



EARNINGS RELEASE

For the year and the quarter ended December 30, 2008 | 2009. 2. 12

Investor Relations

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- Consolidated financial results for the year and the quarter ended December 30, 2008, have been prepared based on consolidated financial statements of Daum Communications Corp. and its six(6) subsidiaries before the completion of an external audit or review and, as such, figures may be subject to change after the completion of audit or review. Daum Communications has prepared consolidated financials statements with subsidiaries which Daum holds more than 50% of shares.
- Subsidiaries:
 - Media SBU (3 subsidiaries):
 - Namu Communications (100%)
 - Daum Service (100%)
 - Twinkle Little Star (82.6%)
 - Global SBU (3 subsidiaries):
 - Lycos US (100%)
 - Lycos Japan (100%)
 - Chihan (100%)
- Please note that all of Profit/Loss accounts; i.e., Operating Profit, EBITDA, and Net Profit in the earnings results are Profit/Loss of controlling company excluding minority interests.

FY2008 & 4Q08 Actual Review

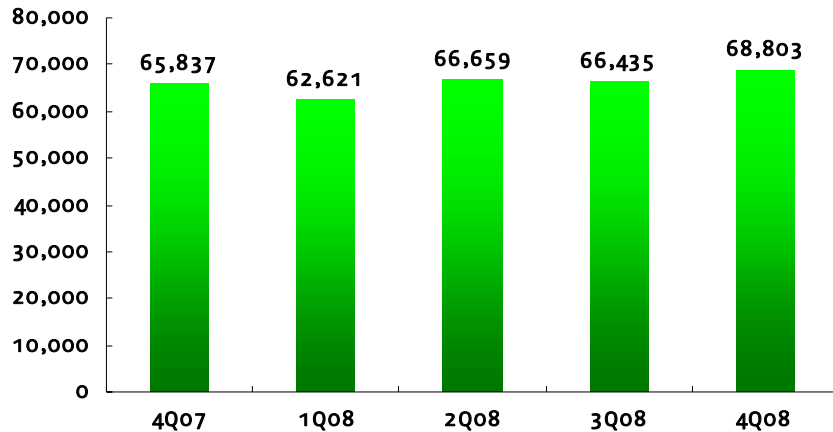
1. Total Consolidated Financials

[Consolidated] Total – Quarterly

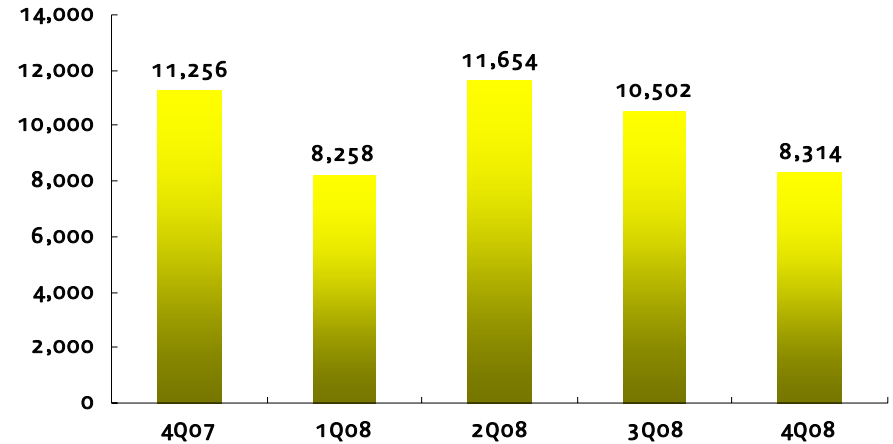


(Unit: KRW million)

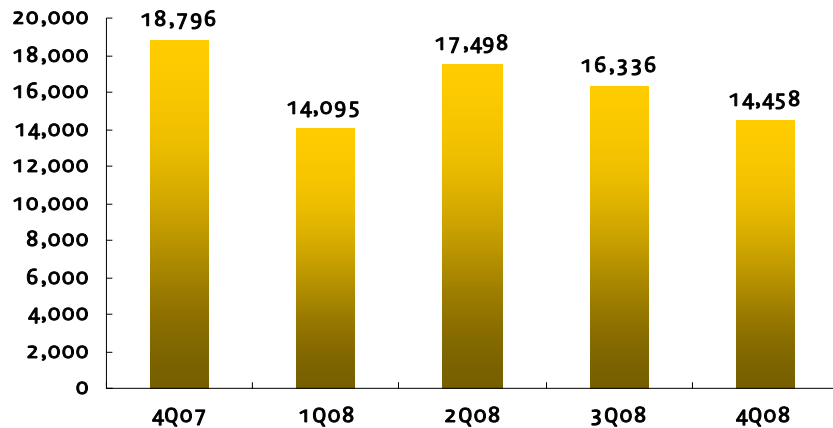
Revenues (QoQ 3.6%, YoY 4.5%)



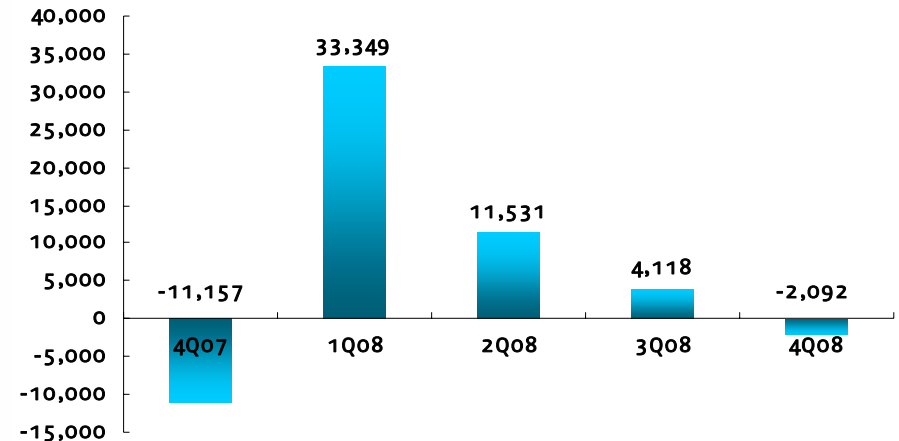
Operating Profit(QoQ -2.2bn, YoY -2.9bn)



EBITDA (QoQ -1.9bn, YoY -4.3bn)



Net Profit (QoQ -6.2bn YoY 9.1bn)

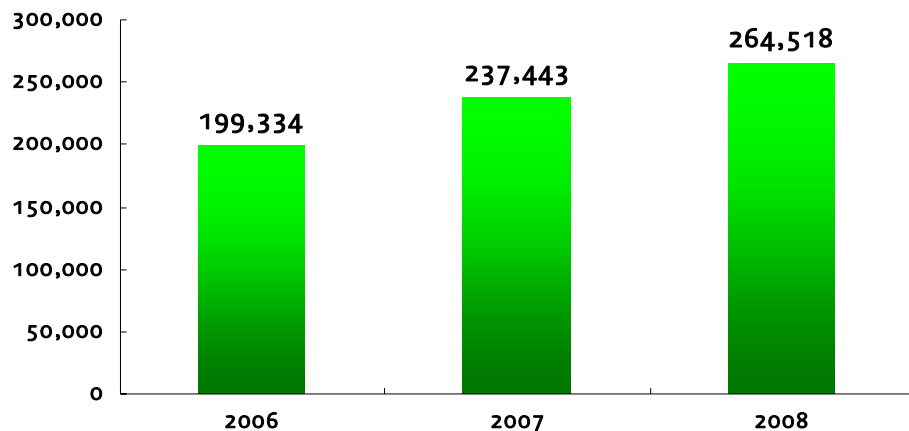


[Consolidated] Total – Yearly

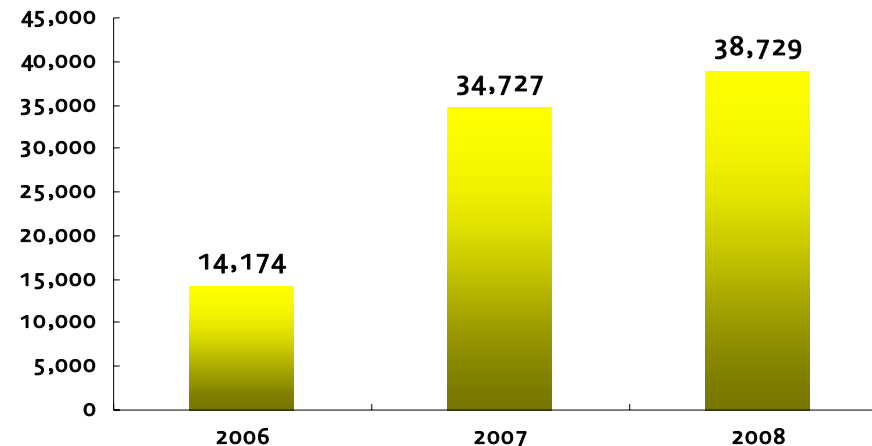


(Unit: KRW million)

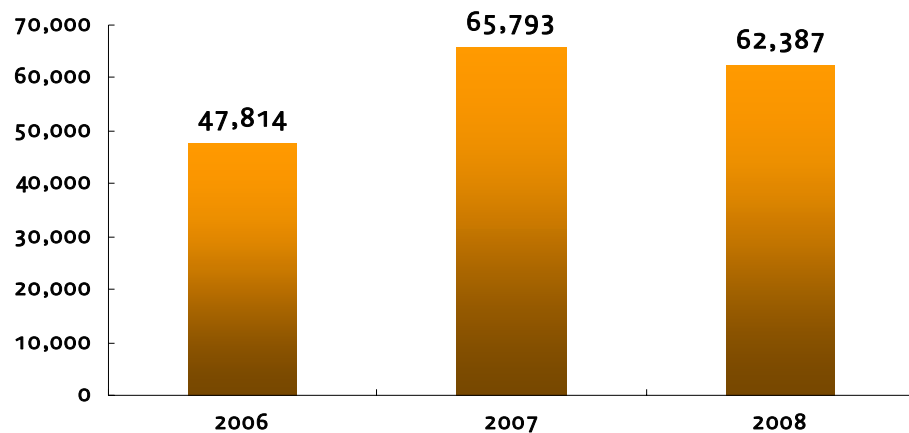
Revenues (YoY 11.4%)



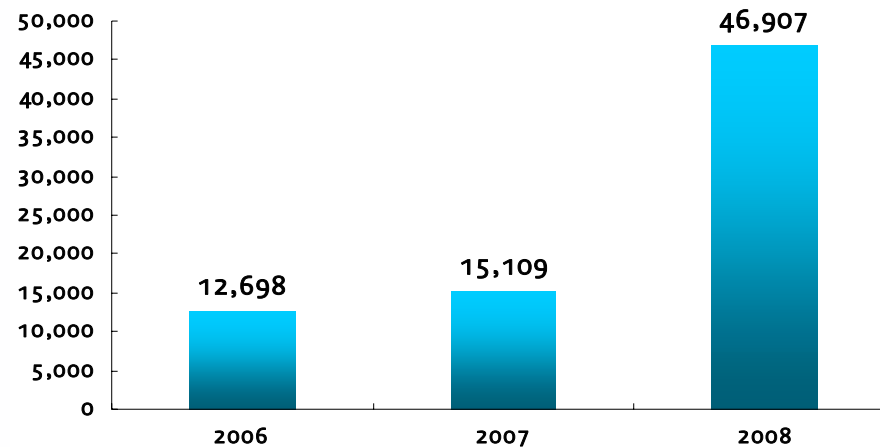
Operating Profit (YoY 4bn)



EBITDA (YoY -3.4bn)



Net Profit (YoY 32bn)



Income Statement

(Unit: KRW million, %)

	2007	2008	YoY	4Q07	3Q08	4Q08	QoQ	YoY
Revenues	237,443	264,518	11.4%	65,837	66,435	68,803	3.6%	4.5%
Media SBU	215,906	237,641	10.1%	60,150	59,523	60,162	1.1%	0.0%
Global SBU	21,537	26,877	24.8%	5,688	6,912	8,641	25.0%	51.9%
Operating Expenses	202,898	225,786	22,888	54,610	55,935	60,514	4,579	5,904
Operating Profit*	34,727	38,729	4,002	11,256	10,502	8,314	-2,188	-2,942
EBITDA*	65,793	62,387	-3,406	18,796	16,336	14,458	-1,877	-4,337
Net Income*	15,109	46,907	31,798	-11,157	4,118	-2,092	-6,211	9,065

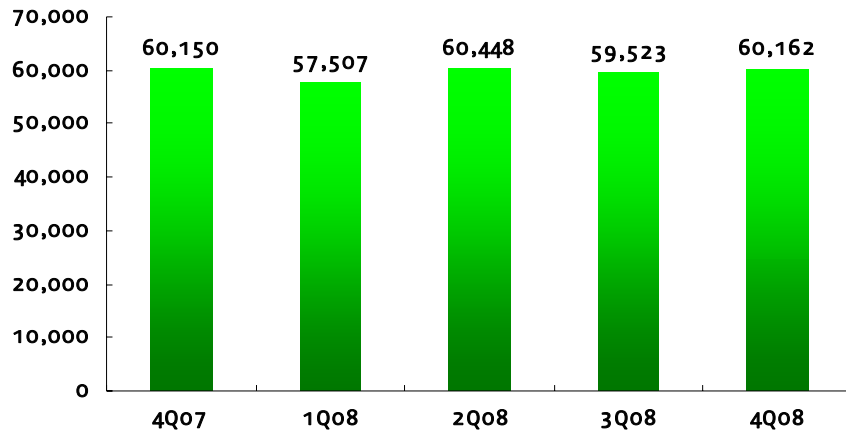
* Profit of Controlling Company (Excluding Minority Interests)

FY2008 & 4Q08 Actual Review

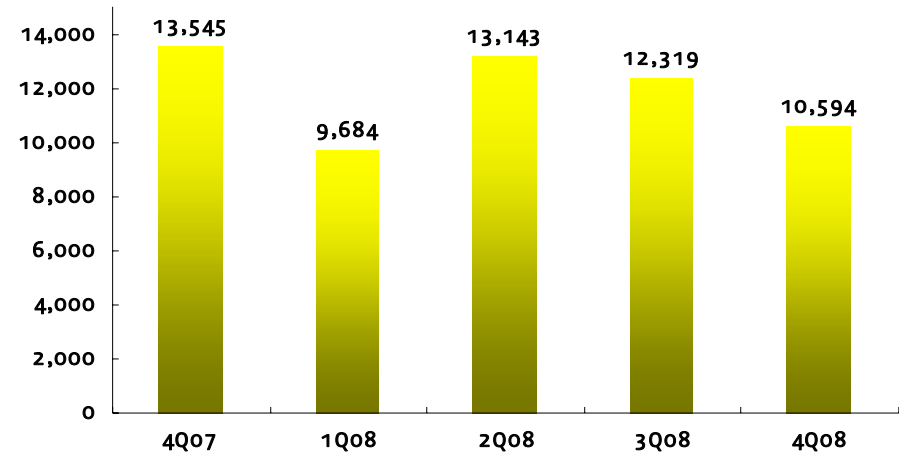
2. Media SBU

(Unit: KRW million)

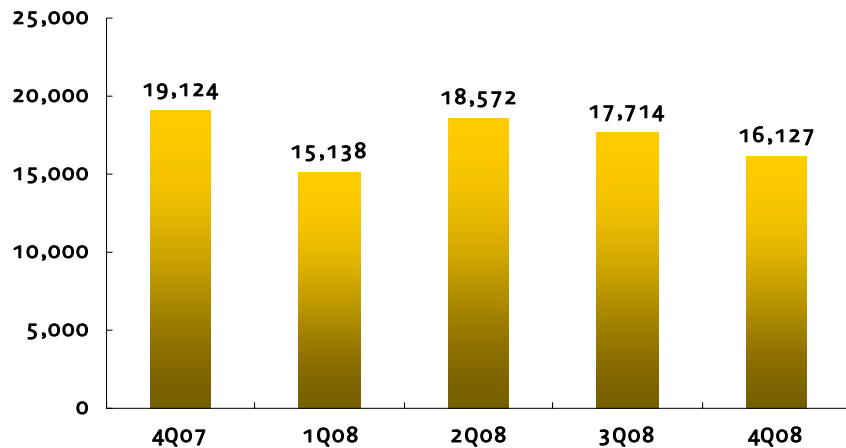
Revenues (QoQ 1.1%, YoY 0.0%)



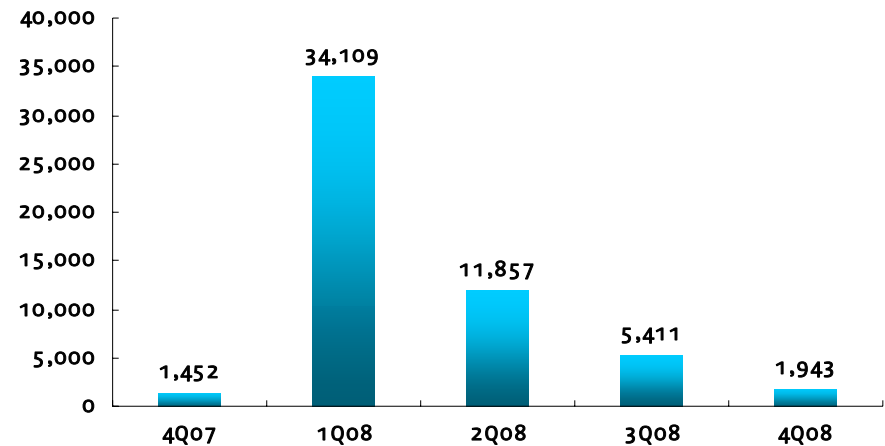
Operating Profit(QoQ -1.7bn, YoY -3.0bn)



EBITDA (QoQ -1.6bn, YoY -3.0bn)

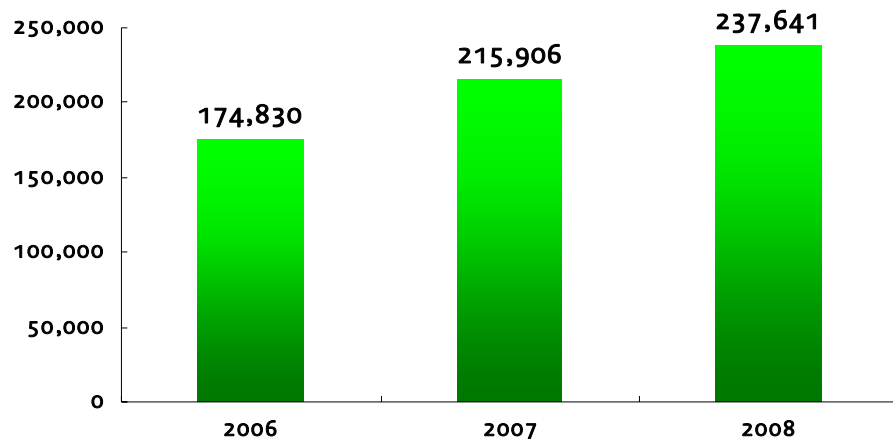


Net Profit (QoQ -3.5bn, YoY 0.5bn)

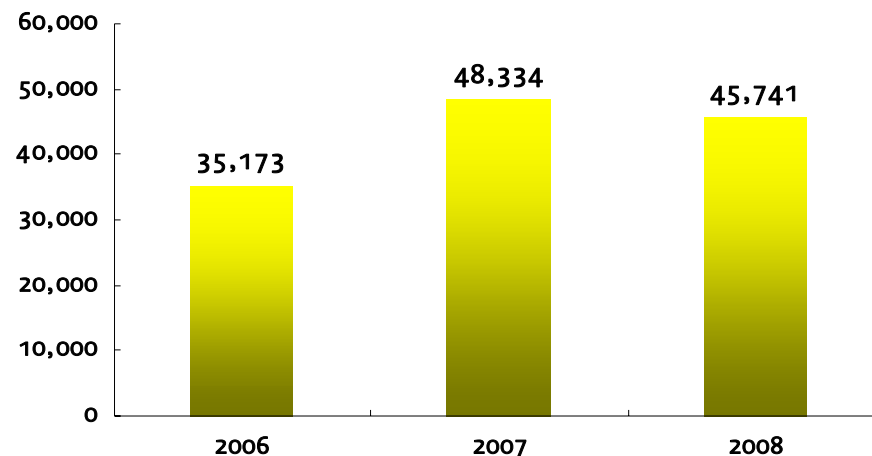


(Unit: KRW million)

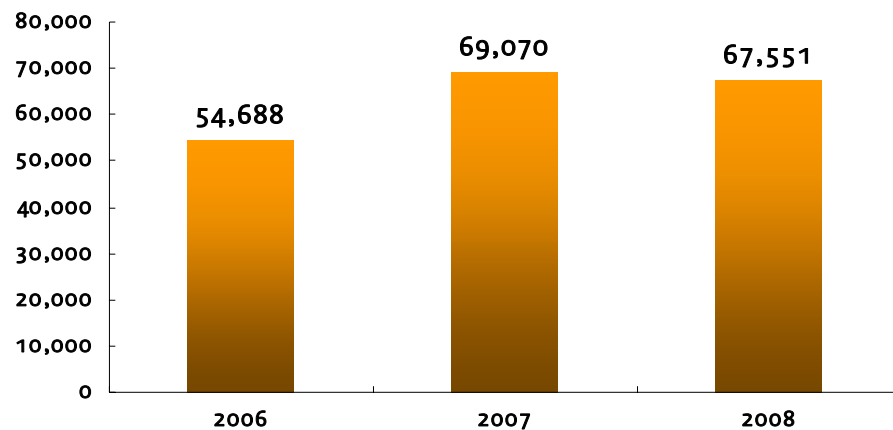
Revenues (YoY 10.1%)



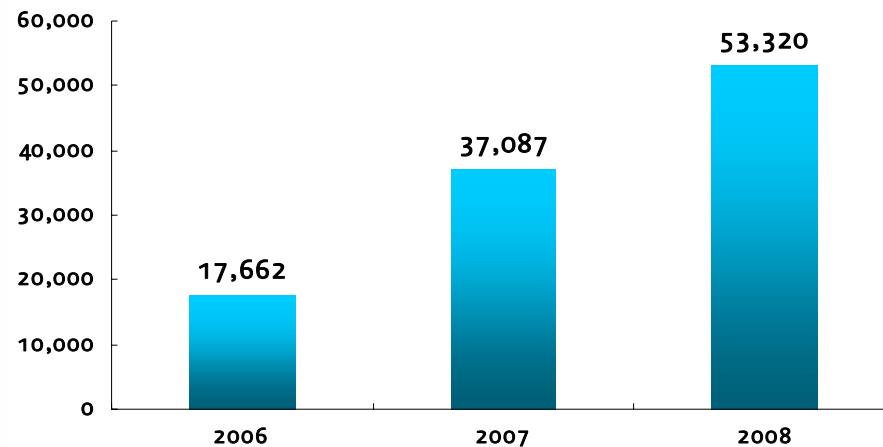
Operating Profit (YoY -2.6bn)



EBITDA (YoY -1.5bn)

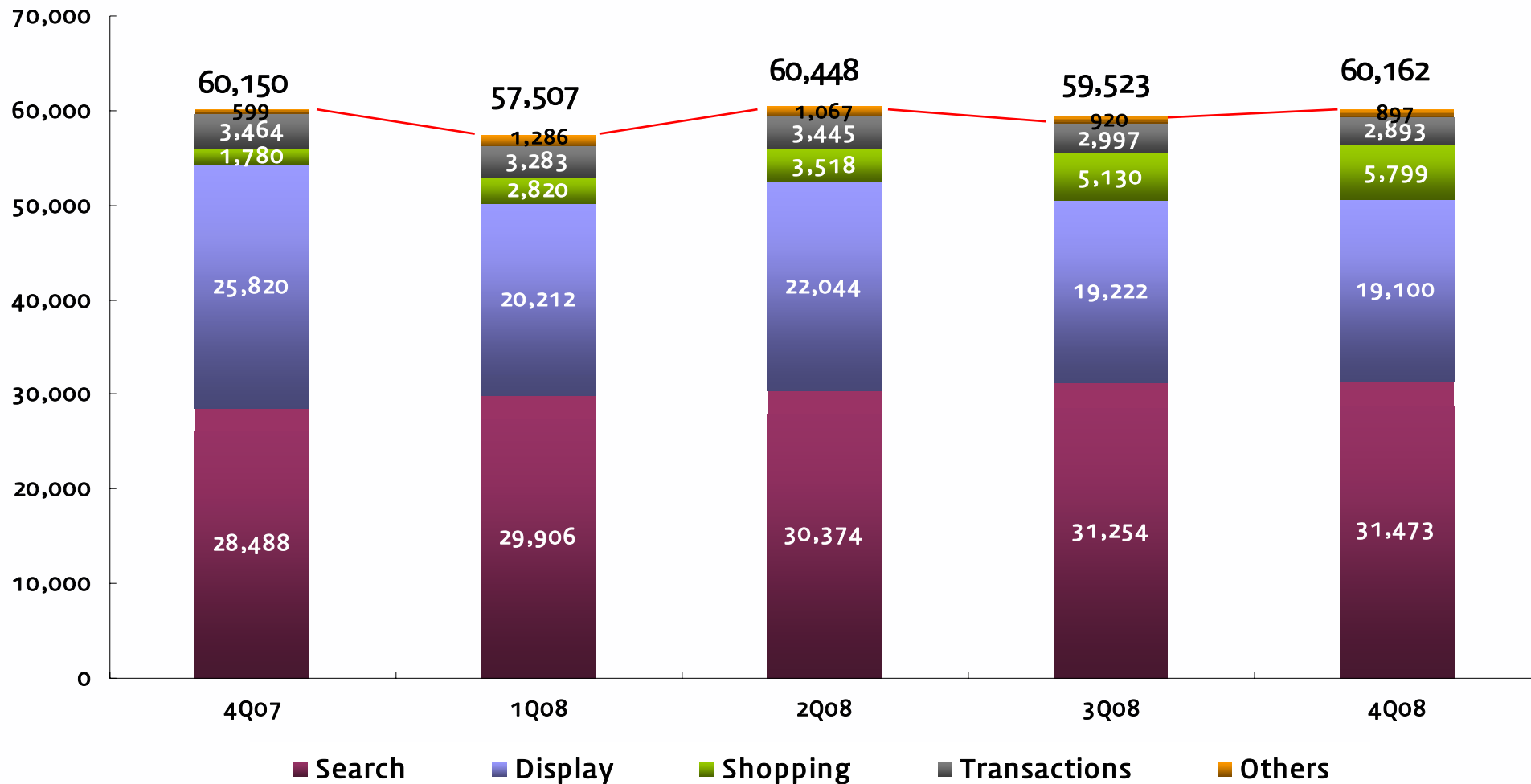


Net Profit (YoY 16.2bn)



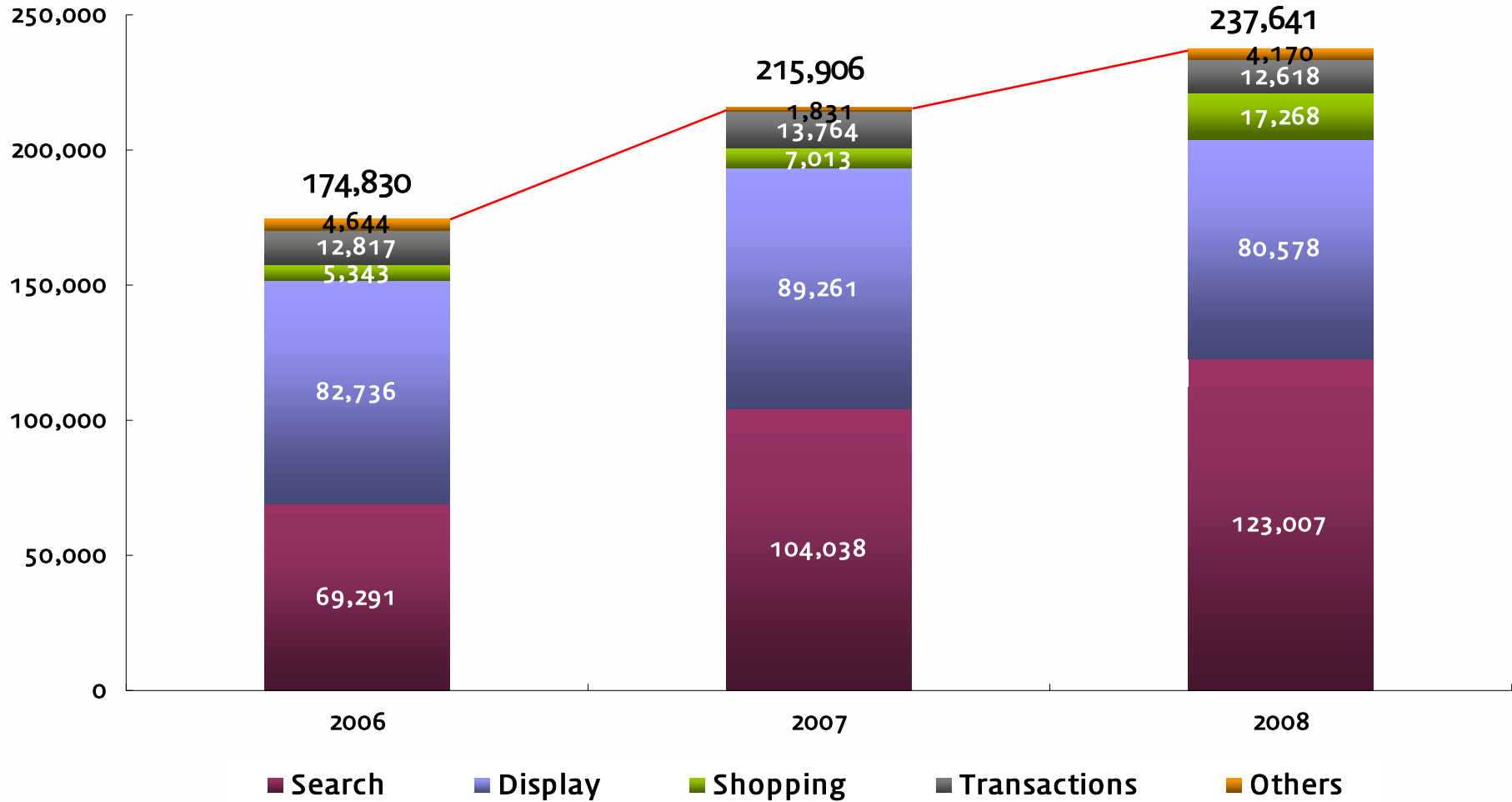
(Unit: KRW million)

Revenues Breakdown



(Unit: KRW million)

Revenues Breakdown



Summary of Income Statement – Media SBU

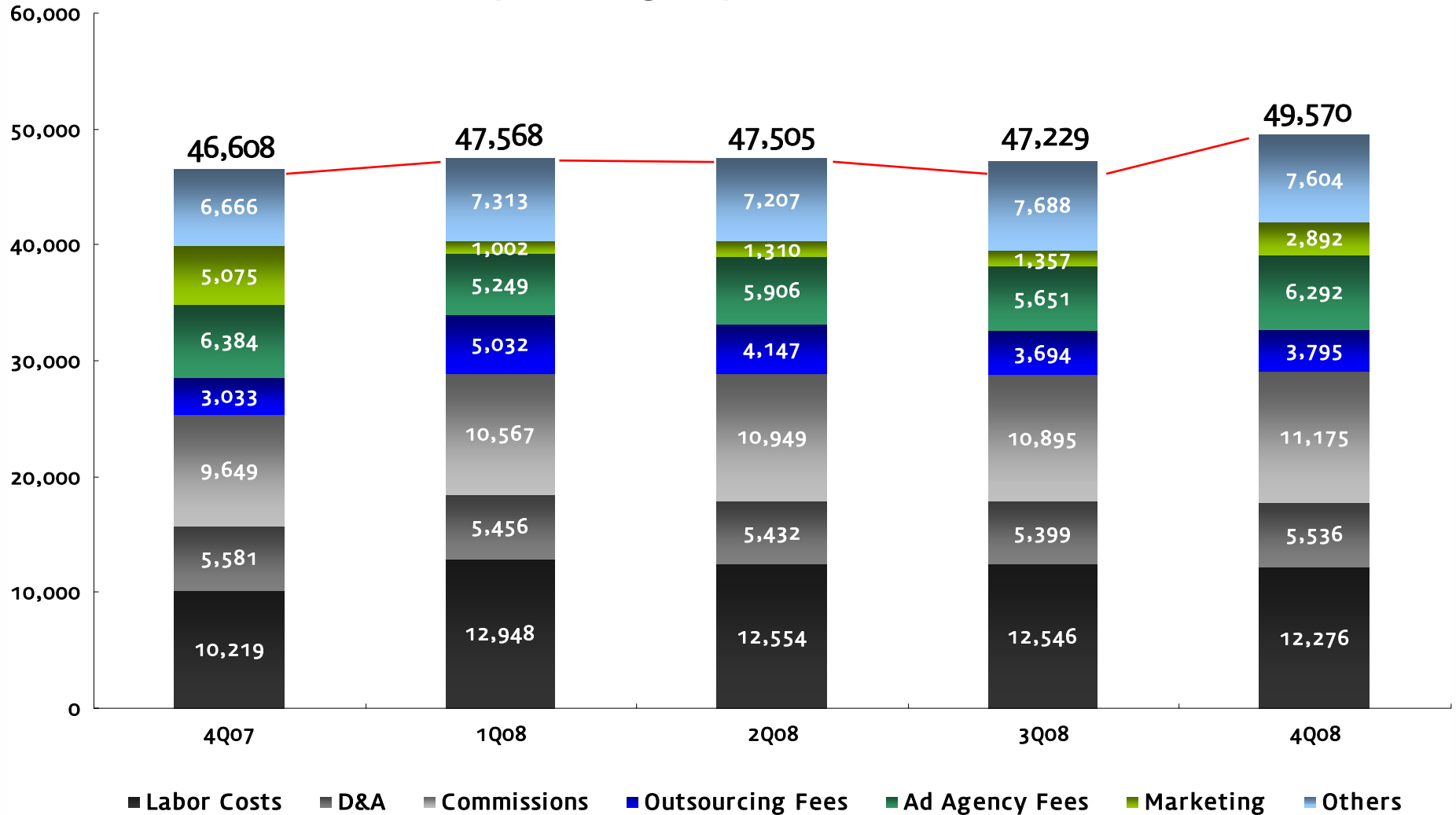
(Unit: KRW million, %)

	2007	2008	YoY	4Q07	3Q08	4Q08	QoQ	YoY
Revenues	215,906	237,641	10.1%	60,150	59,523	60,162	1.1%	0.0%
Search Ads	104,038	123,007	18.2%	28,488	31,254	31,473	0.7%	10.5%
Display Ads	89,261	80,578	-9.7%	25,820	19,222	19,100	-0.6%	-26.0%
Shopping	7,013	17,268	146.2%	1,780	5,130	5,799	13.1%	225.8%
Transactions	13,764	12,618	-8.3%	3,464	2,997	2,893	-3.5%	-16.5%
Others	1,831	4,170	127.8%	599	920	897	-2.5%	49.9%
Operating Expenses	167,584	191,871	24,287	46,608	47,229	49,570	2,341	2,962
Operating Profit*	48,334	45,741	-2,593	13,545	12,319	10,594	-1,724	-2,951
EBITDA*	69,070	67,551	-1,519	19,124	17,714	16,127	-1,587	-2,997
Net Income*	37,087	53,320	16,233	1,452	5,411	1,943	-3,468	491

* Profit of Controlling Company (Excluding Minority Interests)

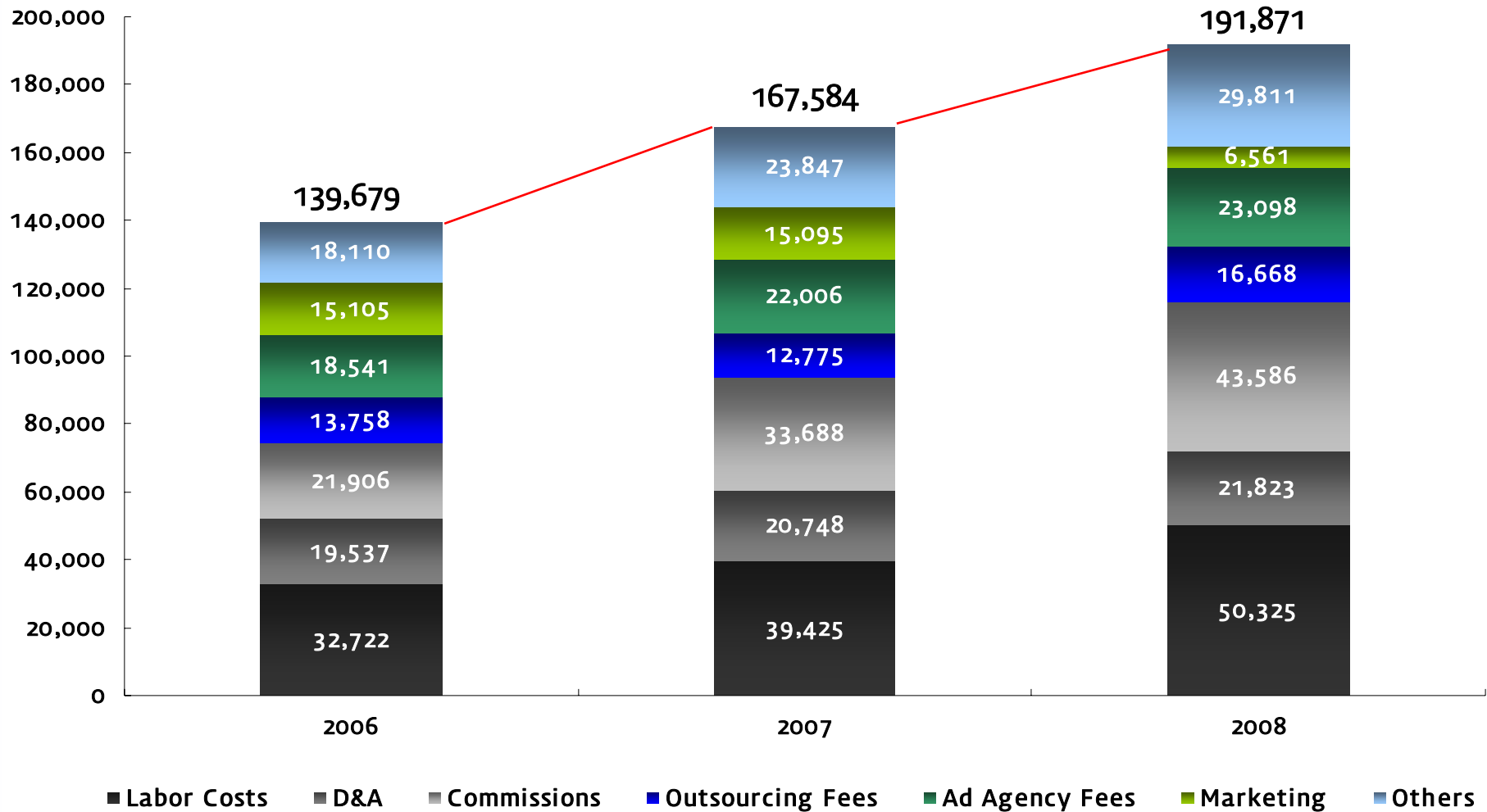
(Unit: KRW million)

Operating Expenses Breakdown



(Unit: KRW million)

Operating Expenses Breakdown



Summary of Operating Expenses

(Unit: KRW million)

	2007	2008	YoY	4Q07	3Q08	4Q08	QoQ	YoY
Operating Expenses	167,584	191,871	24,287	46,608	47,229	49,570	2,341	2,962
Labor Cost	39,425	50,325	10,900	10,219	12,546	12,276	-270	2,057
D&A*	20,748	21,823	1,075	5,581	5,399	5,536	137	-45
Commissions	33,688	43,586	9,897	9,649	10,895	11,175	280	1,526
Outsourcing Fees	12,775	16,668	3,893	3,033	3,694	3,795	101	762
Ad Agency Fees	22,006	23,098	1,092	6,384	5,651	6,292	641	-92
Marketing	15,095	6,561	-8,535	5,075	1,357	2,892	1,535	-2,184
Others	23,847	29,811	5,964	6,666	7,688	7,604	-84	938

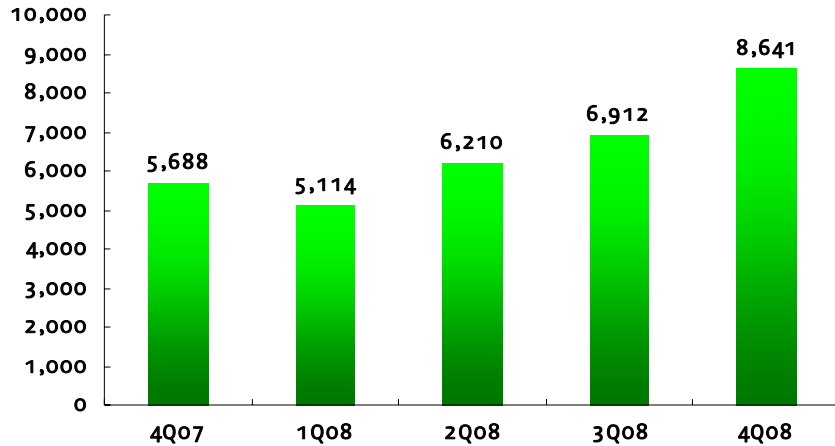
* D&A: Depreciation & Amortization

FY2008 & 4Q08 Actual Review

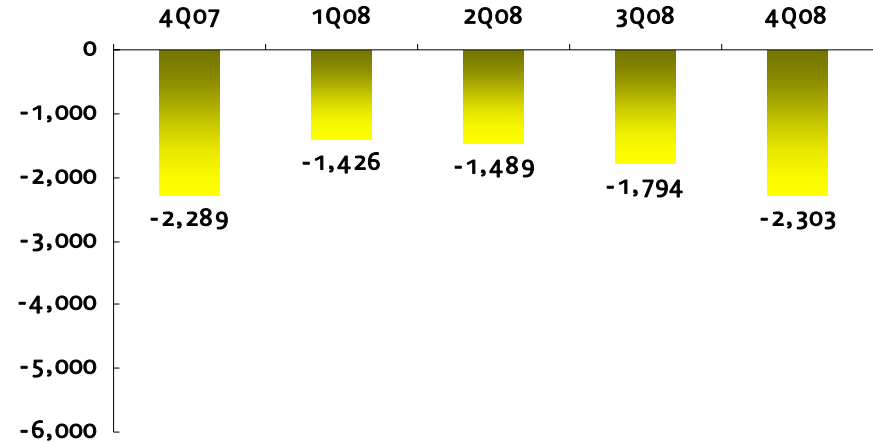
3. Global SBU

(Unit: KRW million)

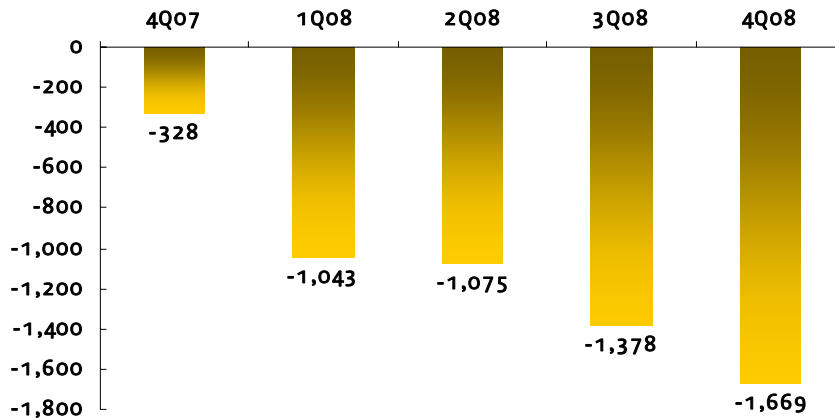
Revenues (QoQ 25.0%, YoY 51.9%)



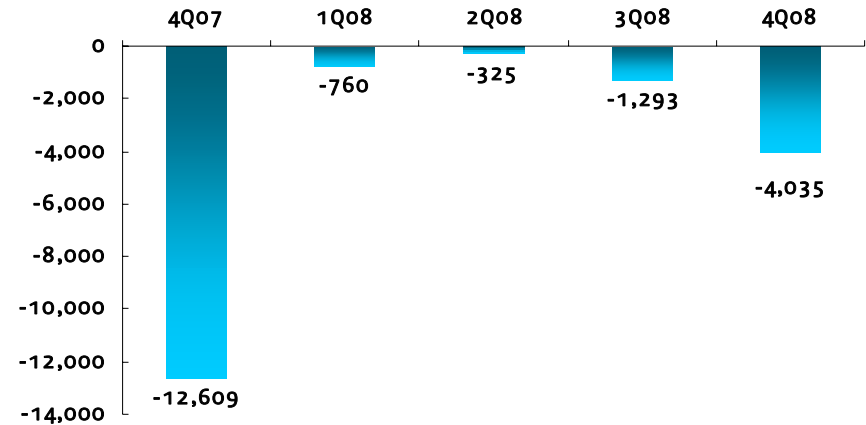
Operating Profit(QoQ -0.5bn, YoY 14mn)



EBITDA (QoQ -0.3bn, YoY -1.3bn)

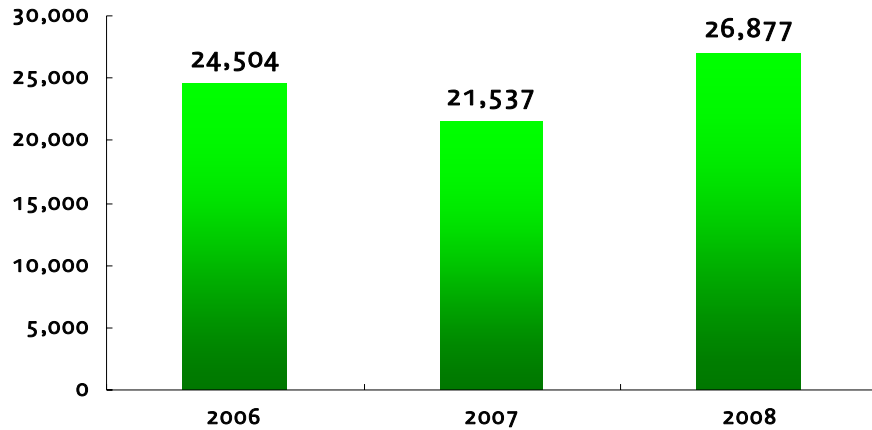


Net Profit (QoQ -2.7bn, YoY 8.6bn)

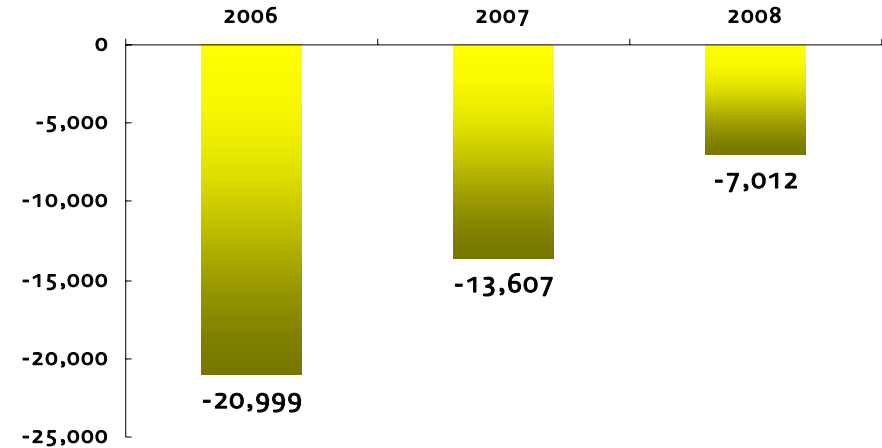


(Unit: KRW million)

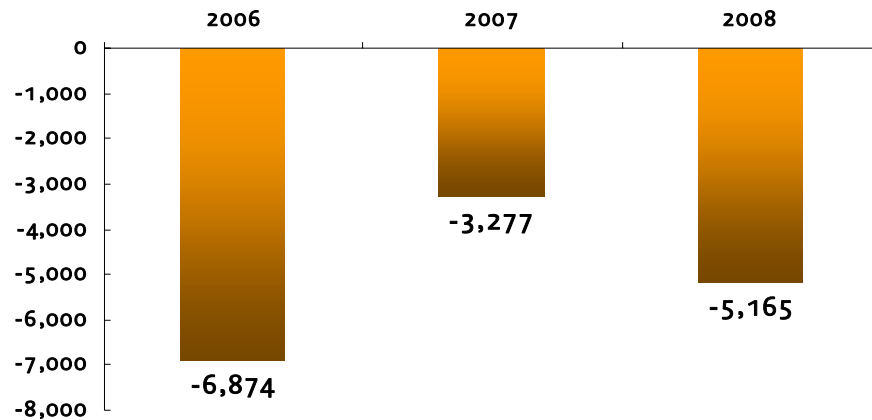
Revenues (YoY 24.8%)



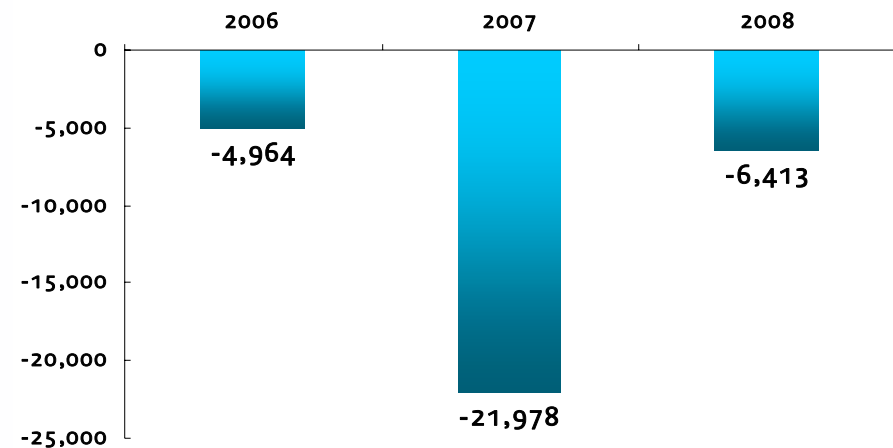
Operating Profit (YoY 6.6bn)



EBITDA (YoY -1.9bn)



Net Profit (YoY 15.6bn)



Summary of Income Statement – Global SBU

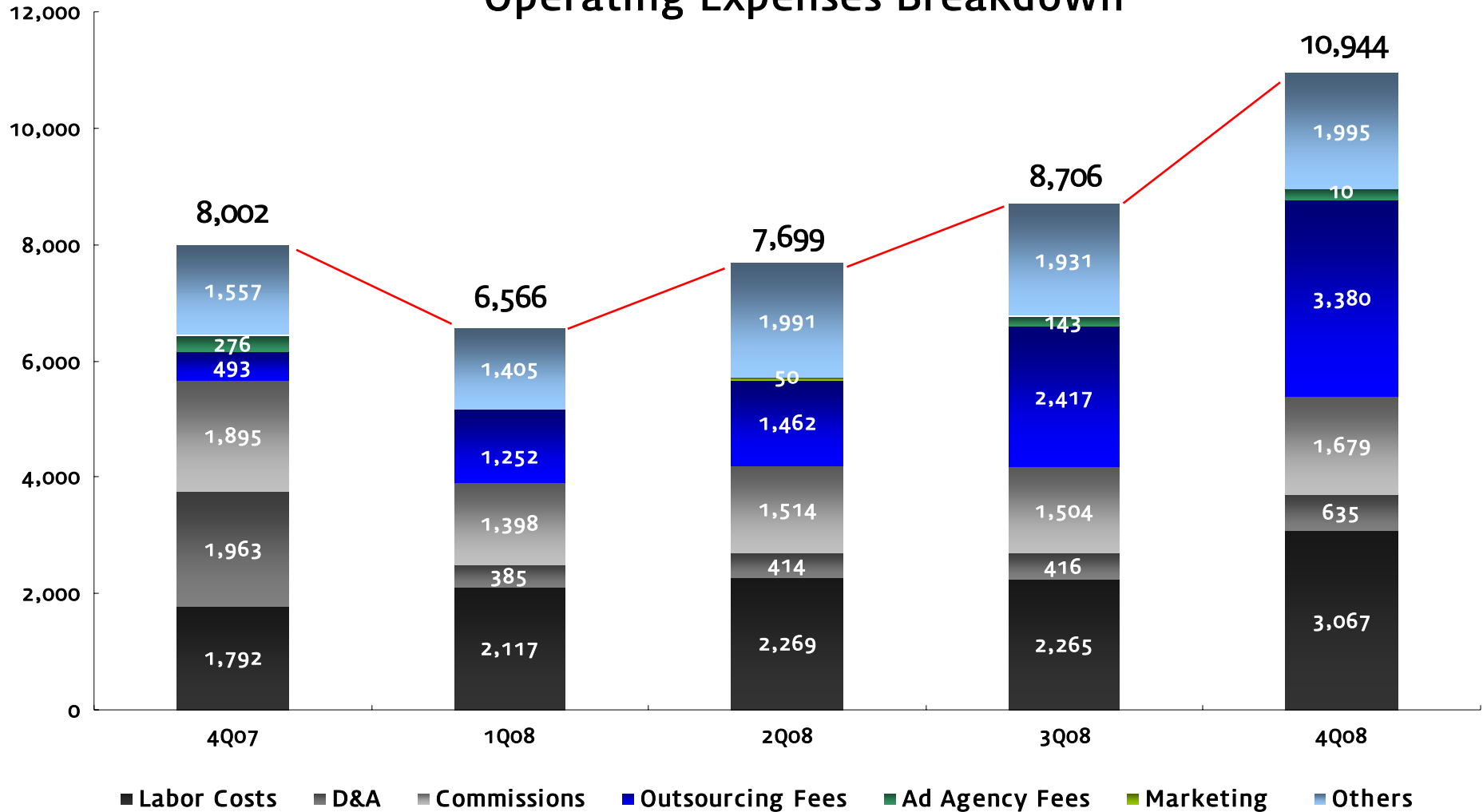
(Unit: KRW million, %)

	2007	2008	YoY	4Q07	3Q08	4Q08	QoQ	YoY
Revenues	21,537	26,877	24.8%	5,688	6,912	8,641	25.0%	51.9%
Operating Expenses	35,314	33,915	-1,399	8,002	8,706	10,944	2,238	2,942
Operating Profit*	-13,607	-7,012	6,595	-2,289	-1,794	-2,303	-510	-14
EBITDA*	-3,277	-5,165	-1,888	-328	-1,378	-1,669	-290	-1,341
Net Income*	-21,978	-6,413	15,565	-12,609	-1,293	-4,035	-2,742	8,574

* Profit of Controlling Company (Excluding Minority Interests)

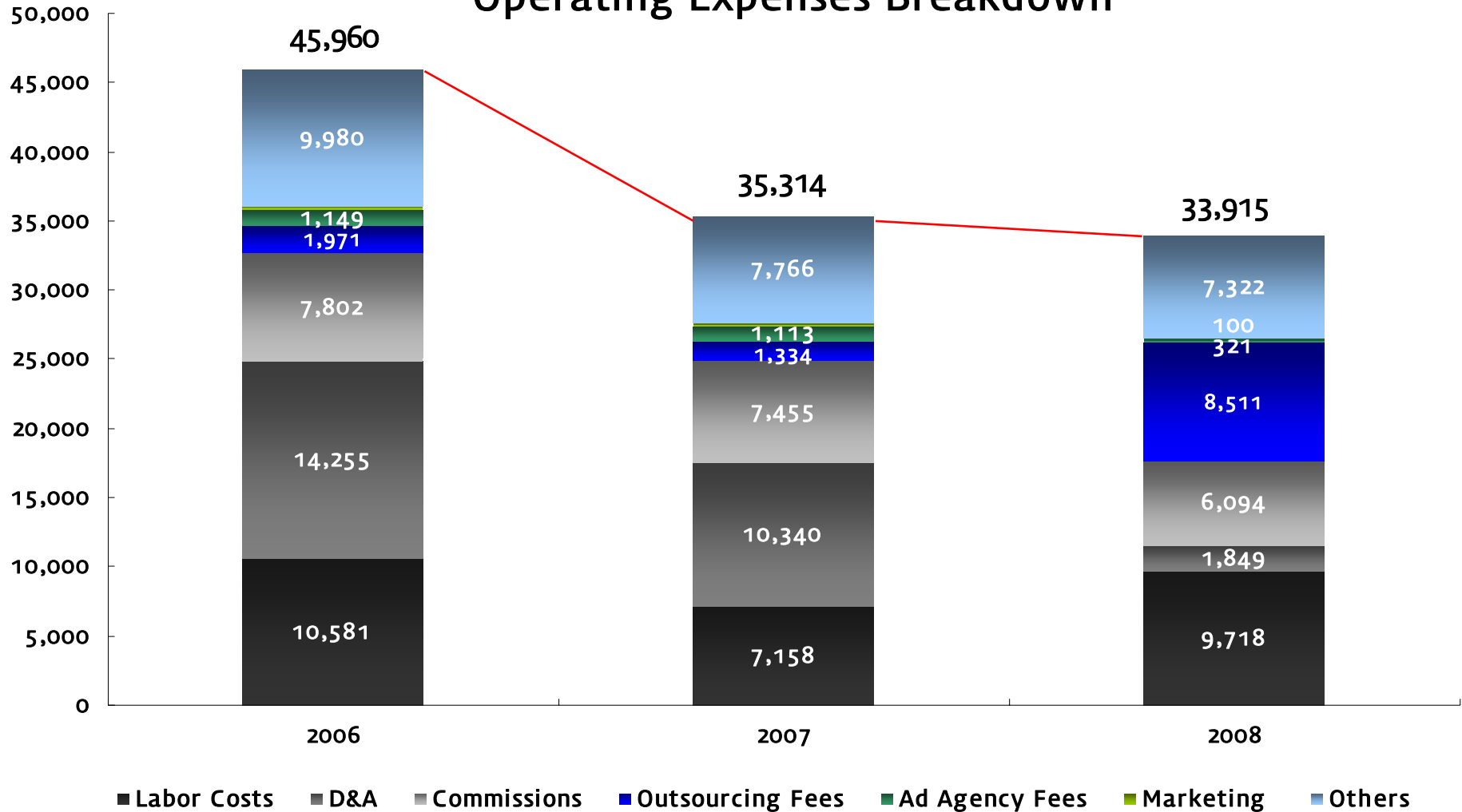
(Unit: KRW million)

Operating Expenses Breakdown



(Unit: KRW million)

Operating Expenses Breakdown



Summary of Operating Expenses – Global SBU

(Unit: KRW million)

	2007	2008	YoY	4Q07	3Q08	4Q08	QoQ	YoY
Operating Expenses	35,314	33,915	-1,399	8,002	8,706	10,944	2,238	2,942
Labor Cost	7,158	9,718	2,561	1,792	2,265	3,067	803	1,275
D&A*	10,340	1,849	-8,491	1,963	416	635	219	-1,328
Commissions	7,455	6,094	-1,361	1,895	1,504	1,679	175	-217
Outsourcing Fees	1,334	8,511	7,177	493	2,417	3,380	963	2,888
Ad Agency Fees	1,113	321	-792	276	143	178	35	-98
Marketing	149	100	-50	26	31	10	-21	-16
Others	7,766	7,322	-444	1,557	1,931	1,995	64	438

* D&A: Depreciation & Amortization

FY2008 & 4Q08 Actual Review

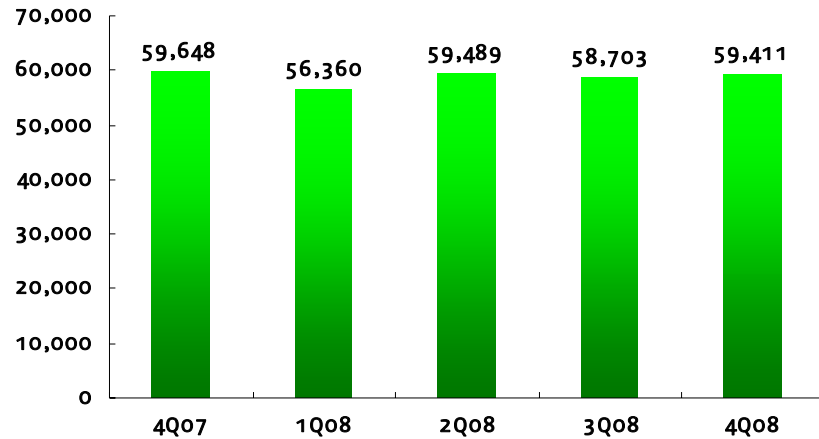
4. Parent Financials

[Parent] Summary of Income Statement – Quarterly

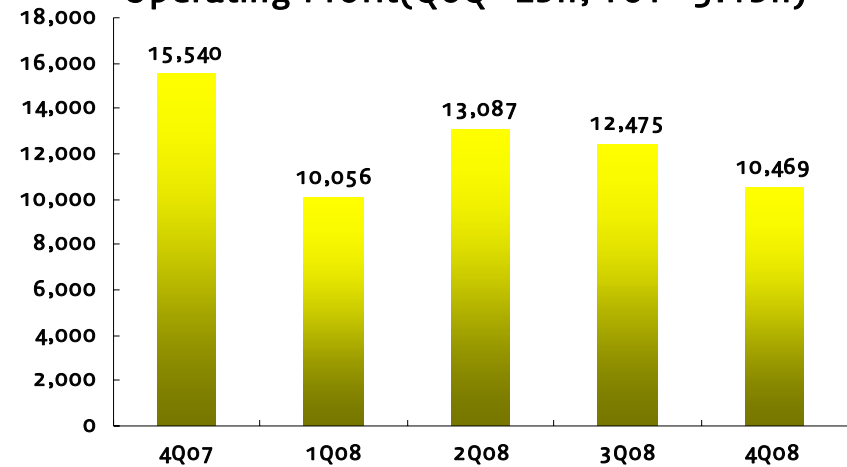


(Unit: KRW million)

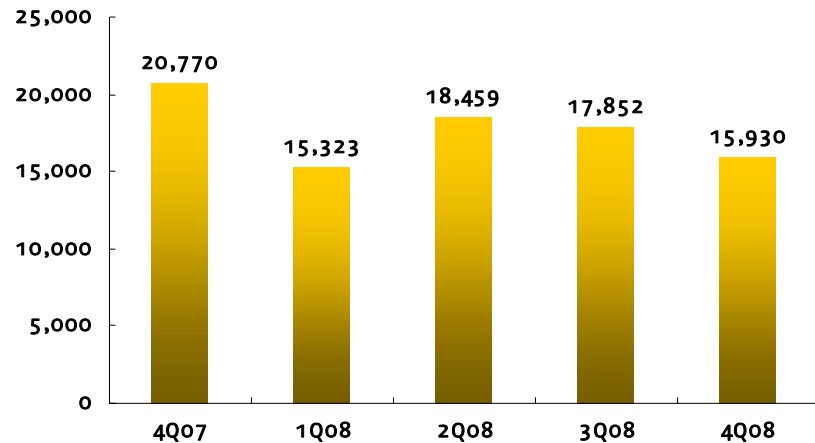
Revenues (QoQ 1.2%, YoY -0.4%)



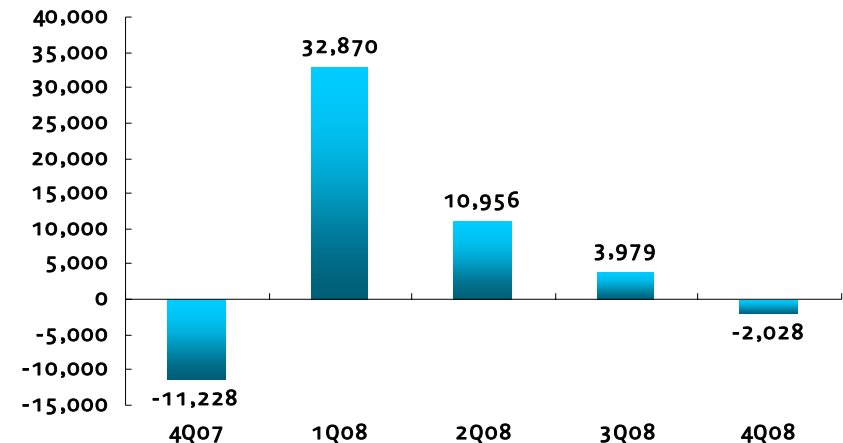
Operating Profit(QoQ -2bn, YoY -5.1bn)



EBITDA (QoQ -1.9bn, YoY -4.8bn)



Net Profit (QoQ -6bn, YoY 9.2bn)

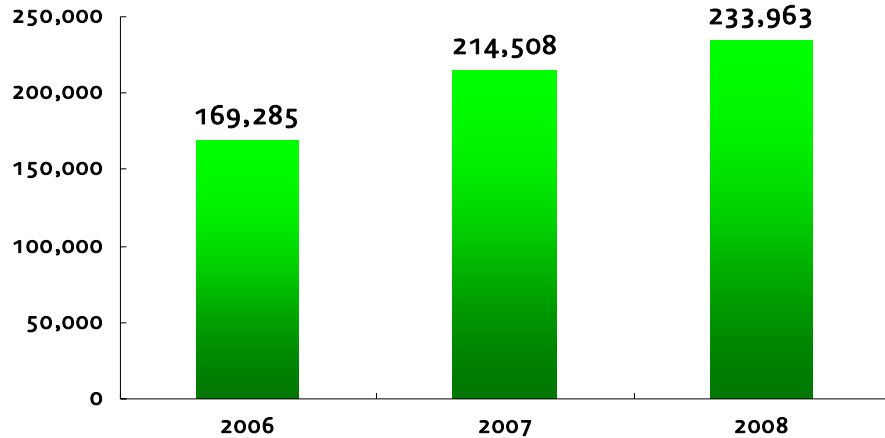


[Parent] Summary of Income Statement – Yearly

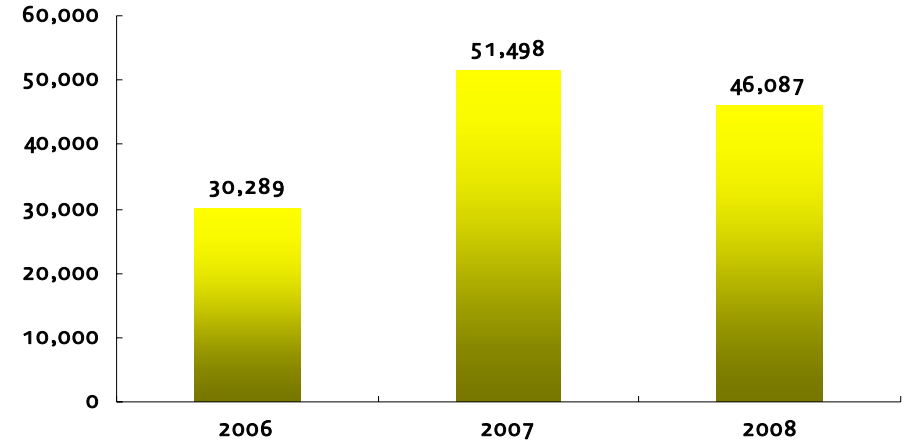


(Unit: KRW million)

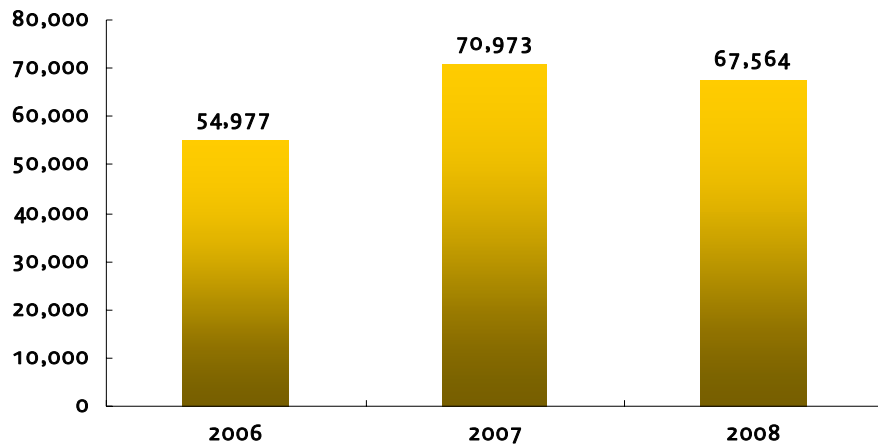
Revenues (YoY 9.1%)



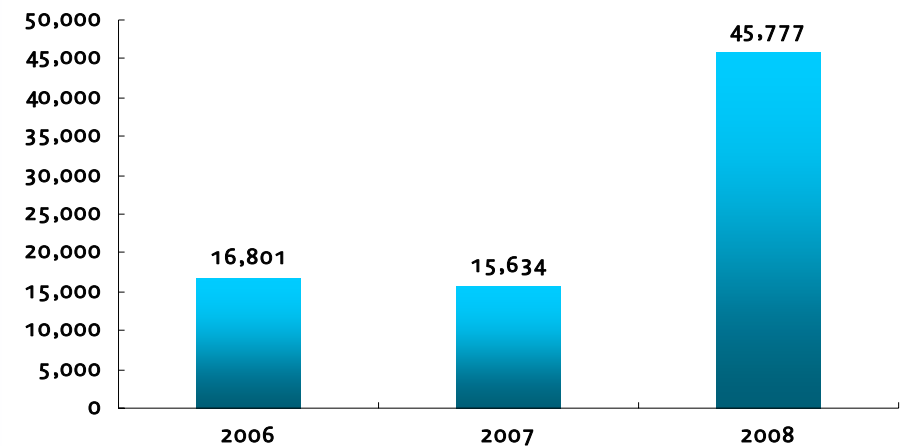
Operating Profit (YoY -5.4bn)



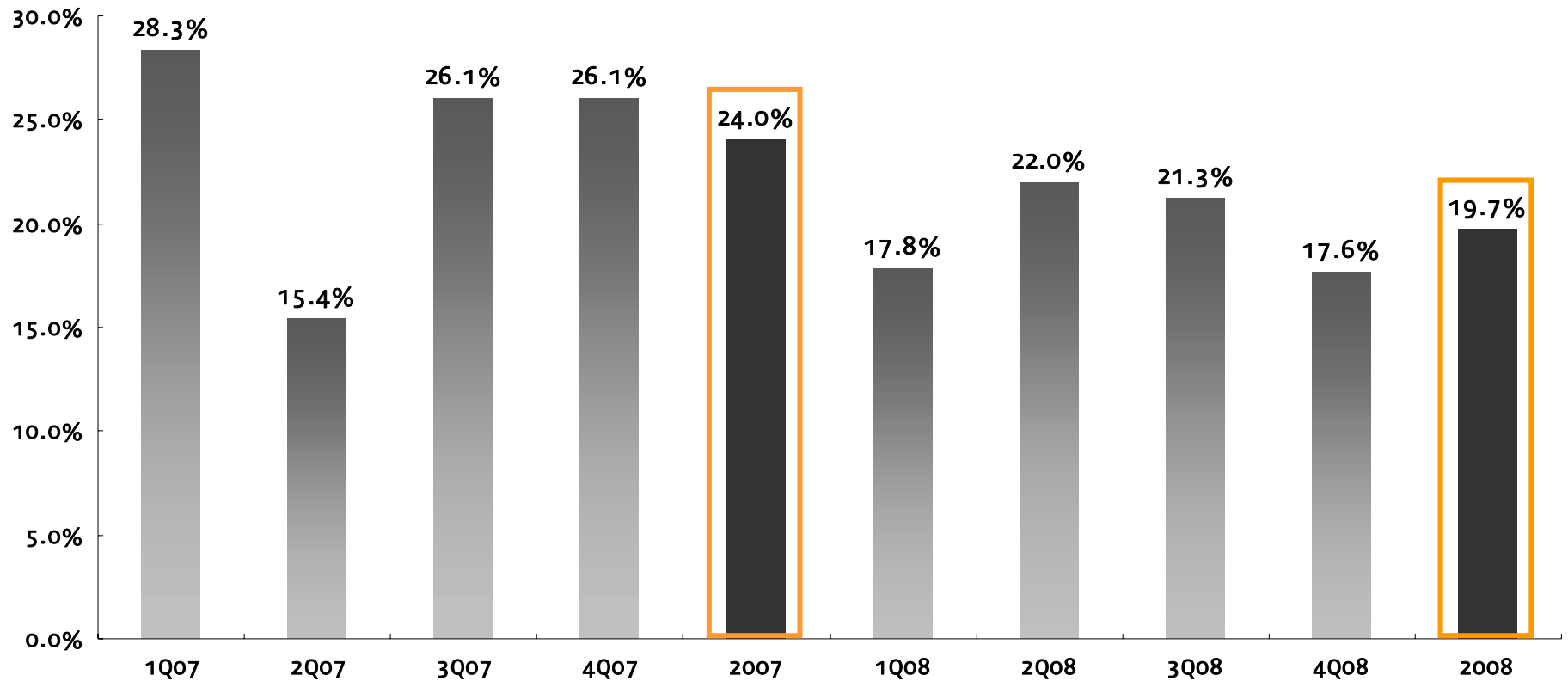
EBITDA (YoY -3.4bn)



Net Profit (YoY 30.1bn)

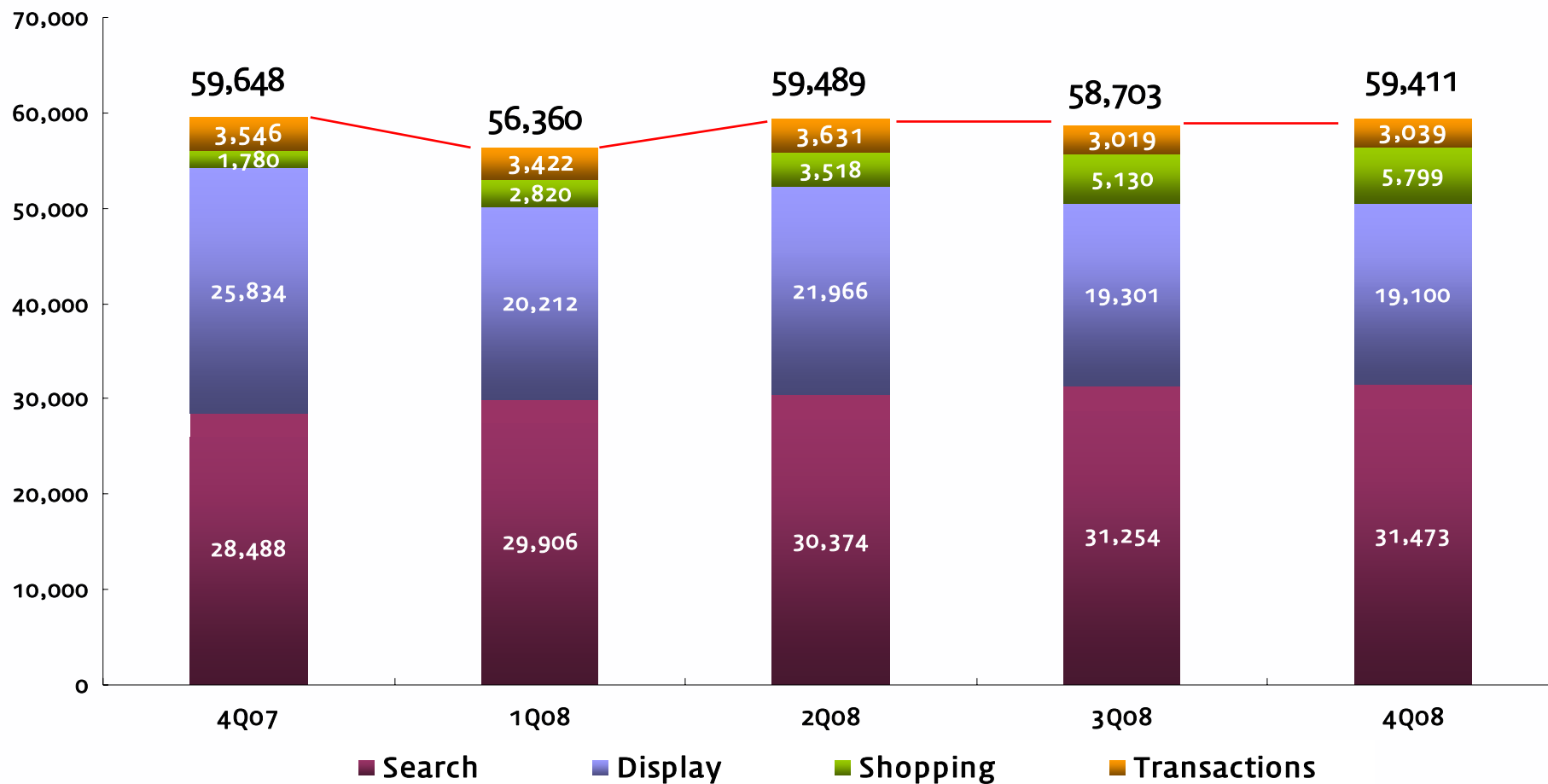


Operating Profit Margin



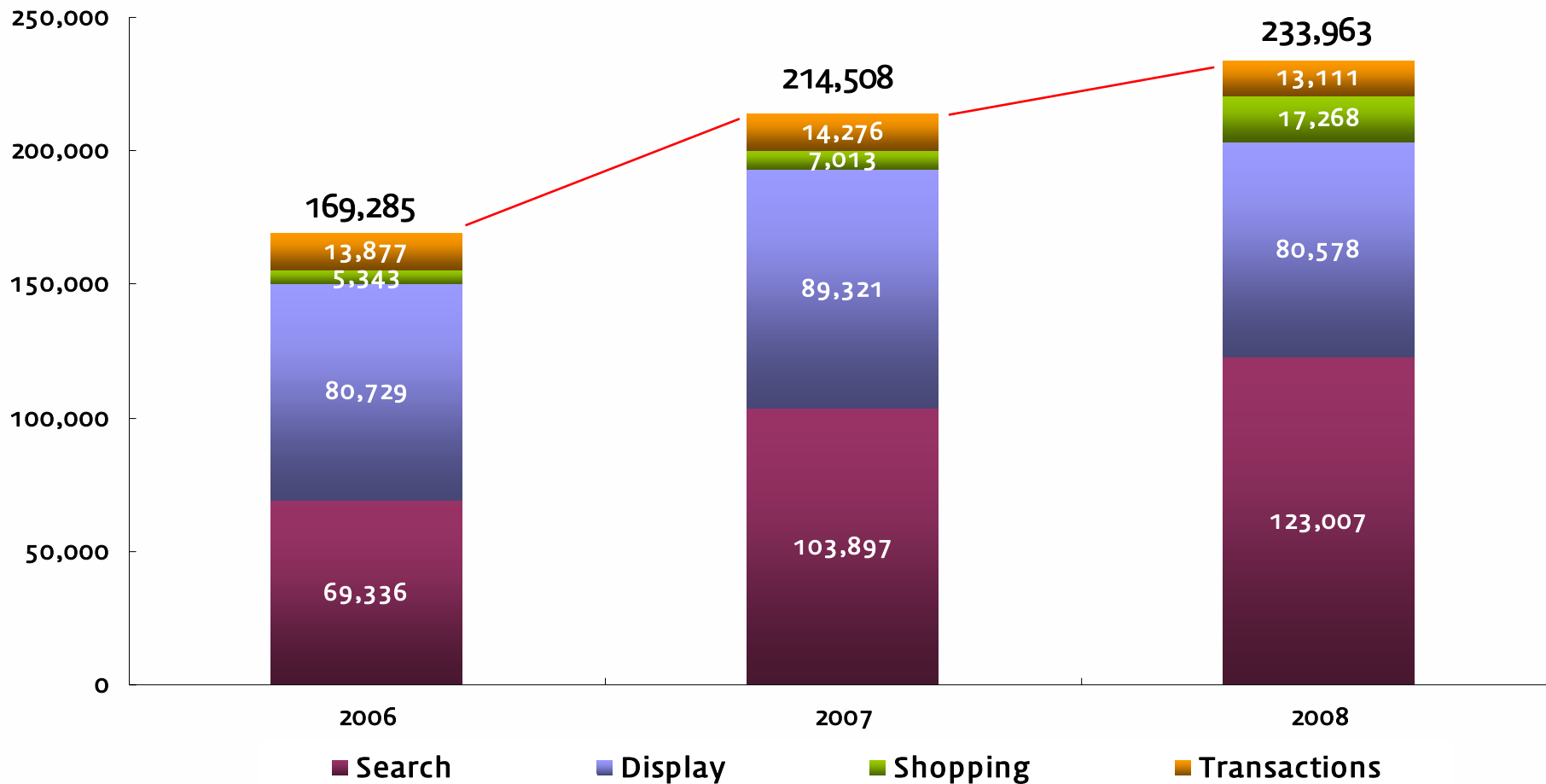
(Unit: KRW million)

Revenues Breakdown



(Unit: KRW million)

Revenues Breakdown



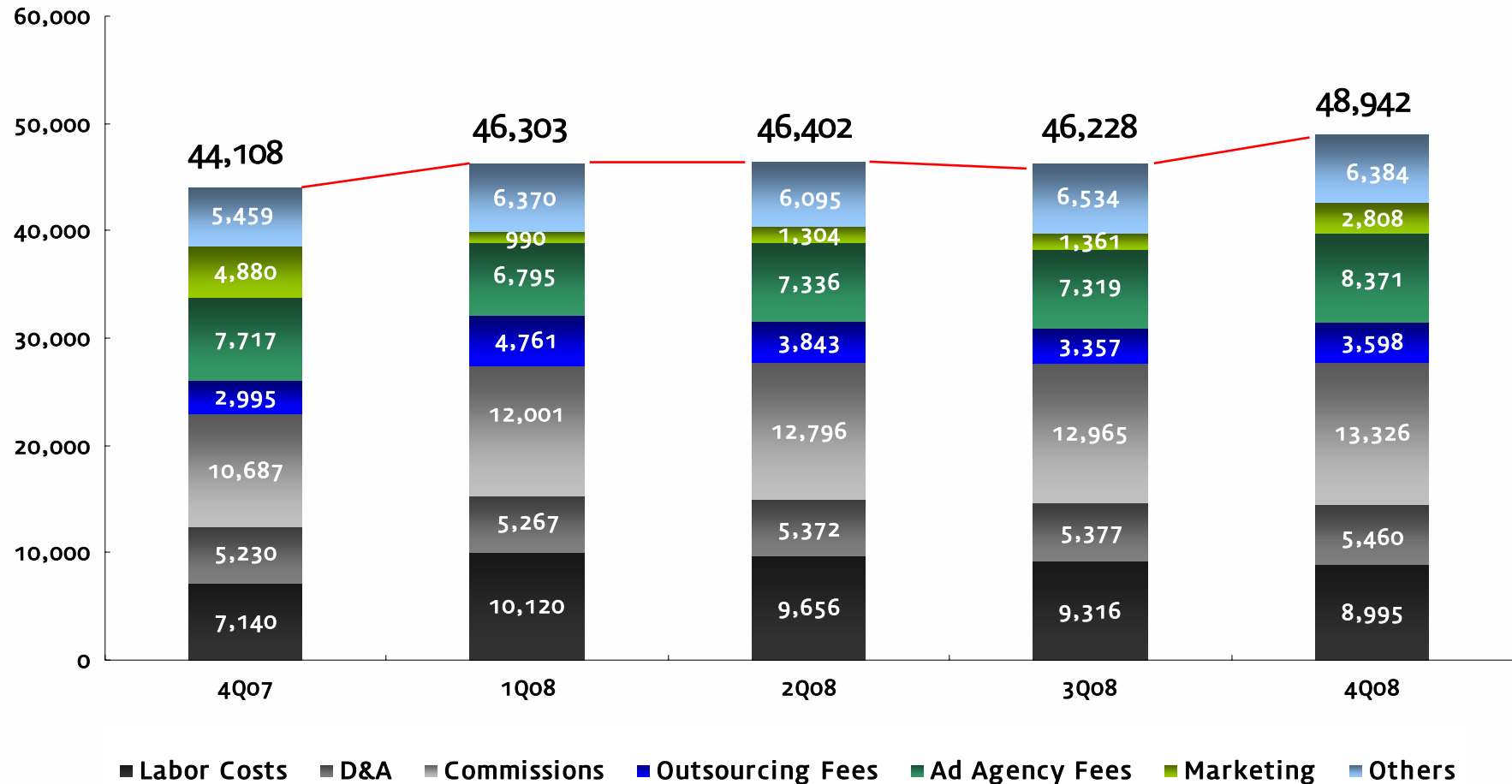
Summary of Income Statement - Parent

(Unit: KRW million, %)

	2007	2008	YoY	4Q07	3Q08	4Q08	QoQ	YoY
Revenues	214,508	233,963	9.1%	59,648	58,703	59,411	1.2%	-0.4%
Search Ads	103,897	123,007	18.4%	28,488	31,254	31,473	0.7%	10.5%
Display Ads	89,321	80,578	-9.8%	25,834	19,301	19,100	-1.0%	-26.1%
Shopping	7,013	17,268	146.2%	1,780	5,130	5,799	13.1%	225.8%
Transactions	14,276	13,111	-8.2%	3,546	3,019	3,039	0.7%	-14.3%
Operating Expenses	163,010	187,876	24,866	44,108	46,228	48,942	2,713	4,834
Operating Profit	51,498	46,087	-5,411	15,540	12,475	10,469	-2,005	-5,071
EBITDA	70,973	67,564	-3,409	20,770	17,852	15,930	-1,922	-4,841
Net Income	15,634	45,777	30,143	-11,228	3,979	-2,028	-6,008	9,200

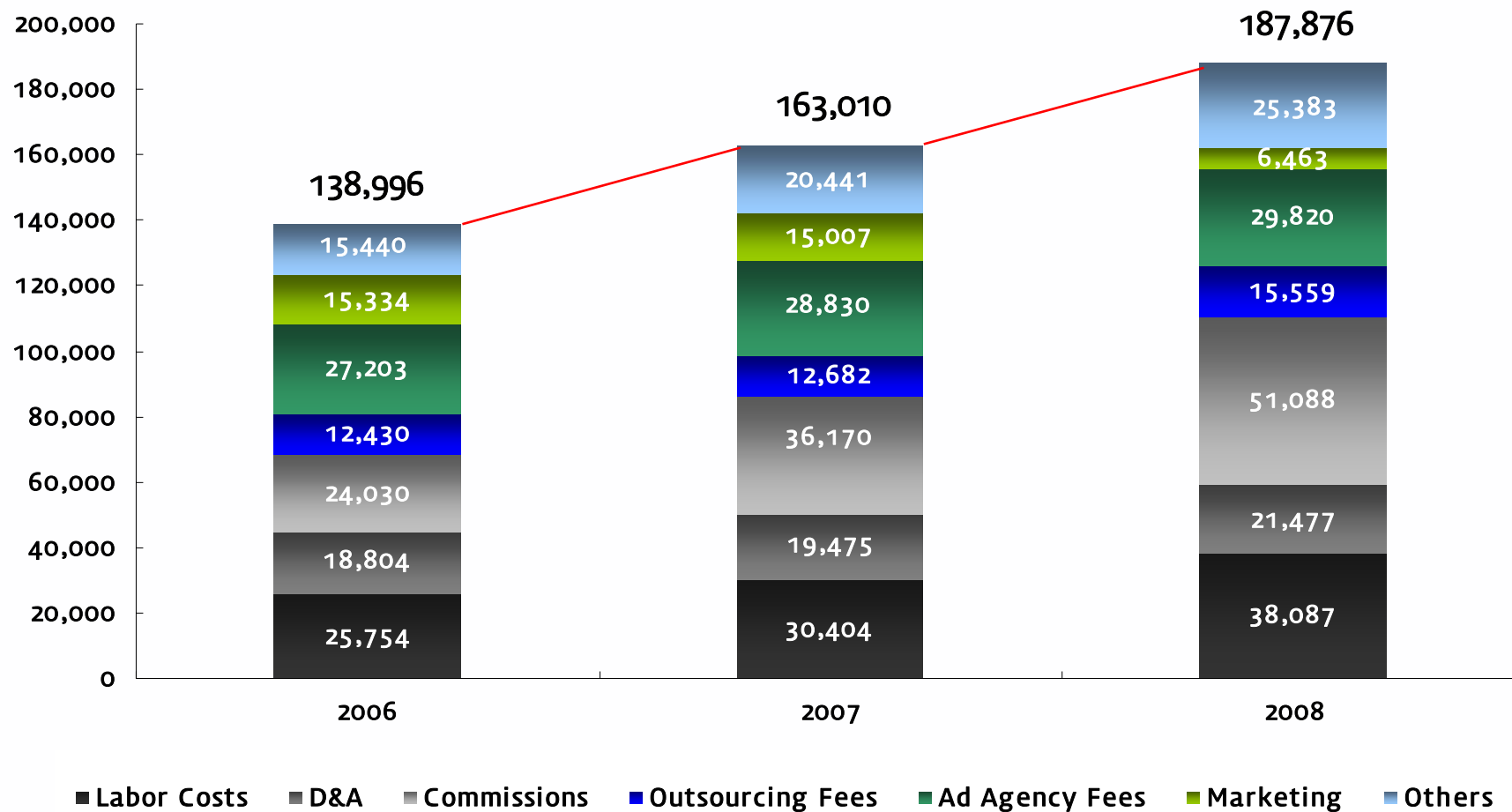
(Unit: KRW million)

Operating Expenses Breakdown



(Unit: KRW million)

Operating Expenses Breakdown



Summary of Operating Expenses

(Unit: KRW million)

	2007	2008	YoY	4Q07	3Q08	4Q08	QoQ	YoY
Operating Expenses	163,010	187,876	24,866	44,108	46,228	48,942	2,713	4,834
Labor Costs	30,404	38,087	7,683	7,140	9,316	8,995	-321	1,855
D&A*	19,475	21,477	2,001	5,230	5,377	5,460	83	230
Commissions	36,170	51,088	14,918	10,687	12,965	13,326	361	2,639
Outsourcing Fees	12,682	15,559	2,877	2,995	3,357	3,598	241	603
Ad Agency Fees	28,830	29,820	990	7,717	7,319	8,371	1,052	655
Marketing	15,007	6,463	-8,544	4,880	1,361	2,808	1,446	-2,072
Others	20,441	25,383	4,941	5,459	6,534	6,384	-150	924

* D&A: Depreciation & Amortization

Equity Method Investments

(Unit: KRW million)

구 분	2007		2008				1Q		2Q		3Q		4Q	
	G/L	Book Value	G/L	Impair G/L	Other G/L	Book Value	G/L	Impair G/L	G/L	Impair G/L	G/L	Impair G/L	G/L	Impair G/L
Namu Communications	-1,099	1,025	1,869	0	0	2,894	122	0	112	0	76	0	1,559	0
Daum Service	230	1,939	831	0	37	2,807	66	0	264	0	269	0	233	0
Twinkle Little Star	-516	1,684	-283	-1,401	0	0	-157	-1,401	-126	0	0	0	0	0
Daum Global Holdings	-14,153	27,888	-8,725	0	7,391	26,554	-1,172	0	-1,807	0	-1,527	0	-4,219	0
Daum Asia	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Open IPTV	0	0	-672	-1,390	5,253	3,191	0	0	-317	0	-76	0	-280	-1,390
Daum Onket	-654	2,182	-1,255	0	0	927	-287	0	-316	0	-319	0	-332	0
Daum Direct	-8,092	7,022	-2,053	0	-567	4,402	-455	0	447	0	-297	0	-1,748	0
Daesung Mimir	-641	1,330	-36	-513	67	849	-55	-513	64	0	58	0	-102	0
ActBiz	0	0	57	-680	623	0	0	-660	82	-20	-16	0	-8	0
Contents Plug	-314	2,717	-154	0	-2,564	0	119	0	-199	0	-74	0	0	0
Lycos Japan	-1,818	228	0	0	-228	0	0	0	0	0	0	0	0	0
DIC	-8,888	0	0	0	0	0	0	0	0	0	0	0	0	0
Tour Express	-341	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	-36,285	46,015	-10,420	-3,984	10,013	41,624	-1,819	-2,574	-1,796	-20	-1,907	0	-4,898	-1,390

- Other Gain/Loss refer to changes in equity due to disposal or acquisition of equity method investments.
- Impairment Gain/Loss refer to impairment gain/loss on equity method investees.

Appendix

- Number of Employees
- Consolidated Financials
- Parent Financials

Number of Employees

SBU	BU	4Q07	1Q08	2Q08	3Q08	4Q08	QoQ	YoY
Media	Daum Communications	794	878	909	943	968	25	174
	Namu Communications	195	197	209	221	254	33	59
	Contents Plug	33	37	35	36	0	-36	-33
	Daum Service	150	242	284	320	332	12	182
	Twinkle Little Star		33	33	33	33	0	33
	Media SBU		1,172	1,387	1,470	1,553	1,587	34
Global	Lycos	77	79	82	81	82	1	5
	Lycos Japan	17	17	17	16	2	-14	-15
	Chihan	14	12	12	4	2	-2	-12
	Global SBU	108	108	111	101	86	-15	-22
Total Consolidated		1,280	1,495	1,581	1,654	1,673	19	393

* Note: The above number of employees include full-time and part-time employees

Income Statement

(Unit: KRW million, %)

	2007	2008	YoY	4Q07	3Q08	4Q08	QoQ	YoY
Revenues	237,443	264,518	11.4%	65,837	66,435	68,803	3.6%	4.5%
Media SBU	215,906	237,641	10.1%	60,150	59,523	60,162	1.1%	0.0%
Global SBU	21,537	26,877	24.8%	5,688	6,912	8,641	25.0%	51.9%
Operating Expenses	202,898	225,786	22,888	54,610	55,935	60,514	4,579	5,904
Operating Profit*	34,727	38,729	4,002	11,256	10,502	8,314	-2,188	-2,942
Media SBU*	48,334	45,741	-2,593	13,545	12,319	10,594	-1,724	-2,951
Global SBU*	-13,607	-7,012	6,595	-2,289	-1,794	-2,303	-510	-14
Non-operating profit	12,348	50,169	37,821	988	2,480	3,530	1,050	2,542
Non-operating expenses	30,567	19,325	-11,242	21,738	2,502	10,068	7,566	-11,671
Tax expense	1,364	22,606	21,242	1,646	6,280	3,912	-2,368	2,266
Net Income	14,962	46,970	32,008	-11,169	4,198	-2,161	-6,359	9,008
Profit of Minority Interests	-147	63	211	-12	80	-69	-149	-57
Profit of Controlling Company*	15,109	46,907	31,798	-11,157	4,118	-2,092	-6,211	9,065

* Profit of Controlling Company (Excluding Minority Interests)

Balance Sheet

(Unit: KRW million)

	4Q07	3Q08	4Q08	QoQ	YoY
Total assets	232,732	290,555	297,846	7,291	65,114
1. Current assets	126,443	148,552	171,896	23,344	45,453
Quick assets	126,443	148,552	171,896	23,344	45,453
2. Non-current assets	106,288	142,002	125,950	-16,052	19,662
Investments	28,662	49,362	29,601	-19,761	939
Tangible assets	55,955	77,113	79,079	1,966	23,124
Intangible and other non-current assets	21,671	15,527	17,270	1,743	-4,401
Total Liabilities	119,410	116,486	125,732	9,246	6,322
1. Current Liabilities	83,125	93,392	103,119	9,727	19,994
2. Non-current Liabilities	36,285	23,094	22,613	-481	-13,672
Total shareholders' equity	113,322	174,068	172,114	-1,954	58,792
1. Stockholders' equity	6,443	6,482	6,482	0	39
2. Additional paid-in capital	119,589	142,397	141,310	-1,087	21,721
3. Capital Adjustments	5,599	9,136	10,131	995	4,532
4. Other cumulative gain/loss	-6,451	-14,107	-13,831	276	-7,380
5. Retained earnings	-11,936	30,323	28,118	-2,205	40,054
6. Minority interests	77	-163	-95	68	-172

Cash Flow

(Unit: KRW million)

	FY2006	FY2007	FY2008
1. Cash flows from operating activities	39,369	84,306	48,715
Net Income (Loss)	11,801	15,109	46,907
Depreciation	19,842	20,052	19,098
Amortization	18,858	16,405	4,574
Impairment loss(gain) on intangible assets, net	31,223	12,522	1,457
Accrual of severance benefits	2,076	3,692	635
Loss (gain) on foreign currency translation, net	1,310	-23	-662
Loss (gain) on valuation of equity-method investees, net	5,500	2,168	4,112
Loss (gain) on disposal of equity-method investment, net	-13,116	-6,168	-40,213
Decrease (increase) in working capital	-21,236	-1,105	2,528
Others	-16,890	21,654	10,279
2. Cash flows from investing activities	33,935	-47,097	4,452
Decrease (increase) of securities or financial instruments	15,863	-12,615	40,119
Disposal (acquisition) of plant & equipment	10,731	-25,645	-23,726
Disposal (acquisition) of real property & buildings	-7,503	-519	-12,711
Disposal (acquisition) of intangible assets	-1,263	-4,756	-2,711
Others	16,107	-3,562	3,480
3. Cash flows from financing activities	-22,610	-14,145	1,157
Proceeds from (repayment of) short-term borrowings	20,691	-21,402	0
Proceeds from (repayment of) PPE	0	-7,900	0
Increase (repayment) of bonds	-20,000	15,000	0
Increase (repayment) of current portion of long-term debts	-31,901	-30,352	-2,384
Increase (decrease) in capital lease obligation	-4,030	0	0
Proceeds from exercise of stock option	5,740	14,786	3,304
Others	6,890	15,722	237
4. Cash flows from foreign currency translation	0	279	1,078
5. Cash flows from changes in subsidiaries	0	-913	-63,447
6. Net increase of cash (1+2+3+4+5)	50,694	22,431	-8,046
7. Beginning of the year	15,425	66,119	88,550
8. End of the year (6+7)	66,119	88,550	80,504

* In case of change in subsidiaries such as disposal of a business unit, Cash Flow Statement reflects the accumulated effect as of the most recent quarterly earnings date. (As for the Income Statement and Balance Sheet, past figures have been normalized for each earnings release period and date.)

Income Statement

(Unit: KRW million)

	2007	2008	YoY	4Q07	3Q08	4Q08	QoQ	YoY
Operating revenues	214,508	233,963	9.1%	59,648	58,703	59,411	1.2%	-0.4%
Operating expenses	163,010	187,876	24,866	44,108	46,228	48,942	2,713	4,834
Operating profit	51,498	46,087	-5,411	15,540	12,475	10,469	-2,005	-5,071
Non-operating income	9,126	47,544	38,418	336	2,264	2,951	687	2,615
Interest income	1,183	3,080	1,896	295	892	1,138	246	843
Gain on disposal of equity-method investments	6,330	39,913	33,583	0	0	-550	-550	-550
Gain on valuation of equity-method investees	230	2,758	2,528	-11	387	1,716	1,329	1,727
Non-operating expense	43,539	25,703	-17,836	25,355	4,017	12,058	8,041	-13,297
Interest expense	4,432	2,773	-1,659	752	683	694	11	-57
Loss on valuation of equity-method investees	36,515	13,177	-23,337	24,402	2,294	6,614	4,320	-17,788
Donation	1,676	2,087	410	180	405	714	309	534
Income before tax expense	17,085	67,928	50,844	-9,479	10,722	1,363	-9,359	10,842
Income tax expense	1,451	22,151	20,700	1,749	6,742	3,391	-3,352	1,641
Net income	15,634	45,777	30,143	-11,228	3,979	-2,028	-6,008	9,200

Balance Sheet

(Unit: KRW million)

	4Q07	3Q08	4Q08	QoQ	YoY
Total assets	220,875	275,120	283,677	8,557	62,802
1. Current assets	87,957	128,708	142,807	14,099	54,850
Quick assets	87,957	128,708	142,807	14,099	54,850
2. Non-current assets	132,918	146,412	140,869	-5,543	7,951
Investments	59,689	60,328	52,123	-8,205	-7,566
Tangible assets	53,904	73,599	75,331	1,732	21,427
Intangible & other non-current assets	19,325	12,485	13,415	930	-5,910
Total liabilities	106,570	99,865	108,965	9,100	2,395
1. Current liabilities	70,407	77,850	86,420	8,570	16,013
2. Non-current liabilities	36,163	22,015	22,544	529	-13,619
Total shareholders' equity	114,305	175,255	174,712	-543	60,407
1. Stockholders' equity	6,443	6,482	6,482	0	39
2. Additional paid-in capital	129,822	133,522	133,522	0	3,700
3. Capital Adjustments	5,604	8,549	9,544	995	3,940
4. Other Cumulative Gains/Losses	-16,707	-10,247	-9,756	491	6,951
5. Retained Earnings (Deficit)	-10,857	36,949	34,921	-2,028	45,778
Cash(1)*	21,515	66,949	81,607	14,658	60,093
Interest-bearing Debt(2)	38,117	35,994	35,924	-70	-2,193
Net Cash(1-2)	-16,603	30,955	45,683	14,729	62,286

*(1)Cash = Cash & Cash Equivalents - Government Subsidy + Short Term Financial Instruments

Cash Flows

(Unit: KRW million)

	2006	2007	2008
1. Cash flows from operating activities	8,621	56,697	57,728
Net income	16,801	15,634	45,777
Depreciation	15,112	15,307	17,397
Accrual of severance benefits	0	0	2,432
Loss (gain) on foreign currency translation, net	-206	-4	-104
Loss (gain) on valuation of equity-method investments, net	12,359	36,285	10,420
Loss (gain) on disposal of equity-method investment, net	-13,137	-6,194	-39,844
Decrease (increase) in working capital	-30,549	-12,118	9,861
Others	8,240	7,787	11,789
2. Cash flows from investing activities	35,252	-19,942	-14,566
Decrease (increase) of securities or financial instruments	24,826	7,217	22,567
Recovery of loans (lending)	28,639	-3,800	4,033
Disposal (acquisition) of PPE	-15,593	-21,533	-18,620
Disposal (acquisition) of real property, buildings	-381	-444	-19,714
Decrease (increase) in intangible assets	-4,231	-3,780	-2,655
Others	1,991	2,398	-176
3. Cash flows from financing activities	-45,697	-21,971	1,818
Proceeds from (repayment of) short-term borrowings	21,609	-21,402	0
Increase (repayment) of bonds	0	15,000	0
Increase (decrease) of current portion of long-term debts	-60,581	-30,352	-989
Proceeds from exercise of stock option	5,722	14,786	3,261
others	-12,447	-4	-455
4. Net increase of cash (1+2+3)	-1,825	14,784	44,979
5. Beginning of the year	4,506	2,680	17,465
6. End of the year (5+6)	2,680	17,465	62,444



Thank you