

Exploring the mobile space: SK Telecom



June 2005

CONTENTS

1. SK Telecom Overview

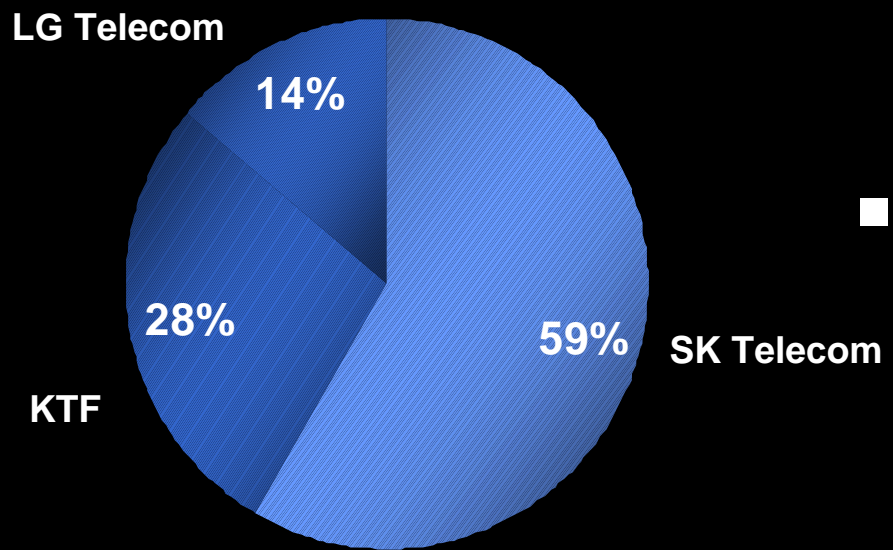
2. Exploring Mobile Service Space

- Satellite DMB ■
- MONETA
- Cyworld
- 1mm

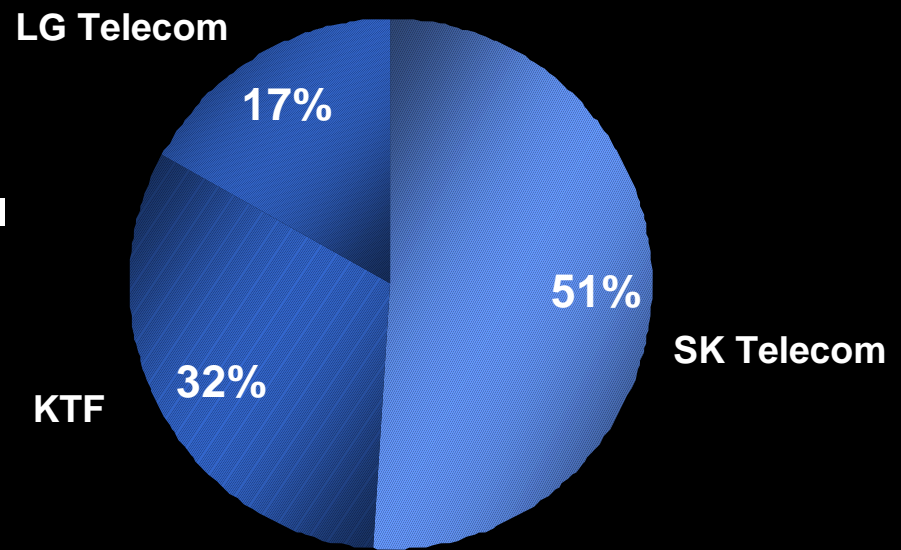
3. Future Outlook

SKT IS THE NUMBER ONE WIRELESS SERVICE PROVIDER IN KOREA

Market share by Revenue
100% = 15.5 Billion USD, 2004



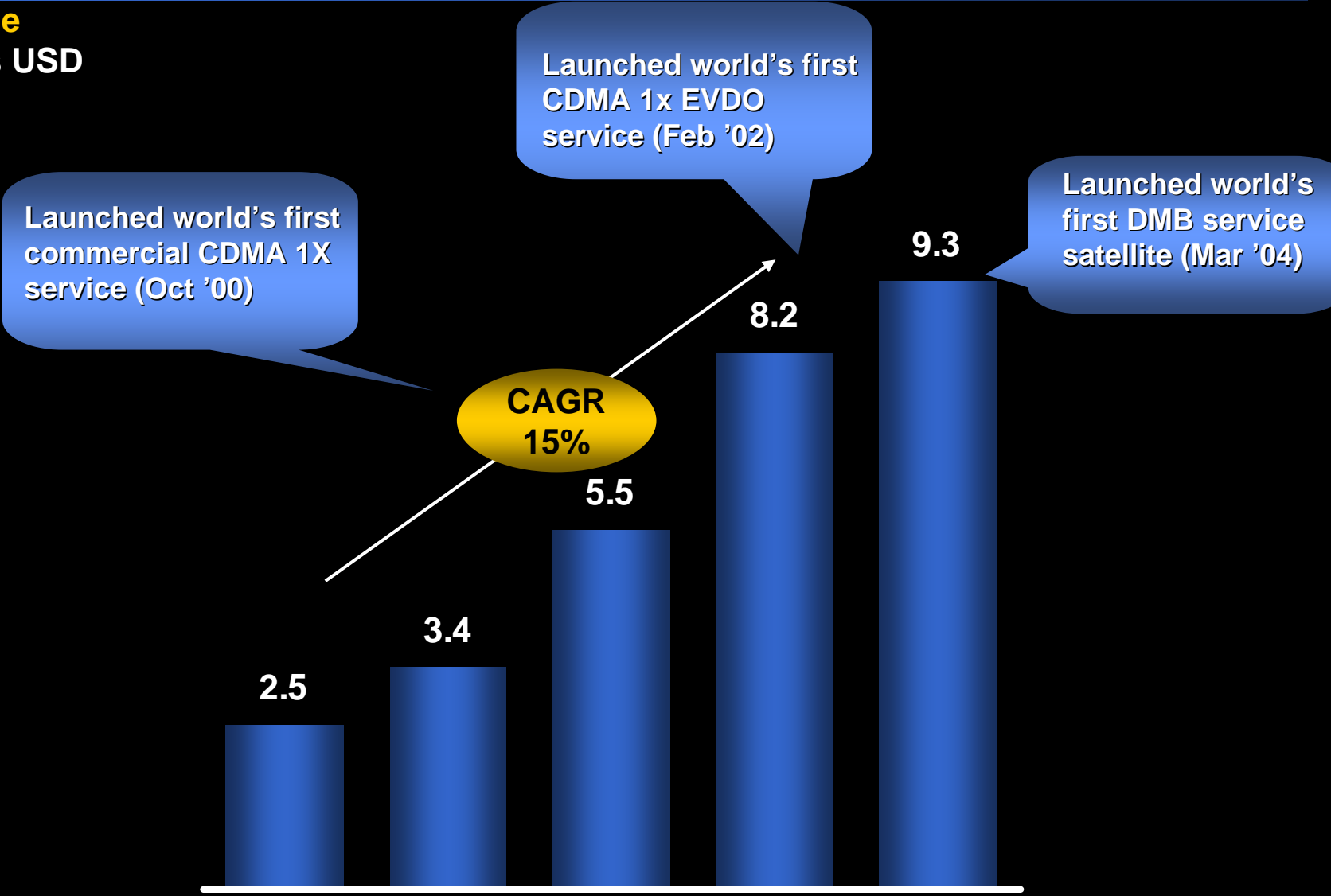
Market share by Number of Subscribers
100% = 3.8 Million, 2005E



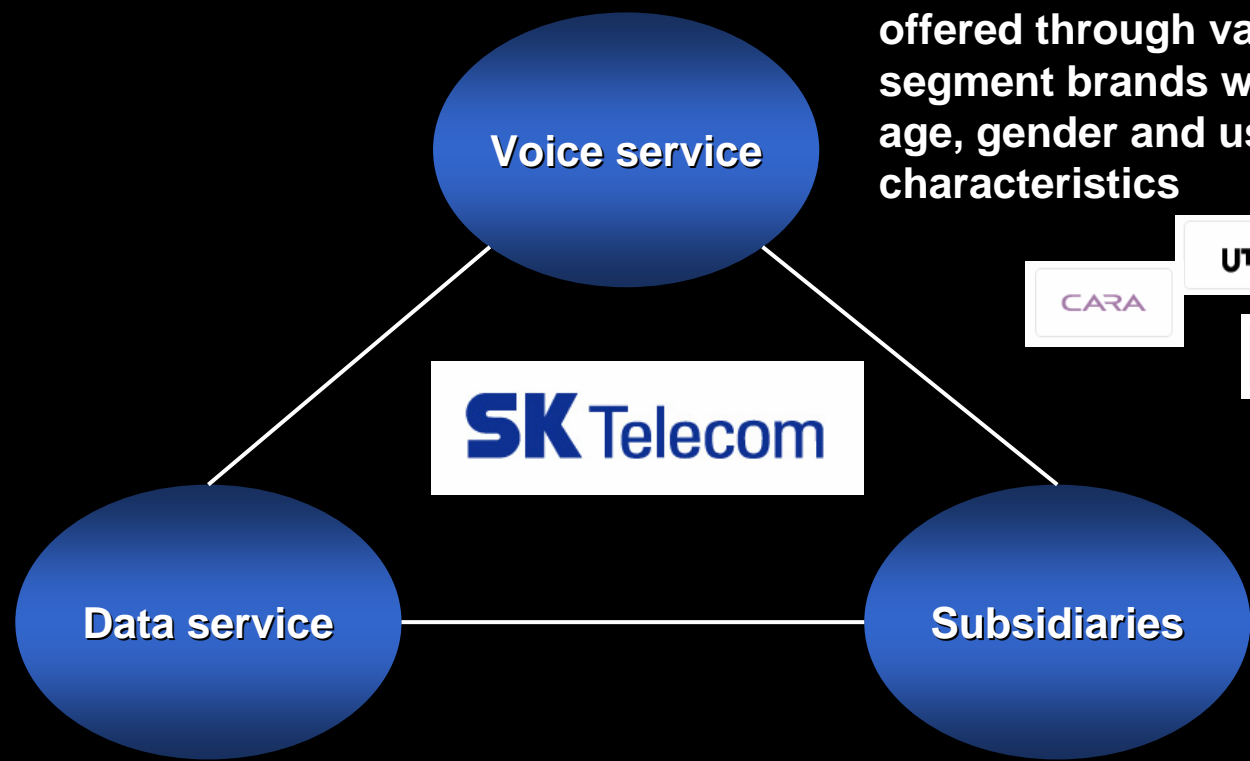
SK Telecom is the largest mobile service provider in Korea and it commands higher market share in terms of revenue than number of subscribers as SKT subscribers tend to be high ARPU users

SKT HAS ALWAYS BEEN A PIONEER IN THE WIRELESS SERVICE SPACE SINCE ITS VERY BEGINNING

Revenue
Billions USD



SKT STANDS UPON THREE MAIN SERVICE COMPONENTS



- SKT's voice service is being offered through variety of segment brands which is set by age, gender and usage characteristics



- SKT enables mobile life style in the 'ubiquitous and convergence era' for its customers through variety of data services



- SKT subsidiaries provides solid infrastructure for providing world's premiere wireless services



SKT IS TRANSFORMING ITSELF FROM A CAPEX INTENSIVE TELCO TO AN ASSET LIGHT “TOMORROW FACTORY”

SKT as an incumbent telco

- Traditional telecommunication service
- Simple business portfolio
- Utility type business
- Capex intensive
- Scale & efficiency driven
- Price sensitive product
-

Ubiquitous service provider

- Comprehensive information service provider in the ubiquitous and convergence era
- Multi business
- Consumer business
- People-intensive
- Diversity and speed driven
- Value sensitive product

CONTENTS

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- Cyworld
- 1mm

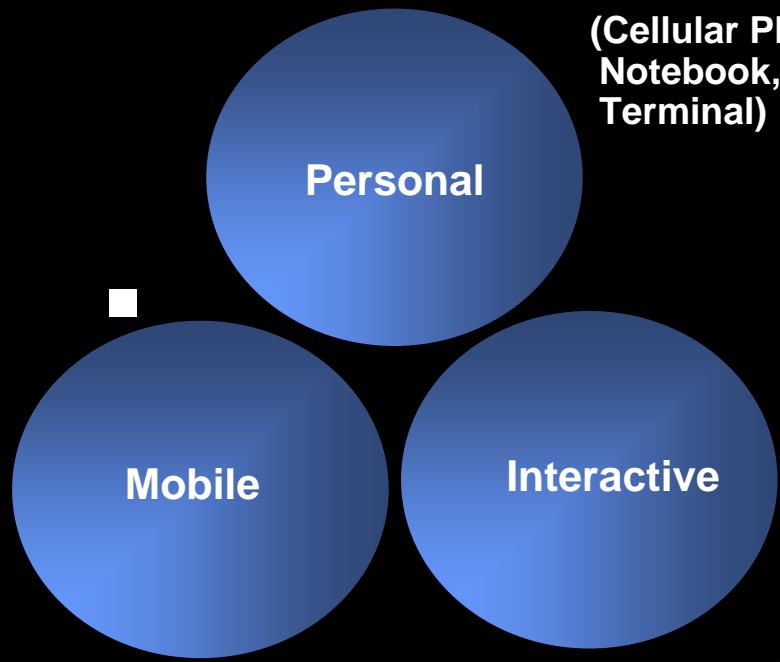
3. Future Outlook

SKT IS PROVIDING SATELLITE MULTIMEDIA BROADCASTING THROUGH ITS SUBSIDIARY COMPANY, TU MEDIA CORPORATION



DMB satellite launch

DMB service value proposition



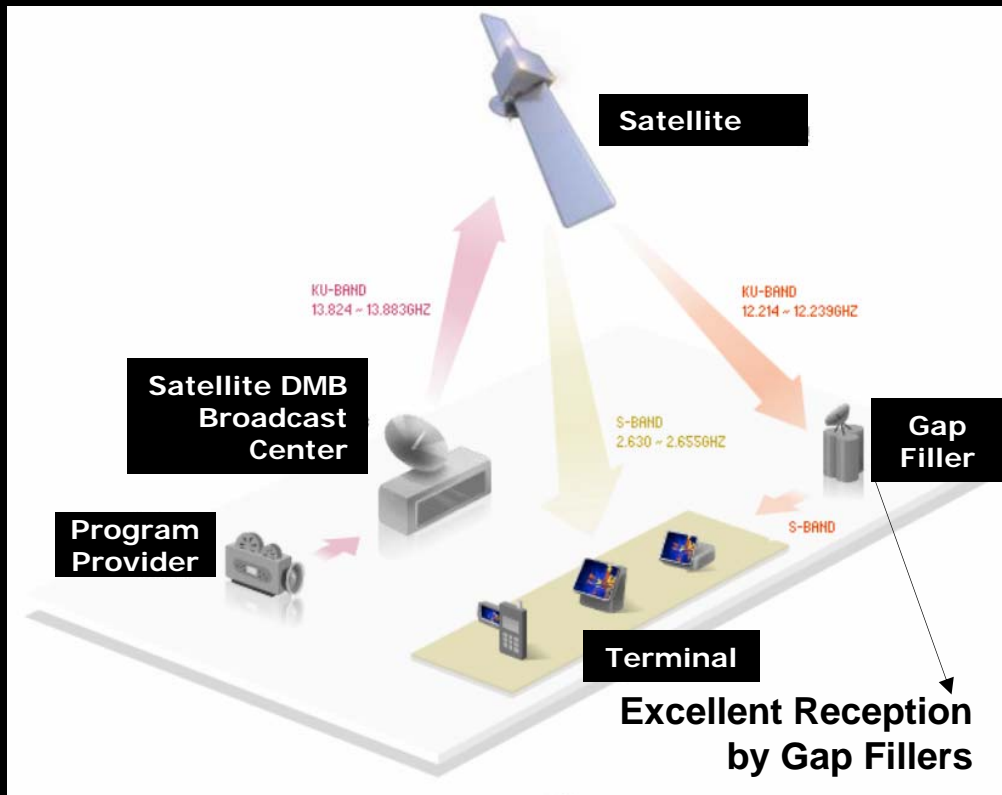
- Look & Listen to What You Want
(Cellular Phone, PDA, Notebook, DMB Terminal)

- Look & Listen Wherever & Whenever You Want
(On the Road, At Sea, In the Air, In Space?)

- Look & Listen and Connect to What You Want
(PPV, Online Shopping, Internet Services)

SATELLITE DMB SERVICE QUALITY IS ENSURED EVEN INDOORS AND UNDERGROUND SUCH AS ON THE SUBWAYS

DMB service overview



- Gap fillers have been installed to ensure service quality in the areas where satellite signal reception is not good enough

- Satellite DMB service is viewed through a designated terminal which also allows SKT's usual voice and data communication services

TU MEDIA IS PLANNING ON PROVIDING 36 CHANNELS THROUGH SATELLITE DMB

Video channels

12 channels

- Terrestrial broadcasts, Music, Sports, Game, News, Movie ...

Audio channels

22 channels

- Pure music & DJ music
- Variety : News, Entertainment ..

Premium channels

2 channels

- Pay per Channel
- Pay per View



DMB terminal

SKT IS GOING TO BECOME A MAJOR MEDIA COMPANY THROUGH DMB SERVICE

**Phase I
(2005 ~ 2006)**

**Expansion to after-
vehicular market with
video & audio data
services**

**Phase II
(2007 ~ 2008)**

**Expansion to before-
vehicular market with
unique content and
data**

**Phase III
(2009~)**

**Additional services
such as ad placements,
T-commerce, etc.**

Satellite & Mobile Infrastructure

CONTENTS

1. SK Telecom Overview

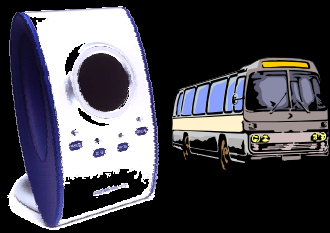
2. Exploring Mobile Service Space

- Satellite DMB ■
- **MONETA**
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- 1mm

3. Future Outlook

MONETA IS INTEGRATED FINANCIAL SERVICE ENABLER

MONETA offline



Dongle & Transportation

MONETA wireless

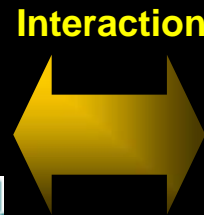
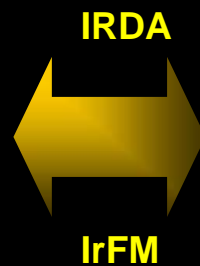


MONETA compatible handset & Chip

MONETA online



MONETA.co.kr



- The world's first integrated wired and wireless financial service that supports stock trading, financing, investing, total insurance financing and consultation
- Customers can conveniently enjoy MONETA's personalized wired & wireless financial services using the Internet and cellular phones
- MONETA.co.kr , together with Paxnet, is the Korea's largest financial Internet portal

MONETA IS COMPOSED OF THREE MAIN SERVICE COMPONENTS

MONETA service components

Mobile portal

M-Bank

MONETA card

- Provides personalized financial information and products to wireless customers using customer DB
- Allows customers to access real-time stock trading information anytime and anywhere



- It offers a variety of bank transactions that include cash withdrawal as well as money transfers between banks accounts via IC chip – installed cellular phones



- Customers can make mobile payments by simply inserting their MONETA Card into their cellular phone.
- The Card functions as a credit card, a membership, a ticket, and a discount coupon

CONTENTS

1. SK Telecom Overview

2. Exploring Mobile Service Space

- Satellite DMB ■
- MONETA
- Cyworld
- 1mm

3. Future Outlook

MULTIMEDIA RICH PERSONAL BLOGS ARE AT THE CENTER OF THE CYWORLD SERVICE

- **Title**
- **User's nickname**
- **Expression of one's character**

- **Self-introduction**
- **Self-introduction with a photo and short text**

Links to Close Friends' Pages

- **Listing of user's close friends**



- **Juke Box**
- **User's favorite music and the related story are presented**
- **Used as the background music for the homepage**

- **Mini 'Room' & Mini 'Me'**
- **The room and the doll (representing the user) decorated by the user**

< Affinity Groups / Clubs >

- **On-line communities where couples and families get together**
- **A Club consists of a bulletin board, photo albums, etc.**

< Gift Shops >

- **Mini-homepages can be decorated with paid items: music, mini-rooms, skins, etc.**
- **The items can be given to friends as gifts**

< Brand Homepages >

- **Mini-homepages opened by corporations for product endorsements and corporate PR**

CYWORLD ALLOWS COMMUNITY BASED COMMUNICATION THROUGH A SOCIAL NETWORK FORMATION

3. Users exchange virtual decoration items like music or wall paper for “mini-homepages” for birthday presents and other occasions



My
“mini-homepage”



2. Users can watch photos, send messages, write commentaries & replies

A friend's
“mini-homepage”



1. Individual-centric :
‘A group that I am center of’

Affinity Groups (Clubs)
Homepage



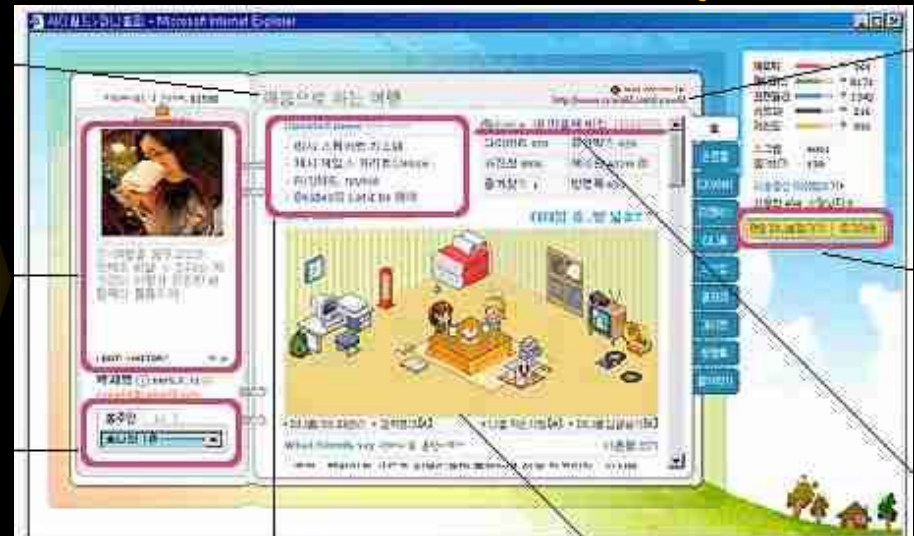
Information-type
communities

4. Users can write commentaries, letters to the editors, upload photos, invite other friends to the group, etc.

CYWORLD RESULTED IN BLURRING COMMUNICATION BOUNDARIES

- Service started as personal home pages
- Provides network among individuals with related background and interest
- Resulted in media authority shift
- Emergence of personal media format

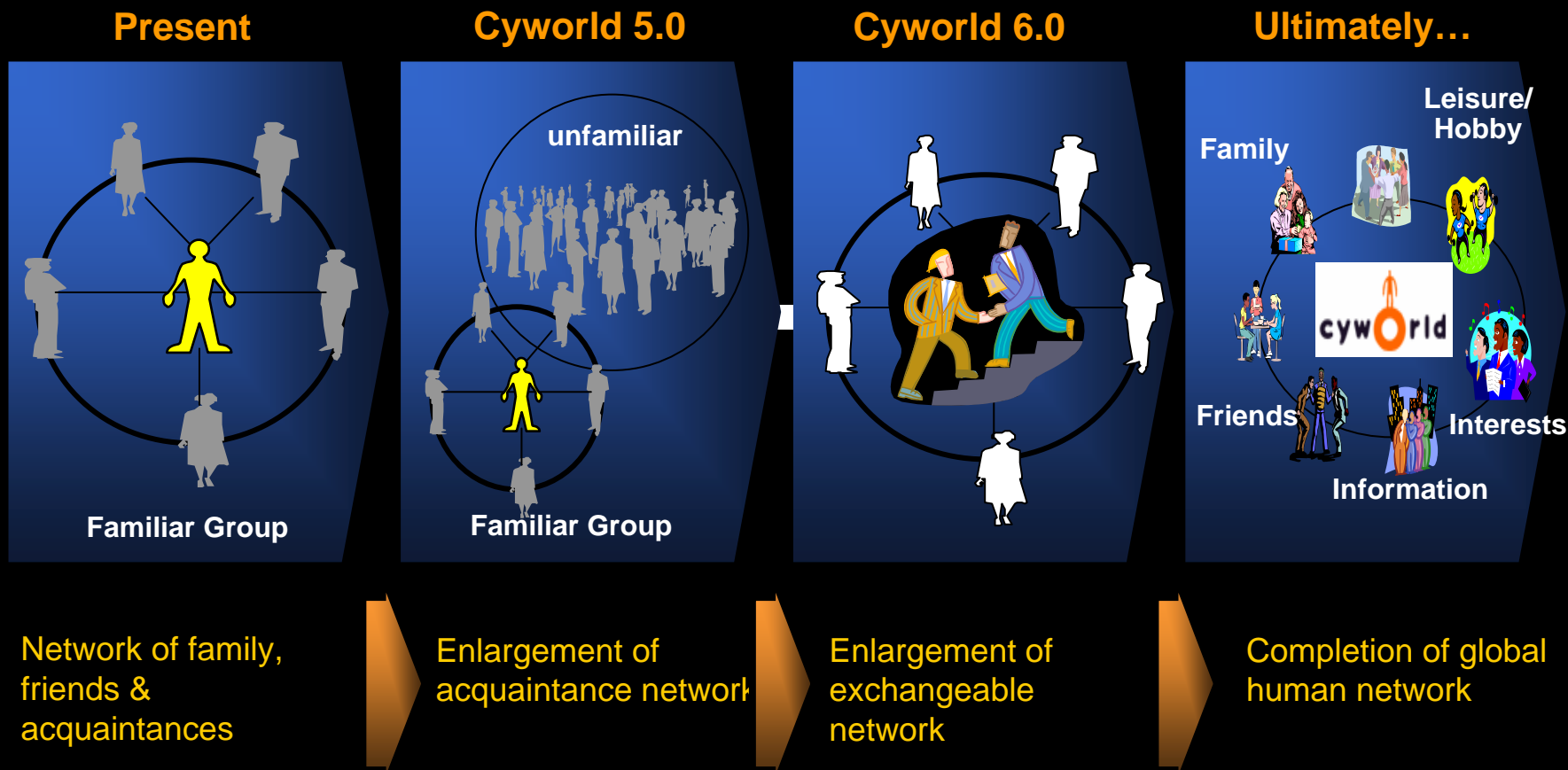
www.cyworld.com



“Should I post it to Cy [ssa-l]?”

Difference between communication to broadcasting and broadcasting to communication may lead to different BM's to similar services; communication charges to end-users who use the communication pipeline while advertising is the source of income for broadcasters, communication is very active and participating while broadcasting is passive, etc.

CYWORLD IS ON THE PATH OF EVOLVING INTO A MORE COMPREHENSIVE NETWORK BASED COMMUNICATION MEDIUM



CONTENTS

1. SK Telecom Overview

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- Satellite DMB ■
- MONETA
- Cyworld
- 1mm

3. Future Outlook

INTUITIVE CONVERSATIONAL INTERFACE ALLOWS EASE OF ACCESS

- Register friends, check on friends' on/off-line status, receive/send messages

Play



Item Menu



My Buddies



Message Box



My Mood Setting



- Conversation
- Quiz
- Knowledge Search

- 10 personalized content types (weather, fashion, etc.)

- Message Box keeps the messages from buddy, character

- Control menu provide various mood types (i.e. emotions, agent display options)

- Through 1mm, customers are provided with a reliable service gateway that works in a consistent way no matter how complex wireless service portfolio evolves
- 1mm is the most intimate interaction medium and knowledge about individual customers is accumulated. This, in turn, can serve as the basis for providing relation based personalized marketing

1MM IS SKT'S AGENT BASED PERSONALIZED SERVICE DELIVERY PLATFORM

1mm Service Offerings

Animated On-Screen Agent	Conversation	Education Action and Language		
	Mobile Screen Decoration Corner			
	Stories by Animated Agent			
Content	Ring Tones	Picture-Friends		
	News	Weather	Fortune	Humor
	Daily Morning Letter by Mr. Go			

Main Features

Interface

- *Communication with an animated on-screen agent*
- *Conversational Interface*

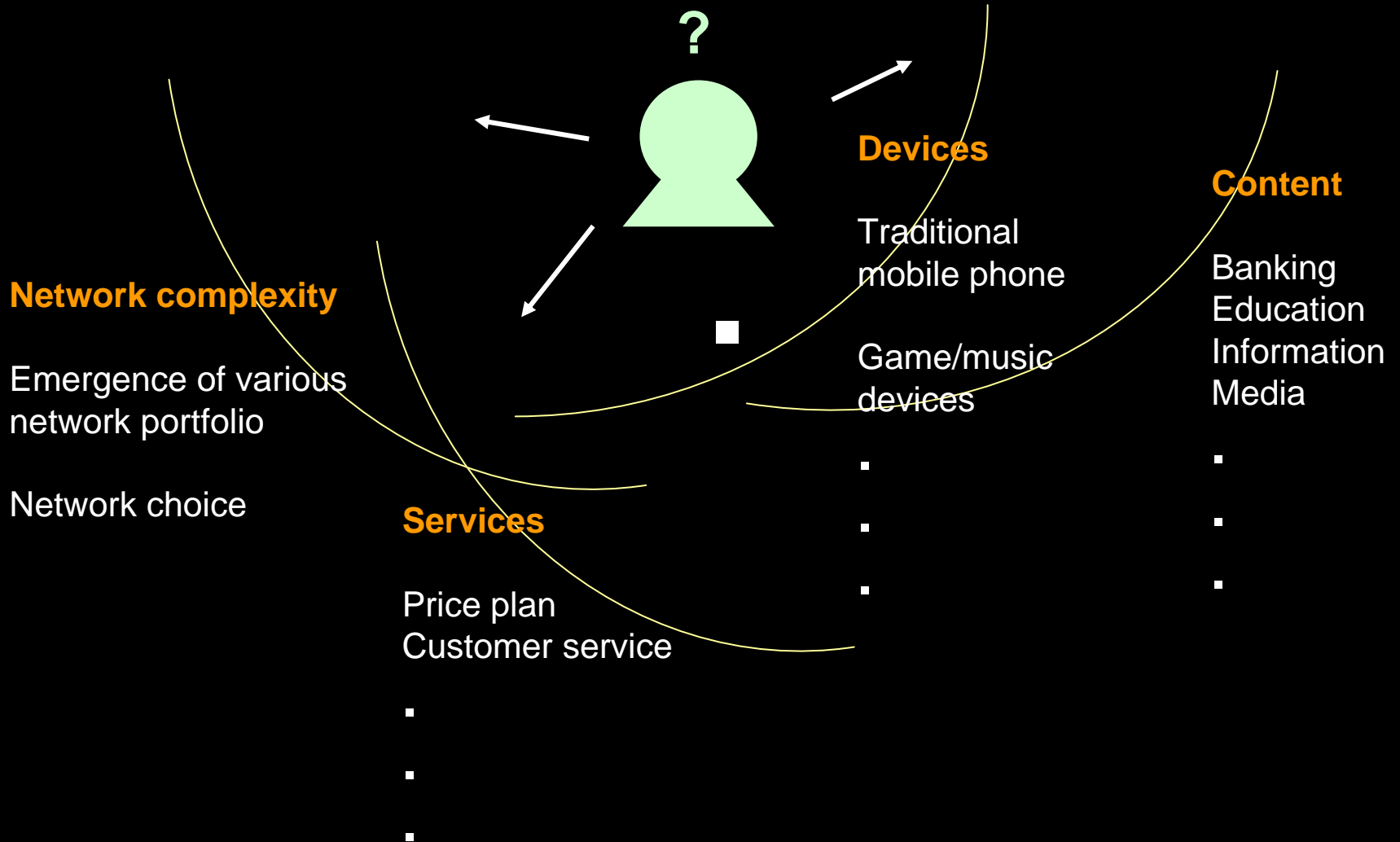
Communication

- *Interact with the interface agent on the mobile screen through conversations*

Content

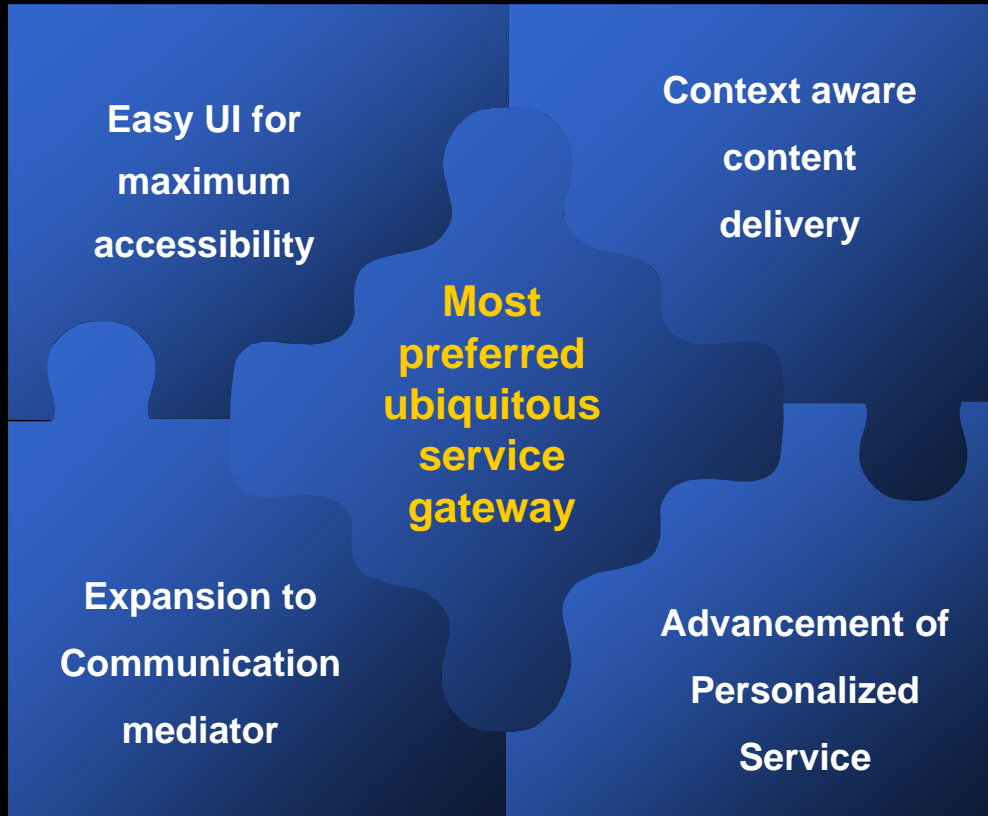
- *Agent-dependent content*
- *Customized content*

CUSTOMERS WILL BE FACED WITH INCREASING COMPLEXITY



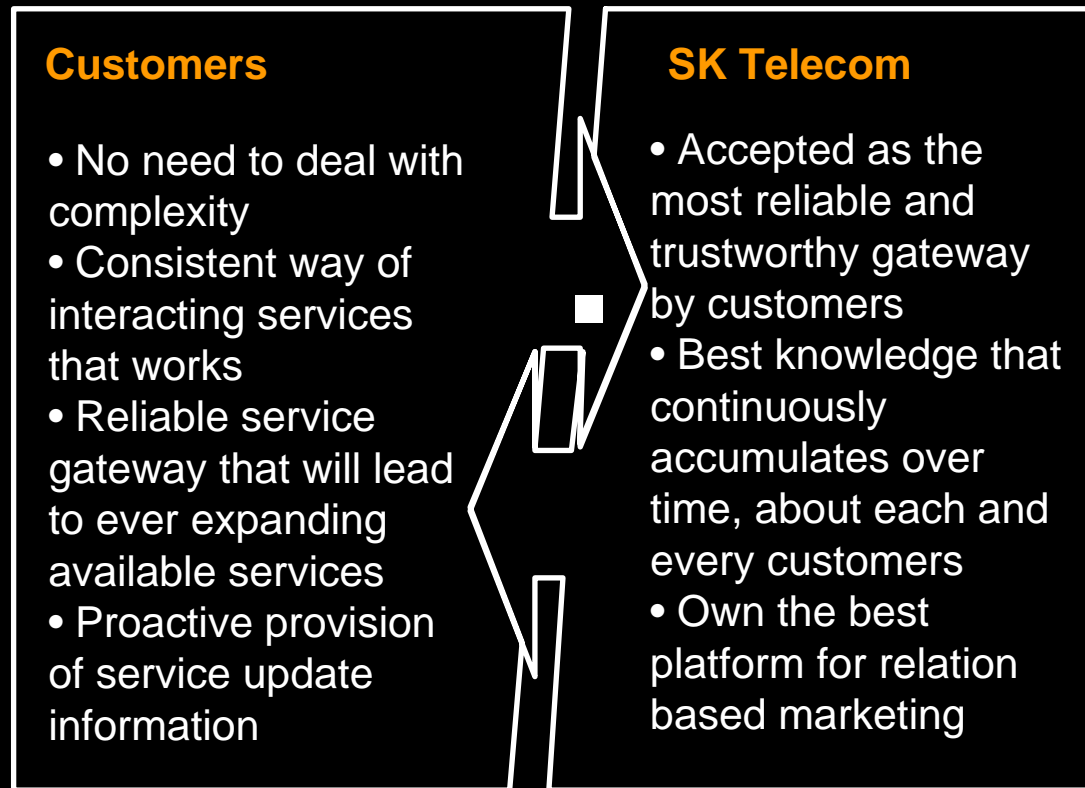
1MM IS SKT'S INNOVATIVE BASIS FOR POSITIONING ITSELF AS THE MOST PREFERRED UBIQUITOUS SERVICE GATEWAY PROVIDER

1mm value proposition

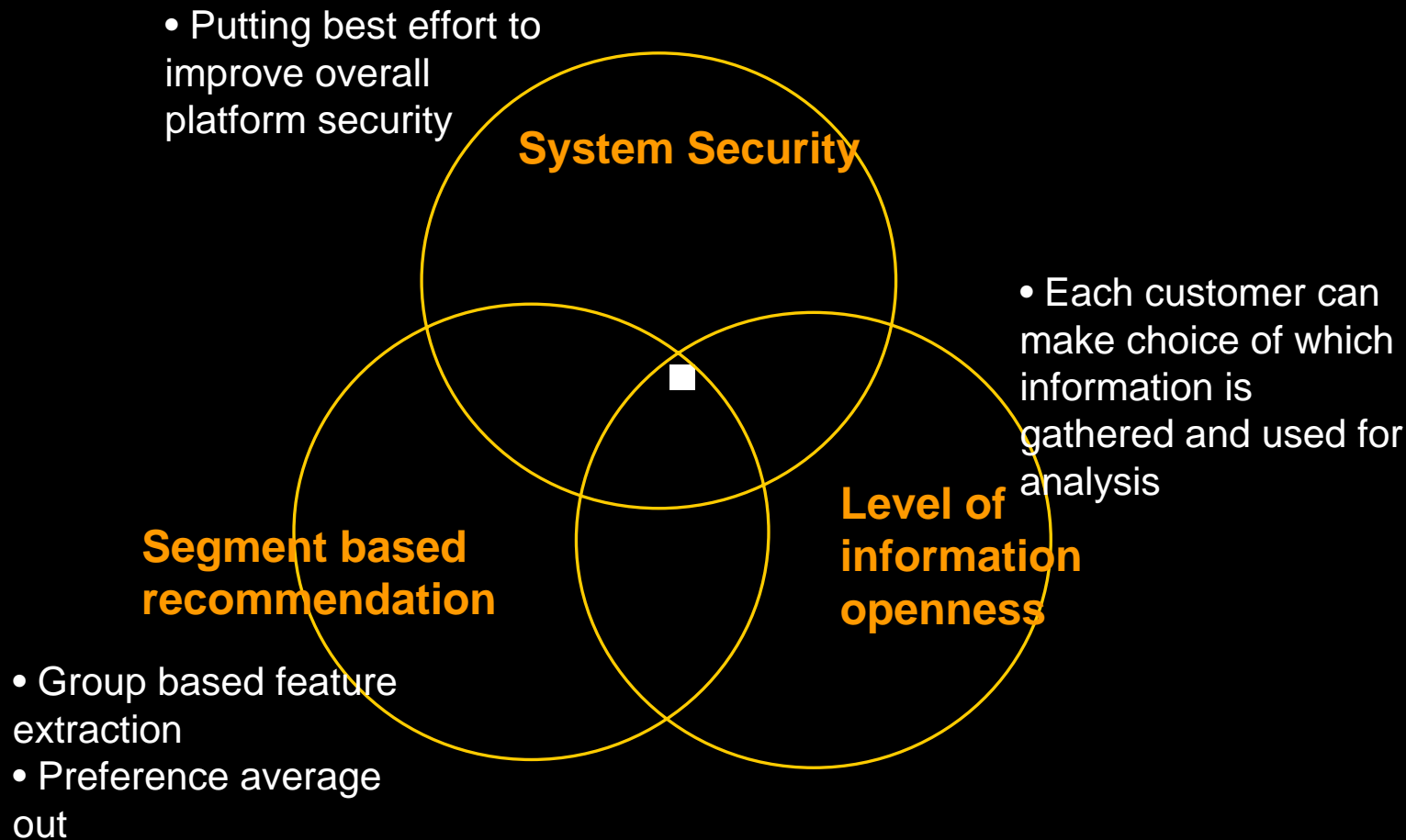


IT WILL LEAD TO TIGHTENING OUR WIN-WIN RELATIONSHIP WITH OUR CUSTOMERS

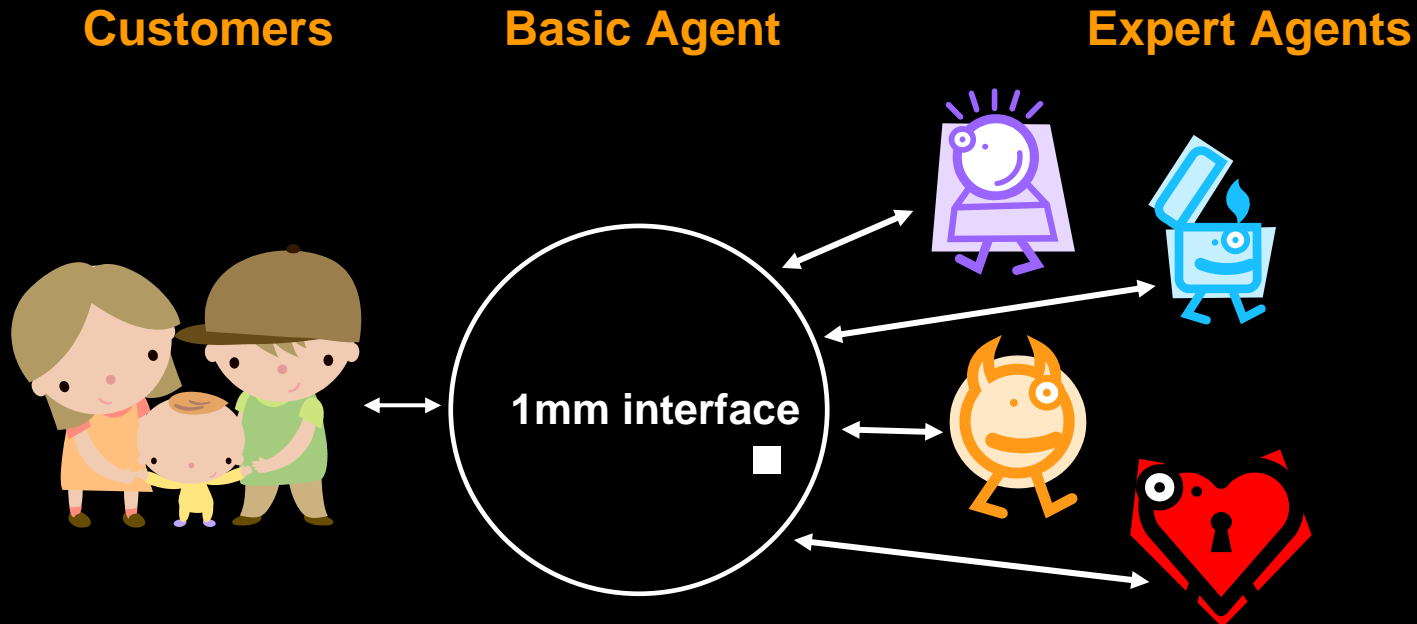
Personalization service will provide benefits to both parties



...IN A PRIVACY RESPECTING WAY



1MM SERVES AS A “MOBILE SERVICE PLATFORM” FOR VARIOUS INDUSTRY PLAYERS



- 1mm interface (basic agent) helps each customer to find and interact with expert agents that best fit the customer's contextual needs and preferences

- Each participant can design and maintain its 'own' expert agent
- Customers who find the expert agent useful and valuable can 'subscribe' for the expert agent

CONTENTS

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- Cyworld
- 1mm

3. Future Outlook

WITH THE WAVE OF DIGITAL CONVERGENCE, SKT WILL SET ITSELF AS A COMPREHENSIVE COMMUNICATION SERVICE PROVIDER

Biz Convergence

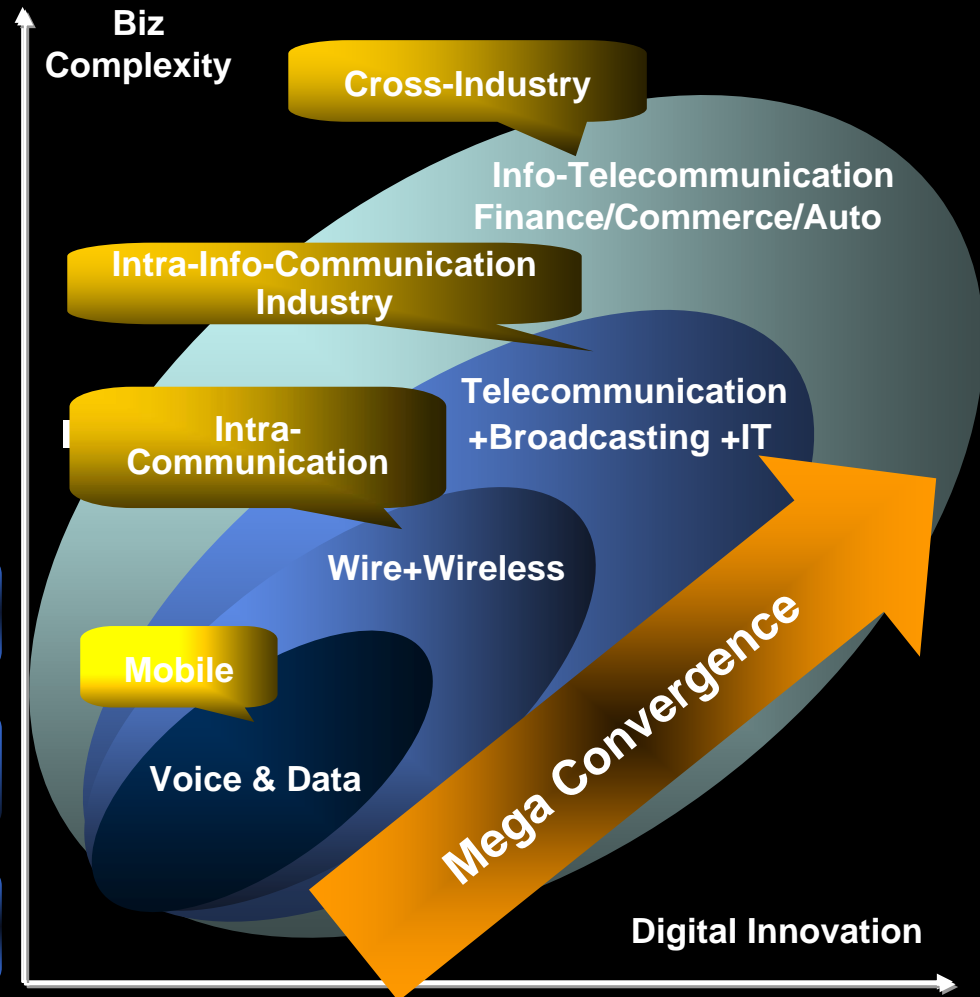
Creation of new industries/markets/SVC are expected from the Ubiquitous Trend and the Convergence of Technology & Environment



Disappearance of Biz. Boundary

Increasing Scope of Competition

Change Value Creation Requisites



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