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.



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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.

Q4 2005

 Carrier's year-end inventory adjustment and pending subsidy allowance both lowered sales.

Delay of new model launch

- Shipment declined in December as distributors engaged inventory management.
- Successful introduction of 'Slim Series' products

Q1 2006

- Demand on recovery as 2-yr MNP contracts expire.
- Sluggish market demand before subsidy allowance
 - Operators pre-purchase take place beforehand
- New model launch to capture yearopen sales in January
 - Music centric phone [IM-U110], etc.
- New biz w/ major carriers in N. America.
- Market expansion in LATM
- Sales boost by 'Slim Series' over global launch.



SKY



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.

FY2005

- Large investment in overseas operation before merger
- Merger related one-off expense SKY
 - Profitability improved by hit models launched during Q3
 - Focus on global network buildup for own brand business development
 - Sales down due to unexpected product line-up adjustment in Q2

FY2005

Sales

ANTECH

655 billion KRW

FY2006

- Access to PCS market will drive up sales.
- Handset subsidy will trigger demand for high-end products.
- Diverse product line-up & cuttingedge new products are in pipeline.
- New biz w/ major carriers.
- Maximize sales in strategic markets
- Expand from strategic markets to neighboring markets
- Stimulate sales with slim & multimedia products

FY2006

2,200 billion KRW



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.

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



III. Financial Statement (Merged Entity)

	Beginning B/S	FY2005
(Unit : billion KRW)	(2005. 12.1)	(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 Liabili	ties) (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%



	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)

