

October, 2006 (2H Roadshow)

GS E&C

Investor Relations



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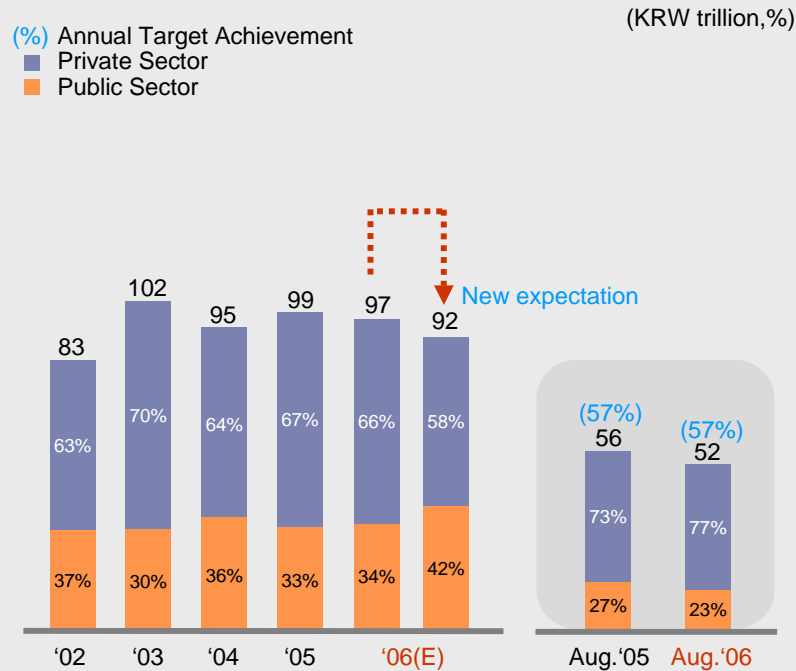
>>> Appendix

Certain sections of this document contain forward-looking statements that are based on the expectations, estimates and assumptions of GS E&C and outside organizations. Due to its volatility, actual results may differ from those set forth in the current statement. This document is provided to serve as a reference to the investors, and no data on this document should be solely relied upon to make any investment decisions. GS E&C does not undertake any obligation to investments or trades based on this document.

Market Overview

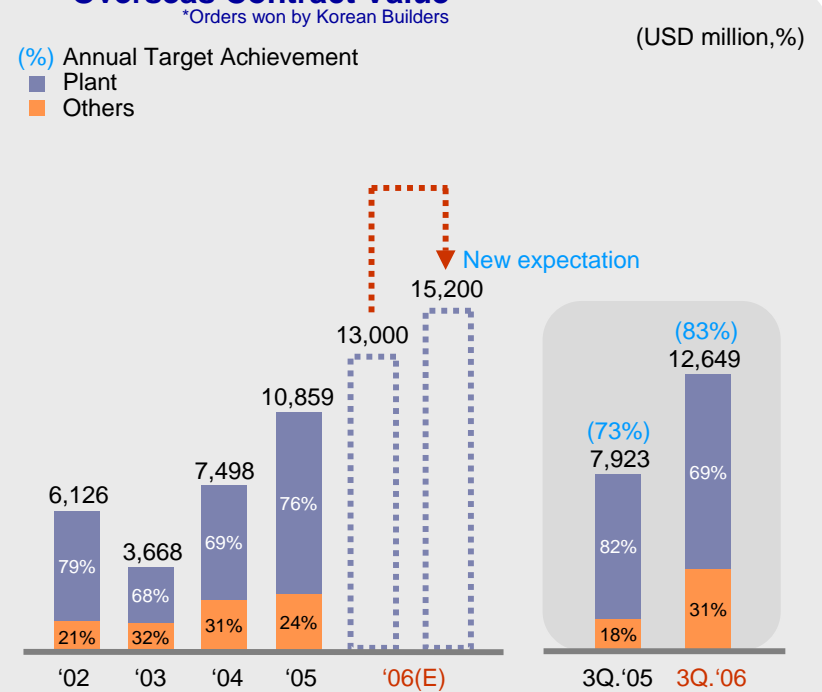
While domestic contracts are expected to be down year on year, overseas contracts are predicted to increase substantially.

Domestic Contract Value



Source : Korea National Statistical Office (2006)
Construction Association of Korea (2006)

Overseas Contract Value

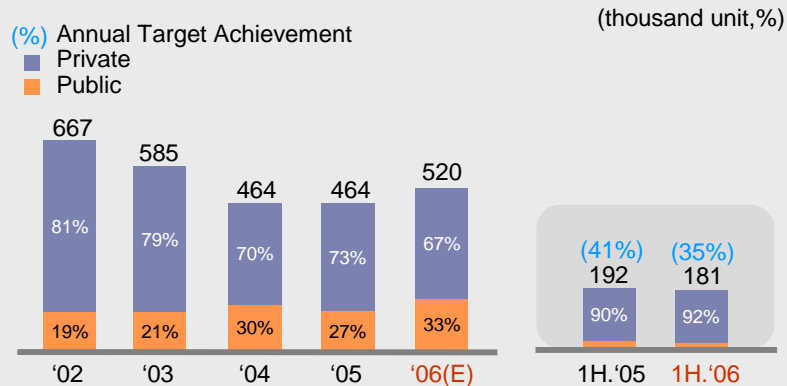


Source : Ministry of Construction & Transportation (2006)
International Contractors Association of Korea (2006)

Market Overview

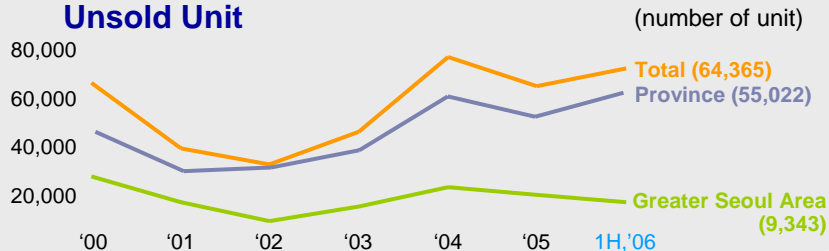
Even if the housing market worsens beyond our expectation, the market will be recovered according to some indicators of construction activity.

Housing Supply



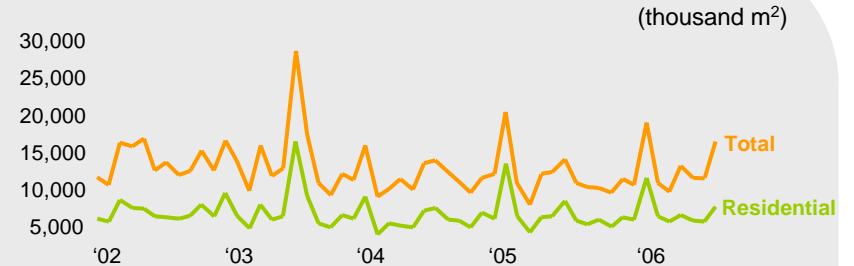
Source : Ministry of Construction & Transportation (2006)

Unsold Unit



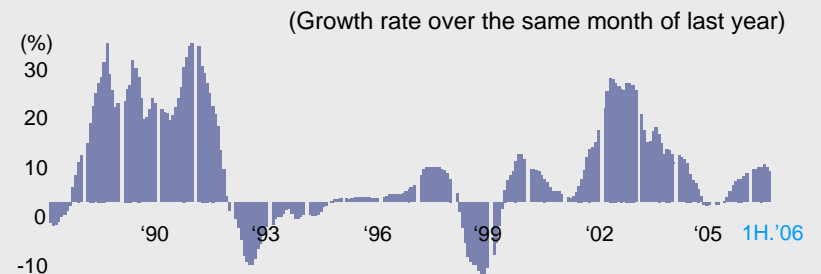
Source : Ministry of Construction & Transportation (2006)

Construction Permits



Source : Korea National Statistical Office (2006)

Apartment Sale Price



Source : Kookmin Bank (2006)

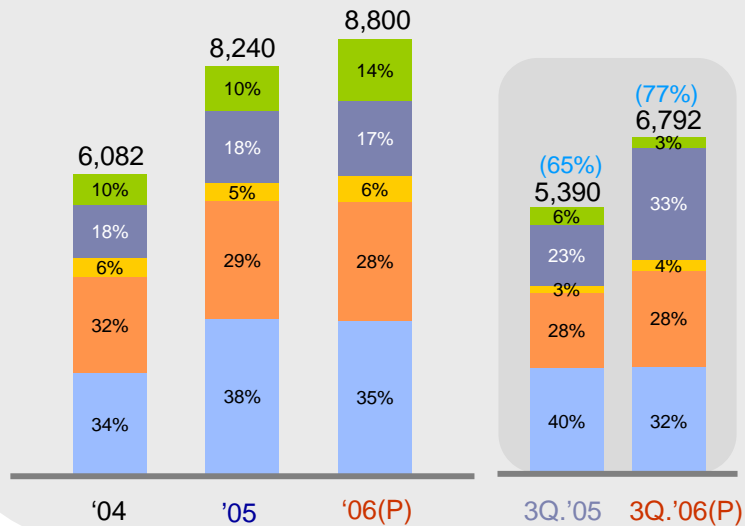
Business Performance & Plan – New Orders & Order Backlogs

New orders and order backlogs are expected to surpass our full-year target with overseas plant projects and captive orders from group companies.

New Orders

(%) Annual Target Achievement (KRW billion,%)

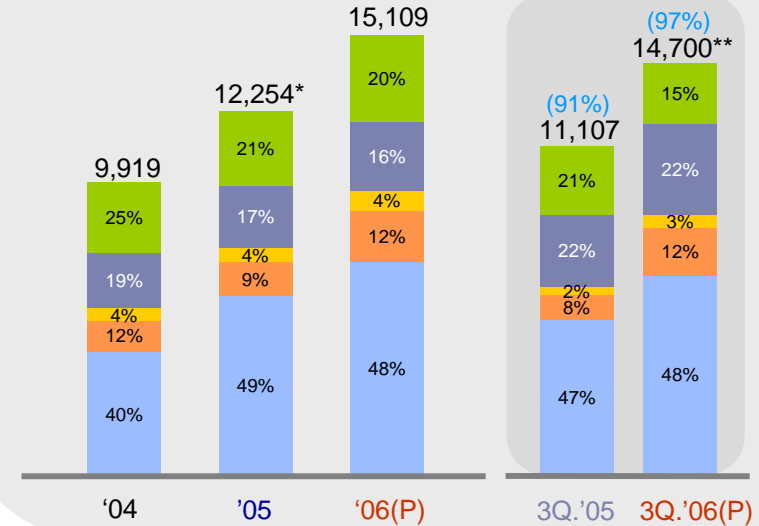
- Civil Engineering
- Plant
- Environment
- Architecture
- Housing



Order Backlogs

(%) Annual Target Achievement (KRW billion,%)

- Civil Engineering
- Plant
- Environment
- Architecture
- Housing



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

**Approx. W19.4 tr.of provisional order backlogs not included in the housing div.

Business Performance & Plan - Sales Revenues & Gross Profit

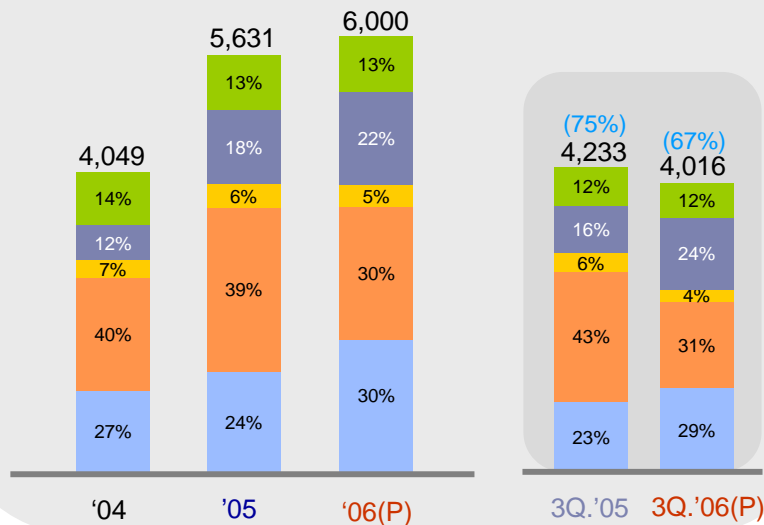
The gross margin is expected to be much higher than our target thanks to the Civil Engineering and the Plant division.

Sales Revenues

(%) Annual Target Achievement

(KRW billion,%)

- Civil Engineering
- Plant
- Environment
- Architecture
- Housing

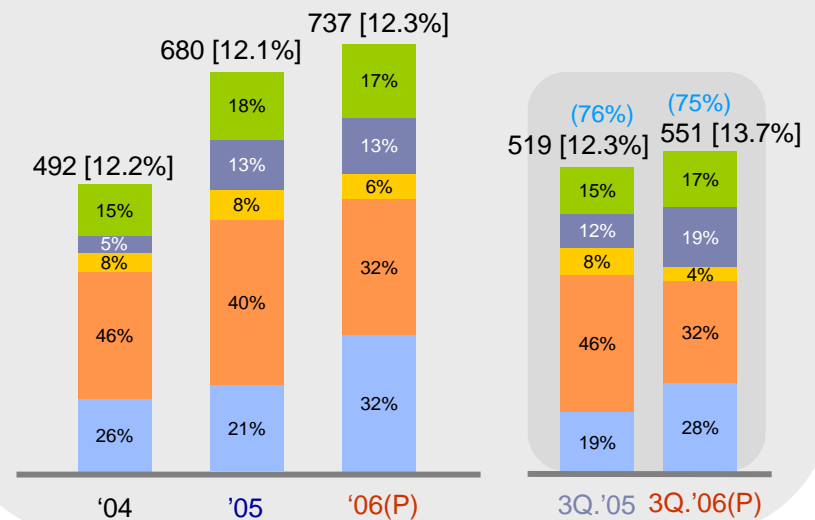


Gross Profit [Gross Margin]

(%) Annual Target Achievement

(KRW billion,%)

- Civil Engineering
- Plant
- Environment
- Architecture
- Housing

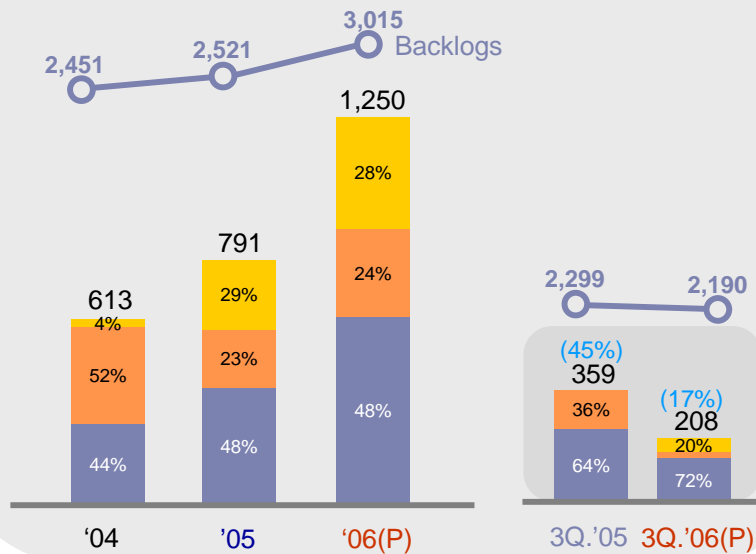


Business Performance & Plan - Civil Engineering

New orders fell short of our expectation due to the delays in public project tenders as of 3Q. Meanwhile, the gross margin increased substantially thanks to the fast progress on PFI projects.

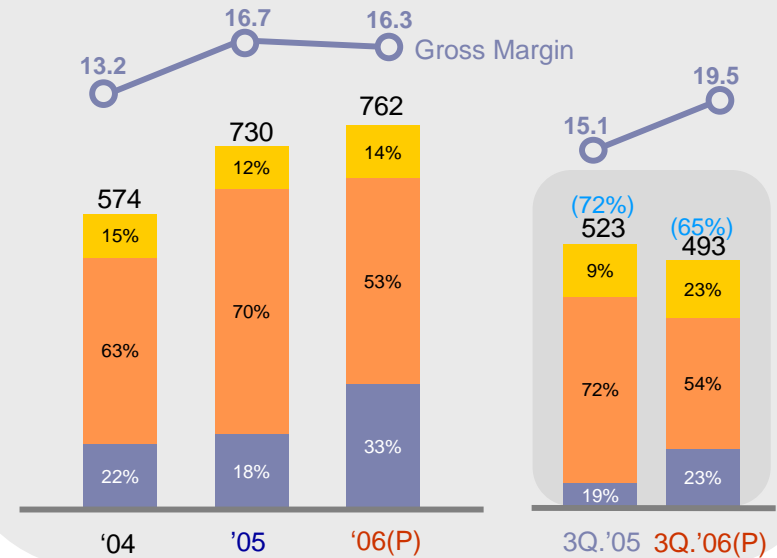
New Orders & Order Backlogs

(%) Annual Target Achievement (KRW billion,%)
 ■ PFI (Privately Funded Infrastructure)
 ■ General Contract
 ■ Turnkey



Sales Revenues & Gross Margin

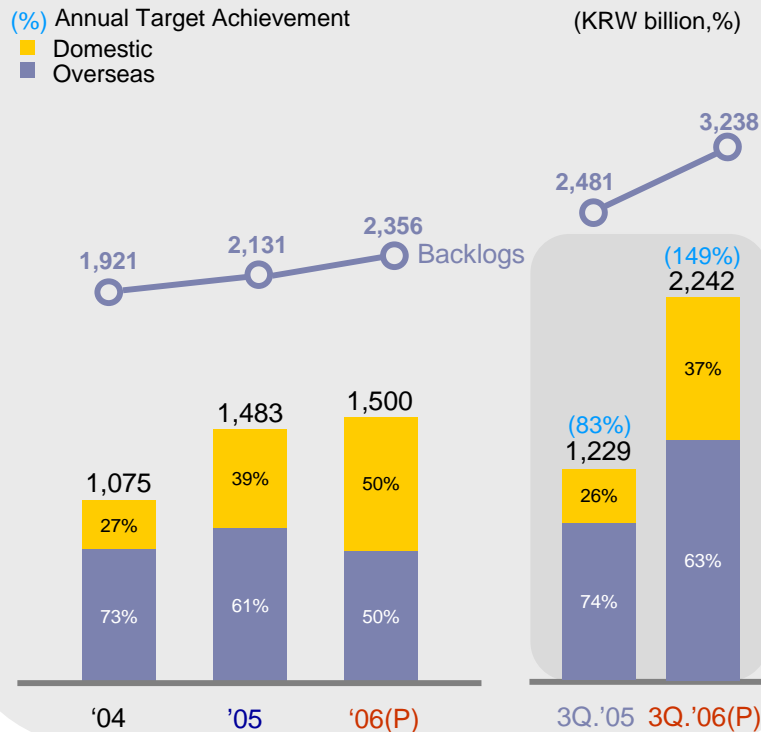
(KRW billion,%)



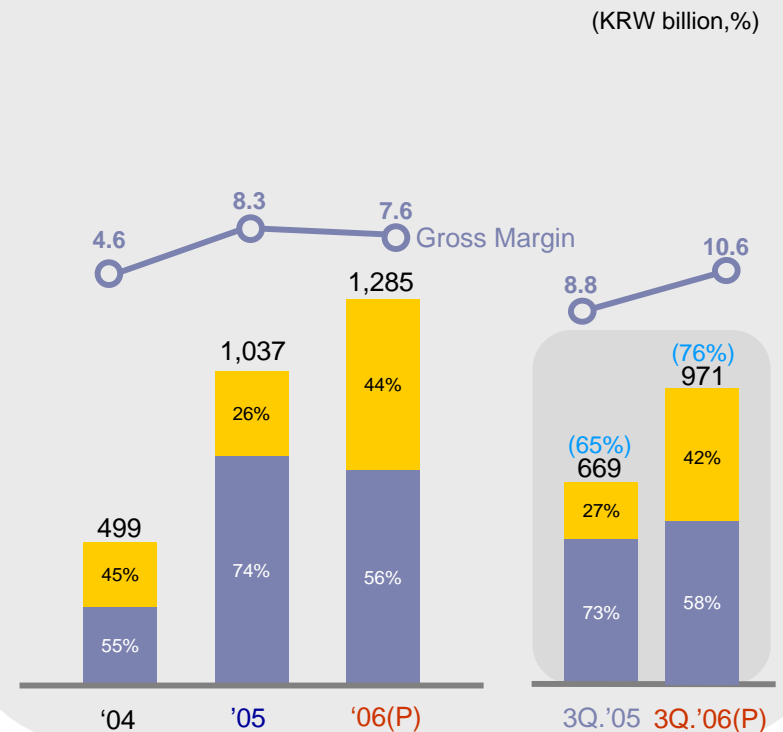
Business Performance & Plan - Plant

Thanks to strong overseas works and large orders from GS Caltex, we already surpassed our annual target, and the gross margin was much higher than our full-year target.

New Orders & Order Backlogs



Sales Revenues & Gross Margin



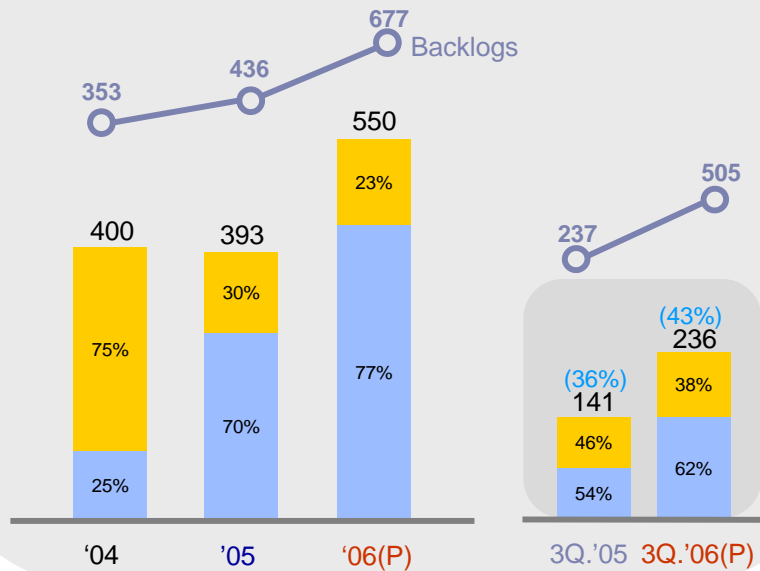
*The Environment business division was separated from the Plant division since 2004

Business Performance & Plan - Environment

New orders are below our expectation because of the delay in public project like BTL.

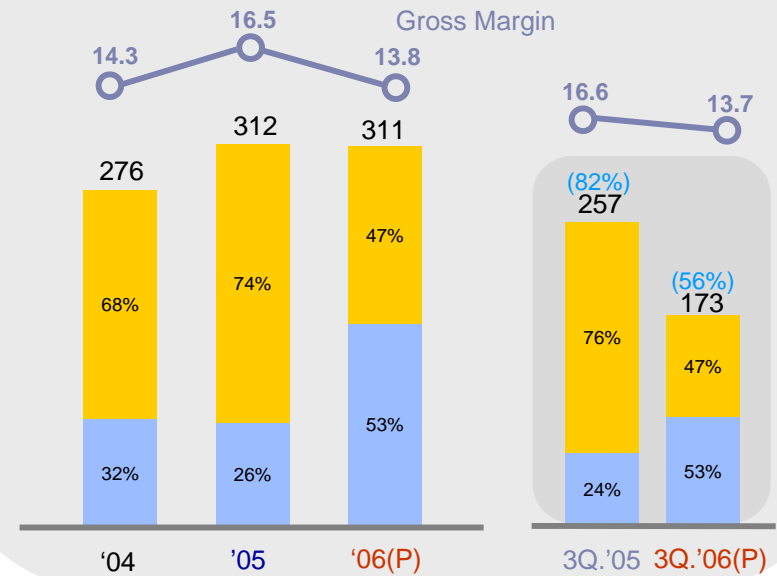
New Orders & Order Backlogs

(%) Annual Target Achievement (KRW billion, %)
 ■ Group
 ■ Non-group



Sales Revenues & Gross Margin

(KRW billion, %)

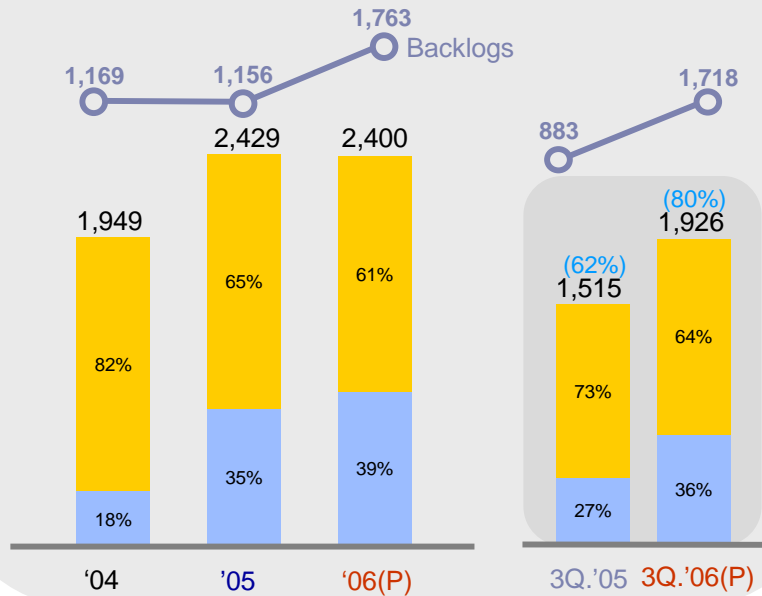


Business Performance & Plan - Architecture

We have already achieved 80% of full-year target in 3Q with a stable order flow from group works.

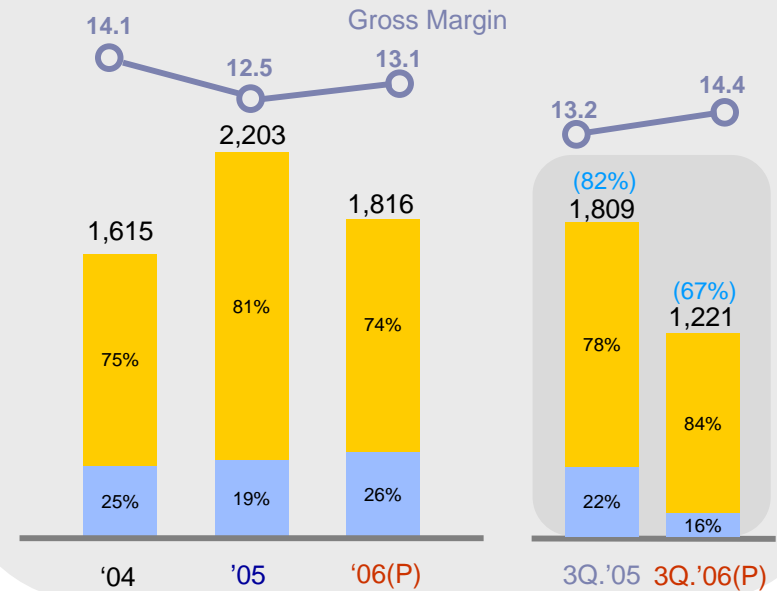
New Orders & Order Backlogs

(%) Annual Target Achievement (KRW billion, %)
 ■ Group
 ■ Non-group



Sales Revenues & Gross Margin

(KRW billion, %)

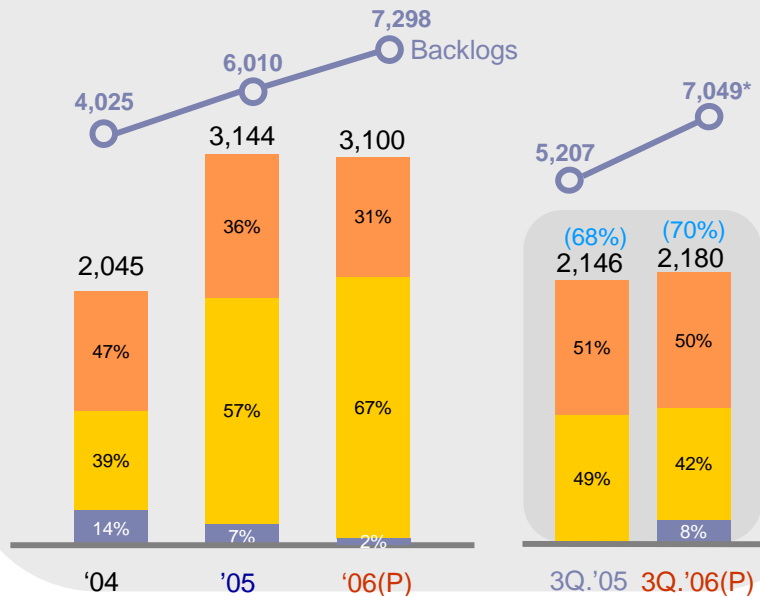


Business Performance & Plan - Housing

Despite weak housing market, we achieved 70% of annual new order target. In addition, gross margin rose from 10.3% last year to 13.1% in 3Q.

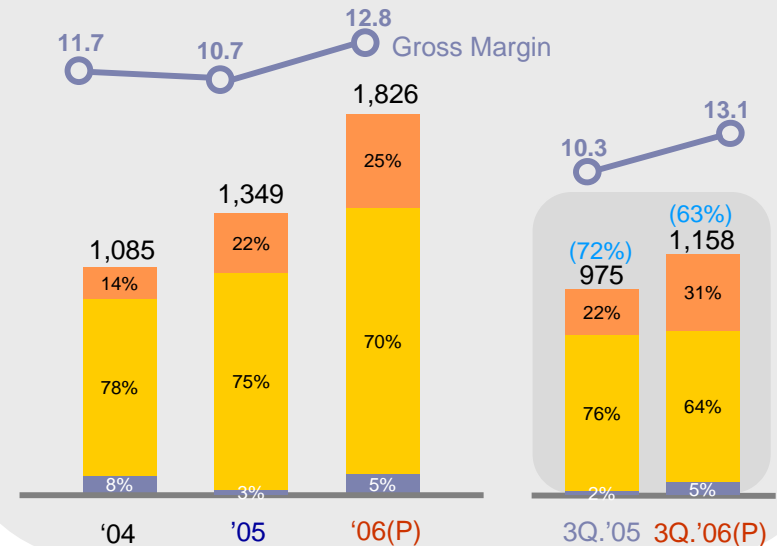
New Orders & Order Backlogs

- (%) Annual Target Achievement
 - Reconstruction & Redevelopment
 - General Contract
 - In-house
- (KRW billion, %)



Sales Revenues & Gross Margin

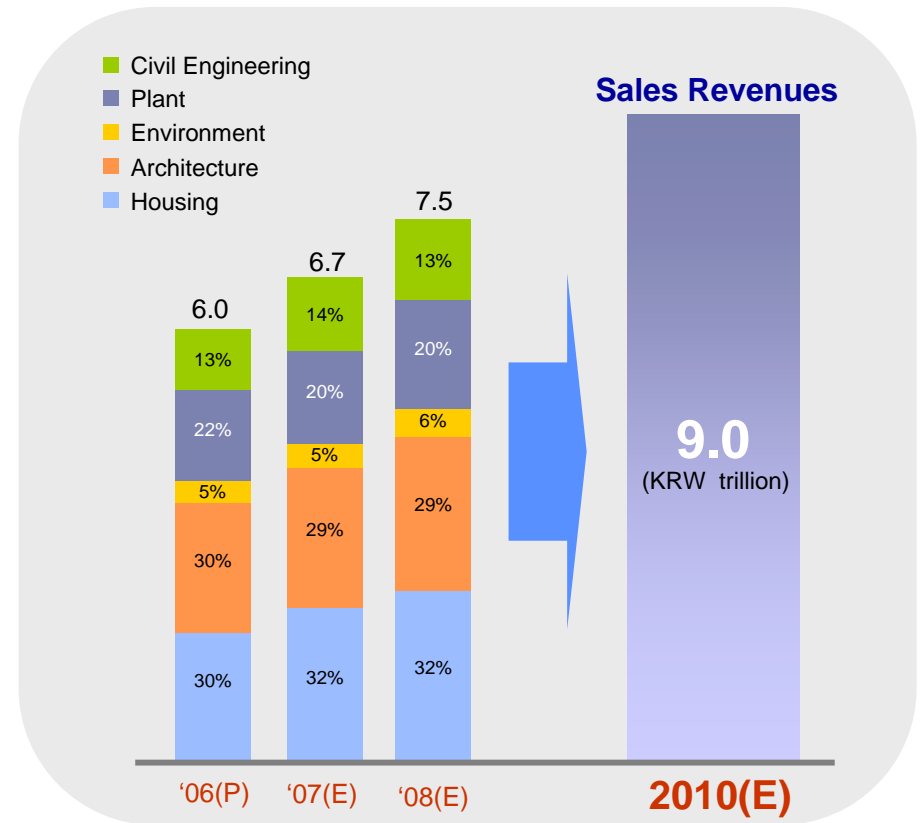
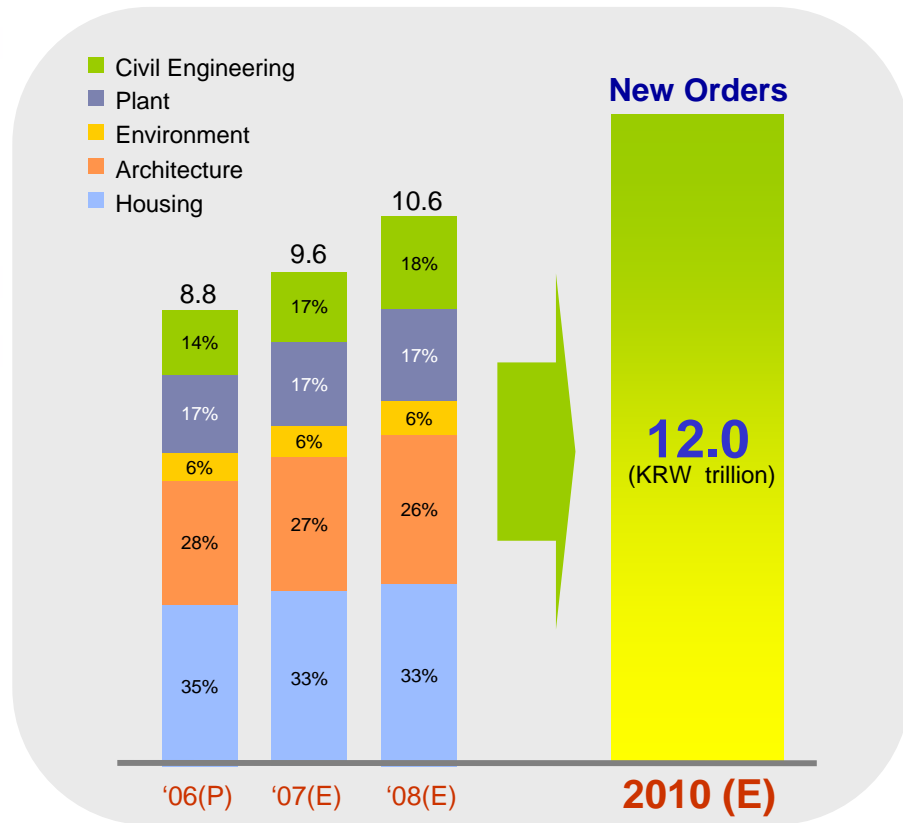
(KRW billion, %)



*Approximately W19.4 trillions of provisional order backlogs not included.

Business Outlook – New Orders & Sales Revenues

Our vision is to be a top builder in every aspect by 2010.



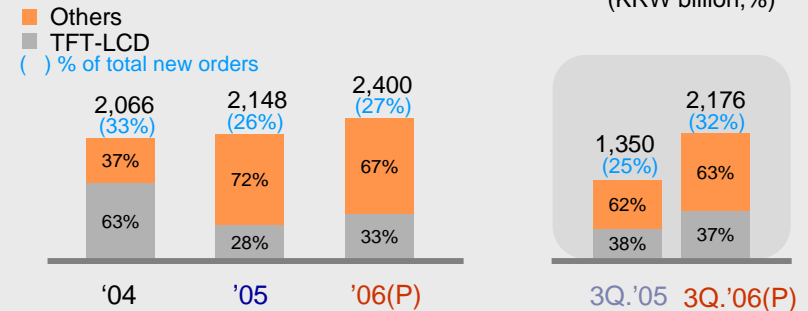
Investment Highlights - Solid Earnings from Group Works

Our major group works are a TFT-LCD factory project and a GS Caltex HOU project.

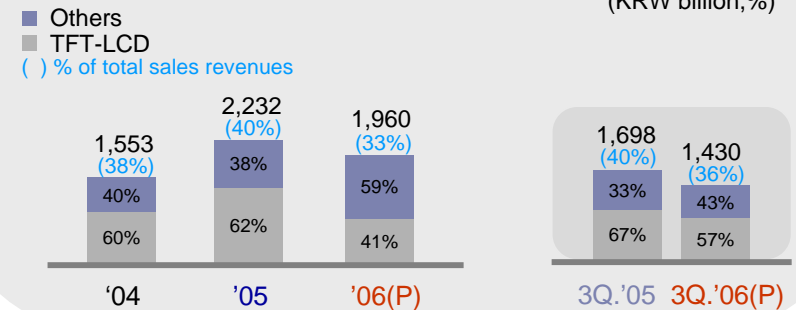
Major Group Works

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	1 st ~ 6 th	Gumi
GS Caltex	Completion	Location	Amount (Investment)
HOU	by 2008	Yeosu	approx. KRW1.3tn.

New Orders from Group Works



Revenues from Group Works



*Group order backlog portion is 7% among 12.3 tril. in 2005.

*GS Caltex portion in 2006 : New Orders 25% / Sales revenues 7%

Investment Highlights – Attractive Dividends

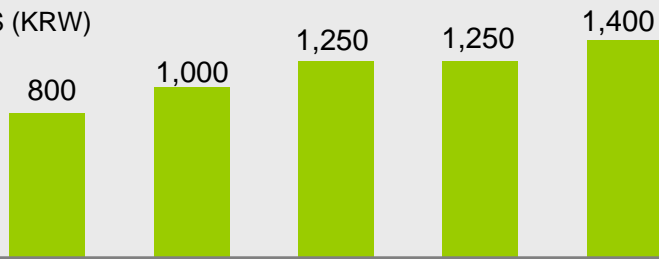
With a payout ratio of 26.3% and a positive position toward investors, GS E&C offers the best investment value for shareholders.

Yield & DPS

Yield (%)



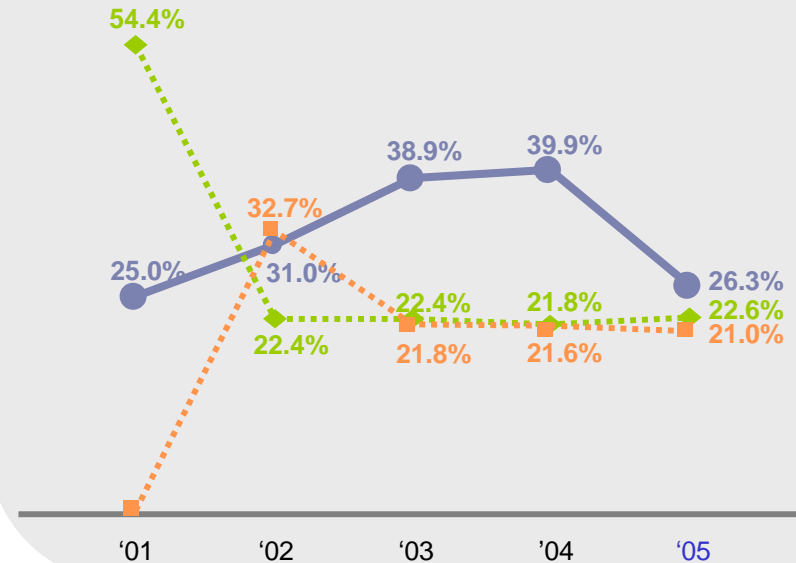
DPS (KRW)



'01 '02 '03 '04 '05

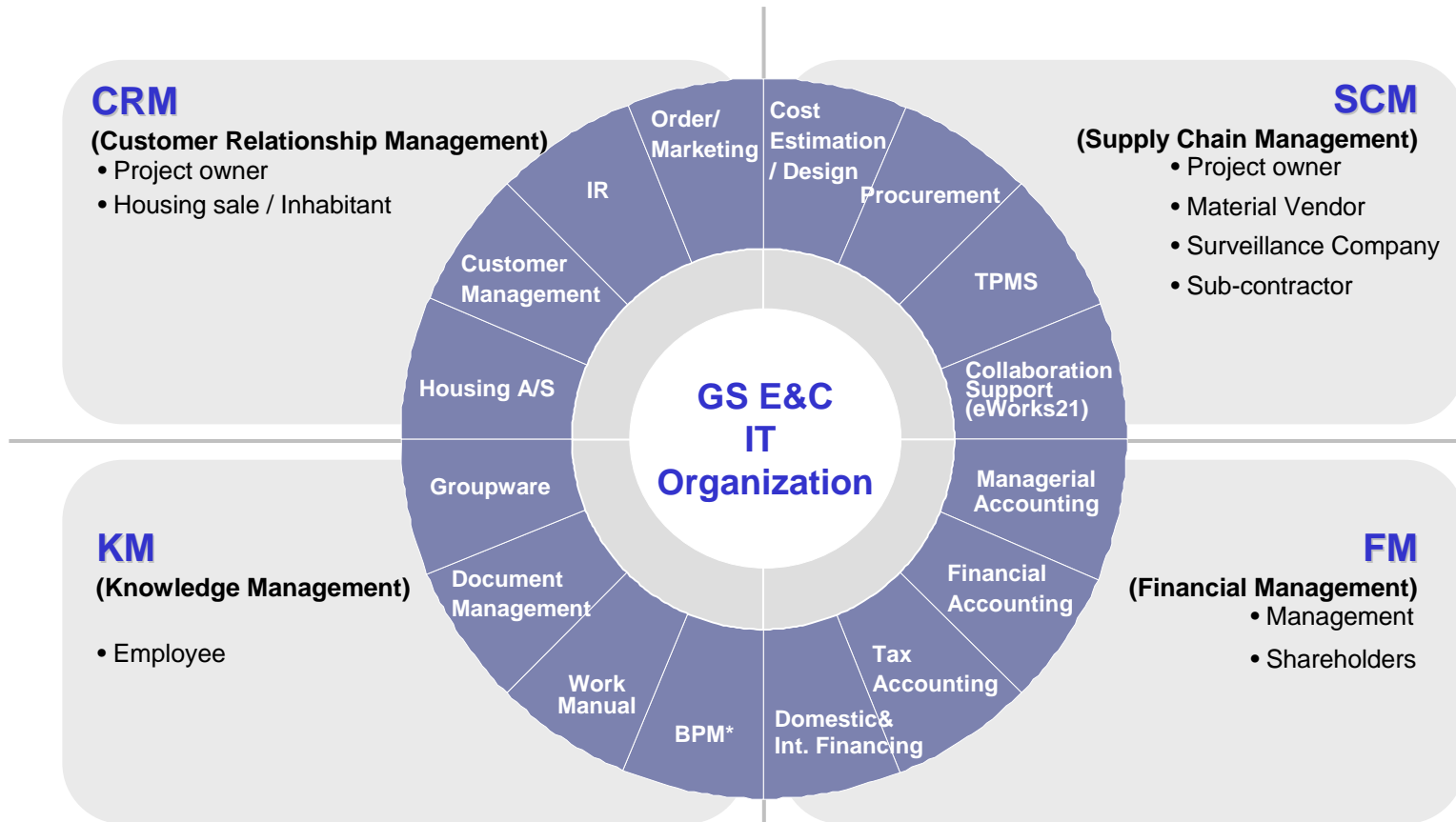
Payout Ratio

● GS E&C
◆ Daelim Industrial
■ Hyundai Development



Investment Highlights – System-Based Management

To enhance business competitiveness, GS E&C has developed Integrated system. It will give us best solution to accomplish Vision 2010.



* BPM(Business Process Management)

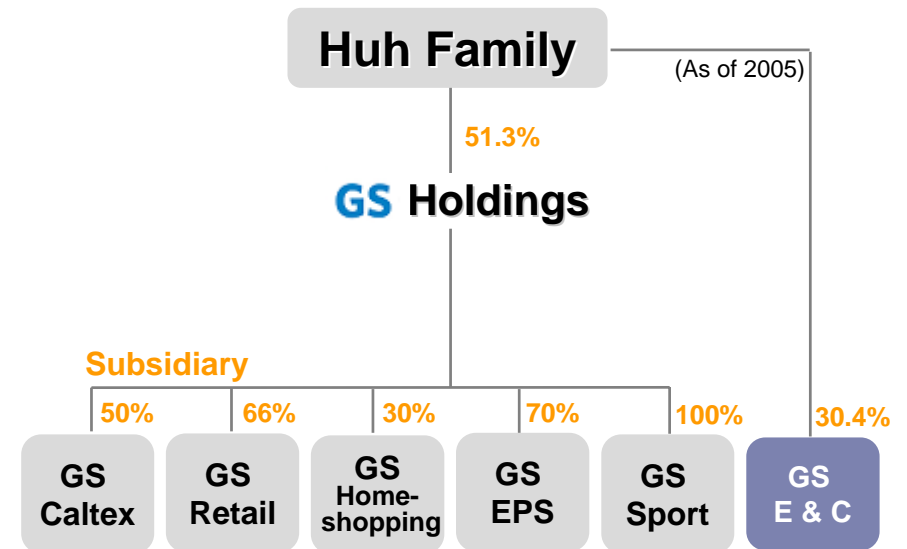
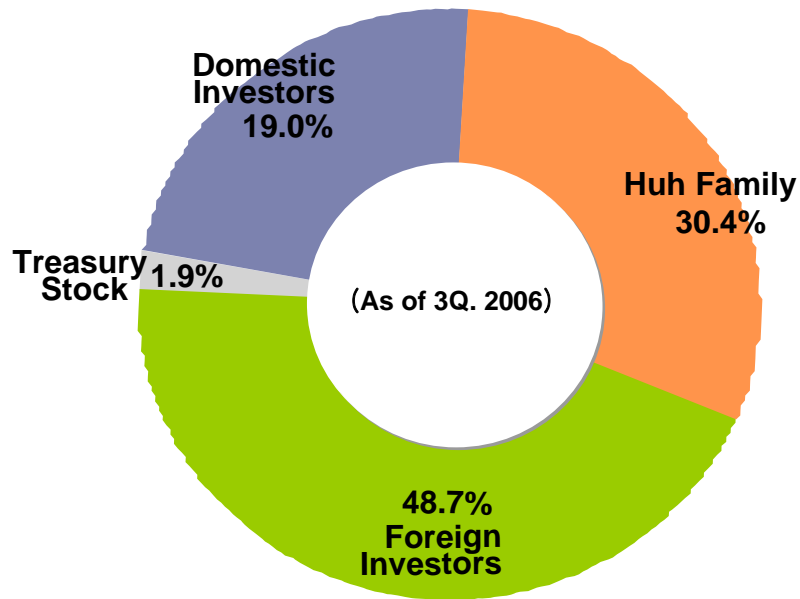
Appendix

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

Ownership Structure

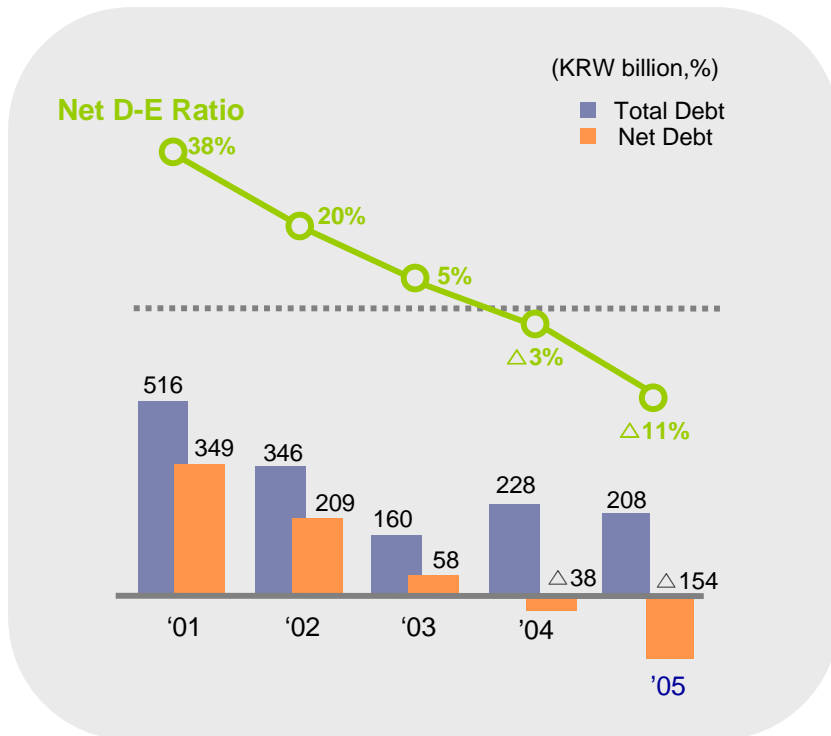
GS E & C

GS Group



Borrowings & Investment Plan

Borrowings



Investment Plan

(KRW billion)

Description	'04	'05	'06 (P)
PFI	36	1	101
Land	117	81	100
Resort & etc.	115	26	10
IT & R&D etc.	19	41	44
Total	287	149	255

PFI Projects (Progressing)

www.gsconstit.co.kr/english

(As of 3Q. 2006)

(KRW billion)

Status	Name of Project	Contract Amount	GS Contract Portion	Invested Amount	GS Shares	Remarks
Proposed	Seoul-Munsan Highway	554	255 (46%)	Undecided	Undecided	Undecided
	Suwon Light Rail Transit	483	242 (50%)			
	Sangju-Youngchun Highway	831	125 (15%)			
	Youngdong Highway #2	642	107 (17%)			
	Oksan-Ochang Highway	110	55.2 (50%)			
	Seoul-Dongduchun Highway	639	102 (16%)			
	New Bundang Extension Road	906	126.8 (14%)			
	Incheon International Passenger Pier	335	45 (13%)			
Choeup Light Rail Transit	209	104 (50%)				
Approved	Kangnam Beltway	655	75 (11%)	27	11.5%	To be completed in 2012
	Uijeongbu Light Rail Transit	250	158 (63%)	27.3	29.9%	To be completed in 2010
	Pyeongtaek Port #12	47	26 (55%)	11.1	16.5%	To be completed in 2009
Under Construction	Seoul Beltway	1,392	415 (30%)	124.2	27%	To be completed in 2008
	Pyeongtaek Port #11	47	42 (89%)	7.8	10%	To be completed in 2008

Total

7,100

1,878

PFI Projects (Experiences)

www.gsconstit.co.kr/english

(As of 3Q. 2006)

(KRW billion)

Status	Name of Project	Contract Amount	GS Contract Portion	Invested Amount	GS Shares	Remarks
Investment Completed	New Airport Highway	3,820	191 (5%)	21.7	5%	22.8 (KTCU, Dec. 2003)-sold
	Cheonan-Nonsan Highway	1,344	336 (25%)	112.5	25%	113.1 (KRIF, Feb. 2004)-sold
	Daegu East Beltway	120	30 (15%)	8.7	15%	9.1(MEDIC, May. 2003)-sold
	Daegu West-North Road	64	16 (15%)	3.3	15%	3.7(Municipality of Daegu, Jun.2004)-sold
	Cholmasan Tunnel	75	18 (24%)	1.0	24%	1.0 (KTCU, Nov. 2001)-sold
	Manwolsan Tunnel	68	17 (15%)	5.0	15%	Completed (July,2005) / Holding
Total		5,491	608			

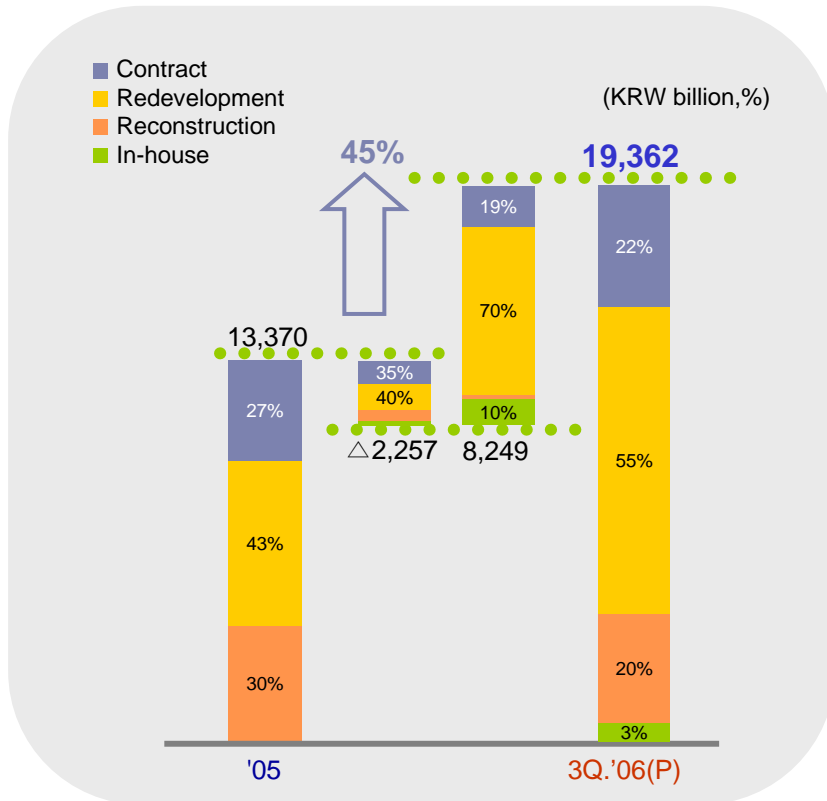
KTCU : Korea Teachers' Credit Union

KRIF : Korea Road Infrastructure Fund

MEDIC : Macquarie East Daegu Investment Company

Provisional Order Backlogs in Housing Division

Provisional Order Backlogs



By Sectors

(KRW billion)

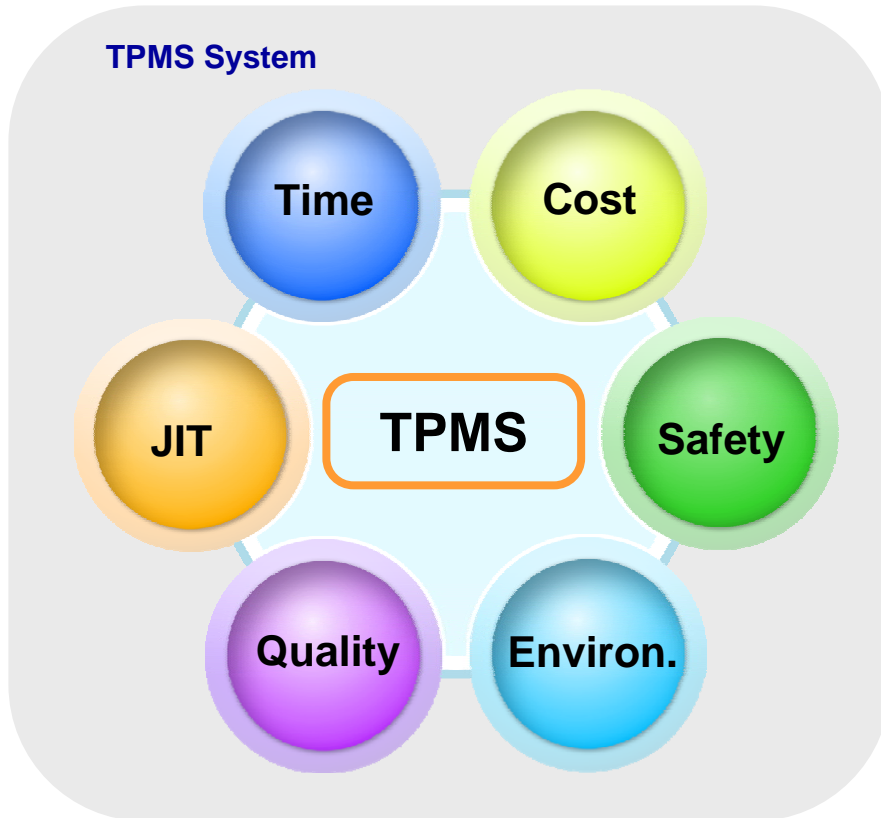
Description	'05	New Order Recognition (3Q.'06)	New Provisional (3Q.'06)	3Q'06(P)
Contract	3,532	△ 799	1,475	4,208
Redevelopment	5,788	△ 896	5,811	10,703
Reconstruction	4,050	△ 380	167	3,837
In-House	-	△ 182	796	614
Total	13,370	△ 2,257	8,249	19,362

New Major Provisional Order

(KRW billion)

Description	Major Projects	Amount
Contract	Hwasung Bongdam	387
	Kayang	169
Redevelopment	Kajwoa New Town	255
	Kyonam #1	320
Reconstruction	Kyowon, Masan	101
	Hanyang Cheongdam (Increased)	29
In-House	Incheon Cheongla	491

TPMS (Total Project Management System)



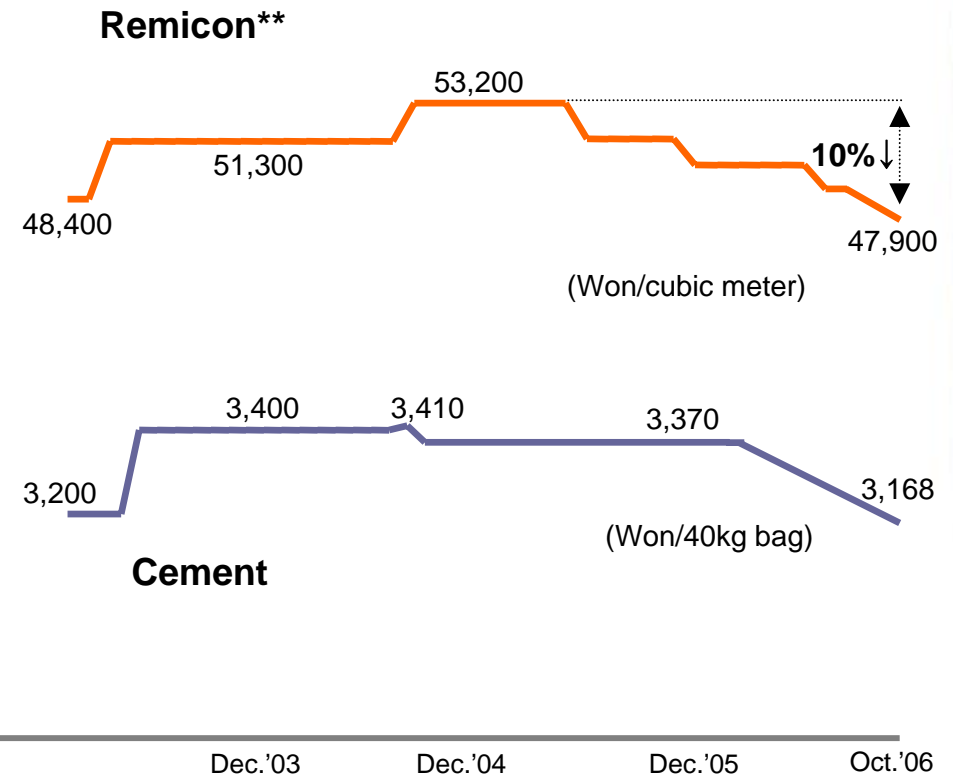
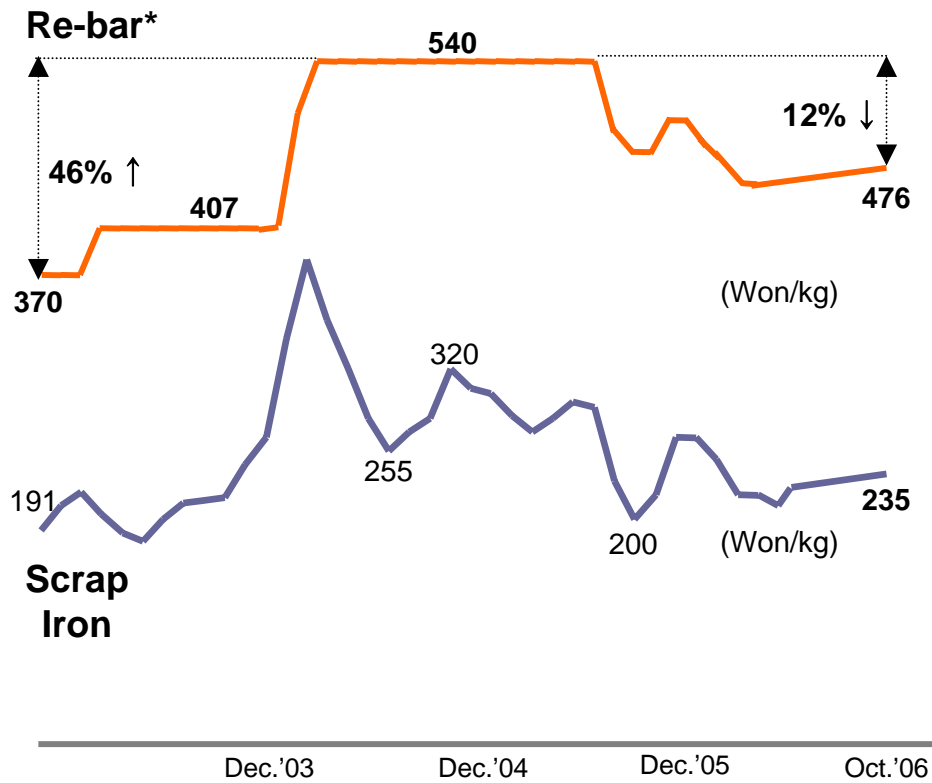
- JIT : Just-In-Time
- SEQ : Safety, Environment, Quality

- System integrated time & cost management
- Procurement, SEQ and technology linked with schedule
- On-line real time controlling system

- Increases productivity & decrease duration
- Minimizes errors & reworks

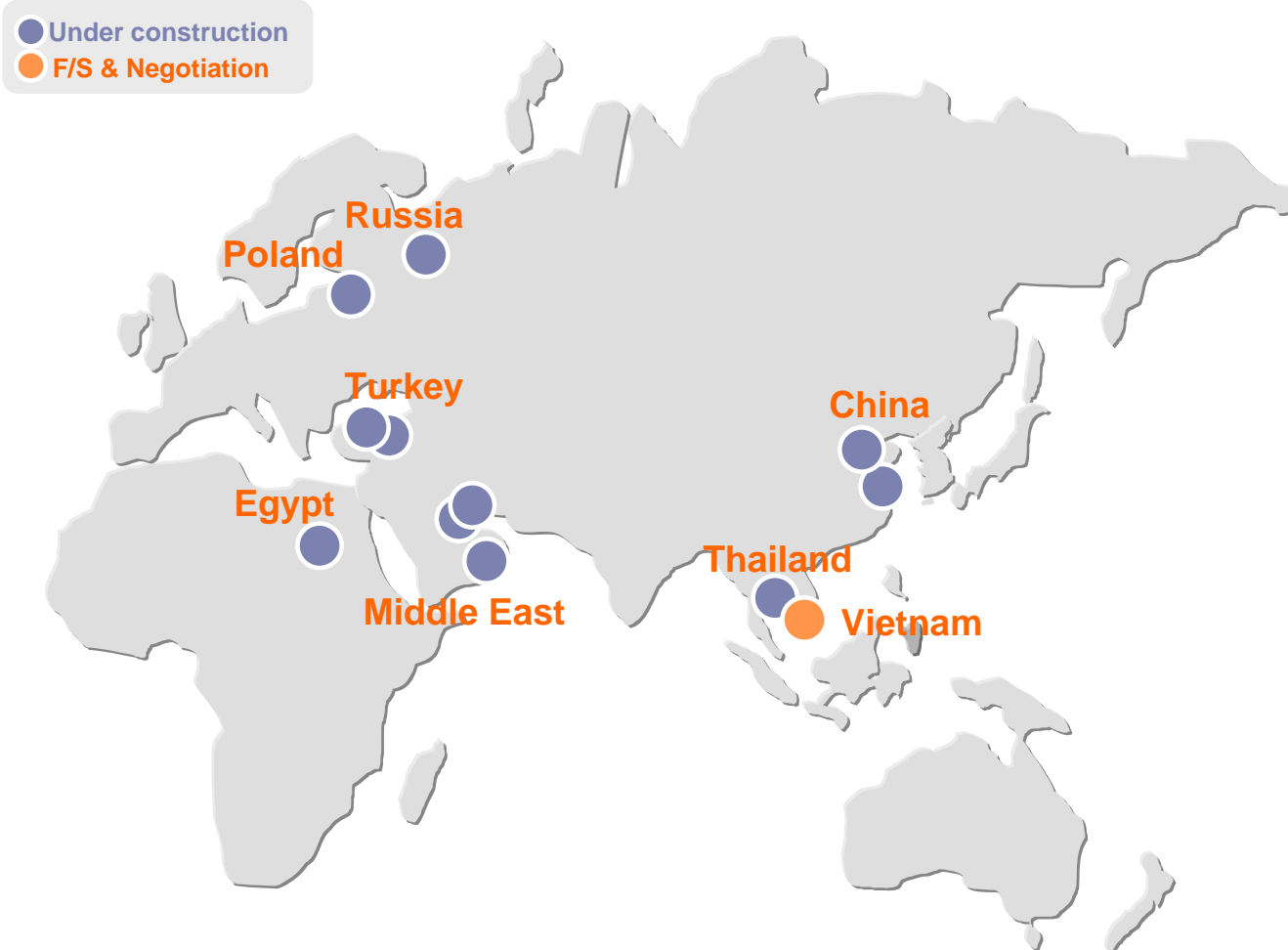
Cost Innovation

Major Material Prices



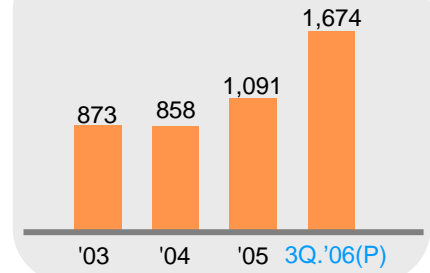
*Re-bar: Reinforced-bar
 **Remicon: Ready-mixed concrete

Overseas Business

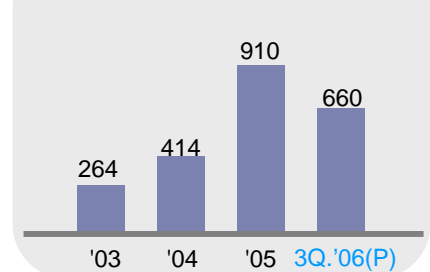


(KRW billion,%)

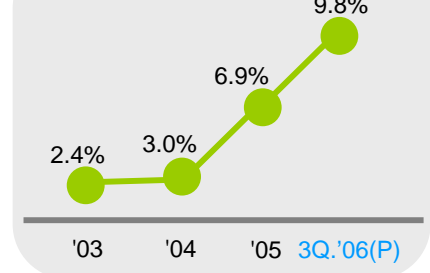
New Orders



Sales Revenues



Gross Margin



Balance Sheet (Summary)

www.gsconstit.co.kr/english

Account	(KRW billion,%)					
	'02	'03	'04	'05	'06 (P)	3Q.'06(P)
Total Asset	2,662	2,690	3,303	3,826	4,278	4,459
Cash & Deposits	136	102	266	358	311	410
Trade Receivables	836	875	1,095	1,412	1,512	1,798
Inventories	175	121	159	197	282	205
Investments	700	676	679	494	594	667
Tangible Assets	652	709	844	905	935	979
Total Liabilities	1,613	1,535	2,006	2,375	2,613	2,750
Trade Payables	511	621	794	890	975	978
Borrowings	346	160	228	208	205	64
Total Shareholders' Equity	1,049	1,155	1,297	1,451	1,665	1,708
Capital Stock	255	255	255	255	255	255
D/E Ratio	153.8	132.8	154.7	163.7	156.9	161.0

Income Statement (Summary)

www.gsconstit.co.kr/english

Account		(KRW billion)					
		'02	'03	'04	'05	'06(P)	3Q.'06(P)
Sales Revenues	Civil	514	574	574	730	762	493
	Plant	583	580	499	1,037	1,285	971
	Environment	-	-	276	312	311	173
	Architecture	820	1,258	1,615	2,203	1,816	1,221
	Housing	1,258	1,056	1,085	1,349	1,826	1,158
Total		3,175	3,468	4,049	5,631	6,000	4,016
Gross Profit		473	521	492	680	737	551
Selling and Administrative Expenses		197	250	263	344	357	233
Operating Profit		276	271	229	336	380	318
Ordinary Profit		245	262	242	367	380	435
Net Profit		161	162	156	265	-	-



<http://www.gsconstir.co.kr/english>

