

KOREA SOUTHERN POWER CO., LTD.

STATEMENTS OF APPROPRIATIONS OF RETAINED EARNINGS

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2004

	Korean Won		Translation into
	2003	2004	U.S. Dollars (Note 2)
	(In millions)		2004 (In thousands)
RETAINED EARNINGS BEFORE APPROPRIATION:			
Unappropriated retained earning brought forward from prior years	W -	W -	US\$ -
Net income	186,199	97,854	94,535
	186,199	97,854	94,535
APPROPRIATION OF RETAINED EARNINGS:			
Legal reserve	6,465	2,632	2,543
Reserve for investment on social overhead capital	20,000	6,000	5,797
Reserve for research and human development	2,000	5,000	4,830
Cash dividends (Note 16)	64,652	26,323	25,430
Reserve for business expansion	93,082	57,899	55,935
	186,199	97,854	94,535
UNAPPROPRIATED RETAINED EARNINGS TO BE CARRIED FORWARD TO SUBSEQUENT YEAR			
	W -	W -	US\$ -

See accompanying notes to financial statements.