



# 2007 3Q Financial Release

Oct 30, 2007

**Excellence In Flight**



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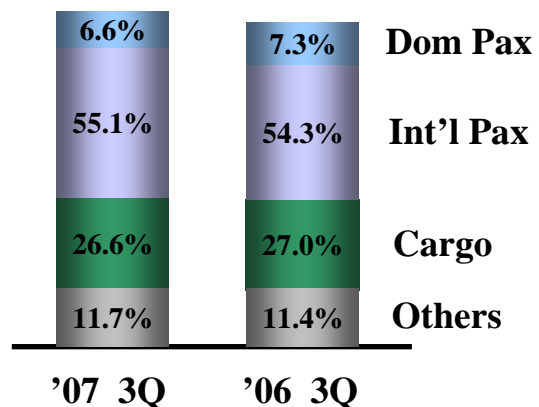
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# Summarized Income Statement

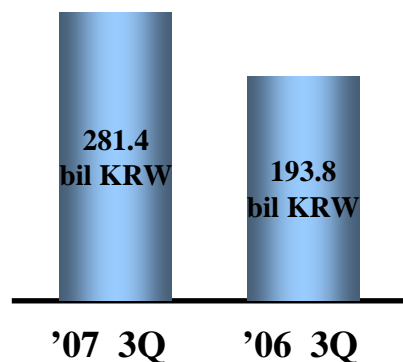


(Unit : bil KRW)

## Operating Revenue 8.1% ↑



## Operating Profit 45.2% ↑

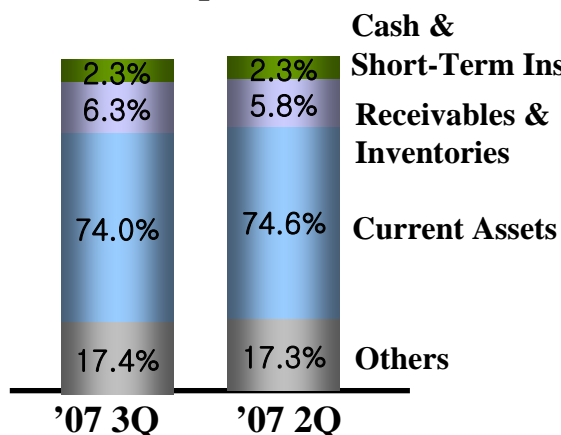


	2007	2006	Change YOY		2007
	3Q	3Q	Amount	%	YTD
<b>Operating Revenue</b>	<b>2,371.8</b>	<b>2,193.2</b>	<b>178.6</b>	<b>8.1%</b>	<b>6,510.0</b>
Operating Expense	2,090.4	1,999.4	91.0	4.6%	6,001.8
<b>Operating Profit</b>	<b>281.4</b>	<b>193.8</b>	<b>87.6</b>	<b>45.2%</b>	<b>508.2</b>
Non-operating Revenue	37.6	144.1	-106.5	-73.9%	296.2
Non-operating Expense	129.3	165.7	-36.4	-21.9%	645.3
<b>Income Before Tax</b>	<b>189.6</b>	<b>172.3</b>	<b>17.3</b>	<b>10.1%</b>	<b>159.1</b>
Income Tax	57.9	45.5	12.4	27.4%	111.1
<b>Net Income</b>	<b>131.7</b>	<b>126.8</b>	<b>4.9</b>	<b>3.9%</b>	<b>48.1</b>

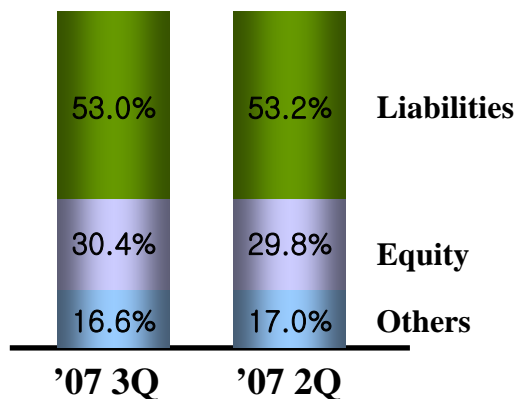
# Summarized Balance Sheet



## Asset Composition(%)



## Liabilities/Equity Composition(%)



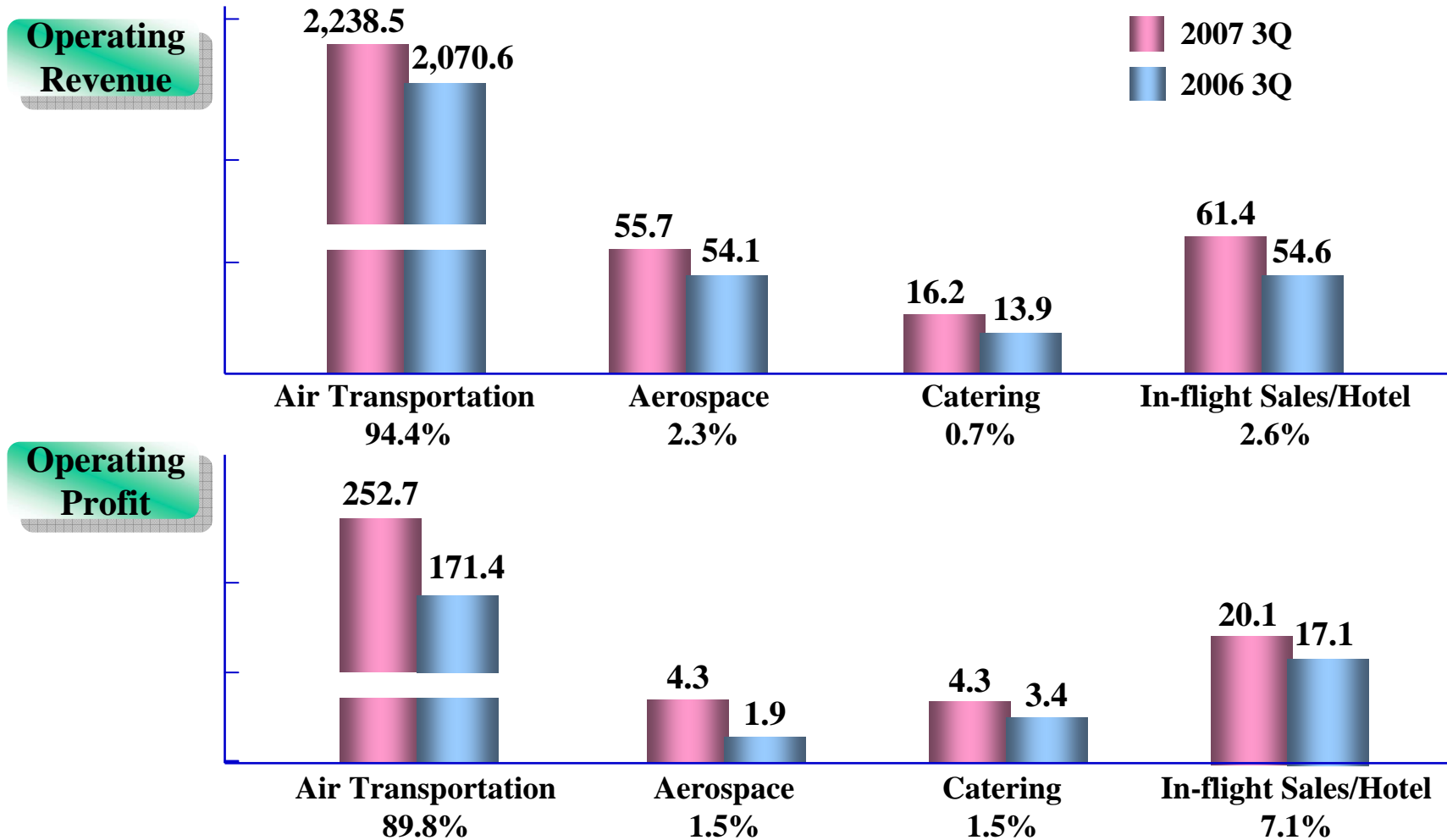
(Unit : bil KRW)

	End of 2007 3Q	End of 2007 2Q	Changes	
			Amount	%
<b>Assets</b>				
Current Assets	1,478.7	1,420.7	58.0	4.1%
Non-Current Assets	13,093.1	13,058.0	35.1	0.3%
<b>Total Assets</b>	<b>14,571.8</b>	<b>14,478.7</b>	<b>93.1</b>	<b>0.6%</b>
<b>Liabilities</b>				
Current Liabilities	3,676.2	3,604.4	71.8	2.0%
Non-Current Liabilities	6,469.3	6,564.5	-95.2	-1.5%
<b>Total Liabilities</b>	<b>10,145.4</b>	<b>10,168.9</b>	<b>-23.5</b>	<b>-0.2%</b>
<b>Shareholder's Equity</b>				
Common Stock	366.8	366.8	0.0	0.0%
Capital Surplus	3,006.7	3,006.7	0.0	0.0%
R/E	1,091.6	959.9	131.7	13.7%
Capital Adjustment	-65.4	-65.4	0.0	0.0%
Others	26.6	41.9	-15.3	-36.5%
<b>Total S/H's Equity</b>	<b>4,426.3</b>	<b>4,309.8</b>	<b>116.5</b>	<b>2.7%</b>

# Operating Results per Segment



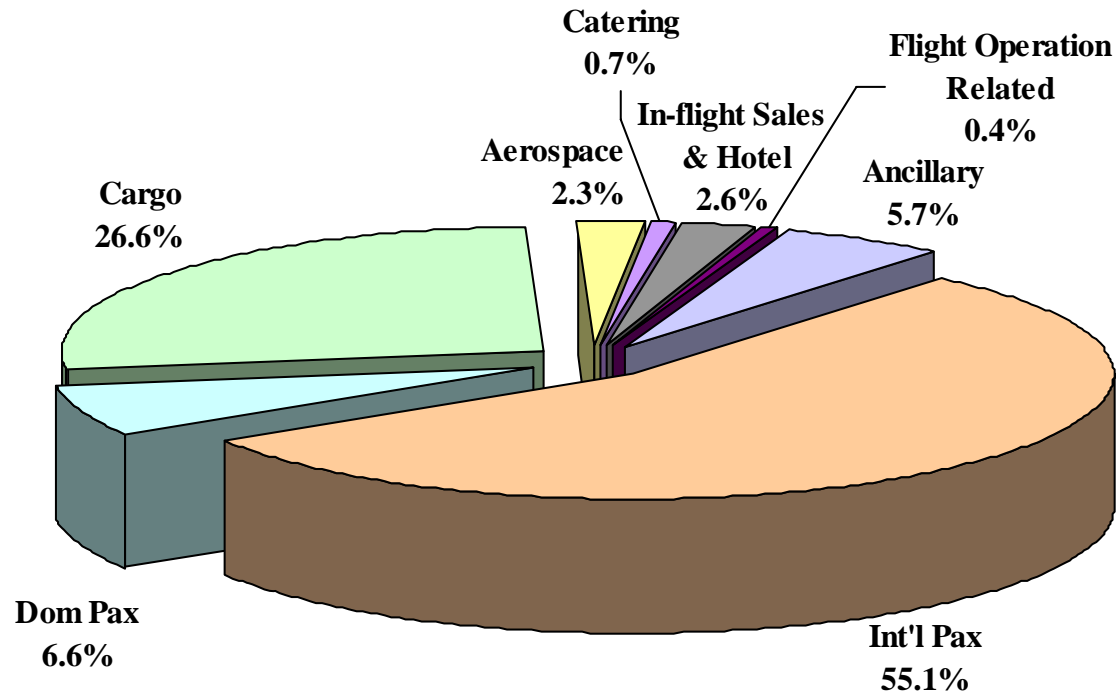
(Unit : bil KRW)



# Revenue Breakdown by Business



Operating Revenue 2,371.8 Billion KRW



# Traffic Figures



		2007 3Q	2006 3Q	Change in %
<b>Domestic Passenger</b>	Capacity (mil ASK)	1,261	1,352	-6.7%
	Traffic (mil RPK)	872	917	-4.9%
	L/F (%)	69.1%	67.8%	1.3%p
	Yield (Cent)	19.1	17.9	6.8%
	Yield (KRW)	177.3	170.9	3.7%
<b>International Passenger</b>	Capacity (mil ASK)	18,555	17,095	8.5%
	Traffic (mil RPK)	13,909	13,078	6.4%
	L/F (%)	75.0%	76.5%	-1.5%p
	Yield (Cent)	9.4	8.8	6.8%
	Yield (KRW)	87.2	84.0	3.8%

# Traffic Figures

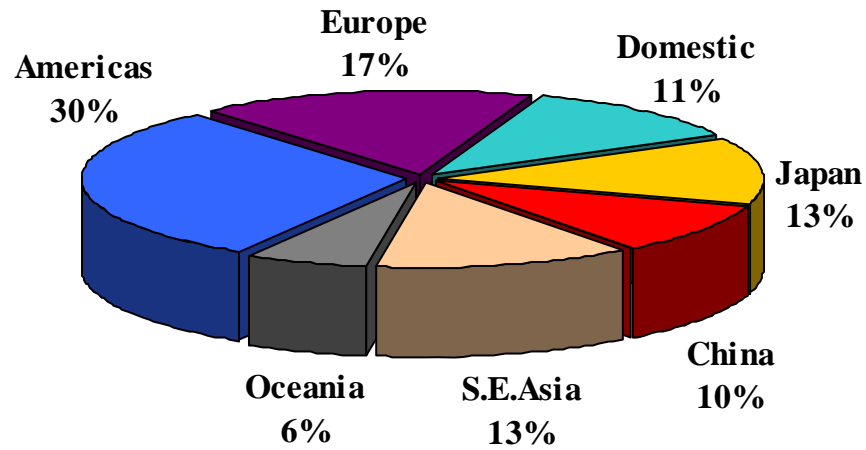


		2007 3Q	2006 3Q	Changes in %
<b>Cargo</b>	Capacity (mil AFTK)	3,278	3,022	8.5%
	Traffic ( mil FTK)	2,435	2,270	7.3%
	L/F(%)	74.3%	75.1%	-0.8%p
	Yield (Cent)	25.7	25.6	0.2%
	Yield (KRW)	238.5	244.5	-2.5%

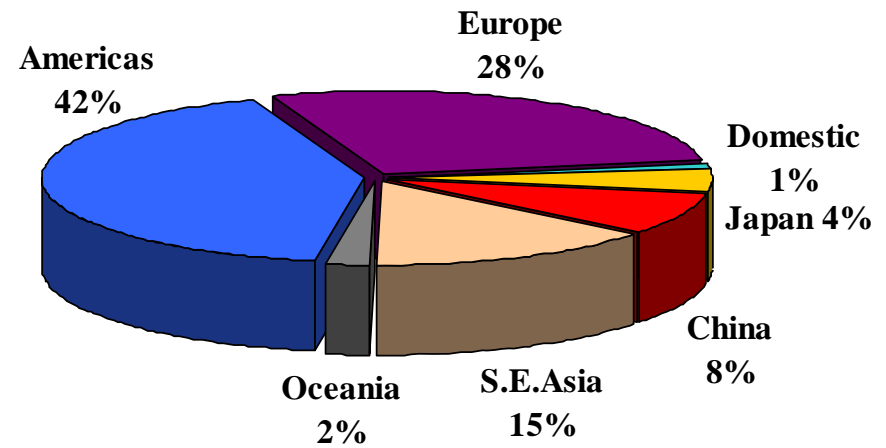
# Revenue by Route



## Passenger



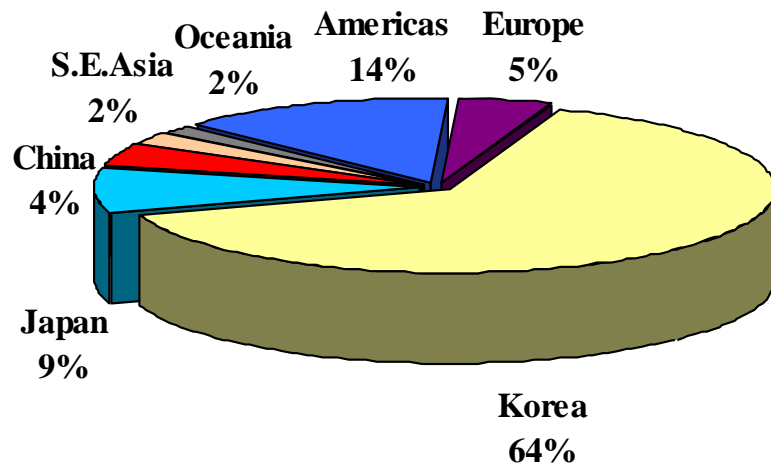
## Cargo



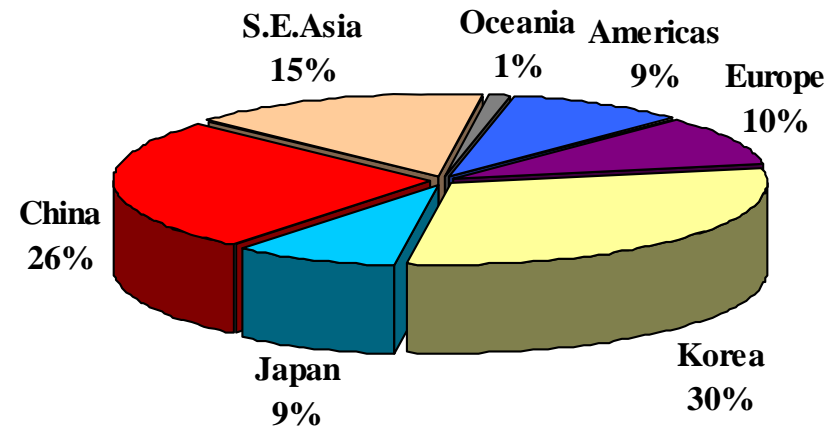
# Revenue by Region



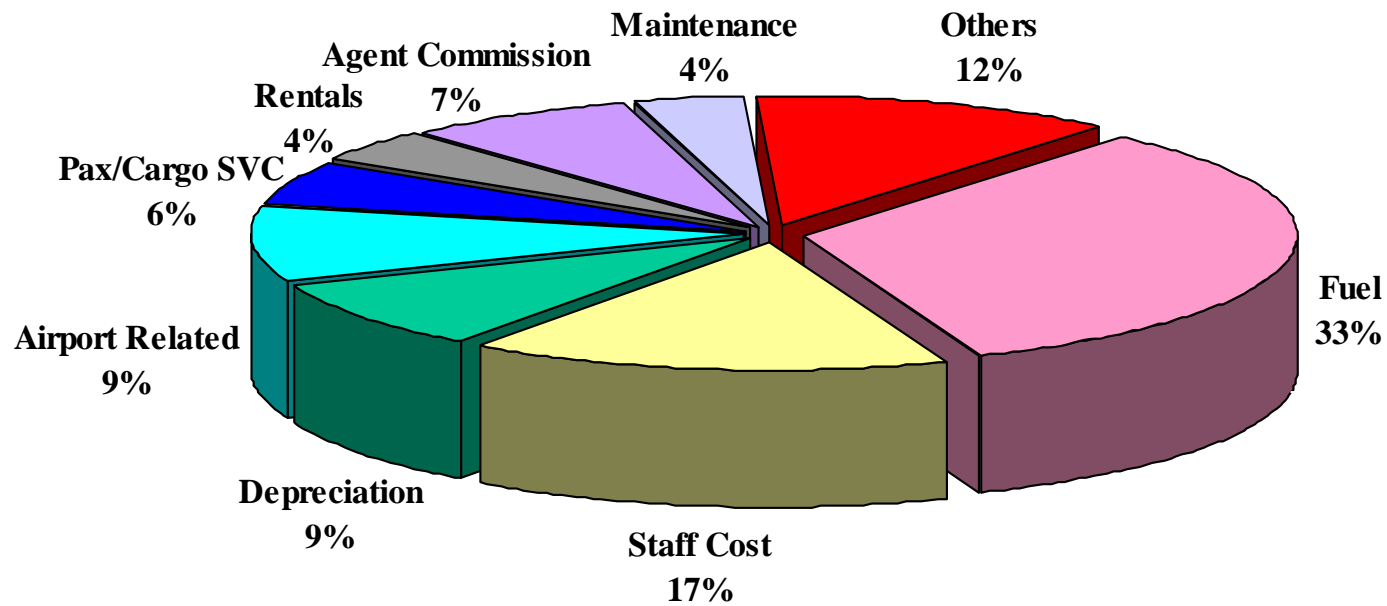
## Passenger



## Cargo



# Composition of Operating Expenses



**Total Operating Expenses 2,090.4 Billion KRW**

# Key Expenses



(Unit : bil KRW)

	2007 3Q	2006 3Q	Change YOY	
			Amount	%
<b>Aircraft Fuel</b>	<b>692.5</b>	<b>660.3</b>	<b>32.2</b>	<b>4.9%</b>
<b>Consumption (mil Gallons)</b>	<b>336</b>	<b>312</b>	<b>24</b>	<b>7.7%</b>
<b>Average Price per Gallon</b>	<b>218.4 ¢</b>	<b>221.8 ¢</b>	<b>-3.4 ¢</b>	<b>-1.5%</b>
<b>Staff Cost</b>	<b>331.2</b>	<b>317.6</b>	<b>13.6</b>	<b>4.3%</b>
<b>Aircraft Rentals</b>	<b>72.0</b>	<b>88.9</b>	<b>-16.9</b>	<b>-19.0%</b>
<b>Aircraft Depreciation</b>	<b>165.9</b>	<b>157.2</b>	<b>8.7</b>	<b>5.5%</b>
<b>No. of Aircraft</b>	<b>94</b>	<b>88</b>	<b>6</b>	<b>6.8%</b>
<b>Interest Expenses</b>	<b>107.7</b>	<b>100.8</b>	<b>6.9</b>	<b>6.8%</b>
<b>Outstanding Debt</b>	<b>7,721.0</b>	<b>7,513.1</b>	<b>207.9</b>	<b>2.8%</b>

# Non-operating Income/Expense



(Unit : bil KRW)

	2007 3Q	2006 3Q	Changes
<b>Non-operating Income</b>	<b>37.6</b>	<b>144.1</b>	<b>-106.5</b>
Gain on Interest	7.2	7.8	-0.6
Gain on FX Translation	12.9	76.9	-64.0
Gain on Asset Disposal	0.2	12.8	-12.6
Earnings of Equity Method Investments	8.0	18.2	-10.2
Others	9.3	28.4	-19.1
<b>Non-Operating Expenses</b>	<b>129.3</b>	<b>165.7</b>	<b>-36.4</b>
Interest Expense	107.7	100.8	6.9
Loss on FX Translation	.0	19.5	-19.5
Loss on Asset Disposal	9.2	8.5	0.7
Others	12.4	36.9	-24.5
<b>Non-operating Profit</b>	<b>-91.7</b>	<b>-21.6</b>	<b>-70.1</b>

# Assets



(Unit : bil KRW)

	End of 2007 3Q	End of 2007 2Q	Changes
<b>Current Assets</b>	<b>1,478.7</b>	<b>1,420.7</b>	<b>58.0</b>
<b>Cash &amp; Cash Equivalents</b>	<b>313.3</b>	<b>311.1</b>	<b>2.2</b>
<b>Non-current Assets</b>	<b>13,093.1</b>	<b>13,058.0</b>	<b>35.1</b>
<b>Aircraft</b>	<b>8,636.2</b>	<b>8,641.6</b>	<b>-5.4</b>
<b>Other Tangible Assets</b>	<b>1,623.6</b>	<b>1,614.3</b>	<b>9.3</b>
<b>Total Assets</b>	<b>14,571.8</b>	<b>14,478.7</b>	<b>-6.9</b>

# Liabilities



(Unit : bil KRW)

	End of 2007 3Q	End of 2007 2Q	Changes
<b>Current Liabilities</b>	<b>3,676.1</b>	<b>3,604.4</b>	<b>71.7</b>
<b>Financial Debt Amt</b>	<b>2,337.1</b>	<b>2,267.8</b>	<b>69.3</b>
<b>Non-current Liabilities</b>	<b>6,469.3</b>	<b>6,564.5</b>	<b>-95.2</b>
<b>Debentures, less Discount</b>	<b>1,667.1</b>	<b>1,669.5</b>	<b>-2.4</b>
<b>Long-term loans (Foreign Curr.)</b>	<b>1,071.0</b>	<b>1,106.7</b>	<b>-35.7</b>
<b>ABS Loan</b>	<b>151.9</b>	<b>168.6</b>	<b>-16.7</b>
<b>Long-term Non-trade payables</b>	<b>184.1</b>	<b>232.3</b>	<b>-48.2</b>
<b>Long-term obligations under     Installment Purchases     &amp; Obligation under Capital Lease</b>	<b>2,263.0</b>	<b>2,251.0</b>	<b>12.0</b>
<b>Others</b>	<b>1,132.2</b>	<b>1,136.4</b>	<b>-4.2</b>
<b>Total Liabilities</b>	<b>10,145.4</b>	<b>10,168.9</b>	<b>-23.5</b>
<b>Debt Ratio</b>	<b>229%</b>	<b>236%</b>	<b>-7%P</b>

# Borrowings



<b>(As of Sep 30, 2007)</b>	<b>Local</b>	<b>Balance (Billion US\$)</b>	<b>Weights</b>	<b>Average Interest Rates</b>
<b>Debt in USD</b>	<b>\$5.06 bil</b>	<b>5.06</b>	<b>60.8%</b>	<b>5.6%</b>
<b>Debt in KRW</b>	<b>₩2,570 bil</b>	<b>2.79</b>	<b>33.5%</b>	<b>5.1%</b>
<b>Debt in JPY</b>	<b>¥55 bil</b>	<b>0.48</b>	<b>5.7%</b>	<b>1.5%</b>
<b>Total Debt Amount</b>		<b>8.33</b>	<b>100.0%</b>	<b>5.2%</b>