

# SK telecom Investor Presentation

April 2016



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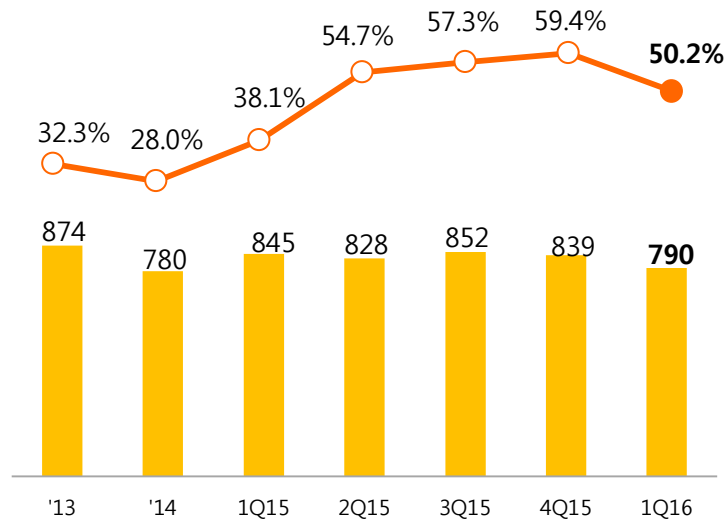
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- Both competition and churn rate remain stable as retention-driven operations continue

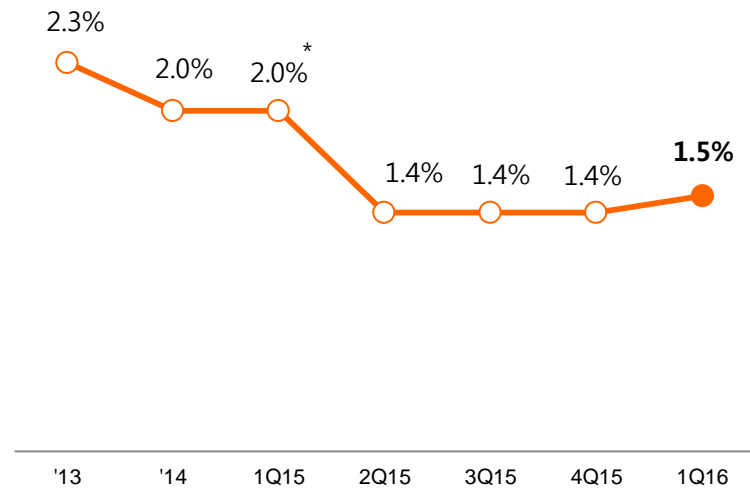
## Market Size & Handset Upgrades

—● % of Handset upgrade subs\*(%)  
 Market size (thousands, avg. monthly new+upgrade subs)



\* % of monthly upgrade subs/(new + upgrades), ex-MVNO

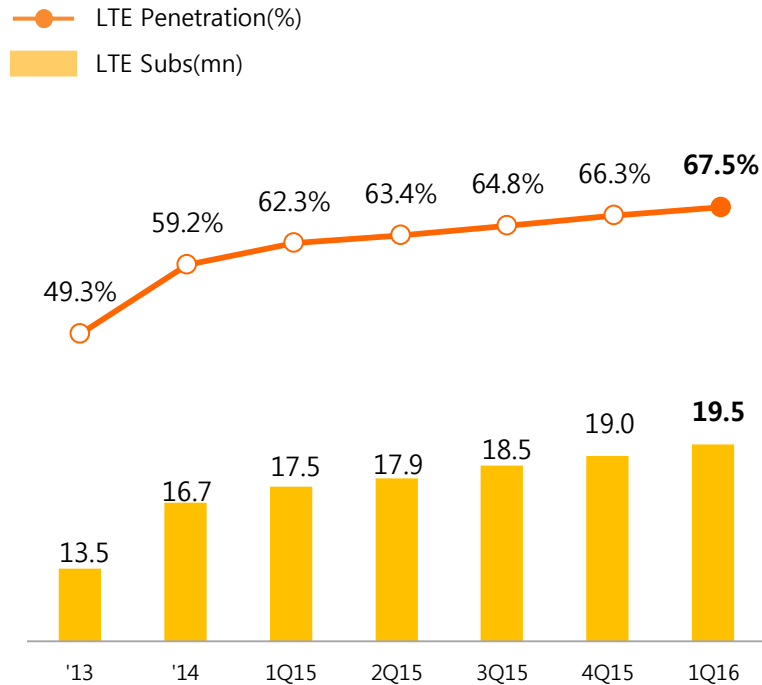
## Churn Rate



\* Excludes one time termination of inactive users

- Differentiated services and fundamental competitiveness boost LTE penetration, and 2<sup>nd</sup> devices create new demands

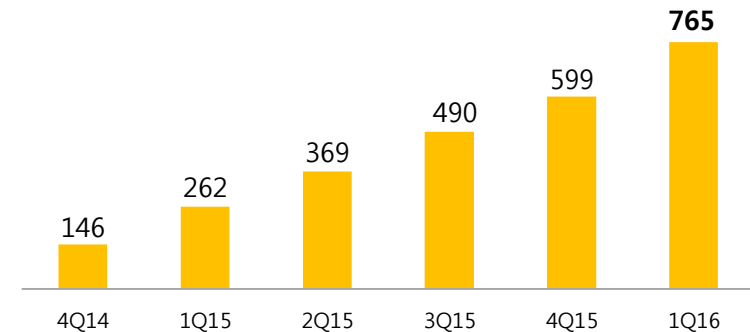
## LTE Subscribers



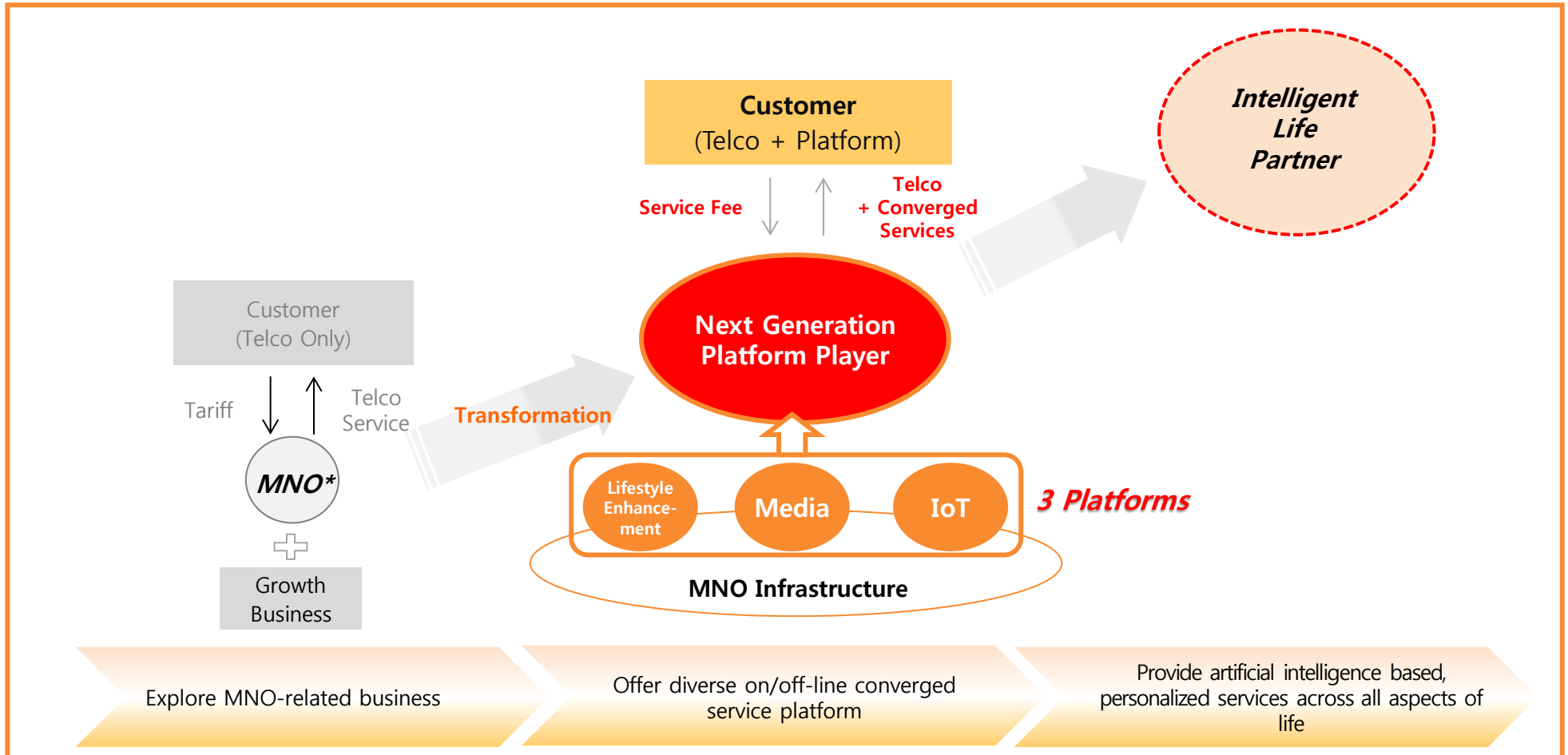
## 2nd Device Subscribers

- 2<sup>nd</sup> device subscribers reached 0.77mn as of end of 1Q16 (QoQ +28%)
- 2<sup>nd</sup> device subscribers expected to grow with the wearable industry, and contribute to top line growth (SKT's wearable M/S : 86%)

(Unit: in thousands)



- SK Telecom is being transformed into a next generation platform player



\* MNO : Mobile Network Operator

# I . Key Takeaways

# Lifestyle Enhancement Platform

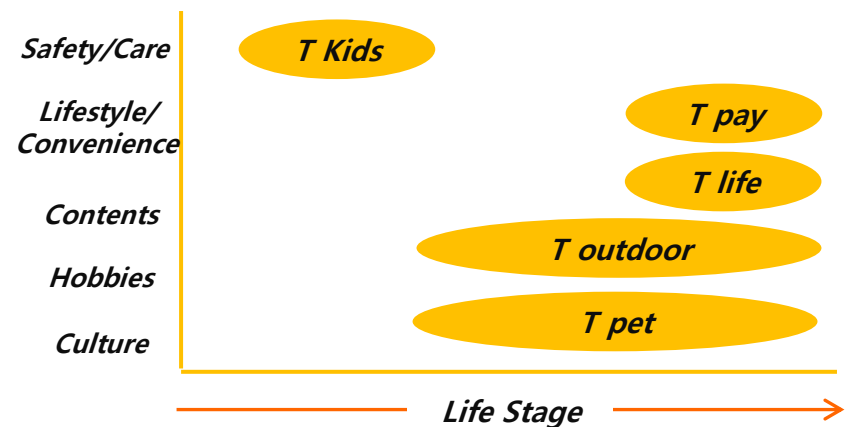
- New microsegment platforms are designed utilizing existing MNO assets such as subscriber big data, tariffs, devices, partnerships and loyalty program

## New Values from MNO Assets

- Provide differentiated benefits by combining 3Cs\* tailored to the needs of subscribers and their lifestyles
- Create business models on service basis
  - Monthly subscriptions, advertisements, commissions

## Lifestyle Enhancement Platform

- 2nd device optimized services (T Kids, T Outdoor)
- Launched loyalty program embedded mobile pay service 'T Pay' and discount deal sharing platform 'T Life' (1Q16)



\* 3Cs: Community, Contents, Commerce

- SK Telecom is continuously strengthening the competitiveness of fixed/mobile media service to evolve into an integrated media platform player

## Changes in Global Media Market

Integration of telco & media

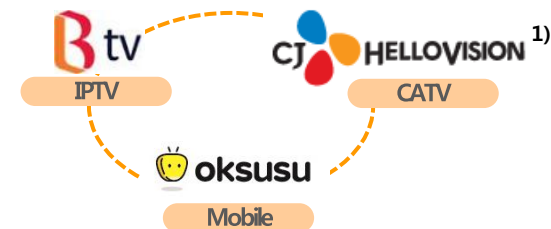


Entrance of traditional media & heterogeneous industry to new media



## Strengthening the Competitiveness of Fixed/Mobile Media Service

- Providing optimized fixed/mobile service for users as mobile media usage increases
- Launched mobile media platform 'okusu' ('16.1)



- Personalized / seamless contents
- UV<sup>2)</sup> 2.93mn (QoQ +0.85mn, as of 1Q16)
- Data usage increased with launch of 'Band Play Pack'
- To introduce 360 VR<sup>3)</sup> & Live Streaming in 2Q16

<sup>1)</sup> Merger of CJHV-SKB is currently in government approval process and is possibly subjected to change depending on government's decision and conditions for merger

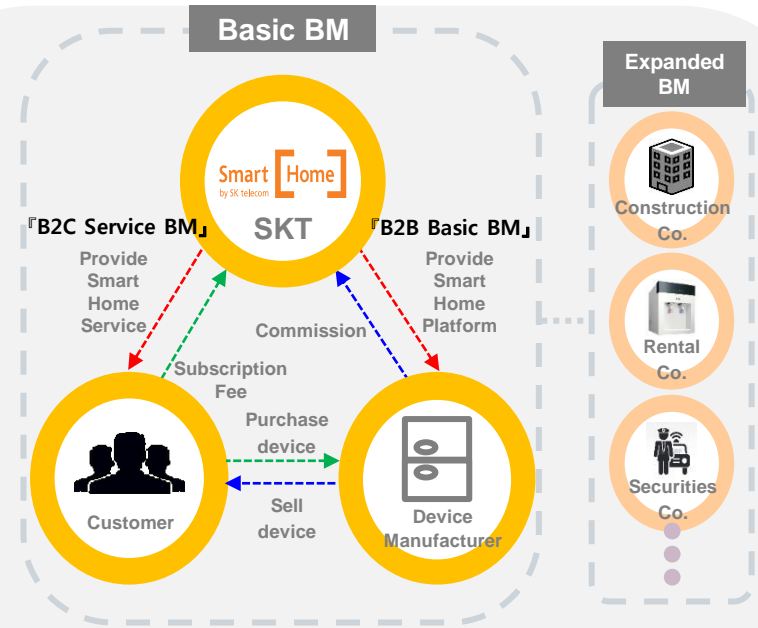
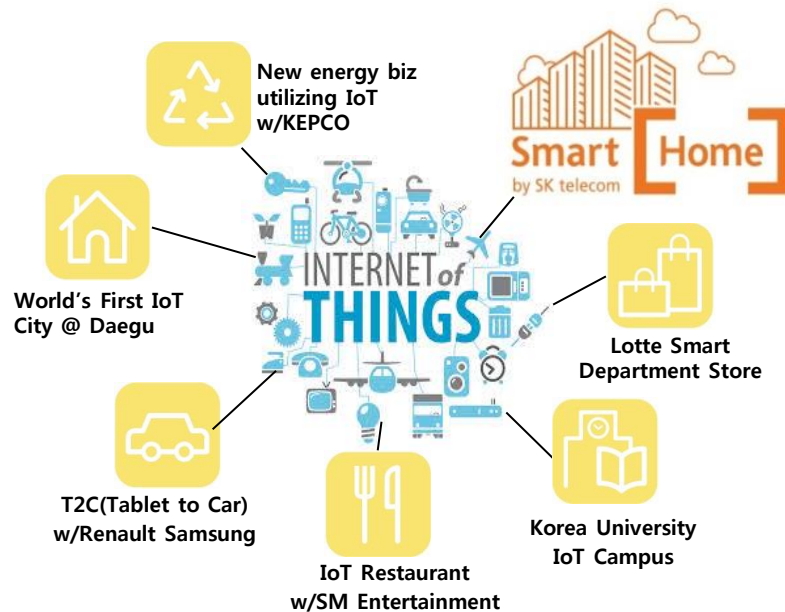
<sup>2)</sup> UV : Unique Visitor, <sup>3)</sup> VR : Virtual Reality



- SK Telecom is leading the market by building IoT ecosystem through open platform

## Service Expansion on IoT Ecosystem

- BMs include Smart Home, construction, energy, and cars
- First nationwide rollout of LoRa<sup>1)</sup> network to build 'LTE-M<sup>2)</sup>+LoRa Hybrid' IoT network



- **Stable revenue structure from B2B Partnership**
  - Expanding ecosystem since launching in May, 2015 (46 partners, 29 connected devices)
  - Comprehensive platform includes appliances, home network, and construction, etc.
- **B2C Smart Home Service with Small Devices (March, 2016)**
  - Available at all T Premium Stores, at monthly rate of KRW 1,000 per device or KRW 9,000 for unlimited number of devices

<sup>1)</sup> LoRa : Low power, low cost, low speed telecommunication technology optimized for long range and IoT

<sup>2)</sup> LTE-M : IoT telecommunications technology based on LTE network, with advanced mobility and real time responsiveness

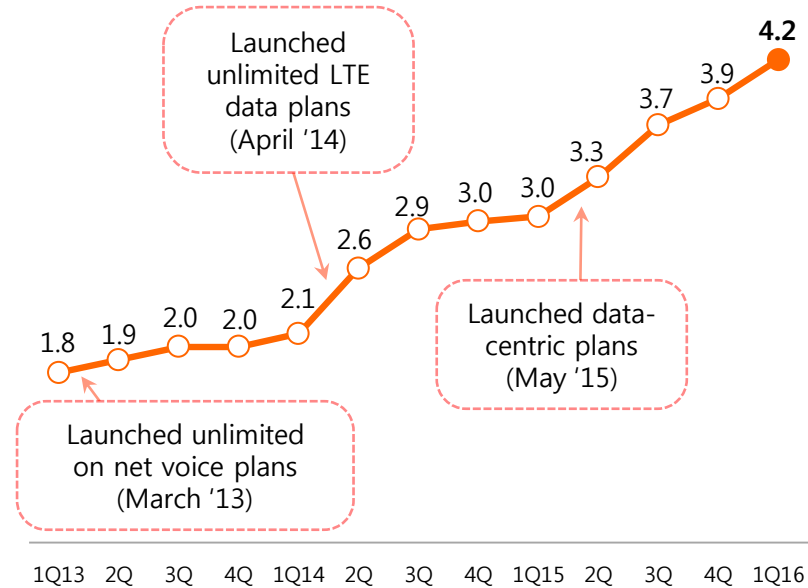
# I . Key Takeaways

# Data Usage/ARPU

- ARPU shows stable trend from growing LTE subscribers and data usage, despite headwinds from 2<sup>nd</sup> devices and selective tariff discount plan

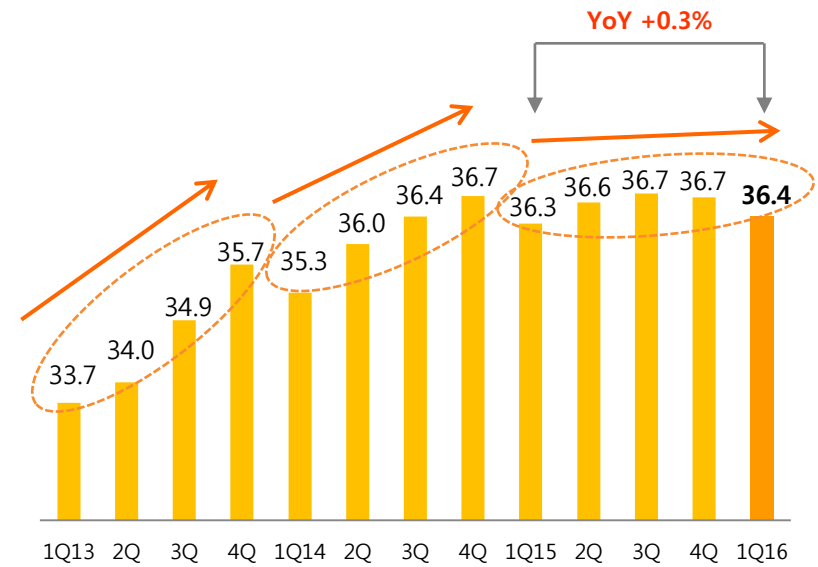
### Monthly LTE Data Usage per Sub

(Unit: GB)



### Billing ARPU Trend

(Unit: KRW thousands)



# I . Key Takeaways

# CAPEX & Spectrum

- SK Telecom acquired 60MHz from 2.6GHz band in the recent spectrum auction
- Capex is expected to decrease mid-to-long term

## Spectrum Auction

- **140MHz available, 5 blocks total**  
- SKT acquired 60MHz from 2.6GHz

[2016 Auction Results]

(Unit: KRW bn)

Block	Bandwidth	Period (years)	Reserve Price	Winning Bid	Winner
A	700MHz(40MHz)	10	762	-	-
B	1.8GHz(20MHz)	10	451	451	KT
C	2.1GHz(20MHz)	5	382	382	LGU+
<b>D</b>	<b>2.6GHz(40MHz)</b>	<b>10</b>	<b>655</b>	<b>950</b>	<b>SKT</b>
<b>E</b>	<b>2.6GHz(20MHz)</b>	<b>10</b>	<b>328</b>	<b>328</b>	

[SKT's Previous Auction Results]

(Unit: KRW bn)

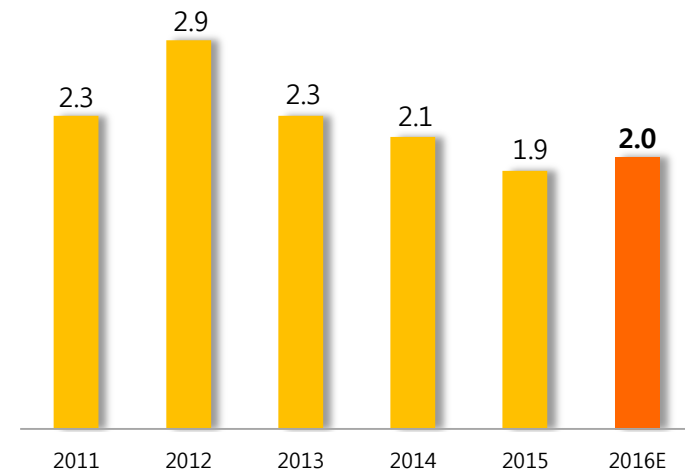
Year	Band-width	Period (years)	Reserve Price(A)	Winning Bid(B)	B/A	Per MHz Price*
2011	1.8GHz (20MHz)	10	446	995	223%	<b>5</b>
2013	1.8GHz (35MHz)	8	674	1,050	156%	<b>3.8</b>
<b>2016</b>	<b>2.6GHz (60MHz)</b>	<b>10</b>	<b>983</b>	<b>1,278</b>	<b>130%</b>	<b>2.1</b>

\* Per 1 MHz, 5 year period

## CAPEX

- **CAPEX guidance for 2016 is KRW 2.0 tn**

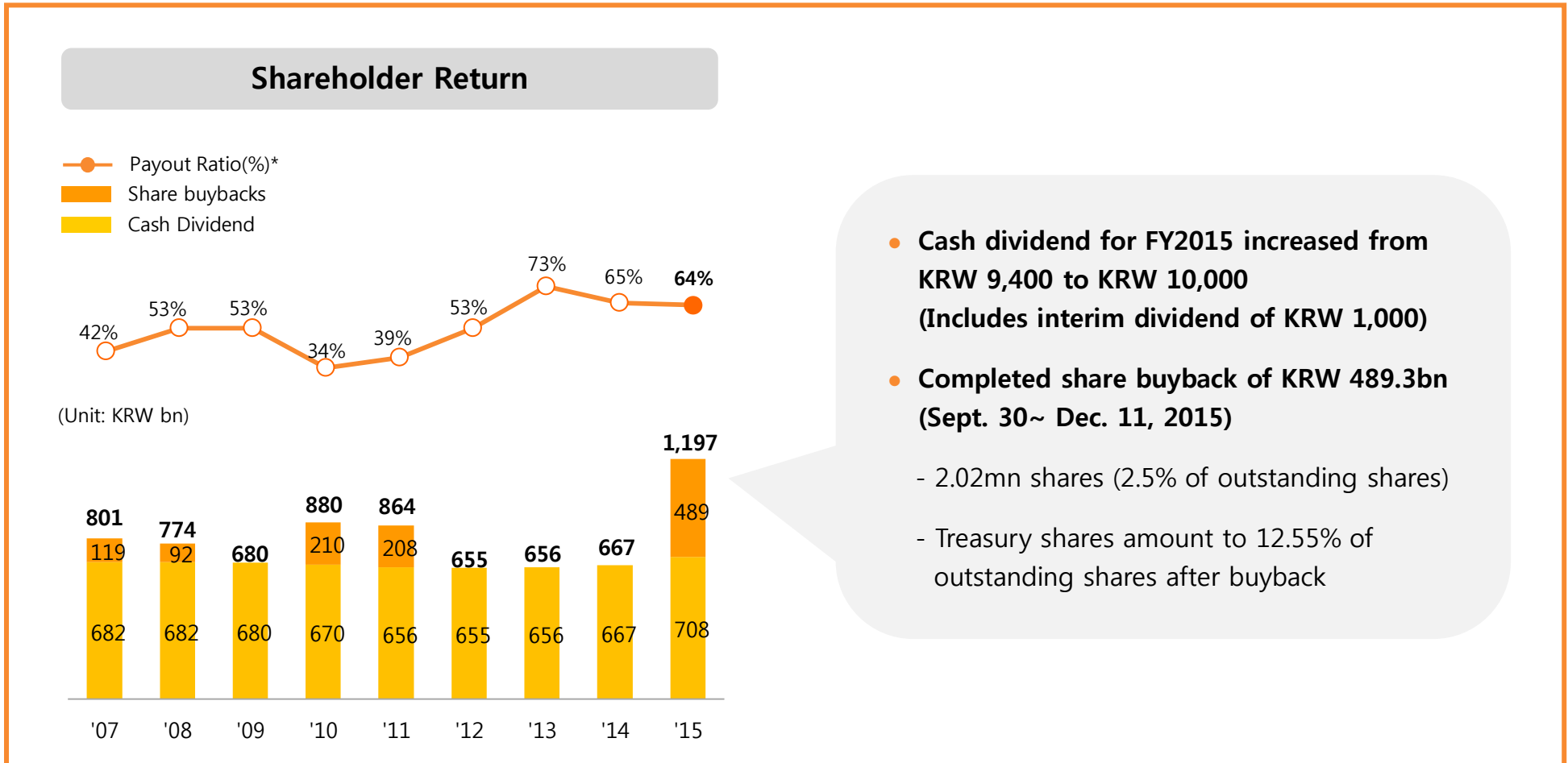
(Unit: KRW tn)



# I . Key Takeaways

## Dividend & Share buyback

- SK Telecom pursues to enhance shareholder value by offering stable dividend and implementing share buybacks

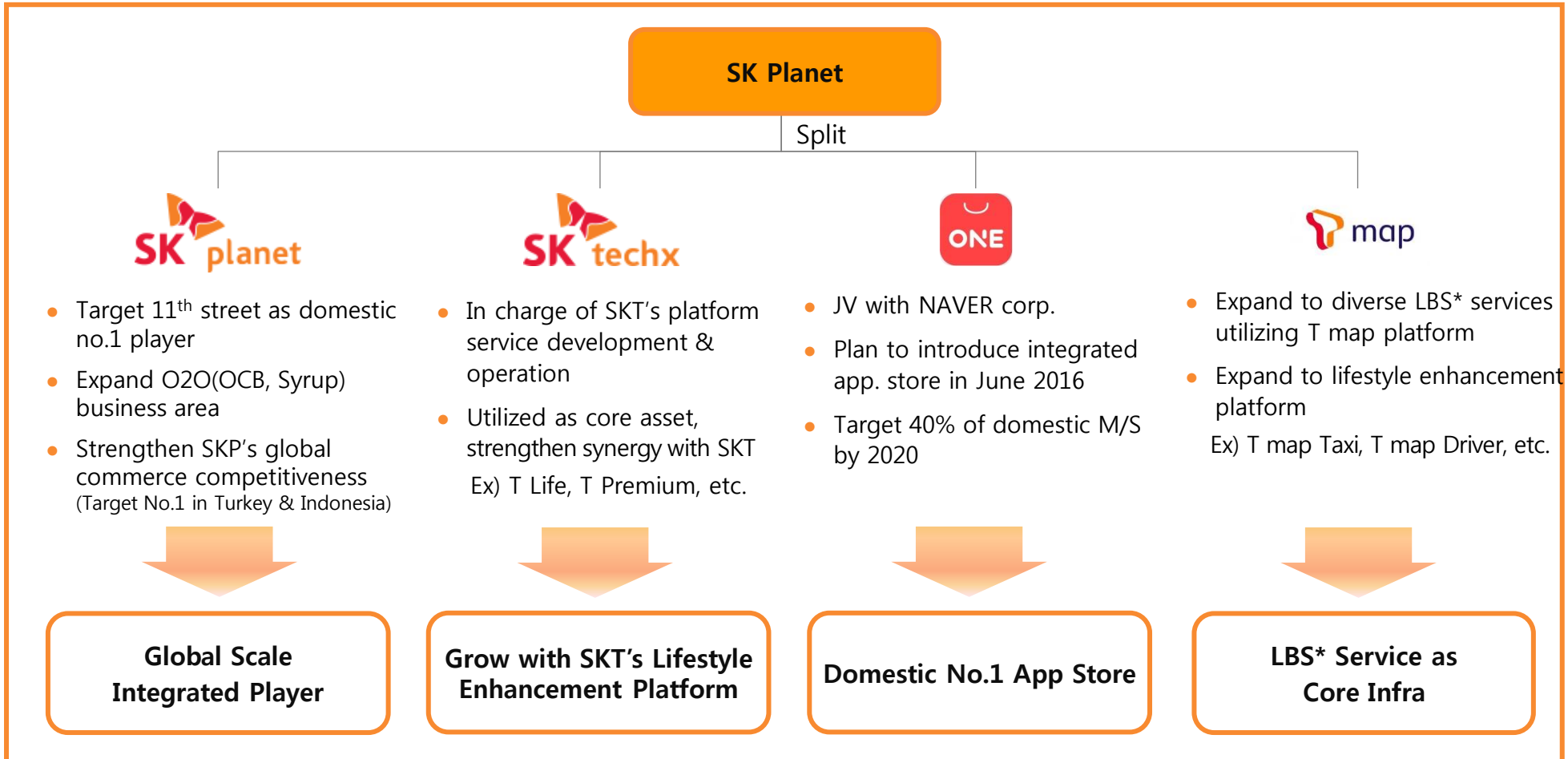


\* Parent-only basis

# I . Key Takeaways

# SK Planet Restructuring

- SK Planet restructured to focus on commerce
- Other businesses optimized in shape and form to aid in developing SK Telecom’s next generation platforms



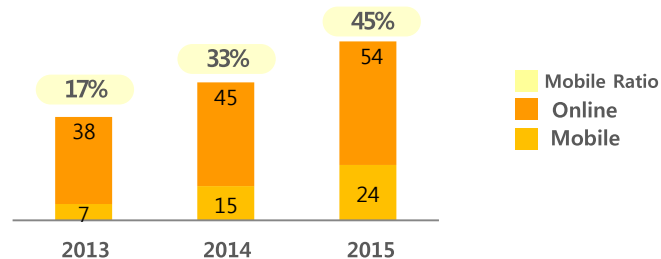
\* LBS : Location Based Service

- SK Planet aims to be the market top player by actively investing in commerce, maximizing its competitive edge and industry's growth potential

## e-Commerce Market

- **E-commerce accounts for 15.4% of domestic retail market**
  - Hypermarket 12.8%, Supermarket 9.0%, Department store 8.7%, convenience store 4.5% (4Q15)
- **Mobile becomes crucial factor**
  - Mobile e-commerce showing rapid growth in sales, GMV growth, and active users

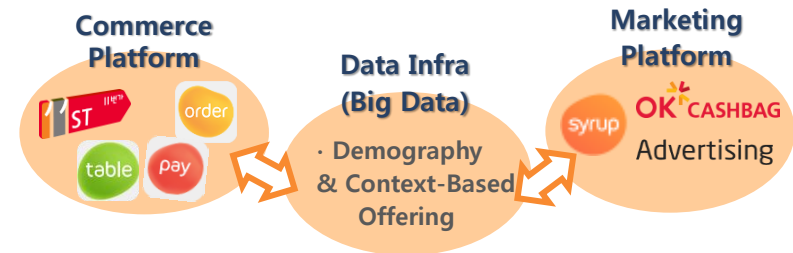
Domestic Online/Mobile Shopping GMV (in KRW tn)



Source : National Statistical Office

## SK Planet's Competitive Edge

- **Establish integrated & personalized commerce**
  - Offer integrated commerce by utilizing OCB<sup>1)</sup> and Big Data
  - Mobile-centric O2O commerce platform



- **Opening distribution center(rental), expanding direct sales and JBP<sup>2)</sup>**
- **No.1 in mobile app UV, average usage time and active users<sup>3)</sup>**
- **Actively engaging in global business and generating tangible results**
  - GMV No.1~2 in Turkey, Indonesia, Malaysia

<sup>1)</sup> OCB : OK Cashbag, <sup>2)</sup> JBP(Joint Business Plan) : Provide joint marketing among distributor and manufacturer

<sup>3)</sup> According to Korean Click 4Q15 e-commerce analysis report

# Consolidated Results

## ◆ Summary of Income Statement (Consolidated)

(KRW bn)	1Q16	1Q15	YoY		1Q16	4Q15	QoQ	
<b>Operating revenues</b>	<b>4,228</b>	<b>4,240</b>	<b>(12)</b>	<b>-0.3%</b>	<b>4,228</b>	<b>4,379</b>	<b>(151)</b>	<b>-3.4%</b>
<b>Operating expenses</b>	<b>3,826</b>	<b>3,838</b>	<b>(11)</b>	<b>-0.3%</b>	<b>3,826</b>	<b>3,977</b>	<b>(151)</b>	<b>-3.8%</b>
<b>Operating income</b>	<b>402</b>	<b>403</b>	<b>(1)</b>	<b>-0.1%</b>	<b>402</b>	<b>402</b>	<b>0</b>	<b>0.1%</b>
<i>Operating margin</i>	<i>9.5%</i>	<i>9.5%</i>	<i>0.0%p</i>		<i>9.5%</i>	<i>9.2%</i>	<i>0.3%p</i>	
<b>Net profit or loss from non-operating items<sup>1)</sup></b>	<b>334</b>	<b>157</b>	<b>177</b>	<b>112.2%</b>	<b>334</b>	<b>3</b>	<b>331</b>	<b>10793.5%</b>
<b>Income from continuing operations before income tax</b>	<b>736</b>	<b>560</b>	<b>176</b>	<b>31.4%</b>	<b>736</b>	<b>405</b>	<b>331</b>	<b>81.8%</b>
<b>Consolidated net income</b>	<b>572</b>	<b>443</b>	<b>130</b>	<b>29.3%</b>	<b>572</b>	<b>293</b>	<b>279</b>	<b>95.0%</b>
<i>Net margin</i>	<i>13.5%</i>	<i>10.4%</i>	<i>3.1%p</i>		<i>13.5%</i>	<i>6.7%</i>	<i>6.8%p</i>	
<b>EBITDA<sup>2)</sup></b>	<b>1,151</b>	<b>1,132</b>	<b>19</b>	<b>1.7%</b>	<b>1,151</b>	<b>1,172</b>	<b>(21)</b>	<b>-1.8%</b>
<i>EBITDA margin</i>	<i>27.2%</i>	<i>26.7%</i>	<i>0.5%p</i>		<i>27.2%</i>	<i>26.8%</i>	<i>0.5%p</i>	

1) In '16.1Q, equity gains from SK Hynix resulted in KRW 82.2 bn(YoY -173 bn, QoQ -87.1 bn), gains from sale of Loen Entertainment stake resulted in KRW 314.7 bn

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

- Consolidated revenues decreased by 0.3% YoY mainly due to SK Telecom's discontinued sign-up fees, which was partially offset by growth in revenues of subsidiaries including SK Planet and SK Broadband. SK Telecom and subsidiaries including PS&M led consolidated revenues to decline by 3.4% QoQ
- Operating income decreased as a result of rise in costs among subsidiaries including SK Broadband and SK Planet despite SKT's efforts to reduce marketing expenses
- Consolidated net income rose due to gains from sale of SK Planet's stake in Loen Entertainment, which was partially offset by decrease in equity gains from SK Hynix

# Consolidated Results

## ◆ Operating Expenses (Consolidated)

(KRW bn)	1Q16	1Q15	YoY		1Q16	4Q15	QoQ	
Labor cost	477	475	2	0.4%	477	448	28	6.3%
Commissions paid	1,323	1,347	(24)	-1.8%	1,323	1,323	0	0.0%
Advertising	88	77	11	13.7%	88	115	(27)	-23.7%
Depreciation <sup>1)</sup>	749	729	20	2.7%	749	770	(22)	-2.8%
Network interconnection	264	234	30	12.6%	264	247	16	6.6%
Leased line	54	49	5	9.7%	54	49	5	10.4%
Frequency usage fees	48	54	(6)	-10.7%	48	47	1	1.7%
Cost of goods sold	427	491	(64)	-13.1%	427	538	(111)	-20.6%
Others	397	381	16	4.2%	397	440	(42)	-9.7%
<b>Operating expenses</b>	<b>3,826</b>	<b>3,838</b>	<b>(11)</b>	<b>-0.3%</b>	<b>3,826</b>	<b>3,977</b>	<b>(151)</b>	<b>-3.8%</b>

1) Includes R&D related depreciation

- Commissions paid decreased by 1.8% YoY due to decrease in marketing expenses at SKT, which was offset by rise in costs among subsidiaries in their effort to expand growth businesses
- Depreciation increased by 2.7% YoY due to increase in LTE network capex
- Interconnection fee increased by 12.6% driven by the rise in mobile traffic resulting from expansion of unlimited voice plans
- Cost of goods sold declined by 13.1% YoY followed by benign competitive environment and rise in demand for low-end handsets



# Non-consolidated Results

## ◆ Operating Revenues (Non-consolidated)

(KRW bn)	1Q16	1Q15	YoY		1Q16	4Q15	QoQ	
<b>Total operating revenues</b>	<b>3,098</b>	<b>3,133</b>	<b>(35)</b>	<b>-1.1%</b>	<b>3,098</b>	<b>3,138</b>	<b>(40)</b>	<b>-1.3%</b>
Mobile service revenue	2,705	2,733	(27)	-1.0%	2,705	2,719	(14)	-0.5%
Interconnection revenue	190	177	13	7.2%	190	194	(4)	-2.2%
Others <sup>1)</sup>	203	224	(21)	-9.3%	203	225	(22)	-9.7%

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

- Total operating revenues fell by 1.1% YoY and 1.3% QoQ mainly due to decrease in signup fees
- Interconnection revenues increased YoY due to rise in mobile traffic resulting from expansion of unlimited voice plans and decreased QoQ due to seasonality
- Other revenues fell YoY and QoQ mainly due to decrease in sales of solution and hardware

## ◆ ARPU<sup>1)</sup>

(KRW)	1Q15	2Q15	3Q15	4Q15	1Q16	YoY		QoQ	
<b>Total ARPU<sup>2)</sup></b>	<b>43,486</b>	<b>44,071</b>	<b>44,103</b>	<b>44,224</b>	<b>43,715</b>	<b>228</b>	<b>0.5%</b>	<b>(509)</b>	<b>-1.2%</b>
<b>Billing ARPU<sup>2), 3)</sup></b>	<b>36,319</b>	<b>36,601</b>	<b>36,729</b>	<b>36,680</b>	<b>36,414</b>	<b>95</b>	<b>0.3%</b>	<b>(266)</b>	<b>-0.7%</b>
<b>ARPU<sup>4)</sup> Including MVNO</b>	<b>33,556</b>	<b>33,655</b>	<b>33,581</b>	<b>33,379</b>	<b>33,016</b>	<b>(541)</b>	<b>-1.6%</b>	<b>(363)</b>	<b>-1.1%</b>

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

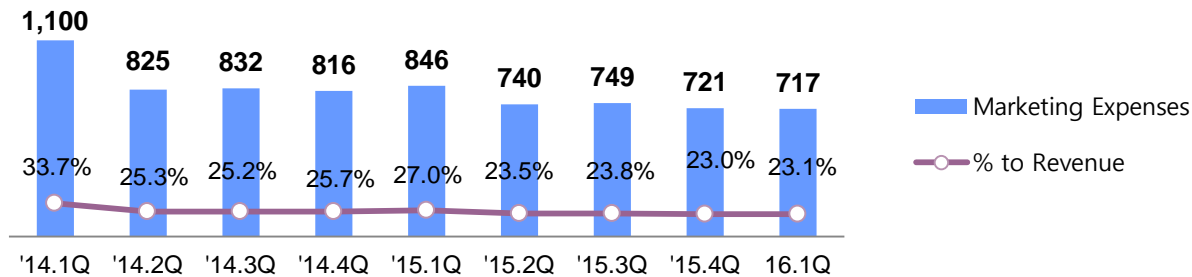
(KRW bn)	1Q16	1Q15	YoY		1Q16	4Q15	QoQ	
<b>Marketing expenses<sup>1)</sup></b>	<b>717</b>	<b>846</b>	<b>(129)</b>	<b>-15.3%</b>	<b>717</b>	<b>721</b>	<b>(4)</b>	<b>-0.6%</b>
% of operating revenue	23.1%	27.0%	-3.9%p		23.1%	23.0%	0.2%p	
<b>Capital expenditure</b>	<b>78</b>	<b>319</b>	<b>(241)</b>	<b>-75.5%</b>	<b>78</b>	<b>824</b>	<b>(746)</b>	<b>-90.5%</b>
% of operating revenue	2.5%	10.2%	-7.7%p		2.5%	26.3%	-23.7%p	

- Marketing expenses decreased by 15.3% YoY in line with market stabilization efforts
- Capex decreased both YoY and QoQ

1) Marketing expenses = marketing related commission + advertising expenses

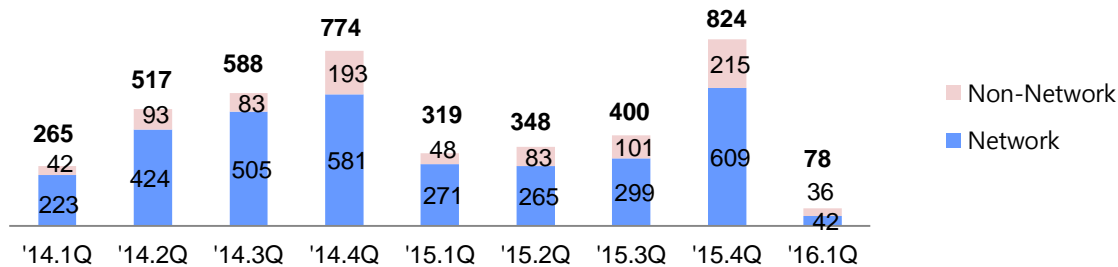
### Marketing Expenses

(KRW bn)



### CAPEX

(KRW bn)



# Appendix

## ◆ Subscriber Numbers<sup>1)</sup>

	1Q15	2Q15	3Q15	4Q15	1Q16	YoY		QoQ	
Subscribers ('000) <sup>2)</sup>	28,026	28,313	28,474	28,626	28,921	895	3.2%	295	1.0%
Net adds	(253)	287	162	152	295	548	Net Gain	143	93.8%
Activations	1,872	1,431	1,373	1,317	1,552	(320)	-17.1%	234	17.8%
Deactivations	2,125	1,145	1,211	1,165	1,257	(868)	-40.8%	92	7.9%
<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>-0.6%p</i>		<i>0.1%p</i>	
Average subscribers ('000)	28,177	28,178	28,367	28,539	28,756	579	2.1%	217	0.8%
Smartphone Subscribers ('000)	19,753	19,977	20,323	20,622	20,985	1,232	6.2%	362	1.8%
LTE Subscribers ('000)	17,447	17,937	18,465	18,980	19,526	2,079	11.9%	546	2.9%
LTE Penetration	62.3%	63.4%	64.8%	66.3%	67.5%	<i>5.3%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
<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>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>
Labor cost	475.0	543.9	426.4	448.5	1,893.7	476.9
Commissions paid	1,347.1	1,262.2	1,274.5	1,323.2	5,207.0	1,323.4
Advertising	77.0	120.5	92.9	114.6	405.0	87.5
Depreciation <sup>1)</sup>	729.3	738.5	754.6	770.4	2,992.9	748.9
Network interconnection	234.3	239.9	236.0	247.5	957.6	263.9
Leased line	49.4	51.0	50.5	49.1	200.0	54.2
Frequency usage fees	53.6	42.4	46.8	47.1	189.8	47.9
Cost of goods sold	490.9	449.9	477.4	537.6	1,955.9	426.6
Others	381.0	394.7	411.6	439.5	1,626.9	397.1
<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>
<i>EBITDA</i>	1,132.0	1,151.4	1,245.2	1,172.3	4,700.9	1,151.0
<i>EBITDA margin</i>	26.7%	27.1%	29.2%	26.8%	27.4%	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>
Interest income	12.8	12.4	11.3	9.4	45.9	12.0
Interest expenses	75.5	74.7	73.9	73.6	297.7	72.4
Profit or loss in other non-operating items	220.1	165.0	126.8	67.3	579.1	394.3
<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>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>
Majority interests	444.5	395.8	382.3	296.0	1,518.6	571.8
Minority interests	(1.7)	2.0	(0.5)	(2.6)	(2.7)	0.5
<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>

1) Includes R&D related depreciation

# Appendix

## ◆ SK Telecom Non-consolidated Income Statement

(KRW bn)	1Q15	2Q15	3Q15	4Q15	FY15	1Q16
<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>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>
Labor cost	176.6	257.3	133.1	147.9	714.9	178.0
Commissions paid	1,339.8	1,220.4	1,257.0	1,265.3	5,082.5	1,213.3
Marketing commissions	812.9	681.1	707.4	677.4	2,878.9	689.5
Other commissions	526.9	539.3	549.6	587.9	2,203.7	523.7
Advertising	32.6	58.4	41.2	43.5	175.8	27.1
Depreciation <sup>1)</sup>	552.8	561.1	575.4	590.5	2,279.9	570.8
Network interconnection	169.9	182.4	179.4	189.1	720.9	193.3
Leased line	42.6	43.0	41.6	41.0	168.2	40.8
Frequency usage fees	53.6	42.4	46.8	47.1	189.8	47.9
Others	357.6	382.6	401.0	425.0	1,566.2	397.4
<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>
<i>EBITDA</i>	960.7	957.2	1,041.6	979.1	3,938.7	1,000.6
<i>EBITDA margin</i>	30.7%	30.4%	33.2%	31.2%	31.4%	32.3%
<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>
Interest income	5.7	5.5	4.8	4.6	20.6	6.4
Interest expenses	61.2	59.9	60.1	60.3	241.6	59.5
Net profit or loss from other non-operating items	26.5	(22.3)	80.0	(52.5)	31.7	88.9
<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>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>

1) Includes R&D related depreciation

# Appendix

## ◆ Consolidated Balance Sheet

(KRW bn)	1Q15	2Q15	3Q15	4Q15	1Q16
<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>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>
Cash and marketable securities <sup>1)</sup>	1,264.4	1,335.2	1,643.5	1,505.0	1,621.6
Accounts receivable	3,045.5	3,140.6	3,281.2	3,018.6	3,522.7
Short-term loans	78.2	32.2	40.2	53.9	66.2
Inventories	295.0	282.9	272.0	273.6	278.4
Other current assets	545.3	389.6	336.3	309.2	317.0
<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>
Property & equipment	10,420.0	10,268.6	10,185.7	10,386.3	9,931.6
Intangible assets	4,304.8	4,228.8	4,131.9	4,213.4	4,094.8
Investment assets	7,226.1	7,731.7	7,917.2	8,114.1	8,007.4
Other non-current assets	645.0	631.8	750.7	707.3	650.9
<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>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>
Short-term borrowings	392.4	939.3	395.0	260.0	84.9
Accounts payable	1,579.8	1,584.7	1,633.4	1,985.8	1,775.4
Current portion of long-term debt	675.7	671.5	850.7	823.8	652.2
Other current liabilities	2,675.9	2,112.8	2,354.7	2,186.9	2,842.6
<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>
Bonds payable & long-term borrowings	6,042.3	6,019.1	6,303.7	6,560.7	6,776.1
Long-term payables - other	566.4	577.4	579.9	581.7	468.7
Post-employment benefit obligation	127.8	121.7	143.3	98.9	134.7
Other non-current liabilities	687.1	697.3	664.2	709.5	640.6
<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>
Capital stock	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
Retained earnings	14,029.7	14,421.0	14,727.0	15,007.6	14,941.4
Capital adjustments	(3,045.5)	(2,685.6)	(2,650.8)	(3,130.0)	(3,118.3)
Other comprehensive income/loss <sup>2)</sup>	(6.5)	59.4	55.7	9.3	(180.5)
Minority interests	731.6	130.1	130.2	123.0	114.3

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

# Appendix

## ◆ SK Telecom Non-consolidated Balance Sheet

(KRW bn)	1Q15	2Q15	3Q15	4Q15	1Q16
<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>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>
Cash and marketable securities <sup>1)</sup>	496.3	508.7	736.8	598.2	593.1
Accounts receivable	1,858.7	1,897.0	2,100.5	1,793.5	2,222.8
Short-term loans	70.6	21.8	31.8	47.7	59.1
Inventories	25.7	34.4	38.9	46.0	43.7
Other current assets	402.7	224.0	225.0	228.1	225.7
<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>
Property & equipment	7,555.2	7,423.3	7,308.4	7,442.3	7,038.7
Intangible assets	3,149.5	3,062.1	2,977.1	3,072.3	2,974.6
Investment assets	8,606.6	9,405.6	9,333.3	9,547.1	9,634.2
Other non-current assets	299.2	286.6	392.9	371.7	328.0
<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>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>
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
Current portion of long-term debt	400.5	401.3	602.6	712.8	438.2
Other current liabilities	1,834.1	1,220.5	1,441.4	1,249.4	1,860.6
<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>
Bonds payable & long-term borrowings	4,769.5	4,762.2	4,967.0	5,106.0	5,431.7
Long-term payables	542.1	545.0	548.0	551.0	438.5
Post-employment benefit obligation	28.3	12.9	23.8	4.0	22.5
Other non-current liabilities	341.9	281.0	206.0	215.2	205.5
<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>
Capital stock	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
Retained earnings	12,694.7	12,917.8	13,204.2	13,418.6	13,158.4
Capital adjustments	(2,885.5)	(2,498.2)	(2,498.2)	(2,988.4)	(2,988.4)
Other comprehensive income/loss <sup>2)</sup>	51.2	(2.1)	(63.9)	(53.2)	(17.7)

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