

HYUNDAI HEAVY INDUSTRIES CO., LTD.
Non-consolidated Balance Sheets

As of June 30, 2008 and December 31, 2007

(Unaudited)

In thousands of Won,

	<u>Note</u>	<u>2008</u>	<u>2007</u>
Assets			
Cash and cash equivalents	27,32	₩ 1,807,039,349	953,756,858
Short-term financial instruments	3	1,505,941,229	2,154,137,014
Short-term investment securities	5	456,111,900	503,388,199
Trade accounts and notes receivable, net of allowance for doubtful accounts of ₩77,377,383 In 2008 and ₩70,815,544 in 2007	16,21,26,27	3,231,146,433	2,740,673,266
Accounts receivable - other, net of allowance for doubtful accounts of ₩278,668,903 in 2008 and ₩268,303,195 in 2007	8,17,26,27	213,176,129	147,455,116
Advanced payments, net of allowance for doubtful accounts of ₩14,383,671 in 2008 and ₩12,567,027 in 2007		518,123,972	336,144,870
Accrued income		68,147,277	30,528,517
Foreign exchange forward contracts	16	38,239,108	185,520,620
Deferred income tax assets	16,22	605,850,793	70,990,353
Inventories	4	1,514,020,433	1,119,219,453
Other current assets	6	320,654,925	257,729,822
Total current assets		<u>10,278,451,548</u>	<u>8,499,544,088</u>
Long-term financial instruments	3,27	7,996,420	9,003,360
Long-term investment securities	7	797,481,836	714,663,412
Equity method accounted investments	8,25	2,172,682,948	2,222,730,033
Property, plant and equipment, net	9,28	5,433,343,175	4,968,785,355
Intangible assets	10,28	248,003,536	236,048,362
Long-term trade accounts and notes receivable, net of allowance for doubtful accounts of ₩882,117 in 2008 and ₩965,609 in 2007		87,329,600	95,595,244
Other non-current assets	11,27	53,858,498	52,334,857
Total non-current assets		<u>8,800,696,013</u>	<u>8,299,160,623</u>
Total Assets		<u>₩ 19,079,147,561</u>	<u>16,798,704,711</u>

HYUNDAI HEAVY INDUSTRIES CO., LTD.
Non-consolidated Balance Sheets, Continued

As of June 30, 2008 and December 31, 2007

(Unaudited)

In thousands of Won, except share data

	Note	2008	2007
Liabilities			
Trade accounts and notes payable	26,27	₩ 1,845,494,714	1,495,173,461
Accounts payable-other	26,27	103,594,342	122,492,217
Advances from customers	21	9,758,359,244	8,013,303,994
Accrued expenses	26,27	534,702,088	250,899,632
Income tax payable	22	380,161,701	455,564,205
Current maturities of debentures and long-term borrowings, net of discounts of ₩93,639 in 2008 and ₩298,966 in 2007	13,27	208,586,361	187,341,034
Foreign exchange forward contracts	16	2,108,696,723	205,986,451
Other current liabilities	12	122,870,174	156,881,303
Total current liabilities		<u>15,062,465,347</u>	<u>10,887,642,297</u>
Debenture and long-term borrowings	13,27	1,625,627	1,625,627
Long-term accrued expenses	17	2,079,342	1,029,342
Accrual for retirement and severance benefits, net of severance insurance deposits and others of ₩1,045,567,492 in 2008 and ₩1,079,968,485 in 2007	14	187,648,111	110,865,582
Deferred income tax liabilities	8,16,22,25	226,097,431	276,376,968
Other long-term liabilities	15	79,473,707	73,455,854
Total non-current liabilities		<u>496,924,218</u>	<u>463,353,373</u>
Total Liabilities		<u>15,559,389,565</u>	<u>11,350,995,670</u>
Stockholders' equity			
Common stock of ₩5,000 par value Authorized - 160,000,000 shares Issued and outstanding-76,000,000 shares in 2008 and 2007		380,000,000	380,000,000
Capital surplus	18	2,813,693,355	2,813,693,355
Capital adjustments	20	(1,746,848,796)	(811,302,031)
Accumulated other comprehensive income	5, 7,8	(1,425,057,672)	198,258,025
Retained earnings	19	3,497,971,109	2,867,059,692
Total stockholders' equity		<u>3,519,757,996</u>	<u>5,447,709,041</u>
Total stockholders' equity and liabilities		<u>₩ 19,079,147,561</u>	<u>16,798,704,711</u>

See accompanying notes to non-consolidated financial statements.