

HYUNDAI HEAVY INDUSTRIES CO., LTD.

NON-CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2005 AND 2004

	Korean won			
	Three months		Six months	
	(In thousands except per share amounts)			
	2005	2004	2005	2004
Sales (Notes 16, 19 and 21)	₩ 2,547,000,631	₩2,192,807,325	₩ 4,957,387,297	₩ 4,357,215,258
Cost of sales (Notes 16 and 19)	2,348,441,842	2,040,136,171	4,689,963,590	3,987,918,474
Gross profit	198,558,789	152,671,154	267,423,707	369,296,784
Selling and administrative expenses (Note 22)	156,572,574	149,356,130	299,646,180	299,587,172
Operating income (loss) (Note 21)	41,986,215	3,315,024	(32,222,473)	69,709,612
Non-operating income:				
Interest and dividend income	22,433,964	24,716,251	44,958,835	46,597,130
Gain on foreign currency transactions	23,611,852	30,061,256	59,842,876	58,013,681
Gain on foreign currency translation	6,667,237	14,900,631	6,758,232	9,960,706
Gain on valuation of investments using the equity method (Note 6)	27,088,982	60,634,298	49,662,120	116,449,314
Gain on disposal of available-for-sales securities	721,874	80,588,476	1,274,972	80,588,476
Gain on valuation of derivatives (Note 11)	6,981,050	8,081,655	15,395,146	8,730,595
Others	10,704,044	13,577,470	17,664,151	18,619,987
	98,209,003	232,560,037	195,556,332	338,959,889
Non-operating expenses:				
Interest expense	8,005,978	17,337,786	17,206,995	38,218,176
Loss on foreign currency transactions	32,135,346	39,868,882	79,550,396	97,729,685
Loss on foreign currency translation	-	3,618,750	16,283,488	38,525,066
Loss on impairment of investments (Note 5)	2,991,060	1,259,433	2,991,060	3,613,051
Loss on disposal of property, plant and equipment	5,376,249	1,503,065	6,948,426	2,511,280
Loss on disposal of available-for-sales securities	21,706	80,266,542	300,697	80,266,542
Loss on redemption of debentures	-	1,487,430	-	1,487,430
Loss on valuation of investments using the equity method (Note 6)	1,921,411	-	7,909,603	-
Loss on valuation of derivatives (Note 11)	24,078,266	-	55,751,472	-
Others	11,393,439	12,434,203	45,156,550	42,334,549
	85,923,455	157,776,091	232,098,687	304,685,779
Ordinary income (loss)	54,271,763	78,098,970	(68,764,828)	103,983,722
Extraordinary item	-	-	-	-
Net income (loss) before income tax	54,271,763	78,098,970	(68,764,828)	103,983,722
Income tax expense (benefits) (Note 17)	18,814,835	24,610,168	(15,274,840)	30,336,083
Net income (loss)	₩ 35,456,928	₩ 53,488,802	₩ (53,489,988)	₩ 73,647,639
Ordinary income (loss) per share (Note 18)	₩ 550	₩ 829	₩ (829)	₩ 1,142
Earnings (loss) per share (Note 18)	₩ 550	₩ 829	₩ (829)	₩ 1,142

See accompanying notes to non-consolidated financial statements.

