

Earnings Release

For the quarter ended September 30, 2008



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[Disclaimers]

- Consolidated financial results for the quarter ended June 30, 2008, have been prepared based on consolidated financial statements of Daum Communications Corp. and its seven(7) 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 financial statements with subsidiaries which Daum holds more than 50% of shares.
- Subsidiaries:
 - Media SBU (4 subsidiaries): Namu Communications (100%), ContentsPlug (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.

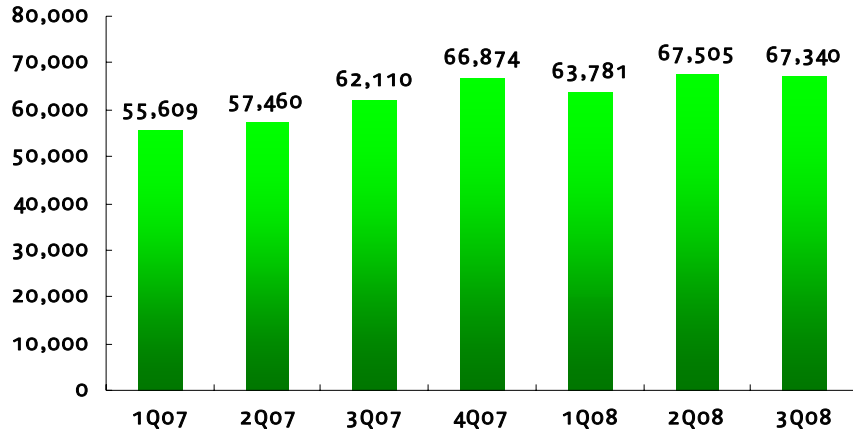
3Q 2008 Actual Review

1. Total Consolidated Financials

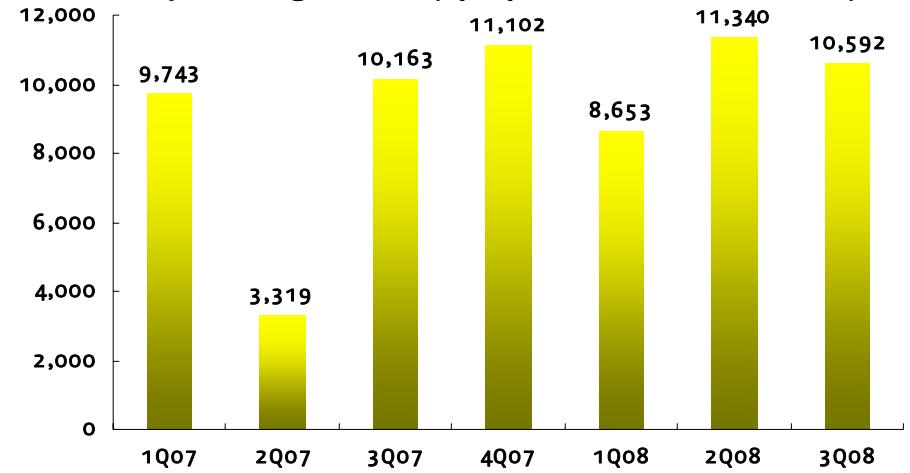
[Consolidated] Total

(Unit: KRW million)

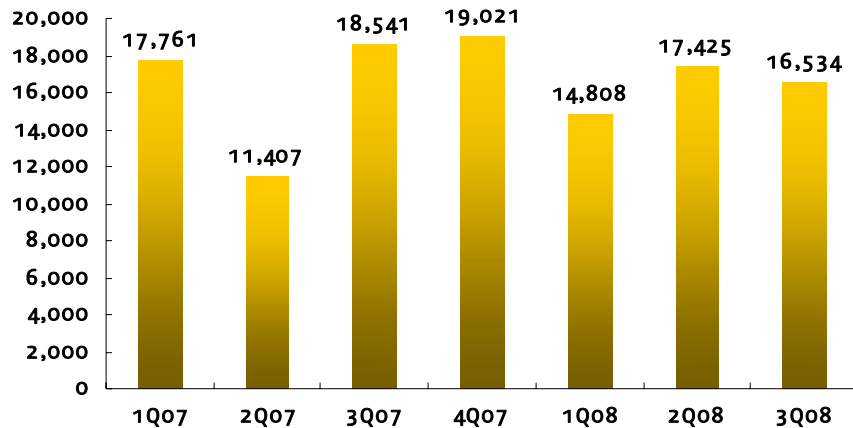
Revenues (QoQ -0.2%, YoY 8.4%)



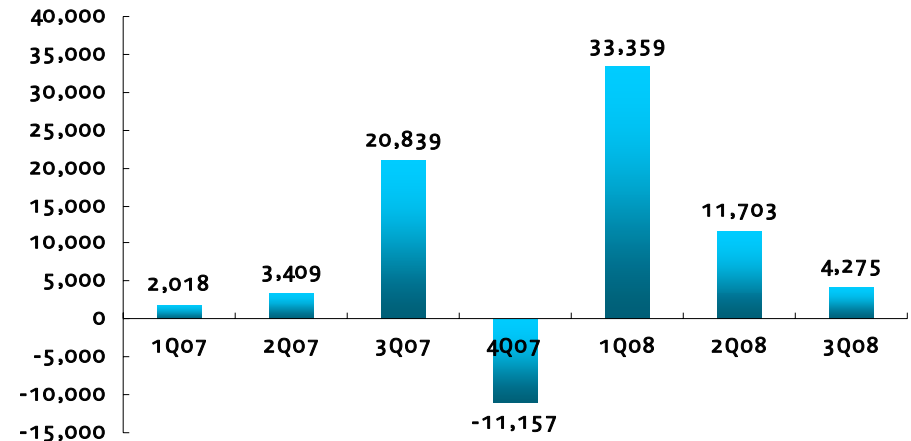
Operating Profit (QoQ -0.7bn, YoY 0.4bn)



EBITDA (QoQ -0.9bn, YoY -2bn)



Net Profit (QoQ -7.4bn, YoY -16.6bn)



[Consolidated] Total

Income Statement

(Unit: KRW million, %)

	3Q07	2Q08	3Q08	QoQ	YoY
Revenues	62,110	67,505	67,340	-0.2%	8.4%
Media SBU	56,646	61,295	60,428	-1.4%	6.7%
Global SBU	5,464	6,210	6,912	11.3%	26.5%
Operating Expenses	51,975	56,091	56,774	682	4,799
Operating Profit*	10,163	11,340	10,592	-748	428
EBITDA*	18,541	17,425	16,534	-891	-2,007
Net Income*	20,839	11,703	4,275	-7,428	-16,563

* Profit of Controlling Company (Excluding Minority Interests)

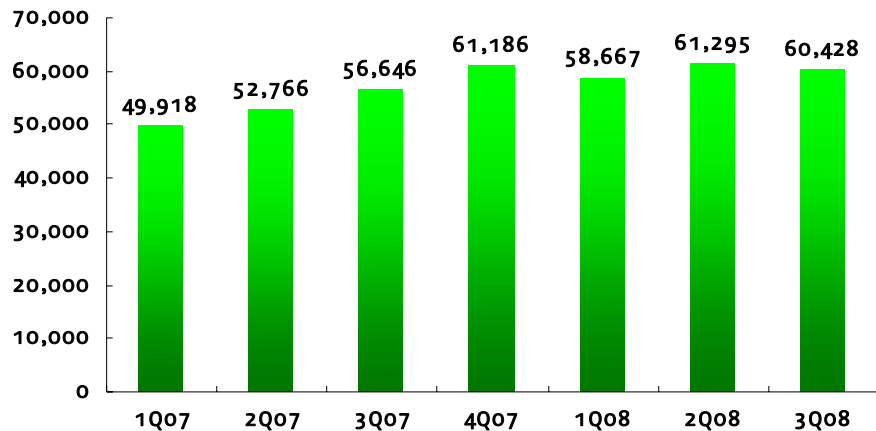
3Q 2008 Actual Review

2. Media SBU

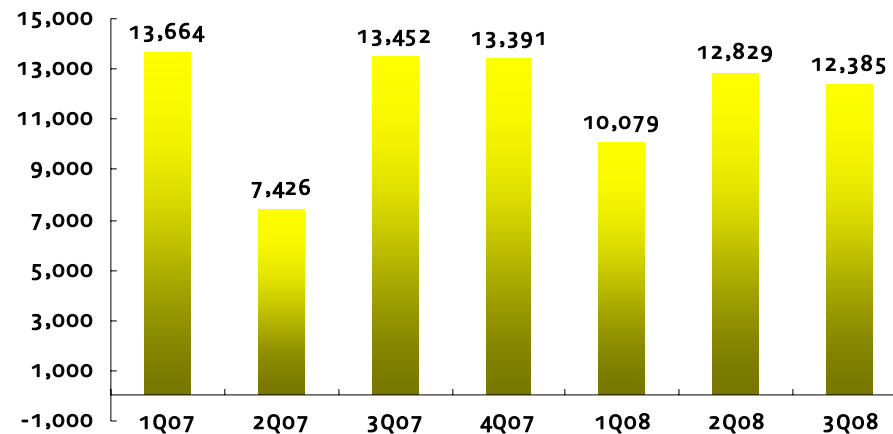
[Consolidated] Media SBU

(Unit: KRW million)

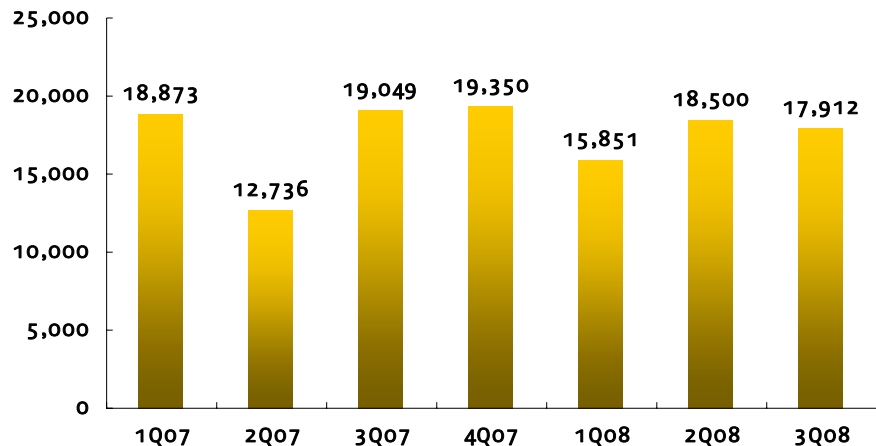
Revenues (QoQ -1.4%, YoY 6.7%)



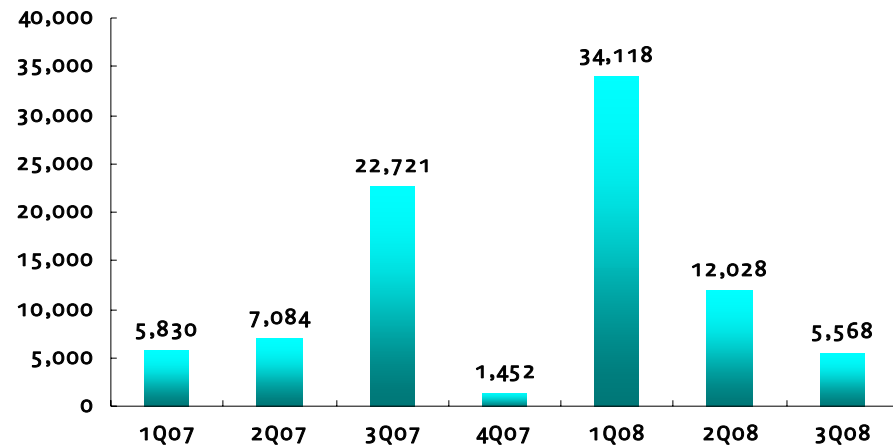
Operating Profit (QoQ -0.4bn, YoY -1.1bn)



EBITDA (QoQ -0.6bn, YoY -1.1bn)



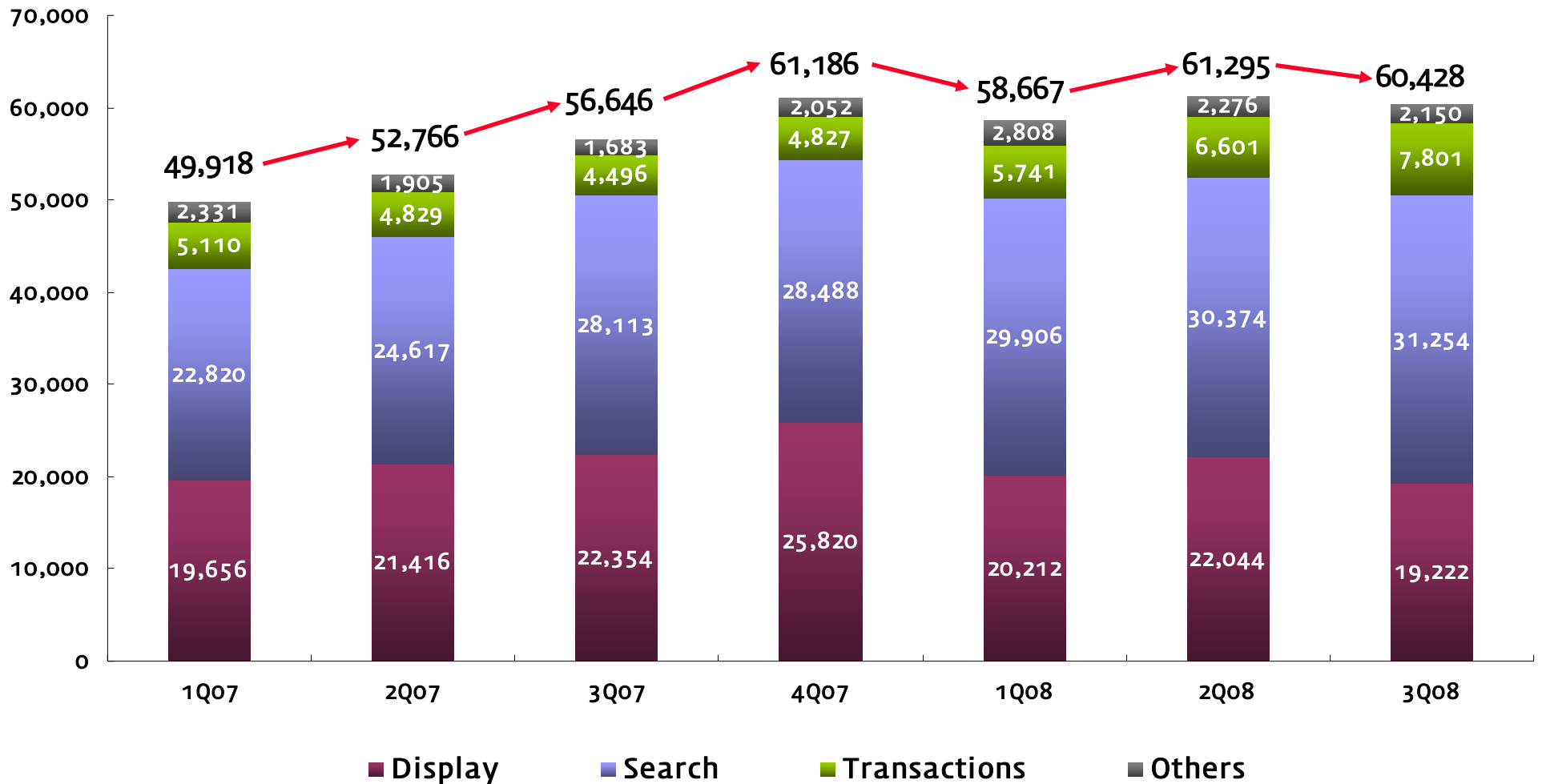
Net Profit (QoQ -6.5bn, YoY -17.2bn)



[Consolidated] Media SBU

(Unit: KRW million)

Revenues Breakdown



[Consolidated] Media SBU

Summary of Income Statement – Media SBU

(Unit: KRW million, %)

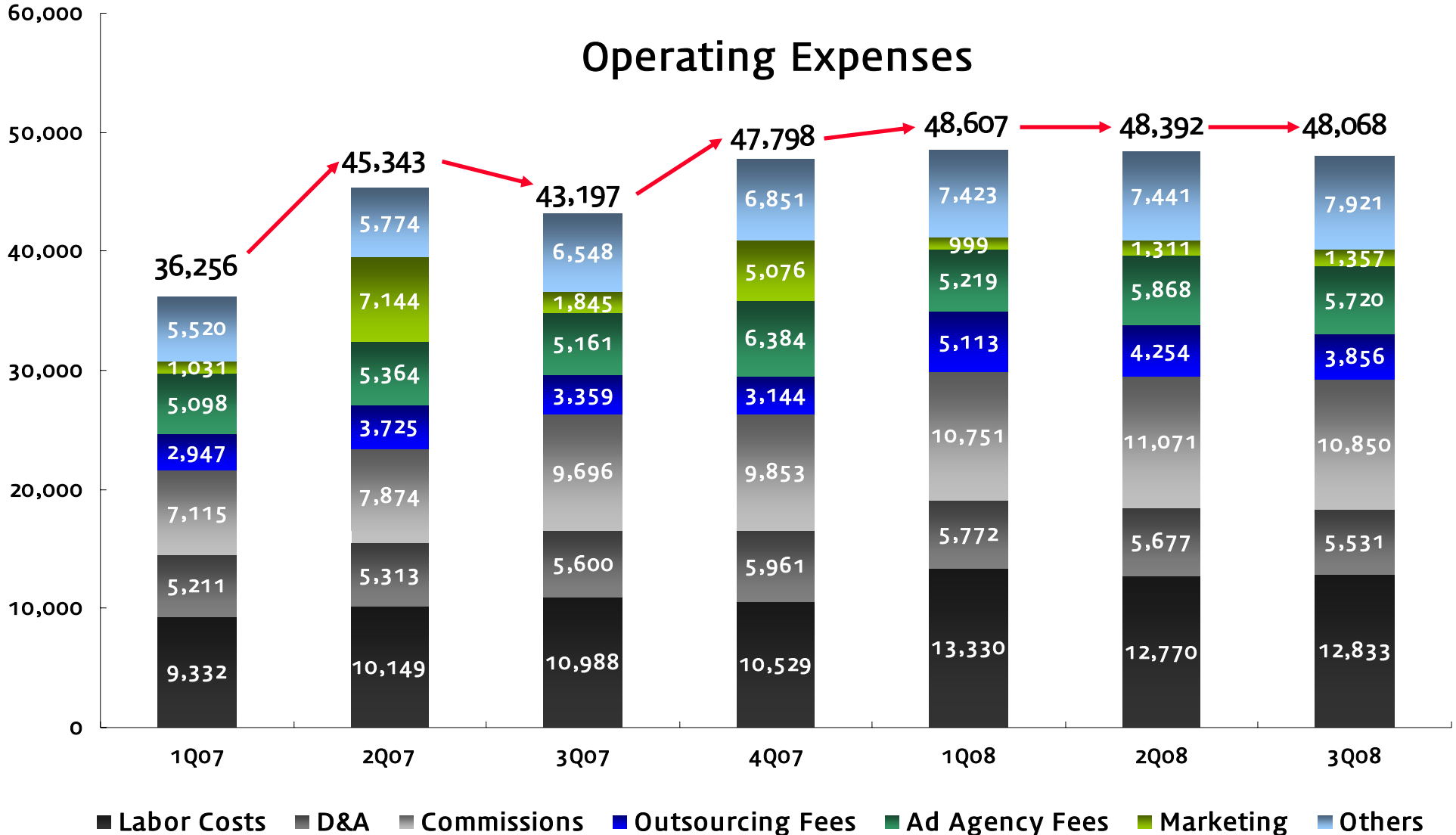
	3Q07	2Q08	3Q08	QoQ	YoY
Revenues	56,646	61,295	60,428	-1.4%	6.7%
Display Ads	22,354	22,044	19,222	-12.8%	-14.0%
Search Ads	28,113	30,374	31,254	2.9%	11.2%
Transactions	4,496	6,601	7,801	18.2%	73.5%
Others	1,683	2,276	2,150	-5.5%	27.7%
Operating Expenses	43,197	48,392	48,068	-324	4,871
Operating Profit*	13,452	12,829	12,385	-443	-1,067
EBITDA*	19,049	18,500	17,912	-588	-1,136
Net Income*	22,721	12,028	5,568	-6,460	-17,153

* Profit of Controlling Company (Excluding Minority Interests)

[Consolidated] Media SBU

(Unit: KRW million)

Operating Expenses



[Consolidated] Media SBU

Summary of Operating Expenses

(Unit: KRW million)

	3Q07	2Q08	3Q08	QoQ	YoY
Operating Expenses	43,197	48,392	48,068	-324	4,871
Labor Cost	10,988	12,770	12,833	63	1,845
D&A*	5,600	5,677	5,531	-146	-69
Commissions	9,696	11,071	10,850	-221	1,154
Outsourcing Fees	3,359	4,254	3,856	-398	497
Ad Agency Fees	5,161	5,868	5,720	-148	559
Marketing	1,845	1,311	1,357	46	-488
Others	6,548	7,441	7,921	480	1,373

* D&A: Depreciation & Amortization

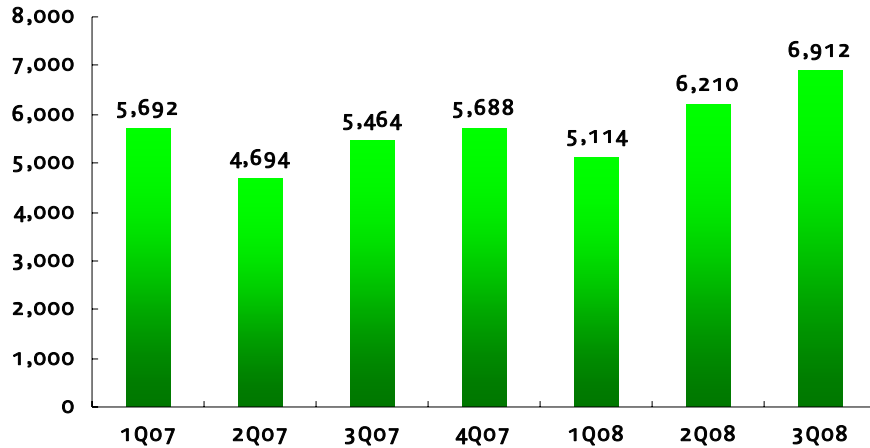
3Q 2008 Actual Review

3. Global SBU

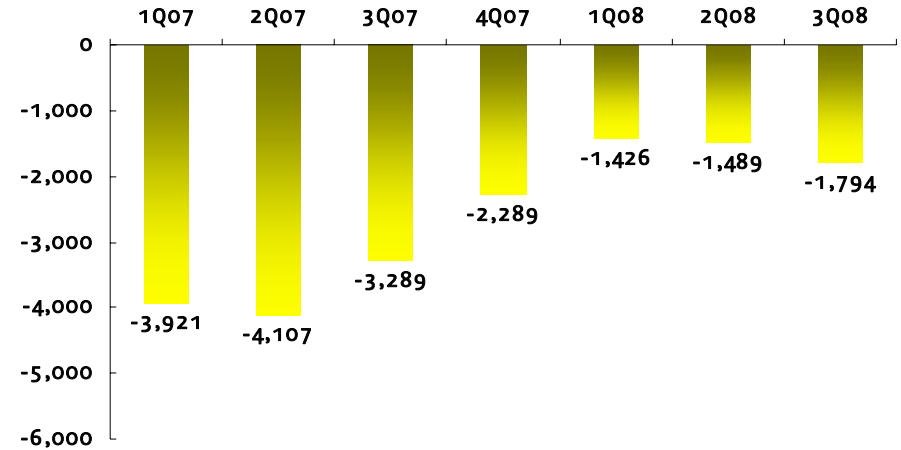
[Consolidated] Global SBU

(Unit: KRW million)

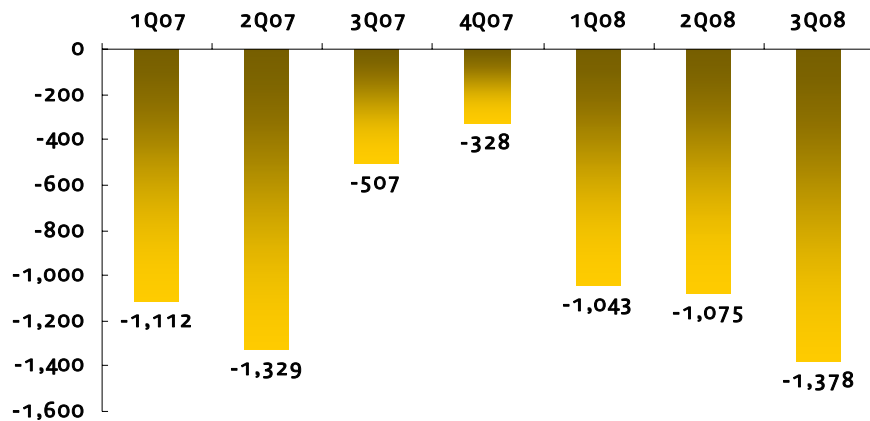
Revenues (QoQ 11.3%, YoY 26.5%)



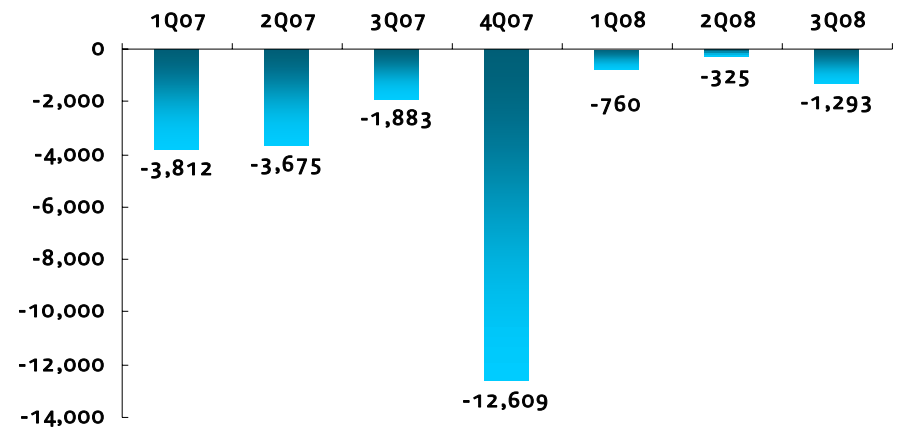
Operating Profit (QoQ -0.3bn, YoY 1.5bn)



EBITDA (QoQ -0.3bn, YoY -0.9bn)



Net Profit (QoQ -1bn, YoY 0.6bn)



[Consolidated] Global SBU

Summary of Income Statement – Global SBU

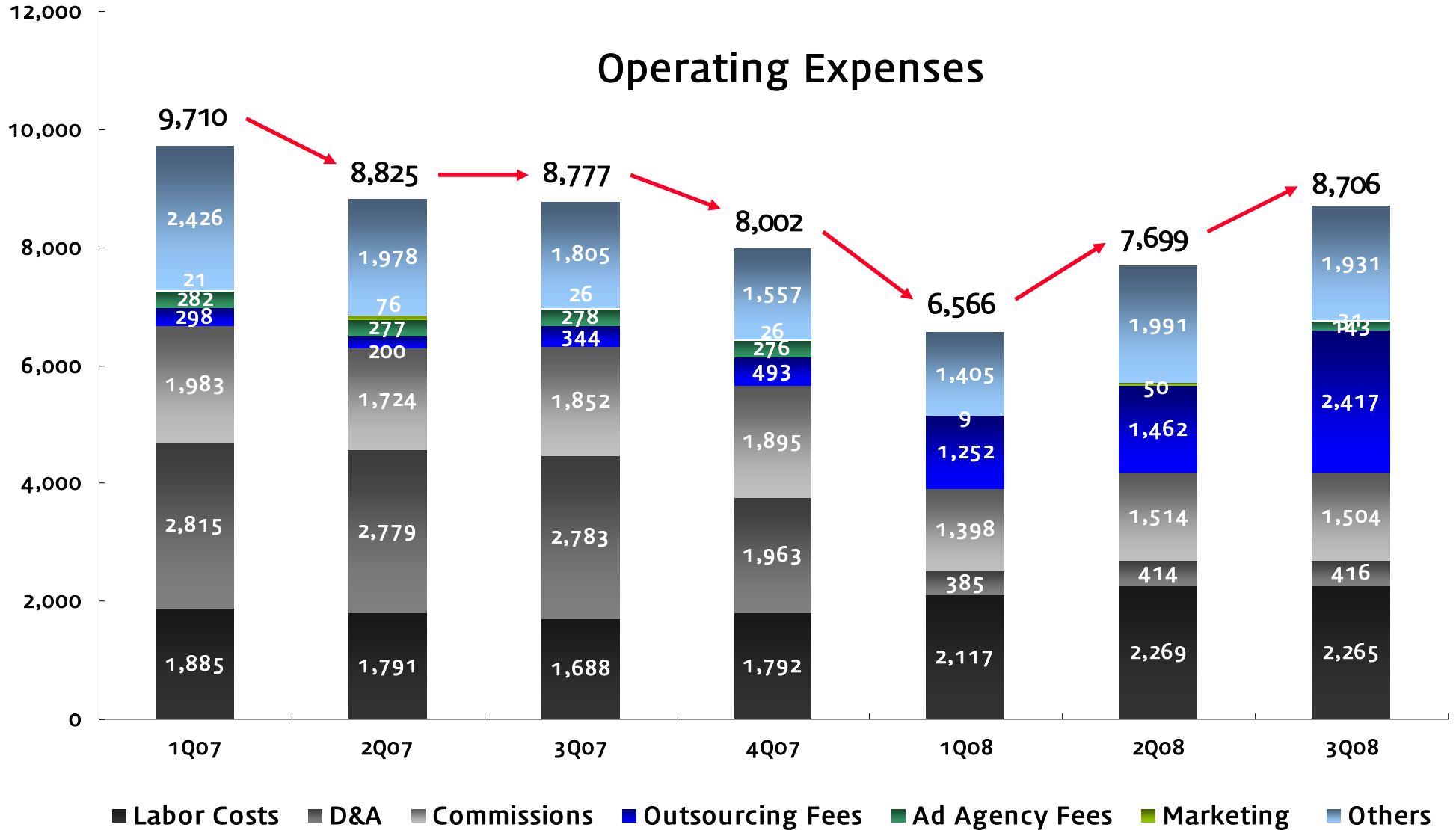
(Unit: KRW million, %)

	3Q07	2Q08	3Q08	QoQ	YoY
Revenues	5,464	6,210	6,912	11.3%	26.5%
Operating Expenses	8,777	7,699	8,706	1,006	-72
Operating Profit*	-3,289	-1,489	-1,794	-305	1,495
EBITDA*	-507	-1,075	-1,378	-303	-871
Net Income*	-1,883	-325	-1,293	-967	590

* Profit of Controlling Company (Excluding Minority Interests)

[Consolidated] Global SBU

(Unit: KRW million)



[Consolidated] Global SBU

Summary of Operating Expenses – Global SBU

(Unit: KRW million)

	3Q07	2Q08	3Q08	QoQ	YoY
Operating Expenses	8,777	7,699	8,706	1,006	-72
Labor Costs	1,688	2,269	2,265	-5	576
D&A*	2,783	414	416	1	-2,367
Commissions	1,852	1,514	1,504	-10	-349
Outsourcing Fees	344	1,462	2,417	955	2,073
Ad Agency Fees	278	0	143	143	-136
Advertising	26	50	31	-19	5
Others	1,805	1,991	1,931	-60	126

* D&A: Depreciation & Amortization

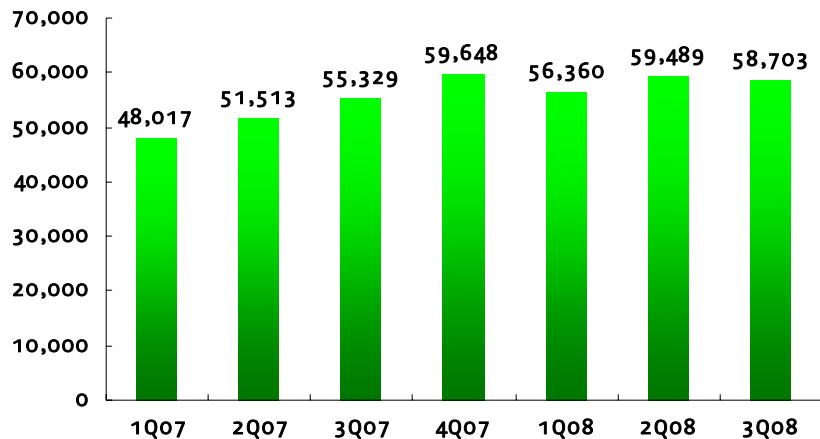
3Q 2008 Actual Review

4. Parent Financials

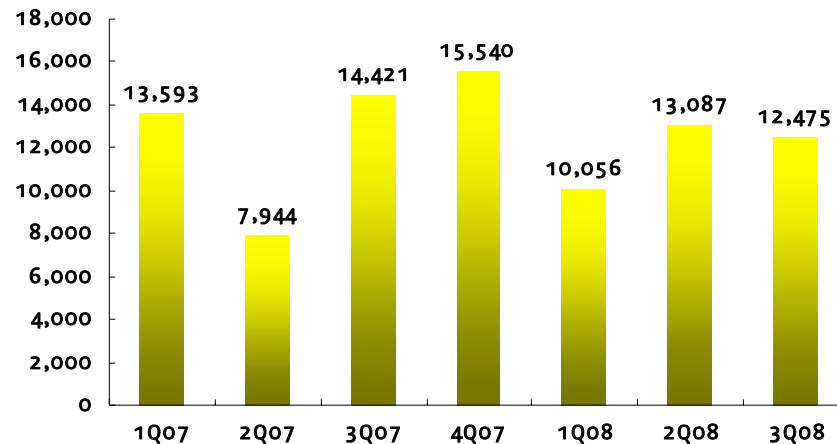
[Parent] Summary of Income Statement

(Unit: KRW million)

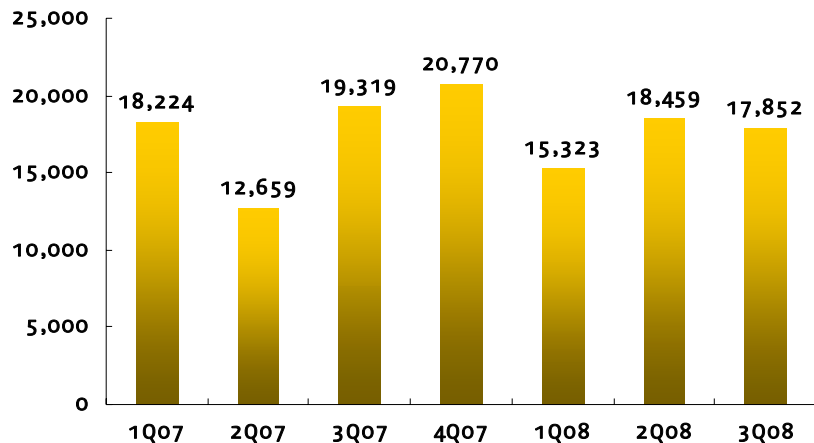
Revenues (QoQ -1.3%, YoY 6.1%)



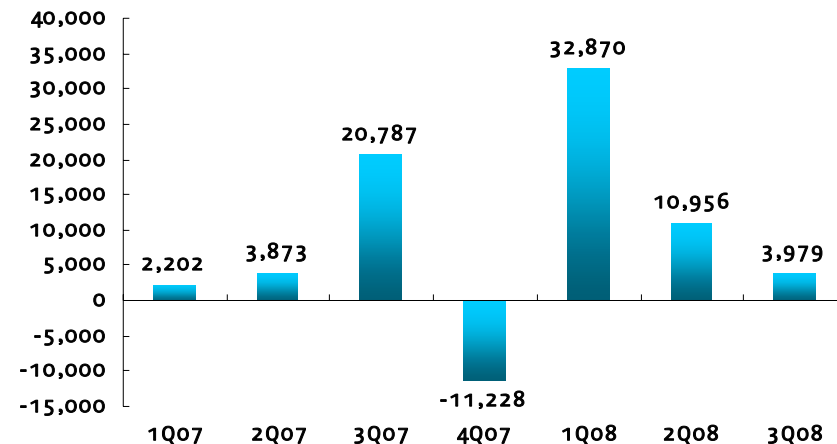
Operating Profit(QoQ-0.6bn, YoY-1.9bn)



EBITDA (QoQ -0.6bn, YoY -1.5bn)

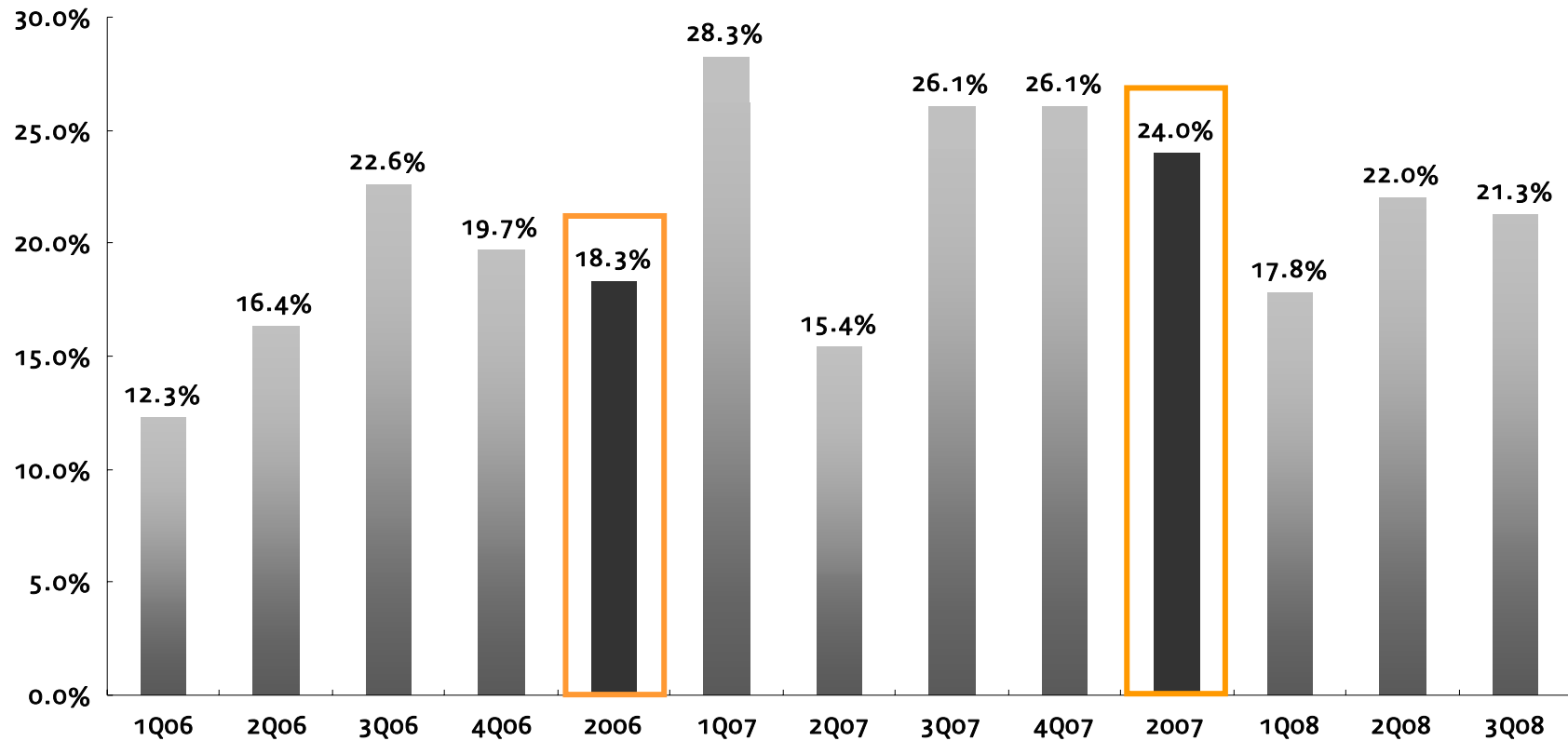


Net Profit (QoQ -7bn, YoY -16.8bn)



[Parent] Summary of Income Statement

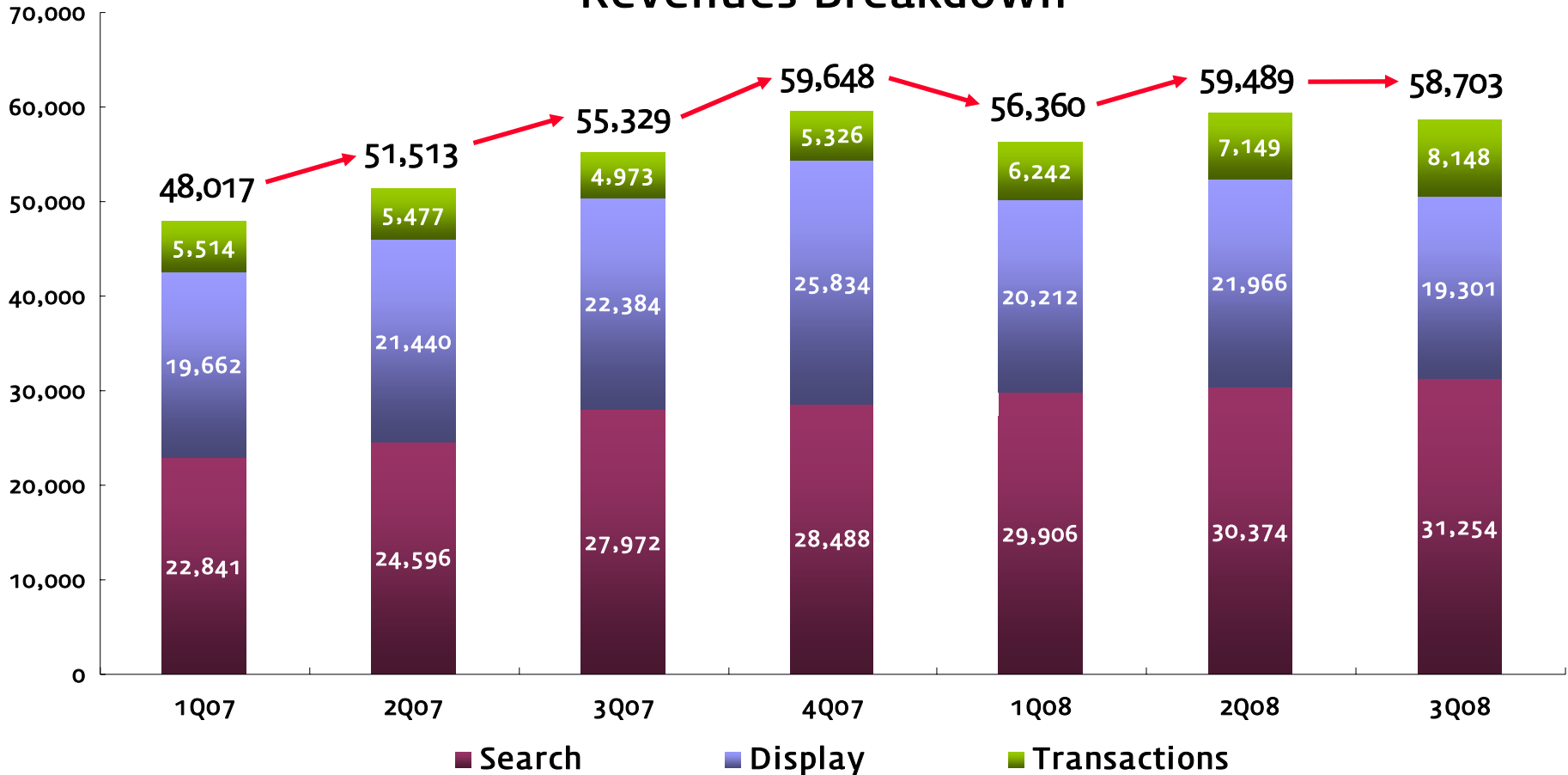
Operating Profit Margin



[Parent] Summary of Income Statement

(Unit: KRW million)

Revenues Breakdown



[Parent] Summary of Income Statement

Summary of Income Statement - Parent

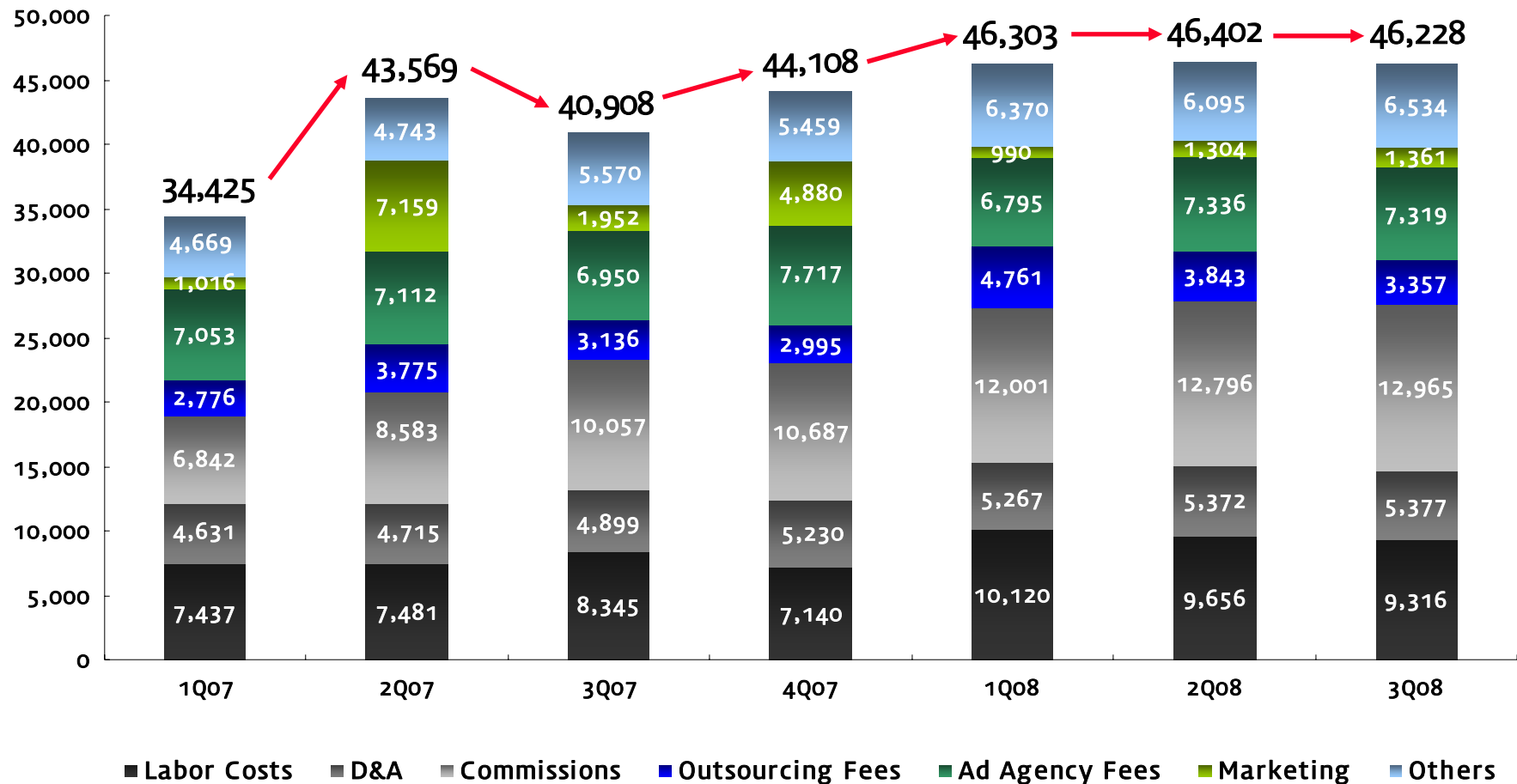
(Unit: KRW million, %)

	3Q07	2Q08	3Q08	QoQ	YoY
Revenues	55,329	59,489	58,703	-1.3%	6.1%
Search Ads	27,972	30,374	31,254	2.9%	11.7%
Display Ads	22,384	21,966	19,301	-12.1%	-13.8%
Transactions	4,973	7,149	8,148	14.0%	63.9%
Operating Expenses	40,908	46,402	46,228	-174	5,320
Operating Profit	14,421	13,087	12,475	-612	-1,946
EBITDA	19,319	18,459	17,852	-608	-1,467
Net Income	20,787	10,956	3,979	-6,977	-16,808

[Parent] Summary of Operating Expenses

Operating Expenses Breakdown

(Unit: KRW million)



[Parent] Summary of Operating Expenses

Summary of Operating Expenses

(Unit: KRW million)

	3Q07	2Q08	3Q08	QoQ	YoY
Operating Expenses	40,908	46,402	46,228	-174	5,320
Labor Costs	8,345	9,656	9,316	-340	971
D&A*	4,899	5,372	5,377	5	478
Commissions	10,057	12,796	12,965	169	2,908
Outsourcing Fees	3,136	3,843	3,357	-486	221
Ad Agency Fees	6,950	7,336	7,319	-17	369
Marketing	1,952	1,304	1,361	57	-591
Others	5,570	6,095	6,534	439	964

* D&A: Depreciation & Amortization

[Parent] Equity Method Investments

Equity Method Investments

(Unit: KRW million)

Equity Method Investees	3Q08			2Q08			1Q08			2007		
	G/L	Other G/L	Book Value	G/L	Other G/L	Book Value	G/L	Other G/L	Book Value	G/L	Other G/L	Book Value
Tour Express	0	0	0	0	0	0	0	0	0	-341	-601	0
Daum Direct Auto Insurance	-297	-75	5,971	447	-33	6,343	-455	-638	5,929	-8,092	847	7,022
Namu Communications	76	0	1,335	112	0	1,259	122	0	1,147	-1,099	0	1,025
Twinkle Little Star	0	0	0	-126	0	0	-1,558	0	126	-516	1,200	1,684
Lycos Japan Corp.	0	0	0	0	0	0	0	-228	0	-1,818	107	228
Daum international Corp.	0	0	0	0	0	0	0	0	0	-8,888	-41,288	0
Daum Global Holdings	-1,527	3,609	30,357	-1,807	1,424	28,276	-1,172	1,943	28,658	-14,153	42,041	27,888
Daum Onket	-319	0	1,259	-316	0	1,578	-287	0	1,895	-654	0	2,182
Daum Service	269	0	2,537	264	0	2,269	66	0	2,005	230	0	1,939
Contents Plug	-74	0	2,564	-199	0	2,638	119	0	2,837	-314	0	2,717
Daum Asia Holding corp	0	0	0	0	0	0	0	0	0	0	0	0
Daesung Mimir	58	0	897	64	13	839	-568	0	762	-641	-136	1,330
Open IPTV	-76	4,500	4,861	-317	253	437	0	500	500	0	0	0
ActBiz	-16	0	46	62	0	62	-660	660	0	0	0	0
Total	-1,907	8,034	49,827	-1,816	1,657	43,700	-4,393	2,237	43,858	-36,285	2,170	46,015

- Gain/Loss and Other Gain/Loss for 2007 is yearly accumulated amount.
- Gain/Loss includes gain on valuation of equity method investees and impairment losses on equity method investments.
- The impairment losses on equity method investments recognized by Daum in 1Q08 on Twinkle Little Star, ActBiz, and Daesung Mimir are 1.4bn, 0.6bn and 0.5bn, respectively. Daum also recognized impairment loss on equity method investments of 20mn in 3Q08.
- Other Gain/Loss refer to changes in equity due to disposal or acquisition of equity method investments.

Appendix

- Number of Employees
- Consolidated Financials
- Parent Financials

[Appendix] Number of Employees

Number of Employees

SBU	BU	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	QoQ	YoY
Media	Daum Communications	718	751	770	794	878	909	943	34	173
	Namu Communications	215	193	187	195	197	209	221	12	34
	Contents Plug	45	44	41	33	37	35	36	1	-5
	Daum Service		24	51	150	242	284	320	36	269
	Twinkle Little Star					33	33	33	0	33
	Media SBU		978	1,012	1,049	1,172	1,387	1,470	1,553	83
Global	Lycos	67	69	76	77	79	82	81	-1	5
	Lycos Japan	17	19	16	17	17	17	16	-1	0
	Chihan	26	12	14	14	12	12	4	-8	-10
	Global SBU	110	100	106	108	108	111	101	-10	-5
Total Consolidated		1,088	1,112	1,155	1,280	1,495	1,581	1,654	73	499

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

[Appendix] Consolidated Financials

Income Statement

(Unit: KRW million, %)

	3Q07	2Q08	3Q08	QoQ	YoY
Revenues	62,110	67,505	67,340	-0.2%	8.4%
Media SBU	56,646	61,295	60,428	-1.4%	6.7%
Global SBU	5,464	6,210	6,912	11.3%	26.5%
Operating Expenses	51,975	56,091	56,774	682	4,799
Operating Profit*	10,163	11,340	10,592	-748	428
Media SBU	13,452	12,829	12,385	-443	-1,067
Global SBU	-3,289	-1,489	-1,794	-305	1,495
Non-operating profit	8,040	2,400	2,496	96	-5,544
Non-operating expenses	1,637	1,766	2,427	661	791
Tax expense	-4,272	249	6,280	6,031	10,553
Net Income	20,811	11,798	4,355	-7,443	-16,456
Profit of Minority Interests	-27	95	80	-16	107
Profit of Controlling Company*	20,839	11,703	4,275	-7,428	-16,563

* Profit of Controlling Company (Excluding Minority Interests)

[Appendix] Consolidated Financials

Balance Sheet

(Unit: KRW million)

	3Q07	2Q08	3Q08	QoQ	YoY
Total assets	247,324	279,836	290,678	10,842	43,354
1. Current assets	133,217	166,644	150,736	-15,908	17,519
Quick assets	133,217	166,644	150,736	-15,908	17,519
2. Non-current assets	114,107	113,192	139,942	26,750	25,835
Investments	28,808	19,822	46,800	26,978	17,992
Tangible assets	50,325	77,835	77,444	-391	27,119
Intangible and other non-current assets	34,973	15,535	15,698	163	-19,275
Total Liabilities	127,076	117,502	116,610	-892	-10,466
1. Current Liabilities	88,065	93,911	93,516	-395	5,451
2. Non-current Liabilities	39,011	23,591	23,094	-497	-15,917
Total shareholders' equity	120,248	162,334	174,068	11,734	53,820
1. Stockholders' equity	6,424	6,476	6,482	6	58
2. Additional paid-in capital	117,533	141,890	142,397	507	24,864
3. Capital Adjustments	4,885	7,883	9,136	1,253	4,251
4. Other cumulative gain/loss	-8,067	-17,478	-14,107	3,371	-6,040
5. Retained earnings	-611	23,643	30,323	6,680	30,934
6. Minority interests	84	-81	-163	-82	-247

[Appendix] Consolidated Financials

Cash Flow

(Unit: KRW million)

	FY2006	FY2007	As of 3Q08
1. Cash flows from operating activities	39,369	84,306	40,065
Net Income (Loss)	11,801	15,109	49,337
Depreciation	19,842	20,052	14,174
Amortization	18,858	16,405	4,021
Impairment loss(gain) on intangible assets, net	31,223	12,522	1,457
Accrual of severance benefits	2,076	3,692	2,317
Loss (gain) on foreign currency translation, net	1,310	-23	-478
Loss (gain) on valuation of equity-method investees, net	5,500	2,168	1,488
Loss (gain) on disposal of equity-method investment, net	-13,116	-6,168	-40,278
Decrease (increase) in working capital	-21,236	-1,105	4,684
Others	-16,890	21,654	3,344
2. Cash flows from investing activities	33,935	-47,097	-10,178
Decrease (increase) of securities or financial instruments	15,863	-12,615	21,799
Disposal (acquisition) of plant & equipment	10,731	-25,645	-16,897
Disposal (acquisition) of real property & buildings	-7,503	-519	-19,128
Disposal (acquisition) of intangible assets	-1,263	-4,756	-772
Others	16,107	-3,562	4,821
3. Cash flows from financing activities	-22,610	-14,145	1,937
Proceeds from (repayment of) short-term borrowings	20,691	-21,402	-899
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	-1,365
Increase (decrease) in capital lease obligation	-4,030	0	0
Proceeds from exercise of stock option	5,740	14,786	3,264
Others	6,890	15,722	936
4. Cash flows from foreign currency translation	0	279	1,038
5. Cash flows from changes in subsidiaries	0	-913	-63,114
6. Net increase of cash (1+2+3+4+5)	50,694	22,431	-30,253
7. Beginning of the year	15,425	66,119	88,550
8. End of the year (6+7)	66,119	88,550	58,297

* 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.)

[Appendix] Parent Financials

Income Statement

(Unit: KRW million)

	3Q07	2Q08	3Q08	QoQ	YoY
Operating revenues	55,329	59,489	58,703	-1.3%	6.1%
Operating expenses	40,908	46,402	46,228	-174	5,320
Operating profit	14,421	13,087	12,475	-612	-1,946
Non-operating income	6,224	1,385	2,264	878	-3,960
Interest income	272	757	892	136	620
Gain on disposal of equity-method investments	181	40,209	253	-39,956	72
Gain on valuation of equity-method investees	-293	347	387	40	680
Non-operating expense	3,969	3,633	4,017	383	48
Interest expense	1,250	709	687	-22	-563
Loss on valuation of equity-method investees	1,491	2,127	2,143	16	651
Donation	907	766	405	-361	-502
Income before tax expense	16,676	10,839	10,722	-117	-5,954
Income tax expense	-4,112	-117	6,742	6,860	10,854
Net income	20,787	10,956	3,979	-6,977	-16,808

[Appendix] Parent Financials

Balance Sheet

(Unit: KRW million)

	3Q07	2Q08	3Q08	QoQ	YoY
Total assets	230,783	263,030	275,120	12,089	44,337
1. Current assets	88,409	122,323	128,708	6,385	40,299
Quick assets	88,409	122,323	128,708	6,385	40,299
2. Non-current assets	142,374	140,707	146,412	5,704	4,038
Investments	78,102	54,005	60,328	6,323	-17,774
Tangible assets	47,409	74,021	73,599	-421	26,190
Intangible & other non-current assets	16,863	12,682	12,485	-197	-4,378
Total liabilities	109,290	97,168	99,865	2,697	-9,425
1. Current liabilities	73,052	75,072	77,850	2,778	4,797
2. Non-current liabilities	36,238	22,096	22,015	-81	-14,223
Total shareholders' equity	121,493	165,862	175,255	9,393	53,762
1. Stockholders' equity	6,424	6,476	6,482	6	58
2. Additional paid-in capital	118,128	133,014	133,522	507	15,394
3. Capital Adjustments	4,885	7,285	8,549	1,264	3,664
4. Other Cumulative Gains/Losses	-8,311	-13,883	-10,247	3,636	-1,936
5. Retained Earnings (Deficit)	366	32,969	36,949	3,979	36,582
Cash(1)*	17,271	62,785	66,949	4,164	49,678
Interest-bearing Debt(2)	40,556	36,146	35,994	-152	-4,562
Net Cash(1-2)	-23,285	26,639	30,955	4,316	54,240

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

[Appendix] Parent Financials

Cash Flows

(Unit: KRW million)

	2006	2007	As of 3Q08
1. Cash flows from operating activities	8,621	56,697	37,677
Net income	16,801	15,634	47,806
Depreciation	15,112	15,307	8,605
Accrual of severance benefits	0	0	1,937
Loss (gain) on foreign currency translation, net	-206	-4	-50
Loss (gain) on valuation of equity-method investments, net	12,359	36,285	5,521
Loss (gain) on disposal of equity-method investment, net	-13,137	-6,194	-40,463
Decrease (increase) in working capital	-30,549	-12,118	-470
Others	8,240	7,787	14,791
2. Cash flows from investing activities	35,252	-19,942	-7,330
Decrease (increase) of securities or financial instruments	24,826	7,217	22,598
Recovery of loans (lending)	28,639	-3,800	4,033
Disposal (acquisition) of PPE	-15,593	-21,533	-13,442
Disposal (acquisition) of real property, buildings	-381	-444	-19,140
Decrease (increase) in intangible assets	-4,231	-3,780	-808
Others	1,991	2,398	-571
3. Cash flows from financing activities	-45,697	-21,971	1,938
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	-899
Proceeds from exercise of stock option	5,722	14,786	3,264
others	-12,447	-4	-428
4. Net increase of cash (1+2+3)	-1,825	14,784	32,284
5. Beginning of the year	4,506	2,680	17,465
6. End of the year (4+5)	2,680	17,465	49,749

| THANK YOU