

Hyundai Heavy Industries Co., Ltd.
Consolidated Statements of Income

For the year ended December 31, 2008 and 2007

(In thousands of Won, except earnings per share)

	<u>Note</u>	<u>2008</u>	<u>2007</u>
Sales	27,30,31	₩ 27,483,590,129	20,892,299,349
Cost of sales	27,30,31	22,837,667,656	17,243,708,609
Gross profit		<u>4,645,922,473</u>	<u>3,648,590,740</u>
Selling, general and administrative expenses	32	1,463,958,268	1,085,045,549
Operating income		<u>3,181,964,205</u>	<u>2,563,545,191</u>
Interest and dividend income		539,158,579	343,354,084
Gain on foreign currency transactions		1,090,128,774	120,704,903
Gain on foreign currency translation		153,697,336	13,864,021
Gain on valuation of equity method accounted investments	9	191,709,467	80,661,725
Gain on impairment of long-term investment securities		-	24,221,320
Gain on disposal of property, plant and equipment		15,862,574	8,253,245
Gain on reversal of provisions	19	10,715,346	9,434,000
Gain on foreign exchange forward contracts	18	2,533,356,809	41,664,188
Others		167,850,285	129,499,799
Non-operating income		<u>4,702,479,170</u>	<u>771,657,285</u>
Interest expense		34,837,356	35,194,930
Loss on foreign currency transactions		967,021,027	103,255,790
Loss on foreign currency translation		196,718,057	10,910,100
Loss on valuation of equity method accounted investments	9	58,944,423	2,093,282
Loss on disposition of long-term investment securities		-	3,604,570
Loss on disposition of property, plant and equipment		62,229,508	34,276,327
Loss on impairment of long-term investment securities	7	-	312,014
Loss on foreign exchange forward contracts	18	2,793,287,815	116,528,025
Others		184,402,186	139,205,345
Non-operating expenses		<u>4,297,440,372</u>	<u>445,380,383</u>
Income before income taxes		3,587,003,003	2,889,822,093
Income taxes expense	24	993,203,744	937,540,183
Net income before acquisition of subsidiaries		19,600,004	-
Net income		<u>2,574,199,255</u>	<u>1,952,281,910</u>
Holding company		<u>2,254,095,967</u>	<u>1,729,549,497</u>
Minority interests		₩ <u>320,103,288</u>	<u>222,732,413</u>
Earnings per share			
Basic earnings per share	26	₩ <u>41,457</u>	<u>30,910</u>

See accompanying notes to consolidated financial statements.