

Date: 08 February 2010
On behalf of: Galleon Holdings plc ('Galleon' or 'the Company')
Embargoed until: 0700hrs

Galleon Holdings PLC

Acquires a stake in US strategic partner

Galleon Holdings plc (AIM: GON), the AIM listed entertainment media company developing and producing multi-platform properties with a focus on emerging markets, is pleased to announce that, through its US subsidiary, it has acquired a 19% stake in Dragonfruit Studios LLC, its US strategic partner. In exchange for this stake, Galleon will contribute the following:

- a) US\$500,000 in cash which will be used as additional working capital in Dragonfruit Studios;
- b) 2,850,318 new ordinary shares of 1p each in Galleon, equivalent on the basis set out in the contract to US\$500,000; and
- c) Galleon's 19% stake in Dragonfruit Entertainment, LLC (a wholly owned subsidiary of Dragonfruit Studios LLC).

Dragonfruit Studios was launched in January 2008 by Michael Koziol and Melissa Honabach, who previously founded interactive agency Ant Farm Interactive in 1999, which they sold to Nurun, a publicly traded (TSX) global interactive agency, in 2004. Nurun was subsequently acquired by Quebecor Media. The principals are widely recognised for their expertise in digital media and marketing, new and emerging media models, and advising leading global brands on the new media landscape. During their tenure at Ant Farm Interactive and Nurun, they advised a wide range of clients, including: AT&T, AutoTrader.com, Equifax, L'Oreal, Unilever, Evian, The Home Depot, Bombardier Recreational Products, Frontier Airlines, and many others.

The 2,850,318 new Ordinary Shares being issued will rank pari passu in all respects with the existing Ordinary Shares in Galleon. Application will be made for these new shares to be admitted to trading on AIM and it is expected that dealings will commence on 12 February 2010.

Dragonfruit Studios holds exclusive rights to exploit Galleon's Super Soccer Star, Super Fashion Stars, Apollo's Pad, and Sokator-442 properties, as well as its own original multi-platform entertainment properties The Superfruits, Wayfinder.TV, and Spook House Dave!.

Commenting on the partnership, CEO of Galleon Holdings, Stephen Green said:

"Dragonfruit has made some significant inroads in terms of unlocking revenue from large consumer brands. This branded entertainment revenue is critical for launching Galleon's MEPs in the US. We are also seeing benefits in China where the same brands are also interested in investing in some of our entertainment properties."

Commenting on the partnership, CEO of Dragonfruit Studios, Michael Koziol said:

"We have assembled a strong portfolio of brand-friendly multi-platform entertainment properties that offer significant value to broadcasters, digital networks, brands, marketers, audiences and consumers. We are in a very strong position to monetise these assets in a number of different ways."

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Notes to Editors:

ABOUT GALLEON HOLDINGS

Galleon Holdings plc creates and distributes multi-platform branded entertainment properties focused on the emerging markets, in particular China and South East Asia. The entertainment properties are designed to establish a direct, interactive relationship with the viewer.

Television in China reaches approximately 98% of the population of 1.3 billion. Mobile phone penetration is also high, with over 500 million subscribers and with over 300 million people online, China is now the largest online market in the world. Huge TV audiences and growing interactive platform access presents a substantial opportunity for Galleon to benefit from the popularity and demand for interactive entertainment and game shows. China is forecast to become the world's fifth largest advertising market.

In October 2007 Galleon acquired Phoenix, a Hong Kong based media solutions company, which specialises in the provision of interactive broadcast television services that enable broadcasters in China and South East Asia to provide interactive entertainment for audiences to access through TV, online and mobile.

In February 2008 Galleon acquired Yunbo, a mobile service provider in China, strengthening the Company's ability to provide Chinese broadcasters with a complete media solution for multi-platform entertainment. Galleon now has total control over the interactive content, its delivery to the consumer, data capture and the billing process.

Galleon develops entertainment formats for children, families and young adults. These include:

- Super Soccer Star – an interactive family targeted football talent show, produced in association with Chelsea Football Club. The show has aired successfully in China and Malaysia. Format rights have been sold for Eastern Europe, Scandinavia, Turkey, India, Middle East and Vietnam to partners including IMG and Media Star Global.
- Super Fashion Stars – a multiplatform entertainment property that includes a reality TV show aimed at 16-45 year olds with 60 contestants working together as a designer, stylist and model. Each team is slowly eliminated over the series for the prize of competing at Fashion Fringe at Covent Garden which is a premier event during London Fashion Week.
- Skunk Fu! - a comedy action animated TV show for kids aged 6-11 which airs in 100+ territories including Cartoon Network(US), the BBC(UK), Disney Latin America, Cartoon Network Asia and Super RTL(Germany).
- Apollo's Pad – a multiplatform young adult sitcom that airs on Bite TV in Canada and includes a content rich online offering.
- Sokator-442 - a multi-player intergalactic football (soccer) management game that combines tactical thinking with fantasy/sci-fi gameplay.

ABOUT DRAGONFRUIT STUDIOS

Dragonfruit Studios is an Atlanta-based original content studio focused on creating, developing, and producing multi-platform entertainment properties. With the dynamic shifts occurring in the media and entertainment spaces, now is the time for new approaches to content creation and a new view towards distribution and revenue models. The founders' experience with new marketing and media models, their perspective on the current and emerging media landscape, and their understanding of the needs and expectations of new consumers positions Dragonfruit Studios well to create and exploit new audiences and deliver the right content using the right channels.