

# Mobile Life Platform

February 2015 | Investor Relations

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## Overview

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Daum Kakao at a Glance



Founded  
by Merger on  
**Oct 1, 2014**

Foundational History

1995 - Daum Communications  
2006 - Kakao  
2014 - Daum Kakao



Based in  
**Republic  
of Korea**

Headquarters in :  
Jeju Island Province

Offices :  
Seoul & Pangyo



Listed  
**KOSDAQ**  
(035720)

Largest company  
on KOSDAQ

(Approx. USD 8 Bn)  
As of Jan 30, 2015



**2,262**  
Employees

3,531 employees  
including  
26 subsidiaries

Management

Chairman  
Co-CEO  
Co-CEO

Beom Su Kim (Founder of Kakao)  
William Choi (CEO of Daum since 2009)  
Sirgoo Lee (CEO of Kakao since 2011)

Shareholdings

(As of February, 2015)

Beom Su Kim	21%
K-Cube Holdings (100% owned by Beom Su Kim)	17%

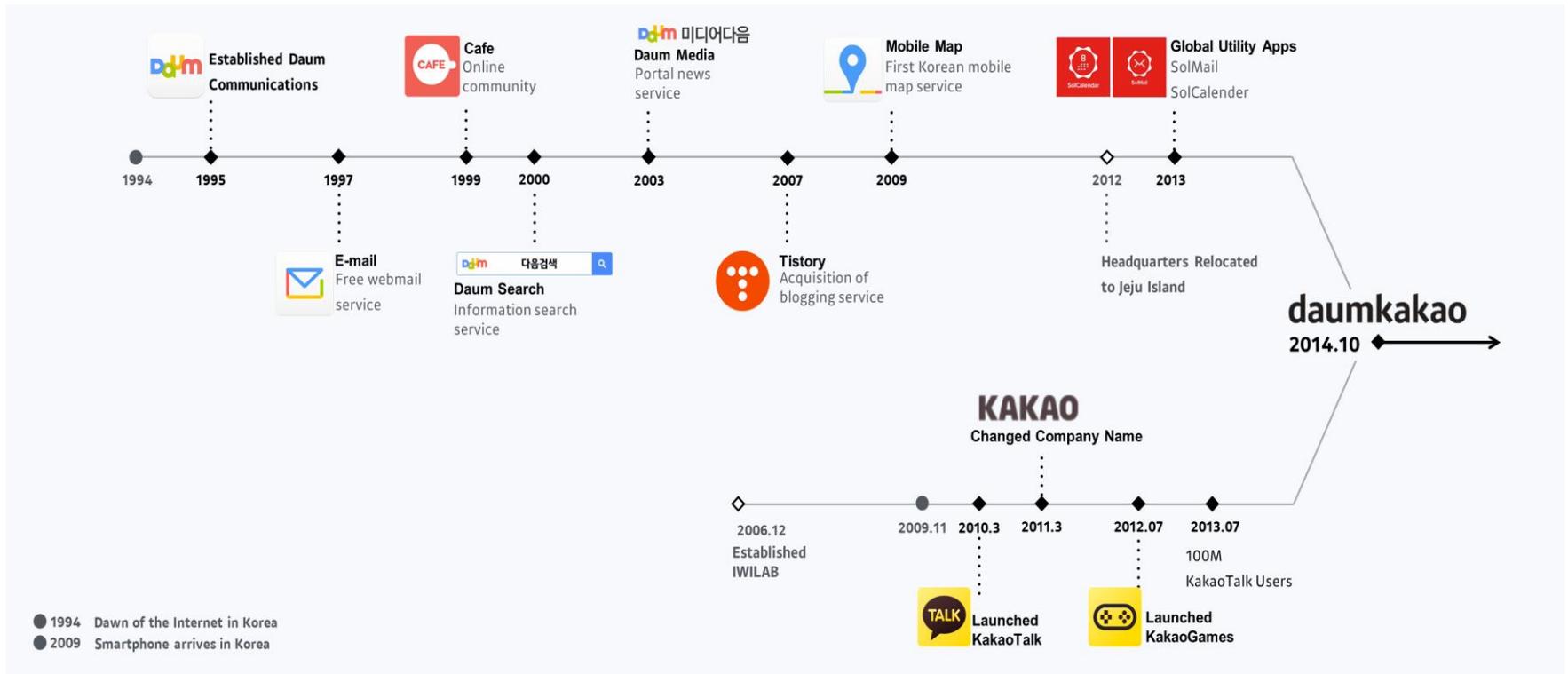
## History of Daum Kakao

### ◆ Daum Communications Corp.

introduced Korea to the web revolution and played a significant role in shaping the way Korea uses the Internet today. It is the only platform that has amassed content spanning across the entire length of Korea's Internet history.

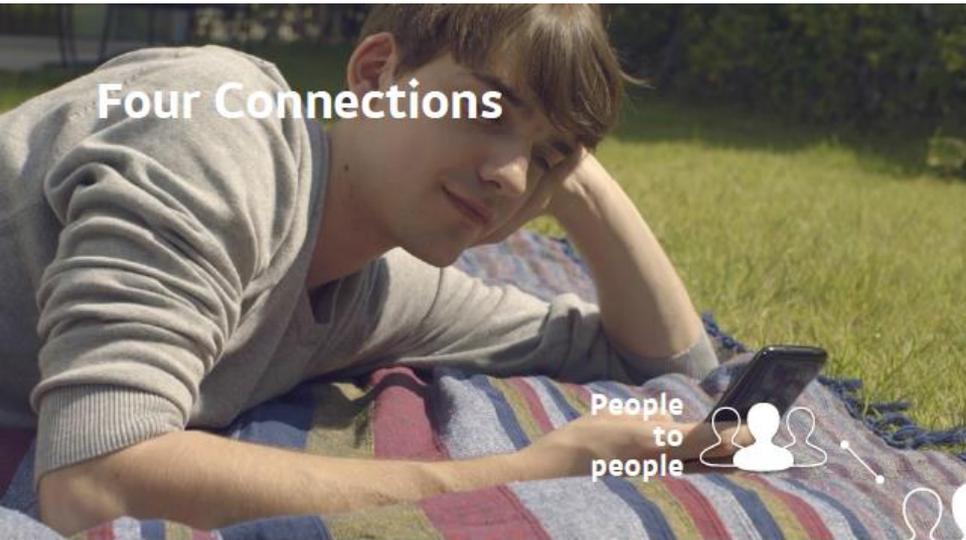
### ◆ Kakao Corp.

created KakaoTalk and became the number one mobile service provider in Korea. Kakao was the first to expand its messaging app into a social platform encompassing games, digital content, marketing, commerce and more.



# Our Vision 'Connect Everything'

daumkakao



## Business Review

- Service Portfolio
- KakaoTalk
- Advertising
- Game
- Commerce
- Contents
- New Initiatives

## Service Portfolio

Service/Platform	Pre-Merger	Newly Launched / Acquired in	
		2H'14	1Q'15
Communication & Community	KakaoTalk, KakaoStory, KakaoGroup, Daum Cafe, My People	<ul style="list-style-type: none"> <li>• YellowID</li> </ul>	<ul style="list-style-type: none"> <li>• Kid's Note<sup>1)</sup></li> <li>• Zap<sup>2)</sup></li> </ul>
Search & Recommendation	Daum Search(Web/App), Daum Finance, Daum Maps, Daum Realty	<ul style="list-style-type: none"> <li>• Seoul Bus<sup>3)</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Subway Navigation<sup>4)</sup></li> </ul>
Game	KakaoGame, Daum Game	<ul style="list-style-type: none"> <li>• Black Desert<sup>5)</sup></li> </ul>	
Commerce	Gift Shop, KakaoStyle, Brand Stores, Shopping How	<ul style="list-style-type: none"> <li>• KakaoPick</li> </ul>	
Media & Contents	Media Daum, TV Pot, Story Ball, Kids Zzang, Daum Webtoon, KakaoMusic, KakaoPage	<ul style="list-style-type: none"> <li>• KakaoTopic</li> </ul>	
Payment	My One Wallet, Shopping One, Shopping Mileage	<ul style="list-style-type: none"> <li>• KakaoPay<sup>6)</sup></li> <li>• BankWalletKakao<sup>7)</sup></li> </ul>	
Miscellaneous	Buzz Launcher, KakaoHome		<ul style="list-style-type: none"> <li>• K-Venture Group<sup>8)</sup></li> <li>• KakaoTaxi<sup>9)</sup></li> </ul>

1) Wholly acquired Kid's Note, the maker of a childcare app for kindergartens and daycares to communicate with parents, in January 2015

2) Launched Zap, a 24-hour photo mobile messenger, in January 2015

3) Acquired SeoulBus app, a bus location app for the Seoul Metropolitan area, in October 2014

4) Acquired Subway Navigation app, a nationwide subway search service app, in January 2015

5) Daum Game launched Black Desert Online on December 24, 2014

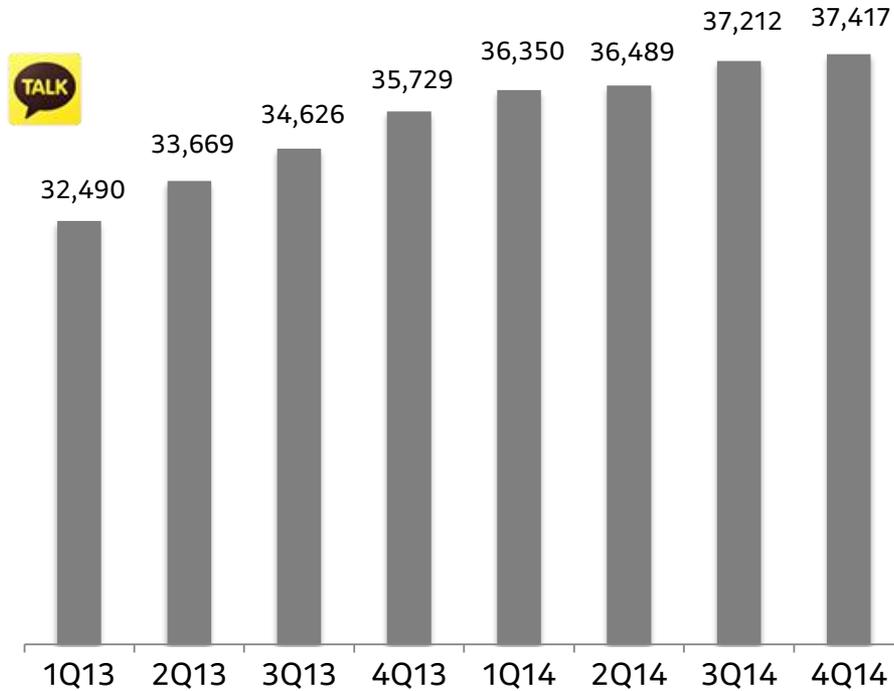
6) Introduced in-app mobile payment service KakaoPay in September 2014, which currently has three million subscribers

7) Launched BankWalletKakao, a mobile banking app, partnered with 16 Korean banks in November 2014

8) Launched K-Venture Group, a firm focused on venture investment, in January 2015

9) Released KakaoTaxi app for drivers in January 2015, targeting full service launch within 1Q15

Monthly Active User Trend ('000)



<b>Korea</b>	32,490	33,669	34,626	35,729	36,350	36,489	37,212	37,417
<b>Global</b>	40,096	46,132	48,916	50,619	50,386	48,769	48,411	48,254

- 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
- Total countries serviced: 230+, with 15 languages

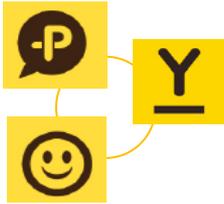
# Advertising Platform

(% of revenue : Online 66%, Mobile 34% in 4Q14)



Online Advertising  
Daum PC Ad  
Daum Display Network  
KakaoTalk PC Ad

- Online Service Market Share (as of 4Q14)
  - PC Search Query M/S 19% (vs Mobile 11%)
  - Startpage M/S 31%
  - PC messenger Time Share 60%



Mobile Advertising  
KakaoTalk Ad  
- Plus Friends  
- YellowID  
- Brand Emoticon

- KakaoTalk Ad :
  - Number of Plus Friend : 550
  - Number of YellowID : 45,000



KakaoStory Ad  
Daum Mobile Ad  
Ad@m  
TNK

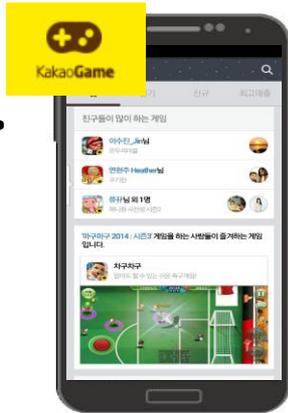
- KakaoStory Ad.: Launched in 3Q14. Native advertisement within the newsfeed of KakaoStory, the dominant SNS service in Korea
- Plan to invite more advertisers by integrating DaumKakao business platform

## Game Platform

(% of revenue : Mobile 89%, Online 11% in 4Q14)



Embedded in  
KakaoTalk



Game "Home" Tab



Advanced  
reservation  
marketing



- KakaoGame is the world's first messenger-based mobile social gaming platform
  - Number of games: 630  
(Avg. 30 new games every month)
  - Game with more than 10m players: 8
  
- Consistently enhancing Kakao game's capability as a game marketing platform by launching Game Home Tab, advance reservation program and assisting game developers to enter China market
  
- Black Desert: Launched on Dec.17 in 2014, drew positive initial response from users. As of Feb.2015, 1.5m register users with 10,000+ PC Rooms

# Commerce



Gift Shop:  
1 million Peppero's sold in a day



KakaoStyle:  
160+ Top shops/brands available  
100,000+ browsable items  
No.1 fashion app in Korea



Brand Stores:  
Offline stores selling various  
Kakao Character items

- Gift Shop: Users send gifts and mobile coupons to KakaoTalk friends.  
[Recent Updates]
  - Expanded from 'gifting' to 'purchasing'
  - Increased product lineup
  - Diversified payment method(KakaoPay, BankWalletKakao)
- KakaoStyle: A social trend reading and shopping app for Kakao users.
  - The most cost effective advertising model for shopping malls.
- Brand Stores: Kakao Character Shops at department stores in major cities including Seoul, Busan, Daegu, Gwangju.

# Contents

(% of revenue: mobile 74%, online 26% in 4Q14 )



KakaoMusic:  
16 million downloads  
No.2 music app in Korea



B2C Emoticon:  
700 emoticon sets available  
120 by webtoon artists



KakaoPage:  
8,000+ mobile contents  
Daily GMS of 100mn KRW

- KakaoMusic: A new type of mobile music service that allows users to share and communicate through music with friends on KakaoStory and on KakaoTalk.
  - Plan to expand from BGM service to streaming service in 1H 2015
- B2C Emoticon: Item store with still, animated and sound emoticons.
- KakaoPage: Unprecedented open digital contents marketplace where individual content providers can easily create and sell their digital contents.  
[Recent Updates]
  - Expanded mobile content genre
  - Diversified payment options

# New Initiatives



**KakaoPay:**  
Launched in Sep. 2014  
3 million subscribers



**BankWalletKakao:**  
Launched in Nov. 2014  
Partnered with KFTC and  
16 banks in Korea



**KakaoTaxi:**  
To be launched in 1Q 2015

## [Payment]

- KakaoPay(embedded in KakaoTalk): The easiest and most convenient e-payment service which supports all the credit cards in Korea.
- BankWalletKakao: Virtual mobile wallet that allows users to transfer money, make payments offline and retrieve cash from ATMs.

## [KakaoTaxi]

- A taxi-hailing app which allows users to book and track the taxi in real time.
  - In the process of registering taxi drivers by launching taxi driver app in Jan. 2015.

## 4Q14 Daum Kakao Financials

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## Results Summary

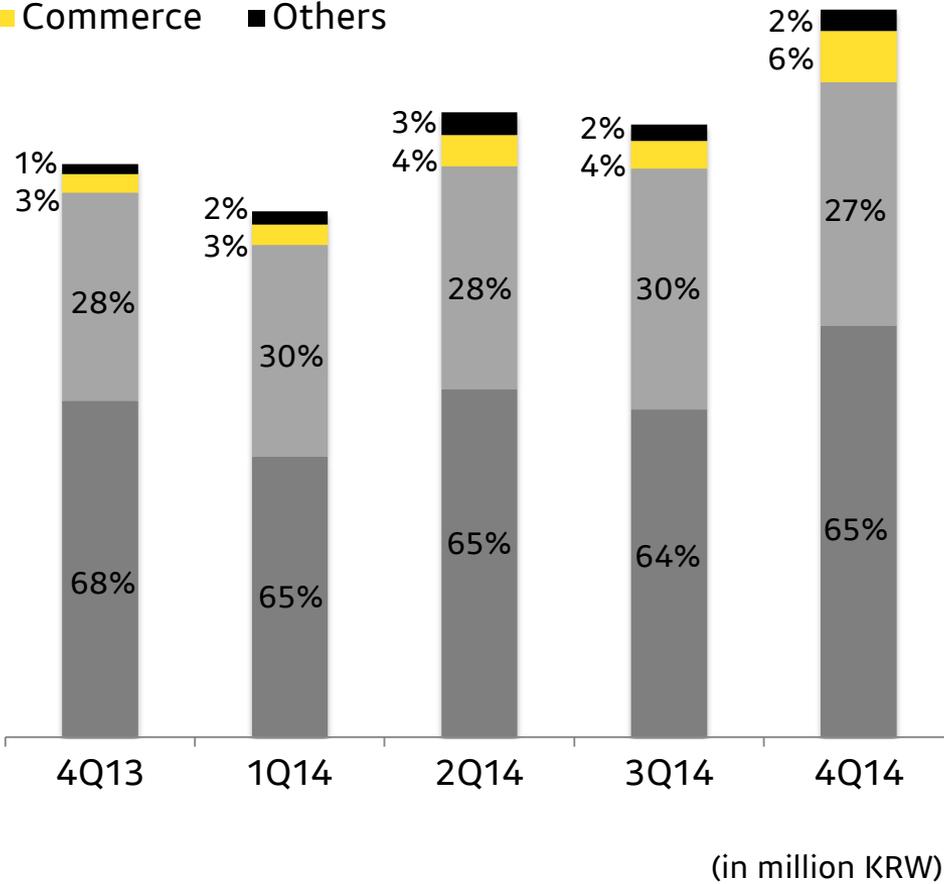
- Total revenue in Q4 was 254 billion Won. Mobile revenue accounts for 53%, up 3%p QoQ
- Total revenue in FY2014 was 898.4 billion Won. Mobile revenue accounts for 49%, up 11%p YoY

(in million KRW)

	4Q14	3Q14	4Q13	QoQ	YoY	FY2014	FY2013	YoY
<b>Total Revenue</b>	<b>254,017</b>	<b>221,803</b>	<b>210,646</b>	<b>15%</b>	<b>21%</b>	<b>898,357</b>	<b>741,635</b>	<b>21%</b>
Advertising	165,363	141,915	144,268	17%	15%	583,409	519,908	12%
Game	68,280	67,464	58,328	1%	17%	257,592	194,233	33%
Commerce	14,284	7,756	5,275	84%	171%	36,664	17,137	114%
Others	6,090	4,668	2,776	31%	119%	20,692	10,357	100%
Operating Exp.	188,276	191,044	172,175	-1%	9%	689,135	593,996	16%
Operating Inc.	65,740	30,759	38,471	114%	71%	209,222	147,638	42%
<i>% of Revenue</i>	<i>26%</i>	<i>14%</i>	<i>18%</i>	<i>12%p</i>	<i>8%p</i>	<i>23%</i>	<i>20%</i>	<i>3%p</i>
EBIT	64,364	3,730	30,466	1625%	111%	180,133	144,426	25%
Net Income/Loss	50,580	-6,316	37,189	n/a	36%	140,303	127,508	10%
EBITDA	82,029	44,013	51,136	86%	60%	263,366	193,987	36%

# Revenue Breakdown

■ Advertising   ■ Game  
■ Commerce   ■ Others



Total	210,646	197,365	225,172	221,803	254,017
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Advertising	Daum online•mobile ad. PlusFriend(KakaoTalk) YellowID(KakaoTalk) Brand Emoticon(KakaoTalk) KakaoStory ad. KakaoTalk PC version ad.
Game	KakaoGame(KakaoTalk) Daum Game
Commerce	GiftShop(KakaoTalk) KakaoStyle KakaoPick Brand product/stores
Others	B2C Emoticon(KakaoTalk) KakaoMusic KakaoPage KakaoPay(KakaoTalk) BankWalletKakao

## Expenses

- Operating expenses in Q4 was 188.3 billion Won, slightly down QoQ due to the merger effect in Q3'14
- Operating expenses in FY2014 was 689.1 billion Won, up 16% YoY (vs. YoY 21% up in FY2014 Revenue)

(in million KRW)

	4Q14	3Q14	4Q13	QoQ	YoY	FY2014	FY2013	YoY
<b>OP Expenses</b>	<b>188,276</b>	<b>191,044</b>	<b>172,175</b>	<b>-1%</b>	<b>9%</b>	<b>689,135</b>	<b>593,996</b>	<b>16%</b>
Labor costs <sup>1)</sup>	47,838	64,834	44,568	-27%	7%	195,751	143,974	36%
Fringe benefits	8,782	9,460	7,237	-7%	21%	35,275	27,327	29%
Depreciation	10,596	9,975	8,302	6%	28%	38,653	30,943	25%
Rental fees	3,729	3,589	3,175	4%	18%	13,998	11,243	25%
Commissions <sup>2)</sup>	55,859	49,532	43,806	13%	28%	189,831	145,526	30%
Advertising	9,116	11,314	21,399	-19%	-57%	40,122	83,475	-52%
Bad Debt Exp.	650	-15	518	n/a	25%	-462	865	n/a
Amortization <sup>3)</sup>	5,692	3,279	4,362	74%	31%	15,491	15,405	1%
Outsourcing fees	7,111	7,826	8,110	-9%	-12%	29,879	25,775	16%
Ad agency fees <sup>4)</sup>	30,154	25,360	24,899	19%	21%	103,394	87,987	18%
Event fees	1,833	307	1,029	497%	78%	2,830	2,579	10%
Others	6,915	5,582	4,769	24%	45%	24,373	18,896	29%

1) Labor costs decreased 27% QoQ due to one-off merger-related expense recognized in the previous quarter

2) Commission increased 13% QoQ due to increase in TAC for Ad@m & DDN, and revenue share to the Black Desert Online developer

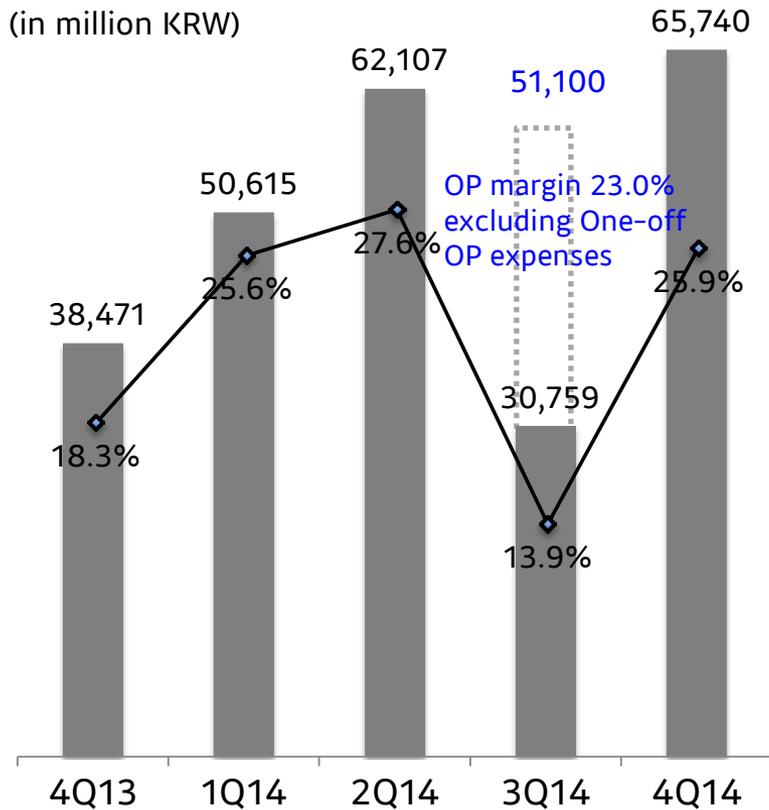
3) Amortization increased 74% QoQ due to increase in the merger-related intangibles

4) Ad agency fees increased 19% QoQ due to the incline of related revenue caused by high seasonality

# Profits

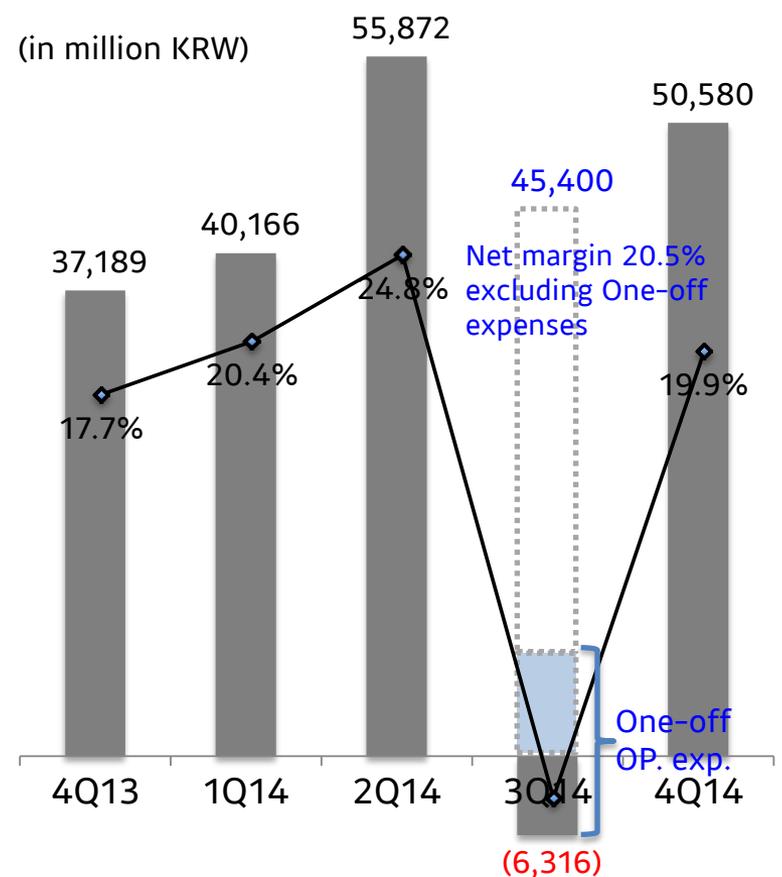
## Operating Profits

- Q4 65.7 billion Won, YoY 71% up, QoQ 114% up
- FY2014 209.2 billion Won, YoY 42% up



## Net Profits

- Q4 50.6 billion Won, YoY 36% up
- FY2014 140.3 billion Won, YoY 10% up



## Financial Position

- FYE2014 total assets reflects merger related goodwill of 1,419.5 bn and intangibles of 242.8 bn Won
- FY2014 CapEx was 67.1 bn Won, consists of tangibles 41.0 bn, intangibles 11.9 bn, and Jeju headquarter & subsidiaries related 14.2 bn Won

(in million KRW)

	2014.12.31	As of 2014.10.01	Pre-merger Daum As of 2014.9.30	Pre-merger Kakao As of 2014.9.30
<b>Total assets</b>	<b>2,779,469</b>	<b>2,638,510</b>	<b>640,923</b>	<b>365,553</b>
Cash & cash equivalents	451,228	414,971	187,299	224,323
Tangibles	196,894	191,137	140,072	22,515
Intangibles <sup>1)</sup>	269,462	264,442	58,440	1,702
Goodwill	1,424,691	1,420,045	19,234	487
<b>Total liabilities</b>	<b>308,861</b>	<b>267,729</b>	<b>119,746</b>	<b>86,697</b>
Current	227,004	179,423	99,114	80,238
Non-current <sup>2)</sup>	81,857	88,306	20,632	6,459
<b>Total equity</b>	<b>2,470,608</b>	<b>2,370,781</b>	<b>521,177</b>	<b>278,857</b>
Capital stock	29,121	28,332	6,831	13,822
Capital surplus	2,258,974	2,246,535	182,498	122,218

1) Merger-related intangible assets subject to amortization amounted to approximately 100 billion Won

2) Increased mainly due to the deferred corporate income tax liabilities of 52.4 billion Won and employee related liabilities of 20.3 billion Won

# Daum Kakao Consolidated Financial Statements (Pro-forma)

## Daum Kakao Consolidated Statements of Income

(in million KRW)	4Q13	1Q14	2Q14	3Q14	4Q14
<b>Sales Revenues</b>	<b>210,646</b>	<b>197,365</b>	<b>225,172</b>	<b>221,803</b>	<b>254,017</b>
Advertising Platform	144,268	128,688	147,443	141,915	165,363
Game Platform	58,328	59,273	62,574	67,464	68,280
Commerce Platform	5,275	5,818	8,806	7,756	14,284
Others	2,776	3,586	6,349	4,668	6,090
<b>Operating Expenses</b>	<b>172,175</b>	<b>146,749</b>	<b>163,065</b>	<b>191,044</b>	<b>188,276</b>
Labor costs	44,568	40,396	42,683	64,834	47,838
Fringe benefits	7,237	7,276	9,757	9,460	8,782
Depreciation	8,302	8,544	9,537	9,975	10,596
Rental fees	3,175	3,116	3,564	3,589	3,729
Commissions	43,806	40,489	43,951	49,532	55,859
Advertising	21,399	10,817	8,875	11,314	9,116
Bad debt expenses	518	-1,074	-23	-15	650
Amortization	4,362	3,264	3,256	3,279	5,692
Outsourcing fees	8,110	6,861	8,080	7,826	7,111
Ad Agency fees	24,899	21,221	26,659	25,360	30,154
Event fees	1,029	279	410	307	1,833
Others	4,769	5,560	6,316	5,582	6,915
<b>Operating Profit</b>	<b>38,471</b>	<b>50,615</b>	<b>62,107</b>	<b>30,759</b>	<b>65,740</b>
<b>Operating Profit Margin</b>	<b>18.3%</b>	<b>25.6%</b>	<b>27.6%</b>	<b>13.9%</b>	<b>25.9%</b>
<b>Other Revenues</b>	322	171	1,165	168	371
<b>Other Expenses</b>	8,825	5,391	1,376	29,785	5,569
<b>Financial Income</b>	3,080	3,705	6,239	3,619	4,506
<b>Financial Expenses</b>	769	419	1,672	-29	245
<b>Equity-method Income</b>	-1,814	-1,549	-1,558	-1,060	-441
Gains on Equity method investments	-456	-	-	-	119
losses on Equity method investments	1,357	1,549	1,558	1,060	560
<b>Profit before Income Tax Expenses</b>	<b>30,466</b>	<b>47,134</b>	<b>64,905</b>	<b>3,730</b>	<b>64,364</b>
<b>Income Tax Expenses</b>	-9,751	6,968	9,033	-1,744	13,783
<b>Net Profit from Continued Operations</b>	<b>40,217</b>	<b>40,166</b>	<b>55,872</b>	<b>5,474</b>	<b>50,580</b>
<b>Net Profit from Discontinued Operations</b>	-3,028	-	-	-11,790	-
<b>Net Profit</b>	<b>37,189</b>	<b>40,166</b>	<b>55,872</b>	<b>-6,316</b>	<b>50,580</b>
Net Profit of Controlling Interests	37,171	40,813	56,051	-5,127	50,826
Net Profit of Non-controlling Interests	18	-648	-179	-1,189	-245

## Daum Kakao Consolidated Statements of Financial Position

(in million KRW)	As of Oct.1,2014	As of Dec.31,2014
<b>Current Assets</b>	<b>686,059</b>	<b>800,898</b>
Cash and Cash Equivalents	414,971	451,228
Short-term Financial Instruments	115,378	184,548
Accounts Receivable	109,392	109,364
Other Current Financial Assets	23,537	25,646
Other Current Assets	14,392	21,073
Others	8,388	9,040
<b>Non-Current Assets</b>	<b>1,952,452</b>	<b>1,978,571</b>
Long-term Available for Sales	20,950	25,258
Equity Method Investments	17,763	18,763
Tangible Assets	191,137	196,894
Intangible Assets	1,684,488	1,694,153
Other Non-current Financial Assets	34,705	33,702
Other Non-current Assets	3,409	9,801
<b>Total Assets</b>	<b>2,638,510</b>	<b>2,779,469</b>
<b>Liabilities</b>	<b>179,423</b>	<b>227,004</b>
Trade Payables and Non-trade Payables	91,985	108,766
Accrued Expenses	11,181	5,092
Advances from Customers	29,862	34,488
Income Taxes Payable	12,400	20,907
Other Current Liabilities	33,995	57,751
<b>Non-Current Liabilities</b>	<b>88,306</b>	<b>81,857</b>
Non-Current Trade Payables and Non-trade Payables	7,898	2,496
Deferred Income Tax Liabilities	43,589	52,365
Other Non-Current Liabilities	36,818	26,996
<b>Total Liabilities</b>	<b>267,729</b>	<b>308,861</b>
<b>Paid-in Capital</b>	28,332	29,121
<b>Capital Surplus</b>	2,246,535	2,258,974
<b>Capital Adjustments</b>	-48,491	-23,507
<b>Accumulated Other Comprehensive Income</b>	-3,018	7,897
<b>Retained Earnings</b>	138,764	189,590
<b>Non-controlling Interests</b>	8,659	8,534
<b>Total Equity</b>	<b>2,370,781</b>	<b>2,470,608</b>
<b>Total Liabilities &amp; Equity</b>	<b>2,638,510</b>	<b>2,779,469</b>

※ Statements of income for the 4Q13~3Q14 and the financial position as of Oct. 1, 2014 are prepared solely for the convenience of investors, that are not subject to an independent auditor's audit.

# Daum Kakao Consolidated Financial Statements (K-IFRS)

## Daum Kakao Consolidated Statements of Income

(in million KRW)	4Q13	1Q14	2Q14	3Q14	4Q14
<b>Sales Revenues</b>	<b>66,936</b>	<b>70,298</b>	<b>86,249</b>	<b>88,265</b>	<b>254,017</b>
Advertising Platform	10,290	11,443	16,993	17,651	165,363
Game Platform	50,038	51,460	55,571	59,619	68,280
Commerce Platform	5,275	5,818	8,806	7,756	14,284
Others	1,333	1,577	4,880	3,238	6,090
<b>Operating Expenses</b>	<b>43,514</b>	<b>34,878</b>	<b>40,785</b>	<b>58,136</b>	<b>188,276</b>
Labor costs	17,480	13,319	14,956	29,154	47,838
Fringe benefits	1,198	1,395	2,741	2,335	8,782
Depreciation	1,909	1,953	2,193	2,407	10,596
Rental fees	879	902	1,480	1,415	3,729
Commissions	4,912	6,132	6,695	9,785	55,859
Advertising	13,844	8,068	5,308	6,395	9,116
Bad debt expenses	269	-	-	-	650
Amortization	53	63	72	80	5,692
Outsourcing fees	-	-	-	-	7,111
Ad Agency fees	1,018	1,086	3,643	3,551	30,154
Event fees	119	20	76	144	1,833
Others	1,834	1,941	3,620	2,870	6,915
<b>Operating Profit</b>	<b>23,422</b>	<b>35,420</b>	<b>45,465</b>	<b>30,129</b>	<b>65,740</b>
<b>Operating Profit Margin</b>	<b>35.0%</b>	<b>25.6%</b>	<b>27.6%</b>	<b>13.9%</b>	<b>25.9%</b>
<b>Other Revenues</b>	<b>-73</b>	<b>43</b>	<b>899</b>	<b>79</b>	<b>371</b>
<b>Other Expenses</b>	<b>2,653</b>	<b>107</b>	<b>-6</b>	<b>6,270</b>	<b>5,569</b>
<b>Financial Income</b>	<b>892</b>	<b>899</b>	<b>1,134</b>	<b>1,174</b>	<b>4,506</b>
<b>Financial Expenses</b>	<b>84</b>	<b>124</b>	<b>193</b>	<b>174</b>	<b>245</b>
<b>Equity-method Income</b>	<b>-1,517</b>	<b>-705</b>	<b>-691</b>	<b>-707</b>	<b>-441</b>
Gains on Equity method investments	-456	-	-	-	119
losses on Equity method investments	1,061	705	691	707	560
<b>Profit before Income Tax Expenses</b>	<b>19,987</b>	<b>35,426</b>	<b>46,619</b>	<b>24,232</b>	<b>64,364</b>
<b>Income Tax Expenses</b>	<b>-11,631</b>	<b>3,602</b>	<b>4,346</b>	<b>251</b>	<b>13,783</b>
<b>Net Profit from Continued Operations</b>	<b>31,618</b>	<b>31,824</b>	<b>42,273</b>	<b>23,982</b>	<b>50,580</b>
<b>Net Profit from Discontinued Operations</b>					
<b>Net Profit</b>	<b>31,618</b>	<b>31,824</b>	<b>42,273</b>	<b>23,982</b>	<b>50,580</b>
Net Profit of Controlling Interests	31,618	31,824	42,337	24,029	50,826
Net Profit of Non-controlling Interests	-	-	-64	-48	-245

## Daum Kakao Consolidated Statements of Financial Position

(in million KRW)	FYE2013	FYE2014
<b>Current Assets</b>	<b>180,504</b>	<b>800,898</b>
Cash and Cash Equivalents	23,417	451,228
Short-term Financial Instruments	105,039	184,548
Accounts Receivable	44,636	109,364
Other Current Financial Assets	4,953	26,674
Other Current Assets	2,459	25,646
Others	-	3,439
<b>Non-Current Assets</b>	<b>36,696</b>	<b>1,978,571</b>
Long-term Available for Sales	-	25,258
Equity Method Investments	10,484	18,763
Tangible Assets	20,316	196,894
Intangible Assets	1,370	1,694,153
Other Non-current Financial Assets	1,211	33,702
Other Non-current Assets	3,315	9,801
<b>Total Assets</b>	<b>217,200</b>	<b>2,779,469</b>
<b>Liabilities</b>	<b>35,872</b>	<b>227,004</b>
Trade Payables and Non-trade Payables	21,419	113,858
Accrued Expenses	-	5,092
Advances from Customers	-	34,488
Income Taxes Payable	-	20,907
Other Current Liabilities	14,453	90,875
<b>Non-Current Liabilities</b>	<b>4,072</b>	<b>81,857</b>
Non-Current Trade Payables and Non-trade Payables	3,406	2,496
Deferred Income Tax Liabilities	-	52,365
Other Non-Current Liabilities	665	26,996
<b>Total Liabilities</b>	<b>39,944</b>	<b>308,861</b>
<b>Paid-in Capital</b>	<b>20,997</b>	<b>29,121</b>
<b>Capital Surplus</b>	<b>112,347</b>	<b>2,258,974</b>
<b>Capital Adjustments</b>	<b>6,257</b>	<b>-23,507</b>
<b>Accumulated Other Comprehensive Income</b>	<b>-2,917</b>	<b>7,897</b>
<b>Retained Earnings</b>	<b>40,573</b>	<b>189,590</b>
<b>Non-controlling Interests</b>	<b>-</b>	<b>8,534</b>
<b>Total Equity</b>	<b>177,257</b>	<b>2,470,608</b>
<b>Total Liabilities &amp; Equity</b>	<b>217,200</b>	<b>2,779,469</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

(in person)

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
<b>Daum Kakao</b>	<b>1,826</b>	<b>1,941</b>	<b>2,000</b>	<b>2,053</b>	<b>2,162</b>	<b>2,272</b>	<b>2,250</b>	<b>2,262</b>
L Daum	1,474	1,497	1,516	1,539	1,589	1,593	1,525	
L Kakao	352	444	484	514	573	679	725	
<b>Daum Kakao Subsidiaries</b>	<b>861</b>	<b>886</b>	<b>940</b>	<b>968</b>	<b>1,059</b>	<b>1,089</b>	<b>1,217</b>	<b>1,269</b>
<b>Consolidated total</b>	<b>2,687</b>	<b>2,827</b>	<b>2,940</b>	<b>3,021</b>	<b>3,221</b>	<b>3,361</b>	<b>3,467</b>	<b>3,531</b>

- Above number of employees include full-time and part-time employees only
- Subsidiaries: Beijing Kakao Co., Buzzpia Co., Ltd., Daum Finger Touch Co., Ltd., Daum Game Co., Ltd., Daum Global Holdings Corp., Daum Kakao Singapore, Daum Service China Co., Ltd., Daum Service China YanJiao Co., Ltd., Daum Service Corp., Dialod Corp., Digital View Operation Co., Ltd., Kakao Japan Corp., Kakao Lab Corp., Kakao Singapore Pte. Ltd., Kids Note Inc., Lotiple Inc., OnNet Co., Ltd., OnNet Europe GmbH., OnNet Inc., OnNet USA Inc., ImageOn Corp., Sunnyloft Corp., Thinkreals Corp., TNK Factory Co., Ltd., Ultra Caption Corp., Ltd., Ultra Interactive, Inc. (In alphabetical order – 26 total)

**THANK YOU**