

Pantech&Curitel

Q1/FY04 Earnings Release

April 27, 2004

This document contains the financial and operational figures & numbers that are not audited by the company's official accounting firm. Therefore, those numbers and figures in the document may change according to the results of auditing by the accounting firm (Price Waterhouse Coopers).

Furthermore, it should be acknowledged that forecasts mentioned in this document for coming quarters can be different from actual results.

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Q1/FY04 Overview

- Best Quarter Performance “Ever” (KRW575.2Bn)

- Domestic: KRW278.5Bn with 945K units sold
- Int'l: KRW296.7Bn with 1,665K units sold

- Brand Equity Entrenched

- Brand Value of “Curitel” Up! Up! Up!
- Consistent Increase in Domestic Market Share
 - ✓ 8%(Q1/03)→14%(Q4/03)→16%(Q1/04)

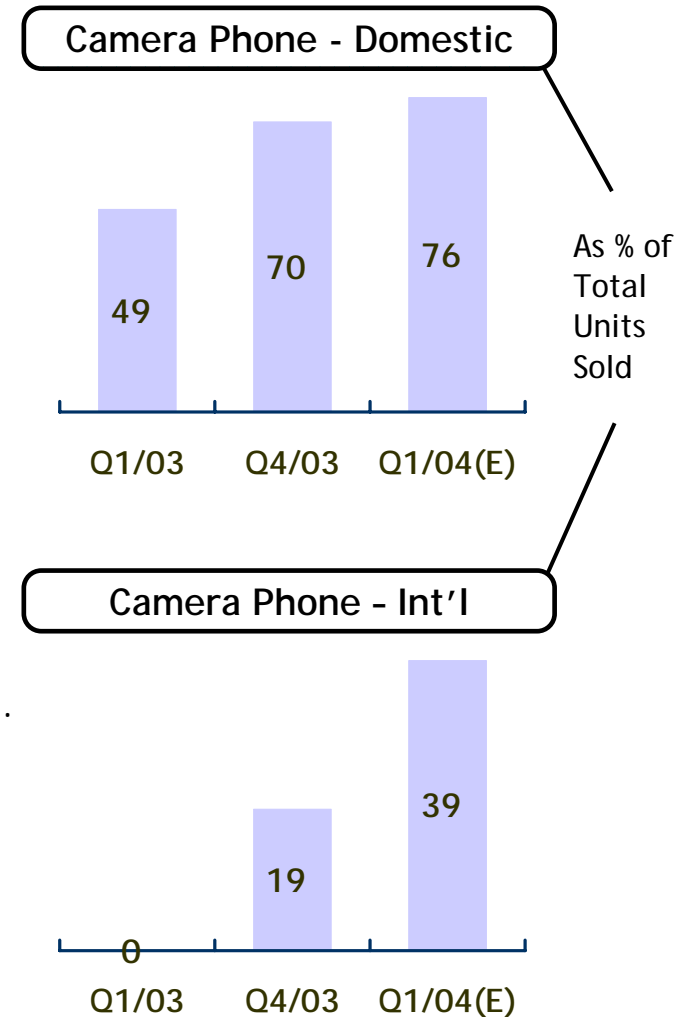
- Camera Phone as a “Core” Product

- Total: 10%(Q1/03)→30%(Q4/03)→53%(Q1/04)
- Domestic: 49%(Q1/03)→70%(Q4/03)→76%(Q1/04)
- Int'l: 0%(Q1/03)→19%(Q4/03)→39%(Q1/04)

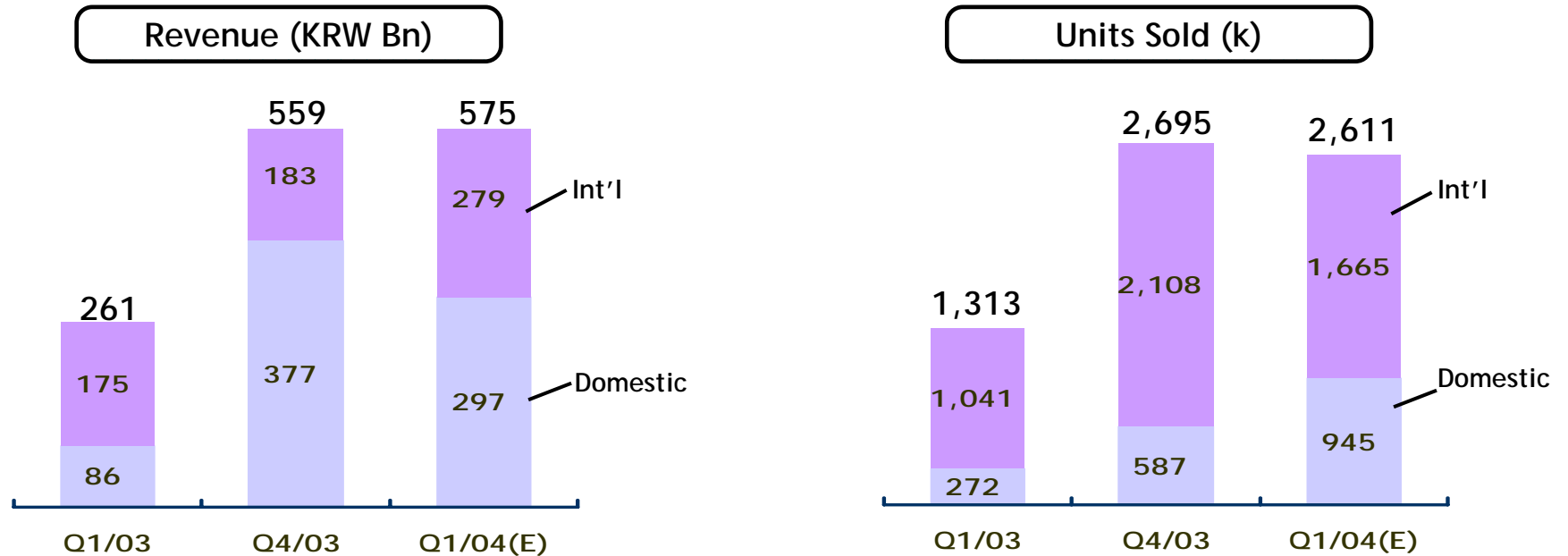
* Figures above show sales % of camera phones out of total units sold.

- Consistent Q-to-Q Growth Trends

- Domestic: Strategic Response to MNP (Mobile Number Portability)
- Int'l: 70% Sales Increase from Q1/03 (Diverse Models Out on Mkt.)

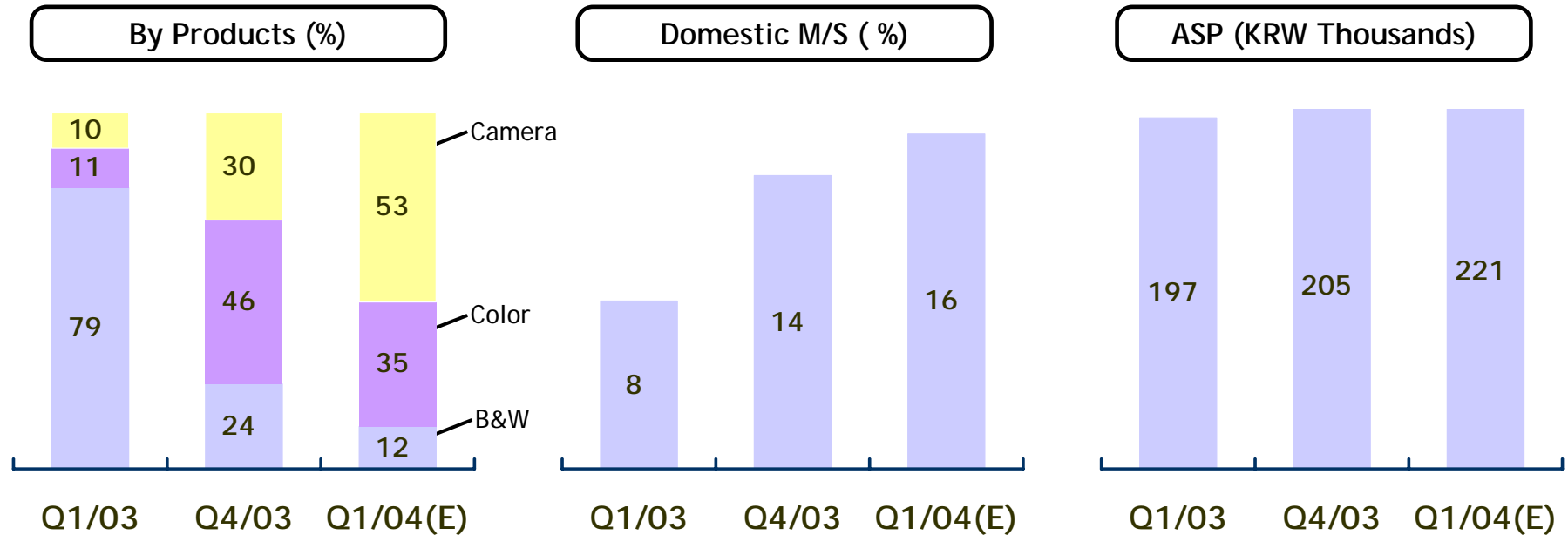


Sales Performance – Domestic vs. Int'l



- Q1/FY04 Sales: Up by 120% and 3% from Q1/03 and Q4/03, respectively
 - Domestic: Up by 222% and 53% from Q1/03 and Q4/03, respectively
 - ✓ Sales Increase Mainly Due to MNP effects
 - Int'l: Up by 70% from Q1/03, Down by 21% from Q4/03
 - ✓ Decrease in B&W Phone Sales in N. American Market → Total Unit Sales Decreased

Sales Performance – By Products, Domestic, ASP



- Color- and Camera-phone-Oriented Product Portfolio: 21%(Q1/03)→76%(Q4/03)→88%(Q1/04)
- Domestic Market Share Inclined through “Value-up” of “Curitel” Brand
- ASP Up due to Strong Jump-up in Such High-end Models as Camera Phones in Domestic Market
 - Total: Up by 12.2% and 8.0% from Q1/03 and Q4/03, respectively
 - Domestic: Down by 1.8% from Q4/03 due to Strong Sales in Low-priced Models (KRW306K → 301K)
 - Int’l: More Sales on Old Models rather than on New Models → 0.3% Down from Q4/03 (KRW177K → 176K)

Financial Summary

(Unit: KRW Bn, %)	<u>Q1/03</u>	<u>Q4/03</u>	<u>Q1/04(E)</u>	<u>Growth (vs. Q1/03)</u>	<u>Growth (vs. Q4/03)</u>
Revenue	261.2	559.7	575.2	+ 120%	+ 3%
Gross Profit	65.8 (25.2)	112.3(20.1)	105.0(18.3)	+ 60%	– 6%
Operating Profit	16.8 (6.4)	35.0 (6.3)	27.0(4.7)	+ 61%	– 23%
Recurring Profit	10.7 (4.1)	16.7 (3.0)	17.7(3.1)	+ 66%	+ 6%
EBITDA	17.2	27.8	28.8	+ 67%	+ 3%

* Profit ratio is shown in parentheses.

- Operating Profit amounted to KRW 27.0Bn: 61% Up from Q1/03, 23% Down from Q4/03
 - Domestic: Sales Increase in Low-end Products and Old-model-oriented Market Approach
 - Int'l: Profitability a bit Worsened due to a Slight Decrease in ASP
 - However, Recurring Profit Went Up by 66% & 6% from Q1, Q4/2003, respectively
 - Recurring Profit Up Despite Intangible Write-downs of KRW 20.2Bn (FY03 Total = KRW 12.4Bn)

Q2/FY04 Outlook

- “Profitable”, New Models Lined Up from Q2 on
 - Domestic: High-profit, Technology-oriented Products Set To Go!
 - New Models: VOD/MOD Phone, 2 Mega-pixel Camera Phone with MP3 Features
 - Int’l: 3 New Models To Verizon, Sprint, Virgin Mobile
- North American Market in Good Shape
 - Diverse Product Portfolio Scheduled for Q2 → Sales Up from Q1 for Int’l Segments
 - Revenue Forecast for Q2 in Int’l Business \approx KRW 312.4 Bn
- Negative Forecast for Domestic Market
 - 10 ~ 15% Down from Q1
 - Revenue Forecast for Q2 in Domestic Business \approx KRW 236.2 Bn
- Forecasted Financials for Coming Quarter
 - Sales \approx KRW 548.5 Bn, Operating Profit \approx KRW 27.3 Bn

Attached. Balance Sheet Summary

(Unit : KRW Bn, %)	Q4/03	Q1/04(E)	Net Chg.
Assets	722.4	789.0	+ 66.6
Current	544.2	611.4	+ 67.2
Fixed	178.2	177.6	– 0.6
Liabilities	452.3	503.8	+ 51.5
Current	420.8	471.4	+ 50.6
(ST Debt)	133.3	170.2	+ 36.9
Long-term	31.5	32.4	+ 0.9
(LT Debt)	26.3	25.8	– 0.5
SE	270.1	285.2	+ 15.1
(Paid-in)	74.9	74.9	–
D/E Ratio	167%	177%	+ 10%P
ROE*	25%	20%	– 5%P

* ROE is simply computed based on quarter earnings times 4 divided by SE. (No Seasonality Effects Applied)