



2006 NCsoft Analyst Day

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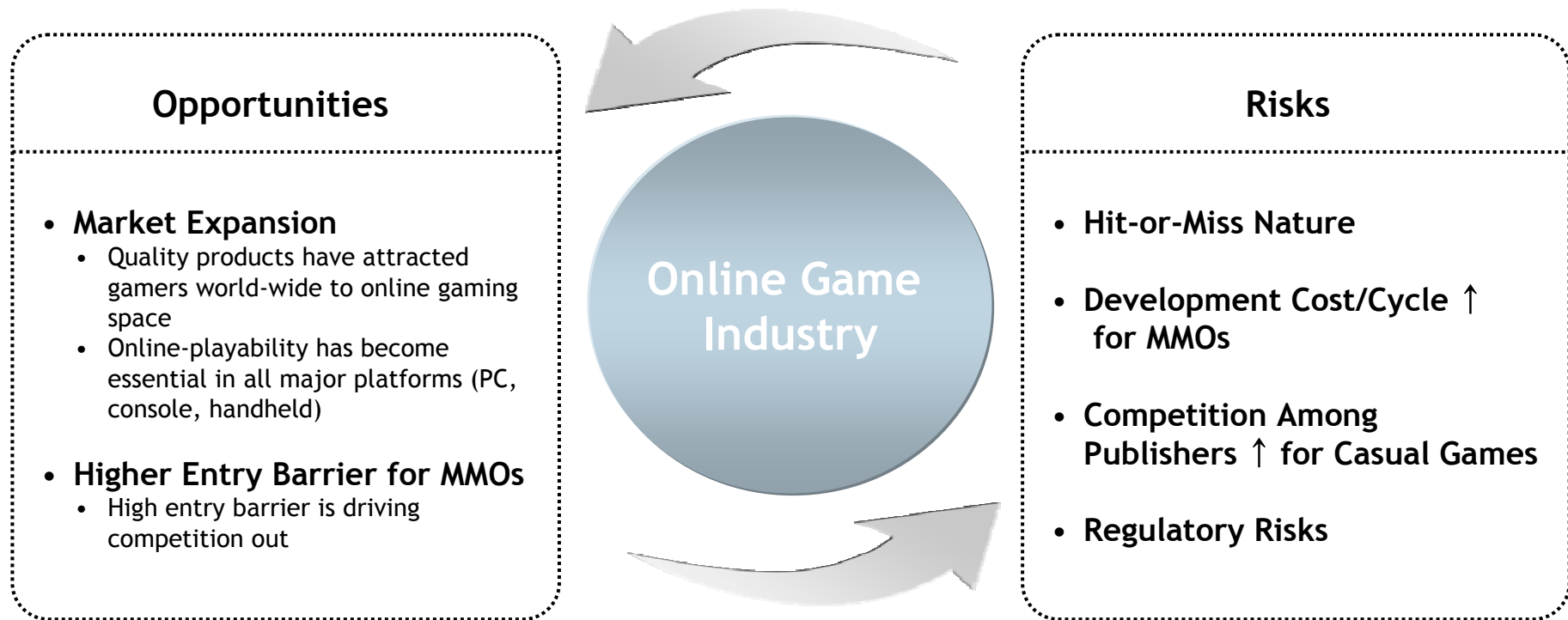
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1. Business Environment

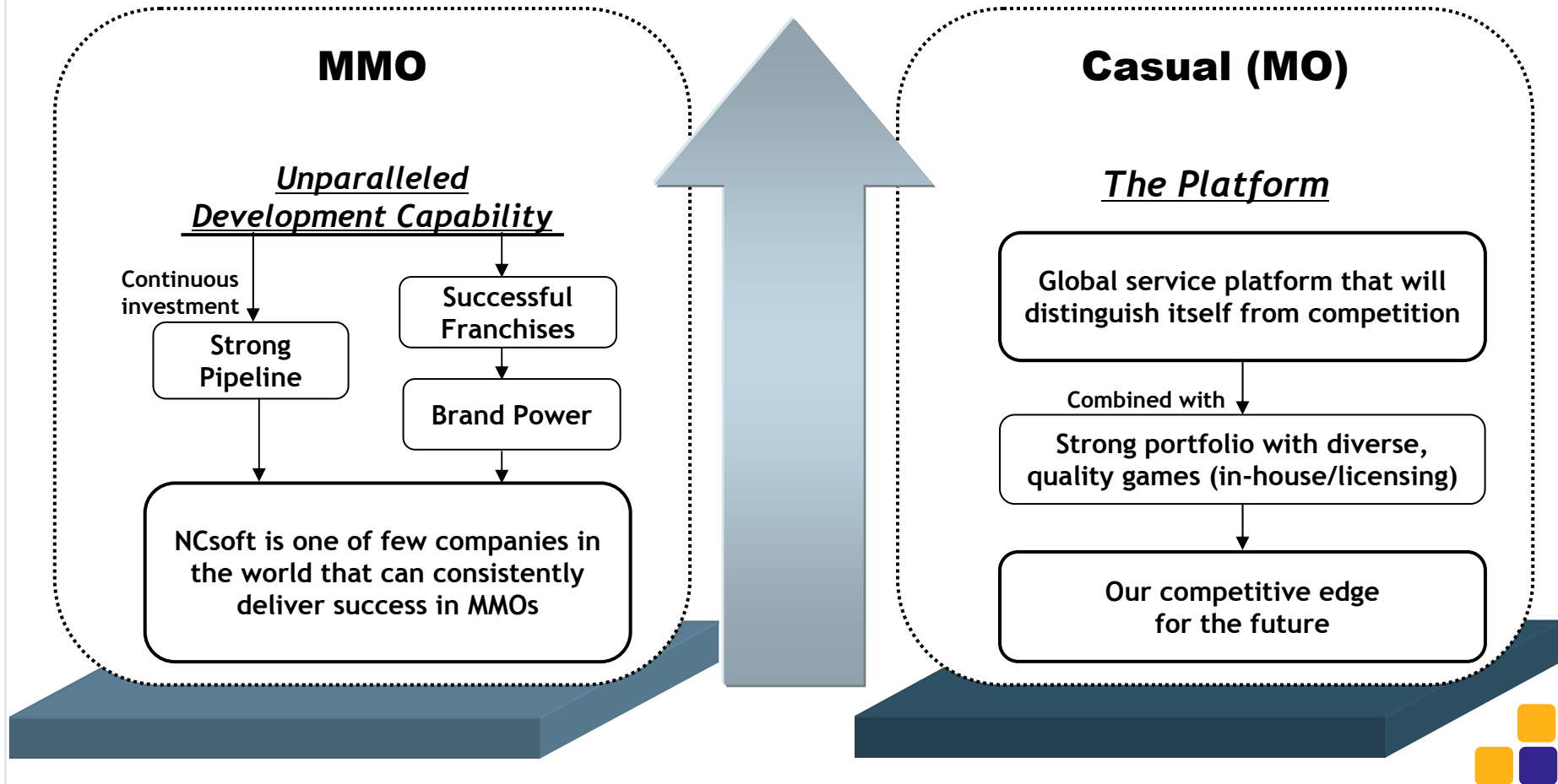


The market is rapidly expanding, and a few companies with development capability, brand power & cash-generation ability will continue to dominate the market
→ *NCsoft will work to strengthen its market leadership*



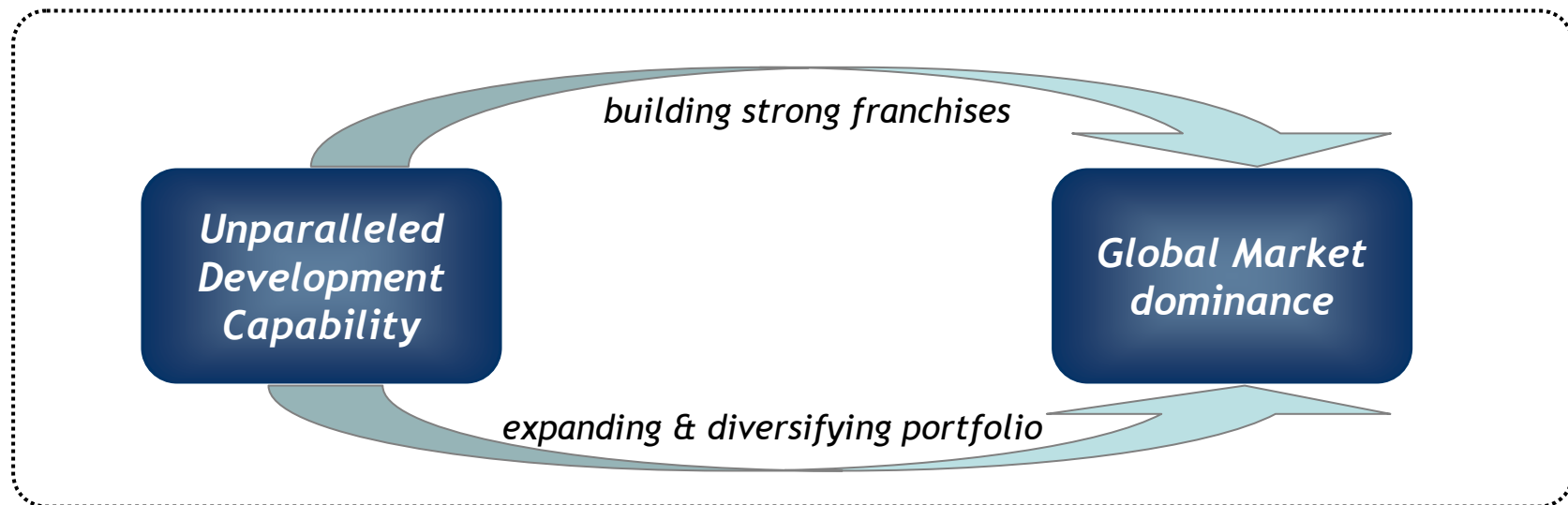
2. Strategic Directions to Strengthen Market Leadership

Company with Sustainable Competitive Edge



With the supreme development capability we have been...

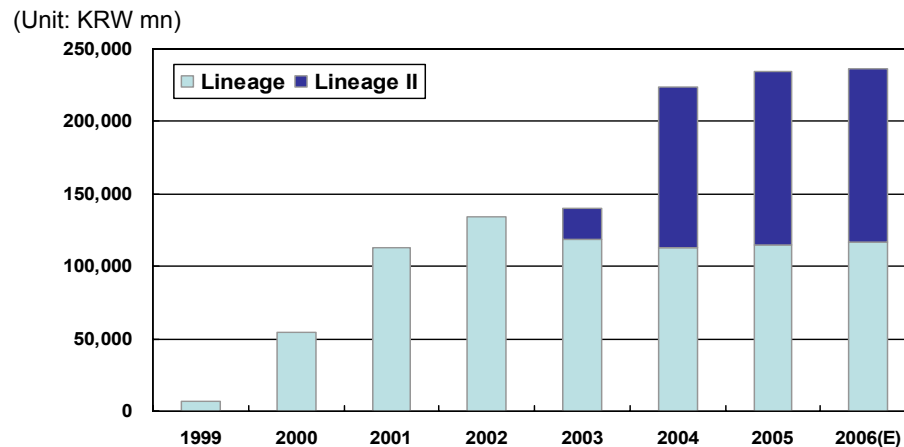
1. Building strong franchises such as *Lineage & Guild Wars*
2. Expanding and diversifying our portfolio by actively investing in product development
3. Establishing dominance in the global online game market



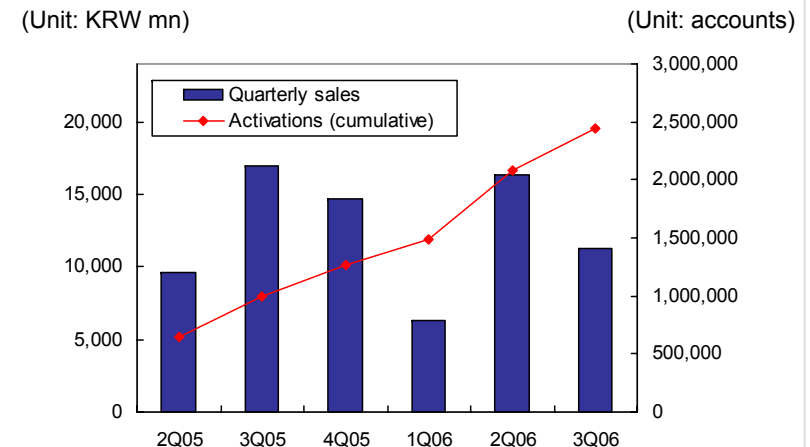
1. Building strong franchises : *Lineage*, *Guild Wars*, *City of Heroes/Villains*

- NCsoft has proven itself to be a quality developer in the global MMO market, which has also led to high brand value and a loyal customer base
- *Lineage* franchise generated KRW 1.5 trillion to date in global sales and is still going strong
- *Guild Wars* is building a strong brand in North America and Europe with 2.5 million account activations to date

[Consolidated Sales Trend : *Lineage* Franchise]

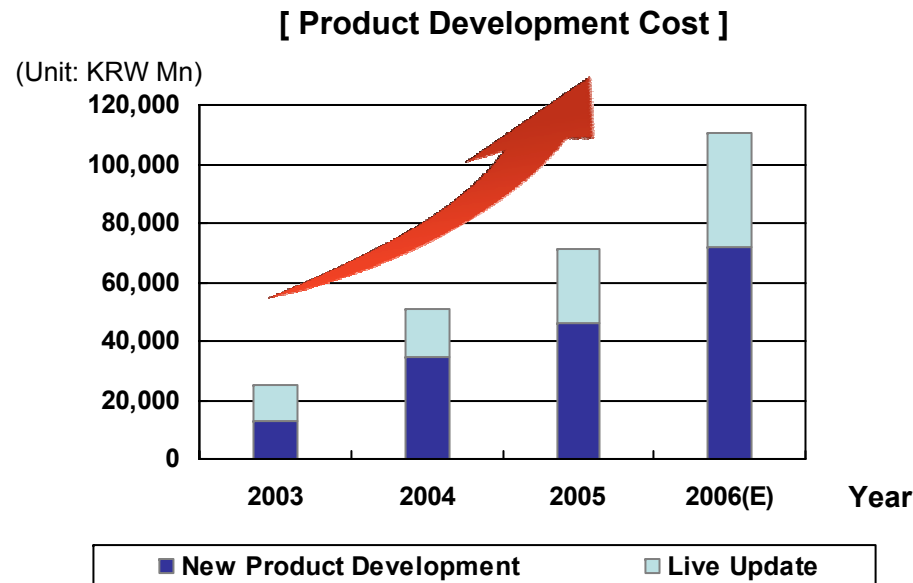


[Consolidated Sales, Account Activations : *Guild Wars* Franchise]



2. Expanding and diversifying our portfolio by actively investing in product development

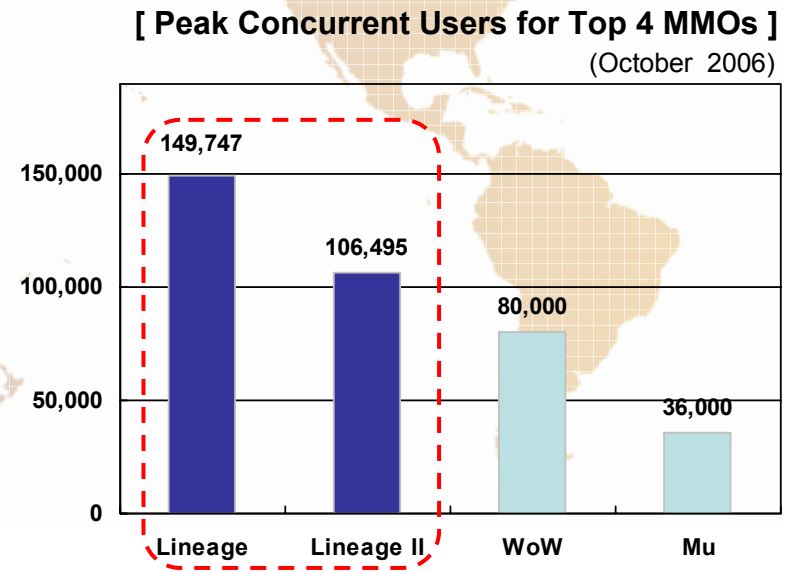
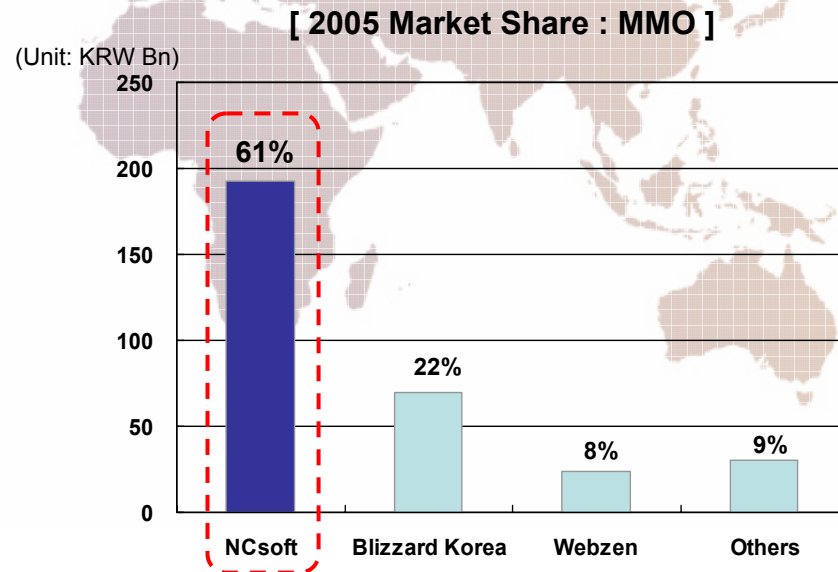
- Focusing mainly on in-house development, we have an impressive lineup for the next few years
 - ❖ 2007 : *Aion*, *Tabula Rasa*
 - ❖ 2008~ : *Lineage III*, NCOC title, STS title, and a number of other unannounced titles
- To build a portfolio that will deliver quality products targeting each different market at the right time, we have been **increasing investment in product development**



3. Establishing dominance in the global online game market

(i) Korea

- NCsoft remains No. 1 in the Korean market, thanks to the strong performance of *Lineage* & *Lineage II*
- *Lineage* & *Lineage II* remain No. 1 & 2 in Korea, with little impact from competition



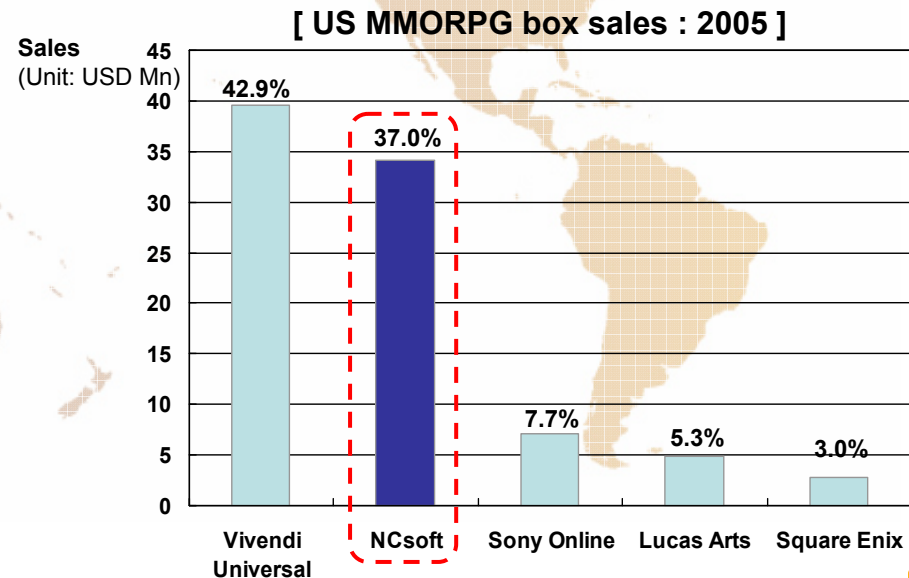
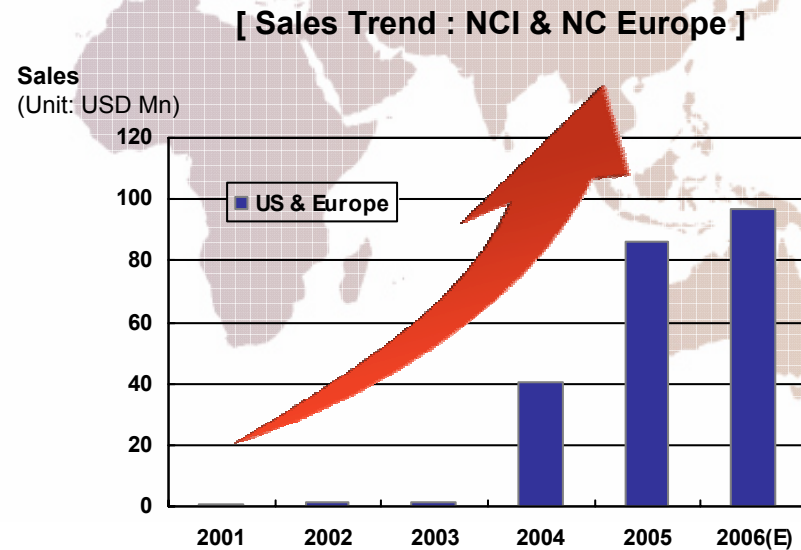
(Source: NCsoft estimates)



3. Establishing dominance in the global online game market

(ii) North America & Europe

- NCsoft has established its brand as a leading developer and publisher of MMOs in North America and Europe, thanks to the success of *Guild Wars*, *City of Heroes/Villains*, and *Lineage II*



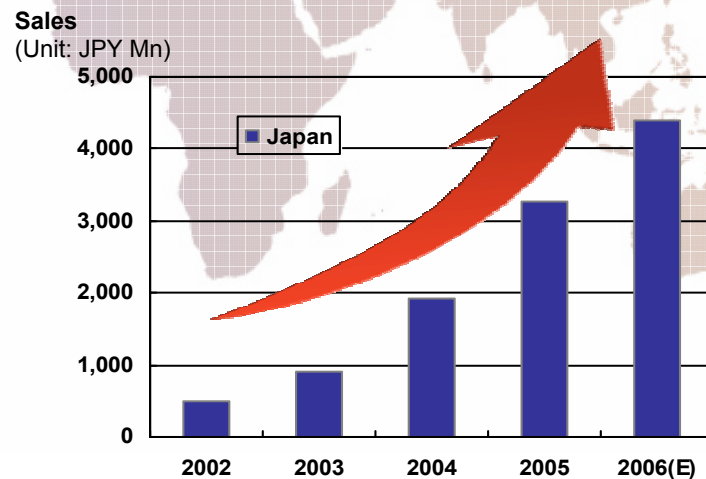
(Source: NPD Group)

3. Establishing dominance in the global online game market

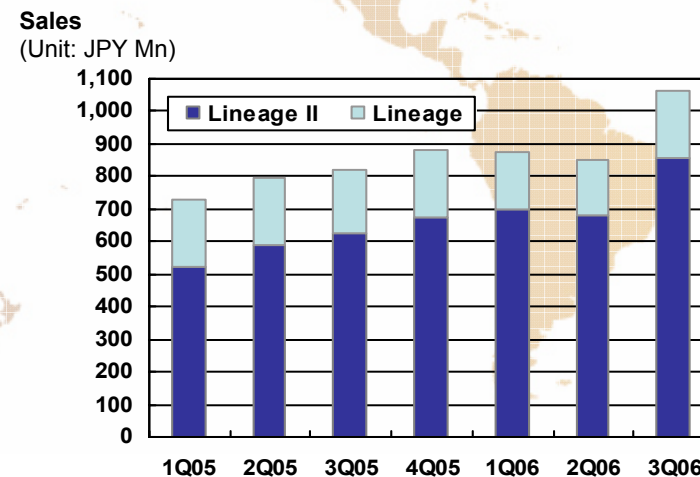
(iii) Japan

- NCsoft has been growing its presence in Japan and is still growing
- Sales grew almost 70% yoy in '05 and expected to grow 35% this year
- *Lineage II* revenue is still growing yoy, even after 2 years from commercial launch
- *Lineage II* quarterly sales grew 38% yoy in Q3 this year

[Sales Trend : NC Japan]



[Quarterly Sales of *Lineage* franchise]

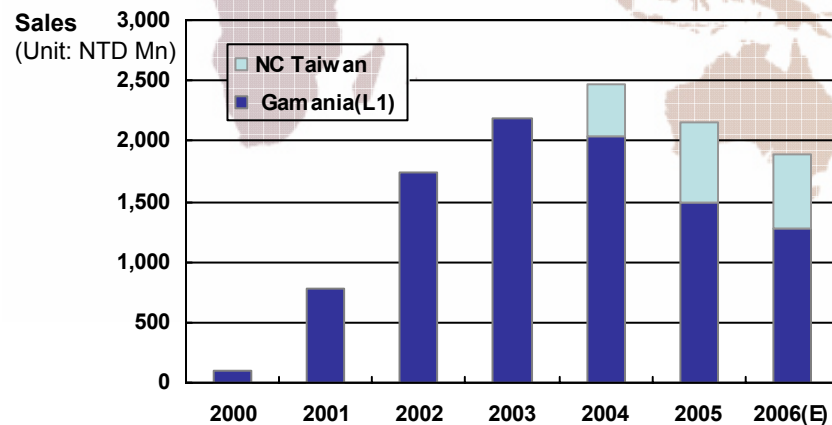


3. Establishing dominance in the global online game market

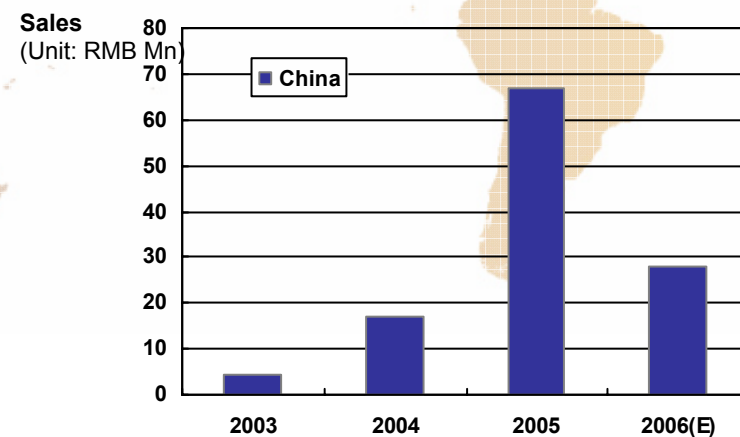
(iv) Taiwan & China

- *Lineage* and *Lineage II* are No. 1 and 3 respectively among subscription-based MMOs in Taiwan. Although the market environment is becoming more challenging, our excellent track record in Taiwan proves that we have the capabilities to make our upcoming titles commercial successes.
- China has been a challenging market for NCsoft. However, we still view China as one of the key markets and are actively searching for ways to improve our performance in China.

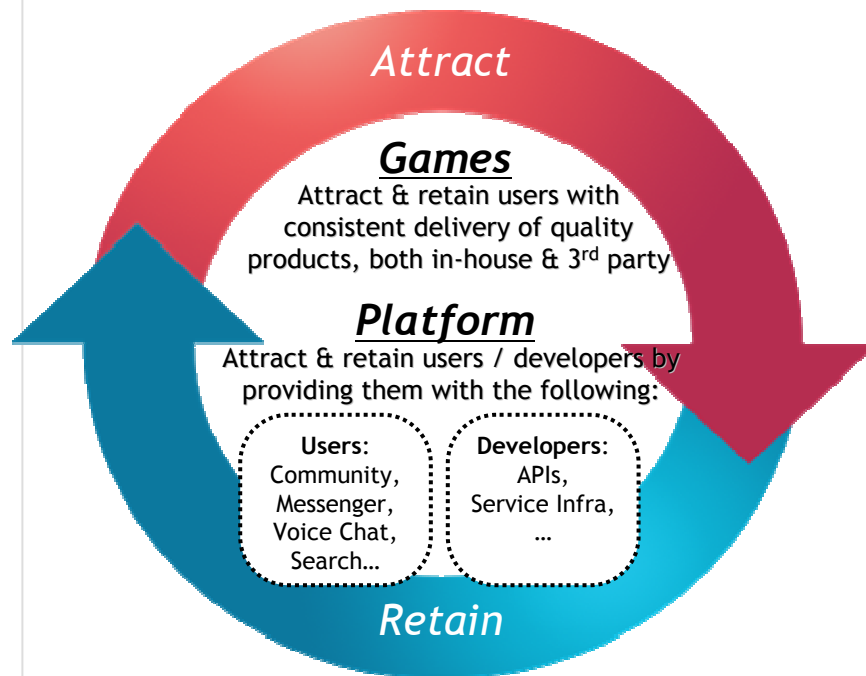
[Sales Trend : Gamania (L1) & NC Taiwan]



[Sales Trend : NC China]



The New PlayNC Strategy : “Building a Proprietary Platform on the Internet”



Focus on establishing a superior platform

- We will focus our internal resources on establishing a global service platform that will distinguish itself from competition
- The platform will offer users not only games but also an environment where they can just have fun, where they want to stay on
- For developers, we will provide APIs that will help them better utilize the functionalities of the platform, hence maximizing efficiency in development

Actively seek for 3rd party developers

- We will not only use in-house development but also actively seek for quality 3rd party developers to build a strong portfolio with diverse, quality products

Changes We've Made So Far

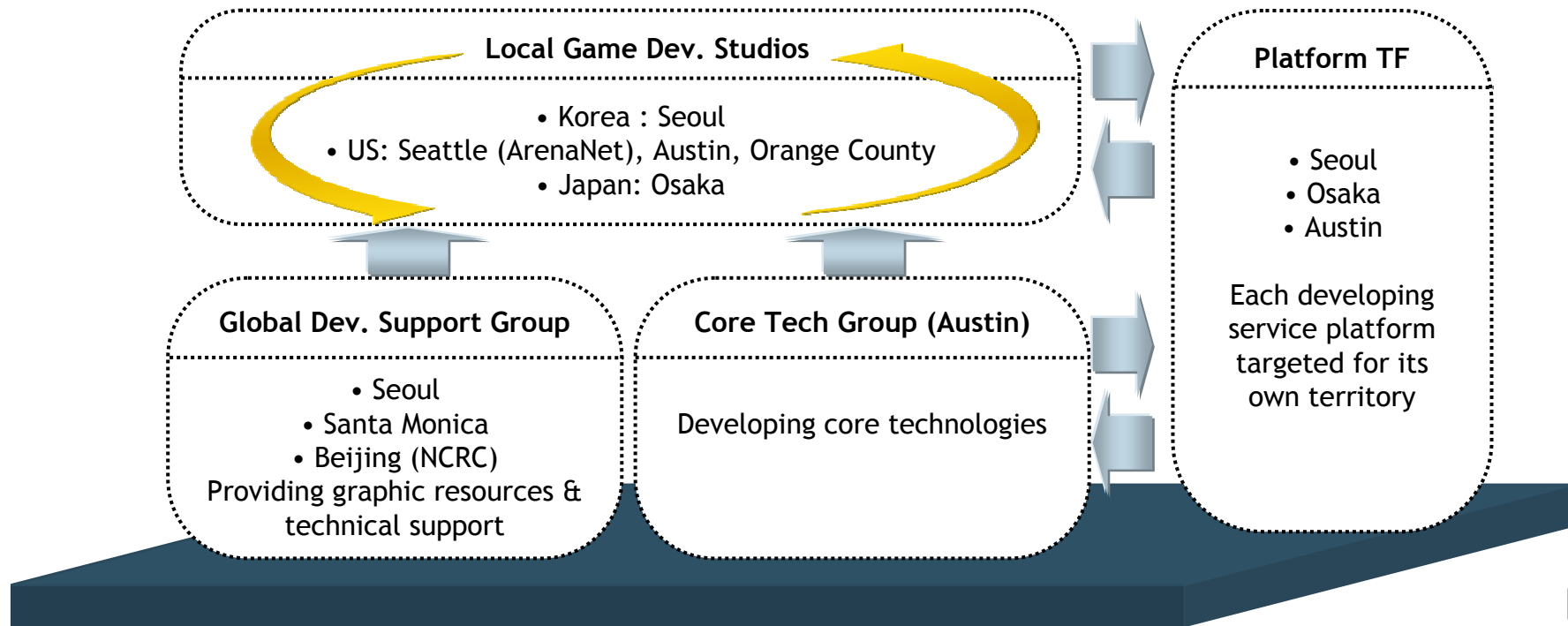
- Formation of new teams to focus on platform development and licensing 3rd party games
 - Platform TF, Game Sourcing Team
- Reorganization of current in-house development teams to add flexibility



3. Reinforcing Efficiency in Development

3-(1) Global Development Network

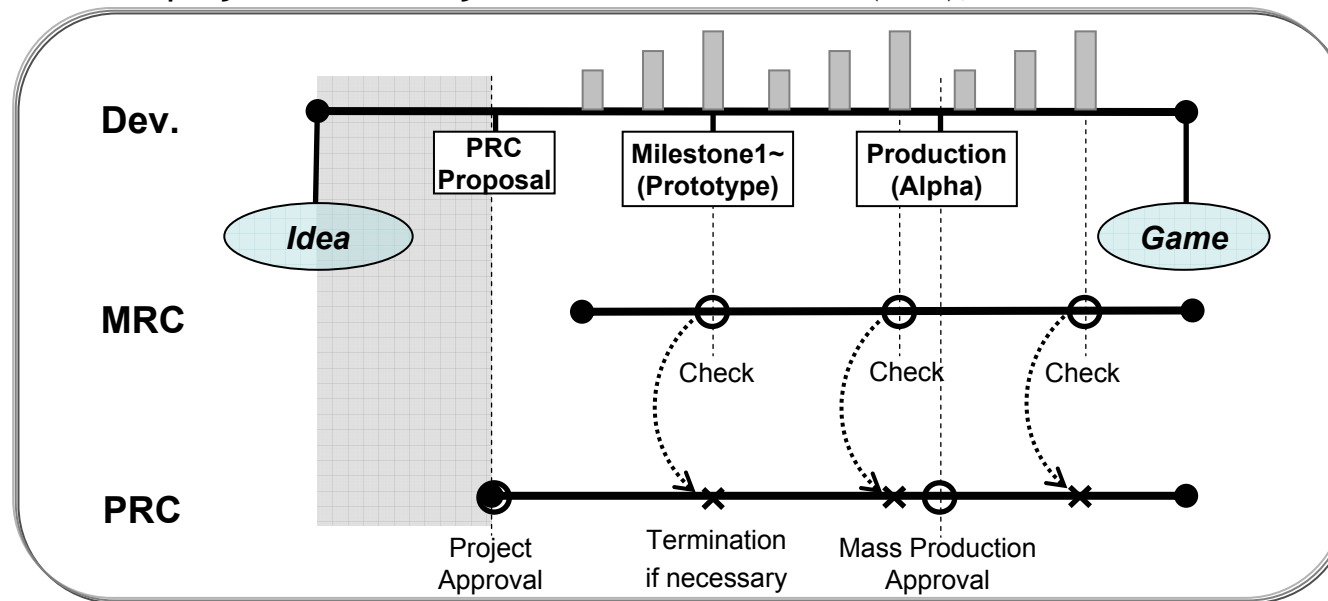
- To maximize efficiency in development and create synergies, we are focusing on strengthening the network of our development talents around the world



3. Reinforcing Efficiency in Development

3-(2) Development Monitoring System

- To effectively allocate our resources and increase our success rate, we have implemented development process monitoring system, overlooking product development both on individual project basis and global portfolio basis.
- Individual project basis: Project Review Committee (PRC), Milestone Review Committee (MRC)



- Global portfolio basis: Portfolio Steering Committee
 - ❖ Twice a year, the Portfolio Steering Committee will meet to review the global portfolio and overall development budget, and monitor the status of all on-going projects.



4. Outlook for 2007

