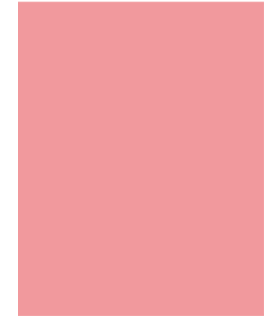


# FY2016

# Earnings Release



**2017.02.10**

**Webzen Inc.**

## Disclaimer

Some contents may reflect forward-looking statements and have been prepared based on the expectations according to the dates on which these statements were made.

There can be no assurance that the forward-looking statements used by WEBZEN are correct as results can differ from expectations.

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

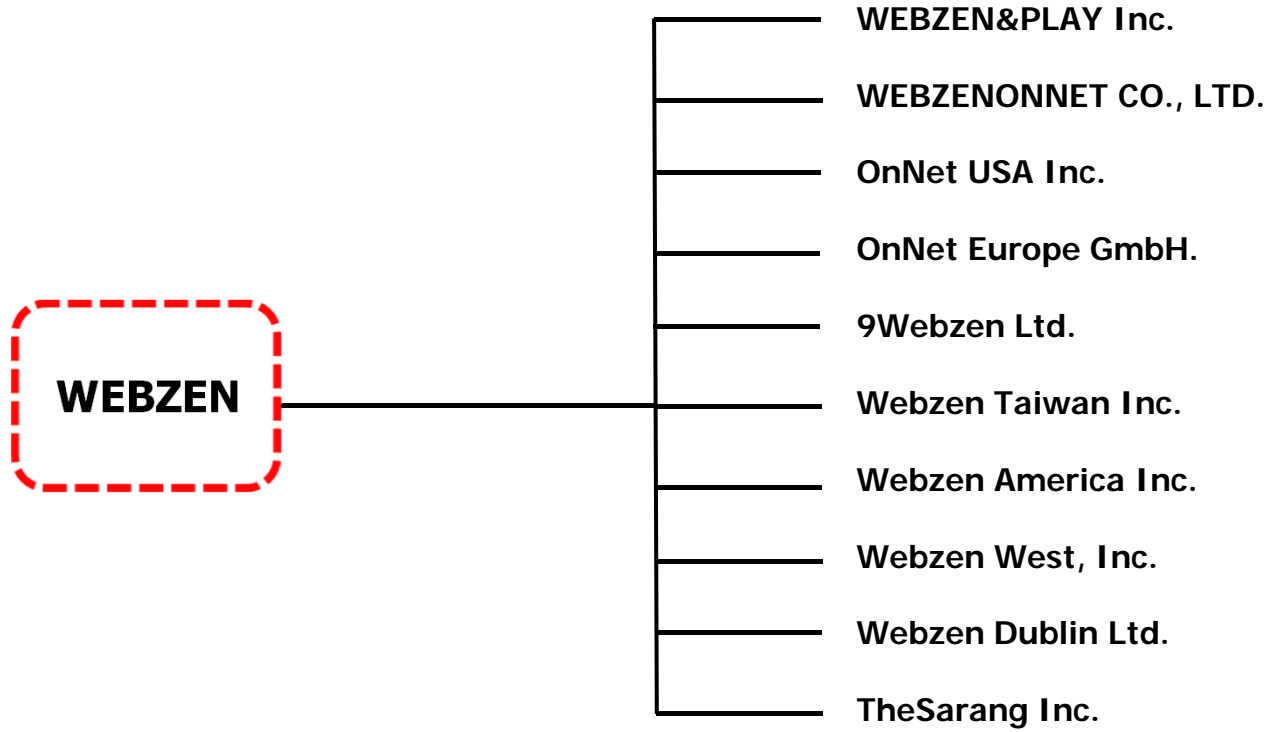
WEBZEN disclaims any duty to update the information in this material to reflect future events or circumstances.

# Consolidated Corporations

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The followings are the subsidiaries of Webzen Inc.



# Summary of Financial Results

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[Consolidated]

(Unit : KRW million)

	FY2016	FY2015	YoY	%
Revenue	219,993	242,222	(22,229)	-9.2%
Revenue on Game Services	219,943	241,994	(22,051)	-9.1%
Operating Expenses	162,810	167,502	(4,693)	-2.8%
Operating Profit	57,184	74,720	(17,536)	-23.5%
Income before tax	56,877	65,851	(8,974)	-13.6%
Income tax expenses	12,002	5,616	6,386	113.7%
Net Income	44,876	60,235	(15,359)	-25.5%
Other comprehensive income	(696)	(1,428)	-	-
Total comprehensive income	44,180	58,807	(14,627)	-24.9%

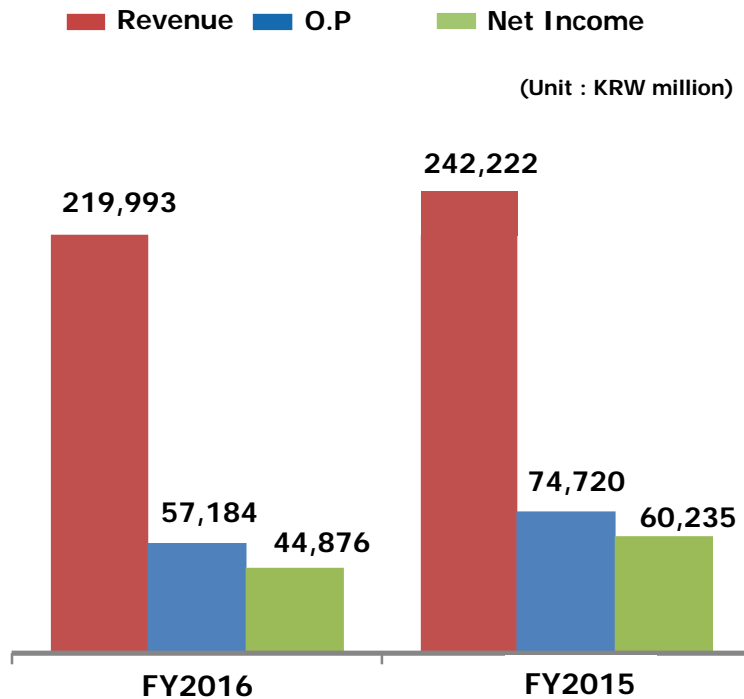
# Result Analysis(consolidated)

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- ▶ Revenue 220.0b - YoY ↓ 9.2% based on consolidated
- ▶ Operating Profit 57.2b - YoY ↓ 23.5% based on consolidated
- ▶ Net Income 44.9b - YoY ↓ 25.5% based on consolidated

## Result Analysis(consolidated)



(Unit : KRW million)

	FY2016	FY2015
Revenue	219,993	242,222
Operating Profit	57,184	74,720
Net Income	44,876	60,235

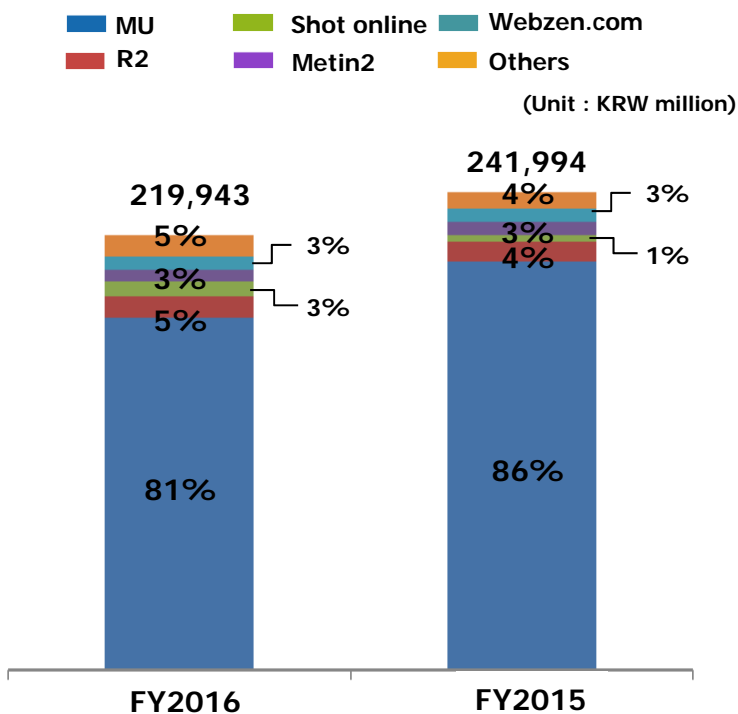
# Sales Breakdown

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- ▶ Total sales 220.0b - YoY ↓ 9% based on consolidated
- ▶ MU 178.3b - YoY ↓ 14% based on consolidated , R2 10.9b - YoY ↑ 15% based on consolidated
- ▶ Metin2 5.9b - YoY ↓ 11 % based on consolidated , webzen.com 6.6b - YoY ↓ 5% based on consolidated

## Sales breakdown (by products)



(Unit : KRW million)

	FY2016	FY2015
<b>Total</b>	<b>219,943</b>	<b>241,994</b>
MU (*)	178,264	206,970
R2	10,907	9,485
Shot Online	6,982	3,230
Metin2	5,938	6,640
Webzen.com	6,587	6,920
Others	11,264	8,748

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

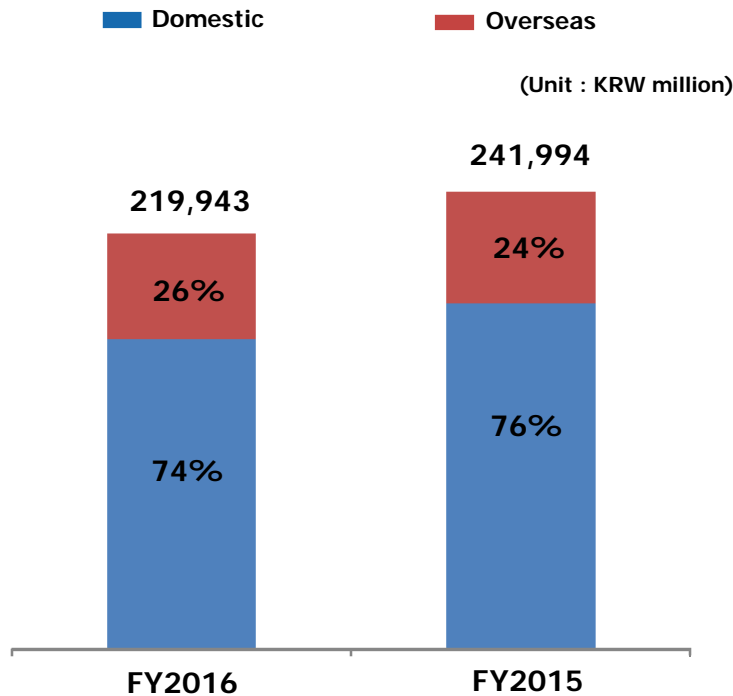
# Sales Breakdown

A Global Contents Company loved by customers



- ▶ Domestic Sales : 163.8b - YoY ↓ 11% based on consolidated
- ▶ Overseas Sales : 56.1b - YoY ↓ 5% based on consolidated
- ▶ Portion of Overseas YoY ↑ 2%P based on consolidated

## Sales breakdown (by markets)



(Unit : KRW million)

	FY2016	FY2015
<b>Total</b>	<b>219,943</b>	<b>241,994</b>
Domestic	163,837	183,116
Overseas	56,106	58,877

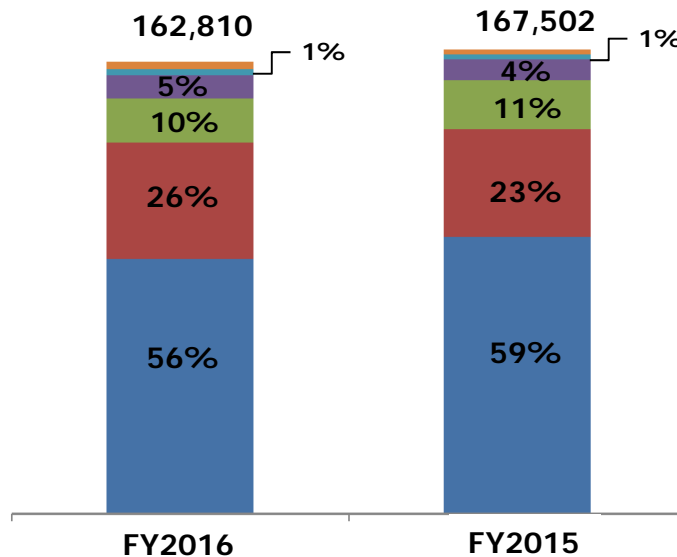
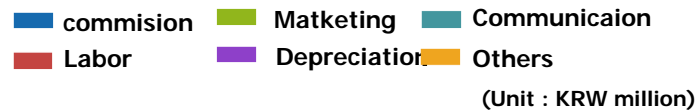
# Expenses Breakdown

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- ▶ Operating Expenses 162.8b - YoY ↓ 3% based on consolidated
- ▶ Commission 91.8b - YoY ↓ 8% based on consolidated
- ▶ Labor 41.9b - YoY ↑ 7% based on consolidated
- ▶ Marketing 15.9b - YoY ↓ 11% based on consolidated

## Expenses Breakdown



(Unit : KRW million)

	FY2016	FY2015
<b>Total</b>	<b>162,810</b>	<b>167,502</b>
Commission	91,849	99,573
Labor	41,856	39,135
Marketing	15,942	17,837
Depreciation	8,668	7,321
Communication	1,817	1,725
Others	2,678	1,912



# Summary of F/S

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## [Consolidated]

(Unit : KRW million)

	2016.12.31	2015.12.31
Current Assets	207,563	171,985
Non-Current Assets	94,132	105,676
<b>Total Assets</b>	<b>301,695</b>	<b>277,661</b>
Current Liabilities	52,891	67,864
Non-Current Liabilities	9,124	8,936
<b>Total Liabilities</b>	<b>62,015</b>	<b>76,801</b>
Contributed Equity	17,655	17,655
Capital Surplus for Equity	150,212	150,212
Accumulated Other Comprehensive Income for Equity	(627)	(399)
Elements of Other Stockholder's Equity	(43,726)	(38,365)
Retained Earnings	115,481	70,744
Non-Controlling Interests	685	1,015
<b>Total Equities</b>	<b>239,680</b>	<b>200,861</b>

# Summary of F/S

A Global Contents Company loved by customers



(Unit : KRW million)

	FY2016	FY2015
Revenue	219,993	242,222
Revenue(Game Service)	219,943	241,994
Operating Expense	162,810	167,502
Operating Profit (Loss)	57,184	74,720
Profit (Loss) Before Tax	56,877	65,851
Corporate Tax	12,002	5,616
Profit (Loss)	44,876	60,235
Other comprehensive income	(696)	(1,428)
Total comprehensive income	44,180	58,807

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**Thank you**