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<table>
<thead>
<tr>
<th></th>
<th>2Q 2013</th>
<th>2012</th>
<th>Changes</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Asset</td>
<td>4,037</td>
<td>3,365</td>
<td>671</td>
<td>20.0%</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalent</td>
<td>973</td>
<td>1,466</td>
<td>-493</td>
<td>-33.6%</td>
</tr>
<tr>
<td>Non Current Asset</td>
<td>20,014</td>
<td>19,608</td>
<td>406</td>
<td>2.1%</td>
</tr>
<tr>
<td>Aircraft related asset</td>
<td>12,264</td>
<td>11,793</td>
<td>471</td>
<td>4.0%</td>
</tr>
<tr>
<td>Investment in Associates</td>
<td>2,426</td>
<td>2,557</td>
<td>-131</td>
<td>-5.1%</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>24,051</strong></td>
<td><strong>22,973</strong></td>
<td><strong>1,078</strong></td>
<td><strong>4.7%</strong></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td>15,691</td>
<td>15,263</td>
<td>428</td>
<td>2.8%</td>
</tr>
<tr>
<td>Current</td>
<td>4,048</td>
<td>4,146</td>
<td>-98</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Non Current</td>
<td>11,643</td>
<td>11,117</td>
<td>526</td>
<td>4.7%</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>5,923</td>
<td>4,806</td>
<td>1,118</td>
<td>23.2%</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>21,614</strong></td>
<td><strong>20,069</strong></td>
<td><strong>1,545</strong></td>
<td><strong>7.7%</strong></td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td><strong>2,437</strong></td>
<td><strong>2,904</strong></td>
<td><strong>-468</strong></td>
<td><strong>-16.1%</strong></td>
</tr>
</tbody>
</table>
# Income Statement (consolidated)

**Unit**: KRW Billion

<table>
<thead>
<tr>
<th></th>
<th>2Q 2013</th>
<th>2Q 2012</th>
<th>Changes</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>2,838</td>
<td>3,147</td>
<td>-309</td>
<td>-9.8%</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>2,889</td>
<td>3,053</td>
<td>-163</td>
<td>-5.4%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>-51</td>
<td>94</td>
<td>-145</td>
<td></td>
</tr>
<tr>
<td>Non Operating Profit</td>
<td>-485</td>
<td>-347</td>
<td>-138</td>
<td></td>
</tr>
<tr>
<td>Foreign Currency</td>
<td>-261</td>
<td>-136</td>
<td>-125</td>
<td></td>
</tr>
<tr>
<td>related gains, net</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Expense, net</td>
<td>-121</td>
<td>-134</td>
<td>-13</td>
<td></td>
</tr>
<tr>
<td>Equity method gain, net</td>
<td>-12</td>
<td>-49</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Income before tax</td>
<td>-536</td>
<td>-252</td>
<td>-283</td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>-359</td>
<td>-165</td>
<td>-194</td>
<td></td>
</tr>
</tbody>
</table>
### Income Statement (non consolidated)

(Unit: KRW Billion)

<table>
<thead>
<tr>
<th></th>
<th>2Q 2013</th>
<th>2Q 2012</th>
<th>Changes</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>2,820</td>
<td>3,118</td>
<td>-298</td>
<td>-9.6%</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>2,863</td>
<td>3,017</td>
<td>-154</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>-43</td>
<td>101</td>
<td>-144</td>
<td></td>
</tr>
<tr>
<td>Non Operating profit</td>
<td>-453</td>
<td>-285</td>
<td>-168</td>
<td></td>
</tr>
<tr>
<td>Foreign currency related gains, net</td>
<td>-261</td>
<td>-136</td>
<td>-125</td>
<td></td>
</tr>
<tr>
<td>Interest Expense, net</td>
<td>-108</td>
<td>-116</td>
<td>-9</td>
<td></td>
</tr>
<tr>
<td>Income before tax</td>
<td>-496</td>
<td>-183</td>
<td>-312</td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>-358</td>
<td>-139</td>
<td>-219</td>
<td></td>
</tr>
</tbody>
</table>
### Borrowings (non consolidated)

<table>
<thead>
<tr>
<th>Currency</th>
<th>As of June 30, 2013</th>
<th>As of Dec 31, 2012</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Balance (Billion)</td>
<td>Ratio</td>
<td>Balance (Billion)</td>
</tr>
<tr>
<td>USD</td>
<td>7.5</td>
<td>60.0%</td>
<td>7.9</td>
</tr>
<tr>
<td>KRW</td>
<td>4,395</td>
<td>30.6%</td>
<td>4,595</td>
</tr>
<tr>
<td>JPY</td>
<td>115</td>
<td>9.4%</td>
<td>107</td>
</tr>
<tr>
<td>EUR</td>
<td>2 million</td>
<td>0.0%</td>
<td>4 million</td>
</tr>
<tr>
<td>Total (KRW)</td>
<td>14,344</td>
<td>100%</td>
<td>14,617</td>
</tr>
</tbody>
</table>

※ Applied FX Rate : As of June 30 (USD 1,149.70, JPY(100): 1,167.15 , EUR: 1,498.23)
Revenue Composition

- International Passenger: 55.8%
- Cargo: 24.7%
- Others (In-flight sales, etc.): 7.7%
- Aerospace: 5.6%
- Catering: 0.8%
- Hotel/Limousine: 0.2%
- Domestic Passenger: 5.2%

2Q Operating Revenue: KRW 2,820 billion
## Passenger Traffic

<table>
<thead>
<tr>
<th></th>
<th>International Passenger</th>
<th>Domicitc Passenger</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013 2Q</td>
<td>2012 2Q</td>
</tr>
<tr>
<td><strong>Supply (Mil ASK)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply</td>
<td>20,723</td>
<td>20,540</td>
</tr>
<tr>
<td>Apr</td>
<td>6,755</td>
<td>6,677</td>
</tr>
<tr>
<td>May</td>
<td>7,081</td>
<td>7,049</td>
</tr>
<tr>
<td>June</td>
<td>6,887</td>
<td>6,814</td>
</tr>
<tr>
<td><strong>Traffic (Mil ASK)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traffic</td>
<td>15,735</td>
<td>16,234</td>
</tr>
<tr>
<td>Apr</td>
<td>4,995</td>
<td>5,137</td>
</tr>
<tr>
<td>May</td>
<td>5,258</td>
<td>5,492</td>
</tr>
<tr>
<td>June</td>
<td>5,482</td>
<td>5,605</td>
</tr>
<tr>
<td><strong>LF(%)</strong></td>
<td>75.9%</td>
<td>79.0%</td>
</tr>
<tr>
<td><strong>Yield (US Cent)</strong></td>
<td>8.9</td>
<td>9.4</td>
</tr>
</tbody>
</table>
International Passenger Trend

- International Passenger RPK decreased by 3.1% (yoy) in 2Q 2013.

Graph showing the trend of RPK (Left) and Load factor (Right) from 2009 to 2013.
Passenger revenue by route operation

[Bar chart and pie charts showing revenue by region for 2Q 2013 and 2Q 2012.]

- **2013 2Q**
  - Americas: 34%
  - Europe: 17%
  - Oceania: 3%
  - SEA: 16%
  - China: 12%
  - Domestic: 8%
  - Japan: 10%

- **2012 2Q**
  - Americas: 34%
  - Europe: 16%
  - Oceania: 3%
  - SEA: 14%
  - China: 11%
  - Domestic: 8%
  - Japan: 14%
Passenger Business Overview

2Q Business Summary

- Traffic (RPK): SEA +7%, Europe -2%, Americas -3%, China -7%, Oceania -16%, Japan -18%
- Total Passenger carried: -6%, Korea outbound: +4%, Overseas: -12% (Korea inbound: -26%, Transit +5%)

3Q Business Plan

- Increase of Air travel demand, especially Korea outbound, is expected as summer vacation and Chuseok Holidays approach
- Focus on profitable routes, building up marketing for high class sales
- Achieve steady growth through competitive market strategy
- Frequency increase: ICN – Changsha, Tianjin, Bangkok, Hochimin
## Cargo Traffic

<table>
<thead>
<tr>
<th>Cargo (International + Domestic)</th>
<th>2013 1Q</th>
<th>2012 1Q</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supply (Mil AFTK)</strong></td>
<td>2,514</td>
<td>2,640</td>
<td>-4.8%</td>
</tr>
<tr>
<td>April</td>
<td>829</td>
<td>835</td>
<td>-0.7%</td>
</tr>
<tr>
<td>May</td>
<td>856</td>
<td>891</td>
<td>-3.9%</td>
</tr>
<tr>
<td>June</td>
<td>829</td>
<td>914</td>
<td>-9.3%</td>
</tr>
<tr>
<td><strong>Traffic (Mil FTK)</strong></td>
<td>1,972</td>
<td>2,015</td>
<td>-2.1%</td>
</tr>
<tr>
<td>April</td>
<td>646</td>
<td>628</td>
<td>2.9%</td>
</tr>
<tr>
<td>May</td>
<td>659</td>
<td>676</td>
<td>-2.5%</td>
</tr>
<tr>
<td>June</td>
<td>667</td>
<td>711</td>
<td>-6.2%</td>
</tr>
<tr>
<td><strong>LF(%)</strong></td>
<td>78.4%</td>
<td>76.3%</td>
<td>2.1%p</td>
</tr>
<tr>
<td><strong>Yield (US Cent)</strong></td>
<td>28.8</td>
<td>31.0</td>
<td>-7.1%</td>
</tr>
</tbody>
</table>
In 2Q 2013, cargo traffic (FTK) decreased by 2.1% (yoy).
Cargo revenue by Regional Sales

2013 2Q

- Korea: 29%
- Japan: 7%
- China: 25%
- SEA: 14%
- Americas: 14%
- Europe: 11%

2012 2Q

- Korea: 21%
- Japan: 10%
- China: 29%
- SEA: 15%
- Americas: 13%
- Europe: 10%

[Unit: KRW billion]
Cargo Business Overview

2Q Business Summary

- FTK by route: Americas +17%, China -4%, SEA -6%, Europe -22%, Japan -3%
- Korea outbound +2%, Transit -1%
  (Transit: Americas +21%, China +9%, Europe -24%, SEA -19%, Japan -10%)

3Q Business Plan

- Focus on profitability in operation with fuel efficient aircraft
- Develop new markets such as South America, Africa, and west China
- Increase profits via developing demand on special items such as medical goods or perishables
- Add flight to Dhaka (Bangladesh) to expand network in Southeast Asia
Operating Expense Breakdown
[non consolidated]

2Q 2013
( KRW 2,863 billion)

- Fuel: 37%
- Labor: 14%
- Depreciation: 14%
- Others: 15%
- Airport Related: 10%
- Inflight service: 3%
- Maintenance: 2%
- Rental: 2%
- Sales Commission: 3%
- Inflight service: 3%

2Q 2012
(KRW 3,166 billion)

- Fuel: 40%
- Labor: 13%
- Depreciation: 12%
- Others: 14%
- Airport related: 10%
- Inflight service: 3%
- Maintenance: 3%
- Rental: 2%
- Sales Commission: 3%
- Inflight service: 3%
### Key Expense

<table>
<thead>
<tr>
<th></th>
<th>2Q 2013</th>
<th>2Q 2012</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jet Fuel</td>
<td>1,060</td>
<td>1,198</td>
<td>-11.5%</td>
</tr>
<tr>
<td>Consumption (mil. bbl.)</td>
<td>762</td>
<td>779</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Unit Price(Into Plane, USD)</td>
<td>123.7</td>
<td>133.5</td>
<td>-7.3%</td>
</tr>
<tr>
<td>Labor</td>
<td>415</td>
<td>411</td>
<td>1.0%</td>
</tr>
<tr>
<td>A/C rental</td>
<td>321</td>
<td>400</td>
<td>-19.8%</td>
</tr>
<tr>
<td>No. of rented A/C</td>
<td>21</td>
<td>22</td>
<td>-1</td>
</tr>
<tr>
<td>A/C Deprecation</td>
<td>378</td>
<td>340</td>
<td>11.2%</td>
</tr>
<tr>
<td>No. of owned A/C</td>
<td>139</td>
<td>135</td>
<td>+4</td>
</tr>
</tbody>
</table>

* No. of rental A/C includes 7 A/C subleased to JIN AIR
** No. of owned A/C includes 4 A/C rented out
### Fleet Status

**Fleet Status**

(As of June 30, 2013)

<table>
<thead>
<tr>
<th>Type</th>
<th>No. of A/C</th>
<th>To be delivered</th>
</tr>
</thead>
<tbody>
<tr>
<td>A380</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>A330</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>A300</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>B747</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>B777</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>B737</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td><strong>Passenger total</strong></td>
<td><strong>122</strong></td>
<td>2</td>
</tr>
<tr>
<td>B747F</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>B747-8F</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>B777F</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td><strong>Cargo Total</strong></td>
<td><strong>27</strong></td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>149</strong></td>
<td>3</td>
</tr>
</tbody>
</table>

※ Above chart shows the sole no. of A/C operated by Korean Air
THANK YOU