

SK TELECOM CO LTD
Form 6-K
October 09, 2012
[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE MONTH OF OCTOBER 2012

COMMISSION FILE NUMBER 333-04906

SK Telecom Co., Ltd.

(Translation of registrant's name into English)

Edgar Filing: SK TELECOM CO LTD - Form 6-K

11, Euljiro2-ga, Jung-gu

Seoul 100-999, Korea

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submission to furnish a report or other document that the registration foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to the Registrant in connection with Rule 12g3-2(b): 82-

Table of Contents

SEMI-ANNUAL BUSINESS REPORT

(From January 1, 2012 to June 30, 2012)

THIS IS A SUMMARY OF THE SEMI-ANNUAL BUSINESS REPORT ORIGINALLY PREPARED IN KOREAN AND IS IN SUCH FORM AS REQUIRED BY THE KOREAN FINANCIAL SERVICES COMMISSION.

IN THE TRANSLATION PROCESS, SOME PARTS OF THE REPORT WERE REFORMATTED, REARRANGED OR SUMMARIZED FOR THE CONVENIENCE OF READERS.

UNLESS EXPRESSLY STATED OTHERWISE, ALL INFORMATION CONTAINED HEREIN IS PRESENTED ON A CONSOLIDATED BASIS IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTED FOR USE IN KOREA, OR K-IFRS, WHICH DIFFER IN CERTAIN RESPECTS FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CERTAIN OTHER COUNTRIES, INCLUDING THE UNITED STATES. WE HAVE MADE NO ATTEMPT TO IDENTIFY OR QUANTIFY THE IMPACT OF THESE DIFFERENCES.

Table of Contents**I. COMPANY OVERVIEW****1. Company Overview**

Starting in the first quarter of 2011, SK Telecom Co., Ltd. (the Company) prepares and reports its financial statements under the International Financial Reporting Standards as adopted for use in Korea (K-IFRS). The transition date of the Company and its consolidated subsidiaries to K-IFRS is January 1, 2010 and the adoption date is January 1, 2011. The Company's semi-annual business report for the six months ended June 30, 2012 includes the following consolidated subsidiaries:

| Name | Date of Establishment | Principal Business | Total Asset as of Dec. 31, 2011 (millions of Won) | Material Subsidiary* |
|---|-----------------------|---|---|----------------------|
| SK Telink Co., Ltd. | Apr. 9, 1998 | Telecommunication and satellite broadcasting services | 420,829 | Material |
| SK Communications Co., Ltd. | Sep. 19, 1996 | Internet portal and other Internet information services | 319,948 | Material |
| PAXNet Co., Ltd. | May 18, 1999 | Database and online information services | 33,949 | |
| Loen Entertainment, Inc. | Jul. 7, 1982 | Music and audio publication | 157,104 | Material |
| Stonebridge Cinema Fund | Sep. 30, 2005 | Investment partnership | 18,506 | |
| Commerce Planet Co., Ltd. | Jul. 1, 1997 | Information technology and computer services | 49,729 | |
| SK Broadband Co., Ltd. | Sep. 26, 1997 | Multimedia and IP TV services | 3,318,699 | Material |
| Broadband D&M Co., Ltd. | Feb. 5, 1998 | Management of telecommunication facilities | 11,872 | |
| Broadband Media Co., Ltd. | Aug. 25, 2005 | Telemarketing services | 89,915 | Material |
| Broadband CS Co., Ltd. | Oct. 1, 1998 | Call center operation | 6,948 | |
| K-net Culture and Contents Venture Fund | Nov. 24, 2008 | Investment partnership | 48,057 | |
| Hwaitec Focust Investment Partnership 2 | Dec. 12, 2008 | Investment partnership | 21,663 | |
| Open Innovation Fund | Dec. 22, 2008 | Investment partnership | 44,716 | |
| PS&Marketing Corporation | Apr. 3, 2009 | Resale of telecommunication services | 289,062 | Material |
| Service Ace Co., Ltd. | Jul. 1, 2010 | Call center operation and telemarketing services | 43,447 | |
| Service Top Co., Ltd. | Jul 1, 2010 | Call center operation and telemarketing services | 37,165 | |
| Network O&S Co., Ltd. | Jul. 1, 2010 | Wireless telecommunication services | 80,249 | Material |
| Service In Co., Ltd. | Apr. 4, 2011 | Internet services | 3,247 | |
| BNCP Co., Ltd. | Dec. 7, 2009 | Software development | 28,631 | |

Table of Contents

| Name | Date of Establishment | Principal Business | Total Asset as of Dec. 31, 2011 (millions of Won) | Material Subsidiary* |
|-------------------------------------|------------------------------|--------------------------------------|--|-----------------------------|
| SK Planet Co., Ltd. | Oct. 5, 2011 | Platform service | 1,677,730 | Material |
| SK Telecom China Holdings Co., Ltd. | Jul. 12, 2007 | Investment | 36,810 | |
| Sky Property Mgmt., Ltd. | Jun. 20, 2007 | Real estate rental | 820,639 | Material |
| Shenzhen E-eye High Tech Co., Ltd. | Apr. 1, 2000 | Telematics services | 23,569 | |
| SK China Real Estate Co., Limited | Mar. 19, 2009 | Real estate investment | 295 | |
| SKT Vietnam PTE., Ltd. | Apr. 5, 2000 | Wireless telecommunication services | 42,539 | |
| SKT Americas, Inc. | Dec. 29, 1995 | Management consulting and investment | 42,681 | |
| YTK Investment Ltd. | Jul. 1, 2010 | Investment | 51,218 | Material |
| Atlas Investment | Jun. 24, 2011 | Investment | 50,643 | Material |
| Technology Innovation Partners, LP | Jun. 24, 2011 | Investment | 0 | |
| SK Telecom China Fund I L.P. | Sep. 14, 2011 | Investment | 687 | |

* Material Subsidiary means a subsidiary with total assets of Won 50 billion or more as of the end of the latest fiscal year.

** Formerly known as 2nd Benex Focus Investment Fund.

A. Corporate Legal Business Name: SK Telecom Co., Ltd.

B. Date of Incorporation: March 29, 1984

C. Location of Headquarters

(1) Address: 11 Euljiro 2-ga, Jung-gu, Seoul, Korea

(2) Phone: +82-2-6100-2114

(3) Website: <http://www.sktelecom.com>

D. Major Businesses

(1) Wireless Business

The Company provides wireless telecommunications services, characterized by its competitive strengths in handheld device, affordable pricing, network coverage and an extensive contents library. Since the introduction of services employing LTE technology in July 2011, the telecommunications market for such services has grown as demand for fast data transfer speeds and differentiated services increased. Having reached over four million LTE subscribers as of July 30, 2012, the Company is solidifying its leadership position in LTE services based on its technology and network operating expertise. The Company is also improving the profitability of its wireless business through efficient capital expenditures and marketing and enhancement of marketing network and products. In the business-to-business area, the Company plans to develop and commercialize industry-specific solutions focused on healthcare and education through strategic alliances.

Table of Contents

In addition, in order to strengthen our sales channels, the Company has been offering a variety of fixed-line and wireless telecommunication convergence products to its customers through PS&Marketing Corporation, one of its subsidiaries. Furthermore, Network O&S Co., Ltd., the Company's subsidiary responsible for the operation of the Company's 2G to 4G networks (including its CDMA, WCDMA and LTE networks), provides customers with quality network services and provides the Company with technological know-how in network operations.

(2) Fixed-line Business

SK Broadband is engaged in providing telecommunications, broadcasting and new media services and various other services that are permitted to be carried out by SK Broadband under relevant regulations, as well as business activities that are directly or indirectly related to providing those services. With the adoption of K-IFRS in 2011, our broadband and fixed-line services segment also includes the following services provided by certain other subsidiaries of SK Telecom subject to consolidation under K-IFRS: multimedia services and IP TV services (Broadband Media Co., Ltd.); telemarketing services (Broadband CS Co., Ltd.); and telecommunications-related construction and lease services (Broadband D&M Co., Ltd.).

(3) Other Businesses

The Company is pursuing customer satisfaction by providing the best service and generating new values in diverse areas in contents delivery, location based service, media, mobile commerce and advertisement. In contents delivery service, the Company provides high-quality digital contents in its leading mobile contents marketplace, T store, which had more than 15 million subscribers and plans to expand globally.

In the location based service business, users of the Company's T map service surpassed 13.7 million as of June 2012. T map provides real time traffic information and various local information. In the media business, the Company provides hoppin service that enables subscribers to access various multimedia contents through personal computers, mobile and other digital devices. In the commerce and advertising area, the Company's 11 Street provides platform service that connects various sellers and purchasers on-line, which continues to increase its market share. In addition, the Company pursues new business opportunities in comprehensive advertising service comprising on-line and wireless, such as its T ad service.

SK Communications provides integrated portal services through NATE, social networking services through Cyworld and instant messaging services through NATE-ON. Key sources of revenue for SK Communications are display advertising, search engine-based advertising, and contents and other services. Display advertising consists of image, video and Flash-based multimedia advertising carried on NATE, Cyworld and NATE-ON and aims to give greater exposure to the advertiser's brand name to the public. The increased effectiveness of on-line media as an advertising outlet has resulted in greatly expanded advertiser base, and the increasing variety in the format of advertising have all contributed to the growth of display advertising. Search engine-based advertising refers to the type of advertising that embeds advertisements within search results produced by searches of certain keywords on the NATE portal site. Search engine-based advertising has a certain appeal to small and medium-sized advertisers. Contents and other services include sales of on-line items to be used on Cyworld, contents sales and providing certain types of services. Revenues from contents and other services are generated through sales of on-line digital items through fixed-line Cyworld services and revenues generated by usage of mobile Cyworld services, which are shared with mobile phone service operators, as well as revenues from NATE-ON instant messaging, custom decorations for mobile phones, cartoon strips, fortunetelling, games and other contents services. In addition, SK Planet Co., Ltd. receives revenue from its services agreement with SK Telecom in connection with operation of WAP wireless NATE services. Service In Co., Ltd. is engaged in Internet service, database and on-line information service, data processing, Internet contents services, telemarketing and other computer services.

Table of Contents

The Company is also one of the leaders in the music services industry with the continued growth of Melon, its online music service, and its investments in music distribution and production.

In order to find future growth engines and strengthen the Company's competitiveness, the Company has made strategic investments in YTK Investment Ltd., an investment fund company, and SKY Property Management Ltd., which owns SK Tower in Beijing, China.

See II. Business Overview for more information.

E. Credit Ratings

(1) Corporate Bonds

| Credit rating date | Subject of rating | Credit rating | Credit rating entity | Rating classification |
|--------------------|-------------------|---------------|----------------------------------|-----------------------|
| | | | (Credit rating range) | |
| February 20, 2008 | Corporate bond | AAA | Korea Ratings | Current rating |
| February 21, 2008 | Corporate bond | AAA | Korea Investors Service, Inc. | Current rating |
| February 21, 2008 | Corporate bond | AAA | Korea Information Services, Inc. | Current rating |
| June 3, 2008 | Corporate bond | AAA | Korea Ratings | Regular rating |
| June 17, 2008 | Corporate bond | AAA | Korea Investors Service, Inc. | Regular rating |
| June 30, 2008 | Corporate bond | AAA | Korea Information Services, Inc. | Regular rating |
| October 20, 2008 | Corporate bond | AAA | Korea Ratings | Current rating |
| October 20, 2008 | Corporate bond | AAA | Korea Investors Service, Inc. | Current rating |
| October 20, 2008 | Corporate bond | AAA | Korea Information Services, Inc. | Current rating |
| January 13, 2009 | Corporate bond | AAA | Korea Ratings | Current rating |
| January 13, 2009 | Corporate bond | AAA | Korea Investors Service, Inc. | Current rating |
| January 13, 2009 | Corporate bond | AAA | Korea Information Services, Inc. | Current rating |
| February 23, 2009 | Corporate bond | AAA | Korea Ratings | Current rating |
| February 23, 2009 | Corporate bond | AAA | Korea Investors Service, Inc. | Current rating |
| February 23, 2009 | Corporate bond | AAA | Korea Information Services, Inc. | Current rating |
| June 24, 2009 | Corporate bond | AAA | Korea Information Services, Inc. | Regular rating |
| June 26, 2009 | Corporate bond | AAA | Korea Ratings | Regular rating |
| June 30, 2009 | Corporate bond | AAA | Korea Investors Service, Inc. | Regular rating |
| June 22, 2010 | Corporate bond | AAA | Korea Ratings | Regular rating |
| June 29, 2010 | Corporate bond | AAA | Korea Investors Service, Inc. | Regular rating |
| June 29, 2010 | Corporate bond | AAA | NICE Investors Service Co, Ltd. | Regular rating |
| May 27, 2011 | Corporate bond | AAA | Korea Ratings | Regular rating |
| June 13, 2011 | Corporate bond | AAA | NICE Investors Service Co, Ltd. | Regular rating |

Table of Contents

| Credit rating date | Subject of rating | Credit rating | Credit rating entity | |
|--------------------|-------------------|---------------|---------------------------------|-----------------------|
| | | | (Credit rating range) | Rating classification |
| June 23, 2011 | Corporate bond | AAA | Korea Investors Service, Inc. | Regular rating |
| December 12, 2011 | Corporate bond | AAA | Korea Investors Service, Inc. | Current rating |
| December 13, 2011 | Corporate bond | AAA | NICE Investors Service Co, Ltd. | Current rating |
| December 16, 2011 | Corporate bond | AAA | Korea Ratings | Current rating |
| June 21, 2012 | Corporate bond | AAA | Korea Ratings | Current rating |
| June 22, 2012 | Corporate bond | AAA | Korea Investors Service, Inc. | Current rating |
| June 29, 2012 | Corporate bond | AAA | NICE Investors Service Co, Ltd. | Current rating |

* Rating definition: AAA - The certainty of principal and interest payment is at the highest level with extremely low investment risk, and is stable in that there is no influence of any environmental change under reasonable expectation conditions.

(2) Commercial Paper (CP)

| Credit rating date | Subject of rating | Credit rating | Credit rating entity | |
|--------------------|-------------------|---------------|----------------------------------|-----------------------|
| | | | (Credit rating range) | Rating classification |
| June 3, 2008 | CP | A1 | Korea Ratings | Current rating |
| June 16, 2008 | CP | A1 | Korea Information Services, Inc. | Current rating |
| June 17, 2008 | CP | A1 | Korea Investors Service, Inc. | Current rating |
| October 20, 2008 | CP | A1 | Korea Ratings | Regular rating |
| October 20, 2008 | CP | A1 | Korea Investors Service, Inc. | Regular rating |
| October 20, 2008 | CP | A1 | Korea Information Services, Inc. | Regular rating |
| June 24, 2009 | CP | A1 | Korea Information Services, Inc. | Current rating |
| June 26, 2009 | CP | A1 | Korea Ratings | Current rating |
| June 30, 2009 | CP | A1 | Korea Investors Service, Inc. | Current rating |
| December 15, 2009 | CP | A1 | Korea Ratings | Regular rating |
| December 30, 2009 | CP | A1 | Korea Investors Service, Inc. | Regular rating |
| December 30, 2009 | CP | A1 | Korea Information Services, Inc. | Regular rating |
| June 22, 2010 | CP | A1 | Korea Ratings | Current rating |
| June 29, 2010 | CP | A1 | Korea Investors Service, Inc. | Current rating |
| June 29, 2010 | CP | A1 | NICE Investors Service Co, Ltd. | Current rating |
| December 16, 2010 | CP | A1 | Korea Ratings | Regular rating |
| December 27, 2010 | CP | A1 | Korea Investors Service, Inc. | Regular rating |

Table of Contents

| Credit rating date | Subject of rating | Credit rating | Credit rating entity | |
|--------------------|-------------------|---------------|---------------------------------|-----------------------|
| | | | (Credit rating range) | Rating classification |
| December 29, 2010 | CP | A1 | NICE Investors Service Co, Ltd. | Regular rating |
| May 27, 2011 | CP | A1 | Korea Ratings | Current rating |
| June 13, 2011 | CP | A1 | NICE Investors Service Co, Ltd. | Current rating |
| June 23, 2011 | CP | A1 | Korea Investors Service, Inc. | Current rating |
| December 12, 2011 | CP | A1 | Korea Investors Service, Inc. | Regular rating |
| December 13, 2011 | CP | A1 | NICE Investors Service Co, Ltd. | Regular rating |
| December 16, 2011 | CP | A1 | Korea Ratings | Regular rating |
| June 21, 2012 | CP | A1 | Korea Ratings | Current rating |
| June 22, 2012 | CP | A1 | Korea Investors Service, Inc. | Current rating |
| June 29, 2012 | CP | A1 | NICE Investors Service Co, Ltd. | Current rating |

* Rating definition: A1 - Timely repayment capability is at the highest level with extremely low investment risk, and is stable in that there is no influence of any environmental change under reasonable expectation conditions.

(3) International Credit Ratings

| Date of credit rating | Subject of rating | Credit rating of securities | Credit rating company | Rating type |
|-----------------------|----------------------------------|-----------------------------|-----------------------|----------------|
| June 6, 2012 | Bonds denominated in Swiss Franc | A- | Fitch | Current rating |
| June 4, 2012 | Bonds denominated in Swiss Franc | A3 | Moody's | Current rating |
| June 7, 2012 | Bonds denominated in Swiss Franc | A- | S&P | Current rating |

2. Company History

March 2008: Purchased shares of SK Broadband Co., Ltd. (formerly Hanaro Telecom)

May 2009: Participated in the public share offering of SK Broadband Co., Ltd.

September 2009: Acquired leased line and related other business of SK Networks Co., Ltd.

February 2010: Purchased shares of Hana Card Co., Ltd.

October 2011: SK Planet Co., Ltd. was spun off from the Company.

February 2012: Purchased shares of SK Hynix Inc. (formerly, Hynix Semiconductor Inc.)

A. Location of Headquarters

22 Dohwa-dong, Mapo-gu, Seoul (July 11, 1988)

16-49 Hangang-ro 3-ga, Yongsan-gu, Seoul (November 19, 1991)

Table of Contents

267 Namdaemun-ro 5-ga, Jung-gu, Seoul (June 14, 1995)

99 Seorin-dong, Jongro-gu, Seoul (December 20, 1999)

11 Euljiro 2-ga, Jung-gu, Seoul (December 13, 2004)

B. Significant Changes in Management

At the Extraordinary General Meeting of Shareholders held on August 31, 2011, Jun Ho Kim was elected as an inside director and Jin Woo So resigned from the Board to transfer to an affiliate of the Company. At the 28th General Shareholders Meeting held on March 23, 2012, (1) Young Tae Kim and Dong Seob Jee were elected as inside directors, (2) Hyun Chin Lim was re-elected as an independent director, and (3) Hyun Chin Lim was re-elected as a member of the audit committee.

C. Change in Company Name

On September 22, 2008, SK Broadband, one of our material consolidated subsidiaries, changed its name to SK Broadband Co., Ltd. from Hanaro Telecom Co., Ltd. to facilitate the sharing of SK Group's corporate culture and brand. Similarly, on September 22, 2008, Broadband Media Co., Ltd., another of our material consolidated subsidiaries, changed its name to Broadband Media Co., Ltd. from Hanaro Media Co., Ltd. On March 23, 2012, SK Hynix Inc., which became our subsidiary in February 2012, changed its name to SK Hynix Inc. from Hynix Semiconductor Inc. in accordance with a resolution at its annual shareholders meeting.

D. Mergers, Acquisitions and Restructuring

[SK Telecom Co., Ltd.]

(1) Spin-off

In accordance with the resolution of the Company's board of directors on July 19, 2011 and the resolution of the shareholders meeting on August 31, 2011, the Company spun off its platform business and established SK Planet Co., Ltd. effective as of October 1, 2011. The registration of the spin-off was completed on October 5, 2011. Set forth below are important details of the spin-off.

| Description | Detail |
|---------------------|--|
| Method of Spin-off | Simple vertical spin-off |
| Resulting Companies | SK Telecom Co., Ltd. (Surviving Company) SK Planet Co., Ltd. (Spin-off Company) |
| Effective Date | October 1, 2011 |

Table of Contents

Set forth below is summary of financial position before and after the spin-off. (in millions of Won)

| Description | Before spin-off (As of September 30, 2011) | | After spin-off (As of October 1, 2011) | |
|---------------------------|--|----------------------|--|---------------------|
| | SK Telecom Co., Ltd. | SK Telecom Co., Ltd. | SK Telecom Co., Ltd. | SK Planet Co., Ltd. |
| Total Assets | 19,400,114 | 19,084,651 | 19,084,651 | 1,545,537 |
| Total Liabilities | 7,673,828 | 7,358,365 | 7,358,365 | 315,463 |
| Total Shareholders Equity | 11,726,286 | 11,726,286 | 11,726,286 | 1,230,074 |

Schedule of spin-off

| Category | Date |
|---|--|
| Board resolution on spin-off | July 19, 2011 |
| Record Date for Determination of Shareholders for the Shareholders Meeting for Spin-off | August 4, 2011 |
| Shareholders Meeting for Approval of Spin-off Plan | August 31, 2011 |
| Date of Spin-off | October 1, 2011 |
| Shareholders Meeting for Report of Spin-off or Inaugural Meeting of Shareholders | October 4, 2011 |
| Registration of Spin-off | October 5, 2011 |
| Others | |
| Notice of closure of shareholders register | |
| Period of closure of shareholders register | |
| Public notice of shareholders meeting | July 20, 2011 August 5, 2011~ August 8, 2011 August 10, 2011 and August 12, 2011 |
| Dispatch of notice of shareholders meeting | August 12, 2011 |

Changes in shareholding, including majority shareholder

Not applicable because the spin-off is a simple vertical spin-off.

Appraisal rights of shareholders

Not applicable because the spin-off is a simple vertical spin-off.

Protection of creditors

In accordance with Article 530-1 Paragraph 1, both SK Telecom and SK Planet will be jointly and severally liable for the payment of all obligations of SK Telecom incurred prior to the spin-off.

Allocation of new shares

Edgar Filing: SK TELECOM CO LTD - Form 6-K

In accordance with Articles 530-2 through 530-12, the spin-off is a simple vertical spin-off and all shares of SK Planet were allocated to SK Telecom.

Table of Contents

(2) Acquisition of Shares of Hynix Semiconductor

In accordance with the resolution of the Company's board of directors on November 14, 2011, the Company purchased 146,100,000 shares of Hynix Semiconductor Inc. (aggregate purchase price of Won 3,374,726 million) on February 14, 2012 in order to acquire the control of Hynix Semiconductor. The Company has a 21.05% equity interest in Hynix Semiconductor after the purchase.

[SK Telink Co., Ltd.]

(1) Merger

On July 22, 2010, the board of directors approved the merger of TU Media Corp. into SK Telink Co., Ltd. effective as of November 1, 2010. In connection with this merger, SK Telink issued 256,763 shares of its common stock.

[SK Communications Co., Ltd.]

(1) Merger

On June 25, 2007, the board of directors resolved to cause SK Communications Co., Ltd. to merge into Empas Corp., effective as of November 1, 2007. We believe this merger helped to strengthen our competitiveness in the portal services market. In the merger, one share of the former SK Communications was converted into 3.5732182 shares of Empas.

(2) Spin off

On August 6, 2008, the board of directors resolved to spin off its video education business to create Etoos Co., Ltd., effective as of November 1, 2008. The spin off was intended to help the Company to better focus on its core businesses and to give each of our business divisions greater autonomy in making operational decisions based on technical expertise specific to the respective business division.

(3) Disposition and acquisition of businesses

1. Disposition of publishing business division

On April 10, 2009, SK Communications sold its publishing business division to Etoos for Won 4,785 million in accordance with the resolution of its board of directors of March 5, 2009.

2. Acquisition of the KUKU division

On July 1, 2009, SK Communications purchased the KUKU division from SK I-Media Co., Ltd. for a purchase price of Won 1,157 million, in accordance with the June 25, 2009 resolution of its board of directors.

3. Disposition of the Spicus division

Pursuant to the July 23, 2009 resolution of its board of directors, SK Communications sold the Spicus division, its telephone English education division, to Spicus Inc., a subsidiary of Altos Ventures on August 1, 2009 for a purchase price of Won 1,493 million.

Table of Contents

(4) Disposition of shares

1. Disposition of shares of Etoos

SK Communications sold all of its shares in Etoos to Cheong Sol pursuant to a resolution of its board of directors of October 19, 2009 and, as consideration, received Won 50,000 million principal amount of convertible bonds. Pursuant to a resolution of its board of directors of July 23, 2010, SK Communications converted Won 25 billion principal amount, out of a total of Won 50 billion principal amount, of convertible bonds of Etoos into 701,000 shares of Etoos (15.58%). Pursuant to a resolution of its board of directors of January 13, 2012, SK Communications sold Won 20 billion principal amount, out of the remaining Won 25 billion principal amount, of convertible bonds of Etoos Education Co., Ltd. to Shinhan Private Equity Fund No. 2 at a price of Won 19 billion.

2. Disposition of shares of SK i-Media

Pursuant to a resolution of its board of directors of October 17, 2011, SK Communications sold all shares of SK i-Media Co., Ltd. held by it to LK Media Tech Co., Ltd. at a price of Won 1 million.

3. Disposition of shares of U-Land, an overseas entity

Pursuant to a resolution of its board of directors of December 21, 2011, SK Communications sold all of its 29.85% interest in U-Land, an overseas entity, to SK Planet Co., Ltd. at a price of Won 10 million.

E. Other Important Matters related to Management Activities

[SK Telecom Co., Ltd.]

(1) Bank loans

On February 14, 2012, the Company borrowed Won 2.5 trillion in a syndicated loan from a syndicate of Korean banks including Kookmin Bank and Woori Bank in order to finance the purchase of Hynix shares. Won 2 trillion of the loan matures in three years and Won 0.5 trillion of the loan matures in one year.

[SK Broadband Co., Ltd.]

SK Broadband, a material consolidated subsidiary of ours, acquired subscriberships of regional cable and other service providers on several different occasions. Such acquisitions were intended to secure a stable subscriber base for our broadband Internet service and, at the same time, increase the service coverage area. Because such acquisitions were conducted on a relatively small scale and involved purchase of subscriberships, we did not believe such acquisitions rose to the level of purchasing an entire business line from another company or likely to have a material impact on our business, and therefore we believed that such acquisitions did not require resolution of our shareholders.

[SK Communications Co., Ltd.]

(1) Leak of personal information

In July 2011, a leak of personal information of subscribers of Nate and Cyworld websites operated by SK Communications Co., Ltd., the Company's consolidated subsidiary, occurred. Two lawsuits (total claim of Won 9 million) demanding compensation for damages from the leak were filed and five payment orders (total payment amount of Won 7 million) were issued by the courts against SK Communications in connection with the leak.

Table of Contents

[SK Telink Co., Ltd.]

On July 2, 2012, Telink, one of the Company's consolidated subsidiaries, submitted a proposal to suspend its broadcasting division to the Korea Communications Commission. On July 5, 2012, the Korea Communications Commission accepted Telink's proposal.

3. Total Number of Shares

A. Total number of shares

(As of June 30, 2012)

(Unit: shares)

| Classification | Share type | | Remarks |
|--|---------------|-------------|---------|
| | Common shares | Total | |
| I. Total number of authorized shares | 220,000,000 | 220,000,000 | |
| II. Total number of shares issued to date | 89,278,946 | 89,278,946 | |
| III. Total number of shares retired to date | 8,533,235 | 8,533,235 | |
| a. reduction of capital | | | |
| b. retirement with profit | 8,533,235 | 8,533,235 | |
| c. redemption of redeemable shares | | | |
| d. others | | | |
| IV. Total number of shares (II-III) | 80,745,711 | 80,745,711 | |
| V. Number of treasury shares | 11,050,712 | 11,050,712 | |
| VI. Number of shares outstanding (IV-V) | 69,694,999 | 69,694,999 | |

On July 20, 2011, the Company publicly disclosed its plan to repurchase treasury stock. The Company repurchased 1.4 million shares of treasury stock from July 25, 2011 to September 30, 2011 through the Korea Exchange. For more information on the repurchase of treasury stock, please see public disclosures made on July 20, 2011 and October 5, 2011.

Table of Contents

B. Treasury Stock

(1) Acquisitions and Dispositions of Treasury Stocks

(As of June 30, 2012)

(Unit: shares)

| Acquisition methods | Type of shares | At the | Changes | | | At the end |
|--|------------------|---------------------|--------------|--------------|-------------|------------|
| | | beginning of period | Acquired (+) | Disposed (-) | Retired (-) | of period |
| Acquisition pursuant to the Financial Investment Services and Capital Markets Act of Korea (FSCMA) | Common shares | 7,086,028 | | | | 7,086,028 |
| | Preferred shares | | | | | |
| | Common shares | | | | | |
| | Preferred shares | | | | | |
| | Common shares | | | | | |
| | Preferred shares | | | | | |
| | Common shares | 7,086,028 | | | | 7,086,028 |
| | Preferred shares | | | | | |
| | Common shares | | | | | |
| | Preferred shares | | | | | |
| Common shares | 3,886,710 | | | | 3,886,710 | |
| Preferred shares | | | | | | |
| Common shares | 3,886,710 | | | | 3,886,710 | |
| Preferred shares | | | | | | |
| Common shares | 77,974 | | | | 77,974 | |
| Preferred shares | | | | | | |
| Common shares | 11,050,712 | | | | 11,050,712 | |
| Preferred shares | | | | | | |

* Among 11,050,712 shares directly acquired by the Company, 2,308,406 shares were deposited with the Korea Securities Depository as of June 30, 2012 for issuance upon conversion of the overseas convertible bonds.

4. Status of Voting Rights

(As of June 30, 2012)

(Unit: shares)

| Classification | Number of shares | Remarks |
|---|------------------|-----------------|
| Total shares (A) | 80,745,711 | |
| Number of shares without voting rights (B) | 11,050,712 | Treasury shares |
| Shares without voting rights pursuant to the Company's articles of incorporation (C) | | |
| Shares with restricted voting rights pursuant to Korean law (D) | | |
| Shares with reestablished voting rights (E) | | |
| The number of shares with exercisable voting rights (F = A - B - C - D + E) | 69,694,999 | |

Table of Contents

5. Dividends and Others

A. Dividends

- (1) Distribution of cash dividends was approved during the 26th General Meeting of Shareholders held on March 12, 2010.

Distribution of cash dividends per share of Won 8,400 (exclusive of an interim dividend of Won 1,000) was approved.

- (2) Distribution of interim dividends of Won 1,000 was approved during the 318th Board of Directors Meeting on July 22, 2010.

- (3) Distribution of cash dividends was approved during the 27th General Meeting of Shareholders held on March 11, 2011.

Distribution of cash dividends per share of Won 8,400 (exclusive of an interim dividend of Won 1,000) was approved.

- (4) Distribution of interim dividends of Won 1,000 was approved during the 330th Board of Directors Meeting on July 28, 2011.

- (5) Distribution of cash dividends was approved during the 28th General Meeting of Shareholders held on March 23, 2012.

Distribution of cash dividends per share of Won 8,400 (exclusive of an interim dividend of Won 1,000) was approved.

- (6) Distribution of interim dividends of Won 1,000 was approved during the 344th Board of Directors Meeting on July 25, 2012.

Table of Contents

B. Dividends for the Last 3 Fiscal Years

(Unit: in millions of Won, except per share value)

| Classification | As of and for the six months ended June 30, 2012 | As of and for the year ended December 31, 2011 | As of and for the year ended December 31, 2010 |
|---|--|---|---|
| Par value per share (Won) | 500 | 500 | 500 |
| Net income | 576,338 | 1,694,363 | 1,947,008 |
| Net income per share (Won) | 8,269 | 24,002 | 27,063 |
| Total cash dividend | 69,695 | 656,533 | 669,534 |
| Total stock dividends | | | |
| Percentage of cash dividend to available income (%) | 12.1 | 38.7 | 34.4 |
| Cash dividend yield ratio (%) | Common share Preferred share | 0.8 6.6 | 5.4 |
| Stock dividend yield ratio (%) | Common share Preferred share | | |
| Cash dividend per share (Won) | Common share Preferred share | 1,000 9,400 | 9,400 |
| Stock dividend per share (share) | Common share Preferred share | | |

.. Prepared based on non-consolidated financial statements. Net income per share means basic net income per share.

* Total cash dividend of Won 669,534 million for the year ended December 31, 2010 includes the total interim dividend amount of Won 72,345 million, and the cash dividend amount per share of Won 9,400 includes the interim cash dividend amount of Won 1,000.

* Total cash dividend of Won 656,533 million for the year ended December 31, 2011 includes the total interim dividend amount of Won 71,095 million, and the cash dividend amount per share of Won 9,400 includes the interim cash dividend amount of Won 1,000.

* Total amount of interim dividend for the six months ended June 30, 2012 was Won 69,695 million, and the interim cash dividend amount per share was Won 1,000.

Table of Contents**II. BUSINESS**

Each company in consolidated entity is separate as a legal entity providing independent services and products. The business is majorly distinguished as a wireless telecommunication business consisting of mobile phone, wireless data, information telecommunication, a fixed line telecommunication business consisting of PSTN, high speed Internet, data and network lease service etc. and other telecommunication business composing of Internet portal service, game etc.

1. Business Overview**[Wireless Business]****A. Industry Characteristics**

As of June 30, 2012, the number of domestic mobile phone subscribers reached 53.96 million and, with more than 100% penetration rate, the Korean mobile communication market can be considered to have reached its maturation stage. However, the penetration rate is expected to increase further due to increased use of mobile phones by corporate users resulting from the rapid growth of smartphone markets, as well as the increasing popularity of high-tech mobile devices based on wireless data services such as tablet PC.

The Korean mobile communications market continues to improve in the quality of services with the help of advances in network-related technology and the development of highly advanced handsets including various smartphones which enable the provision of convergence services for multimedia contents, mobile commerce, telematics, satellite Digital Multimedia Broadcasting (DMB), digital home services, connected workforce services and other related services. In addition, through HSPA+ network commercialized in October 2010 and the LTE network introduced in July 2011, the B2B business directly resulting in the enhancement of productivity, such as the corporate connected workforce business, is expected to grow rapidly.

B. Growth Potential

(Unit: 1,000 persons)

| Classification | | As of June 30, | | As of December 31, | | |
|----------------|--------------------------|----------------|--------|--------------------|--------|--------|
| | | 2012 | 2011 | 2010 | 2009 | 2008 |
| | SK Telecom | 26,659 | 26,553 | 25,705 | 24,270 | 23,032 |
| | Others (KT, LGU+) | 26,340 | 25,954 | 25,062 | 23,675 | 22,575 |
| | Total | 52,999 | 52,507 | 50,767 | 47,944 | 45,607 |

(Source: Korea Communications Commission website)

Table of Contents

C. Domestic and Overseas Market Conditions

The Korean mobile communication market includes the entire population of Korea with mobile communication service needs, and almost every Korean is considered a potential user. Sales revenue related to data services is expected to increase due to the increasing popularity of smartphones and wireless Internet. Business-to-business segment that creates added values by adding additional solutions and applications is also growing. Seasonal and economic fluctuations have much less impact on the Korean mobile communication market compared to other industries.

Historical market share of the Company:

(Unit: %)

| Classification | As of June | As of December 31, | | |
|--------------------------------------|------------|--------------------|------|------|
| | 30, 2012 | 2011 | 2010 | 2009 |
| Mobile communication services | 50.3 | 50.6 | 50.6 | 50.6 |

Comparative market share:

(As of June 30, 2012)

(Unit: %)

| Classification | SK Telecom | KT | LGU+ |
|---------------------|------------|------|------|
| Market share | 50.3 | 31.1 | 18.6 |

(Source: Korea Communications Commission website)

D. Business Overview and Competitive Strengths

The Company is seeking to transform itself from a telecommunication service provider into a comprehensive information and communication technology (ICT) service provider. It has continued to expand the scope of its services and achieved strong growth in subscribers amid fierce competition and rate cuts. As of June 30, 2012, the Company recorded Won 8 trillion in revenue and Won 850 billion in operating income on a consolidated basis and Won 6.09 trillion in revenue, Won 800 billion in operating income and Won 580 billion in net profit on a non-consolidated basis.

The number of subscribers as of June 30, 2012 was 26.66 million, an increase of 103 thousand from the previous quarter. In particular, the number of smartphone subscribers as of June, 30 of 2012 was 14 million, an increase of 1.24 million from the previous quarter, including 3.34 million LTE subscribers, solidifying the Company's market leadership. The Company upgraded the quality of smartphone services by providing commercial LTE services, which enable streaming service of high-quality videos, high-definition video conference calls and wireless on-line gaming services. The Company also plans to enhance customer satisfaction by improving network quality.

Table of Contents

SK Telink, a subsidiary of the Company, plans to expand its operations to the mobile virtual network operator (MVNO) business based on its technical expertise and know-how obtained in its international telecommunications business. SK Telink launched its pre-paid MVNO service in June 2012 and plans to launch its post-pay service in January 2013. An MVNO leases the networks of a mobile network operator (MNO) and provides wireless telecommunication services under its own brand and fee structure, without owning telecommunication networks or frequencies.

Network O&S, a subsidiary of the Company responsible for the operation of the Company's base stations and related transmission and power facilities, offers quality fixed-line and wireless products to customers, including mobile office products to business customers.

PS&Marketing Corporation, a subsidiary of the Company involved in wholesale, retail and online sales, offers fixed-line and wireless telecommunication products and services to meet the lifestyle needs of customers.

[Fixed Line Business]

A. Industry Characteristics

The Korean telecommunications industry is currently characterized by smartphones, tablet computers and other devices with enhanced mobility and cloud computing, mobile offices and other information and communications technology. In addition, mergers among fixed-line operators and wireless operators have accelerated the convergence within the telecommunications sector, creating a market structure in which groups with both fixed-line and wireless capabilities compete for greater market share to secure a more solid footing in the market. Spurred on by the introduction of various bundled products, growth in the market for IPTV services and a paradigm shift in the voice telephone market towards Internet-based telephone services, the broadband and fixed-line telecommunications market is playing a key role in the accelerated consolidation of the service providers as well as heightened competition in a growing market. The increased usage of smartphones and tablet PCs, as well as the commercialization of the fourth generation LTE network, has greatly increased the demand for wireless data transmissions, thereby putting into greater relief the importance of fixed-line networks.

We believe the transition to digital TV services will accelerate in 2012 when analog open air TV broadcast will terminate. We are seeing stronger competition in new services such as smart TVs and various convergence products, such as smartphones and N Screen services employing tablet computers.

Table of Contents

B. Growth Potential

(Unit: 1,000 persons)

| Classification | | As of June 30, 2012 | As of December 31, | |
|--------------------|----------------------------|---------------------|--------------------|--------|
| | | | 2011 | 2010 |
| Fixed Line | High Speed Internet | 18,011 | 17,860 | 17,224 |
| | Fixed Line | 18,467 | 18,633 | 19,273 |
| Subscribers | IPTV (real-time) | 5,404 | 3,591 | 2,740 |

(Source: Korea Communications Commission website)

C. Cyclical Nature and Seasonality

High-speed Internet, fixed-line telephone and IPTV services are generally not sensitive to cyclical economic changes. Demand for these services also does not show seasonal fluctuations.

We expect that the accelerated transition to digital TV services as a result of the termination of terrestrial analog TV broadcast, as well as the entrance of Google Inc. and Apple Inc. into the television market and the introduction of Smart TV products, would present opportunities by expanding the market size and increasing consumers' interests. We are strengthening our competitiveness by improving the performance of our set boxes and expanding the number of popular channels, as well as introducing mobile IPTV services using N Screen.

Historical market share of the Company:

(Unit: %)

| Classification | As of June 30, 2012 | As of December 31, | |
|---|------------------------|--------------------|------|
| | | 2011 | 2010 |
| High Speed Internet (include Resale) | 23.9 | 23.5 | 23.2 |
| Fixed Line (include VOIP) | 15.2 | 14.6 | 13.7 |
| IPTV (real-time) | 20.7 | 19.3 | 23.8 |

(Source: Korea Communications Commission website)

D. Business Overview and Competitive Strengths

SK Broadband, which in 1999 became the first company in the world to commence commercial ADSL services, has strengthened its co-marketing efforts with SK Telecom. The co-marketing efforts and the enhanced competitiveness of the bundled products have resulted in expanded subscriber base across all of our businesses, including broadband Internet, telephone and IPTV. In particular, we have positioned ourselves to focus on corporate customer services as one of the key strategic areas for mid- to long-term growth, and our efforts to exploit new information and communications technology based businesses have led to revenue growth and strengthening of our competitiveness in the emerging business-to-business market.

Table of Contents

SK Telink, a material consolidated subsidiary of ours, provides international telecommunications service. SK Telink has been able to establish itself as a market leader as a result of its affordable pricing, proactive marketing and the quality of its services. It launched a mobile phone-based international calling service under the brand name 00700 in 1998, creating a new niche market within the long-distance telephony market that was otherwise dominated by existing service providers. In 2003, SK Telink was designated a common carrier for international calling services, which allowed us to expand our international calling services to fixed-line international calling services. In addition, in 2011, we were again ranked first in the three major independent customer satisfaction surveys, including the Korea Nation Customer Satisfaction Index, after having been ranked first in 2010. The revenue from our international calling services in 2011 was Won 416.5 billion. SK Telink plans to strengthen its existing business, including international and long-distance calling services, while satisfying customers' diverse needs for new services such as the VOIP and value-added services.

[Other Business]

A. Industry Characteristics

As the number of smartphone subscribers in Korea exceeds 23 million, 92% of total economically active population uses smartphones. The growth in smartphones and other mobile devices has made a service provider with strong platform business the leader in ICT market. Platform business acts as an intermediary among various customer groups and thereby generating new values, attracting subscribers and users and creating an ecosystem with certain lock-in effects. A platform can exist in various forms, including technological standard (iOS, Android OS), subscriber-based service platforms (Facebook, Twitter) or a marketplace (Amazon, T store). Platform business is evolving and expanding globally.

Platform business has strong growth potential due to its connectivity with related services and ease of global expansion. Apple has become the world's leading smartphone producer based on its innovative design and the competitive strength of its AppStore platform. Google has created a new ecosystem of long-tail advertisement by attracting millions of third parties to its advertising platform, as well as showing strong growth in mobile markets with its competitive platform based on Android OS. Facebook has grown significantly into a platform business by introducing platforms such as Facebook Connect, Social Graph and Like.

Table of Contents

B. Growth Potential

The Company expects that the scope and value generated by the platform business, including application and content marketplaces and N-screen services, will increase, as smartphones and tablet PCs become more popular and the bandwidth and speed of network infrastructure improve.

<Global Smartphone and Tablet Sales Forecast>

(in million units)

| Classification | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|----------------|------|------|------|------|------|------|------|------|
| Smartphone | 252 | 285 | 269 | 366 | 455 | 555 | 670 | 774 |
| Tablet | | | 18 | 70 | 108 | 160 | 223 | 294 |

(Source: Gartner, April 2011)

<Korea Smartphone and Tablet Subscriber Forecast>

(in ten thousand subscribers)

| Classification | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|----------------|------|-------|-------|-------|-------|-------|
| Smartphone | 733 | 1,883 | 2,706 | 3,324 | 3,820 | 4,213 |
| Tablet | 18 | 180 | 383 | 563 | 744 | 982 |

(Source: Korea Communications Commission, December 2010)

As the wireless network evolves to LTE, business opportunities for the platform business are growing, which include multimedia streaming, N-screen service based on cloud technology and high-definition location based services. Since the platform business realizes profit by connecting with advertisement or commerce after building a critical mass of subscriber and traffic base, recent growth in advertisement and commerce markets is expected to present an opportunity for platform businesses.

In addition, as more people opt to watch online videos instead of satellite television, the number of subscribers to the Company's satellite DMB services, which began broadcasting in May 2005, has drastically decreased. As of June 30, 2012, there were only 40 thousand subscribers to the Company's satellite DMB services.

C. Domestic and Overseas Market Conditions

(1) Competition

Application Marketplace

The growth of application marketplaces, which started with Apple's App Store, provides the platform businesses with new opportunities for revenue generation. The competitive paradigm is shifting from a competition among platform operators toward a competition among ecosystems that include application developers as well as platform operators.

Table of Contents

Commerce Markets

The Company expects that on-line commerce market will continue to grow due to growth potential of Internet shopping population and strengthening of on-line business models by off-line operators.

<Size of Korea Commerce Market>

(unit: Won trillion)

| Classification | 2010 | 2011(F) | 2012(F) | 2014(F) |
|------------------------------------|-------|---------|---------|---------|
| Total Commerce Markets | 197.0 | 223.0 | 238.0 | 252.0 |
| Online Commerce | 24.8 | 29.6 | 34.1 | 45.2 |
| Department Stores and Supermarkets | 57.2 | 60.1 | 63.7 | 75.1 |
| TV home shopping | 5.2 | 5.9 | 6.3 | 7.2 |
| Convenience Stores | 7.0 | 7.8 | 8.8 | 11.2 |
| Small Stores | 101.0 | 103.3 | 119.2 | 113.3 |

(Source: National Statistical Office, 2010)

Korean advertisement market is expected to grow from Won 7.4 trillion in 2010 to Won 10.0 trillion in 2015. In particular, mobile advertisement is expected to grow rapidly to Won 0.8 trillion in 2015, primarily due to the popularity of smartphones and convergence with location based advertisement.

<Korea Advertising Market by Media>

(unit: Won trillion)

| Classification | 2001 | 2005 | 2010 | 2015(F) |
|-------------------------------------|------|------|------|---------|
| Total Advertisement Market | 5.5 | 6.3 | 7.4 | 10.0 |
| TV, Radio, Newspaper, Magazine | 4.4 | 4.5 | 4.3 | 4.9 |
| Internet | 0.1 | 0.6 | 1.5 | 2.3 |
| Mobile | | | 0.3 | 0.8 |
| Others (including cable television) | 0.9 | 1.2 | 1.6 | 2.0 |

(Source: Frost & Sullivan, 2010, Korea Communications Commission, 2010)

Table of Contents

Media Contents Market

Due to an increase in the number of devices owned by each user and an increase in network speed, each user can now enjoy music or video files anywhere and anytime by storing them in cloud servers, which is called N screen service. Users can recommend music to other users through social networking services and this is expected to become a distribution model for digital media contents. Various service providers are competing in this market expecting a strong growth in on-line and mobile video market.

Internet portal service providers provide more or less identical types of services, including search, social networking sites, email service, news and other contents. However, for each type of service, a small number of service providers with specialized expertise are enjoying relatively large market shares. However, the portal services market has a relatively light entry barrier and there is increased competition from new entrants. In addition, the ease of access to services provided by competitive foreign providers is also adding to a strongly competitive market environment.

(2) Market Share

CyWorld service, our social networking website in Korea, had 26 million cumulative subscribers, 10 million net users and a page view of 2.3 billion as of June 2012. Our Nate-On service had the largest market share of 72.4% in the instant messenger market in Korea with 10 million net users as of June 2012. Our Nate search portal service had a market share of 2.2% as of June 2012. (Source: Korean Click, company data).

D. Business Overview and Competitive Strengths

Based on the digital content marketplace (T store), commerce marketplace (11 Street) and location-based service (T map), the Company plans to expand its platform ecosystem focusing on Open & Collaboration motto. It seeks to increase its enterprise value by expanding into media platform and advertisement platform.

Digital Content Marketplace

T store, launched in September 2009, reached 15.23 million subscribers and cumulative downloads of 880 million as of June 2012, solidifying its leadership position in the Korean application market and plans to widen its services to tablets and navigation devices.

Commerce (Open Market)

11 Street, a marketplace, has continued its growth through effective marketing and customer satisfaction. Despite its later entry into the online commerce market (launched in 2008) which was already divided between Auction and G-Market, it has succeeded in growing to a comparable size to Auction. Future growth plans include new commerce and overseas joint ventures based on 11 Street's business expertise.

Table of Contents

Location-based Service

T map provides map, local information, real-time traffic information and navigation services. With cumulative subscribers of 13.68 million as of June 30, 2012, T map is one of the leading location based service platforms in Korea. The Company plans to further develop T map platform by initiating open services, providing services to more diverse types of devices and providing local services.

Media Platform

The Company's media platform business has started with hoppin service, which provides N-screen media service enabling subscribers to enjoy contents through a number of devices. Hoppin is expanding its services to more types of smartphones and tablets. The Company plans to develop Hoppin service into a media platform acting as an intermediary of various N-screen services. It also plans to provide media platform services in overseas markets in stages.

Satellite DMB

The Company launched its Hanbyul satellite in 2004 and received government approval in December 30, 2004 to provide satellite DMB services. In May 2005, the Company began broadcasting, but as an increasing number of customers has opted to watch online videos rather than satellite television, the number of subscribers to the Company's satellite DMB services has drastically decreased. As of June 30, 2012, there were only 40 thousand subscribers to the Company's satellite DMB services.

Web Search through Nate.com

The Company's web search service provided through Nate.com plans to enhance competitiveness by adding social search function. In addition, Cyworld plans to establish a worldwide service for global users.

Mobile Social Networking Service

In the first quarter 2012, SK Planet, a subsidiary of the Company, acquired Mad Smart Co., Ltd., which provides tic-toc service, in order to expand its business to mobile communication and social networking services. Mobile social networking service, still in its early stage of development, presents ample opportunities for new businesses and is expected to grow rapidly in the future. SK Planet plans to create synergies from the acquisition by combining its know-how in platform service and the strengths of tic-toc in social networking services.

Music industry

The Company's online music site, Melon, has continued to increase its sales and, for the past four years, has been recognized as having the largest market share and the highest brand recognition in the digital music sales market in Korea. As of June 30, 2012, the Company supports all major smartphone and tablet devices introduced in Korea, including iPhone and iPad, and is strengthening its support for its mobile customers who use Melon services in a multi-device environment.

Table of Contents

The Company plans to strengthen its leadership in the mobile market and increase the number of its subscribers by responding to changes in the smart device and 4G LTE network environment, providing reliable service operations and continually improving service, offering relevant and special music related contents to its customers and engaging in diverse and differentiated marketing promotion activities.

2. Major Products & Services

A. Updates on Major Products and Services

(Unit: in thousands of Won, %)

| Business fields | Major companies | Item | Major trademarks | Sales amount (ratio) |
|-------------------|--|--|---|----------------------|
| Mobile | SK Telecom Co., Ltd., PS&Marketing Corporation, Service Ace Co., Ltd., Service Top Co. Ltd., Network O&S Co., Ltd. | Mobile Phone Service, Wireless Data Service, Information Telecommunication Service | T Store, NATE and others | 6,451,734,236 (81%) |
| Fixed Line | SK Broadband Co., Ltd., Broadband D&M Co., Ltd., Broadband Media Co., Ltd., Broadband CS Co., Ltd., SK Telink Co., Ltd. | Fixed-line Phone, High Speed Internet, Data and Network Lease Service | B tv, 00700 international call and others | 1,099,921,223 (14%) |
| Other | SK Planet Co., Ltd , Commerce Planet Co., Ltd , SK Communications Co., Ltd., PAXNet Co., Ltd., Loen Entertainment, Inc., SKT Americas, Inc., SK Telecom China Holdings Co., Ltd. | Internet Portal Service, Game Service | NATE, Cyworld and others | 448,928,677 (6%) |
| | | Total | | 8,000,584,136 (100%) |

B. Price Fluctuation Trend of Major Products and Services

[Mobile Business]

Previously, based on the Company's Basic Plan for monthly subscription, the basic service fee was Won 13,000 per month and the usage fee was Won 20 per 10 seconds and based on the Company's Standard Plan, basic service fee was Won 12,000 per month and the usage fee was Won 18 per 10 seconds. As of June 30, 2012, based on the Company's Standard Plan, basic service fee was Won 11,000 per month and the usage fee was Won 1.8 per 1 second.

[Fixed Line Business]

SK Broadband provides broadband Internet access service, telephony, TV, corporate data services and other services for both individual and corporate customers. For the six months ended June 30, 2012, broadband Internet and TV services comprised 49.2% of SK Broadband's revenue, telephony service 25.9%, corporate data services 21.2% and other telecommunications services 3.7%.

Table of Contents

[Other Business]

SK Communications display advertisements are priced at Won 15 to 70 million per day. Search advertisements are priced variably depending on the search keyword using cost per click and cost per time methods. Cyworld revenues are generated through sale of cyber items at a price of Won 300 to 700 per item per week.

3. Investment Status

[Mobile Business]

A. Investment in Progress

(Unit: in 100 millions of Won)

| Business field | Classification | Investment period | Subject of investment | Investment effect | Total investments | Amount already invested | Future investment |
|----------------|------------------------------|-------------------|-----------------------------|--|-------------------|-------------------------|-------------------|
| Network/Common | Upgrade/ New installation | 2012 | Network, systems and others | Capacity increase and quality improvement; systems improvement | To be determined | 10,979 | To be determined |
| Total | | | | | To be determined | 10,979 | To be determined |

B. Future Investment Plan

(Unit: in 100 millions of Won)

| Business field | Expected investment amount | | Expected investment for each year | | | Investment effect |
|----------------|-----------------------------|--------|-----------------------------------|------------------|------------------|---|
| | Asset type | Amount | 2012 | 2013 | 2014 | |
| Network/Common | Network, systems and others | 23,000 | 23,000 | To be determined | To be determined | Upgrades to the existing services and provision of new services |
| Total | | 23,000 | 23,000 | To be determined | To be determined | Upgrades to the existing services and provision of new services |

Table of Contents

[Fixed Line Business]

A. Investment in Progress

(Unit: in 100 millions of Won)

| Business field | Classification | Investment period | Subject of investment | Investment effect | Total investments | Amount already invested | Future investment |
|---------------------|------------------------------|-------------------|--|---|-------------------|-------------------------|-------------------|
| High-speed Internet | Upgrade/ New installation | 2012 | Backbone and subscriber network / others | Expand subscriber networks and facilities | 1,017 | 206 | To be determined |
| Telephone | | | | 25 | | | |
| Television | | | | 294 | | | |
| Corporate Data | | | | 270 | | | |
| Others | | | | 222 | | | |
| Total | | | | | | 1,017 | |

4. Revenues

(Unit: in millions of Won)

| Business field | Sales type | Item | | For the six months ended June 30, 2012 | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|-------------------|-----------------|--|-----------------|--|--|--|
| Mobile | Services | Mobile communication | Export | 8,409 | 1,331 | 599 |
| | | | Domestic | 6,443,326 | 13,100,614 | 12,919,663 |
| | | | Subtotal | 6,451,734 | 13,101,945 | 12,920,262 |
| Fixed Line | Services | Fixed line, B2B data, High speed Internet, TV | Export | 15,252 | 28,070 | 30,883 |
| | | | Domestic | 1,084,669 | 2,134,498 | 2,196,424 |
| | | | Subtotal | 1,099,921 | 2,162,568 | 2,227,307 |
| Other | Services | Display and Search ad., Content | Export | 1,963 | 12,036 | 12,000 |
| | | | Domestic | 446,965 | 711,729 | 439,726 |
| | | | Subtotal | 448,929 | 723,765 | 451,726 |
| Total | | | Export | 25,624 | 41,437 | 43,482 |
| | | | Domestic | 7,974,960 | 15,946,841 | 15,555,813 |
| | | | Total | 8,000,584 | 15,988,278 | 15,599,295 |

Table of Contents

(Unit: in thousands of Won)

For the six months ended

| June 30, 2012 | Wireless | Fixed | Other | Sub total | Internal transaction | After consolidation |
|--------------------------------|----------------|---------------|---------------|----------------|----------------------|---------------------|
| Total revenue | 7,005,933,510 | 1,421,599,759 | 811,106,921 | 9,238,640,190 | -1,238,056,054 | 8,000,584,136 |
| Internal revenue | 554,199,274 | 321,678,536 | 362,178,244 | 1,238,056,054 | -1,238,056,054 | |
| External revenue | 6,451,734,236 | 1,099,921,223 | 448,928,677 | 8,000,584,136 | | 8,000,584,136 |
| Operating income (loss) | 804,009,082 | 33,389,095 | 12,401,898 | 849,800,075 | | 849,800,075 |
| Net profit (loss) | 523,844,204 | -117,359,312 | 14,452,480 | 420,937,372 | | 420,937,372 |
| Total asset | 22,763,618,470 | 3,347,833,993 | 3,339,487,418 | 29,450,939,881 | -3,677,548,160 | 25,773,391,721 |
| Total liabilities | 10,662,153,307 | 2,154,858,872 | 842,107,498 | 13,659,119,677 | -386,371,723 | 13,272,747,954 |

5. Derivative Transactions

(1) Currency swap contract applying cash flow risk hedge accounting

The Company has entered into a currency and interest rate swap contract with Credit Agricole Corporate & Investment Bank to hedge the foreign currency risk and the interest rate risk of U.S. dollar denominated floating rate long-term borrowings with face amounts totaling US\$100,000,000 borrowed on October 10, 2006. As of June 30, 2012, in connection with this unsettled currency and interest rate swap contract, an accumulated loss on valuation of derivatives amounting to Won 3,082,256,000 (excluding tax effect totaling Won 483,895,000 and foreign exchange translation loss arising from U.S. dollar denominated long-term borrowings totaling Won 20,580 million) was accounted for as accumulated other comprehensive loss.

In addition, the Company has entered into a currency and interest rate swap contract with two banks including HSBC in order to hedge the foreign currency risk and the interest rate risk of unguaranteed Japanese yen denominated bonds (56-2) with face amounts totaling JPY 12,500,000,000 issued on November 13, 2007. As of June 30, 2012, in connection with this unsettled currency and interest rate swap contracts, an accumulated gain on valuation of derivatives amounting to Won 3,223,070,000 (excluding tax effect totaling Won 699,058,000 and foreign exchange translation loss arising from unguaranteed Japanese yen denominated bonds totaling Won 77,662,639,000) was accounted for as accumulated other comprehensive gain.

Table of Contents

In addition, the Company has entered into a currency swap contract with six banks including Morgan Stanley to hedge the foreign currency risk of unguaranteed U.S. dollar denominated bonds (with face amounts totaling US\$400,000,000) issued on July 20, 2007, and has applied cash flow risk hedge accounting to this foreign currency swap contract starting from May 12, 2010. Accordingly, as of June 30, 2012, in connection with this unsettled foreign currency swap contract, an accumulated loss on valuation of currency swap of Won 21,609,427,000 that has accrued since May 12, 2010 (excluding tax effect totaling Won 6,899,052,000 and foreign exchange translation loss arising from unguaranteed U.S. dollar denominated bonds totaling Won 3,932,602,000) was accounted for as accumulated other comprehensive loss. Meanwhile, a gain on valuation of currency swap of Won 129,806,021,000 incurred prior to the date of applying cash flow risk hedge accounting was charged to current operations.

The Company has entered into a currency and interest rate swap contract with two banks including DBS in order to hedge the foreign currency risk and the interest rate risk of floating rate foreign currency bonds with face amounts totaling US\$250,000,000 issued on December 15, 2011. As of June 30, 2012, in connection with this unsettled currency and interest rate swap contract, an accumulated gain on valuation of derivatives of Won 6,321,413,000 (excluding tax effect totaling Won 2,018,182,000 and foreign exchange translation gain arising from this floating rate foreign currency bonds totaling Won 1,160,496,000) was accounted for as accumulated other comprehensive gain.

The Company has entered into a currency and interest rate swap contract with United Overseas Bank in order to hedge the foreign currency risk and the interest rate risk of floating rate foreign currency bonds with face amounts totaling SGD 65,000,000 issued on December 15, 2011. As of June 30, 2012, in connection with this unsettled currency and interest rate swap contract, an accumulated loss on valuation of derivatives of Won 229,278,000 (excluding tax effect totaling Won 73,200,000 and foreign exchange translation loss arising from this floating rate foreign currency bonds totaling Won 1,063,035,000) was accounted for as accumulated other comprehensive loss.

The Company has entered into a currency swap contract with six banks including Citibank in order to hedge the foreign currency risk of its fixed rate foreign currency bonds with face amounts totaling CHF 300,000,000 issued on June 12, 2012. As of June 30, 2012, in connection with this unsettled currency swap contract, an accumulated loss on valuation of derivatives of Won 13,982,566,000 (excluding tax effect totaling Won 4,464,091,000 and foreign exchange translation gain arising from this fixed rate foreign currency bonds totaling Won 5,082,759,000) was accounted for as accumulated other comprehensive loss.

Table of Contents

(2) The fair values of the derivative instruments described above as of June 30, 2012 are recognized as derivative assets or derivative liabilities under current assets, non-current assets or current liabilities on the Company's balance sheet. Details are as follows:

| Category | Subject of Risk Hedge | Contract Period | (Unit: Won in thousands) | | |
|--------------------------------------|---|-------------------------------------|--------------------------------------|--------------------------------------|-------------|
| | | | Fair Value of Derivative Instruments | | Total |
| | | | Designated as Hedging Instrument | Not Designated as Hedging Instrument | |
| Currency Swap (Current Asset) | Unguaranteed Japanese Yen-denominated Bonds (face amount of JPY 12,500,000,000) | From Nov. 13, 2007 to Nov. 13, 2012 | 80,186,651 | | 80,186,651 |
| | Floating-rate Long-term Borrowing (principal amount of USD 100,000,000) | From Oct. 10, 2006 to Oct. 10, 2013 | 17,013,849 | | 17,013,849 |
| Currency Swap (Non-current Assets) | Unguaranteed Foreign Currency Bonds (face amount of USD 400,000,000) | From Jul. 20, 2007 to Jul. 20, 2027 | 105,230,144 | | 105,230,144 |
| | Floating-rate Foreign Currency Bonds (face amount of USD 250,000,000) | From Dec. 15, 2011 to Dec. 12, 2014 | 7,179,098 | | 7,179,098 |
| | Floating-rate Foreign Currency Bonds (face amount of SGD 65,000,000) | From Dec. 15, 2011 to Dec. 12, 2014 | 760,558 | | 760,558 |
| Conversion Right (Non-current Asset) | Convertible Bonds (Available-for-sale Securities)(*) (face amount of Won 50,000,000 thousand) | From Sep. 1, 2009 to Aug. 31, 2014 | | 532,169 | 532,169 |
| | Total derivative assets: | | 210,370,300 | 532,169 | 210,902,469 |

Table of Contents

| Category | Subject of Risk | Hedge | Contract Period | (Unit: Won in thousands) | | |
|--------------------------------------|--|-------|-------------------------------------|--------------------------------------|----------------------------------|------------|
| | | | | Fair Value of Derivative Instruments | | Total |
| | | | | Not Designated as Hedging Instrument | Designated as Hedging Instrument | |
| Currency Swap(Non-current Liability) | Fixed rate Foreign Currency Bonds (face amount of CHF 300,000,000) | | From Jun. 12, 2012 to Jun. 12, 2017 | 23,529,416 | | 23,529,416 |
| | Total derivative liabilities: | | | 23,529,416 | | 23,529,416 |

(*) The fair value of Won 532,169,000 of the conversion rights of the convertible bonds held by SK Communications, a subsidiary of the Company, was recognized as non-current derivative asset.

6. Major Contracts

[SK Telecom]

| Category | Vendor | Start Date | Completion | | Contract Title | Contract Amount (Won in 100 million) |
|-------------|-----------------------|-----------------|-------------------|--|---|---|
| | | | Date | | | |
| Service | SK Planet Co., Ltd. | January 1, 2012 | December 31, 2012 | | B2B contents contract for 2012 with SK Planet (T-map, T-Gift, Nate FZ, T-Cloud) | 6,167 |
| Service | Service Ace Co., Ltd. | April 1, 2012 | April 1, 2013 | | Operation of Roaming Centers in 2012 | 54 |
| Goods | HAPPYNARAE Co., Ltd. | May 1, 2012 | April 30, 2013 | | Maintenance, repair and operations purchasing and agency services | 150 |
| Real Estate | Individual | First half 2012 | | | Purchase of regional centers (Gangdong regional center and ten others) | 81 |
| Subtotal | | | | | | 6,452 |

Table of Contents

[SK Broadband]

SK Broadband enters into contracts to use telecommunications facilities, including the use of line conduits and interconnection among telecommunication service providers.

| Counterparty | Contract Contents | Contract Period | Note |
|-------------------------------------|---|---------------------------------|---|
| Telecommunication service providers | Interconnection among telecommunication service providers | | Interconnection among telecommunication service providers |
| KEPCO | Provision of electric facilities | From Dec. 2004 until terminated | Use of electricity poles |
| Seoul City Railway | Use of telecommunication line conduits | From Jan. 2009 to Dec. 2012 | Use of railway telecommunication conduit |
| Seoul Metro | Use of telecommunication line conduits | From May 2010 to May 2013 | Use of railway telecommunication conduit |
| Busan Transportation Corporation | Use of telecommunication line conduits | From July 2009 to July 2012 | Use of railway telecommunication conduit |
| Gwangju City Railway | Use of telecommunication line conduits | From Sep. 2010 to Dec. 2012 | Use of railway telecommunication conduit |

[SK Planet]

| Counterparty | Contract Contents | Contract Period | Amount |
|---------------------|--|------------------------------------|--|
| SK Communications | Operation of shopping business at Nate.com website | From Jul. 1, 2011 to Dec. 31, 2013 | Variable depending on the NATE shopping revenues and other factors |

Note. The agreements with SK Communications Co., Ltd. have been transferred from SK Telecom to SK Planet in connection with the spin-off of SK Planet on Oct. 5, 2011.

Table of Contents

[SK Communications]

| Counterparty | Purpose | Contract Period | Contract Amount |
|---------------------------|---|------------------------------------|--|
| Overture Korea | Agency agreement for search advertisement | | Amount determined based on the number of clicks |
| SK Construction Co., Ltd. | Construction of Pangyo Office Building | 23 months | Won 61.9 billion |
| SK Planet Co., Ltd. | Operation of shopping business at nate.com website | From Jul. 1, 2011 to Dec. 31, 2013 | Minimum guarantee of Won 18.4 billion for the period from Jul. 1, 2011 to Dec. 31, 2011; Amounts for 2012 and 2013 are to be determined depending on the NATE shopping revenues and other factors. |
| Daum Communications | Business and service cooperation regarding search advertisement | | Revenues are allocated in accordance with certain set percentages. |

Note. The agreements with SK Planet Co., Ltd. have been transferred from SK Telecom to SK Planet in connection with the spin-off of SK Planet on Oct. 5, 2011.

7. R&D Investments

(Unit: in million Won)

| Category | | For the six months ended June 30, 2012 | For the year ended December 31, 2011 | For the year ended December 31, 2010 | Remarks |
|--|--|--|--------------------------------------|--------------------------------------|---------|
| Raw material | | 20 | 45 | 41 | |
| Labor | | 22,042 | 48,656 | 49,441 | |
| Depreciation | | 66,228 | 149,850 | 143,131 | |
| Commissioned service | | 6,515 | 40,257 | 98,545 | |
| Others | | 43,663 | 57,118 | 64,755 | |
| Total R&D costs | | 138,468 | 295,927 | 355,913 | |
| Accounting | Sales and administrative expenses | 137,164 | 289,979 | 352,186 | |
| | Development expenses (Intangible assets) | 1,034 | 5,948 | 3,727 | |
| R&D cost / sales amount ratio (Total R&D costs / Current sales amount×100) | | 1.73% | 1.85% | 2.28% | |

Table of Contents

8. Other information relating to investment decisions

[SK Telecom]

A. Trademark Policies

The Company manages its corporate brand and other product brands such as T in a comprehensive way to protect and increase their value.

The Company's Brand Management Council in charge of overseeing its systematic corporate branding operates full time to execute decisions involving major brands and operates Brandnet, an intranet system to manage corporate brands which provides solutions including licensing of the brands and downloading of the Company logos.

B. Business-related Intellectual Properties

The Company holds 4,667 Korean registered patents, 255 U.S. registered patents, 125 Chinese registered patents (all including patents held jointly with other companies) and more patents with other countries. The Company holds 822 Korean registered trademarks and owns intellectual property rights to the design of alphabet T. The designed alphabet T is registered in all business categories for trademarks (total of 45) and is being used as the primary brand of the Company.

[SK Broadband]

SK Broadband holds 320 Korean registered patents relating to high-speed Internet, telephone and IPTV service. In addition, SK Broadband has applied for a patent relating to two-way broadcasting system. SK Broadband also holds a number of trademarks and service marks relating to its service and brand.

[SK Planet]

As of June 30, 2012, SK Planet held 1,816 Korean registered patents, 91 registered design marks, 671 registered trademarks and one copyright (including those held jointly with other companies). It also holds 20 U.S. registered patents, 31 Chinese registered patents, 8 Japanese registered patents, 13 E.U. registered patents (all including patents held jointly with other companies) and 94 registered trademarks, along with a number of other intellectual property rights, in other countries.

[SK Communications]

As of June 30, 2012, SK Communications held 58 Korean registered patents, 26 registered design rights and 696 registered trademarks.

Table of Contents**III. FINANCIAL INFORMATION****1. Summary Financial Information (Consolidated)**

A. Summary Financial Information (Consolidated)

(Unit: in thousand Won)

| Classification/Fiscal Year | As of June 30, 2012 | As of December 31, 2011 | As of December 31, 2010 |
|---|------------------------|----------------------------|----------------------------|
| Current Assets | 4,754,447,425 | 6,117,478,958 | 6,653,991,923 |
| Cash and Cash Equivalent | 1,176,948,384 | 1,650,793,876 | 659,404,935 |
| Accounts Receivable Trade | 1,843,465,243 | 1,823,169,889 | 1,949,397,279 |
| Accounts Receivable Other | 612,219,552 | 908,836,454 | 2,531,847,155 |
| Others | 1,121,814,246 | 1,734,678,739 | 1,513,342,554 |
| Non-Current Assets | 21,018,944,296 | 18,248,557,471 | 16,478,397,157 |
| Long Term Investment | 1,427,869,866 | 1,537,945,216 | 1,680,582,091 |
| Investments in Associates | 4,714,676,250 | 1,384,605,401 | 1,204,691,805 |
| Property and Equipment | 8,771,148,441 | 9,030,998,201 | 8,153,412,683 |
| Intangible Assets | 2,834,024,498 | 2,995,803,300 | 1,884,955,652 |
| Goodwill | 1,740,251,485 | 1,749,932,878 | 1,736,649,137 |
| Others | 1,530,973,756 | 1,549,272,475 | 1,818,105,789 |
| Total Assets | 25,773,391,721 | 24,366,036,429 | 23,132,389,080 |
| Current Liabilities | 5,322,259,126 | 6,673,589,809 | 6,202,170,452 |
| Non-Current Liabilities | 7,950,488,828 | 4,959,737,573 | 4,522,219,358 |
| Total Liabilities | 13,272,747,954 | 11,633,327,382 | 10,724,389,810 |
| Controlling Shareholders Equity | 11,471,831,668 | 11,661,880,863 | 11,329,990,900 |
| Capital | 44,639,473 | 44,639,473 | 44,639,473 |
| Share Premium | (290,688,417) | (285,347,419) | (78,952,875) |
| Retained Earnings | 11,500,952,510 | 11,642,525,267 | 10,721,249,327 |
| Reserves | 216,928,102 | 260,063,542 | 643,054,975 |
| Non-controlling Interests | 1,028,812,099 | 1,070,828,184 | 1,078,008,370 |
| Total Stockholders Equity | 12,500,643,767 | 12,732,709,047 | 12,407,999,270 |
| Number of Companies Consolidated | 30 | 31 | 32 |

| Classification/Fiscal Year | For the six months ended June 30, 2012 | For the six months ended June 30, 2011 | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---|---|---|--|--|
| Revenue | 8,000,584,136 | 7,942,445,955 | 15,976,197,456 | 15,569,898,702 |
| Operating Income (or Loss) | 849,800,075 | 1,301,313,284 | 2,189,289,110 | 2,341,044,360 |
| Income (or Loss) From Continuing Operation Before Income Tax | 705,323,772 | 1,444,216,759 | 2,240,689,573 | 2,373,223,839 |
| Consolidated Total Net Income | 420,937,372 | 1,002,704,547 | 1,582,073,280 | 1,582,073,280 |
| Net Income (or Loss) Attributable to Controlling Interests | 449,820,077 | 1,010,328,469 | 1,612,889,086 | 1,841,612,790 |
| Net Income (or Loss) Attributable to Non-controlling Interests | (28,882,705) | (7,623,922) | (30,815,806) | (74,778,036) |
| Net Income Per Share (Won) | 6,454 | 14,211 | 22,848 | 25,598 |
| Diluted Net Income Per Share (Won) | 6,221 | 13,474 | 22,223 | 24,942 |

Table of Contents**2. Summary Financial Information (Non-Consolidated)**

(Unit: in thousand Won)

| Classification/Fiscal Year | As of June 30, 2012 | As of December 31, 2011 | As of December 31, 2010 |
|----------------------------------|------------------------|----------------------------|----------------------------|
| Current Assets | 2,590,181,366 | 3,948,077,706 | 5,316,976,799 |
| Cash and Cash Equivalent | 369,378,171 | 895,557,654 | 357,469,908 |
| Accounts Receivable Trade | 1,336,185,838 | 1,282,233,900 | 1,453,060,673 |
| Accounts Receivable Other | 419,595,393 | 774,221,266 | 2,499,969,010 |
| Others | 465,021,964 | 996,064,886 | 1,006,477,208 |
| Non Current Assets | 19,681,680,486 | 16,572,449,699 | 14,410,149,512 |
| Long Term Investment | 1,219,646,397 | 1,312,437,834 | 1,517,029,011 |
| Investments in Associates | 7,972,908,937 | 4,647,505,583 | 3,584,394,790 |
| Property and Equipment | 6,249,883,100 | 6,260,168,675 | 5,469,747,495 |
| Intangible Assets | 2,285,113,380 | 2,364,795,182 | 1,424,968,542 |
| Goodwill | 1,306,236,299 | 1,306,236,299 | 1,308,422,097 |
| Others | 647,892,373 | 681,306,126 | 1,105,587,577 |
| Total Assets | 22,271,861,852 | 20,520,527,405 | 19,727,126,311 |
| Current Liabilities | 3,667,248,789 | 4,467,005,877 | 4,561,013,611 |
| Non Current Liabilities | 6,698,954,898 | 4,087,219,816 | 3,585,155,050 |
| Total Liabilities | 10,366,203,687 | 8,554,225,693 | 8,146,168,661 |
| Capital | 44,639,473 | 44,639,473 | 44,639,473 |
| Share Premium | (236,160,557) | (236,016,201) | (24,643,471) |
| Retained Earnings | 11,822,197,779 | 11,837,184,788 | 10,824,355,758 |
| Reserves | 274,981,470 | 320,493,652 | 736,605,890 |
| Total Shareholders Equity | 11,905,658,165 | 11,966,301,712 | 11,580,957,650 |

| Classification/Fiscal Year | For the six months ended June 30, 2012 | For the six months ended June 30, 2011 | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---|---|---|--|--|
| Revenue | 6,086,494,134 | 6,326,041,425 | 12,575,129,190 | 12,550,496,552 |
| Operating Income (or Loss) | 803,260,241 | 1,229,018,512 | 2,086,648,941 | 2,355,027,851 |
| Income (or Loss) From Continuing Operation Before Income Tax | 729,569,328 | 1,438,324,635 | 2,274,421,557 | 2,503,637,367 |
| Net Income (or Loss) | 576,337,713 | 1,035,058,437 | 1,694,363,093 | 1,947,007,919 |
| Net Income Per Share (Won) | 8,269 | 14,559 | 24,002 | 27,063 |
| Diluted Net Income Per Share (Won) | 7,978 | 13,811 | 23,343 | 26,366 |

Table of Contents

3. K-IFRS preparation, impact to financial statements, changes in accounting principle implemented

Transition to K-IFRS

The Company prepares its financial statements in accordance with K-IFRS starting from the fiscal year 2011 which commenced on January 1, 2011. The Company's financial statements in previous periods were prepared in accordance with Korean GAAP. The Company's financial statements for the fiscal year 2010 presented for comparison were prepared in accordance with K-IFRS with January 1, 2010 as the transition date and pursuant to K-IFRS 1101 First-time Adoption of Korean International Financial Reporting Standards.

IV. AUDITOR'S OPINION

1. Auditor (Consolidated)

| Six months ended June 30, | Year ended December 31, | Year ended December 31, |
|-------------------------------|-------------------------|-------------------------|
| 2012 | 2011 | 2010 |
| KPMG Samjong Accounting Corp. | Deloitte Anjin LLC | Deloitte Anjin LLC |

2. Audit Opinion (Consolidated)

| Term | Auditor's opinion | Issues noted |
|--------------------------------|-------------------|--------------|
| Six months ended June 30, 2012 | | |
| Year ended December 31, 2011 | Unqualified | |
| Year ended December 31, 2010 | Unqualified | |

3. Auditor (Non-Consolidated)

| Six months ended June 30, | Year ended December 31, | Year ended December 31, |
|-------------------------------|-------------------------|-------------------------|
| 2012 | 2011 | 2010 |
| KPMG Samjong Accounting Corp. | Deloitte Anjin LLC | Deloitte Anjin LLC |

Table of Contents**4. Audit Opinion (Non-Consolidated)**

| Term | Auditor's opinion | Issues noted |
|--------------------------------|-------------------|--------------|
| Six months ended June 30, 2012 | | |
| Year ended December 31, 2011 | Unqualified | |
| Year ended December 31, 2010 | Unqualified | |

5. Remuneration for Independent Auditors for the Past Three Fiscal Years

A. Audit Contracts

(Unit: in thousands of Won / hour)

| Fiscal Year | Auditors | Contents | Fee | Total number of hours accumulated for the fiscal year |
|------------------------------|-------------------------------|--|-----------|---|
| Year ended December 31, 2012 | KPMG Samjong Accounting Corp. | Semi-annual review | | |
| | | Quarterly review | | |
| | | Non-consolidated financial statements audit | 1,220,000 | 16,160 |
| | | Consolidated financial statements audit | | |
| Year ended December 31, 2011 | Deloitte Anjin LLC | English financial statements review and other audit task | | |
| | | Semi-annual review | | |
| | | Quarterly review | | |
| | | Non-consolidated financial statements audit | 1,364,000 | 14,033 |
| Year ended December 31, 2010 | Deloitte Anjin LLC | Consolidated financial statements audit | | |
| | | English financial statements review and other audit task | | |
| | | Semi-annual review | | |
| | | Quarterly review | | |
| Year ended December 31, 2010 | Deloitte Anjin LLC | Non-consolidated financial statements audit | 1,563,770 | 16,810 |
| | | Consolidated financial statements audit | | |
| | | IFRS-based financial statements review | | |
| | | English financial statements review and other audit task | | |

Table of Contents

B. Non-Audit Services Contract with External Auditors

(Unit: in thousands of Won)

| Term | Contract date | Service provided | Service duration | Fee |
|------------------------------------|-------------------|-----------------------|------------------|--------|
| Six months ended June 30, 2012 | | | | |
| Year ended December 31, 2011 | April 11, 2011 | Tax consulting | 30 days | 45,000 |
| | April 28, 2011 | Tax consulting | 30 days | 45,000 |
| | July 20, 2010 | Management consulting | 4 days | 5,000 |
| | July 28, 2010 | Tax consulting | 15 days | 18,000 |
| Year ended December 31, 2010 | July 28, 2010 | Tax consulting | 5 days | 6,600 |
| | July 28, 2010 | Tax consulting | 30 days | 40,000 |
| | July 28, 2010 | Tax consulting | 20 days | 23,100 |
| | December 23, 2010 | Tax consulting | 3 days | 7,700 |
| | December 23, 2010 | Tax consulting | 20 days | 24,600 |
| | December 29, 2010 | Tax consulting | 15 days | 17,000 |

6. Change of Independent Auditors

Starting from 2012, the Company changed its independent auditors to KPMG Samjong Accounting Corp. from Deloitte Anjin LLC due to the expiration of the audit contract with Deloitte Anjin LLC.

V. MANAGEMENT DISCUSSION AND ANALYSIS

Omitted in quarterly and semi-annual reports in accordance with Korean disclosure rules.

Table of Contents**VI. CORPORATE ORGANIZATION INCLUDING BOARD OF DIRECTORS AND AFFILIATED COMPANIES****1. Board of Directors**

A. Overview of Board of Directors Composition

The Company's Board of Directors is comprised of eight members: five independent directors and three inside directors. Within the Board, there are five Committees: Independent Director Nomination Committee, Audit Committee, Compensation Committee, CapEx Review Committee, and Corporate Citizenship Committee.

| The number of persons | Inside directors | Independent directors |
|--------------------------|--|---|
| 8 | Sung Min Ha, Young Tae Kim, Dong Seob Jee | Dal Sup Shim, Rak Yong Uhm, Hyun Chin Lim, Jay Young Chung, Jae Ho Cho |

At the 28th General Shareholders Meeting held on March 23, 2012, Young Tae Kim and Dong Seob Jee were elected as inside directors, Hyun Chin Lim was re-elected as an independent director, and Hyun Chin Lim was re-elected as a member of the audit committee.

B. (1) Significant Activities of the Board of Directors

| Meeting | Date | Agenda | Approval |
|--|-------------------|--|----------------------|
| | | Financial Statements as of and for the year ended December 31, 2011 | Approved as proposed |
| | | Annual Business Report as of and for the year ended December 31, 2011 | Approved as proposed |
| 339th (the 1st meeting of 2012) | February 9, 2012 | Management Plan for 2012 | Approved as proposed |
| | | Transaction of goods, services and assets with SK Planet | Approved as proposed |
| | | Report for Internal Accounting Management System | |
| | | Report for Subsequent Events following 4Q 2011 | |
| 340th (the 2nd meeting of 2012) | February 23, 2012 | Convocation of the 29 th Annual General Meeting of Shareholders | Approved as proposed |
| | | Result of Internal Accounting Management System Evaluation | |

Table of Contents

| Meeting | Date | Agenda | Approval |
|--|----------------|---|--|
| | | Election of Chairman of the Board of Directors | Approved as proposed |
| | | Amendment to the Company's internal rules | Approved as proposed Approved as proposed |
| 341th (the 3rd meeting of 2012) | March 23, 2012 | Election of committee members | Approved as proposed |
| | | Asset Management Transaction with Affiliated Company (SK Securities) | Approved as proposed |
| | | Donation to Happiness Sharing Institute | |
| | | Adoption of internal compliance rules and the appointment of chief compliance officer | Approved as proposed |
| | | Amendment of board regulations | Approved as proposed |
| 342th (the 4th meeting of 2012) | April 26, 2012 | Issuance of overseas bonds | Approved as proposed |
| | | Report for Subsequent Events following 1Q 2012 | |
| | | Asset management transaction with affiliated company (SK Securities) | |
| 343th (the 5th meeting of 2012) | June 21, 2012 | Compliance support operating plan | Approved as proposed |
| 344th (the 6th meeting of 2012) | July 25, 2012 | Interim dividend | |
| | | Bond offering | Approved as proposed |
| | | Agreement on the operation of Voluntary Responsible Management Support Group. | Approved as proposed |

Financial results for the first half of 2012

Approved as proposed

Report for the period after the second quarter of 2012

* The line items that do not show approval are for reporting purpose only.

C. Committees within Board of Directors

(1) Committee Structure (As of August 24, 2012)

a) Compensation Review Committee

| Number of Persons | Inside Directors | Members | | Task |
|----------------------|------------------|---|-----------------------|---|
| | | | Independent Directors | |
| 5 | | Dal Sup Shim, Rak Yong Uhm, Hyun Chin Lim, Jay Young Chung, Jae Ho Cho | | Review CEO remuneration system and amount. |

* The Compensation Review Committee is a committee established by the resolution of the Board of Directors.

Table of Contents

b) Capex Review Committee

| Number of Persons | Members | | Task |
|-------------------|------------------|--|--|
| | Inside Directors | Independent Directors | |
| 5 | Dong Seob Jee | Dal Sup Shim, Rak Yong Uhm, Jay Young Chung, Jae Ho Cho | Review major investment plans and changes thereto. |

* The Capex Review Committee is a committee established by the resolution of the Board of Directors.

c) Corporate Citizenship Committee

| Number of Persons | Members | | Task |
|-------------------|------------------|--|---|
| | Inside Directors | Independent Directors | |
| 5 | Dong Seob Jee | Dal Sup Shim, Rak Yong Uhm, Hyun Chin Lim, Jay Young Chung | Review guidelines on Corporate Social Responsibility (CSR) programs, etc. |

* The Corporate Citizenship Committee is a committee established by the resolution of the Board of Directors.

d) Independent Director Nomination Committee

| Number of Persons | Members | | Task |
|-------------------|------------------|--------------------------|-------------------------------------|
| | Inside Directors | Independent Directors | |
| 3 | Sung Min Ha | Rak Yong Uhm, Jae Ho Cho | Nomination of independent directors |

* Under the Korean Commercial Code, a majority of the members of the Independent Director Nomination Committee should be independent directors.

e) Audit Committee

| Number of Persons | Members | | Task |
|-------------------|------------------|--|---|
| | Inside Directors | Independent Directors | |
| 4 | | Dal Sup Shim, Hyun Chin Lim, Jay Young Chung, Jae Ho Cho | Review financial statements and supervise independent audit process, etc. |

* The Audit Committee is a committee established under the provisions of the Articles of Incorporation and Korean Commercial Code.

Table of Contents**2. Audit System**

The Company's Audit Committee consists of four independent directors, Dal Sup Shim, Hyun Chin Lim, Jae Ho Cho and Jay Young Chung.

Major activities of the Audit Committee are as follows.

| Meeting | Date | Agenda | Approval | Remarks |
|----------------------------|-------------------|---|----------------------|----------------|
| The first meeting of 2012 | February 1, 2012 | Preparation for audit report for the 28 Annual General Meeting of Shareholders | | |
| | | Business-to-business contract with SK Telink | Approved as proposed | |
| | | Construction of Mobile Phone Facilities for 2012 | Approved as proposed | |
| The second meeting of 2012 | February 8, 2012 | Construction of Network Facilities for 2012 | Approved as proposed | |
| | | Evaluation of Internal Accounting Controls based on the Opinion of the Members of the Audit Committee | Approved as proposed | |
| | | 2011 half 2011 Management Audit Results and Management Audit Plan for 2012 | | |
| The third meeting of 2012 | February 22, 2012 | Reports on Internal Accounting Management System | | |
| | | Reports on 2011 IFRS Audit | | |
| | | Report on Review of 2011 Internal Accounting Management System | | |
| | | Evaluation of Internal Accounting Management System Operation | Approved as proposed | |
| | | Auditor's Report for Fiscal Year 2011 | Approved as proposed | |

Edgar Filing: SK TELECOM CO LTD - Form 6-K

| | | | |
|----------------------------|----------------|---|----------------------|
| | | Agenda and Document Review for the 28 Annual General Meeting of Shareholders | Approved as proposed |
| | | Purchase of Mobile Phone Relay Devices for 2012 | Approved as proposed |
| | | Purchase of Mobile Phone Transmission Devices for 2012 | Approved as proposed |
| | | 2012 IT SM contract | Approved as proposed |
| | | Engagement of Independent Auditing Firm for 2012 to 2014 | Approved as proposed |
| | | 2012 2Q Transactions with SK C&C Co., Ltd. | Approved as proposed |
| The fourth meeting of 2012 | March 22, 2012 | Asset Management Transaction with Affiliated Company (SK Securities) | Approved as proposed |
| | | Election of Chairman Jae Ho Cho | Approved as proposed |
| | | Remuneration of outside auditor for the Fiscal Year 2012 | Approved as proposed |
| The fifth meeting of 2012 | April 26, 2012 | Outside auditor service plan for the Fiscal Year 2012 | Approved as proposed |
| | | Audit plan for the Fiscal Year 2012 | |
| | | Purchase of maintenance, repair and operations items from Happy Narae Co., Ltd. | Approved as proposed |
| The sixth meeting of 2012 | May 23, 2012 | Construction of Mobile Phone Facilities for 2012 | Approved as proposed |
| | | Construction of Network Facilities for 2012 | Approved as proposed |
| | | Service contract for handset customer service for 2012 | Approved as proposed |

Edgar Filing: SK TELECOM CO LTD - Form 6-K

The seventh
meeting of 2012

June 20, 2012

Transaction with SK C&C in the third quarter of 2012

Approved as proposed

Plans for asset management transaction with affiliate (SK Securities)

44

Table of Contents

| Meeting | Date | Agenda | Approval | Remarks |
|----------------------------|-----------------|--|----------------------|---------|
| | | Financial results for the first half of 2012 | | |
| The eighth meeting of 2012 | July 24, 2012 | Results of operation for the first half of 2012 | | |
| | | Results of fiscal year 2012 IFRS half year review Plans for the construction of cell phone facilities in 2012 | Approved as proposed | |
| The ninth meeting of 2012 | August 22, 2012 | Plans for the construction of transmission facilities in 2012 | Approved as proposed | |
| | | Results of management audit in the first half of 2012 | | |

* The line items that do not show approval are for reporting purpose only.

3. Shareholders Exercises of Voting Rights

A. Voting System and Exercise of Minority Shareholders Rights

Pursuant to the Articles of Incorporation as shown below, the cumulative voting system was first introduced in the General Meeting of Shareholders in 2003.

| Articles of Incorporation | Description |
|--|--|
| Article 32 (3) (Election of Directors) | Cumulative voting under Article 382-2 of the Korean Commercial Code will not be applied for the election of directors. |
| Article 4 of the 12 th Supplement to the Articles of Incorporation (Interim Regulation) | Article 32 (3) of the Articles of Incorporation shall remain effective until the day immediately preceding the date of the general shareholders meeting of 2003. |

Also, neither written or electronic voting system nor minority shareholder rights is applicable.

Table of Contents**4. Affiliated Companies**

A. Capital Investments between Affiliated Companies

(As of June 30, 2012)

| Investing company | Invested companies | | | | | | | | | |
|-----------------------------------|--------------------|---------------|---------------|--------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | SK Corporation | SK Innovation | SK Energy | SK Global Chemical | SK Telecom | SK Networks | SKC | SK E&C | SK Shipping | SK Securities |
| SK Corporation | | 33.4% | | | 25.2% | 39.1% | 42.5% | 40.0% | 83.1% | |
| SK Innovation | | | 100/0% | 100/0% | | | | | | |
| SK Energy | | | | | | | | | | |
| SK Global Chemical | | | | | | | | | | |
| SK Networks | | | | | | | | | | 22.7% |
| SK Telecom | | | | | | | | | | |
| SK Chemicals | | | | | | 0.02% | | 25.4% | | |
| SKC | | | | | | | | | | |
| SK E&C | | | | | | | | | | |
| SK Gas | | | | | | | | | | |
| SK C&C | 31.8% | | | | | | | | | |
| SK E&S | | | | | | | | | | |
| SK Communications | | | | | | | | | | |
| SK Broadband | | | | | | | | | | |
| SK D&D | | | | | | | | | | |
| SK Marketing & Company | | | | | | | | | | |
| SK Lubricant | | | | | | | | | | |
| SK Shipping | | | | | | | | | | |
| SK Planet | | | | | | | | | | |
| SK Hynix | | | | | | | | | | |
| Hynix Engineering | | | | | | | | | | |
| Total affiliated companies | 31.8% | 33.4% | 100/0% | 100.0% | 25.2% | 39.2% | 42.5% | 65.4% | 83.1% | 22.7% |

| Investing company | Invested companies | | | | | | | | | |
|-----------------------------------|--------------------|--------------|--------------|---------------|---------------|---|--------------|--------------|----------------|------------------|
| | SK E&S | SK Gas | DOPCO | CCE | YN Energy | Ko-one Energy Service (formerly, Daehan City Gas) | SK Sci-tech | SK Telink | Busan City Gas | Jeonnam City Gas |
| SK Corporation | 94.1% | | | | | | | | | |
| SK Innovation | | | 41.0% | | | | | | | |
| SK Energy | | | | | | | | | | |
| SK Global Chemical | | | | | | | | | | |
| SK Networks | | | | | | | | | | |
| SK Telecom | | | | | | | | 83.5% | | |
| SK Chemicals | | 45.5% | | | | | 50.0% | | | |
| SK C | | | | | | | | | | |
| SK E&C | | | | | | | | | | |
| SK Gas | | | | | | | | | | |
| SK C&C | 5.9% | | | | | | | | | |
| SK E&S | | | | 100.0% | 100.0% | 82.2% | | | 40.0% | 100.0% |
| SK Communications | | | | | | | | | | |
| SK Broadband | | | | | | | | | | |
| SK D&D | | | | | | | | | | |
| SK Marketing & Company | | | | | | | | | | |
| SK Lubricant | | | | | | | | | | |
| SK Shipping | | | | | | | | | | |
| SK Planet | | | | | | | | | | |
| SK Hynix | | | | | | | | | | |
| Hynix Engineering | | | | | | | | | | |
| Total affiliated companies | 100.0% | 45.5% | 41.0% | 100.0% | 100.0% | 82.2% | 50.0% | 83.5% | 40.0% | 100.0% |

Table of Contents

| Investing company | Invested companies | | | | | | | | | |
|-----------------------------------|------------------------|--------|----------------|---------------|---------|---|---------------|------------------|--------------------|--------|
| | Gangwon City Gas | JBES | M & Service | SK Wyverns | Infosec | Happynarae (formerly, MRO Korea) | SK Telesys | Encar network | F&U Credit Info | Paxnet |
| SK Corporation | | | | | | | | | | |
| SK Innovation | | | | | | 42.5% | | | | |
| SK Energy | | | | | | | | 0.0% | | |
| SK Global Chemical | | | | | | | | | | |
| SK Networks | | | | | | | | | | |
| SK Telecom | | | | 100.0% | | 42.5% | | | 50.0% | |
| SK Chemicals | | | | | | | | | | |
| SK C | | | | | | | 47.5% | | | |
| SK E&C | | | | | | | | | | |
| SK Gas | | | | | | 5.0% | | | | |
| SK C&C | | | | | 100.0% | 5.0% | | 91.7% | | |
| SK E&S | 100.0% | 100.0% | | | | | | | | |
| SK Communications | | | | | | | | | | |
| SK Broadband | | | | | | | | | | |
| SK D&D | | | | | | | | | | |
| SK Marketing & Company | | | 100.0% | | | | | | | |
| SK Lubricant | | | | | | | | | | |
| SK Shipping | | | | | | | | | | |
| SK Planet | | | | | | | | | | 59.7% |
| SK Hynix | | | | | | | | | | |
| Hynix Engineering | | | | | | | | | | |
| Total affiliated companies | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 95.0% | 47.5% | 91.7% | 50.0% | 59.7% |

| Investing company | Invested companies | | | | | | | | | |
|-----------------------------------|--------------------|---------|-----------------------|--------------|---------------------|---------------------|----------------------|-----------------|----------------|----------------|
| | SK D&D | Natruck | Loen Entertainment | Independence | SK Mobile Energy | SK Petrochemical | SK Communications | SKN Internet | SKC Air Gas | SKN service |
| SK Corporation | | | | | | | | | | |
| SK Innovation | | | | | 100.0% | | | | | |
| SK Energy | | 92.4% | | | | | | | | |
| SK Global Chemical | | | | | | 100.0% | | | | |
| SK Networks | | | | | | | | 100.0% | | 85.0% |
| SK Telecom | | | | | | | | | | |
| SK Chemicals | | | | | | | | | | |
| SK C | | | | | | | | | 80.0% | |
| SK E&C | 45.0% | | | | | | | | | |
| SK Gas | | | | | | | | | | |
| SK C&C | | | | 100.0% | | | | | | |
| SK E&S | | | | | | | | | | |
| SK Communications | | | | | | | | | | |
| SK Broadband | | | | | | | | | | |
| SK D&D | | | | | | | | | | |
| SK Marketing & Company | | | | | | | | | | |
| SK Lubricant | | | | | | | | | | |
| SK Shipping | | | | | | | | | | |
| SK Planet | | | 67.6% | | | | | 64.6% | | |
| SK Hynix | | | | | | | | | | |
| Hynix Engineering | | | | | | | | | | |
| Total affiliated companies | 45.0% | 92.4% | 67.6% | 100.0% | 100.0% | 100.0% | 64.6% | 100.0% | 80.0% | 85.0% |

Table of Contents

| Investing company | Invested companies | | | | | | | | | |
|-----------------------------------|--------------------|---------------|-----------------------|--------------|---------------|-----------------|---------------|---------------|--------------|--------------------------|
| | Commerce Planet | Real Vest | SKC Solmics Co., Ltd. | SK Broadband | SK M&C | Broadband Media | Broadband D&M | Broadband CS | UBcare | PyongTaek Energy Service |
| SK Corporation | | | | | | | | | | |
| SK Innovation | | | | | 50.0% | | | | | |
| SK Energy | | | | | | | | | | |
| SK Global Chemical | | | | | | | | | | |
| SK Networks | | | | | | | | | | |
| SK Telecom | | | | 50.6% | 50.0% | | | | | |
| SK Chemicals | | | | | | | | | 44.0% | |
| SK C | | | 53.7% | | | | | | | |
| SK E&C | | 100.0% | | | | | | | | |
| SK Gas | | | | | | | | | | |
| SK C&C | | | | | | | | | | |
| SK E&S | | | | | | | | | | 100.0% |
| SK Communications | | | | | | | | | | |
| SK Broadband | | | | | | 100.0% | 100.0% | 100.0% | | |
| SK D&D | | | | | | | | | | |
| SK Marketing & Company | | | | | | | | | | |
| SK Lubricant | | | | | | | | | | |
| SK Shipping | | | | | | | | | | |
| SK Planet | 100.0% | | | | | | | | | |
| SK Hynix | | | | | | | | | | |
| Hynix Engineering | | | | | | | | | | |
| Total affiliated companies | 100.0% | 100.0% | 53.7% | 50.6% | 100.0% | 100.0% | 100.0% | 100.0% | 44.0% | 100.0% |

| Investing company | Invested companies | | | | | | | | | |
|-----------------------------------|--------------------|---------------|------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | WS Commerce | Incyto | Namwon Sarang Electric Power | Jeju United FC | MKS Guarantee | PS&Marketing | SK Forest | Green Biro | SK Lubricants | Zicos |
| SK Corporation | | | | | | | 100.0% | | | |
| SK Innovation | | | | | | | | | 100.0% | |
| SK Energy | | | | 100.0% | | | | | | |
| SK Global Chemical | | | | | | | | | | |
| SK Networks | 100.0% | | | | | | | | | |
| SK Telecom | | | | | | 100.0% | | | | |
| SK Chemicals | | | | | | | | | | |
| SK C | | 100.0% | | | | | | | | |
| SK E&C | | | | | | | | | | |
| SK Gas | | | | | | | | 100.0% | | |
| SK C&C | | | | | | | | | | |
| SK E&S | | | | | | | | | | |
| SK Communications | | | | | | | | | | |
| SK Broadband | | | | | | | | | | |
| SK D&D | | | 100.0% | | 100.0% | | | | | |
| SK Marketing & Company | | | | | | | | | | |
| SK Lubricant | | | | | | | | | | 100.0% |
| SK Shipping | | | | | | | | | | |
| SK Planet | | | | | | | | | | |
| SK Hynix | | | | | | | | | | |
| Hynix Engineering | | | | | | | | | | |
| Total affiliated companies | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Table of Contents

| Investing company | Invested companies | | | | | | | | | | |
|----------------------------|--------------------|--------------------|--------------------|-------|------------------------|-------------|-------------|-------------|---------|---------------------------|--------|
| | SK Seentec | Daejeon Pure Water | Gwangju Pure Water | SKW | Television Media Korea | Network O&S | Service Ace | Service Top | SK Pinx | U base Manufacturing Asia | |
| SK Corporation | | | | | | | | | | | |
| SK Innovation | | | | | | | | | | | |
| SK Energy | | | | | | | | | | | |
| SK Global Chemical | | | | | | | | | | | |
| SK Networks | | | | | | | | | | 100.0% | |
| SK Telecom | | | | | | 100.0% | 100.0% | 100.0% | | | |
| SK Chemicals | 100.0% | | | | | | | | | | |
| SK C | | | | 65.0% | | | | | | | |
| SK E&C | | 32.0% | 42.0% | | | | | | | | |
| SK Gas | | | | | | | | | | | |
| SK C&C | | | | | | | | | | | |
| SK E&S | | | | | | | | | | | |
| SK Communications | | | | | | | | | | | |
| SK Broadband | | | | | | | | | | | |
| SK D&D | | | | | | | | | | | |
| SK Marketing & Company | | | | | | | | | | | |
| SK Lubricant | | | | | | | | | | | 100.0% |
| SK Shipping | | | | | | | | | | | |
| SK Planet | | | | | | 51.0% | | | | | |
| SK Hynix | | | | | | | | | | | |
| Hynix Engineering | | | | | | | | | | | |
| Total affiliated companies | | 100.0% | 32.0% | 42.0% | 65.0% | 51.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| Investing company | Invested companies | | | | | | | | | | |
|----------------------------|--------------------|-----------------|------------|------------|--------------|-----------------|--------|--------|-------|-------------|--|
| | Natruck Friends | Ulsan Aromatics | SK Biofarm | Service In | SKC Lighting | Gimcheon Energy | SKSM | PMP | LC&C | Speed Motor | |
| SK Corporation | | | 100.0% | | | | | | | | |
| SK Innovation | | | | | | | | | | | |
| SK Energy | 50.0% | | | | | | | | | | |
| SK Global Chemical | | 50.0% | | | | | | | | | |
| SK Networks | | | | | | | | | 79.6% | 100.0% | |
| SK Telecom | | | | | | | | | | | |
| SK Chemicals | | | | | | | | | | | |
| SK C | | | | | 65.0% | | | | | | |
| SK E&C | | | | | | | | | | | |
| SK Gas | | | | | | | | | | | |
| SK C&C | | | | | | | | | | | |
| SK E&S | | | | | | | 50.0% | 100.0% | | | |
| SK Communications | | | | 100.0% | | | | | | | |
| SK Broadband | | | | | | | | | | | |
| SK D&D | | | | | | | | | | | |
| SK Marketing & Company | | | | | | | | | | | |
| SK Lubricant | | | | | | | | | | | |
| SK Shipping | | | | | | | | 100.0% | | | |
| SK Planet | | | | | | | | | | | |
| SK Hynix | | | | | | | | | | | |
| Hynix Engineering | | | | | | | | | | | |
| Total affiliated companies | 50.0% | 50.0% | 100.0% | 100.0% | 65.0% | 50.0% | 100.0% | 100.0% | 79.6% | 100.0% | |

Table of Contents

| Investing company | Invested companies | | | | | | | | | |
|-----------------------------------|--------------------|---------------|--------------|-------------------|--------------|--------------|-----------------------|-------------------|--------------|--------------|
| | SK Planet | Highway Star | SK Hynix | Hynix Engineering | HYTEC | HYLogitec | Hynix Human Resources | QRT Semiconductor | Silicon File | Ami Power |
| SK Corporation | | | | | | | | | | |
| SK Innovation | | | | | | | | | | |
| SK Energy | | 100.0% | | | | | | | | |
| SK Global Chemical | | | | | | | | | | |
| SK Networks | | | | | | | | | | |
| SK Telecom | 100.0% | | 21.1% | | | | | | | |
| SK Chemicals | | | | | | | | | | |
| SK C | | | | | | | | | | |
| SK E&C | | | | | | | | | | |
| SK Gas | | | | | | | | | | |
| SK C&C | | | | | | | | | | |
| SK E&S | | | | | | | | | | |
| SK Communications | | | | | | | | | | |
| SK Broadband | | | | | | | | | | |
| SK D&D | | | | | | | | | | |
| SK Marketing & Company | | | | | | | | | | |
| SK Lubricant | | | | | | | | | | |
| SK Shipping | | | | | | | | | | |
| SK Planet | | | | | | | | | | |
| SK Hynix | | | | 99.6% | 99.6% | 99.6% | 99.6% | | 28.8% | 99.6% |
| Hynix Engineering | | | | | | | | 100.0% | | |
| Total affiliated companies | 100.0% | 100.0% | 21.1% | 99.6% | 99.6% | 99.6% | 99.6% | 100.0% | 28.8% | 99.6% |

| Investing company | Invested companies | |
|-----------------------------------|--------------------|--------------|
| | Mad Smart | Telsk |
| SK Corporation | | |
| SK Innovation | | |
| SK Energy | | |
| SK Global Chemical | | |
| SK Networks | | |
| SK Telecom | | |
| SK Chemicals | | |
| SK C | | |
| SK E&C | | |
| SK Gas | | |
| SK C&C | | 99.0% |
| SK E&S | | |
| SK Communications | | |
| SK Broadband | | |
| SK D&D | | |
| SK Marketing & Company | | |
| SK Lubricant | | |
| SK Shipping | | |
| SK Planet | 100.0% | |
| SK Hynix | | |
| Hynix Engineering | | |
| Total affiliated companies | 100.0% | 99.0% |

Table of Contents**VII. SHAREHOLDERS INFORMATION****1. Shareholdings of the Largest Shareholder and Related Persons**

A. Shareholdings of the Largest Shareholder and Related Persons

(As of June 30, 2012)

(Unit: Shares, %)

| Name | Relationship | Type of share | Number of shares owned and ownership ratio | | | |
|------------------------|-------------------------------|---------------|--|-----------------|------------------|-----------------|
| | | | Beginning of Period | | End of Period | |
| | | | Number of shares | Ownership ratio | Number of shares | Ownership ratio |
| SK Corporation | Largest Shareholder | Common share | 20,363,452 | 25.22 | 20,363,452 | 25.22 |
| Tae Won Chey | Officer of affiliated company | Common share | 100 | 0.00 | 100 | 0.00 |
| Shin Won Chey | Officer of affiliated company | Common share | 2,000 | 0.00 | 2,000 | 0.00 |
| Sung Min Ha | Officer of affiliated company | Common share | 738 | 0.00 | 738 | 0.00 |
| Bang Hyung Lee* | Officer of affiliated company | Common share | 200 | 0.00 | 0 | 0.00 |
| Total- | | Common share | 20,366,490 | 25.22 | 20,366,290 | 25.22 |

* Resigned on January 31, 2012.

B. Overview of the Largest Shareholder

SK Corporation is a holding company and as of June 30, 2012, has nine subsidiaries: SK Innovation Co., Ltd., SK Telecom Co., Ltd., SK Networks Co., Ltd., SKC Co., Ltd., SK Shipping Co., Ltd., SK E&C Co., Ltd., SK E&S Co., Ltd., SK Biofarm Co., Ltd. and SK Forest Co., Ltd.

Details of SK Corporation's subsidiaries are as follows:

(Unit: in millions of Won)

| Affiliates | Share Holdings | Book Value (million Won) | Industry | Description |
|--------------------------------|----------------|--------------------------|---|-----------------|
| SK Innovation Co., Ltd. | 33.4% | 3,944,657 | Energy and Petrochemical | Publicly Listed |
| SK Telecom Co., Ltd. | 25.2% | 3,091,125 | Telecommunication | Publicly Listed |
| SK Networks Co., Ltd. | 39.1% | 1,165,759 | Trading, Energy Sale | Publicly Listed |
| SKC Co., Ltd. | 42.5% | 254,632 | Synthetic Resin Manufacturing | Publicly Listed |
| SK E&C Co., Ltd. | 40.0% | 485,171 | Construction | Privately Held |
| SK Shipping Co., Ltd. | 83.1% | 607,643 | Ocean Freight | Privately Held |
| SK E&S Co., Ltd. | 94.1% | 1,026,307 | Gas Company Holdings and Power Generation | Privately Held |
| SK Biofarm Co., Ltd. | 100.0% | 228,702 | Biotechnology | Privately Held |
| SK Forest Co., Ltd.** | 100.0% | 60,200 | Forestry and landscaping | Privately Held |

* The above share holdings are based on common stock holdings as of June 30, 2012.

** Acquired from SK E&C on June 29, 2012.

Table of Contents

SK Corporation is a publicly listed company and is required to submit a report of its significant business activities in accordance with Article 161 of the Financial Investment Services and Capital Markets Act. Also as a holding company, SK Corporation is required to report key management activities of its subsidiaries in accordance with Article 8 of KOSPI Market Disclosure Regulation.

The rule is applicable to subsidiaries whose book value of the holding company's shareholding exceeds 10% of its total assets based on the financial statements as of December 31, 2011. SK Innovation Co., Ltd., SK Telecom Co., Ltd. and SK Networks Co., Ltd. are three such subsidiaries.

2. Changes in shareholdings of the Largest Shareholder

Changes in shareholdings of the largest shareholder are as follows.

(As of June 30, 2012)

(Unit: Shares, %)

| Largest Shareholder | Date of the change in the largest shareholder/ Date of change in shareholding | Shares Held | Holding Ratio | Remarks |
|---------------------|--|-------------|---------------|---|
| SK Corporation | March 7, 2008 | 18,751,260 | 23.09 | Purchased 1,085,325 shares from SK Networks on March 7, 2008 At the 25 th General Meeting of Shareholders, elected |
| | March 13, 2009 | 18,751,360 | 23.22 | the CEO, Man Won Jung (who owned 100 shares of the Company stock) |
| | December 30, 2009 | 18,755,260 | 23.23 | Man Won Jung, the CEO, purchased 3,900 shares. |
| | May 26, 2010 | 18,756,760 | 23.23 | Man Won Jung, the CEO, purchased 1,500 shares |
| | July 20, 2010 | 18,756,860 | 23.23 | Man Won Jung, the CEO, purchased 100 shares |
| | September 17, 2010 | 18,757,360 | 23.23 | Dal Sup Shim, an Independent Director, purchased 500 shares Man Won Jung, SK Telecom's CEO, resigned |
| | March 11, 2011 | 18,750,490 | 23.22 | Shin Bae Kim, SK C&C's CEO, resigned |
| | April. 5, 2011 | 18,749,990 | 23.22 | Dal Sup Shim, an Independent Director, disposed 500 shares |
| | July 8, 2011 | 18,749,990 | 23.22 | Shin Won Chey, SKC's Chairman, purchased 500 shares |
| | August 5, 2011 | 18,750,490 | 23.22 | Shin Won Chey, SKC's Chairman, purchased 500 shares |
| | August 23, 2011 | 18,751,490 | 23.22 | Shin Won Chey, SKC's Chairman, purchased 500 shares |
| | December 21, 2011 | 20,366,490 | 25.22 | SK Corporation purchased 1,615,000 shares |
| | January 31, 2012 | 20,366,290 | 25.22 | Bang Hyung Lee, an officer of an affiliated company with 200 shares, resigned |

* Shares held are the sum of shares held by SK Corporation and its related parties.

Table of Contents

3. Distribution of Shares

A. Shareholders with ownership of 5% or more and others

(As of June 30, 2012)

(Unit: shares, %)

| Rank | Name (title) | Common share | |
|--|----------------|------------------|-----------------|
| | | Number of shares | Ownership ratio |
| 1 | Citibank ADR | 23,938,004 | 29.65 |
| 2 | SK Corporation | 20,363,452 | 25.22 |
| 3 | SK Telecom | 11,050,712 | 13.69 |
| Shareholdings under the Employee Stock Ownership Program | | 299,241 | 0.37 |

B. Shareholder Distribution

(As of June 30, 2012)

(Unit: shares, %)

| Classification | Number of shareholders | Ratio (%) | Number of shares | Ratio (%) | Remarks |
|--------------------------------------|------------------------|-----------|------------------|-----------|---------|
| Total minority shareholders * | 32,908 | 99.97% | 35,201,362 | 43.60% | |

* Defined as shareholders whose shareholding is less than a hundredth of the total issued and outstanding shares.

Table of Contents**4. Share Price and Trading Volume in the Last Six Months**

A. Domestic Securities Market

(Unit: Won, shares)

| Types | | June 2012 | May 2012 | April 2012 | March 2012 | February 2012 | January 2012 |
|-----------------------------------|----------------|--------------|-------------|---------------|---------------|------------------|-----------------|
| Common stock | Highest | 142,500 | 138,500 | 126,500 | 146,000 | 145,500 | 143,000 |
| | Lowest | 134,500 | 120,500 | 120,500 | 131,500 | 136,000 | 134,500 |
| Monthly transaction volume | | 7,871,677 | 5,027,374 | 4,468,381 | 4,037,305 | 3,970,688 | 4,221,433 |

B. Foreign Securities Market

New York Stock Exchange

(Unit: US\$, ADR)

| Types | | June 2012 | May 2012 | April 2012 | March 2012 | February 2012 | January 2012 |
|-----------------------------------|----------------|--------------|-------------|---------------|---------------|------------------|-----------------|
| Depository Receipt | Highest | 12.10 | 13.59 | 14.13 | 14.60 | 14.45 | 14.08 |
| | Lowest | 11.38 | 11.44 | 13.25 | 13.51 | 13.40 | 12.90 |
| Monthly transaction volume | | 31,605,816 | 45,556,433 | 46,985,251 | 40,978,400 | 30,905,000 | 30,029,400 |

VIII. EMPLOYEES AND MANAGEMENT COMPENSATION**1. EMPLOYEES**

(As of June 30, 2012)

(Unit: persons, in millions of Won)

| Classification | | Number of employees | | | | Average service year | Aggregate wage for the six months ended June 30, 2012 | Average wage per person | Remarks |
|----------------|---------------|----------------------|-----------------------|--------|-------|----------------------------|---|-------------------------------|---------|
| | | Regular employees | Contract employees | Others | Total | | | | |
| | Male | 3,400 | 51 | | 3,451 | 12.8 | 118,995 | 35 | |
| | Female | 509 | 67 | | 576 | 10.6 | 14,308 | 25 | |
| | Total | 3,909 | 118 | | 4,027 | 12.5 | 133,303 | 33 | |

Table of Contents**2. Management Compensation**

A. Amount Approved at the Shareholders Meeting

(Unit: Won million)

| Classification | Number of Directors | Aggregate Amount Approved |
|----------------|---------------------|---------------------------|
| Directors | 8 | 12,000 |

2. Amount Paid

(As of June 30, 3012)

(Unit: Won million)

| Classification | Number of Directors | Aggregate Amount Paid | Average Amount Paid Per Director |
|-------------------------|---------------------|-----------------------|----------------------------------|
| Insider Directors | 3 | 8,726 | 2,909 |
| Independent Directors* | 1 | 43 | 43 |
| Audit Committee Members | 4 | 161 | 40 |
| Total | 8 | 8,930 | |

* Excludes Independent Directors who are Audit Committee Members.

Table of Contents**IX. TRANSACTIONS WITH PARTIES WITH INTERESTS****1. Loans to the Largest Shareholder and Related Persons**

(As of June 30, 2012)

(Unit: in millions of Won)

| Name (Corporate name) | Relationship | Account category | Beginning | Change details | | Ending | Accrued interest | Remarks |
|-----------------------|--------------------|--------------------------------|-----------|----------------|----------|--------|------------------|---------|
| | | | | Increase | Decrease | | | |
| SK Wyverns | Affiliated company | Long-term and short-term loans | 1,832 | | | 1,832 | | |

2. Transfer of Assets to/from the Largest Shareholder and Other Transactions

A. Investment and Disposition of Investment

None.

B. Transfer of Assets

(Units: in millions of Won)

| Name (Corporate Name) | Relation-ship | Transferred Objects | Purpose of Transfer | Details | | Amount Transferred From Largest Shareholder | Amount Transferred to Largest Shareholder | Remarks |
|-------------------------|--------------------|---------------------|---------------------------|------------------|--|---|---|---------|
| | | | | Date of Transfer | | | | |
| Encar Network Co., Ltd. | Affiliated Company | Used car sale | Sale of assets not in use | March 21, 2012 | | | 60 | |
| | | Total | | | | | 60 | |

3. Transactions with Parties with Interests (excluding the Largest Shareholder and Related Persons)

A. Provisional Payment and Loans (including loans on marketable securities)

(Unit: in millions of Won)

| Name (Corporate name) | Relationship | Account category | Beginning | Change details | | Ending | Accrued interest | Remarks |
|-----------------------|--------------|--------------------------------|-----------|----------------|----------|---------|------------------|---------|
| | | | | Increase | Decrease | | | |
| Midus and others | Agency | Long-term and short-term loans | 118,919 | 120,022 | 138,028 | 100,913 | | |

Table of Contents

(Unit: in millions of Won)

| Name (Corporate name) | Relationship | Account category | Beginning | Change details | | Ending | Accrued interest | Remarks |
|-------------------------------------|--------------|------------------|-----------|----------------|----------|--------|------------------|---------|
| | | | | Increase | Decrease | | | |
| Daehan Kanggun BeN Co., Ltd. | | Long-term | | | | | | |
| | Investee | loans | 22,102 | | | 22,102 | | |

X. OTHER INFORMATION RELATING TO THE PROTECTION OF INVESTORS**1. Developments in the Items Mentioned in Prior Reports on Important Business Matters**

A. Status and Progress of Major Management Events

None.

B. Summary Minutes of the General Meeting of Shareholders

| Date | Agenda | Resolution |
|--|--|---|
| | 1. Approval of the Financial Statements for the year ended December 31, 2007 | Approved (Cash dividend, Won 8,400 per share) |
| | 2. Amendment to Articles of Incorporation | Approved |
| | 3. Approval of Remuneration Limit for Directors | Approved (Won 12 billion) |
| 24 th Fiscal Year Meeting of Shareholders (March 14, 2008) | 4. Election of Directors | Approved (Shin Bae Kim, Young Ho Park) |
| | Election of inside directors | Approved (Rak Yong Uhm, Jay Young Chung) |
| | Election of independent directors | Approved (Jae Ho Cho) |
| | Election of independent directors as Audit Committee member | |
| 25 th Fiscal Year Meeting of Shareholders (March 13, 2009) | 1. Approval of the financial statements for the year ended December 31, 2008 | Approved (Cash dividend, Won 8,400 per share) |
| | 2. Approval of Remuneration Limit for Directors | Approved (Won 12 billion) |

Edgar Filing: SK TELECOM CO LTD - Form 6-K

| | | |
|---|---|---|
| 3. | Amendment to Company Regulation on Executive Compensation | Approved |
| 4. | Election of Directors | Approved (Jae Won Chey, Man Won Jung) |
| | Election of inside directors | Approved (Hyun Chin Lim) |
| | Election of independent directors | Approved (Hyun Chin Lim) |
| | Election of independent directors as Audit Committee member | |
| 1. | Approval of the financial statements for the year ended December 31, 2009 | Approved (Cash dividend, Won 8,400 per share) |
| 2. | Amendment to Articles of Incorporation | Approved |
| 3. | Approval of Remuneration Limit for Directors | Approved (Won 12 billion) |
| 4. | Election of Directors | Approved (Ki Haeng Cho) |
| Election of inside directors | | Approved (Dal Sup Shim) |
| Election of independent directors | | Approved (Dal Sup Shim, Jay Young Chung) |
| Election of independent directors as Audit Committee member | | |

26th Fiscal Year
Meeting of
Shareholders

(March 12, 2010)

Table of Contents

| | | |
|---|--|---|
| | | Approved (Cash dividend, Won 8,400 per share) |
| | 1. Approval of the financial statements for the year ended December 31, 2010 | Approved |
| | 2. Approval of Remuneration Limit for Directors | Approved (Won 12 billion) |
| 27 th Fiscal Year Meeting of Shareholders | 3. Amendment to Company Regulation on Executive Compensation | Approved (Sung Min Ha, Jin Woo So) |
| (March 11, 2011) | 4. Election of Directors | Approved (Rak Young Uhm, Jay Young Chung, Jae Ho Cho) |
| | Election of inside directors | Approved (Jay Young Chung, Jae Ho Cho) |
| | Election of independent directors | |
| | Election of independent directors as Audit Committee member | Approved (Spin-off of SK Planet) |
| 1 st Extraordinary Meeting of Shareholders (August 31, 2011) | 1. Approval of the Spin-off Plan | Approved (Jun Ho Kim) |
| | 2. Election of Directors | Approved (Cash dividend, Won 8,400 per share) |
| 28 th Fiscal Year Meeting of Shareholders | 1. Approval of the financial statements for the year ended December 31, 2011 | Approved |
| (March 23, 2012) | 2. Amendment to Articles of Incorporation | Approved (Young Tae Kim) |
| | 3. Election of Directors | Approved (Dong Seob Jee) |
| | Election of inside directors | |

Edgar Filing: SK TELECOM CO LTD - Form 6-K

Approved (Hyun Chin Lim)

Election of inside directors

Approved (Hyun Chin Lim)

Election of independent directors

Approved (Won 12 billion)

4. Election of an independent director as Audit Committee member

5. Approval of Remuneration Limit for Directors

2. Contingent Liabilities

[SK Telecom]

A. Material Legal Proceedings

(1) Claim for Copyright License Fees regarding Coloring Services

On May 7, 2010, Korea Music Copyright Association (KOMCA) filed a lawsuit with the court demanding that the Company pay KOMCA license fees for the Company s Coloring services. The court rendered a judgment against the Company ordering the Company to pay Won 570 million to KOMCA, which was affirmed by the appellate court on October 26, 2011. The Company appealed to the Supreme Court on November 8, 2011. The Company plans to vigorously defend itself in the Supreme Court by supplementing legal analysis relating to the interpretation of legal actions. While the Company does not expect immediate impact on its business and financial condition from the litigation because the judgment amount is Won 570 million and the final outcome of the litigation has not been decided, the Company may be required to pay on-going license fees in the future if it loses in the final judgment.

* Actual impact on the Company s business and financial condition from the litigation may be different from the Company s expectation stated above.

Table of Contents

B. Other Matters

(1) Pledged Assets and Covenants

In 2011, SK Broadband, a consolidated subsidiary of the Company, pledged its real estate and short term financial instruments as collateral for one year in connection with the borrowing by Broadband Media, another consolidated subsidiary. As of June 30, 2012, the amount of real estate provided as collateral was as follows: Won 65 billion to Hana Bank, Won 78 billion to IBK Capital and Won 52 billion to Kookmin Bank; the amount of short term financial instruments provided as collateral was as follows: Won 60 billion to Korea Exchange Bank, Won 35 billion to Hana Bank, Won 39 billion to National Agricultural Cooperative Federation and Won 20 billion to Woori Bank.

In addition, in 2011, SK Broadband, a consolidated subsidiary of the Company, pledged its real estate as collateral for one year in connection with the borrowing by Broadband CS, another consolidated subsidiary. As of June 30, 2012, the amount of real estate provided as collateral was Won 16.9 billion to Kookmin Bank.

SK Broadband, a consolidated subsidiary of the Company, has also provided *geun* mortgage amounting to Won 17.4 billion to others, including Ilsan Guksa, on a part of its buildings in connection with the leasing of the buildings.

In 2011, PS & Marketing, a consolidated subsidiary of the Company, entered into a loan agreement to borrow up to Won 60 billion of working capital from Shinhan Bank. In connection with the loan agreement, it pledged Won 78 billion of its inventories to Shinhan Bank as collateral.

As of June 30, 2012, SKY Property Mgmt, Ltd. pledged CNY532 million of its buildings and land-use rights as collateral to Korea Exchange Bank and China Merchants Bank in connection with a long-term borrowing of CNY525 million. In the first six months of 2012, SKY Property Mgmt, Ltd. newly borrowed long-term loans of US\$30 million and HKD 234 million from Standard Chartered Bank (HK) Ltd. and pledged its interests in its subsidiary, Shanghai Fujita Tianshan Housing Development Co., Ltd., as collateral.

(2) Payment Guarantee by the Company

The Company is participating in the tactical aeronautics project of the Defense Acquisition Program Administration of Korea (the *DAPA*), together with Joint Defense Corporation. The Company has guaranteed the payment of Won 4.2 billion that the DAPA has prepaid to Joint Defense Corporation.

Table of Contents**[SK Broadband]**

A. Material Legal Proceedings

(1) SK Broadband as the Plaintiff

(Unit: thousand won)

| Description of Proceedings | Date of Commencement of Proceedings | Amount of Claim | Status |
|--|-------------------------------------|-----------------|-------------------------------------|
| Claim for Cancellation of Korea Fair Trade Commission's Penalty Reassessment | September 2009 | 1,810,000 | Pending before Supreme Court |
| Claim relating to Gangnamgu District Office Cable-Burying Project | March 2010 | 345,271 | Pending before Supreme Court |
| Administrative Proceeding relating to Gangnamgu District Office | April 2010 | 703,440 | Pending before Administrative Court |
| Claim for Sales Price by Sambo Motors | April 2011 | 321,200 | Pending before Appellate Court |
| Damages Claims against Golden Young and Others | April 2011 | 454,267 | Pending before District Court |
| Damages Claim relating to Hyundai Construction | December 2010 | 561,283 | Pending before Appellate Court |
| Other claims and proceedings | | 265,364 | |
| Total | | 4,460,825 | |

(2) SK Broadband as the Defendant

(Unit: thousand won)

| Description of Proceedings | Date of Commencement of Proceedings | Amount of Claim | Status |
|---|-------------------------------------|-----------------|--------------------------------|
| Damage Claim by Sun Technology and One Other | October 2011 | 1,006,429 | Pending before Appellate Court |
| Claim for Return of Unfair Benefit from One Call | October 2010 | 471,302 | Pending before Appellate Court |
| Damages Claim from Jin Man Cho and One Other | January 2011 | 200,000 | Pending before Appellate Court |
| Claim for Commission by i-Media Valley and Five Other Companies | July 2010 | 313,764 | Pending before Appellate Court |
| Claim for Commission by Vialty and Four Other Companies | November 2010 | 125,000 | Pending before Appellate Court |
| Damage Claim by On-nuri Co., Ltd. | December 2011 | 101,000 | Pending before District Court |
| Damage Claim by Mac Telecom and Five Other Companies | January 2012 | 606,000 | Pending before District Court |
| Claim for damages by the Seoul Metropolitan Office of Education | March 2012 | 100,000 | Pending before District Court |
| Other claims and proceedings | | 64,967 | |
| Total | | 2,988,462 | |

Table of Contents

The management believes that the final results of the litigations listed above would not have a material impact on the company's financial statements. In addition, in 2011, SK Broadband partly lost in a litigation relating to the leak of personal information at the district court, which ordered SK Broadband to pay damages of Won 5,072 million (out of the plaintiffs' claims of Won 24,689 million), and recognized such damage order as other accounts payable.

(3) Broadband Media as the Defendant

(Unit: thousand Won)

| Description of Proceedings | Date of Commencement of Proceedings | Amount of Claim | Status |
|---|--|-----------------|--------------------------------|
| Claim for commission by i-Media Valley and five other companies | July 2010 | 300,869 | Pending before Appellate Court |
| Total | | 300,869 | |

[SK Communications]**A. Material Legal Proceedings**

As of June 30, 2012, the aggregate amount of claim was Won 9,841 million. The management cannot reasonably forecast the outcome of the pending cases.

[Loen Entertainment]

The following sets forth the important financial agreements Loen Entertainment has entered into as of June 30, 2012.

| Financial Institution | Amount (Unit: thousand Won) | Type of Agreement |
|-----------------------|-----------------------------|-------------------|
| Hana Bank | 2,000,000 | Loan facility |
| Total | 2,000,000 | |

Table of Contents

3. Status of sanctions, etc.

[SK Telecom]

Due to the Company's ineffective measures taken with respect to phone numbers that are used for sending illegal unsolicited bulk messages, the Korea Communications Commission, on April 8, 2009, ordered the Company to improve its work procedures.

On September 2, 2009, the Korea Communications Commission ordered the Company to improve its work procedures in a case relating to the obstruction of subscribers' utilization of wireless Internet services. The Company completed the improvement of the procedures in consultation with the Korea Communications Commission by December 2009.

On October 13, 2009, the Korea Communications Commission imposed on the Company a fine of Won 140 million and a newspaper notice order in a case relating to the subscription for mobile telephone services using national identification numbers of the deceased and the Company's failure to verify the required documents. The Company implemented the improved work procedures to strengthen identification process at the time of subscription for mobile telephone services in January 2010.

On June 10, 2010, the Korea Communications Commission imposed on the Company a fine of Won 2 billion and issued a correction order for hurting subscribers' interests relating to USIM uses. The Company paid the fine and completed the improvement of the procedures in consultation with the Korea Communications Commission by September 2010.

On September 24, 2010, the Korea Communications Commission imposed on the Company a fine of Won 12.9 billion and issued a correction order for providing discriminatory subsidy to subscribers. The Company paid the fine and completed the improvement of the procedures in consultation with the Korea Communications Commission by January 2011.

On December 2, 2010, the Korea Communications Commission imposed on the Company a fine of Won 6.2 billion and issued a correction order in a case relating to the obstruction of subscribers' utilization of wireless Internet services. The Company paid the fine and completed the improvement of the procedures in consultation with the Korea Communications Commission by March 2011.

On September 19, 2011, the Korea Communications Commission imposed on the Company a fine of Won 6.86 billion and issued a correction order for providing discriminatory subsidy to subscribers. The Company paid the fine and expects to complete the improvement of the procedures in consultation with the Korea Communications Commission by January 2012.

Table of Contents

In addition, on January 21, 2009, the Company was sanctioned for unfair business practices with a fine of Won 1,268 million by the Fair Trade Commission of Korea along with a correctional order of its policy of restricting certain rate plan subscribers from using third party portal contents. The Company has paid the fine and has taken efforts to educate applicable divisions of the issue and to improve the level of the voluntary compliance program to comply with fair trade laws to prevent a repeat of the same violation.

On April 8, 2010, the Company received a correctional order from the Fair Trade Commission of Korea for a violation of the Act on Fair Labeling and Advertising relating to 11th Street (the Company's online shopping mall). In response thereto, the Company has been taking efforts to prevent a repetitive violation including thorough pre-review of the advertisement and marketing activities of 11th Street and appropriate education for relevant employees.

On April 22, 2011, the Company received a correctional order from the Fair Trade Commission of Korea for violation of Article 21 of the Electronic Commerce Act and was imposed a fine of Won 5 million. The Company paid the fine and filed a suit disputing the order of the Fair Trade Commission. The suit is currently pending.

On November 11, 2011, the Company received a correctional order from the Fair Trade Commission of Korea for violation of Article 23 of the Fair Trade Act relating to the transfer of patented technology necessary for the supply of relay facilities. The Company has corrected the procedures before receiving the correctional order.

On March 14, 2012, the Company received a correctional order from the Fair Trade Commission of Korea for an alleged violation of Article 23 of the Fair Trade Act relating to the handset subsidy practice and distribution of handsets and was imposed a fine of Won 21,928 million. The Company appealed the order and filed a suit with the administrative court. The suit is currently pending.

On February 6, 2012, the Company received three penalty points and was imposed a fine of Won 3 million from the Korea Exchange for a violation of Article 35 of Korea Exchange's disclosure rules. The Company paid the fine and has been taking efforts to prevent a repetitive violation.

On June 21, 2012, the Company received a correctional order from the Korea Communications Commission in connection with its decision on whether the Company had violated regulations related to the safeguarding of location information. The Company plans to work with the Korea Communications Commission to comply with the correction order by the end of 2012.

On July 4, 2012, the Company received a correctional order and a fine of Won 23,987 million from the Fair Trade Commission of Korea for alleged violation of Article 23 of the Fair Trade Act relating to the payment of system management and operation fees. The Company plans to evaluate its legal options after it receives the opinion from the Fair Trade Commission.

Table of Contents

A Trial of a former director of the Company is pending with respect to the Company's past transactions.

[SK Broadband]

(1) Violation of the Telecommunications Business Act

Date: May 18, 2012

Subject Company: SK Broadband

Sanction: SK Broadband received a correctional order and a fine of Won 253 million

Reason and relevant law: Violation of Article 50, Paragraph 1, Number 5 of the Telecommunications Business Act and Article 50, Paragraph 1 of the related Enforcement Decree for offering discounts outside the terms and conditions of the subscription agreement to certain subscribers and thereby discriminating against certain subscribers

Status of implementation: Paid the fine, ceased the prohibitive practice, disclosed receiving the correctional order in a newspaper advertisement and changed business practice to prevent reoccurrence.

Company's plan : Continuous management of the company's distribution network and improve the company's distribution structure.

(2) Violation of Accounting Rules

Date: January 20, 2012

Subject Company: SK Broadband

Sanction: SK Broadband was imposed a fine of Won 54 million from the Korea Communications Commission.

Reason and the Relevant Law: Business report for 2010 violated accounting rules under Article 49 of the Telecommunication Business Act.

Status of Implementation: Paid the fine.

Company's Plan: Will improve accounting management system.

Edgar Filing: SK TELECOM CO LTD - Form 6-K

(3) Violation of the Telecommunication Business Act

Date: November 23, 2011

Subject Company: SK Broadband

Sanction: SK Broadband was imposed a fine of Won 30 million from the Korea Communications Commission.

Table of Contents

Reason and the Relevant Law: Violated Telecommunication Business Act by allocating 060 number without prior review and charging fees for the service usage.

Status of Implementation: Paid the fine, stopped the prohibited practice, improved operating procedures and reported the results.

Company's Plan: Will improve operating procedures.

(4) Violation of the Act on Facilitation of the Use of Information Network and Protection of Information

Date: July 14, 2011

Subject: SK Broadband and a former officer of SK Broadband

Sanction: SK Broadband was imposed a fine of Won 15 million and the former officer was imposed a fine of Won 5 million.

Reason and the Relevant Law: Violated Articles 24 and 62 of the Act on Facilitation of the Use of Information Network and Protection of Information by providing subscribers' personal information to telemarketers without subscribers' consents.

Status of Implementation: Paid the fine.

Company's Plan: Provide education to officers and employees and strengthen internal regulations.

(5) Violation of the Telecommunication Business Act

Date: February 21, 2011

Subject Company: SK Broadband

Sanction: SK Broadband was imposed a correction order and a fine of Won 3.2 billion from the Korea Communications Commission.

Reason and the Relevant Law: Improperly discriminated subscribers with respect to the fee reduction in the process of acquiring high-speed Internet subscribers. Violated Article 50 of the Telecommunication Business Act and Article 42 of the Enforcement Decree.

Status of Implementation: Paid the fine, stopped the prohibited practice, published the sanction on newspapers, improved operating procedures and amended the terms of services.

Company's Plan: Continue to monitor marketing networks, improve marketing procedures, distribute incentive items directly and reduce incentive items.

(6) Violation of the Act on Facilitation of the Use of Information Network and Protection of Information

Date: June 10, 2010

Subject Company: SK Broadband

Table of Contents

Sanction: SK Broadband was imposed a fine of Won 10 million.

Reason and the Relevant Law: Violated Articles 49 and 62 of the Act on Facilitation of the Use of Information Network and Protection of Information by providing subscribers' personal information to telemarketers without subscribers' consents.

Status of Implementation: Paid the fine.

Company's Plan: Provide education to officers and employees and strengthen internal regulations.
[SK Communications]

On July 31, 2008, SK Communications was imposed a fine of Won 125 million by the Fair Trade Commission of Korea in connection with the preparation for the Fair Trade Commission's field inspection. SK Communications has paid the fine and has taken efforts to prevent a repeat of the same violation, including education of the relevant personnel.

4. Important Matters That Occurred After June 30, 2012

(1) Interim dividend

On July 25, 2012, the Company's board of directors resolved to declare interim dividends as follows:

| Classification | Description |
|--------------------------|--|
| Dividend amount | Cash dividend of Won 1,000 per share (total dividend amount: Won 69,694,999,000) |
| Market dividend rate | 0.82% |
| Record date | June 30, 2012 |
| Date of dividend payment | Within 20 days following the resolution of the board of directors |

(2) Acquisition of Broadband D&M Co., Ltd.

On July 13, 2012, in an extraordinary shareholders' meeting, the shareholders of Broadband D&M resolved to sell its power facilities management and new business opening and maintenance services to the Company's subsidiary Network O&S.

On July 26, 2012, in an extraordinary shareholders' meeting, the shareholders of SK Broadband resolved to acquire and merge with Broadband D&M.

5. Use of Proceeds

A. Use of Proceeds from Public Offerings

Not applicable.

Table of Contents

B. Use of Proceeds from Private Offerings

(Unit: Won million)

| Classification | Closing Date | Proceeds | Planned Use of Proceeds | Actual Use of Proceeds | Reasons for Change |
|-----------------------|---------------------|-----------------|---|---------------------------------|---------------------------|
| Convertible Bonds | April 7, 2009 | 437,673 | Refinancing of convertible bonds issued in May 2004 | Refinancing and working capital | |

Table of Contents

SK TELECOM CO., LTD.

Condensed Consolidated Interim Financial Statements

(Unaudited)

June 30, 2012

(With Independent Auditors' Review Report Thereon)

Table of Contents

Contents

| | Page |
|--|-------------|
| <u>Independent Auditors' Review Report</u> | 1 |
| <u>Unaudited Condensed Consolidated Interim Statements of Financial Position</u> | 3 |
| <u>Unaudited Condensed Consolidated Interim Statements of Income</u> | 6 |
| <u>Unaudited Condensed Consolidated Interim Statements of Comprehensive Income</u> | 8 |
| <u>Unaudited Condensed Consolidated Interim Statements of Changes in Equity</u> | 9 |
| <u>Unaudited Condensed Consolidated Interim Statements of Cash Flows</u> | 10 |
| Notes to Unaudited Condensed Interim Consolidated Financial Statements | 13 |

Table of Contents

Independent Auditors' Review Report

Based on a report originally issued in Korean

To The Board of Directors and Shareholders

SK Telecom Co., Ltd.:

Reviewed financial statements

We have reviewed the accompanying condensed consolidated interim financial statements of SK Telecom Co., Ltd. and its subsidiaries (the Group), expressed in Korean won, which comprise the condensed consolidated interim statement of financial position as of June 30, 2012, the condensed consolidated interim statements of income and comprehensive income for the three-month and six-month periods ended June 30, 2012, the condensed consolidated interim statements of changes in equity and cash flows for the six-month period ended June 30, 2012, and notes, comprising a summary of significant accounting policies and other explanatory information.

We did not review the financial statements of SK Broadband Co., Ltd., a domestic subsidiary, two other domestic subsidiaries and an associate, whose financial statements constitute 26.1% of consolidated total assets as of June 30, 2012, and 15.6% of consolidated total operating revenue for the six-month period ended June 30, 2012. Those financial statements were reviewed by other auditors whose reports have been furnished to us, and our report, insofar as it relates to the amounts included for those subsidiaries and associate, is based solely on the reports of those other auditors.

Management's responsibility for the Condensed Interim Financial Statements

Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with Korean International Financial Reporting Standards (K-IFRS) No.1034, *Interim Financial Reporting*, and for such internal controls as management determines are necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' review responsibility

Our responsibility is to issue a report on these condensed consolidated interim financial statements based on our review.

We conducted our review in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of Korea and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review and the reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements referred to above are not prepared, in all material respects, in accordance with K-IFRS No.1034, *Interim Financial Reporting*.

Table of Contents

Other matters

The condensed consolidated statements of income, comprehensive income for the three-month and six-month periods ended June 30, 2011, and the condensed consolidated statements of changes in equity and cash flows for the six-month period ended June 30, 2011, were reviewed by other auditors and their report thereon, dated August 26, 2011, stated that nothing has come to their attention that causes them to believe that the condensed consolidated interim financial statements referred to above were not prepared, in all material respects, in accordance with K-IFRS No.1034, *Interim Financial Reporting* .

In addition, the consolidated statement of financial position of the Group as of December 31, 2011, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this report, were audited by other auditors and their report thereon, dated March 13, 2012, expressed an unqualified opinion. The accompanying consolidated statement of financial position of the Group as of December 31, 2011, presented for comparative purposes, is not different from that audited by other auditors in all material respects.

The procedures and practices utilized in the Republic of Korea to review such consolidated interim financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying condensed consolidated financial statements are for use by those knowledgeable about Korean review standards and their application in practice.

KPMG Samjong Accounting Corp.

Seoul, Korea

August 6, 2012

This report is effective as of August 6, 2012, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

Table of Contents

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Financial Position

As of June 30, 2012 and December 31, 2011

| <i>(In millions of won)</i> | Note | June 30, 2012 | December 31, 2011 |
|---------------------------------------|--------------|-------------------|-------------------|
| Assets | | | |
| Current Assets: | | | |
| Cash and cash equivalents | 28,29 | 1,176,948 | 1,650,794 |
| Short-term financial instruments | 5,28,29,31 | 506,646 | 979,564 |
| Short-term investment securities | 8,28,29 | 55,620 | 94,829 |
| Accounts receivable trade, net | 6,28,29,30 | 1,843,465 | 1,823,170 |
| Short-term loans, net | 6,28,29,30 | 86,424 | 100,429 |
| Accounts receivable other, net | 6,28,29,30 | 612,220 | 908,836 |
| Prepaid expenses | | 102,168 | 118,200 |
| Derivative financial assets | 19,28,29 | 80,187 | 148,038 |
| Inventories, net | 7,31 | 226,429 | 219,590 |
| Advanced payments and other | 6,8,28,29,30 | 64,340 | 74,029 |
| Total Current Assets | | 4,754,447 | 6,117,479 |
| Non-Current Assets: | | | |
| Long-term financial instruments | 5,28,29,31 | 7,636 | 7,628 |
| Long-term investment securities | 8,28,29 | 1,427,870 | 1,537,945 |
| Investments in associates | 9 | 4,714,676 | 1,384,605 |
| Property and equipment, net | 10,30,31 | 8,771,148 | 9,030,998 |
| Investment property | 11 | 264,701 | 271,086 |
| Goodwill | 12 | 1,740,251 | 1,749,933 |
| Intangible assets | 13 | 2,834,024 | 2,995,803 |
| Long-term loans, net | 6,28,29,30 | 84,751 | 95,565 |
| Long-term accounts receivable other | 6,28,29 | 694 | 5,393 |
| Long-term prepaid expenses | 31 | 559,945 | 567,762 |
| Guarantee deposits | 6,28,29,30 | 239,322 | 245,218 |
| Long-term derivative financial assets | 19,28,29 | 130,716 | 105,915 |
| Deferred tax assets | 26 | 219,269 | 227,578 |
| Other non-current assets | 6,28,29 | 23,941 | 23,128 |
| Total Non-Current Assets | | 21,018,944 | 18,248,557 |
| Total Assets | | 25,773,391 | 24,366,036 |

See accompanying notes to the unaudited condensed consolidated interim financial statements.

Table of Contents

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Financial Position, Continued

As of June 30, 2012 and December 31, 2011

| <i>(In millions of won)</i> | Note | June 30, 2012 | December 31, 2011 |
|---|----------------|-------------------|-------------------|
| Liabilities and Equity | | | |
| Current Liabilities: | | | |
| Short-term borrowings | 14,28,29 | 784,464 | 700,713 |
| Current portion of long-term debt, net | 14,15,17,28,29 | 366,782 | 1,662,841 |
| Accounts payable - trade | 28,29,30 | 313,129 | 195,391 |
| Accounts payable - other | 28,29,30 | 1,192,607 | 1,507,877 |
| Withholdings | 28,29 | 625,385 | 496,860 |
| Accrued expenses | 28,29,31 | 921,864 | 744,673 |
| Income tax payable | 26 | 166,241 | 293,725 |
| Unearned revenue | | 264,151 | 290,791 |
| Derivative financial liabilities | 19,28,29 | | 4,645 |
| Provisions | 16 | 573,543 | 657,198 |
| Advanced receipt and other | 30 | 114,093 | 118,876 |
| Total Current Liabilities | | 5,322,259 | 6,673,590 |
| Non-Current Liabilities: | | | |
| Debentures, net, excluding current portion | 14,28,29 | 4,301,168 | 3,229,009 |
| Long-term borrowings, excluding current portion | 14,28,29 | 2,381,325 | 323,852 |
| Long-term payables - other | 15,28,29,30 | 710,731 | 847,496 |
| Long-term unearned revenue | | 205,540 | 212,172 |
| Finance lease liabilities | 17,28,29 | 31,765 | 41,940 |
| Defined benefit obligation | 18 | 102,322 | 85,941 |
| Long-term derivative financial liabilities | 19,28,29 | 23,529 | |
| Long-term provisions | 16 | 122,524 | 142,361 |
| Other non-current liabilities | 28,29,30 | 71,584 | 76,966 |
| Total Non-Current Liabilities | | 7,950,488 | 4,959,737 |
| Total Liabilities | | 13,272,747 | 11,633,327 |
| Equity | | | |
| Share capital | 1,20 | 44,639 | 44,639 |
| Share deficit | 20,21 | (290,688) | (285,347) |
| Retained earnings | 22 | 11,500,953 | 11,642,525 |

Table of Contents

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Financial Position, Continued

As of June 30, 2012 and December 31, 2011

| | | | |
|--|----|-------------------|-------------------|
| Reserves | 23 | 216,928 | 260,064 |
| Equity attributable to owners of the Parent Company | | 11,471,832 | 11,661,881 |
| Non-controlling interests | | 1,028,812 | 1,070,828 |
| Total Equity | | 12,500,644 | 12,732,709 |
| Total Liabilities and Equity | | 25,773,391 | 24,366,036 |

See accompanying notes to the unaudited condensed consolidated interim financial statements.

Table of Contents

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Income

For the three and six-month periods ended June 30, 2012 and 2011

| | Note | June 30, 2012 | | June 30, 2011 | |
|---|------|--------------------------------|---------------------------|--------------------------------|---------------------------|
| | | Three-month period ended | Six-month period ended | Three-month period ended | Six-month period ended |
| <i>(In millions of won except for per share data)</i> | | | | | |
| Continuing operations | | | | | |
| Operating revenue: | | | | | |
| | 4,30 | | | | |
| Revenue | | 4,007,863 | 7,977,574 | 4,025,769 | 7,922,777 |
| Other operating income | 24 | 7,414 | 23,010 | 11,819 | 19,669 |
| Sub-total | | 4,015,277 | 8,000,584 | 4,037,588 | 7,942,446 |
| Operating expense: | | | | | |
| | 30 | | | | |
| Labor cost | | 292,918 | 648,450 | 253,379 | 566,965 |
| Commissions paid | | 1,548,229 | 2,962,672 | 1,417,359 | 2,768,038 |
| Depreciation and amortization | | 575,620 | 1,155,880 | 583,212 | 1,149,630 |
| Network interconnection | | 273,467 | 569,619 | 323,503 | 642,244 |
| Leased line | | 112,824 | 231,759 | 110,435 | 224,329 |
| Advertising | | 99,651 | 169,554 | 85,277 | 140,552 |
| Rent | | 100,393 | 207,268 | 93,662 | 192,934 |
| Cost of products that have been resold | | 299,334 | 570,770 | 217,050 | 403,524 |
| Other operating expenses | 24 | 328,224 | 634,812 | 280,817 | 552,917 |
| Sub-total | | 3,630,660 | 7,150,784 | 3,364,694 | 6,641,133 |
| Operating income | 4 | 384,617 | 849,800 | 672,894 | 1,301,313 |
| Finance income | 25 | 54,491 | 117,992 | 83,558 | 327,414 |
| Finance costs | 25 | 110,621 | 216,871 | 85,320 | 163,801 |
| Losses related to investments in associates, net | 1,9 | 18,014 | 45,597 | 9,898 | 20,709 |
| Income before income tax | | 310,473 | 705,324 | 661,234 | 1,444,217 |

See accompanying notes to the unaudited condensed consolidated interim financial statements.

Table of Contents

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Income, Continued

For the three and six-month periods ended June 30, 2012 and 2011

| | Note | June 30, 2012 | | June 30, 2011 | |
|---|----------|--------------------------------|---------------------------|--------------------------------|---------------------------|
| | | Three-month period ended | Six-month period ended | Three-month period ended | Six-month period ended |
| <i>(In millions of won except for per share data)</i> | | | | | |
| Income tax expense from continuing operations | 26 | 66,106 | 150,683 | 184,526 | 418,643 |
| Net income from continuing Operations | | 244,367 | 554,641 | 476,708 | 1,025,574 |
| Discontinued operation | | | | | |
| Loss from discontinued operation, net of income taxes | 32 | 123,810 | 133,704 | 11,272 | 22,869 |
| Net income for the period | 4 | 120,557 | 420,937 | 465,436 | 1,002,705 |
| Attributable to : | | | | | |
| Owners of the Parent Company | | 143,396 | 449,820 | 467,794 | 1,010,329 |
| Non-controlling interests | | (22,839) | (28,883) | (2,358) | (7,624) |
| Earnings per share | | | | | |
| Basic earnings per share | 27 | 2,057 | 6,454 | 6,580 | 14,211 |
| Diluted earnings per share | 27 | 1,909 | 6,221 | 6,172 | 13,474 |
| Earnings per share Continuing operations | | | | | |
| Basic earnings per share | 27 | 3,569 | 8,101 | 6,743 | 14,542 |
| Diluted earnings per share | 27 | 3,372 | 7,815 | 6,330 | 13,795 |

See accompanying notes to the unaudited condensed consolidated interim financial statements.

Table of Contents

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Comprehensive Income

For the three and six-month periods ended June 30, 2012 and 2011

| <i>(In millions of won)</i> | Note | June 30, 2012 | | June 30, 2011 | |
|---|--------|--------------------------------|---------------------------|--------------------------------|---------------------------|
| | | Three-month period ended | Six-month period ended | Three-month period ended | Six-month period ended |
| Net income for the period | | 120,557 | 420,937 | 465,436 | 1,002,705 |
| Other comprehensive income (loss) | | | | | |
| Net change in fair value of available-for-sale financial assets | 23 | (36,267) | (50,500) | (92,818) | (178,148) |
| Net change in other comprehensive income of investments in associates | 9, 23 | 742 | 7,177 | (5,036) | (8,844) |
| Gains (losses) on valuation of derivatives | 19, 23 | 17,087 | (894) | (35,282) | 3,287 |
| Foreign currency translation differences for foreign operations | 23 | 7,821 | (2,496) | (9,641) | (23,048) |
| Actuarial losses, net on defined benefit obligations | 18, 22 | (1,254) | (4,945) | (4,632) | (8,225) |
| | | (11,871) | (51,658) | (147,409) | (214,978) |
| Total comprehensive income | | 108,686 | 369,279 | 318,027 | 787,727 |
| Total Comprehensive Income Attributable to: | | | | | |
| Owners of the Parent Company | | 129,098 | 400,730 | 324,178 | 802,086 |
| Non-controlling interests | | (20,412) | (31,451) | (6,151) | (14,359) |

See accompanying notes to the unaudited condensed consolidated interim financial statements.

Table of Contents

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Changes in Equity

For the six-month periods ended June 30, 2012 and 2011

| <i>(In millions of won)</i> | Share capital | Share premium (deficit) | Controlling interest Retained earnings | Reserves | Sub-total | Non-controlling interests | Total equity |
|---------------------------------|---------------|----------------------------|--|----------------|-------------------|------------------------------|-------------------|
| Balance, January 1, 2011 | 44,639 | (78,953) | 10,721,249 | 643,055 | 11,329,990 | 1,078,008 | 12,407,998 |
| Cash dividends | | | (597,198) | | (597,198) | | (597,198) |
| Total comprehensive income | | | | | | | |
| Net income | | | 1,010,329 | | 1,010,329 | (7,624) | 1,002,705 |
| Other comprehensive loss | | | (8,125) | (200,118) | (208,243) | (6,735) | (214,978) |
| Changes in subsidiaries | | 6,043 | | | 6,043 | 544 | 6,587 |
| Balance, June 30, 2011 | 44,639 | (72,910) | 11,126,255 | 442,937 | 11,540,921 | 1,064,193 | 12,605,114 |
| Balance, January 1, 2012 | 44,639 | (285,347) | 11,642,525 | 260,064 | 11,661,881 | 1,070,828 | 12,732,709 |
| Cash dividends | | | (585,438) | | (585,438) | (2,144) | (587,582) |
| Total comprehensive income | | | | | | | |
| Net income | | | 449,820 | | 449,820 | (28,883) | 420,937 |
| Other comprehensive loss | | | (5,954) | (43,136) | (49,090) | (2,568) | (51,658) |
| Changes in subsidiaries | | (5,341) | | | (5,341) | (8,421) | (13,762) |
| Balance, June 30, 2012 | 44,639 | (290,688) | 11,500,953 | 216,928 | 11,471,832 | 1,028,812 | 12,500,644 |

See accompanying notes to the unaudited condensed consolidated interim financial statements.

Table of Contents

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Cash Flows

For the six-month periods ended June 30, 2012 and 2011

| <i>(In millions of won)</i> | Note | 2012 | 2011 |
|---|------|------------------|------------------|
| Cash flows from operating activities: | | | |
| Cash generated from operating activities | | | |
| Net income for the period | | 420,937 | 1,002,705 |
| Adjustments for income and expenses | 33 | 1,744,239 | 1,592,155 |
| Changes in assets and liabilities related to operating activities | 33 | 197,401 | 960,344 |
| Sub-total | | 2,362,577 | 3,555,204 |
| Interest received | | 52,141 | 81,278 |
| Dividends received | | 22,947 | 20,222 |
| Interest paid | | (186,757) | (158,538) |
| Income tax paid | | (248,509) | (355,786) |
| Net cash provided by operating activities | | 2,002,399 | 3,142,380 |
| Cash flows from investing activities: | | | |
| Cash inflows from investing activities: | | | |
| Decrease in short-term financial instruments, net | | 464,201 | |
| Decrease in short-term investment securities, net | | 50,179 | 147,000 |
| Collection of short-term loans | | 141,971 | 92,562 |
| Decrease in long-term financial instruments, net | | | 3 |
| Proceeds from disposal of long-term investment securities | | 55,055 | 250,075 |
| Proceeds from disposal of investments in associates | | 1,850 | 8,782 |
| Proceeds from disposal of property and equipment | | 6,089 | 13,251 |
| Proceeds from disposal of intangible assets | | 5,429 | 2,711 |
| Collection of long-term loans | | 5,748 | 8,738 |
| Decrease of deposits | | 3,921 | |
| Proceeds from disposal of other non-current assets | | 47 | 673 |
| Proceeds from disposal of a subsidiary | | 88,641 | |
| Sub-total | | 823,131 | 523,795 |
| Cash outflows for investing activities: | | | |
| Increase in short-term investment securities, net | | | (206,431) |
| Increase in other investment securities, net | | (2,000) | |
| Increase in short-term loans | | (121,122) | (126,587) |
| Increase in long-term loans | | (1,907) | (2,113) |

Table of Contents

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Cash Flows

For the six-month periods ended June 30, 2012 and 2011

| | | |
|--|--------------------|--------------------|
| Increase in long-term financial instruments, net | (9) | (7,500) |
| Acquisition of long-term investment securities | (18,913) | (276,286) |
| Acquisition of investments in associates | (3,109,475) | (42,338) |
| Acquisition of property and equipment | (1,213,409) | (1,176,383) |
| Acquisition of investment property | | (61,240) |
| Acquisition of intangible assets | (50,224) | (38,318) |
| Increase in deposits | (7,477) | |
| Increase in other non-current assets | (752) | (17,640) |
| Acquisition of business | | (129,190) |
| Decrease in cash due to disposal | (11,867) | |
| Sub-total | (4,537,155) | (2,084,026) |
| Net cash used in investing activities | (3,714,024) | (1,560,231) |

See accompanying notes to the unaudited condensed consolidated interim financial statements.

Table of Contents

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Cash Flows, Continued

For the six-month periods ended June 30, 2012 and 2011

| <i>(In millions of won)</i> | Note | 2012 | 2011 |
|---|------|------------------|--------------------|
| Cash flows from financing activities: | | | |
| Cash inflows from financing activities: | | | |
| Proceeds from short-term borrowings | | 895,404 | 349,018 |
| Issuance of debentures | | 688,666 | 363,038 |
| Proceeds from long-term borrowings | | 2,060,180 | 186,734 |
| Cash inflows from settlement of derivatives | | 1,517 | |
| Cash inflows from other financial activities | | 48 | |
| Increase in cash from the consolidated capital transaction | | | 6,407 |
| Sub-total | | 3,645,815 | 905,197 |
| Cash outflows for financing activities: | | | |
| Repayment of short-term borrowings | | (810,965) | (390,012) |
| Repayment of current portion of long-term debt | | (98,278) | (538,458) |
| Repayment of bonds payable | | (888,124) | (642,160) |
| Repayment of long-term borrowings | | (5,387) | (6,990) |
| Cash outflows from transaction of derivatives | | (5,415) | (17,695) |
| Payment of finance lease liabilities | | (10,061) | |
| Payment of dividends | | (587,582) | (597,198) |
| Cash outflows from other financial activities | | (41) | |
| Decrease in cash from the consolidated capital transaction | | (1,025) | |
| Sub-total | | (2,406,878) | (2,192,513) |
| Net cash provided by (used in) financing activities | | 1,238,937 | (1,287,316) |
| Net increase (decrease) in cash and cash equivalents | | (472,688) | 294,833 |
| Cash and cash equivalents at beginning of the period | | 1,650,794 | 659,405 |
| Effects of exchange rate changes on cash and cash equivalents | | (1,158) | 3,833 |
| Cash and cash equivalents at end of the period | | 1,176,948 | 958,071 |

See accompanying notes to the unaudited condensed consolidated interim financial statements.

Table of Contents**1. Reporting Entity**

(1) General

SK Telecom Co., Ltd. (the Parent Company) was incorporated in March 1984 under the laws of Republic of Korea (Korea) to engage in providing cellular telephone communication services in Korea. The Parent Company mainly provides wireless telecommunications in Korea. The Parent Company's common shares and depositary receipts (DRs) are listed on the Stock Market of Korea Exchange, the New York Stock Exchange and the London Stock Exchange. As of June 30, 2012, the Parent Company's total issued shares are held by the following:

| | Number of shares | Percentage of total shares issued (%) |
|---|---------------------|---|
| SK Holdings Co., Ltd. | 20,363,452 | 25.22 |
| Tradewinds Global Investors, LLC | 3,241,956 | 4.01 |
| Institutional investors and other minority stockholders | 46,089,591 | 57.08 |
| Treasury stock | 11,050,712 | 13.69 |
| Total number of shares | 80,745,711 | 100.00 |

These unaudited condensed consolidated interim financial statements comprise the Parent Company and its subsidiaries (together referred to as the Group and individuals as Group entities). SK Holdings Co, Ltd. is the Ultimate Controlling Entity of the Parent Company because it has *de facto* control of the Parent Company. An entity is viewed to have *de facto* control when the balance of holdings is dispersed and the other shareholders have not organized their interests in such a way that they exercise more votes than the minority holder.

(2) List of subsidiaries

The list of subsidiaries as of June 30, 2012 and December 31, 2011 is as follows:

| Subsidiary | Location | Primary business | Ownership(%) | |
|---|----------|---------------------------------------|------------------|----------------------|
| | | | June 30, 2012 | December 31, 2011 |
| SK Telink Co., Ltd. | Korea | Telecommunication service | 83.5 | 83.5 |
| SK Communications Co., Ltd. | Korea | Internet website services | 64.6 | 64.6 |
| PAXNet Co., Ltd. | Korea | Internet website services | 59.7 | 59.7 |
| Loen Entertainment, Inc. | Korea | Release of music disc | 67.6 | 67.6 |
| Stonebridge Cinema Fund | Korea | Investment association | 57.0 | 57.0 |
| Ntreev Soft Co., Ltd. | Korea | Game software production | | 63.7 |
| Commerce Planet Co., Ltd. | Korea | Online shopping mall operation agency | 100.0 | 100.0 |
| SK Broadband Co., Ltd. | Korea | Telecommunication services | 50.6 | 50.6 |
| Broadband D&M Co., Ltd. | Korea | Base station maintenance service | 100.0 | 100.0 |
| Broadband Media Co., Ltd. | Korea | Multimedia TV portal service | 100.0 | 100.0 |
| Broadband CS Co., Ltd. | Korea | Customer Q&A and Service | 100.0 | 100.0 |
| K-net Culture and Contents Venture Fund | Korea | Investment association | 59.0 | 59.0 |
| Fitech Focus Limited Partnership II(*) | Korea | Investment association | 66.7 | 66.7 |
| Open Innovation Fund | Korea | Investment association | 98.9 | 98.9 |
| PS&Marketing Corporation | Korea | Communications device retail business | 100.0 | 100.0 |
| Service Ace Co., Ltd. | Korea | Customer center management service | 100.0 | 100.0 |

Table of Contents**1. Reporting Entity, Continued**

(2) List of subsidiaries, Continued

| Subsidiary | Location | Primary business | Ownership(%) | |
|-------------------------------------|--------------|--------------------------------------|------------------|----------------------|
| | | | June 30, 2012 | December 31, 2011 |
| Service Top Co., Ltd. | Korea | Customer center management service | 100.0 | 100.0 |
| Network O&S Co., Ltd. | Korea | Base station maintenance service | 100.0 | 100.0 |
| BNCP Co., Ltd. | Korea | Internet website services | 100.0 | 100.0 |
| Service-In Co., Ltd. | Korea | Database & on-line information | 100.0 | 100.0 |
| | | service | | |
| SK Planet Co., Ltd. | Korea | Telecommunication service and new | 100.0 | 100.0 |
| | | media business | | |
| SK Telecom China Holdings Co., Ltd. | China | Equity investment | 100.0 | 100.0 |
| SKY Property Mgmt. Ltd. | China | Real Estate Investment | 60.0 | 60.0 |
| Shenzhen E-eye High Tech Co., Ltd. | China | Manufacturing | 65.5 | 65.5 |
| SK China Real Estate Co., Ltd. | Hong Kong | Real Estate Investment | 99.4 | 99.4 |
| | | | | |
| SKT Vietnam PTE. Ltd. | Singapore | Telecommunication service | 73.3 | 73.3 |
| SKT Americas, Inc. | USA | Information gathering and consulting | 100.0 | 100.0 |
| YTK Investment Ltd. | Cayman | Investment Association | 100.0 | 100.0 |
| Atlas Investment | Cayman | Investment Association | 100.0 | 100.0 |
| Technology Innovation Partners, LP | Cayman | Investment Association | 100.0 | 100.0 |
| SK Telecom China Fund I L.P. | Cayman | Investment Association | 100.0 | 100.0 |

(*) Name of the company has been changed from Benex Focus Limited Partnership II to Fitech Focus Limited Partnership II during the six-month period ended June 30, 2012.

In accordance with the accounting policy relating to the scope of consolidation, small-sized subsidiaries including IM Shopping Inc. were excluded from the list of subsidiaries as the effects on the financial statements are not material considering both individual and overall quantitative and qualitative effects, although the Group has ownership interests of more than 50% on those subsidiaries.

Table of Contents**1. Reporting Entity, Continued**

(3) Financial information of subsidiaries

Financial information of subsidiaries as of and for the six-month period ended June 30, 2012 is as follows:

(In millions of won)

| Subsidiary | Total assets | Total liabilities | Total equity | Revenue | Net income (loss) |
|---|--------------|-------------------|--------------|-----------|-------------------|
| SK Telink Co., Ltd. | 292,649 | 200,450 | 92,199 | 160,370 | (96,405) |
| SK Communications Co., Ltd. | 311,840 | 88,539 | 223,301 | 106,169 | (10,294) |
| PAXNet Co., Ltd. | 32,942 | 10,230 | 22,712 | 18,002 | 265 |
| Loen Entertainment, Inc. | 166,420 | 48,819 | 117,601 | 89,966 | 13,244 |
| Stonebridge Cinema Fund | 22,418 | 71 | 22,347 | 74 | 4,613 |
| Commerce Planet Co., Ltd. | 33,017 | 34,664 | (1,647) | 24,528 | (64) |
| SK Broadband Co., Ltd. | 2,964,546 | 1,581,629 | 1,382,917 | 1,159,918 | 11,195 |
| Broadband D&M Co., Ltd. | 12,723 | 7,964 | 4,759 | 24,579 | 352 |
| Broadband Media Co., Ltd. | 72,682 | 347,600 | (274,918) | 40,159 | (8,075) |
| Broadband CS Co., Ltd. | 6,518 | 18,185 | (11,667) | 36,574 | 154 |
| K-net Culture and Contents Venture Fund | 45,162 | 10 | 45,152 | | (389) |
| Fitech Focus Limited Partnership II(*1) | 19,851 | 282 | 19,569 | | (1,975) |
| Open Innovation Fund | 44,289 | 428 | 43,861 | | (423) |
| PS&Marketing Corporation | 364,259 | 233,715 | 130,544 | 684,966 | (14,358) |
| Service Ace Co., Ltd. | 43,728 | 19,231 | 24,497 | 69,584 | 2,663 |
| Service Top Co., Ltd. | 37,658 | 18,915 | 18,743 | 64,645 | 5,024 |
| Network O&S Co., Ltd. | 49,127 | 27,103 | 22,024 | 100,243 | 3,337 |
| BNCP Co., Ltd. | 25,102 | 7,771 | 17,331 | 15,644 | 273 |
| Service-In Co., Ltd. | 3,438 | 939 | 2,499 | 5,387 | 11 |
| SK Planet Co., Ltd. | 1,598,876 | 321,812 | 1,277,064 | 494,501 | 23,237 |
| SK Telecom China Holdings Co., Ltd. | 35,029 | 883 | 34,146 | 11,963 | (147) |
| SKY Property Mgmt. Ltd.(*2) | 819,589 | 314,303 | 505,286 | 34,303 | 4,008 |
| Shenzhen E-eye High Tech Co., Ltd. | 21,937 | 2,747 | 19,190 | 4,326 | 20 |
| SKT Vietnam PTE. Ltd. | 41,648 | 9,675 | 31,973 | | (803) |
| SKT Americas, Inc. | 34,313 | 510 | 33,803 | 6,244 | (7,594) |
| YTK Investment Ltd. | 51,241 | | 51,241 | | |
| Atlas Investment(*3) | 51,116 | 425 | 50,691 | | (1,163) |

(*1) Name of the company has been changed from Benex Focus Limited Partnership II to Fitech Focus Limited Partnership II during the six-month period ended June 30, 2012.

(*2) The financial information of Sky Property Mgmt. Ltd. includes the financial information of SK China Real Estate Co., Ltd., a subsidiary of Sky Property Mgmt. Ltd.

(*3) The financial information of Atlas Investment includes financial information of Technology Innovation Partners, L.P. and SK Telecom China Fund I L.P., subsidiaries of Atlas Investment.

Table of Contents**1. Reporting Entity, Continued**

(3) Financial information of subsidiaries, Continued

Financial information of subsidiaries as of and for the year ended December 31, 2011 is as follows:

(In millions of won)

| Subsidiary | Total assets | Total liabilities | Total equity | Revenue | Net income (loss) |
|---|-------------------------|------------------------------|---------------------|----------------|------------------------------|
| SK Telink Co., Ltd. | 420,829 | 228,687 | 192,142 | 419,131 | 35,269 |
| SK Communications Co., Ltd. | 319,948 | 84,282 | 235,666 | 260,573 | (5,041) |
| PAXNet Co., Ltd. | 33,949 | 11,461 | 22,488 | 33,004 | (2,347) |
| Loen Entertainment, Inc. | 157,104 | 48,386 | 108,718 | 167,273 | 21,398 |
| Stonebridge Cinema Fund | 18,506 | 196 | 18,310 | 21 | 1,069 |
| Ntreev Soft Co., Ltd. | 37,529 | 17,304 | 20,225 | 56,029 | 8,707 |
| Commerce Planet Co., Ltd. | 49,729 | 51,057 | (1,328) | 75,038 | (556) |
| SK Broadband Co., Ltd. | 3,318,699 | 1,945,825 | 1,372,874 | 2,285,845 | 19,272 |
| Broadband D&M Co., Ltd. | 11,872 | 7,399 | 4,473 | 46,433 | (49) |
| Broadband Media Co., Ltd. | 89,915 | 356,816 | (266,901) | 66,526 | (32,214) |
| Broadband CS Co., Ltd. | 6,948 | 18,744 | (11,796) | 74,104 | 63 |
| K-net Culture and Contents Venture Fund | 48,057 | 16 | 48,041 | | (113) |
| Fitech Focus Limited Partnership II(*1) | 21,663 | 285 | 21,378 | | (10,358) |
| Open Innovation Fund | 44,716 | 432 | 44,284 | | (427) |
| PS&Marketing Corporation | 289,062 | 143,883 | 145,179 | 1,078,925 | (31,820) |
| Service Ace Co., Ltd. | 43,447 | | | | |