

SK TELECOM CO LTD  
Form 6-K  
September 19, 2008

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**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Form 6-K  
REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 OF  
THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE MONTH OF SEPTEMBER 2008**

**SK Telecom Co., Ltd.**

*(Translation of registrant's name into English)*

11, Euljiro2-ga, Jung-gu  
Seoul 100-999, Korea

*(Address of principal executive offices)*

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

*Note:* Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

*Note:* Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submission to furnish a report or other document that the registration foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If Yes is marked, indicate below the file number assigned to the Registrant in connection with Rule 12g3-2(b):  
82-\_\_\_\_\_

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SEMI-ANNUAL REPORT

(From January 1, 2008 to June 30, 2008)

THIS IS A SUMMARY OF THE SEMI-ANNUAL REPORT ORIGINALLY PREPARED IN KOREAN AND IS IN SUCH FORM AS REQUIRED BY THE KOREAN FINANCIAL SERVICES COMMISSION.

IN THE TRANSLATION PROCESS, SOME PARTS OF THE REPORT WERE REFORMATTED, REARRANGED OR SUMMARIZED FOR THE CONVENIENCE OF READERS.

UNLESS EXPRESSLY STATED OTHERWISE, ALL INFORMATION CONTAINED HEREIN IS PRESENTED ON A NON-CONSOLIDATED BASIS IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN KOREA, OR KOREAN GAAP, WHICH DIFFER IN CERTAIN RESPECTS FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CERTAIN OTHER COUNTRIES, INCLUDING THE UNITED STATES. WE HAVE MADE NO ATTEMPT TO IDENTIFY OR QUANTIFY THE IMPACT OF THESE DIFFERENCES.

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**I. OVERVIEW**

**1. Purpose of SK Telecom Co., Ltd. (the Company )**

**Business Objectives**

1. Information and communication business
2. Handset sales and lease business
3. New media business
4. Advertisement business
5. Communication sales business
6. Personal property and real property lease business
7. Research and technology development related to Clause 1 through 4
8. Overseas business and trading business related to Clause 1 through 4
9. Manufacturing and distribution business related to Clause 1 through 4
10. Tourism
11. Electronic financial business
12. Motion picture business (production, importation, distribution, screening)
13. Any business or undertaking incidental or conducive to the attainment of the objects above

**2. Company History**

**A. Changes Since Incorporation**

(1) Date of Incorporation

March 29, 1984 (date of shareholders meeting for the incorporation): Incorporated as Korea Mobile Communications Service Co., Ltd.

(Authorized capital: Won 500 million / Paid-in capital: Won 250 million)

(2) Location of Headquarters

22 Dohwa-dong, Mapo-gu, Seoul (July 11, 1988)

16-49 Hangang-ro 3-ga, Yongsan-gu, Seoul (November 19, 1991)

267 Namdaemun-ro 5-ga, Jung-gu, Seoul (June 14, 1995)

99 Seorin-dong, Jongro-gu, Seoul (December 20, 1999)

11, Euljiro 2-ga, Jung-gu, Seoul (December 13, 2004)

**B. Mergers**

(1) Target: Shinsegi Communication Co., Ltd.

Date: January 13, 2002

Registration: January 16, 2002

(2) Target: SK IMT Co., Ltd.

Date: May 1, 2003

Registration: May 7, 2003

C. Significant Recent Business Events

(1) Incorporation and capitalization of SK Marketing & Company (provisional name, may be subject to change)

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Pursuant to a board resolution passed on March 28, 2008, for the purpose of increasing its marketing competitiveness and to provide a new area of growth, the Company, together with SK Energy Co., Ltd., incorporated SK Marketing & Company (provisional name), a corporation specializing in marketing.

The Company and SK Energy Co., Ltd. each invested Won 19 billion in SK Marketing & Company (provisional name), and each have an equal equity stake in that company.

**(2) Interim Dividend**

On July 28, 2006, the Company's board of directors passed a resolution to pay an interim dividend as follows:

Dividend amount: Cash dividend amount per share of Won 1,000 (Total Dividend Amount: Won 72,793,003,000)

A Market dividend rate: 0.53%

Record date: June 30, 2008

Dividend payment date: within 20 days of such board resolution

**3. Information Regarding Shares****A. Total number of shares**

(As of June 30, 2008)

Classification	Share type		Total	Remarks
	Common shares			
<b>I. Total number of issuable shares</b>	220,000,000		220,000,000	
<b>II. Total number of shares issued to date</b>	89,278,946		89,278,946	
<b>III. Total number of shares retired to date</b>	8,085,235		8,085,235	
<b>1. Capital reduction</b>				
<b>2. Share cancellation</b>	8,085,235		8,085,235	
<b>3. Redeemed shares</b>				
<b>4. Others</b>				
<b>IV. Total number of shares (II-III)</b>	81,193,711		81,193,711	
<b>V. Number of treasury shares</b>	8,400,708		8,400,708	
<b>VI. Number of shares outstanding (IV-V)</b>	72,793,003		72,793,003	
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## B. Capital Stock and Price per Share

(As of June 30,  
2008)

Classification	Type	Capital (total face value)			Price per share		
		Capital amount in financial statements	Total number of issued shares	Total amount of distributed shares	Par value per share	Capital/ Total Capital/ Number of distributed shares	
		(a)	(IV of A×b)	(VI of A×b )	(b)	(a / IV of A.)	(a / VI of A.)
Registered	Common shares	44,639,473,000	40,596,855,500	36,396,501,500	500	549.8	613.2
<b>Total</b>		44,639,473,000	40,596,855,500	36,396,501,500	500	549.8	613.2

## C. Acquisition and Disposition of Treasury Shares

## (1) Status of Acquisition and Disposition of Treasury Shares

Acquisition method	Type of share	Amount at the beginning of period	Acquisition (+)	Disposition (-)	Retirement (-)	Amount at the end of period
Direct acquisition pursuant to Article 189-2 (1) of the relevant Act	Common share	4,644,354		208,326	4,436,028	
Direct acquisition based on causes other than those stipulated in Article 189-2 (1) of the relevant Act	Preferred share					
	Common share	77,970			77,970	
	Preferred share					
<b>Sub-total</b>	Common share	4,722,324		208,326	4,513,998	
	Preferred share					
Indirect acquisition through trust and other agreements	Common share	3,886,710			3,886,710	
	Preferred share					
<b>Total</b>	Common share	8,609,034		208,326	8,400,708	
	Preferred share					

Notes:



\* Of the 4,513,998 shares of treasury shares directly acquired based on causes other than those provided in Article 189-2 (1) of the relevant Act, 1,317,494 shares were deposited with the Korea Securities Depository as of June 30, 2008 for any exchange of the Company's overseas exchangeable bonds.

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## D. Employee Stock Ownership Program

## (1) Transactions with the Employee Stock Ownership Program

The Company lent funds to the Employee Stock Ownership Program to finance purchases of the Company's stock by employees, and the Employee Stock Ownership Program re-lent the amount to the Company's employees in accordance with its internal allotment standards.

(Unit: in thousands of Won)

Classification	Loan Date	Amount	Repayment Condition	Remarks
5th	1999.08.23	118,577,755	8-year installment repayment plan following a three-year grace period	
8th(1)	2007.12.23	31,017,044	5-year installment repayment plan following a two-year grace period	
8th(2)	2008.01.23	29,676,039	5-year installment repayment plan following a two-year grace period	

The loan is deducted from wages for each individual to repay the Employee Stock Ownership Program, and is subsequently repaid to the company.

(As of June 30, 2008)

(Unit: in thousands of Won)

Classification	Initial Loan	Amount		Balance
		Repayment Amount	Accumulated Repayment	
5th	118,577,754	957,170	115,732,680	2,845,075
8th(1)	31,017,043		1,232,703	59,460,380
8th(2)	29,676,039	1,232,703		
<b>Total</b>	<b>179,270,838</b>	<b>2,189,873</b>	<b>116,965,383</b>	<b>62,305,455</b>

## (2) Voting Rights of the Employee Stock Ownership Program

During a designated period, to be 7 days or longer, each individual member of the Program may exercise his voting rights by expressing his intention on the shareholders' meeting agenda through a written power of attorney to a designated proxy.

## (3) Shareholdings of the Employee Stock Ownership Program

As the relevant law requires an immediate transfer of the shares directly purchased by the employees to the account of the individual purchasers, the Company transfers and holds the employees' stock in separate individual accounts within the program once the number of shares for each individual member is determined.

Classification	Account classification	Types of share	(Unit: shares)	
			Balance at the beginning of period	Balance at the end of period
5th	Member Account	Common share	139,338	130,253
8th(1)			171,871	372,525
8th(2)			208,326	

Total

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519,535

502,778

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**Table of Contents****4. Status of Voting Rights**

(As of June 30, 2008)

(Unit: shares)

Classification		Number of shares	Remarks
<b>Total outstanding shares (A)</b>	Common share	81,193,711	
	Preferred share		
<b>Number of shares without voting rights (B)</b>	Common share	8,400,708	Treasury shares
	Preferred share		
<b>Shares with restricted voting rights under the Stock Exchange Act and other laws (C)</b>	Common share		
<b>Shares with reestablished voting rights (D)</b>			
<b>The number of shares with exercisable voting rights (E = A - B - C + D)</b>	Common share	72,793,003	
	Preferred share		

**5. Dividends and Others**

Classification	(Unit: in millions of Won except per share value)		
	As of and for the six months ended June 30, 2008	As of and for the year ended December 31, 2007	As of and for the year ended December 31, 2006
Par value per share	500	500	500
Current net income	680,895	1,642,451	1,446,598
Net income per share	9,358	22,607	19,734
Income available for distribution as dividend	682,011	1,603,828	1,574,716
Total cash dividend		682,379	582,386
Total stock dividend			
Percentage of cash dividend to available income (%)		41.6	40.3
Cash dividend yield ratio (%)	Common share	3.8	3.6
	Preferred share		
Stock dividend yield ratio (%)	Common share		
	Preferred share		
Cash dividend per share	Common share	1,000	9,400
	Preferred share		8,000
Stock dividend per share	Common share		
	Preferred share		

**Table of Contents****II. BUSINESS****1. Business Summary****A. Industry Status****(1) Characteristics of the Industry**

As of June 30, 2008, the number of domestic mobile phone subscribers reached approximately 45 million and with a 92.7% penetration rate, and the Korean mobile communication market can be considered to have reached its maturation stage. However, considering the number of European countries with penetration rates exceeding 90%, additional future growth of the domestic market may be possible.

The Korean mobile communications market continues to improve with the help of advances in network-related technology evidenced by the world's first commercialization of CDMA2000 1x, CDMA 1x EV-DO, and the development of highly advanced handsets that enables the provision of convergence services for multimedia contents, mobile commerce, telematics, satellite DMB, digital home services and other related contents.

**(2) Industry Growth**

		(Unit: 1,000 persons)				
		As of June		As of December 31,		
Classification		30, 2008	2007	2006	2005	2004
<b>Penetration rate (%)</b>		92.7	89.8	83.2	79.4	75.9
<b>SK Telecom</b>		22,744	21,968	20,271	19,530	18,783
<b>Number of subscribers</b>						
<b>Others (KTF, LGT)</b>		22,239	21,530	19,926	18,812	17,803
<b>Total</b>		44,983	43,498	40,197	38,342	36,586

(Data: Ministry of Information and Communication website)

**(3) Market Characteristics**

The Korean mobile communication market includes the entire population of Korea with mobile communication service needs, and almost every Korean is considered a potential user. Korea's mobile communication market penetration continues to grow, reflecting increased usage of mobile communications services by elementary school and pre-school children. Although demand has primarily been in the domestic market, as the business territory expands to overseas market, the size of overseas sales is expected to grow in the near future. Seasonal and economic fluctuations have much less impact on the Korean mobile communication market compared to other industries.

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## B. Company Status

## (1) Market Share

\* Historical market share of the Company

			(Unit: %)	
	Classification	2008	As of June 30,	
			2007	2006
<b>Mobile phone</b>		50.6	50.5	50.7
* Comparative market share				

			(Unit: %)	
	Classification	As of June 30, 2008		
		SK Telecom	KTF	LG Telecom
<b>Market share</b>		50.6	31.5	17.9
(Data: Ministry of Information and Communication website)				

## (2) New Business Contents and Prospects

N/A

**2. Major Products**

## A. Status of Major Products as of December 31, 2007

				(Unit: in millions of Won, %)
Business field	Sales type	Item	Major trademarks June, NATE and others Others	Sales amount (ratio)
<b>Information and communication</b>	Services	Mobile phone		5,358,918 (92.9%)
		Others		409,364 (7.1%)

## B. Price Trend of Major Products

				(Unit: Won)	
	Item	As of June 30, 2008	As of June 30, 2007	As of June 30, 2006	
<b>Mobile phone</b> (Based on standard call charge)	Basic fee (per month)	13,000	13,000	13,000	
	Service fee (per 10 seconds)	20	20	20	

**Table of Contents****3. Investment Status**

## A. Investments in Progress

(Unit: in 100 millions of Won)

Business field	Classification	Investment period	Subject of investment	Investment effect	Amount		
					Total investments	already invested*	Future investment
Network/Common	Upgrade/New installation	2008	Network, systems and others	Capacity increase and quality improvement; systems improvement	17,500	6,054	11,446

\* Reflects aggregate investment amount through the first half of 2008

## B. Future Investment Plan

(Unit: in 100 millions of Won)

Business field	Asset type	Expected investment amount*	Expected investment for each year		Investment effect
			2008	2009	
Network/Common	Network, systems and others	17,500	17,500	N/A	Upgrades to the existing services and provision of new services
<b>Total</b>		17,500	17,500	N/A	

\* The expected investment amount of Won 1,750.0 billion is the planned investment amount for 2008.

**4. Derivative Products and Others**

## A. Derivatives Contracts

## (1) FX Swap

a) Purpose of Contracts: Currency Exchange or Interest Rate Risk Hedging

b) Contract Terms

Income/loss on valuation on the following currency swaps were calculated using cash flow hedge accounting:

(As of June 30, 2008)

(Unit: in millions of Won)

<b>Contract amount</b>	<b>Contract party</b>	<b>Contract date</b>	<b>Due date</b>	<b>Proceeds payment method</b>	<b>Income/loss on valuation</b>
US\$ 125 million	Citibank	March 23, 2004	April 1, 2011	Exchange on the date immediately preceding the principal and interest payment date	(20,496)
US\$ 125 million	Credit Suisse	March 23, 2004	April 1, 2011	Same as above	(20,432)

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(As of June 30, 2008) (Unit: in millions of Won)

<b>Contract amount</b>	<b>Contract party</b>	<b>Contract date</b>	<b>Due date</b>	<b>Proceeds payment method</b>	<b>Income/loss on valuation</b>
US\$ 50 million	BNP Paribas	March 23, 2004	April 1, 2011	Same as above	(8,189)
US\$ 100 million	Calyon	October 10, 2006	October 10, 2013	Exchange on the date of the principal and interest payment date	7,182
JPY 9,100 million	SMBC	November 13, 2007	November 13, 2012	Same as above	19,544
JPY 3,400 million	HSBC	November 13, 2007	November 13, 2012	Same as above	5,351

Income/loss on valuation on the following currency swap was calculated using fair value hedge accounting:

(As of June 30, 2008) (Unit: in millions of Won)

<b>Contract amount</b>	<b>Contract party</b>	<b>Contract date</b>	<b>Due date</b>	<b>Proceeds payment method</b>	<b>Income/loss on valuation</b>
HKD 10,941 million	8 Banks including Hana Bank	September 16, 2007	September 16, 2008	Payment of HK Dollars and receipt of Korean Won on September 16, 2008	(12,646)

Income/loss on valuation on the following currency swaps were calculated using sales accounting:

(As of June 30, 2008) (Unit: in millions of Won)

<b>Contract amount</b>	<b>Contract party</b>	<b>Contract date</b>	<b>Due date</b>	<b>Proceeds payment method</b>	<b>Income on valuation</b>
US\$ 100 million	Credit Suisse	May 27, 2004	May 27, 2009	Exchange before principal payment date	(11,882)
US\$ 150 million	Morgan Stanley	July 20, 2007	July 20, 2017	Same as above	21,953
US\$ 150 million	Merrill Lynch	July 20, 2007	July 20, 2017	Same as above	22,337
US\$ 100 million	Barclays Capitals	July 20, 2007	July 20, 2017	Same as above	14,877

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- (2) Interest Rate Swap
- a) Purpose of Contracts: Interest Rate Risk Hedging
- b) Contract Terms

Income/loss on valuation on the following interest rate swap was calculated using cash flow hedge accounting:

(As of June 30, 2008)

(Unit: in millions of Won)

Contract amount	Contract party	Contract date	Due date	Proceeds payment method	Income/loss on valuation
200 Billion Won	Shinhan Bank	June 28, 2006	June 29, 2010	Fixing of interest payment date / exchange of floating interest rate	3,104

**5. R&D Investments**

(Unit: in thousands of Won)

Category	For the six months ended June 30, 2008	For the year ended December 31, 2007	For the year ended December 31, 2006	Remarks
Raw material	41,408	96,217	184,969	
Labor	20,892,244	39,388,760	33,986,701	
Depreciation	64,450,275	129,208,262	134,461,257	
Commissioned service	41,820,956	90,363,645	83,751,223	
Others	14,306,240	37,609,969	35,680,197	
<b>Total R&amp;D costs</b>	<b>141,511,123</b>	<b>296,666,853</b>	<b>288,064,347</b>	
Accounting				
Sales and administrative expenses	139,216,506	288,519,863	277,807,352	
Development expenses (Intangible assets)	2,294,617	8,146,990	10,256,995	
<b>R&amp;D cost / sales amount ratio (Total R&amp;D costs / Current sales amount×100)</b>	<b>2.45%</b>	<b>2.63%</b>	<b>2.70%</b>	

**Table of Contents****6. Other Matters****A. External Fund Procurement Summary**

\* Domestic procurement

(Unit: in millions of Won)

Source of procurement	Beginning balance	New procurement	Reduction from repayment	Ending balance	Remarks
<b>Bank</b>	200,000			200,000	
<b>Insurance company</b>					
<b>Merchant banking</b>					
<b>Loan specialty financial company</b>					
<b>Mutual savings bank</b>					
<b>Other financial institutions</b>	1,642		1,642		
<b>Total procurement from financial institutions</b>	201,642		1,642	200,000	
<b>Corporate bond (public offering)</b>	1,704,166	418,557	300,000	1,822,723	Exchange rate adjustment
<b>Corporate bond (private offering)</b>					
<b>Paid-in capital increase (public offering)</b>					
<b>Paid-in capital increase (private offering)</b>					
<b>Asset-backed securitization (public offering)</b>					
<b>Asset-backed securitization (private offering)</b>					
<b>Others</b>		300,000		300,000	
<b>Total procurement from capital market</b>	1,704,166	718,557	300,000	2,122,723	
<b>Borrowings from shareholder, officer and affiliated company</b>					
<b>Others</b>					
<b>Total</b>	1,905,808	718,557	301,642	2,322,723	

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\* Overseas procurement

(Unit: in millions of Won)

<b>Procurement source</b>	<b>Beginning balance</b>	<b>New procurement</b>	<b>Reduction in repayment and others</b>	<b>Ending balance</b>	<b>Remarks</b>
<b>Financial institutions</b>	93,820	10,520		104,340	Exchange rate adjustment
<b>Overseas securities (Corporate bonds)</b>	656,740	73,640		730,380	Exchange rate adjustment
<b>Overseas securities (shares and others)</b>	268,415			268,415	
<b>Asset-backed securitization</b>					
<b>Others</b>					
<b>Total</b>	1,018,975	84,160		1,103,135	

## B. Credit Ratings

## (1) Corporate Bonds

<b>Credit rating date</b>	<b>Subject of valuation</b>	<b>Credit rating</b>	<b>Credit rating entity (Credit rating range)</b>	<b>Evaluation classification</b>
June 13, 2006	Corporate bond	AAA	National Information on Credit Evaluation, Inc.	Regular valuation
June 21, 2006	Corporate bond	AAA	Korea Ratings	Regular valuation
June 22, 2006	Corporate bond	AAA	Korea Investors Service, Inc.	Regular valuation
September 1, 2006	Corporate bond	AAA	National Information on Credit Evaluation, Inc.	Current valuation
September 1, 2006	Corporate bond	AAA	Korea Ratings	Current valuation
September 1, 2006	Corporate bond	AAA	Korea Investors Service, Inc.	Current valuation
October 27, 2006	Corporate bond	AAA	National Information on Credit Evaluation, Inc.	Current valuation
October 27, 2006	Corporate bond	AAA	Korea Ratings	Current valuation
May 29, 2007	Corporate bond	AAA	Korea Ratings	Regular valuation
June 14, 2007	Corporate bond	AAA	National Information on Credit Evaluation, Inc.	Regular valuation
June 27, 2007	Corporate bond	AAA	Korea Investors Service, Inc.	Regular valuation
November 5, 2007	Corporate bond	AAA	Korea Ratings	Current valuation
November 5, 2007	Corporate bond	AAA	National Information on Credit Evaluation, Inc.	Current valuation
November 5, 2007	Corporate bond	AAA	Korea Investors Service, Inc.	Current valuation
Feb.20, 2008	Corporate bond	AAA	Korea Ratings	Current valuation

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<b>Credit rating date</b>	<b>Subject of valuation</b>	<b>Credit rating</b>	<b>Credit rating entity (Credit rating range)</b>	<b>Evaluation classification</b>
Feb.21, 2008	Corporate bond	AAA	National Information on Credit Evaluation, Inc.	Current valuation
Feb. 21, 2008	Corporate bond	AAA	Korea Investors Service, Inc.	Current valuation
June 3, 2008	Corporate bond	AAA	Korea Ratings	Regular valuation
June 17, 2008	Corporate bond	AAA	Korea Investors Service, Inc.	Regular valuation
June 30, 2008	Corporate bond	AAA	National Information on Credit Evaluation, Inc.	Regular valuation

\* Rating definition: AAA

The certainty of principal and interest payment is at the highest level with extremely low investment risk, and is stable in that there is no influence of any environmental change under reasonable expectation conditions.

(2) Commercial Paper ( CP )

<b>Credit rating date</b>	<b>Subject of valuation</b>	<b>Credit rating</b>	<b>Credit rating entity (Credit rating range)</b>	<b>Evaluation classification</b>
January 3, 2006	CP	A1	National Information on Credit Evaluation, Inc.	Regular valuation
January 4, 2006	CP	A1	Korea Ratings	Regular valuation
June 13, 2006	CP	A1	National Information on Credit Evaluation, Inc.	Current valuation
June 21, 2006	CP	A1	Korea Ratings	Current valuation
June 22, 2006	CP	A1	Korea Investors Service, Inc.	Current valuation
September 1, 2006	CP	A1	Korea Ratings	Regular valuation
December 27, 2006	CP	A1	National Information on Credit Evaluation, Inc.	Regular valuation
December 27, 2006	CP	A1	Korea Investors Service, Inc.	Regular valuation
May 29, 2007	CP	A1	Korea Ratings	Current valuation
June 14, 2007	CP	A1	National Information on Credit Evaluation, Inc.	Current valuation
June 27, 2007	CP	A1	Korea Investors Service, Inc.	Current valuation
November 5, 2007	CP	A1	Korea Ratings	Regular valuation
November 5, 2007	CP	A1		Regular valuation

Date	CP	Rating	Agency	Evaluation Type
November 5, 2007	CP	A1	National Information on Credit Evaluation, Inc.	Regular valuation
June 3, 2008	CP	A1	Korea Investors Service, Inc.	Current valuation
June 16, 2008	CP	A1	Korea Ratings	Current valuation
June 17, 2008	CP	A1	National Information on Credit Evaluation, Inc.	Current valuation
June 17, 2008	CP	A1	Korea Investors Service, Inc.	Current valuation

\* Rating definition: A1 Timely repayment capability is at the highest level with extremely low investment risk, and is stable in that there is no influence of any environmental change under reasonable expectation conditions.

(3) International Credit Ratings

Date of credit rating	Subject of valuation	Credit rating of securities	Credit rating company (Credit rating range)	Evaluation type
July 9, 2007	Global Bonds	A	Fitch (England)	Current valuation
July 9, 2007	Global Bonds	A2	Moody's (U.S.A.)	Current valuation
July 9, 2007	Global Bonds	A	S&P (U.S.A.)	Current valuation

**Table of Contents****III. FINANCIAL INFORMATION**

## 1. Summary Financial Statements (Non Consolidated)

(Unit: in millions of Won)

Classification	As of and for the six months ended	As of and for the year ended December 31,			
	June 30, 2008	2007	2006	2005	2004
<b>Current assets</b>	3,768,829	4,094,059	4,189,325	4,172,485	3,854,345
<b>Quick assets</b>	3,752,936	4,075,378	4,172,887	4,166,500	3,843,384
<b>Inventory</b>	15,893	18,681	16,438	5,985	10,961
<b>Fixed assets</b>	14,200,309	14,038,451	11,624,728	10,349,191	10,166,360
<b>Investments</b>	6,246,555	5,940,045	3,547,942	2,366,760	2,112,488
<b>Tangible assets</b>	4,475,675	4,594,413	4,418,112	4,595,884	4,605,253
<b>Intangible assets</b>	3,022,319	3,174,942	3,405,158	3,386,547	3,448,619
<b>Other non-current assets</b>	455,760	329,051	253,516		
<b>Total assets</b>	17,969,138	18,132,510	15,814,053	14,521,676	14,020,705
<b>Current liabilities</b>	3,358,030	2,484,548	2,985,620	2,747,268	2,859,711
<b>Fixed liabilities</b>	3,702,858	4,221,016	3,522,006	3,516,528	4,033,902
<b>Total liabilities</b>	7,060,888	6,705,564	6,507,626	6,263,796	6,893,613
<b>Capital</b>	44,639	44,639	44,639	44,639	44,639
<b>Capital surplus</b>	2,893,072	2,923,921	2,962,699	2,966,198	2,983,166
<b>Capital adjustment</b>	(-)1,998,452	(-)2,041,578	(-)2,019,568	(-)2,022,817	(-)2,057,422
<b>Accumulated comprehensive income</b>	991,942	1,594,099	473,904		
<b>Retained earnings</b>	8,977,048	8,905,865	7,844,753	7,269,861	6,156,708
<b>Total capital</b>	10,908,250	11,426,946	9,306,427	8,257,881	7,127,091
<b>Sales</b>	5,768,282	11,285,900	10,650,952	10,161,129	9,703,681
<b>Operation income</b>	1,086,943	2,171,543	2,584,370	2,653,570	2,359,581
<b>Ordinary income</b>	946,285	2,307,785	2,021,643	2,554,613	2,115,778
<b>Current net income</b>	680,895	1,642,451	1,446,598	1,871,380	1,494,852

\* See the attached  
Korean GAAP  
Non-consolidated  
Financial  
Statements.

**Table of Contents****IV. AUDITOR'S OPINION****1. Auditor**

<b>Six months ended June 30, 2008</b>	<b>Year ended December 31, 2007</b>	<b>Year ended December 31, 2006</b>	<b>Year ended December 31, 2005</b>
Deloitte Anjin LLC	Deloitte Anjin LLC	Deloitte Anjin LLC	Deloitte Anjin LLC

**2. Audit Opinion**

<b>Term</b>	<b>Auditor's opinion</b>	<b>Issues noted</b>
<b>Six months ended June 30, 2008</b>	Appropriate	
<b>Six months ended June 30, 2007</b>	Appropriate	
<b>Year ended December 31, 2007</b>	Appropriate	
<b>Year ended December 31, 2006</b>	Appropriate	

**3. Remuneration for Independent non-executive Auditors for the Past Three Fiscal Years****A. Audit Contracts**

(Unit: in thousands of Won)

<b>Term</b>	<b>Auditors</b>	<b>Contents</b>	<b>Fee</b>	<b>Total hours</b>
<b>Six months ended June 30, 2008</b>	Deloitte Anjin LLC	Semi-annual review	1,053,000	11,346
		Quarterly review		
<b>Year ended December 31, 2007</b>	Deloitte Anjin LLC	Non-consolidated financial statements audit	1,066,318	11,468
		Consolidated financial statements audit		
<b>Year ended December 31, 2006</b>	Deloitte Anjin LLC	Semi-annual review	656,000	7,637
		Quarterly review		
		Non-consolidated financial statements audit		
		Consolidated financial statements audit		



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## B. Non-Audit Services Contract with External Auditors

(Unit: in thousands of Won)				
<b>Term</b>	<b>Contract date</b>	<b>Service provided</b>	<b>Service period</b>	<b>Fee</b>
<b>Six months ended 2008</b>	November 20, 2007	Set up services for agency tax manual	60 days	48,000
	March 3, 2008	Tax adjustment for fiscal year 2007	10 days	33,000
	May 15, 2008	Tax consulting	5 days	7,500
	June 24, 2008	Foreign tax consulting re indirect taxes	4 days	6,000
	March 20, 2007	Tax adjustment for fiscal year 2006	10 days	30,000
	September 28, 2007	Tax consulting for denial of deductions for corporate income tax	1 day	2,000
<b>Year ended December 31, 2007</b>	September 28, 2007	Review of deferred corporate income tax for 1Q and 2Q	6 days	10,000
	September 28, 2007	Tax consulting	5 days	9,000
	December 31, 2007	Review of deferred corporate income tax for 3Q	2 days	5,000
	December 31, 2007	Tax consulting	3 days	3,000
	January 1, 2006	Tax consulting service for fiscal year 2006	25 days	20,000
	February 7, 2006	Tax training for employees of authorized exclusive dealers	50 days	45,000
	March 31, 2006	Tax adjustment for fiscal year 2005	7 days	27,000
	April 30, 2006	Tax consulting	7 days	45,000
	July 26, 2006	Financial consulting	7 days	40,000
	October 13, 2006	Evaluation of and preparation of recommendations for improvement of subsidiaries financial system infrastructure	10 days	49,500
<b>Year ended December 31, 2006</b>	November 13, 2006	Preparation of responses to the U.S. SEC's comments on the Company's Form 20-F for 2005	10 days	25,500

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**V. MANAGEMENT STRUCTURE**

**1. Summary of Management Structure**

**A. Board of Directors**

(1) Authority of the Board of Directors

- a) Authority of the board of directors under Article 7 of the Regulations of the Board of Directors  
Convocation of shareholders meeting and submission of agenda

Prior approval of financial statements

Decisions on issuance of new shares

Long-term borrowings, issuance of corporate bonds and redemptions

Capital transfer of reserves

Election of CEO and representatives

Appointment of executive directors

Establishment, transfer or closure of branches

Enactment of and revision to the Regulations for the Board of Directors

Annual business plan and budgeting

Approval of investments of Won 50 billion or greater or investments that become Won 50 billion or greater through planned budget increases

Planned budget increases and changes for investments or Won 50 billion or greater.

Investments and joint ventures of Won 50 billion or greater. For new investments and joint ventures of Won 30 billion or above.

Establishment of subsidiaries

Guarantees of Won 50 billion or greater

Transactions undertaken with related parties equal to or above the lesser of an amount equivalent to 10% of capital or Won 10 billion, and any material changes to such transactions in accordance with the Anti-trust Law and Fair Trade Act; provided, majority approval of outside directors is required. Prior approval of outside directors as required by Article 45-2 of the Articles of Incorporations is deemed to be obtained, if there is majority approval by outside directors.

Investment by the Company or any of its subsidiaries in foreign corporations or entities, or other foreign assets, equal to or greater than the amount equivalent to 5% of the Company's equity capital according to its latest balance sheet; provided, majority approval of outside directors is required. Prior approval of outside directors as required by Article 45-2 of the Articles of Incorporations is deemed to be obtained, if there is majority approval by outside directors.

Enactment of and amendment to the Internal Trading Procedures

Other matters considered necessary by the Board of Directors and those requiring Board of Directors approval under applicable laws

b) Reporting items under Article 7.2 of the Regulations of the Board of Directors

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The representative director must report the following to the Board of Directors within two months after the date of occurrence:

Results for the six months ended June 30 of each year

Execution of investments between Won 5 billion and Won 50 billion

New investments and joint ventures under Won 50 billion

Acquisition of non-operational fixed assets

Disposition of fixed assets of Won 50 billion or above

Matters related to guarantees of under Won 50 billion

Internal trading not subject to approval by the Board of Directors

Matters delegated to the representative director that the Board of Directors requires to be reported

(2) Publication of Information on Director Candidates Prior to the Shareholders Meeting for the Election of Directors and Shareholders Nomination

a) On February 22, 2008, in the notice of the annual general meeting of shareholders, information on Shin Bae Kim, Young Ho Park, Rak Yong Uhm, Jay Young Chung, Jae Ho Cho, candidates for the Board of Directors, was publicly disclosed.

b) There was no nomination by the shareholders.

(3) Significant Activities of the Board of Directors

<b>Meeting</b>	<b>Date</b>	<b>Agenda</b>	<b>Approval</b>
<b>289<sup>th</sup> (the first meeting of 2008)</b>	January 31, 2008	Financial statements for the year ended December 31, 2007	Approved as proposed
		Annual business report for the year ended December 31, 2007	Approved as proposed
		Establishment of Corporate for Convergence Business in USA	Approved as proposed
<b>290<sup>th</sup> (the second meeting of 2008)</b>	February 19, &nbsp; 2008	Convocation of the 24 <sup>th</sup> General Meeting of Shareholders	Approved as proposed