

March 2008

The World's Best Knowledge Creator

INVESTOR RELATIONS

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01. About CREDU

Company Overview

Vision & History

Revenue & Operating Profit Trend

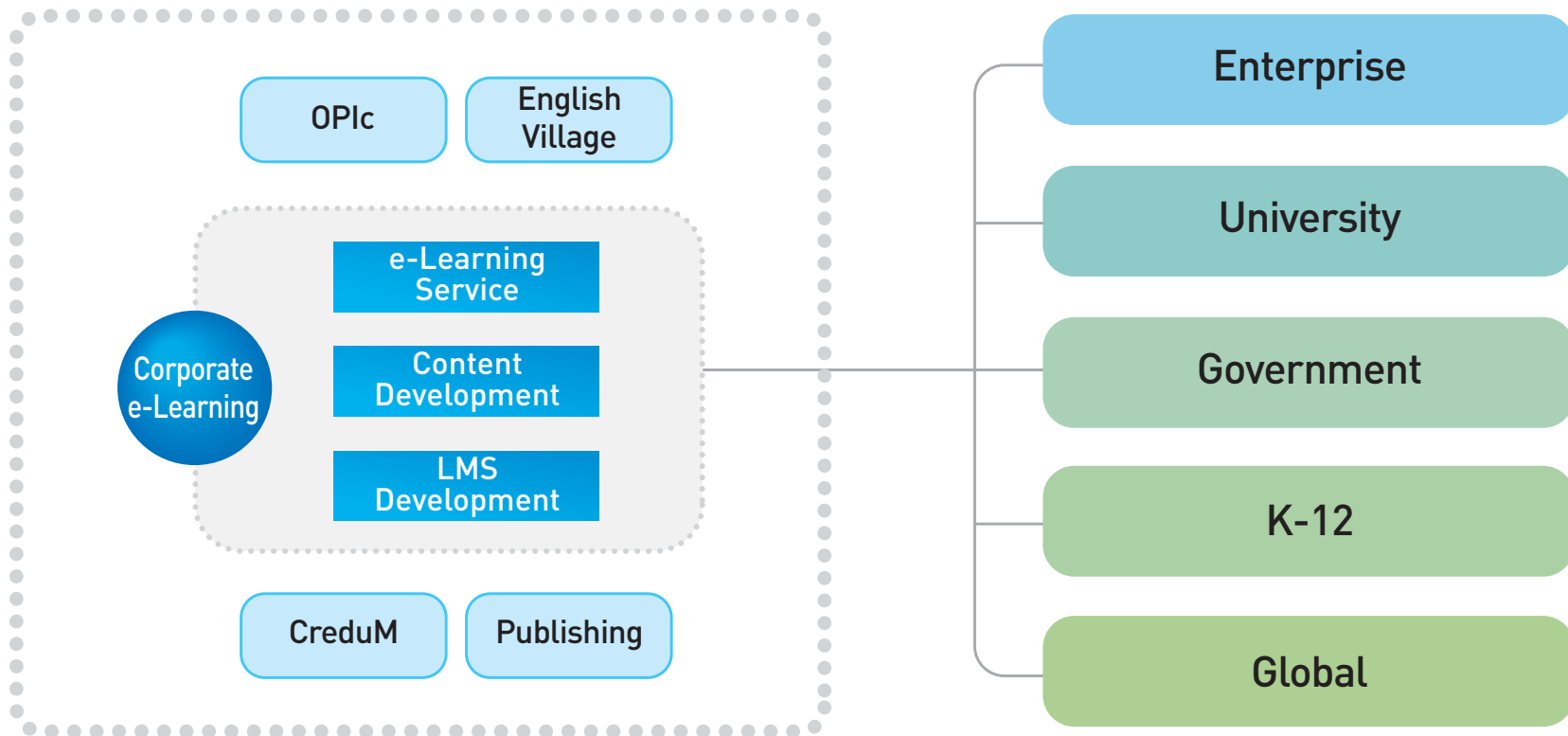
2008 Financial Guidance

Investment Highlights

Company Overview

- Name: CREDU
- Employees: 219 (As of Dec. 31st)
- Location: Seoul, Korea

- CEO: Young Soon Kim
- Capital: 2,814 million KRW
- Affiliation: Samsung Group



Vision & History

2000~2002

- Nov. 2002 Began offering online courses for the Samsung Business Leadership Program (SLP)
- Sep. 2002 Took over the financial certification business of GachiNet
- Feb. 2002 Provided e-learning services to Matsushita and Sanyo
- May. 2000 Establishment of Cedu Corporation

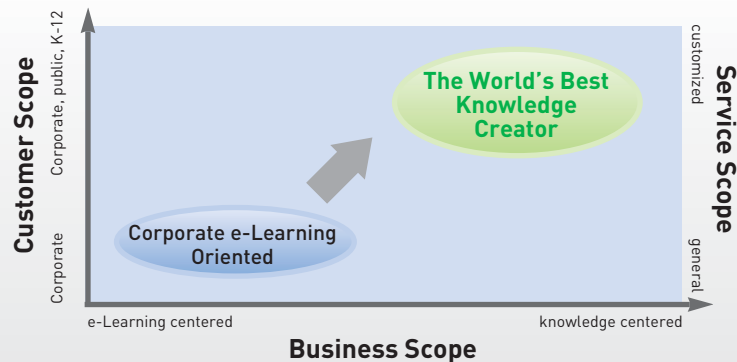
2003~2006

- Nov. 2006 Listed on KOSDAQ
- Jul. 2006 Started OPlc business
- Sep. 2005 Started publishing business
- Apr. 2004 Started providing online courses for the Samsung Value Program (SVP)
- Nov. 2003 Opened an e-learning center in China
- Mar. 2003 Commenced the iMBA program

2007~2008

- Jan. 2008 CeduM went into partnership with Heitz Academy and Avalon Edu
- Dec. 2007 Made a contract on the management of Gyeonggi English Village Ansan Camp
- Oct. 2007 Invested in LTI, USA
- Sep. 2007 Started middle school e-learning
- Aug. 2007 Began offering e-learning service to European market
- Feb. 2007 Signed partnership agreement on OPlc with SDA

Vision



2008 Corporate Strategy

Infinite Challenge, Beyond 1000!

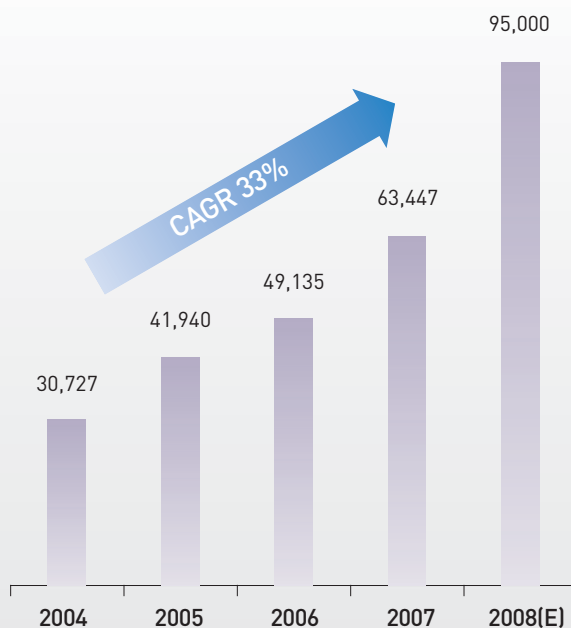
- ▶ Pursue customer satisfaction
- ▶ Stabilize future-oriented biz. structure
- ▶ Maximize risk management ability
- ▶ Improve global competency

Revenue & Operating Profit Trend

- Sustainable rapid growth, 33% CAGR in revenue and 35% CAGR in OP '04 ~ '08

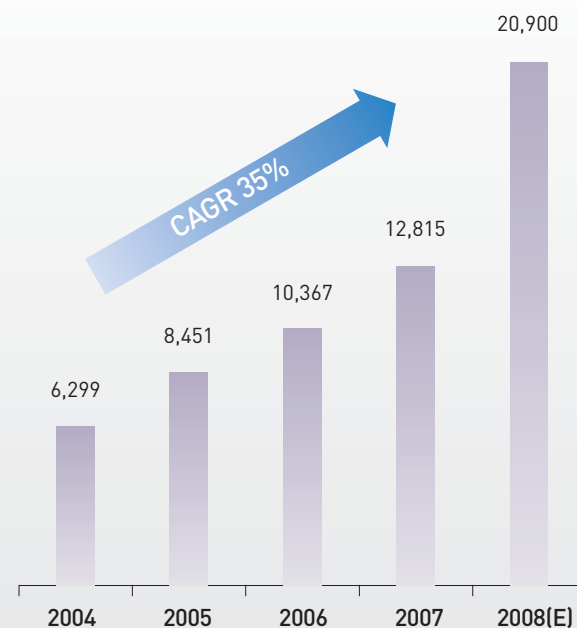
Revenue

[Unit: million KRW]



Operating Profit

[Unit: million KRW]



2008 Financial Guidance

● Expect 95 billion of total revenue and 20.9 billion of OP in 2008

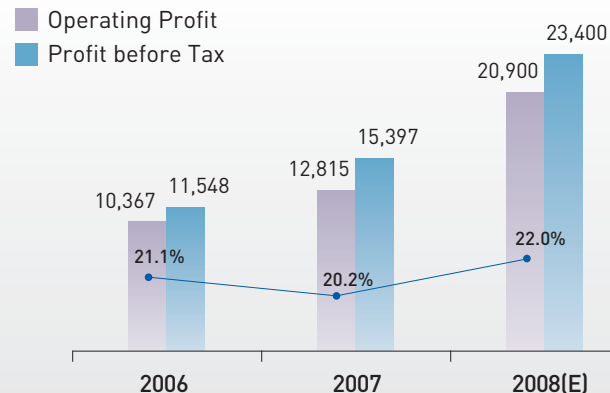
(Unit: million KRW)

	2007	2008(E)	Growth Rate
e-Learning Service	49,896	61,000	22.3%
Content Development	6,528	5,500	-15.7%
LMS Development	2,550	2,500	-2.0%
OPIc	2,506	15,000	498.6%
Credum	-	7,000	-
Others	1,968	4,000	103.3%
Total	63,447	95,000	49.7%

Key Growth Driver

1. Stable growth rate of e-learning service business (22.3%)
2. 15 billion KRW of OPIc related revenue
3. 7 billion KRW of Credum revenue

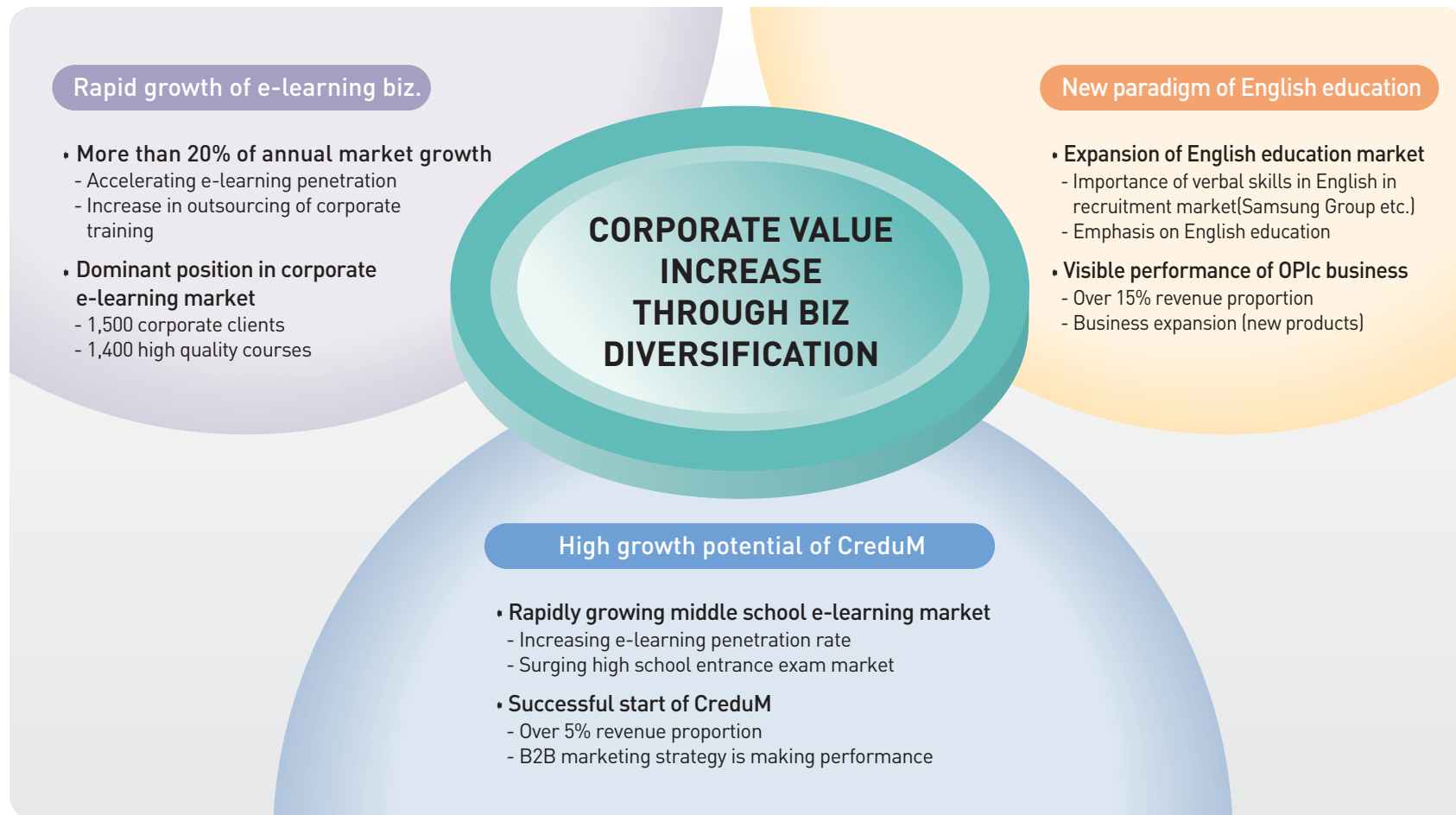
Profit



Profit Expectation

1. Obligatory course Enhancement
2. Cost control through reuse of contents
3. Reduction in revenue proportion of content & LMS development business

Investment Highlights



02. Corporate e-Learning

Industry Overview

Major Figures

Major Clients

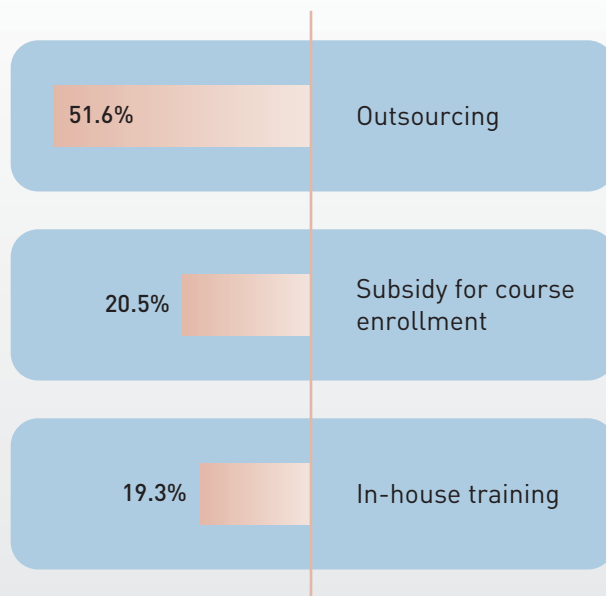
SME Market

Globalization of e-Learning

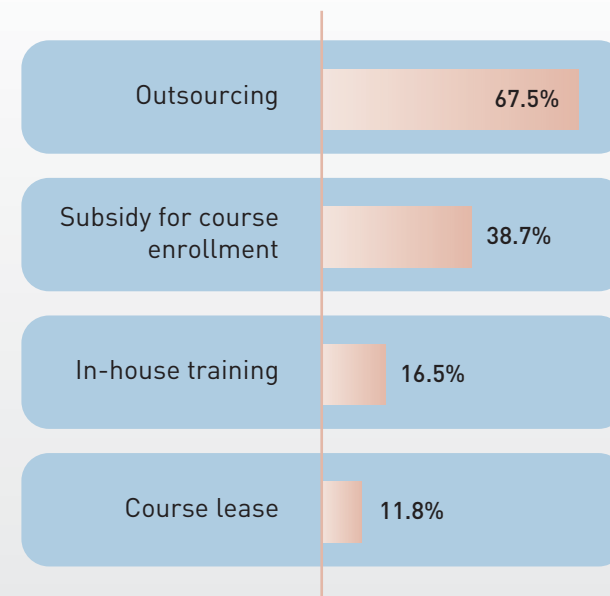
Industry Overview

- Outsourcing, the most effective way of starting e-learning for companies

e-Learning Adoption Way(Now)



Preferred Way of Adopting e-Learning

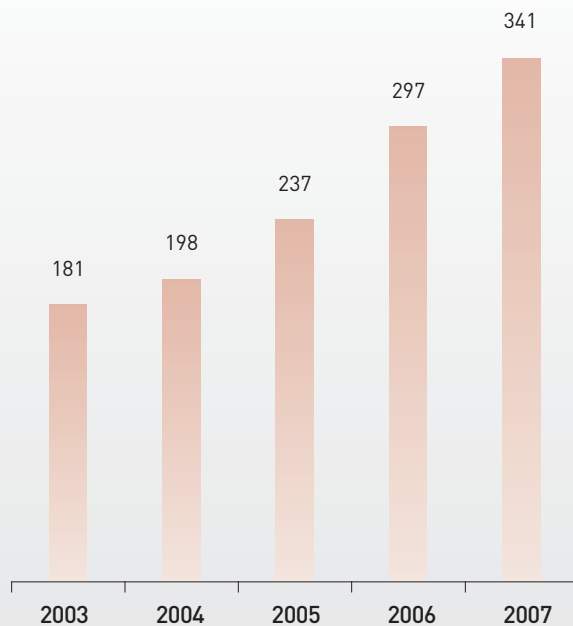


※Source: Ministry of Commerce, Industry and Energy, Jan. 2007

- Sustainable growth of Employment Insurance refund market

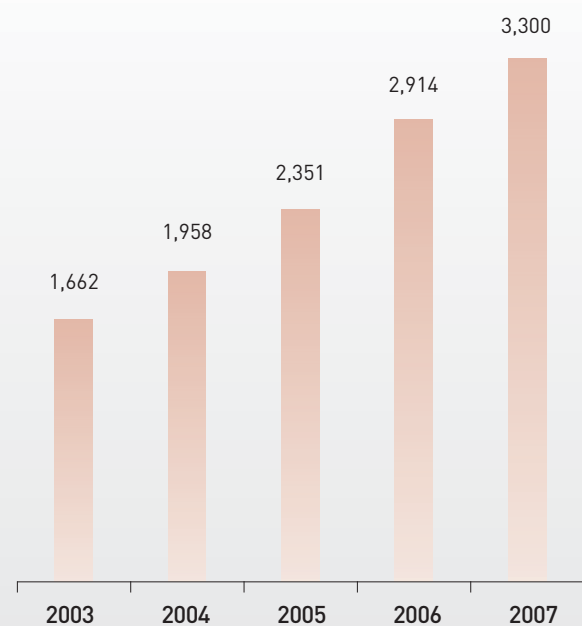
Government Subsidy Execution

(Unit: billion KRW)



Number of Subsidy Receivers

(Unit: thousand)

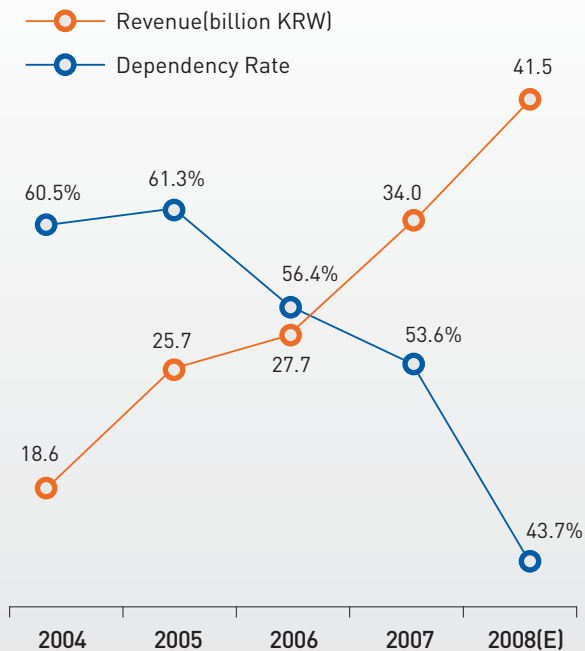


※Source: Korea Employment Information Service, Employment Insurance Statistics

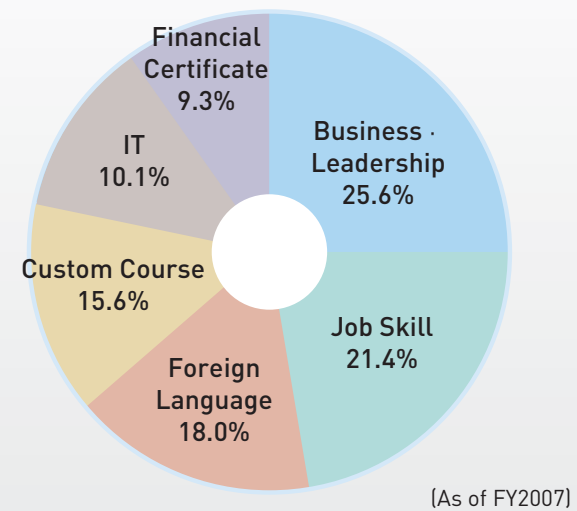
Major Figures

- Reduce dependence on government subsidy course through diversifying business domains and course collection

Government Subsidy Course Revenue



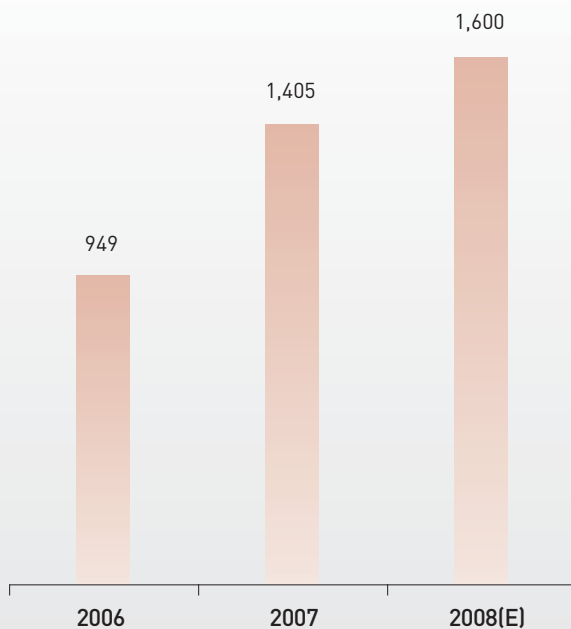
Revenue Breakdown



Major Figures

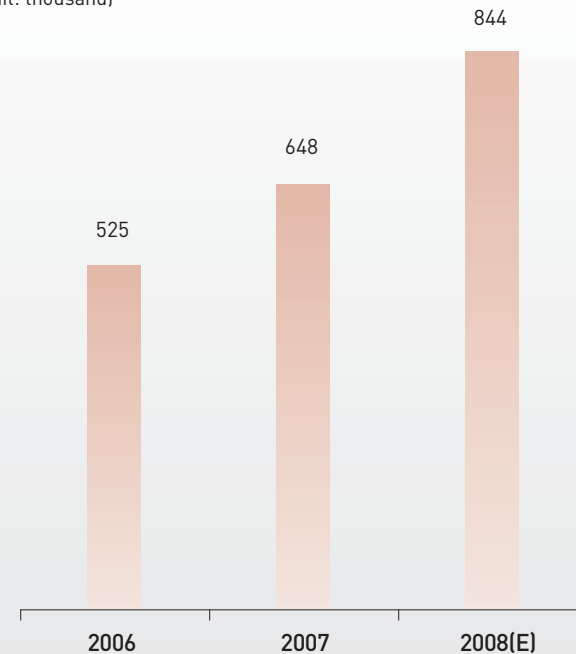
● Increasing number of subscribers and courses

Number of Courses Monthly



Number of Subscribers

(Unit: thousand)

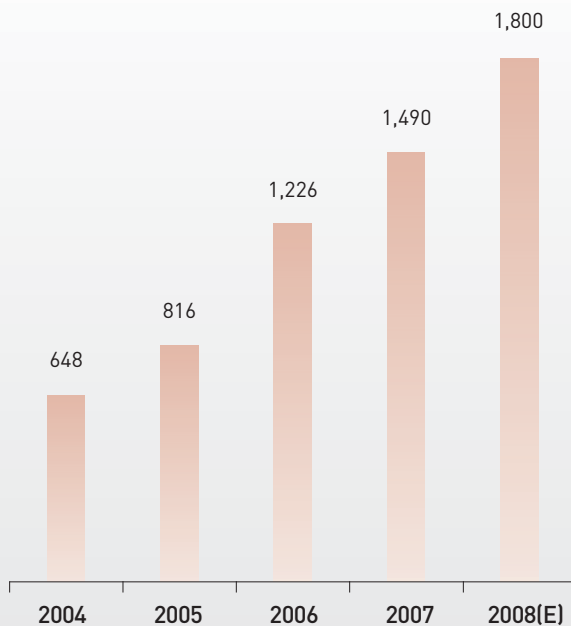


※Except for bulk selling courses

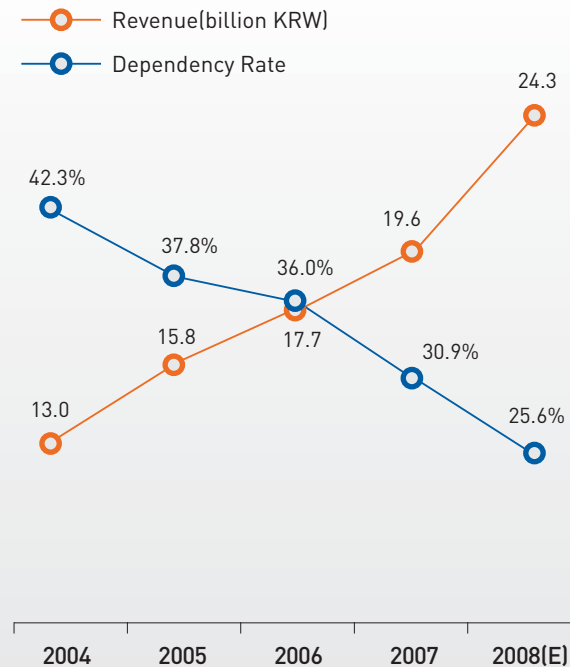
Major Figures

- Diversify customer base and reduce dependence on Samsung Group

Number of Clients



Revenue from Samsung Group



Major Clients

Samsung Group Clients

(Unit: million KRW)

	2006	2007	G/R
Samsung Electronics	7,984	8,008	0.3%
Samsung Electro-Mechanics	630	1,413	124.3%
Samsung SDI	1,268	1,339	5.6%
Samsung Corporation	826	1,046	26.6%
SERI	892	993	11.3%
Total	17,707	19,620	10.8%

Financial Institution Clients

(Unit: million KRW)

	2006	2007	G/R
Kookmin Bank	1,652	2,499	51.3%
Korean Federation of Community Credit Cooperatives	445	776	74.4%
National Agricultural Cooperative Federation	1,287	430	-66.6%
Hana bank	86	344	300.0%
ING Life Insurance	226	343	51.8%
Total	7,571	9,214	21.7%

Corporate Clients

(Unit: million KRW)

	2006	2007	G/R
KT	642	2,039	217.6%
Samsung Tesco	1,004	971	-3.3%
SK Telecom	118	720	510.2%
Hyundai Heavy Industries	544	664	22.1%
KCC	-	424	-
Total	15,151	23,260	53.5%

Public Organization/University Clients

(Unit: million KRW)

	2006	2007	G/R
Sung Kyun Kwan University	709	900	26.9%
KERIS	6	848	-
Korea Game Industry Agency	765	595	-22.2%
The Military Mutual Aid Association	-	582	-
National Center for Korean Traditional Performing Arts	-	489	-
Total	8,706	11,353	30.4%

- Focus more on SME e-learning market which has great potential to grow

Employee Training Participation Rate

[unit: %]

	2004	2005	2006
SME	8.0	9.9	13.5
Large Enterprise	77.4	87.0	90.1
Total	26.4	30.1	34.1

Low employee training participation rate of SMEs

- Worry over decrease in working days(41.1%)
- Lack of training facilities(26.8%)
- Expense burden(25.0%)

(Survey by Korean Research Institute for Vocational Education and Training, 2004)

→ e-learning is the solution
(free of time and location constraints, cost-effective)

e-Learning Expenditure

[Unit: billion KRW]

	2004	2005	2006
SME	11	34	49
Large Enterprise	516	634	703
Total	527	668	752

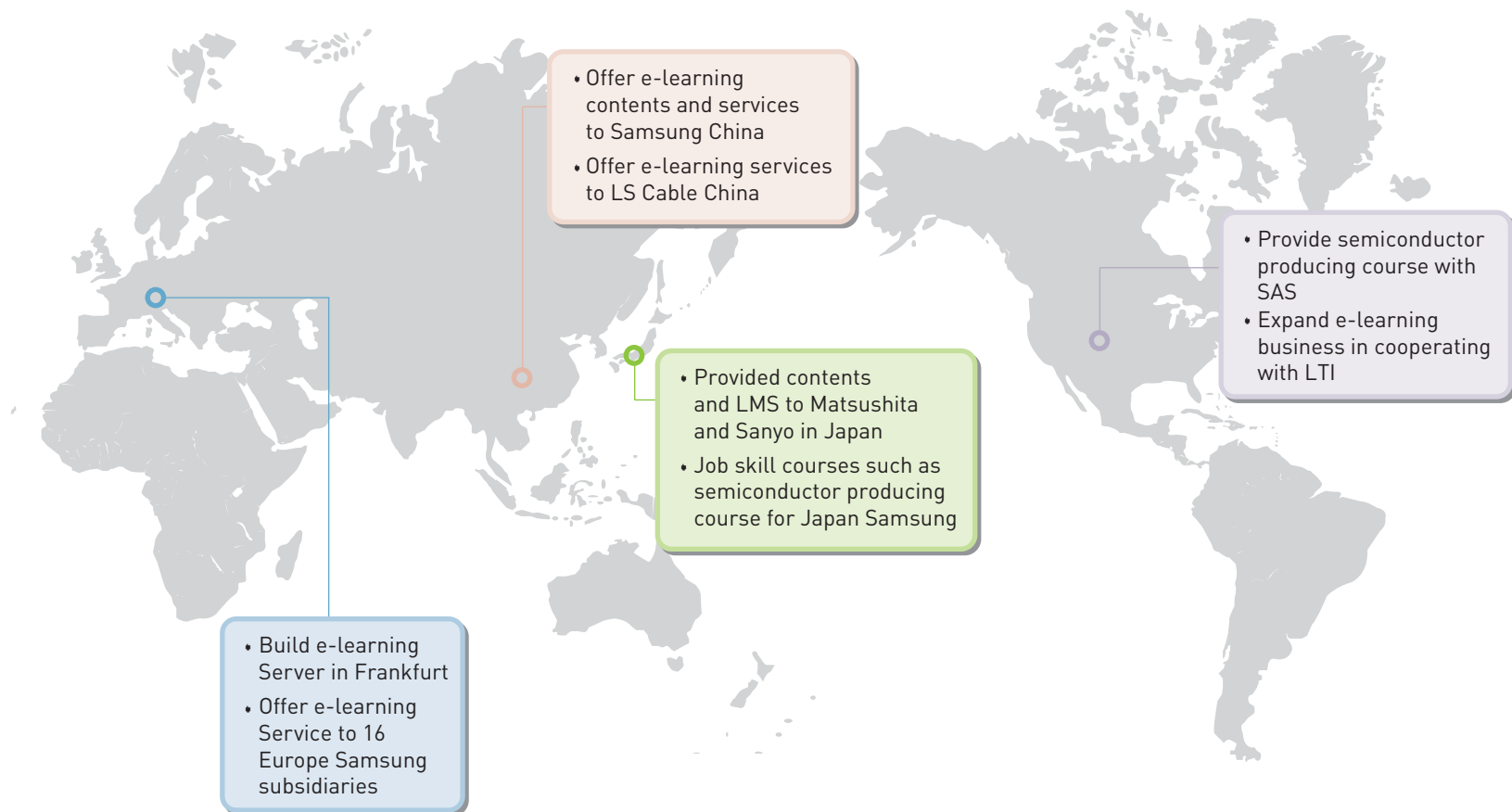
Strategy to encourage SME's e-learning

- Develop training site for SMEs in cooperation with Korea Federation of Small and Medium Business
- Provide customized contents and services to SMEs
- Spread best practice of e-learning to SMEs

※Source: Ministry of Commerce, Industry and Energy, Jan. 2007

● Expand Global Business

(Samsung Overseas Subsidiary → Korean Company in the Foreign Country → Local Company)



03. OPIc

Industry Overview

Business Outlook

English Village Business

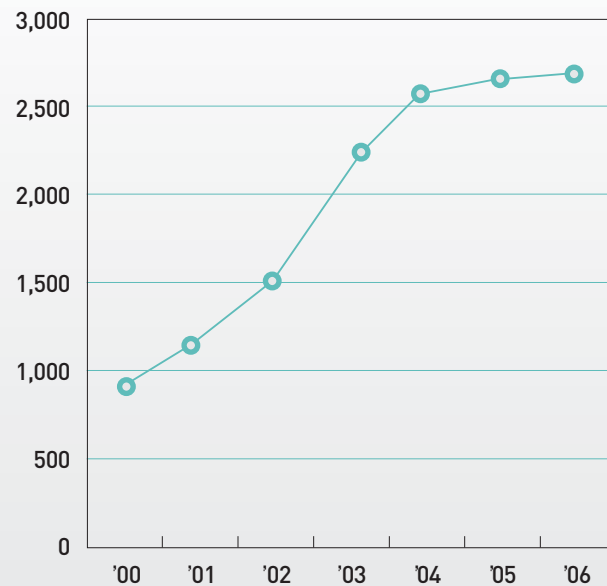


Industry Overview

- Demand for English verbal test is surging and written test taker growth rate has slowed

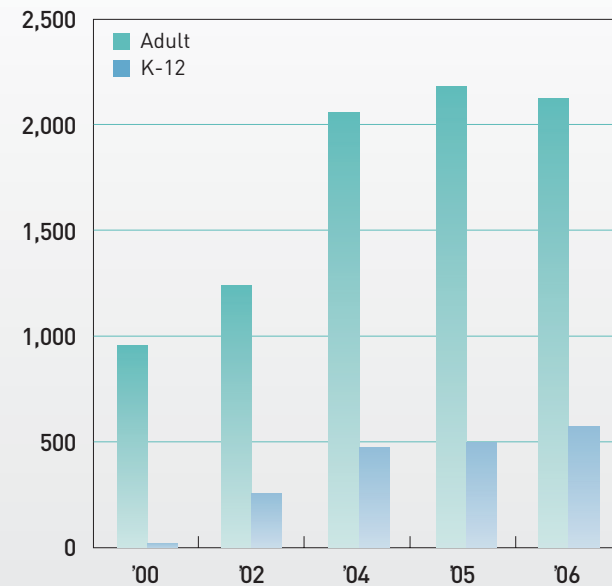
English Test Taker Trend

(Unit: thousand)



English Test Taker Breakdown

(Unit: thousand)

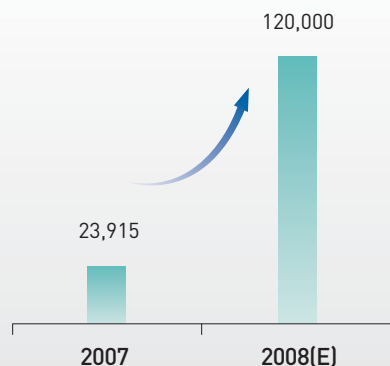


※Source: Ministry of Education and & Human Resources Development, Jul. 2007

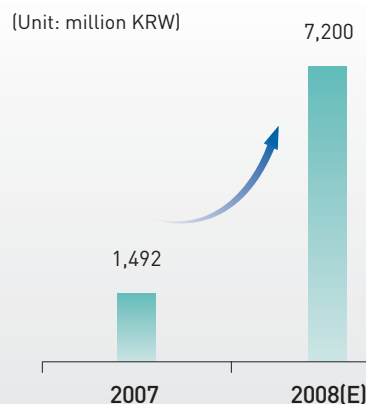
Business Outlook

- Target 120,000 test takers and 15 billion relevant revenue in 2008

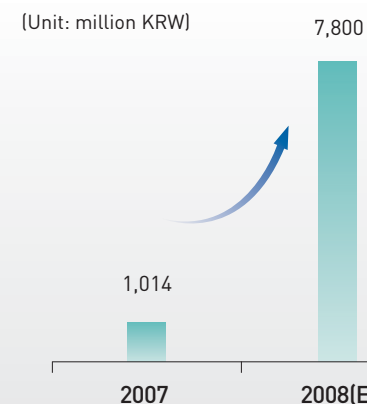
Number of Test Takers



Test Revenue



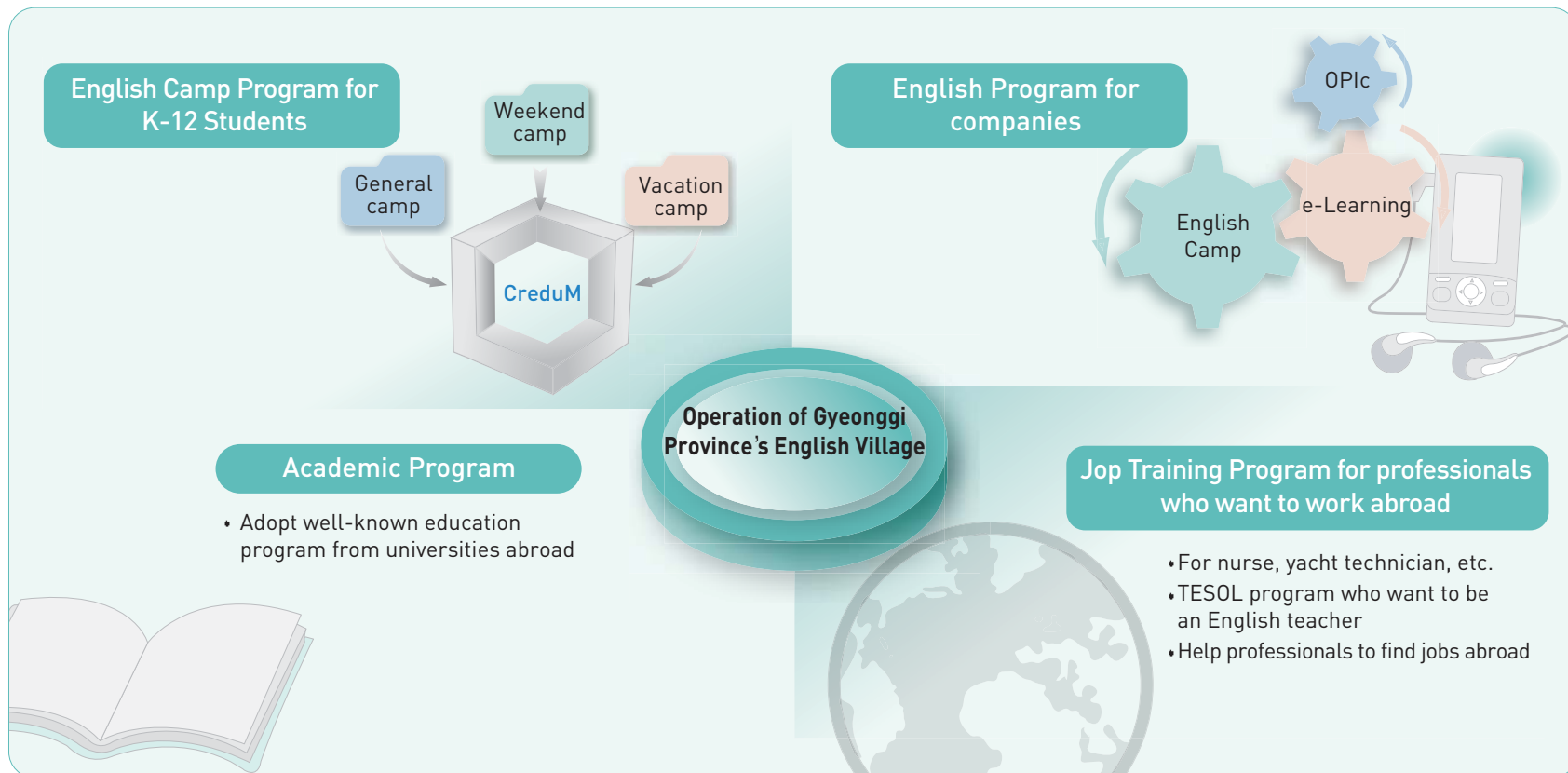
Prep Course Revenue



Strategies

1. Spread OPIc test as recruitment process to many large companies
2. Development of new test products: Junior OPIc, WPT(Writing Proficiency Test)
3. Global market penetration: Japan, China penetration, OPIc expansion in US, Canada
4. B2C marketing enhancement for university students and job seekers
5. Diversification of business domains: iTESOL, Telephone English, English Village

- Suggest new vision of English Village Business creating synergistic effects with OPIc and e-learning service business



04. CREDUM

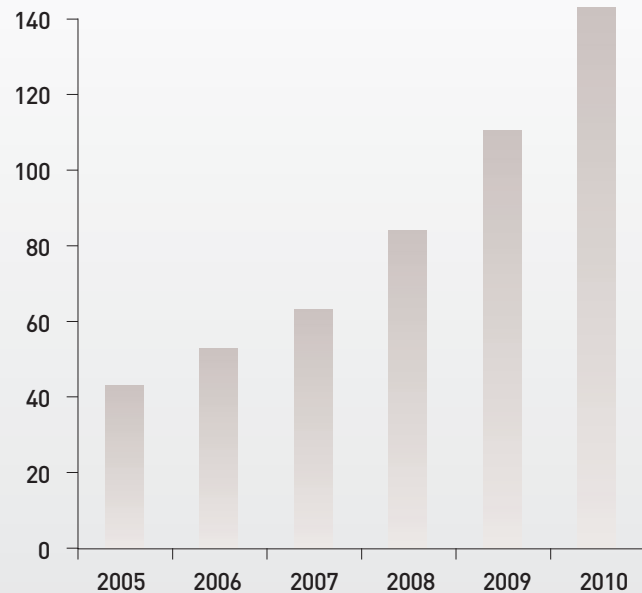
Industry Overview
Business Outlook

Industry Overview

- Expect 30% of market growth due to e-learning penetration among middle school students

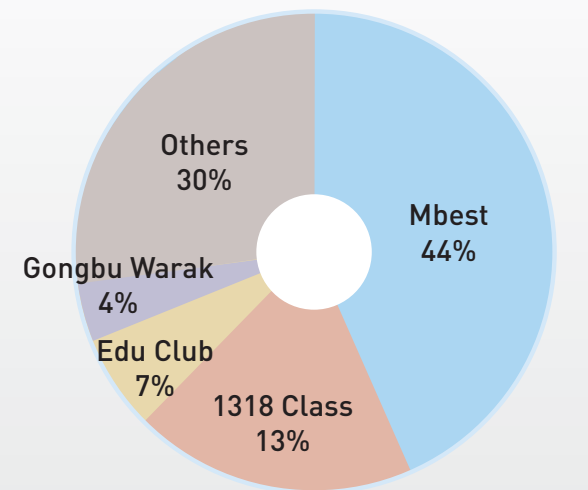
Middle School e-Learning Market

(Unit: billion KRW)



(Estimated by Credu)

Revenue M/S



(As of 2007)

(Estimated by Credu)

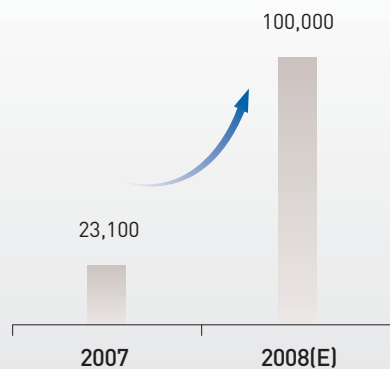
- Target 7 billion relevant revenue

	[Revenue]	[Proportion]	
Package Course Sales	2.8 bn	40%	Price 690,000 for 6 months 1,150,000 for 12 months
Individual Course Sales	1.2 bn	17%	Intensive courses
Tie-up Sales	1.4 bn	20%	Heitz Academy Avalon Edu
Others	1.6 bn	23%	Essay courses Trial exam

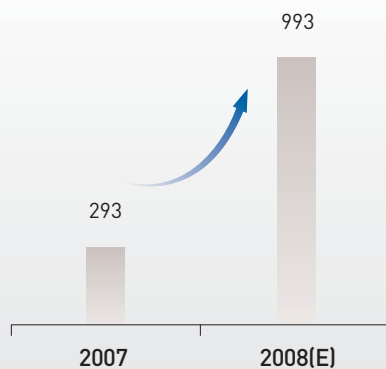
Business Outlook

● Reach 100,000 site members, 993 courses

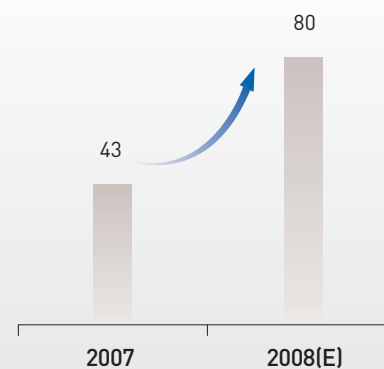
Number of Site Members



Accumulated Course



Number of Lecturers



Strategies

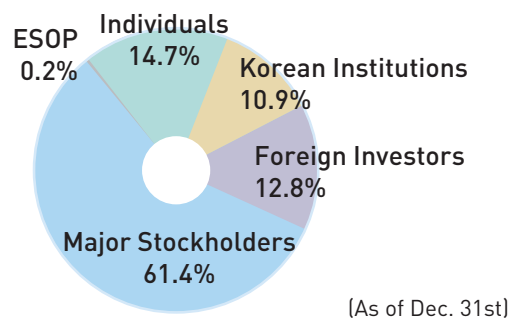
1. Launch package course
2. Diversification of course collection: High school entrance exam course etc.
3. Tie-up with off-line academies
4. B2B marketing targeting children of existing adult learners

05. Appendix

Stockholders & Dividend
Organization
Financial Statements

Stockholders & Dividend

Stockholders



Dividend

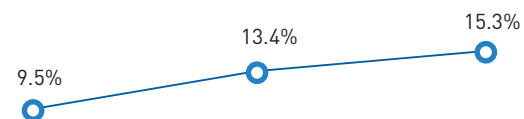
	2005	2006	2007
Total Dividend (million KRW)	621	1,126	1,688
Dividend per One Stock(KRW)	150	200	300
Payout Ratio(%)	9.54%	13.4%	15.3%

※Payout Ratio: Total dividend / Net profit

Major Stockholders

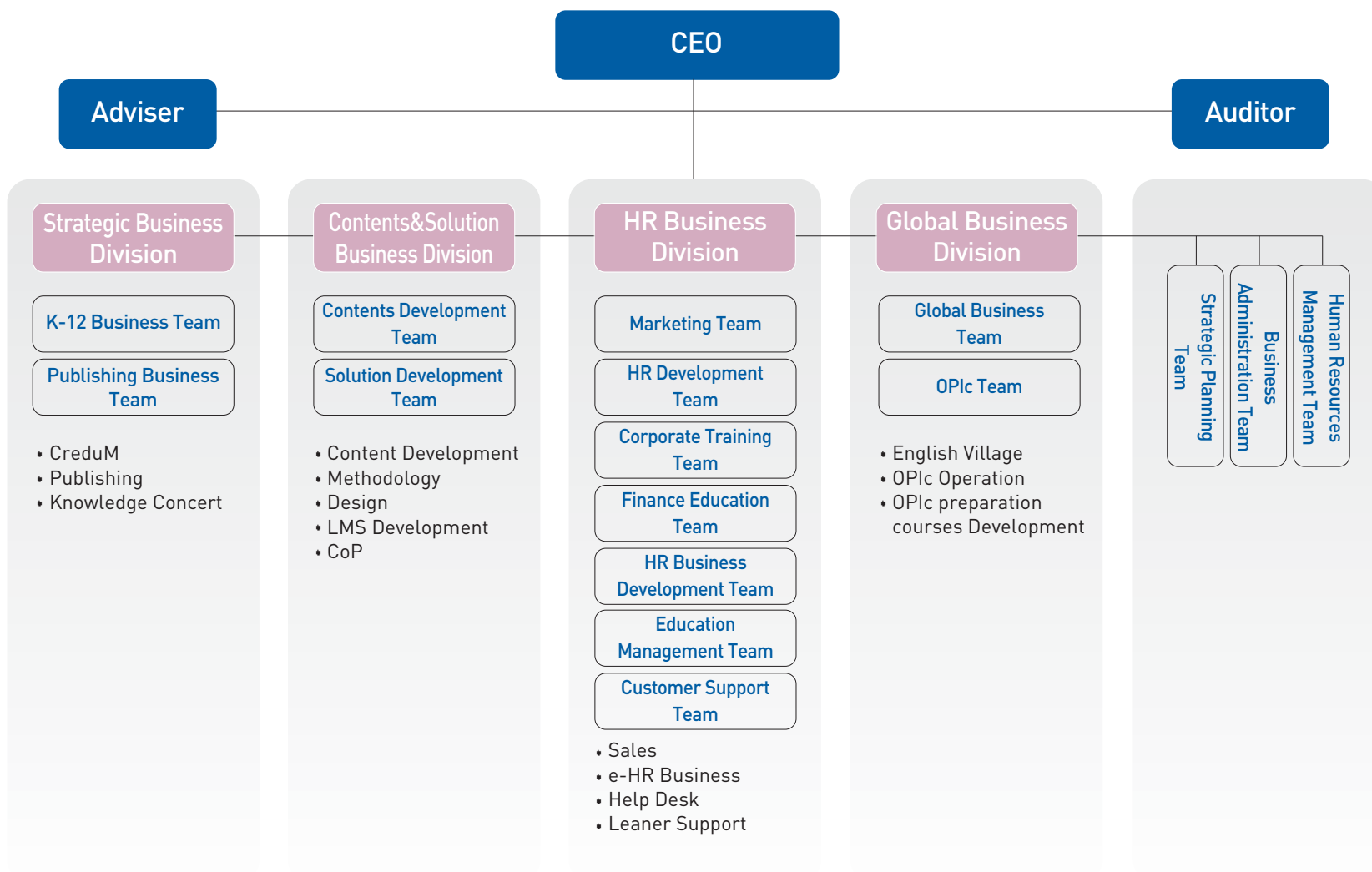
	Stock	Ratio
Cheil Communications	1,500,000	26.7%
SERI	600,000	10.7%
Samsung Everland	500,000	8.9%
Samsung SDS	400,000	7.1%
Samsung Networks	400,000	7.1%
Credul's executives	55,200	0.9%
Total	3,455,200	61.4%

Payout Ratio



Plan to increase payout ratio gradually in order to maximize stockholders' value

Organization



Financial Statements

Balance Sheet

(Unit: million KRW)

	2006	2007	2008(E)
Current Asset	59,783	68,115	91,800
NonCurrent Asset	7,707	10,981	13,000
Investment Asset	5,863	8,357	9,800
Tangible Asset	1,258	2,154	2,600
Intangible Asset	586	470	600
Total Asset	67,490	79,096	104,800
Current Debt	8,810	10,319	18,900
NonCurrent Debt	369	564	1,400
Total Debt	9,179	10,883	20,300
Capital	2,814	2,814	2,814
Capital Surplus	30,019	30,019	30,019
Profit Surplus	25,478	35,380	51,667
Total Capital	58,311	68,213	84,500
Total Liabilities & Stockholders' Equity	67,490	79,096	104,800

Income Statement

(Unit: million KRW)

	2006	2007	2008(E)
Sales	49,135	63,447	95,000
Cost of Sales	30,563	39,862	61,000
Gross Profit	18,572	23,585	34,000
SG&A	8,205	10,771	13,100
Operating Profit	10,367	12,815	20,900
(margin)	21.1%	20.2%	22.0%
Non-operating Revenues & Expenses	1,181	2,582	2,500
Income before Income Tax Expenses	11,548	15,397	23,400
(margin)	23.5%	24.3%	24.6%
Income Tax Expenses	3,171	4,369	6,400
Net Profit	8,378	11,028	17,000
(margin)	17.1%	17.4%	17.9%