

SK TELECOM CO LTD
Form 6-K
September 17, 2015
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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 SEPTEMBER 2015
COMMISSION FILE NUMBER 333-04906

SK Telecom Co., Ltd.

(Translation of registrant's name into English)

Euljiro 65 (Euljiro2-ga), Jung-gu

Seoul 100-999, Korea

(Address of principal executive offices)

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(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-

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SEMI-ANNUAL BUSINESS REPORT

(From January 1, 2015 to June 30, 2015)

THIS IS A SUMMARY OF THE SEMI-ANNUAL BUSINESS REPORT ORIGINALLY PREPARED IN KOREAN WHICH 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.

ALL REFERENCES TO THE COMPANY, WE, US, OR OUR SHALL MEAN SK TELECOM CO., LTD. AND, UNLESS THE CONTEXT OTHERWISE REQUIRES, ITS CONSOLIDATED SUBSIDIARIES. REFERENCES TO SK TELECOM SHALL MEAN SK TELECOM CO., LTD., BUT SHALL NOT INCLUDE ITS CONSOLIDATED SUBSIDIARIES.

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 (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.

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Since the first quarter of 2011, the Company has reported its financial statements under 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, 2015 includes the following consolidated subsidiaries:

Name	Date of Establishment	Principal Business	Total Assets as of Dec. 31, 2014 (millions of Won)	Material Subsidiary*
SK Telink Co., Ltd.	Apr. 9, 1998	Telecommunication services and satellite broadcasting services	324,028	Material
M&Service Co., Ltd.	Feb. 10, 2000	Online information services	78,826	Material
SK Communications Co., Ltd.	Sep. 19, 1996	Internet portal and other Internet information services	176,168	Material
Stonebridge Cinema Fund	Sep. 30, 2005	Investment partnership	11,137	
Commerce Planet Co., Ltd.	Jul. 1, 1997	Online shopping mall operation services	26,078	
SK Broadband Co., Ltd.	Sep. 26, 1997	Fixed-line telecommunication services, multimedia and IPTV services	3,109,991	Material
K-net Culture and Contents Venture Fund	Nov. 24, 2008	Investment partnership	21,094	
Hwaitec Focus Investment Partnership 2	Dec. 12, 2008	Investment partnership	19,301	
Open Innovation Fund	Dec. 22, 2008	Investment partnership	21,765	
PS&Marketing Co., Ltd.	Apr. 3, 2009	Sale of telecommunication devices	544,292	Material
Service Ace Co., Ltd.	Jul. 1, 2010	Customer center management services	66,336	
Service Top Co., Ltd.	Jul. 1, 2010	Customer center management services	57,032	
Network O&S Co., Ltd.	Jul. 1, 2010	Network maintenance services	71,348	
BNCP Co., Ltd.	Dec. 7, 2009	Internet services	6,785	
Iconcube, Inc.	Sep. 14, 2011	Online information services	1,382	
Iconcube Holdings, Inc.	Sep. 5, 2014	Consulting services	1,934	
Iriver Ltd.	Jul. 12, 2000	Audio device manufacturing	65,252	
groovers Japan Co. Ltd.	Feb. 25, 2015	Contents and information distribution	46	
SK Planet Co., Ltd.	Oct. 1, 2011	Telecommunication and platform services	2,579,286	Material
SK Planet Japan, K.K.	Mar. 14, 2012	Digital contents sourcing services	5,222	
SK Planet Global PTE, LTD.	Aug. 4, 2012	Digital contents sourcing services	4,215	
SK Planet America LLC	Jan. 27, 2012	Digital contents sourcing services	297,981	Material
SKP Global Holdings PTE, LTD.	Aug. 10, 2012	Holding company for overseas commerce	29,529	
SK Global Healthcare Business Group, Ltd.	Sep. 14, 2012	Investment	25,784	
Technology Innovation Partners, L.P.	Jun. 24, 2011	Investment	33,194	

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Name	Date of Establishment	Principal Business	Total Assets as of Dec. 31, 2014 (millions of Won)	Material Subsidiary*
SK Telecom China Fund I L.P.	Sep. 14, 2011	Investment	14,290	
SK Telecom China Holdings Co., Ltd.	Jul. 12, 2007	Investment	37,877	
Iriver China Co., Ltd.	Jun 24, 2004	Electronic device manufacturing	4,519	
DongGuan Iriver Electronics Co., Ltd.	Jul. 6, 2006	Electronic device manufacturing	394	
Iriver Enterprise Ltd.	Jan. 14, 2014	Wholesale and retail	4,931	
Iriver Inc.	Feb. 15, 2007	Wholesale and retail	3,008	
Iriver America Inc.**	May 1, 2005	Wholesale and retail		
SKT Vietnam PTE., Ltd.	Apr. 5, 2000	Telecommunication services	4,242	
SKT Americas, Inc.	Dec. 29, 1995	Information collection and management consulting services	42,159	
YTK Investment Ltd.	Jul. 1, 2010	Investment	27,944	
Atlas Investment	Jun. 24, 2011	Investment	66,596	
Neosnetworks Co., Ltd.	Jun. 12, 2008	Security system services	31,633	
Shopkick Management Company, Inc.	Oct. 9, 2014	Investment	230,925	Material
Shopkick, Inc.	Jun. 1, 2009	Mileage based e-commerce application development	28,216	

* Material Subsidiary means a subsidiary with total assets of Won 75 billion or more as of the end of the latest fiscal year.

** Iriver America Inc. is currently in liquidation proceedings and possesses no assets.

Changes in subsidiaries are set forth below.

Change	Name	Remarks
Additions	groovers Japan Co. Ltd.	Established by Iriver Ltd. (Iriver) in the first half of 2015
Exclusions	Iriver CS Co., Ltd. Shenzen E-eye High Tech Co., Ltd. (Shenzen E-eye)	Merged into Iriver Disposed of equity investment

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

B. Date of Incorporation: March 29, 1984

C. Location of Headquarters

(1) Address: 65 Euljiro, Jung-gu, Seoul, Korea

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

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

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D. Major Businesses

(1) Wireless business

The Company provides wireless telecommunications services, characterized by its competitive strengths in handheld devices, 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 has increased. Having reached one million subscribers by January 2012 and over 10 million subscribers by April 2013, the Company has solidified its leadership position in LTE services as it has done with its 3G services. In June 2013, the Company became the first telecommunications service provider in the world to provide commercial LTE-Advanced (LTE-A) services using carrier aggregation technology, and in June 2014, the Company reaffirmed its technological leadership by becoming the first to provide commercial 225 Mbps wideband LTE-A services, which is three times faster than LTE. In December 2014, the Company launched tri-band LTE-A, which is four times faster than LTE. The Company also launched unlimited LTE data plans and other innovative data plans, such as Rush hour / Subway Free plans that are unlimited data plans based on time, place and occasion (or, TPO), reflecting the data pattern usage of customers and their lifestyles. T-Phone, T-outdoor and T Kids Phone Joon, introduced in 2014, are customer-focused products that create additional value for customers. In addition, the Company released Pet Fit , a smart healthcare device for pets in April 2015 and T-Pet, which provides a variety of services such as a pet's live location information through a device embedded with USIM and positioning modules in May 2015. The Company expects that these products will have a lock-in effect on existing customers.

The Company plans to increase its profitability by strengthening its retention policy, which is the fundamental basis of competitiveness for telecommunication companies in this data-intensive era. The Company will lead the information and communication technology (ICT) trend by providing products through which customers can have a distinctive experience and by providing innovative services, such as the T-Phone, to transition to service-based competition.

In the business-to-business (B2B) area, the Company has strengthened its solutions business through the implementation of five main solution products: Smart Store, Smart Work, Smart Cloud, Green & Safety and M Ad & Payment. Since the commercial launch of its mobile IPTV services, B tv Mobile, in October 2012, the Company has gained over one million paying subscribers as of March 2014. The Company is the first telecommunications services provider in the world to provide full high definition streaming services using its LTE-A network. In 2014, the number of its mobile IPTV service subscribers increased by 1.56 million to reach 2.37 million subscribers by the end of the year, and as of June 30, 2015, the number of subscribers was 3.19 million.

In the area of healthcare, the Company achieved several tangible milestones in 2014: point-of-care diagnostic devices manufactured by a company of which the Company is the largest shareholder received approval from the U.S. Food and Drug Administration; the Company entered the Chinese healthcare market; and the Company was the first Korean company to export medical information systems. The Company plans to continue to find and develop new growth engines in the mid- to long-term. The Company also plans to seek out new growth engines in existing businesses, including the intelligence business, by utilizing its technologies relating to big data.

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 Co., Ltd. (PS&Marketing), one of its subsidiaries. Through Service Ace Co., Ltd., another subsidiary, the Company operates customer service centers in Seoul and provides telemarketing services. 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 Co., Ltd. (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. In 1999, SK Broadband launched its high-speed Internet service in Seoul, Busan, Incheon and Ulsan and currently provides such services nationwide. SK Broadband also commercialized its TV-Portal service in July 2006 and its IPTV service in January 2009 upon receipt of permit in September 2008.

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(3) Other businesses

With respect to the Company's e-commerce business, 11th Street, a platform service that connects various sellers and purchasers online, continues to gain market share. In the commerce platform business area, the Company, utilizing the existing network of partner businesses of OK Cashbag, Korea's largest loyalty mileage program with 39.0 million members as of June 30, 2015, consumer information from big data, information technology, and other sources of competitive edges that can lead the industry, launched Syrup to provide smart shopping services to consumers and Syrup Store to provide integrated marketing solutions to partner businesses in June 2014. Syrup, a mobile wallet service upgraded and rebranded from its predecessor service, Smart Wallet, reached 14.1 million users as of June 30, 2015 and leads the online-to-offline commerce business.

In the location-based services business area, users of the Company's T-Map Navigation service reached 19.6 million as of June 30, 2015. T-Map Navigation provides real time traffic information and various local information. Utilizing location-based service technology in other services, including leisure, logistics and travel services, the Company provides increased convenience and added value to customers.

In the digital contents business area, the Company provides high-quality digital contents in its leading mobile contents marketplace, T Store, which had 23.8 million subscribers as of June 30, 2015 and which the Company plans to expand.

In the media business area, the Company provides the optimum environment for subscribers to access multimedia contents according to personal taste and preference through Hoppin and Btv mobile, available on various digital devices such as personal computers and mobile devices.

In the advertising business area, the Company is engaged in advertisement production, promotion services and research and consulting services to substantively help businesses increase their value in a rapidly evolving business environment. SK Planet Co., Ltd. (SK Planet) will continue to provide value to customers by constantly developing and improving its services.

SK Communications Co., Ltd. (SK Communications) provides integrated Internet portal services through NATE 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 and NATE-ON and aims to give greater exposure to the advertiser's brand name to the public. The increased effectiveness of online media as an advertising outlet has resulted in a greatly expanded advertiser base, and the increasing variety in the format of advertising has 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 contents sales and providing certain types of services. Revenues from contents and other services are generated through revenues from NATE-ON instant messaging, custom decorations for mobile phones, cartoon strips, fortunetelling, movies and other contents services. In addition, SK Planet receives revenue from its services agreement with the Company in connection with operation of WAP wireless NATE services and application development.

See II-1. Business Overview for more information.

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E. Credit Ratings

(1) Corporate bonds

Credit rating date	Subject of rating	Credit rating	Credit rating entity (Credit rating range)	Rating classification
June 21, 2012	Corporate bond	AAA	Korea Ratings	Regular rating
June 22, 2012	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
June 29, 2012	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Regular rating
August 10, 2012	Corporate bond	AAA	Korea Ratings	Current rating
August 14, 2012	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
August 14, 2012	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Current rating
April 11, 2013	Corporate bond	AAA	Korea Ratings	Current rating
April 11, 2013	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
April 11, 2013	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Current rating
April 11, 2013	Corporate bond	AAA	Korea Ratings	Regular rating
April 11, 2013	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
April 11, 2013	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Regular rating
April 22, 2014	Corporate bond	AAA	Korea Ratings	Regular rating
April 22, 2014	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
April 22, 2014	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Regular rating
April 22, 2014	Corporate bond	AAA	Korea Ratings	Current rating
April 22, 2014	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
April 22, 2014	Corporate bond	AAA	NICE Investors Service, Co., Ltd.	Current rating
October 15, 2014	Corporate bond	AAA	Korea Ratings	Current rating
October 15, 2014	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
October 15, 2014	Corporate bond	AAA	NICE Investors Service, Co., Ltd.	Current rating
February 9, 2015	Corporate bond	AAA	Korea Ratings	Current rating
February 9, 2015	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
February 9, 2015	Corporate bond	AAA	NICE Investors Service, Co., Ltd.	Current rating
May 21, 2015	Corporate bond	AAA	Korea Ratings	Regular rating
May 27, 2015	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
June 10, 2015	Corporate bond	AAA	NICE Investors Service, Co., Ltd.	Regular rating
July 6, 2015	Corporate bond	AAA	Korea Ratings	Current rating
July 6, 2015	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
July 6, 2015	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 such that it will not be influenced by reasonably foreseeable changes in external factors.

(2) Commercial paper (CP)

Credit rating date	Subject of rating	Credit rating	Credit rating entity (Credit rating range)	Rating classification
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
December 14, 2012	CP	A1	Korea Investors Service, Inc.	Regular rating
December 18, 2012	CP	A1	Korea Ratings	Regular rating
December 18, 2012	CP	A1	NICE Investors Service Co., Ltd.	Regular rating

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Credit rating date	Subject of rating	Credit rating	Credit rating entity (Credit rating range)	Rating classification
April 11, 2013	CP	A1	Korea Ratings	Current rating
April 11, 2013	CP	A1	Korea Investors Service, Inc.	Current rating
April 11, 2013	CP	A1	NICE Investors Service Co., Ltd.	Current rating
November 29, 2013	CP	A1	Korea Ratings	Regular rating
December 18, 2013	CP	A1	Korea Investors Service, Inc.	Regular rating
December 20, 2013	CP	A1	NICE Investors Service Co., Ltd.	Regular rating
April 22, 2014	CP	A1	Korea Ratings	Current rating
April 22, 2014	CP	A1	Korea Investors Service, Inc.	Current rating
April 22, 2014	CP	A1	NICE Investors Service Co., Ltd.	Current rating
October 15, 2014	CP	A1	Korea Ratings	Regular rating
October 15, 2014	CP	A1	Korea Investors Service, Inc.	Regular rating
October 15, 2014	CP	A1	NICE Investors Service Co., Ltd.	Regular rating
May 21, 2015	CP	A1	Korea Ratings	Current rating
May 27, 2015	CP	A1	Korea Investors Service, Inc.	Current rating
June 10, 2015	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 such that it will not be influenced by reasonably foreseeable changes in external factors.

(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 Inc.	Current rating
June 4, 2012	Bonds denominated in Swiss Franc	A3	Moody's Investors Service	Current rating
June 7, 2012	Bonds denominated in Swiss Franc	A-	Standard & Poor's Rating Services	Current rating
October 24, 2012	Bonds denominated in U.S. dollars	A-	Fitch Inc.	Current rating
October 24, 2012	Bonds denominated in U.S. dollars	A3	Moody's Investors Service	Current rating
October 24, 2012	Bonds denominated in U.S. dollars	A-	Standard & Poor's Rating Services	Current rating

* On August 9, 2013, Moody's Investors Service raised the outlook on the Company's rating from A3 (Negative) to A3 (Stable).

* On April 8, 2014, S&P raised the outlook on the Company's rating from A- (Stable) to A- (Positive).

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.

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.)

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June 2015: Consummation of the comprehensive share exchange transaction (the Share Exchange) through which the Company acquired all of the shares of SK Broadband that it did not otherwise own in exchange for its treasury shares such that SK Broadband became a wholly-owned subsidiary of the Company.

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)

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

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

65 Euljiro, Jung-gu, Seoul (December 13, 2004)

B. Significant Changes in Management

At the 28th General Meeting of Shareholders held on March 23, 2012, Young Tae Kim and Dong Seob Jee were elected as inside directors, and Hyun Chin Lim was re-elected as an independent director and as a member of the audit committee of the Company s board of directors. At the 29th General Meeting of Shareholders held on March 22, 2013, Dae Sik Cho was elected as an inside director and Dae Shick Oh was elected as an independent director and member of the audit committee of the Company s board of directors. At the 30th General Meeting of Shareholders held on March 21, 2014, Jae Hoon Lee was elected as an independent director and Jae Hyeon Ahn was elected as an independent director and member of the audit committee of the Company s board of directors. At the 31st General Meeting of Shareholders held on March 20, 2015, Dong Hyun Jang was elected as an inside director.

C. Change in Company Name

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 general meeting of shareholders.

D. Mergers, Acquisitions and Restructuring

(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)
Effective Date	SK Planet Co., Ltd. (Spin-off Company) October 1, 2011

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Set forth below is a summary of the Company's financial position before and after the spin-off.

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

The schedule of the spin-off is set forth below.

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 and Inaugural Meeting of Shareholders	October 4, 2011
Registration of Spin-off	October 5, 2011
Others	
Notice of closure of shareholders register	July 20, 2011
Period of closure of shareholders register	August 5, 2011~ August 8, 2011
Public notice of shareholders' meeting	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 530-9 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

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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.

(2) Acquisition of shares of SK hynix Inc. (formerly, Hynix Semiconductor Inc.)

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

(3) Merger of SK Planet and SK Marketing & Company Co., Ltd.

On January 11, 2013, the Company acquired the remaining 50% equity stake in SK Marketing & Company Co., Ltd. (SK Marketing & Company), a company providing e-commerce and advertising services, from SK Innovation Co., Ltd. and gained control of both SK Marketing & Company and its subsidiary, M&Service Co., Ltd. The Company thereafter contributed the 100% equity stake in SK Marketing & Company to SK Planet and merged SK Marketing & Company into SK Planet as of February 1, 2013.

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(4) Acquisition of shares of PS&Marketing

On February 20, 2014, the board of directors of the Company resolved to invest an additional Won 100 billion (20 million common shares) into PS&Marketing, an affiliated company, in order to increase its mid- to long-term competitiveness in distribution. The date of investment was April 2, 2014, and the cumulative investment amount totaled Won 330 billion.

(5) Disposition of shares of iHQ Inc.

On March 10, 2014, the Company disposed of 3,790,000 shares of iHQ Inc. (9.4% of its equity share) to rebalance its investment portfolio.

(6) Acquisition of shares of Neosnetworks Co., Ltd. (Neosnetworks)

In order to acquire a new growth engine, the Company acquired a controlling stake in Neosnetworks, a building security company, with the purchase of 31,310 shares (a 66.7% equity interest) of Neosnetworks on April 2, 2014. The Company acquired an additional 50,377 shares in Neosnetworks in April 2015 through a rights offering, resulting in an increase of its ownership to 83.9%.

(7) Acquisition of shares of Iriver

On August 13, 2014, the Company purchased 10,241,722 shares (a 39.3% equity interest) of Iriver Ltd. (Iriver) from Vogo-Rio Investment Holdings Co., Ltd. and KGF-Rio Limited in order to foster application development and smartphone accessories as part of the Company's growth engines. As of December 31, 2014, the Company holds a 48.9% equity interest of Iriver by acquiring additional shares in its rights offering. The Company does not hold a majority of the voting rights of Iriver, but the Company has concluded that it has effective control, as it holds significantly more voting rights than any other shareholder or any organized group of shareholders.

(8) Acquisition of shares of Shopkick, Inc. (Shopkick)

On October 10, 2014, SK Planet America LLC, a subsidiary of the Company, acquired (through its 95.2%-owned subsidiary Shopkick Management Company, Inc.) a 100.0% ownership interest in Shopkick, a developer of a shopping app for mobile devices that provides benefits to customers for visiting stores, in order to penetrate the mobile commerce market in the United States.

(9) Disposition of Shenzhen E-Eye shares

In 2014, the Company entered into an agreement to dispose of its equity interest in Shenzhen E-eye in order to focus its business portfolio on high-growth business areas in the Chinese ICT market. The sale was completed on March 23, 2015.

(10) Disposition of a portion of KEB Hana Card shares

On April 3, 2015, the Company sold 27,725,264 shares (10.4% out of the 25.4% equity interest the Company held prior to the sale) of KEB Hana Card Co., Ltd. to Hana Financial Group in cash. With the proceeds of such sale (Won 180 billion), the Company acquired equity interests in Hana Financial Group on April 17, 2015 through participation in a rights offering by Hana Financial Group. The Company plans to maintain its strategic alliance and pursue opportunities to create synergies with Hana Financial Group.

(11) SK Broadband - Comprehensive Share Exchange

On March 20, 2015, the Company's board of directors resolved to approve the Share Exchange.

Share Exchange ratio: Shareholders of one common share of SK Broadband will be allotted 0.0168936 common shares of SK Telecom

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Shares exchanged: 2,471,883 registered common shares of SK Telecom

Date of Share Exchange agreement: March 23, 2015

Record date: April 6, 2015

Announcement date for the proceeding of the Share Exchange as a small-scale share swap: April 6, 2015

Meeting of board of directors for approval of the Share Exchange: May 6, 2015

Date of the Share Exchange: June 9, 2015

[SK Broadband]

(1) Merger

On July 26, 2012, the board of directors of SK Broadband resolved to merge Broadband D&M Co., Ltd., its wholly-owned subsidiary, into SK Broadband after transferring Broadband D&M Co., Ltd.'s network maintenance business to Network O&S Co., Ltd. The merger was effective as of September 26, 2012. In connection with this merger, SK Broadband did not issue any new shares.

On October 25, 2012, the board of directors of SK Broadband resolved to merge Broadband CS Co., Ltd., its wholly-owned subsidiary, into SK Broadband after transferring Broadband CS Co., Ltd.'s customer service business to Service Ace Co., Ltd. The merger was effective as of December 26, 2012. In connection with this merger, SK Broadband did not issue any new shares.

On January 3, 2013, the board of directors of SK Broadband approved the merger of Broadband Media Co., Ltd., its wholly-owned subsidiary, into SK Broadband. The merger was effective as of March 22, 2013 and was recorded as of March 25, 2013. Please refer to the Merger Completion Report filed with the Financial Services Commission on March 25, 2013. In connection with this merger, SK Broadband did not issue any new shares.

(2) Share Exchange

On March 20, 2015, the board of directors of SK Broadband resolved to approve the Share Exchange. The Share Exchange was approved at the extraordinary shareholders meeting held on May 6, 2015. Subsequent to the Share Exchange, the Company became the parent company of SK Broadband with 100% ownership and remained a listed corporation on the KRX KOSPI Market, and SK Broadband became a wholly-owned subsidiary of the Company and was delisted from the KRX KOSDAQ Market. There was no change in the share ownership interest of the Company's existing shareholders or the Company's management in connection with the Share Exchange.

Share Exchange ratio: Shareholders of one common share of SK Broadband were allotted 0.0168936 common shares of SK Telecom

Shares exchanged: 2,471,883 registered common shares of SK Telecom

Date of Share Exchange agreement: March 23, 2015

Record date: April 6, 2015

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Announcement date for the proceeding of the Share Exchange as a small-scale share swap: April 6, 2015

Meeting of board of directors for approval of the Share Exchange: May 6, 2015

Date of the Share Exchange: June 9, 2015

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[SK Planet]

(1) Merger

On January 11, 2013, the Company acquired the remaining 50% equity stake in SK Marketing & Company, a company providing e-commerce and advertising services, from SK Innovation Co., Ltd. and gained control of both SK Marketing & Company and its subsidiary, M&Service Co., Ltd. The Company thereafter contributed the 100% equity stake in SK Marketing & Company to SK Planet and merged SK Marketing & Company into SK Planet as of February 1, 2013. In connection with this merger, the merger ratio between SK Planet and SK Marketing & Company was 1.2927317:1 and SK Planet issued 12,927,317 of its common stock.

On April 22, 2013, the board of directors of SK Planet resolved to merge Madsmart, Inc., its wholly-owned subsidiary, into SK Planet to enhance the competitiveness of its platform business and provide faster service to customers by merging the ICT capabilities of the two companies. The merger was effective as of June 1, 2013, and SK Planet did not issue any new shares in connection with the merger.

[SK Communications]

(1) Disposition of shares of SK i-media

Pursuant to the resolution of its board of directors on October 17, 2011, SK Communications sold all of the shares of SK i-media Co., Ltd. it owns to LK Media Tec Co., Ltd. for Won 1 million of cash.

(2) Disposition of shares of U-Land

Pursuant to the resolution of its board of directors on December 21, 2011, SK Communications sold all of the shares of U-Land Co., Ltd. (a 29.85% equity interest) it owns to SK Planet for Won 10 million.

(3) Disposition of the Cyworld service

Pursuant to the resolution of its board of directors on March 6, 2014, SK Communications sold its Cyworld service and certain related assets to Cyworld Co., Ltd. for Won 2.8 billion on April 8, 2014.

(4) Disposition of shares of Service-In

On November 19, 2012, SK Communications sold all of its shares (80,000 common shares) in Service-In Co., Ltd., its subsidiary, to the chief executive officer of Service-In Co., Ltd., pursuant to a resolution of its board of directors of October 31, 2012.

[PS&Marketing]

On February 20, 2014, the board of directors of PS&Marketing resolved to acquire the retail distribution business, including related assets, liabilities, contracts and human capital of the information technology and mobile wing of SK Networks. On the same day, the board of directors of PS&Marketing also resolved to acquire retail stores, including their assets and liabilities, of LCNC Co., Ltd (LCNC). The acquisitions were completed on April 30, 2014 at a purchase price of Won 124.5 billion for the assets acquired from SK Networks and a purchase price of Won 10 billion for the assets acquired from LCNC.

[M&Service]

Upon the merger between SK Marketing & Company, which held a 100% equity stake in M&Service, and SK Planet on February 1, 2013, SK Planet holds a 100% equity stake in M&Service.

[Neosnetworks]

On March 31, 2015, Neos Networks acquired the unmanned electronic security business of Joeun Safe to expand its unmanned security business. The acquisition cost, which had been reported on January 5, 2015 as Won 19.4 billion, is subject to adjustment depending on the customer transfer rate and is currently determined to be Won 14.0 billion. The final acquisition cost will be determined on September 30, 2015,

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based on the customer transfer rate as of such date. Joeun Safe was spun off from its parent company Joeun System in 2006 and has the fourth largest market share in the Korean unmanned security industry. Upon this acquisition, it is expected that the Company will quickly expand into the unmanned security market.

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[Iriver]

(1) Merger of Iriver CS Co., Ltd. (Iriver CS)

Pursuant to the resolution of its board of directors on November 18, 2014, Iriver decided to merge with Iriver CS, its wholly-owned subsidiary, with Iriver as the surviving entity. The merger was completed based on the merger ratio of 1:0 with no capital increase. The merger and merger registration were completed on January 31, 2015 and February 2, 2015, respectively.

(2) New Establishment of groovers Japan Co. Ltd. (groovers Japan)

On February 25, 2015, Iriver newly established its overseas subsidiary, groovers Japan, for the purpose of strengthening new business opportunities in Japan.

E. Other Important Matters related to Management Activities

[SK Telecom]

(1) Issuance of bonds

On May 14, 2014, the Company issued four tranches of fixed-rate unsecured bonds in the principal amounts of Won 50 billion (with an annual interest rate of 3.301% and a maturity date of May 14, 2019), Won 150 billion (with an annual interest rate of 3.637% and a maturity date of May 14, 2024), Won 50 billion (with embedded options, an annual interest rate of 4.725% and a maturity date of May 14, 2029), and Won 50 billion (with embedded options, an annual interest rate of 4.72% and a maturity date of May 14, 2029).

On October 28, 2014, the Company issued three tranches of fixed-rate unsecured bonds in the principal amounts of Won 160 billion (with an annual interest rate of 2.53% and a maturity date of October 28, 2019), Won 150 billion (with an annual interest rate of 2.66% and a maturity date of October 28, 2021), and Won 190 billion (with an annual interest rate of 2.82% and a maturity date of October 28, 2024).

On February 26, 2015, the Company issued three tranches of fixed-rate unsecured bonds in the principal amounts of Won 100 billion (with an annual interest rate of 2.40% and a maturity date of February 26, 2022), Won 150 billion (with an annual interest rate of 2.49% and a maturity date of February 26, 2025), and Won 50 billion (with an annual interest rate of 2.61% and a maturity date of February 26, 2030).

On July 17, 2015, the Company issued four tranches of fixed-rate unsecured bonds in the principal amounts of Won 90 billion (with an annual interest rate of 1.89% and a maturity date of July 17, 2018), Won 70 billion (with an annual interest rate of 2.66% and a maturity date of July 17, 2025), Won 90 billion (with an annual interest rate of 2.82% and a maturity date of July 17, 2030), and Won 50 billion (with an annual interest rate of 3.40% and a maturity date of July 17, 2030).

(2) Issuance of hybrid securities

On June 7, 2013, the Company issued Won 400 billion principal amount of hybrid securities in the form of unguaranteed subordinated bonds with an annual interest rate of 4.21%, which is adjusted five years after the date of issuance. The Company classified the hybrid securities as equity, as there is no contractual obligation to deliver financial assets to the bondholders. The maturity date of the hybrid securities is June 7, 2073, which can be extended by the Company without any notice or announcement.

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(3) Conversion of convertible notes

On April 7, 2009, the Company issued convertible notes with a maturity of five years in the principal amount of US\$332,528,000 with an annual interest rate of 1.75%. In 2013, holders exercised their conversion rights with respect to an aggregate principal amount of US\$326,023,000 of the convertible notes. The Company delivered 1,241,337 treasury shares in respect of US\$170,223,000 of the exercised aggregate principal amount and delivered cash in respect of the remainder due to the limit on foreign ownership. In connection with such conversion, the Company recognized Won 135 billion in financial expenses in 2013. On November 13, 2013, the Company exercised its early redemption right and on December 13, 2013, redeemed the US\$6,505,000 principal amount of convertible notes not converted by noteholders. A 20-day volume weighted average pricing formula was used for the delivery of cash made in place of treasury shares. Due to such calculation, the Company still had US\$91,108,507 outstanding in payables as of December 31, 2013. The amount was paid in full as of January 6, 2014 and currently there is no amount outstanding.

[SK Broadband]

SK Broadband acquired subscriberships of regional cable and other service providers on several different occasions. Such acquisitions were intended to secure a stable subscriber base for its 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 the purchase of subscriberships, SK Broadband did not believe that such acquisitions rose to the level of purchasing an entire business line from another company or were likely to have a material impact on its business and therefore decided that such acquisitions did not require resolutions of its shareholders.

3. Total Number of Shares

A. Total Number of Shares

(As of June 30, 2015)

(Unit: in shares)

Classification	Common shares	Share type Preferred shares	Total	Remarks
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	8,116,551		8,116,551	
VI. Number of shares outstanding (IV-V)	72,629,160		72,629,160	

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B. Treasury Shares

(1) Acquisitions and dispositions of treasury shares

(As of June 30, 2015)

(Unit: in shares)

Acquisition methods	Type of shares	At the beginning of period	Changes			At the end of period
			Acquired (+)	Disposed (-)	Retired (-)	
Acquisition pursuant to the Financial Investment Services and Capital Markets Act of Korea (FSCMA)	Direct acquisition from market	Common shares	7,086,028			7,086,028
		Preferred shares				
	Direct over-the-counter acquisition	Common shares				
		Preferred shares				
	Tender offer	Common shares				
		Preferred shares				
	Sub-total	Common shares	7,086,028			7,086,028
		Preferred shares				
	Held by trustee	Common shares				
		Preferred shares				
Acquisition through trust and other agreements	Held in actual stock	Common shares	3,886,710			3,886,710
	Preferred shares					
	Sub-total	Common shares	3,886,710			3,886,710
	Preferred shares					
Other acquisition	Common shares	(1,163,363)		(1,692,824)		(2,856,187)
	Preferred shares					
Total	Common shares	9,809,375				8,116,551
	Preferred shares					

* Due to the Company's exercise of its early redemption right with respect to its convertible notes on November 13, 2013, the conversion right exercise period had expired by December 31, 2013, and there are no more treasury shares deposited with the Korea Securities Depository.

** The change in treasury shares through other acquisitions was a result of the Share Exchange.

Table of Contents**4. Status of Voting Rights**

(As of June 30, 2015) (Unit: in shares)

Classification		Number of shares	Remarks
Total shares (A)	Common share	80,745,711	
	Preferred share		
Number of shares without voting rights (B)	Common share	8,116,551	Treasury shares
	Preferred share		
Shares without voting rights pursuant to the Company's articles of incorporation (the Articles of Incorporation) (C)	Common share		
	Preferred share		
Shares with restricted voting rights pursuant to Korean law (D)	Common share		
	Preferred share		
Shares with reestablished voting rights (E)	Common share		
	Preferred share		
The number of shares with exercisable voting rights (F = A - B - C - D + E)	Common share	72,629,160	
	Preferred share		

5. Dividends and Others

A. Dividends

- (1) Distribution of cash dividends was approved during the 29th General Meeting of Shareholders held on March 22, 2013.

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 357th Board of Directors Meeting on July 25, 2013.

- (3) Distribution of cash dividends was approved during the 30th General Meeting of Shareholders held on March 21, 2014.

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 366th Board of Directors Meeting on July 24, 2014.

- (5) Distribution of cash dividends was approved during the 31st General Meeting of Shareholders held on March 20, 2015.

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 378th Board of Directors Meeting on July 23, 2015.

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B. Dividends for the Last Three Fiscal Years

(Unit: in millions of Won, except per share values and percentages)

Classification	As of and for the six months ended June 30, 2015	As of and for the year ended December 31, 2014	As of and for the year ended December 31, 2013
Par value per share (Won)	500	500	500
(Consolidated) Net income	840,635	1,799,320	1,609,549
Net income per share (Won)	11,695	25,154	23,211
Total cash dividend	72,629	666,802	666,374
Total stock dividends			
(Consolidated) Percentage of cash dividend to available income (%)	8.6	37.1	41.4
Cash dividend yield ratio (%)			
Common share	0.4	3.5	4.1
Preferred share			
Stock dividend yield ratio (%)			
Common share			
Preferred share			
Cash dividend per share (Won)	1,000	9,400	9,400
Stock dividend per share (share)			
Common share			
Preferred share			

* Net income per share means basic net income per share. The cash dividend per share of Won 9,400 includes the interim cash dividend per share of Won 1,000.

Table of Contents**II. BUSINESS**

Each company in the consolidated entity is a separate legal entity providing independent services and products. The business is primarily separated into (1) the wireless business consisting of cellular voice, wireless data and wireless Internet services, (2) the fixed-line business consisting of fixed-line telephone, high speed Internet, data and network lease services, among others, and (3) other businesses consisting of platform services and Internet portal services, among others.

1. Business Overview

Set forth below is a summary business description of material consolidated subsidiaries.

Classification	Company name	Description of business
Wireless	SK Telecom Co., Ltd.	Wireless voice and data telecommunications services via digital wireless networks
	PS&Marketing Co., Ltd.	Sale of fixed-line and wireless telecommunications products through wholesale, retail and online distribution channels
Fixed-line	SK Broadband Co., Ltd.	High-speed Internet, TV, telephone, commercial data and other fixed-line services and management of the transmission system for online digital contents
		Various media-related services, such as channel management, including video on demand, and mobile IPTV services
Other business	SK Telink Co., Ltd.	International wireless direct-dial 00700 services, pre-paid international card calling services, voice services using Internet protocol and Mobile Virtual Network Operator (MVNO) services
	SK Planet Co., Ltd.	Various platform services such as 11th Street, Syrup, T Store and T-Map Navigation in the application and commerce areas
	SK Communications Co., Ltd.	Integrated portal services through NATE and instant messaging services through NATE-ON
	M&Service Co., Ltd.	System software development, distribution and technical support services and other online information services
	SK Planet America LLC	System software development, distribution and investments
	Shopkick Management Company, Inc.	System software development, distribution and investments

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

As of June 30, 2015, the Korean mobile communication market can be considered to have reached its maturation stage with more than a 100% penetration rate. However, 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 LTE-A, LTE and 3G smartphones which enable the provision of convergence services for multimedia contents, mobile commerce, telematics, new media and other related services. In addition, through the commercialization of LTE network in July 2011 and LTE-A network in June 2013, B2B businesses, such as the corporate connected workforce business which can directly contribute to an enhancement in productivity, are expected to grow rapidly. In the first half of 2014, wideband LTE-A service was commercialized and on December 29, 2014, tri-band LTE-A service with a maximum speed of 300 Mbps was also commercialized. Such achievements were the building blocks towards the Company's LTE penetration reaching 62% as of June 30, 2015.

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B. Growth Potential

(Unit: in 1,000 persons)

Classification		As of June 30,		As of December 31,	
		2015	2014	2013	2012
Number of subscribers	SK Telecom	26,238	26,468	26,286	26,555
	Others (KT, LGU+)	26,322	26,125	25,909	25,793
	MVNO	5,308	4,584	2,485	1,276
	Total	57,868	57,177	54,680	53,624

* Source: Ministry of Science, ICT and Future Planning (MSIP) website.

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 high-speed wireless networks. There is also a growing importance to the business-to-business segment, which creates added value by selling and developing various solutions. Seasonal and economic fluctuations have much less impact on the Korean mobile communication market compared to other industries.

Set forth below is the historical market share of the Company.

(Unit: in percentages)

Classification	As of June 30,		As of December 31,	
	2015	2014	2013	2012
Mobile communication services	49.5	50.0	50.0	50.3

* Source: MSIP website and each Korean telecommunications company's respective earnings releases (including MVNOs).

D. Business Overview and Competitive Strengths

The Company is seeking to transform itself from a telecommunications service provider into a comprehensive ICT service provider. It has continued to innovate the scope of its services and achieved strong growth in subscribers amid fierce competition and rate cuts. As a result, for the six months ended June 30, 2015, the Company recorded Won 8.5 trillion in revenue and Won 0.8 trillion in operating income on a consolidated basis and Won 6.3 trillion in revenue and Won 0.8 trillion in operating income on a separate basis.

The number of subscribers (including MVNO subscribers) as of June 30, 2015 was 28.7 million, an increase of approximately 290,000 from the previous quarter due to the popularity of the newly launched data-centric tariff plans. In particular, the number of smartphone subscribers as of June 30, 2015 was 20.0 million, an increase of approximately 220,000 from the previous quarter propelled by 17.9 million LTE subscribers, solidifying the Company's market leadership. Following the launch of commercial LTE services in July 2011, the Company became the first telecommunications service provider in the world to launch commercial wideband LTE-A services in June 2014. In December 2014, the Company launched tri-band LTE-A services. By launching various high quality services utilizing the LTE-A and wideband LTE networks such as group video conference call services, full high definition mobile IPTV streaming services, and T Baseball Multiview, which allows users to watch multiple baseball games on one screen, the Company plans to provide an innovative user experience, enhance customer satisfaction and increase profitability.

The Company has proved that it has superior network quality compared to its competitors according to the Korea Communications Commission quality evaluations. The Company has also proved to be the leader in Korea's top three customer satisfaction indices: according to the National Customer Satisfaction Index, Korean Customer Satisfaction Index and Korean Standard Service Quality Index, the Company has continued to

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hold the leading position for 18 years, 17 years and 16 years, respectively.

SK Telink, a consolidated subsidiary of the Company, expanded its operations to the MVNO business based on its technical expertise and know-how obtained in its international telecommunications business and launched its MVNO service, 7Mobile, which is offered at reasonable rates and provides excellent quality. SK Telink is increasing its efforts to develop low-cost distribution channels and create niche markets through targeted marketing towards customers with lower average revenue per user. 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.

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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 network services to customers, including mobile office products to business customers.

PS&Marketing, a subsidiary of the Company, provides a sales platform for products of the Company and SK Broadband, including fixed-line and wireless telecommunication products that address customers' needs for various convergence products. PS&Marketing provides differentiated service to clients through the establishment of new sales channels and product development.

[Fixed-line Business]**A. Industry Characteristics**

As subscribers to various bundled wireless and fixed-line products continue to increase, the IPTV business is evolving to satisfy diverse customer needs for media services through differentiated service offerings, including mobile IPTV, bundled wireless and IPTV products and ultra-high definition services for smart televisions. The market for our corporate business is also growing, with cloud computing, mobile offices and other new information and communications technologies being commercialized. The increased usage of smartphones and tablet computers, the pilot programming of commercial ultra-high definition television broadcasting services and competition for wideband LTE services have greatly increased data traffic, thereby further emphasizing the importance of fixed-line network infrastructure that is capable of handling large capacities of data traffic with stability and efficiency.

B. Growth Potential

(Unit: in 1,000 persons)

Classification		As of June 30, 2015	As of December 31,	
			2014	2013
Fixed-line Subscribers	High-speed Internet	19,470	19,199	18,738
	Fixed-line telephone	16,641	16,939	17,620
	IPTV (real-time)	11,338	10,840	8,522

* Source: MSIP website and Korea Communications Commission website

** The number of IPTV subscribers as of June 30, 2015 has not been announced by the MSIP, and the number shown above is as of March 31, 2015.

C. Cyclical Nature and Seasonality

High-speed Internet, fixed-line telephone and IPTV services are mature markets that are comparatively less sensitive to cyclical economic changes as such services have become more of a necessity and the market has matured. The telecommunications services market overall is not expected to be particularly affected by economic downturns due to the low income elasticity of demand for telecommunication services.

Set forth below is the historical market share of the Company.

(Unit: in percentages)

Classification	As of	As of December 31,		
	June 30, 2015	2014	2013	2012
High-speed Internet (including resales)	25.4	25.1	24.4	24.1
Fixed-line telephone (including Voice over Internet Protocol (VoIP))	17.1	17.0	16.9	16.7
IPTV	26.6	26.1	23.8	22.0

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- * Source: MSIP website and the Korea Communications Commission website.
- * With respect to VoIP services, the market share was calculated based on the number of VoIP subscribers among the Company, KT and LG U+.
- * The audience share for IPTV as of June 30, 2015 has not been announced by the MSIP, and the number shown above is as of March 31, 2015.

D. Business Overview and Competitive Strengths

In 1999, the Company was the first in the world to commence commercial ADSL services. On the back of its premium technology and enhanced competitiveness achieved through bundled products, it is currently expanding subscriber base across all of its businesses, including broadband Internet, telephone and IPTV. In particular, SK Broadband has positioned itself to focus on corporate customer services and IPTV services as key strategic areas for mid- to long-term growth, exploiting opportunities in new ICT-based businesses that have led to revenue growth and providing differentiated contents in its IPTV business by securing popular programming, which includes exclusive children's channels and live broadcasts of Major League Baseball games. In addition, the Company has reinforced its leadership in the ultra-high definition broadcasting market by launching ultra-high definition services that require no set-top boxes in April 2014 and by commercializing ultra-high definition set-top boxes for the first time in Korea in September 2014. Furthermore, the Company was the first in the industry to adopt solutions to upgrade full high definition to ultra-high definition, and the Company also strengthened the line-up of ultra-high definition contents by securing access to diverse contents provided by Sony and NBC Universal. Moreover, the Company provides the greatest number of channels in full high definition in the IPTV market due to its recent upgrade of all 130 live high definition channels to full high definition.

In September 2013, the Company developed technology that compresses videos for its ultra-high definition IPTV services. During the first quarter of 2014, the Company commercialized new transmission technology that can more efficiently transmit signals on the hybrid fiber-coaxial network despite its limited frequency. Furthermore, the Company solidified its technological leadership for providing ultra-high definition broadcasting for wireless and fixed line in the IPTV industry by commercializing a unique ultra-high-definition service that can be provided directly to smart televisions without the installation of smart set-top boxes in April 2014 and started transmitting ultra-high definition contents to mobile IPTV in May 2014.

SK Telink, a provider of international telecommunications service, 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. SK Telink plans to strategically target the convergence of wireless and fixed-line telecommunications and strengthen its existing business, including international and long-distance calling services, value-added services for local calling and B2B services and video conference call services while aiming to satisfy the diverse needs of customers by providing quality solutions at reasonable prices.

[Other Business]

A. Industry Characteristics

As the number of smartphones distributed in Korea exceeds 40 million, the growth in various mobile devices has spurred the rise of the service provider with a strong platform business as the leader in the ICT market. It is becoming increasingly important to enhance competitiveness by building a platform with large data capacity to handle the increase in data transmission.

A platform business acts as an intermediary by promoting interactions among various customer groups, thereby generating new values. It is important for a platform business to continually attract subscribers and users and to create an ecosystem with certain lock-in effects. A platform can exist in various forms, including as a technological standard (iOS, Android OS), a subscriber-based service platform (Facebook, Twitter) or a marketplace (Amazon, T Store). Platform businesses are evolving and expanding globally.

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A platform business has strong growth potential due to its connectivity with related services and ease of global expansion. Apple became a world-leading smartphone producer based on its innovative design and the competitive strength of its App Store platform. Google has created a new ecosystem of long-tail advertising 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. It is becoming increasingly important to enhance competitiveness through a database that can register and analyze purchase patterns of customers across all areas and a platform with large data capacity with which to utilize this database and provide differentiated services to customers.

B. Growth Potential

The scope and value generated by the platform business, including application and content marketplaces and N-screen services, continue to increase as smartphones and tablet computers become more popular and the bandwidth and speed of network infrastructure improve. As the wireless network evolves to LTE, business opportunities for the platform business exist, including multimedia streaming, N-screen service based on cloud technology and high-definition location-based services. Since the platform business realizes profit by connecting with advertisements or commerce sites after building a critical mass of subscribers and traffic, the recent growth in the advertising and commerce markets is expected to present an opportunity for platform businesses. The importance of building a platform with large data capacity that is connected to various digital contents and commerce is expected to increase in the future.

C. Domestic and Overseas Market Conditions

(1) Commerce markets

The Company expects that online commerce markets will continue to grow due to the growth potential of the Internet shopping population, the strengthening of online business models by off-line operators and the rapid rise of mobile commerce. Recently, due to the widespread use of smartphones and social media, the commercialization of location-based services and the development of big data technology, online to offline (or, O2O) business, which is a concept of attracting customers to offline stores using online and mobile environments, is being highlighted as a new field in the online commerce market industry.

(2) Digital contents

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

(3) Media

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, 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 the online and mobile video market.

D. Business Overview and Competitive Strengths

The Company plans to expand its platform ecosystem focusing on its "Open & Collaboration" motto in operating its commerce business such as 11th Street, Syrup, and OK Cashbag, its digital contents business such as T Store and its location-based service business such as T-Map Navigation, thereby ultimately increasing its enterprise value.

(1) Commerce

11th Street, an online 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 is leading the domestic e-commerce market and is also rapidly growing in the mobile commerce market. Growth plans involving overseas joint ventures based on 11th Street's business expertise have resulted in the successful launch of an open online commerce market in Turkey in partnership with Doğuş Group in March 2013. In Indonesia, an open market platform was successfully launched through a joint venture established in July 2013 with PT XM Axiata Tbk, a wireless telecommunications company in Indonesia. In October 2014, SK Planet and Celcom Axiata Berhad, which is a leading telecommunications service provider in Malaysia, established a joint venture, Celcom Planet, and launched online commerce services tailored to the Malaysian market in April 2015.

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Syrup is a consumer-oriented commerce service with the goal of minimizing its customers' time and efforts while maximizing the economic benefits by providing information about coupons and events based on time, place and occasion. To achieve this goal, Syrup combines location-based services, such as geo-fencing, a virtual perimeter technology using a global positioning system (or, GPS) and Bluetooth Low Energy (or, BLE), with big data analysis of consumption patterns. Syrup's business partners can benefit from cost-effective marketing through Syrup by utilizing statistics and analysis regarding consumers' frequency of visits, preferred products, and consumption patterns. Furthermore, Syrup is strengthening its service foundation and competitiveness through the continual release of vertical products such as Syrup Pay, Syrup Order and Syrup Table and the expansion of Merchant.

OK Cashbag is a point-based loyalty marketing program which has grown to become a global top-tier loyalty marketing program since its inception in 1999. Customers have access to increased benefits through accumulation of loyalty reward points and partner companies use OK Cashbag as a marketing resource. With 39.0 million subscribers, OK Cashbag maintains a leading position in the industry and plans to continue strengthening its position by providing customized services befitting customers' needs and market conditions.

(2) Location-based services

T-Map Navigation provides map, local information, real-time traffic information and navigation services. With cumulative subscribers of 19.6 million as of June 30, 2015, T-Map Navigation is one of the leading location-based service platforms in Korea. By entering the Online to Offline service area with T map Taxi, T map Public Transportation and others, the Company is expanding its mobile platform foundation that connects day-to-day life. The Company is broadening the range of its location-based services by also providing infotainment systems to commercial vehicle businesses as well as providing localized content on its products, such as region-specific information and advertisements. The Company plans to further develop the T-Map Navigation platform by initiating open application programming interface-based services, providing services to more diverse types of devices and providing local area-based services.

(3) Digital contents

T Store, launched in September 2009, reached 23.8 million subscribers and cumulative downloads of 2.8 billion as of June 30, 2015, solidifying its leadership position in the application market and plans to widen its services to tablets and navigation devices. The Company intends to further develop T Store into a personalized gateway and mobile playground through expansion of the scope of serviceable devices, reinforcement of digital content offerings and enhancement of search services, among other things.

(4) Social networking services (SNS) and Internet portal services

The Company's instant messenger service, Nate-On, had a market share of 27.6% in the instant messenger market in Korea, with 4.6 million net users who logged in during the month of June 2015. The Company's Internet search portal service, Nate, had a page-view market share of 4.5% as of June 30, 2015. (Source: Korean Click, based on fixed-line access)

Satellite DMB service

The Company launched its Hanbyul satellite in 2004 and received government approval in December 30, 2004 to provide satellite DMB services. Broadcasting through satellite DMB commenced in May 2005 and satellite DMB services expanded nationwide thereafter. On August 23, 2012, the board of directors of SK Telink resolved to discontinue operation of its satellite DMB services due to the rapid decrease in satellite DMB subscribers and the continued burden of fixed costs.

Table of Contents**2. Major Products & Services**

A. Updates on Major Products and Services

(Unit: in millions of Won and percentages)

Business	Major Companies	Item	Major Trademarks	Consolidated Sales Amount (ratio)
Wireless	SK Telecom Co., Ltd., PS&Marketing Co., Ltd., Service Ace Co., Ltd., Network O&S Co., Ltd.	Mobile communication service, wireless data service, ICT service	T and others	6,622,093(78%)
Fixed-line	SK Broadband Co., Ltd., SK Telink Co., Ltd.	Fixed-line phone, high speed Internet, data and network lease service	B tv , 00700 international call, 7Mobile and others	1,232,229(15%)
Other	SK Planet Co., Ltd , SK Communications Co., Ltd., Iriver Inc. M&Service Co., Ltd.,	Internet portal service and e-commerce	OK Cashbag, NATE, T Store, T-Map Navigation and others	641,703(7%)
Total				8,496,025(100%)

[Wireless Business]

As of June 30, 2015, based on the Company's standard monthly subscription plan, the basic service fee was Won 11,000, and the usage fee was Won 1.8 per 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. As of June 30, 2015, broadband Internet and TV services comprised 54.7% of SK Broadband's revenue, telephony service 20.0%, corporate data services 24.4% and other telecommunications services 0.9%. Price fluctuations in the different services provided by SK Broadband are due to discounts provided for long-term contracts, changes in equipment costs and competition between companies.

[Other Business]

Set forth below are major products and services of the Company's material consolidated subsidiaries.

Business	Item	Major Trademarks
Platform	ICT services, new media services, advertisement services, telecommunications sales, e-commerce and others	Syrup, T Store, 11th Street, T Map, OK Cashbag and others
Advertisement (Display, Search)	Online advertisement services	Nate, Nate-On
Contents and others	Pay content sales and other services	Nate, Nate-On

3. Investment Status

[Wireless Business]

A. Investment in Progress

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(Unit: in 100 millions of Won)

Business	Classification	Investment period	Subject of investment	Investment effect	Expected investment amount	Amount already invested	Future investment
Network/Common	Upgrade/ New installation	2015	Network, systems and others	Capacity increase and quality improvement; systems improvement	20,000	6,672	
	Total				20,000	6,672	

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B. Future Investment Plan

(Unit: in 100 millions of Won)

Business	Expected investment amount		Expected investment for each year			Investment effect
	Asset type	Amount	2015	2016	2017	
Network/Common	Network, systems and others	20,000	20,000	To be determined	To be determined	Upgrades to the existing services and expanded provision of services including wideband LTE-A
Total		20,000	20,000	To be determined	To be determined	

[Fixed-line Business]

A. Investment in Progress

For the six months ended June 30, 2015, the Company made the capital expenditures set out below in order to expand its client base and network infrastructure, and the Company expects that the total amount of capital investments in 2015 will be similar to that of 2014.

(Unit: in 100 millions of Won)

Business	Classification	Investment period	Subject of investment	Investment effect	Total investments	Amount already invested	Future investment
High-speed Internet	Upgrade/ New installation	For the six months ended June 30, 2015	Backbone and subscriber network / others	Expand subscriber networks and facilities	2,261	733	To be determined
Telephone				21			
Television				450			
Corporate Data				Increase leased-line and integrated information system			
Others				Expand networks and required space		725	
Total					2,261	2,261	

4. Revenues

(Unit: in millions of Won)

Business	Sales type	Item		For the six months ended June 30, 2015	For the year ended December 31, 2014	For the year ended December 31, 2013
Wireless	Services	Export		6,533	6,773	2,526
		Domestic		6,615,560	13,521,108	13,313,006
		Subtotal		6,622,093	13,527,881	13,315,532
Fixed-line	Services	Fixed-line, B2B data, High-speed Internet, TV	Export	38,759	63,608	28,002
			Domestic	1,193,470	2,386,312	2,296,387
		Subtotal		1,232,229	2,449,920	2,324,389
Other	Services	Display and Search ad.,	Export	23,226	20,798	14,049
			Domestic	618,477	1,165,199	948,084

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	Content	Subtotal	641,703	1,185,997	962,133
		Export	68,518	91,179	44,577
Total		Domestic	8,427,507	17,072,619	16,557,477
		Total	8,496,025	17,163,798	16,602,054

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(Unit: in millions of Won)

For the six months ended June 30, 2015	Wireless	Fixed	Other	Sub total	Internal transaction	After consolidation
Total sales	7,469,465	1,533,405	997,767	10,000,637	(1,504,612)	8,496,025
Internal sales	847,372	301,176	356,064	1,504,612	(1,504,612)	
External sales	6,622,093	1,232,229	641,703	8,496,025		8,496,025
Operating income (loss)	815,120	42,805	(42,399)	815,526		815,526
Profit (loss) for the period						1,075,605
Total assets	23,580,421	3,516,376	3,214,927	30,311,724	(2,270,218)	28,041,506
Total liabilities	9,483,378	2,242,744	897,624	12,623,746	100,173	12,723,919

5. Derivative Transactions**A. Current Swap Contract Applying Cash Flow Risk Hedge Accounting**

Currency swap and interest rate swap contracts under cash flow hedge accounting as of June 30, 2015 are as follows:

Borrowing date	Hedged item	Hedged risk	Contract type	Financial institution	Duration of contract
Jul. 20, 2007	Fixed-to-fixed cross currency swap (U.S. dollar denominated bonds face value of US\$400,000,000)	Foreign currency risk	Cross currency swap	Morgan Stanley and five other banks	Jul. 20, 2007 Jul. 20, 2027
Jun. 12, 2012	Fixed-to-fixed cross currency swap (Swiss Franc denominated bonds face value of CHF 300,000,000)	Foreign currency risk	Cross currency swap	Citibank and five other banks	Jun. 12, 2012 Jun. 12, 2017
Nov. 1, 2012	Fixed-to-fixed cross currency swap (U.S. dollar denominated bonds face value of US\$700,000,000)	Foreign currency risk	Cross currency swap	Barclays and nine other banks	Nov. 1, 2012 May. 1, 2018
Jan. 17, 2013	Fixed-to-fixed cross currency swap (Australia dollar denominated bonds face value of AUD 300,000,000)	Foreign currency risk	Cross currency swap	BNP Paribas and three other banks	Jan. 17, 2013 Nov. 17, 2017
Mar. 7, 2013	Floating-to-fixed cross currency interest rate swap (U.S. dollar denominated bonds face value of US\$300,000,000)	Foreign currency risk and interest rate risk	Cross currency interest rate swap	DBS Bank	Mar. 7, 2013 Mar. 7, 2020
Oct. 29, 2013	Fixed-to-fixed cross currency swap (U.S. dollar denominated bonds face value of US\$300,000,000)	Foreign currency risk	Cross currency swap	Korea Development Bank and others	Oct. 29, 2013 Oct. 26, 2018
Dec. 16, 2013	Fixed-to-fixed cross currency swap (U.S. dollar denominated loan face value of US\$80,577,000)	Foreign currency risk	Cross currency swap	Deutsche Bank	Dec. 16, 2013 Apr. 29, 2022

B. Treatment of Derivative Instruments on the Balance Sheet

As of June 30, 2015, fair values of the above derivatives recorded in assets or liabilities and details of derivative instruments are as follows.

(Unit: in millions of Won and thousands of foreign currencies)

Hedged item	Accumulated gain (loss) on valuation of derivatives	Tax effect	Fair value		Trading purposes	Total
			Cash flow hedge Foreign currency translation gain (loss)	Others ^(*1)		

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Non-current assets:

Convertible option ^(*) (face amounts of Won 50 billion)					5,380	5,380
Fixed-to-fixed cross currency swap (U.S. dollar denominated bonds face value of US\$400,000,000)	(55,930)	(17,856)	(7,724)	129,806		48,296

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Hedged item	Accumulated gain (loss) on valuation of derivatives	Tax effect	Fair value		Trading purposes	Total
			Cash flow hedge Foreign currency translation gain (loss)	Others ^(*1)		
Floating-to-fixed cross currency interest rate swap (U.S. dollar denominated bonds face value of US\$300,000,000)	(5,992)	(1,913)	12,112			4,207
Fixed-to-fixed cross currency swap (U.S. dollar denominated bonds face value of US\$300,000,000)	(8,992)		18,603			9,611
Total assets						67,494
Non-current liabilities:						
Fixed-to-fixed cross currency swap (Swiss Franc denominated bonds face value of CHF 300,000,000)	(6,361)	(2,031)	749			(7,643)
Fixed-to-fixed cross currency swap (U.S. dollar denominated bonds face value of US\$700,000,000)	(22,835)	(7,290)	23,372			(6,753)
Fixed-to-fixed cross currency swap (Australia dollar denominated bonds face value of AUD 300,000,000)	2,149	686	(76,321)			(73,486)
Fixed-to-fixed cross currency swap (U.S. dollar denominated loan face value of US\$80,577,000)	(4,640)	(1,482)	5,506			(616)
Total liabilities						(88,498)

(*1) Cash flow hedge accounting has been applied to the relevant contract from May 12, 2010. Others represent gain on valuation of currency swap incurred prior to the application of hedge accounting and was recognized through profit or loss prior to the year ended December 31, 2012.

(*2) Fair value of the conversion option of convertible bonds held by SK Communications Co., Ltd. amounting to Won 10 million was accounted for as derivative financial assets.

6. Major Contracts

[SK Telecom]

(Unit: in 100 millions of Won)

Category	Vendor	Start Date	Completion		Contract Title	Contract Amount
			Date	Date		
Goods	Telcaware Co.	January 22, 2015	December 31, 2015		2014 B2B GOP Unmanned Security System Installation in eastern Korea	118
	Cremotech Co.	April 9, 2015	September 30, 2015		2015 Purchase of Smart Beam Laser Products	58
	Noori Telecom	November 8, 2012	April 30, 2015		2012 B2B Unit Price Contract for Wireless Modems to Remotely Read Meters of KEPCO s Transformer Users	52
Construction	Kocom	January 9, 2015	December 31, 2015		2014 B2B GOP Unmanned Security System Installation in eastern Korea	60
Equipment	Oracle Korea	January 1, 2015	December 31, 2017		2015 B2B SK Planet Oracle DBMS ULA	49
Real Estate	SK Broadband Co., Ltd.	February 1, 2015	January 31, 2016		Namsan Office Building Lease Contract	52
Real Estate	Individuals	January 1, 2015	March 31, 2015		Purchase of land (Jeonju region and 10 others)	113
			Subtotal			502

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[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		Automatically renewed for two years at a time unless specific amendments are requested
KEPCO	Provision of electric facilities	From Jan. 2015 to Dec. 2015 (Unless special reasons arise, the usage period will be renewed annually)	Use of electricity poles
Seoul City Railway	Use of telecommunication line conduits	From Jan. 2012 to Dec. 2014 (Renewal in progress, expected to enter into a contract after deciding technical service unit price, to be applied retroactively to 2015 payments)	Use of railway telecommunication conduit (Serviced areas to expand)
Busan Transportation Corporation	Use of telecommunication line conduits	From July 2009 to July 2013 (Renewal in progress, currently in the process of transitioning to private network system, plans to enter into a contract once completed and the remaining work is confirmed)	Use of railway telecommunication conduit (Serviced areas to expand)
Seoul Metro	Use of telecommunication line conduits	From May 2010 to May 2013 (Renewal in progress, currently in discussion to decide usage unit price, future plans to enter into a contract)	Use of railway telecommunication conduit (Serviced areas to expand)
Gwangju City Railway	Use of telecommunication line conduits	From Sep. 2010 to Dec. 2012 (Renewal in progress, in the completion stage of transitioning to private network system, currently reviewing whether to renew contract at the end of 2015)	Use of railway telecommunication conduit (Service lease)

* Renewal is in progress after negotiation of lower usage fees.

[SK Communications]

Counterparty	Purpose	Contract Period	Contract Amount
Daum Kakao Corp.	Cost-per-click Internet search advertisement		Amount determined based on the number of clicks

* SK Communications and Daum Kakao Corp. have agreed not to publicly disclose the contract period with respect to the contract with Daum Kakao Corp.

Table of Contents**7. R&D Investments**

Set forth below are the Company's R&D expenditures.

(Unit: in millions of Won except percentages)

Category		For the six months ended June 30, 2015	For the year ended December 31, 2014	2013	Remarks
Raw material		775	530	38	
Labor		33,883	71,224	79,865	
Depreciation		71,386	176,975	158,158	
Commissioned service		18,495	67,802	22,923	
Others		26,867	81,221	102,668	
Total R&D costs		151,406	397,752	363,652	
Accounting	Sales and administrative expenses	147,422	390,943	352,385	
	Development expenses (Intangible assets)	3,984	6,809	11,267	
R&D cost / sales amount ratio (Total R&D costs / Current sales amount×100)		1.78%	2.32%	2.19%	

8. Other information relating to investment decisions**A. Trademark Policies**

The Company manages its corporate brand and other product brands in a comprehensive way to protect and increase their value. The Company's Brand Strategy 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 by providing solutions such as registering and licensing of the brands.

B. Business-related Intellectual Property

[SK Telecom]

The Company holds 5,495 Korean-registered patents, 345 U.S.-registered patents, 234 Chinese-registered patents (all including patents held jointly with other companies) and more patents with other countries. The Company holds 944 Korean-registered trademarks and owns intellectual property rights to the design of the 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 411 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, 2015, SK Planet held 2,603 registered patents, 117 registered design marks, 1,242 registered trademarks and five copyrights (including those held jointly with other companies) in Korea. It also holds 117 U.S.-registered patents, 88 Chinese-registered patents, 63 Japanese-registered patents, 31 E.U.-registered patents (all including patents held jointly with other companies) and 295 registered trademarks, along with a number of other intellectual property rights in other countries.

[SK Communications]

As of June 30, 2015, SK Communications held 81 registered patents, 26 registered design rights and 703 registered trademarks in Korea.

C. Business-related Pollutants and Environmental Protection

The Company does not engage in any manufacturing and therefore does not undertake any industrial processes that emit pollutants into the air or industrial processes in which hazardous materials are used.

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

Below is the summary consolidated financial information of the Company as of June 30, 2015, December 31, 2014 and December 31, 2013 and for the six months ended June 30, 2015 and 2014 and the years ended December 31, 2014 and 2013. The Company's reviewed consolidated financial statements as of June 30, 2015 and December 31, 2014 and for the six months ended June 30, 2015 and 2014, which are prepared in accordance with K-IFRS, are attached hereto.

(Unit: in millions of Won except number of companies)

	As of March 31, 2015	As of December 31, 2014	As of December 31, 2013
Assets			
Current Assets	5,180,521	5,083,148	5,123,415
Cash and Cash Equivalents	829,659	834,429	1,398,639
Accounts Receivable Trade, net	2,443,502	2,392,150	2,257,316
Accounts Receivable Other, net	697,103	690,527	643,603
Others	1,210,257	1,166,042	823,857
Non-Current Assets	22,860,985	22,858,085	21,453,100
Long-Term Investment Securities	1,149,319	956,280	968,527
Investments in Associates and Joint Ventures	6,581,767	6,298,088	5,325,297
Property and Equipment, net	10,252,498	10,567,701	10,196,607
Intangible Assets, net	2,298,574	2,483,994	2,750,782
Goodwill	1,930,205	1,917,595	1,733,261
Others	648,622	634,427	478,626
Total Assets	28,041,506	27,941,233	26,576,515
Liabilities			
Current Liabilities	5,308,391	5,420,310	6,069,220
Non-Current Liabilities	7,415,528	7,272,653	6,340,738
Total Liabilities	12,723,919	12,692,963	12,409,958
Equity			
Equity Attributable to Owners of the Parent Company	15,187,526	14,506,739	13,452,372
Share Capital	44,639	44,639	44,639
Capital Surplus (Deficit) and Other Capital Adjustments	662,455	277,998	317,508
Retained Earnings	14,421,043	14,188,591	13,102,495
Reserves	59,389	(4,489)	(12,270)
Non-controlling Interests	130,061	741,531	714,185
Total Equity	15,317,587	15,248,270	14,166,557
Total Liabilities and Equity	28,041,506	27,941,233	26,576,515
Number of Companies Consolidated	39	40	28

(Unit: in millions of Won except per share amounts)

	For the six months ended June 30, 2015	For the six months ended June 30, 2014	For the year ended December 31, 2014	For the year ended December 31, 2013
Operating Revenue	8,496,025	8,507,288	17,163,798	16,602,054
Operating Income	815,526	798,490	1,825,105	2,011,109
Profit Before Income Tax	1,075,605	940,583	2,253,828	1,827,101

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Profit for the Period	840,635	764,948	1,799,320	1,609,549
Profit for the Period Attributable to Owners of the Parent Company	840,334	768,350	1,801,178	1,638,964
Profit for the Period Attributable to Non-controlling Interests	301	(3,402)	(1,858)	(29,415)
Basic Earnings Per Share (Won)	11,695	10,713	25,154	20,708
Diluted Earnings Per Share (Won)	11,695	10,713	25,154	23,211

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B. Summary Financial Information (Separate)

Below is the summary separate financial information of the Company as of June 30, 2015, December 31, 2014 and December 31, 2013 and for the six months ended June 30, 2015 and 2014 and the years ended December 31, 2014 and 2013. The Company's reviewed separate financial statements as of June 30, 2015 and December 31, 2014 and for the six months ended June 30, 2015 and 2014, which are prepared in accordance with K-IFRS, are attached hereto.

(Unit: in millions of Won)

	As of June 30, 2015	As of December 31, 2014	As of December 31, 2013
Assets			
Current Assets	2,685,875	2,689,913	2,817,782
Cash and Cash Equivalents	155,687	248,311	448,459
Accounts Receivable Trade, net	1,597,007	1,559,281	1,513,138
Accounts Receivable Other, net	300,037	305,990	388,475
Others	633,144	576,331	467,710
Non-Current Assets	20,177,570	20,022,549	20,009,637
Long-Term Investment Securities	731,379	608,797	729,703
Investments in Subsidiaries and Associates	8,674,128	8,181,769	8,010,121
Property and Equipment, net	7,423,274	7,705,906	7,459,986
Intangible Assets, net	1,755,891	1,928,169	2,239,167
Goodwill	1,306,236	1,306,236	1,306,236
Others	286,662	291,672	264,424
Total Assets	22,863,445	22,712,462	22,827,419
Liabilities			
Current Liabilities	3,456,046	3,378,046	4,288,073
Non-Current Liabilities	5,601,032	5,792,195	5,223,938
Total Liabilities	9,057,078	9,170,241	9,512,011
Equity			
Share Capital	44,639	44,639	44,639
Capital Surplus and Other Capital Adjustments	845,966	433,894	433,894
Retained Earnings	12,917,835	12,996,790	12,665,699
Reserves	(2,073)	66,898	171,176
Total Equity	13,806,367	13,542,221	13,315,408
Total Liabilities and Equity	22,863,445	22,712,462	22,827,419

(Unit: in millions of Won except per share amounts)

	For the six months ended June 30, 2015	For the six months ended June 30, 2014	For the year ended December 31, 2014	For the year ended December 31, 2013
Operating Revenue	6,277,222	6,528,313	13,012,644	12,860,379
Operating Income	803,916	778,959	1,737,160	1,969,684
Profit Before Income Tax	698,142	640,379	1,321,750	1,220,797
Profit for the Period	527,783	516,907	1,028,541	910,157
Basic Earnings Per Share (Won)	7,301	7,168	14,262	12,837
Diluted Earnings Per Share (Won)	7,301	7,168	14,262	12,837

Table of Contents**2. Other Matters Related to Financial Information**

A. Restatement of the Financial Statements

Not applicable.

B. Allowance for Doubtful Accounts

(1) Allowance for Doubtful Accounts of Trade and Other Receivables

(Unit: in millions of Won)

		For the six months ended June 30, 2015		
		Gross amount	Allowance for Doubtful Accounts	Percentage
Accounts receivable	trade	2,743,758	235,262	9%
Loans		118,296	27,350	23%
Accounts receivable	other	780,748	79,987	10%
Accrued income		10,264		0%
Guarantee deposits		301,121		0%
Total		3,954,187	342,599	9%

(Unit: in millions of Won)

		For the year ended December 31, 2014		
		Gross amount	Allowance for Doubtful Accounts	Percentage
Accounts receivable	trade	2,682,595	221,909	8%
Loans		157,934	27,694	18%
Accounts receivable	other	772,711	78,588	10%
Accrued income		10,134		0%
Guarantee deposits		289,009		