



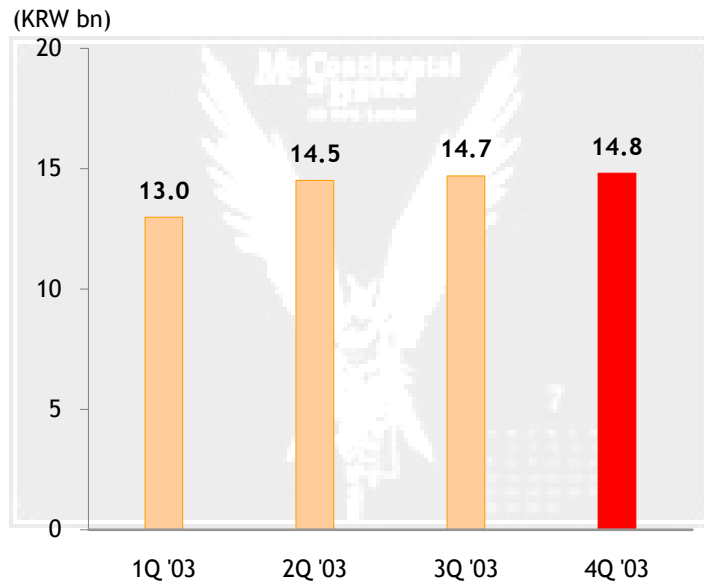
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Webzen 4Q 2003 Earnings Release

February 17, 2004

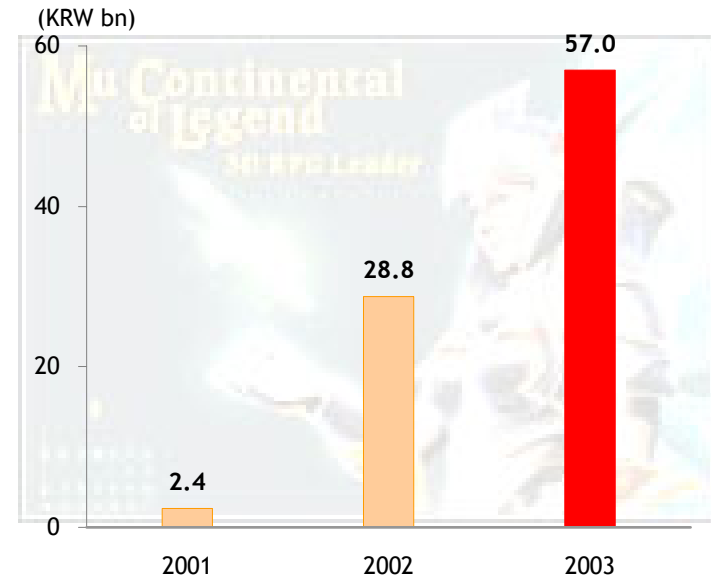
Revenue growth

Quarterly revenues



• QoQ total revenue growth of 0.9%

Revenue growth



• YoY total revenue growth of 97.9%

Revenue distribution by category

(KRW millions)	3Q 2003		4Q 2003		QoQ change (%)
Individual users	8,060	55.0%	7,904	53.5%	-1.9%
Internet cafes	4,743	32.4%	4,799	32.5%	1.2%
Overseas royalty	1,841	12.6%	2,051	13.9%	11.4%
Mobile	9	0.1%	14	0.1%	53.9%
Other	--	--	10	--	--
Total	14,653	100%	14,778	100%	0.9%

Revenue breakdown by country

(KRW millions)	3Q 2003	4Q 2003	QoQ change(%)
Total sales	14,653	14,778	0.9%
Domestic	12,812	12,718	-0.7%
Overseas	1,841	2,051	11.4%
China	1,608	2,085	29.6%
Taiwan	233	396	70.3%
Japan*	--	-312	--
Thailand*	--	-119	--
Operating profit	8,414	7,373	-12.4%

* Reversal of upfront license fees; currently preparing for commercial launch and license fees to be amortized over the course of the license period

Cost of goods sold

(KRW millions)	4Q 2003	3Q 2003	QoQ change (%)	% of COGS
Salaries	907	928	-2.2%	42.9%
Depreciation	681	668	1.9%	32.2%
Communication expenses	194	204	-4.9%	9.2%
Commissions paid	139	56	148.4%	6.6%

(KRW millions)	4Q 2003	3Q 2003	QoQ change (%)	% SG&A
Salaries	780	758	2.8%	14.7%
Bad debt expenses	1,249	459	172.4%	23.6%
Depreciation	96	68	41.5%	1.8%
Commission paid	525	591	-11.3%	9.9%
Sales commission	1,138	1,099	3.6%	21.5%
Marketing & advertising	979	778	25.9%	18.5%

Balance sheet

(KRW billions)	September 30, 2003	December 31, 2003	Change
Current assets	65.6	185.2	182.3%
Quick assets	65.6	185.2	182.3%
Inventory	0.0	0.0	--
Fixed assets	19.9	21.8	9.4%
Investments	8.2	10.3	24.8%
PP&E	10.8	10.6	-2.1%
Intangible assets	0.8	0.9	7.0%
Total assets	85.5	207.0	142.0%
Current liabilities	10.6	12.1	13.2%
Fixed liabilities	1.6	1.6	5.5%
Total liabilities	12.2	13.7	12.2%
Capital stock	1.8	2.2	24.9%
Capital surplus	30.4	139.7	360.2%
Retained earnings	41.2	51.2	24.2%
Capital adjustments	0.0	0.2	NM
Total shareholders' equity	73.3	193.3	163.6%
Total liabilities and SE	85.5	207.0	142.0%

Income statement

(KRW billions)	3Q 2003	4Q 2003	Change
Sales	14.7	14.8	0.9%
COGS	2.0	2.1	6.0%
Gross profit	12.7	12.7	0.0%
	86.4%	85.7%	-0.8%
SG&A	4.2	5.3	24.6%
Operating profit	8.4	7.4	-12.4%
	57.4%	49.9%	-13.1%
Non-operating income	1.9	2.8	48.0%
Non-operating expenses	0.2	0.2	3.0%
Recurring profit	10.1	10.0	-1.3%

Guidance for 2004

(KRW billions)	2004 target	YE2003 result	Expected YoY growth
Sales	75.0	57.0	31.6%
Operating profit	42.5	32.6	30.4%
Recurring profit	49.0	39.8	23.1%