



1Q16

Earnings Release

2016.05.04

Webzen Inc.

Disclaimer

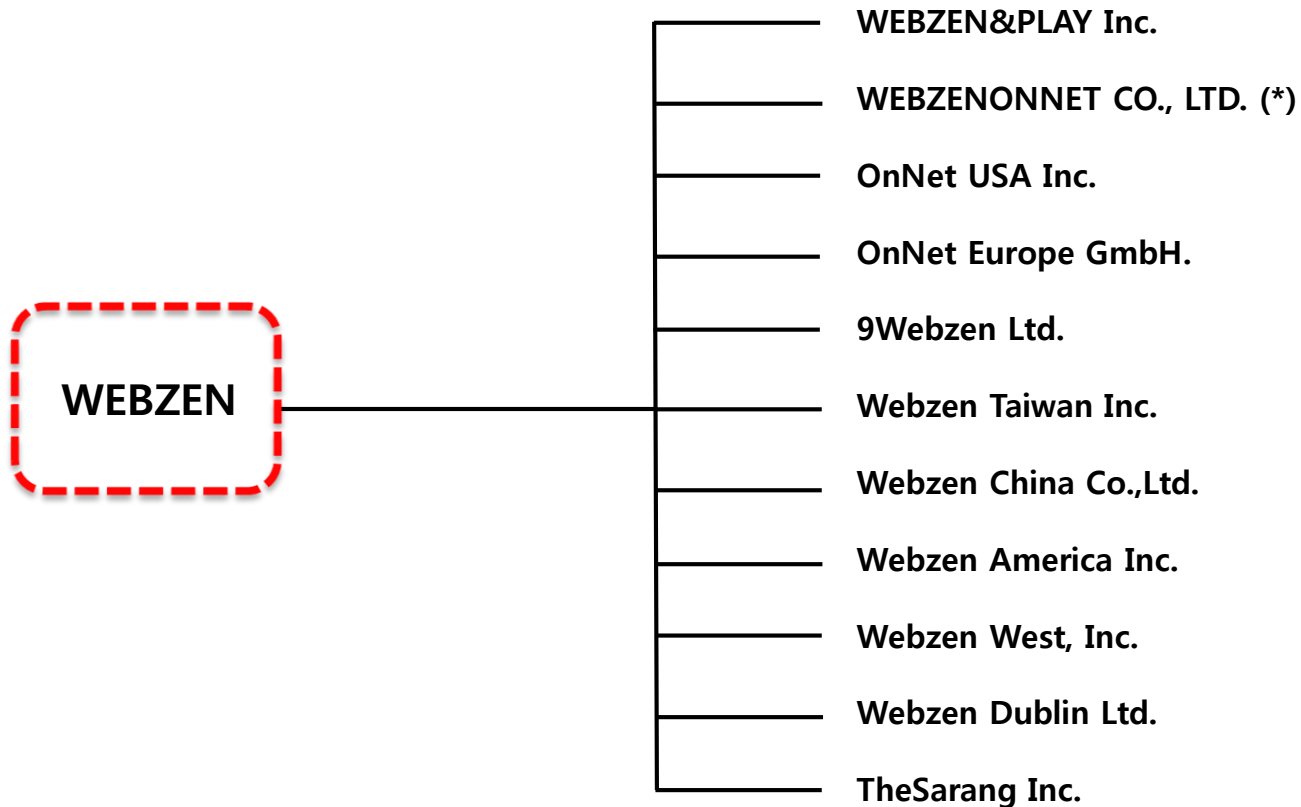
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Therefore WEBZEN will not be responsible for individual investment decisions based solely on this material.

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.



(*) As of Sep. 2015, WEBZEN has acquired 86.21% shares of OnNet.
(Subsidiaries : OnNet USA Inc. & OnNet Europe GmbH.)

Summary of Financial Results

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[Consolidated]

(Unit : KRW million)

	1Q16	4Q15	QoQ	1Q15	YoY
Revenue	60,046	72,073	-16.7%	20,632	191.0%
Revenue on Game Services	60,006	72,029	-16.7%	20,564	191.8%
Other Revenue	39	44	-10.7%	68	-42.1%
Operating Expenses	43,011	57,754	-25.5%	12,708	238.5%
Operating Profit	17,034	14,319	19.0%	7,924	115.0%
Income before tax	17,307	10,906	58.7%	9,512	82.0%
Income tax expenses	4,963	6,298	-21.2%	2,116	134.5%
Net Income	12,344	4,608	167.9%	7,396	66.9%

Results Analysis

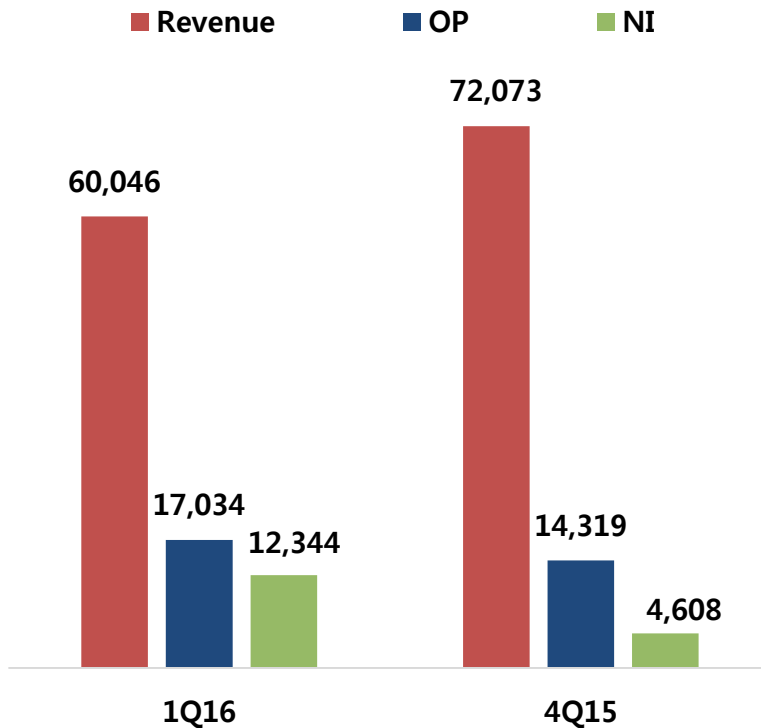
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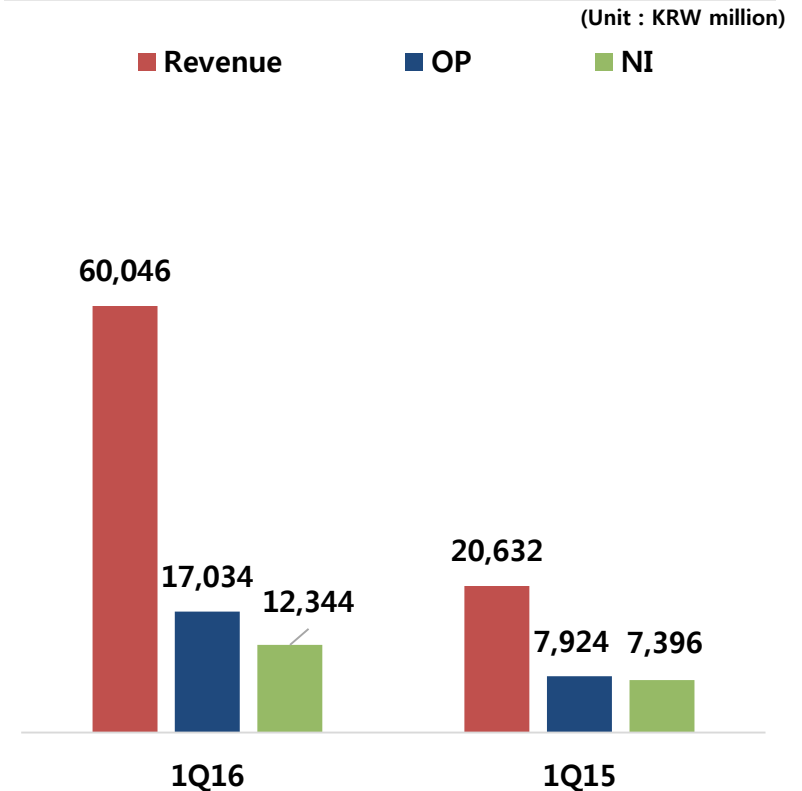
[Based on Consolidated]

- ▶ Revenue 60.0b (QoQ ↓ 17%) (YoY ↑ 191%)
- ▶ Operating Profit 17.0b (QoQ ↑ 19%) (YoY ↑ 115%)
- ▶ Net Income 12.3b (QoQ ↑ 168%) (YoY ↑ 67%)

QoQ (Consolidated)



YoY (Consolidated)



Sales Breakdown (Consolidated)

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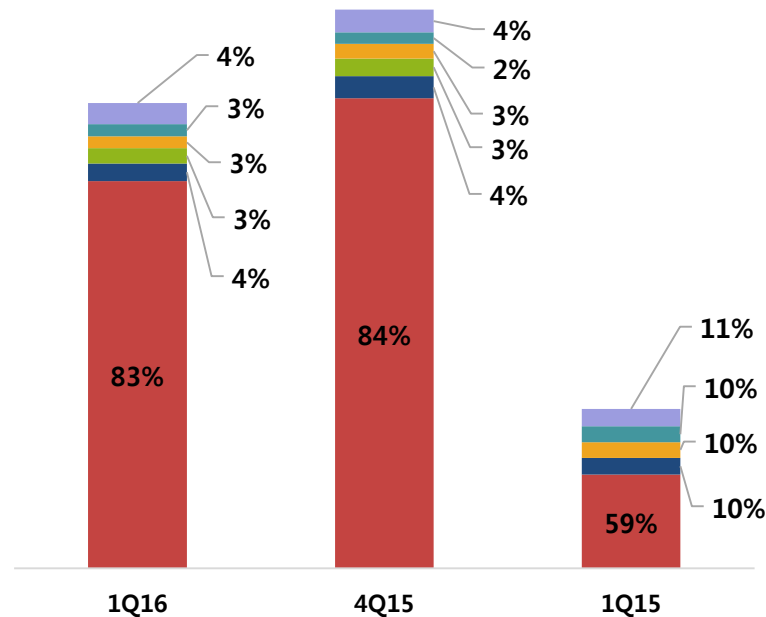


- ▶ Total Revenue on Game Services 60.0b (QoQ ↓ 17%) (YoY ↑ 192%)
- ▶ MU 49.9b (QoQ ↓ 18%) (YoY ↑ 314%) , R2 2.2b (QoQ ↓ 22%) (YoY ↑ 2%)
- ▶ Metin2 1.6b (QoQ ↓ 18%) (YoY ↓ 22%) , Webzen.com 1.5b (QoQ ↑ 4%) (YoY ↓ 26%)

Sales breakdown (by products)

(Unit : KRW million)

■ MU ■ R2 ■ Shot Online ■ Metin2 ■ webzen.com ■ Others



	1Q16	4Q15	1Q15
Total	60,006	72,029	20,564
MU (*)	49,941	60,603	12,068
R2	2,233	2,849	2,183
Shot Online	1,984	2,279	-
Metin2	1,551	1,896	1,987
Webzen.com	1,536	1,479	2,082
Others	2,761	2,923	2,244

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

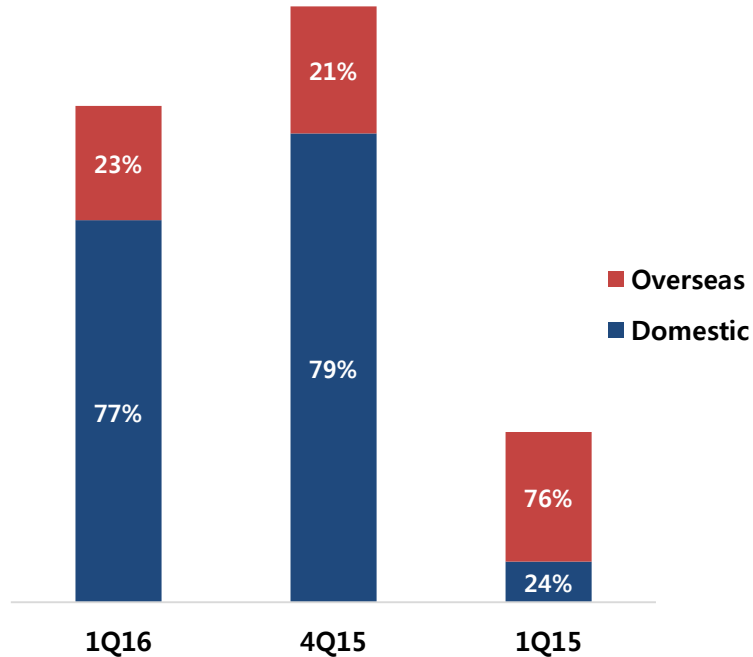
Sales Breakdown (Consolidated)

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- ▷ Domestic Sales : 13.8b (QoQ ↓ 10% , YoY ↓ 12% based on consolidated)
- ▷ Overseas Sales : 46.2b (QoQ ↓ 18% , YoY ↑ 843% based on consolidated)
- ▷ Portion of Domestic : QoQ ↓ 2%P, YoY ↑ 53%P

Sales breakdown (by markets)



(Unit : KRW million)

	1Q16	4Q15	1Q15
Total	60,006	72,029	20,564
Domestic	46,203	56,675	4,900
Overseas	13,803	15,354	15,664

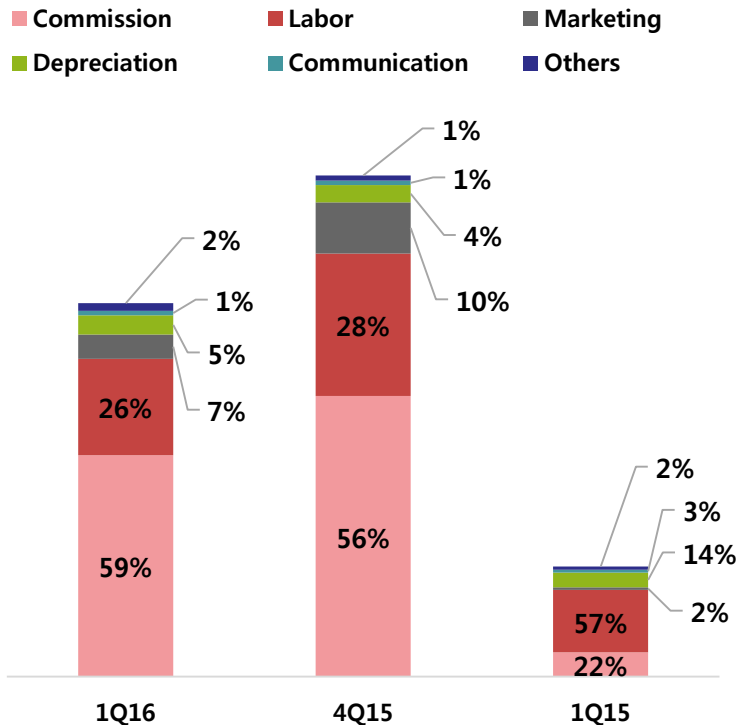
Expenses Breakdown (Consolidated)

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- ▶ Operating Expenses 43.0b (QoQ ↓ 26%, YoY ↑ 238% based on consolidated)
- ▶ Commission 25.5b (QoQ ↓ 21%, YoY ↑ 815% based on consolidated)
- ▶ Labor 11.1b (QoQ ↓ 32%, YoY ↑ 54% based on consolidated)
- ▶ Marketing 2.8b (QoQ ↓ 52%, YoY ↑ 762% based on consolidated)

Expenses Breakdown (by nature)



(Unit : KRW million)

	1Q16	4Q15	1Q15
Operating Expenses	43,011	57,754	12,708
Commission	25,519	32,254	2,790
Labor	11,088	16,386	7,187
Marketing	2,835	5,907	329
Depreciation	2,237	1,994	1,734
Communication	506	514	347
Others	826	699	320

Summary of F/S(Consolidated)

고객에게 사랑 받는 세계적인 게임 콘텐츠 기업



(Unit : KRW million)

	2016.03.31	2015.12.31
Current Assets	175,424	171,985
Non-Current Assets	108,546	105,676
Total Assets	283,971	277,662
Current Liabilities	58,342	67,864
Non-Current Liabilities	11,988	8,936
Total Liabilities	70,330	76,801
Contributed Equity	17,655	17,655
Capital Surplus for Equity	150,212	150,212
Accumulated Other Comprehensive Income for Equity	59	(399)
Elements of Other Stockholder's Equity	(38,365)	(38,365)
Retained Earnings	83,158	70,744
Non-Controlling Interests	921	1,015
Total Equities	213,641	200,861

Summary of F/S(Consolidated)

고객에게 사랑 받는 세계적인 게임 콘텐츠 기업



(Unit : KRW million)

	1Q16	4Q15	1Q15
Revenue	60,046	72,073	20,632
Revenue on Online-Game Service	60,006	72,029	20,564
Other Revenue	39	44	68
Operating Expense	43,011	57,754	12,708
Operating Profit (Loss)	17,034	14,319	7,924
Profit (Loss) Before Tax	17,307	10,906	9,512
Corporate Tax	4,963	6,298	2,116
Profit (Loss)	12,344	4,608	7,396

Thank you