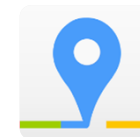


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# daumkakao

Investor Relations | May 2015



# Company Mission & Business Area

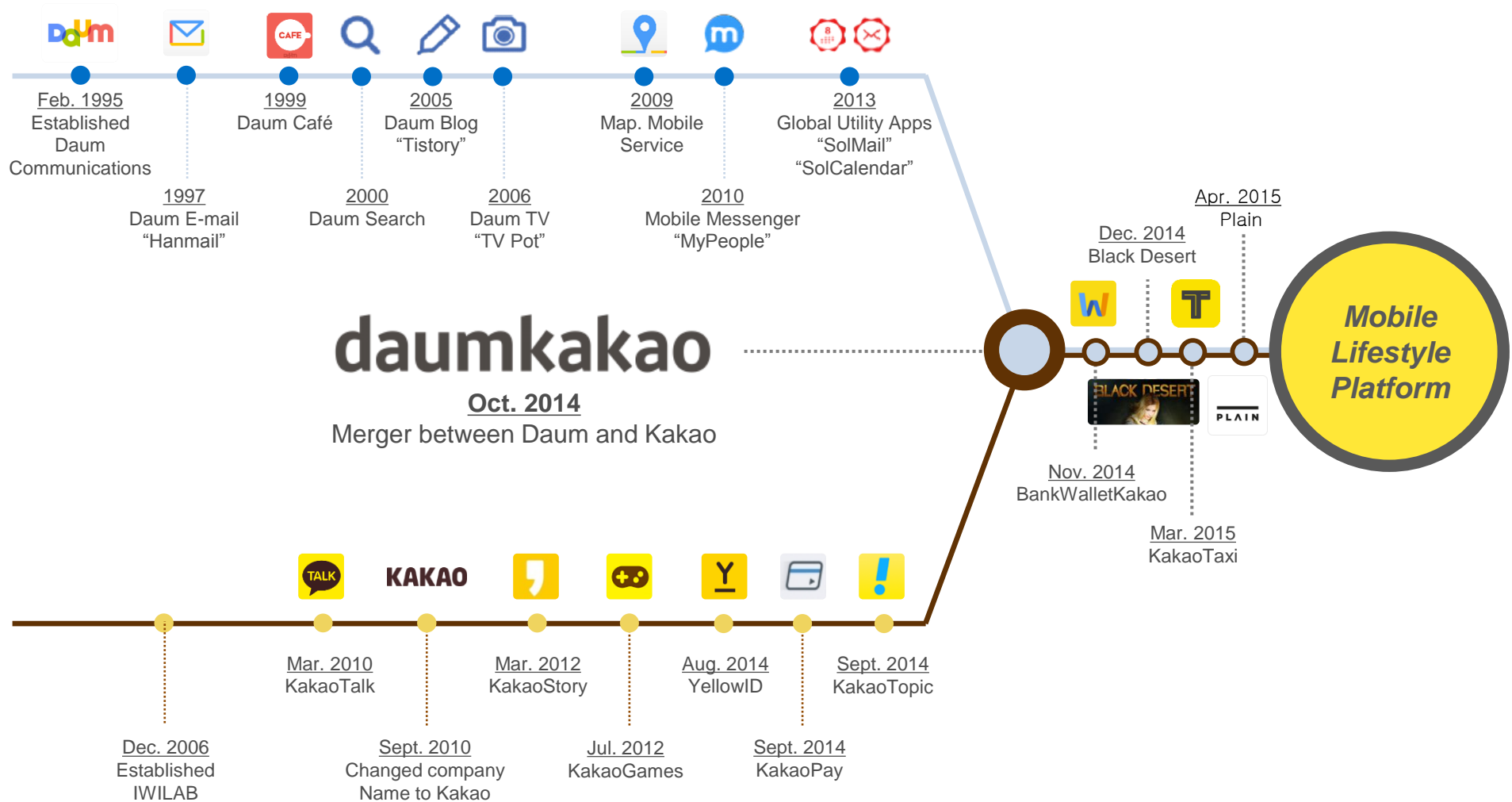
## A Mobile Lifestyle Platform

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

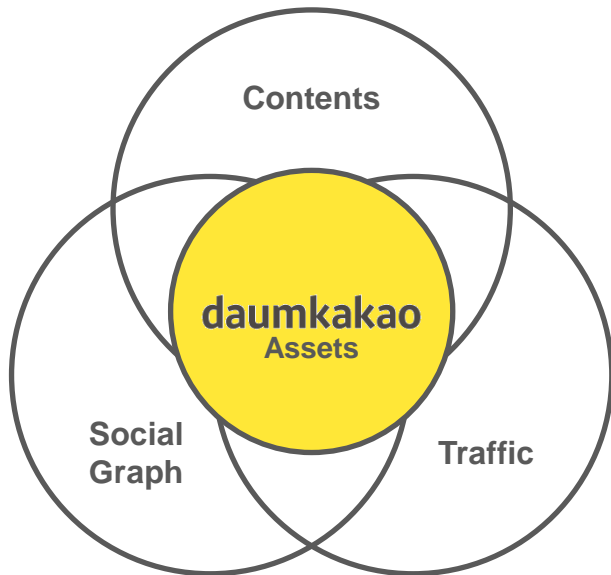


# Created Through the Merger of Leading Internet & Mobile Platforms



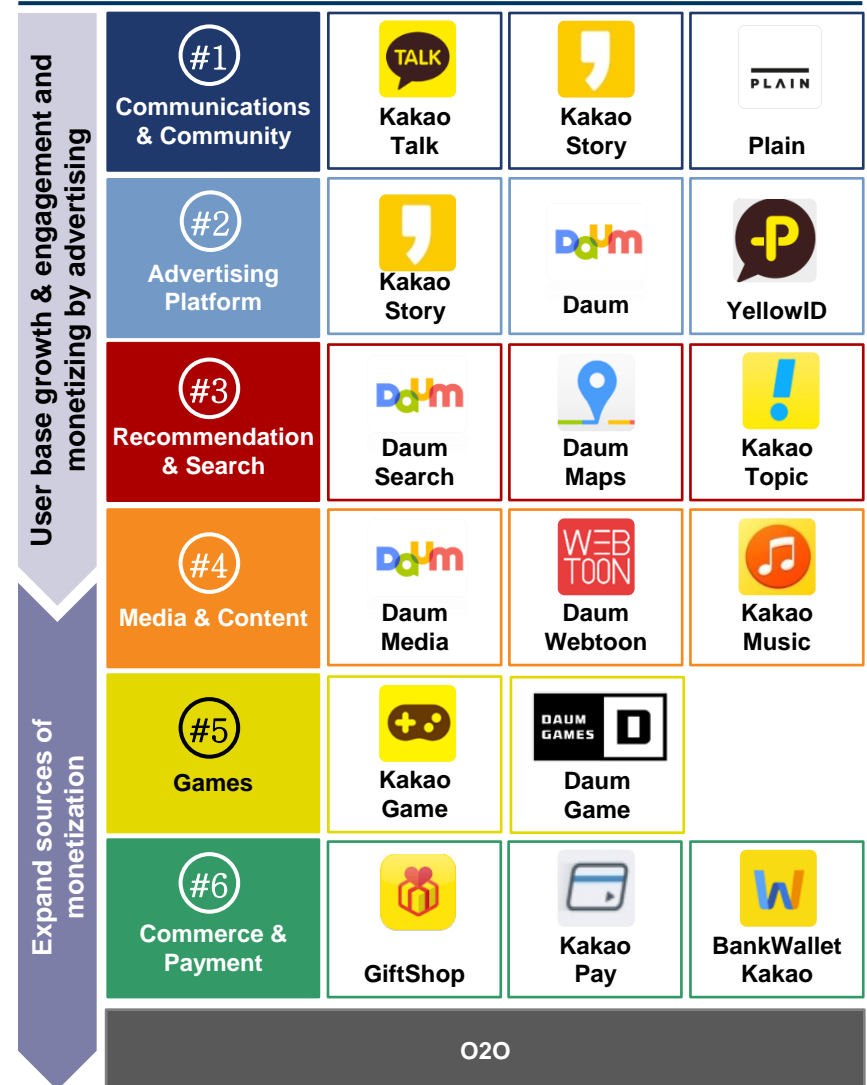
# Diversified Platform Leveraging Content, Social Graph and User Traffic

## Daum Kakao's Assets and Expertise



- Contents: 14 years of accumulated contents of Daum Search and continued creation of contents by KakaoStory users
- 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 PC websites)

## Diverse Platforms Leading to Growth and Monetization



# #1 Communications



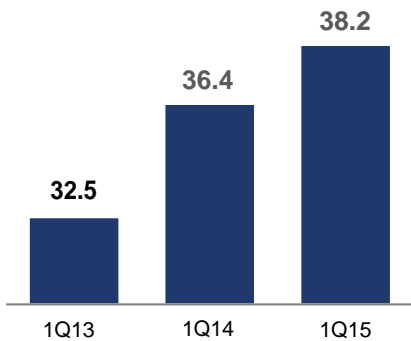
## KakaoTalk

- Penetration: Over 96% of smartphone users in Korea are active users
- Continue to grow our domestic active users. Greater privacy & protection with new Secret Chat mode
- Serve as the spine and central platform for many of Daum Kakao's mobile services
- Free voice calls, share photos and videos with KakaoTalk friends
- Serviced worldwide in 230 countries in 15 different languages

## KakaoStory

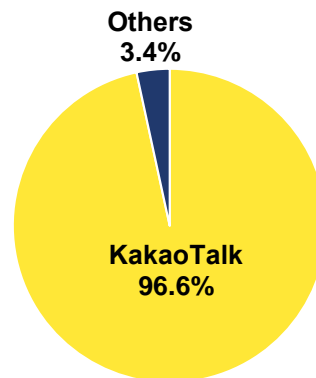
- Mobile based, photo-centric SNS built on KakaoTalk's social graph which allows sharing of photos, videos and thoughts
  - Key features include photo upload/editing, KakaoStory Channel, comments, hash tags, etc.
  - Via "KakaoStoryChannel", a user-friendly mini blog within KakaoStory, promotes spontaneous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

### Quarterly Monthly Active Users ("MAUs")

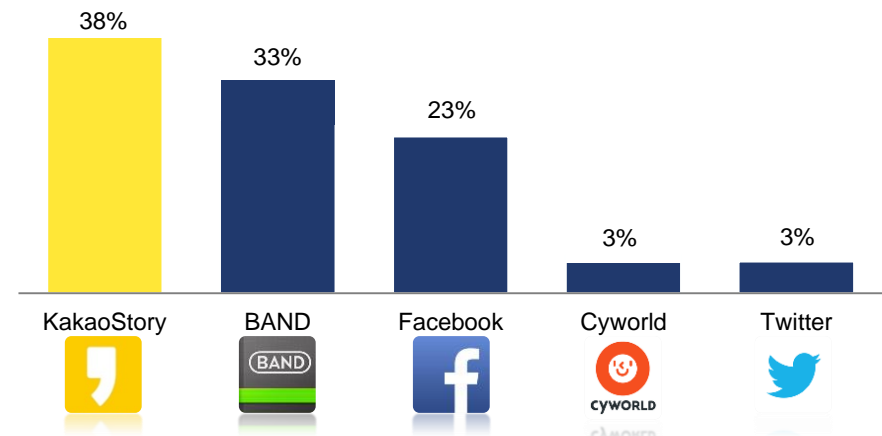


(mm users)	1Q13	1Q14	1Q15
Korea	32.5	36.4	38.2
Foreign	7.6	14.0	10.0

### Dominant M/S<sup>1</sup>



### KakaoStory Has a Predominant User Base in Korea<sup>2</sup>

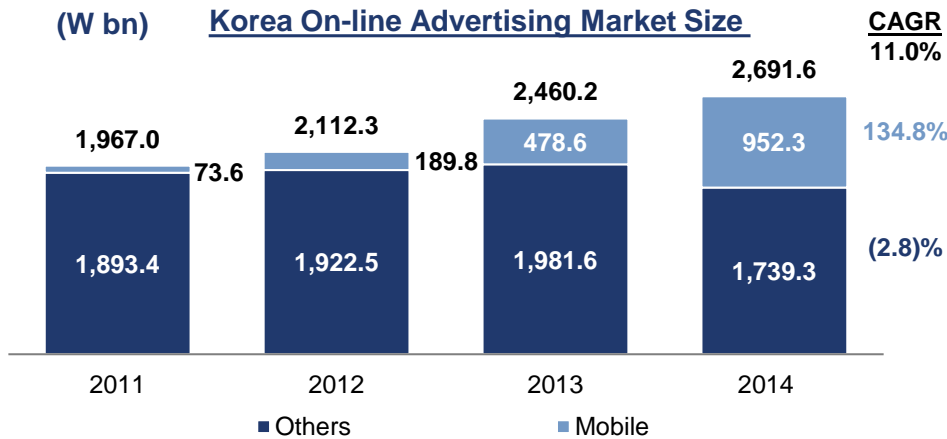


1. Based on monthly time spent; other messengers include LINE, MyPeople, TicToc, joyn.T and NateOn.  
 2. Based on MAU in April

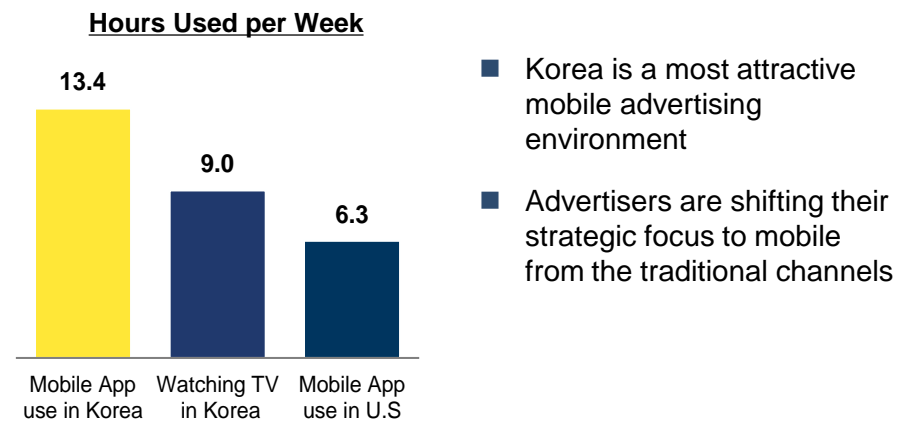
# #2 Advertising Platform



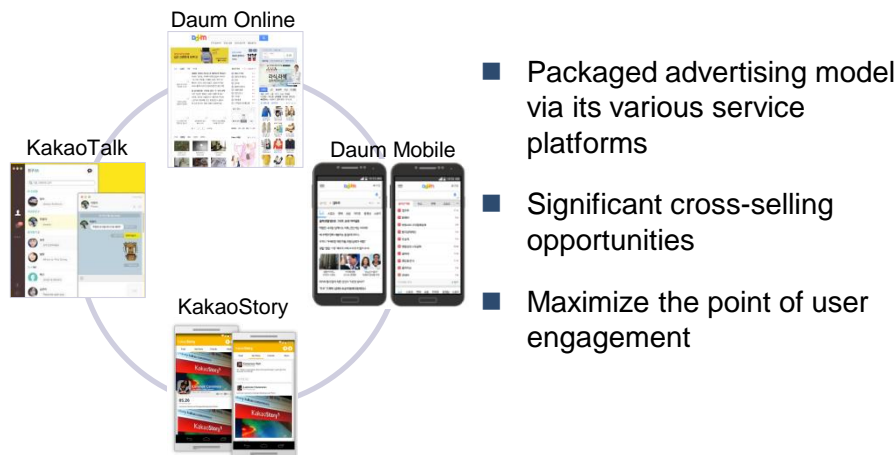
## Mobile Advertising Has Become the Key Growth Driver...<sup>1</sup>



## 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 100,000 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

## Daum Maps

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

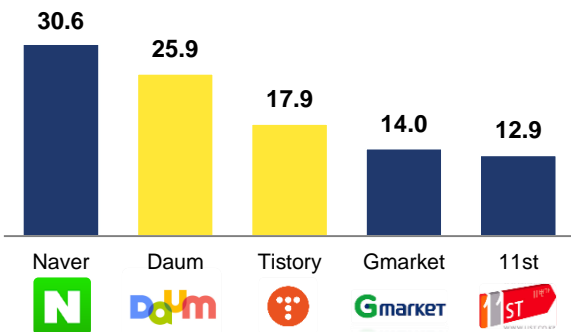
- First digital and mobile map in Korea
- First to offer real-life images of streets and buildings

## KakaoTopic

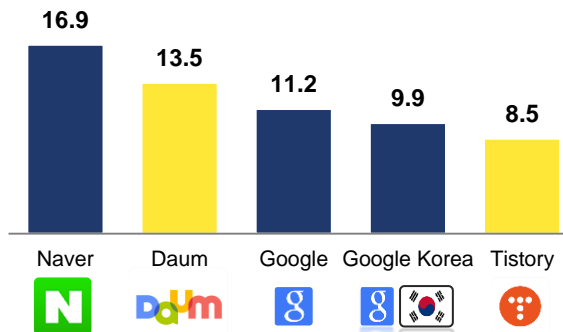
- 120** Outlets
- Social** Curations
- 14** Categories, including "hot on social media" and "App-toons"

- Personalized contents recommendation platform for mobile, contents ranging from news to entertainment

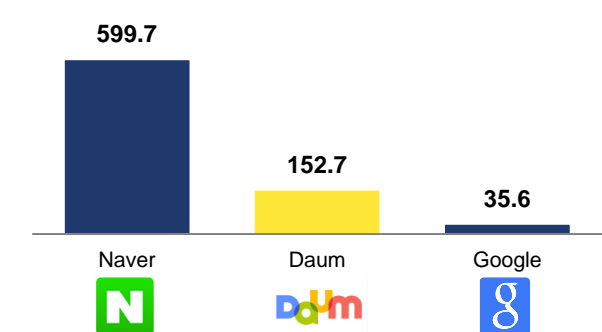
## Korea PC Website Rankings<sup>1</sup>



## 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 April 2015.

<sup>2</sup> Based on queries from Feb. 9, 2015 to Feb. 15, 2015.

#4 Media & Content



Daum Media



Media Platform



News articles everyday



Growth in news funding projects

- Extensive news portal aggregating contents from major Korean media outlets

Daum Webtoon / KakaoPage



Novel/Comic app (KakaoPage)



Users (KakaoPage)



Titles on China Market (Webtoon)

- Provider of new genre of digital contents, "Webtoon" or web comics
- KakaoPage, the leading mobile contents provider in Korea, offers a wide range of paid contents incl. novels and comics
- Daum webtoon authors may exploit the KakaoPage platform to gain viewer popularity

KakaoMusic



Music app in usage level



Users in 20 days



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 Apr. 2015, 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 advance reservation program

**Introduction of Kakao GameShop**

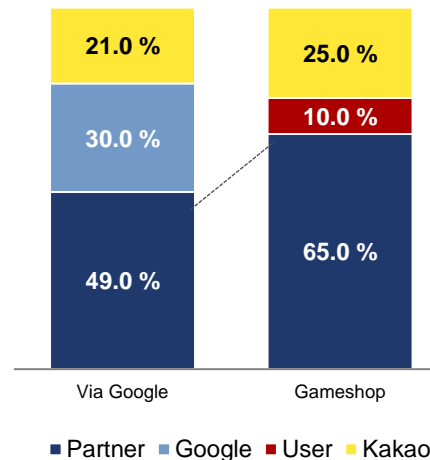
- Launched on Apr. 1, 2015, Kakao GameShop is an independent mobile gaming platform developed by Daum Kakao
- Daum Kakao's first independent mobile gaming platform, which introduced new revenue sharing scheme with developers and users
- Easily adoptable from developer's perspective to use Kakao GameShop platform
- Currently 28 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

**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.
- Announced a plan to enter the Chinese mobile game market, teaming up with China's Chukong Technologies to co-publish "Superstar SMTOWN" in the second quarter 2015. Developed by Korea's Dacomsoft inc., "Superstar SMTOWN" is a rhythm game featuring top K-Pop stars from SM Entertainment.

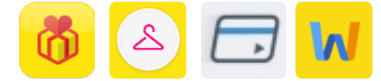
**Key Highlights of GameShop**

**Revenue Sharing Scheme**



- Fundamental rationale of Kakao game shop is to create "win-win" structure with developers and users
- Developer's portion increase by 16% to 65% and user now take 10% which is new sharing scheme in the industry
- Providing a more favorable ecosystem to developers, Daum Kakao will maximize incentives to use the Kakao channel

#6 Commerce & Payment

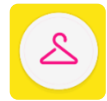


Commerce-Related Services



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 Brand Store

- Merchandise of “Kakao Friends” characters sold throughout on-line and off-line brand stores, which are increasingly gaining popularity amongst all age levels
- Based on the current licensing model, “Kakao Friends” have created a diverse set of business opportunities from collaboration products including comics, animations, etc.
- Daum Kakao’s board has agreed to spin off Kakao Friends business for more growth in Kakao Talk’s character merchandising in May 2015

Payment-Related Services



KakaoPay



- LG CNS Partner technology provider
- Major Korean credit card companies
- Embedded In KakaoTalk
- 4M+ Current users

- The easiest and most convenient e-payment system in Korea with the highest level of security



BankWalletKakao



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

- Virtual mobile wallet that allows users to transfer money, make payments mobile/online & offline and withdraw cash from ATMs

# Latest Developments- KakaoTaxi

## Connecting On-line to Off-line



### KakaoTaxi

- 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 to be commercially serviced in Korea
- KakaoTaxi is fully offered as a free service, targeting to improve user engagement in the application and ultimately in other Kakao applications
- For the better service quality, taxi drivers and customers are asked to mutually rate each other upon termination of transportation

### Latest Operating Metrics



**KakaoTaxi Registered Taxis**



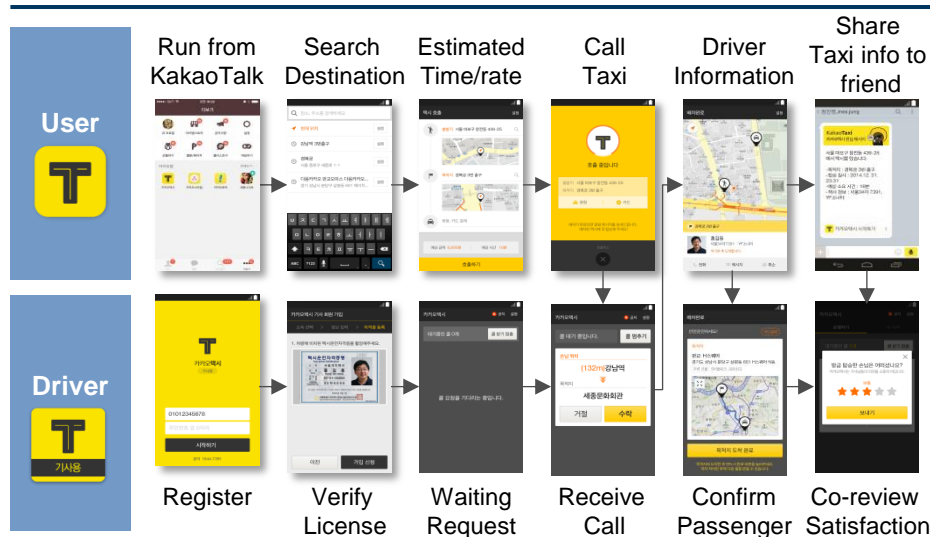
**Call-Taxi Coverage Rate**



**App Downloads**

- KakaoTaxi has soft-landed after initial launch with in general positive response from both drivers and users

### Service Scheme of KakaoTaxi



### Key Highlights of KakaoTaxi

<b>Easy Access</b>	<ul style="list-style-type: none"> <li>■ Easy user departure and destination search based on the location based GPS services</li> <li>■ Easy access using KakaoTalk platform</li> <li>■ Provide estimated required time and fee rate at the initial search</li> </ul>
<b>Safety/ Security</b>	<ul style="list-style-type: none"> <li>■ Provision in advance and recording log of information of taxi driver</li> <li>■ Sharing taxi and drive information to the friends at boarding</li> </ul>
<b>Expandability</b>	<ul style="list-style-type: none"> <li>■ Among 250,000 registered taxi in Korea, only 63,000 uses call-based services</li> <li>■ Call-taxi service platform and know-hows is easily expandable and transferrable</li> </ul>

# Financial Overview

## Summary Quarterly Financials

(in million KRW)

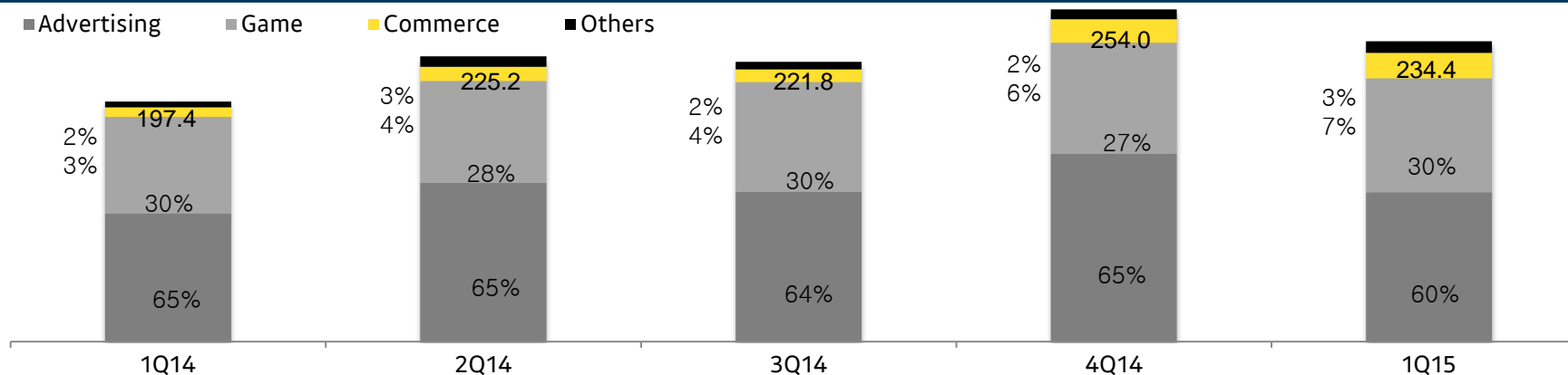
	1Q15	4Q14	1Q14	QoQ	YoY
Total Revenue	234,392	254,046	197,365	-8%	19%
Advertising	141,753	165,363	128,688	-14%	10%
Game	69,991	68,289	59,273	2%	18%
Commerce	15,526	14,284	5,818	9%	167%
Others	7,122	6,110	3,586	17%	99%
Operating Expense	194,040	188,632	146,749	3%	32%
Operating Income	40,352	65,414	50,615	-38%	-20%
<i>% of Revenue</i>	<i>17%</i>	<i>26%</i>	<i>26%</i>	<i>-9%p</i>	<i>-9%p</i>
EBIT	41,344	62,551	47,134	-34%	-12%
Net Income	30,846	51,743	40,166	-40%	-23%
EBITDA	57,744	81,702	62,423	-29%	-7%

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.








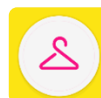






# Financial Overview (Cont'd)

## Historical Revenue Breakdown and Service Segmentation

Historical Quarterly Revenue Breakdown (W bn)



Categorization of Services for Each Revenue Segment

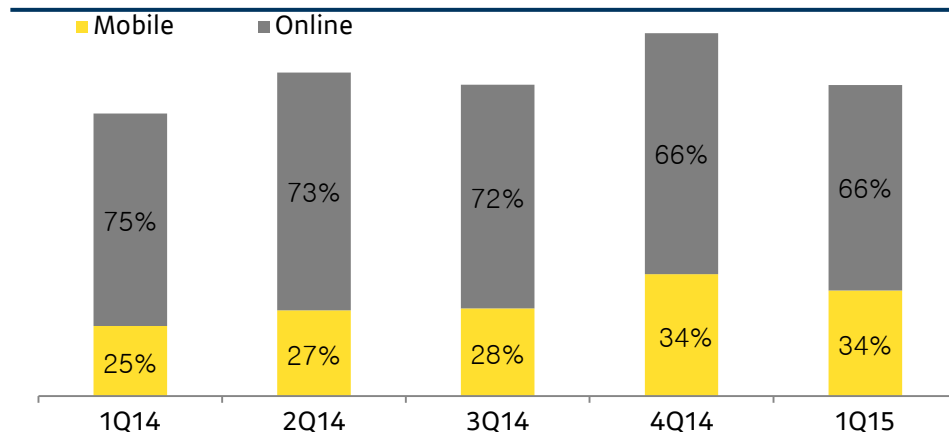
Advertising	Game	Commerce	Others
   	 	  	    
<ul style="list-style-type: none"> <li>Daum on-line &amp; mobile ad.</li> <li>PlusFriend (KakaoTalk)</li> <li>YellowID (KakaoTalk)</li> <li>Brand Emoticon (KakaoTalk)</li> <li>KakaoTalk PC version ad.</li> <li>KakaoStory ad.</li> </ul>	<ul style="list-style-type: none"> <li>KakaoGame (KakaoTalk)</li> <li>Daum Game (Black Desert)</li> </ul>	<ul style="list-style-type: none"> <li>GiftShop (KakaoTalk)</li> <li>KakaoStyle</li> <li>Brand product/stores</li> </ul>	<ul style="list-style-type: none"> <li>B2C Emoticon (KakaoTalk)</li> <li>KakaoMusic</li> <li>KakaoPage</li> <li>KakaoPay (KakaoTalk)</li> <li>BankWalletKakao</li> </ul>

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)

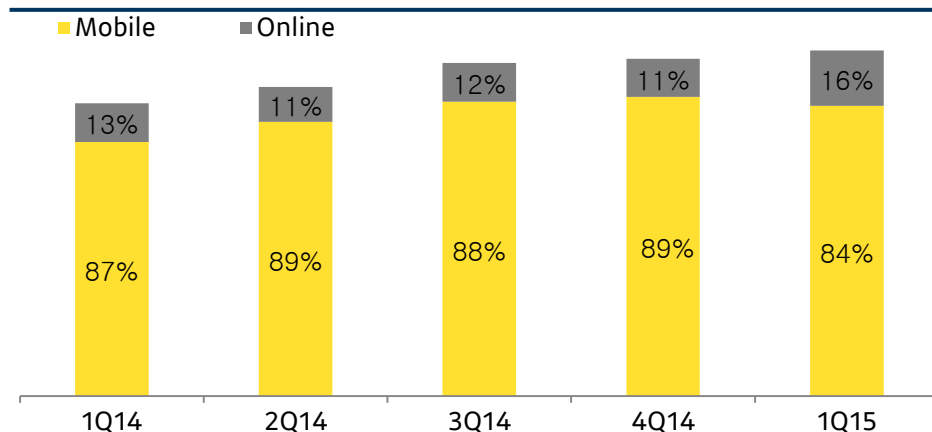
## Advertising and Game Revenues

Quarterly Advertising Revenue Breakdown



(W bn)	1Q14	2Q14	3Q14	4Q14	1Q15
Online	96.7	108.4	101.9	109.8	93.7
Mobile	32.0	39.0	40.0	55.5	48.1
<b>Total</b>	<b>128.7</b>	<b>147.4</b>	<b>141.9</b>	<b>165.4</b>	<b>141.8</b>

Quarterly Game Revenue Breakdown



(W bn)	1Q14	2Q14	3Q14	4Q14	1Q15
Online	7.8	7.0	7.8	7.7	11.2
Mobile	51.5	55.6	59.6	60.6	58.8
<b>Total</b>	<b>59.3</b>	<b>62.6</b>	<b>67.5</b>	<b>68.3</b>	<b>70.0</b>

- Mobile advertising, posting a 50% YoY growth
  - Total advertising revenue growth (1Q 2015): 10% YoY
  - Online advertising growth (1Q 2015): -3% YoY
- Strong performance of mobile advertising platforms is primarily attributable to KakaoStory’s robust revenue growth and Daum Shopping How and Ad@m’s solid service

- Game revenue has been highly dependent on the mobile platform: however, newly launched online game revenue is the core growth component in the overall game business
  - Online game revenue growth (1Q 2015): 44% YoY, 46% QoQ
  - Mobile game revenue growth (1Q 2015): 14% YoY, -3% QoQ
- KakaoGame’s growth continues:
  - Total 630 “for Kakao” games by 400 publishers/developers partners
  - 20-30 new “for Kakao” games every month

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)

	1Q15	4Q14	1Q14	QoQ	YoY
<b>OP Expenses</b>	194,040	188,632	146,749	3%	32%
Labor costs <sup>1)</sup>	51,803	47,242	40,396	10%	28%
Fringe benefits	9,970	8,782	7,276	14%	37%
Depreciation	11,455	10,596	8,544	8%	34%
Rental fees	5,034	4,287	3,310	17%	52%
Commissions <sup>2)</sup>	52,645	55,865	40,489	-6%	30%
Advertising <sup>3)</sup>	17,221	9,116	10,817	89%	59%
Bad Debt Exp.	(21)	1,583	(1,074)	-	-
Amortization	5,937	5,692	3,264	4%	82%
Outsourcing fees	8,452	7,111	6,861	19%	23%
Ad agency fees <sup>4)</sup>	24,418	30,154	21,221	-19%	15%
Event fees	171	1,833	279	-91%	-39%
Others	6,955	6,371	5,366	9%	30%

- 1) Labor costs increased due to annual base salary increase for 2015 and increased in number of subsidiaries' employees
- 2) Commission decreased mainly due to decrease in TAC related to network ad revenue
- 3) Advertising increased due to various marketing activities on the newly launched services including KakaoTaxi and KakaoPay.
- 4) Ad agency fees decreased due to the decrease in the related advertising revenue

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 (Pro-forma)

## Daum Kakao Consolidated Statements of Income

(in million KRW)	1Q14	2Q14	3Q14	4Q14	1Q15
<b>Sales Revenues</b>	<b>197,365</b>	<b>225,172</b>	<b>221,803</b>	<b>254,046</b>	<b>234,392</b>
Advertising Platform	128,688	147,443	141,915	165,363	141,753
Game Platform	59,273	62,574	67,464	68,289	69,991
Commerce Platform	5,818	8,806	7,756	14,284	15,526
Others	3,586	6,349	4,668	6,110	7,122
<b>Operating Expenses</b>	<b>146,749</b>	<b>163,065</b>	<b>191,044</b>	<b>188,632</b>	<b>194,040</b>
Labor costs	40,396	42,683	64,834	47,242	51,803
Fringe benefits	7,276	9,757	9,460	8,782	9,970
Depreciation	8,544	9,537	9,975	10,596	11,455
Rental fees	3,310	3,760	3,880	4,287	5,034
Commissions	40,489	43,951	49,532	55,865	52,645
Advertising	10,817	8,875	11,314	9,116	17,221
Bad debt expenses	-1,074	-23	-15	1,583	-21
Amortization	3,264	3,256	3,279	5,692	5,937
Outsourcing fees	6,861	8,080	7,826	7,111	8,452
Ad Agency fees	21,221	26,659	25,360	30,154	24,418
Event fees	279	410	307	1,833	171
Others	5,366	6,119	5,292	6,371	6,955
<b>Operating Profit</b>	<b>50,615</b>	<b>62,107</b>	<b>30,759</b>	<b>65,414</b>	<b>40,352</b>
<b>Operating Profit Margin</b>	<b>25.6%</b>	<b>27.6%</b>	<b>13.9%</b>	<b>25.7%</b>	<b>17.2%</b>
<b>Other Revenues</b>	<b>207</b>	<b>1,267</b>	<b>175</b>	<b>485</b>	<b>1,339</b>
<b>Other Expenses</b>	<b>5,510</b>	<b>1,527</b>	<b>29,943</b>	<b>6,345</b>	<b>2,715</b>
<b>Financial Income</b>	<b>3,670</b>	<b>6,137</b>	<b>3,612</b>	<b>3,574</b>	<b>3,252</b>
<b>Financial Expenses</b>	<b>299</b>	<b>1,520</b>	<b>-188</b>	<b>69</b>	<b>330</b>
<b>Equity-method Income</b>	<b>-1,549</b>	<b>-1,558</b>	<b>-1,060</b>	<b>-508</b>	<b>-553</b>
Gains on Equity method investments	-	-	-	181	35
losses on Equity method investments	1,549	1,558	1,060	689	588
<b>Profit before Income Tax Expenses</b>	<b>47,134</b>	<b>64,905</b>	<b>3,730</b>	<b>62,551</b>	<b>41,344</b>
<b>Income Tax Expenses</b>	<b>6,968</b>	<b>9,033</b>	<b>-1,744</b>	<b>10,809</b>	<b>10,498</b>
<b>Net Profit from Continued Operations</b>	<b>40,166</b>	<b>55,872</b>	<b>5,474</b>	<b>51,743</b>	<b>30,846</b>
<b>Net Profit from Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-11,790</b>	<b>-</b>	<b>-</b>
<b>Net Profit</b>	<b>40,166</b>	<b>55,872</b>	<b>-6,316</b>	<b>51,743</b>	<b>30,846</b>
Net Profit of Controlling Interests	40,813	56,051	-5,127	51,914	31,097
Net Profit of Non-controlling Interests	-648	-179	-1,189	-171	-250

## Daum Kakao Consolidated Statements of Financial Position

(in million KRW)	2014.12.31	2015.03.31
<b>Current Assets</b>	<b>798,291</b>	<b>841,003</b>
Cash and Cash Equivalents	451,228	474,733
Short-term Financial Instruments	184,548	200,350
Accounts Receivable	108,431	109,699
Other Current Financial Assets	25,843	20,858
Other Current Assets	24,709	32,033
Others	3,532	3,330
<b>Non-Current Assets</b>	<b>1,969,734</b>	<b>2,012,217</b>
Long-term Available for Sales	25,258	42,285
Equity Method Investments	18,712	29,102
Tangible Assets	196,894	204,469
Intangible Assets	1,688,974	1,685,639
Other Non-current Financial Assets	33,702	44,163
Other Non-current Assets	6,194	6,559
<b>Total Assets</b>	<b>2,768,025</b>	<b>2,853,220</b>
<b>Liabilities</b>	<b>227,487</b>	<b>252,419</b>
Trade Payables and Non-trade Payables	109,126	104,611
Accrued Expenses	5,443	5,581
Advances from Customers	34,488	23,484
Income Taxes Payable	20,680	34,545
Dividend Payable	-	10,030
Other Current Liabilities	57,751	74,168
<b>Non-Current Liabilities</b>	<b>77,309</b>	<b>83,508</b>
Non-Current Trade Payables and Non-trade Payables	3,362	7,137
Deferred Income Tax Liabilities	50,083	49,547
Other Non-Current Liabilities	23,864	26,824
<b>Total Liabilities</b>	<b>304,797</b>	<b>335,927</b>
<b>Paid-in Capital</b>	<b>29,121</b>	<b>29,714</b>
<b>Capital Surplus</b>	<b>2,258,974</b>	<b>2,264,694</b>
<b>Capital Adjustments</b>	<b>-26,268</b>	<b>-27,258</b>
<b>Accumulated Other Comprehensive Income</b>	<b>2,114</b>	<b>12,786</b>
<b>Retained Earnings</b>	<b>190,678</b>	<b>211,744</b>
<b>Non-controlling Interests</b>	<b>8,609</b>	<b>25,614</b>
<b>Total Equity</b>	<b>2,463,228</b>	<b>2,517,293</b>
<b>Total Liabilities &amp; Equity</b>	<b>2,768,025</b>	<b>2,853,220</b>

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)

daumkakao

## Daum Kakao Consolidated Statements of Income

(in million KRW)	1Q14	2Q14	3Q14	4Q14	1Q15
<b>Sales Revenues</b>	<b>70,298</b>	<b>86,249</b>	<b>88,265</b>	<b>254,046</b>	<b>234,392</b>
Advertising Platform	11,443	16,993	17,651	165,363	141,753
Game Platform	51,460	55,571	59,619	68,289	69,991
Commerce Platform	5,818	8,806	7,756	14,284	15,526
Others	1,577	4,880	3,238	6,110	7,122
<b>Operating Expenses</b>	<b>34,878</b>	<b>40,785</b>	<b>58,136</b>	<b>188,632</b>	<b>194,040</b>
Labor costs	13,319	14,956	29,154	47,242	51,803
Fringe benefits	1,395	2,741	2,335	8,782	9,970
Depreciation	1,953	2,193	2,407	10,596	11,455
Rental fees	902	1,480	1,415	4,287	5,034
Commissions	6,132	6,695	9,785	55,865	52,645
Advertising	8,068	5,308	6,395	9,116	17,221
Bad debt expenses	-	-	-	1,583	-21
Amortization	63	72	80	5,692	5,937
Outsourcing fees	-	-	-	7,111	8,452
Ad Agency fees	1,086	3,643	3,551	30,154	24,418
Event fees	20	76	144	1,833	171
Others	1,941	3,620	2,870	6,371	6,955
<b>Operating Profit</b>	<b>35,420</b>	<b>45,465</b>	<b>30,129</b>	<b>65,414</b>	<b>40,352</b>
<b>Operating Profit Margin</b>	<b>25.6%</b>	<b>27.6%</b>	<b>13.9%</b>	<b>25.7%</b>	<b>17.2%</b>
<b>Other Revenues</b>	<b>43</b>	<b>899</b>	<b>79</b>	<b>485</b>	<b>1,339</b>
<b>Other Expenses</b>	<b>107</b>	<b>-6</b>	<b>6,270</b>	<b>6,345</b>	<b>2,715</b>
<b>Financial Income</b>	<b>899</b>	<b>1,134</b>	<b>1,174</b>	<b>3,574</b>	<b>3,252</b>
<b>Financial Expenses</b>	<b>124</b>	<b>193</b>	<b>174</b>	<b>69</b>	<b>330</b>
<b>Equity-method Income</b>	<b>-705</b>	<b>-691</b>	<b>-707</b>	<b>-508</b>	<b>-553</b>
Gains on Equity method investments	-	-	-	181	35
losses on Equity method investments	705	691	707	689	588
<b>Profit before Income Tax Expenses</b>	<b>35,426</b>	<b>46,619</b>	<b>24,232</b>	<b>62,551</b>	<b>41,344</b>
<b>Income Tax Expenses</b>	<b>3,602</b>	<b>4,346</b>	<b>251</b>	<b>10,809</b>	<b>10,498</b>
<b>Net Profit from Continued Operations</b>	<b>31,824</b>	<b>42,273</b>	<b>23,982</b>	<b>51,743</b>	<b>30,846</b>
<b>Net Profit from Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Profit</b>	<b>31,824</b>	<b>42,273</b>	<b>23,982</b>	<b>51,743</b>	<b>30,846</b>
Net Profit of Controlling Interests	31,824	42,337	24,029	51,914	31,097
Net Profit of Non-controlling Interests	-	-64	-48	-171	-250

## Daum Kakao Consolidated Statements of Financial Position

(in million KRW)	2013.12.31	2014.12.31	2015.03.31
<b>Current Assets</b>	<b>180,504</b>	<b>798,291</b>	<b>841,003</b>
Cash and Cash Equivalents	23,417	451,228	474,733
Short-term Financial Instruments	105,039	184,548	200,350
Accounts Receivable	44,636	108,431	109,699
Other Current Financial Assets	4,953	25,843	20,858
Other Current Assets	2,459	24,709	32,033
Others	-	3,532	3,330
<b>Non-Current Assets</b>	<b>36,696</b>	<b>1,969,734</b>	<b>2,012,217</b>
Long-term Available for Sales	-	25,258	42,285
Equity Method Investments	10,484	18,712	29,102
Tangible Assets	20,316	196,894	204,469
Intangible Assets	1,370	1,688,974	1,685,639
Other Non-current Financial Assets	1,211	33,702	44,163
Other Non-current Assets	3,315	6,194	6,559
<b>Total Assets</b>	<b>217,200</b>	<b>2,768,025</b>	<b>2,853,220</b>
<b>Liabilities</b>	<b>35,872</b>	<b>227,487</b>	<b>252,419</b>
Trade Payables and Non-trade Payables	21,419	109,126	104,611
Accrued Expenses	-	5,443	5,581
Advances from Customers	-	34,488	23,484
Income Taxes Payable	-	20,680	34,545
Dividend Payable	-	-	10,030
Other Current Liabilities	14,453	57,751	74,168
<b>Non-Current Liabilities</b>	<b>4,072</b>	<b>77,309</b>	<b>83,508</b>
Non-Current Trade Payables and Non-trade Payables	3,406	3,362	7,137
Deferred Income Tax Liabilities	-	50,083	49,547
Other Non-Current Liabilities	665	23,864	26,824
<b>Total Liabilities</b>	<b>39,944</b>	<b>304,797</b>	<b>335,927</b>
<b>Paid-in Capital</b>	<b>20,997</b>	<b>29,121</b>	<b>29,714</b>
<b>Capital Surplus</b>	<b>112,347</b>	<b>2,258,974</b>	<b>2,264,694</b>
<b>Capital Adjustments</b>	<b>6,257</b>	<b>-26,268</b>	<b>-27,258</b>
<b>Accumulated Other Comprehensive Income</b>	<b>-2,917</b>	<b>2,114</b>	<b>12,786</b>
<b>Retained Earnings</b>	<b>40,573</b>	<b>190,678</b>	<b>211,744</b>
<b>Non-controlling Interests</b>	<b>-</b>	<b>8,609</b>	<b>25,614</b>
<b>Total Equity</b>	<b>177,257</b>	<b>2,463,228</b>	<b>2,517,293</b>
<b>Total Liabilities &amp; Equity</b>	<b>217,200</b>	<b>2,768,025</b>	<b>2,853,220</b>

\* Based on the merger accounting treatment under K-IFRS, financial statements of the Kakao Corp. are official financial statement of Daum Kakao for the pre-merger periods>

## Employees / Subsidiaries

	1Q14	2Q14	3Q14	4Q14	1Q15
<b>Daum Kakao</b>	<b>2,162</b>	<b>2,272</b>	<b>2,250</b>	<b>2,262</b>	<b>2,255</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>Consolidated total</b>	<b>3,221</b>	<b>3,361</b>	<b>3,467</b>	<b>3,531</b>	<b>3,603</b>

- Above number of employees include full-time and part-time employees only
- Subsidiaries: Daum Global Holdings Corp., Daum Kakao Singapore Corp. Pte. Ltd., Daum Service Corp., Daum Service CHINA Co., Ltd., Daum Service CHINA YanJiao Co., Ltd., ImageOn Corp., Daum Finger Touch Co., Ltd., Digital View Operation Co., Ltd., Daum Game Co., Ltd., OnNet Co., Ltd., OnNet USA, Inc., OnNet Europe GmbH., OnNet, Inc., Dialoid 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 (Total 30 subsidiaries as of March 31, 2015)



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