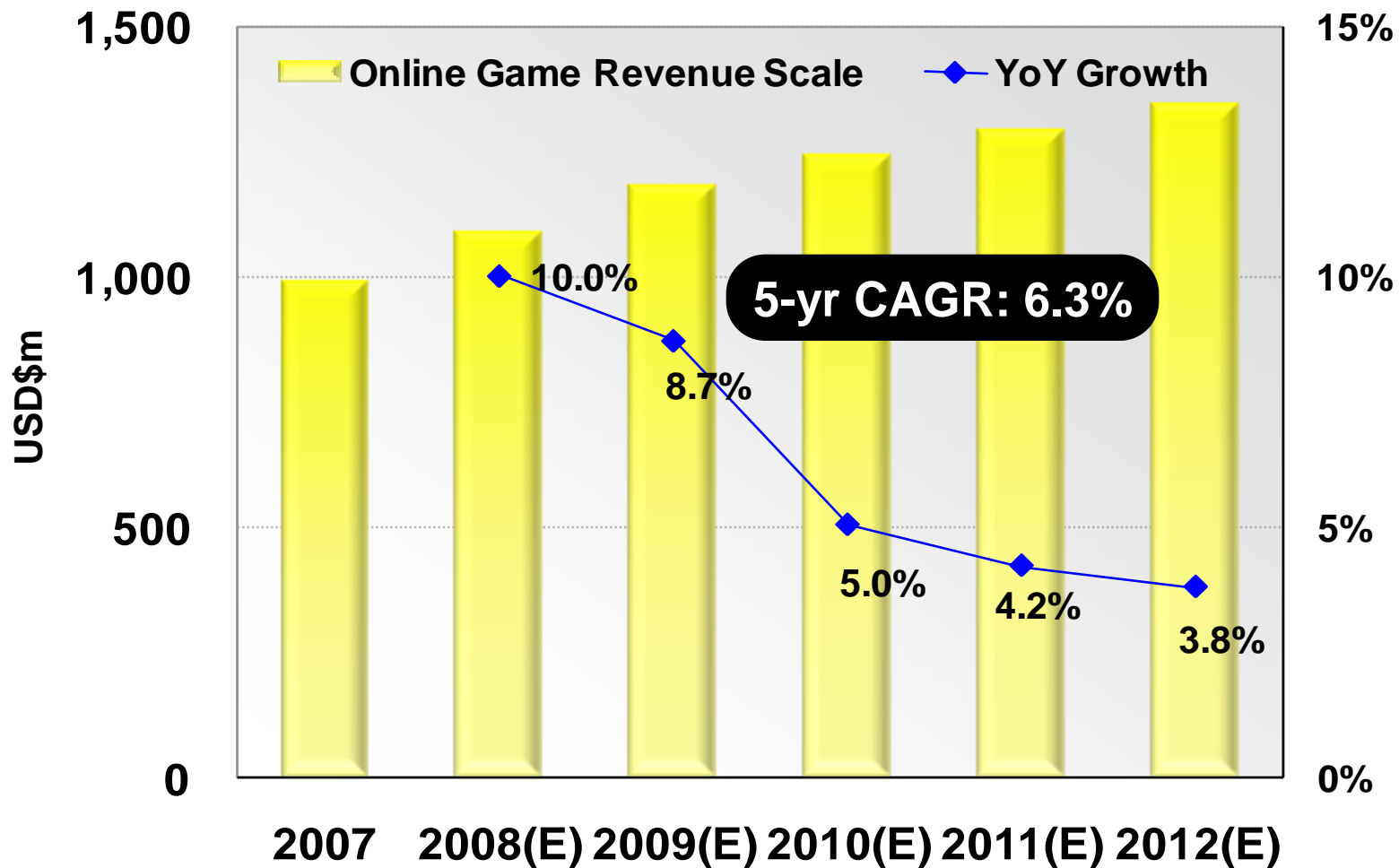


Source: IDC (2008)

# Korea Market



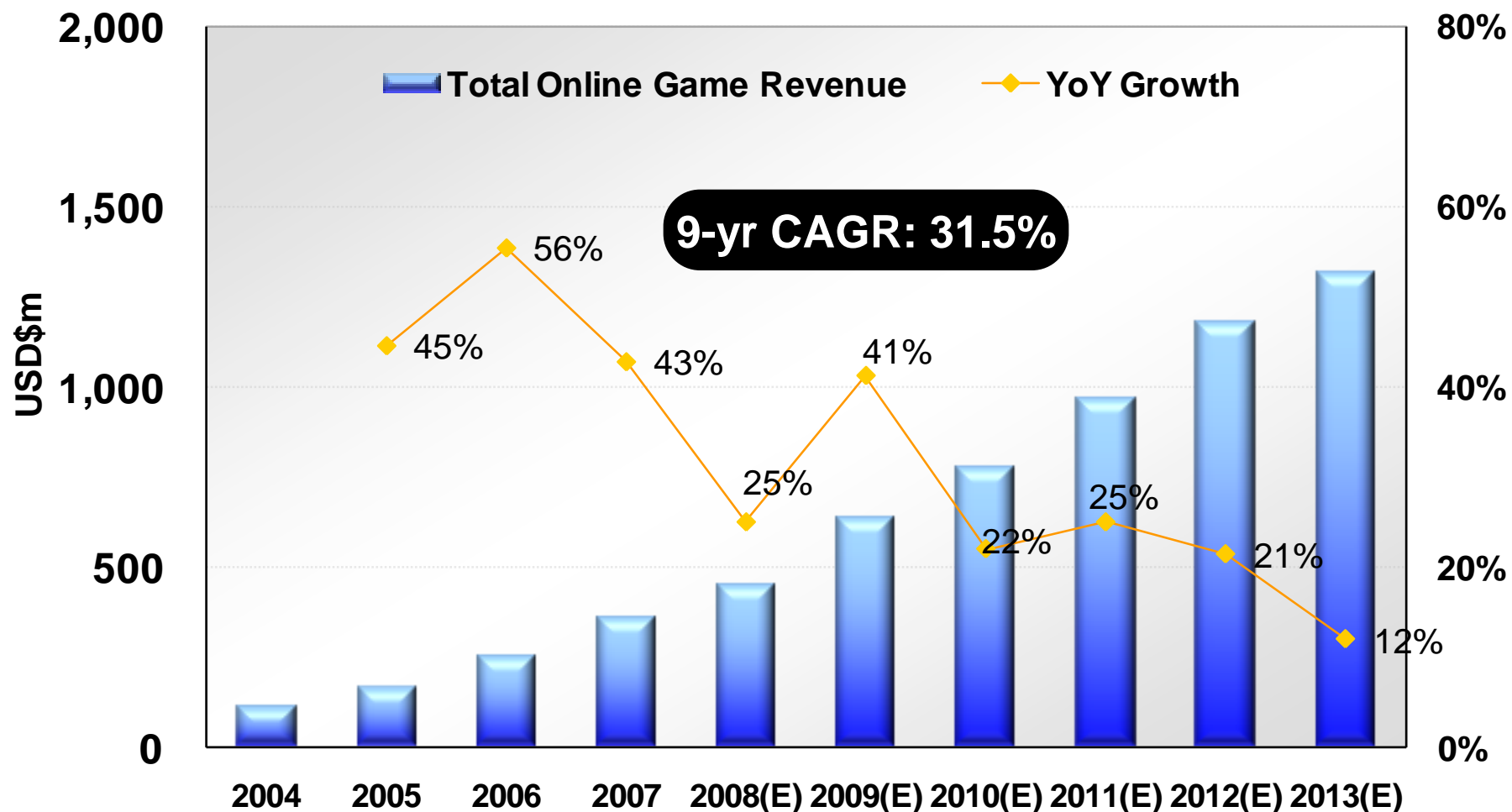
## Korea Online Game Market Scale



Source: IDC (2008)

# Japan Market

## Japan Online Game Market Scale

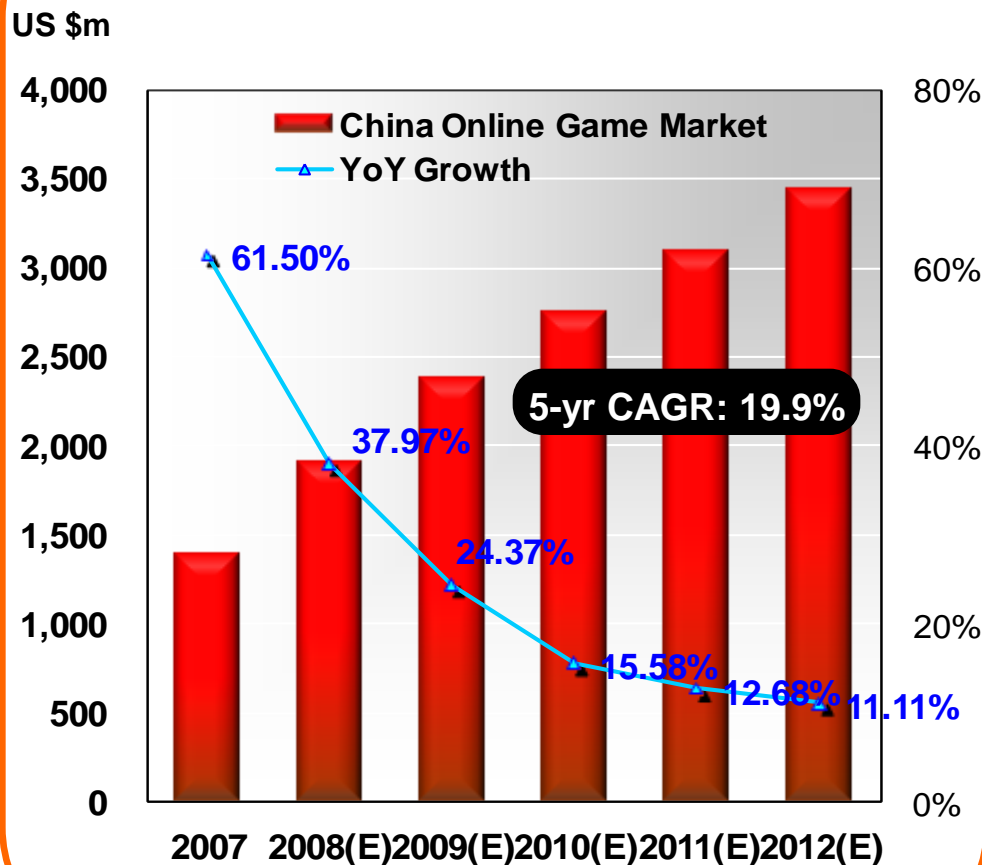


Source: DFC Intelligence (2008)

\* The survey excluded the game revenues created by communication devices such as mobile

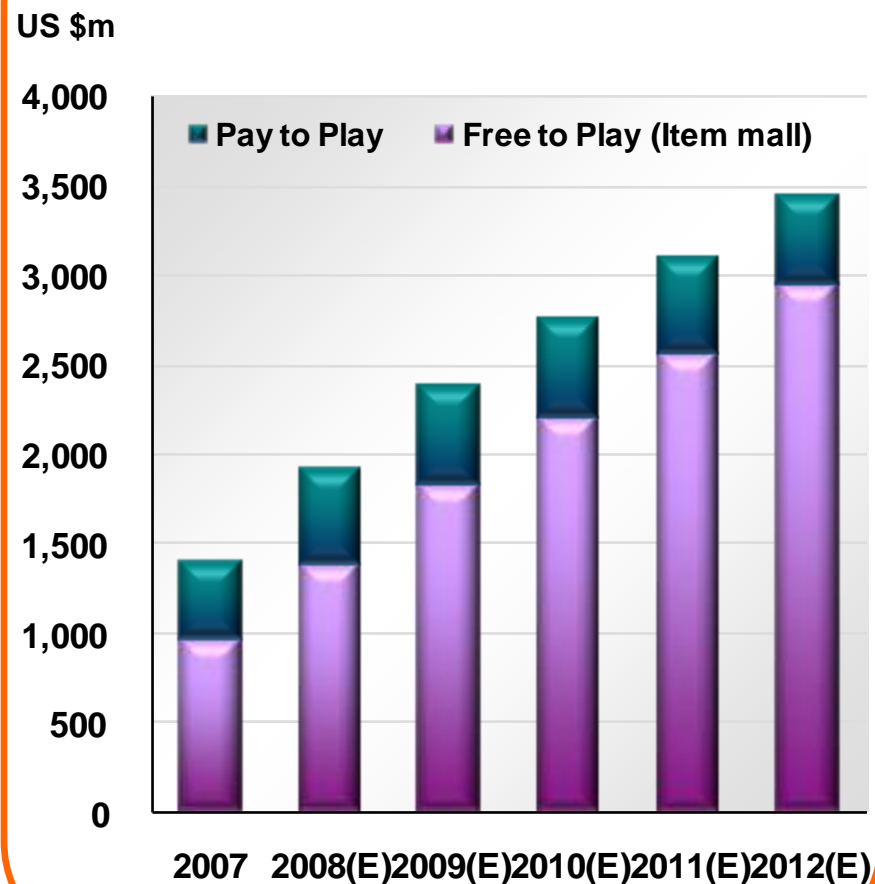
# China Market

## China Online Game Market Scale



Source: IDC (2008)

## Revenue by Payment Model



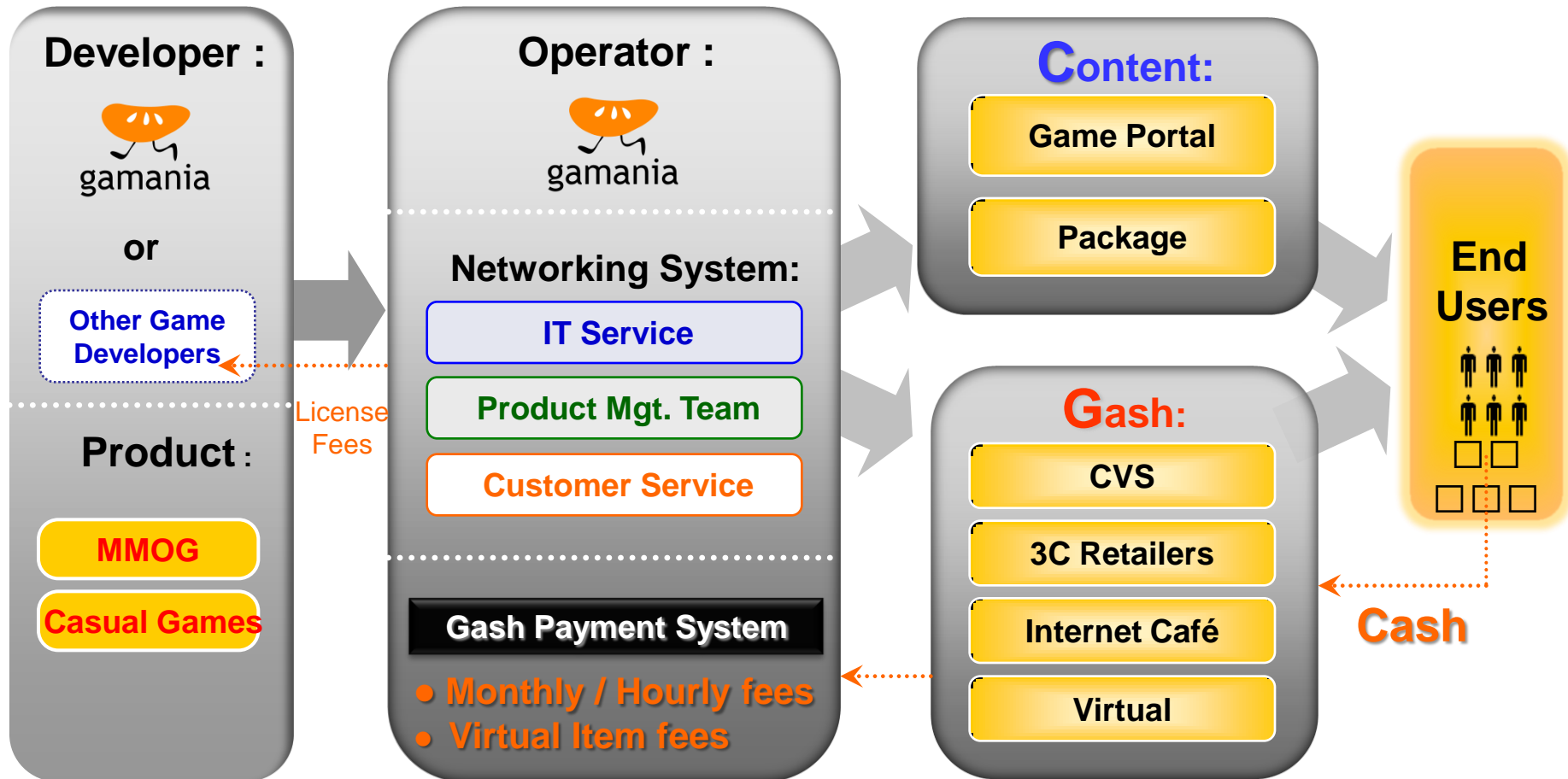
Source: IDC (2008)





**Operating Performance**

# Business Model



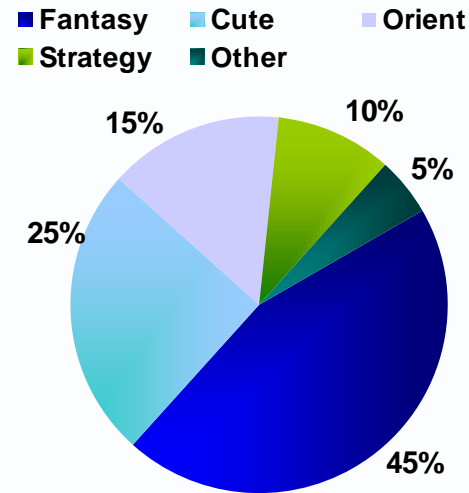
# Game Titles and Genres Breakdown



MMMOG

<b>Lineage (NCsoft)</b>	Holy Beast (Easy Fun)	<b>SianMoDao (Alibangbang)</b>
Gersang (Joyon)	Fantasy Earth Zero(SquareEnix)	<b>Chi bi (Perfect World)</b>
Laghaim (Nako)	R2 (NHN)	THOS (Aramaru)
N-age (Cedar)	<b>Bright Shadow (Gamania)</b>	Pandora Saga (Gonzo Rosso)
<b>Mabinogi (Nexon)</b>	TianJi (Ferry Game)	<b>Xin Sian (Pixel Soft)</b>
<b>Maple Story (Nexon)</b>	<b>Zodiac (Playcoo)</b>	Atlantica (Ndoors)
Dream of Mirror (Softstar)	Millennium Promise(Youxiland)	

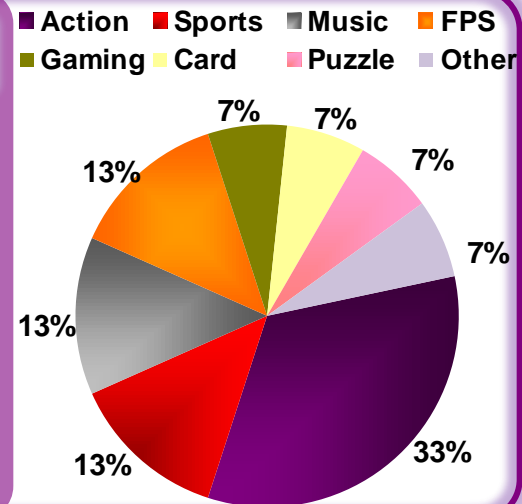
**Total:20 titles**



Casual

Heat Project (Doobic)	<b>Art of War (GNI &amp; Gamania)</b>	Kuso Party (WizQ)
<b>Getamped (CyberStep)</b>	Groove Party (Hanbit Soft)	
Grand Chase (KOG)	<b>Counter Strike (Valve/Nexon)</b>	
<b>Crazy Arcade BnB (Nexon)</b>	Slugger (Neowiz)	
Dancing (9you)	Alteil (Gamepot)	
<b>Kart Rider (Nexon)</b>	Atrix (NCsoft)	
<b>Glanding–Gaming Platform</b>	Tales of Heroes (Winking)	

**Total:15 titles**



■ Titles with monthly revenue over USD\$1.5m (~ NTD\$50m)  
■ Titles with monthly revenue from USD\$0.3m to \$1.5m (~ NTD\$10m to NTD\$50m )  
■ **Name** Titles developed or co-developed by Gamania Group

# Major Game Titles' Solid Performance

## Lineage

*Popular MMOG with long lifespan*

- Fantasy style 2D MMORPG
- Licensed from NCsoft
- Over **8** years life-span
- Subscription based  
*(USD\$11/month; USD\$0.6 for 12hrs)*
- Members > 6m
- Current PCU: 150,000



## Maple Story

*Best RPG for pupils & parents*

- Cute style 2D MMORPG
- Licensed from Nexon
- Over **3** years life-span
- Free to play (Item mall)
- Members > 9m
- Current PCU: 90,000



## Counter Strike

*Exciting FPS with Creative Mode*

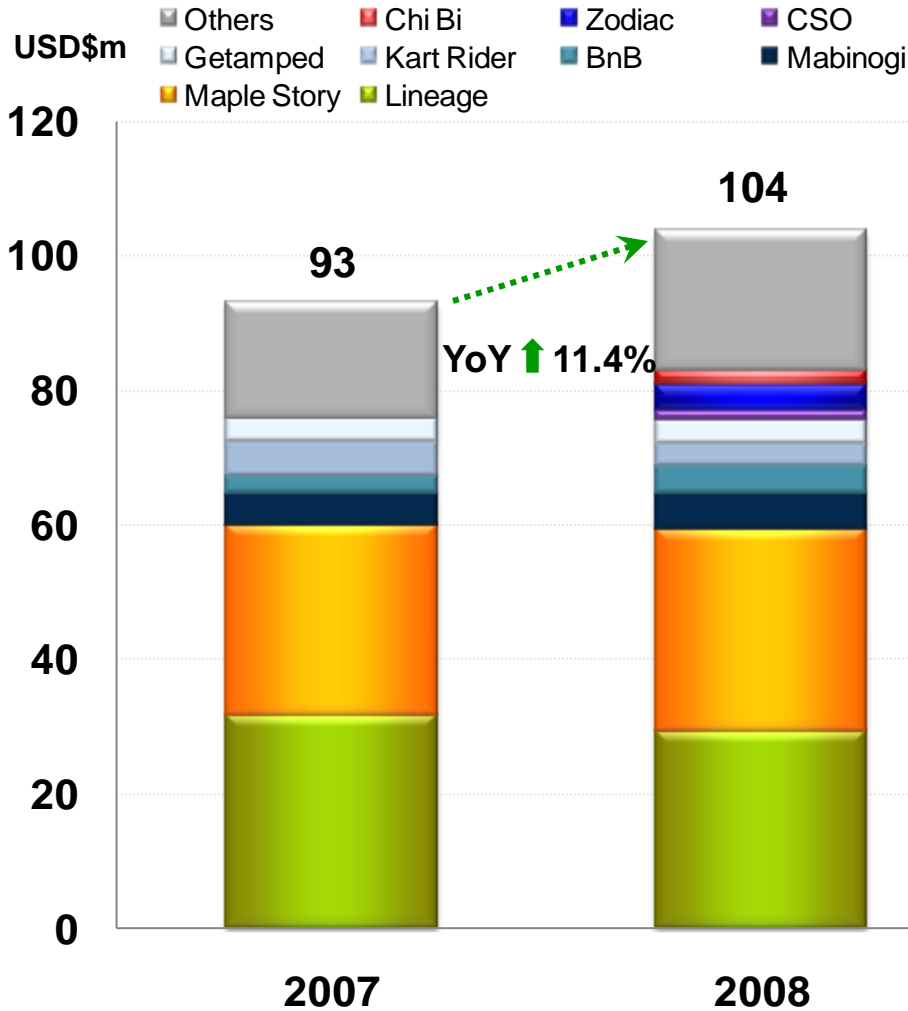
- 3D FPS (*First Person Shooter*)
- Licensed from Nexon/Valve
- Under **1** year life-span
- Free to play (Item mall)
- Members > 3m
- Current PCU: 60,000



# Annual Online Revenue by Major Titles

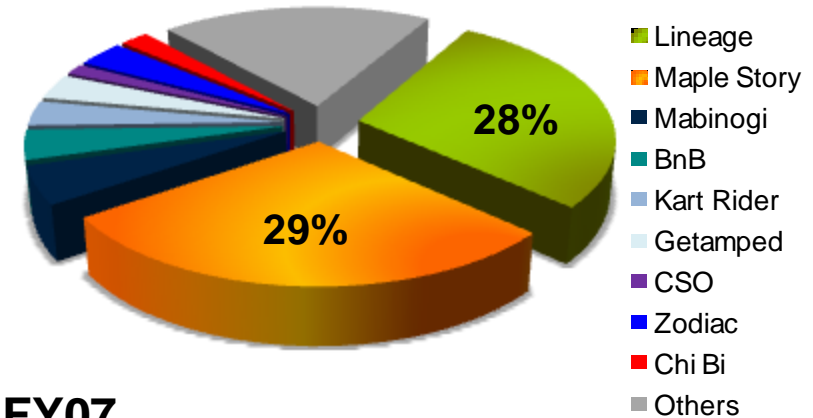


## Online Revenue

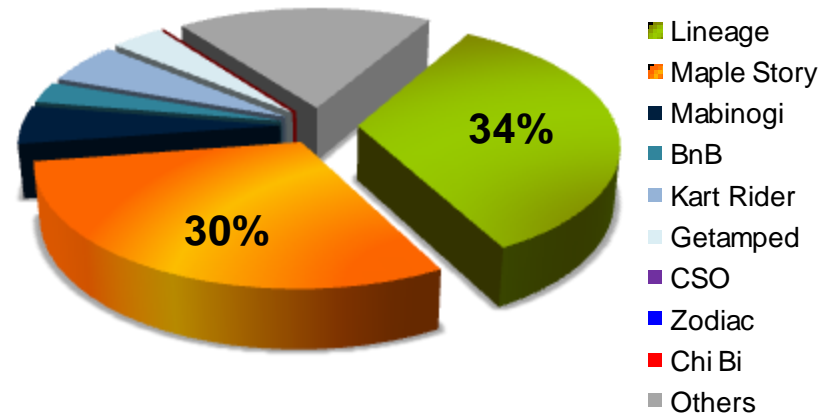


Source: Company Data

## FY08



## FY07

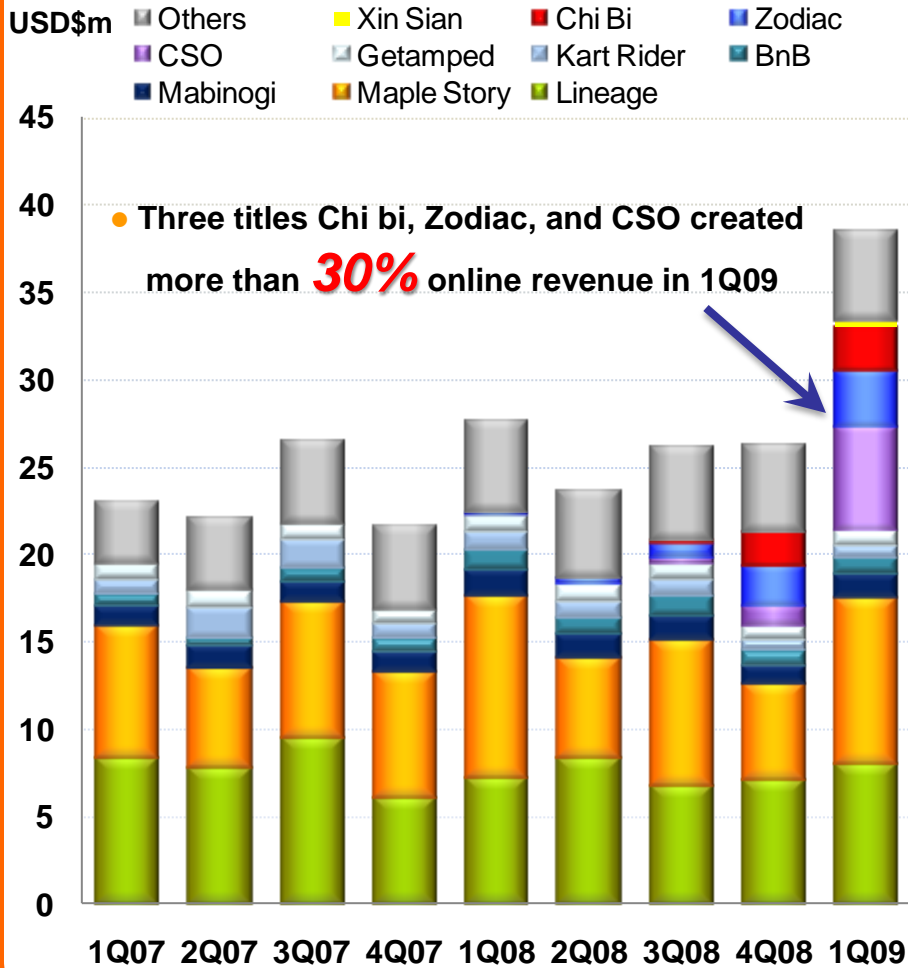


Source: Company Data

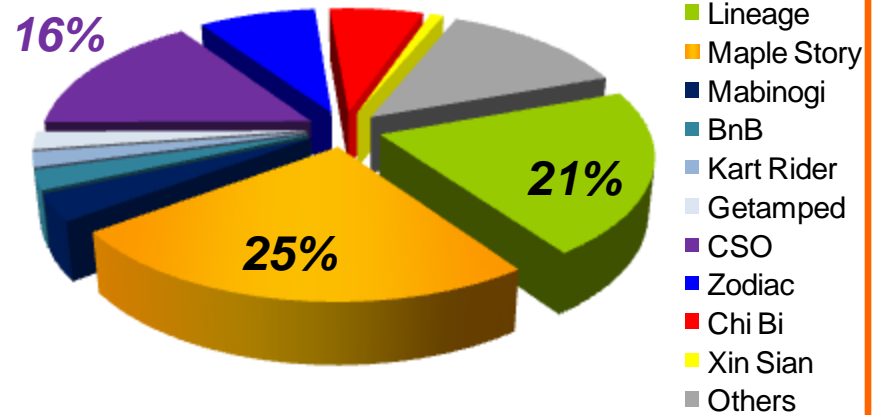
# Diversification Sustains Future Growth



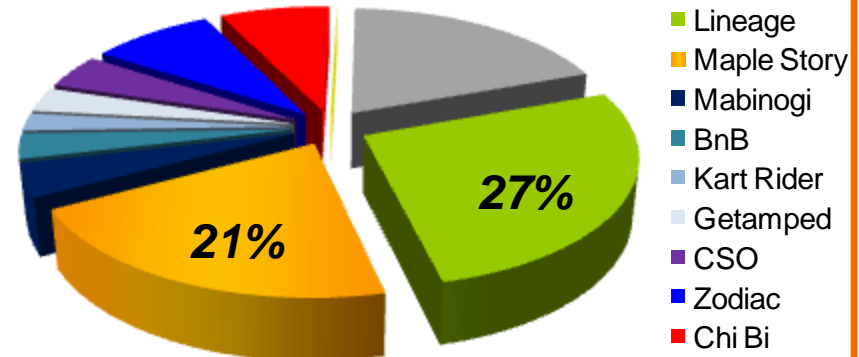
## Online Revenue



## 1Q09



## 4Q08

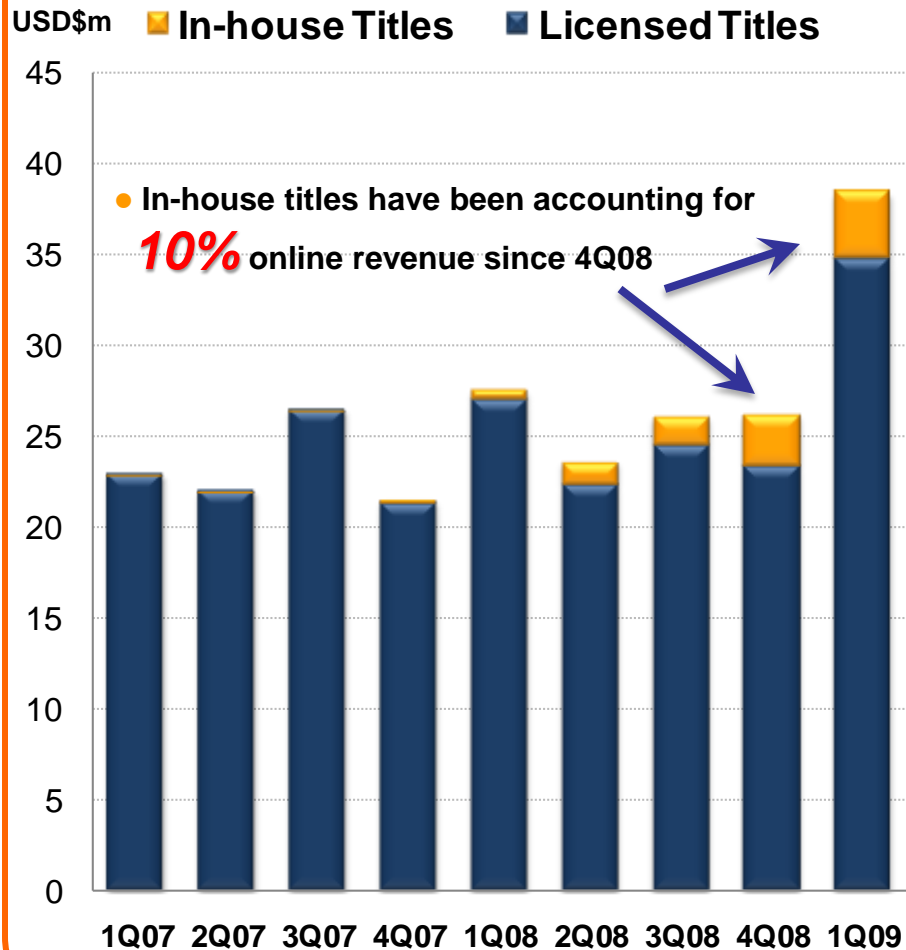


Source: Company Data

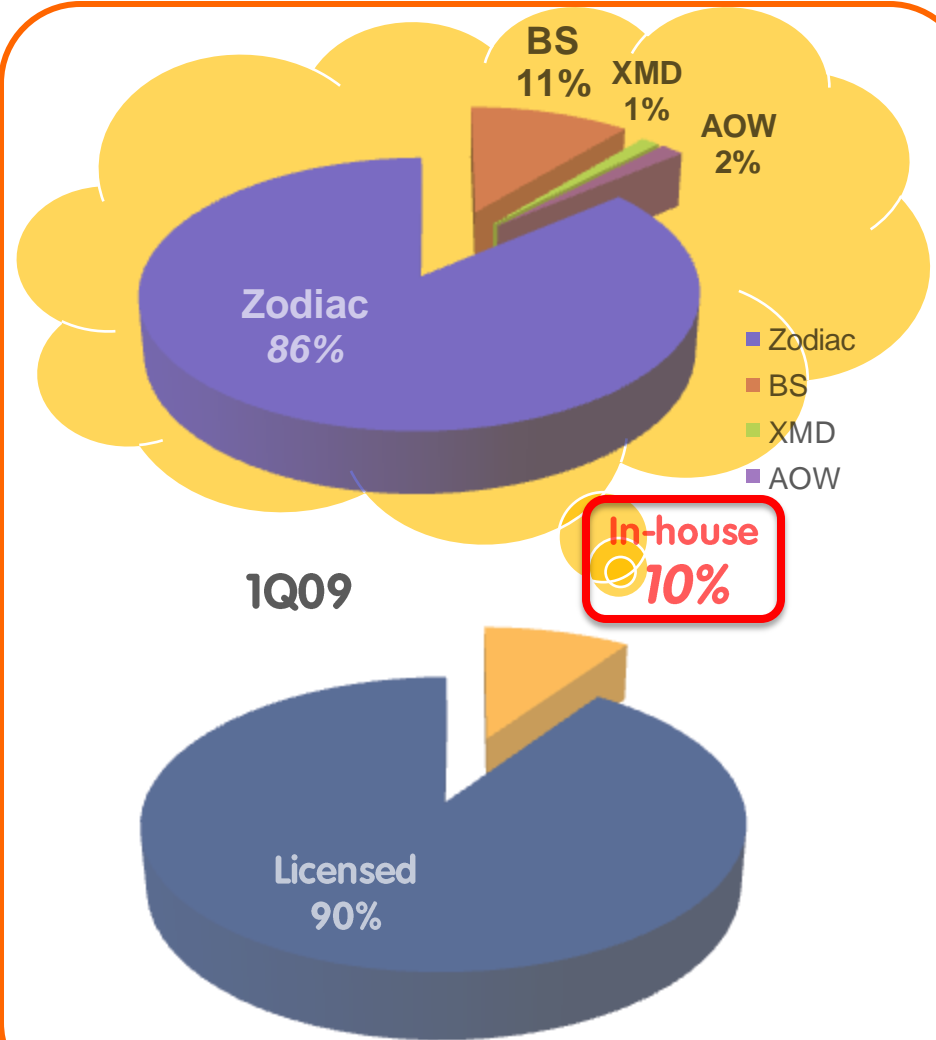
Source: Company Data

# In-house Titles Rise to Prominence

## Online Revenue



Source: Company Data



Source: Company Data



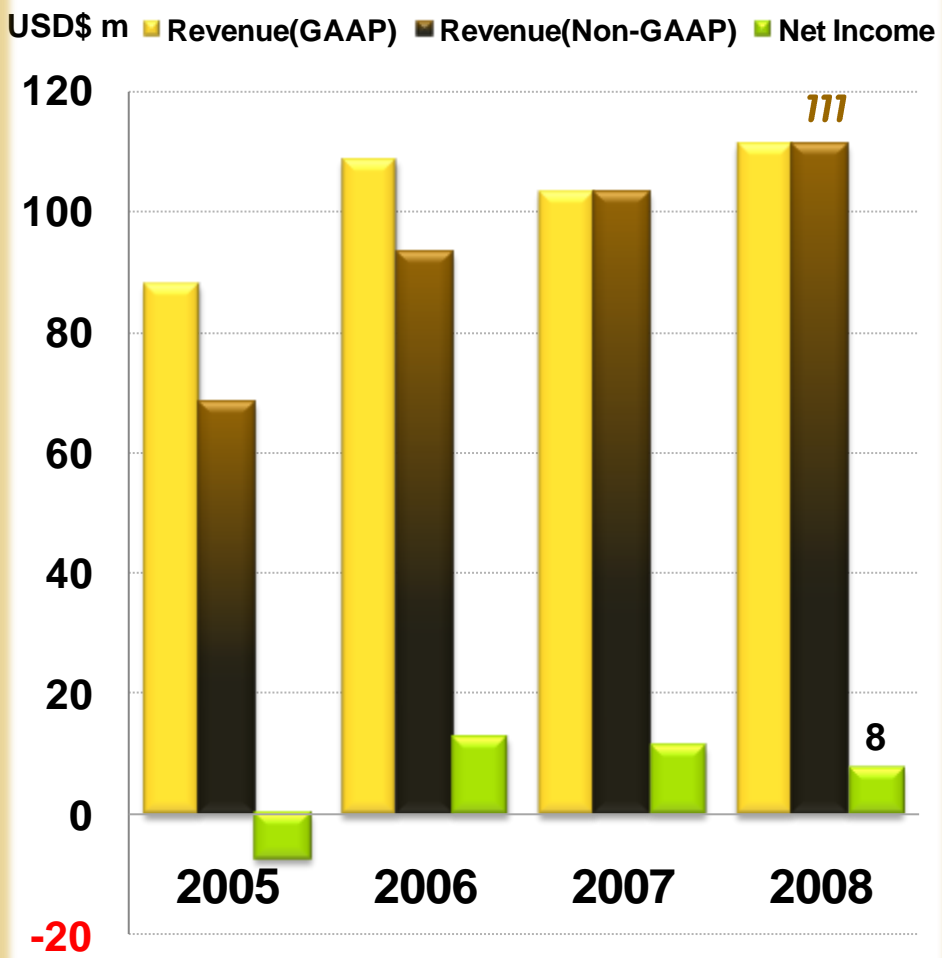
**Earnings Review**





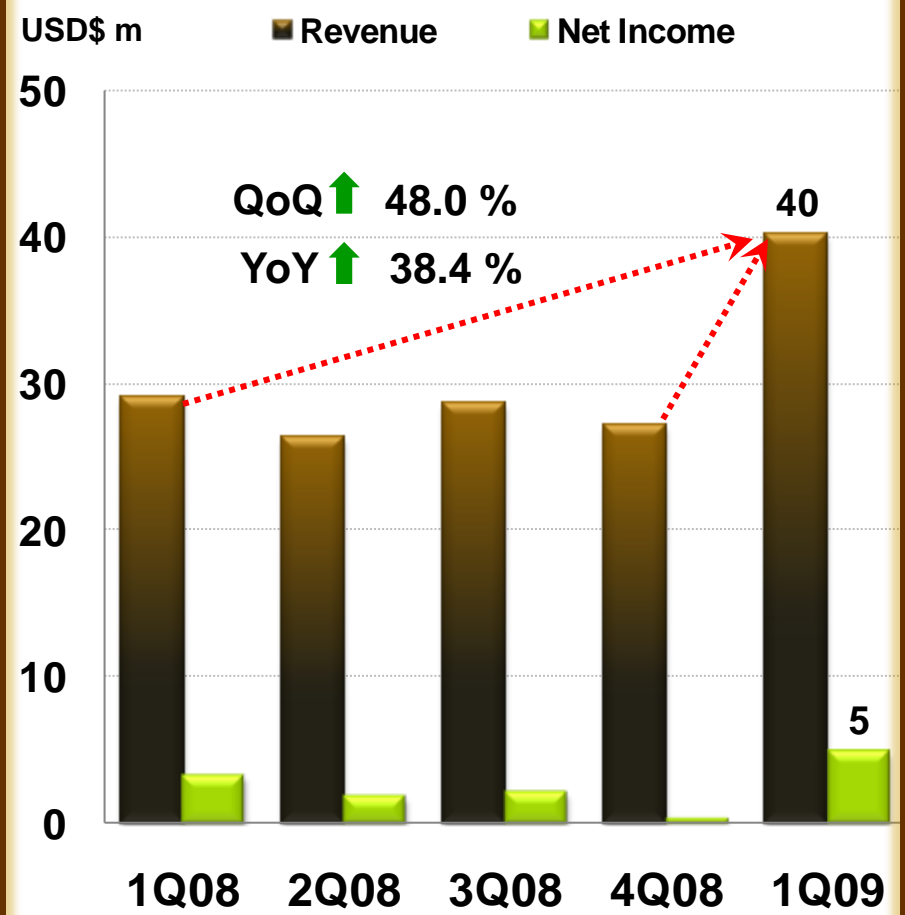
# Consolidated Results of Gamania Group

## Annual Financials



Source: Company Data

## Quarterly Financials



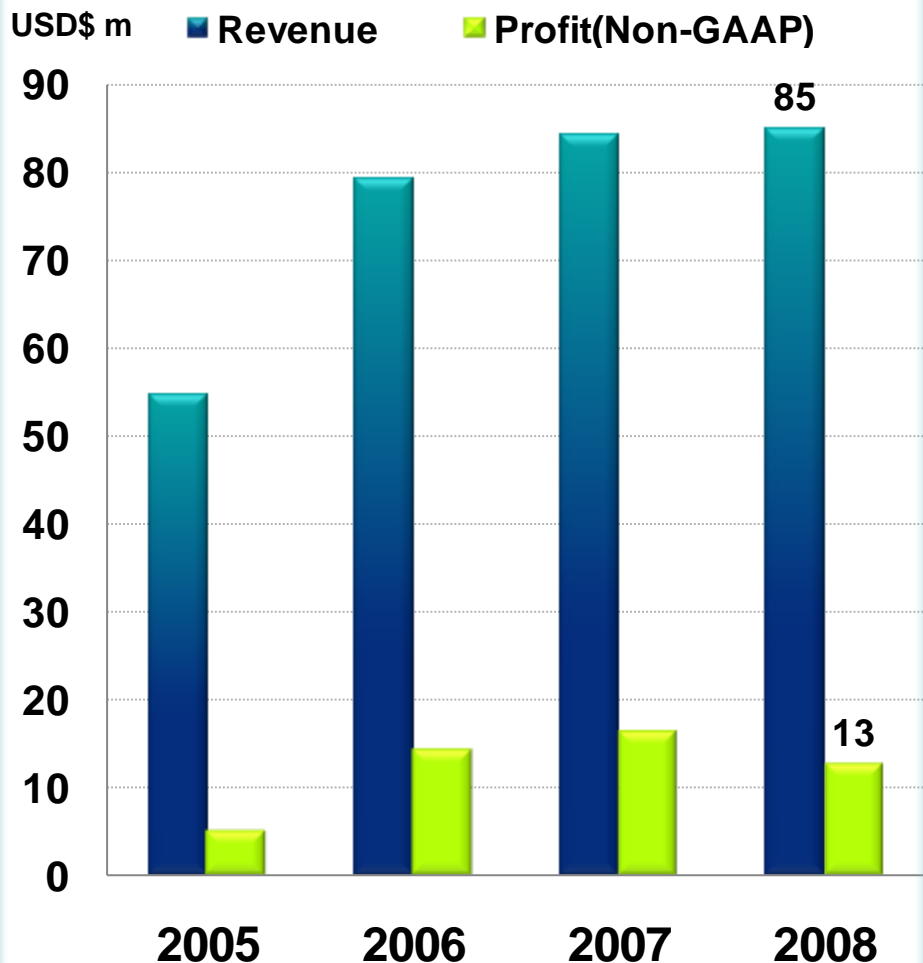
Source: Company Data

\*Non-GAAP basis reconciles NC Taiwan's contribution in revenue from FY05 to FY 07

\*\*The conversion rate is based on USD\$1.00 =NTD\$33.917 on Mar 31, 2009

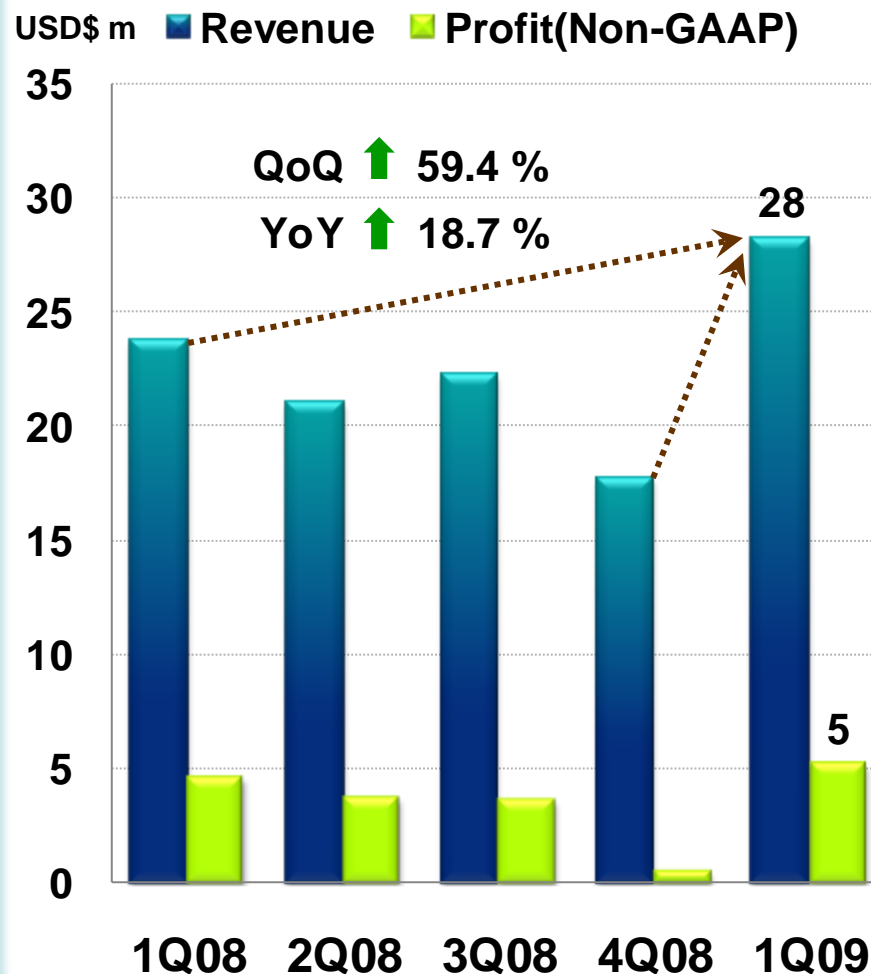
# Operating Results of Gamania Taiwan

## Annual Financials



Source: Company Data

## Quarterly Financials



Source: Company Data

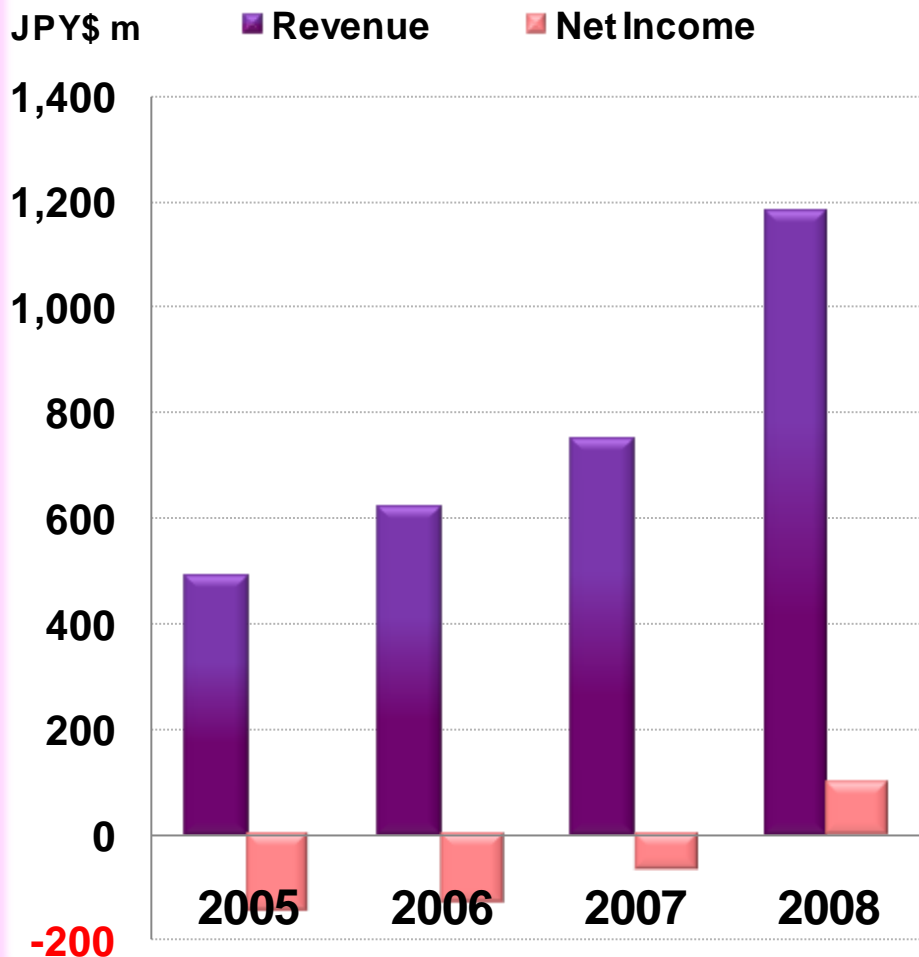
\*Non-GAAP basis reconciles tax and equity investment Gain/Loss

\*\*The conversion rate is based on USD\$1.00 =NTD\$33.917 on Mar 31, 2009

# Operating Results of Gamania Japan

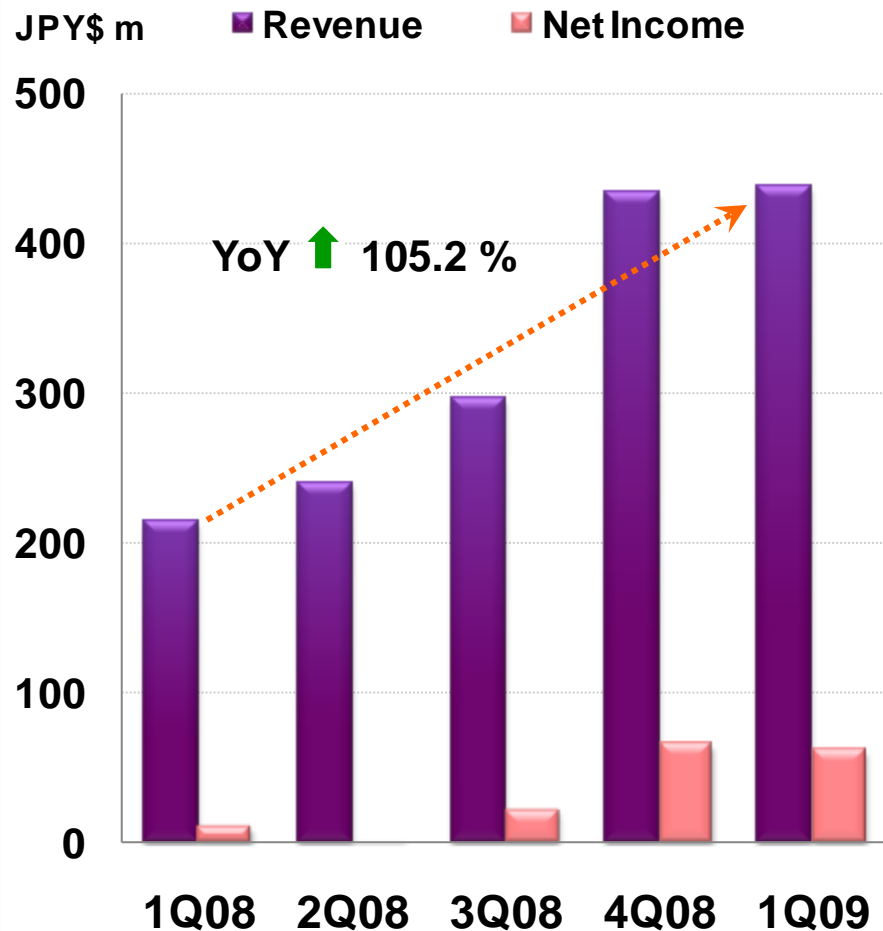


## Annual Financials



Source: Company Data

## Quarterly Financials

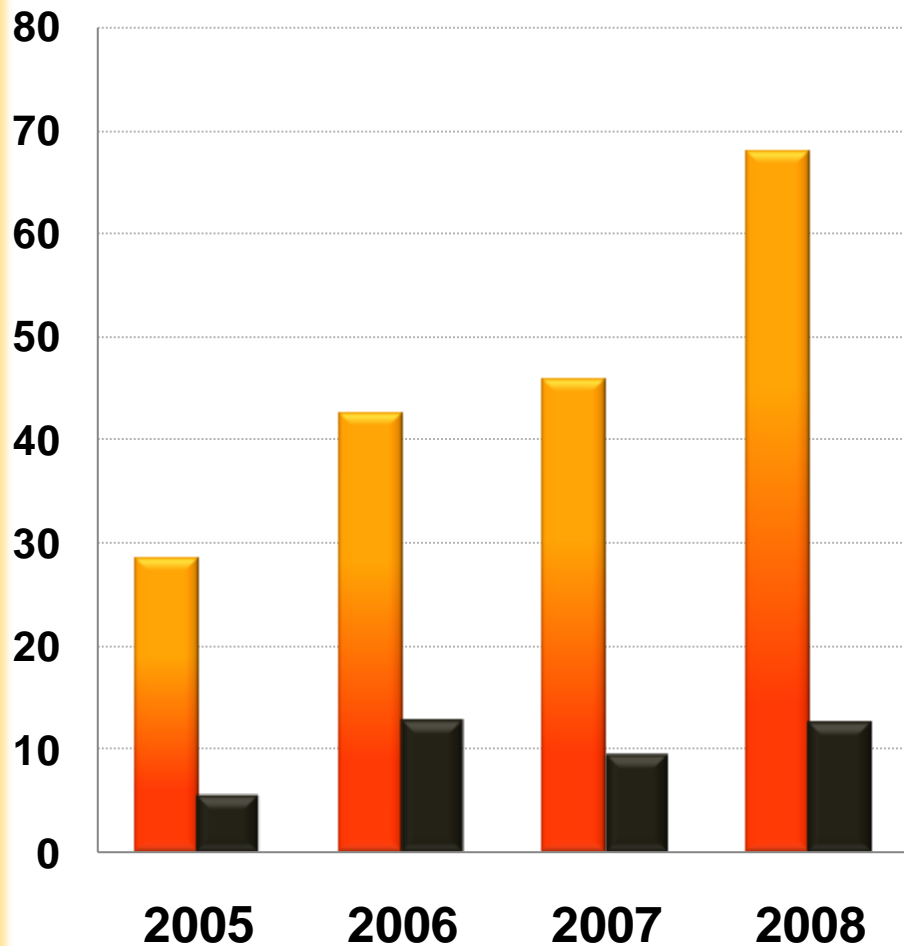


Source: Company Data

# Operating Results of Gamania HK

## Annual Financials

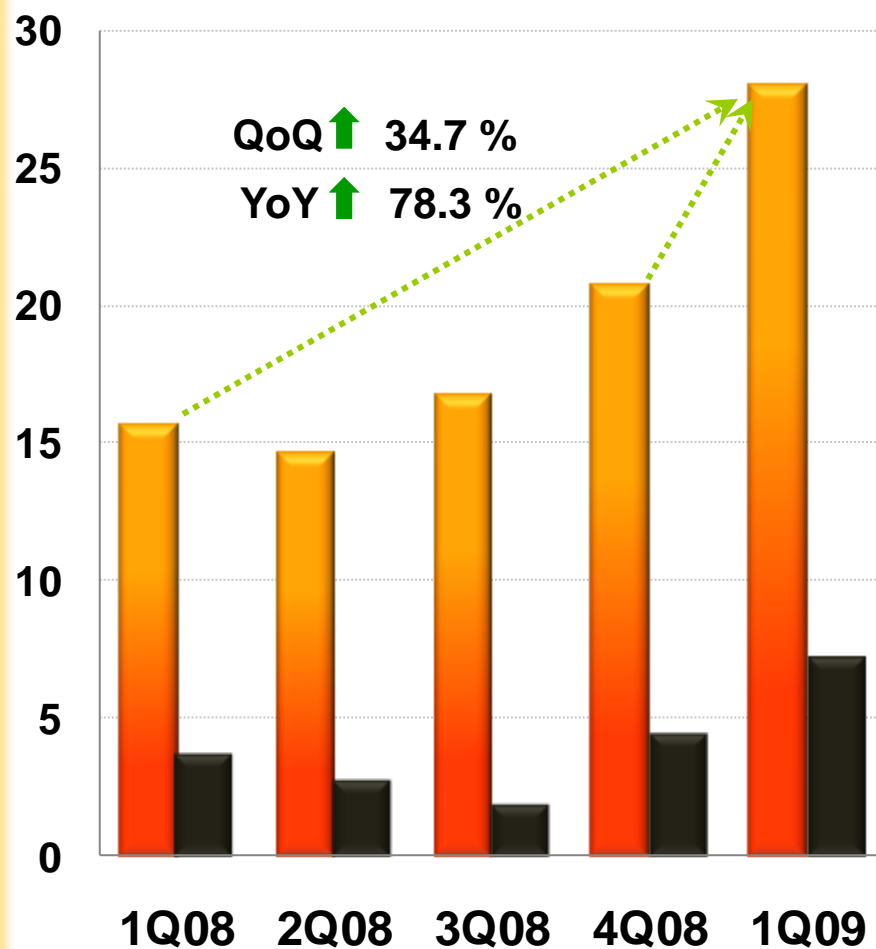
HKD\$ m    ■ Revenue    ■ Net Income



Source: Company Data

## Quarterly Financials

HKD\$ m    ■ Revenue    ■ Net Income





**Investment Highlights**

# Corporate Strategy

**Penetration** ▶

**Diversify game titles to attract more users**

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**Vertical** ▶

**Enhance R&D to design quality titles**

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**Horizontal** ▶

**Superior results in Japan & HK, target China & Westerns next**

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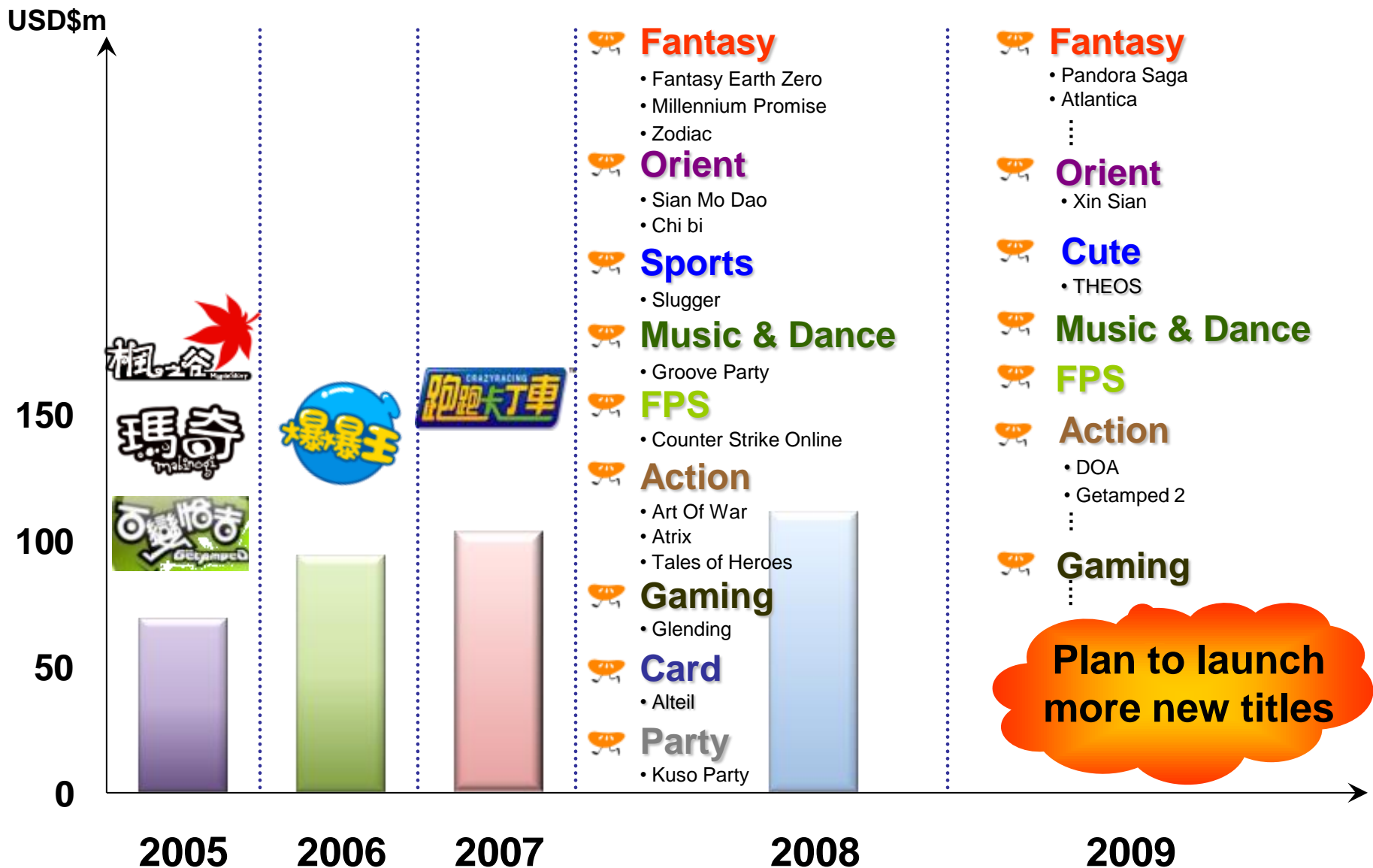
**Diversifica-  
tion** ▶

**Create new application of digital entertainment**

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# Pipeline Sustains Growth Momentum



Note: Non-GAAP Revenues for FY05~07

# 2009 Pipeline of Game Titles








	1Q09	2Q09	3Q09	4Q09
<b>GTW</b>	2 (Theos+Pandora)	3 <b>(Atlantica)</b>	2 ( <b>Dead or Alive</b> + Getamped 2 )	2
<b>TIC</b>	1 <b>(Xin Sian)</b>	0	1	2
<b>GHK</b>	3 (Theos+Pandora+ <b>Xin Sian</b> )	3 <b>(Atlantica)</b>	1 (Getamped 2)	2
<b>GJP</b>	0	1 (SianMoDao)	1	1
<b>GCN</b>	0	0	1	1
<b>GKR</b>	0	1 (Zodiac)	0	1 (SianMoDao)
<b>GUS</b>	0	0	0	1 <b>(Hero108)</b>



# Appealing New Game Titles/Episode(1)







## Lineage : Crack of Time



-  2D Fantasy MMORPG
-  Developed by **NCsoft**
-  The opening of season III
-  Released new classes (*Dragon Knight & Illusionist*)
-  PCU up to 150,000
-  Daily log-in users up 15%

## Xin Sian









-  3D Cute MMORPG
-  Developed by **Pixel Soft**
-  Kuso design for characters and items
-  Experience the process of immortality
-  Target 15~20 male
-  PCU around 40,000

# Appealing New Game Titles/Episode(2)







## Atlantica



-  3D fantasy MMORPG
-  Developed by **Ndoors**
-  Highly-valued with awards in Korea
-  Fantasy style with exciting battles
-  Users may simultaneously control 3~8 soldiers
-  Item mall opened in May 09

## Dead or Alive



-  3D fighting casual game
-  Developed by **TECMO**
-  Adaptation of the popular video game “DOA”
-  Reputed as the most splendid fighting game
-  Contains several attractive characters
-  Plans to launch in 3Q09

# Enhance R&D Capability

## Objective

- Enhance the quality of self-developed titles
- Plan to develop 2~3 new MMOG & Casual titles per year
- Launch self-developed titles to overseas market



## Lucent Heart (A.k.a. Zodiac)

- 🍊 3D cute style MMORPG
- 🍊 Launched on Aug 27, 2008 in Japan
- 🍊 Top 1 game chosen by users via 4gamer
- 🍊 Major revenue generator for Gamania JP
- 🍊 PCU around 10,000
- 🍊 Registered Members >280,000

# Engage in China Market



- **Strategic Objective**





Expand Gamania's operation scope

- **Tactics**

1. Expand from Shanghai base
2. Seek strategic alliance opportunity with potential partners
3. Target the market of 2<sup>nd</sup> or 3<sup>rd</sup> tier cities and build client base

# Potential Animation Business



-  Huge business opportunity on broadcast royalty and licensed merchandise (Toy, DVD, Book, etc. )
-  Escalate Gamania's global awareness
-  Lower production cost for developing online game "Hero 108 Online"
-  Leverage the success of the animation to promote "Hero 108 Online"



Professional Game &  
Animation Developer

Global Leading  
Animation Producer  
& Distributor

Global Top 3  
Cartoon Broadcaster



***Originate the new business model for Taiwan Animation sector!***

# 2009 Guidance



- Existing titles such as **Lineage** and **Maple Story** would maintain revenue contribution
- **New titles** are expected to enrich the pipeline and provide incremental revenue to sustain growth momentum
- In-house titles have accounted for **10%** online revenue and the revenue is expected to increase
- The benefit of equity investment is improving and promising
- **Gamania China** may achieve breakeven through new strategy
- Prepare to set up new branch in **US** to capture the great opportunity of the Western market

# Q & A Time





Have a good GAME!