



Press Release

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Giga's leading game portal FunTown partners with top community blog site

TAIPEI, Taiwan, March 10, 2006 – GigaMedia Limited (“GigaMedia”) (NASDAQ: GIGM) announced today that its leading casual games portal FunTown has entered into a strategic partnership with top community “blog” site Wretch, in a deal designed to broaden and enrich the entertainment and community offerings for the members of both portals.

Wretch is a leading online “community” offering a wide range of community services including blogs, photo albums and bulletin boards, and is one of the world’s most popular Web sites in terms of page views and users. According to market rankings from independent industry source Alexa.com, Wretch ranks 64th in daily traffic among global Web sites and sixth among global blog sites. As of December 2005, over two million people had joined the Wretch community.

The strategic partnership unites Wretch’s strength in blogs, online photo sharing and other community offerings with FunTown’s world number one MahJong and other online casual game offerings. The partnership envisions development of a shared gaming portal joining the four million members of FunTown with the over two million members of Wretch.

As part of the strategic partnership, GigaMedia has an option to purchase a 20 percent equity stake in Wretch.

“This exciting partnership between our leading casual game portal FunTown and one of the top community sites in the world will greatly enhance our entertainment offerings for our users, as well as bring FunTown games to a large new community,” stated Chief Executive

Officer Arthur Wang. “When you join top games and the strongest community together, you have a very rich, compelling offering.”

“We look forward to continuing to enhance FunTown’s entertainment offerings, driving growth and increasing the site’s value for members and our shareholders,” added CEO Wang.

About Wretch

Wretch (www.wretch.cc) is a leading online community site offering various community services including blogs, photo albums and bulletin boards, and is one of the world’s most popular Web sites. According to market rankings from independent industry source Alexa.com, Wretch ranks 64th in daily traffic among global Web sites and sixth among global blog sites. As of December 2005, over two million people had joined the Wretch community. Wretch is available to users in Simplified Chinese, Traditional Chinese, Taiwanese and English.

About FunTown

FunTown is one of the leading casual game platforms in Asia, with over four million registered users and a wide variety of fun and exciting games, including the world’s largest Mahjong platform in terms of revenue. FunTown generates revenues through access fees and also through the sales of various in-game items.

FunTown’s games are designed to be fun for players of all levels of skill and experience, from the complete beginner to the “Game Master.” In addition, FunTown offers a strong online gaming community, with many opportunities for players to make friends and play together on teams competing against other groups in tournaments for fun and prizes. The company’s software allows users to create their own fun and humorous online persona – offering players a wide selection of clothing, styles, icons and other elements to individualize a player’s online look and keep their entertainment fresh and exciting.

FunTown’s games can be played on personal computers, mobile phones, airplane entertainment consoles and, soon, on the Xbox 360 when launched in Taiwan and Hong Kong. FunTown also has strong research and development capabilities and has developed nearly all games in-house.

Founded in 1998 by the Acer computer company, FunTown is based in Greater China, with offices in Shanghai, Hong Kong and Taiwan. Have

some fun at FunTown Taiwan (www.funtown.com.tw), FunTown Hong Kong (www.funtown.com.hk) and FunTown China (www.funtown.com.cn).

About GigaMedia

GigaMedia Limited (Singapore registration number: 199905474H) is a major provider of online entertainment software and services. Through its subsidiary Cambridge Entertainment Software, GigaMedia develops software for online entertainment services, including the global online gaming market. GigaMedia's FunTown game portal is a leading Asian casual game portal and the world's largest online MahJong game site in terms of revenue. GigaMedia also operates a major broadband ISP providing internet access services to consumers and corporate subscribers in Taiwan. More information on GigaMedia can be obtained from <http://www.gigamedia.com.tw>

The statements included above and elsewhere in this press release that are not historical in nature are "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. GigaMedia cautions readers that forward-looking statements are based on the Company's current expectations and involve a number of risks and uncertainties. Actual results may differ materially from those contained in such forward-looking statements. Information as to certain factors that could cause actual results to vary can be found in GigaMedia's Annual Report on Form 20-F filed with the United States Securities and Exchange Commission in June 2005.

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