

NON-CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2008 AND 2007

(in millions of Korean won, except per share amounts)

	2008	2007
Sales (Notes 25 and 27)	₩ 12,645,000	₩ 8,899,578
Cost of sales (Notes 20 and 25)	10,505,542	7,569,364
Gross profit	2,139,458	1,330,214
Selling and administrative expenses (Note 25)	795,109	667,876
Operating income	1,344,349	662,338
Non-operating income		
Interest income	3,880	8,828
Foreign exchange gains	370,422	42,754
Gain on foreign currency translation (Note 13)	29,625	5,472
Gain on valuation of equity-method investments (Notes 2 and 8)	29,543	173,670
Gain on transaction of derivative instruments	51,849	-
Gain on valuation of derivative instruments (Note 16)	53,590	1,846
Gain on disposal of property, plant and equipment	1,795	5,924
Reversal of negative goodwill (Notes 2 and 10)	39,170	39,170
Reversal of bad debts allowance	4,976	-
Reversal of compensation expenses associated with stock options (Note 15)	337	-
Gain on insurance settlements	57,787	11
Others	18,319	14,819
	661,293	292,494
Non-operating expenses		
Interest expenses	39,249	81,843
Foreign exchange losses	402,178	43,774
Loss on foreign currency translation (Note 13)	178,042	7,523
Loss on disposal of trade accounts receivable (Note 2)	36,566	32,182
Impairment loss on investment securities (Note 7)	-	15
Loss on valuation of equity-method investments (Notes 2 and 8)	45,228	8,286
Loss on valuation of derivative instruments (Note 16)	13,608	-
Loss on disposal of property, plant and equipment (Note 2)	7,267	12,278
Impairment loss on property, plant and equipment	-	3,287
Impairment loss on intangible assets (Note 10)	84	16,376
Donations	6,823	6,710
Others	31,133	15,391
	760,178	227,665
Income from continuing operations before income tax	1,245,464	727,167
Income tax expenses on continuing operations (Notes 2 and 21)	299,665	105,743
Income from continuing operations	945,799	621,424
Income from discontinued operations (Note 28)	56,786	64,781
Net income	₩ 1,002,585	₩ 686,205
Per share data (in won) (Notes 2 and 23)		
Income from continuing operations per share	₩ 11,341	₩ 8,392
Earnings per share	₩ 12,022	₩ 9,264
Diluted income from continuing operations per share	₩ 11,341	₩ 8,392
Diluted earnings per share	₩ 12,022	₩ 9,264

* The accompanying notes are an integral part of these non-consolidated financial statements.