

September 2005

Presentation



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* Appendix

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.

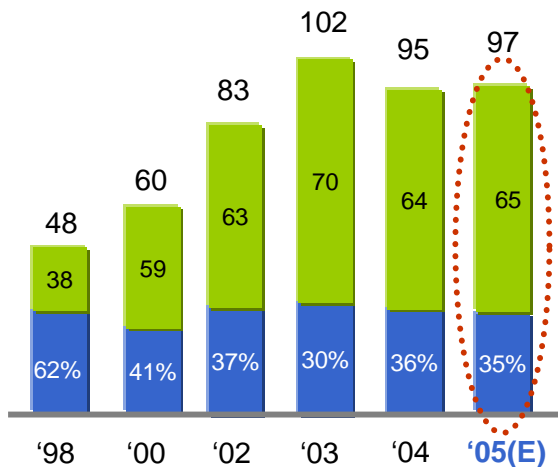


While the contract amount is expected to be similar to '04's, the number of housing supply is predicted to be decreased comparing to the last year's.

Contract Amount

(KRW tn,%)

Private Sector
Public Sector

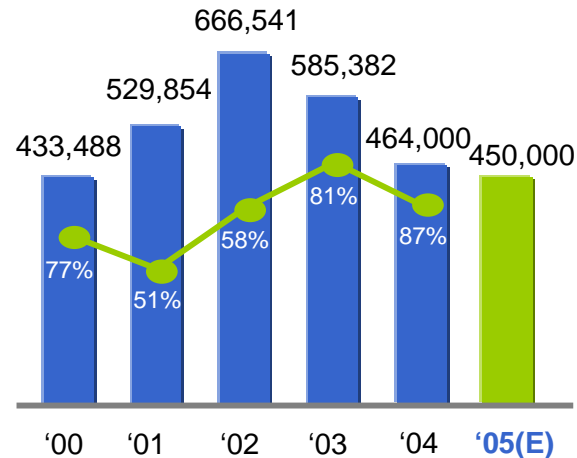


Source : Construction Association of Korea (2005)

Housing Supply

(Unit,%)

Apartment Supply (%)



Source : Ministry of Construction and Transportation

New Real Estate Policy (August 31, 2005)

Anti-speculation vs. Supply Increase

Anti-speculation measures

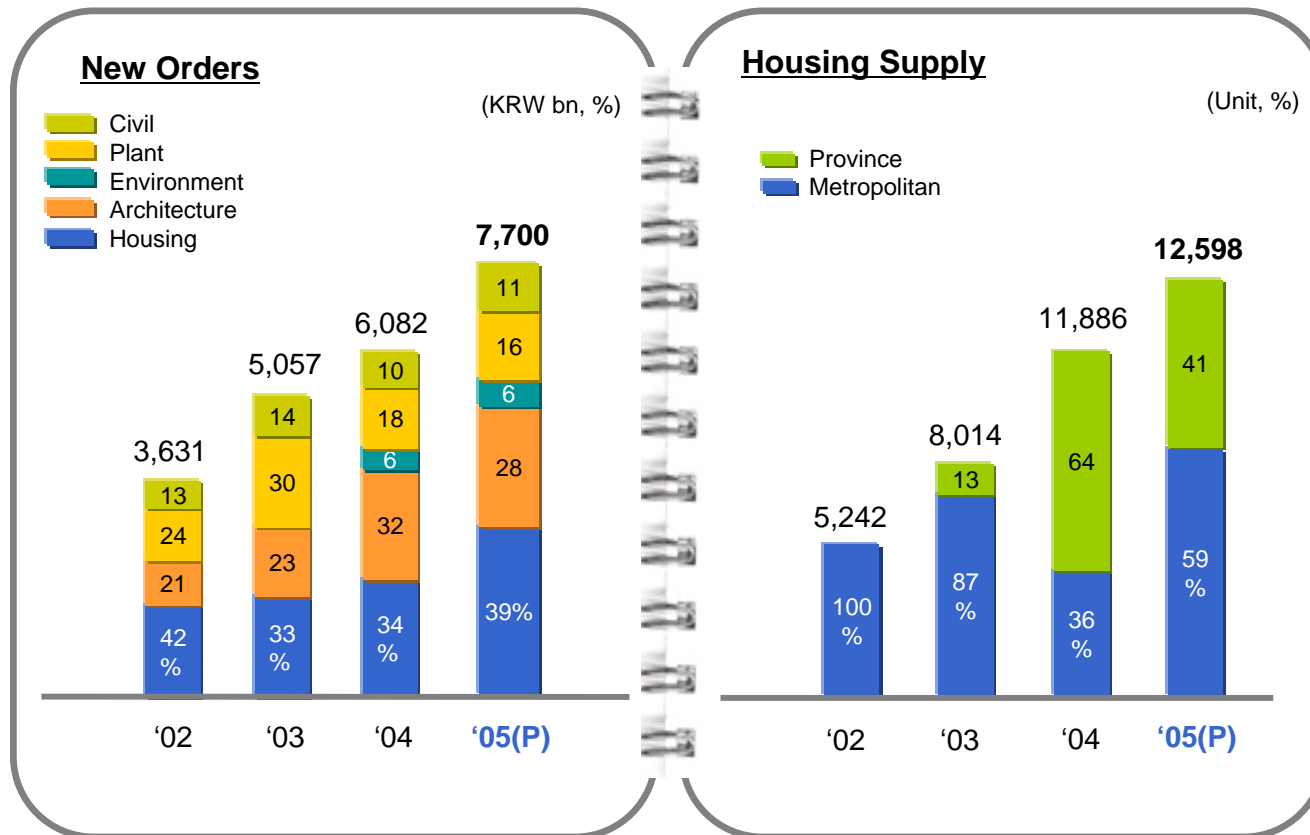
- Raise more comprehensive property taxes by widening the scope of coverage
- Raise transfer income tax
- Mark real estate by fair market value

Supply increase measures

- Provide and develop state-owned land to build 1.5 million units of new housing over next five years
- Build new towns in and near Seoul
- Review easing of reconstruction restriction



In spite of sluggish market condition, GS E&C's new orders has continuously increased thanks to the stable orders from group related works and our high brand image in the housing business.



Comment

- Due to large orders from group like TFT-LCD P7 factory construction, Architecture division grows continuously
- Big reconstruction and contract orders contribute to the growth of the housing business
- Plan to concentrate on public order focusing on turnkey and PFI* projects

*PFI : Privately Funded Infrastructure

Investment Highlights - Solid Earnings from Group Works

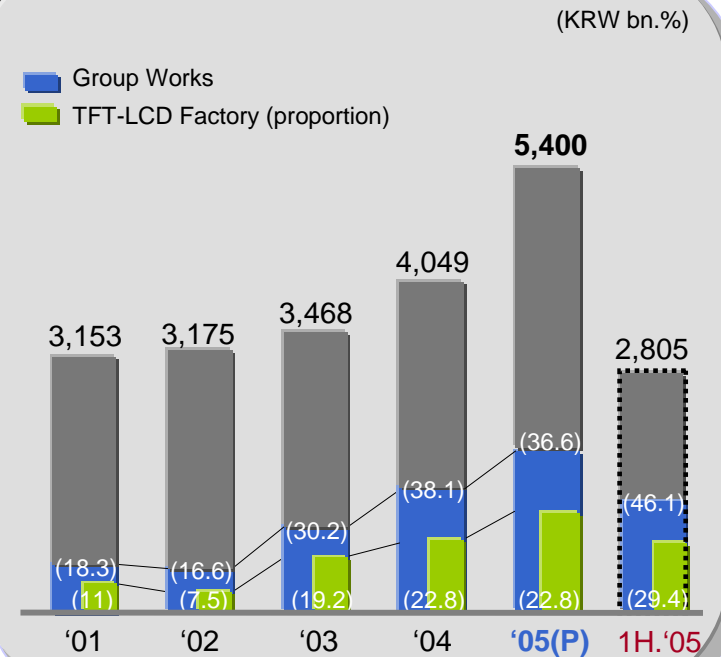
The 7th generation TFT-LCD factory project, worth KRW 1.7 trillion, is now under construction and set for completion by 1H 2006. Considering the current market situation, TFT-LCD projects will be a significant earnings contributor.

TFT-LCD Factory Project History

	Completion	Generation	Location
P 8~10	by 2013	8 th or above	Paju
P 7	Q2 2006	7 th	Paju
P 6	Q4 2004	6 th	Gumi
P 5	Q2 2003	5 th	Gumi
P 4	Q3 2002	5 th	Gumi
P 3	Q2 2000	4 th	Gumi
P 2	Q4 1997	3.5 th	Gumi
P 1	Q1 1995	2 nd	Gumi

Total investment approx. KRW 25 tn. for the next 10 years

Sales from Group Works

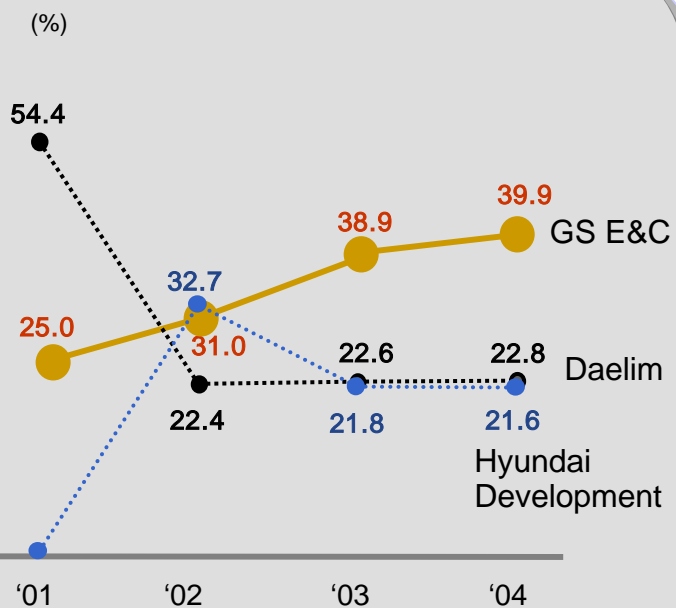


Investment Highlights - Attractive Dividends

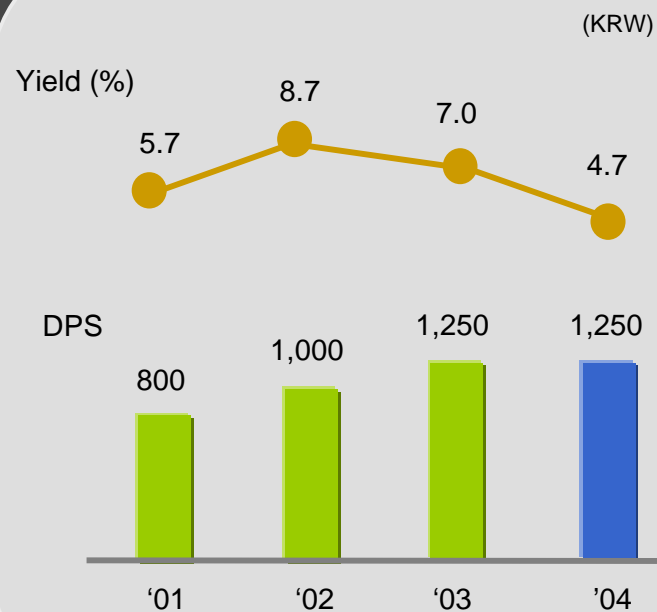


Our dividend payout ratio has increased 4 years in a row to 40% in 2004, while our peers' payout ratio remains at a low 20% for the past two years.

Payout Ratio



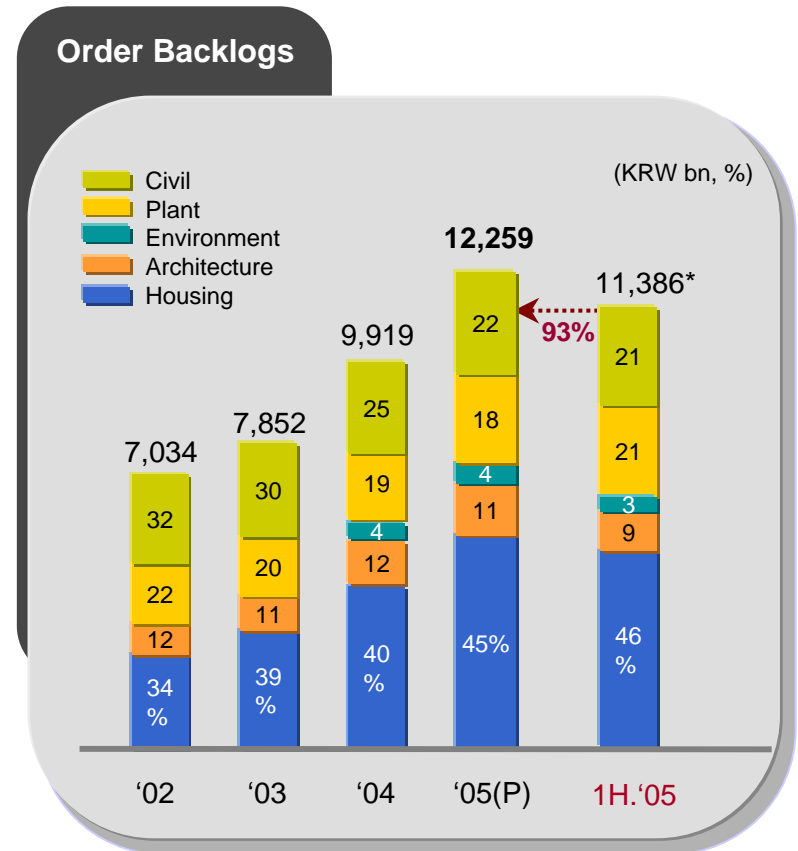
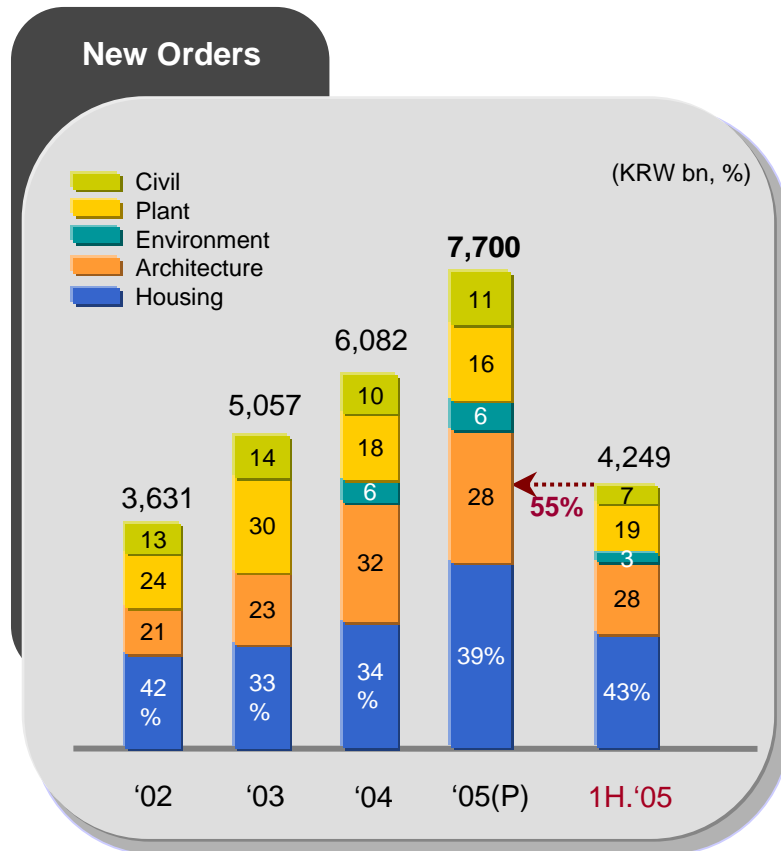
Yield & DPS



Performance & Goal - New Orders and Order Backlogs



The New order amount is expected to increase to KRW 7.7 trillion mainly due to group works in the Architecture division and reconstruction projects in the housing division.



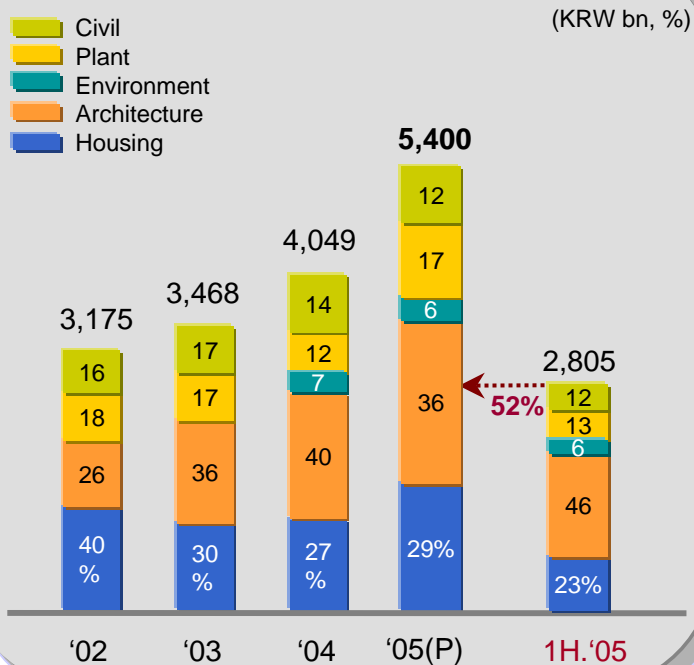
*Approximately KRW 12.5 trillions of provisional order backlogs not included.
 *Exposure to Overseas - 17%, Affiliates - 9%

Performance & Goal - Sales Revenues & Gross Profit

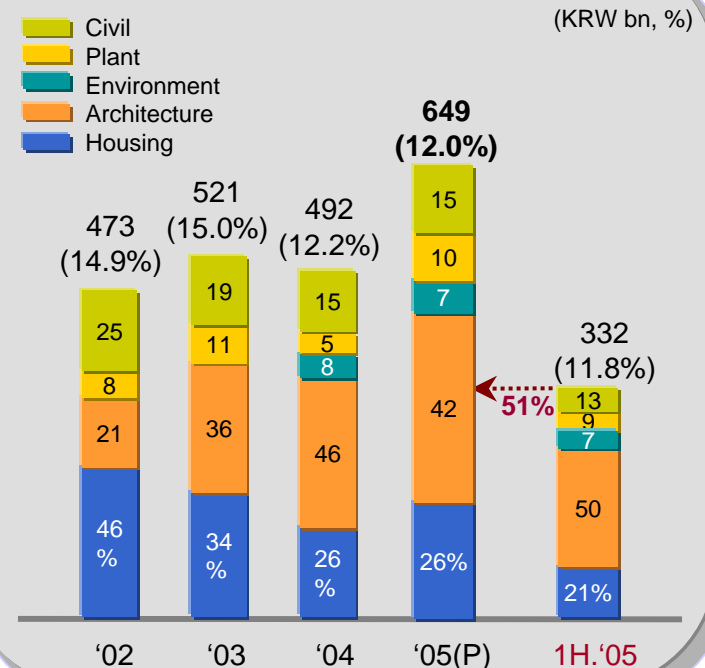


Gross margin will maintain last year's level, however, sales revenues and gross profit will grow substantially due to the favorable performance in group and overseas works.

Sales Revenues



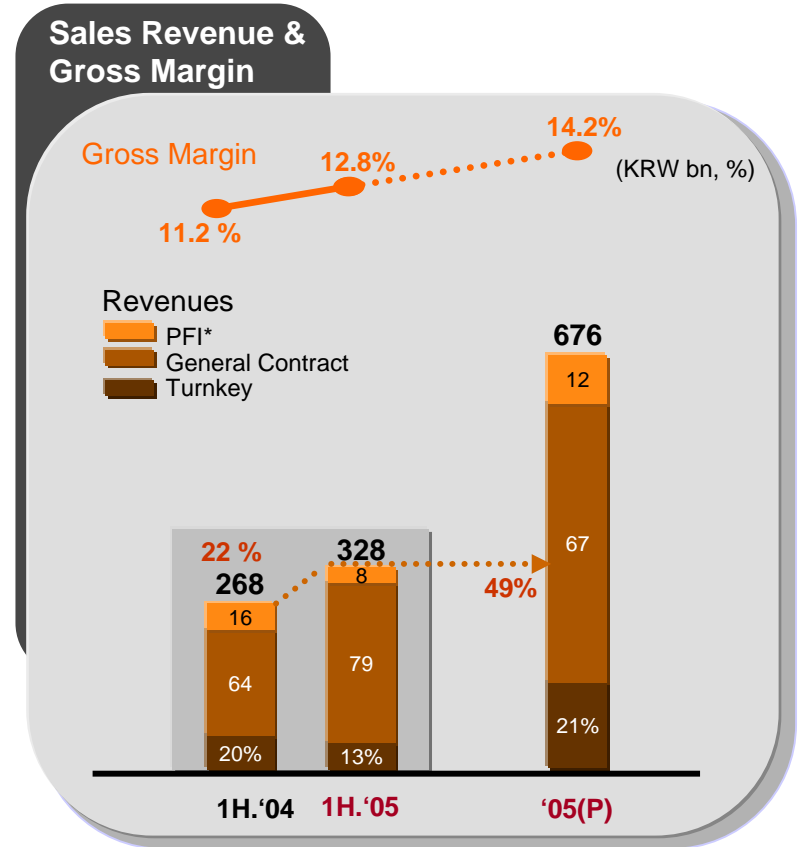
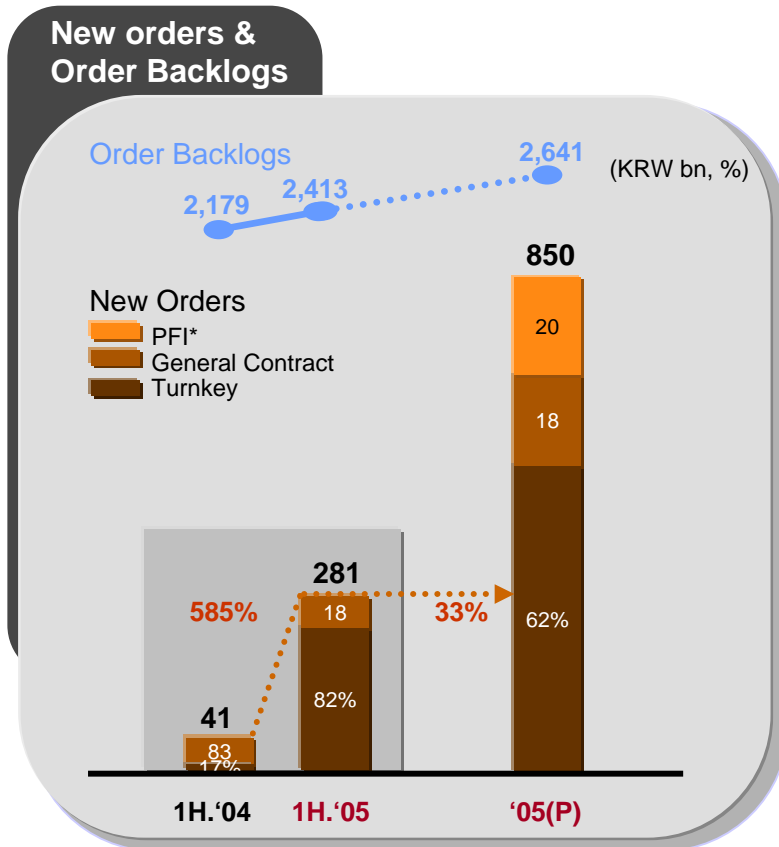
Gross Profit



Performance by Division - Civil



With a number of successful turnkey projects, new orders has increased substantially. Revenues showed steady growth.

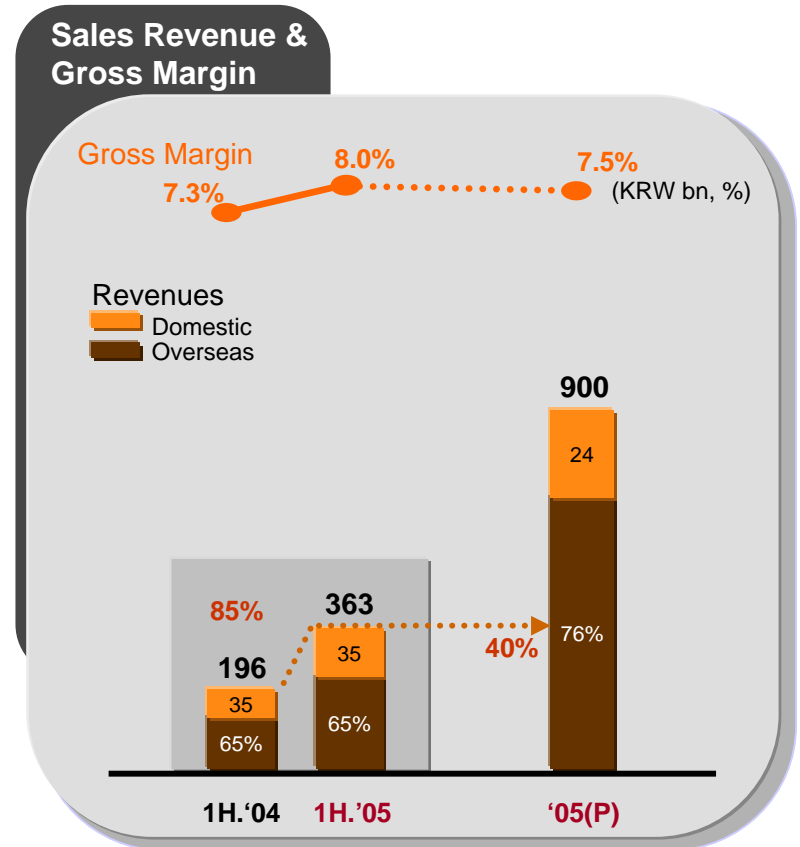
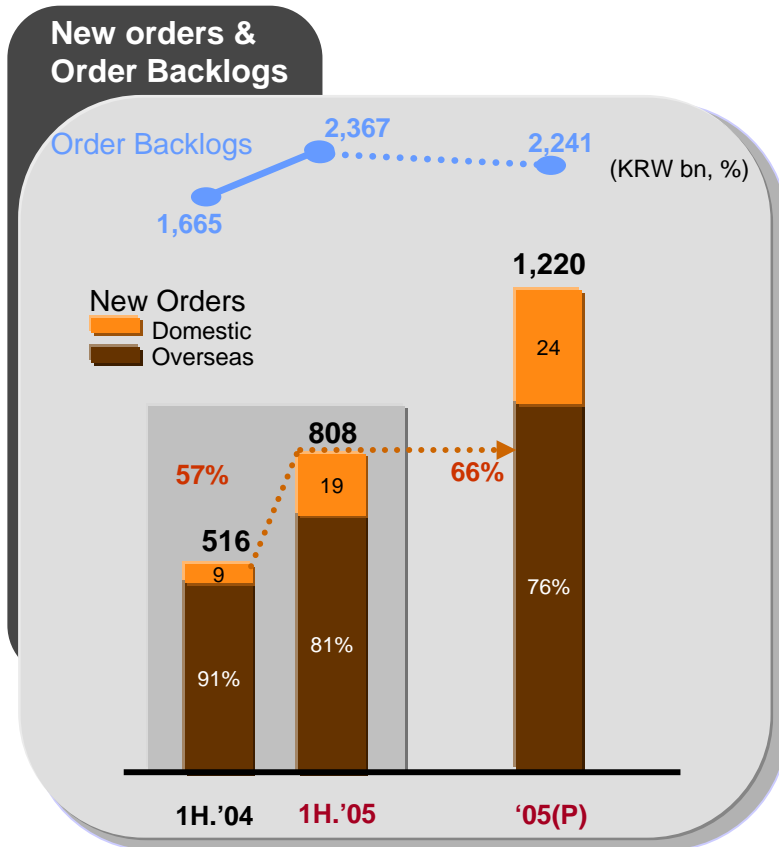


*PFI : Privately Funded Infrastructure

Performance by Division - Plant



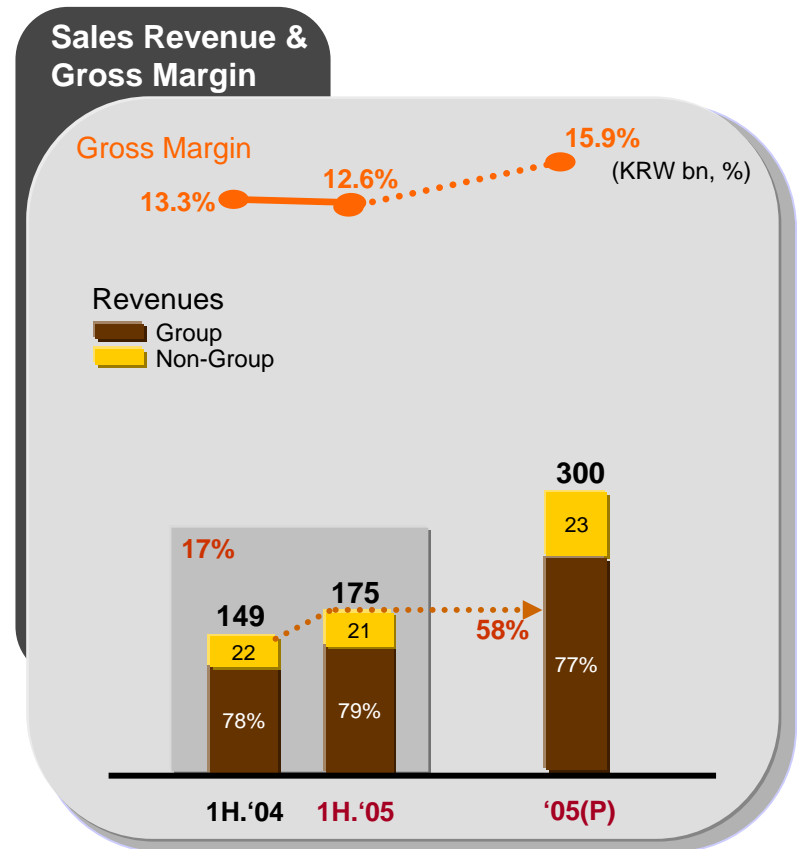
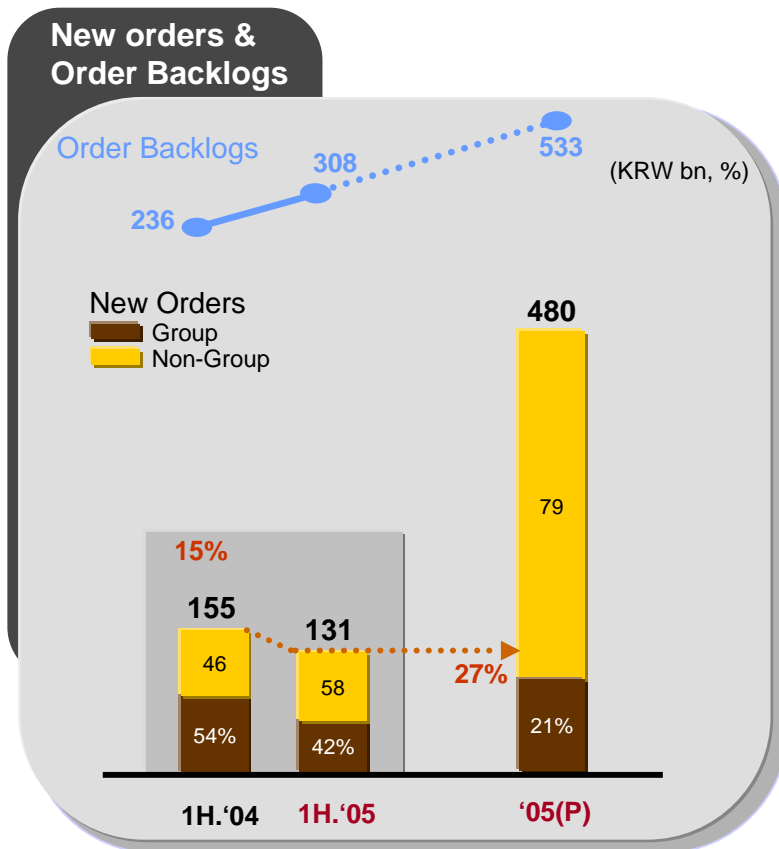
New orders has increased with overseas contracts. Sales revenues has also increased with positive progress in overseas and domestic projects.



Performance by Division - Environment



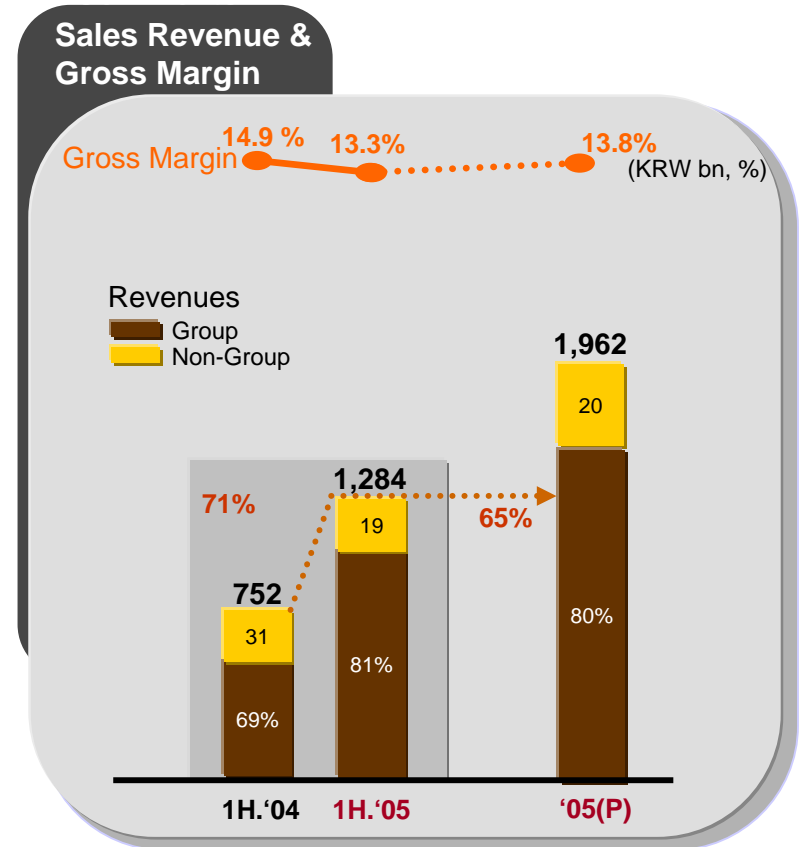
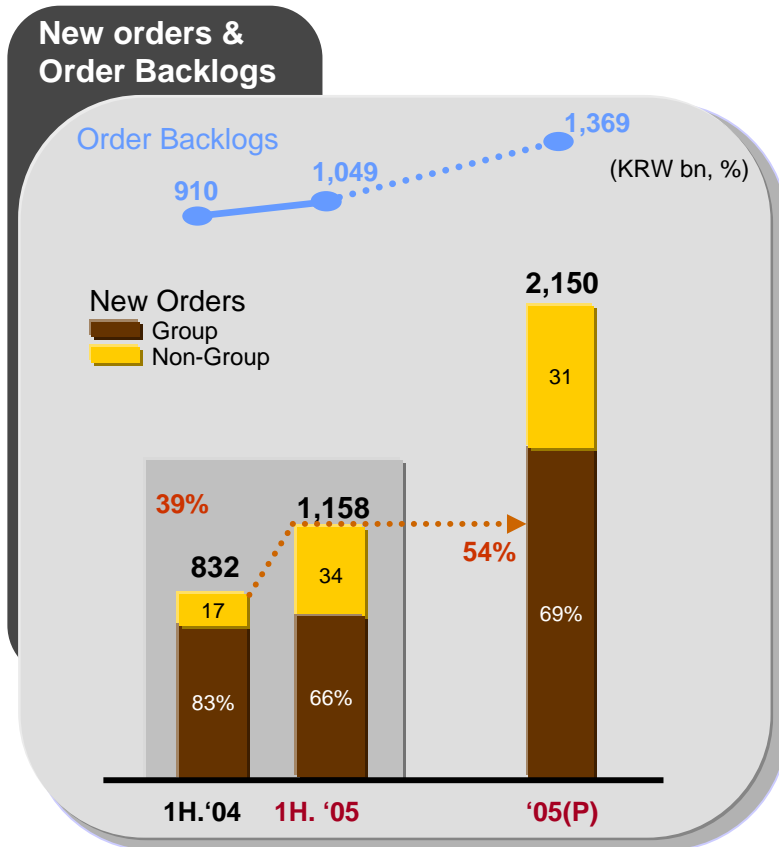
New orders has slightly decreased due to decline in Group related works. But revenues is up 17% thanks to steady progress in Group related works.



Performance by Division - Architecture



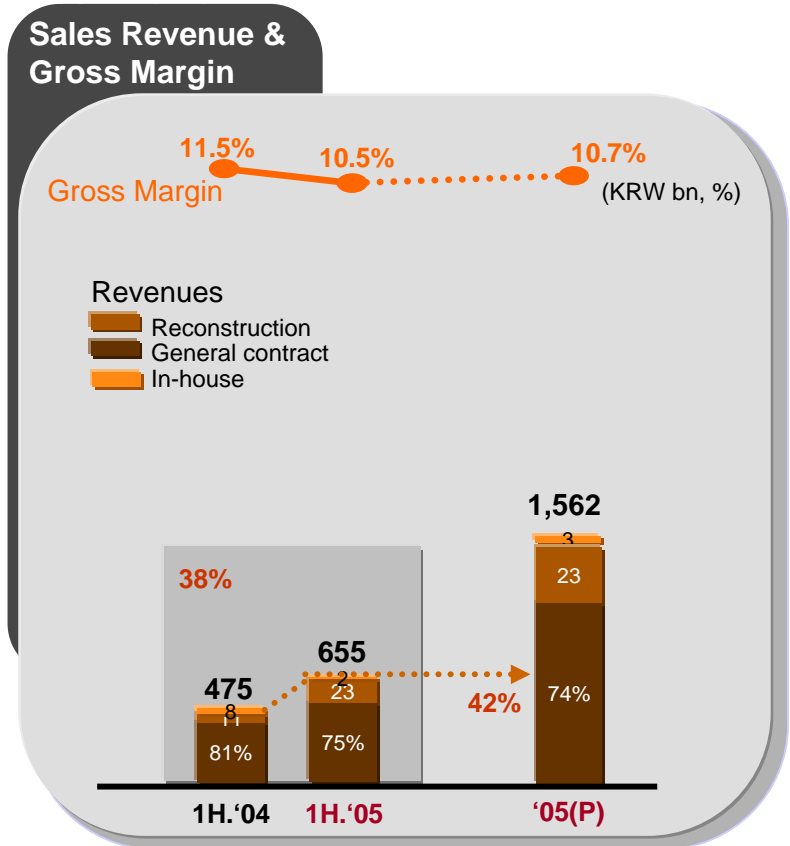
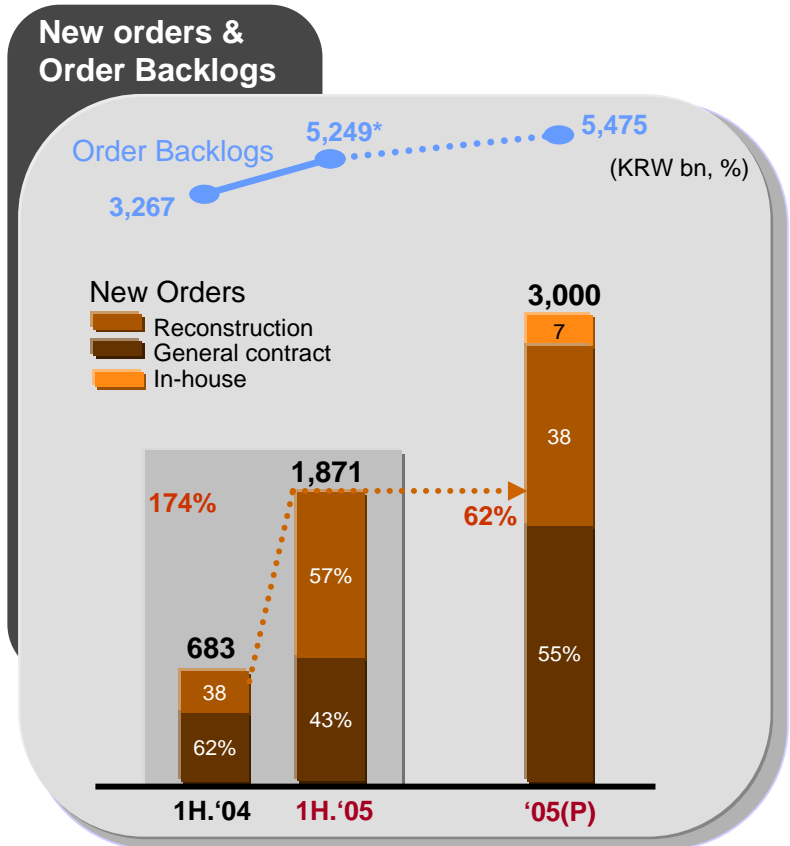
New orders is up 39% with a big jump in non-group projects. Revenues has increased substantially due to the fast progress in group related works.



Performance by Division - Housing



New orders has soared with huge reconstruction projects. And sales revenues has also increased because of the active progress in existing projects.



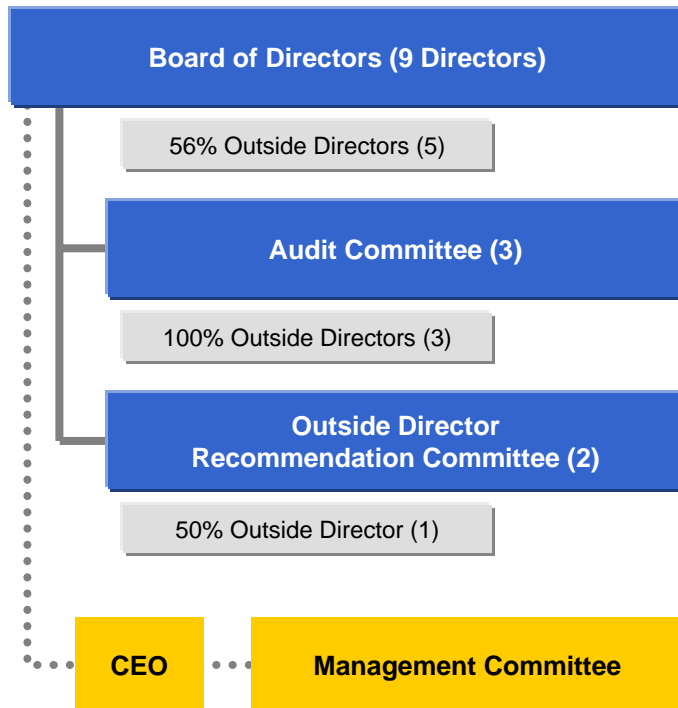
* Approximately W12.5 trillions of provisional order backlogs not included.

Appendix

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- ✓ **Financials**
- ✓ **Investments**
- ✓ **PFI Projects**
- ✓ **Provisional Order Backlogs in Housing Div.**
- ✓ **Major Material Prices**

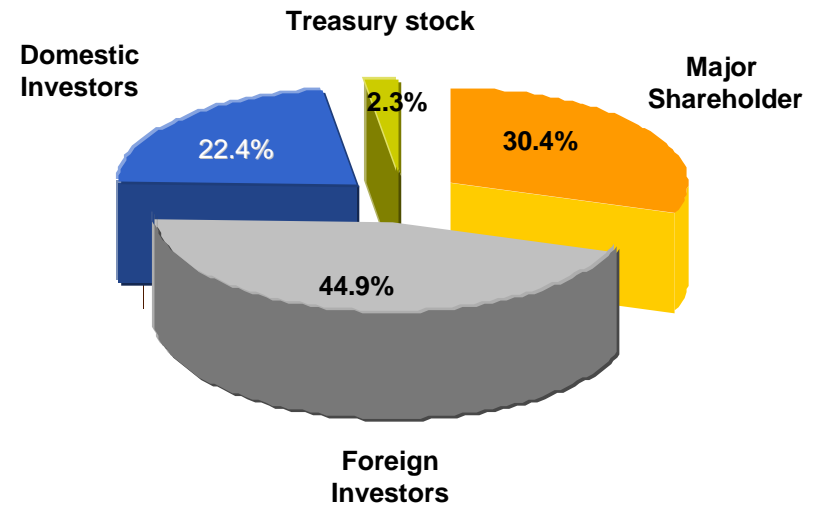
Corporate Governance

(As of August, 2005)

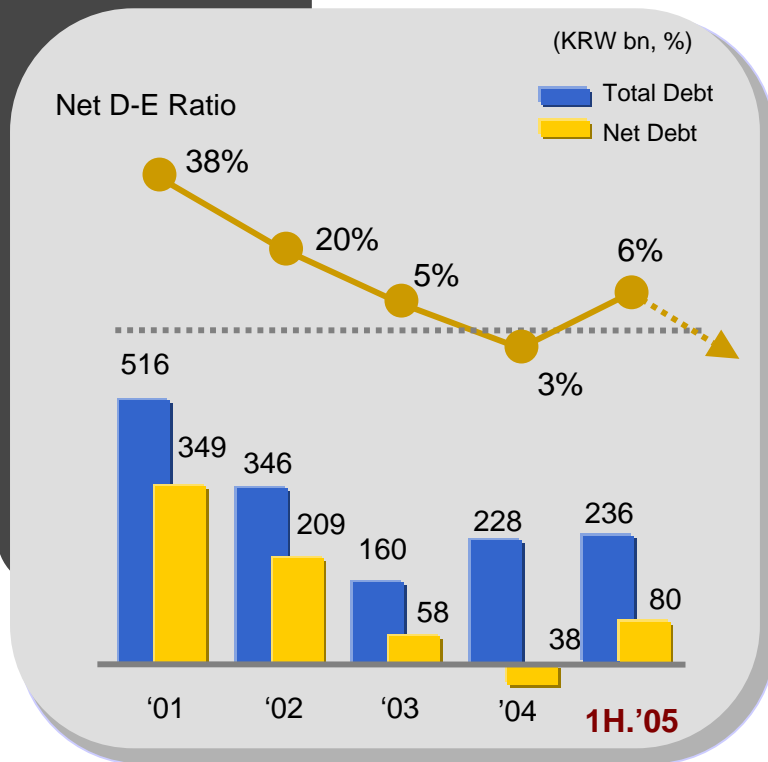


Ownership Structure

(As of August, 2005)



Borrowings

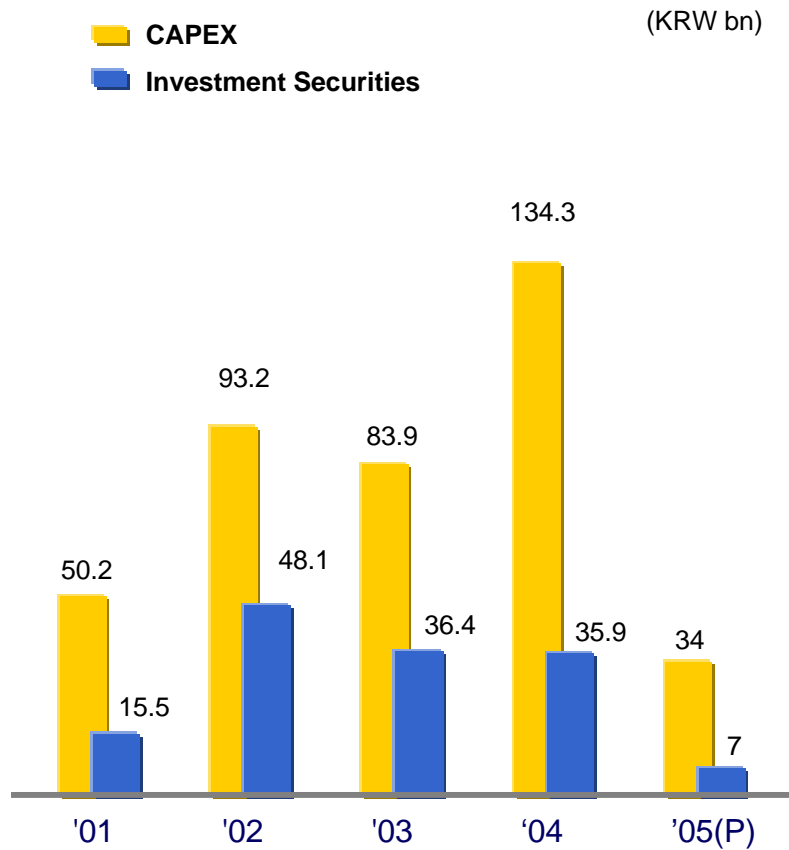


(KRW bn)

Account	'01	'02	'03	'04	1H,'05
Short-term Loan	204	151	145	165	174
Short-term Borrowings	89	31	14	164	173
Current long-term debt	115	120	131	1	1
Long-term Loan	312	195	15	63	62
Long-term Borrowings	16	16	15	13	12
Debentures	296	179	-	50	50
Total Debt	516	346	160	228	236
Cash / Cash Equivalents	153	133	99	262	152
Short-term financial instrument	14	4	3	4	4
Cash / Bank Deposit	167	137	102	266	156
Net Debt	349	209	58	38	80



Investment Trends



* All figures are net amounts

Investment Plan

(KRW bn)

Description	'04	'05 (P)	1H, '05 (P)
PFI	36	7	-
Land	143	34	30
Resort & etc.	115	10	13
IT & R&D etc.	19	24	7
Total	313	75	50

Appendix - PFI Projects

(As of June 2005)

(KRW bn)

Status	Name of Project	GS Shares (%)	Invested Amount	Contract Amount	Remarks
Investment Completed	New Airport Highway	5%	21.7	117.7	22.8 (KTCU, Dec. 2003)-sold
	Cheonan-Nonsan Highway	25%	112.5	332.0	112.5 (KRIF, Feb. 2004)-sold
	Daegu East Beltway	14.6%	8.7	22.1	9.1(MEDIC, May. 2005)-sold
	Daegu West-North Road	15.1%	3.3	6.9	3.5(Municipality of Daegu, Jun..2004)-sold
	Cholmasan Tunnel	23.5%	1.0	18.0	1.0 (KTCU, Nov. 2001)-sold
	Manwolsan Tunnel	15%	5.0	16.5	completed in July. 2005
	Seoul Beltway	27%	124.2	402.1	To be completed in 2008
Sub -Total			276.4	915.3	

KTCU : Korea Teachers' Credit Union, KRIF : Korea Road Infrastructure Fund, MEDIC : Macquarie East Daegu Investment Company

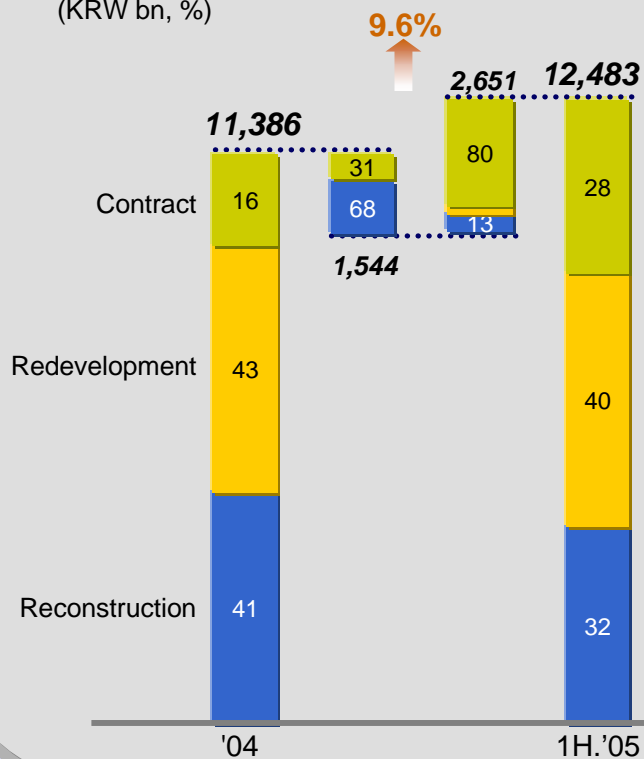
Status	Name of Project	Consortium Leader	GS Shares (%)	Investment Plan	Invested Amount	Contract Amount
Under Investment	Kangnam Beltway	Doosan	11.5%	27.0	1.3	97.1
	Sub-Total			27.0	1.3	97.1

Appendix - Provisional Order Backlogs in Housing Div.



Provisional Order Backlogs

(KRW bn, %)



By Sectors

(KRW bn)

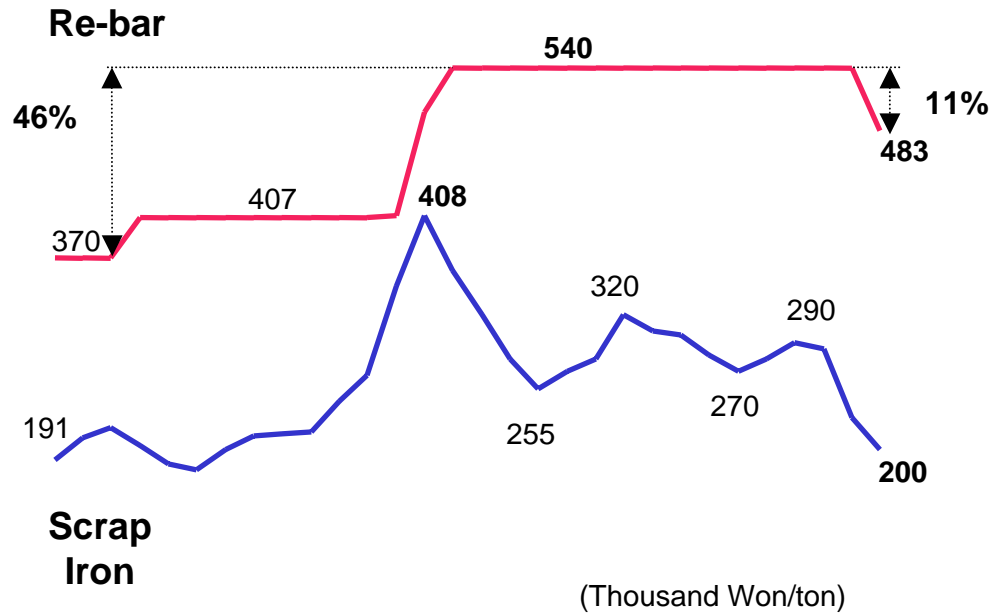
Description	'04	New Order Recognition (1H.'05)	New Provi.Order (1H.'05)	1H.'05
Contract	1,864	483	2,126	3,507
Redevelopment	4,879	27	174	5,026
Reconstruction	4,643	1,044	351	3,950
Total	11,386	1,544	2,651	12,483

New Provi. Order

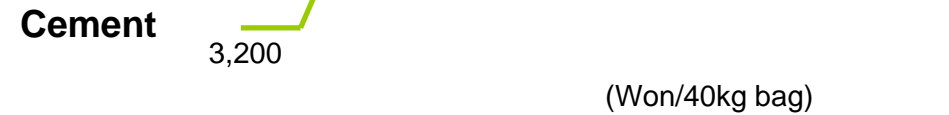
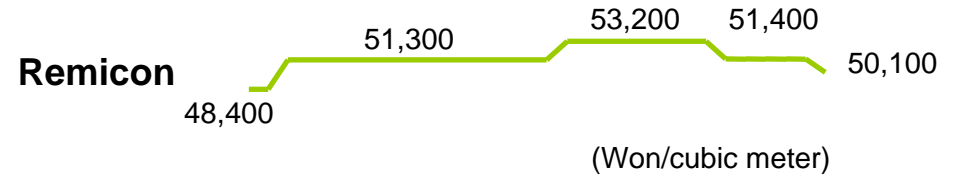
(KRW bn)

Description	Project	Amount
Contract	Yangju Baeseok	1,006
	Koyang siksa 2	195
	Youngjong unnam	224
Total		2,126
Redevelopment	Kalhyun 1	172
	Total	174
Reconstruction	Buchun single houses	34
	Others(Increased)	317
	Total	351

Appendix - Major Material Prices



'02 4Q '03 1Q '03 4Q '04 4Q '05 2Q



'02 4Q '03 1Q '03 4Q '04 4Q '05 2Q



<http://www.gsconstir.com>

