



FY2005 1Q Earnings Release

KT Freetel Co., Ltd.

- This material is on FY2005-1Q pre-closing result which is not reviewed nor audited by external auditor. And the more, all the numbers herein are still under the risk of material change according to accounting closing of company. Therefore, we will re-announce the financial result as soon as we finish the internal closing.
- This material contains forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. Actual results may differ materially from those expressed or implied by these forward-looking statements. Because of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation might not occur in the way we expect, or at all. You should not place undue reliance on any forward-looking information.
- This material contains several estimated numbers. These are under the risk of retroactive change in the kind of disclosed data, forms, or numbers without notice.
- Company will not take any kind of legal responsibility on your investment decision based on this material.

I. Financial Highlights

[Summary of Financial Statement & Key Ratios]

(Unit: W mn)

	'04-1Q	'04-2Q	'04-3Q	'04-4Q	'05-1Q	YoY	QoQ
PCS Revenue	1,062,200	1,174,042	1,168,599	1,184,368	1,204,011	13.4%	1.7%
PCS Cost	959,778	1,055,743	1,022,343	1,027,080	1,017,957	6.1%	-0.9%
Operating Profit	104,610	101,852	154,465	168,060	190,136	81.8%	13.1%
Excluding Handset Profit	102,422	118,299	146,257	157,288	186,054	81.7%	18.3%
EBITDA	361,561	392,728	422,644	437,978	471,771	30.5%	7.7%
Non-op. Profit	25,590	24,126	31,936	28,321	91,927	259.2%	224.6%
Non-op. Expense	73,073	82,386	89,041	86,401	107,310	46.9%	24.2%
Recurring Profit	57,127	44,142	97,361	109,980	174,752	205.9%	58.9%
Extraordinary Income	-	-	-	-	-	-	-
Extraordinary Expense	-	-	-	-	-	-	-
Pretax Profit	57,127	44,142	97,361	109,980	174,752	205.9%	58.9%
Tax	8,444	745	5,634	9,886	17,969	112.8%	81.8%
Net Profit	48,683	43,397	91,728	100,094	156,784	222.0%	56.6%

Key Ratios	'04-1Q	'04-2Q	'04-3Q	'04-4Q	'05-1Q	YoY	QoQ
□ Marketing/PCS Revenue	22.3%	25.0%	21.4%	18.9%	18.3%	-4.0%	-0.6%
□ Operating Margin	9.6%	10.1%	12.5%	13.3%	15.5%	5.8%	2.2%
□ EBITDA Margin	34.0%	33.5%	36.2%	37.0%	39.2%	5.1%	2.2%
□ Net Profit Margin	4.6%	3.7%	7.8%	8.5%	13.0%	8.4%	4.6%
□ Effective Tax Rate	14.8%	1.7%	5.8%	9.0%	10.3%	-4.5%	1.3%
□ Net Debt Ratio	103%	109%	109%	98%	86%	-17.2%	-11.6%
Net Debt Ratio-Including Accrued payment of Spectrum	121%	127%	126%	115%	103%	-17.8%	-11.7%
□ Debt Ratio	168%	169%	161%	150%	141%	-72.8%	-8.7%

A. PCS revenue increased by 1.7% QoQ and 13.4% YoY

- 1) Despite tariff cuts in September FY04, PCS revenue grew by 13.4% YoY due to ARPU and net subscriber growth
- 2) Captured 58% of the total net adds market in 1Q

B. Achieved EBITDA margin of 39.2%, an increase of 2.2%p QoQ and 5.1%p YoY

- 1) Marketing cost decreased by 1.6% QoQ and 6.9% YoY
- 2) While service revenue grew by 13.4% YoY and 1.7% QoQ, other operating costs excluding marketing and depreciation costs only increased by 10.3%YoY and -2% QoQ respectively, further showing effective cost control

C. Net profit increased by 56.6% QoQ and 222% YoY

- 1) High non-op. income figures were due to gains on one-time disposition of tangible assets from sale of backbone(FY04) as well as effects from non-ordinary items
 - Gains from backbone sale in FY04 amounted to W48.2bn
 - Disposition of obsolete assets amounted to W25bn
- (Pg. 7 for details)

II. Sales

[Sales Breakdown]

(Unit: W mn)

	'04-1Q	'04-2Q	'04-3Q	'04-4Q	'05-1Q	YoY	QoQ
PCS Revenue	1,062,200	1,174,042	1,168,599	1,184,368	1,204,011	13.4%	1.7%
Sign-up Fee	20,298	23,260	13,272	14,717	20,258	-0.2%	37.6%
Monthly fee+Airtime	697,878	749,039	741,404	757,129	742,229	6.4%	-2.0%
Monthly fee	414,178	446,180	443,934	438,990	448,122	8.2%	2.1%
Airtime Charge	283,700	302,859	297,470	318,140	294,107	3.7%	-7.6%
VAS	135,803	140,164	156,534	159,520	141,742	4.4%	-11.1%
-Voice	37,753	38,875	36,283	35,973	37,307	-1.2%	3.7%
-Data	98,051	101,289	120,251	123,548	104,435	6.5%	-15.5%
(Discount)	(56,433)	(66,879)	(69,510)	(73,440)	(52,523)	-6.9%	-28.5%
Interconnection	194,074	233,298	225,174	228,808	240,611	24.0%	5.2%
KT Resale	58,503	83,021	89,744	84,692	99,157	69.5%	17.1%
Other Rev.(700,114)	1,639	1,654	1,791	1,863	1,842	12.4%	-1.1%
Others	10,438	10,485	10,190	11,078	10,694	2.5%	-3.5%
Handset Sales	379,873	318,151	289,664	253,921	265,155	-30.2%	4.4%
Total Sales	1,442,073	1,492,193	1,458,263	1,438,289	1,469,166	1.9%	2.1%

A. PCS Revenue:

- 1) Despite seasonal factors in 1Q, up by 1.7% QoQ from growth of subscribers
- 2) Increase of subscribers through MNP and expansion of high-end user base contributed to a rise of 13.4%YoY

B. Sign-up Fee:

- 1) Increase in QoQ gross adds accounted for 37.6% hike
(KTF-only gross adds : FY04 4Q 663 thousand → FY05 1Q 894 thousand)
- 2) YoY fall in gross adds resulted in 0.2% decrease (KTF-only gross adds : FY04 1Q 903 thousand)

C. Monthly Fee & Airtime Charge:

- 1) Monthly fee and airtime charge revenues increased by 6.4% YoY due to the growth of quarterly average subscriber number and an influx of high-end users through MNP
- 2) Dropped 2% QoQ from seasonal effects

D. VAS:

- 1) Data increased 6.5% YoY but due to changes in accounting procedures for data flat rate package, revenue fell by 15.5% QoQ
- 1-1) When assuming changes in accounting methods for FY04 data flat rate package, data VAS increased 20.9% YoY and dropped by 0.9% QoQ

* Details of Changes in Accounting Method

- As of 1st quarter, the Magic n flat rate plan which was previously included in sales discount will be directly deducted from sales

[Readjustment of Data VAS based on new accounting method]

(Unit: W mn)

	'04-1Q	'04-2Q	'04-3Q	'04-4Q	'05-1Q	YoY	QoQ
I/S-Data VAS Revenue	98,051	101,289	120,251	123,548	104,435	6.5%	-15.5%
Magic n Flat Rate Discount	(11,652)	(15,289)	(17,693)	(18,162)			
FY05 Data VAS Revenue	86,398	86,001	102,558	105,386	104,435	20.9%	-0.9%
Other Data Discounts	(596)	(1,008)	(908)	(832)	(991)	66.5%	19.1%
After Discount Data VAS Revenue	85,803	84,993	101,650	104,554	103,443	20.6%	-1.1%

E. Interconnection:

- 1) Interconnection revenue increased 5.2% QoQ despite decrease in incoming traffic due to underestimation in 4Q. Increased incoming traffic relative to FY04 1Q influenced rise of 24% YoY

F. KT Resale:

- 1) KT resale subscriber growth, in addition to improved quality of subscribers led to a rise of 69.5% YoY and 17.1% QoQ

G. Handset Sales:

- 1) Increase in handset demand compared to FY04 4Q marked an upturn of 4.4% QoQ while falling 30.2% on a yearly basis

III. Operating Expenses

[Operating Expenses Breakdown]

(Unit: W mn)

	'04-1Q	'04-2Q	'04-3Q	'04-4Q	'05-1Q	YoY	QoQ
1. Labor	59,508	44,630	57,596	60,329	61,024	2.5%	1.2%
2. Fees	96,378	101,752	104,007	103,157	95,196	-1.2%	-7.7%
3. interconnection	111,090	122,805	128,587	144,500	142,345	28.1%	-1.5%
4. Overseas calls	1,526	1,358	1,423	1,646	1,843	20.8%	12.0%
5. Information Charge(CP)	668	1,026	595	585	742	11.2%	27.0%
6. Rent	26,327	30,243	27,101	29,769	27,118	3.0%	-8.9%
7. Depreciation/Amortization	259,140	274,429	276,387	280,690	285,717	10.3%	1.8%
8. Leased line	87,549	93,024	89,442	87,243	91,667	4.7%	5.1%
9. Utilities	10,573	11,297	14,818	12,674	12,097	14.4%	-4.5%
10. Repair & Maintenance	5,431	18,412	15,653	18,806	13,087	140.9%	-30.4%
11. Lease	15,327	15,327	15,327	15,327	15,327	0.0%	0.0%
12. Marketing	237,132	293,088	250,433	224,350	220,769	-6.9%	-1.6%
13. Bad Debt	4,969	3,920	2,971	13,587	9,781	96.8%	-28.0%
14. Tax & Obligations	15,201	13,122	7,459	9,387	13,519	-11.1%	44.0%
15. USO	10,000	10,000	10,000	557	10,000	0.0%	1696.1%
16. Others	18,960	21,309	20,544	24,473	17,726	-6.5%	-27.6%
PCS Related Expenses	959,778	1,055,743	1,022,343	1,027,080	1,017,957	6.1%	-0.9%
Cost of Handsets	377,685	334,599	281,455	243,149	261,073	-30.9%	7.4%
Total	1,337,463	1,390,342	1,303,798	1,270,228	1,279,030	-4.4%	0.7%

A. Labor Expense:

- 1) Post MNP labor expense increased only by 1.2% QoQ and 2.5% YoY while the labor expense to sales ratio fell by 0.03%p and 0.5%p respectively

B. Depreciation & Amortization:

- 1) Rose 1.8% QoQ from amortization of the W-CDMA spectrum license and new investments

C. Interconnection Expense:

- 1) Down 1.5% QoQ from decrease in outgoing traffic while increasing 28.1% on a yearly basis due to relative rise in outgoing traffic

D. Leased Line Expense:

- 1) Increased by 5.1% QoQ, 4.7% YoY due to temporary overlap of lines from transferring regional mobile switching station

E. Repair Maintenance:

- 1) Declined by 30% QoQ from reduced maintenance expenditure for switching and transmission equipment but recorded a yearly upsurge due to a relatively low figure in FY04 1Q

F. Marketing Expense:

- 1) Down 1.6% QoQ, 6.9% YoY from cooling market conditions and decrease in SAC

G. Bad Debt Expense:

- 1) Decreased 28% QoQ due to temporary increase in 4Q dealer related bad debt

H. USO:

- 1) Due to conservative forecasting of USO in 1Q-3Q, 4Q settlement of costs resulted in relatively lower costs in the 4Q. Accordingly QoQ figures steeply increased while YoY numbers were in level

I. Taxes & Obligations:

- 1) Rose by 44% in 1Q from a W5bn fine levied by MIC

IV. Interconnection Revenue & Expense

[Interconnection Revenue & Expenses]

(Unit: W mn)

	'04-1Q	'04-2Q	'04-3Q	'04-4Q	'05-1Q	YoY	QoQ
Total Int. Revenue	194,074	233,298	225,174	228,808	240,611	24.0%	5.2%
LM	82,062	93,107	92,426	86,268	90,511	10.3%	4.9%
MM	112,012	140,191	132,748	142,540	150,100	34.0%	5.3%
Total Int. Expenses	111,090	122,805	128,587	144,500	142,345	28.1%	-1.5%
LM	19,527	31,075	26,548	26,011	29,114	49.1%	11.9%
MM	91,562	91,731	102,039	118,489	113,231	23.7%	-4.4%
Net Interconnection Income	82,985	110,492	96,588	84,307	98,266	18.4%	16.6%
LM	62,535	62,032	65,878	60,256	61,397	-1.8%	1.9%
MM	20,449	48,460	30,709	24,051	36,869	80.3%	53.3%

A. Despite a decrease in incoming traffic, interconnection revenues went up by 5.2% QoQ from adjustment of underestimation in 4Q. The same item rose 24% YoY from increase in incoming traffic relative to FY04.

B. Both decrease in outgoing traffic and MM rate cuts account for a 1.5% QoQ drop in interconnection expenses. It grew by 28.1% YoY from increase in outgoing traffic relative to FY04.

- Correspondingly, net interconnection income grew by 16.6% QoQ and 18.4% YoY

V. Marketing Costs

[Marketing Expenses]

(Unit: W mn)

	'04-1Q	'04-2Q	'04-3Q	'04-4Q	'05-1Q	YoY	QoQ
Commission	157,747	218,972	182,976	158,395	167,163	6.0%	5.5%
Promotion	41,289	44,029	38,441	39,893	28,345	-31.3%	-28.9%
Advertising	38,096	30,087	29,016	26,062	25,261	-33.7%	-3.1%
Total Marketing Cost	237,132	293,088	250,433	224,350	220,769	-6.9%	-1.6%

	'04-1Q	'04-2Q	'04-3Q	'04-4Q	'05-1Q	YoY	QoQ
Acquisition	79,476	115,435	62,504	73,118	85,830	8.0%	17.4%
Commission	62,436	103,500	55,529	65,486	82,471	32.1%	25.9%
Promotion	17,040	11,935	6,975	7,632	3,359	-80.3%	-56.0%
Per Sub.(W)	88,075	117,255	105,051	110,363	96,013	9.0%	-13.0%
Retention	119,560	147,567	158,913	125,170	109,678	-8.3%	-12.4%
Commission	95,311	115,472	127,448	92,908	84,692	-11.1%	-8.8%
Promotion	24,249	32,095	31,466	32,262	24,986	3.0%	-22.6%
Advertising	38,096	30,087	29,016	26,062	25,261	-33.7%	-3.1%
Total Marketing Cost	237,132	293,088	250,433	224,350	220,769	-6.9%	-1.6%

A. Acquisition Cost:

- 1) QoQ SAC decreased but total cost increased 17.4% QoQ due to increase in subscriber gross adds
- 2) YoY SAC increase led to a rise of 8%YoY in acquisition costs due to 3 way MNP versus 1 way MNP

B. Retention Cost:

- 1) QoQ retention cost lowered by 12.4% aided by lower numbers in subscriber handset change cost and handset changes
- 2) YoY decreased by 8.3% even though handset change cost increased

VI. Non-Operating Income & Expense

[Non-Operating Items]

(Unit: W mn)

	'04-1Q	'04-2Q	'04-3Q	'04-4Q	'05-1Q	YoY	QoQ
Interest Income	2,117	1,247	693	8,634	1,926	-9.0%	-77.7%
Interest Expense	55,701	55,761	55,747	53,397	48,767	-12.4%	-8.7%
Net Interest Income	(53,584)	(54,513)	(55,054)	(44,763)	(46,841)	-12.6%	4.6%
F/X Related Gains	8,103	6,260	4,084	6,622	7,314	-9.7%	10.5%
F/X Related Losses	930	221	100	721	261	-72.0%	-63.8%
Net F/S Gains	7,173	6,040	3,985	5,901	7,053	-1.7%	19.5%
Other Gains	15,370	16,618	27,159	13,066	82,687	438.0%	532.8%
Other Losses	16,442	25,855	33,194	32,284	58,282	254.5%	80.5%
Net Other Gains	(1,072)	(9,236)	(6,035)	(19,218)	24,404	-2377.2%	-227.0%
Total Non-op. Gains	25,590	24,126	31,936	28,321	91,927	259.2%	224.6%
Total Non-op. Losses	73,073	81,836	89,041	86,401	107,310	46.9%	24.2%
Total Net Non-op. Gains	(47,483)	(57,710)	(57,104)	(58,080)	(15,384)	-67.6%	-73.5%

A. Net Interest Income:

- 1) Interest income decreased 77.7% QoQ due to interest gains of 7 billion Won from clearing off of 2nd ABS issues in FY04 4Q
- 2) Continuous decrease in interest bearing debt as well as a fall in interest rates influenced interest expense to decrease by 8.7% QoQ and 12.4% YoY

B. Net Foreign Exchange Gains:

- 1) Following the appreciation of the won, net foreign exchange gains increased 19.5% QoQ

C. Net Other Non-Op. Gains:

- 1) Due to non-ordinary items in the 1Q, net other non-op. gains posted positive figures

[FY05 1Q Non-ordinary Non-Op. Items]

	Amount	Category
Liquidation of Mobilians Holdings (770 thousand shares)	W+7.7bn	Gains on Disposition of Available-for-Sale Securities
Backbone Sale	W+48.2bn	Gains on Disposition of Tangible Assets
Disposition of Obsolete Assets	W-25.0bn	Loss on Disposition of Tangible Assets
Total	W+30.9bn	

VII. EBITDA Margin & Capex

(Unit: W mn)

	'04-1Q	'04-2Q	'04-3Q	'04-4Q	'05-1Q	YoY	QoQ
D&A	259,140	274,429	276,387	280,690	285,717	10.3%	1.8%
EBITDA	361,561	392,728	422,644	437,978	471,771	30.5%	7.7%
EBITDA Margin(%)	34.0%	33.5%	36.2%	37.0%	39.2%	5.1%p	2.2%p
Capex	306,600	278,200	154,200	206,500	90,600	-70.5%	-56.1%

A. Depreciation expense maintained 4Q levels while increasing 10.3% YoY.

Capex fell by 56% QoQ at 90.6 bn

B. EBITDA increased 30.5% YoY and 7.7% QoQ due to decline in marketing costs

VIII. Balance Sheet

(Unit: W mn)

	1Q-2005	4Q-2004		1Q-2005	4Q-2004
Asset	7,812,658	7,960,429	Liability	4,576,069	4,777,673
Current	1,855,213	1,687,501	Current	2,246,832	2,366,726
Quick	1,618,062	1,451,733	Fixecd	2,329,237	2,410,947
Inventory	237,150	235,769			
Fixed	5,957,446	6,272,928	Equity	3,236,589	3,182,757
Investment	514,106	532,939	Paid in Capital	955,703	955,703
Tangible	4,327,916	4,600,893	APIC	1,325,489	1,325,488
Intangible	1,115,424	1,139,096	Retained Earnin	1,042,343	985,275
			Capital Adjustm	(86,945)	(83,709)

A. 1Q debt ratio improved 9%p to 141% while net debt marked 86%

- 1) Long-term accrued payments from W-CDMA spectrum license are excluded from net debt calculation (Net debt reaches 103% including accrued payments)

[Interest Bearing Debt Breakdown]

(Unit: W mn)

	'04-4Q	'05-1Q	QoQ
Interest Bearing Debt	3,149,470	2,895,477	-8%
Payable within 1yr.	1,330,288	1,174,933	-12%
Net Debt	3,114,065	2,792,467	-10%
Foreign Debt	Yen14.2bn	Yen14.2bn	0%

A. Interest bearing debt consists of W200bn in short term borrowings, W974.9bn in current portion of long-term debt and W1.721trn in debentures

- Above interest bearing debt excludes W543bn in accrued payments for WCDMA spectrum license

IX. Operational Results

A. Subscribers

(Unit: '000)

	4Q-03	1Q-04	2Q-04	3Q-04	4Q-04	1Q-05
Total No. of Subs	10,442	11,292	11,946	11,709	11,729	12,042
KT Resale	1,555	1,999	2,301	2,234	2,230	2,473
Quarterly Adds	618	1,480	1,443	681	795	1,290
Quarterly Churn-out	625	630	788	918	775	977
Net Adds	-7	850	655	-237	20	313
KTF-only (Exclude KT Resale)	8,887	9,293	9,646	9,476	9,499	9,569
Quarterly Adds	519	902	984	595	663	894
Quarterly Churn-out	507	497	631	765	639	824
Net Adds	11	406	353	-170	23	70

B. Subscribers by Network

(Unit: '000)

	1Q-04	2Q-04	3Q-04	4Q-04	1Q-05
EV-DO	1,719	2,319	2,760	3,055	3,512
VOD	533	698	770	835	939
1X	7,139	7,679	7,482	7,440	7,537
2G	2,433	1,948	1,467	1,234	993
Total	11,292	11,946	11,709	11,729	12,042

* Including KT Resale Subscribers

C. ARPU

(Unit: Won)

		04-1Q	04-2Q	04-3Q	04-4Q	05-1Q
After Discount	ARPU-exclude interconn.	28,738	29,587	29,604	30,127	29,408
	ARPU-include interconn.	36,453	37,608	37,466	38,558	37,298
Before Discount	Data ARPU	4,195	4,519	4,878	5,005	4,762
	Proportion to After Dis. ARPU	15%	15%	16%	17%	16%
Gross Based	Data ARPU	6,011	6,310	6,671	6,886	6,797
	Proportion to After Dis. ARPU	21%	21%	23%	23%	23%

* Excluding KT Resale Subscribers

D. ARPU by Network**(Unit: Won)**

		1Q-04	2Q-04	3Q-04	4Q-04	1Q-05
1X	data ARPU	4,107	4,304	4,463	4,634	4,524
	Total ARPU	31,723	31,936	31,248	31,377	30,527
EV-DO	data ARPU	12,723	10,893	10,036	9,246	8,093
	Total ARPU	48,624	46,915	44,686	43,430	40,493
VOD	data ARPU	17,545	14,648	12,834	11,718	10,474
	Total ARPU	56,119	53,435	49,653	47,972	44,580
2G	data ARPU	1,295	1,353	1,543	2,229	1,893
	Total ARPU	19,607	18,806	16,952	16,660	15,182

* Excluding KT Resale and interconnection, gross based

Appendix 1: Income Statement

* This material is not reviewed nor audited by external auditor, and reflecting pre-closing numbers. Use for analysis purpose only.

[Unit: W mn]

Descriptions	2004. 1 - 3	2004. 4 - 6	2004. 7 - 9	2004. 10 - 12	2005. 1 - 3
	Amount	Amount	Amount	Amount	Amount
I . Total Sales	1,442,073	1,492,193	1,458,263	1,438,289	1,469,166
PCS Service	1,051,762	1,163,557	1,158,409	1,173,290	1,193,317
<i>Activations</i>	20,298	23,260	13,272	14,717	20,258
<i>Monthly Fee</i>	414,178	446,180	443,934	438,990	448,122
<i>Airtime charge</i>	283,700	302,859	297,470	318,140	294,107
<i>Value-added service</i>	135,803	140,164	156,534	159,520	141,742
<i>(PCS discount)</i>	(56,433)	(66,879)	(69,510)	(73,440)	(52,523)
<i>Interconnection</i>	194,074	233,298	225,174	228,808	240,611
<i>Resale</i>	58,503	83,021	89,744	84,692	99,157
<i>Fees from other services</i>	1,639	1,654	1,791	1,863	1,842
Other Services	10,438	10,485	10,190	11,078	10,694
<i>Handset rental</i>	66	290	336	337	120
<i>Overseas call</i>	5,851	4,916	4,401	5,052	5,597
<i>M-commerce</i>	1,685	1,872	2,039	2,081	2,186
<i>International Roaming</i>	927	1,098	1,126	1,293	1,074
<i>Other overseas service</i>	202	459	231	642	249
<i>K-merce Lottery</i>	14	18	39	68	60
<i>M-Ad.</i>	933	696	741	931	670
<i>Credit Card Service</i>	463	910	1,044	316	335
<i>MNP port-out service</i>		0	8	6	9
<i>Professional Sports</i>	298	225	225	353	394
Handset	379,873	318,151	289,664	235,921	265,155
<i>Handset</i>	381,215	319,030	290,452	254,502	265,634
<i>(Handset discount)</i>	(1,342)	(879)	(788)	(581)	(480)
II . Operating Expense	1,337,463	1,390,342	1,303,798	1,270,228	1,279,030
Salary & Bonus	43,746	32,146	41,836	44,012	43,679
Fees for temporary employee	407	251	440	251	260
Out-sourcing employee	2,617	1,688	2,249	1,991	2,309
Retirement	4,017	2,181	2,310	3,652	5,214
Fringe benefits & others	7,148	6,870	6,146	7,739	6,816
Rent	26,327	30,243	27,101	29,770	27,118
Lease	15,327	15,327	15,327	15,327	15,327
Service fee & commission	96,378	101,752	104,008	103,157	95,196
Depreciations	234,771	249,985	251,927	256,218	261,213
Amortizations	24,369	24,444	24,461	24,472	24,503

[Unit: W mn]

Descriptions	2004. 1 - 3		2004. 4 - 6		2004. 7 - 9		2004. 10 - 12		2005. 1 - 3	
	Amount		Amount		Amount		Amount		Amount	
Tax & dues	15,201		13,122		7,459		9,387		13,519	
Fare	1,829		2,660		1,291		2,648		1,234	
Insurance	461		516		321		423		381	
Interconnections	111,090		122,805		128,587		144,500		142,345	
Overseas call cost	1,526		1,358		1,423		1,646		1,843	
Leased line cost	87,549		93,024		89,442		87,243		91,667	
CP info usage charge	668		1,026		595		585		742	
Universal service obligations sharing	10,000		10,000		10,000		557		10,000	
Vehicles	481		501		550		540		489	
Educations	1,386		1,333		1,966		2,309		1,711	
Ordinary R&D	1,655		1,718		2,737		4,403		475	
Awards	187		161		2,648		374		1,035	
Entertainment	339		554		613		511		427	
Sales commission	157,747		218,972		182,976		158,394		167,163	
Sales promotions	41,289		44,029		38,441		39,893		28,345	
Advertisement	38,096		30,087		29,016		26,062		25,261	
Bad Debt	4,969		3,920		2,971		13,587		9,781	
Travel & Car fare	984		1,149		1,137		1,435		1,387	
Utilities	10,573		11,297		14,818		12,674		12,097	
Communications	6,959		7,016		7,495		7,357		7,911	
Repair & Maintenance	5,431		18,412		15,653		18,806		13,087	
Office supplies	3,679		2,860		2,744		3,368		2,802	
Other researchs	468		1,877		1,443		1,783		805	
Book & Printing	395		206		227		172		167	
Conference & managerial events	1,710		2,252		1,950		1,833		1,647	
Cost of Handset sold	377,685		334,599		281,455		243,149		261,073	
Others	0		0		35		0		0	
III. Operating Income		104,610		101,852		154,465		168,060		190,136
IV. Non-operating gains		25,590		24,126		31,936		28,321		91,927
Interest	2,117		1,247		693		8,634		1,926	
Disposition of short-term sales securities	206		231		0		0		0	
Evaluation of short-term sales securities	143		(143)		0		0		0	
Disposition of Available-for-sale securities	0		0		0		0		7,735	
Evaluation of short-term sales securities	0		0		0		0		0	
Dividend	84		315		0		190		301	
Rent	2,569		3,729		1,387		2,768		1,294	
Equity method evaluation	2,108		2,095		1,534		(3,105)		892	
FX transactions	942		4,973		183		249		178	
FX translations	7,161		1,287		3,902		6,373		7,136	
Disposition of Investment	0		0		42		38		284	
Disposition of tangible asset	3		3		24		132		57,238	
Disposition of Intangible asset	0		26		0		0		0	
Collection of bad debt	0		0		68		2,134		0	
Gain from Derivatives	0		0		0		0		0	
Tax refund	1,162		0		0		0		2,099	
Others	1,991		3,524		16,972		5,709		5,594	
Miscellaneous gains	7,103		6,837		7,133		5,200		7,250	

[Unit: W mn]

Descriptions	2004. 1 - 3		2004. 4 - 6		2004. 7 - 9		2004. 10 - 12		2005. 1 - 3	
	Amount		Amount		Amount		Amount		Amount	
V. Non-operating losses		73,073		81,836		89,041		86,401		107,310
Interest	55,701		55,761		55,747		53,397		48,767	
FX transactions	699		303		63		13		110	
FX translations	231		(82)		36		708		150	
Donation	3,107		2,981		2,873		9,767		5,221	
Equity method evaluation	0		1,792		675		(1,425)		314	
Disposition of short-term sales securities	0		0		0		0		0	
Evaluation of short-term sales securities	0		0		0		0		0	
Disposition of Inventories	0		0		0		0		0	
Evaluation of Inventories	0		0		0		0		0	
Disposition of Investment	0		0		0		3,526		0	
Evaluation of Investment securities	8,853		8,635		19,431		8,936		7,452	
Disposition of Tangible asset	1,228		3,901		4,876		3,998		36,433	
Disposition of Intangible asset	2		7		8		13		3	
Loss from derivatives	0		0		0		0		0	
Evaluation loss from derivatives	0		118		564		667		5,119	
Loss sharing for overseas call	0		0		0		0		0	
Others	786		4,724		1,672		1,407		642	
Loss from disaster	0		0		0		0		0	
Selling Trade receivable-ABS	2,334		3,568		2,967		2,947		2,974	
Other bad debt	0		0		0		1,758		0	
Miscellaneous losses	132		127		129		689		125	
VI. Ordinary Income		57,127		44,142		97,361		109,980		174,752
VII. Pretax Income		57,127		44,142		97,361		109,980		174,752
VIII. Tax		8,444		745		5,634		9,886		17,969
IX. Net Income		48,683		43,397		91,727		100,094		156,784

Appendix 2: Balance Sheet

* This material is not reviewed nor audited by external auditor, and reflecting pre-closing numbers. Use for analysis purpose only. [Unit: W mn]

	1Q-2005	4Q-2004	1Q-2004		1Q-2005	4Q-2004	1Q-2004
Assets	7,812,658	7,960,429	8,042,425	Liabilities	4,576,069	4,777,673	5,041,181
Current	1,855,213	1,687,501	1,524,698	Current	2,246,832	2,366,726	2,567,204
Quick	1,618,062	1,451,733	1,358,702				
Cash	101,101	28,887	63,608	Trade payable	216,703	222,099	332,172
Available-for-sale Securities	1,909	6,518	35,802	Other payable	425,448	499,382	620,732
Trade receivables	1,209,684	1,181,886	1,138,380	Short-term borrowings	200,000	300,000	350,000
Other receivables	170,426	97,688	66,811	Advances from customer	26,375	25,987	19,711
Short-term loans	7,105	19,606	7,094	Withholdings	158,477	124,352	105,547
Advanced payment	40,263	29,401	26,992	Accrued expenses	95,346	142,709	88,353
Prepaid expenses	15,149	11,178	19,262	Current portion of long-term debt	974,933	1,030,288	949,411
Accrued income	1,300	1,448	641				
Deferred tax	71,027	74,953		Unpaid income tax	49,835	21,907	7,141
Others	98	168	112	Unpaid Dividends	99715		94,137
Inventory	237,150	235,769	165,995				
Non-Current	5,957,446	6,272,928	6,517,728	Non-Current	2,329,237	2,410,947	2,473,977
Investment	514,106	532,939	559,496	Bonds	1,720,544	1,619,182	1,905,150
Long-term financial investment	16	19	21	Long-term borrowings			
Investment securities	17,732	55,706	75,210	Long-term payables	543,146	538,207	523,293
Equity method security	58,266	18,905	8,581	Others	65,547	53,558	45,533
Hold-to-maturity	51,484	88,667	76,665				
Long-term Receivables	73,760	83,046		Equity	3,236,589	3,182,757	3,001,243
Long-term loans	46,808	37,746	55,965	Capital Stock	955,703	955,703	955,703
Guarantee deposit	197,373	205,101	241,348	APIC	1,325,489	1,325,488	1,325,489
Deferred income tax	58,365	34,218	92,955	Retained Earnings	1,042,343	985,275	803,145
Others	10,302	9,533	8,751	Capital Adjustment	(86,945)	(83,709)	(83,093)
Tangible	4,327,916	4,600,893	4,747,452				
Land	119,496	121,840	122,689				
Buildings	174,321	181,017	187,065				
Structure	69,249	69,600	66,036				
Equipment & Machinery	3,616,103	3,809,389	3,929,839				
Vehicles	3,678	4,096	5,214				
Construction in progress	127,724	183,279	144,920				
Others	217,345	231,671	291,688				
Intangible	1,115,424	1,139,096	1,210,780				