

SK TELECOM  
ANNUAL REPORT  
2008  
**INFINITE  
POSSIBILITY**

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# PUSHING THE BOUNDARIES

As the limitless digital lifestyle breaks through the boundaries of time and space, SK Telecom is blazing the path to our customers’ future. We are shaping the ultimate customer experience by harnessing boundless possibilities. As we move forward, we are always focused on our customers’ needs today... and tomorrow.

**AROUND THE WORLD,  
SK TELECOM  
PROVIDES  
SOPHISTICATED**

**INFINITY TO TALK**

**MOBILE AND  
WIRELESS  
SERVICES THAT PUT  
CUSTOMERS FIRST**



AROUND THE WORLD,  
SK TELECOM  
PROVIDES  
SOPHISTICATED

INFINITY TO CONNECT

MOBILE AND  
WIRELESS  
SERVICES THAT PUT  
CUSTOMERS FIRST

#### LET YOUR VOICE STAND OUT

One way or another, it's all about connection, and SK Telecom sets benchmarks and points the way. The leader in seamless, next-generation wireless tools and services, SK Telecom has revolutionized lives, families and daily routines, putting callers instantly in touch wherever they may roam and providing data services at their fingertips, day and night. We continuously work to enhance options and improve the quality of our communications to energize our customers' fast-paced lives. As mobile technology services become ever more advanced, SK Telecom's wireless services promote communications with complete convenience, whether for connecting people, sharing information or fulfilling advanced business needs. These are connections you can always count on.



**WITH RICH  
AND DIVERSE  
CONVERGENT  
SERVICES,**

**INFINITY TO HEAR**

**SK TELECOM  
OFFERS UNRIVALED  
ACCESS AND  
IRRESISTIBLE CHOICES**



WITH RICH  
AND DIVERSE  
CONVERGENT  
SERVICES,

INFINITY TO

SK TELECOM  
OFFERS UNRIVALED  
ACCESS AND  
IRRESISTIBLE CHOICES

ENJOY

#### CREATE A SOUNDTRACK FOR LIFE

With superior convergent and content services, SK Telecom is spearheading the wireless way of life. We were first in the world to launch a ubiquitous online music service, MelOn, in 2004. With the acquisition of LOEN Entertainment in 2005, SK Telecom amplified the music market to a higher volume. Today, MelOn subscribers have access to an extraordinary selection of music services, which they can stream or download to play on mobile phones, digital audio players, portable media players or PCs. We also introduced the world's first Satellite Digital Multimedia Broadcasting (S-DMB) service by launching TU Media in 2003. Today, nearly 2 million subscribers view satellite TV broadcasts on portable handsets or via in-vehicle terminals. After customers tune in with their choice of a personal entertainment player, SK Telecom provides a full array of other mobile services, such as mobile blogging, 3D games, movies, instant mobile messaging and m-finance. Just log on and go with your flow.



**WITH VISIONARY  
TECHNOLOGY AND  
FAR-SIGHTED  
LEADERSHIP,**

**INFINITY TO SEE**

**SK TELECOM  
CAN  
PICTURE THE  
NEXT FRONTIER**



WITH VISIONARY  
TECHNOLOGY AND  
FAR-SIGHTED  
LEADERSHIP,

INFINITY TO

SK TELECOM  
CAN  
PICTURE THE  
NEXT FRONTIER

ENVISION

**CATCH THE VIEW IN VIBRANT COLOR**

SK Telecom's groundbreaking new technologies deliver sharp and high-definition video streaming as well as large-scale data transmission in an instant. With more than 9 million WCDMA subscribers, SK Telecom has been significantly expanding its WCDMA service offerings with full-featured mobile video services such as i's box, or UCC uploading, editing and streaming, and real-time live TV. We have literally changed the view on video communications, providing reliable and high-speed downloads and connections for video telephony, video conferencing, Internet video services and more. Forget all that channel surfing. Just watch.



**HANDS-ON AND  
READY FOR  
THE FUTURE,**

**INFINITY TO FEEL**

**SK TELECOM IS  
PIONEERING  
THE UBIQUITOUS LIFE**



HANDS-ON AND  
READY FOR  
THE FUTURE,

INFINITY TO

SK TELECOM IS  
PIONEERING  
THE UBIQUITOUS LIFE

TOUCH

#### IN TOUCH WITH INNOVATION

An international leader in mobile telecommunications, SK Telecom is meeting the challenges of the converging environment. We introduced the world's first commercial HSDPA network and its always-on, high-speed data transmission services. SK Telecom is pioneering cutting-edge technologies that turn tomorrow's visions into today's possibilities. We have won consumer satisfaction awards for 11 St, our online shopping innovation, which seamlessly links wired and wireless services. We have enhanced mobile financial transactions with T cash, a convenient payment system. And we are creating dramatic options for the ubiquitous or U-City life. SK Telecom is fulfilling the promises of our mobile future.



**WITH SPIRIT  
AND  
DETERMINATION,  
SK TELECOM IS**

**INFINITY TO YOU**

**SETTING STANDARDS  
AND CREATING  
HAPPINESS  
FOR ALL**



WITH SPIRIT  
AND  
DETERMINATION,  
SK TELECOM IS

INFINITY TO

SETTING STANDARDS  
AND CREATING  
HAPPINESS  
FOR ALL

SK TELECOM

PERSONALIZED FOR EACH AND EVERY CUSTOMER

For over two decades, SK Telecom has been dedicated to shaping a future in which dreams become realities. We believe in doing business at the center of the global telecommunications revolution. With a clear vision of the coming world of convergent technologies and with innovative offerings that provide ubiquitous and customer-first services, SK Telecom is transforming the ways people work, play, connect and build community. We are transcending the limits of the mobile lifestyle. And we are delighted to share the resulting joy and happiness with our global customers.



FINANCIAL HIGHLIGHTS

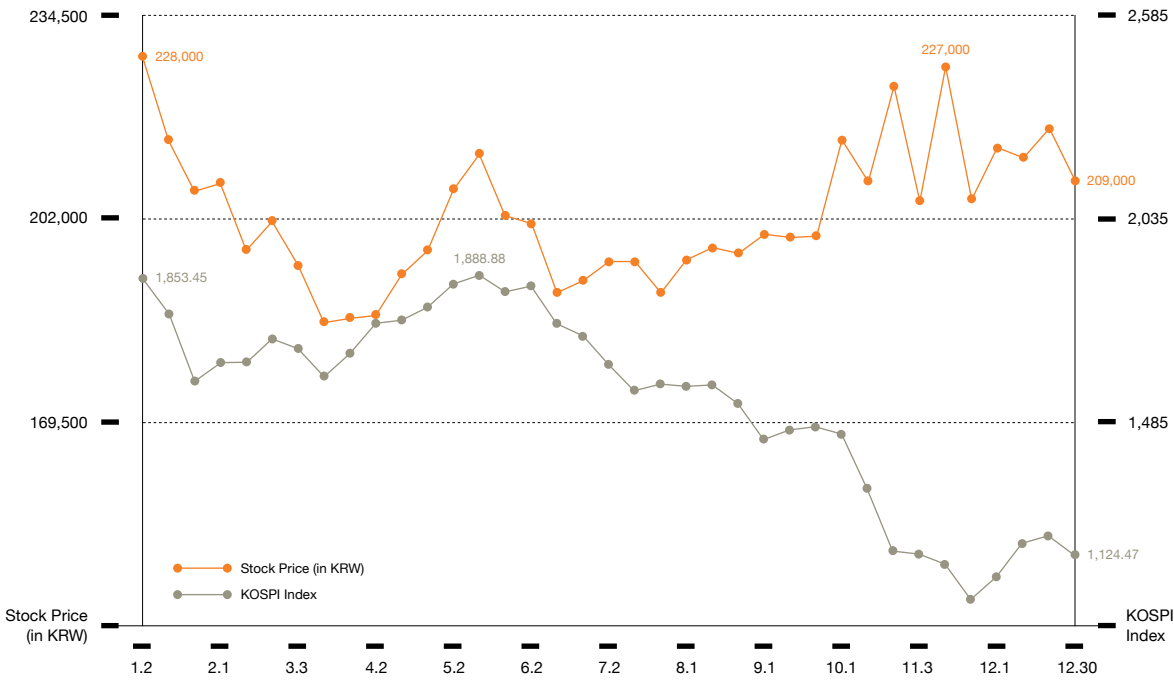
FINANCIAL  
HIGHLIGHTS

2008 FINANCIAL HIGHLIGHTS

		In billions of KRW	
	2008	2007	2006
Operating Results			
Revenue	11,674.7	11,285.9	10,651.0
EBITDA <sup>(1)</sup>	4,003.3	4,023.8	4,231.9
Net income	1,277.7	1,642.5	1,446.6
Balance Sheets			
Total assets	18,617.5	18,132.5	15,814.1
Cash & marketable securities	902.3	1,388.8	968.4
Total liabilities	7,888.5	6,705.6	6,507.6
Interest-bearing debt	4,442.4	2,876.2	2,976.6
Shareholders' equity	10,729.0	11,426.9	9,306.4
Financial Ratios (%)			
EBITDA margin	34.3	35.7	39.7
Net income margin	10.9	14.6	13.6
Debt-to-equity ratio <sup>(2)</sup>	41.4	25.2	32.0

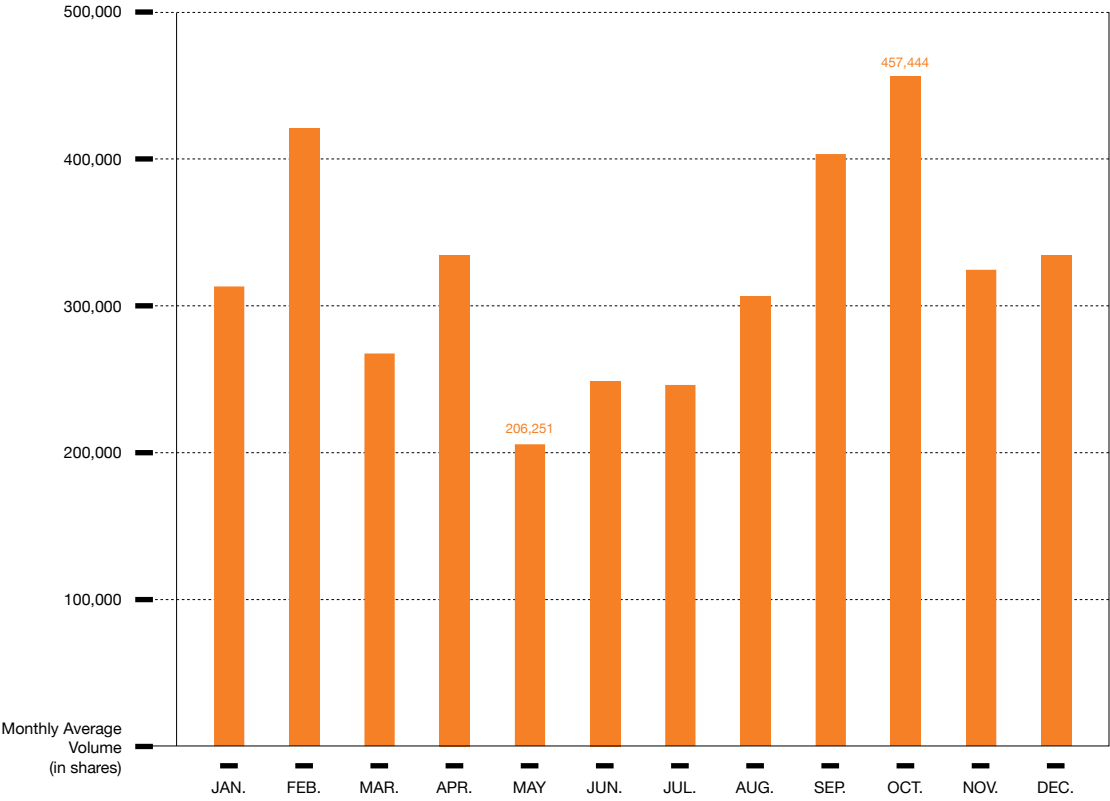
(1) EBITDA = Operating income + Depreciation + R&D related depreciation within the R&D expense  
(2) Debt-to-equity ratio = Interest-bearing debt / Shareholders' equity

2008 SK TELECOM STOCK PRICE



SK TELECOM  
ANNUAL REPORT  
2008

2008 SK TELECOM STOCK TRADING VOLUME





I WOULD LIKE TO EXTEND  
MY DEEPEST APPRECIATION  
TO OUR SHAREHOLDERS FOR  
THEIR UNWAVERING SUPPORT  
AND ENCOURAGEMENT OF  
SK TELECOM DESPITE  
THE SEVERE ECONOMIC  
CONDITIONS AT HOME AND  
ABROAD.

LETTER TO  
SHAREHOLDERS

EVEN IN THE CHALLENGING  
ENVIRONMENT, WE INTEND  
TO BUILD ON OUR MOMENTUM,  
ACCELERATING OUR  
CONVERGENT WIRED  
AND WIRELESS SERVICE  
BUSINESSES AND EXPANDING  
OUR INITIATIVES FOR  
GLOBALIZATION.

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Man Won Jung  
President and CEO

SK TELECOM  
ANNUAL REPORT  
2008



This year, amid the fierce competition and unpredictable shifts in the business climate, SK Telecom achieved record-setting performances of KRW 11.67 trillion in revenue and 23 million subscribers at the end of 2008. In Korea, we completed the acquisition of SK Broadband and launched full-scale options for bundled products, thereby becoming both a wired and a wireless communications service provider positioned for the coming convergence market. We also expanded our wired and wireless portal services, including film, music, online games and e-commerce sectors. In global markets, we have strengthened our relationship with China Unicom in China and broadened our subscriber base in Vietnam, thus setting the stage for future international growth. We could not have achieved these successes without the consistent interest and encouragement of our shareholders. I would like to once again thank our valuable shareholders for their generous support of the company.

**SK TELECOM IS COMMITTED TO GROWING THE COMPANY AND TO ENHANCING SHAREHOLDER VALUE.**

In 2008, despite the tumultuous financial markets and difficult economic conditions, SK Telecom maintained its shareholder return at the same level as last year. The cash dividend for 2008 earnings is KRW 9,400, which includes the interim dividend of KRW 1,000. Going forward, SK Telecom will continue to pursue growth for the company, which will increase the value of the company. We will further protect shareholder value, which, in turn, will bolster shareholder return. We will do our utmost to balance these two key objectives.

**SK TELECOM IS DEDICATED TO TRANSPARENT MANAGEMENT.**

We consistently work to implement Board-centered transparent management practices and to improve financial transparency and trustworthiness in order to better meet global standards. These companywide initiatives earned SK Telecom the 2008 Award of Excellence in Corporate Governance from the Korea Corporate Governance Service (CGS), an agency established by the Korea Exchange (KRX) to promote high-level corporate governance. SK Telecom is the first Korean conglomerate to win this award for two consecutive years. We also established the Corporate Citizenship Committee, overseen by the Board, as a core part of the company's sustainability management. As a global company, we believe in forward-thinking and responsible corporate citizenship.

**LOOKING AHEAD, WE FORESEE CHANGES IN BUSINESS AND THE COMPETITIVE LANDSCAPE.**


With expectations that this year will be one of the most difficult management environments ever experienced at home and abroad, SK Telecom faces the challenging tasks of survival and growth at the same time. In the midst of the global slowdown and economic depression, we anticipate a range of challenging and complicated management issues as competition in the wired and wireless market intensifies and businesses adjust to new paradigms for telecommunications operators.

**IN 2009, WE WILL SURVIVE BY TRANSFORMING OUR BUSINESS STRUCTURE AND GROW BY FINDING OPPORTUNITIES FOR INNOVATION.**

Amid this changing business environment, SK Telecom will focus on changes in the business structure that are designed to survive any circumstances. At the same time, we will build a management system that can seize appropriate business opportunities at any time. To achieve these goals, first, we will strengthen our basic resources and capabilities. Second, we will sharpen our competitive edge in our core businesses while expanding the profitable businesses that maximize cash flow. Third, under the strategy called "Select and Focus," we will secure new growth engines by continuing to develop our business portfolio. Lastly, SK Telecom will bolster its Company-in-Company system management to solidify its fundamental business competitiveness.

With expert creativity and passionate spirit, all of us at SK Telecom are dedicated to maximizing customer and shareholder value. We will reinforce management efficiency and hone our corporate competitiveness as we prepare for any and all challenges that may lie in the years ahead.

As always, we are grateful for your continued support and ask for yet another year of your encouragement as we confidently move forward to a convergent and ubiquitous future.

Man Won Jung  
President and CEO  






<div>01.</div> <div>Jae Won Chey</div> <div><ul style="list-style-type: none"><li>Chairman of the Board of Directors, SK Telecom</li><li>Vice Chairman &amp; CEO, SK Holdings</li><li>Vice Chairman &amp; CEO, SK Gas</li><li>Vice Chairman &amp; CEO, SK E&amp;S</li><li>Executive Vice President, Head of Corporate Center, SK Telecom</li><li>Executive Vice President, Head of Strategic Support Division, SK Telecom</li><li>Executive Director &amp; General Manager, IMT2000 Business Committee, SK Telecom</li></ul></div>	<div>03.</div> <div>Sung Min Ha</div> <div><ul style="list-style-type: none"><li>President, MNO Business, SK Telecom</li><li>CFO, Head of Corporate Center, SK Telecom</li><li>CFO, Head of Management Supporting Group, SK Telecom</li><li>CFO, Head of Strategic Planning Group, SK Telecom</li><li>Head of Corporate Planning Office, SK Telecom</li><li>CFO, SK Shinsegi Telecom</li></ul></div>
<div>02.</div> <div>Man Won Jung</div> <div><ul style="list-style-type: none"><li>President, CEO and Representative Director, SK Telecom</li><li>CEO &amp; President, SK Networks ('03~'08)</li><li>Vice President, Internet Business Divisional Group, SK Telecom ('00~'02)</li><li>Vice President, Customer Business Development Group, SK Corporation ('99~'00)</li><li>Vice President, Integrated Network Business, SK Corporation ('96~'99)</li></ul></div>	<div>04.</div> <div>Jae Ho Cho</div> <div><ul style="list-style-type: none"><li>Professor of Finance, College of Business Administration, Seoul National University</li><li>Director, Kyung Hee Foundation</li><li>Visiting Professor, Graduate School of Economics, University of Tokyo</li><li>Managing Director, Seoul National University Foundation</li><li>Advisory Committee Member, Samsung Securities</li><li>Securities Investigation Committee, Financial Supervisory Service</li></ul></div>



<div>05.</div> <div>Jay Young Chung</div> <div><ul style="list-style-type: none"><li>Professor, Graduate School of Business Administration, Sungkyunkwan University</li><li>Chief, Asia-Pacific Economics Association</li><li>Vice-President, Sungkyunkwan University</li><li>Independent Non-Executive Director, POSCO</li></ul></div>	<div>07.</div> <div>Dal Sup Shim</div> <div><ul style="list-style-type: none"><li>Auditor, Korea Technology Investment Corp.</li><li>Senior Visiting Fellow, Institute for Global Economics</li><li>Chief Audit Executive, Korea Credit Guarantee Fund</li><li>Counselor for Finance and Economy, Embassy of the Republic of Korea in the United States of America</li><li>Director General, Customs Bureau, Ministry of Finance and Economy</li></ul></div>
<div>06.</div> <div>Hyun Chin Lim</div> <div><ul style="list-style-type: none"><li>Dean, College of Social Sciences, Seoul National University</li><li>President, Korean Association of Political Sociology</li><li>Adjunct Professor, Asian Pacific Studies Institute, Duke University</li><li>President, Korean Association of NGO Studies</li><li>President, Korean Sociological Association</li></ul></div>	<div>08.</div> <div>Rak Yong Uhm</div> <div><ul style="list-style-type: none"><li>Visiting Professor, Graduate School of Public Administration, Seoul National University</li><li>Independent Non-Executive Director, Tong Yang Insurance Co., Ltd.</li><li>Non-Standing Director, KOTRA</li><li>President, Korea Development Bank</li><li>Vice Minister, Ministry of Finance and Economy</li><li>Commissioner, Korea Customs Service</li></ul></div>

- Current Position
- Other Principal Directorship & Positions
- Business Experience



# CORPORATE GOVERNANCE

The Board has eight directors, five of whom are independent and from outside the company. Board members evaluate overall management activities and provide strategic guidance for future business development. To enhance a transparent and efficient decision-making system, SK Telecom has established five sub-committees within the Board: the Audit Committee, the Independent Director Recommendation Committee, the CapEx Review Committee, the Compensation Committee and the Corporate Citizenship Committee.

**AUDIT COMMITTEE**

This committee is responsible for appointing independent auditors, defining the scope of their services and evaluating the independent auditors' reports. It also supports management in maximizing company value through checks and balances.

**INDEPENDENT DIRECTOR RECOMMENDATION COMMITTEE**

This committee is mandated to provide a list of candidates for independent directors for consideration by the Board. It also helps to promote fairness and transparency in the nomination of the candidates.

**CAPEX REVIEW COMMITTEE**

This committee is responsible for reviewing the capital expenditure budget and any major revisions. It is also required to periodically examine and monitor the execution of CapEx decisions that have already been made.

**COMPENSATION COMMITTEE**

This committee oversees the overall compensation plan for top-level executives and directors. It is responsible for reviewing both the criteria and levels of their compensation packages.

**CORPORATE CITIZENSHIP COMMITTEE**

This committee promotes support for the company's various Corporate Social Responsibility (CSR) activities, including social welfare activities; ethics management; win-win partnerships with business partners; and environment-friendly management. It will also help to improve corporate capabilities for sustainability management.

SK Telecom has enthusiastically established a global standard of corporate governance, operating within a structure whose focal point is the Board of Directors. This enhances the transparent and sound management practices that maximize our shareholder and overall corporate value.

The Board of Directors plays a pivotal role in corporate governance. As of March 2009, the Board has eight directors, five of whom are independent and from outside the company. We have five sub-committees within the Board: the Audit Committee, the Independent Director Recommendation Committee, the CapEx Review Committee, the Compensation Committee and the Corporate Citizenship Committee.

In 2008, these sub-committees met 18 times to discuss major corporate agendas. In terms of independence, our Board has a 63% ratio of independent directors, far above the average of comparable companies in Korea. We believe our efforts to increase transparency in management will enhance the objectivity and expertise of the Board, and will result in further improvements in corporate governance.

The Corporate Governance Service (CGS), a nonprofit organization established under the Korea Exchange, granted its 2008 Award of Excellence in Corporate Governance to SK Telecom for the second consecutive year. Previously, in 2005 and 2006, the company won Awards of Distinction in Corporate Governance from the CGS. The organization's comprehensive evaluation criteria includes: shareholder-oriented management; the board of directors; fair disclosure; the audit committee; and the allocation of profits. The CGS awards continue to recognize SK Telecom's work to enhance corporate governance with such efforts as reinforcing Board-oriented management; increasing transparency in accounting and credibility in financial information; and introducing an audit process in order to guard against insider trading.



	<div>Teamed with the largest record company in China</div> <div>SK Telecom signed an investment agreement with Taihe &amp; Rye Music (TR Music), China's largest record company, to enter one of the largest music markets in the world and to create strong synergy with its mobile telecommunications and convergence businesses. SK Telecom will participate in the management of the company as an equal majority shareholder, with a 42.4% stake.</div> <div>Founded mobile financial services company with Citi</div> <div>SK Telecom and Citi launched Mobile Money Ventures, a San Francisco-based joint venture company, to develop mobile financial services and technologies that will deliver greater functionality, speed and convenience to consumers worldwide.</div> <div>Supported full-browsing service</div> <div>SK Telecom developed advanced wireless services to support improved full-browsing and Web viewer capabilities on large touchscreen handsets.</div> <div>Offered competitive data roaming rates in Asia</div> <div>SK Telecom introduced data roaming flat-rate discount plans that were up to 85% cheaper for access to the wireless Internet through its membership in the Bridge Mobile Alliance (BMA), which consists of 11 major mobile operators in Asia and Australia.</div>	<div>Advanced into Chinese online game market</div> <div>After acquiring a 30% stake in Magic Tech Network, the Hong Kong-based company of Magicgrids Networks in Shanghai, SK Telecom advanced into the Chinese online game market and is poised to establish a strong foothold in the Asian market. The company continues to expand its convergence businesses in China.</div> <div>Earned 2008 Frost &amp; Sullivan ICT Award</div> <div>In recognition of the company's innovative mobile-based gift coupon service, Gifticon, SK Telecom won the 2008 Frost &amp; Sullivan Asia Pacific Information and Communications Technology (ICT) Award for Most Innovative Application/Product of the Year. Using Gifticon, customers can conveniently send gifts via PC, IM or mobile phone anytime and anywhere. Digital messages can be sent along with the gifts.</div> <div>Signed MOU with the Chinese government</div> <div>With the goal of creating a landmark in Beijing by 2013, SK Telecom signed a Memorandum of Understanding with the Chinese government to jointly build an International Digital Content and Industrial Design Complex in cooperation with companies such as SK Engineering &amp; Construction and SK C&amp;C.</div>
JANUARY	MARCH	MAY
FEBRUARY	APRIL	JUNE
<div>Acquired telematics business in China</div> <div>SK Telecom acquired a controlling stake of 65.53% in Chinese GPS company ShenZhen E-Eye High Tech, to enter China's telematics market. Plans include developing, manufacturing and distributing GPS handsets and platforms while offering GPS services.</div> <div>Entered integrated e-commerce market</div> <div>Dramatically combining e-commerce and advanced mobile technologies, SK Telecom launched 11 St, a new-concept online marketplace available via both wired and wireless Internet that enables users to purchase products and share shopping tips with other shoppers.</div>	<div>Achieved top rank in NCSI for 11 years in a row</div> <div>The company was ranked No. 1 in customer satisfaction in the National Consumer Satisfaction Index (NCSI) for the eleventh consecutive year.</div> <div>Encouraged subscriber retention</div> <div>SK Telecom introduced mandatory contracts, handset installment programs and family discount plans to encourage subscriber loyalty. The family discount plan allows cost-effective calling among family members while enhancing subscriber retention after offering greater on-net discounts.</div> <div>Unveiled USIM-based mobile banking service</div> <div>In collaboration with Shinhan Bank, SK Telecom introduced USIM-based mobile financial service to its WCDMA subscribers. Customers can use the mobile banking service by inputting personal banking information onto a USIM chip, then inserting the chip into the phone and downloading software.</div>	<div>Won Award of Excellence in Corporate Governance for two consecutive years</div> <div>The Korea Corporate Governance Service (CGS) gave its 2008 Award of Excellence in Corporate Governance to SK Telecom for the company's continuous efforts to improve corporate governance and protect shareholder value.</div> <div>Awarded Order of Amicable Relations by Vietnamese government</div> <div>SK Telecom received the most prestigious medal awarded to foreigners by the Vietnamese government for the company's social contributions to the country, which include free surgeries for nearly 2,700 children with facial deformities, information technology education programs and other social contributions.</div> <div>Set global standard for telematics technology</div> <div>The Java Community Process Board adopted SK Telecom's mobile telematics technology, which enables remote-control automotive functions by mobile phone, as the global standard for Java-based telematics technology. The technology is the first of its kind and the company will hold exclusive copyright.</div> <div>Became the second-largest shareholder of Virgin Mobile USA</div> <div>In exchange for full Helio shares and a strategic investment of USD 25 million, SK Telecom became the second-largest shareholder of Virgin Mobile USA, with a 17% stake. With this agreement, SK Telecom gained two seats on Virgin Mobile USA's Board.</div>

	<div>Ranked No. 1 in KCSI for eleven consecutive years</div> <div>The Korea Management Association Consulting has ranked SK Telecom as No. 1 in the Korean Customer Satisfaction Index (KCSI) in the Wireless Telecommunications category for eleven years in a row. KCSI rankings are based on one-on-one interviews about issues such as customer satisfaction and renewal intentions in six metropolitan areas.</div> <div>Ranked No. 1 in KS-SQI for nine consecutive years</div> <div>The Korean Standards Association has ranked SK Telecom as No. 1 in the Korean Standard Service Quality Index (KS-SQI) in the Wireless Telecommunications category for nine years in a row. Only two other companies have ever earned such a distinction. As a result, SK Telecom has earned the highest satisfaction rates from Korea's three most reliable indexes in 2008.</div> <div>Recognized for excellence in global sustainability</div> <div>SK Telecom was chosen as a member of the 2008 Dow Jones Sustainability Index (DJSI) for its excellence in fulfilling social, ethical and environmental responsibilities, a first among Korean telecommunications companies.</div>	<div>Launched mobile payment service in the global market</div> <div>In partnership with Korea Smart Card, Visa Card and TMONET, SK Telecom introduced a mobile payment service. After installing transportation card functionality on a USIM card for mobile phones, customers can pay either online or offline for a range of purchases, including public transportation. As part of the agreement, SK Telecom will also provide services to international transportation card companies. Four companies have agreed to use the technology, which is the most advanced in the world for transportation cards.</div> <div>Introduced T Video Customer Center</div> <div>To enhance customer satisfaction and reduce counseling time, SK Telecom launched the T Video Customer Center, a service that supplements customer assistance calls with counseling-related texts, video and documents sent directly to the customer's mobile screen.</div> <div>Expanded mobile T money usage online</div> <div>Expanding T money service, SK Telecom collaborated with Korea Smart Card and TMONET to offer USIM-based Internet shopping at 11 St, Cyworld and Mnet. Customers now can send T money gifts to friends and family. T cash was launched in 2009.</div>
JULY	SEPTEMBER	NOVEMBER
AUGUST	OCTOBER	DECEMBER
<div>Launched wired and wireless bundled products</div> <div>SK Telecom, allied with SK Broadband, introduced wired and wireless bundled products, with 10% to 50% discounts on mobile phone and broadband service fees. The two product types are a family plan with 10% to 50% discounts for up to five-member families, depending on the past length of their contract, and a single subscriber plan with a 10% discount.</div> <div>Improved customer protection</div> <div>In partnership with FEELingK, SK Telecom developed a screening system for harmful content that automatically scans and monitors photos. The first of its kind, the system is used by the company to protect customers of i's box, a user-generated online community.</div>	<div>Opened T.um, the world's first mobile communications exhibition center</div> <div>SK Telecom opened its T.um exhibition center at corporate headquarters in Seoul to showcase the evolution and future of the company's advanced mobile technology. T.um, which means "budding" or "burgeoning" in Korean, boasts three exhibition halls, Play Basic, Play Now and Play Dream, in order to display the past, present and future of mobile communications.</div> <div>Expanded mobile financial services worldwide</div> <div>SK Telecom launched the first commercial mobile financial services with Citibank Hong Kong through Mobile Money Ventures, its joint venture with Citi. Buoyed by the growing market of mobile bankers, and by support from telecom operators and handset manufacturers, the company expects its mobile finance technology to quickly take off in the global market.</div>	<div>Won contract from the Ministry of National Defense</div> <div>A consortium led by SK Telecom has won a KRW 300 billion contract from the Ministry of National Defense to upgrade the armed forces' communications network that connects 2,600 different units, and also to manage the networks over the next ten years. This contract positions the company as a strong candidate for other public projects as well.</div> <div>Debuted the BlackBerry in Korean market</div> <div>SK Telecom, in cooperation with Research In Motion (RIM), introduced the BlackBerry smartphone to the Korean market as part of its efforts to fortify its entrance into the enterprise market.</div>



# BUSINESS OVERVIEW MNO

## 01

BUSINESS  
OVERVIEW  
MNO

SK TELECOM  
ANNUAL REPORT  
2008

### MOBILE NETWORK OPERATOR BUSINESS

Undaunted by intensifying competition or proliferating economic uncertainties, SK Telecom remains a global leader in the mobile telecommunications market. The company holds an impressive 50.5% market share and posted revenue of KRW 11.67 trillion during 2008. Its success is fueled by differentiated customer experiences, competitive brand communications and excellent network quality. SK Telecom also strengthened its network infrastructure by efficient use of resources and by delivering reliable network quality as its WCDMA subscribers expanded. A secure network foundation is the driving force in the company's pioneering efforts in the technological evolution of wireless telecommunications.



# MARKETING

In 2008, SK Telecom consolidated its position as a Multi-Network Operator, attaining 23 million customers and a 50.5% market share, thereby establishing the platform for sustainable growth. We also strengthened the competitiveness of our T brand, handsets, service and pricing plans. In recognition of its outstanding quality, SK Telecom has consistently won first-place awards in customer satisfaction surveys and has been ranked No. 1 in the National Customer Satisfaction Index (NCSI) for twelve consecutive years, including 2009.

MARKET SHARE



### BUILDING SUSTAINABLE GROWTH

As the undisputed leader in Korea's mobile telecommunications market, SK Telecom has maintained a 50.5% market share and set the stage for future growth, despite rising competition for WCDMA customers. As of December 2008, SK Telecom has secured 23 million subscribers, including 8.24 million WCDMA subscribers, and posted revenue of KRW 11.67 trillion.

### SHARPENING THE COMPETITIVE EDGE IN THE CONVERGED TELECOMMUNICATIONS MARKET

In the converged telecommunications market, SK Telecom expects to leverage its acquisition of SK Broadband to increase customer value with differentiated services. Such synergies will result in continued improvements of mid- to long-term growth and profitability, driven by customer-oriented wireless Internet content, innovative handsets, a variety of pricing plans and more competitive offerings from the T brand and distribution network. We will also improve our market leadership in the WCDMA market by honing our competitive edge. Overall, SK Telecom will continue to solidify its position as a Multi-Network Operator in the mobile telecommunications market in 2009.

### INTRODUCING CUSTOMER EXPERIENCE MANAGEMENT (CEM)

Always committed to improving customer value, SK Telecom is establishing Customer Experience Management (CEM), an orientation that focuses on "differentiation as recognized by customers." By building positive customer experiences and diminishing negative ones, CEM creates customer value, ultimately differentiating its products and services and turning them into consistently compelling experiences that transform customers into "fans." Innovative strategies and efficient implementation processes support the goal of customer-centered Best Experience. To that end, we are introducing the Customer Experience Index (CEI), which extracts and measures elements of customer-based differentiated experiences. The rewards of implementing CEM will be increased customer retention, greater cost efficiencies and improved customer value, all of which will give us a competitive advantage. SK Telecom intends to solidify its leadership as the market matures and competition intensifies.

# NETWORK

With mobile telecommunications networks evolving and SK Telecom simultaneously running multiple networks, network balance has become ever more important. In response, SK Telecom is maintaining an ideal network portfolio that can ensure multi-network optimization. We are dedicated to offering advanced mobile communications and services that secure our leadership in Korea's mobile telecommunications business.



### OPTIMIZING NETWORK COMBINATION BY BALANCING THE NETWORK PORTFOLIO

A standout pioneer in mobile technology and services, SK Telecom was the first in the world to commercialize CDMA in 1996, and, a decade later, the world's first to commercialize HSDPA. In 2007, we completed nationwide WCDMA network coverage, and in 2008, introduced the WiBro Wave2 network, reinforcing our high-speed wireless data network. In 2009, SK Telecom will establish a higher quality multi-network and enhance its coverage and optimization. Looking ahead, we will phase in the expansion of HSUPA and WiBro Wave2 and provide network services for more diverse offerings that are customized for the convergent and ubiquitous telecommunications market.

### CREATING A CUSTOMER-FIRST WCDMA NETWORK

After deploying its nationwide WCDMA network in 2007, SK Telecom achieved outstanding call quality that equaled CDMA within two years. As of December 2008, the company attracted 8.24 million WCDMA subscribers. In 2009, SK Telecom will pursue operational efficiencies via network optimization. With optimized links between CDMA and WCDMA networks, we will enhance the customer experience by offering new handsets and diverse value-added services.

### SECURING THE GROWTH OF WIBRO SERVICES

Currently the international 3G standard, WiBro is designed to meet customer demands for high-speed data access. It offers distinct advantages in the migration toward mobile technology's next major advance, thanks to the introduction of OFDMA technology as a basis for 4G technology. Through 2009, SK Telecom plans to deliver wider WiBro coverage in 84 cities, especially for densely populated areas. We are poised to grow in the WiBro market.

### PIONEERING NETWORK TECHNOLOGY

SK Telecom is dedicated to developing next-generation technology solutions. We were the world's first to commercialize mobile telecommunications systems, such as IS-95A/B, CDMA 2000 1X EV-DO and HSDPA. We are currently upgrading existing HSDPA/HSUPA networks and developing network evolution technologies such as Long Term Evolution (LTE) and System Architecture Evolution (SAE). In addition, we are developing networks to enable the timely launch of customer-oriented new products and convergence services. The networks boost our competitive edge in services and in creating customer value. Going forward, along with advancing current mobile telecommunications, we will sharpen our focus on R&D into fixed-mobile telecommunications and broadcasting convergence. With strategic mid- and long-term R&D and companywide global collaboration, we will continuously increase our competitive advantages in the MNO business. We will also continue to explore sources for future growth.



# Global Roaming

To meet customer needs, SK Telecom is continuously expanding its global roaming services while building strategic international partnerships. As of 2008, the company’s global roaming services are available in 165 countries, and we offer coverage in 90% of the world.

## ROAMING COVERAGE



### STRENGTHENING OUR GLOBAL ROAMING SERVICES

SK Telecom offers a wide variety of global roaming services, such as CDMA automatic roaming, WCDMA automatic roaming, GSM automatic/rental roaming, Internet roaming and more. As of 2008, the company provided CDMA automatic roaming service in 21 countries, WCDMA automatic roaming service in 62 countries, and GSM automatic/rental roaming service in 165 countries. SK Telecom plans to further expand its global roaming service coverage and provide additional services, such as prepaid roaming, while broadening its customer base.

### UPGRADING GLOBAL ROAMING SERVICES

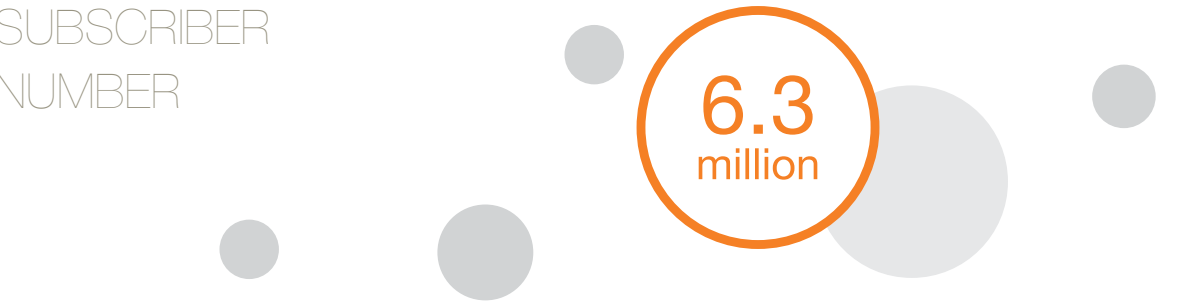
Last year, SK Telecom enhanced customer convenience by launching automatic dial roaming, which allows customers in overseas countries to call Korea without dialing international access numbers or country codes. We have also improved roaming services for a more convenient and safe roaming experience by streamlining and reducing international SMS rates, and improving the tariff charge system for wireless Internet usage. Building upon our global alliances, SK Telecom plans to develop co-marketing programs that offer customers greater convenience and benefits.

SK Telecom increased roaming service quality and customer value with key strategic alliances. In February 2007, the company enhanced its competitive position for 3G global roaming services by joining the Bridge Mobile Alliance (BMA), Asia Pacific’s leading mobile alliance. Spanning 11 major territories with more than 200 million subscribers, the Alliance has partnerships with 11 leading mobile operators, including SingTel (Singapore), Maxis (Malaysia), Bharti Airtel (India), CSL (Hong Kong), Telkomsel (Indonesia) and others.

# Expanding into new markets with subsidiaries

Building upon our leading mobile telecommunications capability in Korea, SK Telecom is expanding into new markets with its domestic and overseas subsidiaries. With SK Broadband, SK Telink, TU Media, SKT Vietnam and other subsidiaries, we are strengthening our fixed-mobile convergence business capabilities, offering telecommunications-broadcasting convergence services and growing our global MNO business opportunities. By forging strong relationships with subsidiaries, SK Telecom is creating a firm foundation for future growth while providing customers with distinctive services.

## S-FONE SUBSCRIBER NUMBER



### CREATING STRONG SYNERGIES WITH SK BROADBAND AND SK TELINK

In the wave of rapid changes in fixed-mobile consolidation, SK Telecom is benefiting from its close cooperation with fixed-line carriers SK Broadband and SK Telink. Together, the two businesses provide services such as broadband Internet, local and international calling, dedicated corporate calling, VoIP and IPTV. SK Telecom is actively driving growth in this market by deepening customer value and loyalty and by providing competitive bundled products.

### COLLABORATING CLOSELY WITH TU MEDIA

Responding to the fast-moving trend toward telecommunications-broadcasting convergence, SK Telecom is closely cooperating with affiliates for convergence R&D and service development. The cooperation creates synergistic opportunities between SK Telecom’s businesses and affiliated media such as TU Media’s satellite DMB as well as SK Broadband’s IPTV. By bundling differentiated services of telecommunications and media, we are building our foundation for future growth.

### GROWING WITH S-FONE IN VIETNAM

Offering strong growth potential, Vietnam has a mobile phone penetration rate of 72% of its 87.7 million population, or 63 million subscribers. In 2008, SK Telecom’s S-Fone brand in Vietnam increased subscribers to 6.3 million, up from 3.5 million in 2007. S-Fone now is the country’s fourth-largest mobile network operator, garnering 10% of all subscribers. In 2009, S-Fone will ramp up marketing activities to further increase subscribers, revenue and profit.



# BUSINESS OVERVIEW C&I 02

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## CONVERGENCE AND INTERNET SERVICES

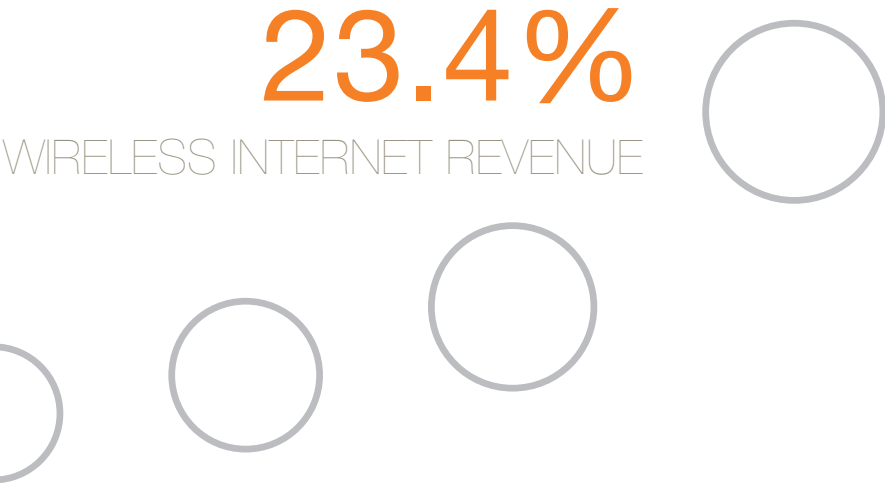
SK Telecom continues to grow its convergence and Internet businesses by providing groundbreaking services and timely, compelling content. Strategically positioned for the convergence world of tomorrow, we are moving forward as a global new media leader, equally adept at delivering limitless entertainment, enterprise support or convergent services that easily transcend time and space.



SK Telecom continues to develop its future growth engines by creating technology-based innovative services and business models. We offer seamless, round-the-clock services and content for customers to create, learn and interact. In 2008, our fixed and wireless Internet services brought in KRW 2.4 trillion, accounting for 23.4% of total service revenue. By consistently exceeding customer demands and providing state-of-the-art convergence services, SK Telecom is evolving into a top-ranked new media carrier for the age of telecommunications-broadcasting convergence.



To support this move, we have made strategic investments in our offerings for music, video, film, game, e-commerce and more. We are also continuing to raise the bar for convergence and Internet technology, developing initiatives that push the boundaries and lead to new, more advanced technology. By satisfying customers and creating breakthroughs in technology and services, SK Telecom will aggressively move into overseas markets and secure its position as a Global Convergence Leader.



**ADVANCING THE FIXED AND  
WIRELESS INTERNET LIFESTYLE**

SK Telecom is committed to providing topnotch customer experiences in wireless and fixed Internet services. We are enhancing the digital lifestyle with an array of new services, such as i Topping, the widget service for a mobile phone's standby screen; location-based T map services; mobile-customized Tossi blog services; and more. Such personalized services can be conveniently accessed via SK Telecom NATE, the largest wireless Internet portal in Korea. In the realm of fixed Internet services, SK Telecom enables its customers to enjoy communications through Korea's largest social networking service, Cyworld, and instant messenger service, NateOn. Moving forward, we will continue to develop fixed-mobile convergence services that enhance our customers' Internet lifestyles.

**BECOMING A NEW MEDIA CARRIER  
FOR MUST-HAVE CONTENT**

As telecommunications and broadcasting technologies converge, the company is actively exploring projects to strengthen its existing businesses and leverage opportunities. New initiatives in music, video, film and game content are furthering our stance as a major new media carrier. In music, SK Telecom provides MelOn, the largest digital music service in Korea, on its own music site through affiliate LOEN Entertainment. The company is energetically developing its mobile video market by managing investments in movies and by entering the movie distribution business. We have also quickly entered the fast-growing online game industry by developing a game publishing business. These efforts showcase SK Telecom's commitment to developing dramatic and high-caliber entertainment content businesses, including music, video, movies and games. Building on this business portfolio, we will continue to broaden our services to meet customer needs.

**SURPASSING CUSTOMER EXPECTATIONS**

With convergence services such as the mobile gift-giving service Gifticon, online open market 11 St, T cash and more, SK Telecom continues to surprise and satisfy customers with its full range of innovative offerings. Mobile gift services of Gifticon have sparked a new culture of gift-giving among families, corporations and friends. Its groundbreaking nature was recognized at the 2008 Frost & Sullivan Asia Pacific ICT Awards, which called Gifticon the "most innovative" service of 2008. The online shopping experience of 11 St, which provides differentiated customer values such as a counterfeit

indemnity program, has quickly grown into a mainstream service, topping the 2008 Korean Standard Service Quality Index for customer satisfaction. T cash, another fast-growing service, attracted more than 50,000 subscribers within 15 days of its launch. Its easy-to-use payment system, which offers public transportation as well as offline and e-commerce purchase payment functionality embedded into a handset, is attracting an increasing number of customers. Looking ahead, SK Telecom intends to launch additional convergence services based on customer needs in order to further enhance customer satisfaction and convenience.

**ACCELERATING AS A GLOBAL CONVERGENCE LEADER**

Fueled by world-class technologies and a richly diverse experience in its home market, SK Telecom is assembling a portfolio of global convergence businesses in China and the U.S. We have formed a strong alliance with China Unicom under a joint venture investment that will offer mobile content to Chinese customers. In addition, we have acquired ShenZhen E-Eye High Tech, a GPS company, thus securing a competitive advantage in the rapidly growing Chinese telematics market. In the U.S., SK Telecom is partnering with Citi to establish Mobile Money Ventures, a mobile finance platform service provider. In developing Mobile Money Ventures, we are harnessing the mobile financial expertise we honed in Korea, including m-payment, mobile stock trading and coupon issues. By exporting our expertise and leveraging opportunities abroad, SK Telecom is solidifying its position as a Global Convergence Leader.

**SECURING CUTTING-EDGE TECHNOLOGY**

SK Telecom is continuing its efforts to develop an array of leading core technologies to provide solutions for competitive growth and future businesses that will secure sustainable profits, such as its mobile advertising platform, telematics platform and others. These innovations are key to maintaining our competitive edge. In 2008, the mobile telematics technology that SK Telecom developed was registered as the world's first Java-based global technology standard of its kind, thus recognizing SK Telecom's role in creating a new mobile convergence service. The company also is dedicated to developing an open platform that can support various applications by utilizing high-capacity SIM cards, and seeks to develop personalized technologies that will satisfy customers' diverse needs. SK Telecom is committed to expanding its differentiated capabilities in convergence and Internet services by strategic development of core technologies.



# BUSINESS OVERVIEW GMS

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### GLOBAL MANAGEMENT SERVICE

By harnessing the unique abilities of our SK Management System (SKMS), SK Telecom is fortifying its competitive position, leveraging its resources and building a corporate culture that cultivates talent and achieves tangible results. Companywide, we are driving toward global leadership.



SK Telecom is committed to innovative management that produces measurable results. Based on the SK Management System or SKMS, systematic guidelines for SK Management Philosophy & Methodology, the company aims to achieve sustainable growth and become a leader in the global convergence era.

Global Management Service (GMS) CIC seeks to increase corporate value by investing in fundamental competitiveness, while balancing growth with stability. GMS provides a springboard for the company, preparing breakthroughs for the future, and, over the long term, developing into the company's global headquarters. While supporting the Chief Executive Officer, GMS also takes on a coordinating role among the Company-in-Company (CIC) businesses and assists the CICs to partner with one another.

**PROVIDING SPRINGBOARDS**

The mission of GMS is to accelerate the company's fundamental competitiveness. GMS focuses on identifying and improving SK Telecom's corporate competency levels. Customized to provide broad support for the other CICs, GMS encompasses expertise in financial services, government relations, investor relations, procurement, legal services, public relations and corporate ethics. Its extensive supporting functions allow the company to swiftly react to any changes in the business environment.

Overall, GMS fulfills its management goals with four distinct functions. These include: (1) finding growth opportunities while effectively managing resources and continuously innovating cost structures; (2) aligning company goals with business-specific strategies by coordinating CIC missions and operations; (3) communicating the values of the corporate culture across CICs; and (4) strengthening portfolio management of current and new businesses, including subsidiary businesses, from a companywide perspective.

**BUILDING FOUNDATIONS**

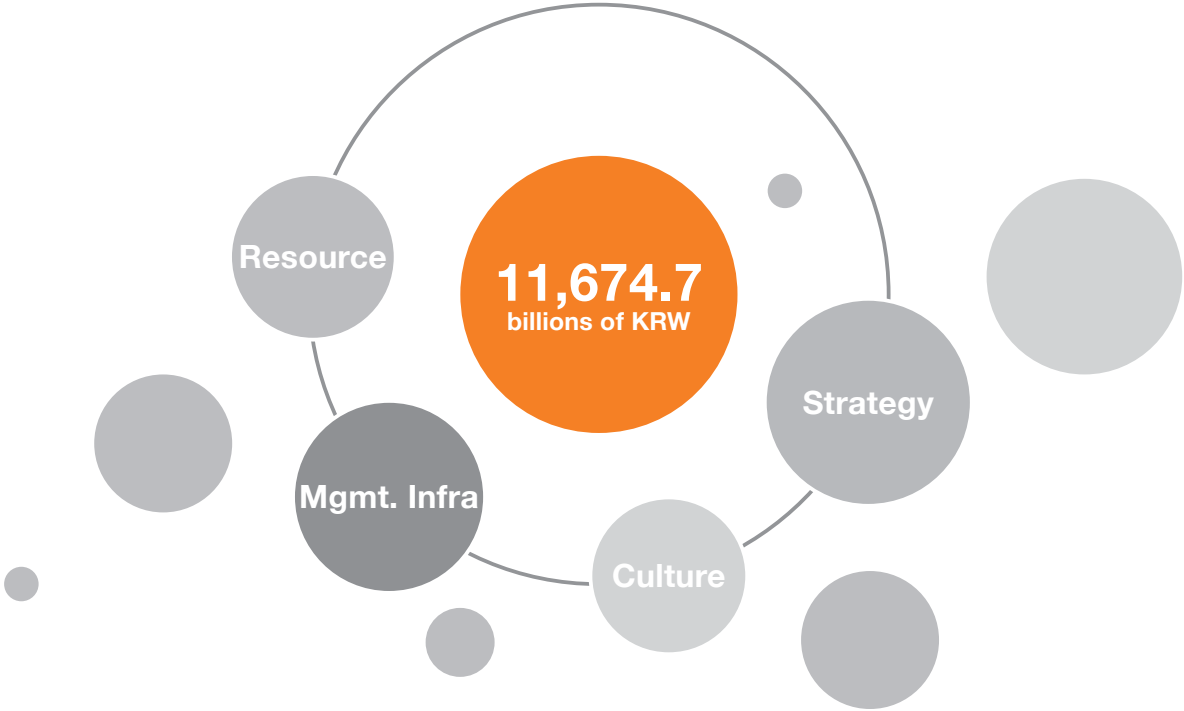
In 2008, SK Telecom diversified its business portfolio by launching new convergence services and by continuing to seek international business opportunities in China, Vietnam and the U.S. Looking ahead, SK Telecom is aggressively pursuing global opportunities for convergence services.

SK Telecom intends to leverage its advanced technologies and customer-relationship expertise to develop global businesses and increase corporate value. GMS develops corporate strategies, accumulates knowledge for mid- to long-term growth and offers business training, relevant talent and business capabilities to support all CICs.

**PURSUING INNOVATION**

As an essential component of GMS' "customer-first" philosophy, SK Telecom relies on a number of system innovation methodologies to support SKMS practices, including Process Innovation, Six Sigma and Knowledge Management. Based on Process Innovation (PI) standards, performance indicators are identified and the level of process is regularly monitored, so that areas that fall short can be improved. Through the Six Sigma initiative, we analyze and develop operations from the customer's perspective. Such practices have improved our ability to identify customers' needs and quickly respond on the basis of a five-stage work process. Six Sigma has also helped eliminate operational problems and ensured that results are continuously managed. Work practices and knowledge developed from these activities are converted into assets and quickly shared. Knowledge Management activities also focus on fostering new ideas. All such activities for process optimization, standardization and implementation, knowledge generation, accumulation and practices, as well as process monitoring and auditing are interrelated. These tools allow the company to streamline its businesses and quickly respond to customers.

2008 REVENUE



**AWARD-WINNING MANAGEMENT**

In 2006, SK Telecom introduced the Manager System to promote a horizontal relationship among employees and to support innovation and autonomy. In 2007, global HR consulting firm Hewitt Associates and the *Wall Street Journal Asia* selected SK Telecom as one of the "Best Employers in Asia" from a field of 750 firms in seven countries. The award cited our diverse career development opportunities, work-life balance, and employee benefits that support the quality of life. SK Telecom was the only Korean company to earn a spot on the list. This year, the Human Resources Department is implementing our proprietary system to support CIC-specific business needs, completing the work that began in 2008. The new system depends on shared services to maximize synergy across CICs. This effort will enhance competitiveness for each CIC and for the entire company.

**COMMUNICATING CORPORATE VALUES**

In 2009, we are actively communicating our corporate values in order to motivate employee enthusiasm, innovation and dedication. By fostering a challenging and creative spirit along with a culture of teamwork, we will enhance the most critical elements needed for success in today's management environment.

We plan to leverage our deep knowledge and capabilities to support individual innovation and organizational autonomy. This philosophy reflects our corporate values, which combine professional experience with business competitiveness.

**SUPPORTING INNOVATION**

As part of our management innovation activities, SK Telecom introduced the Management Support Center, an internal unit exclusively designed to oversee and distribute Shared Services. The Center provides cost-effective, high-quality services that benefit all CICs by managing human resources, finances, business procurements, IT services and more. As a result, each CIC can fully focus on its core business.

The Management Support Center is expected to evolve as the needs of the organization continuously change. Its mission is to support sustainable improvements in the quality of customer services, innovations and efficiencies throughout SK Telecom.

# OPTIMIZING THE OPPORTUNITIES

SK Telecom subsidiaries lead the trends, the services and the customer's value in the coming age of convergence among industries. In 2008, our subsidiaries harnessed a broad range of bundled and differentiated services to build an expanded platform for growth.



## SUBSIDIARIES

### SK Broadband

#### REALIZING THE ADVANTAGES OF CONVERGENCE

After being acquired by SK Telecom in March 2008, fixed-line and broadband provider Hanaro Telecom was re-launched as an affiliate of SK Group. In September 2008, the company announced its new corporate identity, SK Broadband. With a mission to lead the convergence market and a marketing promise to let its customers "See the Unseen," SK Broadband offers a full range of wired-wireless and telecom-broadcast convergence services as well as unparalleled customer value.

#### REVAMPING CUSTOMER EXPERIENCE

The top priority at the newly formed company is Customer Value Innovation (CVI). To achieve this goal, SK Broadband is working on three major tasks: (1) significant improvement in customer services; (2) strengthening of customer contact points; and (3) re-organization of the company to become more customer-oriented.

#### PACKAGING SERVICES FOR CUSTOMER CONVENIENCE

SK Broadband provides numerous broadband options for 100M optic-LAN, 100M cable modem and hybrid fiber-coaxial (HFC), each of which is segmented into service packages for even better value, speed and convenience. Service packages, such as "All Family," which combines broadband, telephony and IPTV with SK Telecom mobile services, or "Broad&All," which combines Internet telephony, IPTV and broadband, offer significant discounts to subscribers.

#### LAUNCHING REAL-TIME IPTV BROADCAST

Real-time broadcast has been key to the success of IPTV, and, in January 2009, SK Broadband began broadcasting its "Broad&TV" service under the content contracts with terrestrial TV broadcasters. Currently, SK Broadband provides real-time broadcast of 60 TV channels.

#### EXPANDING THE TELEPHONY BUSINESS

The Internet phone "Broad&Fone 070" is central to the expansion of SK Broadband's telephone business. The service offers convenient, high-quality services at an affordable price. Subscribers may choose between conventional phone services or Internet-exclusive phones provided by SK Broadband.

### SK Communications

#### OFFERING TOP-CLASS WIRED AND WIRELESS SERVICES

An online services portal founded in 2002, SK Communications provides entertainment, information and web-search services via Nate.com and online Social Network Service(SNS) via Cyworld.com, the biggest online community in Korea which attracted 23.2 million members by the end of 2008. In July 2008, the company launched MiniLife, a 3D virtual life space, as part of Cyworld's "Mini-Homepage" service. MiniLife also hosts advertising and marketing activities. NateOn, which has been leading Korea's online messenger market since 2005, is an integrated communications platform that offers various services such as search and online communities. Etoos, the second-largest online education service for high school students, was spun off into a subsidiary as of November 2008 in order to accelerate sustainable growth. Spicus, a phone-based English education tool, has become the leading brand in the industry.

#### INCREASING SALES WITH NEXT-GENERATION SERVICES

In first quarter of 2009, SK Communications have completely integrated Nate.com and search portal Empas.com into the newly launched Nate.com. This new platform will hone our competitive advantage as a search portal and secure our industry leadership with services such as next-generation multimedia search, knowledge search and news services. We expect to boost sales by launching the second season of Cyworld MiniLife and by offering customers new features on NateOn 4.0.

### SK Telink

#### SERVING CUSTOMERS WITH DIFFERENT NEEDS

Founded in April 1998 as an international telephony service provider, SK Telink provides a unique range of services, each designed to meet its customers' needs, including international telephony, VoIP, long-distance telephony, corporate phone services and local value-added services.

Under the brand "00700," SK Telink provides quality international call services at affordable prices and has secured its place as a major player in the market. The company has been ranked No. 1 in the National Customer Satisfaction Index (NCSI) for the past three years. Building on its successful launch of VoIP and the universal area number 1599 service in 2005, SK Telink continues to offer integrated telecommunications services to many large institutions including banks, corporations and the government.

#### CREATING OPPORTUNITIES FOR GROWTH

In 2008, the company successfully launched an online e-learning service and its Business Language Testing Service (BULATS), while also developing new businesses for corporate customers. Moving forward, SK Telink will advance in the convergent telecommunications market by combining international telephony, long distance telephony and VoIP services.

### TU Media

#### WORLD'S FIRST SATELLITE DMB SERVICE

Established in December 2003, TU Media opened the doors to a new era of digital media-Satellite Digital Multimedia Broadcasting (DMB). Over 1.8 million subscribers can now view satellite TV broadcasts on their portable handsets or via in-vehicle terminals. TU Media offers extensive coverage and a wide range of content, including entertainment, education, games, drama, music, news and culture. Its nationwide DMB service is available on 38 channels, which consist of 21 video and 17 audio channels, including TUBOX, a pay-per-view movie channel that grants subscribers access to movies prior to DVD release.

#### ENHANCING CUSTOMER SATISFACTION

Based on three years' experience after the launch, the company expanded its video channels to a larger scale in June 2008 and introduced new package programs. With such improvements in customer options, the company anticipates a growing subscriber base in the future.

In 2009, TU Media will launch convergence services that combine mobile communications and broadcasting, based on our intensive R&D efforts. Looking forward, we will create a more advanced and convenient mobile broadcast world by offering distinctive technologies and programs to fulfill our customers' needs.



# FINANCIAL REVIEW

## 04

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MD&A

FINANCIAL STATEMENTS

## Management’s Discussion & Analysis

Management’s Discussion & Analysis (MD&A) is provided to enable readers to assess our results of operations and financial condition for the fiscal year ended December 31, 2008, compared to the preceding year. This MD&A section should be read in conjunction with our audited non-consolidated financial statements included in this annual report. All amounts are in Korean Won (KRW) unless otherwise specified, and are based on our audited non-consolidated financial statements prepared in accordance with Korean generally accepted accounting principles (Korean GAAP).

This MD&A section contains “forward-looking statements”, as defined in the U.S Securities Exchange Act of 1934, that are based on our current expectations, assumptions, estimates and projections about our company and our industry. The forward-looking statements are subject to various risks and uncertainties. We caution you that reliance on any forward-looking statement involves risks and uncertainties, and that although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be incorrect. Risks and uncertainties associated with our business are more fully described in our latest annual report on Form 20-F and other filings with the U.S. Securities and Exchange Commission. In light of these and other uncertainties, you should not conclude that we will necessarily achieve any plans and objectives or projected financial results referred to in any of the forward-looking statements. We do not undertake to release the results of any revisions of these forward-looking statements to reflect future events or circumstances.

### 1. 2008 OVERVIEW

We are Korea’s leading wireless telecommunications services provider and a pioneer in the commercial development and implementation of high-speed wireless Internet and convergence services. We had approximately 23.0 million subscribers throughout Korea as of December 31, 2008. In addition, our share of the Korean wireless market as of December 31, 2008 was approximately 50.5%, based on the number of subscribers. 2008 is marked by (1) maintaining our leadership position in the mobile network operator (MNO) business by strengthening our subscriber base along with continuing to lay a solid foundation for the future convergence landscape by enhancing our WCDMA competitiveness and business portfolios and (2) continued to build groundwork for global business opportunities.

#### MNO Business

We continued to solidify our leadership position in the MNO business in 2008. Our share of the Korean wireless market based on the number of subscribers was approximately 50.5% as of December 31, 2008, unchanged from December 31, 2007. At the end of 2008, we reached a subscriber number of 23.0 million, which we believe evidences further solidification of our market leadership.

In 2008, the Korean wireless telecommunication industry continued to experience significant growth of WCDMA services. While maintaining our leadership position in existing code division multiple access (CDMA) services, we believe we built a solid WCDMA business base in 2008. Helped by our nationwide coverage and upgraded WCDMA network, which enhanced the reception quality and expanded our service areas, the number of subscribers for our WCDMA services in Korea as of December 31, 2008 reached approximately 8.2 million, representing a 230% growth during the year. As for wireless Internet/data services, we continued to expand fixed-price plan subscribers while providing more sophisticated services including open-net services on our wireless network.

#### Convergence Business

We believe growing convergence among the telecommunications sector and other industries creates growth opportunities for us given our existing industry-specific technology and know-how, which will provide a competitive advantage in offering integrated services. In order to actively respond to the accelerating trend of convergence among different technologies and industries, we continued to strengthen the convergence, Internet and content business sector including: e-commerce, music, online games, and movie investment & distribution businesses. We will continue to identify and foster new convergence businesses to create new growth engines for SK Telecom in the future.

In addition, we have concluded the acquisition of SK Broadband (formerly Hanaro Telecom) to create a platform for continuous growth through development of new services and business models in the wired/wireless convergence area. Going forward, SK Telecom and SK Broadband will do our best to secure synergy and growth momentum for both sides. To that end, we will strengthen cooperation in various areas, such as development of new services and products to ensure customer convenience and benefits.

#### Global Business

As part of our growth strategy, we have selectively sought attractive opportunities abroad. In Vietnam, we have been providing CDMA cellular service under the brand name “S-Fone.” The number of our S-Fone subscribers increased to approximately 6.4 million as of December 31, 2008, compared to approximately 3.5 million subscribers as of December 31, 2007. In China, we continued to seek expanded wireless business opportunities. In particular, while enhancing the existing relationship with China Unicom, the second largest wireless telecommunications provider in China, SK Telecom is looking for opportunities to cooperate in convergence related business model development. In the United States, we sold our mobile virtual network operator (MVNO), “Helio”, which provided wireless voice and data services, to Virgin Mobile USA in 3Q of 2008 in exchange for equity interests in Virgin Mobile USA. Virgin Mobile USA expects to create additional value by leveraging Helio’s advanced data business resources and capabilities and the accumulated experience. We believe such benefits will be translated into value increase for SK Telecom.

## 2. EXECUTIVE SUMMARY

We earn revenues principally from our cellular service sales consisting of the following:

- sign-up fees, which are initial subscription fees for our cellular services;
- monthly fees, which are monthly basic charges to customers based on particular service plans;
- call charges, which are usage charges for outgoing voice calls;
- value-added and other service fees paid by subscribers to our wireless services; and
- wireless Internet (WI) sales, consisting of usage charges for wireless data services and short message service (SMS), which is also known as “phone mail” service.

We also derive revenue from interconnection fees paid to us by other fixed-line and wireless telecommunications providers for use of our network by their customers and subscribers.

The following selected non-consolidated financial information has been derived from, and should be read in conjunction with, the audited non-consolidated financial statements included in this annual report.

#### Selected Financial Information (Non-consolidated basis)

	(In billions of KRW) 2008	(In billions of KRW) 2007	Change
<b>Income Statements</b>			
Revenue	11,674.7	11,285.9	3.4%
EBITDA <sup>(1)</sup>	4,003.3	4,023.8	-0.5%
Operating income	2,059.9	2,171.5	-5.1%
Net income	1,277.7	1,642.5	-22.2%
<b>Balance Sheets</b>			
Total assets	18,617.5	18,132.5	2.7%
Cash & marketable securities	902.3	1,388.8	-35.0%
Total liabilities	7,888.5	6,705.6	17.6%
Interest-bearing financial debt <sup>(2)</sup>	4,442.4	2,876.2	54.5%
Shareholders' equity	10,729.0	11,426.9	-6.1%
<b>Financial Ratios (%)</b>			
EBITDA margin	34.3	35.7	-1.4%p
Operating margin	17.6	19.2	-1.6%p
Net income margin	10.9	14.6	-3.6%p
Debt-to-equity ratio <sup>(3)</sup>	41.4	25.2	16.2%p

(1) EBITDA = Operating income + Depreciation + R&D related depreciation within the R&D expense

(2) Interest-bearing financial debt = Short-term borrowings + Current portion of long-term debt

(excluding current portion of long-term debt related to payment of WCDMA license fee) + Bonds payable & long-term borrowings

(3) Debt-to-equity ratio = Interest-bearing financial debt/Shareholders' equity

Our revenue grew by 3.4% to KRW 11.67 trillion in 2008 from KRW 11.29 trillion in 2007, primarily as a result of a 2.5% increase in our cellular services revenue to KRW 10.46 trillion in 2008 from KRW 10.20 trillion in 2007, as well as a 12.5% increase in our revenue from interconnection fees to KRW 1.22 trillion in 2008 from KRW 1.08 trillion in 2007. The increase in our cellular services revenue was due principally to an increase in monthly fees driven by a 6.8% increase in our average subscriber base in 2008 over 2007 and increased subscription to our service plans with higher monthly basic charges. Increases in value-added and other service fees and sign-up fees also contributed to the increase in our cellular services revenue, while declines in wireless Internet sales and call charges partially offset these increases.

Our operating expenses in 2008 increased by 5.5% to KRW 9.61 trillion in 2008 from KRW 9.11 trillion in 2007, due primarily to an increase in our marketing expenses, which consist of marketing-related commissions paid and advertising expenses, as well as increases in depreciation and amortization expenses. As a result, our operating income decreased by 5.1% to KRW 2.06 trillion in 2008 from KRW 2.17 trillion in 2007, our operating margin decreased 1.6%p to 17.6% in 2008 and EBITDA margin decreased 1.4%p to 34.3% in 2008. Our net income decreased 22.2% to KRW 1.28 trillion in 2008 from KRW 1.64 trillion in 2007. The decline in our net income was magnified by the reflection in 2007 of the gain of KRW 373.1 billion derived from our conversion of China Unicom convertible bonds into shares and an impairment loss of KRW 201.2 billion on our investment in LG Powercom in 2008.

Our total assets increased 2.7% to KRW 18.62 trillion as of December 31, 2008 compared to KRW 18.13 trillion as of December 31, 2007, due mainly to our acquisition of shares of SK Broadband in March 2008 and an increase in accounts receivable resulting from an increase in sales of handsets on installment payment plans, partially offset by valuation losses from investment securities, including shares of China Unicom, POSCO and SK C&C. Total liabilities increased 17.6% to KRW 7.89 trillion as of December 31, 2008 from KRW 6.71 trillion as of December 31, 2007, primarily resulting from a 44.0% increase in bonds payable and long-term borrowings to KRW 3.71 trillion as of December 31, 2008 from KRW 2.57 trillion as of December 31, 2007. The proceeds of the bonds payable and long-term borrowings were used, among others, in acquiring shares of SK Broadband and financing our subscribers' handset purchases on installment payment plans. Total shareholders' equity decreased 6.1% to KRW 10.73 trillion

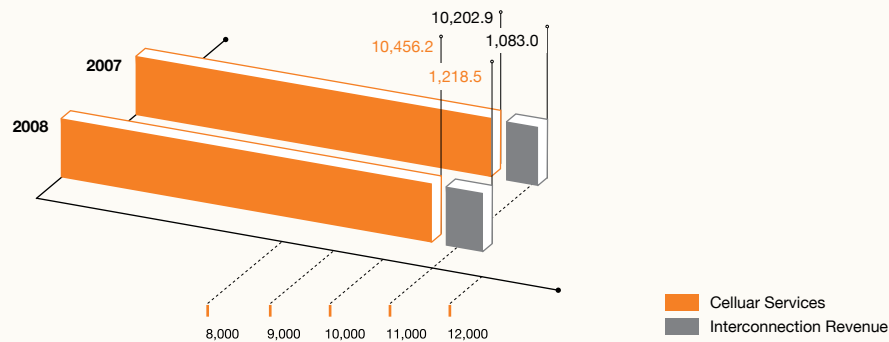


as of December 31, 2008 from KRW 11.43 trillion as of December 31, 2007, due primarily to valuation losses from investment securities. As a result, our debt-to-equity ratio increased to 41.4% from 25.2%.

### 3. REVENUE

Our total revenue in 2008 amounted to KRW 11.67 trillion, an increase of KRW 388.8 billion, or 3.4%, from KRW 11.29 trillion in 2007. This increase was attributable to an increase of KRW 253.3 billion, or 2.5%, to KRW 10.46 trillion in 2008 from KRW 10.20 trillion in 2007 in our cellular services revenue and an increase of KRW 135.5 billion, or 12.5%, to KRW 1.22 trillion in 2008 from KRW 1.08 trillion in 2007 in our revenue from interconnection fees. The increase in cellular services revenue was driven by strong growth in monthly fees, as well as increases in value-added and other service fees and sign-up fees, which more than offset decreases in wireless Internet sales and call charges.

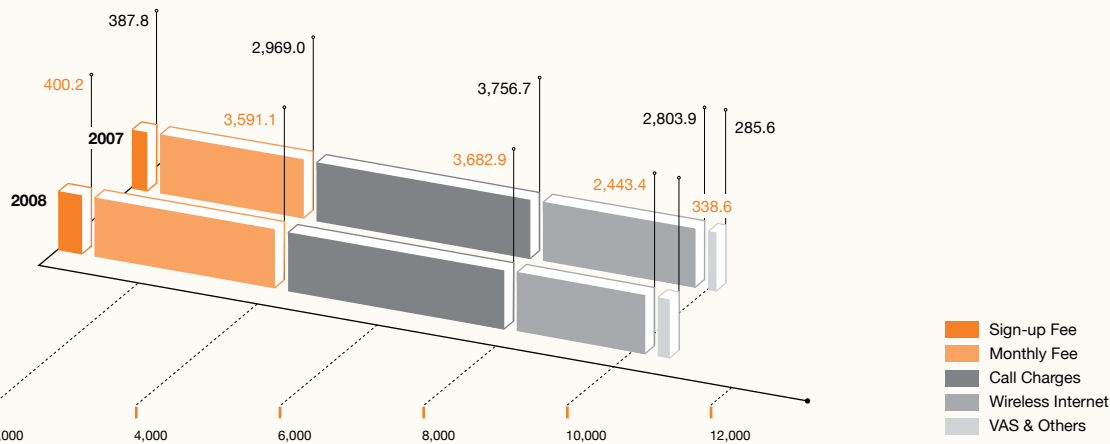
Total Revenue Breakdown (In Billions of KRW)



#### Cellular Service Sales

Our cellular services revenue grew by 2.5% to KRW 10.46 trillion in 2008 from KRW 10.20 trillion in 2007 due primarily to an increase in monthly fees, as well as increases in value-added and other service fees and sign-up fees, partially offset by decreases in wireless Internet sales and call charges. The increase in monthly fees resulted from an increase in our average subscriber base and increased subscription to our service plans with higher monthly basic charges.

Cellular Service Sales Breakdown (In billions of KRW)

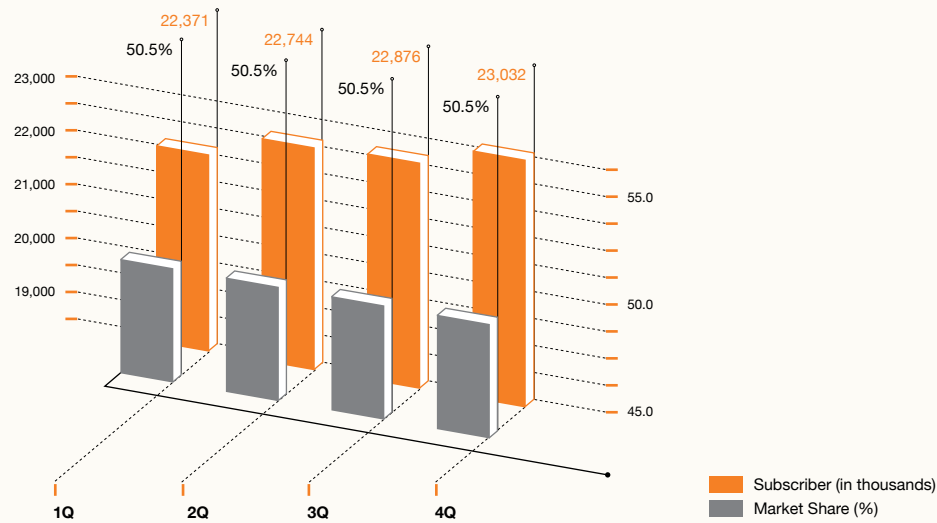


Our monthly fees revenue increased 21.0% to KRW 3.59 trillion in 2008 compared to KRW 2.97 trillion in 2007, as a result of 6.8% growth in our average subscriber base in 2008 over 2007 as well as increased subscription to our service plans with higher monthly basic charges. A decrease in the “phone mail discount” for free or contract-based SMS usage (which is deducted from monthly fees) as a result of the reduction of the SMS usage charges from KRW 30 per message to KRW 20 per message in January 2008 also contributed to the increase in our monthly fees revenue. If the effect from the decrease in phone mail discount were excluded, our monthly fees revenue would have increased by 11.7% to KRW 4.48 trillion in 2008 from KRW 4.01 trillion in 2007. Our revenue from value-added and other services increased 18.6% to KRW 338.6 billion in 2008 from KRW 285.6 billion in 2007. This increase was attributable mainly to a 29.1% increase in revenue from global roaming services in 2008 compared to 2007, which include roaming services offered to our wireless subscribers traveling overseas as well as foreigners visiting Korea. Our revenue from sign-up fees increased 3.2% to KRW 400.2 billion in 2008 from KRW 387.8 billion in 2007 primarily as a result of a 3.2% increase in new subscribers paying sign-up fees to approximately 8.0 million in 2008 compared to 7.8 million in 2007. Despite the increase in our subscriber base in 2008, our call charges revenue decreased 2.0% to KRW 3.68 trillion in 2008 from KRW 3.76 trillion in 2007 due primarily to increased subscription to various discount call plans. The average monthly outgoing voice minutes per user (Minutes of Usage, or MOU) declined slightly to 200 minutes in 2008 from 201 minutes in 2007.

#### Subscribers

The total number of wireless subscribers in Korea was approximately 45.6 million as of December 31, 2008 with a wireless telecommunications service penetration rate of 93.8%. Despite the saturated wireless market in Korea, we continued to add new subscribers throughout the year, and ended the year 2008 with approximately 23.0 million subscribers. Our Korean wireless market share based on the number of subscribers was 50.5% as of December 31, 2008, unchanged from 2007.

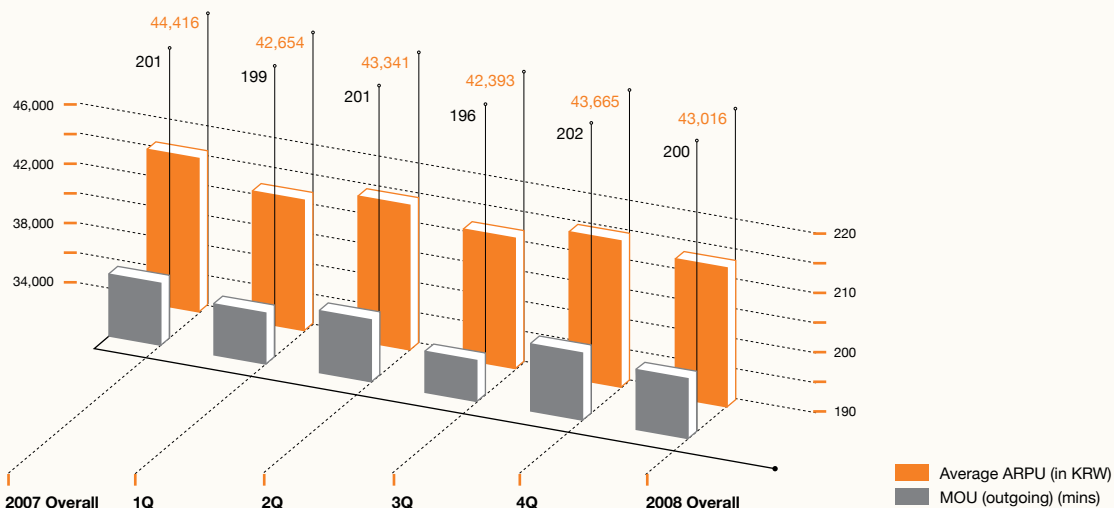
Subscribers and Market Share in 2008



#### ARPU and MOU

Our average revenue per user (ARPU) per month decreased by 3.2% to KRW 43,016 in 2008 from KRW 44,416 in 2007. This decrease was due to decreases in average monthly ARPU from wireless Internet services, call charges and sign-up fees, partially offset by increases in average monthly ARPU from monthly fees, value-added and other service fees and interconnection fees. The average monthly ARPU from wireless Internet services decreased 18.4% to KRW 9,003 in 2008 from KRW 11,035 in 2007. This decrease was attributable mainly to the reduction of the SMS charge rate and a decrease in data usage, which was in part due to our strengthened efforts to prevent excessive data usage among minors. The average monthly ARPU from call charges decreased 8.2% to KRW 13,570 in 2008 from KRW 14,785 in 2007 due to, among others, the discounts we offered for calls between our subscribers and between family members. The average monthly ARPU from monthly fees increased 13.2% to KRW 13,232 in 2008 from KRW 11,684 in 2007, primarily as a result of increased subscription to our service plans with higher monthly basic charges. The average monthly ARPU from value-added and other service fees increased 11.0% to KRW 1,248 in 2008 from KRW 1,124 in 2007, due principally to an increase in revenues from global roaming services. The average monthly MOU declined slightly to 200 minutes in 2008 from 201 minutes in 2007.

Average ARPU and MOU (outgoing) in 2008

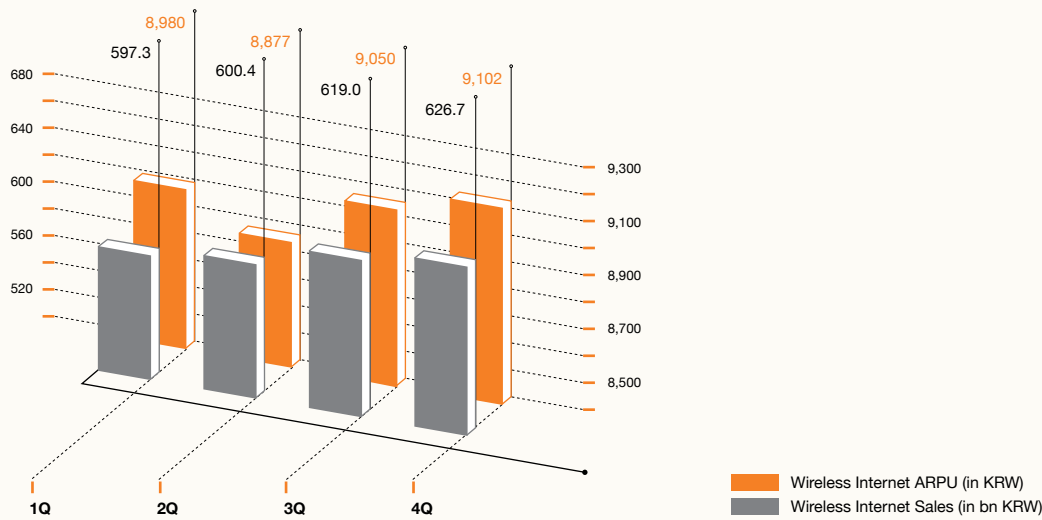


Wireless Internet (WI)

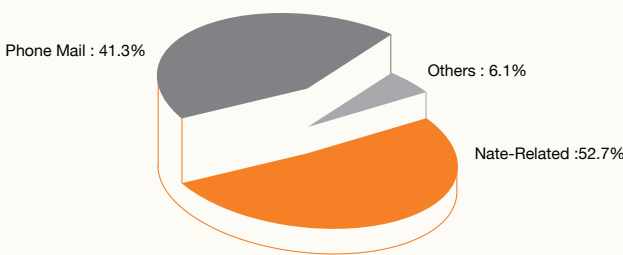
Our WI revenue consists of (i) revenue mainly relating to NATE, our wireless Internet access portal, (ii) revenue from SMS and (iii) revenue from other miscellaneous services. The NATE-related services revenue is comprised of usage charges for data contents, call charges for data transmission, monthly fees from flat-rate data usage plans and others.

Our revenue from WI service decreased 12.9% to KRW 2.44 trillion in 2008 from KRW 2.80 trillion in 2007. This decrease was due to a decrease of KRW 289.1 billion, or 22.3%, to KRW 1.01 trillion in 2008 from KRW 1.30 trillion in 2007 in SMS revenue and a decrease of KRW 110.8 billion, or 7.9%, to KRW 1.29 trillion in 2008 from KRW 1.40 trillion in 2007 in NATE-related revenue. The decrease in SMS revenue was principally a result of the reduction of the SMS usage charges from KRW 30 per message to KRW 20 per message in January 2008. If the effect from the related reduction in the phone mail discount (currently reflected in the monthly fees) were reflected in the SMS revenue, the SMS revenue would have decreased 12.4% to KRW 352.1 billion in 2008 from KRW 401.9 billion in 2007. The decrease in NATE-related revenue resulted primarily from decrease in data usage, which was in part due to our strengthened efforts to prevent excessive data usage among minors. Our average monthly ARPU from WI services decreased 18.4% to KRW 9,003 in 2008 from KRW 11,035 in 2007.

Wireless Internet Revenue and ARPU in 2008



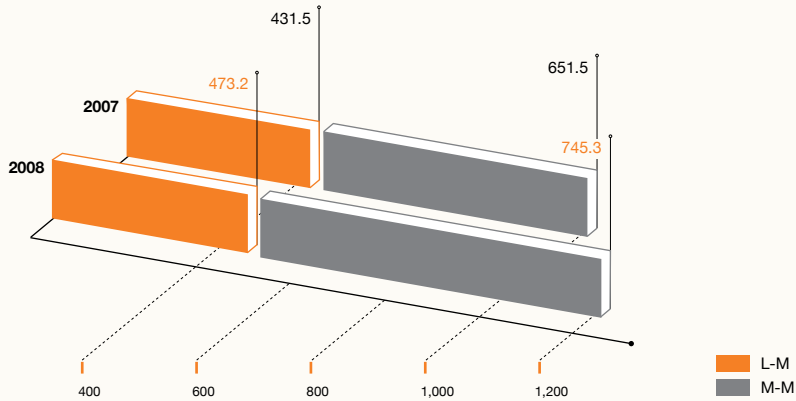
Composition of Wireless Internet Revenue in 2008



Interconnection Revenue

Interconnection revenue increased 12.5% to KRW 1.22 trillion in 2008 from KRW 1.08 trillion in 2007. The increase was due primarily to an increase in interconnection traffic volume resulting from the increase in our average subscriber base in 2008 and, to a lesser extent, increases in interconnection fee rates. Our mobile-to-mobile interconnection revenue was KRW 745.3 billion in 2008, representing a 14.4% increase from the previous year. Our land-to-mobile interconnection revenue amounted to KRW 473.2 billion in 2008, representing a 9.7% increase from the previous year. Our average monthly ARPU from interconnection services increased 5.3% to KRW 4,490 in 2008 from KRW 4,262 in 2007.

Interconnection Revenue (In billions of KRW)



4. PROFITABILITY

Income Statements

	(In billions of KRW)		(In billions of KRW)	
	2008	% of Revenue	2007	% of Revenue
Revenue	11,674.7	100.0%	11,285.9	100.0%
Operating expenses	9,614.8	82.4%	9,114.4	80.8%
Labor cost <sup>(1)</sup>	476.9	4.1%	496.2	4.4%
Commissions paid <sup>(2)</sup>	4,419.2	37.9%	4,035.8	35.8%
Depreciation and amortization <sup>(3)</sup>	1,804.9	15.5%	1,723.0	15.3%
Network interconnection	1,039.3	8.9%	998.2	8.8%
Leased line	391.2	3.4%	388.8	3.4%
Advertising	300.5	2.6%	304.2	2.7%
Others	1,182.8	10.1%	1,168.2	10.4%
Operating income	2,059.9	17.6%	2,171.5	19.2%
Other income	1,015.3	8.7%	851.3	7.5%
Other expenses	1,569.1	13.4%	706.7	6.3%
Ordinary income	1,506.1	12.9%	2,316.1	20.5%
Income taxes	228.4	2.0%	673.7	6.0%
Net income	1,277.7	10.9%	1,642.5	14.6%
EBITDA <sup>(4)</sup>	4,003.3	34.3%	4,023.8	35.7%

- (1) Labor cost = Salaries + Provisions for severance benefit
- (2) Includes marketing commissions and other commissions
- (3) Excludes R&D related depreciation
- (4) EBITDA = Operating income + Depreciation + R&D related depreciation within the R&D expense

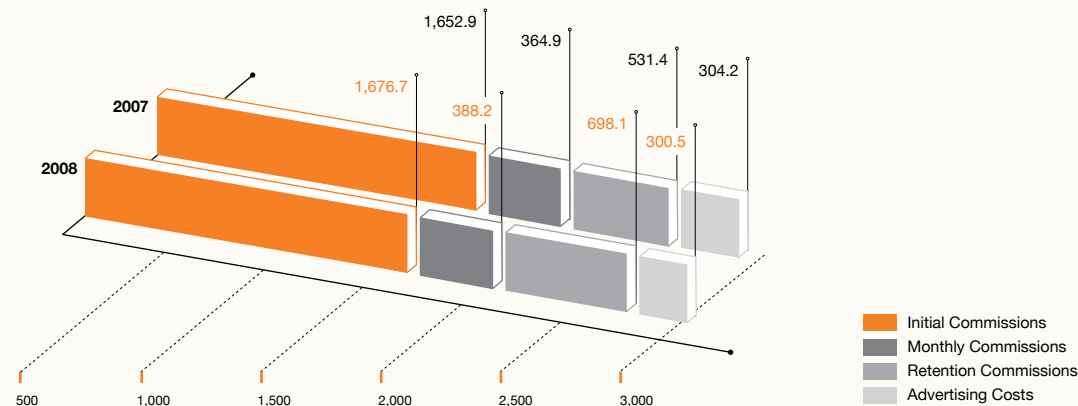
Despite a 3.4% growth in revenue, our operating income decreased to KRW 2.06 trillion in 2008 from KRW 2.17 trillion in 2007 as a result of a 5.5% increase in operating expenses. In particular, our commissions paid increased 9.5% over the previous year due primarily to an increase in retention commissions, which include handset subsidies for our existing subscribers and expenses relating to our alliance arrangements with businesses which agree to offer benefits to our subscribers. As a result, our EBITDA decreased to KRW 4.00 trillion in 2008 from KRW 4.02 trillion in 2007.

We recorded net other expense of KRW 553.8 billion in 2008 compared to net other income of KRW 144.6 billion in 2007. With an effective tax rate of 15.2%, our net income was KRW 1.28 trillion in 2008, compared to KRW 1.64 trillion in 2007.

Operating Expenses

Our operating expenses for 2008 amounted to KRW 9.61 trillion, representing a 5.5% increase from KRW 9.11 trillion in 2007. Marketing expenses accounted for 26.2% of our total revenue at KRW 3.06 trillion in 2008, which represented a 7.3% increase from the previous year. This increase in marketing expenses, which include initial commissions, monthly commissions, retention commissions and advertising costs, was due mainly to an increase in retention commissions. The retention commissions paid, which include handset subsidies for our existing subscribers and expenses relating to our alliance arrangements with businesses which agree to offer benefits to our subscribers, increased 31.4% to KRW 698.1 billion in 2008 from KRW 531.4 billion in 2007. This increase was attributable to an increase in the number of subscribers who changed their handsets and received subsidies from us for such change of handsets, as well as an increase in expenses relating to our alliance arrangements. The initial commissions paid, which include handset subsidies and other incentives for new subscribers, increased 1.4% to KRW 1.68 trillion in 2008 from KRW 1.65 trillion in 2007. Monthly commissions that we pay to our authorized dealers for a certain period of time after new subscriptions increased 6.4% to KRW 388.2 billion in 2008 from KRW 364.9 billion in 2007. Our advertising costs decreased 1.5% to KRW 300.5 billion in 2008 from KRW 304.2 billion in 2007.

Marketing Expense Breakdown (In billions of KRW)





Depreciation and amortization excluding research and development related depreciation expenses increased 4.8% to KRW 1.80 trillion in 2008 from KRW 1.72 trillion in 2007, due principally to the continued high level of capital expenditures related to expansion and upgrade of our WCDMA network and an increase in our capital expenditures related to expansion and upgrade of our wireless broadband internet, or WiBro, network. Our non-marketing related commissions increased 11.4% to KRW 1.66 trillion in 2008 from KRW 1.49 trillion in 2007, due principally to an increase in commissions paid in connection with global roaming services, which generated a 29.1% increase in revenue in 2008 compared to 2007, as well as an increase in present value discount with respect to long-term accounts receivable for handsets sold on installment payment plans and an increase in outsourcing fees paid. Labor costs decreased 3.9% to KRW 476.9 billion in 2008 from KRW 496.2 billion in 2007, due primarily to the incurrence in 2007 of a non-recurring expense related to the sale of our treasury shares to the employee stock ownership association. Interconnection expenses amounted to KRW 1.04 trillion in 2008, representing a 4.1% increase from KRW 998.2 billion in 2007. This increase was attributable primarily to the growth in the subscriber base and an increase in mobile-to-mobile interconnection traffic volume in 2008, partially offset by decreases in interconnection fee rates. Leased line expenses increased only 0.6% to KRW 391.2 billion in 2008 from KRW 388.8 billion in 2007, notwithstanding greater increases in the number of subscribers and call traffic volume and growth in WCDMA services, as we substituted many of the transmission lines that we had leased in the past with our own transmission lines in 2008.

Other Income / Expenses

Other income consists primarily of interest income, commission income, dividend income, gains on valuation of investment securities accounted for under the equity method, foreign exchange and translation gains, gains on valuation of currency swaps and others. In 2008, other income increased 19.3% to KRW 1.02 trillion from KRW 851.3 billion in 2007, due primarily to a foreign exchange and translation gain for our investment in China Unicom and gains on valuation of currency swaps hedging our foreign currency-denominated debt.

Other expenses consist primarily of interest expenses, losses on valuation of investment securities accounted for under the equity method, foreign exchange and translation losses, losses on valuation of currency swaps, impairment losses and others. Other expenses increased 122.0% to KRW 1.57 trillion in 2008 from KRW 706.7 billion in 2007. This increase was attributable primarily to foreign exchange and translation losses for our foreign currency-denominated debt, losses on valuation of currency swaps and an impairment loss on our investment in LG Powercom. Our exposure to fluctuations in foreign exchange rates is limited as we hedge a substantial portion of our foreign currency-denominated assets and liabilities.

Income Tax

Provision for income tax decreased 66.1% to KRW 228.4 billion in 2008 from KRW 673.7 billion in 2007. Effective tax rate also decreased 13.9%p to 15.2% in 2008 from 29.1% in 2007. The decreases in income tax and effective tax rate are attributable primarily to the decrease in our income before income tax, a tax refund related to the sale of our investment in Helio and the decrease in deferred tax liabilities due to the reduction of corporate income tax rate in December 2008 from the current rate of 25% to 22% for 2009 and 20% for 2010 and afterwards.

5. FINANCIAL STRUCTURE

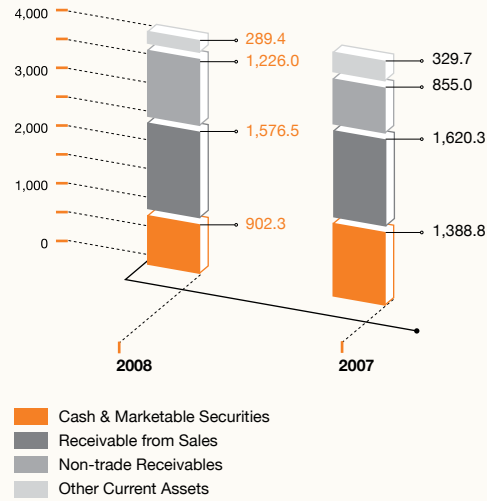
Current Assets

As of December 31, 2008, we had current assets of KRW 3.99 trillion, a 2.5% decrease from KRW 4.09 trillion as of December 31, 2007. Our cash and marketable securities decreased 35.0% to KRW 902.3 billion as of December 31, 2008, compared to KRW 1.39 trillion as of December 31, 2007, due primarily to relatively higher levels of cash and marketable securities that we held as of December 31, 2007 in preparation for our investment in SK Broadband. As of December 31, 2008, our trade accounts receivable amounted to KRW 1.58 trillion, a 2.7% decrease from KRW 1.62 trillion as of December 31, 2007, reflecting improvement in our collection activities in 2008. Our other accounts receivable increased 43.4% to KRW 1.23 trillion as of December 31, 2008 from KRW 855.1 billion as of December 31, 2007 primarily as a result of an increase in sales of handsets to subscribers on installment payment plans.

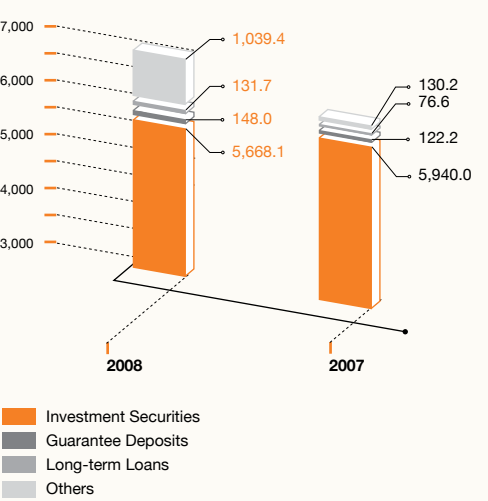
Investment Assets

Our investment assets consist primarily of available-for-sale securities and equity method investment securities. Our investment assets decreased 4.4% to KRW 5.67 trillion as of December 31, 2008 from KRW 5.94 trillion as of December 31, 2007. This decrease was mainly attributable to losses on valuation of our investment securities, including shares of China Unicom, POSCO and SK C&C, partially offset by an increase in our investment in SK Broadband. Since our acquisition of an additional 38.6% stake in SK Broadband in March 2008, all of our investment in SK Broadband is accounted for under the equity method and is no longer treated as available-for-sale securities.

Current Assets (In billions of KRW)



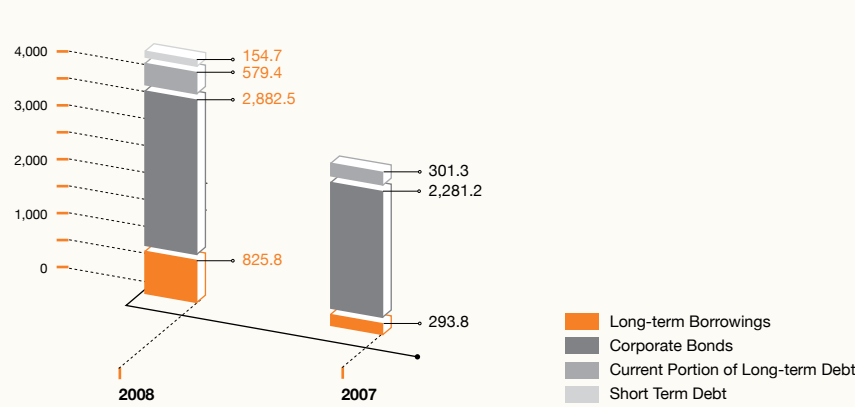
Investment Assets (In billions of KRW)



Interest-Bearing Financial Debt

We had KRW 7.89 trillion of total liabilities as of December 31, 2008, a 17.6% increase from KRW 6.71 trillion as of December 31, 2007, due mainly to a 44.0% increase in bonds payable and long-term borrowings to KRW 3.71 trillion as of December 31, 2008 from KRW 2.57 trillion as of December 31, 2007. The proceeds of the bonds payable and long-term borrowings were used, among others, in acquiring shares of SK Broadband and financing our subscribers' handset purchases on installment payment plans. As a result, our total interest-bearing financial debt increased 54.5% to KRW 4.44 trillion as of December 31, 2008 compared to KRW 2.88 trillion as of December 31, 2007. Our debt-to-equity ratio increased to 41.4% from 25.2%.

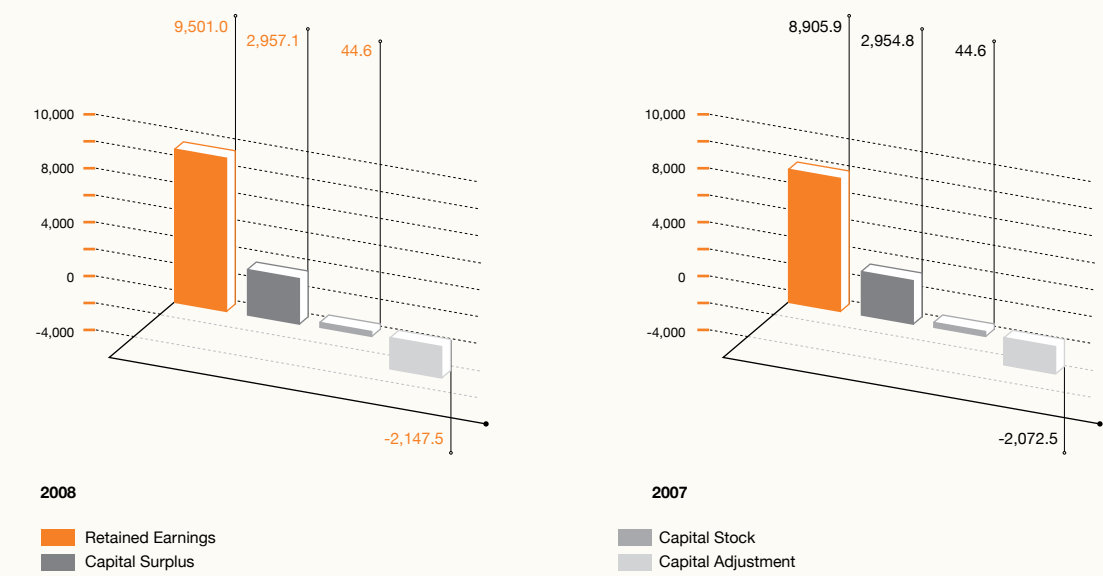
Interest Bearing Debt (In billions of KRW)



Shareholders' Equity

Our total shareholders' equity as of December 31, 2008 amounted to KRW 10.73 trillion, representing a decrease of 6.1% from KRW 11.43 trillion as of December 31, 2007. This decrease was attributable primarily to a 76.6% decrease in accumulated other comprehensive income to KRW 373.8 billion as of December 31, 2008 from KRW 1.59 trillion as of December 31, 2007, partially offset by a 6.7% increase in retained earnings to KRW 9.50 trillion as of December 31, 2008 from KRW 8.91 trillion as of December 31, 2007. The decrease in accumulated other comprehensive income was due principally to losses on the valuation of available-for-sale securities, including our investments in POSCO, China Unicom and SK C&C.

Shareholders' Equity (In billions of KRW)



6. CAPITAL EXPENDITURE

We spent approximately KRW 1.92 trillion for capital expenditures in 2008, representing a 3.4% increase from KRW 1.86 trillion in 2007. Network-related investment increased 4.4% to KRW 1.46 trillion in 2008 from KRW 1.40 trillion in 2007, and represented 76.0% of our total capital expenditures for the year. In particular, we invested approximately KRW 904.8 billion and KRW 404.8 billion in capital expenditures related to expansion and upgrade of our WCDMA network and WiBro network, respectively, in 2008.

NON-CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2008 AND 2007

	Korean won / In millions		Translation into U.S. dollars / In thousands	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
<b>ASSETS</b>				
<b>CURRENT ASSETS :</b>				
Cash and cash equivalents	434,177	575,646	344,039	456,138
Short-term financial instruments	98,406	79,360	77,976	62,884
Short-term investment securities	369,744	733,769	292,983	581,433
Accounts receivable - trade, net of allowance for doubtful accounts of ₩58,404 million as of December 31, 2008 and ₩59,581 million as of December 31, 2007	1,576,459	1,620,334	1,249,175	1,283,941
Short-term loans, net of allowance for doubtful accounts of ₩1,090 million as of December 31, 2008 and ₩753 million as of December 31, 2007	107,934	74,532	85,526	59,059
Accounts receivable - other, net of allowance for doubtful accounts of ₩21,071 million and present value of ₩27,314 million as of December 31, 2008 and ₩23,253 million and nil as of December 31, 2007	1,225,983	855,062	971,460	677,545
Inventories	13,927	18,681	11,036	14,803
Prepaid expenses	98,273	94,080	77,871	74,548
Current deferred income tax assets, net	21,677	29,688	17,177	23,525
Accrued income and other	43,923	12,907	34,804	10,227
Total Current Assets	3,990,503	4,094,059	3,162,047	3,244,103
<b>NON-CURRENT ASSETS :</b>				
Property and equipment, net	4,698,214	4,594,413	3,722,832	3,640,581
Intangible assets, net	2,941,592	3,174,942	2,330,897	2,515,802
Long-term financial instruments	19	10,019	15	7,939
Long-term investment securities	3,067,389	5,041,393	2,430,578	3,994,765
Equity securities accounted for using the equity method	2,600,719	888,633	2,060,792	704,147
Long-term loans, net of allowance for doubtful accounts of ₩23,342 million as of December 31, 2008 and ₩23,783 million as of December 31, 2007	131,700	76,642	104,358	60,731
Long-term accounts receivable - other, net of present value of ₩45,464 million as December 31, 2008 and nil as December 31, 2007	572,139	-	453,359	-
Guarantee deposits	147,970	122,209	117,250	96,838
Long-term currency swap	356,815	13,057	282,738	10,346
Long-term interest rate swap	-	3,170	-	2,512
Long-term deposits and other	110,435	113,973	87,507	90,310
Total Non-Current Assets	14,626,992	14,038,451	11,590,326	11,123,971
TOTAL ASSETS	18,617,495	18,132,510	14,752,373	14,368,074

(Continued)



	Korean won / In millions		Translation into U.S. dollars / In thousands	
	December 31,	December 31,	December 31,	December 31,
	2008	2007	2008	2007
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES :				
Short-term borrowings	154,700	-	122,583	-
Accounts payable	1,039,509	1,112,659	823,700	881,663
Income taxes payable	322,431	314,830	255,492	249,469
Accrued expenses	692,788	374,058	548,960	296,401
Withholdings	285,164	222,653	225,962	176,429
Current portion of long-term debt, net	708,618	410,575	561,504	325,337
Current portion of subscription deposits	7,082	7,540	5,612	5,975
Currency swap	190,359	12,646	150,839	10,021
Advanced receipts and other	11,839	29,587	9,381	23,444
Total Current Liabilities	3,412,490	2,484,548	2,704,033	1,968,739
NON-CURRENT LIABILITIES :				
Bonds payable, net	2,882,483	2,281,160	2,284,059	1,807,575
Long-term borrowings	825,750	293,820	654,319	232,821
Subscription deposits	4,796	6,426	3,800	5,092
Long-term payables - other, net of present value discount of ₩15,416 million as of December 31, 2008 and ₩27,886 million as of December 31, 2007	304,584	422,114	241,350	334,480
Accrued severance indemnities, net	24,221	22,150	19,193	17,552
Non-current deferred income tax liabilities, net	279,616	1,044,690	221,566	827,805
Long-term currency swap	23,947	110,911	18,975	87,885
Long-term interest swap	33,499	-	26,544	-
Guarantee deposits received and other	97,102	39,745	76,944	31,493
Total Non-Current Liabilities	4,475,998	4,221,016	3,546,750	3,344,703
Total Liabilities	7,888,488	6,705,564	6,250,783	5,313,442
STOCKHOLDERS' EQUITY :				
Capital stock	44,639	44,639	35,372	35,372
Capital surplus	2,957,095	2,954,829	2,343,181	2,341,386
Capital adjustments:				
Treasury stock	(2,055,620)	(2,041,483)	(1,628,858)	(1,617,658)
Loss on disposal of treasury stock	-	(95)	-	(75)
Equity method in capital adjustments	(91,910)	(30,908)	(72,829)	(24,491)
Accumulated other comprehensive income (loss) :				
Unrealized gains on valuation of long-term investment securities, net	413,270	1,626,689	327,472	1,288,977
Equity in other comprehensive loss of affiliates, net	(4,824)	(23,072)	(3,823)	(18,282)
Loss on valuation of currency swap, net	(8,532)	(11,816)	(6,761)	(9,363)
Gain on valuation of interest swap, net	(26,129)	2,298	(20,704)	1,821
Retained earnings :				
Appropriated	8,295,037	7,335,037	6,572,929	5,812,232
Unappropriated	1,205,981	1,570,828	955,611	1,244,713
Total Stockholders' Equity	10,729,007	11,426,946	8,501,590	9,054,632
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	18,617,495	18,132,510	14,752,373	14,368,074

NON-CONSOLIDATED STATEMENTS OF INCOME  
YEARS ENDED DECEMBER 31, 2008 AND 2007

	Korean won		Translation into U.S. dollars	
	In millions except for per share data	In thousands except for per share data	In thousands except for per share data	In thousands except for per share data
	December 31,	December 31,	December 31,	December 31,
	2008	2007	2008	2007
OPERATING REVENUE	11,674,662	11,285,900	9,250,921	8,942,868
OPERATING EXPENSES :				
Labor cost	(414,108)	(409,884)	(328,136)	(324,789)
Commissions paid	(4,419,208)	(4,035,757)	(3,501,750)	(3,197,906)
Depreciation and amortization	(1,804,910)	(1,723,017)	(1,430,198)	(1,365,307)
Network interconnection	(1,039,263)	(998,154)	(823,505)	(790,930)
Leased line	(391,150)	(388,796)	(309,945)	(308,079)
Advertising	(300,506)	(304,194)	(238,119)	(241,041)
Research and development	(221,501)	(214,795)	(175,516)	(170,202)
Rent	(238,651)	(207,199)	(189,105)	(164,183)
Frequency usage	(161,619)	(164,072)	(128,066)	(130,010)
Repair	(154,221)	(161,050)	(122,204)	(127,615)
Cost of goods sold	(59,431)	(83,584)	(47,093)	(66,231)
Other	(410,198)	(423,855)	(325,037)	(335,859)
Sub-total	(9,614,766)	(9,114,357)	(7,618,674)	(7,222,152)
OPERATING INCOME	2,059,896	2,171,543	1,632,247	1,720,716
OTHER INCOME :				
Interest income	107,212	77,344	84,954	61,287
Dividends	52,475	21,113	41,581	16,730
Commissions	18,689	35,601	14,809	28,210
Reversal of allowance for doubtful accounts	1,295	513	1,026	406
Foreign exchange and translation gains	466,014	11,112	369,266	8,805
Equity in earnings of affiliates	41,605	266,811	32,968	211,419
Gain on disposal of investment assets	18,661	3,005	14,787	2,381
Gain on disposal of property and equipment and intangible assets	4,217	7,306	3,342	5,789
Gain on transactions and valuation of currency swap	264,417	10,799	209,522	8,557
Gain on conversion of convertible bonds	-	373,140	-	295,674
Gain on repayment of bonds	-	5,600	-	4,437
Other	40,695	38,971	32,246	30,880
Sub-total	1,015,280	851,315	804,501	674,575

	Korean won		Translation into U.S. dollars	
	In millions except for per share data		In thousands except for per share data	
	December 31,	December 31,	December 31,	December 31,
	2008	2007	2008	2007
OTHER EXPENSES :				
Interest and discounts	(256,446)	(215,856)	(203,206)	(171,043)
Donations	(99,602)	(72,471)	(78,924)	(57,426)
Foreign exchange and translation losses	(146,736)	(12,079)	(116,273)	(9,571)
Loss on valuation of short-term investment securities	(7,758)	(1,203)	(6,147)	(953)
Equity in losses of affiliates	(258,547)	(249,425)	(204,871)	(197,643)
Impairment loss on investment securities	(218,729)	(4,386)	(173,319)	(3,475)
Loss on disposal of investment assets	(7,916)	(81)	(6,273)	(64)
Loss on disposal of property, equipment and intangible assets	(44,758)	(30,213)	(35,466)	(23,941)
Impairment loss on assets	(6,906)	(369)	(5,472)	(292)
Loss on transactions and valuation of currency swap	(440,037)	(33,876)	(348,682)	(26,843)
External research and development cost	(71,942)	(73,725)	(57,006)	(58,419)
Other	(9,723)	(13,062)	(7,705)	(10,350)
Sub-total	(1,569,100)	(706,746)	(1,243,344)	(560,020)
ORDINARY INCOME	1,506,076	2,316,112	1,193,404	1,835,271
INCOME BEFORE INCOME TAX	1,506,076	2,316,112	1,193,404	1,835,271
PROVISION FOR INCOME TAX	(228,418)	(673,661)	(180,997)	(533,804)
NET INCOME	1,277,658	1,642,451	1,012,407	1,301,467
NET INCOME PER SHARE				
(In Korean won and U.S. dollars)	17,559	22,607	13,914	17,914
DILUTED NET INCOME PER SHARE				
(In Korean won and U.S. dollars)	17,395	22,289	13,784	17,662

NON-CONSOLIDATED STATEMENTS OF APPROPRIATIONS OF RETAINED EARNINGS  
YEARS ENDED DECEMBER 31, 2008 AND 2007

	Korean won / In millions		Translation into U.S. dollars / In thousands	
	December 31,	December 31,	December 31,	December 31,
	2008	2007	2008	2007
RETAINED EARNINGS BEFORE APPROPRIATIONS :				
Beginning of year	1,116	1,044	884	827
Interim dividends	(72,793)	(72,667)	(57,680)	(57,581)
Retirement of treasury stock	-	-	-	-
Net income for the year	1,277,658	1,642,451	1,012,407	1,301,467
End of year	1,205,981	1,570,828	955,611	1,244,713
TRANSFER FROM VOLUNTARY RESERVES :				
Reserve for research and manpower development	200,000	-	158,479	-
Reserve for loss on disposal of treasury stock	255,984	-	202,840	-
Reserve for improvement of financial structure	-	33,000	-	26,149
	455,984	33,000	361,319	26,149
APPROPRIATIONS :				
Reserve for research and manpower development	-	-	-	-
Reserve for business expansion	(701,000)	(193,000)	(555,468)	(152,932)
Reserve for technology development	(350,000)	(800,000)	(277,338)	(633,914)
Cash dividends	(609,203)	(609,712)	(482,727)	(483,132)
	(1,660,203)	(1,602,712)	(1,315,533)	(1,269,978)
UNAPPROPRIATED RETAINED EARNINGS TO BE CARRIED FORWARD TO THE FOLLOWING YEAR	1,762	1,116	1,397	884



NON-CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
YEAR ENDED DECEMBER 31, 2008

	Common stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total Stockholders' equity
Korean won / In millions						
Balance, January 1, 2008	44,639	2,939,353	(2,041,578)	1,589,206	8,905,865	11,437,485
Cumulative effect of change in accounting policies	-	15,476	(30,908)	4,893	-	(10,539)
Adjusted balance, January 1, 2008	44,639	2,954,829	(2,072,486)	1,594,099	8,905,865	11,426,946
Cash dividends	-	-	-	-	(609,712)	(609,712)
Interim dividends	-	-	-	-	(72,793)	(72,793)
Net income	-	-	-	-	1,277,658	1,277,658
Conversion of convertible bonds	-	1,544	-	-	-	1,544
Difference between the acquisition cost and the net book value incurred from the transactions between companies under common control	-	-	(61,002)	-	-	(61,002)
Treasury stock	-	722	(14,137)	-	-	(13,415)
Loss on disposal of treasury stock	-	-	95	-	-	95
Unrealized loss on valuation of long-term investment securities, net	-	-	-	(1,213,419)	-	(1,213,419)
Equity in other comprehensive income changes of affiliates, net	-	-	-	18,248	-	18,248
Loss on valuation of currency swap, net	-	-	-	3,284	-	3,284
Loss on valuation of interest swap, net	-	-	-	(28,427)	-	(28,427)
Balance, December 31, 2008	44,639	2,957,095	(2,147,530)	373,785	9,501,018	10,729,007
Translation into U.S. dollars / In thousands						
Balance, January 1, 2008	35,372	2,329,123	(1,617,733)	1,259,276	7,056,945	9,062,983
Cumulative effect of change in accounting policies	-	12,263	(24,491)	3,877	-	(8,351)
Adjusted balance, January 1, 2008	35,372	2,341,386	(1,642,224)	1,263,153	7,056,945	9,054,632
Cash dividends	-	-	-	-	(483,132)	(483,132)
Interim dividends	-	-	-	-	(57,680)	(57,680)
Net income	-	-	-	-	1,012,407	1,012,407
Conversion of convertible bonds	-	1,223	-	-	-	1,223
Difference between the acquisition cost and the net book value incurred from the transactions between companies under common control	-	-	(48,338)	-	-	(48,338)
Treasury stock	-	572	(11,200)	-	-	(10,628)
Loss on disposal of treasury stock	-	-	75	-	-	75
Unrealized loss on valuation of long-term investment securities, net	-	-	-	(961,505)	-	(961,505)
Equity in other comprehensive income changes of affiliates, net	-	-	-	14,459	-	14,459
Loss on valuation of currency swap, net	-	-	-	2,602	-	2,602
Loss on valuation of interest swap, net	-	-	-	(22,525)	-	(22,525)
Balance, December 31, 2008	35,372	2,343,181	(1,701,687)	296,184	7,528,540	8,501,590

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2008 AND 2007

	Korean won / In millions		Translation into U.S. dollars / In thousands	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
CASH FLOWS FROM OPERATING ACTIVITIES :				
Net income	1,277,658	1,642,451	1,012,407	1,301,467
Expenses not involving cash payments:				
Provision for severance indemnities	36,139	32,496	28,636	25,750
Depreciation and amortization	1,943,422	1,852,226	1,539,954	1,467,691
Allowance for doubtful accounts	42,727	46,197	33,857	36,606
Foreign translation loss	127,042	8,915	100,667	7,064
Loss on valuation of short-term investment securities	7,758	1,203	6,147	953
Equity in losses of affiliates	258,547	249,425	204,871	197,643
Impairment loss on investment securities	218,729	4,386	173,319	3,475
Loss on disposal of investment assets	7,916	81	6,273	64
Loss on disposal of property, equipment and intangible assets	44,758	30,213	35,466	23,941
Impairment loss on assets	6,906	369	5,472	292
Loss on transactions and valuation of currency swap	440,037	33,876	348,682	26,843
Donations	175	286	139	227
Amortization of discounts on bonds and other	36,803	42,545	29,163	33,712
Sub-total	3,170,959	2,302,218	2,512,646	1,824,261
Income not involving cash receipts:				
Foreign translation gain	(422,733)	(4,910)	(334,971)	(3,891)
Reversal of allowance for doubtful accounts	(1,295)	(513)	(1,026)	(406)
Equity in earnings of affiliates	(41,605)	(266,811)	(32,968)	(211,419)
Gain on disposal of investment assets	(18,661)	(3,005)	(14,787)	(2,381)
Gain on disposal of property, equipment and intangible assets	(4,217)	(7,306)	(3,342)	(5,789)
Gain on transactions and valuation of currency swap	(264,417)	(10,799)	(209,522)	(8,557)
Gain on conversion of convertible bonds	-	(373,140)	-	(295,674)
Gain on repayment of bonds	-	(5,600)	-	(4,437)
Other	(1,378)	(371)	(1,091)	(295)
Sub-total	(754,306)	(672,455)	(597,707)	(532,849)

	Korean won / In millions		Translation into U.S. dollars / In thousands	
	December 31,	December 31,	December 31,	December 31,
	2008	2007	2008	2007
Changes in assets and liabilities related to operating activities:				
Accounts receivable - trade	9,314	41,657	7,380	33,009
Accounts receivable - other	(378,030)	398,064	(299,548)	315,423
Inventories	(2,152)	(815)	(1,705)	(646)
Prepaid expenses	16,817	67,378	13,326	53,390
Advanced payments and other	(22,459)	(11,132)	(17,796)	(8,821)
Long-term accounts receivables - other	(572,139)	-	(453,359)	-
Accounts payable	(72,888)	4,489	(57,756)	3,557
Income tax payable	7,967	(20,348)	6,313	(16,124)
Accrued expenses	374,153	(11,240)	296,476	(8,906)
Withholdings	62,511	(105,242)	49,533	(83,393)
Current portion of subscription deposits	(458)	(8,220)	(363)	(6,513)
Advanced receipts and other	(17,748)	(4,235)	(14,063)	(3,356)
Deferred income taxes	(253,465)	111,977	(200,844)	88,730
Severance indemnities payments	(15,051)	(6,005)	(11,926)	(4,758)
Deposits for group severance indemnities and other deposits	(19,671)	(14,833)	(15,588)	(11,754)
Dividends received from affiliate	7,608	7,134	6,029	5,653
Sub-total	(875,691)	448,629	(693,891)	355,491
Net Cash Provided by Operating Activities	2,818,620	3,720,843	2,233,455	2,948,370
CASH FLOWS FROM INVESTING ACTIVITIES :				
Cash inflows from investing activities:				
Decrease in long-term financial instruments	10,000	5	7,924	4
Decrease in short-term investment securities, net	360,707	30,342	285,822	24,043
Collection of short-term loans	205,758	113,396	163,041	89,854
Collection of long-term loans	8,582	-	6,800	-
Proceeds from sales of long-term investment securities	370,354	4,623	293,466	3,663
Proceeds from sales of equity securities accounted for using the equity method	7,616	9,801	6,035	7,766
Decrease in guarantee deposits	16,143	19,854	12,792	15,732
Decrease in other non-current assets	30,454	11,333	24,131	8,981
Proceeds from disposal of property and equipment	11,903	27,892	9,432	22,101
Proceeds from disposal of intangible assets	9,344	5,832	7,404	4,621
Cash inflows from transaction of currency swap	-	17,242	-	13,662
Sub-total	1,030,861	240,320	816,847	190,427

(continued)

	Korean won / In millions		Translation into U.S. dollars / In thousands	
	December 31,	December 31,	December 31,	December 31,
	2008	2007	2008	2007
Cash outflows for investing activities:				
Acquisition of short-term financial instruments	(19,046)	(17,407)	(15,092)	(13,793)
Acquisition of short-term investment securities, net	-	-	-	-
Extension of short-term loans	(245,284)	(91,272)	(194,361)	(72,323)
Extension of long-term loans	(29,676)	(98,112)	(23,515)	(77,743)
Acquisition of long-term investment securities	(11,557)	(366,609)	(9,158)	(290,498)
Acquisition of equity securities accounted for using the equity method	(1,893,236)	(258,558)	(1,500,187)	(204,880)
Increase in guarantee deposits and other	(88,769)	(74,696)	(70,340)	(59,190)
Acquisition of property and equipment	(1,803,751)	(1,754,455)	(1,429,280)	(1,390,218)
Increase in intangible assets	(71,431)	(82,978)	(56,601)	(65,751)
Cash outflows from transaction of currency swap	(262,324)	(8,769)	(207,864)	(6,948)
Sub-total	(4,425,074)	(2,752,856)	(3,506,398)	(2,181,344)
Net Cash Used in Investing Activities	(3,394,213)	(2,512,536)	(2,689,551)	(1,990,917)
CASH FLOWS FROM FINANCING ACTIVITIES :				
Cash inflows from financing activities:				
Issuance of bonds	894,558	651,562	708,842	516,293
Proceeds from short-term borrowings	154,700	-	122,583	-
Prodeeds from long-term borrowings	500,000	-	396,197	-
Increase in guarantee deposits received and other	4,334	1,858	3,434	1,472
Proceeds from disposal of treasury stock	42,246	45,133	33,475	35,763
Cash inflows from transaction of currency swap	-	2,901	-	2,299
Sub-total	1,595,838	701,454	1,264,531	555,827
Cash outflows for financing activities:				
Repayment of current portion of long-term debts	(411,642)	(798,197)	(326,182)	(632,486)
Repayment of bonds	-	(43,027)	-	(34,094)
Payment of dividends	(682,504)	(581,309)	(540,811)	(460,625)
Decrease in subscription deposits	(1,630)	(14,714)	(1,292)	(11,659)
Acquisition of treasury stock	(63,538)	(118,512)	(50,347)	(93,908)
Cash outflows from transaction of currency swap	-	(11,838)	-	(9,380)
Decrease in other non-current liabilities	(2,400)	(7,618)	(1,902)	(6,036)
Sub-total	(1,161,714)	(1,575,215)	(920,534)	(1,248,188)
Net Cash Provided by (Used in) Financing Activities	434,124	(873,761)	343,997	(692,361)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(141,469)	334,546	(112,099)	265,092
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	575,646	241,100	456,138	191,046
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	434,177	575,646	344,039	456,138

**Note:** The accompanying financial statements are stated in Korean won, the currency of the country in which the Company is incorporated and operates. The translation of Korean won amounts into U.S. dollar amounts is included solely for the convenience of readers of financial statements and has been made at the rate of ₩1,262.00 to US\$1.00, the Noon Buying Rate in the City of New York for cable transfers in Korean won as certified for customs purposes by the Federal Reserve Bank of New York on the last business day of the period ended December 31, 2008. Such translations into U.S. dollars should not be construed as representations that the Korean won amounts could be converted into U.S. dollars at that or any other rate.



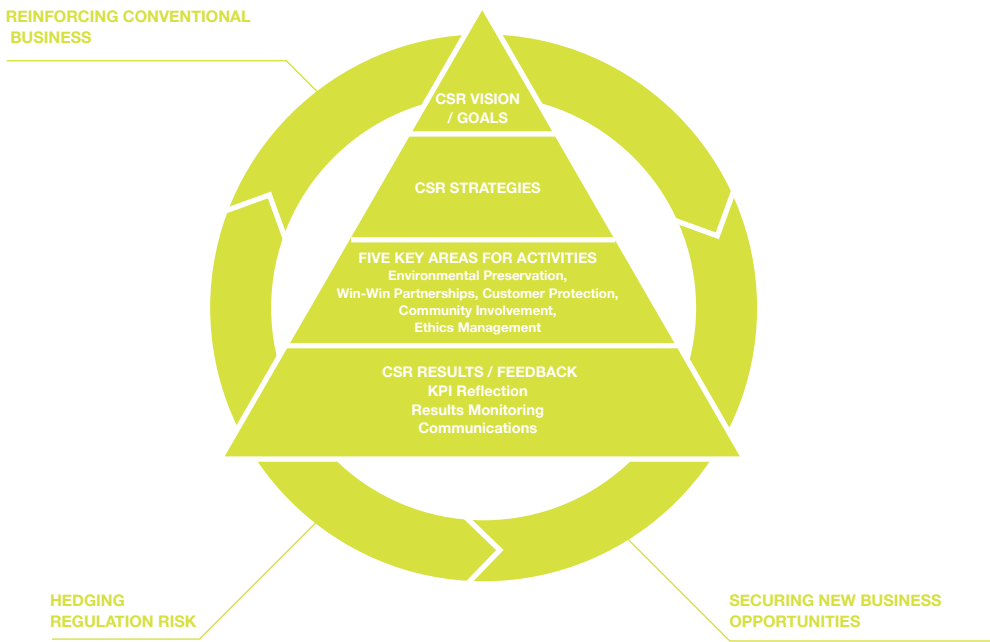
# SUSTAINABILITY MANAGEMENT

## 05

In the business environment of accelerating convergence and intense global competition, expectations for corporate citizenship and social responsibility are also rising. At SK Telecom, we prize sustainability management based on our unique corporate philosophy and customer-oriented management. We focus on maximizing the value of all members of society.

# SUSTAINABILITY MANAGEMENT

Sustainability management is catapulting SK Telecom into the upper ranks of the world’s most admired companies. Our world-class growth is fueled by loyal customers, dedicated employees, innovative business partners and the support of valued shareholders.



## BUILDING SUSTAINABILITY MANAGEMENT, SKMS

SK Telecom’s unique corporate philosophy, the SK Management System (SKMS), promises to contribute to the social and economic wellbeing of humankind. Always, our mandate is to invest in strategic Corporate Social Responsibility (CSR) activities that seek fundamental solutions to contemporary social challenges. With ethics management, community involvement and environmental preservation, we expect to enhance stakeholder value while maintaining the profit that will secure our future growth.

## DEFINING FIVE AREAS FOR SUSTAINABILITY MANAGEMENT

SK Telecom has determined five key areas of sustainability management that include environmental preservation, win-win partnerships, customer protection, community involvement and ethics management. The strategies for these essential areas of our social role have been shaped by internal and external expectations placed on SK Telecom as the No. 1 Korean mobile operator. They ensure minimal risk to our existing business activities, enhance our competitive stance and promote the discovery of new business opportunities. SK Telecom reports yearly outcomes and plans for each area in our annual Sustainability Report.

## IMPLEMENTING SUSTAINABILITY MANAGEMENT

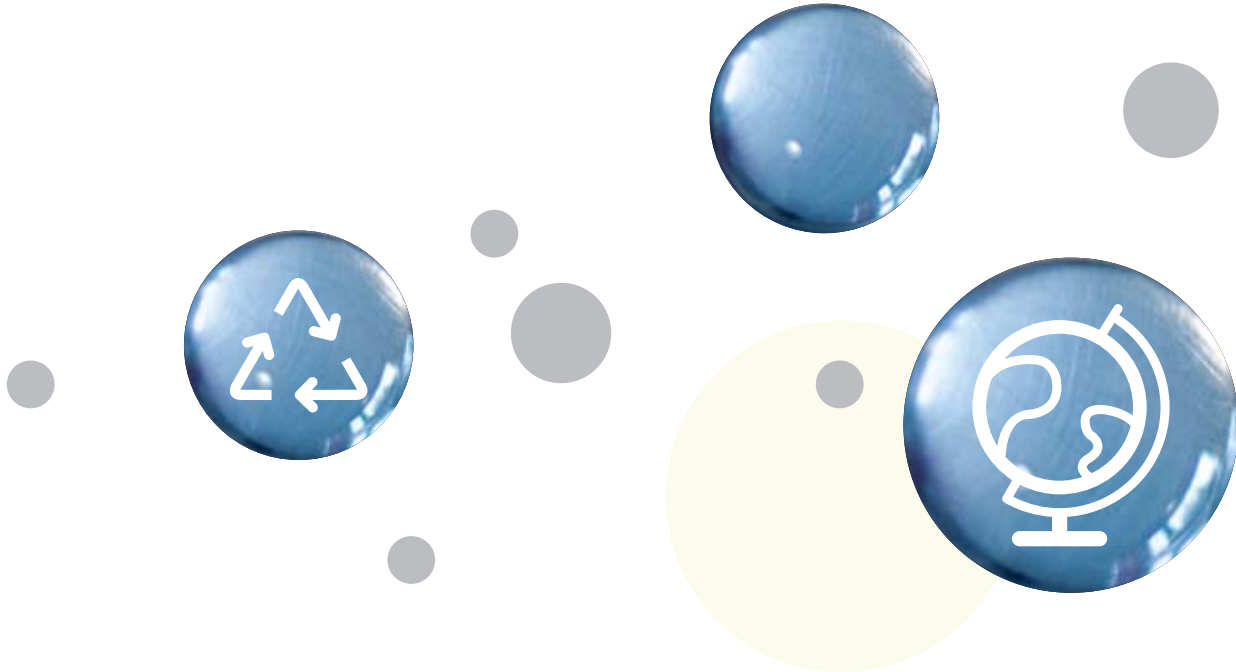
As a corporation listed on the New York Stock Exchange, SK Telecom has strengthened its ethics management in compliance with the U.S. Sarbanes-Oxley Act. In May 2007, SK Telecom’s Board of Directors unanimously approved membership into the United Nations Global Compact (UNGC). SK Telecom was the first among the four largest conglomerates in Korea to become a member. By joining the UNGC, SK Telecom promised active responsibility for the UNGC’s ten principles, including human rights protection, labor standards, environmental preservation and anti-corruption efforts. In May 2008, the Corporate Citizenship Committee was established as one of the five sub-committees within the Board of Directors in order to implement those principles companywide. With three external and two internal members, the Corporate Citizenship Committee reviews and advises direction for sustainability management. In 2009, we will continue to focus on sustainability management by creating a supporting committee and identifying key performance indicators (KPI) for corporate social responsibility.

## MAKING THE CASE FOR SUSTAINABILITY

In September 2008, SK Telecom was recognized for its efforts in sustainability management by inclusion in the Dow Jones Sustainability Index (DJSI). SK Telecom was the third Korean company, and one of the first among Asian telecommunications companies, along with China Mobile, to be included in the DJSI. SK Telecom was favorably recognized for its outstanding customer relationship management and privacy protections, as well as for its programs for recruiting, training and retaining global talent.

# Environmental Preservation 1

SK Telecom is actively pursuing environment-friendly management that contributes to the green growth of our economy.



## MANAGING ENVIRONMENTAL CHALLENGES

As the threat of climate change mounts, worldwide concern is moving the telecommunications industry to adopt practices that promote low-carbon green growth. Since the end of 2008, SK Telecom has been building companywide environment-friendly strategies. In 2009, we will establish the Environment Committee, consisting of executive members, in order to further promote green growth policies across product, process and culture systems.

## Raising awareness of the Eco-Office

In 2008, SK Telecom initiated the Eco-Office Campaign to emphasize the importance of environment-friendly management among employees. As part of the campaign, we launched an Eco-Office channel on the company Intranet to gather employee suggestions for environment-friendly practices. As a result, in 2008 alone, the company saved about KRW 300 million, and reduced energy usage of electricity and gas by 2,800 tons of carbon dioxide. Such savings are equal to planting 24,700 young pine trees to help reduce climate change. Starting in 2009, Eco-Office activities will be expanded to include employee families as well. We also expect to enhance educational programs regarding environment preservation.

## Serving customers with eco-friendly policies

To efficiently serve customers while reducing the use of resources, SK Telecom is providing electronic statements, mobile device management services, virtual customer service centers and more. Since October 2007, we have been relying on a Paperless Subscription System, which stores subscriptions on a main server, in order to reduce the use of resources and also protect customer privacy. Along with the new brand launch in 2008, we replaced signs at about 2,000 retailers with environment-friendly LED displays, which are a more energy-efficient light source.

SK Telecom will seek further ways to expand environment-friendly services in 2009, thereby increasing customer participation in environmental management.

## Benefiting the community

SK Telecom continues to help the community become more environmentally conscious. Such projects include remote-control solutions for public facilities, the bus information system and other services. We also expect our mobile solution services, such as T map Navigation, to help customers enjoy an environment-friendly lifestyle. These new services, which utilize our mobile telecommunications technologies, not only save resources but also will increase customer satisfaction. SK Telecom is committed to actively meeting environment challenges by saving resources and energy.



## Win-Win Partnerships 2

By encouraging, engaging and educating, SK Telecom builds Win-Win Partnerships with all business partners.



### FOSTERING WIN-WIN PARTNERSHIPS

As convergence and globalization intensify, competition is shifting from individual companies to global rivalries among supply chains, including business partners. The recent financial crisis has only added to such hardships. Anticipating these social needs, SK hosted a ceremony to launch its SK Win-Win Treaty, establishing the SK Win-Win Committee in September 2008 for the first time in Korea. Continuing into 2009, SK Telecom intends to sharpen the competitiveness of its business partners while developing a culture of collaboration.

#### Improving competitiveness

SK Telecom supports the financial and R&D infrastructures that provide opportunities for its partners. Since establishing the NATE Business Center in April 2005, we have offered free test beds and consulting services to more than 100,000 individuals to help develop wireless Internet-related content and solutions. We provided loan programs valued at approximately KRW 68.5 billion to our partner companies as of the end of 2008. In 2009, we will also hire more than 300 interns and provide them with opportunities to work at our small and medium-sized partner companies. In addition, SK Telecom provides training programs designed for small and medium-sized enterprises. We offer about 100 online educational programs for basic technology, IT and marketing, which attracted more than 20,000 staff members from business partners in 2008 alone. SK Telecom also provides approximately 10 training courses on IT-related topics and leadership for executives of selected partner companies.

#### Strengthening cooperation

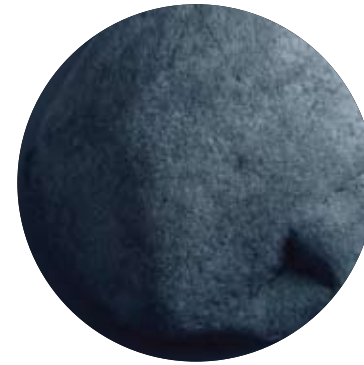
SK Telecom is committed to advancing win-win business opportunities by promoting "Web 2.0" values, such as openness, interaction and sharing. Since 2004, we have supported external institutions and small and medium-sized business partners with KRW 17.7 billion worth of technology development. That has spurred business growth in the fields of satellite broadcasting, content copyright protection and more. In 2008, we launched a 24-hour online channel to encourage ideas and suggestions from our business partners. Recently, SK Telecom also held its second Open Idea+ Festival, from which four out of 470 business ideas were selected for possible joint venture businesses.

#### Encouraging the partnership culture

Win-Win Partnerships are built on mutual trust and on fair and transparent trade practices. To develop that culture, in 2008, SK Telecom instituted the annual Business Partner Satisfaction Index, which monitors partner satisfaction and identifies areas for improvement. In addition, while complying with guidelines set by the Fair Trade Commission, we are strengthening our relationships with business partners by expanding the Multi-Communications Channel and the Partner Relationship Management System ([www.open2u.co.kr](http://www.open2u.co.kr)). Since October 2008, our fair and transparent trade agreement applies not only to new contracts but also to existing business. SK Telecom also provides partners with free online educational programs to raise awareness about human rights, labor standards and anti-corruption practices.

## Customer Protection 3

SK Telecom's vigilant customer protection offers mobile customers greater satisfaction and security.



### FOCUSING ON CUSTOMER PROTECTION

As the domestic mobile telecommunications market becomes saturated, customer services that provide differentiated customer values turn increasingly important. Focused on putting customers first, SK Telecom has consistently earned top ranking in the National Customer Satisfaction Index (NCSI) for twelve consecutive years, including 2009, by successfully navigating market changes and surpassing customer expectations. In 2009, we intend to enhance the customer experience by anticipating customer needs and avoiding disappointments. At the same time, SK Telecom is protecting customer privacy and strengthening protections to keep minority users safe.

#### Forestalling customer complaints

SK Telecom launched a range of flexible pricing plans to limit customers' excessive data charges. We also introduced a SMS program that alerts customers about current usage in an effort to make mobile phone bills more transparent. We have launched seven free services that combat spam and voice-phishing, including the SMS Spam Filtering service and SPAM ARS/SMS Block. These services are noticeably reducing customer complaints. Our customer-oriented Product Life-Cycle Management oversees products from the planning stage to their removal from the market. Such careful monitoring of product use and operation averts customer complaints from the start. In 2008, we created customer-centric guidelines that prescreen any risks to customer value before the launch of a product.

#### Securing customer privacy

In response to rising concerns about customer privacy, in 2008, we established guidelines that safeguard customer privacy and implemented year-round systematic monitoring and training activities. For the first time in the industry, we also adopted a scanning method in which retailers retain customer receipts only as electronic image files while customers keep the original documents. These guidelines guard against the risk of unintentional disclosures. In 2009, we will be establishing a master plan to monitor other risks to customer privacy and programs that provide prompt and effective action in the event of any breach.

#### Keeping minority users safe

To protect teenagers from inappropriate content, SK Telecom suspended direct access to adult content services in 2006, and introduced the Harmful Content Filtering Service in 2008. In addition, to prevent inadvertent mobile charges, we instituted the Guardian Notification Service, and set up maximum-fee guidelines for data charges to limit excessive access by teens. SK Telecom continues to improve services for its teenage subscribers while working to avoid any risks of overuse. SK Telecom also is strengthening its services and benefits for seniors and users with disabilities. We have extended discounts for low-income families, waived activation fees and lowered monthly fees as well as call charges for subscribers on social welfare programs.

# Community Involvement

4

By leveraging its mobile telecommunications and technology resources, SK Telecom is helping to resolve fundamental social problems.



## EXPANDING COMMUNITY INVOLVEMENT

Leveraging our worldwide resources of advanced technologies, management skills and employee talent, SK Telecom makes social investments based on three principles: Happy Change, Happy Together and Happy Participation. In 2009, SK Telecom will continue its community involvement efforts at home and abroad in order to build sustainable happiness for our society.

## Education in mobile technology

SK Telecom provides education in the appropriate use of telecommunications technology for seniors, the disabled, teenagers, North Korean settlers and more. Volunteers in Sunny, our college student program, help seniors take advantage of mobile phones as a tool for communications between generations. Additional educational programs launched in 2007 promote the sound use of mobile phones among teenagers.

## Extending the mobile social safety net

A key social investment for SK Telecom is its contribution to the community, utilizing mobile telecommunications technology and infrastructure. Operating since 2004, the Mobile Search for Missing Persons service has successfully returned 19 missing persons to their families. Since 2004, we have provided a platform for donations linking NGOs to customers, and, in 2008 alone, we raised KRW 173 million from 73,349 subscriber donations. We are also helping teenagers through our anonymous mobile counseling services, which have benefited approximately 470 teenagers since 2007.

## Supporting independence for the disadvantaged

SK Happy Meal Box program delivers free nutritious and hygienic meals to the needy. Strict food safety requirements ensure the high quality of the meals at more than 29 Happy Meal Centers, which, in turn, also create job opportunities for low-income families. In working to improve opportunities for underprivileged teenagers, SK Telecom has developed programs such as the 1318 Happy Zone and Happy Music School, and created more than 4,000 jobs, as of the end of 2008.

## Realizing global social responsibility

SK Telecom is actively involved in community developments that meet the needs of societies beyond Korean borders. In January 2008, in a joint agreement with the Communist Youth League of China, SK Telecom created the SK Fund to support university and high school students. Company support in Vietnam began in 1996, by providing free surgery for Vietnamese children with facial deformities. To date, we have helped nearly 2,700 Vietnamese children. In June 2008, the Vietnamese government awarded its Order of Amicable Relations to SK Telecom, the country's highest honor to foreigners.

## Working with volunteers

SK Telecom's community involvement activities are successfully delivered with the support of our customers and employees. Currently, about 60,000 customers participate as college volunteers and more than 65% of employees engage in some type of volunteer activity each year. In 2009, we will expand our volunteer programs, sharing the passion and talent of our employees with the community.

# Ethics Management

5

SK Telecom is dedicated to building a sound foundation for ethics management that will provide continuous growth and generate social trust.



## COMMITTING TO ETHICS MANAGEMENT

In pursuit of continuous growth and development, SK Telecom's social role and responsibilities are founded on seeking honest profits. Since establishing the Ethics Management Team and the Ethics Committee in 2004, SK Telecom has worked to build a culture of business ethics that complies with global standards. In 2009, our goal is to deepen our emphasis on ethical business practices by providing ethical standards and detailed ethics management education.

## Advancing the Code of Ethics

Based on the Code of Ethics set in 2002, SK Telecom has provided ethics risk-prevention guidelines to all employees. In 2007, the Code of Ethics was updated after adopting the principles of the United Nations Global Compact and the revised SKMS. More than nine out of 10 employees (96%) now have signed and submitted written ethics pledges, excluding employees located overseas. Standards for ethics management are clearly communicated via workshops and communications with team leaders. The company's internal broadcasting system and online channels also remind employees of the importance of ethics management. Starting in 2009, we plan to increase the practice of the Code of Ethics by making employee pledges a yearly tradition and offering guidelines for implementing ethics management.

## Teaching ethics management

To keep ethics management top-of-mind in our corporate culture, SK Telecom has provided continuous education with online information and group educational programs. Since 2007, after all employees had completed individual ethics management education, we initiated team education to reflect the needs of each division. With this method, we emphasized the importance of ethics management and improved each division's ability to examine and prevent ethical issues. We also differentiated ethics management education according to position, such as for new team leaders and for new employees. In 2009, we plan to further develop ethics management education through additional training and interviews with executives and leader groups.

## Monitoring ethical practices

SK Telecom operates internal control systems in compliance with the U.S. Sarbanes-Oxley Act. We also offer an Ethics Counseling Center and maintain a supervisory direct report system to the Audit Committee chair, which provides a channel for reporting any ethical issues, such as unfair trade or solicitation, to all stakeholders, including employees. We continuously look for solutions and operations that will strengthen our oversight of ethical issues.



CORPORATE MILESTONES

CORPORATE MILESTONES

Mar. 1984	Established Korea Mobile Telecommunications Services Co., Ltd.
May. 1985	Began operating car phone services
Apr. 1988	Designated as a public telecommunications service operator
Oct. 1989	Appeared on the Korea Stock Exchange for an initial public offering of KRW 6.4 billion
Apr. 1992	Paging service subscribers surpassed 1 million
Jun. 1994	SK Group became the major shareholder of the Korea Mobile Telecommunications Services Co., Ltd.
Jan. 1995	Cellular phone and paging service subscribers reached 1 million and 4 million, respectively
Feb. 1995	Unveiled 'MOVE 21'-the Company's vision for the 21st century
Jan. 1996	Launched the world's first commercial CDMA cellular phone service
Jun. 1996	ADRs listed on New York Stock Exchange - the first for a non-governmental Korean enterprise
Jun. 1996	Credit rating of A+ awarded by Standard & Poor's
Jul. 1996	Credit rating of A1 awarded by Moody's
Mar. 1997	Changed name to SK Telecom Co.,Ltd., and unveiled a new corporate identity program at the 13th annual shareholders' meeting
Sep. 1997	Completed development of IMT-2000 test-bed system
Oct. 1997	Launched NETSGO, a multimedia online service
Dec. 1997	Number of CDMA subscribers reached 3 million
Jan. 1998	Granted ISO 9002 certification for customer service and after-sales service, the first among Korean cellular service providers
Jun. 1998	Ranked first in the National Customer Satisfaction Index in the Mobile Communications Service category
Jun. 1998	SK Telink, SK Telecom's subsidiary, launched 00700 International Call services
Dec. 1998	SK Teletech, SK Telecom's subsidiary, launched by introducing its SKY handsets
Mar. 1999	Ranked first in the Mobile Communications Service category of the National Customer Satisfaction Index
Jul. 1999	Launched "TTL," a cellular service directed at the youth market
Oct. 1999	Number of cellular subscribers reached 10 million
Mar. 2000	Formed strategic alliances with small & medium-sized telecommunications carriers to co-develop core IMT-2000 technology
Mar. 2000	Completed the development of the world's first core components for IMT-2000
Mar. 2000	Voted No. 1 for the second consecutive time in the Mobile Communications Service category of the National Customer Satisfaction Index

Apr. 2000	Korea Fair Trade Commission approved the acquisition of Shinsegi Telecomm
May 2000	Established a joint venture company with GameKing, China's biggest video game software development company
Aug. 2000	Separated with NETSGO
Oct. 2000	Launched the world's first commercial service with CDMA2000 1X
Oct. 2000	Entered into a cellular service contract with DCN, a mobile communications operator in the Republic of Daghestan
Dec. 2000	Obtained a service license for Asynchronous IMT-2000 (WCDMA)
Mar. 2001	Sold radio paging business to Intec Telecom
Mar. 2001	Established SK IMT Co., Ltd.
Apr. 2001	Launched wireless Internet services in Mongolia
May 2001	Introduced the world's first commercial wireless streaming video service
Jun. 2001	Concluded a US \$1 million CDMA consulting agreement with China Unicom, covering network design, optimization, and other areas of CDMA technology
Jun. 2001	Established a joint venture fund worth US\$ 10 million with Hewlett-Packard
Aug. 2001	Completed the development of the world's first video telephony service using the CDMA2000 1X network
Sep. 2001	Launched an IC chip-embedded Moneta Card, in affiliation with 5 major domestic credit card firms and SK Corporation
Oct. 2001	Launched NATE, a wired and wireless integrated portal service
Jan. 2002	The Ministry of Information and Communications approved the merger between SK Telecom and Shinsegi Telecomm
Jan. 2002	Acquired a business license to operate a CDMA cellular service in Cambodia
Jan. 2002	Launched the world's first commercial CDMA2000 1x EV-DO service
Mar. 2002	Pioneered CDMA-GSM interstandard international roaming service
Apr. 2002	Launched Korea-Japan CDMA Automatic Roaming Service
Apr. 2002	Exported NATE platform to Pelephone, an advanced Israeli mobile communications operator
May 2002	Developed next-generation streaming video compression technology (H.26L)
May 2002	Launched Automatic Roaming Service in the U.S.
Jul. 2002	Signed a MOU with China Unicom for the establishment of a joint venture company in China
Sep. 2002	Credit rating upgraded to Baa1 from Baa2 by Moody's
Oct. 2002	Showcased the revolutionary CDMA2000 1x EV-DO network in China
Nov. 2002	Expanded the Automatic Roaming Service in China and the U.S.
Nov. 2002	Launched June, a mobile multimedia service
Nov. 2002	Launched MONETA, a mobile payment service

Mar. 2003	Signed a formal contract with China Unicom to establish a joint venture company in China
Apr. 2003	Publicly demonstrated the commercialization of Wireless Internet Platform for Interoperability (WIPI)
May 2003	Merged with SK IMT
May 2003	Provided CDMA Automatic Roaming Service in Thailand and Saipan Island
Jun. 2003	Implemented Rainbow program for cellular subscribers
Jul. 2003	Launched commercial CDMA cellular service in Vietnam
Jul. 2003	Received the Corporate Governance Award
Jul. 2003	Purchased 2.48 million POSCO shares held by SK Corporation
Aug. 2003	CDMA 2000 1xEV-DO network-based June service subscribers reached 1 million
Aug. 2003	Launched MONETA Online Payment Service
Sep. 2003	Completed the test of a Wireless Data Roaming service between Korea and China
Sep. 2003	Signed a MOU with Teliasonera for jointly developing and commercializing new businesses
Oct. 2003	Established CapEx Review and Compensation Review committees
Nov. 2003	Formed a consortium to develop satellite DMB business
Dec. 2003	Launched WCDMA commercial service
Dec. 2003	Provided a CDMA Automatic Roaming Service in Taiwan, Mexico and Peru
Feb. 2004	Commercialized a next-generation streaming video compression technology
Mar. 2004	Celebrated 20th anniversary
Mar. 2004	Launched a satellite for the world's first digital multimedia broadcasting service
Mar. 2004	Upgraded credit rating to A3 by Moody's
Apr. 2004	Launched a joint venture company named UNISK in China
Apr. 2004	Started Digital Home Pilot Service
May 2004	Issued Convertible Notes worth US \$329 million in London
Jun. 2004	Offered the Automatic Roaming Service in Israel
Jul. 2004	Launched a wired and wireless integrated Cyworld portal
Jul. 2004	Exceeded US \$10 million in export sales of cellular ring back tone solution ColorRing
Aug. 2004	Exported wireless Internet platforms to Kazakhstan
Sep. 2004	Announced the strategic partnership with KB to provide M-Bank Service
Oct. 2004	Formed Ubinet consortium for BcN pilot project
Oct. 2004	Secured over 100 thousand S-Fone service subscribers in Vietnam
Nov. 2004	Launched a wired and wireless integrated music portal service called MeOn
Nov. 2004	Started cellular ringback tone service business in the U.S.
Jan. 2005	Established a Korea's first continuous audit system
Jan. 2005	Acquired a WiBro service license from the Ministry of Information and Communication

Mar. 2005	Ranked the No. 1 brand in the National Customer Satisfaction Index for eight consecutive years
Apr. 2005	Offered Automatic Roaming Service in Indonesia
May 2005	Exported the GPS-based safety service for children called 'i-Kids' to Europe
Jun. 2005	Acquired 'A' (stable) rating from Fitch
Jun. 2005	Won the 2005 corporate governance award from the Corporate Governance Service of Korea Exchange
Jun. 2005	Initiated video telephony calls between Korea and Japan
Aug. 2005	Selected as the pilot Jeju Telematics service provider in the second year project
Oct. 2005	SK-EarthLink disclosed a new company and brand called 'HELIO' in the U.S. market
Nov. 2005	Started the 'WCDMA Automatic Roaming' service all around France and Italy
Dec. 2005	Received a Presidential Citation in recognition of executions of win-win partnerships with small, medium, and large-sized enterprises
Mar. 2006	NATE mobile search services topped 1 million a month
Apr. 2006	SK Telecom and Ewha Womans University agreed to cooperate in building a ubiquitous or U-Campus
May 2006	Launched 'HELIO', a nationwide MVNO (Mobile Virtual Network Operator) service in the U.S., in a joint venture with Earthlink
May 2006	Introduced the world's first commercial HSDPA services and a HSDPA handset, under its new service brand '3G+.'
Jun. 2006	Bought US\$ 1 billion worth of convertible bonds of China Unicom
Jun. 2006	Commercialized WiBro access in selected areas of Seoul
Jul. 2006	Debuted a key mobile telecommunications brand, called 'T'
Jul. 2006	Stopped providing adult content on its services as part of continuing efforts to fulfill ethical responsibilities
Aug. 2006	Signed first-ever MOU with China's National Development and Reform Commission (NDRC) on developing 3G telecommunications
Sep. 2006	Began broadband wireless T LOGIN services that enable access to the HSPDA network for digital devices such as laptops
Oct. 2006	Agreed to a strategic partnership for next-generation mobile browsing with Google
Dec. 2006	Established a strategic alliance with Samsung Electronics for domestic and overseas market cooperation by supplying 20 types of handsets
Jan. 2007	Received the "Grand Award for Customer Satisfaction Management" from the <i>Korea Economic Daily</i>
Feb. 2007	Agreed to commercialize 3G-based financial services in cooperation with Visa International
Feb. 2007	Joined the Bridge Mobile Alliance
Mar. 2007	Introduced the industry's first Customer Complaint Management System (CCMS), initiated by the Korean Fair Trade Commission

Mar. 2007	Launched nationwide HSDPA service after setting up a HSDPA network that covers 99% of the population
Apr. 2007	Introduced a dual-mode device that supports HSDPA and WiBro simultaneously
Apr. 2007	Debuted TD-SCDMA test-bed in Korea after establishing a TD-SCDMA Service Development Center in China in February 2007
Apr. 2007	Won awards as the "Best Asian Telecom Operator" and "Best Mobile Operator" from Telecom Asia for the second year in a row
Apr. 2007	Selected as one of the "Best Employers in Asia" by the <i>Wall Street Journal Asia</i> and Hewitt Associates
May 2007	Joined the UN Global Compact, an initiative that encourages businesses worldwide to adopt sustainable and socially responsible policies
May 2007	Launched the world's first USIM-based credit card service in affiliation with LG Card
Jun. 2007	Signed a MOU with Freemove, an alliance of leading telecom operators in Europe, in order to expand the WCDMA global roaming system
Jun. 2007	Signed a MOU with the National Urban and Rural Research Center of the Vietnamese Ministry of Construction to establish a joint working group and cooperate on a u-City project
Jul. 2007	Launched open <sup>①</sup> , a gateway site, to help mobile users easily search and navigate wireless Internet sites
Aug. 2007	By converting US \$1 billion CBs, became the second largest shareholder of China Unicom with 6.6% of shares
Oct. 2007	Launched Korea's first 2 Mbps-level HSUPA USB modem in partnership with domestic handset makers
Nov. 2007	Awarded the "Grand Prize in Business Ethics" by the Korean Academy of Business Ethics (KABE) for transparent governance, strong relationships with business partners and socially responsible contributions
Nov. 2007	During his visit to Seoul, the General Secretary of the Communist Party of Vietnam visited SK Telecom to discuss future business plans
Dec. 2007	Signed an agreement to acquire Hanaro Telecom, the nation's second largest broadband service provider
Dec. 2007	Established the world's first commercial HSUPA network, with speeds of up to 5.76Mbps
Jan. 2008	Hosted technology tour for the Vietnamese Minister of Information and Communication
Feb. 2008	Entered China's telematics market by acquiring a controlling stake of 65.53% in ShenZhen E-Eye High Tech, a Chinese GPS company
Feb. 2008	Launched 11 St, a new-concept online marketplace that lets users shop and share tips via the wired or the wireless Internet
Mar. 2008	Signed an investment agreement with Taihe & Rye Music (TR Music), China's largest record company, to become an equal majority shareholder and enter one of the world's largest music markets

Mar. 2008	Launched Mobile Money Ventures in partnership with Citi to develop mobile financial services and technologies
Apr. 2008	Achieved top ranking in NCSI for eleven consecutive years
Apr. 2008	Encouraged subscriber loyalty by introducing mandatory contracts, handset installment programs and family discount plans
Apr. 2008	Unveiled USIM-based mobile banking service for WCDMA subscribers in collaboration with Shinhan Bank
May 2008	Advanced into the Chinese online game market by acquiring a 30% stake in Magic Tech Network, the Hong Kong-based company of Magicgrids Network
May 2008	Earned the 2008 Frost & Sullivan Asia Pacific Information and Communications Technology (ICT) Award for Gifticon, which was recognized as the Most Innovative Application/Product of the Year
May 2008	Signed a MOU with the Chinese government to jointly build an International Digital Content and Industrial Design Complex in Beijing by 2013
Jun. 2008	Won the Award of Excellence in Corporate Governance from the Korea Corporate Governance Service (CGS) for two consecutive years
Jun. 2008	Awarded the Order of Amicable Relations by the Vietnamese government for social contributions
Jun. 2008	Set the global standard for telematics technology when the Java Community Process Board adopted SK Telecom's technology, which enables remote-control automotive functions by mobile phone
Jun. 2008	Became the second-largest shareholder of Virgin Mobile USA, with a 17% stake and two seats on the Board
Aug. 2008	Launched wired and wireless bundled products in alliance with SK Broadband that offers up to 50% discounts on mobile phone and broadband services
Aug. 2008	Improved customer protections in partnership with FEELINGK by developing a screening system for harmful content
Sep. 2008	Ranked No. 1 in KCSI by the Korea Management Association Consulting in the Wireless Telecommunications category for eleven consecutive years
Sep. 2008	Ranked No. 1 in KS-SQI by the Korean Standards Association in the Wireless Telecommunications category for nine consecutive years
Sep. 2008	Recognized for excellence in global sustainability as a member of the 2008 Dow Jones Sustainability Index (DJSI), a first among Korean telecommunications companies
Oct. 2008	Opened the T.um exhibition center at corporate headquarters in Seoul, the world's first mobile communications exhibition center
Nov. 2008	Expanded mobile T money usage online by collaborating with Korea Smart Card and TMONET to offer USIM-based Internet shopping at 11 St, Cyworld and Mnet
Dec. 2008	Won KRW 300 billion contract from the Ministry of National Defense to lead a consortium to upgrade the armed forces' communications network
Dec. 2008	Debuted the BlackBerry in Korean market in cooperation with Research In Motion (RIM)

# GLOBAL NETWORK

<b>SEOUL</b> <b>SK Telecom Co., Ltd.</b> 11, Euljiro 2-ga, Jung-gu, Seoul, 100-999, Korea Tel: 82-2-6100-2114 Fax: 82-2-6100-7950	<b>BEIJING</b> <b>SK Telecom China Holding Co., Ltd.</b> 25th Floor, SK Tower, No. 6 Jia, Jianguomenwai Avenue, Chaoyang District, Beijing 100022, China Tel: 86-10-5920-7777 Fax: 86-10-5920-7722	<b>TOKYO</b> <b>SK Telecom Co., Ltd.</b> <b>Tokyo Office</b> Yamato Semei Bldg. 8F, 1-1-7 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan Tel: 81-3-3591-3800 Fax: 81-3-3591-3807
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GLOBAL NETWORK  
-  
INVESTOR  
INFORMATION

# INVESTOR INFORMATION

<b>CORPORATE HEADQUARTERS</b> SK Telecom Co., Ltd. 11, Euljiro 2-ga, Jung-gu, Seoul 100-999, Korea Tel: 82-2-6100-2114 Fax: 82-2-6100-7950	<b>TRANSFER AGENT AND REGISTRAR</b> Common stock Kookmin Bank Securities Agency Business Department 34, Yeoido-dong, Yeongdeungpo-gu, Seoul, Korea Tel: 82-2-2073-8112 Fax: 82-2-2073-8111	<b>ANNUAL GENERAL SHAREHOLDERS' MEETING</b> Friday, March 13, 2009, at 9 AM SK Telecom Boramae building, 729-1, Bongchon 1-dong, Gwanak-gu, Seoul, Korea
<b>DATE OF ESTABLISHMENT</b> March 29, 1984		<b>COMPANY WEBSITE</b> <a href="http://www.sktelecom.com/eng/">http://www.sktelecom.com/eng/</a>
<b>PAID IN CAPITAL</b> KRW 44,639 million as of December 31, 2008	<b>AMERICAN DEPOSITARY SHARES</b> Citibank, N.A. 388 Greenwich St., 14th floor, New York, NY 10013 Tel: 1-212-816-6859 Fax: 1-212-816-6865	<b>INVESTOR RELATIONS</b> For investor inquiries, email: <a href="mailto:irmeeting@sktelecom.com">irmeeting@sktelecom.com</a> Or mail to IR Group, SK Telecom 11, Euljiro 2-ga, Jung-gu, Seoul, Korea
<b>NUMBER OF COMMON SHARES</b> 81,193,711 Shares as of December 31, 2008	<b>AVAILABLE FILINGS</b> Form 20-F Form 6-K: Quarterly Reports, Proxy Statements, and other material announcements	
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