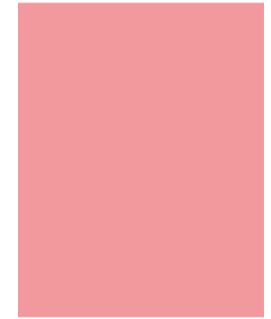


FY2017 Earnings Release



2018.02.06

Webzen Inc.

Disclaimer

This report is based on K-IFRS.

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.

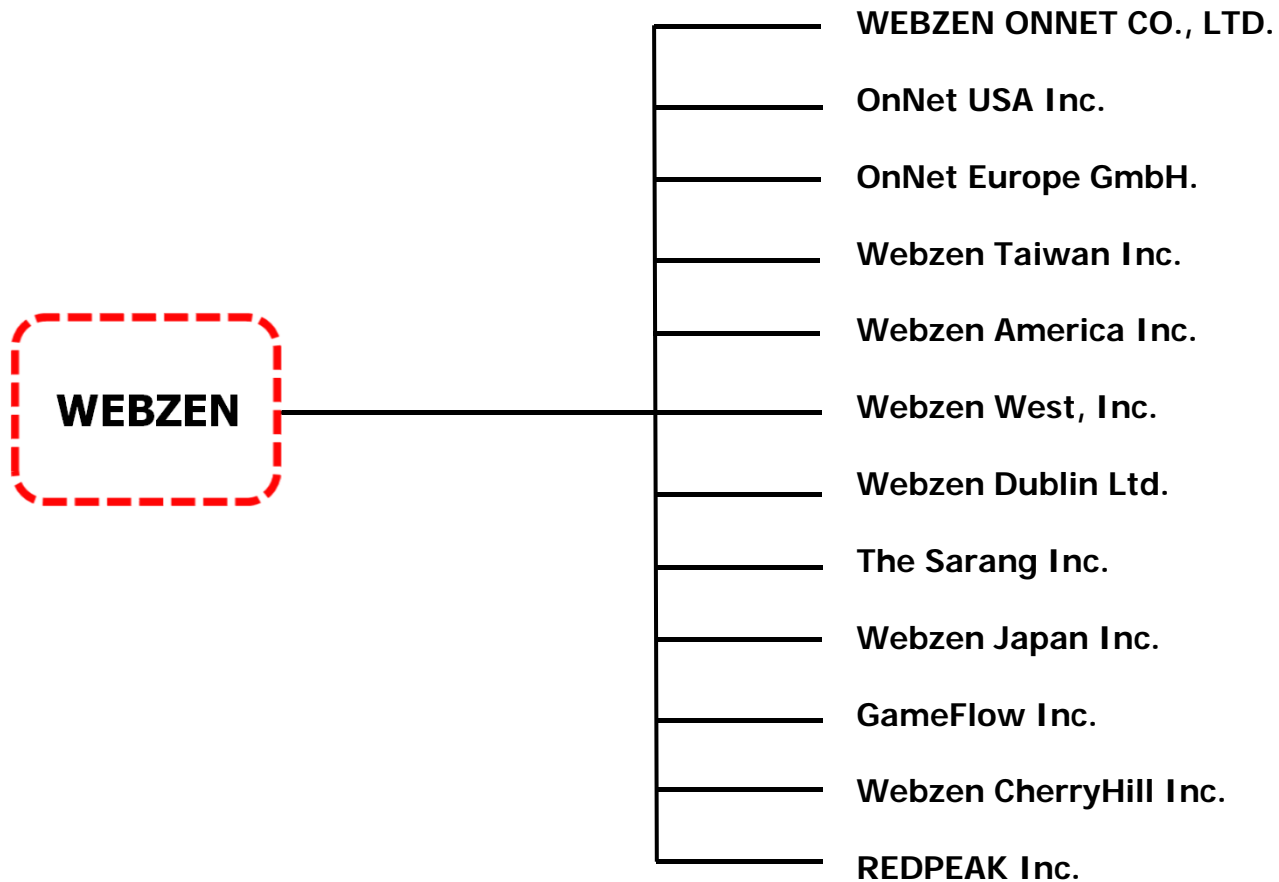
There can be no assurance that the forward-looking statements used by WEBZEN are correct as results can differ from expectations.

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.



The followings are the subsidiaries of Webzen Inc.



Summary of Financial Results

A Global Contents Company loved by customers



[Consolidated]

(Unit : KRW million)

	FY2017	FY2016	YoY	%
Revenue	166,267	219,993	(53,726)	-24.4%
Revenue on Game Services	166,154	219,943	(53,789)	-24.5%
Operating Expenses	122,259	162,810	(40,551)	-24.9%
Operating Profit	44,008	57,184	(13,175)	-23.0%
Income before corporate tax	45,647	56,877	(11,230)	-19.7%
Corporate tax	15,685	12,002	3,683	30.7%
Net Income	29,962	44,876	(14,913)	-33.2%
Other comprehensive income	(78)	(696)	618	-88.8%
Total comprehensive income	29,885	44,180	(14,295)	-32.4%

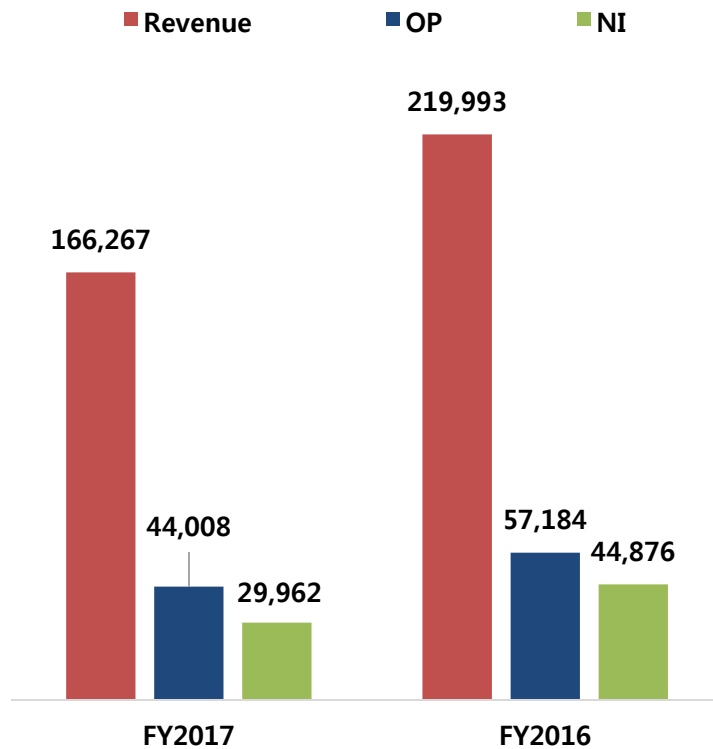
Result Analysis (Consolidated)

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- ▷ Revenue 166.3b (YoY ↓ 24%)
- ▷ Operating Profit 44b (YoY ↓ 23%)
- ▷ Net Income 30b (YoY ↓ 33%)

YoY



(Unit : KRW million)

	FY2017	FY2016
Revenue	166,267	219,993
Operating Profit	44,008	57,184
Net Income	29,962	44,876

Sales Breakdown (Consolidated)

A Global Contents Company loved by customers

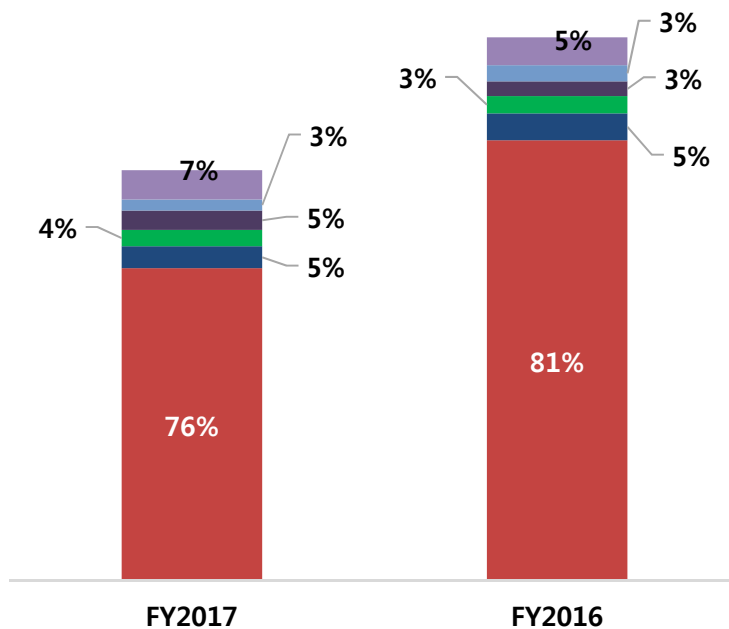


- ▶ Total Revenue on Game Services 166.2b (YoY ↓ 24%)
 - MU 126.5b (YoY ↓ 29%) , R2 8.9b (YoY ↓ 19%)
 - Metin2 7.9b (YoY ↑ 32%) , webzen.com 4.5b (YoY ↓ 32%)

Sales breakdown (by products)

■ MU ■ R2 ■ ShotOnline ■ Metin2 ■ webzen.com ■ Others

(Unit : KRW million)



Product	FY2017	FY2016
Total	166,154	219,943
MU(*)	126,501	178,264
R2	8,861	10,907
Shot Online	6,620	6,982
Metin2	7,865	5,938
Webzen.com	4,459	6,587
Others	11,848	11,264

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

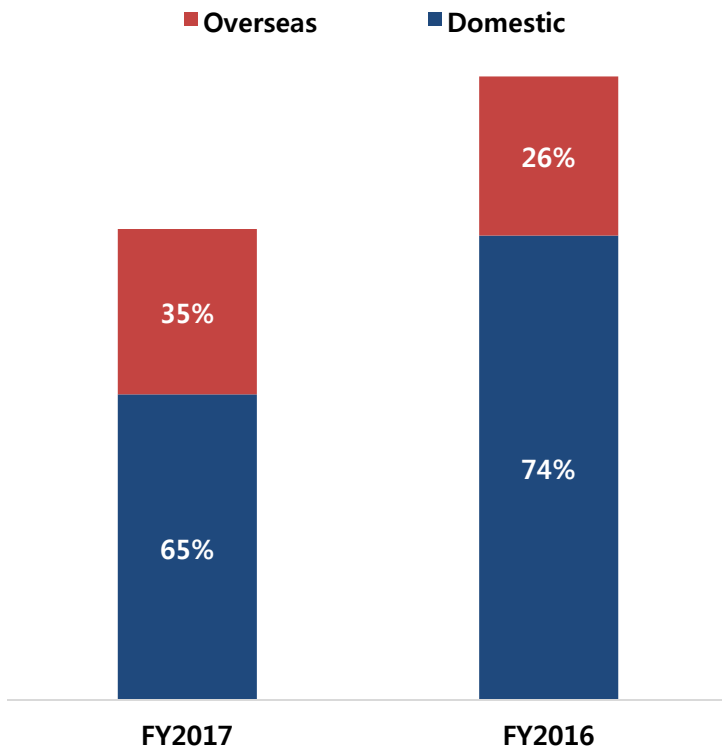
Sales Breakdown (Consolidated)

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- ▶ Domestic Sales : 107.8b (YoY ↓ 34%)
- ▶ Overseas Sales : 58.3b (YoY ↑ 4%)
- ▶ Portion of Overseas : YoY ↑ 9%P

Sales breakdown (by markets)



(Unit : KRW million)

	FY2017	FY2016
Total	166,154	219,943
Domestic	107,828	163,837
Overseas	58,326	56,106

Expenses Breakdown (Consolidated)

A Global Contents Company loved by customers

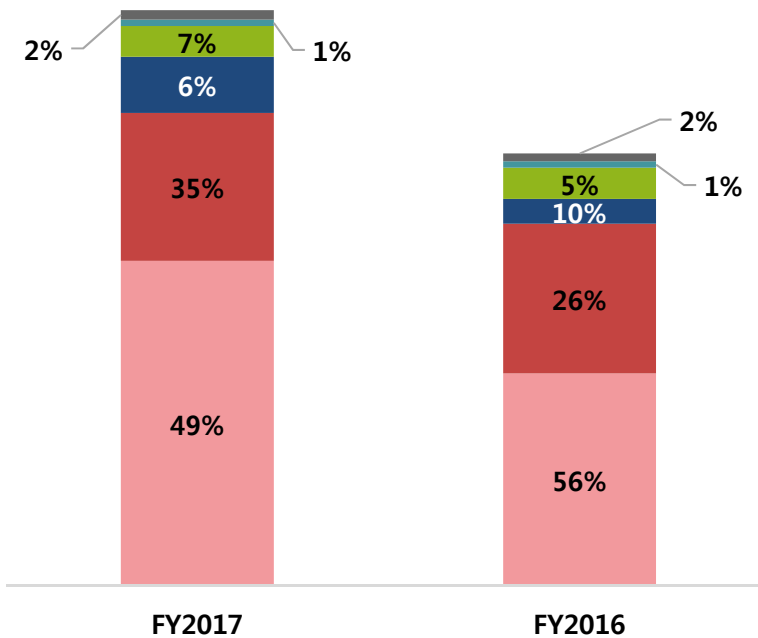


- ▷ Operating Expense 122.3b (YoY ↓ 25%)
 - Commission (fee) 60b (YoY ↓ 35%) , Labor 42.4b (YoY ↑ 1%)
 - Marketing 7b (YoY ↓ 56%) , Depreciation 8.9b (YoY ↑ 2%)

Expenses Breakdown

■ Commission (fee) ■ Labor ■ Marketing
■ Depreciation ■ Communication ■ Others

(Unit : KRW million)



	FY2017	FY2016
Total	122,259	162,810
Commission(fee)	60,002	91,849
Labor	42,371	41,856
Marketing	6,998	15,942
Depreciation	8,868	8,668
Communication	1,782	1,817
Others	2,239	2,678

Summary of F/S (Consolidated)

A Global Contents Company loved by customers



(Unit : KRW million)

	2017.12.31	2016.12.31
Current Assets	224,551	207,563
Non-Current Assets	98,928	94,132
Total Assets	323,479	301,695
Current Liabilities	40,446	52,891
Non-Current Liabilities	13,579	9,124
Total Liabilities	54,024	62,015
Contributed Equity	17,655	17,655
Capital Surplus for Equity	150,263	150,212
Accumulated Other Comprehensive Income for Equity	16	(627)
Elements of Other Stockholder's Equity	(43,777)	(43,726)
Retained Earnings	145,036	115,481
Non-Controlling Interests	261	685
Total Equities	269,455	239,680

Summary of F/S (Consolidated)

A Global Contents Company loved by customers



(Unit : KRW million)

	FY2017	FY2016
Revenue	166,267	219,993
Revenue(Game Service)	166,154	219,943
Other Income	114	51
Operating Expense	122,259	162,810
Operating Profit	44,008	57,184
Income before Corporate Tax	45,647	56,877
Corporate Tax	15,685	12,002
Net Profit	29,962	44,876
Controlling Interest	30,267	45,186
Non-Controlling Interest	(305)	(310)
Other comprehensive income	(78)	(696)
Total comprehensive income	29,885	44,180
Controlling Interest	30,198	44,509
Non-Controlling Interest	(314)	(330)



Thank you