

Hyundai Heavy Industries Co., Ltd.
Notes to Non-Consolidated Financial Statements

December 31, 2008

10. Intangible Assets

(a) Intangible assets as of December 31, 2008 and 2007 are as follows:

<i>In thousands of Won</i>	<u>2008</u>	<u>2007</u>
Development costs	₩ 242,161,165	213,873,947
Usage right for donated properties	20,135,131	22,174,415
	<u>₩ 262,296,296</u>	<u>236,048,362</u>

(b) Details of changes in Intangible assets for the years ended December 31, 2008 and 2007 are summarized as follows:

		<u>Development Cost</u>		<u>Usage right for donated properties</u>	
		<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Beginning balance	₩	213,873,947	197,304,243	22,174,415	24,213,698
Capitalized		69,711,128	54,750,934	-	-
Amortization		(41,423,910)	(38,181,230)	(2,039,284)	(2,039,283)
Ending balance	₩	<u>242,161,165</u>	<u>213,873,947</u>	<u>20,135,131</u>	<u>22,174,415</u>

Research costs amounting to ₩ 17,857 million and ₩ 17,530 million, and ordinary development costs amounting to ₩ 79,443 million and ₩ 75,060 million are included in selling and administrative expenses for the years ended December 31, 2008 and 2007, respectively. The amortized development costs of ₩ 41,424 million and ₩ 38,181 million are included in the cost of sales and selling and administration expenses for the years ended December 31, 2008 and 2007, respectively.