

KOREA ELECTRIC POWER CORP
Form 6-K
February 26, 2008

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the Month of February 2008

KOREA ELECTRIC POWER CORPORATION

(Translation of registrant's name into English)

167, Samseong-dong, Gangnam-gu, Seoul 135-791, Korea

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will

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file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in
paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in
paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the
information contained in this form is also thereby furnishing the
information to the Commission pursuant to Rule 12g3-2(b) under the

Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to the
registrant in connection with Rule 12g3-2(b): 82-

This Report of Foreign Private Issuer on Form 6-K is deemed filed for all purposes under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, including by reference in the Registration Statement on Form F-3 (Registration No. 33-99550) and the Registration Statement on Form F-3 (Registration No. 333-9180).

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Preliminary and audited non-consolidated financial statements of Korea Electric Power Corporation (KEPCO) for the fiscal year 2007, all prepared in accordance with Korean GAAP are set forth below.

Incorporation by reference is made to KEPCO s Form 6-K on the 47th Annual General Meeting of Shareholders of KEPCO filed with the U.S. Securities and Exchange Commission on February 14, 2008, which is available at www.sec.gov.

KOREA ELECTRIC POWER CORPORATION

Preliminary NON-CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, 2007 AND DECEMBER 31, 2006

	Korean Won		Translation into U.S. Dollars 2007 (In thousands)
	2006	2007	
	(In millions)		
Assets			
Property, plant and equipment	(Won) 46,072,259	(Won) 49,295,683	\$ 52,542,829
Less: accumulated depreciation	(12,556,783)	(14,415,883)	(15,365,469)
Less: construction grants	(4,086,894)	(6,126,776)	(6,530,351)
	29,428,582	28,753,024	30,647,009
Construction in-progress	2,122,773	2,265,117	2,414,322
Net property, plant and equipment	31,551,355	31,018,141	33,061,331
Investments and other assets:			
Investment securities	27,644,238	28,956,430	30,863,814
Long-term loans	195,413	212,199	226,177
Intangible assets	214,284	208,295	222,016
Other non-current assets	262,197	1,557,873	1,660,491
Total non-current assets	28,316,132	30,934,797	32,972,498
Current assets:			
Cash and cash equivalents	129,225	189,346	201,819
Trade receivables, less allowance for doubtful accounts of (Won)52,406 million in 2007 and (Won)48,559 million in 2006	2,249,045	2,469,559	2,632,231
Other accounts receivable, less allowance for doubtful accounts of (Won)7,182 million in 2007 and (Won)5,724 million in 2006	264,305	447,450	476,923
Short-term financial instruments	25,000		
Currency swaps	479,879		
Currency forwards	64		
Inventories	178,099	225,435	240,285
Deferred income tax assets, net	251,413	251,762	268,346
Other current assets	91,684	106,101	113,089
Total current assets	3,668,714	3,689,653	3,932,693
Total assets	(Won) 63,536,201	(Won) 65,642,591	\$ 69,966,522

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KOREA ELECTRIC POWER CORPORATION

Preliminary NON-CONSOLIDATED BALANCE SHEETS (CONTINUED)

AS OF DECEMBER 31, 2007 AND DECEMBER 31, 2006

	Korean Won		Translation into
	2006	2007	U.S. Dollars
	(In millions)		2007
			(In thousands)
Liabilities and Shareholders' Equity			
Stockholders' equity:			
Common stock of (Won)5,000 par value Authorized 1,200,000,000 shares Issued and outstanding - 641,567,712 shares in 2007 and 2006	(Won) 3,207,839	(Won) 3,207,839	\$ 3,419,142
Capital surplus	14,518,843	14,513,011	15,468,995
Capital adjustments	(796,980)	(741,825)	(790,689)
Accumulated other comprehensive income	38,892	122,543	130,615
Retained earnings:			
Appropriated	23,922,207	25,372,349	27,043,645
Before appropriations	2,071,223	1,556,815	1,659,364
Total shareholders' equity	42,962,024	44,030,732	46,931,072
Long-term liabilities:			
Long-term debt, net	10,230,839	10,648,983	11,350,440
Accrual for retirement and severance benefits, net	557,887	689,800	735,238
Reserve for self insurance	103,942	109,273	116,471
Currency and interest rate swaps			
Deferred income tax liabilities, net	2,435,310	2,513,867	2,679,457
Other long-term liabilities	389,062	666,063	709,937
Total long-term liabilities	13,717,040	14,627,986	15,591,543
Current liabilities:			
Trade payables	1,776,592	2,098,630	2,236,868
Other accounts payable	421,832	309,592	329,986
Short-term borrowings	200,000	489,999	522,276
Current portion of long-term debt, net	3,363,742	3,479,974	3,709,203
Income tax payable	423,120		
Other current liabilities	671,851	605,678	645,574
Total current liabilities	6,857,137	6,983,873	7,443,907
Total liabilities	20,574,177	21,611,859	23,035,450
Commitments and contingencies			
Total shareholders' equity and liabilities	(Won) 63,536,201	(Won) 65,642,591	\$ 69,966,522

KOREA ELECTRIC POWER CORPORATION

Preliminary NON-CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	Korean Won		Translation into
	2006	2007	U.S. Dollars
	(In millions)		2007
			(In thousands)
OPERATING REVENUES:			
Sale of electricity	(Won) 26,900,604	(Won) 28,953,328	\$ 30,860,508
Other operating revenues	78,429	30,557	32,569
	26,979,033	28,983,885	30,893,077
OPERATING EXPENSES:			
Power generation, transmission and distribution costs	4,112,928	4,609,631	4,913,271
Purchased power	20,347,128	22,724,191	24,221,052
Other operating costs	85,611	43,657	46,533
Selling and administrative expenses	1,201,775	1,224,706	1,305,378
	25,747,442	28,602,185	30,486,234
OPERATING INCOME	1,231,591	381,700	406,843
OTHER INCOME:			
Interest income	15,702	82,447	87,878
Interest expense	(544,328)	(602,489)	(642,176)
Gain on foreign currency transactions and translation, net	236,336	(76,919)	(81,986)
Donations	(105,687)	(73,997)	(78,871)
Rental income	138,294	154,567	164,748
Equity income of affiliates, net	1,589,394	1,765,939	1,882,263
Gain on disposal of property, plant and equipment, net	6,784	16,117	17,179
Valuation loss on currency and interest rate swaps, net	(26,466)	2,594	2,765
Other, net	82,318	247,780	264,102
	1,392,347	1,516,039	1,615,902
INCOME BEFORE INCOME TAX	2,623,938	1,897,739	2,022,745
INCOME TAX EXPENSE	553,395	340,924	363,381
NET INCOME	(Won) 2,070,543	(Won) 1,556,815	\$ 1,659,364
BASIC EARNINGS PER SHARE	(Won) 3,245	(Won) 2,504	\$ 2.70
DILUTED EARNINGS PER SHARE	(Won) 3,153	(Won) 2,461	\$ 2.66

KOREA ELECTRIC POWER CORPORATION

Preliminary NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	Korean Won		Translation into
	2006	2007	U.S. Dollars
	(In millions)		2007
			(In thousands)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	(Won) 2,070,543	(Won) 1,556,815	\$ 1,659,364
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,825,733	1,891,759	2,016,370
Property, plant and equipment removal cost	229,417	294,734	314,148
Provision for severance and retirement benefits	128,803	159,266	169,757
Reversal of bad debt expense			
Bad debt expense	21,814	18,854	20,096
Interest income			
Interest expense	13,731	32,341	34,471
Gain on foreign currency translation, net	(197,115)	57,783	61,589
Equity income of affiliates, net	(824,255)	(1,017,030)	(1,084,023)
Gain on disposal of property, plant and equipment, net	(6,784)	(16,117)	(17,179)
Gain on disposal of investments	(17)	(13,021)	(13,878)
Contribution to self-insurance	6,906	7,191	7,665
Contribution to provisions for other estimated liabilities	53,708	33,454	35,657
Valuation loss (gain) on currency and interest rate swaps, net	26,466	(2,594)	(2,765)
Transaction loss(gain) on currency and interest rate swaps, net	8,747	(9,592)	(10,223)
Gain on retirement of bonds	(2,329)		
Others	4,661	(145,211)	(154,775)
	1,289,486	1,291,817	1,376,910
Changes in assets and liabilities:			
Increase in trade receivables	(229,496)	(239,386)	(255,155)
Increase in other accounts receivable	(3,037)	(4,060)	(4,327)
Decrease(Increase) in inventories	(17,232)	35,340	37,668
Increase in deferred income tax assets	(43,553)	(348)	(371)
Increase in other current assets	(119,069)	(42,270)	(45,054)
Increase(Decrease) in trade payables	(327,269)	322,037	343,250
Increase(Decrease) in other accounts payable	63,803	(112,240)	(119,633)
Increase(Decrease) in income tax payable	317,024	(437,741)	(466,575)
Increase(Decrease) in accrued expenses	15,630	(2,532)	(2,699)
Increase(Decrease) in other current liabilities	(73,736)	65,455	69,766
Increase in deferred income tax liabilities	136,118	186,430	198,711
Decrease in other long-term liabilities	(12,138)	(8,664)	(9,236)
Payment of severance and retirement benefits, net	(20,862)	(29,768)	(31,729)
Receipt of severance and retirement benefits	(475)	(850)	(906)
Payment of self-insurance	(1,582)	(1,860)	(1,982)
Provision for other estimated liabilities	(1,337)	(29,248)	(31,175)
	(317,211)	(299,705)	(319,447)
Net cash provided by operating activities	3,042,818	2,548,927	2,716,827

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KOREA ELECTRIC POWER CORPORATION

Preliminary NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	Korean Won		Translation into		
	2006	(In millions)	2007	U.S. Dollars 2007 (In thousands)	
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from disposal of property, plant and equipment	(Won)	25,491	(Won)	24,351	\$ 25,955
Additions to property, plant and equipment		(3,657,394)		(4,030,212)	(4,295,685)
Receipt of construction grants		796,994		1,042,175	1,110,824
Proceeds from disposal of investment securities		33		145,239	154,806
Acquisition of investment securities		(35,664)		(311,776)	(332,313)
Collection of loans		23,474		29,630	31,582
Increase in long-term loans		(40,210)		(46,215)	(49,259)
Acquisition of intangible assets		(33,366)		(33,772)	(35,997)
Proceeds from short-term financial instruments		38,000		25,000	26,647
Additions to short-term financial instruments		(25,000)			
Receipts (payments) under currency and interest rate swap contracts, net		(51,574)		485,429	517,405
Other, net		(16,467)		313	334
Net cash used in investing activities		(2,975,683)		(2,669,838)	(2,845,701)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from short-term borrowings		129,000		282,953	301,591
Proceeds from long-term debt		3,725,919		3,829,716	4,081,983
Proceeds from disposal of corporation own stock fund				58,988	62,873
Repayment of long-term debt		(2,529,532)		(3,369,407)	(3,591,353)
Acquisition of treasury stock		(740,949)			
Dividends paid		(730,858)		(621,218)	(662,138)
Other, net		(3)			
Net cash provided by (used in) financing activities		(146,423)		181,032	192,956
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(79,288)		60,121	64,082
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		208,513		129,225	137,737
CASH AND CASH EQUIVALENTS, END OF PERIOD	(Won)	129,225	(Won)	189,346	\$ 201,819

KOREA ELECTRIC POWER CORPORATION

Preliminary NON- CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2007

	Korean Won (In millions)					
	Capital	Capital	Capital	Accumulated	Retained	Total
	stock	surplus	adjustments	other	earnings	
				comprehensive		
				income		
Beginning of period	(Won) 3,207,839	(Won) 14,518,843	(Won) (796,981)	(Won) 38,892	(Won) 25,993,431	(Won) 42,962,024
Exercise of conversion right		(9,903)				(9,903)
Treasury stock exchange of exchangeable bond		12,876				12,876
Changes in treasury stock			55,156			55,156
Gain on disposal of treasury stock		9,873				9,873
Gain (loss) on valuation of available-for-sale securities, net				(3,668)		(3,668)
Equity gain of affiliates				64,444		64,444
Equity loss of affiliates				54,604		54,604
Directly charged tax effect		(18,678)		(31,729)		(50,407)
Net income					1,556,815	1,556,815
Dividends declared					(621,082)	(621,082)
Balance at Dec 31, 2007	(Won) 3,207,839	(Won) 14,513,011	(Won) (741,825)	(Won) 122,543	(Won) 26,929,164	(Won) 44,030,732
Translation into U.S. Dollars (In thousands)	\$ 3,419,142	\$ 15,468,994	\$ (790,689)	\$ 130,615	\$ 28,703,010	\$ 46,931,072

KOREA ELECTRIC POWER CORPORATION

Preliminary NON- CONSOLIDATED STATEMENT OF APPROPRIATION OF RETAINED
EARNINGS

Years ended December 31, 2007 and 2006

Date of Appropriation for 2007: February 29, 2008

Date of Appropriation for 2006: March 26, 2007

	Korean Won		Translation into U.S. Dollars 2007 (In thousands)
	2006	2007	
	(In millions)		
Unappropriated retained earnings:			
Balance at beginning of year	(Won)	(Won)	\$
Change in retained earnings due to cumulative effect of accounting change			
Change in retained earnings of affiliated companies due to cumulative effect of accounting changes	680		
Net income	2,070,543	1,556,815	1,659,364
Balance at end of year before appropriation	2,071,223	1,556,815	1,659,364
Appropriation of retained earnings:			
Legal reserve			
Reserve for investment in social overhead capital	60,000		
Reserve for research and human resource development	60,000		
Reserve for business expansion	1,330,141	1,089,851	1,161,640
Dividends 15% on par value at 750 Won per share in 2007 and 20% on par value at 1,000 Won per share in 2006	621,082	466,964	497,724
	2,071,223	1,556,815	1,659,364
Unappropriated retained earnings to be carried over to subsequent year	(Won)	(Won)	\$

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /s/ Kim, Myung-Whan
Name: Kim, Myung-Whan
Title: Director Finance Team

Date: February 26, 2008