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2H 2007 >>>

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

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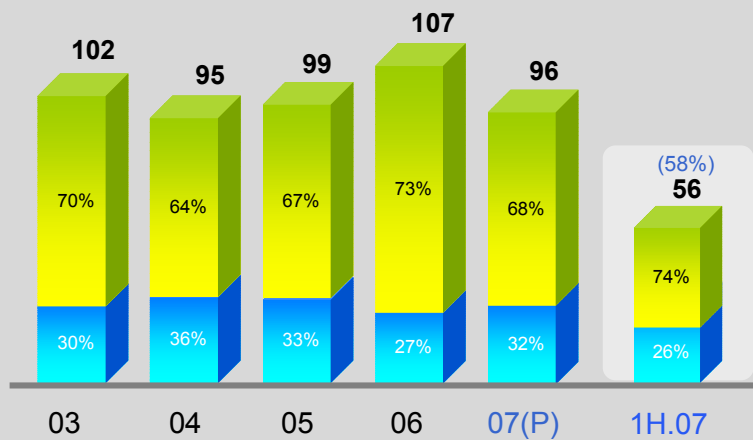
Domestic new orders are expected to decrease due to weak market conditions. We expect overseas market to remain strong given high oil price.

Domestic Contract Value

(%) Annual Target Achievement

- Private Sector
- Public Sector

(KRW tn)



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

Overseas Contract Value

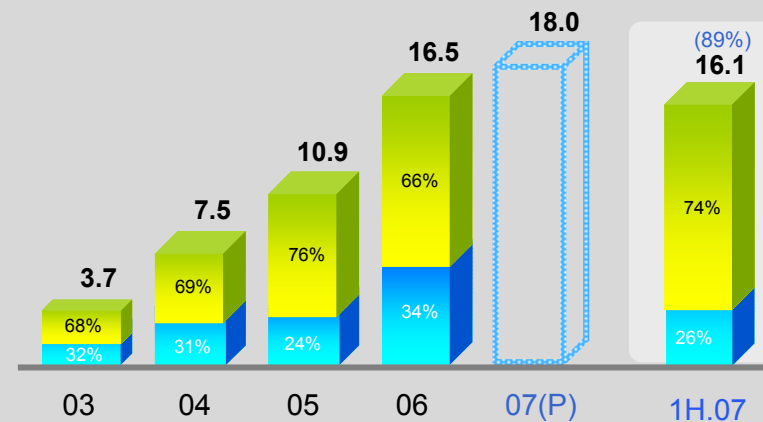
*Orders won by Korean Builders

(%) Annual Target Achievement

- Plant
- Others

(KRW tn)

\$1 = KRW 1,000



Source : International Contractors Association of Korea

Business Performance & Plan – New Orders & Order Backlogs

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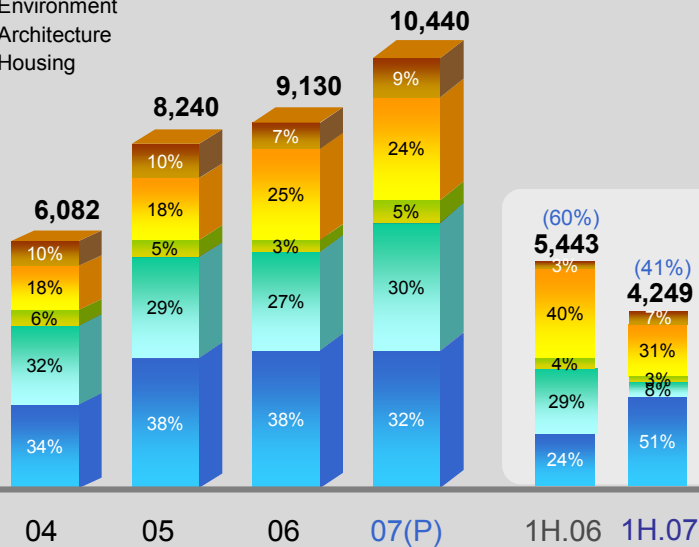
With a balanced business portfolio, both new orders and order backlogs will continue to rise.

New Orders

(%) Annual Target Achievement

- Civil Engineering
- Plant
- Environment
- Architecture
- Housing

(KRW bn)

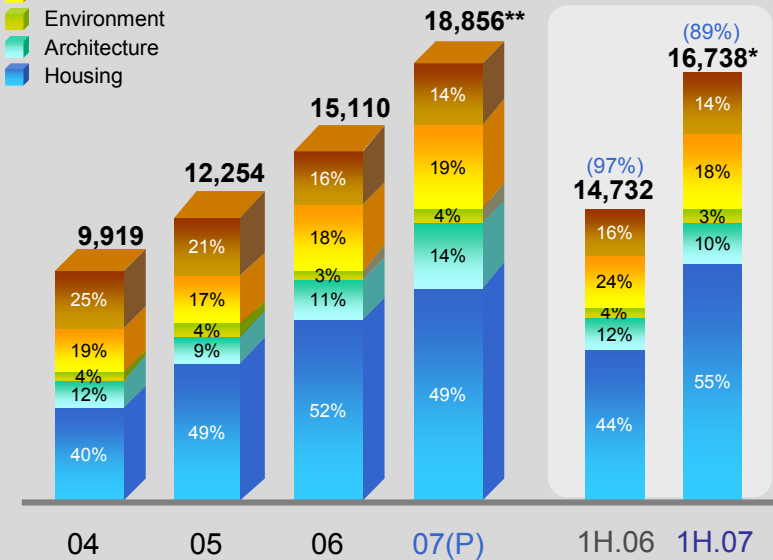


Order Backlogs

(%) Annual Target Achievement

- Civil Engineering
- Plant
- Environment
- Architecture
- Housing

(KRW bn)



*Approximately W18.3 trillion of provisional order backlogs in the Housing division not included.

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

Business Performance & Plan – Sales Revenues & Gross Profit

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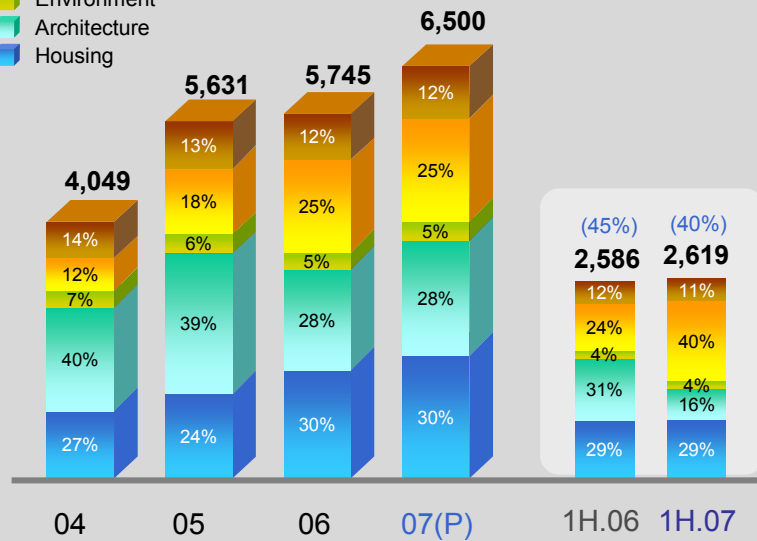
Sales revenues will increase with stable growth in each division, and gross profit will grow substantially.

Sales Revenues

(%) Annual Target Achievement

- Civil Engineering
- Plant
- Environment
- Architecture
- Housing

(KRW bn)

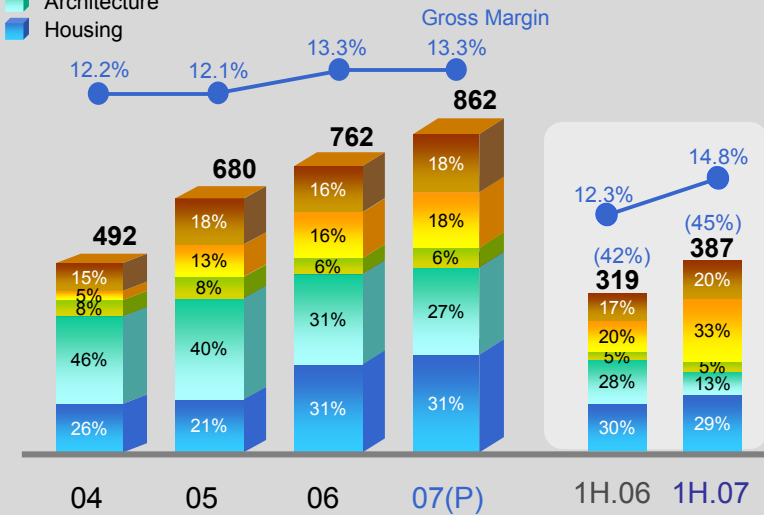


Gross Profit

(%) Annual Target Achievement

- Civil Engineering
- Plant
- Environment
- Architecture
- Housing

(KRW bn)



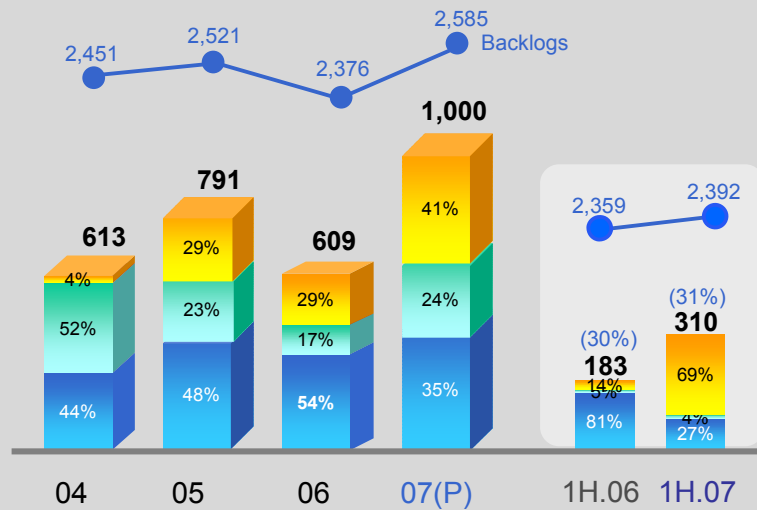
Business Performance & Plan – Civil Engineering

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

(%) Annual Target Achievement

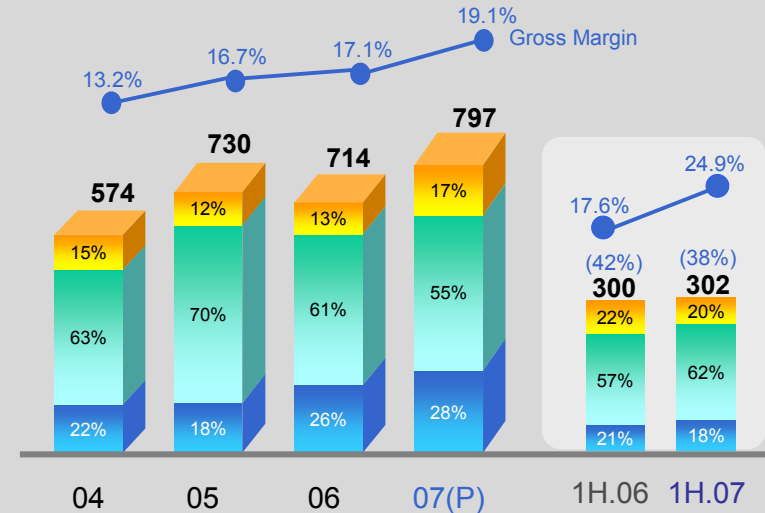
■ PFI (Privately Funded Infrastructure) (KRW bn)
■ General Contract
■ Turnkey



Sales Revenues & Gross Margin

(%) Annual Target Achievement

■ PFI (Privately Funded Infrastructure) (KRW bn)
■ General Contract
■ Turnkey



Business Performance & Plan – Plant

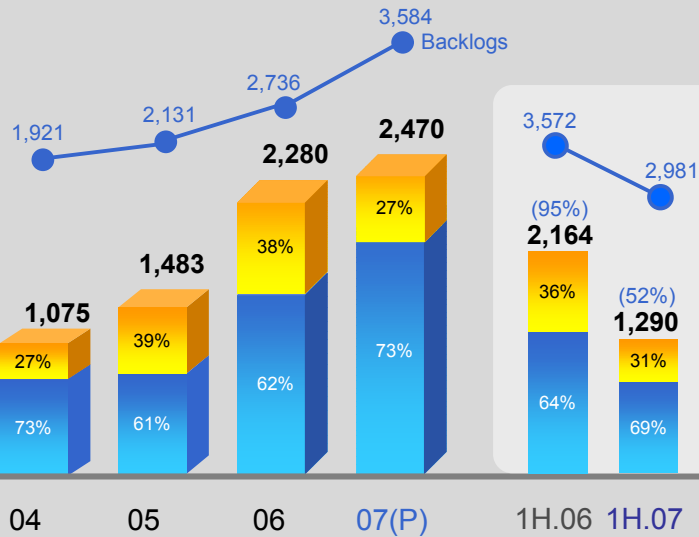
With the increasing number of overseas orders and our reinforced competitiveness, the division shows a continuous growth in new orders and sales revenues.

New Orders & Order Backlogs

(%) Annual Target Achievement

- Domestic
- Overseas

(KRW bn)

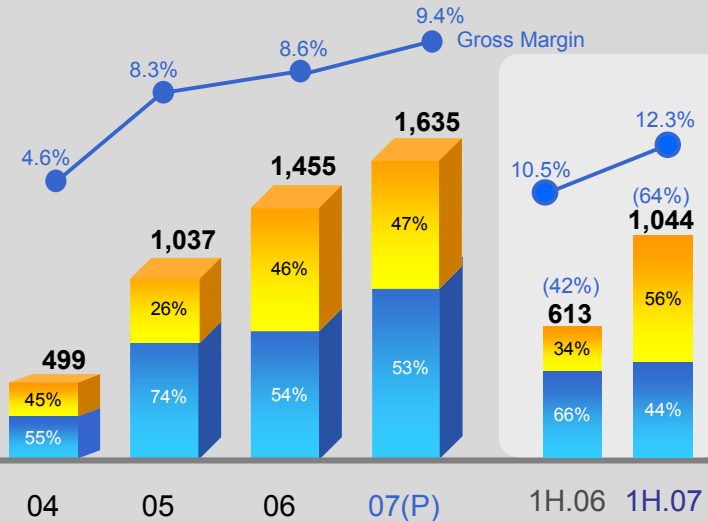


Sales Revenues & Gross Margin

(%) Annual Target Achievement

- Domestic
- Overseas

(KRW bn)



Business Performance & Plan – Environment

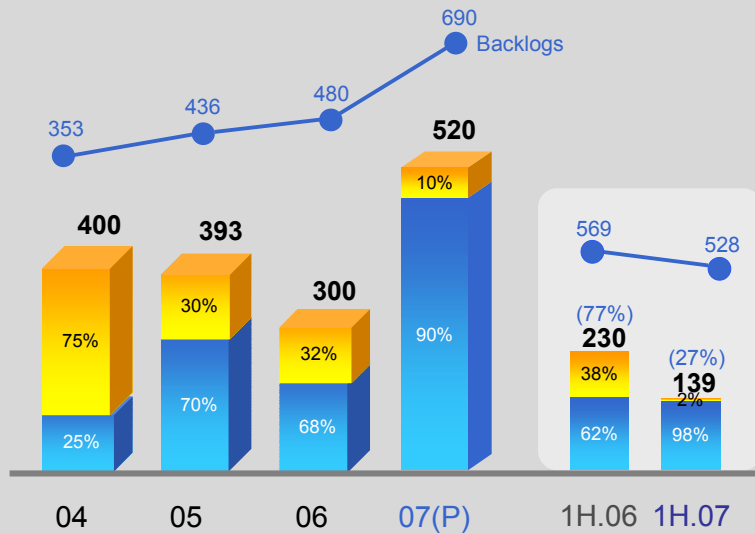
Focused on public turn-key and BTL projects, new orders and sales revenues in non-group will increase substantially.

New Orders & Order Backlogs

(%) Annual Target Achievement

Group
Non-Group

(KRW bn)

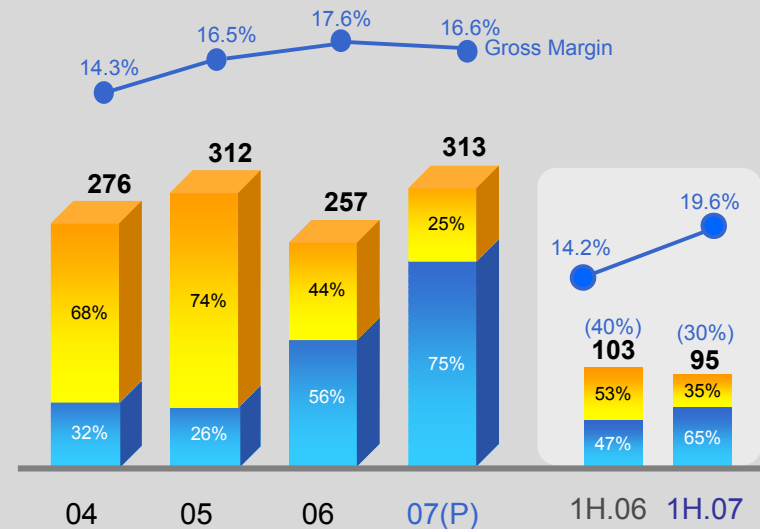


Sales Revenues & Gross Margin

(%) Annual Target Achievement

Group
Non-Group

(KRW bn)



Business Performance & Plan – Architecture

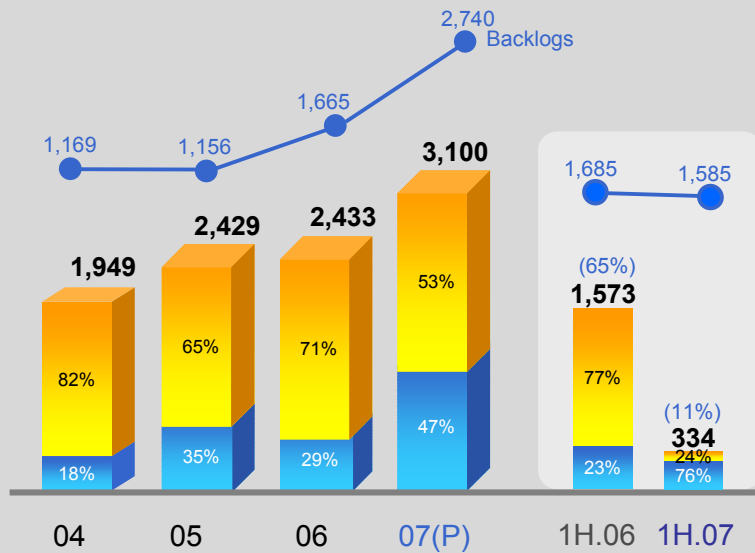
New orders and sales revenues will remain below this year's original target due to decrease in group-works like LPL.

New Orders & Order Backlogs

(%) Annual Target Achievement

Group
Non-Group

(KRW bn)

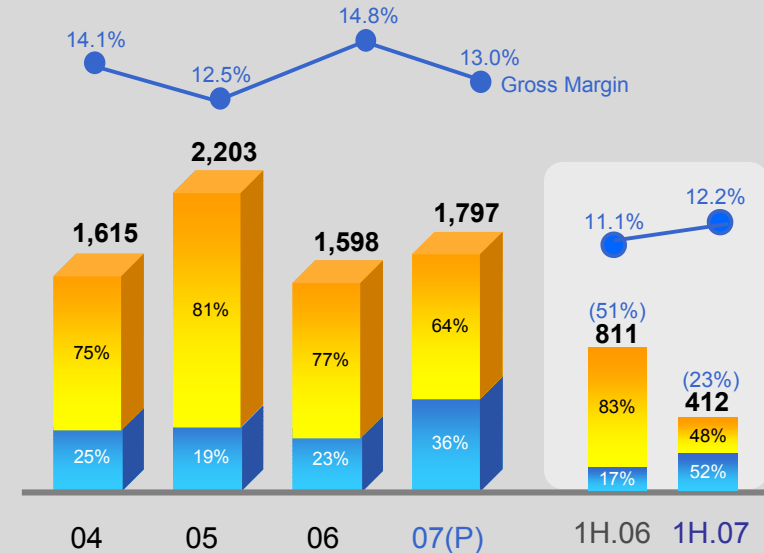


Sales Revenues & Gross Margin

(%) Annual Target Achievement

Group
Non-Group

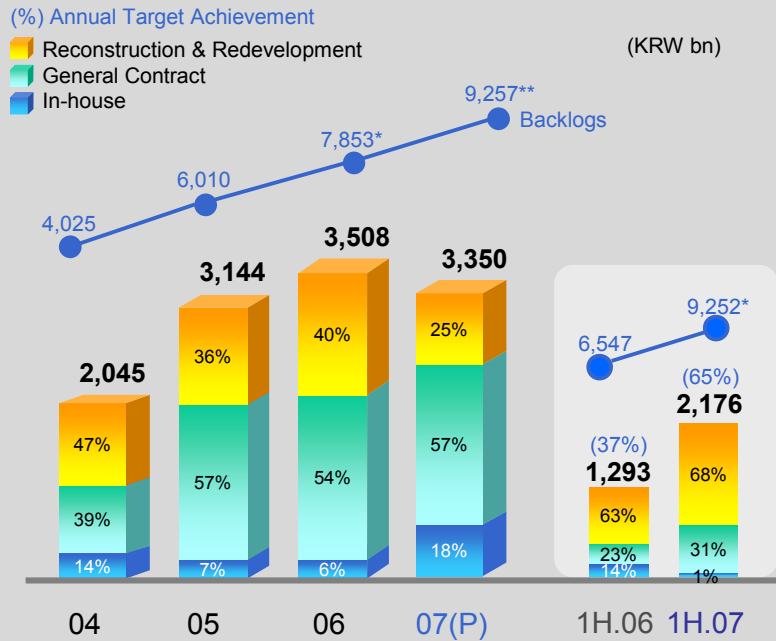
(KRW bn)



Business Performance & Plan – Housing

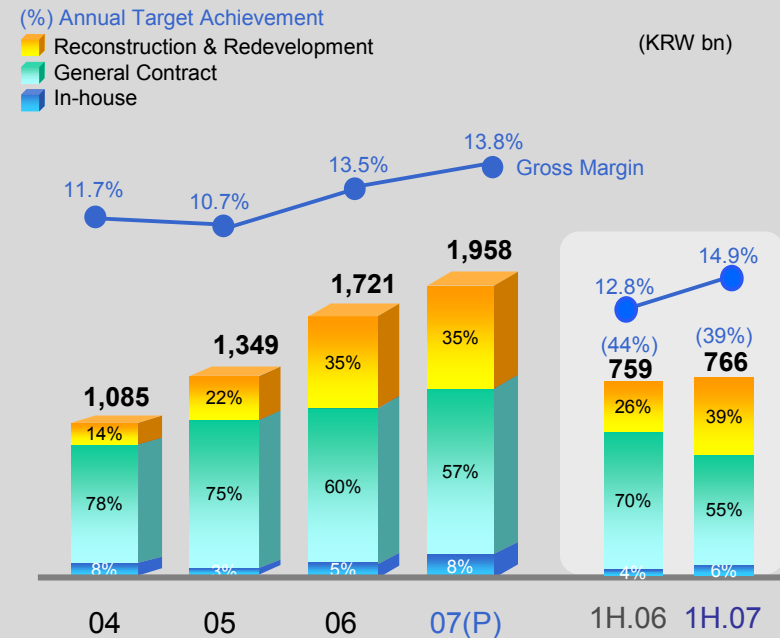
New orders will surpass this year's target due to many redevelopment works. Sales revenues will be up with favorable progress of huge reconstruction projects and increase in redevelopment works.

New Orders & Order Backlogs



*Approximately W18.3 trillion of provisional order backlogs not included.
 **Approximately W20.5 trillion of provisional order backlogs not included.

Sales Revenues & Gross Margin

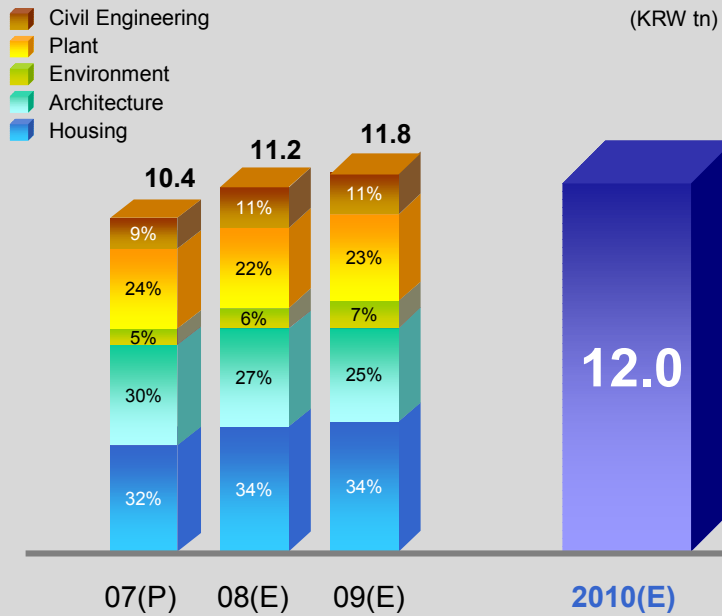


Business Outlook– New Orders & Sales Revenues

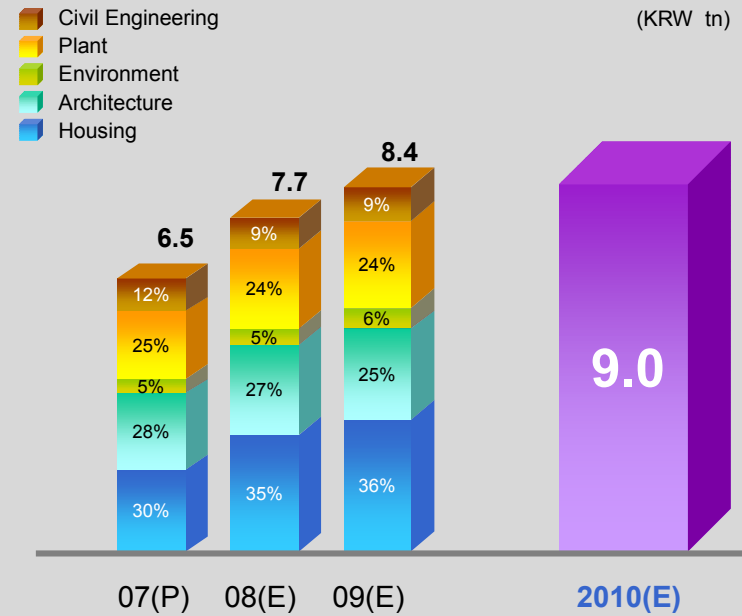
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We will achieve KRW 12 trillion of new orders and KRW 9 trillion of sales revenues in 2010 based on balanced growth in each division.

New Orders



Sales Revenues



Investment Highlight – Vietnam Project

Vietnam Project is a long-term development project with strong profitability and firm revenue and it will enhance our experience in overseas development market.

SPC	Type	Project	Process
BT Project (SPC 1)	Build and Transfer	<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"> Submitted IL* (April 2) To be approved (Sep.)
Nha Be New Town (SPC 2)	Development Project by GS E&C	<ul style="list-style-type: none"> New Town in Nha Be (349ha) - 10km from the heart of Ho Chi Minh Apartment (17,000 units) Convenient facilities - Hospital, school, park, etc. 	<ul style="list-style-type: none"> Approved IL (May 25) Start construction (1H 2008)
Cu Chi Resort (SPC 3)		<ul style="list-style-type: none"> Golf resort (200ha), 36 Holes Villa and condominium etc. 	<ul style="list-style-type: none"> Approved IL (Mar.27) Start construction (4Q 2007)

*Investment License

Investment Highlight – Development Projects

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Both overseas and domestic development projects are GS E&C's future growth driver.

Overseas

NGE Countries

Business / Process

Azerbaijan

-Established Joint Venture
-Expected Projects: Office buildings, Apartments, Port

Cambodia

-Established Branch
-Expected Projects: New town, Road, Office buildings

Kazakhstan

-Established Branch
-Expected Projects: New town

India

-Feasibility Study
-Expected Projects: Office buildings, Apartments

Domestic

Projects

Business / Process

Ansan Sadong

-Preferred Bidder
-Ground Breaking in 2H, 2008

Woonbuk Leisure Complex

-Preferred Bidder
-Ground Breaking in 1H, 2009

Kwang-myung PF Project

-Preferred Bidder
-Ground Breaking in 2008

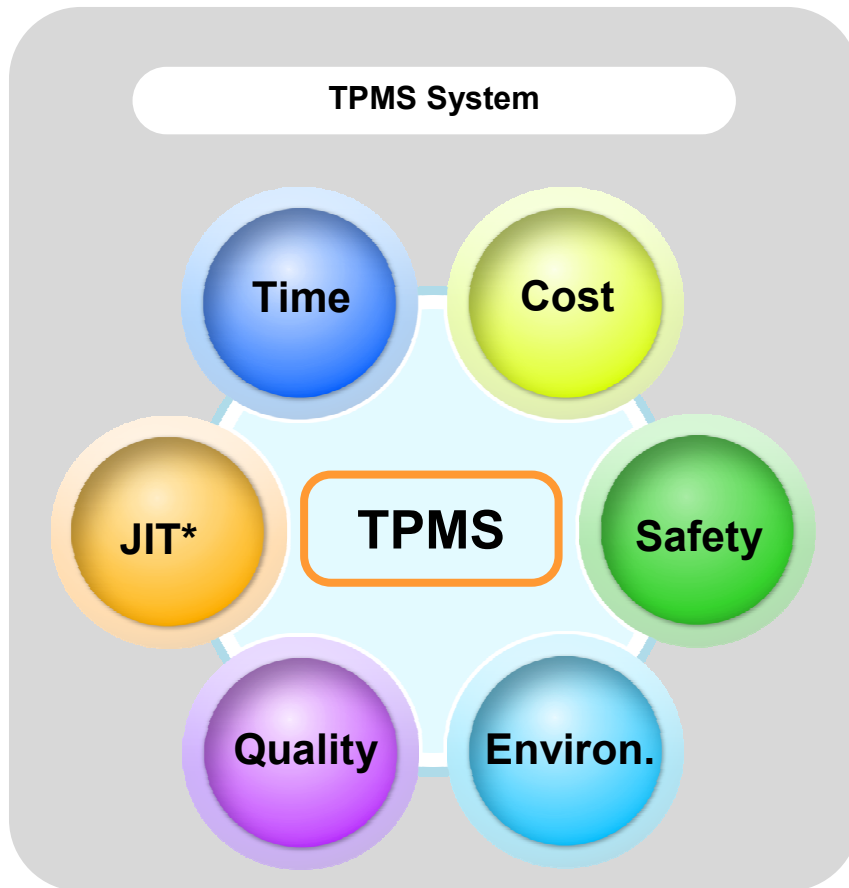
Incheon Dowha

-Preferred Bidder
-Relocation of Incheon Univ.(Under construction)
-Development in Dowha (Ground breaking in 2009)

Investment Highlight – TPMS (Total Project Management System)

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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

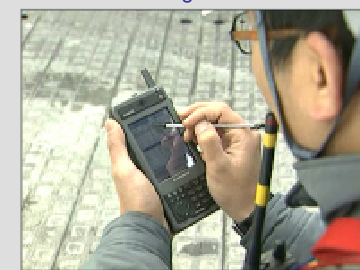
RFID

Radio Frequency Identification



PDA

Personal Digital Assistant



*JIT : Just-In-Time

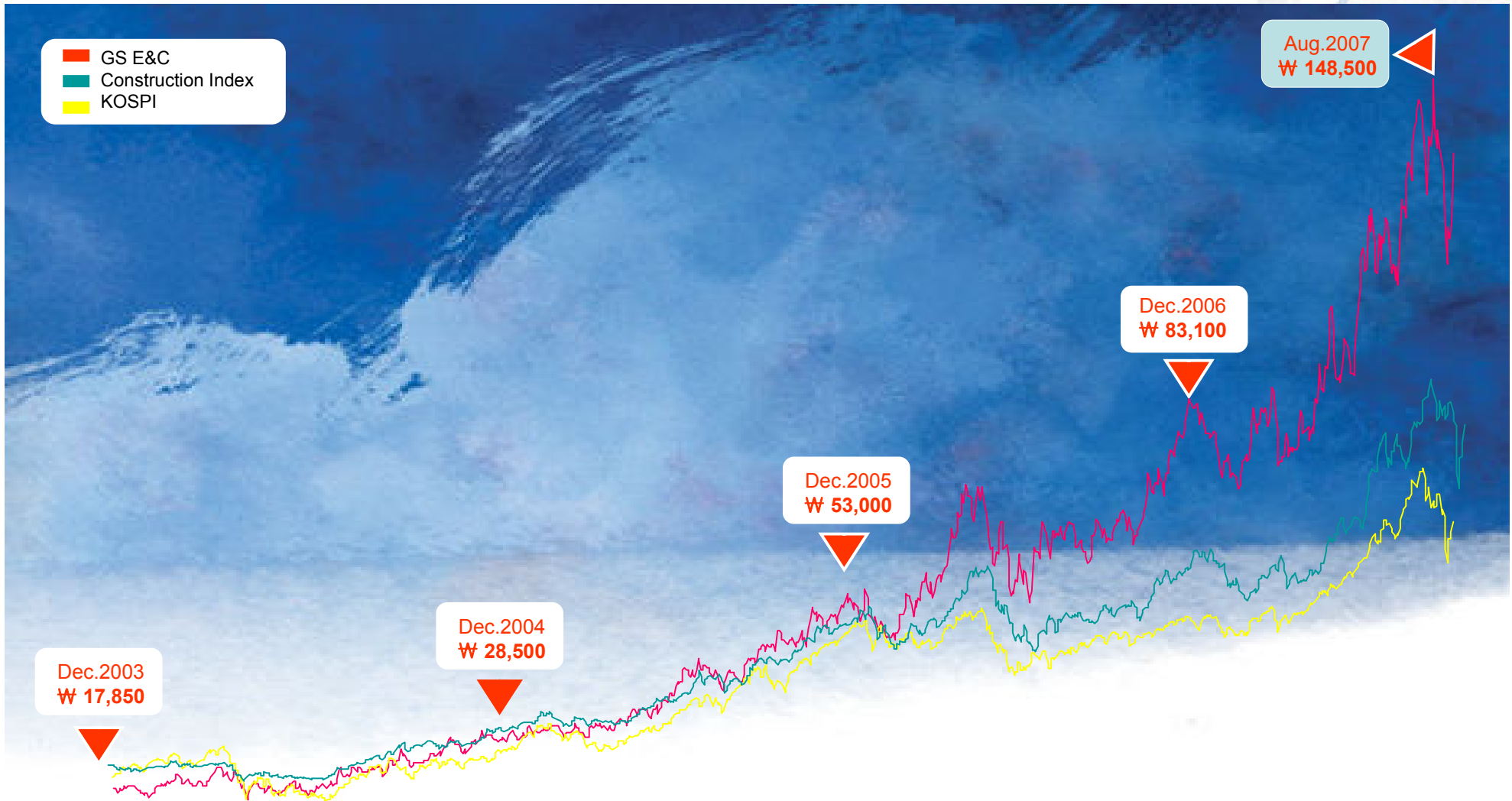
**SEQ : Safety, Environment, Quality

Appendix

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- A4_ Dividends
- A5_A6 PFI Projects
- A7_ Provisional Order Backlogs in Housing Div
- A8_ Major Material Prices
- A9_ Overseas Business
- A10_ Balance Sheet (Summary)
- A11_ Income Statement (Summary)

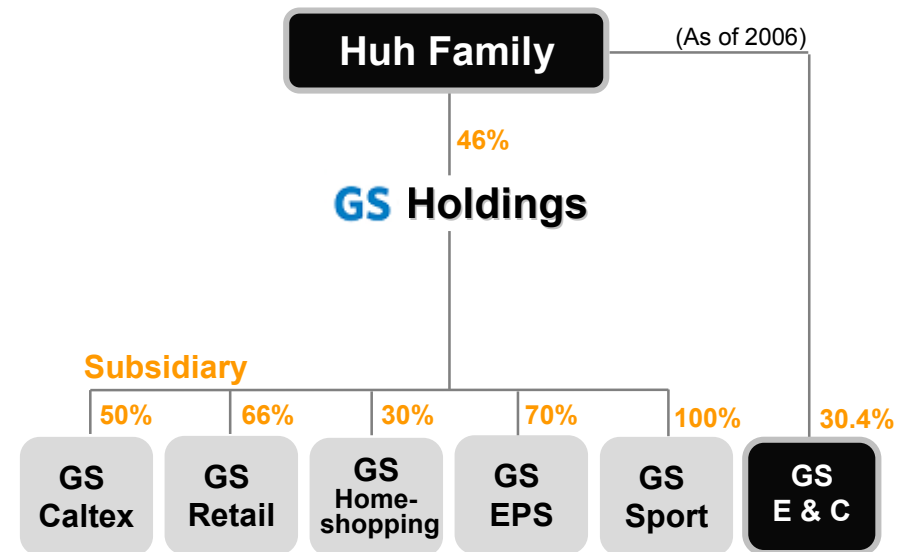
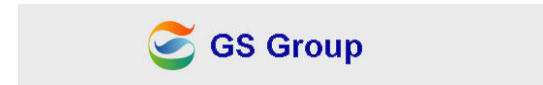
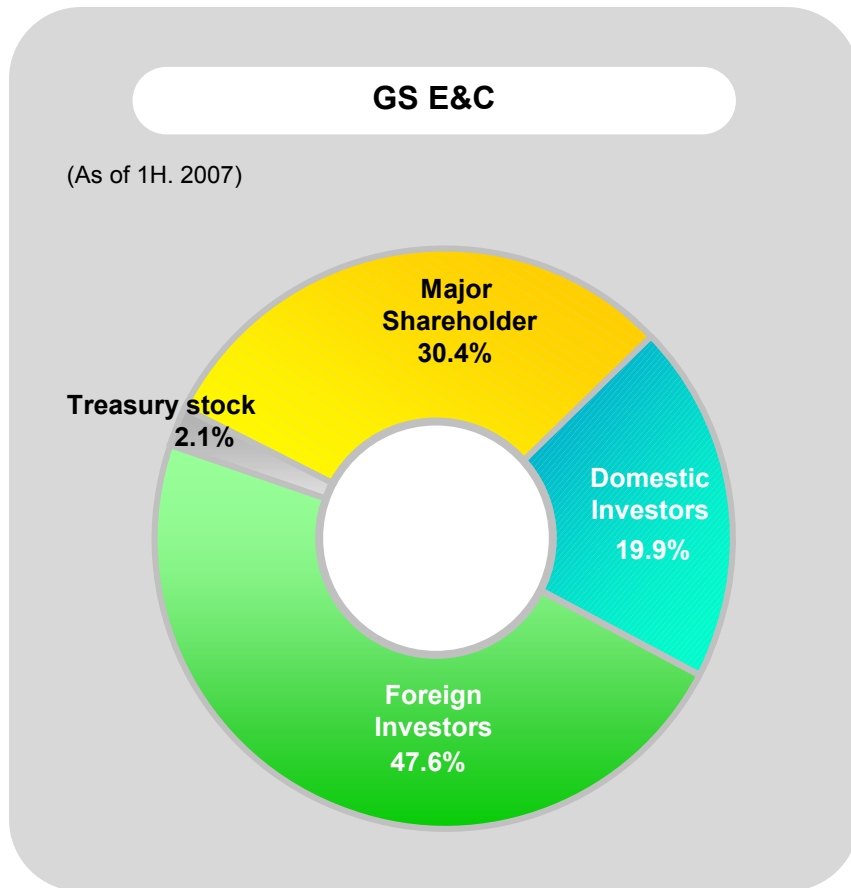
Appendix – The Stock Market

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Appendix – Ownership Structure

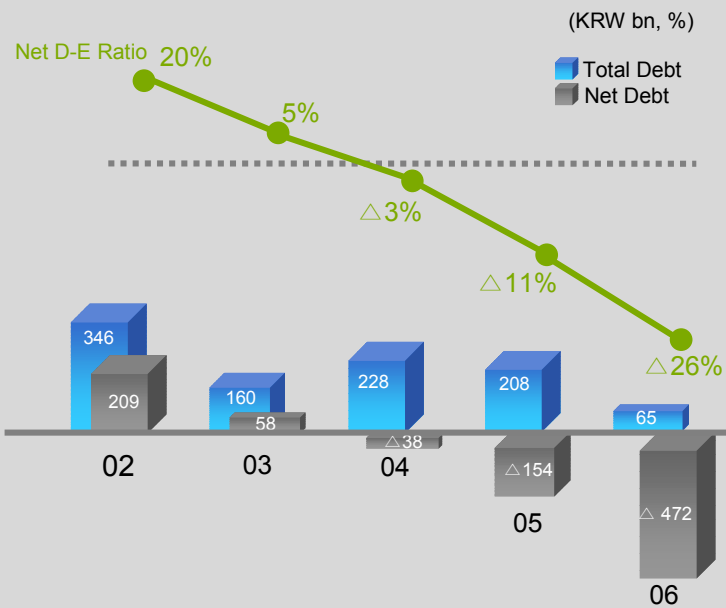
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Appendix - Borrowings & Investment Plan

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Borrowings



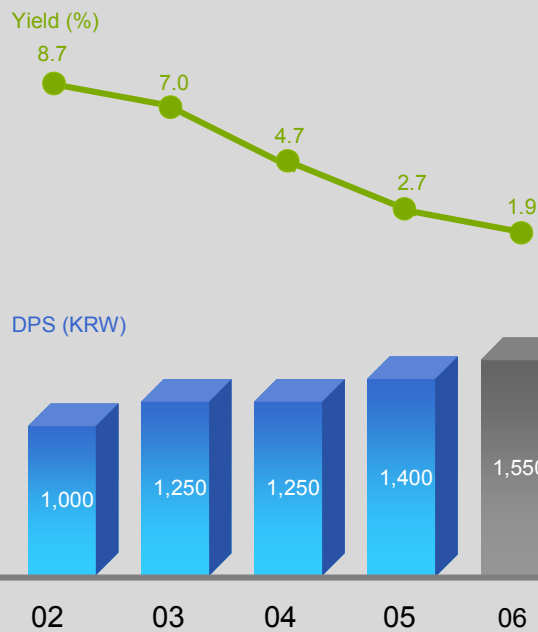
Investment Plan

(KRW bn)

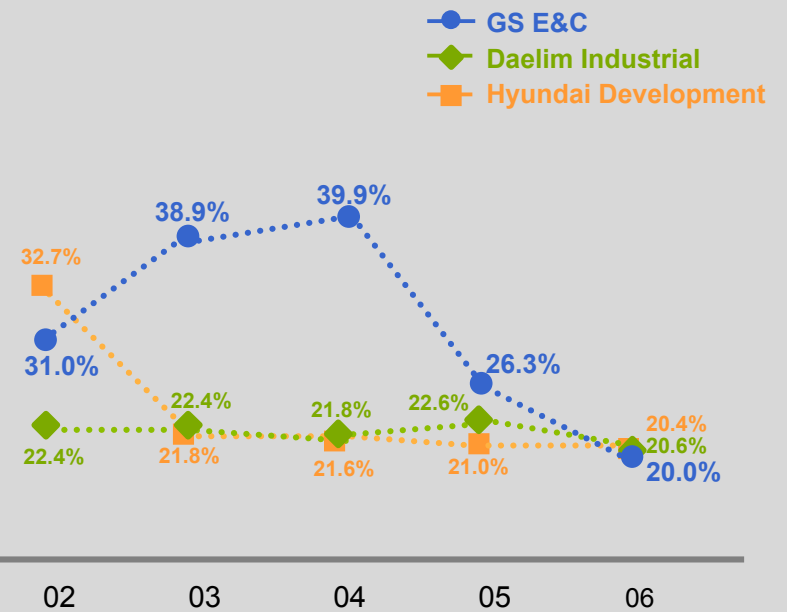
Description	05	06	07 (P)	07 (1H)
PFI	1	14	23	4
Land	81	154	170	33
Resort & etc.	26	17	27	1
IT & R&D etc.	41	62	94	75
Total	149	247	314	113

Appendix – Dividends

Yield & DPS



Payout Ratio



Appendix – PFI Projects

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(As of 1H 2007)

(KRW bn)

Status	Name of Project	Contract Amount	GS Contract Portion	Investment Amount	GS Shares	Remarks
Proposed	Seoul-Dongduchun Highway	Undecided	Undecided	Undecided	Undecided	Undecided
	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	Youngdong Highway #2	758	121 (16%)	4	1.6%	To be completed in 2012
	Kyongsang-Cheonla Rail Way BTL	331	76 (23%)	1.5	2.3%	To be completed in 2012
	Kangnam Beltway	798	75 (9.4%)	8	11.5%	To be completed in 2013
	Sangju-Youngchun Highway	1,286	129 (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
	Pyeongtaek Port #12	47	26 (55%)	11.1	16.5%	To be completed in 2010
	Uijeongbu Light Rail Transit	256	155 (60%)	27.3	29.9%	To be completed in 2011

Appendix – PFI Projects

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(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

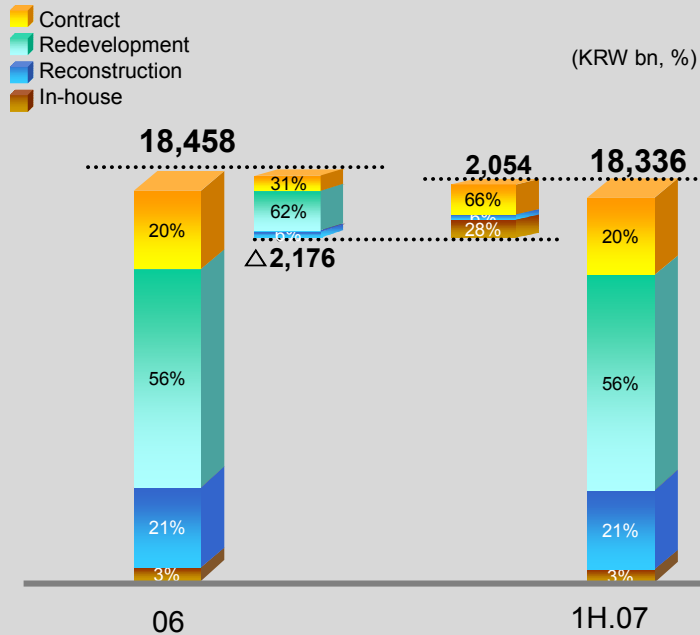
KRIF : Korea Road Infrastructure Fund

MEDIC : Macquarie East Daegu Investment Company

Appendix – Provisional Order Backlogs in Housing Division

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Provisional Order Backlogs



By Sectors

(KRW bn)

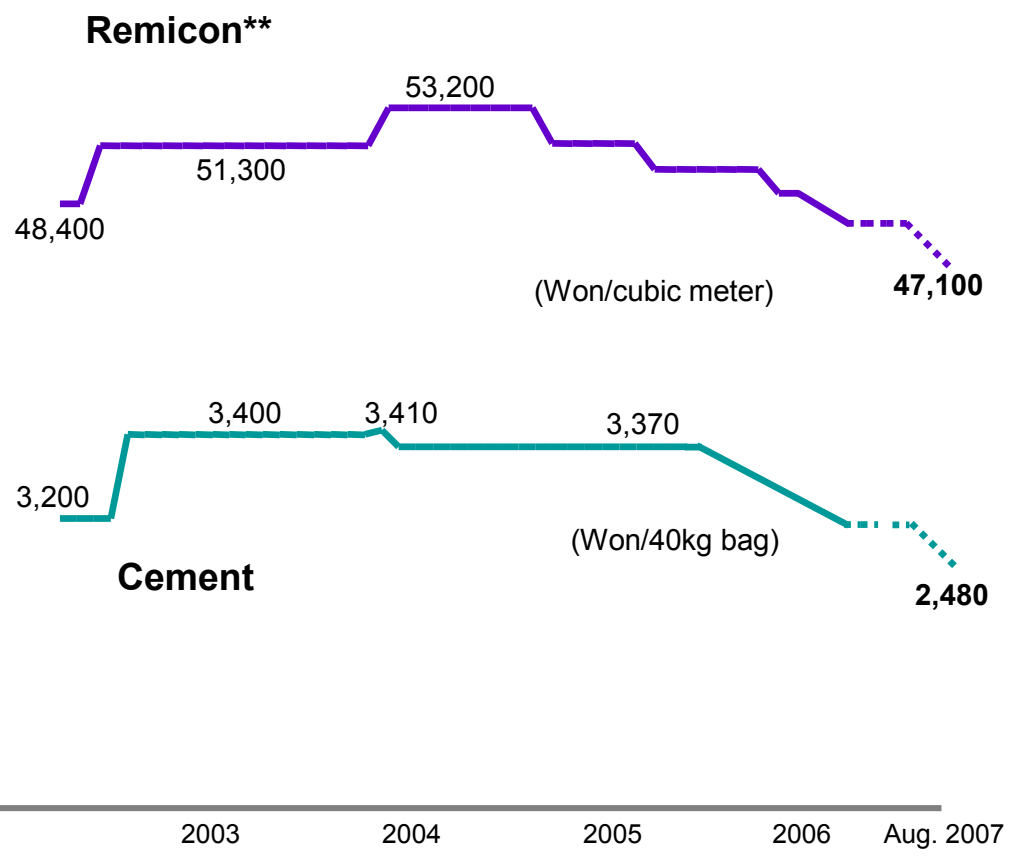
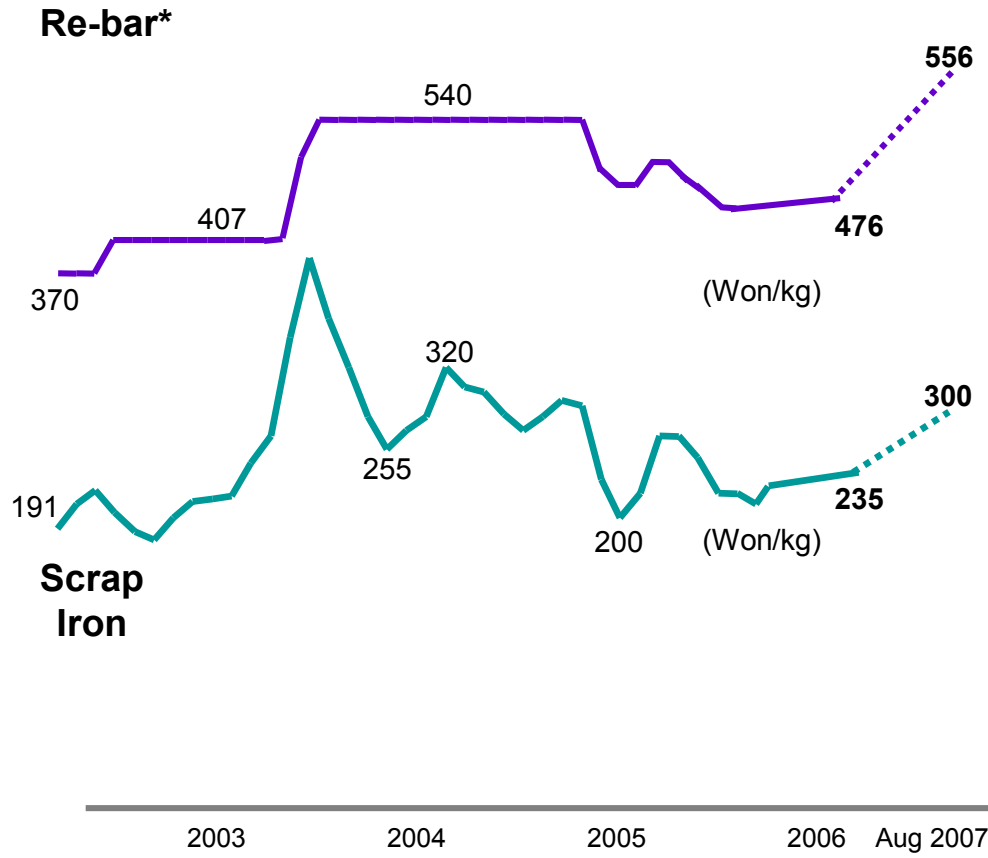
Description	06	New Order Recognition (1H.07)	New Provisional (1H.07)	1H.07
Contract	3,729	△ 680	1,359	4,408
Redevelopment	10,313	△ 1,339	-	8,974
Reconstruction	3,802	△ 128	128	3,802
In-House	614	△ 29	567	1,152
Total	18,458	△ 2,176	2,054	18,336

New Major Provisional Order

(KRW bn)

Description	Major Projects	Amount
Contract	Nokchon Namyangju	238
	Siksa, Koyang	213
Reconstruction	Chimsandong, Daegu	101

Appendix – Major Material Prices



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

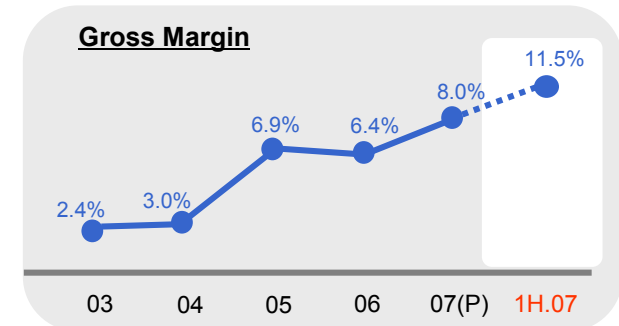
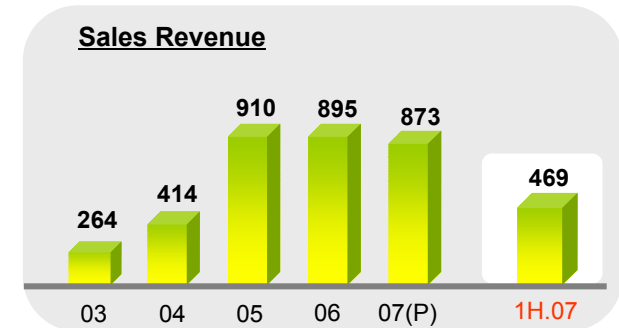
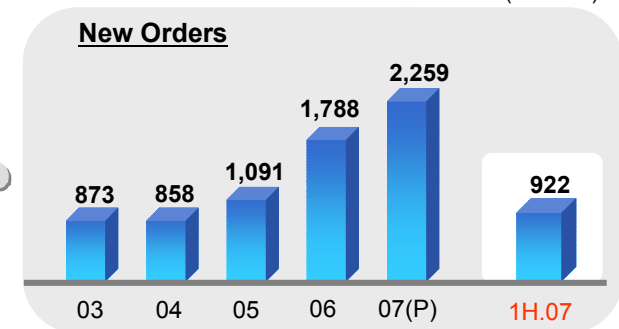
Appendix – Overseas Business

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- Under construction
- F/S & Negotiation



(KRW bn)



Appendix – Balance Sheet (Summary)

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(Unit: KRW bn,%)

Account	02	03	04	05	06	07(P)	1H.07
Total Asset	2,662	2,690	3,303	3,826	4,751	5,015	4,874
Cash & Deposits	136	102	266	361	537	299	622
Trade Receivables	836	875	1,095	1,412	1,738	1,733	1,477
Inventories	175	121	159	197	195	279	216
Investments & etc.	700	676	679	494	691	861	758
Tangible Assets	652	709	844	905	1,038	1,004	1,078
Total Liabilities	1,613	1,535	2,006	2,375	2,967	2,969	2,985
Trade Payables	511	621	794	890	1,260	1,117	1,041
Borrowings	346	160	228	208	65	104	62
Total Shareholders' Equity	1,049	1,155	1,297	1,451	1,784	2,046	1,889
Capital Stock	255	255	255	255	255	255	255
D/E Ratio	153.8	132.8	154.7	163.7	166.3	145.1	158.0

Appendix – Income Statement (Summary)

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(Unit: KRW bn)

Account		02	03	04	05	06	07(P)	1H.07
Sales Revenues	Civil Engineering	514	574	574	730	714	797	302
	Plant	583	580	499	1,037	1,455	1,635	1,044
	Environment	-	-	276	312	257	313	95
	Architecture	820	1,258	1,615	2,203	1,598	1,797	412
	Housing	1,258	1,056	1,085	1,349	1,721	1,958	766
Total		3,175	3,468	4,049	5,631	5,745	6,500	2,619
Gross Profit		473	521	492	680	762	862	387
Selling and Administrative Expenses		197	250	263	344	359	393	176
Operating Profit		276	271	229	336	403	469	211
Ordinary Profit		245	262	242	367	544	480	264
Net Profit		161	162	156	265	387	-	186



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

