

NON-CONSOLIDATED STATEMENTS OF APPROPRIATIONS OF RETAINED EARNINGS

YEARS ENDED DECEMBER 31, 2008 AND 2007

(Date of appropriations: March 20, 2009 and March 21, 2008 for the years ended December 31, 2008 and 2007, respectively)

(in millions of Korean won)

| | 2008 | 2007 |
|---|-----------|-----------|
| Retained earnings before appropriations | | |
| Unappropriated retained earnings carried over from prior year | ₩ 7 | ₩ (3,895) |
| Accumulated effects from changes of financial accounting standards (Note 2) | 2,035 | - |
| Net income | 1,002,585 | 686,205 |
| | 1,004,627 | 682,310 |
| Transfers from other reserves | | |
| Reserve for technology development | 76,667 | 76,667 |
| Appropriation of retained earnings | | |
| Legal reserve | 20,920 | 16,701 |
| Dividends (Note 24) | 209,202 | 167,006 |
| Reserve for technology development | 851,165 | 445,200 |
| Reserve for investment losses | - | 130,063 |
| | 1,081,287 | 758,970 |
| Unappropriated retained earnings carried forward to subsequent year | ₩ 7 | ₩ 7 |

* The accompanying notes are an integral part of these non-consolidated financial statements.