

2002 KTF Mobile Internet Service Update

First in Mobile

KTF

Oct, 15, 2002



Dr. Terry Ahn
New Business Group, KTF

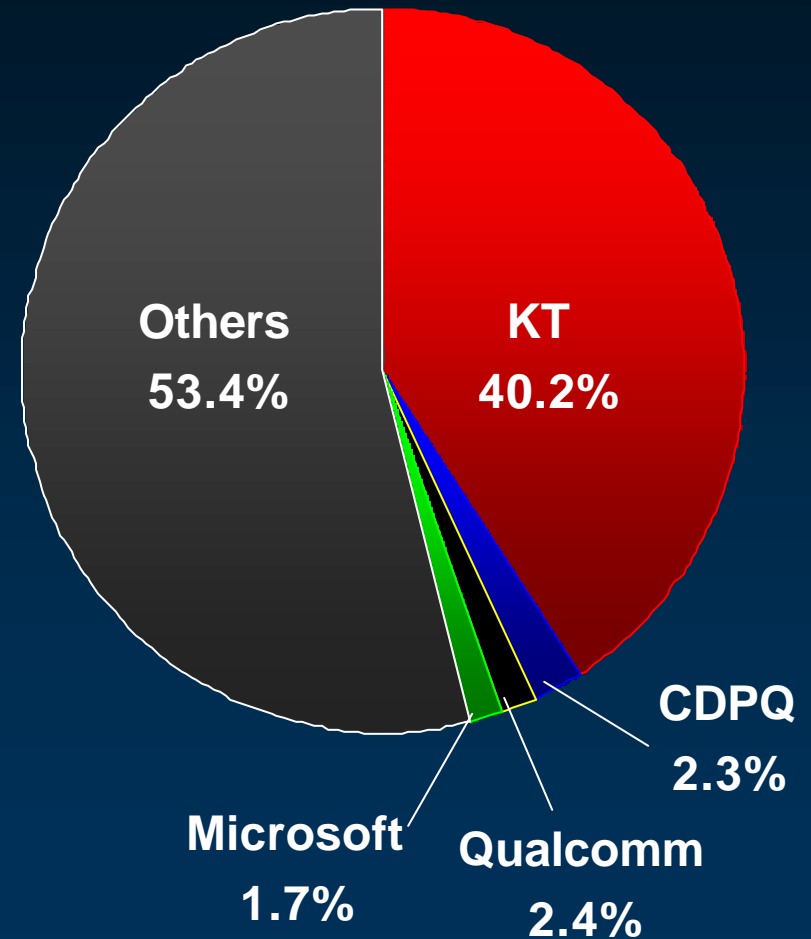
History of KTF

Company Profile

- Founded in January 1997
- Launched PCS services in October 1997
- Strategic alliance with Microsoft, QUALCOMM and CDPQ in Nov. 1999
- Listed on Kosdaq in Dec. 1999
- Acquire 500M subs in the shortest period in May 2000
- Merged with KTM.com as of May 1, 2001
- Altered Company's name to "KTF" in June 2001
- 2nd largest wireless company in Korea with 33% combined market share(sub : 10.1M, August 2002)

Major Shareholders

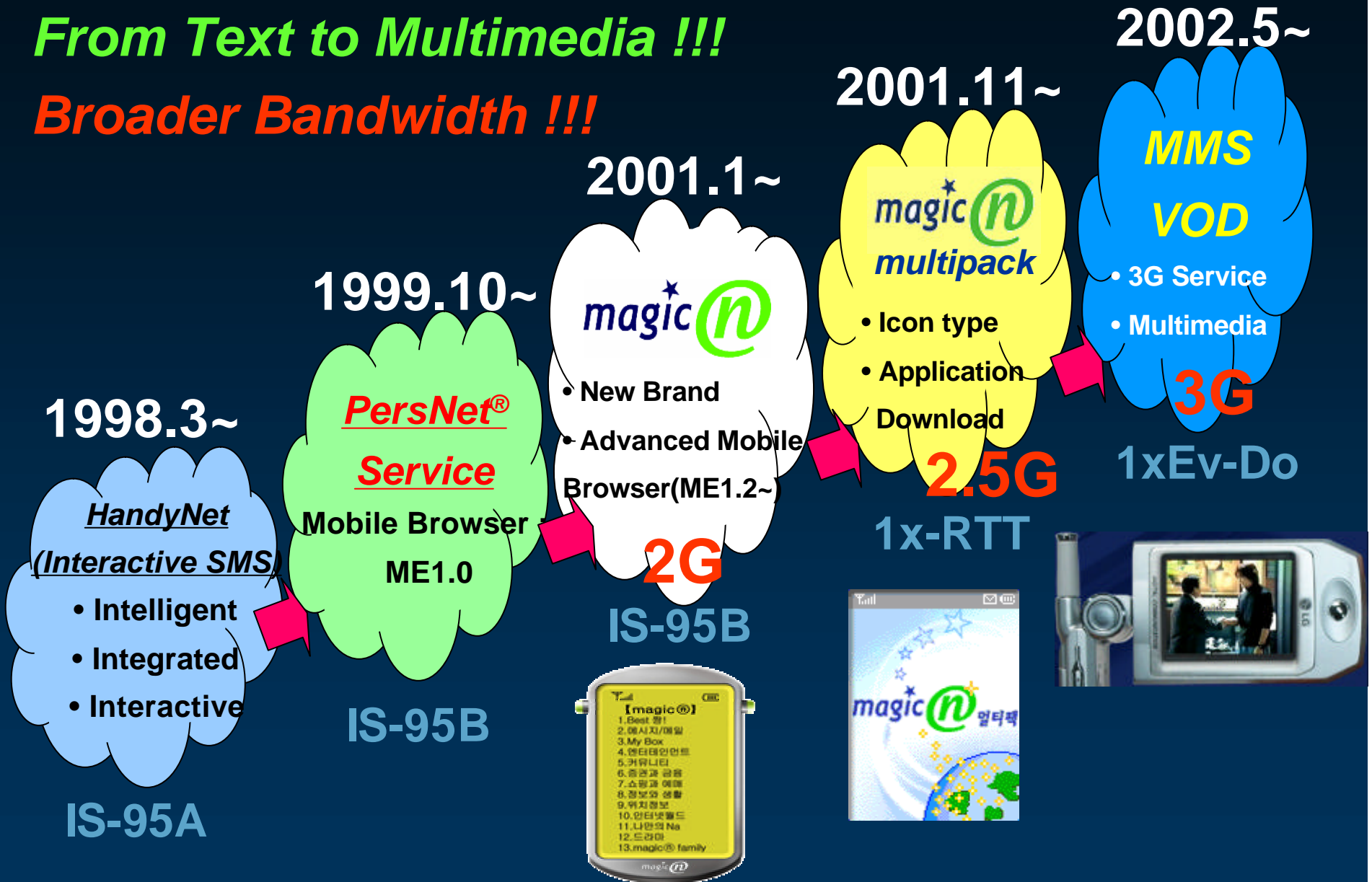
(The end of 2001)



Mobile Internet Service Evolution

From Text to Multimedia !!!

Broader Bandwidth !!!

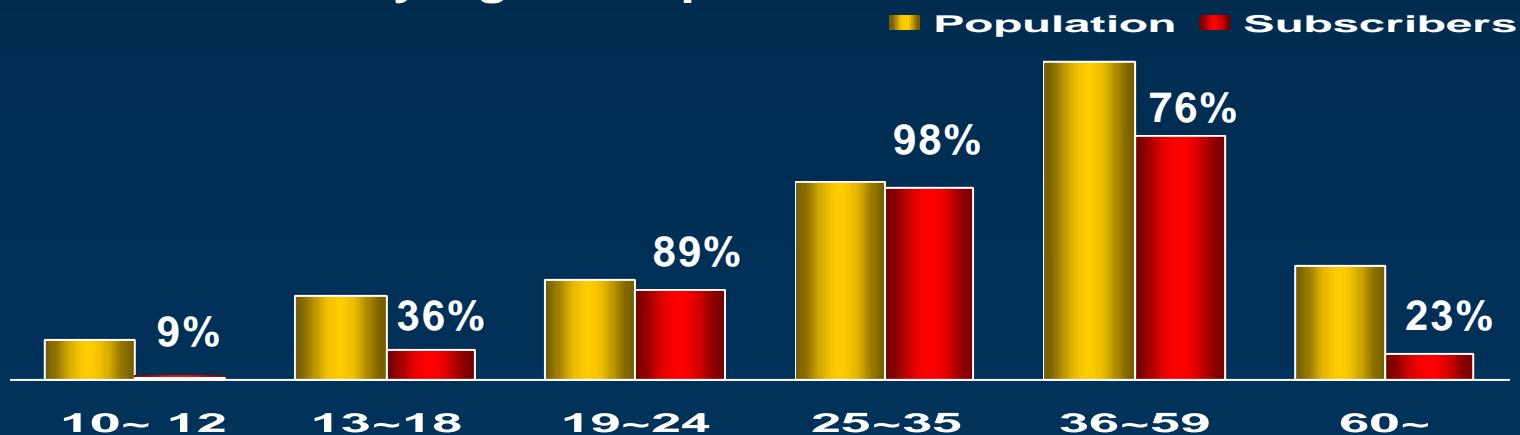


Korean Mobile Market

- Cellular penetration : ~ 65% (31M out of 47.7M pop., July 2002)
- 1x-RTT Sub. & penetration : ~ 36.8%(11.4M out of 31M, July 2002)
- Mobile Browser standard & penetration (July 2002, Korea MIC)

	Total Subs.	ME / WAP	Browser M/S	Pen. Rate
KTF	10.1 mil	8.1 mil ME	35.1%	80.2%
SKT	16.6 mil	11.9 mil WAP	51.5%	71.7%
LGT	4.3 mil	3.1 mil WAP	13.4%	72.1%
Total	31.0 mil	23.1 mil	100%	74.5%

■ Penetration Rate by Age Group



Contents Tops of magicⁿ

- The Number of Browser-enabled Handsets : 8.1M in the market
- The top ranking services are digital accessories for decorating handsets

? Data Source : KTF statistics(July, 2002)

1st

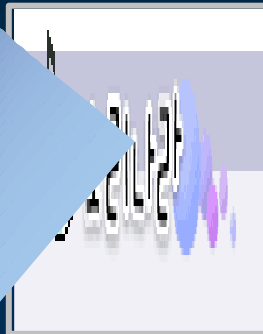
2nd

3rd

4th

5th

Top 5
Contents
for 2G
Magic?



Ringtone
Downloading



Character
Downloading



Picture
Downloading



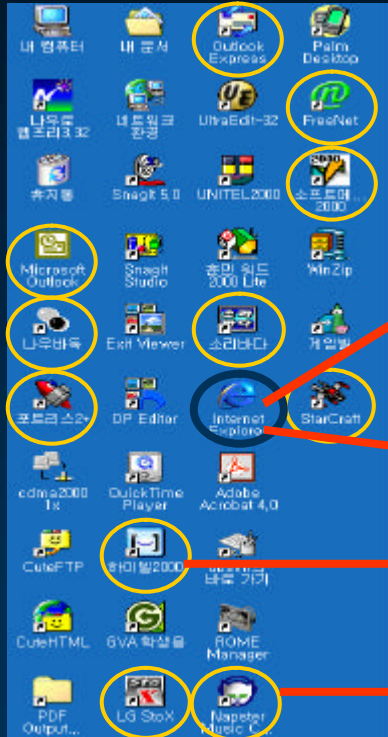
MSN
(Portal&Mail)



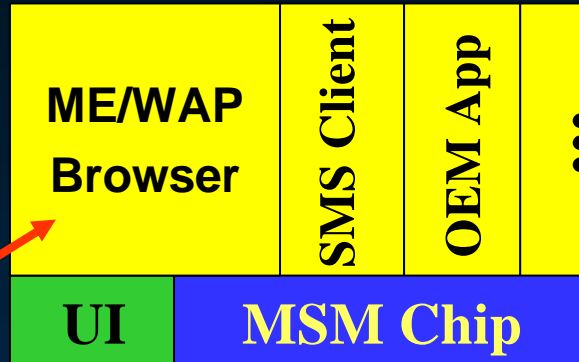
DAUM
(Portal&Mail)

Shift from Contents to Application

Icons on PC Screen



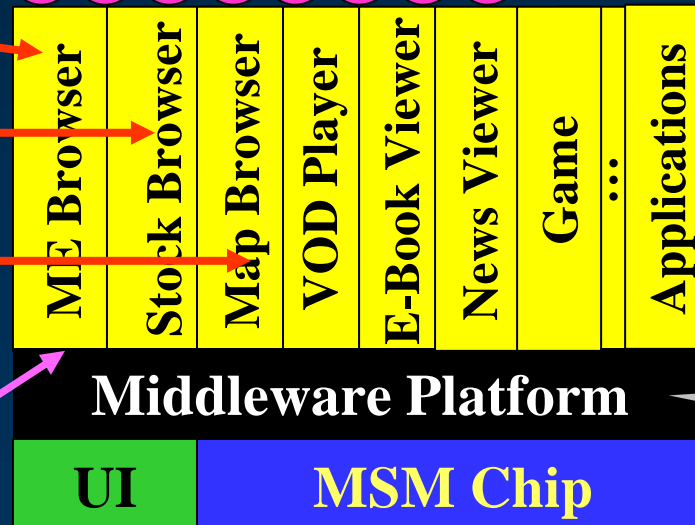
Contents



Focus on Contents

Handset
Architecture

Contents



Focus on App.

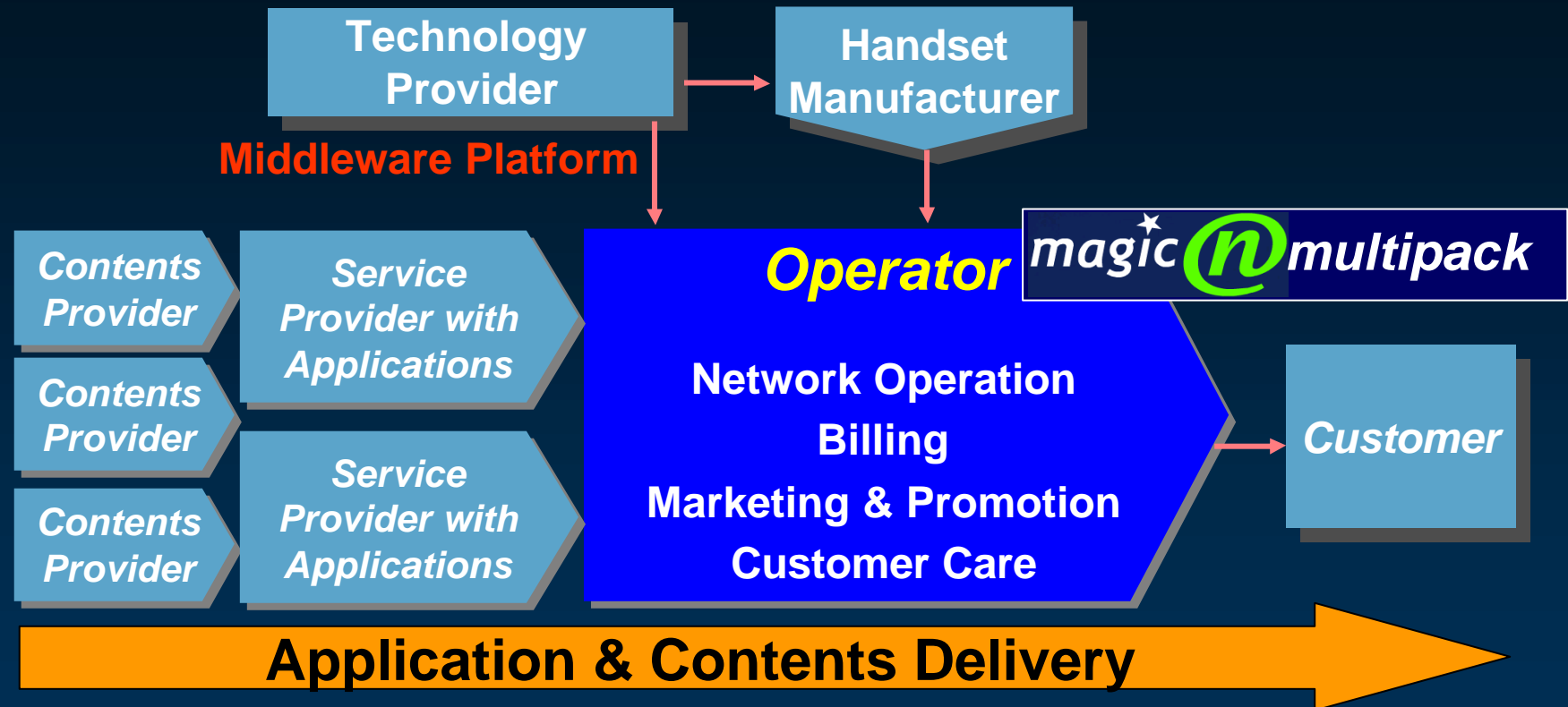
App. Download
Over the Air

Enabler

BREW
or
JAVA

New Win-Win Business Model

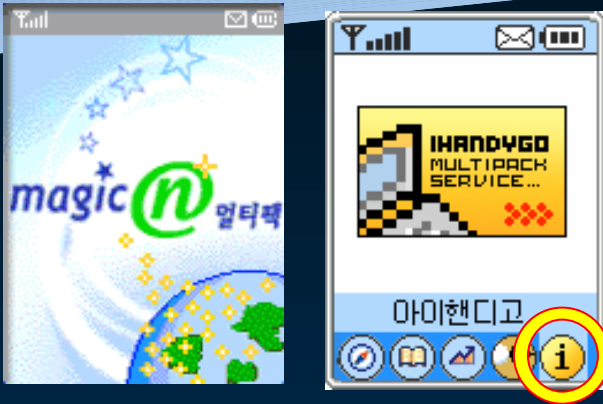
New win-win business model enlarges mobile internet market



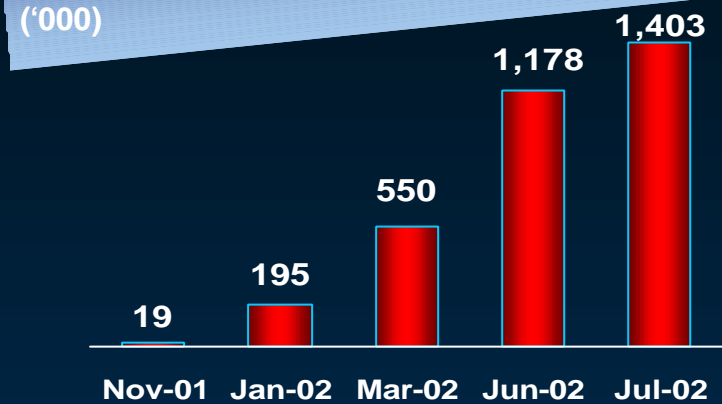
- Providing various and easy-to-use services by App. Downloading
→ Satisfying Customer Needs
- Wireless S/W Sales Business : Newer and More Revenues to CP/SP
- Increasing Data Airtime of Operators

Service Tops of Magicⁿ multipack

User-Friendly, Icon Interface



Multi-pack Subscribers



? As of July, 2002

Top 5 Contents for 1x Magic? multipack

1st



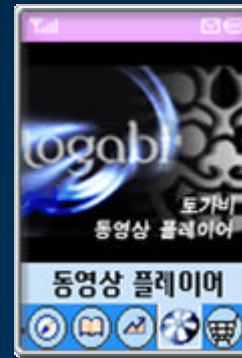
Theme Park
(Ringtone&Character
Downloading)

2nd



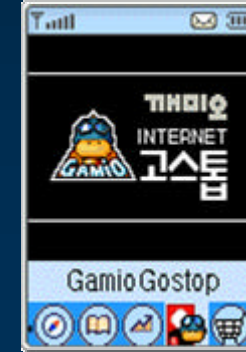
Karaoke

3rd



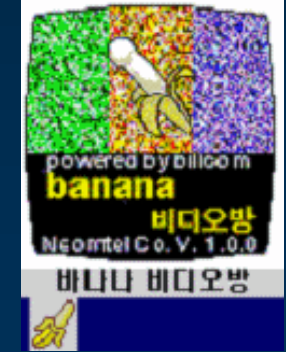
VOD
Player

4th



Internet
'Go Stop'
(Online Game)

5th

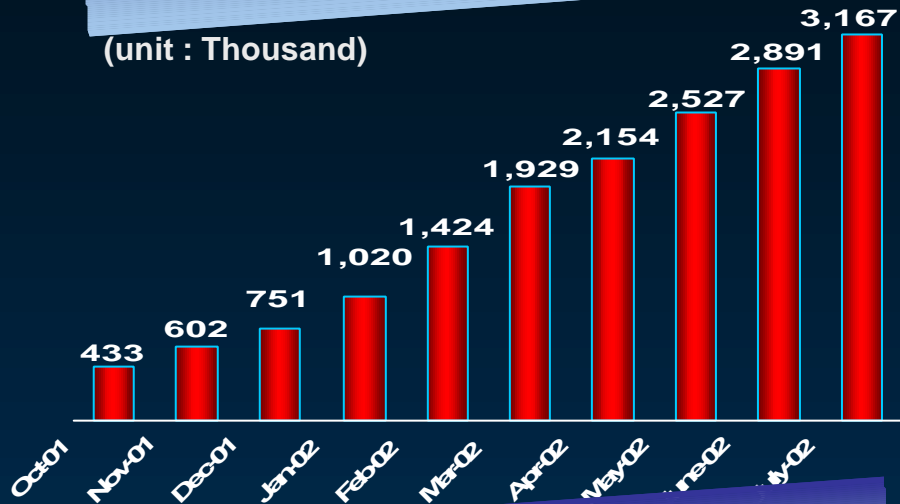


Internet Adult TV
(Picture&Video
feeds)

1xRTT and Wireless Data Performance

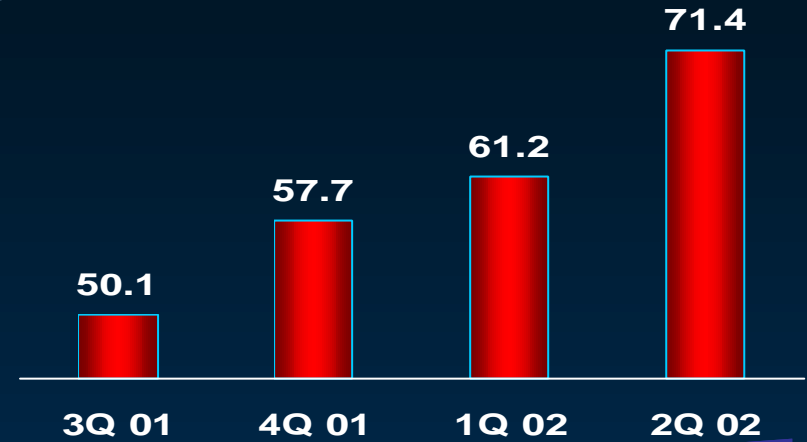
Number of 1xRTT Subs

(unit : Thousand)



Data Service Revenue

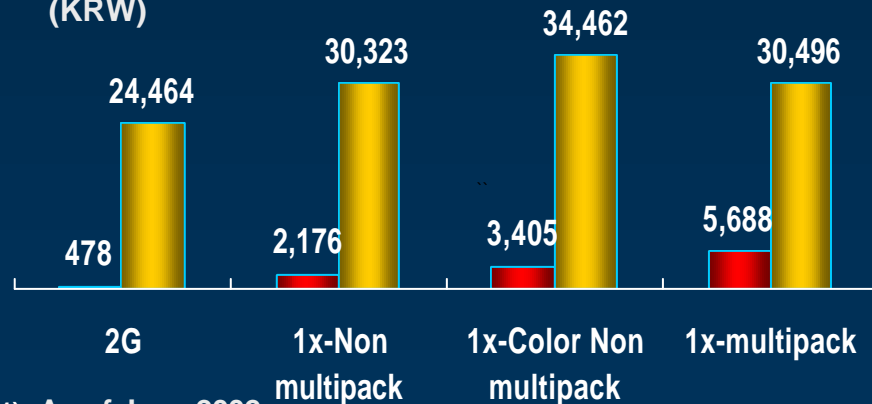
(KRW Bn)



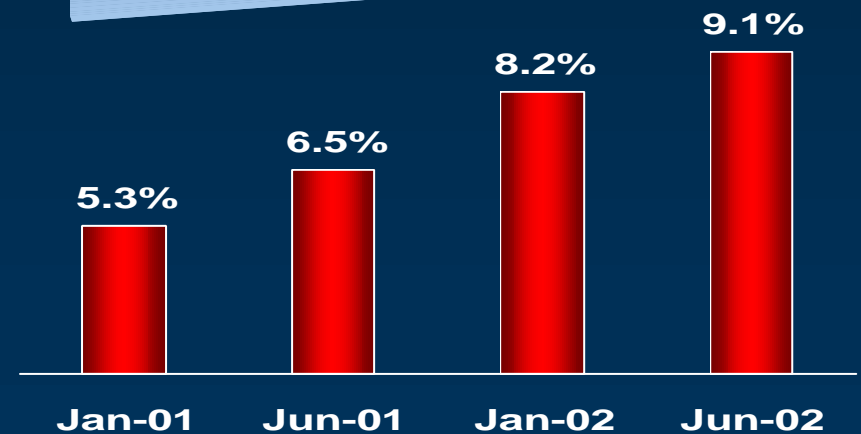
1x ARPU by Handset (1)

■ Data ARPU ■ Voice ARPU

(KRW)



Data ARPU / Total ARPU



(1) As of June 2002

Key Success Factors

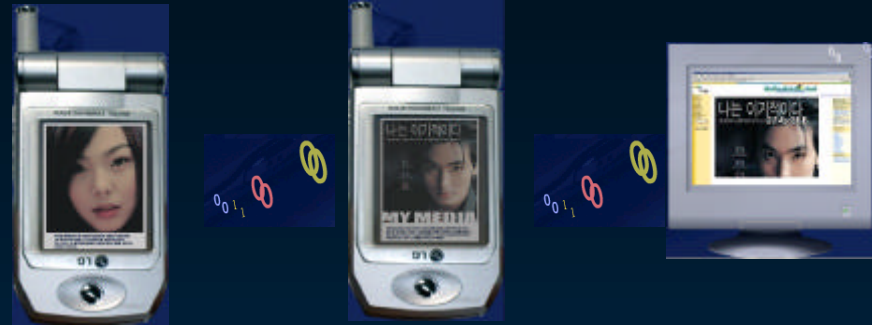
Value to Customers !!! Fast, Easy, Fun & Useful !!!

- **Early Mover : Early launch of Data Services in 1998**
 - **Data Enabled Handset Supply → Basic Infra for Mobile Internet**
- **Standardized Handset Functions by Carrier, not Manufacturer**
- **Marketing&Promotions / Customer Training for use**
- **Color LCD and MIDI Handset / High Speed Network(1xRTT, 1xEv-Do) / Multimedia Platform**
- **Large Numbers of Content and Service Providers**
 - **Killer Services, Win-Win Business Model**

magic@ Multimedia Messaging Service(MMS)

Phone to Phone

- Long Text
- Text + Image, MIDI, Video clip
- Text + Video message
- Handset with Digital Camera



Phone to email

- Long Text
- Text + Image, MIDI, Video clip
- Text + Video Message
- Handset with Digital Camera

Web to Phone

- Email to phone(push service)
- Contents delivering(News, Education, MP3, Video clip, etc)



magic@ Video On Demand (VOD)

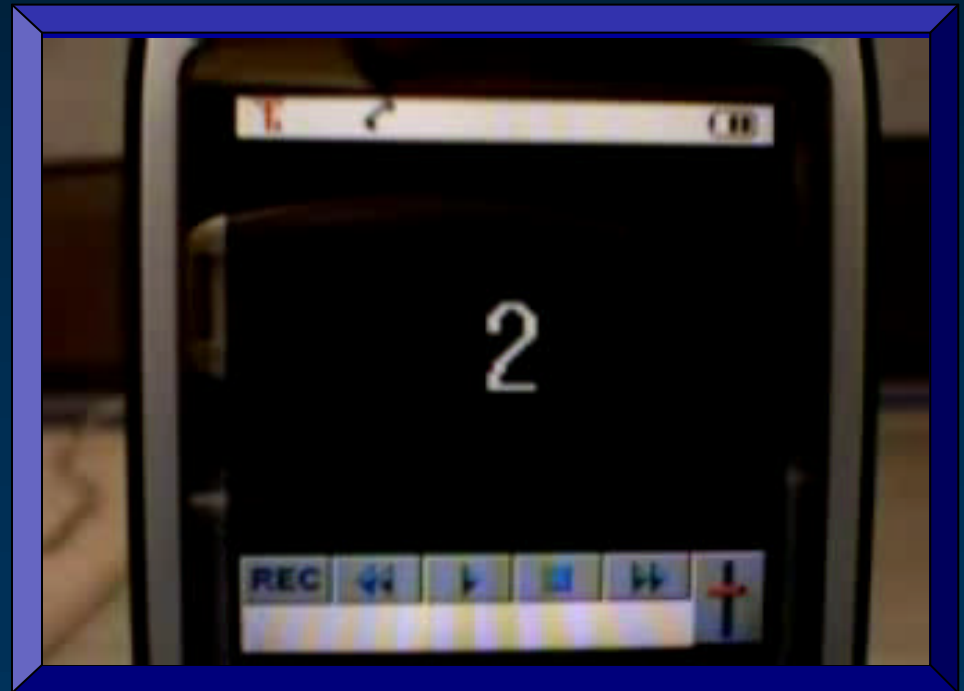
Store & Play VOD

- Small Video Clip
- Education, Music Video, Movie preview, News



Streaming VOD (Live Broadcasting of TV)

- Long time video clip
- TV broadcasting, Movies



Thank you.

