Global Digital Entertainment Leader

Investor Relations

FY2008 Q3 Earnings Release

※ *The financial results for FY2008 Q1 have been prepared on an unaudited basis, and may be subject to change during the independent auditing process*

Disclaimer

The financial results for Q3 of 2008 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

Revenue decreased 5.1% / Operation loss decreased and Net Income Turn over to Black Ink

Unit:KRW mm

	2008 Q3	2008 Q2	QoQ	2007 Q3	YoY
Revenue	**6,879**	7,245	-5.1%	7,556	-9.0%
Operating Expense	**7,482**	11,269	-33.6%	11,146	-32.9%
Operatiing Profit	**-603**	-4,024	85.0%	-3,590	83.2%
Ordinary Profit	**1,988**	-11,795	116.9%	-2,585	176.9%
Net Income (Loss)	**1,843**	-11,981	115.4%	-3,265	156.4%

Revenue Breakdown

Domestic revenue and Oversea revenue decreased 5.1% and 7.8% respectively

Unit: KRW mm

	2008 Q3	2008 Q2	QoQ	2007 Q3	YoY
Revenue	**6,879**	7,245	-5.1%	7,556	-9.0%
Domestic	**4,086**	4,252	-3.9%	4,941	-17.3%
Overseas	**2,739**	2,971	-7.8%	2,614	4.8%
Other	**54**	21	150.4%	1	5284.4%

Domestic Revenue Breakdown

Domestic revenue decreased 3.9%

Unit: KRW mm

	2008 Q3	2008 Q2	QoQ	2007 Q3	YoY
MU	**3,408**	3,608	-5.6%	4,057	-16.0%
Individual	**2,766**	2,991	-7.5%	3,235	-14.5%
Internet Cafe	**642**	617	4.0%	822	-21.9%
SUN	**678**	644	5.3%	884	-23.3%
Individual	**490**	470	4.1%	530	-7.6%
Internet Cafe	**188**	174	8.4%	354	-46.8%
Total	**4,086**	4,252	-3.9%	4,941	-17.3%

Overseas Royalty Revenue Breakdown

WEBZEN

Overseas royalty revenue decreased 7.8%

Unit: KRW mm

	2008 Q3	2008 Q2	QoQ	2007 Q3	YoY
MU	**915**	774	18.2%	813	12.6%
China	**58**	89	-34.9%	123	-52.8%
Taiwan	**153**	121	26.8%	100	53.0%
Japan	**523**	461	13.5%	482	8.5%
Philippines	**29**	29	-1.8%	-	-
Vietnam	**79**	19	308.2%	40	96.5%
US	**71**	52	36.5%	14	410.1%
Singapore	**3**	2	1.1%	54	-95.3%
SUN	**1,824**	2,197	-17.0%	1,799	1.4%
Taiwan	**61**	61	0.7%	172	-64.3%
China	**1,374**	1,265	8.7%	1,627	-15.5%
Japan	**388**	872	-55.5%	2	-
TOTAL	**2,739**	2,971	-7.8%	2,614	4.8%

Operating Costs

Total Operating Costs decreased 33.6% from previous quarter

Unit: KRW mm

	2008 Q3	2008 Q2	QoQ	2007 Q3	YoY
Total Operating Costs	**7,482**	11,269	-33.6%	11,146	-32.8%
Labor costs	**2,847**	5,744	-50.4%	5,645	-49.6%
Depreciation	**290**	310	-6.5%	450	-35.6%
Commission Paid	**729**	2,439	-70.1%	1,770	-58.8%
Marketing Expenses	**1,752**	582	201.1%	855	104.9%
Sales Commission	**81**	82	-1.6%	154	-47.6%
Other	**1,783**	2,113	-15.6%	2,272	-21.5%

Non-Operating Items

Non-operating profit in Q3

Unit: KRW mm

구분	**2008 Q3**	2008 Q2	QoQ	2007 Q3	YoY
Non-Operating Income	**2,591**	-7,771	133.4%	1,005	158.1%
Interest Income	**806**	724	11.3%	894	-9.8%
Profit (Loss) on foreign exchange	**2,387**	710	236.4%	-30	-
Gain on Equity method	**-329**	-955	65.6%	-829	60.3%
Gain on disposal of marketable securities	**2**	0.6	99.6%	859	-99.7%
Impairment Losses on Intangible Assets in NOE	**0**	-7,740	-	0	-
other	**-276**	-510	45.9%	111	-345.8%

Equity Method

Decreased in equity method loss from previous quarter

Unit: KRW mm

	2008 Q3	2008 Q2	QoQ	2008 Q3	YoY
9Webzen	**-121**	-100	-	-59	-
Webzen Taiwan	**-1**	-1	-	1	-
Webzen China	**0**	-630	-	-212	-
Webzen America	**-207**	-224	-	-557	-
Total	**-329**	-955	-	-829	-

THANK YOU

Investor Relations