

October 31. 2005

Presentation



INVESTOR RELATIONS



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- ✓ Investment Highlights
- ✓ Performance & Goal
- ✓ Performance by Divisions

* Appendix

*** The result for 3Q.05 is provisional figure**

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.

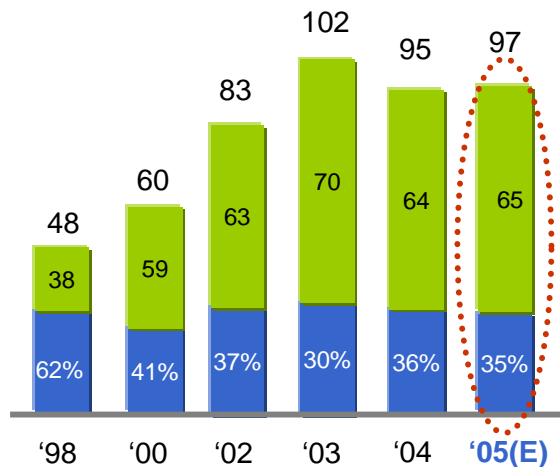


While the contract amount is expected to be similar to '04's, the number of housing supply is predicted to be decreased comparing to the last year's.

Contract Amount

(KRW tn,%)

■ Private Sector
■ Public Sector

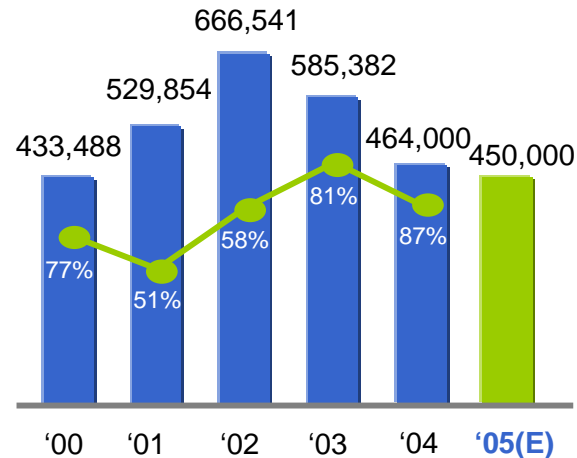


Source : Construction Association of Korea (2005)

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

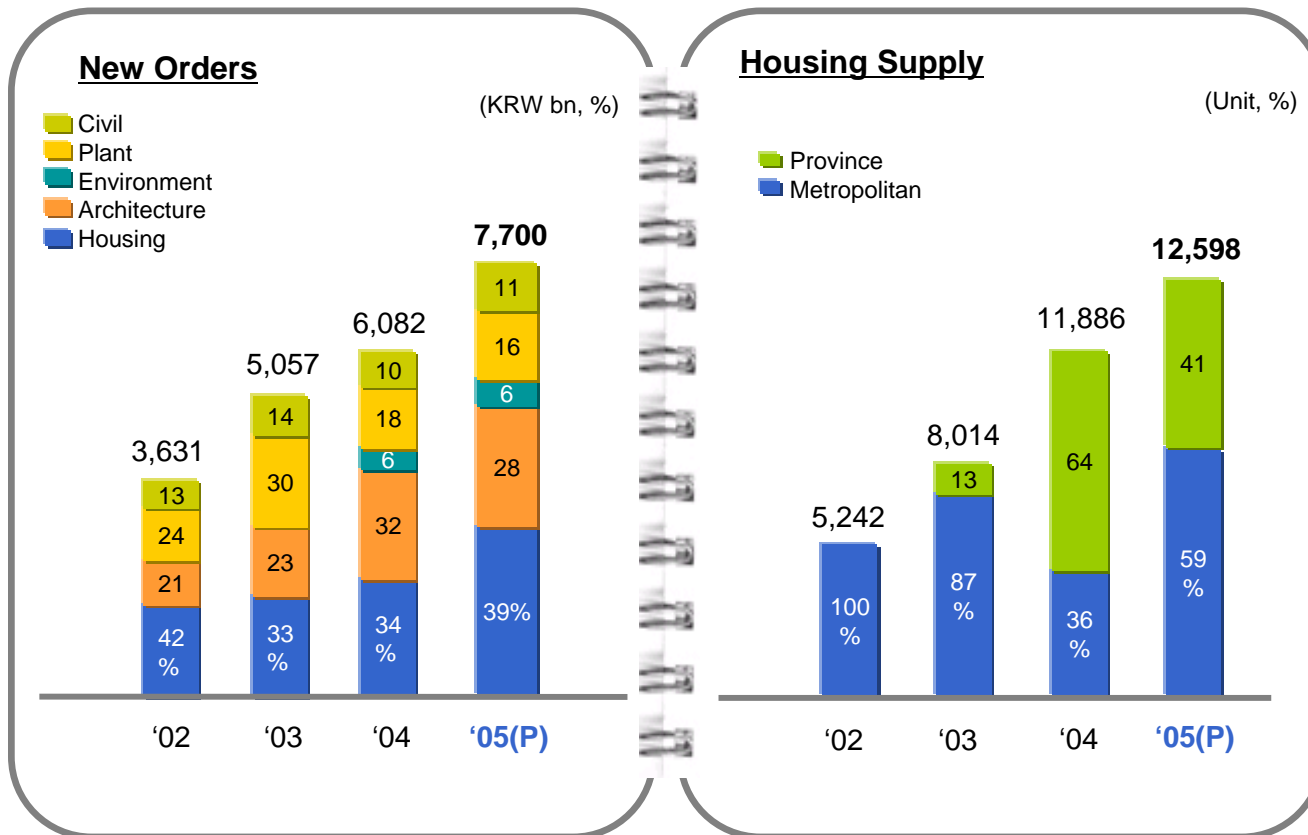
- Raise more comprehensive property taxes by widening the scope of coverage
- Raise transfer income tax
- Mark real estate by fair market value

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

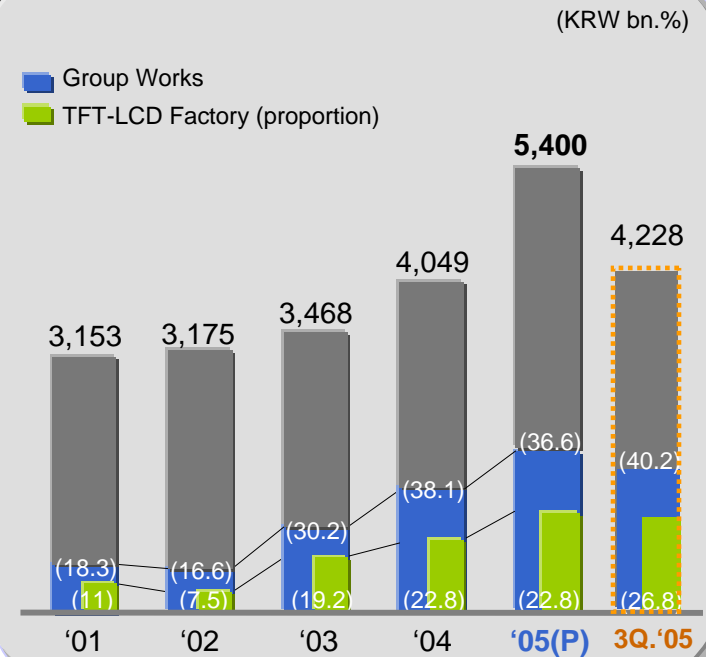
The 7th generation TFT-LCD factory project, worth KRW 1.7 trillion, is now under construction and set for completion by 1H 2006. Considering the current market situation, TFT-LCD projects will be a significant earnings contributor.

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

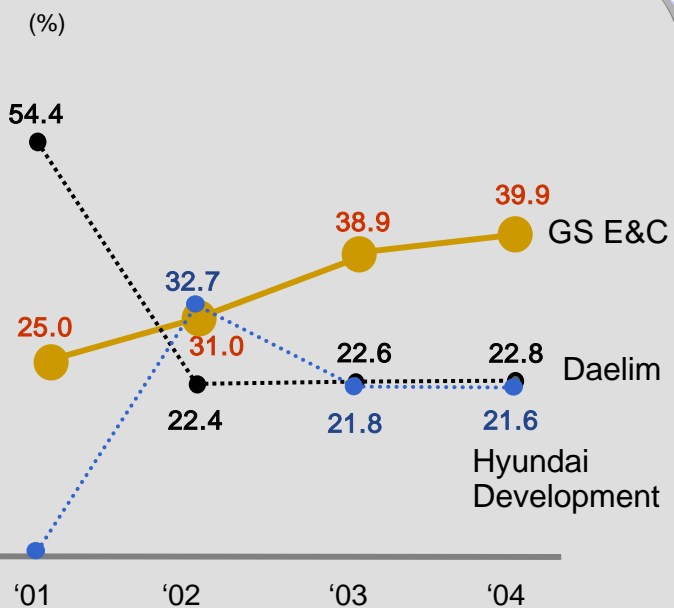


Investment Highlights - Attractive Dividends

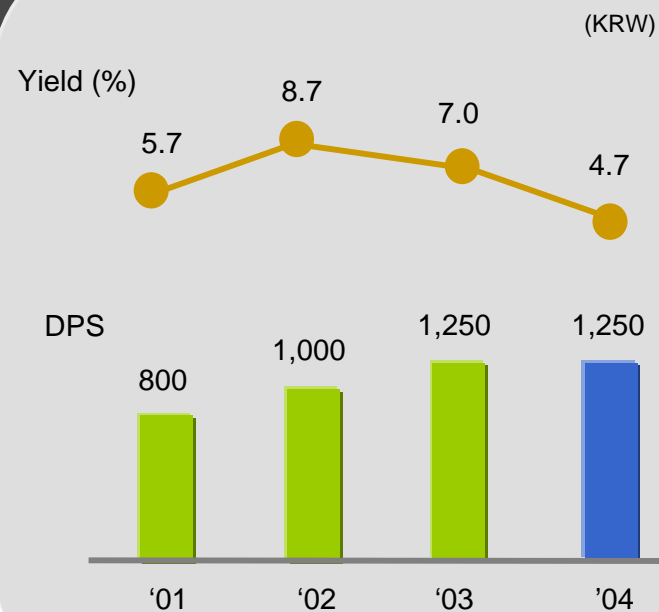


Our dividend payout ratio has increased 4 years in a row to 40% in 2004, while our peers' payout ratio remains at a low 20% for the past two years.

Payout Ratio



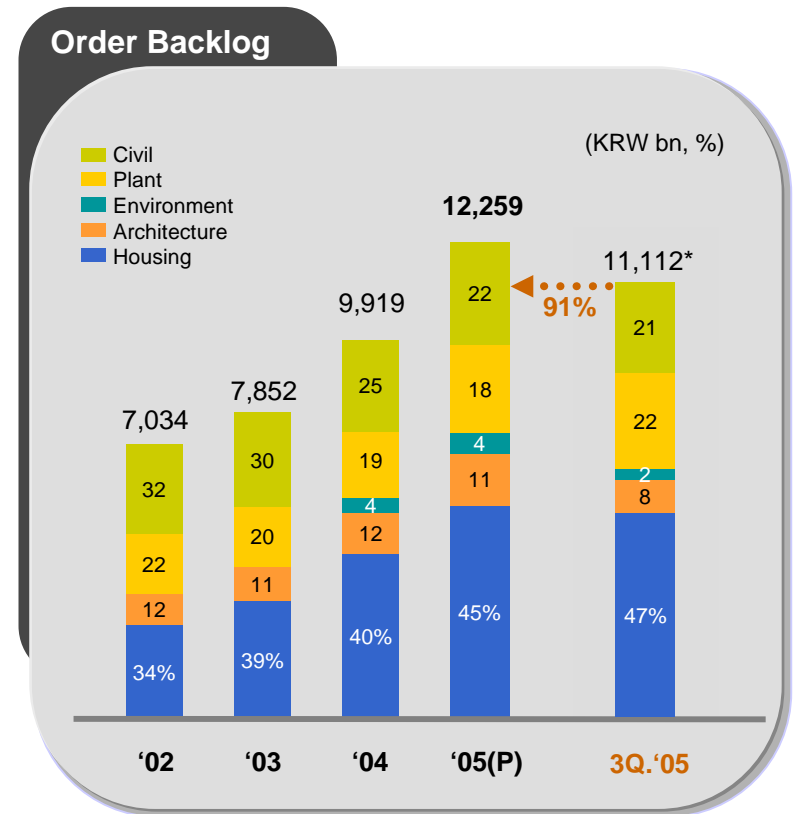
Yield & DPS



Performance & Goal - New Orders and Order Backlog



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.

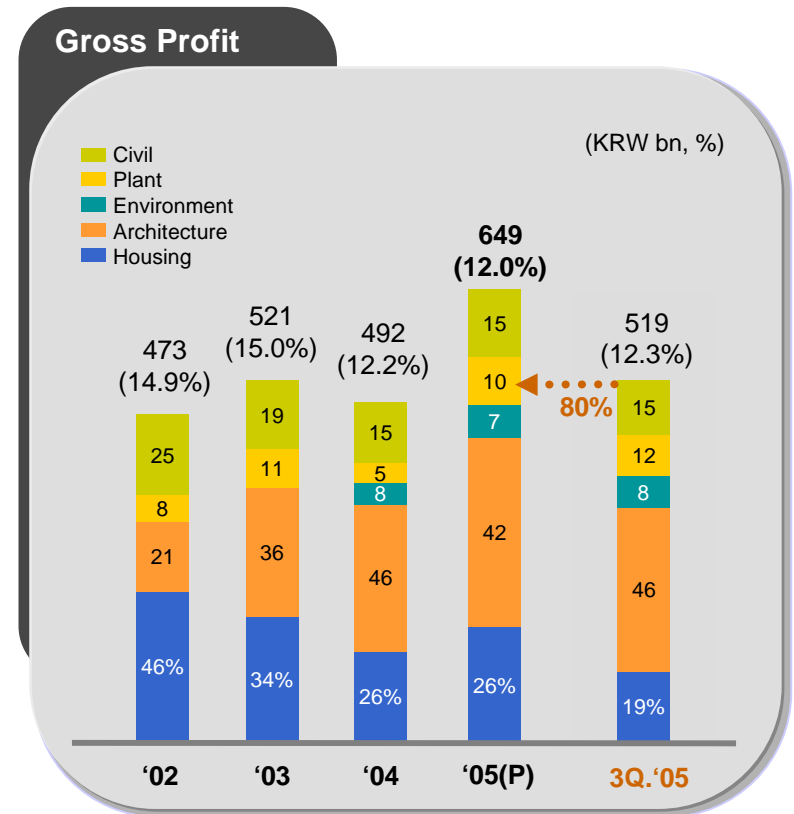
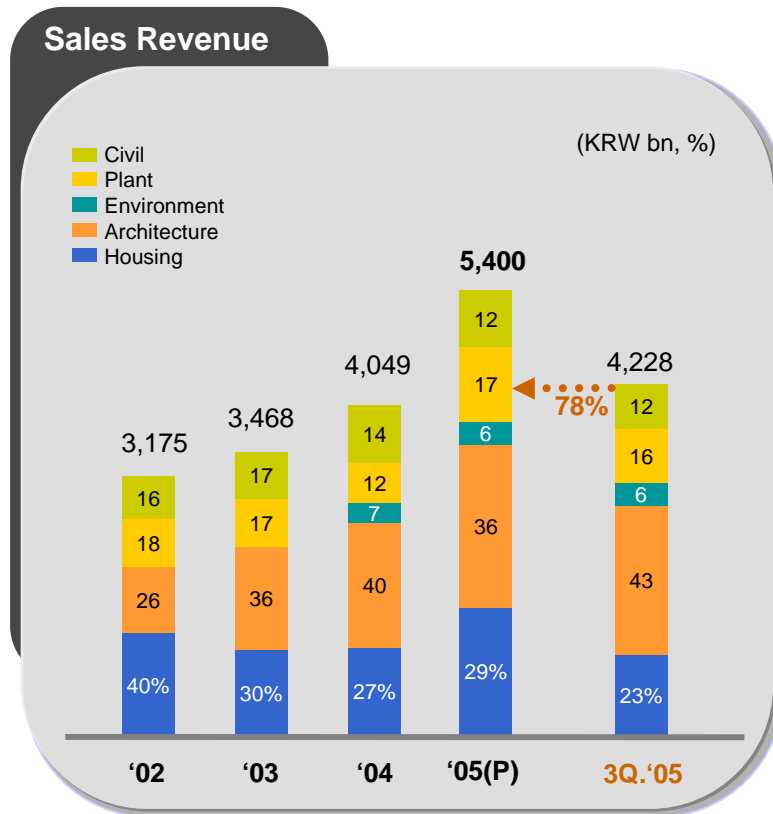


*Approximately KRW 12.8 trillion of provisional order backlog not included.
*Exposure to Overseas -18%, Affiliates - 9%

Performance & Goal - Sales Revenue & Gross Profit



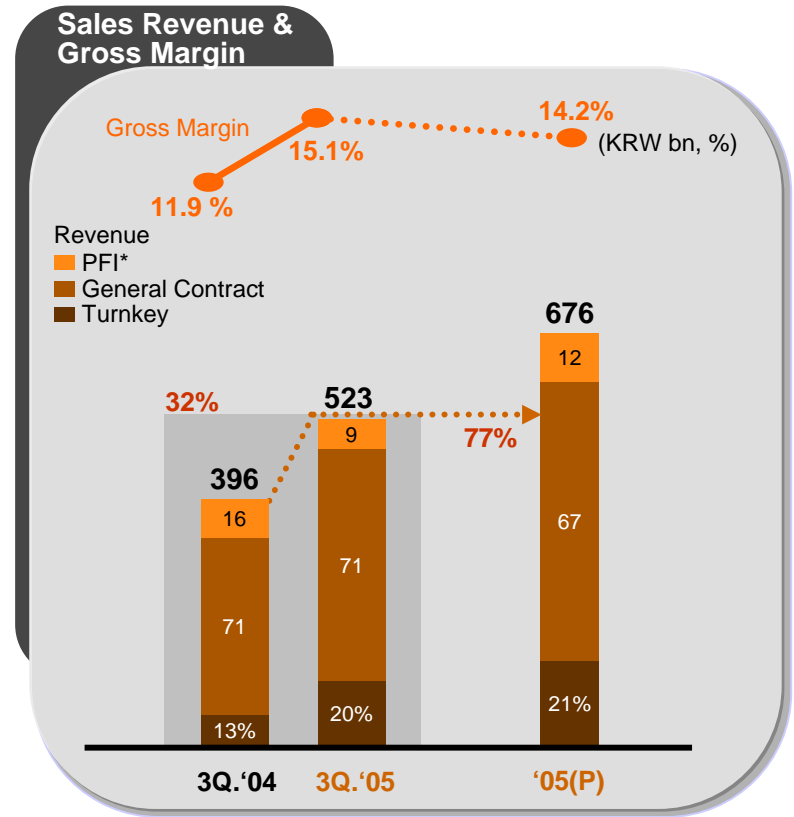
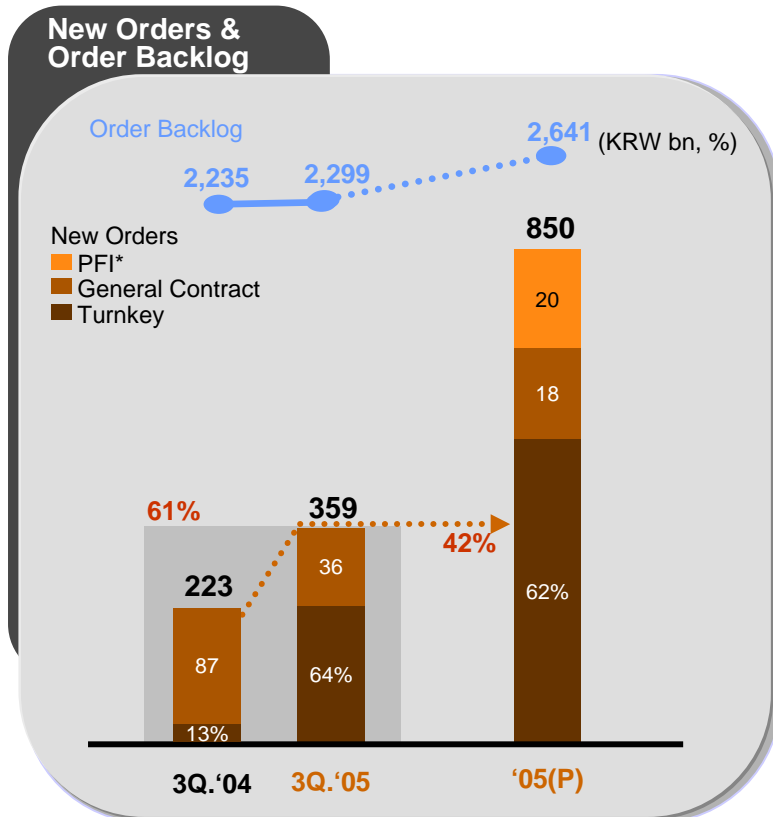
Gross margin will maintain last year's level. However, sales revenue and gross profit will grow substantially due to the favorable performance in group and overseas works.



Performance by Divisions - Civil



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

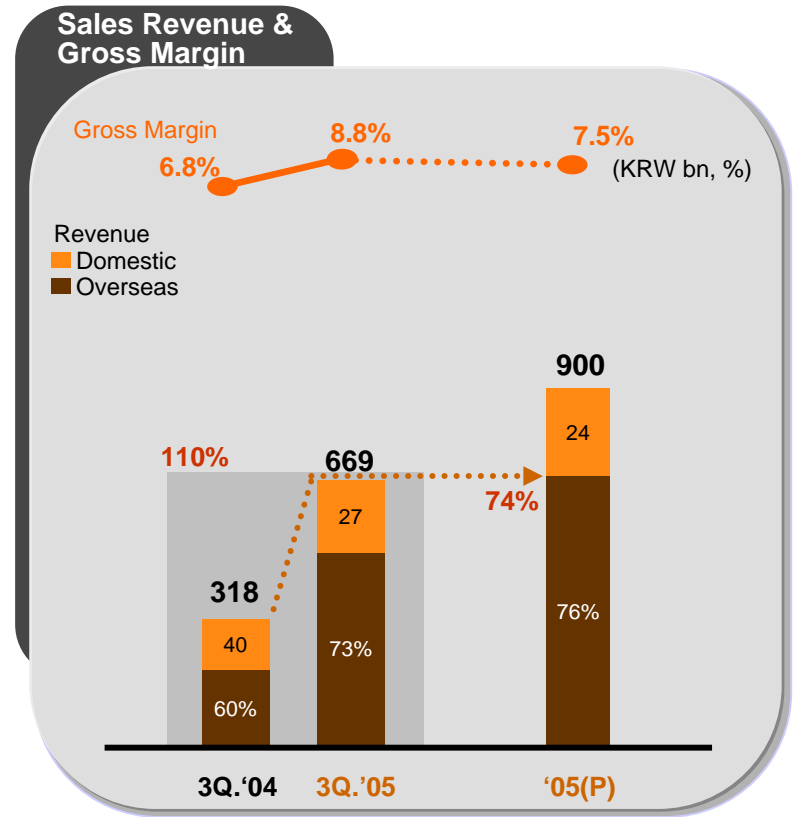
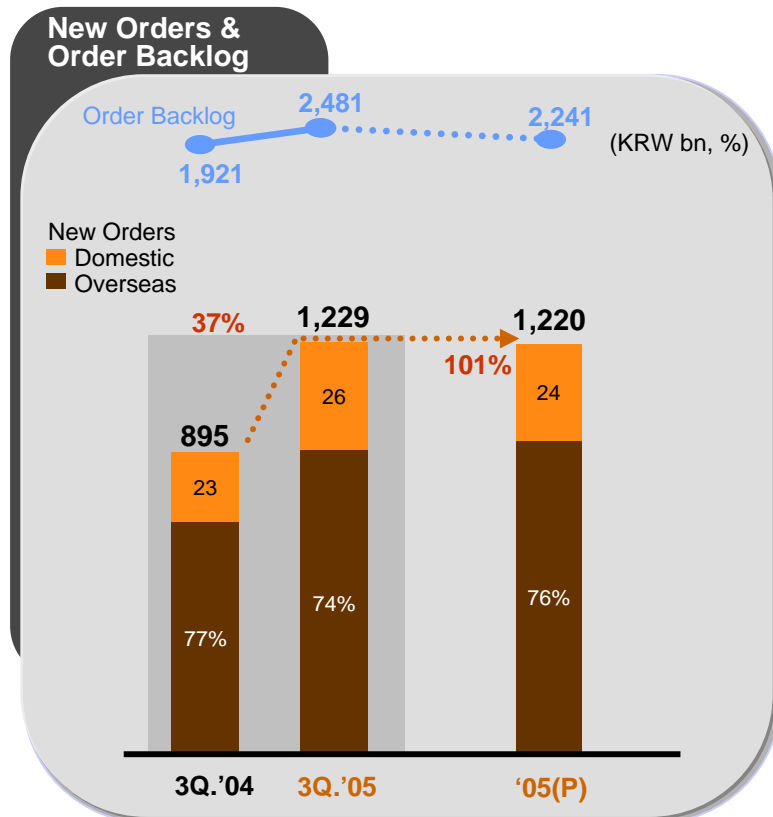


*PFI : Privately Funded Infrastructure

Performance by Divisions - Plant



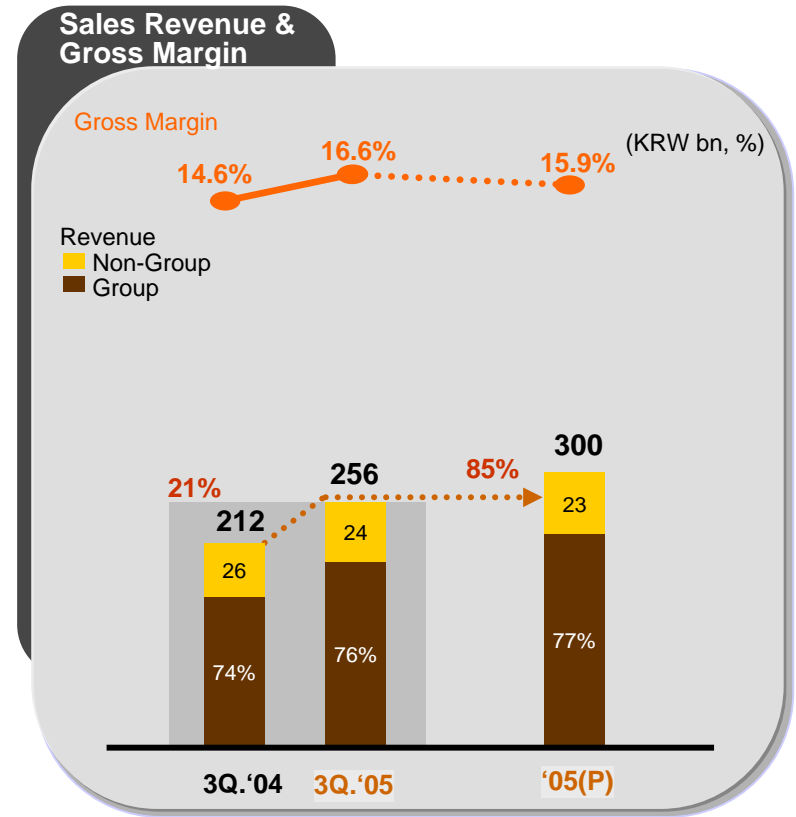
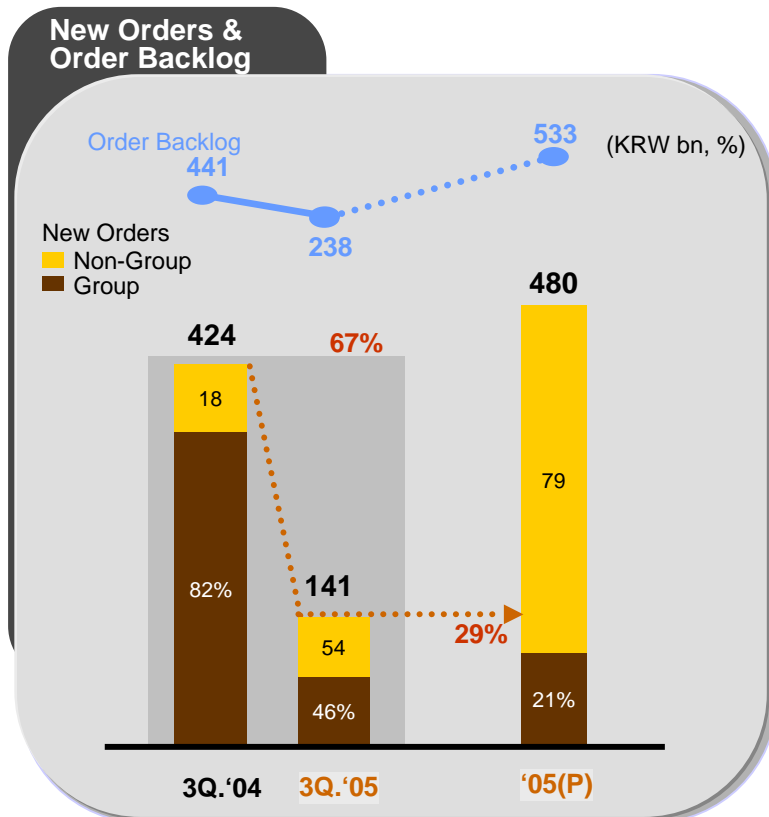
New orders already hit the target with abundance in overseas contracts. Sales revenue has also increased sharply with positive progress in overseas and domestic projects.



Performance by Divisions - Environment



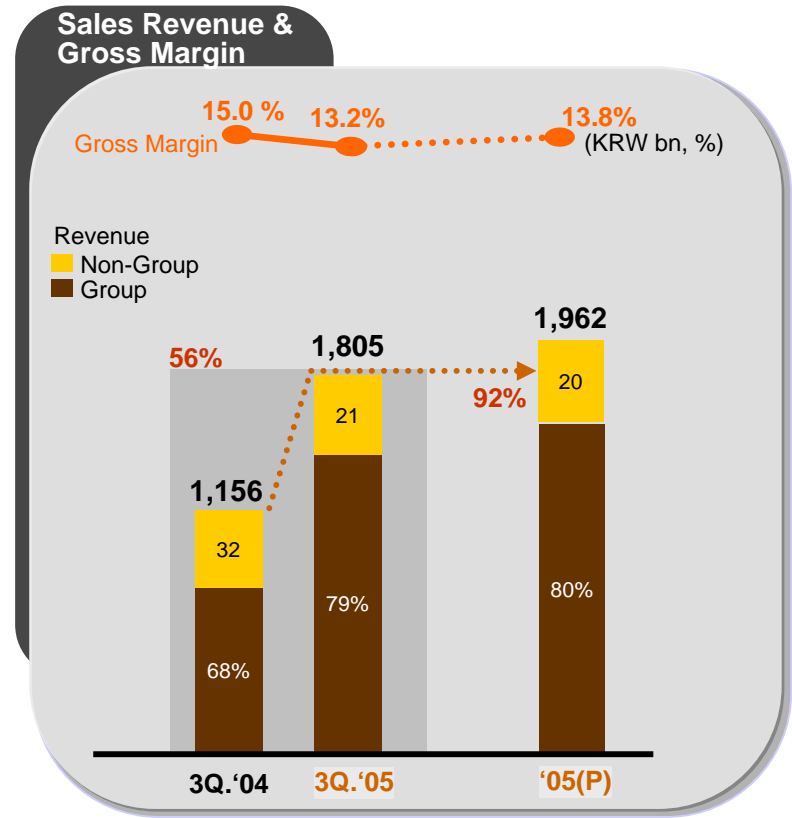
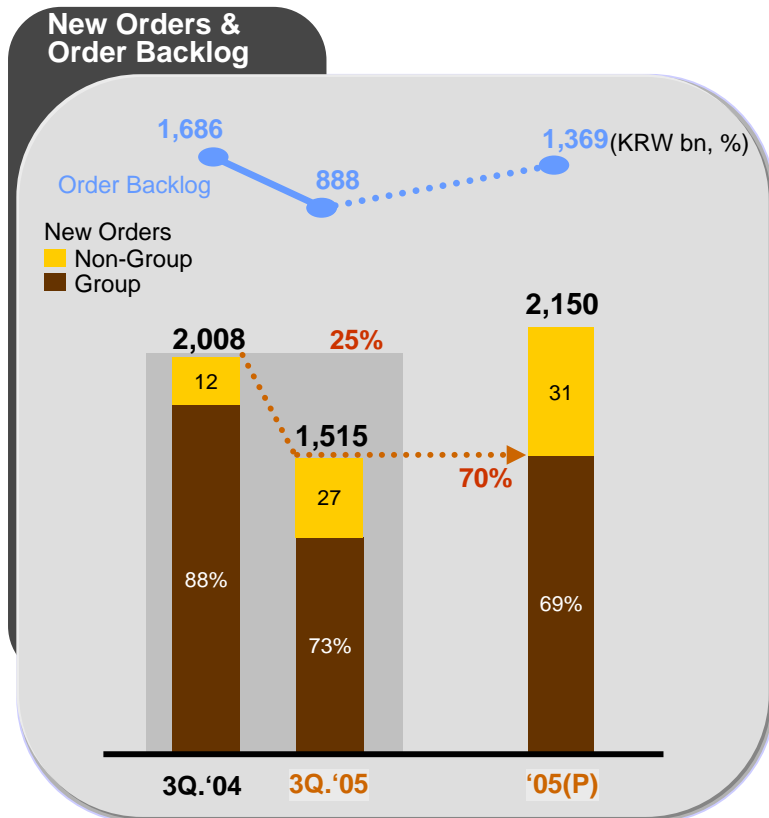
New orders have decreased due to decline in Group related works. But revenue is up 21% thanks to steady progress in Group related works.



Performance by Divisions - Architecture



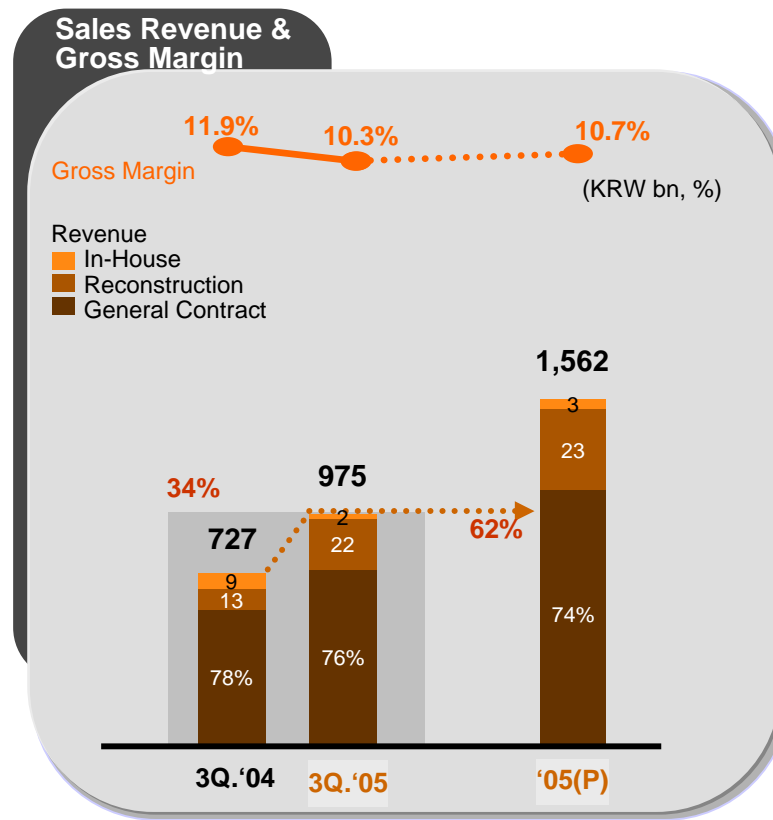
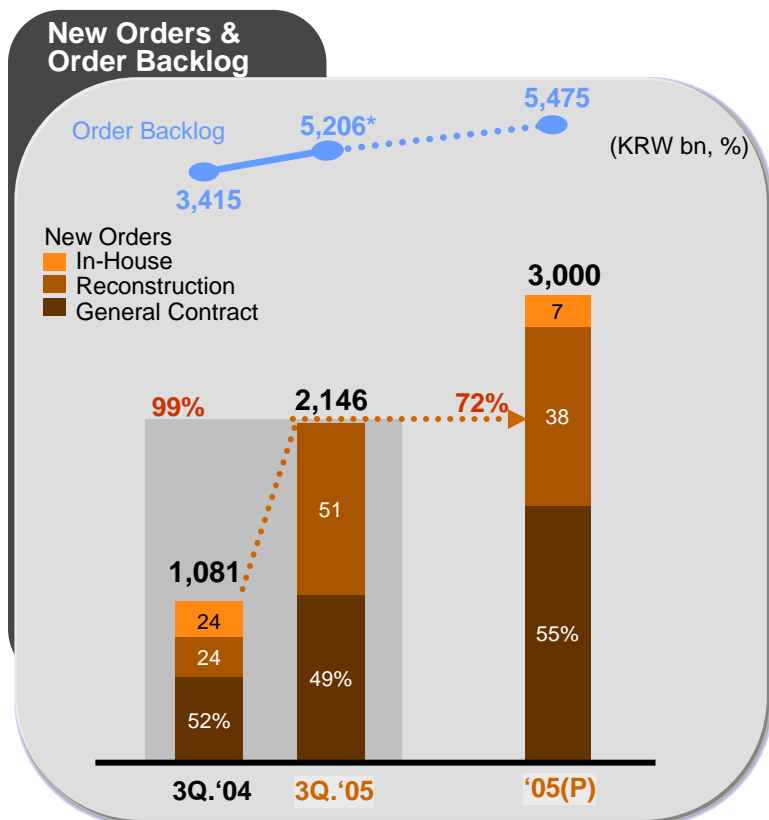
New orders have decreased due to decline in Group works. Revenue has increased substantially due to the fast progress in group related works.



Performance by Divisions - Housing



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



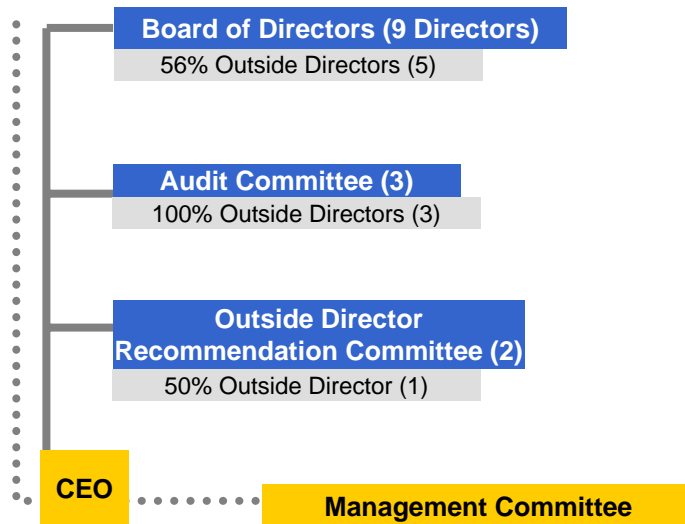
* Approximately W12.8 trillion of provisional order backlog not included.

Appendix

- ✓ **Governance**
- ✓ **Financials**
- ✓ **Investments**
- ✓ **PFI Projects**
- ✓ **Provisional Order Backlogs in Housing Division**
- ✓ **Major Material Prices**

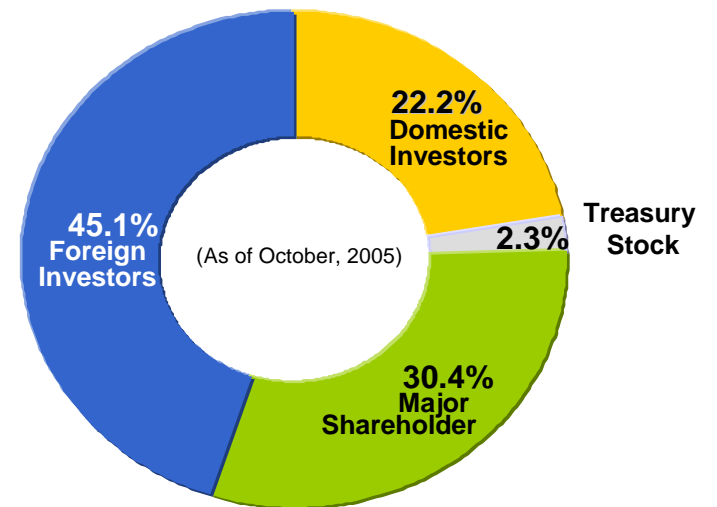
Corporate Governance

(As of October, 2005)

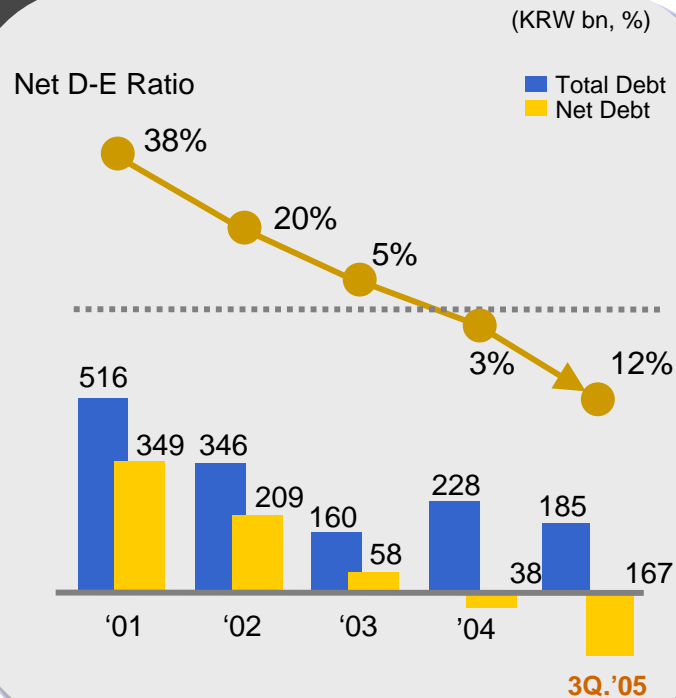


Ownership Structure

(As of October, 2005)



Borrowings

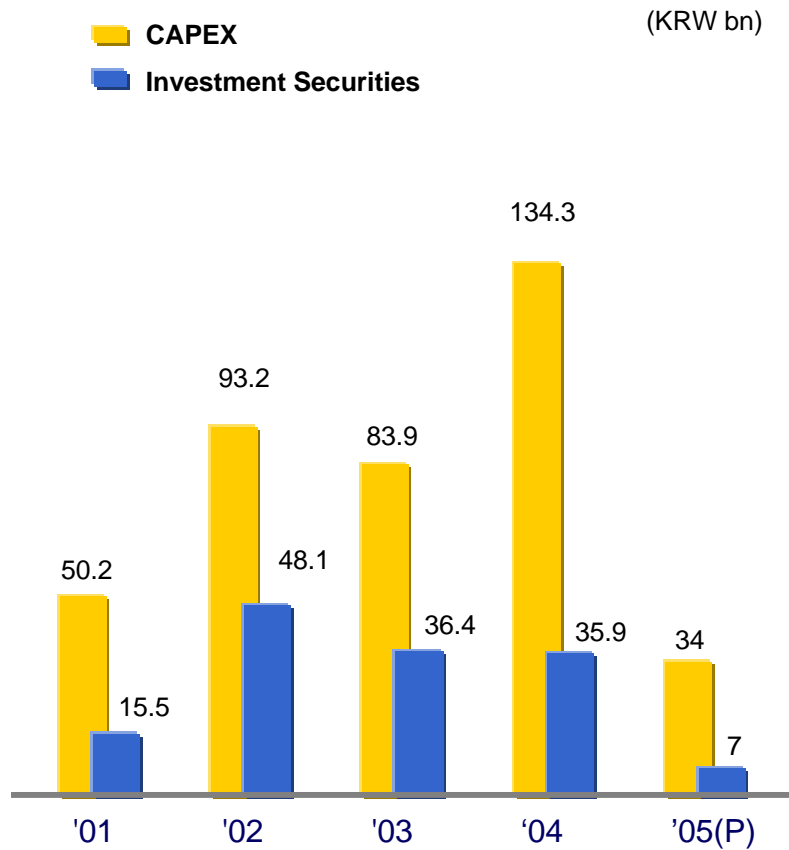


(KRW bn)

Account	'01	'02	'03	'04	3Q,'05
Short-term Loan	204	151	145	165	123
Short-term Borrowings	89	31	14	164	122
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	185
Cash / Cash Equivalents	153	133	99	262	348
Short-term financial instrument	14	4	3	4	4
Cash / Bank Deposit	167	137	102	266	352
Net Debt	349	209	58	38	167



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



(As of 3Q. '05)

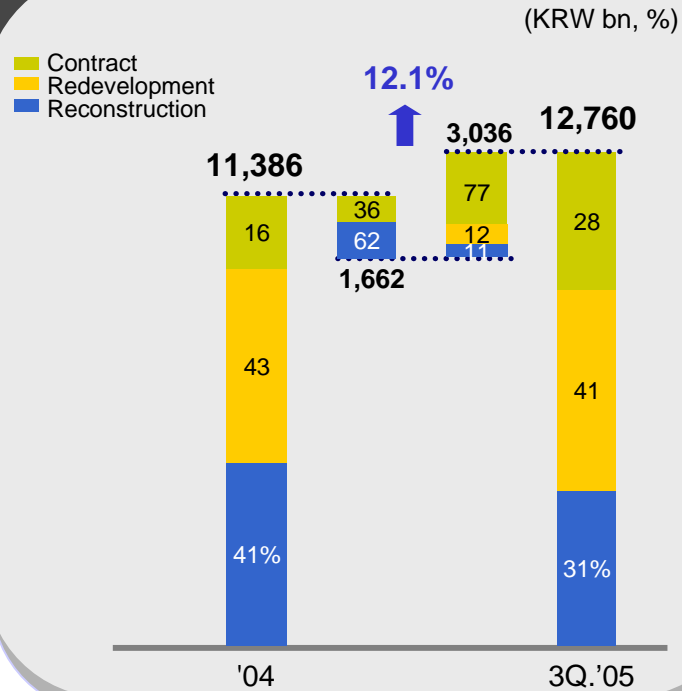
(KRW bn)

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

Provisional Order Backlog



By Sectors

(KRW bn)

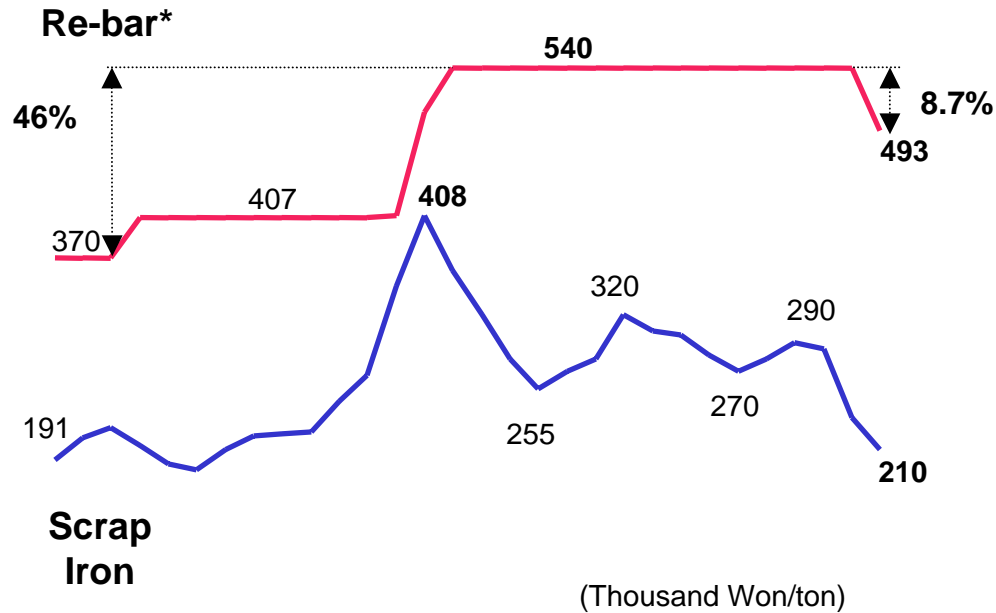
Description	'04	New Order Recognition (3Q.'05)	New Provisional (3Q.'05)	3Q.'05
Contract	1,864	592	2,349	3,621
Redevelopment	4,879	27	364	5,216
Reconstruction	4,643	1,043	323	3,923
Total	11,386	1,662	3,036	12,760

New Provisional Order

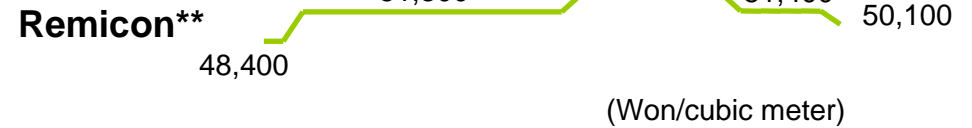
(KRW bn)

Description	Project	Amount
Contract	Yangju Baekseok	1,006
	Kimpo Gamjeong	305
	Koyang Siksa 2	195
	Total	2,349
Redevelopment	Kalhyun 1	172
	Total	364
Reconstruction	Others(Increased)	323
	Total	323

Appendix - Major Material Prices



Scrap Iron



'02 4Q '03 1Q '03 4Q '04 4Q '05 3Q

'02 4Q '03 1Q '03 4Q '04 4Q '05 3Q

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



<http://www.gsconstir.com>

