

FY2010 2Q Earnings Release



2010.08.13

Webzen



Disclaimer

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The financial results for Q2 of 2010 have been prepared on an un-audited basis, and may be subject to change during independent auditing process

Therefore, information and data contained in this document is subject to change through an independent auditor's review.

Also, the information and projections contained in this document are based on our Internal analysis of the market and industry environment. Please note these estimated Numbers are subject to change according to the change in the management Environment and industry conditions.

Results Summary

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(Unit : mil. Won)

	2Q2010	1Q2010	QoQ	2Q2009	YoY
Revenue	6,820	7,886	-14%	6,172	11%
Operating Income	139	1,301	-89%	69	101%
<i>(%)</i>	2%	16%	-14%P	1%	1%P
Non-Operating Profit	1,546	712	117%	(142)	turn around
Income before ITE	1,684	2,012	-16%	(73)	turn around
<i>(%)</i>	25%	26%	-1%P	-	-
Net Income(Loss)	1,497	1,721	-13%	(313)	turn around
<i>(%)</i>	22%	22%	-	-	-

Results Summary

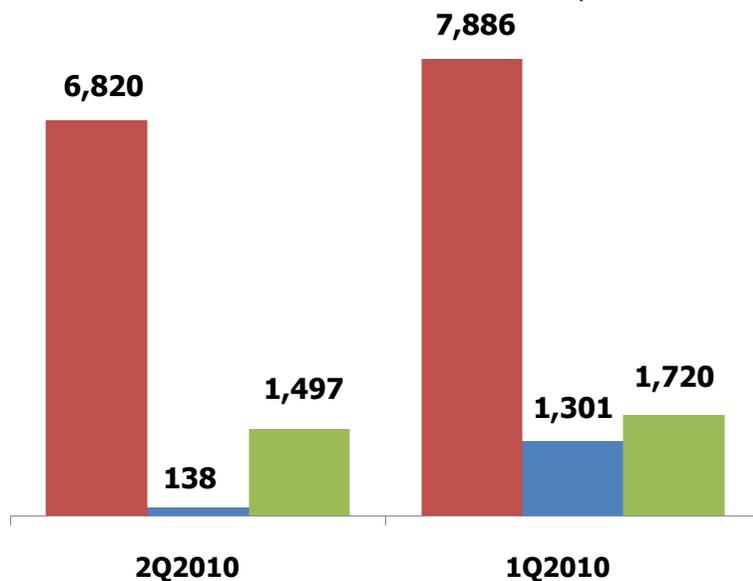
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- ▶ Revenue : 6.8 bil. won - ↓ 14% QoQ , ↑ 11% YoY
- ▶ Operating Income: 0.1 bil. won - ↓ 89% QoQ , ↑ 101% YoY
- ▶ Net Income : 1.5 bil. won - ↓ 13% QoQ , turn around YoY

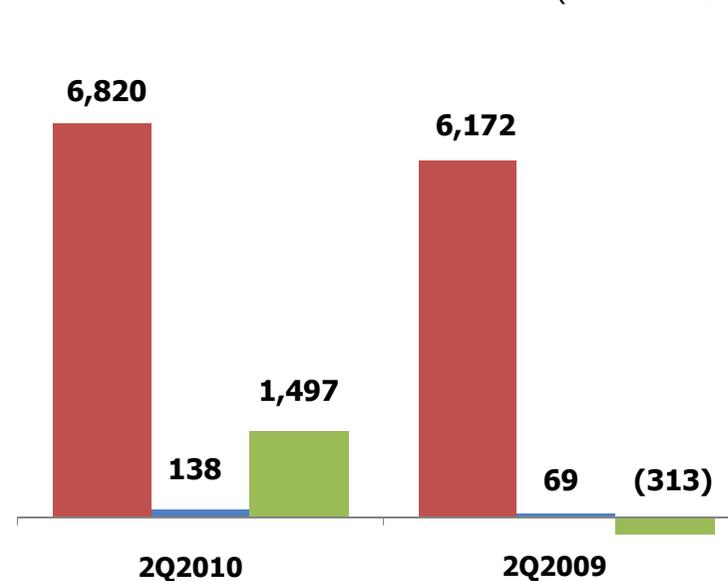
QoQ

sales Operating Income Net Income
(Unit : mil. Won)



YoY

sales Operating Income Net Income
(Unit : mil. Won)



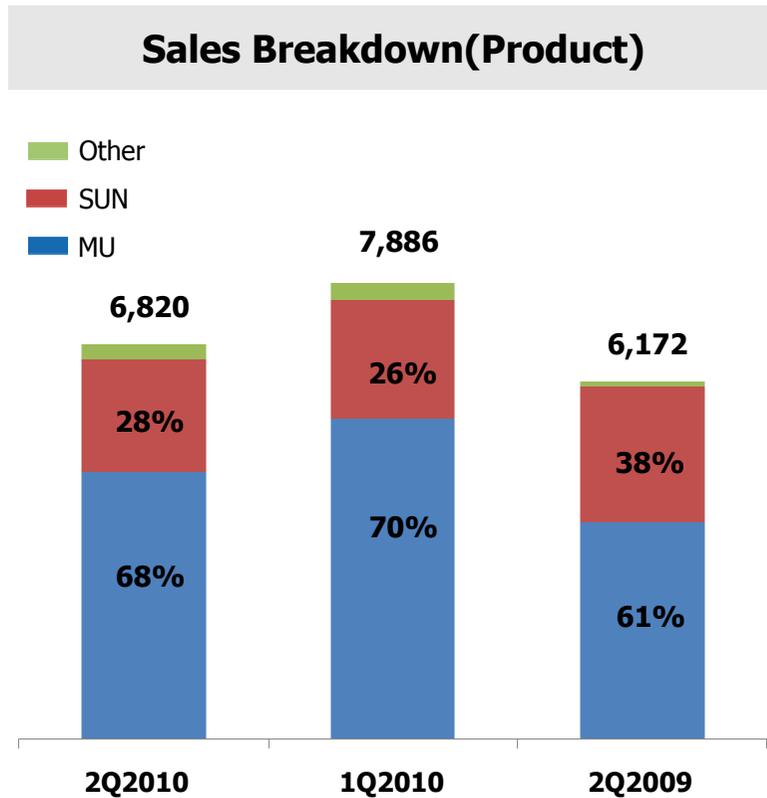
Sales Breakdown(Product)

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- ▷ **MU** : 4.6 bil. won - ↓ 17% QoQ , ↑ 23% YoY
- ▷ **SUN** : 1.9 bil. won - ↓ 6% QoQ , ↓ 17% YoY
- ▷ **Other** : 0.3 bil. won - ↓ 9% QoQ , ↓ 234% YoY

(Unit : mil. Won)



	2Q2010	1Q2010	2Q2009
Total Sales	6,820	7,886	6,172
MU	4,614	5,534	3,757
<i>(%)</i>	68%	70%	61%
SUN	1,930	2,048	2,331
<i>(%)</i>	28%	26%	38%
Other	277	304	83
<i>(%)</i>	4%	4%	1%

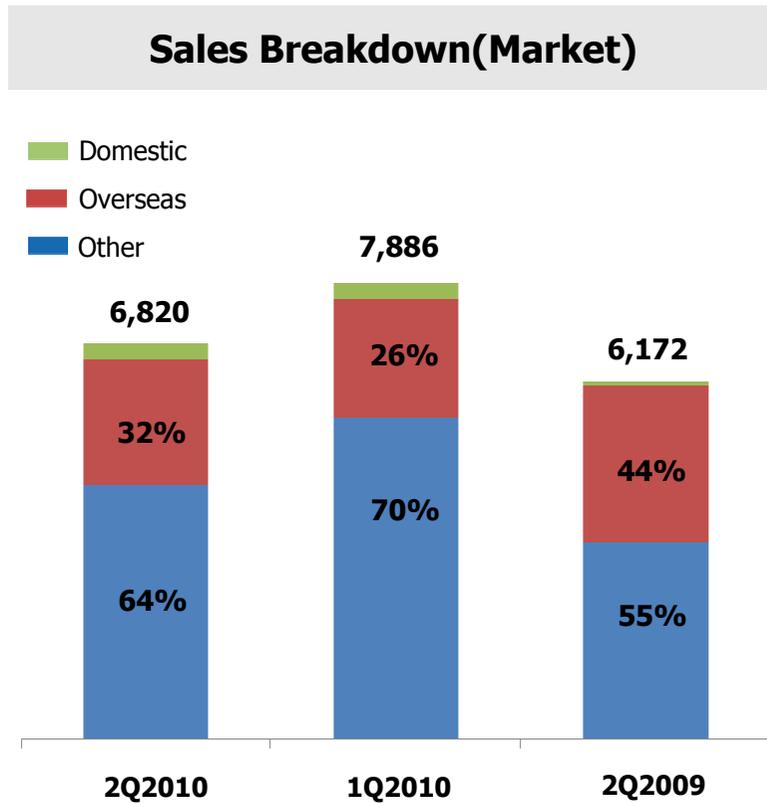
Sales Breakdown(Market)

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- ▶ Domestic : 4.4 bil. won - ↓ 21% QoQ , ↑ 30% YoY
- ▶ Overseas : 2.2 bil. won - ↑ 6% QoQ , ↓ 20% YoY
- ▶ Other : 0.3 bil. won - ↓ 9% QoQ , ↑ 234% YoY

(Unit : mil. Won)



	2Q2010	1Q2010	2Q2009
Total Sales	6,820	7,886	6,172
Domestic	4,382	5,540	3,374
Overseas	2,162	2,043	2,715
China	648	610	597
Japan	1,279	1,221	1,833
Taiwan	125	90	174
Other	110	123	112
Other	277	304	83

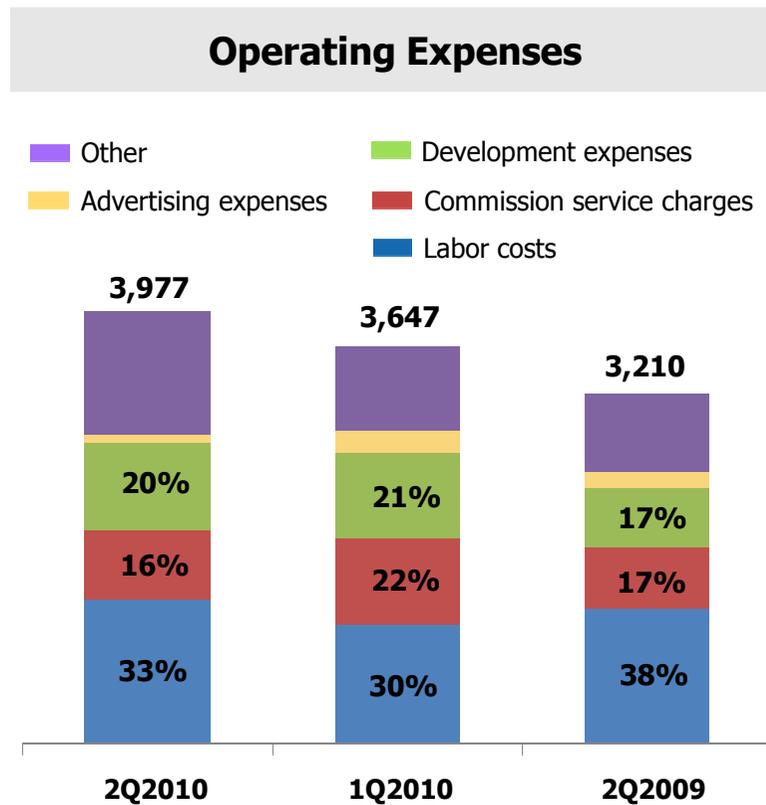
Operating Expenses

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- ▶ **Total Operating Expenses : 4.0 bil. won - ↑ 9% QoQ , ↑ 24% YoY**
- ▶ **Labor Costs : 1.3 bil. won - ↑ 20% QoQ , ↑ 6% YoY**
- ▶ **Development Expenses : 7.9 bil. won - ↑ 2% QoQ , ↑ 43% YoY**

(Unit : mil. Won)



	2Q2010	1Q2010	2Q2009
Total Operating Expenses	3,977	3,647	3,210
Labor costs	1,315	1,092	1,235
Advertising expenses	75	217	152
Development expenses	798	779	559
Commission service charges	636	788	548
Other	1,154	772	717

Non-Operating Profit

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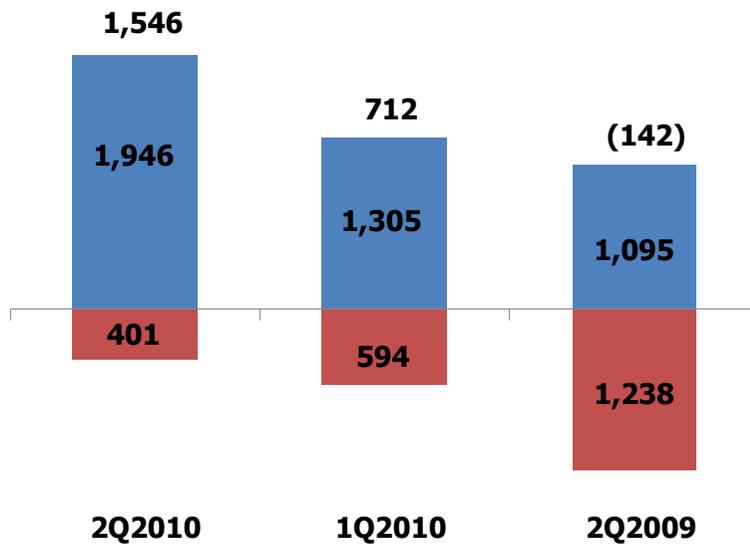


- ▶ **Non-Operating Profit : 1.6 bil. Won - ↑ 117% QoQ , turn around YoY**
- ▶ **Non-Operating revenue : 1.9 bil. Won - ↑ 49% QoQ , ↑ 78% YoY**

(Unit : mil. Won)

Non-Operating Profit

- Non-Operating revenue
- Non-Operating expenses



구 분	2Q2010	1Q2010	2Q2009
Non-Operating Profit	1,546	712	(142)
Non-Operating revenue	1,946	1,305	1,095
Non-Operating Expenses	401	594	1,238

Summarized Balance Sheet

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(Unit : mil. Won)

	2Q2010	1Q2010	4Q2009	2Q2009
Current Assets	85,752	89,121	88,921	77,997
Quick Assets	85,752	89,121	88,921	77,997
Non-Current Assets	47,684	43,591	43,327	55,725
Investments	4,464	258	459	1,865
Property, Plant and Equipment	3,687	3,780	3,879	5,200
Intangible Assets	5,579	5,464	5,344	5,432
Other non-current Assets	33,954	34,090	33,646	43,229
Total Assets	133,435	132,712	132,248	133,722
Current Liabilities	5,472	6,096	7,159	5,636
Non-Current Liabilities	5,155	4,938	4,852	4,726
Total Liabilities	10,627	11,033	12,012	10,362
Capital Stock	6,487	6,487	6,487	6,487
Capital Surplus	136,311	136,192	135,892	135,841
Capital Adjustment	(18,918)	(18,909)	(18,717)	(19,156)
Accumulated Other Comprehensive I/L	(2,306)	(1,828)	(1,442)	(1,553)
Retained Earnings	1,235	(262)	(1,983)	1,741
Total Shareholders' Equity	122,808	121,679	120,237	123,360

Summarized Income Statement

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(Unit : mil. Won)

구 분	2Q2010	1Q2010	QoQ	2Q2009	YoY
Revenue	6,820	7,886	-14%	6,172	11%
Cost of Revenue	2,705	2,938	-8%	2,893	-7%
Gross Profit	4,115	4,948	-17%	3,279	26%
<i>(%)</i>	60%	63%	-3%P	53%	7%P
Operating Expenses	3,977	3,647	9%	3,210	24%
Operating Income(Loss)	139	1,301	-89%	69	101%
<i>(%)</i>	2%	16%	-14%P	1%	1%P
Non-Operating Profit	1,546	712	117%	(142)	-
Non-Operating revenue	1,946	1,305	13%	1,095	35%
Non-Operating Expenses	401	594	-33%	1,238	-68%
Income before ITE	1,684	2,012	-16%	(73)	Turn around
<i>(%)</i>	25%	26%	-1%P	-	-
Income Tax Expenses	187	292	-36%	240	-22%
Net Income(Loss)	1,497	1,721	-13%	(313)	Turn around
<i>(%)</i>	22%	22%	-	-	-



Thank you