

Korean Air Monthly Operating Results

November 2005

Traffic Summary


Passenger traffic, despite the steady growth shown throughout the year, was somewhat slowed down in November, showing varying degrees of growth rates from route to route.


With rise in weekend leisure travelers, domestic route posted a load factor increase of 4.4%p. International route, on the other hand, recorded load factor decrease of 2.5%p year over year, as 6.1% growth in RPK had failed to match the 10% growth in ASK. Looking at the traffic by route, Americas, Europe and S.E Asia pulled off moderate gains while China and Oceania recorded lower RPKs than they did a year ago. The lower traffic to China was primarily due to the base effect from last year's traffic surge and that to Oceania is attributed to a recent capacity reduction to the region. In the meantime, Japan remained unchanged despite last year's remarkable traffic growth.

Cargo, characterized by a gradual recovery, recorded an improved load factor of 1.9%p on 2.9% capacity cut and 0.4% carriage reduction from a year ago.

By route, Oceania and Americas saw 21.4% and 8.9% drop in FTK due to significant capacity cuts. China, on the other hand, was boosted by strong export of mobile phones and other products, recording 52.2% increase in FTK. Europe also showed 9.4% rise in FTK, thanks to French wines, mobile phones and LCD monitors carried to and from the region. With a flexible supply control, Americas and Europe showed improved load factor of 77.3%, 79.8% respectively, each up 3.4%p and 1.0%p from last year.

KAL Newsletter

 Korean Air has chosen GE Aviation's Genx Engines for its all-new B787 aircraft and signed a contract to purchase 22 Genx Engines worth around 240 million USD. Korean Air is also partnering with Boeing in aircraft parts manufacturing that includes production of the wing tip and fuselage. This project is estimated to bring in 1.5 billion USD.

 Korean Air's 2006 business plan is out and it is targeting to generate 8.3 trillion KRW in operating revenue, 560 billion KRW in operating profit and 180 billion KRW in recurring profit. Its business plan, which was approved by the board on December 22, aims to increase ASK by 2.7%, RPK by 4.8%, AFTK by 6.6% and FTK by 8.1%. In order to do so, it plans to invest 880 billion KRW in aircraft and facilities; it will be taking a delivery of three new aircraft in 2006. This business plan is based on the assumption that average price of jet fuel(WTI) will be 68 USD/barrel, KRW/USD exchange rate 1,050 KRW and 3-month Libor 4.5%.

About Korean Air

Korean Air, with a fleet of 116 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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November 2005 Traffic Data

Passenger		ASK (in million)			RPK (in million)			L/F		
		2005	2004	Change	2005	2004	Change	2005	2004	Change
November	Domestic	478.3	445.0	7.5%	320.6	278.8	15.0%	67.0%	62.6%	4.4%p
	Japan	379.3	347.7	9.1%	262.7	262.8	0.0%	69.3%	75.6%	-6.3%p
	China	275.9	257.8	7.0%	175.6	197.5	-11.1%	63.6%	76.6%	-12.9%p
	S.E Asia	913.0	831.1	9.9%	653.7	636.4	2.7%	71.6%	76.6%	-5.0%p
	Oceania	520.2	569.7	-8.7%	400.7	413.7	-3.1%	77.0%	72.6%	4.4%p
	Americas	2,123.1	1,823.5	16.4%	1,409.9	1,232.4	14.4%	66.4%	67.6%	-1.2%p
	Europe	897.5	815.3	10.1%	547.7	509.3	7.5%	61.0%	62.5%	-1.5%p
	Int'l Total	5,109.0	4,645.0	10.0%	3,450.4	3,252.1	6.1%	67.5%	70.0%	-2.5%p
	Total	5,587.3	5,090.0	9.8%	3,771.0	3,530.9	6.8%	67.5%	69.4%	-1.9%p
Year to Date	Domestic	5,381.0	5,837.5	-7.8%	3,501.7	3,587.0	-2.4%	65.1%	61.4%	3.6%p
	Japan	4,093.1	3,668.5	11.6%	2,908.0	2,742.0	6.1%	71.0%	74.7%	-3.7%p
	China	3,310.0	2,926.8	13.1%	2,319.0	2,002.1	15.8%	70.1%	68.4%	1.7%p
	S.E Asia	9,125.6	8,381.3	8.9%	6,326.7	5,857.0	8.0%	69.3%	69.9%	-0.6%p
	Oceania	5,930.9	6,496.6	-8.7%	4,369.4	4,366.9	0.1%	73.7%	67.2%	6.5%p
	Americas	24,168.5	22,121.4	9.3%	18,212.9	16,954.0	7.4%	75.4%	76.6%	-1.3%p
	Europe	10,966.2	9,480.8	15.7%	7,496.8	6,556.5	14.3%	68.4%	69.2%	-0.8%p
	Int'l Total	57,594.3	53,075.4	8.5%	41,632.8	38,478.5	8.2%	72.3%	72.5%	-0.2%p
	Total	62,975.3	58,913.0	6.9%	45,134.5	42,065.5	7.3%	71.7%	71.4%	0.3%p

Cargo		AFTK (in million)			FTK (in million)			L/F		
		2005	2004	Change	2005	2004	Change	2005	2004	Change
November	Domestic	13.9	14.2	-2.0%	8.7	8.8	-0.6%	62.7%	61.8%	0.9%p
	Japan	20.2	17.9	12.5%	14.4	13.9	3.9%	71.5%	77.4%	-6.0%p
	China	44.8	27.9	60.7%	33.1	21.7	52.2%	73.8%	78.0%	-4.2%p
	S.E Asia	101.8	103.1	-1.3%	77.6	76.5	1.4%	76.3%	74.2%	2.0%p
	Oceania	16.8	18.6	-9.5%	9.9	12.6	-21.4%	58.7%	67.6%	-8.9%p
	Americas	449.2	515.4	-12.8%	347.3	381.0	-8.9%	77.3%	73.9%	3.4%p
	Europe	303.3	281.0	8.0%	242.1	221.4	9.4%	79.8%	78.8%	1.0%p
	Int'l Total	936.0	963.9	-2.9%	724.4	727.1	-0.4%	77.4%	75.4%	2.0%p
	Total	949.9	978.1	-2.9%	733.1	735.9	-0.4%	77.2%	75.2%	1.9%p
Year to Date	Domestic	159.7	183.1	-12.8%	87.6	97.0	-9.8%	54.8%	53.0%	1.8%p
	Japan	195.8	191.6	2.2%	137.6	142.9	-3.7%	70.3%	74.6%	-4.3%p
	China	464.5	300.5	54.6%	319.5	225.0	42.0%	68.8%	74.9%	-6.1%p
	S.E Asia	1,130.6	1,328.2	-14.9%	842.9	1,035.3	-18.6%	74.5%	78.0%	-3.4%p
	Oceania	200.4	211.8	-5.4%	111.2	132.6	-16.2%	55.5%	62.6%	-7.1%p
	Americas	4,823.9	5,300.9	-9.0%	3,657.4	4,001.2	-8.6%	75.8%	75.5%	0.3%p
	Europe	2,984.9	2,597.1	14.9%	2,325.3	2,018.4	15.2%	77.9%	77.7%	0.2%p
	Int'l Total	9,800.1	9,930.0	-1.3%	7,393.9	7,555.3	-2.1%	75.4%	76.1%	-0.6%p
	Total	9,959.8	10,113.1	-1.5%	7,481.4	7,652.3	-2.2%	75.1%	75.7%	-0.6%p

		November			Year to Date		
		2005	2004	Change	2005	2004	Change
Persons Carried	Domestic	898,782	788,165	14.0%	9,832,016	10,262,634	-4.2%
	International	890,036	869,951	2.3%	10,353,796	9,492,678	9.1%
	Total	1,788,818	1,658,116	7.9%	20,185,812	19,755,312	2.2%
Tonnes Carried		176,895	175,220	1.0%	1,822,849	1,851,002	-1.5%

* Above table includes estimated figures and is subject to change

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