

**S-OIL Corporation**  
**Non-Consolidated Statements of Income**  
**Years ended December 31, 2008 and 2007**

*(In thousands of Korean won,  
except per share amounts)*

	<b>2008</b>	<b>2007</b>
<b>Sales (Notes 21 and 27)</b>	₩ 23,000,290,510	₩ 15,229,397,740
<b>Cost of sales (Note 17)</b>	<u>21,171,160,322</u>	<u>13,760,831,365</u>
Gross income	<u>1,829,130,188</u>	<u>1,468,566,375</u>
<b>Selling, general and administrative expenses (Note 18)</b>	<u>432,790,674</u>	<u>384,158,667</u>
Operating income	<u>1,396,339,514</u>	<u>1,084,407,708</u>
<b>Non-operating income</b>		
Interest and dividend income	151,560,160	160,065,196
Gain on foreign currency transactions	1,374,761,123	170,673,863
Gain on foreign currency translation (Note 23)	184,090,348	13,269,501
Gain on valuation of equity-method investments (Note 6)	11,077	437,514
Gain on derivative transactions	134,660,639	21,496,190
Gain on valuation of derivatives (Note 13)	43,156,947	-
Gain on disposal of property, plant, and equipment	5,926,814	5,394,067
Others	40,427,533	15,569,686
	<u>1,934,594,641</u>	<u>386,906,017</u>
<b>Non-operating expenses</b>		
Interest expense	139,638,153	158,269,389
Loss on foreign currency transactions	2,029,757,367	176,345,682
Loss on foreign currency translation (Note 23)	303,884,925	36,529,178
Loss on derivative transactions	169,065,060	56,328,203
Loss on valuation of derivatives (Note 13)	3,919,397	-
Loss on valuation of equity-method investments (Note 6)	2,779,960	-
Loss on disposal of property, plant and equipment	2,630,795	792,922
Others	56,224,797	11,111,459
	<u>2,707,900,454</u>	<u>439,376,833</u>
Income before income taxes	<u>623,033,701</u>	<u>1,031,936,892</u>
Income tax expenses (Note 19)	<u>176,819,451</u>	<u>285,441,204</u>
Net income	<u>₩ 446,214,250</u>	<u>₩ 746,495,688</u>
Basic earnings per share (Note 20)	₩ 3,832	₩ 7,042
Diluted earnings per share (Note 20)	₩ 3,832	₩ 7,042

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