

DOOSAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
	(Korean won)	
SALES (Notes 2, 22, 27, 28 and 32)	₩ 23,044,504,558,844	₩ 20,155,554,431,534
COST OF SALES (Notes 2, 27 and 28)	<u>18,458,566,249,502</u>	<u>17,042,875,089,464</u>
GROSS PROFIT	4,585,938,309,342	3,112,679,342,070
SELLING AND ADMINISTRATIVE EXPENSES (Notes 2, 23 and 28)	<u>2,960,281,974,563</u>	<u>2,615,282,377,969</u>
OPERATING INCOME (Note 32)	<u>1,625,656,334,779</u>	<u>497,396,964,101</u>
NON-OPERATING INCOME		
Interest income (Note 2)	103,853,704,853	132,160,246,123
Dividend income (Note 2)	3,337,879,631	1,624,422,362
Fees revenues	2,232,685,253	1,102,672,100
Foreign currency transaction gain (Note 2)	312,905,228,588	404,122,966,926
Foreign currency translation gain (Note 2)	58,867,870,677	118,430,904,877
Reversal of allowance for doubtful accounts (Note 2)	3,168,941,419	26,212,873,450
Reversal of impairment loss on long-term investment securities (Note 2)	48,502,600	8,808,355,754
Gain on disposal of investment assets	5,933,138,148	19,100,043,102
Equity in income of associates (Notes 2, 7)	10,021,829,002	17,486,817,144
Gain on disposal of equity method investment securities	-	194,144,798,395
Reversal of loss on impairment of property, plant and equipment (Notes 2 and 8)	41,294,049	2,990,900,677
Gain on disposal of property, plant and equipment	22,829,664,410	5,964,650,670
Reversal of negative goodwill (Notes 2 and 10)	13,223,986,895	13,001,509,398
Gain on valuation of derivatives (Notes 2 and 16)	219,200,174,703	532,039,539,909
Gain on settlement of derivatives (Note 2)	262,867,887,325	401,994,648,333
Gain on valuation of firm commitments (Notes 2 and 16)	93,469,890,048	407,057,760,329
Other non-operating income	<u>324,727,173,318</u>	<u>154,137,425,249</u>
Total Non-operating income	<u>1,436,729,850,919</u>	<u>2,440,380,534,798</u>
NON-OPERATING EXPENSES		
Interest expense (Note 2)	686,216,817,780	801,447,581,292
Foreign currency transaction loss (Note 2)	308,191,499,735	456,617,195,877
Foreign currency translation loss (Note 2)	91,117,533,159	84,011,961,649
Loss on disposal of accounts receivable (Note 4)	17,077,886,395	24,956,392,013
Loss on inventory obsolescence	3,169,259,589	7,647,834,623
Other bad debt expenses (Note 2)	30,306,108,867	15,593,968,135
Loss on disposal of investment assets	916,617,141	647,907,062

(Continued)

DOOSAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
	(Korean won)	
Equity in loss of associates (Notes 2 and 7)	₩ 5,204,299,931	₩ 13,748,933,435
Loss on impairment of equity method investment securities (Note 2)	350,000,000	39,466,638
Loss on disposal of equity method investment securities	-	187,153,734
Loss on impairment of property, plant and equipment (Notes 2 and 8)	1,629,290,836	1,277,392,324
Loss on disposal of property, plant and equipment	4,423,845,448	10,543,908,511
Loss on impairment of intangible assets (Notes 2 and 10)	44,680,996,923	5,376,029,993
Loss on impairment of other non-current assets (Note 2)	32,616,500,000	-
Loss on redemption of bonds	194,063,783	399,444,948
Loss on redemption of long-term borrowings	1,516,112,762	-
Loss on valuation of derivatives (Notes 2 and 16)	73,250,067,882	73,828,975,984
Loss on settlement of derivatives (Note 2)	151,815,377,203	639,539,358,087
Loss on valuation of firm commitments (Notes 2 and 16)	542,308,951,242	973,198,304,010
Donations	42,167,128,803	30,872,116,277
Other non-operating expenses	346,011,440,172	194,502,174,889
 Total Non-operating Expenses	 2,383,163,797,651	 3,334,436,099,481
 INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAX	 679,222,388,047	 (396,658,600,582)
 INCOME TAX EXPENSE ON CONTINUING OPERATIONS (Notes 2 and 24)	 331,134,122,515	 128,582,538,204
 INCOME (LOSS) FROM CONTINUING OPERATIONS	 348,088,265,532	 (525,241,138,786)
 INCOME FROM DISCONTINUED OPERATIONS (Note 31) (Less tax effect of ₩10,121,543,018 in 2010 and ₩101,282,553,878 in 2009)	 31,437,675,151	 258,418,915,869
 NET INCOME (LOSS)	 ₩ 379,525,940,683	 (₩ 266,822,222,917)
 Attributable to:		
EQUITY HOLDERS OF THE PARENT (Note 25)	₩ 265,002,105,872	₩ 231,065,901,280
MINORITY INTERESTS	114,523,834,811	(497,888,124,197)
	₩ 379,525,940,683	(₩ 266,822,222,917)
 NET INCOME (LOSS) PER COMMON SHARE (Note 26)		
Basic income (loss) per common share from continuing operations	₩ 9,873	(₩ 2,474)
Basic net income per common share	₩ 11,349	₩ 9,952
Diluted income (loss) per common share from continuing operations	₩ 9,845	(₩ 2,474)
Diluted net income per common share	₩ 11,318	₩ 9,952

See accompanying notes to consolidated financial statements.