

SK TELECOM CO LTD  
Form 20-F/A  
July 25, 2005

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**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
Form 20-F/A  
AMENDMENT NO. 1**

**ANNUAL REPORT PURSUANT TO  
SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004**

**COMMISSION FILE NUMBER 1-14418**

**SK Telecom Co., Ltd.**

*(Exact name of Registrant as specified in its charter)*

**SK TELECOM CO., LTD.**

*(Translation of Registrant's name into English)*

**THE REPUBLIC OF KOREA**

*(Jurisdiction of incorporation or organization)*

**11, EULJIRO2-GA**

**JUNG-GU**

**SEOUL, KOREA**

*(Address of principal executive offices)*

**Securities registered or to be registered pursuant to Section 12(b) of the Act**

<b>Title of Each Class</b>	<b>Name of Each Exchange on Which Registered</b>
AMERICAN DEPOSITARY SHARES, EACH REPRESENTING ONE-NINTH OF ONE SHARE OF COMMON STOCK COMMON STOCK, PAR VALUE WON 500 PER SHARE	NEW YORK STOCK EXCHANGE, INC.  NEW YORK STOCK EXCHANGE, INC.*

**Securities registered or to be registered pursuant to Section 12(g) of the Act.**

**NONE**

*(Title of Class)*

**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.**

**NONE**

*(Title of Class)*

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

**82,276,711 SHARES OF COMMON STOCK, PAR VALUE WON 500 PER SHARE**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

\* Not for trading, but only in connection with the registration of the American Depositary Shares.

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**EXPLANATORY NOTE**

SK Telecom Co., Ltd. ( SK Telecom ) is filing this amendment no. 1 to its annual report on Form 20-F/A (the Amendment No. 1 ) for the fiscal year ended December 31, 2004 in order to correct certain typographical errors contained in its annual report on Form 20-F filed on May 31, 2005 (the Original Annual Report ). This Amendment No. 1 does not reflect events occurring after the filing of the Original Annual Report and does not modify or update the disclosure therein in any way other than as required to reflect the amendments described herein and reflected below. No other changes have been made to the Original Annual Report. The filing of this Amendment No. 1 should not be understood to mean that any statements contained herein are true or complete as of any date subsequent to the date of the original filing of the Original Annual Report.

This report on Form 20-F/A shall be deemed to be incorporated by reference in the prospectuses included in Registration Statements on Form F-3 (File No. 333-126120) filed with the Securities and Exchange Commission and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.

**OVERVIEW OF THE COMPANY S WIRELESS NETWORK**

We are Korea s leading wireless telecommunications services provider and a pioneer in the commercial development and provision of high-speed wireless data and Internet services. We had approximately 19.1 million subscribers as of April 30, 2005 and our share of the Korean wireless market was approximately 51.2%, based on the number of subscribers. We currently provide the following core services:

Cellular services we provide digital cellular services to our subscribers using CDMA (code division multiple access) technology, with our network covering approximately 99% of the Korean population;

Wireless Internet services we provide to subscribers of our wireless Internet services the ability to access the Internet over our networks using laptops, personal digital assistants and other devices; and

Internet content and Internet access under our NATE brand name, we allow our wireless subscribers to access various websites designed for cellular use, such as access to information and on-line banking services.

In addition, we provide various services outside of Korea, including in China, Mongolia, Vietnam and the United States.

We provide our core services through our CDMA networks and we currently have 2 x 25 MHz of spectrum (i.e., 25 MHz for transmissions from handsets to cell sites and 25 MHz for transmissions from cell sites to handsets) in the 800 MHz range. In October 2000, we became the world s first wireless operator to commercially launch CDMA 1xRTT technology, a CDMA-based advanced radio transmission technology for high-speed wireless data and wireless Internet services. This technology allows transmission of data at speeds of up to 144 Kbps, compared to the 64 Kbps possible over our original CDMA network. In addition to higher data transfer speeds, CDMA 1xRTT technology uses packet-based data transmission technology, which permits more efficient use of the existing wireless spectrum and packet-based pricing of data services.

Beginning in 2002, we launched an upgrade of our CDMA 1xRTT network to employ more advanced CDMA 1xEV/DO technology, and as of December 31, 2004, our upgrade has been completed in 84 cities in Korea. CDMA 1xEV/DO is a more advanced CDMA-based technology which enables data to be transmitted at speeds of up to 2.4 Mbps. This technology allows us to provide advanced wireless data services such as streaming video and audio services.

We are also in the process of installing our wide-band code division multiple access, or W-CDMA network. We were one of the two wireless telecommunications providers to receive a W-CDMA license from the MIC in 2001. W-CDMA, which is commonly referred to as 3G, is a digital cellular technology which uses a 2 × 20 MHz of radio frequency spectrum in the 2 GHz band. We expect that once fully implemented, this new network will allow our subscribers to access a wider range of services, including multimedia content and communications, as this technology enables data to be transmitted at significantly higher data transmission speeds than our principal data network. We are continuing to improve our W-CDMA services in the Seoul metropolitan area and are continuing to build out our W-CDMA network in other metropolitan areas of Korea.

In March 2004, the MIC assigned us frequency for satellite digital multimedia broadcasting, or DMB, a service which allows broadcasting of multimedia content by satellite to various mobile devices including satellite DMB handsets. In October 2004, we granted the rights to our satellite, satellite orbit and frequency to TU Media Corp., one of our affiliates, which received a license from the MIC as a satellite DMB provider on December 30, 2004. On May 1, 2005, TU Media Corp. began to provide satellite DMB services.

We have also received a license from the MIC to provide wireless broadband, or WiBro services, which we believe will serve as a complementary solution to our existing networks and technologies. WiBro is a portable Internet which is expected to deliver broadband connections to users. Once implemented, WiBro will offer subscribers wireless Internet services at a competitive price in the metropolitan areas of Korea where there is a high demand for high-speed and large packet data services.

We established our telecommunications business in March 1984 under the name of Korea Mobile Telecommunications Services Co., Ltd., under the laws of Korea. We changed our name to Korea Mobile Telecommunications Co., Ltd. in 1988. We changed our name to SK Telecom Co., Ltd. effective March 21, 1997. Our registered office is at 11, Euljiro 2-ga, Jung-gu, Seoul 100-999, Korea and our telephone number is 82-2-6100-1563.

In this report, we refer to third generation or 3G mobile communications systems. Second generation systems or 2G systems were designed primarily with voice communications in mind. 3G systems are designed to facilitate voice, high speed data and multimedia service.

#### **CERTAIN DEFINED TERMS AND CONVENTIONS USED IN THIS REPORT**

All references to Korea contained in this report shall mean The Republic of Korea. All references to the Government shall mean the government of The Republic of Korea. All references to we, us, our or the Company mean SK Telecom Co., Ltd. and its consolidated subsidiaries. References to SK Telecom shall mean SK Telecom Co., Ltd., but shall not include its consolidated subsidiaries. All references to U.S. shall mean the United States of America. Unless otherwise indicated, from April 1, 2000 onwards, all references to our number of subscribers shall include subscribers attributable to Shinsegi Telecomm, Inc.

All references to KHz contained in this report shall mean kilohertz, a unit of frequency denoting one thousand cycles per second, used to measure band and bandwidth. All references to MHz shall mean

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megahertz, a unit of frequency denoting one million cycles per second. All references to GHz shall mean gigahertz, a unit of frequency denoting one billion cycles per second. All references to Kbps shall mean one thousand binary digits, or bits, of information per second. All references to Mbps shall mean one million bits of information per second. Any discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

All references to Won , (Won) or W in this report are to the currency of Korea, all references to Dollars , \$ or are to the currency of the United States of America and all references to Yen or ¥ are to the currency of Japan.

Unless otherwise indicated, all financial information in this report is presented in accordance with Korean generally accepted accounting principles ( Korean GAAP ).

Unless otherwise indicated, translations of Won amounts into Dollars in this report were made at the noon buying rate in The City of New York for cable transfers in Won per US\$1.00 as certified for customs purposes by the Federal Reserve Bank of New York. Unless otherwise stated, the translations of Won into Dollars were made at the noon buying rate in effect on December 31, 2004, which was Won 1,035.1 to US\$1.00. On December 31, 2003, the noon buying rate was Won 1,192.0 to US\$1.00. On May 25, 2005, the noon buying rate was Won 1,000.0 to US\$1.00. See Item 3. Key Information Exchange Rates .

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This report contains forward-looking statements , as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, that are based on our current expectations, assumptions, estimates and projections about our company and our industry. The forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as anticipate , believe , considering , depends , estimate , expect , plan , planning , planned , project and similar expressions, or that certain events, actions or results will , may , should or could occur, be taken or be achieved.

Forward-looking statements in this annual report include, but are not limited to, the following:

our ability to anticipate and respond to various competitive factors affecting the wireless telecommunications industry, including new services that may be introduced, changes in consumer preferences, economic conditions and discount pricing strategies by competitors;

our implementation of CDMA 1xEV/ DO technology and other technologies such as W-CDMA, which is commonly referred to as third generation, or 3G, wireless technology;

our plans to spend approximately Won 1.6 trillion for capital expenditures in 2005 for a range of projects, including expansion and improvement of our wireless networks, investments in our Internet-related businesses and expansion of our W-CDMA network and our expected future capital expenditures on various initiatives;

our efforts to make significant investments to build, develop and broaden our businesses, including developing and providing wireless data, multimedia, mobile commerce and Internet services;

our ability to comply with governmental rules and regulations, including the regulations of the Ministry of Information and Communication, or the MIC, related to telecommunications providers, rules related to our status as a market-dominating business entity under the Korean Monopoly Regulation and Fair Trade Act, or the Fair Trade Act, and the effectiveness of steps we have taken to comply with such regulations;

our ability to manage effectively our bandwidth and to implement timely and efficiently new bandwidth-efficient technologies;

our expectations and estimates related to interconnection fees; tariffs charged by our competitors; regulatory fees; operating costs and expenditures; working capital requirements; principal repayment obligations with respect to long-term borrowings, bonds and obligations under capital leases; and research and development expenditures and other financial estimates;

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the effect of the number portability system that allows wireless subscribers to switch wireless service operators while retaining the same mobile phone number and the use of the common prefix identification system;

the success of our various joint ventures and investments in other telecommunications service providers; and

the growth of the telecommunications industry in Korea and other markets in which we do business and the effect that economic, political or social conditions have on our number of subscribers, call volumes and results of operations.

We caution you that reliance on any forward-looking statement involves risks and uncertainties, and that although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be incorrect. Risks and uncertainties associated with our business, include but are not limited to, risks related to changes in the regulatory environment; technology changes; potential litigation and governmental actions; changes in the competitive environment; political changes; foreign exchange currency risks; foreign ownership limitations; credit risks and other risks and uncertainties that are more fully described under the heading **Key Information Risk Factors** beginning on page 12 of this report, and elsewhere in this report. In light of these and other uncertainties, you should not conclude that we will necessarily achieve any plans and objectives or projected financial results referred to in any of the forward-looking statements. We do not undertake to release the results of any revisions of these forward-looking statements to reflect future events or circumstances.

**ENFORCEABILITY OF CIVIL LIABILITIES**

We are a corporation with limited liability organized under the laws of Korea. All of our directors and officers and certain other persons named in this annual report reside in Korea, and all or a significant portion of the assets of the directors and officers and certain other persons named in this annual report and substantially all of our assets are located in Korea. As a result, it may not be possible for you to effect service of process within the United States upon such persons or to enforce against them or against us in U.S. courts judgments predicated upon the civil liability provisions of the federal securities laws of the United States. There is doubt as to the enforceability in Korea, either in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated on the U.S. federal securities laws.

**Table of Contents****PART I****Item. 1 Identity of Directors, Senior Management and Advisers**

Not applicable.

**Item. 2 Offer Statistics and Expected Timetable**

Not applicable.

**Item. 3 Key Information****SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA**

You should read the selected consolidated financial and operating data below in conjunction with the consolidated financial statements and the related notes included elsewhere in this report. The selected consolidated financial data for the five years ended December 31, 2004 are derived from our audited consolidated financial statements and related notes thereto. Information as of and for the years ended December 31, 2000 and 2001 includes information as of and for the nine months ended December 31, 2000 and the year ended December 31, 2001, respectively, for Shinsegi unless otherwise specified. Shinsegi was merged into SK Telecom in January 2002.

Our consolidated financial statements are prepared in accordance with Korean GAAP, which differ in certain respects from U.S. GAAP. For more detailed information you should refer to notes 30 and 31 of the notes to our audited consolidated financial statements included in this annual report.

	As of or for the Year Ended December 31,						
	2000	2001	2002	2003	2004	2004*	
	(In billions of Won and millions of Dollars, except per share and percentage data)						
<b>INCOME STATEMENT DATA</b>							
<b>Korean GAAP:</b>							
Total Operating Revenue <sup>(1)</sup>	(Won) 7,423.1	(Won) 8,371.9	(Won) 9,324.0	(Won) 10,272.1	(Won) 10,570.6	US\$	10,212.2
Cellular Service <sup>(1)</sup>	7,245.1	8,203.0	9,156.8	10,091.8	10,297.6		9,948.4
Paging Service <sup>(2)</sup>	57.7	8.8					
Other <sup>(3)</sup>	120.3	160.1	167.2	180.3	273.0		263.8
Operating Expenses	5,927.6	6,047.4	6,526.4	7,167.0	8,130.9		7,855.2
Operating Income	1,495.5	2,324.5	2,797.6	3,105.1	2,439.7		2,357.0

Income before Income Taxes and Minority Interest	1,287.8	1,976.7	2,218.8	2,754.3	2,123.2	2,051.2
Income before Minority Interest	920.5	1,126.4	1,520.3	1,965.3	1,493.4	1,442.8
Net Income	972.3	1,146.0	1,487.2	1,966.1	1,491.5	1,440.9
Income per Share of Common Stock <sup>(4)</sup>	11,146	13,242	17,647	26,187	20,261	19.57
Diluted Net Income per Share of Common Stock <sup>(4)</sup>	11,146	13,242	17,647	26,187	20,095	19.41
Dividends per Share of Common Stock <sup>(5)</sup>	540	690	1,800	5,500	10,300	9.95
Weighted Average Number of Shares	87,226,559	86,545,041	84,270,450	75,078,219	73,614,297	73,614,297
<b>U.S. GAAP:</b> Net Income Income per Share of Common Stock <sup>(4)</sup>	(Won) 895.4	(Won) 1,111.6	(Won) 1,301.1	(Won) 2,062.7	(Won) 1,553.1	US\$ 1,500.4
Diluted Net Income per Share of Common Stock <sup>(4)</sup>	10,265	12,844	15,440	27,475	21,097	20.38
Diluted Net Income per Share of Common Stock <sup>(4)</sup>	10,265	12,844	15,439	27,475	20,921	20.21
Dividends per Share of Common Stock <sup>(5)</sup>	540	690	1,800	5,500	10,300	9.95
Weighted Average Number of Shares	87,226,559	86,545,041	84,270,450	75,078,219	73,614,297	73,614,297

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	<b>As of or for the Year Ended December 31,</b>						
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2004*</b>	
	<b>(In billions of Won and millions of Dollars, except per share and percentage data)</b>						
<b>BALANCE SHEET DATA</b>							
<b>Korean GAAP:</b>							
Working Capital							
(Deficiency) <sup>(6)</sup>	(Won) (374.6)	(Won) 668.2	(Won) (189.7)	(Won) (461.4)	(Won) 1,323.8	US\$ 1,278.9	
Fixed Assets							
Net	4,543.2	4,174.7	4,569.4	4,641.5	4,703.9	4,544.4	
Total Assets	11,044.2	13,326.3	14,228.7	13,818.2	14,283.4	13,799.1	
Long-term Liabilities <sup>(7)</sup>	1,727.2	3,498.4	3,693.4	3,193.5	4,010.7	3,874.7	
Total Shareholders Equity	6,142.7	6,149.3	6,231.9	6,093.8	7,205.7	6,961.4	
<b>U.S. GAAP:</b>							
Working Capital							
(Deficiency)	(332.5)	729.6	(108.2)	(445.5)	1,311.3	1,266.8	
Total Assets	11,182.8	13,841.0	15,720.7	15,586.2	15,576.8	15,048.6	
Total Shareholders Equity	6,117.9	5,820.1	6,356.2	7,014.7	8,237.0	7,957.7	
<b>OTHER FINANCIAL DATA</b>							
<b>Korean GAAP:</b>							
EBITDA <sup>(8)</sup>	(Won) 2,941.7	(Won) 3,932.4	(Won) 3,954.1	(Won) 4,706.4	(Won) 4,085.8	US\$ 3,947.3	
Capital Expenditures <sup>(9)</sup>	2,241.1	1,382.1	2,024.7	1,647.6	1,704.3	1,646.5	
R&D Expenses <sup>(10)</sup>	117.1	153.7	253.3	300.7	336.1	324.7	
Internal R&D	78.8	130.7	194.3	235.8	267.1	258.0	
External R&D	38.3	23.0	59.0	64.9	69.0	66.7	
Depreciation and Amortization	1,456.4	1,759.6	1,543.3	1,646.3	1,741.6	1,682.5	
Cash Flow from Operating Activities	3,043.5	2,423.9	4,267.8	3,328.8	2,516.1	2,430.8	
Cash Flow from Investing Activities	(4,667.8)	(1,972.8)	(3,063.4)	(1,414.4)	(1,469.5)	(1,419.7)	

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Cash Flow from Financing Activities	1,629.3	331.2	(1,418.2)	(2,261.0)	(968.6)	(935.8)
Margins (% of total sales):						
EBITDA Margin <sup>(8)</sup>	39.6%	47.0%	42.4%	45.8%	38.7%	38.7%
Operating Margin	20.1	27.8	30.0	30.2	23.1	23.1
Net Margin	13.1	13.7	15.9	19.1	14.1	14.1
<b>U.S. GAAP:</b>						
EBITDA <sup>(8)</sup>	2,930.5	3,859.1	3,620.7	4,679.1	3,970.4	3,835.8
Capital Expenditures <sup>(9)</sup>	2,241.1	1,382.1	2,024.7	1,647.6	1,704.3	1,646.5
Cash Flow from Operating Activities	3,043.5	2,423.8	3,708.9	3,281.3	2,985.9	2,884.7
Cash Flow from Investing Activities	(4,667.8)	(1,972.8)	(2,995.2)	(1,422.5)	(1,393.2)	(1,346.0)
Cash Flow from Financing Activities	1,629.3	331.2	(927.5)	(2,205.5)	(1,514.8)	(1,463.4)

As of or for the Year Ended December 31,

**2000                      2001                      2002                      2003                      2004**

**SELECTED OPERATING DATA**

Population of Korea (millions) <sup>(11)</sup>		47.0		47.4		47.6		47.9		48.2
Our Wireless Penetration <sup>(12)</sup>		30.7%		32.0%		36.1%		38.2%		39.0%
Number of Employees <sup>(13)</sup>		7,279		5,693		6,241		6,286		7,353
Total Sales per Employee (millions)	(Won)	1,019.8	(Won)	1,470.6	(Won)	1,494.0	(Won)	1,634.1	(Won)	1,437.6
Wireless Subscribers <sup>(14)</sup>		14,452,683		15,179,163		17,219,562		18,313,315		18,783,338
Average Monthly Outgoing Voice Minutes per Subscriber <sup>(15)</sup>		148		172		191		197		194
Average Monthly Revenue per Subscriber <sup>(16)</sup>	(Won)	32,906	(Won)	36,400	(Won)	38,383	(Won)	39,739	(Won)	39,689

Average Monthly Churn Rate <sup>(17)</sup>	2.8%	1.4%	1.4%	1.2%	1.7%
Digital Cell Sites <sup>(18)</sup>	7,008	6,056	7,384	8,309	9,458

\* The conversion into Dollars was made at the rate of Won 1,035.1 to US\$1.00. See note 2(a) of the notes to our consolidated financial statements.

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- (1) Includes Won 494.0 billion for 2000, Won 702.4 billion for 2001, Won 534.0 billion for 2002, Won 612.0 billion for 2003 and Won 649.8 billion for 2004 from the sale of digital handsets by our subsidiary, SK Teletech Co., Ltd., and Won 1,312.4 billion for 2000, Won 1,339.9 billion for 2001, Won 1,043.2 billion for 2002, Won 1,017.1 billion for 2003 and Won 849.4 billion for 2004 of interconnection revenue (including interconnection revenue in respect of calls between mobile users starting in 2000). Shinsegi was merged into us on January 13, 2002. See Business Interconnection .
- (2) In March 2001, we transferred our paging business to Real Telecom Co., Ltd. (formerly known as INTEC Telecom Co., Ltd.) in exchange for 9.9% of Real Telecom s newly issued shares and bonds with a principal amount of Won 9.5 billion that can be converted into an additional 7.8% interest in Real Telecom. Consequently, the results of the paging business are no longer included in our revenues after such date.
- (3) For more information about our other revenue, see Operating and Financial Review and Prospects and Business .
- (4) Income per share of common stock is calculated by dividing net income by the weighted average number of shares outstanding during the period, giving effect to the 10-for-1 stock split of our common shares which became effective on April 21, 2000 and resulted in the par value of each share being reduced from Won 5,000 to Won 500.
- (5) Dividend per share of common stock has been adjusted to give effect to the 10-for-1 stock split of our common shares of common stock which became effective on April 21, 2000. On January 1, 2002, we adopted Statement of Korea Accounting Standards ( SKAS ) No. 6, Events Occurring after Balance Sheet Date . This statement requires that proposed cash dividends be reflected on the balance sheet when the appropriations are approved by shareholders which is similar to U.S. GAAP. In order to reflect this accounting change, our prior year s financial statements have been restated accordingly. See note 2(w) of the notes to our consolidated financial statements.
- (6) Working capital means current assets minus current liabilities.
- (7) Our monetary assets and liabilities denominated in foreign currencies are valued at the exchange rate of Won 1,260 to US\$1.00 as of December 31, 2000, Won 1,326 to US\$1.00 as of December 31, 2001, Won 1,200 to US\$1.00 as of December 31, 2002, Won 1,198 to US\$1.00 as of December 31, 2003 and Won 1,044 to US\$1.00 as of December 31, 2004, the rates of exchange permitted under Korean GAAP as of those dates. See note 2(s) of the notes to our consolidated financial statements.
- (8) EBITDA refers to income before interest income, interest expense, taxes, depreciation and amortization. EBITDA is commonly used in the telecommunications industry to analyze companies on the basis of operating performance, leverage and liquidity. Since the telecommunications business is a very capital intensive business, capital expenditures and level of debt and interest expenses may have a significant impact on net income for companies with similar operating results. Therefore, for a telecommunications company such as ourselves, we believe that EBITDA provides a useful reflection of our operating results. We use EBITDA as a measurement of operating performance because it assists us in comparing our performance on a consistent basis as it removes from our operating results the impact of our capital structure, which includes interest expense from our outstanding debt, and our asset base, which includes depreciation and amortization of our property and equipment. However, EBITDA should not be construed as an alternative to operating income or any other measure of performance determined in accordance with Korean GAAP or U.S. GAAP or as an indicator of our operating performance, liquidity or cash flows generated by operating, investing and financing activities. Other companies may define EBITDA differently than we do. EBITDA under U.S. GAAP

is computed using interest income, interest expense, depreciation, amortization and income taxes under U.S. GAAP which may differ from Korean GAAP for these items.

- (9) Consists of investments in property, plant and equipment.
- (10) Includes donations to Korean research institutes and educational organizations. See Operating and Financial Review and Prospects Research and Development .
- (11) Population estimates based on historical data published by the National Statistical Office of Korea.
- (12) Wireless penetration is determined by dividing subscribers by total estimated population, as of the end of the period.
- (13) Includes regular employees and temporary employees. See Employees . Includes 1,687 and 1,332 Shinsegi employees as of December 31, 2000 and 2001, respectively.
- (14) Wireless subscribers include those subscribers who are temporarily deactivated, including (1) subscribers who voluntarily deactivate temporarily for a period of up to three months no more than twice a year and (2) subscribers with delinquent accounts who may be involuntarily deactivated up to two months before permanent deactivation, which we determine based on various factors, including prior payment history. Wireless subscribers also include 3,517,831 Shinsegi subscribers as of December 31, 2000 and 3,311,874 as of December 31, 2001. Shinsegi was merged into SK Telecom on January 13, 2002.
- (15) The average monthly outgoing voice minutes per subscriber is computed by dividing the total minutes of outgoing voice usage for the period by the monthly weighted average number of subscribers for the period and dividing the quotient by the number of months in the period. The monthly weighted average number of subscribers is the sum of the average number of subscribers for the month, calculated by taking the simple average number of subscribers at the beginning of the month and at the end of the month, divided by the number of months in the period. Shinsegi s subscribers and outgoing voice minutes are included from April 1, 2000.
- (16) The average monthly revenue per subscriber excludes interconnection revenue and is computed by dividing total initial connection fees, monthly access fees, usage charges for voice and data, international charges, value-added service fees; and interest on overdue accounts (net of telephone tax) for the period by the monthly weighted average number of subscribers for the period and dividing the quotient by the number of months in the period. Including interconnection revenue, consolidated average monthly revenue per subscriber was Won 43,958 for 2002, Won 44,546 for 2003 and Won 43,542 for 2004. Shinsegi s subscribers and revenue are included from April 1, 2000. For information about the average monthly revenue per subscriber of SK Telecom and Shinsegi on a stand-alone basis, see Operating and Financial Review and Prospects Overview .
- (17) The average monthly churn rate for a period is the number calculated by dividing the sum of voluntary and involuntary deactivations during the period by the simple average of the number of subscribers at the beginning and end of the period and dividing the quotient by the number of months in the period. Churn includes subscribers who upgrade to CDMA 1xRTT or CDMA 1xEV/ DO-capable handsets by terminating their service and opening a new subscriber account.
- (18) Includes 2,532 cell sites of Shinsegi as of December 31, 2000 and 1,685 cell sites as of December 31, 2001.  
As a measure of our operating performance, we believe that the most directly comparable U.S. and Korean GAAP measure to EBITDA is net income. The following table reconciles our net income under U.S. GAAP to our definition of EBITDA on a consolidated basis for the five years ended December 31, 2000, 2001, 2002, 2003 and 2004.



**Table of Contents****RECONCILIATION OF NET INCOME TO EBITDA UNDER U.S. GAAP**

	As of or for the Year Ended December 31,					
	2000	2001	2002	2003	2004	2004*
	(In billions of Won and millions of Dollars)					
<b>Net Income</b>	(Won) 895.4	(Won) 1,111.6	(Won) 1,301.1	(Won) 2,062.7	(Won) 1,553.1	US\$ 1,500.4
ADD: Interest income	(67.6)	(101.8)	(90.8)	(93.9)	(86.7)	(83.8)
Interest expense	215.1	274.4	396.6	387.1	291.0	281.2
Taxes	408.5	791.3	585.0	811.5	611.1	590.4
Depreciation and Amortization	1,479.1	1,783.6	1,428.8	1,511.7	1,601.9	1,547.6
<b>EBITDA</b>	(Won) 2,930.5	(Won) 3,859.1	(Won) 3,620.7	(Won) 4,679.1	(Won) 3,970.4	US\$ 3,835.8

\* The conversion into Dollars was made at the rate of Won 1,035.1 to US\$1.00. See note 2(a) of the notes to our consolidated financial statements.

The following table reconciles our net income under Korean GAAP to our definition of EBITDA on a consolidated basis for the five years ended December 31, 2000, 2001, 2002, 2003 and 2004.

**RECONCILIATION OF NET INCOME TO EBITDA UNDER KOREAN GAAP**

	As of or for the Year Ended December 31,					
	2000	2001	2002	2003	2004	2004*
	(In billions of Won and millions of Dollars)					
<b>Net Income</b>	(Won) 972.3	(Won) 1,146.0	(Won) 1,487.2	(Won) 1,966.1	(Won) 1,491.5	US\$ 1,440.9
ADD: Interest income	(67.6)	(97.4)	(86.0)	(86.5)	(80.5)	(77.7)
Interest expense	213.3	273.9	311.1	391.5	303.4	293.1
Taxes	367.3	850.3	698.5	789.0	629.8	608.5
Depreciation and Amortization	1,456.4	1,759.6	1,543.3	1,646.3	1,741.6	1,682.5
<b>EBITDA</b>	(Won) 2,941.7	(Won) 3,932.4	(Won) 3,954.1	(Won) 4,706.4	(Won) 4,085.8	US\$ 3,947.3

\* The conversion into Dollars was made at the rate of Won 1,035.1 to US\$1.00. See note 2(a) of the notes to our consolidated financial statements.

**Table of Contents****EXCHANGE RATES**

The following table sets forth, for the periods and dates indicated, certain information concerning the noon buying rate in The City of New York for cable transfers in Won per US\$1.00 as certified for customs purposes by the Federal Reserve Bank of New York. We make no representation that the Won or Dollar amounts we refer to in this report could have been or could be converted into Dollars or Won, as the case may be, at any particular rate or at all.

<b>Year Ended December 31,</b>	<b>At End Of Period</b>	<b>Average Rate(1) (Won per US\$1.00)</b>	<b>High</b>	<b>Low</b>
2000	1,267	1,140	1,267	1,106
2001	1,314	1,293	1,369	1,234
2002	1,186	1,250	1,332	1,161
2003	1,192	1,193	1,262	1,146
2004	1,035	1,145	1,195	1,035
<b>Past Six Months</b>			<b>High</b>	<b>Low</b>
			<b>(Won per US\$1.00)</b>	
November 2004			1,119	1,046
December 2004			1,067	1,035
January 2005			1,058	1,024
February 2005			1,044	