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SK TELECOM CO LTD  
Form 6-K  
May 19, 2003

1934 Act Registration No. 1-14418  
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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 6-K

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

FOR THE MONTH OF MAY 2003

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

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

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

Form 20-F  Form 40-F

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

Yes            No

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

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This report on Form 6-K shall be deemed to be incorporated by reference in the prospectuses included in Registration Statements on Form F-3 (File Nos. 333-91034 and 333-99073) 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and Exchange Commission and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2003

In this report on Form 6-K, unless the context indicates or otherwise requires, references to "we", "us", "our" or the "Company" shall mean SK Telecom Co., Ltd. and its consolidated subsidiaries, and references to "SK Telecom" shall mean SK Telecom Co., Ltd., but shall not include its consolidated subsidiaries. Unless otherwise indicated, references to our number of subscribers shall include Shinsegi Telecomm, Inc.'s subscribers from April 1, 2000. All references to "Korea" contained in this report shall mean The Republic of Korea and all references to the "Government" shall mean the government of The Republic of Korea.

The financial information appearing in this report and in our accompanying consolidated financial statements is stated in Korean won. All references to "Won" or "W" in this report are to the currency of Korea. Any discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

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", "estimate", "expect", "intend", "project", "should", and similar expressions. Those statements include, among other things, the discussions of our liquidity and capital resources. 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. 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.

NON-CONSOLIDATED FINANCIAL INFORMATION AS OF AND FOR THE THREE MONTHS ENDED  
MARCH 31, 2002 AND 2003

We must file quarterly reports with the Financial Supervisory Commission of Korea and the Korea Stock Exchange. The unaudited, reviewed and non-consolidated

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financial information as of and for the three months ended March 31, 2002 and 2003 shown below were prepared pursuant to generally accepted accounting principles in Korea ("Korean GAAP"), which differs in certain material respects from generally accepted accounting principles in the United States.

The financial information below is non-consolidated and includes the results of operations of our subsidiaries using the equity method of accounting. Therefore, although net income in our consolidated financial statements may be similar to that in our non-consolidated financial statements our operating revenue, total assets and total liabilities, if prepared on a consolidated basis, could be significantly different from those in our non-consolidated financial statements. Under Korean GAAP, our non-consolidated revenues accounted for between approximately 74.4% and 92.6% of our consolidated revenues for the years ended December 31, 2000, 2001 and 2002. We can give no assurance as to what the actual ratios will be for 2003.

Shinsegi was merged into SK Telecom on January 13, 2002. As a result, our results of operations from that date include the results of operations of the business that was previously operated by Shinsegi, as a subsidiary, and which was accounted for using the equity method of accounting in our non-consolidated financial information.

	FOR THE THREE MONTHS ENDED MARCH 31,	
	2002	2003
	(IN BILLIONS OF WON)	
<b>NON-CONSOLIDATED INCOME STATEMENT DATA</b>		
Operating Revenue.....	W 1,932.2	W 2,111.1
Operating Expenses.....	1,269.2	1,269.2
Operating Income.....	663.1	841.9
Other Income.....	59.0	59.0
Other Expenses.....	85.6	85.6
Income Taxes.....	192.9	192.9
	-----	-----
Net Income.....	W 443.6	W 841.9

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	AS OF MARCH 31,	
	2002	2003
	(IN BILLIONS OF WON)	
<b>NON-CONSOLIDATED BALANCE SHEET DATA</b>		
Total Current Assets.....	W 2,757.5	W 4,848.5
Total Non-Current Assets.....	8,648.5	8,648.5
Total Assets.....	11,406.0	13,497.0
Total Current Liabilities.....	2,976.4	4,848.5
Total Long-Term Liabilities.....	2,879.7	3,848.5

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Total Shareholders' Equity.....	W 5,550.0	W 4,
	=====	=====

Non-Consolidated Operating Revenue. SK Telecom's operating revenue increased by 16.1% to Won 2,242.7 billion for the three months ended March 31, 2003 from Won 1,932.2 billion for the three months ended March 31, 2002, principally reflecting an 18.7% increase in cellular revenue to Won 1,983.0 billion for the three months ended March 31, 2003 from Won 1,670.1 billion for the three months ended March 31, 2002.

The increase in SK Telecom's cellular revenue was principally due to increases in the number of SK Telecom's average wireless subscribers and non-consolidated average monthly revenue per subscriber (excluding interconnection revenue). The number of SK Telecom's subscribers increased to approximately 17.6 million as of March 31, 2003 from approximately 16.0 million as of March 31, 2002. Wireless Internet sales increased by 108.7% to Won 265 billion for the three months ended March 31, 2003 from Won 127.3 billion for the three months ended March 31, 2002, representing 13.4% of SK Telecom's cellular revenue, primarily due to the increased number of wireless Internet-enabled handset holders. However, the increase in wireless Internet sales was partially offset by a change in the accounting method related to wireless Internet sales. SK Telecom now recognizes e-lottery sales net of sourcing cost of contents. Such sales were previously recognized on a gross basis. Value-added service and others sales increased by 69.8% to Won 105.2 billion for the three months ended March 31, 2003 from Won 61.9 billion for the three months ended March 31, 2002.

SK Telecom's non-consolidated average monthly revenue per subscriber (including interconnection revenue) increased by 3.2% to Won 42,895 for the three months ended March 31, 2003 from Won 41,546 for the three months ended March 31, 2002. The increase was principally due to increases in wireless Internet average monthly revenue per subscriber and average monthly revenue per subscriber from value-added service, despite a change in the accounting method related to voice information services. SK Telecom now recognizes voice information sales net of commissions to contents providers. Such sales were previously recognized on a gross basis. However, the increase was partially offset by the reduction in tariffs by 7.3% (based on the reduction in a standard tariff plan) from January 2003.

Interconnection revenue decreased slightly by 0.9% to Won 259.7 billion for the three months ended March 31, 2003 from Won 262.1 billion for the three months ended March 31, 2002. The decrease was the result of lower interconnection rates in 2003.

Non-Consolidated Operating Income. SK Telecom's operating income increased by 13.2% to Won 750.9 billion for the three months ended March 31, 2003 from Won 663.1 billion for the three months ended March 31, 2002. SK Telecom's operating income did not increase commensurate with the increase in its operating revenue as a result of an increase in its operating expenses for the first quarter of 2003. SK Telecom's operating expenses for the three months ended March 31, 2003 increased by 17.5% to Won 1,491.8 billion compared to Won 1,269.2 billion for the three months ended March 31, 2002. The increase in SK Telecom's operating expenses was primarily due to the increases in commissions, depreciation

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expenses, interconnection expenses, labor costs, advertising expenses, leased line expenses and miscellaneous operating expenses.

Commissions paid to SK Telecom's authorized dealers increased by 19.4% to Won 525.1 billion for the three months ended March 31, 2003 compared to Won 439.7 billion for the three months ended March 31, 2002. The increase was primarily due to the increase in average subscribers by 12.4% during the period and as a result of our aggressive marketing activities to maintain our market leadership in 2G & 2.5G service as well as 3G service going forward.

Depreciation and amortization expenses increased by 5.9% to Won 315.2 billion for the three months ended March 31, 2003 compared to Won 297.7 billion for the three months ended March 31, 2002. The increase in depreciation expenses was primarily due to the expansion of SK Telecom's CDMA 1xRTT network.

Interconnection expenses increased by 21.5% to Won 181.1 billion for the three months ended March 31, 2003 compared to Won 149.0 billion for the three months ended March 31, 2002. The increase was primarily due to the higher subscriber numbers and an increase of the mandated payment in Universal Service Obligation fund for the first quarter of 2003 of Won 22.5 billion compared to Won 7.2 billion in the first quarter of 2002, which were only partially offset by a decrease in interconnection rates and a decrease in the level of interconnection fees that SK Telecom must pay to other operators for calls using their networks.

Labor cost increased by 27.9% to Won 123.9 billion for the three months ended March 31, 2003 compared to Won 96.9 billion for the three months ended March 31, 2002. The increase was primarily due to higher wage levels.

Advertising expenses increased by 32.8% to Won 92.7 billion for the three months ended March 31, 2003 compared to Won 69.8 billion for the three months ended March 31, 2002, primarily due to the promotion of new services such as Cara, June and Moneta.

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Leased line expenses increased by 11.0% to Won 72.9 billion for the three months ended March 31, 2003 compared to Won 65.7 billion for the three months ended March 31, 2002, primarily due to an increase in wireless traffic.

Miscellaneous operating expenses increased by 20.3% to Won 180.9 billion for the three months ended March 31, 2003 compared to Won 150.3 billion for the three months ended March 31, 2002, primarily due to increases in research and development expenses and frequency usage fees.

Non-Consolidated Other Income. Other income decreased by 17.5% to Won 48.7 billion for the three months ended March 31, 2003 compared to Won 59.0 billion for the three months ended March 31, 2002. Other income consists primarily of commission income, interest income, foreign exchange and translation gains, gain on equity method, gain on disposal of property and equipment, reversal of allowance for doubtful accounts and miscellaneous income. Other income decreased primarily due to the absence of gain on equity method (compared to a gain of Won 21.7 billion in the first quarter of 2002), a decrease in gain on disposal of property and equipment and the absence of reversal of allowance for doubtful accounts (compared to a gain of Won 1.5 billion in the first quarter of 2002) which were partially offset by increases in commission income, foreign exchange translation gains, interest income and miscellaneous other income.

Non-Consolidated Other Expenses. Other expenses increased by 74.6% to Won

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149.5 billion for the three months ended March 31, 2003 compared to Won 85.6 billion for the three months ended March 31, 2002. Other income consists primarily of interest expense, donations, foreign exchange and translation losses, loss on equity method and miscellaneous expenses. Other expenses increased primarily as a result of increases in interest expenses, donations and loss on equity method. As a percentage of operating revenue, other expenses increased slightly to 6.7% for the three months ended March 31, 2003 from 4.4% for the three months ended March 31, 2002.

Non-Consolidated Income Tax. Provision for income taxes increased by 4.7% to Won 201.9 billion for the three months ended March 31, 2003 from Won 192.9 billion for the three months ended March 31, 2002.

Non-Consolidated Net Income. Principally as a result of the factors discussed above, SK Telecom's net income increased slightly by 1.1% to 448.7 billion for the three months ended March 31, 2003 from Won 443.6 billion for the three months ended March 31, 2002.

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### INCOME STATEMENT

(KRW mn)	1Q 03 -----	4Q 02 -----
REVENUE	2,242,746	2,365,746
OPERATING EXPENSES	1,491,808	1,772,746
WAGE AND EMPLOYEE BENEFITS	123,926	59,746
COMMISSIONS PAID	525,085	603,746
ADVERTISING	92,696	155,746
DEPRECIATION	315,180	425,746
NETWORK INTERCONNECTION	181,112	196,746
LEASED LINE	72,894	70,746
R&D EXPENSES	47,784	58,746
FREQUENCY USAGE FEES	31,569	30,746
BAD DEBT	3,731	15,746
RENT	30,644	33,746
OTHERS	67,187	124,746
OPERATING INCOME	750,938	592,746
NON-OPERATING INCOME	48,691	68,746
INTEREST INCOME	11,813	13,746
INCOMING FEES	27,168	24,746
FOREIGN EXCHANGE AND TRANSLATION GAINS	2,453	6,746
REVERSAL OF ALLOWANCE FOR DOUBTFUL ACCOUNTS	0	-5,746
GAIN ON DISPOSAL OF PROPERTY AND EQUIPMENT	276	0
GAIN ON EQUITY METHOD	0	23,746
OTHER	6,981	5,746
NON-OPERATING EXPENSES	149,479	423,746
INTEREST EXPENSES	86,734	77,746

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DONATIONS	20,102	72,
LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT	2,194	177,
LOSS ON EQUITY METHOD	11,405	
FOREIGN EXCHANGE AND TRANSLATION LOSS	11,796	1,
LOSS ON IMPAIRMENT OF INVESTMENT SECURITIES	16,417	44,
LOSS ON DISPOSAL OF INVESTMENT ASSETS	77	49,
OTHER	753	
ORDINARY INCOME	650,149	237,
INCOME BEFORE INCOME TAXES	650,154	238,
INCOME TAXES	201,480	75,
NET INCOME	448,674	162,

1) Excludes the 12 days of Shinsegi Telecomm's performance before the official merger on January 13, 2002

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BALANCE SHEET

(KRW mn)	Mar 03	Dec 02
TOTAL ASSETS	13,104,257	12,721,218
CURRENT ASSETS	4,108,732	2,746,991
CASH AND MARKETABLE SECURITIES	1,620,876	546,382
ACCOUNTS RECEIVABLE - TRADE	1,253,421	1,290,475
SHORT-TERM LOANS	27,640	29,623
ACCOUNTS RECEIVABLE - OTHER	1,103,879	809,616
ACCRUED INCOME RECEIVABLES	8,877	4,805
INVENTORIES	9,872	10,718
OTHER	84,168	55,372
INVESTMENT ASSETS	2,352,419	3,132,330
LONG-TERM INVESTMENT SECURITIES	2,010,099	2,806,963
LONG-TERM LOANS	54,215	57,984
GUARANTEE DEPOSITS	240,170	221,815
OTHER	47,935	45,568
PROPERTY AND EQUIPMENT	4,279,040	4,451,548
LAND	439,270	439,915
BUILDING AND FIXTURE	775,553	778,833

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EQUIPMENT	2,499,356	2,432,552
CONSTRUCTION IN PROGRESS	233,958	345,063
OTHER	330,904	455,186
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INTANGIBLE ASSETS	2,364,066	2,390,350
	-----	-----
LIABILITIES	8,166,462	7,184,271
	-----	-----
CURRENT LIABILITIES	4,928,846	4,015,859
	-----	-----
ACCOUNTS PAYABLE	903,446	1,587,532
SHORT-TERM BORROWINGS	1,691,326	620,000
INCOME TAXES PAYABLE	411,083	362,365
ACCRUED EXPENSES	359,974	354,716
CURRENT PORTION OF LONG-TERM DEBT	1,139,794	920,745
OTHER	423,223	170,502
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LONG-TERM LIABILITIES	3,237,617	3,168,412
	-----	-----
LONG-TERM DEBT	2,984,162	2,913,922
FACILITY DEPOSITS	45,249	46,850
ACCRUED SEVERANCE INDEMNITIES	55,448	45,861
OTHER	152,758	161,778
	-----	-----
SHAREHOLDERS' EQUITY	4,937,794	5,536,948
	-----	-----
CAPITAL STOCK	44,576	44,576
CAPITAL SURPLUS	2,884,355	2,884,385
RETAINED EARNINGS	4,184,402	4,897,099
CAPITAL ADJUSTMENTS	(2,175,539)	(2,289,112)
TREASURY STOCK	(2,047,087)	(2,192,449)
UNREALIZED LOSS ON VALUATION OF LONG-TERM INVESTMENT SECURITIES	(131,322)	(99,115)
STOCK OPTIONS	2,870	2,452
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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

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Name: Sung Hae Cho  
Title: Vice President  
IR Office



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Date: May 16, 2003