PARTNER FOR NEW POSSIBILITIES

SK TELECOM
ANNUAL REPORT 2011

SK telecom

CONTENTS

TODAY'S RAPIDLY-CHANGING TELECOM INDUSTRY LANDSCAPE PRESENTS NEW THREATS AND OPPORTUNITIES. AT SK TELECOM, WE SEE THOSE THREATS AS BIG OPPORTUNITIES. BUILDING ON THE THREE AXES OF OUR TELECOM NETWORKS, SK PLANET PLATFORMS, AND SK HYNIX HARDWARE, WE ARE NOW LAYING A DYNAMIC NEW FOUNDATION FOR GROWTH AS WE PREPARE FOR OUR NEXT LEAP FORWARD.

OUR NEW VISION—PARTNER FOR NEW POSSIBILITIES—IS ABOUT CREATING A BRIGHTER, MORE PROMISING FUTURE BY MAKING THE DREAMS OF EVERYDAY LIFE A REALITY.

AND OUR INNOVATION AND TRANSFORMATION HAVE ONLY JUST BEGUN.

PARTNER FOR NEW POSSIBILITIES

NETWORKS
WE ARE EXPANDING CONNECTIONS BETWEEN CONSUMERS, BUSINESSES, AND DEVICES TO DRIVE THE INNOVATIONS THAT WILL TRANSFORM EVERY ASPECT OF LIFE.

PLATFORMS
WE ARE BUILDING GLOBAL PLATFORMS THAT OFFER A DIVERSE RANGE OF COMPELLING SERVICES TO TENS OF MILLIONS OF USERS AROUND THE WORLD THROUGH SK PLANET.

HARDWARE
SK HYNIX WILL BE A NEW CHANNEL FOR GROWTH THAT WILL ACCELERATE OUR EMERGENCE AS A GLOBAL ICT PLAYER.

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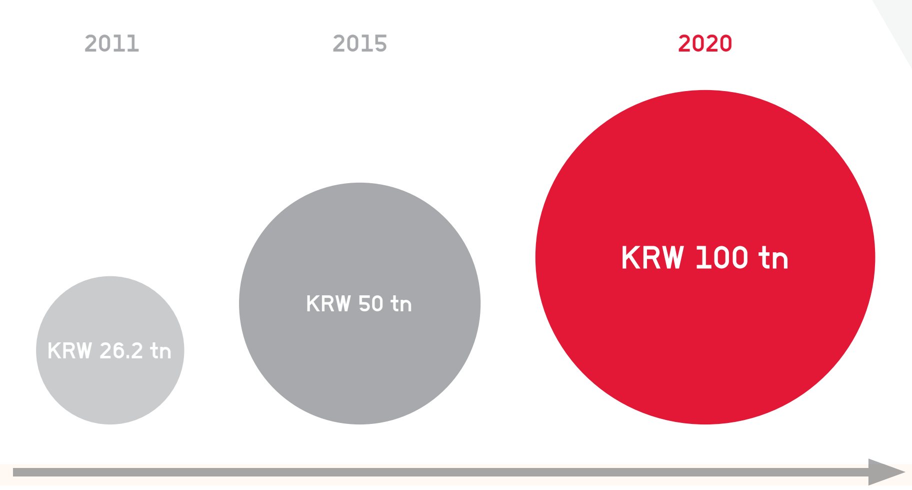
AT SK TELECOM, WE HAVE TAKEN THE CHALLENGING ROAD TO MAKE TOMORROW'S DREAMS A REALITY. WE HAVE FIRMLY MAINTAINED OUR MARKET LEADERSHIP ALONG THE WAY IN THE RAPIDLY-CHANGING ICT LANDSCAPE. TODAY, WE ARE RISING TO THE CHALLENGE TO MAKE HISTORY ONCE AGAIN IN 2020 WITH A CLEAR VISION. BUILDING ON OUR STRONG CORE BUSINESS INFRASTRUCTURE AND TALENTED PEOPLE, THE ULTIMATE GOAL OF VISION 2020 IS TO CREATE A MORE SATISFYING AND PROSPEROUS LIFE FOR OUR CUSTOMERS. BY BRINGING CONTINUOUS INNOVATION TO EVERYDAY LIFE AND ELIMINATING BARRIERS BETWEEN INDUSTRIES, WE WILL CREATE NEW VALUE AS AN ICT LEADER AND A FUTURE FULL OF NEW POSSIBILITIES.

DELIVER TOMORROW

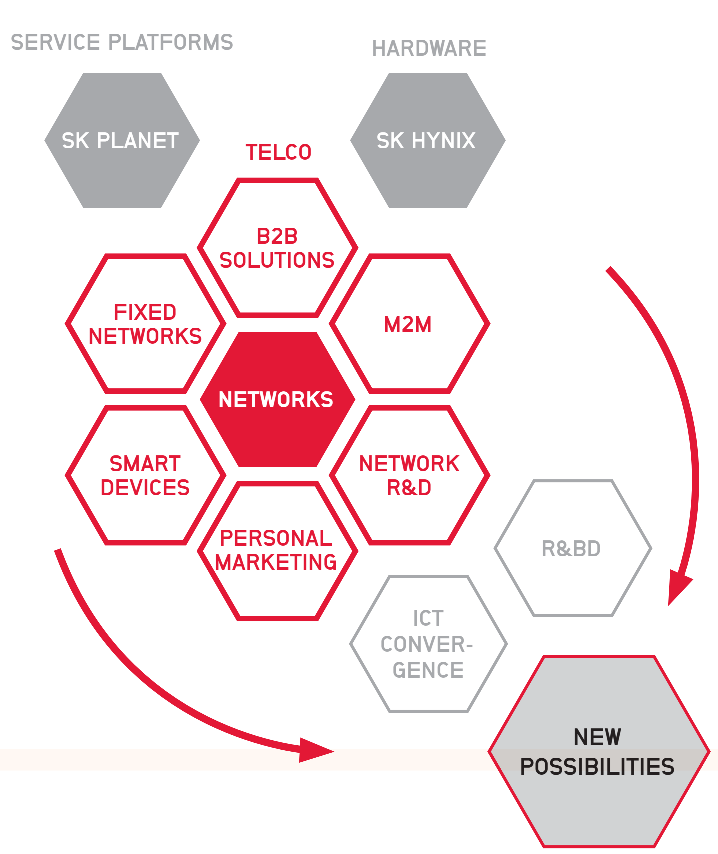
SK TELECOM GROUP SHAREHOLDER VALUE TARGETS

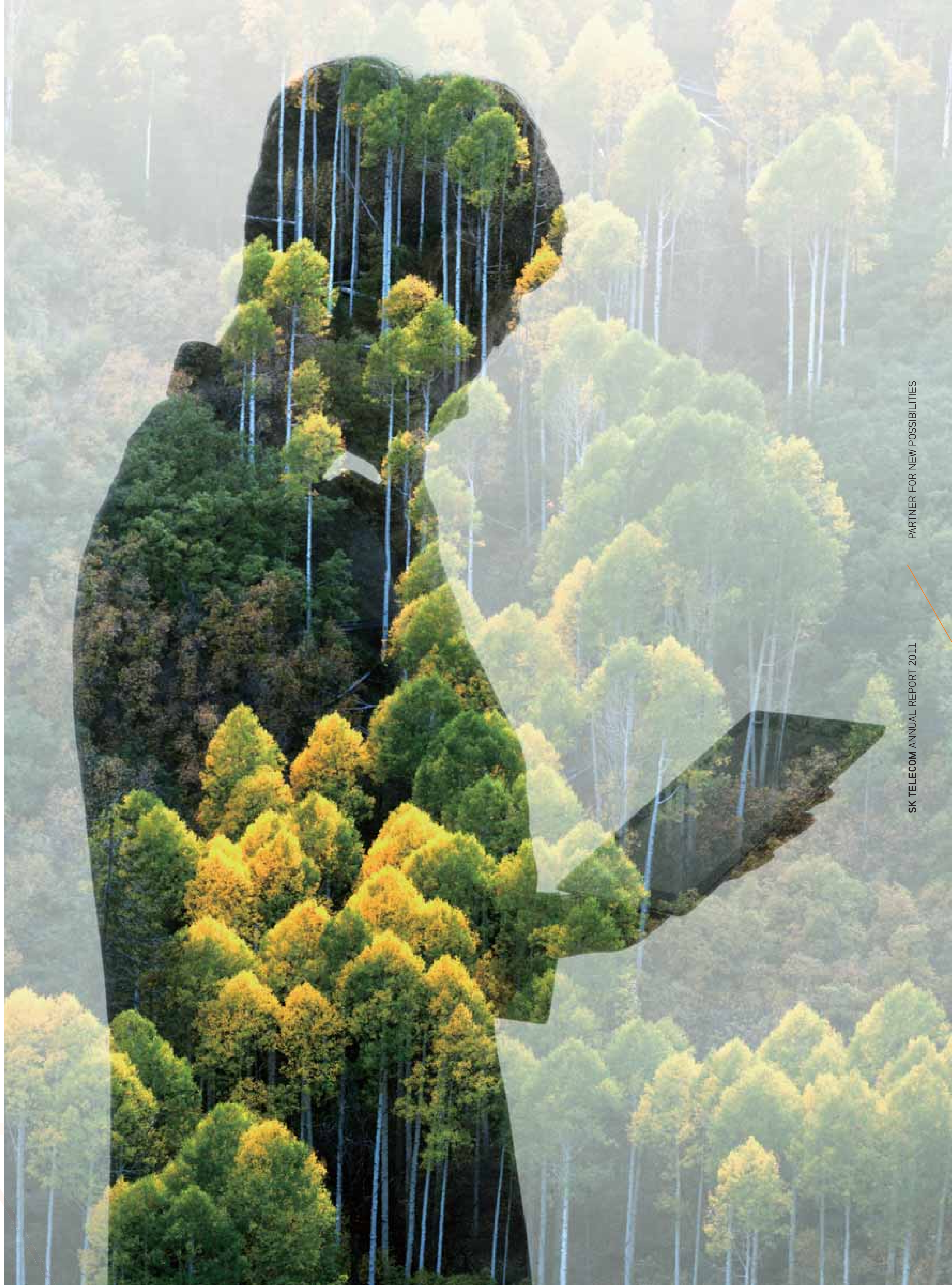


AT SK TELECOM, OUR STRONG AND GROWING ICT BUSINESS PORTFOLIO SPANS THE FIELDS OF NETWORKS, PLATFORMS, AND HARDWARE. OUR FIXED AND WIRELESS NETWORKS ARE EXPANDING CONNECTIONS AMONG CONSUMERS, BUSINESSES, AND DEVICES OF ALL KINDS. GOING FORWARD, WE WILL BE A "MOTHERSHIP" FOR ICT CONVERGENCE, R&BD, AND SYNERGY WITHIN OUR PORTFOLIO. SK PLANET PLATFORMS WILL ATTRACT TENS OF MILLIONS OF USERS AROUND THE WORLD. SK HYNIX WILL BE A GLOBALLY COMPETITIVE MAKER OF MEMORY AND MOBILE DEVICE CHIPSETS. EACH OF THESE BUSINESSES IS A WORLD-CLASS PLAYER IN ITS OWN RIGHT. TOGETHER, WE BELIEVE THEY AND FUTURE NEW BUSINESSES WILL CREATE SYNERGY THAT WILL GROW OUR COMBINED SHAREHOLDER VALUE FROM KRW 26.2 TRILLION IN 2011 TO KRW 100 TRILLION IN 2020.

STRENGTHEN PORTFOLIO

2020 BUSINESS PORTFOLIO



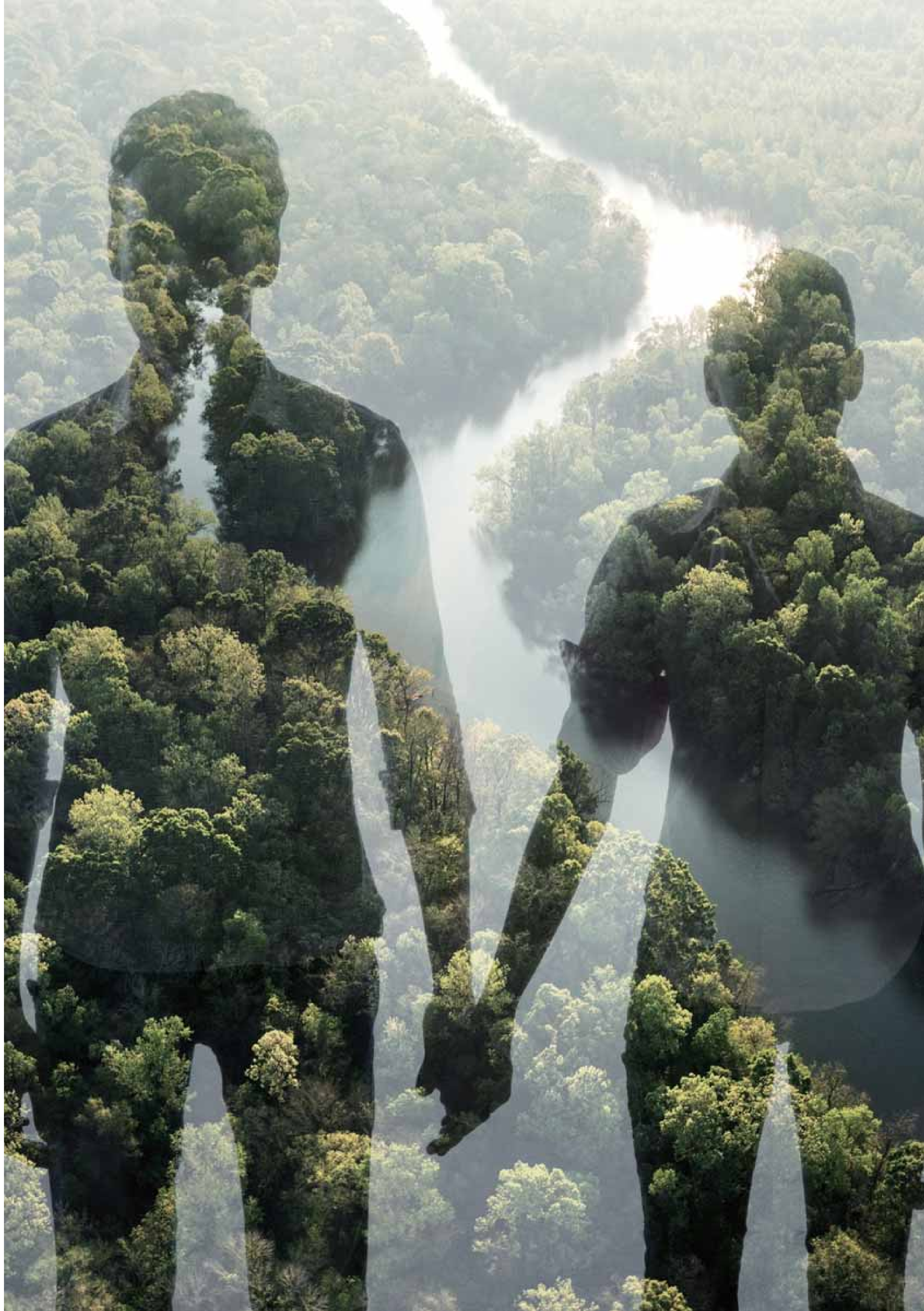


AT SK TELECOM, WE ARE NOW ACTIVELY TRANSFORMING OUR EXISTING TELECOM BUSINESS AS WE SHARPEN OUR CORE TELECOM CAPABILITIES AND LEAD THE INDUSTRY INTO A FUTURE WHERE THERE ARE NO LIMITS. THIS TRANSFORMATION WILL ENABLE US TO DELIVER UNIQUE PRODUCTS BUILT WITH SUPERIOR CONNECTIONS THROUGH SUCCESSFUL MARKETING, NETWORK, AND SOLUTION POSITIONING. IN MARKETING, WE WILL BE AN ICT INNOVATOR, DEVELOPING PRODUCTS THAT SATISFY CUSTOMER NEEDS. IN NETWORKS, WE WILL BE AN INTELLIGENT POWERHOUSE, CREATING UNIQUE CONNECTIONS THAT ENHANCE OPENNESS AND EFFICIENCY. AND IN SOLUTIONS, WE WILL BE A PARTNER FOR GROWTH, DELIVERING AND MANAGING TOTAL SOLUTIONS THAT FULLY ADDRESS ENTERPRISE CUSTOMER NEEDS.

MAXIMIZE CONNECTIVITY

TRANSFORMATION-DRIVEN TELECOM GROWTH

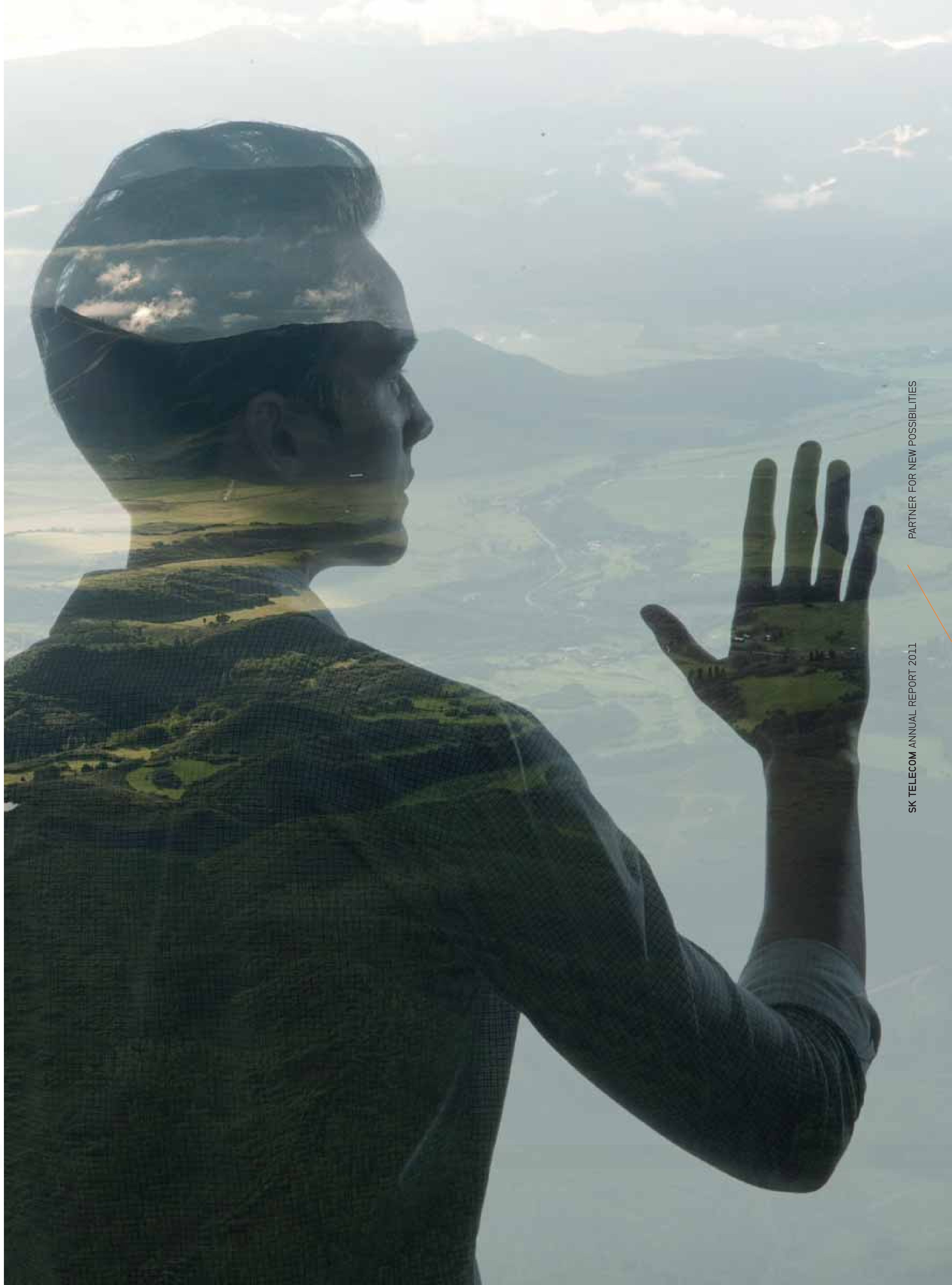
	PAST	TOMORROW
MARKETING	VOICE SERVICES	ICT INNOVATOR
NETWORKS	COMMODITY CONNECTIONS	INTELLIGENT POWERHOUSE
SOLUTIONS	CORPORATE SALES	PARTNER FOR GROWTH



AT SK TELECOM, WE CONTINUE TO SECURE NEW GROWTH ENGINES AS WE STEADILY EXPAND OUR CURRENT BUSINESS PORTFOLIO AND MOVE INTO ENTIRELY NEW FIELDS. ICT CONVERGENCE WILL ENABLE US TO CREATE PRODUCTS AND SERVICES THAT DELIVER NEW VALUE BY BRINGING CONNECTIVITY TO MORE INDUSTRIES. TECHNOLOGY-DRIVEN GROWTH WILL ENABLE US TO CREATE INNOVATIVE NEW BUSINESSES AS WE CONDUCT WORLD-CLASS R&BD IN DIVERSE TECHNICAL FIELDS. PORTFOLIO SYNERGY WILL ENABLE US TO LEAD THE ICT INDUSTRY IN CREATING INNOVATIVE VALUE AS WE BRING TOGETHER NETWORKS, SERVICES, AND HARDWARE. NEW MARKET ENTRY WILL ENABLE US TO OVERCOME BUSINESS AND GEOGRAPHIC BARRIERS TO CREATE NEW ICT BUSINESSES THAT OPEN THE DOOR TO NEW OPPORTUNITIES IN MARKETS AROUND THE GLOBE.

EXPAND OPPORTUNITIES

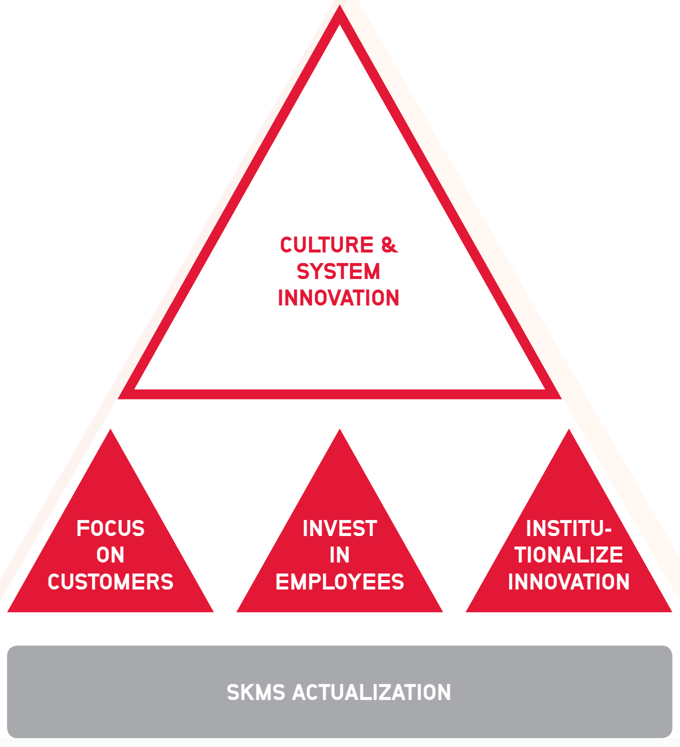
SOCIAL & INDUSTRIAL GROWTH



AT SK TELECOM, WE RECOGNIZE THAT OUR CORPORATE CULTURE AND PEOPLE MUST ALSO UNDERGO A TRANSFORMATION TO ACHIEVE OUR VISION 2020 GOALS. BUILDING ON THE PRINCIPLES OF THE SK MANAGEMENT SYSTEM AND OUR OWN VALUES OF SPEED, ACTION, AND TEAMWORK, WE ARE NOW FOCUSING ON CUSTOMERS, INVESTING IN PEOPLE, AND INSTITUTIONALIZING INNOVATION. OUR FOCUS ON CUSTOMERS AND THE PRINCIPLES TO ENSURE THIS VALUE WILL ALWAYS BE OUR TOP PRIORITY. OUR INVESTMENT IN PEOPLE WILL ELEVATE THE SKILLS AND CAPABILITIES OF EACH EMPLOYEE. AND OUR INSTITUTIONALIZED INNOVATION WILL INSTILL A BASIC ATTITUDE THAT CONTINUALLY STRIVES TO MAKE THINGS BETTER.

DRIVE INNOVATION

PEOPLE & CULTURE INNOVATION



FINANCIAL HIGHLIGHTS

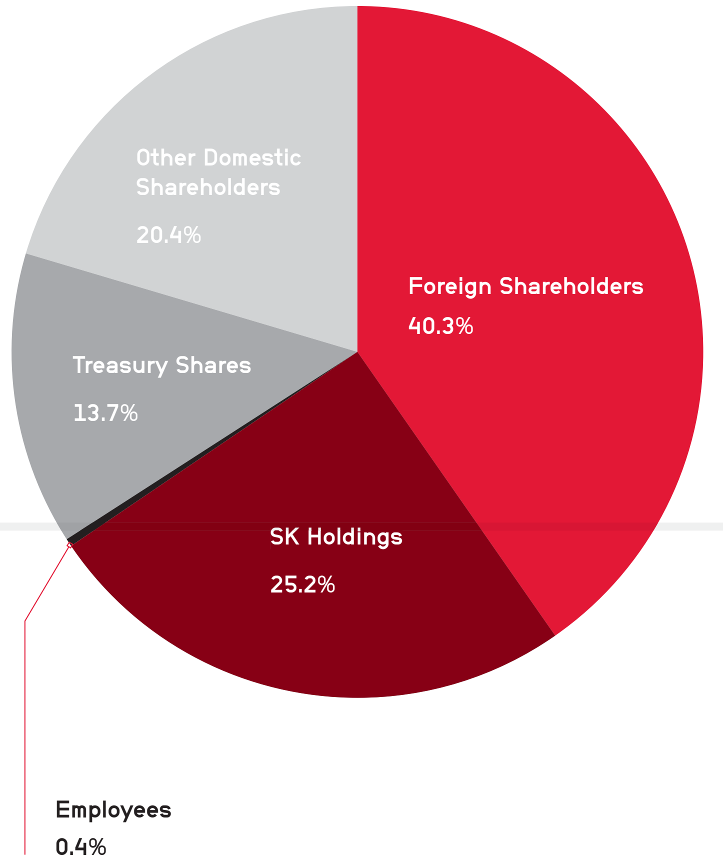
2011 FINANCIAL HIGHLIGHTS

In billions of KRW

	2010	2011
Operating Results		
Revenue	15,599.2	**15,988.3**
EBITDA [(1)]	4,464.8	**4,518.0**
Net income	1,766.8	**1,582.1**
Balance Sheets		
Total assets	23,132.4	**24,366.0**
Cash & marketable securities	1,627.1	**2,725.2**
Total liabilities	10,724.4	**11,633.3**
Interest-bearing debt	5,805.0	**5,796.0**
Shareholders' equity	12,408.0	**12,732.7**
Financial Ratios		
EBITDA margin	28.6%	**28.3%**
Net income margin	11.3%	**9.9%**
Debt-to-equity ratio [(2)]	46.8%	**45.5%**

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

2011 SK TELECOM SHAREHOLDERS



LETTER TO SHAREHOLDERS

The year 2011 was a particularly meaningful year as we proactively adapted to the changes in our industry unleashed by the full-scale arrival of the "smart age", generating visible results as we laid the groundwork for new growth.

We faced tough competition with explosive growth in smartphone subscribers and an expanding mobile data market during the year. We responded by emerging as Korea's No. 1 fixed-mobile operator and secured leadership in the LTE maket, further strengthening our position as the leader in the Korean telecom industry. We also laid the groundwork for our next leap forward in growth with the launch of SK Planet and acquisition of SK Hynix. Internally, our leaders and employees came together to put in place the larger framework for a strong corporate culture underpinned by the values of speed, action, and teamwork.

Sung Min Ha
President & CEO
SK Telecom

LETTER TO SHAREHOLDERS

The above efforts enabled us to secure 26.6 million subscribers in 2011—including over 11 million smartphone subscribers—as we delivered a solid performance with nearly KRW 16.0 trillion in revenue, KRW 2.1 trillion in operating income, and KRW 1.6 trillion in net income on a consolidated basis. Given the dramatic changes in the business environment and intense competition, these results are indeed remarkable.

Anticipating the changing landscape that lies before us, we put in place a foundation for long-term growth in 2011 that will enhance corporate value in the coming years. In 2012, we aim to tap new growth opportunities in the mobile communications business. Toward this end, we will continue to strategically lead the LTE market, reinforce our position as the leader in the emerging broadband wireless data market, and innovate with business models based on connectivity technology with a focus on specialized solutions for healthcare, education, and other industries.

Close collaboration with our affiliates will also be a top priority. We aim to make SK Planet—a new spin-off that assumed the operations of our platform business as of October 2011—a truly global platform player that delivers a new level of value, expanding its customer base into global markets and upgrading its core service portfolio. Our acquisition of SK Hynix completed in February 2012 lays the long-term groundwork for our expansion into the broader information and communications technology (ICT) industry. We are confident that the normalization of operations at SK Hynix and synergies between our two companies will enhance our corporate value going forward.

In March 2012, we marked our 28th anniversary by unveiling a new growth direction with our new "Partner for New Possibilities" corporate vision. In the years ahead, we aspire to be a company that continually generates new value by fostering synergy between each sphere of our strong portfolio spanning telecommunications and the broader ICT industry. We invite you to join us as we become a company that is even more trusted and respected by our customers and communities as a partner that is always there to help people and businesses open up a better world of new possibilities.

하성민

Sung Min Ha
President & CEO
SK Telecom

BOARD OF DIRECTORS

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


01.


02.


03.


04.


05.


06.


07.


08.

01. Hyun Chin Lim

- Chairman of the Board, SK Telecom
- Professor, College of Social Sciences, Seoul National University
- President, Korean Association of Political Sociology
- Director, Asia Center, Seoul National University
- Adjunct Professor, Asian Pacific Studies Institute, Duke University
- Representative, Korean Association of NGO Studies
- President, Korean Sociological Association
- Adjunct Professor, Central Officials Training Institute

02. Sung Min Ha

- President & CEO, SK Telecom
- President, Mobile Network Operator Business, SK Telecom
- CFO, Head of Corporate Center, SK Telecom
- CFO, Head of Management Supporting Division, SK Telecom
- CFO, Head of Strategic Planning Office, SK Telecom

03. Young Tae Kim

- President & CEO, SK Holdings
- Executive Vice President, Head of Corporate Culture Division & Head of SK Academy, SK Holdings
- Executive Vice President, Head of Ulsan Complex, SK Energy
- Senior Vice President, Top Team Coordinator, SK Energy
- Senior Vice President, Head of Public Relations and Corporate Culture Division, SK Corp.

04. Jae Ho Cho

- Professor of Finance, College of Business Administration, Seoul National University
- Chair, Sub-committee for Capital Market Development, Financial Services Commission
- Director, Kyung Hee Foundation
- Deputy Director, SNU Institute of Research in Finance and Economics
- Visiting Professor, Graduate School of Economics, University of Tokyo
- Managing Director, Seoul National University Foundation
- Assistant Professor of Finance, Baruch College, The City University of New York

05. Jay Young Chung

- Honorary Professor, Sungkyunkwan University
- Co-President, Hansun National Strategy Forum
- Professor, Graduate School of Business Administration, Sungkyunkwan University
- Chairman, The Korean-Japanese Economics & Management Association
- Chairman, Asia-Pacific Economics Association
- Chairman, The Korean Association of Trade and Industry Studies
- Vice President, Sungkyunkwan University

06. Dal Sup Shim

- Senior Visiting Research Fellow, Institute for Global Economics
- Auditor, Korea Technology Investment Corp.
- Auditor, Korea Credit Guarantee Fund
- Counselor for Finance & Economy, Korean Embassy in United States
- Director General for Customs & Tariff Affairs, Ministry of Finance & Economy
- Audit Officer, Korea Customs Service

07. Rak Yong Uhm

- Visiting Professor, Chung-Ang University
- Independent Non-Executive Director, Tong Yang Life Insurance
- Advisory Management Professor, Korea Banking Institute
- Visiting Professor, Graduate School of Public Administration, Seoul National University
- Non-Standing Director, KOTRA
- President, Korea Development Bank
- Vice Minister, Ministry of Finance and Economy
- Commissioner, Korea Customs Service

08. Dong Seob Jee

- Executive Vice President, Corp. Strategy & Planning Office, SK Telecom
- Executive Vice President, Business Support Team, SK Holdings
- Executive Vice President, IPE Business Division, SK Telecom
- Executive Vice President, Mobile Network Operations Planning Office, SK Telecom
- Senior Vice President, Marketing Strategy Office, SK Telecom

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, we have established five 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 corporate 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 supports 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 also helps to improve corporate capabilities for sustainable management.

At SK Telecom, we have 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 2012, the Board has eight directors, five of whom are independent and from outside the company. The Board operates five committees, including the Audit Committee, the Independent Director Recommendation Committee, the Capex Review Committee, the Compensation Committee, and the Corporate Citizenship Committee.

In 2011, these committees met 22 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, resulting in further improvements in corporate governance.

The Korea Corporate Governance Service (KCGS), a non-profit organization established under the joint sponsorship of Korea Exchange and four other prominent securities-related organizations, has recognized us for excellence in corporate governance for six consecutive years. The KCGS also gave us the top "A+" rating on its 2011 ESG (Environmental, Social, and Governance) Evaluation of the 668 domestic listed companies. The comprehensive corporate governance evaluation criteria used by KCGS rates companies based on shareholder-oriented management, board of directors, fair disclosure, audit committee, and allocation of profits. The KCGS continues to recognize our efforts to enhance corporate governance, such as the strengthening of the board's role in management, increasing transparency in accounting and credibility in financial information, and introduction of an audit process to monitor insider trading.

MATERIALITY ANALYSIS

AT SK TELECOM, WE HAVE CONDUCTED A MATERIALITY ANALYSIS EVERY YEAR SINCE PUBLISHING OUR FIRST SUSTAINABILITY REPORT IN 2006. THROUGH THIS ANALYSIS, WE AIM TO FULFILL OUR CORPORATE RESPONSIBILITY TO OUR CUSTOMERS AND COMMUNITIES AS WELL AS BECOME A PARTNER FOR SUSTAINABLE GROWTH AND A COMPANY THAT IS INTEGRAL AND INDISPENSIBLE TO SOCIETY.

MATERIALITY ANALYSIS PROCESS

We conduct indirect and direct surveys of our internal and external stakeholders to help us understand their concerns and priorities. The results of these surveys are then used to determine the overall impact our operations have on those concerns and identify our core issues. We have also established key performance indicators with initiatives related to each core area of our sustainable management strategy as we strive to systematically achieve them to manage potential risk and generate greater financial returns.

2011 MAIN ISSUES

CUSTOMER RELATIONSHIP MANAGEMENT
Strictly protect customer privacy
Deliver the highest voice quality
Provide affordable rate plans

WIN-WIN PARTNERSHIPS
Build a culture of shared growth with business partners
Respect employee rights and achieve work-life balance

ETHICS MANAGEMENT
Establish a sound, transparent governance structure
Internalize ethics management

ENVIRONMENTAL PRESERVATION
Pursue green growth through green ICT

COMMUNITY INVOLVEMENT
Improve social value through ICT

CUSTOMER RELATIONSHIP MANAGEMENT

Protect customer privacy
- Strengthen corporate-wide customer privacy system
- Implement multi-layer security system and educate employees
- Build system to deal with data breaches

Improve call quality through the development and implementation of new technologies
- Maintain network quality and expand nationwide LTE network
- Expand network coverage

Offer a variety of rate plans to meet customer needs
- Introduce customized rate plans
- Implement rate plans for the socially disadvantaged

WIN-WIN PARTNERSHIPS

Support ICT industry eco-system growth
- Operate T Academy, a mobile developer training center
- Implement a support program to commercialize ideas from business partners, individuals, and developers

Our Mobile Device Test Center is helping improve the technical competitiveness of our business partners and reduce development costs, providing free workspace and equipment to 13,644 developers to date.

Build and expand a culture of support for partner companies
- Expand programs that support shared growth
- Expand the scope of collaboration

Our Business Partner Satisfaction Index rose 0.16 points in 2011, confirming that our initiatives for shared growth are delivering results.

Secure diversity by expanding hiring of the socially disadvantaged
- Implement hiring preference program for the disabled and talent from outside the Seoul region
- Upgrade benefit program for female employees

Foster open communication by building a flat organizational culture
- Operate a flat hierarchy where all non-executive employees have the title of "manager" and channels for participation
- Utilize smart office technology to enhance free communication and mobility

ETHICS MANAGEMENT

Strengthen board independence and professionalism
- Strengthen the capabilities of the Corporate Citizenship Committee and connection between sustainable management activities and business strategy

Expand ethics management scope to subsidiaries and business partners
- Educate and inform with ethics pledge, reporting system, case studies, and other channels
- Strengthen risk management at subsidiaries

Strengthen individual ethics
- Make annual pledge to uphold code of ethics
- Enhance whistleblower protections and encourage reporting

ENVIRONMENTAL PRESERVATION

Respond to climate change by reducing greenhouse gas emissions
- Implement integrated lighting control and high-efficiency heating and cooling systems
- Expand greenhouse gas management scope

In 2011, we developed and implemented an intelligent energy management system that embraces intelligent smart grid technology at our headquarters, cutting power consumption by 24%. In 2012, we plan to implement the system at our major business locations as well as marketing it globally to help reduce energy consumption as well as add another value-added product to our portfolio.

Expand R&D investment to reduce society's carbon footprint
- Define and research the ICT service sector
- Calculate and pursue standardized greenhouse gas reduction targets using ICT

Foster and strengthen an eco-friendly culture
- Expand a paperless office culture
- Operate T Eco Phone, a smartphone recycling program

COMMUNITY INVOLVEMENT

Create jobs for the disadvantaged and help them become self-supporting
- Establish and operate the "Happy ICT Foundation", a social enterprise

Eliminate the ICT gap for the disadvantaged
- Improve communication between generations through ICT-enabled education
- Operate programs to eliminate the ICT gap intensified by mainstream smartphone adoption

Develop and expand a national disaster response platform
- Provide a social safety net using our ICT infrastructure

Promote a culture of sharing
- Launch and operate "GiveU", a mobile donation program
- Operate a social network donation campaign

2011 AT A GLANCE

JANUARY

Next-generation smartphone era dawns

We launched the world's first dual-core smartphone as we announced plans to offer over 30 smartphone and tablet PC models in 2011 with a lineup of both top- and low-end models from each maker to give users greater choice. We also announced plans to continue to differentiate our service offerings by rolling out our 4G LTE network as well as support for advanced services such as multi-screen video steaming and near field communications.

Hoppin multi-screen video service launched

We launched this cloud-based multi-screen video service that allows users to enjoy the same movies, dramas, news, and other video content on their smartphones, PCs, tablet PCs, and TVs. Hoppin lets users seamlessly move from device to device, automatically continuing playback of their content from wherever they left off on the previous device.

Smartphone subscribers surpass 5 million

We became Korea's first mobile operator to surpass the 5-million smartphone subscriber milestone less than a year after we offered the first smartphone on our network in May 2010. Our unlimited data plans, comprehensive Android phone lineup, and flourishing app eco-system have all been instrumental in this rapid growth.

FEBRUARY

Mobile World Congress 2011 exhibitor

We were Korea's only telecom operator to have a major booth presence at the world's largest telecom show in Barcelona, Spain. In keeping with the show theme of "Leading the Transformation", we showcased our commitment to being a pioneer in the smart age with cutting-edge technologies and services such as 3D Magic Book augmented reality textbooks, mobile in vehicle (MIV) telematics solutions, and the Hoppin multi-screen video service. We also showcased our smart cloud-based 4G LTE network technology and solutions.

O store launches smart shopping era

We opened our first O store, a new retail platform that integrates online, mobile, and offline commerce. Featuring over 200 products hand-picked by 11 Street merchandisers ranging from luxury fashion accessories and cosmetics to electronics, O store allows customers to browse products, scan the NFC tag or QR code with their smartphone to access product information, and make purchases at online prices for home delivery.

MARCH

First data MVNO service debuts

We began providing mobile data services to Korea Information & Communications (KICC), our first mobile virtual network operator (MVNO) partner. Korea's No. 1 financial value-added network provider, KICC now provides credit card processing services via our network under a wholesale data MVNO agreement. This saves KICC customers up to 80% on service charges over a traditional phone connection, reducing the cost of credit card transactions for smaller business and the self-employed.

APRIL

Industry's first 4G LTE network test begins

We became Korea's first mobile operator to receive approval and begin testing a 4G LTE test bed operating in the 800 MHz spectrum on April 16. Key areas of testing included wireless signal processing, data transmission speed, hand-off to/from our 3G WCDMA network, and network optimization in advance of our commercial service launch in July.

Industry's first 4G LTE demonstration held

We held a special media event to publically demonstrate 4G LTE network service for the first time in Korea. In addition to speed comparisons between 3G WCDMA and 4G LTE, we also showcased 3D video streaming, high-definition video downloads and streaming, and high-definition video calls between a stationary handset and one in a moving vehicle.

MAY

T Store app stores for China and Japan announced

We announced the upcoming opening of our T Store app store as a shop-in-shop service on China Mobile's Mobile Market app marketplace. With the addition of China Mobile—the world's largest mobile operator with over 600 million subscribers—our app distribution partnerships in the Greater China region now include Lenovo and Tencent in China and East Power in Taiwan. We also announced plans for a September launch of J Store, a localized version of T Store for the Japanese market.

JUNE

First voice MVNO service debuts

We signed a wholesale voice MVNO contract with Eyesvision to provide the network for the company's Eyes MVNO service. Eyesvision currently offers four low-cost prepaid plans for voice and video call service.

JULY

4G LTE commercial service launched

We launched our next-generation LTE network capable of delivering broadband mobile data service with downlink/uplink speeds of up to 75 Mbps and 37.5 Mbps, respectively, approximately 5 times and 7 times faster than our existing WCDMA (HSUPA) network and nearly double the speed of WiMAX. Our LTE network is cloud-based, enabling us to flexibly handle wireless data demand by region and time of day. It is also the world's first to adopt CoMP (coordinated multi-point) technology to prevent data speed slowdowns in cell-edge areas.

Letter of intent to acquire Hynix submitted

We submitted a letter of intent to acquire an equity stake in global semiconductor memory maker Hynix to the company's creditors on July 8. Coming at a time of accelerating convergence in the ICT industry, this acquisition is part of our business diversification strategy designed to transform our mobile telecommunications portfolio and lay the foundation for future growth and greater global business opportunities.

T Smart Learning platform launched

We officially launched this tablet-based smart education platform in partnership with 12 of Korea's best-known educational companies and organizations, including Chungdahm Learning, the Korea Federation of Teachers' Associations, Digital Daesung, YeaRimDang, Daekyo, Neungyule Education, Visang, Chunjae Education, Times Core, Compass Media, and SMEnglish.
The product of a two-year project in collaboration with Chungdahm Learning to improve productivity in the field of education, T Smart Learning is expected to create a new win-win educational ecosystem that enables industry leaders to share their know-how and help develop small and medium-size private educational organizations. The tablet-based platform provides each student with an individually optimized learning experience, supports interactive learning through mentors and peers anytime, anywhere via our mobile network, provides core learning features, and ensures an effective learning environment with constant motivation to help students learn at their own pace.

T Ad mobile ad platform debuts

We launched our T Ad mobile advertising platform, setting our sights on becoming Korea's leader in mobile advertising. T Ad integrates our existing mobile ad platforms including T Store, text messaging, T Map, and membership services to enable businesses to deliver targeted messages to prospective customers through in-app ads. Key selling points to advertisers include access to Korea's largest app marketplace, a growing marketing database with over 7 million smartphone subscribers, and an experienced operator with over a decade of WAP-based mobile marketing know-how.

AUGUST

Cloud-based mobile office solution for Tablet PCs debuts

We announced a new cloud-based smart office solution that expands support from smartphones to tablet PCs, enabling improved document viewing support and a number of other services that will help companies take the next step toward a truly paperless office.

"Imagine" retail chain debuts

We launched a new retail store concept that goes beyond smartphones to offer the latest and greatest digital products and services. Unlike existing stores that focus on mobile phones, Imagine stores allow customers to experience a wide range of digital products such as tablet PCs, notebook computers, TVs, and digital cameras as well as smart learning and smart health services. In addition to its online and offline stores, Imagine offers a variety of unique customer care programs such as "smart life consultants" to help customers make the right high-tech choices and a special membership program to keep them satisfied long after the purchase.

SEPTEMBER

T Store second anniversary marked

We marked the second anniversary of the launch of our T Store app marketplace with 9.2 million customers, KRW 57 billion in sales, and over 320 million downloads to date. In its second year alone, T Store membership increased around 3.5 times, app offerings grew about 3.4 times, and downloads soared over 9 times. The key reasons behind this dramatic growth are that T Store makes it easy for developers to create and add their apps while providing consumers with a simple and safe way to purchase quality apps and content.

Industry's first 4G LTE smartphone service debuts

We kick off Korea's first commercial LTE smartphone service with the Samsung Galaxy S2 LTE phone and a new lineup of LTE rate plans. LTE devices deliver high-quality, full-motion video calls like those depicted in the movies or on TV as well as access to high-definition video content and mobile multi-player games.

New platform company named SK Planet

We announced the selection of "SK Planet" as the name for the newly spun-off company to be launched on October 1 to operate our platform business. The name evokes the feeling of a vast, uncharted world overflowing with new possibilities as well as a platform for a mutually beneficial ecosystem committed to building new personal, business, and social relationships. The name also embodies our enterprising philosophy, which is committed to transforming a space for ideas into a world where the limitless potential of the platform business is realized.

OCTOBER

CELS educational platform debuts overseas

We continued to expand our relationship with Telkom—Indonesia's largest fixed-mobile operator—with the signing of a contract to operate a Connected English Learning Services (CELS) solution. CELS allows subscribers to access content through the Internet or a smart device app. It also supports 1:1 conversation lessons via phone. Telkom plans to initially roll out the service in the five major cities of Jakarta, Bogor, Depok, Tangerang, and Bekasi before expanding nationwide in 2012.

Connected Heath venture with SNUH launched

We signed an agreement with Seoul National University Hospital to establish a joint venture known as Connected Health to take the lead in developing connected healthcare technologies that will improve the efficiency and quality of care to deliver greater patient satisfaction. Health Connect will focus on three major areas, including the development of a self-health management service model, the export "digital hospital" solutions to overseas markets, and the establishment of an integrated R&D system with SNUH.

First postpaid voice MVNO service debuts

We announced the launch of service by our first postpaid MVNO partner, Korea Cable Telecom (KCT). This MVNO launch follows our first data MVNO service in March and our first prepaid voice MVNO service in July, completing our initial rollout of all three major MVNO service categories. The MVNO service launch with KCT was particularly meaningful because, unlike current MVNO services where the MVNO operator relies heavily on the mobile operator for equipment and services, KCT will independently operate its core network infrastructure, including its own business support system, home location register, intelligent network, and USIM card management system. We plan to complete the implementation of a number portability system by April 2012, a development that is expected to give a significant boost to Korea's nascent MVNO market.

NOVEMBER

SK Hynix equity acquisition contract signed

We signed an agreement to purchase a 21.05% equity stake in SK Hynix (formerly Hynix), a major global maker of semiconductor memory. This acquisition will diversify our portfolio and foster convergence and innovation, enabling a wide range of convergence business opportunities over the long term. We also believe that SK Hynix's global business expertise and operations in over 15 countries will be of great value as we push forward with a broad range of fixed-mobile Internet-based platform businesses at home and abroad in the years ahead and redefine ourselves as a global ICT leader.

3G WCDMA network upgrade completed

We completed a major three-month upgrade of our 3G network to W-SCAN technology to dramatically upgrade performance, doubling speed and tripling network capacity. By year-end, we will complete an expansion of our data-only frequency allocation to increase network capacity and add new base stations to enhance network performance, ensuring faster, more reliable service to our 3G subscribers in major metropolitan regions nationwide, including Busan, Daegu, Daejeon, and Gwangju.

DECEMBER

Industry's first LTE tablet PC debuts

We launched Korea's first LTE tablet PC, the Samsung Galaxy Tab 8.9 LTE, making us the industry's first operator to offer a full lineup of LTE devices. The Tab 8.9 has an 8.9-inch screen that appeals to commuters because it provides a large screen for enjoying content on-the-go in a more portable form factor than 10-inch models.

4G LTE subscribers surpass 500,000

We became the first Korean operator to surpass the 500,000 subscriber mark on December 13, roughly five months after launching our 4G LTE network. To put the speed of this remarkable growth in context, it took our 3G WCDMA service 14 months to reach the same milestone.

WITH CUTTING-EDGE 4G LTE NETWORK TECHNOLOGY AND PREMIUM-QUALITY SERVICES, INNOVATIVE B2B SOLUTIONS, GROWING GLOBAL PLATFORMS, AN EXPANDING HARDWARE BUSINESS, AND CLOSE COLLABORATION WITH OUR SUBSIDIARIES, WE ARE TRANSFORMING OURSELVES INTO A PARTNER FOR NEW POSSIBILITIES IN THE GLOBAL ICT INDUSTRY.

Business Overview

MARKETING

WE REINFORCED OUR NETWORK OPERATOR BUSINESS IN PREPARATION FOR THE NEXT WAVE OF "SMART" DEVICES IN 2011 BY PREPARING FOR OUR TRANSFORMATION INTO A MOBILE DATA NETWORK OPERATOR AND SECURING LEADERSHIP IN THE ROLLOUT OF 4G LTE SERVICE. IN JULY 2011, WE LAUNCHED KOREA'S FIRST COMMERCIAL LTE SERVICE, FOLLOWING UP WITH THE FIRST LTE SMARTPHONES AND RATE PLANS IN SEPTEMBER AS WE MAINTAINED OUR POSITION AS THE INDUSTRY LEADER IN BOTH 3G AND 4G LTE SERVICE.

We finished 2011 with 26.6 million subscribers, representing a 50.6% share of the Korean market. Our consolidated K-IFRS revenue of KRW 16.0 trillion represents a 2.5% increase over 2010, powered by 3G smartphone and 4G LTE subscriber gains. This growth and our continued commitment to customer satisfaction helped us top the National Customer Satisfaction Index (NCSI) and Korean Customer Satisfaction Index (KCSI) for a remarkable 14th consecutive year in 2011.

PIONEERING THE LTE MARKET

In the three-month period between the launch of our first LTE smartphones at the end of September 2011 and the end of the year, we signed up over 650,000 LTE subscribers, a number that surpassed 1 million at the end of January 2012. At 2011 year-end, we had a superior handset lineup with a total of ten LTE devices, including seven smartphone models. Leveraging the industry's most advanced 4G LTE network technology, we are clearly leading the Korean market with premium-quality services such as multimedia with video quality that is clearly superior to 3G.

LEADING THE SMARTPHONE MARKET

We closed 2011 with a total of 11.26 million smartphone subscribers, comfortably exceeding our target of 10 million. We continued to lead the transition to the smartphone era through our early adoption of unlimited 3G data plans and other customer-friendly rate plans as well as our launch of 32 smartphones ranging from low- and mid-priced 3G models to premium 4G LTE models.

TRANSFORMING THE SHOPPING EXPERIENCE

We initiated a makeover of our distribution channel with our new "Imagine" store chain to create environments where customers can experience products as we transitioned from phone-centric merchandising to a multi-device lineup with smartphones, tablet PCs, and other devices.

DELIVERING A SUPERIOR LTE EXPERIENCE

Bringing together some of the industry's most advanced network technologies, our PETA solution is enabling us to technically differentiate ourselves from the competition and deliver premium-quality LTE services to our customers. Backed by nearly three decades of network operations expertise and technology, we are building a network that is superior in efficiency to our peers. We are also using the customer insights and service know-how we have accumulated over the years to deliver a unique family of LTE services under the "Living Value Innovation" motto to drive migration to our new network.

Serving an industry so closely connected with people's lives, our goal is to bring new experiences to life with LTE. We are now shifting from the simple network coverage differentiation strategy used during the initial LTE rollout to a unique strategy that focuses on customer convenience. Some examples of this include mobile education, free video calls between family members, and special multimedia packages. We will also build an open and innovative LTE ecosystem based on broad-based alliances with the ICT and other industries to create a triple "win" for us, our customers, and our partners. By delivering unique services ahead of the competition, we intend to deliver more rewarding and satisfying mobile lifestyles to our customers as we lead the adoption of LTE in Korea.

NETWORKS

WE CONTINUE TO INCREASE THE GAP BETWEEN US AND OUR COMPETITORS, EXTENDING OUR REPUTATION AS AN UNRIVALED PREMIUM NETWORK OPERATOR TO THE LTE MARKETPLACE BASED ON THE ADVANCED TECHNICAL AND NETWORK OPERATIONS CAPABILITIES WE HAVE ACCUMULATED AND HONED OVER THE YEARS. AS WE BUILD OUT OUR 4G LTE NATIONWIDE NETWORK AND LEVERAGE OUR PETA SOLUTION TO DIFFERENTIATE OUR TECHNOLOGY AND DELIVER PREMIUM LTE SERVICES, WE WILL FURTHER STRENGTHEN OUR POSITION AS KOREA'S NO. 1 FIXED-MOBILE OPERATOR.

INNOVATING TO DELIVER PREMIUM LTE SERVICES

On July 1, 2011, we rolled out Korea's first commercial LTE service in the Seoul metro area. We built this new network utilizing our new PETA solution—our world-class network operations technology—to ensure solid call quality and technical differentiation. An acronym for "Premium quality, Excellent speed, Total stability, and Advanced technology", PETA maximizes network performance and efficiency to ensure reliable broadband data services. PETA uses our Advanced-SCAN technology to improve quality of service in cell-edge areas. It also uses cutting-edge multiple antenna technology in subway stations and underground areas to double LTE speeds.

EXPANDING LTE COVERAGE AND QUALITY OF SERVICE

As of January 1, 2012, our LTE network coverage included a total of 28 cities across Korea, including all six major metro areas and 13 urban areas with the heaviest wireless data usage. During the first half of 2012, we aim to achieve nationwide service to make coverage-based comparisons a mute point. We believe that in-building and subway quality of service will be an important point of differentiation going forward.

LEADING IN LTE NETWORK EVOLUTION

We are now developing the core technologies that will make us Korea's LTE network innovation leader. In addition to our current 800 MHz band service, we plan to use the 1.8 GHz frequency spectrum we acquired in 2011 to offer multi-carrier LTE service. We are also preparing to develop carrier aggregation and other key technologies for the evolution to LTE-Advanced.

One of our key technical developments is the global industry's first heterogeneous wireless network integration solution that allows 3G-Wi-Fi and LTE-Wi-Fi networks to be combined to deliver theoretical maximum data speeds of up to 60 Mbps and 100 Mbps, respectively. As the owner of the world's most advanced WCDMA network, we are now committed to repeating history with our LTE network, leveraging our PETA technology to drive our never-ending mission to deliver the world's best LTE service to our customers.

B2B

WE ARE SEIZING THE INITIATIVE IN THE B2B MARKET IN TODAY'S INTENSELY COMPETITIVE FIXED-MOBILE CONVERGENCE MARKETPLACE. IN 2011, WE TEAMED UP WITH SK BROADBAND AND SK TELINK TO FIRMLY ESTABLISH OURSELVES IN THE B2B MARKETPLACE, GENERATING COMBINED B2B REVENUE OF OVER KRW 2 TRILLION. FOCUSING ON TAILORED SOLUTIONS FOR A GROWING RANGE OF INDUSTRIES SUCH AS SMART WORK, HEALTHCARE, EDUCATION, AND FINANCE, THESE B2B SOLUTIONS BUILT ON OUR CUTTING-EDGE ICT AND NETWORK CAPABILITIES ARE BEING ADOPTED BY LARGE ENTERPRISES AND SMALL AND MEDIUM BUSINESSES ALIKE AS WE CONTINUE TO LEAD KOREA'S B2B MARKETPLACE WITH INNOVATIVE SOLUTIONS THAT MAKE BUSINESSES MORE PRODUCTIVE.

DELIVERING QUALITY GROWTH

In 2011, we solidified our B2B market leadership by focusing on attracting major customers in each of our target industries. From a quantitative standpoint, we steadily grew our customer base with a net increase of 24% to half a million lines. Qualitatively, we saw a higher growth rate in high-ARPU smartphone subscribers.

EXPANDING SOLUTIONS FOR BUSINESS

In the solutions field, we continued to expand our mobile office solutions into new industries. We also launched a number of new solutions, including cloud-based T Bizpoint, T Cloud Biz, and a country-of-origin management system.

PARTNERING FOR EXCELLENCE

In the education field, we launched our T Smart Learning education platform with industry leader Chungdahm Learning in July 2011, expanding that platform overseas to Indonesia and other markets.

In the healthcare field, we continued to lay the foundation for growth as we delivered tangible results, such as setting up a new business headquarters and forming a joint venture called Health Connect with Seoul National University Hospital (SNUH).

In the finance field, we formed an alliance with Korea Exchange Bank in June 2011 to develop a new concept in branch banking that we are now readying for commercial launch

IMPROVING ENTERPRISE PRODUCTIVITY

Our B2B business is developing and delivering tailored solutions for each industry based on business size and processes to help corporate customers improve productivity. For the large enterprise market, we are focusing on up-selling customers to specialized solutions customized for their needs as we continue to maintain our leadership in the mobile office market by steadily expanding our range of supported devices. For the small and medium business market, we are targeting universities, hospitals, churches, and other organizations with specialized solutions to expand our customer base.

COLLABORATING TO DELIVER BETTER HEALTHCARE

We are now opening a new era in personal healthcare services spanning prevention, diagnosis, treatment, and management through our Health Connect joint venture with SNUH. The Health Connect name reflects the convergence of the core capabilities of SNUH's leadership in medical care with our leadership in ICT solutions. Health Connect will focus on three major areas, including the development of a self-health management service model, the export of "digital hospital" solutions to overseas markets, and the establishment of an integrated R&D system with SNUH.

MAKING PRODUCTIVITY A GLOBAL BUSINESS

Our IPE business is now advancing into the global marketplace by adapting business models that have been prototyped in Korea for overseas markets as well as adapting successful business models from overseas for the Korean market. We are now expanding our IPE business model through partnerships in Indonesia and Japan, with plans to expand to China, Taiwan, Malaysia, Vietnam, Turkey, and other markets on the drawing board.

SUBSIDIARIES

SK planet

AT SK TELECOM, COLLABORATION AND SYNERGY WITH OUR SUBSIDIARIES ARE PLAYING A KEY ROLE IN OUR EMERGENCE AS A GLOBAL ICT LEADER. IN OCTOBER 2011, WE LAUNCHED SK PLANET TO ACCELERATE OUR ADVANCE INTO THE PLATFORM BUSINESS UNDER OUR "GLOBAL PLATFORM INNOVATOR" VISION. EQUIPPED WITH A CORE PORTFOLIO OF QUALITY SERVICES, SK PLANET AIMS TO EXPAND ITS SUBSCRIBER BASE GLOBALLY, GENERATING NEW VALUE AS IT EMERGES AS A GLOBAL PLATFORM PLAYER IN ITS OWN RIGHT.

GROWING THROUGH INDEPENDENCE

We officially spun off our platform business as SK Planet on October 1, 2011 to enable it to pursue a higher level of growth in the platform business. The company is now in the process of establishing its own culture and management system as it strives to create a thriving ecosystem through open platforms.

DELIVERING STRONG MARKETPLACE RESULTS

SK Planet's 11 Street online marketplace generated its first operating profit to date in 2011 as it captured the No. 2 market share overall and No. 1 in the mobile segment. The T Store application store closed the year with 11.5 million customers in Korea as it went global, establishing a presence Japan, Taiwan, and China. The T Map service also continued to grow, surpassing 10 million subscribers. The company launched Hoppin, a multi-screen video service, and T Ad, a personalized mobile ad platform. T Ad aims to be a major player in Korea's growing mobile ad marketplace with in-app ads that run on smartphones and tablet PCs.

INNOVATING FOR LONG-TERM VALUE

SK Planet is aiming beyond the scope of SK Telecom's existing MNO business to develop more innovative services and secure global competitiveness. With "human", "unique", and "global" as its core values, the company aspires to be a global platform innovator with the goal of achieving an enterprise value of KRW 5 trillion over the long-term.

THINKING BEYOND BORDERS

SK Planet will upgrade the competitiveness of 11 Street, T Store, and other existing distribution platforms as it prepares to take these e-commerce and marketplace businesses global. It will lead innovation with its Cyworld and NateOn platforms as it pursues new opportunities in the social networking field. It will continue to develop T Map, T Store, and other globally-competitive platforms to generate greater value for SK Telecom customers and grow its customer base. It will also upgrade the competitiveness of its online shopping and Hoppin multi-screen video service as it continues to identify emerging business opportunities.

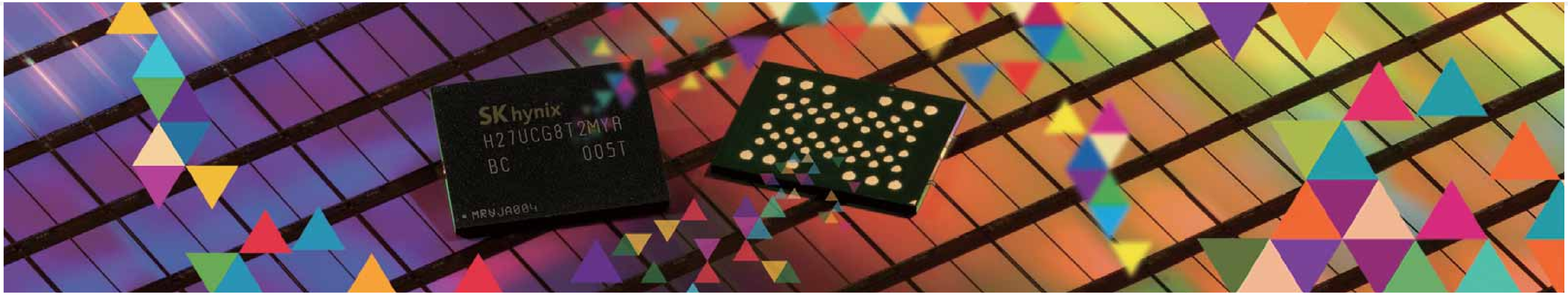
DRIVING INNOVATION IN MOBILE LIFESTYLES

SK Planet will also be developing unique services for the LTE network environment and delivering them to SK Telecom. This will further enhance customer value and strengthen SK Telecom's position as Korea's No. 1 MNO. By setting its sights on transforming itself into a company built on innovative technology, the company will cultivate its core technologies to secure a solid foundation and outstanding talent to become Korea's workplace of choice for software developers.

SUBSIDIARIES

SK hynix

AT SK TELECOM, OUR ACQUISITION OF A STAKE IN KOREAN CHIPMAKER SK HYNIX (formerly Hynix) IN FEBRUARY 2012 LAYS THE LONG-TERM GROUNDWORK FOR THE BROADENING OF OUR ICT CAPABILITIES AS WELL AS GREATER SK HYNIX COMPETITIVENESS AS THAT COMPANY NORMALIZES OPERATIONS AND BEGINS TO GENERATE SYNERGIES. THE ADDITION OF SEMICONDUCTORS TO OUR EXISTING MNO AND PLATFORM BUSINESSES CREATES A NEW CHANNEL FOR GROWTH THAT WILL ACCELERATE OUR EMERGENCE AS A GLOBAL ICT PLAYER. WE BELIEVE THIS ACQUISITION GIVES US A NEW GROWTH ENGINE IN THE FAST-CHANGING ICT INDUSTRY THAT WILL OPEN THE DOOR TO A WIDER RANGE OF BUSINESS OPPORTUNITIES AROUND THE GLOBE, FURTHER ENHANCING CORPORATE VALUE.



ACQUIRING A WORLD-CLASS GROWTH ENGINE

Bringing together the ICT insights of both companies, this acquisition is expected to generate a variety of synergies through organic collaboration, merging our extensive accumulated capabilities in the telecommunications and semiconductor industries. We officially launched our SK Hynix acquisition bid with the submission of a letter of intent on July 8, 2011. We participated in the final bidding on November 10, were selected as the preferred bidder on November 11, and signed the share purchase agreement on November 14. On February 14, 2012, we paid KRW 3.37 trillion for 146.1 million shares, giving us a 21.05% equity stake in the company.

INVESTING IN GROWTH

Our successful corporate merger experience with Shinsegi Telecom and Hanaro Telecom will help us successfully integrate SK Hynix into our family. Approximately two-thirds of our equity investment will be used to improve SK Hynix's financial structure and competitiveness across the board. We believe that SK Hynix's overall cash-generation ability and the cash infusion from the newly issued shares will meet the company's capex requirements going forward.

MANAGING FOR OPPORTUNITIES AND VALUE

We are now working with SK Hynix to normalize management as quickly as possible, lending our strengths to put the company on a solid, long-term management footing that will enable it to make a new leap forward with greater competitiveness. To this end, we have set up a department in charge of developing opportunities in the semiconductor field as we work on a joint strategy that will drive growth and generate greater synergies that will increase the value of both companies.

SUBSIDIARIES

SK broadband

SK BROADBAND COLLABORATES WITH SK TELECOM TO DELIVER BUNDLED FIXED-MOBILE SERVICES THAT CONTINUE TO QUANTITATIVELY AND QUALITATIVELY GROW ITS SUBSCRIBER BASE. AN INCREASED FOCUS ON THE CUSTOMER ENABLED THE COMPANY TO RECORD ITS FIRST NET PROFIT IN 2011, JUST FOUR YEARS AFTER BECOMING A MEMBER OF THE SK GROUP.

BOLSTERING COMPETITIVENESS WITH SATISFACTION

For the second straight year, SK Broadband generated subscriber growth in excess of 20% as it expanded its infrastructure to lay the foundation for continued growth in the B2B market. The company bolstered its competitiveness in the IPTV business by securing key channels and improving the performance of set-top boxes to provide a better customer experience, earning the top ranking in the IPTV category on Korea's National Customer Satisfaction Index (NCSI) for the second year in a row.

BUNDLING SUPERIOR VALUE

SK Broadband provides broadband Internet service via fiber optic and other network technologies at a variety of speeds and price points to give customers greater choice and convenience. The company has won over consumers with a variety of competitively priced packages. These include the affordable "Smart" broadband plan, the "B Set" featuring Internet, VoIP, and IPTV services, and family bundle discounts for SK Telecom wireless subscribers such as the "Family Free" plan, which offers various combinations of free phone and broadband services based on the number of family members with mobile subscriptions added to the plan. With over 980,000 subscribers at the end of 2011, the company's "B TV" IPTV service is poised for growth in 2012 with an expanded channel lineup that includes SBS ESPN, MBS Sports+, and other popular channels as analog terrestrial broadcasting comes to an end at the end of 2012.

PROFITING FROM B2B AND IPTV GROWTH

In the B2B market, SK Broadband is now sharpening its capabilities to compete in new market segments and maintain growth momentum. In the IPTV business, the company is working on product competitiveness as well as bolstering its position in the pay TV market as terrestrial broadcasting completes the transition to digital. This will allow the company to spur growth that will expand its revenue base in the fixed line marketplace. The company will also continue to upgrade its sales and network infrastructure to boost the fundamentals and the value of its fixed network business. Efforts to boost cost efficiencies that moved the company's net profit solidly into the black in 2011 will continue as well. Going forward, SK Broadband will progressively respond to convergence in the fixed-mobile marketplace, strengthening SK Telecom's position as Korea's top fixed-mobile operator.

SK telink

SK TELINK IS A TRUSTED PROVIDER OF CONSUMER AND BUSINESS COMMUNICATIONS SERVICES THAT INCLUDE INTERNATIONAL DIRECT DIALING SERVICE, VOIP TELEPHONY, CORPORATE TELEPHONY, AND LOCAL VALUE-ADDED TELEPHONY.

LEADING IN INTERNATIONAL VOICE CALL QUALITY

SK Telink is a leading player in Korea's international direct dialing service market, with its high-quality 00700 service ranking No. 1 on the National Customer Satisfaction Index (NCSI) survey for six straight years since 2006. The company has also delivered tailored VoIP communications services to major financial institutions, public agencies, and businesses of all sizes since 2001.

DELIVERING MORE THAN JUST TALK

SK Telink is now pushing ahead with a business transformation strategy, leveraging its convergence business platform to identify and enter new businesses and deliver greater value and satisfaction to customers and other stakeholders alike through steady advances in services and growth.

OUR HIGHEST AMBITION IS TO EARN THE TRUST AND ADMIRATION OF OUR STAKEHOLDERS AS WE PRACTICE SUSTAINABILITY IN EVERY ASPECT OF OUR OPERATIONS. BY STRIVING FOR EXCELLENCE IN CUSTOMER RELATIONSHIPS, PARTNER COLLABORATION, ETHICS MANAGEMENT, ENVIRONMENTAL PRESERVATION, AND COMMUNITY INVOLVEMENT, WE ARE MAKING THE WORLD A BETTER, BRIGHTER PLACE FOR ALL.

Sustainability Management

SUSTAINABILITY MANAGEMENT

SHAPED BY SHAREHOLDER EXPECTATIONS OF OUR ROLE IN THE COMMUNITY AS KOREA'S LEADING TELECOM SERVICE PROVIDER, OUR SUSTAINABILITY MANAGEMENT STRATEGY IS DESIGNED TO MINIMIZE RISK EXPOSURE TO MAJOR ISSUES, ENHANCE COMPETITIVENESS ACROSS THE BOARD, AND HELP IDENTIFY NEW BUSINESS OPPORTUNITIES. THIS IS ENABLING US TO EARN THE TRUST OF STAKEHOLDERS AND TAKE THE LEAD IN BUSINESS OPPORTUNITIES RELATED TO ENVIRONMENTAL AND SOCIAL ISSUES AS WE PAVE THE WAY FOR SUSTAINABLE GROWTH AND DEVELOPMENT. IN THE INTEREST OF TRANSPARENCY, WE PUBLISH A SUSTAINABILITY REPORT EACH MAY THAT COVERS OUR ACTIVITIES AND ACHIEVEMENTS. THE REPORT IS VERIFIED BY AN INDEPENDENT ORGANIZATION TO ENHANCE THE ACCURACY AND CREDIBILITY OF OUR REPORTING.

Building on a solid foundation

Launched in 1979, our management system—the SK Management System (SKMS)—is the foundation of our corporate culture that has become the decision-making standard for both business activities and everyday work responsibilities. Based on fundamental SKMS principles, our objective is to make meaningful engagement with each major stakeholder group—customers, employees, shareholders, and communities—through dedicated channels the foundation of all our corporate activities.

Pursuing sustainability with responsibility

Our pursuit of sustainable management is about our balanced, long-term commitment to creating happiness for our stakeholders by enabling positive change in society through information and communications technology (ICT). To achieve these objectives, our corporate social responsibility initiatives focus on five major areas: customer relationship management, win-win partnerships, ethics management, environmental preservation, and community involvement.

Leading from the top

Backed by unanimous board approval, we became a signatory of the UN Global Compact (UNGC) in May 2007, signaling to stakeholders our seriousness about sustainability by committing ourselves to upholding the UNGC's ten principles in the areas of labor, human rights, the environment, and anti-corruption. Our board established the Corporate Citizenship Committee in 2008, followed by a working-level consultative group in 2009, taking the lead in putting sustainability management into practice company-wide. The committee is one of five operated by the board and is composed of three outside directors and one non-director executive officer. The committee meets quarterly to review the company's direction and progress in the area of sustainability management as well as the state of communications between internal and external stakeholders, playing a consultative role in determining the tasks for each CSR area. In 2011, the committee met a total of four times to review the current state of progress in each area and set mid- and long-term goals as we continued to strengthen our commitment to sustainability.

Engaging with stakeholders

Our stakeholder communications are based on a management system that is dedicated to improving value for all our stakeholders. In SKMS, stakeholders are clearly defined as customers, employees, shareholders, government, business partners, and the general public.

This framework guides us as we regularly engage with each stakeholder group to determine in advance their expectations and needs. It also involves conducting customer, employee, and business partner satisfaction surveys, enabling us to formulate and execute appropriate response strategies that benefit of both the company and stakeholders.

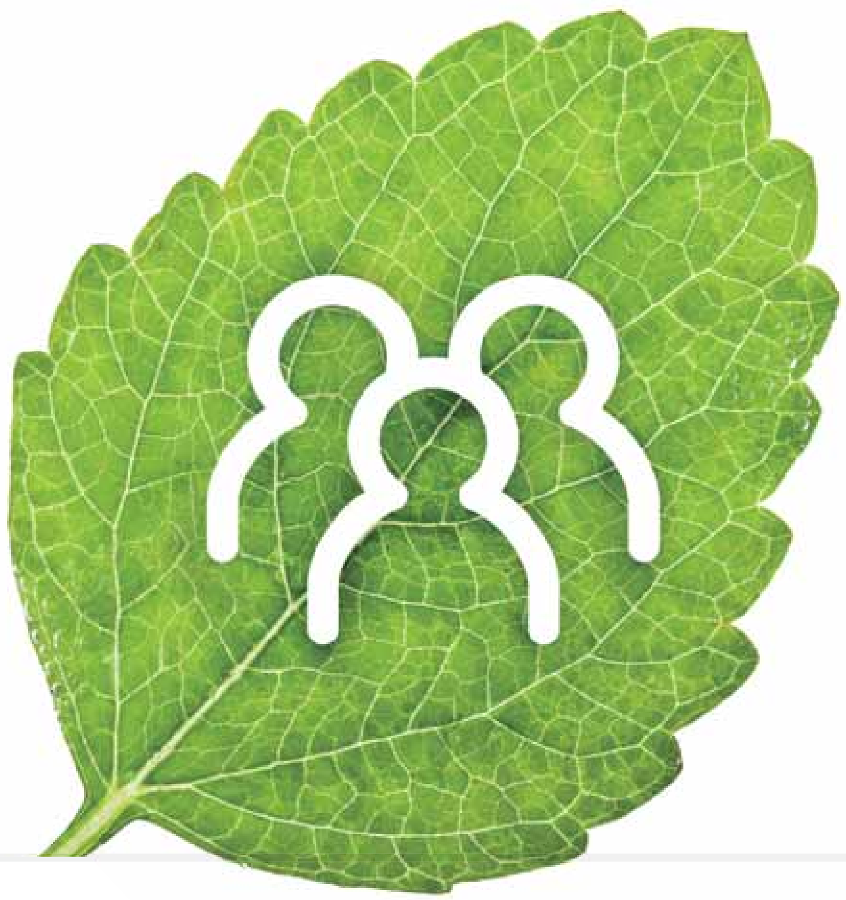
Earning global recognition

Our inclusion on the Dow Jones Sustainability Indexes (DJSI) in September 2011 for the fourth straight year and the second at the top of the DJSI global mobile telecommunications sector in 2011 is raising our profile in global markets. We have also been recognized for excellence in sustainable management at home, earning a top rating "A+" rating from the Korea Corporate Governance Service (KCGS) on the 2011 ESG (Environmental, Social, and Governance) Evaluation as well as topping Korea's top three customer satisfaction surveys—NCSI, KS-SQI, and KCSI—for between 12 to 14 consecutive years.

We are also active on the global stage as Korea's CSR champion. SK Corporation Chairman Chey Tae-won—the first executive from a Korean company to be appointed as a member of the UN Global Compact Board—attended the UN Global Compact Leaders Summit in June 2010. Looking into the future, we are confident that our sound business practices will continue to enhance our ability to respond to the rapidly changing business environment as well as our reputation as a global ICT leader.

CUSTOMER RELATIONSHIP MANAGEMENT

WE ARE CONSTANTLY WORKING TO BRING MORE SATISFACTION TO OUR CUSTOMERS WITH SUPERIOR EXPERIENCES AND PRIVACY PROTECTION.



Differentiating the customer experience

With the Korean mobile telecommunications market now at the saturation point and technologically mature with smartphones and LTE service readily available, delivering a compelling and unique customer experience is becoming even more essential to continued growth. Toward this end, we now have a wide range of initiatives underway aimed at providing greater value to our customers in today's "smart" environment.

Focused on eliminating poor customer experiences and maximizing good ones, our customer experience management (CEM) system is tasked with implementing improvements in even minor areas that might inconvenience customers to deliver a unique customer experience. In 2011, these efforts helped us once again top the National Customer Satisfaction Index (NCSI) for a remarkable 14th straight year. We believe that CEM is the key to overcoming stagnation and generating new growth in today's competitive telecom industry.

Making communications more affordable

In June 2011, we launched the Korean industry's first unlimited data roaming plan as part of an expanded product lineup featuring roaming. In July, we launched the industry's first prepaid voice MVNO service to give customers with basic communication needs even more affordable options. In August, we launched the industry's first customized rate plan as part of our commitment to offering more affordable rate plans. Starting in September, we lowered the monthly fee and included 50 free SMS messages a month on all plans. In October, we initiated a policy to exempt men doing their compulsory military service from paying service suspension fees.

In addition to the innovations mentioned above, we continue to offer seven complementary value-added text and voice filtering and blocking services to prevent spam and voice phishing and dramatically reduce the most common sources of customer complaints. We also practice customer-oriented product life-cycle management from concept to retirement to ensure the highest possible level of customer satisfaction. All products or services must satisfy a number of customer-oriented guidelines before launch, including mandatory approval screening by professional in-house reviewers to ensure the best possible customer experience.

Protecting customer privacy

Recent advances in information and communications technology have increased the risk of customer information misuse, abuse, and breaches. Under the guidance of our chief privacy officer, we have put in place numerous safeguards to protect customer privacy. We have instituted strict handling procedures for the customer information collection process backed by regular oversight and inspections. We have adopted an authentication system for internal customer data requests to actively prevent human or physical information breaches. We also use preventive risk management strategies such as crisis response training simulations to ensure we are able to quickly and effectively deal with incidents to minimize damage.

As Korea's first mobile operator to win certification of our customer privacy management system from the Korea Communications Commission, we continue to minimize collection of customer data for our online services and distribution channel as we continue to put in place measures that will fundamentally resolve customer privacy issues.

Building the infrastructure for satisfaction

We have achieved dramatic improvements in service quality since we transferred our outsourced customer service and base station maintenance and service operations to independent subsidiaries in July 2010. With a unique customer service infrastructure that includes incident-based agent assignment, a call-back system, a video-enabled call center, SNS-based customer service, a customer service group dedicated to smartphones, and a service-by-appointment system, we continue to build a modern customer service system that delivers total satisfaction. In 2011, we expanded our customer touchpoints to further enhance the customer service experience with the addition of an ICT support center in July and the launch of an agent telecommuting program in October.

WIN-WIN PARTNERSHIPS

WE ARE WORKING EVER CLOSER WITH OUR BUSINESS PARTNERS AS WE STRIVE TO CREATE OPEN, COLLABORATIVE RELATIONSHIPS.

Focusing on shared growth

As convergence and globalization have gained momentum, it has become increasingly difficult for companies to survive on their own. The tumultuous economic situation has also increased calls from society for big companies to partner with small and medium-size firms. In 2003, we set up a dedicated department to better meet the needs of our partners. In 2008, the SK Group announced its commitment to win-win partnerships and fair trading practices. The group also became the first in Korea to establish a group-wide consultative decision-making committee known as the SK Win-Win Committee to facilitate and strengthen this initiative. In May 2011, we reaffirmed our commitment by signing an agreement to promote shared growth and fair trading with 360 partner companies. Today, our culture of partnership continues to improve the competitiveness of our business partners as we ceaselessly work to make the open, collaborative relationships we share even stronger.

Enhancing partner competitiveness

We support a variety of programs that help our business partners sharpen their competitiveness, including online and offline training, financial assistance, and business productivity. Starting in 2011, we expanded the programs mentioned above to include our tier-2 partners. We also offer our tier-1 partners a number of incentives to actively support tier-2 partners, including bonus points and a purchase discount program to foster a culture of shared growth across our value chain.

Since 2005, we have provided a variety of training programs to help partner employees develop their capabilities. We operate an online training website for our business partners, allowing any partner employee to take advantage of the available training courses. Through 2011, more than 20,000 people had taken at least one of the over 100 courses available covering business basics, ICT, language study, self-development, and other areas.

We also operate a number of state-of-the-art facilities to support developers. Our T Academy developer training center provides access to the latest, most-advanced technologies at no additional charge, serving over 6,100 mobile developers since it opened in 2010. We also relocated and expanded our Mobile Device Test Center in 2010, increasing the capacity of this no-cost test-bed and technical support facility to accommodate up to 200,000 partner employees annually. A total of 14,000 developers have taken advantage of this facility to develop new products and services through 2011.

Raising the bar for responsibility

Upholding high CSR standards across the value chain is an important mission as we strive to improve our own CSR performance. We offer our partners a number of online education programs covering sexual harassment prevention and ethics management to help raise awareness of human rights, labor standards, and corruption issues. We evaluate partners by our high internal CSR standards covering the environment, labor practices, and human rights. Based on the results of a CSR performance survey of all business partners conducted in late 2009, we continue to progressively expand our support programs to help our partners raise their CSR performance across the board.

Fostering open collaboration

We are embracing the Web 2.0 values of openness, collaboration, and sharing to create more win-win business opportunities for all. We have solicited ideas via our partner support site since 2008 to stay in tune with what our partners are thinking, drawing an average of over 300 ideas each year. We are also providing overseas public relations and marketing support for business partners with world-class technology to help them get a foothold in global markets.
In July 2011, we took steps to ensure the healthy development of the Korean telecom market in the 4G LTE age by signing an agreement with major and mid-size telecom equipment manufacturers that ensures makers of all sizes share in the growth opportunities.

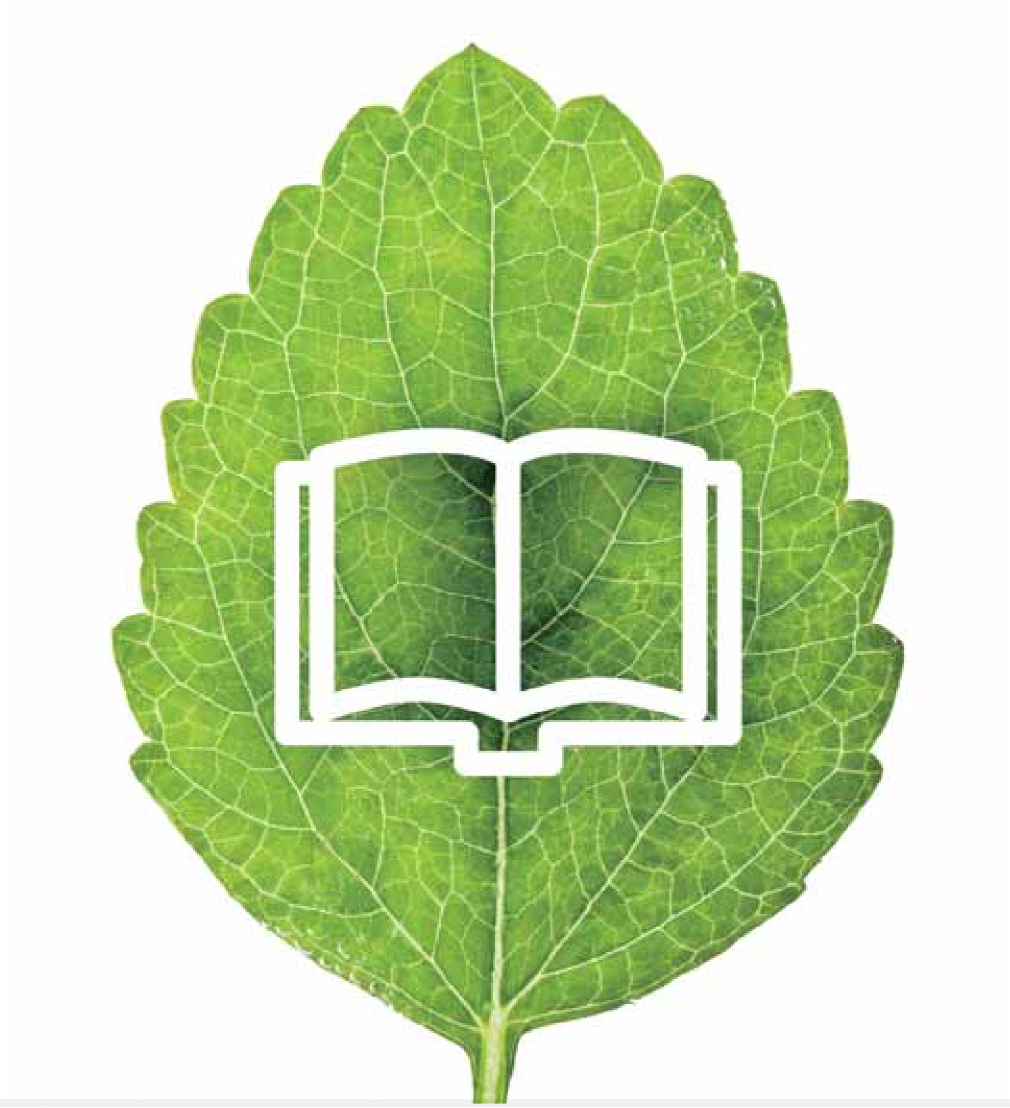
Strengthening winning partnerships

We are working hard to create win-win partnerships built on fair and transparent business relationships. Since 2007, our Business Partner Satisfaction Index survey has helped us track partner satisfaction and progressively identify and remedy areas of weakness. In addition to fully complying with Korea Fair Trade Commission guidelines, we continue to manage and improve our partner support infrastructure by expanding channels of communication and upgrading our Open2U partner relationship management system as we build strong relationships of trust with each partner.

In 2011, we launched several initiatives to improve the welfare of retail store employees and challenge them to excel. In April, we introduced a groundbreaking new program that offers employees benefits similar to what headquarters staff receive. Then in October, we established the T Master program, which puts employees with outstanding sales performance in charge of an SK Telecom-operated store for three years.

ETHICS MANAGEMENT

WE ARE BUILDING THE FOUNDATION FOR TRUST AND SUSTAINABLE GROWTH BY PRACTICING MANAGEMENT WITH INTEGRITY.



Managing with integrity

The most fundamental role and responsibility businesses have to society is the ethical pursuit of profitability that leads to sustainable growth and development. Since establishing a comprehensive organizational framework for ethics management in 2004 and joining the UN Global Compact in 2007, we have steadily and systematically fostered a culture of integrity that measures up to global standards. Over the past few years, we have continued to strengthen monitoring of ethical issues, raise our standards of conduct, and improve guidance. In 2009, we launched a position-based ethics education program as we stepped up our workplace-centric focus on prevention. In 2011, we began expanding the control self-assessment system to individual organizational units as part of our efforts to cultivate ethical responsibility in each and every unit.

Educating for integrity

Ongoing education plays a key role in our ethics management system. We offer online and offline education programs for our employees and business partners. Since the completion of ethics education for our entire workforce in 2007, we have shifted our focus to the organizational unit level to tackle the unique issues each unit faces and foster ethical excellence. We are now operating education programs tailored specifically for executives, incoming team leaders, group leaders, and new hires, that have served 4,652 employees to date. In 2011, we began evaluating and giving feedback on ethical performance to each unit, empowering them to define their ethical issues and critically evaluate performance to raise the level of internal discipline as we aim to take our commitment to integrity to the next level.

Practicing excellence in ethics

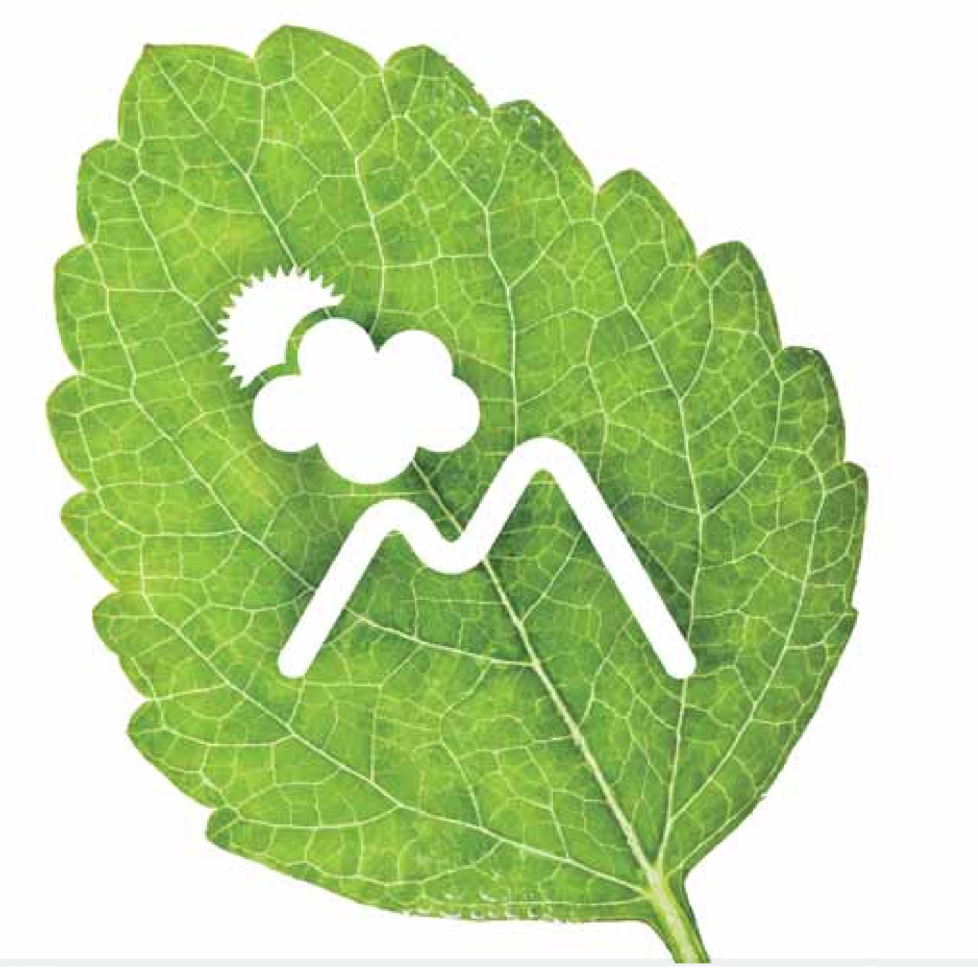
Since adopting our code of ethics based on the SK Management System (SKMS) in 2002, we have implemented a code of conduct and decision-making guidelines to help our employees avoid unethical behavior. All employees begin each year by pledging to follow the SK code of ethics. We strive to instill a firm commitment to ethical excellence at all levels of management through education and dialogue as well as consistently communicating the importance of integrity to all employees through our in-house TV channel, webzines, and other mediums. We also provide practical, concrete guidelines for handling various ethical issues through question-and-answer format publications.

Enhancing ethical oversight

Our internal control system fully complies with the US Sarbanes-Oxley Act. In addition to providing ethics counseling to employees, we operate a direct reporting system via our corporate website that forwards all reports of unfair trade or solicitation directly to the Ethics Counseling Center as well as the Audit Committee head for review. We have also adopted systematic online and offline monitoring to prevent ethical issues from arising. In September 2011, we officially launched a program to protect and reward both internal and partner whistleblowers, putting in place the foundation for a self-policing system that will elevate ethical excellence as it spreads to our affiliates and partners.

ENVIRONMENTAL PRESERVATION

WE ARE THINKING GREEN
TO DELIVER SUSTAINABLE VALUE
TO OUR LOCAL COMMUNITIES.



Growing with green technology

Information and communications companies and the ICT infrastructure they operate have an increasingly important role to play in the greening of individuals, cities, and industries. At SK Telecom, our comprehensive strategy for green growth encompasses the greening of our operations, supply chain, and consumer lifestyles as well as the development of new businesses with the potential to spur the greening of all industries. Under the guidance of the Green ICT Committee established in 2009, we have strengthened environmental management across our organization, progressively refining our corporate-wide strategy. We have also set up and completed third-party verification of the Korea telecom industry's first greenhouse gas inventory system over the past two years. This system will enable us to significantly improve our ability to manage our carbon footprint going forward as well as progressively pursue new business opportunities in the renewable energy sector.

Increasing green awareness

Since 2010, our online introductory course on environmental management has continued to increase employee awareness and adoption of eco-friendly practices in their daily jobs. We have augmented this course with internal and external training programs aimed at cultivating experts in environmental management.

On a more practical level, we continue to progressively adopt and expand systems that will enable us to conserve resources and energy as we work to make green thinking a part of daily life. In 2011, we continued to expand our ongoing "Eco Office" campaign, installing smart lighting systems at a number of company buildings to reduce power consumption. We also continued to reduce the use of single-use disposable products, install water-saving equipment, expand the use of water-based natural cooling systems, virtualize servers and upgrade to high-efficiency cooling equipment at our data centers, and install LED lighting in operational facilities.

In late 2011, we launched a nationwide study on how ICT-based solutions can reduce greenhouse gas emissions with the aim of using our T Map, e-health, and e-learning solutions to reduce our own carbon footprint as well as society's. We also plan to step up our eco-focused community service activities to give our people more opportunities to volunteer and help make their communities cleaner and greener.

Delivering greener customer service

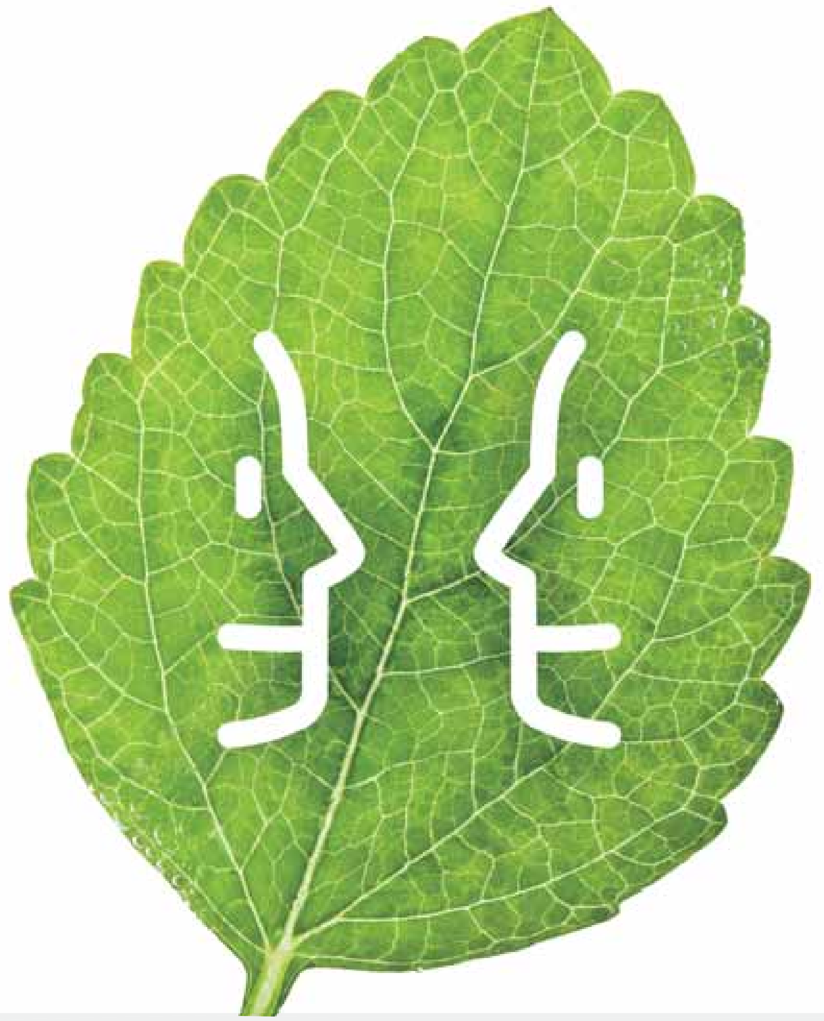
In recent years, we have found numerous ways to deliver better customer service with fewer resources such as paperless billing, remote device diagnostics, and online customer care. In 2011, we continued to cut our energy consumption by deploying more energy efficient repeaters. We also expanded our service coverage by installing eco-friendly solar- and wind-powered repeaters at 28 rural locations across Korea.

Making everyday life greener

In 2011, we launched the T Eco Phone service to buy and sell used smartphones to help consumers save money while reducing waste. Efforts like this as well as our ongoing research on electromagnetic radiation to ensure consumer safety and other environmental initiatives are why our environmental performance continues to earn us high ratings from respected sustainability performance rankings such as the Dow Jones Sustainability Index, Carbon Disclosure Project, and KCGS ESG (Environmental, Social, and Governance) Evaluation.

COMMUNITY INVOLVEMENT

WE ARE USING MOBILE TECHNOLOGY TO MAKE THE WORLD A BETTER, BRIGHTER PLACE FOR ALL.



Transforming communities for the better

Mobile services are one of the most important communications channels of modern life. As Korea's leading mobile operator, we are using our ICT capabilities and technology to transform our communities for the better by providing a variety of public services and creating jobs for the disadvantaged through social enterprises. Through these and many other ways, we are helping solve social programs and generate new value as we lay the foundation for sustainable growth as a global ICT leader. Today, we are ceaselessly working at home and abroad to improve communications between classes and generations as well as empower the disadvantaged to live and support themselves with dignity.

Sharing and serving with technology

In July 2011, we established the Happy ICT Foundation, a social enterprise dedicated to social change through ICT innovation. Happy ICT focuses on the development of IT-based public services and programs that enhance the competitiveness of other social enterprises. Through these operations, the foundation created approximately 30 IT specialist jobs as of 2011 year-end, a number it plans to grow to 40 by the end of 2012 as it hires at least 30% of its staff from disadvantaged backgrounds.

As the Korean telecom leader, we made a pledge to improve consumer welfare in April 2009. Our first project in this area was to develop specialized handsets with enhanced text-to-speech (TTS) features for the visually impaired, resulting in the distribution of 5,000 handsets in July 2010. Our second project was a partnership with the Korea Blind Union to develop a first-of-its-kind smartphone app that helps close the digital divide for the visually impaired by providing access to a growing library of audio content, including books, daily newspapers, monthly magazines, and welfare and rehabilitation news. Launched in September 2011, the "Library that Reads Happiness" app features a touch interface designed to address the unique needs of the visually impaired for maximum convenience and ease-of-use. In connection with this, we launched a volunteer-run recording project in April 2011 to expand the content available to app users.

We are also using our ICT infrastructure to do a world of good. We support a number of social safety net services that help locate missing persons, solicit emergency blood donations, and provide 24-hour text-counseling for troubled teens. We are also taking the lead in promoting a culture of giving and volunteer service through our GiveU mobile donation program and T Together volunteer portal. In November 2010, we launched a GiveU smartphone app, making it even easier for subscribers to donate cash or loyalty program points to worthy causes.

Breaking down barriers to communication

Our employee and student volunteers provide training in mobile phone use to create a society where there are no barriers to communication between generations and classes. Our Sunny collegiate volunteer corps has partnered with the Korea Association of Senior Welfare Centers since 2007 to provide one-on-one training to help seniors learn how to use the text and multimedia messaging features of their mobile phones as part of the Happy Mobile World program. Over the past five years, the program has helped more than 7,000 seniors bridge the mobile generational divide and communicate more frequently with their children and grandchildren.

Since 2008, we have worked with Korea's Ministry of Unification to train North Korean defectors how to avoid phone service sign-up scams, excessive international call fees, and identity theft as well as proper phone etiquette and usage. In 2011, a group of 15 employee volunteers conducted a total of 15 classes for approximately 1,000 new citizens at Hanawon, the government-run resettlement center for defectors.

Since 1999, we have co-hosted the Disabled Youth IT Challenge with the Korea Society for Rehabilitation of Persons with Disabilities to foster IT skills and expand social participation opportunities to youngsters with disabilities. In 2011, a total of 154 finalists out of a nationwide pool of some 840 middle and high school students who participated in preliminary rounds in 14 cities across Korea competed at the 13th annual event.

Sharing happiness around the globe

We are working hard to fulfill our corporate social responsibilities by actively participating in efforts to resolve local social issues in places like China and Vietnam. In late September 2009, we partnered with the Communist Youth League of China's China Guanghua Foundation to launch the SK Sunny collegiate volunteer corps to help Chinese youths foster a healthier future through volunteer service and cultural exchange. Modeled after our Sunny collegiate volunteer corps in Korea, SK Sunny China had a membership of over 750 students in 2011 selected from 15 universities in Beijing, Shanghai, and Sichuan province. In 2011, "Hi Teacher" volunteers tutored over 3,000 students in subjects like English, IT, music, art, and physical education at number of primary schools in low-income areas of Beijing and Sichuan, including three SK Happy School primary schools in Sichuan.

We have also been very active in Vietnam over the years. Our signature community involvement program—free corrective surgeries of congenital facial deformities—has helped put smiles back on the faces of a total of 2,905 Vietnamese children over the past 15 years since 1996.

WE HAD ANOTHER SOLID YEAR FINANCIALLY IN 2011 AS WE CONTINUED TO GENERATE INCREMENTAL GROWTH IN REVENUE AND INCOME. WITH TRANSFORMATION NOW SPURRING SYNERGY AND GROWTH IN ALL AREAS OF OUR OPERATIONS, WE BELIEVE THAT THE STAGE IS SET FOR THE NEXT PHASE OF GROWTH AS WE AIM TO NEARLY QUADRUPLE OUR SHAREHOLDER VALUE BY 2020.

Financial Review

MANAGEMENT'S DISCUSSION & ANALYSIS

This 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, 2011, compared to the preceding year. This MD&A section should be read in conjunction with our audited consolidated financial statements included in this annual report. All amounts are in Korean Won (KRW) unless otherwise specified, and are based on our audited consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by Korea (K-IFRS). All references to "we", "us" or "our" shall mean SK Telecom Co., Ltd. and, unless the context otherwise requires, its consolidated subsidiaries. References to "SK Telecom" shall mean SK Telecom Co., Ltd., but shall not include its consolidated subsidiaries.

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. 2011 OVERVIEW

2011 is highlighted by maintaining our leadership position in the wireless business by strengthening our subscriber base and our leadership in the smartphone area while further enhancing our competitiveness in fixed-line and platform businesses such as T store, an open marketplace for mobile applications, in our efforts to create new growth engines for us. Leveraging our technological leadership, we reinforced our business-to-business services, including the Industry Productivity Enhancement (IPE) business, and continued to build the groundwork for global business opportunities. We also diversified our business portfolio by taking a 21.05% stake in SK Hynix (formerly Hynix) for KRW 3.37 trillion in February 2012.

Wireless and Fixed-line Businesses

We solidified our leadership position in the wireless business in 2011. At the end of 2011, we reached a subscriber number of 26.6 million (including subscribers of mobile virtual network operators (MVNOs) that lease our networks), which we believe evidences further solidification of our market leadership. Our share of the Korean wireless market based on the number of subscribers (including subscribers of MVNOs) was approximately 50.6% as of December 31, 2011, unchanged from December 31, 2010.

In 2011, the Korean telecommunication industry experienced continued strong growth in wireless Internet services as services based on long term evolution (LTE) technology were launched and the number of smartphone and tablet device users increased rapidly. We established our leadership among smartphone and tablet users by providing reliable and fast LTE service and securing a competitive device line-up. Our IPE business including our mobile office services utilizing our wireless infrastructure, has also grown significantly in 2011.

In addition, we strengthened our cooperation with SK Broadband to maximize customer convenience and benefits by developing new services and products, such as bundled services combining mobile phone, fixed-line phone, broadband Internet, VoIP and IPTV services in various combinations. We and SK Broadband will continue to do our best to enhance synergy and growth momentum for both sides.

Platform Businesses

In order to provide more innovative services that go beyond the traditional MNO business, and to enhance shareholder value by enabling our platform business division to be recognized for its true value, we spun off our platform business including T Store and 11 Street (an online shopping mall that links wired and wireless shopping services), to SK Planet our wholly-owned subsidiary established in October 2011.

Our key platform businesses, including T Store, 11 Street and T Map, all showed strong growth in 2011. We plan to grow our platform business by sharing our telecommunication infrastructure with other service providers and application developers. We will continue to identify and foster new platform businesses to create new growth engines for SK Telecom in the future.

As part of our growth strategy, we have selectively sought attractive opportunities abroad. We are actively seeking various opportunities to grow platform businesses globally by developing new business models. The expansion of our T store application market to Japan and China can be a good example of growing opportunities globally.

2. EXECUTIVE SUMMARY

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

- Sign-up fees, which are initial subscription fees for our mobile services;
- Voice service fees, consisting of monthly fees, call charges, and value-added and other service fees, and data service fees, 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.

In addition, we derive revenue from businesses operated by our consolidated subsidiaries, including broadband Internet and fixed-line telephone services offered by SK Broadband various platform businesses conducted by SK Planet and handset sales made by PS&Marketing.

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

Selected Financial Information (Consolidated basis)

	In billions of KRW 2010	In billions of KRW 2011	Change
Income Statements			
Revenue	15,599.2	15,988.3	2.5%
EBITDA [1]	4,464.8	4,518.0	1.2%
Operating income	2,285.9	2,131.5	-6.8%
Net income	1,766.8	1,582.1	-10.5%
Balance Sheets			
Total assets	23,132.4	24,366.0	5.3%
Cash & marketable securities [2]	1,627.1	2,725.2	67.5%
Total liabilities	10,724.4	11,633.3	8.5%
Interest-bearing financial debt [3]	5,805.0	5,796.0	-0.2%
Shareholders' equity	12,408.0	12,732.7	2.6%
Financial Ratios			
EBITDA margin	28.6%	28.3%	-0.3%p
Operating margin	14.7%	13.3%	-1.4%p
Net income margin	11.3%	9.9%	-1.4%p
Debt-to-equity ratio [4]	46.8%	45.5%	-1.3%p

(1) EBITDA = Operating income + Depreciation + R&D related depreciation within the R&D expense
(2) Cash & marketable securities = Cash & cash equivalent + marketable securities + short-term financial instruments
(3) Interest-bearing financial debt = Short-term borrowings + Current portion of long-term debt (excluding current portion of long-term debt related to payment of frequency license fee) + Bonds payable & long-term borrowings
(4) Debt-to-equity ratio = Interest-bearing financial debt/Shareholders' equity

Our consolidated revenue grew by 2.5% to KRW 15.99 trillion in 2011 from KRW 15.60 trillion in 2010, primarily as a result of strong growth in our new businesses, such as the 11 Street online shopping mall, as well as an increase in handset sales by PS&Marketing.

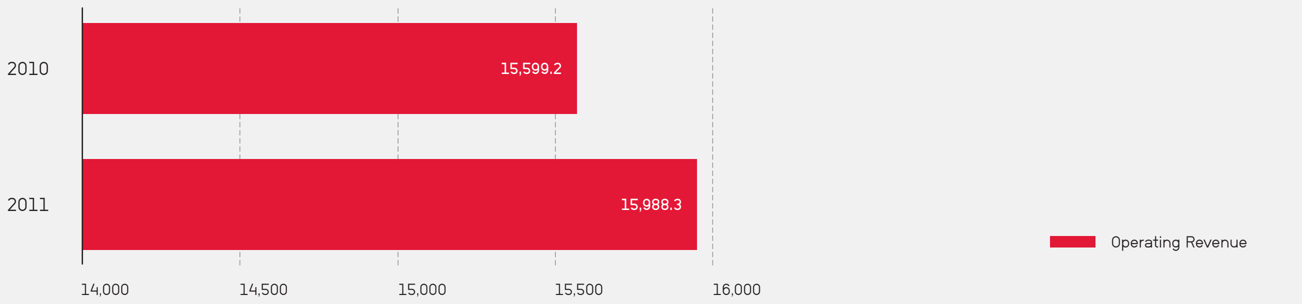
Our consolidated operating expenses in 2011 increased by 4.1% to KRW 13.86 trillion from KRW 13.31 trillion in 2010, due primarily to increases in cost of goods sold and depreciation and amortization expenses. As the growth of our operating expenses outpaced the increase in our revenue in 2011, our consolidated operating income decreased by 6.8% to KRW 2.13 trillion in 2011 from KRW 2.29 trillion in 2010 and our operating margin decreased 1.4%p to 13.3% in 2011 and EBITDA margin decreased 0.3%p to 28.3% in 2011. Our consolidated net income decreased 10.5% to KRW 1.58 trillion in 2011 from KRW 1.77 trillion in 2010.

Our consolidated total assets increased 5.3% to KRW 24.37 trillion as of December 31, 2011 compared to KRW 23.13 trillion as of December 31, 2010, due to, among others, an increase in cash and marketable securities, an increase in property and equipment primarily resulting from our increased investment in wireless networks and an increase in intangible assets reflecting our acquisition of new frequency licenses, partially offset by a decrease in accounts receivable resulting from the changing of the purchasing entity of handset installment receivables. Consolidated total liabilities increased 8.5% to KRW 11.63 trillion as of December 31, 2011 from KRW 10.72 trillion as of December 31, 2010, due primarily to an increase in long-term payables as a result of our acquisition of frequency licenses in the 800 MHz and 1.8 GHz ranges in 2011. Total shareholders' equity increased 2.6% to KRW 12.73 trillion as of December 31, 2011 from KRW 12.41 trillion as of December 31, 2010, due primarily to an increase in retained earnings. Our consolidated debt-to-equity ratio improved to 45.5% from 46.8%.

3. REVENUE

Our consolidated revenue in 2011 amounted to KRW 15.99 trillion, an increase of KRW 389.1 billion, or 2.5%, from KRW 15.60 trillion in 2010. This increase was attributable to strong growth in our new businesses, such as the 11 Street online shopping mall, as well as an increase in handset sales by PS&Marketing.

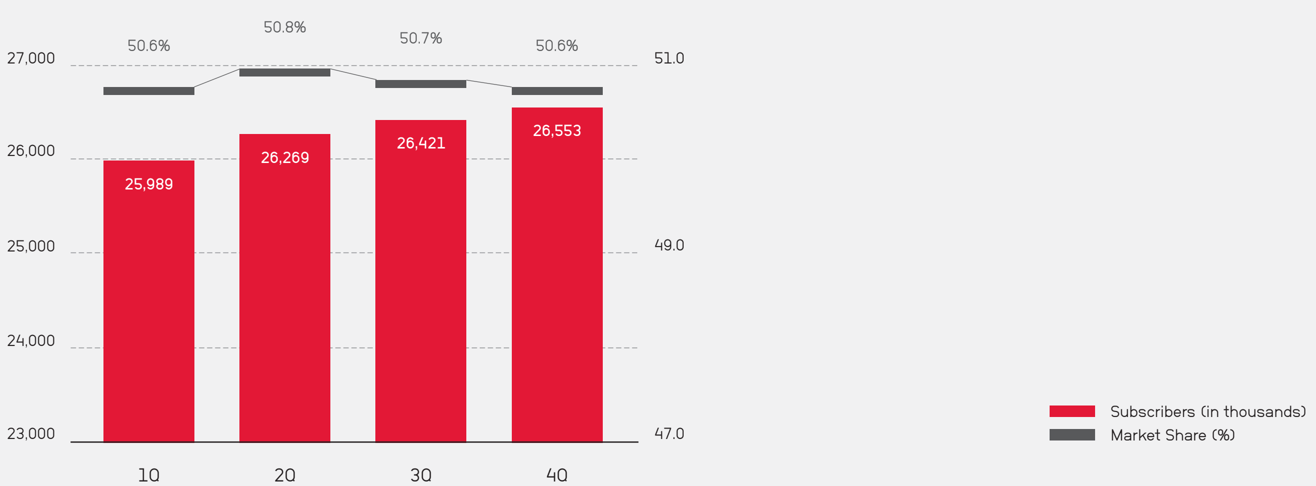
Consolidated Operating Revenue (in billions of KRW)



Subscribers & Market Share

The total number of wireless subscribers in Korea was approximately 52.5 million as of December 31, 2011 with a wireless telecommunications service penetration rate of 105.5%. Despite the saturated wireless market in Korea, SK Telecom continued to add new subscribers throughout the year, and ended the year 2011 with approximately 26.6 million subscribers (including subscribers of MVNOs that lease SK Telecom's networks). SK Telecom's Korean wireless market share based on the number of subscribers (including MVNO subscribers) was 50.6% as of December 31, 2011, unchanged from December 31, 2010.

Subscribers & Market Share

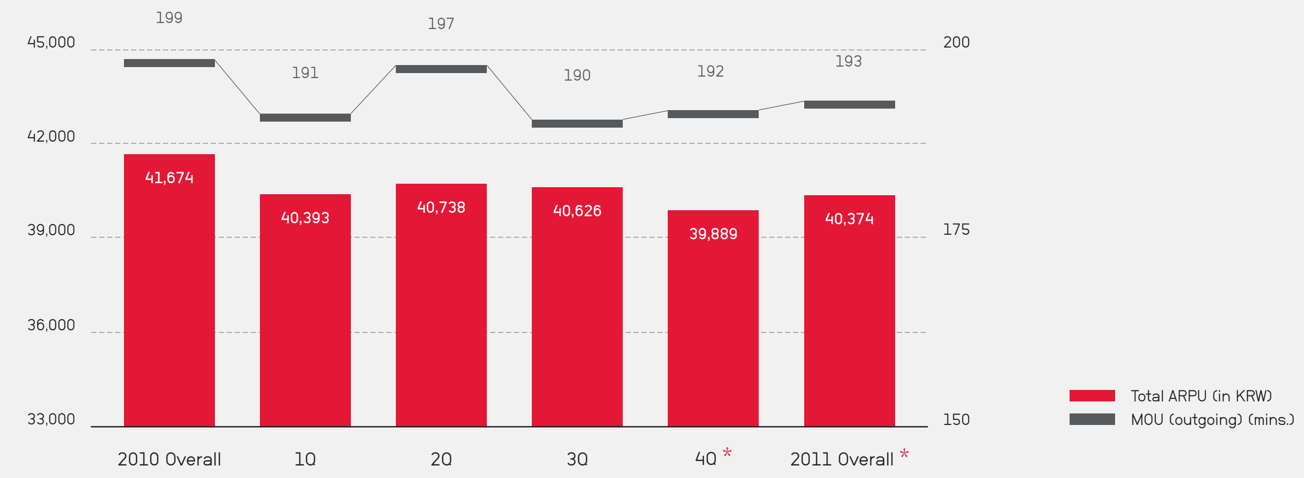


ARPU and MOU

SK Telecom's average revenue per user (ARPU) per month decreased by 3.1% to KRW 40,374 in 2011 from KRW 41,674 in 2010. This decrease was due to decreases in average monthly ARPU from voice service, interconnection fees and sign-up fees, partially offset by increases in average monthly ARPU from data service and new business and other revenue.

The average monthly MOU decreased 3.0% to 193 minutes in 2011 from 199 minutes in 2010, which we believe was caused by an increase in the number of users who have multiple wireless devices, as well as an increase in the use of free text messaging services.

Total ARPU & MOU



* ARPU includes SK Telecom (non-consolidated) and SK Planet

Subsidiaries

The consolidated revenue of SK Broadband consists of (i) revenue from broadband Internet service, (ii) revenue from fixed-line telephone service, (iii) revenue from corporate data services and (iv) other revenues. The revenue of SK Broadband and its subsidiaries increased 8.2% to KRW 2.31 trillion in 2011 from KRW 2.14 trillion in 2010, primarily due to an increase in revenue from corporate data services, as well as slight increases in revenues from broadband Internet service and fixed-line telephone service. As of December 31, 2011, SK Broadband had approximately 4.2 million broadband Internet access subscribers and 4.2 million fixed-line telephone subscribers, with a market share in Korea of 23.5% and 13.3% (14.6% if including VoIP), respectively, based on the number of subscribers.

PS&Marketing's revenue, which is mostly derived from sales of handsets, increased 46.1% to KRW 1.08 trillion in 2011 from KRW 738.3 billion in 2010, primarily due to an increase in sales of smartphones.

4. PROFITABILITY

Income Statements (Consolidated)

	In billions of KRW 2010	% of Revenue	In billions of KRW 2011	% of Revenue
Revenue	**15,599.2**	**100.0%**	**15,988.3**	**100.0%**
Operating expenses	**13,313.3**	**85.3%**	**13,856.8**	**86.7%**
Labor cost [1]	1,067.8	6.8%	1,173.2	7.3%
Commissions paid [2]	5,598.0	35.9%	5,646.4	35.3%
Depreciation and amortization [3]	2,155.8	13.8%	2,331.3	14.6%
Network interconnection	1,316.3	8.4%	1,264.1	7.9%
Leased line and frequency license fees	437.8	2.8%	474.0	3.0%
Rent	367.3	2.4%	401.7	2.5%
Advertising	338.4	2.2%	374.3	2.3%
Cost of goods sold	640.9	4.1%	959.3	6.0%
Others	1,390.8	8.9%	1,232.5	7.7%
Operating income	**2,285.9**	**14.7%**	**2,131.5**	**13.3%**
Net other income	32.2	0.2%	51.3	0.3%
Financial income	477.2	3.1%	442.3	2.8%
Financial expenses	441.6	2.8%	343.8	2.2%
Gains on equity-method investments	41.8	0.3%	39.1	0.2%
Losses on equity-method investments	45.2	0.3%	86.3	0.5%
Income from continuing operations before income taxes	**2,318.1**	**14.9%**	**2,182.9**	**13.7%**
Income taxes	544.5	3.5%	599.1	3.7%
Income (loss) from discontinued operations	(6.7)	0.0%	(1.7)	0.0%
Net income	**1,766.8**	**11.3%**	**1,582.1**	**9.9%**
EBITDA [4]	**4,464.8**	**28.6%**	**4,518.0**	**28.3%**

(1) Labor cost = Salaries + Provisions for severance benefits
(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

Our consolidated operating income decreased 6.8% to KRW 2.13 trillion in 2011 from KRW 2.29 trillion in 2010 and our consolidated operating margin decreased to 13.3% in 2011 from 14.7% in 2010, as our operating expenses grew at a rate higher than that of our revenue. The increase in our consolidated operating expenses was attributable, among others, to a 49.7% increase in cost of goods sold, an 8.1% increase in depreciation and amortization expenses. Our consolidated EBITDA increased 1.2% to KRW 4.52 trillion in 2011 from KRW 4.46 trillion in 2010.

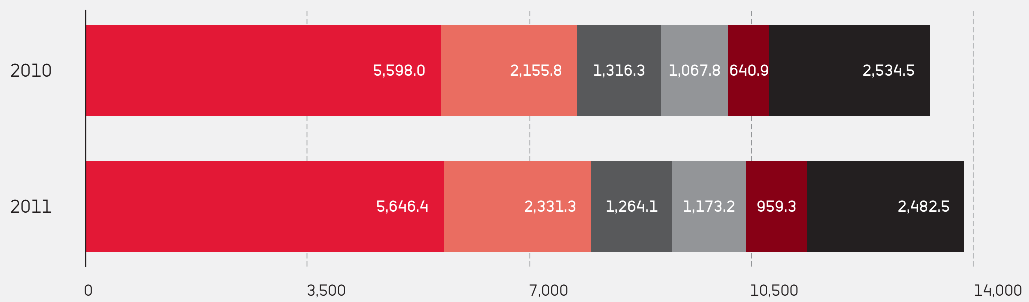
On a consolidated basis, we recorded net other income of KRW 51.3 billion in 2011 compared to net other income of KRW 32.2 billion in 2010. With an effective tax rate of 27.4%, our consolidated net income was KRW 1.58 trillion in 2011, compared to KRW 1.77 trillion in 2010.

Operating Expenses

Our consolidated operating expenses for 2011 amounted to KRW 13.86 trillion, representing a 4.1% increase from KRW 13.31 trillion in 2010. The increase in consolidated operating expenses was primarily due to (i) an increase in cost of goods sold resulting from increased handset sales by PS&Marketing, (ii) an increase in depreciation and amortization expenses as we increased our investment in wireless networks and acquired additional frequency licenses and (iii) an increase in labor cost which reflected the labor costs for the full year 2011 of new subsidiaries established in the second half of 2010 for customer service and network maintenance.

On a consolidated basis, commissions paid accounted for 35.3% of our total revenue at KRW 5.65 trillion in 2011, which represented a 0.9% increase from the previous year. This increase in commissions paid, which include marketing commissions and other commissions, was primarily due to an increase in commissions paid in connection with the changing of the purchasing entity of handset intallment receivables. Such increase was partially offset by a slight decrease in our marketing commissions, which include initial commissions, monthly commissions and retention commissions. The initial commissions paid, which include handset subsidies and other incentives for new subscribers, decreased in 2011 due primarily to a decrease in subsidy paid per subscriber, as well as a decrease in new subscribers. Monthly commissions that we pay to our authorized dealers for a certain period of time after new subscriptions or new purchases of handsets increased in 2011 due to, among others, an increase in our subscriber base. 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 in 2011, due primarily to an increase in the number of existing subscribers who received handset subsidies, which more than offset a decrease in the amount of handset subsidy paid to each subscriber who changes handsets.

Operating Expenses (in billions of KRW)



Our consolidated depreciation and amortization excluding research and development related depreciation expenses increased 8.1% to KRW 2.33 trillion in 2011 from KRW 2.16 trillion in 2010, due principally to an increase in our investment in wireless networks and our acquisition of additional frequency licenses. Our consolidated cost of goods sold increased 49.7% to KRW 959.3 billion in 2011 from KRW 640.9 billion in 2010, primarily due to an increase in handset sales by PS&Marketing, our consolidated subsidiary. Our consolidated labor cost increased 9.9% to KRW 1.17 trillion in 2011 from KRW 1.07 trillion in 2010, due primarily to the reflection for the full year 2011 of labor costs of new subsidiaries established in the second half of 2010 for customer service and network maintenance.

Our consolidated interconnection expenses amounted to KRW 1.26 trillion in 2011, representing a 4.0% decrease from KRW 1.32 trillion in 2010. This decrease was primarily attributable to a decrease in SMS usage by our subscribers and decrease in interconnection fee rates. Leased line and frequency license fees increased 8.3% to KRW 474.0 billion in 2011 from KRW 437.8 billion in 2010, due primarily to the growth of our leased line business, the expansion of our data capacity and our acquisition of additional frequency licenses. Our consolidated advertising costs increased 10.6% to KRW 374.3 billion in 2011 from KRW 338.4 billion in 2010 primarily due to an increase in media advertisements.

Income Tax

Our consolidated provision for income tax increased 10.0% to KRW 599.1 billion in 2011 from KRW 544.5 billion in 2010. Our effective tax rate also increased 3.9%p to 27.4% in 2011 from 23.5% in 2010. The increase in income tax expense and effective tax rate are attributable primarily to a reduction in tax exemptions for capital expenditures in 2011.

5. FINANCIAL STRUCTURE

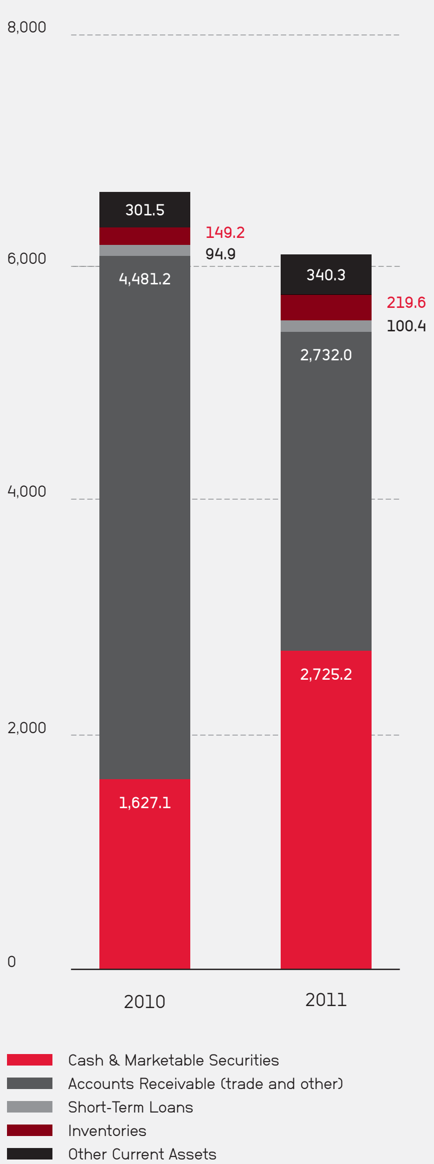
Current Assets

On a consolidated basis, we had current assets of KRW 6.12 trillion as of December 31, 2011, an 8.1% decrease from KRW 6.65 trillion as of December 31, 2010. Our consolidated cash and marketable securities (including short-term financial instruments) increased 67.5% to KRW 2.73 trillion as of December 31, 2011, from KRW 1.63 trillion as of December 31, 2010, primarily due to the changing of the purchasing entity of handset installment receivables. As of December 31, 2011, our consolidated accounts receivable (trade and other) amounted to KRW 2.73 trillion, a 39.0% decrease from KRW 4.48 trillion as of December 31, 2010, due primarily to the changing of the purchasing entity of handset installment receivables.

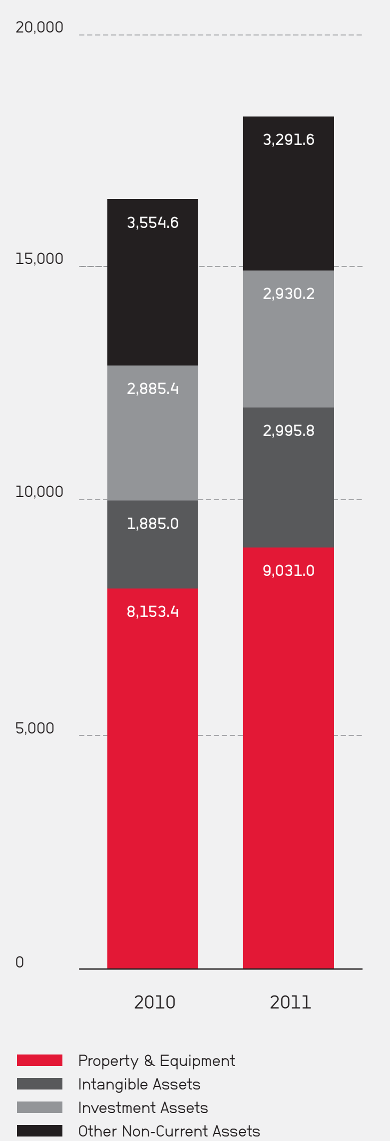
Non-Current Assets

On a consolidated basis, we had non-current assets of KRW 18.25 trillion as of December 31, 2011, a 10.7% increase from KRW 16.48 trillion as of December 31, 2010. Our consolidated property and equipment increased 10.8% to KRW 9.03 trillion as of December 31, 2011, from KRW 8.15 trillion as of December 31, 2010, primarily due to an increase in our investment in wireless networks. Our consolidated intangible assets increased 58.9% to KRW 3.0 trillion as of December 31, 2011, from KRW 1.88 trillion as of December 31, 2010, primarily due to our acquisition of frequency licenses in the 800 MHz and 1.8 GHz ranges in 2011. Our investment assets, consisting of long-term investment securities, investments in associates and long-term financial instruments, increased 1.6% to KRW 2.93 trillion as of December 31, 2011 from KRW 2.89 trillion as of December 31, 2010. This increase was mainly attributable to our acquisition of shares of KB Financial Group and SK Industrial Development, partially offset by the loss on valuation of our investment in Posco.

Current Assets (in billions of KRW)



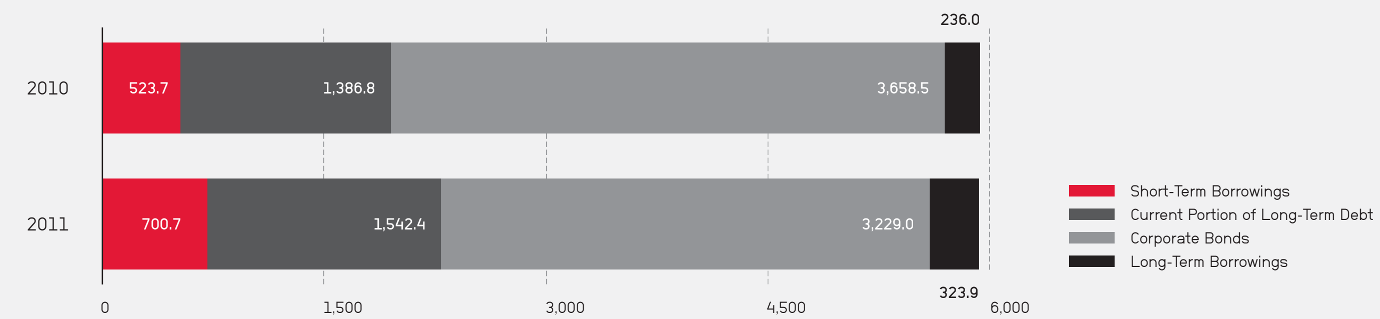
Non-Current Assets (in billions of KRW)



Interest-Bearing Debt

On a consolidated basis, we had KRW 11.63 trillion of total liabilities as of December 31, 2011, an 8.5% increase from KRW 10.72 trillion as of December 31, 2010, due mainly to an increase in long-term payables to KRW 847.5 billion as of December 31, 2011 from KRW 54.8 billion as of December 31, 2010 as a result of our acquisition of frequency licenses in the 800 MHz and 1.8 GHz ranges in 2011. Our consolidated total interest-bearing debt, which does not include frequency license fees, decreased 0.2% to KRW 5,796.0 billion as of December 31, 2011 from KRW 5,805.0 billion as of December 31, 2010. Our debt-to-equity ratio decreased to 45.5% from 46.8%.

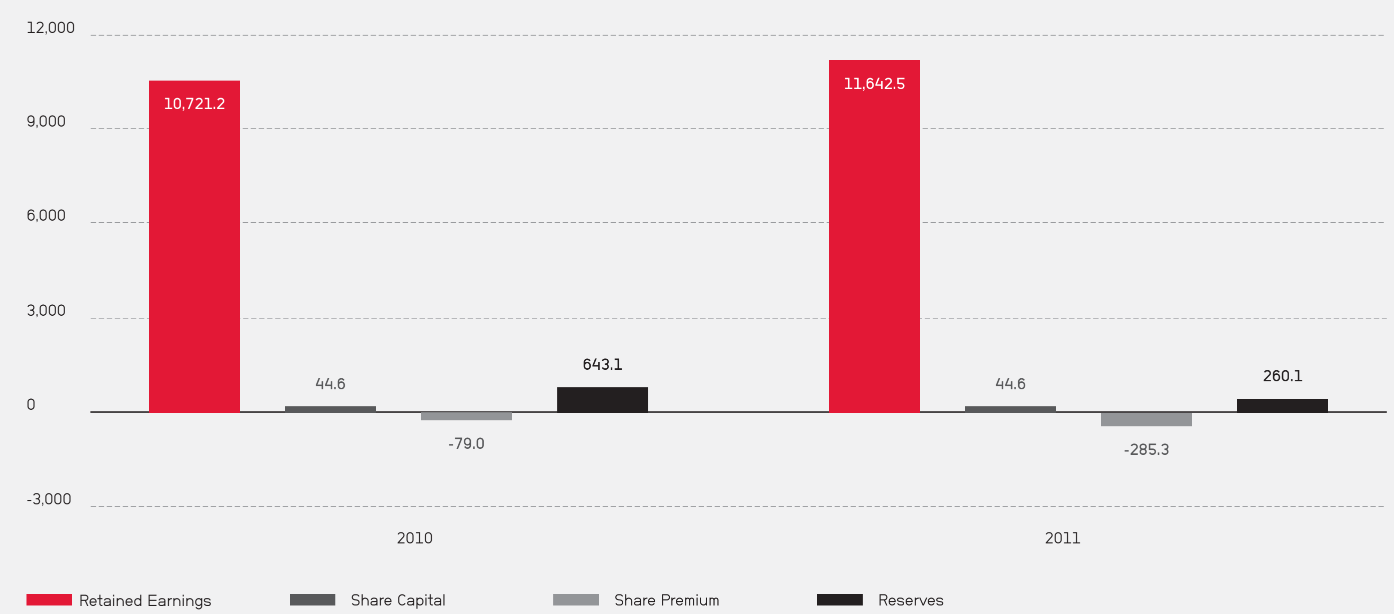
Interest-Bearing Debt (in billions of KRW)



Shareholders' Equity

On a consolidated basis, our total shareholders' equity as of December 31, 2011 amounted to KRW 12.73 trillion, representing an increase of 2.6% from KRW 12.41 trillion as of December 31, 2010. This increase was attributable primarily to an increase in retained earnings to KRW 11.64 trillion as of December 31, 2011 from KRW 10.72 trillion as of December 31, 2010,

Shareholders' Equity (in billions of KRW)



6. CAPITAL EXPENDITURE

On a consolidated basis, we spent approximately KRW 2.96 trillion for capital expenditures in 2011, representing a 38.2% increase from KRW 2.14 trillion in 2010. Such increase was primarily attributable to an increase in our network-related investment. Our network-related investment in 2011 was used to expand and upgrade our WCDMA network to process increasing data transmission at faster speeds, improve our CDMA network quality and build our new LTE network.

Financial Statements

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2011, 2010 AND JANUARY 1, 2010

			Korean won / In millions	Translation into U.S. dollars / In thousands
	January 1, 2010	December 31, 2010	December 31, 2011	December 31, 2011
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\ 905,561	\ 659,405	\ 1,650,794	$ 1,424,941
Short-term financial instruments	471,970	567,152	979,564	845,545
Short-term investment securities	376,722	400,531	94,829	81,855
Accounts receivable - trade, net	1,832,967	1,949,397	1,823,170	1,573,733
Short-term loans, net	75,941	94,924	100,429	86,689
Accounts receivable - other, net	2,421,874	2,531,847	908,836	784,494
Prepaid expenses	172,225	182,091	118,200	102,028
Derivative assets	-	-	148,038	127,784
Inventories, net	119,317	149,223	219,590	189,547
Advanced payments and other	65,391	119,422	74,029	63,902
Total Current Assets	6,441,968	6,653,992	6,117,479	5,280,518
NON-CURRENT ASSETS				
Long-term financial instruments	6,565	117	7,628	6,584
Long-term investment securities	2,443,978	1,680,582	1,537,945	1,327,531
Investments in associates	549,913	1,204,692	1,384,605	1,195,170
Property and equipment, net	8,027,678	8,153,413	9,030,998	7,795,423
Investment property	212,742	197,307	271,086	233,997
Goodwill	1,736,733	1,736,649	1,749,933	1,510,516
Intangible assets	2,004,218	1,884,956	2,995,803	2,585,933
Long-term loans, net	81,109	84,323	95,565	82,490
Long-term accounts receivable - other	761,735	527,106	5,393	4,655
Long-term prepaid expenses	449,906	411,509	567,762	490,084
Guarantee deposits	232,975	250,333	245,218	211,669
Long-term derivative assets	314,658	203,382	105,915	91,424
Deferred income tax assets	28,646	106,860	227,578	196,442
Other	43,900	37,168	23,128	19,965
Total Non-Current Assets	16,894,756	16,478,397	18,248,557	15,751,883
TOTAL ASSETS	**\ 23,336,724**	**\ 23,132,389**	**\ 24,366,036**	**$ 21,032,401**

(Continued)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2011, 2010 AND JANUARY 1, 2010

			Korean won / In millions	Translation into U.S. dollars / In thousands
	January 1, 2010	December 31, 2010	December 31, 2011	December 31, 2011
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\ 554,469	\ 523,710	\ 700,713	$ 604,845
Accounts payable - trade	164,314	195,777	195,391	168,659
Accounts payable - other	1,307,236	1,434,329	1,507,877	1,301,577
Withholdings	288,455	408,261	496,860	428,882
Accrued expenses	419,816	677,480	744,673	642,791
Income tax payable	395,503	259,871	293,725	253,539
Unearned revenue	341,538	311,365	290,791	251,006
Derivative liabilities	36,318	15,393	4,645	4,009
Provisions	516,382	652,889	657,198	567,284
Current portion of long-term debt, net	1,262,383	1,601,231	1,662,841	1,435,340
Advanced receipts and other	96,364	121,864	118,876	102,612
Total Current Liabilities	5,382,778	6,202,170	6,673,590	5,760,544
NON-CURRENT LIABILITIES				
Bonds payable, net	4,453,300	3,658,546	3,229,009	2,787,233
Long-term borrowings	844,640	235,968	323,852	279,544
Long-term payables - other	170,953	54,783	847,496	731,546
Long-term unearned revenue	274,876	241,892	212,172	183,144
Finance lease liabilities	77,709	60,075	41,940	36,202
Retirement benefit obligation	53,659	67,870	85,941	74,183
Long-term derivative liabilities	34,495	14,761	-	-
Long-term provisions	121,097	112,227	142,361	122,884
Long-term advanced receipts and other	75,172	76,098	76,966	66,435
Total Non-Current Liabilities	6,105,901	4,522,220	4,959,737	4,281,171
Total Liabilities	11,488,679	10,724,390	11,633,327	10,041,715
EQUITY				
Share capital	44,639	44,639	44,639	38,532
Share premium	167,876	(78,953)	(285,347)	(246,307)
Retained earnings	9,563,940	10,721,249	11,642,525	10,049,655
Reserves	919,835	643,056	260,064	224,483
Non-controlling interests	1,151,755	1,078,008	1,070,828	924,323
Total Equity	11,848,045	12,407,999	12,732,709	10,990,686
TOTAL LIABILITIES AND EQUITY	**\ 23,336,724**	**\ 23,132,389**	**\ 24,366,036**	**$ 21,032,401**

CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2011 AND 2010

		Korean won / In millions (except for per share data)	Translation into U.S. dollars / In thousands (except for per share data)
	2010	2011	2011
OPERATING REVENUE			
Revenue	\ 15,518,637	\ 15,938,549	$ 13,757,919
Other	80,525	49,729	42,925
Sub-total	15,599,162	15,988,278	13,800,844
OPERATING EXPENSES			
Labor cost	1,067,820	1,173,247	1,012,729
Commissions paid	5,598,044	5,646,448	4,873,930
Depreciation and amortization	2,155,815	2,331,268	2,012,316
Network interconnection	1,316,296	1,264,109	1,091,160
Leased line	437,830	474,018	409,165
Advertising	338,447	374,269	323,063
Rent	367,292	401,706	346,747
Cost of goods sold	640,933	959,276	828,033
Other	1,390,774	1,232,479	1,063,857
Sub-total	13,313,251	13,856,820	11,961,000
OPERATING INCOME	**2,285,911**	**2,131,458**	**1,839,844**
Financial income	477,217	442,325	381,808
Financial costs	(441,623)	(343,776)	(296,742)
Equity in earnings of affiliates	41,828	39,131	33,777
Equity in losses of affiliates	(45,242)	(86,280)	(74,476)
INCOME FROM CONTINUING OPERATION BEFORE INCOME TAX	**2,318,091**	**2,182,858**	**1,884,211**
INCOME TAX FOR CONTINUING OPERATION	**544,530**	**599,093**	**517,128**
INCOME FROM CONTINUING OPERATION	**1,773,561**	**1,583,765**	**1,367,083**
INCOME (LOSS) FROM DISCONTINUED OPERATION	**(6,726)**	**(1,692)**	**(1,461)**
NET INCOME	**\ 1,766,835**	**\ 1,582,073**	**$ 1,365,622**
ATTRIBUTABLE TO			
Controlling interests	1,841,613	1,612,889	1,392,222
Non-Controlling interests	(74,778)	(30,816)	(26,600)
	\ 1,766,835	**\ 1,582,073**	**$ 1,365,622**
NET INCOME PER SHARE FROM CONTINUING OPERATION			
(In Korean won and U.S. dollars)	**\ 25,653**	**\ 22,864**	**$ 19.74**
NET INCOME PER SHARE (In Korean won and U.S. dollars)	**\ 25,598**	**\ 22,848**	**$ 19.72**
DILUTED NET INCOME PER SHARE FROM CONTINUING OPERATION			
(In Korean won and U.S. dollars)	**\ 24,995**	**\ 22,238**	**$ 19.20**
DILUTED NET INCOME PER SHARE (In Korean won and U.S. dollars)	**\ 24,942**	**\ 22,223**	**$ 19.18**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2011 AND 2010

		Korean won / In millions (except for per share data)	Translation into U.S. dollars / In thousands (except for per share data)
	2010	2011	2011
NET INCOME	**\ 1,766,835**	**\ 1,582,073**	**$ 1,365,622**
OTHER COMPREHENSIVE INCOME			
Unrealized losses on valuation of available-for-sale financial assets	(204,325)	(433,546)	(374,230)
Share in other comprehensive income of investments in associates	(390)	(2,173)	(1,876)
Gain (loss) on valuation of derivatives	(76,613)	29,236	25,236
Foreign-based operations' translation adjustment	(1,459)	40,673	35,109
Actuarial gains (losses) on retirement benefit obligations	(4,497)	(25,275)	(21,817)
Sub-total	(287,284)	(391,085)	(337,578)
TOTAL COMPREHENSIVE INCOME	**\ 1,479,551**	**\ 1,190,988**	**$ 1,028,044**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO			
Controlling interests	1,560,572	1,206,577	1,041,500
Non-controlling interests	(81,021)	(15,589)	(13,456)
	\ 1,479,551	**\ 1,190,988**	**$ 1,028,044**

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2011 AND 2010

		Share premium								
	Common stock	Paid-in surplus	Treasury stock	Loss on disposal of treasury stock	Other	Retained earnings	Reserves	Controlling Interests	Non-controlling interests	Total Stock-holders' equity
(In millions of Korean won)										
Balance, January 1, 2010	**\ 44,639**	**\ 2,915,887**	**(\ 1,992,083)**	**(\ 15,875)**	**(\ 740,053)**	**\ 9,563,940**	**\ 919,835**	**\ 10,696,290**	**\ 1,151,755**	**\ 11,848,045**
Cash dividends	-	-	-	-	-	(680,043)	-	(680,043)	-	(680,043)
Total comprehensive income (loss)	-	-	-	-	-	1,837,352	(276,779)	1,560,573	(81,022)	1,479,551
Net income	-	-	-	-	-	1,841,613	-	1,841,613	(74,778)	1,766,835
Other comprehensive income	-	-	-	-	-	(4,261)	(276,779)	(281,040)	(6,244)	(287,284)
Treasury stock	-	-	(210,356)	-	-	-	-	(210,356)	-	(210,356)
Changes in subsidiaries	-	-	-	-	(36,473)	-	-	(36,473)	7,275	(29,198)
Balance, December 31, 2010	**\ 44,639**	**\ 2,915,887**	**(\ 2,202,439)**	**(\ 15,875)**	**(\ 776,526)**	**\ 10,721,249**	**\ 643,056**	**\ 11,329,991**	**\ 1,078,008**	**\ 12,407,999**
Balance, January 1, 2011	**\ 44,639**	**\ 2,915,887**	**(\ 2,202,439)**	**(\ 15,875)**	**(\ 776,526)**	**\ 10,721,249**	**\ 643,056**	**\ 11,329,991**	**\ 1,078,008**	**\ 12,407,999**
Cash dividends	-	-	-	-	-	(668,293)	-	(668,293)	(2,226)	(670,519)
Total comprehensive income (loss)	-	-	-	-	-	1,589,569	(382,992)	1,206,577	(15,589)	1,190,988
Net income	-	-	-	-	-	1,612,889	-	1,612,889	(30,816)	1,582,073
Other comprehensive income	-	-	-	-	-	(23,320)	(382,992)	(406,312)	15,227	(391,085)
Treasury stock	-	-	(208,012)	-	-	-	-	(208,012)	-	(208,012)
Effect of change in income tax rate	-	-	-	(2,980)	-	-	-	(2,980)	-	(2,980)
Changes in subsidiaries	-	-	-	-	4,598	-	-	4,598	10,635	15,233
Balance, December 31, 2011	**\ 44,639**	**\ 2,915,887**	**(\ 2,410,451)**	**(\ 18,855)**	**(\ 771,928)**	**\ 11,642,525**	**\ 260,064**	**\ 11,661,881**	**\ 1,070,828**	**\ 12,732,709**

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2011 AND 2010

		Share premium								
	Common stock	Paid-in surplus	Treasury stock	Loss on disposal of treasury stock	Other	Retained earnings	Reserves	Controlling Interests	Non-controlling interests	Total Stock-holders' equity
(In thousands of U.S. dollars)										
Balance, January 1, 2011	**$38,532**	**$2,516,950**	**($1,901,112)**	**($13,703)**	**($670,286)**	**$9,254,423**	**$555,076**	$9,779,880	**$930,521**	$10,710,401
Cash dividends	-	-	-	-	-	(576,861)	-	(576,861)	(1,921)	(578,782)
Total comprehensive income (loss)	-	-	-	-	-	1,372,093	(330,593)	1,041,500	(13,456)	1,028,044
Net income	-	-	-	-	-	1,392,222	-	1,392,222	(26,600)	1,365,622
Other comprehensive income	-	-	-	-	-	(20,129)	(330,593)	(350,722)	13,144	(337,578)
Treasury stock	-	-	(179,553)	-	-	-	-	(179,553)	-	(179,553)
Effect of change in income tax rate	-	-	-	(2,572)	-	-	-	(2,572)	-	(2,572)
Changes in subsidiaries	-	-	-	-	3,969	-	-	3,969	9,179	13,148
Balance, December 31, 2011	**$38,532**	**$2,516,950**	**($2,080,665)**	**($16,275)**	**($666,317)**	**$10,049,655**	**$224,483**	**$10,066,363**	**$924,323**	**$10,990,686**

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	Korean won / In millions		Translation into U.S. dollars / In thousands
	2010	2011	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities			
Net income	\ 1,766,835	\ 1,582,073	$ 1,365,622
Adjustments for income and expenses	3,089,520	3,225,682	2,784,361
Changes in assets and liabilities related to operating activities	277,352	2,180,223	1,881,936
Sub-total	5,133,707	6,987,978	6,031,919
Interest received	208,444	156,745	135,300
Dividends received	32,394	34,521	29,798
Interest paid	(364,704)	(301,632)	(260,364)
Income tax paid	(666,436)	(571,217)	(493,066)
Net Cash Provided by Operating Activities	4,343,405	6,306,395	5,443,587
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash inflows from investing activities			
Decrease in short-term investment securities, net	168,260	125,000	107,898
Collection of short-term loans	216,857	194,561	167,942
Decrease in long-term financial instruments	3	5	4
Proceeds from sales of long-term investment securities	630,030	256,666	221,550
Proceeds from disposal of associates	58,873	6,381	5,508
Proceeds from disposal of property and equipment	94,254	35,197	30,382
Proceeds from disposal of intangible assets	6,826	3,833	3,309
Collection of long-term loans	17,823	33,824	29,196
Decrease in other non-current assets	2,381	4,122	3,558
Cash inflows from transaction of derivatives	1,255	-	-
Cash inflows from acquisition	42,736	66,277	57,209
Sub-total	1,239,298	725,866	626,556
Cash outflows for investing activities:			
Increase in short-term financial instruments, net	88,682	412,256	355,853
Increase in short-term loans	221,308	233,189	201,285
Increase in long-term financial instruments	55	7,516	6,488
Acquisition of long-term investment securities	150,447	323,246	279,021
Acquisition of associates	736,105	239,975	207,143
Acquisition of property and equipment	2,142,309	2,960,556	2,555,508
Acquisition of investment property	1,991	86,285	74,480
Acquisition of goodwill	-	1,976	1,706
Acquisition of intangible assets	128,032	596,461	514,856
Increase in long-term loans	36,549	13,856	11,960
Increase in other non-current assets	10,778	3,071	2,651
Cash outflows from transaction of derivatives	35,260	4,007	3,459
Cash outflows from acquisition	26,814	82,533	71,241
Sub-total	3,578,330	4,964,927	4,285,651
Net Cash Used in Investing Activities	(\ 2,339,032)	(\ 4,239,061)	($ 3,659,095)

(Continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	Korean won / In millions		Translation into U.S. dollars / In thousands
	2010	2011	2011
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash inflows from financing activities:			
Proceeds from short-term borrowings	\ -	\ 174,222	$ 150,386
Issuance of bonds payable	149,308	1,129,533	974,996
Proceeds from long-term borrowings	108,044	92,367	79,730
Increase in equity of consolidated subsidiaries	6,452	5,769	4,980
Sub-total	263,804	1,401,891	1,210,092
Cash outflows for financing activities:			
Repayment of short-term borrowings	30,910	-	-
Repayment of current portion of long-term debt	739,334	224,581	193,855
Repayment of bonds payable	605,140	842,160	726,940
Repayment of long-term borrowings	200,000	512,377	442,276
Payment of dividends	682,283	668,293	576,861
Acquisition of treasury stock	252,259	208,012	179,553
Cash outflows from transaction of derivatives	-	25,783	22,256
Sub-total	2,509,926	2,481,206	2,141,741
Net Cash Used in Financing Activities	(2,246,122)	(1,079,315)	(931,649)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(241,749)	988,019	852,843
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	905,561	659,405	569,189
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVAENTS HELD IN FOREIGN CURRENCY	(4,407)	3,370	2,909
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	\ 659,405	\ 1,650,794	$ 1,424,941

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 \ 1,130.60 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, 2010. 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.

CORPORATE MILESTONES

Mar. 1984 Established as Korea Mobile Telecommunications Services Co., Ltd.

Apr. 1988 Designated as a public telecommunications service operator.

Oct. 1989 Listed on Korea Stock Exchange following a KRW 6.4 billion initial public offering.

Apr. 1992 Surpassed 1 million paging service subscribers.

Jun. 1994 SK Group became majority shareholder.

Jan. 1995 Surpassed 1 million cellular phone and 4 million paging service subscribers.

Feb. 1995 Unveiled "MOVE 21", a vision for the 21st century.

Jan. 1996 Launched world's first commercial CDMA cellular phone service.

Jun. 1996 Became first non-government Korean enterprise to list ADRs on New York Stock Exchange.

Jun. 1996 Received A+ credit rating from Standard & Poor's.

Jul. 1996 Received A1 credit rating from 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 Surpassed 3 million CDMA subscribers.

Jan. 1998 Won ISO 9002 certification for customer service and after-sales service, a Korean cellular industry first.

Jun. 1998 Ranked No. 1 on National Customer Satisfaction Index in mobile communications service category.

Jun. 1998 Subsidiary SK Telink launched 00700 international call services.

Dec. 1998 Subsidiary SK Teletech launched its SKY handsets.

Mar. 1999 Ranked No. 1 on National Customer Satisfaction Index in mobile communications service category.

Jul. 1999 Launched TTL, a cellular service targeting the youth market.

Oct. 1999 Surpassed 10 million cellular subscribers.

Mar. 2000 Formed strategic alliances with small and medium-sized telecommunications carriers to co-develop core IMT-2000 technology.

Mar. 2000 Completed development of world's first IMT-2000 core components.

Mar. 2000 Ranked No. 1 on National Customer Satisfaction Index in the mobile communications service category for third consecutive year.

Apr. 2000 Acquisition of Shinsegi Telecom approved by Korea Fair Trade Commission.

May 2000 Established joint venture with GameKing, China's biggest video game software development company.

Aug. 2000 Spun off Netsgo multimedia online service.

Oct. 2000 Launched world's first commercial CDMA2000 1x service.

Oct. 2000 Signed cellular service contract with DCN, a mobile communications operator in the Republic of Daghestan.

Dec. 2000 Obtained asynchronous IMT-2000 (WCDMA) service license.

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 world's first commercial wireless streaming video service.

Jun. 2001 Signed USD 1 million CDMA consulting agreement with China Unicom covering network design, optimization, and other areas of CDMA technology.

Jun. 2001 Established USD 10 million joint venture fund with Hewlett-Packard.

Aug. 2001 Completed development of world's first CDMA2000 1x video telephony service.

Sep. 2001 Launched Moneta, a smartcard-based mobile payment service 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 Merger with Shinsegi Telecom approved by Ministry of Information and Communications.

Jan. 2002 Acquired CDMA cellular business license to operate in Cambodia.

Jan. 2002 Launched 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 H.26L next-generation streaming video compression technology.

May 2002 Launched automatic roaming service in the U.S.

Jul. 2002 Signed MOU with China Unicom to establish a joint venture in China.

Sep. 2002 Received credit rating upgrade from Baa2 to Baa1 from Moody's.

Nov. 2002 Expanded 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 contract with China Unicom to establish a joint venture in China.

Apr. 2003 Publicly demonstrated commercial Wireless Internet Platform for Interoperability (WIPI) service.

May 2003 Merged with SK IMT.

May 2003 Launched CDMA automatic roaming service in Thailand and Saipan.

Jun. 2003 Implemented Rainbow customer care program for cellular subscribers.

Jul. 2003 Launched commercial CDMA cellular service in Vietnam.

Jul. 2003 Received the corporate governance award from the Korea Corporate Governance Service.

Jul. 2003 Purchased 2.48 million Posco shares held by SK Corporation.

Aug. 2003 Surpassed 1 million subscribers for June service on CDMA 2000 1x EV-DO network.

Aug. 2003 Launched Moneta online payment service.

Sep. 2003 Completed testing of wireless data roaming service between Korea and China.

Sep. 2003 Signed MOU with TeliaSonera to jointly develop and commercialize new businesses.

Oct. 2003 Established Capex Review and Compensation Review Committees.

Nov. 2003 Formed consortium to develop satellite DMB business.

Dec. 2003 Launched WCDMA commercial service.

Dec. 2003 Launched CDMA automatic roaming service in Taiwan, Mexico, and Peru.

Mar. 2004 Celebrated 20th anniversary.

Mar. 2004 Launched satellite for world's first digital multimedia broadcasting (S-DMB) service.

Mar. 2004 Received credit rating upgrade to A3 by Moody's.

Apr. 2004 Launched Unisk, a joint venture with China Unicom in China.

Apr. 2004 Started Digital Home pilot service.

May 2004 Issued USD 329 million in convertible notes on London Stock Exchange.

Jun. 2004 Launched automatic roaming service in Israel.

Jul. 2004 Launched integrated wired and wireless Cyworld portal.

Jul. 2004 Exceeded USD 10 million in export sales for ColorRing cellular ringback tone solution.

Aug. 2004 Exported wireless Internet platforms to Kazakhstan.

Sep. 2004 Announced strategic partnership with Kookmin Bank to provide M-Bank service.

Oct. 2004 Formed Ubinet consortium for BcN pilot project.

Oct. 2004 Surpassed 100,000 S-Fone service subscribers in Vietnam.

Nov. 2004 Launched MelOn, a wired and wireless integrated music portal service.

Nov. 2004 Launched cellular ringback tone service business in the U.S.

Jan. 2005 Established Korea's first continuous audit system.

Jan. 2005 Acquired WiBro service license from Korea's Ministry of Information and Communication.

Mar. 2005 Ranked No. 1 on National Customer Satisfaction Index in the mobile communications service category for eighth consecutive year.

Apr. 2005 Launched automatic roaming service in Indonesia.

May 2005 Exported "i-Kids" GPS-based safety service for children to Europe.

Jun. 2005 Received "A" (stable) credit rating from Fitch.

Jun. 2005 Won corporate governance award from the Korea Corporate Governance Service.

Jun. 2005 Initiated video telephony service between Korea and Japan.

Aug. 2005 Selected as telematics service provider for Jeju Island pilot project.

Oct. 2005 Renamed SK-Earthlink joint venture U.S. national MVNO "Helio".

Nov. 2005 Launched WCDMA automatic roaming service covering France and Italy.

Dec. 2005 Received presidential citation in recognition of win-win partnerships with small, medium, and large enterprises.

Apr. 2006 Signed "U-Campus" agreement with Ewha Womans University.

May 2006 Launched Helio, a national MVNO joint venture with Earthlink in the U.S.

May 2006 Introduced "3G+" service brand for the world's first commercial HSDPA service and handset.

Jun. 2006 Purchased USD 1 billion of China Unicom convertible bonds.

Jun. 2006 Launched WiBro access in selected areas of Seoul.

Jul. 2006 Launched "T", a master mobile telecommunications brand.

Jul. 2006 Stopped providing adult content on services as part of continuing efforts to fulfill ethical responsibilities.

Aug. 2006 Signed MOU with China's National Development and Reform Commission (NDRC) on developing 3G telecommunications.

Sep. 2006 Launched T Login broadband wireless services, enabling access to the HSDPA network for digital devices such as laptops.

Oct. 2006 Formed strategic partnership with Google covering next-generation mobile browsing.

Dec. 2006 Established a strategic alliance with Samsung Electronics for domestic and overseas market cooperation.

Feb. 2007 Joined Bridge Alliance, Asia-Pacific's largest and leading mobile alliance group.

Mar. 2007 Launched nationwide HSDPA service with a network covering 99% of the population.

Apr. 2007 Introduced dual-mode device that simultaneously supports HSDPA and WiBro.

Apr. 2007 Debuted TD-SCDMA test-bed in Korea following establishment of an TD-SCDMA Service Development Center in China in February 2007.

CORPORATE MILESTONES

Apr. 2007 Selected as one of the "Best Employers in Asia" by the Wall Street Journal Asia and Hewitt Associates.

May 2007 Joined UN Global Compact, an initiative that encourages businesses worldwide to adopt sustainable and socially responsible policies.

May 2007 Launched world's first USIM-based credit card service in affiliation with LG Card.

Jun. 2007 Signed MOU with Freemove, an alliance of leading telecom operators in Europe, to expand the WCDMA global roaming system.

Jun. 2007 Signed MOU with the National Urban and Rural Research Center of Vietnam's Ministry of Construction to establish a joint working group and cooperate on a u-City project.

Aug. 2007 Converted USD 1 billion in China Unicom convertible bonds to become the second-largest shareholder with 6.6% of shares.

Nov. 2007 Awarded "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.

Dec. 2007 Signed agreement to acquire Hanaro Telecom, the nation's second largest broadband service provider.

Dec. 2007 Established world's first commercial HSUPA network with speeds of up to 5.76 Mbps.

Feb. 2008 Entered China's telematics market by acquiring a 65.53% controlling stake in Shenzhen E-eye High Tech, a Chinese GPS company.

Feb. 2008 Launched 11 Street, a new-concept online marketplace that lets users shop and share tips via the wired or the wireless Internet.

Mar. 2008 Signed 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.

May 2008 Advanced into the Chinese online game market by acquiring a 30% stake in Magic Tech Network, the Hong Kong-based subsidiary of Magicgrids Network.

Jun. 2008 Won award of excellence in corporate governance from the Korea Corporate Governance Service (CGS) for second consecutive year.

Jun. 2008 Telematics API for Java ME is adopted by Java Community Process as a global standard for remote vehicle control via mobile phone.

Jun. 2008 Became second-largest shareholder of Virgin Mobile USA with a 17% stake and two seats on the Board.

Sep. 2008 Ranked No. 1 on Korea Customer Satisfaction Index (KCSI) in wireless telecommunications category for eleventh consecutive year.

Sep. 2008 Ranked No. 1 on Korean Standard Service Quality Index (KS-SQI) by the Korean Standards Association in the wireless telecommunications category for ninth consecutive year.

Sep. 2008 Named component of the Dow Jones Sustainability Indexes (DJSI), a first among Korean telecommunications companies.

Oct. 2008 Opened Tum exhibition center at corporate headquarters in Seoul, the world's first mobile communications showcase.

Dec. 2008 Won KRW 300 billion contract from Korea's Ministry of National Defense to lead a consortium to upgrade the armed forces' communications network.

Jan. 2009 Launched T Cash, a USIM-based prepaid card service that supports automatic recharging when linked to a credit card.

Feb. 2009 Launched iTopping 2.0, a new and improved version of our online widget maker and organizer originally launched back in August 2008.

Apr. 2009 Signed intelligent urbanization MOU with Cisco as part of a shared vision to help China's Sichuan region rebuild from the devastating earthquake of May 2008.

Apr. 2009 Launched PS&Marketing, a subsidiary that will strengthen and complement existing sales channels.

May 2009 Signed a consulting agreement and letter of intent to invest with UAE-based Kulacom Broadband Investment Company to jointly pursue WiMAX projects in the Middle East and Eastern Europe.

May 2009 Acquired leased line business of SK Networks, raising self-owned backhaul capacity ratio from 51% to over 90%.

Jun. 2009 Received Global Telecoms Business Innovation Award for the successful roll-out of the industry's first video call center.

Jun. 2009 Relaunched Nate.com wired-wireless Internet portal with a new visual identity and direction in its 10th anniversary year.

Sep. 2009 Launched T Store, Korea's first online marketplace where anyone can buy or sell mobile apps and content.

Oct. 2009 Signed fixed-mobile convergence (FMC)-based mobile office deal with the Korea Meteorological Administration.

Oct. 2009 Launched Korea's first cell-network-based fixed-mobile substitution (FMS) service.

Dec. 2009 Approved acquisition of a 49% stake in Hana Card for KRW 400 billion, opening the way for new products and synergies in the mobile payment space.

Jan. 2010 Unveiled master plan to spur demand for mobile Internet services by making it as easy as possible for any Internet-enabled mobile device to access mobile content.

Feb. 2010 Selected by Korean steelmaker Posco to handle the fixed-mobile integration for a "work innovation" initiative to reduce logistics, facility, and energy costs as well as improve safety.

Mar. 2010 Reopened Tum ICT experience center, Korea's first smartphone-enabled ICT showcase highlighting the present and future of mobile technology.

Mar. 2010 Opened T Academy, a specialized developer training center dedicated to upgrading the competitiveness of Korea's mobile app industry.

Apr. 2010 Signed MOU with Korea Exchange Bank to strategically collaborate to improve business productivity through financial and communications convergence.

Jun. 2010 Received the "Most Innovative Application of the Year" award for the T Cash pre-paid card service at the 2010 Frost & Sullivan Asia Pacific ICT Awards.

Jun. 2010 Signed agreement to purchase a USD 100 million equity stake in Malaysia's No. 1 WiMAX operator Packet One.

Jul. 2010 Transferring outsourced customer service and base station maintenance and repair operations to independent subsidiaries to improve service quality.

Jul. 2010 Announced fixed-mobile service "big bang" strategy with unlimited mobile data plans backed by investment in 3G, Wi-Fi, and LTE networks.

Sep. 2010 Launched TB Family Free bundles featuring free fixed-line services based on the number of wireless subscribers in a family.

Sep. 2010 Marked the first anniversary of T Store, Korea's top mobile content delivery platform and the nexus of a thriving mobile app ecosystem.

Oct. 2010 Announced intention to become a global platform player with an emphasis on openness and partnerships.

Nov. 2010 Surpassed 3 million smartphone subscriber target for 2010 ahead of schedule thanks to a thriving app ecosystem, extensive smartphone lineup, and groundbreaking unlimited data plans.

Dec. 2010 Announced open API strategy, becoming the world's first mobile operator to open up service APIs to third-party developers.

Dec. 2010 Launched MelOn Indonesia, a joint-venture music download and streaming service in partnership with Indonesia's largest fixed-mobile operator Telkom.

Jan. 2011 Launched Hoppin multi-screen video service that allows user to enjoy video on their smartphones, PCs, tablet PCs and TVs.

Apr. 2011 Launched testing of Korea's first 4G LTE network test bed.

Jul. 2011 Launched commercial 4G LTE service with downlink and uplink speeds approximately 5 times and 7 times faster than the existing 3G WCDMA (HSUPA) network.

Jul. 2011 Launched T Smart Learning, a tablet-based smart education platform in partnership with 12 of Korea's best-known educational companies and organizations.

Jul. 2011 Launched T Ad Mobile advertising platform, setting our sights on becoming Korea's leader in mobile advertising.

Aug. 2011 Opened "Imagine", a retail store chain that offers a full range of the latest and greatest digital products and services.

Sep. 2011 Launched Korea's first commercial 4G LTE smartphone service with the Samsung Galaxy S2 LTE phone.

Oct. 2011 Launched SK Planet, a spin-off company dedicated to operating and growing the platform business.

Oct. 2011 Signed an agreement to establish Connected Health, a joint venture with Seoul National University Hospital that will take the lead in developing connected healthcare technologies that will improve the efficiency and quality of care to deliver greater patient satisfaction.

Nov. 2011 Signed contract to purchase a 21.05% equity stake in SK Hynix (formerly Hynix), a major global maker of semiconductor memory.

Dec. 2011 Surpassed 650,000 4G LTE service subscriber milestone on December 31, just five months after service launch.

GLOBAL NETWORK

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Tel: 82-2-6100-2114

DATE OF ESTABLISHMENT
March 29, 1984

PAID IN CAPITAL
KRW 44,639 million
As of December 31, 2011

NUMBER OF COMMON SHARES
80,745,711 Shares
As of December 31, 2011

SECURITIES LISTINGS
Korea Stock Exchange: 017670.KS
(Common Stock)
New York Stock Exchange: SKM (ADS)

TRANSFER AGENT AND REGISTRAR
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Kookmin Bank
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AVAILABLE FILINGS
Form 20-F
Form 6-K: Quarterly Reports,
Proxy Statements, and other material
announcements

ANNUAL GENERAL SHAREHOLDERS' MEETING
Friday, March 23, 2012, at 10 AM
SK Telecom Boramae Building,
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SK telecom

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