

Date: 13 May 2010  
On behalf of: Galleon Holdings plc ('Galleon', 'the Company' or 'the Group')  
Embargoed until: 0700hrs

## **Galleon Holdings PLC**

### **Launch of online operations in China**

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 the launch of its online operations in China.

These online operations will generate revenues for the Group from online advertising, 'direct to consumer' activities derived from online games operations and from managing mobile games portals.

Galleon China's online operations will also encourage links with large consumer brands through the digital advertising function. This move is part of a strategic transition for the Company's digital distribution activities in China and will complement Galleon's existing mobile business, growing the Company's overall capabilities in the "apps" driven mobile market. This in turn should allow the Group to capitalise on the introduction of smartphones into China and the resulting demand for more sophisticated content and applications that need to be purchased through an online portal.

These initiatives will provide the Group with direct access to the largest digital market in the World, with over 350 million people online and 500 million mobile phone subscribers. Online consumption levels in the Chinese virtual goods market were estimated to be worth more than US\$5 billion in 2009 with the country's online advertising reaching US\$595 million in the first three months of this year, a 52.7% increase over the same period last year (*Source: CR-Nielsen*).

The Group's operation is being managed by a new team of industry veterans who will be incentivised by an equity earn-in arrangement in Galleon China (capped at a total of 30%), based on performance targets over the next 3 years. This new operation is being funded from the Group's existing cash flows.

#### **Commenting on the agreement, Stephen Green, CEO of Galleon Holdings, said:**

*"We are excited about Galleon China's operations and for the benefits of these for the Group. The ability to distribute digital content across both mobile and online channels greatly enhances our position in the marketplace. It is part of our strategy going forward to transition over to higher margin media business activities and puts the Company in a good position to capitalise on the forecasted growth of the online market in China."*

**- Ends -**

#### **Enquiries:**

**Galleon Holdings plc**  
Stephen Green, Chief Executive

[www.galleonplc.com](http://www.galleonplc.com)  
Tel: 020 8742 3636

**Cenkos Securities (Nominated Adviser & Broker)**

Ken Fleming  
Jon Fitzpatrick

Tel: 0131 220 6939  
Tel: 020 7397 8900

**Redleaf Communications**

Rebecca Sanders-Hewett / Mike Ward

[Galleon@redleafpr.com](mailto:Galleon@redleafpr.com)

Tel: 020 7566 6700

**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 340 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.
- 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.