

April, 2007 >>> 1H Roadshow

GS E&C Presentation

Investor Relations

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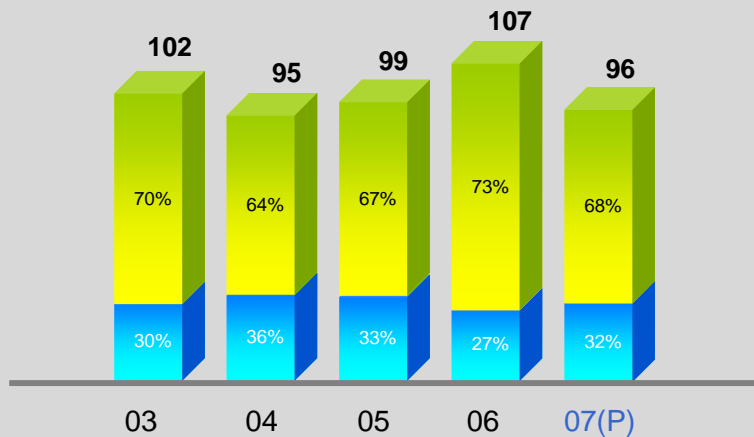
This material contains forward-looking statements that include our current beliefs and expectations on market factors and information obtained outside GS E&C, which are subject to uncertainties. Due to the volatility of these factors, actual results may differ from those set forth in the presented statements. Information found here should not be solely relied upon for making any investment decision, this material is provided as a reference purpose only for the investors. GS E&C shall not be responsible for any trading or investment decisions made based on this information.

Construction Market Overview

Domestic contracts rose YoY in 2006, but 2007's domestic new orders are expected to decrease due to weak market conditions. We expect overseas market to remain strong given high oil price.

Domestic Contract Value

■ Private Sector
■ Public Sector
 (KRW tn)

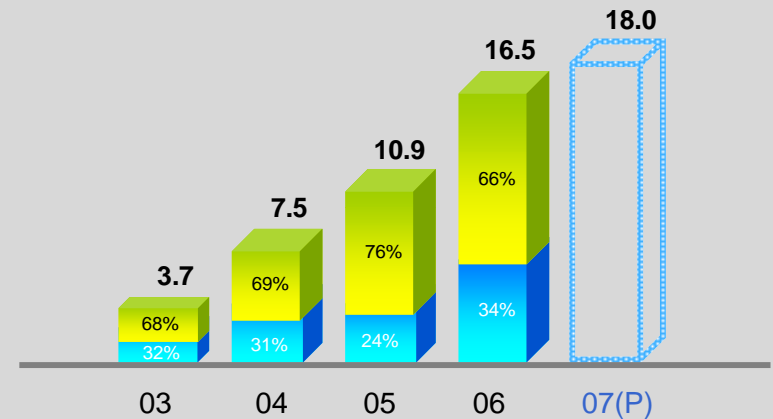


Source : Construction Association of Korea
Construction & Economy Research Institute of Korea

Overseas Contract Value

*Orders won by Korean Builders

■ Plant
■ Others
 (KRW tn)
 \$1 = KRW 1,000

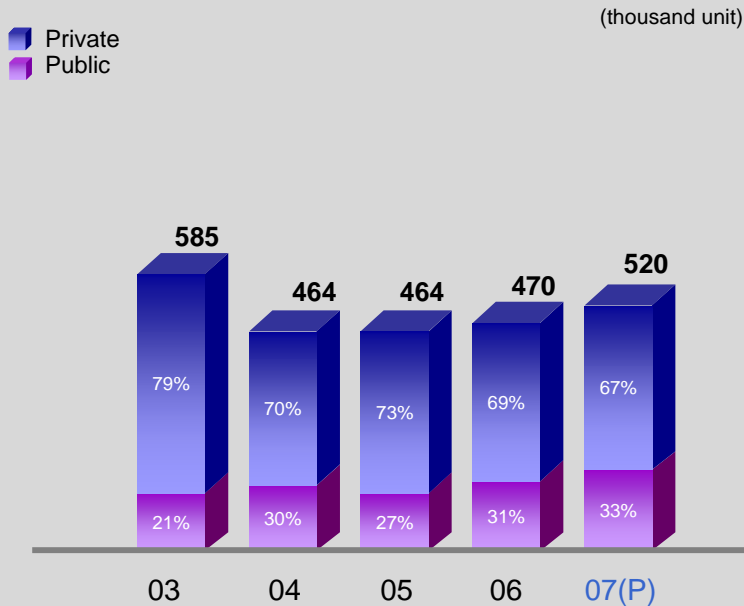


Source : International Contractors Association of Korea

Housing Market Overview

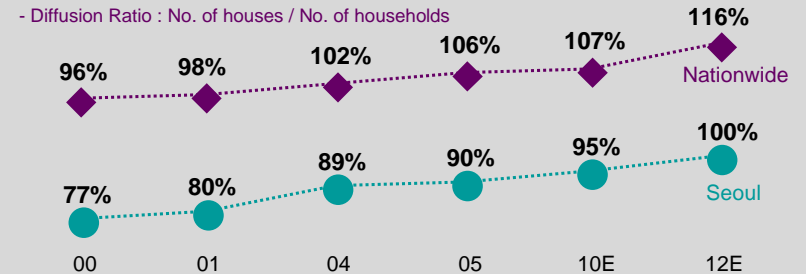
Housing supply remains below the government's original plan of 520,000 in 2006. Diffusion ratio is also lower than 116% targeted by the government. The low housing starts could push up pricing.

Housing Supply



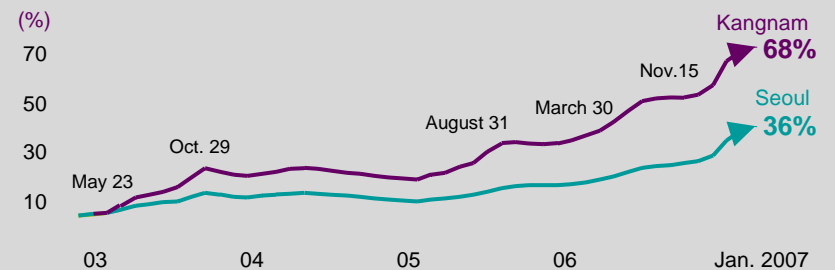
Source : Construction Association of Korea

Diffusion Ratio



Source : Ministry of Construction and Transportation

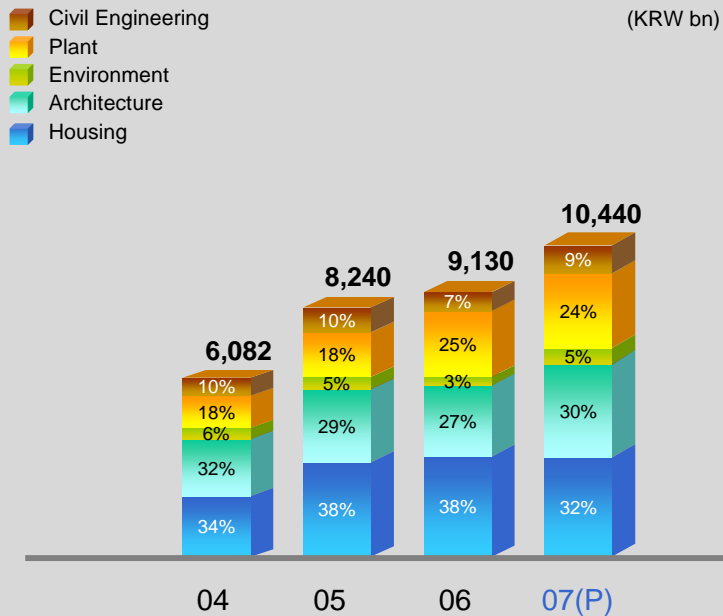
Apartment Transaction Price Index



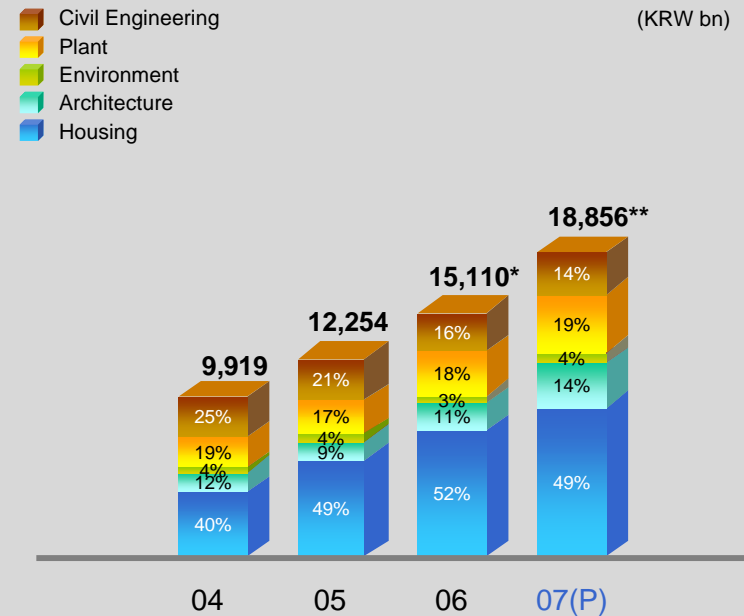
Source : Kookmin Bank

With a balanced business portfolio, both new orders and order backlogs will continue to rise.

New Orders



Order Backlogs

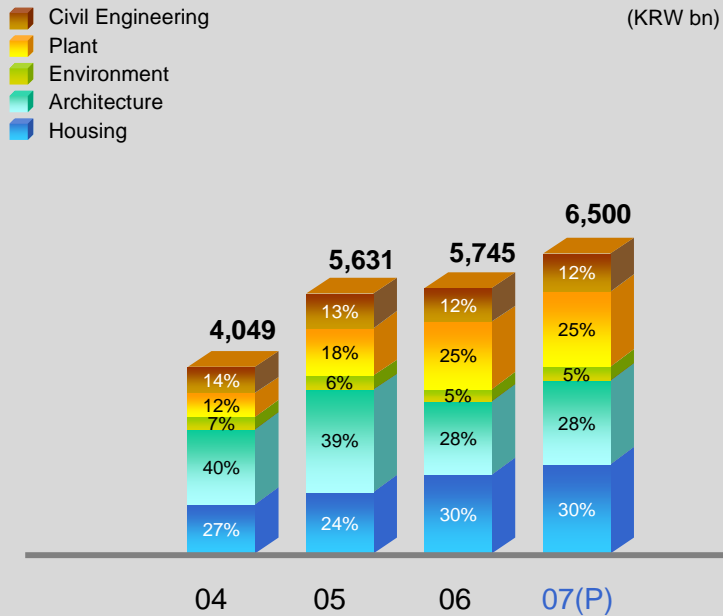


*Approximately W18.5 trillion of provisional order backlogs in the Housing division not included.

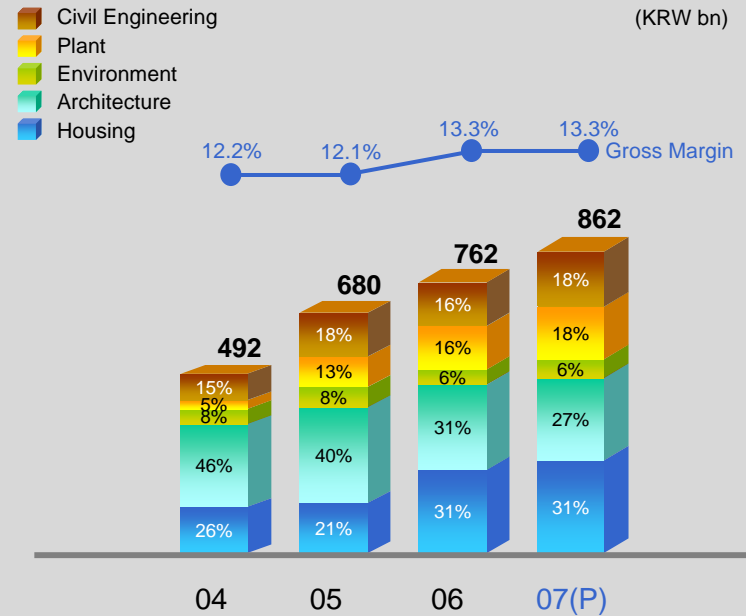
**Approximately W20.5 trillion of provisional order backlogs the Housing division not included.

Sales revenues will increase with stable growth in each division, and gross profit will grow substantially.

Sales Revenues

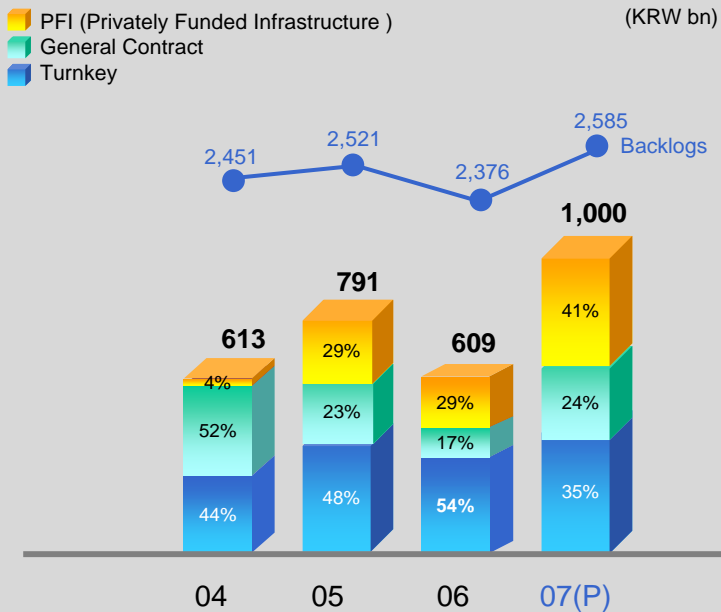


Gross Profit

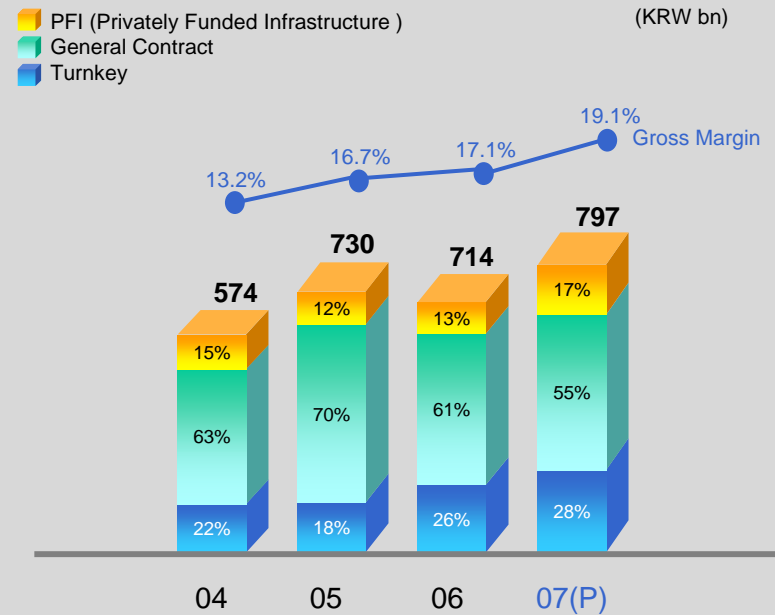


New orders will rise significantly with PFI projects, while gross margin is expected to show a big improvement compared to 2006.

New Orders & Order Backlogs

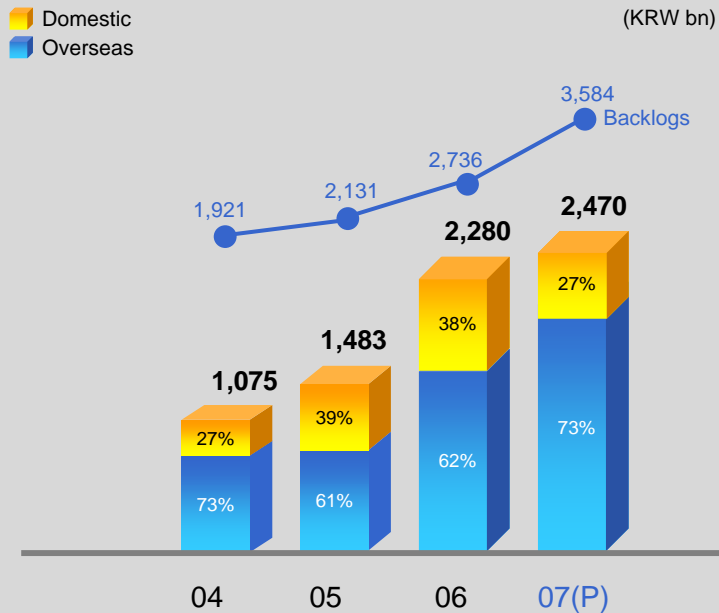


Sales Revenues & Gross Margin

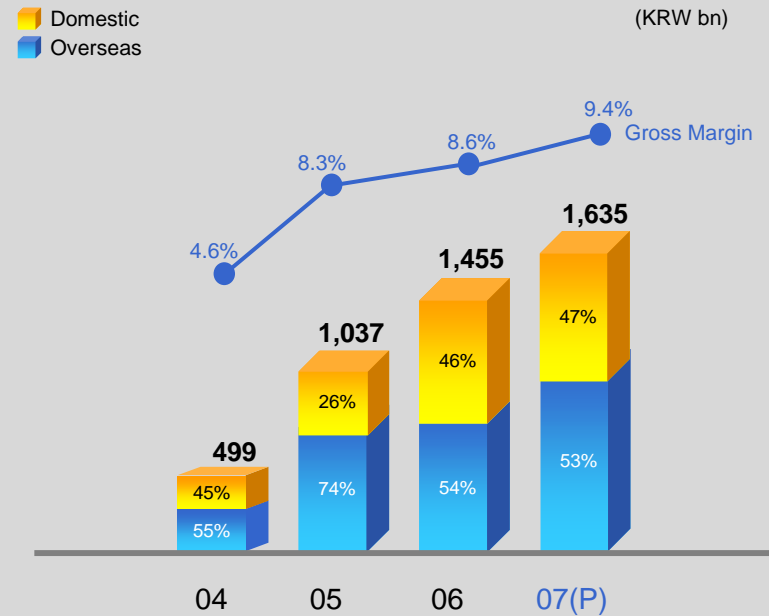


With the increasing number of overseas orders and our reinforced competitiveness, the division shows a continuous growth in new orders and sales revenues.

New Orders & Order Backlogs

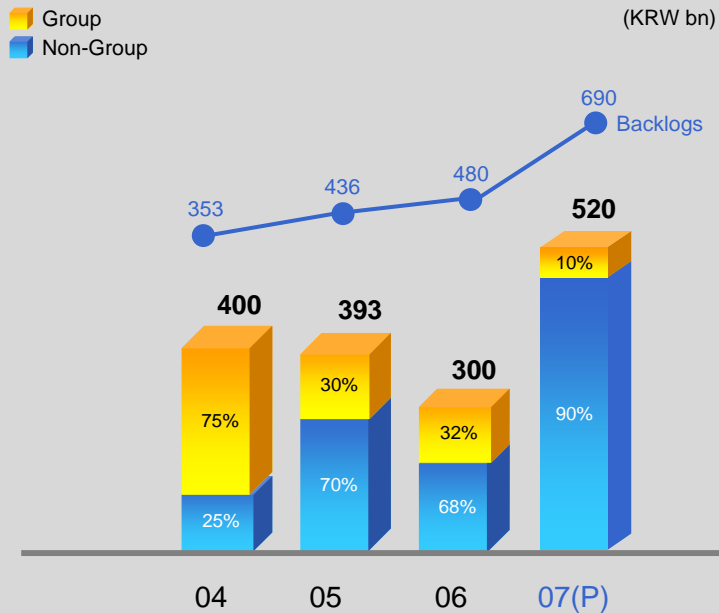


Sales Revenues & Gross Margin

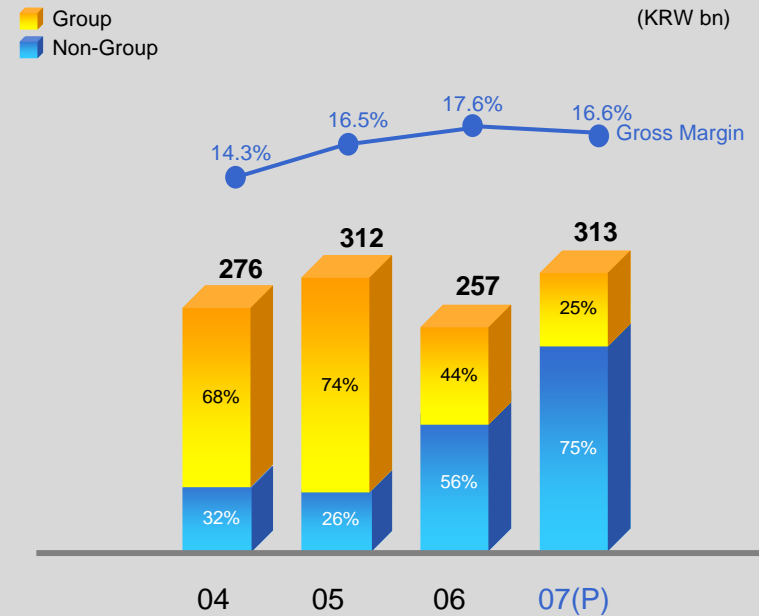


Focused on public turn-key and BTL projects, new orders and sales revenues will increase substantially.

New Orders & Order Backlogs

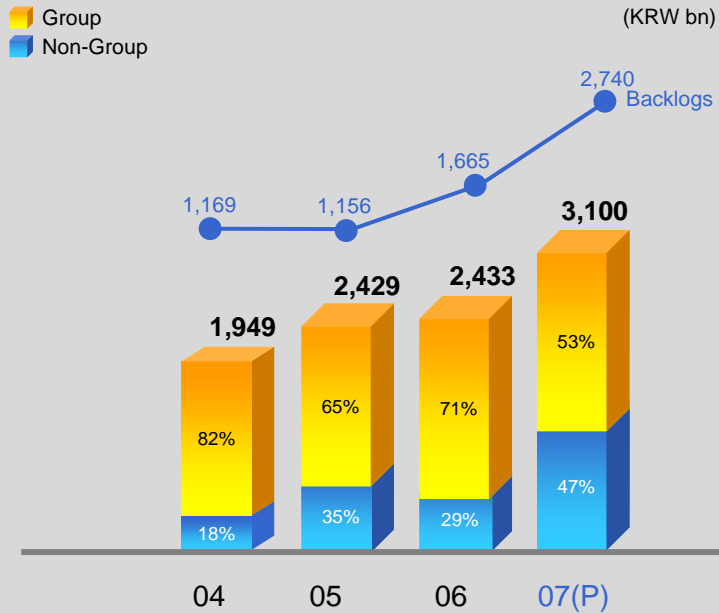


Sales Revenues & Gross Margin

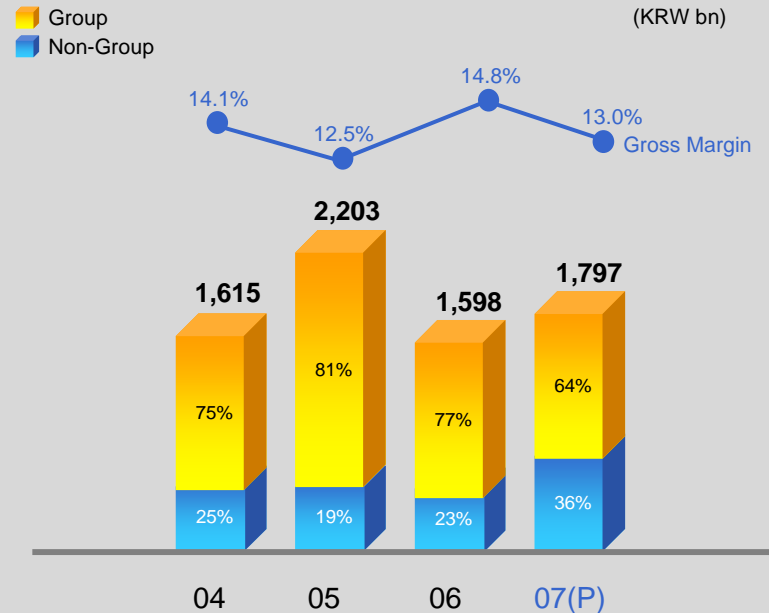


New orders and sales revenues will increase with non-group and public works.

New Orders & Order Backlogs

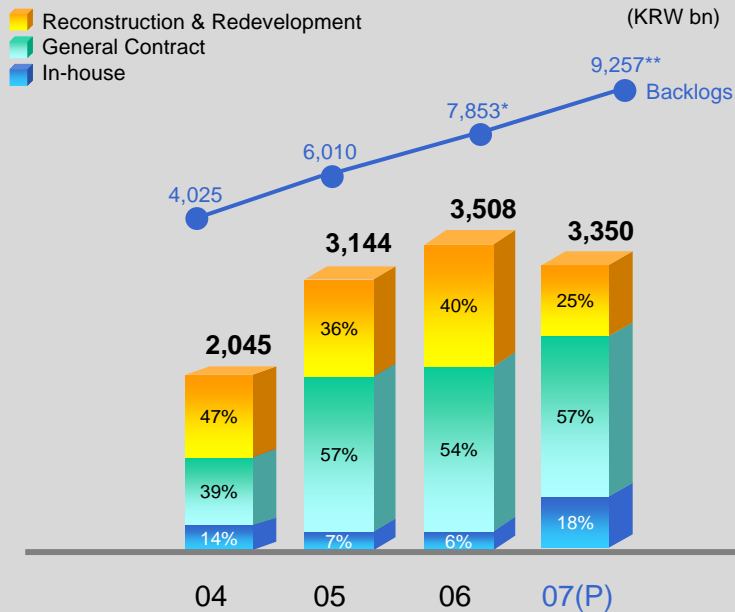


Sales Revenues & Gross Margin



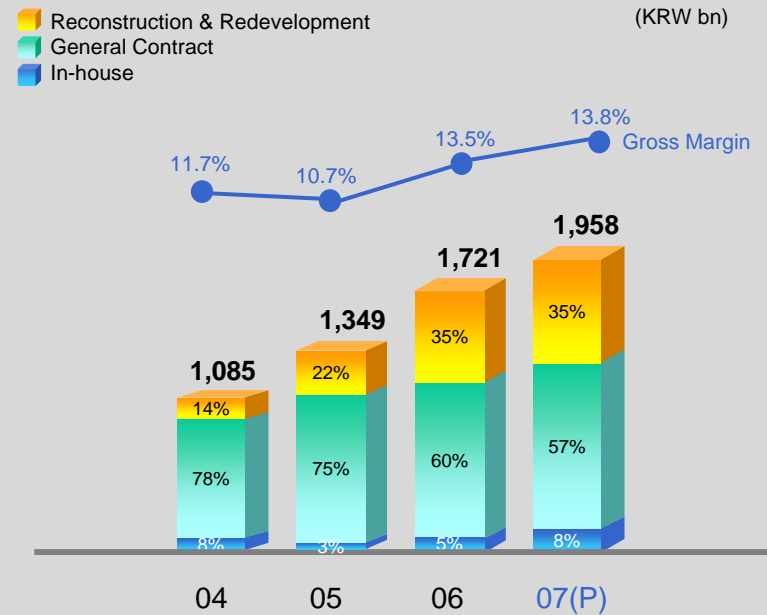
New orders will decline slightly, while recognition of reconstructions/redevelopment and general contracts will increase sales revenues.

New Orders & Order Backlogs

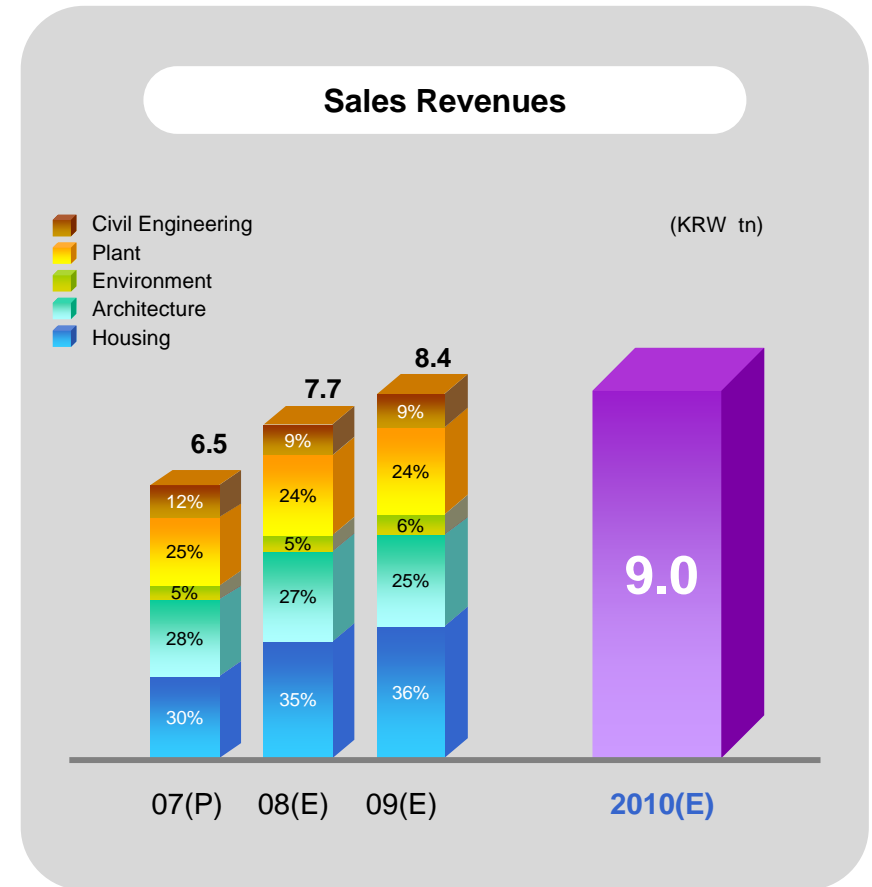
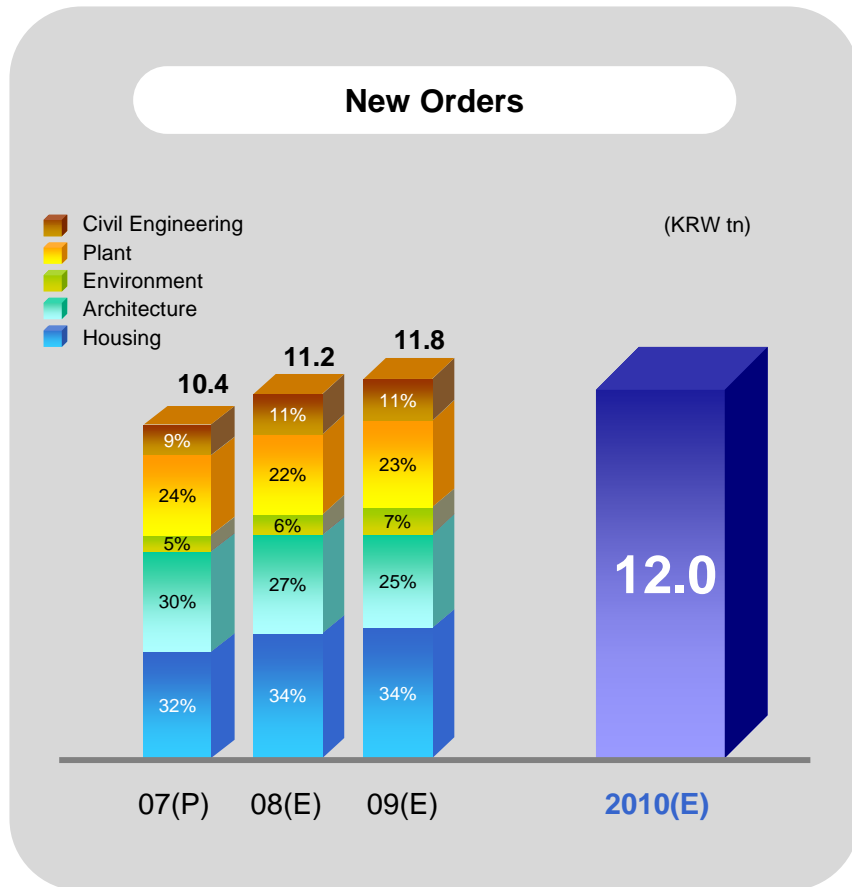


*Approximately W18.5 trillion of provisional order backlogs not included.
 **Approximately W20.5 trillion of provisional order backlogs not included.

Sales Revenues & Gross Margin



We will achieve KRW 12 trillion of new orders and KRW 9 trillion of sales revenues in 2010 based on balanced growth in each division.



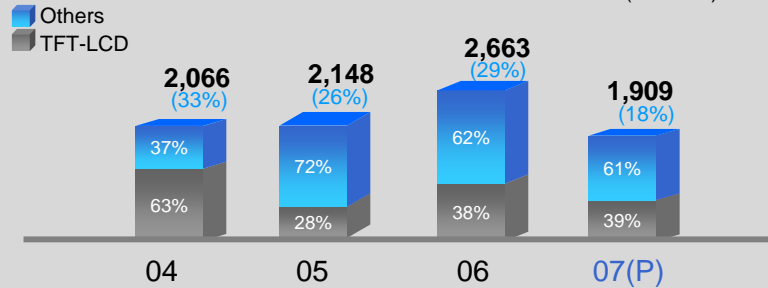
Investment Highlight - Solid Earnings from Group Works

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

Group Works

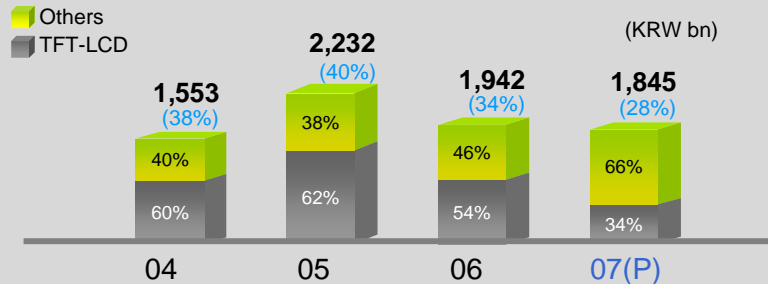
New Orders () % of total new orders

(KRW bn)



Sales Revenues () % of total sales revenues

(KRW bn)



Major Group Works

LG Phillips

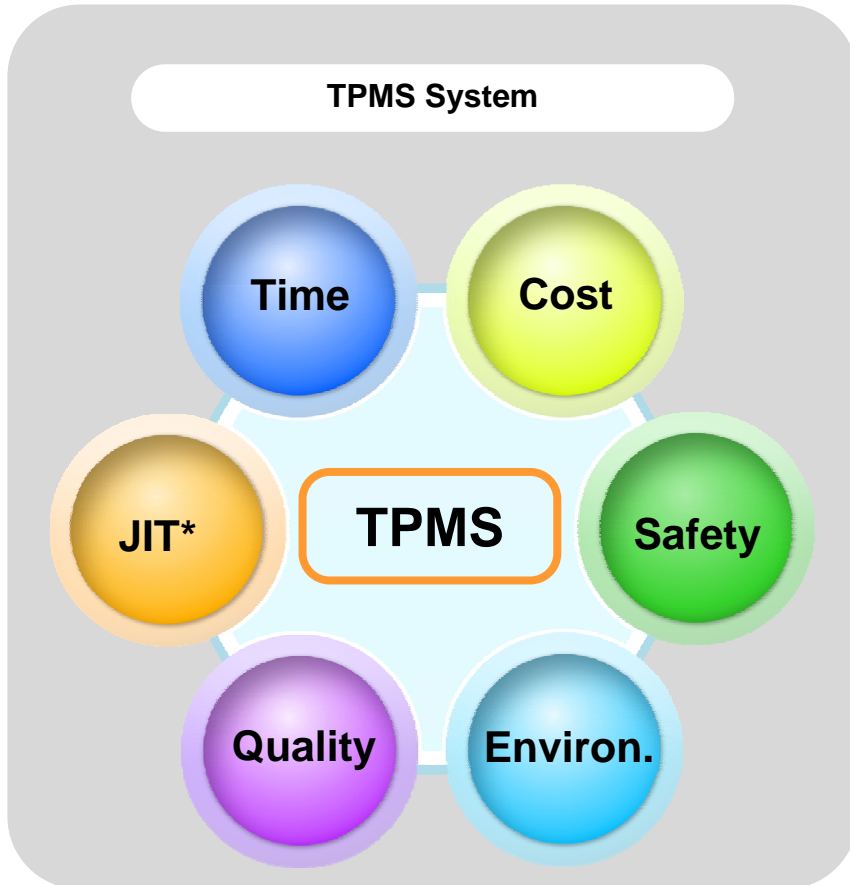
| Completion | Generation | Location |
|------------|------------|--------------|
| P 8~10 | by 2013 | 8th or above |
| P 7 | Q2 2006 | 7th |
| P 1 ~ 6 | Q4 2004 | 1st ~ 6th |

GS Caltex

| Completion | Location | Amount (Investment) |
|------------|----------|---------------------|
| HOU | Yeosu | 1.3 tn |

Investment Highlight – TPMS (Total Project Management System)

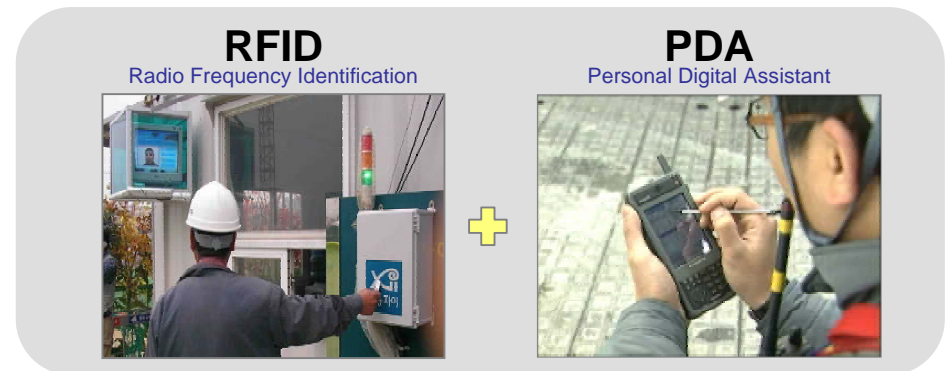
To enhance business competitiveness, GS E&C has developed Total Project Management System (TPMS). It will give us the best solution to accomplish Vision 2010.



- 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



*JIT : Just-In-Time

**SEQ : Safety, Environment, Quality

Appendix

A1_ Ownership Structure

A2_ Borrowings & Investment Plan

A3_ Dividends

A4_A5 PFI Projects

A6_ Provisional Order Backlogs in Housing Div

A7_ Major Material Prices

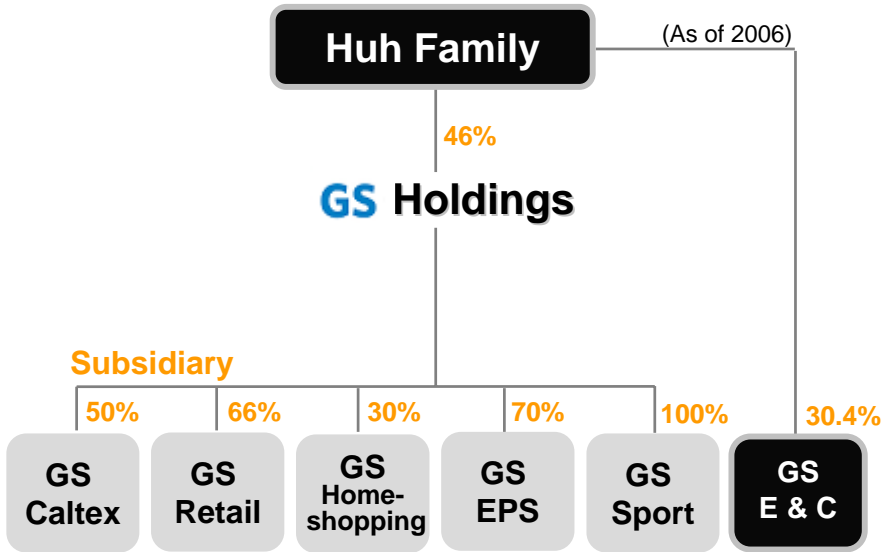
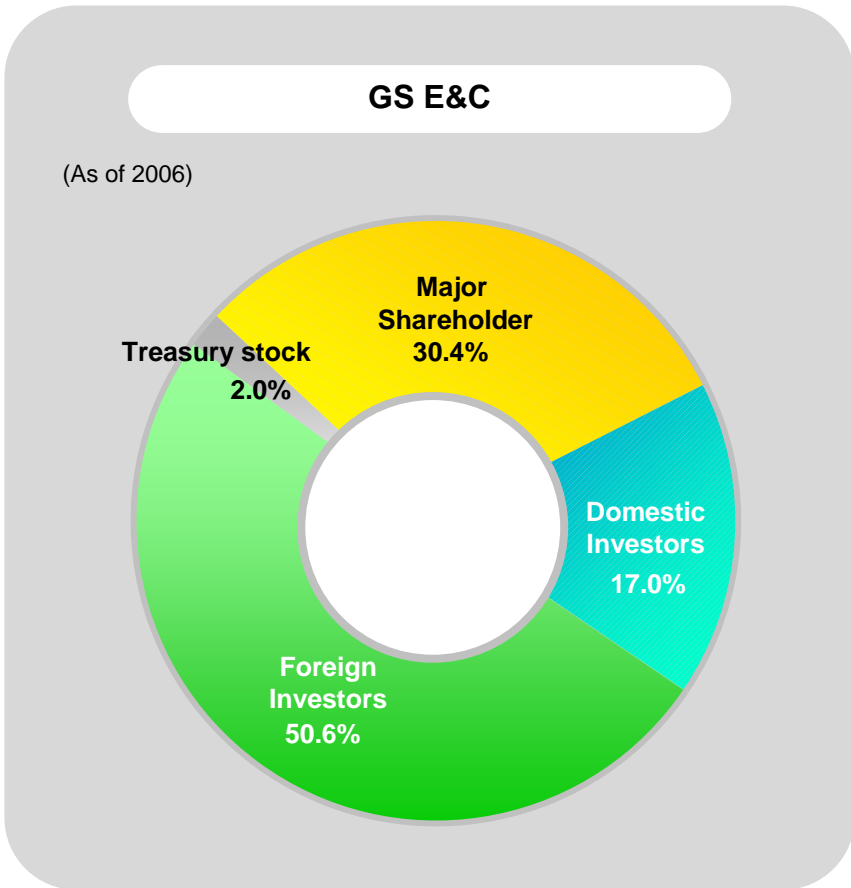
A8_ Overseas Business

A9_ Vietnam Project

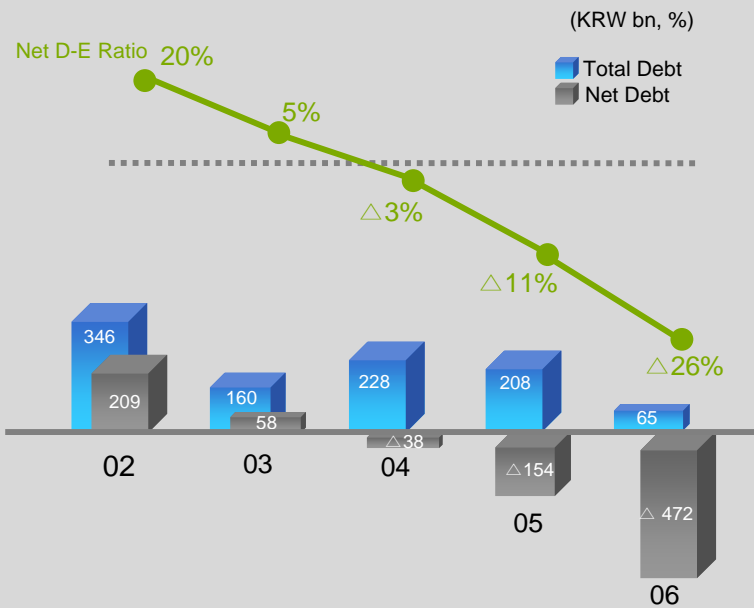
A10_ Balance Sheet (Summary)

A11_ Income Statement (Summary)

Appendix – Ownership Structure



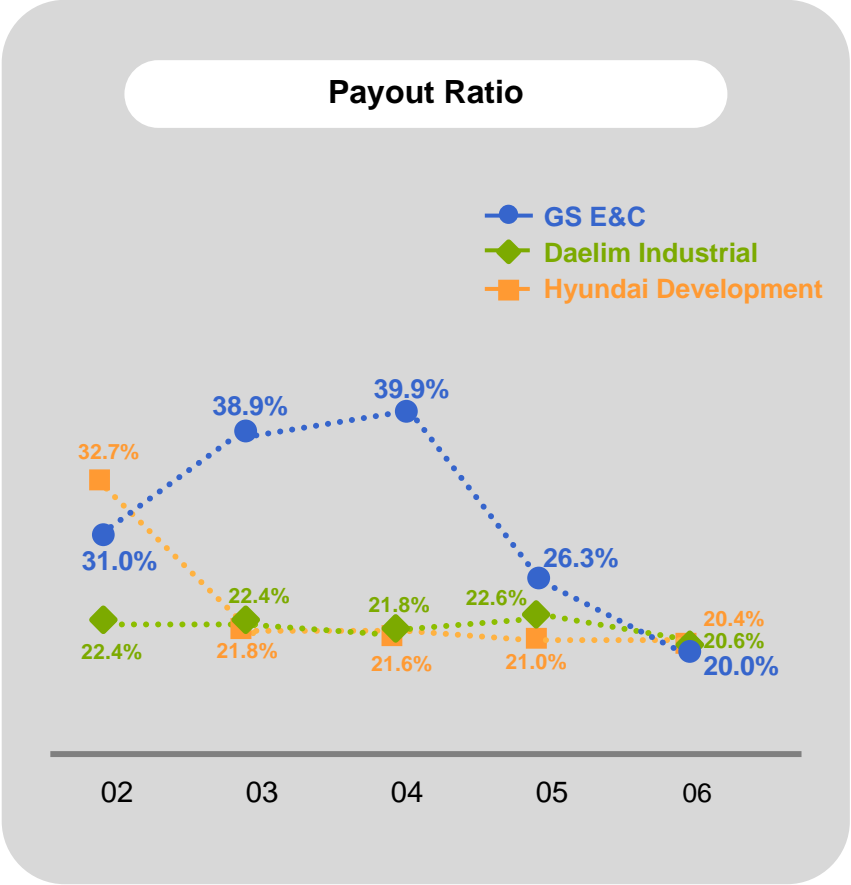
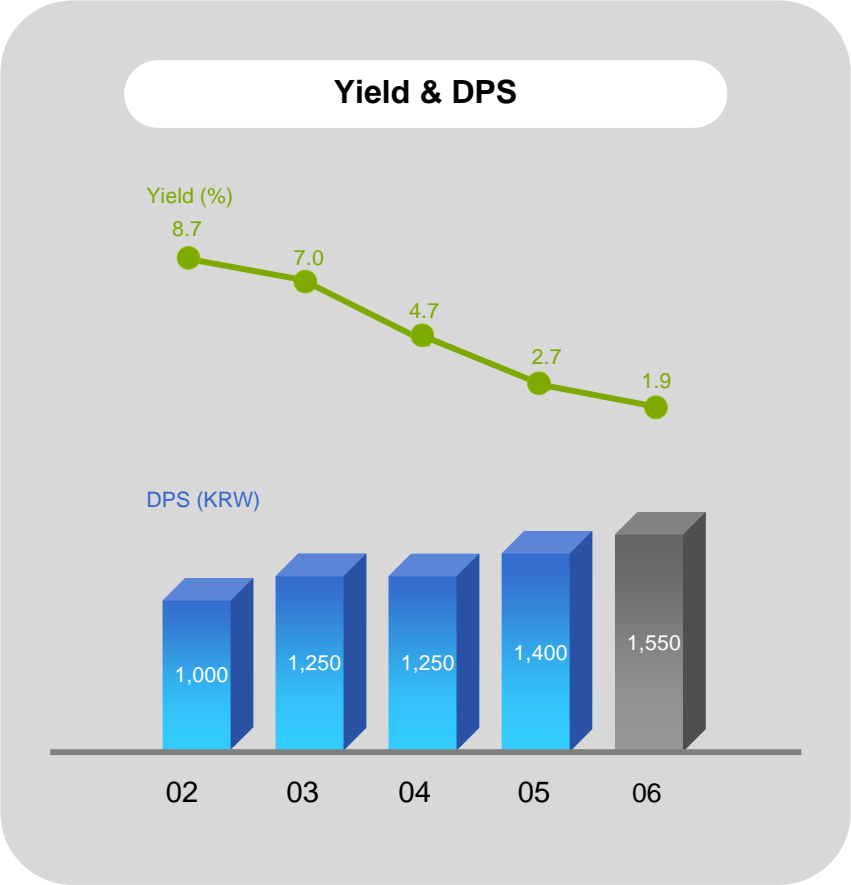
Borrowings



Investment Plan

(KRW bn)

| Description | 05 | 06 | 07 (P) |
|---------------|------------|------------|------------|
| PFI | 1 | 14 | 23 |
| Land | 81 | 154 | 170 |
| Resort & etc. | 26 | 17 | 27 |
| IT & R&D etc. | 41 | 62 | 94 |
| Total | 149 | 247 | 314 |



Appendix – PFI Projects

(As of 2006)

(KRW bn)

| Status | Name of Project | Contract Amount | GS Contract Portion | Investment Amount | GS Shares | Remarks |
|---------------------------|------------------------------|-----------------|---------------------|-------------------|-----------|-------------------------|
| Proposed | Youngdong Highway #2 | Undecided | Undecided | Undecided | Undecided | Undecided |
| | Seoul-Dongduchun Highway | | | | | |
| | Seoul-Munsan Highway | | | | | |
| | New Bundang Extension Road | | | | | |
| | Busan New Port #2-4 | | | | | |
| | Oksan–Ochang Highway | | | | | |
| | Suwon Light Rail Transit | | | | | |
| Koyang Light Rail Transit | | | | | | |
| Choeup Light Rail Transit | | | | | | |
| Approved | Kangnam Beltway | 655 | 75 (11.5%) | 8 | 11.5% | To be completed in 2013 |
| | Uijeongbu Light Rail Transit | 250 | 158 (63%) | 27.3 | 29.9% | To be completed in 2011 |
| | Pyeongtaek Port #12 | 47 | 26 (55%) | 11.1 | 16.5% | To be completed in 2010 |
| | Sangju-Youngchun Highway | 1,163 | 116 (10%) | 3.3 | 1.0% | To be completed in 2012 |
| Under Construction | Seoul Beltway | 1,392 | 376 (27%) | 124.2 | 27.0% | To be completed in 2008 |
| | Pyeongtaek Port #11 | 47 | 42 (89%) | 7.8 | 10.0% | To be completed in 2008 |

Appendix – PFI Projects

(As of 2006)

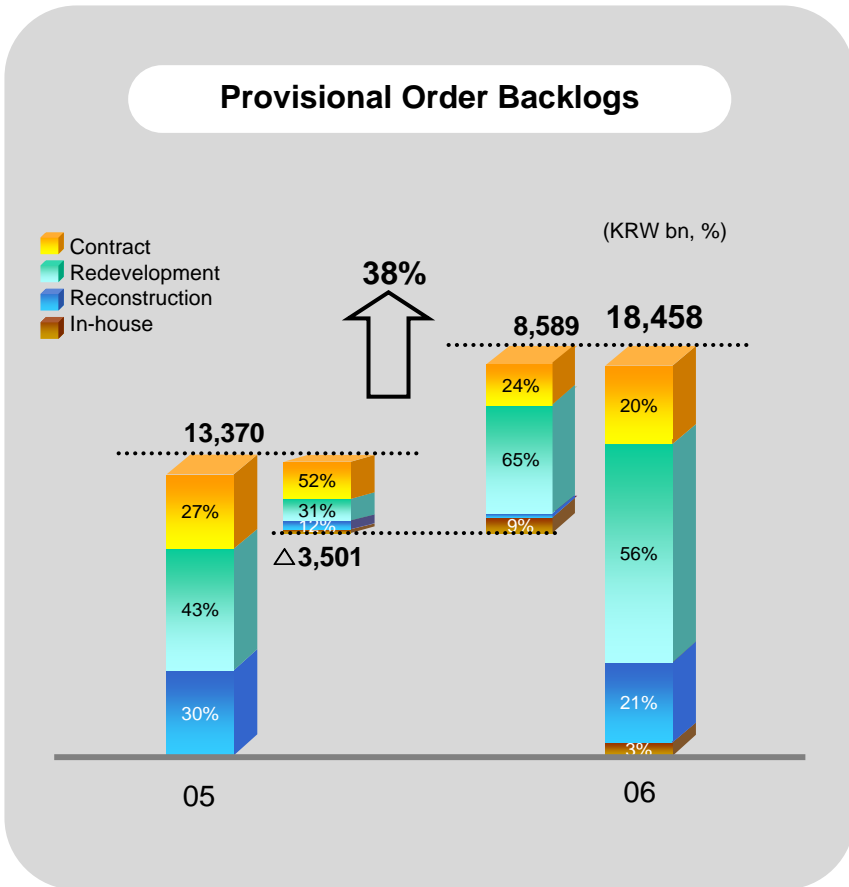
(KRW bn)

| 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 (25%) | 8.7 | 15% | 9.1(MEDIC, May. 2003)-sold |
| | Daegu West-North Road | 64 | 16 (25%) | 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 (25%) | 5.0 | 15% | Completed (July,2005) / Holding |

KTCU : Korea Teachers' Credit Union

KRIF : Korea Road Infrastructure Fund

MEDIC : Macquarie East Daegu Investment Company



By Sectors

(KRW bn)

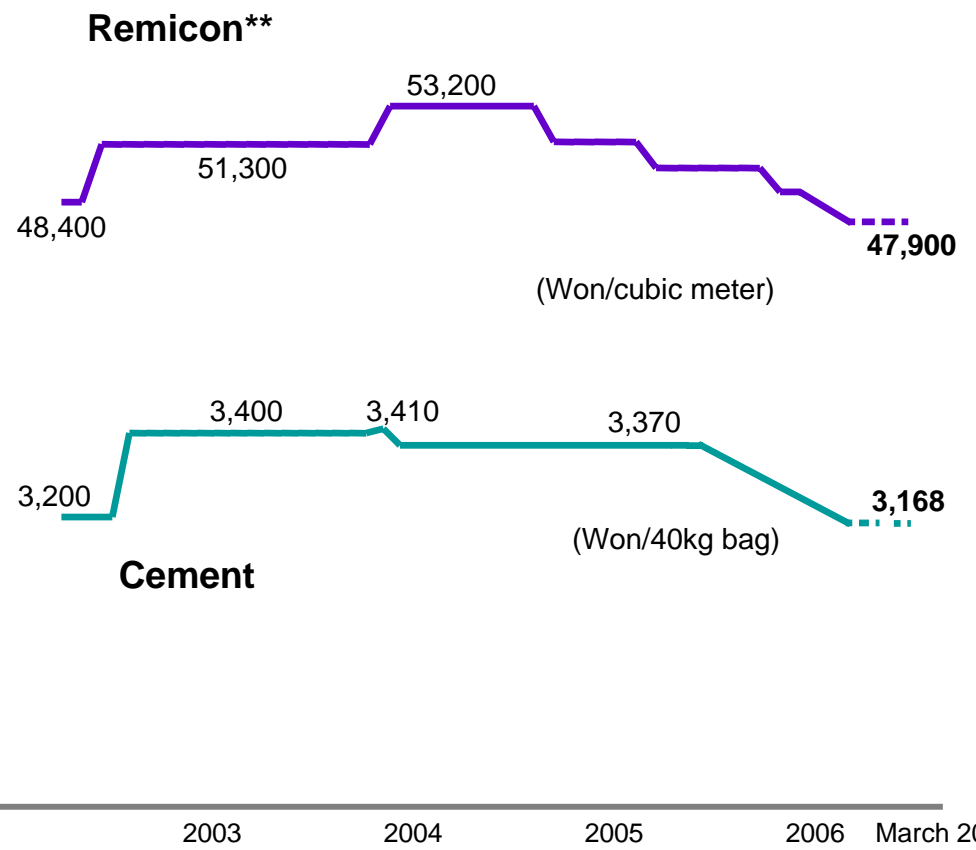
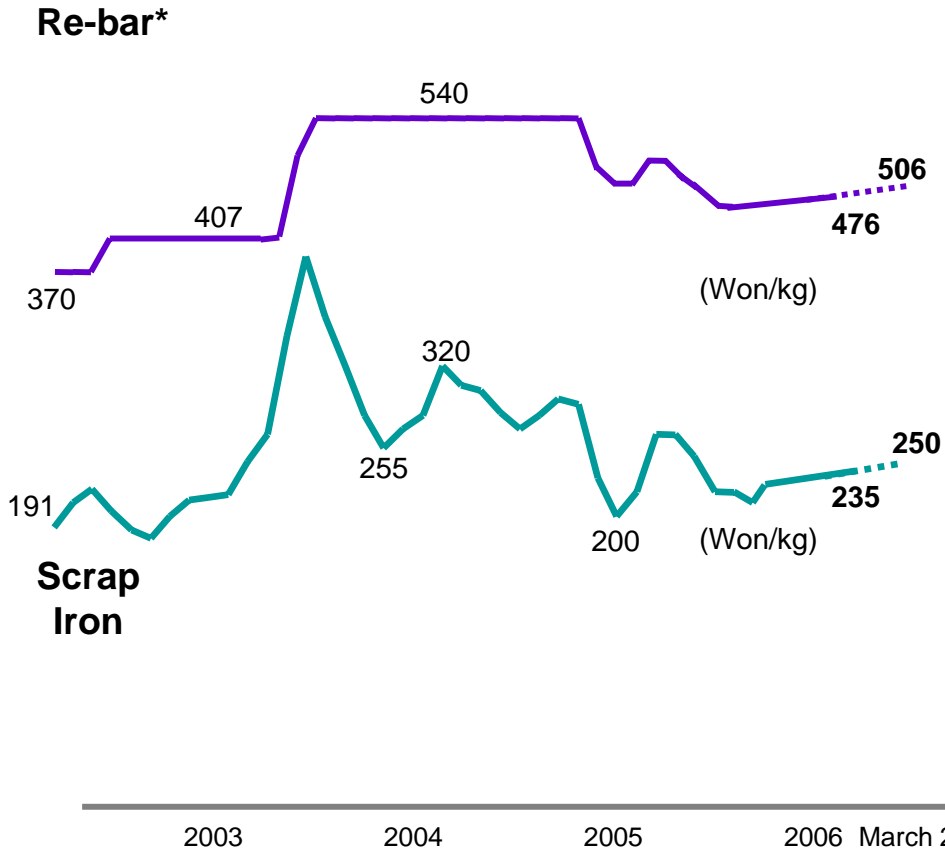
| Description | 05 | New Order Recognition (06) | New Provisional (06) | 06 |
|----------------|---------------|----------------------------|----------------------|---------------|
| Contract | 3,532 | △ 1,812 | 2,062 | 3,782 |
| Redevelopment | 5,788 | △ 1,087 | 5,548 | 10,249 |
| Reconstruction | 4,050 | △ 428 | 200 | 3,822 |
| In-House | - | △ 174 | 779 | 605 |
| Total | 13,370 | △ 3,501 | 8,589 | 18,458 |

New Major Provisional Order

(KRW bn)

| Description | Major Projects | Amount |
|----------------|-------------------------|--------|
| Contract | Hwasung Bongdam | 387 |
| | Kayang | 169 |
| Redevelopment | Kajwoa New Town | 255 |
| | Kyonam #1 | 320 |
| Reconstruction | Kyowon, Masan | 101 |
| | Poil Jukong (Increased) | 60 |
| In-House | Incheon Cheongla | 491 |

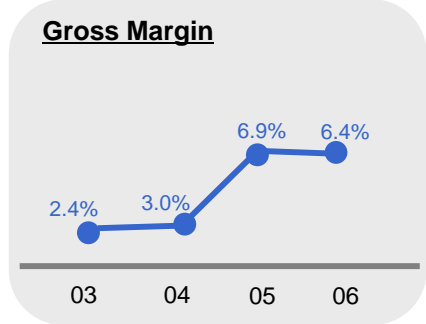
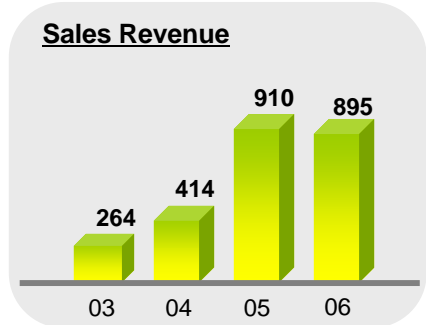
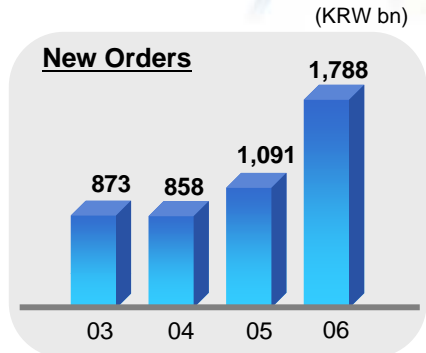
Appendix – Major Material Prices



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

Appendix – Overseas Business

- Under construction
- F/S & Negotiation



| SPC | Type | Project | Process |
|---------------------------------------|---|--|--|
| <p>BT Project (SPC 1)</p> | <p>Build and Transfer</p> | <ul style="list-style-type: none"> • Road Construction(Airport>Ho Chi Minh City) - transfer the road to Ho Chi Minh Government • Development project in substitute land (5 pieces of land in downtown) | <ul style="list-style-type: none"> • Concluded MOU • Plan to submit IL* application |
| <p>Nha Be New Town (SPC 2)</p> | <p>General Project by Foreign Investment</p> | <ul style="list-style-type: none"> • New Town in Nha Be - 10km from the heart of Ho Chi Minh • Apartment • Convenient facilities - Hospital, school, park, etc. | <ul style="list-style-type: none"> • Submitted IL application |
| <p>Cu Chi Resort (SPC 3)</p> | | <ul style="list-style-type: none"> • Golf resort, 36 Holes • Villa and condominium etc. | <ul style="list-style-type: none"> • Received IL • Plan to make a contract |

*Investment License

Appendix – Balance Sheet (Summary)

(KRW bn,%)

| Account | 02 | 03 | 04 | 05 | 06 | 07(P) |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total Asset | 2,662 | 2,690 | 3,303 | 3,826 | 4,751 | 5,015 |
| Cash & Deposits | 136 | 102 | 266 | 361 | 537 | 299 |
| Trade Receivables | 836 | 875 | 1,095 | 1,412 | 1,738 | 1,733 |
| Inventories | 175 | 121 | 159 | 197 | 195 | 279 |
| Investments | 700 | 676 | 679 | 494 | 691 | 861 |
| Tangible Assets | 652 | 709 | 844 | 905 | 1,038 | 1,004 |
| Total Liabilities | 1,613 | 1,535 | 2,006 | 2,375 | 2,967 | 2,969 |
| Trade Payables | 511 | 621 | 794 | 890 | 1,260 | 1,117 |
| Borrowings | 346 | 160 | 228 | 208 | 65 | 104 |
| Total Shareholders' Equity | 1,049 | 1,155 | 1,297 | 1,451 | 1,784 | 2,046 |
| Capital Stock | 255 | 255 | 255 | 255 | 255 | 255 |
| L/E Ratio | 153.8 | 132.8 | 154.7 | 163.7 | 166.3 | 145.1 |

Appendix – Income Statement (Summary)

(KRW bn)

| Account | | 02 | 03 | 04 | 05 | 06 | 07(P) |
|-------------------------------------|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sales Revenues | Civil Engineering | 514 | 574 | 574 | 730 | 714 | 797 |
| | Plant | 583 | 580 | 499 | 1,037 | 1,455 | 1,635 |
| | Environment | - | - | 276 | 312 | 257 | 313 |
| | Architecture | 820 | 1,258 | 1,615 | 2,203 | 1,598 | 1,797 |
| | Housing | 1,258 | 1,056 | 1,085 | 1,349 | 1,721 | 1,958 |
| Total | | 3,175 | 3,468 | 4,049 | 5,631 | 5,745 | 6,500 |
| Gross Profit | | 473 | 521 | 492 | 680 | 762 | 862 |
| Selling and Administrative Expenses | | 197 | 250 | 263 | 344 | 359 | 393 |
| Operating Profit | | 276 | 271 | 229 | 336 | 403 | 469 |
| Ordinary Profit | | 245 | 262 | 242 | 367 | 544 | 480 |
| Net Profit | | 161 | 162 | 156 | 265 | 387 | - |



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

