

MANAGEMENT DISCUSSION & ANALYSIS

The following discussion and analysis of operating results and financial position should be read in conjunction with the consolidated financial statements of the Company and notes thereto incorporated by reference in this report.

The Company

Eiger Technology, Inc. is a management company with four operating subsidiaries; Onlinetel Corp., K-Tronik International Corp., Eiger Net, Inc., and Newlook Industries Corp. Eiger's head office is located in Toronto, Ontario and has six employees.

Onlinetel is Canada's leading provider of Voice over Internet Protocol, or VoIP, telephony services. Using its proprietary national VoIP network, Onlinetel can take voice information from any landline or cellular phone, convert that information to digital IP packets and route that information, phone-to-phone, over data networks such as the Internet. Onlinetel currently derives its revenue from flat rate long distance calling plans, 10-10 casual calling long distance services, carrier origination and termination services, and from advertisers on its free calling network. Onlinetel is based in Kitchener, Ontario and has 12 employees.

K-Tronik is a leading North American manufacturer of energy efficient electronic ballasts for fluorescent lighting. K-Tronik supplies ballasts worldwide to OEM light fixture companies, distributors and contractors. K-Tronik is based in New Jersey and has 18 employees.

Eiger Net is involved in the R&D, engineering and manufacturing of CDMA and GSM wireless phones, and multimedia and data communication cards such as 56K and DSL modem cards, Home PNA cards, LAN cards, MP3 modules and other Internet access devices for OEM consumer electronics companies worldwide. Eiger Net is located in South Korea and has 30 employees.

Newlook, through its wholly owned subsidiary ADH Custom Metal Fabricators Inc., is a fully integrated custom sheet metal manufacturer that specializes in custom enclosures and cabinets. In addition to its focus on enclosures and cabinetry, ADH contract manufactures for nationwide distribution of data and relay racks, custom control enclosures, fluorescent light fixtures and store display fixtures. ADH is located in Stratford, Ontario and has 15 employees.

Results of Operations

Revenues for the three months ending March 31, 2003 increased 36% to \$7,295,000 from \$5,365,000 during the same period last year, due largely to growth at Onlinetel. Net loss for the quarter was \$445,000 or \$0.01 per diluted share, compared to a loss of \$1,581,000 or \$0.04 per diluted share during the same quarter last year.

Revenue from ongoing operations were as follows:

(\$'000's) FYE-Sept.	Q2/03	Q2/02	Increase (Decrease)
Onlinetel	1,243	374	+233%
Eiger Net	3,037	2,231	+36%
K-Tronik	2,758	2,441	+13%
Newlook	<u>257</u>	<u>319</u>	-19%
Total	<u>7,295</u>	<u>5,365</u>	+36%

Onlinetel continued its robust growth with revenues of \$1,243,000 for the quarter, up 233% from \$374,000 in the comparable quarter last year and up 24% from \$1,001,000 for the quarter ending December 31, 2002. Furthermore, Onlinetel has achieved a key milestone as EBITDA (earnings before interest, taxes, depreciation and amortization) improved to nil in the quarter, from a loss of \$190,000 in the prior year.

In addition, K-Tronik posted a strong contribution in the quarter as it moves toward the public listing of its shares on the NASDAQ Stock Market, anticipated in the near term, subject to regulatory approvals. K-Tronik's revenues in the quarter increased to \$2,758,000, up 13% from \$2,441,000 in the prior year and up 45% from \$1,902,000 in the previous quarter. EBITDA for K-Tronik improved to positive \$68,000 in the quarter, from negative \$310,000 in the same quarter last year.

Eiger Net revenues increased in the quarter due to manufacturing contracts announced on September 18, 2002. Newlook sales decreased due to the reduction in outsourcing required by its primary customers in Southwestern Ontario.

Expenses decreased approximately 25% for the quarter ended March 31, 2003 to \$2,026,000 from \$2,704,000 for the same period last year. Selling, General and Administrative Expenses ("SG&A") decreased by 30% in fiscal Q2/03 to \$1,665,000 from \$2,394,000 for the prior year quarter. SG&A consisted primarily of salaries and benefits, and the operating costs associated with sales.

Amortization of capital assets, goodwill and other assets increased to \$217,000 in the quarter ended March 31, 2003 from \$178,000 in the same period last year mainly due to the relatively larger capital asset base existing during fiscal Q2/03. Interest on long-term debt, other interest and bank charges increased marginally to \$144,000 in fiscal Q2/03 from \$132,000 in the prior year quarter.

Liquidity and Capital Reserves

Cash equivalents and working capital at March 31, 2003 were \$1,198,000 and \$1,690,000, down from \$1,602,000 and \$1,847,000, respectively at December 31, 2002. The increase in the Company's accounts receivable and accounts payable to \$6,057,000 and \$9,090,000 at March 31, 2003 from \$4,226,000 and \$8,057,000 at December 31, 2002, respectively is primarily due to the increased volume of business at K-Tronik and Eiger Net during the quarter.

Financial Risk and Foreign Exchange

Earnings and cash flow are subject to volatility stemming mainly from movements in the U.S./Canadian dollar and South Korean won/Canadian dollar exchange rate and interest rates. The Company does not hedge its foreign currency or interest rate exposure. This is a result of an evaluation of the costs of hedging and labor being a large component of K-Tronik Asia's South Korean won exposure offset by Korean won based revenue.

EIGER TECHNOLOGY, INC.

Unaudited Consolidated Financial Statements

for the six months ended March 31, 2003

Monteith, Monteith & Co.
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May 20, 2003

To: The Audit Committee of Eiger Technology, Inc.

Dear Sirs/Mesdames:

In accordance with our engagement letter dated May 14, 2003, we have reviewed the consolidated balance sheets of Eiger Technology, Inc.. as at March 31, 2003 and September 30, 2002, and the consolidated statements of operations and retained earnings, and cash flows for the six month periods ended March 31, 2003 and March 31, 2002. These consolidated financial statements are the responsibility of the Company's management.

We performed our review in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity's auditor. Such an interim review consists principally of applying analytical procedures to financial data, and making enquiries of, and having discussions with, persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit, whose objective is the expression of an opinion regarding the financial statements; accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our review, we are not aware of any material modification that needs to be made for these interim consolidated financial statements to be in accordance with Canadian generally accepted accounting principles.

This report is solely for the use of the audit committee of Eiger Technology, Inc.. to assist it in discharging its regulatory obligation to review these consolidated financial statements, and should not be used for any other purpose. Any use that a third party makes of this report, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this report.

Sincerely,

Monteith, Monteith & Co.

CHARTERED ACCOUNTANTS

EIGER TECHNOLOGY, INC.
Unaudited Consolidated Balance Sheet

	March 31 2003	September 30 2002
	\$	\$
<u>Assets</u>		
Current		
Cash and Marketable Securities	1,198,000	3,635,000
Accounts Receivable	6,057,000	5,004,000
Inventories	4,511,000	4,493,000
Prepaid Expenses	669,000	378,000
	12,435,000	13,510,000
Capital	6,160,000	4,867,000
Long-term Investments	1,641,000	1,650,000
Goodwill	2,968,000	3,013,000
Future Income Tax Benefit	136,000	--
Other	963,000	718,000
	<u>24,303,000</u>	<u>23,758,000</u>

Liabilities and Shareholders' Equity

Current		
Bank Indebtedness	1,510,000	4,028,000
Accounts Payable and Accrued Liabilities	9,090,000	4,395,000
Current Portion of Long-term Debt	145,000	145,000
	10,745,000	8,568,000
Long-term Debt	795,000	940,000
Non-Controlling Interest	(2,180,000)	(1,873,000)
Shareholders' Equity		
Share Capital	42,522,000	42,235,000
Contributed Surplus	217,000	217,000
Retained Earnings (Deficit)	(27,796,000)	(26,329,000)
	14,943,000	16,123,000
	<u>24,303,000</u>	<u>23,758,000</u>

On Behalf of the Board:

<u>"Gerry Racicot"</u> <i>Gerry Racicot</i>	Director
<u>"Keith Attoe"</u> <i>Keith Attoe</i>	Director

EIGER TECHNOLOGY, INC.
Unaudited Consolidated Statement of Operations and Retained Earnings

For the six months ended March 31	2003	2003	2002	2002
	(Current Quarter)	(Year-to-Date)	(Current Quarter)	(Year-to-Date)
	\$	\$	\$	\$
Sales	7,295,000	13,071,000	5,365,000	10,163,000
Cost of Sales	6,171,000	11,043,000	4,863,000	8,755,000
Gross Margin	1,124,000	2,028,000	502,000	1,408,000
Expenses				
Selling, General and Administrative	1,665,000	3,582,000	2,394,000	4,555,000
Amortization of Capital Assets	177,000	306,000	86,000	231,000
Amortization of Goodwill and Other Assets	40,000	77,000	92,000	149,000
Interest on Long-term Debt	17,000	35,000	8,000	19,000
Other Interest and Bank Charges	127,000	219,000	124,000	237,000
	2,026,000	4,219,000	2,704,000	5,191,000
Income (Loss) from Operations	(902,000)	(2,191,000)	(2,202,000)	(3,783,000)
Other Income	141,000	143,000	91,000	163,000
Income before Taxes	(761,000)	(2,048,000)	(2,111,000)	(3,620,000)
Provision for Income Taxes - Future	(136,000)	(136,000)	--	--
Income before Non-controlling Interest	(625,000)	(1,912,000)	(2,111,000)	(3,620,000)
Non-controlling Interest	(180,000)	(445,000)	(530,000)	(1,255,000)
Net Income (Loss) for the Period	(445,000)	(1,467,000)	(1,581,000)	(2,365,000)
Retained Earnings (Deficit), Beginning of Period	(27,351,000)	(26,329,000)	(21,875,000)	(21,091,000)
Retained Earnings (Deficit), End of Period	(27,796,000)	(27,796,000)	(23,456,000)	(23,456,000)
Earnings Per Share:				
Basic	(0.01)	(0.04)	(0.04)	(0.06)
Diluted	(0.01)	(0.04)	(0.04)	(0.06)

EIGER TECHNOLOGY, INC.
Unaudited Consolidated Statement of Cash Flows

For the six months ended March 31	2003	2003	2002	2002
	(Current Quarter)	(Year-to-Date)	(Current Quarter)	(Year-to-Date)
	\$	\$	\$	\$
Operating Activities				
Net Income (Loss) for the Period	(445,000)	(1,467,000)	(1,581,000)	(2,365,000)
Items not Involving Cash				
Provision for Income Taxes - Future	(136,000)	(136,000)	--	--
Amortization	217,000	383,000	178,000	380,000
	(364,000)	(1,220,000)	(1,403,000)	(1,985,000)
Changes in Non-cash Operating Accounts				
Accounts Receivable	(1,831,000)	(1,053,000)	1,653,000	4,116,000
Inventories	322,000	(18,000)	672,000	1,325,000
Prepaid Expenses	219,000	(291,000)	531,000	594,000
Accounts Payable	1,033,000	4,695,000	(1,722,000)	(2,435,000)
Non-controlling Interest	(180,000)	(445,000)	(412,000)	(1,137,000)
	(801,000)	1,668,000	(681,000)	478,000
Investment Activities				
Sale (Purchase) of Capital Assets	107,000	(1,599,000)	62,000	(234,000)
Long-term Investments	9,000	9,000	115,000	101,000
Goodwill and Other Assets	36,000	(277,000)	(153,000)	291,000
	152,000	(1,867,000)	24,000	158,000
Financing Activities				
Operating Line of Credit	10,000	(2,518,000)	1,487,000	1,614,000
Long-term Debt	(30,000)	(145,000)	(53,000)	1,000
Non-controlling Interest	--	138,000	--	--
Common Shares Issued	265,000	287,000	103,000	118,000
	245,000	(2,238,000)	1,537,000	1,733,000
Net Cash Flows for the Period	(404,000)	(2,437,000)	880,000	2,369,000
Cash and Cash Equivalents, Beginning of Period	1,602,000	3,635,000	7,482,000	5,993,000
Cash and Cash Equivalents, End of Period	1,198,000	1,198,000	8,362,000	8,362,000
Cash and Cash Equivalents Represented By:				
Cash and Marketable Securities	1,198,000	1,198,000	8,362,000	8,362,000

EIGER TECHNOLOGY, INC.
Notes to the Consolidated Financial Statements
For the six months ended March 31, 2003

Significant Accounting Policies:

Except that the Company now measures stock-based compensation using the fair value method, these interim financial statements have been prepared using the same accounting principles and the same methods of application as were used in the preparation of the Company's annual financial statements for the year ended September 30, 2002. These interim financial statements may not contain all of the disclosures necessary to be fully in accordance with Canadian generally accepted accounting principles, and should, therefore, be read in conjunction with the annual financial statements for the year ended September 30, 2002.

The effect of the change in accounting policy from the intrinsic value method to the fair value method of measuring stock-based compensation has not been determined.

Capital Assets:

	\$
Balance per September 30, 2002 financial statements	4,867,000
Telephone sub-assembly equipment - EigerNet, Inc. plant in South Korea	1,594,000
Other additions and disposals	5,000
Amortization provided for six months	<u>(306,000)</u>
Balance - March 31, 2003	<u><u>6,160,000</u></u>

Reconciliation to U.S. GAAP:

Relevant differences between accounting principles generally accepted in Canada (Cdn. GAAP") compared to those principles generally accepted in the United States of America ("U.S. GAAP") are as follows:

U.S. GAAP requires that all organization costs (including those previously deferred) be expensed currently. Also, all product development costs are to be expensed as incurred. Canadian GAAP permits the deferral and amortization of these costs when certain conditions are met.

U.S. GAAP requires the measurement and reporting of "comprehensive income". Comprehensive income includes net income and all other changes to shareholders' equity other than amounts received from or paid to shareholders. The only reportable comprehensive income item for the Company relates to foreign currency translation adjustments as described below.

U.S. GAAP requires the use of the current rate method of foreign currency translation, with any resulting foreign exchange translation adjustments forming part of comprehensive income for the year and accumulating as a separate component of shareholders' equity.

SFAS 123 recommends that the fair value method be used to measure stock-based compensation, although APB Opinion 25 permits the use of the intrinsic method. While the intrinsic method was generally used in Canada, the fair value method is now required.

EIGER TECHNOLOGY, INC.
Notes to the Consolidated Financial Statements
For the six months ended March 31, 2003

Reconciliation to U.S. GAAP - continued:

Reconciliations:	Year to Date March 31 2003 \$	Year to Date March 31 2002 \$
Net Income		
- per Cdn. GAAP	(1,467,000)	(2,365,000)
- expense current product development costs	--	--
- add back amortization of deferred costs	--	34,000
- adjustments to non-controlling interest and future taxes	--	(12,000)
- foreign currency translation adjustment	(38,000)	564,000
- per U.S. GAAP	(1,505,000)	(1,779,000)
Comprehensive item - foreign currency translation	38,000	(564,000)
Comprehensive Income	<u>(1,467,000)</u>	<u>(2,343,000)</u>
Accumulated Other Comprehensive Items		
- per Cdn. GAAP	--	--
- cumulative foreign currency translation adjustments	(629,000)	(800,000)
- per U.S. GAAP	<u>(629,000)</u>	<u>(800,000)</u>
Retained Earnings (Deficit)		
- End of Period per Cdn. GAAP	(27,796,000)	(23,456,000)
- expense deferred product development costs net of portion relating to non-controlling interest	--	(264,000)
- foreign currency translation adjustments	629,000	800,000
- future income tax savings related to above	--	88,000
- End of Period per U.S. GAAP	<u>(27,167,000)</u>	<u>(22,832,000)</u>
Total Assets		
- per Cdn. GAAP	24,303,000	26,517,000
- expense deferred product development costs	--	(264,000)
- increase in future income tax assets	--	88,000
- per U.S. GAAP	<u>24,303,000</u>	<u>26,341,000</u>

Segmented Information:

Segmented information is presented on the following two pages. The segment previously referred to as "ADH" is now known as "Newlook".

March 31, 2003

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EIGER TECHNOLOGY, INC.
SEGMENTED INFORMATION
March 31, 2002

	Newlook		K-Tronik		Onlinetel		Eiger		All Others		Reconciling Items		Totals per Financial Statements	
	Current Quarter	Year to Date	Current Quarter	Year to Date	Current Quarter	Year to Date	Current Quarter	Year to Date	Current Quarter	Year to Date	Current Quarter	Year to Date	Current Quarter	Year to Date
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sales: External Intersegment	319,000	685,000	2,441,000	4,721,000	374,000	744,000	2,231,000	4,013,000	--	--	--	--	5,365,000	10,163,000
	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	319,000	685,000	2,441,000	4,721,000	374,000	744,000	2,231,000	4,013,000	--	--	--	--	5,365,000	10,163,000
Cost of Sales	(263,000)	(553,000)	(2,072,000)	(3,582,000)	(321,000)	(598,000)	(2,207,000)	(4,022,000)	--	--	--	--	(4,863,000)	(8,755,000)
Other Expenses	(109,000)	(222,000)	(933,000)	(1,827,000)	(291,000)	(559,000)	(986,000)	(1,827,000)	(294,000)	(593,000)	--	--	(2,613,000)	(5,028,000)
	(53,000)	(90,000)	(564,000)	(688,000)	(238,000)	(413,000)	(962,000)	(1,836,000)	(294,000)	(593,000)	--	--	(2,111,000)	(3,620,000)
Non-controlling Interest	--	--	121,000	133,000	--	--	409,000	1,122,000	--	--	--	--	530,000	1,255,000
Net Income (Loss)	(53,000)	(90,000)	(443,000)	(555,000)	(238,000)	(413,000)	(553,000)	(714,000)	(294,000)	(593,000)	--	--	(1,581,000)	(2,365,000)

	Newlook		K-Tronik		Onlinetel		Eiger		All Others		Reconciling Items		Totals per Financial Statements	
	Mar. 31 2002	Sept. 30 2001	Mar. 31 2002	Sept. 30 2001	Mar. 31 2002	Sept. 30 2001	Mar. 31 2002	Sept. 30 2001	Mar. 31 2002	Sept. 30 2001	Mar. 31 2002	Sept. 30 2001	Mar. 31 2002	Sept. 30 2001
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current Assets:														
Cash	306,000	312,000	162,000	147,000	270,000	208,000	4,995,000	1,461,000	2,629,000	3,865,000	--	--	8,362,000	5,993,000
Accounts Receivable	221,000	344,000	2,003,000	2,102,000	177,000	173,000	2,096,000	6,098,000	146,000	42,000	--	--	4,643,000	8,759,000
Inventory	822,000	875,000	3,326,000	3,650,000	--	--	1,072,000	2,020,000	--	--	--	--	5,220,000	6,545,000
Prepaid Expenses	--	3,000	161,000	243,000	2,000	4,000	--	442,000	12,000	77,000	--	--	175,000	769,000
	1,349,000	1,534,000	5,652,000	6,142,000	449,000	385,000	8,163,000	10,021,000	2,787,000	3,984,000	--	--	18,400,000	22,066,000
Capital Assets	1,676,000	1,721,000	512,000	660,000	742,000	724,000	1,504,000	1,320,000	110,000	116,000	--	--	4,544,000	4,541,000
Long-term Investments	--	--	--	--	7,000	--	134,000	80,000	162,000	324,000	--	--	303,000	404,000
Goodwill and Other	230,000	379,000	1,147,000	1,182,000	1,360,000	1,314,000	497,000	789,000	36,000	46,000	--	--	3,270,000	3,710,000
Total Assets	3,255,000	3,634,000	7,311,000	7,984,000	2,558,000	2,423,000	10,298,000	12,210,000	3,095,000	4,470,000	--	--	26,517,000	30,721,000