

Edgar Filing: SK TELECOM CO LTD - Form 6-K

SK TELECOM CO LTD
Form 6-K
August 22, 2003

1934 Act Registration No. 1-14418

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 AUGUST 2003

SK TELECOM CO., LTD.
(Translation of registrant's name into English)

99, Seorin-dong
Jongro-gu
Seoul, 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 whether the registrant by furnishing the information contained in this Form 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- .)

This report contains (i) the press release dated July 31, 2003 of SK Telecom Co., Ltd. setting forth the non-consolidated results of operations of SK Telecom Co., Ltd. and its unaudited non-consolidated financial information as of and for its second quarter ended June 30, 2002 and 2003 prepared pursuant to and

Edgar Filing: SK TELECOM CO LTD - Form 6-K

in accordance with Korean generally accepted accounting principles, or Korean GAAP, and (ii) the reconciliation of certain non-GAAP financial information to Korean GAAP pursuant to and in accordance with Regulation G.

In this report on Form 6-K, unless the context indicates or otherwise requires, references to "we", "us", "our" or the "Company" shall mean SK Telecom Co., Ltd. and its consolidated subsidiaries, and references to "SK Telecom" shall mean SK Telecom Co., Ltd., but shall not include its consolidated subsidiaries.

The financial information appearing in this report is stated in Korean Won. All references to "KRW," "Won" or "W" in this report are to the currency of Korea. Any discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

This report contains "forward-looking statements", as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, that are based on our current expectations, assumptions, estimates and projections about our company and our industry. The forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "anticipate", "believe", "estimate", "expect", "intend", "project", "should", and similar expressions. Those statements include, among other things, the discussions of our business outlook and expected performance as well as other statements that are not historical facts. We caution you that reliance on any forward-looking statement involves risks and uncertainties, and that although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be incorrect. In light of these and other uncertainties, you should not conclude that we will necessarily achieve any plans and objectives or projected financial results referred to in any of the forward-looking statements. We do not undertake to release the results of any revisions of these forward-looking statements to reflect future events or circumstances.

2

(i) PRESS RELEASE DATED JULY 31, 2003:

JULY 31, 2003

2nd Quarter Earnings for the
Period Ended June 30, 2003

THE INFORMATION CONTAINED HEREIN IS BASED ON KOREAN GAAP.
IT IS UNAUDITED AND NON-CONSOLIDATED.

(SK TELECOM LOGO)

=====

SEOUL, KOREA, JULY 31, 2003 - SK TELECOM CO., LTD. (KSE: 17670, NYSE: SKM) ("SKT" OR "THE COMPANY"), THE LEADING WIRELESS TELECOMMUNICATIONS COMPANY IN KOREA, TODAY ANNOUNCED THE RESULTS OF ITS OPERATIONS FOR THE SECOND QUARTER ENDED JUNE 30, 2003.

=====

This material contains forward-looking statements with respect to the financial condition, results of operations and business of SK Telecom and plans and objectives of the management of SK Telecom. Statements that are not historical facts, including statements about SK Telecom's beliefs and expectations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of SK Telecom to be materially different from any future results or performance expressed or implied by such forward-looking statements. SK Telecom does not make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained in this management presentation, and nothing contained herein is, or shall be relied upon as, a promise or representation, whether as to the past or the future. Such forward-looking statements were based on current plans, estimates and projections of SK Telecom and the political and economic environment in which SK Telecom will operate in the future, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and SK Telecom understates no obligation to update publicly any of them in light of new information or future events. Additional information concerning these and other risk factors are contained in SK Telecom's latest annual report on Form 20-F and in SK Telecom's other filings with The U.S. Securities and Exchange Commission (SEC).

CONTENTS

I.	FINANCIAL HIGHLIGHTS	5
II.	FINANCIAL RESULTS	6
	1. INCOME STATEMENT	
	2. CAPITAL EXPENDITURE	
	3. BALANCE SHEET	
III.	OPERATING RESULT	10
IV.	APPENDIX (FINANCIAL STATEMENTS)	11
V.	IR CONTACTS	13

I.	FINANCIAL HIGHLIGHTS
o	SUMMARY OF INCOME STATEMENT

(KRW BN)	Q2 03	Q1 03	CHANGE (%)	Q2 02	CHANGE (%)
REVENUE	2,387	2,243	6%	2,113	13%
OPERATING EXPENSES	1,570	1,492	5%	1,407	12%

Edgar Filing: SK TELECOM CO LTD - Form 6-K

OPERATING INCOME	817	751	9%	705	16%
Operating Margin	34%	33%		33%	
NON-OPERATING INCOME	102	49	108%	80	28%
NON-OPERATING EXPENSES	143	149	-4%	118	21%
ORDINARY INCOME	776	650	19%	667	16%
NET INCOME	548	449	22%	461	19%
Net Margin	23%	20%		22%	
EBITDA 1)	1,194	1,094	9%	1,052	13%
EBITDA Margin	50%	49%		50%	

1) EBITDA = Operating income + Depreciation + R&D related depreciation included in R&D expense

o OTHER MAIN ITEMS

(KRW BN)	Q2 03	Q1 03	CHANGE (%)	Q2 02	CHANGE (%)
WIRELESS INTERNET SALES	306	265	15%	160	91%
% of Cellular Revenue	14%	13%		9%	
MARKETING EXPENSES	391	357	10%	352	11%
Marketing Commissions	300	264	14%	243	23%
Advertising	91	93	-2%	108	-16%
% of Revenue	16%	16%		17%	
CAPITAL EXPENDITURE	330	174	90%	412	-20%
% of Revenue	14%	8%		19%	
INTEREST-BEARING DEBT	4,893	5,815	-16%	4,997	-2%
Debt/Equity ratio (%)	89%	118%		86%	

Edgar Filing: SK TELECOM CO LTD - Form 6-K

II. FINANCIAL RESULTS

1. INCOME STATEMENT

A. REVENUE

(KRW BN)	Q2 03	Q1 03	CHANGE (%)	Q2 02	CHANGE (%)
SIGN-UP FEES	44	45	-3%	48	-9%
MONTHLY FEES	722	718 1)	1%	698	4%
VOICE REVENUE	1,054	955 1)	10%	939	12%
CALL CHARGES	938	849 1)	10%	848	11%
VAS AND OTHERS	115	105	10%	90	28%
WIRELESS INTERNET SALES	306	265	15%	160	91%
% of Cellular Revenue	14%	13%		9%	
TOTAL CELLULAR REVENUE	2,126	1,983	7%	1,845	15%
INTERCONNECTION REVENUE	261	260	0%	268	-3%
L-M	154	164	-6%	168	-8%
M-M	107	96	11%	100	7%
TOTAL REVENUE	2,387	2,243	6%	2,113	13%

1) The revenue from "Free Tariff Scheme" was reflected in Monthly Fee in the previous quarter. Beginning 2nd quarter, this revenue will be reflected in Call Charge. As we have applied this change to the previous quarter retroactively, the figures for 1st quarter are different from the figures on 1st quarter earnings result material.

1) VOICE REVENUE

- 10% increase QoQ due to the increase in subscribers for free tariff schemes and VAS

NOTE) FREE TARIFF SCHEME

- A tariff scheme which provide 8 to 11 hours of free service during weekend, holiday and late night when the call traffic is low at KRW 7,000 to 15,000 extra payment besides monthly fee.
- Free Tariff Scheme

	Q2 03	Q1 03
REVENUE (KRW BN)	31.3	19.3

Edgar Filing: SK TELECOM CO LTD - Form 6-K

2) WIRELESS INTERNET SALES

- Due to the increase in Internet-enabled handsets and high-end handsets which generate higher wireless Internet ARPU (June, EV-DO, Color, 1X), wireless Internet sales increased 15% QoQ. Wireless Internet sales portion in total revenue excluding interconnection revenue steadily increased to 14% from 13% in the previous quarter.

3) INTERCONNECTION REVENUE

- L-M: 6% QoQ decrease due to the KT's direct connection to HLR, which resulted in reduction in interconnection revenue. (KRW 41 / minute -> KRW 36 / minute).
- M-M: 11% QoQ increase due to the increased MOU

NOTE) KT'S DIRECT CONNECTION TO HLR(HOME LOCATION REGISTER)

- In the past, when a land-line (KT) caller called mobile (SKT) receiver, KT had to transfer the call to SKT to locate the receiver, thereby KT had to use some section of SKT-owned land-line. However, since KT was allowed to connect to SKT's HLR directly beginning April, KT can now locate the receiver allowing it to use minimum amount of SKT line. Thus, the interconnection rate between SKT and KT has been adjusted.

6

B. OPERATING EXPENSES

(KRW BN)	Q2 03	Q1 03	CHANGE (%)	Q2 02	CHANGE (%)
WAGE AND EMPLOYEE BENEFITS	69	124	-44%	67	3%
COMMISSIONS	558	525	6%	453	23%
MARKETING COMMISSIONS	300	264	14%	243	23%
INITIAL COMMISSIONS	81	75	8%	55	48%
MONTHLY COMMISSIONS	102	104	-2%	103	-1%
RETENTION COMMISSIONS	117	85	38%	86	37%
FEES	197	172	15%	174	13%
OTHER COMMISSIONS	61	89	-32%	36	67%
ADVERTISING	91	93	-2%	108	-16%
DEPRECIATION	347	315	10%	326	6%
NETWORK INTERCONNECTION	236	181	30%	194	21%
M-M	136	121	13%	127	7%

Edgar Filing: SK TELECOM CO LTD - Form 6-K

M-L	100	61	65%	68	48%
LEASED LINE	76	73	5%	71	7%
OTHER 1)	193	181	7%	187	3%
TOTAL	1,570	1,492	5%	1,407	12%

1) For details, please refer to income statements in appendix

- 1) WAGE AND EMPLOYEE BENEFITS
- It was temporarily high in the previous quarter due to the payment of incentive bonus. Therefore, this quarter's wages decreased 44% QoQ.
- 2) COMMISSIONS
- MARKETING COMMISSIONS: 14% increase QoQ due to the increased handset change and some promotional events
 - FEES: 15% increase QoQ due to the payment of consulting fee for the formation of sub-committees within the Board and the establishment of corporate innovation strategy.
- 3) DEPRECIATION
- 10% increase QoQ due to the increase in depreciating assets.
- 4) NETWORK INTERCONNECTION
- M-M: 13% increase QoQ due to the increased MOU.
 - M-L: 65% increase QoQ due to the share of KT114 directory service expense (KRW 40.6 bn for the loss from 1998~2001)

NOTE) SHARE OF KT 114 EXPENSE

- The loss from the KT 114 occurred from 1998~2001 was all reflected in this quarter
- The share of the KT 114 expense after the year 2002 will be negotiated. However, the amount after 2002 is expected to be less due to upward adjustment of information fee and cost reduction due to the spin-off of the 114 information service division.

7

C. NON-OPERATING ITEMS

(KRW BN)	Q2 03	Q1 03	CHANGE (%)	Q2 02	CHANGE (%)
NON-OPERATING INCOME	102	49	108%	80	28%
INTEREST INCOME	20	12	70%	13	58%
INCOMING FEES	32	27	19%	26	27%
OTHER 1)	49	10	400%	41	22%

Edgar Filing: SK TELECOM CO LTD - Form 6-K

NON-OPERATING EXPENSES	143	149	-4%	118	21%
INTEREST EXPENSES	101	87	16%	81	25%
DONATIONS	21	20	2%	20	5%
LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT	1	2	-66%	1	-46%
LOSS ON EQUITY METHOD	5	11	-58%	0	-
OTHER 1)	16	29	-48%	17	-12%

1) For details, please refer to income statements in appendix.

1) INTEREST INCOME

- 70% increase QoQ due to the increase in quarterly average balance of cash & cash equivalent.

2) OTHER NON-OPERATION INCOME

- 400% increase QoQ due to the dividend income from KT shares which were held by the Company as of December 31, 2002 and the increase in foreign translation gain from the Won currency appreciation (1,252.9 won - > 1,193.1 won)

3) INTEREST EXPENSES

- 16% increase QoQ due to the increase in quarterly average balance of interest-bearing debt.

2. CAPITAL EXPENDITURE

(KRW BN)	Q2 03	Q1 03	CHANGE (%)	Q2 02	CHANGE (%)
NETWORK	245	87	181%	385	-36%
95 A/B	19	8	144%	36	-47%
CDMA 2000 1X	145	65	122%	313	-54%
BACKBONE AND OTHER	81	14	473%	35	128%
NON-NETWORK	84	86	-2%	27	214%
WIRELESS INTERNET	32	41	-23%	16	94%
GENERAL SUPPORTING	40	37	8%	11	282%
OTHERS	12	8	56%	-	-
TOTAL CAPEX	330	174	90%	412	-20%

Edgar Filing: SK TELECOM CO LTD - Form 6-K

8

3. BALANCE SHEET

(KRW BN)	JUN 03	MAR 03	CHANGE (%)
TOTAL ASSETS	12,993	13,104	-1%
CURRENT ASSETS	3,730	4,109	-9%
CASH AND MARKETABLE SECURITIES	1,186	1,621	-27%
INVESTMENT ASSETS	1,397	2,352	-41%
PROPERTY AND EQUIPMENT	4,273	4,279	0%
INTANGIBLE ASSETS	3,592	2,364	52%
LIABILITIES	7,475	8,166	-8%
CURRENT LIABILITIES	3,884	4,929	-21%
SHORT-TERM BORROWINGS	839	1,691	-50%
CURRENT PORTION OF LONG-TERM DEBT	1,300	1,140	14%
LONG-TERM LIABILITIES	3,591	3,238	11%
LONG-TERM DEBT	2,754	2,984	-8%
SHAREHOLDERS' EQUITY	5,517	4,938	12%
DEBT/EQUITY RATIO (%) 1)	89%	118%	

1) Debt/Equity Ratio = Interest-bearing Debt / Shareholders' Equity

1) CASH AND MARKETABLE SECURITIES

- As of June 30, 2003, Cash and Marketable Securities included the remaining trust fund balance (KRW 345 bn) and the fund for 3% stock buyback which are currently ongoing.

2) INVESTMENT ASSETS

- 41% decrease due to the decrease in investment securities (KRW 1 tn) from the merger with SK IMT.

3) INTANGIBLE ASSETS

- 52% increase due to the accrual of frequency usage right (KRW 1.3 tn) from the merger with SK IMT.

4) SHAREHOLDERS' EQUITY

Edgar Filing: SK TELECOM CO LTD - Form 6-K

- 12% increase due to the net income increase in this quarter and the adjustment because of the merger with SK IMT.

5) DEBT/EQUITY RATIO

- Improved from 118% to 89% due to the use of cash coming from the ABS issuance and the merger with SK IMT to repay the interest-bearing debt.

9

III. OPERATING RESULT

	Q2 03	Q1 03	CHANGE (%)	Q2 02	CHANGE (%)
SUBSCRIBERS ('000)	17,857	17,628	1%	16,463	7%
NET ADDS	229	408	-44%	462	-51%
ACTIVATIONS	910	945	-4%	1,014	-10%
DEACTIVATIONS	681	537	27%	552	23%
Monthly Churn Rate(%)	1.3%	1.0%	30%	1.1%	18%
AVERAGE SUBSCRIBERS ('000)	17,743	17,424	2%	16,194	10%
MONTHLY ARPU (KRW)	44,841	42,895	5%	43,484	3%
SIGN-UP FEE	829	868	-5%	997	-17%
MONTHLY FEE & CALL CHARGE	31,198	29,980	4%	31,827	-2%
VAS & OTHER	2,169	2,011	8%	1,855	17%
WIRELESS INTERNET	5,743	5,068	13%	3,290	75%
INTERCONNECTION	4,902	4,968	-1%	5,516	-11%
MOU					
OUTGOING	201 1)	186	8%	194	4%
INCOMING	119 1)	112	6%	115	4%
SUBSCRIBER BY HANDSET FEATURE ('000)					
1X(INCL. EV-DO)	12,375	11,173	11%	6,669	85%
EV-DO(INCL. JUNE)	1,433	608	136%	NA	NA

Edgar Filing: SK TELECOM CO LTD - Form 6-K

JUNE	829	393	111%	NA	N
COLOR	7,695	6,211	24%	2,062	27

WIRELESS INTERNET ARPU BY HANDSET (KRW) 2)					
2G	1,351	1,419	-5%	1,470	-
1X (EXCLUDING EV-DO)	5,462	5,655	-3%	5,473	
COLOR	9,726	9,329	4%	9,135	

- 1) May and June MOU are estimates.
- 2) Excludes others in wireless Internet sales such as financial enabler, PDA, VMT, Solution/Platform sales, etc.

10

IV. APPENDIX - INCOME STATEMENT

(KRW MN)	Q2 03	Q1 03
REVENUE	2,386,829	2,242,746
OPERATING EXPENSES	1,570,014	1,491,808
WAGE AND EMPLOYEE BENEFITS	68,984	123,926
COMMISSIONS	557,577	525,085
ADVERTISING	91,280	92,696
DEPRECIATION	346,723	315,180
NETWORK INTERCONNECTION	235,946	181,112
LEASED LINE	76,383	72,894
R&D EXPENSES	47,050	47,784
RENT	34,227	30,644
FREQUENCY USAGE FEES	32,674	31,569
BAD DEBT	2,093	3,731
OTHERS	77,076	67,187
OPERATING INCOME	816,815	750,938
NON-OPERATING INCOME	101,655	48,691
INTEREST INCOME	20,042	11,813
INCOMING FEES	32,404	27,082
GAIN ON DISPOSAL OF PROPERTY AND EQUIPMENT	440	276
GAIN ON EQUITY METHOD	0	0
FOREIGN EXCHANGE AND TRANSLATION GAINS	11,090	2,453
OTHER	37,678	7,067
NON-OPERATING EXPENSES	142,516	149,479

Edgar Filing: SK TELECOM CO LTD - Form 6-K

INTEREST EXPENSES	100,648	86,734
DONATIONS	20,562	20,102
LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT	739	2,194
LOSS ON EQUITY METHOD	4,777	11,405
FOREIGN EXCHANGE AND TRANSLATION LOSS	224	11,796
LOSS ON IMPAIRMENT OF INVESTMENT SECURITIES	2,300	16,417
LOSS ON DISPOSAL OF INVESTMENT ASSETS	102	77
OTHER	13,164	753
-----	-----	-----
ORDINARY INCOME	775,954	650,149
-----	-----	-----
INCOME BEFORE INCOME TAXES	775,954	650,154
-----	-----	-----
INCOME TAXES	227,783	201,480
-----	-----	-----
NET INCOME	548,171	448,674
-----	-----	-----

11

IV. APPENDIX - BALANCE SHEET

(KRW MN)	JUN 03	
-----	-----	-----
TOTAL ASSETS	12,992,667	1
-----	-----	-----
CURRENT ASSETS	3,730,287	
-----	-----	-----
CASH AND MARKETABLE SECURITIES	1,186,456	
ACCOUNTS RECEIVABLE - TRADE	1,351,740	
SHORT-TERM LOANS	25,720	
ACCOUNTS RECEIVABLE - OTHER	1,006,839	
INVENTORIES	6,668	
OTHER	152,864	
-----	-----	-----
INVESTMENT ASSETS	1,396,980	
-----	-----	-----
LONG-TERM INVESTMENT SECURITIES	1,053,172	
LONG-TERM LOANS	51,381	
GUARANTEE DEPOSITS	238,132	
OTHER	54,295	
-----	-----	-----
PROPERTY AND EQUIPMENT	4,272,990	
-----	-----	-----
LAND	440,187	
BUILDING AND FIXTURE	797,014	
EQUIPMENT	2,437,817	
CONSTRUCTION IN PROGRESS	265,465	
OTHER	332,507	
-----	-----	-----
INTANGIBLE ASSETS	3,592,410	
-----	-----	-----
LIABILITIES	7,475,245	
-----	-----	-----
CURRENT LIABILITIES	3,884,009	
-----	-----	-----

Edgar Filing: SK TELECOM CO LTD - Form 6-K

ACCOUNTS PAYABLE	664,114
SHORT-TERM BORROWINGS	838,669
INCOME TAXES PAYABLE	404,100
ACCRUED EXPENSES	431,718
CURRENT PORTION OF LONG-TERM DEBT	1,299,690
OTHER	245,718
LONG-TERM LIABILITIES	3,591,237
LONG-TERM DEBT	2,754,360
FACILITY DEPOSITS	43,676
ACCRUED SEVERANCE INDEMNITIES	67,391
OTHER	725,809
SHAREHOLDERS' EQUITY	5,517,422
CAPITAL STOCK	44,639
CAPITAL SURPLUS	2,916,150
RETAINED EARNINGS	4,735,173
CAPITAL ADJUSTMENTS	-2,178,540
TREASURY STOCK	-2,067,784
UNREALIZED LOSS ON VALUATION OF LONG-TERM INVESTMENT SECURITIES	-113,916
STOCK OPTIONS	3,160

12

V. IR CONTACTS

IR OFFICE

MR. TAE-JIN PARK	HEAD OF IR TEAM	+ 82-2) 2121-4212	TJPARK@SKTELECO
MR. UK JANG	MANAGER	+ 82-2) 2121-4215	UJANG@SKTELECO
MR. WOO-JIN CHOI	ASSISTANT MANAGER	+ 82-2) 2121-4554	CH8031@SKTELECO
MR. HANNAH KIM	ASSISTANT MANAGER	+ 82-2) 2121-4542	HANNAH@SKTELECO

THANK YOU.

13

(II) RECONCILIATION PURSUANT TO AND IN ACCORDANCE WITH REGULATION G:

1. FREE CASH FLOW. Our free cash flow target for 2003 is estimated to be approximately KRW 1.6 trillion.

Reconciliation of free cash flow to operating income under Korean GAAP:

Operating Income * (1-tax rate)	KRW 3.0 tn * (1-29.7%)
---------------------------------	------------------------

Edgar Filing: SK TELECOM CO LTD - Form 6-K

Depreciation expense in cash flow statement	KRW 1.55 tn
-----	-----
Capital Expenditure	(KRW 1.95 tn)
-----	-----
Change in net working capital	(KRW 0.1 tn)
-----	-----
FREE CASH FLOW	KRW 1.6 TN
-----	-----

2. EBITDA MARGIN TARGET. Our EBITDA margin target for 2003 is estimated to be approximately 48%.

A. Reconciliation of EBITDA to operating income under Korean GAAP:

Operating Income	KRW 3.0 tn
-----	-----
Depreciation expense in cash flow statement	KRW 1.55 tn
-----	-----
EBITDA	KRW 4.55 tn
-----	-----
REVENUE	KRW 9.5 tn
-----	-----
EBITDA MARGIN	48%
-----	-----

B. Reconciliation of FY 2003 EBITDA to operating income under Korean GAAP

FY 2003 FIRST QUARTER EBITDA

Operating Income	KRW 751 BN
-----	-----
Depreciation expense in cash flow statement	KRW 343 BN
-----	-----
EBITDA	KRW 1,094 BN
-----	-----

FY 2003 SECOND QUARTER EBITDA

Operating Income	KRW 817 BN
-----	-----
Depreciation expense in cash flow statement	KRW 377 BN
-----	-----
EBITDA	KRW 1,194 BN
-----	-----

3. ASSUMPTIONS. With respect to our (i) estimate of free cash flow target for 2003 of approximately KRW 1.6 trillion and (ii) estimate of EBITDA margin target for 2003 of approximately 48%, we have made the following principal assumptions, among others:
- We achieve our number of wireless subscribers target for 2003 of approximately 18.7 million.
 - The average revenues per user (excluding interconnection fees) for 2003 increases slightly.
 - We are not adversely affected by changes in the Ministry of Information and Communication's interconnection policies during 2003.
 - The number of 2.5G handset holders increases by approximately 50% during 2003.
 - The number of EV-DO subscribers increases to approximately 3.7 million by the end of 2003.
 - The number of color handset holders increases to approximately 10 million by the end of 2003.
 - The wireless market penetration rate in Korea is in the range of 72% to 73% by the end of 2003.
 - Our market share of the Korean wireless market increases to approximately 53% by the end of 2003.
 - Our capital expenditures for 2003 is approximately KRW 1.95 trillion.
 - Our depreciation cost for 2003 increases at a rate of approximately 15%.
 - Our marketing expenses for 2003 increases at a rate of approximately 5%.
 - Our accounts receivable for 2003 increases at a rate of approximately 10%.
4. ADDITIONAL FACTORS. In addition to the foregoing assumptions, important factors that could cause our actual results to differ materially from estimates or projections contained in the forward-looking statements of this report include:
- the effects of competition in the Korean wireless market, including the possible introduction of new competitive services or technologies by our competitors;
 - the costs and business risks associated with providing new services and entering new markets necessary to provide wireless services;
 - any adverse change in the ratings afforded our debt securities by ratings agencies;
 - our ability to continue to attract and retain wireless subscribers;

Edgar Filing: SK TELECOM CO LTD - Form 6-K

- our ability to improve our profitability and reduce our cash requirements;
- uncertainties related to our strategic investments;

15

- the impact of any unusual items resulting from ongoing evaluations of our business strategies;
- the possible impact of changes in political, economic or other factors such as monetary policy, legal and regulatory changes, or other external factors over which we have no control; and
- other risks disclosed from time to time in our filings with the Securities and Exchange Commission ("SEC").

You should not place undue reliance on these forward-looking statements, which are based on current expectations and speak only as of the date of this report. We are not obligated to publicly release any revisions to these forward-looking statements to reflect events or circumstances occurring or existing after the date of this report. We provide a detailed discussion of risk factors in periodic SEC filings, including Form 20-F, and you are encouraged to review these filings.

16

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SK TELECOM CO., LTD.

BY: /S/ SUNG HAE CHO
Name: Sung Hae Cho
Title: Vice President
IR Office

Date: August 22, 2003

17