



Understanding the Casino Business exclusively for Foreigners

- Excellence of the Casino Business
- Current Stage of the Casino Business exclusively for Foreigners
- Tendency of Casino Business in Contending Countries
- Market Prospects of the Casino Business exclusively for Foreigners
- Growth within the Chinese Market

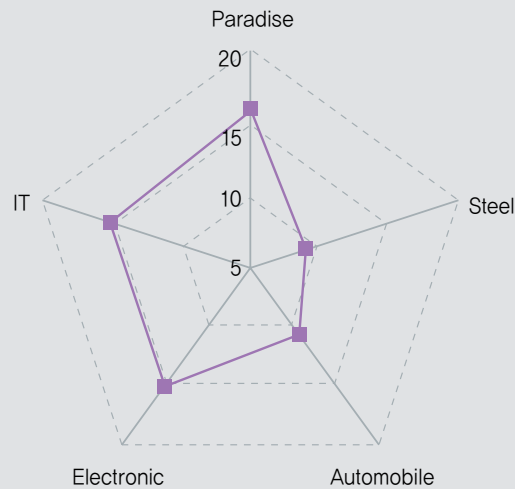
2-1. Excellence of the Casino Business

Superior Industry combined with Growth, Stability and High Profitability

Comparison with major industries

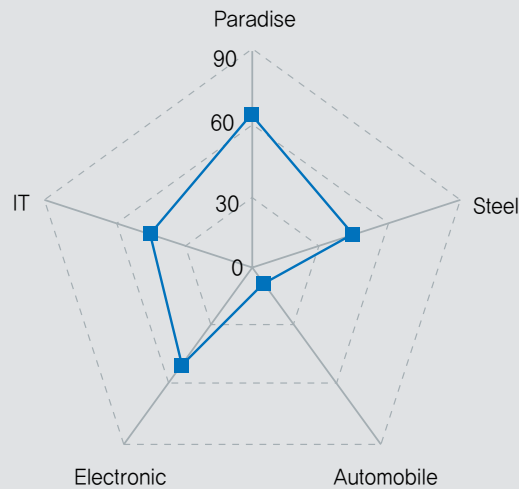
CAGR of Sales

(1991~2001)



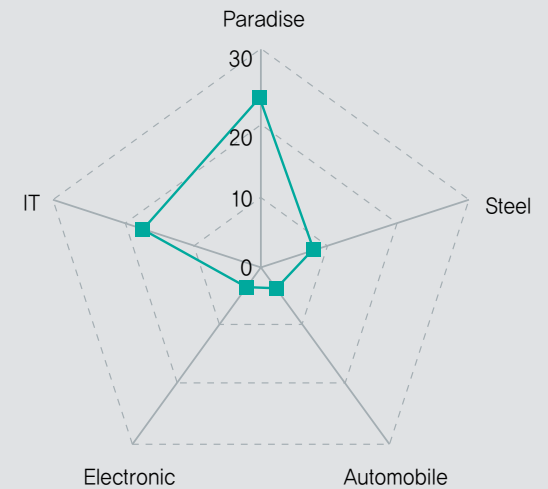
Net Worth/Total Asset Ratio

(2001)



Ordinary Income Margin

(2001)

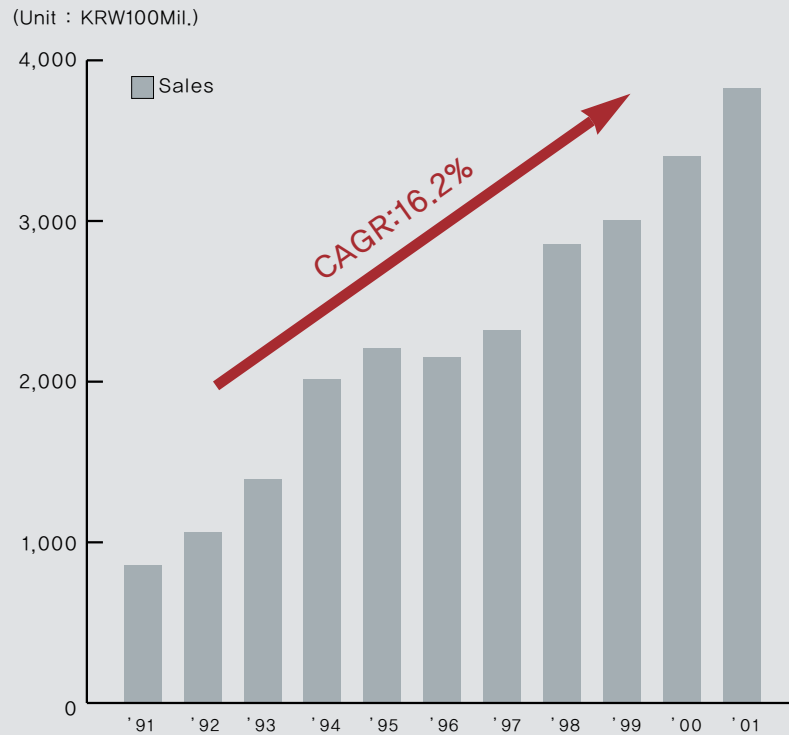


※ Source : Industry Research – Basic Metals, Motor Vehicles, Electronic Components, Telecommunication (2002, the Bank of Korea)

2-2. Current Stage of the Casino Business exclusively for Foreigners

Perform rapid growth with 16% of CAGR

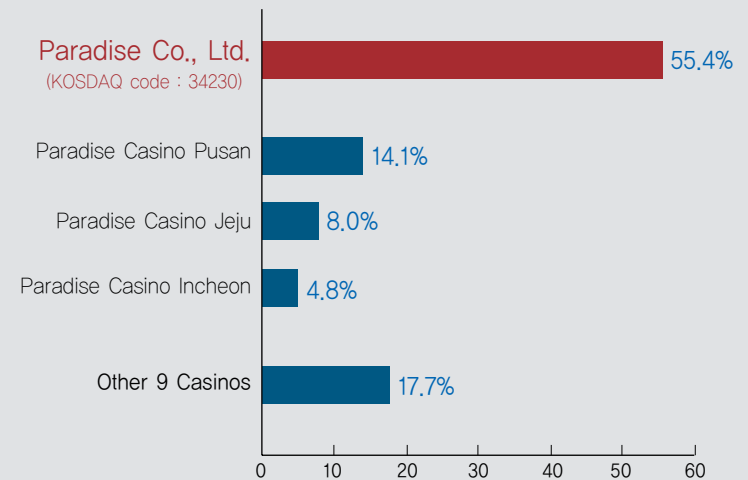
Development of the Casino Market exclusively for Foreigners



(Source : Korea Casino Tourism Association)

Current Market-share

※ Market-share in the year 2001



(Source : Korea Casino Tourism Association, based on Net Sales)

2-3. Tendency of Casino Business in Contending Countries

Aiming for Las Vegas styled mega resort facilities

Tendency of Major Contending Countries

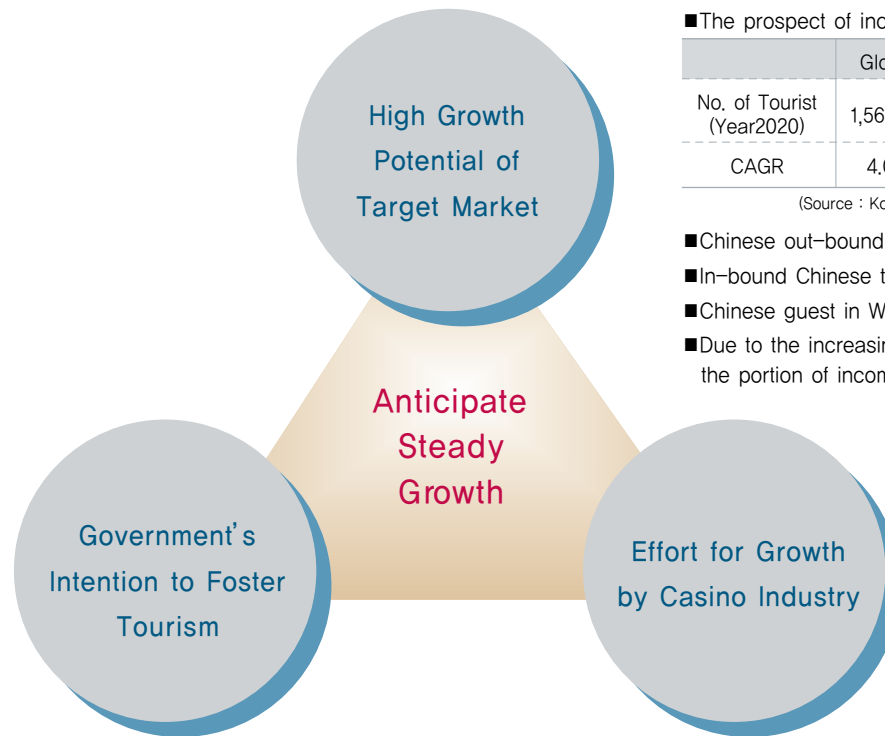
(Source : Korea Casino Tourism Association, 2001)

Country	Annual Visitors (Persons)	Annual Sales	Sales per Person	Main Customers	Strategy for Attraction Customers	Market Tendency & Prospect
Macao	29,390K *	\$2,500Mil.	\$85.1	Local	Mass Marketing for Local Customers	<ul style="list-style-type: none"> Expected to open Las Vegas styled casino resort and convention facilities (Year 2006)
Australia	25,500K *	\$1,700Mil.	\$66.7	Local		<ul style="list-style-type: none"> Expanded to mega resort Attract East-Asia Overseas Chinese
Malaysia	18,390K *	\$820Mil.	\$44.6	Local		<ul style="list-style-type: none"> Expanded to resort based on large scaled casino
Korea(Foreigners only)	630K	\$290Mil.	\$460.3	Japanese, Chinese, etc.	VIP Marketing, Elegant Atmosphere	<ul style="list-style-type: none"> Maintain high-class market Plans for total mega resort

Note: *Annual Visitors is estimated by Paradise based on the data of year 1997

2-4. Market Prospects of the Casino Business exclusively for Foreigners

Expect steady growth owe to government intention to foster tourism and effort by casino industry itself for growth



- Steady growth of Japanese tourists (the main market)
- Expect rapid growth of Chinese tourists (the new target market)
- The prospect of increasing out-bound tourists in China and Japan

	Global	China	Japan
No. of Tourist (Year2020)	1,560Mil.	100Mil.	140Mil.
CAGR	4.0%	12.3%	8.0%

(Source : Korea National Tourism Organization)

- Chinese out-bound tourists in year 2000 : 10Mil.
- In-bound Chinese tourists in Year 2000 : 440K(4.4% of 10Mil.)
- Chinese guest in Walker-hill Casino per year : 40K
- Due to the increasing interchange between Korea and China, the portion of incoming Chinese tourists will be expected to increase.

- Ministry of Construction & Transportation
 - Blue-print for actualizing core business country in the north-east Asia (2002.4.4)
 - Plan to build resort exclusively for foreigners near "Yongjongdo" area

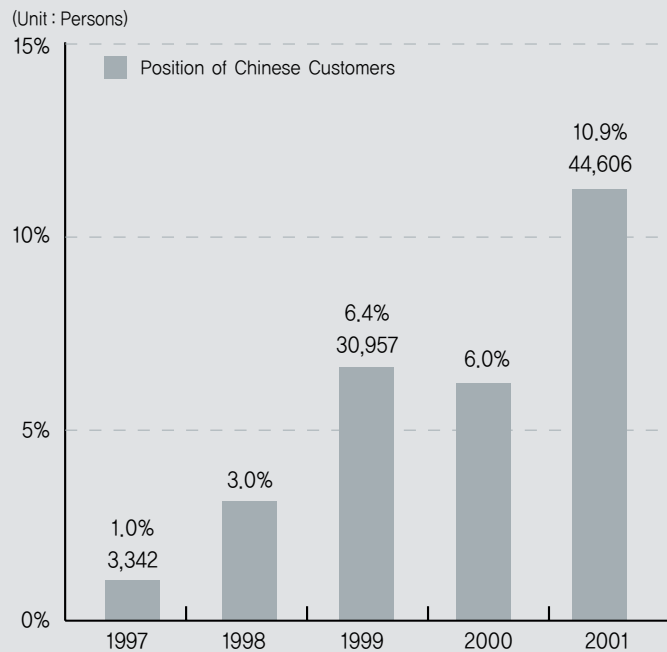
- Maintain the marketing strategy of high quality and refined service
- Plan to build mega resort

2-5. Growth within the Chinese Market

Paradise Current Position of Chinese Customers

- Increased sharply after overseas trip liberalization three years ago
- Beijing/Shenyang : Main Customers

■ The trend of Chinese customers



Expect Rapid Market Growth

■ Acceleration of Globalization & Open-door Policy

- Joined the WTO in year 2001
- Host year 2008 Summer Olympic, etc.

■ Overseas Trip Liberalization

- Simplify reporting process for overseas trip (Abolish invitation requirement)
- Simplify the issuing process of passport

■ Increasing Interchange between Korea and China

- 176 flights per week
- There are daily flights for Shanghai, Beijing, Qingdao and Shenyang.
- Plans to establish Korean consulates in major Chinese cities

■ Plan to promote the Chinese market

(presented by Korea National Tourism Organization, 2001.11)

- Reform entry formalities for Chinese tourist
- Increase accommodations
- Bring up Chinese speaking tour guides
- Active Casino Publicity