

SK TELECOM CO LTD
Form 6-K
December 15, 2010

**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 2010
COMMISSION FILE NUMBER 333-04906**

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

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

Form 20-F Form 40-F

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

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

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

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

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

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

QUARTERLY BUSINESS REPORT

(From January 1, 2010 to September 30, 2010)

THIS IS A SUMMARY OF THE QUARTERLY BUSINESS REPORT ORIGINALLY PREPARED IN KOREAN AND IS IN SUCH FORM AS REQUIRED BY THE KOREAN FINANCIAL SERVICES COMMISSION. IN THE TRANSLATION PROCESS, SOME PARTS OF THE REPORT WERE REFORMATTED, REARRANGED OR SUMMARIZED FOR THE CONVENIENCE OF READERS. UNLESS EXPRESSLY STATED OTHERWISE, ALL INFORMATION CONTAINED HEREIN IS PRESENTED ON A NON-CONSOLIDATED BASIS IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN KOREA, OR KOREAN GAAP, WHICH DIFFER IN CERTAIN RESPECTS FROM GENERALLY

ACCEPTED ACCOUNTING PRINCIPLES IN CERTAIN OTHER COUNTRIES, INCLUDING THE UNITED STATES. WE HAVE MADE NO ATTEMPT TO IDENTIFY OR QUANTIFY THE IMPACT OF THESE DIFFERENCES.

I. COMPANY OVERVIEW

1. Company Overview

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

B. Date of Incorporation: March 29, 1984

C. Location of Headquarters

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

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

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

D. Corporate Purpose of the Company

Business Objectives

1. Information and communication business

2. Handset sales and lease business

3. New media business

4. Advertisement business

5. Communication sales business

6. Real estate business(development, maintenance, leasing, etc.) and chattel leasing business

7. Research and technology development related to Clause 1 through 4

8. Overseas business and trading business related to Clause 1 through 4

9. Manufacturing and distribution business related to Clause 1 through 4

10. Tourism

11. Electronic financial business

12. Motion picture business (Production, Importation, Distribution, Screening)

13. Lifetime education and lifetime educational facilities management

14. Electric related construction business

15. Information and communication related work business

16. Ubiquitous city construction and service business

17. Any business or undertaking incidental or conducive to the attainment of the objects above

E. Credit Ratings
(1) Corporate Bonds

| Credit rating date | Subject of rating | Credit rating | Credit rating entity (Credit rating range) | Rating classification |
|---------------------------|--------------------------|----------------------|---|------------------------------|
| 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 |

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| | | | | |
|-------------------|----------------|-----|-------------------------------------|----------------|
| February 23, 2009 | Corporate bond | AAA | Korea Investors Service, Inc. | Current rating |
| February 23, 2009 | Corporate bond | AAA | Korea Information Services, Inc. | Current rating |
| June 24, 2009 | Corporate bond | AAA | Korea Information Services, Inc. | Regular rating |
| June 26, 2009 | Corporate bond | AAA | Korea Ratings | Regular rating |
| June 30, 2009 | Corporate bond | AAA | Korea Investors Service, Inc. | Regular rating |
| June 22, 2010 | Corporate bond | AAA | Korea Ratings | Regular rating |
| June 29, 2010 | Corporate bond | AAA | Korea Investors Service, Inc. | Regular rating |
| June 29, 2010 | Corporate bond | AAA | NICE Investors Service Co, Ltd. | Regular rating |

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

change under reasonable expectation conditions.

(2) Commercial Paper (CP)

| Credit rating date | Subject of rating | Credit rating | Credit rating entity (Credit rating range) | Rating classification |
|---------------------------|--------------------------|----------------------|---|----------------------------------|
| May 29, 2007 | CP | A1 | Korea Ratings | Current rating |
| June 14, 2007 | CP | A1 | Korea Information Services, Inc. | Current rating |
| June 27, 2007 | CP | A1 | Korea Investors Service, Inc. | Current rating |
| November 5, 2007 | CP | A1 | Korea Ratings | Regular rating |
| November 5, 2007 | CP | A1 | Korea Information Services, Inc. | Regular rating |
| November 5, 2007 | CP | A1 | Korea Investors Service, Inc. | Regular rating |
| June 3, 2008 | CP | A1 | Korea Ratings | Current rating |
| June 16, 2008 | CP | A1 | Korea Information Services, Inc. | Current rating |
| June 17, 2008 | CP | A1 | Korea Investors Service, Inc. | Current rating |
| October 20, 2008 | CP | A1 | Korea Ratings | Regular rating |
| October 20, 2008 | CP | A1 | Korea Investors Service, Inc. | Regular rating |
| October 20, 2008 | CP | A1 | Korea Information Services, Inc. | Regular rating |
| June 24, 2009 | CP | A1 | Korea Information Services, Inc. | Current rating |
| June 26, 2009 | CP | A1 | Korea Ratings | Current rating |
| June 30, 2009 | CP | A1 | Korea Investors Service, Inc. | Current rating |
| December 15, 2009 | CP | A1 | Korea Ratings | Regular rating |
| December 30, 2009 | CP | A1 | Korea Investors Service, Inc. | Regular rating |
| December 30, 2009 | CP | A1 | Korea Information Services, Inc. | Regular rating |
| June 22, 2010 | CP | A1 | Korea Ratings | Current rating |
| June 29, 2010 | CP | A1 | Korea Investors Service, Inc. | Current rating |
| June 29, 2010 | CP | A1 | NICE Investors Service Co, Ltd. | Current rating |

*

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

(3) International Credit Ratings

| Date of credit rating | Subject of rating | Credit rating of securities | Credit rating company (Credit rating range) | Rating type |
|------------------------------|----------------------------|------------------------------------|--|--------------------|
| 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 |

2. Company History**A. Location of Headquarters**

- 22 Dohwa-dong, Mapo-gu, Seoul (July 11, 1988)
- 16-49 Hangang-ro 3-ga, Yongsan-gu, Seoul (November 19, 1991)
- 267 Namdaemun-ro 5-ga, Jung-gu, Seoul (June 14, 1995)
- 99 Seorin-dong, Jongro-gu, Seoul (December 20, 1999)
- 11 Euljiro 2-ga, Jung-gu, Seoul (December 13, 2004)

B. Significant Changes in Management

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

C. Other Important Matters related to Management Activities**(1) SK C&C stock sale**

On October 8, 2010, the Company sold 2,450,000 shares of SK C&C Co., Ltd. (SK C&C) out of 4,500,000 shares of SK C&C previously held, through an over-the-counter market transaction, at a price of Won 83,000 per share (total sales price of Won 203,350 million). After the sale, the Company s ownership interest in SK C&C decreased to 4.1% from 9%.

3. Total Number of Shares

A. Total number of shares

(As of November 15, 2010)

(Unit: shares)

| Classification | Share type | | Remarks |
|--|---------------|-------------|---------|
| | Common shares | Total | |
| I. Total number of authorized shares | 220,000,000 | 220,000,000 | |
| II. Total number of shares issued to date | 89,278,946 | 89,278,946 | |
| III. Total number of shares retired to date | 8,533,235 | 8,533,235 | |
| a. reduction of capital | | | |
| b. retirement with profit | 8,533,235 | 8,533,235 | |
| c. redemption of redeemable shares | | | |
| d. others | | | |
| IV. Total number of shares (II-III) | 80,745,711 | 80,745,711 | |
| V. Number of treasury shares | 9,650,712 | 9,650,712 | |
| VI. Number of shares outstanding (IV-V) | 71,094,999 | 71,094,999 | |

On July 22, 2010, the Company publicly disclosed its decision to acquire shares of treasury stock. The Company acquired 1,250,000 shares of its common stock on KRX from July 26, 2010 through October 20, 2010. Please refer to the result of treasury stock acquisition disclosed on October 21, 2010 through the Korean Financial Supervisory Service.

B. Treasury Stock

(1) Acquisitions and Dispositions of Treasury Stocks

(As of November 15, 2010)

(Unit: Shares)

| Acquisition methods | Type of shares | At the beginning of period | Changes | | | At the end of period | Remarks |
|---------------------------|---|----------------------------|--------------|--------------|-------------|----------------------|---------|
| | | | Acquired (+) | Disposed (-) | Retired (-) | | |
| Direct acquisition | pursuant to Article 165-2 of the Financial Investment Services and Capital Markets Act of Korea (FSCMA) based on reasons other than those stipulated in Article 165-2 of the FSCMA | Common shares | 8,322,738 | 1,250,000 | | 9,572,738 | |
| | | Preferred shares | | | | | |
| | | Common shares | 77,974 | | | 77,974 | |
| Sub-total | | Common shares | 8,400,712* | 1,250,000 | | 9,650,712* | |

| | | | | |
|--|---------------------|-----------|-----------|-----------|
| | Preferred shares | | | |
| Indirect acquisition through trust and other agreements | Common shares | | | |
| | Preferred shares | | | |
| Total | Common shares | 8,400,712 | 1,250,000 | 9,650,712 |
| | Preferred shares | | | |

* Among 9,650,712 shares directly acquired by the Company, 1,999,997 shares were deposited with the Korea Securities Depository as of September 30, 2010 for issuance upon conversion of the overseas convertible bonds.

On July 22, 2010, the Company publicly disclosed its decision to acquire shares of treasury stock. The Company acquired 1,250,000 shares of its common stock on KRX from July 26, 2010 through October 20, 2010. Please refer to the result of treasury stock acquisition disclosed on October 21, 2010 through the Korean Financial Supervisory Service.

In addition, due to the termination of trust agreements for acquisition of treasury stock, the Company directly holds shares of treasury stock that it acquired through trust agreements. For more information, please refer to the reports on termination of trust agreements previously disclosed between October 26, 2010 and November 3, 2010 through the Korean Financial Supervisory Service.

(2) Retirement of Treasury Stock

(Unit: in millions of Won, Shares)

| Retired Date | Retirement Purpose | Type of Share | Quantity Retired (shares) | Monetary Amount Retired (in millions of Won) | Acquisition Period of Retired Shares | Remarks |
|---------------------|---------------------------|----------------------|----------------------------------|---|---|----------------|
| | Total | Common Preferred | | | | |

(3) Execution of Trust Agreements relating to Treasury Stocks, Etc. (As of November 15, 2010)

(Amounts: in millions of Won)

| Category | 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 | |
| Specified Money Trust | 982,000 | 4 | | | | | | | |
| Trust Contracts with Asset Management Companies Acquisition Contracts with Investment Companies | | | | | | | | | |
| Total | 982,000 | 4 | | | | | | | |

4. Status of Voting Rights

(As of November 15, 2010)

(Unit: shares)

| | Classification | Number of shares | Remarks |
|--|-----------------|------------------|-----------------|
| Total shares (A) | Common share | 80,745,711 | |
| | Preferred share | | |
| Number of shares without voting rights (B) | Common share | 9,650,712 | Treasury shares |
| | Preferred share | | |
| Shares with restricted voting rights under the Korean law (C) | | | |
| Shares with reestablished voting rights (D) | | | |
| The number of shares with exercisable voting rights (E = A - B - C + D) | Common share | 71,094,999 | |
| | Preferred share | | |

5. Dividends and Others**A. Dividends**

- (1) 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.
- (2) Distribution of interim dividends of Won 1,000 was approved during the 295th Board of Directors Meeting on July 18, 2008.
- (3) 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.
- (4) Distribution of interim dividends of Won 1,000 was approved during the 305th Board of Directors Meeting on July 23, 2009.
- (5) Distribution of cash dividends was approved during the 26th General Meeting of Shareholders held on March 12, 2010.
- Distribution of cash dividends per share of Won 8,400 (exclusive of an interim dividend of Won 1,000) was approved.
- (6) Distribution of interim dividends of Won 1,000 was approved during the 318th Board of Directors Meeting on July 22, 2010.

B. Dividends for the Last 3 Fiscal Years

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

| Classification | As of and for the nine months ended September 30, 2010 | As of and for the year ended December 31, 2009 | As of and for the year ended December 31, 2008 |
|--|---|---|---|
| Par value per share (Won) | 500 | 500 | 500 |
| Net income | 1,049,609 | 1,288,340 | 1,277,658 |
| Net income per share (Won) | 14,534 | 17,808 | 17,559 |
| Total cash dividend | 72,345 | 680,043 | 681,996 |
| Total stock dividends | | | |
| Percentage of cash dividend to available income (%) | 6.9 | 52.8 | 53.4 |

| Classification | | As of and for the nine months ended September 30, 2010 | As of and for the year ended December 31, 2009 | As of and for the year ended December 31, 2008 |
|-------------------------------------|-----------------|---|---|---|
| Cash dividend yield ratio (%) | Common share | 0.6 | 5.6 | 4.5 |
| | 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 680,043 million for the year ended December 31, 2009 includes the total interim dividend amount of Won 72,345 million, and the cash dividend amount per share of Won 9,400 includes the interim cash dividend amount of Won 1,000.

* Total interim cash dividend paid out for the nine months ended September 30, 2010 was Won 72,345 million, or Won 1,000 per share.

II. BUSINESS

1. Business Overview

A. Industry Characteristics

As of September 30, 2010, the number of domestic mobile phone subscribers reached 50.21 million and, with more than 100% penetration rate, the Korean mobile communication market can be considered to have reached its maturation stage. However, the penetration rate is expected to increase further due to increased use of mobile phones by corporate users resulting from the rapid growth of smart phone markets, as well as the increasing popularity of high-tech mobile devices based on wireless data services such as tablet PC.

The Korean mobile communications market continues to improve in the quality of services with the help of advances in network-related technology evidenced by the world's first commercialization of CDMA2000 1x, CDMA 1x EV-DO, and the development of highly advanced handsets, including various smart phones, that enable the provision of convergence services for multimedia contents, mobile commerce, telematics, satellite Digital Multimedia Broadcasting (DMB), digital home services, connected workforce services and other related services. In addition, through HSPA+ network commercialized in October 2010 and the LTE network expected to be introduced from the next year, the industry productivity enhancement (IPE) business directly resulting in the enhancement of productivity, such as the corporate connected workforce business, is expected to grow rapidly.

B. Growth Potential

(Unit: 1,000 persons)

| Classification | | As of | As of December 31, | | | |
|-----------------------|----------------------|-----------------------|--------------------|--------|--------|--------|
| | | September 30, 2010 | 2009 | 2008 | 2007 | 2006 |
| Number of subscribers | SK Telecom | 25,445 | 24,270 | 23,032 | 21,968 | 20,271 |
| | Others (KT, LGU+) | 24,765 | 23,675 | 22,575 | 21,529 | 19,926 |
| | Total | 50,210 | 47,944 | 45,607 | 43,497 | 40,197 |

(Source: Korea Communications Commission website)

C. Domestic and Overseas Market Conditions

The Korean mobile communication market includes the entire population of Korea with mobile communication service needs, and almost every Korean is considered a potential user. Although demand has primarily been in the domestic market, as the business territory expands to overseas market, the size of overseas sales is expected to grow in the near future. In addition, sales revenue related to data services is expected to increase due to the increasing popularity of smart phones and wireless Internet. Business-to-business segment that creates added values by adding additional solutions and applications is also growing. Seasonal and economic fluctuations have much less impact on the Korean mobile communication market compared to other industries.

Historical market share of the Company:

(Unit: %)

| Classification | As of | As of December 31, | | |
|--------------------------------------|--------------------------|--------------------|------|------|
| | September 30, 2010 | 2009 | 2008 | 2007 |
| Mobile communication services | 50.7 | 50.6 | 50.5 | 50.5 |

Comparative market share:

(As of September 30, 2010)

(Unit: %)

| Classification | SK | KT | LG U+ |
|---------------------|---------|------|-------|
| | Telecom | | |
| Market share | 50.7 | 31.5 | 17.8 |

(Source: Korea Communications Commission website)

D. Business Overview and Competitive Strengths

The Company's revenue in the nine months ended September 30, 2010 amounted to Won 9,287.6 billion, an increase of Won 286.5 billion compared to the corresponding period of 2009. This increase in revenue was meaningful since it was achieved despite a number of negative factors, including the charging of voice calls on a per-second basis from March 2010, the reduction of sign-up fees by 28% from December 2009 and the expansion of various discount plans. Operating income in the nine months ended September 30, 2010 amounted to Won 1,581.9 billion, which was lower than the corresponding period of 2009, due among others to the increase in marketing and depreciation expenses. In the third quarter of 2010, however, the Company achieved meaningful business performance such as securing 2.5 million smart phone subscribers as of September 30, 2010. Net income in the nine months ended September 30, 2010 amounted to Won 1,049.6 billion, which slightly increased from the corresponding period of 2009.

The Company will comply with the guideline set by the Korea Communications Commission that limits marketing expenses of mobile communication business operators to stabilize the competition in the mobile service markets, while maintaining its competitive advantage based on fundamental strengths deriving from handsets, price plans, networks and contents. In addition, the Galaxy S handset introduced in the end of June 2010 has acquired over 1,200,000 subscribers as of the end of September due to the Company's marketing superiority. It reconfirmed the competitive edge of the Company in the field of smart phones. Wide penetration of smart phones has led to the vitalization of the Company's T-Store, which has grown rapidly in the numbers of subscribers, contents and downloads, enhancing the Company's competitiveness in the wireless data market.

As of September 30, 2010, the Company reached a subscriber number of approximately 25,450,000 and a 50.7% market share of the wireless market in Korea in terms of the number of subscribers. The Company plans to establish its leadership among users of smart phones by introducing various mobile platforms and streamlining the subscription process and pricing structures to enable subscribers to easily access their mobile content from multiple devices. The Company also plans to maintain its leadership in wireless internet market by providing innovative user interface for content access and through investment in data networks, network sharing and support of the content production.

In 2010, the Company intends to continue its efforts to seek growth in business-to-business markets, such as industry productivity enhancement (IPE) business in domestic and foreign markets. As IPE business creates added values by adding additional solutions and applications to the existing infrastructure, it is more cost effective compared to traditional business-to-business model. The Company's business-to-business sales in the third quarter of 2010 increased meaningfully from the same period of 2009.

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

2. Major Products & Services

A. Updates on Major Products and Services

(Unit: in millions of Won, %)

| Business fields | Sales type | Item | Specific Usage | Major trademarks | Sales amount (ratio) |
|--------------------------------------|-------------------|---------------|-----------------------|--------------------------|-----------------------------|
| Information and communication | Services | communication | Mobile Phone | NATE, T store and others | 8,970,696(96.6%) |
| | | | Others | Others | 316,869(3.4%) |

B. Price Fluctuation Trend of Major Products and Services

Previously, based on the Company's Basic Plan for monthly subscription, the basic service fee was Won 13,000 per month and the usage fee was Won 20 per 10 seconds and based on the Company's Standard Plan, basic service fee was Won 12,000 per month and the usage fee was Won 18 per 10 seconds. As of September 30, 2010, based on the Company's Standard Plan, basic service fee is Won 12,000 per month and the usage fee is Won 1.8 per 1 second.

3. Investment Status

A. Investment in Progress

(Unit: in 100 millions of Won)

| Business field | Classification | Investment period | Subject of investment | Investment effect | Total investments | Amount already invested | Future investment |
|-----------------------|--------------------------|--------------------------|------------------------------|--|--------------------------|--------------------------------|--------------------------|
| Network/Common | Upgrade/New installation | 2010 | Network, systems and others | Capacity increase and quality improvement; systems improvement | To be determined | 8,609 | To be determined |
| Total | | | | | To be determined | 8,609 | To be determined |

B. Future Investment Plan

(Unit: in 100 millions of Won)

| Business field | Asset type | Expected investment amount | Expected investment for each year | | | Investment effect |
|----------------|-----------------------------|----------------------------|-----------------------------------|------------------|------------------|---|
| | | Amount | 2010 | 2011 | 2012 | |
| Network/Common | Network, systems and others | 18,500 | 18,500 | To be determined | To be determined | Upgrades to the existing services and provision of new services |
| | | | | To be determined | To be determined | Upgrades to the existing services and provision of new services |
| Total | | 18,500 | 18,500 | | | |

4. Revenues

(Unit: in millions of Won)

| Business field | Sales type | Item | Nine Months ended | | |
|-------------------------------|------------|-----------|--------------------|------------|------------|
| | | | September 30, 2010 | 2009 | 2008 |
| Information and communication | Service | Mobile | | | |
| | | Export | | | |
| | | Domestic | 8,970,696 | 11,820,202 | 11,492,832 |
| | | Subtotal | 8,970,696 | 11,820,202 | 11,492,832 |
| | Others | Export | 540 | 2,339 | 5,855 |
| | | Domestic | 316,329 | 278,643 | 175,975 |
| | | Subtotal | 316,869 | 280,982 | 181,830 |
| | | Total | 540 | 2,339 | 5,855 |
| | Domestic | 9,287,025 | 12,098,845 | 11,668,807 | |
| | Total | 9,287,565 | 12,101,184 | 11,674,662 | |

5. Derivative Transactions

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

A. Currency Swap

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

(2) Contract Terms

- Currency swap contract applying cash flow risk hedge accounting

The Company has entered into a currency swap contract with three banks including Citibank in order to hedge the foreign currency risk of unguaranteed U.S. dollar denominated bonds (face amounts totaling US \$300,000,000) issued on April 1, 2004. As of September 30, 2010, 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 2,514,726,000 (excluding tax effect totaling Won 1,250,328,000 and foreign exchange translation gain arising from unguaranteed U.S. dollar denominated bonds totaling Won 2,115,203,000) was accounted for as accumulated other comprehensive loss.

In addition, the Company has entered into a currency and interest rate swap contract with Credit Agricole Corporate & Investment Bank to hedge the foreign currency risk and the interest rate risk of U.S. dollar denominated floating rate long-term borrowings with face amounts totaling US\$100,000,000 borrowed on October 10, 2006. As of September 30, 2010, in connection with this unsettled currency and interest rate swap contract, an accumulated loss on valuation of derivatives amounting to Won 5,672,745,000 (excluding tax effect totaling Won 1,158,147,000 and foreign exchange translation loss arising from U.S. dollar denominated long-term borrowings totaling Won 19,400 million) was accounted for as accumulated other comprehensive loss.

In addition, the Company has entered into a currency and interest rate swap contract with two banks including HSBC in order to hedge the foreign currency risk and the interest rate risk of unguaranteed Japanese yen denominated bonds (56-2) with face amounts totaling JPY 12,500,000,000 issued on November 13, 2007. As of September 30, 2010, in connection with this unsettled currency and interest rate swap contracts, an accumulated gain on valuation of derivatives amounting to Won 111,789,000 (excluding tax effect totaling Won 1,495,114,000 and foreign exchange translation loss arising from unguaranteed Japanese yen denominated bonds totaling Won 66,367,029,000) 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 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, 2010, in connection with this unsettled currency and interest rate swap

contract, an accumulated gain on valuation of derivatives amounting to Won 4,991,237,000 (excluding tax effect totaling Won 1,407,810,000 and foreign exchange translation gain arising from U.S. dollar denominated bonds totaling Won 45,794,432,000) 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 denominated bonds (59-2) with face amounts totaling JPY 3,000,000,000 issued on January 22, 2009. As of September 30, 2010, in connection with this unsettled currency and interest rate swap contract, an accumulated gain on valuation of derivatives amounting to Won 2,122,694,000 (excluding tax effect totaling Won 598,708,000 and foreign exchange translation gain arising from unguaranteed Japanese yen denominated bonds totaling Won 5,230,449,000) 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 denominated bonds (60-2) with face amounts totaling JPY 5,000,000,000 issued on March 5, 2009. As of September 30, 2010, in connection with this unsettled currency and interest rate swap contract, an accumulated gain on valuation of derivatives amounting to Won 619,337,000 (excluding tax effect totaling Won 174,685,000 and foreign exchange translation gain arising from unguaranteed Japanese yen denominated bonds totaling Won 10,444,072,000) was accounted for as accumulated other comprehensive gain.

In addition, the Company has entered into a currency swap contract with six banks including Morgan Stanley to hedge the foreign currency risk of unguaranteed U.S. dollar denominated bonds (with face amounts totaling US\$400,000,000) issued on July 20, 2007, and has applied cash flow risk hedge accounting to this foreign currency swap contract starting from May 12, 2010. Accordingly, as of September 30, 2010, in connection with this unsettled foreign currency swap contract, an accumulated gain on valuation of currency swap of Won 549,322,000 that has accrued since May 12, 2010 (excluding tax effect totaling Won 154,937,000 and foreign exchange translation gain arising from unguaranteed U.S. dollar denominated bonds totaling Won 709,276,000) was accounted for as accumulated other comprehensive gain. Meanwhile, a loss on valuation of currency swap of Won 17,527,578,000 incurred prior to the date of applying cash flow risk hedge accounting in the first half of 2010 and a loss on valuation of currency swap of Won 64,533,708,000 for the first half of 2009, respectively, were charged to current operations.

B. Interest Rate Swap

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

(2) Contract Terms

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

The Company has entered into an interest rate swap contract with three banks including Nonghyup Bank in order to hedge the interest rate risk of long-term borrowings (totaling Won 500 billion) during the period between July 28, 2008 and August 12, 2011. As of September 30, 2010, in connection with unsettled interest rate swap contract to which the cash flow risk hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to Won 8,517,223,000 (excluding tax effect totaling Won 2,719,219,000) was accounted for as accumulated other comprehensive loss.

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

The Company has entered into an interest rate swap contract with two banks including DBS in order to hedge the interest rate risk of floating rate foreign currency bonds with face amounts totaling US\$220,000,000 issued on April 29, 2009. In connection with this unsettled interest rate swap contract, losses on valuation of interest rate swap of Won 3,278,531,000 and Won 4,123,478,000 for the nine months ended September 30, 2010 and September 30, 2009, respectively, were charged to current operations.

6. Major Contracts

| Category | Vendor | Start Date | Completion Date | Contract Title | Contract Amount (Won 100M) |
|--------------------------|------------------------|-------------------|-------------------|---|----------------------------|
| Construction | SK E&C | January 1, 2010 | December 31, 2010 | 2010 Cell Site Facility Construction (Seoul Area) | 855 |
| | SK E&C | January 1, 2010 | December 31, 2010 | 2010 RF Relay Facility Construction (Seoul Area) | 483 |
| | SK E&C | January 1, 2010 | December 31, 2010 | 2010 N/W Facility Construction (Daegu SORO) | 175 |
| Service | SK C&C | January 1, 2010 | December 31, 2010 | 2010 IT SM Contract | 2,010 |
| | TU Media, Ltd. | January 1, 2010 | December 31, 2010 | 2010 Satellite DMB Collaboration Contract | 916 |
| | SK Marketing & Company | January 1, 2010 | December 31, 2010 | 2010 Membership Collaboration Program | 692 |
| Product/Equipment | SK Telesys | March 12, 2010 | December 24, 2010 | 2010 1st Optical Relay Facility Investment | 314 |
| | SK Telesys | March 12, 2010 | December 24, 2010 | 2010 1st RF Relay Facility Investment | 297 |
| | SK Telesys | September 6, 2010 | December 24, 2010 | 2010 3rd Optical Relay Facility Investment | 215 |

2010

Subtotal

5,957

* Top three contracts in each category (excluding value-added tax).

7. R&D Investments

(Unit: in millions of Won)

| Category | For the nine months ended September 30, | For the year ended December 31, | For the year ended December 31, | Remarks |
|---|--|---------------------------------------|---------------------------------------|---------|
| | 2010 | 2009 | 2008 | |
| Raw material | 30 | 55 | 89 | |
| Labor | 31,844 | 47,183 | 38,063 | |
| Depreciation | 105,291 | 134,201 | 138,512 | |
| Commissioned service | 45,021 | 69,750 | 85,837 | |
| Others | 34,538 | 39,593 | 34,540 | |
| Total R&D costs | 216,724 | 290,782 | 297,040 | |
| Sales and administrative | | | | |
| Accounting expenses | 215,370 | 288,997 | 293,443 | |
| Development expenses (Intangible assets) | 1,354 | 1,785 | 3,597 | |
| R&D cost / sales amount ratio (Total R&D costs / Current sales amount×100) | 2.33% | 2.40% | 2.54% | |

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

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

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

B. Business-related Intellectual Properties

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

III. FINANCIAL INFORMATION

1. 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, | | | |
|---|---|---|--------------|--------------|--------------|
| | 2010 | 2009 | 2008 | 2007 | 2006 |
| Current assets | 5,651,983 | 4,983,052 | 3,990,503 | 4,094,059 | 4,189,325 |
| Quick assets | 5,636,356 | 4,960,396 | 3,976,576 | 4,075,378 | 4,172,887 |
| Inventory | 15,627 | 22,656 | 13,927 | 18,681 | 16,438 |
| Non-current assets | 13,681,876 | 14,314,581 | 14,626,992 | 14,038,451 | 11,624,728 |
| Investments | 4,991,915 | 5,107,653 | 5,668,127 | 5,940,045 | 3,547,942 |
| Property and Equipment | 4,824,989 | 5,196,521 | 4,698,214 | 4,594,413 | 4,418,112 |
| Intangible assets | 2,408,303 | 2,665,936 | 2,941,592 | 3,174,942 | 3,405,158 |
| Other non-current assets | 1,456,669 | 1,344,471 | 1,319,059 | 329,051 | 253,516 |
| Total assets | 19,333,859 | 19,297,633 | 18,617,495 | 18,132,510 | 15,814,053 |
| Current liabilities | 4,385,172 | 3,294,633 | 3,412,490 | 2,484,548 | 2,985,620 |
| Non-current liabilities | 3,525,009 | 4,761,550 | 4,475,998 | 4,221,016 | 3,522,006 |
| Total liabilities | 7,910,181 | 8,056,183 | 7,888,488 | 6,705,564 | 6,507,626 |
| Capital | 44,639 | 44,639 | 44,639 | 44,639 | 44,639 |
| Capital surplus | 3,033,287 | 3,032,009 | 2,957,095 | 2,954,829 | 2,962,699 |
| Capital adjustment | (-)2,861,173 | (-)2,708,407 | (-)2,147,530 | (-)2,072,486 | (-)2,019,568 |
| Other Cumulative Profit and Loss | 878,068 | 913,919 | 373,784 | 1,594,099 | 473,904 |
| Retained earnings | 10,328,856 | 9,959,290 | 9,501,018 | 8,905,865 | 7,844,753 |
| Total stockholders equity | 11,423,679 | 11,241,450 | 10,729,007 | 11,426,946 | 9,306,427 |
| Sales | 9,287,565 | 12,101,184 | 11,674,662 | 11,285,900 | 10,650,952 |
| Operating Income (or Loss) | 1,581,855 | 2,179,337 | 2,059,896 | 2,171,543 | 2,584,370 |
| Income (or Loss) from continuing operation | 1,049,609 | 1,288,340 | 1,277,658 | 1,642,451 | 1,446,598 |
| Current Period's Net Income (or Loss) | 1,049,609 | 1,288,340 | 1,277,658 | 1,642,451 | 1,446,598 |

(Unit: Won)

| Classification / Fiscal Year | For the nine months ended September 30, | For the year ended December 31, | | | |
|------------------------------|---|---------------------------------|------|------|------|
| | 2010 | 2009 | 2008 | 2007 | 2006 |

| | | | | | |
|-----------------------------------|--------|--------|--------|--------|--------|
| Earnings per share | 14,534 | 17,808 | 17,559 | 22,607 | 19,734 |
| Diluted earnings per share | 14,315 | 17,599 | 17,395 | 22,289 | 19,458 |

2. Summary Financial Information (Consolidated)

(Unit: in millions of Won)

| Classification / Fiscal Year | As of and for the year ended December 31, | | | | |
|--|---|--------------|--------------|--------------|--------------|
| | 2009 | 2008 | 2007 | 2006 | 2005 |
| Current assets | 6,370,631 | 5,422,447 | 4,813,072 | 4,663,962 | 4,598,580 |
| Quick assets | 6,250,741 | 5,387,473 | 4,766,020 | 4,644,184 | 4,590,796 |
| Inventory | 119,890 | 34,974 | 47,052 | 19,778 | 7,784 |
| Non-current assets | 16,835,625 | 17,051,224 | 14,235,863 | 11,576,006 | 10,106,193 |
| Investments | 3,059,902 | 4,025,429 | 5,446,711 | 3,236,783 | 1,989,934 |
| Property and Equipment | 8,165,879 | 7,437,689 | 4,969,353 | 4,507,335 | 4,663,369 |
| Intangible assets | 3,992,325 | 3,978,145 | 3,433,962 | 3,518,411 | 3,452,889 |
| Other non-current assets | 1,617,519 | 1,609,961 | 385,836 | 313,477 | |
| Total assets | 23,206,256 | 22,473,671 | 19,048,935 | 16,239,968 | 14,704,772 |
| Current liabilities | 4,894,936 | 4,628,821 | 3,016,874 | 3,208,416 | 2,863,373 |
| Non-current liabilities | 5,966,695 | 6,020,410 | 4,344,428 | 3,548,464 | 3,513,860 |
| Total liabilities | 10,861,631 | 10,649,231 | 7,361,302 | 6,756,880 | 6,377,233 |
| Capital | 44,639 | 44,639 | 44,639 | 44,639 | 44,639 |
| Capital surplus | 3,031,947 | 2,958,854 | 2,956,106 | 2,950,327 | 2,954,840 |
| Capital adjustment | -2,746,885 | (-)2,159,389 | (-)2,072,723 | (-)2,019,567 | (-)2,048,515 |
| Other Cumulative Profit/Loss | 915,306 | 356,192 | 1,591,258 | 490,010 | |
| Retained earnings | 9,909,752 | 9,448,185 | 8,914,970 | 7,847,434 | 7,267,649 |
| Total stockholders equity | 12,344,625 | 11,824,440 | 19,048,935 | 9,483,088 | 8,327,540 |
| Sales | 14,555,465 | 13,995,924 | 11,863,357 | 11,027,977 | 10,721,820 |
| Operating Profit (or Loss) | 1,878,544 | 1,751,227 | 2,101,955 | 2,621,132 | 2,670,616 |
| Profit (or Loss) from continuing operation before tax | 1,400,498 | 1,260,366 | 2,285,765 | 2,021,578 | 2,561,567 |
| Current Period's Net Profit | 1,055,606 | 972,338 | 1,562,265 | 1,449,552 | 1,868,307 |
| Net income attributable to majority interests | 1,247,182 | 1,215,719 | 1,648,876 | 1,451,491 | 1,872,978 |
| Number of Consolidated Companies | 29 | 35 | 26 | 18 | 17 |

* See the attached Korean GAAP Consolidated Financial Statements.

IV. AUDITOR S OPINION**1. Auditor**

| | | | |
|--------------------|---|---|---|
| | Nine months ended September 30, 2010 | Year ended December 31, 2009 | Year ended December 31, 2008 |
| Deloitte Anjin LLC | | Deloitte Anjin LLC | Deloitte Anjin LLC |

2. Audit Opinion

| | | |
|---|------------------------------|---------------------|
| Term | Auditor s opinion | Issues noted |
| Nine months ended September 30, 2010 | | |
| Year ended December 31, 2009 | Unqualified | |
| Year ended December 31, 2008 | Unqualified | |

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

(Unit: in thousands of Won)

| Term | Auditors | Contents | Fee | Total hours |
|---|--------------------|---|------------|------------------------|
| Year ended December 31, 2010 | Deloitte Anjin LLC | Semi-annual review | 1,470,000 | 16,183 |
| | | Quarterly review Non-consolidated financial statements audit Consolidated financial statements audit IFRS-based financial statements review | | |
| Year ended December 31, 2009 | Deloitte Anjin LLC | Semi-annual review | 1,308,356 | 13,982 |
| | | Quarterly review Non-consolidated financial statements audit Consolidated financial statements audit | | |
| Year ended December 31, 2008 | Deloitte Anjin LLC | Semi-annual review | 1,310,097 | 13,346 |
| | | Quarterly review Non-consolidated financial statements audit Consolidated financial statements audit | | |

B. Non-Audit Services Contract with External Auditors

(Unit: in thousands of Won)

| Term | Contract date | Service provided | Service duration | Fee |
|--------------------------|----------------------|---|-------------------------|------------|
| Year ended | July 20, 2010 | Management consulting | 4 days | 5,000 |
| December 31, 2010 | July 28, 2010 | Tax consulting | 15 days | 18,000 |
| | July 28, 2010 | Tax consulting | 5 days | 6,600 |
| | July 28, 2010 | Tax consulting | 30 days | 40,000 |
| | July 28, 2010 | Tax consulting | 20 days | 23,100 |
| Year ended | May 13, 2009 | Tax consulting | 30 days | 40,000 |
| December 31, 2009 | May 22, 2009 | Tax consulting | 10 days | 10,000 |
| | May 22, 2009 | Tax adjustment for fiscal year 2008 | 20 days | 34,000 |
| | May 22, 2009 | Review of deferred corporate income tax for 1Q and 2Q | 10 days | 14,000 |
| | September 14, 2009 | Review of quarterly tax adjustments | 5 days | 7,000 |
| | September 14, 2009 | Tax consulting | 20 days | 20,000 |
| | December 28, 2009 | Review of quarterly tax adjustments | 5 days | 7,000 |
| | December 28, 2009 | Tax consulting | 10 days | 12,000 |
| Year ended | November 20, 2007 | Set up services for agency tax manual | 60 days | 48,000 |
| December 31, 2008 | March 3, 2008 | Tax adjustment for fiscal year 2007 | 10 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 | Tax consulting | 10 days | 9,400 |
| | November 1, 2008 | Tax consulting | 4 days | 5,000 |
| | November 19, 2008 | Tax consulting | 10 days | 10,800 |
| | November 19, 2008 | Review of deferred corporate income tax for 1Q and 2Q | 10 days | 18,000 |
| | December 24, 2008 | Review of deferred corporate income tax for 3Q | 3 days | 6,000 |
| | December 24, 2008 | Tax consulting | 3 days | 3,600 |
| | December 24, 2008 | Tax consulting | 3 days | 3,000 |

V. MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

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

| Meeting | Date | Agenda | Approval |
|---|--------------------|---|----------------------|
| 315th (the fourth meeting of 2010) | April 26, 2010 | - Establishment of SKT Customer Contact Channel Subsidiary | Approved as proposed |
| | | - Establishment of SKT Cell Site Maintenance Subsidiary | Approved as proposed |
| | | - Business Plan for Joint Venture with Disney | Approved as proposed |
| | | - Acquisition of Additional WCDMA Frequency | Approved as proposed |
| | | - Extension of KIF (Korea IT Fund) Maturity | Approved as proposed |
| | | - Partial Disposition of Shares of IHQ, Inc. | Approved as proposed |
| | | - Report for Subsequent Events following 1Q 2010 | |
| 316th (the fifth meeting of 2010) | May 26, 2010 | - Investment in Packet One Networks | Approved as proposed |
| | | - Investment in Harbinger Global Wireless (HGW) | Approved as proposed |
| 317th (the sixth meeting of 2010) | June 24, 2010 | - Fund Management Transaction with Affiliated Financial Company (SK Securities) | Approved as proposed |
| | | - Additional investment in network equipment in 2010 | Approved as proposed |
| 318th (the seventh meeting of 2010) | July 22, 2010 | - Proposal for Interim Dividend | Approved as proposed |
| | | - Proposal for acquisition of treasury stock | Approved as proposed |
| | | - Financial performance during 1H 2010 | |
| | | - Report for Subsequent Events following 2Q 2010 | |
| | | - Performance review of compliance program for 1H 2010 and planning for 2H 2010 | |
| 319th (the eighth meeting of 2010) | September 15, 2010 | - Fund Management Transaction with Affiliated Financial Company (SK Securities) | Approved as proposed |
| | | - Restructuring of Receivables related to Handset Installment Payment Plans | |

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

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

| Meetings | Dates | Independent Directors Attended | Description |
|-----------------|--------------|---------------------------------------|--------------------|
|-----------------|--------------|---------------------------------------|--------------------|

| | | |
|-----------------------------------|-------------------|-------|
| The first meeting of 2010 | January 27, 2010 | 5 / 5 |
| The second meeting of 2010 | February 11, 2010 | 5 / 5 |
| The third meeting of 2010 | March 12, 2010 | 5 / 5 |
| The fourth meeting of 2010 | April 26, 2010 | 5 / 5 |
| The fifth meeting of 2010 | May 26, 2010 | 4 / 5 |

| Meetings | Dates | Independent Directors Attended | Description |
|--|--------------------|---|--------------------|
| The sixth meeting of 2010 | June 24, 2010 | 5 / 5 | |
| The seventh meeting of 2010 | July 22, 2010 | 5 / 5 | |
| The eighth meeting of 2010 | September 15, 2010 | 5 / 5 | |

C. Committees within Board of Directors

(1) Committee Structure

a) Independent Director Nomination Committee

(As of November 15, 2010)

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

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

b) Audit Committee

(As of November 15, 2010)

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

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

c) Compensation Review Committee

(As of November 15, 2010)

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

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

d) Capex Review Committee
(As of November 15, 2010)

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

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

e) Corporate Citizenship Committee
(As of November 15, 2010)

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

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

(2) Activities of the Committees of the Board of Directors (As of November 15, 2010)

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

| Committee Name | Date of Activity | Agenda | Approval | Independent Directors | | |
|-----------------|-------------------|---|----------------------|------------------------------------|------------------------------------|--------------------------------------|
| | | | | Dal Sup Shim (Attendance: 100%) | Rak Yong Uhm (Attendance: 100%) | Jay Yung Chung (Attendance: 100%) |
| CapEx Committee | February 10, 2010 | Business plan and pending agenda for major investment | | | | |
| | March 11, 2010 | Business plan and pending agenda for major investment | | | | |
| | April 26, 2010 | Election of Chairman of Committee Rak Yong Uhm | Approved as proposed | For | For | For |
| | August 24, 2010 | Business plan and pending agenda for major investment | | | | |

* Agendas filled in with hyphens are for reporting purpose only

| Date of Activity | Agenda | Approval | Independent Directors | | | |
|------------------|---|----------------------|------------------------------------|------------------------------------|-------------------------------------|--------------------------------------|
| | | | Dal Sup Shim (Attendance: 100%) | Rak Yong Uhm (Attendance: 100%) | Hyun Chin Lim (Attendance: 100%) | Jay Yung Chung (Attendance: 100%) |
| April 26, 2010 | Election of Chairman of Committee Hyun Chin Lim | Approved as proposed | For | For | For | For |
| July 21, 2010 | Committee administration | | | | | |
| October 13, 2010 | | | | | | |

Committee
administration

| Committee Name | Date of Activity | Agenda | Approval | Independent Directors | | |
|---------------------------------------|------------------|---|----------------------------|------------------------------------|------------------------------------|--------------------------------------|
| | | | | Rak Yong Uhm (Attendance: 100%) | Hyun Chin Lim (Attendance: 67%) | Jay Yung Chung (Attendance: 100%) |
| | | | | Vote | | |
| Corporate Citizenship Committee | March 12, 2010 | Environment Friendly Business Plan | | | | |
| | | Result of Social Contribution Expenditures | | | | |
| | | Result and Plan for Win-Win Business Strategy | | | | |
| | April 23, 2010 | Election of Chairman of Committee Jay Young Chung | Approved as proposed | For | Absence | For |
| | | Status of Customer Protection | | | | |
| | | 2010 Ethical Management Plan | | | | |
| | July 21, 2010 | Preparation of Greenhouse Gas Inventory | | | | |
| | | Operating System for Sustainability Index | | | | |

* Agendas filled in with hyphens are for reporting purpose only

D. Directors Independence

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

- The Independent Director Nomination Committee. (As of November 15, 2010)

| Name | Independent Director | Remarks |
|--------------|----------------------|---|
| Man Won Jung | No | o During the 314 th meeting of the Board of the Directors held on March 12, 2010, the Independent Director Nomination Committee was established. |
| Ki Haeng Cho | No | |
| Rak Yong Uhm | Yes | o Director Sung Min Ha submitted his resignation on March 12, 2010. o Director Ki Haeng Cho was elected on March 12, 2010. |
| Jae Ho Cho | Yes | |

2. Audit System

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

Major activities of the Audit Committee are as follows.

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

2010

| Meeting | Date | Agenda | Approval | Remarks |
|-----------------------------|-----------------|---|----------------------|----------------|
| The fourth meeting of 2010 | April 26, 2010 | o Election of the Chairman of Audit Committee | Approved as proposed | |
| | | o Approval of Entire Auditor Services for 2010 | Approved as proposed | |
| | | o Audit Plan for 2010 | | |
| | | o Auditor Fees for 2010 | Approved as proposed | |
| The fifth meeting of 2010 | May 26, 2010 | o Purchase of Mobile Phone Relay Devices for 2010 | Approved as proposed | |
| | | o Construction of Mobile Phone Facilities for 2010 | Approved as proposed | |
| | | o Construction of Transmission Network Facilities for 2010 | Approved as proposed | |
| | | o Outsourcing Mobile NATE business | Approved as proposed | |
| The sixth meeting of 2010 | June 23, 2010 | o 3Q 2010 Transactions with SK C&C Co., Ltd | Approved as proposed | |
| | | o Consulting Service regarding Customer Contact Channel | | |
| | | o Base Station Maintenance Service | Approved as proposed | |
| | | o Fund Management Transaction with Affiliated Company (SK Securities) | Approved as proposed | |
| The seventh meeting of 2010 | July 21, 2010 | o Reports on 2009 US GAAP Audit | | |
| The eighth meeting of 2010 | August 24, 2010 | o 1 st half 2010 Financial Results | | |
| | | o Report on Review on the 1 st half of 2010 Korean GAAP | | |
| The eighth meeting of 2010 | August 24, 2010 | o Purchase of Mobile Phone Relay Devices for 2010 | Approved as proposed | |
| | | o Construction of Mobile Phone Facilities for 2010 | Approved as proposed | |
| | | o Construction of Transmission Network Facilities for 2010 | Approved as proposed | |
| | | o Participation in the Capital Increase of SK China Company Limited | Approved as proposed | |
| The eighth meeting of 2010 | August 24, 2010 | o 4Q 2010 Transactions with SK C&C Co., Ltd | | |
| | | o Fund Management Transaction with Affiliated Company (SK | | |

| | | Securities) | |
|---------------------------|--------------------|---|----------------------|
| The ninth meeting of 2010 | September 14, 2010 | o 1 st half 2010 Management Audit Results | Approved as proposed |
| | | o Agency Agreement relating to Outdoor Advertisements | Approved as proposed |
| | | o Outsourcing of Leased Line Business | Approved as proposed |
| The tenth meeting of 2010 | October 13, 2010 | o Outsourcing of Handset Repair Services | 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 th Supplement to the Articles of Incorporation (Interim Regulation) | Article 32 (3) of the Articles of Incorporation shall remain effective until the day immediately preceding the date of the general shareholders meeting of 2003. |

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

4. Affiliated Companies

A. Capital Investments between Affiliated Companies

(As of September 30, 2010)

* Based on common shares

| Investing company | Invested companies | | | | | | | | | | |
|-----------------------------------|--------------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|---------------|---------------|--------------|
| | SK Corporation | SK Energy | SK Telecom | SK Networks | SK Chemicals | SKC | SK C&C | SK E&C | SK Shipping | SK E&S | SK Gas |
| SK Corporation | | 33.4% | 23.2% | 39.1% | | 42.5% | | | 100.0% | 67.5% | 45.5% |
| SK Energy | | | | | | | | | | | |
| SK Telecom | | | | | | | 9.0% | | | | |
| SK Networks | | | | | | | | | | | |
| SK Chemicals | | | | | | | | 18.0% | | | |
| SKC | | | | | | | | | | | |
| SK C&C | 31.8% | | | | | | | | | 32.5% | |
| SK E&C | | | | | | | | | | | |
| SK E&S | | | | | | | | | | | |
| SK Gas | | | | | | | | | | | |
| SK Marketing & Company | | | | | | | | | | | |
| SK D&D | | | | | | | | | | | |
| SK Communications | | | | | | | | | | | |
| SK Broadband | | | | | | | | | | | |
| SK Lubricant | | | | | | | | | | | |
| SK Securities | | | | | | | | | | | |
| SK Petrochemical | | | | | | | | | | | |
| Entec | | | | | | | | | | | |
| Total affiliated companies | 31.8% | 33.4% | 23.2% | 39.1% | 0.0% | 42.5% | 9.0% | 58.0% | 100.0% | 100.0% | 45.5% |

| Investing company | Invested companies | | | | | | | | | |
|------------------------|--------------------|----------|------------------------|-------|--------|-----------|-----------------|-------------|--------|-----------|
| | SK Securities | SK Power | SK Marketing & Company | DOPCO | CCES | YN Energy | Daehan City Gas | SK Sci-tech | SK NJC | SK Telink |
| SK Corporation | | 100.0% | | | | | | | | |
| SK Energy | | | 50.0% | 38.3% | | | | | | |
| SK Telecom | | | 50.0% | | | | | | | 90.8% |
| SK Networks | 22.7% | | | 4.6% | | | | | | |
| SK Chemicals | | | | | | | | 50.0% | 60.0% | |
| SKC | 7.7% | | | | | | | | | |
| SK C&C | | | | | | | | | | |
| SK E&C | | | | | | | | | | |
| SK E&S | | | | | 100.0% | 100.0% | 49.4% | | | |
| SK Gas | | | | | | | | | | |
| SK Marketing & Company | | | | | | | | | | |

SK D&D

SK

Communications

SK Broadband

SK Lubricant

SK Securities

SK Petrochemical

Entec

Total affiliated

companies

30.4% 100.0% 100.0% 42.9% 100.0% 100.0% 49.4% 50.0% 60.0% 90.8%

| Investing company | JeonnamGangwon | | Invested companies | | | | | MRO | SK Telesys | Encar network |
|-----------------------------------|----------------|----------|--------------------|-------------|-------------------|------------|---------|--------|------------|---------------|
| | City Gas | City Gas | JBES | M & Service | Chungnam City Gas | SK Wyverns | Infosec | | | |
| SK Corporation | | | | | | | | | | |
| SK Energy | | | | | | | | | | 87.5% |
| SK Telecom | | | | | | 100.0% | | | | |
| SK Networks | | | | | | | | 51.0% | | |
| SK Chemicals | | | | | | | | | | |
| SKC | | | | | | | | | 77.1% | |
| SK C&C | | | | | | | | 100.0% | | |
| SK E&C | | | | | | | | | | |
| SK E&S | 100.0% | 100.0% | 100.0% | | 100.0% | | | | | |
| SK Gas | | | | | | | | | | |
| SK Marketing & Company | | | | 100.0% | | | | | | |
| SK D&D | | | | | | | | | | |
| SK Communications | | | | | | | | | | |
| SK Broadband | | | | | | | | | | |
| SK Lubricant | | | | | | | | | | |
| SK Securities | | | | | | | | | | |
| SK Petrochemical | | | | | | | | | | |
| Entec | | | | | | | | | | |
| Total affiliated companies | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 51.0% | 77.1% | 87.5% |

| Investing company | Invested companies | | | | | | | | | |
|------------------------|--------------------|----------|--------|--------|---------------|-------------|------------------|------------------|-----------|-----------------|
| | Paxnet | TU Media | SK D&D | Nature | Entertainment | Independent | SK Petrochemical | SK Mobile Energy | SKC Media | F&U Credit Info |
| SK Corporation | | | | | | | | | | |
| SK Energy | | | | 33.7% | | | 100.0% | 100.0% | | |
| SK Telecom | 59.7% | 44.2% | | | 63.5% | | | | | 50.0% |
| SK Networks | | | | | | | | | | |
| SK Chemicals | | | | | | | | | | |
| SKC | | | | | | | | | 100.0% | |
| SK C&C | | | | | | 100.0% | | | | |
| SK E&C | | | 45.0% | | | | | | | |
| SK E&S | | | | | | | | | | |
| SK Gas | | | | | | | | | | |
| SK Marketing & Company | | | | | | | | | | |
| SK D&D | | | | | | | | | | |
| SK Communications | | | | | | | | | | |

| | | | | | | | | | | |
|-----------------------------------|-------|-------|-------|-------|-------|--------|--------|--------|--------|-------|
| SK Broadband | | | | | | | | | | |
| SK Lubricant | | | | | | | | | | |
| SK Securities | | | | | | | | | | 40.0% |
| SK Petrochemical | | | | | | | | | | |
| Entec | | | | | | | | | | |
| Total affiliated companies | 59.7% | 44.2% | 45.0% | 33.7% | 63.5% | 100.0% | 100.0% | 100.0% | 100.0% | 90.0% |

Invested companies

| Investing company | NTREEV | SK I-Media | SK Communications | SK Lubricant | I Platform | SKC Air Gas | SKN Service | Nuri Commerce Solution | Planet | RealVest | SKC Solmics Co., Ltd. |
|----------------------------|--------|------------|-------------------|--------------|------------|-------------|-------------|------------------------|--------|----------|-----------------------|
| SK Corporation | | | | | | | | | | | |
| SK Energy | | | | 100.0% | | | | | | | |
| SK Telecom | 63.7% | | 64.8% | | | | | | 100.0% | | |
| SK Networks | | | | | 100.0% | | 85.0% | | | | |
| SK Chemicals | | | | | | | | | | | |
| SKC | | | | | | 80.0% | | | | | 48.7% |
| SK C&C | | | | | | | | 46.3% | | | |
| SK E&C | | | | | | | | | | 100.0% | |
| SK E&S | | | | | | | | | | | |
| SK Gas | | | | | | | | | | | |
| SK Marketing & Company | | | | | | | | | | | |
| SK D&D | | | | | | | | | | | |
| SK Communications | | 100.0% | | | | | | | | | |
| SK Broadband | | | | | | | | | | | |
| SK Lubricant | | | | | | | | | | | |
| SK Securities | | | | | | | | | | | |
| SK Petrochemical | | | | | | | | | | | |
| Entec | | | | | | | | | | | |
| Total affiliated companies | 63.7% | 100.0% | 64.8% | 100.0% | 100.0% | 80.0% | 85.0% | 46.3% | 100.0% | 100.0% | 48.7% |

Invested companies

| Investing company | Sumray Corpo | SK Broadband | Broadband Media | Broadband D&M | Broadband CS | UB Care | PyongTaek Energy Service | Pana Blu Co., Ltd. | WS Commerce | Namwon Electric Power | Sarang Incyto |
|-------------------|--------------|--------------|-----------------|---------------|--------------|---------|--------------------------|--------------------|-------------|-----------------------|---------------|
| SK Corporation | | | | | | | | | | | |
| SK Energy | | | | | | | | | | | |
| SK Telecom | | 50.6% | | | | | | | | | |
| SK Networks | | | | | | | | | 100.0% | | |
| SK Chemicals | | | | | | 44.0% | | | | | |
| SKC | 81.7% | | | | | | | | | | 100.0% |
| SK C&C | | | | | | | | | | | |
| SK E&C | | | | | | | | | | | |
| SK E&S | | | | | | | 100.0% | | | | |

| | | | | | | | | | | | |
|-----------------------------------|-------|-------|--------|--------|--------|-------|--------|-------|--------|--------|--------|
| SK Gas | | | | | | | | 80.4% | | | |
| SK Marketing & Company | | | | | | | | | | | |
| SK D&D | | | | | | | | | | 100.0% | |
| SK Communications | | | | | | | | | | | |
| SK Broadband | | | 100.0% | 100.0% | 100.0% | | | | | | |
| SK Lubricant | | | | | | | | | | | |
| SK Securities | | | | | | | | | | | |
| SK Petrochemical | | | | | | | | | | | |
| Entec | | | | | | | | | | | |
| Total affiliated companies | 81.7% | 50.6% | 100.0% | 100.0% | 100.0% | 44.0% | 100.0% | 80.4% | 100.0% | 100.0% | 100.0% |

| Investing company | Daejeon | | | Invested companies PS & | | | | Gwangju Korea | | |
|---------------------------------------|----------------------|---------------|------------------|----------------------------|-----------|--------------|---------------|---------------|---------------|------------------|
| | Jeju United FC | Pure Water | MKS Guarantee | Zicos | Marketing | SK Forest | Green Biro | SK Seentec | Pure Water | Sleep Network |
| SK Corporation | | | | | | | | | | |
| SK Energy | 100.0% | | | | | | | | | |
| SK Telecom | | | | | 100.0% | | | | | |
| SK Networks | | | | | | | | | | |
| SK Chemicals | | | | | | | | 100.0% | | 43.2% |
| SKC | | | | | | | | | | |
| SK C&C | | | | | | | | | | |
| SK E&C | | 32.0% | | | | 100.0% | | | 42.0% | |
| SK E&S | | | | | | | | | | |
| SK Gas | | | | | | | 69.0% | | | |
| SK Marketing & Company | | | | | | | | | | |
| SK D&D | | | 100.0% | | | | | | | |
| SK Communications | | | | | | | | | | |
| SK Broadband | | | | | | | | | | |
| SK Lubricant | | | | 100.0% | | | | | | |
| SK Securities | | | | | | | | | | |
| SK Petrochemical | | | | | | | | | | 10.7% |
| Entec | | | | | | | | | | |
| Total affiliated companies | 100.0% | 32.0% | 100.0% | 100.0% | 100.0% | 100.0% | 69.0% | 100.0% | 42.0% | 53.9% |

| Investing company | Invested companies | | | Invested companies | | | | | |
|---------------------------|--------------------|---------------------|----------------------|--------------------|----------------|----------------|----------------|------------|--|
| | Yeosu Expo | Television Media | Busan City Gas | Green IS | Network O&S | Service Ace | Service Top | SK Pinx | |
| SK Corporation | | | | | | | | | |
| SK Energy | | | | 100.0% | | | | | |
| SK Telecom | | | 49.0% | | 100.0% | 100.0% | 100.0% | | |
| SK Networks | | | | | | | | 100.0% | |
| SK Chemicals | 25.0% | | | | | | | | |
| SKC | | 60.0% | | | | | | | |
| SK C&C | | | | | | | | | |
| SK E&C | 25.0% | | | | | | | | |
| SK E&S | | | 40.0% | | | | | | |
| SK Gas | | | | | | | | | |
| SK Marketing & Company | | | | | | | | | |
| SK D&D | | | | | | | | | |

| | | | | | | | | | | |
|-----------------------------------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|
| SK | | | | | | | | | | |
| Communications | | | | | | | | | | |
| SK Broadband | | | | | | | | | | |
| SK Lubricant | | | | | | | | | | |
| SK Securities | | | | | | | | | | |
| SK Petrochemical | | | | | | | | | | |
| Entec | | 58.7% | | | | | | | | |
| Total affiliated companies | 50.0% | 58.7% | 60.0% | 49.0% | 40.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

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

A. Shareholdings of the Largest Shareholder and Related Persons

(As of September 30, 2010)

(Unit: Shares, %)

| Name | Relationship | Type of share | Number of shares owned and ownership ratio | | | |
|-----------------------|-------------------------------|---------------|--|-----------------|------------------|-----------------|
| | | | Beginning of Period | | End of Period | |
| | | | Number of shares | Ownership ratio | Number of shares | Ownership ratio |
| SK Corporation | Largest Shareholder | Common share | 18,748,452 | 23.22 | 18,748,452 | 23.22 |
| Tae Won Chey | Officer of affiliated company | Common share | 100 | 0.00 | 100 | 0.00 |
| Shin Won Chey | Officer of affiliated company | Common share | 500 | 0.00 | 500 | 0.00 |
| Shin Bae Kim | Officer of affiliated company | Common share | 1,270 | 0.00 | 1,270 | 0.00 |
| Man Won Jung | Officer of affiliated company | Common share | 4,000 | 0.00 | 5,600 | 0.01 |
| Sung Min Ha | Officer of affiliated company | Common share | 738 | 0.00 | 738 | 0.00 |
| Dal Sup Shim | Officer of affiliated company | Common share | | | 500 | 0.00 |
| Bang Hyung Lee | Officer of affiliated company | Common share | 200 | 0.00 | 200 | 0.00 |
| Total | | Common share | 18,755,260 | 23.23 | 18,757,360 | 23.23 |

B. Overview of the Largest Shareholder

SK Corporation is a holding company and as of September 30, 2010, has nine subsidiaries: SK Energy Co., Ltd., SK Telecom Co., Ltd., SK Networks Co., Ltd., SK E&C Co., Ltd., SK E&S Co., Ltd., K-Power Co., Ltd., SK Shipping Co., Ltd., SKC Co., Ltd. and SK Gas Co., Ltd. SK Corporation also operates a life science business division within its holding company to nurture the division for future growth.

Details of SK Corporation's subsidiaries are as follows:

| Affiliates | Share Holdings | Book Value | Industry | Description |
|-----------------------|----------------|------------|-------------------------------|-----------------|
| SK Energy Co., Ltd. | 33.40% | 4,149,367 | Energy | Publicly Listed |
| SK Telecom Co., Ltd. | 23.22% | 2,841,919 | Telecommunication | Publicly Listed |
| SK Networks Co., Ltd. | 39.12% | 1,195,558 | Trading, Energy Sale | Publicly Listed |
| K-Power Co., Ltd. | 100.00% | 587,708 | Power Generation | Privately Held |
| SK E&C Co., Ltd. | 40.02% | 462,102 | Construction | Privately Held |
| SK E&S Co., Ltd. | 67.55% | 422,784 | Gas Company Holdings | Privately Held |
| SK Shipping Co., Ltd. | 100.00% | 295,697 | Ocean Freight | Privately Held |
| SKC Co., Ltd. | 42.50% | 293,083 | Synthetic Resin Manufacturing | Publicly Listed |
| SK Gas Co., Ltd. | 45.53% | 253,558 | Gas | Publicly Listed |

* The above share holdings are based on common stock holdings as of September 30, 2010.

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

2. Changes in shareholdings of the Largest Shareholder

Changes in shareholdings of the largest shareholder are as follows.

(Unit: Shares, %)

| Largest Shareholder | Date of the change in the largest shareholder/ | Shares Held | Holding Ratio | Remarks |
|---------------------|--|-------------|---------------|--|
| | Date of change in shareholding | | | |
| SK Corporation | 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 th General Meeting of Shareholders, elected the CEO, Man Won Jung (who owned 100 shares of the Company stock) |
| | December 30, 2009 | 18,755,260 | 23.23 | Man Won Jung, the CEO, purchased 3,900 shares. |
| | May 26, 2010 | 18,756,760 | 23.23 | Man Won Jung, the CEO, purchased 1,500 shares |
| | July 20, 2010 | 18,756,860 | 23.23 | Man Won Jung, the CEO, purchased 100 shares |
| | September 17, 2010 | 18,757,360 | 23.23 | Dal Sup Shim, an Independent Director, purchased 500 shares |

* 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, 2010)

(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 | Citibank ADR | 24,321,893 | 30.12 | | | 24,321,893 | 30.12 |
| 2 | SK Corporation | 18,748,452 | 23.22 | | | 18,748,452 | 23.22 |
| 3 | SK Telecom | 8,400,712 | 10.40 | | | 8,400,712 | 10.40 |
| | Total | 51,471,077 | 63.74 | | | 51,471,077 | 63.74 |

On July 22, 2010, the Company publicly disclosed its decision to acquire shares of treasury stock. The Company acquired 1,250,000 shares of its common stock on KRX from July 26, 2010 through October 20, 2010. Please refer to the result of treasury stock acquisition disclosed on October 21, 2010 through the Korean Financial Supervisory Service.

B. Shareholdings under the Employee Stock Ownership Program

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

(As of September 30, 2010)

(Unit: Shares)

| Classification | Account classification | Type of share | Balance at the beginning of period | Balance at the end of period |
|----------------|---|---------------|--|------------------------------------|
| 8th | Employee Stock Ownership Program Member Account | Common shares | 346,322 | 171,871 |
| | Total | | 346,322 | 171,871 |

C. Shareholder Distribution
(As of June 30, 2010)

| Classification | Number of shareholders | Ratio (%) | Number of shares | Ratio (%) | Remarks |
|--|-----------------------------------|----------------------|-----------------------------|----------------------|----------------|
| Total minority shareholders | 43,030 | 99.98 | 24,746,975 | 30.64 | |
| Minority shareholders (corporate) | 877 | 2.04 | 6,342,398 | 7.85 | |
| Minority shareholders (individual) | 42,153 | 97.94 | 18,404,577 | 22.79 | |
| Minority shareholders (Largest Shareholder and Related Persons) | | | | | |
| Major shareholders | | | | | |
| Total other shareholders | 9 | 0.02 | 55,998,736 | 69.35 | |
| Other shareholders (corporate) | 6 | 0.01 | 12,110,715 | 15.00 | |
| Other shareholders (individual) | 2 | 0.01 | 25,139,569 | 31.13 | |
| Other shareholders (Largest Shareholder and Related Persons) | 1 | 0.00 | 18,748,452 | 23.22 | |
| Total | 43,039 | 100 | 80,745,711 | 100 | |

4. Share Price and Trading Volume in the Last Six Months

A. Domestic Securities Market

(Unit: Won, shares)

| Types | | September 2010 | August 2010 | July 2010 | June 2010 | May 2010 | April 2010 |
|---------------------------------------|----------------|---------------------------|------------------------|----------------------|----------------------|---------------------|-----------------------|
| Common stock | Highest | 171,500 | 169,000 | 167,000 | 169,500 | 173,500 | 178,000 |
| | Lowest | 163,500 | 161,500 | 158,500 | 160,500 | 158,500 | 171,500 |
| Monthly transaction volume | | 2,555,336 | 2,985,441 | 3,629,584 | 4,026,382 | 3,964,993 | 4,547,803 |

B. Overseas Securities Market

New York Stock Exchange

(Unit: US\$, ADR)

| Types | | September 2010 | August 2010 | July 2010 | June 2010 | May 2010 | April 2010 |
|-----------------------------------|----------------|-------------------|----------------|--------------|--------------|-------------|---------------|
| Depository Receipt | Highest | 17.48 | 16.85 | 16.38 | 16.24 | 18.44 | 18.51 |
| | Lowest | 16.62 | 15.82 | 14.84 | 14.73 | 15.27 | 17.45 |
| Monthly transaction volume | | 32,818,880 | 24,784,714 | 25,226,750 | 35,760,628 | 31,223,014 | 26,691,304 |

VIII. EMPLOYEES

(As of September 30, 2010)

(Unit: persons, in millions of Won)

| Classification | Number of employees | | | | Average service year | Aggregate wage for the nine months ended September 30, 2010 | Average wage per person | Remarks |
|----------------|-----------------------------------|-------------------------|--------|-------|----------------------------|--|-------------------------------|---------|
| | Office managerial positions | Production positions | Others | Total | | | | |
| Male | 3,760 | | | 3,760 | 12.0 | 195,996 | 51 | |
| Female | 612 | | | 612 | 10.1 | 25,267 | 40 | |
| Total | 4,372 | | | 4,372 | 11.7 | 221,263 | 49 | |

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

(As of September 30, 2010)

(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 | 2,982 | | | 2,982 | 201 (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 | Transaction Details | | |
| PS&Marketing | Affiliated company | Common Shares | 150,000 | 80,000 | | 230,000 | | |
| SKT Americas, Inc. | Affiliated company | Common Shares | 30,457 | 33,036 | | 63,493 | | |
| SK Telecom China Holdings Co., Ltd. | Affiliated company | | 29,595 | 4,656 | | 34,251 | | |
| Service Ace | Affiliated company | Common Shares | 0 | 21,927 | | 21,927 | | |
| Service Top | Affiliated company | Common Shares | 0 | 14,281 | | 14,281 | | |
| Network O&S | Affiliated company | Common Shares | 0 | 15,000 | | 15,000 | | |
| YTK Investment Ltd. | Affiliated company | | 0 | 28,000 | | 28,000 | | |
| SKT-KTB Music Investment Partnership | Affiliated company | Common Shares | 14,850 | 0 | 14,684 | 166 | | |
| K-net Cultural Contents Partnership | Affiliated company | | 0 | 17,700 | 0 | 17,700 | | |
| Open Innovation Fund | Affiliated company | | 0 | 25,000 | 0 | 25,000 | | |
| | Total | | 224,902 | 239,600 | 14,684 | 449,818 | | |

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

(Units: in millions of Won)

| Name (Corporate Name) | Relationship | Transferred Objects | Purpose of Transfer | Details | | Remarks |
|------------------------------|--------------------|----------------------------|--------------------------------|-------------------|---|---------|
| | | | | Date of Transfer | Amount Transferred From Largest Shareholder | |
| Encar Network Co., Ltd. | Affiliated Company | Automobiles | Sale of automobiles not in use | February 25, 2010 | | 236 |
| SK Telesys | Affiliated Company | 2G devices not in use | Sale of devices not in use | March 31, 2010 | | 381 |
| PS & Marketing Co., Ltd. | Affiliated Company | Network asset | Sale of asset not in use | March 31, 2010 | | 83 |
| SK Broadband | Affiliated Company | Used asset | Sale of asset not in use | April 23, 2010 | | 18 |
| Encar Network Co., Ltd. | Affiliated Company | Automobiles | Sale of automobiles not in use | May 19, 2010 | | 101 |
| SK Telesys | Affiliated Company | 2G devices not in use | Sale of devices not in use | June 30, 2010 | | 54 |
| SK Networks | Affiliated Company | Handset devices not in use | Sale of asset not in use | June 23, 2010 | | 144 |
| Encar Network Co., Ltd. | Affiliated Company | Automobiles | Sale of automobiles not in use | July 20, 2010 | | 9 |
| | | Total | | | | 1,026 |

B. Transfer of Business

(Units: in millions of Won)

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

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

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

Agents

(Unit: in millions of Won)

| Name (Corporate name) | Relationship | Account category | Beginning | Change details | | Accrued | Remarks |
|--------------------------|--------------|--------------------------------|-----------|----------------|----------|-----------------|---------|
| | | | | Increase | Decrease | Ending interest | |
| Hong Eun and others | Agency | Long-term and short-term loans | 73,490 | 183,356 | 163,156 | 93,690 | |

Overseas Investment Companies

(Unit: in millions of Won)

| Name (Corporate name) | Relationship | Account category | Beginning | Change details | | Accrued | Remarks |
|------------------------------|--------------|------------------|-----------|----------------|----------|-----------------|---------|
| | | | | Increase | Decrease | Ending interest | |
| Daehan Kanggun BcN Co., Ltd. | Investee | Long-term loans | | 21,147 | | 21,147 | |

B. Equity Investments

(Unit: in millions of Won)

| Name (Corporate Name) | Relationship | Category | Investment and Disposition Details | | | | Remarks |
|--|---------------------------------------|---------------------|------------------------------------|---------------------|----------|------------------|---------|
| | | | Beginning of Period | Transaction Details | | End of Period | |
| | | | | Increase | Decrease | | |
| HanaSK Card Co., Ltd. | Investee under equity method | Common shares | | 402,476 | | 402,476 | |
| SK Telecom Smart City Management Co., Ltd. | Investee under equity method | Common shares | | 1,709 | | 1,709 | |
| SK Fans Co., Ltd. | Investee under equity method | Common shares | | 13,775 | | 13,775 | |
| Packet One Network | Investee under equity method | Preferred shares | | 119,984 | | 119,984 | |
| SK Technology Innovation Company | Investee under equity method | Common shares | | 28,146 | | 28,146 | |
| SK China Company | Investee under equity method | Common shares | 6,159 | 44,859 | 1,489 | 49,529 | |
| Benex Sector 4 | Investee under equity method | | | 25,000 | | 25,000 | |
| KIF Stone Bridge Fund | Investee under equity method | | | 700 | | 700 | |
| PT Melon Indonesia | Investee under equity method | Common shares | | 6,492 | | 6,492 | |
| Translink Capital L.L.C. | Investee | Common shares | 1,999 | 405 | | 2,404 | |
| Skylake Global Incubest Fund #1 | Investee | Common shares | 1,679 | 41 | | 1,720 | |
| Sprint Nextel Corp. | Investee | | 75,363 | | 75,363 | | |

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| | | | | | | |
|--|----------|--------------------------------------|---------|---------|---------|---------|
| Job Creating PEF (#1) | Investee | Common shares Common shares | | 1 | | 1 |
| Global Opportunities Breakaway Fund | Investee | | 186,390 | 30,118 | | 216,508 |
| Real Telecom | Investee | Common shares | 5,981 | | 5,981 | |
| IHQ | Investee | Common shares | 51,846 | | 38,709 | 13,137 |
| | Total | | 329,417 | 673,706 | 121,542 | 881,581 |

X. OTHER INFORMATION RELATING TO THE PROTECTION OF INVESTORS**1. Developments in the Items mentioned in prior Reports on Important Business Matters****A. Status and Progress of Major Management Events**

| Date of Disclosure | Title | Report | Reports status |
|---------------------------|---|--|---|
| October 26, 2001 | Resolution on trust agreement for the acquisition of treasury shares and others | 1. Signatories: Shinhan Bank, Hana Bank, Chohung Bank, Korea Exchange Bank 2. Contract amount: Won 1,300 billion 3. Purpose: to increase shareholder value | 1. On December 24, 2003, cash surplus amount from the existing trust agreement was partially reduced (Won 318 billion). 2. On September 24, 2004, the Board of Directors extended the term of the specified monetary trust agreement for 3 years. 3. On October 16, 2007, the Board of Directors extended the term of the specified monetary trust agreement for 3 years. 4. On October 26 and October 29, 2010, all trust agreements for the acquisition of treasury shares terminated (aggregate amount: Won 982 billion). |

B. Summary Minutes of the General Meeting of Shareholders

| Date | Agenda | Resolution |
|---|--|---|
| 23 rd Fiscal Year Meeting of Shareholders (March 9, 2007) | 1. Approval of the financial statements for the year ended December 31, 2006 2. Remuneration limit for Directors 3. Election of Directors - Election of inside directors - Election of independent directors as Audit Committee members | Approved (Cash dividend, Won 7,000 per share) Approved (Won 12 billion) Approved (Jung Nam Cho, Sung Min Ha) Approved (Dal Sup Shim) |
| 24 th Fiscal Year Meeting of Shareholders (March 14, 2008) | 1. Approval of the Financial Statements for the year ended December 31, 2007 2. Amendment to Articles of Incorporation 3. Approval of Remuneration Limit for Directors 4. Election of Directors - Election of inside directors - Election of independent directors - Election of independent directors as Audit Committee member | Approved (Cash dividend, Won 8,400 per share) Approved Approved (Won 12 billion) Approved (Shin Bae Kim, Young Ho Park) Approved (Rak Yong Uhm, Jay Young Chung) Approved (Jae Ho Cho) |

| Date | Agenda | Resolution |
|---|--|--|
| 25 th Fiscal Year Meeting of Shareholders (March 13, 2009) | 1. Approval of the financial statements for the year ended December 31, 2008 | Approved (Cash dividend, Won 8,400 per share) |
| | 2. Approval of Remuneration Limit for Directors | Approved (Won 12 billion) |
| | 3. Amendment to Company Regulation on Executive Compensation | Approved |
| | 4. Election of Directors - Election of inside directors - Election of independent directors - Election of independent directors as Audit Committee member | Approved (Jae Won Chey, Man Won Jung) Approved (Hyun Chin Lim) Approved (Hyun Chin Lim) |
| 26 th Fiscal Year Meeting of Shareholders (March 12, 2010) | 1. Approval of the financial statements for the year ended December 31, 2009 | Approved (Cash dividend, Won 8,400 per share) |
| | 2. Amendment to Articles of Incorporation | Approved |
| | 3. Approval of Remuneration Limit for Directors | Approved (Won 12 billion) |
| | 4. Election of Directors - Election of inside directors - Election of independent directors - Election of independent directors as Audit Committee member | Approved (Ki Haeng Cho) Approved (Dal Sup Shim) Approved (Dal Sup Shim, Jay Young Chung) |

2. Contingent Liabilities

A. Material Legal Proceedings

- Not applicable

B. Other Matters

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

3. Status of sanctions, etc.

A. Status of sanctions

The Company was sanctioned with a fine of Won 50 million on December 30, 2008 for a violation of Telecommunications Law involving its mismanagement of privacy policy. The Company continues

to improve related system security and is implementing system enhancements, such as introduction of scanning devices, to avoid unnecessary keeping of applications at the distributor level.

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

On September 2, 2009, the Korea Communications Commission ordered the Company to improve its work procedures in a case relating to the obstruction of subscribers' utilization of wireless internet services. The Company completed the improvement of the procedures in consultation with the Korea Communications Commission by December 8, 2009.

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

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

Also on February 3, 2009, the Company received a correctional order and a fine of Won 500 million from the Fair Trade Commission of Korea involving an unfair trade interference practice including refusal of applications for subscription for certain PDA phones distributed by third party manufacturers. The Company filed a suit at the Seoul High Court, which found in favor of the Company and cancelled the Fair Trade Commission's correctional order and fine. On August 19, 2010, the Supreme Court of Korea rejected the appeal by the Fair Trade Commission of Korea and finally confirmed the Seoul High Court's decision. Accordingly, the Fair Trade Commission's correctional order was cancelled and the Company was refunded the fine and interest in the amount of Won 538 million.

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

B. Other important matters that occurred after September 30, 2010

(1) SK C&C stock sale

On October 8, 2010, the Company sold 2,450,000 shares of SK C&C Co., Ltd. (SK C&C) out of 4,500,000 shares of SK C&C previously held, through an over-the-counter market transaction, at a price of Won 83,000 per share (total sales price of Won 203,350 million). After the sale, the Company's ownership interest in SK C&C decreased to 4.1% from 9%.

SK TELECOM CO., LTD.
NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND NINE MONTHS
ENDED SEPTEMBER 30, 2010 AND 2009
AND INDEPENDENT ACCOUNTANTS REVIEW REPORT

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, 2010, the related non-consolidated statements of income for the three months and nine months ended September 30, 2010 and 2009, and non-consolidated statements of changes in stockholders' equity and cash flows for the nine months ended September 30, 2010 and 2009, 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, 2009, and the related non-consolidated statements of income, appropriations of retained earnings, changes in stockholders' equity and cash flows for the year then ended (not presented herein); and in our report dated February 17, 2010, we expressed an unqualified opinion on those non-consolidated financial statements. The accompanying non-consolidated statement of financial position as of December 31, 2009, which is comparatively presented, does not differ in material respects from such audited non-consolidated statement of financial position.

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

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 9, 2010

Notice to Readers

This report is effective as of November 9, 2010, the accountants' review report date. Certain subsequent events or circumstances may have occurred between the accountants' review report date and the time the accountants' review report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modification to the accountants' review report.

SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2010 AND DECEMBER 31, 2009

| | Korean won | | Translation into U.S. dollars (Note 2) | |
|--|--------------------------|----------------------|---|----------------------|
| | September 30, 2010 | December 31, 2009 | September 30, 2010 | December 31, 2009 |
| | (In millions) | | (In thousands) | |
| A S S E T S | | | | |
| CURRENT ASSETS: | | | | |
| Cash and cash equivalents | ₩ 247,736 | ₩ 420,576 | \$ 217,293 | \$ 368,894 |
| Short-term financial instruments (Note 15) | 225,267 | 178,057 | 197,585 | 156,177 |
| Short-term investment securities (Note 3) | 588,184 | 370,182 | 515,906 | 324,693 |
| Accounts receivable – trade, net of allowance for doubtful accounts of ₩165,982 million as of September 30, 2010 and ₩142,702 million as of December 31, 2009 (Note 16) | 1,387,272 | 1,557,514 | 1,216,799 | 1,366,121 |
| Short-term loans, net of allowance for doubtful accounts of ₩1,222 million as of September 30, 2010 and ₩933 million as of December 31, 2009 (Notes 5 and 16) | 95,511 | 66,888 | 83,774 | 58,669 |
| Accounts receivable – other, net of allowance for doubtful accounts of ₩34,663 million and present value of ₩309 million as of September 30, 2010 and ₩26,059 million and ₩8,478 as of December 31, 2009 (Note 16) | 2,769,684 | 2,032,757 | 2,429,334 | 1,782,964 |
| Inventories | 15,627 | 22,656 | 13,707 | 19,872 |
| Prepaid expenses | 140,421 | 112,762 | 123,166 | 98,905 |
| Current deferred income tax assets, net (Note 12) | 131,728 | 194,825 | 115,541 | 170,884 |
| Other current assets | 418 | | 367 | |
| Accrued income and other | 50,135 | 26,835 | 43,973 | 23,536 |
| Total Current Assets | 5,651,983 | 4,983,052 | 4,957,445 | 4,370,715 |
| NON-CURRENT ASSETS: | | | | |
| Property and equipment, net (Notes 6 and 16) | 4,824,989 | 5,196,521 | 4,232,075 | 4,557,952 |
| Intangible assets, net (Note 7) | 2,408,303 | 2,665,936 | 2,112,361 | 2,338,335 |

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| | | | | |
|--|--------------|--------------|---------------|---------------|
| Long-term financial instruments (Note 15) | 69 | 6,519 | 61 | 5,718 |
| Long-term investment securities (Notes 3 and 21) | 1,533,625 | 2,420,262 | 1,345,167 | 2,122,851 |
| Equity securities accounted for using the equity method (Note 4) | 3,458,221 | 2,680,872 | 3,033,261 | 2,351,436 |
| Long-term loans, net of allowance for doubtful accounts of ₩24,257 million as of September 30, 2010 and ₩24,250 million as of December 31, 2009 (Notes 5 and 16) | 64,912 | 64,216 | 56,935 | 56,325 |
| Long-term accounts receivable other | 910,446 | 761,647 | 798,567 | 668,053 |
| Guarantee deposits (Note 16) | 163,325 | 172,021 | 143,255 | 150,882 |
| Long-term currency swap (Note 19) | 207,354 | 223,173 | 181,874 | 195,749 |
| Long-term deposits and other | 110,632 | 123,414 | 97,037 | 108,247 |
| | | | | |
| Total Non-current Assets | 13,681,876 | 14,314,581 | 12,000,593 | 12,555,548 |
| | | | | |
| TOTAL ASSETS | ₩ 19,333,859 | ₩ 19,297,633 | \$ 16,958,038 | \$ 16,926,263 |

(Continued)

SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
SEPTEMBER 30, 2010 AND DECEMBER 31, 2009

| | Korean won | | Translation into U.S. dollars (Note 2) | |
|---|--------------------------|----------------------|---|----------------------|
| | September 30, 2010 | December 31, 2009 | September 30, 2010 | December 31, 2009 |
| | (In millions) | | (In thousands) | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | |
| CURRENT LIABILITIES: | | | | |
| Short-term Borrowings | ₩ 100,000 | ₩ | \$ 87,712 | \$ |
| Accounts payable (Note 16) | 1,074,288 | 1,136,475 | 942,275 | \$ 996,820 |
| Income tax payable | 118,540 | 381,940 | 103,973 | 335,006 |
| Accrued expenses (Note 18) | 1,110,620 | 934,372 | 974,143 | 819,553 |
| Withholdings | 445,703 | 250,656 | 390,933 | 219,854 |
| Current portion of long-term debt, net (Note 8) | 1,431,179 | 513,277 | 1,255,310 | 450,203 |
| Current portion of subscription deposits | 5,705 | 6,804 | 5,004 | 5,968 |
| Currency swap (Note 19) | 45,276 | 35,145 | 39,712 | 30,826 |
| Interest swap (Note 19) | 11,236 | 1,173 | 9,855 | 1,029 |
| Advanced receipts and other | 42,625 | 34,791 | 37,388 | 30,516 |
| Total Current Liabilities | 4,385,172 | 3,294,633 | 3,846,305 | 2,889,775 |
| NON-CURRENT LIABILITIES: | | | | |
| Bonds payable, net (Note 8) | 3,025,504 | 3,349,216 | 2,653,718 | 2,937,651 |
| Long-term borrowings (Note 9) | 114,200 | 816,760 | 100,167 | 716,393 |
| Subscription deposits | 5,713 | 5,480 | 5,010 | 4,807 |
| Long-term payables other, net of present value discount of ₩2,922 million as of September 30, 2010 and ₩5,837 million as of December 31, 2009 | 50,178 | 164,163 | 44,012 | 143,990 |
| Accrued severance indemnities, net | 42,436 | 25,155 | 37,221 | 22,064 |
| Non-current deferred income tax liabilities, net (Note 12) | 83,620 | 210,859 | 73,344 | 184,948 |
| Long-term currency swap (Note 19) | 12,159 | 18,281 | 10,665 | 16,035 |
| Long-term interest swap (Note 19) | 6,650 | 16,215 | 5,833 | 14,222 |
| Guarantee deposits received and other (Notes 16 and 18) | 184,548 | 155,421 | 161,871 | 136,322 |
| Total Non-current Liabilities | 3,525,008 | 4,761,550 | 3,091,841 | 4,176,432 |

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| | | | | |
|---|---------------------|---------------------|----------------------|----------------------|
| Total Liabilities | 7,910,180 | 8,056,183 | 6,938,146 | 7,066,207 |
| STOCKHOLDERS EQUITY: | | | | |
| Capital stock (Notes 1 and 10) | 44,639 | 44,639 | 39,154 | 39,154 |
| Capital surplus (Notes 4, 8 and 10) | 3,033,288 | 3,032,009 | 2,660,546 | 2,659,424 |
| Capital adjustments: | | | | |
| Treasury stock (Note 11) | (2,148,171) | (1,992,083) | (1,884,195) | (1,747,288) |
| Loss on disposal of treasury stock | (716) | (716) | (628) | (628) |
| Equity method in capital adjustments (Note 4) | (49,303) | (52,626) | (43,245) | (46,159) |
| Other capital adjustments | (662,983) | (662,983) | (581,513) | (581,513) |
| Accumulated other comprehensive income (loss) (Note 13): | | | | |
| Unrealized gain on valuation of long-term investment securities, net (Note 3) | 966,537 | 1,003,145 | 847,765 | 879,875 |
| Equity in other comprehensive loss of affiliates, net (Note 4) | (80,158) | (84,809) | (70,308) | (74,387) |
| Gain on valuation of currency swap, net (Note 19) | 207 | 6,516 | 181 | 5,714 |
| Loss on valuation of interest swap, net (Note 19) | (8,517) | (10,932) | (7,471) | (9,589) |
| Retained earnings: | | | | |
| Appropriated | 9,350,386 | 8,890,053 | 8,201,374 | 7,797,608 |
| Unappropriated | 978,470 | 1,069,237 | 858,232 | 937,845 |
| Total Stockholders Equity | 11,423,679 | 11,241,450 | 10,019,892 | 9,860,056 |
| TOTAL LIABILITIES AND STOCKHOLDERS EQUITY | ₩ 19,333,859 | ₩ 19,297,633 | \$ 16,958,038 | \$ 16,926,263 |

See accompanying notes to non-consolidated financial statements.

SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

| | Korean won | | | | Translation into U.S. dollars (Note 2) | | | |
|--|---|--------------------------------|---------------------------------|--------------------------------|--|--------------------------------|---------------------------------|--------------------------------|
| | 2010 | | 2009 | | 2010 | | 2009 | |
| | 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) | | | |
| OPERATING REVENUE (Note 16) | ₩ 3,180,747 | ₩ 9,287,565 | ₩ 3,056,721 | ₩ 9,001,081 | ₩ 2,789,884 | \$ 8,146,272 | \$ 2,681,099 | \$ 7,894,993 |
| OPERATING EXPENSES (Note 16): | | | | | | | | |
| Labor cost | (98,961) | (394,862) | (84,319) | (355,367) | (86,800) | (346,340) | (73,958) | (311,698) |
| Commissions paid | (1,276,044) | (3,718,636) | (1,163,638) | (3,444,311) | (1,119,239) | (3,261,675) | (1,020,646) | (3,021,060) |
| Depreciation and amortization (Notes 6 and 7) | (509,424) | (1,437,807) | (454,504) | (1,282,160) | (446,824) | (1,261,124) | (398,653) | (1,124,603) |
| Network interconnection | (301,744) | (832,502) | (269,045) | (792,826) | (264,665) | (730,201) | (235,984) | (695,400) |
| Leased line | (46,747) | (138,317) | (91,710) | (283,025) | (41,003) | (121,320) | (80,440) | (248,246) |
| Advertising | (67,204) | (189,676) | (72,398) | (179,079) | (58,946) | (166,368) | (63,501) | (157,073) |
| Research and development | (64,097) | (180,070) | (56,188) | (170,582) | (56,221) | (157,942) | (49,283) | (149,620) |
| Rent | (71,703) | (215,425) | (67,891) | (197,833) | (62,892) | (188,953) | (59,548) | (173,522) |
| Frequency usage | (38,499) | (118,172) | (39,474) | (117,610) | (33,768) | (103,651) | (34,623) | (103,158) |
| Repair | (42,340) | (119,628) | (24,518) | (88,608) | (37,136) | (104,928) | (21,505) | (77,719) |
| Cost of goods sold | (25,657) | (57,595) | (8,450) | (24,644) | (22,504) | (50,517) | (7,412) | (21,616) |
| Other | (119,004) | (303,020) | (105,801) | (328,845) | (104,379) | (265,783) | (92,800) | (288,436) |
| Sub-total | (2,661,424) | (7,705,710) | (2,437,936) | (7,264,890) | (2,334,377) | (6,758,802) | (2,138,353) | (6,372,151) |
| OPERATING INCOME | 519,323 | 1,581,855 | 618,785 | 1,736,191 | 455,507 | 1,387,470 | 542,746 | 1,522,842 |

| | | | | | | | | |
|------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| OTHER | | | | | | | | |
| INCOME (Note | | | | | | | | |
| 0): | | | | | | | | |
| Interest income | | | | | | | | |
| (Note 3) | 51,024 | 142,677 | 37,101 | 114,674 | 44,754 | 125,144 | 32,542 | 100,582 |
| Foreign | | | | | | | | |
| exchange and | | | | | | | | |
| translation | | | | | | | | |
| gains | 17,524 | 20,582 | 61,324 | 84,088 | 15,371 | 18,053 | 53,788 | 73,755 |
| equity in | | | | | | | | |
| earnings of | | | | | | | | |
| affiliates (Note | | | | | | | | |
| 1) | 29,145 | 69,935 | 16,399 | 42,132 | 25,564 | 61,341 | 14,384 | 36,955 |
| Gain on | | | | | | | | |
| valuation of | | | | | | | | |
| short-term | | | | | | | | |
| investment | | | | | | | | |
| securities (Note | | | | | | | | |
| 2) | | | 1,319 | 9,129 | | | 1,157 | 8,007 |
| Gain on | | | | | | | | |
| disposal of | | | | | | | | |
| property and | | | | | | | | |
| equipment and | | | | | | | | |
| intangible | | | | | | | | |
| assets | 145 | 7,285 | 159 | 604 | 127 | 6,390 | 139 | 530 |
| Gain on | | | | | | | | |
| valuation of | | | | | | | | |
| derivative (Note | | | | | | | | |
| 3) | 1,514 | 1,255 | 122,650 | 74,743 | 1,328 | 1,101 | 107,578 | 65,558 |
| Other | 32,713 | 71,097 | 21,365 | 110,638 | 28,692 | 62,360 | 18,740 | 97,043 |
| Sub-total | 132,065 | 312,831 | 260,317 | 436,008 | 115,836 | 274,389 | 228,328 | 382,430 |

(Continued)

SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF INCOME (CONTINUED)
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

| | Korean won | | | | Translation into U.S. dollars (Note 2) | | | |
|---|---|--|---|--|---|--|---|--|
| | 2010 | | 2009 | | 2010 | | 2009 | |
| | 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 (Note 20): | | | | | | | | |
| Interest and discounts | ₩ (67,969) | ₩ (208,876) | ₩ (75,821) | ₩ (223,576) | \$ (59,617) | \$ (183,208) | \$ (66,504) | \$ (196,102) |
| Donations | (7,951) | (60,429) | (7,221) | (29,914) | (6,974) | (53,004) | (6,334) | (26,238) |
| Foreign exchange and translation losses | (3,063) | (6,891) | (122,591) | (141,446) | (2,687) | (6,043) | (107,527) | (124,065) |
| Loss on valuation of short-term investment securities (Note 3) | (405) | (6,404) | | | (355) | (5,617) | | |
| Equity in losses of affiliates (Note 4) | (47,155) | (125,405) | (76,522) | (175,277) | (41,360) | (109,995) | (67,119) | (153,738) |
| Loss on disposal of account receivable other | | | | (28,711) | | | | (25,183) |
| Loss on disposal of property, equipment and intangible assets | (28,308) | (32,024) | (6,654) | (22,835) | (24,829) | (28,089) | (5,836) | (20,029) |
| Loss on valuation of derivative (Note 19) | | (20,806) | (3,707) | (93,409) | | (18,249) | (3,251) | (81,931) |

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| | | | | | | | | |
|---|-----------|-------------|-----------|-------------|------------|------------|------------|------------|
| External research and development cost | (10,803) | (35,300) | (13,914) | (41,733) | (9,475) | (30,962) | (12,203) | (36,605) |
| Other | (6,112) | (16,591) | (6,791) | (21,311) | (5,361) | (14,553) | (5,955) | (18,692) |
| Sub-total | (171,766) | (512,726) | (313,221) | (778,212) | (150,658) | (449,720) | (274,729) | (682,583) |
| INCOME BEFORE INCOME TAX | 479,622 | 1,381,960 | 565,881 | 1,393,987 | 420,685 | 1,212,139 | 496,345 | 1,222,689 |
| PROVISION FOR INCOME TAX (Note 12) | (115,739) | (332,351) | (150,168) | (349,883) | (101,517) | (291,510) | (131,715) | (306,888) |
| NET INCOME | ₩ 363,883 | ₩ 1,049,609 | ₩ 415,713 | ₩ 1,044,104 | \$ 319,168 | \$ 920,629 | \$ 364,630 | \$ 915,801 |
| NET INCOME PER SHARE (In Korean won and U.S. dollars) (Note 14) | ₩ 5,056 | ₩ 14,534 | ₩ 5,746 | ₩ 14,432 | \$ 4.435 | \$ 12.748 | \$ 5.040 | \$ 12.659 |
| DILUTED NET INCOME PER SHARE (In Korean won and U.S. dollars) (Note 14) | ₩ 4,979 | ₩ 14,315 | ₩ 5,655 | ₩ 14,248 | \$ 4.367 | \$ 12.556 | \$ 4.960 | \$ 12.497 |

See accompanying notes to non-consolidated financial statements.

SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

| | Common stock | Capital surplus | Capital adjustments | Accumulated other comprehensive income | Retained earnings | Total stockholders equity |
|---|-----------------|--------------------|------------------------|---|----------------------|---------------------------------|
| (In millions of Korean won) | | | | | | |
| 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 Treasury stock (Note 11) | | 73,622 | | | | 73,622 |
| Loss on disposal of treasury stock | | (722) | (716) | | (92,477) | (28,939) |
| 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 | | | (677,605) | | | (677,605) |
| Loss 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 |
| | ₩ 44,639 | ₩ 3,032,006 | ₩ (2,720,883) | ₩ 625,288 | ₩ 9,715,056 | ₩ 10,696,106 |

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Balance,
September 30, 2009

| | | | | | | |
|---|----------|-------------|---------------|-----------|--------------|--------------|
| Balance, January 1, 2010 | ₩ 44,639 | ₩ 3,032,009 | ₩ (2,708,408) | ₩ 913,920 | ₩ 9,959,290 | ₩ 11,241,450 |
| Cash dividends | | | | | (607,698) | (607,698) |
| Interim dividends (Note 17) | | | | | (72,345) | (72,345) |
| Net income | | | | | 1,049,609 | 1,049,609 |
| Treasury stock (Note 11) | | | (156,088) | | | (156,088) |
| Unrealized loss on valuation of long-term investment securities, net (Notes 3 and 13) | | | | (36,608) | | (36,608) |
| Equity in other comprehensive income changes of affiliates, net (Notes 4 and 13) | | 1,279 | 3,323 | 4,651 | | 9,253 |
| Loss on valuation of currency swap, net (Notes 13 and 19) | | | | (6,309) | | (6,309) |
| Loss on valuation of interest swap, net (Notes 13 and 19) | | | | 2,415 | | 2,415 |
| Balance, September 30, 2010 | ₩ 44,639 | ₩ 3,033,288 | ₩ (2,861,173) | ₩ 878,069 | ₩ 10,328,856 | ₩ 11,423,679 |

(Continued)

SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

| | Common stock | Capital surplus | Capital adjustments | Accumulated other comprehensive income | Retained earnings | Total stockholders equity |
|--|-----------------|--------------------|------------------------|---|----------------------|---------------------------------|
| (In thousands of U.S. dollars) | | | | | | |
| Balance, January 1, 2009 | \$ 39,154 | \$ 2,593,715 | \$ (1,883,633) | \$ 327,853 | \$ 8,333,495 | \$ 9,410,584 |
| Cash dividends | | | | | (534,342) | (534,342) |
| Interim dividends (Note 17) | | | | | (63,455) | (63,455) |
| Net income | | | | | 915,800 | 915,800 |
| Conversion right | | 64,575 | | | | 64,575 |
| Treasury stock (Note 11) | | | 55,730 | | (81,113) | (25,383) |
| Loss on disposal of treasury stock | | (633) | (628) | | | (1,261) |
| Unrealized loss on valuation of long-term investment securities, net (Notes 3 and 13) | | | | 234,365 | | 234,365 |
| Equity in other comprehensive income changes of affiliates, net (Notes 4 and 13) | | 1,764 | 36,339 | (37,289) | (49,154) | (48,340) |
| Difference between the acquisition cost and net book value incurred from the business acquisition between companies under common control | | | (594,338) | | | (594,338) |
| Loss on valuation of currency swap, net (Notes 13 and 19) | | | | 11,502 | | 11,502 |
| Gain on valuation of interest swap, net (Notes 13 and 19) | | | | 12,019 | | 12,019 |
| Balance, September 30, 2009 | \$ 39,154 | \$ 2,659,421 | \$ (2,386,530) | \$ 548,450 | \$ 8,521,231 | \$ 9,381,726 |
| | \$ 39,154 | \$ 2,659,424 | \$ (2,375,588) | \$ 801,613 | \$ 8,735,453 | \$ 9,860,056 |

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| | | | | | | |
|---|-----------|--------------|----------------|------------|--------------|---------------|
| Balance, January 1, 2010 | | | | | | |
| Cash dividends | | | | | (533,021) | (533,021) |
| Interim dividends (Note 17) | | | | | (63,455) | (63,455) |
| Net income | | | | | 920,629 | 920,629 |
| Treasury stock (Note 11) | | (136,907) | | | | (136,907) |
| Unrealized loss on valuation of long-term investment securities, net (Notes 3 and 13) | | | | (32,110) | | (32,110) |
| Equity in other comprehensive income changes of affiliates, net (Notes 4 and 13) | 1,122 | 2,914 | 4,079 | | | 8,115 |
| Loss on valuation of currency swap, net (Notes 13 and 19) | | | | (5,533) | | (5,533) |
| Loss on valuation of interest swap, net (Notes 13 and 19) | | | | 2,118 | | 2,118 |
| Balance, September 30, 2010 | \$ 39,154 | \$ 2,660,546 | \$ (2,509,581) | \$ 770,167 | \$ 9,059,606 | \$ 10,019,892 |

See accompanying notes to non-consolidated financial statements.

SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

| | Korean won | | Translation into U.S. dollars (Note 2) | |
|---|--|--|--|--|
| | Nine months ended September 30, 2010 (In millions) | Nine months ended September 30, 2009 | Nine months ended September 30, 2010 (In thousands) | Nine months ended September 30, 2009 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Net income | ₩ 1,049,609 | ₩ 1,044,104 | \$ 920,629 | \$ 915,800 |
| Expenses not involving cash payments: | | | | |
| Provision for severance indemnities | 25,286 | 25,481 | 22,179 | 22,350 |
| Depreciation and amortization | 1,543,098 | 1,378,122 | 1,353,476 | 1,208,773 |
| Allowance for doubtful accounts | 50,354 | 97,860 | 44,166 | 85,835 |
| Foreign translation loss | 177 | 86,255 | 155 | 75,656 |
| Loss on valuation of short-term investment securities | 6,404 | | 5,617 | |
| Equity in losses of affiliates | 125,405 | 175,277 | 109,995 | 153,738 |
| Loss on disposal of accounts receivable other | | 28,711 | | 25,183 |
| Loss on disposal of property, equipment and intangible assets | 32,024 | 22,835 | 28,089 | 20,029 |
| Loss on valuation of derivative | 20,806 | 93,409 | 18,249 | 81,931 |
| Amortization of discounts on bonds and other | 27,289 | 35,780 | 23,936 | 31,382 |
| Sub-total | 1,830,843 | 1,943,730 | 1,605,862 | 1,704,877 |
| Income not involving cash receipts: | | | | |
| Foreign translation gain | (15,371) | (61,838) | (13,482) | (54,239) |
| Equity in earnings of affiliates | (69,935) | (42,132) | (61,341) | (36,955) |
| Gain on valuation of short-term investment securities | | (9,129) | | (8,007) |
| Gain on disposal of property, equipment and intangible assets | (7,285) | (604) | (6,390) | (530) |
| Gain on valuation of derivative | (1,255) | (74,743) | (1,101) | (65,558) |
| Other | (33,972) | (25,749) | (29,797) | (22,585) |

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| | | | | |
|--|-----------|-----------|-----------|-----------|
| Sub-total | (127,818) | (214,195) | (112,111) | (187,874) |
| Changes in assets and liabilities related to operating activities: | | | | |
| Accounts receivable trade | 129,402 | (79,619) | 113,501 | -69,835 |
| Accounts receivable other | (746,573) | (462,988) | (654,831) | (406,094) |
| Inventories | 7,029 | (2,759) | 6,165 | (2,420) |
| Prepaid expenses | (7,179) | 24,327 | (6,297) | 21,338 |
| Accrued income and other | 4,933 | 9,473 | 4,327 | 8,309 |
| Long-term accounts receivable other | (148,799) | (119,274) | (130,514) | (104,617) |
| Accounts payable | (11,946) | (30,989) | (10,478) | (27,181) |
| Income tax payable | (280,879) | (197,512) | (246,363) | (173,241) |
| Accrued expenses | 165,677 | 210,032 | 145,318 | 184,222 |
| Withholdings | 166,414 | (66,033) | 145,963 | (57,918) |
| Current portion of subscription deposits | (1,099) | (61) | (964) | (54) |
| Advanced receipts and other | 7,834 | (2,919) | 6,871 | (2,560) |
| Deferred income taxes | (35,600) | 20,683 | (31,225) | 18,141 |
| Severance indemnities payments | (12,744) | (20,368) | (11,178) | (17,865) |
| Deposits for group severance indemnities and other deposits | 4,357 | 12,618 | 3,822 | 11,067 |
| Dividends received from affiliate | 12,533 | 6,817 | 10,993 | 5,979 |
| Sub-total | (746,640) | (698,572) | (654,890) | (612,729) |
| Net Cash Provided by Operating Activities | 2,005,994 | 2,075,067 | 1,759,490 | 1,820,074 |

(Continued)

SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

| | Korean won | | Translation into U.S. dollars (Note 2) | |
|---|--|--|--|--|
| | Nine months ended September 30, 2010 | Nine months ended September 30, 2009 | Nine months ended September 30, 2010 | Nine months ended September 30, 2009 |
| | (In millions) | | (In thousands) | |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Cash inflows from investing activities: | | | | |
| Proceeds from disposal of property and equipment | ₩ 16,736 | ₩ 2,557 | \$ 14,679 | \$ 2,243 |
| Proceeds from disposal of intangible assets | 4,173 | 1,800 | 3,660 | 1,579 |
| Disposal of short-term investment securities, net | 280,057 | 240,153 | 245,642 | 210,642 |
| Collection of short-term loans | 163,196 | 266,778 | 143,142 | 233,995 |
| Proceeds from sales of long-term investment securities | 402,557 | 5,071 | 353,089 | 4,448 |
| Proceeds from sales of equity securities accounted for using the equity method | 44,953 | 6,444 | 39,429 | 5,652 |
| Collection of long-term loans | 72,385 | 25,173 | 63,490 | 22,080 |
| Decrease in guarantee deposits | 37,671 | 18,271 | 33,042 | 16,026 |
| Decrease in other non-current assets | 15,385 | 35,150 | 13,494 | 30,830 |
| Cash inflows from transaction of currency swap | 1,255 | 8,120 | 1,102 | 7,122 |
| Sub-total | 1,038,368 | 609,517 | 910,769 | 534,617 |
| Cash outflows for investing activities: | | | | |
| Acquisition of short-term financial instruments | (40,710) | (86,302) | (35,707) | (75,697) |
| Extension of short-term loans | (183,356) | (204,160) | (160,824) | (179,072) |
| Acquisition of property and equipment | (939,078) | (918,619) | (823,680) | (805,735) |
| Increase in intangible assets | (22,179) | (15,463) | (19,454) | (13,563) |
| Acquisition of long-term financial instruments | (50) | (6,500) | (44) | (5,701) |
| Acquisition of long-term investment securities | (30,566) | (188,841) | (26,810) | (165,635) |
| Acquisition of equity securities accounted for using the equity method | (882,742) | (433,996) | (774,267) | (380,665) |
| Extension of long-term loans | (81,840) | (15,531) | (71,783) | (13,622) |

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| | | | | |
|---|-------------|-------------|-------------|-------------|
| Increase in guarantee deposits and other | (52,075) | (120,959) | (45,677) | (106,096) |
| Cash outflows from transaction of currency swap | | (18,822) | | (16,509) |
| Cash outflows from business acquisition | | (894,983) | | (785,004) |
| Sub-total | (2,232,596) | (2,904,176) | (1,958,246) | (2,547,299) |
| Net Cash Used in Investing Activities | (1,194,228) | (2,294,659) | (1,047,477) | (2,012,682) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | |
| Cash inflows from financing activities: | | | | |
| Increase in guarantee deposits received and other | 52,177 | 7,153 | 45,765 | 6,274 |
| Proceeds from short-term borrowings | 100,000 | 600,000 | 87,712 | 526,270 |
| Issuance of bonds | | 1,114,937 | | 977,929 |
| Cash inflows from transaction of currency option | | 1,014 | | 889 |
| Sub-total | 152,177 | 1,723,104 | 133,477 | 1,511,362 |
| Cash outflows for financing activities: | | | | |
| Repayment of short-term borrowings | | (123,200) | | (108,061) |
| Repayment of long-term borrowings | | (6,186) | | (5,426) |
| Repayment of current portion of long-term debts | (290,000) | (715,672) | (254,364) | (627,727) |
| Decrease in other non-current liabilities | (10,679) | (2,152) | (9,367) | (1,888) |
| Payment of dividends | (680,016) | (681,548) | (596,453) | (597,797) |
| Acquisition of treasury stock | (156,088) | (28,938) | (136,907) | (25,382) |
| Cash outflows from transaction of currency swap | | (163,374) | | (143,297) |
| Sub-total | (1,136,783) | (1,721,070) | (997,091) | (1,509,578) |
| Net Cash Provided by (Used in) Financing Activities | (984,606) | 2,034 | (863,614) | 1,784 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | (172,840) | (217,558) | (151,601) | (190,824) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 420,576 | 434,177 | 368,894 | 380,824 |

| | | | | | | | | |
|---|---|---------|---|---------|----|---------|----|---------|
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | ₩ | 247,736 | ₩ | 216,619 | \$ | 217,293 | \$ | 190,000 |
|---|---|---------|---|---------|----|---------|----|---------|

See accompanying notes to non-consolidated financial statements.

SK TELECOM CO., LTD.
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

1. GENERAL

SK Telecom Co., Ltd. (the Company) was incorporated in March 1984 under the laws of Korea to engage in providing nationwide cellular telephone communication services in the Republic of Korea. The Company's common shares and depositary receipts (DRs) are listed on the Stock Market of Korea Exchange and the New York and London Stock Exchanges, respectively. As of September 30, 2010, the Company's total issued shares are held by the following:

| | Number of shares | Percentage of total shares issued (%) |
|---|---------------------|---|
| SK Group | 18,748,452 | 23.22 |
| POSCO Corp. | 2,341,569 | 2.90 |
| Institutional investors and other minority stockholders | 50,314,904 | 62.31 |
| Treasury stock | 9,340,786 | 11.57 |
| | 80,745,711 | 100.00 |

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Company maintains its official accounting records in Korean won and prepares statutory non-consolidated financial statements in Korean language (Hangul) in conformity with Korean GAAP. Certain accounting principles applied by the Company that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with accounting principles generally accepted in other countries. Accordingly, these financial statements are intended for use by those who are informed about Korean accounting principles and practices. The accompanying financial statements have been condensed, restructured and translated into English with certain expanded descriptions from the Korean language financial statements. Certain information included in the Korean language financial statements, but not required for a fair presentation of the Company's financial position, results of operations, changes in stockholders' equity or cash flows, is not presented in the accompanying financial statements. The accompanying non-consolidated financial statements are stated in Korean won, the currency of the country in which the Company is incorporated and operates. The translation of Korean won amounts into U.S. dollar amounts is included solely for the convenience of readers of financial statements and has been made at the rate of ₩1,140.10 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, 2010. Such translations into U.S. dollars should not be construed as representations that the Korean won amounts could be converted into U.S. dollars at that, or any other rate.

3. INVESTMENT SECURITIES**a. Short-term Investment Securities**

Short-term investment securities as of September 30, 2010 and December 31, 2009 are as follows (In millions of Korean won):

| | September 30, 2010 | | December 31, 2009 | |
|--|--------------------|------------|-------------------|--------------------------------|
| | Acquisition cost | Fair value | Carrying amount | Fair value and carrying amount |
| Trading securities (Note) | ₩ 85,000 | ₩ 83,721 | ₩ 83,721 | ₩ 370,126 |
| Current portion of long-term investment securities | 245,533 | 504,463 | 504,463 | 56 |
| Total | ₩ 328,533 | ₩ 588,184 | ₩ 588,184 | ₩ 370,182 |

(Note) The Company's trading securities as of September 30, 2010 are all beneficiary certificates, and the difference between the fair value and acquisition cost was recorded in other income (expenses) as gain (loss) on valuation of short-term investment securities.

b. Long-term Investment Securities

Long-term investment securities as of September 30, 2010 and December 31, 2009 are as follows (In millions of Korean won):

| | September 30, 2010 | December 31, 2009 |
|--------------------------------------|--------------------|-------------------|
| Available-for-sale equity securities | ₩ 1,944,859 | ₩ 2,026,921 |
| Available-for-sale debt securities | 93,229 | 393,397 |
| Total | 2,038,088 | 2,420,318 |
| Less: current portion | (504,463) | (56) |
| Long-term portion | ₩ 1,533,625 | ₩ 2,420,262 |

b-(1). Available-for-sale Equity Securities

Available-for-sale equity securities as of September 30, 2010 and December 31, 2009 are as follows (In millions of Korean won):

| | Number of shares | Percentage (%) | September 30, 2010 | | Carrying amount | |
|--|------------------|----------------|--------------------------|--------------------|------------------------|-------------------|
| | | | Acquisition cost | Fair value | September 30, 2010 | December 31, 2009 |
| (Investments in listed companies) | | | | | | |
| SK C&C Co., Ltd. | 4,500,000 | 9.0 | ₩ 150,495 | ₩ 411,425 (Note a) | ₩ 411,425 | ₩ 201,600 |
| Digital Chosunilbo Co., Ltd. | 2,890,630 | 7.8 | 5,781 | 6,475 | 6,475 | 6,995 |
| KRTnet Corporation | 234,150 | 4.4 | 1,171 | 1,571 | 1,571 | 1,573 |
| POSCO Corp. | 2,481,310 | 2.8 | 332,662 | 1,280,356 | 1,280,356 | 1,533,450 |
| nTels Co., Ltd. | 205,200 | 6.2 | 34 | 753 | 753 | 1,161 |
| IHQ, Inc. | 3,790,770 | 9.4 | 3,830 | 4,871 (Note b) | 4,871 | |
| Sprint Nextel | | | | (Note c) | | 74,215 |
| Sub-total | | | 493,973 | 1,705,451 | 1,705,451 | 1,818,994 |
| (Investments in non-listed companies) | | | | | | |
| The Korea Economic Daily | 2,585,069 | 13.8 | 13,964 (Note d) | | 13,964 | 13,964 |
| Others | | | 121,160 (Notes c, d & e) | | 4,902 | 5,601 |
| Sub-total | | | 135,124 | | 18,866 | 19,565 |
| (Investments in funds) | | | | | | |
| Global Opportunities Breakaway Fund | | | 216,508 | 206,872 (Note f) | 206,872 | 175,140 |
| Others | | | 13,669 (Note d) | | 13,670 | 13,222 |
| Sub-total | | | 230,177 | | 220,542 | 188,362 |
| Total | | | 859,274 (150,735) | | 1,944,859 (411,666) | 2,026,921 |

Less: current
portion

Long-term
portion

₩ 708,539

₩ 1,533,193 ₩ 2,026,921

- (Note a) As the common stocks of SK C&C were listed on the Stock Market of Korea Exchange during the year ended December 31, 2009, the Company sold 10,500,000 shares through initial public offering and recorded the residual investment at its market value as of September 30, 2010. In addition, the Company recorded unrealized gain on valuation of investments of ₩233,099 million (net of tax effect ₩74,419 million) as of September 30, 2010.
- (Note b) The Company disposed 11,170,014 shares during the nine months ended September 30, 2010. As a result, the Company reclassified the remaining shares from equity securities accounted for using the equity method to available-for-sale equity securities.
- (Note c) The investment in common stock of Sprint Nextel and others were sold during the nine months ended September 30, 2010 and the difference between the disposal price and acquisition cost was recorded as loss on disposal of long term investment securities.
- (Note d) As a reasonable estimate of fair value could not be made, the investment is stated at acquisition cost.
- (Note e) Due to the impairment of the investment of Mobinex Inc. and others, the Company recorded ₩6,246 million of impairment loss on investment securities for the year ended December 31, 2009.
-

(Note f) For the year ended December 31, 2009, the Company entered into limited partnership agreement with overseas private fund. In accordance with the partnership agreement, the Company has contributed US\$175 million out of total capital commitment of US\$200 million. In addition, the difference between the fair value and acquisition cost of ₩7,516 million (net of tax effect of ₩2,120 million) was recorded as unrealized gain on valuation of long-term investment securities in other comprehensive income.

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

Available-for-sale debt securities as of September 30, 2010 and December 31, 2009 are as follows (In millions of Korean won):

| | Maturity (Note a) | Acquisition cost | Carrying amount | |
|--|----------------------|---------------------|-----------------------|----------------------|
| | | | September 30, 2010 | December 31, 2009 |
| Public bonds | October 2011 | ₩ 401 | ₩ 401 | ₩ 457 |
| Closed beneficiary certificates | 2011 | 31 | 30 | 8 |
| Bond-type beneficiary certificates | June 2011 | | | 300,134 |
| Subordinated bonds (Note b) | | 90,980 | 90,980 | 90,980 |
| Convertible bonds of Magic Tech Network Co., Ltd. (Note c) | March 2011 | 1,818 | 1,818 | 1,818 |
| Total | | 93,230 | 93,229 | 393,397 |
| Less current portion | | (92,798) | (92,798) | (56) |
| Long-term available-for-sale debt securities | | ₩ 432 | ₩ 431 | ₩ 393,341 |

The interest income incurred from available-for-sale debt securities for the nine months ended September 30, 2010 and 2009, and for the three months ended September 30, 2010 and 2009, is ₩10 million and ₩229 million, ₩3 million and ₩68 million, respectively.

(Note a) The maturities of public bonds as of September 30, 2010 and December 31, 2009 are as follows (In millions of Korean won):

| Maturity | September 30, 2010 | December 31, 2009 |
|--------------------------------------|-----------------------|----------------------|
| Within one year | ₩ | ₩ 56 |
| After one year but within five years | 401 | 401 |
| | ₩ 401 | ₩ 457 |

(Note b) The Company purchased subordinated bonds issued by a special purpose company as part of the asset-backed securitization of accounts receivable-other resulting from its mobile phone financing plan.

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

4. EQUITY SECURITIES ACCOUNTED FOR USING THE EQUITY METHOD

Equity securities accounted for using the equity method of accounting as of September 30, 2010 and December 31, 2009 are as follows (In millions of Korean won):

| | September 30, 2010 | | | Carrying Amount | | |
|-------------------------------------|--------------------|--------------------------|------------------|------------------|--------------------|-------------------|
| | Number of shares | Ownership percentage (%) | Acquisition cost | Net asset value | September 30, 2010 | December 31, 2009 |
| SK Broadband Co., Ltd. | 149,638,354 | 50.6 | ₩ 1,450,804 | ₩ 671,250 | ₩ 1,174,573 | ₩ 1,242,247 |
| SK Communications Co., Ltd. | 28,029,945 | 64.7 | 175,441 | 146,488 | 157,048 | 148,831 |
| SK Telink Co., Ltd. | 943,997 | 90.8 | 5,296 | 153,430 | 153,430 | 133,029 |
| SK Marketing & Company Co., Ltd. | 5,000,000 | 50 | 190,000 | 116,261 | 116,261 | 112,531 |
| HanaSK Card Co., Ltd. | 57,647,058 | 49 | 402,476 | 315,282 (Note a) | 383,944 | |
| PS&Marketing Corporation | 30,000,000 | 100 | 230,000 | 190,100 (Note b) | 190,100 | 133,934 |
| SK Wyverns Baseball Club Co., Ltd. | 199,997 | 100 | 1,000 | | | |
| Paxnet Co., Ltd. | 5,590,452 | 59.7 | 26,563 | 15,142 | 28,284 | 30,611 |
| F&U Credit Information Co., Ltd. | 300,000 | 50 | 2,410 | 3,935 | 4,364 | 4,481 |
| TU Media Corp. | 28,538,064 | 44.2 | 151,980 | 11,057 | 11,057 | 11,710 |
| IHQ, Inc. | | | | | (Note c) | 20,178 |
| Ntreev Soft Co., Ltd. | 2,064,970 | 63.7 | 33,196 | 9,249 | 9,249 | 7,708 |
| Commerce Planet Co., Ltd. | 29,396 | 100 | 8,251 | 360 | 360 | 139 |
| Loen Entertainment, Inc. | 16,054,812 | 63.5 | 57,874 | 48,531 | 48,531 | 40,234 |
| Harex Info Tech, Inc. | | | | | (Note c) | 62 |
| SK Mobile | | 20 | 4,930 | 2,111 | 2,111 | 2,111 |
| SKT Vietnam PTE Ltd. | 180,476,700 | 73.3 | 191,273 | 24,673 | 24,673 | 26,264 |
| Skytel Co., Ltd. | 1,951,777 | 29.3 | 2,159 | 18,683 | 18,683 | 14,958 |
| SK China Company Ltd. | 72,000 | 22.5 | 49,529 | 48,916 (Note b) | 47,830 | 3,919 |
| SK Telecom China Co., Ltd. | | 100 | 7,340 | 9,443 | 9,443 | 9,443 |
| TR Entertainment ULand Company Ltd. | 14,100,100 | 42.2 | 10,953 | 2,317 | 6,350 | 7,560 |
| SKT Americas, Inc. | 109 | 70.1 | 17,511 | 3,829 | 3,829 | 3,819 |
| SK Telecom China Holding Co., Ltd. | | 100 | 63,494 | 56,156 (Note b) | 56,156 | 26,131 |
| SK USA, Inc. | 49 | 49 | 34,251 | 28,052 (Note b) | 28,052 | 23,396 |
| | | | 3,184 | 5,498 | 5,498 | 5,498 |

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| | | | | | | |
|---|-------------|------|---------|---------|---------|---------|
| Helio, Inc. | 79,437 | 14.3 | 134 | 12 | 12 | 12 |
| Korea IT Fund | 190 | 63.3 | 190,000 | 225,462 | 225,462 | 220,957 |
| 1st Music Investment Fund of SK-PVC | 1,385 | 69.3 | 3,903 | 2,646 | 2,646 | 4,695 |
| 2nd Music Investment Fund of SK-PVC | 1,585 | 79.3 | 699 | 661 | 661 | 8,036 |
| SK-KTB Music Investment Fund | 209,947,978 | 74.2 | 210 | 442 | 442 | 13,538 |
| Stonebridge Cinema Fund | 120 | 45.6 | 12,000 | 7,510 | 7,510 | 8,255 |
| Michigan Global Cinema Fund | 40 | 36.4 | 4,000 | 3,585 | 3,585 | 3,651 |
| 3rd Fund of Isu Entertainment | 25 | 31.3 | 2,500 | 1,635 | 1,635 | 1,635 |
| SK Telecom Advanced Tech & Service Center | | 100 | 6,989 | 9,536 | 9,536 | 9,536 |
| Cyworld China Holdings | 10,500,000 | 53.8 | 10,272 | | | |
| Magic Tech Network Co., Ltd. | 4,500 | 30 | 8,494 | 941 | 4,340 | 5,267 |
| SK Telecom Global Investment B.V. | 18,000 | 100 | 39,319 | 40,252 | 40,252 | 41,013 |
| SKY Property Mgmt. Ltd. | 22,980 | 60 | 283,368 | 269,557 | 269,557 | 264,850 |

| | September 30, 2010 Ownership | | | Net asset value | Carrying Amount | |
|---|---------------------------------|-------------------|---------------------|-----------------------|-----------------------|----------------------|
| | Number of shares | percentage (%) | Acquisition cost | | September 30, 2010 | December 31, 2009 |
| Wave City Development Co. Ltd. | 382,000 | 19.1 | 1,967 | 1,532 | 1,532 | 1,532 |
| Prmaxsoftware Tech. Co., Ltd. | | 97.2 | 11,665 | 100 | 100 | 2,432 |
| Benex Digital Cultural Contents Fund | 50 | 19.9 | 5,000 | 4,694 | 4,694 | 4,912 |
| 2nd Benex Focus investment Fund | 200 | 66.7 | 20,000 | 19,344 | 19,344 | 19,782 |
| K-net Culture & Contents Venture Fund | 295 | 59 | 29,500 | 28,364 (Note b) | 28,364 | 11,157 |
| Open Innovation Fund | 450 | 98.9 | 45,000 | 44,474 (Note b) | 44,474 | 19,938 |
| UniSK | 49 | 49 | 3,475 | 4,247 | 4,247 | 4,247 |
| SK Beijing Industrial Development Co., Ltd. | 19,843,800 | 100 | 23,709 | 18,009 | 18,009 | 18,009 |
| Cyworld Japan | 375,000 | 30 | 3,141 | 66 | 66 | 66 |
| Cyworld Inc. | 2,850,000 | 30 | 2,672 | | | |
| Daehan Kanggun BcN Co., Ltd. | 1,461,486 | 29 | 7,307 | 7,262 | 7,262 | 7,272 |
| SK Telecom Europe Limited | 690,000 | 100 | 1,286 | 1,286 (Note d) | 1,286 | 1,286 |
| SK Fans Co., Limited | | 51 | 13,775 | 13,775 (Note e) | 13,775 | |
| SK Telecom Smart City Management Co., Ltd. | | 60 | 1,709 | 1,709 (Note e) | 1,709 | |
| Service Ace Co., Ltd. | 4,385,400 | 100 | 21,927 | 22,335 (Note e) | 22,335 | |
| Service Top Co., Ltd. | 2,856,200 | 100 | 14,281 | 16,723 (Note e) | 16,723 | |
| Network O&S Co., Ltd. | 3,000,000 | 100 | 15,000 | 20,515 (Note e) | 20,515 | |
| YTK Investment Ltd. | | 58.5 | 28,000 | 28,000 (Note e) | 28,000 | |
| Benex Sector Limited Partnership IV | | 49.7 | 25,000 | 25,000 (Note e) | 25,000 | |
| KIF Stonebridge Fund | | 22.5 | 700 | 700 (Note e) | 700 | |
| | | 49 | 28,146 | 28,146 (Note e) | 28,146 | |

| | | | | |
|-------------------------------------|------|------------|-----------------|------------|
| SK Technology Innovation Company | | | | |
| PT. Melon Indonesia | 49 | 6,493 | 6,492 (Note e) | 6,492 |
| Packet One Network | 27.2 | 119,984 | 39,479 (Note f) | 119,984 |
| | | ₩4,111,540 | ₩3,458,221 | ₩2,680,872 |

(Note a) The Company acquired 57,647,058 shares of HanaSK Card Co., Ltd. during the nine months ended September 30, 2010. As a result, the Company holds 49.0% ownership in HanaSK Card Co., Ltd.

(Note b) During the nine months ended September 30, 2010, the Company made an additional investment of ₩80,000 million, ₩44,859 million, ₩33,036 million, ₩4,656 million, ₩17,700 million and ₩25,000 million in PS&Marketing Corporation, SK China Company Ltd., SKT Americas, Inc., SK Telecom China Holdings Co., Ltd., K-net Culture & Contents Venture Fund and Open Innovation Fund, respectively.

(Note c) During the nine months ended September 30, 2010, the ownership percentage of IHQ Inc. was decreased because the Company disposed 11,170,014 shares. And the ownership percentage of harex info Tech, Inc was decreased because the Company did not participate in paid-in capital increase. As a result, the Company reclassified remaining shares of IHQ Inc. and Harex Info Tech, Inc. from the equity securities accounted for using the equity method to available-for-sale equity securities.

(Note d) As allowed under Korean GAAP, investments in equity securities of SK Telecom Europe Limited is 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.

(Note e) During the nine months ended September 30, 2010, the Company incorporated SK Fans Co., Limited, SK Telecom Smart City management Co., Ltd., Service Ace Co., Ltd., Service Top Co., Ltd., Network O&S Co., Ltd., YTK Investment Ltd., Benex Sector Limited Partnership IV, KIF Stonebridge Fund, SK Technology Innovation Company and PT. Melon Indonesia.

(Note f) During the nine months ended September 30, 2010, the Company acquired 979,474 shares of convertible preferred stock of Packet One Network. As a result, the Company holds 27.2% ownership in Packet One Network.

Details of the changes in investments in affiliates accounted for using the equity method for the nine months ended September 30, 2010 and 2009 are as follows (In millions of Korean won):

| | | For the nine months ended September 30, 2010 | | | | | | | | |
|------------------------------------|-----------------|--|----------|------------|-----------|-------------|---------|----------|------------|-------------|
| | | Beginning | Acquisi- | Equity in | Equity in | Capital | Equity | Dividend | Other | Ending |
| | | Balance | -tion | earnings | prehen- | Surplus | method | received | increase | balance |
| | | | | (losses) | sive | adjustments | in | | (decrease) | |
| | | | | | income | | capital | | | |
| SK Broadband Co., Ltd. | (Note a) | ₩ 1,242,247 | ₩ | ₩ (62,305) | ₩ (5,505) | ₩ | ₩ 136 | ₩ | ₩ | ₩ 1,174,573 |
| SK Communications Co., Ltd. | (Note a) | 148,831 | | 6,944 | 791 | 998 | (516) | | | 157,048 |
| SK Telink Co., Ltd. | (Notes a and c) | 133,029 | | 27,858 | (94) | | | (7,363) | | 153,430 |
| SK Marketing & Company Co., Ltd. | (Note a) | 112,531 | | 3,777 | (47) | | | | | 116,261 |
| HanaSK Card Co., Ltd. | (Note a) | | 402,476 | (18,310) | (222) | | | | | 383,944 |
| PS&Marketing Corporation | (Note a) | 133,934 | 80,000 | (22,672) | | | (1,162) | | | 190,100 |
| SK Wyverns Baseball Club Co., Ltd. | (Note b) | | | (221) | | | | | 221 | |
| Paxnet Co., Ltd. | (Notes a and c) | 30,611 | | (1,248) | | 360 | (360) | (1,079) | | 28,284 |
| F&U Credit information Co., Ltd. | (Note b) | 4,481 | | (117) | | | | | | 4,364 |
| TU Media Corp. | (Note a) | 11,710 | | (653) | | | | | | 11,057 |
| IHQ, Inc. | (Note a) | 20,178 | | (2,867) | (16) | | | | (17,295) | |
| Ntreev Soft Co., Ltd. | (Note a) | 7,708 | | 1,543 | (2) | | | | | 9,249 |
| Commerce Planet Co., Ltd. | (Note b) | 139 | | 221 | | | | | | 360 |
| Loen Entertainment, Inc. | (Notes a and c) | 40,234 | | 8,714 | 209 | | | (626) | | 48,531 |
| Harex Info Tech, Inc. | (Note b) | 62 | | | | | | | (62) | |

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| | | | | | | | | | |
|-------------------------------------|--------------------|---------|--------|---------|-------|----|---------|----------|---------|
| SK Mobile | (Note b) | 2,111 | | | | | | | 2,111 |
| SKT Vietnam PTE Ltd. | (Note a) | 26,264 | | (922) | (669) | | | | 24,673 |
| Skytel Co., Ltd. | (Notes a and c) | 14,958 | | 2,832 | 1,337 | | (444) | | 18,683 |
| SK China Company Ltd. | (Note d) | 3,919 | 44,858 | | | | (947) | | 47,830 |
| SK Telecom China Co., Ltd. | (Note b) | 9,443 | | | | | | | 9,443 |
| TR Entertainment ULand Company Ltd. | (Note b) | 7,560 | | (1,210) | | | | | 6,350 |
| SKT Americas, Inc. | (Note a) | 3,819 | | (138) | 148 | | | | 3,829 |
| SK Telecom China Holding Co., Ltd. | (Note a) | 26,131 | 33,037 | (8,490) | 5,478 | | | | 56,156 |
| SK USA, Inc. | (Note b) | 23,396 | 4,657 | 24 | (25) | | | | 28,052 |
| Helio, Inc. | (Note b) | 5,498 | | | | | | | 5,498 |
| Korea IT Fund | (Notes a and c) | 12 | | | | | | | 12 |
| 1st Music Investment Fund of SK-PVC | (Notes b and d) | 220,957 | | 6,509 | 954 | | (2,958) | | 225,462 |
| 2nd Music Investment Fund of SK-PVC | (Notes b and d) | 4,695 | | | | | | (2,049) | 2,646 |
| SK-KTB Music Investment Fund | (Notes a, c and d) | 8,036 | | (548) | | | | (6,827) | 661 |
| Stonebridge Cinema Fund | (Note a) | 13,538 | | 682 | 925 | 44 | (63) | (14,684) | 442 |
| Michigan Global Cinema Fund | (Note b) | 8,255 | | (745) | | | | | 7,510 |
| 3rd Fund of Isu Entertainment | (Note b) | 3,651 | | (66) | | | | | 3,585 |
| | | 1,635 | | | | | | | 1,635 |
| | | 9,536 | | | | | | | 9,536 |

| | | | | |
|---|-------------|---------|-------------|---------|
| SK Telecom Advanced Tech & Service Center | (Note b) | | | |
| Cyworld China Holdings | (Note b) | (11) | 11 | |
| Magic Tech Network Co., Ltd. | (Note b) | (927) | | 4,340 |
| SK Telecom Global Investment B.V. | (Note a) | 41,013 | 141 (902) | 40,252 |
| SKY Property Mgmt. Ltd. | (Note a) | 264,850 | 2,324 2,383 | 269,557 |
| Wave City Development Co. Ltd. | (Note b) | 1,532 | | 1,532 |
| Prmaxsoftware Tech. Co., Ltd. | (Note b) | 2,432 | (2,332) | 100 |
| Benex Digital Cultural Contents Fund | (Note b) | 4,912 | (218) | 4,694 |

For the nine months ended September 30, 2010

| | | | | Equity in other com- prehen- sive income | Equity method in Capital Surplus | Dividend received | Other increase (decrease) | Ending balance |
|--|----------------------|-------------------|--------------------------------------|--|--|----------------------|---------------------------------|-------------------|
| | Beginning Balance | Acquisi- -tion | Equity in earnings (losses) | | | | | |
| 2nd Benex Focus investment Fund (Note a) | 19,782 | | (438) | | | | | 19,344 |
| K-net Culture & Contents Venture Fund (Note a) | 11,157 | 17,700 | (493) | | | | | 28,364 |
| Open Innovation Fund (Note a) | 19,938 | 25,000 | (463) | | (1) | | | 44,474 |
| UniSK SK Beijing Industrial Development (Note Co., Limited (Note b) | 4,247 | | | | | | | 4,247 |
| Cyworld Japan (Note b) | 18,009 | | | | | | | 18,009 |
| Cyworld Inc. Daehan Kanggun BcN (Note Co., Ltd. (Note b) | 66 | | | | | | | 66 |
| SK Telecom Europe Limited (Note b) | 7,272 | | (10) | | | | | 7,262 |
| SK Fans Co., Limited (Note b) | 1,286 | | | | | | | 1,286 |
| SK Telecom Smart City Management (Note Co., Ltd. (Note b) | | 13,775 | | | | | | 13,775 |
| Service Ace Co., Ltd. (Note a) | | 1,709 | | | | | | 1,709 |
| Service Top Co., Ltd. (Note a) | | 21,927 | 408 | | | | | 22,335 |
| Network O&S Co., Ltd. (Note a) | | 14,281 | 2,442 | | | | | 16,723 |
| | | 15,000 | 5,515 | | | | | 20,515 |
| | | 28,000 | | | | | | 28,000 |

| | | | | | | | | | | |
|-------------------------------------|----------|------------|---------|----------|-------|-------|---------|----------|----------|------------|
| YTK Investment, Ltd. | (Note b) | | | | | | | | | |
| Benex Sector Limited Partnership IV | (Note b) | 25,000 | | | | | | | | 25,000 |
| KIF Stonebridge Fund | (Note b) | 700 | | | | | | | | 700 |
| SK Technology Innovation Company | (Note b) | 28,146 | | | | | | | | 28,146 |
| PT. Melon Indonesia | (Note b) | 6,492 | | | | | | | | 6,492 |
| Packet One Network | (Note b) | 119,984 | | | | | | | | 119,984 |
| Total | | ₩2,680,872 | 884,742 | (55,470) | 4,754 | 1,358 | (1,859) | (12,533) | (41,643) | ₩3,458,221 |

(Note a) Investment is recorded using the equity method of accounting based on unaudited and unreviewed financial statements as of and for the nine months ended September 30, 2010. In order to verify the reliability of such unaudited and unreviewed financial statements, the Company has performed the following procedures and found no significant errors:

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

(Note b) Investments in equity securities are carried using the equity method of accounting based on the financial statements as of December 31, 2009 as information as of September 30, 2010 is not available. The change in the Company's portion of stockholders' equity of the investee for the nine months ended September 30, 2010 is expected to be immaterial.

- (Note c) The Company received dividends from SK Telink Co., Ltd., Paxnet Co., Ltd., Loen Entertainment, Inc., Skytel Co., Ltd., Korea IT Fund and SK-KTB Music Investment Fund and the corresponding amounts are deducted from the carrying amount of equity securities accounted for using the equity method.
- (Note d) Other decrease in SK China Company Ltd., 1st Music Investment Fund of SK-PVC and 2nd Music Investment Fund of SK-PVC is due partial disposal of investments during the nine months ended September 30, 2010.
-

| For the nine months ended September 30, 2009 | | | | | | | | | | |
|--|-----------------|-------------|-----------|---------------|----------|------------|-------------|----------|------------|---------|
| Equity in other | | | | | | | | | | |
| | Beginning | Acquisi | Equity in | comprehensive | Capital | Equity | Equity | Dividend | Other | Endin |
| | balance | -tion | earnings | income | surplus | method in | method | received | increase | balan |
| | | | (losses) | | | retained | in | | (decrease) | |
| | | | | | | earnings | capital | | | |
| | | | | | | | adjustments | | | |
| roadband Ltd. | (Note a) | ₩ 1,146,736 | ₩ 241,176 | ₩ (76,740) | ₩ 5,021 | ₩ (56,043) | ₩ 22,555 | ₩ | ₩ | ₩ 1,282 |
| communications Ltd. | (Note a) | 147,392 | | (10,850) | (18,433) | 2,047 | 15,705 | | | 135 |
| elink Co., | (Notes a and c) | 112,358 | | 23,009 | 273 | | | (6,325) | | 129 |
| Marketing & Company Co., | (Note a) | 101,345 | | 11,167 | (4,770) | | | | | 107 |
| Marketing Corporation | (Note a) | | 150,000 | (15,200) | | | | | | 134 |
| Lyverns Football Club Ltd. | (Note b) | | | (1) | | | | | | |
| et Co., Ltd. | (Notes a and c) | 30,086 | | 1,136 | (281) | | 281 | (492) | | 30 |
| Credit Information Co., | (Note b) | 4,244 | | (108) | | | | | | 4 |
| Media Corp. | (Note a) | 14,847 | | (2,371) | 36 | (36) | | | | 12 |
| oss Co., | (Note d) | 7,289 | | | | | | | (7,289) | |
| Inc. | (Note a) | 26,957 | | (5,345) | (5,007) | | 5,970 | | | 22 |
| v Soft Co., | (Note a) | 9,575 | | (302) | 43 | | 49 | | | 9 |
| merce Planet Ltd. | (Note b) | 1,535 | | (428) | | | | | | 1 |
| tainment, | (Note a) | 35,895 | | 1,323 | 2,945 | | (322) | | | 39 |
| | | 598 | | (265) | | | | | | |

- (Note a) Investment is 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 is 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 is transferred to the investment in SKT Americas, Inc. as of September 30, 2009.
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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 nine months ended September 30, 2010 and 2009 are as follows (In millions of Korean won):

For the nine months ended September 30, 2010

| | Beginning balance | Increase/ (Decrease) | Amortization | Ending balance |
|----------------------------------|----------------------|-------------------------|--------------|-------------------|
| SK Broadband Co., Ltd. | ₩ 534,955 | ₩ | ₩ (31,632) | ₩ 503,323 |
| SK Communications Co., Ltd. | 11,229 | | (669) | 10,560 |
| HanaSK Card Co., Ltd. | | 70,690 | (2,026) | 68,664 |
| Paxnet Co., Ltd. | 13,946 | | (805) | 13,141 |
| F&U Credit information Co., Ltd. | 461 | | (31) | 430 |
| IHQ, Inc. | 8,260 | (6,883) | (1,377) | |
| Loen Entertainment, Inc. | 408 | | (408) | |
| TR Entertainment | 5,243 | | (1,210) | 4,033 |
| Magic Tech Network Co., Ltd. | 4,326 | | (928) | 3,398 |
| Daehan Kanggun BcN Co., Ltd. | | 9 | (9) | |
| Packet One Network | | 80,505 | | 80,505 |
| Total | ₩ 578,828 | ₩ 144,321 | ₩ (39,095) | ₩ 684,054 |

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 | | (805) | 14,213 |
| F&U Credit Information Co., Ltd. | 503 | | (31) | 472 |
| 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 |
| Total | ₩ 715,388 | ₩ 26,435 | ₩ (43,603) | ₩ 698,220 |

Details of changes in unrealized intercompany gains incurred from sales of assets for the nine months ended September 30, 2010 and 2009 are as follows (In millions of Korean won):

| | For the nine months ended September 30, 2010 | | | |
|-----------------------------|--|----------|----------|-------------------|
| | Beginning balance | Increase | Decrease | Ending balance |
| SK Communications Co., Ltd. | ₩ 128 | ₩ | ₩ (128) | ₩ |
| SK China Company Ltd. | 1,086 | | | 1,086 |
| Total | ₩ 1,214 | | (128) | ₩ 1,086 |

| | For the nine months ended September 30, 2009 | | | |
|-----------------------------|--|----------|----------|-------------------|
| Subsidiary | Beginning balance | Increase | Decrease | Ending balance |
| SK Communications Co., Ltd. | ₩ 269 | ₩ | ₩ (105) | ₩ 164 |
| SK China Company Ltd. | 1,086 | | | 1,086 |
| Total | ₩ 1,355 | | (105) | ₩ 1,250 |

Details of market price of the equity securities accounted for using the equity method as of September 30, 2010 are as follows (In millions of Korean won, except for market price per share):

| | Market price per share (In Korean won) | Number of shares owned by the Company | Market price |
|-----------------------------|---|--|-----------------|
| SK Broadband Co., Ltd. | ₩ 5,440 | 149,638,354 | ₩ 814,033 |
| SK Communications Co., Ltd. | 18,800 | 28,029,945 | 526,963 |
| Loen Entertainment, Inc. | 6,230 | 16,054,812 | 100,021 |

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The condensed financial information of the investees as of and for the nine months ended September 30, 2010 is as follows (In millions of Korean won):

| | Total assets | Total liabilities | Revenue | Net income (loss) |
|---------------------------------------|-----------------|----------------------|-------------|-------------------------|
| SK Broadband Co., Ltd. | ₩ 2,972,705 | ₩ 1,645,086 | ₩ 1,525,155 | ₩ (61,624) |
| SK Communications Co., Ltd. | 328,895 | 102,336 | 176,005 | 9,777 |
| SK Telink Co., Ltd. | 248,845 | 79,812 | 238,425 | 32,987 |
| SK Marketing & Company Co., Ltd. | 635,625 | 403,103 | 291,913 | 10,439 |
| HanaSK Card Co., Ltd. | 2,729,003 | 2,085,569 | 342,920 | (46,729) |
| PS&Marketing Corporation | 355,687 | 165,587 | 528,547 | (22,584) |
| Paxnet Co., Ltd. | 36,877 | 11,528 | 23,449 | (794) |
| TU Media Corp. | 220,872 | 195,830 | 93,557 | (1,703) |
| Loen Entertainment, Inc. | 122,985 | 46,532 | 101,879 | 15,066 |
| SKT Vietnam PTE Ltd. | 49,267 | 15,616 | 170 | (1,005) |
| Skytel Co., Ltd. | 71,491 | 7,821 | 22,989 | 10,342 |
| SKT Americas, Inc | 56,680 | 524 | 13,554 | (7,664) |
| SK Telecom China Holdings Co.,Ltd. | 33,749 | 5,698 | 18,198 | (1,366) |
| Korea IT Fund | 355,992 | | | 12,249 |
| SKT-KTB Music Investment Fund | 602 | 7 | 915 | 918 |
| Stonebridge Cinema Fund | 16,575 | 115 | 390 | 1,469 |
| SK Telecom Global Investment B.V. | 40,359 | 107 | 328 | 141 |
| SKY Property Mgmt. Ltd. | 560,306 | 111,045 | 29,074 | 4,106 |
| 2nd Benex Focus investment Fund | 29,015 | | 223 | (658) |
| K-net Culture & Contents Venture Fund | 48,074 | | 115 | (835) |
| Open Innovation Fund | 44,968 | | 348 | (471) |
| Service Ace Co., Ltd. | 37,354 | 15,019 | 26,549 | 408 |
| Service Top Co., Ltd. | 28,105 | 11,382 | 28,718 | 2,442 |
| Network O&S Co., Ltd. | 32,330 | 11,815 | 31,576 | 5,515 |

5. LOANS TO EMPLOYEES

Short-term and long-term loans to employees as of September 30, 2010 and December 31, 2009 are as follows (In millions of Korean won):

| | September 30, 2010 | | | December 31, 2009 |
|---|--------------------|-----------------|-----------------|-------------------|
| | Short-term | Long-term | Total | |
| Loans to employees stock ownership Association (Note) | ₩ 10,605 | ₩ 35,936 | ₩ 46,541 | ₩ 58,198 |
| Loans to employees for housing and other | 9 | 1 | 10 | 45 |
| Total | ₩ 10,614 | ₩ 35,937 | ₩ 46,551 | ₩ 58,243 |

(Note) The Company loaned the amount above to Employees Stock Ownership Association to help fund its 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.

6. PROPERTY AND EQUIPMENT

Property and equipment as of September 30, 2010 and December 31, 2009 are as follows (In millions of Korean won):

| | Useful lives (years) | September 30, 2010 | December 31, 2009 |
|--------------------------------|--------------------------------|-----------------------|----------------------|
| Land | | ₩ 409,921 | ₩ 416,732 |
| Buildings and structures | 30,15 | 1,576,522 | 1,577,119 |
| Machinery | 6 | 13,793,131 | 14,236,456 |
| Vehicles | 4 | 52,143 | 54,189 |
| Other | 4 | 1,187,104 | 1,004,183 |
| Construction in progress | | 461,095 | 336,835 |
| | | 17,479,946 | 17,625,514 |
| Less: accumulated depreciation | | (12,654,957) | (12,428,993) |
| Property and equipment, net | | ₩ 4,824,989 | ₩ 5,196,521 |

Details of change in property and equipment for the nine months ended September 30, 2010 and 2009 are as follows (In millions of Korean won):

| | For the nine months ended September 30, 2010 | | | | | Ending balance |
|-----------------------------|--|-------------|------------|-------------|---------------|-------------------|
| | Beginning balance | Acquisition | Disposal | Transfer | Depreciation | |
| Land | ₩ 416,732 | ₩ 109 | ₩ (6,920) | ₩ | ₩ | ₩ 409,921 |
| Buildings and structures | 1,011,127 | 1,688 | (1,233) | 33 | (52,588) | 959,027 |
| Machinery | 3,101,103 | 25,556 | (3,679) | 441,084 | (1,026,523) | 2,537,541 |
| Vehicles | 34,249 | 175 | (111) | | (2,979) | 31,334 |
| Other | 296,476 | 516,728 | (1,639) | (318,308) | (67,186) | 426,071 |
| Construction in progress | 336,834 | 394,822 | (27,869) | (242,692) | | 461,095 |
| Total | ₩ 5,196,521 | ₩ 939,078 | ₩ (41,451) | ₩ (119,883) | ₩ (1,149,276) | ₩ 4,824,989 |

| | For the nine months ended September 30, 2009 | | | | | Ending balance | |
|-----------------------------|--|-------------|-----------------------------------|----------|----------|-------------------|--------------|
| | Beginning balance | Acquisition | 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 |

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| | | | | | | | |
|--------------------------|------------------------|----------------------|----------------------|-----------------------|-----------------------|--------------------------|------------------------|
| 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.

7. INTANGIBLE ASSETS

Intangible assets as of September 30, 2010 and December 31, 2009 are as follows (In millions of Korean won):

| | September 30, 2010 | | | December 31, 2009 | | |
|----------------------------|--------------------|--------------------------|------------------|-------------------|--------------------------|------------------|
| | Acquisition cost | Accumulated amortization | Carrying amounts | Acquisition cost | Accumulated amortization | Carrying amounts |
| Goodwill | ₩ 2,339,631 | ₩ (1,128,320) | ₩ 1,211,311 | ₩ 2,339,630 | ₩ (1,031,208) | ₩ 1,308,422 |
| Frequency use rights | 1,385,120 | (745,279) | 639,841 | 1,385,120 | (657,880) | 727,240 |
| Software development costs | 152,514 | (143,578) | 8,936 | 152,514 | (139,986) | 12,528 |
| Computer software | 1,474,113 | (979,787) | 494,326 | 1,345,927 | (783,653) | 562,274 |
| Other | 154,042 | (100,153) | 53,889 | 147,139 | (91,667) | 55,472 |
| | ₩ 5,505,420 | ₩ (3,097,117) | ₩ 2,408,303 | ₩ 5,370,330 | ₩ (2,704,394) | ₩ 2,665,936 |

Details of changes in intangible assets for the nine months ended September 30, 2010 and 2009 are as follows (In millions of Korean won):

| | For the nine months ended September 30, 2010 | | | | | |
|----------------------------|--|----------|-----------|-----------|--------------|----------------|
| | Beginning balance | Increase | Decrease | Transfer | Amortization | Ending balance |
| Goodwill | ₩ 1,308,422 | ₩ | ₩ | ₩ | ₩ (97,111) | ₩ 1,211,311 |
| Frequency use rights | 727,240 | | | | (87,399) | 639,841 |
| Software development costs | 12,528 | | | | (3,592) | 8,936 |
| Computer software | 562,274 | 16,869 | (4,458) | 116,437 | (196,796) | 494,326 |
| Other | 55,472 | 5,310 | (22) | 2,053 | (8,924) | 53,889 |
| Total | ₩ 2,665,936 | ₩ 22,179 | ₩ (4,480) | ₩ 118,490 | ₩ (393,822) | ₩ 2,408,303 |

| | For the nine months ended September 30, 2009 | | | | | | |
|----------------------------|--|----------|-----------------------------|----------|----------|--------------|----------------|
| | Beginning balance | Increase | Business acquisition (Note) | Decrease | Transfer | Amortization | Ending balance |
| 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 |

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| | | | | | | | | |
|-------|------------|---------|--------|---|-------|---------|------------|------------|
| Total | ₩2,941,592 | ₩15,463 | ₩6,540 | ₩ | () | ₩84,973 | ₩(357,011) | ₩2,687,791 |
| | | | | | 3,766 | | | |

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

The book value as of September 30, 2010 and residual useful lives of major intangible assets are as follows (In millions of Korean won):

| | Amount | Description | Residual useful lives |
|---------------|-------------|---|--------------------------|
| Goodwill | ₩ 1,209,740 | Goodwill related to acquisition of Shinsegi Telecomm, Inc. | 9 years and 6 months |
| IMT license | 605,281 | Frequency use rights relating to W-CDMA Service | (Note a) |
| WiBro license | 30,481 | WiBro Service | (Note b) |
| DMB license | 4,079 | DMB Service | 5 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. License expires in December 2016.

In addition, the Company purchased W-CDMA frequency use right for ₩102,432 million during May, 2010, which is recognized as construction in progress and will be amortized starting from its expected usable period in October 2010.

(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.

8. BONDS PAYABLE

Bonds payable as of September 30, 2010 and December 31, 2009 are as follows (In millions of Korean won and thousands of foreign currency):

| | Maturity Year | Annual interest rate (%) | September 30, 2010 | December 31, 2009 |
|---|------------------|--|-----------------------|----------------------|
| Domestic general bonds | 2010 | 4.0 | ₩ | ₩ 140,000 |
| | 2010 | 6.77 | 50,000 | 50,000 |
| | 2011 | 3.0 | 200,000 | 200,000 |
| | 2013 | 4.0 | 200,000 | 200,000 |
| | 2013 | 6.92 | 250,000 | 250,000 |
| | 2014 | 5.0 | 200,000 | 200,000 |
| | 2015 | 5.0 | 200,000 | 200,000 |
| | 2016 | 5.0 | 200,000 | 200,000 |
| | 2016 | 5.54 | 40,000 | 40,000 |
| | 2016 | 5.92 | 230,000 | 230,000 |
| | 2018 | 5.0 | 200,000 | 200,000 |
| Dollar denominated bonds (US\$ 300,000) | 2011 | 4.25 | 342,600 | 350,280 |
| Dollar denominated bonds (US\$ 400,000) | 2027 | 6.63 | 456,800 | 467,040 |
| Yen denominated bonds (JPY 12,500,000) | 2012 | 3-month Euro Yen LIBOR rate +0.55 (Note a) | 170,418 | 157,852 |
| Yen denominated bonds (JPY 5,000,000) | 2012 | 3-month Euro Yen TIBOR rate +2.5 (Note b) | 68,167 | 63,141 |
| Yen denominated bonds (JPY 3,000,000) | 2012 | 3-month Euro Yen LIBOR rate +2.5 (Note a) | 40,900 | 37,885 |
| Convertible bonds (US\$ 332,528) | 2014 | 1.75 | 437,673 | 437,673 |
| Floating rate notes (US\$ 150,000,000) | 2010 | 3-month LIBOR rate +3.05 (Note c) | 171,300 | 175,140 |
| Floating rate notes (US\$ 220,000,000) | 2012 | 3-month LIBOR rate +3.15 (Note c) | 251,240 | 256,872 |
| Total | | | 3,709,098 | 3,855,883 |
| Less discounts on bonds | | | (51,229) | (61,227) |
| Less conversion right adjustments | | | (68,908) | (81,235) |
| Net | | | 3,588,961 | 3,713,421 |
| Less portion due within one year | | | (563,457) | (364,205) |
| Long-term portion | | | ₩ 3,025,504 | ₩ 3,349,216 |

(Note a) 3-months Euro Yen LIBOR rate as of September 30, 2010 is 0.22%.

(Note b) 3-months Euro Yen TIBOR rate as of September 30, 2010 is 0.36%.

(Note c) 3-months LIBOR rate as of September 30, 2010 is 0.29%.

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

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 ₩220,000 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, 2010 is 2,090,996 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, 2010, no conversion was made.

9. LONG-TERM BORROWINGS

Long-term borrowings as of September 30, 2010 and December 31, 2009 are as follows (In millions of Korean won and thousands of U.S. dollars):

| | Lender | Final maturity year | Annual interest rate (%) (Note) | September 30, 2010 | December 31, 2009 |
|---------------------------------------|--------------|---------------------|---------------------------------|---------------------------|---------------------------|
| Long-term floating rate discount bill | Shinhan Bank | June 29, 2011 | 91 days CD yield + 0.25% | ₩ 200,000 | ₩ 200,000 |
| Long-term floating rate borrowings | KDB | July 28, 2011 | 91 days CD yield + 1.02% | ₩ 100,000 | ₩ 100,000 |
| | Citibank | July 29, 2011 | 91 days CD yield + 1.20% | ₩ 100,000 | ₩ 100,000 |
| | Nonghyup | July 30, 2011 | 91 days CD yield + 1.30% | ₩ 100,000 | ₩ 100,000 |
| | Hana Bank | July 31, 2011 | 91 days CD yield + 1.50% | ₩ 150,000 | ₩ 150,000 |
| | Nonghyup | August 12, 2011 | 91 days CD yield + 1.50% | ₩ 50,000 | ₩ 50,000 |
| | Calyon Bank | October 10, 2013 | 6M LIBOR + 0.29% | US\$ 50,000 | US\$ 50,000 |
| | DBS Bank | October 10, 2013 | 6M LIBOR + 0.29% | US\$ 25,000 | US\$ 25,000 |
| | SMBC | October 10, 2013 | 6M LIBOR + 0.29% | US\$ 25,000 | US\$ 25,000 |
| Total | | | | ₩ 700,000 US\$ 100,000 | ₩ 700,000 US\$ 100,000 |

| | | | | |
|-----------------------------|---|-----------|---|---------|
| Equivalent in Korean won | ₩ | 814,200 | ₩ | 816,760 |
| Less current portion | | (700,000) | | |
| Long-term borrowings | ₩ | 114,200 | ₩ | 816,760 |

(Note) At September 30, 2010, the 91 days CD yield and the 6M LIBOR rate are 2.66% and 0.46%, 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, 2010 and December 31, 2009 are as follows:

| | September 30, 2010 | December 31, 2009 |
|---|-----------------------|----------------------|
| Authorized shares | 220,000,000 | 220,000,000 |
| Issued shares | 80,745,711 | 80,745,711 |
| Outstanding shares, net of treasury stock | 71,404,925 | 72,344,999 |

Significant changes in capital stock and capital surplus for the nine months ended September 30, 2010 and for the year ended December 31, 2009 are as follows (In millions of Korean won except for share data):

| | Number of shares issued (Note) | Capital stock | Additional paid in capital |
|--|--------------------------------------|------------------|----------------------------------|
| For the year ended December 31, 2009 | 80,745,711 | ₩ 44,639 | ₩ 2,915,887 |
| For the nine months ended September 30, 2010 | 80,745,711 | ₩ 44,639 | ₩ 2,915,887 |

(Note) During the year ended December 31, 2003, 2006 and 2009, the Company retired 7,002,235 shares, 1,083,000 shares and 448,000 shares, respectively, and reduced retained earnings before appropriations in accordance with Korean Commercial Laws. As a result, the total par value of outstanding capital stock does not agree to the capital balance of capital stock. In addition, there are no changes in capital stock for the nine months ended September 30, 2010 and the year ended December 31, 2009..

11. TREASURY STOCK

The Company acquired 940,074 shares of treasury stock for ₩156,088 million from July 26, 2010 through September 30, 2010, in accordance with a resolution of the board of directors on July 22, 2010

12. INCOME TAX

a. Details of income tax expense

Income tax expense for the three months and the nine months ended September 30, 2010 and 2009 consists of the following (In millions of Korean won):

| | For the nine months ended September 30, | |
|--|---|-----------|
| | 2010 | 2009 |
| Current | ₩ 367,951 | ₩ 370,566 |
| Changes in net deferred tax liabilities (note a) | (35,600) | (20,683) |
| Income tax expenses | 332,351 | 349,883 |
| Less six months ended June 30 | (216,612) | (199,715) |
| Three months ended September 30 | ₩ 115,739 | ₩ 150,168 |

(Note a) Changes in net deferred tax liabilities for the nine months ended September 30, 2010 and 2009 are as follows (In millions of Korean won):

| | For the nine months ended September 30, | |
|--|---|------------|
| | 2010 | 2009 |
| Ending balance of net deferred tax liabilities (assets) | ₩ (48,108) | ₩ 126,821 |
| Beginning balance of net deferred tax liabilities | (16,033) | (257,939) |
| Adjustment to the beginning net deferred tax liabilities based on tax return filed | 18,479 | 5,319 |
| Tax effect of temporary differences charged or credited directly to related components of stockholders' equity | 10,062 | 105,116 |
| | ₩ (35,600) | ₩ (20,683) |

b. The following is a reconciliation between income tax expense and income before income tax expense for the nine months ended September 30, 2010 and 2009 (In millions of Korean won) :

| | For the nine months ended September 30, | |
|---|---|-------------|
| | 2010 | 2009 |
| Income before income tax | ₩ 1,381,960 | ₩ 1,393,987 |
| 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) | 334,408 | 337,321 |
| Differences (note) | (2,057) | 12,562 |
| Income tax expense | ₩ 332,351 | ₩ 349,883 |
| Effective tax rates | 24.05% | 25.10% |

(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, 2010 and 2009 are as follows (In millions of Korean won):

| | For the nine months ended September 30, | |
|---|---|----------|
| | 2010 | 2009 |
| Permanent difference | ₩ 39,112 | ₩ 43,211 |
| Changes in deferred income tax assets (liabilities) recognized related to equity method investment securities | (4,981) | 31,337 |
| Tax credit for investment | (19,790) | (62,406) |
| Other tax credits | (14,488) | (4,715) |
| Sur tax on exempted income | 5,632 | 11,377 |
| Tax refund for prior periods | (7,542) | (6,242) |
| | ₩ (2,057) | ₩ 12,562 |

13. COMPREHENSIVE INCOME

Details of comprehensive income for the three months and nine months ended September 30, 2010 and 2009 are as follows (In millions of Korean won):

For the three and nine months ended September 30, 2010

| | For the three months ended | | For the nine months ended | |
|--|----------------------------|------------|---------------------------|------------|
| | Profit and loss effect | Tax effect | Profit and loss effect | Tax effect |
| Net income | ₩ 363,883 | | ₩ 1,049,609 | |
| Other comprehensive income (loss): | | | | |
| Unrealized loss on valuation of long-term investment securities, net | 105,897 | ₩ (30,582) | (36,608) | ₩ 4,395 |
| Equity in other comprehensive income of affiliates, net | (12,719) | 450 | 4,651 | (261) |
| Loss on valuation of currency swap, net | (7,203) | 2,201 | (6,309) | 1,780 |
| Gain on valuation of interest rate swap, net | 2,059 | (264) | 2,415 | (364) |
| Sub-total | 88,034 | ₩ (28,195) | (35,851) | ₩ 5,550 |
| Comprehensive income | ₩ 451,917 | | ₩ 1,013,758 | |

For the three and nine months ended September 30, 2009

| | For the three months ended | | For the nine months ended | |
|---|------------------------------|------------|------------------------------|------------|
| | 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 | |

14. NET INCOME PER SHARE

The Company's net income per share amounts for the three months and nine months ended September 30, 2010 and 2009 is computed as follows (In millions of Korean won, except for per share income per share):

Net income per share

| | For the three months ended | | For the nine months ended | |
|---|-------------------------------|-----------------------|------------------------------|-----------------------|
| | September 30, 2010 | September 30, 2009 | September 30, 2010 | September 30, 2009 |
| Net income | ₩ 363,883 | ₩ 415,713 | ₩ 1,049,609 | ₩ 1,044,104 |
| Weighted average number of common shares outstanding | 71,965,408 | 72,345,003 | 72,217,080 | 72,347,356 |
| Net income per share | ₩ 5,056 | ₩ 5,746 | ₩ 14,534 | ₩ 14,432 |

Net income and ordinary income per share for the year ended December 31, 2009 is ₩17,808 and net income and ordinary income per share for the three months ended March 31, 2010 and 2009 is ₩4,448 and ₩4,378, respectively. In addition, net income and ordinary income per share for the three months ended June 30, 2010 and 2009 is ₩5,031 and ₩4,308, respectively.

The weighted average numbers of common shares outstanding for the three months and nine months ended September 30, 2010 and 2009 are calculated as follows:

| | Number of shares | Weighted number of days | Weighted number of shares |
|---|---------------------|----------------------------|---------------------------------|
| For the three months ended September 30, 2010 | | | |
| Outstanding common stocks at January 1, 2010 | 80,745,711 | 92 / 92 | 80,745,711 |
| Treasury stocks at January 1, 2010 | (8,400,712) | 92 / 92 | (8,400,712) |
| Acquisition of treasury stock | (940,074) | 37 / 92 (Note) | (379,591) |
| Total | 71,404,925 | | 71,965,408 |
| For the nine months ended September 30, 2010 | | | |
| Outstanding common stocks at January 1, 2010 | 80,745,711 | 273 / 273 | 81,193,711 |
| Treasury stocks at January 1, 2010 | (8,400,712) | 273 / 273 | (8,707,696) |
| Acquisition of treasury stock | (940,074) | 37 / 273 (Note) | (127,919) |
| Total | 71,404,925 | | 72,217,080 |
| 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) | (138,659) |
| Total | 72,345,003 | | 72,347,356 |

(Note) The Company acquired treasury stocks on many different dates, and weighted number of shares is calculated considering each transaction date.

Diluted net income and ordinary income per share amounts for the three months and nine months ended September 30, 2010 and 2009 is computed as follows (In millions of won, except for share data):

Diluted net income

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| | For the three months ended | | For the nine months ended | |
|--|-------------------------------|-----------------------|------------------------------|-----------------------|
| | September 30, 2010 | September 30, 2009 | September 30, 2010 | September 30, 2009 |
| Adjusted net income | ₩ 368,844 | ₩ 420,430 | ₩ 1,063,686 | ₩ 1,059,736 |
| Adjusted weighted average number of common shares outstanding | 74,056,404 | 74,344,999 | 74,308,076 | 74,375,396 |
| Diluted net income per share | ₩ 4,979 | ₩ 5,655 | ₩ 14,315 | ₩ 14,248 |

Diluted net income per share for the year ended December 31, 2009 is ₩17,599 and diluted net income per share for the three months ended March 31, 2010 and 2009 is ₩4,389 and ₩4,335, respectively. Diluted net income per share for the three months ended June 30, 2010 and 2009 is ₩4,947 and ₩4,234, respectively.

Adjusted net income per share and the adjusted weighted average number of common shares outstanding for the three months and nine months ended September 30, 2010 and 2009 are calculated as follows:

| | For the three months ended | | For the nine months ended | |
|--|-------------------------------|-----------------------|------------------------------|-----------------------|
| | September 30, 2010 | September 30, 2009 | September 30, 2010 | September 30, 2009 |
| Net income | ₩ 363,883 | ₩ 415,713 | ₩ 1,049,608 | ₩ 1,044,104 |
| Effect of convertible bonds (Note) | 4,962 | 4,718 | 14,077 | 15,632 |
| Adjusted net income | ₩ 368,844 | ₩ 420,431 | ₩ 1,063,686 | ₩ 1,059,736 |
| Weighted average number of common shares outstanding | 71,965,408 | 72,345,003 | 72,217,080 | 72,347,356 |
| Effect of exchangeable bonds (Note) | 2,090,996 | 1,999,996 | 2,090,996 | 2,028,040 |
| Adjusted weighted average number of common shares outstanding | 74,056,404 | 74,344,999 | 74,308,076 | 74,375,396 |

(Note) The effect of exchangeable bonds increasing net income related to interest expenses that would not be incurred, and the increase in the weighted average number of common shares outstanding related to common shares that would be issued, if the conversion of convertible bonds was made on the beginning of the period.

15. RESTRICTED CASH AND CASH EQUIVALENTS

As of September 30, 2010, the Company has guarantee deposits restricted for checking accounts totaling ₩19 million and deposits restricted for a charitable trust for small businesses in cooperation with SK Group amounting to ₩50,000 million of which the due date is June 2, 2011 and for the public amounting to ₩6,500 million of which the due date is May 4, 2011. In addition, the Company has guarantee deposits restricted for registration of electrical work business according to Electrical work Business Act amounting to ₩50 million of which the due date is end of the electrical work business.

16. RELATED PARTY TRANSACTIONS

As of September 30, 2010 and December 31, 2009, the parent company and subsidiaries of the Company are as follows:

a. Holding company and subsidiaries

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

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| | | |
|------------------------------------|----------------|-------------------------------|
| Broadband CS Co., Ltd. | 100.0 (Note c) | Customer Q&A and Service |
| Benex Movie Investment Fund | 46.6 (Note c) | Investment association |
| Shenzhen E-eye High Tech Co., Ltd. | 65.5 (Note c) | GPS manufacturing and selling |

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

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

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

b. Transactions and balances with related parties

Significant related party transactions for the three months and nine months ended September 30, 2010 and 2009, and account balances as of September 30, 2010 and December 31, 2009 are as follows (In millions of Korean won):

b-(1) Transactions

| | For three months ended September 30, 2010 | | | For nine months ended September 30, 2010 | | |
|--|---|--|---|---|--|--|
| | 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. | ₩ 59,757 | ₩ 70,300 | ₩ 2,773 | ₩ 89,672 | ₩ 189,924 | ₩ 7,731 |
| Parent Company: SK Holdings Co., Ltd. | 49 | 6,178 | 333 | 118 | 18,504 | 723 |
| Subsidiaries: | | | | | | |
| SK Broadband Co., Ltd. | 10,928 | 49,144 | 19,768 | 10,928 | 108,569 | 51,102 |
| SK Communications Co., Ltd. | | 9,404 | 2,889 | 229 | 14,446 | 8,231 |
| SK Telink Co., Ltd. | | 4,821 | 10,376 | | 13,237 | 31,342 |
| PS&Marketing Corporation | | 80,523 | 556 | 1 | 242,322 | 1,551 |
| F&U Credit Information Co., Ltd. | | 9,258 | 546 | | 29,820 | 1,637 |
| TU Media Corp. | | 23,707 | 6,372 | | 71,863 | 19,257 |
| Commerce Planet Co., Ltd. | 60 | 28,685 | 2,730 | 3,486 | 78,199 | 6,651 |
| Loen Entertainment, Inc | | 8,540 | 1,150 | | 25,375 | 3,008 |
| SKT Americas, Inc. | | 4,190 | | | 7,390 | |
| SK Telecom China Holdings | | 12,383 | | | 17,653 | |
| Service Ace Co., Ltd. | | 30,364 | 1,375 | | 30,364 | 1,375 |
| Service Top Co., Ltd. | | 28,637 | 1,260 | | 28,637 | 1,260 |
| Network O&S Co., Ltd. | | 22,105 | 488 | | 22,105 | 488 |
| Others | 94 | 2,322 | 286 | 94 | 14,095 | 1,040 |
| Equity Method Investees: | | | | | | |
| SK Marketing & Company Co., Ltd. | 681 | 46,046 | 1,880 | 2,691 | 129,562 | 4,854 |
| SK Wyverns Baseball Club Co., Ltd. | | 4,500 | 11 | | 12,900 | 47 |
| Others | | 1,447 | | | 6,280 | |
| Others: | | | | | | |
| SK Engineering & Construction Co., Ltd. | 89,398 | 4,433 | 665 | 117,133 | 5,552 | 4,520 |
| SK Networks Co., Ltd. | 2,734 | 120,100 | 4,741 | 3,257 | 358,633 | 13,376 |
| SK Networks Service Co., Ltd. | | 6,461 | 80 | | 17,838 | 215 |
| SK Telesys Co., Ltd. | 89,890 | 1,303 | 138 | 176,760 | 3,757 | 940 |
| Others | 944 | 4,901 | 2,714 | 6,550 | 12,359 | 7,147 |
| Total | ₩ 254,535 | ₩ 579,752 | ₩ 61,131 | ₩ 410,919 | ₩ 1,459,384 | ₩ 166,495 |

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| | 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. | 99 | 3,583 | 9,474 | 99 | 10,327 | 26,082 |
| PS&Marketing Co., Ltd. | | 75,724 | 408 | | 131,356 | 598 |
| F&U Credit Information Co., Ltd. | | 12,159 | 542 | | 35,400 | 1,204 |
| TU Media Corp. | 508 | 31,958 | 8,915 | 719 | 69,146 | 27,278 |
| Commerce Planet Co., Ltd. | 643 | 14,257 | 1,402 | 1,343 | 46,478 | 2,678 |
| Loen Entertainment, Inc | | 9,114 | 884 | | 24,297 | 3,283 |
| SK Telecom China Holdings | | 4,840 | | | 22,019 | |
| SKT Americas, Inc. | | 3,363 | | | 14,393 | |
| Others | 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 |
| 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 |
| | 1,502,704 | 209,228 | 5,866 | 1,508,235 | 607,212 | 17,692 |

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| | | | | | | |
|----------------------------------|-----------------|---------------|--------------|-----------------|-----------------|---------------|
| SK Networks Co., Ltd. | | | | | | |
| 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 |

b-(2) Account balances

| | As of September 30, 2010 | | | | | |
|--|--------------------------|------------------|-----------------|--------------------|------------------|-----------------------------|
| | Accounts receivable | Short-term loans | Long-term loans | Guarantee deposits | Accounts Payable | Guarantee deposits received |
| Ultimate parent company: SK C&C Co., Ltd. | ₩ 879 | ₩ | ₩ | ₩ | ₩ 75,128 | ₩ 197 |
| Parent Company: SK Holdings Co., Ltd. | 65 | | | | 30 | |
| Subsidiaries: | | | | | | |
| SK Broadband Co., Ltd. | 2,808 | | | 1,151 | 24,975 | 39,440 |
| SK Communications Co., Ltd. | 2,685 | | | | 3,621 | 5,524 |
| SK Telink Co., Ltd. | 1,744 | | | | 797 | 1,022 |
| PS&Marketing Corporation | 337 | | | | 35,975 | 5,900 |
| F&U Credit Information Co., Ltd. | 44 | | | | 3,893 | |
| TU Media Corp. | 3,270 | | | | 8,647 | 2,417 |
| Commerce Planet Co., Ltd. | 11,077 | | | | 10,207 | |
| SKT Vietnam PTE Ltd | 4,205 | | | | | |
| SK Telecom China Holdings | | | | | 17,653 | |
| SKT Americas, Inc. | | | | | 7,389 | |
| Service Ace Co., Ltd. | 526 | | | | 10,163 | 3,890 |
| Service Top Co., Ltd. | 636 | | | | 8,810 | 3,942 |
| Others | 885 | | | | 3,924 | 166 |
| Equity Method Investees: | | | | | | |
| SK Marketing & Company Co., Ltd. | 8,118 | | | | 28,840 | |
| SK Wyverns Baseball Club Co., Ltd. | 5 | 575 | 2,407 | | | |
| Wave City Development Co. Ltd. | 38,412 | | | | | |
| Daehan Kanggun BcN Co., Ltd. | | | 21,147 | | | |
| Others | | | | | 6,126 | |
| Others: | | | | | | |
| SK Engineering & Construction Co., Ltd. | 153 | | | | 61,805 | 82 |
| SK Networks Co., Ltd. | 1,979 | | | 5,512 | 40,087 | 489 |
| SK Telesys Co., Ltd. | 63 | | | | 35,106 | |
| M&Service, Co., Ltd. | 1,408 | | | | 1,825 | |
| Others | 678 | | | 96 | 2,707 | 71 |
| | | | | | | 134 |

| | | | | | | |
|-------|----------|-------|----------|---------|-----------|----------|
| Total | ₩ 79,977 | ₩ 575 | ₩ 23,554 | ₩ 6,759 | ₩ 387,708 | ₩ 63,140 |
|-------|----------|-------|----------|---------|-----------|----------|

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As of December 31, 2009

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

| | | | | | | |
|-------|----------|-------|---------|---------|-----------|----------|
| Total | ₩ 71,249 | ₩ 575 | ₩ 2,407 | ₩ 6,824 | ₩ 330,727 | ₩ 21,214 |
|-------|----------|-------|---------|---------|-----------|----------|

c. Compensation for the key management

The Company considers registered directors who have a substantial role and responsibility for planning, operating, and controlling of the business as key management. The considerations given to the key management for the three months and nine months ended September 30, 2010 and 2009 are as follows (In millions of Korean won):

| Payee | For the three months ended September 30, 2010 | | | For the nine months ended September 30, 2010 | | |
|---|--|--------------------------|-------|---|--------------------------|---------|
| | Payroll | Severance indemnities | Total | Payroll | Severance indemnities | Total |
| 8 Registered directors (including outside directors) | ₩ 358 | ₩ 74 | ₩ 432 | ₩ 2,651 | ₩ 517 | ₩ 3,169 |

| 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 outside directors) | ₩ 271 | ₩ 18 | ₩ 289 | ₩ 1,227 | ₩ 53 | ₩ 1,280 |

17. INTERIM DIVIDENDS

In accordance with the resolution of the Company's board of directors dated July 22, 2010, the Company declared and paid cash dividends during the three months ended September 30, 2010 based on outstanding number of common shares at June 30, 2010 as follows (In millions of Korean won except for per share data):

| Number of shares outstanding as of June 30, 2010 | Par value per share | Dividend ratio | Dividends |
|---|---------------------|----------------|-----------|
| 72,344,999 | ₩ 500 | 200% | ₩ 72,345 |

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 |

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, 2010 and 2009 are as follows (In millions of Korean won):

| | For the months ended September 30, | |
|---|------------------------------------|----------|
| | 2010 | 2009 |
| Beginning balance | ₩ 18,856 | ₩ 24,889 |
| Increase | 6,665 | 9,546 |
| Decrease (used points) | (6,487) | (14,477) |
| Decrease (reversal of provision for mileage points) | | |
| Ending balance | ₩ 19,034 | ₩ 19,958 |

Points expire after 5 years. The expected year when unused points as of September 30, 2010 are expected to be used and the respective estimated monetary amount to be paid in a given year are as follows (In millions of Korean won):

| Expected usage for the year ended September 30, | Estimated amount to be paid | |
|--|-----------------------------|---------------|
| | in nominal value(Note) | Current value |
| 2011 | ₩ 8,845 | ₩ 8,494 |
| 2012 | 5,365 | 4,948 |
| 2013 | 3,265 | 2,892 |
| 2014 | 1,996 | 1,698 |
| 2015 | 1,227 | 1,002 |
| Ending balance | ₩ 20,698 | ₩ 19,034 |

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

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, 2010 and 2009 are as follows (In millions of Korean won):

| | For the months ended September 30, | |
|----------------------------|------------------------------------|-----------|
| | 2010 | 2009 |
| Beginning balance | ₩ 609,733 | ₩ 339,696 |
| Increase (provision) | 738,729 | 465,862 |
| Decrease (subsidy payment) | (605,998) | (284,845) |
| Ending balance | ₩ 742,464 | ₩ 520,713 |

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 | |
|--|-----------------------------|---------------|
| | in nominal value | Present value |
| 2011 | ₩ 677,101 | ₩ 664,230 |
| 2012 | 81,946 | 78,234 |
| Ending balance | ₩ 759,047 | ₩ 742,464 |

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, 2010, in connection with unsettled foreign currency swap contract to which the cash flow hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to ₩2,515 million (net of tax effect totaling ₩1,250 million and foreign exchange translation gain arising from unguaranteed U.S. dollar denominated bonds totaling ₩2,115 million) is accounted for as accumulated other comprehensive loss.

In addition, the Company has entered into a floating-to-fixed cross currency swap contract with Credit Agricole Corporate & Investment bank to hedge the foreign currency risk and the interest rate risk of U.S. dollar denominated long-term borrowings with face amounts totaling US\$100,000,000 borrowed on October 10, 2006. As of September 30, 2010, in connection with unsettled cross currency interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to ₩5,673 million (net of tax effect totaling ₩1,158 million and foreign exchange translation loss arising from U.S. dollar denominated long-term borrowings totaling ₩19,400 million) is 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, 2010, in connection with unsettled cross currency interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to ¥112 million (net of tax effect totaling ¥1,495 million and foreign exchange translation loss arising from unguaranteed Japanese yen denominated bonds totaling ¥66,367 million) is accounted for as accumulated other comprehensive income. In addition, the Company has entered into a floating-to-fixed cross currency swap contract with DBS and Credit Agricole Corporate & Investment bank to hedge the foreign currency risk and the interest rate risk of U.S. dollar denominated notes with face amounts totaling US\$150,000,000 borrowed on November 20, 2008. As of September 30, 2010, in connection with unsettled cross currency interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to ¥4,991 million (net of tax effect totaling ¥1,408 million and foreign exchange translation gain arising from U.S. dollar denominated bonds totaling ¥45,794 million) is 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, 2010, in connection with unsettled cross currency interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to ¥2,123 million (net of tax effect totaling ¥599 million and foreign exchange translation gain arising from unguaranteed Japanese yen denominated bonds totaling ¥5,230 million) is accounted for as accumulated other comprehensive income. In addition, the Company has entered into a floating-to-fixed cross currency swap contract with Bank of Tokyo-Misuboshi Bank to hedge the foreign currency risk and the interest rate risk of unguaranteed Japanese yen denominated bonds with face amounts totaling JPY5,000,000,000 issued on March 5, 2009. As of September 30, 2010, in connection with unsettled cross currency interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to ¥619 million (net of tax effect totaling ¥175 million and foreign exchange translation gain arising from unguaranteed Japanese yen denominated bonds totaling ¥10,444 million) is accounted for as accumulated other comprehensive income. In addition, the Company has entered into fixed-to-fixed cross currency swap contract with Morgan Stanley Bank and five 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 and entered into cash flow hedge accounting since May 12, 2010. In connection with unsettled foreign currency swap contract to which the hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to ¥549 million (net of tax effect totaling ¥155 million and foreign exchange translation gain arising from U.S. dollar denominated bonds totaling ¥709 million) is accounted for as accumulated other comprehensive income. And the related loss on valuation of currency swap incurred before applying the hedge accounting of ¥17,528 million and ¥66,001 million for the six months ended September 30, 2010 and 2009, respectively, is charged to current operations.

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 Nonghyup Bank and other two banks to hedge the interest rate risk of long-term floating rate borrowings with face amounts totaling ₩500,000 million borrowed from July 28, 2008 to August 12, 2011. As of September 30, 2010, in connection with unsettled interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to ₩8,517 million (net of tax effect totaling ₩2,719 million) is accounted for as accumulated other comprehensive loss.

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

The Company has entered into a floating-to-fixed interest rate swap contract with DBS and Calyon Bank the interest rate risk of floating rate U.S. dollar denominated bonds with face amounts totaling US\$220,000,000 issued on April 29, 2009. In connection with unsettled interest rate swap contract to which the hedge accounting is not applied, loss on valuation of interest rate swap of ₩3,279 million and ₩4,123 million for the six months ended September 30, 2010 and 2009, respectively, is charged to current operations.

As of September 30, 2010, fair values of above derivatives recorded in assets or liabilities and details of derivative instruments are as follows (In thousands of U.S. dollars, Japanese yen, Ringgit Malaysia and millions of Korean won):

| Type | Hedged item | Amount | Duration of contract | Fair value | | Total |
|---|--|---------------------------|---------------------------------|-------------------------------|------------------|------------------|
| | | | | Designated as cash flow hedge | Not designated | |
| Non-current assets: | | | | | | |
| Floating-to-fixed cross currency interest rate swap | U.S. dollar denominated long-term borrowings | US\$ 100,000 | Oct 10, 2006 ~ Oct 10, 2013 | ₩ 12,569 | ₩ | ₩ 12,569 |
| Fix-to-fixed cross currency swap | U.S. dollar denominated Bonds | US\$ 400,000 | Jul. 20, 2007 ~ Jul. 20, 2027 | (5) | 129,806 | 129,801 |
| Floating-to-fixed cross currency interest rate swap | Japanese yen denominated bonds | JPY12,500,000 | Nov. 13, 2007 ~ Nov. 13, 2012 | 64,984 | | 64,984 |
| Total assets | | | | ₩ 77,548 | ₩ 129,806 | ₩ 207,354 |
| Current liabilities: | | | | | | |
| Floating-to-fixed cross currency interest rate swap | U.S. dollar denominated Bonds | US\$ 150,000 | Nov 20, 2008 ~ Nov 20, 2010 | ₩ 39,395 | ₩ | ₩ 39,395 |
| Fix-to-fixed cross currency swap | U.S. dollar denominated Bonds | US\$ 300,000 ₩ 500,000 | Mar. 23, 2004 ~ March. 31, 2011 | 5,880 11,237 | | 5,880 11,237 |

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|---|--------------------------------|--------------|---------------------------------|-----------------|-----------------|
| Floating-to-fixed interest rate swap | Long-term borrowings | | July 28, 2008 ~ August 12, 2011 | | |
| Non-current liabilities: | | | | | |
| Floating-to-fixed cross currency interest rate swap | Japanese yen denominated bonds | JPY3,000,000 | Jan. 22, 2009 ~ Jan. 22, 2012 | 2,509 | 2,509 |
| Floating-to-fixed cross currency interest rate swap | Japanese yen denominated bonds | JPY5,000,000 | Mar. 5, 2009 ~ Mar. 5, 2012 | 9,650 | 9,650 |
| Floating-to-fixed interest rate swap | Long-term borrowings | US\$ 220,000 | April 29, 2009 ~ April 29, 2012 | 6,650 | 6,650 |
| Total liabilities | | | | ₩ 68,671 | ₩ 6,650 |
| | | | | | ₩ 75,321 |

20. RECLASSIFICATION IN THE PRIOR YEAR S FINANCIAL STATEMENTS

For the purpose of improving the quality of reporting, certain reclassification have been made in the prior year s financial statements to conform to the classifications used in the current year. The reclassification of prior year s financial statements had no impact on equity or net income.

21. SUBSEQUENT EVENTS

On October 8, 2010, the board of directors of the Company resolved to dispose its investment in common stock of SK C&C Co., Ltd. through over-the-counter and the Company is expected to sell 4,500,000 shares of the stock for ₩203,350 million applying the price of 83,000 per common share. As a result, the Company s ownership for SK C&C Co., Ltd. will decrease to 4.1% from 9%.

22. 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 applicable employees.

At September 30, 2010, the Company is currently performing its 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.

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, 2010