

HYUNDAI HEAVY INDUSTRIES CO., LTD.

NON-CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	Korean won	
	2007	2006
	(In thousands, except per share amounts)	
Sales (Notes 17, 21, 23 and 25)	₩ 15,533,013,307	₩ 12,554,744,430
Cost of sales (Notes 17 and 21)	<u>12,976,118,554</u>	<u>10,973,444,547</u>
Gross profit	2,556,894,753	1,581,299,883
Selling and administrative expenses (Note 24)	<u>806,197,217</u>	<u>702,433,590</u>
Operating income (Note 23)	<u>1,750,697,536</u>	<u>878,866,293</u>
Non-operating income:		
Interest and dividend income	205,072,125	96,103,120
Gain on foreign currency transactions	87,926,436	77,473,201
Gain on foreign currency translation	12,923,568	33,106,834
Gain on valuation of investment securities accounted for using the equity method (Note 6)	489,179,298	200,004,281
Gain on disposal of available-for-sales securities	10,676,253	7,003,756
Gain on valuation of foreign exchange forward contracts (Note 11)	4,907,836	38,375,247
Gain on transaction of foreign exchange forward contracts (Note 11)	36,055,708	65,331,493
Gain on reversal of provisions	6,392,055	-
Reversal of provision for construction warranties	6,680,152	793,705
Others	<u>94,975,181</u>	<u>78,347,397</u>
	<u>954,788,612</u>	<u>596,539,034</u>
Non-operating expenses:		
Interest expense	11,402,580	10,721,232
Loss on foreign currency transactions	78,099,571	143,753,092
Loss on foreign currency translation	8,360,813	42,793,599
Loss on valuation of investment securities accounted for using the equity method (Note 6)	6,643,654	20,835,361
Loss on disposal of available-for-sales securities	3,638,864	550
Loss on disposal of property, plant and equipment	33,263,439	11,634,104
Loss on impairment of long-term investment securities (Note 5)	105,249	2,383,171
Loss on valuation of foreign exchange forward contracts (Note 11)	59,199,240	1,194,237
Loss on transaction of foreign exchange forward contracts (Note 11)	15,594,631	6,238,859
Others	<u>94,792,242</u>	<u>86,329,319</u>
	<u>311,100,283</u>	<u>325,883,524</u>
Net income before income tax	2,394,385,865	1,149,521,803
Income tax expense (Note 18)	<u>658,325,534</u>	<u>436,674,245</u>
Net income	<u>₩ 1,736,060,331</u>	<u>₩ 712,847,558</u>
Earnings per share (Note 20)	<u>₩ 27,778</u>	<u>₩ 11,053</u>