



FY2005 Earnings Release

KT Freetel Co., Ltd.

- FY2004 results in this material are restated in accordance with FY2005 accounting principle & methods for comparison purpose.
- This material is on FY2005 4Q 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.
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- 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: ₩ mn)

	05-3Q	05-4Q	QoQ	FY04	FY05	YoY
Service Revenue	1,266,907	1,295,648	2.3%	4,589,209	5,008,217	9.1%
Service Cost	1,076,338	1,082,504	0.6%	4,064,943	4,201,396	3.4%
Operating Profit	197,996	214,437	8.3%	528,987	824,796	55.9%
Excluding Handset Profit	190,569	213,145	11.8%	524,265	806,822	53.9%
EBITDA	475,113	497,285	4.7%	1,614,911	1,944,981	20.4%
Non-op. Revenue	18,927	26,216	38.5%	109,973	157,953	43.6%
Non-op. Expense	71,591	118,193	65.1%	330,350	372,096	12.6%
Recurring Profit	145,331	122,460	-15.7%	308,610	610,653	97.9%
Extraordinary Profit	-	-	-	-	-	-
Extraordinary Cost	-	-	-	-	-	-
Pretax Profit	145,331	122,460	-15.7%	308,610	610,653	97.9%
Tax	15,231	12,841	-15.7%	24,709	63,650	157.6%
Net Profit	130,100	109,619	-15.7%	283,901	547,003	92.7%

주요 비율	05-3Q	05-4Q	QoQ	FY04	FY05	YoY
□ Marketing/Service revenue	19.9%	19.3%	-0.6%p	21.9%	19.1%	-2.8%p
□ Operating Margin	15.0%	16.5%	1.5%p	11.4%	16.1%	4.7%p
□ EBITDA Margin	37.5%	38.4%	0.9%p	35.2%	38.8%	3.6%p
□ Net Profit Margin	10.3%	8.5%	-1.8%p	6.2%	10.9%	4.7%p
□ Effective Tax Rate	10.5%	10.5%	-	8.0%	10.4%	2.4%p
□ Net Debt Ratio	58.1%	25.1%	-33.0%p	97.8%	25.1%	-72.7%p
Net Debt Ratio-Including accrued payment of spectrum	73.9%	38.5%	-35.4%p	114.8%	38.5%	-76.3%p
□ Debt Ratio	115.0%	95.9%	-19.1%p	150.1%	95.9%	-54.2%p

A. Service revenue increased by 9.1% YoY, surpassing yearly guidance of 6.0%.

- 1) Despite the tariff cut in September 2004, solid service revenue growth was mainly attributed from healthy ARPU and subscriber expansions.
- 2) In 2005 4Q, the revenue rose by 2.3% QoQ, owing to seasonality and subscriber growth.

B. Yearly operating profit surged by 55.9% YoY and EBITDA margin improved by 3.6%p to 38.8%.

- 1) Despite 11.1% increase of subscriber gross-adds, annual profitability improved due to clean-marketing efforts and relatively stable market situation to the previous year.
- 2) With slight decrease in marketing expenses, operating profit rose by 8.3% QoQ, largely benefited from stable ARPU and subscriber growths.

C. Yearly net profit escalated by 92.7% YoY to ₩ 547 bn.

- 1) In 4Q 2005, net profit fell 15.7% QoQ due to ₩ 54.9 bn fixed-asset disposal.

II. Sales

[Sales Breakdown]

(Unit: ₩ mn)

	05-3Q	05-4Q	QoQ	FY04	FY05	YoY
Service Revenue	1,266,907	1,295,648	2.3%	4,589,209	5,008,217	9.1%
Voice Revenue	980,899	1,004,416	2.4%	3,673,215	3,898,913	6.1%
Monthly Fee	423,723	428,916	1.2%	1,614,611	1,683,204	4.2%
Airtime Charge	306,952	316,273	3.0%	1,202,168	1,230,985	2.4%
VAS	41,314	44,419	7.5%	148,884	161,804	8.7%
Interconnection	254,155	259,925	2.3%	881,347	1,004,406	14.0%
Others	7,744	8,931	15.3%	26,327	31,359	19.1%
Sales Discount	(52,990)	(54,048)	2.0%	(200,122)	(212,845)	6.4%
Data Revenue	156,982	159,491	1.6%	518,927	608,339	17.2%
Monthly Fee	39,912	41,361	3.6%	128,671	156,472	21.6%
Messaging	39,225	42,993	9.6%	126,923	155,131	22.2%
Airtime Charge	63,883	62,137	-2.7%	295,295	247,604	-16.2%
Sales Discount	(228)	(201)	-11.6%	(66,140)	(2,081)	-96.9%
Contents	10,610	9,467	-10.8%	20,921	37,031	77.0%
Others	3,579	3,735	4.4%	13,258	14,181	7.0%
KT Resale	105,994	112,109	5.8%	315,959	416,818	31.9%
Others	23,032	19,632	-14.8%	81,108	84,147	3.7%
Sign-up Fee	21,074	17,909	-15.0%	71,547	76,793	7.3%
Others	1,958	1,723	-12.0%	9,561	7,353	-23.1%
Handset Sales	305,378	256,457	-16.0%	1,241,609	1,043,572	-16.0%
Total Sales	1,572,285	1,552,105	-1.3%	5,830,818	6,051,789	3.8%

A. Voice Revenue

- 1) Monthly fee and airtime charge in total rose 3.3% YoY, despite the tariff cut in 2004.
- 2) VAS revenue increased by 8.7% YoY due to invigorated catch-call service and optional free-call price plan.
- 3) International roaming revenue primarily contributed to the 19.1% YoY rise in Others account.

B. Data Revenue

- 1) Monthly fee grew 21.6% YoY, mainly attributed by the increased subscriptions of monthly packet plans such as "Fimm Free".
- 2) Airtime charge declined by 16.2% YoY largely caused by the incremented subscriptions to monthly packet plans, whereas airtime charge after discount increased 7.1% YoY.
- 3) Messaging revenue rose 22.2% YoY, due to increased subscription to "SMS flat rate plan".

C. KT Resale

- 1) 31.9% YoY hike was driven by 11.8% of subscriber growth as well as incorporation of underestimation made in FY04.

D. Handset Sales

- 1) Handset sales fell by 16% YoY, due to dampened handset replacement demand.

III. Operating Expense

[Operating Expenses Breakdown]

(Unit: ₩ mn)

	05-3Q	05-4Q	QoQ	FY04	FY05	YoY
1. Labor	57,405	60,820	5.9%	222,064	228,063	2.7%
2. Fees	100,066	105,915	5.8%	405,294	400,203	-1.3%
3. Interconnection	153,761	157,069	2.2%	506,982	603,160	19.0%
4. International Calls	2,275	3,870	70.1%	5,953	10,023	68.4%
5. Contents Fee	903	797	-11.7%	2,874	3,335	16.1%
6. Rent	28,612	29,937	4.6%	113,441	114,028	0.5%
7. Depreciation/Amortization	284,544	284,140	-0.1%	1,090,645	1,138,159	4.4%
8. Leased Line	90,286	89,725	-0.6%	357,257	360,655	1.0%
9. Utilities	16,552	13,768	-16.8%	49,362	54,533	10.5%
10. Repair & Maintenance	18,779	23,717	26.3%	58,302	74,337	27.5%
11. Lease	15,327	15,327	0.0%	61,307	61,307	0.0%
12. Marketing	252,627	250,516	-0.8%	1,005,004	956,165	-4.9%
13. Bad Debt	9,434	29,400	211.6%	25,448	54,282	113.3%
14. Tax & Dues	14,173	9,040	-36.2%	45,170	44,199	-2.1%
15. USO	10,000	(16,545)	N/A	30,557	13,455	-56.0%
16. Others	21,595	25,008	15.8%	85,285	85,490	0.2%
Sales expenses	1,076,338	1,082,504	0.6%	4,064,943	4,201,396	3.4%
Cost of handsets sold	297,952	255,164	-14.4%	1,236,887	1,025,598	-17.1%
Total	1,374,290	1,337,668	-2.7%	5,301,831	5,226,993	-1.4%

A. Labor

- 1) 5.9% QoQ increase was a result of finalizing the labor & management negotiation for 2005 wage increase, which was retroactively applied to labor cost in 4Q 2005.

B. Interconnection

- 1) Increased by 2.2% QoQ because of rise in outgoing traffic and underestimation in 3Q.
- 2) Yearly interconnection expense increased by 19% mainly due to the MM traffic increase, more specifically, 28.1% increase of outgoing calls to LGT.

C. International Calls

- 1) Surged by 70.1% QoQ due to growth of international traffics.

D. Contents Fee

- 1) 16.1% yearly increase caused by contract revision with terrestrial broadcasting companies as well as enlarged music license fee from newly launched 'Dosirak' service.

E. Repair & Maintenance

- 1) 27.5% yearly increase attributed to greater maintenance of repeaters and relocation of base stations.

F. Bad Debt

- 1) 211.6% increase in 4Q and 113.3% increase on yearly basis, are mainly from the conservatively revised provisioning method and ₩ 35.5 bn worth of uncollectible AR write-off.

G. USO

- 1) Reflecting MIC's finalization of USO allocation to each operator for FY04 and adjustments in FY05.

VI. Interconnection Revenue & Expense

[Interconnection Revenue & Expense]

(Unit: ₩ mn)

	05-3Q	05-4Q	QoQ	FY04	FY05	YoY
Interconnection Revenue	254,165	259,938	2.3%	881,353	1,004,437	14.0%
LM	90,798	90,417	-0.4%	353,863	356,919	0.9%
MM	163,367	169,521	3.8%	527,490	647,518	22.8%
Interconnection Expense	153,761	157,069	2.2%	506,982	603,160	19.0%
LM	27,399	28,533	4.1%	103,161	112,149	8.7%
MM	126,361	128,536	1.7%	403,821	491,011	21.6%
Net Interconnection Income	100,404	102,869	2.5%	374,372	401,277	7.2%
LM	63,398	61,884	-2.4%	250,702	244,770	-2.4%
MM	37,005	40,985	10.8%	123,669	156,507	26.6%

A. Net interconnection income in FY05 rose 14% YoY because of traffic increase in both MT and MO and reflection of underestimated amount in previous year and interconnection rate change.

B. MM interconnection revenue jumped 22.8% YoY due to increased terminated calls.

C. Interconnection expense rose 19% YoY due to increased LM interconnection rate and increased LM and MM traffic.

VI. Marketing Cost

[Marketing Cost Breakdown]

(Unit: ₩ mn)

	05-3Q	05-4Q	QoQ	FY04	FY05	YoY
Commission	196,173	183,459	-6.5%	718,090	721,154	0.4%
Promotion	31,768	40,427	27.3%	163,653	130,911	-20.0%
Advertising	24,685	26,630	7.9%	123,261	104,100	-15.5%
Total Marketing Cost	252,627	250,516	-0.8%	1,005,004	956,165	-4.9%
Marketing over sales	19.9%	19.3%	-0.6%p	21.9%	19.1%	-2.8%p
*Adjusted Marketing Cost	245,200	249,224	1.6%	1,000,282	938,191	-6.2%
Marketing over sales after adjustment	19.4%	19.2%	-0.2%p	21.8%	18.7%	-3.1%p

*Note: Adjusted marketing cost – exclude handset sales margin to align with industry standard

	05-3Q	05-4Q	QoQ	FY04	FY05	YoY
Acquisition	100,751	97,445	-3.3%	330,533	374,862	13.4%
Commission	97,877	94,603	-3.3%	286,951	363,514	26.7%
Promotion	2,874	2,842	-1.1%	43,582	11,348	-74.0%
Per Sub. (₩)	104,213	117,935	13.2%	105,119	107,353	2.1%
Retention	127,190	126,441	-0.6%	551,210	477,203	-13.4%
Commission	98,296	88,856	-9.6%	431,139	357,639	-17.0%
Promotion	28,894	37,585	30.1%	120,071	119,564	-0.4%
Advertising	24,685	26,630	7.9%	123,261	104,100	-15.5%
Total Marketing Cost	252,627	250,516	-0.8%	1,005,004	956,165	-4.9%

A. Total marketing cost

1) Total marketing cost decreased by 4.9% YoY, recording 19.3% of marketing cost over sales, which dropped by 2.8%p from 21.9% in FY04.

(After adjustment, total marketing cost dropped by 6.2% YoY, recording 18.7% of marketing cost over sales, 3.1%p lower than that of FY04)

B. Subscriber acquisition cost

1) Subscriber acquisition cost increased 13.4% YoY mainly due to jump in subscriber gross-adds.

2) Although acquisition cost per subscriber increased QoQ, total SAC decreased 3.3% QoQ due to reduction in gross-adds.

C. Subscriber retention cost

1) Yearly subscriber retention cost declined 13.4% YoY due to reduction in handset replacements.

D. Advertising

1) Annual advertising cost in FY05 decreased by 15.5% YoY, reflecting softer market competition.

VII. Non-operating Income & Expense

[Non-Operating Items]

(Unit: ₩ mn)

	05-3Q	05-4Q	QoQ	FY04	FY05	YoY
Interest income	2,525	3,397	34.6%	12,691	10,058	-20.8%
Interest Expense	44,973	42,516	-5.5%	220,606	184,695	-16.3%
Net Interest income	(42,449)	(39,118)	-7.8%	(207,914)	(174,637)	-16.0%
F/X related Gains	385	3,239	741.0%	25,069	14,501	-42.2%
F/X related Losses	49	226	365.7%	1,971	593	-69.9%
Net F/X Gains	337	3,013	795.1%	23,098	13,908	-39.8%
Other Gains	16,017	19,579	22.2%	72,213	133,394	84.7%
Other Losses	26,570	75,452	184.0%	107,775	186,807	73.3%
Net Other Gains	(10,553)	(55,872)	429.4%	(35,561)	(53,414)	50.2%
Total Non-Op. Gains	18,927	26,216	38.5%	109,974	157,953	43.6%
Total Non-Op. Losses	71,591	118,193	65.1%	330,351	372,096	12.6%
Total Net Non-Op. Gains	(52,665)	(91,977)	74.6%	(220,377)	(214,143)	-2.8%

A. Net interest gains

1) Net interest gain fell by 7.8% QoQ due to reduction in interest bearing debt.

B. Net F/X gains

1) Net F/X gain soared by 795.1% QoQ from sharply appreciated Korean Won against Japanese Yen.

C. Net other gains

1) Incorporated ₩ 53.8 bn net loss in 4Q from fixed asset disposal including disposal of obsolete networks. (Total net loss from fixed asset disposal in FY05 : ₩ 58.5 bn)

VIII. EBITDA Margin & Capex

(Unit: ₩ mn)

	'04-4Q	05-3Q	05-4Q	QoQ
D&A	280,690	284,544	284,140	-0.1%
EBITDA	437,978	475,113	497,285	4.7%
EBITDA Margin	37.0%	37.5%	38.4%	0.9%p
Capex	206,500	125,521	347,828	177.1%

A. EBITDA rose 4.7% QoQ thanks to solid operational result in 4Q 2005.

B. Capex in FY05 was ₩ 713.8 bn. (Around ₩ 200 bn will be carried over to FY06)

VIII. Balance Sheet

(Unit: ₩ mn)

	05-4Q	05-3Q		05-4Q	05-3Q
Asset	8,200,171	7,561,775	Liability	4,013,309	4,045,156
Current	2,487,129	1,992,050	Current	1,726,732	1,755,167
Quick	2,274,312	1,805,919	Fixed	2,286,577	2,289,988
Inventory	212,818	186,131			
Fixed	5,713,042	5,569,726	Equity	4,186,863	3,516,620
Investment	579,541	444,524	Paid in Capital	1,044,181	955,703
Tangible	4,091,233	4,058,712	APIC	1,731,321	1,325,489
Intangible	1,042,268	1,066,490	Retained Earning	1,419,196	1,322,944
			Capital adjustment	△7,836	△87,515

- A. As a result of capital alliance with NTT-DoCommo in 4Q 2005, paid-in capital and APIC increased 9.3% QoQ and 30.6% QoQ, respectively.
- B. Debt-to-equity ratio improved by 19.1%p QoQ to 95.9% while net debt-to-equity ratio improved by 33.0%p to 25.1%. Accrued payments from W-CDMA spectrum license are excluded from net debt. (When included, net debt-to-equity ratio stands at 38.5%)
- C. Inventory asset increased by 14.3% QoQ due to higher handset inventory.
- D. 30.4% QoQ increase of investment asset attributes to increase of ABS related hold-to-maturity.

[Breakdown of interest bearing debt]

(Unit: ₩ mn)

	05-4Q	05-3Q	QoQ
Interest bearing debt	2,016,557	2,409,680	-16.3%
Payable within 1 year	340,280	713,054	-52.3%
Net debt	1,050,706	2,043,998	-48.6%
Foreign debt	¥47 bn	¥ 47 bn	-

- A. Interest bearing debt consists of ₩ 339.9 bn in current portion of long-term debt and ₩ 1,676.7 bn in debentures after excluding accrued payments from W-CDMA spectrum license of ₩ 559.5 bn.

IX. Operational Results

A. Subscribers (Unit: Thousands)

	04-4Q	05-1Q	05-2Q	05-3Q	05-4Q
Total No. of Subs	11,729	12,042	12,166	12,279	12,302
KT resale	2,230	2,473	2,526	2,512	2,493
Quarterly adds	795	1,290	1,011	1,139	993
Quarterly churn-outs	775	977	887	1,025	970
Quarterly net adds	20	313	124	114	23
Excluding KT resale	9,499	9,569	9,640	9,767	9,809
Quarterly adds	663	894	805	967	826
Quarterly churn-outs	639	824	734	839	784
Quarterly net adds	23	70	71	127	42

B. Subscribers by Network (Unit: Thousands)

	04-4Q	05-1Q	05-2Q	05-3Q	05-4Q
EV-DO	3,055	3,512	3,852	4,225	4,392
VOD	835	938	1,106	1,360	1,523
1X	7,440	7,537	7,492	7,367	7,336
2G	1,234	993	822	687	575
Total	11,729	12,042	12,166	12,279	12,302

* Including KT resale

C. ARPU (Unit: Won)

		04-4Q	05-1Q	05-2Q	05-3Q	05-4Q
After	ARPU-exclude interconn.	30,147	29,437	30,331	30,350	30,814
Discount	ARPU-include interconn.	38,578	37,521	39,071	38,978	39,519
Net-based	Data ARPU	5,144	5,028	5,154	5,394	5,433
	Proportion to total ARPU	17%	17%	17%	18%	18%
Gross-based	Data ARPU	6,102	6,092	6,166	6,425	6,562
	Proportion to total ARPU	20%	21%	20%	21%	21%

* Excluding KT resale

D. ARPU by Network

(Unit: Won)

		04-4Q	05-1Q	05-2Q	05-3Q	05-4Q
1X	Data ARPU	4,527	4,510	4,401	4,497	4,501
	Total ARPU	31,377	30,431	31,069	30,798	31,119
EV-DO	Data ARPU	9,087	8,093	7,388	7,399	6,737
	Total ARPU	43,430	40,493	40,366	39,915	39,264
VOD	Data ARPU	11,732	10,499	9,486	10,417	10,410
	Total ARPU	48,014	44,629	43,837	44,962	45,572
2G	Data ARPU	2,226	1,930	1,669	1,876	2,060
	Total ARPU	16,660	15,484	15,011	14,069	13,658

* 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.

KTF

(Unit : W mn)

Descriptions	2004. 10 ~ 12		2005. 1 ~ 3		2005. 4 ~ 6		2005. 7 ~ 9		2005. 10 ~ 12	
	Amount		Amount		Amount		Amount		Amount	
I . Total Sales		1,438,289		1,469,166		1,458,233		1,572,285		1,552,105
PCS Service	1,173,290		1,193,317		1,230,690		1,255,351		1,283,048	
Activations	14,717		20,258		17,552		21,074		17,910	
Monthly Fee	438,990		448,122		457,641		463,635		470,278	
Airtime charge	318,140		294,107		313,653		306,952		316,273	
Value-added service	159,520		141,742		145,781		155,032		158,730	
(PCS discount)	(73,440)		(52,523)		(54,935)		(53,218)		(53,965)	
Interconnection	228,808		240,611		249,723		254,165		259,938	
Resale	84,692		99,157		99,557		105,994		112,109	
Fees from other services	1,863		1,842		1,718		1,716		1,775	
Other Services	11,078		10,694		10,961		11,556		12,600	
Handset rental	337		120		68		82		192	
Overseas call	5,052		5,597		5,742		5,639		6,050	
M-commerce	2,081		2,186		2,151		2,168		2,121	
International Roaming	1,293		1,074		1,417		1,607		2,289	
Other overseas service	642		249		295		231		96	
K-merce Lottery	68		60		55		67		67	
M-Ad.	931		670		668		889		1,027	
Credit card service	316		335		330		639		369	
MNP port-out service	6		9		9		9		9	
Professional Sports	353		394		226		225		381	
Handset	235,921		265,155		216,582		305,378		256,457	
Handset	254,502		265,634		217,331		306,493		257,371	
(Handset discount)	(581)		(480)		(749)		(1,115)		(914)	
II . Operating Expense		1,270,228		1,279,030		1,236,006		1,374,290		1,337,668
Salary & Bonus	44,012		43,679		33,962		41,919		44,216	
Fees for temporary employee	251		260		250		191		190	
Out-sourcing employee	1,991		2,309		1,680		2,210		1,734	
Retirement	3,652		5,214		2,627		2,620		3,992	
Fringe benefits & others	7,739		6,816		7,455		6,899		7,736	
Rent	29,770		27,118		28,361		28,612		29,937	
Lease	15,327		15,327		15,327		15,327		15,327	
Service fee & commission	103,157		95,196		99,027		100,066		105,916	
Depreciations	256,218		261,213		259,218		258,878		258,452	
Amortizations	24,472		24,503		24,541		25,665		25,688	
Tax & dues	9,387		13,519		7,467		14,173		9,040	
Fare	2,648		1,234		2,308		2,214		2,194	
Insurance	423		381		356		371		7	
Interconnections	144,500		142,345		149,985		153,761		157,069	
Overseas call cost	1,646		1,843		2,035		2,275		3,869	
Leased line cost	87,243		91,667		88,976		90,286		89,726	
CP info usage charge	585		742		893		903		797	
Universal service obligations sh	557		10,000		10,000		10,000		16,545	
Vehicles	540		489		581		619		594	
Educations	2,309		1,711		1,871		2,214		2,535	
Ordinary R&D	4,403		475		1,130		3,401		4,098	
Awards	374		1,035		970		1,351		417	
Entertainment	511		427		494		498		509	
Sales commission	158,394		167,163		174,359		196,173		183,459	
Sales promotions	39,893		28,345		30,371		31,768		40,427	
Advertisement	26,062		25,261		27,524		24,685		26,630	
Bad Debt	13,587		9,781		5,667		9,434		29,400	
Travel & Car fare	1,435		1,387		1,449		1,296		1,787	
Utilities	12,674		12,097		12,117		16,552		13,768	
Communications	7,357		7,911		7,574		7,420		7,359	
Repair & Maintenance	18,806		13,087		18,754		18,779		23,717	
Office supplies	3,368		2,802		2,894		2,454		3,254	
Other researchs	1,783		805		2,334		1,358		2,968	
Book & Printing	172		167		285		175		228	
Conference & managerial event	1,833		1,647		1,756		1,790		2,011	
Cost of Handset sold	243,149		261,073		211,409		297,952		255,164	
Others	0		0		0		0		0	

KTF Descriptions	(Unit : W mn)				(Unit : W mn)	
	2004. 10 ~ 12	2005. 1 ~ 3	2005. 4 ~ 6	2005. 7 ~ 9	2005. 10 ~ 12	
	Amount	Amount	Amount	Amount	Amount	
III. Operating Income	168,060	190,136	222,227	197,996	214,437	
IV. Non-operating gains	28,321	91,927	20,884	18,927	26,216	
Interest	8,634	1,926	2,210	2,525	3,397	
Disposition of ST sales securities	0	0	0	477	8,236	
Evaluation of ST sales securities	0	0	300	-147	(56)	
Disposition of Available-for-sale securities	0	7,735	54	-54	(7,734)	
Evaluation of Available-for-sale securities	0	0	57	-57	(0)	
Dividend	190	301	-	-	0	
Rent	2,768	1,294	2,663	1,658	3,609	
Equity method evaluation	(3,105)	892	(178)	754	2,045	
FX transactions	249	178	6,791	178	64	
FX translations	6,373	7,136	(3,228)	207	3,175	
Disposition of Investment	38	284	-	110	0	
Disposition of tangible asset	132	57,238	74	66	1,049	
Disposition of Intangible asset	0	0	16	-3	142	
Collection of bad debt	2,134	0	61	0	200	
Gain from Derivatives	0	0	0	0	(0)	
Tax refund	0	2,099	0	0	566	
Others	5,709	5,594	4,750	6,677	4,093	
Miscellaneous gains	5,200	7,250	7,301	6,535	7,433	
V. Non-operating losses	86,401	107,310	75,001	71,591	118,193	
Interest	53,397	48,767	48,439	44,973	42,516	
FX transactions	13	110	29	169	45	
FX translations	708	150	29	121	181	
Donation	9,767	5,221	4,573	4,702	4,776	
Equity method evaluation	(1,425)	314	2,215	(1,474)	385	
Disposition of ST sales securities	0	0	0	0	0	
Evaluation of ST 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	3,526	0	0	0	0	
Evaluation of Invest. securities	8,936	7,452	3,516	3,376	10,787	
Disposition of Tangible asset	3,998	36,433	9,426	16,189	54,897	
Disposition of Intangible asset	13	3	4	8	33	
Loss from derivatives	0	0	7,948	0	0	
Evaluation loss from derivatives	667	5,119	(4,251)	221	1,252	
Loss sharing for overseas call	0	0	0	0	0	
Others	1,407	642	(17)	477	136	
Loss from disaster	0	0	0	0	0	
Selling Trade receivable-ABS	2,947	2,974	2,965	2,947	2,975	
Other bad debt	1,758	0	-	-	-	
Miscellaneous losses	689	125	125	123	210	
VI. Ordinary Income	109,980	174,752	168,110	145,331	122,460	
VII. Pretax Income	109,980	174,752	168,110	145,331	122,460	
VIII. Tax	9,886	17,969	17,609	15,231	12,841	
IX. Net Income	100,094	156,784	150,500	130,100	109,619	

Appendix 2 : Balance Sheet

Balance Sheet

(Unit : W mn)

	4Q-2005	3Q-2005	4Q-2004		4Q-2005	3Q-2005	4Q-2004
Assets	8,200,171	7,561,775	7,960,432	Liabilities	4,013,309	4,045,156	4,777,671
Current	2,487,129	1,992,050	1,687,502	Current	1,726,732	1,755,167	2,366,724
Quick	2,274,312	1,805,919	1,451,733	Trade payable	293,889	211,868	222,099
Cash	287,823	253,512	28,887	Other payable	715,332	419,910	499,382
ST Securities	430,000	50,000	-	Short-term borrowings	-	-	300,000
Available-for-sale Securities	248,028	62,171	6,518	Advances from customer	32,967	28,556	25,987
Trade receivables	1,064,561	1,223,659	1,181,886	Withholdings	101,268	137,600	124,352
Other receivables	106,259	70,574	97,688	Accrued expenses	136,719	142,955	142,709
Short-term loans	7,777	7,866	19,606	Current portion of long-term debt	339,862	733,283	1,030,288
Advanced payment	23,153	35,136	29,401	Unpaid income tax	93,658	78,557	21,907
Prepaid expenses	12,472	10,726	11,178	Unpaid Dividends	-	-	-
Accrued income	2,330	1,962	1,448	Others	13,037	2,438	-
Deferred tax	91,899	90,207	74,953				
Others	8	107	168				
Inventory	212,818	186,131	235,769				
Non-Current	5,713,042	5,569,726	6,272,930	Non-Current	2,286,577	2,289,988	2,410,947
Investment	579,541	444,524	532,941	Bonds	1,676,695	1,676,397	1,819,182
Long-term financial investment	16	16	19	Long-term borrowings	-	-	-
Investment securities	14,799	14,113	55,706	Long-term payables	559,540	554,056	538,207
Equity method security	77,285	67,182	18,905	Others	50,342	59,536	53,558
Hold-to-maturity	104,305	2,558	88,667				
Long-term Receivables	55,958	58,576	83,046	Equity	4,186,863	3,516,620	3,182,757
Long-term loans	36,591	37,952	37,746	Capital Stock	1,044,181	955,703	955,703
Guarantee deposit	219,473	194,053	205,101	APIC	1,731,321	1,325,489	1,325,488
Deferred income tax	58,124	58,869	34,218	Retained Earnings	1,419,196	1,322,944	985,275
Others	12,990	11,205	9,533	Capital Adjustment	(7,836)	(87,515)	(83,709)
Tangible	4,091,233	4,058,712	4,600,893				
Land	119,546	119,490	121,840				
Buildings	276,570	279,125	181,017				
Structure	74,086	72,695	69,600				
Equipment & Machinery	3,372,016	3,363,686	3,809,389				
Vehicles	2,638	3,153	4,096				
Construction in progress	40,577	28,454	183,279				
Others	205,801	192,109	231,672				
Intangible	1,042,268	1,066,490	1,139,096				