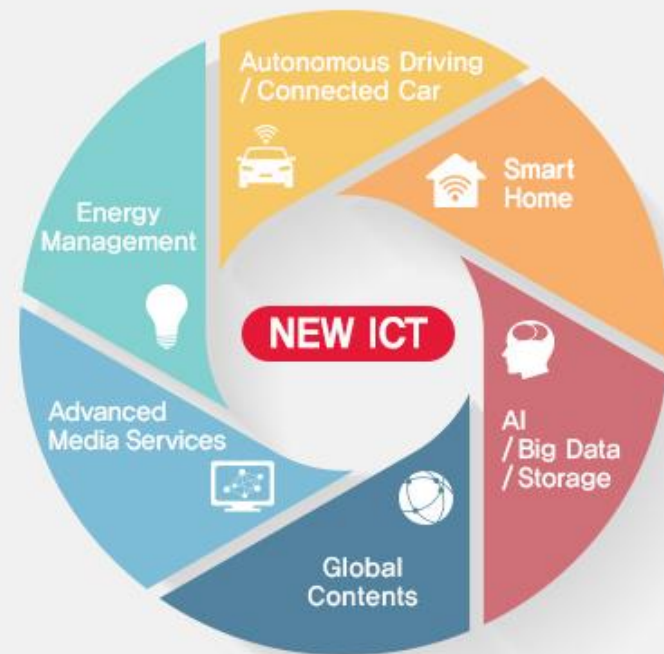


# SK telecom Investor Presentation

November 2017



# Disclaimer

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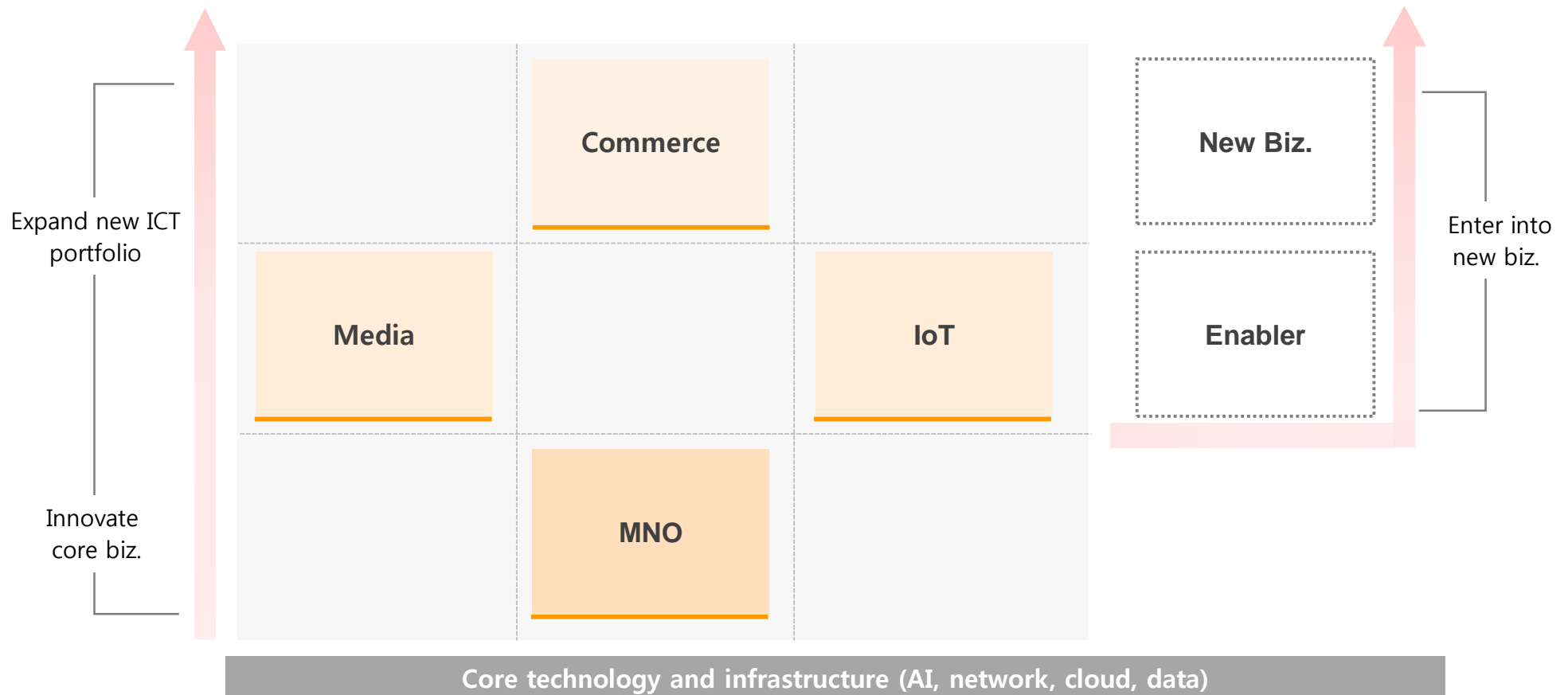
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# I . Key Takeaways

## 1. New ICT strategy

- On the basis of core competencies in technology and infrastructure, SK telecom is primed to evolve into a new ICT leader, encompassing MNO, Media, IoT and Commerce



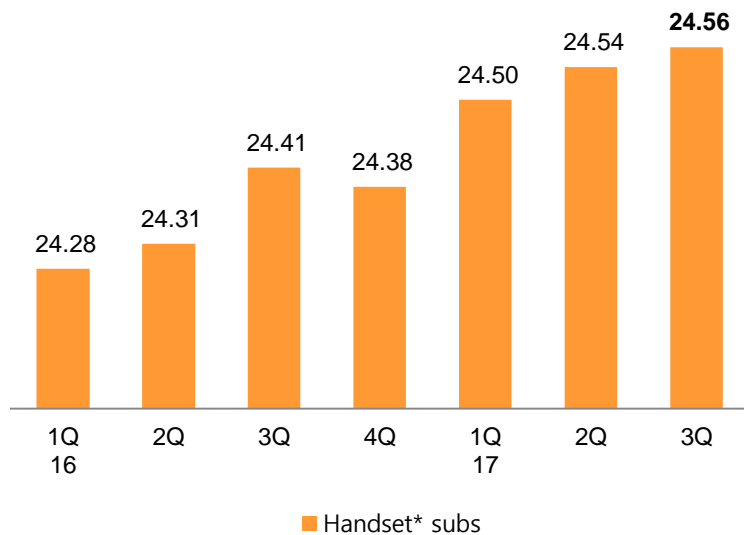
# I . Key Takeaways

## 2. MNO - Subscribers

- While handset subscriber base expands, data usage per sub increased by 20% YoY

Handset subs

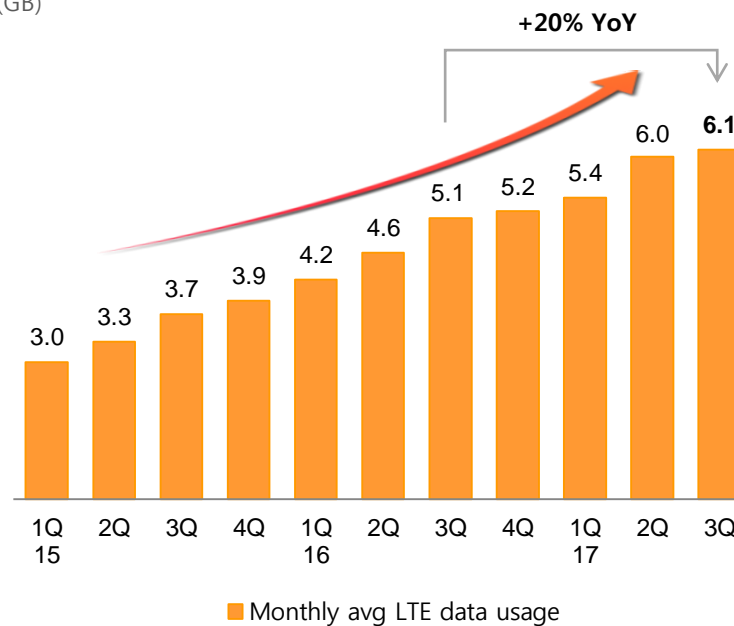
(mn)



\* Excludes MVNO

LTE data usage per sub

(GB)

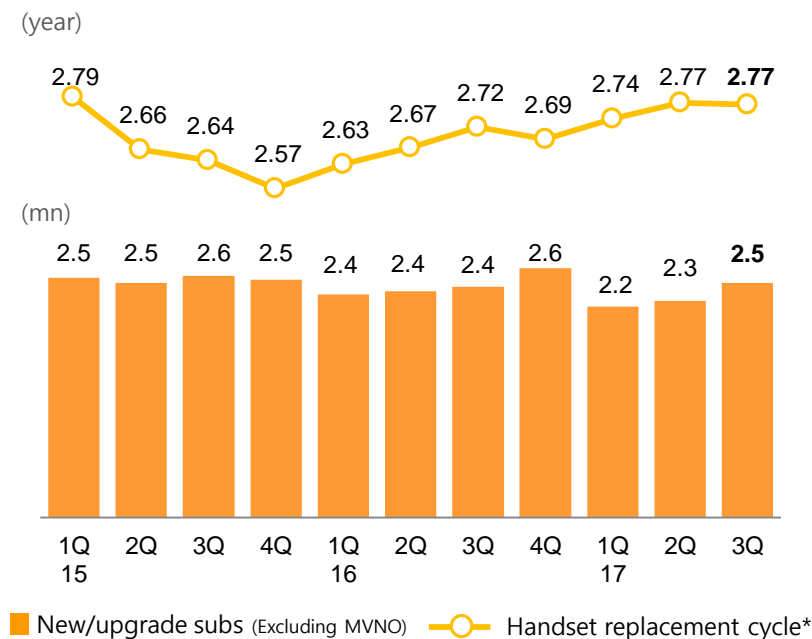


# I . Key Takeaways

## 2. MNO - Marketing

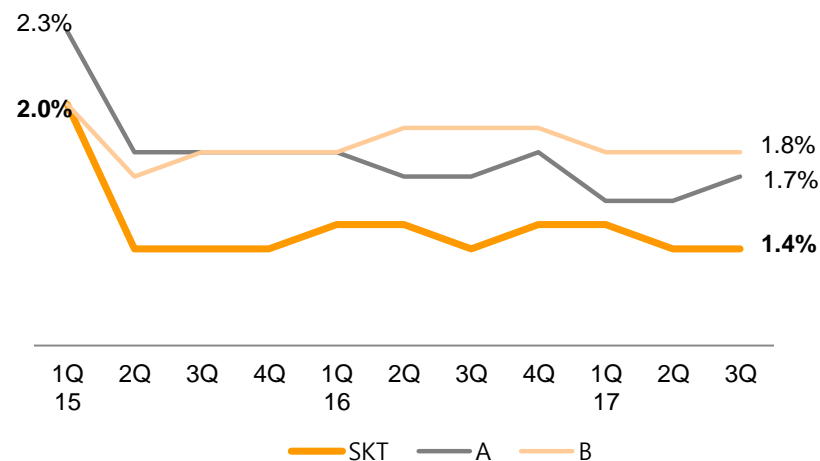
- Efficient use of resources led rise in handset replacement cycle and stabilization of churn rate

### Handset replacement cycle



\*Cumulative subs. / New and upgrade subs in yearly basis

### Monthly avg churn rate



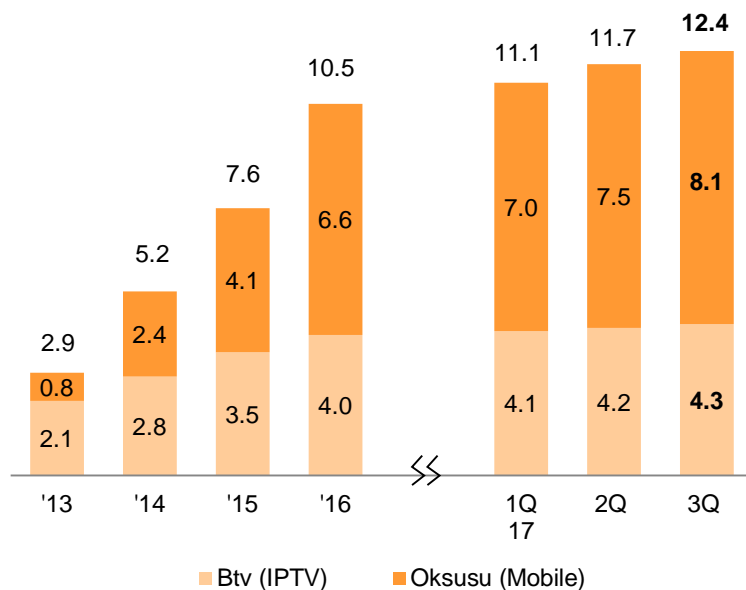
# I . Key Takeaways

## 3. Media

- Revenue continues to grow due to the expansion of media subscriber base

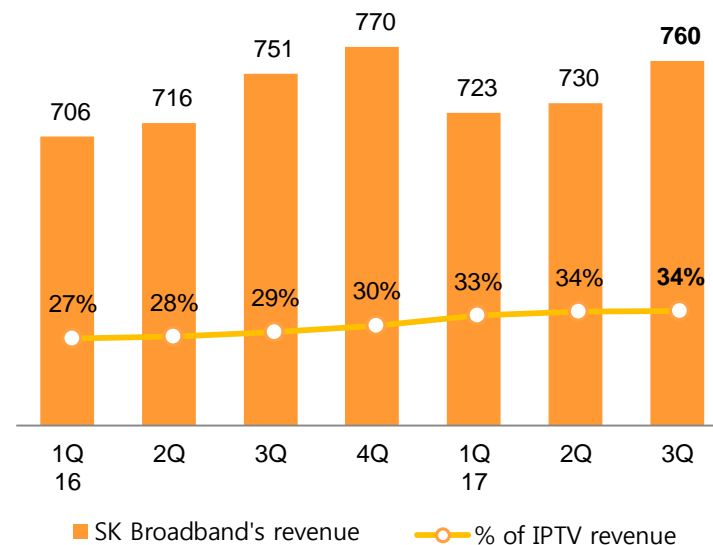
Media subscribers

(mn)



Media revenue

(KRW bn)



- Discovering new business model based on connectivity expansion and data analysis technology

### Strategic direction



Monetize by  
creating new  
business model

### [New business model case ]



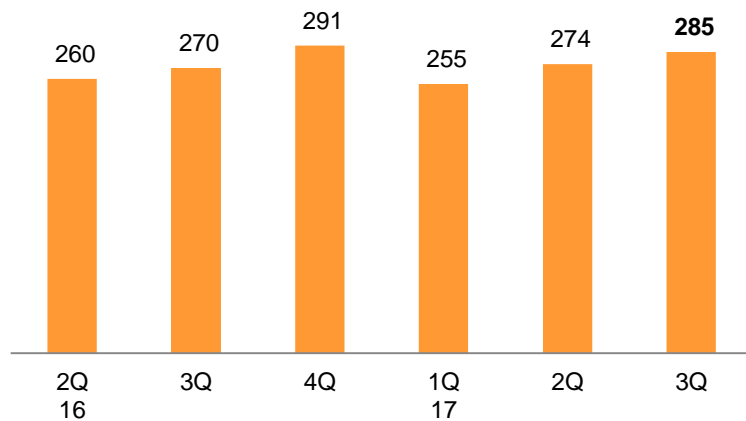


- Maintaining revenue uptrend and profitability improvement by efficiently managing expenses

### SK Planet's operating revenue

Revenue growth of 11st('17.3Q)  
: **+26% YoY**

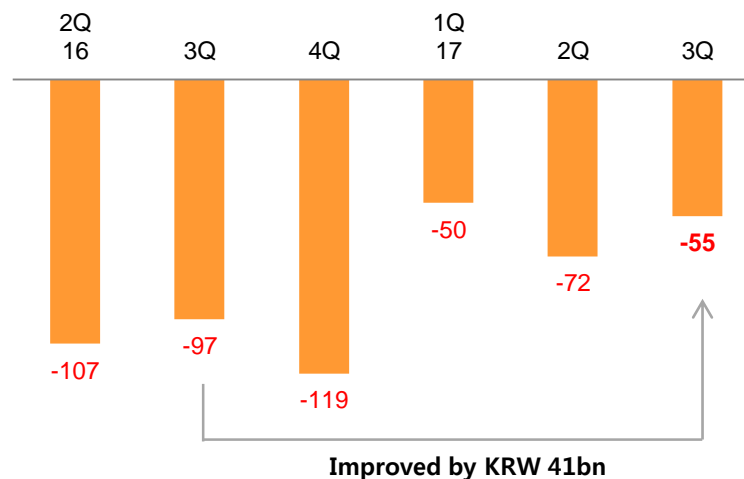
(KRW bn)



■ SK Planet's operating revenue

### SK Planet's operating loss

(KRW bn)



■ SK Planet's operating loss

- Expanding and upgrading NUGU Platform by leveraging internal assets

### Strategic direction of AI



- Expansion of NUGU platform into various device lineups

- Accumulating customer data gathered from voice recognition (Max 1.9mn/day)

- Strengthening connection with internal data & asset including MNO and Tmap

### AI Roadmap

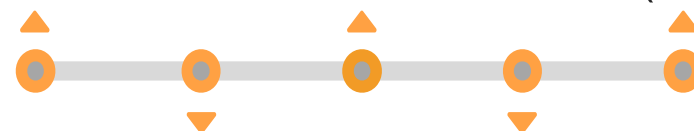
  
NUGU mini  
(Aug)



Kids phone x  
NUGU  
(Oct)



AI  
Set-top box  
(Dec)



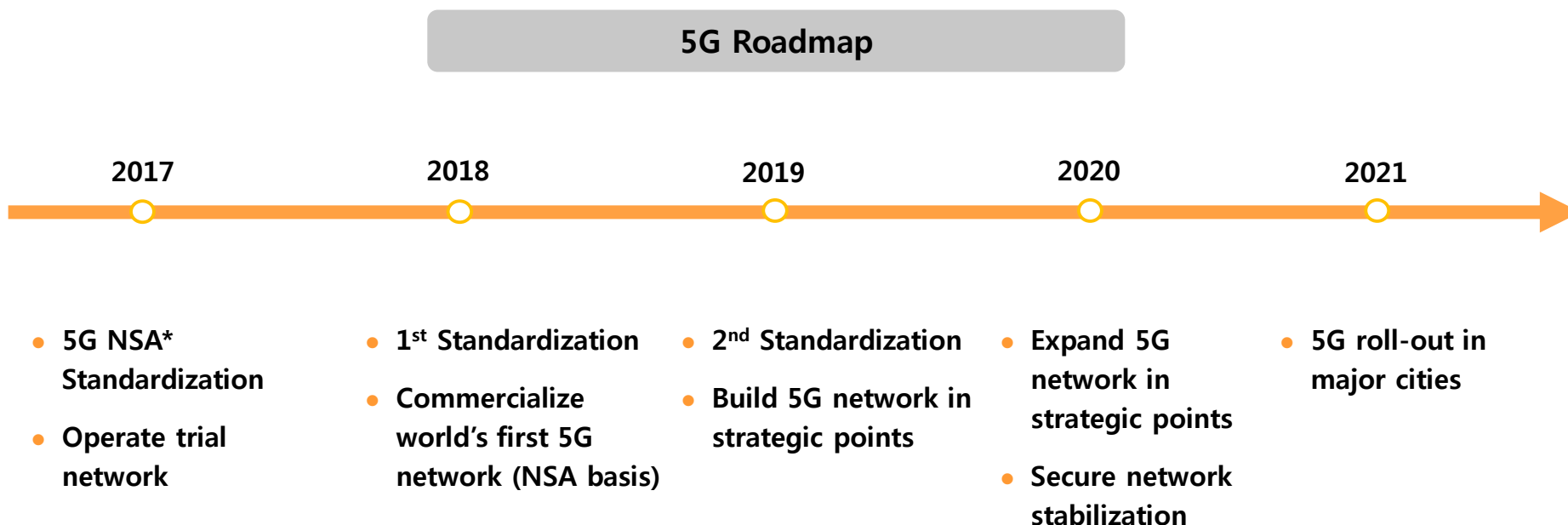
T map x NUGU  
(Sep)



T map Calling  
Feature Update  
(Nov)



- Secure 5G initiatives by world's first commercialization of 5G network



\*NSA: Non-standalone, network technology that sends 5G wireless signal through LTE network

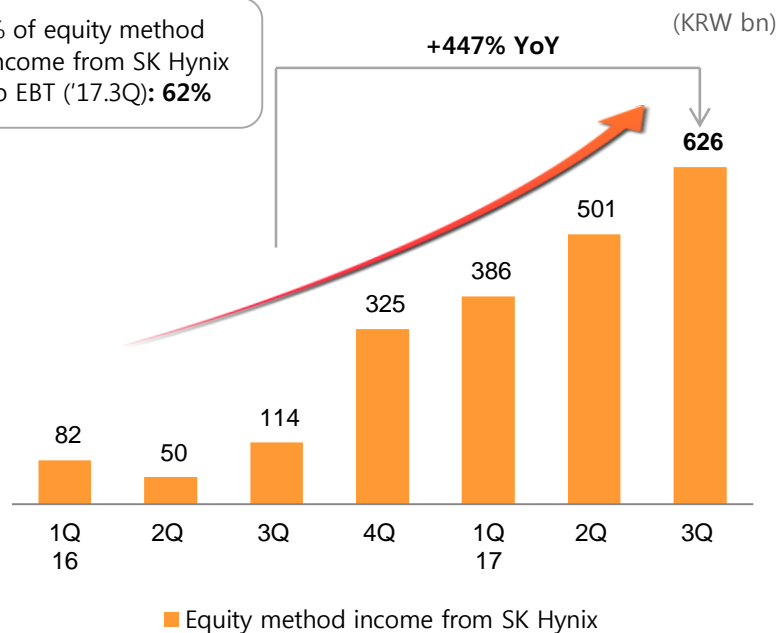
# I . Key Takeaways

## 8. SK Hynix

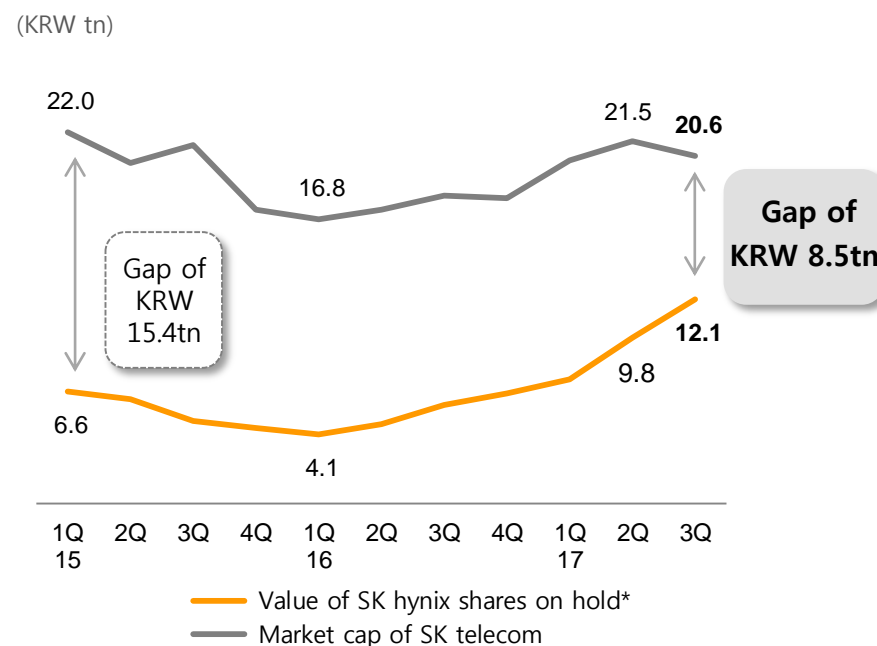
- Equity method income from SK Hynix continues to grow while the value of SK telecom's shares on hold valued at KRW 12.1tn

### Equity method income from SK Hynix

% of equity method income from SK Hynix to EBT ('17.3Q): **62%**



### Value of SK Hynix shares on hold



\* Share price of SK Hynix × number of shares on hold

## II. Financial Results

Consolidated

### ◆ Summary of Income Statement (Consolidated)

(KRW bn)	2017 3Q	2016 3Q	YoY	2017 2Q	QoQ
<b>Operating revenues</b>	<b>4,442.7</b>	<b>4,243.8</b>	<b>4.7%</b>	<b>4,345.6</b>	<b>2.2%</b>
<b>Operating expenses</b>	<b>4,050.3</b>	<b>3,819.5</b>	<b>6.0%</b>	<b>3,922.3</b>	<b>3.3%</b>
<i>Labor cost</i>	<i>509.5</i>	<i>448.8</i>	<i>13.5%</i>	<i>465.1</i>	<i>9.6%</i>
<i>Commissions paid</i>	<i>1,372.8</i>	<i>1,314.6</i>	<i>4.4%</i>	<i>1,367.3</i>	<i>0.4%</i>
<i>Depreciation<sup>1)</sup></i>	<i>816.6</i>	<i>764.3</i>	<i>6.8%</i>	<i>805.8</i>	<i>1.3%</i>
<i>Network Interconnection</i>	<i>224.1</i>	<i>264.5</i>	<i>-15.2%</i>	<i>213.0</i>	<i>5.2%</i>
<i>Cost of goods sold</i>	<i>477.9</i>	<i>417.4</i>	<i>14.5%</i>	<i>445.4</i>	<i>7.3%</i>
<i>Others</i>	<i>649.4</i>	<i>610.0</i>	<i>6.5%</i>	<i>625.8</i>	<i>3.8%</i>
<b>Operating income</b>	<b>392.4</b>	<b>424.3</b>	<b>-7.5%</b>	<b>423.3</b>	<b>-7.3%</b>
<i>Operating margin</i>	<i>8.8%</i>	<i>10.0%</i>	<i>-1.2%p</i>	<i>9.7%</i>	<i>-0.9%p</i>
<b>Net profit or loss from non-operating items</b>	<b>611.6</b>	<b>6.9</b>	<b>8,799.7%</b>	<b>325.2</b>	<b>88.1%</b>
<b>Income before taxes</b>	<b>1,004.1</b>	<b>431.2</b>	<b>132.9%</b>	<b>748.4</b>	<b>34.2%</b>
<b>Consolidated net income</b>	<b>793.0</b>	<b>322.1</b>	<b>146.2%</b>	<b>620.5</b>	<b>27.8%</b>
<b>EBITDA<sup>2)</sup></b>	<b>1,209.0</b>	<b>1,188.6</b>	<b>1.7%</b>	<b>1,229.0</b>	<b>-1.6%</b>
<i>EBITDA margin</i>	<i>27.2%</i>	<i>28.0%</i>	<i>-0.8%p</i>	<i>28.3%</i>	<i>-1.1%p</i>
<b>Basic earnings per share(KRW)</b>	<b>11,271</b>	<b>4,604</b>	<b>144.8%</b>	<b>8,731</b>	<b>29.1%</b>

1) Includes R&D related depreciation

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

#### ● Operating revenues

- Consolidated revenues rose by 4.7% YoY and 2.2% QoQ as wireless service revenue increased and businesses at major subsidiaries including SK Broadband and SK Planet continued to grow.

#### ● Operating income

- Margins continued to improve at SK Planet, but higher marketing and depreciation expense at the parent level led consolidated operating profits to decrease by 7.5% YoY and 7.3% QoQ,

#### ● Net income

- Net income rose by 146.2% YoY and 27.8% QoQ as equity gains from SK Hynix increased.

※ SK Hynix equity method gains (KRW bn)  
3Q17 : 625.5, 2Q17 : 501.3, 3Q16 : 114.4

## II. Financial Results

Consolidated

### ◆ Summary of Balance Sheet (Consolidated)

(KRW bn)	2017 3Q	2017 2Q	QoQ	2016 4Q	Chg. %
<b>Total assets</b>	<b>31,923.8</b>	<b>30,777.8</b>	<b>3.7%</b>	<b>31,297.7</b>	<b>2.0%</b>
Current assets	6,008.3	5,792.6	3.7%	5,996.6	0.2%
<i>Cash and marketable securities</i>	<i>2,111.5</i>	<i>1,925.7</i>	<i>9.6%</i>	<i>2,034.0</i>	<i>3.8%</i>
Non-current assets	25,915.5	24,985.2	3.7%	25,301.0	2.4%
<i>Investment assets</i>	<i>9,802.0</i>	<i>8,963.0</i>	<i>9.4%</i>	<i>8,233.8</i>	<i>19.0%</i>
<i>Property &amp; Equipment</i>	<i>9,601.6</i>	<i>9,573.7</i>	<i>0.3%</i>	<i>10,374.2</i>	<i>-7.4%</i>
<i>Intangible assets</i>	<i>5,607.9</i>	<i>5,682.8</i>	<i>-1.3%</i>	<i>5,708.8</i>	<i>-1.8%</i>
<b>Total liabilities</b>	<b>14,447.7</b>	<b>14,102.6</b>	<b>2.4%</b>	<b>15,181.2</b>	<b>-4.8%</b>
Current liabilities	6,387.7	6,088.4	4.9%	6,444.1	-0.9%
Non-current liabilities	8,060.0	8,014.1	0.6%	8,737.1	-7.7%
<b>Total shareholders' equity</b>	<b>17,476.1</b>	<b>16,675.2</b>	<b>4.8%</b>	<b>16,116.4</b>	<b>8.4%</b>
<b>Interest-bearing financial debt</b>	<b>7,451.2</b>	<b>7,379.3</b>	<b>1.6%</b>	<b>7,369.7</b>	<b>1.1%</b>
<b>Net debt</b>	<b>5,339.7</b>	<b>5,453.6</b>	<b>2.0%</b>	<b>5,335.7</b>	<b>0.1%</b>

#### ● Assets

- Increased by 2.0% from previous year end due to growth in the book value of SK Hynix.

#### ● Shareholders' equity

- Increased by 8.4% from previous year end due to growth in net income.

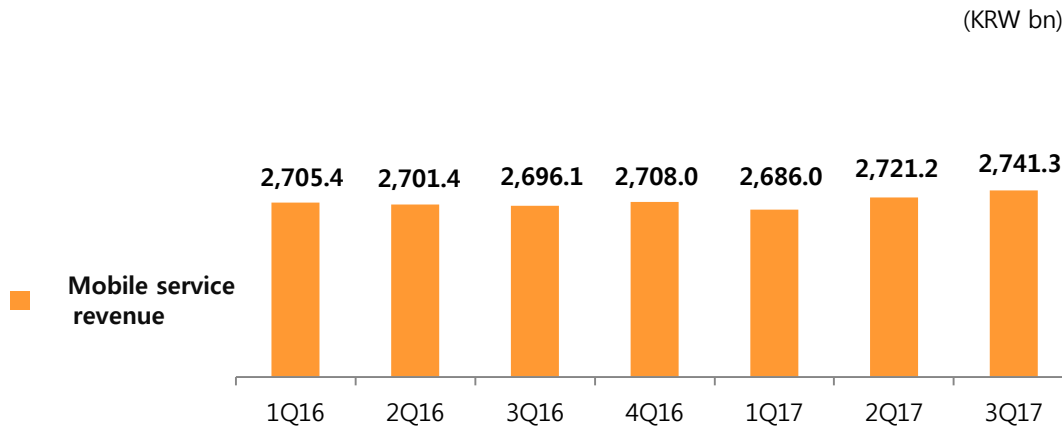
## II. Financial Results

## Non-Consolidated

### ◆ Operating Revenues (Non-consolidated)

(KRW bn)	2017 3Q	2016 3Q	YoY	2017 2Q	QoQ
<b>Total operating revenues</b>	<b>3,156.5</b>	<b>3,101.8</b>	<b>1.8%</b>	<b>3,109.6</b>	<b>1.5%</b>
Mobile service revenue	2,741.3	2,696.1	1.7%	2,721.2	0.7%
Interconnection revenue	150.2	180.8	-16.9%	144.7	3.8%
Others <sup>1)</sup>	265.0	224.9	17.9%	243.7	8.7%

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



#### ● Mobile service revenue

- Increased by 1.7% YoY and 0.7% QoQ driven by handset subscriber expansion and data usage growth.

#### ● Interconnection revenue

- Decreased by 16.9% YoY on account of lower interconnection rates.
- Rose by 3.8% QoQ from larger mobile-to-mobile call volume.

#### ● Other revenue

- Up 17.9% YoY and 8.7% QoQ from rise in IoT solutions business revenue.

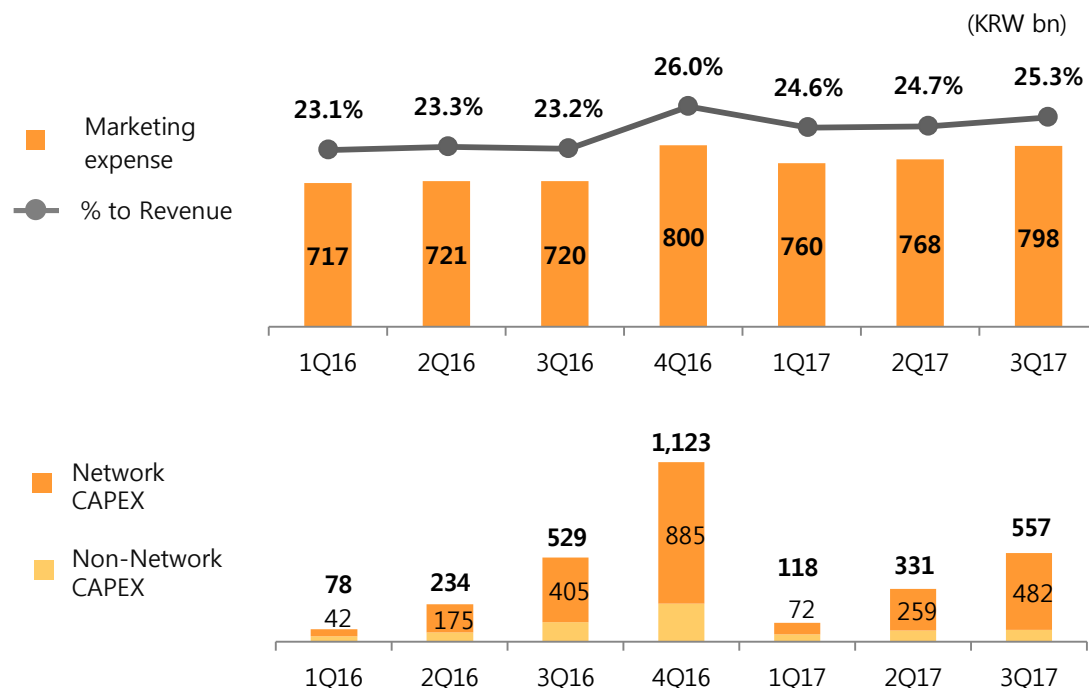
## II. Financial Results

Non-Consolidated

### ◆ Marketing expense & CAPEX

(KRW bn)	2017 3Q	2016 3Q	YoY	2017 2Q	QoQ
<b>Marketing expense<sup>1)</sup></b>	<b>797.6</b>	<b>719.8</b>	<b>10.8%</b>	<b>767.7</b>	<b>3.9%</b>
<i>% of operating revenue</i>	<i>25.3%</i>	<i>23.2%</i>	<i>2.1%p</i>	<i>24.7%</i>	<i>0.6%p</i>
<b>Capital expenditure</b>	<b>556.7</b>	<b>528.5</b>	<b>5.3%</b>	<b>330.7</b>	<b>68.3%</b>
<i>% of operating revenue</i>	<i>17.6%</i>	<i>17.0%</i>	<i>0.6%p</i>	<i>10.6%</i>	<i>7.0%p</i>

1) Marketing expense = marketing related commission + advertising expenses



#### ● Marketing expense

- Increased by 10.8% YoY and 3.9% QoQ in response to market competition.

#### ● CAPEX

- Increased by 5.3% YoY from fulfilling network deployment obligations and preparing growth businesses.



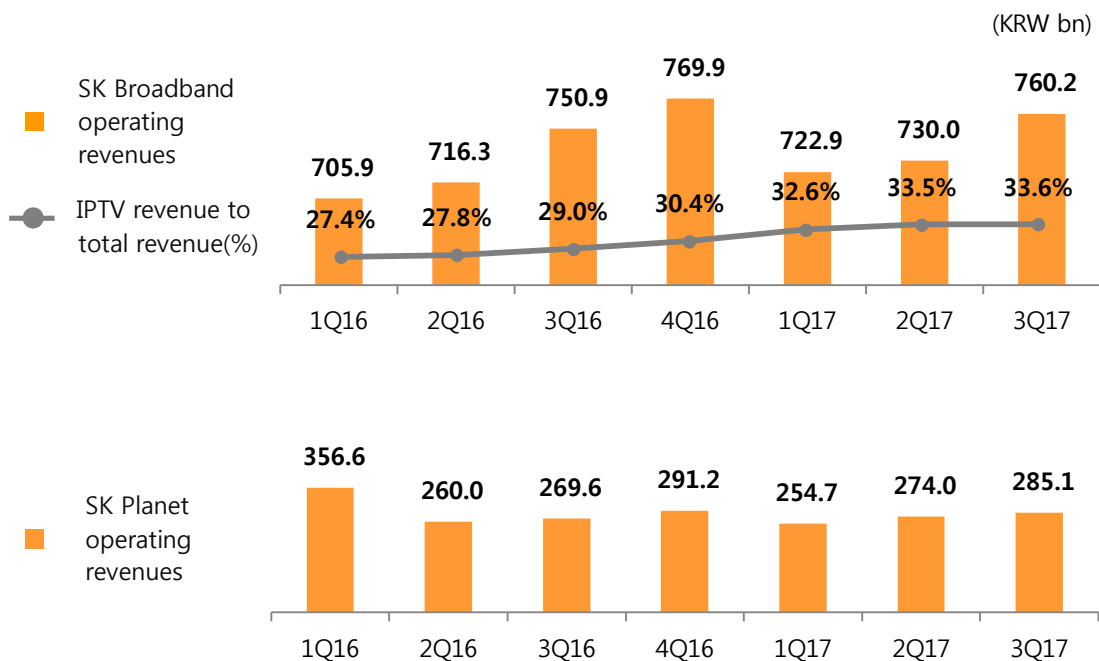
## II. Financial Results

## Major Subsidiaries

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

(KRW bn)	2017 3Q	2016 3Q	YoY	2017 2Q	QoQ
<b>SK Broadband</b>	<b>760.2</b>	<b>750.9</b>	<b>1.2%</b>	<b>730.0</b>	<b>4.1%</b>
<i>IPTV</i>	255.5	217.4	17.5%	244.6	4.5%
<i>Others<sup>1)</sup></i>	504.7	533.5	-5.4%	485.4	4.0%
<b>SK Planet</b>	<b>285.1</b>	<b>269.6</b>	<b>5.8%</b>	<b>274.0</b>	<b>4.1%</b>

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



#### ● SK Broadband Revenues

- Total revenues increased by 1.2% YoY and 4.1% QoQ as IPTV service revenue continued to grow.
- Other revenues decreased by 5.4% YoY as both number of landline subscribers and call volume declined, but increased by 4.0% QoQ due to growth in high-speed internet service revenue and wireline network construction revenue.

#### ● SK Planet Revenues

- Total revenues rose by 5.8% YoY and 4.1% QoQ as revenues from e-commerce business increased.

### III. Appendix

### Subscribers & ARPU

#### ◆ Subscribers

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	YoY	QoQ
<b>Subscribers ('000) <sup>1)</sup></b>	28,921	29,150	29,451	29,595	29,833	29,993	30,156	2.4%	0.5%
Net adds	295	229	301	144	238	160	164	-45.5%	2.5%
Activations	1,552	1,536	1,503	1,504	1,583	1,385	1,462	-2.7%	5.6%
Deactivations	1,257	1,307	1,203	1,360	1,345	1,225	1,298	8.0%	6.0%
<i>Monthly churn rate</i>	<i>1.5%</i>	<i>1.5%</i>	<i>1.4%</i>	<i>1.5%</i>	<i>1.5%</i>	<i>1.4%</i>	<i>1.4%</i>	<i>0.1%p</i>	<i>0.1%p</i>
<b>Smartphone Subscribers ('000)</b>	20,985	21,308	21,662	21,877	22,181	22,424	22,735	5.0%	1.4%
<b>LTE Subscribers ('000)</b>	19,526	20,028	20,545	21,078	21,650	22,071	22,569	9.8%	2.3%
<i>LTE Penetration</i>	<i>67.5%</i>	<i>68.7%</i>	<i>69.8%</i>	<i>71.2%</i>	<i>72.6%</i>	<i>73.6%</i>	<i>74.8%</i>	<i>5.1%p</i>	<i>1.3%p</i>

<b>High speed internet ('000)</b>	5,092	5,145	5,181	5,207	5,310	5,344	5,403	4.3%	1.1%
<b>IPTV ('000) <sup>2)</sup></b>	3,631	3,766	3,878	3,968	4,073	4,170	4,287	10.5%	2.8%

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

2) Revised subscriber count including VoD users effective as of 2Q17 (historical data retroactively changed)

#### ◆ ARPU

(KRW)	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	YoY	QoQ
Billing ARPU <sup>1)</sup>	35,959	35,764	35,471	35,355	34,927	35,241	35,488	0.0%	0.7%
ARPU including MVNO	32,611	32,324	32,010	31,788	31,316	31,532	31,649	-1.1%	0.4%

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

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

### III. Appendix

### Income Statement (Consolidated)

(in KRW bn)	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	3Q17
<b>Operating revenues</b>	<b>17,136.7</b>	<b>4,228.5</b>	<b>4,267.3</b>	<b>4,243.8</b>	<b>4,352.3</b>	<b>17,091.8</b>	<b>4,234.4</b>	<b>4,345.6</b>	<b>4,442.7</b>
<b>Operating expenses</b>	<b>15,428.7</b>	<b>3,826.3</b>	<b>3,859.9</b>	<b>3,819.5</b>	<b>4,050.3</b>	<b>15,556.1</b>	<b>3,823.9</b>	<b>3,922.3</b>	<b>4,050.3</b>
Labor cost	1,893.7	476.9	465.7	448.8	478.4	1,869.8	462.8	465.1	509.5
Commissions paid	5,207.0	1,323.4	1,327.0	1,314.6	1,411.7	5,376.7	1,363.3	1,367.3	1,372.8
Advertising	405.0	87.5	108.1	103.9	139.0	438.5	85.4	123.4	128.4
Depreciation <sup>1)</sup>	2,992.9	748.9	752.2	764.3	802.3	3,067.7	792.7	805.8	816.6
Network interconnection	957.6	263.9	255.5	264.5	170.5	954.3	221.1	213.0	224.1
Leased line	200.0	54.2	59.4	44.8	49.3	207.7	48.8	49.9	47.6
Frequency usage fees	189.8	47.9	49.5	46.7	42.7	186.8	39.0	33.5	39.0
Cost of goods sold	1,955.9	426.6	451.6	417.4	542.8	1,838.4	402.2	445.4	477.9
Others	1,626.9	397.1	390.9	414.6	413.8	1,616.4	408.5	418.9	434.4
<b>Operating income</b>	<b>1,708.0</b>	<b>402.1</b>	<b>407.4</b>	<b>424.3</b>	<b>301.9</b>	<b>1,535.7</b>	<b>410.5</b>	<b>423.3</b>	<b>392.4</b>
<i>EBITDA</i>	4,700.9	1,151.0	1,159.6	1,188.6	1,104.2	4,603.4	1,203.2	1,229.0	1,209.0
<i>EBITDA margin</i>	27.4%	27.2%	27.2%	28.0%	25.4%	26.9%	28.4%	28.3%	27.2%
<b>Net profit or loss from non-operating items</b>	<b>327.4</b>	<b>334.0</b>	<b>(42.6)</b>	<b>6.9</b>	<b>262.1</b>	<b>560.4</b>	<b>313.7</b>	<b>325.2</b>	<b>611.6</b>
Interest income	45.9	12.0	12.3	14.6	15.3	54.4	25.3	14.7	18.5
Interest expenses	297.7	72.4	70.0	74.7	73.4	290.5	74.4	75.1	72.0
Profit or loss in other non-operating items	579.1	394.3	15.1	66.9	320.2	796.5	362.9	385.5	665.2
<b>Income before tax</b>	<b>2,035.4</b>	<b>736.1</b>	<b>364.8</b>	<b>431.2</b>	<b>564.1</b>	<b>2,096.1</b>	<b>724.2</b>	<b>748.4</b>	<b>1,004.1</b>
<b>Consolidated net income</b>	<b>1,515.9</b>	<b>572.3</b>	<b>291.0</b>	<b>322.1</b>	<b>474.7</b>	<b>1,660.1</b>	<b>583.5</b>	<b>620.5</b>	<b>793.0</b>
Majority interests	1,518.6	571.8	290.1	325.1	488.9	1,676.0	589.1	624.9	795.8
Minority interests	(2.7)	0.5	0.9	(3.0)	(14.2)	(15.9)	(5.7)	(4.4)	(2.9)
<b>Basic earnings per share (KRW)</b>	<b>20,988</b>	<b>8,099</b>	<b>3,990</b>	<b>4,604</b>	<b>6,905</b>	<b>23,497</b>	<b>8,344</b>	<b>8,731</b>	<b>11,271</b>

1) Includes R&D related depreciation

### III. Appendix

### Income Statement (Non-consolidated)

(in KRW bn)	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	3Q17
<b>Operating revenues</b>	<b>12,557.0</b>	<b>3,098.3</b>	<b>3,092.0</b>	<b>3,101.8</b>	<b>3,058.4</b>	<b>12,350.5</b>	<b>3,088.0</b>	<b>3,109.6</b>	<b>3,156.5</b>
<b>Operating expenses</b>	<b>10,898.2</b>	<b>2,668.4</b>	<b>2,613.8</b>	<b>2,624.7</b>	<b>2,661.4</b>	<b>10,568.3</b>	<b>2,648.6</b>	<b>2,647.3</b>	<b>2,735.9</b>
Labor cost	694.7	173.0	161.8	148.6	151.3	634.8	156.9	151.9	152.6
Commissions paid	5,102.7	1,218.3	1,140.0	1,144.7	1,213.5	4,716.6	1,197.5	1,196.6	1,242.5
Marketing commissions	2,878.9	689.5	672.3	680.4	736.5	2,778.7	737.1	727.0	760.1
Other commissions	2,223.9	528.7	467.7	464.3	477.0	1,937.8	460.4	469.6	482.4
Advertising	175.8	27.1	48.5	39.4	59.2	174.2	22.4	40.7	37.5
Depreciation <sup>1)</sup>	2,279.9	570.8	576.0	585.2	622.9	2,354.8	613.9	620.5	628.6
Network interconnection	720.9	193.3	189.2	193.0	111.6	687.0	156.7	152.2	161.7
Leased line	168.2	40.8	42.4	40.8	37.0	161.0	36.9	37.4	34.7
Frequency usage fees	189.8	47.9	49.5	46.7	42.7	186.8	39.0	33.5	39.0
Others	1,566.2	397.4	406.3	426.3	423.3	1,653.3	425.2	414.4	439.2
<b>Operating income</b>	<b>1,658.8</b>	<b>429.9</b>	<b>478.2</b>	<b>477.1</b>	<b>397.0</b>	<b>1,782.2</b>	<b>439.4</b>	<b>462.3</b>	<b>420.7</b>
<i>EBITDA</i>	3,938.7	1,000.6	1,054.2	1,062.3	1,019.9	4,136.9	1,053.2	1,082.9	1,049.3
<i>EBITDA margin</i>	31.4%	32.3%	34.1%	34.2%	33.3%	33.5%	34.1%	34.8%	33.2%
<b>Net profit or loss from non-operating items</b>	<b>(189.3)</b>	<b>35.8</b>	<b>(97.8)</b>	<b>(71.1)</b>	<b>(86.4)</b>	<b>(219.4)</b>	<b>50.2</b>	<b>(89.0)</b>	<b>143.5</b>
Interest income	20.6	6.4	5.8	9.6	9.5	31.4	20.3	9.1	12.8
Interest expenses	241.6	59.5	57.2	62.0	60.7	239.4	61.7	61.9	58.8
Net profit or loss from other non-operating items	31.7	88.9	(46.4)	(18.7)	(35.2)	(11.3)	91.6	(36.2)	189.5
<b>Income before tax</b>	<b>1,469.4</b>	<b>465.7</b>	<b>380.5</b>	<b>406.0</b>	<b>310.6</b>	<b>1,562.8</b>	<b>489.6</b>	<b>373.3</b>	<b>564.2</b>
<b>Net income</b>	<b>1,106.8</b>	<b>382.2</b>	<b>284.1</b>	<b>324.6</b>	<b>226.3</b>	<b>1,217.3</b>	<b>388.2</b>	<b>314.1</b>	<b>478.7</b>

1) Includes R&D related depreciation

### III. Appendix

### Balance Sheet (Consolidated)

(in KRW bn)	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
<b>Total assets</b>	<b>28,581.4</b>	<b>28,490.4</b>	<b>28,529.4</b>	<b>29,555.7</b>	<b>31,297.7</b>	<b>30,517.8</b>	<b>30,777.8</b>	<b>31,923.8</b>
<b>Current assets</b>	<b>5,160.2</b>	<b>5,805.8</b>	<b>6,118.6</b>	<b>5,777.7</b>	<b>5,996.6</b>	<b>5,965.1</b>	<b>5,792.6</b>	<b>6,008.3</b>
Cash and marketable securities <sup>1)</sup>	1,505.0	1,621.6	1,983.9	1,537.5	2,034.0	2,096.7	1,925.7	2,111.5
Accounts receivable	3,018.6	3,522.7	3,473.4	3,580.7	3,362.4	3,149.1	3,212.7	3,132.9
Short-term loans	53.9	66.2	66.2	65.7	59.0	70.0	79.5	74.4
Inventories	273.6	278.4	270.9	274.0	259.8	248.6	263.5	248.8
Other current assets	309.2	317.0	324.2	319.8	281.4	400.7	311.2	440.7
<b>Non-current assets</b>	<b>23,421.1</b>	<b>22,684.6</b>	<b>22,410.8</b>	<b>23,778.0</b>	<b>25,301.0</b>	<b>24,552.7</b>	<b>24,985.2</b>	<b>25,915.5</b>
Property & equipment	10,386.3	9,931.6	9,724.3	9,798.7	10,374.2	9,928.9	9,573.7	9,601.6
Intangible assets	4,213.4	4,094.8	3,982.3	5,101.3	5,708.8	5,597.2	5,682.8	5,607.9
Investment assets	8,114.1	8,007.4	7,986.4	8,046.8	8,233.8	8,356.0	8,963.0	9,802.0
Other non-current assets	707.3	650.9	717.9	831.2	984.2	670.6	765.6	904.1
<b>Total liabilities</b>	<b>13,207.3</b>	<b>13,375.2</b>	<b>13,161.9</b>	<b>14,011.5</b>	<b>15,181.2</b>	<b>14,605.3</b>	<b>14,102.6</b>	<b>14,447.7</b>
<b>Current liabilities</b>	<b>5,256.5</b>	<b>5,355.1</b>	<b>5,220.0</b>	<b>5,393.2</b>	<b>6,444.1</b>	<b>6,255.6</b>	<b>6,088.4</b>	<b>6,387.7</b>
Short-term borrowings	260.0	84.9	85.0	0.8	2.6	36.1	30.0	80.0
Accounts payable	1,985.8	1,775.4	1,734.0	1,843.4	2,646.1	1,685.3	1,555.6	1,709.5
Current portion of long-term debt	823.8	652.2	1,012.2	898.7	1,190.7	1,311.6	1,764.7	1,871.7
Other current liabilities	2,186.9	2,842.6	2,388.8	2,650.3	2,604.7	3,222.6	2,738.2	2,726.5
<b>Non-current liabilities</b>	<b>7,950.8</b>	<b>8,020.1</b>	<b>7,941.9</b>	<b>8,618.3</b>	<b>8,737.1</b>	<b>8,349.7</b>	<b>8,014.1</b>	<b>8,060.0</b>
Bonds payable & long-term borrowings	6,560.7	6,776.1	6,672.0	6,489.5	6,478.6	6,282.8	5,884.3	5,800.5
Long-term payables - other	581.7	468.7	470.5	1,302.3	1,624.6	1,332.6	1,337.1	1,342.2
Post-employment benefit obligation	98.9	134.7	149.4	150.8	70.7	87.8	102.7	120.3
Other non-current liabilities	709.5	640.6	650.0	675.8	563.2	646.5	690.0	797.0
<b>Total shareholders' equity</b>	<b>15,374.1</b>	<b>15,115.2</b>	<b>15,367.5</b>	<b>15,544.2</b>	<b>16,116.4</b>	<b>15,912.5</b>	<b>16,675.2</b>	<b>17,476.1</b>
Capital stock	44.6	44.6	44.6	44.6	44.6	44.6	44.6	44.6
Capital surplus	3,319.5	3,313.6	3,324.7	3,314.4	3,314.4	3,314.4	3,314.5	3,314.4
Retained earnings	15,007.6	14,941.4	15,214.2	15,469.4	15,953.2	15,895.5	16,513.4	17,242.4
Capital adjustments	(3,130.0)	(3,118.3)	(3,133.0)	(3,122.3)	(3,114.6)	(3,122.6)	(3,122.5)	(3,117.9)
Other comprehensive income/loss <sup>2)</sup>	9.3	(180.5)	(232.4)	(328.7)	(226.2)	(324.4)	(176.6)	(144.0)
Minority interests	123.0	114.3	149.4	166.7	145.0	104.9	101.8	136.6

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

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

### III. Appendix

### Balance Sheet (Non-consolidated)

(in KRW bn)	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
<b>Total assets</b>	<b>23,146.9</b>	<b>23,120.0</b>	<b>23,181.8</b>	<b>24,247.6</b>	<b>25,448.6</b>	<b>24,723.2</b>	<b>24,405.4</b>	<b>24,985.9</b>
<b>Current assets</b>	<b>2,713.5</b>	<b>3,144.4</b>	<b>3,560.0</b>	<b>3,255.5</b>	<b>3,661.1</b>	<b>3,642.8</b>	<b>3,458.0</b>	<b>3,630.4</b>
Cash and marketable securities <sup>1)</sup>	598.2	593.1	1,028.7	588.4	1,019.4	1,094.2	829.6	995.9
Accounts receivable	1,793.5	2,222.8	2,218.4	2,345.4	2,367.1	2,280.2	2,343.3	2,339.6
Short-term loans	47.7	59.1	59.0	59.1	54.1	61.1	66.4	65.8
Inventories	46.0	43.7	36.5	35.3	32.5	24.9	31.9	28.2
Other current assets	228.1	225.7	217.4	227.4	188.1	182.4	186.8	200.9
<b>Non-current assets</b>	<b>20,433.4</b>	<b>19,975.5</b>	<b>19,621.8</b>	<b>20,992.2</b>	<b>21,787.5</b>	<b>21,080.4</b>	<b>20,947.4</b>	<b>21,355.5</b>
Property & equipment	7,442.3	7,038.7	6,802.1	6,844.3	7,298.5	6,881.2	6,508.1	6,514.5
Intangible assets	3,072.3	2,974.6	2,891.6	4,037.2	4,581.9	4,502.9	4,580.1	4,490.6
Investment assets	9,547.1	9,634.2	9,525.7	9,605.2	9,287.6	9,389.4	9,451.6	9,789.5
Other non-current assets	371.7	328.0	402.5	505.4	619.4	306.8	407.7	560.9
<b>Total liabilities</b>	<b>9,367.5</b>	<b>9,565.1</b>	<b>9,379.0</b>	<b>10,149.6</b>	<b>11,191.6</b>	<b>10,684.6</b>	<b>9,991.2</b>	<b>10,161.2</b>
<b>Current liabilities</b>	<b>3,491.3</b>	<b>3,466.9</b>	<b>3,370.8</b>	<b>3,460.4</b>	<b>4,464.2</b>	<b>4,578.8</b>	<b>4,284.6</b>	<b>4,526.5</b>
Short-term borrowings	230.0	-	-	-	-	-	-	-
Accounts payable	1,299.1	1,168.1	1,277.0	1,252.3	2,005.0	1,312.4	1,132.5	1,324.0
Current portion of long-term debt	712.8	438.2	795.2	678.3	930.6	1,099.5	1,569.6	1,674.3
Other current liabilities	1,249.4	1,860.6	1,298.5	1,529.8	1,528.5	2,167.0	1,582.6	1,528.3
<b>Non-current liabilities</b>	<b>5,876.2</b>	<b>6,098.2</b>	<b>6,008.2</b>	<b>6,689.2</b>	<b>6,727.5</b>	<b>6,105.8</b>	<b>5,706.6</b>	<b>5,634.7</b>
Bonds payable & long-term borrowings	5,106.0	5,431.7	5,348.6	5,190.8	5,052.5	4,722.2	4,323.4	4,239.4
Long-term payables	551.0	438.5	440.8	1,268.6	1,602.9	1,311.8	1,317.3	1,322.9
Post-employment benefit obligation	4.0	22.5	23.8	25.7	-	-	3.7	10.2
Other non-current liabilities	215.2	205.5	195.0	204.1	72.0	71.9	62.2	62.2
<b>Total shareholders' equity</b>	<b>13,779.5</b>	<b>13,554.8</b>	<b>13,802.8</b>	<b>14,098.0</b>	<b>14,257.0</b>	<b>14,038.5</b>	<b>14,414.2</b>	<b>14,824.8</b>
Capital stock	44.6	44.6	44.6	44.6	44.6	44.6	44.6	44.6
Capital surplus	3,357.8	3,357.8	3,357.8	3,357.8	3,357.8	3,357.8	3,357.8	3,357.8
Retained earnings	13,418.6	13,158.4	13,432.0	13,686.0	13,902.6	13,648.6	13,954.6	14,365.5
Capital adjustments	(2,988.4)	(2,988.4)	(2,986.3)	(2,986.3)	(2,986.3)	(2,986.3)	(2,986.2)	(2,986.1)
Other comprehensive income/loss <sup>2)</sup>	(53.2)	(17.7)	(45.3)	(4.0)	(61.8)	(26.2)	43.4	42.9

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

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