



EARNINGS RELEASE

For the quarter and the fiscal year ended December 31, 2012 | 2013. 2. 14

Investor Relations

Page	Contents
2	Disclaimers
3	4Q12 & FY2012 Actual Review
3	1. Consolidated Financials
12	2. Separate Financials
16	3. Appendix

- Financial results in this presentation includes consolidated base results and separate base results under K-IFRS standard before the completion of an external audit and, as such, figures may be subject to change after the completion of audit.
- Daum Communications has prepared consolidated financials statements with subsidiaries which Daum holds more than 50% of shares. Subsidiaries are as follows:
 - Daum Service (100%), Daum Global Holdings (100%), Pix View(100%), Intomos (100%), Daum LMC (97.9%), Fingertouch (100%), Onnet(85.9%), Dialoid (100%)

4Q12 & FY2012 Actual Review

1. Consolidated Financials (K-IFRS)

Consolidated Financial Statements(K-IFRS)



Summary of Income Statement

(Unit: KRW million, %)

	4Q 11	3Q 12	4Q 12	QoQ (%)	YoY (%)	2011	2012	YoY
Sales Revenues	117,491	109,467	117,176	7.0%	-0.3%	421,267	453,388	7.6%
Search	49,251	44,599	43,332	-2.8%	-12.0%	195,153	181,575	-7.0%
Display	62,477	54,717	62,829	14.8%	0.6%	207,353	229,586	10.7%
Game	1,705	7,681	8,940	16.4%	424.4%	6,549	33,821	416.4%
Transactions	2,404	2,348	1,901	-19.1%	-20.9%	9,373	7,937	-15.3%
Other Subsidiaries	1,655	122	174	43.4%	-89.5%	2,839	470	-83.5%
Operating Expenses	90,079	87,221	95,240	9.2%	5.7%	304,512	351,631	15.5%
Operating Profit	27,412	22,246	21,936	-1.4%	-20.0%	116,755	101,757	-12.8%
EBITDA	34,810	31,417	31,073	-1.1%	-10.7%	143,769	137,546	-4.3%
Net Profit	11,034	19,203	13,864	-27.8%	25.6%	107,976	76,637	-29.0%

* As of October 2012, KASB (Korea Accounting Standards Board) made a K-IFRS revision review and resolution on the disclosure of Operating Profit (the recent revision defined "Operating Profit" as an amount subtracting COGS (Cost of Goods Sold) and SG&A from the Revenue). Accordingly, we applied the revised definitions on the earnings results since 3Q 2012.

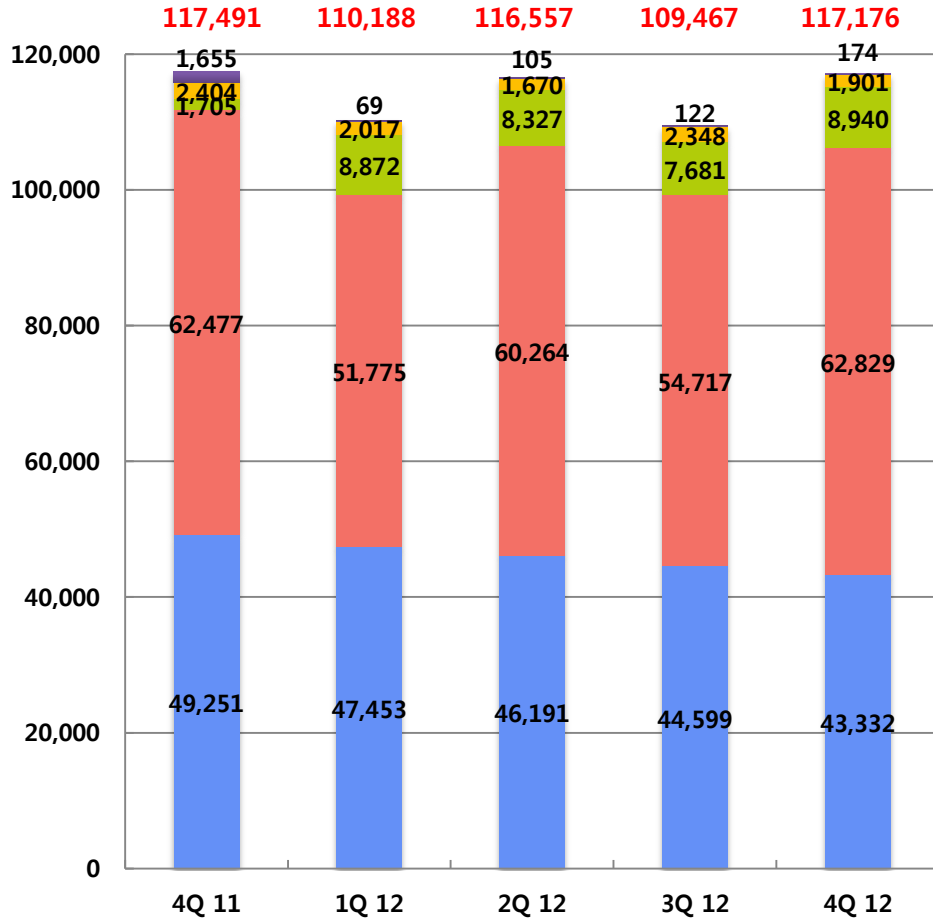
- Revenue decreased 0.3% YoY affected by the sluggish economy and weaker performance by Overture
- Search Ad decreased 12% YoY due to the attrition of the Overture's advertiser pool and the ensuing contraction in the ad spend budget after Overture's announcement to withdraw from the Korean market.
- Display Ad was up 0.6% YoY, even amidst the sluggish economy, supported by the presidential election and growth of mobile display ad.
- Game revenue increased 424.2% YoY boosted by the OnNet revenue, as well as the expanding of publishing and mobile game revenue.

Consolidated Financial Statements(K-IFRS)

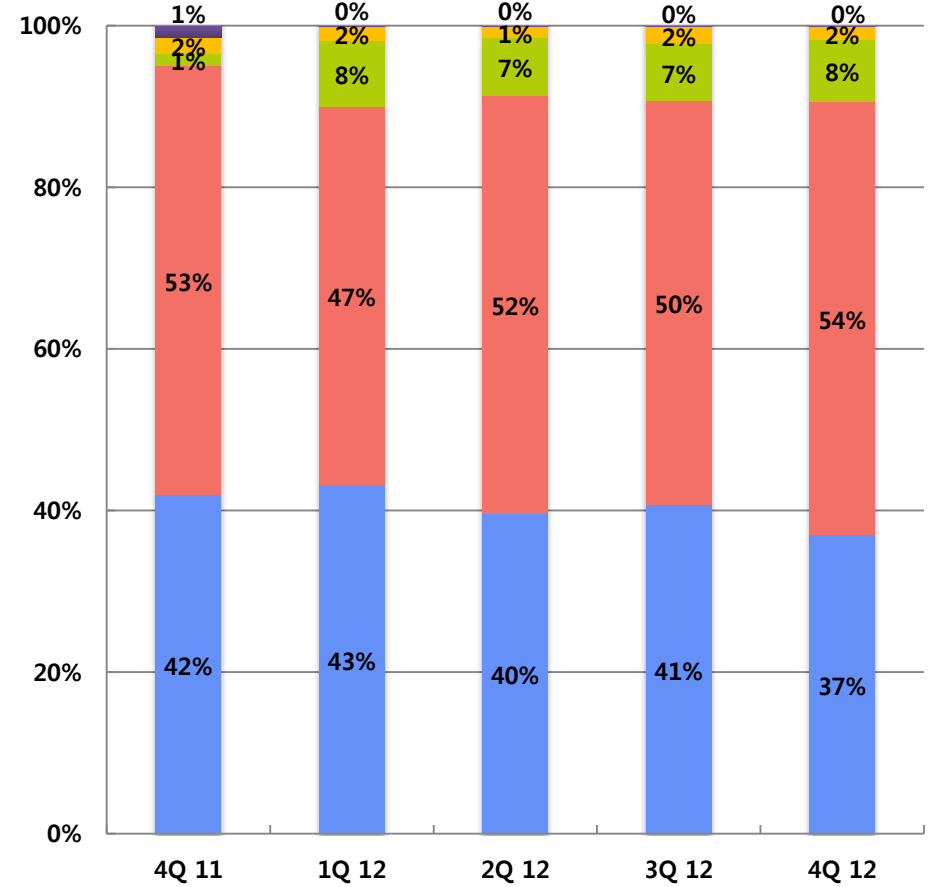


(Unit: KRW million, %)

Quarterly Revenue Trend



% of Revenue



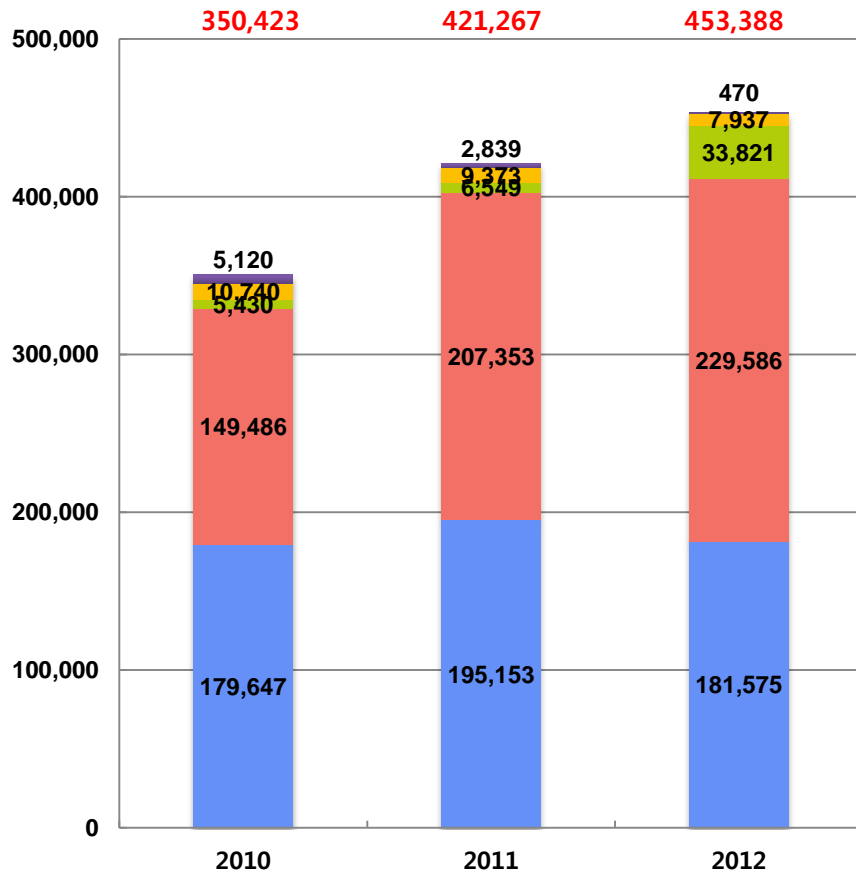
■ Search Ads ■ Display Ads ■ Game ■ Transactions ■ Other Subsidiaries

Consolidated Financial Statements(K-IFRS)

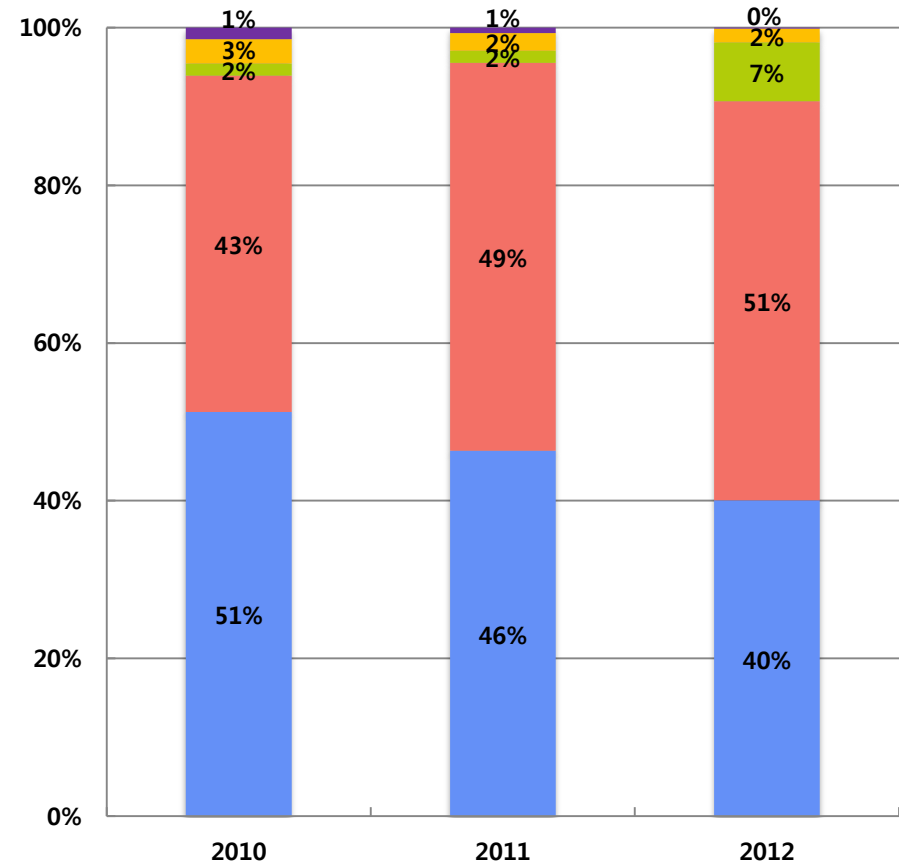


(Unit: KRW million, %)

Yearly Revenue Trend



% of Revenue



■ Search Ads ■ Display Ads ■ Game ■ Transactions ■ Other Subsidiaries

Summary of Operating Expenses

(Unit: KRW million, %)

	4Q 11	3Q 12	4Q 12	QoQ (%)	YoY (%)	2011	2012	YoY
Operating Expenses	90,079	87,221	95,240	9.2%	5.7%	304,512	351,631	15.5%
Labor costs	23,713	22,548	24,316	7.8%	2.5%	77,831	91,098	17.0%
Fringe benefits	4,830	5,213	6,513	24.9%	34.8%	18,298	22,603	23.5%
Depreciation	5,123	5,830	5,688	-2.4%	11.0%	19,297	22,679	17.5%
Rental fees	2,217	2,198	2,156	-1.9%	-2.8%	8,339	9,061	8.7%
Commissions	19,007	19,829	21,975	10.8%	15.6%	61,583	79,297	28.8%
Advertising	5,884	2,815	3,452	22.6%	-41.3%	13,915	10,528	-24.3%
Bad debt expenses	-308	-22	36	263.6%	111.6%	-682	-120	-82.4%
Amortization	2,274	3,341	3,449	3.2%	51.7%	7,717	13,110	69.9%
Outsourcing fees	6,319	6,398	5,363	-16.2%	-15.1%	23,579	23,445	-0.6%
Ad Agency fees	17,080	15,293	17,844	16.7%	4.5%	61,769	63,799	3.3%
Event fees	687	261	746	185.5%	8.7%	1,577	1,741	10.4%

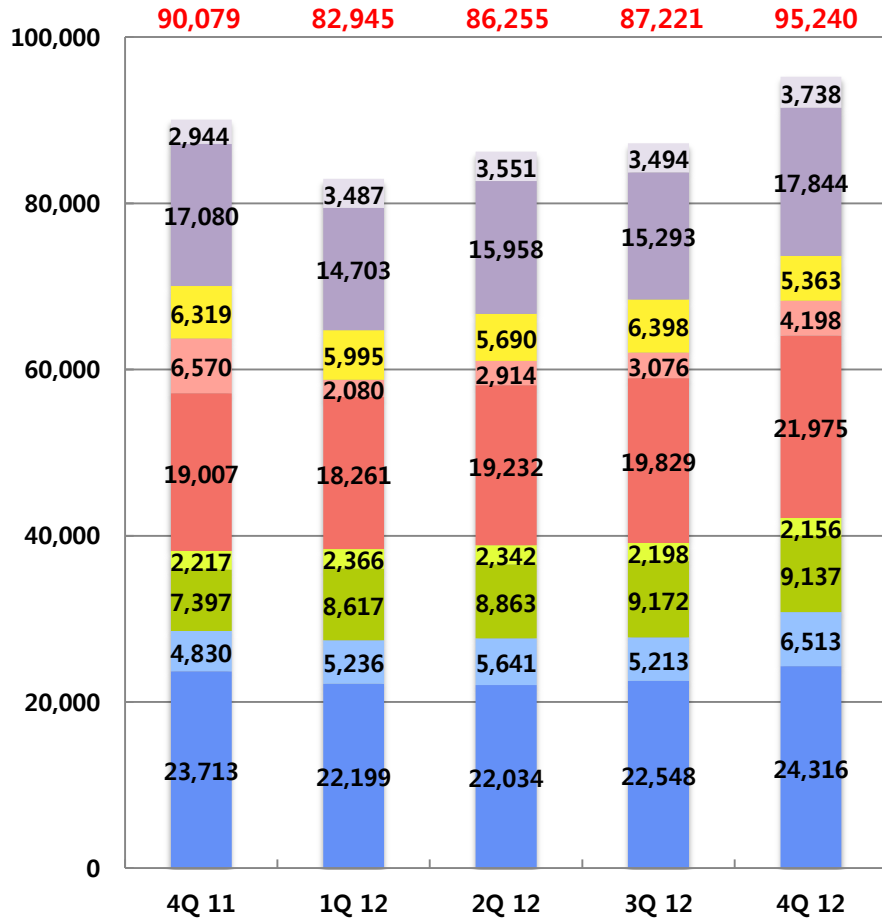
- Labor cost was up 7.8% QoQ due to the one-off cost for the future sabbatical allowance and paid leaves as the employee's sabbatical leave scheme has changed.
- Commission was up 10.8% QoQ from rising revenue sharing expenses to partners in line with the expanding revenue of Ad@m.
- Ad agency fees increased 16.7% QoQ due to the rising variable expenses from the top-line growth of the in-house Search Ads, as well as the higher Banner Ad revenue from the strong seasonality

Consolidated Financial Statements(K-IFRS)

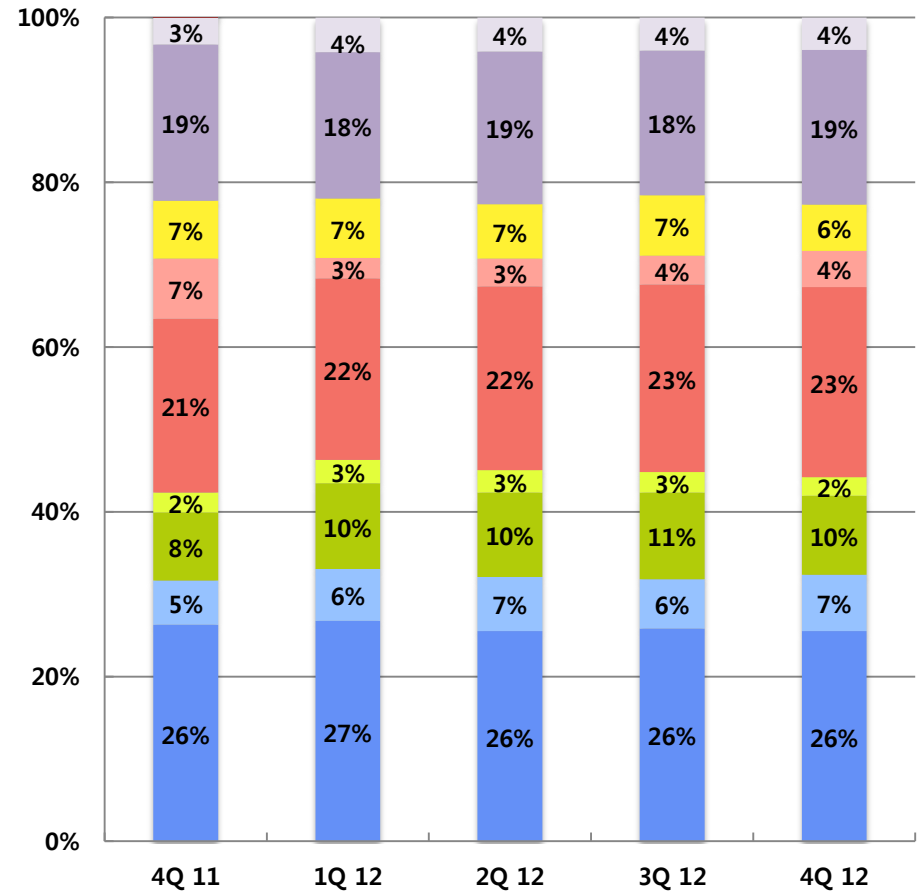


(Unit: KRW million, %)

Quarterly Expenses Trend



% of Expenses



■ Labor costs
 ■ Fringe benefits
 ■ D&A
 ■ Rental fees
 ■ Commissions
 ■ Marketing
 ■ Outsourcing fees
 ■ Ad Agency fees
 ■ Others

Consolidated Financial Statements(K-IFRS)

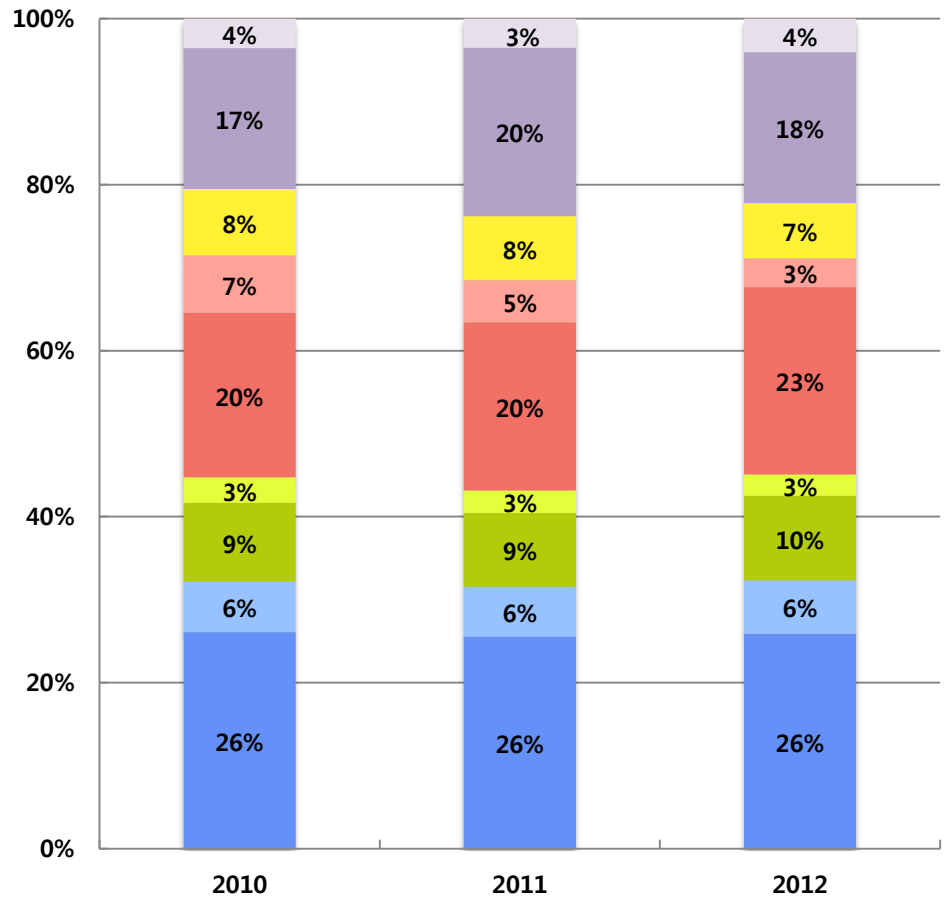


(Unit: KRW million, %)

Yearly Expenses Trend



% of Expenses



■ Labor costs
 ■ Fringe benefits
 ■ D&A
 ■ Rental fees
 ■ Commissions
 ■ Marketing
 ■ Outsourcing fees
 ■ Ad Agency fees
 ■ Others

Other Income and Expenses

(Unit: KRW million, %)

	4Q 11	3Q 12	4Q 12	QoQ (%)	YoY (%)	2011	2012	YoY
Other Income	171	209	235	12.7%	37.9%	1,345	733	-45.5%
Reversal of allowance for doubtful accounts	4	50	100	100.0%	2400.0%	6	190	3189.5%
Disposal gains on tangible assets	28	14	28	98.4%	-2.7%	31	54	73.5%
Disposal gains on equity method investees	0	0	17	-	-	0	17	-
Miscellaneous	138	145	91	-37.1%	-34.0%	1,308	472	-63.9%
Other Expenses	1,853	1,118	6,383	470.6%	244.5%	4,289	8,482	97.8%
Disposal losses on tangible assets	70	114	102	-11.0%	44.9%	142	216	52.6%
Impairment losses on intangible assets	931	211	4,867	2209.3%	422.7%	1,697	5,078	199.2%
Donations	748	660	1,344	103.8%	79.7%	2,236	2,344	4.8%
Miscellaneous	93	134	61	-54.6%	-34.6%	204	693	239.1%

- 4Q Impairment losses on intangible assets reflect 4.3bn KRW Goodwill the goodwill impairment of subsidiary Finger Touch.

Consolidated Financial Statements(K-IFRS)



Financial Income and Expenses

(Unit: KRW million, %)

	4Q 11	3Q 12	4Q 12	QoQ (%)	YoY (%)	2011	2012	YoY
Financial Income	-3,550	3,971	3,883	-2.2%	-209.4%	17,195	14,260	-17.1%
Interest income	2,788	2,720	2,560	-5.9%	-8.2%	10,586	10,861	2.6%
Dividend income	0	0	0	-	-	63	52	-16.9%
FX Transaction gains	6	30	16	-45.0%	181.9%	36	144	305.9%
FX Translation gains	-847	-10	-5	-	-	1,476	25	-98.3%
Disposal gains of LT AFS	0	0	0	-	-	2,631	0	-100.0%
Valuation gains on derivative instruments	-6,297	0	0	-	-	161	0	-100.0%
Transaction gains on derivative instruments	800	1,232	1,312	6.5%	64.0%	2,242	3,178	41.7%
Financial Expenses	60	-802	1,437	-	-	3,448	5,733	66.3%
Interest expenses	14	1	0	-100.0%	-100.0%	40	13	-67.7%
FX Transaction losses	51	15	20	27.0%	-61.1%	84	91	8.9%
FX Translation losses	-47	1,131	1,546	36.7%	-	3	2,681	82268.3%
Valuation losses on derivative instruments	42	-1,949	-129	-	-	42	2,404	5678.6%
Transaction losses on derivative instruments	0	0	0	-	-	3,279	544	-83.4%
Equity-method Income	-45	-466	-463	-	-	-124	-1,683	-
Gains on Equity method investments	0	0	3	-	-	0	3	-
Losses on Equity method investments	45	466	467	0.3%	932.5%	124	1,687	1255.0%

- Transaction gains on derivative instruments and FX Translation losses are result of the FX Hedging transactions entered into for FX risk regarding the receivables related to the sale of Lycos.
- Valuation losses on derivative instruments reflect cancellation of recognized warrant valuation loss due to the rise of Neowiz Games' stock price

4Q12 & FY2012 Actual Review

2. Separate Financials (K-IFRS)

Separate Financial Statements (K-IFRS)



Summary of Income Statement

(Unit: KRW million, %)

	4Q11	3Q12	4Q12	QoQ(%)	YoY(%)	2011	2012	YoY
Sales Revenues	115,908	103,953	110,800	6.6%	-4.4%	418,718	428,094	2.2%
Search	49,251	44,599	43,332	-2.8%	-12.0%	195,153	181,575	-7.0%
Display	62,477	54,717	62,829	14.8%	0.6%	207,353	229,588	10.7%
Game	1,705	2,238	2,706	20.9%	58.7%	6,549	8,787	34.2%
Transactions	2,475	2,399	1,933	-19.4%	-21.9%	9,663	8,144	-15.7%
Operating Expenses	88,313	79,758	87,132	9.2%	-1.3%	300,650	320,704	6.7%
Labor costs	19,802	16,229	17,754	9.4%	-10.3%	65,091	66,041	1.5%
Fringe benefits	3,972	3,969	5,381	35.6%	35.5%	15,188	17,775	17.0%
Depreciation	4,988	5,583	5,496	-1.6%	10.2%	18,838	21,708	15.2%
Rental fees	1,801	1,750	1,734	-1.0%	-3.8%	7,048	7,138	1.3%
Commissions	22,852	22,339	24,615	10.2%	7.7%	76,586	89,572	17.0%
Advertising	5,869	2,545	2,648	4.0%	-54.9%	13,891	8,382	-39.7%
Bad debt expenses	-313	-85	-27	-	-	-690	-365	-47.1%
Amortization	2,109	2,480	2,583	4.2%	22.5%	7,412	9,525	28.5%
Outsourcing fees	6,470	6,580	5,441	-17.3%	-15.9%	23,951	24,026	0.3%
Ad Agency fees	17,280	15,363	17,915	16.6%	3.7%	61,883	64,239	3.8%
Event fees	664	250	717	187.0%	8.0%	1,524	1,690	10.9%

Separate Financial Statements (K-IFRS)



Other Income and Expenses

(Unit: KRW million, %)

	4Q 11	3Q 12	4Q 12	QoQ (%)	YoY (%)	2011	2012	YoY
Other Income	60	152	189	24.2%	213.8%	1,035	478	-53.8%
Reversal of allowance for doubtful accounts	0	50	100	100.0%	-	0	150	-
Disposal gains on tangible assets	28	0	27	-	-	31	33	7.0%
Disposal gains on equity method investees	0	0	0	-	-	0	0	-
Miscellaneous	32	102	62	-39.0%	96.0%	1,004	295	-70.6%
Other Expenses	8,588	1,009	16,624	1548.1%	93.6%	10,977	18,337	67.0%
Disposal losses on tangible assets	42	31	85	179.2%	101.1%	114	116	1.7%
Impairment losses on intangible assets	468	215	337	56.2%	-28.2%	1,234	552	-55.3%
Impairment losses on equity method investees	7,327	0	9,759	0.0%	33.2%	7,327	9,759	33.2%
Donations	745	660	1,333	102.1%	78.8%	2,233	2,318	3.8%
Other Bad debt expenses	0	0	5,100	-	-	0	5,100	-
Miscellaneous	4	103	10	-90.3%	126.6%	69	491	614.8%

Separate Financial Statements (K-IFRS)



Financial Income and Expenses

(Unit: KRW million, %)

	4Q 11	3Q 12	4Q 12	QoQ (%)	YoY (%)	2011	2012	YoY
Financial Income	-3,477	2,460	2,402	-2.4%	-	23,971	10,223	-57.4%
Interest income	2,810	2,441	2,399	-1.7%	-14.6%	9,737	10,142	4.2%
Dividend income	0	0	0	-	-	11,418	7	-99.9%
FX Transaction gains	6	13	10	-19.5%	76.3%	19	58	205.6%
FX Translation gains	5	6	-8	-	-	5	16	230.4%
Disposal gains of LT AFS	0	0	0	-	-	2,631	0	-100.0%
Valuation gains on derivative instruments	-6,297	0	0	-	-	161	0	-100.0%
Financial Expenses	1	-1,947	-132	-93.2%	-	38	2,412	6165.8%
Interest expense	0	0	0	-	-	8	0	-100.0%
FX Transaction losses	11	2	1	-24.5%	-86.6%	28	11	-61.5%
FX Translation losses	-10	0	-1	-	-	3	0	-89.2%
Valuation losses on derivative instruments	0	-1,949	-133	-	-	0	2,401	-

3. Appendix

Number of Employees

Consolidated Financial Statements

Separate Financial Statements

[Appendix] Number of Employees



(Unit: person)

Name	4Q10	4Q11	1Q12	2Q12	3Q12	4Q12	QoQ	YoY
Daum Communications	1,123	1,307	1,336	1,353	1,383	1,402	19	95
Daum Service	477	536	529	543	545	560	15	24
Daum LMC		143	147	159	121	74	-47	-69
Pix View	39	38	43	42	39	28	-11	-10
Fingertouch		30	23	25	25	24	-1	-6
Intomos	15	11	12	12	11	2	-9	-9
Daum Global Holdings	3	11	13	15	16	16	0	5
Onnet			174	168	171	178	7	178
Dialoid						5	5	5
(Concurrent position)	2	11	11	11	13	13		
Subtotal(*)	1,655	2,065	2,266	2,306	2,298	2,276	-22	211

* The above number of employees include full-time and part-time employees and consolidated total is excluding concurrent positions

* Dialoid has been included since 4Q 2012.

Consolidated Statements of Income

(Unit: KRW million, %)

	4Q 11	3Q 12	4Q 12	QoQ (%)	YoY (%)	2011	2012	YoY(%)
Sales Revenues	117,491	109,467	117,176	7.0%	-0.3%	421,267	453,388	7.6%
Operating Expenses	90,079	87,221	95,240	9.2%	5.7%	304,512	351,631	15.5%
Operating Profit	27,412	22,246	21,936	-1.4%	-20.0%	116,755	101,757	-12.8%
EBITDA	34,810	31,417	31,073	-1.1%	-10.7%	143,769	137,546	-4.3%
Other Income	171	209	235	12.7%	37.9%	1,345	733	-45.5%
Other Expenses	1,853	1,118	6,383	470.6%	244.5%	4,289	8,482	97.8%
Financial Income	-3,550	3,971	3,883	-2.2%	-209.4%	17,195	14,260	-17.1%
Financial Expenses	60	-802	1,437	-279.0%	2309.3%	3,448	5,733	66.3%
Gains on Equity method investments	0	0	3	-	-	0	3	-
Losses on Equity method investments	45	466	467	0.3%	932.5%	124	1,687	1255.0%
Profit Before Income Tax Expenses	22,075	25,645	17,772	-30.7%	-19.5%	127,433	100,852	-20.9%
Income Tax Expenses	4,964	6,442	-577	-109.0%	-111.6%	27,799	19,730	-29.0%
Net Profit from Continued Operations	17,111	19,203	18,349	-4.4%	7.2%	99,634	81,122	-18.6%
Net Profit from Discontinued Operations	-6,077	0	-4,485	-	-26.2%	8,342	-4,485	-153.8%
Net Profit	11,034	19,203	13,864	-27.8%	25.6%	107,976	76,637	-29.0%
Net Profit of Controlling Interests	11,012	19,281	13,528	-29.8%	22.8%	108,478	76,291	-29.7%
Net Profit of Non-controlling Interests	22	-78	336	-531.8%	1397.3%	-502	346	-

Consolidated Statements of Financial Position

(Unit: KRW million, %)

	4Q11	3Q12	4Q12	QoQ	QoQ(%)	YoY	YoY(%)
Total Assets	558,732	603,280	611,869	8,589	1.4%	53,137	9.5%
Current Assets	324,184	339,289	347,526	8,237	2.4%	23,342	7.2%
Non-Current Assets	234,548	263,991	264,343	352	0.1%	29,795	12.7%
Total Liabilities	102,483	93,538	91,942	-1,596	-1.7%	-10,541	-10.3%
Current Liabilities	94,020	79,132	76,445	-2,687	-3.4%	-17,575	-18.7%
Non-Current Liabilities	8,463	14,405	15,497	1,092	7.6%	7,034	83.1%
Total Equity	456,249	509,742	519,928	10,186	2.0%	63,679	14.0%
Stockholders' equities	6,777	6,801	6,802	1	0.0%	25	0.4%
Additional Paid-in and Other Capital	177,289	182,342	181,595	-747	-0.4%	4,306	2.4%
Capital Adjustments	-1,646	1,955	1,809	-146	-7.5%	3,455	-
Accumulated other comprehensive income	8,575	7,494	4,906	-2,588	-34.5%	-3,669	-42.8%
Retained Earnings (Accumulated Deficit)	265,512	306,686	320,214	13,528	4.4%	54,702	20.6%
Non-controlling Interests	-259	4,464	4,602	138	3.1%	4,861	-

Consolidated Statements of Cash Flows

(Unit: KRW million, %)

	2010	2011	2012
I. Cash Flows from Operating Activities	117,779	111,763	122,717
1. Cash flows from operating	118,062	116,703	138,110
Profit for the period	122,429	107,976	76,637
Adjustments (*1)	-3,059	34,641	68,100
Decrease (increase) in working capital	-1,308	-25,914	-6,627
2. Interest Received	5,257	7,595	10,491
3. Interest Paid	-354	-32	-13
4. Dividends Received	18	63	52
5. Income Tax Refund	-5,203	-12,564	-25,923
II. Cash Flows from Investing Activities	-93,951	-114,634	-50,819
1. Cash Inflows from Investing Activities	121,155	275,307	219,935
2. Cash outflows from Investing Activities	-215,106	-389,940	-270,754
III. Cash Flows from Financing Activities	-1,763	-13,441	-32,185
1. Cash Inflows from Financing Activities	18,892	12,535	3,688
2. Cash outflows from Financing Activities	-20,655	-25,977	-35,873
IV. Exchange gains(losses) on Cash and Cash Equivalents	6	3	-256
V. Net Increase(Decrease) in Cash and Cash Equivalents(I + II + III)	22,072	-16,308	39,456
VI. Cash and cash equivalents at the beginning of period	75,210	97,282	80,973
VII. Cash and cash equivalents at the end of period	97,282	80,973	120,429

(*1) Adjustments : Income and expenses, interest expenses, interest income, dividend income, income tax expenses without cash flow

[Appendix] Separate Financial Statements(K-IFRS)



Separate Statements of Income

(Unit: KRW million, %)

	4Q 11	3Q 12	4Q 12	QoQ (%)	YoY (%)	2011	2012	YoY(%)
Sales Revenues	115,908	103,953	110,800	6.6%	-4.4%	418,718	428,094	2.2%
Operating Expenses	88,313	79,758	87,132	9.2%	-1.3%	300,650	320,704	6.7%
Operating Profit	27,595	24,195	23,668	-2.2%	-14.2%	118,068	107,390	-9.0%
EBITDA	34,692	32,258	31,747	-1.6%	-8.5%	144,317	138,623	-3.9%
Other Income	60	152	189	24.2%	213.8%	1,035	478	-53.8%
Other Expenses	8,588	1,009	16,624	1548.1%	93.6%	10,977	18,337	67.0%
Financial Income	-3,477	2,460	2,402	-2.4%	-	23,971	10,223	-57.4%
Financial Expenses	1	-1,947	-132	-93.2%	-	38	2,412	6165.8%
Profit Before Income Tax Expenses	15,590	27,746	9,767	-64.8%	-37.3%	132,058	97,344	-26.3%
Income Tax Expenses	4,993	6,925	-1,306	-	-	26,769	19,405	-27.5%
Net Profit from Discontinued Operations	0	0	0	-	-	0	0	-
Net Profit	10,597	20,821	11,073	-46.8%	4.5%	105,288	77,938	-26.0%

[Appendix] Separate Financial Statements(K-IFRS)



Separate Statements of Financial Position

(Unit: KRW million, %)

	4Q 11	3Q 12	4Q 12	QoQ	QoQ(%)	YoY	YoY(%)
Total Assets	515,332	556,023	568,129	12,106	2.2%	52,797	10.2%
Current Assets	304,316	295,228	301,260	6,032	2.0%	-3,056	-1.0%
Non-Current Assets	211,016	260,795	266,869	6,074	2.3%	55,853	26.5%
Total Liabilities	98,075	84,402	84,594	192	0.2%	-13,481	-13.7%
Current Liabilities	90,412	76,692	71,831	-4,861	-6.3%	-18,581	-20.6%
Non-Current Liabilities	7,663	7,710	12,763	5,053	65.5%	5,100	66.6%
Total Equity	417,257	471,621	483,535	11,914	2.5%	66,278	15.9%
Stockholders' equities	6,777	6,801	6,802	1	0.0%	25	0.4%
Additional Paid-in and Other Capital	176,601	182,038	182,476	438	0.2%	5,875	3.3%
Capital Adjustments	-1,646	1,982	1,837	-145	-7.3%	3,483	-
Accumulated other comprehensive income	1,446	1,446	1,992	546	37.8%	546	37.8%
Retained Earnings(Accumulated Deficit)	234,079	279,355	290,428	11,073	4.0%	56,349	24.1%

Separate Statements of Cash Flows

(Unit: KRW million, %)

	2010	2011	2012
I. Cash Flows from Operating Activities	108,983	135,096	126,900
1. Cash flows from operating	115,678	124,383	151,774
Profit for the period	90,657	105,288	77,938
Adjustments (*1)	30,139	39,425	67,417
Decrease (increase) in working capital	-5,118	-20,331	6,419
2. Interest Received	4,382	6,554	11,406
3. Interest Paid	-390	-	-
4. Dividends Received	18	11,418	7
5. Income Tax Refund	-10,705	-7,258	-36,288
II. Cash Flows from Investing Activities	-99,767	-120,766	-74,965
1. Cash Inflows from Investing Activities	78,579	222,935	215,994
2. Cash outflows from Investing Activities	-178,347	-343,701	-290,958
III. Cash Flows from Financing Activities	-4,051	-14,454	-25,816
1. Cash Inflows from Financing Activities	16,150	12,439	3,690
2. Cash outflows from Financing Activities	-20,201	-25,663	-29,506
IV. Exchange gains(losses) on Cash and Cash Equivalents			
V. Net Increase(Decrease) in Cash and Cash Equivalents(I + II + III)	5,164	1,107	26,120
VI. Cash and cash equivalents at the beginning of period	69,400	74,565	75,672
VII. Cash and cash equivalents at the end of period	74,565	75,672	101,791

(*1) Adjustments : Income and expenses, interest expenses, interest income, dividend income, income tax expenses without cash flow



Thank you