



Balance Sheet

As of 09/30/2010

As of 12/31/2009

As of 12/31/2008

Webzen Inc.

(Unit : Won)

Accounts	FY 2010	FY 2009	FY 2008
Assets			
Current Assets	72,905,289,149	5,444,220,404	3,246,972,194
Quick Assets	72,905,289,149	5,444,220,404	3,246,972,194
Cash and CashEquivalents	40,688,862,146	1,161,613,315	915,154,267
Short-term Investment Assets	23,619,978,533	375,432,892	
Short-term deposit	8,204,933,718		
Trading Securities	9,758,196,244		
Available-for-Sale Securities Current	5,554,351,171	375,432,892	
Short-term Loans	162,497,400		
Allowance for Doubtful Accounts for Short-term Loans	60,000,000		
Trade Receivable	9,912,476,523	3,501,942,747	2,326,623,952
Allowance for Doubtful Accounts for Trade Receivables	3,925,041,115	86,061,600	23,641,804
Other Receivables	197,224,521	2,938,510	1,029,660
Allowance for Doubtful Accounts for Other Receivables	64,402,512		
Accrued Income	304,343,112	183,562	1,284,119
Advance Payments	558,333,123		
Prepaid Expenses Total	469,305,236	22,661,102	26,522,000
Prepaid Income Taxes	900,671,650		
Prepaid Value Added Tax			
Derivative Assets Current	9,075,000		
Deferred Income Taxes Assets Current	234,462,932	465,509,876	
Non-current Assets	67,947,242,159	56,786,920,075	57,914,821,282
Investment Assets	7,029,479,832	54,141,869,300	55,962,189,949
Long-term Investment in Securities	6,672,086,191	2,146,546,328	2,893,776,570
Equity Method Securities	301,122,791	51,993,951,562	53,043,671,070
Long-term Loans	4,624,270,850		
Allowance for Doubtful Accounts for Long-term Loans	4,568,000,000		
Plan Assets		1,371,410	24,742,309
Other Investments	439,490,706		
Allowance for Doubtful Accounts for Other Investments	439,490,706		
Property, Plant and Equipment	4,278,497,276	328,778,450	339,983,592
Land	1,097,171,250		
Buildings	2,233,557,033		
Accumulated Depreciation for Buildings	423,445,195		
Machine And Equipment Assets	1,392,832,777	9,090,909	9,090,909
Accumulated Depreciation Machine And Equipment Assets	1,145,077,624	9,090,909	9,090,909
Machinery	33,910,400	33,910,400	33,910,400
Accumulated Depreciation for Machinery	33,910,400	33,759,058	27,174,138
Office Equipment	10,105,108,204	835,822,314	788,180,814
Government Subsidy for Office Equipment			
Accumulated Depreciation for Office Equipment	8,981,649,169	507,195,206	454,933,484
Intangible Assets	22,552,014,313	782,277,869	271,837,652
Goodwill	15,905,421,958		
Industrial Property Rights	7,287,228	7,421,042	10,479,698
Development Costs	4,137,766,820		
Computer Software	2,501,538,307	774,856,827	261,357,954
Other Intangible Assets			
Other Non-current Assets	34,087,250,738	1,533,994,456	1,340,810,089
Deferred Income Taxes Assets Non-current	158,819,897	1,116,465,456	530,810,089
Deposits Provided	1,708,579,000	417,529,000	810,000,000
Long-term Prepaid Expenses	24,170,564,465		
Others in Other Non-current Assets	8,049,287,376		
Total Assets	140,852,531,308	62,231,140,479	61,161,793,476
Liabilities			
Current Liabilities	14,265,835,714	20,648,933,832	11,995,309,257
Short-term Borrowings		15,000,000,000	5,500,000,000
Other Payables	1,662,205,283	563,649,866	340,464,546
Advance for Customers	987,869,326	40,000	12,000,000
Withholdings	168,543,850	19,401,550	37,672,550
Value Added Tax Withheld	359,654,640	353,585,482	486,401,678

Accounts	FY 2010	FY 2009	FY 2008
Accrued Expenses	1,102,294,993	826,545,784	259,671,233
Income Taxes Payable	3,619,561	708,052,391	991,531,111
Deferred Income Taxes Liabilities Current			266,603,193
Unearned Income	9,897,538,925	3,177,658,759	4,100,964,946
Provisions for Product Warranties in Current Liabilities			
Derivatives in Current Liabilities			
Leasehold Deposits Received			
Provisions for Other Estimated Liabilities in Current Liabilities	84,109,136		
Non-current Liabilities	19,887,235,376	18,956,753,463	37,792,362,479
Long-term Advances from Customers	3,307,953,728	2,468,785,006	2,215,673,062
Convertible Bonds	12,500,000,000	12,500,000,000	
Conversion Rights Adjustment for Bonds	5,045,182,920	6,079,031,543	-21,049,359,915
Yield to Maturity Premium on Convertible Bonds of Long-term Liabilities	5,625,000,000	5,625,000,000	
Provisions for Retirement and Severance Benefits	4,341,918,230	804,686,580	382,047,040
Plan Assets	842,453,662	804,686,580	382,047,040
Long-term Other Payables		4,442,000,000	14,527,329,502
Deferred Income Taxes Liabilities Non-current			
Total Liabilities	34,153,071,090	39,605,687,295	49,787,671,736
Stockholders' Equity			
Capital Stock	16,551,813,500	6,400,000,000	6,400,000,000
Common Stock	16,551,813,500	6,400,000,000	6,400,000,000
Capital Surplus	152,807,058,252	7,027,119,648	4,948,574,032
Additional Paid-in Capital	147,197,369,565	1,492,568,378	1,492,568,378
Consideration for Conversion Rights for Capital Surplus	3,456,005,654	3,456,005,654	3,456,005,654
Other Capital Surplus	2,153,683,033	2,078,545,616	
Capital Adjustments	-73,050,025,766	723,741,134	387,980,833
Treasury Stock in Capital Adjustments	74,521,646,369		
Losses on Sale of Treasury Stock			
Stock Options in Other Capital Adjustments	1,471,620,603	723,741,134	387,980,833
Accumulated Other Comprehensive Income	-1,998,806,601	371,991,160	-1,493,940,344
Gains on Valuation of Available for Sale Securities in Capital Adjustments	265,317,831		
Losses on Valuation of Available for Sale Securities in Capital Adjustments	395,495,203	339,808,542	1,493,940,344
Losses on Valuation of Equity Method Securities	1,868,629,229	-711,799,702	
Retained Earnings or Accumulated Deficit	12,389,420,833	8,102,601,242	1,131,507,219
Appropriated Retained Earnings for Statutory Reserve			
Appropriated Retained Earnings for Legal Reserve			
Appropriated Retained Earnings for Voluntary Reserves			
Other Appropriated Retained Earnings Voluntary Reserves			
Retained Earnings Before Appropriations or Accumulated Deficit Before	12,389,420,833	8,102,601,242	1,131,507,219
Total Stockholders Equity	106,699,460,218	22,625,453,184	11,374,121,740
Total Liabilities and Stockholders Equity	140,852,531,308	62,231,140,479	61,161,793,476



Income Statement

From 01/01/2010 To 09/30/2010
 From 01/01/2009 To 09/30/2009
 From 01/01/2009 To 12/31/2009
 From 01/01/2008 To 12/31/2008

Webzen Inc.

(Unit : Won)

Accounts	FY 2010		FY 2009		FY 2009	FY 2008
	3 Months	9 Months	3 Months	9 Months		
Sales Revenue	11,244,921,296	24,699,276,734	4,771,525,704	17,302,321,456	25,299,164,702	24,316,364,371
Sales Revenue of Finished Goods	6,376,674,668	6,376,674,668				
Royalty Revenue	4,232,893,028	17,687,248,466	4,771,525,704	17,302,321,456	25,299,164,702	24,316,364,371
Other Sales Revenue	635,353,600	635,353,600				
Costs of Goods and Services Sold	4,561,589,889	9,149,930,052	1,416,429,737	3,418,288,124	6,665,854,588	4,391,267,840
Cost of Finished Goods Sold	4,561,589,889	9,149,930,052	1,416,429,737	3,418,288,124	6,665,854,588	4,391,267,840
Royalty Cost						
Cost of Other Goods Sold						
Gross Profit or Loss	6,683,331,407	15,549,346,682	3,355,095,967	13,884,033,332	18,633,310,114	19,925,096,531
Selling and Administrative Expenses	6,505,243,405	9,325,194,882	1,713,590,272	5,804,310,534	6,159,833,546	5,433,373,022
Salaries and Wages	1,273,094,604	1,527,973,904	108,895,930	680,214,940	830,583,910	1,066,555,870
Bonuses for Selling and Administrative Expenses	160,195,476	434,476,476	83,000,000	391,000,000	28,562,000	67,743,023
Retirement and Severance Benefits	279,137,799	326,965,979	16,998,060	89,689,920	103,788,900	127,363,290
Employee Benefits	205,443,687	240,145,446	10,759,609	82,142,813	97,781,970	154,829,262
Travel Expenses	49,396,898	50,273,557	5,714,346	17,305,086	18,536,986	43,118,188
Entertainment Expenses	22,649,757	24,346,498	1,703,800	9,018,779	10,663,389	19,631,490
Communication Expenses	11,743,042	12,745,643	1,948,696	11,766,923	14,352,885	16,823,717
Utility Expenses	36,820,800	36,820,800				
Taxes and Dues	55,836,021	56,999,643	411,317	6,477,210	7,057,900	6,857,531
Depreciation	26,044,490	30,819,745	4,667,221	29,886,933	13,844,214	47,198,327
Rental Expenses	95,189,477	109,920,980	4,933,927	34,911,294	39,899,704	64,156,021
Repair Expenses						
Insurance Premiums	29,979,413	29,979,413				
Vehicle Maintenance Expenses	7,794,476	7,794,476		2,921,468	2,921,468	19,184,200
Development Expenses	1,265,880,246	3,205,150,822	1,360,353,760	3,900,348,892	4,257,344,944	3,055,873,357
Freight Expenses	1,465,991	1,855,213	389,945	1,232,798	1,384,915	1,286,746
Training Expenses	9,441,550	10,599,550		3,257,600	1,949,600	1,831,710
Publication Expenses	2,869,650	3,231,430	143,113	1,777,681	1,918,403	1,735,579
OfficeSupplyExpenses	979,802	979,802				
Supply Expenses	17,736,745	24,575,151	3,059,551	11,914,653	14,304,332	12,939,903
Commissions	1,151,006,568	1,274,414,994	6,132,697	70,903,169	99,119,555	309,786,233
Advertising Expenses	152,392,521	255,302,701	81,305,000	385,980,000	445,560,275	291,874,569
Expenses of Allowance for Doubtful Accounts					62,419,796	2,064,840
Sales Commissions	198,963,096	198,963,096				
Amortization of Intangible Assets	1,354,038,485	1,360,221,021			17,978,511	23,447,785

Accounts	FY 2010		FY 2009		FY 2009	FY 2008
	3 Months	9 Months	3 Months	9 Months		
Conference Expenses		2,183,117	2,016,472	10,089,891	12,123,696	16,235,551
Sample Expenses						
Compensations Expenses Associated with Stock Options	97,142,811	98,455,425	21,156,828	63,470,484	77,736,193	82,835,830
Operating Income or Loss	178,088,002	6,224,151,800	1,641,505,695	8,079,722,798	12,473,476,568	14,491,723,509
Non-Operating Revenues	1,378,716,164	4,943,037,341	371,801,384	1,801,525,754	5,419,887,763	808,833,610
Interest Income	484,178,263	524,638,902	6,170,066	17,300,169	49,823,808	238,100,776
Gains on Foreign Currency Transactions	117,765,297	259,435,833	11,280,644	179,106,197	183,296,967	183,871,284
Gains on Foreign Currency Translation		93,793,479			2,315	
Commission Income	12,000,000	12,000,000				
Gains on Valuation of Trading Securities	283,049,782	368,472,679				
Gain on Sale of Trading Securities	17,309,274	217,134,314				
Gains on Sale of Available for Sale Securities in Investment Assets		20,130,012	31,709,699	232,783,179	232,783,179	336,797,615
Gains on Sale of Investment Assets						
Gains on Sale of Property, Plant and Equipment		1,341,188				
Gains on Valuation of Equity Method Securities	221,937,221	488,532,789		1,044,711,853		
Reversal of Allowance for Doubtful Accounts	238,368,000	256,447,600		4,929,071		
Dividend Income						
Gains on Valuations of Derivatives	1,100,000	280,100,000			4,882,789,054	
Gains on Derivatives Transactions	1,802,425	2,411,762,473				
Gains on Redemption of Bonds			322,620,926	322,620,926		
Income Taxes Refunds		5,852,760				
Miscellaneous Income	1,205,902	3,395,312	20,049	74,359	71,192,440	50,063,935
Non-Operating Expenses	1,214,705,866	4,885,709,665	2,362,200,647	7,800,750,147	10,717,795,201	10,404,100,338
Interest Expenses	419,601,002	1,477,564,607	1,111,573,830	2,659,320,618	3,247,492,944	796,891,498
Losses on Foreign Currency Transactions	61,442,153	166,862,081	22,107,622	139,064,184	175,917,751	93,357,797
Losses on Foreign Currency Translation	723,244,889	801,271,739			58,020,613	75,396,081
Losses on Sale of Property, Plant and Equipment					55,921,928	
Losses on Valuation of Equity Method Securities		2,035,988,049	1,228,408,845	4,059,050,535	5,448,856,878	2,368,163,682
Impairment Losses on Equity Method Securities						6,825,730,098
Other Allowance for Doubtful Accounts	8,027,102	8,027,102				
Losses on Sale of Available for Sale Securities in Investment Assets						74,171,900
Losses on Valuation of Trading Securities		85,422,897			59,377,741	
Donations		3,000,000			979,356	7,647,817
Impairment Losses on Intangible Assets in NOE						
Additional Payments of Income Taxes		5,852,760				
Impairment Losses on Available for Sale Securities in Investment Assets						
Losses on Valuation of Other Derivatives		279,000,000				161,329,502
Losses on Redemption of Bonds				941,742,585	1,669,655,745	
Miscellaneous Losses	2,390,720	22,720,430	110,350	1,572,225	1,572,245	1,411,963
Income Loss Before Income Taxes Expenses	342,098,300	6,281,479,476	-348,893,568	2,080,498,405	7,175,569,130	4,896,456,781
Income Taxes Expenses	24,875,309	1,994,659,885			204,475,107	1,287,793,095
Net Income or Loss	317,222,991	4,286,819,591	-348,893,568	2,080,498,405	6,971,094,023	3,608,663,686