

Consolidated Statements of Income (K-IFRS)

(Unit: KRW Million)

	2013	1Q14	2Q14	3Q14	4Q14	2014	1Q15	2Q15	3Q15	4Q15	2015	1Q16	2016	QoQ	QoQ(%)	YoY	YoY(%)
Sales Revenues	741,635	197,365	225,172	221,803	254,046	898,386	234,392	226,482	229,580	241,698	932,152	242,483	242,483	+786	+0.3%	+8,092	+3.5%
Advertising Platform	525,031	130,327	150,643	144,628	169,482	595,079	145,459	154,966	146,677	153,560	600,663	129,385	129,385	-24,175	-15.7%	-16,074	-11.1%
<i>% of mobile ad</i>	<i>19%</i>	<i>26%</i>	<i>28%</i>	<i>30%</i>	<i>35%</i>	<i>30%</i>	<i>37%</i>	<i>39%</i>	<i>40%</i>	<i>42%</i>	<i>40%</i>	<i>45%</i>	<i>45%</i>				
Game Platform	194,233	59,273	62,574	67,464	68,289	257,601	69,991	53,984	51,383	57,019	232,378	70,315	70,315	+13,296	+23.3%	+324	+0.5%
Commerce Platform	12,014	4,178	5,606	5,044	10,166	24,993	11,819	9,448	11,611	17,542	50,419	18,296	18,296	+755	+4.3%	+6,477	+54.8%
Others	10,357	3,586	6,349	4,668	6,110	20,712	7,122	8,084	19,909	13,577	48,692	24,487	24,487	+10,910	+80.4%	+17,365	+243.8%
Operating Expenses	593,996	146,749	163,065	191,044	188,632	689,491	194,040	215,049	213,396	221,079	843,564	221,394	221,394	+315	+0.1%	+27,354	+14.1%
Labor costs	143,974	40,396	42,683	64,834	47,242	195,154	51,803	54,590	56,455	55,588	218,435	63,665	63,665	+8,077	+14.5%	+11,862	+22.9%
Fringe benefits	27,327	7,276	9,757	9,460	8,782	35,275	9,970	17,337	12,813	10,934	51,054	10,448	10,448	-487	-4.5%	+478	+4.8%
Depreciation	30,943	8,544	9,537	9,975	10,596	38,653	11,455	12,333	12,375	12,937	49,099	13,005	13,005	+69	+0.5%	+1,550	+13.5%
Rental fees	11,982	3,310	3,760	3,880	4,287	15,237	5,034	4,363	4,666	4,491	18,554	5,340	5,340	+848	+18.9%	+305	+6.1%
Commissions	145,526	40,489	43,951	49,532	55,865	189,837	52,645	56,381	62,876	64,775	236,677	63,439	63,439	-1,336	-2.1%	+10,794	+20.5%
Advertising	83,475	10,817	8,875	11,314	9,116	40,122	17,221	19,662	6,843	13,113	56,839	7,709	7,709	-5,404	-41.2%	-9,512	-55.2%
Bad debt expenses	865	-1,074	-23	-15	1,583	470	-21	394	8	1,123	1,504	817	817	-305	-27.2%	+838	-
Amortization	15,405	3,264	3,256	3,279	5,692	15,491	5,937	5,911	7,099	7,346	26,293	8,483	8,483	+1,137	+15.5%	+2,546	+42.9%
Content fees	25,775	6,861	8,080	7,826	7,111	29,879	8,452	11,398	15,626	12,695	48,171	17,369	17,369	+4,674	+36.8%	+8,917	+105.5%
Ad Agency fees	87,987	21,221	26,659	25,360	30,154	103,394	24,418	26,576	27,068	27,553	105,615	22,063	22,063	-5,490	-19.9%	-2,355	-9.6%
Event fees	2,579	279	410	307	1,833	2,830	171	312	148	560	1,190	116	116	-444	-79.3%	-55	-32.1%
Others	18,157	5,366	6,119	5,292	6,371	23,148	6,955	5,794	7,420	9,964	30,133	8,940	8,940	-1,024	-10.3%	+1,985	+28.5%
Operating Profit	147,638	50,615	62,107	30,759	65,414	208,895	40,352	11,434	16,184	20,619	88,588	21,090	21,090	+471	+2.3%	-19,262	-47.7%
<i>Operating Profit Margin</i>	<i>20%</i>	<i>26%</i>	<i>28%</i>	<i>14%</i>	<i>26%</i>	<i>23%</i>	<i>17%</i>	<i>5%</i>	<i>7%</i>	<i>9%</i>	<i>10%</i>	<i>9%</i>	<i>9%</i>				
Other Revenues	10,182	207	1,267	175	485	2,134	1,339	9,822	6,707	7,331	25,198	3,438	3,438	-3,893	-53.1%	+2,099	+156.8%
Reversal of allowance for doubtful accounts	25	0	0	0	0	0	1	-1	0	582	582	0	0	-582	-100.0%	-1	-100.0%
Disposal gains on tangible assets	31	59	27	30	25	141	24	47	233	19	324	546	546	+527	+2,759.4%	+522	+2,164.4%
Disposal gains on equity method investees	7,682	0	846	0	124	970	109	9,112	5,379	2,645	17,245	966	966	-1,680	-63.5%	+857	+787.7%
Miscellaneous	1,920	112	291	138	236	777	1,133	519	738	3,802	6,193	1,737	1,737	-2,066	-54.3%	+603	+53.2%
Others	524	35	102	7	101	246	72	144	357	282	855	189	189	-92	-32.8%	+118	+163.5%
Other Expenses	13,372	5,510	1,527	29,943	6,345	43,326	2,715	12,925	4,611	5,727	25,978	5,839	5,839	+112	+2.0%	+3,124	+115.1%
Disposal losses on intangible assets	0	0	0	0	0	0	2	1,038	0	154	1,194	0	0	-154	-100.0%	-2	-100.0%
Impairment losses on intangible assets	7,093	2,359	-8	22,599	958	25,908	141	7,110	0	1,708	8,959	590	590	-1,118	-65.5%	+449	+317.4%
Disposal losses on equity method investees	46	0	0	5	2,186	2,192	111	-111	0	0	0	0	0	+0	-	-111	-100.0%
Impairment losses on equity method investees	2,374	1,101	0	0	0	1,101	0	0	0	2,341	2,341	261	261	-2,081	-88.9%	+261	-
Commissions	92	39	99	4,252	413	4,803	330	1,968	1,148	71	3,516	131	131	+61	+86.3%	-198	-60.1%
Donations	2,566	185	680	1,607	731	3,203	1,231	1,744	2,376	569	5,920	691	691	+122	+21.5%	-540	-43.9%
Miscellaneous	502	1,499	517	1,317	1,863	5,197	432	660	991	320	2,403	2,450	2,450	+2,129	+665.0%	+2,018	+467.0%
Others	700	327	238	162	194	921	468	516	96	565	1,644	1,716	1,716	+1,151	+203.8%	+1,248	+266.7%
Financial Income	13,226	3,670	6,137	3,612	3,574	16,993	3,252	18,240	3,543	4,870	29,904	3,756	3,756	-1,113	-22.9%	+505	+15.5%
Interest income	13,072	3,184	3,143	3,104	3,002	12,432	3,217	3,420	2,088	2,229	10,953	2,737	2,737	+508	+22.8%	-480	-14.9%
Dividend income	11	5	0	0	0	5	0	0	0	83	83	413	413	+330	+398.7%	+413	-
FX Transaction gains	119	27	54	11	3	95	9	16	1	-7	18	82	82	+89	-	+73	+842.6%
FX Translation gains	24	454	-447	70	181	258	26	250	1,216	154	1,646	502	502	+348	+225.8%	+476	+1,821.6%
Valuation gains on derivative instruments	0	0	0	427	388	815	0	0	0	2,412	2,412	-2	-2	-2,414	-	-2	-
Gains on derivatives transaction	0	0	0	0	0	0	0	0	0	0	0	24	24	+24	-	+24	-
Disposal gains on LT AFS	0	0	0	0	0	0	0	14,555	238	0	14,792	0	0	+0	-	+0	-
Disposal gains on other assets	0	0	3,388	0	0	3,388	0	0	0	0	0	0	0	+0	-	+0	-
Financial Expenses	5,830	299	1,520	-188	69	1,700	330	951	325	2,090	3,697	3,276	3,276	+1,186	+56.7%	+2,946	+892.0%
Interest expenses	189	49	41	41	41	172	45	42	33	717	836	1,942	1,942	+1,225	+170.9%	+1,897	+4,254.7%
FX Transaction losses	121	42	34	29	15	120	36	4	110	129	278	237	237	+109	+84.4%	+201	+564.9%
FX Translation losses	532	6	1,375	14	5	1,400	2	14	42	183	241	1,097	1,097	+914	+500.8%	+1,094	+49,695.5%
Valuation losses on HTM	0	0	0	0	0	0	0	0	0	34	34	1	1	-33	-96.4%	+1	-
Disposal losses on LT AFS	0	0	0	0	8	8	0	0	0	0	0	0	0	+0	-	+0	-
Impairment losses on LT AFS	0	0	0	0	0	0	0	0	0	1,009	1,009	0	0	-1,009	-100.0%	+0	-
Valuation losses on derivative instruments	4,855	202	70	-272	0	0	248	891	140	20	1,299	0	0	-20	-100.0%	-248	-100.0%
Transaction losses on derivative instruments	133	0	0	0	0	0	0	0	0	0	0	0	0	+0	-	+0	-
Equity-method Income	-7,418	-1,549	-1,558	-1,060	-508	-4,676	-553	-756	284	-3,448	-4,473	-2,513	-2,513	+935	-	-1,960	-
Gains on Equity method investments	0	0	0	0	181	181	35	591	2,972	-147	3,451	156	156	+303	-	+122	+349.8%
losses on Equity method investments	7,418	1,549	1,558	1,060	689	4,857	588	1,346	2,688	3,301	7,924	2,669	2,669	-632	-19.1%	+2,081	+354.0%
Profit before Income Tax Expenses	144,426	47,134	64,905	3,730	62,551	178,320	41,344	24,863	21,782	21,554	109,543	16,656	16,656	-4,898	-22.7%	-24,688	-59.7%
Income Tax Expenses	13,891	6,968	9,033	-1,744	10,809	25,066	10,498	3,494	7,015	9,771	30,778	5,715	5,715	-4,056	-41.5%	-4,783	-45.6%
Net Profit from Continued Operations	130,535	40,166	55,872	5,474	51,743	153,255	30,846	21,369	14,767	11,782	78,765	10,941	10,941	-841	-7.1%	-19,905	-64.5%
Net Profit from Discontinued Operations	-3,028	0	0	-11,790													

Consolidated Statements of Financial Position (K-IFRS)

(Unit: KRW Million)

Accounts	2014.10.01	2014.12.31	2015.03.31	2015.06.30	2015.09.30	2015.12.31	2016.03.31
Assets							
Current Assets	686,059	798,291	841,003	763,404	765,548	970,067	1,199,871
Non-Current Assets	1,952,452	1,969,734	2,012,217	2,124,466	2,160,868	2,218,411	3,989,831
Total Assets	2,638,510	2,768,025	2,853,220	2,887,870	2,926,416	3,188,478	5,189,702
Liabilities							
Current Liabilities	179,423	227,488	252,419	267,517	281,096	316,078	1,410,405
Non-Current Liabilities	88,306	77,309	83,508	83,006	87,869	286,925	362,567
Total Liabilities	267,729	304,797	335,927	350,523	368,965	603,003	1,772,973
Equity							
Paid-in Capital	28,332	29,121	29,714	30,004	30,057	30,098	33,770
Capital Surplus	2,246,535	2,258,974	2,264,694	2,257,707	2,259,578	2,274,186	3,035,853
Capital Adjustments	-48,491	-26,268	-27,258	-8,787	-8,960	-9,032	-10,857
Accumulated Other Comprehensive Income	-3,018	2,114	12,786	-13	1,526	829	1,930
Retained Earnings	138,764	190,678	211,744	232,300	245,304	256,313	259,446
Non-controlling Interests	8,659	8,609	25,614	26,136	29,946	33,081	96,588
Total Equity	2,370,781	2,463,228	2,517,293	2,537,347	2,557,451	2,585,475	3,416,729
Total Liabilities & Equity	2,638,510	2,768,025	2,853,220	2,887,870	2,926,416	3,188,478	5,189,702

Separate Statements of Income(K-IFRS)

(Unit: KRW Million)	2013	1Q14	2Q14	3Q14	4Q14	2014	1Q15	2Q15	3Q15	4Q15	2015	1Q16	2016	QoQ	QoQ(%)	YoY	YoY(%)
Sales Revenues	712,839	189,739	217,407	212,358	243,021	862,525	220,303	210,648	211,516	219,619	862,085	203,027	203,027	-16,592	-7.6%	-17,276	-7.8%
Advertising Platform	517,732	127,821	147,244	141,688	165,533	582,286	142,070	146,163	140,376	148,492	577,101	124,481	124,481	-24,011	-16.2%	-17,589	-12.4%
Game Platform	173,232	54,977	58,414	60,757	60,579	234,727	59,368	43,695	43,238	47,063	193,364	51,562	51,562	+4,499	+9.6%	-7,806	-13.1%
Commerce Platform	12,417	4,178	5,606	5,044	10,166	24,993	11,820	12,958	8,655	12,268	45,701	13,163	13,163	+894	+7.3%	+1,343	+11.4%
Others	9,459	2,763	6,143	4,870	6,743	20,519	7,045	7,832	19,247	11,796	45,920	13,821	13,821	+2,025	+17.2%	+6,776	+96.2%
Operating Expenses	562,372	137,561	153,770	178,758	172,640	642,730	175,907	194,802	185,369	185,416	741,495	173,069	173,069	-12,347	-6.7%	-2,838	-1.6%
Labor costs	124,185	34,781	36,692	57,249	38,821	167,544	42,588	43,865	46,369	42,455	175,278	45,349	45,349	+2,894	+6.8%	+2,761	+6.5%
Fringe benefits	22,413	6,178	8,591	7,927	7,060	29,757	8,111	15,226	10,642	8,550	42,528	7,927	7,927	-623	-7.3%	-184	-2.3%
Depreciation	29,960	8,316	9,303	9,706	10,289	37,614	11,135	11,969	12,012	12,219	47,334	12,354	12,354	+136	+1.1%	+1,220	+11.0%
Rental fees	10,540	2,728	3,187	3,185	3,404	12,503	4,020	1,916	1,977	1,816	9,729	2,205	2,205	+389	+21.4%	-1,815	-45.2%
Commissions	154,187	42,327	47,212	51,332	56,731	197,602	50,699	53,646	55,400	56,704	216,450	54,111	54,111	-2,593	-4.6%	+3,412	+6.7%
Advertising	81,920	10,572	8,132	10,394	5,913	35,012	16,262	18,813	4,954	10,716	50,745	3,885	3,885	-6,831	-63.7%	-12,377	-76.1%
Bad debt expenses	472	-1,124	-13	-11	1,594	446	-14	408	-23	1,034	1,405	908	908	-125	-12.1%	+923	-
Amortization	10,893	2,267	2,262	2,283	5,336	12,148	5,233	5,129	5,378	5,338	21,079	5,800	5,800	+462	+8.7%	+567	+10.8%
Content fees	25,618	6,747	8,109	7,773	7,107	29,736	8,396	11,266	15,476	12,489	47,627	10,863	10,863	-1,626	-13.0%	+2,467	+29.4%
Ad Agency fees	87,261	21,004	26,212	24,966	29,629	101,810	23,981	26,086	26,294	26,993	103,354	21,495	21,495	-5,498	-20.4%	-2,485	-10.4%
Event fees	2,507	155	396	298	1,790	2,639	154	304	134	492	1,085	110	110	-383	-77.7%	-44	-28.7%
Others	12,416	3,609	3,687	3,657	4,965	15,919	5,342	6,173	6,756	6,611	24,882	8,061	8,061	+1,450	+21.9%	+2,718	+50.9%
Operating Profit	150,467	52,178	63,637	33,600	70,380	219,795	44,395	15,846	26,147	34,203	120,591	29,958	29,958	-4,245	-12.4%	-14,438	-32.5%
<i>Operating Profit Margin</i>	<i>21%</i>	<i>27%</i>	<i>29%</i>	<i>16%</i>	<i>29%</i>	<i>25%</i>	<i>20%</i>	<i>8%</i>	<i>12%</i>	<i>16%</i>	<i>14%</i>	<i>15%</i>	<i>15%</i>				
Other Revenues	6,870	254	3,788	203	317	4,561	476	1,333	1,109	3,632	6,550	1,660	1,660	-1,972	-54.3%	+1,184	+248.5%
Reversal of allowance for doubtful accounts	5,125	0	0	0	0	0	0	0	0	0	0	0	0	+0	-	+0	-
Disposal gains on tangible assets	28	49	27	26	20	121	20	45	73	17	156	46	46	+29	+166.9%	+25	+123.8%
Disposal gains on other assets	0	0	3,388	0	0	3,388	0	0	0	0	0	0	0	+0	-	+0	-
Disposal gains on equity method investees	0	67	0	0	0	67	0	605	0	0	605	0	0	+0	-	+0	-
Miscellaneous	1,441	73	240	137	180	630	373	479	655	3,721	5,229	1,488	1,488	-2,234	-60.0%	+1,115	+298.6%
Others	275	65	133	40	117	356	83	204	380	-107	560	127	127	+233	-	+44	+52.9%
Other Expenses	29,581	3,202	1,474	28,224	1,698	34,598	2,201	4,909	21,425	5,418	33,952	2,980	2,980	-2,439	-45.0%	+779	+35.4%
Disposal losses on intangible assets	0	0	0	0	0	0	5	1,034	0	154	1,192	0	0	-154	-100.0%	-5	-100.0%
Impairment losses on intangible assets	1,321	1,280	0	12	0	1,292	0	0	0	0	0	590	590	+590	-	+590	-
Impairment losses on equity method investees	25,190	71	0	21,349	0	21,420	0	0	16,975	4,009	20,984	0	0	-4,009	-100.0%	+0	-
Disposal losses on equity method investees	0	44	0	0	81	125	0	79	0	359	438	0	0	-359	-100.0%	+0	-
Commissions	92	39	99	4,252	713	5,103	257	1,373	1,094	40	2,764	131	131	+91	+225.4%	-126	-48.9%
Donations	2,526	180	667	1,589	708	3,146	1,224	1,739	2,376	560	5,900	691	691	+131	+23.3%	-534	-43.6%
Miscellaneous	422	1,458	484	864	40	2,846	298	291	906	21	1,517	44	44	+22	+104.4%	-255	-85.4%
Others	31	131	223	156	155	666	416	393	73	276	1,157	1,524	1,524	+1,249	+453.1%	+1,108	+266.3%
Financial Income	15,247	2,924	2,916	3,294	3,212	12,345	2,722	2,759	3,842	1,780	11,103	3,557	3,557	+1,777	+99.8%	+835	+30.7%
Interest income	12,345	2,900	2,868	2,793	2,639	11,200	2,694	2,593	1,481	1,698	8,465	1,882	1,882	+185	+10.9%	-811	-30.1%
Dividend income	2,505	5	0	0	0	5	0	0	1,723	83	1,805	1,674	1,674	+1,591	+1,923.7%	+1,674	-
FX Transaction gains	361	14	49	5	3	70	2	0	0	0	2	0	0	+0	-	-2	-100.0%
FX Translation gains	36	5	-1	69	181	254	26	166	639	0	831	1	1	+1	-	-25	-96.8%
Disposal gains of LT AFS	0	0	0	0	0	0	0	0	0	0	0	0	0	+0	-	+0	-
Valuation gains on derivative instruments	0	0	0	427	388	815	0	0	0	0	0	0	0	+0	-	+0	-
Financial Expenses	5,432	254	178	-196	69	303	284	929	178	1,696	3,087	1,788	1,788	+92	+5.4%	+1,504	+529.5%
Interest expense	179	41	41	41	41	163	36	37	37	457	568	1,383	1,383	+925	+202.4%	+1,346	+3,723.2%
FX Transaction losses	380	6	20	20	15	61	3	0	0	0	3	0	0	+0	-	-3	-100.0%
FX Translation losses	18	5	47	14	5	71	-3	0	0	211	208	406	406	+195	+92.8%	+409	-
Disposal losses of LT AFS	0	0	0	0	8	8	0	0	0	0	0	0	0	+0	-	+0	-
Impairment losses on LT AFS	0	0	0	0	0	0	0	0	0	1,009	1,009	0	0	-1,009	-100.0%	+0	-
Valuation losses on Trading Securities	4,855	202	70	-272	0	0	248	891	140	20	1,299	0	0	-20	-100.0%	-248	-100.0%
Profit Before Income Tax Expenses	137,570	51,900	68,689	9,070	72,142	201,800	45,109	14,101	9,495	32,500	101,204	30,407	30,407	-2,093	-6.4%	-14,702	-32.6%
Income Tax Expenses	15,874	7,065	9,193	278	10,749	27,286	9,858	-1,148	8,251	11,346	28,306	7,054	7,054	-4,292	-37.8%	-2,805	-28.5%
Net Profit from Discontinued Operations	0	0	0	0	0	0	0	0	0	0	0	0	0	+0	-	+0	-
Net Profit	121,697	44,834	59,496	8,792	61,393	174,514	35,251	15,249	1,244	21,154	72,898	23,353	23,353	+2,199	+10.4%	-11,897	-33.8%
EBITDA	191,320	62,761	75,201	45,589	86,006	269,558	60,763	32,944	43,537	51,759	189,003	48,112	48,112	-3,647	-7.0%	-12,651	-20.8%

Seperated Statements of Financial Position (K-IFRS)

(Unit: KRW Million)

Accounts	2014.10.01	2014.12.31	2015.03.31	2015.06.30	2015.09.30	2015.12.31	2016.03.31
Assets							
Current Assets	626,235	720,011	624,623	539,497	553,384	718,533	605,891
Non-Current Assets	1,997,602	2,036,753	2,185,106	2,317,273	2,332,042	2,398,531	4,302,455
Total Assets	2,623,837	2,756,764	2,809,729	2,856,770	2,885,426	3,117,064	4,908,346
Liabilities							
Current Liabilities	172,427	218,353	239,183	243,841	251,481	265,747	1,202,571
Non-Current Liabilities	87,207	76,662	79,100	76,765	78,251	276,435	351,836
Total Liabilities	259,635	295,014	318,283	320,606	329,732	542,182	1,554,407
Equity							
Paid-in Capital	28,332	29,121	29,714	30,004	30,057	30,098	33,770
Capital Surplus	2,246,536	2,258,975	2,264,694	2,275,487	2,276,818	2,291,486	3,055,341
Capital Adjustments	-48,491	-23,507	-27,258	-8,787	-8,960	-9,032	-10,887
Accumulated Other Comprehensive Income	0	-342	-143	-227	-129	244	312
Retained Earnings	137,825	197,502	224,438	239,687	257,907	262,086	275,404
Total Equity	2,364,202	2,461,749	2,491,445	2,536,164	2,555,694	2,574,882	3,353,939
Total Liabilities & Equity	2,623,837	2,756,764	2,809,729	2,856,770	2,885,426	3,117,064	4,908,346

Number of Employees (Kakao)

Name	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	QoQ	YoY
Kakao	2,053	2,162	2,272	2,250	2,262	2,255	2,271	2,299	2,375	2,469	94	214
Kakao Subsidiaries	968	1,059	1,089	1,217	1,269	1,348	1,413	1,447	1,725	1,812	87	464
Consolidated total	3,021	3,221	3,361	3,467	3,531	3,603	3,684	3,746	4,100	4,281	181	678

* The above number of employees include full-time and part-time employees only

* Subsidiaries (51 Companies) : DGH, Path Mobile Inc, DK Service, DK Techn, DK Business, DK China, DK China Yajiao, Imageon, Buzzpia, Daum Games, Daum Games Europe

Thinkreals, Lotiple, Kakao Lab, Sunny Loft, Kakao Singapore, Beijing Kakao, Ultra Caption, Ultra Interactive, Kakao Japan, Kidsnote, K Venture Group, TNK Factory, Sellit,

K Cube Ventures, K-cube Venture Fund, Kakao Venture Fund, Locnall, KakaoFriends, Tangram Design Lab, Tangram Factory, Tangram Factory America, Valuepotion, Valuepotion Pte. LTD, Cardoc, NZIN, Zinny Labs, Aina

Supernova Eleven, Black Star Games, Red Star Games, Mmagnet, Ngle, Bullhocsoft, Podotree, About Time, PT. Path Mobile Indonesia, Naviro, Linkage Lab, Kakao Digital Content Fund, Kakao Game Growth Share Fund