
Earnings Release Q4 2005

January 23, 2006

The financial results for 4Q 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 document are subject to known and unknown risks and uncertainties that may cause actual results to differ from those stated or implied by such statements.

I. Sales Performance & Prospects

- Q4 2005 vs. Q1 2006
- FY2005 vs. FY2006

II. Business Plan for 2006

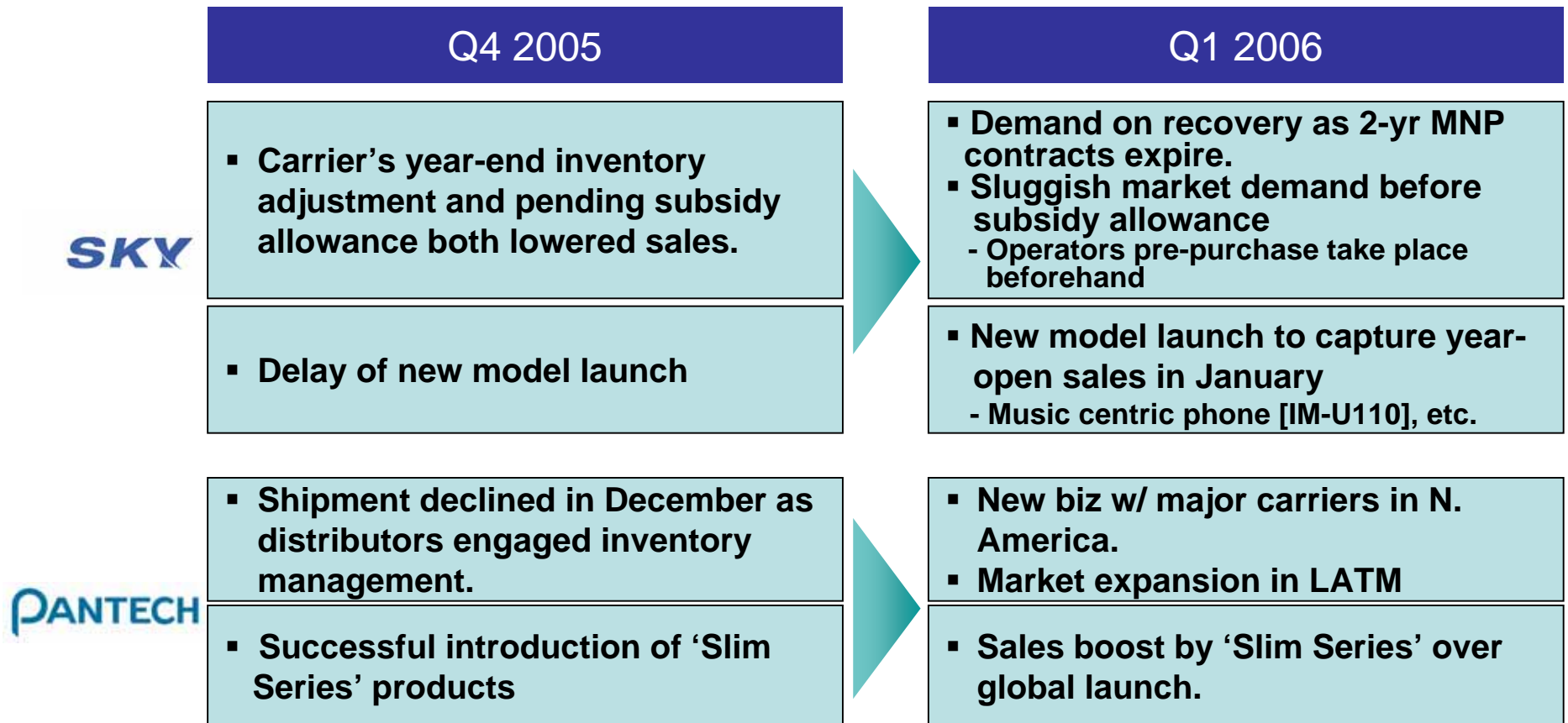
III. Financial Statements

- Balance Sheet
- Income Statement

I. Sales Performance & Prospects

Q4 2005 vs. Q1 2006

Watch demand slowed Q4'05 sales as the ban on handset subsidy is expected to be lifted in early 2006. New model launch along with handset subsidy will improve sales as well as earnings in Q1 '06.

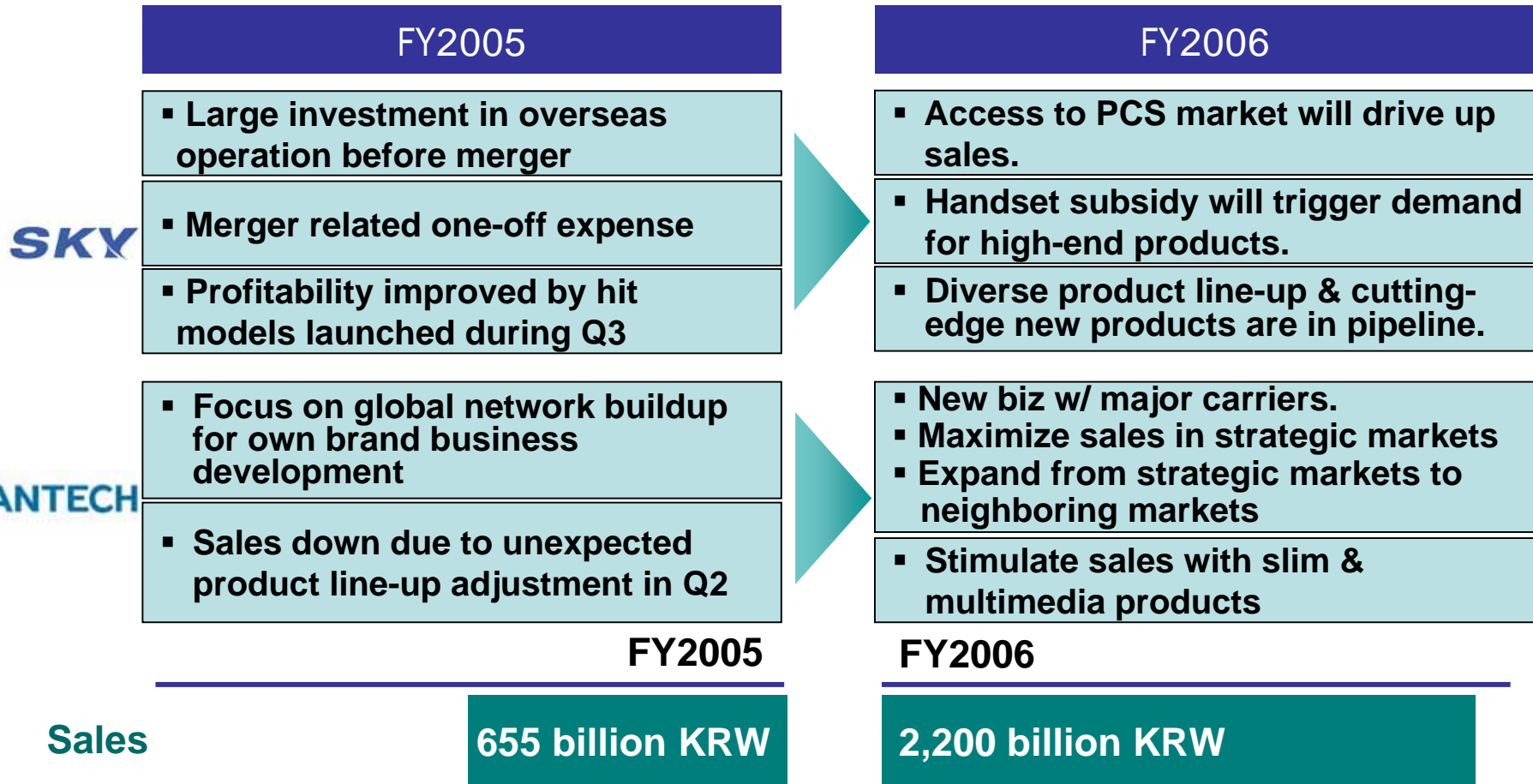


I. Sales Performance & Prospects

2005 vs. 2006

Large one-off expense – pre-merger SKYTT’s int’l business – largely led to poor financial result in 2005. Pantech’s PRM adjustment in mid-year also affected the performance.

Domestic sales and new market expansion overseas will drive earnings in 2006.



II. Business Plan for 2006

Targeting 2.2 trillion KRW and 12 million units for 2006 based on strong domestic market leadership, merger synergy effect and competitiveness from global sales network in export market.

SKY

- Maintain market leadership in premium market
- Maximize merger synergy effect: profitability up by lowering variable cost.
- Manage strategically loyal customer relations for SKY by coordinating customers of Pantech group

PANTECH

- Succeed in time-to-market through established global sales network
- Stabilize revenue sources by securing carriers' biz: US & Europe
- Continue to remain a major player in Mexico and CIS.
- Expand to neighboring markets from existing strategic markets in CIS, Latin America, SE Asia, and M.E.

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- Sales: 2.2 trillion KRW
 - Shipment: 12 million
 - Capex: 56 billion KRW
 - R&D: 180 billion KRW

III. Financial Statement (Merged Entity)

Balance Sheet

(Unit : billion KRW)	Beginning B/S (2005. 12.1)	FY2005 (2005. 12. 31)
Asset	896.5	845.5
Liquidity Asset	499.9	445.5
(Cash & Equivalent)	(81.7)	(52.0)
Inventory	156.0	152.3
Fixed Asset	396.6	400.0
Liability	652.8	604.1
Current Liability	436.9	393.9
(S-t Borrowings)	(169.3)	(142.5)
(Current Portion of L-t Liabilities)	(36.9)	(36.5)
Long term Liability	215.9	210.2
(Corporate Bond)	(142.0)	(142.0)
(L-t Borrowings)	(46.5)	(46.0)
Equity	243.6	241.4
Paid In Capital	56.3	56.3
Total Liability to Equity	268%	250%
Borrowings to Equity Ratio	44%	43%

III. Financial Statement (Merged Entity)

Income Statement

	SKY Teletech Only	Merged Entity	Merged Entity
(Unit : billion KRW, %)	Jan – Nov '05	Dec '05	FY2005
Sales	572.7	82.3	655.1
Cost of Sales	375.9 (66%)	67.8 (82%)	443.7 (68%)
Gross Profit	196.9 (34%)	14.5 (18%)	211.4 (32%)
SG&A Expenses	233.7 (41%)	19.9 (24%)	253.6 (39%)
Operating Profit	-36.8 (-6%)	-5.4 (-7%)	-42.3 (-6%)
Net Profit	-18.2 (-3%)	-2.0 (-2%)	-20.3 (-3%)

P&L of the new company for 2005
 = SKYTT P&L(Jan.05 ~ Nov.05) + New Company P&L (Dec.05),
 which is SKYTT P&L(2005) + Pantech P&L(Dec.2005)