

HYUNDAI HEAVY INDUSTRIES CO., LTD.

NON-CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>Korean won</u>	
	<u>2005</u>	<u>2004</u>
	(In thousands, except per share amounts)	
Sales (Notes 17, 20, 22 and 24)	₩10,354,421,886	₩9,084,484,155
Cost of sales (Notes 17 and 20)	<u>9,638,989,541</u>	<u>8,540,502,376</u>
Gross profit	715,432,345	543,981,779
Selling and administrative expenses (Note 23)	<u>624,584,039</u>	<u>642,042,563</u>
Operating income (loss) (Note 22)	90,848,306	-98,060,784
Non-operating income:		
Interest and dividend income	98,559,779	107,867,659
Gain on foreign currency transactions	98,095,813	180,076,397
Gain on foreign currency translation	12,826,998	25,929,043
Gain on valuation of investment securities accounted for using the equity method (Note 6)	132,215,981	162,834,227
Gain on disposal of available-for-sales securities contracts (Note 11)	1,839,392	80,518,377
contracts (Note 11)	13,717,848	32,712,127
Gain on reversal of provisions	21,871,637	-
Others	127,649,924	-
	<u>62,166,917</u>	<u>43,565,285</u>
	568,944,289	633,503,115
Non-operating expenses:		
Interest expense	25,862,494	64,433,135
Loss on foreign currency transactions	123,715,256	157,559,693
Loss on foreign currency translation for using the equity method (Note 6)	16,580,919	93,086,979
Loss on disposal of available-for-sales securities	9,628,196	-
Loss on disposal of property, plant and equipment securities (Note 5)	6,959,082	80,297,342
Loss on redemption of debentures contracts (Note 11)	11,033,613	9,895,073
contracts (Note 11)	29,476,212	3,235,189
Others	-	1,487,429
	27,819,348	-
	56,231,229	-
	<u>94,724,279</u>	<u>69,901,617</u>
	<u>402,030,628</u>	<u>479,896,457</u>

Ordinary income	257,761,967	55,545,874
Extraordinary item	=	=
Net income before income tax	257,761,967	55,545,874
Income tax expense (Note 18)	<u>74,447,888</u>	<u>18,826,378</u>
Net income	<u>₩183,314,079</u>	<u>₩36,719,496</u>
Earnings per share (Note 19)	<u>₩2,842</u>	<u>₩569</u>
Ordinary income per share (Note 19)	<u>₩2,842</u>	<u>₩569</u>

See accompanying notes to non-consolidated financial statements.