

KOREA SOUTHERN POWER CO., LTD.  
 Statements of Appropriation of Retained Earnings

**For the years ended December 31, 2007 and 2006**

Date of Appropriation for 2007: March 04, 2008

Date of Appropriation for 2006: March 27, 2007

In millions of Won and U.S dollars	Won		U.S. dollars
	2007	2006	(note 3) 2007
<b>Unappropriated retained earnings</b>			
Balance at beginning of year	₩ -	-	\$ -
Net income	226,398	207,664	241.3
<b>Balance at end of year before appropriation</b>	<u>226,398</u>	<u>207,664</u>	<u>241.3</u>
<b>Appropriation of retained earnings</b>			
Legal reserve	9,056	6,645	9.7
Reserve for investment in social overhead capital	-	11,000	-
Reserve for research and human resources development	-	10,000	-
Reserve for business expansion	126,783	113,566	135.1
Cash dividend— 39.2% in 2007 and 28.8% in 2006 on par value ₩5,000 per share (note 24)	90,559	66,453	96.5
	<u>226,398</u>	<u>207,664</u>	<u>241.3</u>
<b>Unappropriated retained earnings to be carried over to subsequent year</b>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to financial statements.