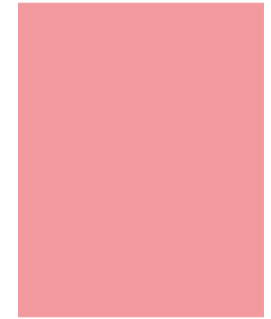


3Q17 Earnings Release



2017.11.10

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.

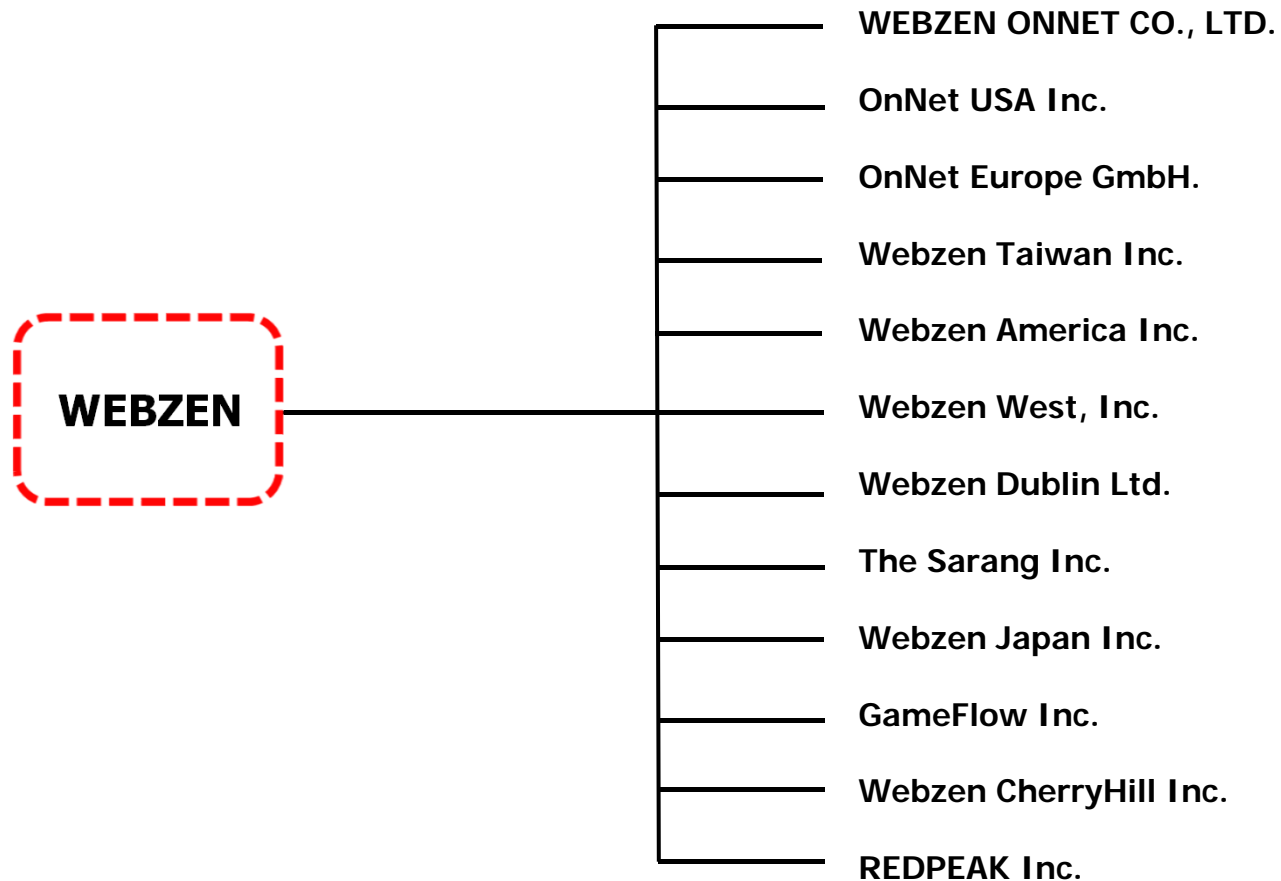
There can be no assurance that the forward-looking statements used by WEBZEN are correct as results can differ from expectations.

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.



The followings are the subsidiaries of Webzen Inc.



Summary of Financial Results

A Global Contents Company loved by customers



[Consolidated]

(Unit : KRW million)

	3Q17	2Q17	QoQ	3Q16	YoY
Revenue	35,838	43,744	-18.1%	48,631	-26.3%
Revenue on Game Services	35,793	43,716	-18.1%	48,626	-26.4%
Other Revenue	45	28	60.2%	6	693.7%
Operating Expenses	28,312	32,545	-13.0%	38,711	-26.9%
Operating Profit	7,526	11,199	-32.8%	9,920	-24.1%
Income before tax	8,295	13,000	-36.2%	10,975	-24.4%
Income tax expenses	5,452	2,952	84.7%	3,160	72.5%
Net Income	2,843	10,048	-71.7%	7,815	-63.6%
Total comprehensive income	3,226	10,734	-69.9%	7,470	-56.8%

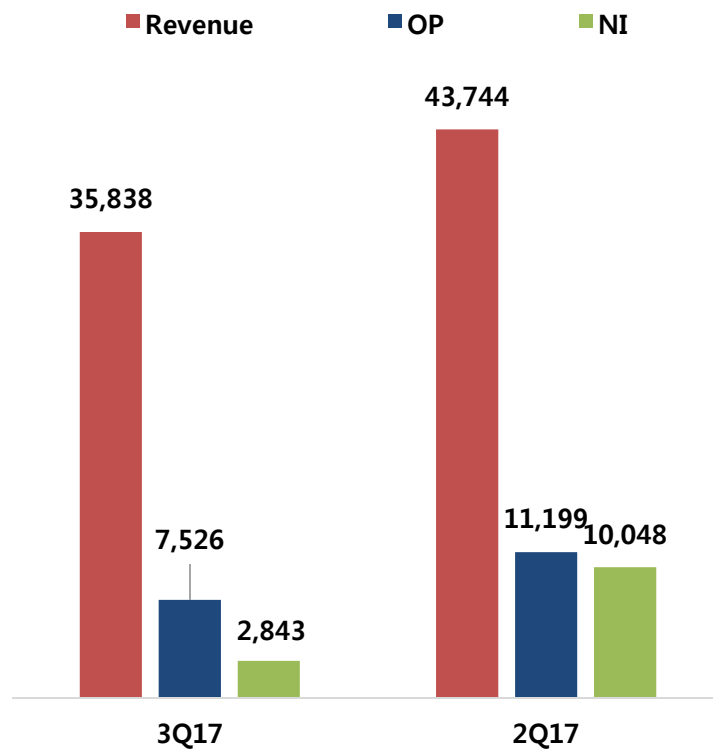
Result Analysis (Consolidated)

A Global Contents Company loved by customers

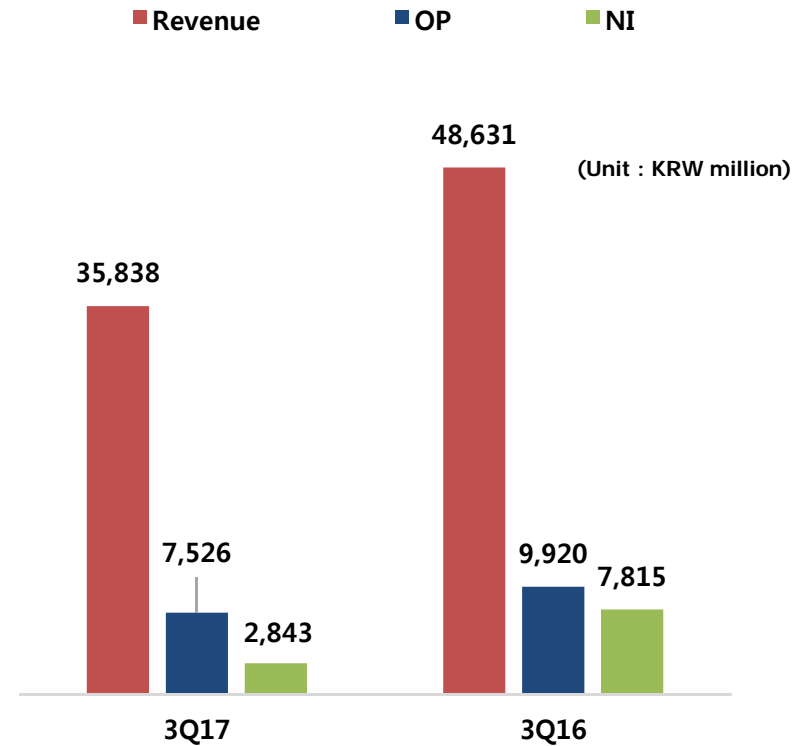


- ▶ Revenue 35.8b (QoQ ↓ 18% , YoY ↓ 26%)
- ▶ Operating Profit 7.5b (QoQ ↓ 33% , YoY ↓ 24%)
- ▶ Net Income 2.8b (QoQ ↑ 72% , YoY ↓ 64%)

QoQ



YoY



Sales Breakdown (Consolidated)

A Global Contents Company loved by customers

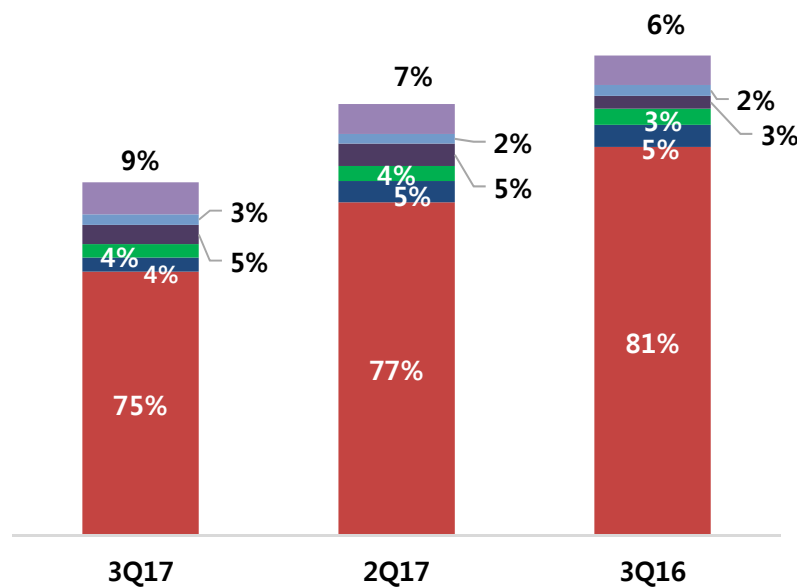


- ▶ Total Revenue on Game Services 35.8b (QoQ ↓ 18% , YoY ↓ 26%)
- ▶ MU 26.7b (QoQ ↓ 21% , YoY ↓ 32%) , R2 1.4b (QoQ ↓ 33% , YoY ↓ 37%)
- ▶ Metin2 2.0b (QoQ ↓ 14% , YoY ↑ 50%)

Sales breakdown (by products)

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

(Unit : KRW million)



구 분	3Q17	2Q17	3Q16
Total	35,793	43,716	48,626
MU(*)	26,749	33,768	39,365
R2	1,427	2,146	2,249
Shot Online	1,351	1,536	1,633
Metin2	1,954	2,267	1,299
Webzen.com	1,065	956	1,108
Others	3,246	3,033	2,973

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

(**) Shot Online : developed by Webzen OnNet(acquired Sep, 2015)

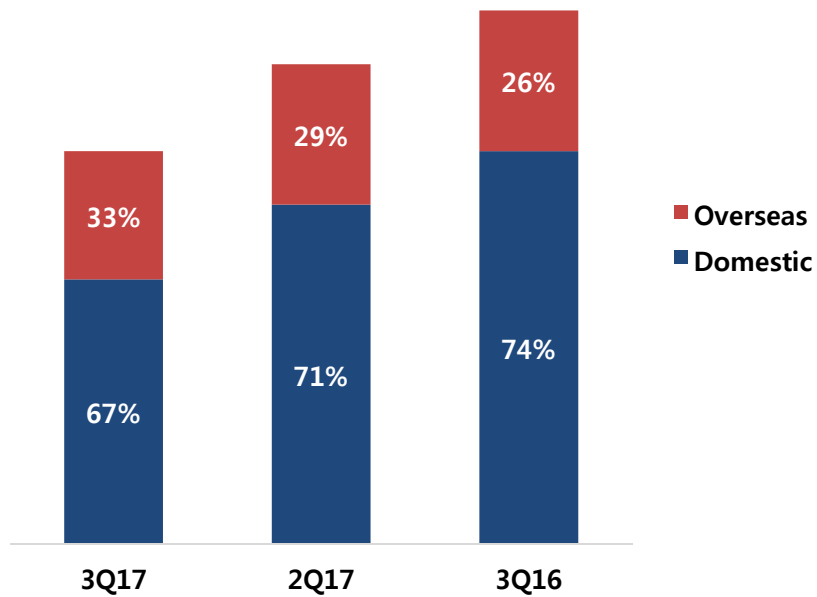
Sales Breakdown (Consolidated)

A Global Contents Company loved by customers



- ▶ Domestic Sales : 24.1b (QoQ ↓ 22% , YoY ↓ 33%)
- ▶ Overseas Sales : 11.7b (QoQ ↓ 9% , YoY ↓ 9%)
- ▶ Portion of Domestic : YoY ↓ 4%P

Sales breakdown (by markets)



(Unit : KRW million)

	3Q17	2Q17	3Q16
Total	35,793	43,716	48,626
Domestic	24,100	30,912	35,794
Overseas	11,693	12,803	12,832

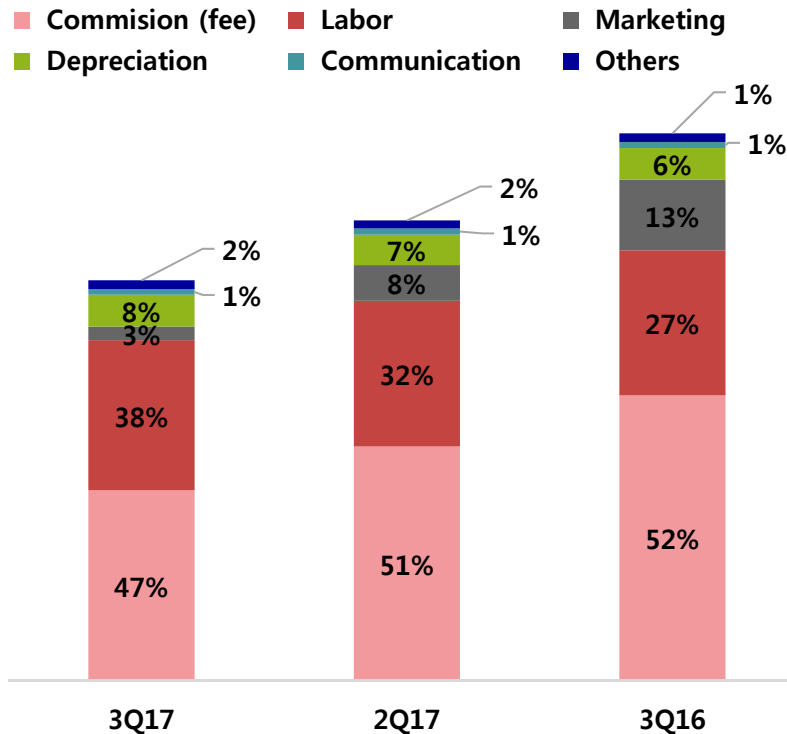
Expenses Breakdown (Consolidated)

A Global Contents Company loved by customers



- ▶ Operating Expenses 28.3b (QoQ ↓ 13% , YoY ↓ 27%)
- ▶ Commission (Fee) 13.4b (QoQ ↓ 19% , YoY ↓ 33%)
- ▶ Labor 10.6b (QoQ ↑ 3% , YoY ↑ 4%)
- ▶ Marketing 1.0b (QoQ ↓ 62% , YoY ↓ 81%)

Expenses Breakdown



(Unit : KRW million)

	3Q17	2Q17	3Q16
Total	28,312	32,545	38,711
Commission(fee)	13,443	16,557	20,164
Labor	10,626	10,308	10,261
Marketing	970	2,528	5,002
Depreciation	2,248	2,152	2,243
Communication	401	439	428
Others	624	562	614

Summary of F/S(Consolidated)

A Global Contents Company loved by customers



(Unit : KRW million)

	2017.09.30	2016.12.31
Current Assets	213,845	207,563
Non-Current Assets	101,318	94,132
Total Assets	315,162	301,695
Current Liabilities	38,148	52,891
Non-Current Liabilities	16,623	9,124
Total Liabilities	54,772	62,015
Contributed Equity	17,655	17,655
Capital Surplus for Equity	150,263	150,212
Accumulated Other Comprehensive Income for Equity	248	(627)
Elements of Other Stockholder's Equity	(43,777)	(43,726)
Retained Earnings	135,595	115,481
Non-Controlling Interests	406	685
Total Equities	260,390	239,680

Summary of F/S(Consolidated)

A Global Contents Company loved by customers



(Unit : KRW million)

	3Q17	2Q17	3Q16
Revenue	35,838	43,744	48,631
Revenue(Game Service)	35,793	43,716	48,626
Other Income	45	28	6
Operating Expense	28,312	32,545	38,711
Operating Profit (Loss)	7,526	11,199	9,920
Profit (Loss) Before Tax	8,295	13,000	10,975
Corporate Tax	5,452	2,952	3,160
Net Profit (Loss)	2,843	10,048	7,815
Other comprehensive income	383	686	(345)
Total comprehensive income	3,226	10,734	7,470

Thank you