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SK TELECOM CO LTD
Form 6-K
November 01, 2004

1934 Act Registration No. 1-14418

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE MONTH OF NOVEMBER 2004

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

99, Seorin-dong
Jongro-gu
Seoul, Korea
(Address of principal executive offices)

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

Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No

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

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October 28, 2004

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RESULTS FOR THE QUARTER
ENDED SEPTEMBER 30, 2004

* THE INFORMATION CONTAINED HEREIN IS BASED ON KOREAN GAAP.

[SK Telecom LOGO]

SEOUL, KOREA, OCTOBER 28, 2004 - SK TELECOM CO., LTD. (KSE: 017670, NYSE: SKM)
("SKT" OR "THE COMPANY"), THE LEADING WIRELESS TELECOMMUNICATIONS COMPANY IN
KOREA, TODAY ANNOUNCED THE RESULTS OF ITS OPERATIONS FOR THE QUARTER ENDED
SEPTEMBER 30, 2004.

This material contains forward-looking statements with respect to the financial condition, results of operations and business of SK Telecom and plans and objectives of the management of SK Telecom. Statements that are not historical facts, including statements about SK Telecom's beliefs and expectations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of SK Telecom to be materially different from any future results or performance expressed or implied by such forward-looking statements. SK Telecom does not make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained in this management presentation, and nothing contained herein is, or shall be relied upon as, a promise or representation, whether as to the past or the future.

Such forward-looking statements were based on current plans, estimates and projections of SK Telecom and the political and economic environment in which SK Telecom will operate in the future, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and SK Telecom understates no obligation to update publicly any of them in light of new information or future events. Additional information concerning these and other risk factors are contained in SK Telecom's latest annual report on Form 20-F and in SK Telecom's other filings with The U.S. Securities and Exchange Commission (SEC).

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I. FINANCIAL HIGHLIGHTS

o SUMMARY OF INCOME STATEMENT

(KRW bn)	Q3. '04	Q3. '03	Change	Q3. '04
	-----	-----	-----	-----
OPERATING REVENUE	2,434	2,410	1%	2,434
OPERATING EXPENSES	1,823	1,590	15%	1,823
OPERATING INCOME	611	820	-25%	611
Operating margin	25.1%	34.0%	-8.9%p	25.1%
OTHER INCOME	49	55	-10%	49
OTHER EXPENSES	107	150	-29%	107
ORDINARY INCOME	553	725	-24%	553
NET INCOME	396	510	-22%	396
Net margin	16.2%	21.2%	-4.9%p	16.2%
EBITDA 1)	1,038	1,218	-15%	1,038
EBITDA margin	42.7%	50.6%	-7.9%p	42.7%

 1) EBITDA = Operating income + Depreciation (including R&D related depreciation)

o OTHER MAIN ITEMS

(KRW bn)	Q3. '04	Q3. '03	Change	Q3. '04
	-----	-----	-----	-----
WIRELESS INTERNET SALES	470	338	39%	470
% of Cellular revenue	21.2%	15.7%	5.5%p	21.2%
MARKETING EXPENSES	436	379	15%	436
- Marketing commissions	366	307	19%	366

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(KRW bn)	Q3. '04	Q3. '03	Change	Q3. '04
	-----	-----	-----	-----
- Advertising	69	72	-3%	69
% of Revenue	17.9%	15.7%	2.2%p	17.9%
CAPITAL EXPENDITURE	416	395	5%	416
% of Revenue	17.1%	16.4%	0.7%p	17.1%
INTEREST-BEARING DEBT	4,216	5,252	-20%	4,216
Debt/Equity ratio	62.5%	95.0%	-32.5%p	62.5%

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II. FINANCIAL RESULTS

1. INCOME STATEMENT

A. OPERATING REVENUE

(KRW bn)	Q3. '04	Q3. '03	Change	Q3. '04
	-----	-----	-----	-----
SIGN-UP FEES	42	43	-2%	42
MONTHLY FEES	744	731	2%	744
CALL CHARGES	870	921	-5%	870
VAS & OTHERS	91	123	-26%	91
WIRELESS INTERNET SALES	470	338	39%	470
% of Cellular service	21.2%	15.7%	5.5%p	21.2%
TOTAL CELLULAR SERVICE	2,218	2,156	3%	2,218
INTERCONNECTION REVENUE	216	254	-15%	216
L -> M	110	152	-28%	110
M -> M	106	102	4%	106
OPERATING REVENUE	2,434	2,410	1%	2,434

1) SIGN-UP FEES

- In the 3rd quarter of 2004, sign-up fees decreased 26% QoQ due to a decrease in the number of new subscribers caused by 40 days of new subscriber acquisition ban period from August 20 to September 28.

2) MONTHLY FEES

- The QoQ decrease in monthly fees was due to a cut in monthly fee implemented from September 1st.

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- Despite a cut in monthly fee, the monthly fees increased YoY due to an increase in the number of total subscribers.

3) CALL CHARGES

- Decrease in call charges due to seasonal effects such as summer holidays and Chuseok (Korean Thanksgiving holidays) was partly offset by an increase in the number of subscribers, resulting in slight decrease in call charges QoQ basis.

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- The YoY reduction in call charges was due to such things as the contract based discount plan.

4) VAS & OTHERS

- The QoQ increase in VAS and other sales was due to an increase in demand for value added services and automatic roaming service.
- The VAS and other sales have declined YoY primarily due to the Caller ID tariff cut in October of 2003.

5) WIRELESS INTERNET SALES

- Our QoQ and YoY revenue growth from Wireless Internet sales were driven by the higher Wireless Internet usage primarily due to the continued adoption of high-end handsets and offering of a variety of multimedia services. The increase in Wireless internet revenue was also driven by increase in monthly flat fees from the introduction of unlimited data usage tariff plan.
- Consequently, Wireless Internet sales accounted for 21.2% of cellular service revenue in the 3rd quarter.

6) INTERCONNECTION REVENUE

- The interconnection revenue increased QoQ because the 2nd quarter interconnection revenue was lower due to the retroactive adjustment of new interconnection rate of the 1st quarter interconnection revenue in the 2nd quarter.
- The interconnection revenue decreased YoY due to the new interconnection rate.

B. OPERATING COSTS

(KRW bn)	Q3. '04	Q3. '03	Change	Q3. '04
	-----	-----	-----	-----
LABOR COST	100	95	5%	100
COMMISSIONS PAID	697	578	20%	697
MARKETING COMMISSIONS	366	307	19%	366
Initial commissions	112	54	106%	112
Monthly commissions	94	106	-11%	94
Retention commissions	160	147	9%	160
OTHER COMMISSIONS	331	271	22%	331
ADVERTISING	69	72	-3%	69
DEPRECIATION 1)	427	398	7%	427
NETWORK INTERCONNECTION	214	190	13%	214
M -> M	162	131	24%	162
M -> L	52	59	-12%	52

(KRW bn)	Q3. '04	Q3. '03	Change	Q3. '04
	-----	-----	-----	-----

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LEASED LINE	94	76	24%	94
OTHERS 2)	221	181	22%	221
OPERATING EXPENSES	1,823	1,590	15%	1,823

- 1) Includes R&D expenses related depreciation
- 2) For details, please refer to non-consolidated statements of income in appendix

1) COMMISSIONS PAID

- Marketing commissions
Initial commissions decreased QoQ due to the new subscriber acquisition ban during the 3rd quarter of 2004.

Retention commissions decreased QoQ due to decrease in the cost related to handset upgrade and membership program because of stabilized market environment compared to the 2nd quarter. Initial commissions increased YoY due to an increase in the acquisition cost per subscriber under Mobile Number Portability("MNP") environment in 2004.

- Other commissions The YoY increase in other commissions was mainly due to an increase in the cost paid to Content Providers as information usage revenue from Wireless Internet service increased.

2) ADVERTISING

- Advertising cost decreased QoQ and YoY because SKT placed its resources more on marketing activities directly related to subscriber acquisition under MNP environment.

3) DEPRECIATION

- The QoQ increase resulted from the increase in depreciable assets. The YoY increase was due to the amortization of WCDMA frequency usage right (KRW 23.9bn/quarter) from December, 2003.

4) NETWORK INTERCONNECTION

- The QoQ decrease was due to higher interconnection expenses in the 2nd quarter as the 1st quarter's adjustment amount was also reflected in the 2nd quarter interconnection expenses as a result of new interconnection rate adjustment.
- The YoY increase was mainly due to the interconnection rate adjustment.

5) LEASED LINE

- Leased line expense increased QoQ and YoY as more lines were leased to accommodate subscriber growth, increase in Wireless Internet traffic, and to enhance call quality.

6) OTHERS

- The number of involuntary deactivation increased due to tight control of delinquent subscribers under the subscriber quality enhancement policy, resulting in increased bad debt provision.

C. NON-OPERATING ITEMS

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(KRW bn)	Q3. '04	Q3. '03	Change	Q3. '04
	-----	-----	-----	-----
OTHER INCOME	49	55	-10%	4
Interest income	15	15	0%	1
Equity in earnings of affiliates	14	-	N/A	1

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(KRW bn)	Q3.'04	Q3.'03	Change	Q3.'04
	-----	-----	-----	-----
Others 1)	20	40	-49%	2
OTHER EXPENSES	107	150	-29%	10
Interest	79	97	-19%	7
R&D contribution & donations	20	20	-2%	2
Others 1)	9	33	-73%	

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

1) INTEREST INCOME

- The QoQ decline in interest income was due to decrease in average balance.

2) EQUITY METHOD PROFIT

- The increase in equity method profit YoY was due to profit improvement in subsidiaries such as SK Communications.

3) INTEREST

- Interest expense decreased QoQ and YoY due to lower cost of borrowing and decrease in average balance of interest-bearing debt.

4) OTHERS IN NON-OPERATING INCOME/EXPENSES

- The decline in non-operating income(others) QoQ was mainly because of a gain on foreign currency transaction from the repayment of Yankee Bond in the 2nd quarter, resulting in higher number reported in the quarter.

- Non-operating expenses(others) decreased QoQ because there was an impairment loss in long-term investment securities caused by Enterprise Networks' application of court receivership in the 2nd quarter, resulting in higher number reported in the quarter.

2. CAPITAL EXPENDITURE

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(KRW bn)	Q3.'04	Q3.'03	Change	Q3.'04
	-----	-----	-----	-----
NETWORK	336	319	5%	33
95 A/B	16	15	6%	1
CDMA 2000 1X	197	150	31%	19
1X	191	147	30%	19
EV-DO	5	3	87%	
WCDMA	57	89	-36%	5
Backbone & others	67	66	2%	6
NON-NETWORK	80	76	5%	8
Wireless Internet & marketing	26	54	-51%	2
General supporting	53	22	141%	5
TOTAL CAPEX	416	395	5%	41

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3. BALANCE SHEET

(KRW bn)	04.9	03.9	Change	04.9
	-----	-----	-----	-----
TOTAL ASSETS	13,887	13,463	3%	13,88
Current assets	3,982	3,698	8%	3,98
Cash & marketable securities	635	1,176	-46%	63
Investment assets	2,068	1,910	8%	2,06
Property & equipment	4,398	4,288	3%	4,39
Intangible assets	3,438	3,566	-4%	3,43
TOTAL LIABILITIES	7,138	7,933	-10%	7,13
Current liabilities	3,288	4,578	-28%	3,28
Short-term borrowings	490	1,459	-66%	49
Current portion of long-term debt	998	1,288	-22%	99
Long-term liabilities	3,849	3,355	15%	3,84
Bond payable & long-term borrowings	2,728	2,505	9%	2,72
TOTAL SHAREHOLDERS' EQUITY	6,749	5,530	22%	6,74
DEBT/EQUITY RATIO 1)	62.5%	95.0%	-32.5%P	62.

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

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

1) CURRENT ASSETS

- Cash & Marketable Securities for September 2003 included a trust fund (KRW 346.6 bn) and Hanaro Telecom CP (KRW 120 bn). The trust fund was cancelled in December 2003, and Hanaro CP was also redeemed in December 2003.

2) INVESTMENT ASSETS

- 4% increase in investment assets QoQ basis was due to share price increase

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in share holdings such as POSCO, and new equity investments such as additional acquisition of SK Communications shares.

3) TOTAL LIABILITIES

- The operating cash inflow was delayed due to the Chuseok holidays (9/27~9/29) resulting in increase of short-term borrowings to meet the short term liquidity needs at the end of September.

4) TOTAL SHAREHOLDERS' EQUITY

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- Increase in shareholders' equity was due to increase in net income as of September 2004.

III. OPERATING RESULT

(KRW bn)	Q3.'04 -----	Q3.'03 -----	Change -----	Q3.'04 -----
Subscribers ('000)	18,603	18,019	3%	18,603
Net adds	8	162	-95%	
Activations	902	898	0%	902
Deactivations	895	736	22%	895
Monthly churn rate	1.6%	1.4	0.2%p	1.6%
Average subscribers('000)	18,721	17,932	4%	18,721
ARPU (KRW)	43,343	44,804	-3%	43,343
Sign-up fee	748	799	-6%	748
Monthly fee & call charge	28,747	30,705	-6%	28,747
VAS & others	1,625	2,291	-29%	1,625
Wireless Internet	8,375	6,288	33%	8,375
Interconnection	3,849	4,721	-18%	3,849
MOU (Minutes)				
Outgoing	188 (1)	197	-5%	188 (1)
Incoming	114 (1)	112	2%	114 (1)
Subscribers by handset feature ('000)				
1X (Including EV-DO)	16,672	13,476	24%	16,672
EV-DO (Including June)	5,962	2,528	136%	5,962
June	3,160	1,243	154%	3,160
Color	14,193	9,218	54%	14,193
Data ARPU by handset (KRW) 2)				
2G	1,750	1,301	34%	1,750
1X(Including EV-DO)	8,340	7,289	14%	8,340
Color	9,571	9,653	-1%	9,571

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- 1) MOU for August and September of 2004 is an estimate.
 2) Excludes others in Wireless Internet sales such as financial enabler,
 Solution/Platform sales, etc.

IV. APPENDIX (NON-CONSOLIDATED STATEMENTS OF INCOME)

(KRW bn)	Q3.'04	Q3.'03	Change	Q3.'04
	-----	-----	-----	-----
Operating revenue	2,434,269	2,410,249	24,020	2,434,269
Operating expenses	1,822,931	1,590,123	232,807	1,822,931
Labor cost 1)	99,758	95,038	4,720	99,758
Commissions paid	696,906	578,433	118,473	696,906
Advertising	69,392	71,652	(2,260)	69,392
Depreciation 2)	427,045	398,283	28,762	427,045
Network interconnection	214,005	189,682	24,323	214,005
Leased line	94,406	75,983	18,423	94,406
Rent	42,784	36,152	6,632	42,784
Frequency usage fees	37,872	33,136	4,736	37,872
Bad debt	19,317	5,426	13,891	19,317
Others	121,447	106,338	15,109	121,447
Operating income	611,338	820,126	(208,787)	611,338
Other income	49,398	54,663	(5,265)	49,398
Interest income	14,906	14,859	48	14,906
Equity in earnings of affiliates	14,386	-	14,386	14,386
Dividend income	3,912	117	3,795	3,912
Foreign exchange & translation gains	187	9,277	(9,090)	187
Others	16,007	30,411	(14,403)	16,007
Other expenses	107,267	150,184	(42,917)	107,267
Interest	78,742	96,859	(18,117)	78,742
R&D contribution & donations	19,608	20,071	(463)	19,608
Equity in losses of affiliates	-	1,881	(1,881)	-

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(KRW bn)	Q3.'04	Q3.'03	Change	Q3.'04
	-----	-----	-----	-----
Foreign exchange & translation losses	324	1,885	(1,561)	324

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Loss on impairment of investment securities	1,000	-	1,000	1,000
Loss on disposal of investment assets, & property/equipment	869	7,883	(7,014)	869
Others	6,725	21,606	(14,881)	6,725
Ordinary income	553,469	724,605	(171,135)	553,469
Income before income taxes	553,469	724,605	-	553,469
Income taxes	157,934	214,333	(56,399)	157,934
Net income	395,536	510,272	(114,736)	395,536

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- 1) Includes salary, severance pay and other benefits
2) Includes R&D expenses related depreciation

IV. APPENDIX (NON-CONSOLIDATED BALANCE SHEETS)

(KRW bn)	04.9	03.9	Change	04.9
	-----	-----	-----	-----
TOTAL ASSETS	13,886,526	13,462,839	423,687	13,886,526
Current assets	3,982,333	3,698,425	283,908	3,982,333
Cash and marketable securities 1)	635,140	1,175,663	(540,522)	635,140
Accounts receivable - trade	1,359,706	1,390,129	(30,423)	1,359,706
Accounts receivable - other	1,785,905	913,105	872,800	1,785,905
Short-term loans	55,694	27,813	27,882	55,694
Inventories	13,779	6,062	7,718	13,779
Other	132,108	185,654	(53,546)	132,108
Investment assets	2,067,979	1,909,838	158,141	2,067,979
Investment securities 2)	1,711,738	1,524,573	187,164	1,711,738
Long-term loans	26,169	44,554	(18,385)	26,169
Guarantee deposits	245,078	239,707	5,371	245,078
Other	84,994	101,003	(16,010)	84,994
Property & equipment	4,397,871	4,288,124	109,747	4,397,871
Land	446,095	441,744	4,351	446,095
Building & fixture	808,415	790,199	18,216	808,415

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(KRW bn)	Q3/04	Q3/03	Change	Q3/04
	-----	-----	-----	-----
Machinery	2,266,293	2,295,792	(29,498)	2,266,293
Vehicles & others	364,769	441,981	(77,212)	364,769
Construction in progress	512,299	318,408	193,891	512,299
Intangible assets	3,438,343	3,566,451	(128,108)	3,438,343

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TOTAL LIABILITIES	7,137,759	7,933,160	(795,400)	7,137,759
Current liabilities	3,288,332	4,577,949	(1,289,618)	3,288,332
Short-term borrowings	490,000	1,458,669	(968,669)	490,000
Accounts payables	1,011,729	713,179	298,550	1,011,729
Income taxes payable	120,097	386,013	(265,916)	120,097
Accrued expenses	402,091	473,269	(71,179)	402,091
Current portion of long-term debt	998,347	1,287,749	(289,402)	998,347
Other	266,069	259,070	-	266,069
Long-term liabilities	3,849,428	3,355,210	494,217	3,849,428
Bond payable & long-term borrowings	2,727,513	2,505,427	222,086	2,727,513
Facility deposits	33,316	45,605	(12,289)	33,316
Accrued severance indemnities	96,390	73,975	22,415	96,390
Others	992,209	730,203	262,006	992,209
TOTAL SHAREHOLDERS' EQUITY	6,748,767	5,529,679	1,219,088	6,748,767
Capital stock	44,639	44,639	-	44,639
Capital surplus	2,983,166	2,916,150	67,016	2,983,166
Retained earnings	5,808,636	4,706,334	1,102,301	5,808,636
Capital adjustments	(2,087,675)	(2,137,445)	49,770	(2,087,675)
Treasury stock	(2,047,105)	(2,047,103)	(2)	(2,047,105)
Unrealized gain(loss) on valuation of investment securities	(45,135)	(93,792)	48,657	(45,135)
Stock options	4,565	3,450	1,115	4,565

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- 1) Cash & marketable securities : Cash & cash equivalent, marketable securities & short-term financial instruments are included
 - 2) Investment securities : Long-term investment securities and investment securities that have applied the equity method.

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SIGNATURES

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

SK TELECOM CO., LTD.

By: /s/ Sung Hae Cho

Name: Sung Hae Cho
Title: Vice President

Date: November 1, 2004

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