

# HYUNDAI HEAVY INDUSTRIES CO., LTD.

## STATEMENTS OF OPERATIONS

For the periods ended June 30, 2002 and 2001

	In Thousands of			
	Korean Won		U.S. Dollars (Note 3)	
	2002	2001	2002	2001
Sales (Notes 20 and 23 )	\ 3,798,703,926	\ 3,527,036,602	\$ 3,160,845	\$ 2,934,795
Cost of sales (Notes 20 and 23)	3,232,989,046	2,927,179,595	2,690,122	2,435,663
Gross profit	565,714,880	599,857,007	470,723	499,132
Selling and administrative expenses (Note 24)	274,541,592	289,020,190	228,442	240,489
Operating income	291,173,288	310,836,817	242,281	258,643
Non-operating income:				
Interest and dividend income	58,618,614	74,264,863	48,776	61,795
Foreign exchange gain	41,120,624	59,632,033	34,216	49,619
Gain on foreign currency translation	57,986,313	13,867,809	48,250	11,539
Gain on valuation of investments				
using equity method (Note 8)	16,334,559	-	13,592	-
Gain on disposition of marketable securities	14,633	181,378	12	151
Gain on disposition of investments	-	862,224	-	717
Others	19,584,861	41,359,001	16,296	34,414
	193,659,604	190,167,308	161,142	158,235
Non-operating expenses:				
Interest expense	141,044,888	192,045,066	117,361	159,798
Foreign exchange loss	65,790,197	47,225,375	54,743	39,296
Loss on foreign currency translation	41,280,876	12,203,187	34,349	10,154
Loss on valuation of investments				
using equity method	-	9,582,710	-	7,974
Loss on disposition of marketable securities	299,196	-	249	-
Loss on disposition of property, plant and equipment	1,745,259	1,331,516	1,452	1,108
Loss on disposal of investments	126,846	10,143,748	106	8,440
Loss on impairment of investments (Note 8)	22,520,224	-	18,739	-
Others	49,814,465	38,695,265	41,450	32,198
	322,621,951	311,226,867	268,449	258,968
Ordinary income	162,210,941	189,777,258	134,974	157,910
Income tax expense (Note 21)	58,772,415	66,192,251	48,904	55,078
Net income	\ 103,438,526	\ 123,585,007	\$ 86,070	\$ 102,832
Earnings per share (Note 22)	\ 1,956	\ 2,123	\$ 2.00	\$ 2.00
(in Korean Won and U.S. Dollars)				

The accompanying notes are an integral part of these financial statements.