

3Q 2015

Earnings Release

2015.11.13

Webzen

Disclaimer

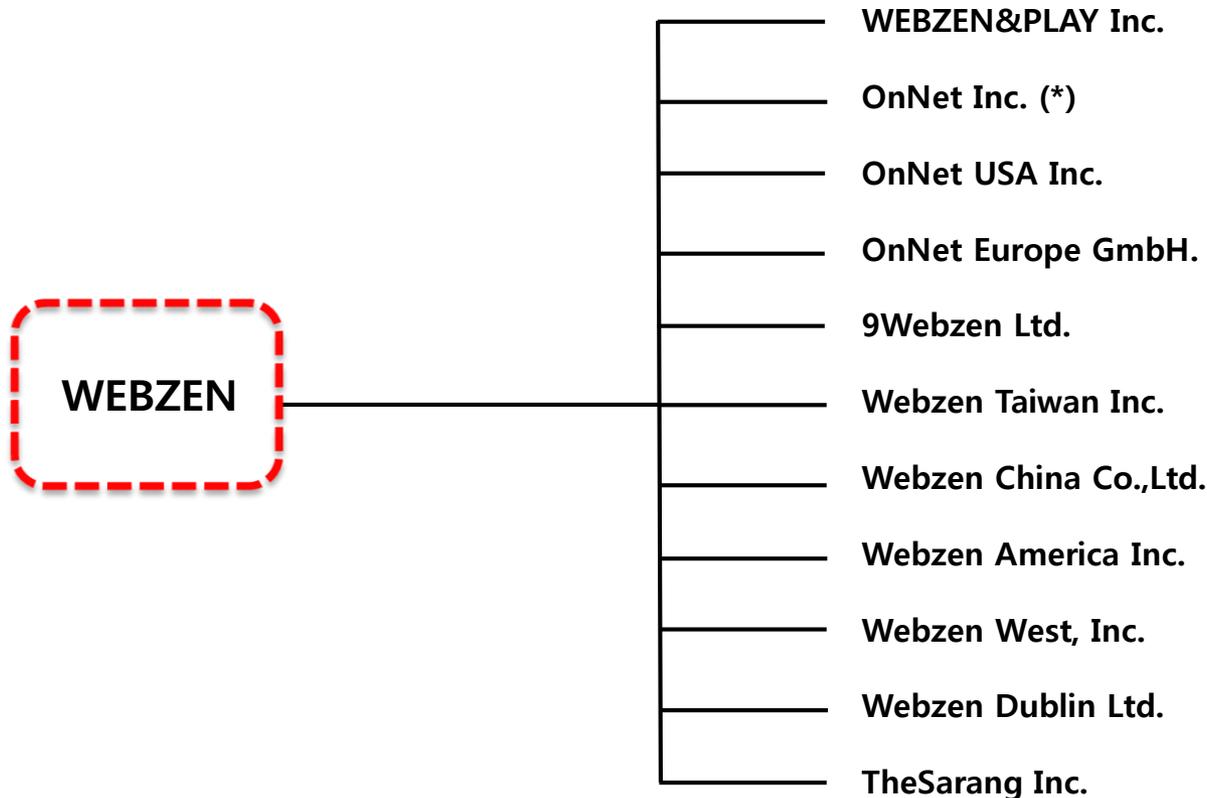
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Therefore WEBZEN will not be responsible for individual investment decisions based solely on this material.

WEBZEN disclaims any duty to update the information in this material to reflect future events or circumstances.

K-IFRS introduced since 1Q11, the followings are the subsidiaries of Webzen



(*) As of Sep. 2015, WEBZEN has acquired 86.21% shares of OnNet.
(Subsidiaries : OnNet USA Inc. & OnNet Europe GmbH.)

Summary of financial Results

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[Consolidated]

(Unit : KRW million)

	3Q15	2Q15	QoQ	3Q14	YoY
Revenue	78,222	71,295	9.7%	24,044	225.3%
Revenues on Game Services	78,171	71,231	9.7%	23,971	226.1%
Other revenues	52	65	-20.1%	72	-28.3%
Total Operating Expenses	49,267	47,773	3.1%	13,147	274.8%
Operating Profit (Loss)	28,955	23,522	23.1%	10,897	165.7%
Profit (Loss) before tax	22,283	23,150	-3.7%	12,300	81.2%
Income tax expenses	-4,199	1,401	-	1,363	-
Profit (Loss)	26,482	21,750	21.8%	10,938	142.1%

Summary of financial Results

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[Parent]

(Unit : KRW million)

	3Q15	2Q15	QoQ	3Q14	YoY
Revenue	75,804	69,799	8.6%	21,108	259.1%
Revenues on Game Services	75,496	69,474	8.7%	20,812	262.8%
Other revenues	308	325	-5.2%	295	4.2%
Total Operating Expenses	46,568	45,955	1.3%	13,527	244.3%
Operating Profit (Loss)	29,236	23,844	22.6%	7,581	285.7%
Profit (Loss) before tax	19,934	23,170	-14.0%	8,149	144.6%
Income tax expenses	-2,989	1,432	-	1,386	-
Profit (Loss)	22,923	21,738	5.5%	6,763	239.0%

Results analysis (Consolidated)

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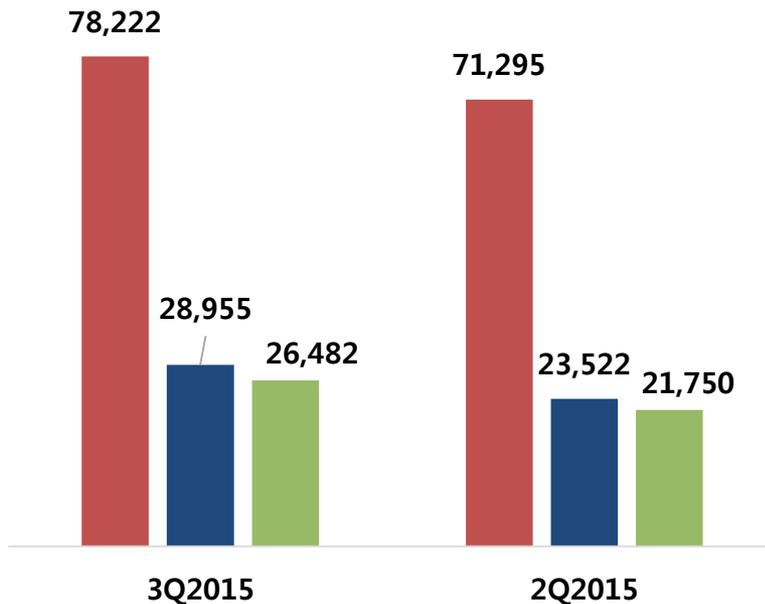


- ▶ Revenue 78.2b : QoQ ↑ 9.7% , YoY ↑ 225.3% based on consolidated
- ▶ Operating Profit 29.0b : QoQ ↑ 23.1% , YoY ↑ 165.7% based on consolidated
- ▶ Profit 26.5b : QoQ ↑ 21.8% , YoY ↑ 142.1% based on consolidated

(Unit : KRW million)

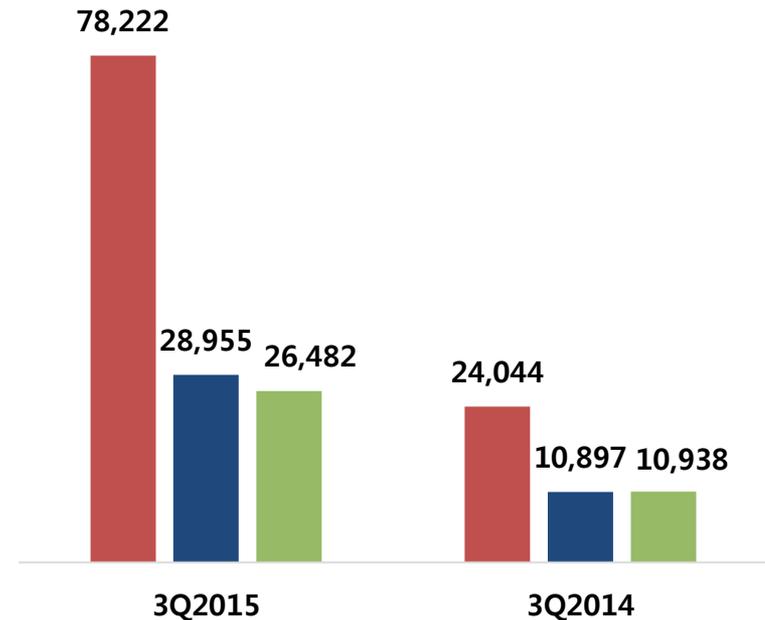
QoQ (Consolidated)

■ Revenue ■ OP ■ Profit



YoY (Consolidated)

■ Revenue ■ OP ■ Profit



Results analysis (Parent)

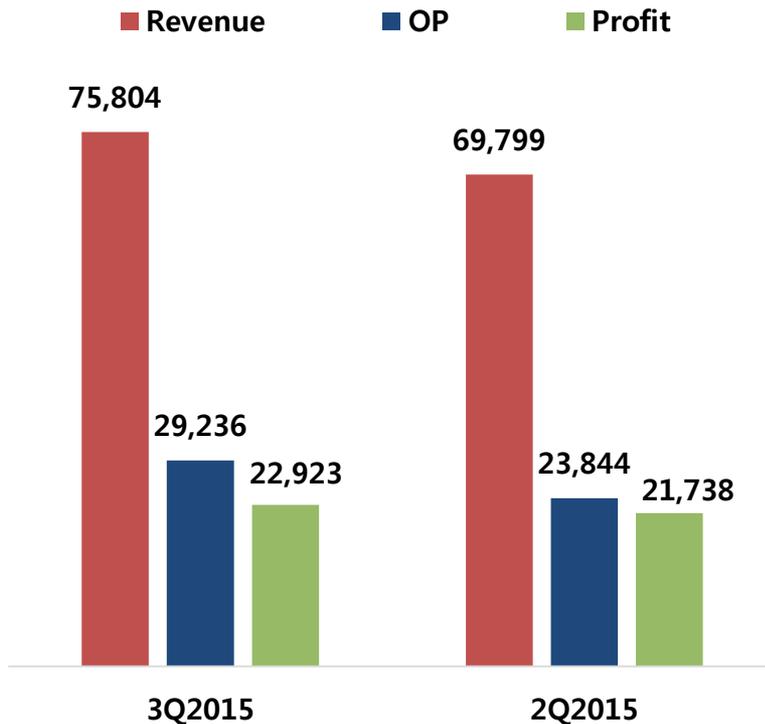
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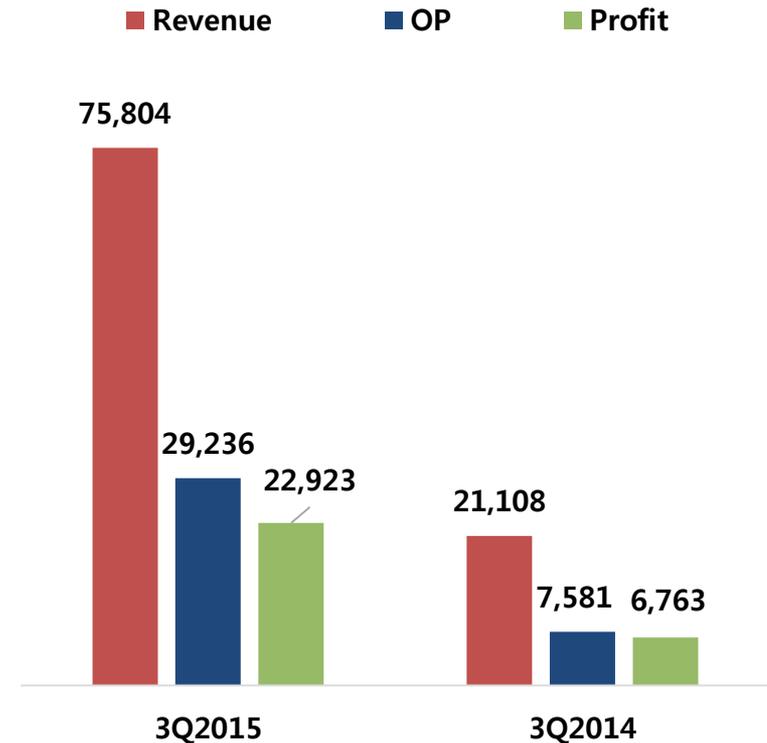
- ▶ Revenue 75.8b : QoQ ↑ 8.6% , YoY ↑ 259.1% based on parent
- ▶ Operating Profit 29.2b : QoQ ↑ 22.6% , YoY ↑ 285.7% based on parent
- ▶ Profit 22.9b : QoQ ↑ 5.5% , YoY ↑ 239.0% based on parent

(Unit : KRW million)

QoQ (Parent)



YoY (Parent)



Sales breakdown (by products)

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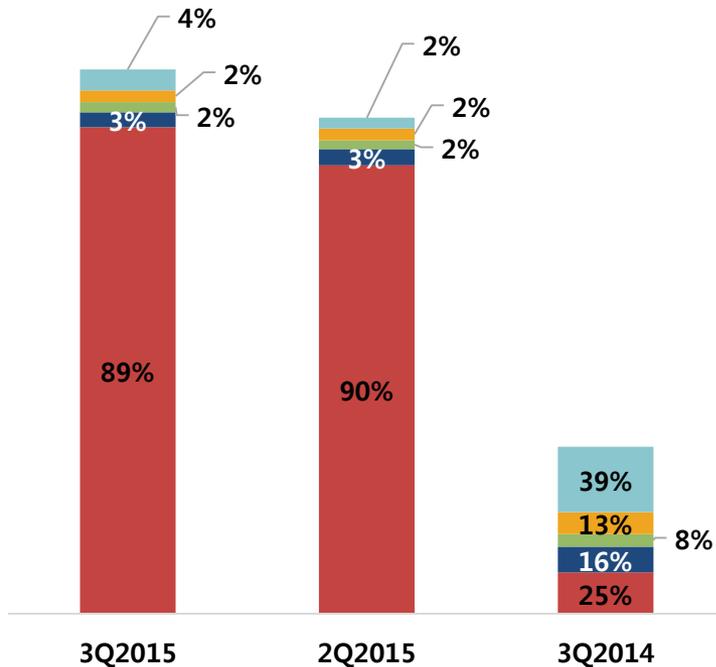


- ▶ Total Revenue on Game Services 78.2b (QoQ ↑ 9.7% , YoY ↑ 226.1%)
- ▶ MU 69.9b (QoQ ↑ 8.5% , YoY ↑ 1,079.5%) , R2 2.1b (QoQ ↓ 10.7% , YoY ↓ 43.5%)
- ▶ Metin2 1.5b (QoQ ↑ 18.1% , YoY ↓ 17.0%) , Webzen.com 1.7b (QoQ ↓ 2.2% , YoY ↓ 47.1%)

Sales breakdown (by products)

(Unit : KRW million)

■ MU ■ R2 ■ Metin2 ■ webzen.com ■ Others



	3Q2015	2Q2015	3Q2014
Total	78,171	71,231	23,971
MU (*)	69,902	64,397	5,926
R2	2,101	2,353	3,720
Metin2	1,493	1,264	1,799
webzen.com	1,661	1,699	3,139
Others	3,014	1,518	9,387

(*) MU includes the sales of MU IP franchising games (such as 大天使之劍, 全民奇迹, MU Origin etc.)

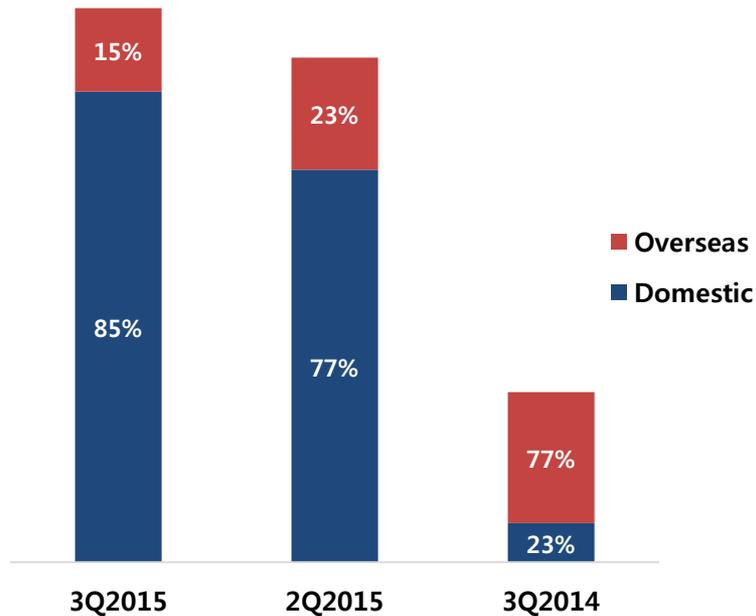
Sales breakdown (by markets)

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- ▷ Domestic Sales : 66.4b - QoQ ↑ 20.2 , YoY ↑ 1,110.7%
- ▷ Overseas Sales : 11.8b - QoQ ↓ 26.4%, YoY ↓ 36.2%
- ▷ Portion of Domestic : QoQ ↑ 8%P , YoY ↑ 62%P

Sales breakdown (by markets)



(Unit : KRW million)

	3Q2015	2Q2015	3Q2014
Total	78,171	71,231	23,971
Domestic	66,373	55,199	5,482
Overseas	11,798	16,032	18,489

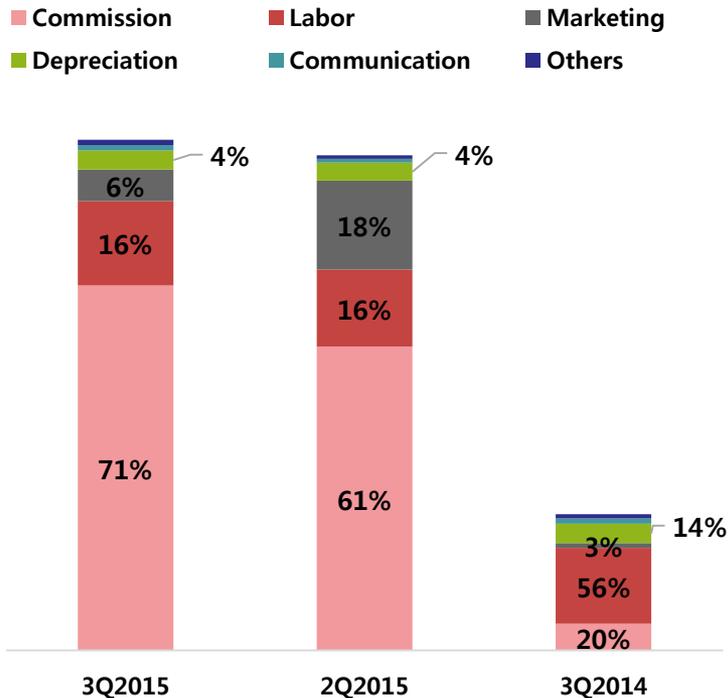
Expenses breakdown (Consolidated)

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- ▶ Operating Expenses 49.3b (QoQ ↑ 3.1% , YoY ↑ 274.8% based on consolidated)
- ▶ Commission 35.2b (QoQ ↑ 20.2% , YoY ↑ 1,273.0% based on consolidated)
- ▶ Labor 8.1b (QoQ ↑ 9.3% , YoY ↑ 10.9% based on consolidated)
- ▶ Marketing 3.0b (QoQ ↓ 64.6% , YoY ↑ 564.2% based on consolidated)

Expenses Breakdown by nature



(Unit : KRW million)

	3Q2015	2Q2015	3Q2014
Operating Expenses	49,267	47,773	13,147
Commission	35,225	29,303	2,566
Labor	8,125	7,437	7,325
Marketing	3,030	8,571	456
Depreciation	1,849	1,744	1,874
Communication	508	355	513
Others	529	364	413

Summary of F/S(Consolidated)

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(Unit : KRW million)

	2015.09.30	2014.12.31
Current Assets	149,742	55,179
Non-Current Assets	107,589	105,168
Total Assets	257,331	160,347
Current Liabilities	54,690	10,552
Non-Current Liabilities	6,044	10,298
Total Liabilities	60,734	20,850
Contributed Equity	17,655	17,655
Capital Surplus for Equity	150,212	149,565
Accumulated Other Comprehensive Income for Equity	(858)	240
Elements of Other Stockholder's Equity	(38,365)	(39,048)
Retained Earnings	66,565	11,010
Non-Controlling Interests	1,389	76
Total Equities	196,597	139,497

Summary of F/S(Consolidated)

A Global Contents Company loved by customers



(Unit : KRW million)

	3Q2015	2Q2015	3Q2014
Revenue	78,222	71,295	24,044
Revenues on Online-Game Service	78,171	71,231	23,971
Other Revenues	52	65	72
Total Operating Expenses	49,267	47,773	13,147
Operating Profit (Loss)	28,955	23,522	10,897
Profit (Loss) Before Tax	22,283	23,150	12,300
Corporate Tax	(4,199)	1,401	1,363
Profit (Loss)	26,482	21,750	10,938
Other Comprehensive Income (Loss)	(749)	167	(508)
Total Comprehensive Income (Loss)	25,732	21,917	10,430

Summary of F/S(Parent)

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(Unit : KRW million)

	2015.09.30	2014.12.31
Current Assets	131,859	44,941
Non-Current Assets	125,974	122,997
Total Assets	257,833	167,938
Current Liabilities	49,275	8,506
Non-Current Liabilities	5,403	8,157
Total Liabilities	54,678	16,663
Contributed Equity	17,655	17,655
Capital Surplus for Equity	150,095	149,565
Accumulated Other Comprehensive Income for Equity	(655)	50
Elements of Other Stockholder's Equity	(38,365)	(39,048)
Retained Earnings	74,424	23,053
Total Equities	203,155	151,275

Summary of F/S(Parent)

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(Unit : KRW million)

	3Q2015	2Q2015	3Q2014
Revenue	75,804	69,799	21,108
Revenues on Online-Game Service	75,496	69,474	20,812
Other Revenues	308	325	295
Total Operating Expenses	46,568	45,955	13,527
Operating Profit (Loss)	29,236	23,844	7,581
Profit (Loss) Before Tax	19,934	23,170	8,149
Corporate Tax	(2,989)	1,432	1,386
Profit (Loss)	22,923	21,738	6,763
Other Comprehensive Income (Loss)	(749)	25	27
Total Comprehensive Income (Loss)	22,175	21,763	6,790

Thank you