



# Contents

- **Financial Performance**
- Business Performance

# FY2002 (4Q) Profit & Loss

KTF+KTM Simple summation

(Unit : KRW Mn)

Descriptions	FY 2002	FY 2001	Change(%)	4Q-2002	3Q-2002	Change(%)
<b>I. Operating Income</b>	<b>844,190</b>	<b>791,984</b>	<b>6.6%</b>	<b>186,994</b>	<b>226,329</b>	<b>-17.4%</b>
<b>1. PCS Service &amp; Others</b>						
Revenue	4,241,453	3,960,085	7.1%	1,112,895	1,060,539	4.9%
<i>PCS service</i>	3,178,121	2,870,803	10.7%	828,013	796,210	4.0%
<i>Interconnection</i>	841,153	941,600	-10.7%	219,233	209,465	4.7%
<i>Resale</i>	168,971	111,664	51.3%	52,216	40,924	27.6%
<i>Other rev. (700, 114)</i>	4,585	4,397	4.3%	1,282	1,225	4.7%
<i>Others</i>	48,623	31,621	53.8%	12,151	12,715	-4.4%
Expenses	3,406,609	3,180,283	7.1%	925,926	839,171	10.3%
Net	834,844	779,802	7.1%	186,969	221,368	-15.5%
<b>2. Handset</b>						
Revenue	1,111,619	1,032,060	7.7%	271,086	319,758	-15.2%
Cost of sales	1,102,273	1,019,878	8.1%	271,061	314,797	-13.9%
Net	9,346	12,182	-23.3%	25	4,961	-99.5%
<b>II. Non-operating items</b>	<b>231,748</b>	<b>231,681</b>	<b>0.0%</b>	<b>89,117</b>	<b>63,182</b>	<b>41.0%</b>
1. Net of interest	198,142	252,920	-21.7%	56,883	48,182	18.1%
2. Net of F/X gain	3,265	4,215	-22.5%	463	946	-148.9%
3. Other Non-op. items	36,871	17,024	-316.6%	31,771	15,946	99.2%
<b>VI. Ordinary Income</b>	<b>612,443</b>	<b>560,303</b>	<b>9.3%</b>	<b>97,877</b>	<b>163,148</b>	<b>-40.0%</b>
<b>VIII. Income before tax</b>	<b>612,443</b>	<b>560,303</b>	<b>9.3%</b>	<b>97,877</b>	<b>163,148</b>	<b>-40.0%</b>
<b>IX. Income tax</b>	<b>80,280</b>	<b>124,494</b>	<b>-35.5%</b>	<b>6,170</b>	<b>30,527</b>	<b>-79.8%</b>
<b>X. Net Income</b>	<b>532,163</b>	<b>435,809</b>	<b>22.1%</b>	<b>91,707</b>	<b>132,621</b>	<b>-30.9%</b>

\* All the numbers in this material is not audited nor reviewed by external auditor.

\* And this PL is a simple summation of standalone financials of KTF and KTM prior to merger on current accounting method. 2

**FY2002 PCS Service & Others Rev. & Net Income Climb up by 7.1% & 22%**  
**4Q PCS Service & Other Rev. increased 4.9% compared to 3Q**

(Unit : KRW Bn)

Key factors	FY 2002	FY 2001	% Change
Subscriber('000)	10,333	9,591	7.7%
PCS Rev.	4,241.5	3,960.1	7.1%
Op. Income	844.2	792.0	6.6%
EBITDA	1,560.3	1,398.5	12%
EBITDA margin	36.8%	35.3%	1.5%p
Pre-tax Income	612.4	560.3	9.3%

Better Profitability compared to FY2001

1. Continuous Data ARPU Growth
2. Increasing 1x Subscribers Portion with Higher ARPU
3. Decreased Acquisition Cost
4. Less Bad Debt Cost

# Revenues

(Unit : KRW Mn)

Descriptions	FY 2002	FY 2001	% Change	4Q-02	3Q-02	% Change
<b>PCS Services and Others</b>	<b>4,241,453</b>	<b>3,960,085</b>	<b>7%</b>	<b>1,112,895</b>	<b>1,060,539</b>	<b>5%</b>
Sign-up fee	68,879	94,769	-27%	15,328	21,199	-28%
Monthly fee	1,577,722	1,472,834	7%	407,405	395,657	3%
Airtime charge	1,253,746	1,173,227	7%	317,644	309,688	3%
VAS	408,273	213,108	92%	126,605	104,059	22%
(Discount)	130,498	83,134	57%	38,969	34,393	13%
Interconnection	841,153	941,600	-11%	219,233	209,465	5%
KT Resale	168,971	111,664	51%	52,216	40,924	28%
Other Rev.	4,585	4,397	4%	1,282	1,225	5%
Others	48,623	31,621	54%	12,150	12,715	-4%
<b>Handset Sales</b>	<b>1,111,619</b>	<b>1,032,060</b>	<b>46%</b>	<b>271,086</b>	<b>319,758</b>	<b>-15%</b>
<b>Total</b>	<b>5,353,073</b>	<b>4,992,145</b>	<b>10%</b>	<b>1,383,981</b>	<b>1,380,297</b>	<b>0%</b>

PCS Revenues increased by 7% compared to previous year, reflecting higher data ARPU & increased subscribers number

- Sign-up fee decreased by 25.9bn because of less subscriber gross-add
- Monthly fee and Airtime charge increased by 7%
- VAS revenue increased by 92% up to 408.3bn, due to 148% increase of MagicN service 148%, CID, 2Ring and other services.

The impact from interconnection rate change (63.6 → 53.5) resulted in 11% decrease of corresponding revenue compared to FY 2001. But continuous growth of Mobile-to-KTF call traffic made 4Q interconnection revenue to increase 5% (219.2bn) compared to 3Q-02.

Break down of Others : 00345 Overseas call 37.4bn, Handset rental 2.8bn, M-commerce 3.1bn, International roaming 2.6bn, global business, K-merce lottery service, Credit card service and M-Ad.

# Operating Expenses

(Unit : KRW Mn)

Descriptions	FY 2002	FY 2001	% Change	4Q-02	3Q-02	% Change
1. Labor	190,559	158,052	21%	51,575	45,509	13%
2. Fees	315,588	284,710	11%	85,519	80,347	6%
3. Interconnection cost	462,118	524,550	-12%	122,781	118,617	4%
4. Overseas call	6,801	3,286	107%	1,854	1,596	16%
5. Information charge(CP)	33,141	15,965	108%	12,970	9,092	43%
6. Rent	80,885	74,523	9%	22,866	20,478	12%
7. Depreciation	725,500	618,706	17%	194,925	184,517	6%
8. Leased line	367,800	338,375	9%	90,989	91,304	0%
9. Utilities	39,521	36,645	8%	9,906	12,092	-18%
10. Repair & Maintenance	71,597	57,445	25%	34,627	18,348	89%
11. Lease	50,383	11,913	323%	14,009	12,125	16%
12. Marketing cost	871,599	854,191	2%	226,321	220,267	3%
13. Bad debt expense	23,555	79,087	-70%	8,410	25,995	
14. Taxes & Obligations	41,451	37,155	12%	10,750	9,901	9%
15. Universal service	37,943	4,362		8,671	23,104	-62%
16. Others	88,169	81,320	8%	29,756	17,869	67%
17. Cost of handset sales	1,102,273	1,019,878	8%	271,061	314,797	-14%
<b>Total</b>	<b>4,508,882</b>	<b>4,200,162</b>	<b>7%</b>	<b>1,196,987</b>	<b>1,153,968</b>	<b>4%</b>

Op. Expense increased 7% from 4,200.2bn to 4,508.9 in FY 2002

Depreciation increased by 106.8bn to 725.5bn : Network integration & optimization, Leased line cost increased by 29.4bn to 367.8bn, and Repair & maintenance cost increased by 14.2bn to 71.6bn

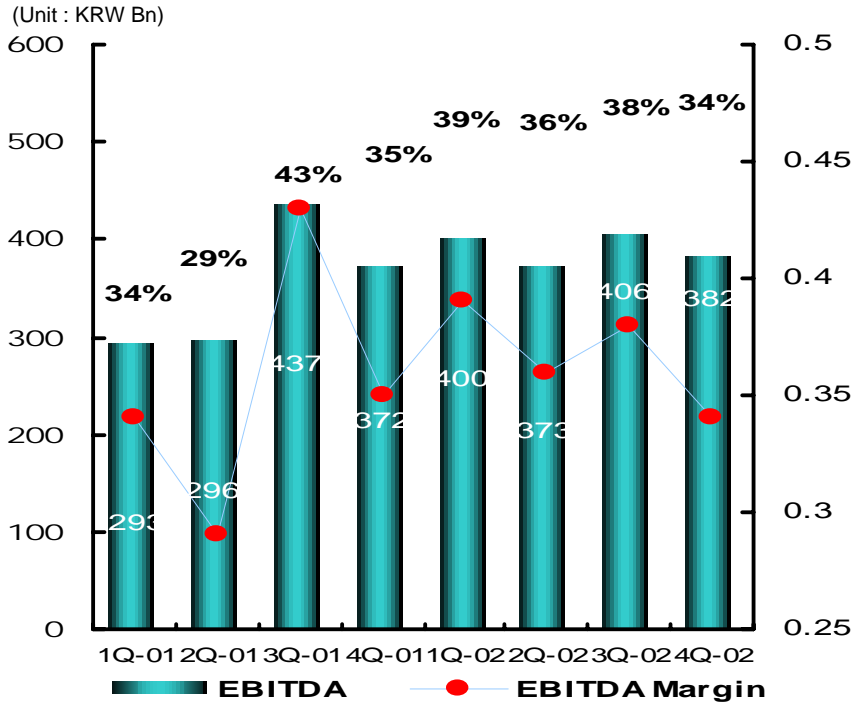
Lease cost increased by 38.5bn (323%) : Sales & Lease-back of some 2G Networks (106.9bn) 3.3bn lease cost per month

70% decrease of Bad debt expense : Reflecting bad debt experience after merger, bad debt expectation rate for subscribers has been decreased from 2.5% to 1.46%. (The accumulated effect was reflected on 3Q-02)

Labor cost increased by 21% compared to FY2001 : Recognizing some incentive payments(15.5bn) of 2003 in accrual basis in 2002 and Employee awards in 4Q amount to 9.1bn compared to 1.4bn in 3Q

# EBITDA & Capex

## EBITDA

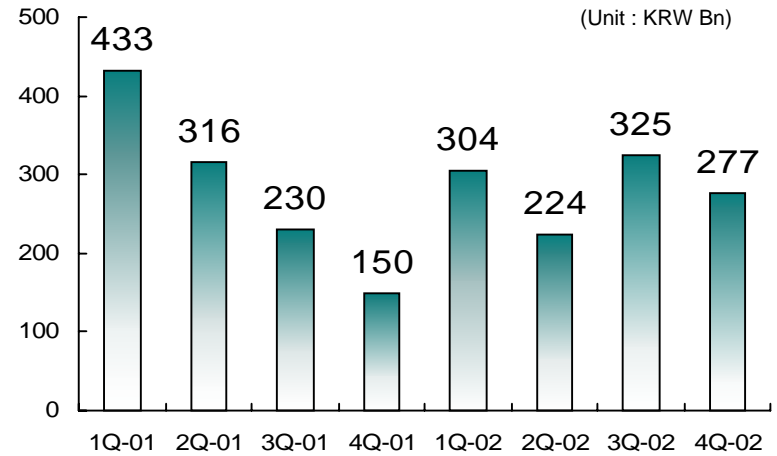


\*\* EBITDA = Op. Income + D&A - (Handset Sales - Cost of Handset sold)  
 EBITDA margin = EBITDA / PCS sector rev.(excluding Handset sales)

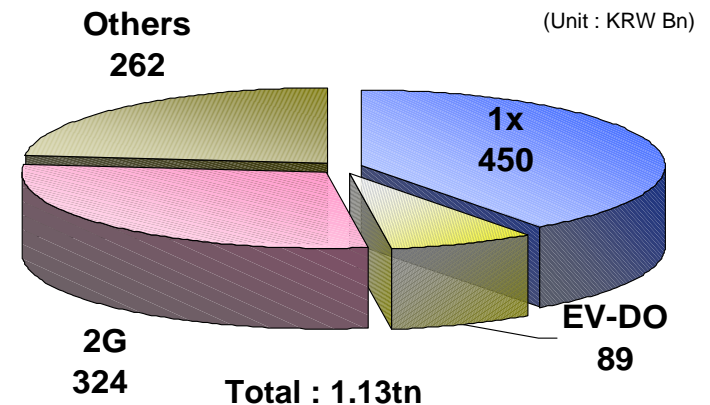
### 4Q EBITDA Decrease (-4.0%p)

- More active subscriber retention program in 4Q : Similar marketing cost level as 3Q though suspension
- In 3Q, Bad debt expense was 26bn reflecting accumulated effect of bad debt rate adjustment. In 4Q, 8.4bn was recognized as expense
- Repair & maintenance increased by 16.3bn

## Quarterly Capex

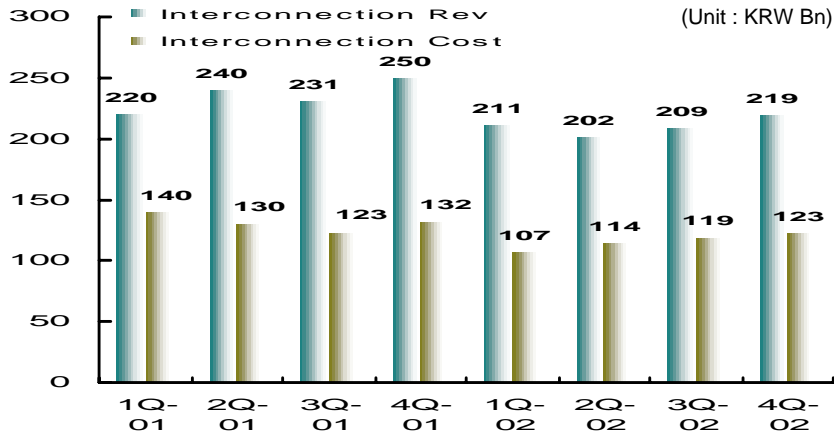


## 2002 Capex



# Interconnections

## Rev. & Cost



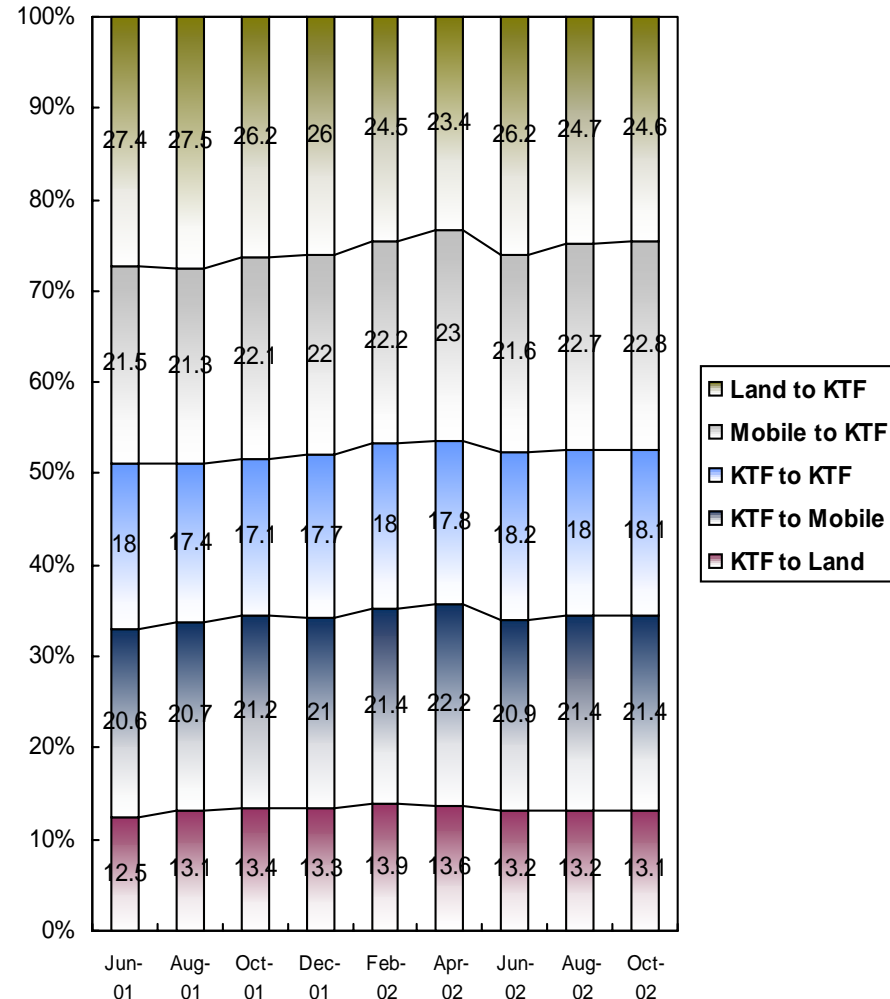
### Net of Interconnections

- Both revenue and expenses have increased, mainly due to growing mobile to mobile traffic.
- Rev. : 841.2bn(11% ) with decreasing net interconnection by 38 bn (9% )

### Quarterly Breakdown

Descriptions	1Q-01	2Q-01	3Q-01	4Q-01	1Q-02	2Q-02	3Q-02	4Q-02	
L M	Rev	121	133	127	135	111	98	99	102
	Exp	22	18	23	21	20	23	23	23
MM	Rev	99	107	104	115	100	104	110	117
	Exp	118	112	100	111	87	91	96	99

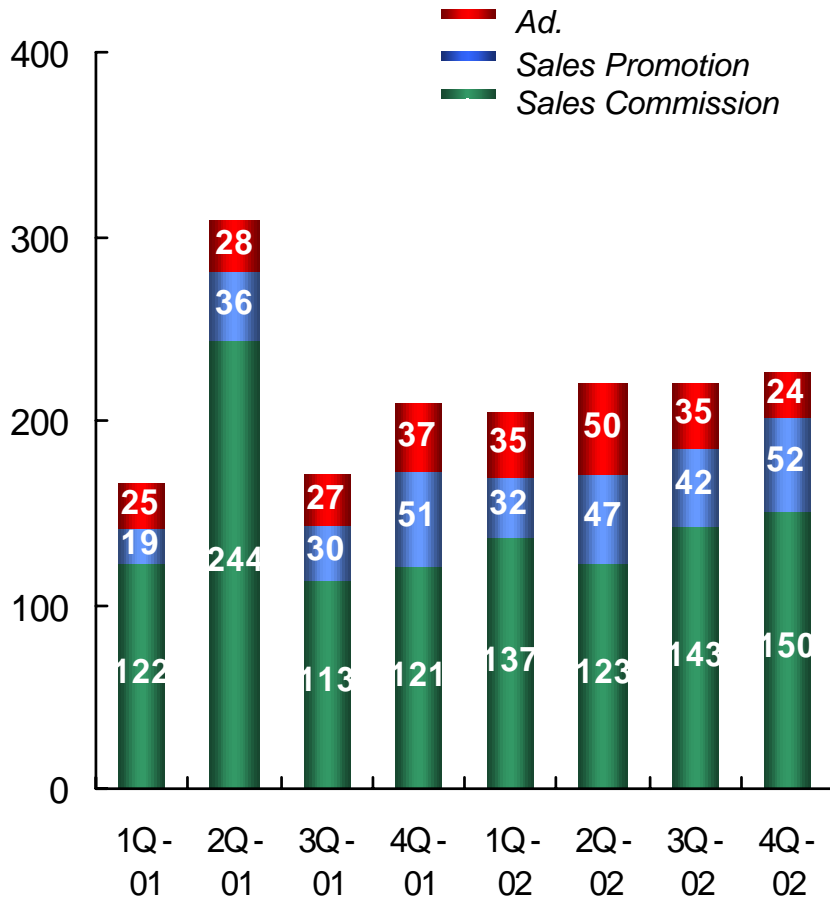
## Call Traffic



# Marketing Cost

## Quarterly Breakdown

(Unit : KRW Bn)



## Acquisition & Retention

(Unit : KRW Bn)

Descriptions		FY 2002	FY 2001	% Change	4Q-02	3Q-02	% Change
Acquisition	Commission	210	386	-46%	61	57	7%
	Promotion	70	60	17%	17	19	-11%
	Sub. total	280	446	-37%	78	76	3%
per 1 new add		87,026	110,973	-22%	101,995	80,928	26%
Retention	Commission	343	213	61%	89	84	6%
	Promotion	103	78	32%	35	24	46%
	Sub. total	446	291	53%	124	108	15%
Advertisement		145	117	24%	24	35	-31%
Total		872	854	2%	227	219	4%

Marketing cost amount to 871.6bn (2% increase to FY2001)

- Acquisition cost per 1 new add decreased from 111 thousand to 87thousand in FY2002 (22% )
- Strengthened Retention activity with Worldcup promotion and other customer care programs increased the total retention cost by 155bn and Ad. by 28bn

In 4Q, though suspension and decreased Ad. expense, increased retention cost made the total marketing cost remain still.



# Non-operating items & Income tax

## Non-Op. Items

(Unit : KRW Mn)

Non-operating items	FY 2002	FY 2001	% Change	4Q-2002	3Q-2002	% Change
Interest gain	17,950	23,905	-25%	1,665	761	119%
Interest loss	216,092	276,825	-22%	58,548	48,943	20%
Net of Interest	198,142	252,920	-22%	56,883	48,182	18%
F/X-related gain	3,523	15,670	-78%	436	848	-151%
F/X-related loss	257	11,455	-98%	27	98	-128%
Net of F/X	3,265	4,215	-23%	463	946	-149%
Other gains	55,498	86,441	-36%	16,247	11,801	38%
Other losses	92,369	69,417	33%	48,017	27,747	73%
Net of other Non-op	36,871	17,024	-31%	31,771	15,946	99%
Sum of Non-op gain	76,971	126,016	-39%	17,476	13,411	30%
Sum of Non-op loss	308,719	357,697	-14%	106,593	76,592	39%
Net Non-op items	231,748	231,681	0%	89,117	63,182	41%

Net Interest expense decreased by 54.8bn(22%) in FY 2002. But in 4Q, it increased by 8.7bn compared to 3Q due to payment for the KTICOM shares.

- Interest bearing debt as of 3Q-02 : 3,341 bn
- Interest bearing debt as of 4Q-02 : 3,941 bn

Net F/X gain in FY2002 : 3.3bn

- Foreign currency denominated debts
  - : USD 12.8mn, JPY 23.6bn (Amount to KRW 252bn)
- F/X rate change (Dec. Sep. Dec.)
 

VUSD : 1,326.1	1,225.5	1,200.4
VJPY : 10.05	9.99	10.01

Characteristics in 4Q-02 : Issuing ABS, Loss on disposal of Trade receivable amount to 15.1bn. And Loss on Disposition of old 2G network amount to 22.1bn.

## Income tax

(Unit : KRW Mn)

Descriptions	FY 2002	FY 2001	% Change	4Q-02	3Q-02	% Change
Pre-Tax income	612,443	560,303	9%	97,877	163,148	-40%
Taxes	80,280	124,494	-36%	6,170	30,527	-80%
Effective tax rate	13%	22%		6%	19%	
Net Income	532,163	435,809	22%	91,707	132,621	-31%

Tax credits carried forward from M.com merger

- : Total credit is expected to be KRW 220bn from merger.
- : 45bn in FY2001 and 53bn in FY2002 has been reflected on PL.

Tax credits from temporary investment tax benefit

- : For the investments and R&D expenditure made during 2000 and 2001, corresponding tax credit of KRW 17bn have been recognized in income statement every quarter during 2002 till 3Q-02.
- But following considerations decreased the effect.

Under the Tax law, Minimum tax payment(13% of income tax) is required to get the tax credits. Therefore, only the followings are finally reflected.

- M.com tax loss carried-forward : 53.1bn
- Investment tax credit : 52.6bn

# Balance Sheet

As of Dec.31, 2002

(Unit : KRW Mn)

Assets	8,033,227	Liabilities	5,467,603
<b>Curent</b>	<b>1,315,196</b>	<b>Current</b>	<b>2,814,676</b>
Quick Asset	1,170,787	<b>Fixed</b>	<b>2,652,927</b>
Inventory	144,409		
		<b>Equity</b>	<b>2,565,624</b>
<b>Fixed</b>	<b>6,718,031</b>		
Investment	2,049,759	<b>Capital Stock</b>	<b>920,290</b>
Tangible	4,657,319	<b>Capital Surplus</b>	<b>1,132,834</b>
Intangible	10,953	<b>Retained Earnigs</b>	<b>542,644</b>
		<b>Capital Adjustment</b>	<b>30,144</b>

Debts	4Q - 2002	3Q - 2002	Change
Interest bearing debt	3,941bn	3,341bn	600bn
Current	1,322bn	1,043bn	279bn
Net debt	3,918bn	3,266bn	652bn
Foreign currency denominated	15bn(\$12.8mn) + 236bn(JPY 23.6bn)	23bn(\$18.8mn) + 237bn(JPY 23.6bn)	(-) \$6mn

KTICOM Merger procedure started in 4Q : For less dilution, KTF buy 72% of additional KTICOM share from KT and Market, it cost 1.3tn.  
:It was financed by CB 370bn, Bonds 200bn, ABS 470bn (Payable 310bn)

## Ratios

	Quarterly	4Q - 02	3Q - 02
Debt / Equity		213%	180%
Net debt / Equity		153%	132%
Interest coverage		3.19	4.52
EBITDA interest coverage		6.52	8.29
EBITDA margin		34.3%	38.3%
Operating margin		17%	21%

Interest bearing debts breakdown	Short-term borrowings	530
	Current portion of Long-term debt	792
	Bonds	2,518
	Long-term debt	100
	Lease payment	1

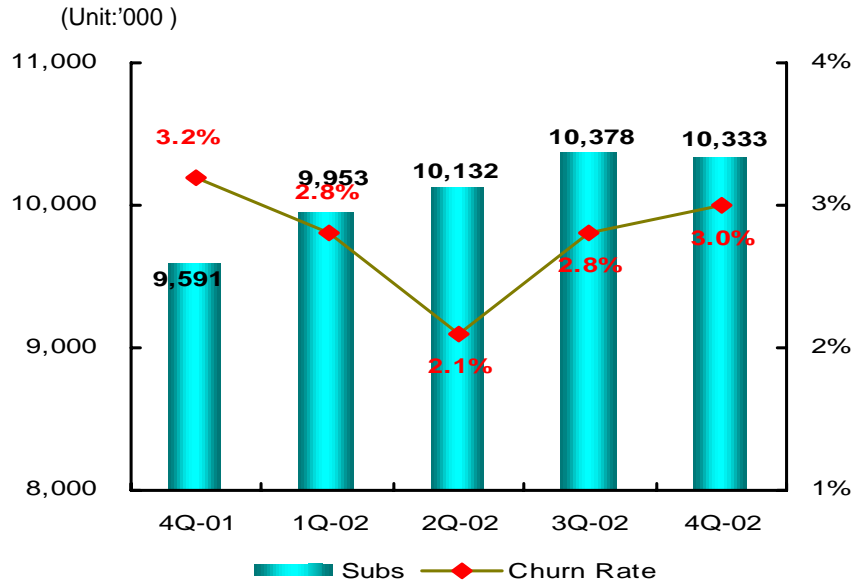
# Contents

- Financial Performance

- Business Performance

# Subs & Churn Rate

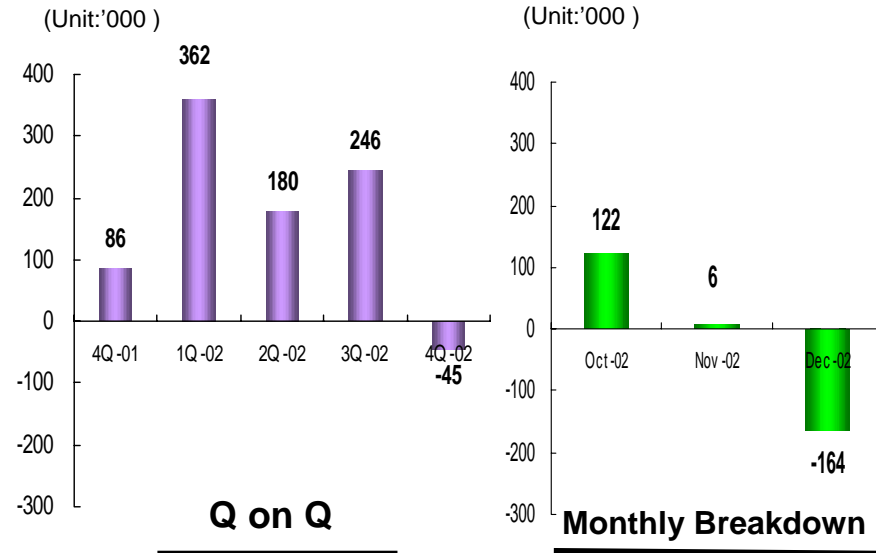
## Subs and Churn Rate



\* subs: as of Dec.

\*\*Churn rate: based on quarterly average

## Net Addition/Loss

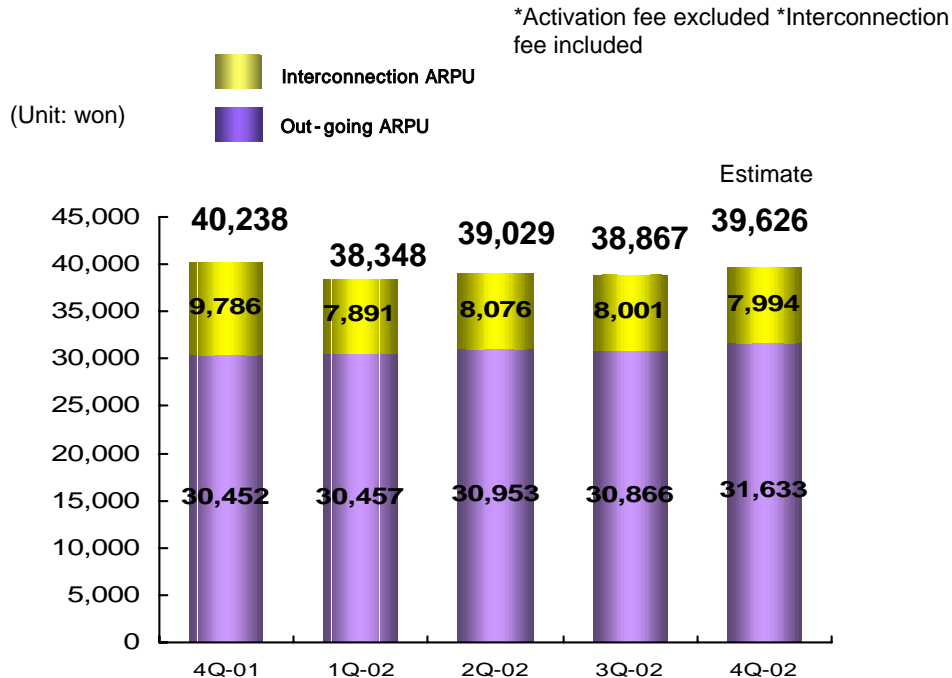


- **Decrease in Subs (- 0.4% vs. 3Q)**
  - Suspension for the sign-up in Dec.
  - Conservative marketing
  - Deactivation of pre-activated subs
- **Increase in Churn Rate (+ 0.2% vs. 3Q)**
  - Increase mainly by deactivation of pre-activation

- **Net Loss in 4Q (- 45K)**
- **Long-term Impact by clearance of pre-activation and enhancement of marketing channels**
  - Improvement of cost-effective marketing skill
  - enhancement in dealers' loyalty and channels
  - Improvement of subscribers' base and quality
  - Improvement of ARPU

# ARPU & MOU

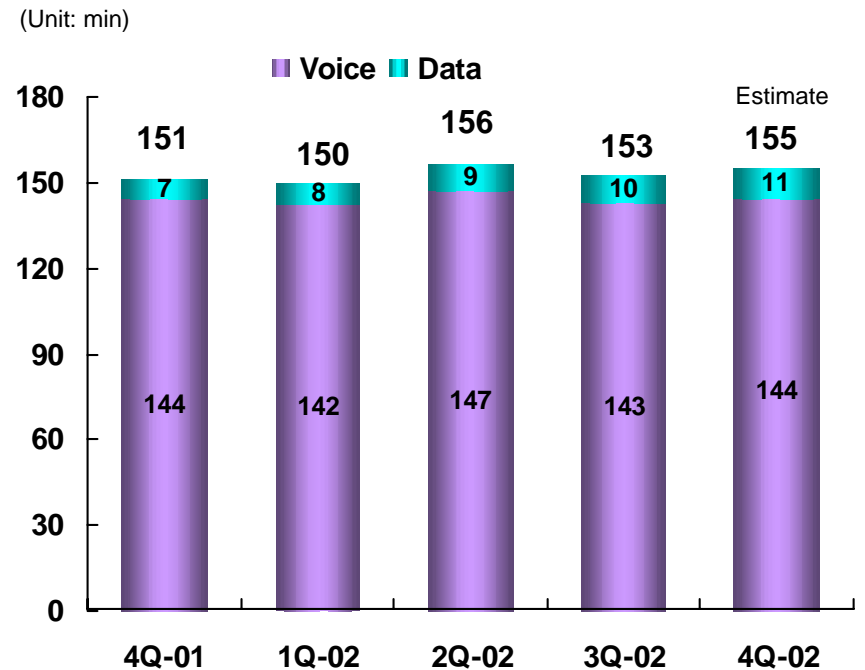
## ARPU \*



### ■ Increase in ARPU (+2% vs. 3Q)

- Increase in data ARPUs
  - widespread of color & multipack handset
- Increase in VAS usage
  - Catchcall, CID & 2Ring services
- Improved subscriber's quality
  - the deactivation of pre-activated subs

## Outgoing MOU



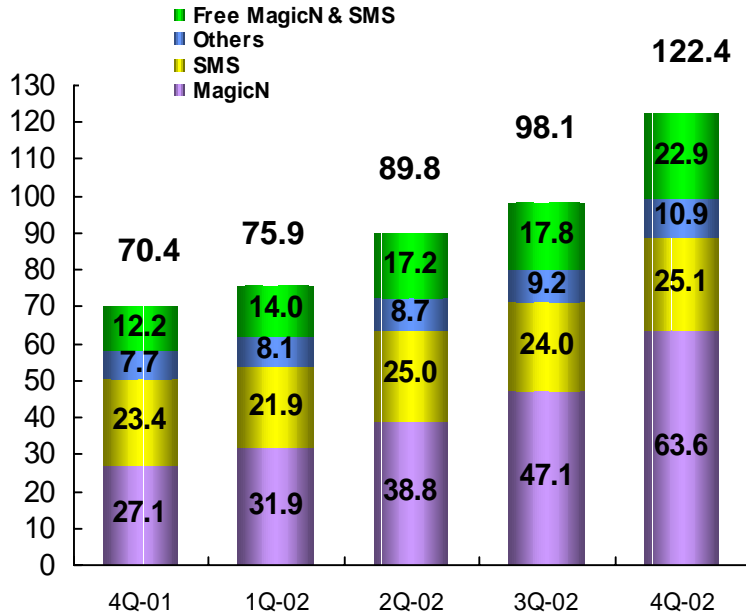
### ■ Increase in MOU (+1.3% vs. 3Q)

- Consistent increase in voice usage
- Increase in response to the missed calls by Catchcall service
- Sharp increase in high-volume data service usage
- Season effect

# Wireless ARPU

## Revenue Breakdown

(Unit: bn)

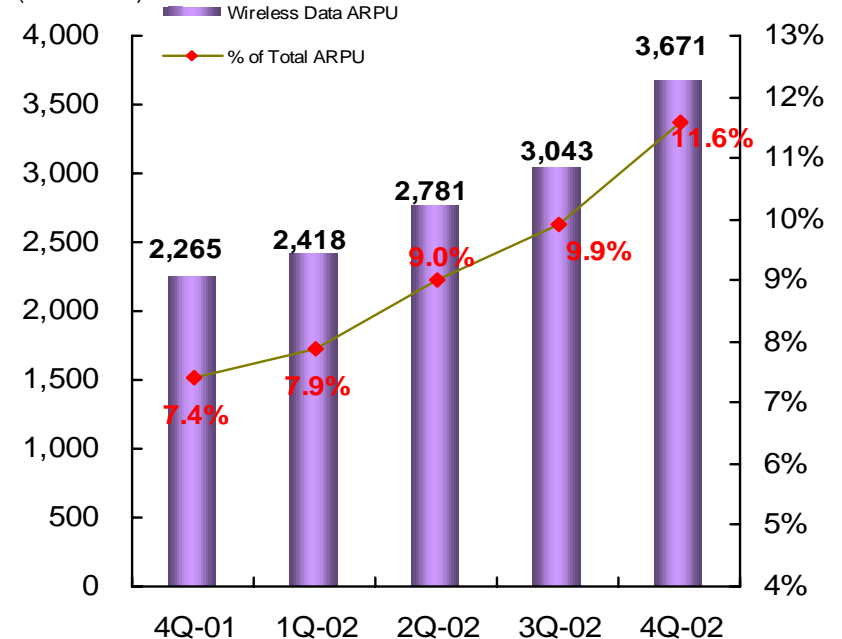


### ■ Sharp Increase in Data Revenue (+ 25% vs.3Q)

- Mainly due to increase in MagicN revenue(+35% vs. 3Q)
- Widespread of color & Multipack handset
- Appearance of various killer applications (ex. VOD or Game)
- Vitalization of VAS(ex. 2Ring service)

## Wireless Data ARPU

(Unit: KRW)



\* Free MagicN & SMS ARPU excluded

### ■ Surge in Data ARPU (+ 21% vs. 3Q)

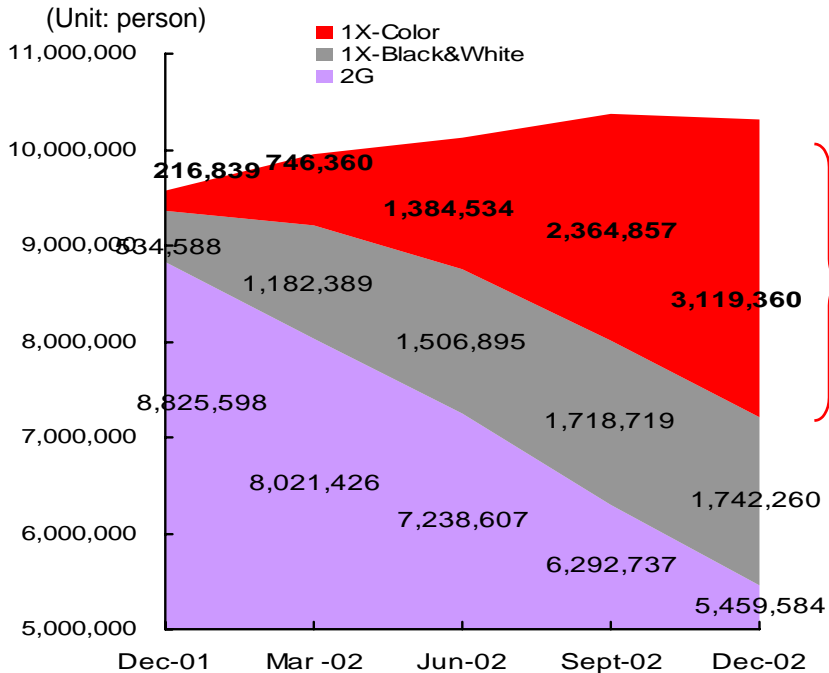
- Widespread of color handsets among young subscribers
- Vitalization of Multimedia & Game contents

### ■ Increase in Data ARPU Portion (+ 1.7% vs. 3Q)

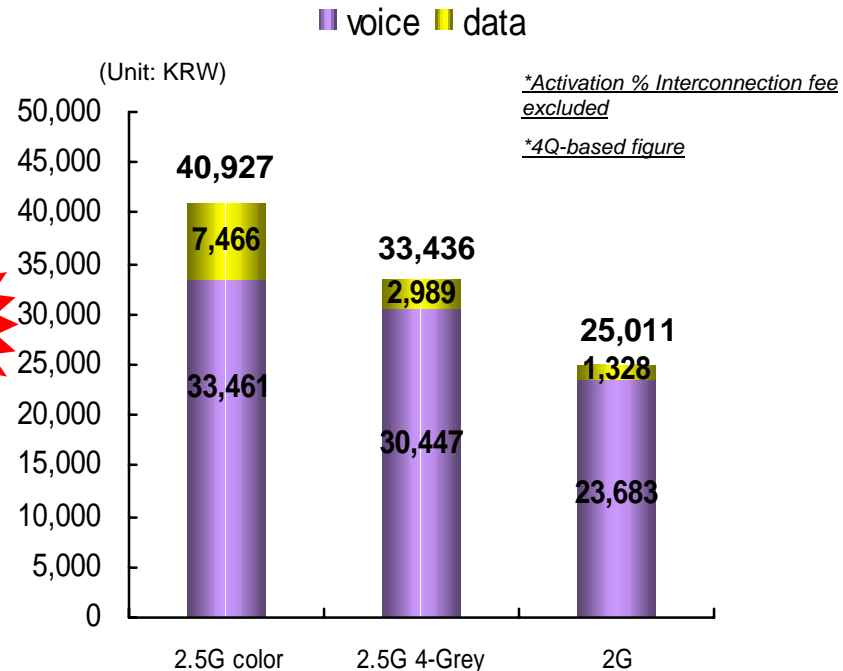
- : Reflecting fast deployment of multi-pack and color display handset

# CDMA2000-1X Subs & ARPU

## 1X Subs



## 1X Subs' ARPU



### ■ Fast Penetration of 1X Color Handset (+32% vs. 3Q)

- Various kinds of handset line-ups
- Reduction in handset cost due to severe competition among handset-makers and outsource from affiliate(which is KTFT)
- Attractiveness of high-resolution display
- User satisfaction for color contents
- Target marketing for 2G handset subscribers

### ■ Higher ARPU of 1X Color Handset Holders

Overall ARPU: Higher than 2G by 64%  
Data ARPU: Higher than 2G by 462%

### ■ The Reasons

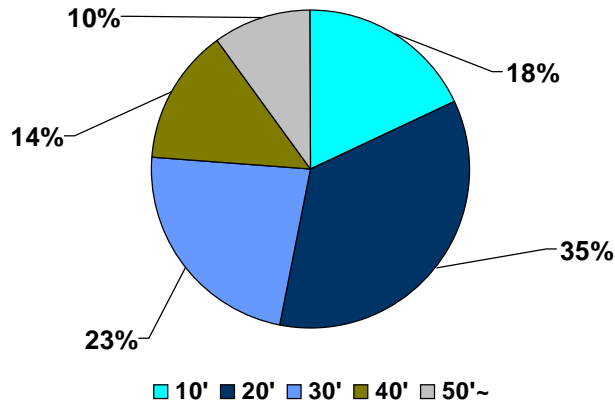
- Improved attractiveness of color contents
- User-friendly Interface(BREW Platform)
- Faster data transmission
- High-end functionality

# CDMA2000-1X Analysis by Age

## 1X Sub Breakdown by Age

\*KT Resale excluded

\*As of Dec

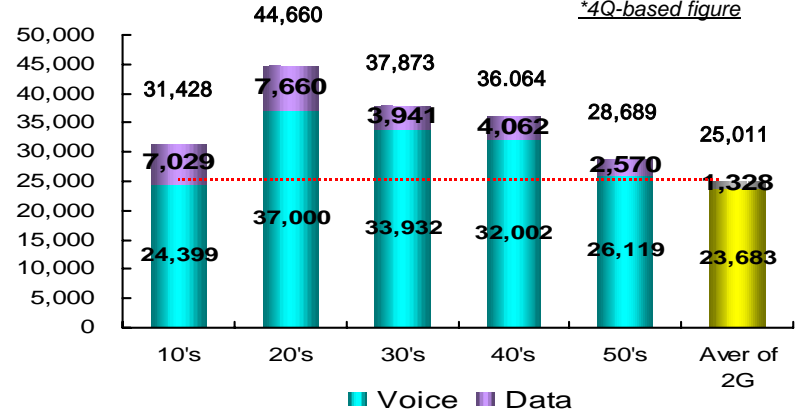


## 2.5G ARPU analysis by Age

(Unit; KRW)

\*Activation % Interconnection fee excluded

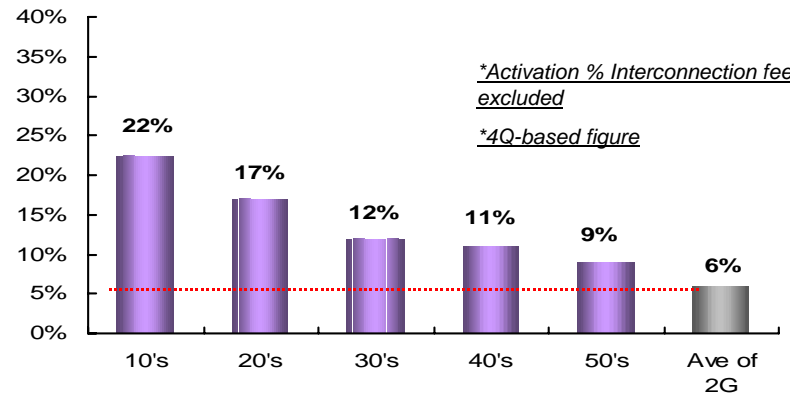
\*4Q-based figure



## 2.5G Data ARPU Portion by Age

\*Activation % Interconnection fee excluded

\*4Q-based figure



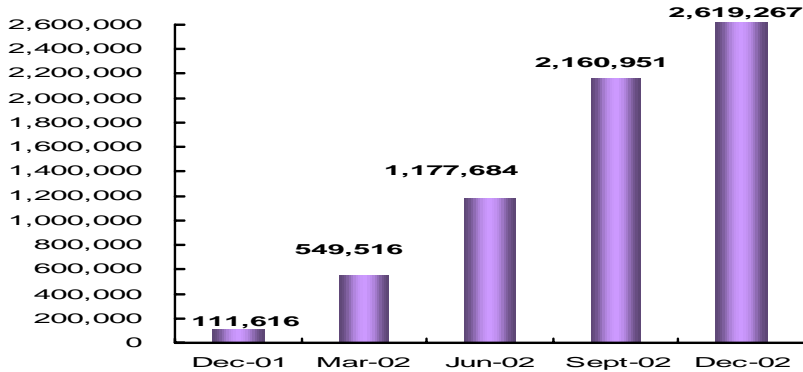
- High Portion of Teens and Twenties(53%)**  
 Early adopters for new technology  
 Target marketing for the young people
- High Data ARPU Portion of Teens and Twenties ( 10's: 22%, 20's: 15%)**  
 Savvy data users who are 'internet generation'  
 Securing both quantity and quality of contents via triggering competition between content providers with open strategy



# Multipack Service (since Sept.,2001)

## Multipack Subs

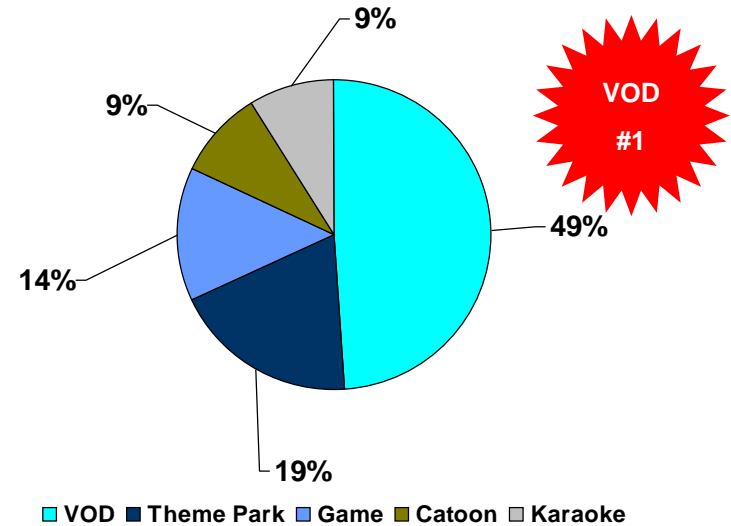
(Unit: person)



## Multipack Killer Applications

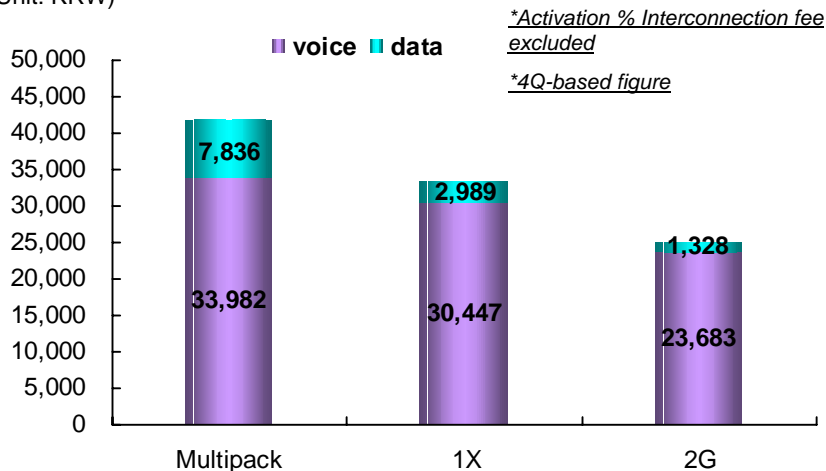
*\*Based on top 10 contents*

*\*As of Dec*



## Multipack ARPU

(Unit: KRW)



### Strong Data ARPU of Multipack Users (490% vs. 2G)

Icon-based & user-friendly interface

Faster contents-activation time

Various downloadable software for user's needs

- VOD, Peer to peer Game, Stand-alone Game, Stock quote, multimedia and so on  
 (# of contents: 641, as of Dec)

# Related Information

## Subs

(Unit: '000)

# of Subs	4Q-2001	1Q-2002	2Q-2002	3Q-2002	4Q-2002
Gross Adds	1,012	1,229	816	1,112	903
Deactivation	927	868	637	866	948
Net Adds	85	361	180	246	45
# of subs	9,591	9,952	10,132	10,378	10,333
Marekt Share(%)	33.0%	32.8%	32.8%	32.4%	31.9%
Gross Adds -KTF only	898	896	618	943	762
Deactivation -KTF only	850	684	506	722	839
Net Adds -KTF only	48	212	112	221	77
# of subs -KTF only	1,147	1,297	1,366	1,391	1,422
# of 1X subs	751	1,929	2,891	4,084	4,862
# of Multipack subs	112	550	1,178	2,161	2,619

## Employee

(Unit: person)

# of employee	2000	2001	2002	KTICOM
Regular	1,761	1,683	1,809	285
Non-regular	2,016	901	813	26
Total	3,777	2,584	2,622	311

## BTS

(Unit:#)

	2G	1X	EV-DO
# of BTS	6,269	2,413	1,217
Coverage	98%	85%	42%

# Appendix

- **FY 2002 Quarterly Income Statement**
- **Balance Sheet**

# Quarterly Income Statement

## Income Statements

Not Audited nor Reviewed by external auditors.

(Unit : KRW Mn)

Descriptions	2002. 1 - 3		2002. 4 - 6		2002. 7 - 9		2002. 10 - 12	
	Amount		Amount		Amount		Amount	
<b>. Total Sales</b>		<b>1,332,217</b>		<b>1,256,578</b>		<b>1,380,297</b>		<b>1,383,981</b>
<b>PCS Service</b>	<b>1,018,925</b>		<b>1,025,337</b>		<b>1,047,824</b>		<b>1,100,744</b>	
<i>Activations</i>	20,260		12,092		21,199		15,328	
<i>Monthly Fee</i>	383,305		391,353		395,657		407,405	
<i>Airtime charge</i>	310,282		316,132		309,688		317,644	
<i>Value-added service</i>	82,245		95,363		104,059		126,605	
<i>(PCS discount)</i>	(26,737)		(30,399)		(34,393)		(38,969)	
<i>Interconnection</i>	210,917		201,538		209,465		219,233	
<i>Resale</i>	37,606		38,224		40,924		52,216	
<i>Fees from other services</i>	1,046		1,033		1,225		1,282	
<b>Others</b>	<b>10,893</b>		<b>12,866</b>		<b>12,715</b>		<b>12,150</b>	
<i>Handset rental</i>	926		926		926		0	
<i>Overseas call</i>	9,143		9,725		9,436		9,121	
<i>M-commerce</i>	535		656		806		1,076	
<i>International Roaming</i>	130		780		975		682	
<i>Other overseas service</i>	22		543		436		429	
<i>Magic-N Lottery</i>	136		233		(289)		107	
<i>M-Ad.</i>					38		66	
<i>Card service</i>	0		2		385		669	
<b>Handset</b>	<b>302,400</b>		<b>218,375</b>		<b>319,758</b>		<b>271,086</b>	
<i>Handset</i>	302,571		218,497		319,900		271,198	
<i>(Handset discount)</i>	(171)		(121)		(142)		(112)	
<b>. Operating Expense</b>		<b>1,099,706</b>		<b>1,058,221</b>		<b>1,153,968</b>		<b>1,196,987</b>
Salary & Bonus	31,302		31,600		31,573		29,407	
Fees for temporary employee	292		302		346		415	
Out-sourcing employee	2,548		1,770		2,230		1,908	
Retirement	6,130		3,256		3,554		2,160	
Fringe benefits & others	6,372		5,866		4,972		6,476	
Rent	18,305		19,236		20,478		22,866	
Lease	12,128		12,122		12,125		14,009	
Service fee & commission	74,949		74,774		80,347		85,519	
Depreciations	169,829		175,253		184,106		194,478	
Amortizations	595		380		411		447	
Tax & dues	8,246		12,553		9,901		10,750	
Fare	1,311		1,627		2,117		1,791	
Insurance	527		851		(413)		379	
Interconnections	106,698		114,021		118,617		122,781	
Overseas call cost	1,636		1,715		1,596		1,854	
Leased line cost	90,007		95,501		91,304		90,989	
CP info usage charge	4,220		6,859		9,092		12,970	
Universal service obligations sharing	6,168				23,104		8,671	

# Quarterly Income Statement -Continue

Descriptions	2002. 1 - 3		2002. 4 - 6		2002. 7 - 9		2002. 10 - 12	
	Amount		Amount		Amount		Amount	
Vehicles	337		393		448		460	
Educations	1,526		2,176		1,434		2,094	
Ordinary R&D	2,604		4,861		2,148		10,378	
Awards	264		70		1,400		9,115	
Entertainment	249		234		288		340	
Sales commission	137,268		122,960		142,667		150,121	
Sales promotions	32,446		47,193		42,108		51,900	
Advertisement	34,763		50,382		35,492		24,300	
Bad Debt	20,115		21,025		(25,995)		8,410	
Travel & Car fare	1,485		1,456		967		1,208	
Utilities	8,499		9,024		12,092		9,906	
Communications	6,787		7,114		6,916		7,309	
Repair & Maintenance	7,850		10,772		18,348		34,627	
Office supplies	2,343		2,210		2,089		3,207	
Other researchs	1,105		1,510		1,968		2,755	
Book & Printing	166		248		132		151	
Conference & managerial events	1,325		1,442		1,512		1,754	
Internet shopping	0		0		7		11	
Magic-N Lottery	123		202		(325)		0	
Handset sales	299,169		217,246		314,797		271,061	
Miscellaneous Expenses	16		18		13		12	
Adjustment for old M.com/other info service re	0		0		0		0	
Others	0		0		0		0	
<b>.Operating income</b>		<b>232,511</b>		<b>198,357</b>		<b>226,329</b>		<b>186,994</b>
<b>.Non-operating gains</b>		<b>25,423</b>		<b>20,662</b>		<b>13,411</b>		<b>17,476</b>
Interest	8,030		7,494		761		1,665	
Disposition of marketable securities	0		0		0		0	
Evaluation of marketable securities	0		0		0		0	
Dividend	137		0		0		0	
Rent	3,466		2,529		2,803		2,729	
Equity method evaluation	3,020		(480)		(639)		(1,901)	
FX transactions	88		650		44		555	
FX translations	2,262		110		805		(991)	
Disposition of Investment	0		52		0		0	
Disposition of tangible asset	176		161		72		327	
Disposition of Intangibles	0		3		0		0	
Redemption of BW	0		0		0		0	
Others	988		1,694		2,262		3,640	
Miscellaneous gains	7,256		8,448		7,303		11,452	
<b>.Non-operating losses</b>		<b>63,643</b>		<b>61,890</b>		<b>76,592</b>		<b>106,593</b>
Interest	58,865		49,736		48,943		58,548	
FX transactions	113		50		63		28	
FX translations	10		155		(161)		(1)	
Donation	3,813		3,543		6,417		4,762	
Equity method evaluation	0		0		0		122	
Disposition of marketable securities	0		0		0		0	
Evaluation of marketable securities	0		0		0		0	

# Quarterly Income Statement -Continue

Descriptions	2002. 1 - 3		2002. 4 - 6		2002. 7 - 9		2002. 10 - 12	
	Amount		Amount		Amount		Amount	
Disposition of Inventories	0		0		0		0	
Evaluation of Inventories	0		399		0		1,757	
Disposition of Investment	0		38		50		0	
Evaluation of Investment	0		0		0		2,774	
Disposition of Tangible asset	721		4,964		18,518		22,138	
Disposition of Intangible asset	0		13		10		5	
Loss sharing for overseas call	0		2,477		879		0	
Others	0		0		293		535	
Loss from disaster	0		0		1,117		540	
Selling Trade receivable-ABS	0		0		0		15,147	
Other bad debts loss	0		0		270		0	
Miscellaneous losses	121		514		192		237	
<b>.Ordinary Income</b>		<b>194,291</b>		<b>157,128</b>		<b>163,148</b>		<b>97,877</b>
<b>.Extra-ordinary gain</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
<b>.Extra-ordinary loss</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
<b>.Income before tax</b>		<b>194,291</b>		<b>157,128</b>		<b>163,148</b>		<b>97,877</b>
<b>.Tax</b>		<b>24,539</b>		<b>19,044</b>		<b>30,527</b>		<b>6,170</b>
Income tax	24,539		19,044		30,527		6,170	
<b>. Net Income</b>		<b>169,751</b>		<b>138,084</b>		<b>132,621</b>		<b>91,706</b>

EBITDA	399,705	372,861	405,885	381,894
EBITDA margin	38.8%	35.9%	38.3%	34.3%
	22.3%	19.0%	20.9%	16.8%
	18.6%	15.0%	14.9%	8.8%
	16.3%	13.2%	12.2%	8.2%
	1,029,817	1,038,203	1,060,539	1,112,895
	3,231	1,129	4,962	25
	1.1%	0.5%	1.6%	0.0%

# Balance Sheet

## Balance Sheet as of Dec. 31, 2002

Not audited nor reviewed by external auditor.

(Unit : KRW Mn)

	4Q-2002	3Q-2002	4Q-2001		4Q-2002	3Q-2002	4Q-2001
<b>Assets</b>	<b>8,033,227</b>	<b>6,934,948</b>	<b>6,496,392</b>	<b>Liabilities</b>	<b>5,467,603</b>	<b>4,460,406</b>	<b>4,464,396</b>
<b>Current</b>	<b>1,315,196</b>	<b>1,669,080</b>	<b>1,547,239</b>	<b>Current</b>	<b>2,814,676</b>	<b>2,126,377</b>	<b>2,242,130</b>
<b>Quick Assets</b>	<b>1,170,787</b>	<b>1,597,627</b>	<b>1,489,080</b>	Trade payable	394,264	355,792	225,937
Cash	22,660	75,665	52,362	Other payable	878,751	543,922	544,241
Short-term financial investment			2,500	Short-term borrowings	530,000	500,000	650,000
Marketable securities				Advances from customer	16,366	7,541	19,328
Trade receivables	1,024,515	1,384,359	1,179,353	Withholdings	104,277	107,582	114,585
Other receivables	62,765	63,026	203,600	Accrued expenses	54,648	43,812	25,565
Short-term loans	5,276	4,665	20,774	Current portion of	792,494	543,172	642,838
Advanced payment	36,225	33,617	11,918	Long-term debt			
Prepaid expenses	19,302	36,452	17,394	Unearned income			16,246
Accrued income	7	43	457	Unpaid income tax	40,804	21,572	
Others	37		722	Others	3,071	2,984	3,390
<b>Inventories</b>	<b>144,409</b>	<b>71,253</b>	<b>58,159</b>	<b>Non-current</b>	<b>2,652,927</b>	<b>2,334,029</b>	<b>2,222,266</b>
<b>Non-current</b>	<b>6,718,031</b>	<b>5,265,869</b>	<b>4,949,153</b>	Bonds	2,517,606	2,189,897	1,977,771
<b>Investment</b>	<b>2,049,759</b>	<b>653,416</b>	<b>632,002</b>	Long-term borrowings	100,000	107,230	216,994
Long-term financial inves	56	56	75	Long-term payables	536	1,108	2,828
Investment securities	1,699,534	319,395	309,498	Others	34,785	35,794	24,673
Long-term loans	44,711	42,953	27,846	<b>Equities</b>	<b>2,565,624</b>	<b>2,474,542</b>	<b>2,031,996</b>
Guarantee deposit	221,052	219,667	212,407	<b>Capital Stock</b>	<b>920,290</b>	<b>920,290</b>	<b>920,290</b>
Deferred income tax	77,681	64,620	75,657	<b>Capital Surplus</b>	<b>1,132,834</b>	<b>1,132,834</b>	<b>1,132,834</b>
Others	6,725	6,725	6,519	<b>Retained Earnings</b>	<b>542,644</b>	<b>450,938</b>	<b>10,481</b>
<b>Tangible Assets</b>	<b>4,657,319</b>	<b>4,601,896</b>	<b>4,307,778</b>	<b>Capital Adjustment</b>	<b>(30,144)</b>	<b>(29,520)</b>	<b>(31,609)</b>
Lnad	124,401	112,638	100,615				
Buildings	181,359	163,803	144,698				
Structure	64,387	62,755	63,735				
Equipment & Machinery	3,642,564	3,467,364	3,457,844				
Vehicles	5,432	5,570	4,968				
Construction in progress	415,849	571,652	319,885				
Others	223,327	218,114	216,033				
<b>Intangible Assets</b>	<b>10,953</b>	<b>10,557</b>	<b>9,373</b>				
Debt - Equity	213%	180%	220%				
Net Debt	3,917,976	3,265,742	3,435,569				
Net Debt - Equity	153%	132%	169%				
Interest-bearing debt	3,940,636	3,341,407	3,490,431				
Short-term	1,322,494	1,043,172	1,292,838				