

KOREA ELECTRIC POWER CORP  
Form 6-K  
April 04, 2011

# **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 April, 2011**

# **KOREA ELECTRIC POWER CORPORATION**

**(Translation of registrant's name into English)**

**167, Samseongdong, Gangnam-gu, Seoul 135-791, Korea**

**(Address of principal executive offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

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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.

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Korea Electric Power Corporation ( KEPCO ) hereby announces its audited consolidated statements of financial position, statements of operations, statement of changes in shareholders' equity and statements of cash flows information for fiscal years 2009 and 2010 as attached hereto.

KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2009 AND 2010

	2009	Won 2010 (In millions)	U.S. dollars 2010 (In thousands)
<b>Assets</b>			
Property, plant and equipment:	(Won) 115,483,190	(Won) 122,262,324	\$ 99,351,799
Less: accumulated depreciation	(50,183,508)	(56,099,984)	(45,587,505)
Less: accumulated impairment losses	(22,935)	(13,265)	(10,779)
Less: construction grants	(6,152,485)	(6,993,712)	(5,683,172)
	59,124,262	59,155,363	48,070,342
Construction in-progress	14,909,169	19,744,150	16,044,328
Net property, plant and equipment	74,033,431	78,899,513	64,114,670
<b>Investments and other assets:</b>			
Long-term investment securities	3,542,283	4,764,710	3,871,859
Long-term loans	584,327	812,232	660,029
Financial derivatives	756,034	375,757	305,345
Intangible assets	682,345	455,822	370,406
Deferred income tax assets	1,689,851	1,145,548	930,886
Other non-current assets	890,860	768,286	624,318
Total non-current assets	82,179,131	87,221,898	70,877,538
<b>Current assets:</b>			
Cash and cash equivalents	1,489,390	2,907,285	2,362,494
Trade receivables, less allowance for doubtful accounts of (Won)48,161 million in 2008 and (Won)61,094 million in 2009	3,189,923	3,695,384	3,002,912
Other accounts receivable, less allowance for doubtful accounts of (Won)19,509 million in 2008 and (Won)28,380 million in 2009	1,341,520	1,331,462	1,081,962
Short-term investment securities	10,420	509	414
Short-term financial instruments	356,115	571,310	464,253
Financial derivatives	144,449	100,148	81,381
Inventories	3,894,878	3,479,690	2,827,637
Deferred income tax assets	353,103	786,630	639,225
Other current assets	249,102	326,082	264,978
Total current assets	11,028,900	12,388,500	10,067,040
Total assets	(Won) 93,208,031	(Won) 99,610,398	\$ 80,944,578

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS OF DECEMBER 31, 2009 AND 2010

	2009	Won (In millions)	2010	U.S. dollars 2010 (In thousands)
<b>Liabilities and Shareholders' Equity</b>				
Shareholders' equity:				
Common stock of (Won)5,000 par value authorized 1,200,000,000 shares - Issued and outstanding 641,567,712 shares in 2009 and 2010	(Won) 3,207,839	(Won) 3,207,839		\$ 2,606,728
Capital surplus	14,668,563	14,764,631		11,997,912
Capital adjustments	(741,587)	(741,587)		(602,622)
Accumulated other comprehensive income	487,211	453,928		368,867
Retained earnings:				
Appropriated	23,509,731	23,432,019		19,041,134
Before appropriations	(104,523)	(98,967)		(80,422)
Noncontrolling interest in consolidated subsidiaries	376,573	470,738		382,527
<b>Total shareholders' equity</b>	<b>41,403,807</b>	<b>41,488,601</b>		<b>33,714,124</b>
Long-term liabilities:				
Long-term debt, net	27,840,626	33,089,247		26,888,710
Borrowings under conditional agreements	15,317	18,295		14,867
Long-term other account payable	3,576,369	4,010,162		3,258,705
Accrual for retirement and severance benefits, net	1,772,680	1,688,189		1,371,842
Liability for decommissioning costs	5,695,224	5,976,326		4,856,433
Provision for decontamination of transformer	231,470	278,011		225,915
Reserve for self insurance	121,416	123,098		100,031
Financial derivatives	34,983	209,448		170,200
Deferred income tax liabilities	972,077	990,116		804,580
Other long-term liabilities	796,359	151,519		123,126
<b>Total long-term liabilities</b>	<b>41,056,521</b>	<b>46,534,411</b>		<b>37,814,408</b>
Current liabilities:				
Trade payables	1,928,442	2,425,394		1,970,904
Other accounts payable	835,067	622,098		505,524
Short-term borrowings	684,480	457,426		371,710
Current portion of long-term debt, net	5,778,813	6,311,649		5,128,920
Income tax payable	82,844	256,198		208,190
Accrued expense	531,167	605,595		492,114
Financial derivatives	3,023	10,763		8,746
Deferred income tax liabilities	18,023	9,065		7,366
Other current liabilities	885,844	889,198		722,573
<b>Total current liabilities</b>	<b>10,747,703</b>	<b>11,587,386</b>		<b>9,416,046</b>
<b>Total liabilities</b>	<b>51,804,224</b>	<b>58,121,797</b>		<b>47,230,454</b>

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Commitments and contingencies

Total shareholders' equity and liabilities	(Won) 93,208,031	(Won) 99,610,398	\$ 80,944,578
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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2008, 2009 AND 2010

	2008	Won 2009	2010	U.S. dollars 2010 (In thousands, except per share amounts)
	(In millions, except per share amounts)			
<b>OPERATING REVENUES:</b>				
Sale of electricity	(Won) 30,708,544	(Won) 33,091,577	(Won) 37,518,463	\$ 33,184,560
Other operating revenues	851,556	902,275	1,907,497	1,687,155
	31,560,100	33,993,852	39,425,960	34,871,714
<b>OPERATING EXPENSES:</b>				
Power generation, transmission and distribution costs	27,101,532	25,829,287	31,138,425	27,541,505
Purchased power	4,433,889	3,666,468	3,429,923	3,033,719
Other operating costs	1,083,050	1,238,619	1,618,402	1,431,454
Selling and administrative expenses	1,739,702	1,544,656	1,659,057	1,467,413
	34,358,173	32,279,030	37,845,807	33,474,091
<b>OPERATING INCOME (LOSS)</b>	<b>(2,798,073)</b>	<b>1,714,822</b>	<b>1,580,153</b>	<b>1,397,623</b>
<b>OTHER INCOME (EXPENSES):</b>				
Interest income	170,951	113,865	119,477	105,676
Interest expenses	(1,000,773)	(1,583,863)	(1,624,824)	(1,437,134)
Gain (loss) on foreign currency transactions and translation, net	(1,845,392)	662,812	119,919	106,067
Donations	(40,112)	(21,109)	(30,884)	(27,316)
Equity income of affiliates, net	98,611	22,473	75,477	66,758
Gain on disposal of investments, net	4,241	310	36,138	31,964
Impairment loss on investment securities		(60,636)		
Gain (loss) on disposal of property, plant and equipment, net	14,305	38,896	21,921	19,389
Valuation gain (loss) on financial derivatives, net	1,341,887	(357,004)	(206,084)	(182,278)
Loss on early repayment of exchangeable bond		(540,593)		
Other, net	210,752	332,440	345,873	305,920
	(1,045,530)	(1,392,409)	(1,142,987)	(1,010,956)
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>(3,843,603)</b>	<b>322,413</b>	<b>437,166</b>	<b>386,667</b>
<b>INCOME TAX EXPENSES (BENEFITS)</b>	<b>(929,564)</b>	<b>370,145</b>	<b>457,021</b>	<b>404,229</b>
<b>NET INCOME (LOSS)</b>	<b>(2,914,039)</b>	<b>(47,732)</b>	<b>(19,855)</b>	<b>(17,561)</b>
Controlling interest	(Won) (2,955,339)	(Won) (96,716)	(Won) (72,156)	\$ (63,821)
Noncontrolling interest	41,300	48,984	52,301	46,260
	(Won) (2,914,039)	(Won) (47,732)	(Won) (19,855)	\$ (17,561)

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BASIC EARNINGS (LOSS) PER SHARE	(Won)	(4,746)	(Won)	(155)	(Won)	(116)	\$	(0.103)
DILUTED EARNINGS (LOSS) PER SHARE	(Won)	(4,746)	(Won)	(155)	(Won)	(116)	\$	(0.103)



KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2008, 2009 AND 2010

	Common stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Minority interests	Total
Balances at January 1, 2008	(Won) 3,207,839	(Won) 14,558,256	(Won) (741,825)	(Won) 83,915	(Won) 26,924,227	(Won) 234,441	(Won) 44,266,853
Net income (loss)					(2,955,339)	41,300	(2,914,039)
Dividends declared					(466,964)		(466,964)
Exercise of conversion right		(61)					(61)
Gain on disposal of subsidiary's securities		148					148
Gain on disposal of treasury stock, net of tax		188					188
Changes in treasury stock			336				336
Changes in unrealized losses on available-for-sale securities				(8,274)			(8,274)
Equity in other comprehensive income of affiliates				205,359			205,359
Changes in translation adjustments of foreign subsidiaries				45,266			45,266
Changes in valuation of derivatives				108,798			108,798
Changes in minority interests						37,204	37,204
Balance at December 31, 2008	3,207,839	14,558,531	(741,489)	435,064	23,501,924	312,945	41,274,814
Net income (loss)					(96,716)	48,984	(47,732)
Changes in discount on stock issuance			(98)				(98)
Changes in other capital surplus		110,032		18,086			110,032 18,086

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Changes in unrealized losses on available-for-sale securities							
Equity in other comprehensive income of affiliates				107,968			107,968
Changes in translation adjustments of foreign subsidiaries				(31,303)			(31,303)
Changes in valuation of derivatives				(42,604)			(42,604)
Changes in minority interests						14,644	14,644
Balances at December 31, 2009	3,207,839	14,668,563	(741,587)	487,211	23,405,208	376,573	41,403,807

## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2008, 2009 AND 2010

	Common stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Minority interests	Total
Net income (loss)					(72,156)	52,301	(19,855)
Gain on disposal of subsidiary's securities		96,101					96,101
Changes in other capital surplus		(33)					(33)
Changes in unrealized losses on available-for-sale securities				1,407			1,407
Equity in other comprehensive income of affiliates				(13,400)			(13,400)
Changes in translation adjustments of foreign subsidiaries				17,168			17,168
Changes in valuation of derivatives				(38,458)			(38,458)
Changes in minority interests						41,864	41,864
Balances at December 31, 2010	(Won) 3,207,839	(Won) 14,764,631	(Won) (741,587)	(Won) 453,928	(Won) 23,333,052	(Won) 470,738	(Won) 41,488,601
U.S. dollars (In thousands)	\$ 2,837,289	\$ 13,059,111	\$ (655,923)	\$ 401,493	\$ 20,637,760	\$ 416,361	\$ 36,696,091

## KOREA ELECTRIC POWER CORPORATION

## CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2008, 2009 AND 2010

	2008	Won 2009 (In millions)	2010	U.S. dollars (Note2) 2010 (In thousands)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net income (loss)	(Won) (2,914,039)	(Won) (47,732)	(Won) (19,855)	\$ (17,561)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	6,233,033	6,318,534	6,415,199	5,674,154
Property, plant and equipment removal loss	302,288	276,724	266,889	236,060
Provision for severance and retirement benefits	483,909	238,001	423,221	374,333
Provision for decommissioning costs, net	379,281	223,387	234,528	207,437
Provision for decontamination of Transformer, net	13,016	16,222	15,022	13,287
Bad debt expense	20,616	28,397	2,217	1,961
Amortization of discount on debentures Issued and long-term loans, net	38,735	197,217	182,624	161,528
Loss (gain) on foreign currency translation, net	1,586,241	(659,151)	(91,187)	(80,654)
Equity income of affiliates, net	(98,611)	(22,473)	(75,477)	(66,758)
Impairment loss on investment securities		60,636		
Gain on disposal of property, plant and equipment, net	(14,305)	(38,896)	(21,921)	(19,389)
Gain on disposal of investment assets, net			(4,482)	(3,964)
Deferred income tax expense, net	(1,540,780)	282,931	119,858	106,013
Valuation loss (gain) on financial derivatives	(1,341,887)	357,004	206,084	182,278
Transaction loss on financial derivatives	154,114	(42,856)	(3,456)	(3,057)
Loss on early repayment of exchangeable bond		540,593		
Other losses (gains), net	(135,364)	38,859	87,195	77,122
Changes in assets and liabilities:				
Trade receivables	(216,627)	(452,910)	(494,690)	(437,546)
Other accounts receivable	(176,891)	229,266	13,271	11,738
Inventories	(1,779,959)	(672,328)	(842,584)	(745,254)
Investments under the equity method	33,102	28,973	35,574	31,465
Other current assets	55,700	6,610	(76,684)	(67,826)
Trade payables	773,558	(315,952)	513,145	453,870
Other accounts payable	69,415	(33,951)	(302,523)	(267,577)
Income tax payable	(14,157)	(387,739)	173,832	153,752
Accrued expense	41,973	(9,150)	85,695	75,796
Other current liabilities	83,130	58,274	(4,437)	(3,924)
Payment of severance and retirement benefits, net	(78,204)	(173,430)	(579,624)	(512,669)
Payment of decommissioning costs	(8,791)	(254,287)	(275,238)	(243,444)
Payment of other provision	(54,238)	(114,793)	(91,608)	(81,026)
Other, net	67,032	62,511	(252,425)	(223,267)
Net cash provided by operating activities	1,961,290	5,738,491	5,638,163	4,986,877

(Continued)

## KOREA ELECTRIC POWER CORPORATION

## CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2008, 2009 AND 2010 (CONTINUED)

	2008	Won 2009 (In millions)	2010	U.S. dollars (Note2) 2010 (In thousands)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds from disposal of property, plant and equipment	(Won) 47,669	(Won) 232,274	(Won) 100,766	89,126
Additions to property, plant and equipment	(8,924,622)	(11,243,965)	(10,813,733)	(9,564,597)
Receipt of construction grants	1,141,724	1,197,173	1,293,347	1,143,947
Proceeds from disposal of investment securities	71,308	119	1,210	1,070
Acquisition of investment securities	(164,014)	(752,164)	(1,155,326)	(1,021,870)
Increase in long-term loans, net	(177,278)	(2,628)	(302,684)	(267,720)
Acquisition of intangible assets	(360,604)	(249,677)	(59,437)	(52,571)
Increase in other non-current assets	(157,363)	(330,207)	214,290	189,537
Increase in short-term financial instruments, net	1,357,132	97,787	(205,340)	(181,620)
Decrease in current portion of long-term loans, net	23,095	39,616	38,227	33,811
Net cash used in investing activities	(7,142,953)	(11,011,672)	(10,888,680)	(9,630,887)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Proceeds from long-term debt	9,887,176	11,821,305	11,511,316	10,181,599
Proceeds from borrowings under conditional agreements	3,032	3,447	2,041	1,805
Repayment of long-term debt	(4,681,712)	(5,964,054)	(5,790,266)	(5,121,410)
Proceed from short-term borrowings, net	509,670	(594,340)	(207,492)	(183,524)
Proceeds from treasury stock, net				
Dividends paid	(492,286)	(45,920)	(32,498)	(28,744)
Settlement of financial derivatives	(211,688)	37,056	316,173	279,651
Other, net	11,023	35,772	53,062	46,933
Net cash provided by financing activities	5,025,215	5,293,266	5,852,336	5,176,310
<b>INCREASE (DECREASE) FROM CHANGES IN CONSOLIDATED SUBSIDIARIES</b>				
	(4,689)	661	10,586	9,363
<b>CHANGE IN CASH AND CASH EQUIVALENTS FROM THE TRANSLATION OF FOREIGN SUBSIDIARIES</b>				
	39,094	16,358	(4,510)	(3,989)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
	(122,043)	37,104	607,895	537,674
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>				
	1,574,329	1,452,286	1,489,390	1,317,345
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>				
	(Won) 1,452,286	(Won) 1,489,390	(Won) 2,097,285	\$ 1,855,019

Details regarding the information above will be provided in a future filing on Form 20-F for fiscal year 2010 to be filed prior to June 30, 2011.

**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.

Date: April 4, 2011

By: /s/ Shin, Chang-keun  
Name: **Shin, Chang-keun**  
Title: **Vice President**