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SK TELECOM CO LTD  
Form 6-K  
February 09, 2004

1934 Act Registration No. 1-14418

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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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 FEBRUARY 2004

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

99, Seorin-dong  
Jongro-gu

Seoul, Korea  
(Address of principal executive offices)

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(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- .)

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February 6, 2004

RESULTS FOR THE YEAR  
ENDED DECEMBER 31, 2003

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\*THE INFORMATION CONTAINED HEREIN IS BASED ON KOREAN GAAP.

[SK TELECOM]

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SEOUL, KOREA, FEBRUARY 6, 2004 - SK TELECOM CO., LTD. (KSE: 017670, NYSE: SKM) ("SKT" OR "THE COMPANY"), THE LEADING WIRELESS TELECOMMUNICATIONS COMPANY IN KOREA, TODAY ANNOUNCED THE RESULTS OF ITS OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2003.

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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).

[GRAPHIC SK Telecom]

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### I. FINANCIAL HIGHLIGHTS

#### SUMMARY OF INCOME STATEMENT

(KRW BN)	2003	2002	CHANGE	Q4. '03	Q3. '03	CHANGE
-----	-----	-----	-----	-----	-----	-----
OPERATING REVENUE	9,520	8,634	10%	2,480	2,410	3%
OPERATING EXPENSES	6,440	5,950	8%	1,788	1,590	12%
OPERATING INCOME	3,081	2,684	15%	693	820	-16%
Operating margin	32.4%	31.1%	1.3%p	27.9%	34.0%	-6.1%p
OTHER INCOME	250	272	-8%	53	55	-3%
OTHER EXPENSES	617	776	-21%	186	150	24%
ORDINARY INCOME	2,714	2,180	25%	560	725	-23%
NET INCOME	1,943	1,511	29%	433	510	-15%
Net margin	20.4%	17.5%	2.9%p	17.5%	21.2%	-3.7%p
EBITDA 1)	4,693	4,198	12%	1,186	1,218	-3%
EBITDA margin	49.3%	48.6%	0.7%p	47.8%	50.6%	-2.7%p

1) EBITDA = Operating income + Depreciation + R&D related depreciation within the R&D expense

#### OTHER MAIN ITEMS

(KRW BN)	2003	2002	CHANGE	Q4. '03	Q3. '03	CHANGE
-----	-----	-----	-----	-----	-----	-----
WIRELESS INTERNET SALES	1,320	731	81%	411	338	22%
% of Cellular revenue	15.5%	9.7%	5.8%p	18.5%	15.7%	2.8%p
MARKETING EXPENSES	1,579	1,623	-3%	451	379	19%

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- Marketing commissions	1,217	1,183	3%	346	307	13%
- Advertising	361	440	-18%	105	72	47%
% of Revenue	16.6%	18.8%	-2.2%p	18.2%	15.7%	2.5%p
CAPITAL EXPENDITURE	1,696	1,964	-14%	797	395	102%
% of Revenue	17.8%	22.7%	-4.9%p	32.1%	16.4%	15.7%p
INTEREST-BEARING DEBT	4,351	4,455	-2%	4,351	5,252	-17%
Debt/Equity ratio	73.2%	80.5%	-7.2%p	73.2%	95.0%	-21.7%p

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II. FINANCIAL RESULTS

1. INCOME STATEMENT

A. OPERATING REVENUE

(KRW BN)	2003	2002	CHANGE	Q4.'03	Q3.'03	CHANGE
-----	----	----	-----	-----	-----	-----
SIGN-UP FEES	177	230	-23%	44	43	3%
MONTHLY FEES	2,905	2,856	2%	734	731	0%
CALL CHARGES	3,666	3,395	8%	957	921	4%
VAS & OTHERS	425	330	29%	81	123	-34%
WIRELESS INTERNET SALES	1,320	731	81%	411	338	22%
% of Cellular service	15.5%	9.7%	5.8%p	18.5%	15.7%	2.8%p
TOTAL CELLULAR SERVICE	8,493	7,543	13%	2,228	2,156	3%
INTERCONNECTION REVENUE	1,027	1,092	-6%	253	254	-1%
L - > M	615	688	-11%	145	152	-5%
M - > M	412	404	2%	108	102	6%
OPERATING REVENUE	9,520	8,634	10%	2,480	2,410	3%

1) SIGN-UP FEES

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- Sign-up fee in 2003 decreased due to the reduction in subscriber addition.
- 2) CALL CHARGES
- Despite the tariff cut in January 2003, call charges in 2003 increased due to the increase in MOU and subscriber numbers.
- 3) VAS & others
- VAS and others sales in 2003 increased due to the increased usage of value-added services such as Color Ring. VAS and others sales in the 4th quarter decreased compared to the previous quarter due to the reduction in Caller ID service fee.
- 4) WIRELESS INTERNET SALES
- Due to the continued increase in the usage of wireless internet, the QoQ sales growth rate has accelerated from 11% in the 3rd quarter to 22% in the 4th quarter.
  - Accordingly, wireless internet sales accounted for 18.5% of cellular revenue in the 4th quarter.
- 5) INTERCONNECTION REVENUE
- LM revenue in 2003 decreased due to the reduction in interconnection rate and KT's direct connection to HLR.

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### B. OPERATING EXPENSES

(KRW BN)	2003	2002	CHANGE	Q4. '03	Q3. '03	CHANGE
-----	----	----	-----	-----	-----	-----
LABOR COST	393	305	29%	105	95	10%
COMMISSIONS PAID	2,325	1,994	17%	663	578	15%
MARKETING COMMISSIONS	1,217	1,183	3%	346	307	13%
Initial commissions	252	346	-27%	59	54	9%
Monthly commissions	417	432	-4%	105	106	-1%
Retention commissions	548	405	35%	182	147	24%
OTHER COMMISSIONS	1,107	811	36%	318	271	17%
ADVERTISING	361	440	-18%	105	72	47%
DEPRECIATION	1,488	1,415	5%	462	365	27%
NETWORK INTERCONNECTION	738	738	0%	131	190	-31%

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M - > M	525	494	6%	138	131	6%
M - > L	213	244	-13%	(7)	59	-111%
LEASED LINE	302	267	13%	77	76	1%
OTHERS 1)	832	792	5%	244	215	14%
OPERATING EXPENSES	6,440	5,950	8%	1,788	1,590	12%

1) For details, please refer to non-consolidated statements of income in appendix

1) LABOR COST

- Increase in 2003 labor cost was due to incentive bonus and wage increase.
- The 4th quarter labor cost was higher compared to the previous quarter because the wage increase for 2003 was finalized in the quarter and retroactively recognized in the 4th quarter.

2) COMMISSIONS PAID

- Marketing commissions

Initial commissions in 2003 decreased due to the reduction in subscriber addition and lower commission per subscriber. Monthly commissions in 2003 decreased due to reduction in the subscriber numbers which require monthly commission payment to retail outlets. Retention commissions increased due to the increased commission for handset changes in preparation for Mobile Number Portability.

- Other commissions: The increase was mainly due to the increase in the payment of Information Usage Fee to Content Provider as the wireless internet usage increased.

3) ADVERTISING COST

- Relatively low advertising cost in the 3rd quarter resulted in higher 4th quarter number.

4) NETWORK INTERCONNECTION COST

- SKT's portion of Universal Service Fund (USF) was finalized in the 4th quarter and 45.2 bn won('02. 9.5bn/'03. 35.7bn) of contribution reimbursement to SKT was reflected in the 4th quarter

NOTE) SKT USF BREAKDOWN

	2002 ----	2003 ----
Expense recognition	90.2 bn won in 02	67.5bn won until 3Q
Finalized amount	80.7 bn won for 2002	31.8bn won expected for 2003 (Change in calculation method)
	9.5 bn won difference	35.7bn won difference

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Adjustment

recognized in '03 4Q

recognized in '03 4Q

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### C. NON-OPERATING ITEMS

(KRW BN)	2003	2002	CHANGE	Q4.'03	Q3.'03	CHANGE
-----	----	----	-----	-----	-----	-----
OTHER INCOME	250	272	-8%	53	55	-3%
Interest income	68	46	48%	22	15	45%
Commissions	120	103	17%	29	29	1%
Others 1)	62	123	-50%	3	11	-75%
OTHER EXPENSES	617	776	-21%	186	150	24%
Interest	376	305	23%	91	97	-6%
R&D contribution & donations	90	126	-28%	29	20	47%
Others 1)	151	346	-56%	65	33	96%

1) For details, please refer to non-consolidated statements of income in appendix

#### 1) OTHERS IN OTHER EXPENSES

- Loss on disposal of Hanaro telecom securities(44.8 bn won) was recognized in the 4th quarter.

#### 2. CAPITAL EXPENDITURE

(KRW BN)	2003	2002	CHANGE	Q4.'03	Q3.'03	CHANGE
-----	----	----	-----	-----	-----	-----
NETWORK	1,262	1,690	-25%	609	319	91%
95 A/B	96	175	-45%	54	15	267%
CDMA 2000 1X	641	1,186	-46%	281	150	87%
1X	605	1,036	-42%	259	147	77%
EV-DO	36	150	-76%	21	3	644%
WCDMA	204	--	N/A	114	89	28%

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Backbone & others	321	329	-2%	160	66	144%
NON-NETWORK	435	274	59%	188	76	148%
Wireless Internet & marketing	262	221	19%	115	54	114%
General supporting	172	53	225%	73	22	230%
TOTAL CAPEX	1,696	1,964	-14%	797	395	102%

1) NETWORK

- Investment in base stations and repeaters for coverage and capacity expansion decreased YoY.

2) NON-NETWORK

- The increase was mainly due to the increase in marketing relating expenditure to strengthen distribution channels.

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3. BALANCE SHEET

(KRW BN)	2003.12	2002.12	CHANGE	2003.12	2003.9	CHANGE
-----	-----	-----	-----	-----	-----	-----
TOTAL ASSETS	13,376	12,721	5%	13,376	13,463	-1%
Current assets	3,461	2,747	26%	3,461	3,698	-6%
Cash & marketable securities	988	476	107%	988	1,176	-16%
Investment assets	1,763	3,132	-44%	1,763	1,910	-8%
Property & equipment	4,552	4,452	2%	4,552	4,288	6%
Intangible assets	3,600	2,390	51%	3,600	3,566	1%
TOTAL LIABILITIES	7,434	7,184	3%	7,434	7,933	-6%
Current liabilities	4,232	4,016	5%	4,232	4,578	-8%
Short-term borrowings	729	620	18%	729	1,459	-50%
Current portion of long-term debt	1,364	921	48%	1,364	1,288	6%
Long-term liabilities	3,202	3,168	1%	3,202	3,355	-5%



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Bond payable & long-term borrowings	2,258	2,914	-23%	2,258	2,505	-10%
TOTAL SHAREHOLDERS' EQUITY	5,942	5,537	7%	5,942	5,530	7%
DEBT/EQUITY RATIO 1)	73.2%	80.5%	-7.2%p	73.2%	95.0%	-21.7%p

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

\* Interest-bearing debt = Short-term borrowings + Current portion of long-term debt + Long-term borrowings & corporate bonds

### 1) CASH & MARKETABLE SECURITIES

- Managing cash balance to a minimum level at the end of 2002 in consideration of the merger with SK IMT led to the increase in the item at the end of 2003. At the end of 2002, SK IMT's cash balance was about 960 bn won.
- Decrease in 4th quarter was due to the utilization of cash proceeds (120 bn won) from Hanaro Telecom's CP.

### 2) INVESTMENT ASSETS

- The YoY decrease was due to the merger with SK IMT and the sell-off of KT shares due to the share exchange with KT.
- The QoQ decrease was due to the sale of Hanaro Telecom securities.

### 3) INTANGIBLE ASSETS

- The YoY increase was due to the frequency usage right from the merger with SK IMT.

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### III. OPERATING RESULT

	2003	2002	CHANGE	Q4.'03	Q3.'03	CHANGE
	----	----	-----	-----	-----	-----
Subscribers ('000)	18,313	17,220	6%	18,313	18,019	2%
Net adds	1,094	2,040	-46%	294	162	82%
Activations	3,688	4,772	-23%	935	898	4%
Deactivations	2,595	2,731	-5%	641	736	-13%
Monthly churn rate	1.2%	1.3%	-0.1%p	1.2%	1.4%	-0.2%p
Average subscribers('000)	17,810	16,382	9%	18,135	17,932	1%

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ARPU (KRW)	44,546	43,919	1%	45,590	44,804	2%
Sign-up fee	826	1,170	-29%	812	799	2%
Monthly fee & call charge	30,748	31,797	-3%	31,089	30,705	1%
VAS & others	1,988	1,681	18%	1,488	2,291	-35%
Wireless Internet	6,177	3,720	66%	7,558	6,288	20%
Interconnection	4,807	5,552	-13%	4,643	4,721	-2%
MOU (Minutes)						
Outgoing	197 1)	191	3%	205	197	4%
Incoming	114 1)	115	-1%	115	112	2%
Subscribers by handset feature ('000)						
1x (Including EV-DO)	14,424	9,936	45%	14,424	13,476	7%
EV-DO (Including June)	3,562	134	2564%	3,562	2,528	41%
June	1,678	66	2444%	1,678	1,243	35%
Color	10,570	4,729	124%	10,570	9,218	15%
Data ARPU by handset (KRW) 2)						
2G	1,362	1,483	-8%	1,357	1,301	4%
1X(Including EV-DO)	7,293	5,892	24%	8,270	7,289	13%
Color	9,911	9,274	7%	10,587	9,653	10%

1) December 2003 MOU is estimate.

2) Excludes others in wireless internet sales such as financial enabler, Solution/Platform sales, etc.

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IV. APPENDIX (NON-CONSOLIDATED STATEMENTS OF INCOME)

(KRW mn)	2003	2002	Q4.'03
	-----	-----	-----
Operating revenue	9,520,244	8,634,049	2,480,397
Operating expenses	6,439,585	5,950,373	1,787,640

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Labor cost	392,701	304,644	104,753
Commissions paid	2,324,586	1,994,074	663,493
Advertising	361,114	440,024	105,485
Depreciation	1,488,165	1,414,627	461,514
Network interconnection	738,236	737,990	131,495
Leased line	302,288	266,804	77,027
R&D expenses	199,074	170,536	51,101
Rent	140,213	137,142	39,191
Frequency usage fees	129,525	119,216	32,146
Bad debt	19,536	15,357	8,287
Others	344,146	349,959	113,148
Operating income	3,080,660	2,683,676	692,757
Other income	250,448	272,459	53,285
Interest income	68,259	46,274	21,545
Commissions	120,480	103,025	28,917
Gain on disposal of property & equipment	2,709	3,242	1,260
Equity in earnings of affiliates	--	59,877	--
Foreign exchange & translation gains	2,064	34,799	(9,512)
Others	56,936	25,242	11,075
Other expenses	616,914	776,141	185,979
Interest	375,609	304,509	91,368
R&D contribution & donations	90,200	125,987	29,464
Loss on disposal of property & equipment	12,816	205,932	2,000
Equity in losses of affiliates	30,537	--	12,473
Foreign exchange & translation losses	1,065	6,020	(1,596)
Loss on impairment of investment securities	20,343	44,896	1,626
Loss on disposal of investment assets	45,175	51,532	44,996
Others	41,169	37,264	5,647
Ordinary income	2,714,194	2,179,994	560,063
Income before income taxes	2,714,194	2,180,498	560,063
Income taxes	771,444	669,220	126,833
Net income	1,942,750	1,511,278	433,230

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(KRW mn)	2003	2002	2003.12
TOTAL ASSETS	13,375,959	12,721,218	13,375,959
Current assets	3,460,706	2,746,991	3,460,706
Cash & marketable securities	987,646	476,115	987,646
Accounts receivable - trade	1,438,836	1,290,475	1,438,836
Accounts receivable - other	811,496	809,616	811,496
Short-term loans	51,102	29,623	51,102
Inventories	8,024	10,718	8,024
Other	163,602	130,444	163,602
Investment assets	1,763,359	3,132,330	1,763,359
Investment securities 2)	1,418,734	2,806,963	1,418,734
Long-term loans	41,591	57,984	41,591
Guarantee deposits	246,004	221,815	246,004
Other	57,030	45,568	57,030
Property & equipment	4,551,626	4,451,548	4,551,626
Land	446,574	439,915	446,574
Building & fixture	840,237	778,833	840,237
Machinery	2,625,307	2,432,552	2,625,307
Vehicles & others	329,945	455,186	329,945
Construction in progress	309,564	345,063	309,564
Intangible assets	3,600,268	2,390,350	3,600,268
TOTAL LIABILITIES	7,434,121	7,184,271	7,434,121
Current liabilities	4,231,974	4,015,859	4,231,974
Accounts payable	1,117,835	1,587,532	1,117,835
Short-term borrowings	728,669	620,000	728,669
Income taxes payable	399,852	362,365	399,852
Accrued expenses	401,245	354,716	401,245
Current portion of long-term debt	1,364,264	920,745	1,364,264
Other	220,109	170,502	220,109
Long-term liabilities	3,202,147	3,168,412	3,202,147
Bond payable & long-term borrowings	2,258,276	2,913,922	2,258,276
Facility deposits	44,197	46,850	44,197
Accrued severance indemnities	63,663	45,861	63,663
Others	836,011	161,778	836,011
TOTAL SHAREHOLDERS' EQUITY	5,941,838	5,536,948	5,941,838
Capital stock	44,639	44,576	44,639
Capital surplus	2,915,964	2,884,385	2,915,964
Retained earnings	5,140,349	4,897,099	5,140,349
Capital adjustments	(2,159,114)	(2,289,112)	(2,159,114)
Treasury stock	(2,047,103)	(2,192,449)	(2,047,103)
Unrealized gain(loss) on valuation of investment securities	(115,752)	(99,115)	(115,752)
Stock options	3,741	2,452	3,741

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- 1) Cash & marketable securities : Cash & cash equivalent, marketable securities & short-term financial instruments are included
- 2) Investment securities : Investments in affiliates with more than 20% interest, listed companies & non-listed companies are included

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[GRAPHIC SK Telecom]

V. IR CONTACTS

IR OFFICE	TITLE	TELEPHONE	EMAIL
-----	-----	-----	-----
Tae-Jin Park	Head of IR Team	02)2121-4212	tjpark@sktelecom.com
Jeong-Hwan Choi	Senior Manager	02)2121-4213	choi72@sktelecom.com
Uk Jang	Manager	02)2121-4215	ujang@sktelecom.com
JS Oh	Assistant Manager	02)2121-4210	jsoh@sktelecom.com
Hannah Kim	Assistant Manager	02)2121-4542	hannah@sktelecom.com

Thank you.

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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

Date: Feb 06, 2004

