




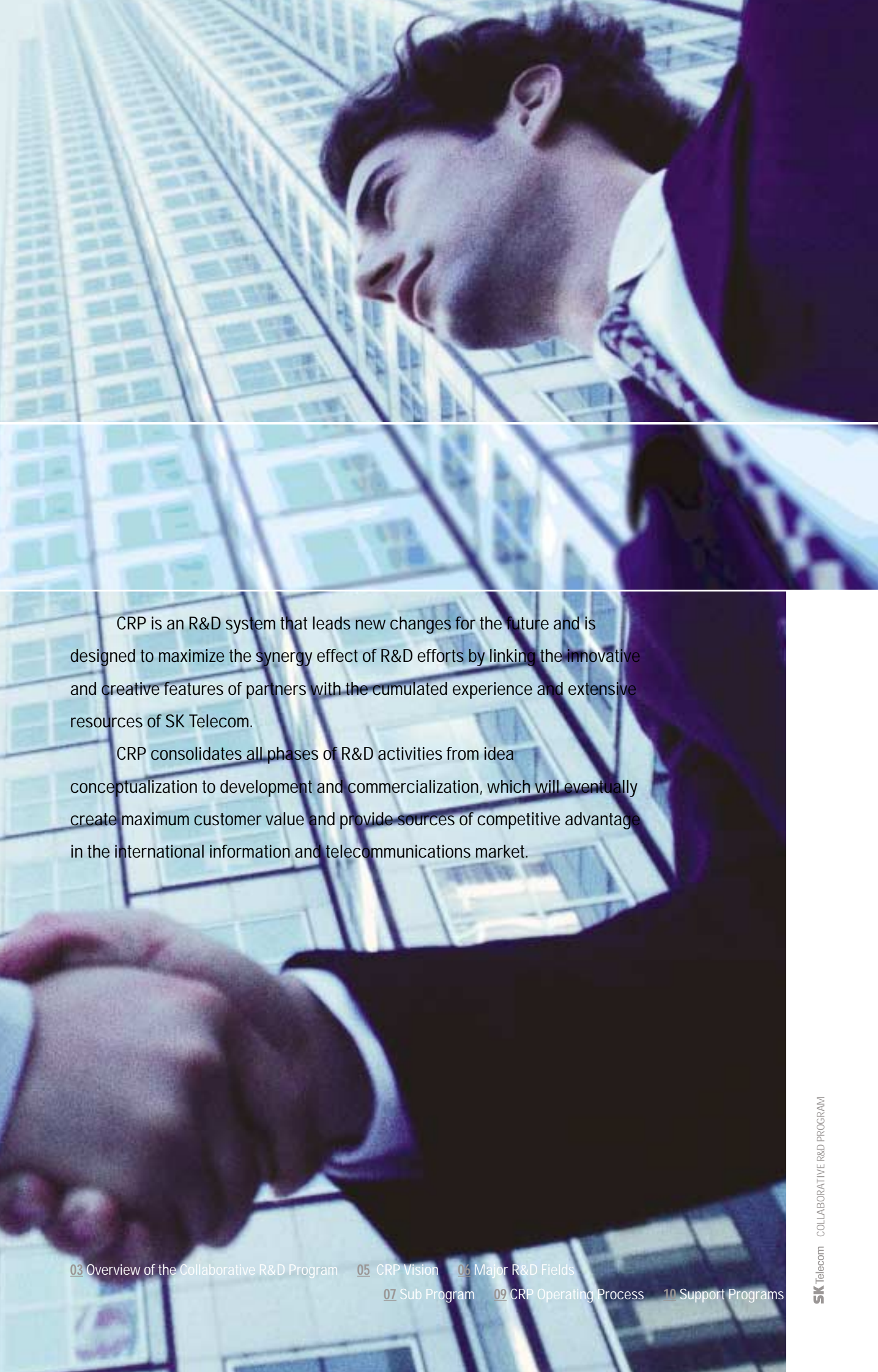
**COLLABORATIVE
R&D
PROGRAM**

A man in a blue suit is looking upwards, his face partially visible in the lower half of the frame. In the background, a tall skyscraper with a grid-like facade reaches towards a clear blue sky. The overall scene is brightly lit, suggesting a sunny day.

SK Telecom opens up a whole new world of advanced networks by working hand in hand with strategic partners.

In a connected world where people enjoy the convenience and efficiency in everyday life brought about by Information and Communication Technology, customer needs are getting more sophisticated and diverse than ever.

To cope with this change, SK Telecom has launched the Collaborative R&D Program (CRP), which will lead the social and cultural paradigm shift toward the ubiquitous and convergent world.



CRP is an R&D system that leads new changes for the future and is designed to maximize the synergy effect of R&D efforts by linking the innovative and creative features of partners with the cumulated experience and extensive resources of SK Telecom.

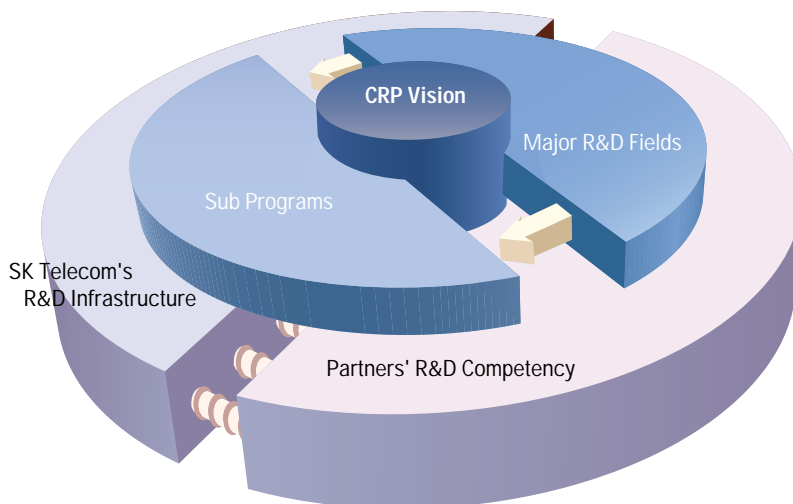
CRP consolidates all phases of R&D activities from idea conceptualization to development and commercialization, which will eventually create maximum customer value and provide sources of competitive advantage in the international information and telecommunications market.

SK Telecom values the creativity and innovative technology of its partners.

© Overview of CRP



CRP is a total R&D program that promotes idea creation and consolidates collaborative relationship with innovative partners. In addition, CRP is a value-based process that attaches great importance to creativity and value of technologies in all phases from idea conceptualization to commercialization. By pursuing CRP, SK Telecom and its strategic partners form a win-win relationship, which enables innovative technology development and commercialization.



Structure and Components of CRP

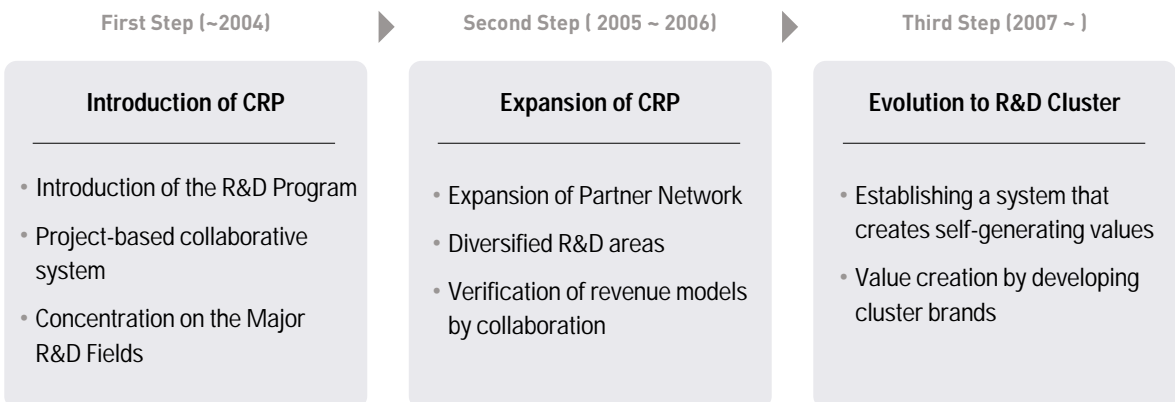
The framework of CRP is composed of CRP Vision, Major R&D Field, and Sub Programs based on SK Telecom's internal resources and its strategic partner's competency. Through the CRP Vision, SK Telecom and its strategic partners share the common goal and direction for the R&D activities. The Major R&D Fields embody the objectives and direction of its R&D efforts and eventually create synergy and value for the CRP Vision.

The partner's proposed creative ideas or technologies are valued under the Exploring program and passed through the Co-Developing program and Test-Bed program, where they are jointly developed and tested for commercialization. If long-term engagement and close alliance are necessary, partnerships are strengthened through the Investing program.

CRP Development Roadmap

SK Telecom is set to launch CRP in 2004 in order to enhance its R&D efficiency, to speed up technology innovation, and to strengthen partnership based on the four Major R&D Fields. Starting in 2005, CRP will expand the current Major R&D Fields and the existing Partner Network. In 2007, CRP will evolve as an independent R&D cluster that creates value by itself.

CRP Development Schedule



Through CRP, SK Telecom shares a common vision with its partners and leads the way toward the creation of new values for the next generation.

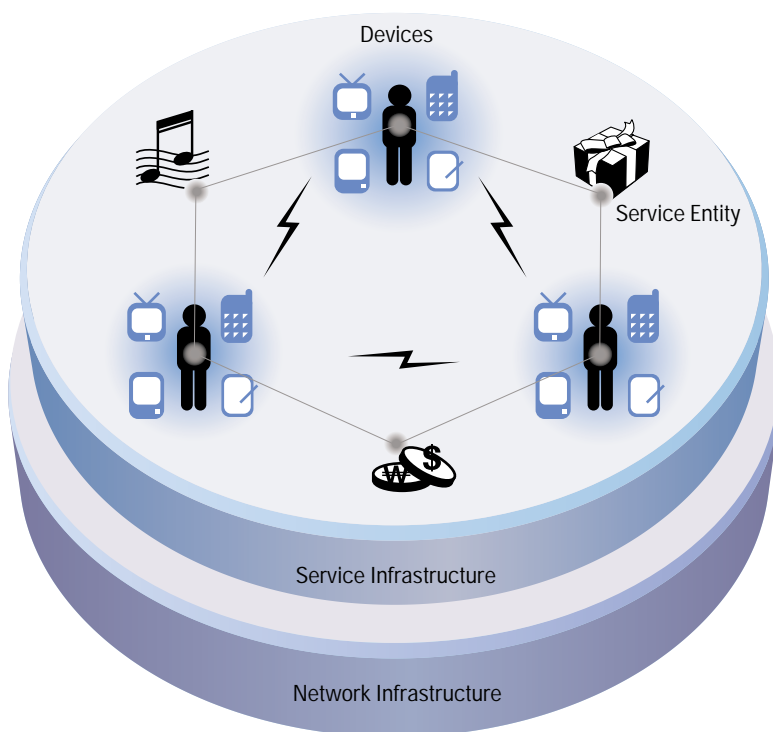
© CRP Vision



The new ubiquitous and convergent environment accelerates the convergence of network and service infrastructures, so that it enables the active development of human-centered, personalized services. Driven by its mission to create innovative value for the next generation, SK Telecom has established the CRP Vision to set a clear direction for the future.

CRP Vision Shaping New Life Style on Ubiquitous/Convergent Infrastructure

- Converging the Network and Service Infrastructures
- Creating Human-centric Personalized Services





SK Telecom concentrates its capabilities and resources on Four Major R&D Fields

Major R&D Fields

In order to synchronize the CRP Vision with SK Telecom's strategic direction, the company has selected four Major R&D Fields. These are: Convergence Application Technology - creates new business models by unifying or merging existing technologies; Ubiquitous Network Enabling Technology - enables ubiquitous networks based on mobile networks; Personalized Service Technology - provides diverse personalized services to subscribers flexibly through a unified infrastructure; and Human Interface Technology - enhances value-added customer services through a user-centered interface.

Major R&D Fields	Summary	Major Examples
Convergence Application Technology	Creates new offering and business models by unifying and compounding existing stand stand-alone technology	<ul style="list-style-type: none"> Existing examples : <ul style="list-style-type: none"> -Mobile communication terminal + camera technology → MMS service, video telephone, etc. -Mobile communication terminal + smart card → m-banking, m-payment -Cellular network + GPS → LBS
Ubiquitous Network Enabling Technology	Embodies ubiquitous networks based on mobile communication network	<ul style="list-style-type: none"> Sensor Network, RFID Mobile IPv6 Vertical H/O Indoor Location Positioning
Personalized Service Technology	Accepts and provides the personalized and unified service quickly and flexibly	<ul style="list-style-type: none"> Security / Authentication Context Awareness / Management CRM Application
Human Interface Technology	Creates new service and customer value through an intelligent and humanized interface composed of diverse devices	<ul style="list-style-type: none"> Multi-Modal Input (non-keypad, Biometrics etc) Voice Recognition / Synthesis Ambient Display (Micro Projector, Flexible Display etc) Natural Language Processing Advanced Graphics / Sound Technology

Integrated programs are developed from the conceptualization stage up to commercialization.

© Sub Programs



SK Telecom has developed detailed and systematic Sub-Programs to maximize synergy through the driving force of CRP.

Exploring

This program explores and unearths new creative ideas for the innovation of technologies and services. Once an idea proposal is registered and reviewed, the first stage research budget is provided to the proposer to support the development of a specific business model based on the proposed idea. If the business model submitted is determined to be reasonable, the second stage research budget will be allocated to set up the development plan in detail. This process incorporates the functions, performance targets, and high-level designs of the proposed idea into a Business Model, which will be further processed by the Co-Developing or Test-Bed program.

Co-Developing

After a specific Business model with appropriate development target and high-level design is established, the development budget will be supported. The proposer and the designated R&D team at SK Telecom will carry out the joint development project under its strategic alliance agreement. Projects that successfully complete the Co-Developing program will be evaluated to decide whether to proceed to the next step, the Test-Bed program.

Test-Bed

Under the Test-Bed Program, projects will undergo various tests in order to assess their technology feasibility and marketability. In the Technology Feasibility Test, the capability and performance of the technology applied to the project are verified, whereas in the Marketability Test, the market potential of the products or services is verified through closed-beta tests. The tests will be undertaken in the state-of-the-art Mobile Test Lab located in Bundang, Korea. Projects that successfully pass the foregoing tests are reviewed for commercial implantation.

Investing

In each step of the CRP process, when long-term collaboration is required, the strategic partnership can be strengthened through the Investing program, where equity investments in the partner will be made.

CRP Operating Process



Exploring



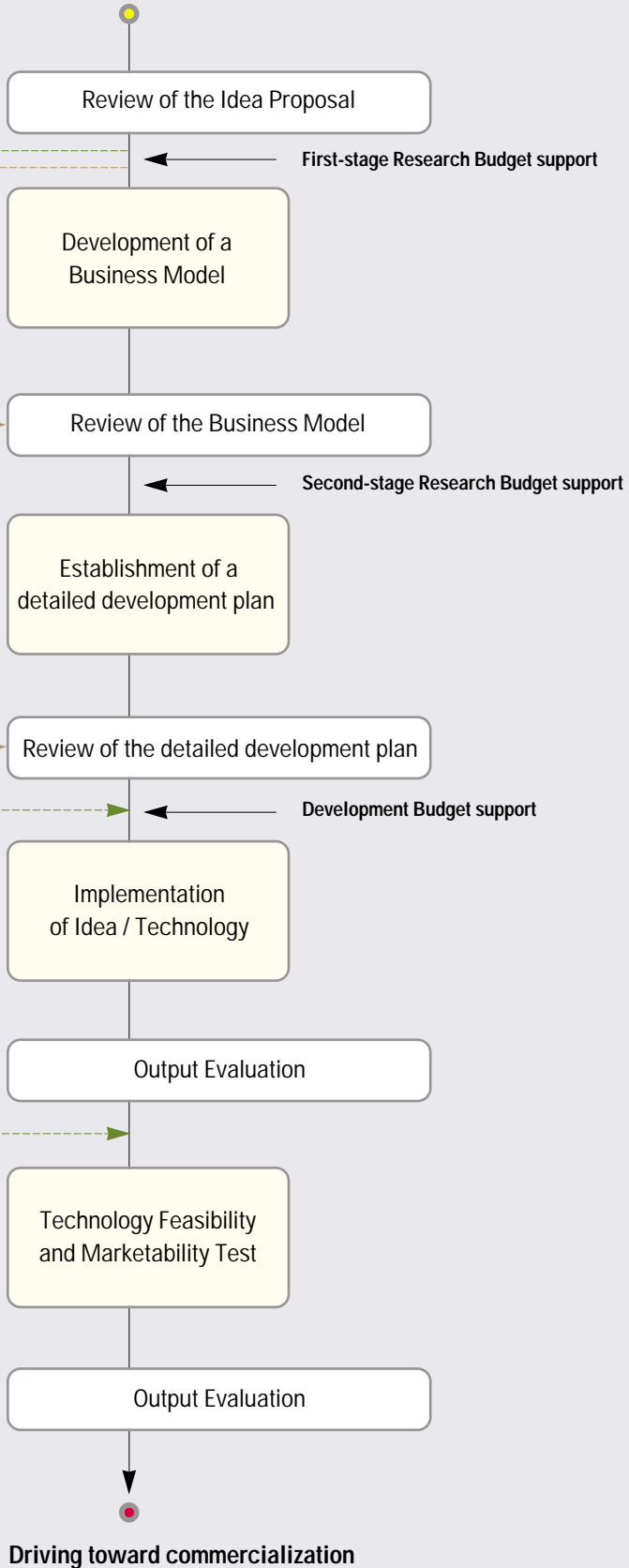
Co-Developing



Test-Bed

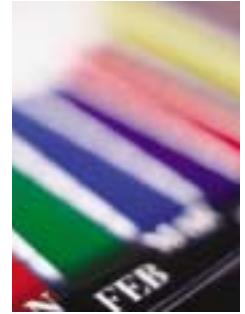


Idea proposal & NDA signing



Diverse Support Programs for efficient R&D activities are prepared.

Support Programs



To encourage partners to submit proposals, CRP provides various support programs in addition to the regular R&D budget support. Under the systematic CRP framework, SK Telecom enables its key partners to implement and commercialize their ideas under a more stable support mechanism. CRP provides comprehensive financial support in all the aspects of the programs, including R&D Budget support, Investment, Revenue Sharing, and Incentives. In addition to the financial support, CRP provides SK Telecom's accumulated information and experiences and state-of-the-art infrastructures. Furthermore, new partners will be able to take advantage of SK Telecom's wide Partner Network (over 3,000 partners including 200 R&D partners)

Support Area	Support Program	Content
Financial Support	R&D Budget	Research Budget support for Exploring program and Development Budget support for Co-Developing program
	Investment	When long-term collaboration is required, equity investment can be provided to strengthen the strategic partnership.
	Revenue sharing	When the proposed ideas or projects are commercialized through CRP, revenue would be shared by virtue of a contract.
	Incentive	In addition to Development Budget support, other incentives such as proprietary supply rights during the specified period and first negotiation right can be provided for future revenue contributions.
Technical Support	Information	Sharing knowledge and insight for the SK Telecom market and its technology; providing information and material on standardization
	Partner Network	Supporting projects by exchanging technology and expanding business possibilities with 3,000 global partners in SK Telecom's global partner network.
	Infrastructure	Offering a state-of-the-art mobile test lab for verifying the function and performance of technologies and providing infrastructure in exploring commercialization possibilities.



- ▶ The proposal must be submitted by mail or e-mail using the specified format.
- ▶ For additional information, please contact the CRP Manager at
 - Tel : 82-2-2121-3538 (CRP Manager)
 - e-mail : CRP@sktelecom.com
- ※ The ideas contained in the proposal are protected under a confidentiality agreement with the NDA (Non-Disclosure Agreement).
- ※ Any proposal that does not meet CRP criteria and requirements such as those submitted mainly for investment purposes shall be excluded from the program.

• If the definition of target products or target services is clear

• If the Business Model is specific
• If the technological core factor is understood and the upper level design is complete
• If the development target and results are clear

• If a verification is required for commercialization.

