

SK TELECOM CO LTD
Form 6-K
September 09, 2009

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

**Form 6-K
REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934
FOR THE MONTH OF SEPTEMBER 2009
COMMISSION FILE NUMBER 333-04906**

SK Telecom Co., Ltd.

(Translation of registrant's name into English)

11, Euljiro2-ga, Jung-gu

Seoul 100-999, Korea

(Address of principal executive offices)

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

Form 20-F Form 40-F

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

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

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

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

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

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

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SEMI-ANNUAL BUSINESS REPORT
(From January 1, 2009 to June 30, 2009)

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

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

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

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Table of Contents**I. COMPANY OVERVIEW****1. Company Overview**

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

B. Date of Incorporation: March 29, 1984

C. Location of Headquarters

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

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

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

D. Corporate Purpose of the Company

Business Objectives

1. Information and communication business

2. Handset sales and lease business

3. New media business

4. Advertisement business

5. Communication sales business

6. Personal property and real property lease business

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

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

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

10. Tourism

11. Electronic financial business

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

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

E. Credit Ratings

(1) Corporate Bonds

Credit rating date	Subject of rating	Credit rating	Credit rating entity (Credit rating range)	Rating classification
June 13, 2006	Corporate bond	AAA	Korea Information Services, Inc.	Regular rating
June 21, 2006	Corporate bond	AAA	Korea Ratings	Regular rating
June 22, 2006	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
September 1, 2006	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
September 1, 2006	Corporate bond	AAA	Korea Ratings	Current rating
September 1, 2006	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
October 27, 2006	Corporate bond	AAA	Korea Information Services, Inc.	Current rating

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Credit rating date	Subject of rating	Credit rating	Credit rating entity (Credit rating range)	Rating classification
October 27, 2006	Corporate bond	AAA	Korea Ratings	Current rating
May 29, 2007	Corporate bond	AAA	Korea Ratings	Regular rating
June 14, 2007	Corporate bond	AAA	Korea Information Services, Inc.	Regular rating
June 27, 2007	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
November 5, 2007	Corporate bond	AAA	Korea Ratings	Current rating
November 5, 2007	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
November 5, 2007	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
February 20, 2008	Corporate bond	AAA	Korea Ratings	Current rating
February 21, 2008	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
February 21, 2008	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
June 3, 2008	Corporate bond	AAA	Korea Ratings	Regular rating
June 17, 2008	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
June 30, 2008	Corporate bond	AAA	Korea Information Services, Inc.	Regular rating
October 20, 2008	Corporate bond	AAA	Korea Ratings	Current rating
October 20, 2008	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
October 20, 2008	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
January 13, 2009	Corporate bond	AAA	Korea Ratings	Current rating
January 13, 2009	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
January 13, 2009	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
February 23, 2009	Corporate bond	AAA	Korea Ratings	Current rating
February 23, 2009	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
February 23, 2009	Corporate bond	AAA	Korea Information Services, Inc.	Current rating

* Rating definition: AAA
The certainty of principal and interest payment is at the highest level with extremely low investment risk, and is stable in that there is no influence of any environmental change under reasonable expectation conditions.
(2) Commercial Paper (CP)

Credit rating date	Subject of rating	Credit rating	Credit rating entity (Credit rating range)	Rating classification
June 13, 2006	CP	A1	Korea Information Services, Inc.	Current rating
June 21, 2006	CP	A1	Korea Ratings	Current rating

June 22, 2006

CP

A1

Korea Investors Service, Inc.

Current rating

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Credit rating date	Subject of rating	Credit rating	Credit rating entity (Credit rating range)	Rating classification
September 1, 2006	CP	A1	Korea Ratings	Regular rating
December 27, 2006	CP	A1	Korea Information Services, Inc.	Regular rating
December 27, 2006	CP	A1	Korea Investors Service, Inc.	Regular rating
May 29, 2007	CP	A1	Korea Ratings	Current rating
June 14, 2007	CP	A1	Korea Information Services, Inc.	Current rating
June 27, 2007	CP	A1	Korea Investors Service, Inc.	Current rating
November 5, 2007	CP	A1	Korea Ratings	Regular rating
November 5, 2007	CP	A1	Korea Information Services, Inc.	Regular rating
November 5, 2007	CP	A1	Korea Investors Service, Inc.	Regular rating
June 3, 2008	CP	A1	Korea Ratings	Current rating
June 16, 2008	CP	A1	Korea Information Services, Inc.	Current rating
June 17, 2008	CP	A1	Korea Investors Service, Inc.	Current rating
October 20, 2008	CP	A1	Korea Ratings	Regular rating
October 20, 2008	CP	A1	Korea Investors Service, Inc.	Regular rating
October 20, 2008	CP	A1	Korea Information Services, Inc.	Regular rating

* 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

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2. Company History

A. Location of Headquarters

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

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

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

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

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

B. Significant Changes in Management

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

C. Other Important Matters related to Management Activities

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

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

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

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

In accordance with the resolution of the Board of Directors on May 21, 2009, the Company decided to acquire fixed-line network business and related ancillary businesses (including all assets, liabilities and other rights and obligations related to such businesses) of SK Networks. Through the acquisition, the Company intends to increase the efficiency of its network utilization and provide optimal services by internalizing mobile phone transmission lines. Acquisition price was Won 892,850 million. As of March 31, 2009, the assets and liabilities of the businesses being acquired amounted to Won 654,074 million and Won 627,815 million, respectively. Revenue from the businesses being acquired in 2008 was Won 416,533 million. SK Networks approved the acquisition in its shareholders meeting held on July 6, 2009. The acquisition is expected to

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close in late September, 2009.

(3) Purchase of SK Broadband shares

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

(4) Payment of interim dividends

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

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

(b) Market dividend rate: 0.57%

(c) Record date: June 30, 2009

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

3. Total Number of Shares

A. Total number of shares

(As of June 30, 2009)

(Unit: shares)

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

* On January 9, 2009, the Company purchased (using retained earnings) and cancelled 448,000 common shares. As the result of

such retirement
of common
shares, the total
number of
outstanding
shares decreased
to 80,745,711.

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B. Treasury Stock
 (1) Acquisitions and Dispositions of Treasury Stocks

(As of June 30, 2009)

(Unit: Shares)

Acquisition methods		Type of shares	At the beginning of period	Acquired (+)	Changes Disposed (-)	Retired (-)	At the end of period	Remarks
pursuant to Article 165-2 of the relevant Act¹		Common shares	4,704,828	179,200 ²		448,000	4,436,028	
		Preferred shares						
Direct acquisition based on reasons other than those stipulated in Article 165-2 of the relevant Act		Common shares	77,970				77,970	
		Preferred shares						
Sub-total		Common shares	4,782,798	179,200		448,000	4,513,998 ³	
		Preferred shares						
Indirect acquisition through trust and other agreements		Common shares	3,886,710				3,886,710	
		Preferred shares						
Total		Common shares	8,669,508	179,200		448,000	8,400,708	
		Preferred shares						

¹ The relevant Act in the above table refers to Financial Investment Services and Capital Markets

Act of Korea
(FSCMA)

² The 179,200 common shares directly acquired pursuant to Article 165-2 of the FSCMA were acquired for the purpose of retirement; the retirement of such stock was completed on January 9, 2009.

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

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(2) Retirement of Treasury Stock

(Unit: in millions of Won, Shares)

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

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

(Amounts: in millions of Won)

Category Specified	At Start of Period	Executed (+)	Cancelled (-)	At End of Period	Remark
	Amount	No. of Transactions	Amount	No. of Transactions	
Money Trust	982,000	4		982,000	4
Trust Contracts with Asset Management Companies					
Acquisition Contracts with Investment Companies					
Total	982,000	4		982,000	4

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

(As of June 30, 2009)

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

5. Dividends and Others

A. Dividends

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

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

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

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

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

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

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

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

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

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

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

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

B. Dividends for the Last 3 Fiscal Years

		(Unit: in millions of Won, except per share value)		
Classification		As of and for the six months ended June 30, 2009	As of and for the year ended December 31, 2008	As of and for the year ended December 31, 2007
Par value per share (Won)		500	500	500
Current Period's net income		628,392	1,277,658	1,642,451
Net income per share (Won)		8,686	17,559	22,607
Total cash dividend		72,345	681,996	682,379
Total stock dividends				
Percentage of cash dividend to available income (%)		11.5	53.4	41.5
Cash dividend yield ratio (%)	Common share			
	Preferred share	0.6	4.5	3.8
Stock dividend yield ratio (%)	Common share			
	Preferred share			
Cash dividend per share (Won)	Common share	1,000	9,400	9,400
	Preferred share			
Stock dividend per share (share)	Common share			
	Preferred share			

* Total cash dividend of Won 681,996 million for the year ended December 31, 2008 includes the total interim dividend amount of Won 72,793 million, and the cash dividend

amount per
share of Won
9,400 includes
the interim cash
dividend
amount of Won
1,000.

* Total cash
dividend of
Won
682,379 million
for the year
ended
December 31,
2007 includes
the total interim
dividend
amount of Won
72,667 million,
and the cash
dividend
amount per
share of Won
9,400 includes
the interim cash
dividend
amount of Won
1,000.

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As of June 30, 2009, the number of domestic mobile phone subscribers reached 47.1 million and, with a 95.6% penetration rate, the Korean mobile communication market can be considered to have reached its maturation stage. However, considering the number of European countries with penetration rates exceeding 100%, additional future growth of the domestic market may be possible.

The Korean mobile communications market continues to improve with the help of advances in network-related technology evidenced by the world's first commercialization of CDMA2000 1x, CDMA 1x EV-DO, and the development of highly advanced handsets that enables the provision of convergence services for multimedia contents, mobile commerce, telematics, satellite DMB, digital home services and other related contents.

B. Growth Potential

		(Unit: 1,000 persons)				
Classification		As of June 30, 2009	2008	As of December 31,		
Penetration rate (%)		95.6	93.8	2007	2006	2005
Number of subscribers	SK Telecom	23,830	23,032	21,968	20,271	19,530
	Others (KT, LGT)	23,241	22,575	21,529	19,926	18,812
	Total	47,071	45,607	43,497	40,197	38,342

(Source: Korea Communications Commission website)

C. Domestic and Overseas Market Conditions

The Korean mobile communication market includes the entire population of Korea with mobile communication service needs, and almost every Korean is considered a potential user. Although demand has primarily been in the domestic market, as the business territory expands to overseas market, the size of overseas sales is expected to grow in the near future. Seasonal and economic fluctuations have much less impact on the Korean mobile communication market compared to other industries.

Historical market share of the Company

		(Unit: %)			
Classification		As of June 30, 2009	2008	As of December 31,	
Mobile communication services		50.6	50.5	2007	2006
Comparative market share				50.5	50.4

		(Unit: %)		
Classification		SK Telecom	KTF	LG Telecom
Market share		50.6	31.3	18.1

(Source: Korea Communications Commission website)

Commission
website)

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A. Updates on Major Products and Services

(Unit: in millions of Won, %)

Business fields Information and communication	Sales type	Item	Specific Usage	Major trademarks	Sales amount (ratio)
	Services	Mobile communication	Mobile Phone	June, NATE and others	5,834,512 (98.2%)
		Others		Others	109,848 (1.8%)

B. Price Fluctuation Trend of Major Products and Services

Based on standard rates, the basic service fee is Won 13,000 per month and the usage fee is Won 20 per 10 seconds. These rates are the same as the rates for 2007 and 2008.

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	2009	Network, systems and others	Capacity increase and quality improvement; systems improvement	To be determined	6,674	To be determined
	Total				To be determined	6,674	To be determined

B. Future Investment Plan

(Unit: in 100 millions of Won)

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

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(Unit: in millions of Won)

Business field	Sales type	Item	First Half	2008	2007	
			2009			
Information and communication	Services	Mobile communication	Export			
			Domestic	5,834,512	11,492,832	11,083,821
			Subtotal	5,834,512	11,492,832	11,083,821
		Others	Export	1,761	5,855	4,101
			Domestic	108,087	175,975	197,979
			Subtotal	109,848	181,830	202,080
	Total	Export	1,761	5,855	4,101	
		Domestic	5,942,559	11,668,807	11,281,800	
		Total	5,944,360	11,674,662	11,285,901	

5. Derivative Transactions

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

A. Currency Swap**(1) Purpose of Contracts: Currency Exchange Rate Risk Hedging****(2) Contract Terms****Currency swap contract applying cash flow risk hedge accounting**

The Company has entered into a fixed-for-fixed cross currency swap contracts 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 June 30, 2009, in connection with unsettled foreign currency swap contracts to which the cash flow risk hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to Won 9,014,479,000 (excluding tax effect

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totaling Won 3,083,580,000 and foreign exchange translation loss arising from unguaranteed U.S. dollar denominated bonds totaling Won 40,591,528,000) was accounted for as accumulated other comprehensive loss.

In addition, the Company has entered into a floating-to-fixed cross currency swap contract with Calyon 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 June 30, 2009, in connection with unsettled cross currency interest rate swap contracts to which the cash flow risk hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to Won 7,355,634,000 (excluding tax effect totaling Won 1,632,809,000 and foreign exchange translation loss arising from U.S. dollar denominated long-term borrowings totaling Won 33,670 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 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 June 30, 2009, in connection with unsettled cross currency interest rate swap contracts to which the cash flow risk hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to Won 2,059,792,000 (net of tax effect totaling Won 945,677,000 and foreign exchange translation loss arising from unguaranteed Japanese yen dominated bonds totaling Won 62,987,816,000) was accounted for as accumulated other comprehensive gain.

In addition, the Company has entered into a floating-to-fixed cross currency swap contract with two banks including DBS in order to hedge the foreign currency risk and interest rate risk of U.S. dollar denominated bonds with face amounts totaling US\$ 150,000,000 issued on November 20, 2008. As of June 30, 2008, in connection with unsettled cross currency interest rate swap contracts to which the cash flow risk hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to Won 1,156,933,000 (net of tax effect totaling Won 326,314,000 and foreign exchange translation gain arising from U.S. dollar denominated bonds totaling Won 24,459,592,000) was accounted for as accumulated other comprehensive gain.

In addition, the Company has entered into a floating-to-fixed cross currency swap contract with Mizuho Corporate Bank in order to hedge the foreign currency risk and the interest rate risk of un-guaranteed Japanese yen dominated bonds (59-2) with face amounts totaling JPY 3,000,000,000 issued on January 22, 2009. As of June 30, 2009, in connection with unsettled cross currency interest rate swap contracts to which the cash flow risk hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to Won 1,574,649,000 (net of tax effect totaling Won 444,132,000 and foreign exchange translation gain arising from unguaranteed Japanese yen dominated bonds totaling Won 6,038,232,000) was accounted for as accumulated other comprehensive gain.

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In addition, the Company has entered into a floating-to-fixed cross currency swap contract with The Bank of Tokyo-Mitsubishi in order to hedge the foreign currency risk and the interest rate risk of un-guaranteed Japanese yen dominated bonds (60-2) with face amounts totaling JPY 5,000,000,000 issued on March 5, 2009. As of June 30, 2009, in connection with unsettled cross currency interest rate swap contracts to which the cash flow risk hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to Won 652,159,000 (net of tax effect totaling Won 183,942,000 and foreign exchange translation gain arising from unguaranteed Japanese yen dominated bonds totaling Won 11,790,260,000) was accounted for as accumulated other comprehensive gain.

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

The Company has entered into a fixed-for-fixed cross currency swap contract with 10 banks including Hana Bank in order to hedge the foreign exchange risk of U.S. dollar denominated equity securities of China Unicom stocks. In connection with unsettled foreign currency swap contracts to which the fair value accounting is applied, losses on valuation of currency swaps of Won 47,906,521,000 and Won 155,703,801,000 for the six months ended June 30, 2009 and June 30, 2008, respectively, were charged to current operations.

Currency swap contract to which the hedge accounting is not applied

In addition, the Company has entered into fixed-for-fixed cross 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 unsettled foreign currency swap contracts to which the hedge accounting is not applied, a loss on valuation of currency swap of Won 64,533,708,000 and a gain on valuation of currency swap of Won 51,851,327,000 for the six months ended June 30, 2009 and June 30, 2008, respectively, were charged to current operations.

B. Interest Rate Swap

(1) Purpose of Contracts: Interest Rate Risk Hedging

(2) Contract Terms

Interest rate swap contract to which the cash flow risk 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 Won 200,000 million borrowed on June 29, 2006. As of June 30, 2009, in connection with unsettled interest rate swap contracts to which the cash flow risk hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to Won 2,877,845,000 (net of tax effect totaling Won 811,700,000) was accounted for as accumulated other comprehensive loss.

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In addition, the Company has entered into a floating-to-fixed 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 June 30, 2009, in connection with unsettled interest rate swap contracts to which the cash flow risk hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to Won 15,827,558,000 (net of tax effect totaling Won 4,464,183,000) 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 a floating-to-fixed interest rate swap contract with two banks including DBS in order to hedge the interest rate risk of floating rate foreign currency bonds with face amounts totaling US\$220,000,000 issued on April 29, 2009. In connection with this unsettled interest rate swap contract to which the hedge accounting is not applied, loss on valuation of interest rate swap of Won 2,897,336,000 for the six months ended June 30, 2009 was charged to current operations.

C. Currency Option

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

(2) Contract Terms

Currency option contract to which the hedge accounting is not applied

The Company has entered into a currency put option contract with Calyon bank to hedge the foreign currency risk of US\$50,000,000 deposit maturing on July 14, 2009. In connection with this unsettled currency put option contract to which the hedge accounting is not applied, a gain on valuation of currency option of Won 1,013,855,000 for the six months ended June 30, 2009 was accreted to current operations.

6. Major Contracts

Category	Vendor	Start Date	Completion Date	Contract Title	Contract Amount (Won 100M)
Product	TU Media, Ltd.	Feb. 23, 2009	December 31, 2009	2009 Satellite DMB Service	
Service	SK C&C	Feb. 26, 2009	December 31, 2009	Collaboration Contract	1,008
Product	SK E&C	Mar. 19, 2009	December 31, 2009	2009 IT SM Contract	2,079
Product	SK E&C	Mar. 19, 2009	December 31, 2009	2009 Cell Site Facility Construction (Seoul Area)	451
Product	SK E&C	Mar. 19, 2009	December 31, 2009	2009 RF Switching Facility Construction (Seoul Area)	414
Product	SK E&C	Mar. 19, 2009	December 31, 2009	2009 WIBRO Facility Construction (Seoul Area)	308
			Subtotal		4,260

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

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7. R&D Investments

		(Unit: in thousands of Won)			
Category	For the six months ended June 30, 2009	For the year ended December 31, 2008	For the year ended December 31, 2007	Remarks	
Raw material	11,563	89,176	96,217		
Labor	30,367,579	38,062,791	39,388,760		
Depreciation	63,619,972	138,511,764	129,208,262		
Commissioned service	31,846,607	85,836,738	90,363,645		
Others	17,370,765	34,539,984	37,609,969		
Total R&D costs	143,216,486	297,040,453	296,666,853		
	Sales and administrative expenses				
Accounting	142,212,749	293,443,380	288,519,863		
	Development expenses (Intangible assets)				
	1,003,738	3,597,072	8,146,990		
R&D cost / sales amount ratio (Total R&D costs / Current sales amount×100)	2.41%	2.54%	2.63%		

8. Other information relating to investment decisions

A. Trademark Policies

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

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

B. Business-related Intellectual Properties

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

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

(Unit: in millions of Won)

Classification / Fiscal Year	As of and for the six months ended	As of and for the year ended December 31,			
	June 30, 2009	2008	2007	2006	2005
Current assets	4,781,839	3,990,503	4,094,059	4,189,325	4,172,485
Quick assets	4,763,062	3,976,576	4,075,378	4,172,887	4,166,500
Inventory	18,778	13,927	18,681	16,438	5,985
Non-current assets	14,704,076	14,626,992	14,038,451	11,624,728	10,349,191
Investments	6,191,427	5,668,127	5,940,045	3,547,942	2,366,760
Property and Equipment	4,618,118	4,698,214	4,594,413	4,418,112	4,595,884
Intangible assets	2,767,868	2,941,592	3,174,942	3,405,158	3,386,547
Other non-current assets	1,126,663	1,319,059	329,051	253,516	
Total assets	19,485,915	18,617,495	18,132,510	15,814,053	14,521,676
Current liabilities	3,217,532	3,412,490	2,484,548	2,985,620	2,747,268
Non-current liabilities	5,335,982	4,475,998	4,221,016	3,522,006	3,516,528
Total liabilities	8,553,514	7,888,488	6,705,564	6,507,626	6,263,796
Capital	44,639	44,639	44,639	44,639	44,639
Capital surplus	3,031,999	2,957,095	2,954,829	2,962,699	2,966,198
Capital adjustment	(-)2,068,335	(-)2,147,530	(-)2,072,486	(-)2,019,568	(-)2,022,817
Other Cumulative Profit and Loss	552,411	373,784	1,594,099	473,904	
Retained earnings	9,371,687	9,501,018	8,905,865	7,844,753	7,269,861
Total stockholders equity	10,932,401	10,729,007	11,426,946	9,306,427	8,257,881
Sales	5,944,360	11,674,662	11,285,900	10,650,952	10,161,129
Operating Profit (or Loss)	1,117,407	2,059,896	2,171,543	2,584,370	2,653,570
Profit (or Loss) from continuing operation before income tax	628,392	1,277,658	1,642,451	1,446,598	1,871,380
Current Period's Net Profit (or Loss) before income tax	628,392	1,277,658	1,642,451	1,446,598	1,871,380

(Unit: Won)

Classification / Fiscal Year	For the six months ended	For the year ended December 31,			
	June 30, 2009	2008	2007	2006	2005
Earnings per share	8,686	17,559	22,607	19,734	25,421
Diluted earnings per share	8,567	17,395	22,289	19,458	25,015

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

(Unit: in millions of Won)

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

(Unit: Won)

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

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

Six months ended June 30, 2009	2008	Year ended December 31, 2007	2006
Deloitte Anjin LLC	Deloitte Anjin LLC	Deloitte Anjin LLC	Deloitte Anjin LLC

2. Audit Opinion

Term	Auditor s opinion	Issues noted
Six months ended June 30, 2009	Appropriate	
Six months ended June 30, 2008	Appropriate	
Year ended December 31, 2008	Appropriate	
Year ended December 31, 2007	Appropriate	

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

Term	Auditors	Contents	Fee	Total hours
		Semi-annual review		
		Quarterly review		
Six months ended June 30, 2009	Deloitte Anjin LLC	Non-consolidated financial statements audit	1,275,000	13,709
		Consolidated financial statements audit		
		Semi-annual review		
		Quarterly review		
Year ended December 31, 2008	Deloitte Anjin LLC	Non-consolidated financial statements audit	1,310,097	13,346
		Consolidated financial statements audit		
		Semi-annual review		
		Quarterly review		
Year ended December 31, 2007	Deloitte Anjin LLC	Non-consolidated financial statements audit	1,066,318	11,468
		Consolidated financial statements audit		

(Unit: in thousands of Won)

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B. Non-Audit Services Contract with External Auditors

(Unit: in thousands of Won)

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

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

The Company's Board of Directors is comprised of eight members: five non-executive outside directors and three executive directors. Within the Board, there are five Committees: Non-executive Outside Director Nomination Committee, Audit Committee, Compensation Committee, CapEx Review Committee, and Corporate Citizenship Committee.

B. Significant Activities of the Board of Directors

Meeting	Date	Agenda	Approval
300th (the first meeting of 2009)	January 22, 2009	Financial Statements for the year ended December 31, 2008	Approved as proposed
		Annual Business Report for the year ended December 31, 2008	Approved as proposed
		Annual Business Plan and Budgeting for FY 2009	Approved as proposed
301st (the second meeting of 2009)	February 17, 2009	Issuance of Corporate Bonds	Approved as proposed
		Convocation of the 25 th General Meeting of Shareholders	Approved as proposed
		Partnership Agreement with Offshore Private Equity Fund	Approved as proposed
		Election of the Representative Director	Approved as proposed
302nd (the third meeting of 2009)	March 13, 2009	Revision to the Regulations for the Board of Directors	Approved as proposed
		Appointment of Chairman of the Board of Directors	Approved as proposed
		Long-term Financing Plan for Foreign Currency	Approved as proposed
		Issuance of Offshore Convertible Bonds and Transfer of Treasury Shares in relation thereto	Approved as proposed
		Asset Management Transaction with Affiliated Company (SK Securities)	Approved as proposed
303rd (the fourth meeting of 2009)	May 21, 2009	Election of Committee Members	Approved as proposed
		Resolution on Business Acquisition from SK Networks	Approved as proposed
		Resolution on Purchase of Investment Securities (SK Broadband)	Approved as proposed

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Meeting	Date	Agenda	Approval
304th (the fifth meeting of 2009)	June 19, 2009	Asset Management Transaction with Affiliated Company (SK Securities)	Approved as proposed
305th (the sixth meeting of 2009)	July 23, 2009	Proposal for Interim Dividend	Approved as proposed

Meetings	Dates	Outside Directors Attended	Description
The first meeting of 2009 (300th)	January 22, 2009	5 / 5	
The second meeting of 2009 (301st)	February 17, 2009	5 / 5	
The third meeting of 2009 (302nd)	March 13, 2009	5 / 5	
The fourth meeting of 2009 (303rd)	May 21, 2009	5 / 5	
The fifth meeting of 2009 (304th)	June 19, 2009	5 / 5	
The sixth meeting of 2009 (305th)	July 23, 2009	4 / 5	

C. Committees within Board of Directors

(1) Committee Structure

a) Non-executive Outside Director Nomination Committee

(As of June 30, 2009)

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

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

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b) Audit Committee

(As of June 30, 2009)

Number of Persons	Executive Directors	Members Non-executive Outside Directors	Remarks
3		Dal Sup Shim, Hyun Chin Lim, Jae Ho Cho	

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

c) Compensation Review Committee

(As of June 30, 2009)

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

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

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

e) Corporate Citizenship Committee

(As of June 30, 2009)

Number of Persons	Executive Directors	Members		Remarks
		Non-executive Outside Directors		
4	Sung Min Ha	Rak Yong Uhm, Hyun Chin Lim, Jay Young Chung		

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

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(2) Activities of the Committees of the Board of Directors (As of June 30, 2009)

Non-executive Outside Directors
Dal Sup Shim **Hyun Chin Lim**
(Attendance: 100%) **(Attendance: 100%)**

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

Non-executive Outside Directors
Dal Sup Shim **Rak Yong Uhm** **Jay Yung Chung**
(Attendance: 100%) **(Attendance: 100%)** **(Attendance: 100%)**

Committee Name	Date of Activity	Agenda	Approval	Vote	Vote	Vote
CapEx Committee	January 21, 2009	CapEx plan for 2009	Approved as proposed	For	For	For
	June 19, 2009	Proposal to nominate the Head of Committee Rak Yong Uhm	Approved as proposed	For	For	For

Non-executive Outside Directors
Rak

Dal Sup Shim **Yong Uhm** **Hyun Chin Lim** **Jay Yung Chung** **Jae Ho Cho**
(Attendance: 100%) **(Attendance: 100%)** **(Attendance: 100%)** **(Attendance: 100%)** **(Attendance: 100%)**

Committee Name	Date of Activity	Agenda	Approval	Vote	Vote	Vote	Vote	Vote
Compensation Review Committee	June 19, 2009	Proposal to nominate the Head of Committee Hyun Chin Lim	Approved as proposed	For	For	For	For	For

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

D. Directors Independence

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

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

Table of Contents**2. Audit System**

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

Major activities of the Audit Committee are as follows.

Meeting	Date	Agenda	Approval	Remarks
The first meeting of 2009	January 21, 2009	<ul style="list-style-type: none"> ; Issuance of corporate bonds ; B2B Contract with TU Media ; Evaluation of Internal Accounting Controls based on Auditor's Opinion ; 2nd half 2008 Management Audit Results ; Reports on Internal Accounting Management system ; Reports on 2008 Korean GAAP Audit ; Report on Review of Internal Accounting Management System 	<p>Approved as proposed</p> <p>Approved as proposed</p>	
The second meeting of 2009	February 16, 2009	<ul style="list-style-type: none"> ; 2009 Management Audit Plan ; Auditor's Report for Fiscal Year 2008 ; Evaluation of Internal Accounting Management System Operation ; Appointment of Auditor for FY 2009-2011 ; Construction of Mobile Phone Facilities for 2009 ; Purchase of Mobile Phone Relay Device for 2009 ; Construction of Mobile Phone Facilities for 2009 	<p>Approved as proposed</p> <p>Approved as proposed</p> <p>Approved as proposed</p> <p>Approved as proposed</p> <p>Approved as proposed</p>	
The third meeting of 2009	March 13, 2009	<ul style="list-style-type: none"> ; 2009 2Q Transactions with SK C&C Co., Ltd. ; Long-term Financing Plan for Foreign Currency ; Issuance of Offshore Convertible Bonds and Transfer of Treasury Shares ; Asset Management Transaction with Affiliated Company (SK Securities) 	<p>Approved as proposed</p>	
The fourth meeting of 2009	April 23, 2009	<ul style="list-style-type: none"> ; Audit Plan for 2009 ; Auditor Fees for 2009 ; Re-approval of entire Auditor Services for 2009 	<p>Approved as proposed</p> <p>Approved as proposed</p>	
The fifth meeting of 2009	May 19, 2009	<ul style="list-style-type: none"> ; Proposal for entering into an Agency Agreement with SK Marketing & Company for 2009 ; Proposal to nominate the Chairman of the Committee ; Proposal for purchase of Mobile Phone Relay Device for 2009 	<p>Approved as proposed</p> <p>Approved as proposed</p> <p>Approved as proposed</p>	
The sixth meeting of 2009	June 19, 2009	<ul style="list-style-type: none"> ; Proposal for construction of Mobile Phone Facilities for 2009 	<p>Approved as proposed</p>	

		<ul style="list-style-type: none"> ; Proposal for 2009 3Q transactions with SK C&C Co., Ltd. 	Approved as proposed
		<ul style="list-style-type: none"> ; Asset Management Transaction with Affiliated Company (SK Securities) ; Reports on 2008 US GAAP Audit ; Proposal for Operation Services of T map Navigation 	Approved as proposed
The seventh meeting of 2009	July 23, 2009	<ul style="list-style-type: none"> ; Interim Dividends Plan ; Interim Closing of Accounts for Six Months ended June 30, 2009 	

* The line items that do not show approval are for reporting purposes 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 Commercial Code will not be applied for the election of directors.
Article 4 of the 12 th Supplement to the Articles of Incorporation (Interim Regulation)	Article 32 (3) of the Articles of Incorporation shall remain effective until the day immediately preceding the date of the general shareholders meeting of 2003.

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

Table of Contents**4. Affiliated Companies****A. Capital Investments between Affiliated Companies**

(As of March 31, 2009)

* Based on common shares

Investing company	Invested companies			Invested companies				
	SK Corporation	SK Energy	SK Networks	SK Telecom	SK Chemicals	SKC	SK E&C	SK Shipping
SK Corporation		33.40%	39.98%	23.22%		42.50%	0.02%	72.13%
SK Energy								
SK Networks								17.71%
SK Telecom								
SK Chemicals							58.03%	
SKC								10.16%
SK E&C								
SK Securities								
SK C&C	31.82%							
SK Telink								
SK E&S								
SK D&D								
SK Communications								
SK Broadband								
SK Marketing & Company								
SK Gas								
Total affiliated companies	31.82%	33.40%	39.98%	23.22%	0.00%	42.50%	58.05%	100.00%

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

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Investing companies	SK		SK E&S 32.45%	Invested companies				
	Securities Walkerhill			SK Gas	SK C&C	K-Power	DOPCO	CCES
SK C&C								
SK Telink								
SK E&S								100.00%
SK D&D								
SK Communications								
SK Broadband								
SK Marketing & Company								
SK Gas								
Total affiliated companies	30.43%	58.12%	100.00%	45.53%	45.00%	65.00%	42.89%	100.00%

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

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Investing companies	Invested companies							
	SK	SK Mobile	SKC Media	iHQ	NTREEV Soft	SK I-Media	SK Communication	SK H&S
SK Corporation								
SK Energy	100.00%	100.00%						
SK Networks								59.00%
SK Telecom				37.09%	63.70%		64.82%	
SK Chemicals								
SKC			100.00%					
SK E&C								
SK Securities								
SK C&C								
SK Telink							0.54%	
SK E&S								
SK D&D								
SK Communications						100.00%		
SK Broadband								
SK Marketing & Company								
SK Gas								
Total affiliated companies	100.00%	100.00%	100.00%	37.09%	63.70%	100.00%	65.71%	59.00%

Investing companies	Invested companies							
	I Platform	SKC Air Gas	SKN Service	Nuri Solution	Commerce Planet	Real Best	Solmics Co., Ltd.	SK Broadband
SK Corporation								
SK Energy								
SK Networks	66.67%		100.00%					
SK Telecom					100.00%			43.42%
SK Chemicals								
SKC		80.00%					48.70%	
SK E&C						100.00%		
SK Securities								

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Investing companies	I Platform	Invested companies						
		SKC Air Gas	SKN Service	Nuri Solution	Commerce Planet	Real Best	Solmics Co., Ltd.	SK Broadband
SK C&C				46.32%				
SK Telink								
SK E&S								
SK D&D								
SK Communications								
SK Broadband								
SK Marketing & Company								
SK Gas								
Total affiliated companies	66.67%	80.00%	100.00%	46.32%	100.00%	100.00%	48.70%	43.42%

Investing companies	Invested companies							
	Hanaro Dream	Broadband Media	Broadband D&M	Broadband CS	SK Marketing & Company	UB Care	DOP Service	Pana Blu
SK Corporation								
SK Energy					50.00%			
SK Networks								
SK Telecom					50.00%			
SK Chemicals						43.97%		
SKC								
SK E&C							3.62%	
SK Securities								
SK C&C								
SK Telink								
SK E&S							96.38%	
SK D&D								
SK Communications								
SK Broadband	36.03%	100.00%	100.00%	100.00%				
SK Marketing & Company								
SK Gas								80.36%
Total affiliated companies	36.03%	100.00%	100.00%	100.00%	100.00%	43.97%	100.00%	80.36%

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

	Invested companies		
	SK Forest	Green Bairo	
Investing companies			
SK Corporation			
SK Energy			
SK Networks			
SK Telecom			
SK Chemicals			
SKC			
SK E&C	100.00%		
SK Securities			
SK C&C			
SK Telink			
SK E&S			

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			Invested companies
Investing companies	SK Forest	Green Bairo	
SK D&D			
SK Communications			
SK Broadband			
SK Marketing & Company			
SK Gas		69.02%	
Total affiliated companies	100.00%	69.02%	
			34

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

(As of June 30, 2009)

(Unit: Shares, %)

Name	Relationship	Type of share	Number of shares owned and ownership ratio			
			Beginning of Period		End of Period	
			Number of shares	Ownership ratio	Number of shares	Ownership ratio
SK Corporation	Largest Shareholder	Common share	18,748,452	23.09	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	100	
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	23.09	18,751,360	23.22

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

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

B. Overview of the Largest Shareholder

SK Corporation is a holding company and as of June 30, 2009, has eight subsidiaries: SK Energy Co., Ltd., SK Telecom Co., Ltd., SK Networks Co., Ltd., SKC Co., Ltd., SK E&S Co., Ltd., SK Shipping Co., Ltd., K-Power Co., Ltd. and SK Gas Co., Ltd. SK Corporation also operates a life science business division within its holding company to nurture the division for future growth. Details of SK Corporation's subsidiaries are as follows:

Affiliates	Share Holdings	Industry	Description
SK Energy Co., Ltd.	33.40%	Energy	Publicly Listed
SK Telecom Co., Ltd.	23.22%	Telecommunication	Publicly Listed
SK Networks Co., Ltd.	39.98%	Energy Sale	Publicly Listed
SKC Co., Ltd.	42.50%	Synthetic Resin Manufacturing	Publicly Listed
SK Shipping Co., Ltd.	72.13%	Ocean Freight	Privately Held
SK E&S Co., Ltd.	67.55%	Gas Company Holdings	Privately Held
SK Gas Co., Ltd.	45.53%	Gas	Publicly Listed
K-Power Co., Ltd.	65.00%	Power Generation	Privately Held

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

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

2. Changes in shareholdings of the Largest Shareholder

Changes in shareholdings of the largest shareholder are as follows.

(Unit: Shares, %)

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

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

3. Distribution of Shares

A. Shareholders with ownership of 5% or more

(As of June 30, 2009)

(Unit: shares, %)

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

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 June 30, 2009)

Classification	Account classification	Type of share	(Unit: Shares)	
			Balance at the beginning of period (Unit: Shares)	Balance at the end of period (Unit: Shares)
5th	Employee Stock Ownership Program	Common shares	114,168	108,660
8th	Member Account		369,887	364,581
Total			484,055	473,241

C. Shareholder Distribution

(As of June 30, 2009)

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

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

(Unit: Won, shares)

Types		June 2009	May 2009	April 2009	March 2009	February 2009	January 2009
Common stock	Highest	182,000	183,500	192,500	195,000	204,000	218,000
	Lowest	170,500	176,500	183,000	180,500	187,500	204,000
Monthly transaction volume		8,063,843	8,352,552	8,931,203	7,342,672	6,530,681	6,947,277

B. Overseas Securities MarketNew York Stock
Exchange

(Unit: US\$, ADR)

Types		June 2009	May 2009	April 2009	March 2009	February 2009	January 2009
Depository Receipt	Highest	15.86	16.53	16.42	16.25	16.56	18.35
	Lowest	14.93	15.38	15.00	12.69	13.39	16.35
Monthly transaction volume		21,790,920	24,558,882	24,230,432	34,913,100	18,710,332	22,262,384

VII. EMPLOYEES

(As of June 30, 2009)

(Unit: persons, in millions of Won)

Classification	Number of employees				Average service year	Aggregate wage for 2009 1Q	Average wage per person	Remarks
	Office managerial positions	Production positions	Others	Total				
Male	3,863			3,863	11.4	128,519	33	
Female	621			621	9.4	16,643	26	
Total	4,484			4,484	11.1	145,162	32	

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

(As of June 30, 2009)

(Unit: in millions of Won)

Name (Corporate name)	Relationship	Account category	Change details		Accrued interest	Remarks
			Beginning	Increase/Decrease		
SK Wyverns	Affiliated company	Long-term and short-term loans	3,557		3,557	132

(Unit: in millions of Won)

Name (Corporate Name)	Relation-ship	Types of Investment	Investment and Disposal Details				Period End	Remarks
			Period Start	Increase	Decrease	Period End		
SKT Global Investment		Common share	26,044	7,030		33,074		
SK Industrial Development		Common share		4,773		4,773		
PS & Marketing, ltd.	Affiliated company	Common share		150,000		150,000		
SK Telecom China Holdings		Common share	23,293	6,302		29,595		
BcN ltd.		Common share		196		196		
Air Cross Company, ltd.	Affiliated company	Common share	2,440		2,440			
	Total		51,777	168,301	2,440	217,638		

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

(Units: in thousands of Won)

Name		Purpose		Details		Amount	Amount	
(Corporate Name)	Relation-ship	Transferred Objects	of Transfer	Date of Transfer	Transferred From Largest Shareholder	Transferred to Largest Shareholder	Remarks	
Encar Network Co., Ltd.	Affiliated Company	Automobiles	Sale of automobiles not in use	February 26, 2009				116,818
Encar Network Co., Ltd.	Affiliated Company	Automobiles	Sale of automobiles not in use	June 15, 2009				33,636
		Total						150,454
			40					

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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	
Open Entertainment Co., Ltd.	Affiliated Company	Entire MelOn business	To facilitate growth of MelOn business through separate management	October 23, 2008		24,333,022	
SK Networks, Ltd.	Affiliated Company	Fixed-line network business, ancillary business, assets, liabilities and all other rights and obligations in connection thereto	Optimize service through increased network efficiency by internalizing mobile phone transmission lines	May 21, 2009	892,850,000	24,333,022	
Total						892,850,000	24,333,022

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

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

Agents

(Unit: in millions of Won)

Name (Corporate name)	Relationship	Account category	Beginning	Change details		Ending	Accrued interest	Remarks
				Increase	Decrease			
Hong Eun and others Overseas investment companies	Agency	Long-term and short-term loans	154,801	137,075	183,244	108,632		

(Unit: in millions of Won)

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

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B. Equity Investments

(Unit: in millions of Won)

Name (Corporate Name)	Relation-shipCategory	Investment and Disposition Details			End of Period	Remarks
		Start of Period	Increase	Decrease		
Translink L.L.C. Skylake Global Incubest Fund #1 Private Equity Investment Firm (SGI 1)		1,486	305		1,791	
Global Opportunities Breakaway Fund KTB Investment Association #1		1,548	110		1,658	
			125,120		125,120	
		689		689		
Total		3,723	125,535	689	128,569	

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

A. Status and Progress of Major Management Events

Date of Disclosure	Title	Report	Reports status
October 26, 2001	Resolution on trust agreement for the acquisition of treasury shares and others	<ol style="list-style-type: none"> 1. Signatories: Shinhan Bank, Hana Bank, Chohung Bank, Korea Exchange Bank 2. Contract amount: Won 1,300 billion 3. Purpose: to increase shareholder value 	<ol style="list-style-type: none"> 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	Approved (Cash dividend, Won 7,000 per share)
	2. Remuneration limit for Directors	
	3. Election of Directors	Approved (Won 12 billion)
24 th Fiscal Year Meeting of Shareholders (March 14, 2008)	Election of executive directors	
	Election of independent non-executive directors as Audit Committee members	Approved (Jung Nam Cho, Sung Min Ha) Approved (Dal Sup Shim)
	1. Approval of the Financial Statements for the year ended December 31, 2007	Approved (Cash dividend, Won 8,400 per share)
	2. Amendment to Articles of Incorporation	
	3. Approval of Remuneration Limit for Directors	Approved
	4. Election of Directors	Approved (Won 12 billion)
25 th Fiscal Year Meeting of Shareholders (March 13, 2009)	Election of executive directors	
	Election of independent non-executive directors	Approved (Shin Bae Kim, Young Ho Park)
	Election of independent non-executive directors as Audit Committee member	Approved (Rak Yong Uhm, Jay Young Chung) Approved (Jae Ho Cho)
	1. Approval of the financial statements for the year ended December 31, 2008	Approved (Cash dividend, Won 8,400 per share)
	2. Approval of Remuneration Limit for Directors	
	3. Amendment to Company Regulation on Executive Compensation	Approved (Won 12 billion) Approved
	4. Election of Directors	
	Election of executive directors	
	Election of independent non-executive directors	Approved (Jae Won Chey, Man Won Jung)
	Election of independent non-executive directors as Audit Committee member	Approved (Hyun Chin Lim) Approved (Hyun Chin Lim)

2. Contingent Liabilities**A. Material Legal Proceedings**

(1) Claim for damages by G. Mate Inc.

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

(b) Date of the Appeal: February 3, 2009

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

(d) Progress: A mediation requested by G.Mate could not reach an agreement (in January 2007) thus an action for monetary damages was brought before the Seoul Central District Court, to which seven creditors of G.Mate, including DNF Consulting Co., Ltd., requested intervenient participation as successors to part of the claim. On December 4, 2008, the trial court awarded the plaintiffs approximately Won 420 million in damages, to which all of plaintiff, defendant and successors appealed, and the case was submitted as of February 3, 2009 and is currently pending before the Seoul High Court. Two trial sessions were held on May 19, 2009 and June 25, 2009.

(e) Future court dates and the Company's position: The third trial session is scheduled on August 20, 2009. As to the denied claims concerning the YP3600 model, the Company will continue its defense that no valid contract was executed. As to the partial loss concerning the YP3700 model, the Company will do its best to question the statute of limitations and contest the alleged damage claims to either reduce the award amount or to get the claim completely dismissed.

(f) Impacts on operation and finance: As the original judgment was found in our favor in most of the disputed amount except Won 420 million, a similar judgment will not materially adversely impact the Company's operation and finance. However, as both parties to the lawsuit appealed, it is difficult to anticipate the outcome of the appeals proceedings with certainty. These results and analysis on impact are only anticipations. Actual results of the litigation and actual impact on the Company's operations and finances may differ depending on future events.

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 ordered the Company to improve its work procedures. The Company expects to complete the upgrade of the related computer system to prevent illegal messages by September 2009.

In addition, on January 21, 2009, the Company was sanctioned for unfair business practices with a fine of Won 1.268 billion by the Fair Trade Commission of Korea along with a correction order of its policy of restricting certain rate plan subscribers from using third party portal contents. The Company has 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 involving an unfair trade interference practice including refusal of applications for subscription for certain PDA phones distributed by third party manufacturers. The Company paid fines related to the sanction and is currently seeking a suspension of execution and is preparing an administrative litigation.

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Forward-Looking Statement Disclaimer

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

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SK TELECOM CO., LTD.

NON-CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS

ENDED JUNE 30, 2009 AND 2008

AND INDEPENDENT ACCOUNTANTS REVIEW REPORT

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Independent Accountants' Review Report

English Translation of a Report Originally Issued in Korean

To the Stockholders and Board of Directors of

SK Telecom Co., Ltd.

We have reviewed the accompanying non-consolidated statement of financial position of SK Telecom Co., Ltd. (the Company) as of June 30, 2009, the related non-consolidated statements of income for the three months and six months ended June 30, 2009 and 2008, and non-consolidated statements of changes in stockholders' equity and cash flows for the six months ended June 30, 2009 and 2008, all expressed in Korean won. These non-consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these non-consolidated financial statements based on our reviews.

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

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

We have previously audited, in accordance with auditing standards generally accepted in the Republic of Korea, the non-consolidated statement of financial position of the Company as of December 31, 2008, and the related non-consolidated statements of income, appropriations of retained earnings, changes in stockholders' equity and cash flows for the year then ended (not presented herein); and in our report dated January 30, 2009, we expressed an unqualified opinion on those non-consolidated financial statements. The accompanying non-consolidated statement of financial position as of December 31, 2008, which is comparatively presented, does not differ in material respects from such audited non-consolidated statement of financial position.

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

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

July 24, 2009

Notice to Readers

This report is effective as of July 24, 2009, the accountants' review report date. Certain subsequent events or circumstances may have occurred between the accountants' review report date and the time the accountants' review report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modification to the accountants' review report.

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

A S S E T S	Korean won		Translation into U.S. dollars (Note 2)	
	June 30, 2009 (In millions)	December 31, 2008	June 30, 2009 (In thousands)	December 31, 2008
CURRENT ASSETS:				
Cash and cash equivalents	₩ 699,055	₩ 434,177	\$ 548,924	\$ 340,932
Short-term financial instruments	296,632	98,406	232,927	77,272
Short-term investment securities (Note 3)	352,458	369,744	276,763	290,337
Accounts receivable – trade, net of allowance for doubtful accounts of ₩121,788 million as of June 30, 2009 and ₩58,404 million as of December 31, 2008 (Note 16)	1,592,761	1,576,459	1,250,696	1,237,895
Short-term loans, net of allowance for doubtful accounts of ₩1,090 million as of June 30, 2009 and ₩1,090 million as of December 31, 2008 (Notes 5 and 16)	92,953	107,934	72,990	84,754
Accounts receivable – other, net of allowance for doubtful accounts of ₩20,981 million and present value of ₩18,845 million as of June 30, 2009 and ₩21,071 million and ₩27,314 as of December 31, 2008 (Note 16)	1,472,276	1,225,983	1,156,086	962,688
Inventories	18,778	13,927	14,745	10,936
Prepaid expenses	95,125	98,273	74,696	77,168
Current deferred income tax assets, net (Note 12)	134,741	21,677	105,804	17,022
Currency swap (Note 18)		8,236		6,467
Accrued income and other	27,060	35,687	21,248	28,022
Total Current Assets	4,781,839	3,990,503	3,754,879	3,133,493
NON-CURRENT ASSETS:				
Property and equipment, net (Notes 6 and 16)	4,618,118	4,698,214	3,626,320	3,689,214
Intangible assets, net (Note 7)	2,767,868	2,941,592	2,173,434	2,309,848
Long-term financial instruments (Note 15)	6,519	19	5,119	15
Long-term investment securities (Note 3)	3,551,682	3,067,389	2,788,914	2,408,629
Equity securities accounted for using the equity method (Note 4)	2,633,226	2,600,719	2,067,708	2,042,182

Long-term loans, net of allowance for doubtful accounts of ₩22,794 million as of June 30, 2009 and ₩23,342 million as of December 31, 2008 (Notes 5 and 16)	99,340	131,700	78,005	103,416
Long-term accounts receivable other, net of present value of ₩6,237 million as of June 30, 2009 and ₩45,464 million as of December 31, 2008	464,874	572,139	365,037	449,265
Guarantee deposits (Note 16)	156,700	147,970	123,047	116,192
Long-term currency swap (Note 18)	293,116	356,815	230,166	280,185
Long-term deposits and other	112,633	110,435	88,443	86,717
Total Non-current Assets	14,704,076	14,626,992	11,546,193	11,485,663
TOTAL ASSETS	₩ 19,485,915	₩ 18,617,495	\$ 15,301,072	\$ 14,619,156

(Continued)

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

LIABILITIES AND STOCKHOLDERS EQUITY	Korean won		Translation into U.S. dollars (Note 2)	
	June 30, 2009 (In millions)	December 31, 2008 (In millions)	June 30, 2009 (In thousands)	December 31, 2008 (In thousands)
CURRENT LIABILITIES:				
Short-term borrowings	₩ 131,500	₩ 154,700	\$ 103,259	\$ 121,476
Accounts payable (Note 16)	1,058,736	1,039,509	831,359	816,261
Income tax payable	224,769	322,431	176,497	253,185
Accrued expenses (Note 17)	831,886	692,788	653,228	544,003
Withholdings	358,094	285,164	281,189	223,921
Current portion of long-term debt, net (Note 8)	345,883	708,619	271,600	556,434
Current portion of subscription deposits	7,057	7,082	5,541	5,561
Currency swap (Note 18)	238,265	190,359	187,095	149,477
Interest swap (Note 18)	3,690		2,898	
Advanced receipts and other	17,652	11,838	13,861	9,297
Total Current Liabilities	3,217,532	3,412,490	2,526,527	2,679,615
NON-CURRENT LIABILITIES:				
Bonds payable, net (Note 8)	3,698,010	2,882,483	2,903,816	2,263,434
Long-term borrowings (Note 9)	828,470	825,750	650,546	648,410
Subscription deposits	5,171	4,796	4,060	3,766
Long-term payables other, net of present value discount of ₩8,106 million as of June 30, 2009 and ₩15,416 million as of December 31, 2008	161,894	304,584	127,125	239,171
Accrued severance indemnities, net	36,739	24,222	28,849	19,020
Non-current deferred income tax liabilities, net (Note 12)	442,290	279,616	347,303	219,565
Long-term currency swap (Note 18)	37,950	23,947	29,800	18,804
Long-term interest swap (Note 18)	23,189	33,498	18,209	26,304
Guarantee deposits received and other (Notes 16 and 17)	102,269	97,102	80,305	76,248
Total Non-current Liabilities	5,335,982	4,475,998	4,190,013	3,514,722
Total Liabilities	8,553,514	7,888,488	6,716,540	6,194,337

STOCKHOLDERS EQUITY:				
Capital stock (Notes 1 and 10)	44,639	44,639	35,052	35,052
Capital surplus (Notes 8 and 10)	3,031,999	2,957,095	2,380,839	2,322,022
Capital adjustments:				
Treasury stock (Notes 1 and 11)	(1,992,082)	(2,055,620)	(1,564,258)	(1,614,150)
Loss on disposal of treasury stock (Note 11)	(716)		(562)	
Equity method in capital adjustments (Note 4)	(75,537)	(91,910)	(59,314)	(72,171)
Accumulated other comprehensive income (loss) (Note 13):				
Unrealized gains on valuation of long-term investment securities, net (Note 3)	602,967	413,270	473,472	324,515
Equity in other comprehensive loss of affiliates, net (Note 4)	(20,925)	(4,824)	(16,430)	(3,788)
Loss on valuation of currency swap, net (Note 18)	(10,926)	(8,532)	(8,579)	(6,700)
Loss on valuation of interest swap, net (Note 18)	(18,705)	(26,129)	(14,688)	(20,517)
Retained earnings:				
Appropriated	8,890,053	8,295,037	6,980,803	6,513,574
Unappropriated	481,634	1,205,981	378,197	946,982
Total Stockholders Equity	10,932,401	10,729,007	8,584,532	8,424,819
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	₩ 19,485,915	₩ 18,617,495	\$ 15,301,072	\$ 14,619,156

See accompanying notes to non-consolidated financial statements.

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

	Korean won				Translation into U.S. dollars (Note 2)			
	2009		2008		2009		2008	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
	(In millions except for per share data)				(In thousands except for per share data)			
OPERATING REVENUE (Note 16)	₩ 3,067,899	₩ 5,944,360	₩ 2,931,263	₩ 5,768,282	\$ 2,409,029	\$ 4,667,735	\$ 2,301,738	\$ 4,529,472
OPERATING EXPENSES (Note 16):								
Labor cost	(81,597)	(271,048)	(71,727)	(236,311)	(64,073)	(212,837)	(56,323)	(185,560)
Commissions paid	(1,279,186)	(2,280,673)	(1,186,779)	(2,235,820)	(1,004,465)	(1,790,870)	(931,903)	(1,755,650)
Depreciation and amortization (Notes 6 and 7)	(426,941)	(827,657)	(403,084)	(783,723)	(335,250)	(649,907)	(316,517)	(615,409)
Network interconnection	(267,725)	(523,781)	(262,362)	(506,406)	(210,228)	(411,293)	(206,016)	(397,649)
Leased line	(93,225)	(191,315)	(99,918)	(199,831)	(73,204)	(150,228)	(78,459)	(156,915)
Advertising	(62,604)	(106,681)	(75,782)	(127,788)	(49,159)	(83,770)	(59,507)	(100,344)
Research and development	(55,023)	(114,394)	(50,507)	(103,322)	(43,206)	(89,826)	(39,660)	(81,132)
Rent	(66,182)	(129,942)	(56,407)	(109,907)	(51,969)	(102,035)	(44,293)	(86,303)
Frequency usage	(38,956)	(78,136)	(40,540)	(81,417)	(30,590)	(61,355)	(31,834)	(63,932)
Repair	(35,189)	(64,090)	(38,856)	(73,358)	(27,632)	(50,326)	(30,511)	(57,603)
Cost of goods sold	(8,887)	(16,195)	(16,834)	(38,032)	(6,978)	(12,717)	(13,219)	(29,864)
Other	(98,984)	(223,041)	(95,516)	(185,424)	(77,725)	(175,141)	(75,003)	(145,603)
Sub-total	(2,514,499)	(4,826,953)	(2,398,312)	(4,681,339)	(1,974,479)	(3,790,305)	(1,883,245)	(3,675,964)
OPERATING INCOME	553,400	1,117,407	532,951	1,086,943	434,550	877,430	418,493	853,508

OTHER								
INCOME:								
Interest income								
(Note 3)	35,053	77,573	14,321	40,484	27,525	60,913	11,245	31,790
Dividends	2	59,293		45,868		46,559		36,017
Commissions								
(Note 16)	3,669	6,493	3,415	8,370	2,881	5,099	2,682	6,572
Foreign								
exchange and								
translation								
gains (Note 2)	47,863	64,964	72,336	173,169	37,585	51,013	56,802	135,979
Equity in								
earnings of								
affiliates (Note	14,536	25,733	12,133	21,939	11,414	20,207	9,527	17,227
4)								
Reversal of								
allowance for								
doubtful								
accounts	481	481	1,520	138	378	378	1,194	108
Gain on								
valuation of								
short-term								
investment								
securities (Note	1,966	7,810			1,544	6,133		
8)								
Gain on								
disposal of								
investment								
assets	63	63	14,466	14,467	49	49	11,359	11,360
Gain on								
disposal of								
property and								
equipment and								
intangible								
assets	153	445	368	976	120	349	289	766
Gain on								
valuation of								
currency swap								
(Note 18)	109,182		44,744	63,095	85,734		35,135	49,545
Gain on								
valuation of								
currency option								
(Note 18)	1,014	1,014			796	796		
Other	10,075	22,943	10,365	19,824	7,912	18,015	8,138	15,567
Sub-total	224,057	266,812	173,668	388,330	175,938	209,511	136,371	304,931

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

	Korean won				Translation into U.S. dollars (Note 2)			
	2009		2008		2009		2008	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
	(In millions except for per share data)				(In thousands except for per share data)			
OTHER EXPENSES:								
Interest and discounts	(₩ 76,431)	(₩ 147,755)	(₩ 59,835)	(₩ 115,605)	(\$ 60,016)	(\$ 116,023)	(\$ 46,985)	(\$ 90,777)
Donations	(10,272)	(22,693)	(18,499)	(29,421)	(8,066)	(17,819)	(14,526)	(23,102)
Foreign exchange and translation losses (Note 2)	(133,852)	(61,055)	(21,851)	(43,994)	(105,106)	(47,943)	(17,158)	(34,547)
Loss on valuation of short-term investment securities (Note 3)			(710)	(2,159)			(558)	(1,695)
Equity in losses of affiliates (Note 4)	(50,759)	(98,755)	(67,929)	(116,893)	(39,858)	(77,546)	(53,340)	(91,789)
Impairment loss on investment securities (Note 3)		(3,186)				(2,502)		
Loss on disposal of investment assets	(1,542)	(2,420)	(126)	(6,002)	(1,211)	(1,900)	(99)	(4,713)
Loss on disposal of account receivable other (Note 20)	(28,711)	(28,711)			(22,545)	(22,545)		
Loss on disposal of	(16,021)	(16,181)	(17,065)	(18,054)	(12,580)	(12,706)	(13,400)	(14,177)

property, equipment and intangible assets								
Loss on transaction and valuation of currency swap (Note 18)	(32,219)	(135,725)	(73,408)	(155,704)	(25,300)	(106,577)	(57,643)	(122,265)
Loss on valuation of interest swap (Note 18)	(2,897)	(2,897)			(2,275)	(2,275)		
External research and development cost	(13,913)	(27,818)	(17,947)	(35,895)	(10,925)	(21,844)	(14,093)	(28,186)
Other	(6,030)	(8,916)	(551)	(5,261)	(4,734)	(7,000)	(432)	(4,130)
Sub-total	(372,647)	(556,112)	(277,921)	(528,988)	(292,616)	(436,680)	(218,234)	(415,381)
INCOME BEFORE INCOME TAX	404,810	828,107	428,698	946,285	317,872	650,261	336,630	743,058
PROVISION FOR INCOME TAX (Note 12)	(93,167)	(199,715)	(130,688)	(265,390)	(73,158)	(156,824)	(102,621)	(208,394)
NET INCOME	₩ 311,643	₩ 628,392	₩ 298,010	₩ 680,895	\$ 244,714	\$ 493,437	\$ 234,009	\$ 534,664
NET INCOME PER SHARE (In Korean won and U.S. dollars) (Note 14)	₩ 4,308	₩ 8,686	₩ 4,094	₩ 9,357	\$ 3.383	\$ 6.821	\$ 3.215	\$ 7.347

DILUTED
NET
INCOME
PER SHARE

(In Korean
won and U.S.
dollars)

(Note 14) ₩ 4,234 ₩ 8,567 ₩ 4,056 ₩ 9,261 \$ 3.325 \$ 6,727 \$ 3.185 \$ 7.272

See accompanying notes to non-consolidated financial statements.

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

	Common stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total stockholders equity
(In millions of Korean won)						
Balance, January 1, 2008	₩ 44,639	₩ 2,939,353	(₩ 2,041,578)	₩ 1,589,206	₩ 8,905,865	₩ 11,437,485
Cumulative effect of change in accounting policies		15,476	(30,908)	4,893		(10,539)
Adjusted balance, January 1, 2008	44,639	2,954,829	(2,072,486)	1,594,099	8,905,865	11,426,946
Cash dividends					(609,711)	(609,711)
Net income					680,895	680,895
Difference between the acquisition cost and the net book value incurred from the transactions between companies under common control companies (Note 4)			(30,849)			(30,849)
Treasury stock (Note 11)			49,401			49,401
Loss on disposal of treasury stock (Note 11)			(6,275)			(6,275)
Unrealized loss on valuation of long-term investment securities, net (Note 3)				(499,415)		(499,415)
Equity in other comprehensive loss changes of affiliates, net (Note 4)				(106,030)		(106,030)
Gain on valuation of currency swap, net (Note 18)				3,337		3,337
				(48)		(48)

Loss on valuation of
interest swap, net
(Note 18)

Balance, June 30, 2008	₩ 44,639	₩ 2,954,829	(₩ 2,060,209)	₩ 991,943	₩ 8,977,049	₩ 10,908,251
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					628,392	628,392
Conversion right		73,622				73,622
Treasury stock (Note 11)			63,538		(92,477)	(28,939)
Loss on disposal of treasury stock (Note 11)		(721)	(716)			(1,437)
Unrealized loss on valuation of long-term investment securities, net (Notes 3)				189,697		189,697
Equity in other comprehensive income changes of affiliates, net (Note 4)		2,003	16,373	(16,101)	(56,043)	(53,768)
Loss on valuation of currency swap, net (Note 18)				(2,394)		(2,394)
Gain on valuation of interest swap, net (Note 18)				7,424		7,424
Balance, June 30, 2009	₩ 44,639	₩ 3,031,999	(₩ 2,068,335)	₩ 552,411	₩ 9,371,687	₩ 10,932,401

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

	Common stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total stockholders equity
(Translation into U.S. dollars [Note 2], in thousands)						
Balance, January 1, 2008	\$ 35,052	\$ 2,308,090	(\$1,603,124)	\$ 1,247,905	\$ 6,993,220	\$ 8,981,143
Cumulative effect of change in accounting policies		12,153	(24,271)	3,842		(8,276)
Adjusted balance, January 1, 2008	35,052	2,320,243	(1,627,395)	1,251,747	6,993,220	8,972,867
Cash dividends					(478,768)	(478,768)
Net income					534,664	534,664
Difference between the acquisition cost and the net book value incurred from the transactions between companies under common control (Note 4)			(24,224)			(24,224)
Treasury stock (Note 11)			38,792			38,792
Loss on disposal of treasury stock (Note 11)			(4,927)			(4,927)
Unrealized loss on valuation of long-term investment securities, net (Note 3)				(392,159)		(392,159)
Equity in other comprehensive loss changes of affiliates, net (Note 4)				(83,259)		(83,259)
Gain on valuation of currency swap, net (Note 18)				2,620		2,620
Loss on valuation of interest swap, net (Note 18)				(38)		(38)

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Balance, June 30, 2008	\$ 35,052	\$ 2,320,243	(\$1,617,754)	\$ 778,911	\$ 7,049,116	\$ 8,565,568
Balance, January 1, 2009	\$ 35,052	\$ 2,322,022	(\$1,686,321)	\$ 293,510	\$ 7,460,556	\$ 8,424,819
Cash dividends					(478,369)	(478,369)
Net income					493,437	493,437
Conversion right		57,811				57,811
Treasury stock (Note 11)			49,892		(72,616)	(22,724)
Loss on disposal of treasury stock (Note 11)		(566)	(562)			(1,128)
Unrealized loss on valuation of long-term investment securities, net (Note 3)				148,957		148,957
Equity in other comprehensive income changes of affiliates, net (Note 4)		1,572	12,857	(12,642)	(44,008)	(42,221)
Loss on valuation of currency swap, net (Note 18)				(1,879)		(1,879)
Gain on valuation of interest swap, net (Note 18)				5,829		5,829
Balance, June 30, 2009	\$ 35,052	\$ 2,380,839	(\$1,624,134)	\$ 433,775	\$ 7,359,000	\$ 8,584,532

See accompanying notes to non-consolidated financial statements.

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

	Korean won		Translation into U.S. dollars (Note 2)	
	2009	2008	2009	2008
	(In millions)		(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	₩ 628,392	₩ 680,895	\$ 493,437	\$ 534,664
Expenses not involving cash payments:				
Provision for severance indemnities	18,181	19,961	14,276	15,674
Depreciation and amortization	891,277	848,173	699,864	666,017
Allowance for doubtful accounts	76,933	24,019	60,411	18,861
Foreign translation loss	11,641	41,716	9,141	32,757
Loss on valuation of short-term investment securities		2,159		1,695
Equity in losses of affiliates	98,755	116,893	77,546	91,789
Impairment loss on investment securities	3,186		2,502	
Loss on disposal of investment assets	2,420	6,002	1,900	4,713
Loss on disposal of property, equipment and intangible assets	16,181	18,054	12,706	14,177
Loss on valuation of currency swap	112,440	155,704	88,292	122,265
Loss on valuation of interest swap	2,897		2,275	
Donations		126		99
Amortization of discounts on bonds and other	20,558	18,315	16,143	14,381
Sub-total	1,254,469	1,251,122	985,056	982,428
Income not involving cash receipts:				
Gain on valuation of short-term investment securities	(7,810)		(6,133)	
Foreign translation gain	(46,477)	(147,981)	(36,495)	(116,200)
Equity in earnings of affiliates	(25,733)	(21,939)	(20,207)	(17,227)
Gain on disposal of investment assets	(63)	(14,467)	(49)	(11,360)
Gain on disposal of property, equipment and intangible assets	(445)	(976)	(349)	(766)
Gain on valuation of currency swap		(63,095)		(49,545)
Gain on valuation of currency option	(1,014)		(796)	
Other	(548)	(1,415)	(431)	(1,112)
Sub-total	(82,090)	(249,873)	(64,460)	(196,210)

Changes in assets and liabilities related to operating activities:

Accounts receivable trade	(89,251)	40,644	(70,083)	31,915
Accounts receivable other	(233,699)	(125,701)	(183,509)	(98,705)
Inventories	(4,851)	2,788	(3,809)	2,189
Prepaid expenses	39,402	46,548	30,940	36,551
Advanced payments and other	8,533	(12,627)	6,700	(9,915)
Accounts payable	13,389	(170,146)	10,514	(133,605)
Income tax payable	(105,782)	27,772	(83,064)	21,808
Accrued expenses	140,016	176,025	109,946	138,221
Withholdings	72,930	85,744	57,268	67,329
Current portion of subscription deposits	(25)	(226)	(20)	(177)
Advanced receipts and other	5,814	(7,792)	4,564	(6,118)
Deferred income taxes	(22,022)	(87,780)	(17,293)	(68,928)
Severance indemnities payments	(15,407)	(10,426)	(12,098)	(8,187)
Deposits for group severance indemnities and other deposits	9,440	1,697	7,413	1,333
Dividends received from affiliate	6,817	6,394	5,353	5,021
Sub-total	(174,696)	(27,086)	(137,178)	(21,268)
Net Cash Provided by Operating Activities	1,626,075	1,655,058	1,276,855	1,299,614

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

	Korean won		Translation into U.S. dollars (Note 2)	
	2009	2008	2009	2008
	(In millions)		(In thousands)	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash inflows from investing activities:				
Withdrawal of short-term financial instruments	₩	₩ 1,896	\$	\$ 1,489
Withdrawal of long-term financial instruments		10,000		7,852
Disposal of short-term investment securities, net	25,153	270,495	19,751	212,403
Collection of short-term loans	184,144	116,412	144,597	91,411
Collection of long-term loans	8,119	2,237	6,375	1,757
Proceeds from sales of long-term investment securities	1,865	366,655	1,464	287,911
Proceeds from sales of equity securities accounted for using the equity method	6,444	1,739	5,060	1,365
Decrease in guarantee deposits	12,360	6,143	9,706	4,824
Decrease in other non-current assets	27,594	166,632	21,668	130,845
Proceeds from disposal of property and equipment	1,492	2,810	1,172	2,207
Proceeds from disposal of intangible assets	65	1	51	1
 Sub-total	 267,236	 945,020	 209,844	 742,065
Cash outflows for investing activities :				
Acquisition of short-term financial instruments	(198,226)		(155,654)	
Acquisition of long-term financial instruments	(6,500)		(5,104)	
Extension of short-term loans	(138,223)	(117,817)	(108,538)	(92,514)
Extension of long-term loans	(6,972)	(90,848)	(5,475)	(71,337)
Acquisition of long-term investment securities	(125,538)	(10,513)	(98,577)	(8,255)
Acquisition of equity securities accounted for using the equity method	(168,301)	(1,442,951)	(132,156)	(1,133,059)
Increase in guarantee deposits and other	(87,026)	(220,803)	(68,336)	(173,383)
Acquisition of property and equipment	(647,652)	(584,930)	(508,561)	(459,309)
Increase in intangible assets	(6,795)	(11,568)	(5,336)	(9,084)

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Sub-total	(1,385,233)	(2,479,430)	(1,087,737)	(1,946,941)
Net Cash Used in Investing Activities	(1,117,997)	(1,534,410)	(877,893)	(1,204,876)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Cash inflows from financing activities:				
Proceeds from short-term borrowings	100,000	300,000	78,524	235,571
Issuance of bonds	1,114,898	380,042	875,460	298,423
Increase in guarantee deposits received and other	5,830	8,230	4,578	6,462
Proceeds from disposal of treasury stock		42,246		33,173
Cash inflows from transaction of currency swap	8,236		6,467	
Cash inflows from transaction of currency option	1,014		796	
Sub-total	1,229,978	730,518	965,825	573,629
Cash outflows for financing activities:				
Repayment of short-term borrowings	(123,200)		(96,741)	
Repayment of current portion of long-term debts	(715,672)	(411,642)	(561,973)	(323,237)
Payment of dividends	(604,162)	(609,747)	(474,411)	(478,796)
Decrease in subscription deposits		(1,496)		(1,175)
Decrease in other non-current liabilities	(1,206)	(7,960)	(947)	(6,250)
Acquisition of treasury stock	(28,938)		(22,723)	
Sub-total	(1,473,178)	(1,030,845)	(1,156,795)	(809,458)
Net Cash Used in Financing Activities	(243,200)	(300,327)	(190,970)	(235,829)
NET INCREASE IN CASH AND CASH EQUIVALENTS	264,878	(179,679)	207,992	(141,091)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	434,177	575,646	340,932	452,019
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	₩ 699,055	₩ 395,967	\$ 548,924	\$ 310,928

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

1. GENERAL

SK Telecom Co., Ltd. (the Company) was incorporated in March 1984 under the laws of Korea to engage in providing nationwide cellular telephone communication services in the Republic of Korea. The Company's common shares and depositary receipts (DRs) are listed on the Stock Market of Korea Exchange (formerly Korea Stock Exchange) and the New York and London Stock Exchanges, respectively. As of June 30, 2009, the Company's total issued shares are held by the following:

	Number of shares	Percentage of total shares issued (%)
SK Group	18,748,452	23.22
POSCO Corp.	2,341,569	2.90
Institutional investors and other minority shareholders	51,254,982	63.48
Treasury stock	8,400,708	10.40
	80,745,711	100.00

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying non-consolidated financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the Republic of Korea (Korean GAAP) which is the same as accounting policies for annual financial statements for the year ended December 31, 2008, except for the following:

a. Revision of External Audit Law

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

The Company maintains its official accounting records in Korean won and prepares statutory non-consolidated financial statements in Korean language (Hangul) in conformity with Korean GAAP. Certain accounting principles applied by the Company that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with accounting principles generally accepted in other countries. Accordingly, these financial statements are intended for use by those who are informed about Korean accounting principles and practices. The accompanying financial statements have been condensed, restructured and translated into English with certain expanded descriptions from the Korean language financial statements. Certain information included in the Korean language financial statements, but not required for a fair presentation of the Company's financial position, results of operations, changes in stockholders' equity or cash flows, is not presented in the accompanying financial statements.

The accompanying non-consolidated financial statements are stated in Korean won, the currency of the country in which the Company is incorporated and operates. The translation of Korean won amounts into U.S. dollar amounts is included solely for the convenience of readers of financial statements and has been made at the rate of ₩1,273.50 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 June 30, 2009. Such translations into U.S. dollars should not be construed as representations that the Korean won amounts

could be converted into U.S. dollars at that, or any other rate.

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

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

	Acquisition cost	June 30, 2009 Fair value	Carrying amount	December 31, 2008 Fair value and carrying amount
Trading securities (Note a)	₩ 350,000	₩ 348,850	₩ 348,850	₩ 366,040
Current portion of long-term investment securities (Note b)	3,557	3,608	3,608	3,704
Total	₩ 353,557	₩ 352,458	₩ 352,458	₩ 369,744

(Note a) The Company's trading securities as of June 30, 2009 are all beneficiary certificates, and the difference between the fair value and acquisition cost was recorded in other income (expenses) as gain (loss) on valuation of short-term investment securities.

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

other
comprehensive
income.

b. Long-term Investment Securities

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

	June 30, 2009	December 31, 2008
Available-for-sale equity securities	₩ 3,460,654	₩ 3,066,306
Available-for-sale debt securities	94,636	4,787
Total	3,555,290	3,071,093
Less: current portion	(3,608)	(3,704)
Long-term portion	₩ 3,551,682	₩ 3,067,389

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

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

	Number of shares	June 30, 2009		Acquisition cost	Fair value	Carrying amount		
		Percentage (%)				June 30, 2009	December 31, 2008	
(Investments in listed companies)								
Digital Chosunilbo Co., Ltd.	2,890,630	7.8	₩ 5,781	₩ 8,585	₩ 8,585	₩ 5,636		
KRTnet Corporation	234,150	4.4	1,171	1,409	1,409	1,098		
POSCO Corp.	2,481,310	2.8	332,662	1,050,835	1,050,835	942,898		
LG Powercomm Co., Ltd.	6,000,000	4.5	240,243	38,520	(Note a)	38,520	39,000	
nTels Co., Ltd.	205,200	6.2	34	616		616	504	
Qualcomm Inc.	55,805	0.1	2,756	3,240		3,240	2,514	
China Unicom Ltd.	899,745,075	3.8	1,333,009	1,530,287		1,530,287	1,357,648	
DAEA TI Co., Ltd.					(Note b)		89	
Extended Computing Environment Co., Ltd.					(Note b)		40	
Sub-total			1,915,656	2,633,492		2,633,492	2,349,427	
(Investments in non-listed companies)								
SK C&C Co., Ltd.	15,000,000	30.0	501,651	665,340	(Note c)	665,340	676,716	
The Korea Economic Daily	2,585,069	13.8	13,964	(Note e)		13,964	13,964	
Others			158,394	(Notes d&e)		9,746	12,932	
Sub-total			674,009			689,050	703,612	
(Investments in funds)								
Global Opportunities Breakaway Fund			125,120	(Notes e&f)		125,120		
Others			12,992	(Note e)		12,992	13,267	
Sub-total			138,112			138,112	13,267	

Total	₩2,727,777	₩3,460,654	₩3,066,306
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(Note a) As the common stocks of LG Powercomm Co., Ltd. were listed on the stock Market of Korea Exchange during the year ended December 31, 2008, the Company recorded the investment at its market value as of June 30, 2009. In addition, as the difference between the market value and carrying value of the investments is material and the market value is significantly less than the acquisition cost over the long-term period, the Company recorded ₩201,243 million of impairment loss on investment securities for the year ended December 31, 2008.

(Note b) The investments in common stock of DAEA

TI Co., Ltd. and Extended Computing Environment Co., Ltd. were all sold during the six months ended June 30, 2009 and the Company recorded ~~₩~~1,541 million of loss on disposal of long term investment securities.

(Note c) The number of shares held by the Company increased to 15,000,000 shares from 6,000,000 shares as the SK C&C performed stock split of 1:2.5 for the six months ended June 30, 2009. The Company recorded its investments in common stock of SK C&C Co., Ltd. at its fair value, which was estimated with the assistance of an outside professional valuation company using the present value of expected future cash flows and the unrealized gain on valuation of

investments
totals
~~₩~~241,790 million
(net of tax effect
of
~~₩~~77,194 million)
and
~~₩~~250,413 million
(net of tax effect
of
~~₩~~79,947 million)
as of June 30,
2009 and
December 31,
2008,
respectively.

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

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

(Note f) For the six months ended June 30, 2009, the Company entered into limited partnership agreement with overseas private fund. In accordance with the partnership agreement, the Company has contributed US\$ 100million out of total capital commitment of US\$ 200million.

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

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

	Maturity	Acquisition cost	Carrying amount	
			June 30, 2009	December 31, 2008
Public bonds	(Note a) October, 2009	₩ 104	₩ 104	₩ 1,236
Closed beneficiary certificates (Note b)	October, 2009	3,501	3,552	3,551
Subordinated bonds (Note c)	2009	90,980	90,980	
Total		94,585	94,636	4,787
Less current portion		(3,557)	(3,608)	(3,704)
Long-term available-for-sale debt securities		₩ 91,028	₩ 91,028	₩ 1,083

The interest income incurred from available-for-sale debt securities for the six months ended June 30, 2009 and 2008, and for the three months ended June 30, 2009 and 2008 were ₩161 million and ₩2,756 million, ₩90 million and ₩1,336 million, respectively.

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

Maturity	June 30, 2009	December 31, 2008
Within one year	₩ 57	₩ 153
After one year but within five years	47	1,083
	₩ 104	₩ 1,236

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

(Note c) The Company purchased subordinated bonds issued by special purpose company in the asset-backed securitization of accounts receivable-other resulting from its mobile phone financing plan (See Note 20).

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

	For the six months ended June 30, 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	₩ 100,169	₩	₩ 1,041,265
Unrealized loss on valuation of long-term Investment securities	(401,945)	142,712		(259,233)
Sub-total	539,151	242,881		782,032
Less tax effect	(125,881)	(53,184)		(179,065)
Total	₩ 413,270	₩ 189,697	₩	₩ 602,967

	For the six months ended June 30, 2008			
	Beginning balance	Increase (decrease)	Transferred to realized gain (loss)	Ending balance
Available-for-sales securities:				
Unrealized gain on valuation of long-term Investment securities	₩ 2,402,284	(₩ 685,469)	(₩ 9,389)	₩ 1,707,426
Unrealized loss on valuation of long-term Investment securities	(158,575)	858	5,152	(152,565)
Sub-total	2,243,709	(684,611)	(4,237)	1,554,861
Less tax effect	(617,020)	188,268	1,165	(427,587)
Total	₩ 1,626,689	(₩ 496,343)	(₩ 3,072)	₩ 1,127,274

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

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

	Number of shares	June 30, 2009			Carrying amount	
		Ownership percentage (%)	Acquisition cost	Net asset value	June 30, 2009	December 31, 2008
SK Broadband Co., Ltd.	102,451,249	43.4	₩ 1,209,629	₩ 520,953	₩ 1,049,941	₩ 1,146,736
SK Communications Co., Ltd.	28,029,945	64.8	175,441	130,254	141,731	147,392
SK Telink Co., Ltd.	943,997	90.8	5,296	119,657	119,656	112,358
SK Marketing & Company Co., Ltd.	5,000,000	50.0	190,000	103,550	103,550	101,345
PS&Marketing Corporation	30,000,000	100.0	150,000	140,372	(Note a) 140,372	
SK Wyverns Baseball Club Co., Ltd.	199,997	100.0	1,000	(2,048)		
Paxnet Co., Ltd.	5,590,452	59.7	26,563	15,884	30,367	30,086
F&U Credit Information Co., Ltd.	300,000	50.0	2,410	3,665	4,157	4,244
TU Media Corp.	28,538,064	44.2	151,980	12,593	12,593	14,847
Aircross Co., Ltd.					(Note b)	7,289
IHQ, Inc.	14,960,784	37.1	51,846	12,991	24,005	26,957
Ntreev Soft Co., Ltd.	2,064,970	63.7	33,120	8,697	8,995	9,575
Commerce Planet Co., Ltd.	29,396	100.0	14,344	1,107	1,107	1,535
Loen Entertainment, Inc.	16,054,812	63.5	57,874	38,167	38,983	35,895
Harex Info Tech, Inc.	225,000	21.2	3,375	245	421	598
SK Mobile		20.0	4,930	2,111	2,111	2,111
SKT Vietnam PTE Ltd.	180,476,700	73.3	191,273	101,152	101,152	112,160
Skytel Co., Ltd.	1,951,777	29.3	2,159	14,735	14,735	12,381
SK China Company Ltd.	94,960	29.7	6,159	4,556	3,470	3,657
SK Telecom China Co., Ltd.		100.0	7,340	10,258	10,258	7,157
TR Entertainment	13,542,553	42.2	10,953	2,710	8,759	9,626
ULand Company Ltd.	14,100,100	70.2	17,511	4,571	4,571	5,401
Virgin Mobile USA, Inc.	13,940,549	16.6	62,096	(59,948)	52,726	62,096
SKT Americas, Inc.	109	100.0	17,467	31,420	31,420	36,126

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SK Telecom China Holding Co., Ltd.		100.0	29,595	34,085	(Note c)	34,085	30,780
SK USA, Inc.	49	49.0	3,184	5,249		5,249	5,041
Helio, Inc.	794,375	14.3	1,342	116		116	116
Korea IT Fund	190	63.3	190,000	210,166		210,166	210,725
1st Music Investment Fund of SK-PVC	1,385	69.3	6,925	4,660		4,660	5,688
2nd Music Investment Fund of SK-PVC	1,585	79.3	7,925	7,894		7,894	8,441
SK-KTB Music Investment Fund	297	74.2	14,850	13,488		13,488	13,954
IMM Cinema Fund	120	45.6	12,000	8,241		8,241	8,435
Michigan Global Cinema Fund	40	36.4	4,000	3,577		3,577	3,577
3rd Fund of Isu Entertainment	25	31.3	2,500	1,568		1,568	1,568
SK Telecom Advanced Tech & Service Center		100.0	6,989	9,828		9,828	10,053
Cyworld China Holdings	10,500,000	53.8	10,272	1,175		1,175	2,117
Magic Tech Network	4,500	30.0	8,494	2,162		7,107	7,725
SK Telecom Global Investment B.V.	18,000	100.0	33,074	38,674	(Note c)	38,674	31,866
SKY Property Mgmt. Ltd.	22,980	60.0	283,367	294,072		294,072	287,405
Wave City Development Co. Ltd.	382,000	19.1	1,967	1,908		1,908	1,908

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	June 30, 2009				Carrying amount	
	Number of shares	Ownership percentage (%)	Acquisition cost	Net asset value	June 30, 2009	December 31, 2008
Prmaxsoftware Tech. Co., Ltd.		91.4	7,127	6,437	6,782	7,127
Benex Digital Cultural Contents Fund	50	19.9	₩ 5,000	₩ 5,068	₩ 5,068	₩ 5,068
Benex Focus Limited Partnership II	200	66.7	20,000	20,043	20,043	20,089
K-net Culture & Contents Venture Fund	59	59.0	5,900	5,856	5,856	5,856
Open Innovation Fund	200	98.5	20,000	20,055	20,055	20,044
Other investments in affiliates			28,534		(Note d) 28,534	23,564
Total			₩ 3,095,811		₩ 2,633,226	₩ 2,600,719

(Note a) For the Six months ended June 30, 2009, the Company acquired 30,000,000 shares of PS&Marketing Corporation. As a result, the Company holds 100.0% of PS&Marketing Corporation.

(Note b) For the Six months ended June 30, 2009, Aircross Co., Ltd. was fully liquidated.

(Note c) For Six months ended June 30,

2009, the
Company
additionally
invested
₩6,302 million
in SK Telecom
China Holding
Co., Ltd. and
₩7,030 million
in SK Telecom
Global
Investment
B.V..

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

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

		Beginning balance	Acquisition	Equity in earnings (losses)	For the six months ended June 30, 2009			Dividend received	Other increase (decrease)	Ending balance
					Equity in other comprehensive income	Capital surplus	Equity method in retained earnings			
roadband	(Note a)	₩ 1,146,736	₩	(₩ 36,415)	₩ 662	₩	(₩ 56,043)	(₩ 4,999)	₩	₩ 1,04
communications	(Note a)	147,392		(7,273)	(18,629)	2,039		18,202		14
link Co.,	(Notes a and c)	112,358		13,353	270			(6,325)		11
marketing & any Co.,	(Note a)	101,345		7,082	(4,877)					10
Marketing Corporation	(Note a)		150,000	(9,628)						14
governments										
all Club	(Note b)			(1)						
	(Notes a and c)	30,086		773	(281)			281	(492)	3
Credit										
ation Co.,	(Note b)	4,244		(87)						4
edia Corp.	(Note a)	14,847		(2,254)	36	(36)				1
ss Co.,	(Note d)	7,289							(7,289)	
	(Note a)	26,957		(3,819)	(5,103)			5,970		2
y Soft Co.,	(Note a)	9,575		(637)	8			49		
erice Planet	(Note b)	1,535		(428)						
ainment,	(Note a)	35,895		421	2,989			(322)		3
Info Tech,	(Note b)	598		(177)						
obile		2,111								

	(Note b)				
Vietnam Ltd.	(Note a)	112,160	(13,683)	2,675	10
Co., Ltd.	(Note a)	12,381	3,709	(1,355)	14
China Company Ltd.	(Note b)	3,657	(176)	(11)	5
Telecom Co., Ltd.	(Note b)	7,157	5	3,096	10
Entertainment Company	(Note a)	9,626	(932)	65	8
Mobile Inc.	(Note a)	5,401	(935)	105	4
Americas, Inc.	(Note a)	62,096	(9,216)	(154)	5
Telecom Holding Ltd.	(Note a)	36,126	(4,629)	(77)	3
SA, Inc.	(Note b)	30,780	6,302	(3,518)	521
Inc.	(Note b)	5,041	182	26	26
IT Fund	(Note a)	116		(26)	26
Music Investment Fund	(Note b)	210,725	(734)	175	210
PVC Music Investment Fund	(Note b)	5,688	(1,181)	153	4
PVC Music Investment Fund	(Note b)	8,441	(547)		4
TB Music Investment Fund	(Note a)	13,954	(600)	133	1
Cinema	(Note a)	8,435	(194)		1
gan Global	(Note b)	3,577			3
nd of Isu	(Note b)	1,568			1
Telecom					
anced Tech	(Note b)	10,053	(194)	(31)	9
orld China	(Note b)	2,117	179	(193)	(928)
gs Tech	(Note b)	7,725	(618)		4
ork					
Telecom					
ment B.V.	(Note a)	31,866	7,030	17	(239)

Property (Note Ltd. a)	287,405		(487)	7,154							29
City Development Co.(Note b)	1,908										
software (Note Co., Ltd. b)	7,127		(345)								
Digital al Contents(Note b)	5,068										
Focus ed (Note rship II a)	20,089		(46)								2
Culture & nts Venture(Note b)	5,856										
Innovation (Note a)	20,044		11								2
	₩ 2,577,155	163,332	(73,022)	(12,908)	2,003	(56,043)	18,280	(6,817)	(7,289)	₩ 2,60	

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	Beginning balance	Acquisition	For the six months ended June 30, 2009						Other increase (decrease)	Ending balance
			Equity in earnings (losses)	other comprehensive income	Capital surplus	Equity method retained earnings	Equity method in capital adjustments	Dividend received		
Less: three months ended March 31, 2009		7,030	(36,800)	16,418	1,758	(56,043)	17,921	(6,817)	(7,289)	
Three months ended June 30, 2009	₩ 156,302	(₩36,222)	(₩29,326)	₩ 245	₩	₩	₩ 359	₩	₩	

(Note a) Investments were recorded using the equity method of accounting based on unaudited and unreviewed financial statements as of and for the six months ended June 30, 2009. In order to verify the reliability of such unaudited and unreviewed financial statements, the Company has performed the following procedures and found no significant errors:

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

(Note b) Investments in equity securities are carried using the equity method of accounting based on the financial statements as of December 31, 2008 as

information as of June 30, 2009 was not available and the change in the Company's portion of stockholders equity of the investee for the six months ended June 30, 2009 was immaterial.

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

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

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For the six months ended June 30, 2008								
Equity								
	Beginning balance	Acquisition	Equity in earnings (losses)	Equity in other comprehensive income	method in capital adjustments	Dividend received	Other increase (decrease)	Ending balance
SK Broadband Co., Ltd.	₩	₩ 1,093,104	(₩ 11,628)	₩ 4,573	₩	₩	₩ 116,525	₩ 1,202,574
SK Communications Co., Ltd.	149,850		(2,409)	7,402				154,843
SK Telink Co., Ltd.	97,136		12,671	(17)		(5,947)		103,843
SK Wyverns Baseball Club Co., Ltd.			(989)					
Paxnet Co., Ltd.	30,237		(65)	407		(447)		30,132
F&U Credit Information Co., Ltd.	3,851		(21)					3,830
TU Media Corp.	5,527	55,000	(9,770)		(30,642)			20,115
Aircross Co., Ltd.	5,967		(939)	(18)				5,010
IHQ, Inc.	38,911		(6,799)	704				32,816
Ntreev Soft Co., Ltd.	13,221		(5,343)	76				7,954
Baba Club Commerce Planet Co., Ltd.	1,733						(1,733)	
Loen Entertainment, Inc.	6,266		(199)				1,733	7,800
Harex Info Tech, Inc.	21,415		711	(3,143)				18,983
SK Mobile	1,118		(175)					943
SKT Vietnam PTE Ltd.	3,272							3,272
Skytel Co., Ltd.	101,412		(8,998)	10,855	(71)			103,198
SK China Company Ltd.	7,797		(52)	(1)				7,744
SK Telecom China Co., Ltd.			54	83				137
TR Entertainment ULand Company Ltd.	7,154		3					7,157
		10,635	(978)	193				9,850
	5,290		2,882	825				8,997
	63,023	58,145	(65,715)	(6,757)				48,696

SK Telecom USA Holdings, Inc.									
SKT Americas, Inc.	(Note a)	26,454		132	2,943				29,529
SK Telecom China Holding Co., Ltd.		19,070	3,031	(1,120)	4,674				25,655
SK USA, Inc. Helio, LLC & Inc.	(Note a)	3,140							3,140
		333		(573)	16	340			116
Korea IT Fund Centurion IT Investment Association		210,568		3,914	(581)				213,901
		2,463						(2,463)	
1st Music Investment Fund of SK-PVC	(Note a)	5,607							5,607
2nd Music Investment Fund of SK-PVC	(Note a)	8,517		(338)					8,179
SK-KTB Music Investment Fund		13,367		236	(1,113)				12,490
IMM Cinema Fund		9,089		(782)					8,307
Michigan Global Cinema Fund	(Note a)	3,542							3,542
3rd Fund of Isu Entertainment SK Marketing & Company Co. Ltd	(Note a)	1,690							1,690
			190,000	1,336	(125,332)				66,004
Cyworld China Holdings	(Note a)		10,272						10,272
Magic Tech Network	(Note a)		7,929						7,929
Total		₩ 867,020	1,428,116	(94,954)	(104,211)	(30,373)	(6,394)	114,062	₩ 2,174,255
Less: three months ended March 31, 2008			1,205,778	(39,158)	7,144	(30,317)	(6,394)	114,062	
Three months ended June 30, 2008		₩ 222,338	(₩ 55,796)	(₩ 111,355)	(₩ 56)	₩	₩		

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(Note a) Investments in equity securities are carried using the equity method of accounting based on the financial statements as of December 31, 2007 as information as of June 30, 2008 was not available and the change in the Company's portion of stockholders equity of the investee for the six months ended June 30, 2008 was immaterial.

Details of changes in the differences between the acquisition cost and net asset value of equity method investees at the acquisition date for the three months and six months ended June 30, 2009 and 2008 are as follows (In millions of Korean won):

	For the six months ended June 30, 2009			
	Beginning balance	Increase/ (decrease)	Amortization	Ending balance
SK Broadband Co., Ltd.	₩ 534,051	₩	(₩ 5,062)	₩ 528,989
SK Communications Co., Ltd.	12,122		(446)	11,676
Paxnet Co., Ltd.	15,018		(536)	14,482
F&U Credit Information Co., Ltd.	503		(11)	492
IHQ, Inc.	13,767		(2,753)	11,014
Ntreev Soft Co., Ltd.	595		(297)	298
Loen Entertainment, Inc.	1,223		(408)	815
Harex Info Tech, Inc.	351		(176)	175
Skytel Co., Ltd.	(1,387)		1,387	
SK China Company Ltd.	106		(106)	
TR Entertainment	6,856		(807)	6,049
Virgin mobile USA, Inc.	125,930		(13,256)	112,674
Magic Tech Network	5,562		(618)	4,944
Prmaxsoftware Tech. Co., Ltd.	691		(345)	346

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Total	₩ 715,388	(23,434)	₩ 691,954
Less: three months ended March 31, 2009		(4,019)	
Three months ended June 30, 2009	₩	(₩ 19,415)	

For the six months ended June 30, 2008

	Beginning balance	Increase/ (decrease)	Amortization	Ending balance
SK Broadband Co., Ltd.	₩	₩ 565,174	(₩ 7,064)	₩ 558,110
SK Communications Co., Ltd.	21,019	(8,005)	(446)	12,568
Paxnet Co., Ltd.	16,091		(536)	15,555
F&U Credit Information Co., Ltd.	545		(21)	524
IHQ, Inc.	19,274		(2,754)	16,520
Ntreev Soft Co., Ltd.	1,282	(92)	(298)	892
Baba Club	2,504	(2,504)		
Commerce Planet Co., Ltd.	3,950		(439)	3,511
Loen Entertainment, Inc.	2,039		(408)	1,631
Harex Info Tech, Inc.	701		(175)	526
Uland Company Ltd.	4,245		(129)	4,116
TR Entertainment		7,748	(387)	7,361
Cyworld China Holdings		6,904		6,904
Total	₩ 71,650	569,225	(12,657)	₩ 628,218
Less: three months ended March 31, 2008		560,805	(2,634)	
Three months ended June 30, 2008		₩ 8,420	(₩ 10,023)	

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

Subsidiary	For the six months ended June 30, 2009			Ending balance
	Beginning balance	Increase	Decrease	
SK Communications Co., Ltd.	₩ 269	₩	(₩ 70)	₩ 199
SK China Company Ltd.	1,086			1,086
Total	₩ 1,355		(70)	₩ 1,285
Less: three months ended March 31, 2009			(35)	
Three months ended June 30, 2009		₩	(₩ 35)	

Subsidiary	For the six months ended June 30, 2008			Ending balance
	Beginning balance	Increase	Decrease	
SK Communications Co., Ltd.	₩ 2,192	₩	(₩ 1,853)	₩ 339
Uland Company Limited.	2,981		(2,981)	
SK China Company Ltd.	1,086			1,086
Total	₩ 6,259		(4,834)	₩ 1,425
Less: three months ended March 31, 2008			(4,799)	
Three months ended June 30, 2008		₩	(₩ 35)	

Details of market price of the equity securities accounted for using the equity method as of June 30, 2009 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.	₩ 5,200	102,451,249	₩532,746
SK Communications Co., Ltd.	9,540	28,029,945	267,406
IHQ, Inc.	1,600	14,960,784	23,937
Loen Entertainment, Inc.	5,070	16,054,812	81,398

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

	Total assets	Total liabilities	Revenue	Net income (loss)
SK Broadband Co., Ltd.	₩2,900,582	₩1,700,757	₩156,101	(₩72,211)
SK Communications Co., Ltd.	270,184	69,239	97,861	(10,484)
SK Telink Co., Ltd.	195,012	63,186	144,682	14,736
SK Marketing & Company Co., Ltd.	575,523	368,423	128,730	14,493
PS&Marketing Corporation	140,372		113,589	(9,628)
Paxnet Co., Ltd.	41,420	14,830	21,677	2,262
TU Media Corp.	283,656	255,136	65,436	(4,291)
IHQ, Inc.	52,195	17,170	19,752	(105)
Ntreev Soft Co., Ltd.	22,390	8,736	9,824	(635)
Loen Entertainment, Inc.	91,995	31,869	45,859	2,609
SKT Vietnam PTE Ltd.	159,904	21,943	78	(16,294)
Skytel Co., Ltd.	55,168	4,951	19,824	8,015
TR Entertainment	7,930	1,508	6,186	(297)
ULand Company Limited	8,949	2,433	2,954	(988)
Virgin Mobile USA, Inc.	416,004	778,007	455,652	24,398
SKT Americas, Inc	42,141	10,722	6,831	115
SK Telecom China Holdings	45,718	11,634	12,061	(1,832)
Korea IT Fund	331,841		10,241	(1,175)
SKT-KTB Music Investment Fund	18,239	56	230	(808)
IMM Cinema Fund	18,063		243	185
SK Telecom Global Investment B.V.	38,744	69	296	82
SKY Property Mgmt. Ltd.	667,876	177,755	20,768	980
2nd Benex Focus investment Fund	30,345	280	491	(69)
Open Innovation Fund	20,545	190	390	11

5. LOANS TO EMPLOYEES

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

	Short-term	June 30, 2009 Long-term	Total	December 31, 2008
Loans to employees stock ownership Association (Note)	₩ 1,187	₩ 58,169	₩ 59,356	₩ 60,908
Loans to employees for housing and other	52	20	72	106
Total	₩ 1,239	₩ 58,189	₩ 59,428	₩ 61,014

(Note) The Company
loaned the
amount above to

employees stock
ownership
association to
help fund
employees
acquisition of
the Company's
treasury stocks.
The loan will be
repaid over a
period of five
years, beginning
on the second
anniversary of
each loan date
and will expire
on
December 25,
2014.

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

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

	Useful lives (years)	June 30, 2009	December 31, 2008
Land		₩ 455,967	₩ 447,088
Buildings and structures	30,15	1,511,108	1,510,018
Machinery	6	13,481,672	13,441,993
Vehicles	4	20,029	21,070
Other	4	1,006,974	1,016,133
Construction in progress		426,386	281,574
		16,902,136	16,717,876
Less: accumulated depreciation		(12,284,018)	(12,019,662)
Property and equipment, net		₩ 4,618,118	₩ 4,698,214

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

	Beginning balance	For the six months ended June 30, 2009				Ending balance
		Acquisition	Disposal	Transfer	Depreciation	
Land	₩ 447,088	₩ 8,431	(₩ 70)	₩ 518	₩	₩ 455,967
Buildings and structures	1,012,226	940		151	(28,241)	985,076
Machinery	2,594,086	7,513	(1,629)	408,653	(578,833)	2,429,790
Vehicles	2,035	43	(41)		(556)	1,481
Other	361,205	500,215	(15,327)	(479,935)	(46,740)	319,418
Construction in progress	281,574	130,510		14,302		426,386
Total	₩ 4,698,214	₩ 647,652	(₩ 17,067)	(₩ 56,311)	(₩ 654,370)	₩ 4,618,118

	Beginning balance	For the six months ended June 30, 2008				Ending balance
		Acquisition	Disposal	Transfer	Depreciation	
Land	₩ 444,252	₩ 61	(₩ 554)	₩ 1,291	₩	₩ 445,050
Buildings and structures	1,054,484	1,207	(863)		(27,967)	1,026,861
Machinery	2,495,252	4,642	(1,705)	290,192	(545,648)	2,242,733

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Vehicles	3,196	52	(239)		(911)	2,098
Other	305,095	466,705	(15,133)	(403,492)	(45,530)	307,645
Construction in progress	292,134	112,263	(1,259)	48,150		451,288
Total	₩4,594,413	584,930	(19,753)	(63,859)	(620,056)	₩4,475,675

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Table of Contents**7. INTANGIBLE ASSETS**

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

	June 30, 2009			December 31, 2008		
	Acquisition cost	Accumulated amortization	Carrying amounts	Acquisition cost	Accumulated amortization	Carrying amounts
Goodwill	₩ 2,341,625	(₩ 967,199)	₩ 1,374,426	₩ 2,341,625	(₩ 902,259)	₩ 1,439,366
Frequency use rights	1,385,120	(599,615)	785,505	1,385,120	(541,349)	843,771
Software development costs	188,358	(177,146)	11,212	188,358	(174,869)	13,489
Computer software	1,232,786	(692,483)	540,303	1,174,908	(586,654)	588,254
Other	143,988	(87,566)	56,422	139,562	(82,850)	56,712
	₩ 5,291,877	(₩ 2,524,009)	₩ 2,767,868	₩ 5,229,573	(₩ 2,287,981)	₩ 2,941,592

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

	For the six months ended June 30, 2009					Ending balance
	Beginning balance	Increase	Decrease	Transfer	Amortization	
Goodwill	₩ 1,439,366	₩	₩	₩	(₩ 64,940)	₩ 1,374,426
Frequency use rights	843,771				(58,266)	785,505
Software development costs	13,489				(2,277)	11,212
Computer software	588,254	1,804	(138)	56,563	(106,180)	540,303
Other	56,712	4,991	(87)	50	(5,244)	56,422
Total	₩ 2,941,592	6,795	(225)	56,613	(236,907)	₩ 2,767,868

	For the six months ended June 30, 2008					Ending balance
	Beginning balance	Increase	Decrease	Transfer	Amortization	
Goodwill	₩ 1,569,247	₩	₩	₩	(₩ 64,940)	₩ 1,504,307
Frequency use rights	960,302				(58,266)	902,036
Software development costs	13,029			2,351	(6,052)	9,328
Computer software	585,574	2,479		60,158	(94,548)	553,663
Other	46,790	9,089	(136)	1,553	(4,311)	52,985
Total	₩ 3,174,942	11,568	(136)	64,062	(228,117)	₩ 3,022,319

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

	Amount	Description	Residual useful lives
Goodwill	₩1,370,567	Goodwill related to acquisition of Shinsegi Telecomm, Inc.	10 years and 9 months
IMT license	724,910	Frequency use rights relating to W-CDMA Service	(Note a)
WiBro license	55,637	WiBro Service	(Note b)
DMB license	4,958	DMB Service	7 years

(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 June 30, 2009 and December 31, 2008 are as follows (In millions of Korean won and thousands of Foreign Currency):

	Maturity year	Annual interest rate (%)	June 30, 2009	December 31, 2008
Domestic general bonds	2009	5.0	₩	₩ 300,000
2	2010	4.0	200,000	200,000
2	2010	6.77	50,000	50,000
2	2011	3.0	200,000	200,000
2	2013	4.0	200,000	200,000
2	2013	6.92	250,000	250,000
2	2014	5.0	200,000	200,000
2	2015	5.0	200,000	200,000
2	2016	5.0	200,000	200,000
2	2016	5.54	40,000	
2	2016	5.94	230,000	
2	2018	5.0	200,000	200,000
Dollar denominated bonds (US\$ 300,000)	2011	4.25	385,410	377,250
Dollar denominated bonds (US\$ 400,000)	2027	6.63	513,880	503,000
Yen denominated bonds (JPY 12,500,000)	2012	3-month Euro Yen LIBOR rate +0.55 (Note a)	167,035	174,237
Yen denominated bonds (JPY 5,000,000)	2012	3-month Euro Yen TIBOR rate +2.5 (Note b)	66,814	
Yen denominated bonds (JPY 3,000,000)	2012	3-month Euro Yen LIBOR rate +2.5 (Note a)	40,088	
Convertible bonds (US\$ 229,160)	2009			268,415
Convertible bonds (US\$ 332,528)	2014	1.75	437,674	
Floating rate notes (US\$ 150,000,000)	2010	3-month LIBOR rate +3.05 (Note c)	192,705	188,625
Floating rate notes (US\$ 220,000,000)	2012	3-month LIBOR rate +3.15 (Note c)	282,634	
Total			4,056,240	3,511,527
Less discounts on bonds			(69,800)	(61,143)
Less conversion right adjustments			(89,456)	(5,733)
Add long-term accrued interest				17,256
Net			3,896,984	3,461,907
Less portion due within one year			(198,974)	(579,424)

Long-term portion	₩3,698,010	₩2,882,483
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(Note a) The 3-months
Euro Yen
LIBOR rate as
of June 30, 2009
is 0.46%.

(Note b) The 3-months
Euro Yen
TIBOR rate as
of June 30, 2009
is 0.56%.

(Note c) The 3-months
LIBOR rate as
of June 30, 2009
is 0.60%.

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

On April 7, 2009, the Company issued convertible bonds with a maturity of five years in the principal amount of US\$332,528,000 for US\$326,397,463 with an initial conversion price of ₩230,010 per share of the Company's common stock, which was greater than market value at the date of issuance. The Company may redeem the principal amount after 3 years from the issuance date if the market price exceeds 130% of the conversion price during a predetermined period. On the other hand, the bond holders may redeem their notes at 100% of the principal amount on April 7, 2012 (3 years from the issuance date). The conversion right may be exercised during the period from May 18, 2009 to March 24, 2014 and the number of common shares to be converted as of June 30, 2009 is 1,999,997 shares.

Conversion of notes to common shares may be prohibited under the Telecommunications Law or other legal restrictions which restrains foreign governments, individuals and entities from owning more than 49% of the Company's voting stock, if this 49% ownership limitation is violated due to the exercise of conversion rights. In this case, the Company will pay a bond holder as cash settlement determined at the average price of one day after a holder exercises its conversion right or the weighted average price for the following five or twenty business days. The Company intends to sell treasury shares held in trust by the Company that corresponds to the number of shares of common stock that would have been delivered in the absence of the 49% foreign shareholding restrictions. Unless either previously redeemed or converted, the notes are redeemable at 100% of the principal amount at maturity.

During the six months ended June 30, 2009, no conversion was made.

9. LONG-TERM BORROWINGS

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

	Lender	Final maturity year	Annual interest rate (%) (Note)	June 30, 2009	December 31, 2008
Long-term floating rate discount bill	Shinhan Bank	June 29, 2011	91 days CD yield + 0.25%	₩ 200,000	₩ 200,000
Long-term floating rate borrowings	KDB	July 28, 2011	91 days CD yield + 1.02%	100,000	100,000
2	Citibank	July 29, 2011	91 days CD yield + 1.20%	100,000	100,000
2	Nonghyup Hana Bank	July 30, 2011	91 days CD yield + 1.30%	100,000	100,000
2		July 31, 2011	91 days CD yield + 1.50%	150,000	150,000
2	Nonghyup	August 12, 2011	91 days CD yield + 1.50%	50,000	50,000
2	Calyon Bank	October 10, 2013	6M LIBOR + 0.29%	US\$ 50,000	US\$ 50,000
2	DBS Bank	October 10, 2013	6M LIBOR + 0.29%	25,000	25,000
2	SMBC	October 10, 2013	6M LIBOR + 0.29%	25,000	25,000
2					

Total	US\$ 100,000 ₩ 700,000	US\$ 100,000 ₩ 700,000
Equivalent in Korean won Less current portion	₩ 828,470	₩ 825,750
Long-term borrowings	₩ 828,470	₩ 825,750

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

(Note) At June 30, 2009, the 91 days CD yield and the 6M LIBOR rate are 2.41% and 1.11%, 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 June 30, 2009 and December 31, 2008 are as follows:

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

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

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

(Note) During the year ended December 31, 2003, 2006 and the six months ended June 30, 2009, the Company retired 7,002,235 shares, 1,083,000 shares and 448,000 shares, respectively, and reduced retained earnings before appropriations in accordance with the Korean Commercial Law. As a result, the total par value of

outstanding
capital stock
does not agree
to the capital
balance of
capital stock. In
addition, there
are no changes
in capital stock
for the six
months ended
June 30, 2009
and for the year
ended
December 31,
2008.

11. TREASURY STOCK

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

Table of Contents**12. INCOME TAX**

a. Details of income tax expense

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

	2009	2008
Current	₩ 221,736	₩ 353,170
Changes in net deferred tax liabilities (note a)	(22,021)	(87,780)
Income tax expense	199,715	265,390
Less three months ended March 31	(106,548)	(134,702)
Three months ended June 30	₩ 93,167	₩ 130,688

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

	2009	2008
Ending balance of net deferred tax liabilities	₩ 307,549	₩ 736,151
Beginning balance of net deferred tax liabilities	(257,939)	(1,015,002)
Adjustment to the beginning net deferred tax liabilities based on tax return filed	5,319	3,945
Tax effect of temporary differences charged or credited directly to related components of stockholders' equity	(76,950)	187,126
	(₩ 22,021)	(₩ 87,780)

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

	2009	2008
Income before income tax	₩ 828,107	₩ 946,285
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)	200,377	260,215
Differences (Note)	(662)	5,175

Income tax expense	₩ 199,715	₩ 265,390
Effective tax rates	24.12%	28.05%

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

	2009	2008
Permanent difference	₩ 21,861	₩ 17,064
Changes in deferred income tax assets (liabilities) recognized related to equity method investment securities	19,008	20,128
Tax credit for investment	(40,693)	(36,396)
Other tax credits	(1,794)	(831)
Sur tax on exempted income	7,412	6,629
Tax refund for prior periods	(6,456)	(1,419)
	(₩ 662)	₩ 5,175

Table of Contents**13. COMPREHENSIVE INCOME**

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

For the six months ended June 30, 2009

	For the three months ended		For the six months ended	
	Profit and loss effect	Tax effect	Profit and loss effect	Tax effect
Net income	₩ 311,643		₩ 628,392	
Other comprehensive income (loss):				
Unrealized gain on valuation of long-term investment securities, net	407,946	(₩ 116,662)	189,697	(₩ 53,183)
Equity in other comprehensive income of affiliates, net	(23,077)	6,249	(16,101)	(3,192)
Gain (loss) on valuation of currency swap, net	18,987	(5,355)	(2,394)	675
Loss on valuation of interest swap, net	5,760	(1,625)	7,424	(2,094)
Sub total	409,616	(₩ 117,393)	178,626	(₩ 57,794)
Comprehensive income	₩ 721,259		₩ 807,018	

For the six months ended June 30, 2008

	For the three months ended		For the six months ended	
	Profit and loss effect	Tax effect	Profit and loss effect	Tax effect
Net income	₩ 298,010		₩ 680,895	
Other comprehensive income (loss):				
Unrealized gain on valuation of long-term investment securities, net	(63,782)	₩ 24,193	(499,415)	₩ 189,433
Equity in other comprehensive income of affiliates, net	(112,141)	(786)	(106,030)	(1,463)
Loss on valuation of currency swap, net	10,296	(3,905)	3,337	(1,265)
Loss on valuation of interest swap, net	2,213	(839)	(48)	18
Sub total	(163,414)	₩ 18,663	(602,156)	₩ 186,723
Comprehensive income	₩ 134,596		₩ 78,739	

Table of Contents**14. NET INCOME PER SHARE**

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

Net income and ordinary income per share

	For the three months ended		For the six months ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Net income and ordinary income	₩ 311,643	₩ 298,010	₩ 628,392	₩ 680,895
Weighted average number of common shares outstanding	72,345,003	72,793,003	72,348,552	72,767,821
Net income and ordinary income per share	₩ 4,308	₩ 4,094	₩ 8,686	₩ 9,357

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

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

	Number of shares	Weighted number of days	Weighted number of shares
For the three months ended June 30, 2009			
Outstanding common stocks at January 1, 2009	81,193,711	91 / 91	81,193,711
Treasury stocks at January 1, 2009	(8,707,696)	91 / 91	(8,707,696)
Disposal of treasury stock	(141,012)	91 / 91	(141,012)
Total	72,345,003		72,345,003
For the six months ended June 30, 2009			
Outstanding common stocks at January 1, 2009	81,193,711	181 / 181	81,193,711
Treasury stocks at January 1, 2009	(8,707,696)	181 / 181	(8,707,696)
Acquisition of treasury stock	(141,012)	(note a)	(137,463)
Total	72,345,003		72,348,552

(Note a) The Company acquired treasury stocks on many

different dates,
and weighted
number of
shares was
calculated
considering
each transaction
date as follows:

	Number of shares	Weighted number of days	Weighted number of shares
For the six months ended June 30, 2008			
Outstanding common stocks at January 1, 2008	81,193,711	91 / 91	81,193,711
Treasury stocks at January 1, 2008	(8,609,034)	91 / 91	(8,609,034)
Disposal of treasury stock	208,326	91 / 91	208,326
Total	72,793,003		72,793,003
For the six months ended June 30, 2009			
Outstanding common stocks at January 1, 2009	81,193,711	182 / 182	81,193,711
Treasury stocks at January 1, 2009	(8,609,034)	182 / 182	(8,609,034)
Disposal of treasury stock	208,326	160 / 182	183,144
Total	72,793,003		72,767,821

Diluted net income and ordinary income per share amounts for the three months and six months ended June 30, 2009 and 2008 is computed as follows (In millions of won, except for share data):

Table of ContentsDiluted net income and ordinary income per share

	For the three months ended		For the six months ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Adjusted net income and ordinary income	₩ 317,733	₩ 300,613	₩ 637,294	₩ 686,075
Adjusted weighted average number of common shares outstanding	75,050,417	74,110,497	74,390,846	74,085,315
 Diluted net income and ordinary income per share	 ₩ 4,234	 ₩ 4,056	 ₩ 8,567	 ₩ 9,261

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

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

	For the three months ended		For the six months ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Net income and ordinary income	₩ 311,643	₩ 298,010	₩ 628,392	₩ 680,895
Effect of convertible bonds (Note a)	6,090	2,603	8,902	5,180
Adjusted net income and ordinary income	₩ 317,733	₩ 300,613	₩ 637,294	₩ 686,075
 Weighted average number of common shares outstanding	 72,345,003	 72,793,003	 72,348,552	 72,767,821
Effect of exchangeable bonds (Note a)	2,705,414	1,317,494	2,042,294	1,317,494
Adjusted weighted average number of common shares outstanding	75,050,417	74,110,497	74,390,846	74,085,315

(Note a) The effect of exchangeable bonds increased net income related to interest expenses that would not have

been incurred,
and increase in
the weighted
average number
of common
shares
outstanding
related to
common shares
that would have
been issued,
assuming that
the conversion
of convertible
bonds was made
on the
beginning of the
period.

Table of Contents**15. RESTRICTED CASH AND CASH EQUIVALENTS**

As of June 30, 2009, the Company has guarantee deposits restricted for checking accounts totaling ₩19 million and deposits restricted for a charitable trust for small businesses in cooperation with SK Group amounting to ₩50,000 million of which due date is June 2, 2010 and for the public amounting to ₩6,500 million of which due date is May 4, 2011.

16. RELATED PARTY TRANSACTIONS

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

a. Holding company and subsidiaries

Type	Company	Ownership percentage (%)	Types of business
Ultimate parent company	SK C&C Co., Ltd.	(Note a)	Information technology and software production
Parent company	SK Holdings Co., Ltd.	23.1 (Note b)	Holding company
Subsidiary	SK Broadband Co., Ltd.	43.4	Internet website services and telecommunication service
2	SK Communications Co., Ltd.	64.8	Internet website services
2	SK Telink Co., Ltd.	90.8	Telecommunication service
2	PAXNet Co., Ltd.	59.7	Internet website services
2	F&U Credit Information Co., Ltd.	50.0	Credit and collection services
2	TU Media Corp.	44.2	Digital multimedia broadcasting service
2	IHQ, Inc.	37.1	Entertainment management
2	Ntreev Soft Co., Ltd.	66.7	Game software production
2	Commerce Planet Co., Ltd.	100.0	Cosmetic wholesale
2	Loen Entertainment, Inc.	63.5	Release of music disc
2	The Second Music Investment Fund of SK-PVC	79.3	Investment association
2	SK-KTB Music Investment Fund	74.2	Investment association
2	IMM Cinema Fund	45.6	Investment association
2	SK I-Media Co., Ltd.	100.0 (Note c)	Game software production
2	HanaroDream Incorporated	36.0 (Note c)	Internet digital contents distribution
2	Benex Digital Cultural Contents Fund	19.9	Investment association
2	Etoos Co., Ltd.	100.0 (Note c)	Web-based education service
2	2 nd Benex Focus Investment Fund	66.7	Investment association
2	Open Innovation Fund	98.5	Investment association
2	PS&Marketing Co., Ltd.	100.0	Retail
2	SK Telecom China Holdings	100.0	Equity investment (Holding company)
2	SK Telecom Advanced Tech & Service Center	100.0	Mobile solution production
2	Shenzhen E-eye High Tech Co., Ltd.	65.5 (Notec c)	GPS manufacturing and selling
2	SKY Property Mgmt. Ltd.	60.0	Equity investment

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2	SK Telecom Global Investment B.V.	100.0	Equity investment
2	SKT Vietnam PTE Ltd.	73.3	Telecommunication service
2	SK Telecom China Co., Ltd.	100.0	Telecommunication service
2	SKT Americas, Inc.	100.0	Telecommunication service

(Note a) SK C&C Co., Ltd. became the Company's ultimate parent company as of December, 31, 2007.

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

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

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

Significant related party transactions for the three months and six months ended June 30, 2009 and 2008, and account balances as of June 30, 2009 and December 31, 2008 are as follows (In millions of Korean won):

b-(1) Transactions

	For three months ended June 30, 2009			For six months ended June 30, 2009		
	Purchases of property and equipment	Commissions paid and other expenses	Commissions earned and other income	Purchases of property and equipment	Commissions paid and Other expenses	Commissions earned and other income
Ultimate parent company:						
SK C&C Co., Ltd.	₩ 35,042	₩ 55,869	₩ 939	₩ 41,345	₩ 115,852	₩ 2,518
Parent Company:						
SK Holdings Co., Ltd.		6,406	208		12,184	263
Subsidiaries:						
SK Broadband Co., Ltd.		11,605	13,597		19,270	27,354
SK Communications Co., Ltd.		2,583	1,970		8,312	3,826
SK Telink Co., Ltd.		3,042	10,408		6,744	16,608
F&U Credit Information Co., Ltd.		12,335	334		23,241	662
TU Media Corp.	211	22,480	9,445	211	37,188	18,363
SKT Americas, Inc.		4,447			11,030	
Loen Entertainment, Inc		8,232	1,336		15,183	2,399
Commerce Planet Co., Ltd.	700	16,730	1,075	700	32,222	1,276
SK Telecom China Holdings		8,864			17,179	
PS&Marketing Co., Ltd.		55,632	191		55,632	191
Others		6,925	1,072		11,768	1,262
Equity Method Investees:						
SK Marketing & Company Co., Ltd.		24,215	1,025		57,696	2,151
SK Wyverns Baseball Club Co., Ltd.		4,200	181		11,414	181
Wave City Development Co. Ltd.			21,280			21,280
Others		2,384	693		5,364	889

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Others:						
SK Energy Co., Ltd.		231	1,135		545	1,658
SK Engineering & Construction Co., Ltd.	32,966	5,504	625	51,990	8,020	1,093
SK Networks Co., Ltd.	5,432	227,636	6,715	5,530	397,984	11,826
SK Networks Service Co., Ltd.		5,569			11,287	
Innoace Co., Ltd.	4,208	4,175	64	4,532	5,374	117
SK Telesys Co., Ltd.	62,354	1,955	432	75,803	2,291	489
Others	2,126	13,750	1,994	3,573	17,568	2,775
 Total	 ₩ 143,039	 ₩ 504,769	 ₩ 74,719	 ₩ 183,684	 ₩ 883,348	 ₩ 117,181

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	For three months ended June 30, 2008			For six months ended June 30, 2008		
	Purchases of property and equipment	Commissions paid and other expenses	Commissions earned and other income	Purchases of property and equipment	Commissions paid and Other expenses	Commissions earned and other income
Ultimate parent company: SK C&C Co., Ltd.	₩ 30,111	₩ 46,811	₩ 1,872	₩ 41,325	₩ 96,366	₩ 4,043
Parent Company: SK Holdings Co., Ltd.		156	91		306	168
Subsidiaries:						
SK Broadband Co., Ltd.		4,475	16,591		4,475	16,591
SK Communications Co., Ltd.		8,790	1,881		12,601	3,616
SK Telink Co., Ltd.	26	3,416	6,810	41	6,979	13,738
SK Wyverns Baseball Club Co., Ltd.		4,500			9,800	
PAXNet Co., Ltd.		1,645	25		3,202	49
F&U Credit Information Co., Ltd.		11,604	328		22,699	647
TU Media Corp.		727	8,278	32	2,007	26,546
Aircross Co., Ltd.		5,041	430	35	8,858	664
SKT America, Inc.		2,860			2,860	
Helio, LLC & Inc.			192			405
Others	840	28,674	727	840	35,861	3,326
Equity Method Investees:						
SK Marketing & Company Co., Ltd.		5,838	2,448		5,838	2,448
Others	113	1,917		127	2,497	
Others:						
SK Energy Co., Ltd.		3,331	2,088		8,050	3,190
SK Engineering & Construction Co., Ltd.	41,845	2,429	553	49,639	2,623	1,292
SK Networks Co., Ltd.	254	190,794	3,668	2,456	397,401	6,959
Innoace Co., Ltd.	1,918	1,979	47	2,063	3,553	94
SK Telesys Co., Ltd.	20,739	1,727	57	63,658	2,048	149
Others	998	8,967	1,100	1,061	21,157	2,219
Total	₩ 96,844	₩ 335,681	₩ 47,186	₩ 161,277	₩ 649,181	₩ 86,144

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

	As of June 30, 2009					
	Accounts receivable	Short-term loans	Long-term loans	Guarantee deposits	Accounts payable	Guarantee deposits received
Ultimate parent company: SK C&C Co., Ltd.	₩ 298	₩	₩	₩	₩ 30,465	₩ 197
Parent Company: SK Holdings Co., Ltd.	44					
Subsidiaries:						
SK Broadband Co., Ltd.	455			660	10	4,805
SK Communications Co., Ltd.	1,748				5,186	5,524
SK Telink Co., Ltd.	903				133	1,041
F&U Credit Information Co., Ltd.	8				1,086	
TU Media Corp.	6,920				420	2,709
SKT Americas, Inc.					10,453	
IHQ, Inc.					1,387	
Ntreev Soft Co., Ltd.	2,051				71	
Commerce Planet Co., Ltd.	1,385				7,336	
Loen Entertainment, Inc.					3,394	
SKT Vietnam PTE Ltd.	4,220					
SK Telecom China Co., Ltd.	1,056					
SK Telecom China Holdings					7,200	
PS&Marketing Co., Ltd.	201				43,311	5,048
Others	42				1,062	150
Equity Method Investees:						
SK Marketing & Company Co., Ltd.	771				16,352	248
Virgin Mobile USA, Inc.	757		23,326			
SK Wyverns Baseball Club Co., Ltd.	159	575	2,982			
Wave City Development Co. Ltd.	23,408					
Others					3,927	
Others:						
SK Energy Co., Ltd.	334			96	24	23
SK Engineering & Construction Co., Ltd.	211				2,670	519
SK Networks Co., Ltd.	967			112	35,224	3,607

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Innoace Co., Ltd.					8,148	2,444
SK Telesys Co., Ltd.	186				30,440	
Others	2,043		5,400		9,355	278
Total	₩48,167	₩ 575	₩ 26,308	₩ 6,268	₩217,654	₩ 26,593

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	As of December 31, 2008					
	Accounts receivable	Short-term loans	Long-term loans	Guarantee deposits	Accounts payable	Guarantee deposits received
Ultimate parent company: SK C&C Co., Ltd.	₩ 2,399	₩	₩	₩	₩ 98,342	₩ 24
Parent Company: SK Holdings Co., Ltd.	46					
Subsidiaries:						
SK Broadband Co., Ltd.	1,662			60	5	4,805
SK Communications Co., Ltd.	1,450				15,221	5,524
SK Telink Co., Ltd.	7,115				24,215	1,217
SK Wyverns Baseball Club Co., Ltd.	114	575	2,982		11	
PAXNet Co., Ltd.					725	150
F&U Credit Information Co., Ltd.	38				4,311	
TU Media Corp.	4,318				13,055	2,709
SKT Americas, Inc.					8,234	
IHQ, Inc.	29				1,159	
Ntreev Soft Co., Ltd.	32				5,145	
Commerce Planet Co., Ltd.	567				5,966	
Loen Entertainment, Inc.	3,523				3,998	
SKT Vietnam PTE Ltd.	3,130					
SK Telecom China Co., Ltd.	1,035					
Others	62				4,172	
Equity Method Investees:						
SK Marketing & Company Co., Ltd.	1,113				17,916	248
Virgin Mobile USA, Inc.	151		22,821			
Aircross Co., Ltd.	57				397	276
Others					1,575	
Others:						
SK Energy Co., Ltd.	45			140	3,448	
SK Engineering & Construction Co., Ltd.	203				1,164	1,076
SK Networks Co., Ltd.	771			112	57,400	3,537
Innoace Co., Ltd.					3,889	2,444
SK Telesys Co., Ltd.	332				11,152	
Others	463			900	8,057	

Total	₩ 28,655	₩ 575	₩ 25,803	₩ 1,212	₩ 289,557	₩ 22,010
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Table of Contents**c. Compensation for the key management**

The Company considers registered directors who have substantial roles and responsibility for planning, operating, and controlling of the business as key management, and the considerations given to the key management for the three months and six months ended June 30, 2009 and 2008 are as follows (In millions of Korean won):

Payee	For the three months ended June 30, 2009			For the six months ended June 30, 2009		
	Payroll	Severance indemnities	Total	Payroll	Severance indemnities	Total
8 Registered directors (including outside directors)	₩ 282	₩ 17	₩ 299	₩ 956	₩ 35	₩ 991

Payee	For the three months ended June 30, 2008			For the six months ended June 30, 2008		
	Payroll	Severance indemnities	Total	Payroll	Severance indemnities	Total
12 Registered directors (including outside directors)	₩ 299	₩ 74	₩ 373	₩ 3,832	₩ 409	₩ 4,241

17. 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 six months ended June 30, 2009 and 2008 are as follows (In millions of Korean won):

	2009	2008
Beginning balance	₩ 24,889	₩ 27,668
Increase	7,248	2,608
Decrease (used points)	(11,433)	(4,284)
Ending balance	₩ 20,704	₩ 25,992

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Points expire after 5 years. The expected year when unused points as of Jun 30, 2009 are expected to be used and the respective estimated monetary amount to be paid in a given year are as follows (In millions of Korean won):

Expected usage for the year ended June 30,	Estimated amount to be paid in nominal value (Note a)	Current value (Note b)
2010	₩ 9,325	₩ 8,846
2011	5,970	5,373
2012	3,830	3,270
2013	2,462	1,995
2014	1,588	1,220
Ending balance	₩ 23,175	₩ 20,704

(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.

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

	2009	2008
Beginning balance	₩ 339,696	₩
Increase (provision)	274,157	86,532
Decrease (subsidy payment)	(167,099)	(9,643)
Ending balance	₩ 446,754	₩ 76,889

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 June 30,	Estimated amount to be paid in nominal value	Present value
2010	₩ 394,012	₩ 386,035
2011	64,142	60,719
Ending balance	₩ 458,154	₩ 446,754

18. 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 June 30, 2009, in connection with unsettled foreign currency swap contract to which the cash flow hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to ₩9,014 million (net of tax effect totaling ₩3,084 million and foreign exchange translation loss arising from unguaranteed U.S. dollar denominated bonds totaling ₩40,592 million) was accounted for as accumulated other comprehensive loss.

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In addition, the Company has entered into a floating-to-fixed cross currency swap contract with Calyon bank to hedge the foreign currency risk and the interest rate risk of U.S. dollar denominated long-term borrowings with face amounts totaling US\$100,000,000 borrowed on October 10, 2006. As of June 30, 2009, in connection with unsettled cross currency interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to ₩7,356 million (net of tax effect totaling ₩1,633 million and foreign exchange translation loss arising from U.S. dollar denominated long-term borrowings totaling ₩33,670 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 June 30, 2009, in connection with unsettled cross currency interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to ₩2,060 million (net of tax effect totaling ₩946 million and foreign exchange translation loss arising from unguaranteed Japanese yen denominated bonds totaling ₩62,988 million) was accounted for as accumulated other comprehensive income.

In addition, the Company has entered into a floating-to-fixed cross currency swap contract with DBS and Calyon Bank to hedge the foreign currency risk and the interest rate risk of U.S. dollar denominated notes with face amounts totaling US\$150,000,000 borrowed on November 20, 2008. As of June 30, 2009, in connection with unsettled cross currency interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to ₩1,157 million (net of tax effect totaling ₩326 million and foreign exchange translation gain arising from U.S. dollar denominated bonds totaling ₩24,460 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 June 30, 2009, in connection with unsettled cross currency interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to ₩1,575 million (net of tax effect totaling ₩444 million and foreign exchange translation gain arising from unguaranteed Japanese yen denominated bonds totaling ₩6,038 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 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 June 30, 2009, in connection with unsettled cross currency interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to ₩652 million (net of tax effect totaling ₩184 million and foreign exchange translation gain arising from unguaranteed Japanese yen denominated bonds totaling ₩11,790 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 June 30, 2009, in connection with unsettled interest rate swap contract to which the

cash flow hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to
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₩2,878 million (net of tax effect totaling ₩812 million) was accounted for as accumulated other comprehensive loss.

In addition, the Company has entered into a floating-to-fixed interest rate swap contract with Nonghyup Bank and other two banks to hedge the interest rate risk of long-term floating rate borrowings with face amounts totaling ₩500,000 million borrowed from July 28, 2008 to August 13, 2008. As of June 30, 2009, in connection with unsettled interest rate swap contract to which the cash flow hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to ₩15,828 million (net of tax effect totaling ₩4,464 million) was accounted for as accumulated other comprehensive loss.

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

The Company has entered into a fixed-to-fixed cross currency swap contract with Hana Bank and other nine banks to hedge the foreign currency risk of U.S. dollar denominated equity securities of China Unicom. In connection with unsettled foreign currency swap contract to which the fair value hedge accounting is applied, loss on valuation of currency swap of ₩47,907 million and ₩155,704 million for the six months ended June 30, 2009 and 2008, respectively, was charged to current operations.

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

The Company has entered into fixed-to-fixed cross currency swap contract with Morgan Stanley Bank and two other banks to hedge the foreign currency risk of unguaranteed U.S. dollar denominated bonds with face amounts totaling US\$400,000,000 issued on July 20, 2007. In connection with unsettled foreign currency swap contract to which the hedge accounting is not applied, loss on valuation of currency swap of ₩64,534 million and gain on valuation of currency swap of ₩51,851 million for the six months ended June 30, 2009 and 2008, respectively, was charged to current operations.

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

The Company has entered into a floating-to-fixed interest rate swap contract with DBS and two other banks the interest rate risk of floating rate U.S. dollar denominated bonds with face amounts totaling US\$220,000,000 issued on April 29, 2009. In connection with unsettled interest rate swap contract to which the hedge accounting is not applied, loss on valuation of currency swap of ₩2,897 million for the six months ended June 30, 2009 was charged to current operations.

- f. Currency option contract to which the hedge accounting is not applied

The Company has entered into the short position in the cross currency option contract with Calyon Bank to hedge the foreign currency risk of U.S. dollar denominated deposits with face amounts totaling US\$50,000,000. In connection with unsettled foreign currency option contract to which the hedge accounting is not applied, gain on valuation of currency option of ₩1,014 million for the six months ended June 30, 2009 was charged to current operations.

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As of June 30, 2009, fair values of above derivatives recorded in assets or liabilities and details of derivative instruments as of June 30, 2009 are as follows (In thousands of U.S. dollars, H.K. dollars, Japanese yen and millions of Korean won):

Type	Hedged item	Amount	Duration of contract	Designated as cash flow hedge	Fair value		Total
					Designated as fair value hedge	Not designated	
Non-Current assets:							
Fix-to-fixed cross currency swap	U.S. dollar denominated bonds	US\$ 300,000	Mar. 23, 2004 ~ Apr. 1, 2011	₩ 28,493	₩	₩	₩ 28,493
Fix-to-fixed cross currency swap	U.S. dollar denominated convertible bond	US\$ 100,000	May 27, 2004 ~ May 27, 2009	24,682			24,682
Fix-to-fixed cross currency swap	U.S. dollar denominated bonds	US\$ 400,000	Jul. 20, 2007 ~ Jul. 20, 2017			175,839	175,839
Floating-to-fixed cross currency interest rate swap	Japanese yen denominated bonds	JPY 12,500,000	Nov. 13, 2007 ~ Nov. 13, 2012	64,102			64,102
Total assets				₩117,277	₩	₩175,839	₩293,116
Current liabilities:							
Fix-to-fixed cross currency swap	U.S. dollar denominated China Unicom Equity Securities	HK\$ 10,940,900	Sep. 11, 2008 ~ Sep. 16, 2009	₩	₩238,265	₩	₩238,265
Floating-to-fixed interest rate swap	Long-term floating rate discounted bill	₩ 200,000	Jun. 29, 2006 ~ Jun. 29, 2010	3,690			3,690
Non-current liabilities:							

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Fix-to-fixed cross currency swap	U.S. dollar denominated bonds	US\$	150,000	Nov 20, 2008 ~ Nov 20, 2010	22,976		22,976	
Floating-to-fixed cross currency interest rate swap	Japanese yen denominated bonds	JPY	3,000,000	Jan. 22, 2009 ~ Jan. 22, 2012	4,020		4,020	
Floating-to-fixed cross currency interest rate swap	Japanese yen denominated bonds	JPY	5,000,000	Mar. 5, 2009 ~ Mar. 5, 2012	10,954		10,954	
Floating-to-fixed interest rate swap	Long-term borrowings	₩	500,000	July 28, 2008 ~ August 13, 2009	20,292		20,292	
Floating-to-fixed cross currency interest rate swap	Long-term borrowings	US\$	220,000	April 29, 2009 ~ April 30, 2012		2,897	2,897	
Total liabilities					₩ 61,932	₩238,265	₩ 2,897	₩303,094

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19. COMMITMENTS

On May 21, 2009, the board of directors of the Company resolved to acquire the leased line business from SK Networks Co., Ltd., its related party, in order to maximize the Company's wireless service and to strengthen network efficiency. The total acquisition cost would be ₩892,850 million and the expected acquisition date is September 30, 2009.

The above acquisition cost and acquisition date are subject to change in accordance with the agreement or contract which will be made by the Company and SK Networks Co., Ltd. There is a possibility that the agreement will not be executed if the agreement is not approved by authorities concerned.

20. ASSETS TRANSFER

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

21. SUBSEQUENT EVENTS

- a. Acquisition of equity interest in SK Broadband Co., Ltd.

On July 21, 2009, for the purpose of strengthening the Company's business competitive power, the Company purchased additional 47,187,105 shares of SK Broadband Co., Ltd.'s newly issued common stock at the price of ₩5,000 per share (total acquisition cost of ₩235,936 million). As a result, the Company owned 50.6% shareholder interest in SK Broadband Co., Ltd.

- b. Interim dividend

On July 23, 2009, the board of directors of the Company resolved to pay interim cash dividends of ₩1,000 per share totaling ₩72,345 million. The ex-dividend date was June 30, 2008 and the interim dividends are expected to be paid within twenty days after the date of the board of directors' resolution.

22. K-IFRS ADOPTION PLAN AND STATUS

In accordance with IFRS adoption roadmap released by the Financial Supervisory Commission in March 2007, the Company is required to prepare financial statements under K-IFRS from fiscal year of 2011. In April 2008, the Company set up a task force for the adoption and hired outside consulting firm to evaluate the impact that K-IFRS may have on the Company's financial statements as well as to educate the concerned employees. As of June 30, 2009, the Company is currently performing analysis on the major GAAP differences between K-IFRS and the Company's accounting policy, setting up action plan to decide the Company's accounting policy under K-IFRS and changing operating procedures to coincide with K-IFRS.

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SIGNATURES

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

SK Telecom Co., Ltd.

(Registrant)

By: /s/ Tae Jin Park

(Signature)

Name: Tae Jin Park

Title: Senior Vice President

Date: September 9, 2009