

SK TELECOM CO LTD

Form 6-K

June 15, 2010

**Table of Contents**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Form 6-K  
REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE MONTH OF JUNE 2010  
COMMISSION FILE NUMBER 333-04906**

**SK Telecom Co., Ltd.**  
*(Translation of registrant's name into English)*  
11, Euljiro2-ga, Jung-gu  
Seoul 100-999, Korea  
*(Address of principal executive offices)*

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

Form 20-F  Form 40-F

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

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

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

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

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes  No

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

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**Table of Contents**

QUARTERLY REPORT

(From January 1, 2010 to March 31, 2010)

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

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

UNLESS EXPRESSLY STATED OTHERWISE, ALL INFORMATION CONTAINED HEREIN IS PRESENTED ON A NON-CONSOLIDATED BASIS IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN KOREA, OR KOREAN GAAP, 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.

**Contents**

<u>I. Company Overview</u>	4
<u>II. Business</u>	12
<u>III. Financial Information</u>	20
<u>IV. Auditor's Opinion</u>	22
<u>V. Management Discussion and Analysis</u>	24
<u>VI. Corporate Organization including Board of Directors and Affiliated Companies</u>	24
<u>VII. Shareholders Information</u>	33
<u>VIII. Employees</u>	36
<u>IX. Transactions with Parties Having Interests</u>	37
<u>X. Other Information Relating to the Protection of Investors</u>	39
Attachment: Korean GAAP Non-consolidated Financial Statements	

**Table of Contents**

**I. COMPANY OVERVIEW**

**1. Company Overview**

A. Corporate Legal Business Name: SK Telecom Co., Ltd. (The Company )

B. Date of Incorporation: March 29, 1984

C. Location of Headquarters

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

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

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

D. Corporate Purpose of the Company

**Business Objectives**

1. Information and communication business
2. Handset sales and lease business
3. New media business
4. Advertisement business
5. Communication sales business
6. Real estate business(development, maintenance, leasing, etc.) and chattel leasing business
7. Research and technology development related to Clause 1 through 4
8. Overseas business and trading business related to Clause 1 through 4
9. Manufacturing and distribution business related to Clause 1 through 4
10. Tourism
11. Electronic financial business
12. Motion picture business (Production, Importation, Distribution, Screening)
13. Lifetime education and lifetime educational facilities management
14. Electric related construction business
15. Information and communication related work business
16. Ubiquitous city construction and service business
17. Any business or undertaking incidental or conducive to the attainment of the objects above

**Table of Contents**E. Credit Ratings  
(1) Corporate Bonds

<b>Credit rating date</b>	<b>Subject of rating</b>	<b>Credit rating</b>	<b>Credit rating entity (Credit rating range)</b>	<b>Rating classification</b>
May 29, 2007	Corporate bond	AAA	Korea Ratings	Regular rating
June 14, 2007	Corporate bond	AAA	Korea Information Services, Inc.	Regular rating
June 27, 2007	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
November 5, 2007	Corporate bond	AAA	Korea Ratings	Current rating
November 5, 2007	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
November 5, 2007	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
February 20, 2008	Corporate bond	AAA	Korea Ratings	Current rating
February 21, 2008	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
February 21, 2008	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
June 3, 2008	Corporate bond	AAA	Korea Ratings	Regular rating
June 17, 2008	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
June 30, 2008	Corporate bond	AAA	Korea Information Services, Inc.	Regular rating
October 20, 2008	Corporate bond	AAA	Korea Ratings	Current rating
October 20, 2008	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
October 20, 2008	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
January 13, 2009	Corporate bond	AAA	Korea Ratings	Current rating
January 13, 2009	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
January 13, 2009	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
February 23, 2009	Corporate bond	AAA	Korea Ratings	Current rating
February 23, 2009	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
February 23, 2009	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
June 24, 2009	Corporate bond	AAA	Korea Information Services, Inc.	Regular rating
June 26, 2009	Corporate bond	AAA	Korea Ratings	Regular rating
June 30, 2009	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating

\* Rating definition: AAA  
The certainty of principal and interest payment is at the highest level with extremely low investment risk, and is stable in that there is no

influence of any  
environmental  
change under  
reasonable  
expectation  
conditions.

**Table of Contents**(2) Commercial  
Paper ( CP )

<b>Credit rating date</b>	<b>Subject of rating</b>	<b>Credit rating</b>	<b>Credit rating entity (Credit rating range)</b>	<b>Rating classification</b>
May 29, 2007	CP	A1	Korea Ratings	Current rating
June 14, 2007	CP	A1	Korea Information Services, Inc.	Current rating
June 27, 2007	CP	A1	Korea Investors Service, Inc.	Current rating
November 5, 2007	CP	A1	Korea Ratings	Regular rating
November 5, 2007	CP	A1	Korea Information Services, Inc.	Regular rating
November 5, 2007	CP	A1	Korea Investors Service, Inc.	Regular rating
June 3, 2008	CP	A1	Korea Ratings	Current rating
June 16, 2008	CP	A1	Korea Information Services, Inc.	Current rating
June 17, 2008	CP	A1	Korea Investors Service, Inc.	Current rating
October 20, 2008	CP	A1	Korea Ratings	Regular rating
October 20, 2008	CP	A1	Korea Investors Service, Inc.	Regular rating
October 20, 2008	CP	A1	Korea Information Services, Inc.	Regular rating
June 24, 2009	CP	A1	Korea Information Services, Inc.	Current rating
June 26, 2009	CP	A1	Korea Ratings	Current rating
June 30, 2009	CP	A1	Korea Investors Service, Inc.	Current rating
December 15, 2009	CP	A1	Korea Ratings	Regular rating
December 30, 2009	CP	A1	Korea Investors Service, Inc.	Regular rating
December 30, 2009	CP	A1	Korea Information Services, Inc.	Regular rating

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

## (3) International Credit Ratings



<b>Date of credit rating</b>	<b>Subject of rating</b>	<b>Credit rating of securities</b>	<b>Credit rating company (Credit rating range)</b>	<b>Rating type</b>
July 9, 2007	Global Bonds	A	Fitch (England)	Current rating
July 9, 2007	Global Bonds	A2	Moody s (U.S.A.)	Current rating
July 9, 2007	Global Bonds	A	S&P (U.S.A.)	Current rating
April 7, 2009	Offshore Convertible Bonds	A	Fitch (England)	Current rating
April 7, 2009	Offshore Convertible Bonds	A2	Moody s (U.S.A.)	Current rating
April 7, 2009	Offshore Convertible Bonds	A	S&P (U.S.A.)	Current rating

6

**Table of Contents****2. Company History****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)
- 11 Euljiro 2-ga, Jung-gu, Seoul (December 13, 2004)

**B. Significant Changes in Management**

At the 26th General Shareholders Meeting held on March 12, 2010, Cho, Ki Haeng was elected as an inside director, Chung, Jay Young was elected as a member of the audit committee and Shim, Dal Sup was re-elected as an independent director while Sung Min Ha resigned from the Board on March 12.

**C. Other Important Matters related to Management Activities****(1) Sale of IHQ, Inc. shares.**

In accordance with the resolution of the Board of Directors on April 26, 2010, the Company entered into an agreement pursuant to which the Company will sell 10,930,844 shares (Estimated total sale price: Won 18,582,435,000) of IHQ, Inc.'s common stock at 1,700 won per share outside of the Korea Exchange. After such sale of IHQ, Inc. shares, the Company's equity stake in IHQ, Inc. will decrease from 37.10% to 9.99%.

**3. Total Number of Shares****A. Total number of shares**

(As of March 31, 2010) (Unit: shares)

Classification	Share type		Remarks
	Common shares	Total	
<b>I. Total number of authorized shares</b>	220,000,000	220,000,000	
<b>II. Total number of shares issued to date</b>	89,278,946	89,278,946	
<b>III. Total number of shares retired to date</b>	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			
<b>IV. Total number of shares (II-III)</b>	80,745,711	80,745,711	
	7		

**Table of Contents**

(As of March 31, 2010)

(Unit: shares)

Classification	Common shares	Share type	Total	Remarks
V. Number of treasury shares	8,400,712		8,400,712	
VI. Number of shares outstanding (IV-V)	72,344,999		72,344,999	
B. Treasury Stock				
(1) Acquisitions and Dispositions of Treasury Stocks				

(As of March 31, 2010)

(Unit: Shares)

Acquisition methods pursuant to Article 165-2 of the Financial Investment Services and Capital Markets Act of Korea ( FSCMA ) based on reasons other than those stipulated in Article 165-2 of the FSCMA	Type of shares	At the beginning of period	Changes			At the end of period
			Acquired (+)	Disposed (-)	Retired (-)	
	Common shares	4,436,028				4,436,028
	Preferred shares					
	Common shares	77,974				77,974
	Preferred shares					
<b>Sub-total</b>	Common shares	4,514,002*				4,514,002*
	Preferred shares					
<b>Direct acquisition through contract and other agreements</b>	Common shares	3,886,710				3,886,710
	Preferred shares					
<b>Total</b>	Common shares	8,400,712				8,400,712
	Preferred shares					

\* Among 4,514,002 shares directly acquired by us, 1,999,997 shares were deposited with the Korea Securities Depository as of March 31, 2010 for issuance upon conversion

of the overseas  
convertible  
bonds.

**Table of Contents**

## (2) Retirement of Treasury Stock

(Unit: in millions of Won, Shares)

Retired Date	Retirement Purpose	Type of Share	Quantity Retired (shares)	Monetary Amount Retired (in millions of Won)	Acquisition Period of Retired Shares	Remarks
January 9, 2009	Stabilization of Share Price	Common				
	<b>Total</b>	Common Preferred				

## (3) Execution of Trust Agreements relating to Treasury Stocks, Etc.

(Amounts: in millions of Won)

Category Specified	At Start of Period		Executed (+) No. of Transactions	Cancelled (-)		At End of Period		Remark
	Amount	No. of Transactions		Amount	No. of Transactions	Amount	No. of Transactions	
Money Trust	982,000	4			982,000	4	1. Extension Date: Oct. 26, 2007 Extension Amount: Won 631,200	
Trust Contracts with Asset Management Companies							2. Extension Date: October 29, 2007 Extension Amount: Won 350,800	
Acquisition Contracts with Investment Companies								
<b>Total</b>	982,000	4			982,000	4		

9

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

(As of March 31, 2010)

(Unit: shares)

	<b>Classification</b>	<b>Number of shares</b>	<b>Remarks</b>
<b>Total shares (A)</b>	Common share	80,745,711	
	Preferred share		
<b>Number of shares without voting rights (B)</b>	Common share	8,400,712	Treasury shares
	Preferred share		
<b>Shares with restricted voting rights under the Korean law (C)</b>			
<b>Shares with reestablished voting rights (D)</b>			
<b>The number of shares with exercisable voting rights (E = A - B - C + D)</b>	Common share	72,344,999	
	Preferred share		

**5. Dividends and Others**

## A. Dividends

(1) Distribution of cash dividends was approved during the 23rd General Meeting of Shareholders held on March 9, 2007.

Distribution of cash dividends per share of Won 7,000 (exclusive of an interim dividend of Won 1,000) was approved.

(2) Distribution of interim dividends of Won 1,000 was approved during the 283rd Board of Directors Meeting on July 27, 2007.

(3) Distribution of cash dividends was approved during the 24th General Meeting of Shareholders held on March 14, 2008.

Distribution of cash dividends per share 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 295th Board of Directors Meeting on July 18, 2008.

(5) Distribution of cash dividends was approved during the 25th General Meeting of Shareholders held on March 13, 2009.

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

**Table of Contents**

(6) Distribution of interim dividends of Won 1,000 was approved during the 305th Board of Directors Meeting on July 23, 2009.

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

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

B. Dividends for the Last 3 Fiscal Years

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

Classification	As of and for the quarter ended March 31, 2010	As of and for the year ended December 31, 2009	As of and for the year ended December 31, 2008
Par value per share (Won)	500	500	500
Net income	321,755	1,288,340	1,277,658
Net income per share (Won)	4,448	17,808	17,559
Total cash dividend		680,043	681,996
Total stock dividends			
Percentage of cash dividend to available income (%)		52.8	53.4
Cash dividend yield ratio (%)	Common share	5.6	4.5
	Preferred share		
Stock dividend yield ratio (%)	Common share		
	Preferred share		
Cash dividend per share (Won)	Common share	9,400	9,400
	Preferred share		
Stock dividend per share (share)	Common share		
	Preferred share		

\* Total cash dividend of Won 680,043 million for the year ended December 31, 2009 includes the total interim dividend amount of Won 72,345 million, and the cash dividend amount per share of Won 9,400 includes the interim cash dividend amount of Won

1,000.

\* Total cash dividend of Won 681,996 million for the year ended December 31, 2008 includes the total interim dividend amount of Won 72,793 million, and the cash dividend amount per share of Won 9,400 includes the interim cash dividend amount of Won 1,000.



**Table of Contents****II. BUSINESS****1. Business Overview****A. Industry Characteristics**

As of March 31, 2010, the number of domestic mobile phone subscribers reached 48.98 million and, with more than 100% penetration rate, the Korean mobile communication market can be considered to have reached its maturation stage. However, considering the number of European countries with penetration rates exceeding 100%, additional future growth of the domestic market may be possible.

The Korean mobile communications market continues to improve in the quality of services with the help of advances in network-related technology evidenced by the world's first commercialization of CDMA2000 1x, CDMA 1x EV-DO, and the development of highly advanced handsets, including various smart phones, that enable the provision of convergence services for multimedia contents, mobile commerce, telematics, satellite Digital Multimedia Broadcasting ( DMB ), digital home services, connected workforce services and other related services.

**B. Growth Potential**

(Unit: 1,000 persons)

Classification	As of March 31, 2010	As of December 31,			
		2009	2008	2007	2006
Number of SK Telecom subscribers	24,825	24,270	23,032	21,968	20,271
Others (KT, LGT)	24,153	23,675	22,575	21,529	19,926
<b>Total</b>	<b>48,978</b>	<b>47,944</b>	<b>45,607</b>	<b>43,497</b>	<b>40,197</b>

(Source: Korea Communications Commission 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. Although demand has primarily been in the domestic market, as the business territory expands to overseas market, the size of overseas sales is expected to grow in the near future. In addition, sales revenue related to data services is expected to increase due to the increasing popularity of smart phones and wireless Internet. Business-to-business segment that creates added values by adding additional solutions and applications is also growing. Seasonal and economic fluctuations have much less impact on the Korean mobile communication market compared to other industries.

Historical market share of the Company

(As of March 31, 2010)

(Unit: %)

Classification	2010 1Q	As of December 31,		
		2009	2008	2007
Mobile communication services	50.7	50.6	50.5	50.5

**Table of Contents**

Comparative market share  
(As of March 31, 2010)

(Unit: %)

<b>Classification</b>	<b>SK Telecom</b>	<b>KTF</b>	<b>LG Telecom</b>
<b>Market share</b>	50.7	31.4	17.9

(Source: Korea Communications Commission website)

**D. Business Overview and Competitive Strengths**

The Company's revenue in the first quarter of 2010 amounted to Won 3,018.2 billion, an increase of Won 141.8 billion from the first quarter of 2009. This increase in revenue was meaningful since it was achieved despite a number of negative factors, including the charging of voice calls on a per-second basis from March 2010 and the reduction of sign-up fees by 28% from December 2009. Operating income in the first quarter of 2010 amounted to Won 480.5 billion, which was lower than the same period of 2009, due among others to the increase in marketing expenses. In the first quarter of 2010, however, the number of the subscribers increased by 560,000 and the market share increased by 0.1% point. Net income in the first quarter of 2010 increased from the same period of 2009 and amounted to Won 321.8 billion.

As of March 31, 2010, the Company reached a subscriber number of approximately 24,820,000 and a 50.7% market share of the wireless market in Korea in terms of the number of subscribers. The Company plans to establish its leadership among users of smart phones by introducing various mobile platforms and streamlining the subscription process and pricing structures to enable subscribers to easily access their mobile content from multiple devices. The Company also plans to maintain its leadership in wireless Internet market by providing innovative user interface for content access and through investment in data networks, network sharing and support of the content production. In 2010, the Company intends to continue its efforts to seek growth in business-to-business markets, such as industry productivity enhancement ( IPE ) business in domestic and foreign markets. As IPE business creates added values by adding additional solutions and applications to the existing infrastructure, it is more cost effective compared to traditional business-to-business model. The Company's business-to-business sales in the first quarter of 2010 increased meaningfully from the same period of 2009.

The Company will also continue its efforts to become a global leader in information and communication technology. It plans to actively respond to secular changes such as the growing popularity of smart phones and wireless Internet, as well as gaining competitive strengths in the IPE business. In particular, the Company intends to pursue opportunities to grow the wireless broadband and IPE businesses in Korea and abroad. In case of overseas businesses, the Company will maintain its disciplined approach under its Start Small Scale Fast principle.

In addition, the Company anticipates that it would be able to create synergies from its acquisition in May 2008 of SK Broadband, which engages in fixed-line telecommunication business. By offering convergence services combining both wireless and fixed-line telecommunication services and new types of services, the Company intends to acquire new customers as well as enhancing the existing customers' satisfaction with the Company's services.

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

## A. Updates on Major Products and Services

(Unit: in millions of Won, %)

Business fields	Sales type	Item	Specific Usage	Major trademarks	Sales amount (ratio)
Information and communication	Services	Mobile communication	Mobile Phone	NATE, T store and others	2,921,948 (96.8%)
		Others		Others	96,298 (3.2%)

## B. Price Fluctuation Trend of Major Products and Services

Previously, based on the Company's Basic Plan for monthly subscription, the basic service fee was Won 13,000 per month and the usage fee was Won 20 per 10 seconds and based on the Company's Standard Plan, basic service fee was Won 12,000 per month and the usage fee was Won 18 per 10 seconds. As of March 31, 2010, based on the Company's Standard Plan, basic service fee is Won 12,000 per month and the usage fee is Won 1.8 per 1 second.

**3. Investment Status**

## A. Investment in Progress

(Unit: in 100 millions of Won)

Business field	Classification	Investment period	Subject of investment	Investment effect	Total investments	Amount already invested	Future investment
Network/Common	Upgrade/New installation	2010	Network, systems and others	Capacity increase and quality improvement; systems improvement	To be determined	761	To be determined
<b>Total</b>					To be determined	761	To be determined

## B. Future Investment Plan

(Unit: in 100 millions of Won)

Business field	Asset type	Expected investment amount	Expected investment for each year			Investment effect
		Amount	2010	2011	2012	
Network/Common	Network, systems and others	17,500	17,500	To be determined	To be determined	Upgrades to the existing services and provision of new services
<b>Total</b>		17,500	17,500	To be determined	To be determined	Upgrades to the existing services and provision of new



**Table of Contents****4. Revenues**

(Unit: in millions of Won)

<b>Business field</b>	<b>Sales type</b>	<b>Item</b>		<b>1Q 2010</b>	<b>2009</b>	<b>2008</b>
<b>Information and communication</b>	Services	Mobile communication	Export			
			Domestic	2,921,948	11,820,202	11,492,832
			Subtotal	2,921,948	11,820,202	11,492,832
		Others	Export	24	2,339	5,855
			Domestic	96,274	278,643	175,975
			Subtotal	96,298	280,982	181,830
	Total	Export	24	2,339	5,855	
		Domestic	3,018,222	12,098,845	11,668,807	
		Total	3,018,246	12,101,184	11,674,662	

**5. Derivative Transactions**

In order to hedge risks related to fluctuations in currency exchange rates and interest rates, the Company enters into currency swap contracts and interest rate swap contracts. The gain or loss generated from the derivatives contracts is recognized as the gains/losses for the current period or other comprehensive income/loss, in accordance with Korean GAAP. Fair value of the Company's derivatives is calculated using the Company's valuation models. In accordance with the derivatives contracts, the Company's estimated gain/loss on the date of expiration is zero.

**A. Currency Swap**

(1) Purpose of Contracts: Hedging of risks related to fluctuations in currency exchange rates and interest rates

**(2) Contract Terms**

- Currency swap contract applying cash flow risk hedge accounting

The Company has entered into a currency swap contract with three banks including Citibank in order to hedge the foreign currency risk of unguaranteed U.S. dollar denominated bonds (face amounts totaling US\$300,000,000) issued on April 1, 2004. As of March 31, 2010, in connection with the unsettled foreign currency swap contract to which the cash flow risk hedge accounting is applied, an accumulated loss on

**Table of Contents**

valuation of derivatives amounting to Won 2,478,892,000 (excluding tax effect totaling Won 1,240,209,000 and foreign exchange translation loss arising from unguaranteed U.S. dollar denominated bonds totaling Won 5,460,772,000) was accounted for as accumulated other comprehensive loss.

In addition, the Company has entered into a currency and interest rate swap contract with Calyon to hedge the foreign currency risk and the interest rate risk of U.S. dollar denominated floating rate long-term borrowings with face amounts totaling US\$100,000,000 borrowed on October 10, 2006. As of March 31, 2010, in connection with this unsettled currency and interest rate swap contract, an accumulated loss on valuation of derivatives amounting to Won 2,265,569,000 (excluding tax effect totaling Won 197,149,000 and foreign exchange translation loss arising from U.S. dollar denominated long-term borrowings totaling Won 18,280 million) was accounted for as accumulated other comprehensive loss.

In addition, the Company has entered into a currency and interest rate swap contract with two banks including HSBC in order to hedge the foreign currency risk and the interest rate risk of unguaranteed Japanese yen dominated bonds (56-2) with face amounts totaling JPY 12,500,000,000 issued on November 13, 2007. As of March 31, 2010, in connection with this unsettled currency and interest rate swap contracts, an accumulated gain on valuation of derivatives amounting to Won 1,605,834,000 (excluding tax effect totaling Won 1,073,717,000 and foreign exchange translation loss arising from unguaranteed Japanese yen dominated bonds totaling Won 48,194,652,000) was accounted for as accumulated other comprehensive gain.

In addition, the Company has entered into a currency and interest rate swap contract with two banks including DBS in order to hedge the foreign currency risk and interest rate risk of U.S. dollar denominated floating rate bonds with face amounts totaling US\$150,000,000 issued on November 20, 2008. As of March 31, 2010, in connection with this unsettled currency and interest rate swap contract, an accumulated gain on valuation of derivatives amounting to Won 4,685,672,000 (excluding tax effect totaling Won 1,495,953,000 and foreign exchange translation gain arising from U.S. dollar denominated bonds totaling Won 47,462,799,000) was accounted for as accumulated other comprehensive gain.

In addition, the Company has entered into a currency and interest rate swap contract with Mizuho Corporate Bank in order to hedge the foreign currency risk and the interest rate risk of unguaranteed Japanese yen dominated bonds (59-2) with face amounts totaling JPY 3,000,000,000 issued on January 22, 2009. As of March 31, 2010, in connection with this unsettled currency and interest rate swap contract, an accumulated gain on valuation of derivatives amounting to Won 2,343,538,000 (excluding tax effect totaling Won 660,998,000 and foreign exchange translation gain arising from unguaranteed Japanese yen denominated bonds totaling Won 9,589,199,000) was accounted for as accumulated other comprehensive gain.

In addition, the Company has entered into a currency and interest rate swap contract with The Bank of Tokyo-Mitsubishi in order to hedge the foreign currency risk and the interest rate risk of unguaranteed Japanese yen dominated bonds (60-2) with face amounts totaling JPY 5,000,000,000 issued on March 5,

**Table of Contents**

2009. As of March 31, 2010, in connection with this unsettled currency and interest rate swap contract, an accumulated gain on valuation of derivatives amounting to Won 1,252,908,000 (excluding tax effect totaling Won 353,384,000 and foreign exchange translation gain arising from unguaranteed Japanese yen denominated bonds totaling Won 17,711,625,000) was accounted for as accumulated other comprehensive gain.

- Currency swap contract to which the hedge accounting is not applied

In addition, the Company has entered into a currency swap contract with three banks including Morgan Stanley to hedge the foreign currency risk of unguaranteed U.S. dollar denominated bonds (with face amounts totaling US\$400,000,000) issued on July 20, 2007. In connection with this unsettled foreign currency swap contract, a loss on valuation of currency swap of Won 18,433,570,000 and a gain on valuation of currency swap of Won 42,481,273,000 for the quarters ended March 31, 2010 and March 31, 2009, respectively, were charged to current operations.

**B. Interest Rate Swap**

(1) Purpose of Contracts: Hedging of risks related to fluctuations in interest rates

(2) Contract Terms

- Interest rate swap contract to which the cash flow risk hedge accounting is applied:

The Company has entered into an interest rate swap contract with Shinhan Bank to hedge the interest rate risk of discounted bill with face amounts totaling Won 200,000 million borrowed on June 29, 2006. As of March 31, 2010, in connection with unsettled interest rate swap contract to which the cash flow risk hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to Won 841,335,000 (excluding tax effect totaling Won 268,606,000) was accounted for as accumulated other comprehensive loss.

In addition, the Company has entered into an interest rate swap contract with three banks including Nonghyup Bank in order to hedge the interest rate risk of long-term floating rate borrowings (totaling Won 500 billion) borrowed between July 28, 2008 and August 13, 2008. As of March 31, 2010, in connection with unsettled interest rate swap contract to which the cash flow risk hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to Won 12,044,607,000 (excluding tax effect totaling Won 3,397,197,000) was accounted for as accumulated other comprehensive loss.

- Interest rate swap contract to which the hedge accounting is not applied

The Company has entered into an interest rate swap contract with two banks including DBS in order to hedge the interest rate risk of floating rate foreign currency bonds with face amounts totaling US\$220,000,000 issued

**Table of Contents**

on April 29, 2009. In connection with this unsettled interest rate swap contract, loss on valuation of interest rate swap of Won 1,642,154,000 for the quarter ended March 31, 2010 was charged to current operations.

**6. Major Contracts**

<b>Category</b>	<b>Vendor</b>	<b>Start Date</b>	<b>Completion Date</b>	<b>Contract Title</b>	<b>Contract Amount (Won 100M)</b>
<b>Service</b>	TU Media, Ltd.	January 1, 2010	December 31, 2010	2010 Satellite DMB Service Collaboration Contract	916
<b>Service</b>	SK Marketing & Company	January 1, 2010	December 31, 2010	2010 Membership Collaboration Program	692
<b>Product</b>	SK Telesys	March 12, 2010	December 24, 2010	2010 1st Optical Relay Facility Investment	314
<b>Product</b>	SK Telesys	March 12, 2010	December 24, 2010	2010 1st RF Relay Facility Investment	297
<b>Service</b>	SK Marketing & Company	January 1, 2010	December 31, 2010	2010 OK Cashback Service Collaboration Contract	269
<b>Construction</b>	SK E&C	January 1, 2010	December 31, 2010	2010 Cell Site Facility Construction (Seoul Area)	262
<b>Construction</b>	SK E&C	January 1, 2010	December 31, 2010	2010 RF Relay Facility Construction (Seoul Area)	214
<b>Product/ Service</b>	F&U Credit Info.	January 1, 2010	December 31, 2011	2010 Renewal Contract for Invoice/Envelope and Billing Service	204
<b>Service</b>	MRO Korea	October 20, 2009	October 19, 2010	2010 Catalog Purchase Agency Agreement	150
Subtotal					3,318



\* Selected among  
contracts  
exceeding Won  
15 billion.

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

(Unit: in thousands of Won)

Category	For the quarter	For the year	For the year	Remarks
	ended March 31,	ended	ended	
	2010	December 31, 2009	December 31, 2008	
Raw material	4,116	55,194	89,176	
Labor	17,499,049	47,182,944	38,062,791	
Depreciation	36,605,285	134,200,859	138,511,764	
Commissioned service	12,046,845	69,750,242	85,836,738	
Others	6,201,937	39,592,973	34,539,984	
<b>Total R&amp;D costs</b>	<b>72,357,232</b>	<b>290,782,212</b>	<b>297,040,453</b>	
Accounting				
Sales and administrative expenses	71,785,279	288,997,124	293,443,380	
Development expenses (Intangible assets)	571,954	1,785,088	3,597,072	
<b>R&amp;D cost / sales amount ratio</b> (Total R&D costs / Current sales amount×100)	2.40%	2.40%	2.54%	

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

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

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

**B. Business-related Intellectual Properties**

The Company owns intellectual property rights to the design of alphabet T. The rights are based on domestic trademark laws and the Company has proprietary and exclusive use of the trademark for 10 years and the rights are renewable. The designed alphabet T is registered in all business categories (total of 45) and is being used as the primary brand of the Company.

Table of Contents**III. FINANCIAL INFORMATION****1. Summary Financial Information (Non-consolidated)**

(Unit: in millions of Won)

Classification / Fiscal Year	As of and for the quarter ended March 31,	As of and for the year ended December 31,			
	2010	2009	2008	2007	2006
<b>Current assets</b>	5,234,373	4,983,052	3,990,503	4,094,059	4,189,325
<b>Quick assets</b>	5,219,627	4,960,396	3,976,576	4,075,378	4,172,887
<b>Inventory</b>	14,746	22,656	13,927	18,681	16,438
<b>Non-current assets</b>	14,104,808	14,314,581	14,626,992	14,038,451	11,624,728
<b>Investments</b>	5,297,044	5,107,653	5,668,127	5,940,045	3,547,942
<b>Property and Equipment</b>	4,877,181	5,196,521	4,698,214	4,594,413	4,418,112
<b>Intangible assets</b>	2,563,368	2,665,936	2,941,592	3,174,942	3,405,158
<b>Other non-current assets</b>	1,367,215	1,344,471	1,319,059	329,051	253,516
<b>Total assets</b>	19,339,181	19,297,633	18,617,495	18,132,510	15,814,053
<b>Current liabilities</b>	3,966,326	3,294,633	3,412,490	2,484,548	2,985,620
<b>Non-current liabilities</b>	4,570,455	4,761,550	4,475,998	4,221,016	3,522,006
<b>Total liabilities</b>	8,536,782	8,056,183	7,888,488	6,705,564	6,507,626
<b>Capital</b>	44,639	44,639	44,639	44,639	44,639
<b>Capital surplus</b>	3,031,947	3,032,009	2,957,095	2,954,829	2,962,699
<b>Capital adjustment</b>	(-2,708,264)	(-2,708,407)	(-2,147,530)	(-2,072,486)	(-2,019,568)
<b>Other Cumulative Profit and Loss</b>	760,730	913,919	373,784	1,594,099	473,904
<b>Retained earnings</b>	9,673,347	9,959,290	9,501,018	8,905,865	7,844,753
<b>Total stockholders equity</b>	10,802,400	11,241,450	10,729,007	11,426,946	9,306,427
<b>Sales</b>	3,018,246	12,101,184	11,674,662	11,285,900	10,650,952
<b>Operating Income (or Loss)</b>	480,470	2,179,337	2,059,896	2,171,543	2,584,370
<b>Income (or Loss) from continuing operation</b>	321,755	1,288,340	1,277,658	1,642,451	1,446,598
<b>Current Period's Net Income (or Loss)</b>	321,755	1,288,340	1,277,658	1,642,451	1,446,598

(Unit: Won)

Classification / Fiscal Year	For the year ended December 31,				
	1Q 2010	2009	2008	2007	2006
<b>Earnings per share</b>	4,448	17,808	17,559	22,607	19,734

<b>Diluted earnings per share</b>	4,389	17,808	17,395	22,289	19,458
	20				

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

(Unit: in millions of Won)

Classification / Fiscal Year	As of and for the year ended December 31,				
	2009	2008	2007	2006	2005
<b>Current assets</b>	6,370,631	5,422,447	4,813,072	4,663,962	4,598,580
<b>Quick assets</b>	6,250,741	5,387,473	4,766,020	4,644,184	4,590,796
<b>Inventory</b>	119,890	34,974	47,052	19,778	7,784
<b>Non-current assets</b>	16,835,625	17,051,224	14,235,863	11,576,006	10,106,193
<b>Investments</b>	3,059,902	4,025,429	5,446,711	3,236,783	1,989,934
<b>Property and Equipment</b>	8,165,879	7,437,689	4,969,353	4,507,335	4,663,369
<b>Intangible assets</b>	3,992,325	3,978,145	3,433,962	3,518,411	3,452,889
<b>Other non-current assets</b>	1,617,519	1,609,961	385,836	313,477	
<b>Total assets</b>	23,206,256	22,473,671	19,048,935	16,239,968	14,704,772
<b>Current liabilities</b>	4,894,936	4,628,821	3,016,874	3,208,416	2,863,373
<b>Non-current liabilities</b>	5,966,695	6,020,410	4,344,428	3,548,464	3,513,860
<b>Total liabilities</b>	10,861,631	10,649,231	7,361,302	6,756,880	6,377,233
<b>Capital</b>	44,639	44,639	44,639	44,639	44,639
<b>Capital surplus</b>	3,031,947	2,958,854	2,956,106	2,950,327	2,954,840
<b>Capital adjustment</b>	-2,746,885	(-)2,159,389	(-)2,072,723	(-)2,019,567	(-)2,048,515
<b>Other Cumulative Profit/Loss</b>	915,306	356,192	1,591,258	490,010	
<b>Retained earnings</b>	9,909,752	9,448,185	8,914,970	7,847,434	7,267,649
<b>Total stockholders equity</b>	12,344,625	11,824,440	19,048,935	9,483,088	8,327,540
<b>Sales</b>	14,555,465	13,995,924	11,863,357	11,027,977	10,721,820
<b>Operating Profit (or Loss)</b>	1,878,544	1,755,268	2,101,955	2,621,132	2,670,616
<b>Profit (or Loss) from continuing operation before tax</b>	1,400,498	1,260,366	2,285,765	2,021,578	2,561,567
<b>Current Period's Net Profit</b>	1,055,606	972,338	1,562,265	1,449,552	1,868,307
<b>Net income attributable to majority interests</b>	1,247,182	1,215,719	1,648,876	1,451,491	1,872,978
<b>Number of Consolidated Companies</b>	29	35	26	18	17

\* See the attached Korean GAAP Consolidated Financial Statements.



**Table of Contents****IV. AUDITOR S OPINION****1. Auditor**

<b>Quarter ended March 31, 2010</b>	<b>Year ended December 31, 2009</b>	<b>Year ended December 31, 2008</b>
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Deloitte Anjin LLC

Deloitte Anjin LLC

Deloitte Anjin LLC

**2. Audit Opinion****Term****Auditor s opinion****Issues noted****Quarter ended March 31, 2010****Year ended December 31, 2009****Year ended December 31, 2008**

Unqualified

Unqualified

**3. Remuneration for Independent Auditors for the Past Three Fiscal Years****A. Audit Contracts**

(Unit: in thousands of Won)

<b>Term</b>	<b>Auditors</b>	<b>Contents</b>	<b>Fee</b>	<b>Total hours</b>
<b>Quarter ended March 31, 2010</b>	Deloitte Anjin LLC	Semi-annual review	1,470,000	16,135
		Quarterly review Non-consolidated financial statements audit Consolidated financial statements audit		
<b>Year ended December 31, 2009</b>	Deloitte Anjin LLC	Semi-annual review	1,308,356	13,982
		Quarterly review Non-consolidated financial statements audit Consolidated financial statements audit		
<b>Year ended December 31, 2008</b>	Deloitte Anjin LLC	Semi-annual review	1,310,097	13,346
		Quarterly review Non-consolidated financial statements audit Consolidated financial statements audit		

**Table of Contents**

## B. Non-Audit Services Contract with External Auditors

(Unit: in thousands of Won)

<b>Term</b>	<b>Contract date</b>	<b>Service provided</b>	<b>Service duration</b>	<b>Fee</b>
<b>Year ended</b>	May 13, 2009	Tax consulting	30 days	40,000
<b>December 31,</b>	May 22, 2009	Tax consulting	10 days	10,000
<b>2009</b>	May 22, 2009	Tax adjustment for fiscal year 2008	20 days	34,000
	May 22, 2009	Review of deferred corporate income tax for 1Q and 2Q	10 days	14,000
	September 14, 2009	Review of quarterly tax adjustments	5 days	7,000
	September 14, 2009	Tax consulting	20 days	20,000
	December 28, 2009	Review of quarterly tax adjustments	5 days	7,000
	December 28, 2009	Tax consulting	10 days	12,000
<b>Year ended</b>	November 20, 2007	Set up services for agency tax manual	60 days	48,000
<b>December 31,</b>	March 3, 2008	Tax adjustment for fiscal year 2007	10 days	33,000
<b>2008</b>	May 15, 2008	Tax consulting	5 days	7,500
	June 24, 2008	Foreign tax consulting re indirect taxes	4 days	6,000
	August 13, 2008	Tax consulting	10 days	9,400
	November 1, 2008	Tax consulting	4 days	5,000
	November 19, 2008	Tax consulting	10 days	10,800
	November 19, 2008	Review of deferred corporate income tax for 1Q and 2Q	10 days	18,000
	December 24, 2008	Review of deferred corporate income tax for 3Q	3 days	6,000
	December 24, 2008	Tax consulting	3 days	3,600
	December 24, 2008	Tax consulting	3 days	3,000
<b>Year ended</b>	March 30, 2007	Tax adjustment for fiscal year 2006	10 days	30,000
<b>December 31,</b>	September 28, 2007	Tax consulting for denial of deductions for corporate income tax	1 day	2,000
<b>2007</b>	September 28, 2007	Review of deferred corporate income tax for 1Q and 2Q	6 days	10,000
	September 28, 2007	Tax consulting	5 days	9,000
	December 31, 2007	Review of deferred corporate income tax for 3Q	2 days	5,000
	December 31, 2007	Tax consulting	3 days	3,000



**Table of Contents****V. MANAGEMENT DISCUSSION AND ANALYSIS**

Not required in quarterly and half year reports under the Korean disclosure rules.

**VI. CORPORATE ORGANIZATION INCLUDING BOARD OF DIRECTORS AND AFFILIATED COMPANIES****1. Board of Directors****A. Overview of Board of Directors Composition**

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

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

<b>Meeting</b>	<b>Date</b>	<b>Agenda</b>	<b>Approval</b>
<b>312<sup>nd</sup></b>		Financial Statements as of and for the year ended December 31, 2009.	Approved as proposed
<b>(the first meeting of 2010)</b>	January 27, 2010	Annual Business Report as of and for the year ended December 31, 2009 Report for Internal Accounting Management System Report for Subsequent Events following 4Q 2009	Approved as proposed
<b>313<sup>rd</sup></b>		Convocation of the 26 <sup>th</sup> Annual General Meeting of Shareholders	Approved as proposed
<b>(the second meeting of 2010)</b>	February 11, 2010	Result of Internal Accounting Management System Evaluation	
<b>314<sup>th</sup></b>		Appointment of Committee Members	Approved as proposed
<b>(the third meeting of 2010)</b>	March 12, 2010	Fund Management Transaction with Affiliated Financial Company (SK Security) Establishment of SPC and Limited Partnership Agreement between SPC and Offshore Private Equity Fund	Approved as proposed Approved as proposed

**Table of Contents**

<b>Meeting</b>	<b>Date</b>	<b>Agenda</b>	<b>Approval</b>
<b>315<sup>th</sup> (the fourth meeting of 2010)</b>	April 26, 2010	Establishment of SKT Customer Contact Channel Subsidiary	Approved as proposed
		Establishment of SKT Cell Site Maintenance Subsidiary	Approved as proposed
		Business Plan for Joint Venture with Disney	Approved as proposed
		Acquisition of Additional WCDMA Frequency	Approved as proposed
		Extension of KIF(Korea IT Fund) Maturity	Approved as proposed
		Partial Disposition of Shares of IHQ, Inc.	Approved as proposed
		Report for Subsequent Events following 1Q 2010	

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

(2) Independent Directors Activities at the Board of Directors Meetings

<b>Meetings</b>	<b>Dates</b>	<b>Independent Directors Attended</b>	<b>Description</b>
<b>The first meeting of 2010</b>	January 27, 2010	5 / 5	
<b>The second meeting of 2010</b>	February 11, 2010	5 / 5	
<b>The third meeting of 2010</b>	March 12, 2010	5 / 5	
<b>The fourth meeting of 2010</b>	April 26, 2010	5 / 5	

**Table of Contents**

## C. Committees within Board of Directors

## (1) Committee Structure

## a) Independent Director Nomination Committee

(As of May 14, 2010)

Number of Persons	Members		Remarks
	Inside Directors	Independent Directors	
4	Man Won Jung, Ki Haeng Cho	Rak Yong Uhm, Jae Ho Cho	

\* The Independent Director Nomination Committee is a committee established under the provisions of the Articles of Incorporation and Korean Commercial Code.

b) Audit Committee  
(As of May 14, 2010)

Number of Persons	Members		Remarks
	Inside Directors	Independent Directors	
4		Dal Sup Shim, Hyun Chin Lim, Jay Young Chung, Jae Ho Cho	

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

c) Compensation Review Committee  
(As of May 14, 2010)

Number of Persons	Members		Remarks
	Inside Directors	Independent Directors	
5		Dal Sup Shim, Rak Yong Uhm, Hyun Chin Lim, Jay Young Chung, Jae Ho Cho	

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

d) Capex Review Committee  
(As of May 14, 2010)

Number of Persons	Members		Remarks
	Inside Directors	Independent Directors	
4	Ki Haeng Cho	Dal Sup Shim, Rak Yong Uhm, Jay Young Chung	

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

**Table of Contents**

e) Corporate Citizenship Committee  
(As of May 14, 2010)

Number of Persons	Members		Remarks
	Inside Directors	Independent Directors	
4	Ki Haeng Cho	Rak Yong Uhm, Hyun Chin Lim, Jay Young Chung	

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

(2) Activities of the Committees of the Board of Directors (As of May 14, 2010)

Committee Name	Date of Activity	Agenda	Approval	Independent Directors	
				Rak Yong Uhm (Attendance: 100%)	Jae Ho Cho (Attendance: 100%)
Independent Director Nomination Committee	February 11, 2010	26th General Meeting of Shareholders: Proposal to nominate an Independent Director Dal Sup Shim	Approved as Proposed For		For
	April 26, 2010	Election of Chairman of Committee Man Won Jung	Approved as Proposed For		For

Committee Name	Date of Activity	Agenda	Approval	Independent Directors		
				Dal Sup Shim (Attendance: 100%)	Rak Yong Uhm (Attendance: 100%)	Jay Yung Chung (Attendance: 100%)
CapEx Committee	February 10, 2010	Business plan and pending agenda for major investment				
	March 11, 2010	Business plan and pending agenda for major investment				

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April 26, 2010	Election of Chairman of Committee Rak Yong Uhm	Approved as proposed	For	For	For
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\* Agendas filled  
in with hyphens  
are report only

Date of Activity	Agenda	Approval	Independent Directors			
			Dal Sup Shim (Attendance: 100%)	Rak Yong Uhm (Attendance: 100%)	Hyun Chin Lim (Attendance: 100%)	Jay Yung Chung (Attendance: 100%)
April 26, 2010	Election of Chairman of Committee Hyun Chin Lim	Approved as proposed	For	For	For	For

**Table of Contents**

Committee Name	Date of Activity	Agenda	Approval	Independent Directors		
				Rak Yong Uhm (Attendance: 100%)	Hyun Chin Lim (Attendance: 50%)	Jay Yung Chung (Attendance: 100%)
Corporate Citizenship Committee	March 12, 2010	Environment Friendly Business Plan Result of Social Contribution Expenditures Result and Plan for Win-Win Business Strategy				
		Election of Chairman of Committee Jay Young Chung	Approved as proposed	For	For	For
	April 23, 2010	Status of Customer Protection 2010 Ethical Management Plan				

\* Agendas filled  
in with hyphens  
are report only

**D. Directors Independence**

On February 11, 2010, in the notice of the annual General Meeting of Shareholders, background information on Cho, Ki Haeng, a candidate for inside director, and Shim, Dal Sup and Chung, Jay Young, candidates for independent directors, was publicly disclosed. There was no other nomination by shareholders. For the election of independent directors, the Company has established the Independent Director Nomination Committee, which is currently in operation. In the meeting of the Independent Director Nomination Committee held on February 11, 2010, the Committee nominated the independent director candidates.

- The Independent Director Nomination Committee. (As of May 14, 2010)

Name	Independent Director	Remarks
Man Won Jung	No	During the 31 <sup>st</sup> meeting of the Board of the Directors held on March 12, 2010, the Independent Director Nomination Committee was established.
Ki Haeng Cho	No	Director Sung Min Ha submitted his resignation on March 12, 2010.
Rak Yong Uhm	Yes	Director Ki Haeng Cho was elected on March 12, 2010.
Jae Ho Cho	Yes	





**Table of Contents****2. Audit System**

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

Major activities of the Audit Committee are as follows.

<b>Meeting</b>	<b>Date</b>	<b>Agenda</b>	<b>Approval</b>	<b>Remarks</b>
The first meeting of 2010	January 26, 2010	2 <sup>nd</sup> half 2009 Management Audit Results Evaluation of Internal Accounting Controls based on the Opinion of the Members of the Audit Committee Reports on Internal Accounting Management System	Approved as proposed	
The second meeting of 2010	February 10, 2010	Reports on 2009 Korean GAAP Audit Report on Review of 2009 Internal Accounting Management System Evaluation of Internal Accounting Management System Operation Auditor's Report for Fiscal Year 2009	Approved as proposed Approved as proposed	
The third meeting of 2010	March 11, 2010	2Q 2010 Transactions with SK C&C Co., Ltd. Construction of Mobile Phone Facilities for 2010 Construction of Network Facilities Purchase of Mobile Phone Relay Devices for 2010 Resale of Fixed-line Telephone Services of SK Broadband Fund Management Transaction with Affiliated Company (SK Securities) 2010 Management Audit Plan	Approved as proposed Approved as proposed Approved as proposed Approved as proposed Approved as proposed	
The fourth meeting of 2010	April 26, 2010	Election of the Chairman of Audit Committee Approval of Entire Auditor Services for 2010 Audit Plan for 2010 Auditor Fees for 2010	Approved as proposed Approved as proposed Approved as proposed	

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

**3. Shareholders' Exercises of Voting Rights****A. Voting System and Exercise of Minority Shareholders' Rights**

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

Articles of Incorporation

Description

Article 32 (3) (Election  
of Directors)

Cumulative voting under Article 382-2 of the Korean Commercial Code will not be applied for the election of directors.

Article 4 of the 12<sup>th</sup>  
Supplement to the  
Articles of Incorporation  
(Interim Regulation)

Article 32 (3) of the Articles of Incorporation shall remain effective until the day immediately preceding the date of the general shareholders meeting of 2003.

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

**Table of Contents**

**4. Affiliated Companies**

A. Capital Investments between Affiliated Companies

(As of April 1, 2010)

\* Based on common shares

Investing company	Invested companies										
	SK Corporation	SK Energy	SK Telecom	SK Networks	SK Chemicals	SKC	SK C&C	SK E&C	SK Shipping	SK E&S	SK Gas
SK Corporation		33.4%	23.2%	39.1%		42.5%		40.0%	72.1%	67.5%	45.5%
SK Energy											
SK Telecom							9.0%				
SK Networks									17.7%		
SK Chemicals					0.0%			18.0%			
SKC					0.5%				10.2%		
SK C&C	31.8%										
SK E&C										32.5%	
SK E&S											
SK Gas											
SK Marketing & Company											
SK D&D											
SK Communications											
SK Broadband											
SK Lubricant											
SK Securities											
<b>Total affiliated companies</b>	<b>31.8%</b>	<b>33.4%</b>	<b>23.2%</b>	<b>39.7%</b>	<b>0.0%</b>	<b>42.5%</b>	<b>9.0%</b>	<b>58.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>45.5%</b>

Investing company	Invested companies								
	SK Securities	SK Marketing & Power Company	SK DOPCO	SK CCES	SK YN Energy	SK Daehan City Gas	SK Sci-tech	SK NJC	SK Telink
SK Corporation		65.0%							
SK Energy			50.0%	38.3%					
SK Telecom			50.0%						90.8%
SK Networks	22.7%			4.6%					
SK Chemicals							50.0%	60.0%	
SKC	7.7%								
SK C&C									
SK E&C									
SK E&S					100.0%	100.0%	47.6%		
SK Gas									
SK Marketing & Company									
SK D&D									
SK Communications									

**SK Broadband**  
**SK Lubricant**  
**SK Securities**  
**Total affiliated**  
**companies**

30.4% 65.0% 100.0% 42.9% 100.0% 100.0% 47.6% 50.0% 60.0% 90.8%

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30

**Table of Contents**

Investing company	Busan JeonnamGangwon			Invested companies			SK	MRO	SK	
	City	City	City	M &	Chungnam	City				
SK Corporation	Gas	Gas	Gas	JBES	Service	Gas	Wyverns	Infosec	Korea	Telesys
SK Energy										
SK Telecom							100.0%			
SK Networks									51.0%	
SK Chemicals										
SKC										77.1%
SK C&C								100.0%		
SK E&C										
SK E&S	40.0%	100.0%	100.0%	100.0%		100.0%				
SK Gas										
SK Marketing & Company					100.0%					
SK D&D										
SK Communications										
SK Broadband										
SK Lubricant										
SK Securities										
Total affiliated companies	40.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	51.0%	77.1%

Investing company	F&U				Invested companies				SK	SK	SK
	Encar	Credit	TU	Media	SK	Loen	SK	SK			
SK Corporation	network	Info.	Paxnet	Media	D&D	Natru	Entertain	Indepen	Butro	chemical	Energy
SK Energy	87.5%						33.7%			100.0%	100.0%
SK Telecom		50.0%	59.7%	44.2%				63.5%			
SK Networks											
SK Chemicals											
SKC											
SK C&C									67.8%		
SK E&C					45.0%						
SK E&S											
SK Gas											
SK Marketing & Company											
SK D&D											
SK Communications											
SK Broadband											
SK Lubricant											

Investing company	Invested companies									
	SKC Media	NTREEVSK IHQ	SK Soft I	SK Media	SK Communication	SK Lubricant	I Platform	SKC Air Gas	SKN Service	Nuri Commerce Solution Planet
<b>SK Securities</b>										
<b>Total affiliated companies</b>	87.5%	90.0%	59.7%	44.2%	45.0%	33.7%	63.5%	67.8%	100.0%	100.0%
<b>SK Corporation</b>										
<b>SK Energy</b>						100.0%				
<b>SK Telecom</b>		37.1%	63.7%	64.8%						100.0%
<b>SK Networks</b>							66.7%		100.0%	
<b>SK Chemicals</b>										
<b>SKC</b>	100.0%							80.0%		
<b>SK C&amp;C</b>										46.3%

**Table of Contents**

**Invested companies**

	SKC	NTREEV	SK	SK	SK	I	SKC	SKN	Nuri	Commerce	
Investing company	Media	IHQ	Soft	I-Media	Communications	Lubricant	Platform	Gas	Service	Solution	Planet
SK E&C											
SK E&S											
SK Gas											
SK Marketing & Company											
SK D&D											
SK Communications				100.0%							
SK Broadband											
SK Lubricant											
SK Securities											
<b>Total affiliated companies</b>	100.0%	37.1%	63.7%	100.0%	64.8%	100.0%	66.7%	80.0%	100.0%	46.3%	100.0%

**Invested companies**

**SKC Sumray**

	SKC	Solmics	Corpo	SK	Broadband	Broadband	Broadband	UB	DOP	Pana	WS
Investing company	RealVest	Ltd.	ratio	Broadband	Media	D&M	CS	Care	Service	Blu	Commerce
SK Corporation										Co.,	
SK Energy										Ltd.	
SK Telecom				50.6%							
SK Networks											100.0%
SK Chemicals								44.0%			
SKC		48.7%	53.7%								
SK C&C											
SK E&C	100.0%								3.6%		
SK E&S									96.4%		
SK Gas										80.4%	
SK Marketing & Company											
SK D&D											
SK Communications											
SK Broadband					100.0%	100.0%	100.0%				
SK Lubricant											
SK Securities											
<b>Total affiliated companies</b>	100.0%	48.7%	53.7%	50.6%	100.0%	100.0%	100.0%	44.0%	100.0%	80.4%	100.0%

**Invested companies**

**Namwon  
Sarang**

	Electric		Jeju United	Daejeon Pure	MKS Guarantee	Zicos	PS & Marketing	SK Forest	Green Bio	SK Seentec
Investing company	Power	Incyto	FC	Water						
SK Corporation										
SK Energy			100.0%							
SK Telecom							100.0%			
SK Networks										
SK Chemicals										100.0%
SKC		100.0%								
SK C&C										
SK E&C				32.0%				100.0%		
SK E&S										
SK Gas									69.0%	
SK Marketing & Company										
SK D&D	100.0%				100.0%					
SK Communications										
SK Broadband										
SK Lubricant							100.0%			
SK Securities										
Total affiliated companies	100.0%	100.0%	100.0%	32.0%	100.0%	100.0%	100.0%	100.0%	69.0%	100.0%



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

## A. Shareholdings of the Largest Shareholder and Related Persons

(As of March 31, 2010)

(Unit: Shares, %)

Name	Relationship	Type of share	Number of shares owned and ownership ratio			
			Beginning of Period		End of Period	
			Number of shares	Ownership ratio	Number of shares	Ownership ratio
<b>SK Corporation</b>	Largest Shareholder	Common share	18,748,452	23.22	18,748,452	23.22
<b>Tae Won Chey</b>	Officer of affiliated company	Common share	100	0.00	100	0.00
<b>Shin Won Chey</b>	Officer of affiliated company	Common share	500	0.00	500	0.00
<b>Shin Bae Kim</b>	Officer of affiliated company	Common share	1,270	0.00	1,270	0.00
<b>Man Won Jung</b>	Director	Common share	0	0.00	4,000	0.00
<b>Sung Min Ha</b>	Director	Common share	738	0.00	738	0.00
<b>Bang Hyung Lee</b>	Officer of affiliated company	Common share	200	0.00	200	0.00
<b>Total</b>		Common share	18,751,260	23.23	18,755,260	23.23

## B. Overview of the Largest Shareholder

SK Corporation is a holding company and as of March 31, 2010, has nine subsidiaries: SK Energy Co., Ltd., SK Telecom Co., Ltd., SK Networks Co., Ltd., SK E&C Co., Ltd., SK E&S Co., Ltd., K-Power Co., Ltd., SK Shipping Co., Ltd., SKC Co., Ltd. and SK Gas Co., Ltd. SK Corporation also operates a life science business division within its holding company to nurture the division for future growth.

Details of SK Corporation's subsidiaries are as follows:

Affiliates	Share Holdings	Book Value	Industry	Description
<b>SK Energy Co., Ltd.</b>	33.40%	3,950,574	Energy	Publicly Listed
<b>SK Telecom Co., Ltd.</b>	23.22%	2,717,776	Telecommunication	Publicly Listed
<b>SK Networks Co., Ltd.</b>	39.12%	1,163,448	Energy Sale	Publicly Listed
<b>SK E&amp;S Co., Ltd.</b>	67.55%	409,639	Gas Company Holdings	Privately Held
<b>SK E&amp;C Co., Ltd.</b>	40.02%	402,086	Construction	Privately Held
<b>SK Shipping Co., Ltd.</b>	72.13%	306,300	Ocean Freight	Privately Held
<b>K-Power Co., Ltd.</b>	65.00%	276,088	Power Generation	Privately Held
<b>SKC Co., Ltd.</b>	42.50%	262,325	Synthetic Resin Manufacturing	Publicly Listed
<b>SK Gas Co., Ltd.</b>	45.53%	241,400	Gas	Publicly Listed

\* The above share holdings are based on

common stock  
holdings as of  
March 31, 2010.

**Table of Contents**

SK Corporation is a publicly listed company and is required to submit a report of its significant business activities in accordance with Article 161 of the Financial Investment Services and Capital Markets Act. Also as a holding company, SK Corporation is required to report key management activities in accordance with Article 8 of Regulation on Securities Issuance and Disclosure. The rule is applicable to subsidiaries whose book value of the holding company's shareholding exceeds 10% of its total assets based on the financial statements as of December 31, 2009. SK Energy Co., Ltd., SK Telecom Co., Ltd. and SK Networks Co., Ltd. are three such subsidiaries.

**2. Changes in shareholdings of the Largest Shareholder**

Changes in shareholdings of the largest shareholder are as follows.

(Unit: Shares, %)

<b>Largest Shareholder</b>	<b>Date of the change in the largest shareholder/ Date of change in shareholding</b>	<b>Shares Held</b>	<b>Holding Ratio</b>	<b>Remarks</b>
	March 7, 2008	18,751,260	23.09	Purchased 1,085,325 shares from SK Networks on March 7, 2008
<b>SK Corporation</b>	March 13, 2009	18,751,360	23.22	At the 25 <sup>th</sup> General Meeting of Shareholders, elected the CEO, Man Won Jung (who owns 100 shares of the Company stock)
	December 30, 2009	18,755,260	23.23	Man Won Jung, the CEO, purchased 3,900 shares.

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

**3. Distribution of Shares**

A. Shareholders with ownership of 5% or more

(As of December 31, 2009)

(Unit: shares, %)

<b>Rank</b>	<b>Name (title)</b>	<b>Common share</b>		<b>Preferred share</b>		<b>Sub-total</b>	
		<b>Number of shares</b>	<b>Ownership ratio</b>	<b>Number of shares</b>	<b>Ownership ratio</b>	<b>Number of shares</b>	<b>Ownership ratio</b>
<b>1</b>	<b>Citibank ADR</b>	24,000,794	29.72			24,000,794	29.72
<b>2</b>	<b>SK Corporation</b>	18,748,452	23.22			18,748,452	23.22
<b>3</b>	<b>SK Telecom</b>	8,400,712	10.4			8,400,712	10.4
	<b>Total</b>	51,149,958	63.34			51,149,958	63.34

**Table of Contents****B. Shareholdings under the Employee Stock Ownership Program**

As the relevant law requires an immediate transfer of the shares directly purchased by the employees to the account of the individual purchasers, the Company transfers and holds the employees' stocks in separate individual accounts within the program once the number of shares for each individual member is determined.

(As of March 31, 2010)

(Unit: Shares)

<b>Classification</b>	<b>Account classification</b>	<b>Type of share</b>	<b>Balance at the beginning of period (Unit: Shares)</b>	<b>Balance at the end of period (Unit: Shares)</b>
5th	Employee Stock Ownership Program	Common shares	106,975	104,680
8th	Member Account		360,949	350,268
	<b>Total</b>		<b>467,924</b>	<b>454,948</b>

**C. Shareholder Distribution**

(As of December 31, 2009)

<b>Classification</b>	<b>Number of shareholders</b>	<b>Ratio (%)</b>	<b>Number of shares</b>	<b>Ratio (%)</b>	<b>Remarks</b>
<b>Total minority shareholders</b>	46,167	99.98	25,122,635	31.11	
<b>Minority shareholders (corporate)</b>	886	1.92	7,009,987	8.68	
<b>Minority shareholders (individual)</b>	45,275	98.05	18,105,840	22.42	
<b>Minority shareholders (Largest Shareholder and Related Persons)</b>	6	0.01	6,808	0.01	
<b>Major shareholders</b>					
<b>Total other shareholders</b>	9	0.02	55,623,076	68.89	
<b>Other shareholders (corporate)</b>	6	0.01	12,056,154	14.93	
<b>Other shareholders (individual)</b>	2	0.01	24,818,470	30.74	
<b>Other shareholders (Largest Shareholder and Related Persons)</b>	1	0	18,748,452	23.22	
<b>Total</b>	46,176	100	80,745,711	100	

35

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

## A. Domestic Securities Market

(Unit: Won, shares)

Types		March 2010	February 2010	January 2010	December 2009	November 2009	October 2009
Common stock	Highest	181,000	179,500	188,000	178,500	184,000	190,500
	Lowest	170,500	172,500	168,500	169,500	169,500	180,000
Monthly transaction volume		5,930,499	4,069,784	8,158,161	4,145,529	4,533,236	7,105,786

## B. Overseas Securities Market

## New York Stock Exchange

(Unit: US\$, ADR)

Types		March 2010	February 2010	January 2010	December 2009	November 2009	October 2009
Depository Receipt	Highest	17.78	17.33	18.33	16.84	17.46	18.58
	Lowest	16.66	16.32	16.48	16.04	16.57	16.54
Monthly transaction volume		31,245,982	25,609,380	29,907,572	27,264,234	36,094,216	44,965,284

**VIII. EMPLOYEES**

(As of March 31, 2010)

(Unit: persons, in millions of Won)

**Number of employees**

Classification	Office managerial positions	Production positions	Others	Total	Average service year	Aggregate	Average	Remarks
						wage for 2009	wage per person	
Male	3,856			3,856	12.1	68,637	18	
Female	625			625	10.0	9,108	14	
Total	4,481			4,481	11.8	77,745	17	

36

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

(As of March 31, 2010)

(Unit: in millions of Won)

Name (Corporate name)	Relationship	Account category	Change details			Accrued interest	Remarks
			Beginning	Increase	Decrease		
		Long-term and short-term loans					
SK Wyverns	Affiliated company		2,982			2,982	66

(Unit: in millions of Won)

Name (Corporate Name)	Relationship	Investment and Disposal Details					End of Period	Remarks
		Types of Investment	Beginning of Period	Increase	Decrease	Transaction Details		
Hana SK Card Co., Ltd.	Affiliated company			401,871			401,871	
SKT Americas, Inc.	Affiliated company		30,457	14,058			44,516	
SK Telecom China Holdings Co., Ltd.	Affiliated company		29,595	4,656			34,251	
	Total		60,052	420,585			480,637	

**2. Transfer of Assets to/from the Largest Shareholder**

## A. Transfer of Assets

(Units: in thousands of Won)

Name (Corporate Name)	Relationship	Purpose of Transfer	Date of Transfer	Details		Remarks
				Amount Transferred From Largest Shareholder	Amount Transferred to Largest Shareholder	
Encar Network Co., Ltd.	Affiliated Company	Automobiles Sale of automobiles not in use	February 25, 2010		235,909	
SK Telesys	Affiliated Company	2G devices not in use	March 31, 2010		381,453	
PS & Marketing Co., Ltd.	Affiliated Company	Network asset not in use	March 31, 2010		82,701	
	Total				700,063	



**Table of Contents**

## B. Transfer of Business

(Units: in thousands of Won)

Name (Corporate Name)	Relationship	Transferred Objects	Purpose of Transfer	Date of Transfer	Details		Remarks
					Amount Transferred From Largest Shareholder	Amount Transferred to Largest Shareholder	

Total

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

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

Agents

(Unit: in millions of Won)

Name (Corporate name)	Relationship	Account category	Change details				Accrued interest	Remarks
			Beginning	Increase	Decrease	Ending		
Hong Eun and others	Agency	Long-term and short-term loans	73,490	76,965	68,283	82,172		
Overseas investment companies								

(Unit: in millions of Won)

Name (Corporate name)	Relationship	Account category	Change details				Accrued interest	Remarks
			Beginning	Increase	Decrease	Ending		
DSS Mobile Com. (India)	Overseas Investment company	Long-term loans	18,887			18,887	Payment guarantee	

38



**Table of Contents**

## B. Equity Investments

(Unit: in millions of Won)

Name (Corporate Name)	Relation-ship Category	Investment and Disposition Details			End of Period	Remarks
		Beginning of Period	Increase	Decrease		
Skylake Global Incubest Fund #1		1,679	25		1,704	
	<b>Total</b>	1,679	25		1,704	

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

## A. Status and Progress of Major Management Events

Date of Disclosure	Title	Report	Reports status
October 26, 2001	Resolution on trust agreement for the acquisition of treasury shares and others	1. Signatories: Shinhan Bank, Hana Bank, Chohung Bank, Korea Exchange Bank 2. Contract amount: Won 1,300 billion 3. Purpose: to increase shareholder value	1. On December 24, 2003, cash surplus amount from the existing trust agreement was partially reduced (Won 318 billion). 2. On September 24, 2004, the Board of Directors extended the term of the specified monetary trust agreement for 3 years. 3. On October 16, 2007, the Board of Directors extended the term of the specified monetary trust agreement for 3 years. 4. As of December 31, 2008, the balance of specified monetary trust for treasury shares was Won 982 billion.

**Table of Contents**

## B. Summary Minutes of the General Meeting of Shareholders

<b>Date</b>	<b>Agenda</b>	<b>Resolution</b>
23 <sup>rd</sup> Fiscal Year Meeting of Shareholders (March 9, 2007)	1. Approval of the financial statements for the year ended December 31, 2006 2. Remuneration limit for Directors 3. Election of Directors - Election of inside directors - Election of independent directors as Audit Committee members	Approved (Cash dividend, Won 7,000 per share)  Approved (Won 12 billion)  Approved (Jung Nam Cho, Sung Min Ha) Approved (Dal Sup Shim)
24 <sup>th</sup> Fiscal Year Meeting of Shareholders (March 14, 2008)	1. Approval of the Financial Statements for the year ended December 31, 2007 2. Amendment to Articles of Incorporation 3. Approval of Remuneration Limit for Directors 4. Election of Directors - Election of inside directors - Election of independent directors - Election of independent directors as Audit Committee member	Approved (Cash dividend, Won 8,400 per share)  Approved Approved (Won 12 billion)  Approved (Shin Bae Kim, Young Ho Park) Approved (Rak Yong Uhm, Jay Young Chung) Approved (Jae Ho Cho)
25 <sup>th</sup> Fiscal Year Meeting of Shareholders (March 13, 2009)	1. Approval of the financial statements for the year ended December 31, 2008 2. Approval of Remuneration Limit for Directors 3. Amendment to Company Regulation on Executive Compensation 4. Election of Directors - Election of inside directors - Election of independent directors - Election of independent directors as Audit Committee member	Approved (Cash dividend, Won 8,400 per share)  Approved (Won 12 billion) Approved  Approved (Jae Won Chey, Man Won Jung) Approved (Hyun Chin Lim) Approved (Hyun Chin Lim)
26 <sup>th</sup> Fiscal Year Meeting of Shareholders (March 12, 2010)	1. Approval of the financial statements for the year ended December 31, 2009 2. Amendment to Articles of Incorporation 3. Approval of Remuneration Limit for Directors 4. Election of Directors - Election of inside directors - Election of independent directors - Election of independent directors as Audit Committee member	Approved (Cash dividend, Won 8,400 per share)  Approved Approved (Won 12 billion)  Approved (Cho, Ki Haeng) Approved (Shim, Dal Sup) Approved (Shim, Dal Sup, Chung, Jay Young)

**2. Contingent Liabilities**

## A. Material Legal Proceedings

**Table of Contents**

- Not applicable

**B. Other Matters**

The Company has no other blank bills, mortgage bills, assumption of debt agreement or other contingent liabilities.

**3. Status of sanctions, etc.**

**A. Status of sanctions**

The Company was sanctioned with a fine of Won 50 million on December 30, 2008 for a violation of Telecommunications Law involving its mismanagement of privacy policy. The Company continues to improve related system security and is implementing system enhancements, such as introduction of scanning devices, to avoid unnecessary keeping of applications at the distributor level.

Due to the Company's ineffective measures taken with respect to phone numbers that are used for sending illegal unsolicited bulk messages, the Korea Communications Committee, on April 23, 2009, ordered the Company to improve its work procedures. The Company completed the upgrade of the related computer system to prevent illegal messages on October 10, 2009.

On September 2, 2009, the Korea Communications Committee ordered the Company to improve its work procedures in a case relating to the obstruction of subscribers' utilization of wireless internet services. The Company completed the improvement of the procedures in consultation with the Korea Communications Committee by December 8, 2009. On October 13, 2009, the Korea Communications Committee imposed on the Company a fine of Won 140 million and a newspaper notice order in a case relating to the subscription for mobile telephone services using national identification numbers of the deceased and the Company's failure to verify the required documents. The Company implemented the improved work procedures to strengthen identification process at the time of subscription for mobile telephone services in January 2010.

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

Also on February 3, 2009, the Company received a correctional order and a fine of Won 500 million from the Fair Trade Commission of Korea involving an unfair trade interference practice including refusal of applications for subscription for certain PDA phones distributed by third party manufacturers. The Company filed a suit at the Seoul High Court, which found in favor of the Company and cancelled the Fair Trade Commission's correctional order and fine. The Company has instituted a legal proceeding to receive the fine already paid and will endeavor to prevent a similar incident from occurring again and to increase its business partners' and customers' values.

**Table of Contents**

***SK TELECOM CO., LTD.***

*NON-CONSOLIDATED FINANCIAL STATEMENTS*

*FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009*

*AND INDEPENDENT ACCOUNTANTS REVIEW REPORT*

42

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**Table of Contents**

**Independent Accountants Review Report**

English Translation of a Report Originally Issued in Korean

To the Stockholders and Board of Directors of

SK Telecom Co., Ltd.

We have reviewed the accompanying non-consolidated statement of financial position of SK Telecom Co., Ltd. (the Company ) as of March 31, 2010, and the related non-consolidated statements of income, changes in stockholders equity and cash flows for the three months ended March 31, 2010 and 2009, all expressed in Korean won. These financial statements are the responsibility of the Company s management. Our responsibility is to issue a report on these financial statements based on our reviews.

We conducted our reviews in accordance with standards for review of interim financial statements in the Republic of Korea. Those standards require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and this provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our reviews, nothing has come to our attention that causes us to believe that the financial statements referred to above are not presented fairly, in all material respects, in conformity with accounting principles generally accepted in the Republic of Korea.

We have previously audited, in accordance with auditing standards generally accepted in the Republic of Korea, the non-consolidated statement of financial position of the Company as of December 31, 2009, and the related non-consolidated statements of income, appropriations of retained earnings, changes in stockholders equity and cash flows for the year then ended (not presented herein); and in our report dated February 17, 2010, we expressed an unqualified opinion on those non-consolidated financial statements. The accompanying non-consolidated statement of financial position as of December 31, 2009, which is comparatively presented, does not differ in material respects from such audited non-consolidated statement of financial position.

Our reviews also comprehended the translation of the Korean won amounts into U.S. dollar amounts and nothing has come to our attention that causes us to believe that such translation has not been made in conformity with the basis stated in Note 2. Such U.S. dollar amounts are presented solely for the convenience of readers of financial statements.

**Table of Contents**

Accounting principles and review standards and their application in practice vary among countries. The accompanying financial statements are not intended to present the financial position, results of operations, changes in stockholders equity and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Republic of Korea. In addition, the procedures and practices utilized in the Republic of Korea to review such financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying non-consolidated financial statements are for use by those knowledgeable about Korean accounting procedures and review standards and their application in practice.

April 12, 2010

**Notice to Readers**

This report is effective as of April 12, 2010, the accountants' review report date. Certain subsequent events or circumstances may have occurred between the accountants' review report date and the time the accountants' review report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modification to the accountants' review report.

44

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**Table of Contents**

**SK TELECOM CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2010 AND DECEMBER 31, 2009**

	Korean won		Translation into U.S. dollars (Note 2)	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
ASSETS	(In millions)		(In thousands)	
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	₩ 463,136	₩ 420,576	\$ 409,420	\$ 371,796
Short-term financial instruments (Note 14)	309,858	178,057	273,920	157,405
Short-term investment securities (Note 3)	383,510	370,182	339,029	327,247
Accounts receivable – trade, net of allowance for doubtful accounts of ₩162,787 million as of March 31, 2010 and ₩142,702 million as of December 31, 2009 (Note 15)	1,354,402	1,557,514	1,197,314	1,376,869
Short-term loans, net of allowance for doubtful accounts of ₩1,133 million as of March 31, 2010 and ₩933 million as of December 31, 2009 (Notes 5 and 15)	86,614	66,888	76,568	59,130
Accounts receivable – other, net of allowance for doubtful accounts of ₩28,268 million and present value of ₩3,616 million as of March 31, 2010 and ₩26,059 million and ₩8,478 as of December 31, 2009 (Note 15)	2,209,799	2,032,757	1,953,500	1,796,992
Inventories	14,746	22,656	13,036	20,028
Prepaid expenses	127,553	112,762	112,759	99,684
Current deferred income tax assets, net (Note 11)	237,557	194,825	210,004	172,229
Accrued income and other	47,198	26,835	41,724	23,723
<b>Total Current Assets</b>	<b>5,234,373</b>	<b>4,983,052</b>	<b>4,627,274</b>	<b>4,405,103</b>
<b>NON-CURRENT ASSETS:</b>				
Property and equipment, net (Notes 6 and 15)	4,877,181	5,196,521	4,311,511	4,593,813
Intangible assets, net (Note 7)	2,563,368	2,665,936	2,266,061	2,356,733
Long-term financial instruments (Note 14)	6,519	6,519	5,763	5,763
Long-term investment securities (Note 3)	2,239,764	2,420,262	1,979,989	2,139,553
Equity securities accounted for using the equity method (Notes 4 and 18)	3,050,761	2,680,872	2,696,925	2,369,936

Long-term loans, net of allowance for doubtful accounts of ₩24,099 million as of March 31, 2010 and ₩24,250 million as of December 31, 2009 (Notes 5 and 15)

	49,183	64,216	43,479	56,768
Long-term accounts receivable other	846,228	761,647	748,080	673,309
Guarantee deposits (Note 15)	168,836	172,021	149,254	152,069
Long-term currency swap (Note 17)	193,444	223,173	171,008	197,289
Long-term deposits and other	109,524	123,414	96,820	109,099
Total Non-current Assets	14,104,808	14,314,581	12,468,890	12,654,332
TOTAL ASSETS	₩ 19,339,181	₩ 19,297,633	\$ 17,096,164	\$ 17,059,435

(Continued)



**Table of Contents**

**SK TELECOM CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**MARCH 31, 2010 AND DECEMBER 31, 2009**

	Korean won		Translation into U.S. dollars (Note 2)	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
	(In millions)		(In thousands)	
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable (Note 15)	₩ 1,918,815	₩ 1,136,475	\$ 1,696,265	\$ 1,004,663
Income tax payable	204,072	381,940	180,403	337,641
Accrued expenses (Note 16)	921,207	934,372	814,363	826,001
Withholdings	432,673	250,656	382,490	221,584
Current portion of long-term debt, net (Note 8)	384,415	513,277	339,829	453,746
Current portion of subscription deposits	6,045	6,804	5,344	6,015
Currency swap (Note 17)	50,461	35,145	44,608	31,069
Interest swap (Note 17)	1,110	1,173	981	1,037
Advanced receipts and other	47,528	34,791	42,017	30,756
Total Current Liabilities	3,966,326	3,294,633	3,506,300	2,912,512
<b>NON-CURRENT LIABILITIES:</b>				
Bonds payable, net (Note 8)	3,313,624	3,349,216	2,929,300	2,960,764
Long-term borrowings (Note 9)	813,080	816,760	718,777	722,030
Subscription deposits	5,988	5,480	5,293	4,844
Long-term payables other, net of present value discount of nil as of March 31, 2010 and ₩5,837 million as of December 31, 2009		164,163		145,123
Accrued severance indemnities, net	34,045	25,155	30,096	22,237
Non-current deferred income tax liabilities, net (Note 11)	139,048	210,859	122,921	186,403
Long-term currency swap (Note 17)	22,690	18,281	20,058	16,161
Long-term interest swap (Note 17)	20,456	16,215	18,083	14,334
Guarantee deposits received and other (Notes 15 and 16)	221,524	155,421	195,831	137,395
Total Non-current Liabilities	4,570,455	4,761,550	4,040,359	4,209,291
Total Liabilities	8,536,781	8,056,183	7,546,659	7,121,803
<b>STOCKHOLDERS EQUITY:</b>				
Capital stock (Notes 1 and 10)	44,639	44,639	39,462	39,462

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Capital surplus (Notes 4, 8 and 10)	3,031,947	3,032,009	2,680,293	2,680,347
Capital adjustments:				
Treasury stock (Note 1)	(1,992,083)	(1,992,083)	(1,761,035)	(1,761,035)
Loss on disposal of treasury stock	(716)	(716)	(633)	(633)
Equity method in capital adjustments (Note 4)	(52,482)	(52,626)	(46,395)	(46,522)
Other capital adjustments	(662,983)	(662,983)	(586,088)	(586,088)
Accumulated other comprehensive income (loss) (Note 12):				
Unrealized gain on valuation of long-term investment securities, net (Note 3)	862,000	1,003,145	762,023	886,797
Equity in other comprehensive loss of affiliates, net (Note 4)	(93,526)	(84,809)	(82,679)	(74,973)
Gain on valuation of currency swap, net (Note 17)	5,143	6,516	4,546	5,760
Loss on valuation of interest swap, net (Note 17)	(12,886)	(10,932)	(11,392)	(9,665)
Retained earnings:				
Appropriated	9,350,386	8,890,053	8,265,900	7,858,958
Unappropriated	322,961	1,069,237	285,503	945,224
 Total Stockholders Equity	 10,802,400	 11,241,450	 9,549,505	 9,937,632

TOTAL LIABILITIES AND STOCKHOLDERS

EQUITY ₩ 19,339,181 ₩ 19,297,633 \$ 17,096,164 \$ 17,059,435

See accompanying notes to non-consolidated financial statements.

**Table of Contents**

**SK TELECOM CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009**

	Korean won		Translation into U.S. dollars (Note 2)	
	2010	2009	2010	2009
	(In millions except for per share data)		(In thousands except for per share data)	
OPERATING REVENUE (Note 15)	₩ 3,018,246	₩ 2,876,461	\$ 2,668,181	\$ 2,542,840
<b>OPERATING EXPENSES:</b>				
Labor cost	(200,115)	(189,451)	(176,905)	(167,478)
Commissions paid (Note 15)	(1,211,902)	(1,001,487)	(1,071,342)	(885,332)
Depreciation and amortization (Notes 6 and 7)	(457,780)	(400,716)	(404,685)	(354,240)
Network interconnection	(262,981)	(256,056)	(232,480)	(226,358)
Leased line	(46,043)	(98,090)	(40,703)	(86,713)
Advertising	(42,902)	(44,077)	(37,926)	(38,965)
Research and development	(61,346)	(59,372)	(54,231)	(52,486)
Rent	(72,984)	(63,760)	(64,519)	(56,364)
Frequency usage	(39,388)	(39,180)	(34,820)	(34,636)
Repair	(36,422)	(28,901)	(32,198)	(25,549)
Cost of goods sold	(15,586)	(7,307)	(13,778)	(6,460)
Other	(90,327)	(124,057)	(79,850)	(109,667)
Sub-total	(2,537,776)	(2,312,454)	(2,243,437)	(2,044,248)
<b>OPERATING INCOME</b>	<b>480,470</b>	<b>564,007</b>	<b>424,744</b>	<b>498,592</b>
<b>OTHER INCOME:</b>				
Interest income (Note 3)	45,244	42,520	39,996	37,588
Dividends	20,186	59,291	17,845	52,414
Commissions (Note 15)	4,264	2,824	3,769	2,496
Reversal of allowance for doubtful accounts	174		154	
Foreign exchange and translation gain	24,039	144,829	21,251	128,032
Equity in earnings of affiliates (Note 4)	15,462	11,197	13,669	9,898
Gain on valuation of short-term investment securities (Note 3)		5,844		5,166
Gain on disposal of property and equipment and intangible assets	5,944	292	5,255	258
Gain on valuation of currency swap (Note 17)		13,282		11,742
Other	9,011	12,869	7,966	11,377

Sub-total	124,324	292,948	109,905	258,971
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(Continued)

47

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**Table of Contents**

**SK TELECOM CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF INCOME (CONTINUED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009**

	Korean won		Translation into U.S. dollars (Note 2)	
	2010 (In millions except for per share data)	2009 (In millions except for per share data)	2010 (In thousands except for per share data)	2009 (In thousands except for per share data)
<b>OTHER EXPENSES:</b>				
Interest and discounts	(₩ 70,629)	(₩ 71,323)	(\$ 62,437)	(\$ 63,051)
Donations	(31,999)	(12,422)	(28,288)	(10,981)
Foreign exchange and translation loss	(1,950)	(54,933)	(1,724)	(48,562)
Loss on valuation of short-term investment securities (Note 3)	(3,439)		(3,040)	
Equity in losses of affiliates (Note 4)	(48,800)	(47,997)	(43,140)	(42,430)
Impairment loss on investment securities (Note 3)		(3,186)		(2,816)
Loss on disposal of investment assets	(1)	(878)	(1)	(776)
Loss on disposal of property, equipment and intangible assets	(2,305)	(160)	(2,038)	(141)
Impairment loss on assets	(108)		(95)	
Loss on valuation of currency swap (Note 17)	(18,434)	(221,622)	(16,296)	(195,918)
Loss on transactions of currency swap		(4,348)		(3,844)
Loss on valuation of interest swap (Note 17)	(1,642)		(1,452)	
External research and development cost	(10,439)	(13,906)	(9,228)	(12,293)
Other	(6,095)	(2,884)	(5,388)	(2,550)
 Sub-total	 (195,841)	 (433,659)	 (173,127)	 (383,362)
 INCOME BEFORE INCOME TAX	 408,953	 423,296	 361,522	 374,201
 PROVISION FOR INCOME TAX (Note 11)	 (87,198)	 (106,548)	 (77,085)	 (94,190)
 NET INCOME	 ₩ 321,755	 ₩ 316,748	 \$ 284,437	 \$ 280,011
 NET INCOME PER SHARE (In Korean won and U.S. dollars) (Note 13)	 ₩ 4,448	 ₩ 4,378	 \$ 3,932	 \$ 3,870
 DILUTED NET INCOME PER SHARE				

(In Korean won and U.S. dollars) (Note  
13)

₩	4,389	₩	4,335	\$	3,880	\$	3,832
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See accompanying notes to non-consolidated financial statements.

48

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**Table of Contents**

**NON-CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY  
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009  
SK TELECOM CO., LTD.**

	Common stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total stockholders equity
<b>(In millions of Korean won)</b>						
Balance, January 1, 2009	₩ 44,639	₩ 2,957,095	(₩ 2,147,530)	₩ 373,785	₩ 9,501,018	₩ 10,729,007
Cash dividends					(609,203)	(609,203)
Net income					316,748	316,748
Treasury stock			63,538		(92,476)	(28,938)
Loss on disposal of treasury stock		(721)	(716)			(1,437)
Unrealized loss on valuation of long-term Investment securities, net (Notes 3 and 12)				(218,249)		(218,249)
Equity in other comprehensive income changes of affiliates, net (Notes 4 and 12)		1,758	16,014	6,976	(56,043)	(31,295)
Loss on valuation of currency swap, net (Notes 12 and 17)				(21,381)		(21,381)
Gain on valuation of interest swap, net (Notes 12 and 17)				1,664		1,664
Balance, March 31, 2009	₩ 44,639	₩ 2,958,132	(₩ 2,068,694)	₩ 142,795	₩ 9,060,044	₩ 10,136,916
Balance, January 1, 2010	₩ 44,639	₩ 3,032,009	(₩ 2,708,407)	₩ 913,919	₩ 9,959,290	₩ 11,241,450
Cash dividends					(607,698)	(607,698)
Net income					321,755	321,755
Unrealized loss on valuation of long-term				(141,144)		(141,144)

Investment securities, net (Notes 3 and 12)						
Equity in other comprehensive income changes of affiliates, net (Notes 4 and 12)	(62)	143	(8,718)			(8,637)
Loss on valuation of currency swap, net (Notes 12 and 17)			(1,373)			(1,373)
Loss on valuation of interest swap, net (Notes 12 and 17)			(1,953)			(1,953)
Balance, March 31, 2010	₩ 44,639	₩ 3,031,947	(₩ 2,708,264)	₩ 760,731	₩ 9,673,347	₩ 10,802,400

(Continued)



**Table of Contents****SK TELECOM CO., LTD.****NON-CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY (CONTINUED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009**

	Common stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total stockholders equity
<b>(In thousands of U.S. dollars)</b>						
Balance, January 1, 2009	\$ 39,462	\$ 2,614,122	(\$1,898,453)	\$ 330,432	\$ 8,399,061	\$ 9,484,624
Cash dividends					(538,546)	(538,546)
Net income					280,011	280,011
Treasury stock			56,168		(81,750)	(25,582)
Loss on disposal of treasury stock		(637)	(633)			(1,270)
Unrealized loss on valuation of long-term investment securities, net (Notes 3 and 12)				(192,936)		(192,936)
Equity in other comprehensive income changes of affiliates, net (Notes 4 and 12)		1,554	14,157	6,167	(49,543)	(27,665)
Loss on valuation of currency swap, net (Notes 12 and 17)				(18,901)		(18,901)
Gain on valuation of interest swap, net (Notes 12 and 17)				1,471		1,471
Balance, March 31, 2009	\$ 39,462	\$ 2,615,039	(\$1,828,761)	\$ 126,233	\$ 8,009,233	\$ 8,961,206
Balance, January 1, 2010	\$ 39,462	\$ 2,680,347	(\$2,394,277)	\$ 807,918	\$ 8,804,182	\$ 9,937,632
Cash dividends					(537,216)	(537,216)
Net income					284,437	284,437
Unrealized loss on valuation of long-term investment securities, net (Notes 3 and 12)				(124,773)		(124,773)
Equity in other comprehensive income changes of affiliates, net (Notes 4 and 12)		(54)	126	(7,706)		(7,634)

Loss on valuation of currency swap, net (Notes 12 and 17)				(1,215)		(1,215)
Loss on valuation of interest swap, net (Notes 12 and 17)				(1,726)		(1,726)

Balance, March 31, 2010	\$ 39,462	\$ 2,680,293	(\$2,394,151)	\$ 672,498	\$ 8,551,403	\$ 9,549,505
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See accompanying notes to non-consolidated financial statements.

**Table of Contents**

**SK TELECOM CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009**

	Korean won		Translation into U.S. dollars (Note 2)	
	2010	2009	2010	2009
	(In millions)		(In thousands)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net income	₩ 321,755	₩ 316,748	\$ 284,437	\$ 280,011
Expenses not involving cash payments:				
Provision for severance indemnities	9,453	8,906	8,357	7,873
Depreciation and amortization	494,385	432,708	437,045	382,521
Allowance for doubtful accounts	17,925	52,723	15,846	46,608
Foreign translation loss	342	47,685	302	42,155
Loss on valuation of short-term investment securities	3,439		3,040	
Equity in losses of affiliates	48,800	47,997	43,140	42,430
Impairment loss on investment securities		3,186		2,816
Loss on disposal of investment assets	1	878	1	776
Loss on disposal of property, equipment and Intangible assets	2,305	160	2,038	141
Impairment loss on assets	108		95	
Loss on valuation of currency swap	18,434	221,622	16,296	195,918
Loss on valuation of interest swap	1,642		1,452	
Amortization of discounts on bonds and other	9,594	9,325	8,481	8,244
 Sub-total	 606,428	 825,190	 536,093	 729,482
Income not involving cash receipts:				
Foreign translation gain	(22,792)	(139,764)	(20,148)	(123,554)
Reversal of allowance for doubtful accounts	(174)		(154)	
Equity in earnings of affiliates	(15,462)	(11,197)	(13,669)	(9,898)
Gain on valuation of short-term investment securities		(5,844)		(5,166)
Gain on disposal of property, equipment and Intangible assets	(5,944)	(292)	(5,255)	(258)
Gain on valuation of currency swap		(13,282)		(11,742)
Other		(36)		(32)
 Sub-total	 (44,372)	 (170,415)	 (39,226)	 (150,650)
Changes in assets and liabilities related to operating activities:				
Accounts receivable trade	186,982	(11,006)	165,295	-9,729

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Accounts receivable other	(179,170)	(277,330)	(158,389)	(245,164)
Inventories	7,910	(3,184)	6,993	(2,815)
Prepaid expenses	5,344	7,557	4,724	6,681
Accrued income and other	(21,428)	5,498	(18,944)	4,859
Long-term accounts receivable other	(84,581)	(40,695)	(74,771)	(35,975)
Accounts payable	174,978	209,211	154,684	184,946
Income tax payable	(183,617)	(142,459)	(162,321)	(125,936)
Accrued expenses	21,904	47,640	19,364	42,115
Withholdings	182,018	58,789	160,907	51,970
Current portion of subscription deposits	(760)	(26)	(672)	(23)
Advanced receipts and other	12,736	5,829	11,259	5,153
Deferred income taxes	(70,541)	(29,174)	(62,359)	(25,790)
Severance indemnities payments	(3,713)	(1,463)	(3,282)	(1,293)
Deposits for group severance indemnities and other deposits	2,977	981	2,632	867
Dividends received from affiliate	9,016	6,817	7,970	6,026
Sub-total	60,055	(163,015)	53,090	(144,108)
Net Cash Provided by Operating Activities	943,866	808,508	834,394	714,735

(Continued)

**Table of Contents**

**SK TELECOM CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009**

	Korean won		Translation into U.S. dollars (Note 2)	
	2010 (In millions)	2009	2010 (In thousands)	2009
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Cash inflows from investing activities:				
Proceeds from disposal of property and equipment	₩ 14,175	₩ 594	\$ 12,531	\$ 525
Proceeds from disposal of intangible assets		2		2
Collection of short-term loans	68,324	68,994	60,400	60,992
Proceeds from sales of long-term investment securities	32	949	28	839
Proceeds from sales of equity securities accounted for using the equity method		6,444		5,697
Collection of long-term loans	3,702	2,213	3,273	1,956
Decrease in guarantee deposits	45,827	7,895	40,512	6,979
Decrease in other non-current assets	4,839	7,259	4,277	6,417
 Sub-total	 136,899	 94,350	 121,021	 83,407
 Cash outflows for investing activities:				
Acquisition of short-term financial instruments	(131,801)	(105,225)	(116,514)	(93,021)
Acquisition of short-term investment securities, net	(14,950)	(224,847)	(13,216)	(198,769)
Extension of short-term loans	(76,766)	(78,086)	(67,862)	(69,029)
Acquisition of property and equipment	(79,845)	(338,660)	(70,584)	(299,381)
Increase in intangible assets	(1,181)	(1,000)	(1,044)	(884)
Acquisition of long-term financial instruments		(6,500)		(5,746)
Acquisition of long-term investment securities	(26)	(345)	(23)	(305)
Acquisition of equity securities accounted for using the equity method	(420,585)	(7,694)	(371,804)	(6,802)
Extension of long-term loans		(6,972)		(6,163)
Increase in guarantee deposits and other	(53,735)	(29,894)	(47,504)	(26,427)
 Sub-total	 (778,889)	 (799,223)	 (688,551)	 (706,527)
 Net Cash Used in Investing Activities	 (641,990)	 (704,873)	 (567,530)	 (623,120)

**CASH FLOWS FROM FINANCING  
ACTIVITIES:**
**Cash inflows from financing activities:**

Increase in guarantee deposits received and other	33,857	468	29,930	414
Proceeds from short-term borrowings		1,800		1,591
Issuance of bonds		393,111		347,517
<b>Sub-total</b>	<b>33,857</b>	<b>395,379</b>	<b>29,930</b>	<b>349,522</b>

**Cash outflows for financing activities:**

Repayment of current portion of long-term debts	(290,000)	(280,000)	(256,365)	(247,525)
Decrease in other non-current liabilities	(3,173)	(1,024)	(2,805)	(905)
Acquisition of treasury stock		(28,938)		(25,582)
<b>Sub-total</b>	<b>(293,173)</b>	<b>(309,962)</b>	<b>(259,170)</b>	<b>(274,012)</b>

**Net Cash Provided by (Used in) Financing  
Activities**

	(259,316)	85,417	(229,240)	75,510
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**NET INCREASE IN CASH AND CASH  
EQUIVALENTS**

	42,560	189,052	37,624	167,125
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**CASH AND CASH EQUIVALENTS AT  
BEGINNING OF THE PERIOD**

	420,576	434,177	371,796	383,820
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**CASH AND CASH EQUIVALENTS AT  
END OF THE PERIOD**

	₩ 463,136	₩ 623,229	\$ 409,420	\$ 550,945
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See accompanying notes to non-consolidated financial statements.

**Table of Contents**

**SK TELECOM CO., LTD.**  
**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009**

**1. GENERAL**

SK Telecom Co., Ltd. (the Company) was incorporated in March 1984 under the laws of Korea to engage in providing nationwide cellular telephone communication services in the Republic of Korea. The Company's common shares and depositary receipts (DRs) are listed on the Stock Market of Korea Exchange and the New York and London Stock Exchanges, respectively. As of March 31, 2010, the Company's total issued shares are held by the following:

	Number of shares	Percentage of total shares issued (%)
SK Group	18,748,452	23.22
POSCO Corp.	2,341,569	2.90
Institutional investors and other minority shareholders	51,254,978	63.48
Treasury stock	8,400,712	10.40
	80,745,711	100.00

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying non-consolidated financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the Republic of Korea ( Korean GAAP ) and with the accounting policies for annual financial statements for the year ended December 31, 2009.

The Company maintains its official accounting records in Korean won and prepares statutory non-consolidated financial statements in Korean language (Hangul) in conformity with Korean GAAP. Certain accounting principles applied by the Company that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with accounting principles generally accepted in other countries. Accordingly, these financial statements are intended for use by those who are informed about Korean accounting principles and practices. The accompanying financial statements have been condensed, restructured and translated into English with certain expanded descriptions from the Korean language financial statements. Certain information included in the Korean language financial statements, but not required for a fair presentation of the Company's financial position, results of operations, changes in stockholders' equity or cash flows, is not presented in the accompanying financial statements. The accompanying non-consolidated financial statements are stated in Korean won, the currency of the country in which the Company is incorporated and operates. The translation of Korean won amounts into U.S. dollar amounts is included solely for the convenience of readers of financial statements and has been made at the rate of ₩1,131.20 to US\$1.00, the Noon Buying Rate in the City of New York for cable transfers in Korean won as certified for customs purposes by the Federal Reserve Bank of New York on the last business day of the period ended March 31, 2010. Such translations into U.S. dollars should not be construed as representations that the Korean won amounts could be converted into U.S. dollars at that, or any other rate.

**Table of Contents****3. INVESTMENT SECURITIES****a. Short-term Investment Securities**

Short-term investment securities as of March 31, 2010 and December 31, 2009 are as follows (In millions of Korean won):

	Acquisition	March 31, 2010	Carrying	December 31, 2009
	cost	Fair value	amount	Fair value and carrying amount
Trading securities (Note)	₩ 380,000	₩ 381,687	₩ 381,687	₩ 370,126
Current portion of long-term investment securities	1,823	1,823	1,823	56
Total	₩ 381,823	₩ 383,510	₩ 383,510	₩ 370,182

(Note) The Company's trading securities as of March 31, 2010 are all beneficiary certificates, and the difference between the fair value and acquisition cost was recorded in other income (expenses) as gain (loss) on valuation of short-term investment securities.

**b. Long-term Investment Securities**

Long-term investment securities as of March 31, 2010 and December 31, 2009 are as follows (In millions of Korean won):

	March 31, 2010	December 31, 2009
Available-for-sale equity securities	₩ 1,844,872	₩ 2,026,921
Available-for-sale debt securities	396,715	393,397
Total	2,241,587	2,420,318
Less: current portion	(1,823)	(56)
Long-term portion	₩ 2,239,764	₩ 2,240,262



**Table of Contents****b-(1). Available-for-sale Equity Securities**

Available-for-sale equity securities as of March 31, 2010 and December 31, 2009 are as follows (In millions of Korean won):

	Number of shares	March 31, 2010		Fair value	Carrying amount	
		Percentage (%)	Acquisition cost		March 31, 2010	December 31, 2009
<b>(Investments in listed companies)</b>						
SK C&C Co., Ltd.	4,500,000	9.0	₩ 150,495	₩ 279,000	(Note a) ₩ 279,000	₩ 201,600
Digital Chosunilbo Co., Ltd.	2,890,630	7.8	5,781	7,964	7,964	6,995
KRTnet Corporation	234,150	4.4	1,171	1,475	1,475	1,573
POSCO Corp.	2,481,310	2.8	332,662	1,310,132	1,310,132	1,533,450
nTels Co., Ltd.	205,200	6.2	34	954	954	1,161
Sprint Nextel	17,368,246	0.6	75,363	74,631	74,631	74,215
Sub-total			565,506	1,674,156	1,674,156	1,818,994
<b>(Investments in non-listed companies)</b>						
The Korea Economic Daily	2,585,069	13.8	13,964	(Note b) (Notes b, c & d)	13,964	13,964
Others			121,859	d)	5,601	5,601
Sub-total			135,823		19,565	19,565
<b>(Investments in funds)</b>						
Global Opportunities Breakaway Fund			186,390		(Note e) 137,904	175,140
Others			13,247	(Notes b & c)	13,247	13,222
Sub-total			199,637		151,151	188,362
Total			₩ 900,966		₩ 1,844,872	₩ 2,026,921

(Note a) As the common stocks of SK C&C were listed on the Stock Market of Korea Exchange during the year ended December 31, 2009, the Company sold 10,500,000 shares through initial public offering and recorded the residual investment at its market value as of December 31, 2009. In addition, the Company recorded

unrealized gain on valuation of investments of ₩132,720 million (net of tax effect ₩42,373 million) as of March 31, 2010.

- (Note b) As a reasonable estimate of fair value could not be made, the investment is stated at acquisition cost.
- (Note c) The investment in common stock of Real Telecom Co., Ltd. and others were sold during the three months ended March 31, 2010 and the difference between the disposal price and acquisition cost was recorded as loss on disposal of long term investment securities.
- (Note d) Due to the impairment of the investment of Mobinex Inc. and others, the Company recorded ₩6,246 million of impairment loss on investment securities for the year ended December 31, 2009.
- (Note e) For the year ended December 31, 2009, the Company entered into limited partnership agreement with overseas private fund. In accordance with the partnership agreement, the Company has contributed US\$150 million out of total capital commitment of US\$200 million. In addition, the difference between the fair value and acquisition cost of ₩37,819 million (net of tax effect of ₩10,667 million) was recorded as unrealized loss on valuation of long-term investment securities in other comprehensive loss.

**Table of Contents****b-(2). Available-for-sale Debt Securities**

Available-for-sale debt securities as of March 31, 2010 and December 31, 2009 are as follows (In millions of Korean won):

	Maturity	Acquisition cost	Carrying amount	
			March 31, 2010	December 31, 2009
Public bonds	(Note a) October 2011	₩ 407	₩ 407	₩ 457
Closed beneficiary certificates	2011	99	19	8
Bond-type beneficiary certificates	June 2011	300,000	303,491	300,134
Subordinated bonds (Note b)		90,980	90,980	90,980
Convertible bonds of Magic Tech Network Co., Ltd. (Note c)	March 2011	1,818	1,818	1,818
Total		393,304	396,715	393,397
Less current portion		(1,823)	(1,823)	(56)
Long-term available-for-sale debt securities		₩ 391,481	₩ 394,892	₩ 393,341

The interest income incurred from available-for-sale debt securities for the three months ended March 31, 2010 and 2009 was ₩4 million and ₩71 million, respectively.

(Note a) The maturities of public bonds as of March 31, 2010 and December 31, 2009 are as follows (In millions of Korean won):

	Maturity	March 31, 2010	December 31, 2009
Within one year		₩ 4	₩ 56
After one year but within five years		403	401
		₩ 407	₩ 457

(Note b) Returns on the closed beneficiary certificates were accounted for as interest income.

(Note c) On September 3, 2009, the Company purchased convertible bonds of Magic Tech Network Co., Ltd. for US \$1,458,065. Such convertible bonds have conversion price of US \$274.75 per share of common stock of Magic Tech Network.

**Table of Contents****b-(3). Changes in Unrealized Gains (Losses) on Investments in Common Stock**

The changes in unrealized gains (losses) on investments in common stock for the three months ended March 31, 2010 and 2009 are as follows (In millions of Korean won):

	For the three months ended March 31, 2010			
	Beginning balance	Increase (decrease)	Transferred to realized gain (loss)	Ending balance
Available-for-sales securities:				
Unrealized gain on valuation of long-term Investment securities	₩ 1,301,359	₩ (141,898)	₩	₩ 1,159,461
Unrealized loss on valuation of long-term Investment securities	(12,520)	(36,778)		(49,298)
Sub-total	1,288,839	(178,676)		1,110,163
Less tax effect	(285,694)	37,531		(248,163)
Total	₩ 1,003,145	₩ (141,145)	₩	₩ 862,000

	For the three months ended March 31, 2009			
	Beginning balance	Increase (decrease)	Transferred to realized gain (loss)	Ending balance
Available-for-sales securities:				
Unrealized gain on valuation of long-term Investment securities	₩ 941,096	₩ (106,292)	₩	₩ 834,804
Unrealized loss on valuation of long-term Investment securities	(401,945)	(175,435)		(577,380)
Sub-total	539,151	(281,727)		257,424
Less tax effect	(125,881)	63,478		(62,403)
Total	₩ 413,270	₩ (218,249)	₩	₩ 195,021

**Table of Contents****4. EQUITY SECURITIES ACCOUNTED FOR USING THE EQUITY METHOD**

Equity securities accounted for using the equity method of accounting as of March 31, 2010 and December 31, 2009 are as follows (In millions of Korean won):

	Number of shares	March 31, 2010			Carrying Amount	
		Ownership percentage (%)	Acquisition cost	Net asset value	March 31, 2010	December 31, 2009
SK Broadband Co., Ltd.	149,638,354	50.6	₩ 1,450,804	₩ 683,780	₩ 1,208,191	₩ 1,242,247
SK Communications Co., Ltd.	28,029,945	64.8	175,441	140,347	151,353	148,831
SK Telink Co., Ltd.	943,997	90.8	5,296	132,280	132,280	133,029
SK Marketing & Company Co., Ltd.	5,000,000	50.0	190,000	112,059	112,059	112,531
HanaSK Card Co., Ltd.	57,647,058	49.0	401,871	331,909	(Note a) 401,707	
PS&Marketing Corporation	30,000,000	100.0	150,000	127,510	127,510	133,934
SK Wyverns Baseball Club Co., Ltd.	199,997	100.0	1,000	(2,241)		
Paxnet Co., Ltd.	5,590,452	59.7	26,563	15,142	28,820	30,611
F&U Credit Information Co., Ltd.	300,000	50.0	2,410	3,935	4,385	4,481
TU Media Corp.	28,538,064	44.2	151,980	11,451	11,451	11,710
IHQ, Inc.	14,960,784	37.1	51,846	10,839	17,722	20,178
Ntreev Soft Co., Ltd.	2,064,970	63.7	33,196	7,564	7,564	7,708
Commerce Planet Co., Ltd.	29,396	100.0	8,251	360	360	139
Loen Entertainment, Inc.	16,054,812	63.5	57,874	42,600	42,804	40,234
Harex Info Tech, Inc.	225,000	21.2	3,375	62	62	62
SK Mobile		20.0	4,930	2,111	2,111	2,111
SKT Vietnam PTE Ltd.	180,476,700	73.3	191,273	24,705	24,705	26,264
Skytel Co., Ltd.	1,951,777	29.3	2,159	15,951	15,951	14,958
SK China Company Ltd.	94,960	29.7	6,159	5,004	3,919	3,919
SK Telecom China Co., Ltd.		100.0	7,340	9,443	9,443	9,443
TR Entertainment		42.2	10,953	2,317	7,157	7,560
ULand Company Ltd.	14,100,100	70.1	17,511	3,566	3,566	3,819
SKT Americas, Inc.	109	100.0	44,516	38,461	38,461	26,131

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SK Telecom China Holding Co., Ltd.		100.0	34,251	29,025	(Note b)	29,025	23,396
SK USA, Inc.	49	49.0	3,184	5,498	(Note b)	5,498	5,498
Helio, Inc.	79,437	14.3	134	12		12	12
Korea IT Fund	190	63.3	190,000	220,115		220,115	220,957
1st Music Investment Fund of SK-PVC	1,385	69.3	6,925	4,695		4,695	4,695
2nd Music Investment Fund of SK-PVC	1,585	79.3	7,925	7,487		7,487	8,036
SK-KTB Music Investment Fund	14,850,000,000	74.2	14,850	13,967		13,967	13,538
Stonebridge Cinema Fund	120	45.6	12,000	8,180		8,180	8,255
Michigan Global Cinema Fund	40	36.4	4,000	3,585		3,585	3,651
3rd Fund of Isu Entertainment	25	31.3	2,500	1,635		1,635	1,635
SK Telecom Advanced Tech & Service Center		100.0	6,989	9,536		9,536	9,536
Cyworld China Holdings	10,500,000	53.8	10,272	(1,195)			
Magic Tech Network Co., Ltd.	4,500	30.0	8,494	941		4,958	5,267
SK Telecom Global Investment B.V.	18,000	100.0	39,319	39,714		39,714	41,013
SKY Property Mgmt. Ltd.	22,980	60.0	283,368	260,692		260,692	264,850
Wave City Development Co. Ltd.	382,000	19.1	1,967	1,532		1,532	1,532

58

**Table of Contents**

	March 31, 2010				Carrying Amount	
	Number	percentage	Acquisition	Net	March 31,	December
	of shares	(%)	cost	asset	2010	31, 2009
				value		
Prmaxsoftware Tech. Co., Ltd.		97.2	11,665	2,432	2,432	2,432
Benex Digital Cultural Contents Fund	50	19.9	5,000	4,694	4,694	4,912
Benex Focus Limited Partnership II	200	66.7	20,000	19,666	19,666	19,782
K-net Culture & Contents Venture Fund	118	59.0	11,800	10,982	10,982	11,157
Open Innovation Fund	200	98.5	20,000	19,905	19,905	19,938
UniSK	49	49.0	3,475	4,247	4,247	4,247
SK Beijing Industrial Development Co., Ltd.	19,843,800	100.0	23,709	18,009	18,009	18,009
Cyworld Japan	375,000	30.0	3,141	66	66	66
Cyworld Inc.	2,850,000	30.0	2,672	(3,747)		
Daehan Kanggun BcN Co., Ltd.	1,461,486	29.0	7,307	7,262	7,262	7,272
SK Telecom Europe Limited	690,000	100.0	1,286		(Note c) 1,286	1,286
			₩3,730,981		₩3,050,761	₩2,680,872

(Note a) The Company acquired 57,647,058 shares of HanaSK Card Co., Ltd. during the three months ended March 31, 2010. As a result, the Company holds 49.0% ownership in HanaSK Card Co., Ltd..

(Note b) During the three months ended March 31, 2010, the Company made an additional investment of ₩14,058 million and ₩4,656 million in SKT Americas, Inc. and SK Telecom China Holdings Co., Ltd., respectively.

(Note c) As allowed under Korean GAAP, investments in equity securities of SK Telecom Europe Limited and others were stated at their acquisition cost instead of amount valued using the equity method of accounting, as changes in the Company's portion of stockholders' equity of such investees were not expected to be material.

Details of the changes in investments in affiliates accounted for using the equity method for the three months ended March 31, 2010 and 2009 are as follows (In millions of Korean won):

**Table of Contents**

		For the three months ended March 31, 2010								
		Beginning	Acquisi-	Equity in	Equity in	Capital	Equity	Equity	Other	Ending
		balance	tion	earnings	prehen-	Surplus	method	method	increase	balance
				(losses)	sive		in	in	(decrease)	
					income		earnings	adjustments	received	
SK Broadband Co., Ltd.	(Note a)	₩ 1,242,247	₩	₩ (32,469)	₩ (1,722)	₩	₩	₩ 135	₩	₩ 1,208,191
SK Communications Co., Ltd.	(Note a)	148,831		2,367	(325)	(63)		543		151,353
SK Telink Co., Ltd.	(Notes a and c)	133,029		6,594	20				(7,363)	132,280
SK Marketing & Company Co., Ltd.	(Note a)	112,531		(425)	(47)					112,059
HanaSK Card Co., Ltd.	(Note a)		401,871	(164)						401,707
PS&Marketing Corporation	(Note a)	133,934		(6,424)						127,510
SK Wyverns Baseball Club Co., Ltd.	(Note b)			(221)					221	
Paxnet Co., Ltd.	(Notes a and c)	30,611		(712)					(1,079)	28,820
F&U Credit information Co., Ltd.	(Note b)	4,481		(96)						4,385
TU Media Corp.	(Note a)	11,710		(259)						11,451
IHQ, Inc.	(Note a)	20,178		(2,616)	160					17,722
Ntreev Soft Co., Ltd.	(Note b)	7,708		(90)	(54)					7,564
Commerce Planet Co., Ltd.	(Note b)	139		221						360
Loen Entertainment, Inc.	(Notes a and c)	40,234		3,039	105				(574)	42,804
Harex Info Tech, Inc.	(Note b)	62								62



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SK Mobile	(Note b)	2,111				2,111
SKT Vietnam PTE Ltd.	(Note a)	26,264	(621)	(938)		24,705
Skytel Co., Ltd.	(Note a)	14,958	794	199		15,951
SK China Company Ltd.	(Note b)	3,919				3,919
SK Telecom China Co., Ltd. TR	(Note b)	9,443				9,443
Entertainment ULand Company Ltd.	(Note b)	7,560	(403)			7,157
SKT Americas, Inc.	(Note a)	3,819	(134)	(119)		3,566
SK Telecom China Holding Co., Ltd.	(Note a)	26,131	14,058	(1,754)	26	38,461
SK USA, Inc.	(Note b)	23,396	4,656	1,894	(921)	29,025
Helio, Inc.	(Note b)	5,498				5,498
Korea IT Fund 1st Music Investment Fund	(Note a)	12				12
2nd Music Investment Fund	(Note b)	220,957	(842)			220,115
SK-KTB Music Investment Fund	(Note a)	4,695				4,695
Stonebridge Cinema Fund	(Note b)	8,036	(549)			7,487
Michigan Global Cinema Fund	(Note b)	13,538	74	355		13,967
3rd Fund of Isu Entertainment	(Note b)	8,255	(75)			8,180
SK Telecom Advanced Tech & Service Center	(Note b)	3,651	(66)			3,585
Cyworld China Holdings	(Note b)	1,635				1,635
Magic Tech Network Co., Ltd.	(Note b)	9,536				9,536
SK Telecom Global Investment B.V.	(Note a)	5,267	(11)	11		4,958
		41,013	(7)	(1,292)		39,714
		264,850	478	(4,636)		260,692

SKY Property Mgmt. Ltd. Wave City Development Co. Ltd.	(Note a)			
Prmaxsoftware Tech. Co., Ltd.	(Note b)	1,532		1,532
Benex Digital Cultural Contents Fund	(Note b)	4,912	(218)	4,694
Benex Focus Limited Partnership II	(Note a)	19,782	(116)	19,666
K-net Culture & Contents Venture Fund	(Note a)	11,157	(175)	10,982
Open Innovation Fund	(Note a)	19,938	(33)	19,905
UniSK	(Note b)	4,247		4,247

**Table of Contents**

	For the three months ended March 31, 2010										
	Beginning balance	Acquisition	Equity in earnings (losses)	Equity in other comprehensive income	Capital surplus	Equity method in retained earnings	Equity method in capital adjustments	Dividend received	Other increase (decrease)	Ending Balance	
SK Beijing Industrial Development Co., Limited (Note b)	₩ 18,009	₩	₩	₩	₩	₩	₩	₩	₩	₩	18,009
Cyworld Japan Daehan Kanggun (Note b)	66										66
BcN Co., Ltd. (Note b)	7,272		(10)								7,262
SK Telecom Europe Limited	1,286										1,286
<b>Total</b>	<b>₩ 2,680,872</b>	<b>₩ 420,585</b>	<b>₩ (33,338)</b>	<b>₩ (9,178)</b>	<b>₩ (63)</b>	<b>₩</b>	<b>₩ 678</b>	<b>₩ (9,016)</b>	<b>₩ 221</b>	<b>₩ 3,050,761</b>	

(Note a) Investments were recorded using the equity method of accounting based on unaudited and unreviewed financial statements as of and for the three months ended March 31, 2010. In order to verify the reliability of such unaudited and unreviewed financial statements, the Company has performed the following procedures and found no significant errors:

- i) obtained the signature from the chief executive officer of the equity method investee asserting that the unaudited and unreviewed financial statements are accurate
- ii) checked whether the major transactions identified by the Company, including public disclosures, were appropriately reflected in the unaudited and unreviewed financial statements
- iii) performed an analytical review on the unaudited and unreviewed financial statements

(Note b) Investments in equity securities are carried using the equity method of accounting based on the financial statements as of December 31, 2009 as information as of March 31, 2010 was not available and the expected change in the Company's portion of stockholders' equity of the investee for the three months ended March 31, 2010 was immaterial.

(Note c) The Company received dividends from SK Telink Co., Ltd., Paxnet Co., Ltd. and Loen Entertainment, Inc., and the corresponding amount was deducted from the carrying amount of equity securities accounted for using the equity method.

**Table of Contents**

		For the three months ended March 31, 2009									
		Beginning	Acquisi-	Equity in	Equity in	Capital	Equity	Equity	Dividend	Other	End
		balance	tion	earnings	other	surplus	method in	method in	received	increase	balan-
				(losses)	com-		retained	capital		(decrease)	ce
					prehen-		earnings	adjustments			
					sive						
					income						
band	(Note	₩ 1,146,736	₩	₩ (8,771)	₩ (7,220)	₩	₩ (56,043)	₩ (5,006)	₩	₩	₩ 1,06
d.	a)										
	(Note	147,392		(4,725)	(18,463)	1,794		17,850			14
unications	a)										
d.											
ink Co.,	(Notes	112,358		3,494	287				(6,325)		10
	a and										
	c)										
arketing &	(Note	101,345		3,332	(4,298)						10
ny Co.,	a)										
governors	(Note			(1)							
ill Club	b)										
d.											
Co., Ltd.	(Notes	30,086		48	(281)			281	(492)		2
	a and										
	c)										
redit	(Note	4,244		(87)							
ation Co.,	b)										
edia Corp.	(Note	14,847		(1,563)	36	(36)					1
	a)										
ss Co.,	(Note	7,289								(7,289)	
	d)										
nc.	(Note	26,957		(3,382)	(5,056)			5,970			2
	a)										
Soft Co.,	(Note	9,575		(285)	(7)			49			
	a)										
erice Planet	(Note	1,535		(428)							
d.	b)										
	(Note	35,895		(347)	2,945			(322)			3
ainment,	a)										
Info Tech,	(Note	598		(90)							
	b)										
obile	(Note	2,111									
	b)										
Vietnam	(Note	112,160		(9,937)	10,399						11
d.	a)										
Co., Ltd.	(Note	12,381		2,842	(582)						1
	a)										

ina	(Note	3,657		(176)	(11)		
ny Ltd.	b)						
ecom	(Note	7,157		5	3,096		
Co., Ltd.	b)						
	(Note	9,626		(623)	267		
ainment	a)						
Company	(Note	5,401		(594)	454		
	a)						
mobile	(Note	62,096		(6,112)	(5,982)		
nc.	b)						
mericas,	(Note	36,126		(4,473)	2,173		
	a)						
ecom	(Note	30,780		(2,605)	2,478		
Holding	a)						
d.							
A, Inc.	(Note	5,041		182	26		
	b)						
Inc.	(Note	116			(26)	26	
	b)						
IT Fund	(Note	210,725		1,029			
	a)						
usic	(Note	5,688		(1,181)	153		
ment Fund	b)						
PVC							
usic	(Note	8,441		(547)			
ment Fund	b)						
PVC							
FB Music	(Note	13,954		76	(72)	1	
ment Fund	a)						
ridge	(Note	8,435		(209)			
a Fund	a)						
an Global	(Note	3,577					
a Fund	b)						
nd of Isu	(Note	1,568					
ainment	b)						
ecom	(Note	10,053		(194)	(31)		
ced Tech	b)						
ice Center							
ld China	(Note	2,117		178	(193)	(928)	
gs	b)						
Tech	(Note	7,725		(309)			
rk	b)						
ecom	(Note	31,866	7,030	(16)	2,540		
	a)						
ment B.V.							
roperty	(Note	287,405		(1,167)	33,786		
Ltd.	a)						
City	(Note	1,908					
ppment Co.	b)						
		7,127		(173)			

Software Co., Ltd.	(Note b)									
Digital Contents	(Note b)	5,068								
Focus and Partnership II	(Note a)	20,089	4							2
Culture & Investments Venture	(Note b)	5,856								
Innovation	(Note a)	20,044	5							2

₩ 2,577,155    ₩ 7,030    ₩ (36,800)    ₩ 16,418    ₩ 1,758    ₩ (56,043)    ₩ 17,921    ₩ (6,817)    ₩ (7,289)    ₩ 2,511

**Table of Contents**

- (Note a) Investments were recorded using the equity method of accounting based on unaudited and unreviewed financial statements as of and for the three months ended March 31, 2009. In order to verify the reliability of such unaudited and unreviewed financial statements, the Company has performed the following procedures and found no significant errors:
- iv) obtained the signature from the chief executive officer of the equity method investee asserting that the unaudited and unreviewed financial statements are accurate
  - v) checked whether the major transactions identified by the Company, including public disclosures, were appropriately reflected in the unaudited and unreviewed financial statements
  - vi) performed an analytical review on the unaudited and unreviewed financial statements
- (Note b) Investments in equity securities are carried using the equity method of accounting based on the financial statements as of December 31, 2008 as information as of March 31, 2009 was not available and the expected change in the Company's portion of stockholders' equity of the investee for the three months ended March 31, 2009 was immaterial.
- (Note c) The Company received dividends from SK Telink Co., Ltd. and Paxnet Co., Ltd., and the corresponding amount was deducted from the carrying amount of equity securities accounted for using the equity method.
- (Note d) Other decrease in investments in Aircross Co., Ltd. represents the collection of the Company's investment which resulted from the full liquidation of Aircross Co., Ltd.

**Table of Contents**

Details of changes in the differences between the acquisition cost and net asset value of equity method investees at the acquisition date for the three months ended March 31, 2010 and 2009 are as follows (In millions of Korean won):

## For the three months ended March 31, 2010

	Beginning balance	Increase/ (Decrease)	Amortization	Ending balance
SK Broadband Co., Ltd.	₩ 534,955	₩	₩ (10,544)	₩ 524,411
SK Communications Co., Ltd.	11,229		(223)	11,006
HanaSK Card Co., Ltd.		70,085	(287)	69,798
Paxnet Co., Ltd.	13,946		(268)	13,678
F&U Credit information Co., Ltd.	461		(10)	451
IHQ, Inc.	8,260		(1,377)	6,883
Loen Entertainment, Inc.	408		(204)	204
TR Entertainment	5,243		(403)	4,840
Magic Tech Network Co., Ltd.	4,326		(309)	4,017
Daehan Kanggun BcN Co., Ltd.		9	(9)	
Total	₩ 578,828	₩ 70,094	₩ (13,634)	₩ 635,288

## For the three months ended March 31, 2009

	Beginning balance	Increase/ (Decrease)	Amortization	Ending balance
SK Broadband Co., Ltd.	₩ 534,051	₩	₩ 4,531	₩ 538,582
SK Communications Co., Ltd.	12,122		(223)	11,899
Paxnet Co., Ltd.	15,018		(267)	14,751
F&U Credit information Co., Ltd.	503		(11)	492
IHQ, Inc.	13,767		(1,377)	12,390
Ntreev Soft Co., Ltd.	595		(149)	446
Loen Entertainment, Inc.	1,223		(204)	1,019
Harex Info Tech, Inc.	351		(88)	263
Skytel Co., Ltd.	(1,387)		1,387	
SK China Company Ltd.	106		(106)	
TR Entertainment	6,856		(403)	6,453
Virgin mobile USA, Inc.	125,930		(6,628)	119,302
Magic Tech Network Co., Ltd.	5,562		(308)	5,254
Prmaxsoftware Tech. Co., Ltd.	691		(173)	518
Total	₩ 715,388	₩	₩ (4,019)	₩ 711,369



**Table of Contents**

Details of changes in unrealized inter-company gains incurred from sales of assets for the three months ended March 31, 2010 and 2009 are as follows (In millions of Korean won):

	For the three months ended March 31, 2010			
	Beginning balance	Increase	Decrease	Ending balance
SK Communications Co., Ltd.	₩ 128	₩	₩ (128)	₩
SK China Company Ltd.	1,086			1,086
Total	₩ 1,214	₩	₩ (128)	₩ 1,086

	For the three months ended March 31, 2009			
	Beginning balance	Increase	Decrease	Ending balance
SK Communications Co., Ltd.	₩ 269	₩	₩ (35)	₩ 234
SK China Company Ltd.	1,086			1,086
Total	₩ 1,355	₩	₩ (35)	₩ 1,320

Details of market price of the equity securities accounted for using the equity method as of March 31, 2010 are as follows (In millions of Korean won, except for market price per share):

	Market price per share (In Korean won)	Number of shares owned by the Company	Market price
SK Broadband Co., Ltd.	₩ 5,360	149,638,354	₩ 802,062
SK Communications Co., Ltd.	12,500	28,029,945	350,374
IHQ, Inc.	1,080	14,960,784	16,158
Loen Entertainment, Inc.	5,740	16,054,812	92,155

**Table of Contents**

The condensed financial information of the investees as of and for the three months ended March 31, 2010 is as follows (In millions of Korean won):

	Total assets	Total liabilities	Revenue	Net income (loss)
SK Broadband Co., Ltd.	₩ 2,976,757	₩ 1,624,357	₩ 493,019	₩ ( 44,322)
SK Communications Co., Ltd.	303,078	86,563	51,815	2,015
SK Telink Co., Ltd.	229,325	83,591	77,041	9,536
SK Marketing & Company Co., Ltd.	592,261	368,142	78,370	5,490
HanaSK Card Co., Ltd.	2,235,805	1,558,440	107,717	(13,250)
PS&Marketing Corporation	227,413	99,948	122,884	(6,335)
Paxnet Co., Ltd.	42,174	16,827	8,969	(795)
TU Media Corp.	258,114	232,180	31,309	(811)
IHQ, Inc.	46,070	16,848	10,271	(1,535)
Loen Entertainment, Inc.	109,762	42,653	33,243	5,888
SKT Vietnam PTE Ltd.	53,305	19,611	57	(595)
Skytel Co., Ltd.	62,180	7,821	8,555	2,707
SKT Americas, Inc	39,907	1,445	3,263	(928)
SK Telecom China Holdings Co., Ltd.	39,305	10,279	5,206	504
Korea IT Fund	347,551			642
SKT-KTB Music Investment Fund	18,856	28	129	101
SK Telecom Global Investment B.V.	39,775	61	25	(7)
SKY Property Mgmt. Ltd.	541,031	106,544	9,328	1,029
2nd Benex Focus investment Fund	29,499		111	(174)
K-net Culture & Contents Venture Fund	18,614		18	(295)
Open Innovation Fund	20,203		156	(35)

**5. LOANS TO EMPLOYEES**

Short-term and long-term loans to employees as of March 31, 2010 and December 31, 2009 are as follows (In millions of Korean won):

	Short-term	March 31, 2010 Long-term	Total	December 31, 2009
Loans to employees stock ownership Association (Note)	₩ 12,179	₩ 42,132	₩ 54,311	₩ 58,198
Loans to employees for housing and other	27	4	31	45
Total	₩ 12,206	₩ 42,136	₩ 54,342	₩ 58,243

(Note) The Company loaned the amount above to Employees Stock Ownership Association to help fund employees acquisition of the Company's treasury stocks. The loan will be repaid over a period of five years, beginning on the second anniversary of each loan date and will expire on December 25, 2014.

**Table of Contents****6. PROPERTY AND EQUIPMENT**

Property and equipment as of March 31, 2010 and December 31, 2009 are as follows (In millions of Korean won):

	Useful lives  (years)	March 31, 2010	December 31, 2009
Land		₩ 410,074	₩ 416,732
Buildings and structures	30,15	1,575,343	1,577,119
Machinery	6	13,517,119	14,236,456
Vehicles	4	53,307	54,189
Other	4	1,027,715	1,004,183
Construction in progress		351,772	336,835
		16,935,330	17,625,514
Less: accumulated depreciation		(12,058,149)	(12,428,993)
Property and equipment, net		₩ 4,877,181	₩ 5,196,521

Details of changes in property and equipment for the three months ended March 31, 2010 and 2009 are as follows (In millions of Korean won):

	For the three months ended March 31, 2010					Ending balance
	Beginning balance	Acquisition	Disposal	Transfer	Depreciation	
Land	₩ 416,732	₩	(₩ 6,658)	₩	₩	₩ 410,074
Buildings and structures	1,011,127	83	(1,022)		(17,726)	992,462
Machinery	3,101,103	839	(2,337)	5,672	(320,152)	2,785,125
Vehicles	34,250		(73)		(987)	33,190
Other	296,475	52,837	(491)	(23,505)	(20,758)	304,558
Construction in progress	336,834	26,086	(58)	(11,090)		351,772
Total	₩ 5,196,521	₩ 79,845	(₩ 10,639)	(₩ 28,923)	(₩ 359,623)	₩ 4,877,181

	For the three months ended March 31, 2009					Ending balance
	Beginning balance	Acquisition	Disposal	Transfer	Depreciation	
Land	₩ 447,088	₩ 22	(₩ 70)	₩ 405	₩	₩ 447,445
Buildings and structures	1,012,226	173		151	(14,119)	998,431
Machinery	2,594,086	1,207	(40)	262,848	(277,499)	2,580,602
Vehicles	2,035	43	(19)		(279)	1,780
Other	361,205	287,913	(329)	(242,541)	(22,621)	383,627
Construction in progress	281,574	49,302		(52,777)		278,099
Total	₩ 4,698,214	₩ 338,660	(₩ 458)	(₩ 31,914)	(₩ 314,518)	₩ 4,689,984



**Table of Contents****7. INTANGIBLE ASSETS**

Intangible assets as of March 31, 2010 and December 31, 2009 are as follows (In millions of Korean won):

	March 31, 2010			December 31, 2009		
	Acquisition cost	Accumulated amortization	Carrying amounts	Acquisition Cost	Accumulated amortization	Carrying amounts
Goodwill	₩ 2,339,631	₩ (1,063,579)	₩ 1,276,052	₩ 2,339,630	₩ (1,031,208)	₩ 1,308,422
Frequency use rights	1,385,120	(687,014)	698,106	1,385,120	(657,880)	727,240
Software development costs	152,514	(141,618)	10,896	152,514	(139,986)	12,528
Computer software	1,377,734	(852,225)	525,509	1,345,927	(783,653)	562,274
Other	147,497	(94,692)	52,805	147,139	(91,667)	55,472
	₩ 5,402,496	₩ (2,839,128)	₩ 2,563,368	₩ 5,370,330	₩ (2,704,394)	₩ 2,665,936

Details of changes in intangible assets for the three months ended March 31, 2010 and 2009 are as follows (In millions of Korean won):

	For the three months ended March 31, 2010					
	Beginning balance	Increase	Decrease	Transfer	Amortization	Ending balance
Goodwill	₩ 1,308,422	₩	₩	₩	₩ (32,370)	₩ 1,276,052
Frequency use rights	727,240				(29,134)	698,106
Software development costs	12,528				(1,632)	10,896
Computer software	562,274	820	(5)	31,018	(68,598)	525,509
Other	55,472	361			(3,028)	52,805
	₩ 2,665,936	₩ 1,181	₩ (5)	₩ 31,018	₩ (134,762)	₩ 2,563,368

	For the three months ended March 31, 2009					
	Beginning balance	Increase	Decrease	Transfer	Amortization	Ending balance
Goodwill	₩ 1,439,366	₩	₩	₩	₩ (32,470)	₩ 1,406,896
Frequency use rights	843,771				(29,133)	814,638
Software development costs	13,489				(1,144)	12,345
Computer software	588,254	39		31,984	(52,894)	567,383
Other	56,712	961	(7)	51	(2,549)	55,168
	₩ 2,941,592	₩ 1,000	₩ (7)	₩ 32,035	₩ (118,190)	₩ 2,856,430

**Table of Contents**

The book value as of March 31, 2010 and residual useful lives of major intangible assets are as follows (In millions of Korean won):

	Amount	Description	Residual useful lives
Goodwill	₩ 1,274,071	Goodwill related to acquisition of Shinsegi Telecomm, Inc.	10 years
IMT license	653,133	Frequency use rights relating to W-CDMA Service	(Note a)
WiBro license	40,543	WiBro Service	(Note b)
DMB license	4,431	DMB Service	6 years and 3 months

(Note a) Amortization of the IMT license commenced when the Company started its commercial IMT 2000 service in December 2003, using the straight-line method over the estimated useful life (13 years) of the IMT license which expires in December 2016.

(Note b) The Company purchased the WiBro license from MIC on March 30, 2005. The license period is seven years from the purchase date. Amortization of the WiBro license commenced when the Company started its commercial WiBro services on June 30, 2006 using the straight

line basis over  
the remaining  
useful life.

**Table of Contents****8. BONDS PAYABLE**

Bonds payable as of March 31, 2010 and December 31, 2009 are as follows (In millions of Korean won and thousands of Foreign Currency):

	Maturity year	Annual interest rate (%)	March 31, 2010	December 31, 2009
Domestic general bonds	2010	4.0	₩	₩ 140,000
	2010	6.77	50,000	50,000
	2011	3.0	200,000	200,000
	2013	4.0	200,000	200,000
	2013	6.92	250,000	250,000
	2014	5.0	200,000	200,000
	2015	5.0	200,000	200,000
	2016	5.0	200,000	200,000
	2016	5.54	40,000	40,000
	2016	5.92	230,000	230,000
	2018	5.0	200,000	200,000
Dollar denominated bonds (US\$300,000)	2011	4.25	339,240	350,280
Dollar denominated bonds (US\$400,000)	2027	6.63	452,320	467,040
Yen denominated bonds (JPY 12,500,000)	2012	3-month Euro Yen LIBOR rate +0.55 (Note a)	152,210	157,852
Yen denominated bonds (JPY 5,000,000)	2012	3-month Euro Yen TIBOR rate +2.5 (Note b)	60,884	63,141
Yen denominated bonds (JPY 3,000,000)	2012	3-month Euro Yen LIBOR rate +2.5 (Note a)	36,531	37,885
Convertible bonds (US\$332,528)	2014	1.75	437,673	437,673
Floating rate notes (US\$150,000,000)	2010	3-month LIBOR rate +3.05 (Note c)	169,620	175,140
Floating rate notes (US\$220,000,000)	2012	3-month LIBOR rate +3.15 (Note c)	248,776	256,872
Total			3,667,254	3,855,883
Less discounts on bonds			(57,433)	(61,227)
Less conversion right adjustments			(77,066)	(81,235)
Net			3,532,755	3,713,421
Less portion due within one year			(219,131)	(364,205)
Long-term portion			₩ 3,313,624	₩ 3,349,216



(Note a) The 3-months  
Euro Yen  
LIBOR rate as  
of March 31,  
2010 is 0.24%.

(Note b) The 3-months  
Euro Yen  
TIBOR rate as  
of March 31,  
2010 is 0.43%.

(Note c) The 3-months  
LIBOR rate as  
of March 31,  
2010 is 0.29%.

All of the above bonds will be paid in full at maturity.

**Table of Contents**

On April 7, 2009, the Company issued convertible bonds with a maturity of five years in the principal amount of US\$332,528,000 for US\$326,397,463 with an initial conversion price of ₩221,370 per share of the Company's common stock, which was greater than market value at the date of issuance. The Company may redeem the principal amount after 3 years from the issuance date if the market price exceeds 130% of the conversion price during a predetermined period. On the other hand, the bond holders may redeem their notes at 100% of the principal amount on April 7, 2012 (3 years from the issuance date). The conversion right may be exercised during the period from May 18, 2009 to March 24, 2014 and the number of common shares to be converted as of March 31, 2010 is 2,078,055 shares. Conversion of notes to common shares may be prohibited under the Telecommunications Law or other legal restrictions which restrains foreign governments, individuals and entities from owning more than 49% of the Company's voting stock, if this 49% ownership limitation is violated due to the exercise of conversion rights. In this case, the Company will pay a bond holder as cash settlement determined at the average price of one day after a holder exercises its conversion right or the weighted average price for the following five or twenty business days. The Company intends to sell treasury shares held in trust by the Company that corresponds to the number of shares of common stock that would have been delivered in the absence of the 49% foreign shareholding restrictions. Unless either previously redeemed or converted, the notes are redeemable at 100% of the principal amount at maturity. During the three months ended March 31, 2010, no conversion was made.

**9. LONG-TERM BORROWINGS**

Long-term borrowings as of March 31, 2010 and December 31, 2009 are as follows (In millions of Korean won and thousands of U.S. dollars):

	Lender	Final maturity year	Annual interest rate (%) (Note)	March 31, 2010	December 31, 2009
Long-term floating rate discount bill	Shinhan Bank	June 29, 2011	91 days CD yield + 0.25%	₩ 200,000	₩ 200,000
Long-term floating rate borrowings	KDB	July 28, 2011	91 days CD yield + 1.02%	₩ 100,000	₩ 100,000
	Citibank	July 29, 2011	91 days CD yield + 1.20%	₩ 100,000	₩ 100,000
	Nonghyup	July 30, 2011	91 days CD yield + 1.30%	₩ 100,000	₩ 100,000
	Hana Bank	July 31, 2011	91 days CD yield + 1.50%	₩ 150,000	₩ 150,000
	Nonghyup	August 12, 2011	91 days CD yield + 1.50%	₩ 50,000	₩ 50,000
	Calyon Bank	October 10, 2013	6M LIBOR + 0.29%	US\$ 50,000	US\$ 50,000
	DBS Bank	October 10, 2013	6M LIBOR + 0.29%	US\$ 25,000	US\$ 25,000
	SMBC	October 10, 2013	6M LIBOR + 0.29%	US\$ 25,000	US\$ 25,000

Total	₩ 700,000 US\$ 100,000	₩ 700,000 US\$ 100,000
Equivalent in Korean won Less current portion	₩ 813,080	₩ 816,760
Long-term borrowings	₩ 813,080	₩ 816,760

(Note) At March 31, 2010, the 91 days CD yield and the 6M LIBOR rate are 2.78% and 0.44%, respectively.

**Table of Contents****10. CAPITAL STOCK AND CAPITAL SURPLUS**

The Company's capital stock consists entirely of common stock with a par value of ₩500. The number of authorized and issued shares as of March 31, 2010 and December 31, 2009 are as follows:

	March 31, 2010	December 31, 2009
Authorized shares	220,000,000	220,000,000
Issued shares	80,745,711	80,745,711
Outstanding shares, net of treasury stock	72,344,999	72,344,999

The capital stock and capital surplus for the three months ended March 31, 2010 and for the year ended December 31, 2009 are as follows (In millions of Korean won except for share data):

	Number of shares issued (Note)	Capital stock	Capital surplus
At December 31, 2009	80,745,711	₩ 44,639	₩ 2,915,887
At March 31, 2010	80,745,711	₩ 44,639	₩ 2,915,887

(Note) During the year ended December 31, 2003, 2006 and 2009, the Company retired 7,002,235 shares, 1,083,000 shares and 448,000 shares, respectively, and reduced retained earnings before appropriations in accordance with Korean Commercial Laws. As a result, the total par value of outstanding capital stock does not agree to the capital

balance of  
capital stock. In  
addition, there  
are no changes  
in capital stock  
for the three  
months ended  
March 31, 2010  
and the year  
ended  
December 31,  
2009.

**Table of Contents****11. INCOME TAX**

## a. Details of income tax expense

Income tax expense for the three months ended March 31, 2010 and 2009 consists of the following (In millions of Korean won):

	2010	2009
Current	₩ 157,739	₩ 127,602
Changes in net deferred tax liabilities (Note a)	(70,541)	(21,054)
Income tax expense	₩ 87,198	₩ 106,548

(Note a) Changes in net deferred tax liabilities for the three months ended March 31, 2010 and 2009 are as follows (In millions of Korean won):

	2010	2009
Ending balance of net deferred tax liabilities	₩ (98,508)	₩ 171,678
Beginning balance of net deferred tax liabilities	(16,033)	(257,939)
Adjustment to the beginning net deferred tax liabilities based on tax return filed	18,479	5,319
Tax effect of temporary differences charged or credited directly to related components of stockholders' equity	25,521	59,888
	₩ (70,541)	₩ (21,054)

b. An explanation of the relationship between income tax expense and accounting income before income tax expense for the three months ended March 31, 2010 and 2009 are as follows (In millions of Korean won):

	2010	2009
Income before income tax expense	₩ 408,953	₩ 423,296
Income tax expense at statutory income tax rate (12.1% of taxable income less than ₩200 million and 24.2% of taxable income exceeding ₩200 million)	98,942	102,413
Differences (Note a)	(11,744)	4,135
Income tax expense	₩ 87,198	₩ 106,548
Effective tax rates	21.32%	25.17%



**Table of Contents**

(Note a) The details of the differences between income tax computed using the statutory corporate income tax rates and the recorded income tax for the three months ended March 31, 2010 and 2009 are as follows (In millions of Korean won):

	2010	2009
Permanent difference	₩ 4,423	₩ 5,058
Changes in deferred income tax assets (liabilities) recognized related to equity method investment securities	882	10,027
Tax credit for investment	(11,956)	(12,744)
Other tax credits	(1,145)	(107)
Sur tax on exempted income	2,401	2,549
Additional income tax and tax refund for prior periods	5,210	(6,456)
Other	(11,559)	5,808
	₩ 11,744)	₩ 4,135

**12. COMPREHENSIVE INCOME**

Details of comprehensive income for the three months ended March 31, 2010 and 2009 are as follows (In millions of Korean won):

	2010		2009	
	Profit and loss effect	Tax effect	Profit and loss effect	Tax effect
Net income	₩ 321,755		₩ 316,748	
Other comprehensive income (loss):				
Unrealized loss on valuation of long-term investment securities, net	(141,145)	₩ 37,531	(218,249)	₩ 63,479
Equity in other comprehensive income of affiliates, net	(8,717)	461	6,976	(9,441)



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Loss on valuation of currency swap, net	(1,373)	213	(21,381)	6,031
Gain (loss) on valuation of interest rate swap, net	(1,954)	582	1,664	(469)
Sub-total	(153,189)	<del>₩</del> 38,787	(230,990)	<del>₩</del> 59,600
Comprehensive income	<del>₩</del> 168,566		<del>₩</del> 85,758	

74

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**Table of Contents****13. NET INCOME PER SHARE**

The Company's net income per share amounts for the three months ended March 31, 2010 and 2009, and for the year ended December 31, 2009 are computed as follows (In millions of Korean won, except for per share income per share):

Net income per share

	For the three months ended		For the year ended
	March 31, 2010	March 31, 2009	December 31, 2009
Net income	₩ 321,755	₩ 316,748	₩ 1,288,340
Weighted average number of common shares outstanding	72,344,999	72,352,141	72,346,763
Net income per share (In Korean won)	₩ 4,448	₩ 4,378	₩ 17,808

The weighted average numbers of common shares outstanding for the three months ended March 31, 2010 and 2009 are calculated as follows:

	Number of shares	Weighted number of days	Weighted number of shares
For the three months ended March 31, 2010			
Outstanding common stocks at January 1, 2010	80,745,711	90/90	80,745,711
Treasury stocks at January 1, 2010	(8,400,712)	90/90	(8,400,712)
Total	72,344,999		72,344,999
For the three months ended March 31, 2009			
Outstanding common stocks at January 1, 2009	81,193,711	90 / 90	81,193,711
Treasury stocks at January 1, 2009	(8,707,696)	90 / 90	(8,707,696)
Acquisition of treasury stock	(141,012)	(Note a)	(133,874)
Total	72,345,003		72,352,141

(Note a) The Company acquired treasury stocks on many different dates, and weighted number of shares was

calculated  
considering  
each transaction  
date.

75

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**Table of Contents**

Diluted net income per share amounts for the three months ended March 31, 2010 and 2009, and for the year ended December 31, 2009 are computed as follows (In millions of Korean won, except for share data):

Diluted net income per share

	For the three months ended		For the year ended
	March 31, 2010	March 31, 2009	December 31, 2009
Adjusted net income	₩ 326,625	₩ 319,562	₩ 1,308,824
Adjusted weighted average number of common shares outstanding	74,423,054	73,723,948	74,367,734
Diluted net income per share (In Korean won)	₩ 4,389	₩ 4,335	₩ 17,599

Adjusted net income per share and the adjusted weighted average number of common shares outstanding for the three months ended March 31, 2010 and 2009, and for the year ended December 31, 2009 are calculated as follows (In millions of Korean won, except for share data):

	For the three months ended		For the year ended
	March 31, 2010	March 31, 2009	December 31, 2009
Net income	₩ 321,755	₩ 316,748	₩ 1,288,340
Effect of convertible bonds (Note a)	4,870	2,814	20,484
Adjusted net income	₩ 326,625	₩ 319,562	₩ 1,308,824
Weighted average number of common shares outstanding	72,344,999	72,352,141	72,346,763
Effect of convertible bonds (Note a)	2,078,055	1,371,807	2,020,971
Adjusted weighted average number of common shares outstanding	74,423,054	73,723,948	74,367,734

(Note a) The effect of convertible bonds increased net income related to interest expenses that would not have incurred, and increased the weighted average number of common shares outstanding related to common shares that would have been issued, assuming that the conversion of convertible bonds were made at the beginning of the period.

**14. RESTRICTED CASH AND CASH EQUIVALENTS**

As of March 31, 2010, the Company has guarantee deposits restricted for checking accounts totaling ₩19 million and deposits restricted for a charitable trust for small businesses in cooperation with SK Group amounting to ₩50,000 million of which due date is June 2, 2010 and for the public amounting to ₩6,500 million of which due date is May 4, 2011.

**Table of Contents****15. RELATED PARTY TRANSACTIONS**

As of March 31, 2010 and December 31, 2009, the parent company and subsidiaries of the Company are as follows:

**a. Holding company and subsidiaries**

Type	Company	Ownership percentage (%)	Types of business
Ultimate parent company	SK C&C Co., Ltd.	31.8 (Note a)	Information technology and software production
Parent company	SK Holdings Co., Ltd.	23.2 (Note b)	Holding company
Subsidiary	SK Broadband Co., Ltd.	50.6	Internet website services and telecommunication service
	SK Communications Co., Ltd.	64.8	Internet website services
	SK Telink Co., Ltd.	90.8	Telecommunication service
	PS&Marketing Corporation	100.0	Retail
	PAXNet Co., Ltd.	59.7	Internet website services
	F&U Credit Information Co., Ltd.	50.0	Credit and collection services
	TU Media Corp.	44.2	Digital multimedia broadcasting service
	IHQ, Inc.	37.1	Entertainment management
	Ntreev Soft Co., Ltd.	63.7	Game software production
	Commerce Planet Co., Ltd.	100.0	Cosmetic wholesale
	Loen Entertainment, Inc.	63.5	Release of music disc
	SKT Vietnam PTE Ltd.	73.3	Telecommunication service
	SKT Americas, Inc.	100.0	Telecommunication service
	SK Telecom China Holdings	100.0	Equity investment (Holding company)
	SK-KTB Music Investment Fund	74.2	Investment association
	Stonebridge Cinema Fund	45.6	Investment association
	SK Telecom Global Investment B.V.	100.0	Equity investment
	SKY Property Mgmt. Ltd.	60.0	Equity investment
	Benex Digital Cultural Contents Fund	19.9	Investment association
	2 <sup>nd</sup> Benex Focus Investment Fund	66.7	Investment association
	K-net Culture & Contents Venture Fund	59.0	Investment association
	Open Innovation Fund	98.5	Investment association
	SK I-Media Co., Ltd.	100.0 (Note c)	Game software production
	Broadband media Co., Ltd.	100.0 (Note c)	Multimedia TV portal service
	Broadband CS Co., Ltd.	100.0 (Note c)	Customer Q&A and Service
	Benex Movie Investment Fund	46.6 (Note c)	Investment association
	Shenzhen E-eye High Tech Co., Ltd.	65.5 (Note c)	GPS manufacturing and selling

(Note a) The ownership percentage represents ultimate parent Company's ownership over the parent company

(Note b) The ownership percentage represents parent company's ownership over the Company.

(Note c) The ownership percentage represents subsidiaries' ownership over their subsidiaries, in which the Company has no direct investment.



**Table of Contents****b. Transactions and balances with related parties**

Significant related party transactions for the three months ended March 31, 2010 and 2009, and account balances as of March 31, 2010 and December 31, 2009 are as follows (In millions of Korean won):

**b-(1) Transactions**

	For three months ended March 31, 2010			For three months ended March 31, 2009		
	Purchases of property and equipment	Commissions paid and other expenses	Commissions earned and other income	Purchases of property and equipment	Commissions paid and other expenses	Commissions earned and other income
Ultimate parent company:						
SK C&C Co., Ltd.	₩ 6,157	₩ 58,791	₩ 3,309	₩ 6,303	₩ 59,983	₩ 1,579
Parent Company:						
SK Holdings Co., Ltd.		5,902	95		5,778	55
Subsidiaries:						
SK Broadband Co., Ltd.		28,617	16,283		7,665	13,757
SK Communications Co., Ltd.		2,864	2,754		5,730	1,856
SK Telink Co., Ltd.		4,081	10,407		3,701	6,199
PS&Marketing Corporation		81,264	519			
F&U Credit Information Co., Ltd.		8,334	541		10,905	328
TU Media Corp.		23,619	6,736		14,708	8,918
Commerce Planet Co., Ltd.	1,186	23,470	1,488		15,491	201
Loen Entertainment, Inc		7,598	1,066		6,951	1,063
SKT Americas, Inc.		4,000			6,583	
SK Telecom China Holdings		6,999			8,315	
Others		5,500	427		4,843	190
Equity Method Investees:						
SK Marketing & Company Co., Ltd.		24,217	1,510		33,481	1,126
SK Wyverns Baseball Club Co., Ltd.		6,500	23		7,214	
Others		2,422	1		2,980	196
Others :						
SK Energy Co., Ltd.		219	747		315	523
SK Engineering & Construction Co., Ltd.			3,361	19,024	2,516	468
Table of Contents						119

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SK Networks Co., Ltd.	17	120,608	3,722	99	170,348	5,111
SK Networks Service Co., Ltd.		2,511	65		5,718	
SK Telesys Co., Ltd.	18,397	214	556	13,450	335	57
Innoace Co., Ltd.				324	1,199	53
MRO Korea Co., Ltd.	1,475	623	13			
Others		3,971	1,327	1,444	3,821	781
Total	₩ 27,232	₩ 422,324	₩ 54,950	₩ 40,644	₩ 378,580	₩ 42,461



**Table of Contents****b-(2) Account balances**

As of March 31, 2010

	Accounts receivable	Short-term loans	Long-term loans	Guarantee deposits	Accounts payable	Guarantee deposits received
Ultimate parent company: SK C&C Co., Ltd.	₩ 1,523		₩	₩	₩ 40,202	₩ 197
Parent Company: SK Holdings Co., Ltd.	39				2,062	
Subsidiaries:						
SK Broadband Co., Ltd.	912			1,216	7,945	36,121
SK Communications Co., Ltd.	2,168				2,798	5,524
SK Telink Co., Ltd.	2,316				1,266	1,023
PS&Marketing Corporation	388				37,934	5,877
F&U Credit Information Co., Ltd.	42				3,338	
TU Media Corp.	3,568				8,838	2,417
IHQ, Inc.	290				1,143	
Ntreev Soft Co., Ltd.	4,162				55	
Commerce Planet Co., Ltd.	8,434				13,737	
Loen Entertainment, Inc.	568				3,252	
SKT Vietnam PTE Ltd.	4,205					
SK Telecom China Holdings					6,999	
SKT Americas, Inc.					4,000	
Others	115				540	150
Equity Method Investees:						
SK Marketing & Company Co., Ltd.	2,718				9,001	
SK Wyverns Baseball Club Co., Ltd.	5	575	2,407			
Wave City Development Co. Ltd.	38,412					
Others					2,437	
Others:						
SK Energy Co., Ltd.	337			96	47	23
SK Engineering & Construction Co., Ltd.	3,196					83
SK Networks Co., Ltd.	1,923			5,512	105,211	1,298
SK Telesys Co., Ltd.	513				15,673	
MRO Korea Co., Ltd.	5				2,024	

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Others	1,668				3,767	47
Total	<del>₩</del> 77,507	<del>₩</del> 575	<del>₩</del> 2,407	<del>₩</del> 6,824	<del>₩</del> 272,269	<del>₩</del> 52,760

**Table of Contents**

	As of December 31, 2009					
	Accounts receivable	Short-term loans	Long-term loans	Guarantee Deposits	Accounts payable	Guarantee deposits received
Ultimate parent company: SK C&C Co., Ltd.	₩ 758	₩	₩	₩	₩ 89,318	₩
Parent Company: SK Holdings Co., Ltd.	248				1	
Subsidiaries:						
SK Broadband Co., Ltd.	2,356			1,216	374	5,114
SK Communications Co., Ltd.	1,785				12,738	5,524
SK Telink Co., Ltd.	797				700	1,023
PS&Marketing Co., Ltd.	159				32,400	5,084
F&U Credit Information Co., Ltd.	8				3,617	
TU Media Corp.	4,051				114	2,709
IHQ, Inc.	51					
Ntreev Soft Co., Ltd.	3,988				3,210	
Commerce Planet Co., Ltd.	8,331				10,258	
Loen Entertainment, Inc.	272				652	
SKT Vietnam PTE Ltd.	3,835					
SKT Americas, Inc.					5,567	
SK Telecom China Holdings					8,500	
Others	7				19	150
Equity Method Investees:						
SK Marketing & Company Co., Ltd.	2,403				25,921	249
SK Wyverns Baseball Club Co., Ltd.	59	575	2,407			
Wave City Development Co. Ltd.	38,412					
Others					2,288	
Others:						
SK Energy Co., Ltd.	1,313			96	66	23
SK Engineering & Construction Co., Ltd.	182				991	82
SK Networks Co., Ltd.	890			112	109,900	1,256
SK Telesys Co., Ltd.	236				15,422	
SK Networks Co., Ltd. Walkerhill	72			5,400	3,246	
Others	1,036				5,425	

Total	₩ 71,249	₩ 575	₩ 2,407	₩ 6,824	₩ 330,727	₩ 21,214
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**Table of Contents****c. Compensation for the key management**

The Company considers registered directors who have substantial roles and responsibility for planning, operating, and controlling of the business as key management, and the considerations given to the key management for the three months ended March 31, 2010 and 2009 are as follows (In millions of Korean won):

Payee	For the three months ended March 31, 2010			For the three months ended March 31, 2009		
	Payroll	Severance indemnities	Total	Payroll	Severance indemnities	Total
9 Registered directors (including outside directors)	₩ 1,964	₩ 375	₩ 2,339	₩ 674	₩ 18	₩ 692

**16. PROVISION**

## a. Provision for point program

The Company, for its marketing purposes, grants Rainbow Points and Point Box Points (the Points) to its subscribers based on their usage of the Company's services. Points provision was provided based on the historical usage experience and the Company's marketing policy. Such provision was recorded as accrued expenses or other non-current liabilities in accordance with the expected points usage duration since balance sheet date.

Details of change in the provisions for such mileage points for the three months ended March 31, 2010 and 2009 are as follows (In millions of Korean won):

	2010	2009
Beginning balance	₩ 18,856	₩ 24,889
Increase	3,711	5,075
Decrease (used points)	(2,226)	(7,990)
Ending balance	₩ 20,341	₩ 21,974

Points expire after 5 years. The expected year when unused points as of March 31, 2010 are expected to be used and the respective estimated monetary amount to be paid in a given year are as follows (In millions of Korean won):

Expected usage for the year ended March 31,	Estimated amount to be paid in nominal value (Note a)	Present value
2011	₩ 9,632	₩ 9,191
2012	5,816	5,296
2013	3,519	3,057
2014	2,135	1,770
2015	1,299	1,027
Ending balance	₩ 22,401	₩ 20,341

(Note a)

The above expected year of the usage and the current value of the estimated amount to be paid are estimated based on the historical usage experience.

**Table of Contents**

## b. Provision for handset subsidy

The Company provides provision for handset subsidies to be provided to the subscribers who purchase handsets on installment basis. Such provision was recorded as accrued expenses or non-current liabilities in accordance with the expected points when the subsidies are paid. Details of change in the provision for handset subsidies for the three months ended March 31, 2010 and 2009 are as follows (In millions of Korean won):

	2010	2009
Beginning balance	₩ 609,733	₩ 339,696
Increase (provision)	325,829	107,052
Decrease (subsidy payment)	(174,660)	(75,048)
Ending balance	₩ 760,902	₩ 371,700

The estimated monetary amount to be paid in a given year is as follows (In millions of Korean won):

Expected payment for the year ended March 31,	Estimated amount to be paid in nominal value	Present value
2011	₩ 646,256	₩ 632,508
2012	135,035	128,394
Ending balance	₩ 781,291	₩ 760,902

**Table of Contents****17. DERIVATIVE INSTRUMENTS**

- a. Currency swap contract to which the cash flow hedge accounting is applied

The Company has entered into a fixed-to-fixed cross currency swap contract with Citibank, BNP Paribas and Credit Suisse First Boston International to hedge the foreign currency risk of unguaranteed U.S. dollar denominated bonds with face amounts totaling US\$300,000,000 at annual fixed interest rate of 4.25% issued on April 1, 2004. As of March 31, 2010, in connection with unsettled foreign currency swap contract to which the cash flow hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to ₩ 2,479 million (net of tax effect totaling ₩ 1,240 million and foreign exchange translation gain arising from unguaranteed U.S. dollar denominated bonds totaling ₩ 5,461 million) was accounted for as accumulated other comprehensive loss.

In addition, the Company has entered into a floating-to-fixed cross currency swap contract with Credit Agricole Corporate & Investment bank to hedge the foreign currency risk and the interest rate risk of U.S. dollar denominated long-term borrowings with face amounts totaling US\$100,000,000 borrowed on October 10, 2006. As of March 31, 2010, in connection with unsettled cross currency interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to ₩ 2,266 million (net of tax effect totaling ₩ 197 million and foreign exchange translation loss arising from U.S. dollar denominated long-term borrowings totaling ₩ 18,280 million) was accounted for as accumulated other comprehensive loss.

In addition, the Company has entered into a floating-to-fixed cross currency swap contract with HSBC and SMBC Bank to hedge the foreign currency risk and the interest rate risk of unguaranteed Japanese yen denominated bonds with face amounts totaling JPY12,500,000,000 issued on November 13, 2007. As of March 31, 2010, in connection with unsettled cross currency interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to ₩ 1,606 million (net of tax effect totaling ₩ 1,074 million and foreign exchange translation loss arising from unguaranteed Japanese yen denominated bonds totaling ₩ 48,195 million) was accounted for as accumulated other comprehensive income.

In addition, the Company has entered into a floating-to-fixed cross currency swap contract with DBS and Credit Agricole Corporate & Investment bank to hedge the foreign currency risk and the interest rate risk of U.S. dollar denominated notes with face amounts totaling US\$150,000,000 borrowed on November 20, 2008. As of March 31, 2010, in connection with unsettled cross currency interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to ₩ 4,686 million (net of tax effect totaling ₩ 1,496 million and foreign exchange translation gain arising from U.S. dollar denominated bonds totaling ₩ 47,463 million) was accounted for as accumulated other comprehensive income.

In addition, the Company has entered into a floating-to-fixed cross currency swap contract with Mizuho Corporate Bank to hedge the foreign currency risk and the interest rate risk of unguaranteed Japanese yen denominated bonds with face amounts totaling JPY3,000,000,000 issued on January 22, 2009. As of March 31, 2010, in connection with unsettled cross currency interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to ₩ 2,344 million (net of tax effect totaling ₩ 661 million and foreign exchange translation gain arising from unguaranteed Japanese yen denominated bonds totaling ₩ 9,590 million) was accounted for as accumulated other comprehensive income.



**Table of Contents**

In addition, the Company has entered into a floating-to-fixed cross currency swap contract with Bank of Tokyo-Misuboshi Bank to hedge the foreign currency risk and the interest rate risk of unguaranteed Japanese yen denominated bonds with face amounts totaling JPY5,000,000,000 issued on March 5, 2009. As of March 31, 2010, in connection with unsettled cross currency interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to ₩ 1,253million (net of tax effect totaling ₩ 353 million and foreign exchange translation gain arising from unguaranteed Japanese yen denominated bonds totaling ₩ 17,711 million) was accounted for as accumulated other comprehensive income.

b. Interest rate swap contract to which the cash flow hedge accounting is applied

The Company has entered into a floating-to-fixed interest rate swap contract with Shinhan Bank to hedge the interest rate risk of floating rate discounted bill with face amounts totaling ₩ 200,000 million borrowed on June 29, 2006. As of March 31, 2010, in connection with unsettled interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to ₩ 841 million (net of tax effect totaling ₩ 269 million) was accounted for as accumulated other comprehensive loss.

In addition, the Company has entered into a floating-to-fixed interest rate swap contract with Nonghyup Bank and other two banks to hedge the interest rate risk of long-term floating rate borrowings with face amounts totaling ₩ 500,000 million borrowed from July 28, 2008 to August 12, 2011. As of March 31, 2010, in connection with unsettled interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to ₩ 12,045 million (net of tax effect totaling ₩ 3,397 million) was accounted for as accumulated other comprehensive loss.

c. Currency swap contract to which the hedge accounting is not applied

The Company has entered into fixed-to-fixed cross currency swap contract with Morgan Stanley Bank and two other banks to hedge the foreign currency risk of unguaranteed U.S. dollar denominated bonds with face amounts totaling US\$400,000,000 issued on July 20, 2007. In connection with unsettled foreign currency swap contract to which the hedge accounting is not applied, loss on valuation of currency swap of ₩ 18,434 million and ₩ 42,481 million for the three months ended March 31, 2010 and 2009, respectively, was charged to current operations.

d. Interest rate swap contract to which the hedge accounting is not applied

The Company has entered into a floating-to-fixed interest rate swap contract with DBS and Calyon Bank the interest rate risk of floating rate U.S. dollar denominated bonds with face amounts totaling US\$220,000,000 issued on April 29, 2009. In connection with unsettled interest rate swap contract to which the hedge accounting is not applied, loss on valuation of interest rate swap of ₩ 1,642 million for the three months ended March 31, 2010 was charged to current operations.

**Table of Contents**

As of March 31, 2010, fair values of above derivatives recorded in assets or liabilities and details of derivative instruments are as follows (In thousands of U.S. dollars, H.K. dollars, Japanese yen and millions of Korean won):

Type	Hedged item	Amount	Duration of contract	Designated as cash flow hedge	Fair value		Total
					Not designated		
<b>Non-current assets:</b>							
Floating-to-fixed cross currency interest rate swap	U.S. dollar denominated long-term borrowings	US\$100,000	Oct 10, 2006 ~ Oct 10, 2013	₩ 15,817	₩		₩ 15,817
Fix-to-fixed cross currency swap	U.S. dollar denominated bonds	US\$400,000	Jul. 20, 2007 ~ Jul. 20, 2017			128,900	128,900
Floating-to-fixed cross currency interest rate swap	Japanese yen denominated bonds	JPY12,500,000	Nov. 13, 2007 ~ Nov. 13, 2012	48,727			48,727
<b>Total assets</b>				<b>₩ 64,544</b>	<b>₩ 128,900</b>		<b>₩ 193,444</b>
<b>Current liabilities:</b>							
Floating-to-fixed cross currency interest rate swap	U.S. dollar denominated bonds	US\$150,000	Nov 20, 2008 ~ Nov 20, 2010	₩ 41,281	₩		₩ 41,281
Fix-to-fixed cross currency swap	U.S. dollar denominated bonds	US\$300,000	Mar. 23, 2004 ~ March. 31, 2011	9,180			9,180
Floating-to-fixed interest rate swap	Long-term floating rate discounted bill	₩200,000	Jun. 29, 2006 ~ Jun. 29, 2010	1,110			1,110
<b>Non-current liabilities:</b>							
Floating-to-fixed cross currency interest rate swap	Japanese yen denominated	JPY3,000,000	Jan. 22, 2009 ~	6,585			6,585

	bonds		Jan. 22, 2012		
Floating-to-fixed cross currency interest rate swap	Japanese yen denominated bonds	JPY5,000,000	Mar. 5, 2009 ~ Mar. 5, 2012	16,105	16,105
Floating-to-fixed interest rate swap			July 28, 2008 ~ August 12, 2011	15,442	15,442
Floating-to-fixed interest rate swap	Long-term borrowings	₩500,000	April 29, 2009 ~ April 29, 2012		
	Long-term borrowings	US\$220,000		5,014	5,014
<b>Total liabilities</b>				₩ 89,703	₩ 5,014
					₩ 94,717

**Table of Contents**

**18. SUBSEQUENT EVENTS**

a. Disposition of investment in common stock of IHQ, Inc.

On April 26, 2010, the board of directors of the Company resolved to dispose 10,930,844 shares of common stock of IHQ, Inc. for ₩ 18,582 million. As a result, the Company's ownership for IHQ, Inc. will decrease to 9.99% from 37.10%.

**19. K-IFRS ADOPTION PLAN AND STATUS**

In accordance with IFRS adoption roadmap released by the Financial Supervisory Commission in March 2007, the Company is required to prepare financial statements under K-IFRS from fiscal year of 2011. In April 2008, the Company set up a task force for the adoption and hired outside consulting firm to evaluate the impact that K-IFRS may have on the Company's financial statements as well as to educate the concerned employees.

At March 31, 2010, the Company is currently performing analysis on the major GAAP differences between K-IFRS and the Company's accounting policy, setting up action plan to decide the Company's accounting policy under K-IFRS and changing operating procedures to coincide with K-IFRS.

**Table of Contents**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**SK Telecom Co., Ltd.**

*(Registrant)*

By: /s/ Tae Jin Park

*(Signature)*

Name: Tae Jin Park

Title: Senior Vice President

Date: June 14, 2010