

**S-Oil Corporation**  
**Non-Consolidated Statement of income**  
**3<sup>rd</sup> quarter & Nine-month periods ended September 30, 2008 and 2007**

| (In Korean won)  | 2008                     |                           | 2007                     |                           |
|--|--------------------------|---------------------------|--------------------------|---------------------------|
|  | 3rd Quarter              | Jan.~Sep.                 | 3rd Quarter              | Jan.~Sep.                 |
| <b>Sales</b>   | <b>7,016,043,965,417</b> | <b>18,414,544,453,241</b> | <b>3,754,860,231,367</b> | <b>10,722,681,913,095</b> |
| Cost of sales (Note 15)                                | 6,405,239,646,525        | 16,574,708,987,108        | 3,510,300,181,664        | 9,589,548,863,920         |
| <b>Gross profit</b>                                    | <b>610,804,318,892</b>   | <b>1,839,835,466,133</b>  | <b>244,560,049,703</b>   | <b>1,133,133,049,175</b>  |
| Selling, general and administrative expenses (Note 16) | 107,038,975,043          | 315,157,544,118           | 104,134,230,051          | 278,153,056,755           |
| <b>Operating profit</b>                                | <b>503,765,343,849</b>   | <b>1,524,677,922,015</b>  | <b>140,425,819,652</b>   | <b>854,979,992,420</b>    |
| Non-operating income                                   |                          |                           |                          |                           |
| Interest and dividend income                           | 31,424,155,011           | 120,042,507,535           | 45,718,646,142           | 111,476,483,141           |
| Foreign exchange gains                                 | 298,323,428,736          | 504,166,532,689           | 45,065,618,950           | 93,718,082,107            |
| Gain on foreign currency translation                   | 113,668,257,081          | 147,835,781,793           | 25,705,326,959           | 38,126,526,752            |
| Gain on valuation of equity method investments         | 3,479,339                | 5,525,180                 | 11,801,811               | 431,395,217               |
| Reversal of allowances for bad debts                   | -                        | -                         | 373,080,548              | 379,429,064               |
| Gain on derivative investments                         | 17,515,477,599           | 17,515,477,599            | 13,167,215,987           | 17,143,899,963            |
| Gain on evaluation of derivative investments           | 48,307,261,034           | 77,123,563,916            | -                        | 1,358,723,025             |
| Gain on disposal of property, plant, and equipment     | 15,982,194               | 1,278,140,433             | 4,966,616,153            | 5,143,239,014             |
| Others   | 15,856,650,942           | 12,555,484,957            | 6,504,770,976            | 10,911,965,562            |
|  | 525,114,691,936          | 880,523,014,102           | 141,513,077,526          | 278,689,743,845           |
| Non-operating expenses                                 |                          |                           |                          |                           |
| Interest expense                                       | 36,158,264,786           | 106,154,790,241           | 39,455,653,144           | 117,983,874,659           |
| Foreign exchange losses                                | 487,952,348,298          | 819,316,757,180           | 49,824,043,985           | 103,081,746,187           |
| Loss on foreign currency translation                   | 253,890,341,248          | 438,808,259,667           | 11,277,684,003           | 12,143,576,196            |
| Loss on derivative investments                         | 25,196,720,363           | 92,905,204,401            | 3,692,006,001            | 4,788,077,495             |
| Loss on evaluation of derivative investments           | 16,214,295,048           | 24,777,998,891            | 28,787,804,004           | 32,521,655,925            |

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|   |                        |                        |                        |                        |
|---|------------------------|------------------------|------------------------|------------------------|
| Loss on valuation of equity method investments        | 21,393,512             | 591,844,692            | -                      | -                      |
| Loss on disposal of property, plant and equipment     | 1,281,474,328          | 2,564,262,575          | 257,962,316            | 352,916,535            |
| Others  | 3,512,382,883          | 46,249,507,173         | 1,487,776,087          | 4,481,030,001          |
|   | 824,227,220,466        | 1,531,368,624,820      | 134,782,929,540        | 275,352,876,998        |
| <b>Income before income tax</b>                       | <b>204,652,815,319</b> | <b>873,832,311,297</b> | <b>147,155,967,638</b> | <b>858,316,859,267</b> |
| Income tax (Note 17)                                  | 54,719,654,968         | 240,486,379,839        | 41,824,287,326         | 237,427,078,712        |
| <b>Net income</b>                                     | <b>149,933,160,351</b> | <b>633,345,931,458</b> | <b>105,331,680,312</b> | <b>620,889,780,555</b> |
| Basic earnings per share (Note 18)<br>(in Korean won) | 1,288                  | 5,440                  | 905                    | 6,058                  |