



2013 1Q

Earnings Release

2013.05.15

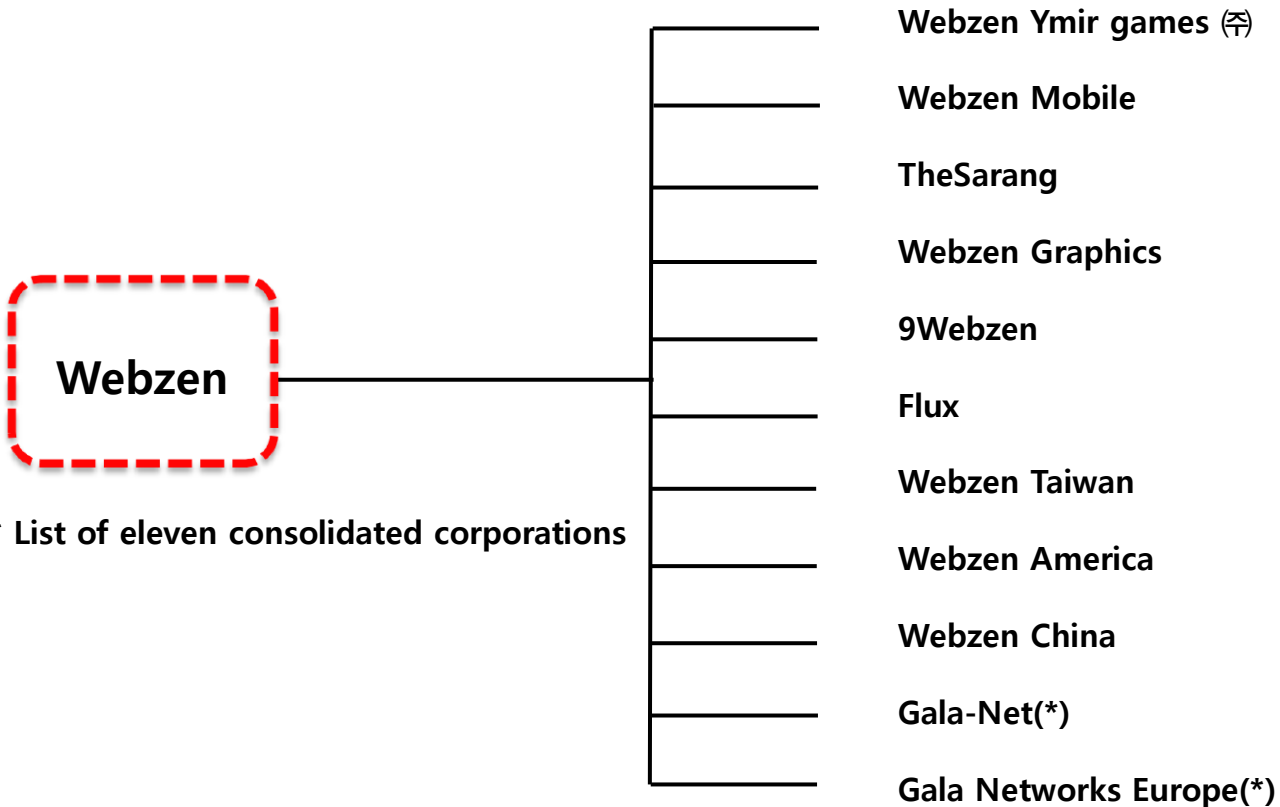
Webzen

Consolidated corporations

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K-IFRS introduced since 1Q11, the followings are the subsidiaries of Webzen.



* List of eleven consolidated corporations

(*) Gala-Net has been acquired by Webzen Inc. since February 15,2013
Gala Networks Europe Ltd. Is wholly owned by Gala-Net, Inc.

Summary of financial Results

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[Consolidated Results]

(Unit : KRW million)

구 분	1Q13	4Q12	QoQ	1Q12	YoY
Revenue	18,079	14,216	27.2%	15,724	15.0%
Revenues on Online-game Service	18,061	14,219	27.0%	15,505	16.5%
Other revenues	18	(3)	Turn around	219	-91.7%
Total Operating Expenses	16,436	12,724	29.2%	11,609	41.6%
Operating Profit (Loss)	1,643	1,492	10.1%	4,115	-60.1%
Profit (Loss) before tax	3,001	(1,495)	Turn around	4,165	-27.9%
Income tax expenses	962	754	27.5%	904	6.4%
Profit (Loss)	2,039	(2,249)	Turn around	3,262	-37.5%

Results analysis (1Q)

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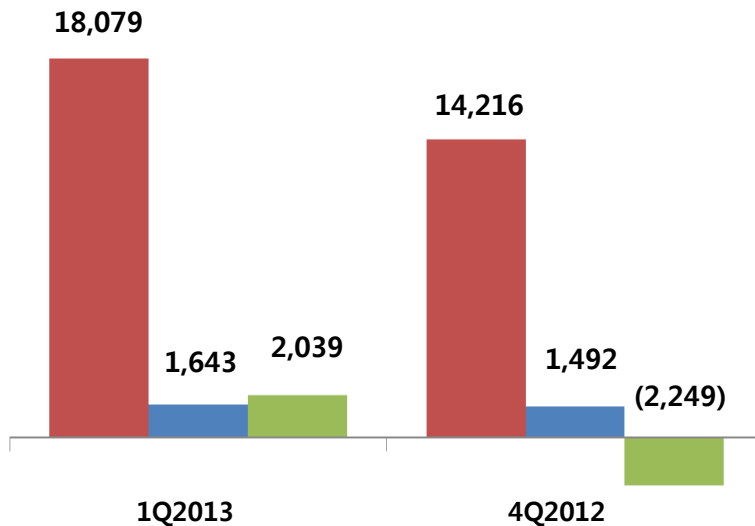


- ▶ Revenue : QoQ ↑ 27%, YoY ↑ 15% based on consolidated
- ▶ Operating Profit : QoQ ↑ 10%, YoY ↓ 60% based on consolidated
- ▶ Profit (Loss) : QoQ Turnaround , YoY ↓ 38% based on consolidated

QoQ (consolidated)

Revenue Operating Profit Profit(Loss)

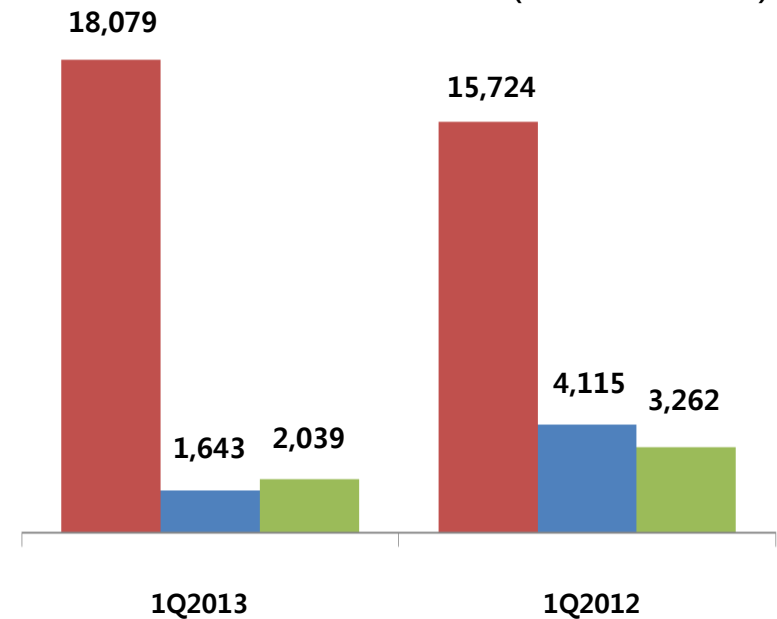
(Unit : KRW million)



YoY (consolidated)

Revenue Operating Profit Profit(Loss)

(Unit : KRW million)



Summary of financial Results

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[Parent]

(Unit : KRW million)

구 분	1Q2013	4Q2012	QoQ	1Q2012	YoY
Revenue	10,559	10,493	0.6%	11,159	-5.4%
Revenues on Online-game Service	10,395	10,330	0.6%	10,910	-4.7%
Other revenues	163	163	0.2%	248	-34.2%
Total Operating Expenses	10,430	10,287	1.4%	9,572	9.0%
Operating Profit (Loss)	129	205	-37.3%	1,587	-91.9%
Profit (Loss) before tax	9,603	(9,888)	Turn around	10,732	-10.5%
Income tax expenses	435	409	6.2%	290	49.7%
Profit (Loss)	9,169	(10,298)	Turn around	10,442	-12.2%

Results analysis (1Q)

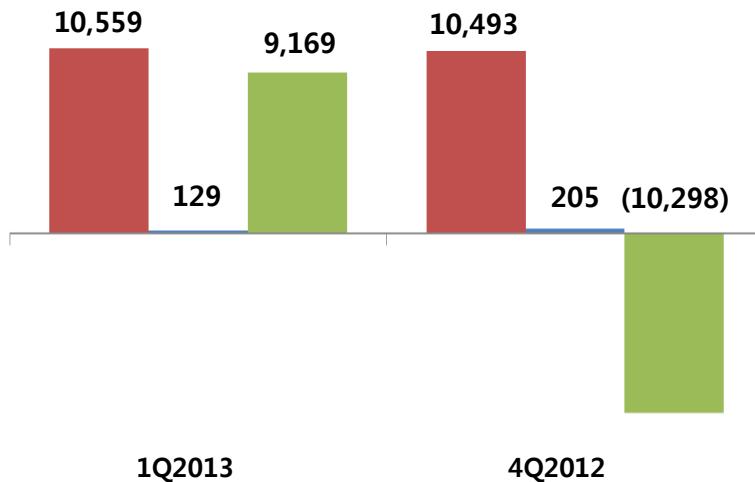
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- ▶ Revenue : QoQ ↑1% , YoY ↓5% based on Parent
- ▶ Operating Profit : QoQ ↓37% , YoY ↓91% based on Parent
- ▶ Profit (Loss) : QoQ Turnaround , YoY ↓12% based on Parent

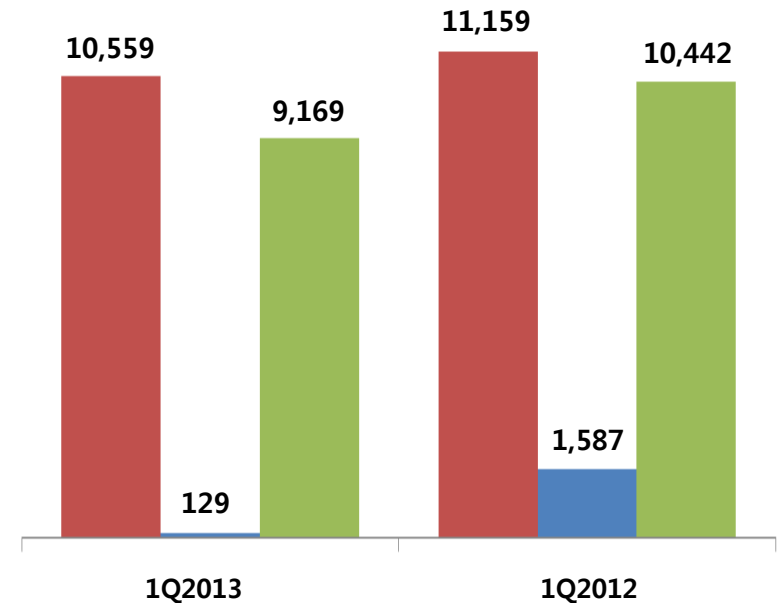
QoQ (Parent)

■ Revenue ■ Operating Profit ■ Profit(Loss)
(Unit : KRW million)



YoY (Parent)

■ Revenue ■ Operating Profit ■ Profit(Loss)
(Unit : KRW million)



Sales breakdown (by products)

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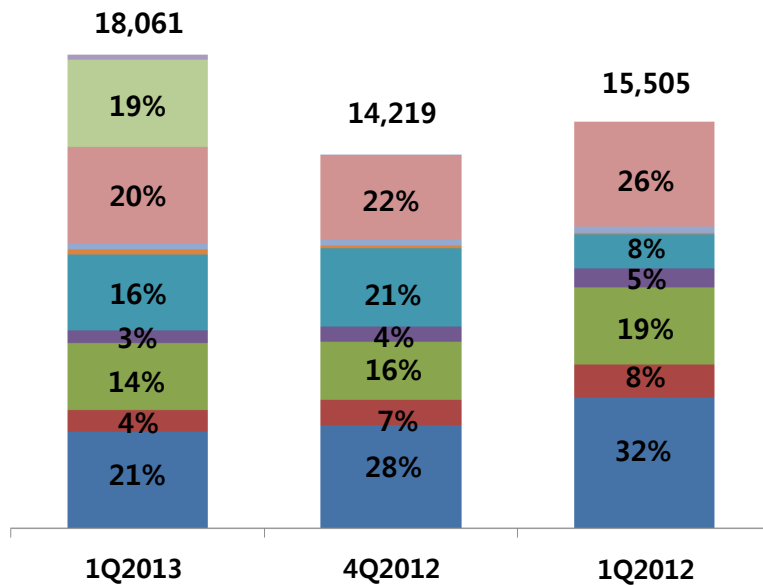


- ▶ MU 3.7bil (QoQ ↓ 6%, YoY ↓ 26%), R2 2.6bil (QoQ ↑ 14%, YoY ↓ 13%)
- ▶ C9 2.9bil (QoQ ↓ 2%, YoY ↑ 122%), Metin2 3.7bil (QoQ ↑ 14%, YoY ↓ 9%)
- ▶ gpotato.com(Gala-Net/Gala Networks Europe) Publishing sales (3.4bil)

(Unit : KRW million)

Sales breakdown (by products)

■ MU ■ R2 ■ C9 ■ gpotato.com
■ SUN ■ Archlord ■ Metin2



	1Q2013	4Q2012	1Q2012
Total	18,061	14,219	15,505
MU	3,698	3,943	5,002
SUN	801	942	1,251
R2	2,571	2,259	2,951
Archlord	492	574	728
C9	2,906	2,963	1,309
BATTERY	176	118	7
Metin1	229	203	249
Metin2	3,651	3,191	4,008
gpotato.com(*)	3,355	-	-
Others	182	25	-

*G-Potato Game Portal(Game service platform operated by Gala-Net) hosts a diverse portfolio of games such as Flyff, Rappelz etc

Sales breakdown (by markets)

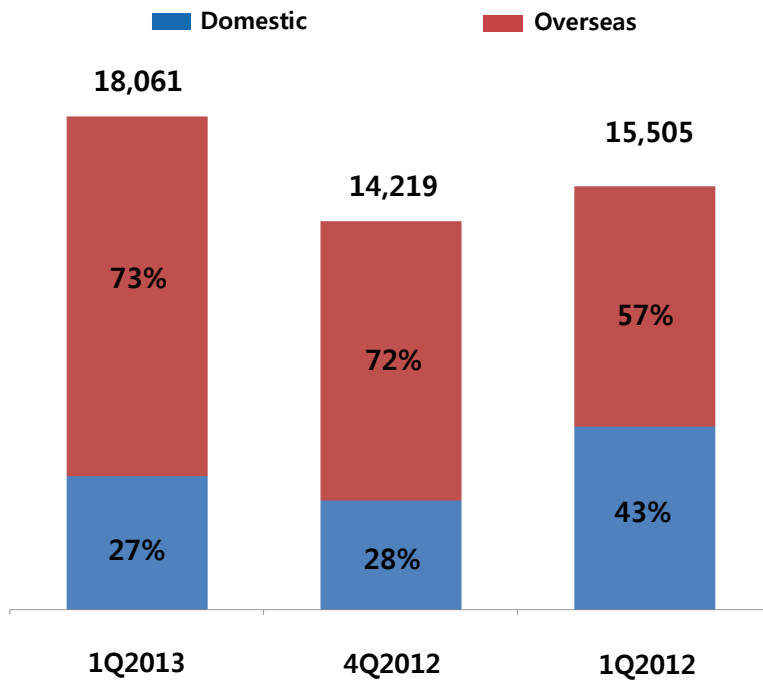
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- ▶ Overseas Sales : 13.2bil - QoQ ↑ 29% , YoY ↑ 50%
- ▶ Domestic Sales : 4.9bil - QoQ ↑ 23% , YoY ↓ 27%
- ▶ Portion of Overseas : QoQ ↑ 1%P , YoY ↑ 16%P

(Unit : KRW million)

Sales Breakdown (by markets)



	1Q2013	4Q2012	1Q2012
Total	18,061	14,219	15,505
Domestic	4,899	3,991	6,705
Overseas	13,162	10,228	8,800

Summary of F/S(Consolidated)

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(Unit : KRW million)

구 분	2013.03.31	2012.12.31
Current Assets	59,817	63,455
Non-Current Assets	107,237	95,566
Total Assets	167,054	159,021
Current Liabilities	19,942	16,130
Non-Current Liabilities	17,961	17,253
Total Liabilities	37,903	33,383
Contributed Equity	17,655	17,655
Capital Surplus for Equity	148,581	147,983
Accumulated Other Comprehensive Income for Equity	356	1,158
Elements of Other Stockholder's Equity	(41,857)	(43,528)
Retained Earnings	4,383	2,334
Non-Controlling Interests	32	37
Total Equities	129,151	125,639

Summary of F/S(Consolidated)

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(Unit : KRW million)

구 분	1Q2013	4Q2012	1Q2012
Revenue	18,079	14,216	15,724
Revenues on Online-Game Service	18,061	14,219	15,505
Other Revenues	18	(3)	219
Total Operating Expenses	16,436	12,724	11,609
Operating Profit (Loss)	1,643	1,492	4,115
Profit (Loss) Before Tax	3,001	(1,495)	4,165
Corporate Tax	962	754	904
Profit (Loss)	2,039	(2,249)	3,262
Other Comprehensive Income	(796)	(401)	44
Total Comprehensive Income	1,243	(2,650)	3,306
Owners of parent company	1,247	(2,680)	3,372
Non-controlling interests	(4)	31	(66)

Summary of F/S(Parent)

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(Unit : KRW million)

구 분	2013.03.31	2012.12.31
Current Assets	39,316	48,630
Non-Current Assets	125,304	106,057
Total Assets	164,619	154,688
Current Liabilities	12,536	13,766
Non-Current Liabilities	13,799	14,086
Total Liabilities	26,336	27,852
Contributed Equity	17,655	17,655
Capital Surplus for Equity	148,581	147,983
Accumulated Other Comprehensive Income for Equity	213	205
Retained Earnings	(41,857)	(43,528)
Non-Controlling Interests	13,691	4,520
Total Equities	138,283	126,835

Summary of F/S(Parent)

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(Unit : KRW million)

구 분	1Q2013	4Q2012	1Q2012
Revenue	10,559	10,493	11,159
Revenues on Online-Game Service	10,395	10,330	10,910
Other Revenues	163	163	248
Total Operating Expenses	10,430	10,287	9,572
Operating Profit (Loss)	129	205	1,587
Profit (Loss) Before Tax	9,603	(9,888)	10,732
Corporate Tax	435	409	290
Profit (Loss)	9,169	(10,298)	10,442
Other Comprehensive Income	10	(645)	(35)
Total Comprehensive Income	9,179	(10,942)	10,407

Thank you