

Gamania Reports 2004 First Quarter Audited Financial Results

TAIPEI, Taiwan, April 28, 2004 – Gamania Digital Entertainment Company today announced its first quarter audited financial results ended March 31, 2004.

The audited financial results are equal to un-audited figures that were released last week. Net sales revenue was NT\$527 million, and Income before tax was NT\$40 million in 1Q04. The substantial improvement in 1Q04 numbers was mainly due to better operating performance and considerable decrease in loss from overseas equity investments. Overall financial performance is expected to further improve in subsequent quarters, after the commercial launch for Lineage II and Seal Online in the second quarter of 2004.

Net sales revenue in 1Q04 increased 7.92% QoQ. Gross profit grew 19.8% QoQ to NT\$270 million. Gross margin was 51.26%, which was the highest level since 2Q03. Operating income improved 32.93% QoQ to NT\$107 million, mainly because Gross profit increased NT\$ 45 million QoQ, which was far greater than the QoQ increase in Operating expenses of NT\$18 million. Operating margin was 20.3%, higher than all previous four quarters. Income before tax was NT\$40 million, also a significant improvement compared with a loss of NT\$91 million in 4Q03.

Net sales revenue in 1Q04 increased 8.41% YoY. Gross profit grew 5.62% YoY, mainly attributed to the release of 『Lineage』 episode - 『The Light and Shadow』 in 4Q04, which brought about the increase in OLG revenue. Operating income rose 63.09% YoY, mainly due to a decrease in Selling expenses, from NT\$87 million in 1Q03 to NT\$49 million in 1Q04.

2004 First Quarter Audited Financial Results:

	March 31, 2004
Item	Amount (NT\$000)
Operating revenue	527,315
Gross Profit	257,024
Operating Income	107,060
Net Income before tax	40,272
EPS (before tax)	0.26