

# The Depository Trust Company

# IMPORTANT

**B#:** 2753

**DATE:** December 20, 2007

**TO:** All Participants

**CATEGORY:** Dividends

**FROM:** International Services

**ATTENTION:** Operations, Reorg, Dividend Managers, Partners, Cashiers

**SUBJECT:** TaxRelief - Country: KOREA  
KT Corporation CUSIP: 48268K101  
Record Date: 12/31/07 Payable Date: TBA  
Cut-off for EDS and Certification: 01/17/08

DTC has been notified by **Citibank, N.A./Globe Tax Services**, the depository bank for the above issue, that **KT Corporation**, has declared a taxable dividend subject to multiple tax rates depending on country of residence of the beneficial owners of the American Depositary Shares (ADSs). In order for holders to qualify for a reduced rate of withholding tax pursuant to an applicable tax treaty, the Participants must provide to **Citibank, N.A./Globe Tax Services**, evidence of tax residence of the beneficial owner of the ADSs as the Korean Tax Authorities require such information in order to establish entitlement to the benefits of the applicable tax treaty. In the absence of sufficient proof that the Participant qualifies for the benefits of a tax treaty, withholding tax will be at a rate of **27.5%**.

**THE DIVIDEND POSITION AND ALLOCATION HISTORY (DPAL) OPTION, ACCESSED VIA THE PTS DIVIDEND ANNOUNCEMENTS INQUIRY (DIVA) FUNCTION, SHOULD BE USED TO CONFIRM YOUR RECORD DATE POSITION HISTORY AND PAYMENT INFORMATION.**

**Participants are advised that the tax rates are not final and subject to change.**

***Important Legal Information:** The Depository Trust Company (“DTC”) does not represent or warrant the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of the information contained in DTC communications, which are based in part on information obtained from third parties and not independently verified by DTC and which are provided as is. The information contained in this Important Notice is not intended to be a substitute for obtaining tax advice from an appropriate professional advisor. In providing this Important Notice, DTC shall not be liable for (1) any loss resulting directly or indirectly from mistakes, errors, omissions, interruptions, delays or defects in such notice, unless caused directly by gross negligence or willful misconduct on the part of DTC, and (2) any special, consequential, exemplary, incidental or punitive damages.*



TO: All DTC Participants

FROM: Citibank, N.A. ADR Department

SUBJECT: **KT Corporation** CUSIP: 48268K101

RECORD DATE: **December 31, 2007**

PAYABLE DATE: **TBA**

**KT Corporation** has declared a taxable cash dividend subject to multiple tax rates depending on country of residence of the beneficial owners of the ADSs. In order for holders to qualify for a reduced rate of withholding tax pursuant to an applicable tax treaty, Participants must provide to **Citibank, N.A. / GlobeTax**, the attached withholding certification regarding the beneficial owner of the ADSs as the Korean Tax Authorities require such information in order to establish entitlement to the benefits of the applicable tax treaty. **Additionally, under the ruling KukSeChung Jae 85-18, Participants now need to provide two (2) original certificates of residency in English from beneficial owners domiciled in Belgium or the Netherlands in order to receive a reduced withholding rate.** In the absence of sufficient proof that the non-resident holder qualifies for the benefits of a tax treaty, withholding tax will be at a rate of **27.5%**.

**In order for a Korea domiciled ADS holder to receive the 15.4% (Individual) or 0.0% (Institution) withholding rate, a verifiable identification number is required:**

Individuals - Passport/ Tax ID/ Resident Registration # are acceptable  
Residence Registration # is a 13-digit number (6digits-7digits)

Institutions - Company Registration/ Tax ID #  
Tax ID # is a 10-digit number (3digits-2digits-5digits)

**A COPY OF THE FORM OF IDENTIFICATION MUST BE SUBMITTED ALONG WITH THE WITHHOLDING CERTIFICATION FORM.**

**Participants using the DTC EDS system agree that the following criteria have been met:**

1. The Participant has determined that the beneficial owner of the shares (individual or legal entity) is a resident of a country with a current double taxation treaty with Korea and is eligible for a reduced withholding tax rate.
2. The Participant hereby certifies that it will indemnify Citibank, N.A., (and its agents) for any liability Citibank, N.A. may incur as a result of reliance upon information provided by such Participant in connection with an EDS election, a claim for refund, or a failure to provide information requested by the Korean Tax Authorities as described in items 5 and 6 below. Citibank, N.A. shall not be liable for failure to secure the refund.
3. The Participant understands that Citibank, N.A. shall not be liable for any loss due to foreign exchange fluctuation.

4. The Participant agrees to immediately return to Citibank, N.A. any funds erroneously received as a result of an improper EDS election or refund claim. In addition, The Participant agrees to pay any interest, additions to tax or penalties thereon.
5. If requested by the Korean Tax authorities (directly or indirectly), the Participant agrees to provide Citibank, N.A. with beneficial ownership information regarding the depository receipts such as the names, entire addresses, the countries of residence for tax purposes, their dates of birth, tax identification numbers or social security numbers, as well as the number of depository receipts for which the reduced rate of withholding tax was certified, the rate that was applied, and any other information that may be reasonably requested. Such information will be provided within two weeks of the Participant being informed of the request.
6. Except for residents of Belgium and The Netherlands, Certificates of Residency are not required in advance of an EDS election. However, the Korean Tax Authorities reserve the right to request that a Certificate of Residency be produced to support the EDS election. The Participant agrees to provide any Certificates of Residency requested pursuant to item 5.

**Please note that Korean law does not permit a non-resident holder to recover withheld tax directly from the Korean government even if the non-resident holder subsequently produces evidence that it was entitled to have tax withheld at a lower rate. All tax reclaims must be processed through the appropriate tax withholding agent in Korea.**

Participants can use the following tax chart to determine the beneficial owner's applicable tax rate. In order to certify for the country of residence and to apply for a favorable withholding tax rate for the beneficial owner(s), please input your election via the "EDS" system at DTC. In addition, please complete and return the attached certification to Citibank, N.A. / GlobeTax as well as attach any required certification of residency documentation. A failure to return the attached certification (on company letter paper, with an original signature) and certificates of residency on a timely basis will cause the dividend to be paid less the maximum withholding rate.

**If completed certifications are not provided to Citibank, N.A. / GlobeTax on or prior to January 17, 2008, to support an "EDS" election, the dividend on your holdings will be paid at the maximum withholding rate.**

**NOTE: THE DEADLINE FOR CERTIFYING VIA "EDS" IS JANUARY 17, 2008. ORIGINAL CERTIFICATIONS MUST ARRIVE IN OUR OFFICES BY JANUARY 17, 2008.**

**RELIEF AT SOURCE PROCESSING IS SUBJECT TO A TAX RECLAIM PROCESSING FEE OF \$0.0035 PER ADS.**

**POST PAY-DATE TAX RECLAIM PROCESSING IS SUBJECT TO A TAX RECLAIM PROCESSING FEE OF \$0.005 PER ADS WITH A MINIMUM CHARGE OF \$25.**

For additional information on the certification process, please contact Jeanny Yang at Citibank, N.A./GlobeTax at 1-800-628-4646, and send the original certification to: Citibank, N.A./GlobeTax, 90 Broad Street - 16th floor, New York, New York 10004.

( YOUR COMPANY LETTER HEAD )

To: Citibank, N.A. / Globe Tax Services
90 Broad Street 16th Floor
New York, New York 10004-2205
Phone: 1-800-628-4646 Fax: 1-800-633-4646

Re: Withholding Certification for KT Corporation Cusip: 48268K101

I / We the undersigned
(contact name)
authorized representative of
(DTC Participant name) holding ADRs at
of KT Corporation Cusip: 48268K101, request
(DTC PTS number)

that the upcoming cash dividend payable to holders as of December 31, 2007, be paid at the preferential rate(s) indicated below or as provided on the attached shareholders listing.

Table with 5 columns: Name of Beneficial Owner, Country of Residence, ADRs Held, Tax Rate, ID Number. Includes a row for 'FOR KOREAN RESIDENTS AND INSTITUTIONS ONLY' and a summary row 'PLEASE SEE ATTACHED (more than 7 Beneficial Holders)'.

TWO (2) ORIGINAL CERTIFICATES OF RESIDENCY IN ENGLISH ARE REQUIRED FOR BENEFICIAL OWNERS DOMICILED IN BELGIUM, OR THE NETHERLANDS.

PLEASE ACCOUNT FOR ALL SHARES INCLUDING UNCERTIFIED / INELIGIBLE BENEFICIARIES AT 27.5% WITHHOLDING RATE.

IF THERE ARE MORE THAN 7 BENEFICIAL OWNERS PLEASE CALL JEANNY YANG AT THE NUMBER ABOVE FOR A PRE-FORMATTED SPREADSHEET. PLEASE RETURN THE DISK AND THIS COVER LETTER ON LETTERHEAD WITH THE REQUIRED AUTHORIZED SIGNATURES TO THE ADDRESS ABOVE.

I/We have determined that the beneficial owner(s) of the shares (individual or legal entity) is eligible for the preferential rates as stated herein and I declare that I have performed all the necessary due diligence to satisfy myself as to the accuracy of the information submitted to me by these beneficial owners.

I/ We hereby certify that I/We will indemnify Citibank, N.A., (and its agents) for any liability Citibank, N.A. may incur as a result of reliance upon information provided by such Participant in connection with an EDS election, a claim for refund, or a failure to provide information requested by the Korean Tax Authorities. Citibank, N.A. shall not be liable for failure to secure the refund. The Participant shall be liable for any loss due to foreign exchange fluctuation. The Participant agrees to immediately return to Citibank, N.A. any funds erroneously received as a result of an improper EDS election or refund claim. In addition, The Participant agrees to pay any interest, additions to tax or penalties thereon. This is not tax advice. Please consult your tax advisor.

TEL :
FAX:
X
Authorized Signature of Holder or Owner
Print Name of Signatory
Position of Signatory

PLEASE INCLUDE YOUR PHONE AND FAX NUMBER SO THAT WE CAN CONTACT YOU WITH ANY QUESTIONS THAT WE MIGHT HAVE.

RECORD DATE: DECEMBER 31, 2007

Please refer to the following chart to determine withholding tax on dividend payments on Korean issues:

COUNTRY		TOTAL TAX RATE (%)
Republic of Korea	Institutions	0.00
	Individuals	15.40
Mongolia		5.00
Albania, Brazil, Bulgaria, Chile, China, Croatia, Czech, Hungary, Jordan, Kuwait, Lao, Lithuania, Morocco, Myanmar, Oman, Poland, Rumania, Russia, Slovakia, Thailand, Vietnam, United Arab Emirates		10.00
Venezuela		11.00
Pakistan		12.50
Algeria, Australia, Austria, Bangladesh, Belarus, Belgium, Canada, Denmark, Egypt, Fiji, Finland, France, Germany, Greece, Indonesia, Ireland, Israel, Italy, Japan, Kazakhstan, Luxembourg, Malta, Mexico, Netherlands, Nepal, New Zealand, Norway, Papua New Guinea, Portugal, Singapore, Slovenia, Spain, Sri Lanka, Sweden, Switzerland, Tunisia, Ukraine, United Kingdom, Uzbekistan		15.00
South Africa, USA		16.50
India, Turkey		20.00
Philippines		27.50
Malaysia	Labuan	27.50
	Others	15.00
Other Countries, Non-Certified holders		27.50

PLEASE NOTE: TAX RATES ARE SUBJECT TO CHANGE