



EARNINGS RELEASE

For the quarter and the fiscal year ended December 31, 2011 | 2012. 2. 14

Investor Relations

Page	Contents
2	Disclaimers
3	4Q11 & FY2011 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(80%), Intomos (100%), Daum LMC (82.3%), Fingertouch (99.1%)

4Q11 & FY2011 Actual Review

1. Consolidated Financials (K-IFRS)

Consolidated Financial Statements(K-IFRS)



Summary of Income Statement

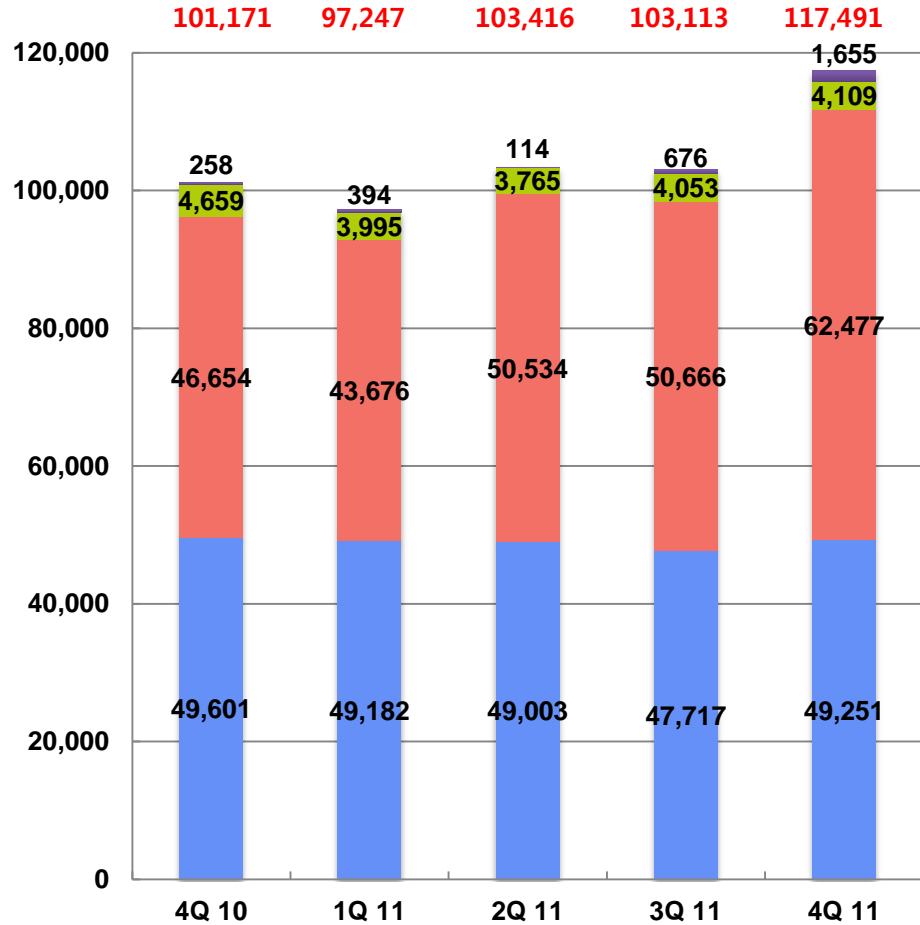
(Unit: KRW million, %)

	2010	2011	YoY(%)	4Q 10	3Q 11	4Q 11	QoQ (%)	YoY (%)
Sales Revenues	350,423	421,267	20.2%	101,171	103,113	117,491	13.9%	16.1%
Search	179,647	195,153	8.6%	49,601	47,717	49,251	3.2%	-0.7%
Display	149,486	207,353	38.7%	46,654	50,666	62,477	23.3%	33.9%
Transactions	16,170	15,922	-1.5%	4,659	4,053	4,109	1.4%	-11.8%
Other Subsidiaries	5,120	2,839	-44.6%	258	676	1,655	144.6%	542.0%
Operating Expenses	254,826	305,159	19.8%	74,424	74,465	90,349	21.3%	21.4%
Operating Profit before Other Operating Income and Expenses*	95,597	116,107	21.5%	26,748	28,648	27,142	-5.3%	1.5%
Other Operating Income	4,455	2,036	-54.3%	2,578	91	485	435.4%	-81.2%
Other Operating Expenses	7,405	3,893	-47.4%	3,790	448	1,457	225.2%	-61.6%
Operating Profit	92,648	114,251	23.3%	25,535	28,290	26,171	-7.5%	2.5%
EBITDA	116,765	141,266	21.0%	31,664	35,257	33,568	-4.8%	6.0%
Net Profit	122,429	108,606	-11.3%	19,222	32,370	11,664	-64.0%	-39.3%

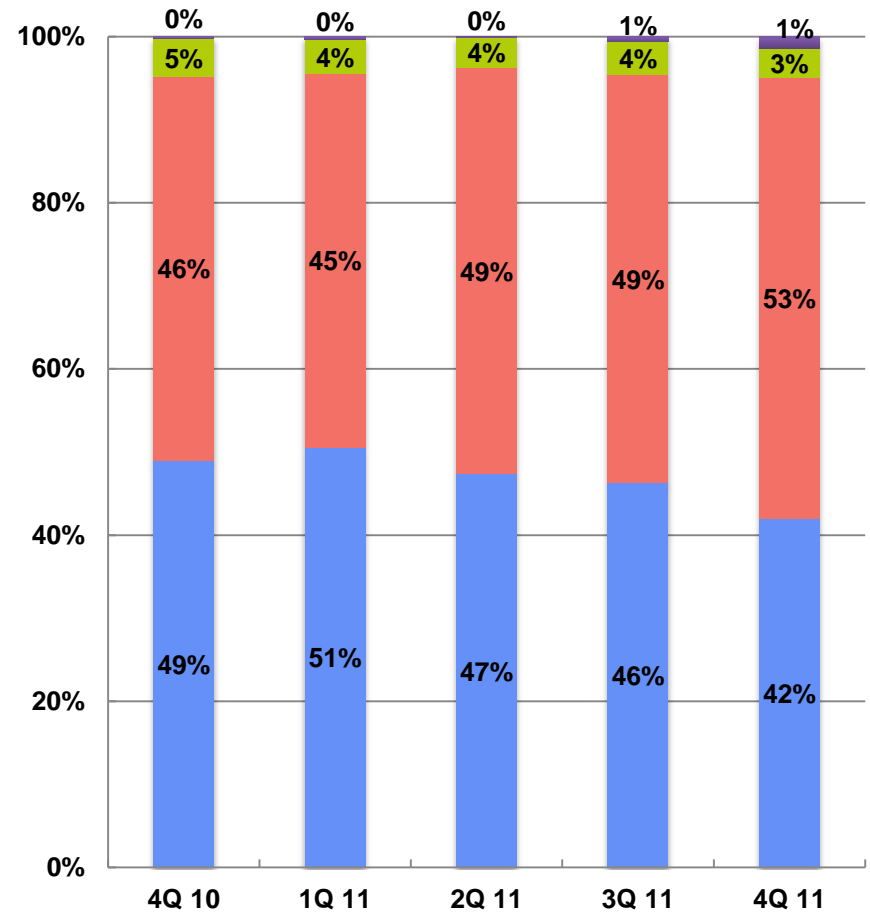
* Operating profit before other operating income and expenses: In order to enhance the comparability and consistency in comparing the earnings, the other operating income and other operating expenses, which include one-off effect account such as disposal gains on other assets and donations, have been eliminated.

- 4Q revenue increased 13.9% QoQ to 117.5 billion due to positive seasonality
- Search ad grew 3.2% QoQ to 49.3 billion by the growth of own CPC product and mobile search sales increase
- Display ad grew 23.3% QoQ to 62.5 billion due to positive seasonality, increased marketing budgets of big advertisers on DBPA, and Ad@m's sales growth

Quarterly Revenue Trend



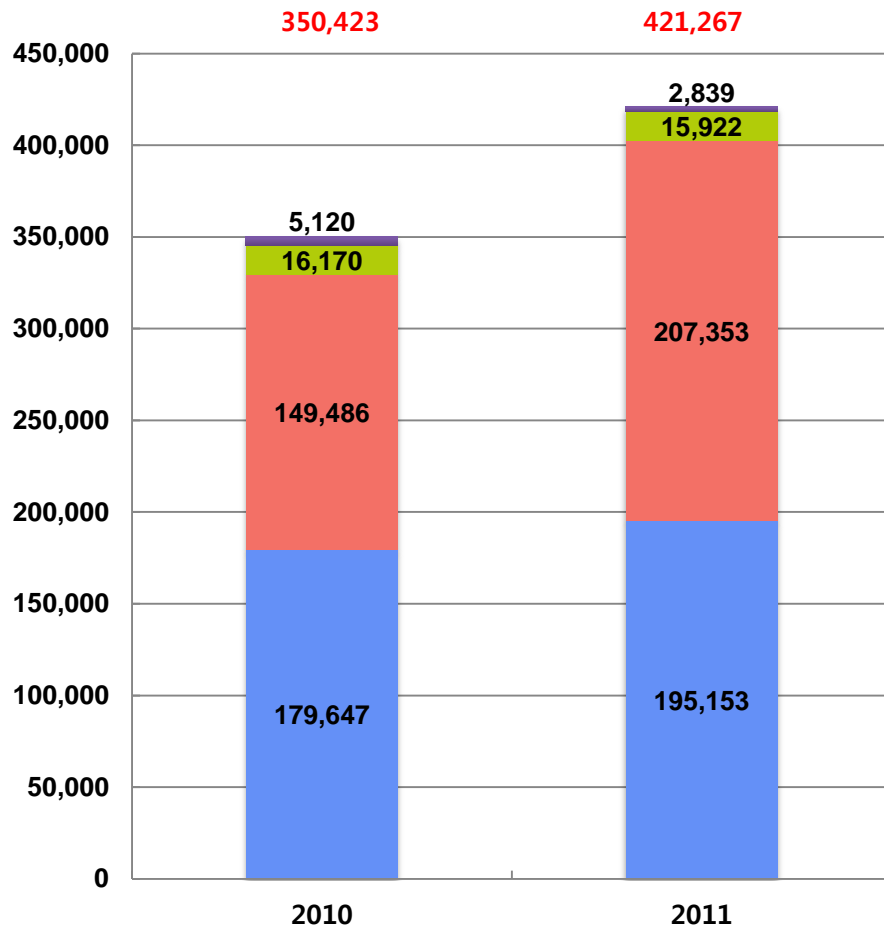
% of Revenue



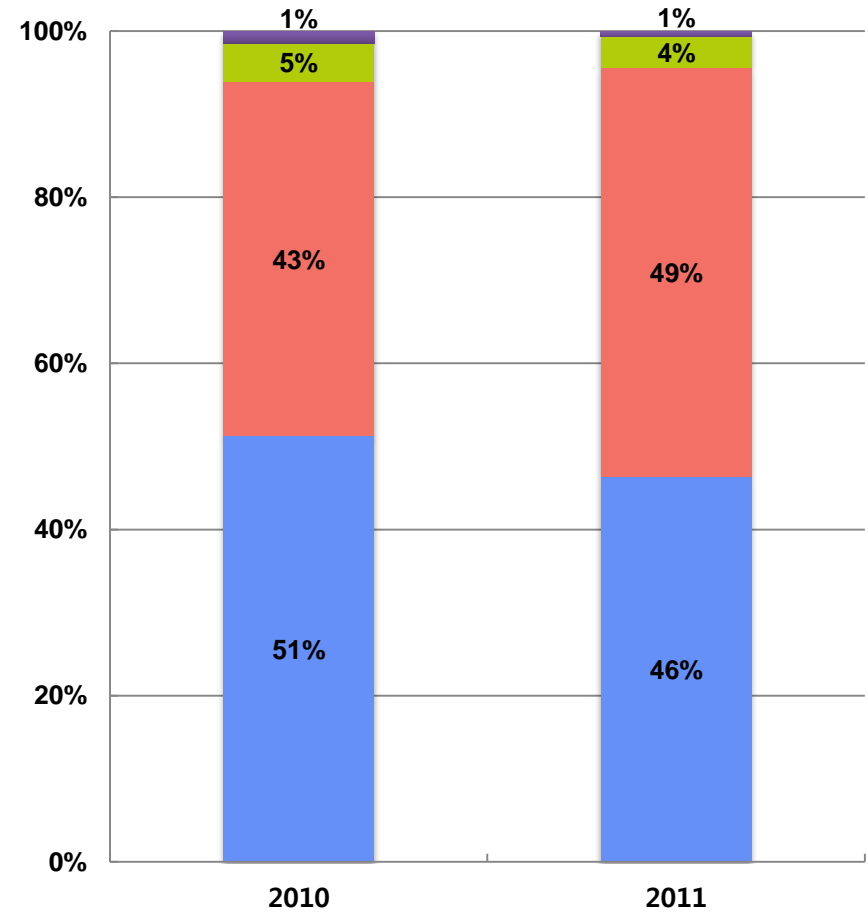
■ Search Ads ■ Display Ads ■ Transactions ■ Other Subsidiaries

(Unit: KRW million, %)

Yearly Revenue Trend



% of Revenue



■ Search Ads ■ Display Ads ■ Transactions ■ Other Subsidiaries

Summary of Operating Expenses

(Unit: KRW million, %)

	2010	2011	YoY(%)	4Q 10	3Q 11	4Q 11	QoQ (%)	YoY (%)
Operating Expenses	254,826	305,159	19.8%	74,424	74,465	90,349	21.3%	21.4%
Labor costs	66,416	77,786	17.1%	20,554	18,357	23,669	28.9%	15.2%
Fringe benefits	15,486	18,298	18.2%	4,067	4,852	4,830	-0.4%	18.8%
Depreciation	17,606	19,297	9.6%	4,472	4,884	5,123	4.9%	14.5%
Rental fees	7,807	8,339	6.8%	1,821	2,134	2,217	3.9%	21.8%
Commissions	50,394	61,583	22.2%	15,995	14,663	19,007	29.6%	18.8%
Advertising	16,195	13,915	-14.1%	7,728	2,886	5,884	103.9%	-23.9%
Bad debt expenses	12	10	-20.9%	-1,475	2	7	217.8%	-100.5%
Amortization	6,512	7,717	18.5%	1,657	2,082	2,274	9.2%	37.3%
Outsourcing fees	20,382	23,579	15.7%	5,220	6,501	6,319	-2.8%	21.1%
Ad Agency fees	43,147	61,769	43.2%	11,551	14,708	17,080	16.1%	47.9%
Event fees	1,408	1,577	12.0%	893	381	687	80.2%	-23.1%
Others	9,462	11,289	19.3%	1,941	3,014	3,252	7.9%	67.5%

* Marketing expenses = Advertising + Event fees

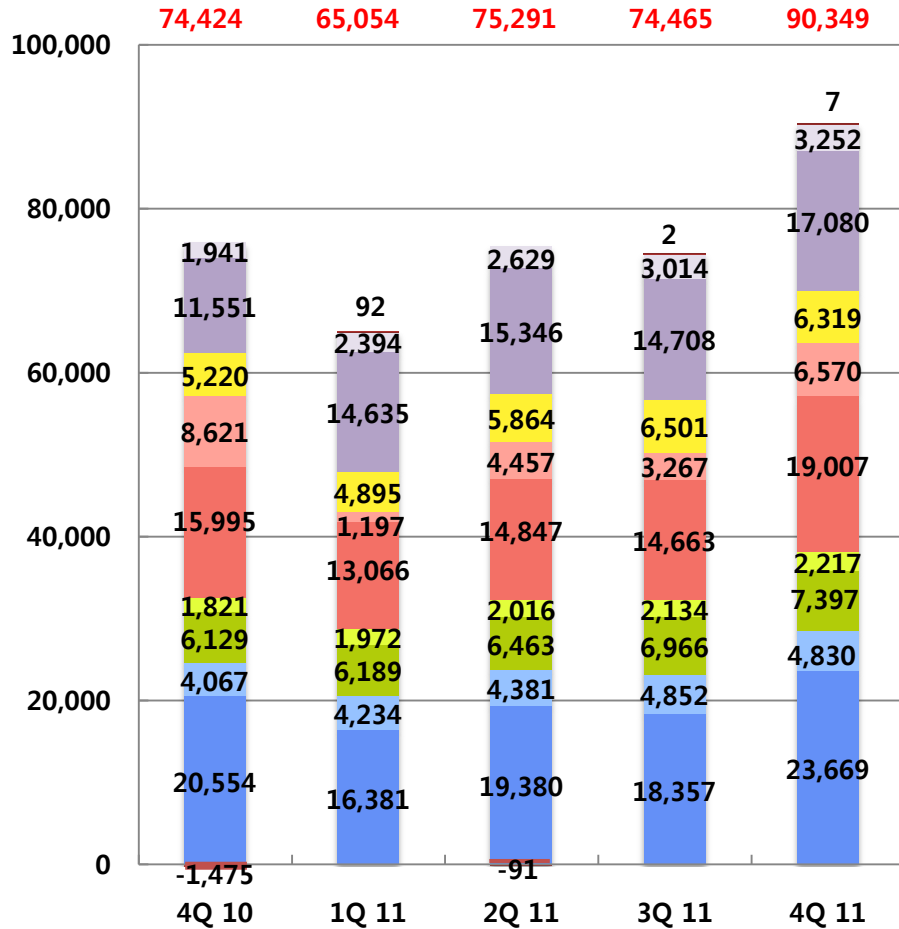
- Labor cost increased 5.3 billion QoQ to 23.7 billion due new hiring and bonus payment
- Marketing expenses increased 3.3 billion QoQ to 6.6 billion due to executing TV commercials for Storview and Mypeople, and other promotion activities
- Commissions increased 4.3 billion QoQ to 19 billion due to increase in variable commissions such as R/S cost with partners in Ad@m network, outsourced services, and etc.

Consolidated Financial Statements(K-IFRS)

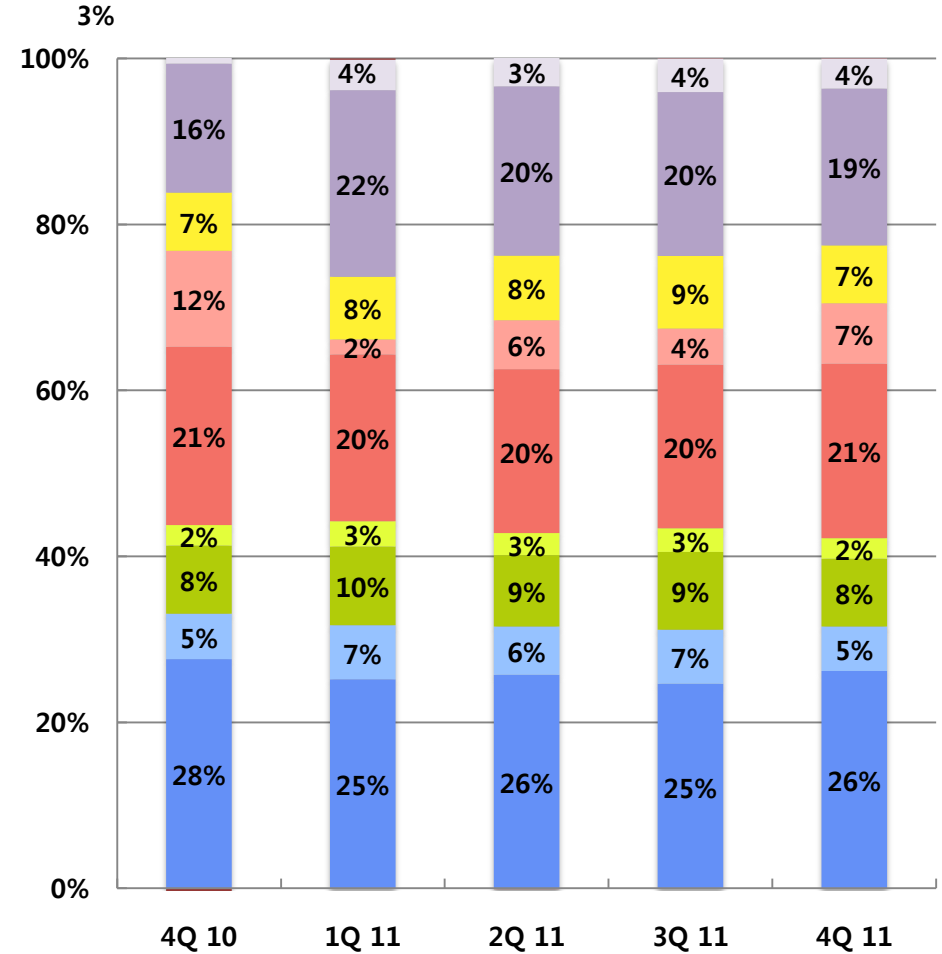


(Unit: KRW million, %)

Quarterly Expenses Trend

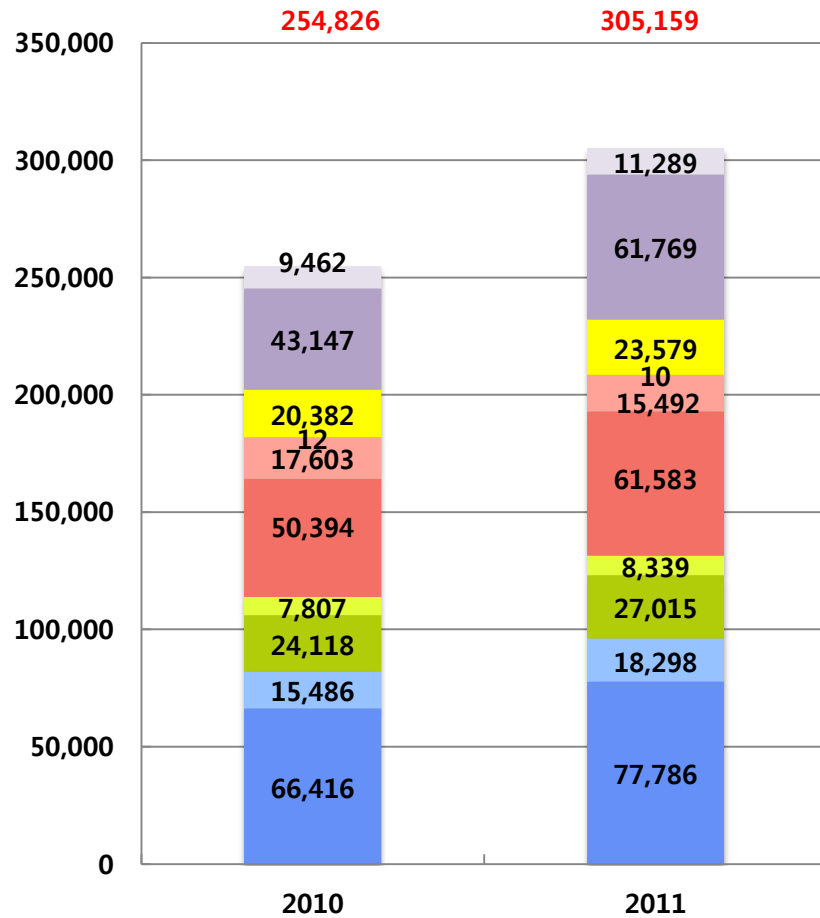


% of Expenses

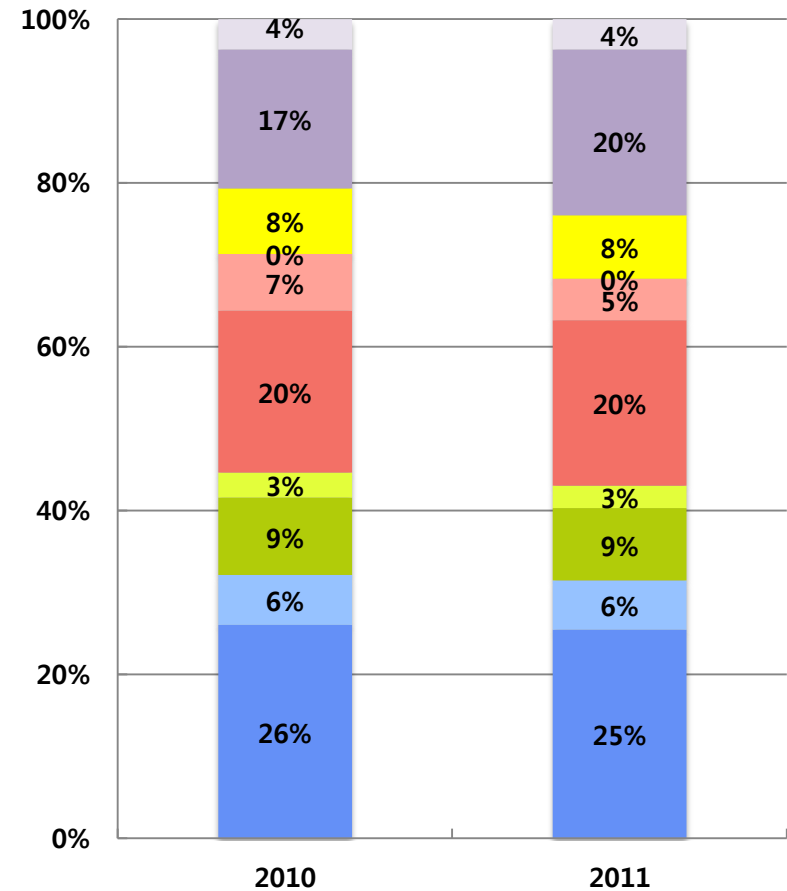


- Labor costs
- Fringe benefits
- D&A
- Rental fees
- Commissions
- Marketing
- Outsourcing fees
- Ad Agency fees
- Others
- Bad debt expenses

Yearly Expenses Trend



% of Expenses



- Labor costs
- Fringe benefits
- D&A
- Rental fees
- Commissions
- Marketing
- Outsourcing fees
- Ad Agency fees
- Others
- Bad debt expenses

Other Operating Income and Expenses

(Unit: KRW million, %)

	2010	2011	YoY(%)	4Q 10	3Q 11	4Q 11	QoQ (%)	YoY (%)
Other Operating Income	4,455	2,036	-54.3%	2,578	91	485	435.4%	-81.2%
Reversal of allowance for doubtful accounts	473	697	47.4%	416	58	319	451.4%	-23.4%
Disposal gains on other assets	11	0	-100.0%	0	0	0	-	-
Miscellaneous	3,074	1,308	-57.4%	2,133	32	138	338.2%	-93.5%
Others	897	31	-96.5%	29	1	28	0.0%	0.0%
Other Operating Expenses	7,405	3,893	-47.4%	3,790	448	1,457	225.2%	-61.6%
Disposal losses on tangible assets	488	142	-71.0%	2	14	70	399.6%	2703.7%
Impairment losses on intangible assets	2,885	1,301	-54.9%	1,589	18	535	2856.7%	-66.3%
Commissions	650	0	-100.0%	250	0	0	-	-100.0%
Donations	1,792	2,236	24.8%	696	338	748	121.3%	7.5%
Miscellaneous	1,060	204	-80.7%	790	78	93	19.7%	-88.2%
Others	529	10	-98.1%	463	0	10	-	-97.8%

- 4Q Impairment losses on intangible assets is result of the loss of 460 million from Intomos' goodwill impairment test

Consolidated Financial Statements(K-IFRS)



Financial Income and Expenses

(Unit: KRW million, %)

	2010	2011	YoY(%)	4Q 10	3Q 11	4Q 11	QoQ (%)	YoY (%)
Financial Income	5,733	17,195	199.9%	1,810	12,967	-3,550	-127.4%	-296.2%
Interest income	5,394	10,586	96.3%	1,655	2,947	2,788	-5.4%	68.5%
FX Transaction gains	258	36	-86.2%	249	19	6	-68.7%	-97.7%
FX Translation gains	8	1,476	19082.3%	-81	2,321	-847	-136.5%	-
Disposal gains of LT AFS	56	2,631	4622.8%	-14	2,310	0	-100.0%	-
Valuation gains on derivative instruments	0	161	-	0	5,370	-6,297	-217.3%	-
Disposal gains on derivative instruments	0	2,242	-	0	0	800	-	-
Financial Expenses	5,236	3,448	-34.2%	4,705	2,332	60	-97.4%	-98.7%
Interest expenses	430	40	-90.7%	8	8	14	79.7%	76.6%
FX Transaction losses	582	84	-85.6%	533	13	51	296.1%	-90.5%
FX Translation losses	54	3	-93.9%	52	-968	-47	-	-189.7%
Disposal loss of LT AFS	2,314	0	-100.0%	2,256	0	0	-	-100.0%
Valuation losses on Trading Securities	1,212	42	-96.6%	1,212	0	42	-	-96.6%
Transaction losses on derivative instruments	0	3,279	-	0	3,279	0	-100.0%	-

- 4Q Valuation gains on derivative instruments reflect cancellation of recognized warrant valuation gains(6.3 billion) due to the fall of Neowiz Games' stock price
- FX Translation gains, FX Translation losses, and Disposal gains on derivative instruments are result of liquidation of the FX-hedge transaction for the outstanding balance for the sale of Lycos.

4Q11 & FY2011 Actual Review

2. Separate Financials (K-IFRS)

Separate Financial Statements (K-IFRS)



Summary of Income Statement

(Unit: KRW million, %)

	2010	2011	YoY(%)	4Q10	3Q11	4Q11	QoQ(%)	YoY(%)
Sales Revenues	345,510	418,718	21.2%	100,993	102,498	115,908	13.1%	14.8%
Search	179,647	195,153	8.6%	49,601	47,717	49,251	3.2%	-0.7%
Display	149,486	207,353	38.7%	46,654	50,666	62,477	23.3%	33.9%
Transactions	16,376	16,212	-1.0%	4,738	4,115	4,180	1.6%	-11.8%
Operating Expenses	248,572	301,340	21.2%	73,530	72,422	88,625	22.4%	20.5%
Labor costs	52,183	65,091	24.7%	17,735	14,553	19,802	36.1%	11.7%
Fringe benefits	12,429	15,188	22.2%	3,442	3,995	3,972	-0.6%	15.4%
Depreciation	16,988	18,838	10.9%	4,371	4,750	4,988	5.0%	14.1%
Rental fees	6,192	7,048	13.8%	1,582	1,776	1,801	1.4%	13.9%
Commissions	62,645	76,586	22.3%	19,198	18,530	22,852	23.3%	19.0%
Advertising	16,251	13,891	-14.5%	7,726	2,878	5,869	103.9%	-24.0%
Bad debt expenses	0	0	-	-1,475	0	0	-	-
Amortization	6,445	7,412	15.0%	1,654	1,950	2,109	8.2%	27.5%
Outsourcing fees	19,959	23,951	20.0%	5,223	6,461	6,470	0.1%	23.9%
Ad Agency fees	46,043	61,883	34.4%	11,551	14,623	17,280	18.2%	49.6%
Event fees	1,307	1,524	16.6%	804	380	664	74.5%	-17.5%
Others	8,132	9,928	22.1%	1,717	2,525	2,820	11.7%	64.3%

Separate Financial Statements (K-IFRS)



Other Operating Income and Expenses

(Unit: KRW million, %)

	2010	2011	YoY(%)	4Q10	3Q11	4Q11	QoQ(%)	YoY(%)
Other Operating Income	3,927	1,724	-56.1%	2,936	82	373	353.4%	-87.3%
Reversal of allowance for doubtful accounts	416	690	65.8%	416	56	313	457.1%	-24.8%
Disposal gains on equity method investees	3,267	0	-100.0%	2,405	0	0	-	-100.0%
Miscellaneous	215	1,004	366.2%	92	25	32	27.7%	-65.6%
Others	28	31	9.7%	23	1	28	2058.8%	24.5%
Other Operating Expenses	7,019	10,581	50.7%	3,454	416	8,192	1868.4%	137.2%
Disposal losses on tangible assets	464	114	-75.5%	0	14	42	203.1%	-
Impairment losses on intangible assets	1,322	838	-36.6%	26	18	72	300.2%	181.7%
Impairment losses on equity method investees	1,563	7,327	368.7%	1,563	0	7,327	-	368.7%
Commissions	650	0	-100.0%	250	0	0	-	-100.0%
Donations	1,779	2,233	25.5%	686	338	745	120.5%	8.6%
Miscellaneous	1,041	69	-93.4%	782	46	4	-90.4%	-99.4%
Others	200	0	-100.0%	147	0	0	-	-100.0%

Separate Financial Statements (K-IFRS)



Financial Income and Expenses

(Unit: KRW million, %)

	2010	2011	YoY(%)	4Q10	3Q11	4Q11	QoQ(%)	YoY(%)
Financial Income	4,606	23,971	420.4%	1,398	10,357	-3,477	-133.6%	-348.7%
Interest income	4,569	9,737	113.1%	1,397	2,676	2,810	5.0%	101.1%
Dividend income	18	11,418	64590.9%	0	0	0	-	-
FX Transaction gains	7	19	176.1%	1	2	6	164.1%	936.9%
FX Translation gains	0	5	2830.6%	0	-1	5	-693.2%	3200.0%
Disposal gains of LT AFS	13	2,631	20803.4%	0	2,310	0	-100.0%	-100.0%
Valuation gains on derivative instruments	0	161	-	0	5,370	-6,297	-217.3%	-
Financial Expenses	1,839	38	-97.9%	1,392	25	1	-96.8%	-99.9%
Interest expense	395	8	-98.1%	4	0	0	-	-100.0%
FX Transaction losses	12	28	126.2%	1	13	11	-12.3%	811.0%
FX Translation losses	1	3	142.4%	0	12	-10	-184.2%	-
Disposal loss of LT AFS	44	0	-100.0%	0	0	0	-	-
Valuation losses on Trading Securities	644	0	-100.0%	644	0	0	-	-100.0%
Valuation losses on derivative instruments	743	0	-100.0%	743	0	0	-	-100.0%

3. Appendix

Number of Employees

Consolidated Financial Statements

Separate Financial Statements

[Appendix] Number of Employees



(Unit: person)

Name	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	QoQ	YoY
Daum Communications	1,017	1,044	1,083	1,123	1,241	1,283	1,295	1,307	12	184
Daum Service	445	451	464	477	522	533	543	536	-7	59
Daum LMC						74	108	143	35	143
Pix View	33	33	46	39	34	33	30	38	8	-1
Fingertouch							29	30	1	30
Intomos			12	15	16	15	12	11	-1	-4
Daum Global Holdings	3	3	3	3	2	2	6	11	5	8
Namu Communications	201	203	191	-	-	-	-	-	-	-
(Concurrent position)	2	2	2	2	2	2	2	11	9	9
Subtotal (*)	1,697	1,732	1,797	1,655	1,813	1,938	2,021	2,065	44	410

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

* Namu Communications employees have been excluded from the number of employees due to the disposal of the company in 4Q 2010

* Increase in the number of employees due to the acquisition of Daum LMC(Myone Card) in 2Q and Fingertouch in 3Q 2011.

Consolidated Statements of Income

(Unit: KRW million, %)

	2010	2011	YoY(%)	4Q 10	3Q 11	4Q 11	QoQ(%)	YoY(%)
Sales Revenues	350,423	421,267	20.2%	101,171	103,113	117,491	13.9%	16.1%
Operating Expenses	254,826	305,159	19.8%	74,424	74,465	90,349	21.3%	21.4%
Operating Profit before Other Operating Income and Expenses	95,597	116,107	21.5%	26,748	28,648	27,142	-5.3%	1.5%
Other Operating Income	4,455	2,036	-54.3%	2,578	91	485	435.4%	-81.2%
Other Operating Expenses	7,405	3,893	-47.4%	3,790	448	1,457	225.2%	-61.6%
Operating Profit	92,648	114,251	23.3%	25,535	28,290	26,171	-7.5%	2.5%
EBITDA	116,765	141,266	21.0%	31,664	35,257	33,568	-4.8%	6.0%
Financial Income	5,733	17,195	199.9%	1,810	12,967	-3,550	-127.4%	-296.2%
Financial Expenses	5,236	3,448	-34.2%	4,705	2,332	60	-97.4%	-98.7%
Gains on Equity method investments	289	0	-100.0%	-44	0	0	-	-
Losses on Equity method investments	0	124	-	0	35	45	28.3%	-
Profit Before Income Tax Expenses	93,433	127,873	36.9%	22,596	38,890	22,516	-42.1%	-0.4%
Income Tax Expenses	4,890	27,610	464.6%	3,373	6,733	4,775	-29.1%	41.5%
Net Profit from Continued Operations	88,543	100,264	13.2%	19,222	32,157	17,741	-44.8%	-7.7%
Net Profit from Discontinued Operations	33,886	8,342	-75.4%	0	213	-6,077	-2952.9%	-
Net Profit	122,429	108,606	-11.3%	19,222	32,370	11,664	-64.0%	-39.3%
Net Profit of Controlling Interests	122,843	109,108	-11.2%	19,390	32,772	11,642	-64.5%	-40.0%
Net Profit of Non-controlling Interests	-414	-502	-	-168	-402	22	-	-

Consolidated Statements of Financial Position

(Unit: KRW million, %)

	2010	1Q11	2Q11	3Q11	4Q11	QoQ(%)	YoY(%)
Total Assets	460,792	492,227	509,420	534,772	559,127	4.6%	21.3%
Current Assets	312,169	341,149	349,342	362,680	324,184	-10.6%	3.8%
Non-Current Assets	148,623	151,077	160,078	172,091	234,943	36.5%	58.1%
Total Liabilities	104,506	116,673	99,105	91,384	102,248	11.9%	-2.2%
Current Liabilities	93,834	106,695	89,203	83,022	94,278	13.6%	0.5%
Non-Current Liabilities	10,672	9,978	9,902	8,362	7,970	-4.7%	-25.3%
Total Equity	356,286	375,553	410,315	443,387	456,879	3.0%	28.2%
Stockholders' equities	6,681	6,714	6,747	6,766	6,777	0.2%	1.4%
Additional Paid-in and Other Capital	161,017	165,887	172,202	175,145	177,289	1.2%	10.1%
Capital Adjustments	7,905	6,560	4,730	3,816	-1,646	-143.1%	-120.8%
Accumulated other comprehensive income	3,369	3,461	3,580	3,440	8,575	149.3%	154.6%
Retained Earnings (Accumulated Deficit)	177,383	193,034	221,728	254,500	266,142	4.6%	50.0%
Non-controlling Interests	-69	-102	1,327	-279	-259	-7.4%	273.0%

Consolidated Statements of Cash Flows

(Unit: KRW million, %)

	2010	2011
I. Cash Flows from Operating Activities	96,609	109,001
1. Cash flows from operating	102,437	109,811
Net Income	122,429	108,606
Adjustments (*1)	2,058	31,117
Decrease (increase) in working capital	-22,050	-29,912
2. Cash Inflows from Interest Revenues	5,318	7,595
3. Cash Outflows for Interest Expenses	-331	-32
4. Cash Inflows from Dividends Income	18	63
5. Refund of Income Tax Expenses	-10,832	-8,435
II. Cash Flows from Investing Activities	-77,220	-111,871
1. Cash Inflows from Investing Activities	103,774	275,199
2. Cash outflows from Investing Activities	-180,994	-387,070
III. Cash Flows from Financing Activities	68	-13,441
1. Cash Inflows from Financing Activities	20,876	12,535
2. Cash outflows from Financing Activities	-20,808	-25,977
IV. Increase (Decrease) in Cash Due to Changes in the Exchange Rate		3
V. Net Increase(Decrease) of Cash (I + II + III)	19,458	-16,308
VI. Cash at the Beginning of the Fiscal Period	77,824	97,282
VII. Cash at the End of the Fiscal Period	97,282	80,973

(*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, %)

	2010	2011	YoY(%)	4Q10	3Q11	4Q11	QoQ(%)	YoY(%)
Sales Revenues	345,510	418,718	21.2%	100,993	102,498	115,908	13.1%	14.8%
Operating Expenses	248,572	301,340	21.2%	73,530	72,422	88,625	22.4%	20.5%
Operating Profit before Other Operating Income and Expenses	96,938	117,378	21.1%	27,463	30,076	27,282	-9.3%	-0.7%
Other Operating Income	3,927	1,724	-56.1%	2,936	82	373	353.4%	-87.3%
Other Operating Expenses	7,019	10,581	50.7%	3,454	416	8,192	1868.4%	137.2%
Operating Profit	93,845	108,521	15.6%	26,945	29,742	19,463	-34.6%	-27.8%
EBITDA	117,278	134,770	14.9%	32,971	36,442	26,560	-27.1%	-19.4%
Financial Income	4,606	23,971	420.4%	1,398	10,357	-3,477	-133.6%	-348.7%
Financial Expenses	1,839	38	-97.9%	1,392	25	1	-96.8%	-99.9%
Net Profit from Continued Operations	96,612	132,454	37.1%	26,951	40,074	15,986	-60.1%	-40.7%
Income Tax Expenses	5,955	26,670	347.9%	4,781	6,532	4,894	-25.1%	2.4%
Net Profit from Discontinued Operations	0	0	-	0	0	0	-	-
Net Profit	90,657	105,784	16.7%	22,170	33,542	11,092	-66.9%	-50.0%

Separate Statements of Financial Position

(Unit: KRW million, %)

	2010	1Q11	2Q11	3Q11	4Q11	QoQ(%)	YoY(%)
Total Assets	421,851	463,459	465,316	495,271	515,632	4.1%	22.2%
Current Assets	252,791	292,354	286,272	301,726	304,316	0.9%	20.4%
Non-Current Assets	169,060	171,105	179,043	193,545	211,316	9.2%	25.0%
Total Liabilities	97,491	109,721	92,577	85,338	97,880	14.7%	0.4%
Current Liabilities	87,013	100,075	83,380	77,816	90,216	1.0%	21.1%
Non-Current Liabilities	10,477	9,646	9,197	7,522	7,663	-18.2%	-31.2%
Total Equity	324,360	353,738	372,739	409,932	417,752	1.9%	28.8%
Stockholders' equities	6,681	6,714	6,747	6,766	6,777	0.2%	1.4%
Additional Paid-in and Other Capital	157,336	162,206	168,601	174,482	176,601	1.2%	12.2%
Capital Adjustments	7,905	6,560	4,730	3,816	-1,646	-143.1%	-120.8%
Accumulated other comprehensive income	3,298	2,918	2,720	1,386	1,446	4.3%	-56.2%
Retained Earnings(Accumulated Deficit)	149,140	175,340	189,940	223,482	234,574	5.0%	57.3%

Separate Statements of Cash Flows

(Unit: KRW million, %)

	2010	2011
I. Cash Flows from Operating Activities	84,597	135,027
1. Cash flows from operating	87,900	124,588
Net Income	90,657	105,589
Adjustments (*1)	21,145	38,929
Decrease (increase) in working capital	-23,902	-19,930
2. Cash Inflows from Interest Revenues	2,988	6,554
3. Cash Outflows for Interest Expenses	-386	0
4. Cash Inflows from Dividends Income	18	11,418
5. Refund of Income Tax Expenses	-5,922	-7,532
II. Cash Flows from Investing Activities	-84,499	-119,467
1. Cash Inflows from Investing Activities	75,048	222,553
2. Cash outflows from Investing Activities	-159,547	-342,020
III. Cash Flows from Financing Activities	-7,443	-14,454
1. Cash Inflows from Financing Activities	12,758	12,506
2. Cash outflows from Financing Activities	-20,201	-26,960
IV. Increase (Decrease) in Cash Due to Changes in the Exchange Rate		
V. Net Increase(Decrease) of Cash (I + II + III)	-7,345	1,107
VI. Cash at the Beginning of the Fiscal Period	69,400	74,565
VII. Cash at the End of the Fiscal Period	62,206	75,672

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



Thank you