

**Program: First Up**

**BloombergTV**

**Guest: Nexon CEO Owen Mahoney**

**Interviewer: Angie Lau**

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Angie:

Gaming is booming with mass organized event, and it shows mobile seen as the next big thing.

Nexon is a leading publisher and developer of free-to-play online games and its 1H results beat estimates. Joining us from Tokyo is President and CEO, Owen Mahoney.

Owen it is good to talk to you, I've talked to you for past couple of years and truly it feels like you are barometer of what's really changing in terms of the trends online that we are seeing and you have proven that free-to-play model is a strategy that works. How did you get here for your second quarter beat?

Owen:

Thank you, I think our performance over the last quarter and of course over the last year or so, it reflects our focus on quality. This is the core strategy for us. We believe that games are an art form and when you are in art business, what matters is that the art is good art. And we define "good" as "fun," meaning you really enjoy playing the games, and original, and so that's what we've been focusing on our new games. When we do that well, players play our games for a long time and in Nexon's case, typically years or sometimes over a decade, and that drives financial performance, so we are very happy with our ability to execute on that over the course of last quarter.

Angie:

But we are also seeing rivals in the same space that not being as successful, you know, really hanging their hat on maybe one or two titles that are enormously popular that go away very quickly. How are you able to always keep ahead of changing tastes, really? I mean, not only between players but also geographical differences as well?

Owen:

Well you are right there is a huge geographic differences in tastes between different regions and that's part of our specialty and one of the things we really focus on.

Our largest region in the last quarter was Korea. Our second, falling closely behind was China and our third was Japan. But North America and Europe are starting to come up very quickly.

So what we do to answer your question is to really focus on game play. The whole management team are heavy gamers ourselves. We believe that gamers should be the ones making the creative decisions in our company and so in order to make a great game company, you have to make great game art. I think that's sadly forgotten in our industry but that's something we really focus on. It's very very hard to do in execution though, so you see companies stumble sometimes. We have in the past, but we keep at it so we think we've done a good job recently.

Angie:

What's in your pipeline right now?

Owen:

We've just launched MapleStory2 -- I saw you had the video of that showing earlier -- that just launched in Korea. We think it's a fantastic game. It's on the PC, and we started in Korea and will be extending it out around the world shortly. It's already rocketed in the top 10 in the Korean PC café rankings. We now have five of the top ten games in the PC café rankings in Korea, but coming up shortly, we'll have several games on the mobile side, including a game called Beasts vs Bots from Shiver Entertainment, one of our partners in North America. We'll be extending out our hit title DomiNations which launched so far only in North America, Europe and parts of South East Asia. We'll be bringing that to Japan, Korea and China. And we've got several other games in the pipeline. All total we have about 25 mobile games and several more PC games.

Angie:

I got to ask you about the underperformer here, NCSOFT. You own a 15% stake. A lot of people are interested in knowing about your stance on the South Korean developer here. There have been speculations that you may take over NCSOFT.

Owen:

Well, we haven't announced anything recently regarding our relationship with NCSOFT. We continue to believe that there is opportunity to work collaboratively with them. We think that they have a fantastic bench of intellectual property and we have enormous amount of respect for their CEO and founder. We haven't been able to make anything work yet but we hope to be able to move that relationship forward in some form or another in the coming months.

Angie:

OK, Owen Mahoney, thank you so much for that. Nexon President and CEO joining us out of Tokyo today.

Owen:

Thank you.