

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

Table of Contents

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

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

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

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

Form 20-F Form 40-F

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

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

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

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

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

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

Table of Contents

QUARTERLY REPORT

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

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

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

UNLESS EXPRESSLY STATED OTHERWISE, ALL INFORMATION CONTAINED HEREIN IS PRESENTED ON A NON-CONSOLIDATED BASIS IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN KOREA, OR KOREAN GAAP, WHICH DIFFER IN CERTAIN RESPECTS FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CERTAIN OTHER COUNTRIES, INCLUDING THE UNITED STATES. WE HAVE MADE NO ATTEMPT TO IDENTIFY OR QUANTIFY THE IMPACT OF THESE DIFFERENCES.

Contents

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

Table of Contents

I. COMPANY OVERVIEW

1. Company Overview

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

B. Date of Incorporation: March 29, 1984

C. Location of Headquarters

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

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

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

D. Corporate Purpose of the Company

Business Objectives

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

Table of ContentsE. Credit Ratings
(1) Corporate Bonds

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

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

influence of any
environmental
change under
reasonable
expectation
conditions.

Table of Contents(2) Commercial
Paper (CP)

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

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

(3) International Credit Ratings

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

6

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

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

B. Significant Changes in Management

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

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

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

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

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

| Classification | Share type | | Remarks |
|--|---------------|-------------|---------|
| | Common shares | Total | |
| 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 | |
| | 7 | | |

Table of Contents

(As of March 31, 2010)

(Unit: shares)

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

(As of March 31, 2010)

(Unit: Shares)

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

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

of the overseas
convertible
bonds.

Table of Contents

(2) Retirement of Treasury Stock

(Unit: in millions of Won, Shares)

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

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

(Amounts: in millions of Won)

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

9

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

(As of March 31, 2010)

(Unit: shares)

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

5. Dividends and Others

A. Dividends

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

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

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

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

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

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

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

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

Table of Contents

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

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

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

B. Dividends for the Last 3 Fiscal Years

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

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

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

1,000.

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

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

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

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

B. Growth Potential

(Unit: 1,000 persons)

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

(Source: Korea Communications Commission website)

C. Domestic and Overseas Market Conditions

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

Historical market share of the Company

(As of March 31, 2010)

(Unit: %)

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

Table of Contents

Comparative market share
(As of March 31, 2010)

(Unit: %)

| Classification | SK Telecom | KTF | LG Telecom |
|-----------------------|-------------------|------------|-------------------|
| Market share | 50.7 | 31.4 | 17.9 |

(Source: Korea Communications Commission website)

D. Business Overview and Competitive Strengths

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

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

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

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

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

A. Updates on Major Products and Services

(Unit: in millions of Won, %)

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

B. Price Fluctuation Trend of Major Products and Services

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

3. Investment Status

A. Investment in Progress

(Unit: in 100 millions of Won)

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

B. Future Investment Plan

(Unit: in 100 millions of Won)

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

Table of Contents**4. Revenues**

(Unit: in millions of Won)

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

5. Derivative Transactions

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

A. Currency Swap

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

(2) Contract Terms

- Currency swap contract applying cash flow risk hedge accounting

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

Table of Contents

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

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

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

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

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

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

Table of Contents

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

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

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

B. Interest Rate Swap

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

(2) Contract Terms

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

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

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

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

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

Table of Contents

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

6. Major Contracts

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

* Selected among
contracts
exceeding Won
15 billion.

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

(Unit: in thousands of Won)

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

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

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

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

B. Business-related Intellectual Properties

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

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

(Unit: in millions of Won)

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

(Unit: Won)

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

| | | | | | |
|-----------------------------------|-------|--------|--------|--------|--------|
| Diluted earnings per share | 4,389 | 17,808 | 17,395 | 22,289 | 19,458 |
| | 20 | | | | |

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

(Unit: in millions of Won)

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

* See the attached Korean GAAP Consolidated Financial Statements.

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

| | | |
|-------------------------------------|---|---|
| Quarter ended March 31, 2010 | Year ended December 31, 2009 | Year ended December 31, 2008 |
|-------------------------------------|---|---|

Deloitte Anjin LLC

Deloitte Anjin LLC

Deloitte Anjin LLC

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

Unqualified

Year ended December 31, 2008

Unqualified

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

(Unit: in thousands of Won)

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

Table of Contents

B. Non-Audit Services Contract with External Auditors

(Unit: in thousands of Won)

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

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

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

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

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

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

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

Table of Contents

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

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

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

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

Table of Contents

C. Committees within Board of Directors

(1) Committee Structure

a) Independent Director Nomination Committee

(As of May 14, 2010)

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

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

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

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

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

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

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

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

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

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

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

Table of Contents

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

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

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

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

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

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

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| | | | | | |
|----------------|--|-------------------------|-----|-----|-----|
| April 26, 2010 | Election of Chairman of Committee Rak Yong Uhm | Approved as proposed | For | For | For |
|----------------|--|-------------------------|-----|-----|-----|

* Agendas filled
in with hyphens
are report only

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

Table of Contents

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

* Agendas filled
in with hyphens
are report only

D. Directors Independence

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

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

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

Table of Contents**2. Audit System**

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

Major activities of the Audit Committee are as follows.

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

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

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

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

Articles of Incorporation

Description

Article 32 (3) (Election
of Directors)

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

Article 4 of the 12th
Supplement to the
Articles of Incorporation
(Interim Regulation)

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

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

Table of Contents

4. Affiliated Companies

A. Capital Investments between Affiliated Companies

(As of April 1, 2010)

* Based on common shares

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

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

SK Broadband
SK Lubricant
SK Securities
Total affiliated
companies

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

30

Table of Contents

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

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

| | | | | | | | | | | |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| SK Securities | | 40.0% | | | | | | | | |
| Total affiliated companies | 87.5% | 90.0% | 59.7% | 44.2% | 45.0% | 33.7% | 63.5% | 67.8% | 100.0% | 100.0% |

Invested companies

| Investing company | SKC Media | IHQ | NTREEV Soft I | SKC Media | SKC Communications | SKC Lubricant | I Platform | SKC Air Gas | SKN Service | Nuri Solution | Commerce Planet |
|-----------------------|-----------|-------|---------------|-----------|--------------------|---------------|------------|-------------|-------------|---------------|-----------------|
| SK Corporation | | | | | | | | | | | |
| SK Energy | | | | | | | 100.0% | | | | |
| SK Telecom | | 37.1% | 63.7% | | 64.8% | | | | | | 100.0% |
| SK Networks | | | | | | | 66.7% | | 100.0% | | |
| SK Chemicals | | | | | | | | | | | |
| SKC | 100.0% | | | | | | | 80.0% | | | |
| SK C&C | | | | | | | | | | 46.3% | |

Table of Contents

Invested companies

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

Invested companies

SKC Sumray

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

Invested companies

**Namwon
Sarang**

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

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

A. Shareholdings of the Largest Shareholder and Related Persons

(As of March 31, 2010)

(Unit: Shares, %)

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

B. Overview of the Largest Shareholder

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

Details of SK Corporation's subsidiaries are as follows:

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

* The above share holdings are based on

common stock
holdings as of
March 31, 2010.

Table of Contents

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

2. Changes in shareholdings of the Largest Shareholder

Changes in shareholdings of the largest shareholder are as follows.

(Unit: Shares, %)

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

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

3. Distribution of Shares

A. Shareholders with ownership of 5% or more

(As of December 31, 2009)

(Unit: shares, %)

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

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

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

(As of March 31, 2010)

(Unit: Shares)

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

C. Shareholder Distribution

(As of December 31, 2009)

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

35

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

A. Domestic Securities Market

(Unit: Won, shares)

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

B. Overseas Securities Market

New York Stock Exchange

(Unit: US\$, ADR)

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

VIII. EMPLOYEES

(As of March 31, 2010)

(Unit: persons, in millions of Won)

Number of employees

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

36

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

(As of March 31, 2010)

(Unit: in millions of Won)

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

(Unit: in millions of Won)

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

2. Transfer of Assets to/from the Largest Shareholder

A. Transfer of Assets

(Units: in thousands of Won)

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

Table of Contents

B. Transfer of Business

(Units: in thousands of Won)

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

Total

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

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

Agents

(Unit: in millions of Won)

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

(Unit: in millions of Won)

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

38

Table of Contents

B. Equity Investments

(Unit: in millions of Won)

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

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

A. Status and Progress of Major Management Events

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

Table of Contents

B. Summary Minutes of the General Meeting of Shareholders

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

2. Contingent Liabilities

A. Material Legal Proceedings

Table of Contents

- Not applicable

B. Other Matters

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

3. Status of sanctions, etc.

A. Status of sanctions

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

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

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

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

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

Table of Contents

SK TELECOM CO., LTD.

NON-CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009

AND INDEPENDENT ACCOUNTANTS REVIEW REPORT

42

Table of Contents

Independent Accountants' Review Report

English Translation of a Report Originally Issued in Korean

To the Stockholders and Board of Directors of

SK Telecom Co., Ltd.

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

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

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

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

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

Table of Contents

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

April 12, 2010

Notice to Readers

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

44

Table of Contents

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

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

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

| | | | | |
|-------------------------------------|---------|---------|---------|---------|
| | 49,183 | 64,216 | 43,479 | 56,768 |
| Long-term accounts receivable other | 846,228 | 761,647 | 748,080 | 673,309 |
| Guarantee deposits (Note 15) | 168,836 | 172,021 | 149,254 | 152,069 |
| Long-term currency swap (Note 17) | 193,444 | 223,173 | 171,008 | 197,289 |
| Long-term deposits and other | 109,524 | 123,414 | 96,820 | 109,099 |

| | | | | |
|--------------------------|------------|------------|------------|------------|
| Total Non-current Assets | 14,104,808 | 14,314,581 | 12,468,890 | 12,654,332 |
|--------------------------|------------|------------|------------|------------|

| | | | | |
|--------------|--------------|--------------|---------------|---------------|
| TOTAL ASSETS | ₩ 19,339,181 | ₩ 19,297,633 | \$ 17,096,164 | \$ 17,059,435 |
|--------------|--------------|--------------|---------------|---------------|

(Continued)

Table of Contents

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

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

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

TOTAL LIABILITIES AND STOCKHOLDERS

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

See accompanying notes to non-consolidated financial statements.

Table of Contents

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

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

| | | | | |
|-----------|---------|---------|---------|---------|
| Sub-total | 124,324 | 292,948 | 109,905 | 258,971 |
|-----------|---------|---------|---------|---------|

(Continued)

47

Table of Contents

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

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

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

| | | | | | | | |
|---|-------|---|-------|----|-------|----|-------|
| ₩ | 4,389 | ₩ | 4,335 | \$ | 3,880 | \$ | 3,832 |
|---|-------|---|-------|----|-------|----|-------|

See accompanying notes to non-consolidated financial statements.

48

Table of Contents

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

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

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

(Continued)

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

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

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

| | | | | | | |
|----------------------------|-----------|--------------|---------------|------------|--------------|--------------|
| Balance, March 31, 2010 | \$ 39,462 | \$ 2,680,293 | (\$2,394,151) | \$ 672,498 | \$ 8,551,403 | \$ 9,549,505 |
|----------------------------|-----------|--------------|---------------|------------|--------------|--------------|

See accompanying notes to non-consolidated financial statements.

Table of Contents

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

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

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

(Continued)

Table of Contents

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

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

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

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

Cash outflows for financing activities:

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

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

| | | | | |
|--|-----------|--------|-----------|--------|
| | (259,316) | 85,417 | (229,240) | 75,510 |
|--|-----------|--------|-----------|--------|

**NET INCREASE IN CASH AND CASH
EQUIVALENTS**

| | | | | |
|--|--------|---------|--------|---------|
| | 42,560 | 189,052 | 37,624 | 167,125 |
|--|--------|---------|--------|---------|

**CASH AND CASH EQUIVALENTS AT
BEGINNING OF THE PERIOD**

| | | | | |
|--|---------|---------|---------|---------|
| | 420,576 | 434,177 | 371,796 | 383,820 |
|--|---------|---------|---------|---------|

**CASH AND CASH EQUIVALENTS AT
END OF THE PERIOD**

| | | | | |
|--|-----------|-----------|------------|------------|
| | ₩ 463,136 | ₩ 623,229 | \$ 409,420 | \$ 550,945 |
|--|-----------|-----------|------------|------------|

See accompanying notes to non-consolidated financial statements.

Table of Contents

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

1. GENERAL

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

b. Long-term Investment Securities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Table of Contents

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

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

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

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

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

Table of Contents

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

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| | | | | | | |
|---|----------|---------|--------|---------|-------|---------|
| SK Mobile | (Note b) | 2,111 | | | | 2,111 |
| SKT Vietnam PTE Ltd. | (Note a) | 26,264 | (621) | (938) | | 24,705 |
| Skytel Co., Ltd. | (Note a) | 14,958 | 794 | 199 | | 15,951 |
| SK China Company Ltd. | (Note b) | 3,919 | | | | 3,919 |
| SK Telecom China Co., Ltd. TR | (Note b) | 9,443 | | | | 9,443 |
| Entertainment ULand Company Ltd. | (Note b) | 7,560 | (403) | | | 7,157 |
| SKT Americas, Inc. | (Note a) | 3,819 | (134) | (119) | | 3,566 |
| SK Telecom China Holding Co., Ltd. | (Note a) | 26,131 | 14,058 | (1,754) | 26 | 38,461 |
| SK USA, Inc. | (Note b) | 23,396 | 4,656 | 1,894 | (921) | 29,025 |
| Helio, Inc. | (Note b) | 5,498 | | | | 5,498 |
| Korea IT Fund 1st Music Investment Fund | (Note a) | 12 | | | | 12 |
| 2nd Music Investment Fund | (Note b) | 220,957 | (842) | | | 220,115 |
| SK-KTB Music Investment Fund | (Note a) | 4,695 | | | | 4,695 |
| Stonebridge Cinema Fund | (Note b) | 8,036 | (549) | | | 7,487 |
| Michigan Global Cinema Fund | (Note b) | 13,538 | 74 | 355 | | 13,967 |
| 3rd Fund of Isu Entertainment | (Note b) | 8,255 | (75) | | | 8,180 |
| SK Telecom Advanced Tech & Service Center | (Note b) | 3,651 | (66) | | | 3,585 |
| Cyworld China Holdings | (Note b) | 1,635 | | | | 1,635 |
| Magic Tech Network Co., Ltd. | (Note b) | 9,536 | | | | 9,536 |
| SK Telecom Global Investment B.V. | (Note a) | 5,267 | (309) | | | 4,958 |
| | | 41,013 | (7) | (1,292) | | 39,714 |
| | | 264,850 | 478 | (4,636) | | 260,692 |

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

Table of Contents

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

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

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

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

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

Table of Contents

| | | For the three months ended March 31, 2009 | | | | | | | | | |
|--------------|--------|---|----------|-----------|-----------|---------|------------|-------------|----------|------------|---------|
| | | Beginning | Acquisi- | Equity in | Equity in | Capital | Equity | Equity | Dividend | Other | End |
| | | balance | tion | earnings | other | surplus | method in | method in | received | increase | balan- |
| | | | | (losses) | com- | | retained | capital | | (decrease) | ce |
| | | | | | prehen- | | earnings | adjustments | | | |
| | | | | | sive | | | | | | |
| | | | | | income | | | | | | |
| band | (Note | ₩ 1,146,736 | ₩ | ₩ (8,771) | ₩ (7,220) | ₩ | ₩ (56,043) | ₩ (5,006) | ₩ | ₩ | ₩ 1,000 |
| d. | a) | | | | | | | | | | |
| | (Note | 147,392 | | (4,725) | (18,463) | 1,794 | | 17,850 | | | 14 |
| unications | a) | | | | | | | | | | |
| d. | | | | | | | | | | | |
| ink Co., | (Notes | 112,358 | | 3,494 | 287 | | | | (6,325) | | 10 |
| | a and | | | | | | | | | | |
| | c) | | | | | | | | | | |
| arketing & | (Note | 101,345 | | 3,332 | (4,298) | | | | | | 10 |
| ny Co., | a) | | | | | | | | | | |
| | | | | | | | | | | | |
| governors | (Note | | | (1) | | | | | | | |
| ill Club | b) | | | | | | | | | | |
| d. | | | | | | | | | | | |
| Co., Ltd. | (Notes | 30,086 | | 48 | (281) | | | 281 | (492) | | 2 |
| | a and | | | | | | | | | | |
| | c) | | | | | | | | | | |
| redit | (Note | 4,244 | | (87) | | | | | | | |
| ation Co., | b) | | | | | | | | | | |
| | | | | | | | | | | | |
| edia Corp. | (Note | 14,847 | | (1,563) | 36 | (36) | | | | | 1 |
| | a) | | | | | | | | | | |
| ss Co., | (Note | 7,289 | | | | | | | | (7,289) | |
| | d) | | | | | | | | | | |
| nc. | (Note | 26,957 | | (3,382) | (5,056) | | | 5,970 | | | 2 |
| | a) | | | | | | | | | | |
| Soft Co., | (Note | 9,575 | | (285) | (7) | | | 49 | | | |
| | a) | | | | | | | | | | |
| erice Planet | (Note | 1,535 | | (428) | | | | | | | |
| d. | b) | | | | | | | | | | |
| | (Note | 35,895 | | (347) | 2,945 | | | (322) | | | 3 |
| ainment, | a) | | | | | | | | | | |
| | | | | | | | | | | | |
| Info Tech, | (Note | 598 | | (90) | | | | | | | |
| | b) | | | | | | | | | | |
| obile | (Note | 2,111 | | | | | | | | | |
| | b) | | | | | | | | | | |
| Vietnam | (Note | 112,160 | | (9,937) | 10,399 | | | | | | 11 |
| d. | a) | | | | | | | | | | |
| Co., Ltd. | (Note | 12,381 | | 2,842 | (582) | | | | | | 1 |
| | a) | | | | | | | | | | |

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

| | | | | | | | | | | | |
|-------------------------------|----------|-------------|---------|------------|----------|---------|------------|----------|-----------|-----------|---------|
| Software Co., Ltd. | (Note b) | | | | | | | | | | |
| Digital Contents | (Note b) | 5,068 | | | | | | | | | |
| Focus and Partnership II | (Note a) | 20,089 | 4 | | | | | | | 2 | |
| Culture & Investments Venture | (Note b) | 5,856 | | | | | | | | | |
| Innovation | (Note a) | 20,044 | 5 | | | | | | | 2 | |
| | | ₩ 2,577,155 | ₩ 7,030 | ₩ (36,800) | ₩ 16,418 | ₩ 1,758 | ₩ (56,043) | ₩ 17,921 | ₩ (6,817) | ₩ (7,289) | ₩ 2,511 |

Table of Contents

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

Table of Contents

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

| | For the three months ended March 31, 2010 | | | |
|----------------------------------|---|-------------------------|-------------------|-------------------|
| | Beginning balance | Increase/ (Decrease) | Amortization | Ending balance |
| SK Broadband Co., Ltd. | ₩ 534,955 | ₩ | ₩ (10,544) | ₩ 524,411 |
| SK Communications Co., Ltd. | 11,229 | | (223) | 11,006 |
| HanaSK Card Co., Ltd. | | 70,085 | (287) | 69,798 |
| Paxnet Co., Ltd. | 13,946 | | (268) | 13,678 |
| F&U Credit information Co., Ltd. | 461 | | (10) | 451 |
| IHQ, Inc. | 8,260 | | (1,377) | 6,883 |
| Loen Entertainment, Inc. | 408 | | (204) | 204 |
| TR Entertainment | 5,243 | | (403) | 4,840 |
| Magic Tech Network Co., Ltd. | 4,326 | | (309) | 4,017 |
| Daehan Kanggun BcN Co., Ltd. | | 9 | (9) | |
| Total | ₩ 578,828 | ₩ 70,094 | ₩ (13,634) | ₩ 635,288 |

| | For the three months ended March 31, 2009 | | | |
|----------------------------------|---|-------------------------|------------------|-------------------|
| | Beginning balance | Increase/ (Decrease) | Amortization | Ending balance |
| SK Broadband Co., Ltd. | ₩ 534,051 | ₩ | ₩ 4,531 | ₩ 538,582 |
| SK Communications Co., Ltd. | 12,122 | | (223) | 11,899 |
| Paxnet Co., Ltd. | 15,018 | | (267) | 14,751 |
| F&U Credit information Co., Ltd. | 503 | | (11) | 492 |
| IHQ, Inc. | 13,767 | | (1,377) | 12,390 |
| Ntreev Soft Co., Ltd. | 595 | | (149) | 446 |
| Loen Entertainment, Inc. | 1,223 | | (204) | 1,019 |
| Harex Info Tech, Inc. | 351 | | (88) | 263 |
| Skytel Co., Ltd. | (1,387) | | 1,387 | |
| SK China Company Ltd. | 106 | | (106) | |
| TR Entertainment | 6,856 | | (403) | 6,453 |
| Virgin mobile USA, Inc. | 125,930 | | (6,628) | 119,302 |
| Magic Tech Network Co., Ltd. | 5,562 | | (308) | 5,254 |
| Prmaxsoftware Tech. Co., Ltd. | 691 | | (173) | 518 |
| Total | ₩ 715,388 | ₩ | ₩ (4,019) | ₩ 711,369 |

Table of Contents

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

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

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

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

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

Table of Contents

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

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

5. LOANS TO EMPLOYEES

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

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

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

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

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

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

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

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

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

Table of Contents**7. INTANGIBLE ASSETS**

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

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

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

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

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

Table of Contents

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

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

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

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

line basis over
the remaining
useful life.

Table of Contents**8. BONDS PAYABLE**

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

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

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

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

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

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

Table of Contents

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

9. LONG-TERM BORROWINGS

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

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

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

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

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

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

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

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

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

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

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

Table of Contents**11. INCOME TAX**

a. Details of income tax expense

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

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

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

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

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

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

Table of Contents

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

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

12. COMPREHENSIVE INCOME

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

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

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

74

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

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

Net income per share

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

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

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

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

calculated
considering
each transaction
date.

75

Table of Contents

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

Diluted net income per share

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

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

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

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

14. RESTRICTED CASH AND CASH EQUIVALENTS

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

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

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

a. Holding company and subsidiaries

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

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

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

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

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

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

b-(1) Transactions

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

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

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

As of March 31, 2010

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

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| | | | | | | |
|--------|---------------------|------------------|--------------------|--------------------|----------------------|---------------------|
| Others | 1,668 | | | | 3,767 | 47 |
| Total | ₩ 77,507 | ₩ 575 | ₩ 2,407 | ₩ 6,824 | ₩ 272,269 | ₩ 52,760 |

Table of Contents

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

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

Table of Contents**c. Compensation for the key management**

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

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

16. PROVISION

a. Provision for point program

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

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

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

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

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

(Note a)

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

Table of Contents

b. Provision for handset subsidy

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

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

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

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

Table of Contents**17. DERIVATIVE INSTRUMENTS**

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

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

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

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

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

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

Table of Contents

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

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

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

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

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

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

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

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

Table of Contents

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

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

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

Table of Contents

18. SUBSEQUENT EVENTS

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

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

19. K-IFRS ADOPTION PLAN AND STATUS

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

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

Table of Contents

SIGNATURES

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

SK Telecom Co., Ltd.

(Registrant)

By: /s/ Tae Jin Park

(Signature)

Name: Tae Jin Park

Title: Senior Vice President

Date: June 14, 2010