

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

Years ended December 31, 2009 and 2008

	Won		U.S. dollars
	2009	2008	(note 3)
(In millions of Korean Won and U.S. dollars)			2009
Cash flows from operating activities			
Net income (loss)	₩ 177,122	(146,255)	\$ 151.7
Adjustments for:			
Provision for bad debt	986	1,269	-
Depreciation and amortization	409,408	329,118	350.6
Provision for retirement and severance benefits	11,380	20,023	9.7
Loss on disposal of property, plant and equipment, net	410	3,915	0.4
Impairment loss on property, plant and Equipment	11,204	-	9.6
Loss(gain) on foreign currency translation, net	(53,623)	154,435	(45.9)
Loss(gain) on valuation of currency swaps	53,562	(162,959)	45.9
Reversal of allowance for doubtful accounts	(220)	(12)	(0.2)
Gain on disposal of inventory	(151)	(145)	(0.1)
Gain on disposal of investment	(110)	-	(0.1)
Equity in loss of associates	78	-	0.1
Donation	73	119	0.1
Changes in operating assets and liabilities:			
Trade accounts receivable	21,950	(116,995)	18.8
Other accounts receivable	19,052	(8,702)	16.3
Other current assets	3,111	(9,151)	2.7
Inventories	34,078	(115,403)	29.2
Trade accounts payable	(140,459)	190,453	(120.3)
Other accounts payable	(20,359)	(52,144)	(17.4)
Other current liabilities	10,752	2,673	9.2
Income taxes payable	1,143	(48,418)	1.0
Deferred tax expense	51,228	(53,917)	43.9
Payment of retirement and severance benefits	(9,388)	(3,196)	(8.0)
Other, net	(13,900)	2,537	(11.3)
Net cash provided by (used in) operating activities	₩ 567,327	(12,755)	\$ 485.9

See accompanying notes to non-consolidated financial statements.

KOREA SOUTHERN POWER CO., LTD.
Non-Consolidated Statements of Cash Flows, Continued

Years ended December 31, 2009 and 2008

(In millions of Korean Won and U.S. dollars)

	Won		U.S. dollars
	2009	2008	(note 3) 2009
Cash flows from investing activities:			
Proceeds from maturity of short-term deposits	₩ -	29	\$ -
Acquisition of held-to-maturity securities	(3,038)	(8,722)	(2.6)
Proceeds from disposal of held-to-maturity securities	28	-	0.0
Acquisition of property, plant and equipment	(650,080)	(399,273)	(556.8)
Proceeds from disposal of property, plant and equipment	2,828	731	2.4
Acquisition of intangible assets	(2,008)	(596)	(1.7)
Collection of current portion of long-term loans to employees	2,766	612	2.4
Long-term loans granted to employees	(3,656)	(1,804)	(3.1)
Collection of long-term loans	8,454	-	7.2
Acquisition of investment in associates	(4,137)	-	(3.5)
Increase in other non-current assets, net	(2,605)	(204)	(2.2)
Net cash used in investing activities	<u>(651,448)</u>	<u>(409,227)</u>	<u>(557.9)</u>
Cash flows from financing activities:			
Proceeds from short-term borrowings	332,327	-	284.6
Repayment of short-term borrowings	(290,215)	(5,213)	(248.6)
Proceeds from long-term borrowings	283	27,043	0.2
Proceeds from issuance of debentures	-	797,678	-
Repayment of current portion of long-term borrowings and debentures	(21,642)	(256,330)	(18.5)
Payment of cash dividends	-	(90,559)	-
Settlement of currency swaps	-	(53,554)	-
Net cash provided by financing activities	<u>20,753</u>	<u>419,065</u>	<u>17.7</u>
Net increase (decrease) in cash and cash equivalents	<u>(63,368)</u>	<u>(2,917)</u>	<u>(54.3)</u>
Cash and cash equivalents at beginning of year	<u>80,660</u>	<u>83,577</u>	<u>69.1</u>
Cash and cash equivalents at end of year	<u>₩ 17,292</u>	<u>80,660</u>	<u>\$ 14.8</u>

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