

# SK telecom Investor Presentation

July 2016



# Disclaimer

---

This presentation contains forward-looking statements with respect to the financial condition, results of operations and business of SK Telecom and its subsidiaries (the "Company") and plans and objectives of the management of the Company. The aforementioned forward-looking statements are influenced by unknown risks, uncertainties and other factors which may change the actual results or performance of the Company.

The Company does not make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained in this management presentation, and nothing contained herein is, or shall be relied upon as, a promise or representation, whether as to the past or the future.

Therefore, this presentation contained herein should not be utilized for any legal purposes in regards to investors' investment results. The Company hereby expressly disclaims any and all liability for any loss or damage resulting from the investors' reliance on the information contained herein.

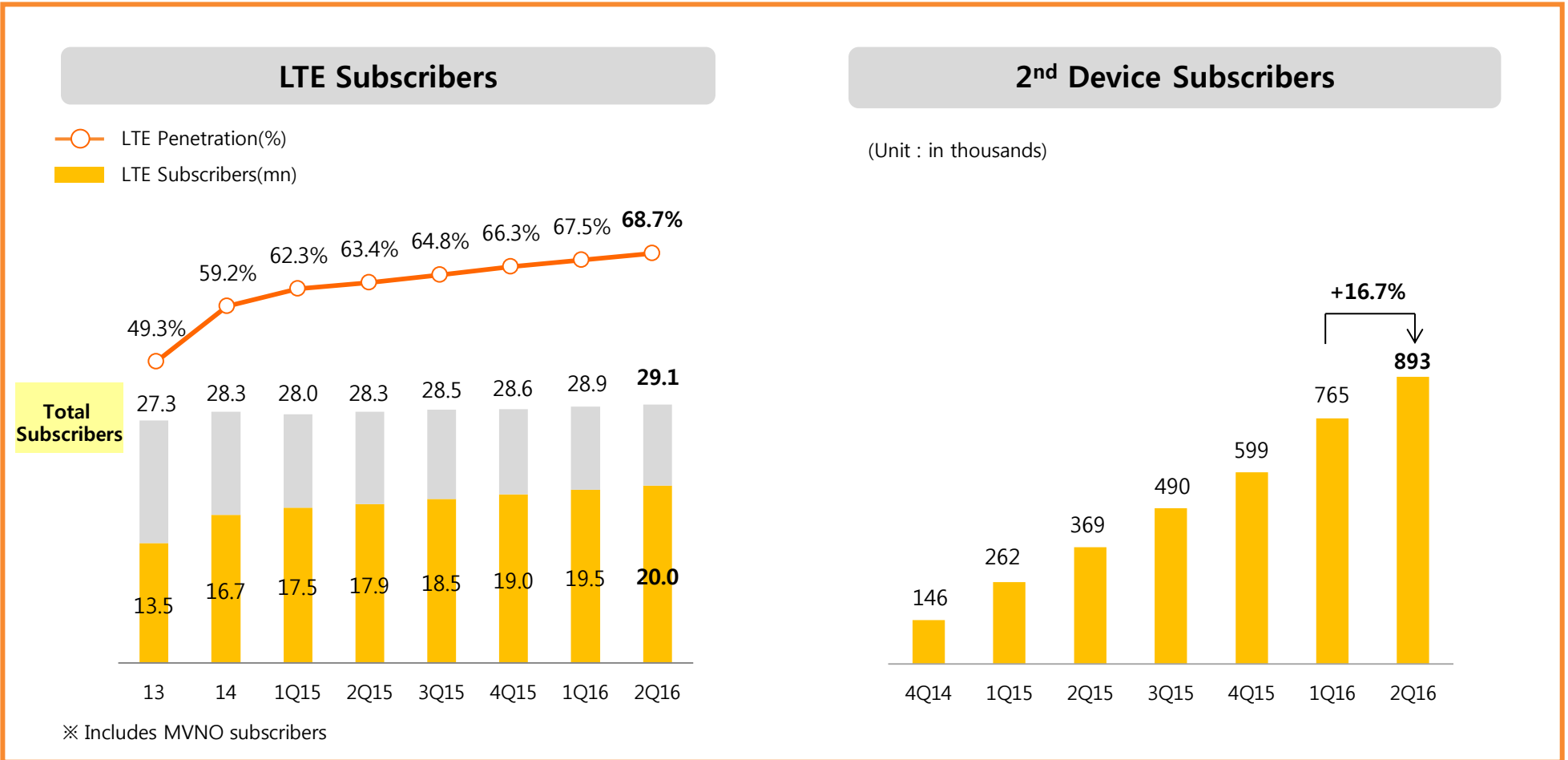
This presentation only speaks the informations as of the date they are made, and the Company undertakes no obligation to update publicly any of them in light of new information or future events.

# Table of Contents

---

<b>I . Business</b>	.....	<b>3</b>	
- Telco	..... 3	- Lifestyle Enhancement..... 8	
- Media	..... 9	- IoT	..... 10
- e-Commerce	..... 11		
<b>II. Capital Management</b>	.....	<b>12</b>	
<b>III. Consolidated Results</b>	.....	<b>14</b>	
<b>IV. Non-consolidated Results</b>	.....	<b>16</b>	
<b>Appendix</b>	.....	<b>18</b>	

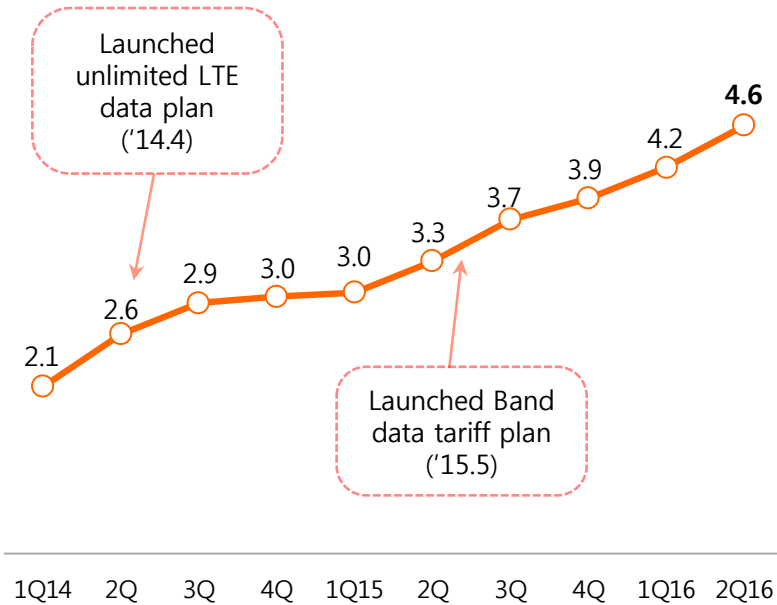
- Differentiated services and fundamental competitiveness boost LTE expansion
- Driving 2<sup>nd</sup> device market to create new demand



- LTE data usage per sub reached 4.6GB, reflecting growing demand for multimedia consumption
- ARPU decreased slightly due to increase in 2<sup>nd</sup> devices and tariff discount plan subscribers

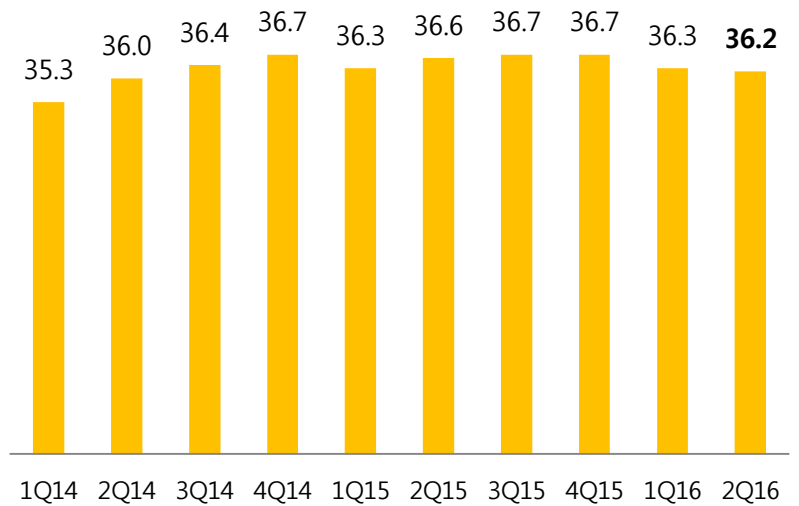
### Monthly LTE Data Usage per Sub

(Unit: GB)



### Billing ARPU Trend

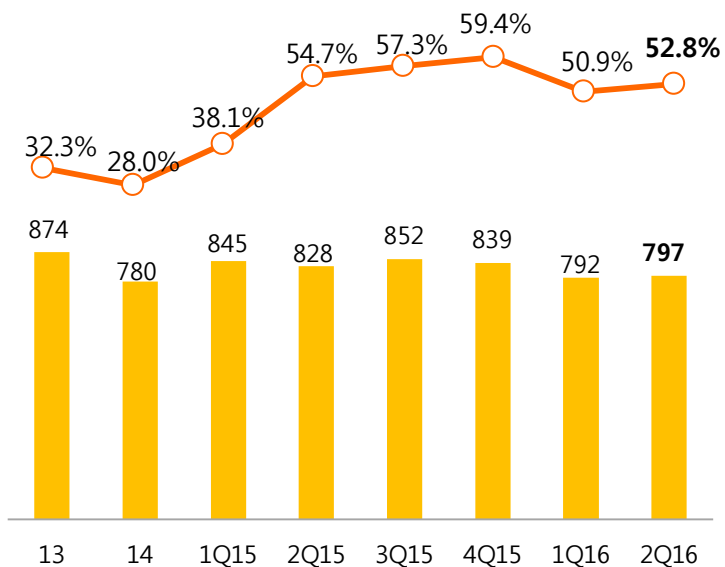
(Unit : KRW thousands)



- Both competition and churn rate remain stable as retention-driven operations continue

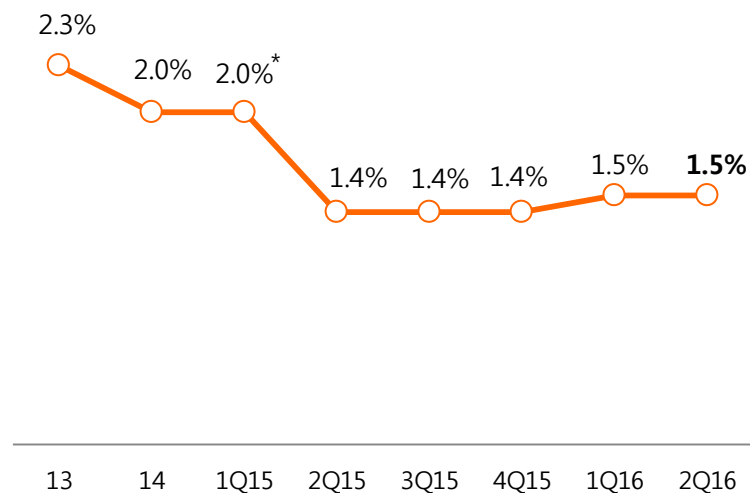
## Market Size & Handset Upgrades

- % of Handset upgrades\*
- Market size (in thousands, avg. monthly new+upgrade subs)



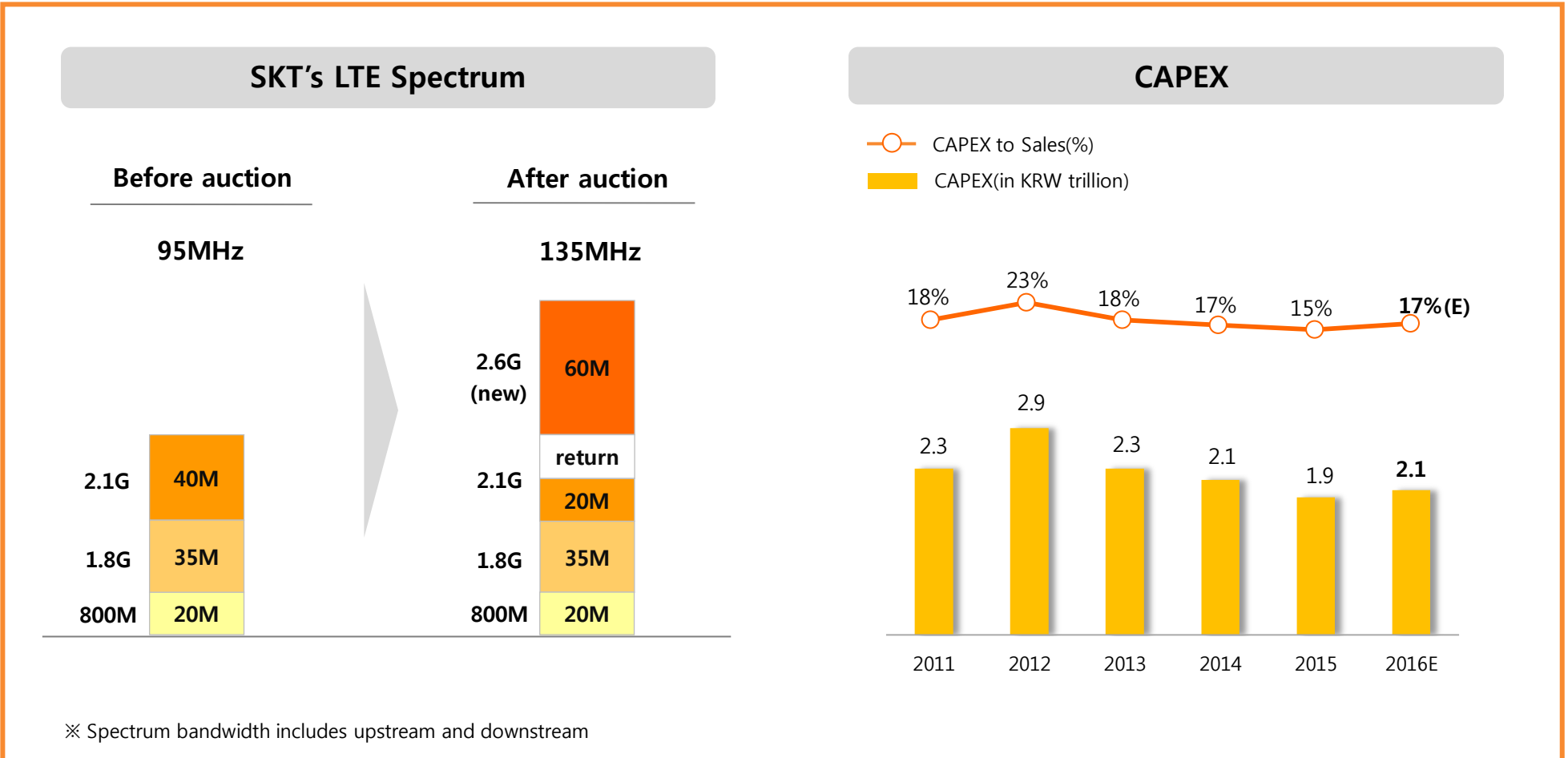
\* % of upgrade subs out of total market size(new+upgrade), ex-MVNO

## Churn Rate



\* Excludes one time termination of inactive users

- Acquisition of 60MHz in the 2.6GHz band has enabled SKT to solely provide 5 Band CA<sup>1)</sup>services in Korea
- CAPEX guidance adjusted to KRW 2.1 trillion from KRW 2 trillion



※ Spectrum bandwidth includes upstream and downstream

<sup>1)</sup> CA(Carrier Aggregation): Network technology aggregating different spectrums to increase speed

- 5G standardization to be finalized in 2018, followed by commercialization in 2020;  
SK Telecom is working towards developing a trial network within 2016
- Features such as faster speed and lower latency enable new business models

## 5G Roadmap

Year	'15	'16	'17	'18	'19	'20
5G Standard		Discussion of 5G standard	Preliminary standard	1 <sup>st</sup> Standard		2 <sup>nd</sup> Standard
SKT's 5G schedule	Develop test-bed	Rollout trial NW	Trial service			Commercialize

※ Completed development of 5G test-bed equipment with Ericsson ('16.6)

## Features of 5G

- Faster Speed : Minimum 1Gbps
- Lower Latency\*(Transit Delay)  
: 0.002sec (1/10 of LTE)
- Numerous 5G applications : self-driving car, VR/AR, etc.

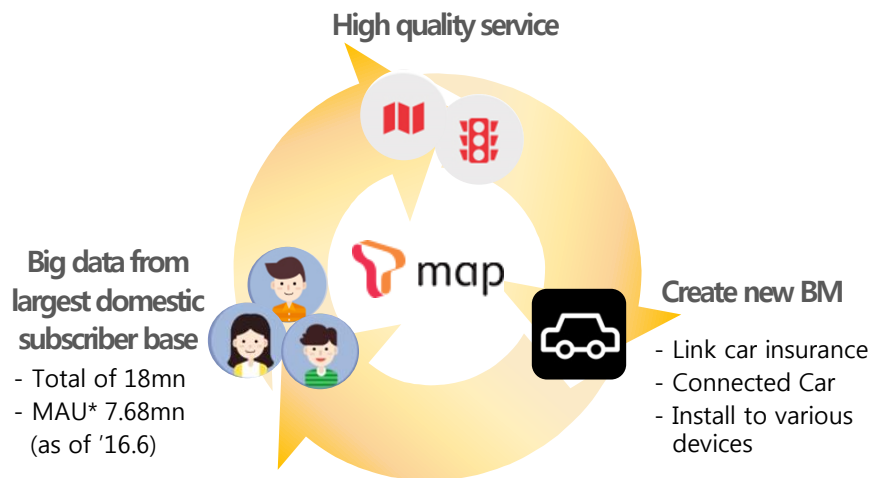
\* Latency : Transmission time of data to return to originating device



- **Open T-map, T-phone, and CLOUDBERRY services to become headliners of Lifestyle Enhancement Platform**

## T-map

- **Pay-to-free conversion to expand subscriber base ('16.7)**
- **Utilize big data from subscriber base and partner with relevant players in the industry to create new biz models**



\* MAU : Monthly Active Users

## T-phone

- **Opened to non-SKT users in Dec. '15, exceeded 10mn users in Aug. '16**  
 - Upgraded safe call function by partnering with O2O service ('16.7)

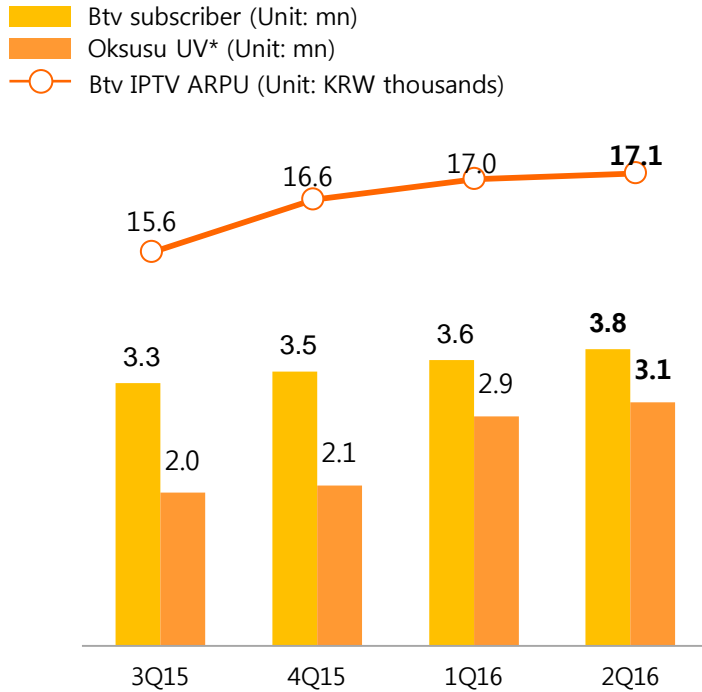


## CLOUDBERRY

- **Enhance mobile cloud experience by strengthening data management and security (launched in Aug '16)**  
 - Expanded data storage, introduced privacy protection, etc.

- Core competitiveness in media creates tangible results; IPTV subs/revenue/ARPU continue growing
- Increase in 'oksusu' UV drives mobile data usage

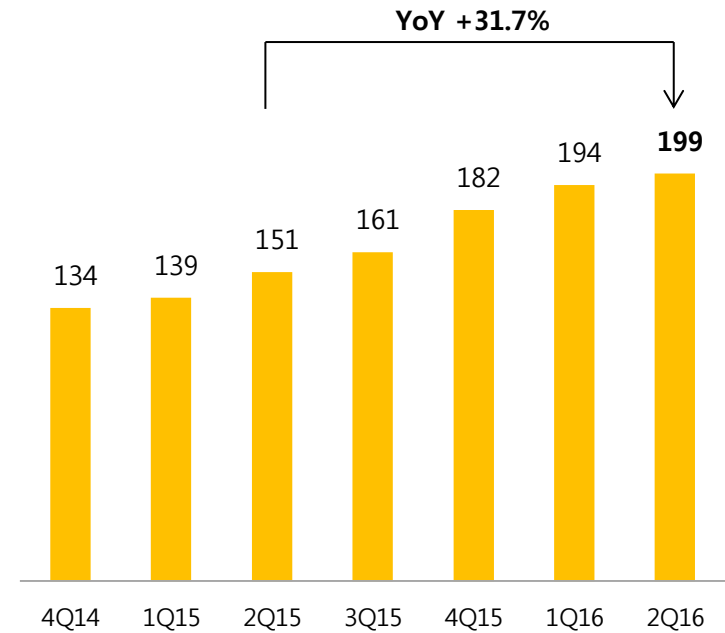
### On/off-line media biz of SKB



\* UV : Unique Visitor

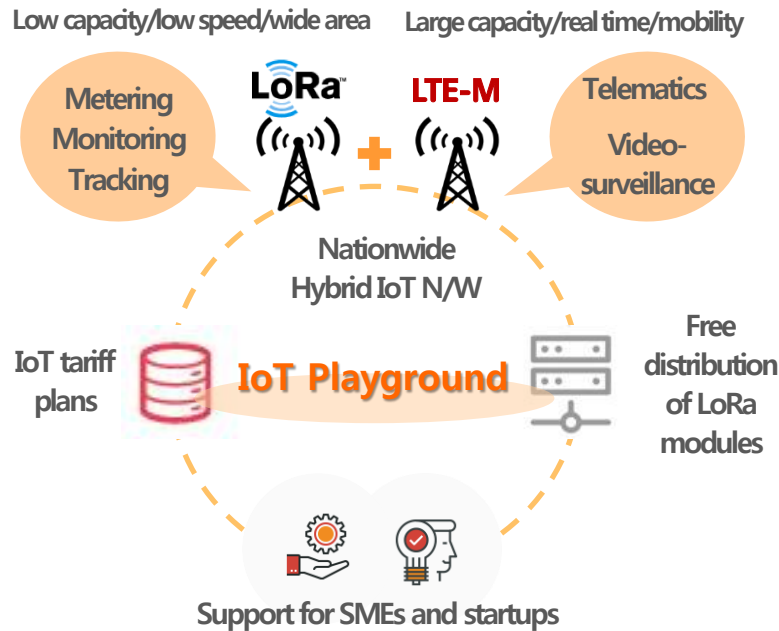
### IPTV revenue

(Unit: KRW bn)



- World's first nationwide IoT network enables ecosystem expansion: 20 services launching in 2016, 4 million devices connected by 2017
- Expanding Smart Home Service through partnerships, with focus on the housing market

## Enable service expansion via IoT Ecosystem



## Smart Home Leadership



### Eco Expansion

46 partners,  
43 connected devices

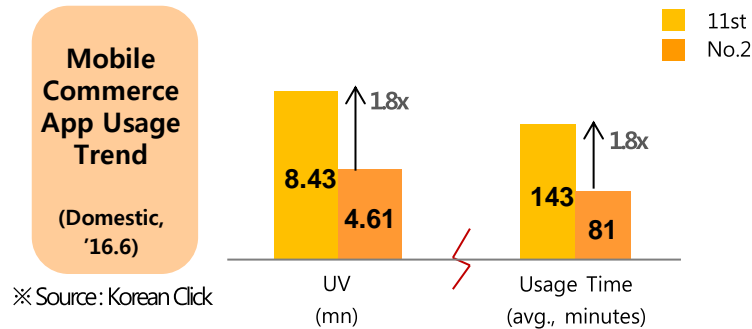
### Expanded BM



- Applying active marketing strategies to become the Top Commerce Player

## 11st.

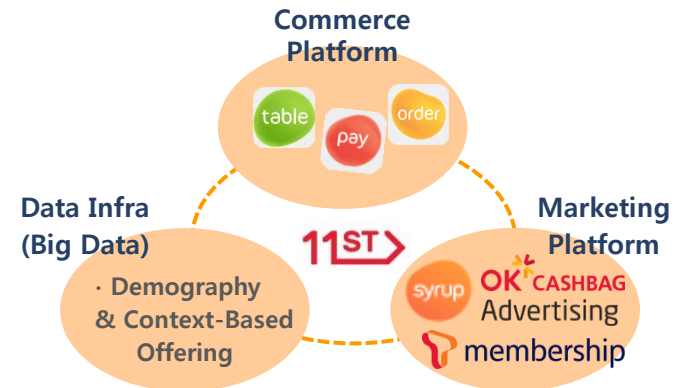
- No. 1 in App + Web UV<sup>1)</sup>, avg. usage time, retention rate



- **GMV<sup>2)</sup> increasing as 11st strengthens portfolio and diversifies marketing strategies**
  - Stronger growth in mobile (YoY +83.3%, QoQ +13.7%)
- **Strong competitiveness in the global market**
  - GMV No.1 in Turkey, No.2 in Indonesia & Malaysia

## What makes SK Planet different?

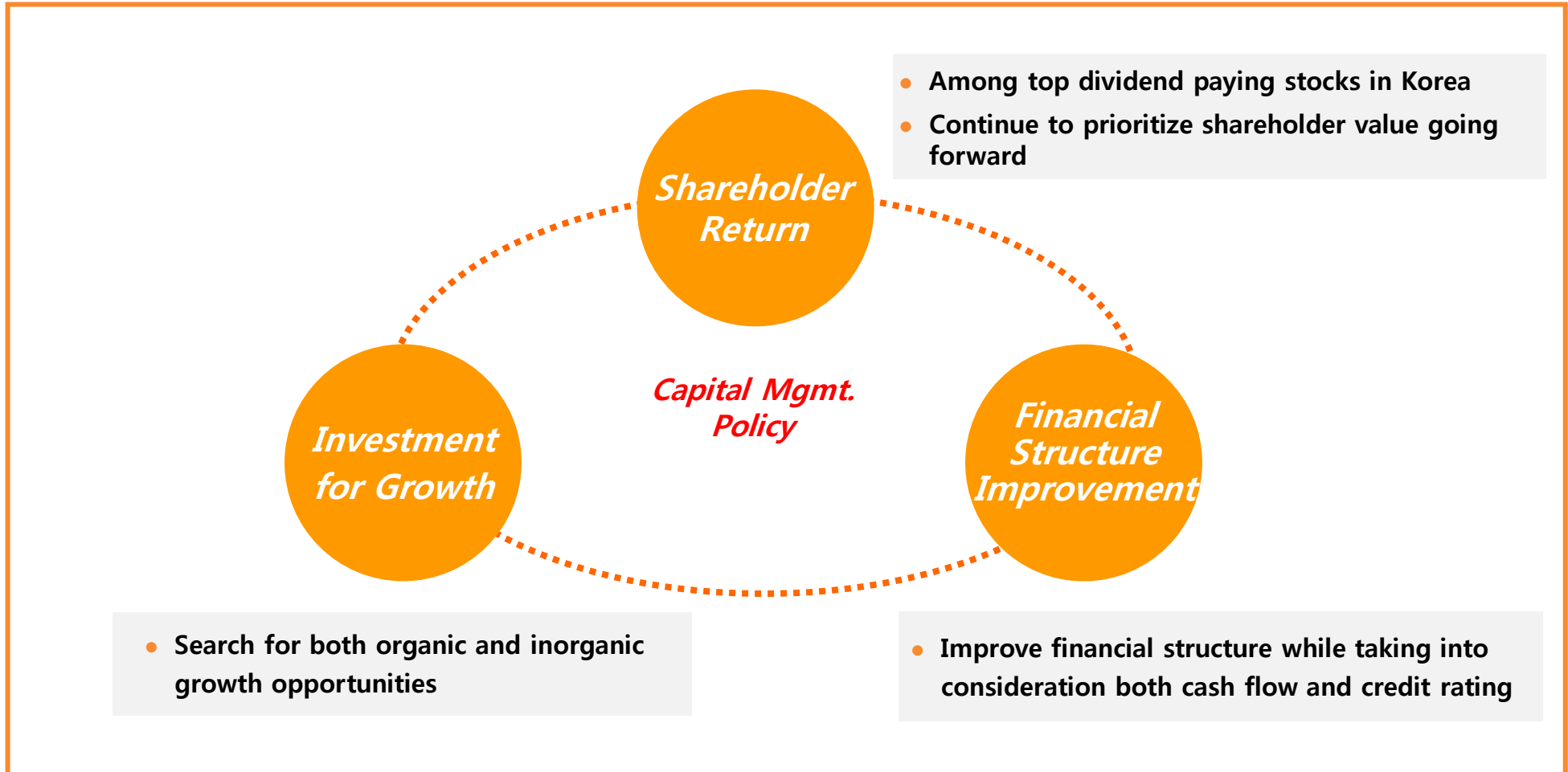
- Comprehensive commerce platform with strong mobile presence
- Synergies with SKT MNO assets incl. loyalty programs
- Customized services utilizing Big Data from OK Cashbag, Syrup



<sup>1)</sup> UV: Unique Visitor

<sup>2)</sup> GMV: Gross Merchandise Value

- Striving towards greater corporate value via efficient capital management

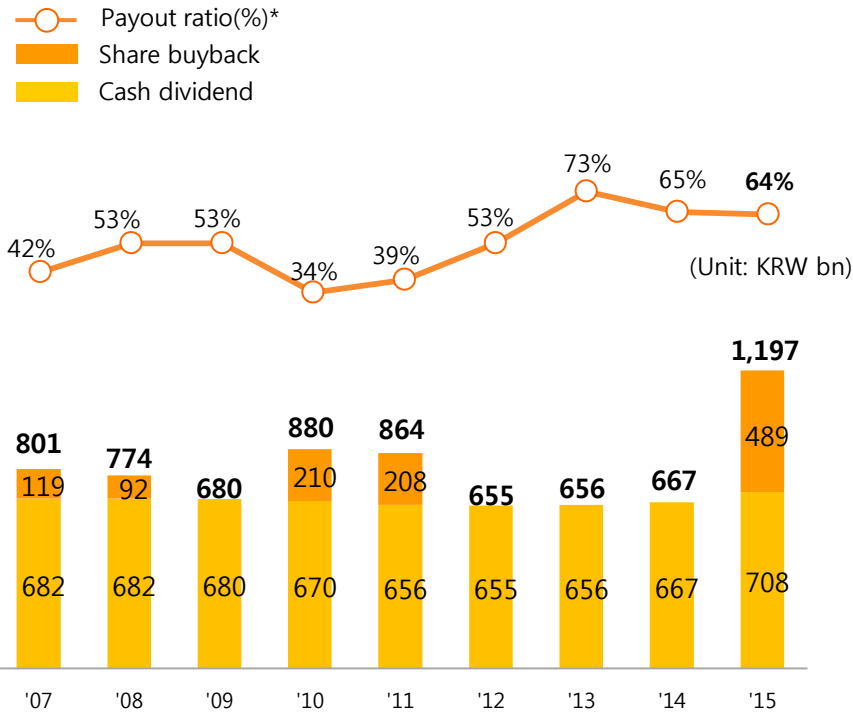


## II. Capital Mgmt.

## Shareholder Return

- Increased FY15 dividend to KRW 10,000 per share
- Dividend yield highest among global telcos

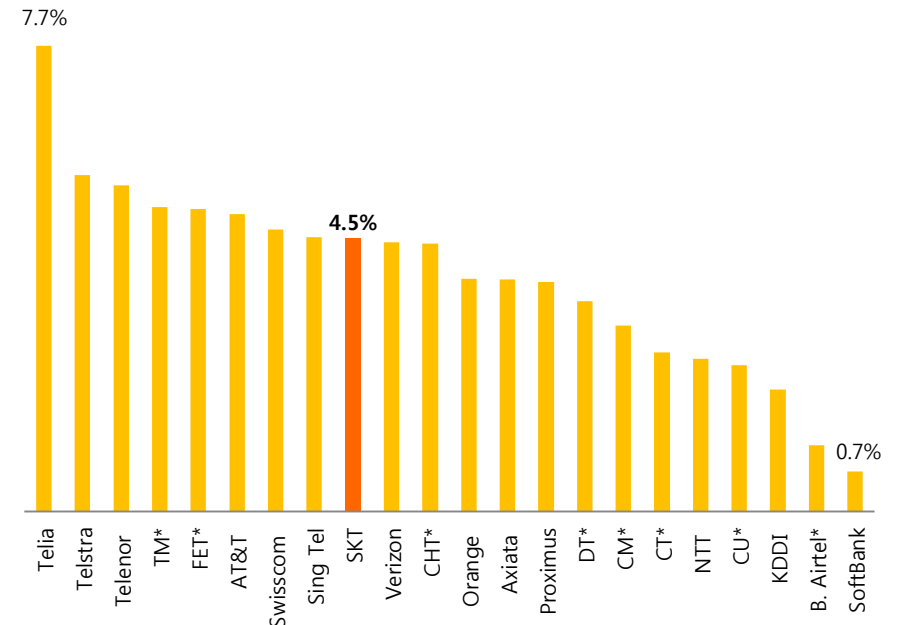
### Shareholder Return



\* Standalone basis

### Global Telco Dividend Yield

※ Source: Thomson One (average, from '13~'15)



\* TM – Taiwan Mobile, FET – Far EastTone Telecom, CHT – Chunghwa, DT – Deutsche Telekom, CM – China Mobile, CT – China Telecom, CU – China Unicom, B.Airtel – Bharti Airtel

# Consolidated Results

## ◆ Summary of Income Statement (Consolidated)

(KRW bn)	2Q16	2Q15	YoY		2Q16	1Q16	QoQ	
<b>Operating revenues</b>	<b>4,267</b>	<b>4,256</b>	<b>12</b>	<b>0.3%</b>	<b>4,267</b>	<b>4,228</b>	<b>39</b>	<b>0.9%</b>
<b>Operating expenses</b>	<b>3,860</b>	<b>3,843</b>	<b>17</b>	<b>0.4%</b>	<b>3,860</b>	<b>3,826</b>	<b>34</b>	<b>0.9%</b>
<b>Operating income</b>	<b>407</b>	<b>413</b>	<b>(6)</b>	<b>-1.3%</b>	<b>407</b>	<b>402</b>	<b>5</b>	<b>1.3%</b>
<i>Operating margin</i>	<i>9.5%</i>	<i>9.7%</i>	<i>-0.2%p</i>		<i>9.5%</i>	<i>9.5%</i>	<i>0.0%p</i>	
<b>Net profit or loss from non-operating items<sup>1)</sup></b>	<b>(43)</b>	<b>103</b>	<b>(145)</b>		<b>(43)</b>	<b>334</b>	<b>(377)</b>	
<b>Income from continuing operations before income tax</b>	<b>365</b>	<b>516</b>	<b>(151)</b>	<b>-29.3%</b>	<b>365</b>	<b>736</b>	<b>(371)</b>	<b>-50.4%</b>
<b>Consolidated net income</b>	<b>291</b>	<b>398</b>	<b>(107)</b>	<b>-26.9%</b>	<b>291</b>	<b>572</b>	<b>(281)</b>	<b>-49.2%</b>
<i>Net margin</i>	<i>6.8%</i>	<i>9.3%</i>	<i>-2.5%p</i>		<i>6.8%</i>	<i>13.5%</i>	<i>-6.7%p</i>	
<b>EBITDA<sup>2)</sup></b>	<b>1,160</b>	<b>1,151</b>	<b>8</b>	<b>0.7%</b>	<b>1,160</b>	<b>1,151</b>	<b>9</b>	<b>0.7%</b>
<i>EBITDA margin</i>	<i>27.2%</i>	<i>27.1%</i>	<i>0.1%p</i>		<i>27.2%</i>	<i>27.2%</i>	<i>0.0%p</i>	

1) In '16.2Q, equity gains from SK Hynix resulted in KRW 50.3 bn(YoY -167.6 bn, QoQ -32 bn),

2) EBITDA = Operating income + Depreciation (including R&D related depreciation)

- Consolidated revenues increased by 0.3% YoY mainly due to SK Telecom's elimination of signup fees, which was partially offset by growth in revenues of subsidiaries including SK Planet and SK Broadband.
- Operating income decreased YoY as a result of rise in costs among subsidiaries including SK Planet, despite SKT's efforts to reduce costs.
- Consolidated net income fell due to decrease in equity gains from SK Hynix. Removal of gains realized from sale of Loen Entertainment stake in 1Q16 led consolidated net income to decrease QoQ.

# Consolidated Results

## ◆ Operating Expenses (Consolidated)

(KRW bn)	2Q16	2Q15	YoY		2Q16	1Q16	QoQ	
Labor cost	466	544	(78)	-14.4%	466	477	(11)	-2.3%
Commissions paid	1,327	1,262	65	5.1%	1,327	1,323	4	0.3%
Advertising	108	120	(12)	-10.3%	108	88	21	23.5%
Depreciation <sup>1)</sup>	752	738	14	1.9%	752	749	3	0.4%
Network interconnection	255	240	16	6.5%	255	264	(8)	-3.2%
Leased line	59	51	8	16.5%	59	54	5	9.6%
Frequency usage fees	50	42	7	16.8%	50	48	2	3.5%
Cost of goods sold	452	450	2	0.4%	452	427	25	5.9%
Others	391	395	(4)	-1.0%	391	397	(6)	-1.6%
<b>Operating expenses</b>	<b>3,860</b>	<b>3,843</b>	<b>17</b>	<b>0.4%</b>	<b>3,860</b>	<b>3,826</b>	<b>34</b>	<b>0.9%</b>

1) Includes R&D related depreciation

- Labor cost fell 14.4% YoY mainly due to removal of one-off impact from retirement program executed in 2Q15.
- Commissions paid increased 5.1% YoY due to decrease in SKT's marketing expense, which was offset by rise in costs among subsidiaries in their efforts to expand growth businesses.
- Depreciation increased by 1.9% YoY due to increase in LTE network capex.
- Interconnection fee increased by 6.5% YoY driven by increase in mobile traffic from growing popularity of unlimited voice plans.



# Non-consolidated Results

## ◆ Operating Revenues (Non-consolidated)

(KRW bn)	2Q16	2Q15	YoY		2Q16	1Q16	QoQ	
<b>Total operating revenues</b>	<b>3,092</b>	<b>3,144</b>	<b>(52)</b>	<b>-1.6%</b>	<b>3,092</b>	<b>3,098</b>	<b>(6)</b>	<b>-0.2%</b>
Mobile service revenue	2,701	2,727	(25)	-0.9%	2,701	2,705	(4)	-0.2%
Interconnection revenue	182	190	(8)	-4.0%	182	190	(8)	-4.0%
Others <sup>1)</sup>	208	227	(19)	-8.3%	208	203	5	2.7%

1) Includes sales from leased line, fixed-line resale, solution and other businesses

- Total operating revenues fell by 1.6% YoY and 0.2% QoQ mainly due to decrease in signup fees.
  - Interconnection revenues decreased YoY due to decrease in land-to-mobile traffic
  - Other revenues fell YoY and rose QoQ in line with the fluctuations in solution and hardware revenue

## ◆ ARPU<sup>1)</sup>

(KRW)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	YoY		QoQ	
Total ARPU <sup>2)</sup>	43,486	44,071	44,103	44,224	43,715	43,489	(582)	-1.3%	(226)	-0.5%
Billing ARPU <sup>2), 3)</sup>	36,319	36,601	36,729	36,680	36,414	36,205	(396)	-1.1%	(209)	-0.6%
ARPU <sup>4)</sup> Including MVNO	33,556	33,655	33,581	33,379	33,016	32,717	(938)	-2.8%	(299)	-0.9%

1) Includes revenues from select businesses of SK Planet

2) From SK Telecom subscribers

3) From SK Telecom mobile service revenues less signup fees

4) Includes MVNO revenues and subscribers

# Non-consolidated Results

## ◆ Marketing Expenses & CAPEX

(KRW bn)	2Q16	2Q15	YoY		2Q16	1Q16	QoQ	
<b>Marketing expenses<sup>1)</sup></b>	<b>721</b>	<b>740</b>	<b>(19)</b>	<b>-2.5%</b>	<b>721</b>	<b>717</b>	<b>4</b>	<b>0.6%</b>
% of operating revenue	23.3%	23.5%	-0.2%p		23.3%	23.1%	0.2%p	
<b>Capital expenditure</b>	<b>234</b>	<b>348</b>	<b>(114)</b>	<b>-32.7%</b>	<b>234</b>	<b>78</b>	<b>156</b>	<b>199.4%</b>
% of operating revenue	7.6%	11.1%	-3.5%p		7.6%	2.5%	5.0%p	

1) Marketing expenses = marketing related commission + advertising expenses

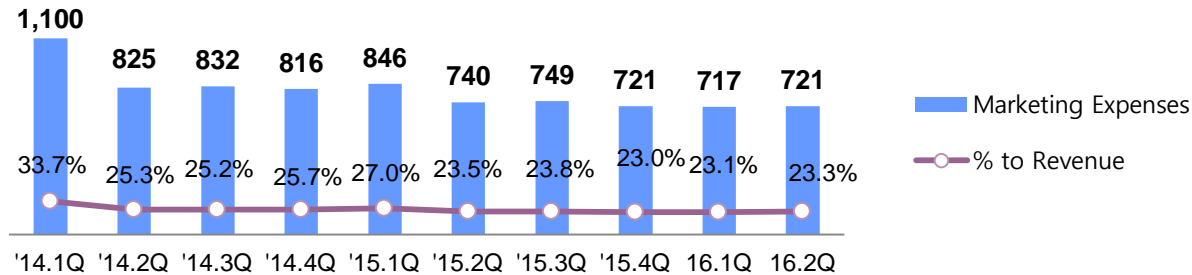
- Marketing expenses decreased by 2.5% YoY in line with market stabilization efforts

- Capex decreased YoY

※ Guidance for FY2016 raised to KRW 2.1tn to accommodate spectrum auction results

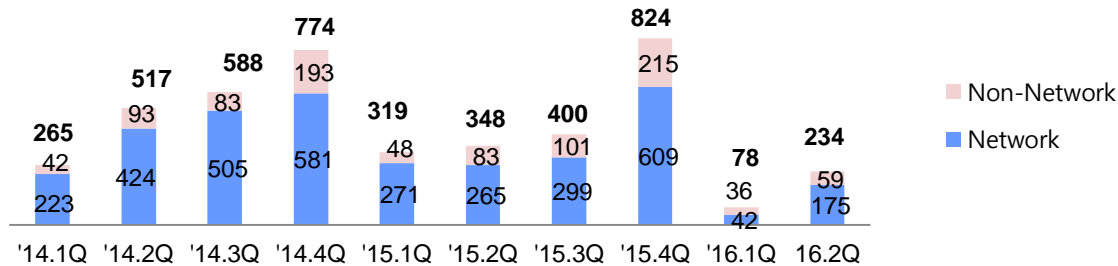
### Marketing Expenses

(KRW bn)



### CAPEX

(KRW bn)



# Appendix

## ◆ Subscriber Numbers<sup>1)</sup>

	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	YoY		QoQ	
Subscribers ('000) <sup>2)</sup>	28,026	28,313	28,474	28,626	28,921	29,150	837	3.0%	229	0.8%
Net adds	(253)	287	162	152	295	229	(57)	-20.0%	(65)	-22.2%
Activations	1,872	1,431	1,373	1,317	1,552	1,536	105	7.3%	(16)	-1.0%
Deactivations	2,125	1,145	1,211	1,165	1,257	1,307	162	14.2%	50	4.0%
<i>Monthly churn rate (%) <sup>3)</sup></i>	<i>2.0%</i>	<i>1.4%</i>	<i>1.4%</i>	<i>1.4%</i>	<i>1.5%</i>	<i>1.5%</i>	<i>0.1%p</i>		<i>0.0%p</i>	
Average subscribers ('000)	28,177	28,178	28,367	28,539	28,756	29,030	852	3.0%	275	1.0%
Smartphone Subscribers ('000)	19,753	19,977	20,323	20,622	20,985	21,308	1,331	6.7%	324	1.5%
LTE Subscribers ('000)	17,447	17,937	18,465	18,980	19,526	20,028	2,091	11.7%	502	2.6%
LTE Penetration	62.3%	63.4%	64.8%	66.3%	67.5%	68.7%	<i>5.4%p</i>		<i>1.2%p</i>	

1) includes MVNO connections

2) In accordance with MSIP guidelines, other connections such as facility-monitoring lines are excluded

3) '15.1Q churn rate excludes one-off deactivation of long term inactive pre-paid accounts

# Appendix

## ◆ Consolidated Income Statement

(KRW bn)	1Q15	2Q15	3Q15	4Q15	FY15	1Q16	2Q16
<b>Operating revenues</b>	<b>4,240.3</b>	<b>4,255.7</b>	<b>4,261.4</b>	<b>4,379.3</b>	<b>17,136.7</b>	<b>4,228.5</b>	<b>4,267.3</b>
<b>Operating expenses</b>	<b>3,837.6</b>	<b>3,842.9</b>	<b>3,770.7</b>	<b>3,977.5</b>	<b>15,428.7</b>	<b>3,826.3</b>	<b>3,859.9</b>
Labor cost	475.0	543.9	426.4	448.5	1,893.7	476.9	465.7
Commissions paid	1,347.1	1,262.2	1,274.5	1,323.2	5,207.0	1,323.4	1,327.0
Advertising	77.0	120.5	92.9	114.6	405.0	87.5	108.1
Depreciation <sup>1)</sup>	729.3	738.5	754.6	770.4	2,992.9	748.9	752.2
Network interconnection	234.3	239.9	236.0	247.5	957.6	263.9	255.5
Leased line	49.4	51.0	50.5	49.1	200.0	54.2	59.4
Frequency usage fees	53.6	42.4	46.8	47.1	189.8	47.9	49.5
Cost of goods sold	490.9	449.9	477.4	537.6	1,955.9	426.6	451.6
Others	381.0	394.7	411.6	439.5	1,626.9	397.1	390.9
<b>Operating income</b>	<b>402.6</b>	<b>412.9</b>	<b>490.6</b>	<b>401.9</b>	<b>1,708.0</b>	<b>402.1</b>	<b>407.4</b>
<i>EBITDA</i>	1,132.0	1,151.4	1,245.2	1,172.3	4,700.9	1,151.0	1,159.6
<i>EBITDA margin</i>	26.7%	27.1%	29.2%	26.8%	27.4%	27.2%	27.2%
<b>Net profit or loss from non-operating items</b>	<b>157.4</b>	<b>102.7</b>	<b>64.2</b>	<b>3.1</b>	<b>327.4</b>	<b>334.0</b>	<b>(42.6)</b>
Interest income	12.8	12.4	11.3	9.4	45.9	12.0	12.3
Interest expenses	75.5	74.7	73.9	73.6	297.7	72.4	70.0
Profit or loss in other non-operating items	220.1	165.0	126.8	67.3	579.1	394.3	15.1
<b>Income from continuing operations before tax</b>	<b>560.0</b>	<b>515.6</b>	<b>554.8</b>	<b>404.9</b>	<b>2,035.4</b>	<b>736.1</b>	<b>364.8</b>
<b>Consolidated net income</b>	<b>442.7</b>	<b>397.9</b>	<b>381.8</b>	<b>293.5</b>	<b>1,515.9</b>	<b>572.3</b>	<b>291.0</b>
Majority interests	444.5	395.8	382.3	296.0	1,518.6	571.8	290.1
Minority interests	(1.7)	2.0	(0.5)	(2.6)	(2.7)	0.5	0.9
<b>Basic earnings per share(KRW)</b>	<b>6,266</b>	<b>5,266</b>	<b>5,263</b>	<b>4,304</b>	<b>20,988</b>	<b>8,099</b>	<b>3,990</b>

1) Includes R&D related depreciation

# Appendix

## ◆ SK Telecom Non-consolidated Income Statement

(KRW bn)	1Q15	2Q15	3Q15	4Q15	FY15	1Q16	2Q16
<b>Operating revenues</b>	<b>3,133.5</b>	<b>3,143.8</b>	<b>3,141.8</b>	<b>3,138.0</b>	<b>12,557.0</b>	<b>3,098.3</b>	<b>3,092.0</b>
<b>Operating expenses</b>	<b>2,725.6</b>	<b>2,747.7</b>	<b>2,675.6</b>	<b>2,749.3</b>	<b>10,898.2</b>	<b>2,668.4</b>	<b>2,613.8</b>
Labor cost	176.6	257.3	133.1	147.9	714.9	178.0	170.3
Commissions paid	1,339.8	1,220.4	1,257.0	1,265.3	5,082.5	1,213.3	1,131.5
Marketing commissions	812.9	681.1	707.4	677.4	2,878.9	689.5	672.3
Other commissions	526.9	539.3	549.6	587.9	2,203.7	523.7	459.2
Advertising	32.6	58.4	41.2	43.5	175.8	27.1	48.5
Depreciation <sup>1)</sup>	552.8	561.1	575.4	590.5	2,279.9	570.8	576.0
Network interconnection	169.9	182.4	179.4	189.1	720.9	193.3	189.2
Leased line	42.6	43.0	41.6	41.0	168.2	40.8	42.4
Frequency usage fees	53.6	42.4	46.8	47.1	189.8	47.9	49.5
Others	357.6	382.6	401.0	425.0	1,566.2	397.4	406.3
<b>Operating income</b>	<b>407.8</b>	<b>396.1</b>	<b>466.2</b>	<b>388.7</b>	<b>1,658.8</b>	<b>429.9</b>	<b>478.2</b>
<i>EBITDA</i>	960.7	957.2	1,041.6	979.1	3,938.7	1,000.6	1,054.2
<i>EBITDA margin</i>	30.7%	30.4%	33.2%	31.2%	31.4%	32.3%	34.1%
<b>Net profit or loss from non-operating items</b>	<b>(29.1)</b>	<b>(76.7)</b>	<b>24.6</b>	<b>(108.2)</b>	<b>(189.3)</b>	<b>35.8</b>	<b>(97.8)</b>
Interest income	5.7	5.5	4.8	4.6	20.6	6.4	5.8
Interest expenses	61.2	59.9	60.1	60.3	241.6	59.5	57.2
Net profit or loss from other non-operating items	26.5	(22.3)	80.0	(52.5)	31.7	88.9	(46.4)
<b>Income from continuing operations before tax</b>	<b>378.8</b>	<b>319.4</b>	<b>490.8</b>	<b>280.5</b>	<b>1,469.4</b>	<b>465.7</b>	<b>380.5</b>
<b>Net income</b>	<b>295.8</b>	<b>232.0</b>	<b>361.6</b>	<b>217.4</b>	<b>1,106.8</b>	<b>382.2</b>	<b>284.1</b>

1) Includes R&D related depreciation

# Appendix

## ◆ Consolidated Balance Sheet

(KRW bn)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
<b>Total assets</b>	<b>27,824.4</b>	<b>28,041.5</b>	<b>28,558.7</b>	<b>28,581.4</b>	<b>28,490.4</b>	<b>28,529.4</b>
<b>Current assets</b>	<b>5,228.5</b>	<b>5,180.5</b>	<b>5,573.2</b>	<b>5,160.2</b>	<b>5,805.8</b>	<b>6,118.6</b>
Cash and marketable securities <sup>1)</sup>	1,264.4	1,335.2	1,643.5	1,505.0	1,621.6	1,983.9
Accounts receivable	3,045.5	3,140.6	3,281.2	3,018.6	3,522.7	3,473.4
Short-term loans	78.2	32.2	40.2	53.9	66.2	66.2
Inventories	295.0	282.9	272.0	273.6	278.4	270.9
Other current assets	545.3	389.6	336.3	309.2	317.0	324.2
<b>Non-current assets</b>	<b>22,595.9</b>	<b>22,861.0</b>	<b>22,985.5</b>	<b>23,421.1</b>	<b>22,684.6</b>	<b>22,410.8</b>
Property & equipment	10,420.0	10,268.6	10,185.7	10,386.3	9,931.6	9,724.3
Intangible assets	4,304.8	4,228.8	4,131.9	4,213.4	4,094.8	3,982.3
Investment assets	7,226.1	7,731.7	7,917.2	8,114.1	8,007.4	7,986.4
Other non-current assets	645.0	631.8	750.7	707.3	650.9	717.9
<b>Total liabilities</b>	<b>12,747.3</b>	<b>12,723.9</b>	<b>12,924.9</b>	<b>13,207.3</b>	<b>13,375.2</b>	<b>13,161.9</b>
<b>Current liabilities</b>	<b>5,323.7</b>	<b>5,308.4</b>	<b>5,233.8</b>	<b>5,256.5</b>	<b>5,355.1</b>	<b>5,220.0</b>
Short-term borrowings	392.4	939.3	395.0	260.0	84.9	85.0
Accounts payable	1,579.8	1,584.7	1,633.4	1,985.8	1,775.4	1,734.0
Current portion of long-term debt	675.7	671.5	850.7	823.8	652.2	1,012.2
Other current liabilities	2,675.9	2,112.8	2,354.7	2,186.9	2,842.6	2,388.8
<b>Non-current liabilities</b>	<b>7,423.5</b>	<b>7,415.5</b>	<b>7,691.1</b>	<b>7,950.8</b>	<b>8,020.1</b>	<b>7,941.9</b>
Bonds payable & long-term borrowings	6,042.3	6,019.1	6,303.7	6,560.7	6,776.1	6,672.0
Long-term payables - other	566.4	577.4	579.9	581.7	468.7	470.5
Post-employment benefit obligation	127.8	121.7	143.3	98.9	134.7	149.4
Other non-current liabilities	687.1	697.3	664.2	709.5	640.6	650.0
<b>Total shareholders' equity</b>	<b>15,077.2</b>	<b>15,317.6</b>	<b>15,633.8</b>	<b>15,374.1</b>	<b>15,115.2</b>	<b>15,367.5</b>
Capital stock	44.6	44.6	44.6	44.6	44.6	44.6
Capital surplus	3,323.2	3,348.1	3,327.1	3,319.5	3,313.6	3,324.7
Retained earnings	14,029.7	14,421.0	14,727.0	15,007.6	14,941.4	15,214.2
Capital adjustments	(3,045.5)	(2,685.6)	(2,650.8)	(3,130.0)	(3,118.3)	(3,133.0)
Other comprehensive income/loss <sup>2)</sup>	(6.5)	59.4	55.7	9.3	(180.5)	(232.4)
Minority interests	731.6	130.1	130.2	123.0	114.3	149.4

1) Cash & marketable securities includes cash & cash equivalent, marketable securities & short-term financial instruments

2) Other comprehensive income/loss include gains or losses on valuation of investment securities and derivatives

# Appendix

## ◆ SK Telecom Non-consolidated Balance Sheet

(KRW bn)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
<b>Total assets</b>	<b>22,464.6</b>	<b>22,863.4</b>	<b>23,144.7</b>	<b>23,146.9</b>	<b>23,120.0</b>	<b>23,181.8</b>
<b>Current assets</b>	<b>2,854.1</b>	<b>2,685.9</b>	<b>3,133.1</b>	<b>2,713.5</b>	<b>3,144.4</b>	<b>3,560.0</b>
Cash and marketable securities <sup>1)</sup>	496.3	508.7	736.8	598.2	593.1	1,028.7
Accounts receivable	1,858.7	1,897.0	2,100.5	1,793.5	2,222.8	2,218.4
Short-term loans	70.6	21.8	31.8	47.7	59.1	59.0
Inventories	25.7	34.4	38.9	46.0	43.7	36.5
Other current assets	402.7	224.0	225.0	228.1	225.7	217.4
<b>Non-current assets</b>	<b>19,610.5</b>	<b>20,177.6</b>	<b>20,011.6</b>	<b>20,433.4</b>	<b>19,975.5</b>	<b>19,621.8</b>
Property & equipment	7,555.2	7,423.3	7,308.4	7,442.3	7,038.7	6,802.1
Intangible assets	3,149.5	3,062.1	2,977.1	3,072.3	2,974.6	2,891.6
Investment assets	8,606.6	9,405.6	9,333.3	9,547.1	9,634.2	9,525.7
Other non-current assets	299.2	286.6	392.9	371.7	328.0	402.5
<b>Total liabilities</b>	<b>9,240.2</b>	<b>9,057.1</b>	<b>9,100.2</b>	<b>9,367.5</b>	<b>9,565.1</b>	<b>9,379.0</b>
<b>Current liabilities</b>	<b>3,558.3</b>	<b>3,456.0</b>	<b>3,355.4</b>	<b>3,491.3</b>	<b>3,466.9</b>	<b>3,370.8</b>
Short-term borrowings	250.0	770.0	260.0	230.0	-	-
Accounts payable	1,073.7	1,064.3	1,051.4	1,299.1	1,168.1	1,277.0
Current portion of long-term debt	400.5	401.3	602.6	712.8	438.2	795.2
Other current liabilities	1,834.1	1,220.5	1,441.4	1,249.4	1,860.6	1,298.5
<b>Non-current liabilities</b>	<b>5,681.8</b>	<b>5,601.0</b>	<b>5,744.8</b>	<b>5,876.2</b>	<b>6,098.2</b>	<b>6,008.2</b>
Bonds payable & long-term borrowings	4,769.5	4,762.2	4,967.0	5,106.0	5,431.7	5,348.6
Long-term payables	542.1	545.0	548.0	551.0	438.5	440.8
Post-employment benefit obligation	28.3	12.9	23.8	4.0	22.5	23.8
Other non-current liabilities	341.9	281.0	206.0	215.2	205.5	195.0
<b>Total shareholders' equity</b>	<b>13,224.4</b>	<b>13,806.4</b>	<b>14,044.6</b>	<b>13,779.5</b>	<b>13,554.8</b>	<b>13,802.8</b>
Capital stock	44.6	44.6	44.6	44.6	44.6	44.6
Capital surplus	3,319.4	3,344.2	3,357.8	3,357.8	3,357.8	3,357.8
Retained earnings	12,694.7	12,917.8	13,204.2	13,418.6	13,158.4	13,432.0
Capital adjustments	(2,885.5)	(2,498.2)	(2,498.2)	(2,988.4)	(2,988.4)	(2,986.3)
Other comprehensive income/loss <sup>2)</sup>	51.2	(2.1)	(63.9)	(53.2)	(17.7)	(45.3)

1) Cash & marketable securities includes cash & cash equivalent, marketable securities & short-term financial instruments

2) Other comprehensive income/loss include gains or losses on valuation of investment securities and derivatives