

SK TELECOM CO LTD
Form 6-K
December 21, 2012

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 2012
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

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(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, 2012 to September 30, 2012)

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 CONSOLIDATED BASIS IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTED FOR USE IN KOREA, OR K-IFRS, WHICH DIFFER IN CERTAIN RESPECTS FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CERTAIN OTHER COUNTRIES, INCLUDING THE UNITED STATES. WE HAVE MADE NO ATTEMPT TO IDENTIFY OR QUANTIFY THE IMPACT OF THESE DIFFERENCES.

I. COMPANY OVERVIEW**1. Company Overview**

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

Name	Date of Establishment	Principal Business	Total Asset as of Dec. 31, 2011 (millions of Won)	Material Subsidiary*
SK Telink Co., Ltd.	Apr. 9, 1998	Telecommunication and satellite broadcasting services	420,829	Material
SK Communications Co., Ltd.	Sep. 19, 1996	Internet portal and other Internet information services	319,948	Material
PAXNet Co., Ltd.	May 18, 1999	Database and online information services	33,949	
Loen Entertainment, Inc.	Jul. 7, 1982	Music and audio publication	157,104	Material
Stonebridge Cinema Fund	Sep. 30, 2005	Investment partnership	18,506	
Commerce Planet Co., Ltd.	Jul. 1, 1997	Information technology and computer services	49,729	
SK Broadband Co., Ltd.	Sep. 26, 1997	Multimedia and IP TV services	3,318,699	Material
Broadband Media Co., Ltd.	Aug. 25, 2005	Telemarketing services	90,018	Material
Broadband CS Co., Ltd.	Oct. 1, 1998	Call center operation	6,948	
K-net Culture and Contents Venture Fund	Nov. 24, 2008	Investment partnership	48,057	
Hwaitec Focus Investment Partnership 2	Dec. 12, 2008	Investment partnership	21,663	
Open Innovation Fund	Dec. 22, 2008	Investment partnership	44,716	
PS&Marketing Corporation	Apr. 3, 2009	Resale of telecommunication services	289,062	Material
Service Ace Co., Ltd.	Jul. 1, 2010	Call center operation and telemarketing services	43,447	
Service Top Co., Ltd.	Jul 1, 2010	Call center operation and telemarketing services	37,165	
Network O&S Co., Ltd.	Jul. 1, 2010	Wireless telecommunication services	80,249	Material
Service-In Co., Ltd.	Apr. 4, 2011	Internet services	3,247	
BNCP Co., Ltd.	Dec. 7, 2009	Software development	28,631	
SK Planet Co., Ltd.	Oct. 5, 2011	Platform service	1,677,730	Material
SK Telecom China Holdings Co., Ltd.	Jul. 12, 2007	Investment	36,810	
Sky Property Mgmt., Ltd.	Jun. 20, 2007	Real estate rental	820,639	Material
Shenzhen E-eye High Tech Co., Ltd.	Apr. 1, 2000	Telematics services	23,569	
SK China Real Estate Co., Ltd.	Mar. 19, 2009	Real estate investment	295	
SKT Vietnam PTE., Ltd.	Apr. 5, 2000	Wireless telecommunication services	42,539	
SKT Americas, Inc.	Dec. 29, 1995	Management consulting and investment	42,681	
YTK Investment Ltd.	Jul. 1, 2010	Investment	51,218	Material
Atlas Investment	Jun. 24, 2011	Investment	50,643	Material
Technology Innovation Partners, L.P.	Jun. 24, 2011	Investment	0	
SK Telecom China Fund I L.P.	Sep. 14, 2011	Investment	687	

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

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

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

B. Date of Incorporation: March 29, 1984

C. Location of Headquarters

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

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

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

D. Major Businesses

(1) Wireless Business

The Company provides wireless telecommunications services, characterized by its competitive strengths in handheld devices, affordable pricing, network coverage and an extensive contents library. Since the introduction of services employing LTE technology in July 2011, the telecommunications market for such services has grown as demand for fast data transfer speeds and differentiated services has increased. Having reached over six million LTE subscribers as of October 31, 2012, the Company is solidifying its leadership position in LTE services based on its technology and network operating expertise. The Company is also improving the profitability of its wireless business through efficient capital expenditures and marketing and enhancement of marketing network and products. In the business-to-business area, the Company is selling industry-specific solutions focused on healthcare and education through strategic alliances.

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

(2) Fixed-line Business

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

(3) Other Businesses

The Company is pursuing customer satisfaction by providing the best service and generating new values in diverse areas in contents delivery, location-based services, media and mobile commerce. In the contents delivery service business, the Company provides high-quality digital contents in its leading mobile contents marketplace, T Store, which had more than 17 million subscribers as of September 2012 and which the Company plans to expand globally.

In the location-based service business, users of the Company's T-Map Navigation service surpassed 15.3 million as of September 2012. T-Map Navigation provides real time traffic information and various local information. In the media business, the Company provides Hoppin service that enables subscribers to access various multimedia contents through personal computers, mobile devices and other digital devices. In the commerce and advertising area, the Company's 11th Street, which continues to gain market share, is a platform service that connects various sellers and purchasers on-line.

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

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

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

See II. Business Overview for more information.

E. Credit Ratings

(1) Corporate Bonds

Credit rating date	Subject of rating	Credit rating	Credit rating entity (Credit rating range)	Rating classification
February 20, 2008	Corporate bond	AAA	Korea Ratings	Current rating
February 21, 2008	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
February 21, 2008	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
June 3, 2008	Corporate bond	AAA	Korea Ratings	Regular rating
June 17, 2008	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
June 30, 2008	Corporate bond	AAA	Korea Information Services, Inc.	Regular rating
October 20, 2008	Corporate bond	AAA	Korea Ratings	Current rating
October 20, 2008	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
October 20, 2008	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
January 13, 2009	Corporate bond	AAA	Korea Ratings	Current rating
January 13, 2009	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
January 13, 2009	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
February 23, 2009	Corporate bond	AAA	Korea Ratings	Current rating
February 23, 2009	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
February 23, 2009	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
June 24, 2009	Corporate bond	AAA	Korea Information Services, Inc.	Regular rating
June 26, 2009	Corporate bond	AAA	Korea Ratings	Regular rating
June 30, 2009	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
June 22, 2010	Corporate bond	AAA	Korea Ratings	Regular rating
June 29, 2010	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
June 29, 2010	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Regular rating
May 27, 2011	Corporate bond	AAA	Korea Ratings	Regular rating
June 13, 2011	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Regular rating
June 23, 2011	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
December 12, 2011	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
December 13, 2011	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Current rating
December 16, 2011	Corporate bond	AAA	Korea Ratings	Current rating
June 21, 2012	Corporate bond	AAA	Korea Ratings	Regular rating
June 22, 2012	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
June 29, 2012	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Regular rating
August 10, 2012	Corporate bond	AAA	Korea Ratings	Current rating
August 14, 2012	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
August 28, 2012	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Current rating

* Rating definition: AAA - The certainty of principal and interest payment is at the highest level with extremely low investment risk and is stable such that it will not be influenced by reasonably foreseeable changes in external factors.

(2) Commercial Paper (CP)

Credit rating entity

Credit rating date	Subject of rating	Credit rating	(Credit rating range)	Rating classification
June 3, 2008	CP	A1	Korea Ratings	Current rating
June 16, 2008	CP	A1	Korea Information Services, Inc.	Current rating
June 17, 2008	CP	A1	Korea Investors Service, Inc.	Current rating
October 20, 2008	CP	A1	Korea Ratings	Regular rating
October 20, 2008	CP	A1	Korea Investors Service, Inc.	Regular rating
October 20, 2008	CP	A1	Korea Information Services, Inc.	Regular rating
June 24, 2009	CP	A1	Korea Information Services, Inc.	Current rating
June 26, 2009	CP	A1	Korea Ratings	Current rating
June 30, 2009	CP	A1	Korea Investors Service, Inc.	Current rating
December 15, 2009	CP	A1	Korea Ratings	Regular rating
December 30, 2009	CP	A1	Korea Investors Service, Inc.	Regular rating
December 30, 2009	CP	A1	Korea Information Services, Inc.	Regular rating
June 22, 2010	CP	A1	Korea Ratings	Current rating
June 29, 2010	CP	A1	Korea Investors Service, Inc.	Current rating
June 29, 2010	CP	A1	NICE Investors Service Co., Ltd.	Current rating
December 16, 2010	CP	A1	Korea Ratings	Regular rating
December 27, 2010	CP	A1	Korea Investors Service, Inc.	Regular rating
December 29, 2010	CP	A1	NICE Investors Service Co., Ltd.	Regular rating
May 27, 2011	CP	A1	Korea Ratings	Current rating
June 13, 2011	CP	A1	NICE Investors Service Co., Ltd.	Current rating
June 23, 2011	CP	A1	Korea Investors Service, Inc.	Current rating
December 12, 2011	CP	A1	Korea Investors Service, Inc.	Regular rating
December 13, 2011	CP	A1	NICE Investors Service Co., Ltd.	Regular rating
December 16, 2011	CP	A1	Korea Ratings	Regular rating
June 21, 2012	CP	A1	Korea Ratings	Current rating
June 22, 2012	CP	A1	Korea Investors Service, Inc.	Current rating
June 29, 2012	CP	A1	NICE Investors Service Co., Ltd.	Current rating

* Rating definition: A1 - Timely repayment capability is at the highest level with extremely low investment risk and is stable such that it will not be influenced by reasonably foreseeable changes in external factors.

(3) International Credit Ratings

Credit rating of

Date of credit rating	Subject of rating	securities	Credit rating company	Rating type
June 6, 2012	Bonds denominated in Swiss Franc	A-	Fitch Inc.	Current rating
June 4, 2012	Bonds denominated in Swiss Franc	A3	Moody s Investors Service	Current rating
June 7, 2012	Bonds denominated in Swiss Franc	A-	Standard & Poor s Rating Services	Current rating

2. Company History

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

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

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

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

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

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

A. Location of Headquarters

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

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

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

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

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

B. Significant Changes in Management

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

C. Change in Company Name

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

D. Mergers, Acquisitions and Restructuring [SK Telecom]

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(1) Spin-off

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

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

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

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

Schedule of spin-off

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

Changes in shareholding, including majority shareholder

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

Appraisal rights of shareholders

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

Protection of creditors

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

Allocation of new shares

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

(2) Acquisition of Shares of Hynix Semiconductor

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

[SK Broadband]

(1) Merger

On July 26, 2012, the board of directors of SK Broadband resolved to merge Broadband D&M Co., Ltd., an unlisted company, into SK Broadband to strengthen its competitiveness and produce synergies with its existing business. The merger was effective as of September 26, 2012. In connection with this merger, SK Broadband did not issue any new shares.

[SK Telink]

(1) Merger

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

[SK Communications]

(1) Merger

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

(2) Spin-off On

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

(3) Disposition and acquisition of businesses

1. Disposition of publishing business division

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

2. Acquisition of the KUKU division

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

3. Disposition of the Spicus division

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

(4) Disposition of shares

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1. Disposition of shares of Etoos

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

2. Disposition of shares of SK i-Media

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

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

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

E. Other Important Matters related to Management Activities

[SK Telecom]

(1) Bank loans

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

[SK Broadband]

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

[SK Communications]

(1) Leak of personal information

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

[SK Telink]

On August 23, 2012, the board of directors of SK Telink resolved to discontinue operations of its satellite Digital Multimedia Broadcasting (DMB) services due to the decrease in satellite DMB subscribers and the continued burden of fixed costs. Its DMB services were discontinued as of August 31, 2012.

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

(As of September 30, 2012)

(Unit: shares)

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

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

B. Treasury Shares

(1) Acquisitions and Dispositions of Treasury Shares

(As of September 30, 2012)

(Unit: Shares)

Acquisition methods		Type of shares	At the beginning of period	Changes Acquired (+) Disposed (-) Retired (-)	At the end of period	
Acquisition pursuant to the Financial Investment Services and Capital Markets Act of Korea (FSCMA)	Direct acquisition	Common shares	7,086,028		7,086,028	
		Preferred shares				
	Direct acquisition	Common shares				
		Preferred shares				
	Tender offer	Common shares				
		Preferred shares				
	Sub-total		7,086,028		7,086,028	
Acquisition through trust and other agreements	Held by trustee	Common shares				
		Preferred shares				
	Held in actual stock	Common shares	3,886,710			3,886,710
		Preferred shares				
	Sub-total	Common shares	3,886,710			3,886,710
		Preferred shares				
Other acquisition	Common shares	77,974			77,974	
	Preferred shares					
Total	Common shares	11,050,712			11,050,712	
	Preferred shares					

* Of the 11,050,712 shares acquired by the Company, 2,326,149 shares were deposited with the Korea Securities Depository as of September 30, 2012 for issuance upon conversion of the Company's overseas convertible bonds.

4. Status of Voting Rights

(As of September 30, 2012)			(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	11,050,712	Treasury shares
	Preferred share		
Shares without voting rights pursuant to the Company's articles of incorporation (C)	Common share		
	Preferred share		
Shares with restricted voting rights pursuant to Korean law (D)	Common share		
	Preferred share		
Shares with reestablished voting rights (E)	Common share		
	Preferred share		
The number of shares with exercisable voting rights (F = A - B - C - D + E)	Common share	69,694,999	
	Preferred share		

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

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

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

- (2) Distribution of interim dividends of Won 1,000 was approved during the 318th Board of Directors Meeting on July 22, 2010.
- (3) Distribution of cash dividends was approved during the 27th General Meeting of Shareholders held on March 11, 2011.

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

- (4) Distribution of interim dividends of Won 1,000 was approved during the 330th Board of Directors Meeting on July 28, 2011.
- (5) Distribution of cash dividends was approved during the 28th General Meeting of Shareholders held on March 23, 2012.

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

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

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, 2012	As of and for the year ended December 31, 2011	As of and for the year ended December 31, 2010
Par value per share (Won)	500	500	500
Net income	724,338	1,694,363	1,947,008
Net income per share (Won)	10,393	24,002	27,063
Total cash dividend	69,695	656,533	669,534
Total stock dividends			
Percentage of cash dividend to available income (%)	9.6	38.7	34.4
Cash dividend yield ratio (%)	Common share	0.8	6.6
	Preferred share		5.4
Stock dividend yield ratio (%)	Common share		
	Preferred share		
Cash dividend per share (Won)	Common share	1,000	9,400
	Preferred share		9,400
Stock dividend per share (share)	Common share		
	Preferred share		

Prepared based on separate financial statements. Net income per share means basic net income per share.

- * The total cash dividend of Won 669,534 million for the year ended December 31, 2010 includes the total interim dividend amount of Won 72,345 million, and the cash dividend amount per share of Won 9,400 includes the interim cash dividend amount per share of Won 1,000.
- * The total cash dividend of Won 656,533 million for the year ended December 31, 2011 includes the total interim dividend amount of Won 71,095 million, and the cash dividend amount per share of Won 9,400 includes the interim cash dividend amount per share of Won 1,000.
- * The total interim dividend amount for the nine months ended September 30, 2012 was Won 69,695 million, and the interim cash dividend amount per share was Won 1,000.

II. BUSINESS

Each company in the consolidated entity is a separate legal entity providing independent services and products. The business is primarily separated into (1) the wireless telecommunication business consisting of mobile phone, wireless data, information telecommunication, (2) the fixed-line telecommunication business consisting of PSTN, high speed Internet, data and network lease services, among others, and (3) other businesses consisting of Internet portal service and game design, among others.

1. Business Overview**Summary Business Description of Material Consolidated Subsidiaries**

Classification	Company name	Description of business
Wireless	SK Telecom Co., Ltd.	Wireless voice and data telecommunications services via digital wireless networks
	PS&Marketing Corporation	Resale of fixed-line and wireless telecommunications products through wholesale, retail and online distribution channels
	Network O&S Co., Ltd.	Network maintenance services such as the operation of the Company's base stations and related transmission and power facilities
Fixed-line	SK Broadband Co., Ltd.	High-speed Internet, TV, telephone, commercial data and other fixed-line services
	Broadband Media Co., Ltd.	Various media-related services, such as development of IP TV set boxes and value-added services, management of the transmission system for online digital contents, channel management, including video on demand, and mobile IPTV services
	SK Telink Co., Ltd.	International wireless direct-dial 00700 services, pre-paid international card calling services, voice services using Internet protocol and Mobile Virtual Network Operator (MVNO) services
Other business	SK Planet Co., Ltd.	Various platform services such as 11th Street, T Store, T-Map Navigation and Hoppin in the application, commerce and new media areas, among others
	SK Communications Co., Ltd.	Integrated portal services through NATE, social networking services through Cyworld and instant messaging services through NATE-ON
	Loen Entertainment, Inc.	Online music services, including operation of MelOn, a music portal, as well as production and sales of music albums
	Sky Property Mgmt., Ltd.	Established for the purpose of holding SK Tower located in Beijing, China
	YTK Investment Ltd. Atlas Investment	Established to strategically invest in funds in order to find future growth opportunities and strengthen the Company's competitiveness

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

As of September 30, 2012, the number of domestic mobile phone subscribers reached 53.28 million and, with more than a 100% penetration rate, the Korean mobile communication market can be considered to have reached its maturation stage. However, the penetration rate is expected to increase further due to increased use of mobile phones by corporate users resulting from the rapid growth of smartphone markets, as well as the increasing popularity of high-tech mobile devices based on wireless data services such as tablet computers.

The Korean mobile communications market continues to improve in the quality of services with the help of advances in network-related technology and the development of highly advanced LTE and 3G smartphones which enable the provision of convergence services for multimedia contents, mobile commerce, telematics, new media and other related services. In addition, through the HSPA+ network commercialized in October 2010 and the LTE network introduced in July 2011, B2B businesses, such as the corporate connected workforce business which can directly contribute to an enhancement in productivity, are expected to grow rapidly.

B. Growth Potential

(Unit: 1,000 persons)

Classification		As of		As of December 31,		
		September 30, 2012	2011	2010	2009	2008
Number of subscribers	SK Telecom	26,778	26,553	25,705	24,270	23,032
	Others (KT, LGU+)	26,500	25,954	25,062	23,675	22,575
	Total	53,278	52,507	50,767	47,944	45,607

(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. Sales revenue related to data services is expected to increase due to the increasing popularity of smartphones and wireless Internet. The importance of the business-to-business segment, which creates added value by selling and developing various solutions, 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 September 30,		As of December 31,	
	2012	2011	2010	2009
Mobile communication services	50.3	50.6	50.6	50.6

(Source: Korea Communications Commission website)

Comparative market share:

(As of September 30, 2012)

(Unit: %)

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Classification	SK Telecom	KT	LGU+
Market share	50.3	30.9	18.8

(Source: Korea Communications Commission website)

D. Business Overview and Competitive Strengths

The Company is seeking to transform itself from a telecommunication service provider into a comprehensive information and communication technology (ICT) service provider. It has continued to expand the scope of its services and achieved strong growth in subscribers amid fierce competition and rate cuts. For the nine months ended September 30, 2012, the Company recorded Won 12.1 trillion in revenue and Won 1,220 billion in operating income on a consolidated basis and Won 9.17 trillion in revenue and Won 1,130 billion in operating income on a separate basis.

The number of subscribers as of September 30, 2012 was 26.78 million, an increase of approximately 119,000 from the previous quarter. In particular, the number of smartphone subscribers as of September 30, 2012 was 15.28 million, an increase of 1.28 million from the previous quarter, including 5.67 million LTE subscribers, solidifying the Company's market leadership. The Company upgraded the quality of data services by providing commercial LTE services, enabling streaming of high-quality videos, high-definition voice services such as high-definition video conference calls and mobile on-line gaming services. The Company also plans to enhance customer satisfaction by improving network quality.

The Company has proved that it has superior network quality compared to its competitors according to the Korea Communications Commission quality evaluations. The Company has also proved to be the leader in Korea's top three customer satisfaction indices: according to the National Customer Satisfaction Index, Korean Customer Satisfaction Index and Korean Standard Service Quality Index, the Company has continued to hold the leading position for 15 years, 15 years and 13 years, respectively.

SK Telink, a consolidated subsidiary of the Company, plans to expand its operations to the MVNO business based on its technical expertise and know-how obtained in its international telecommunications business. SK Telink launched its pre-paid MVNO service, 7Mobile, in June 2012 and plans to launch its post-pay service in January 2013. An MVNO leases the networks of a mobile network operator (MNO) and provides wireless telecommunication services under its own brand and fee structure, without owning telecommunication networks or frequencies.

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

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

[Fixed-line Business]

A. Industry Characteristics

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

We believe the transition to digital TV services will accelerate when analog open air TV broadcasting terminates at the end of 2012. With the introduction of new services such as smart TVs, we are seeing stronger competition in various convergence products, such as mobile IPTV and N-screen services employing smartphones and tablet computers.

B. Growth Potential

Classification		(Unit: 1,000 persons)		
		As of September 30, 2012	As of December 31, 2011	2010
Fixed-line Subscribers	High-speed Internet	18,138	17,860	17,224
	Fixed-line telephone	18,379	18,633	19,273
	IPTV (real-time)	5,820	3,591	2,740

(Source: Korea Communications Commission website)

C. Cyclical Nature and Seasonality

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

We expect that the accelerated transition to digital TV services as a result of the termination of analog open air TV broadcasting, as well as the entrance of Google Inc. (Google) and Apple Inc. (Apple) into the television market and the introduction of smart TV products, will present opportunities by expanding the market size and increasing consumers' interests. We are strengthening our competitiveness in the TV business by improving the performance of our TV set boxes and expanding the number of popular channels, as well as introducing mobile IPTV services using N-screen.

Historical market share of the Company:

Classification	(Unit: %)		
	As of September 30, 2012	As of December 31, 2011	2010
High-speed Internet (include resales)	24.0	23.5	23.2
Fixed-line telephone (include VOIP)	15.4	14.6	13.7
IPTV (real-time)	21.5	19.3	23.8

(Source: Korea Communications Commission website)

D. Business Overview and Competitive Strengths

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

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

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plans to strengthen its existing business, including international and long-distance calling services, while satisfying customers' diverse needs for new services.

[Other Business]

A. Industry Characteristics

As the number of smartphones distributed in Korea exceeds 30 million, the growth in various mobile devices has spurred the rise of the service provider with a strong platform business as the leader in the ICT market. A platform business acts as an intermediary by promoting interactions among various customer groups, thereby generating new values. It is important for a platform business to continually attract subscribers and users and to create an ecosystem with certain lock-in effects. A platform can exist in various forms, including as a technological standard (iOS, Android OS), a subscriber-based service platform (Facebook, Twitter) or a marketplace (Amazon, T Store). Platform businesses are evolving and expanding globally.

A platform business has strong growth potential due to its connectivity with related services and ease of global expansion. Apple became a world-leading smartphone producer based on its innovative design and the competitive strength of its App Store platform. Google has created a new ecosystem of long-tail advertising by attracting millions of third parties to its advertising platform, as well as showing strong growth in mobile markets with its competitive platform based on Android OS.

B. Growth Potential

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

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

C. Domestic and Overseas Market Conditions

(1) Competition

- Application Marketplace

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

- Commerce Markets

The Company expects that on-line commerce markets will continue to grow due to the growth potential of the Internet shopping population and the strengthening of on-line business models by off-line operators. The Korean advertising market is expected to grow from Won 7.4 trillion in 2010 to Won 10.0 trillion in 2015. In particular, mobile advertising is expected to grow rapidly to Won 0.8 trillion in 2015, primarily due to the popularity of smartphones and convergence with location-based advertising.

- Media Contents Market

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

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

(2) Market Share

CyWorld service, our social networking website in Korea, had 26 million cumulative subscribers, 14 million net users and a page view of 7 billion as of September 2012. Our Nate-On service had the largest market share of 75.2% in the instant messenger market in Korea with 10 million net users as of September 2012. Our Nate search portal service had a market share of 1.8% as of September 2012. (Source: Korean Click, Company data).

D. Business Overview and Competitive Strengths

SK Planet plans to expand its platform ecosystem focusing on its Open & Collaboration motto in operating its digital content marketplaces such as T Store and Hoppin, commerce marketplaces such as 11th Street and Smart Wallet and location-based services such as T-Map Navigation, thereby ultimately increasing its enterprise value.

- Digital Content Marketplace

T Store, launched in September 2009, reached 17.15 million subscribers and cumulative downloads of 1 billion as of September 2012, solidifying its leadership position in the Korean application market and plans to widen its services to tablets and navigation devices. The Company intends to further develop T Store into a global service platform by evolving it into a personalized gateway through expansion of the scope of serviceable devices, reinforcement of digital content offerings and enhancement of search services, among other things.

- Commerce (Open Market)

11th Street, an online marketplace, has continued its growth through effective marketing and customer satisfaction. Despite its later entry into the online commerce market (launched in 2008) which was already divided between Auction and G-Market, it is leading the domestic e-commerce market and is also firmly establishing its position as the leader in the mobile commerce market. Future growth plans include overseas joint ventures based on 11th Street's business expertise.

- Location-based Service

T-Map Navigation provides map, local information, real-time traffic information and navigation services. With cumulative subscribers of 15.27 million as of September 30, 2012, T-Map Navigation is one of the leading location-based service platforms in Korea. The Company plans to further develop the T-Map Navigation platform by initiating open application programming interface-based services, providing services to more diverse types of devices and providing local area-based services.

- Media Platform

The Company's media platform business started with its Hoppin service, which provides N-screen media service enabling subscribers to enjoy contents through a number of devices. Hoppin has expanded its services to more types of smartphones and tablets and has 2.84 million subscribers as of September 30, 2012. The Company plans to develop Hoppin service into a media platform acting as an intermediary of various N-screen services. It also plans to provide media platform services in overseas markets in stages.

- Web Search through Nate.com

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

- Mobile Social Networking Service

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

- Music Business

The Company's online music site, MelOn, has continued to increase its sales and, for the past four years, has been recognized as having the largest market share and the highest brand recognition in the digital music sales market in Korea. As of September 30, 2012, the Company supports all major smartphone and tablet devices introduced in Korea, including the iPhone and the iPad, and is strengthening its support for its mobile customers who use MelOn services in a multi-device environment. The Company plans to strengthen its leadership in the mobile market and increase the number of its subscribers by responding to changes in the smart device and 4G LTE network environment, providing reliable service operations and continually improving service, offering relevant and special music related contents to its customers and engaging in diverse and differentiated marketing promotion activities.

Satellite DMB

The Company launched its Hanbyul satellite in 2004 and received government approval in December 30, 2004 to provide satellite DMB services. Broadcasting through satellite DMB commenced in May 2005 and satellite DMB services expanded nationwide thereafter. On August 23, 2012, the board of directors resolved to discontinue operation of its satellite DMB services due to the rapid decrease in satellite DMB subscribers and the continued burden of fixed costs. Its DMB services were discontinued as of August 31, 2012.

2. Major Products & Services

A. Updates on Major Products and Services

Business	Major companies	Item	Major trademarks	(Unit: in millions of Won, %)
				Sales amount (ratio)
Wireless	SK Telecom Co., Ltd., PS&Marketing Corporation, Service Ace Co., Ltd., Service Top Co. Ltd., Network O&S Co., Ltd.	Mobile Communication Service, Wireless Data Service, Information Telecommunication Service	T and others	9,798,453(81%)
Fixed-line	SK Broadband Co., Ltd., Broadband D&M Co., Ltd., Broadband Media Co., Ltd., Broadband CS Co., Ltd., SK Telink Co., Ltd.	Fixed-line Phone, High Speed Internet, Data and Network Lease Service	B tv , 00700 international call and others	1,646,029(14%)
Other	SK Planet Co., Ltd , Commerce Planet Co., Ltd , SK Communications Co., Ltd., PAXNet Co., Ltd., Loen Entertainment, Inc., SKT Americas, Inc., SK Telecom China Holdings Co., Ltd.	Internet Portal Service, Game Service	NATE, 11th Street, T Store, T-Map Navigation, MelOn, Cyworld and others	658,609(5%)
Total				12,103,091(100%)

B. Price Fluctuation Trend of Major Products and Services

[Wireless Business]

In the past, based on the Company's basic monthly subscription plan, 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 monthly subscription plan, the basic service fee was Won 12,000 per month and the usage fee was Won 18 per 10 seconds. As of September 30, 2012, based on the Company's standard monthly subscription plan, the basic service fee was Won 11,000 per month and the usage fee was decreased to Won 1.8 per 1 second.

[Fixed-line Business]

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

[Other Business]

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

3. Investment Status [Wireless Business]

A. Investment in Progress

(Unit: in 100 millions of Won)

Business	Classification	Investment period	Subject of investment	Investment effect	Total investments	Amount already invested	Future investment
Network/Common	Upgrade/ New installation	2012	Network, systems and others	Capacity increase and quality improvement; systems improvement	To be determined	18,863	To be determined
Total					-	To be determined	To be determined

B. Future Investment Plan

(Unit: in 100 millions of Won)

Business	Expected investment amount		Expected investment for each year			Investment effect
	Asset type	Amount	2012	2013	2014	
Network/Common	Network, systems and others	28,000	28,000	To be determined	To be determined	Upgrades to the existing services and provision of new services
Total		28,000	28,000	To be determined	To be determined	Upgrades to the existing services and provision of new services

* The Company modified its expected annual investment amount for 2012 from Won 2.3 trillion to Won 2.8 trillion in order to preemptively accommodate the rapidly increasing number of LTE subscribers and gain a strong competitive advantage in quality and technology.

[Fixed-line Business]

A. Investment in Progress

(Unit: in 100 millions of Won)

Business	Classification	Investment period	Subject of investment	Investment effect	Total investments	Amount already invested	Future investment
High-speed Internet	Upgrade/ New installation	2012	Backbone and subscriber network / others	Expand subscriber networks and facilities	2,315	685	To be determined
Telephone				62			
Television				522			
Corporate Data				Increase leased-line and integrated information system		590	
Others				Expand networks		456	
Total						2,315	

4. Revenues

(Unit: in millions of Won)

Business	Sales type	Item	For the nine months ended September 30, 2012	For the year ended December 31, 2011	For the year ended December 31, 2010
Wireless	Services	Export	8,773	1,331	599
		Domestic	9,789,680	13,100,614	12,919,663
		Subtotal	9,798,453	13,101,945	12,920,262
Fixed-line	Services	Fixed-line, Export	23,954	28,070	30,883
		B2B data, Domestic	1,622,075	2,134,498	2,196,424
		Subtotal	1,646,029	2,162,568	2,227,307
Other	Services	High-speed Internet, TV Display and Export	135,162	12,036	12,000
		Search ad., Content Domestic	523,447	711,729	439,726
		Subtotal	658,609	723,765	451,726
Total		Export	167,889	41,437	43,482
		Domestic	11,935,202	15,946,841	15,555,813
		Total	12,103,091	15,988,278	15,599,295

(Unit: in thousands of Won)

For the nine months ended September 30, 2012	Wireless	Fixed	Other	Sub total	Internal transaction	After consolidation
Total revenue	10,763,934,063	2,206,564,845	1,229,340,764	14,199,839,672	2,096,749,093	12,103,090,579
Internal revenue	965,481,314	560,535,884	570,731,895	2,096,749,093	2,096,749,093	
External revenue	9,798,452,749	1,646,028,961	658,608,869	12,103,090,579		12,103,090,579
Operating income (loss)	1,125,868,569	39,501,300	50,180,696	1,215,550,565		1,215,550,565
Net profit (loss)	662,002,544	-90,502,773	25,073,511	596,573,282		596,573,282
Total asset	23,116,767,489	3,372,434,207	3,349,850,827	29,839,052,523	3,780,556,505	26,058,496,018
Total liabilities	10,922,842,433	2,164,119,200	844,364,105	13,931,325,738	431,758,831	13,499,566,907

5. Derivative Transactions

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

The Company has entered into a currency and interest rate swap contract with Credit Agricole Corporate & Investment Bank to hedge the foreign currency risk and the interest rate risk of U.S. dollar denominated floating rate long-term borrowings with face amounts totaling US\$100,000,000 borrowed on October 10, 2006. As of September 30, 2012, in connection with this unsettled currency and interest rate swap contract, an accumulated loss on valuation of derivatives amounting to Won 2,360,375,000 (excluding tax effect totaling Won 253,426,000 and foreign exchange translation loss arising from U.S. dollar denominated long-term borrowings totaling Won 17,060 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

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12,500,000,000 issued on November 13, 2007. As of September 30, 2012, in connection with this unsettled currency and interest rate swap contracts, an accumulated gain on valuation of derivatives amounting to Won 3,645,512,000 (excluding tax effect totaling Won 564,189,000 and foreign exchange translation loss arising from unguaranteed Japanese yen denominated bonds totaling Won 76,078,267,000) 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, 2012, in connection with this unsettled foreign currency swap contract, an accumulated loss on valuation of currency swap of Won 34,778,659,000 that has accrued since May 12, 2010 (excluding tax effect totaling Won 11,103,477,000 and foreign exchange translation gain arising from unguaranteed U.S. dollar denominated bonds totaling Won 9,924,123,000) was accounted for as accumulated other comprehensive loss. Meanwhile, a gain on valuation of currency swap of Won 129,806,021,000 incurred prior to the date of applying cash flow risk hedge accounting was charged to current operations.

The Company has entered into a currency and interest rate swap contract with two banks including DBS in order to hedge the foreign currency risk and the interest rate risk of floating rate foreign currency bonds with face amounts totaling US\$250,000,000 issued on December 15, 2011. As of September 30, 2012, in connection with this unsettled currency and interest rate swap contract, an accumulated gain on valuation of derivatives of Won 5,770,479,000 (excluding tax effect totaling Won 1,842,290,000 and foreign exchange translation gain arising from this floating rate foreign currency bonds totaling Won 9,879,998,000) was accounted for as accumulated other comprehensive gain.

The Company has entered into a currency and interest rate swap contract with United Overseas Bank in order to hedge the foreign currency risk and the interest rate risk of floating rate foreign currency bonds with face amounts totaling SGD 65,000,000 issued on December 15, 2011. As of September 30, 2012, in connection with this unsettled currency and interest rate swap contract, an accumulated loss on valuation of derivatives of Won 252,103,000 (excluding tax effect totaling Won 80,487,000 and foreign exchange translation loss arising from this floating rate foreign currency bonds totaling Won 1,837,228,000) was accounted for as accumulated other comprehensive loss.

The Company has entered into a currency swap contract with six banks including Citibank in order to hedge the foreign currency risk of its fixed rate foreign currency bonds with face amounts totaling CHF 300,000,000 issued on June 12, 2012. As of September 30, 2012, in connection with this unsettled currency swap contract, an accumulated loss on valuation of derivatives of Won 15,259,211,000 (excluding tax effect totaling Won 4,871,674,000 and foreign exchange translation gain arising from these fixed rate foreign currency bonds totaling Won 5,600,087,000) was accounted for as accumulated other comprehensive loss.

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

Category	Subject of Risk Hedge	Contract Period	(Unit: in thousands of Won)		
			Designated as Hedging Instrument	Not Designated as Hedging Instrument	Total
Currency Swap (Current Asset)	Unguaranteed Japanese Yen-denominated Bonds (face amount of JPY 12,500,000,000)	From Nov. 13, 2007 to Nov. 13, 2012	79,159,590		79,159,590
	Floating-rate Long-term Borrowing (principal amount of USD 100,000,000)	From Oct. 10, 2006 to Oct. 10, 2013	14,446,199		14,446,199
Currency Swap (Non-current Assets)	Unguaranteed Foreign Currency Bonds (face amount of USD 400,000,000)	From Jul. 20, 2007 to Jul. 20, 2027	73,999,761		73,999,761
	Floating-rate Foreign Currency Bonds (face amount of SGD 65,000,000)	From Dec. 15, 2011 to Dec. 12, 2014	1,504,638		1,504,638
Conversion Right (Non-current Asset)	Convertible Bonds (Available-for-sale Securities)(*) (face amount of Won 50,000,000,000)	From Sep. 1, 2009 to Aug. 31, 2014		532,169	532,169
	Total derivative assets:		169,110,188	532,169	169,642,357
Currency Swap (Non-current Liability)	Floating-rate Foreign Currency Bonds (face amount of USD 250,000,000)	From Dec. 15, 2011 to Dec. 12, 2014	2,267,230		2,267,230
	Fixed-rate Foreign Currency Bonds (face amount of CHF 300,000,000)	From Jun. 12, 2012 to Jun. 12, 2017	25,730,972		25,730,972
	Total derivative liabilities		27,998,202		27,998,202

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

6. Major Contracts
[SK Telecom]

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

[SK Broadband]

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

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

[SK Planet]

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

[SK Communications]

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

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

7. R&D Investments

Category	(Unit: in millions of Won)			Remarks
	For the nine months ended September 30, 2012	For the year ended December 31, 2011	For the year ended December 31, 2010	
Raw material	31	45	41	
Labor	47,250	48,656	49,441	
Depreciation	121,250	149,850	143,131	
Commissioned service	16,950	40,257	98,545	
Others	37,779	57,118	64,755	
Total R&D costs	223,260	295,927	355,913	
Accounting				
Sales and administrative expenses	221,147	289,979	352,186	
Development expenses (Intangible assets)	2,113	5,948	3,727	
R&D cost / sales amount ratio (Total R&D costs / Current sales amount×100)	1.84%	1.85%	2.28%	

8. Other information relating to investment decisions**[SK Telecom]****A. Trademark Policies**

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

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

B. Business-related Intellectual Property

The Company holds 4,705 Korean-registered patents, 266 U.S.-registered patents, 145 Chinese-registered patents (all including patents held jointly with other companies) and more patents with other countries. The Company holds 824 Korean-registered trademarks and owns intellectual property rights to the design of the alphabet T. The designed alphabet T is registered in all business categories for trademarks (total of 45) and is being used as the primary brand of the Company.

[SK Broadband]

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

[SK Planet]

As of September 30, 2012, SK Planet held 1,880 registered patents, 91 registered design marks, 692 registered trademarks and one copyright (including those held jointly with other companies) in Korea. It also holds 20 U.S.-registered patents, 31 Chinese-registered patents, 8 Japanese-registered patents, 15 E.U.-registered patents (all including patents held jointly with other companies) and 107 registered trademarks, along with a number of other intellectual property rights, in other countries.

[SK Communications]

As of September 30, 2012, SK Communications held 59 registered patents, 26 registered design rights and 700 registered trademarks in Korea.

III. FINANCIAL INFORMATION**1. Summary Financial Information (Consolidated)****A. Summary Financial Information (Consolidated)**

(Unit: in thousands of Won, except for number of companies)

	As of September 30, 2012	As of December 31, 2011	As of December 31, 2010
Current Assets	5,443,180,022	6,117,478,958	6,653,991,923
Cash and Cash Equivalents	1,168,091,430	1,650,793,876	659,404,935
Accounts Receivable - Trade	1,950,202,277	1,823,169,889	1,949,397,279
Accounts Receivable - Other	544,187,807	908,836,454	2,531,847,155
Others	1,780,698,508	1,734,678,739	1,513,342,554
Non-Current Assets	20,615,315,996	18,248,557,471	16,478,397,157
Long Term Investment Securities	1,002,933,347	1,537,945,216	1,680,582,091
Investments in Associates	4,718,240,702	1,384,605,401	1,204,691,805
Property and Equipment	9,072,883,245	9,030,998,201	8,153,412,683
Intangible Assets	2,739,298,067	2,995,803,300	1,884,955,652
Goodwill	1,740,149,083	1,749,932,878	1,736,649,137
Others	1,341,811,552	1,549,272,475	1,818,105,789
Total Assets	26,058,496,018	24,366,036,429	23,132,389,080
Current Liabilities	5,312,382,723	6,673,589,809	6,202,170,452
Non-Current Liabilities	8,187,184,184	4,959,737,573	4,522,219,358
Total Liabilities	13,499,566,907	11,633,327,382	10,724,389,810
Equity Attributable to Owners of the Parent Company	11,540,534,896	11,661,880,863	11,329,990,900
Capital	44,639,473	44,639,473	44,639,473
Capital Deficit and Other Capital Adjustments	(290,660,059)	(285,347,419)	(78,952,875)
Retained Earnings	11,610,756,252	11,642,525,267	10,721,249,327
Reserves	175,799,230	260,063,542	643,054,975
Non-controlling Interests	1,018,394,215	1,070,828,184	1,078,008,370
Total Equity	12,558,929,111	12,732,709,047	12,407,999,270
Number of Companies Consolidated	29	31	32

	(Unit: in thousands of Won, except for per share amounts)			
	For the nine months ended September 30, 2012	For the nine months ended September 30, 2011	For the year ended December 31, 2011	For the year ended December 31, 2010
Revenue	12,103,090,579	11,968,129,465	15,926,468,674	15,489,373,747
Operating Income	1,215,550,565	1,899,693,602	2,295,613,330	2,555,781,816
Income Before Income Tax	900,663,520	1,960,613,979	2,240,689,573	2,373,223,839
Net Income	596,573,282	1,386,591,288	1,582,073,280	1,766,834,754
Net Income Attributable to Owners of the Parent Company	628,691,998	1,396,493,916	1,612,889,086	1,841,612,790
Net Income Attributable to Non-controlling Interests	(32,118,716)	(9,902,628)	(30,815,806)	(74,778,036)
Net Income Per Share (Won)	9,021	19,698	22,848	25,598
Diluted Net Income Per Share (Won)	8,800	19,160	22,223	24,942

B. Changes to Accounting Standards Adopted During 2012**- Presentation of Financial Statements**

As of September 30, 2012, the Company early adopted the amendment to K-IFRS No. 1001, Presentation of Financial Statements and presented operating income (which equals revenues minus operating expenses) on a consolidated basis accordingly.

The Company has applied the amendment to K-IFRS No. 1001 retroactively and the impact of such amendment on the Company's consolidated statements of comprehensive income is set forth in the table below.

	(Unit: in thousands of Won)			
	For the three months ended September 30, 2012	For the nine months ended September 30, 2012	For the three months ended September 30, 2011	For the nine months ended September 30, 2011
Operating income before adoption of the amendment	274,362,643	1,124,162,718	544,354,086	1,845,597,328
Differences:				
Fees revenues	(1,025,677)	(1,987,129)	(1,989,627)	(2,586,775)
Gain on disposal of property and equipment and intangible assets	(2,138,155)	(4,970,005)	(1,360,609)	(5,296,150)
Others	(11,420,400)	(25,488,313)	(13,655,805)	(26,852,683)
Total other non-operating income	(14,584,232)	(32,445,447)	(17,006,041)	(34,735,608)
Impairment loss on property and equipment and intangible assets	5,850,000	9,719,444		1,559,326
Loss on disposal of property and equipment and intangible assets	7,154,655	10,134,161	6,124,908	14,098,829
Donations	4,207,082	45,215,525	15,795,586	46,634,671
Bad debts for accounts receivable - other	4,986,430	28,025,983	1,615,260	4,761,379
Others	18,717,816	30,738,181	9,850,571	21,777,677
Total other non-operating expense	40,915,983	123,833,294	33,386,325	88,831,882
Operating income after adoption of the amendment	300,694,394	1,215,550,565	560,734,370	1,899,693,602

2. Summary Financial Information (Separate)**A. Summary Financial Information (Separate)**

(Unit: in thousands of Won)

	As of September 30, 2012	As of December 31, 2011	As of December 31, 2010
Current Assets	3,187,584,533	3,948,077,706	5,316,976,799
Cash and Cash Equivalents	365,673,348	895,557,654	357,469,908
Accounts Receivable - Trade	1,423,606,763	1,282,233,900	1,453,060,673
Accounts Receivable - Other	346,253,906	774,221,266	2,499,969,010
Others	1,052,050,516	996,064,886	1,006,477,208
Non Current Assets	19,338,916,696	16,572,449,699	14,410,149,512
Long Term Investment Securities	782,831,252	1,312,437,834	1,517,029,011
Investments in Associates	7,998,066,050	4,647,505,583	3,584,394,790
Property and Equipment	6,550,285,366	6,260,168,675	5,469,747,495
Intangible Assets	2,225,887,517	2,364,795,182	1,424,968,542
Goodwill	1,306,236,299	1,306,236,299	1,308,422,097
Others	475,610,212	681,306,126	1,105,587,577
Total Assets	22,526,501,229	20,520,527,405	19,727,126,311
Current Liabilities	3,600,903,203	4,467,005,877	4,561,013,611
Non Current Liabilities	6,941,524,047	4,087,219,816	3,585,155,050
Total Liabilities	10,542,427,250	8,554,225,693	8,146,168,661
Capital	44,639,473	44,639,473	44,639,473
Capital Deficit and Other Capital Adjustments	(236,160,557)	(236,016,201)	(24,643,471)
Retained Earnings	11,901,519,520	11,837,184,788	10,824,355,758
Reserves	274,075,543	320,493,652	736,605,890
Total Equity	11,984,073,979	11,966,301,712	11,580,957,650

(Unit: in thousands of Won, except per share amounts)

	For the nine months ended September 30, 2012	For the nine months ended September 30, 2011	For the year ended December 31, 2011	For the year ended December 31, 2010
Revenue	9,173,496,789	9,521,830,703	12,551,255,630	12,514,520,922
Operating Income	1,125,503,908	1,792,288,526	2,184,498,641	2,530,954,768
Income Before Income Tax	891,467,012	1,936,692,038	2,274,421,558	2,503,637,367
Net Income	724,338,433	1,423,741,476	1,694,363,093	1,947,007,919
Net Income Per Share (Won)	10,393	20,083	24,002	27,063
Diluted Net Income Per Share (Won)	10,128	19,533	23,343	26,366

B. Changes to Accounting Standards Adopted During 2012**- Presentation of Financial Statements**

As of September 30, 2012, the Company early adopted the amendment to K-IFRS No. 1001, Presentation of Financial Statements and presented operating income (which equals revenues minus operating expenses) on a separate basis accordingly.

The Company has applied the amendment to K-IFRS No. 1001 retroactively and the impact of such amendment on the Company's separate statements of income is set forth in the table below.

(Unit: in thousands of Won)

	For the three months ended September 30, 2012	For the nine months ended September 30, 2012	For the three months ended September 30, 2011	For the nine months ended September 30, 2011
Operating income before adoption of the amendment	236,902,885	1,040,163,126	508,793,557	1,737,812,069
Differences:				
Fees revenues	(2,275,215)	(3,484,651)	(1,636,297)	(2,318,593)
Gain on disposal of property and equipment and intangible assets	(1,522,914)	(1,881,326)	(328,018)	(1,183,623)
Others	(4,953,216)	(9,390,330)	(7,765,984)	(12,726,271)
Total other non-operating income	(8,751,345)	(14,756,307)	(9,730,299)	(16,228,487)
Impairment loss on property and equipment and intangible assets		15,437,758		
Loss on disposal of property and equipment and intangible assets	6,772,897	8,858,034	6,230,076	13,584,618
Donations	4,013,045	44,495,477	15,480,091	45,534,199
Bad debt for accounts receivable - other	502,865	19,874,015	1,614,023	4,524,330
Others	10,100,248	11,431,805	1,865,796	7,061,797
Total other non-operating expense	21,389,055	100,097,089	25,189,986	70,704,944
Operating income after adoption of the amendment	249,540,595	1,125,503,908	524,253,244	1,792,288,526

3. K-IFRS: Preparation, Impact to Financial Statements and Changes in the Accounting Principles Implemented

- Transition to K-IFRS

The Company prepares its financial statements in accordance with K-IFRS starting from fiscal year 2011 which commenced on January 1, 2011. The Company's financial statements in previous periods were prepared in accordance with Korean GAAP. The Company's financial statements for fiscal year 2010, which are presented for comparison, were prepared in accordance with K-IFRS with January 1, 2010 as the transition date and pursuant to K-IFRS No. 1101, First-time Adoption of Korean International Financial Reporting Standards.

IV. AUDITOR'S OPINION

1. Auditor (Consolidated)

Nine months ended September 30, 2012 KPMG Samjong Accounting Corp.	Year ended December 31, 2011 Deloitte Anjin LLC	Year ended December 31, 2010 Deloitte Anjin LLC
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2. Audit Opinion (Consolidated)

Period	Auditor's opinion	Issues noted
Nine months ended September 30, 2012	-	-
Year ended December 31, 2011	Unqualified	-
Year ended December 31, 2010	Unqualified	-

3. Auditor (Separate)

Nine months ended September 30, 2012 KPMG Samjong Accounting Corp.	Year ended December 31, 2011 Deloitte Anjin LLC	Year ended December 31, 2010 Deloitte Anjin LLC
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4. Audit Opinion (Separate)

Period	Auditor's opinion	Issues noted
Nine months ended September 30, 2012	-	-
Year ended December 31, 2011	Unqualified	-
Year ended December 31, 2010	Unqualified	-

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

(Unit: in thousands of Won / hour)

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

B. Non-Audit Services Contract with External Auditors

(Unit: in thousands of Won)

Period	Contract date	Service provided	Service duration	Fee
Nine months ended September 30, 2012	-	-	-	
Year ended December 31, 2011	April 11, 2011	Tax consulting	30 days	45,000
	April 28, 2011	Tax consulting	30 days	45,000
Year ended December 31, 2010	July 20, 2010	Management consulting	4 days	5,000
	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
	December 23, 2010	Tax consulting	3 days	7,700
	December 23, 2010	Tax consulting	20 days	24,600
	December 29, 2010	Tax consulting	15 days	17,000

6. Change of Independent Auditors

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

V. MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

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

B. Significant Activities of the Board of Directors

Meeting	Date	Agenda	Approval
		Financial Statements as of and for the year ended December 31, 2011	Approved as proposed
		Annual Business Report as of and for the year ended December 31, 2011	Approved as proposed
339th	February 9,	Management Plan for 2012	Approved as proposed
(the 1st meeting of 2012)	2012	Transaction of goods, services and assets with SK Planet	Approved as proposed
		Report for Internal Accounting Management System	-
		Report for Subsequent Events following 4Q 2011	-
340th	February 23,	Convocation of the 28th Annual General Meeting of Shareholders	Approved as proposed
(the 2nd meeting of 2012)	2012		

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Result of Internal Accounting Management System Evaluation -

341th (the 3rd meeting of 2012)	March 23, 2012	Election of Chairman of the Board of Directors	Approved as proposed
		Amendment to the Company's internal rules	Approved as proposed
		Election of committee members	Approved as proposed
		Asset Management Transaction with Affiliated Company (SK Securities)	Approved as proposed
		Donation to Happiness Sharing Institute	Approved as proposed

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Meeting	Date	Agenda	Approval
342th (the 4th meeting of 2012)	April 26, 2012	Adoption of internal compliance rules and the appointment of chief compliance officer	Approved as proposed
		Amendment of board regulations	Approved as proposed
		Issuance of overseas bonds	Approved as proposed
		Report for the period after the first quarter of 2012	-
343th (the 5th meeting of 2012)	June 21, 2012	Asset management transaction with affiliated company (SK Securities)	Approved as proposed
		Compliance support operating plan	-
344th (the 6th meeting of 2012)	July 25, 2012	Interim dividend	Approved as proposed
		Bond offering	Approved as proposed
		Agreement on the operation of Voluntary Responsible Management Support Group	Approved as proposed
		Financial results for the first half of 2012	-
345th (the 7th meeting of 2012)	September 26, 2012	Report for the period after the second quarter of 2012	-
		Sale of equity stake in POSCO	Approved as proposed
346th	September 27, 2012	Bond offering	Approved as proposed

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(the 8th meeting of 2012)		Financial transactions with affiliated company (SK Securities)	Approved as proposed
347th	October 25,	Amendment of investment amount in 2012 LTE network investment plan	Approved as proposed
(the 9th meeting of 2012)	2012	Report for the period after the third quarter of 2012	-
		Amendment to agreement between affiliated companies	Approved as proposed
348th	November 22,	2013 transaction plan with SK Forest Co., Ltd.	Approved as proposed
(the 10th meeting of 2012)	2012	Base station maintenance service contract	Approved as proposed
		Customer center management service contract	Approved as proposed

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

C. Committees within Board of Directors

(1) Committee Structure (As of November 23, 2012)

a) Compensation Review Committee

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

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

b) Capex Review Committee

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

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

c) Corporate Citizenship Committee

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

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

d) Independent Director Nomination Committee

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

*

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

e) Audit Committee

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

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

2. Audit System

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

Major activities of the Audit Committee are as follows.

Meeting	Date	Agenda	Approval	Remarks
The first meeting of 2012	February 1, 2012	Preparation for audit report for the 28th Annual General Meeting of Shareholders	-	
		Business-to-business contract with SK Telink	Approved as proposed	
		Construction of Mobile Phone Facilities for 2012	Approved as proposed	
		Construction of Network Facilities for 2012	Approved as proposed	
The second meeting of 2012	February 8, 2012	Evaluation of Internal Accounting Controls based on the Opinion of the Members of the Audit Committee	Approved as proposed	
		2nd half 2011 Management Audit Results and Management Audit Plan for 2012	-	
		Reports on Internal Accounting Management System	-	
The third meeting of 2012	February 22, 2012	Reports on 2011 IFRS Audit	-	
		Report on Review of 2011 Internal Accounting Management System	-	
		Evaluation of Internal Accounting Management System Operation	Approved as proposed	
		Auditor's Report for Fiscal Year 2011	Approved as proposed	

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Agenda and Document Review for the 28 Annual General Meeting of Shareholders Approved as proposed

Purchase of Mobile Phone Relay Devices for 2012 Approved as proposed

Purchase of Mobile Phone Transmission Devices for 2012 Approved as proposed

2012 IT SM contract Approved as proposed

Engagement of Independent Auditing Firm for 2012 to 2014 Approved as proposed

Transactions with SK C&C in the second quarter of 2012 Approved as proposed

The fourth meeting of 2012

March 22, 2012

Asset Management Transaction with Affiliated Company (SK Securities) -

Election of Chairman Jae Ho Cho Approved as proposed

Remuneration of outside auditor for the Fiscal Year 2012 Approved as proposed

The fifth meeting of 2012

April 26, 2012

Outside auditor service plan for the Fiscal Year 2012 Approved as proposed

Audit plan for the Fiscal Year 2012 -

Purchase of maintenance, repair and operations items from Happy Narae Co., Ltd. Approved as proposed

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Meeting	Date	Agenda	Approval	Remarks
The sixth meeting of 2012	May 23, 2012	Construction of Mobile Phone Facilities for 2012	Approved as proposed	
		Construction of Network Facilities for 2012	Approved as proposed	
		Service contract for handset customer service for 2012	Approved as proposed	
The seventh meeting of 2012	June 20, 2012	Transaction with SK C&C in the third quarter of 2012	Approved as proposed	
		Plans for asset management transaction with affiliate (SK Securities)	-	
The eighth meeting of 2012	July 24, 2012	Financial results for the first half of 2012	-	
		Results of operation for the first half of 2012	-	
		Results of fiscal year 2012 IFRS half year review	-	
The ninth meeting of 2012	August 22, 2012	Plans for the construction of cell phone facilities in 2012	Approved as proposed	
		Plans for the construction of transmission facilities in 2012	Approved as proposed	
The tenth meeting of 2012	September 26, 2012	Results of management audit in the first half of 2012	-	
		Transactions with SK C&C in the fourth quarter of 2012	Approved as proposed	
The eleventh meeting of 2012	October 24, 2012	Plans for financial transactions with affiliate (SK Securities)	-	
		Agency contract for billboard advertising	Approved as proposed	

meeting of 2012

Agency contract for 2013 integrated loyalty marketing Approved as proposed

The twelfth meeting of 2012	November 21, 2012	Leases of electricity and transmission facilities	Approved as proposed
		Service contract for fixed-line network services	Approved as proposed
		Construction of cell phone facilities	Approved as proposed
		Construction of transmission network facilities	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, 2012)

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

Investing company	Invested companies									
	SK E&S	SK Gas	DOPCO	CCE	YN Energy	Daehan City Gas	SK Sci-tech	SK Telink	Busan City Gas	Jeonnam City Gas
SK Corporation	94.1%									
SK Innovation			41.0%							
SK Energy										
SK Global Chemical										
SK Networks										
SK Telecom								83.5%		
SK Chemicals		45.5%					50.0%			
SK C										
SK E&C										
SK Gas										
SK C&C	5.9%									
SK E&S				100.0%	100.0%	99.1%			40.0%	100.0%
SK Communications										
SK Broadband										
SK D&D										

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SK Marketing & Company										
SK Lubricant										
SK Shipping										
SK Planet										
SK Hynix										
Hynix Engineering										

Total affiliated companies	100.0%	45.5%	41.0%	100.0%	100.0%	99.1%	50.0%	83.5%	40.0%	100.0%
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Investing company	Invested companies										
	Gangwon City Gas	JBES	M & Service	SK Wyverns	Infosec	Happynarae (formerly, MRO Korea)		SK Telesys	Encar network	F&U Credit Info	Paxnet
SK Corporation											
SK Innovation							42.5%				
SK Energy											
SK Global Chemical											
SK Networks											
SK Telecom				100.0%			42.5%			50.0%	
SK Chemicals											
SK C								50.0%			
SK E&C											
SK Gas							5.0%				
SK C&C					100.0%		5.0%		92.4%		
SK E&S	100.0%	100.0%									
SK Communications											
SK Broadband											
SK D&D											
SK Marketing & Company			100.0%								
SK Lubricant											
SK Shipping											
SK Planet											59.7%
SK Hynix											
Hynix Engineering											
Total affiliated companies	100.0%	100.0%	100.0%	100.0%	100.0%		95.0%	50.0%	92.4%	50.0%	59.7%

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

Invested companies

Investing company	Invested companies									
	Commerce Planet	Real Vest	SKC Solmics Co., Ltd.	SK Broadband	SK M&C	Broadband Media	Broadband CS	UBcare	PyongTaek Energy Service	Wirye Energy Service
SK Corporation										
SK Innovation					50.0%					
SK Energy										
SK Global Chemical										
SK Networks										
SK Telecom				50.6%	50.0%					
SK Chemicals								44.0%		
SK C			53.7%							
SK E&C		100.0%								
SK Gas										
SK C&C										
SK E&S									100.0%	71.0%
SK Communications										
SK Broadband						100.0%	100.0%			
SK D&D										
SK Marketing & Company										
SK Lubricant										
SK Shipping										
SK Planet	100.0%									
SK Hynix										
Hynix Engineering										
Total affiliated companies	100.0%	100.0%	53.7%	50.6%	100.0%	100.0%	100.0%	44.0%	100.0%	71.0%

Invested companies

Investing company	Invested companies									
	WS Commerce	Incyto	Jeju United FC	MKS Guarantee	PS&Marketing	SK Forest	SK Lubricants	Zicos	MAD Start	Bizen
SK Corporation						100.0%				
SK Innovation							100.0%			
SK Energy			100.0%							
SK Global Chemical										
SK Networks	100.0%									
SK Telecom					100.0%					
SK Chemicals										
SK C		100.0%								
SK E&C										
SK Gas										
SK C&C										99.0%
SK E&S										
SK Communications										
SK Broadband										
SK D&D				100.0%						
SK Marketing & Company										
SK Lubricant								100.0%		
SK Shipping										
SK Planet									100.0%	
SK Hynix										
Hynix Engineering										
Total affiliated companies	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.0%

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

Investing company	Invested companies									
	Natruck Friends	Ulsan Aromatics	SK Biofarm	Service-In	SKC Lighting	Gimcheon Energy	SKSM	PMP	LC&C	Speed Motor
SK Corporation			100.0%							
SK Innovation										
SK Energy	50.0%									
SK Global Chemical		50.0%								
SK Networks									79.6%	100.0%
SK Telecom										
SK Chemicals										
SK C					72.2%					
SK E&C										
SK Gas										
SK C&C										
SK E&S						50.0%		100.0%		
SK Communications				100.0%						
SK Broadband										
SK D&D										
SK Marketing & Company										
SK Lubricant										
SK Shipping							100.0%			
SK Planet										
SK Hynix										
Hynix Engineering										
Total affiliated companies	50.0%	50.0%	100.0%	100.0%	72.2%	50.0%	100.0%	100.0%	79.6%	100.0%

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Invested companies

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

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

(As of September 30, 2012)

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

* Resigned on January 31, 2012.

B. Overview of the Largest Shareholder

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

Details of SK Corporation's subsidiaries are as follows:

(Unit: in millions of Won)

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

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

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

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

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

2. Changes in Shareholdings of the Largest Shareholder

Changes in shareholdings of the largest shareholder are as follows.

(As of September 30, 2012)

(Unit: Shares, %)

Largest Shareholder	Date of the change in the largest shareholder/ Date of change in shareholding	Shares Held	Holding Ratio	Remarks
SK Corporation	March 7, 2008	18,751,260	23.09	Purchased 1,085,325 shares from SK Networks on March 7, 2008
	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's common 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
	March 11, 2011	18,750,490	23.22	Man Won Jung, SK Telecom's CEO, resigned Shin Bae Kim, SK C&C's CEO, resigned
	April 5, 2011	18,749,990	23.22	Dal Sup Shim, an Independent Director, disposed 500 shares
	July 8, 2011	18,749,990	23.22	

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August 5, 2011	18,750,490	23.22	Shin Won Chey, SKC's Chairman, purchased 500 shares
August 23, 2011	18,751,490	23.22	Shin Won Chey, SKC's Chairman, purchased 500 shares
December 21, 2011	20,366,490	25.22	Shin Won Chey, SKC's Chairman, purchased 500 shares
January 31, 2012	20,366,290	25.22	SK Corporation purchased 1,615,000 shares
			Retirement of Bang Hyung Lee, a former officer of an affiliated company

* 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 and others**

(As of June 30, 2012)

(Unit: shares, %)

Rank	Name (title)	Common share	
		Number of shares	Ownership ratio
1	Citibank ADR	23,938,004	29.65
2	SK Corporation	20,363,452	25.22
3	SK Telecom	11,050,712	13.69
	Shareholdings under the Employee Stock Ownership Program*	273,729	0.34

* Shares held as of September 30, 2012.

B. Shareholder Distribution

(As of June 30, 2012)

(Unit: shares, %)

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

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

4. Share Price and Trading Volume in the Last Six Months**A. Domestic Securities Market**

(Unit: Won, shares)

Types		September 2012	August 2012	July 2012	June 2012	May 2012	April 2012
Common	Highest	152,000	153,000	144,500	142,500	138,500	126,500
stock	Lowest	144,000	141,000	125,000	134,500	120,500	120,500
	Monthly transaction volume	3,529,323	4,472,290	5,328,072	7,871,677	5,027,374	4,468,381

B. Foreign Securities Market

New York Stock Exchange

(Unit: US\$, ADR)

Types		September 2012	August 2012	July 2012	June 2012	May 2012	April 2012
Depository	Highest	15.06	14.80	13.87	12.10	13.59	14.13
Receipt	Lowest	14.39	13.67	12.23	11.38	11.44	13.25
Monthly transaction volume		25,083,680	43,365,272	46,810,072	31,605,816	45,556,433	46,985,251

VIII. EMPLOYEES AND DIRECTORS**1. Employees**

(As of September 30, 2012)

(Unit: persons, in thousands of Won)

Classification	Number of employees			Total	Average service year	Aggregate wage for the nine months ended September 30, 2012	Average wage per person	Remarks
	Regular employees	Contract employees	Others					
Male	3,410	48		3,458	12.7	288,367,419	83,391	
Female	512	68		580	10.5	34,505,794	59,493	
Total								3.5% of operating income (on a separate basis)
	3,922	116		4,038	12.4	322,873,213	79,959	

* Excludes retirement and severance payments to employees whose employment was terminated before the end of the respective employment periods.

2. Compensation of Directors**A. Amount Approved at the Shareholders Meeting**

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

(Unit: in millions of Won)

B. Amount Paid

(As of September 30, 2012)

(Unit: in millions of Won)

Classification	Number of Directors	Aggregate Amount Paid	Average Amount Paid Per Director
Insider Directors	3	9,005	3,002
Independent Directors*	1	64	64
Audit Committee Members	4	241	60
Total	8	9,309	

* Excludes independent directors who are Audit Committee members.

IX. RELATED PARTY TRANSACTIONS**1. Loans to the Largest Shareholder and Related Persons**

None

2. Transfer of Assets to/from the Largest Shareholder and Other Transactions**A. Investment and Disposition of Investment**

None.

B. Transfer of Assets

(Units: in millions of Won)

Name (Corporate Name)	Relationship	Transferred Objects	Details		Amount Transferred From Largest Shareholder	Amount Transferred to Largest Shareholder	Remarks
			Purpose of Transfer	Date of Transfer			
Encar Network Co., Ltd.	Affiliated Company	Used car sale	Sale of assets not in use	March 21, 2012		60	
Service Ace Co., Ltd.	Affiliated Company	Devices not in use	Sale of assets not in use	July 24, 2012		2	
Service Ace Co., Ltd.	Affiliated Company	Devices not in use	Sale of assets not in use	July 31, 2012		5	
SK Networks Co., Ltd. (Seoul branch)	Affiliated Company	Distribution network assets	Sale of assets not in use	August 23, 2012		9	
PS&Marketing Corporation	Affiliated Company	Distribution network assets	Sale of assets not in use	August 27, 2012		1	
Total						77	

3. Related Party Transactions (excluding Transactions with the Largest Shareholder and Related Persons)**A. Provisional Payment and Loans (including loans on marketable securities)**

(Unit: in millions of Won)

Name (Corporate name)	Relationship	Account category	Beginning	Change details		Ending	Accrued interest	Remarks
				Increase	Decrease			
Midus and others	Agency	Long-term and short-term loans	118,919	162,456	183,363	98,012		

(Unit: in millions of Won)

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

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

None.

B. Summary Minutes of the General Meeting of Shareholders

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

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4. Election of Directors Approved (Jae Won Chey, Man Won Jung)

Election of inside directors Approved (Hyun Chin Lim)

Election of independent directors Approved (Hyun Chin Lim)

Election of independent directors as Audit Committee member

1. Approval of the financial statements for the year ended December 31, 2009 Approved (Cash dividend, Won 8,400 per share)

2. Amendment to Articles of Incorporation Approved

3. Approval of Remuneration Limit for Directors Approved (Won 12 billion)

26th Fiscal Year Meeting of Shareholders

4. Election of Directors Approved (Ki Haeng Cho)

(March 12, 2010)

Election of inside directors Approved (Dal Sup Shim)

Election of independent directors Approved (Dal Sup Shim, Jay Young Chung)

Election of independent directors as Audit Committee member

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

Election of independent directors

Approved (Hyun Chin Lim)

4. Election of an independent director as Audit Committee member Approved (Won 12 billion)

5. Approval of Remuneration Limit for Directors

2. Contingent Liabilities [SK Telecom]

A. Material Legal Proceedings

(1) Claim for Copyright License Fees regarding Coloring Services

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

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

B. Other Matters

(1) Pledged Assets and Covenants

In 2011, SK Broadband, a consolidated subsidiary of the Company, pledged its real estate and short term financial instruments as collateral for one year in connection with the borrowing by Broadband Media, another consolidated subsidiary. As of September 30, 2012, the amount of real estate provided as collateral was as follows: Won 65 billion to Hana Bank, Won 78 billion to IBK Capital and Won 52 billion to Kookmin Bank; the amount of short term financial instruments provided as collateral was as follows: Won 60 billion to Korea Exchange Bank, Won 35 billion to Hana Bank, Won 34 billion to National Agricultural Cooperative Federation and Won 20 billion to Woori Bank.

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

SK Broadband, a consolidated subsidiary of the Company, has also provided *geun* mortgage amounting to Won 15.2 billion to others, including Ilsan Guksa, on a part of its buildings in connection with the leasing of the buildings.

In 2011, PS&Marketing, a consolidated subsidiary of the Company, entered into a loan agreement to borrow up to Won 40 billion of working capital from Shinhan Bank. In connection with the loan agreement, it pledged Won 52 billion of its inventories to Shinhan Bank as collateral.

As of September 30, 2012, SKY Property Mgmt, Ltd. pledged CNY 519 million of its buildings and land-use rights as collateral to Korea Exchange Bank and China Merchants Bank in connection with a long-term borrowing of CNY 525 million. In the first nine months of 2012, SKY Property Mgmt, Ltd. newly borrowed long-term loans of US\$30 million and HKD 234 million from Standard Chartered Bank (HK) Ltd. and pledged its interests in its subsidiary, Shanghai Fujita Tianshan Housing Development Co., Ltd., as collateral.

(2) Payment Guarantee by the Company

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

[SK Broadband]

A. Material Legal Proceedings

(1) SK Broadband as the Plaintiff

(Unit: in thousands of Won)

Description of Proceedings	Date of Commencement of Proceedings	Amount of Claim	Status
Claim for Cancellation of Korea Fair Trade Commission s Penalty Reassessment	September 2009	1,810,000	Pending before Supreme Court
Claim relating to Gangamgu District Office Cable-Burying Project	March 2010	345,271	Pending before Supreme Court
Administrative Proceeding relating to Gangnamgu District Office	April 2010	703,440	Pending before Administrative Court
Claim for Sales Price by Sambo Motors	April 2011	321,200	Pending before Appellate Court
Damages Claims against Golden Young and Others	April 2011	454,267	Pending before District Court
Damages Claim relating to Hyundai Construction	December 2010	561,283	Pending before Appellate Court
Other claims and proceedings	-	163,114	
Total	-	4,358,575	-

(2) SK Broadband as the Defendant

(Unit: in thousands of Won)

Description of Proceedings	Date of Commencement of Proceedings	Amount of Claim	Status
Damage Claim by Sun Technology and One Other	October 2011	1,223,778	Pending before Appellate Court
Claim for Return of Unfair Benefit from One Call	October 2010	471,302	Pending before Appellate Court
Damages Claim from Jin Man Cho and One Other	January 2011	200,000	Pending before Appellate Court
Claim for Commission by i-Media Valley and Five Other Companies	July 2010	879,374	Pending before Appellate Court
Claim for Commission by Vialty and Four Other Companies	November 2010	125,000	Pending before District Court
Damage Claim by On-nuri Co., Ltd.	December 2011	101,000	Pending before District Court
Damage Claim by Mac Telecom and Five Other Companies	January 2012	606,000	Pending before District Court
Claim for damages by the Seoul Metropolitan Office of Education	March 2012	100,000	Pending before District Court
Other claims and proceedings	-	74,505	-
Total	-	3,780,959	-

The management believes that the final results of the litigations listed above would not have a material impact on the company's financial statements. In addition, in 2011, SK Broadband partly lost in a litigation relating to the leak of personal information at the district court, which ordered SK Broadband to pay damages of Won 5,266 million (out of the plaintiffs' claims of Won 24,689 million), and recognized such damage order as other accounts payable.

(3) Broadband Media as the Defendant

(Unit: in thousands of Won)

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

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

As of September 30, 2012, the aggregate amount of claims was Won 7,720 million. The management cannot reasonably forecast the outcome of the pending cases.

B. Other Contingent Liabilities

The material payment guarantees provided by third parties to SK Communications as of September 30, 2012 are set forth in the table below.

(Unit: in thousands of Won)

Financial Institution	Guarantee	Amount
Seoul Guarantee Insurance Company	Prepaid coverage payment guarantee	700,000
Seoul Guarantee Insurance Company	Provisional deposit guarantee insurance for bonds	1,068,051
Seoul Guarantee Insurance Company	Contractual payment guarantee	540,661

[SK Telink]**A. Other Contingent Liabilities**

As of September 30, 2012, the management expects that SK Telink will be required to pay damages to the subscribers to the satellite DMB services at the time of discontinuation of SK Telink's satellite DMB services due to such discontinuation. However, SK Telink did not record any contingent liabilities related to this matter as the amount of damages cannot be reasonably estimated.

[Loen Entertainment]

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

(Unit: in thousands of Won)

Financial Institution	Amount	Type of Agreement
Hana Bank	2,000,000	Loan facility
Total	2,000,000	-

[PS&Marketing Corporation]**A. Material Legal Proceedings**

As of November 29, 2012, the aggregate amount of the claim for the pending case was Won 24 million. The management cannot reasonably forecast the outcome of the pending case and therefore, has not reflected this matter in the company's financial statements. In addition, the

management believes that the final results of this litigation will not have a material impact on the company's financial statements.

3. Status of sanctions, etc.
[SK Telecom]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On July 4, 2012, the Company received a correctional order and a fine of Won 24,987 million from the Fair Trade Commission of Korea for alleged violation of Article 23 of the Fair Trade Act relating to the payment of system management and operation fees. The Company appealed the order and filed a suit with the administrative court. The suit is currently pending.

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

[SK Broadband]

(1) Violation of the Telecommunications Business Act

Date: May 18, 2012

Subject Company: SK Broadband

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

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

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

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

(2) Violation of Accounting Rules

Date: January 20, 2012

Subject Company: SK Broadband

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

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

Status of Implementation: Paid the fine.

Company's Plan: Will improve accounting management system.

(3) Violation of the Telecommunication Business Act

Date: November 23, 2011

Subject Company: SK Broadband

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

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

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

Company's Plan: Will improve operating procedures.

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

Date: July 14, 2011

Subject: SK Broadband and a former officer of SK Broadband

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

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

Status of Implementation: Paid the fine.

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

(5) Violation of the Telecommunication Business Act

Date: February 21, 2011

Subject Company: SK Broadband

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

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

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

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

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

Date: June 10, 2010

Subject Company: SK Broadband

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

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

Status of Implementation: Paid the fine.

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

[SK Planet]

On September 25, 2012, SK Planet received advance notice of an administrative action from the Korea Communications Commission relating to the delay in disclosing the change in the largest investor of a broadcasting channel-related company when SK Planet acquired 51% of Television Media Korea shares.

The Korea Communications Commission expects to impose a fine of less than Won 5 million (with the possibility of reducing the fine by up to half) and SK Planet intends to pay the fine once imposed.

[SK Communications]

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

4. Important Matters That Occurred After September 30, 2012

[SK Telecom]

(1) Bond offering

On September 27, 2012, the Company's board of directors resolved to issue foreign currency-denominated bonds. The Company issued U.S. dollar-denominated bonds in an aggregate amount of USD 700,000,000 on November 1, 2012.

(2) Sale of POSCO shares

On October 8, 2012, the Company sold 1,240,655 shares of POSCO common stock, which had been recorded as non-current assets held for sale as of September 30, 2012.

[SK Broadband]

(1) Bond offering

On September 27, 2012, the board of directors of SK Broadband resolved to issue two tranches of unsecured bonds in the principal amounts of Won 130 billion and Won 120 billion, respectively. The two tranches of unsecured bonds were issued on October 12, 2012 and the proceeds of the offerings were used to repay commercial paper and for general working capital purposes. The maturities and annual interest rates of the two tranches are October 12, 2015 with an annual interest rate of 3.14% and October 12, 2017 with an annual interest rate of 3.27%, respectively.

(2) Merger

On October 25, 2012, the board of directors of SK Broadband resolved to merge Broadband CS Co., Ltd. (Broadband CS), SK Broadband's wholly-owned subsidiary, into SK Broadband after Broadband CS sold its customer service business to Service Ace Co., Ltd. The merger is expected to be effective as of December 26, 2012 and the expected merger registration date is December 28, 2012.

5. Use of Proceeds

A. Use of Proceeds from Public Offerings

Not applicable.

B. Use of Proceeds from Private Offerings

(Unit: In millions of Won)

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

SK TELECOM CO., LTD.

Condensed Consolidated Interim Financial Statements

(Unaudited)

September 30, 2012

(With Independent Auditors' Review Report Thereon)

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Independent Auditors Review Report

Based on a report originally issued in Korean

To The Board of Directors and Shareholders

SK Telecom Co., Ltd.:

Reviewed financial statements

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

We did not review the financial statements of SK Broadband Co., Ltd., a domestic subsidiary, two other domestic subsidiaries and an associate, whose financial statements constitute 25.8% of consolidated total assets as of September 30, 2012, and 15.2% of consolidated operating revenue for the nine-month period ended September 30, 2012. Those financial statements were reviewed by other auditors whose reports have been furnished to us, and our report, insofar as it relates to the amounts included for those subsidiaries and associate, is based solely on the reports of those other auditors.

Management's responsibility for the condensed interim financial statements

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

Auditors' review responsibility

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

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

Conclusion

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

Highlights

As discussed in note 3, the Group early adopted amendments to K-IFRS No.1001, *Presentation of Financial Statements* as of September 30, 2012 and presents discontinued operation as discussed in note 34. The Group retrospectively restated the condensed consolidated interim statements of income for the three-month and nine-month periods ended September 30, 2011, presented for comparative purposes.

Other matters

The condensed consolidated statements of income and comprehensive income for the three-month and nine-month periods ended September 30, 2011, and the condensed consolidated statements of changes in equity and cash flows for the nine-month period ended September 30, 2011, were reviewed by other auditors and their report thereon, dated November 24, 2011, stated that nothing has come to their attention that causes them to believe that the condensed consolidated interim financial statements referred to above were not prepared, in all material respects, in accordance with K-IFRS No.1034, *Interim Financial Reporting*. The accompanying condensed consolidated interim statements of income and comprehensive income of the Group for the three-month and nine-month periods ended September 30, 2011, presented for comparative purposes, are not different from those reviewed by other auditors in all material respects, except for the retrospective restatement due to the early adoption of the amendments and discontinued operation, as noted above.

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

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

KPMG Samjong Accounting Corp.

Seoul, Korea

November 9, 2012

This report is effective as of November 9, 2012, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Financial Position

As of September 30, 2012 and December 31, 2011

<i>(In millions of won)</i>	Note	September 30, 2012	December 31, 2011
Assets			
Current Assets:			
Cash and cash equivalents	30,31	1,168,091	1,650,794
Short-term financial instruments	5,30,31,33	469,508	979,564
Short-term investment securities	8,30,31	89,062	94,829
Accounts receivable - trade, net	6,30,31,32	1,950,202	1,823,170
Short-term loans, net	6,30,31,32	91,582	100,429
Accounts receivable - other, net	6,30,31,32	544,188	908,836
Prepaid expenses		104,229	118,200
Income tax refund receivables	28	645	
Derivative financial assets	20,30,31	79,160	148,038
Inventories, net	7,33	238,606	219,590
Non-current assets held for sale	9	595,296	
Advanced payments and other	6,30,31,32	112,611	74,029
Total Current Assets		5,443,180	6,117,479
Non-Current Assets:			
Long-term financial instruments	5,30,31,33	139	7,628
Long-term investment securities	8,9,30,31	1,002,933	1,537,945
Investments in associates	10	4,718,241	1,384,605
Property and equipment, net	9,11,32,33	9,072,883	9,030,998
Investment property	9,12	222,373	271,086
Goodwill	13	1,740,149	1,749,933
Intangible assets	14	2,739,298	2,995,803
Long-term loans, net	6,30,31,32	73,033	95,565
Long-term accounts receivable - other	6,30,31		5,393
Long-term prepaid expenses	33	537,971	567,762
Guarantee deposits	6,30,31,32	234,164	245,218
Long-term derivative financial assets	20,30,31	90,483	105,915
Deferred tax assets	28	159,979	227,578
Other non-current assets	6,30,31	23,670	23,128
Total Non-Current Assets		20,615,316	18,248,557
Total Assets		26,058,496	24,366,036

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

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Financial Position, Continued

As of September 30, 2012 and December 31, 2011

<i>(In millions of won)</i>	Note	September 30, 2012	December 31, 2011
Liabilities and Equity			
Current Liabilities:			
Short-term borrowings	15,30,31	552,849	700,713
Current portion of long-term debt, net	15,16,18,30,31	366,877	1,662,841
Accounts payable - trade	30,31,32	399,993	195,391
Accounts payable - other	30,31,32	1,327,132	1,507,877
Withholdings	30,31	732,979	496,860
Accrued expenses	30,31,33	1,175,599	744,673
Income tax payable	28		293,725
Unearned revenue		264,818	290,791
Derivative financial liabilities	20,30,31		4,645
Provisions	17	380,633	657,198
Advanced receipt and other	32	111,503	118,876
Total Current Liabilities		5,312,383	6,673,590
Non-Current Liabilities:			
Debentures, net, excluding current portion	15,30,31	4,687,319	3,229,009
Long-term borrowings, excluding current portion	15,30,31	2,169,506	323,852
Long-term payables - other	16,30,31,32	713,564	847,496
Long-term unearned revenue		209,291	212,172
Finance lease liabilities	18,30,31	26,926	41,940
Defined benefit obligation	19	117,165	85,941
Long-term derivative financial liabilities	20,30,31	27,998	
Long-term provisions	17	161,802	142,361
Other non-current liabilities	30,31,32	73,613	76,966
Total Non-Current Liabilities		8,187,184	4,959,737
Total Liabilities		13,499,567	11,633,327
Equity			
Share capital	1,21	44,639	44,639
Capital deficit and other capital adjustments	21,22	(290,660)	(285,347)
Retained earnings	23	11,610,756	11,642,525
Reserves	24	175,800	260,064
Equity attributable to owners of the Parent Company		11,540,535	11,661,881
Non-controlling interests		1,018,394	1,070,828
Total Equity		12,558,929	12,732,709
Total Liabilities and Equity		26,058,496	24,366,036

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

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Income

For the three and nine-month periods ended September 30, 2012 and 2011

<i>(In millions of won except for per share data)</i>	Note	September 30, 2012		September 30, 2011 (Restated)	
		Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended
Continuing operations					
Operating revenue:	4,32				
Revenue		4,125,516	12,103,091	4,045,352	11,968,129
Operating expense:	32				
Labor cost		309,389	957,839	292,625	859,589
Commissions paid		1,592,886	4,555,558	1,404,791	4,172,829
Depreciation and amortization		614,745	1,770,625	608,443	1,758,073
Network interconnection		286,168	855,787	322,345	964,589
Leased line		121,748	353,507	127,731	352,060
Advertising		92,818	262,372	117,071	257,623
Rent		105,708	312,976	97,984	290,919
Cost of products that have been resold		418,530	989,300	244,720	648,244
Other operating expenses	25	282,830	829,576	268,908	764,510
Sub-total		3,824,822	10,887,540	3,484,618	10,068,436
Operating income	3,4	300,694	1,215,551	560,734	1,899,693
Finance income	27	29,601	141,038	73,783	388,509
Finance costs	27	(113,565)	(323,881)	(100,357)	(251,400)
Gains (losses) related to investments in subsidiaries associates, net	1,10	4,941	(40,656)	(1,383)	(22,092)
Other non-operating income	3,26	14,584	32,445	17,006	34,736
Other non-operating expenses	3,26	(40,915)	(123,833)	(33,386)	(88,832)
Income before income tax		195,340	900,664	516,397	1,960,614

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

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Income, Continued

For the three and nine-month periods ended September 30, 2012 and 2011

(In millions of won except for per share data)

	Note	September 30, 2012		September 30, 2011 (Restated)	
		Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended
Income tax expense from continuing operations	28	19,806	170,489	122,829	541,473
Net income from continuing operations		175,534	730,175	393,568	1,419,141
Discontinued operation					
Income (loss) from discontinued operation, net of income taxes	34	102	(133,602)	(9,681)	(32,550)
Net income for the period	4	175,636	596,573	383,887	1,386,591
Attributable to :					
Owners of the Parent Company		178,872	628,692	386,166	1,396,494
Non-controlling interests		(3,236)	(32,119)	(2,279)	(9,903)
Earnings per share					
Basic earnings per share	29	2,566	9,021	5,478	19,698
Diluted earnings per share	29	2,566	8,800	5,333	19,160
Earnings per share - Continuing operations					
Basic earnings per share	29	2,568	10,669	5,624	20,176
Diluted earnings per share	29	2,568	10,395	5,475	19,623

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

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Comprehensive Income

For the three and nine-month periods ended September 30, 2012 and 2011

(In millions of won)

	Note	September 30, 2012		September 30, 2011	
		Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended
Net income for the period		175,636	596,573	383,887	1,386,591
Other comprehensive income (loss)					
Net change in unrealized fair value of available-for-sale financial assets	24	12,392	(38,107)	(198,482)	(376,631)
Net change in other comprehensive income of investments in associates	10,24	(24,699)	(17,522)	13,867	5,023
Net change in unrealized fair value of derivatives	20,24	(13,875)	(14,769)	(22,031)	(18,744)
Foreign currency translation differences for foreign operations	24	(21,962)	(24,459)	69,408	46,361
Actuarial gains(losses), net, on defined benefit obligations	19	680	(4,266)	1,090	(7,134)
		(47,464)	(99,123)	(136,148)	(351,125)
Total comprehensive income		128,172	497,450	247,739	1,035,466
Total Comprehensive Income Attributable to:					
Owners of the Parent Company		138,370	539,100	228,707	1,030,793
Non-controlling interests		(10,198)	(41,650)	19,032	4,673

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

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Changes in Equity

For the nine-month periods ended September 30, 2012 and 2011

(In millions of won)

	Controlling interest						Total equity
	Share capital	Capital deficit and other capital adjustments	Retained earnings	Reserves	Sub-total	Non-controlling interests	
Balance, January 1, 2011	44,639	(78,953)	10,721,249	643,056	11,329,991	1,078,008	12,407,999
Cash dividends			(668,293)		(668,293)	(2,226)	(670,519)
Treasury stock		(208,012)			(208,012)		(208,012)
Total comprehensive income							
Net income (loss)			1,396,494		1,396,494	(9,903)	1,386,591
Other comprehensive income (loss)			(7,199)	(358,503)	(365,702)	14,577	(351,125)
Changes in subsidiaries		5,868			5,868	3,055	8,923
Balance, September 30, 2011	44,639	(281,097)	11,442,251	284,553	11,490,346	1,083,511	12,573,857
Balance, January 1, 2012	44,639	(285,347)	11,642,525	260,064	11,661,881	1,070,828	12,732,709
Cash dividends			(655,133)		(655,133)	(2,133)	(657,266)
Total comprehensive income							
Net income (loss)			628,692		628,692	(32,119)	596,573
Other comprehensive loss			(5,328)	(84,264)	(89,592)	(9,531)	(99,123)
Changes in subsidiaries		(5,313)			(5,313)	(8,651)	(13,964)
Balance, September 30, 2012	44,639	(290,660)	11,610,756	175,800	11,540,535	1,018,394	12,558,929

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

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Cash Flows

For the nine-month periods ended September 30, 2012 and 2011

<i>(In millions of won)</i>	Note	2012	2011
Cash flows from operating activities:			
Cash generated from operating activities			
Net income for the period		596,573	1,386,591
Adjustments for income and expenses	35	2,547,459	2,431,971
Changes in assets and liabilities related to operating activities	35	483,852	1,246,222
Sub-total		3,627,884	5,064,784
Interest received		70,287	123,575
Dividends received		28,310	27,425
Interest paid		(272,553)	(241,622)
Income tax paid		(369,583)	(567,259)
Net cash provided by operating activities		3,084,345	4,406,903
Cash flows from investing activities:			
Cash inflows from investing activities:			
Decrease in short-term financial instruments, net		502,990	
Decrease in short-term investment securities, net		14,182	112,000
Collection of short-term loans		189,476	145,439
Proceeds from disposal of long-term financial instruments		5,000	3
Proceeds from disposal of long-term investment securities		58,922	258,158
Proceeds from disposal of investments in associates		1,898	5,141
Proceeds from disposal of property and equipment		10,234	21,947
Proceeds from disposal of intangible assets		6,589	2,767
Collection of long-term loans		8,783	29,260
Decrease of deposits		6,556	
Proceeds from disposal of other non-current assets		640	1,136
Proceeds from disposal of a subsidiary		88,641	1,000
Sub-total		893,911	576,851
Cash outflows for investing activities:			
Increase in short-term financial instruments, net			(393,086)
Increase in other investment securities, net		(2,000)	
Increase in short-term loans		(163,785)	(182,486)
Increase in long-term loans		(2,523)	(4,901)
Increase in long-term financial instruments		(12)	(7,650)
Acquisition of long-term investment securities		(36,146)	(254,365)
Acquisition of investments in associates		(3,132,690)	(61,896)
Acquisition of property and equipment		(2,144,752)	(1,756,705)
Acquisition of investment property			(60,801)
Acquisition of intangible assets		(84,529)	(74,752)
Increase in deposits		(4,186)	
Increase in other non-current assets		(1,838)	(2,562)
Acquisition of business, net of cash acquired			(13,626)
Decrease in cash due to disposal		(11,560)	
Sub-total		(5,584,021)	(2,812,830)

Net cash used in investing activities	(4,690,110)	(2,235,979)
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See accompanying notes to the unaudited condensed consolidated interim financial statements.

SK TELECOM CO., LTD.

Unaudited Condensed Consolidated Statements of Cash Flows, Continued

For the nine-month periods ended September 30, 2012 and 2011

<i>(In millions of won)</i>	Note	2012	2011
Cash flows from financing activities:			
Cash inflows from financing activities:			
Proceeds from short-term borrowings		1,791,386	1,206,434
Issuance of debentures		1,086,992	438,035
Proceeds from long-term borrowings		2,059,779	95,492
Cash inflows from settlement of derivatives		1,619	
Cash inflows from other financial activities		92	
Increase in cash from the consolidated capital transaction			6,457
Sub-total		4,939,868	1,746,418
Cash outflows for financing activities:			
Repayment of short-term borrowings		(1,937,255)	(574,247)
Repayment of current portion of long-term debt		(100,464)	(550,943)
Repayment of debentures		(888,124)	(332,160)
Repayment of long-term borrowings		(207,948)	(500,000)
Cash outflows from transaction of derivatives		(5,415)	(17,695)
Payment of finance lease liabilities		(15,204)	
Payment of dividends		(657,266)	(668,293)
Acquisition of treasury stock			(208,012)
Capital reduction of a subsidiary		(1,025)	
Sub-total		(3,812,701)	(2,851,350)
Net cash provided by (used in) financing activities		1,127,167	(1,104,932)
Net increase (decrease) in cash and cash equivalents		(478,598)	1,065,992
Cash and cash equivalents at beginning of the period		1,650,794	659,405
Effects of exchange rate changes on cash and cash equivalents		(4,105)	3,323
Cash and cash equivalents at end of the period		1,168,091	1,728,720

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

1. Reporting Entity

(1) General

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

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

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

(2) List of subsidiaries

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

Subsidiary	Location	Primary business	Ownership(%)	
			Sep. 30, 2012	Dec. 31, 2011
SK Telink Co., Ltd.	Korea	Telecommunication service	83.5	83.5
SK Communications Co., Ltd.	Korea	Internet website services	64.6	64.6
PAXNet Co., Ltd.	Korea	Internet website services	59.7	59.7
Loen Entertainment, Inc.	Korea	Release of music disc	67.6	67.6
Stonebridge Cinema Fund	Korea	Investment association	57.0	57.0
Ntreev Soft Co., Ltd.	Korea	Game software production		63.7
Commerce Planet Co., Ltd.	Korea	Online shopping mall operation agency		