

Korean Air IR Release (FY04-001)

Feb 3, 2004

FY03 December Operating Results

1. Passenger

Japan route traffic had net gains (by year-on-year basis)

Continuous traffic increase was due to the strong traffic flow in China, Europe and SEA routes
(Aug: +1.7%, Sep: +4.4%, Oct: +2.6%, Nov: +3.4%, Dec: +4.5%)

Continuous increase of load factor
(Nov: +0.7%, Dec: +0.5%)

(Unit : Mil)

| | Total | Dom | Japan | China | SEA | Oceania | America | Europe |
|---------------|---------|-------|--------|-------|--------|---------|---------|--------|
| Traffic (RPK) | 3,729.5 | 318.4 | 202.8 | 96.4 | 713.0 | 516.1 | 1,436.9 | 445.9 |
| Changes (yoy) | 4.5% | -3.3% | 0.8% | 18.0% | 11.8% | -3.8% | 3.1% | 14.2% |
| Load Factor | 68.8% | 59.1% | 62.5% | 60.8% | 76.8% | 68.7% | 71.4% | 63.4% |
| Changes (yoy) | 0.5%p | 0.2%p | -3.2%p | 2.2%p | -2.5%p | -7.0%p | 4.4%p | 1.1%p |

2. Cargo

Traffic continued its two-digit growth rate (by year-on-year basis)
(Aug: +10.5%, Sep: +12.3%, Oct: +12.2%, Nov: +11.2%, Dec: +22.0%)

Load factor improved

(Unit : Mil)

| | Total | Dom | Japan | China | SEA | Oceania | America | Europe |
|---------------|-------|--------|-------|--------|-------|---------|---------|--------|
| Traffic (FTK) | 638.5 | 9.1 | 12.8 | 6.2 | 107.2 | 13.0 | 348.7 | 141.5 |
| Changes (yoy) | 22.0% | 0.6% | 14.1% | 51.1% | 42.4% | -27.0% | 20.4% | 21.7% |
| Load Factor | 75.0% | 48.6% | 72.7% | 73.8% | 74.9% | 62.5% | 74.7% | 80.5% |
| Changes (yoy) | 2.9%p | -0.4%p | 4.8%p | 12.1%p | 4.3%p | -11.9%p | 3.7%p | 0.9%p |

Attachment : FY03 Dec Operating Results

FY03 December Operating Results

| | | December | | | January ~ December | | |
|----------------|-------------------|-----------|-----------|---------|--------------------|------------|---------|
| | | FY03 | FY02 | Changes | FY03 | FY02 | Changes |
| Pax (Dom) | Supply ('000ASK) | 538,400 | 558,833 | -3.7% | 6,904,227 | 6,559,393 | 5.3% |
| | Traffic ('000RPK) | 318,393 | 329,321 | -3.3% | 4,383,141 | 4,338,934 | 1.0% |
| | Carried Persons | 949,428 | 989,004 | -4.0% | 12,880,057 | 12,947,894 | -0.5% |
| | Load Factor (%) | 59.1% | 58.9% | 0.2%p | 63.5% | 66.1% | -2.7%p |
| | Yield (KRW/KM) | 159.9 | 161.0 | -0.7% | 158.0 | 159.4 | -0.9% |
| | Yield (Cents/KM) | 13.33 | 13.34 | -0.1% | 13.25 | 12.72 | 4.2% |
| Pax (Int'l) | Supply ('000ASK) | 4,879,267 | 4,665,888 | 4.6% | 52,169,549 | 51,746,914 | 0.8% |
| | Traffic ('000RPK) | 3,411,169 | 3,240,587 | 5.3% | 36,123,861 | 37,475,583 | -3.6% |
| | Carried Persons | 797,497 | 766,075 | 4.1% | 8,531,359 | 9,209,355 | -7.4% |
| | Load Factor (%) | 69.9% | 69.5% | 0.5%p | 69.2% | 72.4% | -3.2%p |
| | Yield (KRW/KM) | 69.2 | 68.2 | 1.5% | 69.3 | 72.4 | -4.3% |
| | Yield (Cents/KM) | 5.77 | 5.65 | 2.1% | 5.83 | 5.80 | 0.5% |
| Pax Total | Supply ('000ASK) | 5,417,667 | 5,224,721 | 3.7% | 59,073,776 | 58,306,307 | 1.3% |
| | Traffic ('000RPK) | 3,729,562 | 3,569,908 | 4.5% | 40,507,002 | 41,814,517 | -3.1% |
| | Carried Persons | 1,746,925 | 1,755,079 | -0.5% | 21,411,416 | 22,157,249 | -3.4% |
| | Load Factor (%) | 68.8% | 68.3% | 0.5%p | 68.6% | 71.7% | -3.1%p |
| | Yield (KRW/KM) | 76.9 | 76.7 | 0.3% | 78.9 | 81.5 | -3.2% |
| | Yield (Cents/KM) | 6.41 | 6.36 | 0.8% | 6.63 | 6.52 | 1.7% |
| Cgo Total | Supply ('000AFTK) | 851,166 | 726,189 | 17.2% | 9,794,140 | 8,783,611 | 11.5% |
| | Traffic ('000FTK) | 638,569 | 523,389 | 22.0% | 7,061,862 | 6,520,594 | 8.3% |
| | Carried Tons | 122,452 | 104,079 | 17.7% | 1,371,743 | 1,270,496 | 8.0% |
| | Load Factor (%) | 75.0% | 72.1% | 2.9%p | 72.1% | 74.2% | -2.1%p |
| | Yield (KRW/KM) | 259.5 | 261.0 | -0.6% | 253.1 | 256.3 | -1.2% |
| | Yield (Cents/KM) | 21.63 | 21.63 | 0.0% | 21.24 | 20.49 | 3.7% |

Sales commission excluded from yield calculation