

SK TELECOM CO LTD
Form 6-K
April 30, 2010

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**Form 6-K
REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934
FOR THE MONTH OF APRIL 2010
COMMISSION FILE NUMBER 333-04906**

SK Telecom Co., Ltd.
(Translation of registrant's name into English)
11, Euljiro2-ga, Jung-gu
Seoul 100-999, Korea
(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submission to furnish a report or other document that the registration foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes No

If Yes is marked, indicate below the file number assigned to the Registrant in connection with Rule 12g3-2(b):
82-_____

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ANNUAL REPORT

(From January 1, 2009 to December 31, 2009)

THIS IS A SUMMARY OF THE ANNUAL BUSINESS REPORT ORIGINALLY PREPARED IN KOREAN AND IS IN SUCH FORM AS REQUIRED BY THE KOREAN FINANCIAL SERVICES COMMISSION.

IN THE TRANSLATION PROCESS, SOME PARTS OF THE REPORT WERE REFORMATTED, REARRANGED OR SUMMARIZED FOR THE CONVENIENCE OF READERS.

UNLESS EXPRESSLY STATED OTHERWISE, ALL INFORMATION CONTAINED HEREIN IS PRESENTED ON A NON-CONSOLIDATED BASIS IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN KOREA, OR KOREAN GAAP, WHICH DIFFER IN CERTAIN RESPECTS FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CERTAIN OTHER COUNTRIES, INCLUDING THE UNITED STATES. WE HAVE MADE NO ATTEMPT TO IDENTIFY OR QUANTIFY THE IMPACT OF THESE DIFFERENCES.

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I. COMPANY OVERVIEW

1. Company Overview

A. Corporate Legal Business Name: SK Telecom Co., Ltd. (The Company)

B. Date of Incorporation: March 29, 1984

C. Location of Headquarters

(1) Address: 11 Euljiro 2-ga, Jung-gu, Seoul, Korea

(2) Phone: +82-2-6100-2114

(3) Website: <http://www.sktelecom.com>

D. Corporate Purpose of 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. Real estate business(development, maintenance, leasing, etc.) and chattel leasing business
7. Research and technology development related to Clause 1 through 4
8. Overseas business and trading business related to Clause 1 through 4
9. Manufacturing and distribution business related to Clause 1 through 4
10. Tourism
11. Electronic financial business
12. Motion picture business (Production, Importation, Distribution, Screening)
13. Lifetime education and lifetime educational facilities management
14. Electric related construction business
15. Information and communication related work business
16. Ubiquitous city construction and service business
17. Any business or undertaking incidental or conducive to the attainment of the objects above

E. Credit Ratings

(1) Corporate Bonds

Credit rating entity

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Credit rating date	Subject of rating	Credit rating	(Credit rating range)	Rating classification
June 13, 2006			Korea Information	
	Corporate bond	AAA	Services, Inc.	Regular rating
June 21, 2006	Corporate bond	AAA	Korea Ratings	Regular rating
June 22, 2006			Korea Investors Service,	
	Corporate bond	AAA	Inc.	Regular rating
September 1, 2006			Korea Information	
	Corporate bond	AAA	Services, Inc.	Current rating

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Credit rating date	Subject of rating	Credit rating	Credit rating entity (Credit rating range)	Rating classification
September 1, 2006	Corporate bond	AAA	Korea Ratings	Current rating
September 1, 2006	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
October 27, 2006	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
October 27, 2006	Corporate bond	AAA	Korea Ratings	Current rating
May 29, 2007	Corporate bond	AAA	Korea Ratings	Regular rating
June 14, 2007	Corporate bond	AAA	Korea Information Services, Inc.	Regular rating
June 27, 2007	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
November 5, 2007	Corporate bond	AAA	Korea Ratings	Current rating
November 5, 2007	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
November 5, 2007	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
February 20, 2008	Corporate bond	AAA	Korea Ratings	Current rating
February 21, 2008	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
February 21, 2008	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
June 3, 2008	Corporate bond	AAA	Korea Ratings	Regular rating
June 17, 2008	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
June 30, 2008	Corporate bond	AAA	Korea Information Services, Inc.	Regular rating
October 20, 2008	Corporate bond	AAA	Korea Ratings	Current rating
October 20, 2008	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
October 20, 2008	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
January 13, 2009	Corporate bond	AAA	Korea Ratings	Current rating
January 13, 2009	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
January 13, 2009	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
February 23, 2009	Corporate bond	AAA	Korea Ratings	Current rating
February 23, 2009	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
February 23, 2009	Corporate bond	AAA	Korea Information Services, Inc.	Current rating
June 24, 2009	Corporate bond	AAA	Korea Information Services, Inc.	Regular rating
June 26, 2009	Corporate bond	AAA	Korea Ratings	Regular rating
June 30, 2009	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating

* Rating
definition: AAA
The certainty of
principal and
interest payment
is at the highest
level with
extremely low
investment risk,
and is stable in
that there is no
influence of any
environmental
change under
reasonable
expectation
conditions.

(2) Commercial Paper (CP)

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Credit rating date	Subject of rating	Credit rating	Credit rating entity (Credit rating range)	Rating classification
June 13, 2006	CP	A1	Korea Information Services, Inc.	Current rating
June 21, 2006	CP	A1	Korea Ratings	Current rating
June 22, 2006	CP	A1	Korea Investors Service, Inc.	Current rating
September 1, 2006	CP	A1	Korea Ratings	Regular rating
December 27, 2006	CP	A1	Korea Information Services, Inc.	Regular rating
December 27, 2006	CP	A1	Korea Investors Service, Inc.	Regular rating
May 29, 2007	CP	A1	Korea Ratings	Current rating
June 14, 2007	CP	A1	Korea Information Services, Inc.	Current rating
June 27, 2007	CP	A1	Korea Investors Service, Inc.	Current rating
November 5, 2007	CP	A1	Korea Ratings	Regular rating
November 5, 2007	CP	A1	Korea Information Services, Inc.	Regular rating
November 5, 2007	CP	A1	Korea Investors Service, Inc.	Regular rating
June 3, 2008	CP	A1	Korea Ratings	Current rating
June 16, 2008	CP	A1	Korea Information Services, Inc.	Current rating
June 17, 2008	CP	A1	Korea Investors Service, Inc.	Current rating
October 20, 2008	CP	A1	Korea Ratings	Regular rating
October 20, 2008	CP	A1	Korea Investors Service, Inc.	Regular rating
October 20, 2008	CP	A1	Korea Information Services, Inc.	Regular rating
June 24, 2009	CP	A1	Korea Information Services, Inc.	Current rating
June 26, 2009	CP	A1	Korea Ratings	Current rating
June 30, 2009	CP	A1	Korea Investors Service, Inc.	Current rating
December 15, 2009	CP	A1	Korea Ratings	Regular rating
December 30, 2009	CP	A1	Korea Investors Service, Inc.	Regular rating

December 30, 2009	CP	A1	Korea Information Services, Inc.	Regular rating
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* 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 rating	Credit rating of securities	Credit rating company (Credit rating range)	Rating type
July 9, 2007	Global Bonds	A	Fitch (England)	Current rating
July 9, 2007	Global Bonds	A2	Moody s (U.S.A.)	Current rating
July 9, 2007	Global Bonds	A	S&P (U.S.A.)	Current rating

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Date of credit rating	Subject of rating	Credit rating of securities	Credit rating company (Credit rating range)	Rating type
April 7, 2009	Offshore Convertible Bonds	A	Fitch (England)	Current rating
April 7, 2009	Offshore Convertible Bonds	A2	Moody's (U.S.A.)	Current rating
April 7, 2009	Offshore Convertible Bonds	A	S&P (U.S.A.)	Current rating

2. Company History**A. 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. Significant Changes in Management

At the 26th General Shareholders Meeting held on March 12, 2010, Cho, Ki Haeng was elected as an inside director, Chung, Jay Young was elected as a member of the audit committee and Shim, Dal Sup was re-elected as an independent director while Sung Min Ha resigned from the Board on March 12.

C. Other Important Matters related to Management Activities**(1) Resolution to issue registered offshore unsecured convertible bonds.**

In accordance with the resolution of the Board of Directors on March 13, 2009, the Company issued offshore registered, unsecured convertible bonds in order to refinance its maturing offshore unsecured convertible bonds (maturity date: May 27, 2009) originally issued in May of 2004. Details related to the said offshore unsecured convertible bonds are as follows:

Face value of the Convertible Bonds (CB)	US\$332,528,000 (Won 460,019 million)
Interest and Payment Terms of the CB	Coupon Rate of 1.75% payable semi-annually
Maturity of the CB	April 7, 2014
Conversion Price and Ratio	Won 230,010 per share, 100%
Shares to be Converted	Registered Common (Treasury) Shares issued by the Company
Conversion Period	From May 18, 2009 to March 28, 2014

(2) Acquisition of leased-line business and related ancillary businesses of SK Networks

In accordance with the resolution of the Board of Directors on May 21, 2009, the Company decided to acquire leased-line business and related ancillary businesses (including all assets, liabilities and other rights and obligations related to such businesses) of SK Networks. Through the acquisition, the Company intends to increase the efficiency of its network utilization and provide optimal services by internalizing mobile phone transmission lines. Acquisition price was Won 892,850 million. As of September 30, 2009, the assets and liabilities of the businesses being acquired amounted to Won 646,413 million and Won 620,154 million, respectively. Revenue from the businesses being

acquired in 2008 was Won 416,533 million. SK Networks

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approved the acquisition in its shareholders' meeting held on July 6, 2009. The acquisition closed, and the acquisition price was paid, on September 30, 2009.

(3) Purchase of SK Broadband shares

On July 21, 2009, the Company purchased 47,187,105 shares of SK Broadband's common stock in its rights offering, at Won 5,000 per share (aggregate purchase price of Won 235,935,525,000), to increase competitiveness of the Company's and its affiliates' businesses. The Company's equity interest in SK Broadband increased from 43.4% to 50.6%.

(4) Payment of interim dividends

In accordance with the resolution of the Board of Directors on July 23, 2009, the Company decided to pay interim dividends as follows:

(a) Dividend amount: Won 1,000 per share (aggregate dividend amount of Won 72,345,003,000)

(b) Market dividend rate: 0.57%

(c) Record date: June 30, 2009

(d) Dividend payment date: within 20 days from the date of the resolution of the Board of Directors

(5) Sale of SK C&C Shares

In accordance with the resolution of the Board of Directors on September 18, 2009, the Company decided to sell common shares of SK C&C Co., Ltd. (SK C&C) held by the Company in the initial public offering of SK C&C's common shares on the KRX KOSPI Market. The Company sold 10,500,000 shares of SK C&C at Won 30,000 per share (aggregate sale price of Won 315,000 million), pursuant to the final offering price and amount as disclosed on November 2, 2009. After the sale, the Company's equity stake in SK C&C decreased from 30.0% to 9.0%.

(6) Sale of China Unicom Shares

In accordance with the resolution of the Board of Directors on September 25, 2009, the Company sold all common shares of China Unicom (HongKong) Limited (China Unicom) held by the Company (899,745,075 shares) to China Unicom on November 5, 2009 at HK\$11.105 per share, amounting to an aggregate sale price of HK\$9,991,669,058.

(7) Purchase of shares of Hana Card Co., Ltd.

In accordance with the resolution of the Board of Directors on December 14, 2009, the Company purchased shares of Hana Card Co., Ltd. (purchase price: Won 400 billion, number of shares: 57,647,058, percentage of total outstanding shares: 49%) on February 25, 2010.

Table of Contents**3. Total Number of Shares**

A. Total number of shares

(As of December 31, 2009)

(Unit: shares)

Classification	Share type		Remarks
	Common shares	Total	
I. Total number of authorized 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	8,533,235	8,533,235	
a. reduction of capital			
b. retirement with profit*	8,533,235	8,533,235	
c. redemption of redeemable shares			
d. others			
IV. Total number of shares (II-III)	80,745,711	80,745,711	
V. Number of treasury shares	8,400,712	8,400,712	
VI. Number of shares outstanding (IV-V)	72,344,999	72,344,999	

* On January 9, 2009, the Company purchased (using retained earnings) and cancelled 448,000 common shares. As the result of such retirement of common shares, the total number of shares decreased to 80,745,711.

B. Treasury Stock

(1) Acquisitions and Dispositions of Treasury Stocks

(As of December 31, 2009)

(Unit: Shares)

Acquisition methods	Type of shares	At the beginning of period	Changes			At the end of period	Remarks
			Acquired (+)	Disposed (-)	Retired (-)		
Direct acquisition pursuant to article 165-2 of the Financial Investment Services and	Common shares	4,704,828	179,200**		448,000	4,436,028	

Capital Markets Act of Korea (FSCMA)	Preferred shares				
based on reasons other than those stipulated in Article 165-2 of the FSCMA	Common shares	77,970	4***		77,974
	Preferred shares				
Sub-total	Common shares	4,782,798	179,204	448,000	4,514,002*
	Preferred shares				
Indirect acquisition through trust and other agreements	Common shares	3,886,710			3,886,710
	Preferred shares				
Total	Common shares	8,669,508	179,204	448,000	8,400,712
	Preferred shares				

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* Among 4,514,002 shares directly acquired by us, 1,999,997 shares were deposited with the Korea Securities Depository as of December 31, 2009 for issuance upon conversion of the overseas convertible bonds.

** These 179,200 shares were purchased with retained earnings and were retired on January 9, 2009.

*** These 4 shares were due to the purchases of fractional shares.

(2) Retirement of Treasury Stock

(Unit: in millions of Won, Shares)

Retired Date	Retirement Purpose	Type of Share	Quantity Retired (shares)	Monetary Amount Retired (in millions of Won)	Acquisition Period of Retired Shares	Remarks
January 9, 2009	Stabilization of Share Price	Common	448,000	92,476	December 2, 2008 January 7, 2009	
Total		Common Preferred	448,000	92,476		

(3) Execution of Trust Agreements relating to Treasury Stocks, Etc.

(Amounts: in millions of Won)

Category	At Start of Period		Executed (+)		Cancelled (-)		At End of Period		Remark
	Amount	No. of Transactions	Amount	No. of Transactions	Amount	No. of Transactions	Amount	No. of Transactions	
Specified Money Trust	982,000	4					982,000	4	1. Extension Date: Oct. 26, 2007
Trust Contracts with Asset Management Companies									2. Extension Amount: Won 631,200
Acquisition Contracts with Investment Companies									Extension Date: October 29, 2007 Extension Amount: Won 350,800
Total	982,000	4					982,000	4	

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

(As of December 31, 2009)

(Unit: shares)

Classification	Number of shares	Remarks
Total shares (A)	80,745,711	
	Common share	
	Preferred share	
Number of shares without voting rights (B)	8,400,712	Treasury shares
	Common share	
	Preferred share	
Shares with restricted voting rights under the Korean law (C)		
Shares with reestablished voting rights (D)		
The number of shares with exercisable voting rights (E = A - B - C + D)	72,344,999	
	Common share	
	Preferred share	

5. Dividends and Others

A. Dividends

- (1) Distribution of cash dividends was approved during the 23rd General Meeting of Shareholders held on March 9, 2007.

Distribution of cash dividends per share of Won 7,000 (exclusive of an interim dividend of Won 1,000) was approved.

- (2) Distribution of interim dividends of Won 1,000 was approved during the 283rd Board of Directors Meeting on July 27, 2007.

- (3) Distribution of cash dividends was approved during the 24th General Meeting of Shareholders held on March 14, 2008.

Distribution of cash dividends per share Won 8,400 (exclusive of an interim dividend of Won 1,000) was approved.

- (4) Distribution of interim dividends of Won 1,000 was approved during the 295th Board of Directors Meeting on July 18, 2008.

- (5) Distribution of cash dividends was approved during the 25th General Meeting of Shareholders held on March 13, 2009.

Distribution of cash dividends per share of Won 8,400 (exclusive of an interim dividend of Won 1,000) was approved.

- (6) Distribution of interim dividends of Won 1,000 was approved during the 305th Board of Directors Meeting on July 23, 2009.

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- (7) Distribution of cash dividends was approved during the 26th General Meeting of Shareholders held on March 12, 2010.

Distribution of cash dividends per share of Won 8,400 (exclusive of an interim dividend of Won 1,000) was approved.

B. Dividends for the Last 3 Fiscal Years

(Unit: in millions of Won, except per share value)

Classification	As of and for the year ended December 31, 2009	As of and for the year ended December 31, 2008	As of and for the year ended December 31, 2007
Par value per share (Won)	500	500	500
Net income	1,288,340	1,277,658	1,642,451
Net income per share (Won)	17,808	17,559	22,607
Total cash dividend	680,043	681,996	682,379
Total stock dividends			
Percentage of cash dividend to available income (%)	52.8	53.4	41.5
Cash dividend yield ratio (%)			
Common share	5.6	4.5	3.8
Preferred share			
Stock dividend yield ratio (%)			
Common share			
Preferred share			
Cash dividend per share (Won)			
Common share	9,400	9,400	9,400
Preferred share			
Stock dividend per share (share)			
Common share			
Preferred share			

* Total cash dividend of Won 680,043 million for the year ended December 31, 2009 includes the total interim dividend amount of Won 72,345 million, and the cash dividend amount per share of Won 9,400 includes the interim cash

dividend
amount of Won
1,000.

* Total cash
dividend of
Won
681,996 million
for the year
ended
December 31,
2008 includes
the total interim
dividend
amount of Won
72,793 million,
and the cash
dividend
amount per
share of Won
9,400 includes
the interim cash
dividend
amount of Won
1,000.

* Total cash
dividend of
Won
682,379 million
for the year
ended
December 31,
2007 includes
the total interim
dividend
amount of Won
72,667 million,
and the cash
dividend
amount per
share of Won
9,400 includes
the interim cash
dividend
amount of Won
1,000.

Table of Contents**II. BUSINESS****1. Business Overview****A. Industry Characteristics**

As of December 31, 2009, the number of domestic mobile phone subscribers reached 47.9 million and, with more than 98% penetration rate, 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 100%, additional future growth of the domestic market may be possible.

The Korean mobile communications market continues to improve in the quality of services 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 Digital Multimedia Broadcasting (DMB), digital home services and other related contents.

B. Growth Potential

(Unit: 1,000 persons)

Classification		As of December 31,				
		2009	2008	2007	2006	2005
Number of subscribers	SK Telecom	24,270	23,032	21,968	20,271	19,530
	Others (KT, LGT)	23,675	22,575	21,529	19,926	18,812
	Total	47,944	45,607	43,497	40,197	38,342

(Source: Korea Communications Commission website)

C. Domestic and Overseas Market Conditions

The Korean mobile communication market includes the entire population of Korea with mobile communication service needs, and almost every Korean is considered a potential user. Although demand has primarily been in the domestic market, as the business territory expands to overseas market, the size of overseas sales is expected to grow in the near future. In addition, sales revenue related to data services is expected to increase due to the increasing popularity of smart phones and wireless Internet. Seasonal and economic fluctuations have much less impact on the Korean mobile communication market compared to other industries.

Historical market share of the Company

(As of December 31, 2009)

(Unit: %)

Classification		As of December 31,			
		2009	2008	2007	2006
Mobile communication services		50.6	50.5	50.5	50.4
Comparative market share					

(As of December 31, 2009)

(Unit: %)

Classification	SK Telecom	KTF	LG Telecom
Market share	50.6	31.3	18.1

(Source: Korea Communications Commission website)

Table of Contents**2. Major Products & Services**

A. Updates on Major Products and Services

(Unit: in millions of Won, %)

Business fields Information and communication	Sales type	Item	Specific Usage	Major trademarks	Sales amount (ratio)
	Services	Mobile communication Others	Mobile Phone	NATE, T store and others Others	11,820,202(97.7%) 280,982(2.3%)

B. Price Fluctuation Trend of Major Products and Services

Based on the Company's Basic Plan for monthly subscription, the basic service fee is Won 13,000 per month and the usage fee is Won 20 per 10 seconds. These rates are the same as the rates for 2007 and 2008. Based on the Company's Standard Plan, launched in April 2008, the basic service fee is Won 12,000 per month and the usage fee is Won 18 per 10 seconds.

3. Investment Status

A. Investment in Progress

(Unit: in 100 millions of Won)

Business field	Classification	Investment period	Subject of investment	Investment effect	Total investments	Amount already invested	Future investment
Network/Common	Upgrade/ New installation	2009	Network, systems and others	Capacity increase and quality improvement; systems improvement	To be determined	17,690	To be determined
Total					To be determined	17,690	To be determined

B. Future Investment Plan

(Unit: in 100 millions of Won)

Business field	Expected investment amount		Expected investment for each year			Investment effect
	Asset type	Amount	2010	2011	2012	
Network/Common	Network, systems and others	17,500	17,500	To be determined	To be determined	Upgrades to the existing services and provision of new services
Total		17,500	17,500	To be determined	To be determined	Upgrades to the existing services and provision of new services

Table of Contents**4. Revenues**

(Unit: in millions of Won)

Business field Information and communication	Sales		2009	2008	2007
	type	Item			
	Services	Mobile			
		communication			
		Export			
		Domestic	11,820,202	11,492,832	11,083,821
		Subtotal	11,820,202	11,492,832	11,083,821
		Others			
		Export	2,339	5,855	4,101
		Domestic	278,643	175,975	197,979
		Subtotal	280,982	181,830	202,080
Total		Export	2,339	5,855	4,101
		Domestic	12,098,845	11,668,807	11,281,800
		Total	12,101,184	11,674,662	11,285,901

5. Derivative Transactions

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

A. Currency Swap

(1) Purpose of Contracts: Hedging of risks related to fluctuations in currency exchange rates and interest rates

(2) Contract Terms

Currency swap contract applying cash flow risk hedge accounting

The Company has entered into a currency swap contract with three banks including Citibank in order to hedge the foreign currency risk of unguaranteed U.S. dollar denominated bonds (face amounts totaling US\$300,000,000) issued on April 1, 2004. As of December 31, 2009, in connection with the unsettled foreign currency swap contract to which the cash flow risk hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to Won 2,401,654,000 (excluding tax effect totaling Won 1,218,425,000 and foreign exchange translation loss arising from unguaranteed U.S. dollar denominated bonds totaling Won 5,557,052,000) was accounted for as accumulated other comprehensive loss.

In addition, the Company has entered into a currency and interest rate swap contract with Calyon to hedge the foreign currency risk and the interest rate risk of U.S. dollar denominated floating rate long-term borrowings with face amounts totaling US\$100,000,000 borrowed on October 10, 2006. As of December 31, 2009, in connection with this unsettled currency and interest rate swap contract, an accumulated loss on valuation of derivatives amounting to Won 2,265,307,000 (excluding tax effect totaling Won 197,075,000 and foreign exchange translation loss arising from U.S. dollar denominated long-term borrowings totaling Won 21,960 million) was accounted for as accumulated other comprehensive loss.

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In addition, the Company has entered into a currency and interest rate swap contract with two banks including HSBC in order to hedge the foreign currency risk and the interest rate risk of unguaranteed Japanese yen dominated bonds (56-2) with face amounts totaling JPY 12,500,000,000 issued on November 13, 2007. As of December 31, 2009, in connection with this unsettled currency and interest rate swap contracts, an accumulated gain on valuation of derivatives amounting to Won 1,643,534,000 (excluding tax effect totaling Won 1,063,083,000 and foreign exchange translation loss arising from unguaranteed Japanese yen dominated bonds totaling Won 53,824,593,000) was accounted for as accumulated other comprehensive gain.

In addition, the Company has entered into a currency and interest rate swap contract with two banks including DBS in order to hedge the foreign currency risk and interest rate risk of U.S. dollar denominated floating rate bonds with face amounts totaling US\$150,000,000 issued on November 20, 2008. As of December 31, 2009, in connection with this unsettled currency and interest rate swap contract, an accumulated gain on valuation of derivatives amounting to Won 5,312,772,000 (excluding tax effect totaling Won 1,498,475,000 and foreign exchange translation gain arising from U.S. dollar denominated bonds totaling Won 41,956,410,000) was accounted for as accumulated other comprehensive gain.

In addition, the Company has entered into a currency and interest rate swap contract with Mizuho Corporate Bank in order to hedge the foreign currency risk and the interest rate risk of unguaranteed Japanese yen dominated bonds (59-2) with face amounts totaling JPY 3,000,000,000 issued on January 22, 2009. As of December 31, 2009, in connection with this unsettled currency and interest rate swap contract, an accumulated gain on valuation of derivatives amounting to Won 2,552,889,000 (excluding tax effect totaling Won 720,045,000 and foreign exchange translation gain arising from unguaranteed Japanese yen dominated bonds totaling Won 8,239,209,000) was accounted for as accumulated other comprehensive gain.

In addition, the Company has entered into a currency and interest rate swap contract with The Bank of Tokyo-Mitsubishi in order to hedge the foreign currency risk and the interest rate risk of unguaranteed Japanese yen dominated bonds (60-2) with face amounts totaling JPY 5,000,000,000 issued on March 5, 2009. As of December 31, 2009, in connection with this unsettled currency and interest rate swap contract, an accumulated gain on valuation of derivatives amounting to Won 1,673,921,000 (excluding tax effect totaling Won 472,131,000 and foreign exchange translation gain arising from unguaranteed Japanese yen dominated bonds totaling Won 15,460,429,000) was accounted for as accumulated other comprehensive gain.

Currency swap contract to which the hedge accounting is not applied

In addition, the Company has entered into a currency swap contract with three banks including Morgan Stanley to hedge the foreign currency risk of unguaranteed U.S. dollar denominated bonds (with face amounts totaling US\$400,000,000) issued on July 20, 2007. In connection with this unsettled foreign currency swap contract, a loss on valuation of currency swap of Won 93,038,910,000 and a gain on valuation of currency swap of Won 233,056,428,000 for the years ended December 31, 2009 and December 31, 2008, respectively, were charged to current operations.

B. Interest Rate Swap

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(1) Purpose of Contracts: Hedging of risks related to fluctuations in interest rates

(2) Contract Terms

Interest rate swap contract to which the cash flow risk hedge accounting is applied:

The Company has entered into an interest rate swap contract with Shinhan Bank to hedge the interest rate risk of discounted bill with face amounts totaling Won 200,000 million borrowed on June 29, 2006. As of December 31, 2009, in connection with unsettled interest rate swap contract to which the cash flow risk hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to Won 915,048,000 (excluding tax effect totaling Won 258,090,000) was accounted for as accumulated other comprehensive loss.

In addition, the Company has entered into an interest rate swap contract with three banks including Nonghyup Bank in order to hedge the interest rate risk of long-term floating rate borrowings (totaling Won 500 billion) borrowed between July 28, 2008 and August 13, 2008. As of December 31, 2009, in connection with unsettled interest rate swap contract to which the cash flow risk hedge accounting is applied, an accumulated loss on valuation of derivatives amounting to Won 10,017,310,000 (excluding tax effect totaling Won 2,825,395,000) was accounted for as accumulated other comprehensive loss.

Interest rate swap contract to which the hedge accounting is not applied

The Company has entered into an interest rate swap contract with two banks including DBS in order to hedge the interest rate risk of floating rate foreign currency bonds with face amounts totaling US\$220,000,000 issued on April 29, 2009. In connection with this unsettled interest rate swap contract, loss on valuation of interest rate swap of Won 3,371,949,000 for the year ended December 31, 2009 was charged to current operations.

6. Major Contracts

Category	Vendor	Start Date	Completion Date	Contract Title	Contract Amount (Won 100M)
Service	SK C&C	Jan. 1, 2009	December 31, 2009	2009 IT SM Contract	2,145
Service	TU Media, Ltd.	Jan. 1, 2009	December 31, 2009	2009 Satellite DMB Service Collaboration Contract	1,008
Construction	SK E&C Co., Ltd.	Mar. 19, 2009	December 31, 2009	2009 Cell Site Facility Construction (Seoul Area)	624
Construction	(SK E&C) SK E&C	Mar. 19, 2009	December 31, 2009	2009 RF Switching Facility Construction (Seoul Area)	490
Construction	SK E&C	Mar. 19, 2009	May 31, 2010	2009 Cell Site Facility Construction (East Area)	462
Service	SK Marketing & Company	July 1, 2009	December 31, 2009	2009 2H Membership Collaboration Program	395
Construction	SK E&C	Mar. 19, 2009	May 31, 2010	2009 Cell Site Facility Construction (Mid Area)	382
Construction	SK E&C	Mar. 19, 2009	December 31, 2009	2009 Wibro Facility Construction (Seoul Area)	336
Subtotal					5,842

* Selected among contracts exceeding Won 30 billion.

Table of Contents**7. R&D Investments**

(Unit: in thousands of Won)

Category	For the year ended December 31, 2009	For the year ended December 31, 2008	For the year ended December 31, 2007	Remarks
Raw material	55,194	89,176	96,217	
Labor	47,182,944	38,062,791	39,388,760	
Depreciation	134,200,859	138,511,764	129,208,262	
Commissioned service	69,750,242	85,836,738	90,363,645	
Others	39,592,973	34,539,984	37,609,969	
Total R&D costs	290,782,212	297,040,453	296,666,853	
Sales and administrative				
Accounting expenses	288,997,124	293,443,380	288,519,863	
Development expenses				
(Intangible assets)	1,785,088	3,597,072	8,146,990	
R&D cost / sales amount ratio (Total R&D costs / Current sales amount×100)	2.40%	2.54%	2.63%	

8. Other information relating to investment decisions**A. Trademark Policies**

The Company manages its corporate brand and other product brands such as T in a comprehensive way to protect and increase their value.

The Company's Brand Management Council in charge of overseeing its systematic corporate branding operates full time to execute decisions involving major brands and operates Brandnet, an intranet system to manage corporate brands which provides solutions including licensing of the brands and downloading of the Company logos.

B. Business-related Intellectual Properties

The Company owns intellectual property rights to the design of alphabet T. The rights are based on domestic trademark laws and the Company has proprietary and exclusive use of the trademark for 10 years and the rights are renewable. The designed alphabet T is registered in all business categories (total of 45) and is being used as the primary brand of the Company.

Table of Contents**III. FINANCIAL INFORMATION****1. Summary Financial Information (Non-consolidated)**

(Unit: in millions of Won)

Classification / Fiscal Year	As of and for the year ended December 31,				
	2009	2008	2007	2006	2005
Current assets	4,983,052	3,990,503	4,094,059	4,189,325	4,172,485
Quick assets	4,960,396	3,976,576	4,075,378	4,172,887	4,166,500
Inventory	22,656	13,927	18,681	16,438	5,985
Non-current assets	14,314,581	14,626,992	14,038,451	11,624,728	10,349,191
Investments	5,107,653	5,668,127	5,940,045	3,547,942	2,366,760
Property and Equipment	5,196,521	4,698,214	4,594,413	4,418,112	4,595,884
Intangible assets	2,665,936	2,941,592	3,174,942	3,405,158	3,386,547
Other non-current assets	1,344,471	1,319,059	329,051	253,516	
Total assets	19,297,633	18,617,495	18,132,510	15,814,053	14,521,676
Current liabilities	3,294,633	3,412,490	2,484,548	2,985,620	2,747,268
Non-current liabilities	4,761,550	4,475,998	4,221,016	3,522,006	3,516,528
Total liabilities	8,056,183	7,888,488	6,705,564	6,507,626	6,263,796
Capital	44,639	44,639	44,639	44,639	44,639
Capital surplus	3,032,009	2,957,095	2,954,829	2,962,699	2,966,198
Capital adjustment	(-)2,708,407	(-)2,147,530	(-)2,072,486	(-)2,019,568	(-)2,022,817
Other Cumulative Profit and Loss	913,919	373,784	1,594,099	473,904	
Retained earnings	9,959,290	9,501,018	8,905,865	7,844,753	7,269,861
Total stockholders equity	11,241,450	10,729,007	11,426,946	9,306,427	8,257,881
Sales	12,101,184	11,674,662	11,285,900	10,650,952	10,161,129
Operating Profit (or Loss)	2,179,337	2,059,896	2,171,543	2,584,370	2,653,570
Profit (or Loss) from continuing operation	1,288,340	1,277,658	1,642,451	1,446,598	1,871,380
Current Period's Net Profit (or Loss)	1,288,340	1,277,658	1,642,451	1,446,598	1,871,380

(Unit: Won)

Classification / Fiscal Year	For the year ended December 31,				
	2009	2008	2007	2006	2005
Earnings per share	17,808	17,559	22,607	19,734	25,421
Diluted earnings per share	17,808	17,395	22,289	19,458	25,015

Table of Contents**2. Summary Financial Information (Consolidated)**

(Unit: in millions of Won)

Classification / Fiscal Year	As of and for the year ended December 31,				
	2009	2008	2007	2006	2005
Current assets	6,370,631	5,422,447	4,813,072	4,663,962	4,598,580
Quick assets	6,250,741	5,387,473	4,766,020	4,644,184	4,590,796
Inventory	119,890	34,974	47,052	19,778	7,784
Non-current assets	16,835,625	17,051,224	14,235,863	11,576,006	10,106,193
Investments	3,059,902	4,025,429	5,446,711	3,236,783	1,989,934
Property and Equipment	8,165,879	7,437,689	4,969,353	4,507,335	4,663,369
Intangible assets	3,992,325	3,978,145	3,433,962	3,518,411	3,452,889
Other non-current assets	1,617,519	1,609,961	385,836	313,477	
Total assets	23,206,256	22,473,671	19,048,935	16,239,968	14,704,772
Current liabilities	4,894,936	4,628,821	3,016,874	3,208,416	2,863,373
Non-current liabilities	5,966,695	6,020,410	4,344,428	3,548,464	3,513,860
Total liabilities	10,861,631	10,649,231	7,361,302	6,756,880	6,377,233
Capital	44,639	44,639	44,639	44,639	44,639
Capital surplus	3,031,947	2,958,854	2,956,106	2,950,327	2,954,840
Capital adjustment	-2,746,885	(-)2,159,389	(-)2,072,723	(-)2,019,567	(-)2,048,515
Other Cumulative Profit/Loss	915,306	356,192	1,591,258	490,010	
Retained earnings	9,909,752	9,448,185	8,914,970	7,847,434	7,267,649
Total stockholders equity	12,344,625	11,824,440	19,048,935	9,483,088	8,327,540
Sales	14,555,465	13,995,924	11,863,357	11,027,977	10,721,820
Operating Profit (or Loss)	1,878,544	1,755,268	2,101,955	2,621,132	2,670,616
Profit (or Loss) from continuing operation before tax	1,400,498	1,260,366	2,285,765	2,021,578	2,561,567
Current Period's Net Profit	1,055,606	972,338	1,562,265	1,449,552	1,868,307
Net income attributable to majority interests	1,247,182	1,215,719	1,648,876	1,451,491	1,872,978
Number of Consolidated Companies	29	35	26	18	17

* See the attached Korean GAAP Consolidated Financial Statements.

Table of Contents**IV. AUDITOR'S OPINION****1. Auditor**

2009 Deloitte Anjin LLC	Year ended December 31, 2008 Deloitte Anjin LLC	2007 Deloitte Anjin LLC
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2. Audit Opinion

Term	Auditor's opinion	Issues noted
Year ended December 31, 2009	Unqualified	
Year ended December 31, 2008	Unqualified	
Year ended December 31, 2007	Unqualified	

3. Remuneration for Independent Auditors for the Past Three Fiscal Years

A. Audit Contracts

(Unit: in thousands of Won)

Term	Auditors	Contents	Fee	Total hours
Year ended December 31, 2009	Deloitte Anjin LLC	Semi-annual review Quarterly review Non-consolidated financial statements audit Consolidated financial statements audit	1,308,356	13,982
Year ended December 31, 2008	Deloitte Anjin LLC	Semi-annual review Quarterly review Non-consolidated financial statements audit Consolidated financial statements audit	1,310,097	13,346
Year ended December 31, 2007	Deloitte Anjin LLC	Semi-annual review Quarterly review Non-consolidated financial statements audit Consolidated financial statements audit	1,066,318	11,468

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B. Non-Audit Services Contract with External Auditors

(Unit: in thousands of Won)

Term	Contract date	Service provided	Service duration	Fee
Year ended December 31, 2009	May 13, 2009	Tax consulting	30 days	40,000
	May 22, 2009	Tax consulting	10 days	10,000
	May 22, 2009	Tax adjustment for fiscal year 2008	20 days	34,000
	May 22, 2009	Review of deferred corporate income tax for 1Q and 2Q	10 days	14,000
	September 14, 2009	Review of quarterly tax adjustments	5 days	7,000
	September 14, 2009	Tax consulting	20 days	20,000
	December 12, 2009	Review of quarterly tax adjustments	5 days	7,000
Year ended December 31, 2008	December 12, 2009	Tax consulting	10 days	12,000
	November 20, 2007	Set up services for agency tax manual	60 days	48,000
	March 3, 2008	Tax adjustment for fiscal year 2007	10 days	33,000
	May 15, 2008	Tax consulting	5 days	7,500
	June 24, 2008	Foreign tax consulting re indirect taxes	4 days	6,000
	August 13, 2008	Tax consulting	10 days	9,400
	November 1, 2008	Tax consulting	4 days	5,000
	November 19, 2008	Tax consulting	10 days	10,800
	November 19, 2008	Review of deferred corporate income tax for 1Q and 2Q	10 days	18,000
	December 24, 2008	Review of deferred corporate income tax for 3Q	3 days	6,000
Year ended December 31, 2007	December 24, 2008	Tax consulting	3 days	3,600
	December 24, 2008	Tax consulting	3 days	3,000
	March 30, 2007	Tax adjustment for fiscal year 2006	10 days	30,000
	September 28, 2007	Tax consulting for denial of deductions for corporate income tax	1 day	2,000
	September 28, 2007	Review of deferred corporate income tax for 1Q and 2Q	6 days	10,000

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September 28, 2007	Tax consulting	5 days	9,000
December 31, 2007	Review of deferred corporate income tax for 3Q	2 days	5,000
December 31, 2007	Tax consulting	3 days	3,000

Table of Contents**V. MANAGEMENT DISCUSSION AND ANALYSIS****1. BUSINESS RESULTS (NON-CONSOLIDATED)**

(Unit: in billions of Won)	2009	2008	Change from 2008 to 2009	2008	2007	Change from 2007 to 2008
Sales	12,101	11,675	4%	11,675	11,286	3%
Operating expense	9,922	9,615	3%	9,615	9,114	5%
Operating income	2,179	2,060	6%	2,060	2,172	-5%
Operating Margin	18.00%	17.60%	0.4%p	17.60%	19.20%	-1.6%p
Other gain	786	1,015	-23%	1,015	851	19%
Other loss	1,308	1,569	-17%	1,569	715	119%
Income from continuing operation before tax	1,657	1,506	10%	1,506	2,308	-35%
Net income	1288	1278	1%	1278	1642	-22%
Net income margin	10.60%	10.90%	-0.3%p	10.90%	14.60%	-3.6%p
EBIDTA	4,209	4,003	5%	4,003	4,024	-1%
EBIDTA margin	34.80%	34.30%	0.5%p	34.30%	35.70%	-1.4%p

2. ANALYSIS OF OPERATING DATA

	2009	2008	Change from 2008 to 2009	2008	2007	Change from 2007 to 2008
Subscribers (in thousands)	24,270	23,032	5%	23,032	21,968	5%
Net subscriber additions	1,238	1,064	16%	1,064	1,697	-37%
Activations	8,822	8,493	4%	8,493	8,345	2%
Deactivations	7,584	7,429	2%	7,429	6,648	12%
Monthly churn rate	2.60%	2.70%	-0.1%p	2.70%	2.50%	0.2%p
Average subscribers (in thousands)	23,745	22,617	5%	22,617	21,175	7%
Average revenue per user (ARPU) (Won)	42,469	43,016	-1%	43,016	44,416	-3%
Sign-up fees	1,417	1,474	-4%	1,474	1,526	-3%
Monthly fees & call charges	26,038	26,802	-3%	26,802	26,469	1%
Value-added & other service fees	1,382	1,269	9%	1,269	1,124	13%
Wireless Internet	9,334	8,982	4%	8,982	11,035	-19%
Interconnection	4,298	4,490	-4%	4,490	4,262	5%
Minutes of usage (MOU) (Minutes)						
Outgoing	197	200	-1%	200	201	-1%
Incoming	103	108	-5%	108	108	0%

In 2009, the Company reached a subscriber number of approximately 24 million and revenue of Won 12.1 trillion, despite rapid changes in the management environment, including a merger of a competitor. The Company's marketing

expenses in 2009 increased by 6.1% to Won 3.25 trillion from 2008, due to increased competition, although the increase was subdued in the second half of 2009. The Company's marketing expenses amounted to 26.9% of its

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total revenues. In 2009, the Company's operating income was Won 2.18 trillion and net income was Won 1.29 trillion. The Company spent Won 1.77 trillion for capital expenditures in 2009, which were used to expand and upgrade the Company's WCDMA network, among others.

As of the end of 2009, the Company's share of the Korean wireless market based on the number of subscribers was 50.6%. The Company plans to establish its leadership among users of smart phones by introducing various mobile platforms and streamlining the subscription process and pricing structures to enable subscribers to easily access their mobile content from multiple devices. The Company also plans to maintain its leadership in wireless Internet market by providing innovative user interface for content access and through investment in data networks, network sharing and support of the content production.

In 2009, the Company strengthened its wireless and fixed-line telecommunications businesses, as well as enhancing its competitive strengths in new convergence businesses through the acquisition of shares of Hana Card and the growth of T Store and 11th Street in its efforts to create new growth engines. Leveraging its technological leadership, the Company expanded its services to corporate clients in addition to its individual subscribers and continued to build the groundwork for global business opportunities.

3. ANALYSIS OF OPERATING REVENUE

			Change from 2008 to			Change from 2007 to 2008
(Unit: in billions of Won)	2009	2008	2009	2008	2007	2008
Sign-up fees	404	400	1%	400	388	3%
Monthly fees	4,161	3,591	16%	3,591	2,969	21%
Call charges	3,259	3,683	-12%	3,683	3,757	-2%
Value-added & other service fees	394	344	14%	344	286	20%
Wireless Internet	2,660	2,438	9%	2,438	2,804	-13%
% of Cellular service	24.5%	23.4%	1.1%p	23.4%	27.5%	-4.1%p
Total Cellular service	10,877	10,456	4%	10,456	10,203	2%
Interconnection revenue	1,225	1,218	1%	1,218	1,083	13%
Land to Mobile	451	473	-5%	473	431	10%
Mobile to Mobile	774	745	4%	745	652	14%
Total operating revenue	12,101	11,675	4%	11,675	11,286	3%

Sign-up fees increased in each of 2009 and 2008 from the previous year due to an increase in new subscribers. Monthly fees increased in each of 2009 and 2008 from the previous year primarily as a result of an increase in the average subscriber base and increased subscription to service plans with higher monthly basic charges. Call charges decreased in 2009 from the previous year due primarily to increased subscription to call plans with higher monthly basic charges and lower call charges. Call charges decreased in 2008 from the previous year due primarily to increased subscription to various discount call plans. Revenues from value-added and other services increased in each of 2009 and 2008 from the previous year mainly due to increases in revenues from roaming services and leased line business. Wireless Internet revenue increased in 2009 from the previous year due primarily to increased subscription to fixed-price data plans. Wireless Internet revenue decreased in 2008 from the previous year due among others to the reduction of the SMS usage charges. Interconnection revenue increased in each of 2009 and 2008 from the previous year due primarily to an increase in interconnection traffic volume resulting from the increase in the average subscriber base.

4. ANALYSIS OF OPERATING EXPENSES

			Change from		Change from
(Unit: in billions of Won)	2009	2008		2008	2007

			2008 to 2009			2007 to 2008
Labor cost	520	477	9%	477	496	-4%
Commissions paid	4,595	4,419	4%	4,419	4,036	10%
Marketing commissions	2,985	2,763	8%	2,763	2,549	8%

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			Change from 2008 to			Change from 2007 to 2008
(Unit: in billions of Won)	2009	2008	2009	2008	2007	2008
Initial commissions	1,834	1,677	9%	1,677	1,653	1%
Monthly commissions	430	388	11%	388	365	6%
Retention commissions	721	698	3%	698	531	31%
Other commissions	1,610	1,656	-3%	1,656	1,487	11%
Advertising	265	301	-12%	301	305	-1%
Depreciation	2,030	1,943	4%	1,943	1,852	5%
Network interconnection	1,068	1,039	3%	1,039	998	4%
Mobile to Mobile	850	821	3%	821	785	5%
Land to Mobile	219	218	0%	218	213	2%
Leased line	333	391	-15%	391	389	1%
Others	1,111	1,044	6%	1,044	1,038	1%
Total operating expenses	9,922	9,615	3%	9,615	9,114	5%

Labor costs increased in 2009 from the previous year due among others to a change of bonus payment dates. Labor costs decreased in 2008 from the previous year due primarily to the incurrence in 2007 of a non-recurring expense related to the sale of the treasury shares to the employee stock ownership association. In 2009, marketing commissions increased from the previous year due primarily to an increase in initial commissions as a result of competitive market conditions in the first half of 2009 and an increase in new subscribers, and other commissions decreased from the previous year due among others to a decrease in expenses related to long-term accounts receivable for handsets sold on installment payment plans. In 2008, marketing commissions increased from the previous year due primarily to an increase in retention commissions and an increase in monthly commissions resulting from an increase in average subscriber base, and other commissions increased from the previous year due primarily to increases in commissions paid in connection with the roaming services and in expenses related to long-term accounts receivable for handsets sold on installment payment plans.

Advertising costs decreased in 2009 from the previous year due to the reduction of media advertisements. Depreciation expenses increased in 2009 from the previous year due principally to the acquisition of SK Networks leased-line business. Depreciation expenses increased in 2008 from the previous year due primarily to the high level of capital expenditures related to expansion and upgrade of WCDMA network and WiBro network. Interconnection revenues increased in each of 2009 and 2008 from the previous year due among others to an increase in mobile-to-mobile interconnection traffic volume.

5. ANALYSIS OF NON-OPERATING INCOME / EXPENSES

			Change from 2008 to			Change from 2007 to 2008
(Unit: in billions of Won)	2009	2008	2009	2008	2007	2008
Non-operating income	786	1,015	-23%	1,015	851	19%
Interest income	157	107	47%	107	77	39%
Gains on valuation of equity method investments	64	42	53%	42	267	-84%
Others	566	866	-35%	866	507	71%
Non-operating expenses	1,308	1,569	-17%	1,569	715	119%
Interest expenses	305	256	19%	256	216	19%
Gains on valuation of equity method investments	295	259	14%	259	249	4%

Research & development and other contributions	126	172	-26%	172	146	17%
Others	582	883	-34%	883	104	751%

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Interest income increased in each of 2009 and 2008 from the previous year due primarily to the interest income from accounts receivable for handsets sold on installment payment plans. Interest expenses increased in 2008 from the previous year due primarily to increases in average balance of the borrowings and lending cost. Net gains on valuation of equity method investments decreased in 2009 from the previous year due among others to the reflection of real value of the Company's Vietnam business, and decreased in 2008 from the previous year due among others to the reflection in 2007 of a non-recurring gain from SK Energy shares owned by SK C&C. In 2008, other non-operating income increased from the previous year due primarily to increases in foreign exchange translation gains and gains on valuation of derivatives, and other non-operating expenses increased from the previous year due primarily to increases in foreign exchange translation losses and losses on valuation of derivatives, as well as an impairment loss on the investment in LG Powercom.

6. ANALYSIS OF FINANCIAL CONDITION (NON-CONSOLIDATED)

	As of December 31, 2009	As of December 31, 2008	Change from 2008 to 2009	As of December 31, 2008	As of December 31, 2007	Change from 2007 to 2008
(Unit: in billions of Won)						
Current assets	4,983	3,991	24.9%	3,991	4,094	-2.5%
Quick assets	4,960	3,977	24.7%	3,977	4,075	-2.4%
Cash and cash equivalent	421	434	-3.1%	434	576	-24.6%
Short-term financial instruments	178	98	80.9%	98	79	24.0%
Short-term investment securities	370	370	0.1%	370	734	-49.6%
Accounts receivable	1,700	1,635	4.0%	1,635	1,680	-2.7%
Allowance for doubtful accounts	-143	-58	144.3%	-58	-60	-2.0%
Inventory	23	14	62.7%	14	19	-25.4%
Non-current assets	14,315	14,627	-2.1%	14,627	14,038	4.2%
Investments	5,108	5,668	-9.9%	5,668	5,940	-4.6%
Property and Equipment	5,197	4,698	10.6%	4,698	4,594	2.3%
Intangible assets	2,666	2,942	-9.4%	2,942	3,175	-7.3%
Other non-current assets	1,344	1,319	1.9%	1,319	329	300.9%
Total assets	19,298	18,617	3.7%	18,617	18,133	2.7%
Current liabilities	3,295	3,412	-3.5%	3,412	2,485	37.3%
Short-term borrowings		155	-100.0%	155		
Accounts payable	1,136	1,040	9.3%	1,040	1,113	-6.6%
Current portion of long-term debt	515	698	-26.2%	698	412	69.7%
Non-current liabilities	4,762	4,476	6.4%	4,476	4,221	6.0%
Bonds payable	3,491	2,943	18.6%	2,943	2,329	26.4%
Long-term borrowings	817	826	-1.1%	826	294	181.0%
Total liabilities	8,056	7,888	2.1%	7,888	6,706	17.6%
Capital	45	45	0.0%	45	45	0.0%
Capital surplus	3,032	2,957	2.5%	2,957	2,955	0.1%
Capital adjustment	-2,708	-2,148	26.1%	-2,148	-2,072	3.6%
	914	374	144.5%	374	1,594	-76.6%

**Other Cumulative Profit
and Loss**

Retained earnings	9,959	9,501	4.8%	9,501	8,906	6.7%
Total stockholders equity	11,241	10,729	4.8%	10,729	11,427	-6.1%
Total liabilities and stockholders equity	19,298	18,617	3.7%	18,617	18,133	2.7%

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The Company's cash and short-term financial instruments increased in 2009 from the end of the previous year due primarily to the sale in 2009 of shares of SK C&C and China Unicom. Investment assets decreased in 2009 from the end of the previous year due among others to the sale of shares of China Unicom. In 2008, cash and cash equivalents decreased from the end of the previous year due primarily to the acquisition of Hanaro Telecom shares in 2008, and other non-current assets increased as a result of an increase in receivables related to the sales of handsets on installment payment plans. Debt-to-equity ratio declined in 2009 from the end of the previous year due to the repayment of borrowings and an increase in capital. Debt-to-equity ratio increased in 2008 from the end of the previous year primarily as a result of the acquisition of Hanaro Telecom shares in early 2008 and an increase in borrowings related to the sales of handsets on installment payment plans in the second half of 2008. Stockholders equity increased in 2009 from the end of the previous year due among others to an increase in retained earnings. Stockholders' equity decreased in 2008 from the end of the previous year due principally to losses on the valuation of investment securities.

7. ANALYSIS OF LIQUIDITY AND SOLVENCY

The Company's debt-to-equity ratio (calculated based on the interest-bearing financial debt) was 25.1%, 41.4% and 40.3% as of the end of 2007, 2008 and 2009, respectively. Interest coverage ratio was 15.7, 13.8 and 14.8 for 2007, 2008 and 2009, respectively. The Company had sufficient liquidity to repay short-term borrowings.

8. FINANCING

In 2009, the Company issued or borrowed Won 270 billion of Won-denominated bonds, Won 590 billion of Won-denominated long-term borrowings and US\$220 million of floating rate notes. In 2008, the Company issued or borrowed Won 700 billion of Won-denominated bonds, Won 500 billion of Won-denominated long-term borrowings and US\$150 million of floating rate notes.

VI. CORPORATE ORGANIZATION INCLUDING BOARD OF DIRECTORS AND AFFILIATED COMPANIES**1. Board of Directors****A. Overview of Board of Directors Composition**

The Company's Board of Directors is comprised of eight members: five independent directors and three inside directors. Within the Board, there are five Committees: Independent Director Nomination Committee, Audit Committee, Compensation Committee, CapEx Review Committee, and Corporate Citizenship Committee.

B. (1) Significant Activities of the Board of Directors

Meeting	Date	Agenda	Approval
300th (the first meeting of 2009)	January 22, 2009	Financial Statements for the year ended December 31, 2008 Annual Business Report for the year ended December 31, 2008 Annual Business Plan and Budgeting for FY 2009 Issuance of Corporate Bonds	Approved as proposed Approved as proposed Approved as proposed Approved as proposed
301st (the second meeting of 2009)	February 17, 2009	Convocation of the 25 th General Meeting of Shareholders Partnership Agreement with Offshore Private Equity Fund	Approved as proposed Approved as proposed

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Meeting	Date	Agenda	Approval
302nd (the third meeting of 2009)	March 13, 2009	Election of the Representative Director Revision to the Regulations for the Board of Directors Appointment of Chairman of the Board of Directors Long-term Financing Plan for Foreign Currency Issuance of Offshore Convertible Bonds and Transfer of Treasury Shares in relation thereto Asset Management Transaction with Affiliated Company (SK Securities)	Approved as proposed Approved as proposed Approved as proposed Approved as proposed Approved as proposed
303rd (the fourth meeting of 2009)	May 21, 2009	Election of Committee Members Resolution on Business Acquisition from SK Networks Resolution on Purchase of Investment Securities (SK Broadband)	Approved as proposed Approved as proposed Approved as proposed
304th (the fifth meeting of 2009)	June 19, 2009	Asset Management Transaction with Affiliated Company (SK Securities)	Approved as proposed
305th (the sixth meeting of 2009)	July 23, 2009	Proposal for Interim Dividend	Approved as proposed
306th (the seventh meeting of 2009)	August 14, 2009	Revision of Accounting Principles	Approved as proposed
307th (the eighth meeting of 2009)	September 18, 2009	Asset Management Transaction with Affiliated Company (SK Securities) Sale of SK C&C Shares	Approved as proposed Approved as proposed
308th (the ninth meeting of 2009)	September 25, 2009	Sale of China Unicom Shares	Approved as proposed
309th (the tenth meeting of 2009)	October 16, 2009	Strategic Alliance relating to China Cyworld Purchase of Hana Card s shares	Approved as proposed Approved as proposed

**310th (the
eleventh
meeting of
2009)**

December 14,
2009

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Meeting	Date	Agenda	Approval
311th (the twelfth meeting of 2009)	December 18, 2009	Annual Business Plan for FY 2010 Asset Management Transaction with Affiliated Company (SK Securities) Investment in Jinma u-City (China) Project	Approved as proposed Approved as proposed
(2) Independent Directors	Activities at the Board of Directors	Meetings	Approved as proposed

Meetings	Dates	Independent Directors Attended	Description
The first meeting of 2009 (300th)	January 22, 2009	5 / 5	
The second meeting of 2009 (301st)	February 17, 2009	5 / 5	
The third meeting of 2009 (302nd)	March 13, 2009	5 / 5	
The fourth meeting of 2009 (303rd)	May 21, 2009	5 / 5	
The fifth meeting of 2009 (304th)	June 19, 2009	5 / 5	
The sixth meeting of 2009 (305th)	July 23, 2009	4 / 5	
The seventh meeting of 2009 (306th)	August 14, 2009	5 / 5	
The eighth meeting of 2009 (307th)	September 18, 2009	5 / 5	
The ninth meeting of 2009 (308th)	September 25, 2009	5 / 5	
The tenth meeting of 2009 (309th)	October 16, 2009	5 / 5	
The eleventh meeting of 2009 (310th)	December 14, 2009	5 / 5	
The twelfth meeting of 2009 (311th)	December 18, 2009	5 / 5	

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C. Committees within Board of Directors

(1) Committee Structure

a) Independent Director Nomination Committee

(As of December 31, 2009)

Number of Persons	Members		Remarks
	Inside Directors	Independent Directors	
4	Man Won Jung, Sung Min Ha	Rak Yong Uhm, Jae Ho Cho	

* The Independent Director Nomination Committee is a committee established under the provisions of the Articles of Incorporation and Korean Commercial Code.

b) Audit Committee
(As of December 31, 2009)

Number of Persons	Members		Remarks
	Inside Directors	Independent Directors	
3		Dal Sup Shim, Hyun Chin Lim, Jae Ho Cho	

* The Audit Committee is a committee established under the provisions of the Articles of Incorporation and Korean Commercial Code.

c) Compensation Review Committee
(As of December 31, 2009)

Number of Persons	Members		Remarks
	Inside Directors	Independent Directors	
5		Dal Sup Shim, Rak Yong Uhm, Hyun Chin Lim, Jay Young Chung, Jae Ho Cho	
<p>* The Compensation Review Committee is a committee established by the resolution of the Board of Directors.</p> <p>d) Capex Review Committee (As of December 31, 2009)</p>			
Number of Persons	Members		Remarks
	Inside Directors	Independent Directors	
4	Sung Min Ha	Dal Sup Shim, Rak Yong Uhm, Jay Young Chung	
<p>* The Capex Review Committee is a committee established by the resolution of the Board of Directors.</p> <p>e) Corporate Citizenship Committee</p>			

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(As of December 31, 2009)

Number of Persons	Members		Remarks
	Inside Directors	Independent Directors	
4	Sung Min Ha	Rak Yong Uhm, Hyun Chin Lim, Jay Young Chung	

* The Corporate Citizenship Committee is a committee established by the resolution of the Board of Directors.

(2) Activities of the Committees of the Board of Directors (As of December 31, 2009)

Committee Name	Date of Activity	Agenda	Approval	Independent Directors	
				Dal Sup Shim (Attendance: 100%)	Hyun Chin Lim (Attendance: 100%)
Independent Director Nomination Committee	February 17, 2009	25th General Meeting of Shareholders: Proposal to nominate an Independent Director Hyun Chin Lim	Approved as Proposed	For	For
	June 19, 2009	Proposal to nominate the Chairman of Committee Man Won Jung	Approved as Proposed	For	For

Committee Name	Date of Activity	Agenda	Approval	Independent Directors		
				Dal Sup Shim (Attendance: 100%)	Rak Yong Uhm (Attendance: 100%)	Jay Yung Chung (Attendance: 100%)
CapEx Committee	January 21, 2009	CapEx plan for 2009	Approved as proposed	For	For	For
	June 19, 2009	Proposal to nominate the Chairman of Committee	Approved as proposed	For	For	For

Rak Yong
Uhm

December 18, 2009 CapEx plan for 2010 Approved as proposed For For For

Independent Directors

Committee Name	Date of Activity	Agenda	Approval	Independent Directors				
				Dal Sup Shim (Attendance: 100%)	Rak Yong Uhm (Attendance: 100%)	Hyun Chin Lim (Attendance: 100%) Vote	Jay Yung Chung (Attendance: 100%)	Jae Ho Cho (Attendance: 100%)
Compensation Review Committee	June 19, 2009	Proposal to nominate the Chairman of Committee Hyun Chin Lim	Approved as proposed	For	For	For	For	For

Independent Directors

Committee Name	Date of Activity	Agenda	Approval	Independent Directors		
				Rak Yong Uhm (Attendance: 100%)	Hyun Chin Lim (Attendance: 100%) Vote	Jay Yung Chung (Attendance: 100%)
Corporate Citizenship Committee	June 19, 2009	Proposal to nominate the Chairman of Committee Jay Young Chung	Approved as proposed	For	For	For

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On February 19, 2010, in the notice of the annual General Meeting of Shareholders, background information on Cho, Ki Haeng, a candidate for inside director, and Shim, Dal Sup and Chung, Jay Young, candidates for independent directors, was publicly disclosed. There was no other nomination by shareholders. For the election of independent directors, the Company has established the Independent Director Nomination Committee, which is currently in operation. In the meeting of the Independent Director Nomination Committee held on February 11, 2010, the Committee nominated the independent director candidates.

The Independent Director Nomination Committee. (As of December 31, 2009)

Name	Independent Director	Remarks
Man Won Jung	No	During the 30 th meeting of the Board of the Directors held on May 21 st , 2009, the Independent Director Nomination Committee was established.
Sung Min Ha	No	
Rak Yong Uhm	Yes	Director Shin Bae Kim submitted his resignation on March 13, 2009.
Jae Ho Cho	Yes	Director Man Won Jung was elected on May 21, 2009.

2. Audit System

The Company's Audit Committee consists of three independent directors, Dal Sup Shim, Hyun Chin Lim and Jae Ho Cho.

Major activities of the Audit Committee are as follows.

Meeting	Date	Agenda	Approval	Remarks
The first meeting of 2009	January 21, 2009	Issuance of corporate bonds B2B Contract with TU Media Evaluation of Internal Accounting Controls based on the opinion of the members of Audit Committee 2 nd half 2008 Management Audit Results Reports on Internal Accounting Management system	Approved as proposed Approved as proposed	
The second meeting of 2009	February 16, 2009	Reports on 2008 Korean GAAP Audit Report on Review of Internal Accounting Management System 2009 Management Audit Plan Auditor's Report for Fiscal Year 2008 Evaluation of Internal Accounting Management System Operation Appointment of Auditor for FY 2009-2011 Construction of Mobile Phone Facilities for 2009	Approved as proposed Approved as proposed Approved as proposed Approved as proposed	
The third meeting of 2009	March 13, 2009	Purchase of Mobile Phone Relay Device for 2009 Construction of Mobile Phone Facilities for 2009 2009 2Q Transactions with SK C&C Co., Ltd.	Approved as proposed Approved as proposed Approved as proposed	

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Long-term Financing Plan for Foreign
Currency
Issuance of Offshore Convertible Bonds
and Transfer of Treasury Shares
Asset Management Transaction with
Affiliated Company (SK Securities)

The fourth meeting of 2009	April 23, 2009	Audit Plan for 2009 Auditor Fees for 2009 Re-approval of entire Auditor Services for 2009	Approved as proposed Approved as proposed
The fifth meeting of 2009	May 19, 2009	Proposal for entering into an Agency Agreement with SK Marketing & Company for 2009	Approved as proposed

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Meeting	Date	Agenda	Approval	Remarks
The sixth meeting of 2009	June 19, 2009	Proposal to nominate the Chairman of the Committee	Approved as proposed	
		Proposal for purchase of Mobile Phone Relay Device for 2009	Approved as proposed	
		Proposal for construction of Mobile Phone Facilities for 2009	Approved as proposed	
		Proposal for 2009 3Q transactions with SK C&C Co., Ltd.	Approved as proposed	
		Asset Management Transaction with Affiliated Company (SK Securities) Reports on 2008 US GAAP Audit		
The seventh meeting of 2009	July 23, 2009	Proposal for Operation Services of T map Navigation Interim Dividends Plan Interim Closing of Accounts for Six Months ended 2009	Approved as proposed	
The eighth meeting of 2009	August 13, 2009	Construction of Mobile Phone Facilities for 2009	Approved as proposed	
		Purchase of Mobile Phone Relay Device for 2009	Approved as proposed	
		Amendment of the leasing contract of electronic telecommunication facilities	Approved as proposed	
		Reports on internal accounting management system for the 1 st half of 2009		
		Revision of accounting rules Management audit results for the 1 st half of 2009		
The ninth meeting of 2009	September 17, 2009	Transactions with SK C&C in the 4 th quarter of 2009 Asset Management Transaction with Affiliated Company (SK Securities)	Approved as proposed	
The tenth meeting of 2009	October 15, 2009	Agency agreement relating to outdoor advertisements	Approved as proposed	
The eleventh meeting of 2009	November 18, 2009	Increase of Auditor Fees for 2009	Approved as proposed	
		Purchase of Mobile Phone Relay Device for 2009	Approved as proposed	
		Construction of Mobile Phone Facilities for 2009	Approved as proposed	
		Construction of Network Facilities Service Contract for Fixed-line Network	Approved as proposed Approved as proposed	

The twelfth meeting of 2009	December 17, 2009	2010 1Q Transactions with SK C&C Co., Ltd.	Approved as proposed
		Service contract with SKT (China) Holding Co., Ltd	Approved as proposed
		Service contract with SK Telecom Americas, Inc.	Approved as proposed
		Assignment of accounts receivable collection and billing	Approved as proposed
		2010 integrated loyalty marketing plan and agency agreement with SK Marketing & Company	Approved as proposed
		B2B contract with TU media	Approved as proposed
		Service contract with respect to handset customer service	Approved as proposed
		Lease of telecommunications equipment	Approved as proposed
		Service contract for T Map operation	Approved as proposed
		Asset Management Transaction with Affiliated Company (SK Securities)	

* The line items that do not show approval are for reporting purpose only.

3. Shareholders Exercises of Voting Rights

A. Voting System and Exercise of Minority Shareholders Rights

Pursuant to the Articles of Incorporation as shown below, the cumulative voting system was first introduced in the General Meeting of Shareholders in 2003.

Articles of Incorporation	Description
Article 32 (3) (Election of Directors)	Cumulative voting under Article 382-2 of the Korean Commercial Code will not be applied for the election of directors.
Article 4 of the 12 th 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.
Also, neither written or electronic voting system nor minority shareholder rights is applicable.	

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4. Affiliated Companies

A. Capital Investments between Affiliated Companies

(As of December 31, 2009)

* Based on common shares

Investing company	Invested companies										
	SK Corporation	SK Energy	SK Telecom	SK Networks	SK Chemicals	SKC	SK C&C	SK E&C	SK Shipping	SK E&S	SK Gas
SK Corporation	33.40%	23.20%	39.10%			42.50%		40.00%	72.10%	67.50%	45.50%
SK Energy											
SK Telecom							9.00%				
SK Networks									17.70%		
SK Chemicals				0.00%				18.00%			
SKC				0.50%					10.20%		
SK C&C	31.80%									32.50%	
SK E&C											
SK E&S											
SK Gas											
SK Marketing & Company											
SK D&D											
SK Communications											
SK Broadband											
SK Lubricant											
SK Securities											
Total affiliated companies	31.80%	33.40%	23.20%	39.60%	0.00%	42.50%	9.00%	58.00%	100.00%	100.00%	45.50%

Investing company	Invested companies								
	SK Securities	SK Marketing & Company	SK DOPCO	SK CCES	SK YN Energy	SK Daehan City Gas	SK Sci-tech	SK NJC	SK Telink
SK Corporation	65.00%								
SK Energy		50.00%	38.30%						
SK Telecom		50.00%							90.80%
SK Networks	22.70%		4.60%						
SK Chemicals							50.00%	60.00%	
SKC	7.70%								
SK C&C									
SK E&C									
SK E&S				100.00%	100.00%	47.60%			
SK Gas									
SK Marketing & Company									
SK D&D									

SK
 Communications
 SK Broadband
 SK Lubricant
 SK Securities

Total affiliated
 companies

30.40% 65.00% 100.00% 42.90% 100.00% 100.00% 47.60% 50.00% 60.00% 90.80%

Invested companies

OK

Investing company	Busan City Gas	Jeonnam City Gas	Gangwon City Gas	GBESService	OK Cash	Gangnam City Gas	SK Wyverns	Infosec	MRO Korea	SK Telesys
SK Corporation										
SK Energy										
SK Telecom							100.00%			
SK Networks									51.00%	
SK Chemicals										
SKC										77.10%
SK C&C								100.00%		
SK E&C										
SK E&S	40.00%	100.00%	100.00%	100.00%		100.00%				
SK Gas										

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Investing company	Invested companies				Invested companies						
	Busan City Gas	Jeonnam City Gas	Gangwon City Gas	GBES	OK Service	Cashbag	Chungnam City Gas	SK Wyverns	Infosec	MRO Korea	SK Telesys
SK Marketing & Company					100.00%						
SK D&D											
SK Communications											
SK Broadband											
SK Lubricant											
SK Securities											
Total affiliated companies	40.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	51.00%	77.10%

Investing company	Invested companies				Invested companies						
	Encar network	F&U Credit	TU Paxnet	TU Media	SK D&D	SK Utis	SK CTA	Loen Entertainment	SK Independent	SK Petrochemical	SK Mobile Energy
SK Corporation											
SK Energy	87.50%						33.70%			100.00%	100.00%
SK Telecom		50.00%	59.70%	44.20%				63.50%			
SK Networks											
SK Chemicals						100.00%					
SKC											
SK C&C									67.80%		
SK E&C					45.00%						
SK E&S											
SK Gas											
SK Marketing & Company											
SK D&D											
SK Communications											
SK Broadband											
SK Lubricant											
SK Securities		40.00%									
Total affiliated companies	87.50%	90.00%	59.70%	44.20%	45.00%	100.00%	33.70%	63.50%	67.80%	100.00%	100.00%

Investing company	Invested companies									
	SKC	NTREEV	SK	SK	SK	I	SKC	SKN	Nuri	Commerco

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Investing company	Media	iHQ	Soft	I-Media	Communications	Lubricant	Platform	Air Gas	Service	Solution	Planet
SK Corporation											
SK Energy						100.00%					
SK Telecom		37.10%	63.70%		64.80%						100.00%
SK Networks							66.70%		100.00%		
SK Chemicals											
SKC	100.00%							80.00%			
SK C&C										46.30%	
SK E&C											
SK E&S											
SK Gas											
SK Marketing & Company											
SK D&D											
SK Communications					100.00%						
SK Broadband											
SK Lubricant											
SK Securities											
Total affiliated companies	100.00%	37.10%	63.70%	100.00%	64.80%	100.00%	66.70%	80.00%	100.00%	46.30%	100.00%

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Investing company	Invested companies										
	Reviden Asset	Solmics Co., Ltd.	SK Broadband	Hanaro Dream	Broadband Media	Broadband D&M	Broadband CS	UB Care	DOP Service	Pana Blu Co., Ltd.	WS Commer
SK Corporation											
SK Energy											
SK Telecom			50.60%								
SK Networks											100.00%
SK Chemicals								44.00%			
SKC		48.70%									
SK C&C											
SK E&C	100.00%								3.60%		
SK E&S									96.40%		
SK Gas										80.40%	
SK Marketing & Company											
SK D&D											
SK Communications											
SK Broadband				36.00%	100.00%	100.00%	100.00%				
SK Lubricant											
SK Securities											
Total affiliated companies	100.00%	48.70%	50.60%	36.00%	100.00%	100.00%	100.00%	44.00%	100.00%	80.40%	100.00%

Investing company	Invested companies										
	Namwon Sarang Electric Power	Incyto	Jeju United FC	Cross M Insight	MKS Guarantee	Zicos	PS & Marketing	SK Forest	Green Bio	SK Seentec	
SK Corporation											
SK Energy			100.00%								
SK Telecom							100.00%				
SK Networks											
SK Chemicals										100.00%	
SKC		100.00%									
SK C&C											
SK E&C								100.00%			
SK E&S											
SK Gas									69.00%		
SK Marketing & Company				100.00%							
SK D&D	100.00%				100.00%						

SK Communications											
SK Broadband											
SK Lubricant										100.00%	
SK Securities											
Total affiliated companies	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	69.00%	100.00%

* Walkerhill completed merger with and into SK Networks as of December 31, 2009.



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A. Shareholdings of the Largest Shareholder and Related Persons

(As of December 31, 2009)

(Unit: Shares, %)

Name	Relationship	Type of share	Number of shares owned and ownership ratio			
			Beginning of Period		End of Period	
			Number of shares	Ownership ratio	Number of shares	Ownership ratio
SK Corporation	Largest Shareholder	Common share	18,748,452	23.09	18,748,452	23.22
Tae Won Chey	Officer of affiliated company	Common share	100	0.00	100	0.00
Shin Won Chey	Officer of affiliated company	Common share	500	0.00	500	0.00
Shin Bae Kim	Officer of affiliated company	Common share	1,270	0.00	1,270	0.00
Man Won Jung	Director	Common share	0	0.00	4,000	0.00
Sung Min Ha	Director	Common share	738	0.00	738	0.00
Bang Hyung Lee	Officer of affiliated company	Common share	200	0.00	200	0.00
Total		Common share	18,751,260	23.09	18,755,260	23.23

Although there has been no change in the number of shares held by the largest shareholder, SK Corporation, due to the Company's purchase and subsequent retirement of its treasury shares, SK Corporation's ownership ratio in the Company has increased to 23.22%.

B. Overview of the Largest Shareholder

SK Corporation is a holding company and as of December 31, 2009, has nine subsidiaries: SK Energy Co., Ltd., SK Telecom Co., Ltd., SK Networks Co., Ltd., SKC Co., Ltd., SK E&C Co., Ltd., SK Shipping Co., Ltd., SK E&S Co., Ltd., SK Gas Co., Ltd., K-Power Co., Ltd. and SK Corporation also operates a life science business division within its holding company to nurture the division for future growth.

Details of SK Corporation's subsidiaries are as follows:

Affiliates	Share Holdings	Industry	Description
SK Energy Co., Ltd.	33.40%	Energy	Publicly Listed
SK Telecom Co., Ltd.	23.22%	Telecommunication	Publicly Listed
SK Networks Co., Ltd.	39.12%	Energy Sale	Publicly Listed
SKC Co., Ltd.	42.50%	Synthetic Resin Manufacturing	Publicly Listed
SK E&C Co., Ltd.	40.02%	Construction	Privately Held
SK Shipping Co., Ltd.	72.13%	Ocean Freight	Privately Held
SK E&S Co., Ltd.	67.55%	Gas Company Holdings	Privately Held

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Affiliates	Share Holdings	Industry	Description
SK Gas Co., Ltd.	45.53%	Gas	Publicly Listed
K-Power Co., Ltd.	65.00%	Power Generation	Privately Held

* The above share holdings are based on common stock holdings as of December 31, 2009.

SK Corporation is a publicly listed company and is required to submit a report of its significant business activities in accordance with Article 161 of the Financial Investment Services and Capital Markets Act. Also as a holding company, SK Corporation is required to report key management activities in accordance with Article 8 of Regulation on Securities Issuance and Disclosure. The rule is applicable to subsidiaries whose book value of the holding company's shareholding exceeds 10% of its total assets. SK Energy Co., Ltd., SK Telecom Co., Ltd. and SK Networks Co., Ltd. are three such subsidiaries.

2. Changes in shareholdings of the Largest Shareholder

Changes in shareholdings of the largest shareholder are as follows.

(Unit: Shares, %)

Largest Shareholder	Date of the change in the largest shareholder/ Date of change in shareholding	Shares Held	Holding Ratio	Remarks
SK Corporation	March 7, 2008	18,751,260	23.09	Purchased 1,085,325 shares from SK Networks on March 7, 2008
	March 13, 2009	18,751,360	23.22	At the 25 th General Meeting of Shareholders, elected the CEO, Man Won Jung (who owns 100 shares of the Company stock)
	December 30, 2009	18,755,260	23.23	Man Won Jung, the CEO, purchased 3,900 shares.

* Shares held are the sum of shares held by SK Corporation and its related parties.

3. Distribution of Shares

A. Shareholders with ownership of 5% or more

(As of December 31, 2009)

(Unit: shares, %)

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	24,000,794	29.72			24,000,794	29.72
2	SK Corporation	18,748,452	23.22			18,748,452	23.22
3	SK Telecom	8,400,712	10.4			8,400,712	10.4
	Total	51,149,958	63.34			51,149,958	63.34

B. Shareholdings under the Employee Stock Ownership Program

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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.

(As of December 31, 2009)

(Unit: Shares)

Classification	Account classification	Type of share	Balance at the beginning of period (Unit: Shares)	Balance at the end of period (Unit: Shares)
5th	Employee Stock Ownership Program	Common shares	114,168	106,975
8th	Member Account		369,887	360,949
	Total		484,055	467,924

C. Shareholder Distribution

(As of December 31, 2009)

Classification	Number of shareholders	Ratio (%)	Number of shares	Ratio (%)	Remarks
Total minority shareholders	46,167	99.98	25,122,635	31.11	
Minority shareholders (corporate)	886	1.92	7,009,987	8.68	
Minority shareholders (individual)	45,275	98.05	18,105,840	22.42	
Minority shareholders (Largest Shareholder and Related Persons)	6	0.01	6,808	0.01	
Major shareholders					
Total other shareholders	9	0.02	55,623,076	68.89	
Other shareholders (corporate)	6	0.01	12,056,154	14.93	
Other shareholders (individual)	2	0.01	24,818,470	30.74	
Other shareholders (Largest Shareholder and Related Persons)	1	0	18,748,452	23.22	
Total	46,176	100	80,745,711	100	

Table of Contents**4. Share Price and Trading Volume in the Last Six Months**

A. Domestic Securities Market

(Unit: Won, shares)

Types		December 2009	November 2009	October 2009	September 2009	August 2009	July 2009
Common stock	Highest	178,500	184,000	190,500	182,500	184,000	185,500
	Lowest	169,500	169,500	180,000	166,000	173,000	175,000
Monthly transaction volume		4,145,529	4,533,236	7,105,786	8,881,875	6,722,975	6,669,445

B. Overseas Securities Market

New York Stock Exchange

(Unit: US\$, ADR)

Types		December 2009	November 2009	October 2009	September 2009	August 2009	July 2009
Depository Receipt	Highest	16.84	17.46	18.58	17.45	16.91	16.83
	Lowest	16.04	16.57	16.54	15.21	15.28	15.49
Monthly transaction volume		27,264,234	36,094,216	44,965,284	25,667,356	15,412,594	18,341,204

VIII. EMPLOYEES

(As of December 31, 2009)

(Unit: persons, in millions of Won)

Classification	Number of employees				Average service year	Aggregate wage for 2009	Average wage per person	Remarks
	Office managerial positions	Production positions	Others	Total				
Male	3,828			3,828	11.4	255,394	66	
Female	613			613	9.4	33,036	52	
Total	4,441			4,441	11.1	288,431	64	

Table of Contents**IX. TRANSACTIONS WITH PARTIES WITH INTERESTS****1. Loans to the Largest Shareholder and Related Persons**

(As of December 31, 2009)

(Unit: in millions of Won)

Name (Corporate name)	Relationship	Account category	Beginning	Change details		Ending	Accrued interest	Remarks
				Increase	Decrease			
SK Wyverns	Affiliated company	Long-term and short-term loans	3,557		575	2,982	253	

(Unit: in millions of Won)

**Investment and Disposal Details
Transaction Details**

Name (Corporate name)	Types of Relationship	Beginning of Period	Increase	Decrease	End of Period	Remarks
SK Broadband	Investment	1,209,629	241,175		1,450,804	
SKT Global Investment		26,044	13,274		39,318	
SKT America, Inc.		17,467	12,990		30,457	
SK Industrial Development			23,709		23,709	
PS & Marketing, ltd.			150,000		150,000	
SK Telecom China Holdings		23,293	6,302		29,595	
BcN Ltd.			7,307		7,307	
K Net Culture Content Investment		5,900	5,900		11,800	
C-Mall		7,127	4,538		11,665	
SK C&C		501,651		351,156	150,495	
SKT Holdings AMERICA		12,990		12,990		
Air Cross Co., Ltd.		2,440		2,440		
Total		1,806,541	465,195	366,586	1,905,150	

Table of Contents**2. Transfer of Assets to/from the Largest Shareholder**

A. Transfer of Assets

(Units: in thousands of Won)

Name (Corporate name)	Relationship	Transferred Objects	Purpose of Transfer	Details		Amount Transferred From Largest Shareholder	Amount Transferred to Largest Shareholder	Remarks
				Date of Transfer				
Encar Network Co., Ltd.	Affiliated Company	Automobiles	Sale of automobiles not in use	February 26, 2009			116,818	
Encar Network Co., Ltd.	Affiliated Company	Automobiles	Sale of automobiles not in use	June 15, 2009			33,636	
Ntreev Soft Co., Ltd.	Affiliated Company	On-line gaming and portal website assets	Sale of business	August 5, 2009			1,630,000	
SK Telesys Encar Network Co., Ltd.	Affiliated Company	2G devices not in use	Sale of devices not in use	August 24, 2009			197,472	
Encar Network Co., Ltd.	Affiliated Company	Automobiles	Sale of automobiles not in use	August 31, 2009			43,182	
Ntreev Soft Co., Ltd.	Affiliated Company	Copyright of on-line games	Sale of business	September 1, 2009			105,000	
Loen Entertainment Co., Ltd.	Affiliated Company	Transfer of MelOn business	Transfer of business	December 18, 2009			208,579	
SK Telesys	Affiliated Company	2G devices not in use	Sale of devices not in use	December 30, 2009			282,483	
Total							2,617,170	

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B. Transfer of Business

(Units: in thousands of Won)

Name (Corporate name)	Relationship	Transferred Objects	Purpose of Transfer	Details		Amount Transferred From Largest Shareholder	Amount Transferred to Largest Shareholder	Remarks
				Date of Transfer				
Loen Entertainment Co., Ltd.	Affiliated Company	Entire MelOn business	To facilitate growth of MelOn business through separate management	October 23, 2008			24,333,022	
SK Networks, Co., Ltd.	Affiliated Company	Leased-line business, ancillary business, assets, liabilities and all other rights and obligations in connection thereto	Optimize service through increased network efficiency by internalizing mobile phone transmission lines	May 21, 2009		892,850,000		
Total						892,850,000	24,333,022	

3. Transactions with Shareholders (excluding the Largest Shareholder and Related Persons)

A. Provisional Payment and Loans (including loans on marketable securities)

Agents

(Unit: in millions of Won)

Name (Corporate name)	Relationship	Account category	Beginning	Change details		Ending	Accrued interest	Remarks
				Increase	Decrease			
Park Dal and others	Agency	Long-term and short-term loans	154,801	251,196	332,507	73,490		
Overseas investment companies								

(Unit: in millions of Won)

Name (Corporate name)	Relationship	Account category	Beginning	Change details		Ending	Accrued interest	Remarks
				Increase	Decrease			

DSS Mobile Com. (India)	Overseas Investment company	Long-term loans	18,887	18,887	Payment guarantee
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B. Equity Investments

(Unit: in millions of Won)

Name (Corporate name)	Relationship	Category	Investment and Disposition Details			End of Period	Remarks
			Beginning of Period	Increase	Decrease		
Translink Capital L.L.C.			1,486	513		1,999	
Skylake Global Incubest Fund #1			1,548	131		1,679	
Global Opportunities Breakaway Fund				186,390		186,390	
Sprint				74,215		74,215	
China Unicom			1,333,009		1,333,009		
Daea TI Co, Ltd.			1,695		1,695		
XCE Co., Ltd.			10		10		
Powercom Co., Ltd.			240,243		240,243		
Qualcomm Inc.							