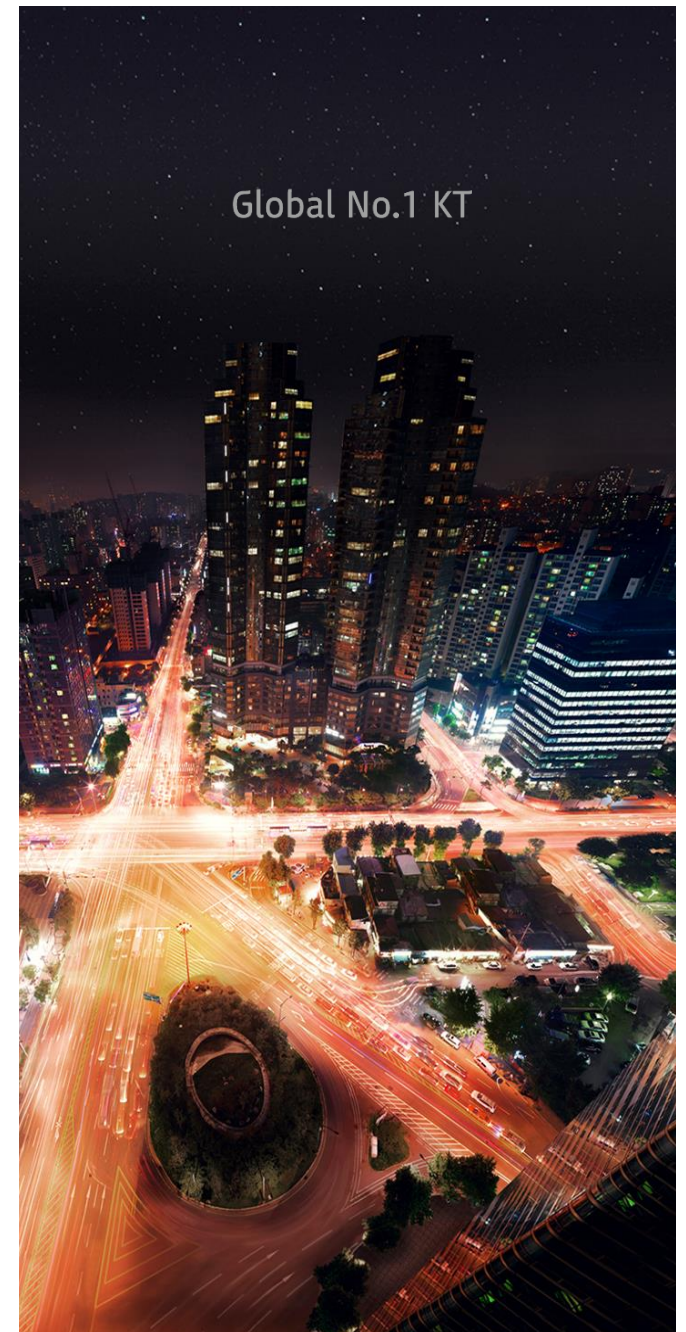


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# KT 2018 Earnings Release

2019. 2. 12 | Investor Relations



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**KT Corp has applied new accounting standard of ‘K-IFRS 1115’ as of Jan 1st, 2018. Accordingly, we have elected the modified retrospective approach which will recognize the cumulative impact of the new standard as an adjustment to retained earnings as at January 1 2018, the period of initial application. That said, there are no obligation to apply the new standard to previous financial statements.**

**In this material, despite the new accounting standard, we have included the restated figures for 2018 prepared under IFRS 1018 (old-standard) for investors’ understandings. The restated figures are followed by ‘\*’ marking. However, please be noted that these restated figures have not been audited or reviewed by external auditors.**

If you have any related questions to this material, please contact IR department.

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# Contents

---

1 Financial Highlights

---

2 Business Overviews

---

3 Q&A

---

4 Appendix

---

# Contents

**1** Financial Highlights

2 Business Overviews

---

3 Q&A

---

4 Appendix

---

# 1-1 Financial Highlights

## Income Statement

(Unit: KRW bn)

- Operating Revenue  
KRW 23.8tn, YoY +1.6%
- Service Revenue  
KRW 20.2tn, YoY +0.1%
- Operating Income  
KRW 1.2tn, YoY -11.4%
- Net Income  
KRW 715.1bn, YoY +27.3%
- EBITDA  
KRW 4.5tn, YoY -5.1%

	4Q17*	3Q18*	4Q18*	QoQ	YoY	3Q18	4Q18	QoQ	FY17*	FY18*	YoY	FY18
Operating Revenue	6,106.6	5,986.0	6,045.5	1.0%	-1.0%	5,948.5	5,994.5	0.8%	23,387.3	23,751.7	1.6%	23,460.1
Service Revenue	5,058.2	5,138.2	5,027.6	-2.2%	-0.6%	5,096.9	5,021.1	-1.5%	20,123.1	20,137.6	0.1%	19,985.2
Merchandise Revenue	1,048.4	847.8	1,017.9	20.1%	-2.9%	851.5	973.4	14.3%	3,264.2	3,614.1	10.7%	3,475.0
Operating Expense	5,972.8	5,665.2	5,959.9	5.2%	-0.2%	5,579.0	5,898.7	5.7%	22,012.0	22,533.3	2.4%	22,198.6
Operating Income	133.7	320.8	85.6	-73.3%	-36.0%	369.5	95.8	-74.1%	1,375.3	1,218.4	-11.4%	1,261.5
Margin	2.2%	5.4%	1.4%	-3.9%p	-0.8%p	6.2%	1.6%	-4.6%p	5.9%	5.1%	-0.8%p	5.4%
Non-op. Income/loss	-247.3	-39.1	-90.6	Deficit Increased	Deficit Decreased	-35.4	-83.3	Deficit Increased	-538.3	-191.5	Deficit Decreased	-170.8
Income before taxes	-113.6	281.6	-5.1	TR	Deficit Decreased	334.0	12.5	-96.2%	837.0	1,026.9	22.7%	1,090.7
Net Income	-123.5	201.0	4.6	-97.7%	TB	239.5	18.1	-92.5%	561.5	715.1	27.3%	762.3
Margin	-2.0%	3.4%	0.1%	-3.3%p	2.1%p	4.0%	0.3%	-3.7%p	2.4%	3.0%	0.6%p	3.2%
EBITDA	968.8	1,136.2	898.0	-21.0%	-7.3%	1,184.9	908.2	-23.3%	4,739.8	4,500.1	-5.1%	4,543.3
Margin	15.9%	19.0%	14.9%	-4.1%p	-1.0%p	19.9%	15.2%	-4.8%p	20.3%	18.9%	-1.3%p	19.4%

\* IFRS 1018 applied (old-standard) : Restated figures have been provided for investors' understanding.

The figures have not been audited or reviewed by external auditors. (applies to other slides)

# 1-2 Financial Highlights

## Operating Expenses

(Unit: KRW bn)

### □ Operating Expenses

**KRW 22.5tn, YoY +2.4%**

- Labor Cost  
KRW 3.85tn, YoY +7.8%
- General Expense  
KRW 9.84tn, YoY -0.3%
- Cost of Service Provided  
KRW 2.62tn, YoY +2.0%
- Cost of Merchandise  
KRW 3.90tn, YoY +3.6%

	4Q17*	3Q18*	4Q18*	QoQ	YoY	3Q18	4Q18	QoQ	FY17*	FY18*	YoY	FY18
<b>Operating Expenses</b>	<b>5,972.8</b>	<b>5,665.2</b>	<b>5,959.9</b>	<b>5.2%</b>	<b>-0.2%</b>	<b>5,579.0</b>	<b>5,898.7</b>	<b>5.7%</b>	<b>22,012.0</b>	<b>22,533.3</b>	<b>2.4%</b>	<b>22,198.6</b>
Labor Cost	978.0	930.2	1,004.8	8.0%	2.7%	930.1	1,006.1	8.2%	3,568.5	3,848.2	7.8%	3,845.8
General Expense	2,536.4	2,492.8	2,510.6	0.7%	-1.0%	2,494.6	2,499.1	0.2%	9,868.1	9,833.7	-0.3%	9,801.4
Cost of Service Provided	676.4	678.8	681.7	0.4%	0.8%	678.8	681.9	0.5%	2,568.6	2,620.8	2.0%	2,620.2
Selling Expense	613.8	624.5	657.2	5.2%	7.1%	536.6	606.0	12.9%	2,243.7	2,333.7	4.0%	2,034.1
Cost of Merchandise	1,168.1	938.9	1,105.6	17.8%	-5.4%	938.9	1,105.6	17.8%	3,763.0	3,897.0	3.6%	3,897.0

(Unit: KRW bn)

### □ Marketing Expenses

**KRW 2.64tn, YoY -1.6%**

	4Q17*	3Q18*	4Q18*	QoQ	YoY	FY17*	FY18*	YoY
<b>Marketing Expenses</b>	<b>703.2</b>	<b>674.7</b>	<b>676.2</b>	<b>0.2%</b>	<b>-3.8%</b>	<b>2,684.1</b>	<b>2,641.2</b>	<b>-1.6%</b>

※ KT Separate, Profit from handset sales adjusted / Selling expenses + Advertising expenses

# 1-3 Financial Highlights

## Financial Position

(Unit: KRW bn)

- **Equity increase on IFRS15 application**
  - Cumulative impact reflected in Jan 1<sup>st</sup>, 2018 retained earnings

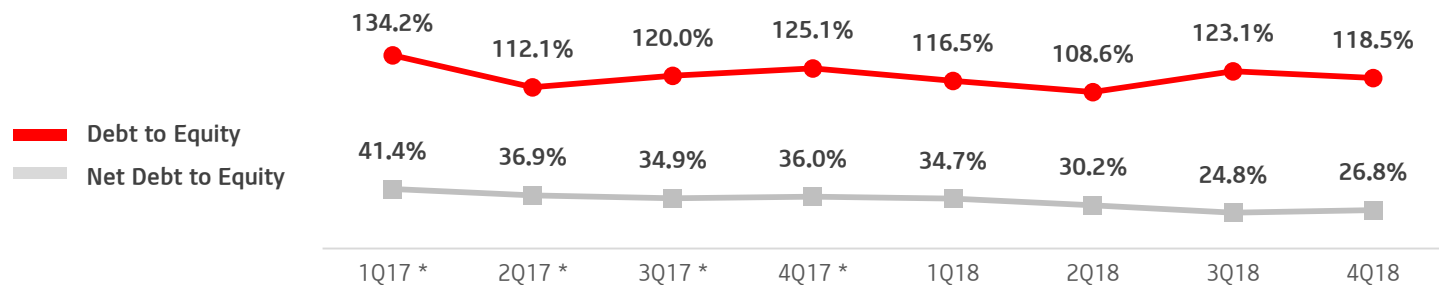
- **Debt Position**

- Borrowings: KRW 6.65tn
- New Debt: KRW 3.94tn

- **Debt Ratio**

- Debt to Equity: 118.5%
- Net Debt to Equity: 26.8%

	4Q 17*	3Q 18	4Q 18	QoQ	YoY
<b>Assets</b>	<b>29,730.9</b>	<b>32,794.8</b>	<b>32,188.8</b>	<b>-1.8%</b>	<b>8.3%</b>
Cash & Cash Equivalents	1,928.2	2,718.1	2,703.4	-0.5%	40.2%
<b>Liabilities</b>	<b>16,520.3</b>	<b>18,093.3</b>	<b>17,457.6</b>	<b>-3.5%</b>	<b>5.7%</b>
Borrowings	6,683.7	6,370.2	6,648.3	4.4%	-0.5%
<b>Equity</b>	<b>13,210.6</b>	<b>14,701.5</b>	<b>14,731.3</b>	<b>0.2%</b>	<b>11.5%</b>
Capital Stock	1,564.5	1,564.5	1,564.5	0.0%	0.0%
<b>Net Debt</b>	<b>4,755.5</b>	<b>3,652.1</b>	<b>3,944.9</b>	<b>8.0%</b>	<b>-17.0%</b>
Debt / Equity	125.1%	123.1%	118.5%	-4.6%p	-6.5%p
Net Debt / Equity	36.0%	24.8%	26.8%	1.9%p	-9.2%p



# 1-4 Financial Highlights

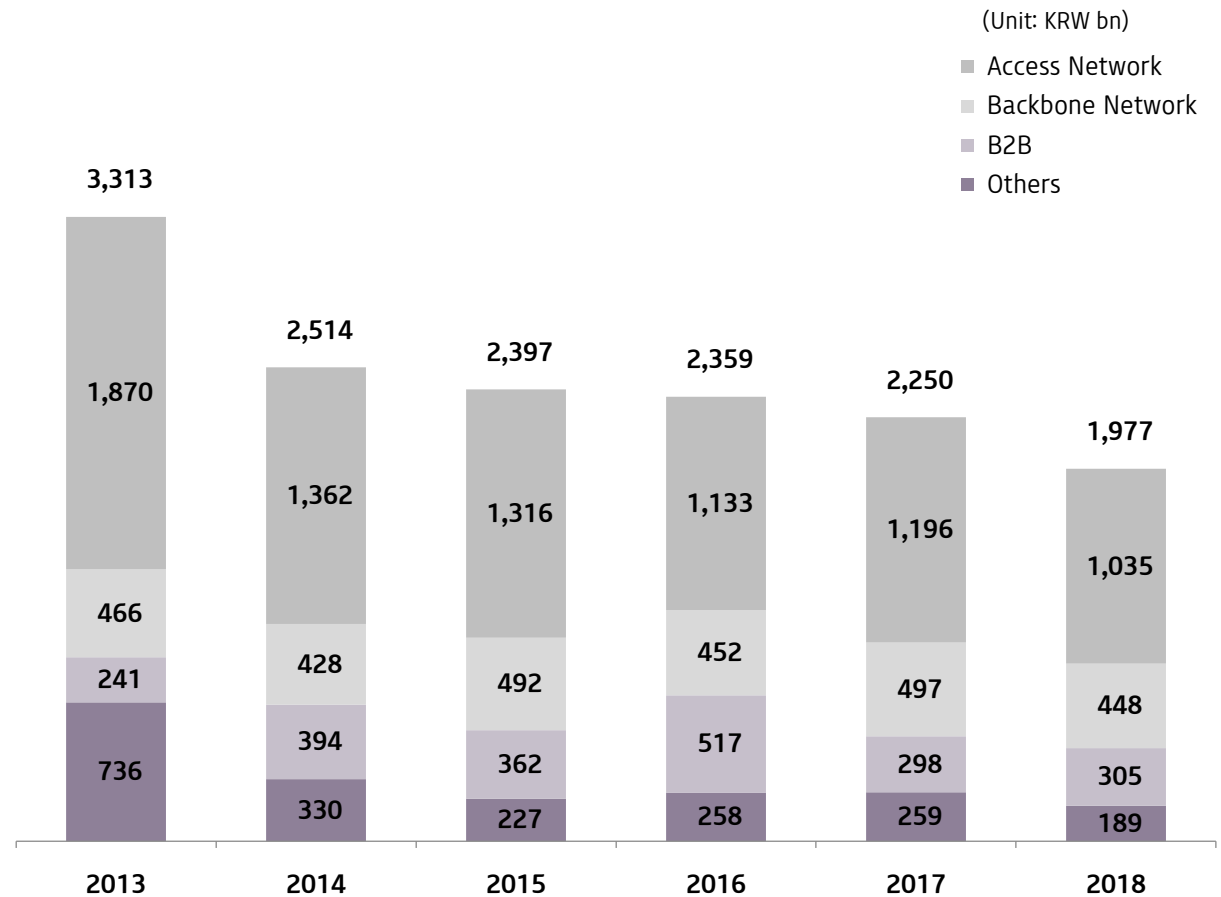
## CAPEX

### 2018 CAPEX

- KRW 1.98tn executed
- Executed 85.9% of 2018 Guidance

### CAPEX Breakdown

- Access Network: KRW 1.03tn
- Backbone Network: KRW 448.1bn
- B2B: KRW 304.7bn
- Others: KRW 189.0bn





# Contents

---

1 Financial Highlights

**2 Business Overviews**

3 Q&A

---

4 Appendix

---

## 2-1 Business Overview

### Wireless

#### □ Wireless down by 2.3% YoY

- Service revenue declined on increased take-up of 'selective tariff discount' and compensation for service failure caused by fire in cable tunnel, YoY -2.0%

(Unit: KRW bn)

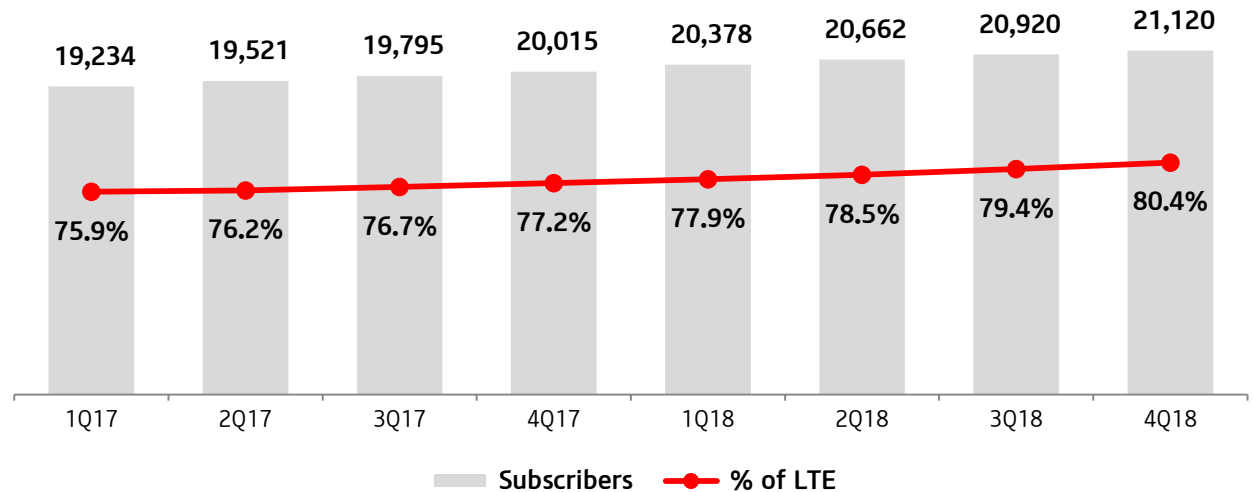
	4Q17*	3Q18*	4Q18*	QoQ	YoY	3Q18	4Q18	QoQ	FY17*	FY18*	YoY	FY18
Wireless	1,811.4	1,778.6	1,698.2	-4.5%	-6.2%	1,760.1	1,689.6	-4.0%	7,203.3	7,040.9	-2.3%	6,954.1
Service	1,699.9	1,657.4	1,625.5	-1.9%	-4.4%	1,638.9	1,616.8	-1.3%	6,747.0	6,610.3	-2.0%	6,523.5
Interconnection	111.5	121.2	72.7	-40.0%	-34.8%	121.2	72.7	-40.0%	456.3	430.6	-5.6%	430.6

#### □ Net addition and LTE penetration continues

- Wireless net adds of 1.1M
- Net subscriber addition continues with successful launch of new pricing plan 'Data ON'
- LTE penetration reached 80.4%

#### [Wireless Subscriber]

(Unit: 1,000)



## 2-2 Business Overview

### Wireline

(Unit: KRW bn)

#### □ Wireline down by 2.1% YoY

	4Q17*	3Q18*	4Q18*	QoQ	YoY	3Q18	4Q18	QoQ	FY17*	FY18*	YoY	FY18
Wireline	1,202.6	1,200.0	1,190.3	-0.8%	-1.0%	1,186.4	1,178.4	-0.7%	4,901.1	4,799.0	-2.1%	4,745.1
Telephony	431.0	421.7	418.3	-0.8%	-2.9%	421.1	417.8	-0.8%	1,834.3	1,710.8	-6.7%	1,708.3
Broadband	512.0	512.8	511.6	-0.2%	-0.1%	499.7	500.3	0.1%	2,012.6	2,050.1	1.9%	1,998.6
Line lease	259.6	265.5	260.3	-1.9%	0.3%	265.5	260.4	-2.0%	1,054.2	1,038.1	-1.5%	1,038.2

#### □ Telephony

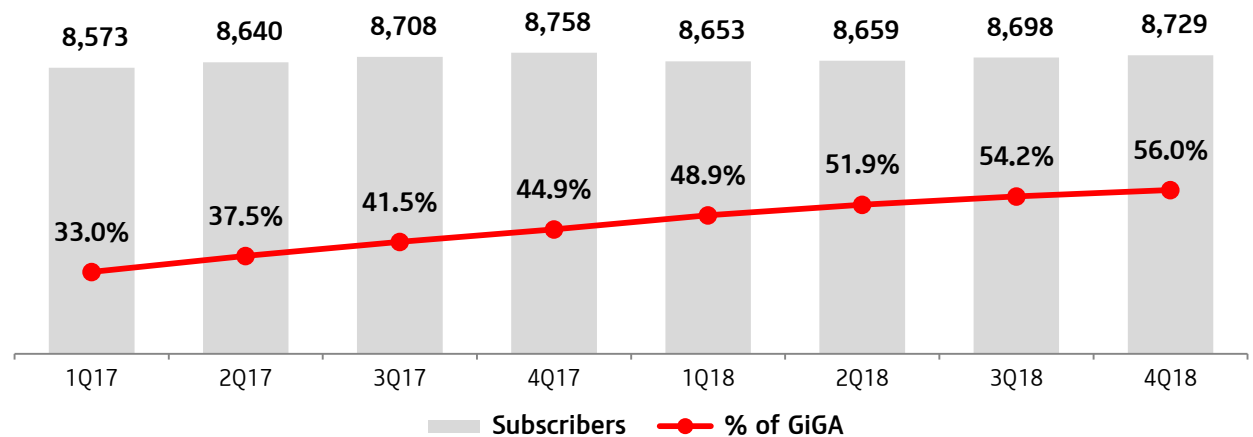
- Revenue down by 6.7% YoY on cord-cutting and usage drop

#### □ Broadband

- Revenue up by 1.9% YoY with GiGA subscriber expansion despite interconnection rate decline
- Revenue excluding interconnection up by 2.9% YoY

#### [Broadband Subscriber]

(Unit: 1,000)



## 2-3 Business Overview

### Media / Contents

(Unit: KRW bn)

#### □ Media/Contents up by 9.4% YoY

	4Q17*	3Q18*	4Q18*	QoQ	YoY	3Q18	4Q18	QoQ	FY17*	FY18*	YoY	FY18
Media/Contents	584.8	625.3	658.1	5.2%	12.5%	616.2	648.7	5.3%	2,238.4	2,449.2	9.4%	2,414.3
Media	472.3	501.9	514.2	2.5%	8.9%	493.2	508.0	3.0%	1,818.3	1,972.9	8.5%	1,942.8
Contents	112.4	123.4	143.8	16.6%	27.9%	123.0	140.7	14.4%	420.1	476.2	13.4%	471.5

#### □ Media

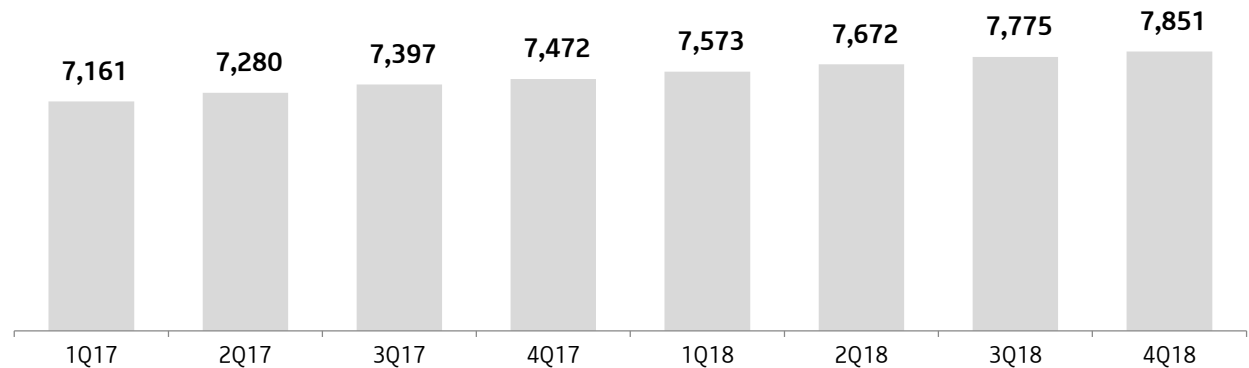
- IPTV net adds of 380K
- Media revenue up by 8.5% YoY on high-quality subscriber expansion and platform revenue increase

#### [IPTV Subscriber]

(Unit: 1,000)

#### □ Contents

- Up by 13.4% YoY on T-commerce revenue growth of KTH



※ Number of IPTV subscribers differs from MSIT's release that applies "Combined Market Share Regulation" under the IPTV law. (KT's 6-month average pay TV subscribers as of 1H18 are 6,605,107.)

## 2-4 Business Overview

### Finance and Others

(Unit: KRW bn)

Finance down by 2.4% YoY

Other Services up by 6.7% YoY

- Other Services revenue up on IDC and real estate growth

	4Q17*	3Q18*	4Q18*	QoQ	YoY	3Q18	4Q18	QoQ	FY17*	FY18*	YoY	FY18
Finance	892.8	882.3	863.2	-2.2%	-3.3%	882.3	863.2	-2.2%	3,528.3	3,444.9	-2.4%	3,444.9
Other Services	566.6	652.0	617.8	-5.2%	9.0%	652.0	641.2	-1.7%	2,252.0	2,403.6	6.7%	2,426.8
IT / Solution	237.0	273.0	271.3	-0.6%	14.5%	273.0	271.3	-0.6%	954.5	1,041.5	9.1%	1,041.5
Real Estate	113.6	141.3	105.2	-25.5%	-7.3%	141.3	128.5	-9.0%	446.6	451.3	1.1%	474.6
Others	216.1	237.7	241.3	1.5%	11.7%	237.7	241.3	1.5%	850.9	910.9	7.0%	910.7

(Unit: KRW bn)

Merchandise up by 10.7% YoY

	4Q17*	3Q18*	4Q18*	QoQ	YoY	3Q18	4Q18	QoQ	FY17*	FY18*	YoY	FY18
Merchandise	1,048.4	847.8	1,017.9	20.1%	-2.9%	851.5	973.4	14.3%	3,264.2	3,614.1	10.7%	3,475.0

# Contents

---

1 Financial Highlights

---

2 Business Overviews

**3 Q&A**

4 Appendix

---

# Contents

---

1 Financial Highlights

---

2 Business Overviews

---

3 Q&A

---

**4 Appendix**

# 4-1 K-IFRS Income Statement

(Unit: KRW bn)

Consolidated	4Q 17*	1Q 18*	2Q 18*	3Q 18*	4Q 18*	1Q 18	2Q 18	3Q 18	4Q 18	KT Separate	4Q 17*	1Q 18*	2Q 18*	3Q 18*	4Q 18*	1Q 18	2Q 18	3Q 18	4Q 18
<b>Operating revenue</b>	<b>6,106.6</b>	<b>5,837.9</b>	<b>5,882.4</b>	<b>5,986.0</b>	<b>6,045.5</b>	<b>5,710.2</b>	<b>5,806.9</b>	<b>5,948.5</b>	<b>5,994.5</b>	<b>Operating revenue</b>	<b>4,575.3</b>	<b>4,418.4</b>	<b>4,344.7</b>	<b>4,402.7</b>	<b>4,491.5</b>	<b>4,297.2</b>	<b>4,283.0</b>	<b>4,358.2</b>	<b>4,418.2</b>
<b>Service revenue</b>	<b>5,058.2</b>	<b>4,921.7</b>	<b>5,050.2</b>	<b>5,138.2</b>	<b>5,027.6</b>	<b>4,863.6</b>	<b>5,003.6</b>	<b>5,096.9</b>	<b>5,021.1</b>	<b>Service revenue</b>	<b>3,570.0</b>	<b>3,555.1</b>	<b>3,622.7</b>	<b>3,619.7</b>	<b>3,532.4</b>	<b>3,501.5</b>	<b>3,581.4</b>	<b>3,582.3</b>	<b>3,508.3</b>
Wireless	1,811.4	1,777.9	1,786.2	1,778.6	1,698.2	1,740.8	1,763.7	1,760.1	1,689.6	Wireless	1,782.5	1,751.3	1,758.9	1,751.2	1,665.5	1,713.8	1,735.5	1,731.4	1,655.0
Fixed line	1,202.6	1,212.4	1,196.3	1,200.0	1,190.3	1,198.8	1,181.5	1,186.4	1,178.4	Fixed line	1,186.5	1,197.9	1,189.3	1,186.3	1,176.9	1,186.5	1,176.4	1,174.7	1,167.1
Media/Contents	584.8	561.7	604.2	625.3	658.1	554.2	595.2	616.2	648.7	Media	317.6	323.1	361.9	359.2	366.0	318.7	357.2	353.5	362.3
Finance	892.8	832.7	866.7	882.3	863.2	832.7	866.7	882.3	863.2	Other service	283.4	282.8	312.7	323.1	324.0	282.5	312.3	322.6	323.9
Others	566.6	537.0	596.8	652.0	617.8	537.1	596.5	652.0	641.2										
<b>Merchandise rev.</b>	<b>1,048.4</b>	<b>916.1</b>	<b>832.2</b>	<b>847.8</b>	<b>1,017.9</b>	<b>846.6</b>	<b>803.4</b>	<b>851.5</b>	<b>973.4</b>	<b>Merchandise rev.</b>	<b>1,005.3</b>	<b>863.3</b>	<b>722.0</b>	<b>783.0</b>	<b>959.1</b>	<b>795.6</b>	<b>701.6</b>	<b>775.9</b>	<b>909.9</b>
<b>Operating expense</b>	<b>5,972.8</b>	<b>5,402.7</b>	<b>5,505.4</b>	<b>5,665.2</b>	<b>5,959.9</b>	<b>5,313.1</b>	<b>5,407.8</b>	<b>5,579.0</b>	<b>5,898.7</b>	<b>Operating expense</b>	<b>4,514.9</b>	<b>4,078.8</b>	<b>4,067.5</b>	<b>4,184.9</b>	<b>4,457.6</b>	<b>3,992.2</b>	<b>3,975.4</b>	<b>4,077.6</b>	<b>4,359.8</b>
<b>Service expense</b>	<b>4,804.7</b>	<b>4,458.3</b>	<b>4,597.3</b>	<b>4,726.4</b>	<b>4,854.3</b>	<b>4,368.6</b>	<b>4,499.6</b>	<b>4,640.2</b>	<b>4,793.2</b>	<b>Service expense</b>	<b>3,473.3</b>	<b>3,227.9</b>	<b>3,348.5</b>	<b>3,403.8</b>	<b>3,510.7</b>	<b>3,141.3</b>	<b>3,256.4</b>	<b>3,296.6</b>	<b>3,412.9</b>
Labor expense	978.0	923.5	989.6	930.2	1,004.8	922.1	987.5	930.1	1,006.1	Labor expense	575.3	526.9	599.0	540.4	542.6	526.9	599.0	540.4	542.6
General expense	2,536.4	2,363.6	2,466.6	2,492.8	2,510.6	2,353.1	2,454.6	2,494.6	2,499.1	General expense	1,779.0	1,633.4	1,671.2	1,675.4	1,750.9	1,627.8	1,658.8	1,658.3	1,731.2
Cost of svc provided	676.4	649.7	610.5	678.8	681.7	649.7	609.8	678.8	681.9	Cost of svc provided	507.6	519.0	518.1	540.4	528.7	519.0	518.1	540.4	528.7
Selling expense	613.8	521.4	530.5	624.5	657.2	443.7	447.8	536.6	606.0	Selling expense	611.3	548.5	560.2	647.6	688.4	467.6	480.5	557.5	610.3
<b>Merchandise cost</b>	<b>1,168.1</b>	<b>944.4</b>	<b>908.2</b>	<b>938.9</b>	<b>1,105.6</b>	<b>944.4</b>	<b>908.2</b>	<b>938.9</b>	<b>1,105.6</b>	<b>Merchandise cost</b>	<b>1,041.7</b>	<b>850.9</b>	<b>718.9</b>	<b>781.0</b>	<b>946.9</b>	<b>850.9</b>	<b>718.9</b>	<b>781.0</b>	<b>946.9</b>
<b>Operating income</b>	<b>133.7</b>	<b>435.1</b>	<b>376.9</b>	<b>320.8</b>	<b>85.6</b>	<b>397.1</b>	<b>399.1</b>	<b>369.5</b>	<b>95.8</b>	<b>Operating income</b>	<b>60.4</b>	<b>339.6</b>	<b>277.2</b>	<b>217.8</b>	<b>33.9</b>	<b>305.0</b>	<b>307.7</b>	<b>280.6</b>	<b>58.4</b>
<b>N-OP income (loss)</b>	<b>-247.3</b>	<b>-47.2</b>	<b>-14.6</b>	<b>-39.1</b>	<b>-90.6</b>	<b>-44.1</b>	<b>-7.9</b>	<b>-35.4</b>	<b>-83.3</b>	<b>N-OP income (loss)</b>	<b>-205.2</b>	<b>124.3</b>	<b>-27.9</b>	<b>-7.9</b>	<b>-175.0</b>	<b>127.3</b>	<b>-21.3</b>	<b>-4.2</b>	<b>-167.7</b>
N-operating income	235.6	128.7	210.5	100.3	146.8	130.0	211.3	101.0	147.9	N-operating income	200.8	283.5	185.2	104.6	125.3	284.8	186.0	105.2	126.3
N-operating expense	469.1	174.9	226.3	136.5	234.7	173.2	220.5	133.5	228.4	N-operating expense	406.0	159.2	213.1	112.4	300.3	157.5	207.2	109.4	294.0
Equity method (G/L)	-13.9	-1.0	1.2	-3.0	-2.7	-1.0	1.2	-3.0	-2.7										
<b>Income bf taxes</b>	<b>-113.6</b>	<b>388.0</b>	<b>362.4</b>	<b>281.6</b>	<b>-5.1</b>	<b>353.0</b>	<b>391.2</b>	<b>334.0</b>	<b>12.5</b>	<b>Income bf taxes</b>	<b>-144.8</b>	<b>463.9</b>	<b>249.3</b>	<b>210.0</b>	<b>-141.1</b>	<b>432.2</b>	<b>286.4</b>	<b>276.4</b>	<b>-109.3</b>
Income tax	9.9	135.4	105.4	80.6	-9.7	128.9	110.5	94.6	-5.6	Income tax	-14.8	123.9	66.6	56.0	50.7	115.4	76.5	73.8	58.8
<b>Income from con. op</b>	<b>-123.5</b>	<b>252.5</b>	<b>256.9</b>	<b>201.0</b>	<b>4.6</b>	<b>224.1</b>	<b>280.7</b>	<b>239.5</b>	<b>18.1</b>										
Income from discon. op	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0										
<b>Net income</b>	<b>-123.5</b>	<b>252.5</b>	<b>256.9</b>	<b>201.0</b>	<b>4.6</b>	<b>224.1</b>	<b>280.7</b>	<b>239.5</b>	<b>18.1</b>	<b>Net income</b>	<b>-130.1</b>	<b>340.0</b>	<b>182.8</b>	<b>153.9</b>	<b>-191.8</b>	<b>316.8</b>	<b>209.9</b>	<b>202.6</b>	<b>-168.1</b>
NI contribution to KT	-126.1	227.5	229.5	184.8	1.8	197.0	251.0	222.5	18.0										
<b>EBITDA</b>	<b>968.8</b>	<b>1,266.9</b>	<b>1,199.0</b>	<b>1,136.2</b>	<b>898.0</b>	<b>1,228.9</b>	<b>1,221.2</b>	<b>1,184.9</b>	<b>908.2</b>	<b>EBITDA</b>	<b>805.7</b>	<b>1,081.3</b>	<b>1,009.0</b>	<b>940.3</b>	<b>755.2</b>	<b>1,046.6</b>	<b>1,039.4</b>	<b>1,003.1</b>	<b>779.7</b>
EBITDA Margin	15.9%	21.7%	20.4%	19.0%	14.9%	21.5%	21.0%	19.9%	15.2%	EBITDA Margin	17.6%	24.5%	23.2%	21.4%	16.8%	24.4%	24.3%	23.0%	17.6%

\* K-IFRS 1018 (old-standard)



# 4-2 K-IFRS Balance Sheet

(Unit: KRW bn)

Consolidated	1Q 17*	2Q 17*	3Q 17*	4Q 17*	1Q 18	2Q 18	3Q 18	4Q 18	KT Separate	1Q 17*	2Q 17*	3Q 17*	4Q 17*	1Q 18	2Q 18	3Q 18	4Q 18
<b>Asset</b>	<b>30,252.9</b>	<b>27,975.8</b>	<b>29,523.3</b>	<b>29,730.9</b>	<b>30,618.1</b>	<b>30,118.3</b>	<b>32,794.8</b>	<b>32,188.8</b>	<b>Asset</b>	<b>23,827.5</b>	<b>23,031.6</b>	<b>23,532.2</b>	<b>23,485.2</b>	<b>24,790.1</b>	<b>24,528.5</b>	<b>24,958.9</b>	<b>26,010.9</b>
<b>Current assets</b>	<b>10,008.4</b>	<b>7,743.1</b>	<b>9,504.4</b>	<b>9,672.4</b>	<b>11,078.6</b>	<b>10,847.2</b>	<b>13,812.8</b>	<b>11,894.3</b>	<b>Current assets</b>	<b>4,652.4</b>	<b>4,104.5</b>	<b>4,753.3</b>	<b>4,529.9</b>	<b>6,462.9</b>	<b>6,416.9</b>	<b>7,126.4</b>	<b>6,861.6</b>
Cash & cash equi.	2,002.1	1,656.5	2,168.6	1,928.2	1,777.5	2,249.7	2,718.1	2,703.4	Cash & cash equi.	1,102.6	911.6	1,323.8	1,166.4	1,064.1	1,464.3	1,832.5	1,779.7
Trade & other rec	3,347.0	3,535.1	3,591.1	3,706.1	3,636.7	3,740.1	3,951.1	3,874.9	Trade & other rec	2,713.8	2,767.8	2,751.9	2,890.6	2,997.9	2,977.9	2,969.0	2,968.8
Inventories	499.0	420.0	346.7	457.7	716.0	594.5	503.5	684.0	Inventories	287.2	205.3	142.3	232.2	450.7	360.4	298.5	465.3
Other current asset	4,160.2	2,131.6	3,398.0	3,580.4	4,948.5	4,262.9	6,640.1	4,631.9	Other current asset	548.8	219.7	535.4	240.6	1,950.3	1,614.4	2,026.4	1,647.8
- Prepaid_Contract cost	-	-	-	-	987.2	1,037.8	1,070.5	1,098.2	- Prepaid_Contract cost	-	-	-	-	1,005.8	1,048.7	1,090.8	1,127.8
- Contract assets	-	-	-	-	313.1	298.4	305.2	306.9	- Contract assets	-	-	-	-	289.1	274.7	282.5	285.3
<b>Non-current assets</b>	<b>20,244.5</b>	<b>20,232.7</b>	<b>20,018.9</b>	<b>20,058.5</b>	<b>19,539.5</b>	<b>19,271.1</b>	<b>18,982.0</b>	<b>20,294.6</b>	<b>Non-current assets</b>	<b>19,175.1</b>	<b>18,927.1</b>	<b>18,778.9</b>	<b>18,955.4</b>	<b>18,327.1</b>	<b>18,111.6</b>	<b>17,832.5</b>	<b>19,149.3</b>
Trade & other rec	609.6	647.8	629.8	800.6	689.2	770.1	678.8	810.6	Trade & other rec	541.7	581.7	556.8	735.7	624.1	705.1	611.1	766.3
P.P.E	13,865.5	13,409.7	13,288.5	13,562.3	13,161.7	13,000.0	12,855.3	13,068.3	P.P.E	11,538.2	11,117.3	11,074.7	11,375.0	11,008.2	10,777.8	10,645.3	10,864.4
Other current asset	5,769.4	6,175.2	6,100.5	5,695.6	5,688.5	5,501.0	5,448.0	6,415.7	Other current asset	7,095.2	7,228.1	7,147.3	6,844.6	6,694.9	6,628.7	6,576.1	7,518.6
- Prepaid_Contract cost	-	-	-	-	343.5	362.6	368.5	371.7	- Prepaid_Contract cost	-	-	-	-	331.4	336.9	349.8	360.0
- Contract assets	-	-	-	-	74.0	79.3	92.9	91.9	- Contract assets	-	-	-	-	64.0	69.3	82.5	81.6
<b>Liabilities</b>	<b>17,335.3</b>	<b>14,787.2</b>	<b>16,102.0</b>	<b>16,520.3</b>	<b>16,474.1</b>	<b>15,681.3</b>	<b>18,093.3</b>	<b>17,457.6</b>	<b>Liabilities</b>	<b>12,508.1</b>	<b>11,549.5</b>	<b>11,894.8</b>	<b>12,039.9</b>	<b>12,320.3</b>	<b>11,869.2</b>	<b>12,091.3</b>	<b>13,299.2</b>
<b>Current liabilities</b>	<b>9,730.6</b>	<b>7,291.8</b>	<b>8,831.7</b>	<b>9,474.2</b>	<b>9,453.7</b>	<b>9,117.6</b>	<b>11,185.1</b>	<b>9,387.7</b>	<b>Current liabilities</b>	<b>5,652.6</b>	<b>4,758.0</b>	<b>5,354.3</b>	<b>5,612.7</b>	<b>5,899.2</b>	<b>5,943.6</b>	<b>5,822.2</b>	<b>5,908.5</b>
Trade & other payables	7,386.0	5,628.9	6,673.9	7,357.4	6,974.4	6,199.7	8,700.2	7,007.5	Trade & other payables	3,842.5	3,653.6	3,733.4	4,109.5	4,074.7	3,602.2	3,887.7	4,002.4
Short-term borrowings	1,647.5	988.7	1,586.0	1,573.5	1,534.3	1,940.0	1,417.0	1,368.5	Short-term borrowings	1,433.4	712.4	1,336.6	1,298.5	1,230.1	1,688.7	1,179.3	1,181.4
Others	697.2	674.3	571.8	543.3	945.1	977.9	1,067.9	1,011.7	Others	376.6	392.0	284.4	204.7	594.4	652.8	755.2	724.7
- Contract liabilities	-	-	-	-	270.8	281.0	289.3	300.7	- Contract liabilities	-	-	-	-	274.4	280.0	287.4	301.1
<b>Non-current liabilities</b>	<b>7,604.7</b>	<b>7,495.4</b>	<b>7,270.2</b>	<b>7,046.1</b>	<b>7,020.4</b>	<b>6,563.7</b>	<b>6,908.2</b>	<b>8,069.8</b>	<b>Non-current liabilities</b>	<b>6,855.5</b>	<b>6,791.5</b>	<b>6,540.5</b>	<b>6,427.2</b>	<b>6,421.1</b>	<b>5,925.5</b>	<b>6,269.1</b>	<b>7,390.7</b>
Trade & other payables	886.9	894.1	900.6	893.1	667.9	661.0	658.2	1,513.9	Trade & other payables	942.9	945.0	946.3	958.2	728.4	711.1	706.2	1,460.1
Long-term borrowings	5,697.7	5,536.3	5,262.2	5,110.2	5,155.0	4,664.5	4,953.2	5,279.8	Long-term borrowings	5,370.6	5,278.5	5,006.7	4,914.4	5,007.5	4,515.1	4,815.8	5,132.1
Others	1,020.0	1,065.0	1,107.5	1,042.8	1,197.5	1,238.2	1,296.8	1,276.2	Others	542.0	568.0	587.4	554.6	685.2	699.4	747.1	798.5
- Contract liabilities	-	-	-	-	52.1	45.8	42.1	46.8	- Contract liabilities	-	-	-	-	47.6	41.7	38.8	43.7
<b>Equity</b>	<b>12,917.6</b>	<b>13,188.6</b>	<b>13,421.3</b>	<b>13,210.6</b>	<b>14,144.0</b>	<b>14,437.0</b>	<b>14,701.5</b>	<b>14,731.3</b>	<b>Equity</b>	<b>11,319.4</b>	<b>11,482.1</b>	<b>11,637.5</b>	<b>11,445.3</b>	<b>12,469.8</b>	<b>12,659.4</b>	<b>12,867.6</b>	<b>12,711.7</b>
Retained earnings	9,792.1	10,011.6	10,190.7	9,988.4	10,860.2	11,107.9	11,336.5	11,328.9	Retained earnings	9,376.3	9,535.1	9,682.5	9,478.7	10,514.6	10,721.5	10,923.0	10,740.0

\* K-IFRS 1018 (old-standard)

## 4-3 Subscribers

Wireless	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18	QoQ	YoY
Subscribers (Unit: 1,000) <sup>1)</sup>										
<b>Total (LTE+WCDMA)</b>	<b>19,234</b>	<b>19,521</b>	<b>19,795</b>	<b>20,015</b>	<b>20,378</b>	<b>20,662</b>	<b>20,920</b>	<b>21,120</b>	<b>1.0%</b>	<b>5.5%</b>
Net additions	342	287	274	220	363	284	258	200	-22.2%	-9.0%
Gross additions	1,243	1,225	1,270	1,264	1,211	1,160	1,200	1,179	-1.7%	-6.7%
Deactivation <sup>2)</sup>	901	938	996	1,043	848	876	942	978	3.9%	-6.7%
Churn rate	1.6%	1.6%	1.7%	1.7%	1.4%	1.4%	1.5%	1.6%	0.1%p	-0.1%p
LTE	14,608	14,869	15,179	15,462	15,867	16,224	16,612	16,971	2.2%	9.8%
LTE Penetration rate	75.9%	76.2%	76.7%	77.2%	77.9%	78.5%	79.4%	80.4%	1.0%p	3.2%p
<b>ARPU (KRW)<sup>3)</sup></b>	<b>34,537</b>	<b>34,554</b>	<b>34,608</b>	<b>34,077</b>	<b>32,993</b>	<b>32,733</b>	<b>32,372</b>	<b>31,608<sup>4)</sup></b>	<b>-2.4%</b>	<b>-7.2%</b>

Note 1) Subscribers: MSIT's new guidelines for subscriber disclosure (Retroactively applied from 1Q14, MVNO included)

Note 2) Deactivation: Mandatory deactivation included

Note 3) ARPU = Wireless revenue\* / Wireless subscribers\*\*

\* Wireless revenue(3G, LTE and IoT included):Revenue of Voice and Data usage (Interconnection/Subscription fee excluded), VAS, Contract/ Bundled Discounts, and etc. included

\*\* Wireless subscribers: Based on MSIT's guidelines for average billed subscribers in quarter

Note 4) ARPU based on old standard (New standard wireless ARPU 31,450)

Wireline	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18	QoQ	YoY
Subscribers (Unit:1,000)										
<b>Telephony</b>	<b>16,129</b>	<b>16,045</b>	<b>15,815</b>	<b>15,610</b>	<b>15,478</b>	<b>15,343</b>	<b>15,163</b>	<b>14,992</b>	<b>-1.1%</b>	<b>-4.0%</b>
PSTN	12,679	12,576	12,376	12,201	12,080	11,949	11,786	11,637	-1.3%	-4.6%
VoIP	3,450	3,469	3,439	3,409	3,398	3,394	3,377	3,355	-0.7%	-1.6%
<b>Broadband</b>	<b>8,573</b>	<b>8,640</b>	<b>8,708</b>	<b>8,758</b>	<b>8,653</b>	<b>8,659</b>	<b>8,698</b>	<b>8,729</b>	<b>0.4%</b>	<b>-0.3%</b>
<b>IPTV (OTV+OTS)</b>	<b>7,161</b>	<b>7,280</b>	<b>7,397</b>	<b>7,472</b>	<b>7,573</b>	<b>7,672</b>	<b>7,775</b>	<b>7,851</b>	<b>1.0%</b>	<b>5.1%</b>

※ Number of IPTV subscribers differs from MSIT's release that applies "Combined Market Share Regulation" under the IPTV law.  
(KT's 6-month average pay TV subscribers as of 1H18 are 6,605,107.)

Hi Five! 

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