

HYUNDAI HEAVY INDUSTRIES CO., LTD.

STATEMENTS OF OPERATIONS
For the six-month periods ended June 30, 2001 and 2000
(Unaudited - see Accountant's Review Report)

	In Thousands of			
	Korean Won		U.S. Dollars (Note 3)	
	2001	2000	2001	2000
Sales (Notes 19 and 23)	₩ 3,527,036,602	₩ 3,270,078,629	\$ 2,711,645	\$ 2,514,091
Cost of sales (Notes 19 and 23)	2,927,179,595	2,544,743,749	2,250,465	1,956,442
Gross profit	599,857,007	725,334,880	461,180	557,649
Selling and administrative expenses (Note 21)	289,020,190	236,966,182	222,204	182,184
Operating profit	310,836,817	488,368,698	238,976	375,465
Non-operating income:				
Interest and dividend income	74,264,863	50,012,404	57,096	38,450
Gain on foreign currency transactions	59,632,033	21,500,166	45,846	16,530
Gain on foreign currency translation	13,867,809	8,004,924	10,662	6,154
Gain on valuation of marketable securities	4,737,845	19,733	3,643	15
Gain on disposal of investments	862,224	7,290	663	6
Others	36,802,534	14,532,678	28,294	11,173
	190,167,308	94,077,195	146,204	72,328
Non-operating expenses:				
Interest expense	192,045,066	177,072,539	147,647	136,136
Loss on foreign currency transactions	47,225,375	36,941,799	36,308	28,401
Loss on foreign currency translation	12,203,187	10,532,419	9,382	8,098
Loss on valuation of investments using the equity method of accounting (Note 7)	264,840,885	20,104,580	203,614	15,457
Loss on valuation of marketable securities	2,345,300	11,697,176	1,803	8,993
Loss on disposal of investments	10,143,748	217,804,342	7,799	167,452
Others	37,681,481	44,280,403	28,970	34,044
	566,485,042	518,433,258	435,523	398,581
Ordinary income (loss)	(65,480,917)	64,012,635	(50,343)	49,212
Income tax expense (Note 21)	(12,427,267)	19,580,280	(9,554)	15,054
Net income(loss)	₩ (53,053,650)	₩ 44,432,355	\$ (40,789)	\$ 34,158
Earnings(Loss) per common share (Note 22) (in Korean Won and U.S. Dollars)	₩ (911)	₩ 585	\$ (0.70)	\$ 0.45

The accompanying notes are an integral part of these statements.