



Investor Briefing

Results for the FY 2018

(K-IFRS, Non-audited)

SK Telecom

January 31, 2019

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As of January 1, 2018, the Company has adopted IFRS 15, 「Revenue from Contracts with Customers」, by recognizing the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of retained earnings as of January 1, 2018.

As a supplemental discussion of our operating results, this presentation contains unaudited results under the comparative historical accounting method prior to our adoption of IFRS 15.

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Consolidated Financial Results

(KRW bn)	2017 (Historical)	2018 (IFRS 15)	YoY	IFRS 15			Historical		
				3Q18	4Q18	QoQ	4Q17	4Q18	YoY
Operating Revenues	17,520.0	16,874.0	△3.7%	4,186.4	4,351.7	3.9%	4,497.3	4,371.3	△2.8%
Operating Expenses	15,983.4	15,672.2	△1.9%	3,882.3	4,126.4	6.3%	4,186.9	4,163.4	△0.6%
Operating Income	1,536.6	1,201.8	△21.8%	304.1	225.3	△25.9%	310.4	207.9	△33.0%
Net Income	2,657.6	3,132.0	17.9%	1,049.8	474.5	△54.8%	660.6	466.7	△29.3%
EBITDA	4,783.6	4,485.3	△6.2%	1,110.9	1,071.5	△3.5%	1,142.4	1,054.1	△7.7%
EPS (KRW)	36,582	44,075	20.5%	14,555	6,815	△53.2%	8,236	6,691	△18.8%

Financial Highlights

- Revenue for 2018 experienced a marginal decline of 3.7% YoY thanks to New ICT businesses such as media and security businesses making up for the decreased MNO revenue
 - While non-consolidated revenue decreased by 6.1% due to annual reflection of the tariff cut effect, the MNO revenue decline was narrowed with continued efforts to innovate customer value
 - SK Broadband marked record-high annual earnings^{Revenue KRW 3.25tn(YoY +6.6%)} in 2018 driven by qualitative growth of IPTV business, including growing content consumption and larger mix of UHD subscribers
 - While MNO revenue slightly decreased in 4Q18, consolidated revenue increased by 3.9% QoQ thanks to IPTV revenue growth as well as consolidation of ADT Caps' revenue
- While MNO marketing costs^{YoY -8.0%} were cut and 11ST' profitability^{YoY KRW +86.2bn} was improved, operating income for 2018 decreased by 21.8% YoY due to MNO revenue decrease
 - Operating income for 4Q18 fell QoQ due to one-off losses related to SK Planet's restructuring efforts
- Consolidated net income for 2018 recorded KRW 3.132 trillion, an 17.9% increase YoY, due to larger equity method gains on SK Hynix

Biz. Highlights

- Implementation of the 8 Customer Value Innovation Program reduced marketing costs while achieving continued net handset subscriber additions throughout the year and a record-low churn rate**

 - Increased customer benefits with a no-contract plan and a reorganized membership program; innovated price plans through T Plan and 0 Plan and strengthened retention; lessened burden of purchasing handsets by introducing T rental
 - With a roaming service launched in Dec. 2018 that provides free overseas voice calls on T Phone app. on top of the Guam-Saipan Pass which applies domestic rates, customer experiences regarding roaming were improved
 - MNO marketing costs decreased by 8.0% YoY and recorded a 10-year low
 - Handset subscribers recorded net adds every quarter, recording 185k for the year, while annual churn rate marked a record-low 1.22%
 - Also, set a new record as the company with the longest consecutive years of being ranked no.1 in all three customer satisfaction indices in Korea
- In media business, subscriber growth and competitive platform accelerated growth while the recent OTT service agreement with three terrestrial broadcasters secured a new growth opportunity**

 - IPTV subscribers reached 4.73 million^{YoY +9.7%}, and in Q4, the portion of high-ARPU UHD subscribers exceeded 50% ^{53.8%(YoY +11.4%p)}
 - Oksusu acquired 9.73 million subscribers^{YoY+13.4%} as of the end of 2018, thereby continuing growth, and signed an MOU to cooperate on an OTT service with 'POOQ', the service of the three terrestrial broadcasters (Jan. 3, 2019)
(For details, please refer to the Investor Briefing (I.B.) dated January 3, 2019, 'MOU for OTT Partnership with 3 Terrestrial Broadcaster')
<https://www.sktelecom.com/img/eng/presen/20190107/InvestorBriefingNewOTTPartnershipENG.pdf>
 - Launched the AI-based personalized music platform FLO in December, strengthening the media service portfolio
 - Agreed on establishing joint venture with the largest US terrestrial broadcaster Sinclair to enter the next-generation broadcasting solutions market, securing the opportunity to occupy the US broadcasting solutions market ahead of others (Jan. 7, 2019)

□ Completed acquisition SK Infosec, following that of ADT Caps and NSOK, building an optimal portfolio for security business, our new growth engine

- Invested KRW 702 billion in May 2018 and acquired a 55% stake and management rights to the nation's no.2 security company ADT Caps, the earnings of which contribute to consolidated earnings from Q4

(For details, please refer to the I.B. dated May 8, 2018 'ADT Caps Acquisition')

<https://www.sktelecom.com/img/eng/presen/20181026/InvestorBriefingADTCaps.pdf>

- ADT Caps and NSOK have completed the merger (Dec. 2018) and integration process; improved dispatch service quality and cost efficiency are expected as a result of integration of customer/infrastructure integration
- In December 2018, completed acquisition of nation's no.1 information security company SK Infosec, equipping ourselves with converged security service line-up, with quantum cryptography security of IDQ, and physical security of ADT Caps

(For details, please refer to the I.B. dated Oct. 26, 2018, 'SK Infosec Acquisition')

<https://www.sktelecom.com/img/eng/presen/20181026/InvestorBriefingSKInfosecAcquisitionENG.pdf>

□ 11ST successfully attracted investment of KRW 500 billion, valued at KRW 2.75 trillion^{Post-money}, and paved the way to reach BEP in 2019 through improved profitability in 2018

- With the newly raised KRW 500 billion, 11ST was spun off from SK Planet to be established as a separate entity (Sep. 2018)

(For details, please refer to the I.B. dated June 19, 2018, 'SK Planet Restructuring/ 11ST External Funding')

<https://www.sktelecom.com/img/eng/presen/20181026/InvestorBriefing11stExternalFundraising.pdf>

- Reduced losses by KRW 86.2 billion while maintaining annual revenue for 2018 similar to that of the previous year, and in 4Q18, achieved revenue growth^{QoQ} +9.3% and loss reduction^{QoQ} KRW -1.4bn at the same time
- Mobile-led growth continued, with portion of mobile transactions for 2018 growing by 4.2%p YoY to record 64.9%

□ Prepared 5G service with differentiated capabilities accumulated throughout all generations of mobile telecommunication, and successfully commenced 5G transmission in December, 2018

- Acquired the widest spectrum and optimal locations with minimal interference in the spectrum auction held in June 2018, laying the foundation for a stable 5G service with unmatched speed

(For details, please refer to the I.B. dated June 19, 2018, '5G Spectrum Auction Results')

<https://www.sktelecom.com/img/eng/presen/20181026/InvestorBriefingAuction.pdf>

- Began 5G network rollout starting from major areas including Seoul from 4Q18, and achieved the 5G transmission on December 1st

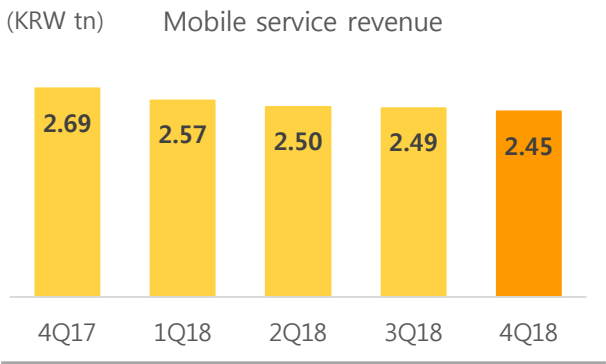


While the impact of tariff discount led to decline in mobile service revenue and ARPU, data-based marketing strategies led to growth in handset subscribers and effective marketing expense spending

Revenue (Historical accounting standards)

4Q18 mobile service revenue was down 9.0% YoY and 1.4% QoQ, affected by selective tariff discount and provisions for the disadvantaged

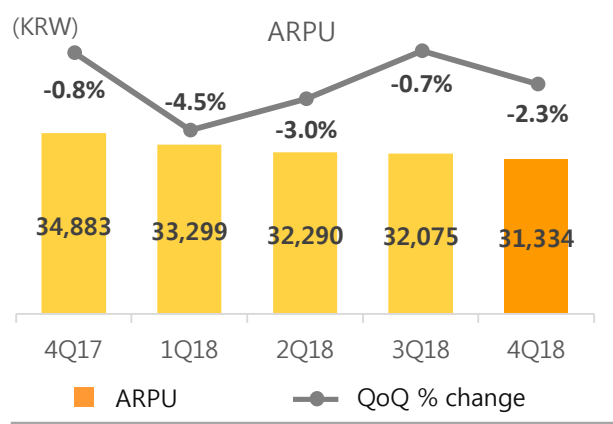
FY 18 mobile service revenue was down 7.1% YoY to KRW 10.0tn



ARPU (Historical accounting standards)

Impact of tariff discount led to 4Q18 ARPU decline of 10.2% YoY and 2.3% QoQ

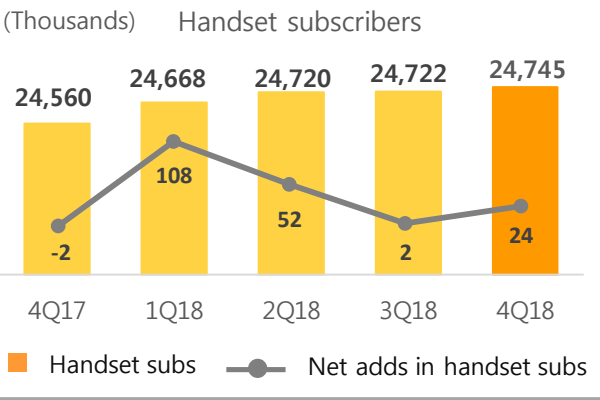
FY 18 ARPU of KRW 32,246 was down 7.6% YoY



Subscribers

‘Customer Value Innovation Program’ and new subscriber acquisition strategies drove net adds of 24k in 4Q18

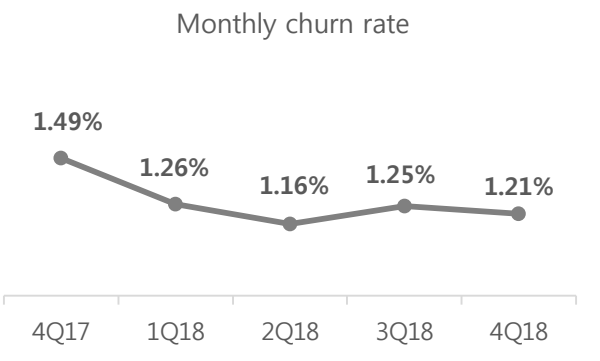
FY 18 cumulative net adds of 185k was higher than 176k in ‘17



Churn rate

Data-based marketing strategies and stable market competition led to stable churn rate

FY 18 churn rate recorded all-time low of 1.22%





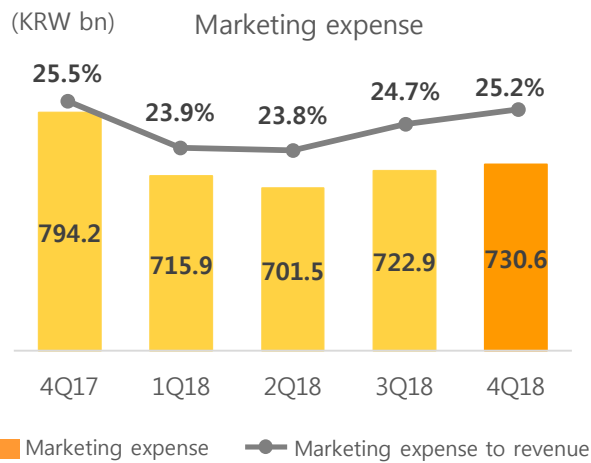
While the impact of tariff discount led to decline in mobile service revenue and ARPU, data-based marketing strategies led to growth in handset subscribers and effective marketing expense spending

Marketing expense

(Historical accounting standards)

4Q18 marketing expense was up 1.1% QoQ due to increase in advertising cost but down 8.0% YoY due to 'Customer Value Innovation Program' and market stabilization efforts. Marketing expense to revenue was down YoY despite lower revenue (4Q18 adjusted for lower interconnection rate impact)

FY 18 marketing expense of KRW 2.87tn was down 8.0% YoY



T Plan, the intuitive price plan

By end of December 2018, has attracted over 4mn subscribers since its launch by offering greater data allowance and bundling benefits

Added 'T Plan Regular' plan to meet customer demand (KRW 43,000/month, 2GB data/month)

More than 55% of subscribers on Family and Infinity plans share their data with family members

Marketing paradigm shift in 2018

Drive change and innovation through 'Customer Value Innovation Program'

[1] No-contract plan (March 5)

In lieu of contract discounts, points that can be applied toward future device purchases or monthly payments are awarded to lock in customers

[2] Roaming Plan Upgrade (March 22)

Offer 3 free minute and lower data roaming prices

[3] Membership Program Upgrade (April 2)

Strengthen customer benefit with unlimited membership points and actual benefits (T Day)

[4] T Rental (June 1)

Provide the latest devices through rental service

[5] T Plan (July 18)

Introduced 5 price plans with bigger data offering which will contribute to the growth of mobile media business

[6] 0 Plan (August 13)

Offers greater data allowance and premium benefits to younger generation subscribers

[7] T Guam-Saipan Pass (September 19)

Allows subscribers to use roaming services in Guam and Saipan at domestic rates

[8] T Phone based roaming (December 17)

Provides unlimited voice calls to data roaming plan subscribers using T Phone app



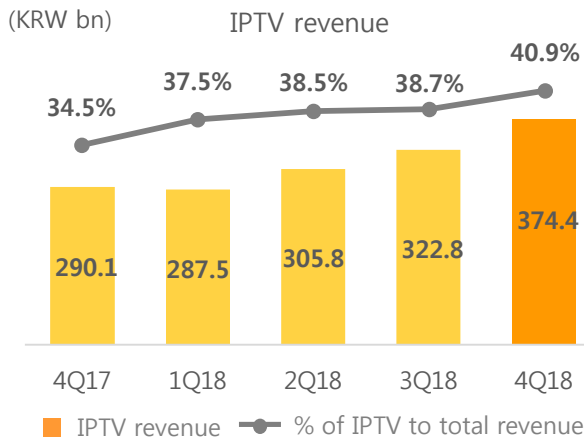
Recorded all-time high IPTV sales and profits driven by high-quality growth, including content demand increase

Mobile OTT oksusu subscriber and content revenue increased through strengthened contents competitiveness

Revenues (Historical accounting standards)

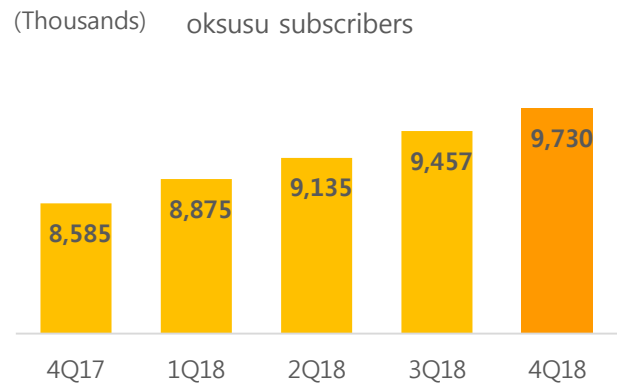
4Q18 IPTV revenue increased 29.1% YoY and 16.0% QoQ to KRW 374.4bn as a result of growth in subscriber base, paid contents demand, and platform biz

FY 18 IPTV revenue increased 25.8% YoY to KRW 1.29tn



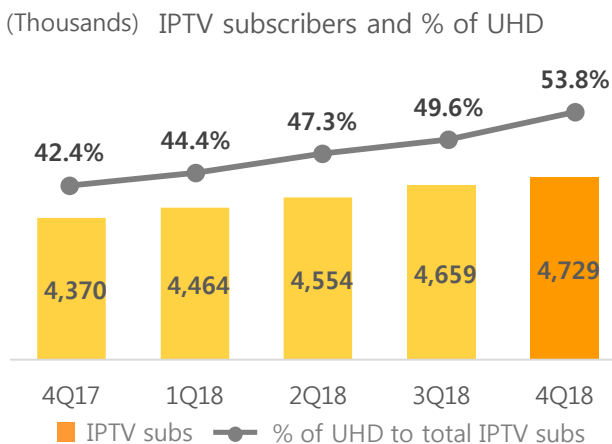
The subscriber portion of UHD-the premium service continued to increase and recorded 53.8% by the end of December 2018

In 4Q18, oksusu subscribers increased by 13.4% YoY to 9.73mn and monthly duration time increased 29.5% YoY to 487 minutes per subscriber



Subscribers

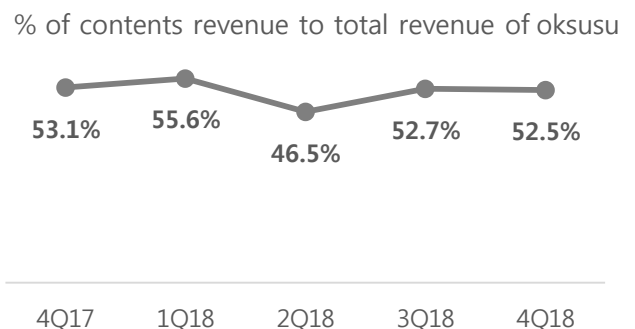
With net adds of 70k in 4Q18, IPTV subscribers reached 4.73mn



Contents

Usage increase from strengthened contents competitiveness led to 4Q18 IPTV contents revenue increase of 7.7% YoY

oksusu's contents revenue portion recorded 52.5% on the back of contents diversification and strengthening of personalized menu



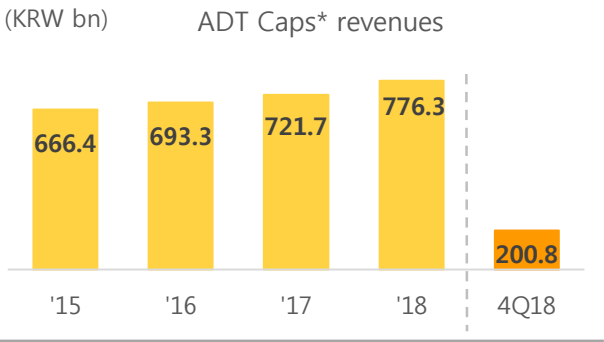


ADT Caps to contribute on both Top-Line and profitability based on its stable earnings with upward trend, while leading the innovation in security market for upcoming convergence security era

Revenues

Revenues and earnings of ADT Caps are reflected in 4Q18 consolidated results

Upward revenue trend continues in '18, based on the growth of security market and stable recurring revenue of the company

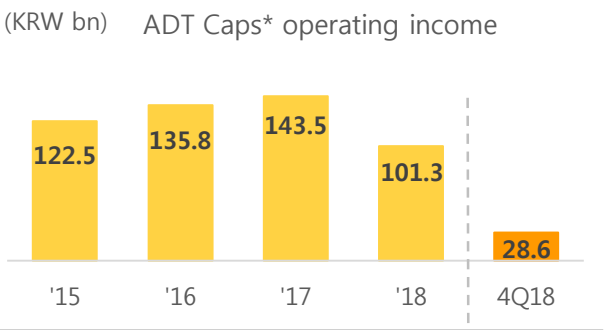


* Includes CAPSTEC, ADT Security

Operating income

Reduction in FY 18 operating income due to one off effects from acquisition/restructuring including the merge with NSOK

Operating income to rebound in FY 19 through the revenue growth and cost optimization based on synergies from the merger



* Includes CAPSTEC, ADT Security

ADT Caps Growth strategy

Positioning as leading company in security market based on synergies from SK ICT Family while expanding its business beyond physical security to convergence security

[1] Synergies from SK ICT Family

Solidify the synergies from integration of distribution channel/infrastructure and home related integrated offerings from incorporation with SK ICT family, and merger with NSOK while strengthening capabilities on New ICT based technology and convergence security

[2] Beyond security

Business expansion beyond physical security to safety-care expert company through early expansion on new business model centering on New ICT-unmanned-care related services

[3] Secure readiness on convergence security

Leading the upcoming convergence security era by incorporating with SK Infosec on developing convergence security products such as 5G/AI based next generation integrated monitoring system

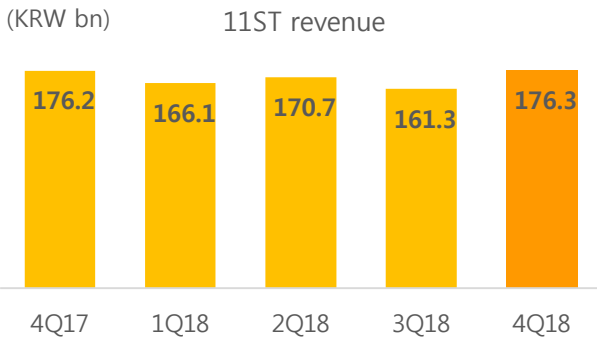


11ST continues to improve its margins and targets to achieve growth and profitability improvement through various partnerships and synergies with SK ICT Family

Revenues

4Q18 revenue of KRW 176.3bn was up 9% QoQ on the back of '11 Shopping Holiday' event etc.

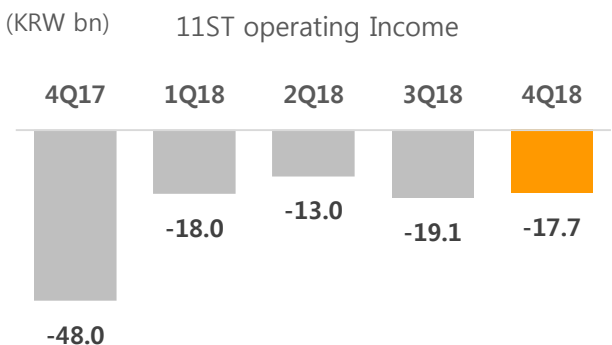
FY 18 revenue of KRW 674.4bn was similar to last year due to efforts to enhance profitability



Operating income

4Q18 operating losses decreased by KRW 1.4bn QoQ and KRW 30.3bn YoY through cost-effective marketing spend

FY 18 operating loss improved by KRW 86.2bn YoY to KRW -67.8bn



* Pro forma for operating income before spinoff on '18.9.1

11ST Growth Strategy

Evolve into commerce portal by utilizing the strengths of 11ST: industry-leading customer base and product line-up, synergy with SK ICT Family

[1] Increase sellers and product line-up through partnerships

Though partnership with KOREACENTER ('18.12), enhance overseas sales capabilities and drive new sellers to join

- Increase overseas sales by utilizing seven logistics centers located around the world owned by delivery agency service 'malltail'.
- Secure sellers through shopping mall launching solution 'MakeShop'

Increase product line-up through various external partnerships in areas such as Fashion/Fresh Goods/Beauty

[2] SK ICT Family Synergy

Create synergies among SKT, SKB and 11ST, by utilizing extensive customer data base, and offering integrated membership points

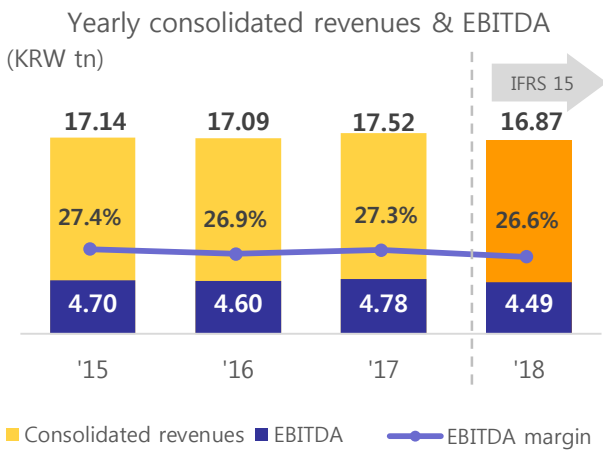
Mobile phone shop of 11ST to become SKT's online handset distribution channel

Offer differentiated experience in 5G era by utilizing SKT's technological strengths in AI/Search and by introducing video commerce

Consolidated results

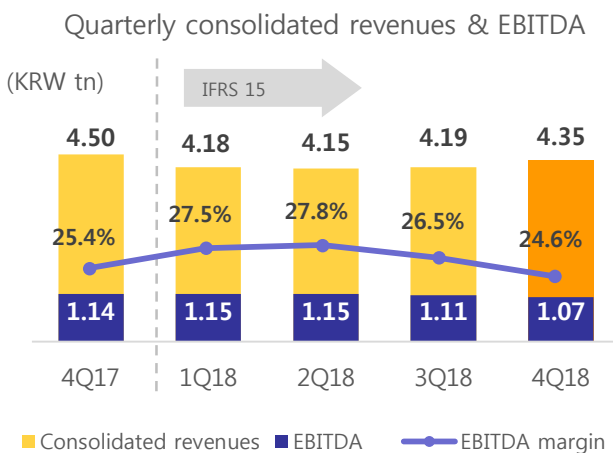
Yearly consolidated revenues decreased YoY due to price reduction on mobile service, despite the growth from subsidiaries

EBITDA also decreased YoY due to reduction on revenue, despite the offset from decrease in operating expense with efficient marketing spending



4Q18 revenues increased 3.9% QoQ due to growth on IPTV revenues, and contribution from ADT Caps

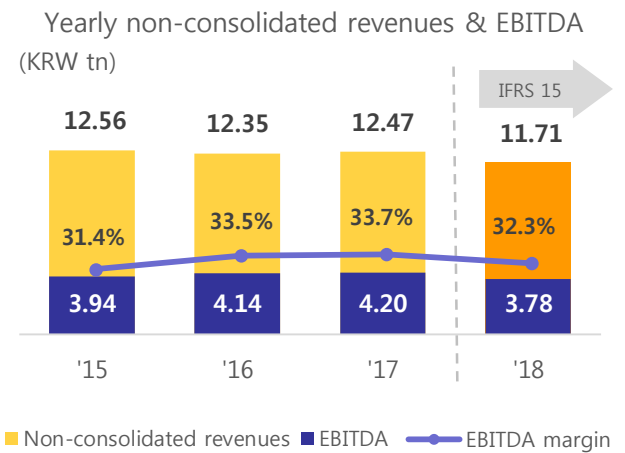
4Q18 EBITDA decreased 3.6% QoQ due to one-off expenses related to business portfolio adjustment of SK Planet



SKT non-consolidated results

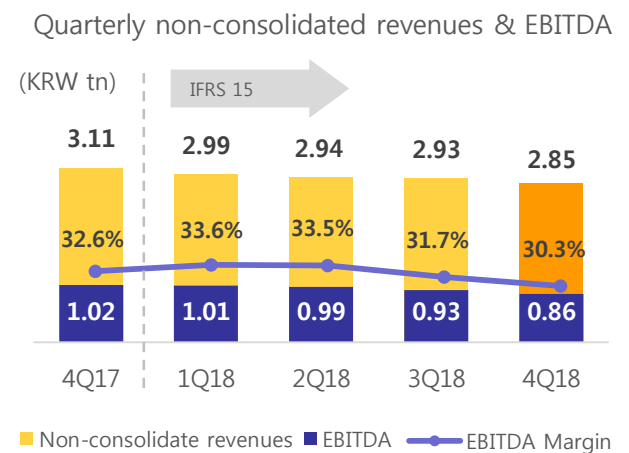
Yearly non-consolidated revenues decreased affected by the rise in selective discount rate and the provisions for the disadvantaged

Negative impact on EBITDA from revenue decline has been narrowed due to reduction on marketing expense through market stabilization efforts



4Q18 revenues decreased 2.6% QoQ due to interconnection rate cut and slight reduction on mobile service revenues

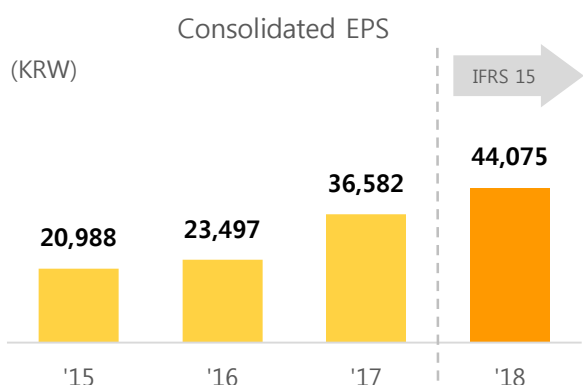
4Q18 EBITDA decreased 6.8% QoQ due to revenue decrease and spending on advertisement to enhance 5G leadership



EPS

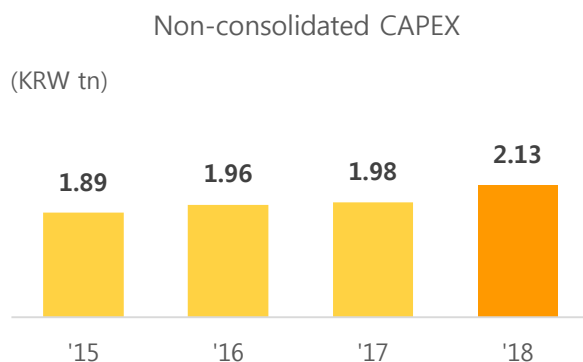
Consolidated EPS grew in 20.5% YoY due to increase in equity method earnings from SK Hynix

Equity method earnings from SK Hynix for FY 18 and 4Q18 recorded KRW 3.238tn and KRW 722bn, respectively



CAPEX

FY 18 non-consolidated CAPEX recorded KRW 2.13tn, executed within the level of original guidance



IFRS 15 Effects on consolidated financials

(KRW bn)	4Q18 (IFRS 15)	Adj.*	4Q18 (Historical)
Operating Revenues	4,351.7	(19.6)	4,371.3
Operating Expenses	4,126.4	(36.9)	4,163.4
Labor cost	664.6	(1.1)	665.7
Commissions	1,257.5	(23.2)	1,280.8
Advertising	138.0	(12.6)	150.6
Operating Income	225.3	17.4	207.9
Income Before Tax	604.0	17.4	586.6
Net Income	474.5	7.8	466.7

* IFRS 15 results – Historical results

Operating revenues

Consolidated operating revenues decreased by KRW 19.6bn, as a result of sales discounts from previously expensed items and revenue reallocation from combined contracts

Operating expenses

Labor Cost decreased by KRW 1.1bn due to the effects from amortizing prior period customer acquisition costs

Commissions decrease by KRW 23.3bn from capitalizing customer acquisition costs and accounting changes for consideration paid to customers

Advertising decrease by KRW 12.6bn as certain previously expensed items are recognized as sales discounts

◆ Consolidated Income Statement

(KRW bn)	IFRS 15					Historical		
	1Q18	2Q18	3Q18	4Q18	2018	4Q18	2017	2018
Operating revenue	4,181.5	4,154.3	4,186.4	4,351.7	16,874.0	4,371.3	17,520.0	16,962.9
Operating expenses	3,856.1	3,807.4	3,882.3	4,126.4	15,672.2	4,163.4	15,983.4	15,737.5
Labor cost	550.0	535.6	538.5	664.6	2,288.7	665.7	1,966.2	2,290.1
Commissions paid	1,262.1	1,216.9	1,266.1	1,257.5	5,002.6	1,280.8	5,486.3	5,015.2
Advertising	100.1	110.5	119.9	138.0	468.5	150.6	522.8	519.7
Depreciation ¹⁾	823.8	806.7	806.8	846.2	3,283.5	846.2	3,247.0	3,283.5
Network interconnection	215.0	218.8	212.2	162.4	808.4	162.4	875.0	808.4
Leased line	41.8	40.4	41.0	34.8	158.1	34.8	192.0	158.1
Frequency usage fees	38.8	36.1	38.6	38.2	151.7	38.2	150.3	151.7
Cost of goods sold	410.9	399.0	418.3	568.0	1,796.1	568.0	1,886.5	1,796.1
Others	413.6	443.4	440.9	416.5	1,714.4	416.7	1,657.4	1,714.7
Operating income	325.5	346.9	304.1	225.3	1,201.8	207.9	1,536.6	1,225.4
<i>EBITDA</i>	1,149.3	1,153.6	1,110.9	1,071.5	4,485.3	1,054.1	4,783.6	4,508.9
<i>EBITDA margin</i>	27.5%	27.8%	26.5%	24.6%	26.6%	24.1%	27.3%	26.6%
Net profit or loss from non-operating items	581.5	816.1	997.8	378.7	2,774.2	378.7	1,866.6	2,774.2
Equity gains or losses	626.6	915.6	992.4	736.2	3,270.9	736.2	2,245.7	3,270.9
Income from continuing operations before tax	907.0	1,163.0	1,301.9	604.0	3,976.0	586.6	3,403.2	3,999.6
Consolidated net income	693.4	914.3	1,049.8	474.5	3,132.0	466.7	2,657.6	3,149.2
Majority interests	695.0	916.7	1,031.4	484.9	3,127.9	505.9	2,599.8	3,174.9
Minority interests	(1.6)	(2.4)	18.4	(10.4)	4.1	(39.2)	57.8	(25.7)
Basic earnings per share(KRW)	9,842	12,863	14,555	6,815	44,075	6,691	36,582	44,319

1) Depreciation and amortization includes R&D related depreciation

◆ Non-consolidated Income Statement

(KRW bn)	IFRS 15					Historical		
	1Q18	2Q18	3Q18	4Q18	2018	4Q18	2017	2018
Operating revenue	2,988.5	2,941.8	2,925.6	2,849.7	11,705.6	2,854.4	12,468.0	11,716.0
Mobile service revenue ¹⁾	2,568.9	2,497.7	2,484.6	2,448.6	9,999.8	2,449.0	10,768.8	10,000.7
Interconnection	150.9	156.1	155.9	102.5	565.3	102.5	624.3	565.3
Others	268.8	288.0	285.1	298.6	1,140.5	302.9	1,075.0	1,150.0
Operating expenses	2,619.3	2,573.6	2,614.9	2,590.4	10,398.1	2,587.3	10,770.3	10,358.5
Labor cost	175.0	158.7	174.8	176.3	684.8	176.3	624.9	684.8
Commissions paid	1,132.9	1,085.5	1,112.7	1,123.6	4,454.8	1,120.4	4,864.5	4,415.1
Marketing commissions	712.3	664.5	692.4	672.3	2,741.5	669.2	2,968.6	2,701.8
Other commissions	420.7	421.0	420.3	451.2	1,713.3	451.2	1,895.8	1,713.3
Advertising	26.0	38.0	43.7	61.4	169.0	61.4	150.4	169.0
Depreciation ²⁾	636.2	617.2	615.7	604.4	2,473.5	604.4	2,503.5	2,473.5
Network interconnection	162.6	167.0	162.3	114.5	606.5	114.5	628.6	606.5
Leased line	31.7	32.2	31.6	29.5	125.0	29.5	140.1	125.0
Frequency usage fees	38.8	36.1	38.6	38.2	151.7	38.2	150.3	151.7
Others	416.0	438.9	435.5	442.5	1,733.0	442.5	1,708.1	1,733.0
Operating income	369.3	368.2	310.6	259.3	1,307.5	267.2	1,697.7	1,357.6
<i>EBITDA</i>	1,005.4	985.4	926.3	863.7	3,781.0	871.6	4,201.2	3,831.0
<i>EBITDA margin</i>	33.6%	33.5%	31.7%	30.3%	32.3%	30.5%	33.7%	32.7%
Net profit or loss from non-operating items	108.2	(72.3)	(60.7)	(61.4)	(86.2)	(61.4)	(93.9)	(86.2)
Income from continuing operations before tax	477.5	295.9	249.9	197.9	1,221.2	205.8	1,603.8	1,271.3
Net income	364.4	219.8	183.3	166.4	933.9	169.2	1,331.1	970.3

1) Revenues from direct carrier billing and verification reclassified from mobile service revenues to other revenues (historical data within this presentation restated)

2) Depreciation and amortization includes R&D related depreciation

◆ Consolidated Balance Sheet

*Impact of IFRS 15

(KRW bn)	12-31-17	Adj*	1-1-18	3-31-18	6-30-18	9-30-18	12-31-18
Total assets	33,428.7	2,523.0	35,951.7	36,134.4	36,336.8	38,186.5	42,369.1
Current assets	6,201.8	1,804.1	8,005.9	8,471.3	7,814.3	9,025.6	7,958.8
Cash and marketable securities ¹⁾	2,171.5	-	2,171.5	2,482.2	2,287.5	3,108.6	2,589.6
Accounts receivable	3,386.8	(4.3)	3,382.5	3,601.2	3,085.0	3,580.7	2,946.5
Other current assets	643.4	1,808.4	2,451.8	2,387.9	2,441.8	2,336.3	2,422.7
Non-current assets	27,226.9	718.9	27,945.8	27,663.1	28,522.5	29,160.9	34,410.3
PP&E and intangible assets	15,646.9	-	15,646.9	15,018.8	14,830.8	14,628.3	19,170.4
Investment assets	10,426.7	-	10,426.7	11,161.9	12,070.9	12,838.4	13,477.7
Other non-current assets	1,153.3	718.9	1,872.2	1,482.4	1,620.8	1,694.2	1,762.2
Total liabilities	15,399.5	622.9	16,022.4	16,146.6	15,428.0	16,015.7	20,019.9
Current liabilities	7,109.1	12.5	7,121.6	6,883.7	5,759.3	5,889.8	6,847.6
Short-term borrowings	130.0	-	130.0	30.0	45.9	53.1	80.0
Accounts payable	2,438.3	-	2,438.3	1,743.5	1,805.3	1,735.8	2,477.1
Other current liabilities	4,540.8	12.5	4,553.3	5,110.2	3,908.1	4,100.9	4,290.5
Non-current liabilities	8,290.4	610.4	8,900.8	9,262.9	9,668.7	10,125.9	13,172.3
Bonds payable & long-term borrowings	5,808.1	-	5,808.1	6,332.9	6,604.0	6,883.3	8,587.6
Deferred tax liabilities	978.7	599.3	1,578.0	1,685.0	1,812.6	1,966.1	2,269.8
Other non-current liabilities	1,503.6	11.1	1,514.7	1,245.0	1,252.1	1,276.5	2,314.9
Total shareholders' equity	18,029.2	1,900.0	19,929.2	19,987.8	20,908.8	22,170.8	22,349.3
Common stock and additional paid in capital	240.9	-	240.9	241.4	234.2	551.7	699.8
Retained earnings	17,835.9	1,900.0	19,736.0	19,842.4	20,754.7	21,696.9	22,144.5
Other comprehensive income/loss ²⁾	(234.7)	-	(234.7)	(292.8)	(283.9)	(356.1)	(373.4)
Minority interests	187.1	-	187.1	196.8	203.8	278.3	(121.6)

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

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

◆ Non-consolidated Balance Sheet

*Impact of IFRS 15

(KRW bn)	12-31-17	Adj*	1-1-18	3-31-18	6-30-18	9-30-18	12-31-18
Total assets	25,557.5	2,325.2	27,882.7	27,787.3	26,997.5	27,065.1	28,848.0
Current assets	3,768.1	1,711.4	5,479.5	6,087.1	5,343.9	5,517.4	4,679.4
Cash and marketable securities ¹⁾	974.6	-	974.6	1,380.6	1,135.2	1,137.4	976.8
Accounts receivable	2,523.7	-	2,523.7	2,769.3	2,250.7	2,490.6	1,872.7
Other current assets	269.8	1,711.4	1,981.2	1,937.2	1,958.0	1,889.4	1,829.9
Non-current assets	21,789.4	613.8	22,403.2	21,700.2	21,653.6	21,547.7	24,168.6
PP&E and intangible assets	11,318.9	-	11,318.9	10,774.5	10,555.5	10,344.6	12,260.6
Investment assets	9,877.3	-	9,877.3	9,884.4	9,916.4	9,940.8	10,188.9
Other non-current assets	593.2	613.8	1,207.0	1,041.3	1,181.7	1,262.3	1,719.1
Total liabilities	10,550.1	601.2	11,151.3	11,371.9	10,390.3	10,353.3	11,960.5
Current liabilities	4,767.4	-	4,767.4	4,840.6	3,420.6	3,300.8	4,178.1
Accounts payable	1,867.0	-	1,867.0	1,381.4	1,410.4	1,238.7	1,782.3
Other current liabilities	2,900.4	-	2,900.4	3,459.2	2,010.2	2,062.1	2,395.8
Non-current liabilities	5,782.7	601.2	6,383.9	6,531.3	6,969.7	7,052.5	7,782.5
Bonds payable & long-term borrowings	4,377.3	-	4,377.3	4,802.8	5,293.7	5,412.8	5,254.6
Long-term payables	1,328.6	-	1,328.6	1,036.4	1,040.8	1,045.2	1,939.1
Other non-current liabilities	76.8	601.2	678.0	692.1	635.2	594.5	588.8
Total shareholders' equity	15,007.4	1,724.0	16,731.4	16,415.4	16,607.2	16,711.8	16,887.5
Common stock and additional paid in capital	416.5	-	416.5	416.7	415.6	415.7	460.0
Retained earnings	14,512.6	1,724.0	16,236.5	16,008.0	16,224.0	16,317.3	16,467.8
Other comprehensive income/loss ²⁾	78.3	-	78.3	(9.3)	(32.4)	(21.2)	(40.3)

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

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

◆ Subscribers

(Thousands)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	YoY	QoQ
Subscribers ¹⁾	29,833	29,993	30,156	30,195	30,349	30,719	30,771	30,882	2.3%	0.4%
Net adds	238	160	163	39	155	370	52	112	189.6%	113.9%
Activations	1,583	1,385	1,462	1,391	1,299	1,434	1,209	1,235	-11.2%	2.1%
Deactivations	1,345	1,225	1,299	1,352	1,144	1,063	1,156	1,123	-17.0%	-2.9%
Monthly Churn	1.5%	1.4%	1.4%	1.5%	1.3%	1.2%	1.3%	1.2%	-0.3%p	-0.1%p
Smartphone Subs	22,181	22,424	22,735	22,985	23,386	23,705	23,842	23,964	4.3%	0.5%
LTE Subs ¹⁾	21,650	22,071	22,569	22,865	23,401	23,993	24,391	24,796	8.4%	1.7%
LTE Penetration	72.6%	73.6%	74.8%	75.7%	77.1%	78.1%	79.3%	80.3%	4.6%p	1.0%p
High speed internet	5,103	5,137	5,196	5,233	5,277	5,318	5,368	5,405	3.3%	0.7%
IPTV ²⁾	4,073	4,170	4,287	4,370	4,464	4,554	4,659	4,729	8.2%	1.5%

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

2) Restated subscriber count including VoD users effective as of 2Q17 (historical data restated)

◆ ARPU

(KRW)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	YoY	QoQ
ARPU ¹⁾	34,615	34,934	35,172	34,883	33,299	32,289	32,070	31,328	-10.2%	-2.3%
ARPU including MVNO	31,039	31,260	31,371	31,014	29,586	28,652	28,454	27,782	-10.4%	-2.4%

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).
Net of sales discount from contract and bundling, etc. Excludes MVNO related revenue.

Calculated from SK Telecom mobile service revenue (2G/3G/LTE and IoT) : From MSIT subscriber statistics
(average number of billed connections for the quarter)

2018 ARPU: IFRS 15 accounting standards

※ Revenues from direct carrier billing and verification are reclassified from mobile service revenues to other revenues.
Historical data within this presentation is restated accordingly.