

**3 June 2011**

**Galleon Holdings PLC**

**Croco – Loan Facility & Update**

Galleon Holdings plc (AIM: GON), an AIM listed entertainment media company, is delighted to announce that it has agreed loan facilities with Imagination Holdings Limited (Imagination) for up to £2m to provide funding for recently secured and anticipated orders for its Product IP Division, Croco Worldwide ('Croco'), in a period of growth. Croco is seeing an increase in activity both from new and existing customers and the loan facility will allow the business to fund this growth. The facilities are for a period of nine months from 2<sup>nd</sup> June 2011 with the first £1m repayable within the first 5 months. An interest rate of 2% calculated on the outstanding balance each month on a pro rata basis is payable monthly. An arrangement fee of £50,000 is payable to Imagination for the facilities which are secured against Croco's receivables. Imagination, a shareholder of Galleon who has a 12.8% interest in the issued share capital of the Company, is a charitable trust registered in the Isle of Man. Whilst David Wong and Pritesh Desai are Directors of Imagination they do not have any beneficial interest in the trust. The independent Directors to the transaction consider, having consulted with Cenkos Securities plc as nominated advisor, that the terms of the loan agreements are fair and reasonable insofar as Galleon's shareholders are concerned.

Galleon has gone through a period of restructuring during the year, reducing its overhead and focussing on revenue generating activities and growth opportunities across the Group. The Company has invested more than £1m in its Chinese online operations and continues marketing the site to new users. The monthly revenue from its online operations are currently £450,000 per month and the Company has decided to accelerate this growth in preparation for the launch of a second exclusive game later this year, through increased marketing spend. We anticipate that we will have spent in excess of £2M on marketing in China in 2011. Whilst this will impact on profitability this year we believe it will provide a strong platform for growth in the future. In light of this Galleon does not expect the Group will make a profit this financial year but the Board expect to be in a position by the end of the year to demonstrate significant monthly profits, in particular from its Digital Operations in China.

**- Ends -**

**Enquiries:**

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**Notes to Editors:**

**ABOUT GALLEON HOLDINGS**

Galleon Holdings plc is primarily a publisher of digital content in China across both online and mobile platforms. It also has a Product IP Division that provides innovative marketing devices for fast moving consumable goods and an Entertainment Division that develops multi-platform branded formats designed to establish a direct, interactive relationship with the viewer.