

SK TELECOM CO LTD
Form 6-K
November 06, 2007

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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 October 2007**

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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QUARTERLY REPORT

(From January 1, 2007 to June 30, 2007)

THIS IS A SUMMARY OF THE QUARTERLY 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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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. Other businesses related to the 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

N/A

3. Information Regarding Shares

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A. Total number of shares

(As of June 30, 2007)		(Unit: shares)		
Classification	Common shares	Share type	Total	Remarks
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	8,526,252		8,526,252	
VI. Number of shares outstanding (IV-V)	72,667,459		72,667,459	

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B. Capital Stock and Price per Share

(As of June 30, 2007)

(Unit: Won, shares)

Classification	Type Common shares	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.)
Registered		44,639,473,000	40,596,855,500	36,333,729,500	500	549.8	614.3
Total		44,639,473,000	40,596,855,500	36,333,729,500	500	549.8	614.3

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	4,561,572				4,561,572
	Preferred share					
Direct acquisition based on causes 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	4,639,542				4,639,542
	Preferred share					
Indirect acquisition through trust and other agreements	Common share	3,886,710				3,886,710
	Preferred share					
Total	Common share	8,526,252				8,526,252

Notes:

* Of the
4,639,542
shares of

treasury stocks
directly
acquired based
on causes other
than those
provided in
Article 189-2
(1) of the
relevant Act,
1,688,842
shares were
deposited with
the Korea
Securities
Depository as of
June 30, 2007
for any
exchange of the
Company's
overseas
exchangeable
bonds.

Table of Contents**D. Employee Stock Ownership Program****(1) Transactions with the Employee Stock Ownership Program**

- a) On August 23, 1999, the Company lent Won 118.6 billion of 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.

Terms of the loan: 8-year installment repayment plan following a three-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.

- b) Repayment amount during the first to the second quarter of 2007 : Won 1,808,302,000

Details of the loan repayment

(As of June 30, 2007)

(Unit: in thousand Won)

Classification	Amount	Remarks
Initial loan amount	118,577,755	Lent on August 23, 1999 to 3,540 persons Includes Won 1.81 billion repaid during the first to the second quarter of 2007
Accumulated repayment amount	112,856,502	
Balance	5,721,253	Expected full repayment by June 2010

(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)

Account classification	Types of share	Balance at the beginning of period	Balance at the end of period
E.S.O.P. account			
Member account	Common share	197,240	174,646

* 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 June 30, 2007)	Classification	(Unit: shares)	Number of shares	Remarks
Total outstanding shares (A)	Common share		81,193,711	
	Preferred share			
	Common share			Treasury
Number of shares without voting right (B)			8,526,252	shares
	Preferred share			
Shares with restricted voting right under the Stock Exchange Act and other laws (C)	Common share			
Shares with reestablished voting right (D)				
The number of shares with exercisable voting right (E = A - B - C + D)	Common share		72,667,459	
	Preferred share			

5. Dividends and Others

Classification	2007(Half year)	2006	2005
Par value per share	500	500	500
Current net income	799,584	1,446,598	1,871,380
Net income per share	11,003	19,734	25,421
Income available for distribution as dividend		1,574,716	1,930,626
Total cash dividend	72,667	582,386	662,529
Total stock dividend			
Percentage of cash dividend to available income (%)		40.3	35.4
Cash dividend yield ratio(%)			
Common share		3.6	4.9
Preferred share			
Stock dividend yield ratio (%)			
Common share			
Preferred share			
Cash dividend per share			
Common share	1,000	8,000	9,000

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		(Unit: in million Won except per share value)		
	Classification	2007(Half year)	2006	2005
	Preferred share			
	Stock dividend per share			
	Common share			
	Preferred share			

* The total amount of cash dividend for the year ended December 31, 2006 includes the interim dividend amount of Won 73,714 million, and the cash dividend amount per share of Won 8,000 for the same period includes the interim dividend amount of Won 1,000 per share.

* The total amount of cash dividend for the year ended December 31, 2005 includes the interim dividend amount of Won 73,614 million, and the cash dividend amount per share of Won 9,000 for the same period includes the

interim dividend
amount of Won
1,000 per share.

II. BUSINESS

1. Business Summary

A. Industry Status

(1) Characteristics of the Industry

As of June 30, 2007, the number of domestic mobile phone subscribers reached 42.3 million and with a 87.5% 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

Classification	(Unit: 1,000 persons)				
	End of 1H 2007	End of 2006	End of 2005	End of 2004	End of 2003
Penetration rate (%)	87.5	83.2	79.4	75.9	70.1
Number of subscribers					
SK Telecom	21,358	20,271	19,530	18,783	18,313
PCS	20,962	19,926	18,812	17,803	15,279
Total	42,320	40,197	38,342	36,586	33,592

(Data: Ministry of Information and Communication website)

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(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. With the market penetration rate reaching as high as 87.5% (as of the end of June 2007), the customer base is continuing to expand to include elementary school and pre-school children. Although demand to date 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: %)		
	Classification	End of 1H 2007	2006	2005
Mobile phone		50.5	50.4	50.9

* Comparative market share

(As of June 30, 2007)

		(Unit: %)		
	Classification	SK Telecom	KTF	LG Telecom
Market share		50.5	31.9	17.6

(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 June 30, 2007

(Unit: in million Won, %)

Business field	Sales type	Item	Major trademarks	Sales amount (ratio)
Information and communication	Services	Mobile phone	June, NATE and others	5,473,435 (98.5%)
		Others	Others	80,888 (1.5%)

B. Price Trend of Major Products

	Item	1H 2007	During 2006	During 2005
Mobile phone	Basic fee (per month)	13,000	13,000	13,000
(Based on standard call charge)	Service fee (per 10 seconds)	20	20	20

*

Caller ID
service became
free of charge
beginning
January 2006.

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A. Investments in Progress

							(Unit: Won 100 million)	
							Amount	
Business field	Classification	Investment period	Subject of Investment	Investment effect	Total investments		already	Future
							invested	investment
	Upgrade/ New installation	2007	Network, systems and others	Capacity increase and quality systems improvement;	15,500		7,178	8,322
Network/Common								

* Amount already invested is the cumulative amount expended through the first to the second quarter of 2007

B. Future Investment Plan

						(Unit: Won 100 million)
						Expected investment for each year
Business field	Expected investment amount				Investment effect	
	Asset type	Amount	2008	2009		
Network/Common	Network, systems and others	15,500	N/A	N/A	Upgrades to the existing services and provision of new services	
Total		15,500	N/A	N/A		

* The expected investment amount of Won 1,550.0 billion is the planned

investment
amount for
2007.

4. Derivative Products and Others

A. Derivatives Contracts

(1) FX Swap

a) Purpose of Contracts: Currency Exchange Risk Hedging

b) Contract Terms

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Cross Currency Swap

(As of June 30, 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	(37,236)
US\$125 million	Credit Suisse	March 23, 2004	Same as above	(37,337)
US\$50 million	BNP Paribas	March 23, 2004	Same as above	(14,915)
US\$100 million	Calyon	October 10, 2006	Same as above	1,403
Total: US\$400 million				(88,085)

* Income/loss on valuation was calculated using the cash flow hedge accounting and was appropriated for capital adjustment.
FX Swap

(As of June 30, 2007)

(Unit: in million Won)

Contract amount	Contract party	Contract date	Proceeds payment method	Income on valuation
US\$100 million	Credit Suisse	May 27, 2004	Exchange before principal payment date	(23,343)
US\$300 million	Hana Bank	June 30, 2006	Payment of US Dollars and receipt of Korean Won on July 5, 2007	15,732
US\$140 million	Shinhan Bank			
US\$140 million	Woori Bank			
US\$140 million	Korea Exchange Bank			
US\$140 million	Citibank			
US\$140 million	Barclays Capital			

(2) Interest Rate Swap

a) Purpose of Contracts: Interest Rate Risk Hedging

b) Contract Terms

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(As of June 30, 2007)

(Unit: in million Won)

Contract amount	Contract party	Contract date	Proceeds payment method	Income/loss on valuation
2,000	Shinhan Bank	June 28, 2006	Fixing of interest payment date / exchange of floating interest rate	1,555

* Income/loss on valuation was calculated using the cash flow hedge accounting and was appropriated for capital adjustment.

5. R&D Investments

(Unit: in thousand Won)

Category	1H 2007	2006	2005
Raw material	44,715	184,969	234,889
Labor	19,731,438	33,986,701	35,191,759
Depreciation	61,387,278	134,461,257	121,335,301
Commissioned service	45,336,838	83,751,223	86,536,635
Others	14,632,228	35,680,197	41,730,732
Total R&D costs	141,132,497	288,064,347	285,029,316
Accounting			
Sales and administrative expenses	136,581,569	277,807,352	273,223,885
Development expenses (Intangible assets)	4,550,928	10,256,995	11,805,431
R&D cost / sales amount ratio			
(Total R&D costs / Current sales amount×100)	2.54%	2.70%	2.81%

6. Other Matters**A. External Fund Procurement Summary**

* Domestic procurement

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(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		4,980	4,859	
Total procurement from financial institutions	209,839		4,980	204,859	
Corporate bond (public offering)	2,100,000			2,100,000	
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)					
Others					
Total procurement from capital market	2,100,000			2,100,000	
Borrowings from shareholder, officer and affiliated company					
Others					
Total	2,309,839		4,980	2,304,859	

* Overseas
procurement

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(Unit: in million Won)

Procurement source	Beginning balance	New procurement	Reduction in repayment and others	Ending balance	Remarks
Financial institutions	92,960		280	92,680	Exchange rate adjustment
Overseas securities (Corporate bonds)	278,880		840	278,040	Exchange rate adjustment
Overseas securities (shares and others)	356,356			356,356	
Asset backed securitization					
Others					
Total	728,196		1,120	727,076	

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B. Credit Ratings

(1) Corporate Bonds

Credit rating date	Subject of valuation	Credit rating	Credit rating entity (Credit rating range)	Evaluation classification
March 12, 2004	Corporate bond	AAA	Korea Ratings	Current valuation
March 15, 2004	Corporate bond	AAA	National Information on Credit Evaluation, Inc.	Current valuation
April 23, 2004	Corporate bond	AAA	Korea Investors Service, Inc.	Current valuation
April 23, 2004	Corporate bond	AAA	Korea Ratings	Current valuation
December 6, 2004	Corporate bond	AAA	Korea Investors Service, Inc.	Current valuation
December 6, 2004	Corporate bond	AAA	National Information on Credit Evaluation, Inc.	Current valuation
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 14, 2005	Corporate bond	AAA	National Information on Credit Evaluation, Inc.	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
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

* 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.

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(2) Commercial Paper (CP)

Credit rating date	Subject of valuation	Credit rating	Credit rating entity (Credit rating range)	Evaluation classification
January 26, 2004	CP	A1	National Information on Credit Evaluation, Inc.	Regular valuation
June 8, 2004	CP	A1	National Information on Credit Evaluation, Inc.	Current valuation
June 11, 2004	CP	A1	Korea Ratings	Current valuation
June 11, 2004	CP	A1	Korea Investors Service, Inc.	Current 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
June 13, 2006	CP	A1	Korea Investors Service, Inc.	Current valuation
June 21, 2006	CP	A1	National Information on Credit Evaluation, Inc.	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

* 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
June 14, 2005	Issuer Rating	A	Fitch (England)	Current valuation

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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

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1. Summary Financial Statements

(Unit: in million Won)

Classification	1H 2007	Year ended December 31,				2003
		2006	2005	2004	2003	
Current assets	3,990,382	4,189,325	4,172,485	3,854,345	3,460,706	
Quick assets	3,969,874	4,172,887	4,166,500	3,843,384	3,452,682	
Inventory	20,508	16,438	5,985	10,961	8,024	
Fixed assets	12,550,180	11,624,728	10,349,191	10,166,360	9,915,253	
Investments	4,597,051	3,547,942	2,366,760	2,112,488	1,763,359	
Tangible assets	4,416,656	4,418,112	4,595,884	4,605,253	4,551,626	
Intangible assets	3,252,246	3,405,158	3,386,547	3,448,619	3,600,268	
Other non-current assets	284,227	253,516				
Total assets	16,540,562	15,814,053	14,521,676	14,020,705	13,375,959	
Current liabilities	3,101,770	2,985,620	2,747,268	2,859,711	4,231,974	
Fixed liabilities	3,297,290	3,522,006	3,516,528	4,033,902	3,202,147	
Total liabilities	6,399,060	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	2,965,945	2,962,699	2,966,198	2,983,166	2,915,964	
Capital adjustment	(2,022,478)	(2,019,568)	(2,022,817)	(2,057,422)	(2,159,114)	
Accumulated comprehensive income	1,017,730	473,904				
Retained earnings	8,135,665	7,844,753	7,269,861	6,156,708	5,140,349	
Total capital	10,141,502	9,306,427	8,257,881	7,127,091	5,941,838	
Sales	5,554,323	10,650,952	10,161,129	9,703,681	9,520,244	
Operation income	1,324,213	2,584,370	2,653,570	2,359,581	3,080,660	
Ordinary income	1,123,116	2,021,643	2,554,613	2,115,778	2,714,194	
Current net income	799,584	1,446,598	1,871,380	1,494,852	1,942,750	

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

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1H 2007 Deloitte Anjin LLC	2006 Deloitte Anjin LLC	2005 Deloitte Anjin LLC	2004 Deloitte Hana Anjin LLC
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2. Audit Opinion

Term 1H 2007	Auditor s opinion Appropriate	Issues noted
Year ended December 31, 2006	Appropriate	
Year ended December 31, 2005	Appropriate	
Year ended December 31, 2004	Appropriate	

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

Term	Auditors	Contents	Fee	Total hours
			(Unit: in thousand Won)	
1H 2007	Deloitte Anjin LLC	Semi-annual review		
		Quarterly review Non-consolidated financial statements audit		
		Consolidated financial statements audit	941,000	10,441
Year ended December 31, 2006	Deloitte Anjin LLC	Semi-annual review		
		Quarterly review Non-consolidated financial statements audit		
		Consolidated financial statements audit	656,000	7,637
Year ended December 31, 2005	Deloitte Anjin LLC	Semi-annual review		
		Quarterly review Non-consolidated financial statements audit		
		Consolidated financial statements audit	447,000	5,177
Year ended December 31, 2004	Deloitte Hana Anjin LLC	Semi-annual review		
		Quarterly review Non-consolidated financial statements audit		
		Consolidated financial statements audit	360,000	4,808
1H 2007	Deloitte Anjin LLC	Semi-annual review		

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Quarterly review		
Non-consolidated financial statements audit		
Consolidated financial statements audit		
Consolidated financial statements audit	941,000	10,441

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B. Non-Audit Services Contract with External Auditors

		(Unit: in thousand Won)			
Term	Contract date	Service provided	Service period	Fee	
1H 2007	March 20, 2007	1Q 2007 Accountants Review Report Translation	5days	10,689	
		Tax adjustment for fiscal year 2006	10 days	30,000	
	Year ended December 31, 2006	March 31, 2006	3Q 2006 Accountants Review Report Translation	5days	10,200
			2Q 2006 Accountants' Review Report Translation	5days	10,200
		January 1, 2006	1Q 2006 Accountants Review Report Translation	5days	10,228
			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		
Year ended December 31, 2005	November 13, 2006	Preparation of responses to the U.S. S.E.C. comments on the Company's Form 20-F for 2005	10 days	25,500	
	February 4, 2005	Advisory service regarding the set up of the internal control	9 days	46,080	
		-Form 20-F for the year ended December 31, 2003			
	March 30, 2005	-Response to the U.S. S.E.C. comments regarding the Form 6-K including the U.S. GAAP consolidated financial statements for the six months ended June 30, 2004	10 days	20,200	
		Tax adjustment for the year ended December 31, 2004	7 days	24,920	
	April 15, 2005	Tax consulting	3 days	5,000	
	April 29, 2005	Tax consulting	7 days	19,000	
	June 1, 2005	2004 English audit	20 days	86,000	
	July 18, 2005	Tax consulting	5 days	13,500	
	December 31, 2005	Tax consulting	All year (100 hours)	10,000	

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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)

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:

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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 15, 2007, in the notice of the annual general meeting of shareholders, information on Jung Nam Cho, Sung Min Ha and Dal Sup Shim, 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
276th (the first meeting of 2007)	January 25, 2007	- Financial statements for the year ended December 31, 2006	Approved as proposed
		- Annual business report for the year ended December 31, 2006	Approved as proposed
277th (the second meeting of 2007)	February 13, 2007	- Organization of Independent Non-executive Director Nomination Committee	Approved as proposed
278th (the third meeting of 2007)	February 13, 2007	- Convocation of the 23 rd General Meeting of Shareholders	Approved as proposed
		- Change in the Fair Trade Voluntary Compliance Program manager	Approved as proposed
279th (the fourth meeting of 2007)	March 9, 2007	- Election of the representative director and appointments of executive directors	Approved as proposed
	March 9, 2007	- Election of committee members	Approved as proposed
280th (the fifth meeting of 2007)	April 27, 2007	- Entry into UN Global Compact	Approved as proposed

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Meeting	Date	Agenda	Approval
281th (the sixth meeting of 2007)	May 29, 2007	- WCDMA Investment Plan	Approved as proposed
282th (the seventh meeting of 2007)	June 29, 2007	- Capital Investment in AD Chips & Acquisition of Convertible Bond - Capital Investment in iHQ - Capital Investment in NTREEV - Issuance of Global Bond - Capital Injection into USA Holdings Inc.	Disapproval Approved as proposed Approved as proposed Approved as proposed Approved as proposed
283th (the eighth meeting of 2007)	July 27, 2007	- Interim Dividend	Approved as proposed
(4) Committee Structure and Activities of the Board of Directors			
a) Independent non-executive Director Nomination Committee			
- Organization			
(As of June 30, 2007)			

Number of Persons	Company Directors	Members	
		Independent non-executive Directors	
4	Shin Bae Kim, Sung Min Ha	Seung Taik Yang, Sang Jin Lee	
-	Activities		

Meeting	Date	Number of Attendees	Details
8th Meeting (the first meeting of 2007)	February 13, 2007	4 persons /4 persons	- Election of the Chairman: Seung Taik Yang - 23 nd General Meeting of Shareholders: Nomination of Independent non-executive director candidates Dal Sup Shim

* The Independent Non-executive Director Nomination Committee is a committee established under the provisions of the Articles of Incorporation.

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b) Compensation Review Committee

- Organization

(As of June 30, 2007)

Number of Persons	Company Directors	Members	
		Independent non-executive Directors	
8 persons		Dae Sik Kim, Yong Woon Kim, Dae Kyu Byun, Dal Sup Shim, Seung Taik Yang, Jae Seung Yoon, Sang Jin Lee, Hyun Chin Lim	
-	Activities		

Meeting	Date	Number of Attendees	Details
The first meeting of 2007	April 26, 2007	7 persons/ 8 persons	Election of chairman
The second meeting of 2007	July 27, 2007	7 persons/ 8 persons	Compensation System Review

* The Compensation Review Committee is a committee established by the resolution of the Board of Directors.

c) Capex Review Committee

- Organization

(As of June 30, 2007))

Number of Persons	Company Directors	Members	
		Independent non-executive Directors	
5 persons	Lee Bang Hyung	Dae Kyu Byun, Seung Taik Yang, Jae Seung Yoon, Sang Chin Lee	
-	Activities		

Meeting	Date	Number of Attendees	Details
The first meeting of 2007	April 26, 2007	4 persons/5 persons	- Election of chairman
The second meeting of 2007	June 28, 2007	5 persons/5 persons	- Capital Investment in AD Chips & Acquisition of Convertible Bond - Capital Investment in iHQ - Capital Investment in NTREEV

* The Capex Review Committee is a committee established by the resolution of the Board of Directors.

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- d) Globalization Committee
- Organization

(As of June 30, 2007)

Number of Persons	Company Directors	Members
4 persons	Ha Sung Min	Independent non-executive Directors Dae Sik Kim, Dae Kyu Byun, Sang Chin Lee

- Activities

Meeting	Date	Number of Attendees	Details
The first meeting of 2007	June 28, 2007	5 persons/5 persons	- Capital Injection into USA Holdings Inc.

- * The Globalization Committee is a committee established by the resolution of the Board of Directors.

e) Audit Committee: See B. Audit System below.

- * The Audit Committee is a committee established under the provisions of the Articles of Incorporation.

B. Audit System

(1) Establishment and Organization of the Audit Committee

- a) The Audit Committee is composed of three or more directors. However, independent non-executive directors must account for 2/3 or more, and the members are elected by the resolution of the Board of Directors each year.
- b) The Audit Committee is convened when deemed necessary by the chairman or is requested by two or more of the committee members.

c) The quorum for resolution is majority attendance with majority consent of the attending members.

(2) Authority of the Audit Committee

Includes authority to inquire on the subsidiary companies, right to investigate the business operations and asset conditions, and right to request for a business status report pursuant to the Audit Committee Regulations.

(3) Members of the Audit Committee

Audit Committee Members are directors Dae Sik Kim, Yong Woon Kim, Dal Sup Shim and Hyun Chin Lim.

(4) Major Activities of the Audit Committee

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Meeting	Date	Agenda	Approval	Remarks
The first meeting of 2007	January 24, 2007	- Financial statements for the year ended December 31, 2006 - Annual business report for the year ended December 31, 2006 - Report on operation of internal accounting controls	-	-
The second meeting of 2007	February 12, 2007	- Report on K GAAP audit of the financial statements for the year ended December 31, 2006 - Report on the review of internal accounting controls for the year ended December 31, 2006 - Report on the 2006 second-half management audit and the 2007 plan - Auditor's opinion on internal controls - Audit report for the year ended December 31, 2005 - Evaluation of internal accounting controls	- - - Approved as proposed Approved as proposed Approved as proposed	-
The third meeting of 2007	April 26, 2007	- Election of committee chairman - Reaffirmation of services to be provided by external auditors for fiscal year 2007 - Report on internal audit regarding the appropriateness of imposition of certain fines	Approved as proposed To be re-proposed at subsequent meeting -	-
The fourth meeting of 2007	May 28, 2007	- Accounting audit schedule for 2007 - Remuneration for outside auditor for 2007 - Collective re-approval of outside auditor's service schedule for 2007	- Approved as proposed Approved as proposed	-
The fifth meeting of 2007	June 28, 2007	- Issuance of Global Bond plan - Report on US-GAAP audit of the financial statements for the year ended December 31, 2007	- -	-
The seventh meeting of 2007	July 26, 2007	- Interim dividend plan - Financial results for the first half of 2007 - Report on K-GAAP audit of the financial statements for the first half of 2007 - Management audit results for the first half of 2007	- - - -	-

C. Exercise of Voting Rights by the Shareholders

(1) Use of the Cumulative Voting System

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a) Pursuant to the Articles of Incorporation, the cumulative voting system was first introduced in the General Meeting of Shareholders in 2003.

b) Articles of Incorporation

- Article 32 (3) (Election of Directors): Cumulative voting under Article 382-2 of the Commercial Code will not be applied for the election of directors.
- Article 4 of the 12th Supplement to the Articles of Incorporation (Interim Regulation): Article 32 (3) of the Articles of Incorporation shall remain effective until the day immediately preceding the date of the general shareholders meeting of 2003.

D. Compensation of Officers and Others

(1) Compensation of Directors (including Independent non-executive Directors) and Members of the Audit Committee
(Unit: in million Won)

Classification	Total payment	Total amount approved by the		Average payment per person	Remarks
		Meeting of Shareholders			
Company directors	3,841	12,000		960	
Independent non-executive directors	311			40	Including members of the Audit Committee

(2) Granting and Exercise of Stock Options

All of the options granted by the Company in or after 2001, in the total amount of 109,550 shares, have expired and there are no options that remain outstanding. The exercise period for the stock options granted on March 8, 2002 (for 65,730 shares) was from March 8, 2005 to March 7, 2007, and all such options have expired without exercise.

2. Affiliated Companies

(1) Summary of Corporate Group

- Name: SK Group

(2) Capital Investments between Affiliated Companies

(As of July 24, 2007)

* Based on common shares

Investing company	Invested companies							
	SK Corporation	SK Energy	SK Networks	SK Telecom	SKC	SK E&C	SK Shipping	SK Securities
SK Corporation	17.34%	40.58%	21.75%	43.51%			72.13%	
SK Energy								
SK Networks				1.34%		0.02%	17.71%	22.71%
SK Telecom								

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(As of July 24, 2007)

* Based on common shares

Investing company	Invested companies							
	SK Corporation	SK Energy	SK Networks	SK Telecom	SKC	SK E&C	SK Shipping	SK Securities
SK Chemicals						58.03%		
SKC							10.16%	12.41%
SK E&C								
SK Shipping								
SK Securities								
Walkerhill								
SK C&C	11.16%	11.16%						
SK incheon oil								
Daehan City Gas								
SK Telink								
SK E&S								
SK Communications								
iHQ								
Empas								
Total affiliated companies	11.16%	28.50%	40.58%	23.09%	43.51%	58.05%	100.00%	35.12%

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Investing companies	Invested companies							
	Walkerhill	SK E&S	SK Gas	SK C&C	DOPCO	Cheongju Gas	Gumi Gas	Pohang Gas
SK Corporation		51.00%						
SK Energy					32.38%			
SK Networks	50.37%			15.00%	4.61%			
SK Telecom				30.00%				
SK Chemicals	0.25%							
SKC	7.50%							
SK E&C								
SK Shipping								
SK Securities								
Walkerhill								
SK C&C								
SK incheon oil					5.23%			
Daehan City Gas								
SK Telink								
SK E&S			45.53%			100.00%	100.00%	100.00%
SK Communications								
iHQ								
Empas								
Total affiliated companies	58.12%	51.00%	45.53%	45.00%	42.22%	100.00%	100.00%	100.00%

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	Invested companies						Busan City
	Daehan City	Daehan	SK Sci-tech	K-Power 65.00%	SK NJC	SK Telink	
Investing companies	Gas	Engineering					Gas
SK Corporation							
SK Eenergy							
SK Networks							
SK Telecom						90.77%	
SK Chemicals			50.00%		60.00%		
SKC							
SK E&C							
SK Shipping							
SK Securities							
Walkerhill							
SK C&C							
SK incheon oil							
Daehan City Gas		100.00%					
SK Telink							
SK E&S	40.00%						40.00%
SK Communications							
iHQ							
Empas							
Total affiliated companies	40.00%	100.00%	50.00%	65.00%	60.00%	90.77%	40.00%

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	Jeonnam City	Gangwon City	Invested companies Iksan City Gas	OK Cashbag Service	Chungnam City Gas	SK Wyverns
Investing companies	Gas	Gas				
SK Corporation						
SK Eenergy				96.67%		
SK Networks						
SK Telecom				1.19%		99.99%
SK Chemicals						
SKC						
SK E&C						
SK Shipping						
SK Securities						
Walkerhill						
SK C&C						
SK incheon oil						
Daehan City Gas						
SK Telink						
SK E&S	100.00%	100.00%	100.00%		100.00%	
SK Communications						
iHQ						
Empas						
Total affiliated companies	100.00%	100.00%	100.00%	97.86%	100.00%	99.99%

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Investing companies	Infosec	MRO Korea	Invested companies SK			
			Communications	SK Telesys	Innoace	AirCROSS
SK Corporation						
SK Energy						
SK Networks		51.00%			43.08%	
SK Telecom			85.90%		14.25%	100.00%
SK Chemicals						
SKC	20.63%			77.13%		
SK E&C						
SK Shipping						
SK Securities						
Walkerhill						
SK C&C	48.14%					
SK incheon oil						
Daehan City Gas						
SK Telink			1.18%			
SK E&S						
SK Communications						
iHQ						
Empas						
Total affiliated companies	68.77%	51.00%	87.08%	77.13%	57.33%	100.00%

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			Invested companies				
Investing companies	Encar network	Global C&I	Paxnet	TU Media	SK D&D	SK Utis	SK CTA
SK Corporation							
SK Energy	50.00%						33.67%
SK Networks							
SK Telecom		50.00%	59.74%	32.70%			
SK Chemicals						60.00%	
SKC							
SK E&C					44.98%		
SK Shipping							
SK Securities		40.00%					
Walkerhill							
SK C&C							
SK incheon oil							
Daehan City Gas							
SK Telink							
SK E&S							
SK Communications							
iHQ							
Empas							
Total affiliated companies	50.00%	90.00%	59.74%	32.70%	44.98%	60.00%	33.67%

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Investing companies	Invested companies						SK Incheon Oil
	Seoul Records	In2Gen	Independence Walkerhill	SK Petrochemical	SK Mobile Energy	SKC Media	
SK Corporation							
SK Energy					88.34%		90.63%
SK Networks							
SK Telecom	60.00%						
SK Chemicals		83.42%		100.00%			
SKC					11.66%	100.00%	
SK E&C							
SK Shipping							
SK Securities							
Walkerhill							
SK C&C			67.78%				
SK incheon oil							
Daehan City Gas							
SK Telink							
SK E&S							
SK Communications							
iHQ							
Empas							
Total affiliated companies	60.00%	83.42%	67.78%	100.00%	100.00%	100.00%	90.63%

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Investing companies	iHQ	YTN Media	Invested companies				Empas	Ecolgreen
			I Film Co.	NTREEV Soft	SK I-Media			
SK Corporation								
SK Energy								
SK Networks							55.00%	
SK Telecom	37.09%			66.69%				
SK Chemicals								
SKC								
SK E&C								
SK Shipping								
SK Securities								
Walkerhill								
SK C&C						40.00%		
SK incheon oil								
Daehan City Gas								
SK Telink								
SK E&S								
SK Communications						60.00%	24.43%	
IHQ		51.42%	45.00%					
Empas								
Total affiliated companies	37.09%	51.42%	45.005	66.69%	100.00%	24.43%	55.00%	

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	Investing companies	Invested companies		
		Pullbbang	Island	SKC Air Gas
SK Corporation				
SK Energy				
SK Networks		58.33%		
SK Telecom				
SK Chemicals				
SKC				80.00%
SK E&C				
SK Shipping				
SK Securities				
Walkerhill				
SK C&C				
SK incheon oil			50.00%	
Daehan City Gas				
SK Telink				
SK E&S				
SK Communications				
IHQ				
Empas				
Total affiliated companies		58.33%	50.00%	80.00%

Table of Contents**VI. SHARES****1. Distribution of Shares**

A. Shareholdings of Major Shareholders and other Related Parties

(As of June 30, 2007)

(Unit: share, %)

Name	Relationship	Types of shares	Number of shares owned (equity rate)				
			Beginning Number of Ownership shares	Increase	Decrease	Ending Number of Ownership shares	Cause of change
SK Corporation	Parent company	Common stock	17,663,127	21.75		17,663,127	21.75
SK Networks	Affiliated company	Common stock	1,085,325	1.34		1,085,325	1.34
Tae Won Choi	Officer of affiliated company	Common stock	100	0.00		100	0.00
Shin Won Choi	Officer of affiliated company	Common stock	770	0.00	70	770	0.00
Shin Bae Kim	Director	Common stock	1,270	0.00		1,270	0.00
Dae Kyu Byun	Director	Common stock	50	0.00		50	0.00
Jae Seung Yoon	Director	Common stock	200	0.00		200	0.00
Bang Hyung Lee	Director	Common stock	400	0.00		400	0.00
Sung Min Ha	Director	Common stock	738	0.00		738	0.00
Total		Common stock	18,751,980	23.10		18,751,980	23.10
		Preferred stock	0	0		0	0
		Total	18,751,980	23.10		18,751,980	23.10

Largest shareholder: SK Corporation

Number of related parties: 8 persons

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B. Shareholders with More than 5% Shareholding

(As of June 30, 2007)

(Unit: share, %)

Rank	Name (title)	Common share		Preferred share		Sub-total	
		Number of shares	Ownership ratio	Number of shares	Ownership ratio	Number of shares	Ownership ratio
1	Citibank ADR	24,321,893	29.96			24,321,893	29.96
2	SK Corporation	17,663,127	21.75			17,663,127	21.75
3	SK Telecom	8,526,252	10.50			8,526,252	10.50
	Total	50,511,272	62.21			50,511,272	62.21

C. Shareholder Distribution

(As of June 30, 2007)

Classification	Number of		Number of		Remarks
	shareholders	Ratio (%)	shares	Ratio (%)	
Total minority shareholders	23,259	99.96	26,207,534	32.27	
Minority shareholders (corporate)	883	3.79	9,912,469	12.20	
Minority shareholders (individual)	22,376	96.16	16,295,065	20.06	
Largest shareholder	1	0.00	17,663,127	21.75	
Major shareholders					
Other shareholders	9	0.03	54,986,177	67.72	
Other shareholders (corporate)	7	0.03	29,293,172	36.07	
Other shareholders (individual)	2	0.00	25,693,005	31.64	
Total	23,268	100.00	81,193,711	100.00	

Table of Contents**2. Share Price and Trading Volume in the Last Six Months**

A. Domestic Securities Market

(Unit: Won, shares)

Types	June 2007	May 2007	April 2007	March 2006	February 2006	January 2006
Common share						
Highest	213,000	215,000	197,000	196,500	205,500	223,000
Lowest	200,000	200,500	188,500	190,500	193,500	196,500
Monthly transaction volume	4,251,318	4,493,840	4,900,458	4,158,566	4,619,096	4,003,944

B. Overseas Securities Market

New York Stock Exchange

(Unit: US\$, ADR)

Types	June 2007	May 2007	April 2007	March 2006	February 2006	January 2006
Depository receipt						
Highest	28.02	27.76	24.83	23.70	24.14	26.41
Lowest	26.11	25.46	23.41	22.51	22.46	23.03
Monthly transaction volume	23,520,924	39,284,124	31,587,540	24,665,014	22,246,378	16,942,200

VII. EMPLOYEES

(As of June 30, 2007)

(Unit: persons, in million Won)

Classification	Number of employees				Average service year	Total half year wage	Average wage per person	Remarks
	Office managerial positions	Production positions	Others	Total				
Male	3,884			3,884	8.83	116,646	30	
Female	561			561	7.79	13,699	24	
Total	4,445			4,445	8.70	130,345	29	

Table of Contents**VIII. TRANSACTIONS WITH RELATED PARTIES****1. Transactions with the Largest Shareholder****A. Provisional Payment and Loans (including loans on marketable securities)**

(As of June 30, 2007)

(Unit: in million Won)

Name (Corporate name)	Relationship	Account category	Change details			Accrued interest	Remarks
			Beginning	Increase	Decrease		
SK Wyverns	Affiliated company	Long-term and short-term loans	5,282		575	4,707	210

B. Equity Investments

(As of June 30, 2007)

(Unit: in million Won)

Name (Corporatename)	Relationship	Types of Investment	Details				Note
			Beginning	Increase	Decrease	Ending	
SKT U.S.A. Holdings	Affiliated company	Common share	199,047	18,285		217,332	
AirCROSS	Affiliated company	Common share	300	2,140		2,440	
TU Media	Affiliated company	Common share	64,611	32,368		96,979	
China STC	Affiliated company	Common share	1,343	1,124		2,467	
Total			265,301	53,917		319,218	

Table of Contents**2. Transactions with Shareholders (excluding the largest shareholder and others), Officers, Employees and other Interested Parties****A. Provisional Payment and Loans (including loans on marketable securities)**

* Agents

(Unit: in million Won)

Name (Corporate name)	Relationship	Account category	Change details			Accrued Ending interest	Remarks
			Beginning	Increase	Decrease		
Hong Eun and others	Agency	Long-term and short-term loans	64,984	163,548	104,298	124,234	

* Overseas investment companies

(Unit: in million Won)

Name (Corporate name)	Relationship	Account category	Change details			Accrued Ending interest	Remarks
			Beginning	Increase	Decrease		
DSS Mobile Com. (India)	Overseas Investment company	Long-term loans	18,887			18,887	Payment guarantee

B. Equity Investments

(Unit: in million Won)

Name (Corporate name)	Relationship	Types of Investment	Details				Remarks
			Beginning	Increase	Decrease	Ending	
Nayio Media, Inc.		Common share	248		248		
DCM V.L.P.				4,692		4,692	
Sky Lake Fund				352		352	
Centurion IT Investment Group			3,000		900	2,100	
KTB Investment Group			1,060		371	689	
Bridge Mobile Alliance				1,392		1,392	
KINX		Common share	54		54		

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Name (Corporate name)	Relationship	Types of Investment	Details			Ending	Remarks
			Beginning	Increase	Decrease		
NTS Company		Common share	95		95		
JS Tech		Common share	95		95		
P&T Telecom		Common share	95		95		
GN Solitech		Common share	95		95		
RF Solution		Common share	95		95		
Kyoungseo Telecom		Common share	95		95		
PWNT		Common share	95		95		
WithNet		Common share	95		95		
NS Tech		Common share	95		95		
Hangil Telecom		Common share	95		95		
M-Cube works		Common share	188		188		
Total			5,595	6,436	2,806	9,225	

IX. OTHER RELEVANT MATTERS**1. Developments in the Items mentioned in prior Reports on Important Business Matters****A. Status and Progress of Major Management Events**

Date of Disclosure in Korea	Title	Report	Reports status
October 26, 2001	Resolution on trust agreement for the acquisition of treasury shares and others	1. Signatories: Shinhan Bank, Hana Bank, Cho Hung Bank, Korea Exchange Bank 2. Contract amount: Won 1,300 billion 3. Purpose: to increase shareholder value	1. On December 24, 2003, cash surplus amount from the existing trust agreement was partially reduced (Won 318 billion). 2. On September 24, 2004, the Board of Directors extended the term of the specified monetary trust agreement for 3 years.

3. As of June 30, 2007, the balance of specified monetary trust for treasury shares was Won 982 billion.

2. Summary Minutes of the Shareholders Meeting

Date	Agenda	Resolution
22 nd Fiscal Year Meeting of Shareholders (March 10, 2006)	1. Approval of the financial statements for the year ended December 31, 2005	Approved (Cash dividend, Won 8,000 per share)
	2. Amendment of the Articles of Incorporation	Approved (Addition of business objective: travel business)
	3. Remuneration limit for Directors	Approved (Won 12 billion)

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Date	Agenda	Resolution
	4. Election of Directors (Election of Independent non-executive directors as Audit Committee members)	Approved (Kim Yong Woon and Im Hyun Jin)
23 rd Fiscal Year Meeting of Shareholders (March 9, 2007)	1. Approval of the financial statements for the year ended December 31, 2006	Approved (Cash dividend, Won 7,000 per share)
	2. Remuneration limit for Directors	Approved (Won 12 billion)
	3. Election of Directors	Approved (Jung Nam Cho, Sung Min Ha)
	- Election of executive directors - Election of independent non-executive directors as Audit Committee members	Approved (Dal Sup Shim)
3. Contingent Liabilities		
A. Material Legal Proceedings		
(1) Action for Monetary Damages		
a) Parties to the litigation: G.Mate Inc. (plaintiff) vs. the Company (defendant)		
b) Overview: G.Mate alleged that the Company had engaged G.Mate to develop and deliver certain PDA units, but that the Company subsequently refused to take delivery of such units. G.Mate sought approximately Won 4.5 billion in damages.		
c) Progress: An initial mediation process, which was requested by G.Mate, was terminated in January 2007. G.Mate commenced a lawsuit, which is currently pending at the Seoul Central District Court.		
d) Impact on business: In the event that the case is decided against the Company, there is a risk that the Company will be obligated to pay up to Won 4.5 billion in damages. But as G.Mate, to date, has been unable to produce detailed evidence in support of its claim and calculation of requested damages, the Company expects that the likelihood of a ruling against the Company to be low and the estimated impact on the Company's operations and finances should not be large; however, the actual results of the litigation and actual impact on impact on the Company's operations and finances may differ depending on future events.		
(2) Action Seeking to Vacate Judgment of the Intellectual Property Tribunal Nullifying Patent Registration Related to Caller Ring Service		
a) Parties to the litigation: Park Won Sup (plaintiff) vs. the Company (defendant)		
b) Overview: Mr. Park Won Sup (the representative director of Ad Ring Systems Co., Ltd.) claimed that certain technology the Company uses to provide the caller ring service infringed upon his patent rights, and the Company sought an administrative action to nullify Mr. Park's patent rights in the Intellectual Property Tribunal. The Tribunal upheld the nullification of Mr. Park's patent rights and Mr. Park appealed the decision.		
c) Progress: The Patent Court dismissed plaintiff's claim (September 2005), after which the plaintiff appealed.		

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- d) Impact on business: In the event that the case is decided against the Company, there is a risk of material future royalty obligations. However, given the progress of the proceedings, the estimated impact should not be large; however, the actual impact may differ depending on future events.
 - (3) Actions for the Cancellation of Key Communication Business Licenses and Allotment of Satellite DMB Frequency
 - a) Parties to the litigation: Korea Multinet vs. MIC (the Company is participating in the action on behalf of MIC)
 - b) Overview: Korea Multinet brought an administrative action against MIC to cancel the Company's key communication business licenses and the allotment of the Company's satellite DMB frequency.
 - c) Progress: The Seoul Administrative Court dismissed the claim in July 2006, and Korea Multinet has appealed to the Seoul Appellate Court where the lawsuit is currently pending.
 - d) Impact on business: The Company plans to provide full support to MIC in the action although no significant impact to the Company's business is expected; however, the actual impact may differ depending on future events.
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SK TELECOM CO., LTD.

NON-CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS

ENDED JUNE 30, 2007 AND 2006

AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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Independent Accountants' Review Report

English Translation of a Report Originally Issued in Korean

To the Stockholders and Board of Directors of

SK Telecom Co., Ltd.

We have reviewed the accompanying non-consolidated balance sheet of SK Telecom Co., Ltd. (the Company) as of June 30, 2007 and the related non-consolidated statements of income for the three months and six months ended June 30, 2007 and 2006 and non-consolidated cash flows for six months ended June 30, 2007 and 2006 and non-consolidated statement of stockholders' equity for six months ended June 30, 2007, all expressed in Korean won. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

We conducted our reviews in accordance with standards for review of interim financial statements in the Republic of Korea. Those standards require that we plan and perform the review to obtain moderate assurance as to whether the non-consolidated financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and this provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our reviews, nothing has come to our attention that causes us to believe that the financial statements referred to above are not presented fairly, in all material respects, in conformity with accounting principles generally accepted in the Republic of Korea.

We have previously audited, in accordance with auditing standards generally accepted in the Republic of Korea, the non-consolidated balance sheet of the Company as of December 31, 2006, and the related non-consolidated statements of income, appropriations of retained earnings and cash flows for the year then ended (not presented herein); and in our report dated February 14, 2007, we expressed an unqualified opinion on those non-consolidated financial statements. The accompanying balance sheet as of December 31, 2006, which is comparatively presented, does not differ in material respects from such audited non-consolidated balance sheet.

Our reviews also comprehended the translation of the Korean won amounts into U.S. dollar amounts and nothing has come to our attention that causes us to believe that such translation has not been made in conformity with the basis stated in Note 2(a). Such U.S. dollar amounts are presented solely for the convenience of readers of financial statements.

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Accounting principles and review standards and their application in practice vary among countries. The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Republic of Korea. In addition, the procedures and practices utilized in the Republic of Korea to review such financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying financial statements are for use by those knowledgeable about Korean accounting principles and review standards and their application in practice.

July 27, 2007

Notice to Readers

This report is effective as of July 27, 2007, the accountants' review report date. Certain subsequent events or circumstances may have occurred between the accountants' review report date and the time the accountants' review report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modification to the accountants' review report.

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SK TELECOM CO., LTD.
NON-CONSOLIDATED BALANCE SHEETS
June 30, 2007 AND DECEMBER 31, 2006

	Korean won		Translation into U.S. dollars (Note 2)	
	June 30, 2007	December 31, 2006	June 30, 2007	December 31, 2006
	(In millions)		(In thousands)	
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents (Notes 2 and 12)	₩ 272,314	₩ 241,100	\$ 295,159	\$ 261,327
Short-term financial instruments (Note 20)	87,657	61,953	95,011	67,150
Trading securities (Notes 2 and 3)	725,114	665,299	785,946	721,113
Current portion of long-term investment securities (Notes 2 and 3)	513	156	556	169
Accounts receivable – trade, net of allowance for doubtful accounts of ₩74,539 million as of June 30, 2007 and ₩88,285 million as of December 31, 2006 (Notes 2, 12 and 22)	1,625,505	1,700,650	1,761,874	1,843,323
Short-term loans, net of allowance for doubtful accounts of ₩876 million as of June 30, 2007 and ₩9,212 million as of December 31, 2006 (Notes 2, 5 and 22)	86,758	61,967	94,036	67,166
Accounts receivable – other, net of allowance for doubtful accounts of ₩28,436 million as of June 30, 2007 and ₩26,708 million as of December 31, 2006 (Notes 2, 12 and 22)	1,002,871	1,257,244	1,087,005	1,362,718
Inventories (Note 2)	20,508	16,439	22,228	17,818
Prepaid expenses	106,918	113,256	115,888	122,757
Current deferred income tax assets, net (Notes 2 and 17)	26,813	40,113	29,062	43,478
Currency swap (Notes 2 and 24)	15,732	16,660	17,052	18,058
Accrued income and other	19,679	14,488	21,331	15,704
Total Current Assets	3,990,382	4,189,325	4,325,148	4,540,781
NON-CURRENT ASSETS:				
Property and equipment, net (Notes 2, 6, 11, 21 and 22)	4,416,656	4,418,112	4,787,184	4,788,762
Intangible assets, net (Notes 2, 7, 11)	3,252,246	3,405,159	3,525,088	3,690,829
Long-term financial instruments (Note 20)	10,019	10,024	10,860	10,865
Long-term investment securities (Notes 2 and 3)	3,284,157	2,376,268	3,559,676	2,575,621
Equity securities accounted for using the equity method (Notes 2)	1,302,875	1,161,651	1,412,178	1,259,106

and 4)

Long-term loans, net of allowance for doubtful accounts of ₩24,064 million as of June 30, 2007 and ₩23,148 million as of December 31, 2006 (Notes 2, 5 and 22)	44,851	12,828	48,614	13,904
Guarantee deposits, net of allowance for doubtful accounts of ₩163 million as of June 30, 2007 and December 31, 2006 (Notes 2, 12 and 22)	113,252	120,006	122,753	130,074
Long-term currency swap (Notes 2 and 24)	1,403		1,521	
Long-term interest rate swap (Notes 2 and 24)	1,555		1,685	
Long-term deposits and other	123,166	120,680	133,499	130,805
Total Non-current Assets	12,550,180	11,624,728	13,603,058	12,599,966
TOTAL ASSETS	₩ 16,540,562	₩ 15,814,053	\$ 17,928,206	\$ 17,140,747

(Continued)

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SK TELECOM CO., LTD.
NON-CONSOLIDATED BALANCE SHEETS (CONTINUED)
June 30, 2007 AND DECEMBER 31, 2006

	Korean won		Translation into U.S. dollars (Note 2)	
	June 30, 2007 (In millions)	December 31, 2006 (In millions)	June 30, 2007 (In thousands)	December 31, 2006 (In thousands)
LIABILITIES AND STOCKHOLDERS				
EQUITY				
CURRENT LIABILITIES:				
Accounts payable (Notes 12 and 22)	₩ 988,588	₩ 1,107,786	\$ 1,071,524	\$ 1,200,722
Income tax payable (Note 17)	342,437	331,496	371,165	359,306
Accrued expenses (Notes 2 and 23)	381,741	373,865	413,767	405,230
Dividend payable	300	268	325	290
Withholdings	251,441	327,895	272,535	355,403
Current portion of long-term debt, net (Notes 2, 8 and 11)	1,105,210	794,186	1,197,930	860,813
Current portion of subscription deposits (Note 10)	8,906	15,760	9,653	17,082
Advanced receipts and other	23,147	34,364	25,089	37,248
Total Current Liabilities	3,101,770	2,985,620	3,361,988	3,236,094
NON-CURRENT LIABILITIES:				
Bonds payable, net (Notes 2 and 8)	1,691,183	1,978,874	1,833,062	2,144,888
Long-term borrowings (Note 9)	292,680	292,960	317,234	317,537
Subscription deposits (Note 10)	19,643	21,140	21,291	22,914
Long-term payables other, net of present value discount of ₩27,985 million as of June 30, 2007 and ₩42,461 million as of December 31, 2006 (Note 2)	422,015	517,539	457,419	560,957
Obligations under capital lease (Notes 2 and 11)		1,642		1,780
Accrued severance indemnities, net (Note 2)	24,819	9,568	26,901	10,371
Non-current deferred income tax liabilities, net (Notes 2 and 17)	696,223	530,454	754,631	574,956
Long-term currency swap (Notes 2 and 24)	112,831	112,970	122,297	122,447
Long-term interest rate swap (Notes 2 and 24)		454		492
Guarantee deposits received and other (Notes 2, 22 and 23)	37,896	56,404	41,076	61,135

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Total Non-Current Liabilities	3,297,290	3,522,005	3,573,911	3,817,477
Total Liabilities	6,399,060	6,507,625	6,935,899	7,053,571
STOCKHOLDERS EQUITY:				
Capital stock (Notes 1 and 13)	44,639	44,639	48,384	48,384
Capital surplus (Notes 2, 8, 13, 16 and 17)	2,965,945	2,962,699	3,214,768	3,211,250
Capital adjustments:				
Treasury stock (Notes 1 and 15)	(2,014,927)	(2,014,927)	(2,183,966)	(2,183,966)
Loss on disposal of treasury stock (Notes 15 and 17)	(7,550)	(7,887)	(8,183)	(8,549)
Stock options (Notes 2 and 16)		3,246		3,518
Accumulated other comprehensive income (Note 18):				
Unrealized gain on valuation of long-term investment securities, net (Notes 2, 3 and 17)	811,564	408,521	879,649	442,793
Equity in other comprehensive income of affiliates, net (Notes 2, 4 and 17)	218,322	82,200	236,638	89,096
Loss on valuation of currency swap, net (Notes 2, 17 and 24)	(13,284)	(16,487)	(14,398)	(17,870)
Gain (loss) on valuation of interest swap, net (Notes 2, 17 and 24)	1,128	(329)	1,223	(357)
Retained earnings (Note 14):				
Appropriated	7,335,037	6,679,234	7,950,398	7,239,578
Before appropriations	800,628	1,165,519	867,794	1,263,299
Total Stockholders Equity	10,141,502	9,306,428	10,992,307	10,087,176
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	₩ 16,540,562	₩ 15,814,053	\$ 17,928,206	\$ 17,140,747

See accompanying notes to non-consolidated financial statements.

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SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2007 AND 2006

	Korean won				Translation into U.S. dollars (Note 2)			
	2007		2006		2007		2006	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
	(In millions except for per share data)				(In thousands except for per share data)			
OPERATING REVENUE (Notes 2 and 22)	₩ 2,842,592	₩ 5,554,323	₩ 2,638,332	₩ 5,178,646	\$ 3,081,067	\$ 6,020,294	\$ 2,859,670	\$ 5,613,100
OPERATING EXPENSES (Note 2):								
Labor cost	(63,880)	(221,217)	(60,908)	(219,830)	(69,239)	(239,776)	(66,018)	(238,272)
Commissions paid (Notes 2 and 22)	(990,862)	(1,868,924)	(875,244)	(1,591,529)	(1,073,989)	(2,025,714)	(948,671)	(1,725,048)
Depreciation and amortization (Notes 6 and 7)	(410,232)	(771,933)	(344,596)	(673,524)	(444,648)	(836,693)	(373,505)	(730,028)
Network interconnection	(254,428)	(487,698)	(268,892)	(504,338)	(275,773)	(528,613)	(291,450)	(546,649)
Leased line	(98,475)	(196,263)	(98,868)	(197,611)	(106,736)	(212,728)	(107,162)	(214,189)
Advertising	(76,474)	(127,427)	(80,176)	(137,662)	(82,890)	(138,117)	(86,902)	(149,211)
Research and development (Note 2)	(47,216)	(98,394)	(48,925)	(101,755)	(51,177)	(106,649)	(53,029)	(110,292)
Rent	(50,428)	(96,742)	(46,052)	(93,640)	(54,659)	(104,858)	(49,915)	(101,496)
Frequency usage	(40,303)	(81,323)	(39,911)	(78,310)	(43,684)	(88,145)	(43,259)	(84,880)
Repair	(39,424)	(69,989)	(35,508)	(62,941)	(42,731)	(75,861)	(38,487)	(68,221)
Cost of goods sold	(16,187)	(26,951)	(7,987)	(12,620)	(17,545)	(29,212)	(8,657)	(13,679)
Other	(92,454)	(183,248)	(111,976)	(217,496)	(100,210)	(198,621)	(121,372)	(235,742)
Sub-total	(2,180,363)	(4,230,109)	(2,019,043)	(3,891,256)	(2,363,281)	(4,584,987)	(2,188,427)	(4,217,707)
OPERATING INCOME	662,229	1,324,214	619,289	1,287,390	717,786	1,435,307	671,243	1,395,393

OTHER INCOME:								
Interest income (Note 3)	18,057	34,828	17,263	36,358	19,572	37,750	18,711	39,408
Dividends		14,893	369	15,376		16,142	400	16,666
Commissions (Note 22)	9,940	22,888	7,379	17,959	10,774	24,808	7,998	19,466
Equity in earnings of affiliates (Notes 2 and 4)	11,616	16,295	16,999	33,416	12,591	17,662	18,425	36,219
Foreign exchange and translation gains (Note 2)	222	328	1,375	2,044	241	356	1,490	2,215
Reversal of allowance for doubtful accounts	36	439	202	34	39	476	219	37
Gain on disposal of investment assets	1,473	1,930	690	2,469	1,597	2,092	748	2,676
Gain on disposal of property and equipment and intangible assets	1,151	5,718	532	754	1,248	6,198	577	817
Gain on valuation of currency swap (Notes 2 and 24)	10,027				10,868			
Other	7,842	18,416	7,609	22,244	8,498	19,960	8,248	24,111
Sub-total	60,364	115,735	52,418	130,654	65,428	125,444	56,816	141,615

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SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF INCOME (CONTINUED)
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2007 AND 2006

	Korean won				Translation into U.S. dollars (Note 2)			
	2007		2006		2007		2006	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
	(In millions except for per share data)				(In thousands except for per share data)			
OTHER EXPENSES:								
Interest and discounts (Note 2)	(53,892)	(108,411)	(59,007)	(116,790)	(58,413)	(117,506)	(63,957)	(126,588)
Donations	(9,281)	(27,576)	(4,836)	(21,519)	(10,060)	(29,889)	(5,242)	(23,324)
Foreign exchange and translation losses (Note 2)	(308)	(446)	(560)	(1,440)	(334)	(483)	(607)	(1,561)
Loss on valuation of currency swap (Notes 2 and 24)		(1,768)	(3,828)	(9,125)		(1,916)	(4,149)	(9,891)
Equity in losses of affiliates (Notes 2 and 4)	(60,369)	(110,085)	(32,089)	(56,292)	(65,434)	(119,320)	(34,781)	(61,015)
Impairment loss on investment securities	(2,350)	(2,350)			(2,547)	(2,547)		
Loss on disposal of investment assets	(6)	(9)	(1,917)	(2,705)	(7)	(10)	(2,078)	(2,932)
Loss on disposal of property, equipment and intangible assets	(12,502)	(13,778)	-12,807	(13,634)	(13,551)	(14,934)	(13,881)	(14,778)

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Special severance indemnities (Note 2)			-3,426	(144,021)			(3,713)	(156,103)
External research and development cost (Note 2)	(20,421)	(38,187)	-16,306	(33,348)	(22,134)	(41,391)	(17,674)	(36,146)
Other	(4,139)	(14,223)	-10,547	(14,468)	(4,485)	(15,417)	(11,432)	(15,680)
Sub-total	(163,268)	(316,833)	(145,323)	(413,342)	(176,965)	(343,413)	(157,514)	(448,018)
ORDINARY INCOME	559,325	1,123,116	526,384	1,004,702	606,249	1,217,338	570,545	1,088,990
INCOME BEFORE INCOME TAX	559,325	1,123,116	526,384	1,004,702	606,249	1,217,338	570,545	1,088,990
PROVISION FOR INCOME TAX (Notes 2 and 17)	(156,051)	(323,532)	(153,046)	(294,204)	(169,143)	(350,674)	(165,886)	(318,886)
NET INCOME (Note 18)	₩ 403,274	₩ 799,584	₩ 373,338	₩ 710,498	\$ 437,106	\$ 866,664	\$ 404,659	\$ 770,104
NET INCOME PER SHARE (In Korean won and U.S. dollars) (Note 19)	₩ 5,550	₩ 11,003	₩ 5,068	₩ 9,648	\$ 6,016	\$ 11,926	\$ 5,493	\$ 10,457
DILUTED NET INCOME PER SHARE (In Korean won and U.S. dollars)	₩ 5,468	₩ 10,841	₩ 4,996	₩ 9,511	\$ 5,927	\$ 11,750	\$ 5,415	\$ 10,309

(Note 19)

See accompanying notes to non-consolidated financial statements.

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SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006

	Korean won		Translation into U.S. dollars (Note 2)	
	2007	2006	2007	2006
	(In millions)		(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	₩ 799,584	₩ 710,498	\$ 866,664	\$ 770,104
Expenses not involving cash payments:				
Provision for severance indemnities	17,181	26,844	18,622	29,096
Depreciation and amortization	833,321	739,214	903,231	801,229
Allowance for doubtful accounts	26,410	29,616	28,626	32,101
Foreign translation loss	108	526	117	569
Loss on valuation of currency swap	1,768	9,125	1,916	9,891
Impairment loss on investment securities	2,350		2,547	
Equity in losses of affiliates	110,085	56,292	119,320	61,015
Loss on disposal of investment assets	9	2,705	10	2,932
Loss on disposal of property, equipment and intangible assets	13,778	13,634	14,934	14,778
Amortization of discounts on bonds and other	21,982	24,429	23,827	26,478
Sub-total	1,026,992	902,385	1,113,150	978,089
Income not involving cash receipts:				
Foreign translation gain	(40)	(219)	(43)	(237)
Reversal of allowance for doubtful accounts	(439)	(34)	(476)	(37)
Equity in earnings of affiliates	(16,295)	(33,416)	(17,662)	(36,219)
Gain on disposal of investment assets	(1,930)	(2,469)	(2,092)	(2,676)
Gain on disposal of property and equipment and intangible assets	(5,718)	(754)	(6,198)	(817)
Other	(196)	(1,533)	(212)	(1,663)
Sub-total	(24,618)	(38,425)	(26,683)	(41,649)
Changes in assets and liabilities related to operating activities:				

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Accounts receivable trade	51,462	70,904	55,779	76,852
Accounts receivable other	252,010	22,090	273,152	23,943
Inventories	(4,070)	(1,481)	(4,411)	(1,605)
Prepaid expenses	30,457	28,971	33,012	31,401
Advanced payments and other	(5,176)	9,388	(5,610)	10,176
Accounts payable	(119,170)	(56,348)	(129,168)	(61,075)
Income tax payable	7,497	(45,891)	8,126	(49,741)
Accrued expenses	(6,996)	93,907	(7,583)	101,785
Withholdings	(76,453)	89,358	(82,867)	96,855
Current portion of subscription deposits	(6,854)	579	(7,429)	628
Advanced receipts and other	(11,218)	2,945	(12,158)	3,191
Deferred income taxes	(23,358)	(35,675)	(25,318)	(38,668)
Severance indemnity payments	(2,765)	(257,120)	(2,997)	(278,691)
Deposits for group severance indemnities and other deposits	714	183,645	774	199,052
Dividends received from affiliate	7,134	1,318	7,732	1,429
Sub-total	93,214	106,590	101,034	115,532
Net Cash Provided by Operating Activities	1,895,172	1,681,048	2,054,165	1,822,076

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SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006

	Korean won		Translation into U.S. dollars	
	2007	2006	2007	2006
	(In millions)		(Note 2) (In thousands)	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash inflows from investing activities:				
Decrease in long-term financial instruments	₩ 5	₩	\$ 5	\$
Decrease in current portion of long-term investment securities	64		69	
Collection of short-term loans	51,709	58,708	56,047	63,633
Proceeds from sales of long-term investment securities	3,303	113,745	3,580	123,287
Proceeds from sales of equity securities accounted for using the equity method	900	5,079	976	5,505
Decrease in guarantee deposits	16,479	20,299	17,861	22,002
Decrease in other non-current assets	4,152	8,775	4,501	9,512
Proceeds from disposal of property and equipment	19,996	1,814	21,674	1,966
Proceeds from disposal of intangible assets	4,136	56	4,483	61
 Sub-total	 100,744	 208,476	 109,196	 225,966
 Cash outflows for investing activities :				
Acquisition of short-term financial instruments	(25,704)	(110,703)	(27,860)	(119,990)
Acquisition of trading securities	(59,814)	(177,973)	(64,832)	(192,904)
Extension of short-term loans	(46,433)	(51,920)	(50,328)	(56,276)
Extension of long-term loans	(62,103)	(2,985)	(67,313)	(3,235)
Acquisition of long-term investment securities	(356,448)	(3,050)	(386,352)	(3,306)
Acquisition of equity securities accounted for using the equity method	(53,918)	(145,888)	(58,441)	(158,127)
Increase in guarantee deposits and other non-current assets	(40,506)	(92,339)	(43,905)	(100,086)
Acquisition of property and equipment	(698,023)	(431,132)	(756,582)	(467,301)
Increase in intangible assets	(12,999)	(5,650)	(14,090)	(6,124)
 Sub-total	 (1,355,948)	 (1,021,640)	 (1,469,703)	 (1,107,349)

Net Cash Used in Investing Activities	(1,255,204)	(813,164)	(1,360,507)	(881,383)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Cash inflows from financing activities:				
Proceeds from long-term borrowings		200,000		216,779
Increase in guarantee deposits received and other	3,736	1,175	4,049	1,274
Sub-total	3,736	201,175	4,049	218,053
Cash outflows for financing activities:				
Repayment of current portion of long-term debt	(94,980)	(7,489)	(102,948)	(8,117)
Payment of dividends	(508,639)	(588,936)	(551,310)	(638,344)
Decrease in subscription deposits	(1,497)	(1,411)	(1,623)	(1,529)
Decrease in guarantee deposits and other	(7,374)	(1,862)	(7,994)	(2,019)
Sub-total	(612,490)	(599,698)	(663,875)	(650,009)
Net Cash Used in Financing Activities	(608,754)	(398,523)	(659,826)	(431,956)
NET INCREASE IN CASH AND CASH EQUIVALENTS	31,214	469,361	33,832	508,737
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	241,100	151,766	261,327	164,498
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	₩ 272,314	₩ 621,127	\$ 295,159	\$ 673,235

See accompanying notes to non-consolidated financial statements.

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SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2007

	Common stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total Stockholders equity
(In millions of Korean won)						
Balance, January 1, 2007	₩ 44,639	₩ 2,962,699	(₩ 2,019,568)	₩ 473,905	₩ 7,844,753	₩ 9,306,428
Cash dividends					(508,672)	(508,672)
Net income					799,584	799,584
Stock options (Notes 2 and 16)		3,246	(3,246)			
Loss on disposal of treasury stock (Notes 2 and 15)				337		337
Unrealized gain on valuation of long-term investment securities (Notes 2, 3, 17 and 18)				403,043		403,043
Equity in capital surplus and other comprehensive income changes of affiliates (Notes 2, 4, 17 and 18)				136,122		136,122
Gain on valuation of currency swap, net (Notes 2, 17, 18 and 24)				3,203		3,203
Gain on valuation of interest swap (Notes 2, 17, 18 and 24)				1,457		1,457
 Balance, June 30, 2007	 ₩ 44,639	 ₩ 2,965,945	 (₩ 2,022,477)	 ₩ 1,017,730	 ₩ 8,135,665	 ₩ 10,141,502
(In thousands of U.S. dollars)						
(Note 2)						
Balance, January 1, 2007	\$ 48,384	\$ 3,211,250	(\$ 2,188,997)	\$ 513,662	\$ 8,502,877	\$ 10,087,176
Cash dividends paid					(551,349)	(551,349)

Net income					866,664	866,664
Stock options (Notes 2 and 16)	3,518	(3,518)				
Loss on disposal of treasury stock (Notes 2 and 15)			366			366
Unrealized gain on valuation of long-term investment securities (Notes 2, 3 and 18)				436,856		436,856
Equity in capital surplus and other comprehensive income changes of affiliates (Notes 2, 4 and 18)				147,542		147,542
Gain on valuation of currency swap, net (Notes 2, 18 and 24)				3,472		3,472
Gain on valuation of interest swap (Notes 2, 18 and 24)				1,580		1,580
Balance, June 30, 2007	\$ 48,384	\$ 3,214,768	(\$2,192,149)	\$ 1,103,112	\$ 8,818,192	\$ 10,992,307

See accompanying notes to non-consolidated financial statements.

Table of Contents**SK TELECOM CO., LTD.****NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2007 AND 2006****1. GENERAL**

SK Telecom Co., Ltd. (the Company) was incorporated in March 1984 under the laws of Korea to engage in providing nationwide cellular telephone communication services in the Republic of Korea. The Company's common shares and depositary receipts (DRs) are listed on the Stock Market of Korea Exchange (formerly Korea Stock Exchange) and the New York and London Stock Exchanges. As of June 30, 2007, the Company's total issued shares are held by the following:

	Number of shares	Percentage of total shares issued (%)
SK Group	18,748,452	23.09
POSCO Corp.	2,341,569	2.88
Institutional investors and other minority shareholders	51,577,438	63.53
Treasury stock	8,526,252	10.50
	81,193,711	100.00

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying non-consolidated financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the Republic of Korea, using the same accounting policies which were adopted in preparing the annual financial statements. Significant accounting policies followed in preparing the accompanying non-consolidated financial statements are summarized as follows:

a. Basis of Presentation

The Company maintains its official accounting records in Korean won and prepares statutory non-consolidated financial statements in Korean language (Hangul) in conformity with the accounting principles generally accepted in the Republic of Korea (Korean GAAP). Certain accounting principles applied by the Company that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with accounting principles generally accepted in other countries. Accordingly, these financial statements are intended for use by those who are informed about Korean accounting principles and practices. The accompanying financial statements have been condensed, restructured and translated into English with certain expanded descriptions from the Korean language financial statements. Certain information included in the Korean language financial statements, but not required for a fair presentation of the Company's financial position, results of operations, changes in stockholders' equity or cash flows, is not presented in the accompanying financial statements.

The accompanying financial statements are stated in Korean won, the currency of the country in which the Company is incorporated and operates. The translation of Korean won amounts into U.S. dollar amounts is included solely for the convenience of readers of financial statements and has been made at the rate of ₩922.60 to US\$1.00, the Noon Buying Rate in the City of New York for cable transfers in Korean won as certified for customs purposes by the Federal Reserve Bank of New York on the last business day of the period ended June 30, 2007. Such translations into U.S. dollars should not be construed as representations that the Korean won amounts could be converted into U.S. dollars at that or any other rate.

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b. Adoptions of New Statements of Korea Accounting Standards (SKAS)

On January 1, 2007, the Company adopted SKAS No. 11 and SKAS No. 21 through No. 24. The adoption of such accounting standards did not have an effect on the financial position of the Company as of June 30, 2007 and the ordinary income and net income of the Company for the three months ended June 30, 2007. Details of primary change due to such adoption of SKAS are as follows:

Pursuant to adoption of SKAS No. 21, Preparation and Presentation of Financial Statements , statement of stockholders equity was prepared for the six months ended June 30, 2007. Unrealized gain/loss on available-for-sale securities, equity in capital adjustments of affiliates and gain/loss on valuation of derivative instruments, which were classified as capital adjustments through 2006, are classified as accumulated other comprehensive income. Long-term loans, guarantee deposits, long-term deposits and others, which were classified as investment assets through 2006, are classified as other non-current assets. The accompanying balance sheet as of December 31, 2006, which is comparatively presented, was reclassified in accordance with SKAS No. 21 and the statement of stockholders equity for the six months ended June 30, 2006 was not prepared as allowed in accordance with the transitional provision of SKAS No. 21.

c. Early adoption of revised SKAS No.2, Interim financial reporting

The Company early adopted the SKAS No. 2, Interim financial reporting revised in May 2005, which requires company to prepare the statements of cash flows and stockholders equity only for the accumulated interim period. Therefore, the statements of cash flows and stockholders equity for the three months ended June 30, 2007 has not been prepared and the statements for the same period of prior year were not presented.

d. Cash Equivalents

Cash equivalents are highly liquid investments and short term financial instruments, which are readily convertible without significant transaction cost, do not have significant risk of changes in interest rates, and with original maturities of three months or less.

e. Allowance for Doubtful Accounts

Allowance for doubtful accounts is provided based on the estimated collectibility of individual accounts and historical bad debt experience.

f. Inventories

Inventories, which consist mainly of replacement units for wireless telecommunication facilities and supplies for sales promotion, are stated at the lower of cost or market value, with cost determined using the moving average method. The Company maintains perpetual inventory systems, which are adjusted to physical inventory counts performed at fiscal year end. When the market value of inventories is less than the acquisition cost, the carrying amount is reduced to the market value and any difference is charged to current operations as operating expenses. There was no such loss for the three months and six months ended June 30, 2007 and 2006.

g. Securities (Excluding securities accounted for using the equity method of accounting)

Debt and equity securities are initially recorded at their acquisition costs (fair value of considerations paid) including incidental cost incurred in connection with acquisition of the related securities and classified into trading, available-for-sale and held-to-maturity securities depending on the acquisition purpose and nature.

Trading securities are stated at fair value with gains or losses on valuation reflected in current operations.

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Securities classified as available-for-sale are reported at fair value. Unrealized gains or losses on valuation of available-for-sale securities are included in accumulated other comprehensive income and the unrealized gains or losses are reflected in net income when the securities are sold or if impairment is other than temporary. Equity securities are stated at acquisition cost if fair value cannot be reliably measured. If the declines in the fair value of individual available-for-sale securities below their acquisition or amortized cost are other than temporary and there is objective evidence of impairment, write-downs of the individual securities are recorded to reduce the carrying value to their fair value. The related write-downs are recorded in current operations as a loss on impairment of investment securities.

Held-to-maturity securities are presented at acquisition cost after premiums or discounts are amortized or accreted, respectively. The Company recognizes write-downs resulting from other-than-temporary declines in the fair value below its book value on the balance sheet date if there is objective evidence of impairment. The related write-downs are recorded in current operations as a loss on impairment of investment securities.

Trading securities are presented in the current asset section of the balance sheet, and available-for-sales and held-to-maturity securities are presented in the current asset section of the balance sheet if their maturities are within one year; otherwise, such securities are recorded in the non-current section of the balance sheet.

h. Equity Securities Accounted for Using the Equity Method

Investment securities of affiliated companies, in which the Company has the ability to exercise significant influence, are carried using the equity method of accounting, whereby the Company's initial investment is recorded at cost and the carrying value is subsequently increased or decreased to reflect the Company's portion of stockholders' equity of the investee. Differences between the purchase cost and net asset fair value of the investee are amortized over 5 to 20 years using the straight-line method. When applying the equity method of accounting, unrealized inter-company gains and losses are eliminated (See Note 4). In addition, the Company provides for additional losses for those investments accounted for using the equity method that are reduced to zero to the extent that the Company has other investment assets related to the equity method investees.

When the Company's share of equity interest in the equity method investees increases as a result of capital transactions of the investees with (or without) consideration, the increase in the Company's proportionate shares in the investees are treated as goodwill or negative goodwill and when the Company's share of equity interest in the equity method investees decreases as a result of capital transactions of the investees with (or without) consideration, the decrease in the Company's proportionate shares in the investees are accounted for as gain or loss on disposal. However, if equity method investees are subsidiaries, such differences in the Company's proportionate shares in the investees are accounted for as capital adjustments of affiliates in the Company's stockholders' equity.

In translating the foreign currency statements of the Company's foreign-based investees, the Company applies (a) the current rate of exchange at the balance sheet date to the investee's balance sheet items (except historical rates applied for stockholders' equity), and (b) the average rate for the current period for income statements items. After translating the balance sheet and income statements items as noted above, the Company's portion of the amount after deducting the translated total liabilities from translated total assets and equity is recorded as capital adjustment of affiliates in the Company's stockholders' equity.

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i. Troubled Debt Restructuring

In case that contractual terms such as on the face amount, interest rate, or maturity should be changed to alleviate the debtor's burdens in accordance with an agreement between the creditor and the debtor, initiation of corporate reorganization procedures under court trustee or under debtor's management, the Company recognizes the restructured receivables at present value of the expected future cash flows discounted by the reasonable interest rate and amortizes the difference between face value and present value to interest income using the effective interest rate method.

j. Property and Equipment

Property and equipment are stated at cost. Major renewals and betterments, which prolong the useful life or enhance the value of assets, are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Depreciation is computed using the declining balance method (except for buildings and structures acquired on or after January 1, 1995 which are depreciated using the straight-line method) over the estimated useful lives (4~30 years) of the related assets (See Note 6).

Interest expense and other financing charges for borrowings related to the manufacture or construction of property and equipment are charged to current operations as incurred.

k. Intangible Assets

Intangible assets are recorded at cost, less amortization computed using the straight-line method over 5 to 20 years. The amortization for the six months ended June 30, 2007 and 2006 were ₩216,443 million and ₩171,260 million, respectively, and for the three months ended June 30, 2007 and 2006 were ₩109,082 million and ₩86,768 million, respectively.

With its application for a license to provide IMT 2000 service, the Company has a commitment to pay ₩1,300,000 million to the Ministry of Information Communication (MIC) → ₩650,000 million was paid in March 2001 by SK IMT Co., Ltd. (a former subsidiary of the Company), which was merged into the Company on May 1, 2003, and the remainder is required to be paid over 10 years with an annual interest rate equal to the 3-year-maturity government bond rate minus 0.75% (4.31% as of June 30, 2007). The future payment obligations are ₩110,000 million (related present value discount: ₩7,701 million) in 2008, ₩130,000 million in 2009, ₩150,000 million in 2010 and ₩170,000 million in 2011. On December 4, 2001, SK IMT Co., Ltd. received the IMT 2000 license from MIC, and recorded the total license cost (measured at present value) as an intangible asset. As a result of the merger with SK IMT Co., Ltd., the Company acquired such IMT license of ₩1,259,253 million and assumed the related long-term payable with principal amount of ₩650,000 million on May 1, 2003 (the date of merger). Amortization of the IMT license commenced when the Company started its commercial IMT 2000 service in December 2003, using the straight-line method over the estimated useful life of the IMT license which expires in December 2016. As of June 30, 2007, the present value discount related to the current portion and long-term portion of payments to be made to MIC totaled ₩7,701 million and ₩27,985 million, respectively.

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l. Impairment Losses

When the recoverable amount of assets (that are not recorded at fair value) including investment assets (except for trading and available for sale investments in listed companies), property and equipment, and intangible assets is significantly less than the carrying value due to obsolescence, physical damage, decline in market value or other causes, the carrying value is reduced to the recoverable amount and any difference is charged to current operation as an impairment loss. There was no such impairment loss for the six months ended June 30, 2007 and 2006.

m. Convertible Bonds

The proceeds from issuance of convertible bonds are allocated between the conversion rights and the debt issued; and the portion allocable to the conversion rights is accounted for as capital surplus with a corresponding conversion right adjustment deducted from the related bonds. Such conversion right adjustment is amortized to interest expense using the effective interest rate method over the redemption period of the convertible bonds. The portion allocable to the conversion rights is measured by deducting the present value of the debt at time of issuance from the gross proceeds from issuance of convertible bonds, with the present value of the debt being computed by discounting the expected future cash flows (including call premium, if any) using the effective interest rate applied to ordinary or straight debt of the Company at the issue date.

n. Discounts on Bonds

Discounts on bonds are amortized to interest expense using the effective interest rate method over the redemption period of the bonds.

o. Valuation of Long-term Payables

Long-term payables resulting from long-term installment transactions are stated at the present value of the expected future cash flows. Imputed interest amounts are recorded in present value discount accounts which are deducted directly from the related nominal payable balances. Such imputed interest is included in operations using the effective interest rate method over the redemption period.

p. Provisions, Contingent Liabilities and Contingent Assets

The Company recognizes a provision when i) it has a present obligation as a result of a past event, ii) it is probable that a disbursement of economic resources will be required to settle the obligation, and iii) a reliable estimate can be made of the amount of the obligation (See Note 23). When a possible range of loss in connection with a probable loss contingency as of the balance sheet date is estimable with reasonable certainty, and some amount within that range appears at the time to be a better estimate than any other amount within the range, the Company accrues such amount. When no amount within the range appears to be a better estimate than any other amount, the minimum in that range is recorded.

The Company does not recognize the following contingent obligations as liabilities:

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- Possible obligations related to past events, for which the existence of a liability can only be confirmed upon occurrence of uncertain future event or events outside the control of the Company.
- Present obligations arising out of past events or transactions, for which i) a disbursement of economic resources to fulfill such obligations is not probable or ii) a disbursement of economic resources is probable, but the related amount cannot be reasonably estimated.

In addition, the Company does not recognize potential assets related to past events or transactions, for which the existence of an asset or future benefit can only be confirmed upon occurrence of uncertain future event or events outside the control of the Company.

q. Accrued Severance Indemnities

In accordance with the Company's policy, all employees with more than one year of service are entitled to receive severance indemnities upon termination of their employment based on length of service and rate of pay. Accruals for severance indemnities are recorded to approximate the amount required to be paid if all employees were to terminate at the balance sheet date.

The Company has deposits with insurance companies to fund the portion of the employees' severance indemnities which is in excess of the tax deductible amount allowed under the Corporate Income Tax Law, in order to take advantage of the additional tax deductibility for such funding. Such deposits with outside insurance companies, where the beneficiaries are the Company's employees, totaling ~~₩~~23,182 million and ~~₩~~23,895 million as of June 30, 2007 and December 31, 2006, respectively, are deducted from accrued severance indemnities.

In accordance with the Korean National Pension Fund Law, the Company transferred a portion of its accrued severance indemnities to the National Pension Fund through March 1999. Such transfers, amounting to ~~₩~~50 million as of June 30, 2007 and December 31, 2006, respectively, are deducted from accrued severance indemnities.

Actual payment of severance indemnities amounted to ~~₩~~2,765 million and ~~₩~~257,120 million for the six months ended June 30, 2007 and 2006, respectively.

Effective March 31, 2006, the Company changed its policy for the severance indemnities applicable to those employees who joined the Company before or on December 31, 2002 from cumulative method, where employees are entitled to get paid more than one month of salary each year depending on the length of service, to simple multiplier method, where employees are paid one month of salary each year regardless of their service period in accordance with the resolution of the Company's joint labor-management conference held on March 16, 2006. As a result of such policy change, the Company has decided to distribute early settlements to those eligible employees on their accumulated severance indemnities as of June 30, 2006 on a mandatory basis. In addition, the Company paid the additional bonuses of ~~₩~~125,890 million for those employees who received the mandatory distribution for their early settlement as compensation for those employees. The Company recorded such compensation costs as special severance indemnities in other expenses for the six months ended June 30, 2006. In addition, the Company executed the early retirement program and the related special bonus of ~~₩~~18,131 million were paid to eligible employees and accounted for as special severance indemnities in other expenses for the six months ended June 30, 2006.

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r. Accounting for Employee Stock Option Compensation Plan

The Company adopted the fair value based method of accounting for its employee stock option compensation plan (See Note 16). Under the fair value based method, compensation cost is measured at the grant date based on the value of the award and is recognized over the service period. For stock options, fair value is determined using an option-pricing model that takes into account the stock price at the grant date, the exercise price, the expected life of the option, the volatility of the underlying stock, expected dividends and the current risk-free interest rate for the expected life of the option. However, as permitted under Korean GAAP, the Company excludes the volatility factor in estimating the value of its stock options granted before December 31, 2003, which results in measurement at minimum value. The total compensation cost of an option estimated at the grant date is not subsequently adjusted for changes in the price of the underlying stock or its volatility, the actual life of the option, dividends on the stock, or the risk-free interest rate. In addition, recognized compensation costs related to stock options expired due to such stock options not being exercised within the exercisable period are transferred to other capital surplus from capital adjustments (See Note 13).

s. Accounting for Leases

Lease agreements that include a bargain purchase option, result in the transfer of ownership at the end of the lease term, have a lease term equal to 75% or more of the estimated economic life of the leased property or where the present value of minimum lease payments equals or exceeds 90% of the fair value of the leased property, are accounted for as capital leases. All other leases are accounted for as operating leases.

Assets and liabilities related to capital leases are recorded as property and equipment and obligations under capital leases, respectively, and the related interest is calculated using the effective interest rate method and charged to other expenses. For operating leases, the future minimum lease payments are expensed ratably over the lease term while contingent rentals are expensed as incurred (See Note 11).

t. Research and Development Costs

The Company charges substantially all research and development costs to expense as incurred. The Company incurred internal research and development costs of ₩98,394 million and ₩101,755 million for the six months ended June 30, 2007 and 2006, respectively, and ₩47,216 million and ₩48,925 million for the three months ended June 30, 2007 and 2006, respectively. In addition, external research and development costs were ₩38,187 million and ₩33,348 million for the six months ended June 30, respectively, and ₩20,421 million and ₩16,306 million for the three months ended June 30, 2007 and 2006, respectively.

u. Accounting for Foreign Currency Transactions and Translation

Transactions denominated in foreign currencies are recorded in Korean won based on the prevailing rate of exchange at the dates of transactions. Monetary assets and liabilities denominated in foreign currency are translated into Korean won at the Base Rates announced by Seoul Money Brokerage Services, Ltd. on the balance sheet date, which were ₩926.80 and ₩929.60 to US\$1.00 at June 30, 2007 and December 31, 2006, respectively. The resulting gains or losses arising from the translation or settlement of such assets and liabilities are included in current operations.

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v. Derivative Instruments

The Company records rights and obligations arising from derivative instruments as assets and liabilities, which are stated at fair value. The gains and losses that result from the change in the fair value of derivative instruments are reported in current earnings. However, for derivative instruments designated as hedging the exposure of variable cash flows, the effective portions of the gains or losses on the hedging instruments are recorded as a accumulated other comprehensive income (loss) and credited/charged to operations at the time the hedged transactions affect earnings, and the ineffective portions of the gains or losses are credited/charged immediately to operations.

w. Revenue Recognition

Operating revenue is recognized when cellular telephone communication and related services are provided.

x. Income Tax

Income tax expense is determined by adding or deducting the total income tax and surtaxes to be paid for the current period and the changes in deferred income tax assets and liabilities.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognized for all taxable temporary differences with some exceptions and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred income tax assets and liabilities are classified into current and non-current based on the classification of related assets or liabilities for financial reporting purposes (See Note 17).

y. Handset Subsidies to Long-term Mobile Subscribers

Effective March 27, 2006, the Telecommunication Law of Korea was revised to allow wireless carriers to provide handset subsidies to customers who have maintained their wireless account with the same carrier for 18 months or longer to acquire new or renewed customer relationships. The Company commenced its handset subsidy program on the effective date of the revised Telecommunications Law and included a clause in the service contract which allows the Company to change the terms of its subsidy program, including the Company's ability to terminate the program at any time after a thirty day notice to its customers. The Company charges such handset subsidies to commissions paid as the related payments are made.

z. Reclassifications

Certain reclassifications have been made in prior period's financial statements to conform to classifications used in the current period. Such reclassifications did not have an effect on the previously reported net assets as of December 31, 2006 and net income for the three months and six months ended June 30, 2006.

Table of Contents**3. INVESTMENT SECURITIES****a. Trading Securities**

Trading securities as of June 30, 2007 and December 31, 2006 are as follows (In millions of Korean won):

	Acquisition cost	June 30, 2007 Fair value	Carrying amount	December 31, 2006 Fair value and carrying amount
Beneficiary certificates	₩ 725,114	₩ 725,114	₩ 725,114	₩ 665,299

b. Long-term Investment Securities

Long-term investment securities as of June 30, 2007 and December 31, 2006 are as follows (In millions of Korean won):

	June 30, 2007	December 31, 2006
Available-for-sale equity securities	₩ 1,342,526	₩ 992,455
Available-for-sale debt securities	1,942,144	1,383,969
Total	3,284,670	2,376,424
Less: current portion	(513)	(156)
Long-term portion	₩ 3,284,157	₩ 2,376,268

b-(1). Available-for-sale Equity Securities

Available-for-sale equity securities as of June 30, 2007 and December 31, 2006 are as follows (In millions of Korean won):

	June 30, 2007		Carrying amount			
	Number of shares	Percentage (%)	Acquisition cost	Fair value	June 30, 2007	December 31, 2006
(Investments in listed companies)						
Digital Chosunilbo Co., Ltd.	2,890,630	7.8	₩ 5,781	₩ 7,877	₩ 7,877	₩ 5,897
hanarotelecom incorporated	11,045,000	4.8	121,677	100,510	100,510	88,581
KRTnet Corporation	234,150	4.4	1,171	2,728	2,728	2,517
POSCO	2,481,310	2.8	332,662	1,100,461	1,100,461	766,725
Comas Interactive Co., Ltd. (Formerly INNOTG Co., Ltd.)	59,473	0.4	1,695	135	135	83
Extended Computing Environment Co., Ltd.	133,333	3.3	10	860	860	876
Sub-total			462,996	1,212,571	1,212,571	864,679

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	June 30, 2007			Fair value	Carrying amount	
	Number of shares	Percentage (%)	Acquisition cost		June 30, 2007	December 31, 2006
(Investments in non-listed companies)						
LG Powercomm Co., Ltd. (Formerly Powercomm Co., Ltd.)	7,500,000	5.0	240,243	80,370(note a)	80,370	80,370
Japan MBCO	54,000	7.3	27,332(note b)			
Eonex Technologies Inc.	144,000	12.3	3,600(note c)		4,593	4,593
The Korea Economic Daily	2,585,069	13.8	13,964(note c)		13,964	13,964
Others			121,115(note c)		21,526	25,411
Sub-total			406,254		120,453	124,338
(Investments in funds)						
Others			9,502(note c)		9,502	3,438
Sub-total			9,502		9,502	3,438
Total			₩ 878,752		₩ 1,342,526	₩ 992,455

(Note a) The Company recorded its investments in common stock of LG Powercomm Co., Ltd. at its fair value, which was estimated by an outside professional valuation company using the present value of expected future cash flows and the unrealized loss on valuation of investments amounting to ₩115,908 million (net of tax effect of ₩43,965 million) as of December 31,

2006 was recorded as accumulated other comprehensive income. Based on the opinion of the outside professional valuation company, there was no significant change in LG Powercomm Co., Ltd.'s operation and financial results, which have an effect on the fair value of the common stocks, for the six months ended June 30, 2007. No additional unrealized loss or recovery on valuation of such investments was recorded accordingly.

(Note b) Due to the impairment of the Company's investments in common stock of Japan MBCO, the Company recorded impairment loss on such investments of ~~₩~~27,332 million for the year ended December 31, 2006.

(Note c) As a reasonable estimate of fair value could not be made, the

investment is stated at acquisition cost. The investment in common stock of Eonex Technologies Inc. was reclassified to available-for-sale securities from equity securities accounted for using the equity method during the year ended December 31, 2003, as the Company's ownership in such investees decreased to less than 20% and the Company no longer exercises significant influence. Such securities were transferred to available-for-sale securities at the carrying amount valued using the equity method of accounting prior to the reclassification.

Table of Contents**b-(2). Available-for-sale Debt Securities**

Available-for-sale debt securities as of June 30, 2007 and December 31, 2006 are as follows (In millions of Korean won):

		Acquisition cost	Carrying amount June 30, 2007	Carrying amount December 31, 2006
Public bonds	Maturity (note a)	₩ 51,419	₩ 51,269	₩ 51,300
Currency stabilization bonds	(note b)	49,915	49,795	49,894
Closed beneficiary certificates (note c)	October, 2009	5,000	5,070	5,072
Bond-type beneficiary certificates	(note d)	350,000	350,212	
Convertible bonds of Real Telecom Co., Ltd. (note e)	March, 2007	10,656		
Convertible bonds of China Unicom Ltd. (note f)	July, 2009	957,055	1,484,798	1,276,703
Convertible bonds of Eonex Technologies, Inc. (note g)	October, 2008	1,000	1,000	1,000
Total		1,425,045	1,942,144	1,383,969
Less: current portion		(513)	(513)	(156)
Long-term available-for-sale debt securities		₩ 1,424,532	₩ 1,941,631	₩ 1,383,813

The interest income incurred from available-for-sale debt securities for the six months ended June 30, 2007 and 2006 and for the three months ended June 30, 2007 and 2006 were ₩2,352 million and ₩6,886 million, ₩1,077 million and ₩3,289 million, respectively.

(note a) The maturities of public bonds as of June 30, 2007 and December 31, 2006 are as follows (In millions of Korean won):

	Maturity	June 30, 2007	December 31, 2006
Within one year		₩ 513	₩ 156
Within five years		50,756	51,144
		₩ 51,269	₩ 51,300

(note b) The maturities of currency stabilization bonds as of June 30, 2007 and December 31, 2006 are as follows (In millions of Korean won):

	Maturity	June 30, 2007	December 31, 2006
Within five years		₩ 49,795	₩ 49,894

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(note c) Returns on the closed beneficiary certificates were accounted for as interest income.

(note d) The maturities of bond-type beneficiary certificates as of June 30, 2007 and December 31, 2006 are as follows (In millions of Korean won):

	Maturity	June 30, 2007	December 31, 2006
Within five years		₩ 350,212	₩

(note e) Due to the impairment of such bonds, the Company recorded an impairment loss of ₩10,656 million prior to December 31, 2004 and as of June 30, 2007, the principal amount of the bond has not been redeemed at its maturity.

(note f) On July 5, 2006, the Company purchased zero coupon convertible bonds of China Unicom Ltd. with maturity of three years and principal amount of

US\$1,000,000,000
for
US\$1,000,000,000.
Such convertible
bonds have initial
conversion price of
US\$1.111426 per
share of common
stock of China
Unicom Ltd. The
bond holders may
redeem their notes
at 102.82% of the
principal amount on
July 5, 2008
(2 years from the
issuance date). The
conversion right
may be exercised
during the period
from July 5, 2007
to June 29, 2009
and the number of
common shares to
be converted as of
June 30, 2007 is
899,745,075 shares.
Unless either
previously
redeemed or
converted, the notes
are redeemable at
104.26% of the
principal amount at
maturity. The
Company recorded
the convertible
bonds of China
Unicom Ltd. at its
fair value, which
was estimated by an
outside professional
valuation company
using Cox, Ross &
Rubinstein Model
(1979) and discount
rate of 5.8907%. If
all such bonds are
converted, the
Company's equity
interest in China

Unicom Ltd. will be
6.67%.

(note g) On October 11,
2006, the Company
purchased
convertible bonds
of Eonex
Technologies, Inc.
at face value of
₩1,000 million.
Such convertible
bonds can be
converted into
7,142 shares of
common stock of
Eonex
Technologies, Inc.
at ₩140,000 per
share during the
period from April 1,
2007 to October 11,
2008. Unless either
previously
redeemed or
converted, the notes
are redeemable at
106% of the
principal amount at
maturity. If all such
bonds are
converted, the
Company's equity
interest in Eonex
Technologies, Inc.
will increase to
12.9%.

Table of Contents**b-(3). Changes in Unrealized Gains (Losses) on Investments in Common Stock**

The changes in unrealized gains (losses) on investments in common stock for the six months ended June 30, 2007 and 2006 are as follows (In millions of Korean won):

	For the six months ended June 30, 2007			
	Beginning balance	Increase/ (decrease)	Transferred to realized gain (loss)	Ending balance
Available-for-sales securities:				
Digital Chosunilbo Co., Ltd.	₩ 116	₩ 1,980	₩	₩ 2,096
hanarotelecom incorporated	(33,096)	11,929		(21,167)
KRTnet Corporation	1,346	211		1,557
POSCO	434,063	333,736		767,799
Comas Interactive Co., Ltd. (Formerly INNOTG Co., Ltd.)	(1,611)	51		(1,560)
Extended Computing Environment Co., Ltd.	866	(16)		850
LG Powercomm Co., Ltd.	(159,873)			(159,873)
Eonex Technologies Inc.	2,011			2,011
Currency stabilization bonds	12	(132)		(120)
Public bonds	(5)	(145)		(150)
Convertible bonds of China Unicom Ltd.	319,648	208,095		527,743
Beneficiary certificates		212		212
Sub-total	563,477	555,921		1,119,398
Less tax effect	(154,956)	(152,878)		(307,834)
Total	₩ 408,521	₩ 403,043	₩	₩ 811,564

	For the six months ended June 30, 2006			
	Beginning balance	Increase/ (decrease)	Transferred to realized gain (loss)	Ending balance
Available-for-sales securities:				
Digital Chosunilbo Co., Ltd.	₩ 14	₩ (1,980)	₩	₩ (1,966)
hanarotelecom incorporated	(65,237)	4,639		(60,598)
KRTnet Corporation	1,475	(293)		1,182
POSCO	168,563	130,269		298,832
Comas Interactive Co., Ltd. (Formerly INNOTG Co., Ltd.)	(1,611)	(10)		(1,621)
LG Powercomm Co., Ltd.	(163,113)			(163,113)
Eonex Technologies Inc.	2,011			2,011
Currency stabilization bonds	(218)	895	(614)	63

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Sub-total	(58,116)	133,520	(614)	74,790
Less: tax effect	15,982	(36,718)	169	(20,567)
Total	₩ (42,134)	₩ 96,802	₩ (445)	₩ 54,223

Table of Contents**4. EQUITY SECURITIES ACCOUNTED FOR USING THE EQUITY METHOD**

Equity securities accounted for using the equity method of accounting as of June 30, 2007 and December 31, 2006 are as follows (In millions of Korean won):

	June 30, 2007			Net asset value	Carrying Amount		
	Number of shares	Ownership percentage	Acquisition cost		June 30, 2007	December 31, 2006	
Pantech Co., Ltd.	1,278,515	22.7	₩ 26,309	₩	(note a) ₩	₩	
SK Communications Co., Ltd.	7,844,454	85.9	175,441	146,484		165,570	177,913
SK Telink Co., Ltd.	943,997	90.8	5,296	85,818		85,818	86,284
SK C&C Co., Ltd.	6,000,000	30	19,071	465,947	(note b)	470,209	272,554
SK Wyverns Baseball Club Co., Ltd.	199,997	100	1,000				
STIC Ventures Co., Ltd.	1,600,000	21.9	8,000	8,611		8,611	8,651
Paxnet Co., Ltd.	5,590,452	59.7	26,563	13,162		29,789	30,807
Global Credit &Information Co., Ltd.	300,000	50	2,410	3,118		3,683	3,704
TU Media Corp.	17,538,064	32.7	96,980	16,717	(note c)	26,506	7,016
Aircross Co., Ltd.	1,575,000	100	2,440	3,617	(note d)	3,617	1,713
IHQ, Inc.	13,000,000	34.1	41,846	11,235		33,262	38,938
Seoul Records, Inc.	9,582,321	60	27,874	20,765		23,212	25,995
Harex Info Tech, Inc.	225,000	21.2	3,375	753		1,630	1,835
SK Mobile		42.5	10,322	4,191		4,191	4,643
SLD Telecom PTE. Ltd.	180,476,700	73.3	191,273	111,476		111,850	118,463
Skytel Co., Ltd.	1,756,400	26.4	2,159	5,169		5,169	6,009
SK China Company Ltd.		20.7	3,195	1,086			93
SK Telecom China Co., Ltd.		100	7,340	6,512		6,512	6,536
ULand Company Limited.	14,100,100	70.1	17,511	4,476		4,798	6,761
SK Telecom USA Holdings, Inc.	1,000	100	217,332	32,281	(note e)	32,281	77,786
SK Telecom International, Inc.	1,099	100	17,467	24,864		24,864	25,146
SK USA, Inc.	49	49	3,184	3,016		3,016	2,969
Helio, Inc.	650,000	0.6	1,100	409		409	1,100
Korea IT Fund		63.3	190,000	197,571		197,571	193,060
Centurion IT Investment Association		37.5	2,100	1,821		1,821	3,262
1st Music Investment Fund of SK-PVC		69.3	6,925	7,186		7,186	7,186
2nd Music Investment Fund of		79.3	7,925	8,238		8,238	8,238

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SK-PVC					
SK-KTB Music					
Investment Fund	74.3	14,850	13,623	13,623	15,311
IMM Cinema Fund	45.6	12,000	10,205	10,205	11,569
Michigan Global					
Cinema Fund	36.4	4,000	3,773	3,773	3,773
3rd Fund of Isu					
Entertainment	31.3	2,500	2,419	2,419	2,419
Other investments in affiliates		13,054	(note f)	13,042	11,917
 Total		 ₩ 1,160,842		 ₩ 1,302,875	 ₩ 1,161,651

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(Note a) Pantech Co., Ltd. (Pantech) requested its creditor banks for a debt restructuring due to deterioration of its liquidity on December 11, 2006. On December 15, 2006, Pantech entered into creditor banks agreement (the Agreement) with its eight creditor banks including Korea Development Bank (KDB), its main creditor bank. Currently, creditor banks association, which was organized according to the Agreement and represented by KDB, has been supervising Pantech s debt repayment schedule and operations. In the first half of 2007, the Company s shares of Pantech were reduced to 1,278,515 shares from 25,570,306 shares in accordance with the Pantech s stock annexation as twenty to one ratio. As the investment was written down to zero and the Company is not committed to further provide financial support for the investee, equity in losses of affiliates of ₩61,334 million was not recorded through the three months ended March 31, 2007. However, the Company could not estimate additional equity in losses of affiliates for the three months ended June 30, 2007 due to the inability to obtain the financial statements as of and for the six months ended June 30, 2007.

(Note b) In the first half of 2007, the Company s shares of SK C&C Co., Ltd. were increased to 6,000,000 shares from 300,000 shares in accordance with the SK C&C Co., Ltd. s stock split as one into twenty.

(Note c) In the first half of 2007, the Company additionally invested ₩32,368 million in TU Media Corp. which increased the Company s ownership from 29.6% to 32.7%.

(Note d) In the first half of 2007, the Company acquired 975,000 shares of Air cross Co., Ltd. s common stock from WiderThan Co., Ltd. and others, which increased the Company s ownership from 38.1% to 100.0%.

(Note e) In 2005, the Company incorporated SK Telecom USA Holdings, Inc. with an investment of US\$122 million in order to invest in and manage Helio, Inc., a joint venture company in the United States of America, which was established in order to provide wireless telecommunication services in the United States of America. In addition, the Company invested an additional US\$39.5 million and US\$19.5 million in SK USA Holdings, Inc. for the six months ended June 30, 2007 and 2006, respectively (See Note 25).

(Note f) As allowed under Korean GAAP, investments in equity securities of SK Telecom Europe Limited and others were not accounted for using the equity method of accounting, as changes in the Company s portion of stockholders equity of such investees were not expected to be material.

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Details of the changes in investments in affiliates accounted for using the equity method for the three months and six months ended June 30, 2007 and 2006 are as follows (In millions of Korean won):

		For the six months ended June 30, 2007						
		Beginning balance	Acquisition	Equity in earnings (losses)	Equity in capital surplus and capital adjustments	Dividend received	Other increase (decrease)	Ending balance
SK Communications Co., Ltd.	(Note a)	177,913		(12,293)	(50)			165,570
SK Telink Co., Ltd.	(Notes a and c)	86,284		4,477	(450)	(4,493)		85,818
SK C&C Co., Ltd.	(Notes a and c)	272,554		6,330	192,585	(1,260)		470,209
STIC Ventures Co., Ltd.	(Note b)	8,651		(40)				8,611
Paxnet Co., Ltd.	(Notes a and c)	30,807		(297)	6	(727)		29,789
Global Credit & Information Co., Ltd.	(Note b)	3,704		(21)				3,683
TU Media Corp.	(Notes a and d)	7,016	32,368	(12,842)	(370)		334	26,506
Aircross Co., Ltd.	(Note b)	1,713	2,139	(235)				3,617
IHQ, Inc.	(Notes a and e)	38,938		(5,873)	199		(2)	33,262
Seoul Records, Inc.	(Note a)	25,995		(2,492)	(291)			23,212
Harex Info Tech, Inc.	(Note b)	1,835		(205)				1,630
SK Mobile	(Note a)	4,643		(556)	104			4,191
SLD Telecom PTE Ltd.	(Note a)	118,463		(6,254)	(359)			111,850
Skytel Co., Ltd.	(Notes b and c)	6,009		169	(355)	(654)		5,169
SK China Company Ltd.	(Note b)	93		(112)	19			6,512
		6,536		(24)				

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SK Telecom China Co., Ltd.	(Note b)							
ULand Company Limited.	(Note a)	6,761		(2,110)	145			4,798
SK Telecom USA Holdings, inc.	(Note a)	77,786	18,286	(63,997)	206			32,281
SK Telecom International, Inc.	(Note a)	25,146		(164)	(118)			24,864
SK USA, Inc.	(Note b)	2,969		48	(1)			3,016
	(Notes a and e)							
Helio, Inc.	(Notes a and b)	1,100		(881)		192		409
Korea IT Fund	(Note b)	193,060		5,272	(761)			197,571
Centurion IT Investment	(Note f)	3,262		(64)	(477)	(900)		1,821
1st Music Investment	(Note b)	7,186						7,186
2nd Music Investment	(Note b)	8,238						8,238
SK-KTB Music Investment Fund	(Note a)	15,311		(235)	(1,453)			13,623
	(Note a)							
IMM Cinema Fund	(Note b)	11,569		(1,391)	27			10,205
Michigan Global Cinema Fund	(Note b)	3,773						3,773
3rd Fund of Isu Entertainment	(Note b)	2,419						2,419
		1,149,734	52,793	(93,790)	188,606	(7,134)	(376)	1,289,833
Less: three months ended March 31, 2007			47,227	(45,037)	60,867	(6,480)	(445)	
Three months ended June 30, 2007			5,566	(48,753)	127,739	(654)	69	

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- (Note Investments were recorded using the equity method of accounting based on unaudited and
- a) unreviewed financial statements as of and for the six months ended June 30, 2007 In order to verify the reliability of such unaudited and unreviewed financial statements, the Company has performed the following procedures and found no significant errors:
- i) obtained the signature from the chief executive officer of the equity method investee asserting that the unaudited and unreviewed financial statements are accurate
 - ii) checked whether the major transactions identified by the Company, including public disclosures, were appropriately reflected in the unaudited and unreviewed financial statements
 - iii) performed an analytical review on the unaudited and unreviewed financial statements

- (Note Investments in equity securities are carried using the equity method of accounting based on the
- b) financial statements as of December 31, 2006 as information as of June 30, 2007 was not available and the change in the Company's portion of stockholders' equity of the investee for the six months ended June 30, 2007 was immaterial.

- (Note The Company received dividends from SK Telink Co., Ltd., SK C&C Co., Ltd., Paxnet Co.,
- c) Ltd. and Skytel co., Ltd. and the corresponding amount was deducted from the carrying amount of equity method securities.

- (Note Other increase in investments in TU Media Corp. represents realization of equity in other
- d) comprehensive income of affiliates as TU Media Corp. became the Company's subsidiary as a result of the Company's additional investment in TU Media Corp. for the six months ended June 30, 2007.

- (Note Other increase (decrease) in investments in equity securities of IHQ, Inc. and Helio, Inc.
- e) represent gains on disposal of investments in equity securities, which have resulted from the dilution of the Company's ownership as a result of capital transactions of the investees.

- (Note Other decrease in investments in Centurion IT Investment Association resulted from the
- f) collection of a portion of the Company's investment.
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For the six months ended June 30, 2006

		Beginning balance	Acquisition	Equity in earnings (losses)	Equity in surplus and capital adjustments	Dividend received	Other increase (decrease)	Ending balance
Pantech Co., Ltd.		₩ 55,634	₩	₩ (2,381)	₩ (100)	₩	₩	₩ 53,153
SK Capital Co., Ltd.	(Note a)	37,501		5				37,506
SK Communications Co., Ltd	&nbs							