

HYUNDAI HEAVY INDUSTRIES CO., LTD.
Non-Consolidated Statements of Income

For the three-month and six-month periods ended June 30, 2008 and 2007

(Unaudited)

In thousands of Won, except share data

	Note	2008		2007	
		Three-month period	six-month period	Three-month period	six-month period
Sales	16,21,26,28	₩ 4,708,992,756	9,063,057,929	3,876,882,950	7,553,294,016
Cost of sales	21,26	<u>3,953,972,788</u>	<u>7,446,390,425</u>	<u>3,293,922,330</u>	<u>6,390,950,470</u>
Gross profit		<u>755,019,968</u>	<u>1,616,667,504</u>	<u>582,960,620</u>	<u>1,162,343,546</u>
Selling and administrative expenses	29	<u>207,517,623</u>	<u>429,604,554</u>	<u>214,130,566</u>	<u>391,098,551</u>
Operating income		<u>547,502,345</u>	<u>1,187,062,950</u>	<u>368,830,054</u>	<u>771,244,995</u>
Interest and dividend income		60,389,158	131,816,117	35,663,492	68,657,245
Gain on foreign currency transactions		109,336,361	173,031,076	13,272,047	37,441,257
Gain on foreign currency translation		2,303,214	71,022,448	2,787,752	5,218,065
Gain on valuation of equity method accounted investments	8	219,824,269	384,222,798	149,184,151	234,116,983
Gain on foreign exchange forward contracts	16	76,580,385	11,031,069	35,253,148	37,054,983
Others		<u>63,774,035</u>	<u>89,002,220</u>	<u>23,554,785</u>	<u>39,577,485</u>
Non-operating income		<u>532,207,422</u>	<u>860,125,728</u>	<u>259,715,375</u>	<u>422,066,018</u>
Interest expense		1,679,185	4,691,273	2,827,418	5,749,905
Loss on foreign currency transactions		63,362,418	114,800,052	12,208,366	27,535,308
Loss on foreign currency translation		26,320,162	60,700,877	6,949,226	3,339,879
Loss on impairment of long-term investments securities		-	-	58,456	98,676
Loss on disposal of property, plant and equipment		17,304,863	39,778,483	14,609,565	20,775,812
Loss on valuation of equity method accounted investments	8	35,340,253	57,287,332	-	745,651
Loss on foreign exchange forward contracts	16	4,343,559	173,734,951	1,146,176	14,043,124
Others		28,717,483	42,815,917	16,222,492	30,455,132
Non-operating expenses		<u>177,067,923</u>	<u>493,808,885</u>	<u>54,021,699</u>	<u>102,743,487</u>
Income before income taxes		<u>902,641,844</u>	<u>1,553,379,793</u>	<u>574,523,730</u>	<u>1,090,567,526</u>
Income taxes expense	22	247,426,998	455,867,456	157,009,742	302,046,028
Net income		<u>₩ 655,214,846</u>	<u>1,097,512,337</u>	<u>417,513,988</u>	<u>788,521,498</u>
Earnings per share					
Basic earnings per share	24	₩ <u>10,896</u>	<u>18,007</u>	<u>6,711</u>	<u>12,558</u>

See accompanying notes to non-consolidated financial statements.