

HYUNDAI HEAVY INDUSTRIES CO., LTD.
NON-CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2007 AND 2006

	Korean won			
	Three months		Six months	
	(In thousands except per share amounts)			
	2007	2006	2007	2006
Sales (Notes 16, 20 and 22)	₩ 3,876,882,950	₩ 2,972,837,615	₩ 7,553,294,016	₩ 5,821,045,765
Cost of sales (Notes 16 and 20)	<u>3,293,922,330</u>	<u>2,662,735,539</u>	<u>6,390,950,470</u>	<u>5,163,581,564</u>
Gross profit	582,960,620	310,102,076	1,162,343,546	657,464,201
Selling and administrative expenses (Note 23)	<u>214,130,566</u>	<u>159,857,362</u>	<u>391,098,551</u>	<u>333,019,423</u>
Operating income (Note 22)	368,830,054	150,244,714	771,244,995	324,444,778
Non-operating income:				
Interest and dividend income	35,663,492	19,249,856	68,657,245	44,203,458
Gain on foreign currency transactions	13,272,047	25,023,952	37,441,257	43,677,965
Gain on foreign currency translation	2,787,752	14,563,285	5,218,065	22,820,029
Gain on valuation of investment securities accounted for using the equity method (Note 6)	149,184,151	67,721,475	234,116,983	113,529,761
Gain on valuation of foreign exchange forward contracts (Note 11)	29,104,392	10,135,550	25,178,973	45,161,410
Gain on transaction of foreign exchange forward contracts (Note 11)	6,148,756	24,211,402	11,876,010	47,684,145
Others	<u>23,554,785</u>	<u>29,294,981</u>	<u>39,577,485</u>	<u>37,872,317</u>
	<u>259,715,375</u>	<u>190,200,501</u>	<u>422,066,018</u>	<u>354,949,085</u>
Non-operating expenses:				
Interest expense	2,827,418	2,603,331	5,749,905	4,833,990
Loss on foreign currency transactions	12,208,366	50,186,297	27,535,308	99,176,257
Loss on foreign currency translation	6,949,226	-	3,339,879	26,202,331
Loss on valuation of investment securities accounted	-	1,090,762	745,651	8,069,075
Loss on disposal of property, plant and equipment	14,609,565	3,079,305	20,775,812	3,966,556
Loss on impairment of long-term investments securities (Note 5)	58,456	304,620	98,676	336,686
Additional payment of income tax (Note 12)	6,919,720	-	14,827,600	118,420,797
Loss on valuation of foreign exchange forward contracts (Note 11)	-	3,924,203	2,655,504	8,710,505
Loss on transaction of foreign exchange forward contracts (Note 11)	1,146,176	191,892	11,387,620	1,998,864
Others	<u>16,222,492</u>	<u>20,165,405</u>	<u>30,455,132</u>	<u>52,054,870</u>
	<u>60,941,419</u>	<u>81,545,815</u>	<u>117,571,087</u>	<u>323,769,931</u>
Net income before income tax	567,604,010	258,899,400	1,075,739,926	355,623,932
Income tax expense (Note 17)	<u>150,090,022</u>	<u>66,534,042</u>	<u>287,218,428</u>	<u>140,357,336</u>
Net income	<u>₩ 417,513,988</u>	<u>₩ 192,365,358</u>	<u>₩ 788,521,498</u>	<u>₩ 215,266,596</u>
Earnings per share (Note 18)	<u>₩ 6,650</u>	<u>₩ 2,983</u>	<u>₩ 12,558</u>	<u>₩ 3,338</u>

See accompanying notes to non-consolidated financial statements.