

Korean Air Monthly Operating Results


December 2005


Traffic Summary

Passenger unit filled 69.8% of available international seats, up 0.3%p from it did a year ago. It also carried 0.8% higher RPK on 0.5% ASK increase. Domestic route, hardest-hit by a pilot strike, managed to fill 56.5% of available seats by carrying 18.9% less RPK on 16.4% capacity reduction. China route had a lower yoy traffic and recorded 6.6% smaller RPK due to an unusually cold weather. Traffic on Japan route, characterized by less inbound package travelers from diplomatic dispute, showed a minimal increase despite the capacity growth. Southeast Asia, a popular destination for winter getaways, also remained almost unchanged from a year ago. In the meantime, Oceania route recorded a load factor of 77.7%, up 5.6%p yoy, as the low traffic on Sydney and Nandi routes was offset by the stronger traffic to Guam. Moreover, load factor and traffic on Americas route both rose 2.0%p and 3.4% respectively.

International cargo load factor during the month was 78.5%, up 1.4%p from a year earlier. Capacity and traffic each declined 6.6% and 4.8% due to the pilot strike. FTK on Europe route, despite the yearlong steady growth, declined 5.7% on 6.6% capacity cut. Traffic on Japan route decreased by 6.1%, even though its capacity went up by 4.5% from new routes such as Incheon-Nagoya, causing load factor to drop. Traffic on Southeast Asia and Oceania routes each went down 8.2% and 16.6% yoy while smaller traffic reduction on Americas in comparison to that of capacity led Americas load factor to improve 3.1%p yoy. On the other hand, traffic increase to China was at 36.9% from a year ago, thanks to the strong demand for outbound transportation of LCD monitors and mobile phones.

KAL Newsletter

 The Airline's aerospace unit signed a contract with Korea Aerospace Research Institute, or KARI, to build "Main Bus Structures" solar panels of "Arirang-set 3" and "Arirang-set 5" satellites in a deal estimated at 15 bil KRW.

 The airline is raising fuel surcharges on all outbound international flights, effective from February 1. As the MOPS was up by two levels in the previous month, running between 1.70 and 1.79 dollars/gallon, fuel surcharges on all routes were adjusted as follow. For Busan-Fukouka route from \$5 to \$6, for other Japan routes from \$7 to \$9, for China, Mongolia, South Asia, and Guam, from \$15 to \$22 and for Americas, Oceania, and Europe, from \$30 to \$43. These rates are based on one-way trips.

About Korean Air

Korean Air, with a fleet of 117 aircraft, is one of the world's top 20 airlines, operating almost 400 flights per day to 91 cities in 31 countries. More information on Korean Air can be found at www.koreanair.com.

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December 2005 Monthly Traffic Data

Passenger		ASK (in millions)			RPK (in millions)			Load Factor		
		2005	2004	Δ	2005	2004	Δ	2005	2004	Δ
Dec	Domestic	405.5	485.2	-16.4%	229.2	282.5	-18.9%	56.5%	58.2%	-1.7%p
	Japan	372.6	349.6	6.6%	245.7	244.7	0.4%	65.9%	70.0%	-4.0%p
	China	312.5	302.6	3.3%	181.6	194.5	-6.6%	58.1%	64.3%	-6.2%p
	S.E Asia	963.9	919.8	4.8%	722.7	726.5	-0.5%	75.0%	79.0%	-4.0%p
	Oceania	601.7	666.3	-9.7%	467.8	480.7	-2.7%	77.7%	72.1%	5.6%p
	Americas	2,186.4	2,175.1	0.5%	1,546.2	1,494.7	3.4%	70.7%	68.7%	2.0%p
	Europe	840.6	840.1	0.1%	518.6	510.6	1.6%	61.7%	60.8%	0.9%p
	Int'l Total	5,277.6	5,253.5	0.5%	3,682.6	3,651.7	0.8%	69.8%	69.5%	0.3%p
	Total	5,683.1	5,738.7	-1.0%	3,911.8	3,934.1	-0.6%	68.8%	68.6%	0.3%p
YTD	Domestic	5,786.5	6,322.7	-8.5%	3,730.9	3,869.5	-3.6%	64.5%	61.2%	3.3%p
	Japan	4,465.7	4,018.2	11.1%	3,153.7	2,986.6	5.6%	70.6%	74.3%	-3.7%p
	China	3,622.5	3,229.3	12.2%	2,500.6	2,196.7	13.8%	69.0%	68.0%	1.0%p
	S.E Asia	10,089.5	9,301.1	8.5%	7,049.4	6,583.4	7.1%	69.9%	70.8%	-0.9%p
	Oceania	6,532.5	7,162.9	-8.8%	4,837.2	4,847.6	-0.2%	74.0%	67.7%	6.4%p
	Americas	26,354.9	24,296.5	8.5%	19,759.1	18,448.7	7.1%	75.0%	75.9%	-1.0%p
	Europe	11,806.8	10,320.9	14.4%	8,015.4	7,067.2	13.4%	67.9%	68.5%	-0.6%p
	Int'l Total	62,871.9	58,329.0	7.8%	45,315.4	42,130.2	7.6%	72.1%	72.2%	-0.2%p
	Total	68,658.5	64,651.7	6.2%	49,046.3	45,999.7	6.6%	71.4%	71.1%	0.3%p

Cargo		AFTK (in millions)			FTK (in millions)			Load Factor		
		2005	2004	Δ	2005	2004	Δ	2005	2004	Δ
Dec	Domestic	12.1	15.0	-19.2%	7.7	9.1	-15.1%	63.5%	60.4%	3.1%p
	Japan	18.5	17.7	4.5%	12.6	13.4	-6.1%	68.0%	75.8%	-7.7%p
	China	40.6	29.4	38.3%	29.1	21.3	36.9%	71.7%	72.4%	-0.7%p
	S.E Asia	104.5	117.9	-11.4%	80.7	87.8	-8.2%	77.2%	74.5%	2.7%p
	Oceania	20.4	19.3	6.1%	9.9	11.8	-16.6%	48.3%	61.4%	-13.1%p
	Americas	402.7	443.5	-9.2%	321.6	340.6	-5.6%	79.9%	76.8%	3.1%p
	Europe	241.9	259.1	-6.6%	197.0	208.9	-5.7%	81.4%	80.6%	0.8%p
	Int'l Total	828.6	886.8	-6.6%	650.8	683.8	-4.8%	78.5%	77.1%	1.4%p
	Total	840.8	901.9	-6.8%	658.5	692.9	-5.0%	78.3%	76.8%	1.5%p
YTD	Domestic	171.8	198.1	-13.3%	95.3	106.1	-10.2%	55.5%	53.6%	1.9%p
	Japan	214.3	209.3	2.4%	150.2	156.2	-3.9%	70.1%	74.7%	-4.6%p
	China	505.2	329.8	53.2%	348.6	246.2	41.6%	69.0%	74.7%	-5.7%p
	S.E Asia	1,235.1	1,446.1	-14.6%	923.5	1,123.2	-17.8%	74.8%	77.7%	-2.9%p
	Oceania	220.8	231.1	-4.4%	121.0	144.5	-16.2%	54.8%	62.5%	-7.7%p
	Americas	5,226.6	5,744.3	-9.0%	3,979.0	4,341.7	-8.4%	76.1%	75.6%	0.5%p
	Europe	3,226.8	2,856.2	13.0%	2,522.3	2,227.3	13.2%	78.2%	78.0%	0.2%p
	Int'l Total	10,628.8	10,816.9	-1.7%	8,044.7	8,239.1	-2.4%	75.7%	76.2%	-0.5%p
	Total	10,800.5	11,015.0	-1.9%	8,139.9	8,345.2	-2.5%	75.4%	75.8%	-0.4%p

		December			Year to Date		
		2005	2004	Δ	2005	2004	Δ
Persons Carried	Domestic	638,666	802,634	-20.4%	10,470,682	11,065,268	-5.4%
	Int'l	884,344	896,628	-1.4%	11,238,140	10,389,306	8.2%
	Total	1,523,010	1,699,262	-10.4%	21,708,822	21,454,574	1.2%
Tonnes Carried		160,899	168,277	-4.4%	1,981,678	2,017,994	-1.8%

* Above table includes estimated figures and is subject to change.

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