

KOREA SOUTHERN POWER CO., LTD.

STATEMENTS OF APPROPRIATIONS OF RETAINED EARNINGS

FOR THE PERIOD FROM APRIL 2, 2001 (INCEPTION) TO DECEMBER 31, 2001 AND  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Korean Won		Translation into U.S. Dollars (Note 2)	
	2001	2002	2002	
	(In millions)		(In thousands)	
<b>RETAINED EARNINGS BEFORE APPROPRIATION:</b>				
Net income	₩ 15,808	₩ 146,893	US\$	123,824
<b>APPROPRIATION OF RETAINED EARNINGS:</b>				
Legal reserve	589	4,387		3,698
Reserve for business rationalization	38	-		-
Reserve for investment on social overhead capital	9,298	30,000		25,289
Reserve for research and human development	-	4,000		3,372
Cash dividends (Note 12)	5,883	43,871		36,981
Reserve for business expansion	-	64,635		54,484
	15,808	146,893		123,824
<b>UNAPPROPRIATED RETAINED EARNINGS TO BE CARRIED FORWARD TO SUBSEQUENT YEAR</b>				
	₩ -	₩ -	US\$	-

See accompanying notes to financial statements.