

SK TELECOM CO LTD
Form 6-K
December 13, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934
FOR THE MONTH OF DECEMBER 2013
COMMISSION FILE NUMBER 333-04906

SK Telecom Co., Ltd.

(Translation of registrant's name into English)

11, Euljiro2-ga, Jung-gu

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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):

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):

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QUARTERLY BUSINESS REPORT

(From January 1, 2013 to September 30, 2013)

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

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

ALL REFERENCES TO THE COMPANY, WE, US, OR OUR SHALL MEAN SK TELECOM CO., LTD. AND, UNLESS THE CONTEXT OTHERWISE REQUIRES, ITS CONSOLIDATED SUBSIDIARIES. REFERENCES TO SK TELECOM SHALL MEAN SK TELECOM CO., LTD., BUT SHALL NOT INCLUDE ITS CONSOLIDATED SUBSIDIARIES.

UNLESS EXPRESSLY STATED OTHERWISE, ALL INFORMATION CONTAINED HEREIN IS PRESENTED ON A CONSOLIDATED BASIS IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTED FOR USE IN KOREA (K-IFRS) WHICH DIFFER IN CERTAIN RESPECTS FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CERTAIN OTHER COUNTRIES, INCLUDING THE UNITED STATES. WE HAVE MADE NO ATTEMPT TO IDENTIFY OR QUANTIFY THE IMPACT OF THESE DIFFERENCES.

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

Starting in the first quarter of 2011, the Company prepares and reports its financial statements under K-IFRS. The transition date of the Company and its consolidated subsidiaries to K-IFRS is January 1, 2010 and the adoption date is January 1, 2011. The Company's quarterly business report for the nine months ended September 30, 2013 includes the following consolidated subsidiaries:

Name	Date of Establishment	Principal Business	Total Assets as of Dec. 31, 2012 (millions of Won)	Material Subsidiary*
SK Telink Co., Ltd.	Apr. 9, 1998	Telecommunication services	241,977	Material
M&Service Co., Ltd.	Feb. 10, 2000	Online information services	48,493	
SK Communications Co., Ltd.	Sep. 19, 1996	Internet portal and other Internet information services	265,819	Material
Stonebridge Cinema Fund	Sep. 30, 2005	Investment partnership	10,965	
Commerce Planet Co., Ltd.	Jul. 1, 1997	Online shopping mall operation services	34,007	
SK Broadband Co., Ltd.	Sep. 26, 1997	Fixed-line telecommunication services, multimedia and IPTV services	3,035,657	Material
K-net Culture and Contents Venture Fund	Nov. 24, 2008	Investment partnership	43,779	
Hwaitec Focus Investment Partnership 2	Dec. 12, 2008	Investment partnership	22,547	
Open Innovation Fund	Dec. 22, 2008	Investment partnership	43,394	
PS&Marketing Co., Ltd.	Apr. 3, 2009	Sale of telecommunication devices	317,613	Material
Service Ace Co., Ltd.	Jul. 1, 2010	Customer center management services	48,956	
Service Top Co., Ltd.	Jul. 1, 2010	Customer center management services	43,332	
Network O&S Co., Ltd.	Jul. 1, 2010	Network maintenance services	165,818	Material
BNCP Co., Ltd.	Dec. 7, 2009	Internet services	24,000	
SK Planet Co., Ltd.	Oct. 1, 2011	Telecommunication and platform services	1,647,965	Material
SK Planet Japan, K.K.	Mar. 14, 2012	Software development and digital contents sourcing services	47	
SK Planet Global PTE, LTD.	Aug. 14, 2012	Software development and digital contents sourcing services	636	
SK Planet America LLC	Dec. 27, 2012	Software development and digital contents sourcing services	6,669	
SKP Global Holdings PTE, LTD.	Apr. 22, 2013	Holding company for overseas commerce		
SK Global Healthcare Business Group	Sep. 14, 2012	Investment	25,784	
Technology Innovation Partners, L.P.	Jun. 24, 2011	Investment	34,120	
SK Telecom China Fund I L.P.	Sep. 14, 2011	Investment	3,454	
SK Telecom China Holdings Co., Ltd.	Jul. 12, 2007	Investment	35,233	
Shenzhen E-eye High Tech Co., Ltd.	Apr. 1, 2000	Telematics manufacturing	18,915	

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Name	Date of Establishment	Principal Business	Total Assets as of Dec. 31, 2012 (millions of Won)	Material Subsidiary*
SKT Vietnam PTE., Ltd.	Apr. 5, 2000	Telecommunication services	38,331	
SKT Americas, Inc.	Dec. 29, 1995	Information collection and management consulting services	36,378	
YTK Investment Ltd.	Jul. 1, 2010	Investment	64,036	Material
Atlas Investment	Jun. 24, 2011	Investment	51,065	Material

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

A. Corporate Legal Business Name: SK Telecom Co., Ltd.**B. Date of Incorporation: March 29, 1984****C. Location of Headquarters**

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

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

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

D. Major Businesses**(1) Wireless business**

The Company provides wireless telecommunications services, characterized by its competitive strengths in handheld devices, affordable pricing, network coverage and an extensive contents library. Since the introduction of services employing LTE technology in July 2011, the telecommunications market for such services has grown as demand for fast data transfer speeds and differentiated services has increased. Having reached one million subscribers by January 2012 and over 10 million subscribers by April 2013, the Company has solidified its leadership position in LTE services as it has done with its 3G services. In June 2013, the Company became the first telecommunications service provider in the world to provide commercial LTE-Advanced (LTE-A) services using carrier aggregation technology. In September 2013, beginning with the Seoul area, the Company also began offering wideband LTE service, which utilizes the 1.8 GHz band to enhance the customer experience of new and existing LTE customers. The Company is also improving the profitability of its wireless business through efficient capital expenditures and marketing and enhancement of marketing network and products.

In the business-to-business area, the Company is strengthening its solutions business through the implementation of five main solution products: Smart Store, Smart Work, Smart Cloud, Green & Safety and M Ad & Payment. As of September 30, 2013, the Company had 480,000 paying subscribers for our mobile IPTV services, which commercially launched in October 2012. The Company is the first telecommunications services provider in the world to provide full high definition streaming services using its LTE-A network. With increasing video on demand usage and the potential to expand into other business areas such as advertising and shopping, the Company expects that the mobile IPTV services business will grow in the mid- to long-term.

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

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(2) Fixed-line business

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

(3) Other businesses

In the digital contents business area, the Company provides high-quality digital contents in its leading mobile contents marketplace, T Store, which had 21.3 million subscribers as of September 30, 2013 and which the Company plans to expand globally. With respect to the Company's commerce business, 11th Street, which continues to gain market share, is a platform service that connects various sellers and purchasers online. In the loyalty marketing business area, the Company provides an increasing number of products involving OK Cashbag points in order to attract new customers and retain existing customers. Since its inception in 1999, OK Cashbag, owned by SK Planet Co., Ltd. (SK Planet) continues to be Korea's largest loyalty mileage program with 36 million members. In the location-based services business area, users of the Company's T-Map Navigation service reached 18.0 million as of September 30, 2013. T-Map Navigation provides real time traffic information and various local information. Utilizing location-based service technology in other services, including leisure, logistics and travel services, the Company provides increased convenience and added value to customers. In the media business area, the Company provides Hoppin service that enables subscribers to access various multimedia contents through personal computers, mobile devices and other digital devices. In the advertising business area, the Company is engaged in advertisement production, promotion services and research and consulting services to substantively help businesses increase their value in a rapidly evolving business environment.

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

In order to find future growth engines and strengthen the Company's competitiveness, the Company has made strategic investments in YTK Investment Ltd. and Atlas Investment, both investment fund companies.

See II-1. Business Overview for more information.

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(1) Corporate bonds

Credit rating date	Subject of rating	Credit rating	Credit rating entity (Credit rating range)	Rating classification
May 27, 2011	Corporate bond	AAA	Korea Ratings	Regular rating
June 13, 2011	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Regular rating
June 23, 2011	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
December 12, 2011	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
December 13, 2011	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Current rating
December 16, 2011	Corporate bond	AAA	Korea Ratings	Current rating
June 21, 2012	Corporate bond	AAA	Korea Ratings	Regular rating
June 22, 2012	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
June 29, 2012	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Regular rating
August 10, 2012	Corporate bond	AAA	Korea Ratings	Current rating
August 14, 2012	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
August 14, 2012	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Current rating
April 11, 2013	Corporate bond	AAA	Korea Ratings	Current rating
April 11, 2013	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
April 11, 2013	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Current rating
April 11, 2013	Corporate bond	AAA	Korea Ratings	Regular rating
April 11, 2013	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
April 11, 2013	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Regular rating

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

(2) Commercial paper (CP)

Credit rating date	Subject of rating	Credit rating	Credit rating entity (Credit rating range)	Rating classification
May 27, 2011	CP	A1	Korea Ratings	Current rating
June 13, 2011	CP	A1	NICE Investors Service Co., Ltd.	Current rating
June 23, 2011	CP	A1	Korea Investors Service, Inc.	Current rating
December 12, 2011	CP	A1	Korea Investors Service, Inc.	Regular rating
December 13, 2011	CP	A1	NICE Investors Service Co., Ltd.	Regular rating
December 16, 2011	CP	A1	Korea Ratings	Regular rating
June 21, 2012	CP	A1	Korea Ratings	Current rating
June 22, 2012	CP	A1	Korea Investors Service, Inc.	Current rating
June 29, 2012	CP	A1	NICE Investors Service Co., Ltd.	Current rating
December 18, 2012	CP	A1	Korea Ratings.	Regular rating
December 14, 2012	CP	A1	Korea Investors Service, Inc.	Regular rating
December 18, 2012	CP	A1	NICE Investors Service Co., Ltd.	Regular rating
April 11, 2013	CP	A1	Korea Ratings	Current rating
April 11, 2013	CP	A1	Korea Investors Service, Inc.	Current rating
April 11, 2013	CP	A1	NICE Investors Service Co., Ltd.	Current rating

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

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(3) International credit ratings

Date of credit rating	Subject of rating	Credit rating of securities	Credit rating company	Rating type
June 6, 2012	Bonds denominated in Swiss Franc	A-	Fitch Inc.	Current rating
June 4, 2012	Bonds denominated in Swiss Franc	A3	Moody's Investors Service	Current rating
June 7, 2012	Bonds denominated in Swiss Franc	A-	Standard & Poor's Rating Services	Current rating
October 24, 2012	Bonds denominated in U.S. dollars	A-	Fitch Inc.	Current rating
October 24, 2012	Bonds denominated in U.S. dollars	A3	Moody's Investors Service	Current rating
October 24, 2012	Bonds denominated in U.S. dollars	A-	Standard & Poor's Rating Services	Current rating

2. Company History

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

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

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

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

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

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

A. Location of Headquarters

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

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

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

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

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

B. Significant Changes in Management

At the Extraordinary General Meeting of Shareholders held on August 31, 2011, Jun Ho Kim was elected as an inside director and Jin Woo So resigned from the Company's board of directors to transfer to an affiliate of the Company. At the 28th General Meeting of Shareholders held on March 23, 2012, (1) Young Tae Kim and Dong Seob Jee were elected as inside directors, (2) Hyun Chin Lim was re-elected as an independent director, and (3) Hyun Chin Lim was re-elected as a member of the audit committee. At the 29th General Meeting of Shareholders held on March 22, 2013, Dae Sik Cho was elected as an inside director and Dae Shick Oh was elected as an independent director and member of the

audit committee of the Company's board of directors.

Table of Contents**C. Change in Company Name**

On March 23, 2012, SK hynix Inc., which became our subsidiary in February 2012, changed its name to SK hynix Inc. from Hynix Semiconductor Inc. in accordance with a resolution at its annual general meeting of shareholders.

**D. Mergers, Acquisitions and Restructuring
[SK Telecom]****(1) Spin-off**

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

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

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

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

The schedule of the spin-off is set forth below.

Category	Date
Board resolution on spin-off	July 19, 2011
Record Date for Determination of Shareholders for the Shareholders' Meeting for Spin-off	August 4, 2011
Shareholders' Meeting for Approval of Spin-off Plan	August 31, 2011
Date of Spin-off	October 1, 2011
Shareholders' Meeting for Report of Spin-off and Inaugural Meeting of Shareholders	October 4, 2011
Registration of Spin-off	October 5, 2011
Others - Notice of closure of shareholders register	July 20, 2011

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Period of closure of shareholders register	August 5, 2011~ August 8, 2011
Public notice of shareholders meeting	August 10, 2011 and August 12, 2011
Dispatch of notice of shareholders meeting	August 12, 2011

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Changes in shareholding, including majority shareholder
Not applicable because the spin-off is a simple vertical spin-off.

Appraisal rights of shareholders
Not applicable because the spin-off is a simple vertical spin-off.

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

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

(2) Acquisition of shares of SK hynix Inc. (formerly, Hynix Semiconductor Inc.)
In accordance with the resolution of the Company's board of directors on November 14, 2011, the Company purchased 146,100,000 shares of SK hynix Inc. (formerly, Hynix Semiconductor Inc.) (SK Hynix) (aggregate purchase price of Won 3,374,726 million) on February 14, 2012 in order to acquire control of SK Hynix. The Company had a 21.05% equity interest in SK Hynix after the purchase. The Company's equity interest in SK Hynix decreased to 20.6% after certain convertible bonds issued by SK Hynix were converted into shares upon the exercise of conversion rights by their holders during the three months ended September 30, 2013.

(3) Merger of SK Planet and SK Marketing & Company Co., Ltd.
On January 11, 2013, the Company acquired the remaining 50% equity stake in SK Marketing & Company Co., Ltd. (SK Marketing & Company), a company providing e-commerce and advertising services, from SK Innovation Co., Ltd. and gained control of both SK Marketing & Company and its subsidiary, SK M&Service Co., Ltd. The Company thereafter contributed the 100% equity stake in SK Marketing & Company to SK Planet and merged SK Marketing & Company into SK Planet as of February 1, 2013.

[SK Broadband]

(1) Merger
On July 26, 2012, the board of directors of SK Broadband resolved to merge Broadband D&M Co., Ltd., its wholly-owned subsidiary, into SK Broadband after transferring Broadband D&M Co., Ltd.'s network maintenance business to Network O&S Co., Ltd. The merger was effective as of September 26, 2012. In connection with this merger, SK Broadband did not issue any new shares.

On October 25, 2012, the board of directors of SK Broadband resolved to merge Broadband CS Co., Ltd., its wholly-owned subsidiary, into SK Broadband after transferring Broadband CS Co., Ltd.'s customer service business to Service Ace Co., Ltd. The merger was effective as of December 26, 2012. In connection with this merger, SK Broadband did not issue any new shares.

On January 3, 2013, the board of directors of SK Broadband approved the merger of Broadband Media Co., Ltd., its wholly-owned subsidiary, into SK Broadband. The merger was effective as of March 22, 2013 and was recorded as of March 25, 2013. Please refer to the Merger Completion Report filed with the Financial Services Commission on March 25, 2013. In connection with this merger, SK Broadband did not issue any new shares.

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[SK Planet]

(1) Merger

On January 11, 2013, the Company acquired the remaining 50% equity stake in SK Marketing & Company, a company providing e-commerce and advertising services, from SK Innovation Co., Ltd. and gained control of both SK Marketing & Company and its subsidiary, SK M&Service Co., Ltd. The Company thereafter contributed the 100% equity stake in SK Marketing & Company to SK Planet and merged SK Marketing & Company into SK Planet as of February 1, 2013. In connection with this merger, the merger ratio between SK Planet and SK Marketing & Company was 1.2927317:1 and SK Planet issued 12,927,317 of its common stock.

On April 22, 2013, the board of directors of SK Planet resolved to merge Madsmart, Inc., its wholly-owned subsidiary, into SK Planet to enhance the competitiveness of its platform business and provide faster service to customers by merging the information and communication technology (ICT) capabilities of the two companies. The merger was effective as of June 1, 2013 and SK Planet did not issue any new shares in connection with the merger.

[SK Telink]

(1) Merger

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

[SK Communications]

(1) Disposition and acquisition of businesses

1. Disposition of publishing business division

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

2. Acquisition of the KUKU division

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

3. Disposition of the Spicus division

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

(2) Disposition of shares

1. Disposition of shares of Etoos

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

2. Disposition of shares of SK i-Media

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

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

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

4. Disposition of shares of Service-In

On November 19, 2012, SK Communications sold all of its shares (80,000 common shares) in Service-In Co., Ltd., its subsidiary, to the chief executive officer of Service-In Co., Ltd., pursuant to a resolution of its board of directors of October 31, 2012.

E. Other Important Matters related to Management Activities [SK Telecom]

(1) Issuance of bonds

On April 23, 2013, the Company issued two tranches of fixed-rate unsecured bonds in the principal amounts of Won 230 billion (with an annual interest rate of 3.03% and a maturity date of April 23, 2023) and Won 130 billion (with an annual interest rate of 3.22% and a maturity date of April 23, 2033).

(2) Issuance of hybrid securities

On June 7, 2013, the Company issued Won 400 billion principal amount of hybrid securities in the form of unguaranteed subordinated bonds with an annual interest rate of 4.21%, which interest rate is adjusted five years after the date of issuance. The Company classified the hybrid securities as equity as there is no contractual obligation to deliver financial assets to the bondholders. The maturity date of the hybrid securities is June 7, 2073, which can be extended by the Company without any notice or announcement.

(3) Conversion of convertible notes

On April 7, 2009, the Company issued convertible notes with a maturity of five years in the principal amount of US\$332,528,000 with an annual interest rate of 1.75%. During the nine-month period ended September 30, 2013, holders exercised their conversion rights with respect to an aggregate principal amount of US\$120,901,000 of the convertible notes and the Company delivered 880,557 treasury shares upon conversion. In connection with such conversion, the Company recognized Won 40,422 million in financial costs during the nine-month period ended September 30, 2013. As of September 30, 2013, 1,548,032 common shares are available for conversion upon the holders' exercise of their conversion rights. The conversion price was lowered from Won 197,760 to Won 189,121 as a result of dividend payments made following their declaration on March 22, 2013 and July 25, 2013.

[SK Broadband]

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

[SK Communications]

Leak of personal information

In July 2011, there was a leak of personal information of subscribers of NATE and Cyworld websites operated by SK Communications. As of September 30, 2013, twenty lawsuits were filed against SK Communications, alleging that the leak was caused by its poor management of

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subscribers' personal information and seeking damages of approximately Won 5.5 billion. With respect to a few of the lawsuits, the relevant district courts have rendered judgments for the relevant plaintiffs' claims in part and SK Communications has appealed such judgments to the applicable high courts, where the cases are currently pending. Other cases remain pending at various district courts in Korea.

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

(As of September 30, 2013)

(Unit: in shares)

Classification	Share type		Remarks
	Common shares	Total	
I. Total number of authorized shares	220,000,000	220,000,000	
II. Total number of shares issued to date	89,278,946	89,278,946	
III. Total number of shares retired to date	8,533,235	8,533,235	
a. reduction of capital			
b. retirement with profit	8,533,235	8,533,235	
c. redemption of redeemable shares			
d. others			
IV. Total number of shares (II-III)	80,745,711	80,745,711	
V. Number of treasury shares	10,170,155	10,170,155	
VI. Number of shares outstanding (IV-V)	70,575,556	70,575,556	

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

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(1) Acquisitions and dispositions of treasury shares

(As of September 30, 2013)

Acquisition methods		Type of shares	At the beginning of period	Acquired (+)	Changes Disposed (-)	Retired (-)	At the end of period	
Acquisition pursuant to the Financial Investment Services and Capital Markets Act of Korea (FSCMA)	Direct acquisition	Common shares	7,086,028				7,086,028	
		Preferred shares						
	Direct acquisition	Common shares						
		Preferred shares						
	Tender offer	Common shares						
		Preferred shares						
	Sub-total	Common shares	7,086,028				7,086,028	
		Preferred shares						
	Acquisition through trust and other agreements	Held by trustee	Common shares					
			Preferred shares					
Held in actual stock		Common shares	3,886,710				3,886,710	
		Preferred shares						
Sub-total		Common shares	3,886,710				3,886,710	
		Preferred shares						
Other acquisition	Common shares	77,974		880,557*		(802,583)		
Total	Common shares	11,050,712		880,557		10,170,155		
	Preferred shares							

* During the nine-month period ended September 30, 2013, 880,557 common shares were delivered to bondholders upon conversion of the Company's convertible notes. Of the 10,170,155 treasury shares held by the Company as of September 30, 2013, 1,548,032 shares are deposited with the Korea Securities Depository for delivery upon conversion of the Company's convertible notes.

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

(As of September 30, 2013)			(Unit: in shares)
Classification		Number of shares	Remarks
Total shares (A)	Common share	80,745,711	
	Preferred share		
Number of shares without voting rights (B)	Common share	10,170,155	Treasury shares
	Preferred share		
Shares without voting rights pursuant to the Company's articles of incorporation (the Articles of Incorporation) (C)	Common share		
	Preferred share		
Shares with restricted voting rights pursuant to Korean law (D)	Common share		
	Preferred share		
Shares with reestablished voting rights (E)	Common share		
	Preferred share		
The number of shares with exercisable voting rights (F = A - B - C - D + E)	Common share	70,575,556	
	Preferred share		

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

- (1) Distribution of cash dividends was approved during the 27th General Meeting of Shareholders held on March 11, 2011.

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

- (2) Distribution of interim dividends of Won 1,000 was approved during the 330th Board of Directors Meeting on July 28, 2011.

- (3) Distribution of cash dividends was approved during the 28th General Meeting of Shareholders held on March 23, 2012.

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

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

- (5) Distribution of cash dividends was approved during the 29th General Meeting of Shareholders held on March 22, 2013.

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

- (6) Distribution of interim dividends of Won 1,000 was approved during the 357th Board of Directors Meeting on July 25, 2013.

Table of Contents**B. Dividends for the Last Three Fiscal Years**

(Unit: in millions of Won, except per share values and percentages)

Classification	As of and for the nine months ended September 30, 2013	As of and for the year ended December 31, 2012	As of and for the year ended December 31, 2011
Par value per share (Won)	500	500	500
Net income	741,756	1,242,767	1,694,363
Net income per share (Won)	10,516	17,832	24,002
Total cash dividend	70,508	655,133	656,533
Total stock dividends			
Percentage of cash dividend to available income (%)	9.5	52.7	38.7
Cash dividend yield ratio (%)			
	Common share	0.5	6.2
	Preferred share		6.6
Stock dividend yield ratio (%)			
	Common share		
	Preferred share		
Cash dividend per share (Won)			
	Common share	1,000	9,400
	Preferred share		9,400
Stock dividend per share (share)			
	Common share		
	Preferred share		

* The above figures were prepared based on separate financial statements. Net income per share means basic net income per share.

* The total cash dividend of Won 656,533 million for the year ended December 31, 2011 includes the total interim dividend amount of Won 71,095 million, and the cash dividend amount per share of Won 9,400 includes the interim cash dividend amount per share of Won 1,000.

* The total cash dividend of Won 655,133 million for the year ended December 31, 2012 includes the total interim dividend amount of Won 69,695 million, and the cash dividend amount per share of Won 9,400 includes the interim cash dividend amount per share of Won 1,000.

Table of Contents**II. BUSINESS**

Each company in the consolidated entity is a separate legal entity providing independent services and products. The business is primarily separated into (1) the wireless business consisting of cellular voice, wireless data and wireless Internet services, (2) the fixed-line business consisting of fixed-line telephone, high speed Internet, data and network lease services, among others, and (3) other businesses consisting of platform services and Internet portal services, among others.

1. Business Overview

Set forth below is a summary business description of material consolidated subsidiaries.

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

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

As of September 30, 2013, the Korean mobile communication market can be considered to have reached its maturation stage with more than a 100% penetration rate. However, the Korean mobile communications market continues to improve in the quality of services with the help of advances in network-related technology and the development of highly advanced LTE-A, LTE and 3G smartphones which enable the provision of convergence services for multimedia contents, mobile commerce, telematics, new media and other related services. In addition, through the commercialization of LTE network in July 2011 and LTE-A network in June 2013, B2B businesses, such as the corporate connected workforce business which can directly contribute to an enhancement in productivity, are expected to grow rapidly.

Table of Contents**B. Growth Potential**

(Unit: in 1,000 persons)

Classification		As of		As of December 31,		
		September, 30, 2013	2012	2011	2010	2009
Number of subscribers	SK Telecom	27,211	26,961	26,553	25,750	24,270
	Others (KT, LGU+)	27,038	26,663	25,954	25,062	23,675
	Total	54,249	53,624	52,507	50,767	47,944

* Source: Ministry of Science, ICT and Future Planning (MSIP) website and each Korean telecommunications company s respective earnings releases (including MVNOs).

C. Domestic and Overseas Market Conditions

The Korean mobile communication market includes the entire population of Korea with mobile communication service needs, and almost every Korean is considered a potential user. Sales revenue related to data services is expected to increase due to the increasing popularity of smartphones and high-speed wireless networks. The importance of the business-to-business segment, which creates added value by selling and developing various solutions, is also growing. Seasonal and economic fluctuations have much less impact on the Korean mobile communication market compared to other industries.

Set forth below is the historical market share of the Company.

(Unit: in percentages)

Classification	As of		As of December 31,		
	September, 30, 2013	2012	2011	2010	2009
Mobile communication services	50.2	50.3	50.6	50.6	50.6

* Source: MSIP website and each Korean telecommunications company s respective earnings releases (including MVNOs).

D. Business Overview and Competitive Strengths

The Company is seeking to transform itself from a telecommunications service provider into a comprehensive ICT service provider. It has continued to innovate the scope of its services and achieved strong growth in subscribers amid fierce competition and rate cuts. As of September 30, 2013, the Company recorded Won 12.3 trillion in revenue and Won 1.5 trillion in operating income on a consolidated basis and Won 9.5 trillion in revenue and Won 1.5 trillion in operating income on a separate basis.

The number of subscribers (including MVNO subscribers) as of September 30, 2013 was 27.21 million, an increase of approximately 70,000 from the previous quarter. In particular, the number of smartphone subscribers as of September 30, 2013 was 18.08 million, an increase of approximately 600,000 from the previous quarter, including 12.3 million LTE subscribers, solidifying the Company s market leadership. Following the launch of commercial LTE services in July 2011, the Company became the first telecommunications service provider in the world to launch commercial LTE-A services in June 2013, and also launched commercial wideband LTE services in September 2013 utilizing its newly acquired 1.8 GHz band. By launching various high quality services utilizing the LTE-A network such as group video conference call services, full high definition mobile IPTV streaming services, and T Baseball Multiview, which allows users to watch multiple baseball games on one screen, the Company plans to provide an innovative user experience, enhance customer satisfaction and increase profitability.

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The Company has proved that it has superior network quality compared to its competitors according to the Korea Communications Commission quality evaluations. The Company has also proved to be the leader in Korea's top three customer satisfaction indices: according to the National Customer Satisfaction Index, Korean Customer Satisfaction Index and Korean Standard Service Quality Index, the Company has continued to hold the leading position for 16 years, 16 years and 14 years, respectively.

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SK Telink, a consolidated subsidiary of the Company, expanded its operations to the MVNO business based on its technical expertise and know-how obtained in its international telecommunications business and launched its MVNO service, 7Mobile, which is offered at reasonable rates and provides excellent quality. SK Telink is increasing its efforts to develop low-cost distribution channels and create niche markets through targeted marketing towards customers with lower average revenue per user. An MVNO leases the networks of a mobile network operator (MNO) and provides wireless telecommunication services under its own brand and fee structure, without owning telecommunication networks or frequencies.

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

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

[Fixed-line Business]**A. Industry Characteristics**

Mergers among fixed-line operators and wireless operators have accelerated the convergence within the Korean telecommunications industry, and with the advent in the wireless telecommunications industry of a market for wideband LTE services utilizing LTE frequencies allocated to wireless operators following the completion of frequency auctions in August 2013, a market structure has evolved in which groups with both fixed-line and wireless capabilities compete for greater market share to secure a more solid footing in the market by offering superior services. As subscribers to various bundled wireless and fixed-line products are continuing to increase, the IPTV business is evolving to satisfy diverse customer needs for media services through differentiated service offerings including mobile IPTV and bundled wireless and IPTV products. The market for our corporate business is also growing with cloud computing, mobile offices and other new information and communications technologies being commercialized. The increased usage of smartphones and tablet computers, the pilot programming of commercial ultra-high definition television broadcasting services and competition for wideband LTE services has greatly increased data traffic, thereby further emphasizing the importance of fixed-line network infrastructure that is capable of handling large capacities of data traffic with stability and efficiency.

B. Growth Potential

Classification		As of September 30,	(Unit: in 1,000 persons)	
		2013	As of December 31, 2012	2011
Fixed-line Subscribers	High-speed Internet	18,636	18,254	17,860
	Fixed-line telephone	17,912	18,459	18,633
	IPTV (real-time)	7,898	6,310	4,570

* Source: MSIP website and Korea Communications Commission website.

C. Cyclical Nature and Seasonality

High-speed Internet, fixed-line telephone and IPTV services are mature markets that are generally not sensitive to cyclical economic changes due to the easing of competition resulting from the decrease in differentiation between service providers and the nature of the respective services. The telecommunications services market overall is not expected to be particularly affected by economic downturns due to the low income elasticity of demand for telecommunication services.

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Set forth below is the historical market share of the Company.

Classification	As of September 30, 2013	(Unit: in percentages)	
		As of December 31, 2012	2011
High-speed Internet (include resales)	24.2	24.1	23.4
Fixed-line telephone (include VOIP)	16.6	16.7	15.5
IPTV (real-time)	23.9	22.2	19.3

* Source: MSIP website, Korea Communications Commission website and each Korean telecommunications company's respective earnings releases.

D. Business Overview and Competitive Strengths

SK Broadband, which in 1999 became the first company in the world to commence commercial ADSL services, has strengthened its co-marketing efforts with SK Telecom. The co-marketing efforts and the enhanced competitiveness of the bundled products have resulted in an expanded subscriber base across all of our businesses, including broadband Internet, telephone and IPTV. In particular, SK Broadband has positioned itself to focus on corporate customer services and IPTV services as key strategic areas for mid- to long-term growth, exploiting opportunities in new ICT-based businesses that have led to revenue growth, and providing differentiated contents in its IPTV business by securing popular programming which includes exclusive children's channels and live broadcasts of Major League Baseball games. In addition, SK Broadband intends to generate revenue in the mid- to long-term by strengthening the competitiveness of its IPTV business through efforts that include the first fully high-definition live broadcast on mobile television in Korea, its collaboration with Samsung Electronics in developing set-top box-free smart television services and development of ultra-high definition broadcast technology.

SK Telink provides international telecommunications service. SK Telink has been able to establish itself as a market leader as a result of its affordable pricing, proactive marketing and the quality of its services. It launched a mobile phone-based international calling service under the brand name 00700 in 1998, creating a new niche market within the long-distance telephony market that was otherwise dominated by existing service providers. In 2003, SK Telink was designated a common carrier for international calling services, which allowed us to expand our international calling services to fixed-line international calling services. SK Telink plans to strategically target the convergence of wireless and fixed-line telecommunications and strengthen its existing business, including international and long-distance calling services, value-added services for local calling and B2B services, and video conference call services while aiming to satisfy the diverse needs of customers through the provision of quality solutions at reasonable prices.

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

As the number of smartphones distributed in Korea exceeds 30 million, the growth in various mobile devices has spurred the rise of the service provider with a strong platform business as the leader in the ICT market. It is becoming increasingly important to enhance competitiveness by building a platform with large data capacity to handle the increase in data transmission.

A platform business acts as an intermediary by promoting interactions among various customer groups, thereby generating new values. It is important for a platform business to continually attract subscribers and users and to create an ecosystem with certain lock-in effects. A platform can exist in various forms, including as a technological standard (iOS, Android OS), a subscriber-based service platform (Facebook, Twitter) or a marketplace (Amazon, T Store). Platform businesses are evolving and expanding globally.

A platform business has strong growth potential due to its connectivity with related services and ease of global expansion. Apple became a world-leading smartphone producer based on its innovative design and the competitive strength of its App Store platform. Google has created a new ecosystem of long-tail advertising by attracting millions of third parties to its advertising platform, as well as showing strong growth in mobile markets with its competitive platform based on Android OS. It is becoming increasingly important to enhance competitiveness through a database that can register and analyze purchase patterns of customers across all areas and a platform with large data capacity to utilize this database and provide differentiated services to customers.

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B. Growth Potential

The Company expects that the scope and value generated by the platform business, including application and content marketplaces and N-screen services, will increase, as smartphones and tablet computers become more popular and the bandwidth and speed of network infrastructure improve. As the wireless network evolves to LTE, business opportunities for the platform business are growing, which include multimedia streaming, N-screen service based on cloud technology and high-definition location-based services. Since the platform business realizes profit by connecting with advertisements or commerce sites after building a critical mass of subscribers and traffic, the recent growth in the advertising and commerce markets is expected to present an opportunity for platform businesses. The importance of building a platform with large data capacity that is connected to various digital contents and commerce is expected to increase in the future.

C. Domestic and Overseas Market Conditions

(1) Commerce markets

The Company expects that online commerce markets will continue to grow due to the growth potential of the Internet shopping population and the strengthening of online business models by off-line operators.

(2) Digital contents

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

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

D. Business Overview and Competitive Strengths

SK Planet plans to expand its platform ecosystem focusing on its Open & Collaboration motto in operating its digital contents business such as T Store and Hoppin, its commerce business such as 11th Street and OK Cashbag, and its location-based service business such as T-Map Navigation, thereby ultimately increasing its enterprise value.

(1) Digital contents

T Store, launched in September 2009, reached 21.25 million subscribers and cumulative downloads of 1.4 billion as of September 2013, solidifying its leadership position in the Korean application market and plans to widen its services to tablets and navigation devices. The Company intends to further develop T Store into a global service platform by evolving it into a personalized gateway and mobile playground through expansion of the scope of serviceable devices, reinforcement of digital content offerings and enhancement of search services, among other things.

The Company's Hoppin service enables subscribers to enjoy wide-ranging video on demand contents. Through continual service improvements and stable service provision, Hoppin has become the leading mobile video on demand service.

(2) Commerce (Open Market, OK Cashbag)

11th Street, an online marketplace, has continued its growth through effective marketing and customer satisfaction. Despite its later entry into the online commerce market (launched in 2008) which was already divided between Auction and G-Market, it is leading the domestic

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e-commerce market and is also firmly establishing its position as the leader in the mobile commerce market. Growth plans involving overseas joint ventures based on 11th Street's business expertise have resulted in the successful launch of an open online commerce market in Turkey in partnership with Doğuş Group in March 2013.

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OK Cashbag is a point-based loyalty marketing program which has grown to become a global top-tier loyalty marketing program since its inception in 1999. Customers have access to increased benefits through accumulation of loyalty reward points and partner companies use OK Cashbag as a marketing resource. With 36 million subscribers, OK Cashbag maintains a leading position in the industry and plans to continue strengthening its position by providing customized services befitting customers' needs and market conditions.

(3) Location-based services

T-Map Navigation provides map, local information, real-time traffic information and navigation services. With cumulative subscribers of 17.96 million as of September 30, 2013, T-Map Navigation is one of the leading location-based service platforms in Korea. The Company is broadening the range of its location-based services by also providing infotainment systems to commercial vehicle businesses as well as providing localized content on its products, such as region-specific information and advertisements. The Company plans to further develop the T-Map Navigation platform by initiating open application programming interface-based services, providing services to more diverse types of devices and providing local area-based services.

(4) Social networking services (SNS) and Internet portal services

CyWorld service, the Company's social networking website in Korea, had 26 million cumulative subscribers, 10 million monthly net users and 270 million page views as of September 30, 2013. The Company's instant messenger service, Nate-On, had the largest market share of 70.9% in the instant messenger market in Korea with 6 million net users as of September 30, 2013. The Company's Internet search portal service, Nate, had a market share of 5.8% as of September 30, 2013. (Source: Korean Click and Company's internal data)

Satellite DMB service

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

2. Major Products & Services**A. Updates on Major Products and Services**

(Unit: in millions of Won and percentages)

Business	Major Companies	Item	Major Trademarks	Consolidated Sales Amount (ratio)
Wireless	SK Telecom Co., Ltd., PS&Marketing Co., Ltd., Service Ace Co., Ltd., Service Top Co. Ltd., Network O&S Co., Ltd.	Mobile communication service, wireless data service, ICT service	T and others	9,888,302(80.4%)
Fixed-line	SK Broadband Co., Ltd., SK Telink Co., Ltd.	Fixed-line phone, high speed Internet, data and network lease service	B tv , 00700 international call, 7Mobile and others	1,727,591(14.0%)
Other	SK Planet Co., Ltd , Commerce Planet Co., Ltd , SK Communications Co., Ltd., M&Service Co., Ltd., YTK Investment Ltd., Atlas Investment	Internet portal service and investment	OK Cashbag, NATE, 11th Street, T Store, T-Map Navigation, Cyworld and others	691,321(5.6%)

Total

12,307,214(100.0%)

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[Wireless Business]

In the past, based on the Company's basic monthly subscription plan, the basic service fee was Won 13,000 per month and the usage fee was Won 20 per 10 seconds (daytime calls) and based on the Company's standard monthly subscription plan, the basic service fee was Won 12,000 per month and the usage fee was Won 18 per 10 seconds. As of June 30, 2013, based on the Company's standard monthly subscription plan, the basic service fee was Won 11,000 per month and the usage fee was Won 1.8 per second.

[Fixed-line Business]

SK Broadband provides broadband Internet access service, telephony, TV, corporate data services and other services for both individual and corporate customers. As of September 30, 2013, broadband Internet and TV services comprised 49.9% of SK Broadband's revenue, telephony service 23.7%, corporate data services 25.4% and other telecommunications services 1.0%. Price fluctuations in the different services provided by SK Broadband are due to discounts provided for long-term contracts, changes in equipment costs and competition between companies.

Table of Contents**[Other Business]**

Set forth below are major products and services of the Company's material consolidated subsidiaries.

Business	Item	Major Trademarks
Platform	ICT services, new media services, advertisement services, telecommunications sales, e-commerce and others	T Store, 11th Street, T Map, Hoppin,
Display advertisement	Online advertisement services	OK Cashbag and others
Search advertisement	Online advertisement services	Nate, CyWorld, Nate-On
Contents and others	Pay content sales and other services	Nate, CyWorld, Nate-On

3. Investment Status**[Wireless Business]****A. Investment in Progress**

Business	Classification	Investment period	Subject of investment	Investment effect	(Unit: in 100 millions of Won)		
					Expected investment amount	Amount already invested	Future investment
Network/Common	Upgrade/ New installation	2013	Network, systems and others	Capacity increase and quality improvement; systems improvement	21,000	9,489	To be determined
	Total				21,000	9,489	To be determined

B. Future Investment Plan

Business	Expected investment amount		Expected investment for each year			Investment effect
	Asset type	Amount	2013	2014	2015	
Network/Common	Network, systems and others	21,000	21,000	To be determined	To be determined	Upgrades to the existing services and provision of new services including LTE Multi-Carrier and LTE-A
	Total	21,000	21,000	To be determined	To be determined	

[Fixed-line Business]**A. Investment in Progress**

(Unit: in 100 millions of Won)

Business	Classification	Investment period	Subject of investment	Investment effect	Total investments	Amount already invested	Future investment	
High-speed Internet		For the nine months ended September 30, 2013	Backbone and subscriber network / others	Expand subscriber networks and facilities		786		
Telephone						36		
Television						428		
Corporate Data	Upgrade/ New installation					2,980	1,305	To be determined
Others					Expand networks and required space		425	
		Total				2,980		

Table of Contents**4. Revenues**

(Unit: in millions of Won)

Business	Sales type	Item	For the nine	For the year	For the year	
			months ended	ended	ended	
			September 30,	December 31,	December 31,	
			2013	2012*	2011*	
Wireless	Services	Mobile communication	Export	1,907	14,202	1,331
			Domestic	9,886,396	13,204,702	13,100,614
			Subtotal	9,888,303	13,218,904	13,101,945
Fixed-line	Services	Fixed-line, B2B data, High-speed Internet, TV	Export	20,362	29,883	28,070
			Domestic	1,707,229	2,163,978	2,134,498
			Subtotal	1,727,591	2,193,861	2,162,568
Other	Services	Display and Search ad., Content	Export	7,220	4,698	12,036
			Domestic	684,100	723,946	526,625
			Subtotal	691,320	728,644	538,661
Total			Export	29,489	48,783	41,437
			Domestic	12,277,725	16,092,626	15,761,737
			Total	12,307,214	16,141,409	15,803,174

* Revenues for the years ended December 31, 2011 and 2012 have been retroactively revised to reflect the effect of discontinued operations resulting from the sale of Loen Entertainment.

(Unit: in millions of Won)

For the nine months ended						
September 30, 2013	Wireless	Fixed	Other	Sub total	Internal transaction	After consolidation
Total sales	10,760,819	2,173,316	1,251,228	14,185,363	1,878,149	12,307,214
Internal sales	872,517	445,725	559,907	1,878,149	1,878,149	
External sales	9,888,302	1,727,591	691,321	12,307,214		12,307,214
Operating income (loss)	1,504,189	31,340	(34,120)	1,501,409		1,501,409
Total assets	22,831,074	3,119,903	3,163,102	29,114,079	3,180,600	25,933,479
Total liabilities	9,595,320	1,871,875	905,828	12,373,023	222,547	12,150,476

Table of Contents**5. Derivative Transactions****A. Current Swap Contract Applying Cash Flow Risk Hedge Accounting**

Currency swap contracts under cash flow hedge accounting as of September 30, 2013 are as follows.

Borrowing date	Hedged item	Hedged risk	Contract type	Financial institution	Duration of contract
Oct.10, 2006	Floating-to-fixed cross currency interest rate swap (U.S. dollar denominated long-term borrowings face value of US\$100,000,000)	Foreign currency risk and interest rate risk	Cross currency interest rate swap	Credit Agricole Corporate & Investment Bank	Oct.10, 2006 Oct. 10, 2013
Jul. 20, 2007	Fixed-to-fixed cross currency swap (U.S. dollar denominated bonds face value of US\$400,000,000)	Foreign currency risk	Cross currency swap	Morgan Stanley and five other banks	Jul. 20, 2007 Jul. 20, 2027
Dec. 15, 2011	Floating-to-fixed cross currency interest rate swap (U.S. dollar denominated bonds face value of US\$250,000,000)	Foreign currency risk and interest rate risk	Cross currency interest rate swap	DBS Bank and Citibank	Dec. 15, 2011 Dec. 12, 2014
Dec. 15, 2011	Floating-to-fixed cross currency interest rate swap (Singapore dollar denominated bonds face value of SGD65,000,000)	Foreign currency risk and interest rate risk	Cross currency interest rate swap	United Overseas Bank	Dec. 15, 2011 Dec. 12, 2014
Jun. 12, 2012	Fixed-to-fixed cross currency swap (Swiss Franc denominated bonds face value of CHF300,000,000)	Foreign currency risk	Cross currency swap	Citibank and five other banks	Jun. 12, 2012 Jun.12, 2017
Nov. 1, 2012	Fixed-to-fixed cross currency swap (U.S. dollar denominated bonds face value of US\$700,000,000)	Foreign currency risk	Cross currency swap	Barclays and nine other banks	Nov. 1, 2012 May. 1, 2018
Jan. 17, 2013	Fixed-to-fixed cross currency swap (Australia dollar denominated bonds face value of AUD300,000,000)	Foreign currency risk	Cross currency swap	BNP Paribas and three other banks	Jan. 17, 2013 Nov. 17, 2017
Mar. 7, 2013	Floating-to-fixed cross currency interest rate swap (U.S. dollar denominated bonds face value of US\$300,000,000)	Foreign currency risk and interest rate risk	Cross currency interest rate swap	DBS Bank	Mar. 7, 2013 Mar. 7, 2020

Table of Contents**B. Treatment of Derivative Instruments on the Balance Sheet**

As of September 30, 2013, fair values of the above derivatives recorded in assets or liabilities and details of derivative instruments are as follows.

Hedged item	(Unit: in millions of Won and thousands of foreign currencies)					Trading purposes	Total
	Accumulated gain (loss) on valuation of derivatives	Tax effect	Cash flow hedge Foreign currency translation gain (loss)	Others ^(*)	Fair value		
Current assets:							
Floating-to-fixed cross currency interest rate swap (U.S. dollar denominated long-term borrowings face value of US\$100,000,000)	(1,778)	(68)	12,760				10,914
Convertible option ^(*) (face amounts of Won 50,000 million)						491	491
Non-current assets:							
Fixed-to-fixed cross currency swap (U.S. dollar denominated bonds face value of US\$400,000,000)	(40,166)	(12,823)	(26,855)	129,806			49,962
Floating-to-fixed cross currency interest rate swap (U.S. dollar denominated bonds face value of US\$300,000,000)	5,878	1,877	(2,389)				5,367
Total assets							66,732
Non-current liabilities:							
Floating-to-fixed cross currency interest rate swap (Singapore dollar denominated bonds face value of SGD65,000,000)	21	7	(1,838)				(1,810)
Floating-to-fixed cross currency interest rate swap (U.S. dollar denominated bonds face value of US\$250,000,000)	6,206	1,981	(20,548)				(12,361)
Fixed-to-fixed cross currency swap (Swiss Franc denominated bonds face value of CHF300,000,000)	(9,417)	(3,006)	(7,205)				(19,628)
Fixed-to-fixed cross currency swap (U.S. dollar denominated bonds face value of US\$700,000,000)	(11,454)	(3,657)	(10,368)				(25,479)
Fixed-to-fixed cross currency swap (Australia dollar denominated bonds face value of AUD300,000,000)	6,432	2,054	(35,167)				(26,681)
Total liabilities							(85,959)

(*1) Cash flow hedge accounting has been applied to the relevant contract from May 12, 2010. Others represent gain on valuation of currency swap incurred prior to the application of hedge accounting and was recognized through profit or loss prior to the year ended December 31,

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2012.

- (*2) Fair value of the conversion option of convertible bonds held by SK Communications Co., Ltd. amounting to Won 491 million was accounted for as derivative financial assets.

Table of Contents**6. Major Contracts**
[SK Telecom]

(Unit: in 100 millions of Won)

Category	Vendor	Start Date	Completion Date	Contract Title	Contract Amount
Service	SK Planet Co., Ltd.	February 25, 2013	December 31, 2013	B2B contents purchase contract for Smart Safe and Phone Safe 40	206
Service	SK Planet Co., Ltd.	February 25, 2013	March 31, 2013	Contract for 2012 production of above-the-line advertisements (former SK Marketing & Company)	58
Service	M&Service Co., Ltd.	January 1, 2013	December 31, 2013	Contract for 2013 operation of virtual learning center	10
Service	Happy Ecophone Foundation	April 1, 2013	December 31, 2013	Contract for 2013 operation of T ecophone center	21
Construction	Dongwon Construction Industry Corporation	March 1, 2013	May 20, 2014	Construction of SK Dream Park	146
Real Estate	Woori Bank*		December 26, 2012	Disposal of Namsan Green Building	1,972
Real Estate	Woori Bank*		December 26, 2012	Disposal of Guro Offices	400
Real Estate	Individual	January 1, 2013	June 30, 2013	Purchase of regional centers (23 centers)	180
Subtotal					2,993

* The manager of the 18th IGIS KORIF private real estate investment fund.
[SK Broadband]

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

Counterparty	Contract Contents	Contract Period	Note
Telecommunication service providers	Interconnection among telecommunication service providers		Interconnection among telecommunication service providers
KEPCO	Provision of electric facilities	From Dec. 2012 to Nov. 2013	Use of electricity poles
Seoul City Railway	Use of telecommunication line conduits	From Jan. 2009 to Dec. 2011 (Renewal in progress)	Use of railway telecommunication conduit (Serviced areas to expand)
Seoul Metro	Use of telecommunication line conduits	From May 2010 to May 2013 (Renewal in progress)	Use of railway telecommunication conduit (Serviced areas to expand)
Busan Transportation Corporation	Use of telecommunication line conduits	From July 2009 to July 2012 (Renewal in progress)	Use of railway telecommunication conduit (Serviced areas to expand)
Gwangju City Railway	Use of telecommunication line conduits	From Sep. 2010 to Dec. 2012 (Renewal in progress)	Use of railway telecommunication conduit (Service lease)

Table of Contents**[SK Planet]**

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

[SK Communications]

Counterparty	Purpose	Contract Period	Contract Amount
Daum Communications	Cost-per-click Internet search advertisement		Amount determined based on the number of clicks
SK Planet Co., Ltd.	Sale of asset in construction (Pangyo office building)		Sold for Won 69.5 billion on June 11, 2013
SK Planet Co., Ltd.	Operation of shopping business at nate.com website	From Jul. 1, 2011 to Dec. 31, 2013	Minimum guarantee of Won 18.4 billion for the period from Jul. 1, 2011 to Dec. 31, 2011; Amounts for 2012 and 2013 are to be determined depending on the NATE shopping revenues and other factors

* SK Communications and Daum Communications have agreed not to publicly disclose the contract period with respect to the contract with Daum Communications.

7. R&D Investments

Set forth below are the Company's R&D expenditures.

Category	(Unit: in millions of Won except percentages)			Remarks
	For the nine months ended September 30, 2013	For the year ended 2012	For the year ended December 31, 2011	
Raw material	25	42	45	
Labor	66,306	59,050	48,656	
Depreciation	115,740	163,295	149,850	
Commissioned service	17,338	62,399	40,257	
Others	49,875	61,546	57,118	
Total R&D costs	249,284	346,332	295,927	
Accounting				
Sales and administrative expenses	239,680	304,557	289,979	
Development expenses (Intangible assets)	9,604	41,775	5,948	
R&D cost / sales amount ratio (Total R&D costs / Current sales amount×100)	2.03%	2.12%	1.85%	

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

The Company manages its corporate brand and other product brands in a comprehensive way to protect and increase their value. The Company's Brand Strategy Council in charge of overseeing its systematic corporate branding operates full-time to execute decisions involving major brands

and operates Brandnet, an intranet system to manage corporate brands which provides solutions including registering and licensing of the brands.

B. Business-related Intellectual Property

[SK Telecom]

The Company holds 5,023 Korean-registered patents, 288 U.S.-registered patents, 203 Chinese-registered patents (all including patents held jointly with other companies) and more patents with other countries. The Company holds 860 Korean-registered trademarks and owns intellectual property rights to the design of the alphabet T. The designed alphabet T is registered in all business categories for trademarks (total of 45) and is being used as the primary brand of the Company.

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[SK Broadband]

SK Broadband holds 396 Korean-registered patents relating to high-speed Internet, telephone and IPTV service. In addition, SK Broadband has applied for a patent relating to two-way broadcasting system. SK Broadband also holds a number of trademarks and service marks relating to its service and brand.

[SK Planet]

As of September 30, 2013, SK Planet held 2,227 registered patents, 94 registered design marks, 1,135 registered trademarks and one copyright (including those held jointly with other companies) in Korea. It also holds 24 U.S.-registered patents, 35 Chinese-registered patents, 8 Japanese-registered patents, 17 E.U.-registered patents (all including patents held jointly with other companies) and 168 registered trademarks, along with a number of other intellectual property rights, in other countries.

[SK Communications]

As of September 30, 2013, SK Communications held 70 registered patents, 26 registered design rights and 720 registered trademarks in Korea.

C. Business-related Pollutants and Environmental Protection

The Company does not engage in any manufacturing and therefore does not undertake any industrial processes that emit pollutants into the air or industrial processes in which hazardous materials are used.

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

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

	As of September 30, 2013	As of December 31, 2012	As of December 31, 2011	As of December 31, 2010
Current Assets	5,381,629,864	5,294,420,978	6,117,478,958	6,653,991,923
Cash and Cash Equivalents	1,470,615,400	920,124,810	1,650,793,876	659,404,935
Accounts Receivable Trade, net	2,272,796,560	1,954,920,332	1,823,169,889	1,949,397,279
Accounts Receivable Other, net	638,483,671	582,098,398	908,836,454	2,531,847,155
Others	999,734,233	1,837,277,438	1,734,678,739	1,513,342,554
Non-Current Assets	20,551,848,375	20,301,138,645	18,248,557,471	16,478,397,157
Long-Term Investment Securities	946,465,998	953,712,512	1,537,945,216	1,680,582,091
Investments in Associates and Joint Ventures	5,289,873,703	4,632,477,315	1,384,605,401	1,204,691,805
Property and Equipment, net	9,388,430,999	9,712,718,716	9,030,998,201	8,153,412,683
Intangible Assets, net	2,707,539,778	2,689,657,645	2,995,803,300	1,884,955,652
Goodwill	1,733,260,574	1,744,483,009	1,749,932,878	1,736,649,137
Others	486,277,323	568,089,448	1,549,272,475	1,818,105,789
Total Assets	25,933,478,239	25,595,559,623	24,366,036,429	23,132,389,080
Current Liabilities	5,653,315,400	6,174,895,434	6,673,589,809	6,202,170,452
Non-Current Liabilities	6,497,159,721	6,565,881,872	4,959,737,573	4,522,219,358
Total Liabilities	12,150,475,121	12,740,777,306	11,633,327,382	10,724,389,810
Equity Attributable to Owners of the Parent Company	13,047,893,347	11,854,777,781	11,661,880,863	11,329,990,900
Share Capital	44,639,473	44,639,473	44,639,473	44,639,473
Capital Surplus (Deficit) and Other Capital Adjustments	236,307,569	(288,882,796)	(285,347,419)	(78,952,875)
Retained Earnings	12,785,127,879	12,124,657,526	11,642,525,267	10,721,249,327
Reserves	(18,181,574)	(25,636,422)	260,063,542	643,054,975
Non-controlling Interests	735,109,771	1,000,004,536	1,070,828,184	1,078,008,370
Total Equity	13,783,003,118	12,854,782,317	12,732,709,047	12,407,999,270
Number of Companies Consolidated	28	32	31	32

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

	For the nine months ended September 30, 2013	For the year ended December 31, 2012*	For the year ended December 31, 2011*	For the year ended December 31, 2010
Operating Revenue	12,307,212,791	16,141,409,477	15,803,173,999	15,489,373,747
Operating Income	1,501,408,792	1,730,049,433	2,266,197,346	2,555,781,816
Profit Before Income Tax	1,442,592,156	1,519,368,041	2,212,273,226	2,373,223,839
Profit for the Period	1,315,879,605	1,115,662,553	1,582,073,280	1,766,834,754
Profit for the Period Attributable to Owners of the Parent Company	1,324,824,488	1,151,704,905	1,612,889,086	1,841,612,790

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Profit for the Period Attributable to Non-controlling Interests	(8,944,883)	(36,042,352)	(30,815,806)	(74,778,036)
Basic Earnings Per Share (Won)	18,841	16,525	22,848	25,598
Diluted Earnings Per Share (Won)	18,841	16,141	22,223	24,942

* Financial information for the years ended December 31, 2011 and 2012 have been retroactively revised to reflect the effect of discontinued operations resulting from the sale of Loen Entertainment.

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B. Changes to Accounting Standards Adopted During 2012

(1) Financial Instruments: Disclosures

The Company has applied the amendments to K-IFRS No.1107, *Financial Instruments: Disclosures* since January 1, 2012. The amendments require disclosing the nature of transferred assets, their carrying amount, and the description of risks and rewards for each class of transferred financial assets that are not derecognized in their entirety. If the Company derecognizes transferred financial assets but still retains their specific risks and rewards, the amendments require additional disclosures of their risks.

(2) Presentation of Financial Statements

The Company adopted the amendments pursuant to the amended K-IFRS No. 1001, *Presentation of Financial Statements* starting with the year ended December 31, 2012. The Company's operating income is calculated as operating revenue less operating expense. Operating expense represents expense incurred from the Company's main operating activities and includes cost of products that have been resold and selling, general and administrative expenses.

C. Changes to Accounting Standards Adopted During 2013

(1) Presentation of Financial Statements

The Company has applied the amendments to K-IFRS No. 1001, *Presentation of Financial Statements* since January 1, 2013, classified items within other comprehensive income by nature and presented items that are not subsequently recycled through profit or loss and items that are subsequently reclassified if certain conditions are met as a group.

(2) Consolidated Financial Statements

The Company has applied the amendments to K-IFRS No. 1110, *Consolidated Financial Statements* since January 1, 2013. The standard introduces a single control model to determine whether an investee should be consolidated. Subsidiary is an entity that is controlled by a controlling entity or a subsidiary of a controlling company. A controlling entity or a subsidiary of a controlling company controls a subsidiary when the controlling entity or the subsidiary of the controlling company is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

(3) Joint Arrangements

The Company has applied the amendments to K-IFRS No. 1111, *Joint Arrangements* since January 1, 2013. The standard classifies joint arrangements into two types: joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint ventures) have rights to the net assets of the arrangement. The standard requires a joint operator to recognize and measure the assets and liabilities (and recognize the related revenues and expenses) in relation to its interest in the arrangement in accordance with relevant IFRSs applicable to the particular assets, liabilities, revenues and expenses. The standard requires a joint venture to recognize an investment and to account for that investment using the equity method.

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(4) Disclosure of Interests in Other Entities

The Company has applied the amendments to K-IFRS No. 1112, Disclosure of Interests in Other Entities since January 1, 2013. The standard brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Company is currently assessing the disclosure requirements for interests in subsidiaries, interests in joint arrangements and associates and unconsolidated structured entities in comparison with the existing disclosures. The standard requires the disclosure of information about the nature, risks and financial effects of these interests.

(5) Employee Benefits

The Company has applied the amendments to K-IFRS No. 1019, Employee Benefits since January 1, 2013. The standard requires recognition of actuarial gains and losses immediately in other comprehensive income and to calculate expected return on plan assets based on the rate used to discount the defined benefit obligation.

(6) Fair Value Measurement

The Company has applied the amendments to K-IFRS No. 1113, Fair Value Measurement since January 1, 2013. The standard defines fair value and a single framework for fair value, and requires disclosures about fair value measurements.

D. Impact of Changes in Accounting Policies

(1) Consolidated Financial Statements

In accordance with the transitional provision on K-IFRS No. 1110, the Company assessed control on investees as of January 1, 2013, the initial adoption date of the standard, and there have been no changes in subsidiaries upon adoption of the standard.

Table of Contents**2. Summary Financial Information (Separate)****A. Summary Financial Information (Separate)**

	(Unit: in thousands of Won)			
	As of	As of	As of	As of
	September 30, 2013	December 31, 2012	December 31, 2011	December 31, 2010
Current Assets	2,956,840,090	2,589,699,186	3,948,077,706	5,316,976,799
Cash and Cash				
Equivalents	505,512,739	256,576,827	895,557,654	357,469,908
Accounts Receivable				
Trade, net	1,560,619,447	1,407,205,772	1,282,233,900	1,453,060,673
Accounts Receivable				
Other, net	403,549,462	383,048,424	774,221,266	2,499,969,010
Others	487,158,442	542,868,163	996,064,886	1,006,477,208
Non-Current Assets	19,459,368,771	19,659,803,155	16,572,449,699	14,410,149,512
Long-Term Investment				
Securities	701,949,359	733,893,220	1,312,437,834	1,517,029,011
Investments in				
Subsidiaries and Associates	8,122,175,262	7,915,546,670	4,647,505,583	3,584,394,790
Property and Equipment,				
net	6,818,443,325	7,119,090,098	6,260,168,675	5,469,747,495
Intangible Assets, net	2,200,441,075	2,187,872,109	2,364,795,182	1,424,968,542
Goodwill	1,306,236,299	1,306,236,299	1,306,236,299	1,308,422,097
Others	310,123,451	397,164,759	681,306,126	1,105,587,577
Total Assets	22,416,208,861	22,249,502,341	20,520,527,405	19,727,126,311
Current Liabilities	3,600,713,719	4,343,086,486	4,467,005,877	4,561,013,611
Non-Current Liabilities	5,785,747,981	5,529,367,602	4,087,219,816	3,585,155,050
Total Liabilities	9,386,461,700	9,872,454,088	8,554,225,693	8,146,168,661
Share Capital	44,639,473	44,639,473	44,639,473	44,639,473
Capital Surplus and Other				
Capital Adjustments	352,885,915	(236,160,479)	(236,016,201)	(24,643,471)
Retained Earnings	12,491,288,297	12,413,981,340	11,837,184,788	10,824,355,758
Reserves	140,933,476	154,587,919	320,493,652	736,605,890
Total Equity	13,029,747,161	12,377,048,253	11,966,301,712	11,580,957,650

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

	For the nine months ended September 30, 2013	For the year ended December 31, 2012	For the year ended December 31, 2011	For the year ended December 31, 2010
Operating Revenue	9,544,076,711	12,332,719,444	12,551,255,630	12,514,520,922
Operating Income	1,489,538,574	1,675,388,351	2,184,498,641	2,530,954,768
Profit Before Income Tax	993,312,640	1,546,719,635	2,274,421,558	2,503,637,367
Profit for the Period	741,756,284	1,242,767,480	1,694,363,093	1,947,007,919
Basic Earnings Per Share (Won)	10,516	17,832	24,002	27,063

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Diluted Earnings Per Share (Won)	10,516	17,406	23,343	26,366
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B. Changes to Accounting Standards Adopted During 2012

(1) Financial Instruments: Disclosures

The Company has applied the amendments to K-IFRS No.1107, Financial Instruments: Disclosures since January 1, 2012. The amendments require disclosing the nature of transferred assets, their carrying amount, and the description of risks and rewards for each class of transferred financial assets that are not derecognized in their entirety. If the Company derecognizes transferred financial assets but still retains their specific risks and rewards, the amendments require additional disclosures of their risks.

(2) Presentation of Financial Statements

The Company adopted the amendments pursuant to the amended K-IFRS No. 1001, Presentation of Financial Statements starting with the year ended December 31, 2012. The Company's operating income is calculated as operating revenue less operating expense. Operating expense represents expense incurred from the Company's main operating activities and includes cost of products that have been resold and selling, general and administrative expenses.

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C. Changes to Accounting Standards Adopted During 2013

(1) Presentation of Financial Statements

The Company has applied the amendments to K-IFRS No. 1001, Presentation of Financial Statements since January 1, 2013, classified items within other comprehensive income by nature and presented items that are not subsequently recycled through profit or loss and items that are subsequently reclassified if certain conditions are met as a group.

(2) Consolidated Financial Statements

The Company has applied the amendments to K-IFRS No. 1110, Consolidated Financial Statements since January 1, 2013. The standard introduces a single control model to determine whether an investee should be consolidated. Subsidiary is an entity that is controlled by a controlling entity or a subsidiary of a controlling company. A controlling entity or a subsidiary of a controlling company controls a subsidiary when the controlling entity or the subsidiary of the controlling company is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

(3) Joint Arrangements

The Company has applied the amendments to K-IFRS No. 1111, Joint Arrangements since January 1, 2013. The standard classifies joint arrangements into two types joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. The standard requires a joint operator to recognize and measure the assets and liabilities (and recognize the related revenues and expenses) in relation to its interest in the arrangement in accordance with relevant IFRSs applicable to the particular assets, liabilities, revenues and expenses. The standard requires a joint venturer to recognize an investment and to account for that investment using the equity method.

(4) Disclosure of Interests in Other Entities

The Company has applied the amendments to K-IFRS No. 1112, Disclosure of Interests in Other Entities since January 1, 2013. The standard brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Company is currently assessing the disclosure requirements for interests in subsidiaries, interests in joint arrangements and associates and unconsolidated structured entities in comparison with the existing disclosures. The standard requires the disclosure of information about the nature, risks and financial effects of these interests.

(5) Employee Benefits

The Company has applied the amendments to K-IFRS No. 1019, Employee Benefits since January 1, 2013. The standard requires recognition of actuarial gains and losses immediately in other comprehensive income and to calculate expected return on plan assets based on the rate used to discount the defined benefit obligation.

(6) Fair Value Measurement

The Company has applied the amendments to K-IFRS No. 1113, Fair Value Measurement since January 1, 2013. The standard defines fair value and a single framework for fair value, and requires disclosures about fair value measurements.

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D. Impact of Changes in Accounting Policies

(1) Consolidated Financial Statements

In accordance with the transitional provision on K-IFRS No. 1110, the Company assessed control on investees as of January 1, 2013, the initial adoption date of the standard, and there have been no changes in subsidiaries upon adoption of the standard.

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

Transition to K-IFRS

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

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IV. AUDITOR S OPINION

1. Auditor (Consolidated)

<p>Nine months ended September 30, 2013 KPMG Samjong Accounting Corp.</p>	<p>Year ended December 31, 2012 KPMG Samjong Accounting Corp.</p>	<p>Year ended December 31, 2011 Deloitte Anjin LLC</p>
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2. Audit Opinion (Consolidated)

Period	Auditor s opinion	Issues noted
Nine months ended September 30, 2013		
Year ended December 31, 2012	Unqualified	
Year ended December 31, 2011	Unqualified	

3. Auditor (Separate)

<p>Nine months ended September 30, 2013 KPMG Samjong Accounting Corp.</p>	<p>Year ended December 31, 2012 KPMG Samjong Accounting Corp.</p>	<p>Year ended December 31, 2011 Deloitte Anjin LLC</p>
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4. Audit Opinion (Separate)

Period	Auditor s opinion	Issues noted
Nine months ended September 30, 2013		
Year ended December 31, 2012	Unqualified	
Year ended December 31, 2011	Unqualified	

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

(Unit: in thousands of Won except number of hours)

Fiscal Year	Auditors	Contents	Fee	Total number of hours accumulated for the fiscal year
Year ended December 31, 2013	KPMG Samjong Accounting Corp.	Semi-annual review Quarterly review Separate financial statements audit Consolidated financial statements audit English financial statements review and other audit task	1,250,000	17,796
Year ended December 31, 2012	KPMG Samjong Accounting Corp.	Semi-annual review Quarterly review Separate financial statements audit Consolidated financial statements audit English financial statements review and other audit task	1,220,000	19,583
Year ended December 31, 2011	Deloitte Anjin LLC	Semi-annual review Quarterly review Separate financial statements audit Consolidated financial statements audit English financial statements review and other audit task	1,364,000	14,033

B. Non-Audit Services Contract with External Auditors

(Unit: in thousands of Won)

Period	Contract date	Service provided	Service duration	Fee
Nine months ended September 30, 2013	N/A	N/A	N/A	N/A
Year ended December 31, 2012	N/A	N/A	N/A	N/A
Year ended December 31, 2011	April 11, 2011	Tax consulting	30 days	45,000
	April 28, 2011	Tax consulting	30 days	45,000

6. Change of Independent Auditors

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

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V. MANAGEMENT S DISCUSSION AND ANALYSIS

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

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

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

(As of November 8, 2013)

Total number of persons	Inside directors	Independent directors
8	Sung Min Ha, Dae Sik Cho, Dong Seob Jee	Rak Yong Uhm, Dae Shick Oh, Hyun Chin Lim, Jay Young Chung, Jae Ho Cho

At the 29th General Meeting of Shareholders held on March 22, 2013, Dae Sik Cho was elected as an inside director and Dae Shick Oh was elected as an independent director and a member of the audit committee.

B. Significant Activities of the Board of Directors

Meeting	Date	Agenda	Approval
		Financial statement as of and for the year ended December 31, 2012	Approved as proposed
		Annual business report as of and for the year ended December 31, 2012	Approved as proposed
351th (the 1st meeting of 2013)	February 7, 2013	Bond offering	Approved as proposed
		Report of internal accounting management	
		Report for subsequent events following 4Q 2012	
352th (the 2nd meeting of 2013)	February 21, 2013	2013 transaction of goods, services and assets with SK Planet	Approved as proposed
		Convocation of the 29th annual general meeting of shareholders	Approved as proposed

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Result of internal accounting management system evaluation

		Election of chairman of the Board of Directors	Approved as proposed
353th (the 3rd meeting of 2013)	March 22, 2013	Election of committee members	Approved as proposed
		Financial transactions with affiliated company (SK Securities)	Approved as proposed
		Sublease transaction of advisor offices	Approved as proposed
354th (the 4th meeting of 2013)	April 25, 2013	Budget and operation plans for 2013 SUPEX conferences	Approved as proposed
		Report for the period after the first quarter of 2013	
		Landscaping at Future Management Institute	Approved as proposed
		Issuance of hybrid securities	Approved as proposed
355th (the 5th meeting of 2013)	May 23, 2013	Issuance of asset-backed short-term bonds	Approved as proposed
		Report of compliance review and validity evaluation	
		Financial transactions with affiliated company (SK Securities)	Approved as proposed
356th (the 6th meeting of 2013)	June 20, 2013	Service transactions with SK Telecom China Holdings Co., Ltd.	Approved as proposed

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		Payment of interim dividends	Approved as proposed
		Incurrence of long-term debt	Approved as proposed
357 th (the 7th meeting of 2013)	July 25, 2013	Additional procurement of LTE network frequency	Approved as proposed
		Financial results for the first six months of 2013	
		Post-second quarter of 2013 report	
358 th (the 8th meeting of 2013)	September 26, 2013	Financial transactions with affiliated company (SK Securities)	Approved as proposed
		Additional investments in LTE network	Approved as proposed

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

C. Committees within Board of Directors

(1) Committee structure (as of November 8, 2013)

(a) Compensation Review Committee

			Members	
Total number of persons	Inside Directors	Independent Directors		Task
5		Rak Yong Uhm, Dae Shick Oh, Hyun Chin Lim, Jay Young Chung, Jae Ho Cho		Review CEO remuneration system and amount

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

(b) Capex Review Committee

			Members	
Total number of persons	Inside Directors	Independent Directors		Task
5	Dong Seob Jee	Rak Yong Uhm, Dae Shick Oh,		

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Jay Young Chung, Jae Ho Cho

Review major investment plans and changes thereto

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

(c) Corporate Citizenship Committee

	Members		
Total number of persons	Inside Directors	Independent Directors	Task
5	Dong Seob Jee	Rak Yong Uhm, Hyun Chin Lim, Jay Young Chung, Jae Ho Cho	Review guidelines on corporate social responsibility (CSR) programs, etc.

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

(d) Independent Director Nomination Committee

	Members		
Total number of persons	Inside Directors	Independent Directors	Task
3	Sung Min Ha	Dae Shick Oh, Hyun Chin Lim	Nomination of independent directors

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

(e) Audit Committee

	Members		
Total number of persons	Inside Directors	Independent Directors	Task
4		Dae Shick Oh, Hyun Chin Lim, Jay Young Chung, Jae Ho Cho	Review financial statements and supervise independent audit process, etc.

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

Table of Contents**2. Audit System**

The Company's Audit Committee consists of four independent directors, Dae Shick Oh, Hyun Chin Lim, Jae Ho Cho and Jay Young Chung.

Major activities of the Audit Committee as of November 8, 2013 are set forth below.

Meeting	Date	Agenda	Approval
		Construction of mobile phone facilities for 2013	Approved as proposed
		Construction of transmission network facilities for 2013	Approved as proposed
The 1st meeting of 2013	February 6, 2013	Evaluation of internal accounting controls based on the opinion of the members of the Audit Committee	Approved as proposed
		Review business and audit results for the second half of 2012 and business and audit plan for 2013	
		Report of internal accounting management system	
The 2nd meeting of 2013	February 20, 2013	Report on 2012 IFRS audit	
		Report on review of 2012 internal accounting management system	
		Evaluation of internal accounting management system operation	Approved as proposed
		Agenda and document review for the 29th annual general meeting of shareholders	Approved as proposed
		Auditor's report for fiscal year 2012	Approved as proposed
		IT service management contract for 2013	Approved as proposed

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		Transactions with SK C&C in the second quarter of 2013	Approved as proposed
The 3rd meeting of 2013	March 21, 2013	Plans for financial transactions with affiliated company (SK Securities)	
		Election of chairman	Approved as proposed
		Purchase of maintenance, repair and operations items from Happynarae Co., Ltd.	Approved as proposed
The 4th meeting of 2013	April 24, 2013	Service contract for SK Telecom China Holdings Co., Ltd.	Approved as proposed
		Remuneration for outside auditor for fiscal year 2013	Approved as proposed
		Outside auditor service plan for fiscal year 2013	Approved as proposed
		Audit plan for fiscal year 2013	
		Transactions with SK C&C in the third quarter of 2013	Approved as proposed
The 5th meeting of 2013	June 19, 2013	Myshop solution supply agreement with the Company's Thailand branch	Approved as proposed
		Plans for financial transactions with affiliated company (SK Securities)	
The 6th meeting of 2013	July 24, 2013	Construction of mobile phone facilities for 2013	Approved as proposed
		Construction of transmission network facilities for 2013	Approved as proposed
		Report on the 2013 first half IFRS review	

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Transactions with SK C&C in the fourth quarter of 2013

Approved as proposed

The 7th
meeting of 2013

September 25,
2013

Review business and audit results and business and audit plan for
2013

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

Table of Contents**3. Shareholders Exercise 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 held in 2003.

Articles of Incorporation	Description
Article 32 (3) (Election of Directors)	Cumulative voting under Article 382-2 of the Korean Commercial Code will not be applied for the election of directors.
Article 4 of the 12 th Supplement to the Articles of Incorporation (Interim Regulation)	Article 32 (3) of the Articles of Incorporation shall remain effective until the day immediately preceding the date of the general meeting of shareholders held in 2003.
Also, neither written or electronic voting system nor minority shareholder rights is applicable.	

4. Affiliated Companies**A. Capital Investments between Affiliated Companies**

(As of September 30, 2013)

Investing company	Invested companies									
	SK Corporation	SK Innovation	SK Energy	SK Global Chemical	SK Telecom	SK Networks	SKC	SK E&C	SK Shipping	SK Securities
SK Holdings		33.4%			25.2%	39.1%	42.5%	40.0%	83.1%	
SK Innovation			100.0%	100.0%						
SK Energy										
SK Global Chemical										
SK Networks										
SK Telecom										
SK Chemicals						0.02%		25.4%		
SKC										
SK E&C										
SK Gas										
SK C&C	31.8%									10.0%
SK E&S										
SK Communications										
SK Broadband										
SK D&D										
SK Continental										
E-Motion										
SK Lubricants										
SK Shipping										
SK Planet										
SK Hynix										
Ko-one Energy										
SK Seentec										

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Total affiliated companies	31.8%	33.4%	100.0%	100.0%	25.2%	39.2%	42.5%	65.4%	83.1%	10.0%
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Investing company	Invested companies									
	SK E&S	SK Gas	DOPCO	CCE	YN Energy	Ko-one Energy Service	Entis	SK Telink	Busan City Gas	Jeonnam City Gas
SK Holdings	94.1%									
SK Innovation			41.0%							
SK Energy										
SK Global Chemical										
SK Networks										
SK Telecom								83.5%		
SK Chemicals		45.5%					50.0%			
SKC										
SK E&C										
SK Gas										
SK C&C	5.9%									
SK E&S				100.0%	100.0%	99.9%			40.0%	100.0%
SK Communications										
SK Broadband										
SK D&D										
SK Continental E-Motion										
SK Lubricants										
SK Shipping										
SK Planet										
SK Hynix										
Ko-one Energy Service										
SK Seentec		10.0%								
Total affiliated companies	100.0%	55.5%	41.0%	100.0%	100.0%	99.9%	50.0%	83.5%	40.0%	100.0%

Investing company	Invested companies									
	Gangwon City Gas	JBES	M & Service	SK Wyverns	Infosec	Happynarae	SK Telesys	Gimcheon Energy	F&U Credit Info	Hanam Energy Service
SK Holdings										
SK Innovation							42.5%			
SK Energy										
SK Global Chemical										
SK Networks										
SK Telecom				100.0%			42.5%		50.0%	
SK Chemicals										
SKC								50.0%		
SK E&C										
SK Gas							5.0%			
SK C&C					100.0%		5.0%			
SK E&S	100.0%	100.0%						80.0%		
SK Communications										
SK Broadband										
SK D&D										
SK Continental E-Motion										
SK Lubricants										
SK Shipping										
SK Planet			100.0%							
SK Hynix										
Ko-one Energy Service										100.0%
SK Seentec										

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Total affiliated companies	100.0%	100.0%	100.0%	100.0%	100.0%	95.0%	50.0%	80.0%	50.0%	100.0%
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Investing company	Invested companies										
	SK D&D	Natruck	Loen Entertainment	Spur	Med Motor	SK Mobile Energy	SK Petrochemical	SK Communication	SK Planet	SKC Air Gas	SKN service
SK Holdings											
SK Innovation						100.0%					
SK Energy		100.0%									
SK Global Chemical							100.0%				
SK Networks					100.0%						86.5%
SK Telecom									100.0%		
SK Chemicals											
SKC										80.0%	
SK E&C	40.4%										
SK Gas											
SK C&C											
SK E&S											