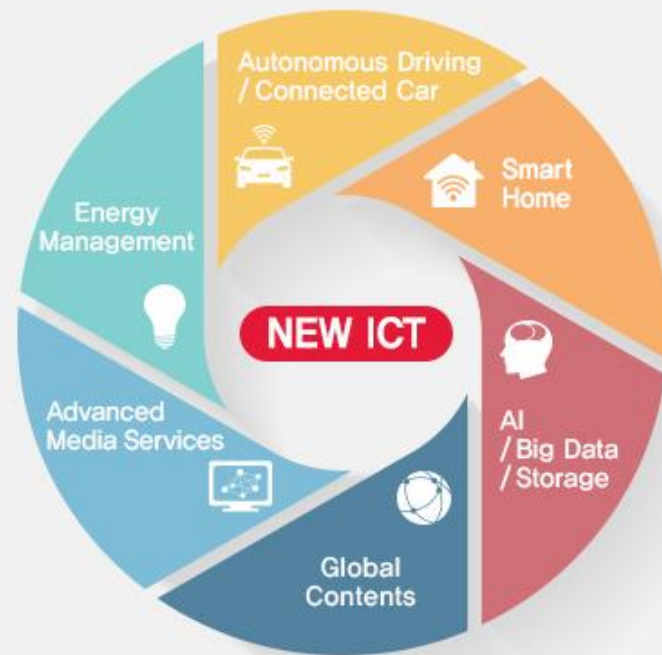


# SK telecom Investor Presentation

May 2017



# Disclaimer

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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.

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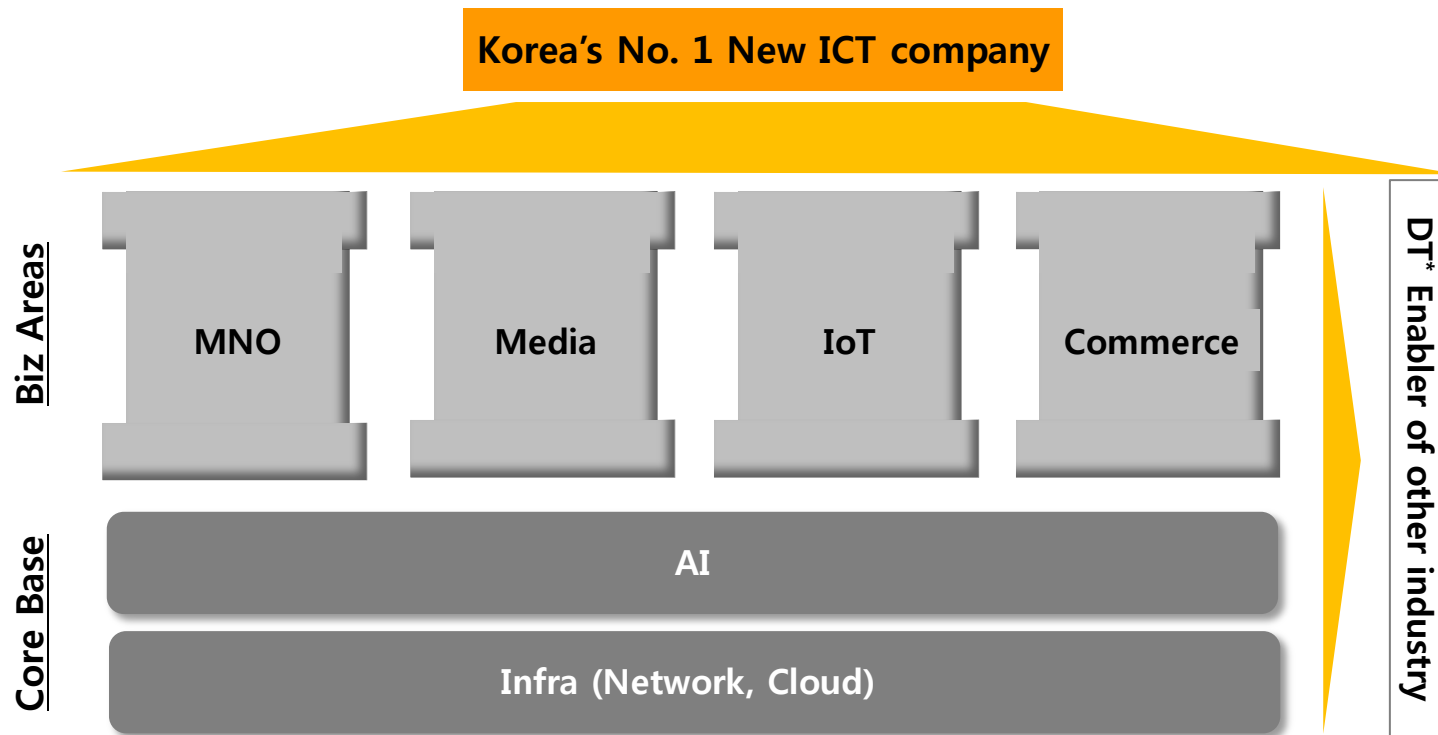
## **[Part 2] Earnings**

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# **[Part 1] Strategy**

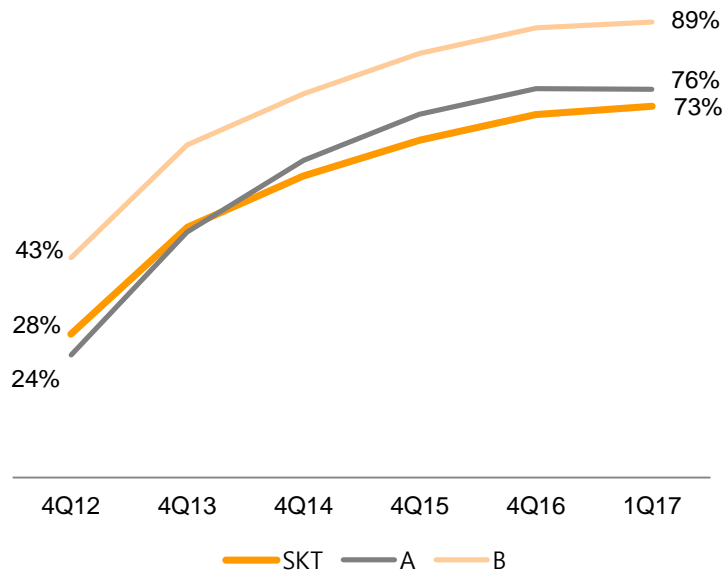
- To become No. 1 New ICT company by building portfolios in MNO, media, IoT, commerce area on the core base of Network Infra and AI



\*DT: Digital Transformation

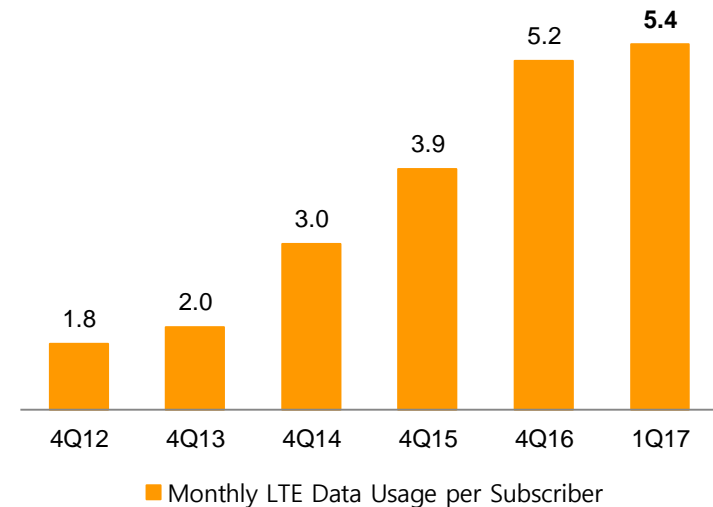
- Continuous uptrend in LTE penetration and data usage

#### LTE Penetration



#### LTE Data Usage

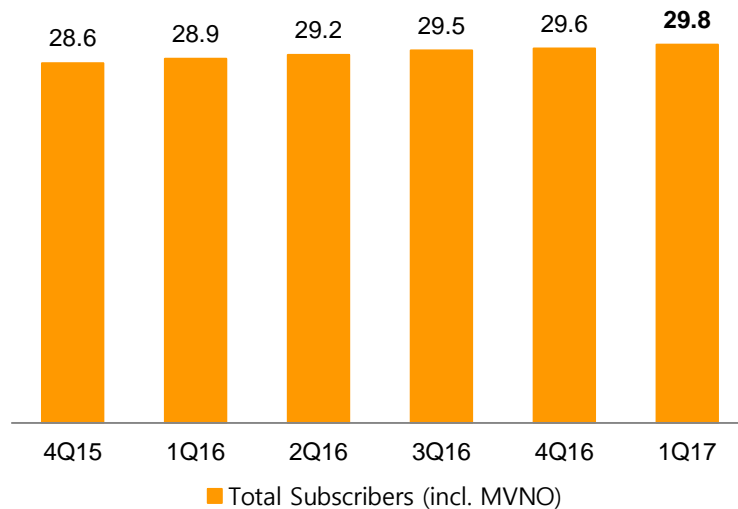
(GB)



- Expanded handset subscriber base in 1Q17 amid gradual increase in total subscribers

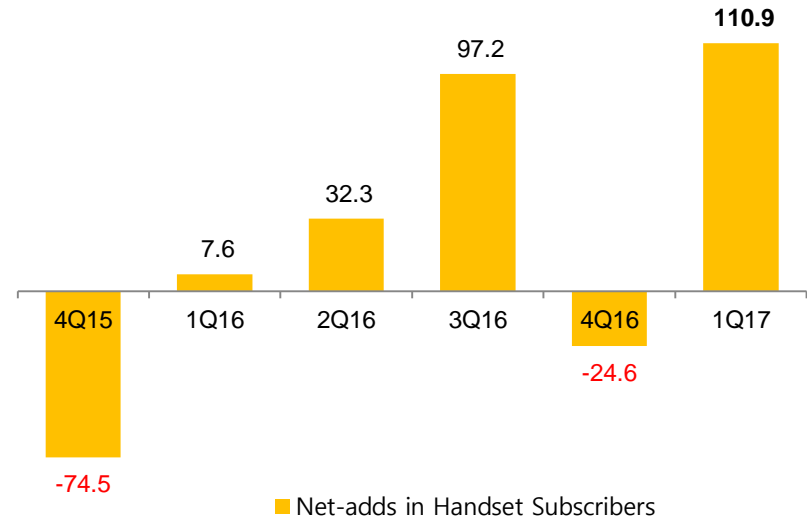
### Total Subscribers

(mn)



### Net-adds in Handset Subscribers

(thousand subs)



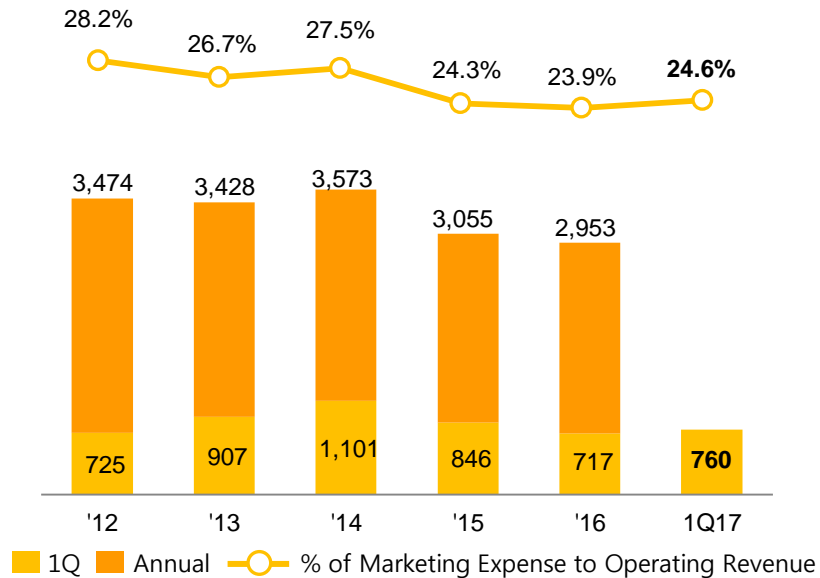
\* 1Q17 Handset Subscribers: 24.5mn (YoY +215,883, QoQ +110,942)

※ Source: Ministry of Science, ICT, and Future Planning

- Maintaining stable marketing expense and churn rate

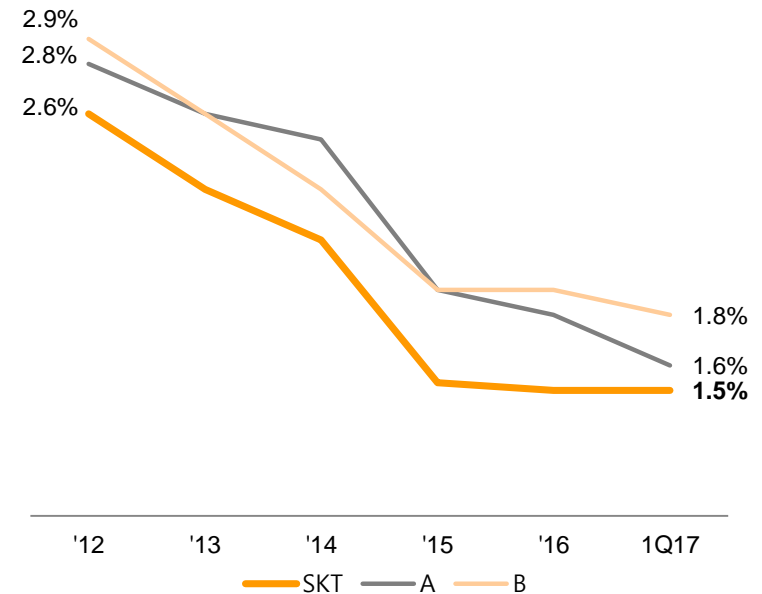
#### Marketing Expense

(KRW Bn)



#### Churn Rate

(monthly churn rate)





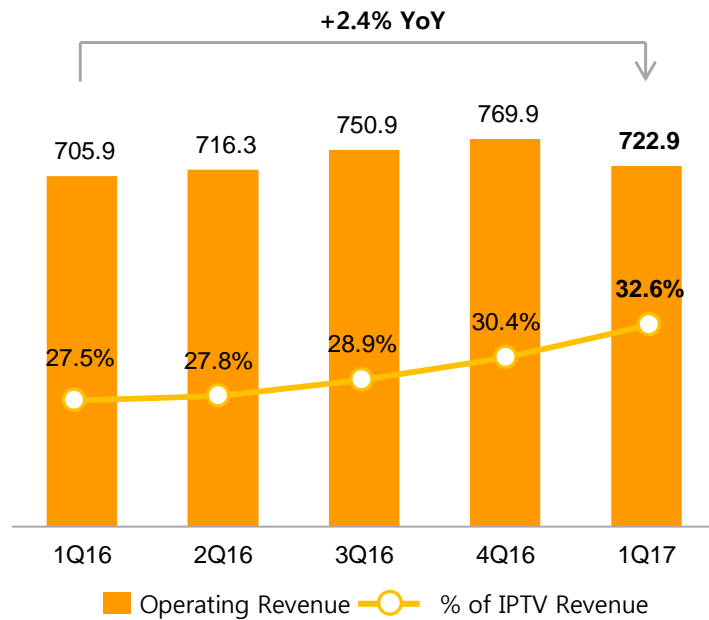
### III. Media

#### (1) SK Broadband

- SK Broadband had improvement in top line and profitability mainly due to growth in IPTV business

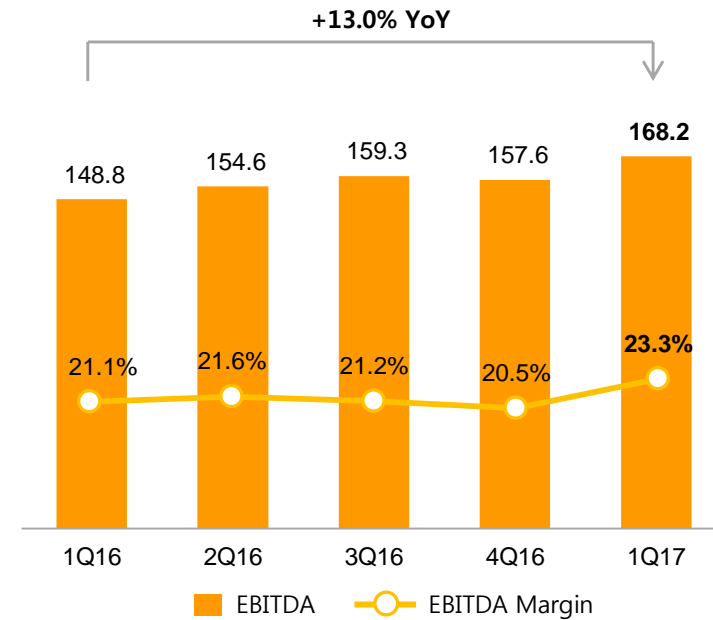
##### Operating Revenue

(KRW Bn)



##### EBITDA

(KRW Bn)



※ 1Q17 IPTV Revenue KRW236Bn (+21.7% YoY)

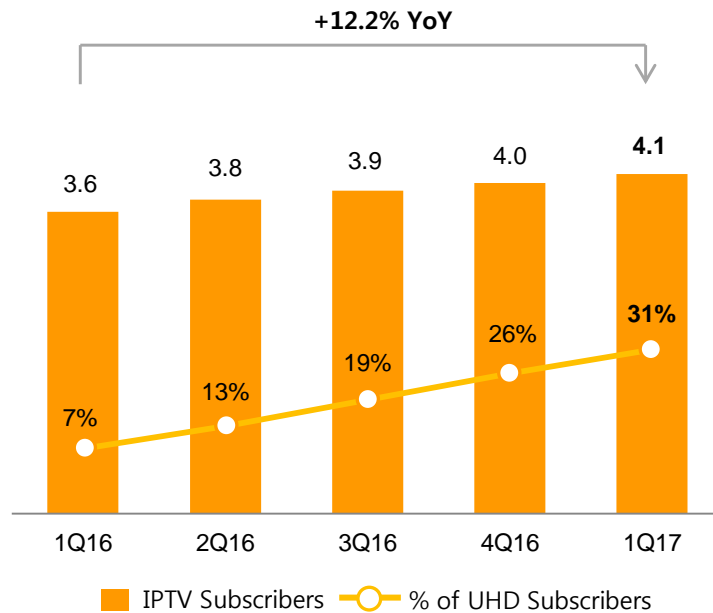
### III. Media

#### (2) IPTV Subscribers

- Continuous uptrend in IPTV and mobile IPTV as well as boosting number of UHD subscribers

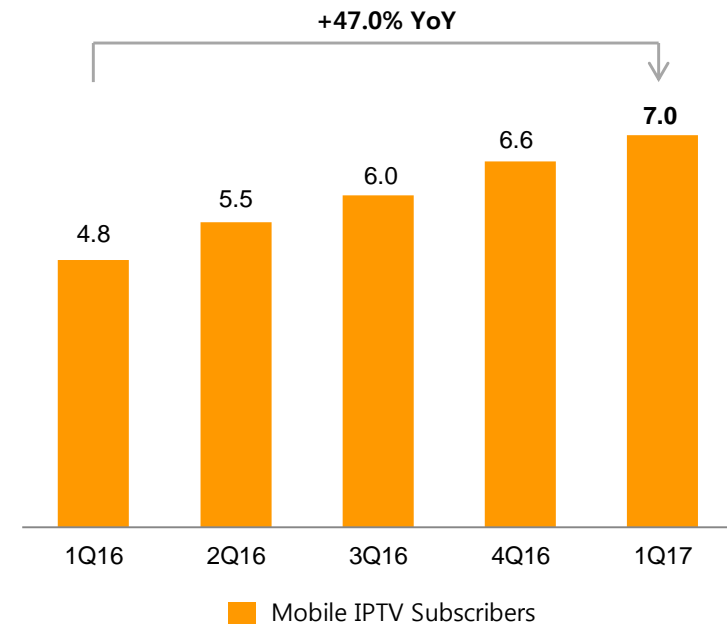
##### IPTV Subscribers

(mn)



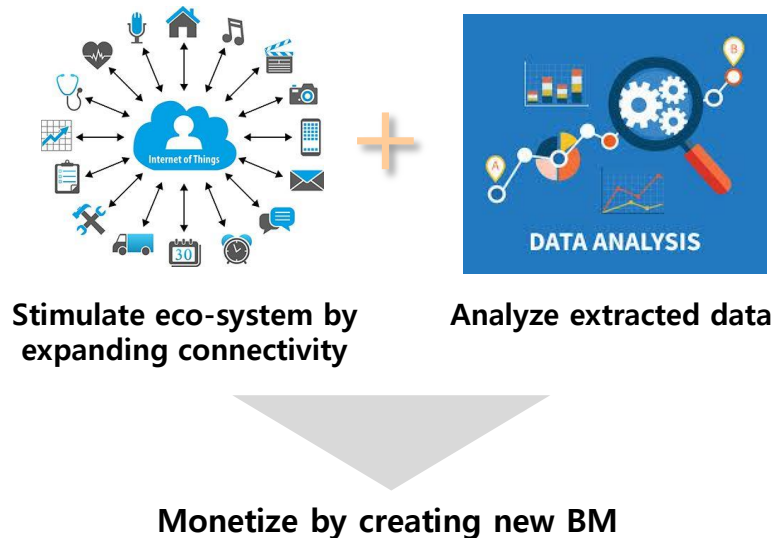
##### Mobile IPTV (Oksusu) Subscribers

(mn)



- Creating new BM in IoT area by using big data from focus areas

### Strategic Direction



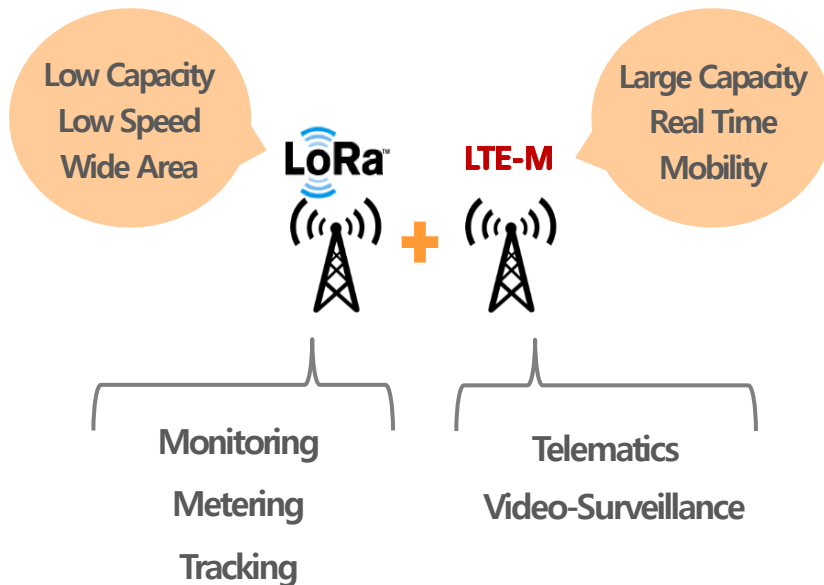
### Focus Area



※ AMI: Automatic Metering Infrastructure

- Continuous expansion of IoT eco-system based on hybrid IoT N/W and strong partnerships

#### Hybrid IoT N/W



#### Business

**928**

Official IoT Partners  
(As of 1Q17)

**22+**

LoRa based services launching  
in 1H17

**99%**

Nationwide LoRa coverage  
(Comparison of population)

**100 thousand**

Free modems distributed to  
405 companies

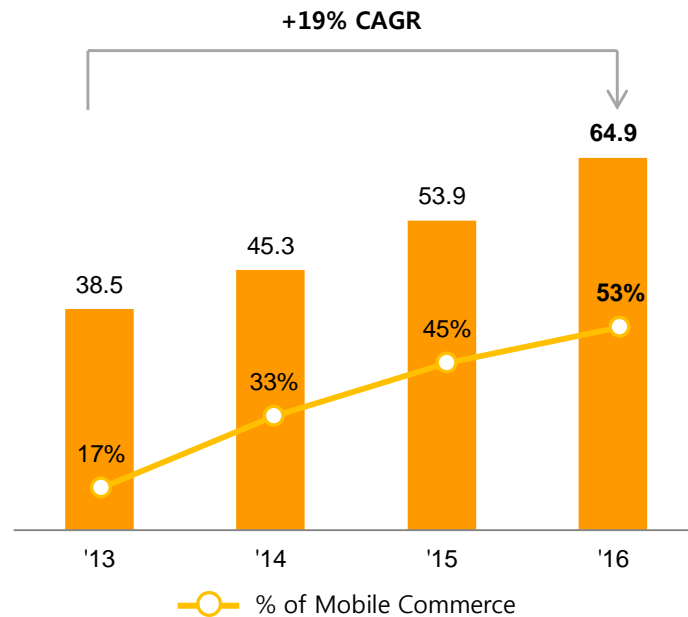
## V. Commerce

### (1) GMV & Mobile UV

- 11st is maintaining the No. 1 leadership in fast growing mobile commerce market

#### GMV of Domestic E-commerce Market

(KRW Tn)

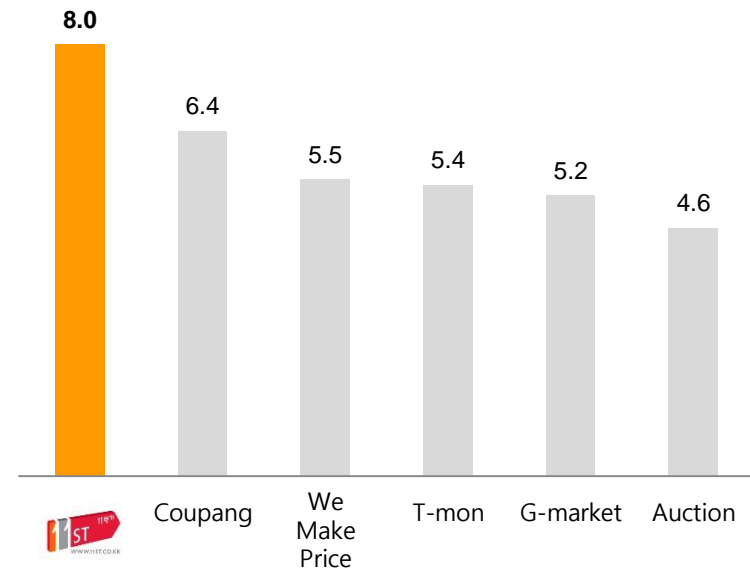


※ Source : Statistics Korea

#### Mobile Application UV

(mn)

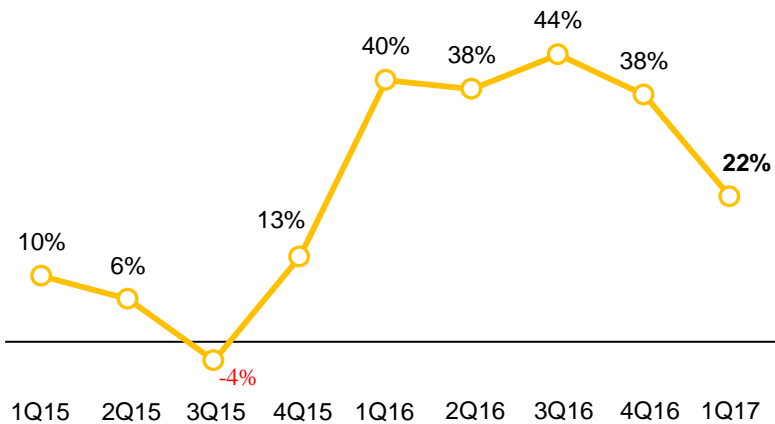
(As of Mar '17)



※ Source : Nielson Korean Click

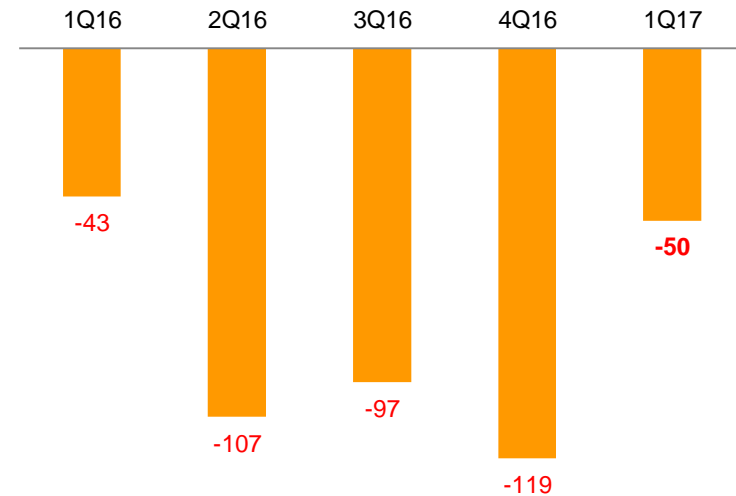
- SK Planet is pursuing the growth with improving profitability

### Operating Revenue Growth of 11st (YoY)



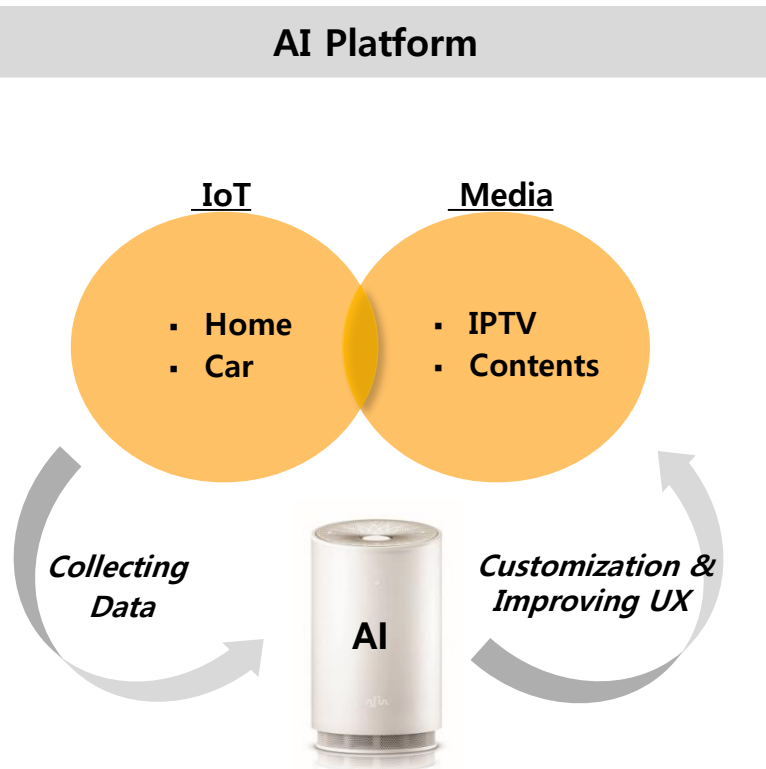
### Operating Loss

(KRW Bn)



※ Incl. operating profit figures prior to company split in 2Q16

- Accelerate the evolution of AI platform to provide the most personally optimized service



### Improvement Direction

- 1. Adopting AI capabilities from outside (Watson, Abril)**
  - Improve cognition, inference, dialogue mgmt. functions
- 2. Integrating with asset and data on hold**
  - Comprehend customer's hidden needs by integrating with 11st, T map, media, etc.
- 3. Expansion of Eco-system**
  - Strengthen partnerships to accumulate knowledge base in various industries

- Preparing for commercialization of 5G in '19 as well as developing various BMs

### 5G Roadmap

2017

- Rollout Trial NW
- Global Partnerships



2018

- 1<sup>st</sup> Standard (3GPP)
- Trial Service (Winter Olympics)



2019

- Commercialization

### Business Models

**High Speed**  
(Maximum 20Gbps)



**Low Latency**  
(Under 1ms\*)



**Connectivity**



\* 1ms: 0.001 second



## **[Part 2] Earnings**

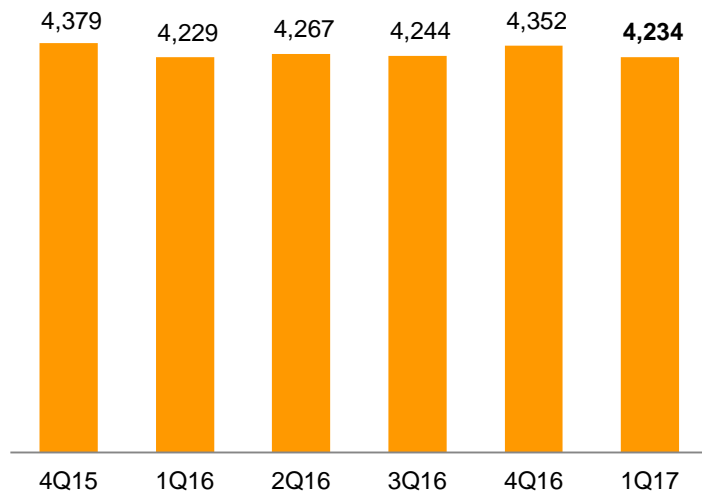
# I . Financial Highlights

## (1) Consolidated Results

- Stable operating revenue in 1Q17 with growth of major subsidiaries
- Continuous uptrend in EPS mainly due to strong earnings from SK Hynix

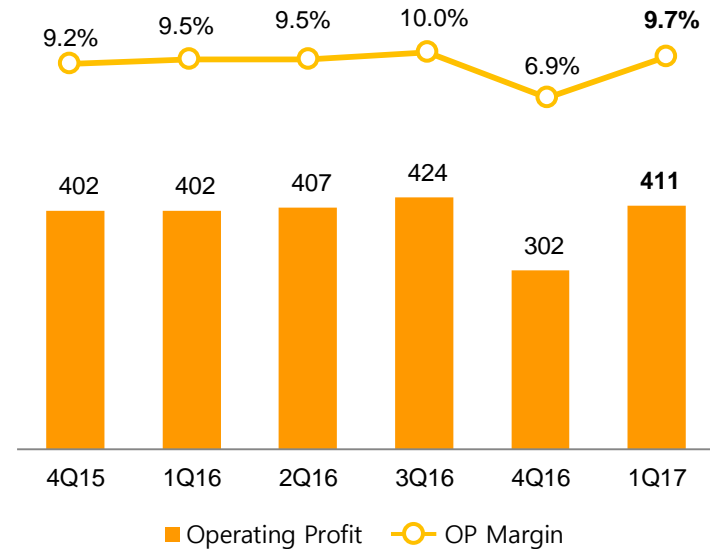
### Consolidated Operating Revenue

(KRW Bn)



### Operating Profit

(KRW Bn)



# I . Financial Highlights

## (1) Consolidated Results

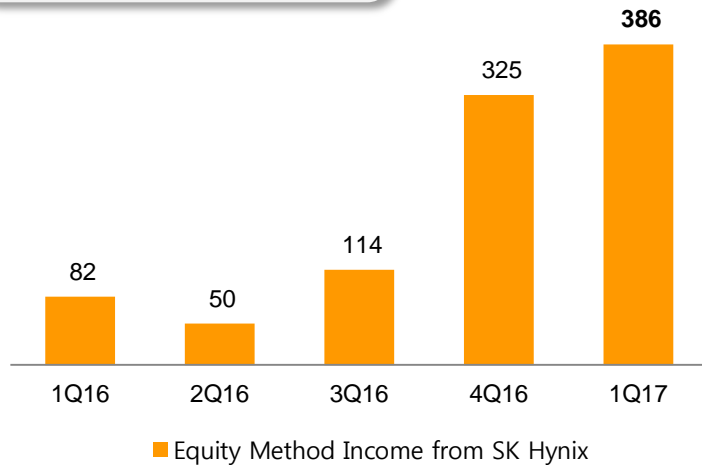
- Continuous uptrend in EPS due to strong earnings trend of SK Hynix
- The share value of SK Hynix on hold recorded KRW 7.9tn as the end of Apr. '17

### Equity Method Income from SK Hynix

(KRW Bn)

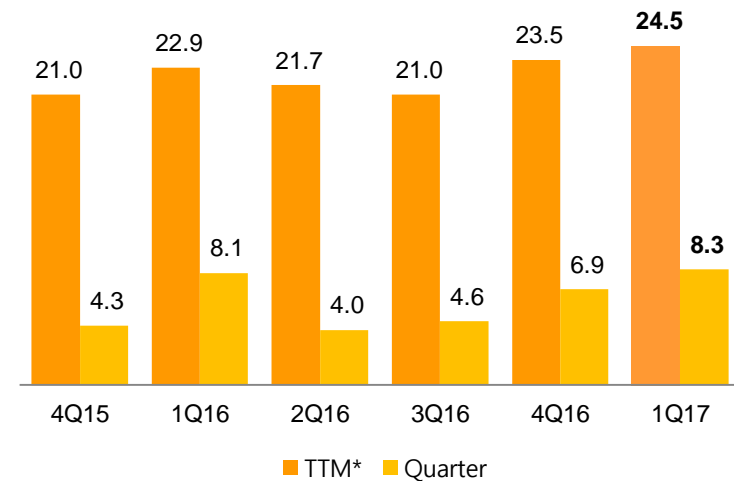
The Value of SK Hynix on hold  
(as the end of Apr.'17)

**KRW 7.9tn**



### Earning Per Share

(KRW thousands)



\* Trailing twelve-month period

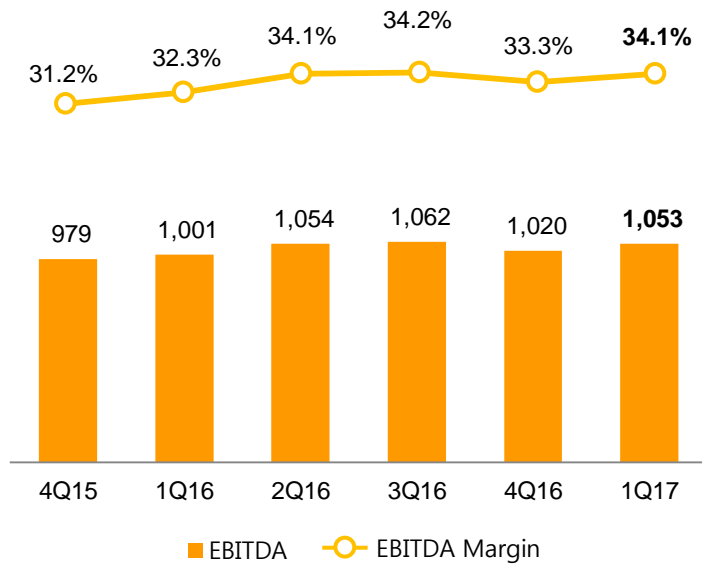
# I . Financial Highlights

## (2) Non-consolidated Results

- Maintaining stable profitability by efficient management of resources

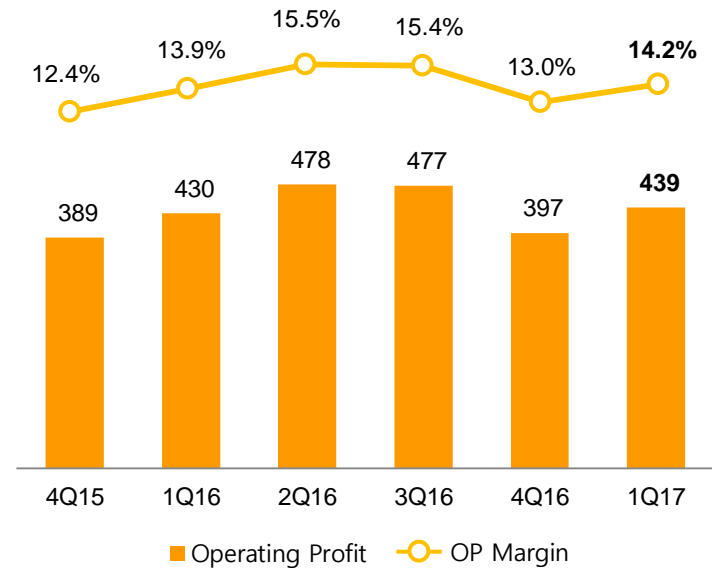
### EBITDA

(KRW Bn)



### Operating Profit

(KRW Bn)



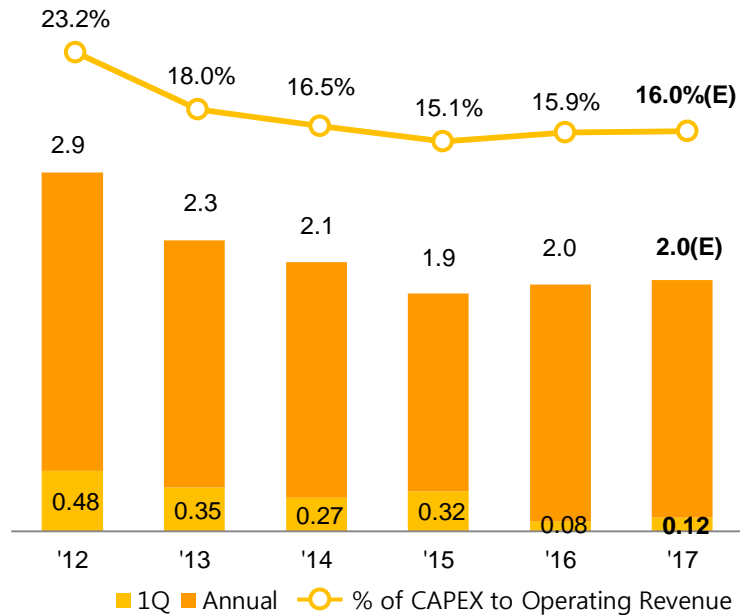
# I . Financial Highlights

## (3) CAPEX & Spectrum Expenses

- CAPEX to be maintained at KRW 2tn level
- LTE bandwidth of 135MHz on hold, while spectrum expense is expected to record KRW 303bn in '17

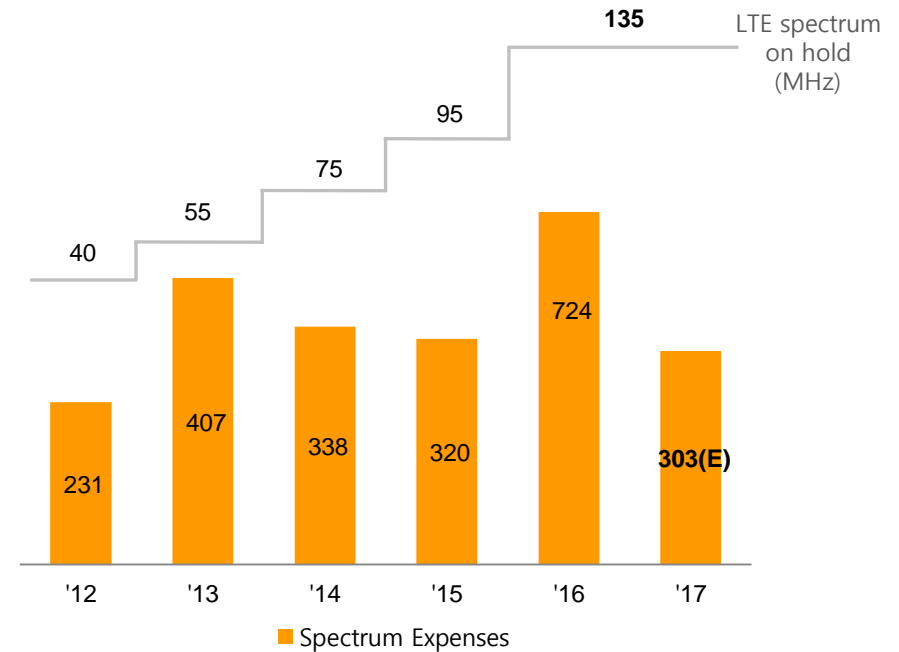
### CAPEX (Non-consolidated)

(KRW Tn)



### Spectrum Expense

(KRW Bn)



## II. Consolidated Results

### ◆ Summary of Income Statement (Consolidated)

(KRW bn)	2017 1Q	2016 1Q	YoY	2016 4Q	QoQ
<b>Operating revenues</b>	<b>4,234.4</b>	<b>4,228.5</b>	<b>0.1%</b>	<b>4,352.3</b>	<b>-2.7%</b>
<b>Operating expenses</b>	<b>3,823.9</b>	<b>3,826.3</b>	<b>-0.1%</b>	<b>4,050.3</b>	<b>-5.6%</b>
<i>Labor cost</i>	<i>462.8</i>	<i>476.9</i>	<i>-2.9%</i>	<i>478.4</i>	<i>-3.2%</i>
<i>Commissions paid</i>	<i>1,363.3</i>	<i>1,323.4</i>	<i>3.0%</i>	<i>1,411.7</i>	<i>-3.4%</i>
<i>Depreciation<sup>1)</sup></i>	<i>792.7</i>	<i>748.9</i>	<i>5.9%</i>	<i>802.3</i>	<i>-1.2%</i>
<i>Network Interconnection</i>	<i>221.1</i>	<i>263.9</i>	<i>-16.2%</i>	<i>170.5</i>	<i>29.7%</i>
<i>Cost of goods sold</i>	<i>402.2</i>	<i>426.6</i>	<i>-5.7%</i>	<i>542.8</i>	<i>-25.9%</i>
<i>Others</i>	<i>581.7</i>	<i>586.6</i>	<i>-0.8%</i>	<i>644.8</i>	<i>-9.8%</i>
<b>Operating income</b>	<b>410.5</b>	<b>402.1</b>	<b>2.1%</b>	<b>301.9</b>	<b>36.0%</b>
<i>Operating margin</i>	<i>9.7%</i>	<i>9.5%</i>	<i>0.2%p</i>	<i>6.9%</i>	<i>2.8%p</i>
<b>Net profit or loss from non-operating items<sup>1)</sup></b>	<b>313.7</b>	<b>334.0</b>	<b>-6.1%</b>	<b>262.1</b>	<b>19.7%</b>
<b>Income before taxes</b>	<b>724.2</b>	<b>736.1</b>	<b>-1.6%</b>	<b>564.1</b>	<b>28.4%</b>
<b>Consolidated net income</b>	<b>583.5</b>	<b>572.3</b>	<b>2.0%</b>	<b>474.7</b>	<b>22.9%</b>
<b>EBITDA<sup>2)</sup></b>	<b>1,203.2</b>	<b>1,151.0</b>	<b>4.5%</b>	<b>1,104.2</b>	<b>9.0%</b>
<i>EBITDA margin</i>	<i>28.4%</i>	<i>27.2%</i>	<i>1.2%p</i>	<i>25.4%</i>	<i>3.0%p</i>
<b>Basic earnings per share(KRW)</b>	<b>8,344</b>	<b>8,099</b>	<b>3.0%</b>	<b>6,905</b>	<b>20.8%</b>

1) Includes R&D related depreciation

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

#### ● Operating revenues

- Increased by 0.1% YoY as SK Broadband and other subsidiaries continued to grow, whereas SK Telecom revenues fell due to selective tariff discount and abolishment of sign-up fees.

- Decreased by 2.7% QoQ. SK Telecom revenues increased on account of one-off gains, but greater decrease at SK Broadband and SK Planet resulted in a drop in consolidated revenues.

#### ● Operating income

- Increased by 2.1% YoY and 36.0% QoQ as profitability improved at both parent and subsidiaries.

#### ● Net income

- Both income before taxes and income taxes decreased due to removal of previous year's Loen Entertainment sales effects, which led to a 2.0% YoY growth in net income.

- Increased by 22.9% QoQ as equity gains from SK Hynix continued to grow.

## II. Consolidated Results

### ◆ Summary of Balance Sheet (Consolidated)

(KRW bn)	2017 1Q	2016 1Q	YoY	2016 4Q	QoQ
<b>Total assets</b>	<b>30,517.8</b>	<b>28,490.4</b>	<b>7.1%</b>	<b>31,297.7</b>	<b>-2.5%</b>
Current assets	<b>5,965.1</b>	<b>5,805.8</b>	<b>2.7%</b>	<b>5,996.6</b>	<b>-0.5%</b>
<i>Cash and marketable securities</i>	<i>2,096.7</i>	<i>1,621.6</i>	<i>29.3%</i>	<i>2,034.0</i>	<i>3.1%</i>
Non-current assets	24,552.7	22,684.6	8.2%	25,301.0	-3.0%
<i>Property &amp; Equipment</i>	<i>9,928.9</i>	<i>9,931.6</i>	<i>0.0%</i>	<i>10,374.2</i>	<i>-4.3%</i>
<i>Intangible assets</i>	<i>5,597.2</i>	<i>4,094.8</i>	<i>36.7%</i>	<i>5,708.8</i>	<i>-2.0%</i>
<b>Total liabilities</b>	<b>14,605.3</b>	<b>13,375.2</b>	<b>9.2%</b>	<b>15,181.2</b>	<b>-3.8%</b>
Current liabilities	6,255.6	5,355.1	16.8%	6,444.1	-2.9%
Non-current liabilities	8,349.7	8,020.1	4.1%	8,737.1	-4.4%
<b>Total shareholders' equity</b>	<b>15,912.5</b>	<b>15,115.2</b>	<b>5.3%</b>	<b>16,116.4</b>	<b>-1.3%</b>
<b>Interest-bearing financial debt</b>	<b>7,332.6</b>	<b>7,397.4</b>	<b>-0.9%</b>	<b>7,369.7</b>	<b>-0.5%</b>
<b>Net debt</b>	<b>5,235.9</b>	<b>5,775.8</b>	<b>-9.3%</b>	<b>5,335.7</b>	<b>-1.9%</b>

#### ● Assets

- Decreased by 2.5% from previous year end due to lower fixed asset acquisition and higher depreciation.

#### ● Shareholders' equity

- Decreased by 1.3% from previous year end as a result of paying out dividends.

### III. Non-consolidated Results

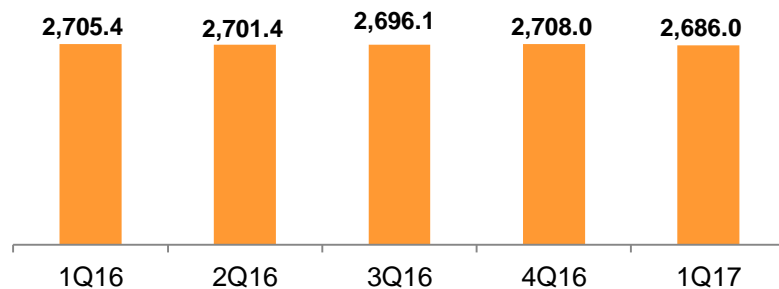
#### ◆ Operating Revenues (Non-consolidated)

(KRW bn)	2017 1Q	2016 1Q	YoY	2016 4Q	QoQ
<b>Total operating revenues</b>	<b>3,088.0</b>	<b>3,098.3</b>	<b>-0.3%</b>	<b>3,058.4</b>	<b>1.0%</b>
Mobile service revenue	2,686.0	2,705.4	-0.7%	2,708.0	-0.8%
Interconnection revenue	172.7	189.8	-9.0%	103.1	67.5%
Others <sup>1)</sup>	229.3	203.0	13.0%	247.3	-7.3%

1) Includes revenues from leased line, fixed-line resale, solutions and other businesses

#### ■ Mobile service revenues

(KRW bn)



#### ● Mobile service revenues

- Declined by 0.7% YoY and 0.8% QoQ as more subscribers opted for selective tariff discount.
- Sign-up fee elimination and seasonality also caused YoY and QoQ declines, respectively.

#### ● Interconnection revenues

- Dropped by 9.0% YoY due to lower interconnection rates; however, the decrease was mitigated by one-off interconnection reimbursement from KT.
  - Increased by 67.5% QoQ on account of one-off interconnection reimbursement from KT.
- Also, the difference in revenue from lowered rates was booked in 4Q16, which resulted in a dip in interconnection revenues for that quarter.

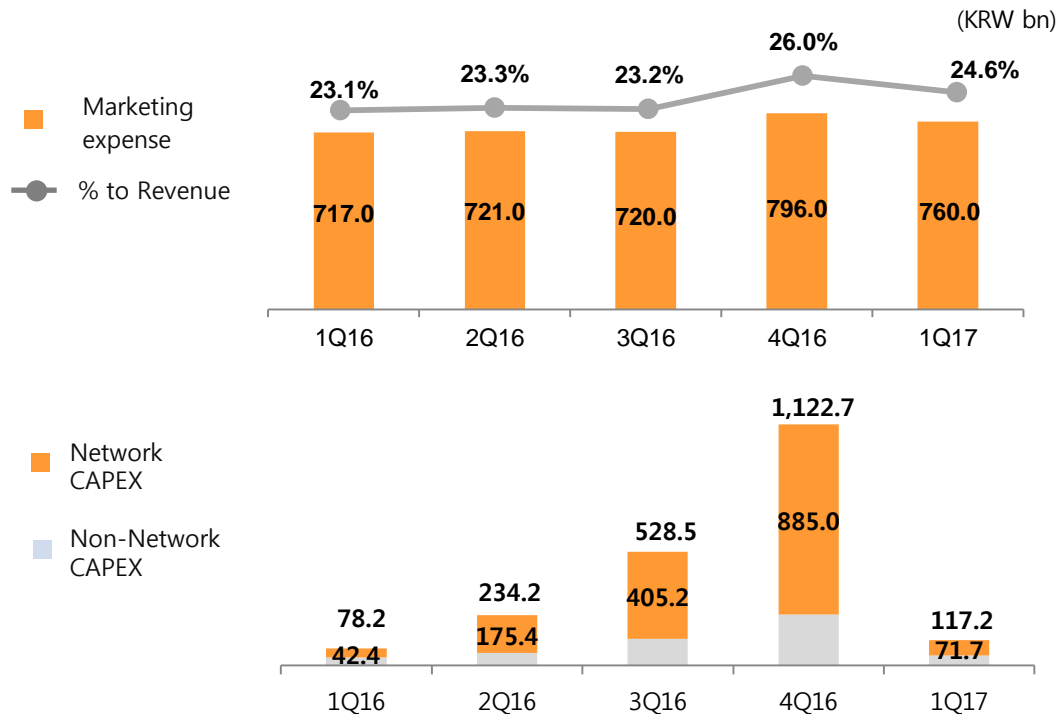


### III. Non-consolidated Results

#### ◆ Marketing expense & CAPEX

(KRW bn)	2017 1Q	2016 1Q	YoY	2016 4Q	QoQ
<b>Marketing expense<sup>1)</sup></b>	<b>759.6</b>	<b>716.6</b>	<b>6.0%</b>	<b>795.6</b>	<b>-4.5%</b>
<i>% of operating revenue</i>	<i>24.6%</i>	<i>23.1%</i>	<i>1.5%p</i>	<i>26.0%</i>	<i>-1.4%p</i>
<b>Capital expenditure</b>	<b>117.2</b>	<b>78.2</b>	<b>49.8%</b>	<b>1,122.7</b>	<b>-89.6%</b>
<i>% of operating revenue</i>	<i>3.79%</i>	<i>2.53%</i>	<i>1.3%p</i>	<i>36.7%</i>	<i>-32.9%p</i>

1) Marketing expense = marketing related commission + advertising expenses



#### ● Marketing expense

- Increased by 6.0% YoY due to new subscriber growth.
- Decreased by 4.5% QoQ in line with lower advertising expenses.

#### ● CAPEX

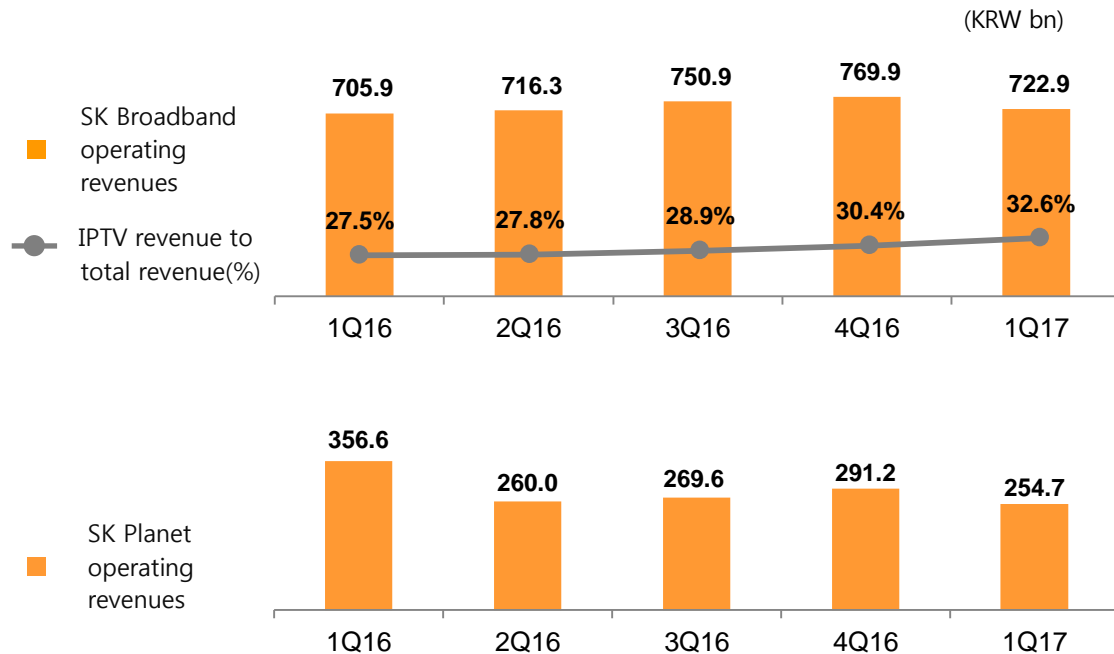
- Increased YoY from fulfilling network deployment obligations.

## IV. Major Subsidiaries

### ◆ Operating Revenues – SK Broadband and SK Planet

(KRW bn)	2017 1Q	2016 1Q	YoY	2016 4Q	QoQ
<b>SK Broadband</b>	<b>722.9</b>	<b>705.9</b>	<b>2.4%</b>	<b>769.9</b>	<b>-6.1%</b>
<i>IPTV</i>	235.6	193.6	21.7%	233.8	0.8%
<i>Others<sup>1)</sup></i>	487.3	512.3	-4.9%	536.1	-9.1%
<b>SK Planet</b>	<b>254.7</b>	<b>356.6</b>	<b>-28.6%</b>	<b>291.2</b>	<b>-12.5%</b>

1) Others : High speed internet, residential, B2B, others, etc.



#### ● SK Broadband

- Increased by 2.4% YoY as IPTV revenues continued to grow.
- Decreased by 6.1% QoQ due to seasonality in other revenues.

#### ● SK Planet

- Decreased by 28.6% YoY due to spin-offs\* in 1Q16
- \* LBS(Location Based Services) business, SK Tech X, One Store
- Decreased by 12.5% QoQ as O2O\* and other businesses weakened on account of cost control.
- \* O2O: Online-to-Offline

# [Appendix]

# I. Operating Figures

## ◆ Subscribers<sup>1)</sup>

	1Q16	2Q16	3Q16	4Q16	1Q17	YoY	QoQ
<b>Subscribers ('000)</b>	28,921	29,150	29,451	29,595	29,833	3.2%	0.8%
Net adds	295	229	301	144	238	-19.1%	65.3%
Activations	1,552	1,536	1,503	1,504	1,583	2.0%	5.3%
Deactivations	1,257	1,307	1,203	1,360	1,345	7.0%	-1.1%
<i>Monthly churn rate (%)</i>	<i>1.5%</i>	<i>1.5%</i>	<i>1.4%</i>	<i>1.5%</i>	<i>1.5%</i>	<i>0.0%p</i>	<i>0.0%p</i>
<b>Smartphone Subscribers ('000)</b>	20,985	21,308	21,662	21,877	22,181	5.7%	1.4%
<b>LTE Subscribers ('000)</b>	19,526	20,028	20,545	21,078	21,650	10.9%	2.7%
<i>LTE Penetration</i>	<i>67.5%</i>	<i>68.7%</i>	<i>69.8%</i>	<i>71.2%</i>	<i>72.6%</i>	<i>5.1%p</i>	<i>1.4%p</i>
<b>High speed internet ('000)</b>	5,092	5,145	5,181	5,207	5,310	4.3%	2.0%
<b>IPTV ('000)</b>	3,624	3,760	3,872	3,962	4,067	12.2%	2.7%

1) Includes MVNO connections, excludes other connections such as facility-monitoring lines

## ◆ ARPU

(KRW)	1Q16	2Q16	3Q16	4Q16	1Q17	YoY	QoQ
Billing ARPU <sup>1)</sup>	35,959	35,764	35,471	35,355	34,927	-2.9%	-1.2%
ARPU including MVNO	32,611	32,324	32,010	31,788	31,316	-4.0%	-1.5%

1) Calculated from SK Telecom mobile service revenue (2G/3G/LTE and IoT) : Includes voice, data, and other revenue (Excludes activation fee and interconnection revenue).  
Reflects sales discount from contract and bundling, etc. Excludes MVNO related revenue.

Calculated from SK Telecom mobile service subscribers (2G/3G/LTE and IoT) : From MSIP subscriber statistics (avg. number of billed connections for the quarter)

## II. Consolidated Income Statement

(in KRW bn)	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17
<b>Operating revenues</b>	<b>17,136.7</b>	<b>4,228.5</b>	<b>4,267.3</b>	<b>4,243.8</b>	<b>4,352.3</b>	<b>17,091.8</b>	<b>4,234.4</b>
<b>Operating expenses</b>	<b>15,428.7</b>	<b>3,826.3</b>	<b>3,859.9</b>	<b>3,819.5</b>	<b>4,050.3</b>	<b>15,556.1</b>	<b>3,823.9</b>
Labor cost	1,893.7	476.9	465.7	448.8	478.4	1,869.8	462.8
Commissions paid	5,207.0	1,323.4	1,327.0	1,314.6	1,411.7	5,376.7	1,363.3
Advertising	405.0	87.5	108.1	103.9	139.0	438.5	85.4
Depreciation <sup>1)</sup>	2,992.9	748.9	752.2	764.3	802.3	3,067.7	792.7
Network interconnection	957.6	263.9	255.5	264.5	170.5	954.3	221.1
Leased line	200.0	54.2	59.4	44.8	49.3	207.7	48.8
Frequency usage fees	189.8	47.9	49.5	46.7	42.7	186.8	39.0
Cost of goods sold	1,955.9	426.6	451.6	417.4	542.8	1,838.4	402.2
Others	1,626.9	397.1	390.9	414.6	413.8	1,616.4	408.5
<b>Operating income</b>	<b>1,708.0</b>	<b>402.1</b>	<b>407.4</b>	<b>424.3</b>	<b>301.9</b>	<b>1,535.7</b>	<b>410.5</b>
<i>EBITDA</i>	4,700.9	1,151.0	1,159.6	1,188.6	1,104.2	4,603.4	1,203.2
<i>EBITDA margin</i>	27.4%	27.2%	27.2%	28.0%	25.4%	26.9%	28.4%
<b>Net profit or loss from non-operating items</b>	<b>327.4</b>	<b>334.0</b>	<b>(42.6)</b>	<b>6.9</b>	<b>262.1</b>	<b>560.4</b>	<b>313.7</b>
Interest income	45.9	12.0	12.3	14.6	15.3	54.4	25.3
Interest expenses	297.7	72.4	70.0	74.7	73.4	290.5	74.4
Profit or loss in other non-operating items	579.1	394.3	15.1	66.9	320.2	796.5	362.9
<b>Income before tax</b>	<b>2,035.4</b>	<b>736.1</b>	<b>364.8</b>	<b>431.2</b>	<b>564.1</b>	<b>2,096.1</b>	<b>724.2</b>
<b>Consolidated net income</b>	<b>1,515.9</b>	<b>572.3</b>	<b>291.0</b>	<b>322.1</b>	<b>474.7</b>	<b>1,660.1</b>	<b>583.5</b>
Majority interests	1,518.6	571.8	290.1	325.1	488.9	1,676.0	589.1
Minority interests	(2.7)	0.5	0.9	(3.0)	(14.2)	(15.9)	(5.7)
<b>Basic earnings per share(KRW)</b>	<b>20,988</b>	<b>8,099</b>	<b>3,990</b>	<b>4,604</b>	<b>6,905</b>	<b>23,497</b>	<b>8,344</b>

1) Includes R&D related depreciation

### III. Non-consolidated Income Statement

(in KRW bn)	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17
<b>Operating revenues</b>	<b>12,557.0</b>	<b>3,098.3</b>	<b>3,092.0</b>	<b>3,101.8</b>	<b>3,058.4</b>	<b>12,350.5</b>	<b>3,088.0</b>
<b>Operating expenses</b>	<b>10,898.2</b>	<b>2,668.4</b>	<b>2,613.8</b>	<b>2,624.7</b>	<b>2,661.4</b>	<b>10,568.3</b>	<b>2,648.6</b>
Labor cost	694.7	173.0	161.8	148.6	151.3	634.8	156.9
Commissions paid	5,102.7	1,218.3	1,140.0	1,144.7	1,213.5	4,716.6	1,197.5
Marketing commissions	2,878.9	689.5	672.3	680.4	736.5	2,778.7	737.1
Other commissions	2,223.9	528.7	467.7	464.3	477.0	1,937.8	460.4
Advertising	175.8	27.1	48.5	39.4	59.2	174.2	22.4
Depreciation <sup>1)</sup>	2,279.9	570.8	576.0	585.2	622.9	2,354.8	613.9
Network interconnection	720.9	193.3	189.2	193.0	111.6	687.0	156.7
Leased line	168.2	40.8	42.4	40.0	37.0	160.3	36.9
Frequency usage fees	189.8	47.9	49.5	46.7	42.7	186.8	39.0
Others	1,566.2	397.4	406.3	427.0	423.3	1,654.0	425.2
<b>Operating income</b>	<b>1,658.8</b>	<b>429.9</b>	<b>478.2</b>	<b>477.1</b>	<b>397.0</b>	<b>1,782.2</b>	<b>439.4</b>
<i>EBITDA</i>	3,938.7	1,000.6	1,054.2	1,062.3	1,019.9	4,136.9	1,053.2
<i>EBITDA margin</i>	31.4%	32.3%	34.1%	34.2%	33.3%	33.5%	34.1%
<b>Net profit or loss from non-operating items</b>	<b>(189.3)</b>	<b>35.8</b>	<b>(97.8)</b>	<b>(71.1)</b>	<b>(86.4)</b>	<b>(219.4)</b>	<b>50.2</b>
Interest income	20.6	6.4	5.8	9.6	9.5	31.4	20.3
Interest expenses	241.6	59.5	57.2	62.0	60.7	239.4	61.7
Net profit or loss from other non-operating items	31.7	88.9	(46.4)	(18.7)	(35.2)	(11.3)	91.6
<b>Income before tax</b>	<b>1,469.4</b>	<b>465.7</b>	<b>380.5</b>	<b>406.0</b>	<b>310.6</b>	<b>1,562.8</b>	<b>489.6</b>
<b>Net income</b>	<b>1,106.8</b>	<b>382.2</b>	<b>284.1</b>	<b>324.6</b>	<b>226.3</b>	<b>1,217.3</b>	<b>388.2</b>

1) Includes R&D related depreciation

## IV. Consolidated Balance Sheet

(in KRW bn)	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
<b>Total assets</b>	<b>28,581.4</b>	<b>28,490.4</b>	<b>28,529.4</b>	<b>29,555.7</b>	<b>31,297.7</b>	<b>30,517.8</b>
<b>Current assets</b>	<b>5,160.2</b>	<b>5,805.8</b>	<b>6,118.6</b>	<b>5,777.7</b>	<b>5,996.6</b>	<b>5,965.1</b>
Cash and marketable securities <sup>1)</sup>	1,505.0	1,621.6	1,983.9	1,537.5	2,034.0	2,096.7
Accounts receivable	3,018.6	3,522.7	3,473.4	3,580.7	3,362.4	3,149.1
Short-term loans	53.9	66.2	66.2	65.7	59.0	70.0
Inventories	273.6	278.4	270.9	274.0	259.8	248.6
Other current assets	309.2	317.0	324.2	319.8	281.4	400.7
<b>Non-current assets</b>	<b>23,421.1</b>	<b>22,684.6</b>	<b>22,410.8</b>	<b>23,778.0</b>	<b>25,301.0</b>	<b>24,552.7</b>
Property & equipment	10,386.3	9,931.6	9,724.3	9,798.7	10,374.2	9,928.9
Intangible assets	4,213.4	4,094.8	3,982.3	5,101.3	5,708.8	5,597.2
Investment assets	8,114.1	8,007.4	7,986.4	8,046.8	8,233.8	8,356.0
Other non-current assets	707.3	650.9	717.9	831.2	984.2	670.6
<b>Total liabilities</b>	<b>13,207.3</b>	<b>13,375.2</b>	<b>13,161.9</b>	<b>14,011.5</b>	<b>15,181.2</b>	<b>14,605.3</b>
<b>Current liabilities</b>	<b>5,256.5</b>	<b>5,355.1</b>	<b>5,220.0</b>	<b>5,393.2</b>	<b>6,444.1</b>	<b>6,255.6</b>
Short-term borrowings	260.0	84.9	85.0	0.8	2.6	36.1
Accounts payable	1,985.8	1,775.4	1,734.0	1,843.4	2,646.1	1,685.3
Current portion of long-term debt	823.8	652.2	1,012.2	898.7	1,190.7	1,311.6
Other current liabilities	2,186.9	2,842.6	2,388.8	2,650.3	2,604.7	3,222.6
<b>Non-current liabilities</b>	<b>7,950.8</b>	<b>8,020.1</b>	<b>7,941.9</b>	<b>8,618.3</b>	<b>8,737.1</b>	<b>8,349.7</b>
Bonds payable & long-term borrowings	6,560.7	6,776.1	6,672.0	6,489.5	6,478.6	6,282.8
Long-term payables - other	581.7	468.7	470.5	1,302.3	1,624.6	1,332.6
Post-employment benefit obligation	98.9	134.7	149.4	150.8	70.7	87.8
Other non-current liabilities	709.5	640.6	650.0	675.8	563.2	646.5
<b>Total shareholders' equity</b>	<b>15,374.1</b>	<b>15,115.2</b>	<b>15,367.5</b>	<b>15,544.2</b>	<b>16,116.4</b>	<b>15,912.5</b>
Capital stock	44.6	44.6	44.6	44.6	44.6	44.6
Capital surplus	3,319.5	3,313.6	3,324.7	3,314.4	3,314.4	3,314.4
Retained earnings	15,007.6	14,941.4	15,214.2	15,469.4	15,953.2	15,895.5
Capital adjustments	(3,130.0)	(3,118.3)	(3,133.0)	(3,122.3)	(3,114.6)	(3,122.6)
Other comprehensive income/loss <sup>2)</sup>	9.3	(180.5)	(232.4)	(328.7)	(226.2)	(324.4)
Minority interests	123.0	114.3	149.4	166.7	145.0	104.9

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

## V. SK Telecom Non-Consolidated Balance Sheet

(in KRW bn)	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
<b>Total assets</b>	<b>23,146.9</b>	<b>23,120.0</b>	<b>23,181.8</b>	<b>24,247.6</b>	<b>25,448.6</b>	<b>24,723.2</b>
<b>Current assets</b>	<b>2,713.5</b>	<b>3,144.4</b>	<b>3,560.0</b>	<b>3,255.5</b>	<b>3,661.1</b>	<b>3,642.8</b>
Cash and marketable securities <sup>1)</sup>	598.2	593.1	1,028.7	588.4	1,019.4	1,094.2
Accounts receivable	1,793.5	2,222.8	2,218.4	2,345.4	2,367.1	2,280.2
Short-term loans	47.7	59.1	59.0	59.1	54.1	61.1
Inventories	46.0	43.7	36.5	35.3	32.5	24.9
Other current assets	228.1	225.7	217.4	227.4	188.1	182.4
<b>Non-current assets</b>	<b>20,433.4</b>	<b>19,975.5</b>	<b>19,621.8</b>	<b>20,992.2</b>	<b>21,787.5</b>	<b>21,080.4</b>
Property & equipment	7,442.3	7,038.7	6,802.1	6,844.3	7,298.5	6,881.2
Intangible assets	3,072.3	2,974.6	2,891.6	4,037.2	4,581.9	4,502.9
Investment assets	9,547.1	9,634.2	9,525.7	9,605.2	9,287.6	9,389.4
Other non-current assets	371.7	328.0	402.5	505.4	619.4	306.8
<b>Total liabilities</b>	<b>9,367.5</b>	<b>9,565.1</b>	<b>9,379.0</b>	<b>10,149.6</b>	<b>11,191.6</b>	<b>10,684.6</b>
<b>Current liabilities</b>	<b>3,491.3</b>	<b>3,466.9</b>	<b>3,370.8</b>	<b>3,460.4</b>	<b>4,464.2</b>	<b>4,578.8</b>
Short-term borrowings	230.0	-	-	-	-	-
Accounts payable	1,299.1	1,168.1	1,277.0	1,252.3	2,005.0	1,312.4
Current portion of long-term debt	712.8	438.2	795.2	678.3	930.6	1,099.5
Other current liabilities	1,249.4	1,860.6	1,298.5	1,529.8	1,528.5	2,167.0
<b>Non-current liabilities</b>	<b>5,876.2</b>	<b>6,098.2</b>	<b>6,008.2</b>	<b>6,689.2</b>	<b>6,727.5</b>	<b>6,105.8</b>
Bonds payable & long-term borrowings	5,106.0	5,431.7	5,348.6	5,190.8	5,052.5	4,722.2
Long-term payables	551.0	438.5	440.8	1,268.6	1,602.9	1,311.8
Post-employment benefit obligation	4.0	22.5	23.8	25.7	-	-
Other non-current liabilities	215.2	205.5	195.0	204.1	72.0	71.9
<b>Total shareholders' equity</b>	<b>13,779.5</b>	<b>13,554.8</b>	<b>13,802.8</b>	<b>14,098.0</b>	<b>14,257.0</b>	<b>14,038.5</b>
Capital stock	44.6	44.6	44.6	44.6	44.6	44.6
Capital surplus	3,357.8	3,357.8	3,357.8	3,357.8	3,357.8	3,357.8
Retained earnings	13,418.6	13,158.4	13,432.0	13,686.0	13,902.6	13,648.6
Capital adjustments	(2,988.4)	(2,988.4)	(2,986.3)	(2,986.3)	(2,986.3)	(2,986.3)
Other comprehensive income/loss <sup>2)</sup>	(53.2)	(17.7)	(45.3)	(4.0)	(61.8)	(26.2)

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