

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15D-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

For the month of December, 2004
Commission File Number: 000-30540

GIGAMEDIA LIMITED
122 TunHua North Road, 14th Floor
Taipei, Taiwan (R.O.C.)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F [] Form 40-F []

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes [] No []

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b) :82- .)

GIGAMEDIA LIMITED is filing under cover of Form 6-K:

Contents

1. Press release announcing GigaMedia Third Quarter 2004 Financial Results (attached hereto as Exhibit 99.1).

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GigaMedia Limited
(Registrant)

Date: December 3, 2004

By: /s/ Thomas T. Hui
(Signature)

Name: Thomas T. Hui

Title: Chief Financial Officer

GigaMedia: Net Profit Up 23% Q3 over Q2 2004

Highlights of Third Quarter 2004 Results

- *Consolidated revenues of US\$22.0 million*
- *Consolidated EBITDA¹ of US\$2.8 million*
- *Consolidated net income of US\$688 thousand*
- *No debt, with cash and short-term investments totaling US\$45.0 million*

TAIPEI, Taiwan, December 2, 2004 – GigaMedia Limited (“GigaMedia” or the “Company”) (NASDAQ: GIGM) announced today third quarter 2004 consolidated net profit of \$688 thousand, a 23 percent sequential increase over the second quarter of 2004 and a turnaround of \$3.4 million from a consolidated net loss of \$2.7 million in the same period of 2003.

“Our Q3 results demonstrate that our restructuring plan is beginning to deliver results,” stated Chief Executive Officer Arthur Wang. “Much hard work remains, but the new management team sees strong upside in the transformation of GigaMedia.”

“We delivered an improved bottom line despite what shaped up to be a challenging quarter, and see improved operating efficiencies going forward,” stated Chief Financial Officer Thomas Hui.

“As we continue to implement best practices throughout the firm, we are also very focused on strategic consolidation and acquisition opportunities which can accelerate our turnaround,” explained Mr. Wang.

Consolidated Financial Results

Consolidated results of GigaMedia are summarized in the table below.

¹ EBITDA (earnings before interest, taxes, depreciation and amortization) is provided as a supplement to results provided in accordance with U.S. generally accepted accounting principles (“GAAP”). See “Use of Non-GAAP Measures” for more details.

GIGAMEDIA Q3 2004 UNAUDITED CONSOLIDATED FINANCIAL RESULTS						
(in US\$ thousands)	3Q04	3Q03	Change (%)	3Q04	2Q04	Change (%)
Revenues	22,001	23,733	-7	22,001	23,958	-8
Operating Income (Loss)	581	(2,562)	NA	581	410	42
Net Income (Loss)^(A)	688	(2,690)	NA	688	559	23
EBITDA^(B)	2,785	(1,167)	NA	2,785	2,833	-2
Cash, Cash Equivalents and Short-term Investments	44,968	63,998	-30	44,968	37,709	19

(A) Net income (loss) excludes amounts attributable to minority interests. GigaMedia's subsidiary G-Music Limited ("G-Music") conducts an offline music distribution business. Minority shareholders own a 41.4 percent equity interest in G-Music.

(B) EBITDA (earnings before interest, taxes, depreciation and amortization) is provided as a supplement to results provided in accordance with GAAP. See "Use of Non-GAAP Measures" for more details.

Consolidated revenues for the third quarter of 2004 were \$22.0 million, a 7 percent decrease over consolidated revenues of \$23.7 million for the corresponding period in 2003 and a decrease of 8 percent from consolidated revenues of \$24.0 million for the preceding quarter. The quarter-over-quarter decline in consolidated revenues was largely due to the impact of the general downturn in Taiwan's retail music distribution industry on the Company's music distribution business.

Consolidated net income for the third quarter of 2004 was \$688 thousand, a turnaround of \$3.4 million from a consolidated net loss of \$2.7 million for the same period in 2003 and an improvement of \$129 thousand, or 23 percent, from consolidated net income of \$559 thousand for the preceding quarter. Driving the increase in consolidated net income were strong expense controls in the Company's broadband ISP operations and contributions from the Company's entertainment software business, whose results began to be consolidated with those of the Company starting April 1, 2004.

Consolidated EBITDA for the third quarter of 2004 was \$2.8 million, compared to consolidated EBITDA of negative \$1.2 million for the same period in 2003. The Company recorded consolidated EBITDA of \$2.8 million during the preceding quarter. The year-over-year increase in consolidated EBITDA reflected efficiency improvements in all business units and strong contributions from the Company's entertainment software business.

Cash and other cash equivalents at the end of the third quarter of 2004 totaled \$10.1 million, not including additional short-term investments totaling \$34.9 million, compared to \$9.9 million and \$27.8 million, respectively, at the end of the second quarter of 2004. During the third quarter, GigaMedia reclassified previously made long-term bond fund investments totaling approximately \$6.8 million as short-term investments, since the

maturation of these investments is now within one year.

BUSINESS UNIT RESULTS

Music Distribution Business

(in US\$ thousands)	3Q04	3Q03	Change (%)	3Q04	2Q04	Change (%)
Revenues	14,441	18,803	-23	14,441	16,367	-12
Operating Income (Loss)	(225)	(734)	69	(225)	(153)	-47
Net Income (Loss)	(200)	(707)	72	(200)	3	NA

The general market downturn in Taiwan's recorded music sales and delayed releases by music labels of albums from certain top artists created a challenging operating environment for the Company's music distribution business in the third quarter. The music distribution business unit's net loss reflected this decline in revenues. Efficiency gains achieved to date from ongoing restructuring helped offset lower sales volumes during the period. Management continues to take steps to lower fixed costs and increase efficiencies to improve this business unit's performance. During the quarter, the Company closed four underperforming stores and continued rollout of a point-of-sale system.

Broadband ISP Business

(in US\$ thousands)	3Q04	3Q03	Change (%)	3Q04	2Q04	Change (%)
Revenues ^(A)	5,571	4,930	13	5,571	5,614	-1
Operating Income (Loss) ^(A)	858	(1,099)	NA	858	409	110
Net Income (Loss) ^(A)	869	(1,297)	NA	869	440	98

(A) In previous quarterly and annual releases, GigaMedia included corporate headquarters expenses and certain other items in the Broadband ISP Unit results. In the table above, all such amounts have been excluded for the current and past periods. All numbers are presented on a consistent basis.

GigaMedia's broadband ISP business delivered increased profitability in the third quarter. In order to retain subscribers in what remains a highly competitive market, the Company's broadband ISP business is focused on providing differentiated, value-added products and services to both consumers and corporate customers. In line with this strategy, during the period, GigaMedia launched the corporate broadband service ON-NET, providing connectivity services between Taiwan, Hong Kong, and China. With the launch of the ON-NET service, GigaMedia is well positioned to rollout additional value-added telecommunications services targeting new corporate customers in Greater China. Ongoing implementation of strict cost controls and enhanced efficiencies resulted in net income of \$869 thousand for the third quarter of 2004, compared to a loss of \$1.3 million for the same period in 2003.

The number of subscribers in the Company's consumer broadband ISP business during the quarter ended September 30, 2004 decreased slightly compared to the second quarter of 2004 to approximately 97,000, with blended average revenue per subscriber ("ARPU") also down slightly compared to the second quarter of 2004 at approximately \$12.00 per month. The number of subscription lines in the Company's corporate broadband ISP business increased by 14 percent quarter-over-quarter, from 583 to 666 lines.

Entertainment Software Business

(in US\$ thousands)	3Q04	2Q03	Change (%)	3Q04	2Q04	Change (%)
Revenues	2,236	NA	NA	2,236	2,380	-6
Operating Income (Loss)	45	NA	NA	45	293	-85
Net Income (Loss)	50	NA	NA	50	231	-78

The Company's entertainment software business unit made positive contributions to GigaMedia's financial results despite operating in what is seasonally the slowest period for the business. Quarter-over-quarter declines in operating income and net income were due to the slight decrease in revenue and to investments in developing new game software and marketing during the period. Overall market growth in online gaming remains strong; management is executing a plan to expand the business and build a leading position in nascent, non-English-speaking markets outside the United States and the United Kingdom. During the third quarter, the entertainment software business completed development of a multi-player, online poker product targeting non-English-speaking markets and began to market the software to licensees. Preliminary response has been encouraging. Development of additional non-English language products and services is ongoing. The entertainment software business also upgraded customer relationship management tools to enable more efficient online marketing campaigns to licensees. Management expects continued investments in new software games and upgrades of existing game products to drive improved results going forward.

Business Outlook

The following forward-looking statements reflect GigaMedia's expectations as of December 2, 2004. Given potential changes in economic conditions and consumer spending, the evolving nature of broadband and online entertainment software, fluctuations in Taiwan's recorded music market and various other risk factors, including those discussed in the Company's 2003 Annual Report or 20-F filing with the U.S. Securities and Exchange Commission referenced below, actual results may differ materially.

The general business environment remains challenging, with continuing weakness in the music distribution market and strong competition in the broadband ISP market.

Despite these challenges, we remain highly confident in our ability to deliver continued profitability and improved operating efficiencies.

Use of Non-GAAP Measures

Management believes that EBITDA (earnings before interest, taxes, depreciation and amortization) is a useful supplemental measure of performance because it excludes certain non-cash items such as depreciation and amortization. EBITDA is not a recognized earnings measure under GAAP and does not have a standardized meaning. Non-GAAP measures such as EBITDA should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, other financial measures prepared in accordance with GAAP. A reconciliation to the GAAP equivalent of the non-GAAP measure is provided on the attached unaudited financial statements.

About the Numbers in This Release

All figures referred to in the text, tables and attachments to this release are unaudited. The financial statements from which the financial results reported in this press release are derived have been prepared in accordance with U.S. GAAP, and are presented in U.S. dollars.

Consolidated financial results of the Company for the third quarter of 2004 may differ from totals of the Company's segmental financial results for the same period due to (1) certain inter-company eliminations and (2) the impact of the Company's corporate headquarters and certain non-operating subsidiaries of GigaMedia on the Company's consolidated financial results.

Conference Call and Webcast

GigaMedia will hold a conference call at 9 p.m. Taipei/Hong Kong Time on December 2, 2004, which is 8 a.m. Eastern Daylight Time on December 2, 2004 in the U.S., to discuss the Company's third quarter performance. Individual investors can listen to a webcast of the call at <http://ir.giga.net.tw>, through CCBN's individual investor center at www.fulldisclosure.com, or by visiting any of the investor sites in CCBN's Individual Investor Network. Institutional investors can access the call via CCBN's password-protected event management site, StreetEvents (www.streetevents.com). The webcast will be available for replay.

About GigaMedia

GigaMedia Limited is a diversified provider of broadband and entertainment services, with headquarters in Taipei, Taiwan. The Company operates Taiwan's two largest music store chains, Rose Records and Tachung Records, through its subsidiary G-Music. The Company also operates a major Taiwanese broadband ISP, providing Internet access service and broadband content with multiple delivery technologies via

its Web destination <http://www.gigigaga.com>. GigaMedia's subsidiary Koos Broadband Telecom Co., Ltd provides broadband services to corporate subscribers in Taiwan. The Company also develops software for online entertainment services, including the global online gaming market. Strategic investors of GigaMedia include the Koos Group, a major participant in Taiwan's manufacturing, finance, telecommunications, media, and cable industries. More information on GigaMedia can be obtained from <http://ir.giga.net.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 2004.

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(Tables to follow)

GIGAMEDIA LIMITED
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	Three months ended		
	9/30/2004	9/30/2003	6/30/2004
	USD	USD	USD
Operating revenues			
Access revenues	5,231,738	4,766,727	5,227,648
Sales/rental/installation	14,122,377	18,470,416	15,887,330
Software licensing and support service revenue	2,235,953	0	2,380,414
Advertising revenues	333,466	374,357	379,533
Subscription revenues	60,903	89,988	65,154
Other revenues	16,988	31,350	18,191
Total operating revenues	<u>22,001,425</u>	<u>23,732,838</u>	<u>23,958,270</u>
Costs and expenses			
Operating cost	3,836,567	4,021,841	3,965,730
Cost of sales/rental/installation	11,406,583	15,897,905	13,177,661
Product development & engineering expenses	244,005	293,531	298,684
Selling and marketing expenses	3,371,684	3,706,262	3,533,002
General and administrative expenses	2,561,990	2,384,168	2,572,960
Bad debt expenses	0	(8,465)	0
Total costs and expenses	<u>21,420,829</u>	<u>26,295,242</u>	<u>23,548,037</u>
Gain (Loss) from operations	<u>580,596</u>	<u>(2,562,404)</u>	<u>410,233</u>
Non-operating income (expense)			
Interest income	8,193	90,045	36,861
Foreign exchange gain (loss) - net	35,883	(663,328)	78,511
Investment income	8,623	119,406	107
Gain (loss) on disposal of property, plant & eqpmt.	(27,824)	(895)	(17,770)
Interest expense	(238)	(118)	(1,353)
Other non-operating income (expense)	(1,250)	28,870	113,293
Non-operating income (expense)	<u>23,387</u>	<u>(426,020)</u>	<u>209,649</u>
Income tax expense	(1,626)	0	59,596
Minority interest income (loss)	(82,784)	(298,079)	1,213
Net income (loss)	<u>688,393</u>	<u>(2,690,345)</u>	<u>559,073</u>
Net income (loss) per common share	<u>0.01</u>	<u>(0.05)</u>	<u>0.01</u>
Average shares outstanding	<u>50,154,000</u>	<u>50,154,000</u>	<u>50,154,000</u>
Reconciliation of Net Income to EBITDA			
Net income (loss)	688,393	(2,690,345)	559,073
Minority interest income (loss)	(82,784)	(298,079)	1,213
Depreciation	1,183,895	1,340,944	1,217,948
Amortization	1,004,791	570,678	1,025,140
Interest (income) expense	(7,955)	(89,928)	(35,509)
Tax	(1,626)	0	59,596
EBITDA	<u>2,784,714</u>	<u>(1,166,730)</u>	<u>2,827,461</u>

GIGAMEDIA LIMITED
CONSOLIDATED BALANCE SHEET
(Unaudited)

	Three months ended		
	9/30/2004	9/30/2003	6/30/2004
	USD	USD	USD
Assets			
Current assets			
Cash and cash equivalents	10,093,622	36,745,855	9,934,588
Short-term investments	34,874,600	27,252,311	27,774,521
Accounts receivable	5,828,519	4,521,059	6,792,321
Inventories - net	7,146,223	7,270,721	6,313,834
Prepaid expenses	1,147,636	986,564	807,489
Restricted cash	32,372	328,889	328,792
Note receivable from officer	0	519,640	0
Other current assets	3,013,841	2,482,599	1,526,984
Total current assets	<u>62,136,813</u>	<u>80,107,638</u>	<u>53,478,529</u>
Investment	1,939,543	16,547,993	9,714,882
Property, plant & equipment - net	15,225,216	19,137,793	14,989,899
Goodwill	15,992,681	752,274	15,992,681
Intangible assets - net	19,565,130	6,472,312	20,331,604
Other assets	3,051,751	4,997,739	3,401,511
Total assets	<u>117,911,134</u>	<u>128,015,749</u>	<u>117,909,106</u>
Liabilities & shareholders' equity			
Notes and accounts payable			
Notes and accounts payable	15,281,970	17,361,592	15,762,462
Accrued compensation	1,325,548	1,128,704	1,473,434
Accrued expenses	3,223,716	1,759,839	3,165,645
Other current liabilities	4,114,190	2,121,365	3,033,221
Total current liabilities	<u>23,945,424</u>	<u>22,371,500</u>	<u>23,434,762</u>
Other liabilities	2,089,748	1,729,755	2,018,199
Total Liabilities	<u>26,035,172</u>	<u>24,101,255</u>	<u>25,452,961</u>
Minority interests	3,050,153	5,483,915	3,152,372
Shareholders' equity	88,825,809	98,430,579	89,303,773
Total liabilities & shareholders' equity	<u>117,911,134</u>	<u>128,015,749</u>	<u>117,909,106</u>