

SK TELECOM CO LTD

Form 6-K

April 24, 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 APRIL 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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ANNUAL REPORT

(From January 1, 2007 to December 31, 2007)

THIS IS A SUMMARY OF THE ANNUAL REPORT ORIGINALLY PREPARED IN KOREAN AND IS IN SUCH FORM AS REQUIRED BY THE KOREAN FINANCIAL SUPERVISORY 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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Attachment: Korean GAAP Non-consolidated Financial Statements
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**I. OVERVIEW**

**1. Corporate 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) Agreement to acquire equity interests of Hanaro telecom Incorporated

On December 3, 2007, the Company entered into the agreement to acquire 91,406,249 shares of Hanaro telecom Incorporated's common stock from AIG- Newbridge Capital Limited and others, at the price of W11,900 per share (total acquisition cost of 1,087,734 million won) in accordance with the resolution of the Company's board of directors on November 30, 2007. However, if the government approval is



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not made or the preceding conditions are not fulfilled in connection with the agreement, this agreement might not be executed. If the agreement is completed, the Company's ownership interest in Hanaro telecom Incorporated will increase to 43.6% from 4.8%

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

(As of December 31, 2007)

(Unit: shares)

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>	8,609,034		8,609,034	
<b>VI. Number of shares outstanding (IV-V)</b>	72,584,677		72,584,677	

\* The Company disposed Treasury Stock to E.S.O.P. on January 23, 2008 (208,326 shares)

**B. Capital Stock and Price per Share**

(As of December 31, 2007)

(Unit: Won, shares)

Classification	Type	Capital (total face value)			Price per share		
		Capital amount in financial statements (a)	Total number of issued shares (IV of A×b)	Total amount of distributed shares (VI of A×b)	Par value per share (b)	Capital/ Total number of issued shares (a / IV of A.)	Capital/ Number of distributed shares (a / VI of A.)
<b>Registered</b>	<b>Common shares</b>	44,639,473,000	40,596,855,500	36,292,338,500	500	549.8	615.0
<b>Total</b>		44,639,473,000	40,596,855,500	36,292,338,500	500	549.8	615.0

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## 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
<b>Direct acquisition pursuant to Article 189-2 (1) of the relevant Act</b>	Common share	4,561,572	471,000	388,218		4,644,354
	Preferred share					
<b>Direct acquisition based on causes other than those stipulated in Article 189-2 (1) of the relevant Act</b>	Common share	77,970				77,970
	Preferred share					
<b>Sub-total</b>	Common share	4,639,542	471,000	388,218		4,722,324
	Preferred share					
<b>Indirect acquisition through trust and other agreements</b>	Common share	3,886,710				3,886,710
	Preferred share					
<b>Total</b>	Common share	8,526,252	471,000	388,218		8,609,034
	Preferred share					

*Notes:*

\* Of the 4,722,324 shares of treasury stocks directly acquired based on causes other than those provided in Article 189-2 (1) of the relevant Act,



1,277,164  
shares were  
deposited with  
the Korea  
Securities  
Depository as of  
December 31,  
2007 for any  
exchange of the  
Company's  
overseas  
exchangeable  
bonds.

\* The Company  
disposed  
Treasury Stock  
to E.S.O.P. on  
January 23,  
2008 (208,326  
shares)

\* Of the  
4,513,998  
shares of  
treasury stocks  
directly  
acquired based  
on causes other  
than those  
provided in  
Article 189-2  
(1) of the  
relevant Act,  
1,277,164  
shares were  
deposited with  
the Korea  
Securities  
Depository as of  
January 25,  
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

- a) The Company lent purchase funds for employee stock ownership to the Employee Stock Ownership Program, and the Employee Stock Ownership Program re-lent the amount to the Company's employees in accordance with its internal allotment standards.

(Unit: in thousand 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	31,017,043	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 December 31, 2007)

(Unit: in thousand Won)

Classification	Initial Loan	Amount		Balance
		2007 Repayment Amount	Accumulated Repayment Amount (Including 2007 Repayment)	
5th	118,577,754	3,727,309	114,775,510	3,802,244
8th(1)	31,017,043			31,017,043
<b>Total</b>	<b>148,594,797</b>	<b>3,727,309</b>	<b>114,775,510</b>	<b>34,819,287</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

(Unit: shares)

Classification	Account classification	Types of share	Balance at the	
			beginning of period	end of period
5th	Member Account	Common share	197,240	139,338
8th(1)				171,871
	<b>Total</b>		<b>197,240</b>	<b>311,209</b>

\* 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  
stocks in  
separate  
individual  
accounts within  
the program  
once the number  
of shares for  
each individual  
member is  
determined.

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

(As of December 31, 2007)

(Unit: shares)

	<b>Classification</b>	<b>Number of shares</b>	<b>Remarks</b>
<b>Total outstanding shares (A)</b>	Common share Preferred share	81,193,711	
<b>Number of shares without voting right (B)</b>	Common share Preferred share	8,609,034	Treasury shares
<b>Shares with restricted voting right under the Stock Exchange Act and other laws (C)</b>	Common share		
<b>Shares with reestablished voting right (D)</b>			
<b>The number of shares with exercisable voting right (E = A - B - C + D)</b>	Common share Preferred share	72,584,677	

\* The Company disposed Treasury Stock to E.S.O.P. on January 23, 2008 (208,326 shares)

**5. Dividends and Others**

(Unit: in million Won except per share value)

	<b>Classification</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Par value per share</b>		500	500	500
<b>Current net income</b>		1,642,451	1,446,598	1,871,380
<b>Net income per share</b>		22,607	19,734	25,421
<b>Income available for distribution as dividend</b>		1,603,828	1,574,716	1,930,626
<b>Total cash dividend</b>		682,379	582,386	662,529
<b>Total stock dividend</b>				
<b>Percentage of cash dividend to available income (%)</b>		41.6	40.3	35.4
<b>Cash dividend yield ratio(%)</b>	<b>Common share</b>	3.6	3.5	4.8
	<b>Preferred share</b>			
<b>Stock dividend yield ratio (%)</b>	<b>Common share</b>			
	<b>Preferred share</b>			
<b>Cash dividend per share</b>	<b>Common share</b>	9,400	8,000	9,000
	<b>Preferred share</b>			
<b>Stock dividend per share</b>	<b>Common share</b>			

**Preferred share**

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

As of December 31, 2007, the number of domestic mobile phone subscribers reached 43.5 million and with a 89.8% 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)

<b>Classification</b>	<b>End of 2007</b>	<b>End of 2006</b>	<b>End of 2005</b>	<b>End of 2004</b>	<b>End of 2003</b>
<b>Penetration rate (%)</b>	89.8	83.2	79.4	75.9	70.1
<b>Number of subscribers</b>					
<b>SK Telecom</b>	21,968	20,271	19,530	18,783	18,313
<b>Others (KTF, LGT)</b>	21,530	19,926	18,812	17,803	15,279
<b>Total</b>	43,498	40,197	38,342	36,586	33,592

(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. 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.

**B. Company Status****(1) Market Share**

\* Historical market share of the Company

(Unit: %)

<b>Classification</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Mobile phone</b>	50.5	50.4	50.9

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\* Comparative market share

(As of December 31, 2007)

(Unit: %)

	<b>Classification</b>	<b>SK Telecom</b>	<b>KTF</b>	<b>LG Telecom</b>
<b>Market share</b>		50.5	31.5	18.0

(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 million Won, %)

<b>Business field</b>	<b>Sales type</b>	<b>Item</b>	<b>Major trademarks</b>	<b>Sales amount (ratio)</b>
<b>Information and communication</b>	Services	Mobile phone	June, NATE and others	11,083,820(98.2%)
		Others	Others	202,080(1.8%)

B. Price Trend of Major Products

	<b>Item</b>	<b>During 2007</b>	<b>During 2006</b>	<b>During 2005</b>
<b>Mobile phone</b>	<b>Basic fee (per month)</b>	13,000	13,000	13,000
<b>(Based on standard call charge)</b>	<b>Service fee (per 10 seconds)</b>	20	20	20

\* Caller ID service became free of charge beginning January 2006.

**3. Investment Status**

A. Investments in Progress

(Unit: Won 100 million)

<b>Business field</b>	<b>Classification</b>	<b>Investment period</b>	<b>Subject of investment</b>	<b>Investment effect</b>	<b>Total investments</b>	<b>Amount already invested</b>	<b>Future investment</b>
<b>Network/Common</b>	Upgrade/ New installation	2007	Network, systems and others	Capacity increase and quality improvement; systems improvement	17.500	18,554	

\* Amount already invested is the cumulative

amount  
expended  
through the first  
to the fourth  
quarter of 2007

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## B. Future Investment Plan

(Unit: Won 100 million)

Business field	Expected investment amount		Expected investment for each year		Investment effect
	Asset type	Amount	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

- Cross Currency Swap

(As of December 31, 2007)

(Unit: in million Won)

Contract amount	Contract party	Contract date	Proceeds payment method	Income/loss on valuation
US\$125 million	Citibank	March 23, 2004	Exchange on the date immediately preceding the principal and interest payment date	(35,024)
US\$125 million	Credit Suisse BNP	March 23, 2004	Same as above	(35,818)
US\$50 million	Paribas	March 23, 2004	Same as above	(14,397)
US\$100 million	Calyon			(2,547)

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		October 10, 2006	Exchange on the date of the principal and interest payment date	
JPY 9,100 million	SMBC	November 13, 2007	Same as above	5,311
JPY 3,400 million	HSBC	November 13, 2007	Same as above	430

\* Income/loss on valuation was appropriated for capital adjustment.

- Cross Currency Swap

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(As of December 31, 2007)

(Unit: in million Won)

<b>Contract amount</b>	<b>Contract party</b>	<b>Contract date</b>	<b>Proceeds payment method</b>	<b>Income/loss on valuation</b>
US\$150 million	Morgan Stanley	July 20, 2007	Exchange on the date immediately preceding the principal and interest payment date	1,995
US\$150 million	Merrill Lynch	July 20, 2007	Same as above	3,197
US\$150 million	Barclays Capitals	July 20, 2007	Same as above	2,124

\* Income/loss on valuation was appropriated for Income Statement.

- FX Swap

(As of December 31, 2007)

(Unit: in million Won)

<b>Contract amount</b>	<b>Contract party</b>	<b>Contract date</b>	<b>Proceeds payment method</b>	<b>Income on valuation</b>
US\$100 million	Credit Suisse	May 27, 2004	Exchange before principal payment date	(23,125)
HKD 10,941 million	8 Banks including Hana Bank	September 16, 2007	Payment of HK Dollars and receipt of Korean Won on September 16, 2008	(12,646)

\* Income/loss on valuation was appropriated for Income Statement.

(2) Interest Rate Swap

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

(As of December 31, 2007)

(Unit: in million Won)

<b>Contract amount</b>	<b>Contract party</b>	<b>Contract date</b>	<b>Proceeds payment method</b>	<b>Income/loss on valuation</b>
200 Billion Won	Shinhan Bank	June 28, 2006	Fixing of interest payment date / exchange of floating interest rate	3,170

\* Income/loss on valuation was appropriated for capital adjustment.

### 5. R&D Investments

(Unit: in thousand Won)

<b>Category</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>Remarks</b>
<b>Raw material</b>	96,217	184,969	234,889	
<b>Labor</b>	39,388,760	33,986,701	35,191,759	
<b>Depreciation</b>	129,208,262	134,461,257	121,335,301	
<b>Commissioned service</b>	90,363,645	83,751,223	86,536,635	
<b>Others</b>	37,609,969	35,680,197	41,730,732	
<b>Total R&amp;D costs</b>	<b>296,666,853</b>	<b>288,064,347</b>	<b>285,029,316</b>	

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(Unit: in thousand Won)

	Category	2007	2006	2005	Remarks
Accounting	Sales and administrative expenses	288,519,863	277,807,352	273,223,885	
	Development expenses (Intangible assets)	8,146,990	10,256,995	11,805,431	
<b>R&amp;D cost / sales amount ratio</b>					
<b>(Total R&amp;D costs / Current sales amount×100)</b>		2.63%	2.70%	2.81%	

**6. Other Matters**

## A. External Fund Procurement Summary

\* Domestic procurement

(Unit: in million Won)

Source of procurement	Beginning balance	New procurement	Reduction from repayment	Ending balance	Remarks
Bank	200,000			200,000	
Insurance company					
Merchant banking					
Loan specialty financial company					
Mutual savings bank					
Other financial institutions	9,839		8,197	1,642	
Total procurement from financial institutions	209,839		8,197	201,642	
Corporate bond (public offering)	2,100,000	304,166	700,000	1,704,166	
Corporate bond (private offering)					
Paid-in capital increase (public offering)					
Paid-in capital increase (private offering)					
Asset backed securitization (public offering)					
Asset backed securitization (private offering)					

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Source of procurement	Beginning balance	New procurement	Reduction from repayment	Ending balance	Remarks
Others					
<b>Total procurement from capital market</b>	2,100,000	304,166	700,000	1,704,166	
<b>Borrowings from shareholder, officer and affiliated company</b>					
Others					
<b>Total</b>	2,309,839	304,166	708,197	1,905,808	

\* Overseas procurement

(Unit: in million Won)

Procurement source	Beginning balance	New procurement	Reduction in repayment and others	Ending balance	Remarks
Financial institutions	92,960	860		93,820	Exchange rate adjustment
Overseas securities (Corporate bonds)	278,880	377,860		656,740	Exchange rate adjustment
Overseas securities (shares and others)	356,356		87,941	268,415	Exchange requirement
Asset backed securitization					
Others					
<b>Total</b>	728,196	378,720	87,941	1,018,975	

B. Credit Ratings

(1) Corporate Bonds

Credit rating date	Subject of valuation	Credit rating	Credit rating entity (Credit rating range)	Evaluation classification
March 11, 2005	Corporate bond	AAA	Korea Investors Service, Inc.	Current valuation
March 11, 2005	Corporate bond	AAA	Korea Ratings	Current valuation
March 14, 2005	Corporate bond	AAA	Korea Ratings	Regular valuation
June 13, 2006	Corporate bond	AAA	National Information on Credit Evaluation, Inc.	Regular valuation
June 21, 2006	Corporate bond	AAA	Korea Ratings	Regular 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>
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

\* 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 12, 2005	CP	A1	Korea Ratings	Regular valuation
June 13, 2005	CP	A1	Korea Investors Service, Inc.	Current valuation
June 14, 2005	CP	A1	National Information on Credit Evaluation, Inc.	Current valuation
June 16, 2005	CP	A1	Korea Ratings	Current valuation
December 23, 2005	CP	A1	Korea Investors Service, Inc.	Regular valuation
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

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December 27, 2006	CP	A1	Korea Investors Service, Inc.	Regular valuation
May 29, 2007	CP	A1	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>
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	National Information on Credit Evaluation, Inc.	Regular valuation
November 5, 2007	CP	A1	Korea Investors Service, Inc.	Regular 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.

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## (3) International Credit Ratings

<b>Date of credit rating</b>	<b>Subject of valuation</b>	<b>Credit rating of securities</b>	<b>Credit rating company (Credit rating range)</b>	<b>Evaluation type</b>
June 14, 2005	Issuer Rating	A	Fitch (England)	Current valuation
July 14, 2005	Global Bonds	A2	Moody's (U.S.A.)	Current valuation
July 14, 2005	Exchangeable Bonds	A2	Moody's (U.S.A.)	Current valuation
July 27, 2005	Global Bonds	A	S&P (U.S.A.)	Current valuation
July 27, 2005	Exchangeable Bonds	A	S&P (U.S.A.)	Current valuation
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

**III. FINANCIAL INFORMATION**

## 1. Summary Financial Statements (Consolidated)

(Unit: in million Won)

<b>Classification</b>	<b>Year ended December 31,</b>				
	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>Current assets</b>	4,813,072	4,663,962	4,598,580	4,390,692	4,069,525
<b>Quick assets</b>	4,766,020	4,644,184	4,590,796	4,338,371	4,038,009
<b>Inventory</b>	47,052	19,778	7,784	52,321	31,516
<b>Fixed assets</b>	14,235,863	11,576,006	10,106,193	9,892,665	9,748,692
<b>Investments</b>	5,446,711	3,236,783	1,989,934	1,665,841	1,432,200
<b>Tangible assets</b>	4,969,354	4,507,335	4,663,369	4,703,922	4,641,547
<b>Intangible assets</b>	3,433,962	3,518,411	3,452,889	3,522,903	3,674,944
<b>Other non-current assets</b>	385,836	313,477			
<b>Total assets</b>	19,048,935	16,239,968	14,704,772	14,283,358	13,818,217
<b>Current liabilities</b>	3,016,874	3,208,416	2,863,373	3,066,893	4,530,910
<b>Fixed liabilities</b>	4,344,428	3,548,464	3,513,860	4,010,721	3,193,460
<b>Total liabilities</b>	7,361,302	6,756,880	6,377,233	7,077,614	7,724,370
<b>Capital</b>	44,639	44,639	44,639	44,639	44,639
<b>Capital surplus</b>	2,924,960	2,950,327	2,954,840	2,968,301	2,911,556
<b>Capital adjustment</b>	(-)2,041,577	(-)2,019,567	(-)2,048,515	(-)2,058,292	(-)2,158,244
<b>Accumulated comprehensive income</b>	1,591,258	490,010			
<b>Retained earnings</b>	8,914,970	7,847,434	7,267,649	6,152,898	5,139,911

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(Unit: in million Won)

Classification	Year ended December 31,				
	2007	2006	2005	2004	2003
Minority Interest	253,383	170,245			
Total capital	11,687,633	9,483,088	8,327,540	7,205,743	6,093,847
Sales	12,018,163	11,027,977	10,721,820	10,570,615	10,272,081
Operation income	1,810,412	2,621,132	2,670,616	2,439,749	3,105,107
Ordinary income	1,985,292	2,021,578	2,561,567	2,123,176	2,754,335
Current net income	1,562,265	1,449,552	1,868,307	1,493,414	1,965,277
Consolidated Current net income	1,648,876	1,451,491	1,872,978	1,491,479	1,966,100
Numbers of Consolidated Companies	26	18	17	11	11

## 2. Summary Financial Statements (Non Consolidated)

(Unit: in million Won)

Classification	Year ended December 31,				
	2007	2006	2005	2004	2003
Current assets	4,094,059	4,189,325	4,172,485	3,854,345	3,460,706
Quick assets	4,075,378	4,172,887	4,166,500	3,843,384	3,452,682
Inventory	18,681	16,438	5,985	10,961	8,024
Fixed assets	14,048,990	11,624,728	10,349,191	10,166,360	9,915,253
Investments	5,950,585	3,547,942	2,366,760	2,112,488	1,763,359
Tangible assets	4,594,413	4,418,112	4,595,884	4,605,253	4,551,626
Intangible assets	3,174,942	3,405,158	3,386,547	3,448,619	3,600,268
Other non-current assets	329,051	253,516			
Total assets	18,143,049	15,814,053	14,521,676	14,020,705	13,375,959
Current liabilities	2,484,548	2,985,620	2,747,268	2,859,711	4,231,974
Fixed liabilities	4,221,016	3,522,006	3,516,528	4,033,902	3,202,147
Total liabilities	6,705,564	6,507,626	6,263,796	6,893,613	7,434,121
Capital	44,639	44,639	44,639	44,639	44,639
Capital surplus	2,939,353	2,962,699	2,966,198	2,983,166	2,915,964
Capital adjustment	(-)2,041,578	(-)2,019,568	(-)2,022,817	(-)2,057,422	(-)2,159,114
Accumulated comprehensive income	1,589,206	473,904			
Retained earnings	8,905,865	7,844,753	7,269,861	6,156,708	5,140,349
Total capital	11,437,485	9,306,427	8,257,881	7,127,091	5,941,838

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(Unit: in million Won)

Classification	Year ended December 31,				
	2007	2006	2005	2004	2003
Sales	11,285,900	10,650,952	10,161,129	9,703,681	9,520,244
Operation income	2,171,543	2,584,370	2,653,570	2,359,581	3,080,660
Ordinary income	2,307,785	2,021,643	2,554,613	2,115,778	2,714,194
Current net income	1,642,451	1,446,598	1,871,380	1,494,852	1,942,750

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

**IV. AUDITOR'S OPINION****1. Auditor****2007**

Deloitte Anjin LLC

**2006**

Deloitte Anjin LLC

**2005**

Deloitte Anjin LLC

**2. Audit Opinion****Term****Year ended December 31, 2007****Year ended December 31, 2006****Year ended December 31, 2005****Auditor's opinion**

Appropriate

Appropriate

Appropriate

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

(Unit: in thousand Won)

Term	Auditors	Contents	Fee	Total hours
<b>Year ended December 31, 2007</b>	Deloitte Anjin LLC	Semi-annual review	1,066,318	11,468
		Quarterly review		
<b>Year ended December 31, 2006</b>	Deloitte Anjin LLC	Non-consolidated financial statements audit	656,000	7,637
		Consolidated financial statements audit		
<b>Year ended December 31, 2005</b>	Deloitte Anjin LLC	Semi-annual review	447,000	5,177
		Quarterly review		
		Non-consolidated financial statements audit		

		Consolidated financial statements audit		
		Semi-annual review		
		Quarterly review		
<b>Year ended</b>	Deloitte Anjin	Non-consolidated financial		
<b>December 31, 2007</b>	LLC	statements audit	1,066,318	11,468
		Consolidated financial statements audit		

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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 15 billion or above

Planned budget increases and changes for investments or Won 15 billion or above

Diversification into new businesses

Investments and joint ventures of Won 15 billion or above (excluding matters subject to prior approval by independent non-executive directors)

Establishment of subsidiaries

Guarantees of Won 15 billion or above (excluding matters subject to prior approval by independent non-executive directors)

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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

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

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 15 billion

New investments and joint ventures under Won 15 billion

Acquisition of non-operational fixed assets

Disposition of fixed assets of Won 15 billion or above

Matters related to guarantees of under Won 15 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

Meeting	Date	Agenda	Approval
276 <sup>th</sup> (the first meeting of 2007)	January 25, 2007	- Financial statements for the year ended December 31, 2006 - Annual business report for the year ended December 31, 2006	Approved as proposed Approved as proposed
277 <sup>th</sup> (the second meeting of 2007)	February 13, 2007	- Organization of Independent Non-executive Director Nomination Committee	Approved as proposed
278 <sup>th</sup> (the third meeting of 2007)	February 13, 2007	- Convocation of the 23 <sup>rd</sup> General Meeting of Shareholders - Change in the Fair Trade Voluntary Compliance Program manager	Approved as proposed Approved as proposed





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<b>Meeting</b>	<b>Date</b>	<b>Agenda</b>	<b>Approval</b>
<b>279<sup>th</sup> (the fourth meeting of 2007)</b>	March 9, 2007	- Election of the representative director and appointments of executive directors - Election of committee members	Approved as proposed Approved as proposed
<b>280<sup>th</sup> (the fifth meeting of 2007)</b>	April 27, 2007	- Entry into UN Global Compact	Approved as proposed
<b>281<sup>th</sup> (the sixth meeting of 2007)</b>	May 29, 2007	- WCDMA Investment Plan	Approved as proposed
<b>282<sup>th</sup> (the</b>			