

Curitel Communications, Inc.

February, 2005

Disclaimer

Certain matters and figures in this presentation constitute forward-looking statements that are based on management's expectations and beliefs concerning future events impacting the company. There can be no guarantee that these future events will occur as stated in these statements. Since forward-looking statements involve risks and uncertainties, actual results could differ materially from these statements.

Content Overview

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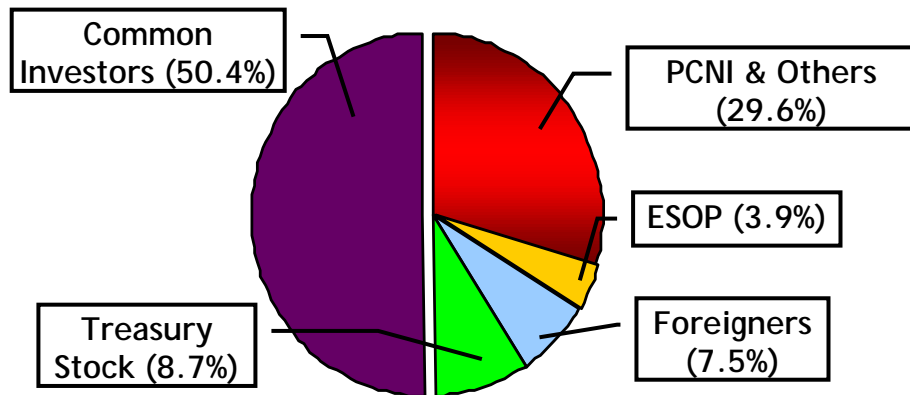
I. Company Overview

At a Glance

Company Profile

CEO: Dr. Song
Incorporated: May 2001
Business: Mobile Handset
Paid-in Capital: 74.9Bn KRW
H/Q: Seoul, Korea
Manufacturing: Pantech(250K/Month) & 5 EMS
Employees: 1,401 (R&D 955)

Ownership Structure



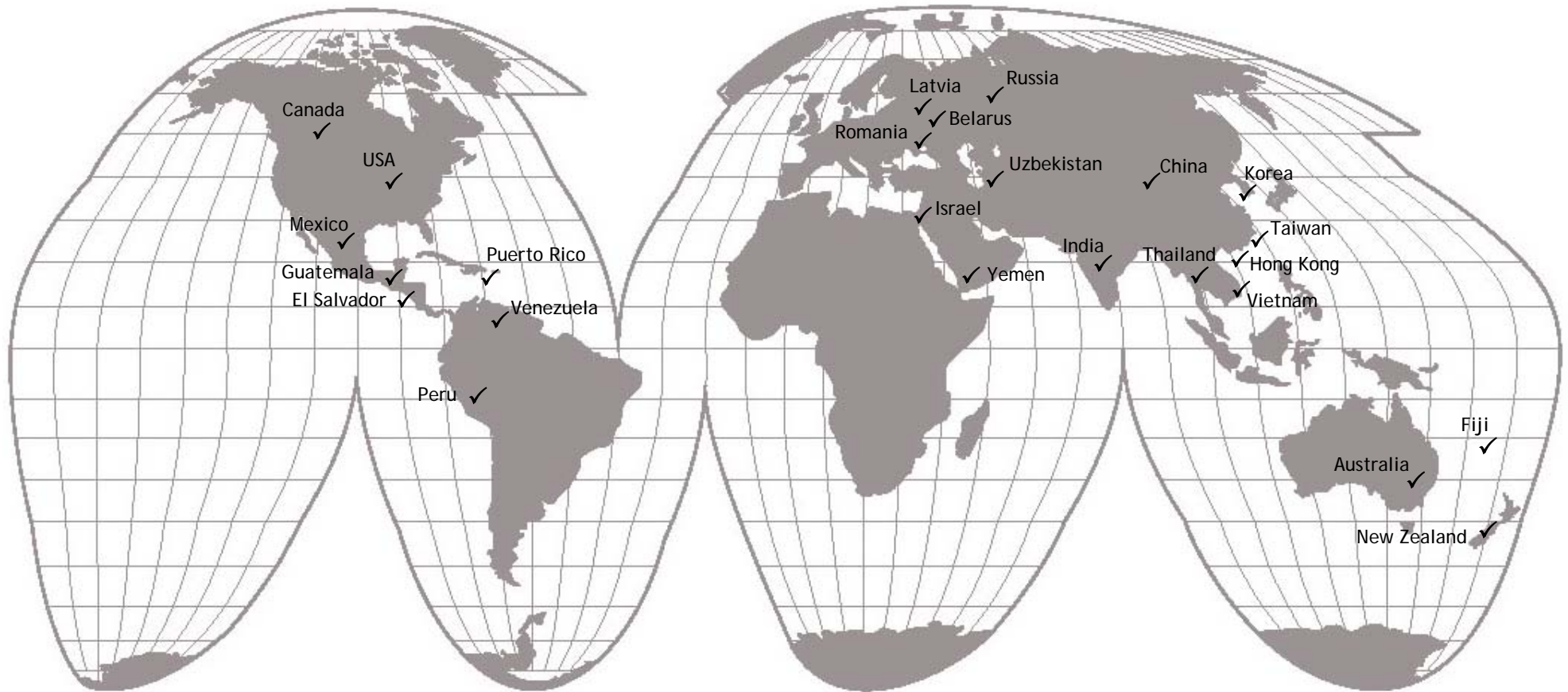
* Total shares outstanding: 149,876,165

History

- 1983 Originated from Handset Business Group of Hynix Semiconductor.
- 1995 Commercialized CDMA Technology.
(1st in the World, along with Samsung & LG)
- 2001 Spun-off from Hynix Semiconductor (May)
→ New Corporate Name, "Hyundai Curitel"
- 2001 Launched CDMA2000 1x Handset
- 2001 Acquired by BY Park & KTB Consortium.
- 2002 Provided GSM Handset to China
- 2002 New Brand "Curitel" Launched in Korea
- 2003 Launched CDMA EV-DO Handset (March)
- 2003 Launched GPRS Handset (August)
- 2003 Listed on the KSE (September)
- 2004 Launched 1st Mega pixel camera phone in US (June)
- 2004 Launched 2M pixel Camera phone (July)
(1st Optical zoom feature in Korea)
- 2004 Launched 3M pixel Camera phone (Sept.)
(World's 1st 3M CMOS camera module by Curitel)
- 2005 Provided EV-DO Handset to US (Jan.)

Global Presence

CURITEL in "25" Countries in "5" Continents

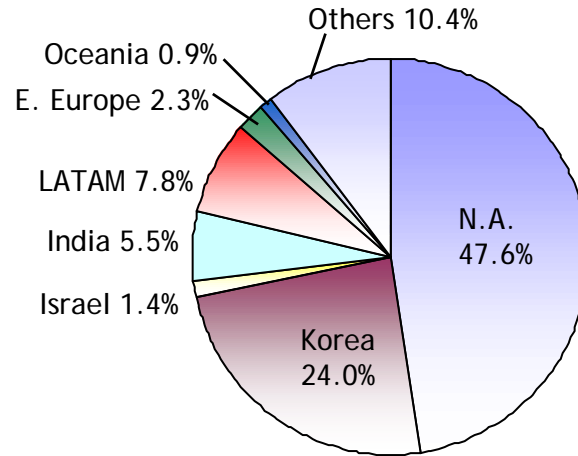


Going in the Right Direction!

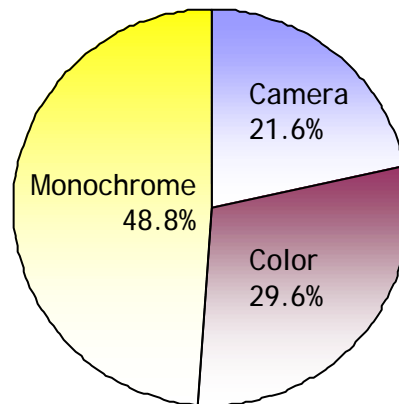
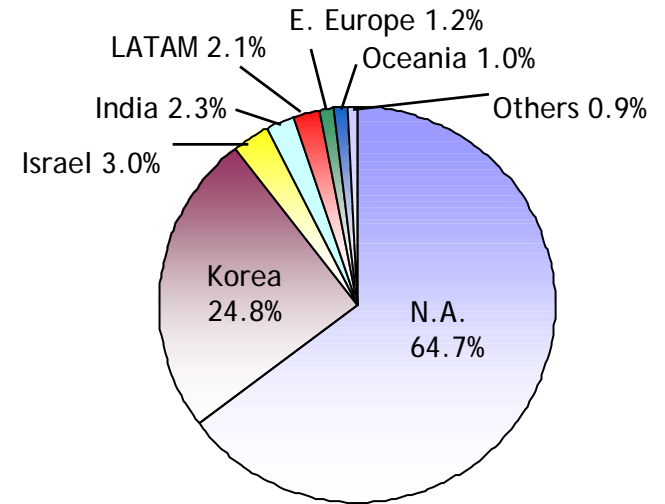
Sales
By
Markets

Sales
By
Products

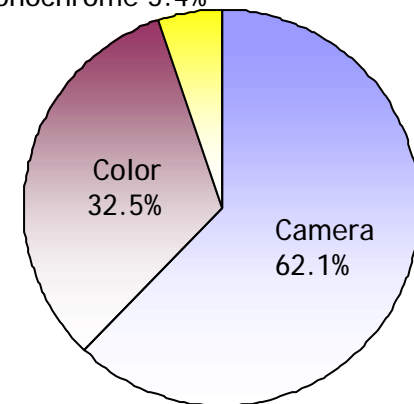
FY03 (6.83M)



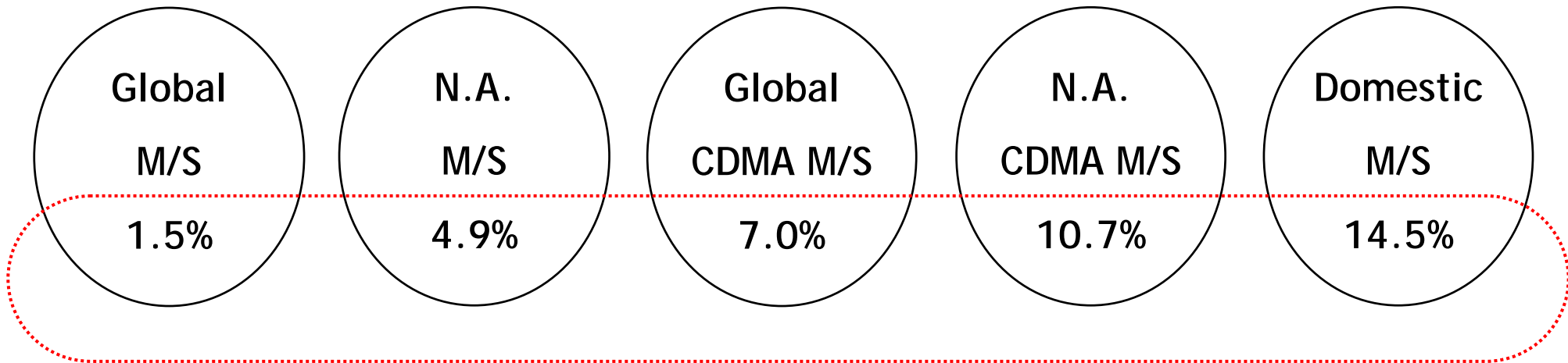
FY04(E) (9.76M)



Monochrome 5.4%



Market Share



Source Data (M)

| | | |
|----------------|---|--------|
| Global Total | : | 665.23 |
| N.A. Total | : | 129.11 |
| Domestic Total | : | 16.70 |
| Curitel Total | : | 9.76 |
| Curitel N.A. | : | 6.32 |

| | | |
|-------------------|---|--------|
| Global CDMA | : | 136.74 |
| N.A. CDMA | : | 59.15 |
| Curitel Domestic | : | 2.42 |
| Curitel CDMA | : | 9.60 |
| Curitel N.A. CDMA | : | 6.31 |

* Source: Strategy Analytics (December, 2004)

Income Statement

| Unit: KRW Bn | FY02 | FY03 | FY04(E) |
|------------------|-------|---------|---------|
| Sales | 730.0 | 1,385.8 | 2,024.3 |
| Gross Profit | 157.5 | 293.6 | 372.7 |
| (%) | 21.6% | 21.2% | 18.4% |
| Operating Profit | 48.7 | 70.8 | 57.0 |
| (%) | 6.7% | 5.1% | 2.8% |
| Recurring Profit | 62.9 | 44.4 | 38.4 |
| (%) | 8.6% | 3.2% | 1.9% |
| Net Profit | 43.8 | 41.7 | 47.3 |
| (%) | 6.0% | 3.0% | 2.3% |
| EBITDA | 86.0 | 91.8 | 153.3 |
| (%) | 11.8% | 6.6% | 7.6% |
| R&D Expenditure | 45.6 | 95.6 | 118.2 |
| (%) | 6.2% | 6.9% | 5.8% |

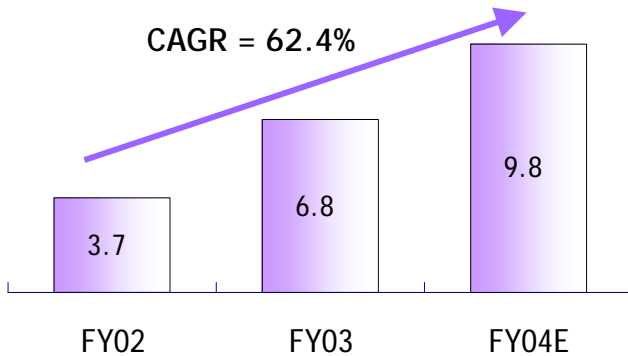
Balance Sheet

| Unit: KRW Bn | FY02 | FY03 | FY04(E) |
|--------------------------|--------|---------|---------|
| Assets | 315.8 | 722.4 | 811.2 |
| Current Asset | 198.0 | 544.2 | 501.3 |
| (Cash & Cash equivalent) | (7.9) | (113.5) | (73.8) |
| (ST financial goods) | (29.2) | (87.2) | (32.9) |
| Fixed Asset | 117.8 | 178.2 | 309.9 |
| Liabilities | 196.7 | 452.3 | 525.4 |
| Current Liabilities | 169.8 | 420.8 | 441.6 |
| (Short term debt) | (4.5) | (133.3) | (153.9) |
| Fixed Liabilities | 26.9 | 31.5 | 83.8 |
| (Long term debt & Bonds) | (6.2) | (26.3) | (78.9) |
| SE | 119.0 | 270.1 | 285.8 |
| Paid-in Capital | 53.2 | 74.9 | 74.9 |
| Capital Surplus | 2.4 | 90.6 | 91.6 |
| Retained Earnings | 58.5 | 100.2 | 147.6 |
| Capital Adjustments | 4.9 | 4.4 | -28.4 |
| (Treasury Stock) | - | - | (-24.5) |

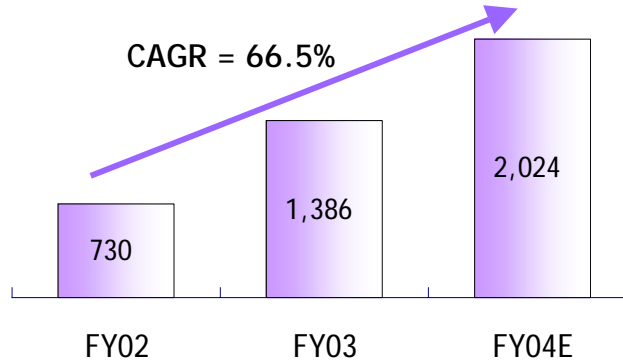
II. Curitel in the Past

Historical Performance

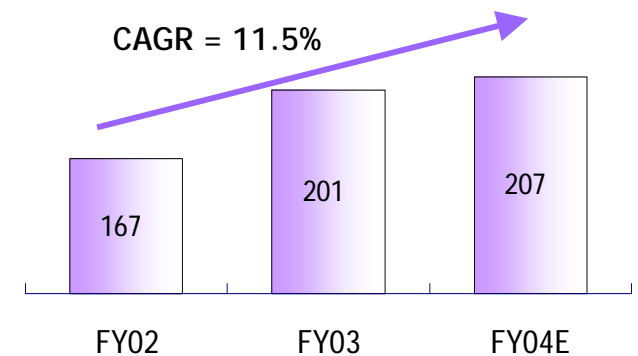
Unit Shipments (M)



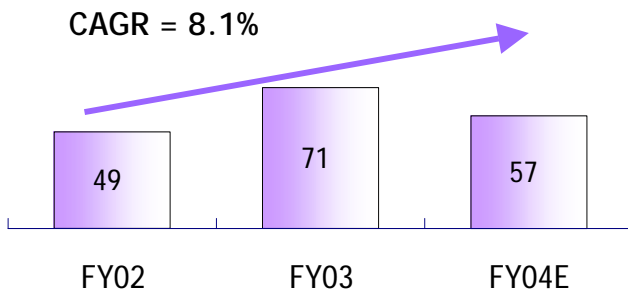
Revenue (Bn KRW)



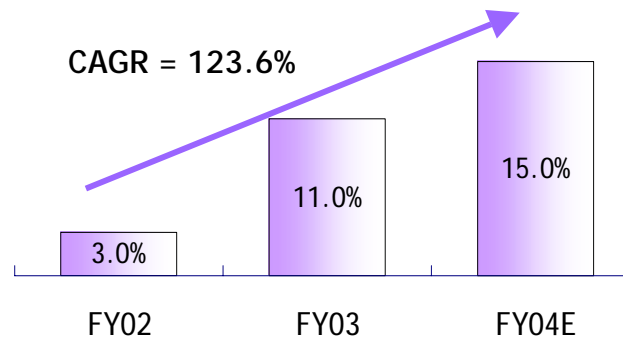
ASP (K KRW)



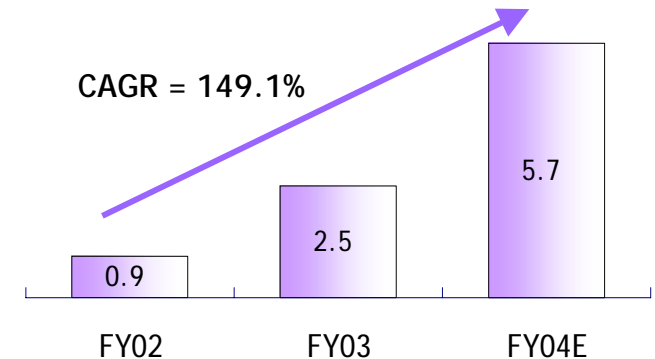
Operating Profit (Bn KRW)



Domestic M/S (%)



US Shipments (M)



Key Footmarks

Cumulative Handset Sales over 20M ('02 ~ '04)

US CDMA Market Share = 10%

R&D Leadership (EV-DO, 3M-pixel, UMTS, etc)

Intensive Quality Control → Global Presence ↑

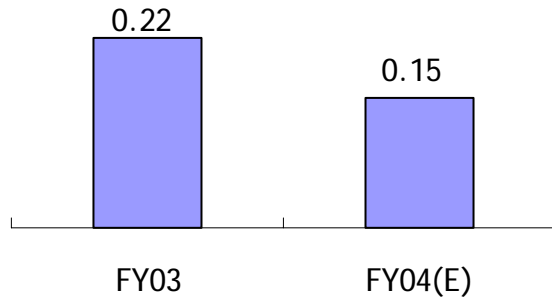
Twenty Five Countries

Europe Wide Open for Business Opportunities

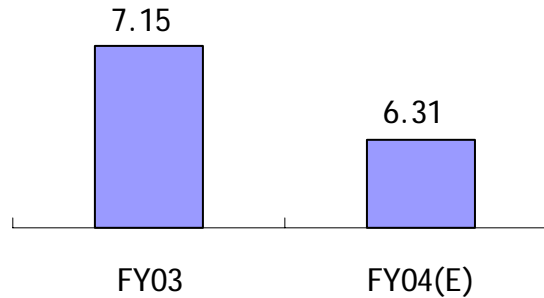
Leaped to #3 in Korea just in 2 years

Valuation Merits

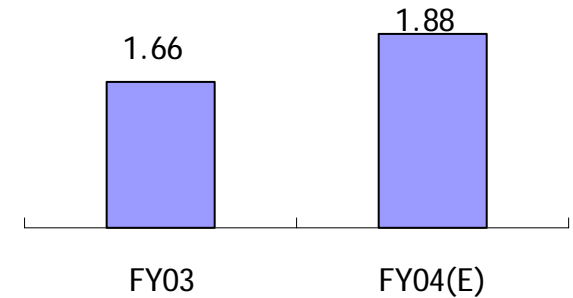
PSR (x)



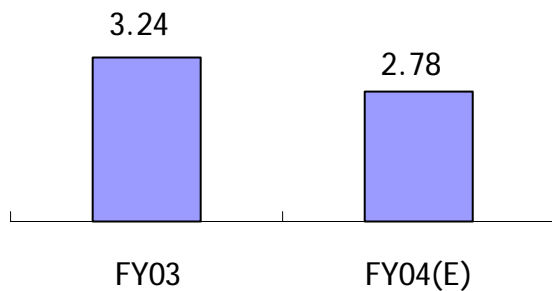
PER (x)



PBR (x)



EV/EBITDA (x)



Source Data (Bn KRW)

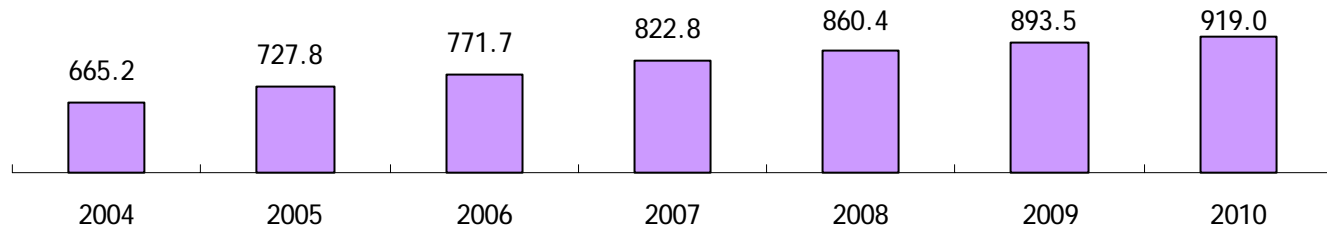
| Market Capitalization = 298.4 | | |
|-------------------------------|---------|---------|
| | FY03 | FY04(E) |
| Revenue | 1,385.8 | 2,024.3 |
| Earnings | 41.7 | 47.3 |
| Book Value | 179.8 | 158.7 |
| EV | 297.5 | 426.7 |
| EBITDA | 91.8 | 153.3 |

* Stock Price based on January/2005 Average of 1,991KRW.

III. Curitel for the Future

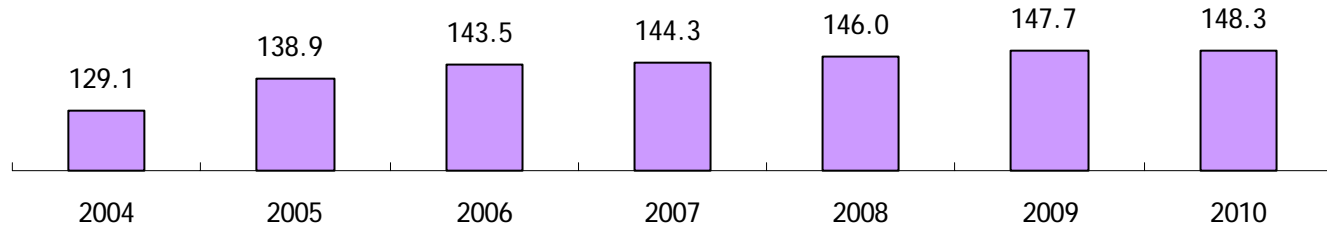
Handset Market

Global
Market



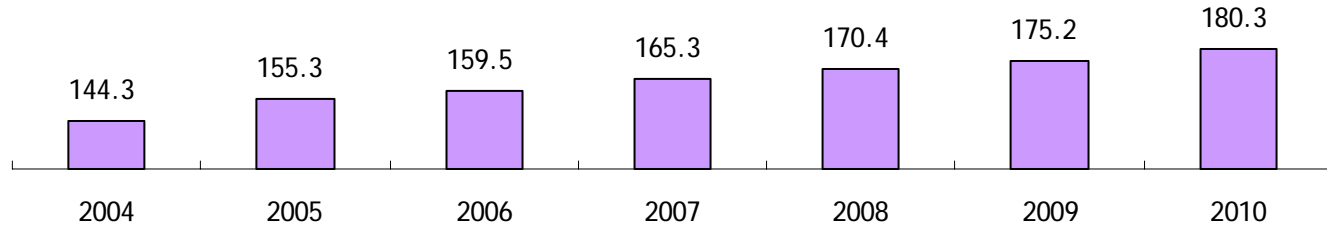
CAGR=5.5%

N.A.
Market



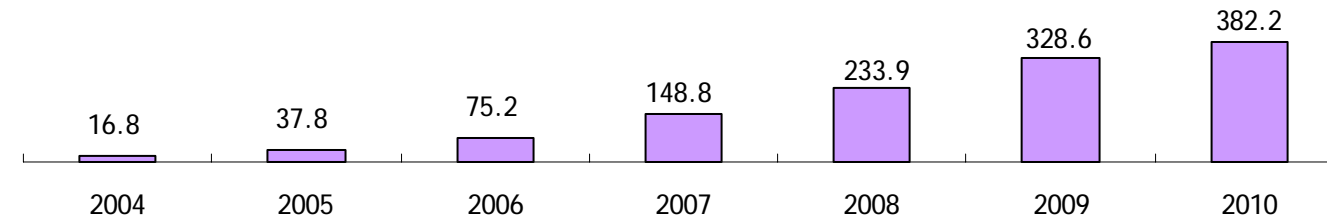
CAGR=2.3%

W. Europe
Market



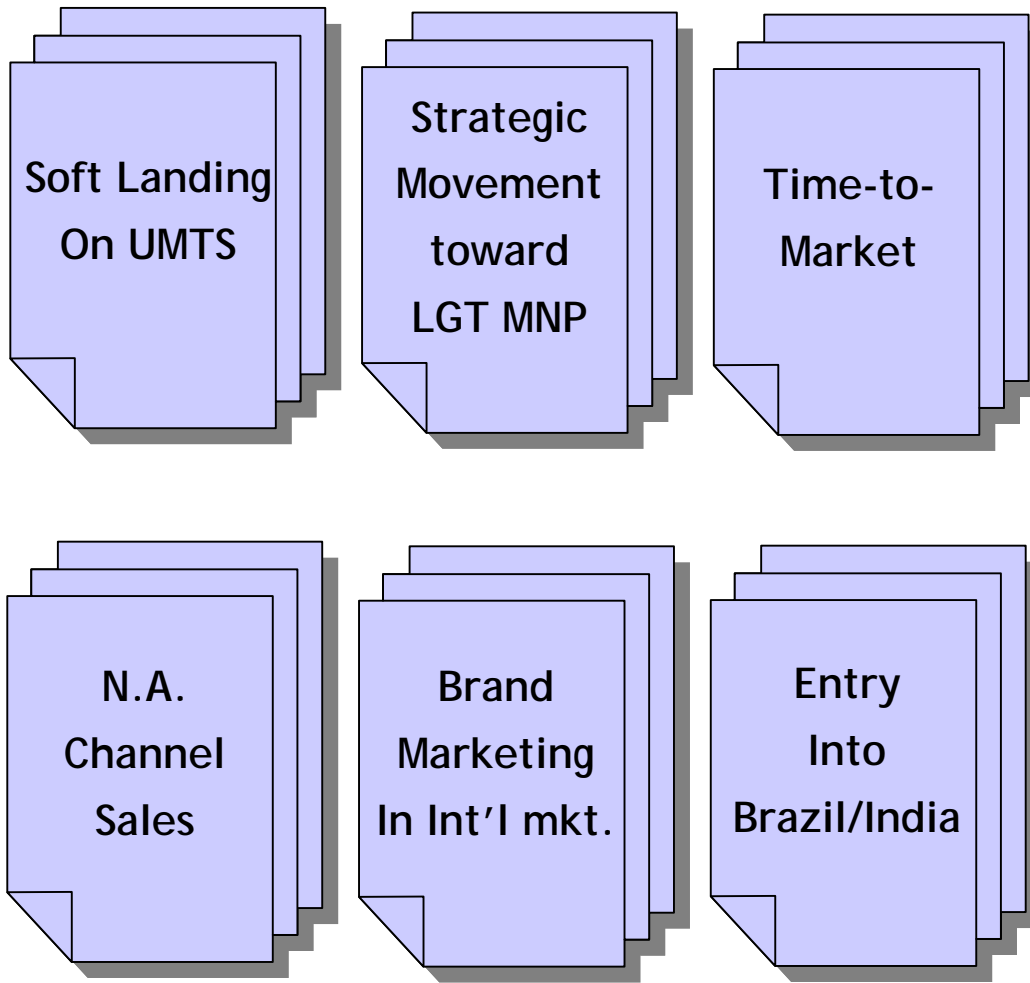
CAGR=3.8%

UMTS
Market



CAGR=68.3%

FY05 Summary



Revenue
2.5Tn KRW

Shipment
13.5Mn units

CAPX
38Bn KRW

R&D Investment
142Bn KRW

FY05 Priorities



N.A. Channel

- Completed staffing Sales Heads for Major Carrier Accounts
 - Experienced & Skilled Experts from Global Handset Makers: Assigned on each Account
 - Each Sales Head currently Working on Each Account
- Total 6 ~ 8 models for Direct Sales to Carriers: 2 ~ 3 EV-DO phones included
- First Sales expected: Q2 (Latin), Q3 (N.A.)
- No Need to Pay Audiovox Distribution Margin → Margin Improvement
- N.A. Channel Sales to be Serious from 2006
- "Pantech" Brand Pre-exposure Effect through On-going Business with Audiovox



UMTS

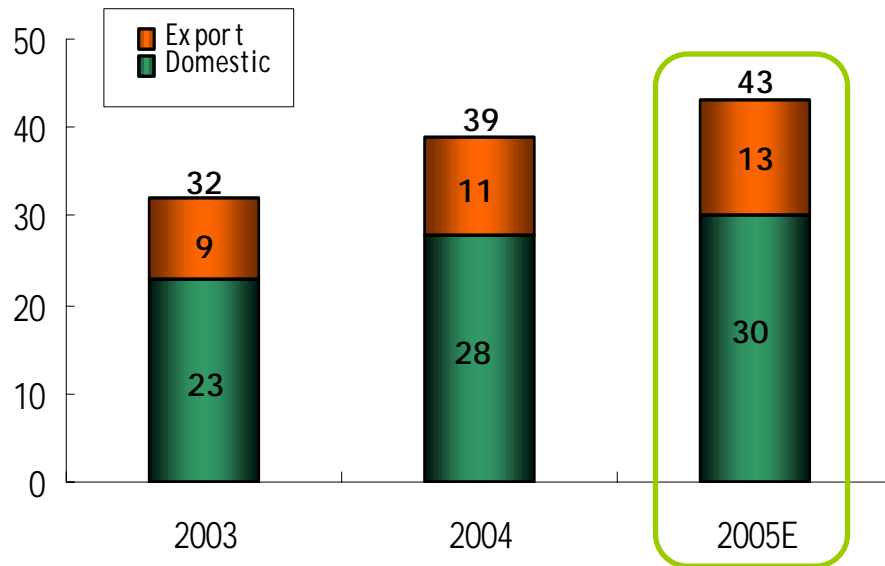
- First UMTS Sales expected from Q3/2005
- Actively Negotiating with European Carriers
- Curitel's UMTS Handsets Well-appreciated by European Carriers
- R&D on UMTS Initiated from Q1/2004: Preparation for UMTS Growth in Europe
- Year 2005 → Preliminary Stage, Year 2006 → Growing Stage
- Business Opportunities in N.A.
 - GSM Carriers Expected to Service UMTS in 2006 to Compete with EV-DO Carriers
 - UMTS Target Markets: Not Only Europe, But Also N.A.

Margin Improvements

- Domestic Business: Most Critical Factor behind Margin Deterioration
 - Low Brand Equity → Low Selling Price → Low Gross Margin
 - ✓ Low Acceptance from Customers to High-tier Curitel Phones
 - ✓ Low ASP: 310k KRW(FY03), 322k KRW(FY04)
 - ✓ Will it Improve?
 - Customer Acceptance to High-priced Curitel Phones ↑ (Q4/04 ASP = 353k KRW)
 - ❖ Diverse Products over 450k KRW on the market (ex. "P-1" with 480k KRW Sold over 50k on Q4/04)
 - FY05(E) ASP Expected to be over 350k KRW
 - High Material Costs → Low Gross Margin
 - ✓ FY04 Material Costs as % of Sales = 72.2% (Quarterly, 74.1 → 72.7 → 71.6 → 68.0%)
 - ✓ Will it Improve?
 - More Volume → MC in Declining Trend (From 74.1% in Q1/04 to 68.0% in Q4/04)
 - FY05(E) MC Expected to be about 66% of Sales
 - Bottleneck in "Time-to-market" → Channel Inventory Build-up → High Expenses related to Inventory Clearance & Marketing → Low Operating Margin
 - ✓ FY04 Marketing & Inventory-clearance Expenses: 115Bn KRW (14.8% of Sales)
 - ✓ Will it Improve?
 - FY05(E) Marketing & Inventory-clearance Spending Expected to be around 10~12% of Sales
- Other Drivers for Margin Improvements
 - Direct Channel & Brand Business in North America
 - UMTS Sales

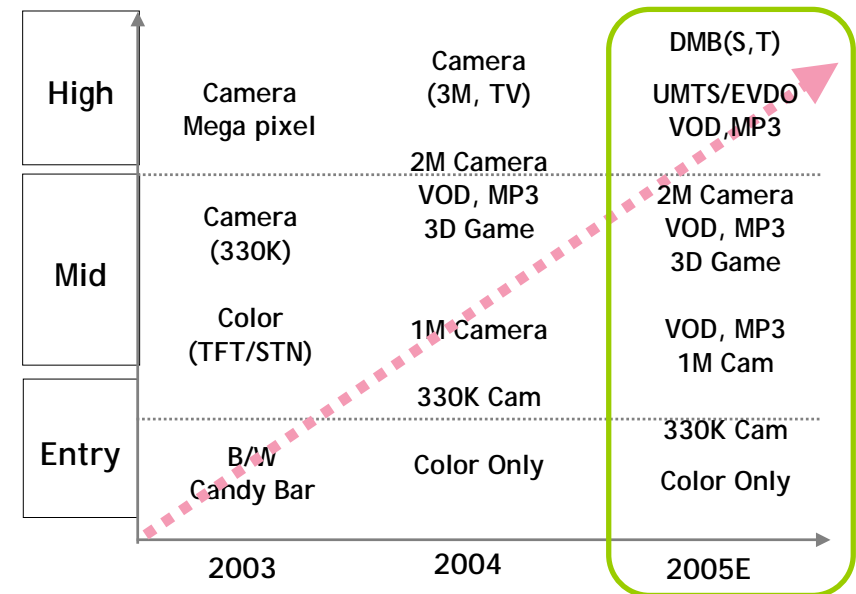
FY05 Product Mix

of products



- Domestic
 - 28 in 2004 → 30 in 2005E
 - Profit-oriented product
 - Strategic models fit for each carrier
 - Price-, Design-, & Feature-competitive

Product Segmentation



- Export
 - 11 in 2004 → 13 in 2005E
 - Fully lined up from low- to high-tier
 - Most powerful line-up than ever
 - 1st UMTS launching in Europe (Competitive price, design)
 - EV-DO leadership in N.A
 - Strategic models for emerging market

Product Leadership

Technology



First EV-DO Handset in US
Market: N.A., LATAM
Mega Pixel Camera
VOD, MP3,
Mini SD Card

Feature Rich



Satellite DMB
Market: Korea
2 Mega Pixel Camera
VOD, MP3, Mini SD Card
1X EV-DO

Fashionable



Swivel Fashion DICA
Market: Korea
Mega Pixel Camera
MOD, VOD, MP3, Radio

Price Competitive



Design & Price Competitive
Market: Emerging market
VGA Camera
SMS, Web Browsing