Earning Release 3Q 2005

10 November 2005

The financial results for 3Q of 2005 have been prepared on an un-audited basis, and may be subject to change during the independent auditing process.

Furthermore, forward-looking statements in this documents are subject to known and unknown risks and uncertainties that may cause actual results to differ from those stated or implied by such statements.

Contents

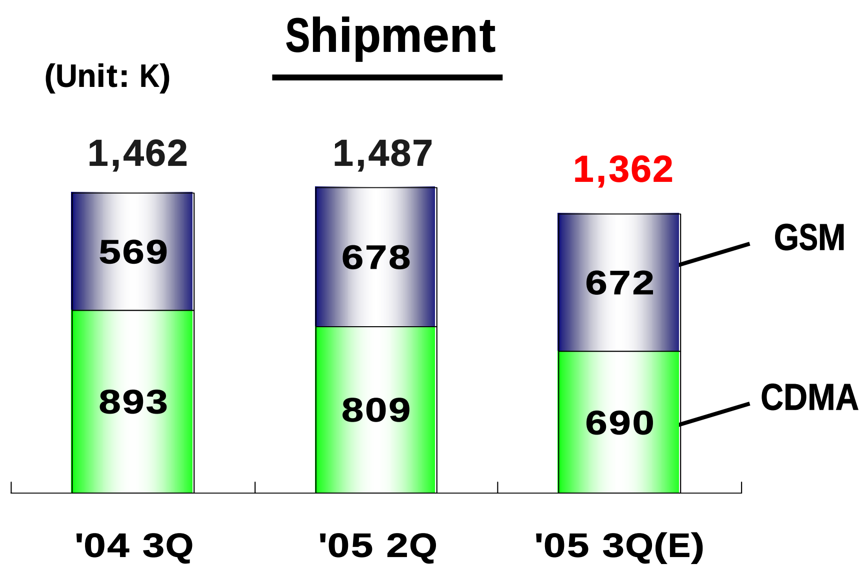
I. Sales Performance

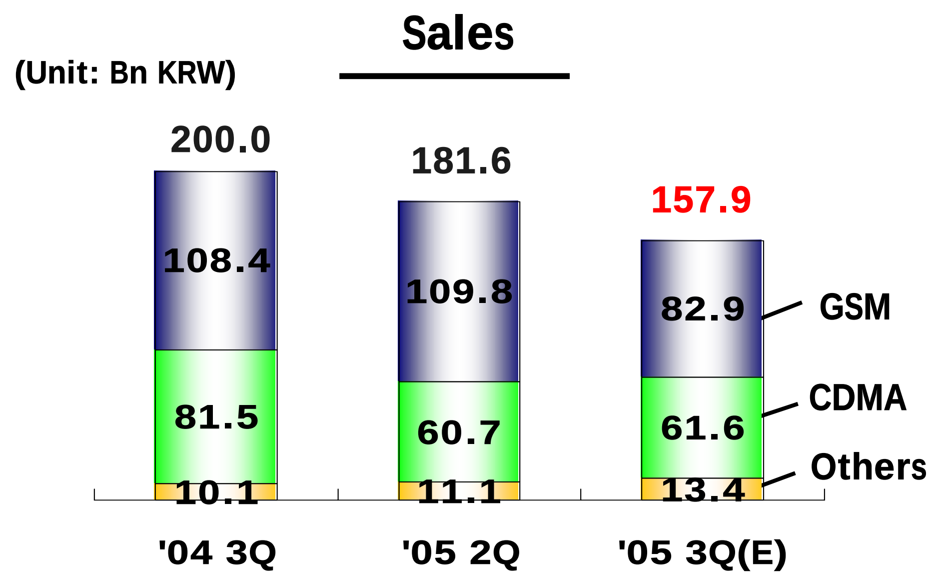
II. Financial Summary

III. Merger in Brief

IV. Merger Synergy & 4Q 2005 Outlook

I-1. Sales Performance - Quarterly Comparison





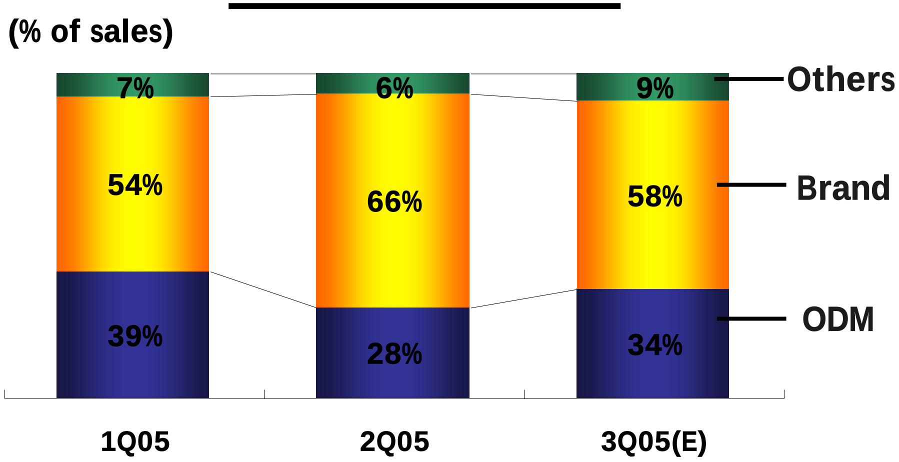
- **3Q'05 Sales: 1,362K units, 157.9 Bn KRW**
  - ➔ **QoQ Comparison: Shipment 8.4%↓, Sales 13.0%↓**
  - ➔ **YoY Comparison: Shipment 6.9%↓, Sales 21.1%↓**

- **CDMA Business**
  - **New models brought more revenue with less shipments.**

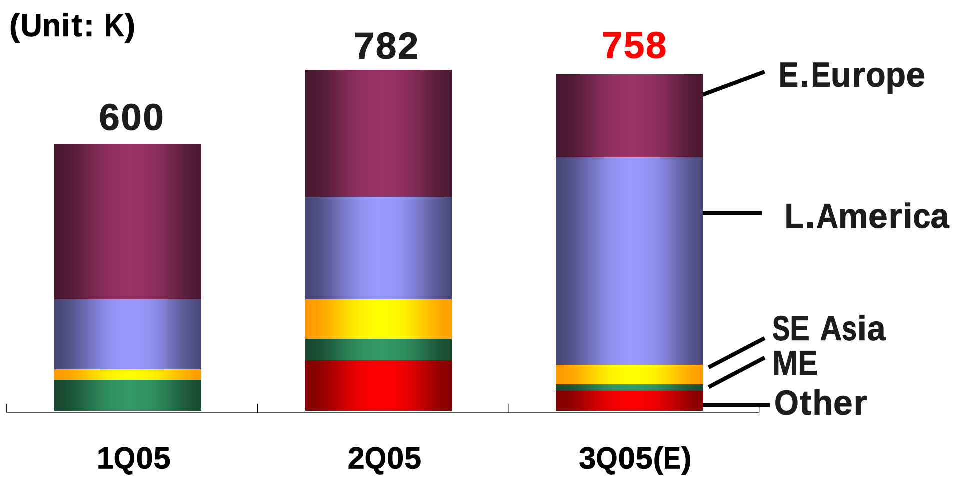
- **GSM Business**
  - **Sales slowdown in emerging markets as result of new model delays, which was caused by late line-up adjustment in 1st half.**

I-2. Sales Performance - Market Activities

Sales Makeup



Brand Sales by Region



- **Brand Business: 58% of total sales**
  - ➔ **Latin America**
    - Strong sales performance backed by Pantech's local presence (subsidiary opened early 2005).
    - Business relations w/ major operators (American Movil and Vivo)
  - ➔ **Russia**
    - Sales slowdown due to delay in strategic models.
  - ➔ **China**
    - Distribution channel build-up in progress

- **ODM Business**
  - Motorola: Sales slightly up by sale of a new model and of finished handsets, rather than CKD.
  - Korea: Sales up by new models including slim sliders.

PANTECH

II-1. Financial Summary - P/L

(Unit: Bn KRW, %)	3Q'04		2Q'05		3Q'05(E)		YoY	QoQ
Sales	200.0		181.6		157.9		-21.1%	-13.0%
Gross Profit	43.9	(21.9%)	37.1	(20.4%)	29.2	(18.5%)	-33.6%	-21.4%
SG&A	24.6	(12.3%)	31.7	(17.5%)	27.4	(17.4%)	11.3%	-13.5%
Operating Profit	19.2	(9.6%)	5l.4	(3.0%)	1.7	(1.1%)	-91.1%	-68.1%
Net Non-Operating Expense	12.0	(6.0%)	19.7	(10.9%)	14.5	(9.2%)	21.7%	-26.1%
Recurring Profit	7.2	(3.6%)	-14.4	(-7.9%)	-12.8	(-8.1%)	NA	NA
Net Profit	6.3	(3.1%)	-9.6	(-5.3%)	-6.3	(-4.0%)	NA	NA
Quarterly EBITDA*	28.7	(14.4%)	13.4	(7.4%)	9.7	(6.1%)		

- **Delay in high-end strategic models led to more sale of low-end lineups, which in turn led to a decline in profit margin.**

* EBITDA = Pretax Income + Net Interest Expense + Depreciation & Amortization from Cash Flow + R&D Write-Down

II-2. Financial Summary - B/S

(Unit: Bn KRW, %)	1Q'05	2Q'05	3Q'05(E)
Asset	472.6	511.5	593.7
Current Asset	268.3	300.4	353.6
(Cash & Cash Equivalents)	(9.6)	(25.4)	(14.3)
Fixed Asset	204.3	211.0	240.1
Liabilities	325.8	373.7	461.3
Current Liabilities	243.8	256.4	305.8
(ST Borrowing)	(121.9)	(122.1)	(153.7)
(Current Portion of LT Liabilities)	(14.1)	(18.2)	(17.3)
Non-current Liabilities	82.0	117.3	155.6
(Bonds Payables)	(54.0)	(103.9)	(128.7)
(LT Borrowings)	(16.6)	(1.3)	(13.6)
Equity	146.8	137.7	132.4
Paid in Capital	12.5	12.5	12.5
D/E Ratio(Liability/Equity)	221.9%	271.3%	348.5%
Borrowings to Equity Ratio	43.7%	48.0%	52.8%

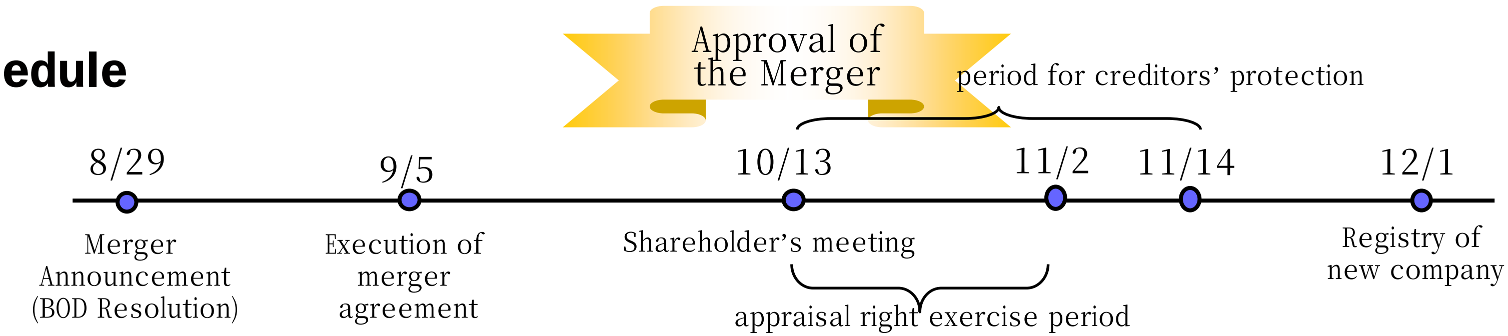
PANTECH

III. Merger in Brief

➢ **Objective: To strengthen brand business and to leap to global enterprise through creating synergy between the two companies**

- **Pantech : the advantage over GSM technology and global presence in overseas market**
- **SKY Teletech : the advantage over CDMA technology and "SKY", a premium brand in domestic market**

➢ **Schedule**



➢ **Stock appraisal right exercise (10.13~11.2)**

- **No. of objection raised against merger of BOD: 3,737,068 shares (20.3 Bn KRW)**
- **No. of stock appraisal right exercised: 325,638 shares (8.7%, 2.1 Bn KRW)**

➢ **Creditors' protection process (10.14~11.14)**

- **No objection from creditors against the merger.**

IV. Merger Synergy & 4Q 2005 Outlook

- **Merger Gains:**
  - Cost savings from collective bargaining power.
  - Improvement in capital structure & earnings.
  - Possession of super premium brand “SKY”
  - Reinforced brand business overseas through domestic competitiveness.

- **4Q 2005 Outlook**
  - ➔ Domestic (SKY brand): Profit expected to improve w/ successful entry into LGT’s premium market, and w/ continuing strong sales of high-end models to SKT
  - ➔ Export (Pantech): Sales expected to increase w/ strategic models of “Slim Series”
    - **Russia: Sales up and brand image improvement by new product launch**
    - **L. America: Sales to major service providers is in rise.**
    - **Others: About to enter the US GSM market before the year end.**