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# daumkakao

Investor Relations | August 2015












# Company Mission & Business Area

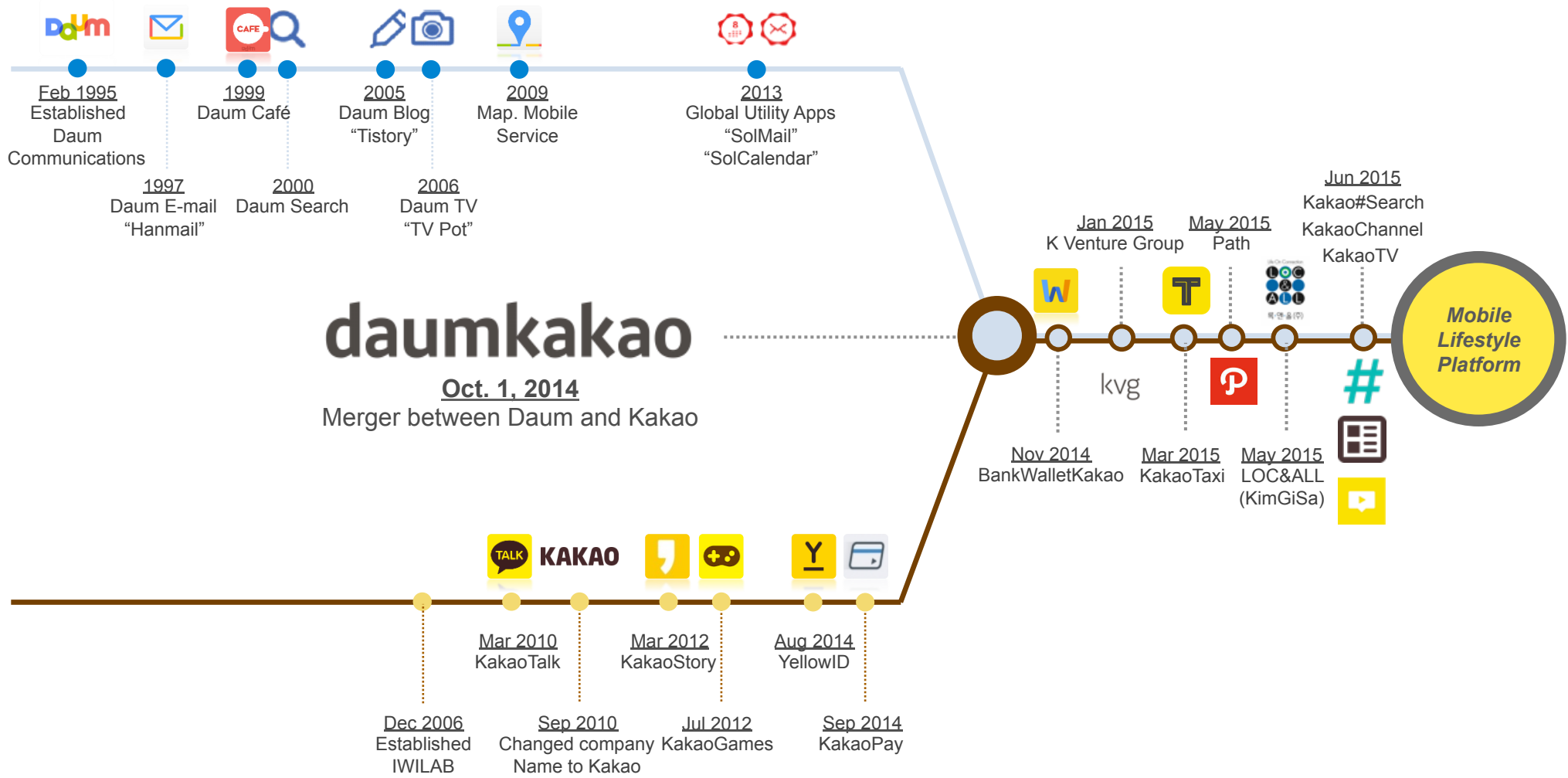
## A Mobile Lifestyle Platform

Daum Kakao provides mobile lifestyle services that make everyday connections boundless and better

Our mission is to “Connect Everything”  
Connecting users, businesses, and more together on our platform  
in a way that touches every aspect of our lives

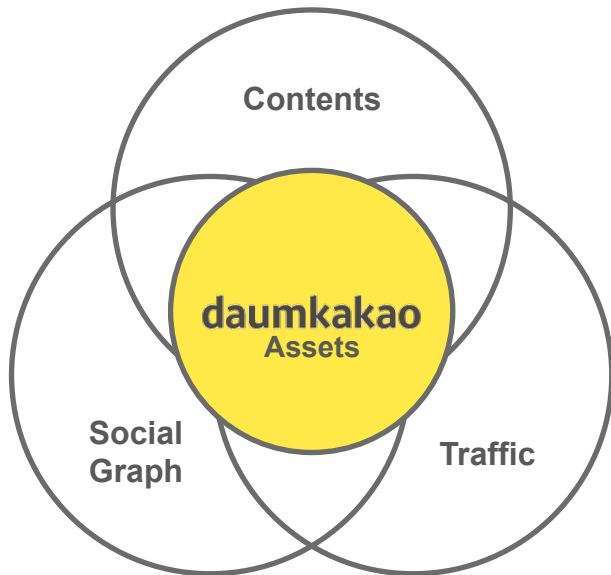
Communication & Community	Search & Recommendation	Media & Content	Games	Commerce & Fintech	Taxi & Others
  	 	 	 	 	  
  	 	  	 	 	  

# Created Through the Merger of Leading Internet & Mobile Platforms



# Diversified Platform Leveraging Content, Social Graph and User Traffic

## Daum Kakao's Assets and Expertise



- Contents: 14 years of accumulated contents of Daum Search and continued creation of contents by Kakao platforms including KakaoStory, Brunch, Plain, etc.
- Social graph: solid user network built on KakaoTalk, KakaoStory and Daum Cafe
- Traffic: high traffic provided by KakaoTalk (#1 unique visitors among mobile messengers) and Daum Search (#2 unique visitors among search engines)

## Diverse Platforms Leading to Growth and Monetization

User base growth & engagement and monetizing by advertising       Expand sources of monetization	#1 Communications & Community	 Kakao Talk	 Kakao Story	 Kakao Hello
	#2 Advertising Platform	 Kakao Story	 Daum	 YellowID
	#3 Recommendation & Search	 Daum Search	 Kakao(#) Search	 KakaoTalk Channel
	#4 Media & Content	 Daum Media	 KakaoTV	 KakaoPage
	#5 Games	 Kakao Game	 Kakao GameShop	 Daum Game
	#6 Commerce & Fintech	 GiftShop	 Kakao Pay	 BankWallet Kakao
	#7 Taxi & Others	 KakaoTaxi	 Path	 K Venture Group

# #1 Communications



## KakaoTalk

- Penetration: Over 97% of smartphone users in Korea are active users
- Continue to grow our domestic active users.
- Serve as the spine and central platform for many of Daum Kakao's mobile services
- New Sharp(#) in-app KakaoSearch, Channel tab for in-app content curation, free video call, free voice calls, share photos and videos with KakaoTalk friends
- Serviced worldwide in 230 countries in 15 different languages

## KakaoStory

- Mobile based SNS built on KakaoTalk's social graph which allows sharing of photos, videos and thoughts
  - Key features include video and photo upload/editing, KakaoStory Channel, KakaoTV, comments, hash tags, etc.
  - Via "KakaoStoryChannel", a user-friendly mini blog within KakaoStory, promotes spontaneous creation of contents and offers a differentiated medium of contents recommendation
- Advertising: launched in 3Q14, native/push advertisements are displayed within the KakaoStory newsfeed

## KakaoHello

- All-in-one phone call app currently in the open beta testing phase of development, getting ready to be fully launched in 3Q15
- Key features include phonebook, spam filter, caller ID, yellow page and linkage to KakaoTalk's profile pictures

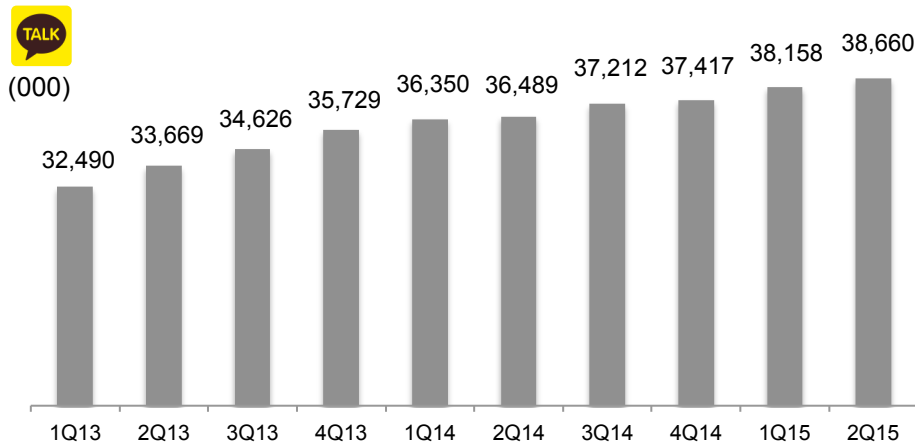
## Plain

- Simple, beautiful UI optimized for mobile blogging
- Blogging is hashtag-centric, allowing users to easily find content they're after

## Brunch

- Content-publishing platform, under a beta service released in June 2015 to help nonprofessional writers to publish their compositions in an easy-to-read format
- Currently post content by 1,000 contributors including students and office workers as well as professional artists, photographers and novelists with a feature allowing multiple authors to release a collaborative work

## Quarterly Monthly Active Users ("MAUs")

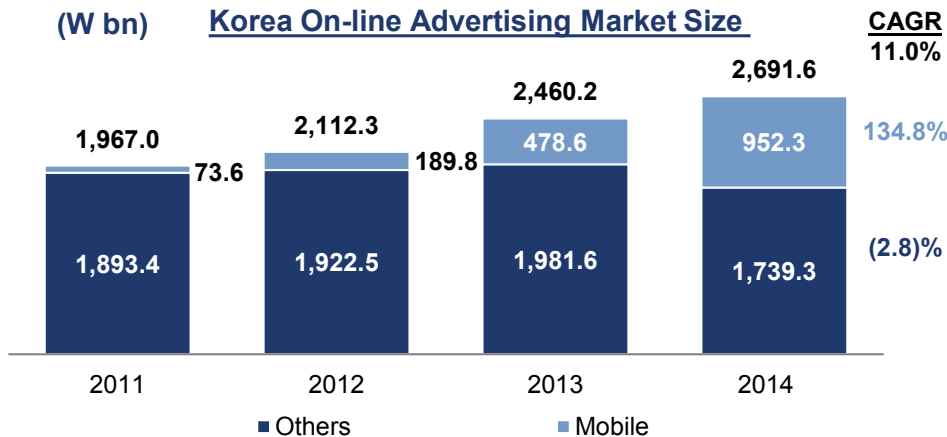


	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
Korea	32,490	33,669	34,626	35,729	36,350	36,489	37,212	37,417	38,158	38,660
Global	40,096	46,132	48,916	50,619	50,386	48,769	48,411	48,254	48,207	48,073

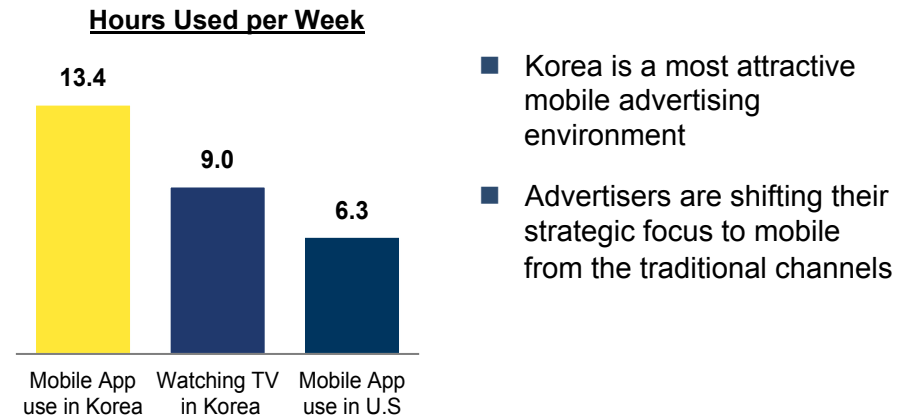
## #2 Advertising Platform



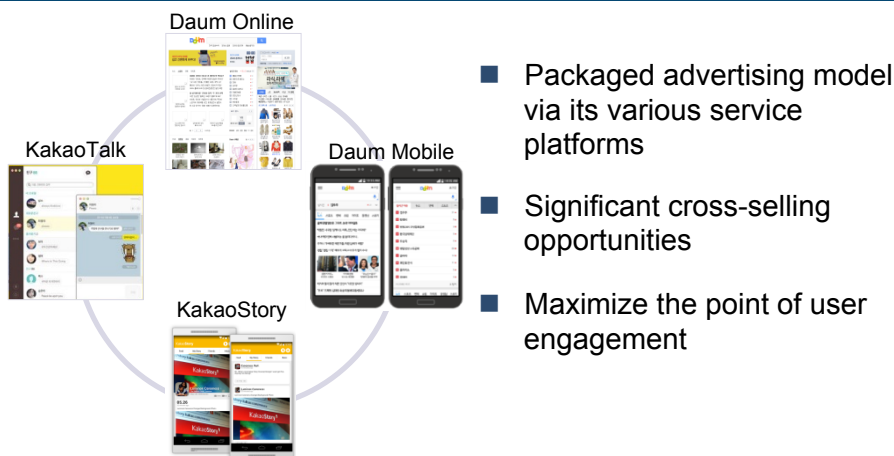
### Mobile Advertising Has Become the Key Growth Driver...<sup>1</sup>



### The Most Effective Market to Leverage Mobile Ad



### Attractive On-line/Mobile Consolidated Package Model



Source: Korea Online-ad Association  
<sup>1</sup> "Others" include display ads and search ads.

### Daum Kakao's Advanced Advertising Systems Are Prepared to Thrive in the Growing Market



- Daum Ad@m, a unique mobile advertising system developed by Daum, connects advertisers to affiliate mobile websites and apps



- For both business and personal users, KakaoStory Channels offer exclusive ad spaces exposed to a wide range of users with similar interests



- YellowID offers a window of communication for small businesses to advertise interactively with customers on KakaoTalk
  - Over 150,000 YellowID accounts have been created, and there are 2mm+ SMEs in Korea.

# #3 Recommendation & Search



## Daum Search

- 14Y** Expansive range of contents accumulated for 14 years
- Smart** Results focused on search intent
- 15** Search categories for optimal results

- Search portal that spans across cafes, music, news articles, images, blogs and more
- Continues to introduce exclusive search features such as Instantly Answered and Suggested Places to add further convenience to users

## Daum Maps

- Coverage** Most comprehensive in Korea
- 19** District's transit info
- 2.5M** Weekly active users

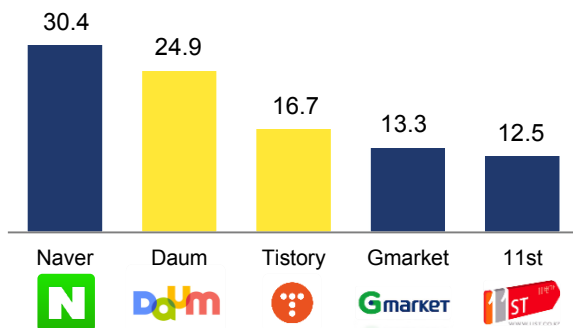
- As the first digital (and mobile) map in Korea, Daum Maps continues to make finding locations as quick and easy as possible
- Popular bus/subway widgets and map search widgets for Android devices

## KakaoSearch / Channel

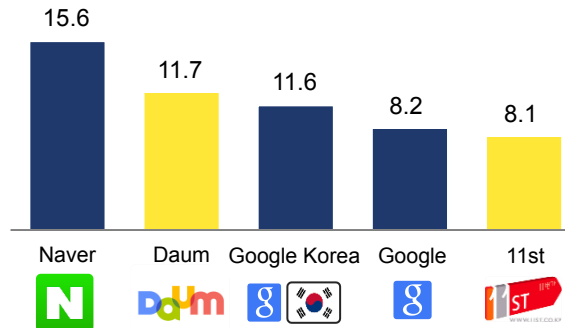
- Kakao Search** New search experience that is available solely on mobile
- Sharp (#)** In-chat function within KakaoTalk
- Channel** New hub for mobile optimized contents

- Search available directly within chatroom, switched on by a tap of the # icon: results appear in card format to facilitate sharing
- Channel is located on the third tap within KakaoTalk, providing personalized contents recommendation

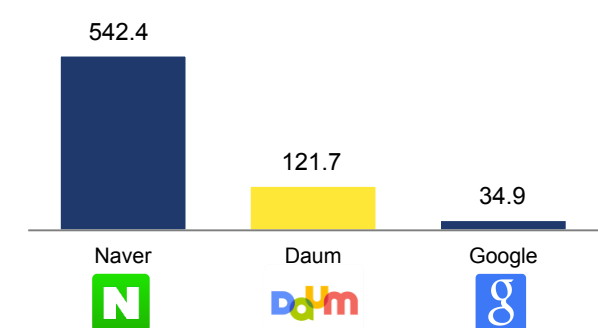
## Korea PC Website Rankings<sup>1</sup>



## Korea Mobile Website Rankings<sup>1</sup>



## Korea PC Search Queries Rankings<sup>2</sup>



- Despite the lower search queries, Daum Search has a competitive unique visitor base compared to Naver, which implies that Daum Kakao is poised to successfully expand in the mobile search market, a completely new territory for competition

Source: Nielsen KoreanClick <sup>1</sup> Million unique visitors as of Jun 2015. <sup>2</sup> Based on queries from August 3, 2015 to August 9, 2015.

#4 Media & Content



KakaoTV



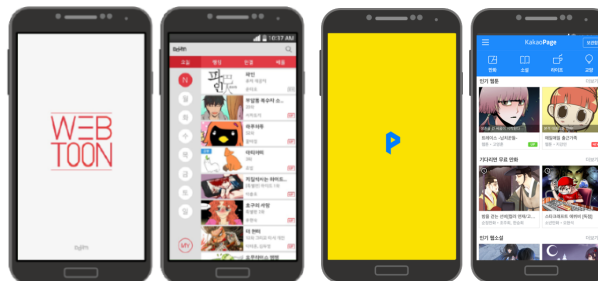
**KakaoTalk** Embedded in Messenger

**Personal** Recommends content

**Video** TV series, movies, web dramas, sports games

- Chat and view video clips of choice simultaneously, within the KakaoTalk chat room : live sports games viewed in sync, bringing it to the center of discussion in the chatroom
- Provides personalization features, helping users find video content of choice in the fastest manner.

Daum Webtoon / KakaoPage



**#1** Novel/Comic app (KakaoPage)

**6.3M** Users (KakaoPage)

**40** Titles on China Market (Webtoon)

- Provider of new genre of digital contents, "Webtoon" or web comics
- KakaoPage, the leading mobile contents provider in Korea, continues to experiment with new tools and mechanisms that could help monetize content
- Daum Kakao continues to work with artists to open new secondary revenue sources (one source, multi use)

KakaoMusic



**#2** Music app in usage level

**5M** Users in 20 days

**16M** Accumulated downloads

- Social music service which allows music to function as a medium for social interaction
- Background music services to Kakao profiles, and recently launched streaming service in Apr. 2015
- As of 2Q2015, KakaoMusic ranks #2 in MAU after MelOn with 3M+ songs in library

#5 Games



**KakaoGame**

- Initially launched in July 2012, KakaoGame is the world's first social mobile gaming platform that has more than 630 game titles with approximately 520 million players
- Power of Daum Kakao's social graph has predominantly driven the overall market growth
- Potential growth in average revenue per paying user to come from switch to more "hardcore" and expensive games on the back of increased screen size, better smartphones and faster mobile 4G/LTE data plans
- Consistently enhancing KakaoGame's capability as a game marketing platform by launching Game Home Tab and pre-registration program

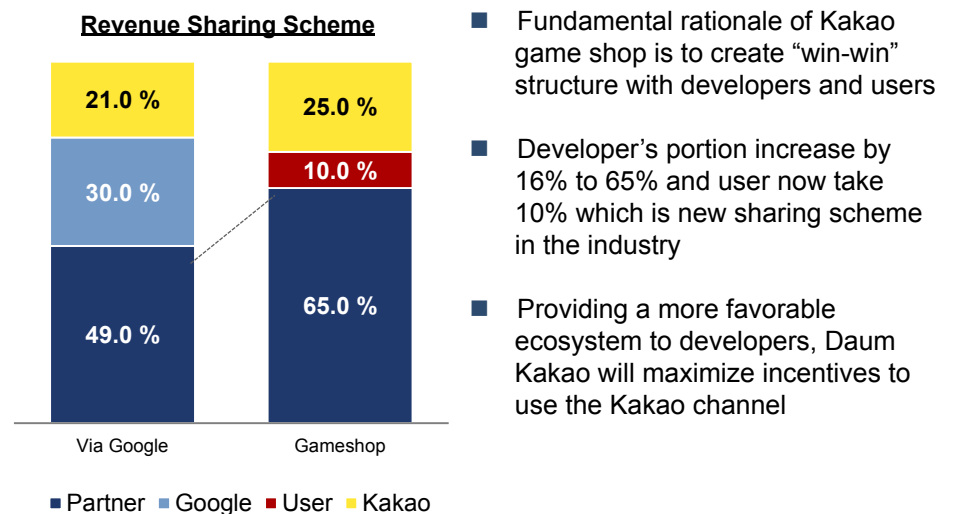
**Other Latest Developments**

- Black Desert, an online game published by Daum Game, launched on Dec. 17 in 2014, drew positive response from users. Currently boasts 1.5m register users with 10,000+ PC Rooms
- Entered into Chinese mobile publishing market by launching SuperStar SMTown, a mobile rhythm game developed by Korea's Dalcomsoft inc, on 50 Chinese mobile app stores as well as international official stores in July 2015. Plan to expand further by helping South Korean game developers publishing their mobile games in Chinese market
- New mobile game genre including web board games and branded IP games are on the way- 'Friends Pop for Kakao', the first game featuring Kakao Friends character recorded 750,000 pre-registration in just 8 days

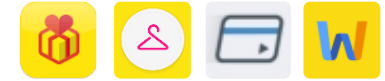
**Introduction of Kakao GameShop**

- Launched on Apr. 1, 2015, Kakao GameShop is an independent mobile gaming platform developed by Daum Kakao, which introduced new revenue sharing scheme with developers and users
- Easily adoptable from developer's perspective to use Kakao GameShop platform
- Currently 42 games are available and expect more games to be launched through Kakao GameShop
- By offering relatively higher fee to mobile game developers compared to the precedent Google Play and iOS app stores, Daum Kakao expects an increased level of game developers' engagement in the platform

**Key Highlights of GameShop**



#6 Commerce & Fintech



Commerce-Related Services



GiftShop

- Allows KakaoTalk users to send gifts and mobile coupons to friends
- An embedded menu to KakaoTalk which facilitates users gifting
- Successfully entered the mobile commerce market leveraging its strong user base built on KakaoTalk



KakaoStyle

- No. 1 social fashion app in Korea providing users with recent trends in fashion and shopping information
- Focused on tailored contents provision
- 160+ top shops/brands available
- 100,000+ browse-able items



Kakao Friends

- Merchandise of the characters sold through-out on-line and off-line brand stores are gaining popularity amongst all age levels: more stores in 2h15
- Creating a diverse set of business opportunities from collaboration products and services including foods, movie theater, cosmetics, franchise restaurants, based on the various business model including licensing

Fintech Services



KakaoPay

- LG CNS** Partner technology provider
- 10/10** Major Korean credit card companies
- Embedded** In KakaoTalk
- 5M+** Current users

- The easiest and most convenient e-payment system available in Korea
- The highest level of security given by the Korean Financial Supervisory Service
- No.1 in users among multiple-card support payment platform



BankWalletKakao

- 16/16** Major banks in Korea
- Easy transfer** Between Kakao friends
- 1.6M** Users
- KFTC** Operated in partnership with KFTC

- Virtual mobile wallet that allows users to transfer money back and forth, make payments offline and even retrieve cash from ATMs
- New and easy way to transfer funds without sharing personal financial information

# #7 Taxi & Others (Subsidiaries)



## KakaoTaxi



**140K**  
KakaoTaxi  
Registered  
Taxis



**240K**  
Daily  
Calls



**12M**  
Accumulated  
Calls



**GPS**  
Kingisa  
Navigator

- Launched in Mar. 2015, KakaoTaxi is an O2O mobile application servicing both taxi drivers and taxi passengers
  - On mobile devices, users are able to enter current location and destination to search nearest available drivers
- The first full-scale, nationwide mobile taxi application, targeting to improve user engagement in the application and ultimately in other Kakao applications
- Privacy features include one time number-generating for in-app calls, deletion of messages upon trip completion
- Users can send pick-up time and location, drop-off location, vehicle information and estimated ride time as KakaoTalk notifications to friends
- For the better service quality, taxi drivers and customers are asked to mutually rate each other upon termination of transportation
- Acquired Loc&All for its massive transportation information and real time big data analysis system, as part of the efforts to expand O2O business
- Add a premium option to Kakao Taxi, that will begin a trial operation in Seoul in October.

## K Venture Group



- Established Jan 23, 2015, as a part of Daum Kakao's global expansion initiative, focused on investing in and acquiring startups
- Acquired Sellit, a second hand digital devices sales app (May 2015)
- Acquired Tangram Design Lab, an UX design agency (June 2015)

## LOC & ALL



- Established in May 2010, acquired in May 2015
- Developer and provider of Kingisa, GPS navigation app with 10M active users
- Part of Daum Kakao's initiative to expand O2O services
- Exploring opportunities to enter the Chinese and Japanese market

## Path



- Developed in November 2010, acquired in May 2015 in the form of asset acquisition of 'Path' the social network and 'Path Talk' the messaging app
- Path's strong user base in the fast growing Indonesian market makes it a powerful candidate for growth into a mobile lifestyle platform in the global market

# Financial Overview

## Summary Quarterly Financials

(in million KRW)

	2Q15	1Q15	Change	QoQ	2Q14	Change	YoY
Total Revenue	226,482	234,392	-7,910	-3%	225,172	1,310	1%
Advertising	150,736	141,753	8,983	6%	147,443	3,293	2%
Game	53,984	69,991	-16,007	-23%	62,574	-8,590	-14%
Commerce	13,678	15,526	-1,848	-12%	8,806	4,872	55%
Others	8,084	7,122	962	14%	6,349	1,735	27%
Operating Expense	215,049	194,040	21,009	11%	163,065	51,984	32%
Operating Income	11,434	40,352	-28,918	-72%	62,107	-50,673	-82%
<i>% of Revenue</i>	5%	17%	-12%p	-	28%	-23%p	-
EBIT	24,863 *	41,344	-16,481	-40%	64,905	-40,042	-62%
Net Income	21,369	30,846	-9,477	-31%	55,872	-34,503	-62%
EBITDA	29,678	57,744	-28,066	-49%	74,900	-45,222	-60%

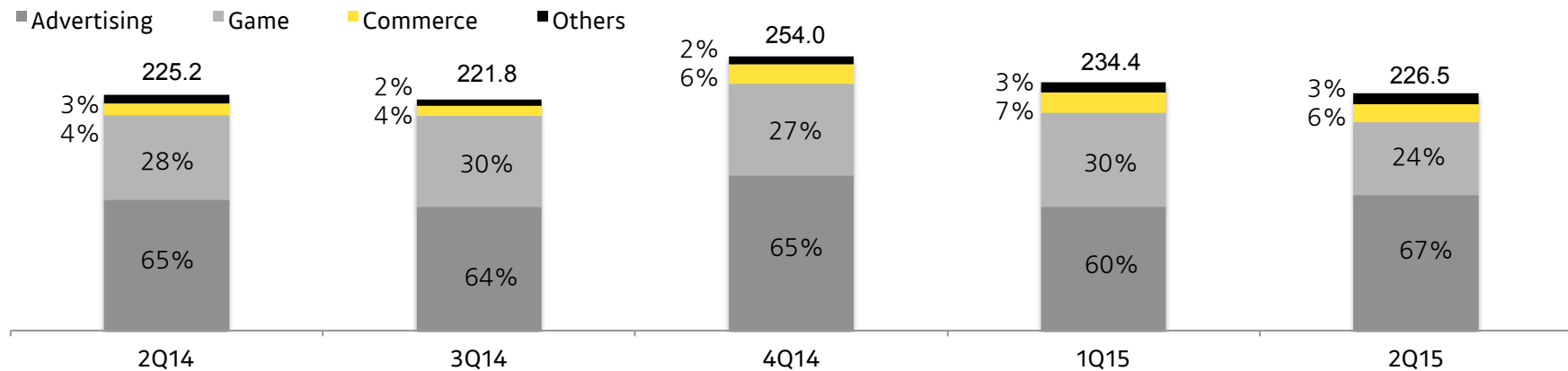
- Net gain from sale of equity method stocks owned by K-cube Venture Fund and Kakao Venture Fund (9.1bn Won), impairment loss from OnNet Co., Ltd.'s online game (7.1bn Won), and gain from sale of Eastsoft shares owned by Daum Global Holdings Corp.(14.6bn Won) were reflected

Note: For the pre-merger periods, the above financials are based on unaudited pro forma combined financial information of Daum Communications Corp. and Kakao Corp.

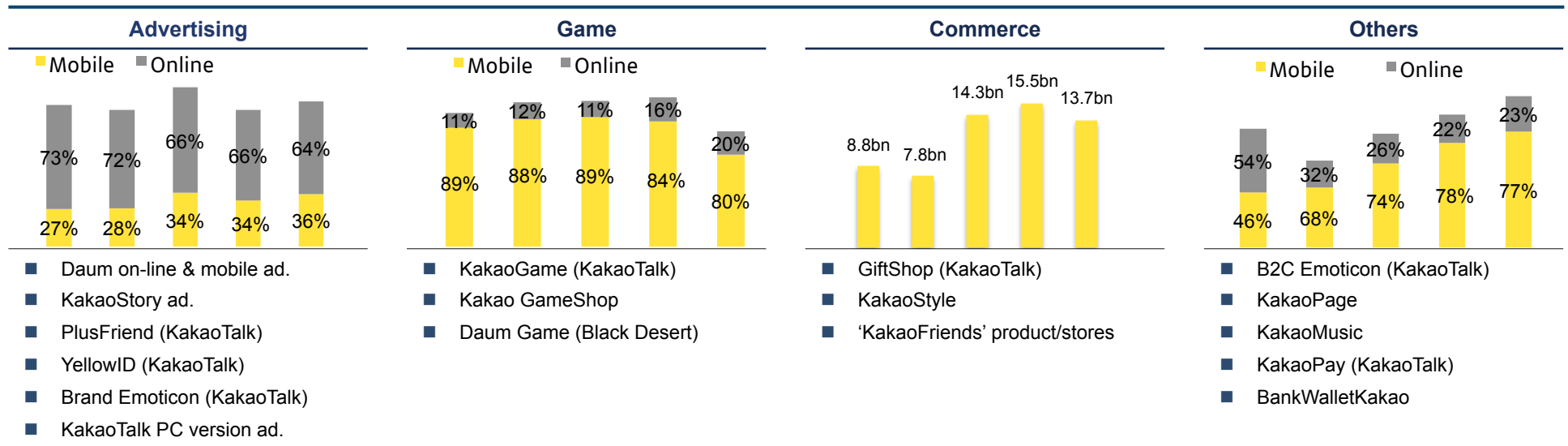
# Financial Overview (Cont'd)

## Historical Revenue Breakdown and Service Segmentation

Historical Quarterly Revenue Breakdown (W bn)



Categorization of Services for Each Revenue Segment

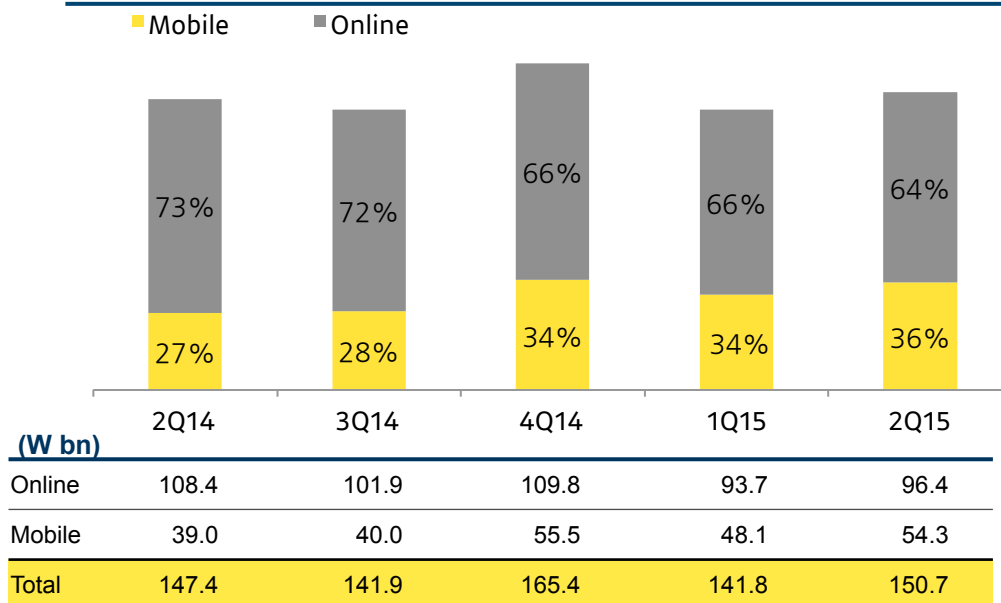


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# Financial Overview (Cont'd)

## Advertising and Game Revenues

Quarterly Advertising Revenue Breakdown

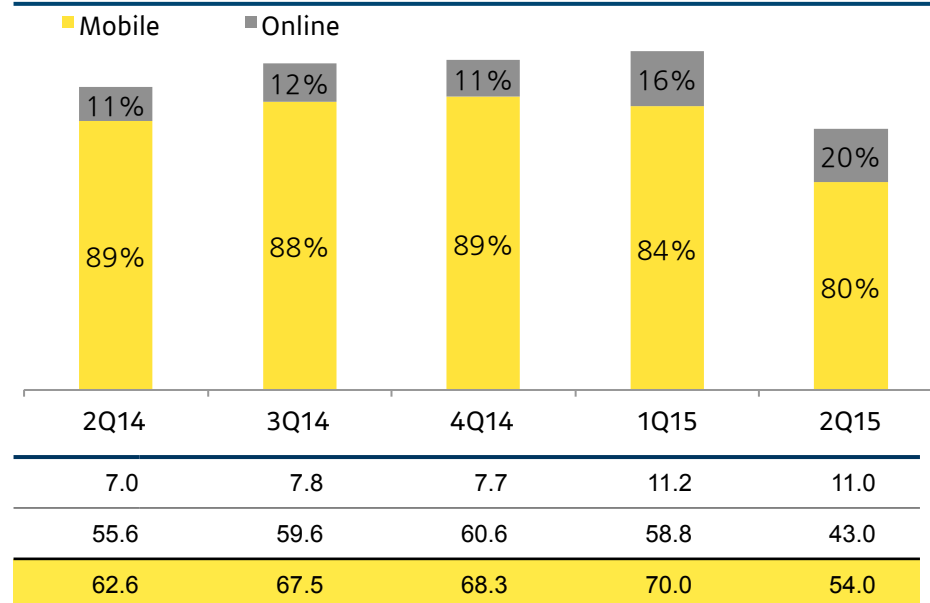


**Total Ad YoY 2% up, QoQ 6% up in 2Q 2015**

- Online YoY 11% down, QoQ 3% up
- Mobile YoY 39% up, QoQ 11% up

- Strong performance in display ad sales and a steady increase in revenue from KakaoStory performance ads
- ❖ Advanced Advertising System, an integrated platform leading to effective cost management and diverse monetization programs, are being prepared to thrive in the growing mobile ad market

Quarterly Game Revenue Breakdown



**Game YoY 14% down, QoQ 23% down**

- Online YoY 57% up, QoQ 2% down
- Mobile YoY 23% down, QoQ 27% down

- Decreased number of new game launched on the KakaoGame platform and weaker than expected performance of the existing 'for Kakao' games
- ❖ In 2H15,
  - Strengthen the mobile game lineups
  - New genre including web board games and branded IP games

Note: For the pre-merger periods, the above financials are based on unaudited pro forma combined financial information of Daum Communications Corp. and Kakao Corp.

## Financial Overview (Cont'd)

### Expenses

(in million KRW)

	2Q15	1Q15	Change	QoQ	2Q14	Change	YoY
<b>OP Expenses</b>	<b>215,049</b>	194,040	21,009	11%	163,065	51,984	32%
Labor costs	54,590 <sup>1)</sup>	51,803	2,787	5%	42,683	11,907	28%
Fringe benefits	17,337 <sup>2)</sup>	9,970	7,367	74%	9,757	7,580	78%
Depreciation	12,333	11,455	878	8%	9,537	2,796	29%
Rental fees	4,363	5,034	-671	-13%	3,760	603	16%
Commissions	56,381 <sup>3)</sup>	52,645	3,736	7%	43,951	12,430	28%
Advertising	19,662 <sup>4)</sup>	17,221	2,441	14%	8,875	10,787	122%
Bad Debt Exp.	394	-21	415	-	-23	417	-
Amortization	5,911	5,937	-26	0%	3,256	2,655	82%
Content fees	11,398 <sup>5)</sup>	8,452	2,946	35%	8,080	3,318	41%
Ad agency fees	26,576	24,418	2,158	9%	26,659	-83	0%
Event fees	312	171	141	82%	410	-98	-24%
Others	5,794	6,955	-1,161	-17%	6,120	-326	-5%

- 1) Additional labor costs for the employees of the four newly acquired subsidiaries including LOC&ALL Inc. and Sellit Inc.
- 2) Adjusted health insurance expenses for the exercise of employee stock options in 2014 was recognized in 2Q15
- 3) Commission increased mainly due to increase in TAC related to network advertising revenue
- 4) Advertising increased due to various marketing activities on the newly launched services including KakaoTaxi and KakaoPay
- 5) Increased content sourcing costs including pro-baseball broadcasting rights (account name change has been made from 'Outsourcing fees')

Note: For the pre-merger periods, the above financials are based on unaudited pro forma combined financial information of Daum Communications Corp. and Kakao Corp.

Appendix: Detailed Financial Statements  
Number of Employees / Subsidiaries

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# Daum Kakao Consolidated Financial Statements (Combined Pro-forma)

## Consolidated Statements of Income

(in million KRW)	2Q14	3Q14	4Q14	1Q15	2Q15
<b>Sales Revenues</b>	225,172	221,803	254,046	234,392	226,482
Advertising Platform	147,443	141,915	165,363	141,753	150,736
Game Platform	62,574	67,464	68,289	69,991	53,984
Commerce Platform	8,806	7,756	14,284	15,526	13,678
Others	6,349	4,668	6,110	7,122	8,084
<b>Operating Expenses</b>	163,065	191,044	188,632	194,040	215,049
Labor costs	42,683	64,834	47,242	51,803	54,590
Fringe benefits	9,757	9,460	8,782	9,970	17,337
Depreciation	9,537	9,975	10,596	11,455	12,333
Rental fees	3,760	3,880	4,287	5,034	4,363
Commissions	43,951	49,532	55,865	52,645	56,381
Advertising	8,875	11,314	9,116	17,221	19,662
Bad debt expenses	-23	-15	1,583	-21	394
Amortization	3,256	3,279	5,692	5,937	5,911
Content fees	8,080	7,826	7,111	8,452	11,398
Ad Agency fees	26,659	25,360	30,154	24,418	26,576
Event fees	410	307	1,833	171	312
Others	6,119	5,292	6,371	6,955	5,794
<b>Operating Profit</b>	62,107	30,759	65,414	40,352	11,434
<b>Operating Profit Margin</b>	27.6%	13.9%	25.7%	17.2%	5.0%
<b>Other Revenues</b>	1,267	175	485	1,339	9,822
<b>Other Expenses</b>	1,527	29,943	6,345	2,715	12,925
<b>Financial Income</b>	6,137	3,612	3,574	3,252	18,240
<b>Financial Expenses</b>	1,520	-188	69	330	951
<b>Equity-method Income</b>	-1,558	-1,060	-508	-553	-756
Gains on Equity method investments	-	-	181	35	591
losses on Equity method investments	1,558	1,060	689	588	1,346
<b>Profit before Income Tax Expenses</b>	64,905	3,730	62,551	41,344	24,863
<b>Income Tax Expenses</b>	9,033	-1,744	10,809	10,498	3,494
<b>Net Profit from Continued Operations</b>	55,872	5,474	51,743	30,846	21,369
<b>Net Profit from Discontinued Operations</b>	-	-11,790	-	-	-
<b>Net Profit</b>	55,872	-6,316	51,743	30,846	21,369
Net Profit of Controlling Interests	56,051	-5,127	51,914	31,097	20,556
Net Profit of Non-controlling Interests	-179	-1,189	-171	-250	814

## Consolidated Statements of Financial Position

(in million KRW)	2014.12.31	2015.06.30
<b>Current Assets</b>	798,291	763,404
Cash and Cash Equivalents	451,228	328,641
Short-term Financial Instruments	184,548	263,452
Accounts Receivable	108,431	97,957
Other Current Financial Assets	25,843	29,754
Other Current Assets	24,709	41,056
Others	3,532	2,544
<b>Non-Current Assets</b>	1,969,734	2,124,466
Long-term Available for Sales	25,258	20,302
Equity Method Investments	18,712	57,576
Tangible Assets	196,894	215,198
Intangible Assets	1,688,974	1,777,945
Other Non-current Financial Assets	33,702	45,231
Other Non-current Assets	6,194	8,214
<b>Total Assets</b>	2,768,025	2,887,870
<b>Liabilities</b>	227,487	267,517
Trade Payables and Non-trade Payables	109,126	140,811
Accrued Expenses	5,443	6,492
Advances from Customers	34,488	28,002
Income Taxes Payable	20,680	21,911
Other Current Liabilities	57,751	70,300
<b>Non-Current Liabilities</b>	77,309	83,006
Non-Current Trade Payables and Non-trade Payables	3,362	10,993
Deferred Income Tax Liabilities	50,083	42,204
Other Non-Current Liabilities	23,864	29,809
<b>Total Liabilities</b>	304,797	350,523
<b>Paid-in Capital</b>	29,121	30,004
<b>Capital Surplus</b>	2,258,974	2,257,707
<b>Capital Adjustments</b>	-26,268	-8,787
<b>Accumulated Other Comprehensive Income</b>	2,114	-13
<b>Retained Earnings</b>	190,678	232,300
<b>Non-controlling Interests</b>	8,609	26,136
<b>Total Equity</b>	2,463,228	2,537,347
<b>Total Liabilities &amp; Equity</b>	2,768,025	2,887,870

Note: For the pre-merger periods, the above financials are based on unaudited pro forma combined financial information of Daum Communications Corp. and Kakao Corp. In 3Q 2014, the Company experienced merger-related one-off expenses, and W20.3 bn in operating expense and W31.4 bn in non-operating expense have been normalized to illustrate a more realistic operating and net profits. One-off operating expenses include employee bonuses, stock-based compensations and consulting fees & commissions, and one-off non-operating expenses include impairment loss from revaluation of Daum and Kakao assets.

# Daum Kakao Consolidated Financial Statements (K-IFRS)

## Consolidated Statements of Income

(in million KRW)	2Q14	3Q14	4Q14	1Q15	2Q15
<b>Sales Revenues</b>	<b>86,249</b>	<b>88,265</b>	<b>254,046</b>	<b>234,392</b>	<b>226,482</b>
Advertising Platform	16,993	17,651	165,363	141,753	150,736
Game Platform	55,571	59,619	68,289	69,991	53,984
Commerce Platform	8,806	7,756	14,284	15,526	13,678
Others	4,880	3,238	6,110	7,122	8,084
<b>Operating Expenses</b>	<b>40,785</b>	<b>58,136</b>	<b>188,632</b>	<b>194,040</b>	<b>215,049</b>
Labor costs	14,956	29,154	47,242	51,803	54,590
Fringe benefits	2,741	2,335	8,782	9,970	17,337
Depreciation	2,193	2,407	10,596	11,455	12,333
Rental fees	1,480	1,415	4,287	5,034	4,363
Commissions	6,695	9,785	55,865	52,645	56,381
Advertising	5,308	6,395	9,116	17,221	19,662
Bad debt expenses	-	-	1,583	-21	394
Amortization	72	80	5,692	5,937	5,911
Content fees	-	-	7,111	8,452	11,398
Ad Agency fees	3,643	3,551	30,154	24,418	26,576
Event fees	76	144	1,833	171	312
Others	3,620	2,870	6,371	6,955	5,794
<b>Operating Profit</b>	<b>45,465</b>	<b>30,129</b>	<b>65,414</b>	<b>40,352</b>	<b>11,434</b>
<b>Operating Profit Margin</b>	<b>27.6%</b>	<b>13.9%</b>	<b>25.7%</b>	<b>17.2%</b>	<b>5.0%</b>
<b>Other Revenues</b>	899	79	485	1,339	9,822
<b>Other Expenses</b>	-6	6,270	6,345	2,715	12,925
<b>Financial Income</b>	1,134	1,174	3,574	3,252	18,240
<b>Financial Expenses</b>	193	174	69	330	951
<b>Equity-method Income</b>	-691	-707	-508	-553	-756
Gains on Equity method investments	-	-	181	35	591
losses on Equity method investments	691	707	689	588	1,346
<b>Profit before Income Tax Expenses</b>	<b>46,619</b>	<b>24,232</b>	<b>62,551</b>	<b>41,344</b>	<b>24,863</b>
<b>Income Tax Expenses</b>	4,346	251	10,809	10,498	3,494
<b>Net Profit from Continued Operations</b>	<b>42,273</b>	<b>23,982</b>	<b>51,743</b>	<b>30,846</b>	<b>21,369</b>
<b>Net Profit from Discontinued Operations</b>	-	-	-	-	-
<b>Net Profit</b>	<b>42,273</b>	<b>23,982</b>	<b>51,743</b>	<b>30,846</b>	<b>21,369</b>
Net Profit of Controlling Interests	42,337	24,029	51,914	31,097	20,556
Net Profit of Non-controlling Interests	-64	-48	-171	-250	814

## Consolidated Statements of Financial Position

(in million KRW)	2013.12.31	2014.12.31	2015.06.30
<b>Current Assets</b>	<b>180,504</b>	<b>798,291</b>	<b>763,404</b>
Cash and Cash Equivalents	23,417	451,228	328,641
Short-term Financial Instruments	105,039	184,548	263,452
Accounts Receivable	44,636	108,431	97,957
Other Current Financial Assets	4,953	25,843	29,754
Other Current Assets	2,459	24,709	41,056
Others	-	3,532	2,544
<b>Non-Current Assets</b>	<b>36,696</b>	<b>1,969,734</b>	<b>2,124,466</b>
Long-term Available for Sales	-	25,258	20,302
Equity Method Investments	10,484	18,712	57,576
Tangible Assets	20,316	196,894	215,198
Intangible Assets	1,370	1,688,974	1,777,945
Other Non-current Financial Assets	1,211	33,702	45,231
Other Non-current Assets	3,315	6,194	8,214
<b>Total Assets</b>	<b>217,200</b>	<b>2,768,025</b>	<b>2,887,870</b>
<b>Liabilities</b>	<b>35,872</b>	<b>227,487</b>	<b>267,517</b>
Trade and Non-trade Payables	21,419	109,126	140,811
Accrued Expenses	-	5,443	6,492
Advances from Customers	-	34,488	28,002
Income Taxes Payable	-	20,680	21,911
Other Current Liabilities	14,453	57,751	70,300
<b>Non-Current Liabilities</b>	<b>4,072</b>	<b>77,309</b>	<b>83,006</b>
Non-Current Trade and Non-trade Payables	3,406	3,362	10,993
Deferred Income Tax Liabilities	-	50,083	42,204
Other Non-Current Liabilities	665	23,864	29,809
<b>Total Liabilities</b>	<b>39,944</b>	<b>304,797</b>	<b>350,523</b>
<b>Paid-in Capital</b>	20,997	29,121	30,004
<b>Capital Surplus</b>	112,347	2,258,974	2,257,707
<b>Capital Adjustments</b>	6,257	-26,268	-8,787
<b>Accum. Other Comprehensive Inc.</b>	-2,917	2,114	-13
<b>Retained Earnings</b>	40,573	190,678	232,300
<b>Non-controlling Interests</b>	-	8,609	26,136
<b>Total Equity</b>	<b>177,257</b>	<b>2,463,228</b>	<b>2,537,347</b>
<b>Total Liabilities &amp; Equity</b>	<b>217,200</b>	<b>2,768,025</b>	<b>2,887,870</b>

## Employees / Subsidiaries

(in person)

	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
<b>Daum Kakao</b>	<b>2,162</b>	<b>2,272</b>	<b>2,250</b>	<b>2,262</b>	<b>2,255</b>	<b>2,271</b>
L Daum	1,589	1,593	1,525			
L Kakao	573	679	725			
<b>Daum Kakao Subsidiaries</b>	<b>1,059</b>	<b>1,089</b>	<b>1,217</b>	<b>1,269</b>	<b>1,348</b>	<b>1,413</b>
<b>Consolidated total</b>	<b>3,221</b>	<b>3,361</b>	<b>3,467</b>	<b>3,531</b>	<b>3,603</b>	<b>3,684</b>

- Above number of employees include full-time and part-time employees
- Subsidiaries: Daum Global Holdings Corp., Daum Kakao Singapore Corp. Pte. Ltd., Daum Service Corp., Daum Game Co., Ltd., Daum Service CHINA Co., Ltd., Daum Service CHINA YanJiao Co., Ltd., ImageOn Corp., OnNet Co., Ltd., OnNet USA, Inc., OnNet Europe GmbH., Dialod Corp., TNK Factory Co., Ltd., Buzzpia Co., Ltd., Thinkreals Corp., Lotiple Inc., Kakao Lab Corp., Sunnyloft Corp., KAKAO SINGAPORE PTE. Ltd., Beijing KAKAO Co., Ltd., Ultra Caption Corp., Ltd., Ultra Interactive, Inc., KAKAO JAPAN Corp., Kids Note Inc., K-cube Venture Fund, Kakao Venture Fund, K-cube Ventures, K Venture Group, Sellit Inc., LOC&ALL Inc., KakaoFriends Inc., Daum Games Europe B.V. (Total 31 subsidiaries as of June 30, 2015)

