



Conversions

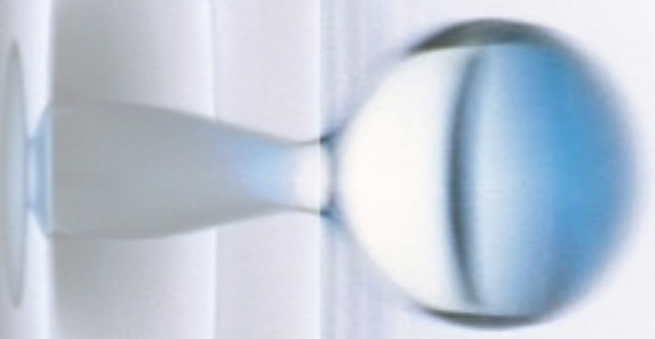
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Value Added Services Over Cable

D.J. Kim

Sr. VP,
Thrunet Co.





..... a **Broadband Service Company**

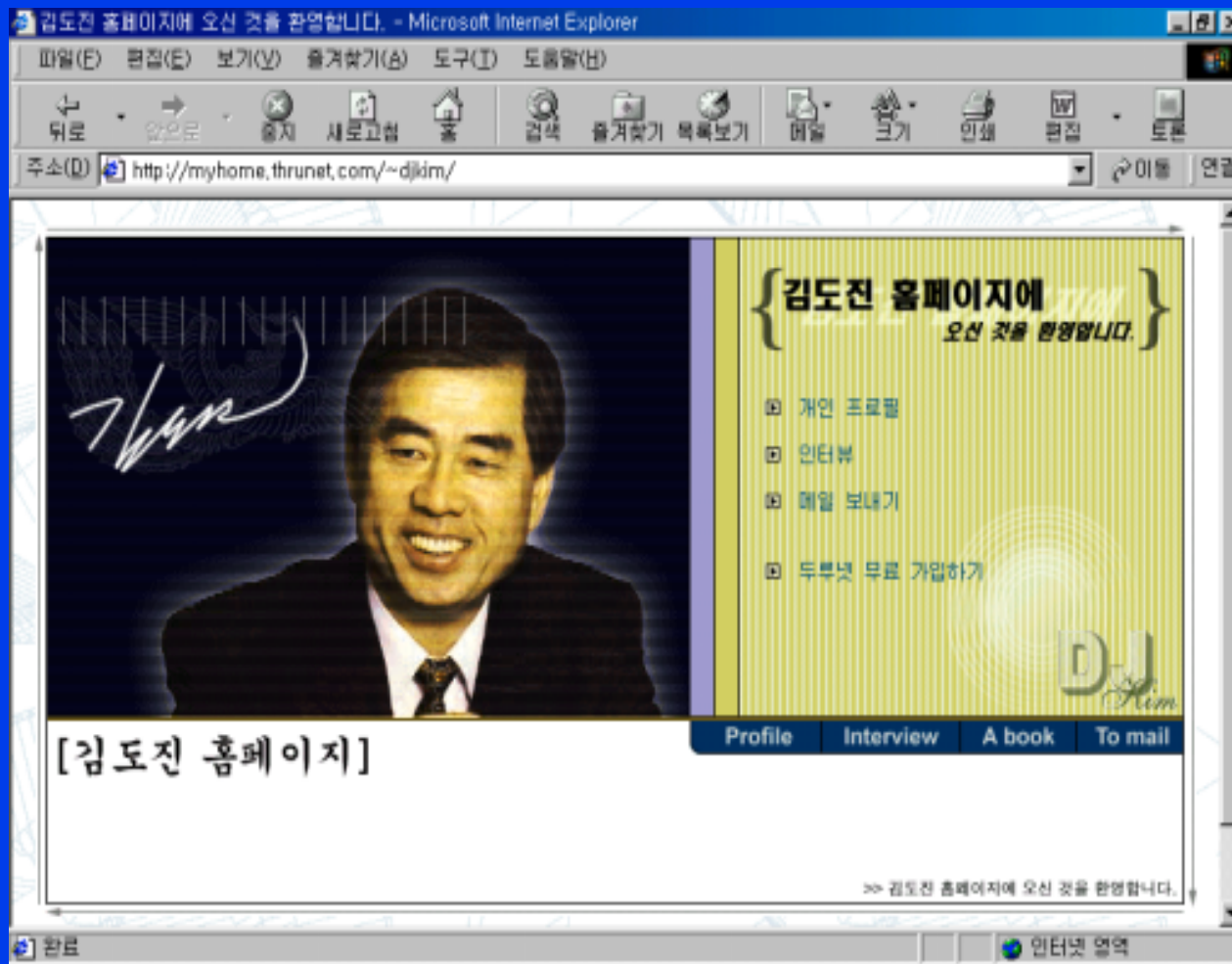
D.J Kim

Senior Vice President

djkim@corp.thrunet.com

September 2000

Personal Background



- 1978 – POS, National Semi
- 1982 -- World's First Unix PC, Fortune Systems
- 1987 – Trigem Computer
- 1992 – Naray Mobile
- 1998 – SVP, Thrunet
Also CEO, Metaland

<http://myhome.thrunet.com/~djkim>

Today's Topics



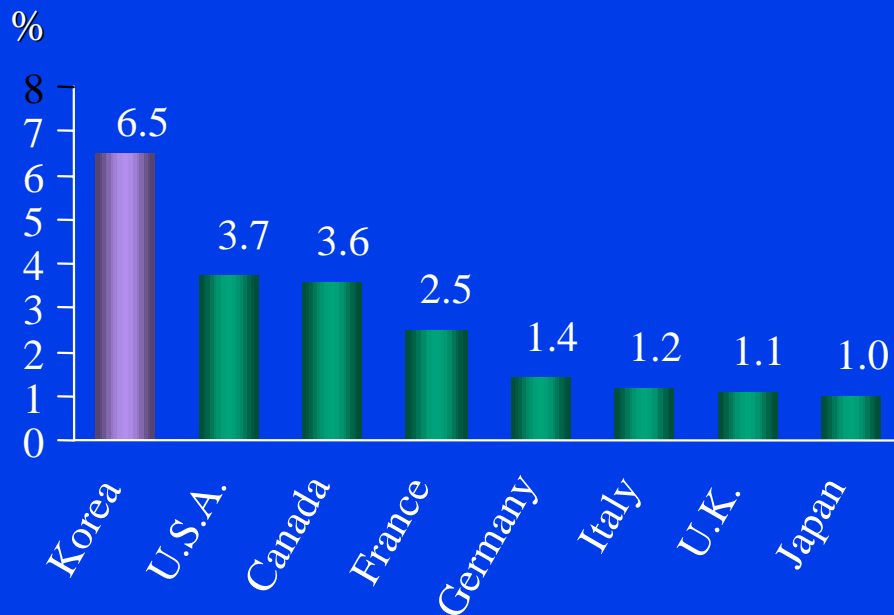
- Introduction to Korean Internet
- Thrunet
 - Broadband Internet Service
 - Data Communication Biz
 - Broadband Portal
- Game-bang

The Korea Internet Opportunity

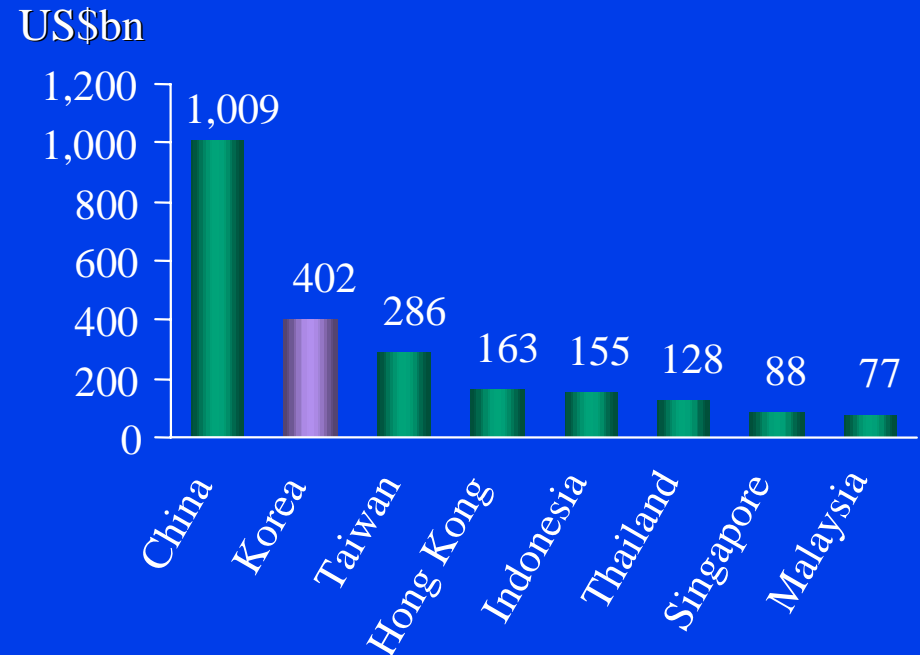


Third largest economy in Asia with a population of over 46MM
Second quarter 1999 GDP growth at 10.7% and 9% expected in 2000

1999E Real GDP Growth



1999E GDP – Asia (ex-Japan)



Source: IMF, World Economic Outlook, September 1999

Source: IMF, World Economic Outlook, September 1999

The Korea Internet Opportunity

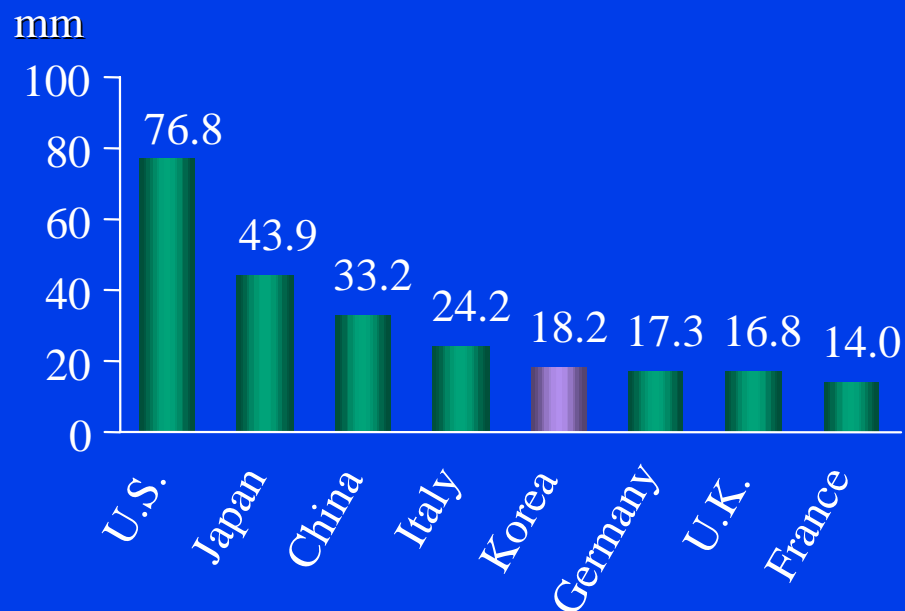


High propensity for new communications technology reflected in wide social acceptance of wireless phone

Significant PC installed base with potential for long-term growth

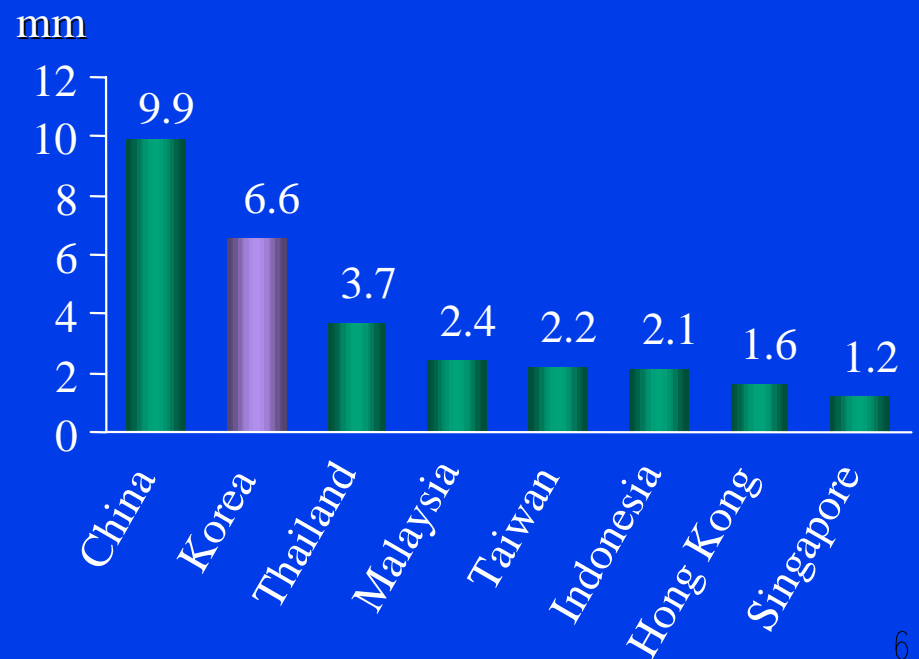
At the end of 1999, Mobile users 22MM, PC Installed 8MM

Top Wireless Subscribers (June 1999)



Source: Global Mobile, September 1999

1998 PC Installed Base – Asia (ex-Japan)



Source: IDC, March 1999

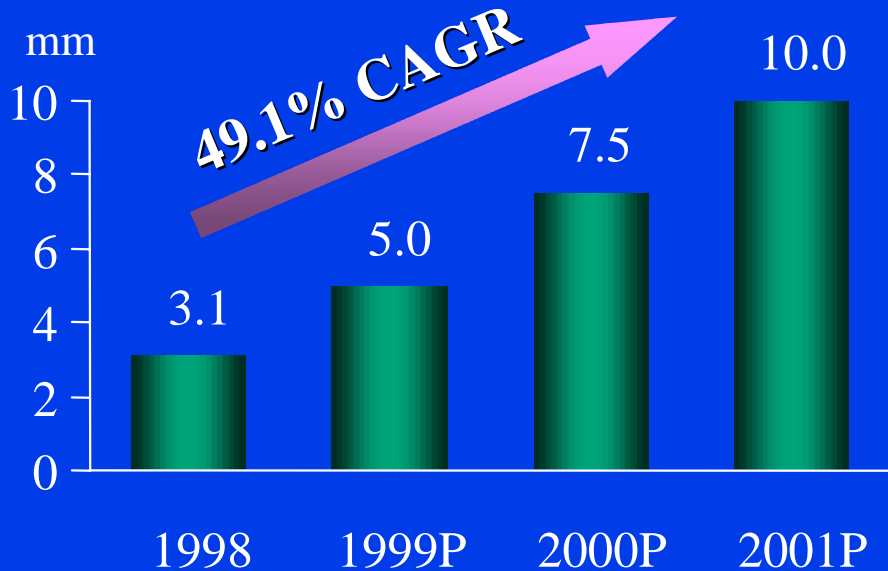
The Korea Internet Opportunity



Currently the largest Internet user base in ex-Japan Asia

Ranked first worldwide in terms of the number of registered domains

Korean Internet Users



As of December of 1999, Internet penetration has topped 10 million users, a penetration of 23% of the population

Pace of broadband subscriber growth has surpassed expectations and cable modem has remained the mode of choice

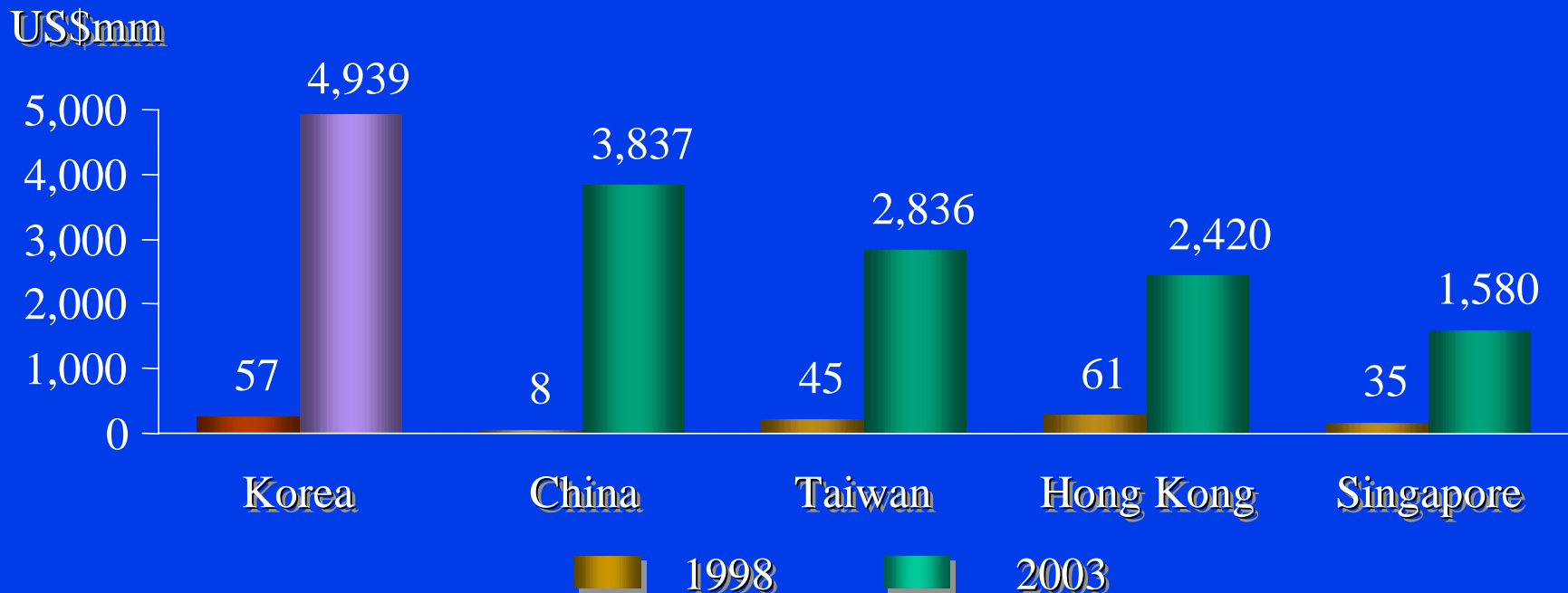
The Korea Internet Opportunity



#2 on-line brokerage market after the U.S.

11% of all Korean Internet users purchased products or services via the Internet in 1998, growing to 33% by year end 2003, according to IDC

Largest E-commerce Market in Asia (ex-Japan)



Source: IDC, March 1999

Government Support



Strong government sponsorship for Internet : Cyber Korea 21

- Provide computer education to 10MM students and 1.5MM civil servants
- Link all primary and secondary schools to the High-speed Internet
- Set up Internet plazas in public institutions (e.g. post offices) to allow easy Internet access

Telecommunications deregulation creates tremendous growth opportunity for new market entrants

Thrunet History



1996. 7.30

Thrunet established

1997. 7. 1

Leased line service launched

1997. 9.26

Thrunet-KEPCO-Microsoft reached an agreement for broadband Internet service



1998. 7. 1

Broadband Internet commercial service started

1999. 9

First investment by Microsoft

1999. 11

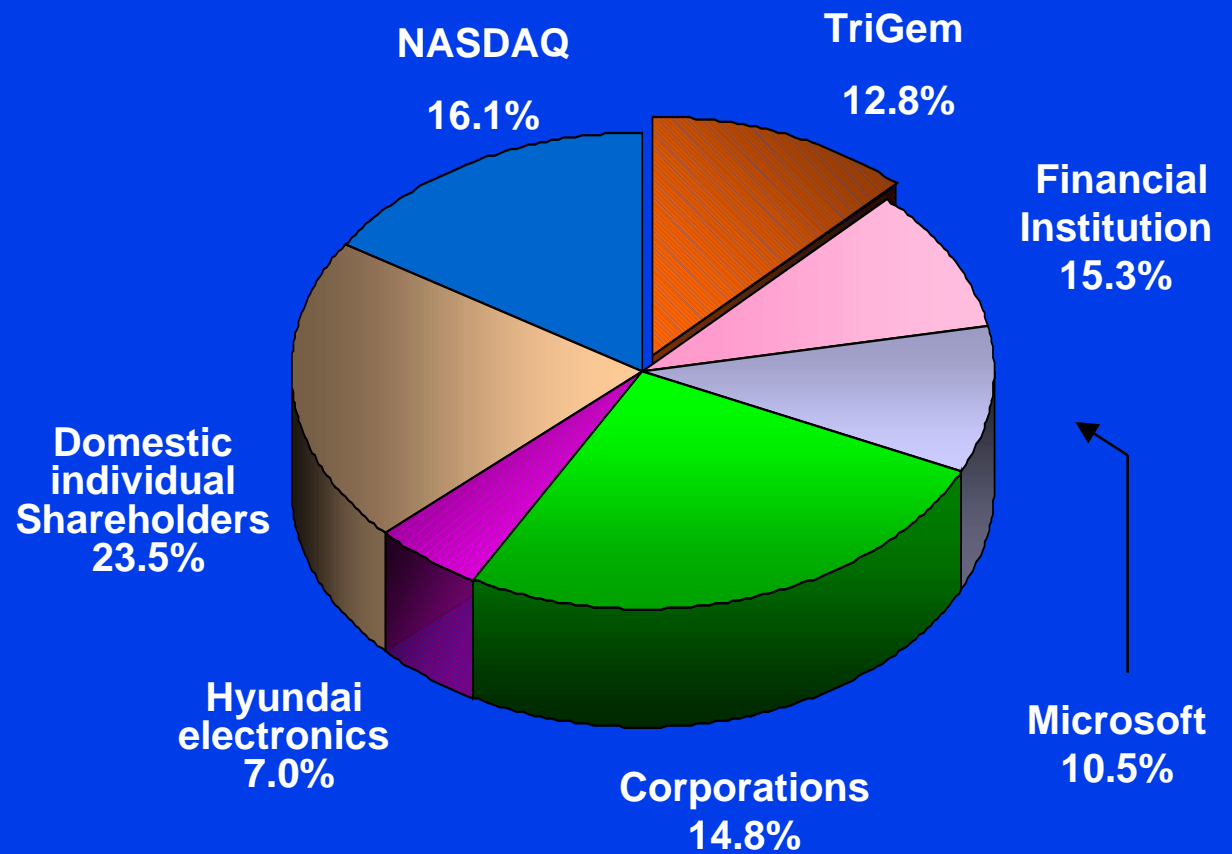
Listing on NASDAQ



Shareholders



- TriGem
- Microsoft
- Hyundai Electronics
- Financial Institution
- Corporations
- NASDAQ
- Domestic individual Shareholders



What we do & Who we are



Broadband Internet Access

- The leading Korean broadband Internet access provider with the “First-Mover” advantage to build a critical mass of subscribers and establish a dominant market position

Data Communications

- A fast growing facilities-based data communications service provider to corporations and major telecommunications carriers

Enhanced Internet Services

- Provides co-location and web hosting services to SOHOs and SMEs that complement Thrunet’s Internet access business

Portal/ e-commerce

- The leading broadband portal service provider with rich multimedia content offerings
- Korea.com umbrella brand will integrate the company’s cohesive suite of portal and e-commerce offerings to Korea and overseas customers

BUSINESS SUMMARY (Broadband Internet)



The #1 broadband Internet access service provider In Korea

- “Always-on” Internet access at speeds up to 100 times faster than traditional dial-up services

Secured 6.2 MM homes passed

- Approximately 43% of penetration of total homes in Korea
- ThruNet’s own HFC network encompasses 2.9 MM homes

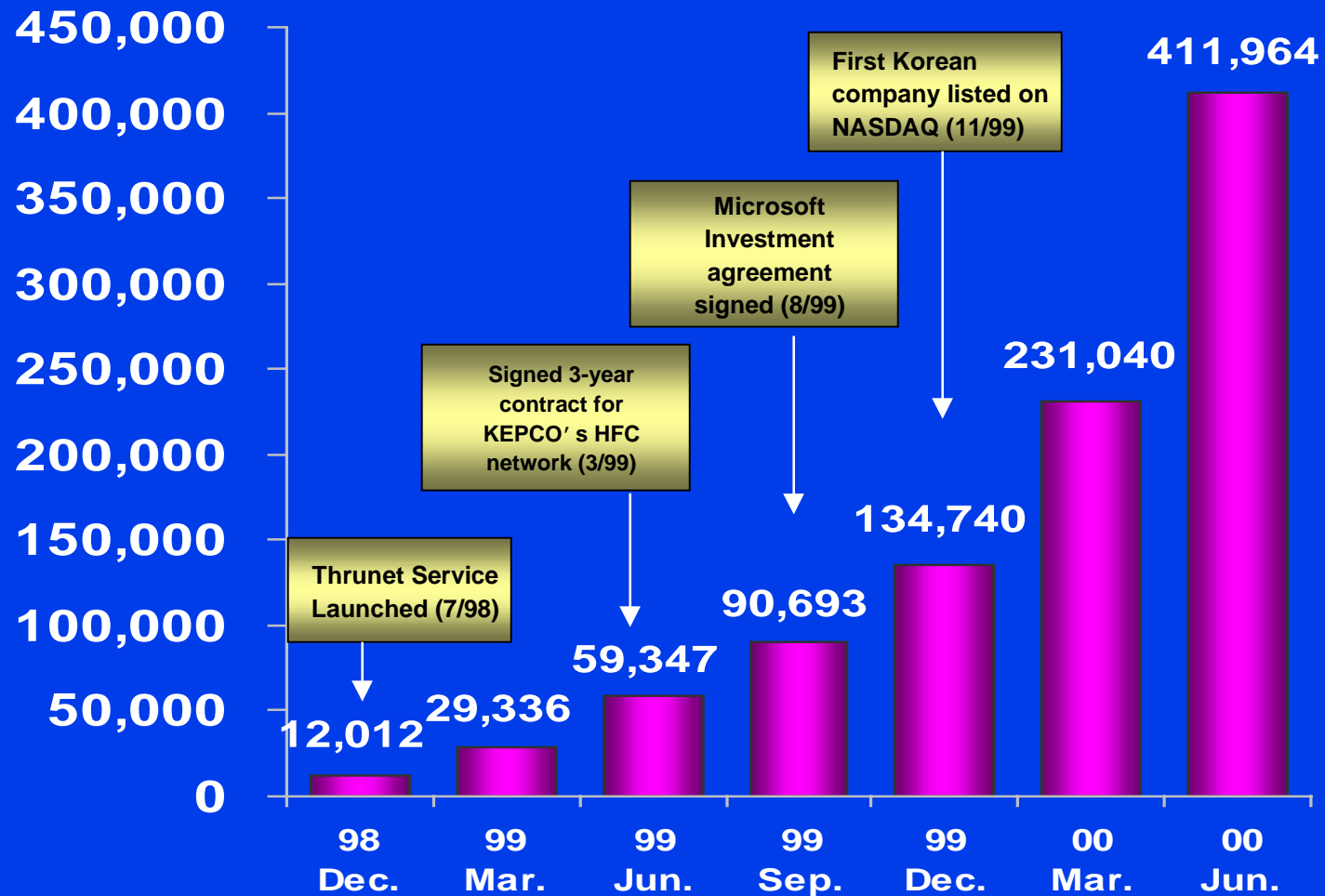
Provides services in 50 SO areas out of 77 total

- Exclusive partnership with 42 out of 77 cable system operators

293,775 subscribers as of 4/30/00, up from 134,740 at year-end 1999, with a backlog of approximately 130,000

Competitively positioned against other broadband access service providers in terms of brand power, network deployment, pricing, strategic relationships and sales and distribution

Broadband Subscriber Growth



Marketing Channels



The Competition Status



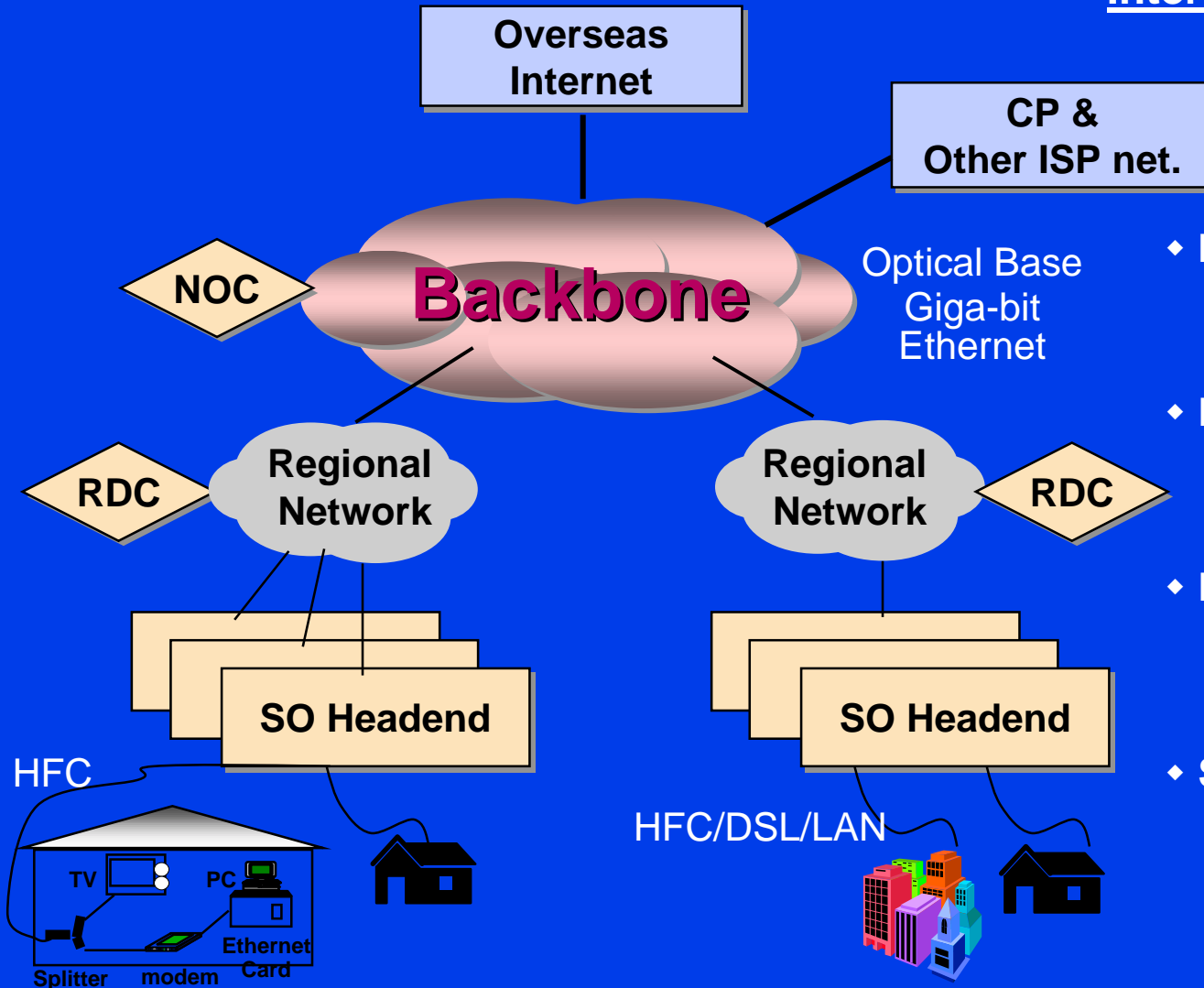
	(As of end-June, 2000)		
	Thrunet	Hanaro	KT
Technology	Cable Modem	Cable Modem/ ADSL	ADSL
Rate(US\$)	\$34	\$34 (DSL Pro) \$28 (DSL Lite) \$32 (CM)	\$34 (ADSL) \$28 (ADSL B&A)
# of Subscribers	411,964	445,186	545,553 (Including 222,463 B&A subscribers)
Market Share	28%	30%	37%
Network	Powercomm' s HFC Thrunet' s HFC	Powercomm' s HFC Hanro' s FTTC	KT' s B/B PSTN
Service Coverage	6.5 MM Homes passed	3.2 MM Homes passed	Limited areas in major cities

Source: Hanaro (Prospectus), KT/Dreamline(KRNIC), dated March, 2000

Thrunet's High-speed Internet Network



Internet N/W Construction Plan



◆ NOC

- Interconnection with other ISP networks up to 100Mbps

◆ RDC

- ◆ '98 : Seoul & Pusan,
- ◆ '99 : Taegu, Kwangju, Taejeon

◆ Fiber Transmission Network

- ◆ Long-Distance N/W
- ◆ Local N/W

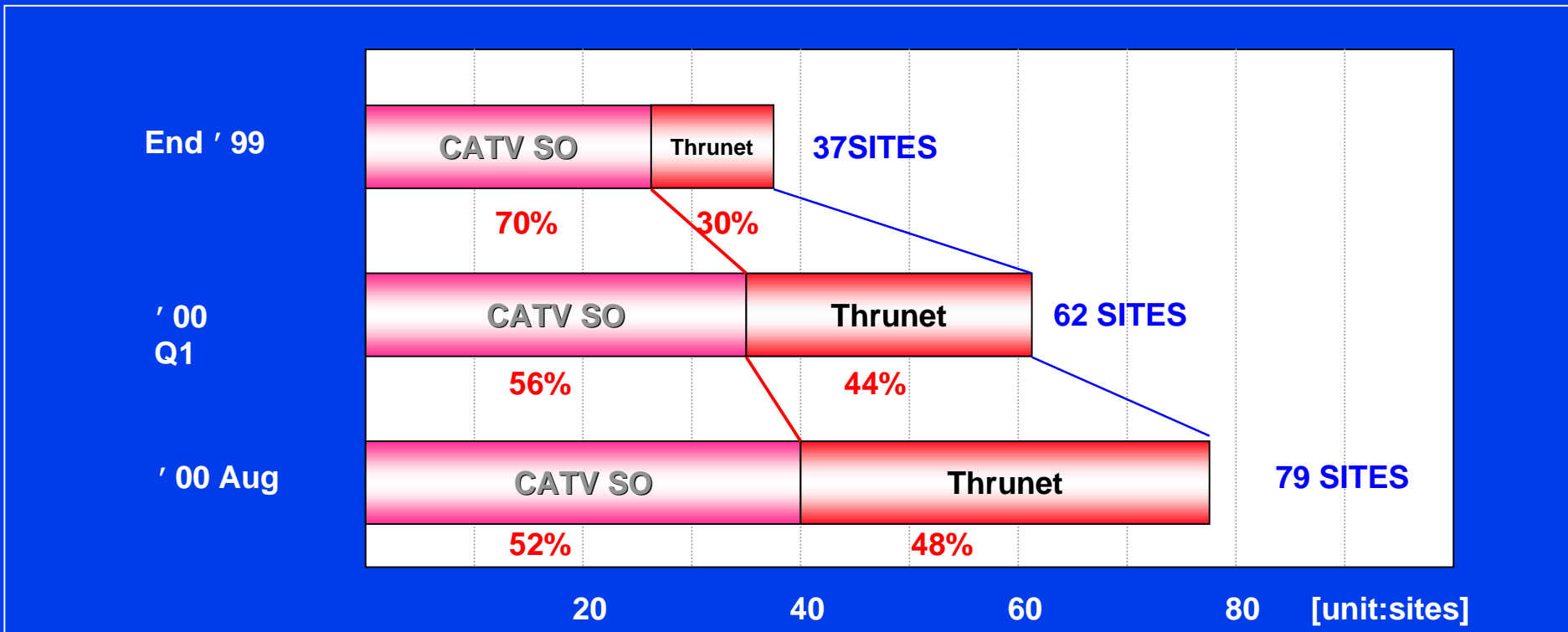
◆ Switch Network

- ◆ Employs IP-base Network

System Operators Status



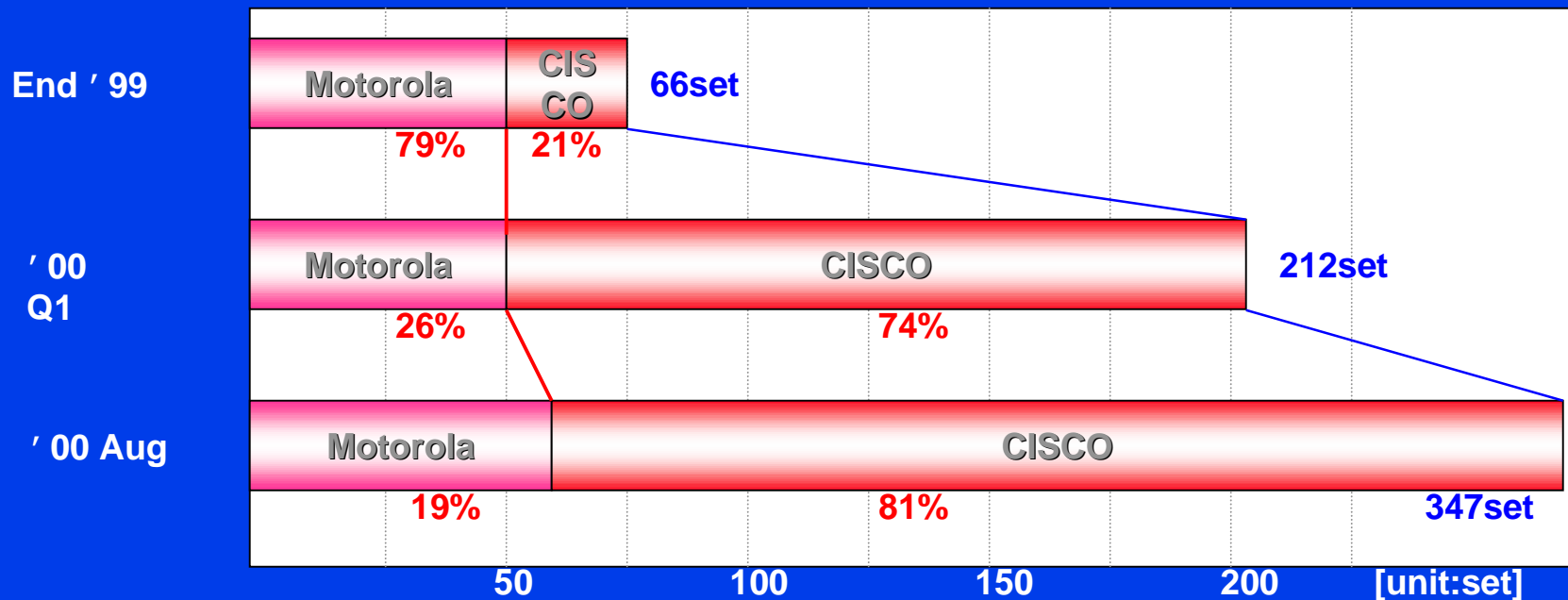
SECTION		End ' 99		' 00 Q1		' 00 Aug	
		#	Ratio	#	Ratio	#	Ratio
Sites	CATV SO	26	70 %	35	56 %	41	52 %
	Thrunet	11	30 %	27	44 %	38	48 %
	Total	37	100 %	62	100 %	79	100 %



Installed CMTS Statistics



SECTION		End ' 99		' 00 Q1		' 00. Q2	
		#	RATIO	#	RATIO	#	RATIO
CMTS	Motorola	52	79 %	54	25 %	65	19 %
	CISCO	14	21 %	158	75 %	282	81 %
	TOTAL	66	100 %	212	100 %	347	100 %



BUSINESS SUMMARY (Data Communication)



A leading player in the fast growing data communication market

- **#3 in market share for leased line services as of end of 1999**

Recently built out own nationwide backbone with dark fiber leased from SK Telecom and GNG Telecom

- **Cost competitiveness through reduction of bandwidth leasing cost to KEPCO**
- **Stable service quality by using better quality transmission equipment which are newly purchased by Thrunet**

Owns approximately 20,800 km of network infrastructure connecting over 934 office buildings in major metropolitan areas

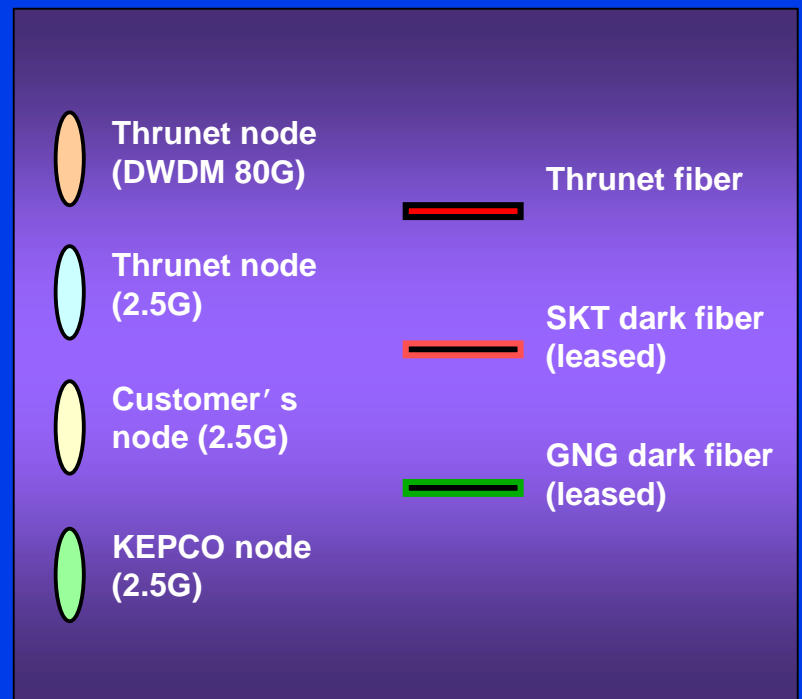
Access to KEPCO's fiber optic backbone capacity and HFC network covering over 48,000 km

Loyal customer base includes some of the largest mobile service operators in Korea

THRUNET NATIONWIDE BACKBONE NETWORK



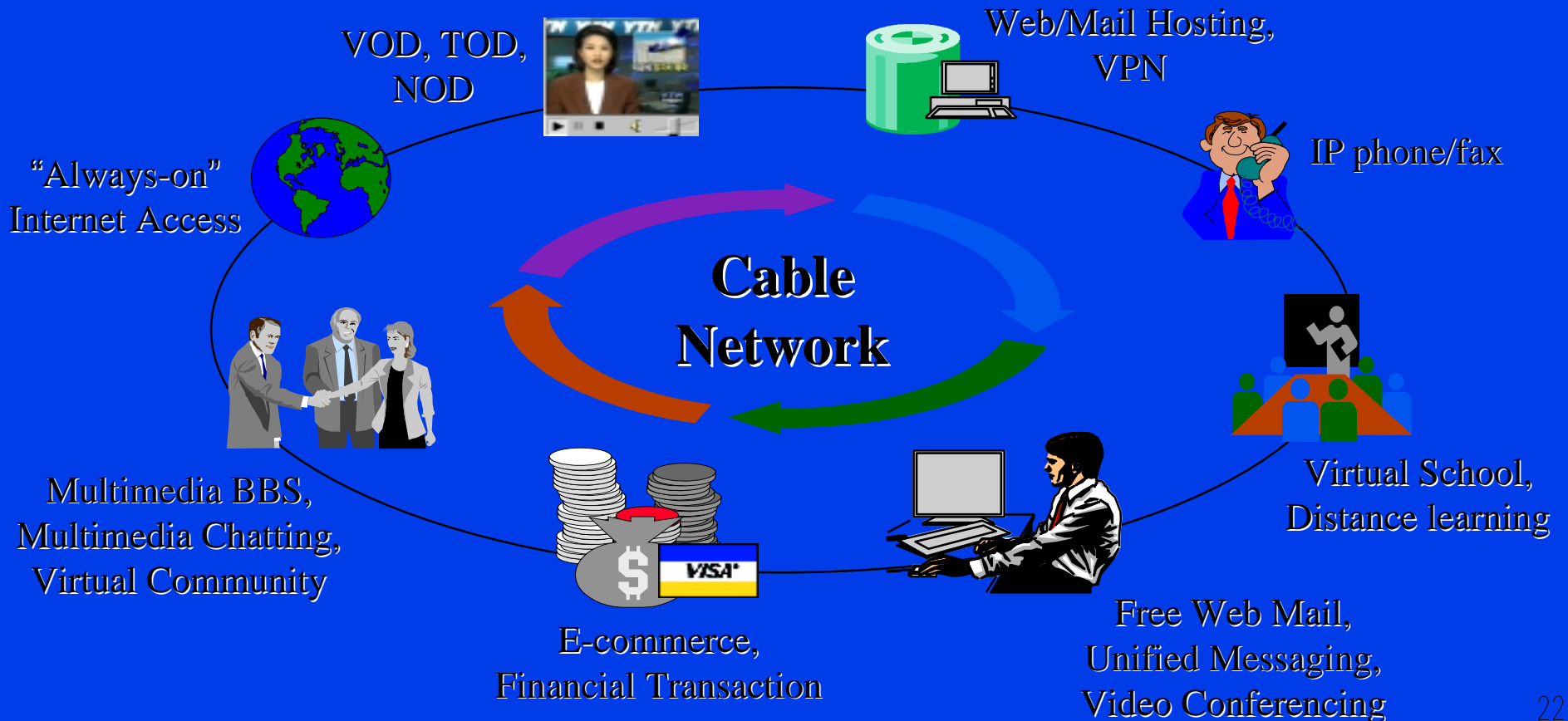
Thrunet's Newly Built own Backbone Using Dark Fiber Leased from SKT and GNG



The Broadband Opportunity



We offer a full range of Korean-language multimedia content and applications in addition to search, news, weather and sports



BUSINESS SUMMARY (Enhanced Internet SVC.)



A natural extension of Thrunet's Internet-related services targeted to SMEs and SO HO's:

- **Application hosting**
- **Web-hosting**
- **Co-location: provide server space and management services**
- **Consulting services**
- **Horizontal B2B services such as MRO (maintenance, repair, outsourcing)**

These services complement Thrunet's network assets, data center and operation/sales capabilities to provide a fully integrated Internet business model

Thrunet is currently expanding its services by constructing a new data center in order to expand the EIS business:

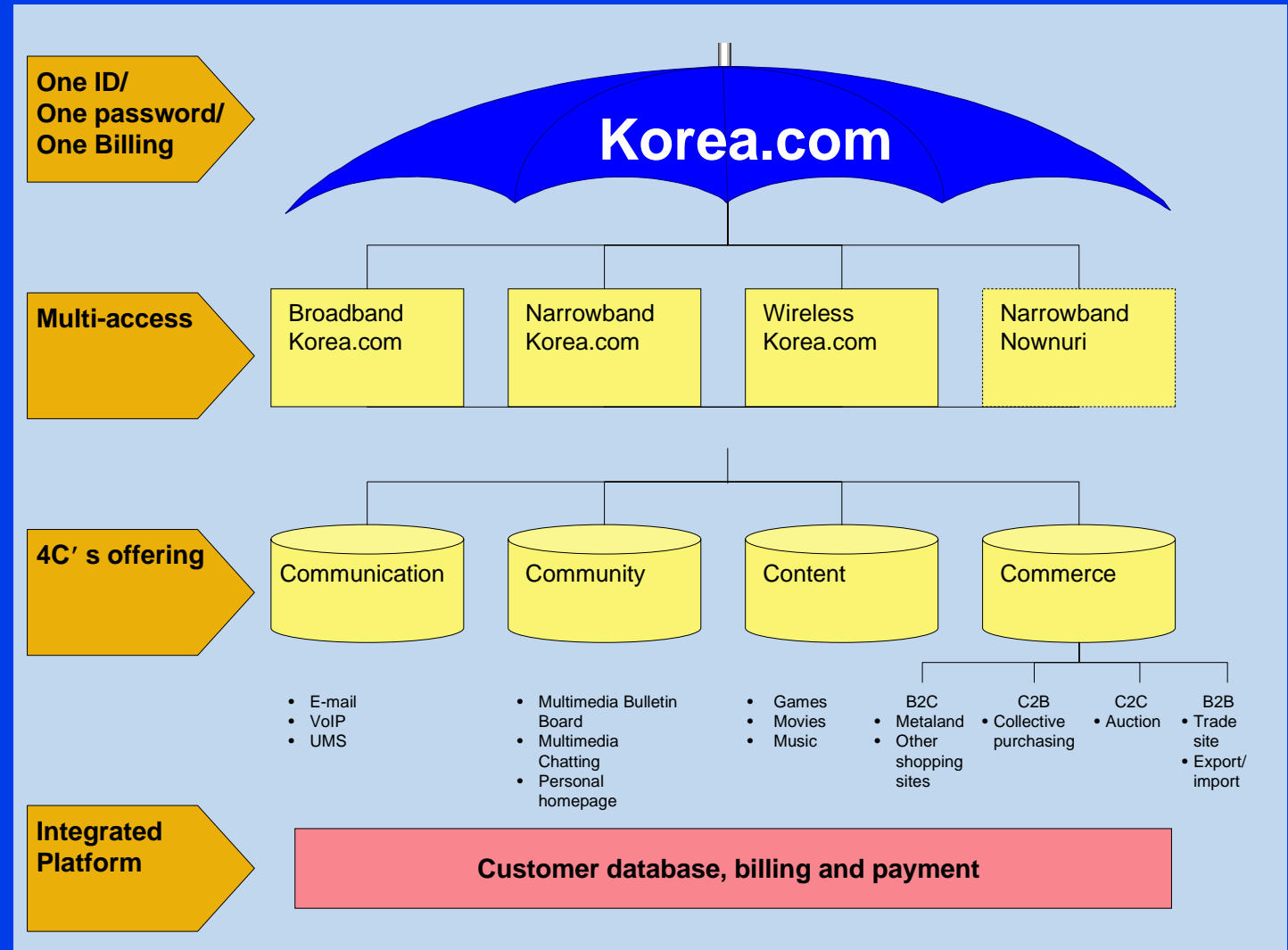
- **Current plans will increase the number of servers from 38 to 116 (201% growth) and expand area capacity by 200%**
- **KRW 50Bn investment plan in 2000 to construct a second data center outside of Seoul**
- **Construction completion date in October/November 2000**

KOREA.COM WILL BE LAUNCHED THIS FALL

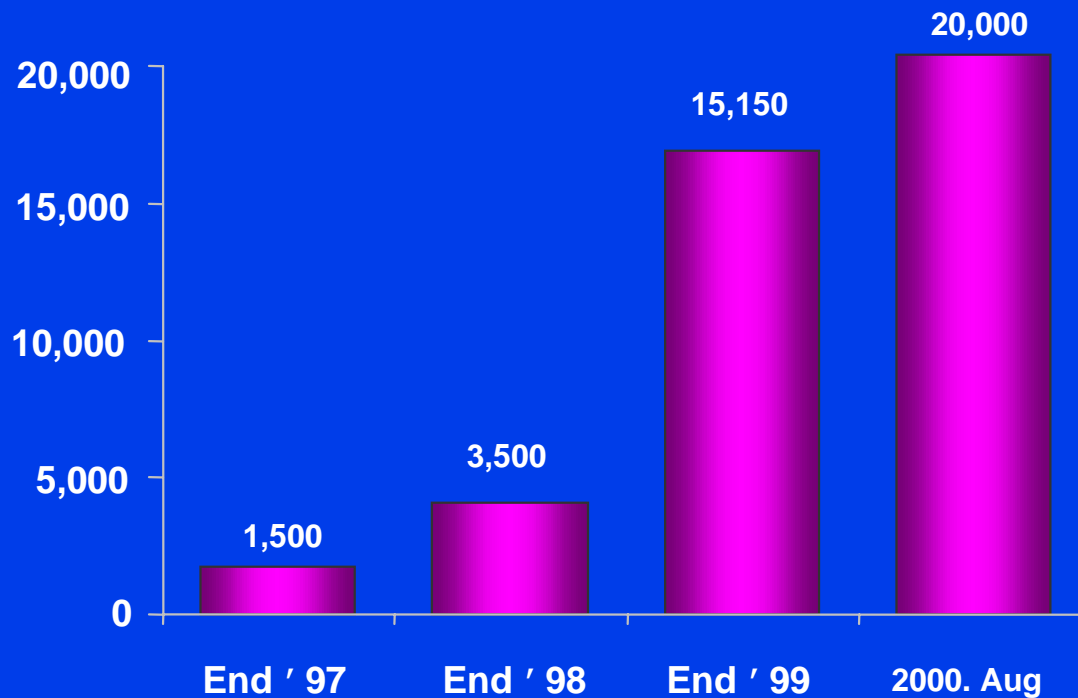


The Mega Portal in Korea

- Recently acquired domain name "Korea.com" will function as a strong umbrella brand under which to incorporate "4C' s" into multi-access mega portal
- Users will enjoy Korea.com' s seamless interface across
 - 4 C' s
 - diverse access methods and devices
- Seamless interface will be powered by an integrated platform which is currently under development



GAME-BANG



- ❑ **Main usage: Game (MUG), MM Chatting, Email and other Internet service.**
- ❑ **Users: 90% students (High school & College) after school (24 hour)**
- More Housewives: Stock trading during day times**

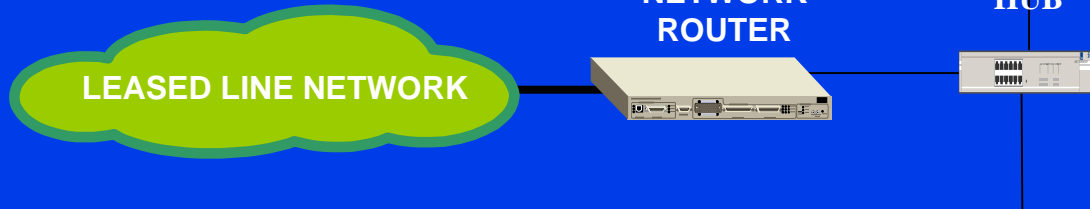
GAMEBANG NETWORK STRUCTUURE



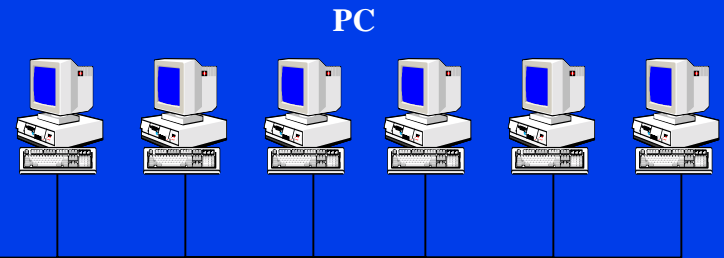
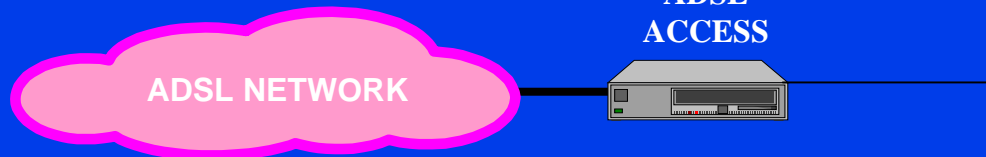
1. CATV NETWORK



2. LEASED LINE NETWORK



3. ADSL NETWORK



Strategic Alliance

