

SK TELECOM CO LTD  
Form 6-K  
January 28, 2010

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

**Form 6-K  
REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE  
SECURITIES EXCHANGE ACT OF 1934  
FOR THE MONTH OF DECEMBER 2009**

**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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QUARTERLY BUSINESS REPORT

(From January 1, 2009 to September 30, 2009)

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.

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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. Personal property and real property lease 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. Any business or undertaking incidental or conducive to the attainment of the objects above

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>
June 13, 2006	Corporate bond	AAA	Korea Information Services, Inc.	Regular rating
June 21, 2006	Corporate bond	AAA	Korea Ratings	Regular rating
June 22, 2006	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
September 1, 2006	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
September 1, 2006	Corporate bond	AAA	Korea Ratings	Current rating
September 1, 2006	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating

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October 27, 2006      Corporate bond      AAA      Korea Information Services,  
Inc.      Current rating

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<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>
October 27, 2006	Corporate bond	AAA	Korea Ratings	Current rating
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

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

conditions.

(2) Commercial Paper ( CP )

<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>
June 13, 2006	CP	A1	Korea Information Services, Inc.	Current rating
June 21, 2006	CP	A1	Korea Ratings	Current rating
June 22, 2006	CP	A1	Korea Investors Service, Inc.	Current rating

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<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>
September 1, 2006	CP	A1	Korea Ratings	Regular rating
December 27, 2006	CP	A1	Korea Information Services, Inc.	Regular rating
December 27, 2006	CP	A1	Korea Investors Service, Inc.	Regular rating
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

\* 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>
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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

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**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 25th General Shareholders Meeting held on March 13, 2009, Man Won Jung was elected as the Representative Director and Jae Won Chey was elected as an Executive Director while Hyun Chin Lim was re-elected as an independent Director. Executive Directors Young Ho Park and Shin Bae Kim resigned from the Board on March 12, and on March 13, respectively.

C. Other Important Matters related to Management Activities

(1) Resolution to issue registered offshore unsecured convertible bonds.

In accordance with the resolution of the Board of Directors on March 13, 2009, the Company decided to issue offshore registered, unsecured convertible bonds in order to refinance its maturing offshore unsecured convertible bonds (maturity date: May 27, 2009) originally issued in May of 2004. Details related to the said offshore unsecured convertible bonds to be issued are as follows:

<b>Face value of the Convertible Bonds ( CB )</b>	US\$ 332,528,000 (Won 460, 019 million)
<b>Interest and Payment Terms of the CB</b>	Coupon Rate of 1.75% payable semi-annually
<b>Maturity of the CB</b>	April 7, 2014
<b>Conversion Price and Ratio</b>	Won 230,010 per share, 100%
<b>Shares to be Converted</b>	Registered Common (Treasury) Shares issued by the Company
<b>Conversion Period</b>	From May 18, 2009 to March 28, 2014

(2) Acquisition of fixed-line network business and related ancillary businesses of SK Networks

In accordance with the resolution of the Board of Directors on May 21, 2009, the Company decided to acquire fixed-line network business and related ancillary businesses (including all assets, liabilities and other rights and obligations related to such businesses) of SK Networks. Through the acquisition, the Company intends to increase the efficiency of its network utilization and provide optimal services by internalizing mobile phone transmission lines. Acquisition price was Won 892,850 million. As of September 30, 2009, the assets and liabilities of the businesses being acquired amounted to Won 646,413 million and Won 620,154 million, respectively. Revenue from the businesses being acquired in 2008 was Won 416,533 million. SK Networks approved the acquisition in its shareholders meeting held on July 6, 2009. The acquisition closed, and the

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acquisition price was paid, on September 30, 2009.

(3) Purchase of SK Broadband shares

On July 21, 2009, the Company purchased 47,187,105 shares of SK Broadband's common stock in its rights offering, at Won 5,000 per share (aggregate purchase price of Won 235,935,525,000), to increase competitiveness of the Company's and its affiliates' businesses. The Company's equity interest in SK Broadband increased from 43.4% to 50.6%.

(4) Payment of interim dividends

In accordance with the resolution of the Board of Directors on July 23, 2009, the Company decided to pay interim dividends as follows:

(a) Dividend amount: Won 1,000 per share (aggregate dividend amount of 72,345,003,000)

(b) Market dividend rate: 0.57%

(c) Record date: June 30, 2009

(d) Dividend payment date: within 20 days from the date of the resolution of the Board of Directors

(5) Sale of SK C&C Shares

In accordance with the resolution of the Board of Directors on September 18, 2009, the Company decided to sell common shares of SK C&C Co., Ltd. (SK C&C) held by the Company in the initial public offering of SK C&C's common shares on the KRX KOSPI Market. The Company expects to sell 10,500,000 shares of SK C&C at Won 30,000 per share (aggregate sale price of Won 315,000 million), pursuant to the final offering price and amount as disclosed on November 2, 2009. After the sale, the Company's equity stake in SK C&C will decrease from 30.0% to 9.0%.

(6) Sale of China Unicom Shares

In accordance with the resolution of the Board of Directors on September 25, 2009, the Company sold all common shares of China Unicom (HongKong) Limited (China Unicom) held by the Company (899,745,075 shares) to China Unicom on November 5, 2009 at HK\$11.105 per share, amounting to an aggregate sale price of HK\$9,991,669,058.

**Table of Contents****3. Total Number of Shares**

## A. Total number of shares

(As of September 30, 2009)

(Unit: shares)

Classification	Common shares	Share type	Total	Remarks
<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	
<b>1. Capital reduction</b>				
<b>2. Share cancellation</b>	8,533,235		8,533,235	
<b>3. Redeemed shares</b>				
<b>4. Others</b>				
<b>IV. Total number of shares (II-III)</b>	80,745,711		80,745,711	
<b>V. Number of treasury shares</b>	8,400,708		8,400,708	
<b>VI. Number of shares outstanding (IV-V)</b>	72,345,003		72,345,003	

\* On January 9, 2009, the Company purchased (using retained earnings) and cancelled 448,000 common shares. As the result of such retirement of common shares, the total number of outstanding shares decreased to 80,745,711.

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## B. Treasury Stock

## (1) Acquisitions and Dispositions of Treasury Stocks

(As of September 30, 2009)

(Unit: Shares)

Acquisition methods	Type of shares	At the beginning of period	Acquired (+)	Changes Disposed (-)	Retired (-)	At the end of period	Remarks
<b>Direct acquisition</b>							
<b>pursuant to Article 165-2 of the relevant Act <sup>1</sup> based on reasons other than those stipulated in Article 165-2 of the relevant Act</b>	Common shares	4,704,828	179,200 <sub>2</sub>		448,000	4,436,028	
	Preferred shares						
	Common shares	77,970				77,970	
	Preferred shares						
<b>Sub-total</b>	Common shares	4,782,798	179,200		448,000	4,513,998 <sub>3</sub>	
	Preferred shares						
<b>Indirect acquisition through trust and other agreements</b>	Common shares	3,886,710				3,886,710	
	Preferred shares						
<b>Total</b>	Common shares	8,669,508	179,200		448,000	8,400,708	
	Preferred shares						

<sup>1</sup> The relevant Act in the above table refers to Financial Investment Services and Capital Markets Act of Korea ( FSCMA )

<sup>2</sup> The 179,200 common shares

directly  
acquired  
pursuant to  
Article 165-2 of  
the FSCMA  
were acquired  
for the purpose  
of retirement;  
the retirement of  
such stock was  
completed on  
January 9, 2009.

<sup>3</sup> Of the  
4,513,998  
shares of  
directly  
acquired  
treasury stock,  
1,999,997  
shares were  
deposited with  
Korea Securities  
Depository to be  
issued upon  
conversion of  
the Company's  
offshore  
convertible  
bonds. (As of  
June 30, 2009)

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## (2) Retirement of Treasury Stock

(Unit: in millions of Won, Shares)

Retired Date	Retirement Purpose	Type of Share	Quantity	Monetary Amount	Acquisition Period	Remarks
			Retired (shares)	Retired (in millions of Won)	of Retired Shares	
January 9, 2009	Stabilization of Share Price	Common	448,000	92,476	December 2, 2008 - January 7, 2009	
<b>Total</b>		Common Preferred	448,000	92,476		

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

(Amounts: in millions of Won)

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

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

(As of September 30, 2009)

(Unit: shares)

<b>Classification</b>		<b>Number of shares</b>	<b>Remarks</b>
<b>Total outstanding shares (A)</b>	Common share	80,745,711	
	Preferred share		
<b>Number of shares without voting rights (B)</b>	Common share	8,400,708	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	72,345,003	
	Preferred share		

**5. Dividends and Others**

## A. Dividends

(1) Distribution of cash dividends was approved during the 22nd General Meeting of Shareholders held on March 10, 2006.

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

(2) Distribution of interim dividends of Won 1,000 was approved during the 270th Board of Directors Meeting on July 28, 2006.

(3) 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.

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

(5) 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.

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(6) Distribution of interim dividends of Won 1,000 was approved during the 295th Board of Directors Meeting on July 18, 2008.

(7) 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.

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

B. Dividends for the Last 3 Fiscal Years

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

<b>Classification</b>	<b>As of and for the nine months ended September 30, 2009</b>	<b>As of and for the year ended December 31, 2008</b>	<b>As of and for the year ended December 31, 2007</b>
Par value per share (Won)	500	500	500
Current Period's net income	1,044,104	1,277,658	1,642,451
Net income per share (Won)	14,432	17,559	22,607
Total cash dividend	72,345	681,996	682,379
Total stock dividends			
Percentage of cash dividend to available income (%)	6.9	53.4	41.5
Cash dividend yield ratio (%)			
Common share	0.5	4.5	3.8
Preferred share			
Stock dividend yield ratio (%)			
Common share			
Preferred share			
Cash dividend per share (Won)			
Common share	1,000	9,400	9,400
Preferred share			
Stock dividend per share (share)			
Common share			
Preferred share			

\* 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.

\* Total cash  
dividend of  
Won  
682,379 million  
for the year  
ended  
December 31,  
2007 includes  
the total interim  
dividend  
amount of Won  
72,667 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 September 30, 2009, the number of domestic mobile phone subscribers reached 47.5 million and, with more than 95% 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 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 that enables the provision of convergence services for multimedia contents, mobile commerce, telematics, satellite DMB, digital home services and other related contents.

**B. Growth Potential**

(Unit: 1,000 persons)

Classification	As of	As of December 31,				
	September 30, 2009	2008	2007	2006	2005	
Number of subscribers	SK Telecom	24,074	23,032	21,968	20,271	19,530
	Others (KT, LGT)	23,454	22,575	21,529	19,926	18,812
	<b>Total</b>	<b>47,528</b>	<b>45,607</b>	<b>43,497</b>	<b>40,197</b>	<b>38,342</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. 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 September 30, 2009)

(Unit: %)

Classification	As of	As of December 31,		
	September 30, 2009	2008	2007	2006
Mobile communication services	50.6	50.5	50.5	50.4

Comparative market share

(As of September 30, 2009)

(Unit: %)

Classification	SK	KTF	LG
	Telecom	Telecom	Telecom
Market share	50.6	31.3	18.1

(Source: Korea Communications Commission website)

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

## A. Updates on Major Products and Services

(Unit: in millions of Won, %)

<b>Business fields</b>	<b>Sales type</b>	<b>Item</b>	<b>Specific Usage</b>	<b>Major trademarks</b>	<b>Sales amount (ratio)</b>
<b>Information and communication</b>	Services	Mobile communication	Mobile Phone	June, NATE and others	8,841,353(98.2%)
		Others		Others	157,622(1.8%)

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

Based on the Company's Basic Plan for monthly subscription, the basic service fee is Won 13,000 per month and the usage fee is Won 20 per 10 seconds. These rates are the same as the rates for 2007 and 2008. Based on the Company's Standard Plan, launched in April 2008, the basic service fee is Won 12,000 per month and the usage fee is Won 18 per 10 seconds.

**3. Investment Status**

## A. Investment in Progress

(Unit: in 100 millions of Won)

<b>Business field</b>	<b>Classification</b>	<b>Investment period</b>	<b>Subject of investment</b>	<b>Investment effect</b>	<b>Amount</b>		
					<b>Total investments</b>	<b>already invested</b>	<b>Future investment</b>
Network/Common	Upgrade/ New installation	2009	Network, systems and others	Capacity increase and quality improvement; systems improvement	To be determined	9,552	To be determined
<b>Total</b>					-	To be determined	To be determined

## B. Future Investment Plan

(Unit: in 100 millions of Won)

<b>Business field</b>	<b>Expected investment amount Asset type</b>	<b>Amount</b>	<b>Expected investment for each year</b>			<b>Investment effect</b>
			<b>2009</b>	<b>2010</b>	<b>2011</b>	
Network/Common	Network, systems and others	To be determined	To be determined	To be determined	To be determined	Upgrades to the existing services and provision of new services
<b>Total</b>		To be determined	To be determined	To be determined	To be determined	Upgrades to the existing services and provision of new services

**4. Revenues**

(Unit: in millions of Won)

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Business field	Sales type	Item	For the nine months ended September 30,				
			2009	2008	2007		
Information and communication	Services	Mobile communication	Export				
			Domestic	8,841,353	11,492,832	11,083,821	
				Subtotal	8,841,353	11,492,832	11,083,821
	Others	Export	2,107	5,855	4,101		
		Domestic	157,622	175,975	197,979		
		Subtotal	159,729	181,830	202,080		
		Export	2,107	5,855	4,101		
	Total	Domestic	8,998,974	11,668,807	11,281,800		
		Total	9,001,081	11,674,662	11,285,901		

**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 our derivatives is calculated using our transaction bank's valuations. In accordance with the derivatives contracts, our 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 September 30, 2009, in connection with the unsettled foreign currency swap contract to which the cash flow risk hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to Won 2,873,422,000 (excluding tax effect totaling Won 1,351,488,000 and foreign exchange translation loss arising from unguaranteed U.S. dollar denominated bonds totaling Won 11,881,481,000) was accounted for as accumulated other comprehensive loss.

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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 September 30, 2009, in connection with this unsettled currency and interest rate swap contract, an accumulated loss on valuation of derivatives amounting to Won 3,212,546,000 (excluding tax effect totaling Won 464,245,000 and foreign exchange translation loss arising from U.S. dollar denominated long-term borrowings totaling Won 24,070 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 September 30, 2009, in connection with this unsettled currency and interest rate swap contracts, an accumulated gain on valuation of derivatives amounting to Won 1,552,346,000 (net of tax effect totaling Won 1,088,803,000 and foreign exchange translation loss arising from unguaranteed Japanese yen dominated bonds totaling Won 60,807,071,000) 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 September 30, 2008, in connection with this unsettled currency and interest rate swap contract, an accumulated gain on valuation of derivatives amounting to Won 4,682,551,000 (net of tax effect totaling Won 1,320,719,000 and foreign exchange translation gain arising from U.S. dollar denominated bonds totaling Won 38,792,218,000) 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 September 30, 2009, in connection with this unsettled currency and interest rate swap contract, an accumulated gain on valuation of derivatives amounting to Won 2,593,250,000 (net of tax effect totaling Won 731,429,000 and foreign exchange translation gain arising from unguaranteed Japanese yen dominated bonds totaling Won 6,563,023,000) 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, 2009. As of September 30, 2009, in connection with this unsettled currency and interest rate swap contract, an accumulated gain on valuation of derivatives amounting to Won 1,839,905,000 (net of tax effect totaling Won 518,948,000 and foreign exchange translation gain arising from unguaranteed Japanese yen

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dominated bonds totaling Won 12,665,286,000) was accounted for as accumulated other comprehensive gain.

Currency swap, contract to which the fair value hedge accounting is applied

The Company has entered into a currency swap contract with nine banks including Hana Bank in order to hedge the foreign exchange risk of the Company's holdings of common shares of China Unicom. In connection with this unsettled currency swap contract, gains on valuation of currency swaps of Won 42,397,044,000 and losses on valuation of currency swaps of Won 109,933,905,000 for the nine months ended September 30, 2009 and September 30, 2008, respectively, were charged to current operations.

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 66,000,978,000 and a gain on valuation of currency swap of Won 131,299,127,000 for the nine months ended September 30, 2009 and September 30, 2008, 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 September 30, 2009, 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 1,409,091,000 (net of tax effect totaling Won 397,436,000) 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 September 30, 2009, 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 11,016,545,000 (net of tax effect totaling Won 3,107,231,000) was accounted for as accumulated other comprehensive loss.

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



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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 on April 29, 2009. In connection with this unsettled interest rate swap contract, loss on valuation of interest rate swap of Won 4,123,478,000 for the nine months ended September 30, 2009 was charged to current operations.

**C. Currency Option**

(1) Purpose of Contracts: Currency Exchange Rate Risk Hedging

(2) Contract Terms

Currency option contract to which the hedge accounting is not applied

The Company has entered into a currency put option contract with Calyon bank to hedge the foreign currency risk of US\$50,000,000 deposit maturing on July 14, 2009. In connection with this unsettled currency put option contract to which the hedge accounting is not applied, a gain on valuation of currency option of Won 1,013,855,000 for the six months ended June 30, 2009 was accreted 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>	SK C&C.	Feb. 26, 2009	December 31, 2009	2009 IT SM Contract	2,079
<b>Product</b>	TU Media, Ltd.	Feb. 23, 2009	December 31, 2009	2009 Satellite DMB Service Collaboration Contract	1,008
<b>Product</b>	SK E&C	Mar. 19, 2009	December 31, 2009	2009 Cell Site Facility Construction (Seoul Area)	510
<b>Product</b>	SK E&C	Mar. 19, 2009	December 31, 2009	2009 RF Switching Facility Construction (Seoul Area)	414
<b>Service</b>	SK Marketing & Company	July 1, 2009	December 31, 2009	2009 2H Membership Collaboration Program	395
			Subtotal		4,406

\* Selected among contracts exceeding Won 30 billion and classified by product and service.

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

(Unit: in thousands of Won)

Category	For the nine months ended September 30, 2009	For the year ended December 31, 2008	For the year ended December 31, 2007	Remarks
Raw material	31,622	89,176	96,217	
Labor	38,838,305	38,062,791	39,388,760	
Depreciation	95,962,398	138,511,764	129,208,262	
Commissioned service	50,539,633	85,836,738	90,363,645	
Others	28,378,379	34,539,984	37,609,969	
<b>Total R&amp;D costs</b>	<b>213,750,337</b>	<b>297,040,453</b>	<b>296,666,853</b>	
Accounting Sales and administrative expenses	212,314,543	293,443,380	288,519,863	
Development expenses (Intangible assets)	1,435,794	3,597,072	8,146,990	
<b>R&amp;D cost / sales amount ratio (Total R&amp;D costs / Current sales amount×100)</b>	<b>2.37%</b>	<b>2.54%</b>	<b>2.63%</b>	

**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 provide 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. Unaudited Summary Financial Information (Non-consolidated)**

(Unit: in millions of Won)

Classification / Fiscal Year	As of and for the nine months ended September 30,	As of and for the year ended December 31,				
	2009	2008	2007	2006	2005	
<b>Current assets</b>	5,955,585	3,990,503	4,094,059	4,189,325	4,172,485	
<b>Quick assets</b>	5,940,059	3,976,576	4,075,378	4,172,887	4,166,500	
<b>Inventory</b>	15,527	13,927	18,681	16,438	5,985	
<b>Non-current assets</b>	13,615,287	14,626,992	14,038,451	11,624,728	10,349,191	
<b>Investments</b>	4,590,892	5,668,127	5,940,045	3,547,942	2,366,760	
<b>Property and Equipment</b>	5,109,730	4,698,214	4,594,413	4,418,112	4,595,884	
<b>Intangible assets</b>	2,687,791	2,941,592	3,174,942	3,405,158	3,386,547	
<b>Other non-current assets</b>	1,226,874	1,319,059	329,051	253,516		
<b>Total assets</b>	19,570,872	18,617,495	18,132,510	15,814,053	14,521,676	
<b>Current liabilities</b>	3,408,106	3,412,490	2,484,548	2,985,620	2,747,268	
<b>Non-current liabilities</b>	5,466,661	4,475,998	4,221,016	3,522,006	3,516,528	
<b>Total liabilities</b>	8,874,766	7,888,488	6,705,564	6,507,626	6,263,796	
<b>Capital</b>	44,639	44,639	44,639	44,639	44,639	
<b>Capital surplus</b>	3,032,006	2,957,095	2,954,829	2,962,699	2,966,198	
<b>Capital adjustment</b>	(-)2,720,883	(-)2,147,530	(-)2,072,486	(-)2,019,568	(-)2,022,817	
<b>Other Cumulative Profit and Loss</b>	625,288	373,784	1,594,099	473,904		
<b>Retained earnings</b>	9,715,055	9,501,018	8,905,865	7,844,753	7,269,861	
<b>Total stockholders equity</b>	10,696,106	10,729,007	11,426,946	9,306,427	8,257,881	
<b>Sales</b>	9,001,081	11,674,662	11,285,900	10,650,952	10,161,129	
<b>Operating Profit (or Loss)</b>	1,736,191	2,059,896	2,171,543	2,584,370	2,653,570	
<b>Profit (or Loss) from continuing operation</b>	1,044,104	1,277,658	1,642,451	1,446,598	1,871,380	
<b>Current Period's Net Profit (or Loss)</b>	1,044,104	1,277,658	1,642,451	1,446,598	1,871,380	
					(Unit: Won)	
	<b>For the nine months ended September 30,</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Earnings per share</b>		14,432	17,559	22,607	19,734	25,421
<b>Diluted earnings per share</b>		14,248	17,395	22,289	19,458	25,015



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

(Unit: in millions of Won)

Classification / Fiscal Year	As of and for the year ended December 31,				
	2008	2007	2006	2005	2004
<b>Current assets</b>	5,422,447	4,813,072	4,663,962	4,598,580	4,390,692
<b>Quick assets</b>	5,387,473	4,766,020	4,644,184	4,590,796	4,338,371
<b>Inventory</b>	34,974	47,052	19,778	7,784	52,321
<b>Non-current assets</b>	17,051,224	14,235,863	11,576,006	10,106,193	9,892,665
<b>Investments</b>	4,025,429	5,446,711	3,236,783	1,989,934	1,665,841
<b>Property and Equipment</b>	7,437,689	4,969,353	4,507,335	4,663,369	4,703,922
<b>Intangible assets</b>	3,978,145	3,433,962	3,518,411	3,452,889	3,522,903
<b>Other non-current assets</b>	1,609,961	385,836	313,477		
<b>Total assets</b>	22,473,671	19,048,935	16,239,968	14,704,772	14,283,358
<b>Current liabilities</b>	4,628,821	3,016,874	3,208,416	2,863,373	3,066,893
<b>Non-current liabilities</b>	6,020,410	4,344,428	3,548,464	3,513,860	4,010,721
<b>Total liabilities</b>	10,649,231	7,361,302	6,756,880	6,377,233	7,077,614
<b>Capital</b>	44,639	44,639	44,639	44,639	44,639
<b>Capital surplus</b>	2,958,854	2,956,106	2,950,327	2,954,840	2,968,301
<b>Capital adjustment</b>	(-)2,159,389	(-)2,072,723	(-)2,019,567	(-)2,048,515	(-)2,058,292
<b>Other Cumulative Profit/Loss</b>	356,192	1,591,258	490,010		
<b>Retained earnings</b>	9,448,185	8,914,970	7,847,434	7,267,649	6,152,898
<b>Total stockholders equity</b>	11,824,440	19,048,935	9,483,088	8,327,540	7,205,743
<b>Sales</b>	14,020,984	11,863,357	11,027,977	10,721,820	10,570,615
<b>Operating Profit (or Loss)</b>	1,752,468	2,101,955	2,621,132	2,670,616	2,439,749
<b>Profit (or Loss) from continuing operation before tax</b>	972,338	1,562,265	1,449,552	1,868,307	1,493,414
<b>Current Period's Net Profit before tax</b>	972,338	1,562,265	1,449,552	1,868,307	1,493,414

(Unit: Won)

Classification / Fiscal Year	For the year ended December 31,				
	2008	2007	2006	2005	2004
<b>Earnings per share in Majority Interest</b>	16,707	22,696	19,801	25,443	20,261
<b>Diluted earnings per share in Majority Interest</b>	16,559	22,375	19,523	25,036	20,092

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

**Nine months ended  
September 30, 2009**

Deloitte Anjin LLC

**2008**

Deloitte Anjin LLC

**Year ended December 31,**

**2007**

Deloitte Anjin LLC

**2006**

Deloitte Anjin LLC

**2. Audit Opinion**

**Term**

**Auditor's opinion**

**Issues noted**

**Nine months ended  
September 30, 2009**

No material violation of accounting standards

**Nine months ended  
September 30, 2008**

No material violation of accounting standards

**Year ended December 31,  
2008**

Unqualified

**Year ended December 31,  
2007**

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>Nine months ended September 30, 2009</b>	Deloitte Anjin LLC	Semi-annual review Quarterly review Non-consolidated financial statements audit Consolidated financial statements audit	1,275,000	13,709
<b>Year ended December 31, 2008</b>	Deloitte Anjin LLC	Semi-annual review Quarterly review Non-consolidated financial statements audit Consolidated financial statements audit	1,310,097	13,346
<b>Year ended December 31, 2007</b>	Deloitte Anjin LLC	Semi-annual review Quarterly review Non-consolidated financial statements audit Consolidated financial statements audit	1,066,318	11,468

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## 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>Nine months ended</b>	May 13, 2009		30	
		Tax consulting	days	40,000
<b>September 30, 2009</b>	May 22, 2009	Tax consulting	10	
		Tax consulting	days	10,000
	May 22, 2009		20	
		Tax adjustment for fiscal year 2008	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		20	
		Tax consulting	days	20,000
<b>Year ended</b>	November 20, 2007		60	
		Set up services for agency tax manual	days	48,000
<b>December 31, 2008</b>	March 3, 2008		10	
		Tax adjustment for fiscal year 2007	days	33,000
	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		10	
		Tax consulting	days	9,400
	November 1, 2008	Tax consulting	4 days	5,000
	November 19, 2008		10	
		Tax consulting	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		10	
		Tax adjustment for fiscal year 2006	days	30,000
<b>December 31, 2007</b>	September 28, 2007	Tax consulting for denial of deductions for corporate income tax	1 day	2,000
	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. 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 non-executive independent directors and three executive directors. Within the Board, there are five Committees: Non-executive independent Director Nomination Committee, Audit Committee, Compensation Committee, CapEx Review Committee, and Corporate Citizenship Committee.

**B. Significant Activities of the Board of Directors**

<b>Meeting</b>	<b>Date</b>	<b>Agenda</b>	<b>Approval</b>
<b>300<sup>th</sup></b> <b>(the first</b> <b>meeting of</b> <b>2009)</b>	January 22, 2009	Financial Statements for the year ended December 31, 2008  Annual Business Report for the year ended December 31, 2008  Annual Business Plan and Budgeting for FY 2009  Issuance of Corporate Bonds	Approved as proposed Approved as proposed Approved as proposed Approved as proposed
<b>301<sup>st</sup></b> <b>(the second</b> <b>meeting of</b> <b>2009)</b>	February 17, 2009	Convocation of the 2 <sup>nd</sup> General Meeting of Shareholders  Partnership Agreement with Offshore Private Equity Fund	Approved as proposed Approved as proposed
<b>302<sup>nd</sup></b> <b>(the third</b> <b>meeting of</b> <b>2009)</b>	March 13, 2009	Election of the Representative Director  Revision to the Regulations for the Board of Directors  Appointment of Chairman of the Board of Directors  Long-term Financing Plan for Foreign Currency Issuance of Offshore Convertible Bonds and Transfer of Treasury Shares in relation thereto Asset Management Transaction with Affiliated Company (SK Securities)	Approved as proposed Approved as proposed Approved as proposed Approved as proposed Approved as proposed Approved as proposed
<b>303<sup>rd</sup></b> <b>(the fourth</b> <b>meeting of</b> <b>2009)</b>	May 21, 2009	Election of Committee Members  Resolution on Business Acquisition from SK Networks  Resolution on Purchase of Investment Securities (SK Broadband)	Approved as proposed Approved as proposed Approved as proposed
<b>304<sup>th</sup></b>	June 19, 2009		



(the fifth  
meeting of  
2009)

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<b>Meeting</b>	<b>Date</b>	<b>Agenda</b>	<b>Approval</b>
<b>305<sup>th</sup></b> <b>(the sixth meeting of 2009)</b>	July 23, 2009	Proposal for Interim Dividend	Approved as proposed
<b>306<sup>th</sup></b> <b>(the seventh meeting of 2009)</b>	August 14, 2009	Revision of Accounting Principles	Approved as proposed
<b>307<sup>th</sup></b> <b>(the eighth meeting of 2009)</b>	September 18, 2009	Asset Management Transaction with Affiliated Company (SK Securities)  Sale of SK C&C Shares	Approved as proposed Approved as proposed
<b>308<sup>th</sup></b> <b>(the ninth meeting of 2009)</b>	September 25, 2009	Sale of China Unicom Shares	Approved as proposed
<b>309<sup>th</sup></b> <b>(the tenth meeting of 2009)</b>	October 16, 2009	Strategic Alliance relating to China Cyworld	Approved as proposed

<b>Meetings</b>	<b>Dates</b>	<b>Independent Directors Attended</b>	<b>Description</b>
<b>The first meeting of 2009 (300<sup>th</sup>)</b>	January 22, 2009	5 / 5	
<b>The second meeting of 2009 (301<sup>st</sup>)</b>	February 17, 2009	5 / 5	
<b>The third meeting of 2009 (302<sup>nd</sup>)</b>	March 13, 2009	5 / 5	
<b>The fourth meeting of 2009 (303<sup>rd</sup>)</b>	May 21, 2009	5 / 5	
<b>The fifth meeting of 2009 (304<sup>th</sup>)</b>	June 19, 2009	5 / 5	
<b>The sixth meeting of 2009 (305<sup>th</sup>)</b>	July 23, 2009	4 / 5	
<b>The seventh meeting of 2009 (306<sup>th</sup>)</b>	August 14, 2009	5 / 5	
<b>The eighth meeting of 2009 (307<sup>th</sup>)</b>	September 18, 2009	5 / 5	
<b>The ninth meeting of 2009 (308<sup>th</sup>)</b>	September 25, 2009	5 / 5	
<b>The tenth meeting of 2009 (309<sup>th</sup>)</b>	October 16, 2009	5 / 5	

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## C. Committees within Board of Directors

## (1) Committee Structure

## a) Non-executive Independent Director Nomination Committee

(As of September 30, 2009)

Number of Persons	Members		Remarks
	Executive Directors	Non-executive Independent Directors	
4	Man Won Jung, Sung Min Ha	Rak Yong Uhm, Jae Ho Cho	

\* The Non-executive 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 September 30, 2009)

Number of Persons	Members		Remarks
	Executive Directors	Non-executive Independent Directors	
3		Dal Sup Shim, Hyun Chin Lim, 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 September 30, 2009)

Number of Persons	Members	
	Executive Directors	Non-executive 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 September 30, 2009)

Number of Persons	Executive Directors	Members		Remarks
		Non-executive	Independent Directors	
4	Sung Min Ha	Dal Sup Shim, Rak Yong Uhm, Jay Young Chung		
		25		

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- \* The Capex Review Committee is a committee established by the resolution of the Board of Directors.  
e) Corporate Citizenship Committee  
(As of September 30, 2009)

Number of Persons	Executive Directors	Members		Remarks
		Non-executive	Independent Directors	
4	Sung Min Ha	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 September 30, 2009)

Committee Name	Date of Activity	Agenda	Approval	Non-executive Independent Directors	
				Dal Sup Shim (Attendance: 100%)	Hyun Chin Lim (Attendance: 100%)
			Vote		
Non-executive Independent Director Nomination Committee	February 17, 2009	25th General Meeting of Shareholders: Proposal to nominate an Independent Director Hyun Chin Lim	Approved as Proposed	For	For
	June 19, 2009	Proposal to nominate the Head of Committee Man Won Jung	Approved as Proposed	For	For

**Non-executive Independent Directors**  
**Rak Yong      Jay Yung**

<b>Committee Name</b>	<b>Date of Activity</b>	<b>Agenda</b>	<b>Approval</b>	<b>Dal Sup Shim (Attendance: 100%)</b>	<b>Uhm (Attendance: 100%) Vote</b>	<b>Chung (Attendance: 100%)</b>
CapEx Committee	January 21, 2009	CapEx plan for 2009	Approved as proposed	For	For	For
	June 19, 2009	Proposal to nominate the Head of Committee Rak Yong Uhm	Approved as proposed	For	For	For

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Committee Name	Date of Activity	Agenda	Approval	Non-executive Independent Directors				
				Dal Sup Shim (Attendance: 100%)	Rak Yong Uhm (Attendance: 100%)	Hyun Chin Lim (Attendance: 100%)	Jay Yung Chung (Attendance: 100%)	Jae Ho Cho (Attendance: 100%)
Compensation Review Committee	June 19, 2009	Proposal to nominate the Head of Committee Hyun Chin Lim	Approved as proposed	For	For	For	For	For

Committee Name	Date of Activity	Agenda	Approval	Non-executive Independent Directors		
				Rak Yong Uhm (Attendance: 100%)	Hyun Chin Lim (Attendance: 100%)	Jay Yung Chung (Attendance: 100%)
Corporate Citizenship Committee	June 19, 2009	Proposal to nominate the Head of Committee Jay Young Chung	Approved as proposed	For	For	For

**D. Directors Independence**

On February 17, 2009, in the notice of the annual General Meeting of Shareholders, background information on Jae Won Chey, Man Won Jung, Hyun Chin Lim, candidates for the Board of Directors, was publicly disclosed. There was no other nomination by shareholders. For the election of the Independent directors, the Company has established the Non-executive Independent Director Nomination Committee, which is currently in operation. In the 25th General Meeting of Shareholders held on February 17, 2009, the Committee nominated the Independent director candidates.

Name	Independent Director	Remarks
Man Won Jung	No	o During the 303 <sup>rd</sup> meeting of the Board of the Directors held on May 21 <sup>st</sup> , 2009, the Non-Executive Independent Director Nomination Committee was established.
Sung Min Ha	No	o Director Shin Bae Kim submitted his resignation on March 13, 2009.
Rak Yong Uhm	Yes	o Director Man Won Jung was elected on May 21, 2009.
Jae Ho Cho	Yes	

**2. Audit System**

The Company's Audit Committee consists of three non-executive independent directors, Dal Sup Shim, Hyun Chin Lim and Jae Ho Cho.

Major activities of the Audit Committee are as follows.

Meeting	Date	Agenda	Approval	Remarks
	January 21, 2009	o Issuance of corporate bonds		

The first  
meeting of 2009

- o B2B Contract with TU Media      Approved as proposed
- o Evaluation of Internal Accounting  
Controls based on the opinion of the      Approved as proposed  
members of Audit Committee
- o 2<sup>nd</sup> half 2008 Management Audit  
Results
- o Reports on Internal Accounting  
Management system

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<b>Meeting</b>	<b>Date</b>	<b>Agenda</b>	<b>Approval</b>	<b>Remarks</b>
The second meeting of 2009	February 16, 2009	<ul style="list-style-type: none"> <li>o Reports on 2008 Korean GAAP Audit</li> <li>o Report on Review of Internal Accounting Management System</li> <li>o 2009 Management Audit Plan</li> <li>o Auditor's Report for Fiscal Year 2008</li> <li>o Evaluation of Internal Accounting Management System Operation</li> <li>o Appointment of Auditor for FY 2009-2011</li> <li>o Construction of Mobile Phone Facilities for 2009</li> </ul>	<ul style="list-style-type: none"> <li>Approved as proposed</li> <li>Approved as proposed</li> <li>Approved as proposed</li> <li>Approved as proposed</li> </ul>	
The third meeting of 2009	March 13, 2009	<ul style="list-style-type: none"> <li>o Purchase of Mobile Phone Relay Device for 2009</li> <li>o Construction of Mobile Phone Facilities for 2009</li> <li>o 2009 2Q Transactions with SK C&amp;C Co., Ltd.</li> <li>o Long-term Financing Plan for Foreign Currency</li> <li>o Issuance of Offshore Convertible Bonds and Transfer of Treasury Shares</li> <li>o Asset Management Transaction with Affiliated Company (SK Securities)</li> </ul>	<ul style="list-style-type: none"> <li>Approved as proposed</li> <li>Approved as proposed</li> <li>Approved as proposed</li> </ul>	
The fourth meeting of 2009	April 23, 2009	<ul style="list-style-type: none"> <li>o Audit Plan for 2009</li> <li>o Auditor Fees for 2009</li> <li>o Re-approval of entire Auditor Services for 2009</li> </ul>	<ul style="list-style-type: none"> <li>Approved as proposed</li> <li>Approved as proposed</li> </ul>	
The fifth meeting of 2009	May 19, 2009	<ul style="list-style-type: none"> <li>o Proposal for entering into an Agency Agreement with SK Marketing &amp; Company for 2009</li> </ul>	<ul style="list-style-type: none"> <li>Approved as proposed</li> </ul>	
The sixth meeting of 2009	June 19, 2009	<ul style="list-style-type: none"> <li>o Proposal to nominate the Chairman of the Committee</li> <li>o Proposal for purchase of Mobile Phone Relay Device for 2009</li> <li>o Proposal for construction of Mobile Phone Facilities for 2009</li> <li>o Proposal for 2009 3Q transactions with SK C&amp;C Co., Ltd.</li> <li>o Asset Management Transaction with Affiliated Company (SK Securities)</li> <li>o Reports on 2008 US GAAP Audit</li> </ul>	<ul style="list-style-type: none"> <li>Approved as proposed</li> <li>Approved as proposed</li> <li>Approved as proposed</li> <li>Approved as proposed</li> </ul>	
The seventh meeting of 2009	July 23, 2009	<ul style="list-style-type: none"> <li>o Proposal for Operation Services of T map Navigation</li> </ul>	<ul style="list-style-type: none"> <li>Approved as proposed</li> </ul>	

meeting of 2009		<ul style="list-style-type: none"> <li>o Interim Dividends Plan</li> <li>o Interim Closing of Accounts for Six Months ended 2009</li> </ul>	
The eighth meeting of 2009	August 13, 2009	<ul style="list-style-type: none"> <li>o Construction of Mobile Phone Facilities for 2009</li> <li>o Purchase of Mobile Phone Relay Device for 2009</li> <li>o Amendment of the leasing contract of electronic telecommunication facilities</li> <li>o Reports on internal accounting management system for the 1<sup>st</sup> half of 2009</li> <li>o Revision of accounting rules</li> <li>o Management audit results for the 1st half of 2009</li> </ul>	<p>Approved as proposed</p> <p>Approved as proposed</p> <p>Approved as proposed</p>
The ninth meeting of 2009	September 17, 2009	<ul style="list-style-type: none"> <li>o Transactions with SK C&amp;C in the 4<sup>th</sup> quarter of 2009</li> <li>o Asset Management Transaction with Affiliated Company (SK Securities)</li> </ul>	Approved as proposed
The tenth meeting of 2009	October 15, 2009	<ul style="list-style-type: none"> <li>o Agency agreement relating to outdoor advertisements</li> </ul>	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 September 30, 2009)

\* Based on common shares

Investing company	Invested companies							
	SK Corporation	SK Energy	SK Networks	SK Telecom	SK Chemicals	SKC	SK E&C	SK Shipping
SK Corporation		33.40%	39.98%	23.22%		42.50%	40.02%	72.13%
SK Energy								
SK Networks								17.71%
SK Telecom								
SK Chemicals							18.03%	
SKC								10.16%
SK E&C								
SK Securities								
SK C&C	31.82%							
SK Telink								
SK E&S								
SK D&D								
SK Communications								
SK Broadband								
SK Marketing & Company								
SK Gas								
SK Telesys								
<b>Total affiliated companies</b>	<b>31.82%</b>	<b>33.40%</b>	<b>39.98%</b>	<b>23.22%</b>	<b>0.00%</b>	<b>42.50%</b>	<b>58.05%</b>	<b>100.00%</b>

Investing companies	Invested companies							
	SK Securities	Walkerhill	SK E&S	SK Gas	SK C&C	SK K-Power	SK DOPCO	SK CCES
SK Corporation			67.55%	45.53%		65.00%		
SK Energy							38.28%	
SK Networks	22.71%	50.37%			15.00%		4.61%	
SK Telecom					30.00%			
SK Chemicals		0.25%						
SKC	7.73%	7.50%						
SK E&C								

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Investing companies	SK		Invested companies					
	Securities Walkerhill	E&S	SK Gas	SK C&C	K-Power	DOPCO	CCES	
SK Securities								
SK C&C		32.45%						
SK Telink								
SK E&S							100.00%	
SK D&D								
SK Communications								
SK Broadband								
SK Marketing & Company								
SK Gas								
SK Telesys								
<b>Total affiliated companies</b>	<b>30.44%</b>	<b>58.12%</b>	<b>100.00%</b>	<b>45.53%</b>	<b>45.00%</b>	<b>65.00%</b>	<b>42.89%</b>	<b>100.00%</b>

Investing companies	YN		Invested companies					
	Energy	Daehan City Gas	SK Sci-tech	SK NJC	SK Telink	Busan City Gas	Jeonnam City Gas	Gangwon City Gas
SK Corporation								
SK Energy								
SK Networks								
SK Telecom					90.77%			
SK Chemicals			50.00%	60.00%				
SKC								
SK E&C								
SK Securities								
SK C&C								
SK Telink								
SK E&S	100.00%	47.62%				40.00%	100.00%	100.00%
SK D&D								
SK Communications								
SK Broadband								
SK Marketing & Company								
SK Gas								
SK Telesys								
<b>Total affiliated companies</b>	<b>100.00%</b>	<b>47.62%</b>	<b>50.00%</b>	<b>60.00%</b>	<b>90.77%</b>	<b>40.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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	Invested companies							
	OK Cashbag	Chungnam	SK					Encar
Investing companies	GBES	Service	City Gas	Wyverns	Infosec	MRO Korea	SK Telesys	network
SK Corporation								87.50%
SK Energy						51.00%		
SK Networks								
SK Telecom				99.99%				
SK Chemicals								
SKC							77.13%	
SK E&C								
SK Securities								
SK C&C					100.00%			
SK Telink								
SK E&S	100.00%		100.00%					
SK D&D								
SK Communications								
SK Broadband								
SK Marketing & Company		100.00%						
SK Gas								
SK Telesys								
Total affiliated companies	100.00%	100.00%	100.00%	99.99%	100.00%	51.00%	77.13%	87.50%
	Invested companies							
	F&U Credit Info.	TU	SK	SK			Loen	
Investing companies	Paxnet	Media	D&D	Utis	Netruck	Entertainment	Independence	
SK Corporation								
SK Energy					33.67%			
SK Networks								
SK Telecom	50.00%	59.74%	44.15%				63.48%	
SK Chemicals					100.00%			
SKC								
SK E&C				44.98%				
SK Securities	40.00%							

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	F&U Credit Info.	Paxnet	TU Media	Invested companies		Netruck	Loen Entertainment	Independence
				SK D&D	SK Utis			
Investing companies								
SK C&C								67.78%
SK Telink								
SK E&S								
SK D&D								
SK Communications								
SK Broadband								
SK Marketing & Company								
SK Gas								
SK Telesys								
<b>Total affiliated companies</b>	90.00%	59.74%	44.15%	44.98%	100.00%	33.67%	63.48%	67.78%

	Invested companies		SKC Media	iHQ	NTREEV Soft	SK I-Media	SK Communications	Ecolgreen
	SK Petrochemical	SK Mobile Energy						
Investing companies								
SK Corporation								
SK Energy	100.00%	100.00%						
SK Networks								
SK Telecom				37.09%	63.70%		64.82%	
SK Chemicals								
SKC			100.00%					
SK E&C								
SK Securities								
SK C&C								
SK Telink							0.49%	
SK E&S								
SK D&D								
SK Communications						100.00%		
SK Broadband								
SK Marketing & Company								
SK Gas								
SK Telesys								
<b>Total affiliated companies</b>	100.00%	100.00%	100.00%	37.09%	63.70%	100.00%	65.31%	0.00%

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Investing companies	I Platform	Invested companies						
		SKC Air Gas	SKN Service	Nuri Solution	Commerce Planet	Real Best	Solmics Co., Ltd.	SK Broadband
SK Corporation								
SK Energy								
SK Networks	66.67%		100.00%					
SK Telecom					100.00%			50.56%
SK Chemicals								
SKC		80.00%					48.70%	
SK E&C						100.00%		
SK Securities								
SK C&C				46.32%				
SK Telink								
SK E&S								
SK D&D								
SK Communications								
SK Broadband								
SK Marketing & Company								
SK Gas								
SK Telesys								
<b>Total affiliated companies</b>	<b>66.67%</b>	<b>80.00%</b>	<b>100.00%</b>	<b>46.32%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>48.70%</b>	<b>50.56%</b>

Investing companies	Invested companies							
	Hanaro	Broadband	Broadband	Broadband	SK Marketing & Company	UB Care	DOP Service	Pana Blu
SK Corporation	Dream	Media	D&M	CS				
SK Energy					50.00%			
SK Networks								
SK Telecom					50.00%			
SK Chemicals						43.97%		
SKC								
SK E&C							3.62%	

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Investing companies	Invested companies							
	Hanaro Dream	Broadband Media	Broadband D&M	Broadband CS	SK Marketing & Company	UB Care	DOP Service	Pana Blu
SK Securities								
SK C&C								
SK Telink								
SK E&S							96.38%	
SK D&D								
SK Communications								
SK Broadband	36.03%	100.00%	100.00%	100.00%				
SK Marketing & Company								
SK Gas								80.36%
SK Telesys								
<b>Total affiliated companies</b>	<b>36.03%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>43.97%</b>	<b>100.00%</b>	<b>80.36%</b>

Investing companies	Invested companies							
	WS Commerce	Namwon Sarang Electric Power	Incyto	Jeju United FC	Cross M Insight	MKS Guarantee	Etoos	PS & Marketing
SK Corporation								
SK Energy				100.00%				
SK Networks	100.00%							
SK Telecom								100.00%
SK Chemicals								
SKC			100.00%					
SK E&C								
SK Securities								
SK C&C								
SK Telink								
SK E&S								
SK D&D		100.00%				100.00%		
SK Communications							100.00%	
SK Broadband								
SK Marketing & Company					100.00%			
SK Gas								
SK Telesys								
<b>Total affiliated companies</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>



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		<b>Green</b>	<b>Invested companies</b>
<b>Investing companies</b>	<b>SK Forest</b>	<b>Bairo</b>	<b>MNM</b> <b>MRO</b>
<b>SK Corporation</b>			
<b>SK Energy</b>			
<b>SK Networks</b>			
<b>SK Telecom</b>			
<b>SK Chemicals</b>			
<b>SKC</b>			
<b>SK E&amp;C</b>	100.00%		
<b>SK Securities</b>			
<b>SK C&amp;C</b>			
<b>SK Telink</b>			
<b>SK E&amp;S</b>			
<b>SK D&amp;D</b>			
<b>SK Communications</b>			
<b>SK Broadband</b>			
<b>SK Marketing &amp; Company</b>			
<b>SK Gas</b>		69.02%	
<b>SK Telesys</b>			100.00%
<b>Total affiliated companies</b>	100.00%	69.02%	100.00%

Ecolgreen Co., Ltd. completed the registration of corporate liquidation effective on September 30, 2009 and was excluded from the corporate group list of Fair Trade Commission on October 28, 2009.

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

(As of September 30, 2009)

(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	23.09	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	100	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	23.09	18,751,360	23.22

The table above includes Man Won Jung who was elected as CEO at the March 13, 2009 General Meeting of Shareholders.

Although there has been no change in the number of shares held by the largest shareholder, SK Corporation, due to the Company's purchase and subsequent retirement of its treasury shares, SK Corporation's ownership ratio in the Company has increased to 23.22%.

**B. Overview of the Largest Shareholder**

SK Corporation is a holding company and as of September 30, 2009, has nine subsidiaries: SK Energy Co., Ltd., SK Telecom Co., Ltd., SK Networks Co., Ltd., SKC Co., Ltd., SK E&C Co., Ltd., SK E&S Co., Ltd., SK Shipping Co., Ltd., K-Power 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	Industry	Description
<b>SK Energy Co., Ltd.</b>	33.40%	Energy	Publicly Listed
<b>SK Telecom Co., Ltd.</b>	23.22%	Telecommunication	Publicly Listed
<b>SK Networks Co., Ltd.</b>	39.98%	Energy Sale	Publicly Listed
<b>SK E&amp;C Co., Ltd.</b>	40.02%	Construction	Privately Held

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<b>Affiliates</b>	<b>Share Holdings</b>	<b>Industry</b>	<b>Description</b>
<b>SK E&amp;S Co., Ltd.</b>	67.55%	Gas Company Holdings	Privately Held
<b>SK Shipping Co., Ltd.</b>	72.13%	Ocean Freight	Privately Held
<b>K-Power Co., Ltd.</b>	65.00%	Power Generation	Privately Held
<b>SK Gas Co., Ltd.</b>	45.53%	Gas	Publicly Listed
<b>SKC Co., Ltd.</b>	42.50%	Synthetic Resin Manufacturing	Publicly Listed

\* The above share holdings are based on common stock holdings as of September 30, 2009.

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. SK Energy Co., Ltd. and SK Telecom Co., Ltd. are two 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>
<b>SK Corporation</b>	March 7, 2008	18,751,260	23.09	Purchased 1,085,325 shares from SK Networks on March 7, 2008
	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)

\* 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 June 30, 2009)

(Unit: shares, %)

Rank	Name (title)	Common share		Preferred share		Sub-total	
		Number of shares	Ownership ratio	Number of shares	Ownership ratio	Number of shares	Ownership ratio
1	SK Corporation	18,748,452	23.22			18,748,452	23.22
2	Citibank ADR	18,136,115	22.46			18,136,115	22.46
3	SK Telecom	8,400,708	10.40			8,400,708	10.40
	<b>Total</b>	45,285,275	56.08			45,285,275	56.08

#### B. Shareholdings under the Employee Stock Ownership Program

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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 September 30, 2009)

(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	114,168	107,585
8th	Member Account		369,887	361,956
	<b>Total</b>		<b>484,055</b>	<b>469,541</b>

## C. Shareholder Distribution

(As of June 30, 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>	44,963	99.96	31,037,893	38.44	
<b>Minority shareholders (corporate)</b>	1,022	2.27	9,565,665	11.85	
<b>Minority shareholders (individual)</b>	43,941	97.69	21,472,228	26.59	
<b>Largest Shareholder and Related Persons</b>	7	0.02	18,751,360	23.22	
<b>Major shareholders</b>					
<b>Other shareholders</b>	8	0.02	30,956,458	38.34	
<b>Other shareholders (corporate)</b>	6	0.01	12,002,667	14.87	
<b>Other shareholders (individual)</b>	2	0.01	18,953,791	23.47	
<b>Total</b>	44,978	100.00	80,745,711	100.00	

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

## A. Domestic Securities Market

(Unit: Won, shares)

Types		September 2009	August 2009	July 2009	June 2009	May 2009	April 2009
Common stock	Highest	182,500	184,000	185,500	182,000	183,500	192,500
	Lowest	166,000	173,000	175,000	170,500	176,500	183,000
Monthly transaction volume		8,881,875	6,722,975	6,669,445	8,063,843	8,352,552	8,931,203

## B. Overseas Securities Market

## New York Stock Exchange

(Unit: US\$, ADR)

Types		September 2009	August 2009	July 2009	June 2009	May 2009	April 2009
Depository Receipt	Highest	17.45	16.91	16.83	15.86	16.53	16.42
	Lowest	15.21	15.28	15.49	14.93	15.38	15.00
Monthly transaction volume		25,667,356	15,412,594	18,341,204	21,790,920	24,558,882	24,230,432

**VII. EMPLOYEES**

(As of September 30, 2009)

(Unit: persons, in millions of Won)

Classification	Number of employees				Average service year	Aggregate wage for 2009 1Q	Average wage per person	Remarks
	Office managerial positions	Production positions	Others	Total				
Male	3,832			3,832	11.4	195,310	50	
Female	619			619	9.3	25,512	40	
Total	4,451			4,451	11.1	220,822	48	

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**Table of Contents****VIII. TRANSACTIONS WITH PARTIES WITH INTERESTS****1. Loans to the Largest Shareholder and others**

(As of September 30, 2009)

(Unit: in millions of Won)

Name (Corporate name)	Relationship	Account category	Change details			Accrued interest	Remarks
			Beginning	Increase	Decrease		
SK Wyverns	Affiliated company	Long-term and short-term loans	3,557			3,557	213

(Unit: in millions of Won)

Name (Corporate Name)	Relationship	Types of Investment	Investment and Disposal Details			End of Period	Remarks
			Beginning of Period	Increase	Decrease		
SK Broadband			1,209,629	241,175		1,450,804	
SKT Global Investment			26,044	13,274		39,318	
SK Industrial Development PS & Marketing, ltd.				6,003		6,003	
SK Telecom China Holdings				150,000		150,000	
BcN ltd.			23,293	6,302		29,595	
K Net Culture Content Investment				6,803		6,803	
C-Mall			5,900	5,900		11,800	
Air Cross Company, ltd.			7,127	4,538		11,665	
			2,440		2,440		
<b>Total</b>			1,274,433	433,995	2,440	1,705,988	

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

## A. Transfer of Assets

(Units: in thousands of  
Won)

Name (Corporate Name)	Relation- ship	Transferred Objects	Purpose of Transfer	Details Date of Transfer	Amount	Amount	Remarks
					Transferred From Largest Shareholder	Transferred to Largest Shareholder	
Encar Network Co., Ltd.	Affiliated Company	Automobiles	Sale of automobiles not in use	February 26, 2009		116,818	
Encar Network Co., Ltd.	Affiliated Company	Automobiles	Sale of automobiles not in use	June 15, 2009		33,636	
Ntreev Soft Co., Ltd.	Affiliated Company	On-line gaming and portal website assets	Sale of business	August 5, 2009		1,630,000	
SK Telesys	Affiliated Company	2G devices not in use	Sale of devices not in use	August 24, 2009		197,472	
Encar Network Co., Ltd.	Affiliated Company	Automobiles	Sale of automobiles not in use	August 31, 2009		43,182	
Ntreev Soft Co., Ltd.	Affiliated Company	Copyright of on-line games	Sale of business	September 1, 2009		105,000	
		Total				2,126,108	



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## B. Transfer of Business

(Units: in thousands of Won)

Name (Corporate Name)	Relationship	Transferred Objects	Purpose of Transfer	Details		Remarks
				Date of Transfer	Amount Transferred From Largest Shareholder	
Loen Entertainment Co., Ltd.	Affiliated Company	Entire MelOn business	To facilitate growth of MelOn business through separate management	October 23, 2008		24,333,022
SK Networks, Co., Ltd.	Affiliated Company	Fixed-line network business, ancillary business, assets, liabilities and all other rights and obligations in connection thereto	Optimize service through increased network efficiency by internalizing mobile phone transmission lines	May 21, 2009	892,850,000	
<b>Total</b>					892,850,000	24,333,022

**3. Transactions with Shareholders (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	Beginning	Change details		Ending	Accrued interest	Remarks
				Increase	Decrease			
Park Dal and others	Agency	Long-term and short-term loans	154,801	203,410	265,728	92,483		
Overseas investment companies								

(Unit: in millions  
of Won)

Name (Corporate name)	Relationship	Account category	Beginning	Change details		Ending	Accrued interest	Remarks
				Increase	Decrease			
DSS Mobile Com.(India)	Overseas Investment company	Long-term loans	18,887			18,887		Payment guarantee
			42					

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## B. Equity Investments

(Unit: in millions of  
Won)

Name (Corporate Name)	Relationship Category	Investment and Disposition Details			End of Period	Remarks
		Beginning of Period	Increase	Decrease		
Translink L.L.C. Skylake Global Incubest Fund #1 Global Opportunities Breakaway Fund KTB Investment Association #1		1,486	305		1,791	
Baeoom & Partners		1,548	131		1,679	
Bitek System Inc. Edu E-books CCKVAN IP One GOMID Inc. Biznetech IdeaCulture Telemerc.com, Inc. SF Alert			186,390		186,390	
		689		689		
		500		500		
		1,000		1,000		
		500		500		
		1,800		1,800		
		600		600		
		750		750		
		500		500		
		1,292		1,292		
		1,793		1,793		
		12		12		
<b>Total</b>		12,470	186,826	9,436	189,860	

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**Table of Contents****IX. 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**

<b>Date of Disclosure</b>	<b>Title</b>	<b>Report</b>	<b>Reports status</b>
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 executive directors Election of independent non-executive 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 executive directors Election of independent non-executive directors Election of independent non-executive 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 executive directors Election of independent non-executive directors Election of independent non-executive 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)

**2. Contingent Liabilities****A. Material Legal Proceedings****(1) Claim for damages by G. Mate Inc.**

(a) Details: G.Mate alleged that the Company had engaged G.Mate to develop and deliver certain PDA units, but the Company subsequently refused to take delivery of such units. We appealed against G.Mate's claim for approximately Won 4 billion in damages.

(b) Parties to the lawsuit: G.Mate Inc. (plaintiff) vs. the Company (defendant)

(c) Progress: A mediation requested by G.Mate could not reach an agreement (in January 2007) thus an action for monetary damages was brought before the Seoul Central District Court, to which seven creditors of G.Mate, including DNF Consulting Co., Ltd., requested intervenient participation as successors to part of the claim. On December 4, 2008, the trial court awarded the plaintiffs approximately Won 420 million in damages, to which all of plaintiff, defendant and successors appealed, and the case was submitted as of February 3, 2009 before the Seoul High Court. In a compulsory mediation order as of September 2, 2009,



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the appellate court ordered the Company to pay Won 490 million, and the compulsory mediation order was finalized as of September 16, 2009 as neither of the parties appealed.

(d) Impacts on operation and finance: This litigation case was finally closed when the Company paid the plaintiff Won 490 million on September 21, 2009 pursuant to the compulsory mediation order. This litigation will not impact the Company's operation or finance in the future.

**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.

In addition, on January 21, 2009, the Company was sanctioned for unfair business practices with a fine of Won 1.268 billion 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.

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 is currently improving the procedures in consultation with the relevant departments in the Company and the Korea Communications Committee, and expects to complete the improvement by December 9, 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 plans to prepare and implement by January 2010 improved work procedures to strengthen identification process at the time of subscription for mobile telephone services.

Also on February 3, 2009, the Company received a correctional order and a fine of Won 500 million involving an unfair trade interference practice including refusal of applications for subscription for certain PDA phones distributed by third party manufacturers. The Company paid fines related to the sanction and initiated legal suit in an administrative court.

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**Forward-Looking Statement Disclaimer**

The material above contains forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results or performance to be materially different from any future results or performance expressed or implied by such forward-looking statements. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, and nothing contained herein is, or shall be relied upon as, a promise or representation, whether as to the past or the future. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. Additional information concerning these and other risk factors are contained in our latest annual report on Form 20-F and in our other filings with the U.S. Securities and Exchange Commission.



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

*NON-CONSOLIDATED FINANCIAL STATEMENTS*

*FOR THE THREE MONTHS AND NINE MONTHS*

*ENDED SEPTEMBER 30, 2009 AND 2008*

*AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT*

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**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 September 30, 2009, the related non-consolidated statements of income for the three months and nine months ended September 30, 2009 and 2008, and non-consolidated statements of changes in stockholders' equity and cash flows for the nine months ended September 30, 2009 and 2008, all expressed in Korean won. These non-consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these non-consolidated 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 non-consolidated 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 non-consolidated 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, 2008, 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 January 30, 2009, we expressed an unqualified opinion on those non-consolidated financial statements. The accompanying non-consolidated statement of financial position as of December 31, 2008, 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.

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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.

November 2, 2009

**Notice to Readers**

This report is effective as of November 2, 2009, 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.

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**SK TELECOM CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2009 AND DECEMBER 31, 2008**

	Korean won		Translation into U.S. dollars (Note 2)	
	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
A S S E T S	(In millions)		(In thousands)	
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	₩ 216,619	₩ 434,177	\$ 184,357	\$ 369,512
Short-term financial instruments	184,708	98,406	157,198	83,750
Short-term investment securities (Note 3)	1,969,050	369,744	1,675,787	314,676
Accounts receivable – trade, net of allowance for doubtful accounts of ₩143,463 million as of September 30, 2009 and ₩58,404 million as of December 31, 2008 (Note 16)	1,576,399	1,576,459	1,341,616	1,341,667
Short-term loans, net of allowance for doubtful accounts of ₩876 million as of September 30, 2009 and ₩1,090 million as of December 31, 2008 (Notes 5 and 16)	86,755	107,934	73,834	91,859
Accounts receivable – other, net of allowance for doubtful accounts of ₩25,274 million and present value of ₩15,052 million as of September 30, 2009, and ₩21,071 million and ₩27,314 million as of December 31, 2008 (Note 16)	1,681,965	1,225,983	1,431,460	1,043,390
Inventories	15,527	13,927	13,214	11,853
Prepaid expenses	119,350	98,273	101,574	83,637
Current deferred income tax assets, net (Note 12)	35,159	21,677	29,923	18,449
Currency swap (Note 19)	42,397	8,236	36,083	7,009
Accrued income and other	27,656	35,687	23,537	30,371
<b>Total Current Assets</b>	<b>5,955,585</b>	<b>3,990,503</b>	<b>5,068,583</b>	<b>3,396,173</b>
<b>NON-CURRENT ASSETS:</b>				
Property and equipment, net (Notes 6 and 16)	5,109,730	4,698,214	4,348,706	3,998,480
Intangible assets, net (Note 7)	2,687,791	2,941,592	2,287,482	2,503,483
Long-term financial instruments (Note 15)	6,519	19	5,548	16
Long-term investment securities (Note 3)	1,754,461	3,067,389	1,493,158	2,610,544
Equity securities accounted for using the equity method (Note 4)	2,829,912	2,600,719	2,408,436	2,213,378
	80,172	131,700	68,231	112,085

Long-term loans, net of allowance for doubtful accounts of ₩22,807 million as of September 30, 2009 and ₩23,342 million as of December 31, 2008 (Notes 5 and 16)

Long-term accounts receivable other, net of present value of ₩531 million as of September 30, 2009 and ₩45,464 million as of December 31, 2008

Guarantee deposits (Note 16)	608,572	572,139	517,934	486,927
Long-term currency swap (Note 19)	164,182	147,970	139,729	125,932
Long-term deposits and other	263,692	356,815	224,419	303,672
	110,256	110,435	93,835	93,987

Total Non-current Assets	13,615,287	14,626,992	11,587,478	12,448,504
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TOTAL ASSETS	₩ 19,570,872	₩ 18,617,495	\$ 16,656,061	\$ 15,844,677
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(Continued)

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**SK TELECOM CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**SEPTEMBER 30, 2009 AND DECEMBER 31, 2008**

	Korean won		Translation into U.S. dollars (Note 2)	
	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
LIABILITIES AND STOCKHOLDERS EQUITY	(In millions)		(In thousands)	
<b>CURRENT LIABILITIES:</b>				
Short-term borrowings	₩ 631,500	₩ 154,700	\$ 537,447	\$ 131,660
Accounts payable (Note 16)	1,021,707	1,039,509	869,538	884,689
Income tax payable	174,404	322,431	148,429	274,409
Accrued expenses (Note 18)	886,809	692,788	754,731	589,607
Withholdings	220,622	285,164	187,763	242,693
Current portion of long-term debt, net (Notes 8 and 9)	441,093	708,619	375,398	603,080
Current portion of subscription deposits	7,021	7,082	5,975	6,027
Currency swap (Note 19)		190,359		162,008
Interest swap (Note 19)	1,807		1,538	
Advanced receipts and other	23,143	11,838	19,697	10,074
<b>Total Current Liabilities</b>	<b>3,408,106</b>	<b>3,412,490</b>	<b>2,900,516</b>	<b>2,904,247</b>
<b>NON-CURRENT LIABILITIES:</b>				
Bonds payable, net (Note 8)	3,599,998	2,882,483	3,063,828	2,453,177
Long-term borrowings (Note 9)	1,311,049	825,750	1,115,786	702,766
Subscription deposits	5,326	4,796	4,533	4,082
Long-term payables other, net of present value discount of ₩6,971 million as of September 30, 2009 and ₩15,416 million as of December 31, 2008	163,029	304,584	138,748	259,220
Accrued severance indemnities, net	42,402	24,222	36,087	20,614
Non-current deferred income tax liabilities, net (Note 12)	161,980	279,616	137,855	237,971
Long-term currency swap (Note 19)	46,334	23,947	39,433	20,380
Long-term interest swap (Note 19)	18,247	33,498	15,529	28,509
Guarantee deposits received and other (Notes 16 and 18)	118,295	97,102	100,677	82,641
<b>Total Non-current Liabilities</b>	<b>5,466,660</b>	<b>4,475,998</b>	<b>4,652,476</b>	<b>3,809,360</b>
<b>Total Liabilities</b>	<b>8,874,766</b>	<b>7,888,488</b>	<b>7,552,992</b>	<b>6,713,607</b>

<b>STOCKHOLDERS EQUITY:</b>				
Capital stock (Notes 1 and 10)	44,639	44,639	37,991	37,991
Capital surplus (Notes 8 and 10)	3,032,006	2,957,095	2,580,431	2,516,677
Capital adjustments:				
Treasury stock (Notes 1 and 11)	(1,992,082)	(2,055,620)	(1,695,389)	(1,749,464)
Loss on disposal of treasury stock (Note 11)	(716)		(609)	
Equity method in capital adjustments (Note 4)	(50,480)	(91,910)	(42,962)	(78,221)
Other capital adjustments (Note 20)	(677,605)		(576,685)	
Accumulated other comprehensive income (loss) (Note 13):				
Unrealized gains on valuation of long-term investment securities, net (Note 3)	680,469	413,270	579,123	351,719
Equity in other comprehensive loss of affiliates, net (Note 4)	(47,337)	(4,824)	(40,286)	(4,106)
Gain (Loss) on valuation of currency swap, net (Note 19)	4,582	(8,532)	3,899	(7,262)
Loss on valuation of interest swap, net (Note 19)	(12,426)	(26,129)	(10,576)	(22,237)
Retained earnings:				
Appropriated	8,890,054	8,295,037	7,566,003	7,059,606
Unappropriated	825,002	1,205,981	702,129	1,026,367
Total Stockholders Equity	10,696,106	10,729,007	9,103,069	9,131,070
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	₩ 19,570,872	₩ 18,617,495	\$ 16,656,061	\$ 15,844,677

See accompanying notes to non-consolidated financial statements.

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**SK TELECOM CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008**

	Korean won				Translation into U.S. dollars (Note 2)			
	2009		2008		2009		2008	
	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30
	(In millions except for per share data)				(In thousands except for per share data)			
<b>OPERATING REVENUE</b>								
(Note 16)	₩ 3,056,721	₩ 9,001,081	₩ 2,899,562	₩ 8,667,844	\$ 2,601,465	\$ 7,660,494	\$ 2,467,712	\$ 7,376,889
<b>OPERATING EXPENSES</b>								
(Note 16):								
Labor cost	(84,319)	(355,367)	(75,095)	(311,405)	(71,761)	(302,440)	(63,911)	(265,026)
Commissions paid	(1,163,638)	(3,444,311)	(1,107,293)	(3,343,114)	(990,330)	(2,931,329)	(942,377)	(2,845,203)
Depreciation and amortization (Notes 6 and 7)	(454,504)	(1,282,160)	(471,915)	(1,255,638)	(386,812)	(1,091,200)	(401,630)	(1,068,628)
Network interconnection	(269,045)	(792,826)	(258,377)	(764,783)	(228,974)	(674,746)	(219,895)	(650,879)
Leased line	(91,710)	(283,025)	(94,291)	(294,122)	(78,051)	(240,872)	(80,248)	(250,317)
Advertising	(72,398)	(179,079)	(72,276)	(200,064)	(61,615)	(152,408)	(61,511)	(170,267)
Research and development	(56,188)	(170,582)	(51,885)	(155,206)	(47,820)	(145,176)	(44,157)	(132,090)
Rent	(67,891)	(197,833)	(60,645)	(170,552)	(57,780)	(168,368)	(51,613)	(145,151)
Frequency usage	(39,474)	(117,610)	(40,642)	(122,059)	(33,595)	(100,094)	(34,589)	(103,880)
Repair	(24,518)	(88,608)	(38,125)	(111,483)	(20,866)	(75,411)	(32,447)	(94,879)
Cost of goods sold	(8,450)	(24,644)	(15,445)	(53,477)	(7,191)	(20,974)	(13,145)	(45,512)
Other	(105,801)	(328,845)	(109,458)	(294,883)	(90,044)	(279,867)	(93,155)	(250,965)
Sub-total	(2,437,936)	(7,264,890)	(2,395,447)	(7,076,786)	(2,074,839)	(6,182,885)	(2,038,678)	(6,022,797)
<b>OPERATING INCOME</b>	618,785	1,736,191	504,115	1,591,058	526,626	1,477,609	429,034	1,354,092



## OTHER

## INCOME:

Interest income

(Note 3)	37,101	114,674	21,356	61,840	31,575	97,595	18,175	52,630
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Dividends	3,751	63,044	6,203	52,071	3,192	53,654	5,279	44,316
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Rent income	8,560	23,901	5,958	19,481	7,284	20,341	5,071	16,580
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Commissions								
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(Note 16)	6,192	12,684	5,635	14,005	5,270	10,795	4,796	11,919
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Reversal of								
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allowance for								
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doubtful								
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accounts	169	650	105	242	144	553	89	206
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Foreign								
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exchange and								
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translation								
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gains (Note 2)	61,324	84,088	198,113	371,281	52,192	71,565	168,608	315,984
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Equity in								
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earnings of								
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affiliates (Note								
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4)	16,399	42,132	10,140	32,079	13,957	35,857	8,630	27,301
----	--------	--------	--------	--------	--------	--------	-------	--------

Gain on								
---------	--	--	--	--	--	--	--	--

valuation of								
--------------	--	--	--	--	--	--	--	--

short-term								
------------	--	--	--	--	--	--	--	--

investment								
------------	--	--	--	--	--	--	--	--

securities (Note								
------------------	--	--	--	--	--	--	--	--

8)	1,319	9,129			1,123	7,769		
----	-------	-------	--	--	-------	-------	--	--

Gain on								
---------	--	--	--	--	--	--	--	--

disposal of								
-------------	--	--	--	--	--	--	--	--

investment								
------------	--	--	--	--	--	--	--	--

assets	451	514		14,467	384	437		12,312
--------	-----	-----	--	--------	-----	-----	--	--------

Gain on								
---------	--	--	--	--	--	--	--	--

disposal of								
-------------	--	--	--	--	--	--	--	--

property and								
--------------	--	--	--	--	--	--	--	--

equipment and								
---------------	--	--	--	--	--	--	--	--

intangible								
------------	--	--	--	--	--	--	--	--

assets	159	604	268	1,244	135	514	228	1,059
--------	-----	-----	-----	-------	-----	-----	-----	-------

Gain on								
---------	--	--	--	--	--	--	--	--

valuation of								
--------------	--	--	--	--	--	--	--	--

currency swap								
---------------	--	--	--	--	--	--	--	--

(Note 19)	121,636	73,729	138,888	156,213	103,520	62,748	118,203	132,947
-----------	---------	--------	---------	---------	---------	--------	---------	---------

Gain on								
---------	--	--	--	--	--	--	--	--

valuation of								
--------------	--	--	--	--	--	--	--	--

currency option								
-----------------	--	--	--	--	--	--	--	--

(Note 19)	1,014	1,014			863	863		
-----------	-------	-------	--	--	-----	-----	--	--

Other	2,242	9,845	4,476	10,779	1,907	8,380	3,808	9,173
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Sub-total	260,317	436,008	391,142	733,702	221,546	371,071	332,887	624,427
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(Continued)



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**SK TELECOM CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF INCOME (CONTINUED)**  
**FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008**

	Korean won				Translation into U.S. dollars (Note 2)			
	2009		2008		2009		2008	
	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30
	(In millions except for per share data)				(In thousands except for per share data)			
OTHER EXPENSES:								
Interest and discounts	(₩ 75,821)	(₩ 223,576)	(₩ 66,543)	(₩ 182,148)	(\$ 64,529)	(\$ 190,277)	(\$ 56,632)	(\$ 155,020)
Donations	(7,221)	(29,914)	(6,091)	(35,512)	(6,146)	(25,459)	(5,184)	(30,223)
Foreign exchange and translation losses (Note 2)	(122,591)	(141,446)	(58,930)	(102,925)	(104,333)	(120,380)	(50,153)	(87,597)
Loss on valuation of short-term investment securities (Note 3)			(1,448)	(3,607)			(1,232)	(3,070)
Equity in losses of affiliates (Note 4)	(76,522)	(175,277)	(51,974)	(168,868)	(65,125)	(149,172)	(44,233)	(143,717)
Impairment loss on investment securities (Note 3)		(3,186)				(2,711)		
Loss on disposal of inventories	(1,159)	(1,159)			(986)	(986)		
Loss on disposal of investment assets		(2,420)	(1,895)	(7,897)		(2,060)	(1,613)	(6,721)
Loss on disposal of accounts receivable		(28,711)				(24,435)		

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other (Note 21)								
Loss on disposal of property, equipment and intangible assets	(6,654)	(22,835)	(4,373)	(22,427)	(5,663)	(19,434)	(3,722)	(19,087)
Loss on transaction and valuation of currency swap (Note 19)	(1,467)	(89,286)	(242,728)	(352,662)	(1,249)	(75,989)	(206,577)	(300,138)
Loss on valuation of currency option (Note 19)	(1,014)				(863)			
Loss on valuation of interest swap (Note 19)	(1,226)	(4,123)			(1,043)	(3,509)		
External research and development cost	(13,914)	(41,733)	(18,030)	(53,924)	(11,842)	(35,517)	(15,345)	(45,892)
Other	(5,632)	(14,546)	(1,539)	(6,799)	(4,792)	(12,379)	(1,310)	(5,785)
Sub-total	(313,221)	(778,212)	(453,551)	(936,769)	(266,571)	(662,308)	(386,001)	(797,250)
INCOME BEFORE INCOME TAX	565,881	1,393,987	441,706	1,387,991	481,601	1,186,372	375,920	1,181,269
PROVISION FOR INCOME TAX (Note 12)	(150,168)	(349,883)	(108,066)	(373,456)	(127,803)	(297,773)	(91,971)	(317,835)
NET INCOME	₩ 415,713	₩ 1,044,104	₩ 333,640	₩ 1,014,535	\$ 353,798	\$ 888,599	\$ 283,949	\$ 863,434

NET  
INCOME  
PER SHARE  
(In Korean  
won and U.S.  
dollars)

(Note 14)	₩	5,746	₩	14,432	₩	4,583	₩	13,940	\$	4.890	\$	12.283	\$	3.900	\$	11.864
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DILUTED  
NET  
INCOME  
PER SHARE  
(In Korean  
won and U.S.  
dollars)

(Note 14)	₩	5,655	₩	14,248	₩	4,539	₩	13,798	\$	4.813	\$	12.126	\$	3.863	\$	11.743
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See accompanying notes to non-consolidated financial statements.

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**SK TELECOM CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008**

	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, 2008	₩ 44,639	₩ 2,939,353	(₩2,041,578)	₩ 1,589,206	₩ 8,905,865	₩ 11,437,485
Cumulative effect of change in accounting policies		(15,432)		4,893		(10,539)
Adjusted balance, January 1, 2008	44,639	2,923,921	(2,041,578)	1,594,099	8,905,865	11,426,946
Cash dividends					(609,711)	(609,711)
Interim dividends (Note 17)					(72,793)	(72,793)
Net income					1,014,535	1,014,535
Difference between the acquisition cost and the net book value incurred from the transactions between companies under common control companies (Note 4)		(60,067)				(60,067)
Treasury stock (Note 11)			49,401			49,401
Loss on disposal of treasury stock (Note 11)			(6,275)			(6,275)
Unrealized loss on valuation of long-term investment securities, net (Notes 3 and 13)				(997,105)		(997,105)
Equity in other comprehensive loss changes of affiliates, net (Notes 4 and 13)				(23,068)		(23,068)
Loss on valuation of currency swap, net				5,867		5,867

(Notes 13 and 19) Loss on valuation of interest swap, net (Notes 13 and 19)				(1,454)		(1,454)
Balance, September 30, 2008	₩ 44,639	₩ 2,863,854	(₩1,998,452)	₩ 578,339	₩ 9,237,896	₩ 10,726,276
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)
Interim dividends (Note 17)					(72,345)	(72,345)
Net income					1,044,104	1,044,104
Conversion right		73,622				73,622
Treasury stock (Note 11)			63,538		(92,477)	(28,939)
Loss on disposal of treasury stock (Note 11)		(722)	(716)			(1,438)
Unrealized loss on valuation of long-term investment securities, net (Notes 3 and 13)				267,199		267,199
Equity in other comprehensive income changes of affiliates, net (Notes 4 and 13)		2,011	41,430	(42,513)	(56,041)	(55,113)
Difference between the acquisition cost and net book value incurred from the business acquisition between companies under common control (Note 20)			(677,605)			(677,605)
Gain on valuation of currency swap, net (Notes 13 and 19)				13,114		13,114
Gain on valuation of interest swap, net (Notes 13 and 19)				13,703		13,703
Balance, September 30, 2009	₩ 44,639	₩ 3,032,006	(₩2,720,883)	₩ 625,288	₩ 9,715,056	₩ 10,696,106

(Continued)



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**SK TELECOM CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY (CONTINUED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008**

	Common stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total stockholders equity
<b>(Translation into U.S. dollars [Note 2], in thousands)</b>						
Balance, January 1, 2008	\$ 37,991	\$ 2,501,577	(\$1,737,513)	\$ 1,352,515	\$ 7,579,459	\$ 9,734,029
Cumulative effect of change in accounting policies		(13,133)		4,164		(8,969)
Adjusted balance, January 1, 2008	37,991	2,488,444	(1,737,513)	1,356,679	7,579,459	9,725,060
Cash dividends					(518,903)	(518,903)
Interim dividends (Note 17)					(61,951)	(61,951)
Net income					863,434	863,434
Difference between the acquisition cost and the net book value incurred from the transactions between companies under common control (Note 4)		(51,121)				(51,121)
Treasury stock (Note 11)			42,043			42,043
Loss on disposal of treasury stock (Note 11)			(5,340)			(5,340)
Unrealized loss on valuation of long-term investment securities, net (Note 3)				(848,600)		(848,600)
Equity in other comprehensive loss changes of affiliates, net (Note 4)				(19,632)		(19,632)
Loss on valuation of currency swap, net (Note 19)				4,993		4,993
				(1,237)		(1,237)

Loss on valuation of  
interest swap, net  
(Note 19)

Balance, September 30, 2008	\$ 37,991	\$ 2,437,323	(\$1,700,810)	\$ 492,203	\$ 7,862,039	\$ 9,128,746
Balance, January 1, 2009	\$ 37,991	\$ 2,516,677	(\$1,827,685)	\$ 318,114	\$ 8,085,973	\$ 9,131,070
Cash dividends					(518,471)	(518,471)
Interim dividends (Note 17)					(61,570)	(61,570)
Net income					888,599	888,599
Conversion right		62,657				62,657
Treasury stock (Note 11)			54,075		(78,703)	(24,628)
Loss on disposal of treasury stock (Note 11)		(615)	(609)			(1,224)
Unrealized loss on valuation of long-term investment securities, net (Note 3)				227,404		227,404
Equity in other comprehensive income changes of affiliates, net (Note 4)		1,712	35,259	(36,180)	(47,696)	(46,905)
Difference between the acquisition cost and net book value incurred from the business acquisition between companies under common control (Note 20)			(576,685)			(576,685)
Gain on valuation of currency swap, net (Note 19)				11,161		11,161
Gain on valuation of interest swap, net (Note 19)				11,661		11,661
Balance, September 30, 2009	\$ 37,991	\$ 2,580,431	(\$2,315,645)	\$ 532,160	\$ 8,268,132	\$ 9,103,069

See accompanying notes to non-consolidated financial statements.



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**SK TELECOM CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008**

	Korean won		Translation into U.S. dollars (Note 2)	
	2009	2008	2009	2008
	(In millions)		(In thousands)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net income	₩ 1,044,104	₩ 1,014,535	\$ 888,599	\$ 863,434
Expenses not involving cash payments:				
Provision for severance indemnities	25,481	26,681	21,686	22,707
Depreciation and amortization	1,378,122	1,353,278	1,172,870	1,151,726
Allowance for doubtful accounts	97,860	31,417	83,285	26,738
Foreign translation loss	86,255	98,995	73,409	84,251
Loss on valuation of short-term investment securities		3,607		3,070
Equity in losses of affiliates	175,277	168,868	149,172	143,717
Impairment loss on investment securities	3,186		2,711	
Loss on disposal of inventories	1,159		986	
Loss on disposal of investment assets	2,420	7,897	2,060	6,721
Loss on disposal of accounts receivable other	28,711		24,435	
Loss on disposal of property, equipment and intangible assets	22,835	22,427	19,434	19,087
Loss on transaction and valuation of currency swap	89,286	352,662	75,988	300,138
Loss on valuation of interest swap	4,123		3,509	
Donations		126		107
Amortization of discounts on bonds and other	29,015	27,510	24,693	23,413
Sub-total	1,943,730	2,093,468	1,654,238	1,781,675
Income not involving cash receipts:				
Reversal of allowance for doubtful accounts	(650)	(242)	(553)	(206)
Foreign translation gain	(61,838)	(338,553)	(52,628)	(288,130)
Equity in earnings of affiliates	(42,132)	(32,079)	(35,857)	(27,301)
Gain on valuation of short-term investment securities	(9,129)		(7,769)	
Gain on disposal of investment assets	(514)	(14,467)	(437)	(12,312)
	(604)	(1,244)	(514)	(1,059)

Gain on disposal of property, equipment and intangible assets				
Gain on valuation of currency swap	(73,729)	(156,213)	(62,748)	(132,947)
Gain on valuation of currency option	(1,014)		(863)	
Other	(24,585)	(1,356)	(20,923)	(1,155)
Sub-total	(214,195)	(544,154)	(182,292)	(463,110)
Changes in assets and liabilities related to operating activities:				
Accounts receivable trade	(79,619)	41,910	(67,761)	35,668
Accounts receivable other	(462,988)	(183,203)	(394,032)	(155,917)
Inventories	(2,759)	4,848	(2,348)	4,126
Prepaid expenses	24,327	20,890	20,704	17,779
Advanced payments and other	9,472	(17,117)	8,060	(14,568)
Long-term accounts receivables other	(119,274)	(446,072)	(101,510)	(379,636)
Accounts payable	(30,989)	101,416	(26,374)	86,311
Income tax payable	(197,512)	(21,371)	(168,095)	(18,188)
Accrued expenses	210,032	272,863	178,751	232,224
Withholdings	(66,033)	104,603	(56,197)	89,024
Current portion of subscription deposits	(61)	(412)	(52)	(351)
Advanced receipts and other	(2,919)	(16,073)	(2,485)	(13,678)
Deferred income taxes	20,682	(124,226)	17,602	(105,724)
Severance indemnities payments	(20,368)	(10,699)	(17,334)	(9,106)
Deposits for group severance indemnities and other deposits	12,620	1,991	10,739	1,694
Dividends received from affiliate	6,817	6,394	5,802	5,442
Sub-total	(698,572)	(264,258)	(594,530)	(224,900)
Net Cash Provided by Operating Activities	2,075,067	2,299,591	1,766,015	1,957,099

(Continued)

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**SK TELECOM CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008**

	Korean won		Translation into U.S. dollars (Note 2)	
	2009	2008	2009	2008
	(In millions)		(In thousands)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Cash inflows from investing activities:				
Withdrawal of long-term financial instruments	₩	₩ 10,000	\$	\$ 8,511
Disposal of short-term investment securities, net	240,153	280,612	204,386	238,819
Collection of short-term loans	266,778	182,231	227,045	155,090
Collection of long-term loans	25,173	2,923	21,424	2,488
Proceeds from sales of long-term investment securities	5,071	369,103	4,316	314,130
Proceeds from sales of equity securities accounted for using the equity method	6,444	3,162	5,484	2,690
Decrease in guarantee deposits	18,271	11,462	15,550	9,755
Decrease in other non-current assets	35,150	25,932	29,914	22,070
Proceeds from disposal of property and equipment	2,557	4,386	2,176	3,733
Proceeds from disposal of intangible assets	1,800	1,828	1,532	1,556
Cash inflows from transaction of currency swap	8,120		6,911	
Sub-total	609,517	891,639	518,738	758,842
Cash outflows for investing activities :				
Acquisition of short-term financial instruments	(86,302)	(74,206)	(73,449)	(63,154)
Extension of short-term loans	(204,160)	(180,809)	(173,753)	(153,880)
Extension of long-term loans	(15,531)	(87,739)	(13,218)	(74,671)
Extension of long-term financial instruments	(6,500)		(5,532)	
Acquisition of long-term investment securities	(188,841)	(11,543)	(160,716)	(9,824)
Acquisition of equity securities accounted for using the equity method	(433,996)	(1,693,068)	(369,358)	(1,440,909)
Increase in guarantee deposits and other	(120,959)	(69,508)	(102,944)	(59,156)
Acquisition of property and equipment	(918,619)	(987,318)	(781,802)	(840,271)
Increase in intangible assets	(15,463)	(25,024)	(13,160)	(21,297)
Cash outflows from transaction of currency swap	(18,822)	(255,374)	(16,019)	(217,340)

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Cash outflows from business acquisition	(894,983)		(761,688)	
Sub-total	(2,904,176)	(3,384,589)	(2,471,639)	(2,880,502)
Net Cash Used in Investing Activities	(2,294,659)	(2,492,950)	(1,952,901)	(2,121,660)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Cash inflows from financing activities:				
Issuance of bonds	1,114,937	380,041	948,883	323,439
Proceeds from short-term borrowings	600,000	300,000	510,638	255,319
Proceeds from long-term borrowings		500,000		425,532
Increase in guarantee deposits received and other	7,153	8,403	6,087	7,152
Proceeds from disposal of treasury stock		42,246		35,954
Cash inflows from transaction of currency option	1,014		863	
Sub-total	1,723,104	1,230,690	1,466,471	1,047,396
Cash outflows for financing activities:				
Repayment of short-term borrowings	(123,200)		(104,851)	
Repayment of long-term borrowings	(6,186)		(5,265)	
Repayment of current portion of long-term debts	(715,672)	(411,642)	(609,083)	(350,334)
Payment of dividends	(681,548)	(682,556)	(580,041)	(580,899)
Decrease in subscription deposits		(1,633)		(1,390)
Decrease in other non-current liabilities	(2,152)	(8,406)	(1,830)	(7,153)
Acquisition of treasury stock	(28,938)		(24,628)	
Cash outflows from transaction of currency swap	(163,374)		(139,042)	
Sub-total	(1,721,070)	(1,104,237)	(1,464,740)	(939,776)
Net Cash provided by Financing Activities	2,034	126,453	1,731	107,620
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(217,558)</b>	<b>(66,906)</b>	<b>(185,155)</b>	<b>(56,941)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>434,177</b>	<b>575,646</b>	<b>369,512</b>	<b>489,911</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>₩ 216,619</b>	<b>₩ 508,740</b>	<b>\$ 184,357</b>	<b>\$ 432,970</b>

See accompanying notes to non-consolidated financial statements.



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**SK TELECOM CO., LTD.**  
**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008**

**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 September 30, 2009, 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 stockholders	51,254,982	63.48
Treasury stock	8,400,708	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 ) which is the same as accounting policies for annual financial statements for the year ended December 31, 2008, except for the following:

a. Revision of External Audit Law

In accordance with the revised External Audit Law of Korea, effective January 1, 2009, the title of Balance Sheet was replaced with Statement of Financial Position .

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 ₩1,175.00 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 September 30, 2009. 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 September 30, 2009 and December 31, 2008 are as follows (In millions of Korean won):

	Acquisition cost	September 30, 2009 Fair value	Carrying amount	December 31, 2008 Fair value and carrying amount
Trading securities (Note a)	₩ 135,000	₩ 135,169	₩ 135,169	₩ 366,040
Current portion of long-term investment securities (Note b)	1,687,722	1,833,881	1,833,881	3,704
Total	₩ 1,822,722	₩ 1,969,050	₩ 1,969,050	₩ 369,744

(Note a) The Company's trading securities as of September 30, 2009 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.

(Note b) The difference between the fair value and acquisition cost was recorded as unrealized gain (loss) on valuation of long-term investment

securities in  
other  
comprehensive  
income.

b. Long-term Investment Securities

Long-term investment securities as of September 30, 2009 and December 31, 2008 are as follows (In millions of Korean won):

	September 30, 2009	December 31, 2008
Available-for-sale equity securities	₩ 3,491,692	₩ 3,066,306
Available-for-sale debt securities	96,650	4,787
Total	3,588,342	3,071,093
Less: current portion	(1,833,881)	(3,704)
Long-term portion	₩ 1,754,461	₩ 3,067,389

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

Available-for-sale equity securities as of September 30, 2009 and December 31, 2008 are as follows (In millions of Korean won):

	September 30, 2009				Carrying amount	
	Number of shares	Percentage (%)	Acquisition cost	Fair value	September 30, 2009	December 31, 2008
<b>(Investments in listed companies)</b>						
Digital Chosunilbo Co., Ltd.	2,890,630	7.8	₩ 5,781	₩ 7,082	₩ 7,082	₩ 5,636
KRTnet Corporation	234,150	4.4	1,171	1,503	1,503	1,098
POSCO Corp.	2,481,310	2.8	332,662	1,208,398	1,208,398	942,898
LG Powercomm Co., Ltd.	6,000,000	4.5	240,243	37,200	37,200	39,000
nTels Co., Ltd.	205,200	6.2	34	698	698	504
China Unicom Ltd.	899,745,075	3.8	1,333,009	1,515,272	1,515,272	1,357,648
Qualcomm Inc.					(Note b)	2,514
DAEA TI Co., Ltd.					(Note b)	89
Extended Computing Environment Co., Ltd.					(Note b)	40
Sub-total			1,912,900	2,770,153	2,770,153	2,349,427
<b>(Investments in non-listed companies)</b>						
SK C&C Co., Ltd.	15,000,000	30.0	501,651	450,000	450,000	676,716
The Korea Economic Daily	2,585,069	13.8	13,964	(Note e)	13,964	13,964
Others			132,525	(Notes d&e)	9,746	12,932
Sub-total			648,140		473,710	703,612
<b>(Investments in funds)</b>						
Global Opportunities			186,390	234,816	(Note f)	234,816

Breakaway Fund				
Others	13,013	(Note e)	13,013	13,267
Sub-total	199,403		247,829	13,267
Total	₩ 2,760,443		₩ 3,491,692	₩ 3,066,306

(Note a) As the common stocks of LG Powercomm Co., Ltd. were listed on the stock Market of Korea Exchange during the year ended December 31, 2008, the Company recorded the investment at its market value as of September 30, 2009. In addition, as the difference between the market value and carrying value of the investments is material and the market value is significantly less than the acquisition cost over the long-term period, the Company recorded ₩201,243 million of impairment loss on investment securities for the year ended December 31,

2008.

(Note b) The investments in common stock of DAEA TI Co., Ltd. and others were all sold during the nine months ended September 30, 2009 and the difference between the disposal price and acquisition cost was recorded as loss on disposal of long term investment securities.

(Note c) The number of shares held by the Company increased to 15,000,000 shares from 6,000,000 shares as the SK C&C performed stock split of 1:2.5 for the nine months ended September 30, 2009. On September 18, 2009, the board of directors of the Company resolved to dispose the investment in common stock of SK C&C Co., Ltd through initial public offering and recorded the

investment at the initial offering price, which was ₩30,000 per common share decided on November 2, 2009. In addition, the Company recorded unrealized gain on valuation of investments of ₩79,246 million (net of tax effect of ₩24,398 million) as of September 30, 2009.



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(Note d) Due to the impairment of the investment of Mobinex Inc. and others, the Company recorded ~~₩~~3,186 million of impairment loss on investment securities for the nine months ended September 30, 2009.

(Note e) As a reasonable estimate of fair value could not be made, the investment is stated at acquisition cost.

(Note f) For the nine months ended September 30, 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  
~~₩~~37,772 million  
(net of tax effect  
of  
~~₩~~10,654 million)  
was recorded as  
unrealized gain  
on valuation of  
long-term  
investment  
securities in other  
comprehensive  
income.

(Note g) The Company transferred its investment in common stock of SK C&C Co., Ltd. totaling ~~₩~~315,000 million to current portion as of September 30, 2009 as the disposition of the investment was resolved by the initial public offering on November 2, 2009. In addition, the investment of China Unicom Ltd. totaling ~~₩~~1,515,272 million transferred to current portion as the disposition of the investment was reserved by board of directors of the Company on September 25, 2009.

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

Available-for-sale debt securities as of September 30, 2009 and December 31, 2008 are as follows (In millions of Korean won):

	Maturity	Acquisition cost	Carrying amount	
			September 30, 2009	December 31, 2008
Public bonds	(Note a) October, 2009	₩ 299	₩ 299	₩ 1,236
Closed beneficiary certificates (Note b)		3,501	3,553	3,551
Subordinated bonds (Note c)		90,980	90,980	
Convertible bonds of Magic Tech Network (Note d)	March, 2011	1,818	1,818	
Total		96,598	96,650	4,787
Less current portion		(3,557)	(3,609)	(3,704)
Long-term available-for-sale debt securities		₩ 93,041	₩ 93,041	₩ 1,083

The interest income incurred from available-for-sale debt securities for the nine months ended September 30, 2009 and 2008 amounted to ₩229 million and ₩3,710 million, respectively, and for the three months ended September 30, 2009 and 2008 amounted to ₩68 million and ₩954 million, respectively.

(Note a) The maturities of public bonds as of September 30, 2009 and December 31, 2008 are as follows (In millions of Korean won):

Maturity	September 30, 2009	December 31, 2008
Within one year	₩ 57	₩ 153
After one year but within five years	242	1,083
	₩ 299	₩ 1,236

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

(Note c) The Company purchased subordinated bonds issued by special purpose company in the asset-backed securitization of accounts receivable-other resulting from its mobile phone financing plan (See Note 21).

(Note d) On September 3, 2009, the Company purchased convertible bonds of Magic Tech Network for US\$ 1,458,065. Such convertible bonds have conversion price of US\$ 274.749 per share of common stock of Magic Tech Network.

**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 nine months ended September 30, 2009 and 2008 are as follows (In millions of Korean won):

For the nine months ended September 30, 2009			
Beginning	Increase	Transferred	Ending
balance	(decrease)	to	balance
		realized	
		gain (loss)	

Available-for-sales securities:

Unrealized gain on valuation of long-term investment securities	₩ 941,096	₩ 89,037	(₩ 30)	₩ 1,030,103
Unrealized loss on valuation of long-term investment securities	(401,945)	239,971	1,848	(160,126)
Sub-total	539,151	329,008	1,818	869,977
Less tax effect	(125,881)	(63,227)	(400)	(189,508)
Total	₩ 413,270	₩ 265,781	₩ 1,418	₩ 680,469

For the nine months ended September 30, 2008

	Beginning balance	Increase (decrease)	Transferred to realized gain (loss)	Ending balance
Available-for-sales securities:				
Unrealized gain on valuation of long-term investment securities	₩ 2,402,284	(₩1,283,003)	₩	₩ 1,119,281
Unrealized loss on valuation of long-term investment securities	(158,575)	(97,466)	5,152	(250,889)
Sub-total	2,243,709	(1,380,469)	5,152	868,392
Less tax effect	(617,020)	379,629	(1,417)	(238,808)
Total	₩ 1,626,689	(₩1,000,840)	₩ 3,735	₩ 629,584

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

Equity securities accounted for using the equity method of accounting as of September 30, 2009 and December 31, 2008 are as follows (In millions of Korean won):

	September 30, 2009 Ownership				Carrying amount	
	Number of shares	percentage (%)	Acquisition cost	Net asset value	September 30, 2009	December 31, 2008
SK Broadband Co., Ltd.	149,638,354	50.6	₩ 1,450,804	₩ 737,608	₩ 1,282,705	₩ 1,146,736
SK Communications Co., Ltd.	28,029,945	64.8	175,441	124,572	135,861	147,392
SK Telink Co., Ltd.	943,997	90.8	5,296	129,315	129,315	112,358
SK Marketing & Company Co., Ltd.	5,000,000	50.0	190,000	107,742	107,742	101,345
PS&Marketing Corporation	30,000,000	100.0	150,000	134,800	134,800	
SK Wyverns Baseball Club Co., Ltd.	199,997	100.0	1,000	(2,048)		
Paxnet Co., Ltd.	5,590,452	59.7	26,563	16,516	30,730	30,086
F&U Credit Information Co., Ltd.	300,000	50.0	2,410	3,665	4,136	4,244
TU Media Corp.	28,538,064	44.2	151,980	12,476	12,476	14,847
Aircross Co., Ltd.						
IHQ, Inc.	14,960,784	37.1	51,846	12,939	22,575	26,957
Ntreev Soft Co., Ltd.	2,064,970	63.7	33,120	9,216	9,365	9,575
Commerce Planet Co., Ltd.	29,396	100.0	14,344	1,107	1,107	1,535
Loen Entertainment, Inc.	16,054,812	63.5	57,874	39,229	39,841	35,895
Harex Info Tech, Inc.	225,000	21.2	3,375	245	333	598
SK Mobile		20.0	4,930	2,111	2,111	2,111
SKT Vietnam PTE Ltd.	180,476,700	73.3	191,273	89,531	89,531	112,160
Skytel Co., Ltd.	1,951,777	29.3	2,159	14,447	14,447	12,381
SK China Company Ltd.	94,960	29.7	6,159	4,556	3,470	3,657
SK Telecom China Co., Ltd.		100.0	7,340	10,258	10,258	7,157
TR Entertainment	13,542,553	42.2	10,953	2,367	8,014	9,626
	14,100,100	70.2	17,511	4,086	4,086	5,401

ULand Company Ltd.							
Virgin Mobile USA, Inc.	13,940,549	16.6	62,096	(55,468)		50,578	62,096
SKT Americas, Inc.	109	100.0	30,457	26,954		26,954	36,126
SK Telecom China Holding Co., Ltd.		100.0	29,595	29,034	(Note d)	29,034	30,780
SK USA, Inc.	49	49.0	3,184	5,249		5,249	5,041
Helio, Inc.	794,375	14.3	1,342	116		116	116
Korea IT Fund	190	63.3	190,000	210,555		210,555	210,725
1st Music Investment Fund of SK-PVC	1,385	69.3	6,925	4,660		4,660	5,688
2nd Music Investment Fund of SK-PVC	1,585	79.3	7,925	7,894		7,894	8,441
SK-KTB Music Investment Fund	14,850,000,000	74.2	14,850	13,203		13,203	13,954
Stonebridge Cinema Fund (formerly IMM Cinema Fund)	120	45.6	12,000	8,153		8,153	8,435
Michigan Global Cinema Fund	40	36.4	4,000	3,577		3,577	3,577
3rd Fund of Isu Entertainment	25	31.3	2,500	1,568		1,568	1,568
SK Telecom Advanced Tech & Service Center		100.0	6,989	9,828		9,828	10,053
Cyworld China Holdings	10,500,000	53.8	10,272	1,174		1,174	2,117
Magic Tech Network	4,500	30.0	8,494	2,162		6,798	7,725
SK Telecom Global Investment B.V.	18,000	100.0	39,319	41,823	(Note d)	41,823	31,866
SKY Property Mgmt. Ltd.	22,980	60.0	283,367	272,691		272,691	287,405
Wave City Development Co. Ltd.	382,000	19.1	1,967	1,908		1,908	1,908

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	September 30, 2009				Carrying amount	
	Number of shares	Ownership		Net asset value	September 30,	December 31,
percentage (%)		Acquisition cost	2009		2008	
Prmaxsoftware Tech. Co., Ltd.		97.2	₩ 11,665	₩ 10,974 (Note d)	₩ 11,147	₩ 7,127
Benex Digital Cultural Contents Fund	50	19.9	5,000	5,068	5,068	5,068
Benex Focus Limited Partnership II	200	66.7	20,000	19,898	19,898	20,089
K-net Culture & Contents Venture Fund	59	59.0	11,800	11,756 (Note d)	11,756	5,856
Open Innovation Fund	200	98.5	20,000	19,996	19,996	20,044
Other investments in affiliates			23,381	(Note e)	23,381	23,564
<b>Total</b>			<b>₩ 3,361,506</b>		<b>₩ 2,829,912</b>	<b>₩ 2,600,719</b>

(Note a) For the nine months ended September 30, 2009, the Company additionally invested ₩241,176 million in SK Broadband Co., Ltd. which increased the Company's ownership from 43.4% to 50.6%.

(Note b) For the nine months ended September 30, 2009, the Company acquired 30,000,000



shares of  
PS&Marketing  
Corporation. As  
a result, the  
Company holds  
100.0% of  
PS&Marketing  
Corporation.

(Note c) For the nine  
months ended  
September 30,  
2009, Aircross  
Co., Ltd. was  
fully liquidated.

(Note d) For the nine  
months ended  
September 30,  
2009, the  
Company  
additionally  
invested  
~~₩~~6,302 million  
in SK Telecom  
China Holding  
Co., Ltd.,  
~~₩~~13,247 million  
in SK Telecom  
Global  
Investment  
B.V.,  
~~₩~~4,538 million  
in  
Prmaxsoftware  
Tech. Co., Ltd.  
and ~~₩~~5,900  
million in K-net  
Culture &  
Contents  
Venture Fund.

(Note e) 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.

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Details of the changes in investments in affiliates accounted for using the equity method for the three months and nine months ended September 30, 2009 and 2008 are as follows (In millions of Korean won):

	Beginning balance	Acquisition	For the nine months ended September 30, 2009							Ending balance
			Equity in earnings (losses)	Equity in comprehensive income	Capital surplus	Equity method in retained earnings	Equity method in capital adjustments	Dividend received	Other increase (decrease)	
Broadband (Note a)	₩ 1,146,736	₩ 241,176	(₩ 76,740)	₩ 5,021	₩	(₩ 56,043)	₩ 22,555	₩	₩	₩ 1,28
Communications (Note a)	147,392		(10,850)	(18,433)	2,047		15,705			13
ink Co., (Notes a and c)	112,358		23,009	273				(6,325)		12
Marketing & ny Co., (Note a)	101,345		11,167	(4,770)						10
Marketing ation (Note a)		150,000	(15,200)							13
governments										
Club (Note b)			(1)							
Co., Ltd. (Notes a and c)	30,086		1,136	(281)			281	(492)		3
redit ation Co., (Note b)	4,244		(108)							
dia Corp. (Note a)	14,847		(2,371)	36	(36)					1
s Co., (Note d)	7,289								(7,289)	
nc. (Note a)	26,957		(5,345)	(5,007)			5,970			2
Soft Co., (Note a)	9,575		(302)	43			49			
erce Planet (Note b)	1,535		(428)							
inment, (Note a)	35,895		1,323	2,945			(322)			3
Info Tech, (Note b)	598		(265)							

Mobile	(Note b)	2,111				
Vietnam	(Note a)	112,160		(17,822)	(4,807)	
Co., Ltd.	(Note a)	12,381		4,574	(2,508)	
China	(Note b)	3,657		(176)	(11)	
ny Ltd.	(Note b)	7,157		5	3,096	
ecom	(Note a)	9,626		(1,488)	(124)	
Co., Ltd.	(Note a)	5,401		(1,077)	(238)	
inment	(Note a)	62,096		(11,529)	11	
Company	(Note a)	36,126		(20,404)	(1,758)	12,990
Mobile	(Note a)	30,780	6,302	(6,258)	(1,790)	
nc.	(Notes a and e)	5,041		182	26	
mericas,	(Note b)	116			(26)	26
ecom	(Note a)	210,725		(345)	175	
Holding	(Note b)	5,688		(1,181)	153	
d.	(Note b)	8,441		(547)		
A, Inc.	(Note a)	13,954		(680)	(72)	1
Inc.	(Note a)	8,435		(282)		
IT Fund	(Note b)	3,577				
isic	(Note b)	1,568				
ment Fund	(Note a)	10,053		(194)	(31)	
PVC	(Note b)	2,117		179	(194)	(928)
usic	(Note b)	7,725		(927)		
ment Fund	(Note a)					
PVC	(Note b)					
B Music	(Note a)					
ment Fund	(Note a)					
ridge	(Note a)					
a Fund	(Note a)					
arly IMM	(Note a)					
a Fund)	(Note b)					
an Global	(Note b)					
a Fund	(Note b)					
nd of Isu	(Note b)					
inment	(Note b)					
ecom	(Note b)					
ced Tech	(Note b)					
ice Center	(Note b)					
ld China	(Note b)					
gs	(Note b)					

Tech k ecom	(Note b)										
ment B.V.	(Note a)	31,866	13,274	120	(3,437)						
roperty Ltd.	(Note a)	287,405		436	(15,150)						
City pment Co.	(Note b)	1,908									
oftware Co., Ltd.	(Note b)	7,127	4,538	(518)							
Digital al Contents	(Note b)	5,068									
Focus d ship II	(Note a)	20,089		(191)							
Culture & ts Venture	(Note b)	5,856	5,900								
nnovation	(Note a)	20,044		(48)							
		₩ 2,577,155	421,190	(133,145)	(46,858)	2,011	(56,043)	43,337	(6,817)	5,701	₩ 2,800,000
ix months June 30,			163,332	(73,022)	(12,908)	2,003	(56,043)	18,280	(6,817)	(7,289)	
months ber 30,			₩ 257,858	(₩ 60,123)	(₩ 33,950)	₩ 8	₩	₩ 25,057	₩	₩ 12,990	

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(Note a) Investments were recorded using the equity method of accounting based on unaudited and unreviewed financial statements as of and for the nine months ended September 30, 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:

- 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, 2008 as information as of September 30, 2009 was not available and the change in the Company's portion of stockholders' equity of the investee for the nine months ended September 30, 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 method securities.

(note d) Other decrease in investments in Aircross Co., Ltd. represents the collection of the Company's

investment resulting  
from the full  
liquidation of  
Aircross Co., Ltd.

(note e) For the nine months  
ended  
September 20, 2009,  
SKT Americas, Inc.  
merged with SKT  
Holding America  
and as such the  
book value of the  
investment in SKT  
Holding America  
was transferred to  
the investment in  
SKT Americas, Inc.  
as of September 30,  
2009.



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	For the nine months ended September 30, 2008							
	Beginning balance	Acquisition	Equity in earnings (losses)	Equity in surplus and capital adjustments	Equity method in capital adjustments	Dividend received	Other increase (decrease)	Ending balance
SK Broadband Co., Ltd.	₩	₩ 1,093,104	(₩ 31,964)	₩ 3,473	₩	₩	₩ 116,525	₩ 1,181,138
SK Communications Co., Ltd.	149,850		(5,991)	8,864				152,723
SK Telink Co., Ltd.	97,136		17,905	(60)		(5,947)		109,034
SK Marketing & Company Co. Ltd		190,000	6,226	(93,878)				102,348
SK Wyverns Baseball Club Co., Ltd. (Note a)			(989)					
Paxnet Co., Ltd.	30,237		(111)	406		(447)		30,085
F&U Credit Information Co., Ltd. (Note a)	3,851		(31)					3,820
TU Media Corp.	5,527	55,000	(12,467)		(30,642)			17,418
Aircross Co., Ltd. (Note a)	5,967		(939)	(18)				5,010
IHQ, Inc.	38,911		(8,657)	(402)				29,852
Ntreev Soft Co., Ltd. (Note a)	13,221		(4,418)	138				8,941
Baba Club	1,733						(1,733)	
Commerce Planet Co., Ltd. (Note a)	6,266		(419)				1,733	7,580
Loen Entertainment, Inc.	21,415		562	(2,735)				19,242
Harex Info Tech, Inc. (Note a)	1,118		(263)					855
SK Mobile SKT Vietnam PTE Ltd. (Note a)	3,272	2,004					(3,166)	2,110
PTE Ltd. (Note a)	101,412		(14,635)	24,339	(71)			111,045
Skytel Co., Ltd. (Note a)	7,797		(52)	(1)				7,744
SK China Company Ltd. (Note a)			54	83				137
SK Telecom China Co., Ltd. (Note a)	7,154		3					7,157

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TR Entertainment ULand Company Ltd.		10,954	(1,318)	578				10,214	
SK Telecom USA Holdings, Inc.		5,290	2,367	1,618				9,275	
SKT Americas, Inc.	(Note a)	63,023	99,141	(83,282)	27,762	(22,988)		83,656	
SK Telecom China Holding Co., Ltd.		26,454	431	305				27,190	
SK USA, Inc.	(Note a)	19,070	4,223	(980)	8,264			30,577	
Helio, LLC & Inc.		3,140						3,140	
Korea IT Fund		333	(572)	15	340			116	
Centurion IT Investment Association		210,568	4,530	(581)				214,517	
1st Music Investment Fund	(Note a)	2,463					(2,463)		
2nd Music Investment Fund	(Note a)	5,607						5,607	
SK-KTB Music Investment Fund	(Note a)	8,517	(338)					8,179	
Stonebridge Cinema Fund (formerly IMM Cinema Fund)		13,367	(412)	923				13,878	
Michigan Global Cinema Fund	(Note a)	9,089	(725)					8,364	
3rd Fund of Isu Entertainment	(Note a)	3,542						3,542	
Cyworld China Holdings	(Note a)	1,690						1,690	
Magic Tech Network	(Note a)		10,272			(6,231)		4,041	
SKT Global Investment B.V.I.O.	(Note a)	8,384	(303)					8,081	
SKY Property Mgmt. Ltd.	(Note a)	26,044						26,044	
		178,427						178,427	
<b>Total</b>		<b>₩867,020</b>	<b>1,677,553</b>	<b>(136,788)</b>	<b>(20,907)</b>	<b>(59,592)</b>	<b>(6,394)</b>	<b>110,896</b>	<b>₩2,432,777</b>
Less six months ended June 30, 2008									
		1,428,117	(94,954)	(104,211)	(30,373)	(6,394)		114,062	

Three months  
ended  
September 30,  
2008

₩ 249,436 (₩ 41,834) ₩ 83,304 (₩ 29,219) ₩ (₩ 3,166)

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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 and nine months ended September 30, 2009 and 2008 are as follows (In millions of Korean won):

	For the nine months ended September 30, 2009			
	Beginning balance	Increase/ (decrease)	Amortization	Ending balance
SK Broadband Co., Ltd.	₩ 534,051	₩ 26,435	(₩ 15,389)	₩ 545,097
SK Communications Co., Ltd.	12,122		(669)	11,453
Paxnet Co., Ltd.	15,018		(804)	14,214
F&U Credit Information Co., Ltd.	503		(32)	471
IHQ, Inc.	13,767		(4,130)	9,637
Ntreev Soft Co., Ltd.	595		(446)	149
Loen Entertainment, Inc.	1,223		(612)	611
Harex Info Tech, Inc.	351		(263)	88
Skytel Co., Ltd.	(1,387)		1,387	
SK China Company Ltd.	106		(106)	
TR Entertainment	6,856		(1,210)	5,646
Virgin mobile USA, Inc.	125,930		(19,884)	106,046
Magic Tech Network	5,562		(927)	4,635
Prmaxsoftware Tech. Co., Ltd.	691		(518)	173
<b>Total</b>	<b>₩ 715,388</b>	<b>26,435</b>	<b>(43,603)</b>	<b>₩ 698,220</b>
Less: six months ended June 30, 2009			(23,434)	
Three months ended September 30, 2009		₩ 26,435	(₩ 20,169)	
	For the nine months ended September 30, 2008			
	Beginning balance	Increase (decrease)	Amortization	Ending balance
SK Broadband Co., Ltd.	₩	₩ 565,174	(₩ 20,749)	₩ 544,425
SK Communications Co., Ltd.	21,019	(8,005)	(669)	12,345
Paxnet Co., Ltd.	16,091		(804)	15,287
F&U Credit Information Co., Ltd.	545		(32)	513
IHQ, Inc.	19,274		(4,130)	15,144
Ntreev Soft Co., Ltd.	1,282	(92)	(446)	744
Baba Club	2,504	(2,504)		
Commerce Planet Co., Ltd.	3,950		(658)	3,292
Loen Entertainment, Inc.	2,039		(612)	1,427
Harex Info Tech, Inc.	701		(263)	438
Uland Company Ltd.	4,245		(193)	4,052
TR Entertainment		8,066	(807)	7,259
Magic Tech Network		6,071	(303)	5,768

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Total	₩ 71,650	568,710	(29,666)	₩ 610,694
Less six months ended June 30, 2008		569,224	(12,657)	
Three months ended September 30, 2008		(₩ 514)	(₩ 17,009)	

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Details of changes in unrealized inter-company gains incurred from sales of assets for the three months and nine months ended September 30, 2009 and 2008 are as follows (In millions of Korean won):

Subsidiary	For the nine months ended September 30, 2009			Ending balance
	Beginning balance	Increase	Decrease	
SK Communications Co., Ltd.	₩ 269	₩	(₩ 105)	₩ 164
SK China Company Ltd.	1,086			1,086
Total	₩ 1,355		(105)	₩ 1,250
Less: six months ended June 30, 2009			(70)	
Three months ended September 30, 2009		₩	(₩ 35)	

Subsidiary	For the nine months ended September 30, 2008			Ending balance
	Beginning balance	Increase	Decrease	
SK Communications Co., Ltd.	₩ 2,192	₩	(₩ 1,888)	₩ 304
Uland Company Limited.	2,981		(2,981)	
SK China Company Ltd.	1,086			1,086
Total	₩ 6,259		(4,869)	₩ 1,390
Less: six months ended June 30, 2008			(4,834)	
Three months ended September 30, 2008		₩	(₩ 35)	

Details of market price of the equity securities accounted for using the equity method as of September 30, 2009 are as follows (In millions of Korean won, except for market price per share):

	Market price per share	Number of shares owned by	Market price
	(In Korean won)	the Company	
SK Broadband Co., Ltd.	₩ 5,210	149,638,354	₩779,616
SK Communications Co., Ltd.	8,830	28,029,945	247,504
IHQ, Inc.	1,240	14,960,784	18,551
Loen Entertainment, Inc.	5,080	16,054,812	81,558

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The condensed financial information of the investees as of and for the nine months ended September 30, 2009 is as follows (In millions of Korean won):

	Total assets	Total liabilities	Revenue	Net income (loss)
SK Broadband Co., Ltd.	₩3,064,055	₩1,605,192	₩1,368,058	(₩131,540)
SK Communications Co., Ltd.	268,501	76,322	147,790	(15,711)
SK Telink Co., Ltd.	210,764	68,298	224,508	25,374
SK Marketing & Company Co., Ltd.	591,350	375,865	207,273	22,664
PS&Marketing Corporation	185,175	50,375	279,134	(15,200)
Paxnet Co., Ltd.	43,061	15,414	32,315	3,320
TU Media Corp.	268,563	240,307	99,314	(4,555)
IHQ, Inc.	52,404	17,520	32,447	(506)
Ntreev Soft Co., Ltd.	27,666	13,197	16,901	124
Loen Entertainment, Inc.	97,775	35,977	72,511	4,350
SKT Vietnam PTE Ltd.	142,255	20,145	140	(21,940)
Skytel Co., Ltd.	56,878	7,643	29,109	10,961
TR Entertainment	6,543	933	8,130	(660)
ULand Company Limited	8,970	3,146	4,984	(1,191)
Virgin Mobile USA, Inc.	384,918	719,870	846,505	50,452
SKT Americas, Inc	37,408	10,454	16,136	(15,660)
SK Telecom China Holdings	44,246	15,212	18,336	(4,571)
Korea IT Fund	332,455		10,994	(561)
SKT-KTB Music Investment Fund	17,879	81	325	(917)
Stonebridge Cinema Fund (formerly IMM Cinema Fund)	17,868		255	(10)
SK Telecom Global Investment B.V.	41,927	104	342	185
SKY Property Mgmt. Ltd.	611,435	156,949	31,583	2,519
2nd Benex Focus investment Fund	30,131	284	557	(286)
Open Innovation Fund	20,488	192	522	(49)

**5. LOANS TO EMPLOYEES**

Short-term and long-term loans to employees as of September 30, 2009 and December 31, 2008 are as follows (In millions of Korean won):

	September 30, 2009			December 31, 2008
	Short-term	Long-term	Total	
Loans to Employees Stock Ownership Association (Note)	₩ 1,774	₩ 56,830	₩ 58,604	₩ 60,908
Loans to employees for housing and other	48	10	58	106
Total	₩ 1,822	₩ 56,840	₩ 58,662	₩ 61,014

(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 September 30, 2009 and December 31, 2008 are as follows (In millions of Korean won):

	Useful lives (years)	September 30, 2009	December 31, 2008
Land		₩ 459,318	₩ 447,088
Buildings and structures	30,15	1,599,261	1,510,018
Machinery	6	14,327,189	13,441,993
Vehicles	4	53,467	21,070
Other	4	931,691	1,016,133
Construction in progress		488,166	281,574
		17,859,092	16,717,876
Less: accumulated depreciation		(12,749,362)	(12,019,662)
Property and equipment, net		₩ 5,109,730	₩ 4,698,214

Details of change in property and equipment for the nine months ended September 30, 2009 and 2008 are as follows (In millions of Korean won):

	Beginning balance	Acquisition	For the nine months ended September 30, 2009				Ending balance
			Business acquisition (Note)	Disposal	Transfer	Depreciation	
Land	₩ 447,088	₩ 8,519	₩ 3,939	(₩ 757)	₩ 529	₩	₩ 459,318
Buildings and structures	1,012,226	2,152	66,626	(174)	821	(42,462)	1,039,189
Machinery	2,594,086	16,843	543,447	(2,608)	602,552	(904,208)	2,850,112
Vehicles	2,035	43		(49)	33,638	(1,108)	34,559
Other	361,205	645,701	206	(15,945)	(679,448)	(73,333)	238,386
Construction in progress	281,574	245,361	7,135	(3,290)	(42,614)		488,166
Total	₩ 4,698,214	₩ 918,619	₩ 621,353	(₩ 22,823)	(₩ 84,522)	(₩ 1,021,111)	₩ 5,109,730

(Note) The Company acquired the leased line business from SK Networks Co., Ltd. (See

Note 20).

	For the nine months ended September 30, 2008					Ending Balance
	Beginning balance	Acquisition	Disposal	Transfer	Depreciation	
Land	₩ 444,252	₩ 96	(₩ 893)	₩ 2,639	₩	₩ 446,094
Buildings and structures	1,054,484	4,704	(965)	2,897	(42,067)	1,019,053
Machinery	2,495,252	18,168	(3,113)	688,633	(893,960)	2,304,980
Vehicles	3,196	91	(239)		(1,354)	1,694
Other	305,095	716,958	(15,438)	(593,203)	(72,229)	341,183
Construction in progress	292,134	247,300	(4,837)	(182,277)		352,320
<b>Total</b>	<b>₩ 4,594,413</b>	<b>₩ 987,318</b>	<b>(₩ 25,485)</b>	<b>(₩ 81,311)</b>	<b>(₩ 1,009,610)</b>	<b>₩ 4,465,324</b>

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

Intangible assets as of September 30, 2009 and December 31, 2008 are as follows (In millions of Korean won):

	September 30, 2009			December 31, 2008		
	Acquisition cost	Accumulated amortization	Carrying amounts	Acquisition cost	Accumulated amortization	Carrying amounts
Goodwill	₩ 2,341,625	(₩ 999,669)	₩ 1,341,956	₩ 2,341,625	(₩ 902,259)	₩ 1,439,366
Frequency use rights	1,385,120	(628,748)	756,372	1,385,120	(541,349)	843,771
Software development costs	155,464	(145,312)	10,152	188,358	(174,869)	13,489
Computer software	1,267,957	(743,245)	524,712	1,174,908	(586,654)	588,254
Other	144,272	(89,673)	54,599	139,562	(82,850)	56,712
	₩ 5,294,438	(₩ 2,606,647)	₩ 2,687,791	₩ 5,229,573	(₩ 2,287,981)	₩ 2,941,592

Details of changes in intangible assets for the nine months ended September 30, 2009 and 2008 are as follows (In millions of Korean won):

	Beginning balance	For the nine months ended September 30, 2009					Ending balance
		Increase	Business acquisition (Note)	Decrease	Transfer	Amortization	
Goodwill	₩ 1,439,366	₩	₩	₩	₩	(₩ 97,410)	₩ 1,341,956
Frequency use rights	843,771					(87,399)	756,372
Software development costs	13,489					(3,337)	10,152
Computer software	588,254	7,882	6,540	(1,953)	84,923	(160,934)	524,712
Other	56,712	7,581		(1,813)	50	(7,931)	54,599
Total	₩ 2,941,592	₩ 15,463	₩ 6,540	(₩ 3,766)	₩ 84,973	(₩ 357,011)	₩ 2,687,791

(Note) The Company acquired the leased line business from SK Networks Co., Ltd. (See Note 20).

For the nine months ended September 30, 2008

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	Beginning balance	Increase	Decrease	Transfer	Amortization	Ending balance
Goodwill	₩ 1,569,247	₩	₩	₩	(₩ 97,411)	₩ 1,471,836
Frequency use rights	960,302				(87,399)	872,903
Software development costs	13,029			4,775	(7,854)	9,950
Computer software	585,574	14,289	(1,761)	75,309	(144,309)	529,102
Other	46,790	10,735	(151)	1,552	(6,695)	52,231
<b>Total</b>	<b>₩ 3,174,942</b>	<b>₩ 25,024</b>	<b>(₩ 1,912)</b>	<b>₩ 81,636</b>	<b>(₩ 343,668)</b>	<b>₩ 2,936,022</b>

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The book value as of September 30, 2009 and residual useful lives of major intangible assets are as follows (In millions of Korean won):

	Amount	Description	Residual useful lives
Goodwill	₩1,338,402	Goodwill related to acquisition of Shinsegi Telecomm, Inc.	10 years and 3 months
IMT license	700,984	Frequency use rights relating to W-CDMA Service	(Note a)
WiBro license	50,605	WiBro Service	(Note b)
DMB license	4,783	DMB Service	6 years and 9 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.

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

Bonds payable as of September 30, 2009 and December 31, 2008 are as follows (In millions of Korean won and thousands of foreign currency):

	Maturity year	Annual interest rate (%)	September 30, 2009	December 31, 2008
Domestic general bonds	2009	5.0	₩	₩ 300,000
"	2010	4.0	200,000	200,000
"	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	
"	2016	5.94	230,000	
"	2018	5.0	200,000	200,000
Dollar denominated bonds (US\$ 300,000)	2011	4.25	356,610	377,250
Dollar denominated bonds (US\$ 400,000)	2027	6.63	475,480	503,000
Yen denominated bonds (JPY 12,500,000)	2012	3-month Euro Yen LIBOR rate +0.55 (Note a)	164,850	174,237
Yen denominated bonds (JPY 5,000,000)	2012	3-month Euro Yen TIBOR rate +2.5 (Note b)	65,940	
Yen denominated bonds (JPY 3,000,000)	2012	3-month Euro Yen LIBOR rate +2.5 (Note a)	39,564	
Convertible bonds (US\$ 229,160)	2009			268,415
Convertible bonds (US\$ 332,528)	2014	1.75	437,673	
Floating rate notes (US\$ 150,000,000)	2010	3-month LIBOR rate +3.05 (Note c)	178,305	188,625
Floating rate notes (US\$ 220,000,000)	2012	3-month LIBOR rate +3.15 (Note c)	261,514	
Total			3,949,936	3,511,527
Less discounts on bonds			(65,120)	(61,143)
Less conversion right adjustments			(85,500)	(5,733)
Add long-term accrued interest				17,256
Net			3,799,316	3,461,907
Less portion due within one year			(199,318)	(579,424)
Long-term portion			₩ 3,599,998	₩ 2,882,483

(Note a) The 3-months  
Euro Yen  
LIBOR rate as  
of  
September 30,  
2009 is 0.35%.

(Note b) The 3-months  
Euro Yen  
TIBOR rate as  
of  
September 30,  
2009 is 0.54%.

(Note c) The 3-months  
LIBOR rate as  
of  
September 30,  
2009 is 0.29%.

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

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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 ₩230,010 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 September 30, 2009 is 1,999,997 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 nine months ended September 30, 2009, no conversion was made.

**9. LONG-TERM BORROWINGS**

Long-term borrowings as of September 30, 2009 and December 31, 2008 are as follows (In millions of Korean won and thousands of U.S. dollars):

	Lender	Final maturity year	Annual interest rate (%) (Note)		September 30, 2009	December 31, 2008
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
"	Woori Bank	April 18, 2016	91 days CD yield + 3.17%		58,400	
"	KEB	March 31, 2016	91 days CD yield + 3.09%		31,749	
"	KDB	April 17, 2016	6 months IFB yield + 3.69%		167,014	
"	Shinhan Bank	April 19, 2016	6 months BD yield + 3.36%		123,400	
"	Hana Bank	March 31, 2016	5.50		65,300	
"	Nonghyup	March 31, 2016	5.70		41,500	
"	EXIM Bank	April 15, 2016	5.75		98,600	
"	Calyon Bank	October 10, 2013	6M LIBOR + 0.29%	US\$	50,000	US\$ 50,000
"	DBS Bank	October 10, 2013	6M LIBOR + 0.29%		25,000	25,000
"	SMBC	October 10, 2013	6M LIBOR + 0.29%		25,000	25,000

Total	US\$ 100,000	US\$ 100,000
	₩ 1,285,963	₩ 700,000
Equivalent in Korean won	₩ 1,404,833	₩ 825,750
Less current portion	93,784	
Long-term borrowings	₩ 1,311,049	₩ 825,750

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The above long-term floating rate discount bill is classified as long-term borrowing as the borrowing is to be rolled-over exceeding 1 year from September 30, 2009 in accordance with the loan agreement.

(Note) At  
September 30,  
2009, the  
91 days CD  
yield and the  
6M LIBOR rate  
and the  
6 months  
Industrial  
Financial Bond  
yield and the  
6 months Bank  
Debenture yield  
are 2.76%,  
0.63%, 3.33%  
and 3.40%,  
respectively.

**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 September 30, 2009 and December 31, 2008 are as follows:

	September 30, 2009	December 31, 2008
Authorized shares	220,000,000	220,000,000
Issued shares	80,745,711	81,193,711
Outstanding shares, net of treasury stock	72,345,003	72,486,015

Significant changes in capital stock and capital surplus for the nine months ended September 30, 2009 and for the year ended December 31, 2008 are as follows (In millions of Korean won except for share data):

	Number of shares issued (Note)	Capital stock	Additional paid in capital
At December 31, 2008	81,193,711	₩44,639	₩2,915,887
At September 30, 2009	80,745,711	₩44,639	₩2,915,887

(Note) During the year  
ended  
December 31,  
2003, 2006 and  
the nine months  
ended

September 30, 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 the Korean Commercial Law. 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 nine months ended September 30, 2009 and for the year ended December 31, 2008.

**11. TREASURY STOCK**

The Company retired 448,000 shares of common stock on January 9, 2009 in accordance with Korean Commercial law, which were acquired by the Company from December 2, 2008 through January 7, 2009 for ₩92,477 million. As a result of these transactions, retained earnings decreased by ₩92,477 million.

**Table of Contents****12. INCOME TAX**

## a. Details of income tax expense

Income tax expense for the nine months ended September 30, 2009 and 2008 consists of the following (In millions of Korean won):

	2009	2008
Current	₩ 370,566	₩ 497,682
Changes in net deferred tax liabilities (note a)	(20,683)	(124,226)
Income tax expenses	349,883	373,456
Less six months ended June 30	(199,715)	(265,390)
Three months ended September 30	₩ 150,168	₩ 108,066

(Note a) Changes in net deferred tax liabilities for the nine months ended September 30, 2009 and 2008 are as follows (In millions of Korean won):

	2009	2008
Ending balance of net deferred tax liabilities	₩ 126,821	₩ 511,602
Beginning balance of net deferred tax liabilities	(257,939)	(1,015,002)
Adjustment to the beginning net deferred tax liabilities based on tax return filed	5,319	3,944
Tax effect of temporary differences charged or credited directly to related components of stockholders' equity	105,116	375,230
	(₩ 20,683)	(₩ 124,226)

b. An explanation of the relationship between income tax expense and accounting income before income tax expense for the nine months ended September 30, 2009 and 2008 is as follows (In millions of Korean won) :

	2009	2008
Income before income tax	₩ 1,393,987	₩ 1,387,991

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)	337,321	381,684
Differences (note)	12,562	(8,228)
Income tax expense	₩ 349,883	₩ 373,456
Effective tax rates	25.10%	26.91%

(Note) The differences between income tax computed using the statutory corporate income tax rates and the recorded income tax for the nine months ended September 30, 2009 and 2008 are as follows (In millions of Korean won):

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	2009	2008
Permanent difference	₩ 43,211	₩ 25,936
Changes in deferred income tax assets (liabilities) recognized related to equity method investment securities	31,337	31,452
Tax credit for investment	(62,406)	(57,030)
Other tax credits	(4,715)	(2,822)
Sur tax on exempted income	11,377	10,397
Tax refund for prior periods	(6,242)	(16,161)
	₩ 12,562	(₩ 8,228)

**13. COMPREHENSIVE INCOME (LOSS)**

Details of comprehensive income (loss) for the three months and nine months ended September 30, 2009 and 2008 are as follows (In millions of Korean won):

For the three and nine months ended September 30, 2009

	For the three months		For the nine months	
	Profit and loss effect	Tax effect	Profit and loss effect	Tax effect
Net income	₩ 415,713		₩ 1,044,104	
Other comprehensive income (loss):				
Unrealized gain on valuation of long-term investment securities, net	77,502	(₩ 10,443)	267,199	(₩ 63,627)
Equity in capital adjustments of affiliates, net	(26,413)	7,536	(42,513)	4,345
Gain on valuation of currency swap, net	15,508	(4,374)	13,114	(3,699)
Gain on valuation of interest rate swap, net	6,280	(1,771)	13,703	(3,865)
Sub-total	72,877	(₩ 9,052)	251,503	(₩ 66,846)
Comprehensive income	₩ 488,590		₩ 1,295,607	

**Table of Contents**For the three and nine months ended September 30, 2008

	For the three months		For the nine months	
	Profit and loss effect	Tax effect	Profit and loss effect	Tax effect
Net income	₩ 333,640		₩ 1,014,535	
Other comprehensive income (loss):				
Unrealized gain on valuation of long-term investment securities, net	(497,690)	₩ 188,779	(997,105)	₩ 378,212
Equity in capital adjustments of affiliates, net	82,964	(249)	(23,068)	(1,713)
Gain on valuation of currency swap, net	2,529	(959)	5,867	(2,225)
Loss on valuation of interest rate swap, net	(1,406)	533	(1,454)	552
Sub-total	(413,603)	₩ 188,104	(1,015,760)	₩ 374,826
Comprehensive loss	(₩ 79,963)		(₩ 1,225)	

**14. NET INCOME PER SHARE**

The Company's net income and ordinary income per share amounts for the three months and nine months ended September 30, 2009 and 2008 is computed as follows (In millions of Korean won, except for net income and ordinary income per share):

Net income and ordinary income per share

	For the three months ended		For the nine months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Net income and ordinary income	₩ 415,713	₩ 333,640	₩ 1,044,104	₩ 1,014,535
Weighted average number of common shares outstanding	72,345,003	72,793,003	72,347,356	72,776,276
Net income and ordinary income per share	₩ 5,746	₩ 4,583	₩ 14,432	₩ 13,940

Net income and ordinary income per share for the year ended December 31, 2008 is ₩17,559 and net income and ordinary income per share for the three months ended March 31, 2009 and 2008 is ₩4,378 and ₩5,264, respectively. In addition, net income and ordinary income per share for the three months ended June 30, 2009 and 2008 is ₩4,308 and ₩4,094, respectively.



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The weighted average numbers of common shares outstanding for the three months and nine months ended September 30, 2009 and 2008 are calculated as follows:

	Number of shares	Weighted number of days	Weighted number of shares
For the three months ended September 30, 2009			
Outstanding common stocks at January 1, 2009	81,193,711	92 / 92	81,193,711
Treasury stocks at January 1, 2009	(8,707,696)	92 / 92	(8,707,696)
Disposal of treasury stock	(141,012)	92 / 92	(141,012)
Total	72,345,003		72,345,003
For the nine months ended September 30, 2009			
Outstanding common stocks at January 1, 2009	81,193,711	273 / 273	81,193,711
Treasury stocks at January 1, 2009	(8,707,696)	273 / 273	(8,707,696)
Acquisition of treasury stock	(141,012)	268 / 273 (note a)	(138,659)
Total	72,345,003		72,347,356

(Note a) The Company acquired treasury stocks on many different dates, and weighted number of shares was calculated considering each transaction date as follows:

	Number of shares	Weighted number of days	Weighted number of shares
For the three months ended September 30, 2008			
Outstanding common stocks at January 1, 2008	81,193,711	92 / 92	81,193,711
Treasury stocks at January 1, 2008	(8,609,034)	92 / 92	(8,609,034)
Disposal of treasury stock	208,326	92 / 92	208,326
Total	72,793,003		72,793,003
For the nine months ended September 30, 2008			
Outstanding common stocks at January 1, 2008	81,193,711	274 / 274	81,193,711
Treasury stocks at January 1, 2008	(8,609,034)	274 / 274	(8,609,034)
Disposal of treasury stock	208,326	252 / 274	191,599

Total	72,793,003	72,776,276
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Diluted net income and ordinary income per share amounts for the three months and nine months ended September 30, 2009 and 2008 is computed as follows (In millions of won, except for share data):

Diluted net income and ordinary income per share

	For the three months ended		For the nine months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Adjusted net income and ordinary income	₩ 420,430	₩ 336,390	₩ 1,059,736	₩ 1,022,466
Adjusted weighted average number of common shares outstanding	74,344,999	74,117,747	74,375,396	74,101,020
Diluted net income and ordinary income per share	₩ 5,655	₩ 4,539	₩ 14,248	₩ 13,798

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Diluted net income and ordinary income per share for the year ended December 31, 2008 was ₩17,395 and diluted net income and ordinary income per share for the three months ended March 31, 2009 and 2008 is ₩4,335 and ₩5,205, respectively. Diluted net income and ordinary income per share for the three months ended June 30, 2009 and 2008 is ₩4,234 and ₩4,056, respectively.

Adjusted net income and ordinary income per share and the adjusted weighted average number of common shares outstanding for the three months and nine months ended September 30, 2009 and 2008 are calculated as follows:

	For the three months ended		For the nine months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Net income and ordinary income	₩ 415,713	₩ 333,640	₩ 1,044,104	₩ 1,014,535
Effect of convertible bonds (Note a)	4,718	2,750	15,632	7,931
Adjusted net income and ordinary income	₩ 420,431	₩ 336,390	₩ 1,059,736	₩ 1,022,466
Weighted average number of common shares outstanding	72,345,003	72,793,003	72,347,356	72,776,276
Effect of exchangeable bonds (Note a)	1,999,996	1,324,744	2,028,040	1,324,744
Adjusted weighted average number of common shares outstanding	74,344,999	74,117,747	74,375,396	74,101,020

(Note a) The effect of exchangeable bonds increased net income related to interest expenses that would not have been incurred, and increase in the weighted average number of common shares outstanding related to common shares that would have been issued, assuming that the conversion of convertible

bonds was made  
on the  
beginning of the  
period.

**15. RESTRICTED CASH AND CASH EQUIVALENTS**

As of September 30, 2009, 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****16. RELATED PARTY TRANSACTIONS**

As of September 30, 2009 and December 31, 2008, the parent company and subsidiaries of the Company are as follows:

**a. Holding company and subsidiaries**

Type	Company	Ownership percentage (%) (Note a)	Types of business
Ultimate parent company	SK C&C Co., Ltd.		Information technology and software production
Parent company	SK Holdings Co., Ltd.	23.1 (Note b)	Holding company
Subsidiary	SK Broadband Co., Ltd.	50.6	Internet website services and telecommunication service
2	SK Communications Co., Ltd.	64.8	Internet website services
2	SK Telink Co., Ltd.	90.8	Telecommunication service
2	PAXNet Co., Ltd.	59.7	Internet website services
2	F&U Credit Information Co., Ltd.	50.0	Credit and collection services
2	TU Media Corp.	44.2	Digital multimedia broadcasting service
2	IHQ, Inc.	37.1	Entertainment management
2	Ntreev Soft Co., Ltd.	66.7	Game software production
2	Commerce Planet Co., Ltd.	100.0	Cosmetic wholesale
2	Loen Entertainment, Inc.	63.5	Release of music disc
2	The Second Music Investment Fund of SK-PVC	79.3	Investment association
2	SK-KTB Music Investment Fund	74.2	Investment association
2	Stonebridge Cinema Fund	45.6	Investment association
2	SK I-Media Co., Ltd.	100.0 (Note c)	Game software production
2	Broadband media Co., Ltd.	100.0 (Note c)	Multimedia TV portal service
2	Hanaro Dream Incorporated	36.0 (Note c)	Internet digital contents distribution
2	Benex Digital Cultural Contents Fund	19.9	Investment association
2	Etoos Co., Ltd.	100.0 (Note c)	Web-based education service
2	2 <sup>nd</sup> Benex Focus Investment Fund	66.7	Investment association
2	Open Innovation Fund	98.5	Investment association
2	PS&Marketing Co., Ltd.	100.0	Retail
2	SK Telecom China Holdings	100.0	Equity investment (Holding company)
2	SK Telecom Advanced Tech & Service Center	100.0	Mobile solution production
2	Shenzhen E-eye High Tech Co., Ltd.	65.5 (Note c)	GPS manufacturing and selling
2	SKY Property Mgmt. Ltd.	60.0	Equity investment
2	SK Telecom Global Investment B.V.	100.0	Equity investment
2	SKT Vietnam PTE Ltd.	73.3	Telecommunication service
2	SK Telecom China Co., Ltd.	100.0	Telecommunication service
2	SKT Americas, Inc.	100.0	Telecommunication service

(Note a) SK C&C Co., Ltd. became the Company's

ultimate parent  
company as of  
December, 31,  
2007.

(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 and nine months ended September 30, 2009 and 2008, and account balances as of September 30, 2009 and December 31, 2008 are as follows (In millions of Korean won):

**b-(1) Transactions**

	For three months ended September 30, 2009			For nine months ended September 30, 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.	₩ 42,072	₩ 72,655	₩ 671	₩ 83,417	₩ 188,507	₩ 3,189
Parent Company: SK Holdings Co., Ltd.		5,902	142		18,086	406
Subsidiaries: SK Broadband Co., Ltd.		13,802	13,413		33,072	40,767
SK Communications Co., Ltd.	30	3,676	1,849	30	11,988	5,675
SK Telink Co., Ltd. F&U Credit Information Co., Ltd.	99	3,583	9,474	99	10,327	26,082
TU Media Corp.	508	12,159	542	719	35,400	1,204
SKT Americas, Inc. Loen Entertainment, Inc		31,958	8,915		69,146	27,278
Commerce Planet Co., Ltd.		3,363			14,393	
SK Telecom China Holdings PS&Marketing Co., Ltd.		9,114	884		24,297	3,283
Others	643	14,257	1,402	1,343	46,478	2,678
		4,840			22,019	
		75,724	408		131,356	598
	9	10,373	2,077	9	22,141	3,339
Equity Method Investees: SK Marketing & Company Co., Ltd.	1,516	34,953	923	1,516	92,649	3,074
SK Wyverns Baseball Club Co., Ltd.		4,000	62		15,414	243
Wave City Development Co. Ltd.						21,280
Others		1,577	170		6,940	615

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Others:						
SK Energy Co., Ltd.		282	992		828	2,650
SK Engineering & Construction Co., Ltd.	32,707	5,614	436	84,697	13,634	1,529
SK Networks Co., Ltd.	1,502,704	209,228	5,866	1,508,235	607,212	17,692
SK Networks Service Co., Ltd.		6,555	69		17,842	69
Innoace Co., Ltd.	7,597	5,398	51	12,129	10,772	169
SK Telesys Co., Ltd.	39,653	2,873	311	115,457	5,164	800
Others	2,848	9,051	1,757	6,419	26,620	4,532
Total	₩ 1,630,386	₩ 540,937	₩ 50,414	₩ 1,814,070	₩ 1,424,285	₩ 167,152



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	For three months ended September 30, 2008			For nine months ended September 30, 2008		
	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.	₩ 55,740	₩ 90,540	₩ 1,664	₩ 97,065	₩ 186,906	₩ 5,707
Parent Company: SK Holdings Co., Ltd.		161	158		466	327
Subsidiaries:						
SK Broadband Co., Ltd.		5,003	13,181		9,479	29,772
SK Communications Co., Ltd.		6,036	1,891		18,636	5,507
SK Telink Co., Ltd.	73	3,658	6,180	114	10,637	19,918
SK Wyverns Baseball Club Co., Ltd.		3,502	83		13,302	83
PAXNet Co., Ltd.		1,826	25		5,028	74
Global Credit & Information Co., Ltd.		15,100	329		37,799	976
TU Media Corp.	75	16,576	10,632	107	18,584	37,178
Aircross Co., Ltd.	43	6,365	333	78	15,223	997
SKT Americas, Inc.		10			2,871	
Others	1,863	21,833	1,152	2,703	57,695	4,477
Equity Method Investees:						
SK Marketing & Company Co Ltd.		23,360	3,233		29,197	5,682
Others	12	3,448		139	5,945	
Others:						
SK Energy Co., Ltd.		3,703	2,040		11,753	5,230
SK Engineering & Construction Co., Ltd.	57,321	4,449	766	106,961	7,072	2,057
SK Networks Co., Ltd.	476	162,817	5,490	2,931	560,217	12,449
Innoace Co., Ltd.	4,226	2,038	51	6,289	5,591	146
SK Telesys Co., Ltd.	45,321	2,188	65	108,979	4,236	213
Others	1,769	14,183	1,060	2,829	35,340	3,261

Total                      ₩ 166,919    ₩ 386,796    ₩ 48,333    ₩ 328,195    ₩ 1,035,977    ₩ 134,054

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

	As of September 30, 2009					
	Accounts receivable	Short-term loans	Long-term loans	Guarantee deposits	Accounts payable	Guarantee deposits received
Ultimate parent company:						
SK C&C Co., Ltd.	₩ 311	₩	₩	₩	₩ 56,342	₩ 197
Parent Company:						
SK Holdings Co., Ltd.	91					
Subsidiaries:						
SK Broadband Co., Ltd.	446			660	5	4,805
SK Communications Co., Ltd.	1,597				4,840	5,524
SK Telink Co., Ltd.	1,949				748	1,041
F&U Credit Information Co., Ltd.	41				1,046	
TU Media Corp.	3,967				9,085	2,709
SKT Americas, Inc.					4,823	
IHQ, Inc.	111				1,684	
Ntreev Soft Co., Ltd.	4,001				2,409	
Commerce Planet Co., Ltd.	2,291				8,779	
Loen Entertainment, Inc.	5				3,325	
SKT Vietnam PTE Ltd.	4,205					
SK Telecom China Co., Ltd.						
SK Telecom China Holdings					6,750	
PS&Marketing Co., Ltd.	212				27,708	5,084
Others	62				713	150
Equity Method Investees:						
SK Marketing & Company Co., Ltd.	931				16,240	249
Virgin Mobile USA, Inc.	165		15,531			
SK Wyverns Baseball Club Co., Ltd.	5	575	2,981			
Wave City Development Co. Ltd.	23,408					
Others					3,228	
Others:						
SK Energy Co., Ltd.	741			96	23	23
SK Engineering & Construction Co., Ltd.	231				10,531	519
SK Networks Co., Ltd.	1,844			112	224,336	3,607

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Innoace Co., Ltd.	3				8,023	2,918
SK Telesys Co., Ltd.	78				5,553	
Others	1,664		5,400		8,100	17
Total	<del>₩</del> 48,359	<del>₩</del> 575	<del>₩</del> 18,512	<del>₩</del> 6,268	<del>₩</del> 404,291	<del>₩</del> 26,843

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	As of September 30, 2008					
	Accounts receivable	Short-term loans	Long-term loans	Guarantee deposits	Accounts payable	Guarantee deposits received
Ultimate parent Company: SK C&C Co., Ltd.	₩ 368	₩	₩	₩	₩ 68,801	₩ 24
Parent Company: SK Holdings Co., Ltd.	61				61	
Subsidiaries:						
SK Broadband Co., Ltd.	182			60	459	2,062
SK Communications Co., Ltd.	2,603				4,657	5,606
SK Telink Co., Ltd.	1,022				542	1,217
SK Wyverns Baseball Club Co., Ltd.		575	3,557			
PAXNet Co., Ltd.	11				656	150
Global Credit & Information Co., Ltd.	8				1,168	
TU Media Corp.	5,064				4,079	3,083
Aircross Co., Ltd.	731				3,307	276
IHQ, Inc.					766	
Ntreev Soft Co., Ltd.					606	
Commerce Planet Co., Ltd.	781				4,038	
Loen Entertainment, Inc.	76				3,912	
SKT Vietnam PTE Ltd.	5,140					
SK Telecom China Co., Ltd.	722					
Others					237	
Equity Method Investees:						
SK Marketing & Company Co Ltd.	3,342				9,559	248
Others	210				13	
Others:						
SK Energy Co., Ltd.	940			140	1,277	
SK Engineering & Construction Co., Ltd.	192					1,076
SK Networks Co., Ltd.	606			112	66,774	3,489
Innoace Co., Ltd.					1,589	2,444
SK Telesys Co., Ltd.	27				10,154	
Others	458			900	4,219	
Total	₩ 22,544	₩ 575	₩ 3,557	₩ 1,212	₩ 186,874	₩ 19,675



**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 and nine months ended September 30, 2009 and 2008 are as follows (In millions of Korean won):

Payee	For the three months ended September 30, 2009			For the nine months ended September 30, 2009		
	Payroll	Severance indemnities	Total	Payroll	Severance indemnities	Total
7 Registered directors (including independent directors)	₩ 271	₩ 18	₩ 289	₩ 1,227	₩ 53	₩ 1,280

Payee	For the three months ended September 30, 2008			For the nine months ended September 30, 2008		
	Payroll	Severance indemnities	Total	Payroll	Severance indemnities	Total
7 Registered directors (including independent directors)	₩ 360	₩ 74	₩ 434	₩ 4,192	₩ 482	₩ 4,674

**17. INTERIM DIVIDENDS**

In accordance with the resolution of the Company's board of directors dated July 23, 2009, the Company declared and paid cash dividends during the three months ended September 30, 2009 based on outstanding number of common shares at June 30, 2009 as follows (In millions of Korean won except for per share data):

Number of shares outstanding as of June 30, 2009	Par value per share	Dividend ratio	Dividends
72,345,003	₩ 500	200%	₩72,345

In accordance with the resolution of the Company's board of directors dated July 18, 2008, the Company declared and paid cash dividends during the three months ended September 30, 2008 based on outstanding number of common shares at June 30, 2008 as follows (in millions of Korean won except for per share data):

Number of shares outstanding as of June 30, 2008	Par value per share	Dividend ratio	Dividends
72,793,003	₩ 500	200%	₩72,793

**18. 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 nine months ended September 30, 2009

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and 2008 are as follows (In millions of Korean won):

	September 30, 2009	September 30, 2008
Beginning balance	₩ 24,889	₩ 27,668
Increase	9,546	7,383
Decrease (used points)	(14,477)	(10,354)
Decrease (reversal of provision for mileage points)		
Ending balance	₩ 19,958	₩ 24,697

Points expire after 5 years. The expected year when unused points as of September 30, 2009 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 September 30,	Estimated amount to be paid in nominal value	Current value
2010	₩ 9,014	₩ 8,546
2011	5,765	5,182
2012	3,693	3,147
2013	2,371	1,915
2014	1,526	1,168
Ending balance	₩ 22,369	₩ 19,958

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 other non-current liabilities in accordance with the expected points when the subsidies are paid. Details of change in the provisions for handset subsidies for the nine months ended September 30, 2009 and 2008 are as follows (In millions of Korean won):

	2009	2008
Beginning balance	₩ 339,696	₩
Increase (provision)	465,862	270,055
Decrease (subsidy payment)	(284,845)	(34,875)
Ending balance	₩ 520,713	₩ 235,180

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 September 30,	Estimated amount to be paid	Present value
	in nominal value	
2010	₩ 454,257	₩ 444,456
2011	80,777	76,257
Ending balance	₩ 535,034	₩ 520,713

**Table of Contents****19. 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 September 30, 2009, 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 ₩2,873 million (net of tax effect totaling ₩1,351 million and foreign exchange translation loss arising from unguaranteed U.S. dollar denominated bonds totaling ₩11,881 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 Calyon 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 September 30, 2009, 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 ₩3,213 million (net of tax effect totaling ₩464 million and foreign exchange translation loss arising from U.S. dollar denominated long-term borrowings totaling ₩24,070 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 September 30, 2009, 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 ₩1,552 million (net of tax effect totaling ₩1,089 million and foreign exchange translation loss arising from unguaranteed Japanese yen denominated bonds totaling ₩60,807 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 Calyon 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 September 30, 2009, 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 ₩4,682 million (net of tax effect totaling ₩1,321 million and foreign exchange translation gain arising from U.S. dollar denominated bonds totaling ₩38,792 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 September 30, 2009, 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 ₩2,593 million (net of tax effect totaling ₩731 million and foreign exchange translation gain arising from unguaranteed Japanese yen denominated bonds totaling ₩6,563 million) was accounted for as accumulated other comprehensive income.

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In addition, the Company has entered into a floating-to-fixed cross currency swap contract with Bank of Tokyo-Mitsubishi 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 September 30, 2009, 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 ₩1,840 million (net of tax effect totaling ₩519 million and foreign exchange translation gain arising from unguaranteed Japanese yen denominated bonds totaling ₩12,665 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 September 30, 2009, 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 ₩1,410 million (net of tax effect totaling ₩397 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 13, 2008. As of September 30, 2009, 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 ₩11,017 million (net of tax effect totaling ₩3,107 million) was accounted for as accumulated other comprehensive loss.

- c. Currency swap contract to which the fair value hedge accounting is applied

The Company has entered into a fixed-to-fixed cross currency swap contract with Hana Bank and other eight banks to hedge the foreign currency risk of U.S. dollar denominated equity securities of China Unicom. In connection with unsettled foreign currency swap contract to which the fair value hedge accounting is applied, gain on valuation of currency swap of ₩42,397 million and loss on valuation of currency swap of ₩109,934 million for the nine months ended September 30, 2009 and 2008, respectively, was charged to current operations.

- d. 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 ₩66,001 million and gain on valuation of currency swap of ₩131,299 million for the nine months ended September 30, 2009 and 2008, respectively, was charged to current operations.

- e. 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 currency swap of ₩4,123 million for the nine months ended

September 30, 2009 was charged to current operations.

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As of September 30, 2009, fair values of above derivatives recorded in assets or liabilities and details of derivative instruments as of September 30, 2009 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	Fair value			Total
				Designated as cash flow hedge	Designated as fair value hedge	Not designated	
<b>Current assets:</b>							
Fix-to-fixed cross currency swap	U.S. dollar denominated China Unicom Equity Securities	HK\$ 10,940,900	Sep. 10, 2009 ~ Nov. 16, 2009	₩	₩42,397	₩	₩ 42,397
<b>Non-current assets:</b>							
Fix-to-fixed cross currency swap	U.S. dollar denominated bonds	US\$ 300,000	Mar. 23, 2004 ~ Apr. 1, 2011		7,657		7,657
Floating-to-fixed cross currency interest rate swap	U.S. dollar denominated long-term borrowings	US\$ 100,000	Oct 10, 2006 ~ Oct 10, 2013		20,393		20,393
Fix-to-fixed cross currency swap	U.S. dollar denominated bonds	US\$ 400,000	Jul. 20, 2007 ~ Jul. 20, 2027			174,372	174,372
Floating-to-fixed cross currency interest rate swap	Japanese yen denominated bonds	JPY 12,500,000	Nov. 13, 2007 ~ Nov. 13, 2012		61,270		61,270
<b>Total assets</b>				₩89,320	₩42,397	₩174,372	₩306,089
<b>Current liabilities:</b>							
Floating-to-fixed interest rate swap	Long-term floating rate discounted bill	₩ 200,000	Jun. 29, 2006 ~ Jun. 29, 2010	₩ 1,807	₩	₩	₩ 1,807
<b>Non-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		32,789		32,789

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Floating-to-fixed cross currency interest rate swap	Japanese yen denominated bonds	JPY 3,000,000	Jan. 22, 2009 ~ Jan. 22, 2012	3,239			3,239
Floating-to-fixed cross currency interest rate swap	Japanese yen denominated bonds	JPY 5,000,000	Mar. 5, 2009 ~ Mar. 5, 2012	10,306			10,306
Floating-to-fixed interest rate swap	Long-term borrowings	₩ 500,000	July 28, 2008 ~ August 12, 2011	14,124	-	-	14,124
Floating-to-fixed interest rate swap	Long-term borrowings	US\$ 220,000	April 29, 2009 ~ April 30, 2012			4,123	4,123
<b>Total liabilities</b>				<b>₩62,265</b>	<b>₩</b>	<b>₩ 4,123</b>	<b>₩ 66,388</b>

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**20. BUSINESS ACQUISITION**

On May 21, 2009, the board of directors of the Company resolved to acquire lease line business and other incidental business from SK Networks Co., Ltd. and the transaction was completed as of September 30, 2009. The Company acquired total assets of ₩646,413 million and assumed total liabilities of ₩620,154 million. The total acquisition cost is ₩892,850 million. As the above business acquisition incurred between the companies under common control, difference between the acquisition cost and net book value of acquired business totaling ₩677,605 million (net of tax effect) was recorded as other capital adjustment.

**21. ASSETS TRANSFER**

On May 29, 2009, the Company sold ₩669.7 billion of accounts receivable-other resulting from its mobile phone dealer financing plan to Realizing T First Special Purpose Company in exchange for cash of ₩550 billion and subordinated bond of ₩91 billion in asset-backed securitization transaction. As a result, the Company recorded loss on disposal of accounts receivable-other of ₩28,711 million for the nine months ended September 30, 2009.

**22. SUBSEQUENT EVENTS**

(1) Disposition of investment in common stock of SK C&C Co., Ltd.

On September 18, 2009, the board of directors of the Company resolved to dispose its investment in common stock of SK C&C Co., Ltd. through initial public offering and the Company is expected to sell 10,500,000 shares of the stock for ₩315,000 million applying the initial offering price of 30,000 per common share decided on November 2, 2009. As a result, the Company's ownership for SK C&C Co., Ltd. will decrease to 9% from 30%.

b. Disposition of equity interest in China Unicom Ltd.

On September 25, 2009, the board of directors of the Company resolved to dispose 899,745,075 shares of the common stocks of China Unicom Ltd. on November 5, 2009.

**23. 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. As of September 30, 2009, 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.



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**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: December 15, 2009