

March 2006

GS E&C

Investor Relations



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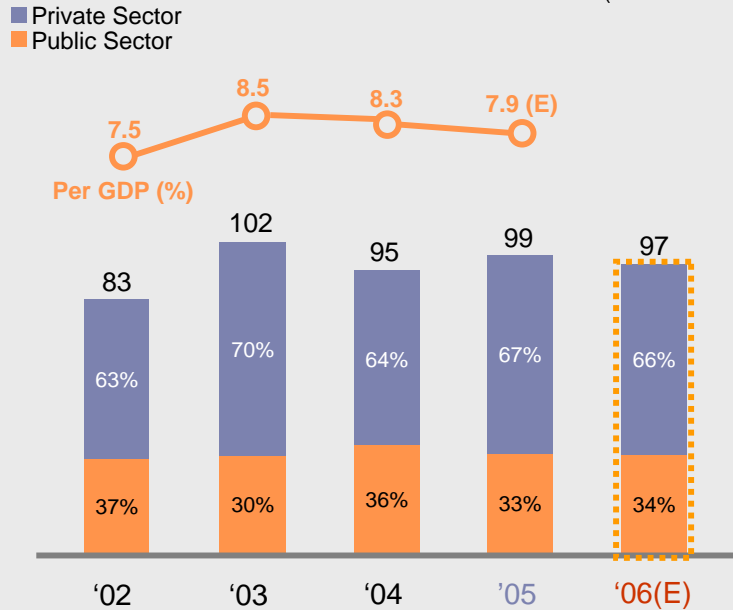
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Overview - Market

While domestic contracts are expected to be flat year on year, overseas contracts are predicted to increase substantially.

Domestic Contract Value

(KRW trillion)

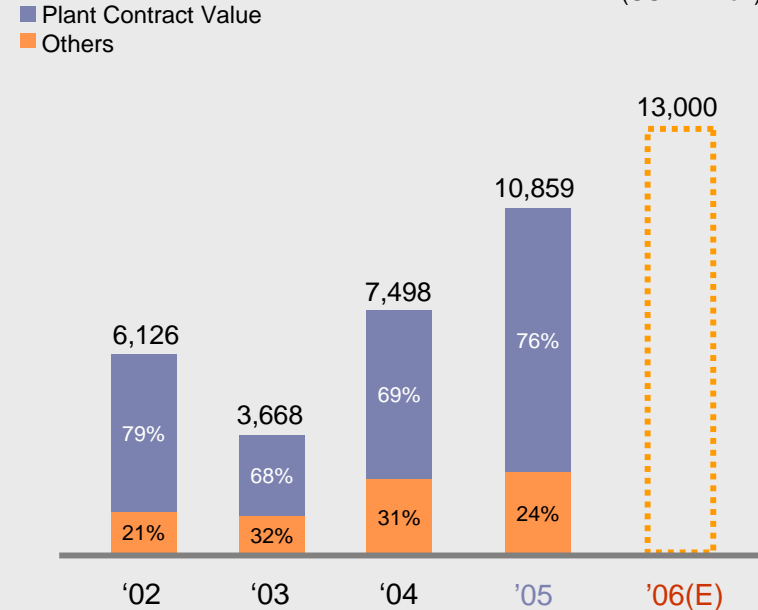


Source : Construction Association of Korea (2005)

Overseas Contract Value

* Orders won by Korean builders

(USD Million)

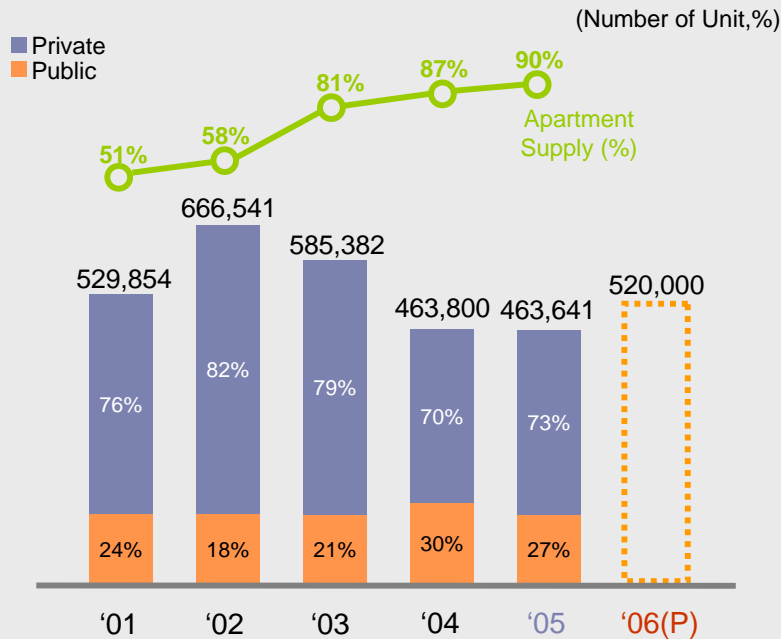


Source : Ministry of Construction & Transportation (2005)

Overview - Market

Housing supply is expected to increase compared to last year. On the other hand, housing price is on the steady rise in spite of government property measures focused on anti-speculation.

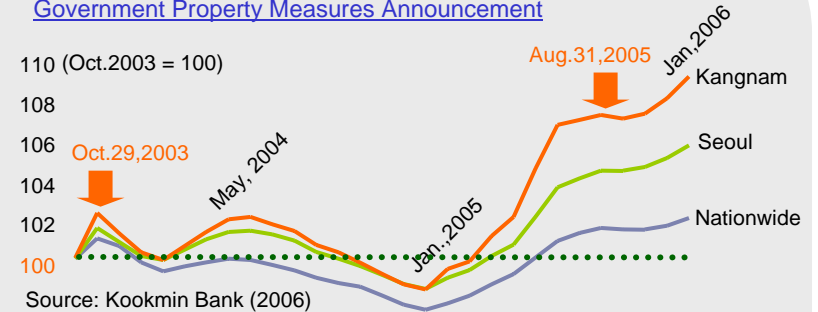
Housing Supply



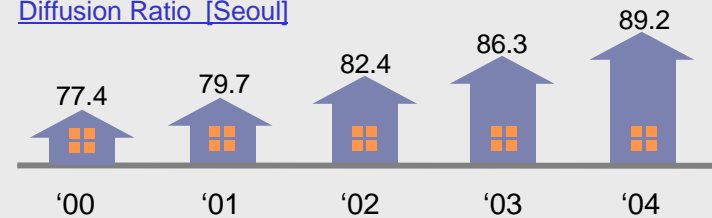
Source : Construction Association of Korea (2005)

Condition

Housing Purchase Price Composite Indices Against Government Property Measures Announcement



Diffusion Ratio [Seoul]



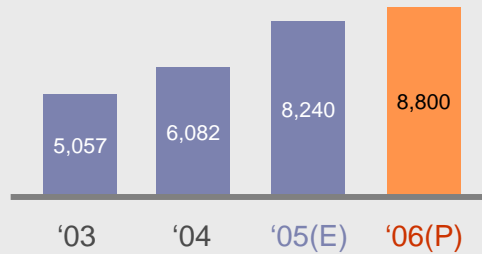
Source : Construction Association of Korea (2005)

Business Plan 2006 – Highlights

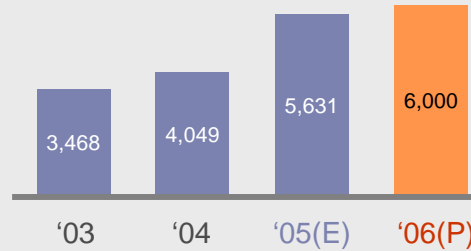
New orders and sales revenues will continue to rise, while profits increase through cost innovation.

(KRW billion)

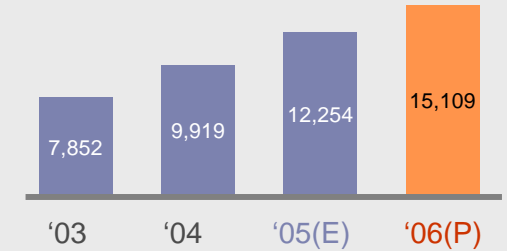
New Orders



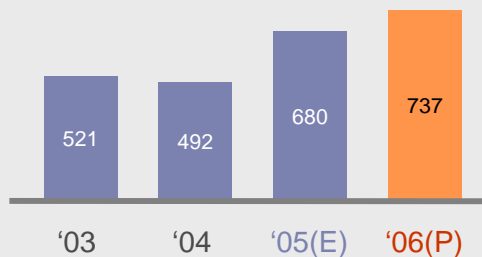
Sales Revenues



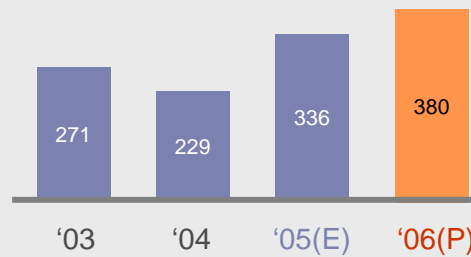
Order Backlogs



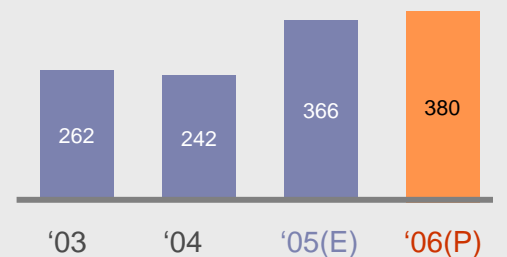
Gross Profit



Operating Profit



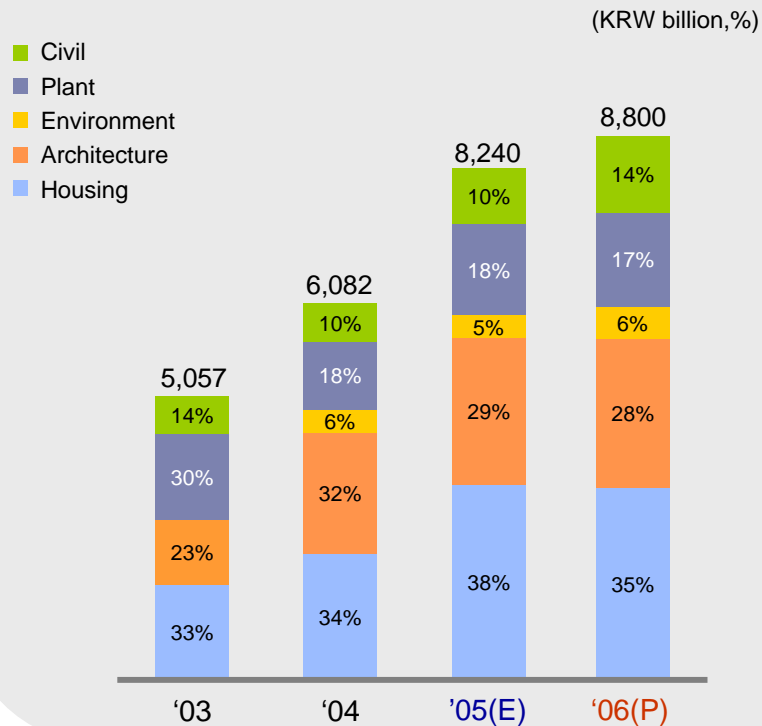
Ordinary Profit



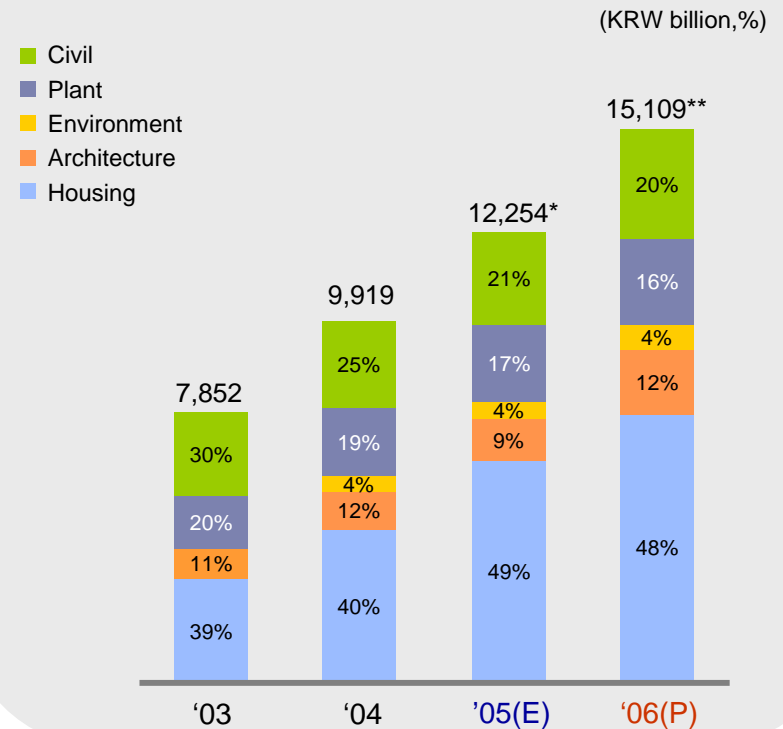
Business Plan 2006 – New Orders & Order Backlogs

New orders and order backlogs are expected to rise continuously based on a balanced portfolio and group works.

New Orders



Order Backlogs



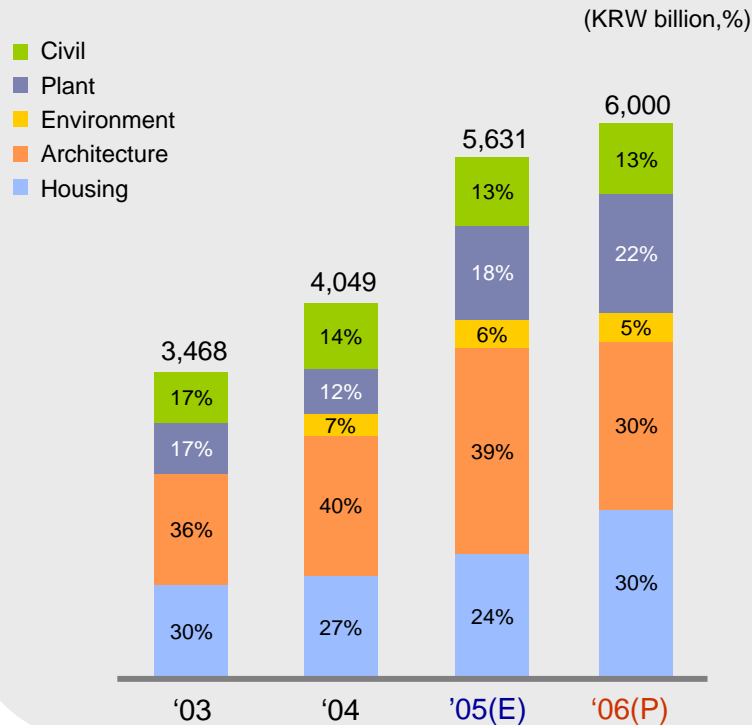
*Approx. W13.4 tr. of provisional order backlogs not included in the housing div.

**Approx. W16 tr. of provisional order backlogs not included in the housing div.

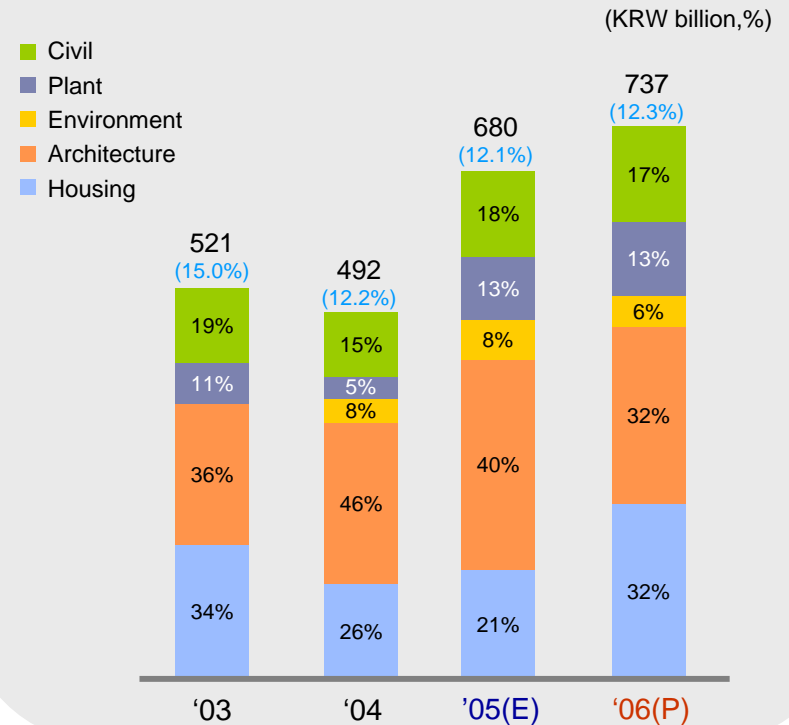
Business Plan 2006 - Sales Revenues & Gross Profit

Sales revenues and gross profit will grow with the increased number of projects in Plant and Housing division. Gross margin will rise as well.

Sales Revenues



Gross Profit



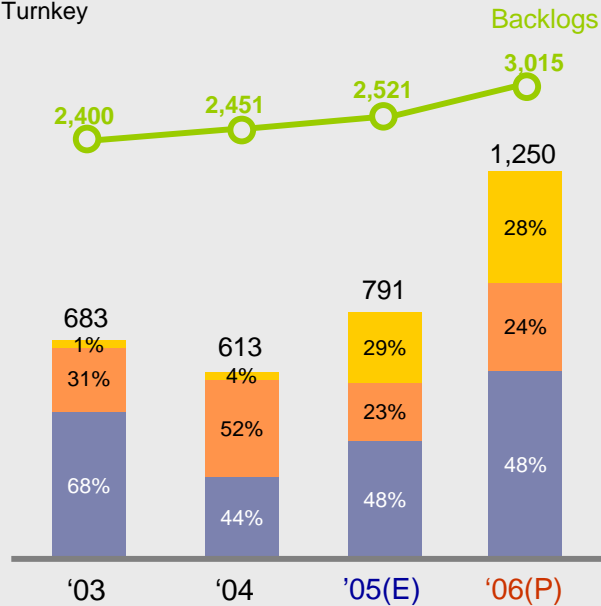
Business Plan 2006 - Civil

Due to the turnkey and PFI projects, orders are expected to rise significantly, while the sales revenues show a small increase compared to 2005.

New Orders & Order Backlogs

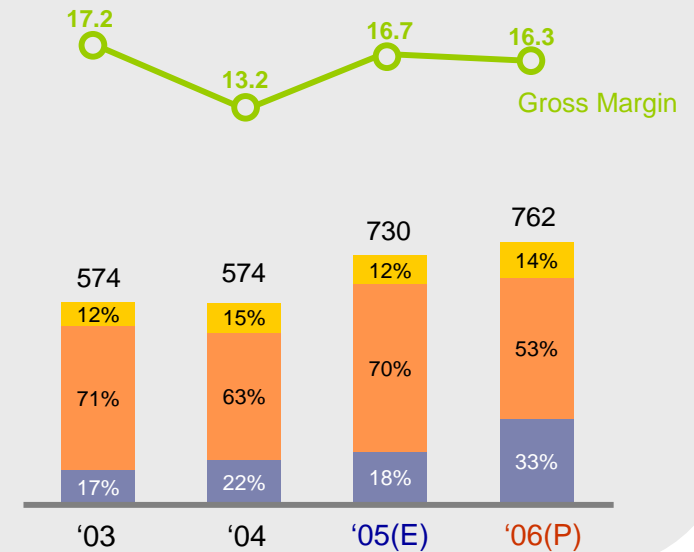
(KRW billion,%)

- PFI (Privately Funded Infrastructure)
- General Contract
- Turnkey



Sales Revenues & Gross Margin

(KRW billion,%)



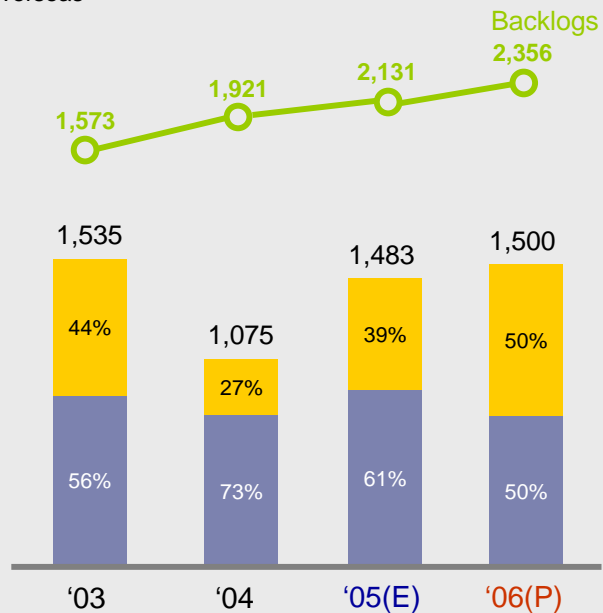
Business Plan 2006 - Plant

With the increased number of overseas orders and reinforced competitiveness of GS E&C, the division shows continuous growth in new orders and sales revenues.

New Orders & Order Backlogs

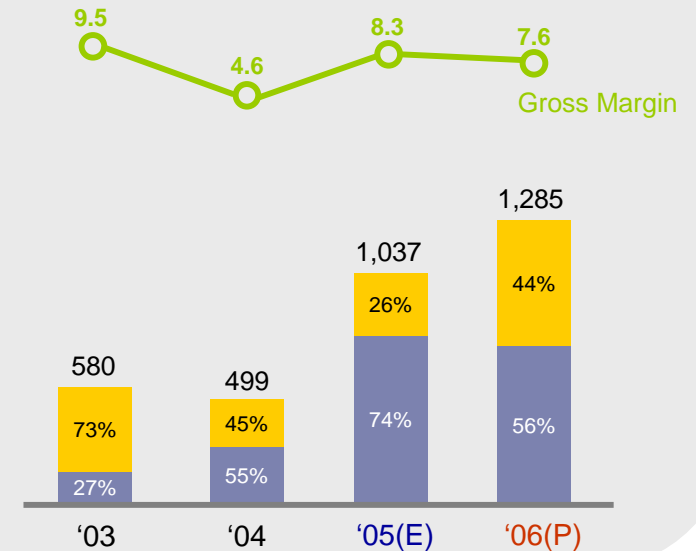
(KRW billion, %)

■ Domestic
■ Overseas



Sales Revenues & Gross Margin

(KRW billion, %)



*The Environment business division was separated from the Plant division since 2004

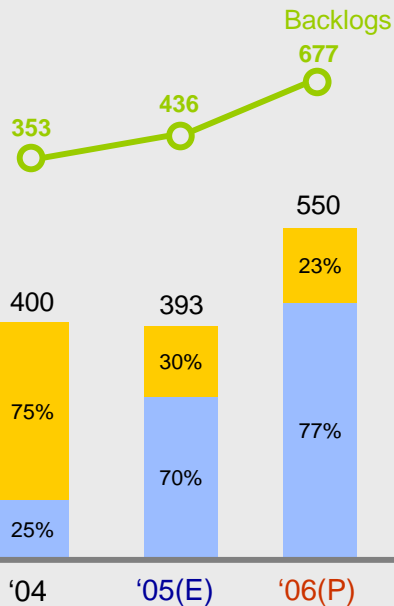
Business Plan 2006 - Environment

Focused on public turnkey and BTL projects, new orders are expected to increase substantially in 2006. Sales revenues will remain the same.

New Orders & Order Backlogs

(KRW billion,%)

- Group
- Non-group

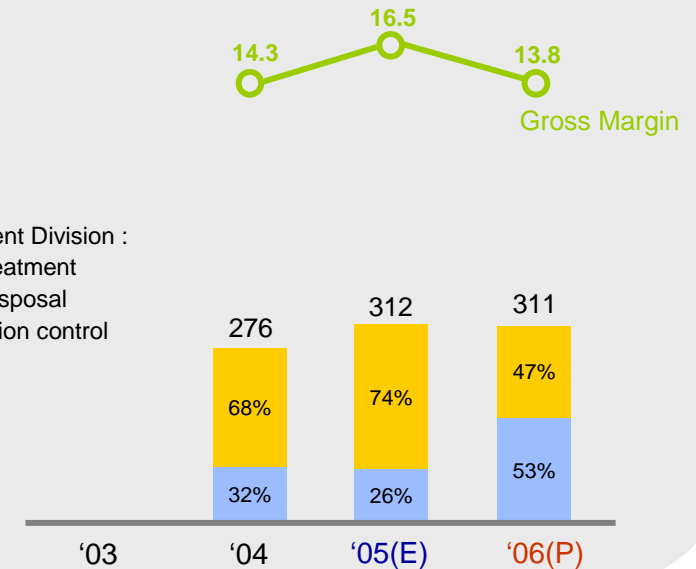


*The Environment business division was separated from the Plant division since 2004

Sales Revenues & Gross Margin

(KRW billion,%)

- Environment Division :
- Water treatment
 - Waste disposal
 - Air pollution control

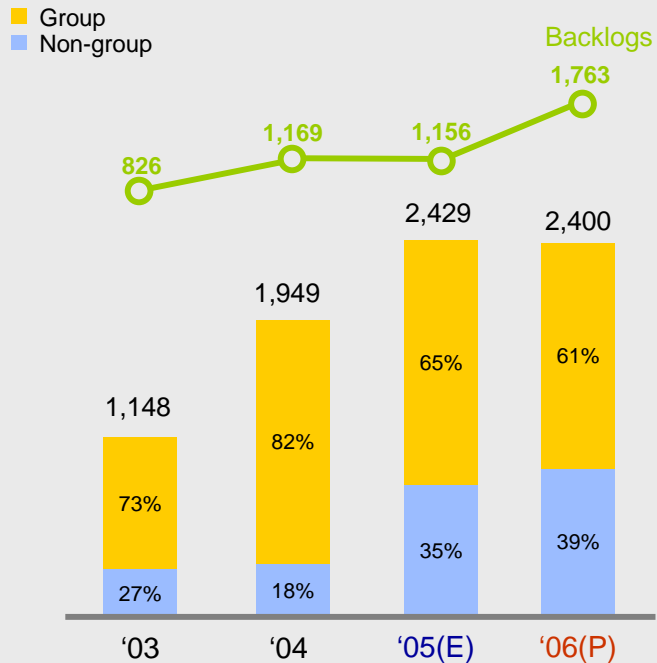


Business Plan 2006 - Architecture

While new orders maintain the similar level, sales revenues will decline due to the completion of a large project. Meanwhile, the profit margin is expected to surpass that of 2005.

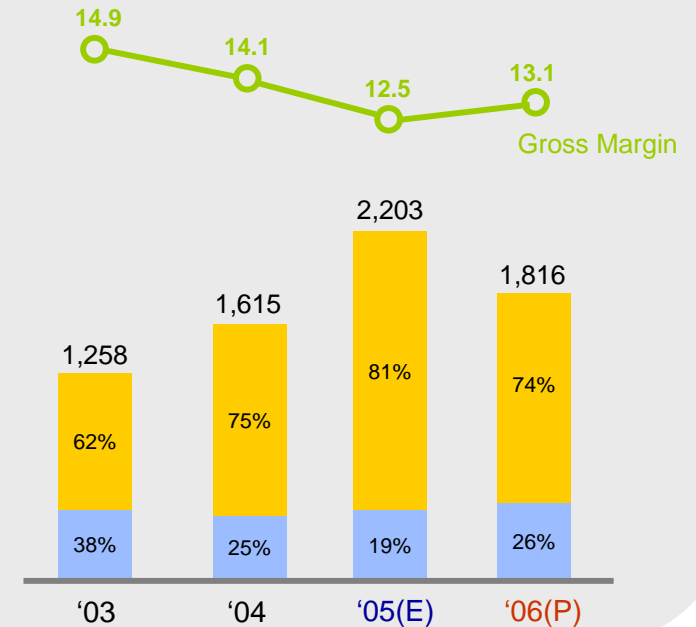
New Orders & Order Backlogs

(KRW billion, %)



Sales Revenues & Gross Margin

(KRW billion, %)



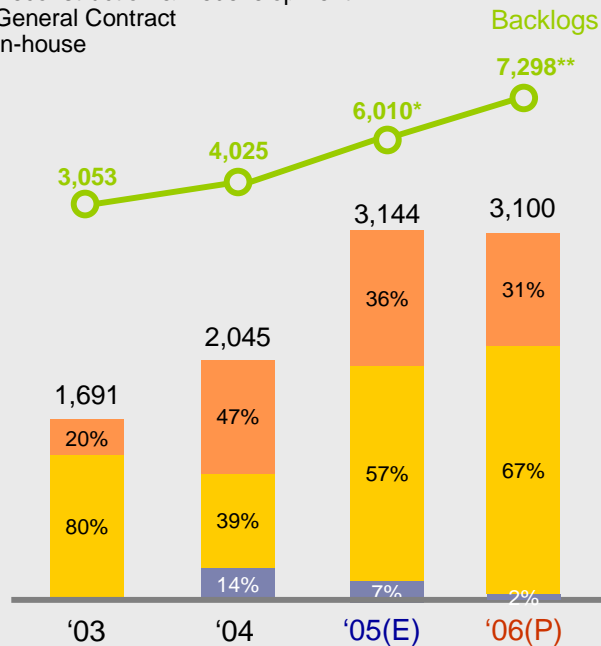
Business Plan 2006 - Housing

Orders are expected to remain the same level, while the reconstructions and the general contracts influence the sales revenues to increase. Gross margin is expected to surpass that of 2005 with efforts to reduce the cost.

New Orders & Order Backlogs

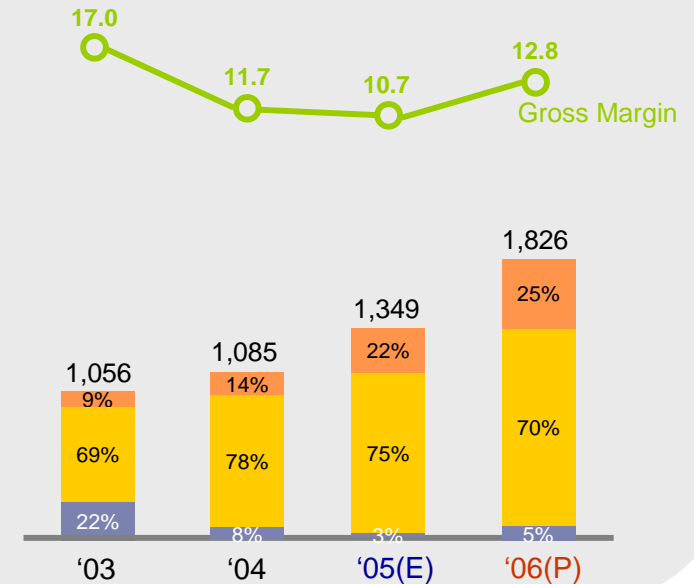
(KRW billion, %)

- Reconstruction & Redevelopment
- General Contract
- In-house



Sales Revenues & Gross Margin

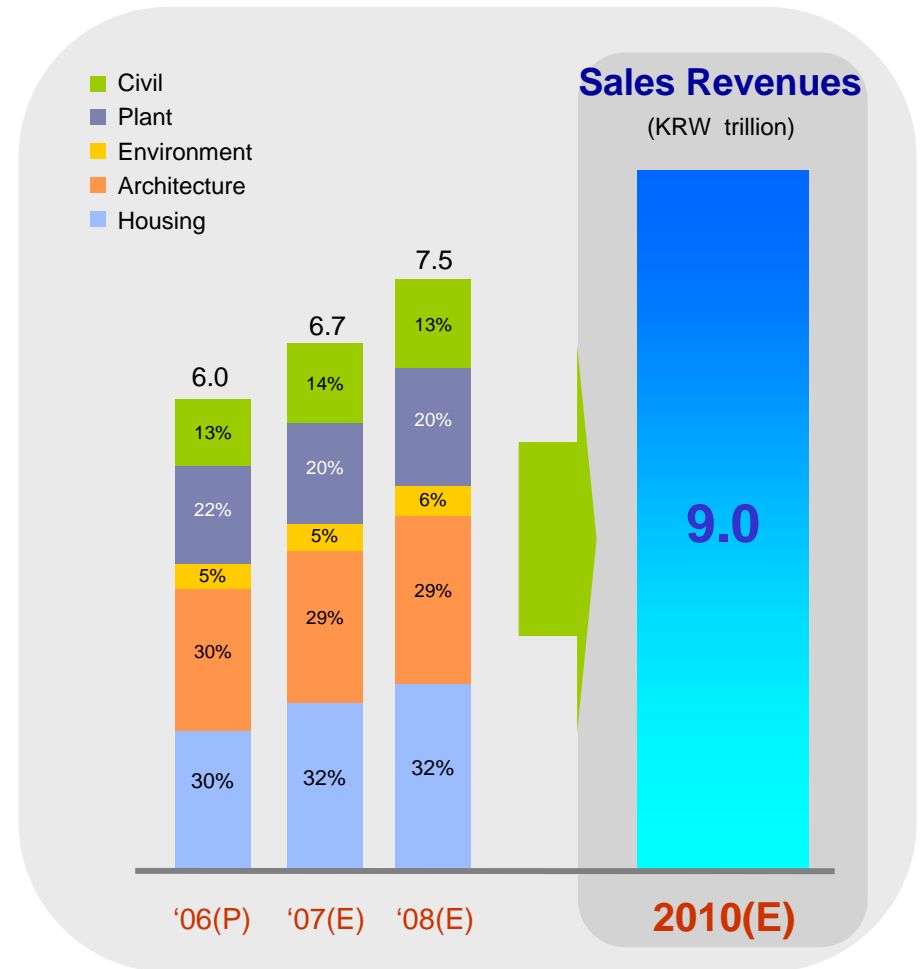
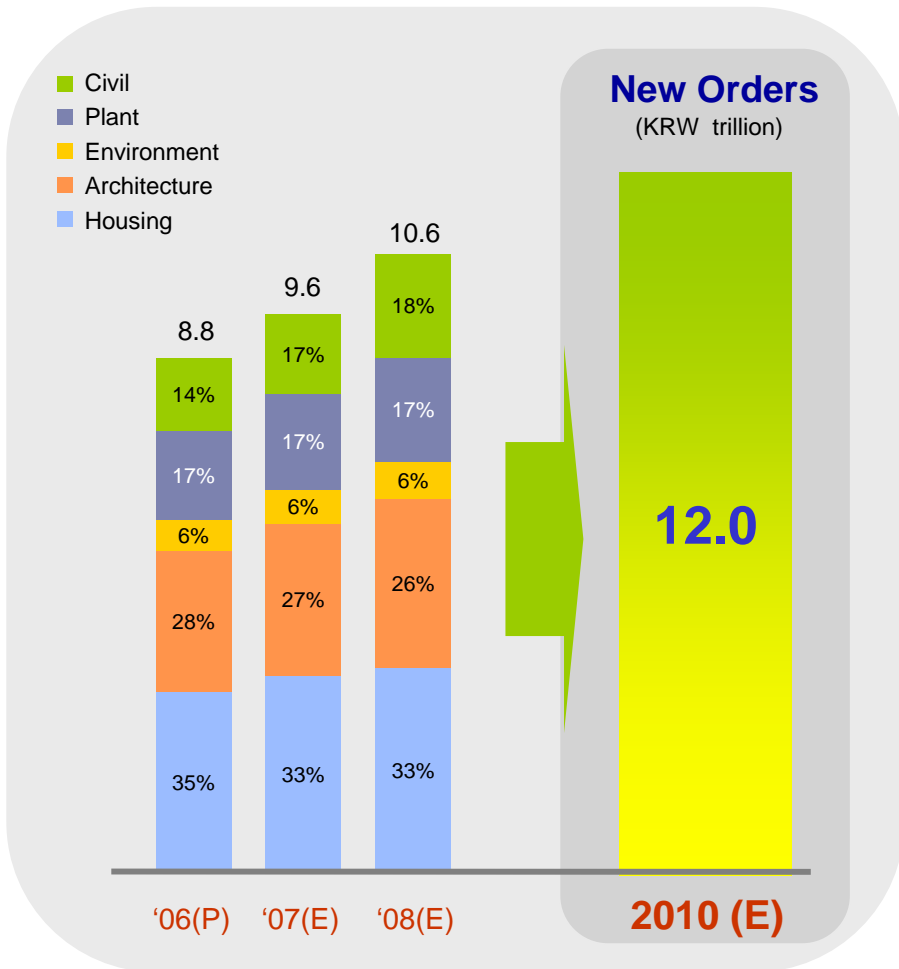
(KRW billion, %)



*Approximately W13.4 trillions of provisional order backlogs not included.

**Approximately W16 trillions of provisional order backlogs not included.

Business Outlook – New Orders & Sales Revenues



Investment Highlights - Solid Earnings from Group Works

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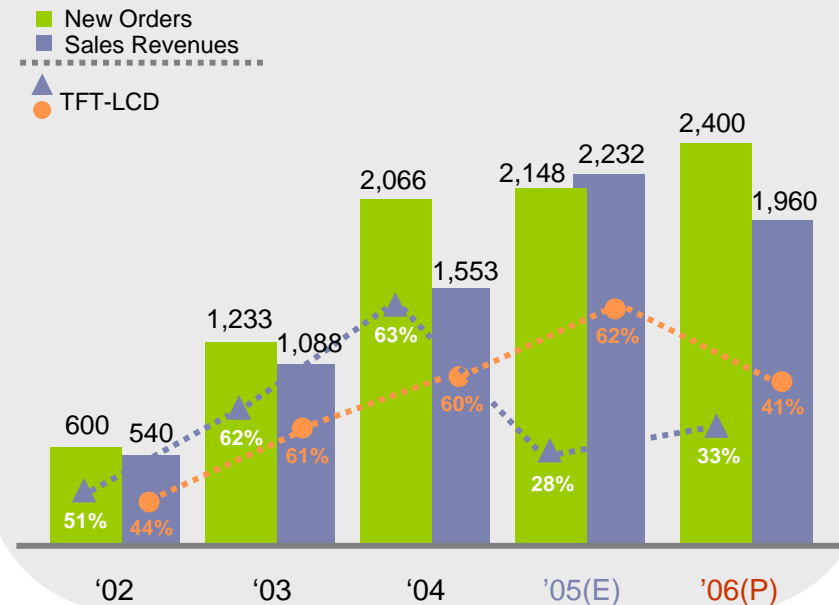
Our major Group works are a TFT-LCD factory project and a GS Caltex HOU project. In addition, we expect to secure other group projects. Considering the current market situation, Group works will be a significant earnings contributor.

Major Group Works

LG Phillips	Completion	Generation	Location
P 8~10	by 2013	8th or above	Paju
P 7	Q2 2006	7th	Paju
P 1 ~ 6	Q4 2004	1st ~ 6th	Gumi
GS Caltex	Completion	Location	Amount
HOU	by 2008	Yeosu	approx. KRW 1.3tn.

Orders and Revenues from Group Works

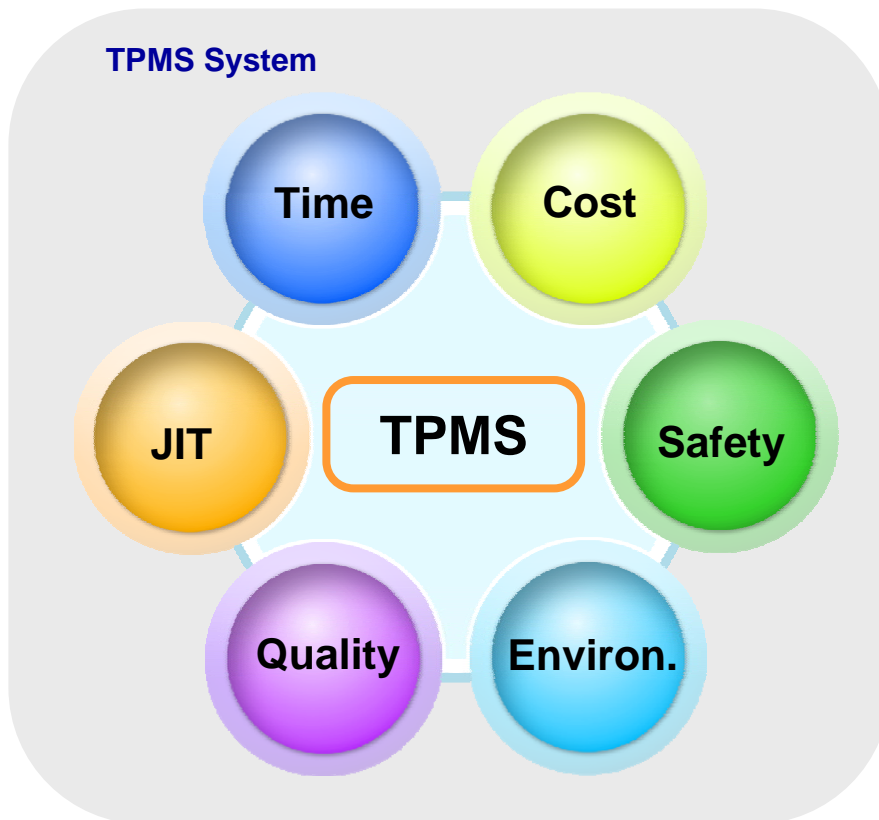
(KRW billion,%)



Investment Highlights - TPMS (Total Project Management System)

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TPMS is the first system to integrate Time & Cost Management in the construction industry. It is designed to increase productivity and enable systematic information gathering, resulting in cost innovation.



- Time management and optimization of material flow
- Procurement, SEQ and technology linked with schedule
- Direct-supporting site works

- Increases productivity & decrease duration
- Minimizes errors & reworks

Cost Innovation

- JIT : Just-In-Time
- SEQ : Safety, Environment, Quality

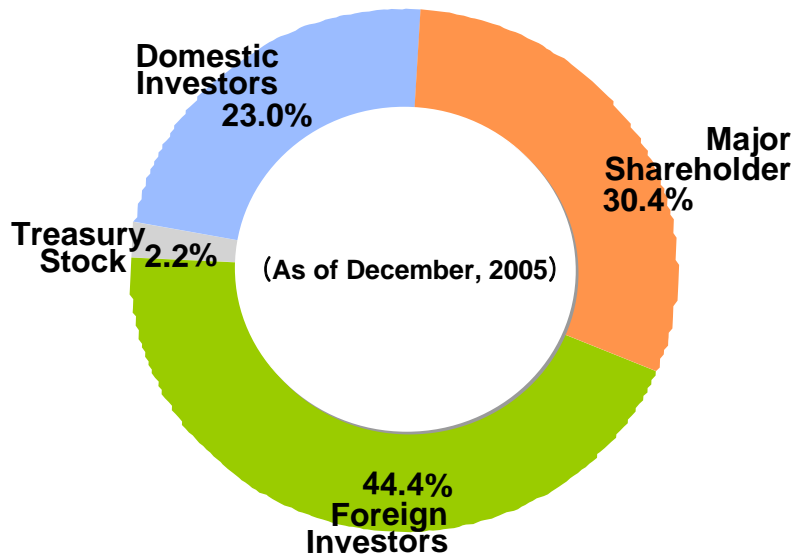
Appendix

- ✓ **Ownership Structure**
- ✓ **Borrowings & Investment Plan**
- ✓ **PFI Projects**
- ✓ **Provisional Order Backlogs in Housing Division**
- ✓ **Major Material Prices**
- ✓ **Overseas Business**
- ✓ **Balance Sheet (Summary)**
- ✓ **Income Statement (Summary)**

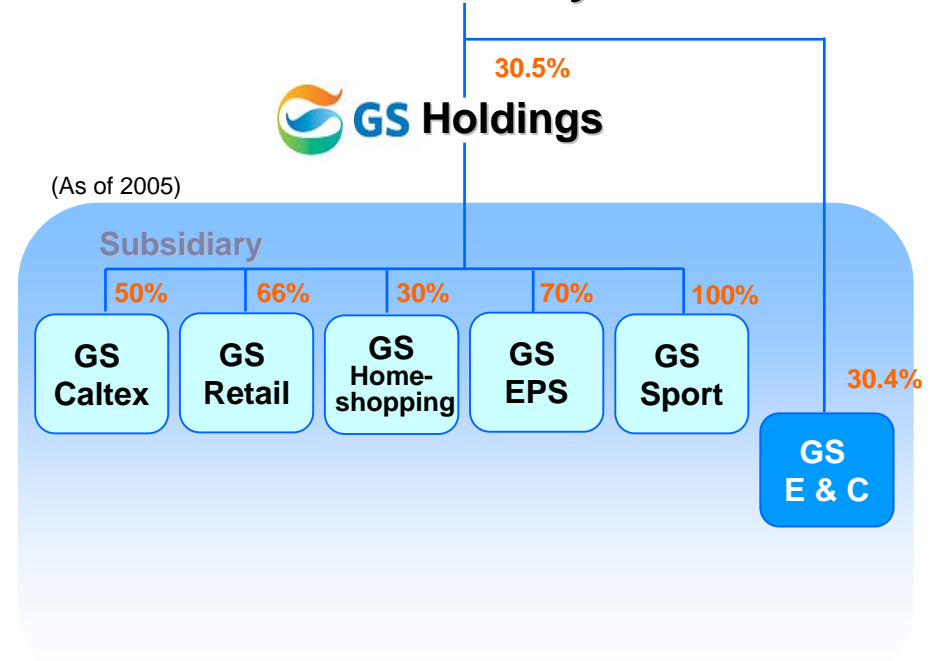
Ownership Structure

GS E & C

GS Holdings

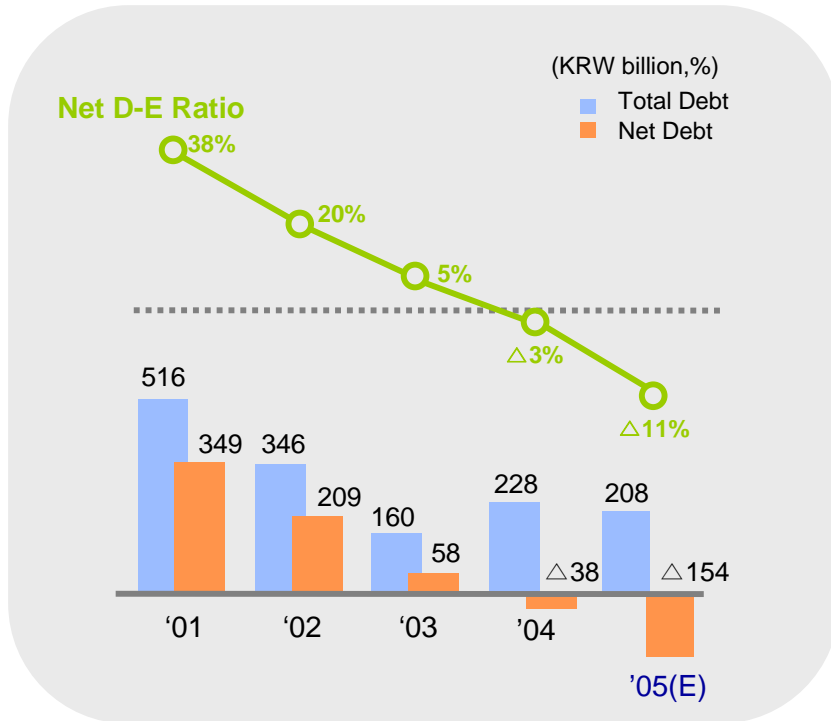


Huh Family



Borrowings & Investment Plan

Borrowings



Investment Plan

(KRW billion)

Description	'04	'05(E)	'06 (P)
PFI	36	2	101
Land	143	70	100
Resort & etc.	115	17	10
IT & R&D etc.	19	45	44
Total	313	134	255

PFI Projects

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(As of 2005)

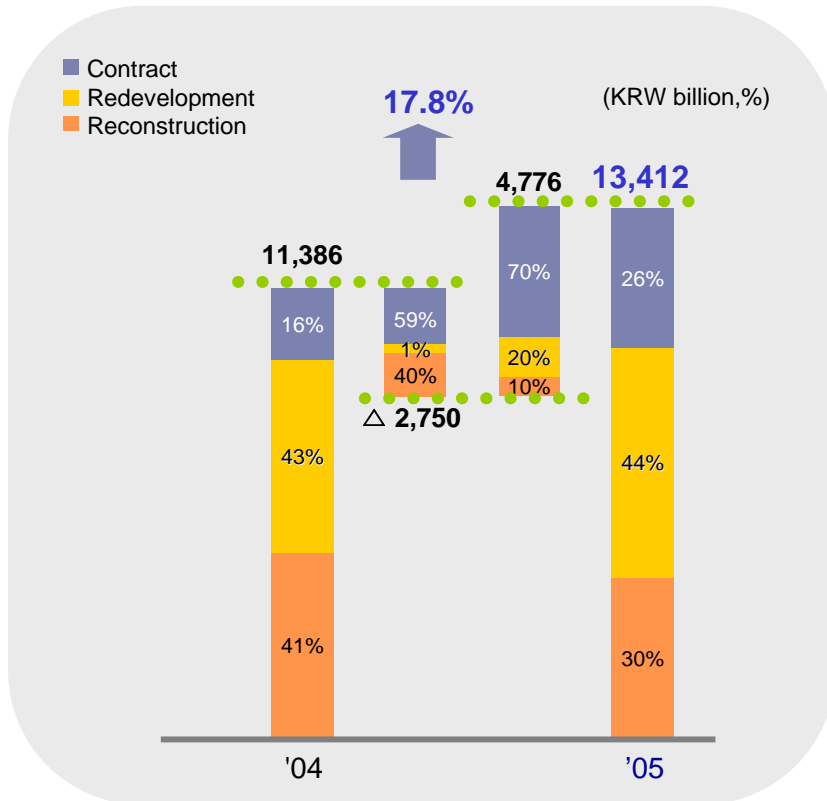
(KRW billion)

Status	Name of Project	Contract Amount	GS Portion	Remarks
Proposal	Seoul-Munsan Highway	554	Undecided	Undecided
	Suwon Light Rail Transit	483		
	Sangju-Youngchun Highway	831		
	Youngdong Highway #2	642		
	Choeup Light Rail Transit	209		
	Seoul-Dongduchun Highway	639		
	Changwon-Busan way	229		
Inchen International Passenger Pier	335			
Approval	Uijeongbu Light Rail Transit	250	158 (63%)	To be completed in 2010
	Pyeongtaek Port #11	47	42 (89%)	To be completed in 2008
Under Construction	Seoul Beltway	1.392	376 (27%)	To be completed in 2008
	Kangnam Beltway	655	75 (11%)	To be completed in 2010
Total		6,266	1,677	

Experience : Cheonan-Nonsan Highway, New Airport Highway, Daegu East Beltway, Daegu West-North Road, Cholmasan Tunnel, Manwolsan Tunnel Etc

Provisional Order Backlogs in Housing Division

Provisional Order Backlog



By Sectors

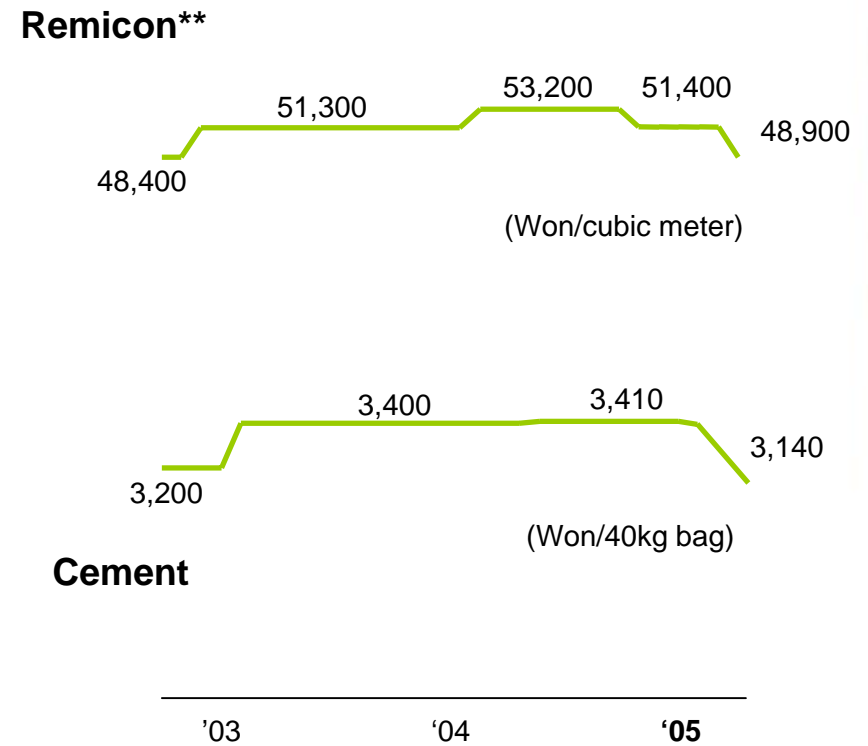
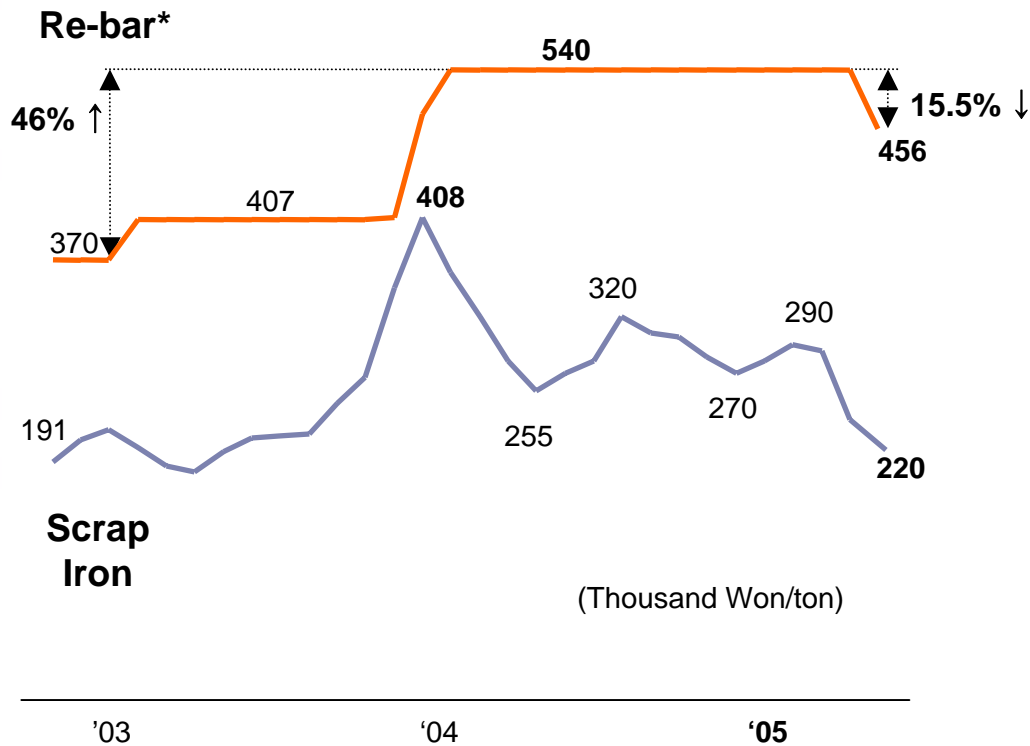
(KRW billion)

Description	'04	New Order Recognition ('05)	New Provisional ('05)	'05
Contract	1,864	$\Delta 1,611$	3,321	3,532
Redevelopment	4,879	$\Delta 27$	962	5,831
Reconstruction	4,643	$\Delta 1,112$	493	4,049
Total	11,386	$\Delta 2,750$	4,776	13,412

New Provisional Order

Description	Major Projects	Amount
Contract	Yangju Baekseok	1,006
	Kimpo Gamjung	305
	Youngjong Unnam	224
	Total	3,321
Redevelopment	Daejeon Eunhaeng	531
	Total	962
Reconstruction	Daegu Daeshin	144
	Others(Increased)	349
	Total	493

Major Material Prices

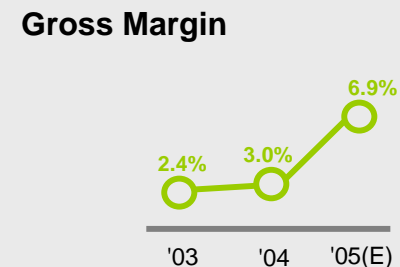
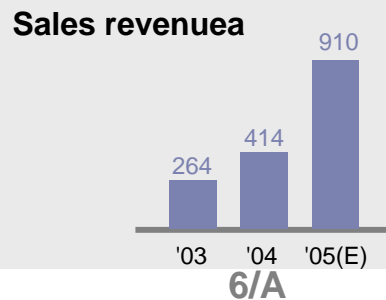
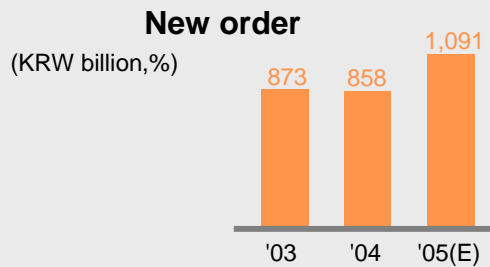
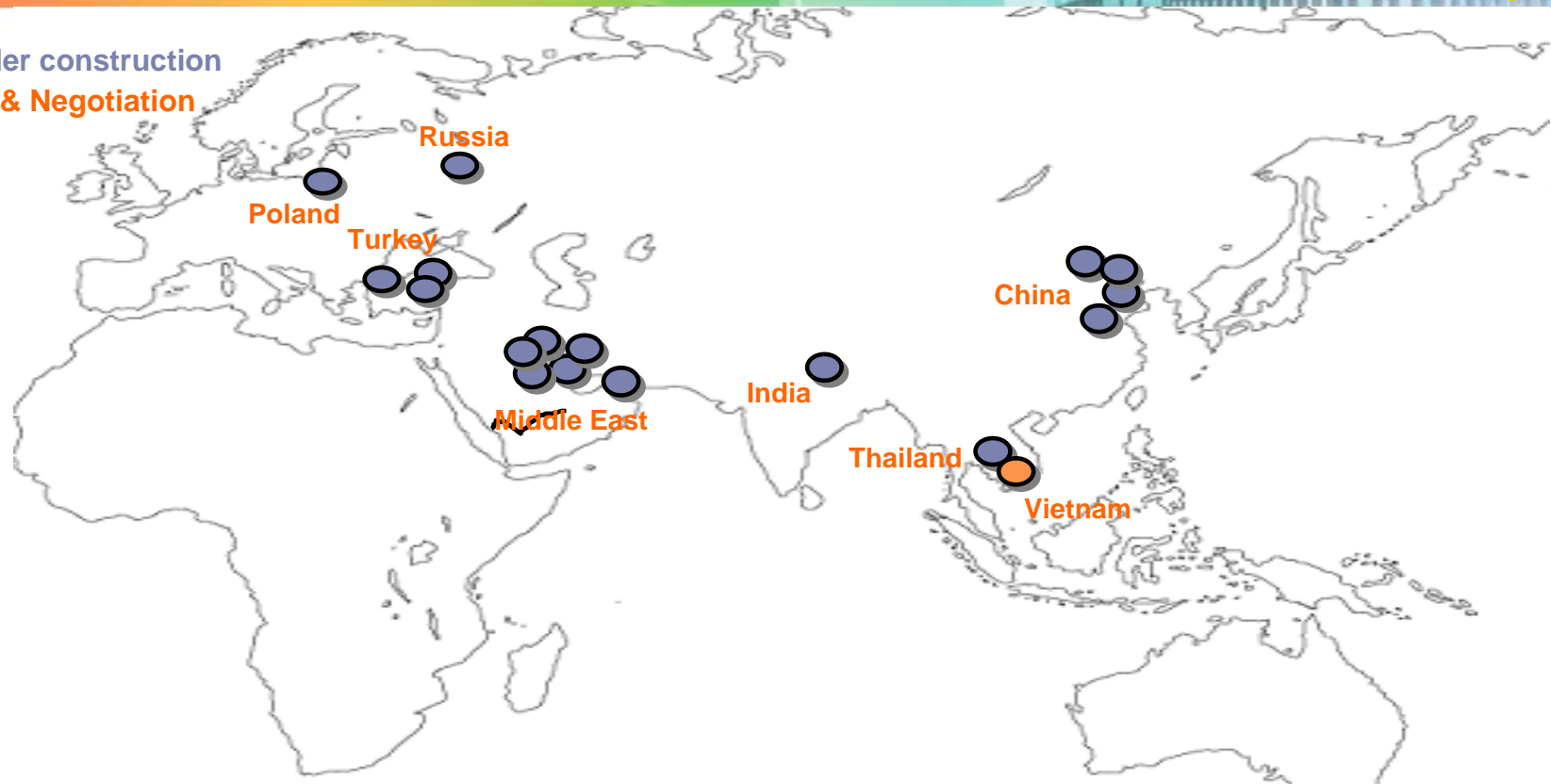


*Re-bar: Reinforced-bar
**Remicon: Ready-mixed concrete

Overseas Business

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- Under construction
- F/S & Negotiation



Balance Sheet (Summary)

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Account	(KRW billion,%)					
	'01	'02	'03	'04	'05(E)	'06 (P)
Total Asset	2,645	2,662	2,690	3,303	3,827	4,278
Cash & Deposits	167	136	102	266	358	311
Trade Receivables	656	836	875	1,095	1,453	1,512
Inventories	406	175	121	159	197	282
Investments	647	700	676	679	494	594
Tangible Assets	592	652	709	844	905	935
Total Liabilities	1,713	1,613	1,535	2,006	2,375	2,613
Trade Payables	407	511	621	794	890	975
Borrowings	516	346	160	228	208	205
Total Shareholders' Equity	932	1,049	1,155	1,297	1,452	1,665
Capital Stock	255	255	255	255	255	255
D/E Ratio	183.8	153.8	132.8	154.7	163.6	156.9

Income Statement (Summary)

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Account		(KRW billion)					
		'01	'02	'03	'04	'05(E)	'06(P)
Sales Revenues	Civil	540	514	574	574	730	762
	Plant	631	583	580	499	1,037	1,285
	Environment	-	-	-	276	312	311
	Architecture	856	820	1,258	1,615	2,203	1,816
	Housing	1,126	1,258	1,056	1,085	1,349	1,826
Total		3,153	3,175	3,468	4,049	5,631	6,000
Gross Profit		405	473	521	492	680	737
Selling and Administrative Expenses		150	197	250	263	344	357
Operating Profit		255	276	271	229	336	380
Ordinary Profit		225	245	262	242	366	380
Net Profit		160	161	162	156	265	-



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