

SK TELECOM CO LTD
Form 6-K
July 21, 2011

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 JULY 2011

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

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(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-

Report of Material Matters

SK Telecom Co., Ltd. (the Company or the Surviving Company) intends to incorporate a new company (the Spin-off Company) through a simple vertical spin-off pursuant to Articles 530-2 through 530-12 of the Commercial Code, as below.

1. Purpose of Spin-off

- (1) By separating out the platform business of the Surviving Company, it is possible to enhance business specialization and foster efficiency in management, thereby maximizing shareholder value.
- (2) By distributing investor risk relating to each business, management risk can be minimized, and business competitiveness can be fostered through efficient distribution of business resources.
- (3) By establishing an appropriate decision-making structure in light of the peculiarities of each business, and facilitating the establishment of a rational system for evaluation of results, a system of responsible management can take root.
- (4) By specializing each business, it is possible for each business to respond quickly to the market environment and policy changes, and by investing heavily in the core businesses, global competitiveness can be secured.

2. Method of Spin-off

- (1) The Spin-off Company will be incorporated through a spin-off of the platform business (Spin-off Business) of the Surviving Company as below, pursuant to Articles 530-2 through 530-12 of the Commercial Code. The spin-off will be in the form of a simple vertical spin-off whereby all of the shares in the Spin-off Company will be allocated to the Surviving Company, and the Surviving Company will survive the spin-off. The Surviving Company will remain a listed company while the Spin-off Company will be a non-listed company.

<Details of Spin-off>

	Company Name	Business
Surviving Company	SK Telecom Co., Ltd.	All businesses other than the business of the Spin-off Company
Spin-off Company	SK Platform Co., Ltd. (tentative)	Platform business

(Note) The name of the Spin-off Company may change at the extraordinary shareholders meeting for approval of the Spin-off Plan, or the inaugural meeting of the Spin-off Company.

- (2) The date of spin-off will be October 1, 2011.
- (3) The spin-off will take place pursuant to a special resolution of the shareholders meeting in accordance with Article 530-3, Sections 1 and 2 of the Commercial Code. Pursuant to Article 530-9, Section 1 of the Commercial Code, the Surviving Company and the Spin-off Company are jointly and severally liable for the obligations of the Surviving Company accrued prior to the spin-off.
- (4) In the event where the Surviving Company pays any debt that is transferred to the Spin-off Company pursuant to this Spin-off Plan, or otherwise both companies are released from liability through outlay of funds by the Surviving Company, due to the joint and several liability of the Surviving Company and the Spin-off Company for the obligations of the Surviving Company accrued prior to the spin-off, the Surviving Company will have a right of recovery from the Spin-off Company. In the event where the Spin-off Company pays any debt which belongs to the Surviving Company pursuant to this Spin-off Plan, or otherwise both companies are released from liability through outlay of funds by the Spin-off Company, the Spin-off Company will have a right of recovery from the Surviving Company.
- (5) In principle, any and all assets and liabilities, rights/obligations, and anything of value (including licenses and permits, employment relationships, contractual relationships, and litigations) of the Surviving Company shall belong to the Spin-off Company if it relates to the Spin-off Business, and to the Surviving Company if it relates to any other business.
- (6) Any obligation that arises/accrues in relation to the business of the Surviving Company after the date of spin-off, due to an act or event taking place prior to such date, or obligation (any type of obligation including potential liabilities under public and private laws) that already had arisen/accrued prior to such date but is not reflected in this Spin-off Plan for any reason including failure to recognize such obligation, shall belong to the Spin-off Company if the act or fact giving rise to the obligation relates to the Spin-off Business, and to the Surviving Company if it relates to any other business. In the event where it cannot be determined whether the obligation relates to the Spin-off Business, the obligation shall be shared by the Surviving Company and the Spin-off Company in proportion to their respective share of the value of net assets distributed pursuant to the spin-off.
- (7) Any claim or other right acquired in relation to the business of the Surviving Company after the date of spin-off, due to an act or event taking place prior to such date, or a claim or other right (any type of claim including potential claims under public and private laws) that already had been acquired prior to such date but is not reflected in this Spin-off Plan for any reason including failure to recognize such right, shall be treated in the same manner as the preceding paragraph.
- (8) The assets, liabilities and capital of the Spin-off Company shall in principle be determined by distribution of the assets and liabilities belonging to the Spin-off Business or relating directly or indirectly thereto, but the amounts of assets, liabilities and capital shall be determined by collectively taking into account the future operational and investment plans of the Spin-off Company.
- (9) Spin-off Schedule

Event	Date
Board Resolution	July 19, 2011
Record Date for Determination of Shareholders for the Shareholders Meeting for Spin-off	August 4, 2011
Shareholders Meeting for Approval of Spin-off Plan	August 31, 2011
Date of Spin-off	October 1, 2011
Shareholders Meeting for Report of Spin-off or Inaugural Meeting of Shareholders	October 4, 2011
Registration of Spin-off	October 5, 2011
Notice of closure of shareholders register	July 20, 2011

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	Period of closure of shareholders register	August 5 - August 8, 2011
Others	Public notice of shareholders meeting	August 10 and 12, 2011
	Dispatch of notice of shareholders meeting	August 12, 2011

(Note 1) The above schedule is subject to adjustment based on relevant laws and consultations with the relevant authorities.

(Note 2) It is expected that a board resolution will be adopted and announced in lieu of the above Shareholders Meeting for Report of Spin-off.

3. Matters Relating to the Spin-off Company

(1) Name, purpose, head office, method of public notice and accounting period

Name	Korean: SK Platform Chusik Hoesa (tentative)
	English: SK Platform Co., Ltd. (tentative)
Purpose	See [Attachment 3] Articles of Incorporation of SK Platform Co., Ltd. (tentative)
Head Office Address	11 Euljiro 2-ga, Jung-gu, Seoul, Korea
Method of Public Notice	Publication in <i>The Korea Economic Daily</i> , a newspaper of general circulation in Seoul
Accounting Period	Fiscal year commences on January 1 and ends on December 31 of each year

(Note) The name of the Spin-off Company may change at the extraordinary shareholders meeting for approval of the Spin-off Plan, or the inaugural meeting of the Spin-off Company.

(2) Total number of authorized shares and par value per share

Number of authorized shares	Par value per share
240,000,000	500 Won

(3) Total number, type, and number of each type, of shares to be issued upon spin-off

Item	Shares
Total number of shares issued	60,000,000
Registered common shares	60,000,000

(4) Matters relating to allocation of shares to shareholder of Spin-off Company

The spin-off is a simple vertical spin-off, and thus all of the shares issued by the Spin-off Company will be allocated to the Surviving Company.

(5) Provision on amount to be paid to shareholder of Spin-off Company, if determined

Not applicable.

(6) Share Capital and Reserve of Spin-off Company

Item	Amount
Share Capital	30,000,000,000 Won
Reserve	1,213,687,822,533 Won

(Note 1) Reserve consists of capital surplus.

(Note 2) The above figures may change on the date of spin-off, and will be confirmed when the items subject to spin-off as of September 30, 2011 are determined.

(7) Matters relating to the case where it is decided that the Spin-off Company will accept the obligations of the Surviving Company only to the extent that they relate to the Spin-off Assets

Not applicable.

(8) Matters relating to directors of the Spin-off Company

The directors and statutory auditor of the Spin-off Company shall be elected at the inaugural shareholders meeting of the Spin-off Company.

(9) Other matters to be provided in the Spin-off Company's Articles of Incorporation (the AOI)

The AOI of the Spin-off Company is as set forth in [Attachment 3]. However, the provisions of the AOI may be amended by resolution of the board of directors of the Surviving Company, prior to the date of public announcement or notice of extraordinary shareholders meeting for approval of the Spin-off Plan, and the major amendments adopted by such resolution will be publicly announced or notified together with the notice of extraordinary shareholders meeting for approval of the spin-off.

(10) Method of incorporation of Spin-off Company

The Spin-off Company's capital will consist exclusively of the Spin-off Assets without offering its shares to any third party shareholders.

4. Matters Relating to the Spin-off Business

(1) Industry characteristics

As the smartphone/tablet industry grows, there will be an increased demand in the platform industry to connect content providers with smartphone/tablet users, which will provide opportunities in the platform industry to increase revenue by advertisements and commerce.

Growth of the smartphone/tablet industry Worldwide sales and forecasted sales of smartphones/tablets

Unit: millions of units

Category	2008	2009	2010	2011	2012	2013	2014	2015
Smartphone	252	285	269	366	455	555	670	774
Tablet			18	70	108	160	223	294

Source: Gartner (April 2011)

In the Korean domestic mobile devices market, 19.5% (approximately 10,210,000 units) of mobile devices were smartphones, and the market share of smartphones is rapidly growing.

Cumulative number of smartphone/tablet subscribers in Korea

Unit: ten thousands of subscribers

Category	2010	2011	2012	2013	2014	2015
Smartphone	733	1,883	2,706	3,324	3,820	4,213
Tablet	18	180	383	563	744	982

Source: Korea Communications Commission (December 2010)

Evolution of mobile communication networks

Following the development of the 4G LTE network, it is expected that a diverse range of content platforms will increase, such as for self broadcasting, high-capacity multimedia streaming, cloud based N-screen services and location services.

Mobile communication network speed by technology generation

Generation	Mobile Communication Network	Download Speed	Upload Speed
4G	LTE-Advanced (expected in 2013)	1 Gbps	500 Mbps
	LTE	75 Mbps	37.5 Mbps
3.5G	HSPA+	21 Mbps	5.76 Mbps
	HSUPA/HSDPA	14.4 Mbps / 14.4 Mbps	5.76 Mbps / 384 Kbps
3G	WCDMA	2 Mbps	384 Kbps

Growth of application marketplaces

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The growth of application marketplace that began with Apple's App Store is providing platform businesses with a new opportunity for revenue generation. The competitive paradigm has shifted into a competition between ecosystems that include third parties such as application developers in addition to the platform service providers.

Worldwide growth of application marketplaces

Category	2008	2009	2010	2011	2012
Sales (millions of US\$)	807	4,002	6,107	10,108	15,805
Number of downloads (millions)	505	2,516	4,501	8,001	14,001

Source: Electronics Information Center, Korea Electronics Technology Institute (February 2010)

Competition among foreign application marketplaces (May 2011)

Category	Apple App Store	Android Market	Ovi Store	GetJar
Proprietor	Apple	Google	Nokia	GetJar
Launched	July 2008	October 2008	May 2009	2004
Number of apps	425,000	238,000	84,000	68,000
Number of downloads	15.0 billion	5.0 billion	1.8 billion	0.6 billion

Source: ComScore, Distimo (June 2011)

Size of advertisement market

The Korean domestic advertisement market is expected to grow from Won 7.4 trillion in 2010 to Won 10 trillion in 2015, of which Won 800 billion is expected to be derived from mobile advertisement primarily due to the increasing popularity of smartphones and location-based advertisement services.

Korean advertisement market by medium

(Unit: trillion Won)

Media type	2001	2005	2010	2015*
TV, Radio, Newspaper, Magazine	4.4	4.5	4.3	4.9
Internet	0.1	0.6	1.5	2.3
Mobile			0.3	0.8
Miscellaneous (e.g., CATV)	0.9	1.2	1.6	2.0
Total market size	5.5	6.3	7.4	10.0

Source: Frost & Sullivan (2010); Korea Communications Commission (2010)

* Forecasted

Size of commerce market

The online commerce market is expected to continue to grow due to the growth potential of the number of Internet shoppers and the expansion of online business by offline retailers.

Size of Korean commerce market

(Unit: trillion Won)

Category	2010	2011*	2012*	2014*
Online commerce	24.8	29.6	34.1	45.2
Department stores and large marts	57.2	60.1	63.7	75.1
TV Home Shopping	5.2	5.9	6.3	7.2
Convenience stores	7.0	7.8	8.8	11.2
Supermarket, Street market	101.0	103.3	119.2	113.3
Total market size	197.0	223.0	238.0	252.0

Source: Korea National Statistical Office (2010)

* Forecasted

(2) Company overview

The Spin-off Company plans to operate its platform business in the marketplace for digital content (such as T store) and in the open marketplace for online and mobile commerce (i.e., retail) (such as 11 Street). It plans to enhance its enterprise value by expanding its business into media platform and advertising platform.

T store

As of June 2011, T store, which was launched in September 2009, had 8.9 million registered users, 97,000 uploaded contents and 300 million cumulative downloads. As the No. 1 application store in Korea, T store plans to expand its coverage to tablets and GPS navigation devices. T store plans to expand its business in global markets starting from Southeast Asia such as Taiwan (as demonstrated by its agreement with East Power), China (by collaborating with Lenovo/China Mobile Application Store's Shop-in-shop) and Japan.

T map

T map provides location services to its subscribers, such as map, navigation, real-time traffic information and local information services. As of June 2011, T map had 7 million subscribers. It plans to continue to develop T map platform by expanding services to more diverse types of devices and developing new local services.

11 Street

11 Street is an online marketplace that is now competing for the No. 2 position in the Korean e-commerce market, although it has entered the e-commerce market later than its competitors. It plans to expand into overseas markets and pursue new commerce markets. The following table gives an overview of the competition among online marketplaces in Korea.

Overview of competition among domestic online marketplaces

Online marketplace	Market share (1)	Monthly transaction amount (1)	Monthly traffic (2)	Number of years in operation
11 Street	29.3%	Won 272.3 billion	15.42 million	3
G Market	40.1%	Won 372.4 billion	16.17 million	9
Auction	30.6%	Won 284.0 billion	15.11 million	13

(Note 1) As of March 2011

(Note 2) As of February 2011

New businesses (media platform, advertisement platform)

With respect to the media platform business, hoppin, a media service that utilizes N-screen technology on a variety of devices, was introduced in January 2011, and there are plans to introduce hoppin compatible smartphones and tablets in the future. The Company also plans to develop hoppin into a media platform that can provide various N-screen services. The Company also plans to expand to overseas markets based on the media platform business experience in Korea.

With respect to the mobile advertisement platform business (T ad), advertisements are currently delivered within applications of smartphone or tablet devices. There are plans to introduce various different types of advertisements targeting all application markets, in addition to T store, by leveraging the Company's strengths in targeted marketing based on personal customer data and in marketing capabilities linked with products and/or services of subsidiary companies. The Company further plans to develop T ad into a N-screen advertisement platform comprising the Internet, IPTV and TV portal.

(3) Summary financial information of the Spin-off Business (for the fiscal year ended December 31, 2010)

(Unit: million Won, %)

Category	Amount	% of total amount
Sales	830,796	6.7
Operating profit	13,379	0.7
Net income	10,141	0.7
Total assets	1,521,561	7.7

(Note)

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The financial information in the table above is unaudited estimates of the Surviving Company prepared on a non-consolidated basis and, as such, may differ from audited financial statements.

5. Assets to be Transferred to the Spin-off Company and the Value of Such Assets

- (1) The Surviving Company shall transfer the Spin-off Assets to the Spin-off Company in accordance with the Spin-off Plan. However, any right or obligation of which the transfer pursuant to spin-off is not possible by law or by nature shall be deemed to remain with the Surviving Company, and if transfer thereof to the Spin-off Company is necessary, such matter shall be dealt with by consultation between the Surviving Company and Spin-off Company. The same shall apply where transfer pursuant to spin-off requires approval/permission/clearance of government authority, but such approval/permission/clearance cannot be obtained.

- (2) The list of Spin-off Assets is as set forth in [Attachment 1] (Spin-off Financial Status Table) and [Attachment 2] (List of Spin-off Assets). Any additions or reductions that occur up to the date of spin-off shall be reflected in the Spin-off Financial Status Table and List of Spin-off Assets.

- (3) The value of Spin-off Assets under the preceding paragraph shall be the book value as of September 30, 2011.

- (4)