

SK TELECOM CO LTD

Form 6-K

September 26, 2006

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K
REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934
FOR THE MONTH OF SEPTEMBER 2006

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- _____

SK TELECOM CO., LTD.

NON-CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS

ENDED JUNE 30, 2006 AND 2005

AND INDEPENDENT ACCOUNTANTS REVIEW REPORT

Independent Accountants' Review Report

English Translation of a Report Originally Issued in Korean

To the Stockholders and Board of Directors of

SK Telecom Co., Ltd.

We have reviewed the accompanying non-consolidated balance sheet of SK Telecom Co., Ltd. (the "Company") as of June 30, 2006 and the related non-consolidated statements of income and cash flows for the three months and six months ended June 30, 2006 and 2005, all expressed in Korean won. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

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

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

We have previously audited, in accordance with auditing standards generally accepted in the Republic of Korea, the non-consolidated balance sheet of the Company as of December 31, 2005, and the related non-consolidated statements of income, appropriations of retained earnings and cash flows for the year then ended (not presented herein); and in our report dated February 3, 2006, we expressed an unqualified opinion on those non-consolidated financial statements. The accompanying balance sheet as of December 31, 2005, which is comparatively presented, does not differ in material respects from such audited non-consolidated balance sheet.

Our reviews also comprehended the translation of the Korean won amounts into U.S. dollar amounts and nothing has come to our attention that causes us to believe that such translation has not been made in conformity with the basis stated in Note 2(a). Such U.S. dollar amounts are presented solely for the convenience of readers outside of Korea. Accounting principles and review standards and their application in practice vary among countries. The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Republic of Korea. In addition, the procedures and practices utilized in the Republic of Korea to review such financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying financial statements are for use by those knowledgeable about Korean accounting principles and review standards and their application in practice.

July 28, 2006

/s/ Deloitte Anjin LLC

Seoul, Republic of Korea

Notice to Readers

This report is effective as of July 28, 2006, the accountants' review report date. Certain subsequent events or circumstances may have occurred between the accountants' review report date and the time the accountants' review report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modification to the accountants' review report.

SK TELECOM CO., LTD.
NON-CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2006 AND DECEMBER 31, 2005

	Korean won		Translation into U.S.dollars (Note 2)	
	June 30, 2006 (In millions)	December 31, 2005 (In millions)	June 30, 2006 (In thousands)	December 31, 2005 (In thousands)
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents (Notes 2 and 11)	₩ 621,127	₩ 151,766	\$ 654,852	\$ 160,006
Short-term financial instruments (Note 18)	183,765	73,062	193,743	77,029
Trading securities (Notes 2 and 3)	923,333	745,360	973,467	785,830
Current portion of long-term investment securities (Notes 2 and 3)	64		67	
Accounts receivable – trade, net of allowance for doubtful accounts of ₩89,113 million as of June 30, 2006 and ₩121,319 million as of December 31, 2005 (Notes 2, 11 and 20)	1,519,312	1,607,596	1,601,805	1,694,882
Short-term loans, net of allowance for doubtful accounts of ₩9,144 million as of June 30, 2006 and ₩648 million as of December 31, 2005 (Notes 2, 5 and 20)	55,244	64,150	58,244	67,633
Accounts receivable – other, net of allowance for doubtful accounts of ₩18,192 million as of June 30, 2006 and ₩14,246 million as of December 31, 2005 (Notes 2, 11 and 20)	1,306,972	1,333,238	1,377,936	1,405,628
Inventories (Note 2)	7,467	5,986	7,872	6,311
Prepaid expenses	122,262	101,274	128,900	106,773
Current deferred income tax assets, net (Notes 2 and 16)	63,664	61,152	67,121	64,472
Advanced payments and other	19,510	28,901	20,569	30,471
Total Current Assets	4,822,720	4,172,485	5,084,576	4,399,035
NON-CURRENT ASSETS:				
Property and equipment, net (Notes 2, 6, 10, 19 and 20)	4,428,435	4,595,883	4,668,882	4,845,422
Intangible assets, net (Notes 2, 7 and 23)	3,237,970	3,386,547	3,413,780	3,570,424
Long-term investment securities (Notes 2 and 3)	1,038,513	1,203,333	1,094,900	1,268,669
Equity securities accounted for using the equity method (Notes 2 and 4)	1,218,239	925,904	1,284,385	976,177

Long-term loans, net of allowance for doubtful accounts of ₩23,703 million as of June 30, 2006 and ₩23,737 million as of December 31, 2005 (Notes 2, 5 and 20)	10,845	14,204	11,434	14,975
Guarantee deposits, net of allowance for doubtful accounts of ₩311 million as of June 30, 2006 and December 31, 2005 (Notes 2, 11 and 20)	119,279	122,846	125,755	129,516
Long-term deposits and other (Note 18)	117,400	100,474	123,775	105,931
 Total Non-current Assets	 10,170,681	 10,349,191	 10,722,911	 10,911,114
 TOTAL ASSETS	 ₩ 14,993,401	 ₩ 14,521,676	 \$ 15,807,487	 \$ 15,310,149

(Continued)

SK TELECOM CO., LTD.
NON-CONSOLIDATED BALANCE SHEETS (CONTINUED)
AS OF JUNE 30, 2006 AND DECEMBER 31, 2005

	Korean won		Translation into U.S. dollars (Note 2)	
	June 30, 2006 (In millions)	December 31, 2005 (In millions)	June 30, 2006 (In thousands)	December 31, 2005 (In thousands)
LIABILITIES AND STOCKHOLDERS EQUITY				
CURRENT LIABILITIES:				
Accounts payable (Notes 11 and 20)	₩ 915,079	₩ 971,558	\$ 964,764	\$ 1,024,310
Income tax payable (Note 16)	325,045	366,579	342,694	386,483
Accrued expenses (Notes 2 and 21)	456,085	362,178	480,849	381,843
Dividend payable	360	298	380	314
Withholdings	294,419	205,060	310,405	216,194
Current portion of long-term debt, net (Notes 2, 8 and 10)	898,530	809,490	947,317	853,442
Current portion of subscription deposits (Note 9)	15,455	14,875	16,294	15,683
Advanced receipts and other	20,091	17,230	21,181	18,165
Total Current Liabilities	2,925,064	2,747,268	3,083,884	2,896,434
LONG-TERM LIABILITIES:				
Bonds payable, net (Notes 2 and 8)	2,292,738	2,314,208	2,417,225	2,439,861
Long-term borrowings (Note 8)	200,000		210,859	
Subscription deposits (Note 9)	22,359	23,770	23,573	25,061
Long-term payables other, net of present value discount of ₩49,051 million as of June 30, 2006 and ₩58,413 million as of December 31, 2005 (Note 2)	510,949	591,587	538,692	623,708
Obligations under capital lease (Notes 2 and 10)	5,061	10,204	5,336	10,758
Accrued severance indemnities, net (Note 2)	18,556	64,029	19,564	67,506
Non-current deferred income tax liabilities, net (Notes 2 and 16)	402,916	409,715	424,793	431,961
Long-term currency swap (Notes 2 and 22)	115,249	73,450	121,507	77,438
Long-term interest rate swap (Notes 2 and 22)	802		845	
Guarantee deposits received and other (Note 20)	28,880	29,565	30,448	31,170

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Total Long-term Liabilities	3,597,510	3,516,528	3,792,842	3,707,463
Total Liabilities	6,522,574	6,263,796	6,876,726	6,603,897
STOCKHOLDERS EQUITY :				
Capital stock (Notes 1 and 12)	44,639	44,639	47,063	47,063
Capital surplus (Notes 2, 12 and 16)	2,963,880	2,966,198	3,124,808	3,127,251
Retained earnings (Note 13):				
Appropriated	6,679,235	5,470,701	7,041,892	5,767,740
Before appropriations	712,210	1,799,160	750,880	1,896,848
Capital adjustments:				
Treasury stock (Note 14)	(2,023,624)	(2,047,105)	(2,133,499)	(2,158,255)
Unrealized gains (losses) on valuation of long-term investment securities, net (Notes 2, 3 and 16)	54,223	(42,134)	57,167	(44,422)
Equity in capital adjustments of affiliates, net (Notes 2, 4 and 16)	64,105	77,119	67,586	81,306
Loss on valuation of currency swap, net (Notes 2, 16 and 22)	(26,505)	(14,178)	(27,944)	(14,948)
Loss on valuation of interest rate swap, net (Notes 2, 16 and 22)	(582)		(614)	
Stock options (Notes 2,15 and 20)	3,246	3,480	3,422	3,669
Total Stockholders Equity	8,470,827	8,257,880	8,930,761	8,706,252
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	₩ 14,993,401	₩ 14,521,676	\$ 15,807,487	\$ 15,310,149

See accompanying notes to non-consolidated financial statements.

SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2006 AND 2005

	Korean won				Translation into U.S. dollars (Note 2)			
	2006		2005		2006		2005	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
	(In millions except for per share data)				(In thousands except for per share data)			
OPERATING REVENUE								
(Notes 2 and 20)	₩ 2,638,332	₩ 5,178,646	₩ 2,527,150	₩ 4,939,086	\$ 2,781,584	\$ 5,459,827	\$ 2,664,365	\$ 5,207,260
OPERATING EXPENSES								
(Notes 2 and 20)								
Labor cost (Note 20)	(60,908)	(219,830)	(61,887)	(197,572)	(64,215)	(231,766)	(65,247)	(208,299)
Commissions paid	(875,244)	(1,591,529)	(715,927)	(1,429,763)	(922,766)	(1,677,943)	(754,799)	(1,507,394)
Depreciation and amortization (Notes 2, 6, 7 and 10)	(344,596)	(673,524)	(359,805)	(701,053)	(363,306)	(710,094)	(379,341)	(739,118)
Network interconnection	(268,891)	(504,338)	(240,446)	(458,353)	(283,491)	(531,722)	(253,501)	(483,240)
Leased line	(98,868)	(197,611)	(95,190)	(192,057)	(104,236)	(208,341)	(100,358)	(202,485)
Advertising	(80,176)	(137,662)	(66,033)	(122,353)	(84,529)	(145,137)	(69,618)	(128,996)
Research and development (Note 2)	(48,925)	(101,755)	(46,480)	(97,464)	(51,581)	(107,280)	(49,004)	(102,756)
Rent	(46,052)	(93,640)	(43,347)	(87,083)	(48,552)	(98,724)	(45,701)	(91,811)
Frequency usage	(39,910)	(78,310)	(38,814)	(77,733)	(42,077)	(82,562)	(40,921)	(81,954)
Repair	(35,508)	(62,941)	(28,286)	(46,504)	(37,436)	(66,358)	(29,822)	(49,029)
Cost of goods sold	(7,987)	(12,620)	(2,433)	(4,355)	(8,421)	(13,305)	(2,565)	(4,591)
Other	(111,978)	(217,496)	(115,112)	(196,944)	(118,060)	(229,305)	(121,363)	(207,638)
Sub-total	(2,019,043)	(3,891,256)	(1,813,760)	(3,611,234)	(2,128,670)	(4,102,537)	(1,912,240)	(3,807,311)
OPERATING INCOME	619,289	1,287,390	713,390	1,327,852	652,914	1,357,290	752,125	1,399,949

OTHER
INCOME:

Interest income

Note 3)	17,263	36,358	11,969	23,309	18,200	38,332	12,619	24,575
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Dividends	369	15,376	227	16,430	389	16,211	239	17,322
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Commissions								
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Note 20)	7,379	17,959	8,998	16,074	7,780	18,934	9,487	16,947
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Equity in								
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earnings of								
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affiliates (Notes								
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2 and 4)	16,999	33,416	11,720	18,167	17,922	35,230	12,356	19,153
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Foreign								
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exchange and								
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translation								
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gains (Note 2)	1,375	2,044	246	613	1,450	2,155	259	646
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Reversal of								
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allowance for								
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doubtful								
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accounts	202	34	680	892	213	36	717	940
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Gain on								
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disposal of								
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investment								
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assets	690	2,469		957	727	2,603		1,009
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Gain on								
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disposal of								
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property and								
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equipment	532	754	515	604	561	795	543	637
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Gain on								
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transactions and								
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valuation of								
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currency swap								
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Notes 2 and								
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22)			3,040	2,645			3,205	2,789
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Other	7,609	22,244	6,789	19,652	8,022	23,452	7,158	20,719
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	52,418	130,654	44,184	99,343	55,264	137,748	46,583	104,737
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(Continued)

SK TELECOM CO., LTD.
NON-CONSOLIDATED STATEMENTS OF INCOME (CONTINUED)
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2006 AND 2005

	Korean won				Translation into U.S. dollars (Note 2)			
	2006		2005		2006		2005	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
	(In millions except for per share data)				(In thousands except for per share data)			
OTHER EXPENSES:								
Interest and discounts	(59,007)	(116,790)	(65,623)	(131,932)	(62,211)	(123,131)	(69,186)	(139,095)
Donations	(4,836)	(21,519)	(1,854)	(17,718)	(5,099)	(22,687)	(1,955)	(18,680)
Foreign exchange and translation losses (Note 2)	(560)	(1,440)	(161)	(814)	(590)	(1,518)	(170)	(858)
Loss on transactions and valuation of currency swap (Notes 2 and 22)	(3,828)	(9,125)			(4,036)	(9,620)		
Equity in losses of affiliates (Notes 2 and 4)	(32,089)	(56,292)	(17,554)	(37,198)	(33,831)	(59,348)	(18,507)	(39,218)
Loss on disposal of investment assets	(1,917)	(2,705)	(15)	(62)	(2,021)	(2,852)	(16)	(65)
Loss on disposal of property, equipment and intangible assets	(12,807)	(13,634)	(1,594)	(3,484)	(13,502)	(14,374)	(1,681)	(3,673)
Special severance indemnities (Note 2)	(3,426)	(144,021)			(3,612)	(151,841)		
Other	(26,853)	(47,816)	(20,078)	(38,087)	(28,311)	(50,414)	(21,168)	(40,156)

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Sub-total	(145,323)	(413,342)	(106,879)	(229,295)	(153,213)	(435,785)	(112,683)	(241,745)
ORDINARY INCOME	526,384	1,004,702	650,695	1,197,900	554,965	1,059,253	686,025	1,262,941