

KOREA SOUTHERN POWER CO., LTD.
Non-Consolidated Statements of Operation

Years ended December 31, 2008 and 2007

(In millions of Korean Won and U.S. dollars, except earnings per share)

	Won		U.S. dollars
	2008	2007	(note 3) 2008
Operating revenue (note 7):			
Sale of electric power	₩ 4,613,865	3,726,651	\$ 3,669.1
Other operating revenue	1,075	606	0.9
	<u>4,614,940</u>	<u>3,727,257</u>	<u>3,670.0</u>
Operating expense (note 7):			
Cost of electric power (note 23)	4,744,281	3,356,527	3,772.8
Selling, general and administrative expenses (note 18)	43,665	37,118	34.7
	<u>4,787,946</u>	<u>3,393,645</u>	<u>3,807.5</u>
Operating income (loss)	(173,006)	333,612	(137.5)
Other income (expense):			
Interest income	6,824	9,131	5.4
Interest expense (note 8)	(25,086)	(22,570)	(19.9)
Foreign currency transaction and translation loss, net (note 14)	(176,525)	(2,673)	(140.4)
Loss on disposal of property, plant and equipment, net	(3,915)	(6,664)	(3.1)
Gain (loss) on transaction of currency swap, net (note 17)	1,391	(4,691)	1.1
Gain on valuation of currency swap (note 17)	162,959	2,580	129.6
Donations	(326)	(9,620)	(0.3)
Other, net	8,518	2,560	6.8
	<u>(26,160)</u>	<u>(31,947)</u>	<u>(20.8)</u>
Income (loss) before income taxes	(199,166)	301,665	(158.3)
Income taxes (benefit) (note 19)	(52,911)	75,267	(42.1)
Net income (loss)	₩ <u>(146,255)</u>	<u>226,398</u>	\$ <u>(116.2)</u>
Earnings (loss) per share (note 21)	₩ <u>(3,167)</u>	<u>4,903</u>	\$ <u>(2.5)</u>

See accompanying notes to non-consolidated financial statements.