

Korean Air IR Release (FY03-013)

Sep. 30, 2003 / IR Team

2003 August Operating Results

1. Passenger Business

Passenger traffic was increased by 1.7%. This was mainly due to the fast recovery of Japan/China routes and year on year improvent of long-haul(America/Europe) routes .

Load factor was decreased slightly as supply was increased to meet the rising demand

(Unit: Mil)

| | Pax Total | Domestic | Japan | China | SE Asia | Oceania | America | Europe/ME |
|--------------|-----------|----------|-------|--------|---------|---------|---------|-----------|
| RPK | 4,407.4 | 461.7 | 263.9 | 101.5 | 589.9 | 413.6 | 1,904.8 | 672.0 |
| Changes(yoy) | 1.7% | 7.5% | -7.9% | -13.2% | 2.2% | 0.8% | 1.0% | 7.1% |
| Load Factor | 75.5% | 67.3% | 84.2% | 74.4% | 75.3% | 66.9% | 78.8% | 76.5% |
| Changes(yoy) | -1.0%p | -5.8%p | 0.9%p | 0.5%p | -1.5%p | -6.6%p | 1.2%p | 1.3%p |

2. Cargo Business

Continuously increasing demand of China, SE Asia and Europe routes was the main contributing factor for the total cargo traffic increase of 10.5%.

Load factor was decreased slightly as supply was increased to meet the rising demand

(Unit: Mil)

| | Cargo Total | Domestic | Japan | China | SE Asia | Oceania | America | Europe/ME |
|--------------|-------------|----------|-------|--------|---------|---------|---------|-----------|
| FTK | 602.0 | 7.0 | 11.8 | 5.1 | 102.5 | 12.5 | 320.0 | 143.1 |
| Changes(yoy) | 10.5% | -9.2% | 7.1% | 21.9% | 20.5% | -4.1% | 1.9% | 30.1% |
| Load Factor | 69.1% | 32.7% | 70.5% | 64.0% | 68.5% | 65.7% | 67.7% | 77.6% |
| Changes(yoy) | -3.2%p | -12.2%p | 7.2%p | -2.3%p | -9.2%p | -5.5%p | -2.5%p | -1.9%p |

Attachment : August 2003 Operating Results

2003 Operating Results (FY03August)

| | | August | | | Jan. ~ Aug. | | | |
|-------|-------------------|-----------------|-----------|--------|-------------|------------|--------|--------|
| | | FY03 | FY02 | Change | FY03 | FY02 | Change | |
| Dom | Supply ('000ASK) | 686,092 | 587,172 | 16.8% | 4,638,883 | 4,271,168 | 8.6% | |
| | Traffic ('000RPK) | 461,736 | 429,357 | 7.5% | 2,989,222 | 2,894,458 | 3.3% | |
| | Carried (Persons) | 1,314,687 | 1,234,343 | 6.5% | 8,752,419 | 8,625,627 | 1.5% | |
| | Pax | Load Factor (%) | 67.3% | 73.1% | -5.8%p | 64.4% | 67.8% | -3.3%p |
| | Yield(KRW/KM) | 160.9 | 162.3 | -0.9% | 158.1 | 159.2 | -0.7% | |
| | Yield(Cents/KM) | 13.63 | 13.58 | 0.4% | 13.17 | 12.51 | 5.3% | |
| Int'l | Supply ('000ASK) | 5,148,047 | 5,079,348 | 1.4% | 34,091,433 | 34,495,538 | -1.2% | |
| | Traffic ('000RPK) | 3,945,726 | 3,905,552 | 1.0% | 23,317,327 | 25,226,102 | -7.6% | |
| | Carried (Persons) | 912,507 | 955,703 | -4.5% | 5,408,132 | 6,120,104 | -11.6% | |
| | Pax | Load Factor (%) | 76.6% | 76.9% | -0.2%p | 68.4% | 73.1% | -4.7%p |
| | Yield(KRW/KM) | 72.0 | 78.3 | -8.0% | 69.4 | 72.9 | -4.8% | |
| | Yield(Cents/KM) | 6.11 | 6.55 | -6.7% | 5.80 | 5.76 | 0.7% | |
| Pax | Supply ('000ASK) | 5,834,139 | 5,666,520 | 3.0% | 38,730,316 | 38,766,706 | -0.1% | |
| | Traffic ('000RPK) | 4,407,462 | 4,334,909 | 1.7% | 26,306,549 | 28,120,560 | -6.5% | |
| | Carried (Persons) | 2,227,194 | 2,190,046 | 1.7% | 14,160,551 | 14,745,731 | -4.0% | |
| | Total | Load Factor (%) | 75.5% | 76.5% | -1.0%p | 67.9% | 72.5% | -4.6%p |
| | Yield(KRW/KM) | 81.4 | 86.6 | -6.0% | 79.5 | 81.8 | -2.8% | |
| | Yield(Cents/KM) | 6.89 | 7.25 | -5.0% | 6.64 | 6.45 | 2.9% | |
| Cargo | Supply ('000AFTK) | 871,659 | 754,001 | 15.6% | 6,255,027 | 5,744,761 | 8.9% | |
| | Traffic ('000FTK) | 602,033 | 545,009 | 10.5% | 4,459,054 | 4,242,201 | 5.1% | |
| | Carried (Ton) | 113,267 | 104,487 | 8.4% | 871,582 | 827,057 | 5.4% | |
| | Total | Load Factor (%) | 69.1% | 72.3% | -3.2%p | 71.3% | 73.8% | -2.6%p |
| | Yield(KRW/KM) | 242.3 | 241.3 | 0.4% | 251.1 | 246.8 | 1.7% | |
| | Yield(Cents/KM) | 20.54 | 20.19 | 1.7% | 20.90 | 19.40 | 7.7% | |

Sales Commission has been excluded from yield calculation.