

SK TELECOM CO LTD
Form 6-K
April 23, 2009

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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 2009**

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, 2008 to December 31, 2008)

THIS IS A SUMMARY OF THE 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. 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) Issuance and offering of unguaranteed bonds

In accordance with the resolution of the board of directors dated October 23, 2008, the Company issued on January 22, 2009, unguaranteed bonds with face amounts of Won 40 billion and Yen 3 billion, respectively. The Won-denominated bonds have an annual interest rate of 5.54% and will be repaid in full at their maturity on January 22, 2016. The Yen-denominated bonds have a floating

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interest rate of 3-month Euro Yen libor +2.70% and will be repaid in full at maturity on January 22, 2012.
 (2) Retirement of treasury stock

In accordance with the resolution of the board of directors dated October 23, 2008, the Company acquired 448,000 shares (total acquisition cost: Won 92,475,473,000) of treasury stock on the open market from December 2, 2008 to January 7, 2009, and cancelled such treasury stock with its retained earnings on January 9, 2009. As the result of such retirement of treasury stock, the total number of outstanding shares decreased to 80,745,711.

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

(As of December 31, 2008)

Classification	Share type		Remarks
	Common shares	Total	
I. Total number of issuable shares	220,000,000	220,000,000	
II. Total number of shares issued to date	89,278,946	89,278,946	
III. Total number of shares retired to date	8,085,235	8,085,235	
1. Capital reduction			
2. Share cancellation	8,085,235	8,085,235	
3. Redeemed shares			
4. Others			
IV. Total number of shares (II-III)	81,193,711	81,193,711	
V. Number of treasury shares	8,669,508	8,669,508	
VI. Number of shares outstanding (IV-V)	72,524,203	72,524,203	

* On January 9, 2009, the Company used retained earnings to cancel 448,000 shares of its treasury stock. As the result of such retirement of treasury stock, the total number of outstanding shares decreased to 80,745,711.

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B. Capital Stock and Price per Share

(As of December 31, 2008)

		Capital (total face value)			(Unit: Won, shares)		
		Capital amount	Total amount		Price per share		
		in financial	Total number of	of distributed	Par	Capital/	Capital/
		statements	issued shares	shares	value	number	Number
					per	of	of
					share	issued	distributed
						shares	shares
Classification	Type	(a)	(IV. of A.xb)	(VI. of A.xb)	(b)	(a / IV. of A.)	(a / VI. of A.)
Registered	Common shares	44,639,473,000	40,596,855,500	36,262,101,500	500	549.8	615.5
Total		44,639,473,000	40,596,855,500	36,262,101,500	500	549.8	615.5

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C. Acquisition and Disposition of Treasury Shares

(1) Status of Acquisition and Disposition of Treasury Shares

		(Unit: shares)				
Acquisition method to Article 189-2 (1) of the relevant Act ⁽¹⁾	Type of share	Amount at	Acquisition	Disposition	Retirement	Amount at the
		the beginning of period				(+)
Direct acquisition pursuant to Article 189-2 (1) of the relevant Act ⁽¹⁾	Common share	4,644,354	268,800	208,326		4,704,828
	Preferred share					
Direct acquisition based on reasons other than those stipulated in Article 189-2 (1) of the relevant Act	Common share	77,970				77,970
	Preferred share					
Sub-total	Common share	4,722,324	268,800	208,326		4,782,798 ⁽²⁾
	Preferred share					
Indirect acquisition through trust and other agreements	Common share	3,886,710				3,886,710
	Preferred share					
Total	Common share	8,609,034	268,800	208,326		8,669,508
	Preferred share					

Notes:

(1) The relevant Act in the above table is the Korean Securities and Exchange Act.

(2) Of the 4,782,798 shares of treasury stock directly acquired based on reasons other than those provided in Article 189-2 (1) of the relevant Act, 1,324,744 shares were deposited with the Korea Securities

Depository as of
December 31,
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 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)	2007.12.26	31,017,043	5-year installment repayment plan following a two-year grace period	
8th(2)	2008.1.23	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 December 31, 2008)

(Unit: in thousands of Won)

Classification	Initial Loan	Amount		Balance
		2008 Repayment Amount	Accumulated Repayment Amount (Including 2008 Repayment)	
5th	118,577,754	1,931,212	116,706,722	1,871,032
8th(1)	31,017,043	1,653,764	1,653,764	59,039,318
8th(2)	29,676,039	3,584,976	118,360,486	60,910,350
Total	179,270,836			

(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 with respect to items set out in the shareholders' meeting agenda through a written power of attorney to a designated proxy.

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(3) Shareholdings of the Employee Stock Ownership Program

Classification	Account classification	Types of share	(Unit: shares)	
			Balance at the beginning of period	Balance at the end of period
5th			139,338	114,168
8th(1)	Member Account	Common share	171,871	369,887
8th(2)			208,326	
		Total	519,535	484,055

* 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.

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

(As of December 31, 2008)

	Classification	Number of shares	Remarks
Total outstanding shares (A)	Common share	81,193,711	
	Preferred share		
Number of shares without voting right (B)	Common share	8,669,508	Treasury shares
	Preferred share		
Shares with restricted voting right under the Korean Securities and Exchange Act and other laws (C)			
Shares with reestablished voting right (D)			
The number of shares with exercisable voting right (E = A - B - C + D)	Common share	72,524,203	
	Preferred share		

5. Dividends and Others

	Classification	(Unit: in millions of Won except per share data)		
		2008	2007	2006
Par value per share		500	500	500
Current net income		1,277,658	1,642,451	1,446,598
Net income per share		17,559	22,607	19,734
Income available for distribution as dividend		1,205,981	1,570,827	1,574,716
Total cash dividend		681,996	682,379	582,386
Total stock dividend				
Percentage of cash dividend to available income (%)		53.4	41.5	40.3
Cash dividend yield ratio (%)	Common share	4.5	3.8	3.6
	Preferred share			
Stock dividend yield ratio (%)	Common share			
	Preferred share			
Cash dividend per share	Common share	9,400	9,400	8,000
	Preferred share			
Stock dividend per share	Common share			
	Preferred share			

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As of December 31, 2008, the number of domestic mobile phone subscribers reached 45.6 million and with a 93.8% 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)				
		As of December 31,				
Classification		2008	2007	2006	2005	2004
Penetration rate (%)		93.8	89.8	83.2	79.4	75.9
SK Telecom		23,032	21,968	20,271	19,530	18,783
Number of subscribers	Others (KTF,					
	LGT)	22,575	21,529	19,926	18,812	17,803
	Total	45,607	43,497	40,197	38,342	36,586

(Source: Korea Communications Commission 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: %)		
		As of December 31,		
Classification		2008	2007	2006
Mobile communication services		50.5	50.5	50.4

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* Comparative market share

(As of December 31, 2008)

		SK Telecom	KTF	(Unit: %) LG Telecom
Market share	Classification	50.5	31.5	18.0

(Source: Korea
Communications
Commission
website)

(2) New Business Contents and Prospects
N/A

2. Major Products

A. Status of Major Products

Business field	Sales type	Item	Major trademarks	Sales amount (ratio)
Information and communication	Services	Mobile communication	June, NATE and others	11,492,832 (98.4%)
		Others	Others	181,830 (1.6%)

B. Price Trend of Major Products

	Item	2008	2007	2006
Mobile phone (Based on standard call charge)	Basic fee (per month)	13,000	13,000	13,000
	Service fee (per 10 seconds)	20	20	20

3. Investment Status

A. Investments in Progress

Business field	Classification	Investment period	Subject of investment	Investment effect	Total investments	Amount already invested	Future investment
Network/Common	Upgrade/ New installation	2008	Network, systems and others	Capacity increase and quality improvement; systems improvement	19,700	19,186	

* Amount already invested is the cumulative amount expended in 2008

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B. Future Investment Plan

(Unit: in 100 millions of Won)

Business field	Expected investment amount		Expected investment for each year		Investment effect
	Asset type	Amount	2009	2010	
Network/Common	Network, systems and others	To be determined	To be determined	To be determined	Upgrades to the existing services and provision of new services
Total					

4. Revenues

(Unit: in millions of Won)

Business field	Sales type	Item	2008	2007	2006			
			Information and communication	Services	Mobile communication	Export	Domestic	11,492,832
			Subtotal		11,492,832	11,083,821	10,497,773	
			Others	Export	Domestic	5,855	4,101	31,105
				Subtotal		175,975	197,979	122,164
						181,830	202,080	153,269
Total			Export	Domestic	Total	5,855	4,101	31,105
						11,668,807	11,281,800	10,619,937
						11,674,662	11,285,901	10,651,042

5. Derivatives and Others

A. Derivatives Contracts

In order to hedge risks related to fluctuations in currency exchange rates or interest rates, the Company enters into currency exchange swap contracts and interest rate swap contracts. The income or loss generated from the derivatives contracts are recognized as the gains/losses for the current period or other comprehensive income/loss, in accordance with Korean GAAP. Fair value of our derivatives is calculated using our transaction bank's valuations.

(1) FX Swap

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

b) Contract Terms

Currency swap contract applying cash flow hedge accounting

The Company has entered into a fixed-to-fixed cross currency swap contracts with three banks including Citibank in order to hedge the foreign currency risk of unguaranteed U.S. dollar denominated bonds with face amounts totaling US\$ 300,000,000 issued on April 1, 2004. As of December 31, 2008, in connection with unsettled foreign currency swap contracts to which the cash flow hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to Won 9,627 million (excluding

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tax effect totaling Won 3,256 million and foreign exchange translation gain arising from unguaranteed U.S. dollar denominated bonds totaling Won 32,460 million) was accounted for as accumulated other comprehensive loss.

The Company has entered into a floating-to-fixed cross currency swap contract with Calyon to hedge the foreign currency risk and the interest rate risk of U.S. dollar denominated long-term borrowings with face amounts totaling US\$ 100,000,000 borrowed on October 10, 2006. As of December 31, 2008, in connection with unsettled cross currency interest rate swap contracts to which the cash flow hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to Won 3,515 million (excluding tax effect totaling Won 549 million and foreign exchange translation loss arising from U.S. dollar denominated long-term borrowings totaling Won 30,950 million) was accounted for as accumulated other comprehensive loss.

In addition, the Company has entered into a floating-to-fixed cross currency swap contract with two banks including HSBC in order to hedge the foreign currency risk and the interest rate risk of unguaranteed Japanese yen dominated bonds with face amounts totaling JPY 12,500,000,000 issued on November 13, 2007. As of December 31, 2008, in connection with unsettled cross currency interest rate swap contracts to which the cash flow hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to Won 1,044 million (net of tax effect totaling Won 1,232 million and foreign exchange translation loss arising from unguaranteed Japanese yen dominated bonds totaling Won 70,168 million) was accounted for as accumulated other comprehensive income.

In addition, the Company has entered into a floating-to-fixed cross currency swap contract with two banks including DBS in order to hedge the foreign currency risk and interest rate risk of U.S. dollar denominated bonds with face amounts totaling US\$ 150,000,000 issued on November 20, 2008. As of December 31, 2008, in connection with unsettled cross currency interest rate swap contracts to which the cash flow hedge accounting is applied, an accumulated gain on valuation of derivatives amounting to Won 3,565 million (net of tax effect totaling Won 1,006 million and foreign exchange translation gain arising from U.S. dollar denominated bonds totaling Won 28,518 million) was accounted for as accumulated other comprehensive income.

Currency swap contract to which the fair value hedge accounting is applied

The Company has entered into a fixed-to-fixed cross currency swap contract with 10 banks including Hana Bank in order to hedge the foreign exchange risk of U.S. dollar denominated equity securities of China Unicom. In connection with unsettled foreign currency swap contracts to which the fair value accounting is applied, a loss on valuation of currency swap of Won 190,359 million and Won 12,646 million for the years ended December 31, 2008 and 2007 was charged to current operations.

Currency swap contract to which the hedge accounting is not applied

The Company has entered into a fixed-to-fixed cross currency swap contract with Credit Suisse First Boston International in order to hedge the foreign currency risk of unguaranteed U.S. dollar dominated convertible bonds with face amounts of US\$ 100,000,000 issued on May 27, 2004. In connection with unsettled cross currency swap contracts to which no hedge accounting is applied, a gain on valuation of currency swap of Won 31,361 million and a loss on valuation of currency swap of Won 623 million for the year ended December 31, 2008 and 2007 were charged to current operations.

In addition, the Company has entered into fixed-to-fixed cross currency swap contract with three banks including Morgan Stanley to hedge the foreign currency risk of unguaranteed U.S. dollar denominated bonds with face amounts totaling US\$ 400,000,000 issued on July 20, 2007. In connection with unsettled foreign currency swap contracts to which the hedge accounting is not applied, a gain on valuation of currency swap of Won 233,056 million and Won 7,316 million for the

years ended December 31, 2008 and 2007, respectively, were charged to current operations.

(2) Interest Rate Swap

a) Purpose of Contracts: Interest Rate Risk Hedging

b) Contract Terms

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