

KOREA SOUTHERN POWER CO., LTD.

STATEMENTS OF APPROPRIATIONS OF RETAINED EARNINGS

FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2003

	Korean Won		Translation into U.S. Dollars (Note 2)	
	2002	2003	2003	
	(In millions)		(In thousands)	
RETAINED EARNINGS BEFORE APPROPRIATION:				
Net income	₩ 146,893	₩ 186,199	US\$	156,207
APPROPRIATION OF RETAINED EARNINGS:				
Legal reserve	4,387	6,465		5,424
Reserve for investment on social overhead capital	30,000	20,000		16,779
Reserve for research and human development	4,000	2,000		1,678
Cash dividends (Note 16)	43,871	64,652		54,238
Reserve for business expansion	64,635	93,082		78,088
	146,893	186,199		156,207
UNAPPROPRIATED RETAINED EARNINGS TO BE CARRIED FORWARD TO SUBSEQUENT YEAR				
	₩ -	₩ -	US\$	-

See accompanying notes to financial statements.