

KUMHO PETROCHEMICAL CO., LTD.
NON-CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
	(In millions of Korean won)	
SALES (Notes 2, 27 and 31)	₩2,801,662	₩3,182,490
COST OF SALES (Notes 2, 27 and 32)	2,487,518	2,702,608
GROSS PROFIT	314,144	479,882
SELLING AND ADMINISTRATIVE EXPENSES (Notes 11, 21, 27 and 32)	197,963	198,587
OPERATING INCOME	116,181	281,295
NON-OPERATING INCOME		
Interest income	4,399	2,816
Dividend income	2,116	4,851
Gain on foreign currency transactions (Note 2)	80,738	97,267
Gain on foreign currency translation (Note 2)	12,194	14,748
Reversal of allowance for doubtful accounts	-	389
Gain on disposal of property, plant and equipment	124	-
Gain on disposal of equity method investment securities (Notes 2 and 6)	1	45,047
Gain on valuation of derivatives (Notes 14 and 30)	721	68,490
Gain on derivatives transactions	1,628	46
Equity in income of associates (Note 6)	38,299	31,750
Miscellaneous income	2,471	5,086
Sub-total	₩142,691	₩270,490

(Continued)

KUMHO PETROCHEMICAL CO., LTD.
NON-CONSOLIDATED STATEMENTS OF OPERATIONS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
	(In millions of Korean won)	
NON-OPERATING EXPENSES		
Interest expense	₩109,991	₩89,121
Other bad debt expenses	10,267	72
Loss on foreign currency transactions (Note 2)	63,218	146,541
Loss on foreign currency translation (Notes 2 and 30)	2,866	75,683
Donations	1,593	2,147
Loss on disposal of property, plant and equipment	1,463	6,689
Loss on impairment of intangible assets (Notes 2 and 9)	3,807	12,501
Equity in loss of associates (Note 2 and 6)	771,821	200,886
Loss on disposal of accounts receivable - trade	-	280
Loss on disposal of other non-current assets	24	-
Loss on impairment of other non-current assets	235	6,596
Loss on disposal of available-for-sale securities	-	1
Loss on derivatives transactions	4,976	10,540
Loss on valuation of derivatives (Notes 2, 14 and 30)	9,641	12,692
Loss on disposal of equity method investment securities (Notes 2 and 6)	3,376	4,807
Loss on impairment of equity method investment securities (Notes 2 and 6)	93,687	-
Miscellaneous loss	2,386	4,195
Other non-operating expenses	21,392	5,692
Sub-total	1,100,743	578,443
LOSS BEFORE INCOME TAX	(841,871)	(26,658)
INCOME TAX BENEFITS (Notes 2 and 23)	(227,032)	(6,912)
NET LOSS (Note 22)	(₩614,839)	(₩19,746)
BASIC NET LOSS PER COMMON SHARE (In Korean won) (Note 24)	(₩31,003)	(₩1,118)

See accompanying notes to non-consolidated financial statements.