

June. 2005

Presentation



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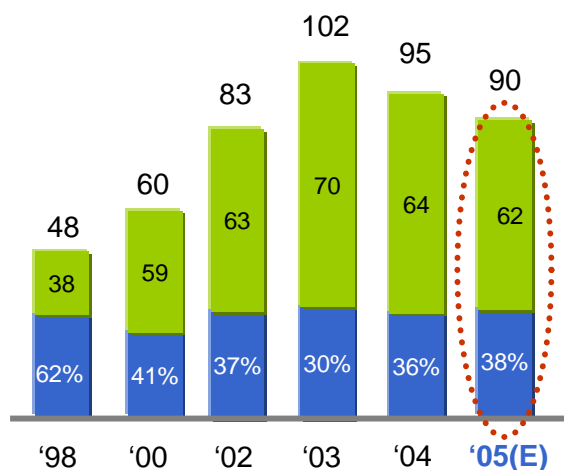
This material contains forward-looking statements that include our current beliefs and expectations on market factors and information obtained outside GS E&C, which are subject to uncertainties. Due to the volatility of these factors, actual results may differ from those set forth in the presented statements. 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.

New orders from private sector is expected to be declined due to the property stabilization policy of Government and delay in domestic consumption recovery. On the other hand, a number of housing supply will be made thanks to Government's policy on expanding housing supply.

Contract Amount

(Unit:KRW tn,%)

Private Sector
Public Sector

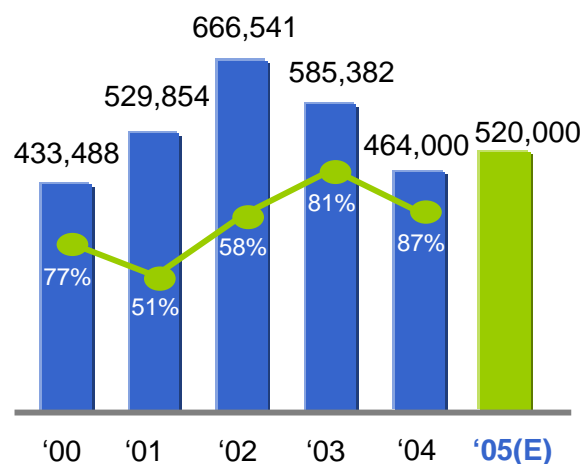


Source : Construction Association of Korea (2005)

Housing Supply

(Unit:,%)

Apartment Supply (%)



Source : Ministry of Construction and Transportation

Upside

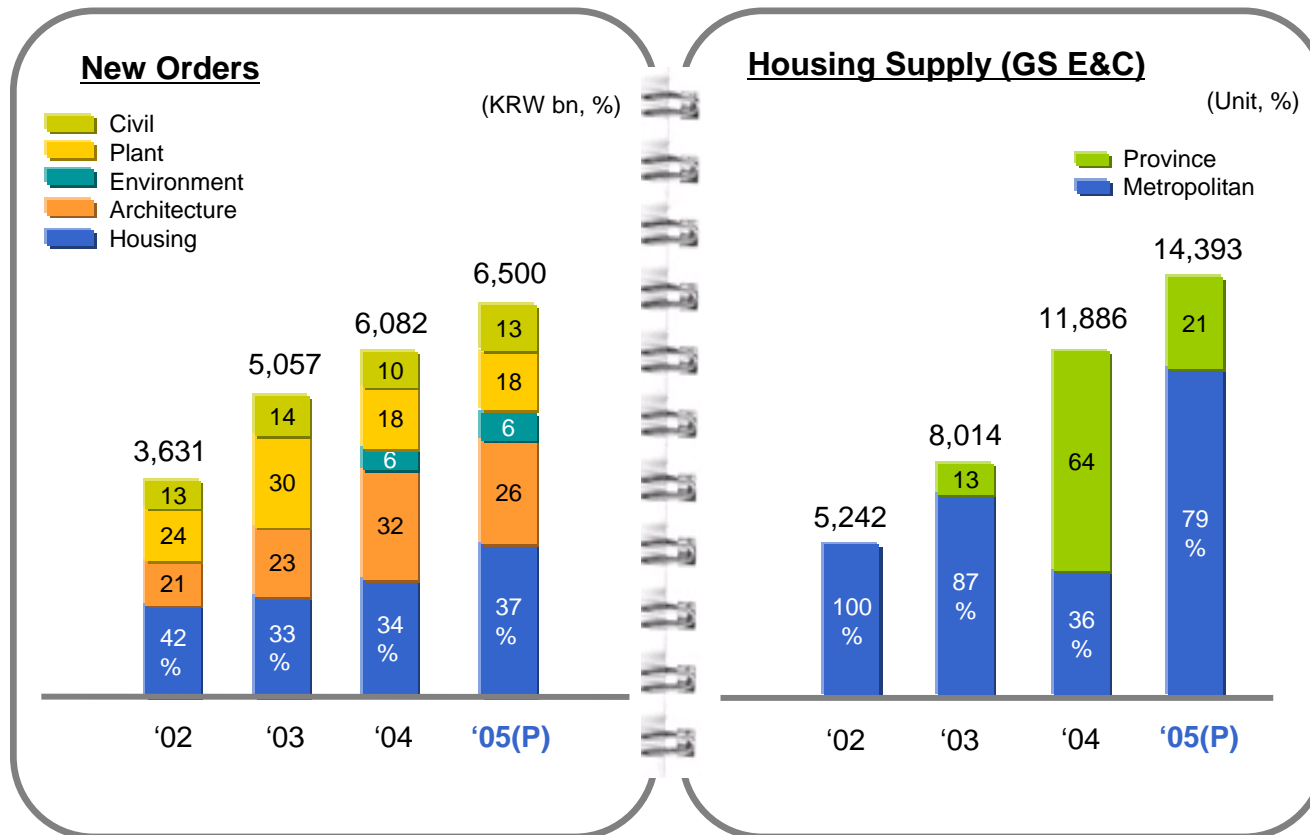
- Strong Government's intention to expand its investment on public sector
- Government's plan to increase housing supply
- Continued low interest rate condition

Downside

- Continued stabilization policies on property market
- Delay in domestic consumption recovery



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 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 housing business
- Plan to concentrate on public order focusing on turnkey and PFI projects

Investment Highlight - Solid Earnings from Group Works



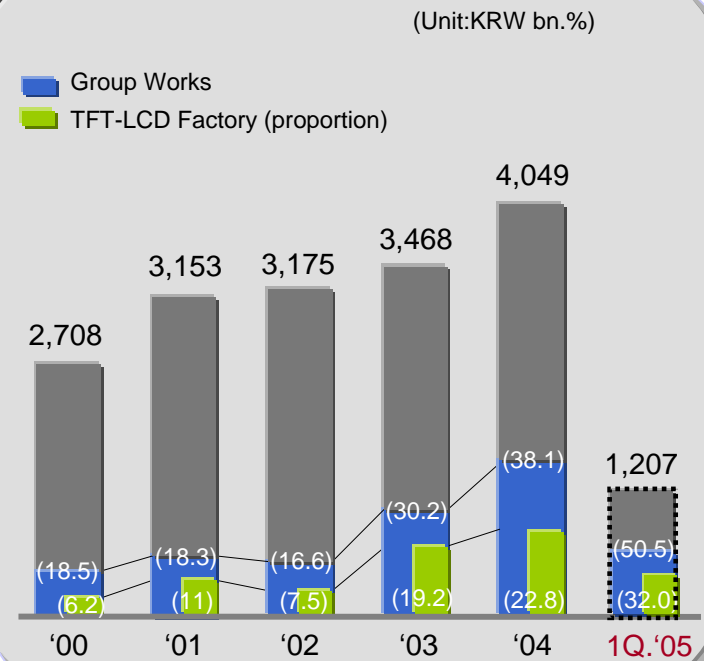
The 7th generation TFT-LCD factory project, worth KRW 1.3 trillion, is now under construction and set for completion by August 2005. Considering the current market situation, TFT-LCD projects will be a significant earnings contributor.

TFT-LCD Factory Project History

	Completion	Generation	Location
P 8~10	by 2013	8 th or above	Paju
P 7	Q3 2005	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



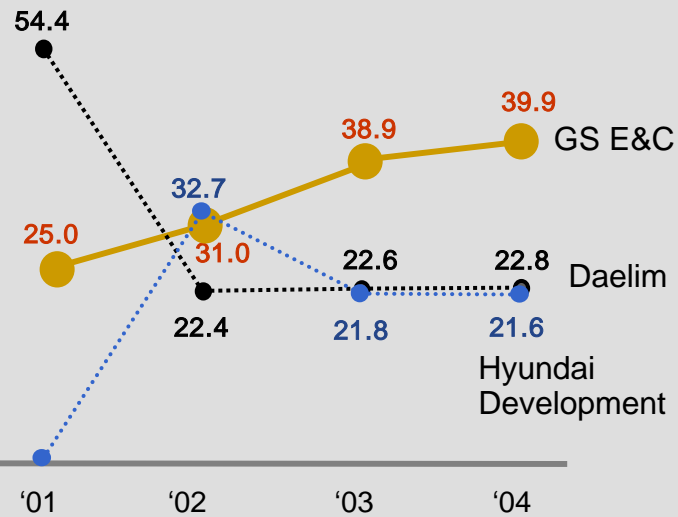
Investment Highlights - Attractive Dividends



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.

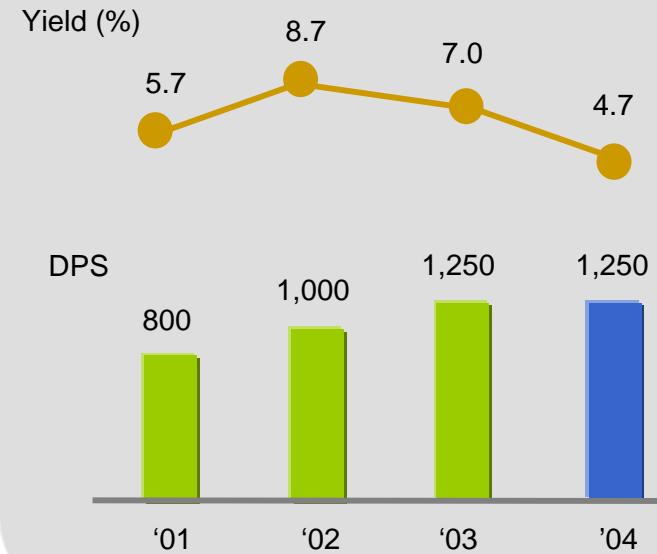
Payout Ratio

(Unit:%)



Yield & DPS

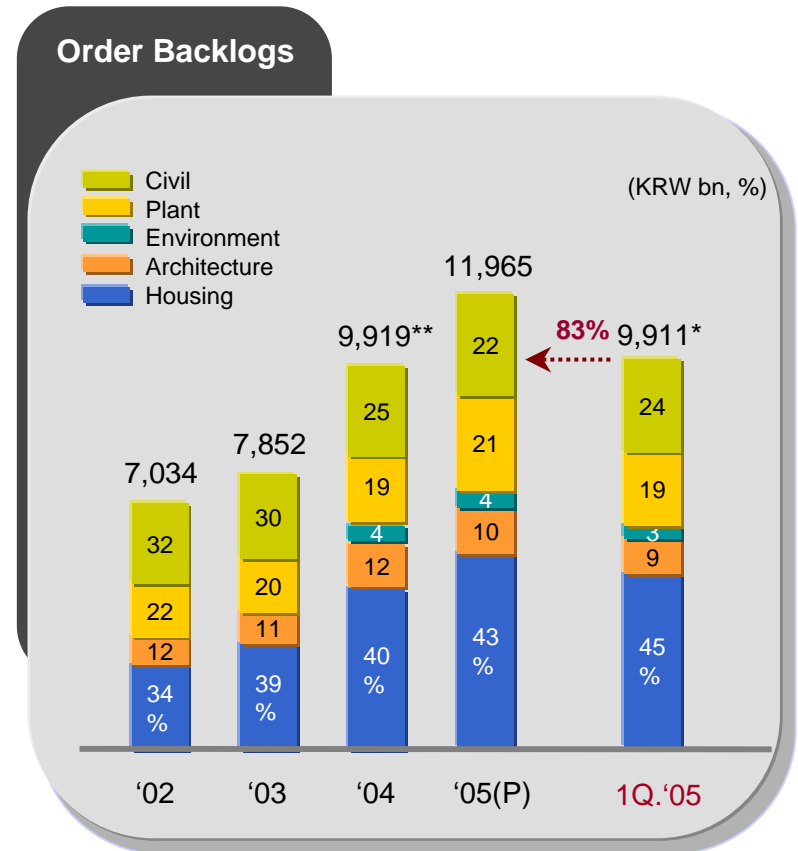
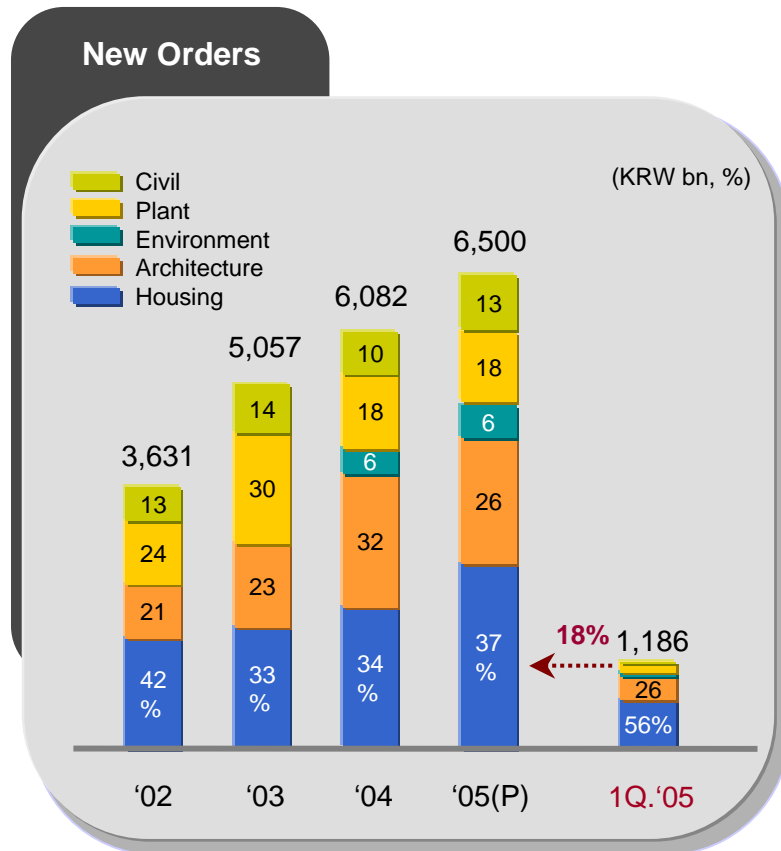
(Unit:KRW)



Performance & Goal - New Orders and Order Backlogs



Despite the slowdown in construction market, GS E&C's new orders and order backlogs have increased significantly in 2004 due to our balanced business portfolio and abundant group works.



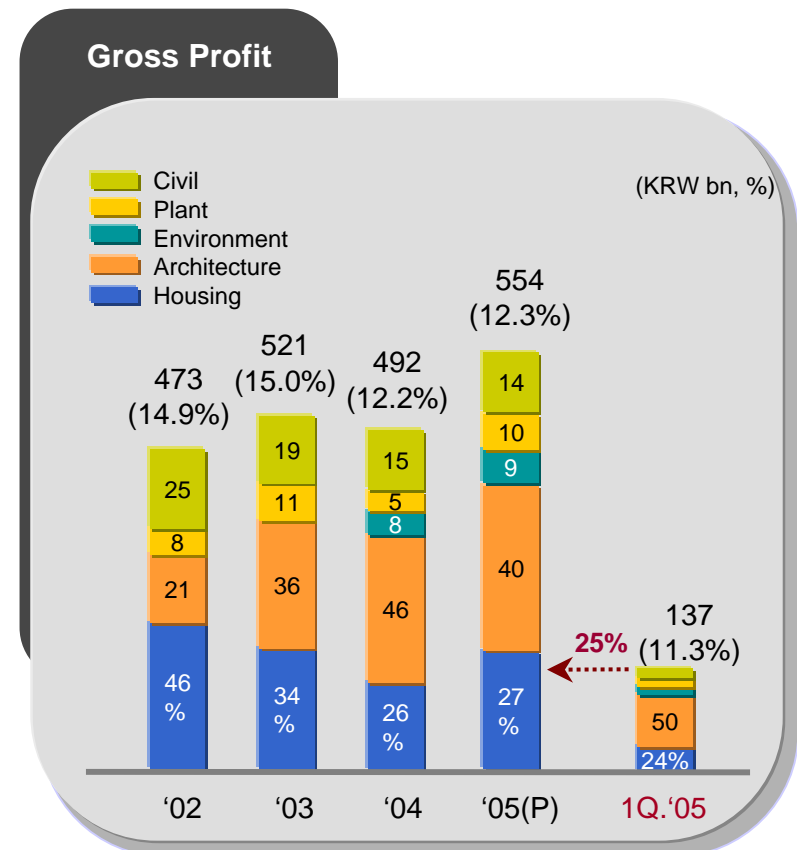
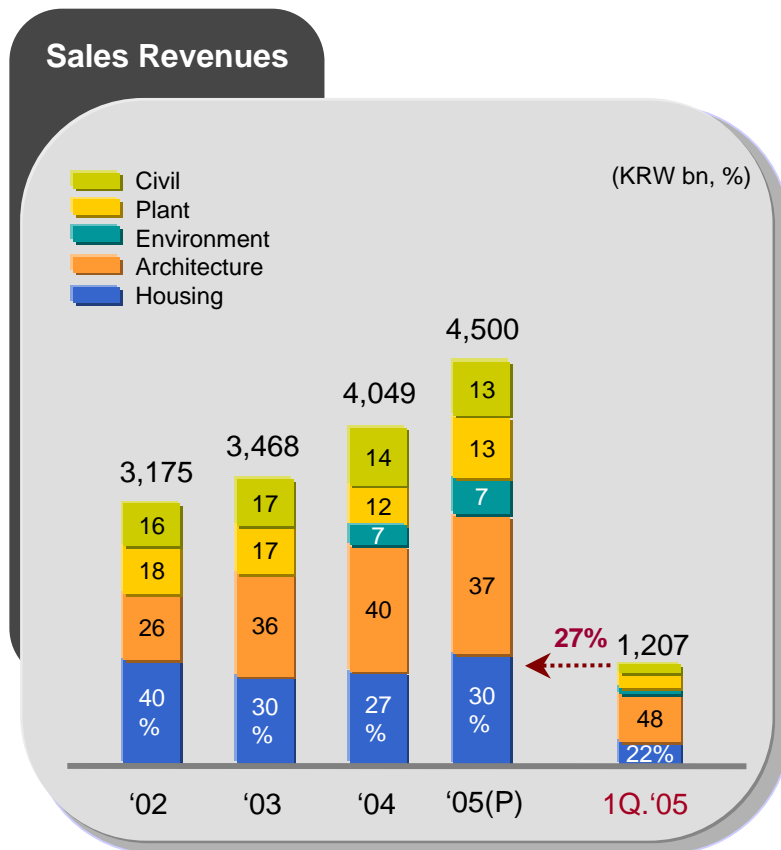
*Approximately KRW 12 trillions of provisional order backlogs not included.

**Exposure to Overseas - 11%, Affiliates - 15% in 2004

Performance & Goal - Sales Revenues & Gross Profit



Gross margin fell due to high raw material prices in 2004. However, sales revenues increased substantially due to favorable performance of group works.



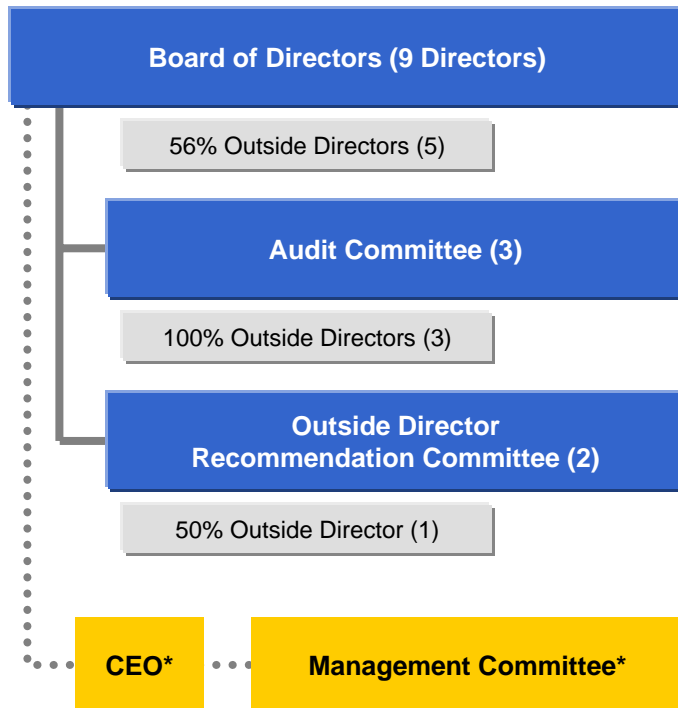
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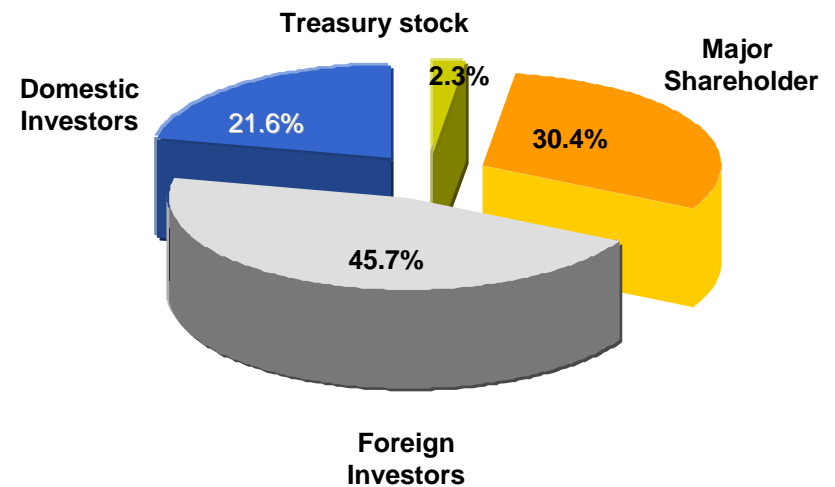
Corporate Governance

(As of March, 2005)

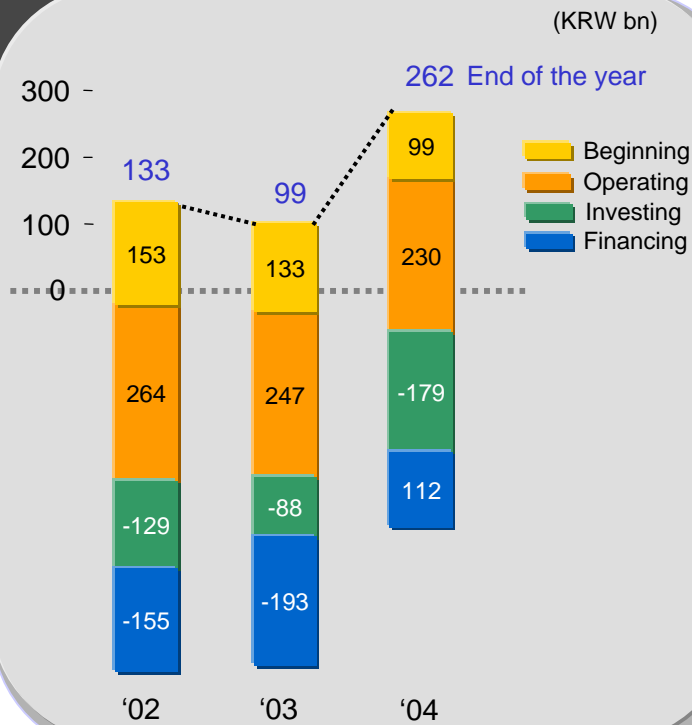


Ownership Structure

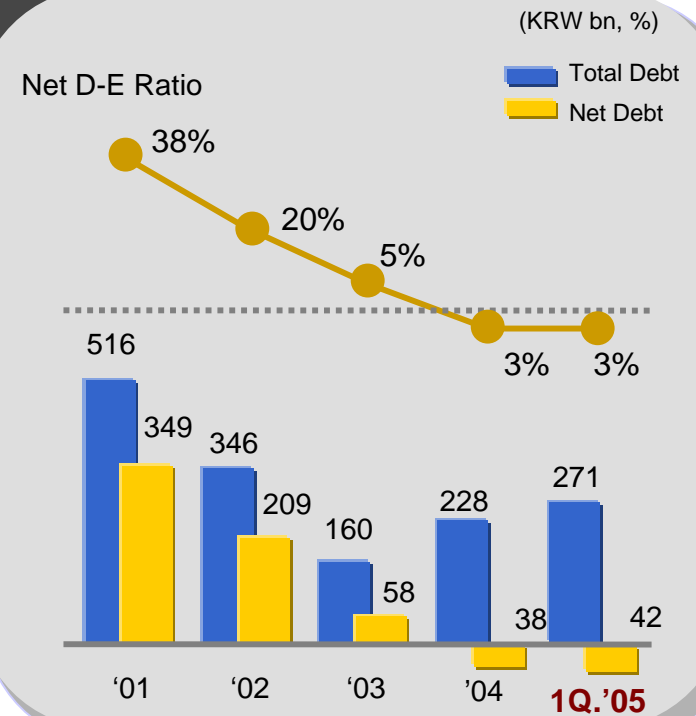
(As of March, 2005)



Cashflow

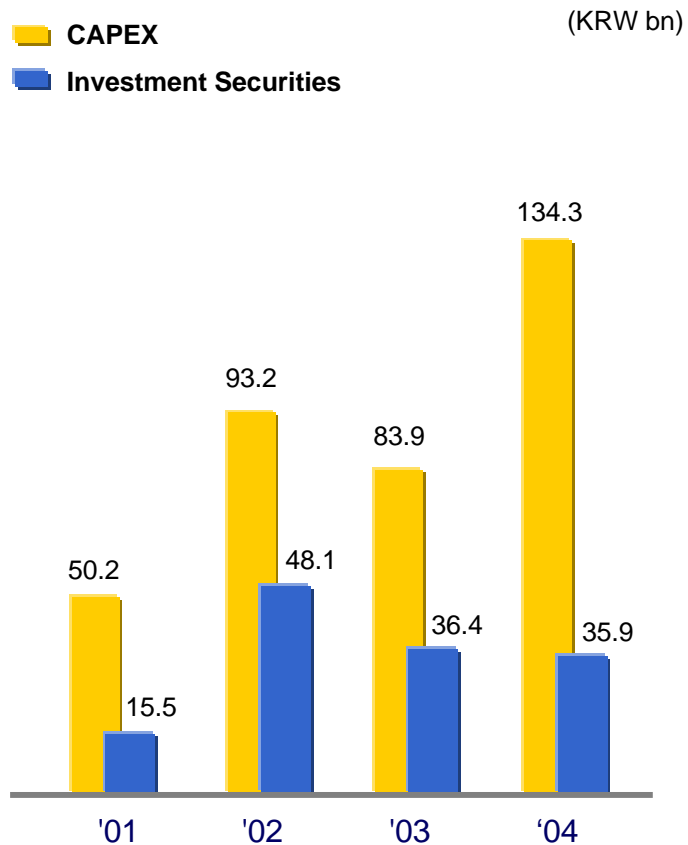


Borrowings





Investment Trends



* All figures are net amounts

Investment Plan

(KRW bn)

Description	2004	2005 (P)
PFI	36	7
Land	143	34
Resort	115	10
IT & R&D etc.	19	24
Total	313	75

Appendix - PFI Projects



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(As of Mar., 2005)

(Unit: 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	
	Daegu West-North Road	15.1%	3.3	6.9	3.7 (Municipality of Daegu, Nov.2003)
	Cholmasan Tunnel	23.5%	1.0	18.0	1.0 (KTCU, Nov. 2001)-sold
	Manwolsan Tunnel	15%	5.0	16.5	-
	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

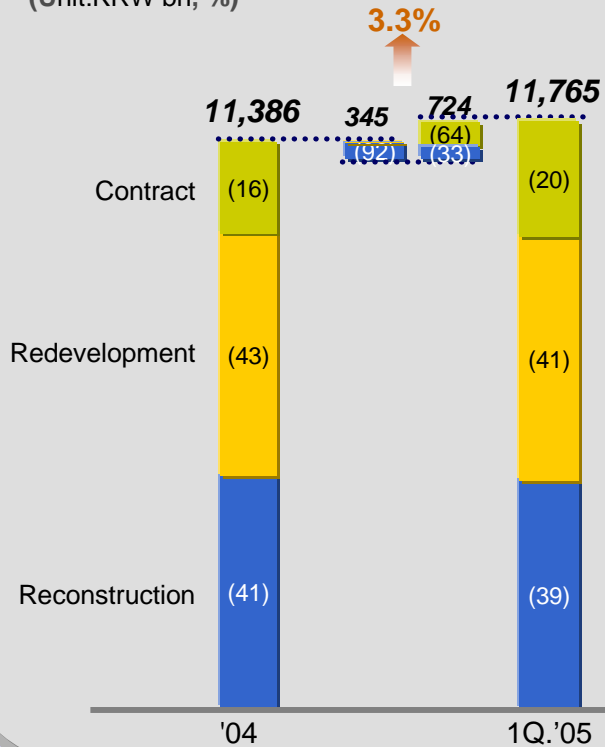
Status	Name of Project	Consortium Leader	GS Shares (%)	Investment Plan	Invested Amount	Contract Amount
Under Investment	Kangnam Beltway	Doosan	11.5%	27.0	1.2	97.1
	Sub-Total			27.0	1.2	97.1

Appendix - Provisional Order Backlogs in Housing Div.



Provisional Order Backlogs

(Unit:KRW bn, %)



By Sectors

(Unit:KRW bn)

Description	'04	New Order Recognition (1Q.'05)	New Provi.Order (1Q.'05)	1Q.'05
Contract	1,864	-	461	2,325
Redevelopment	4,879	27	27	4,879
Reconstruction	4,643	318	236	4,561
Total	11,386	345	724	11,765

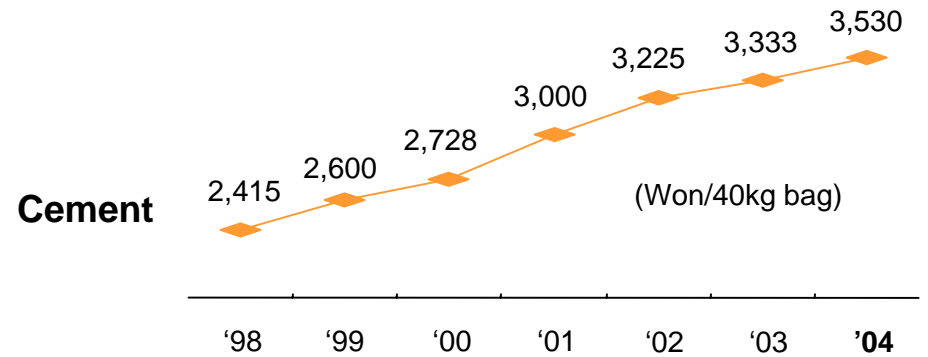
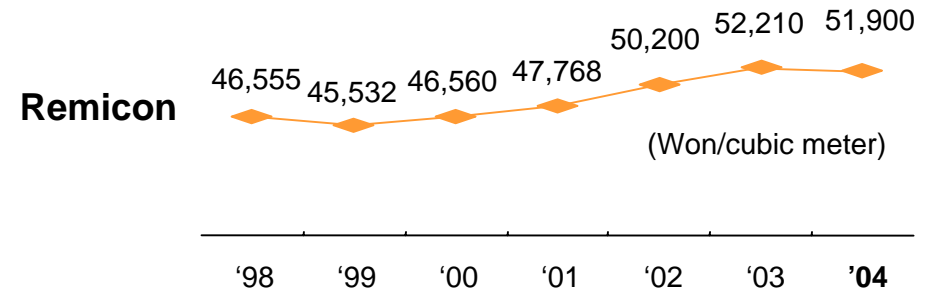
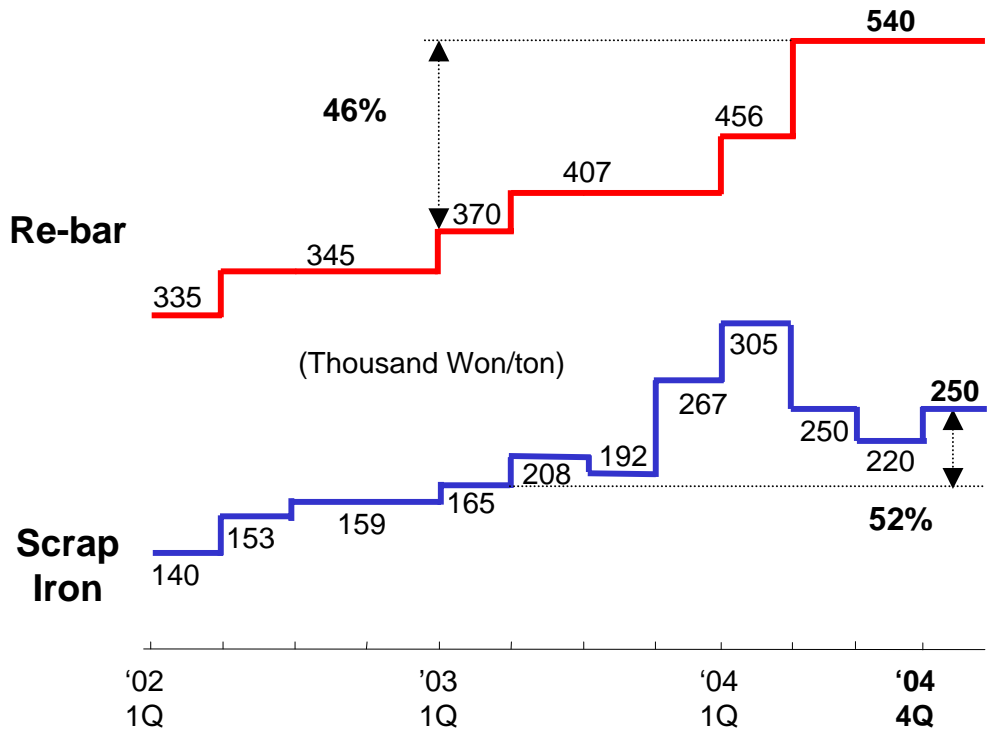
New Provi. Order

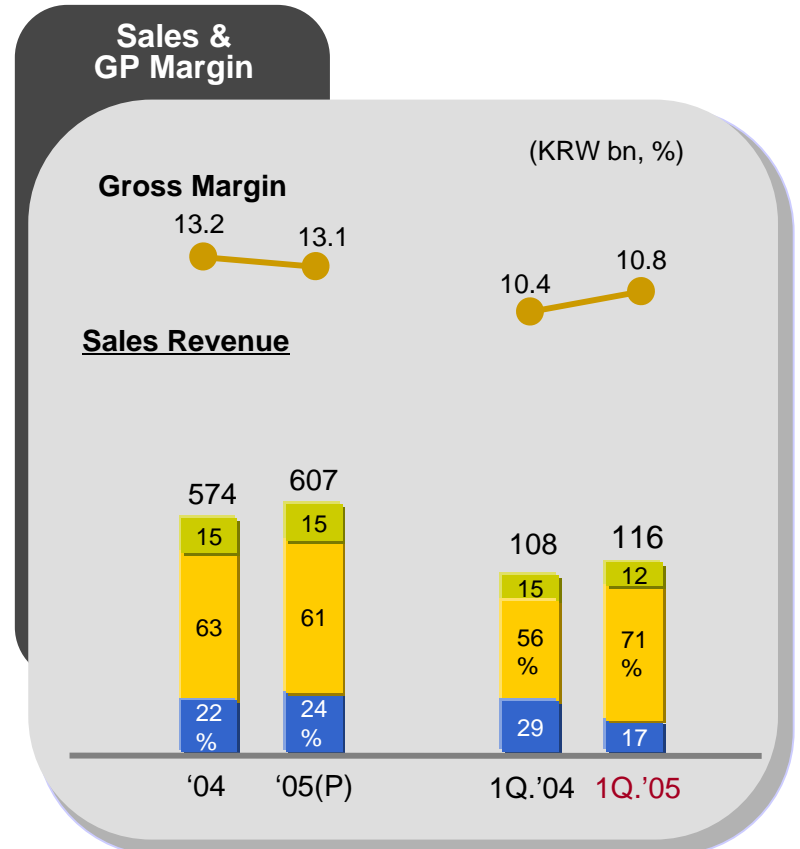
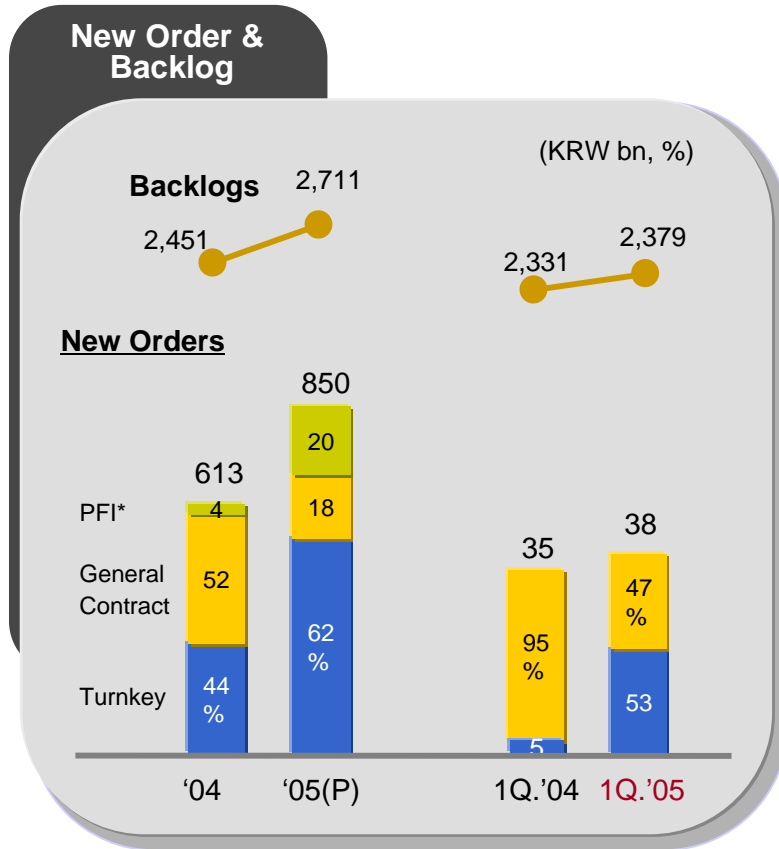
(Unit:KRW bn)

Description	Project	Amount
Contract	Osan chungho	132
	Daegu shinchun	105
	Youngjong unnam	224
	Total	461
Redevelopment	Others(Increased)	27
	Total	27
Reconstruction	Buchun single houses	34
	Others(Increased)	202
	Total	236

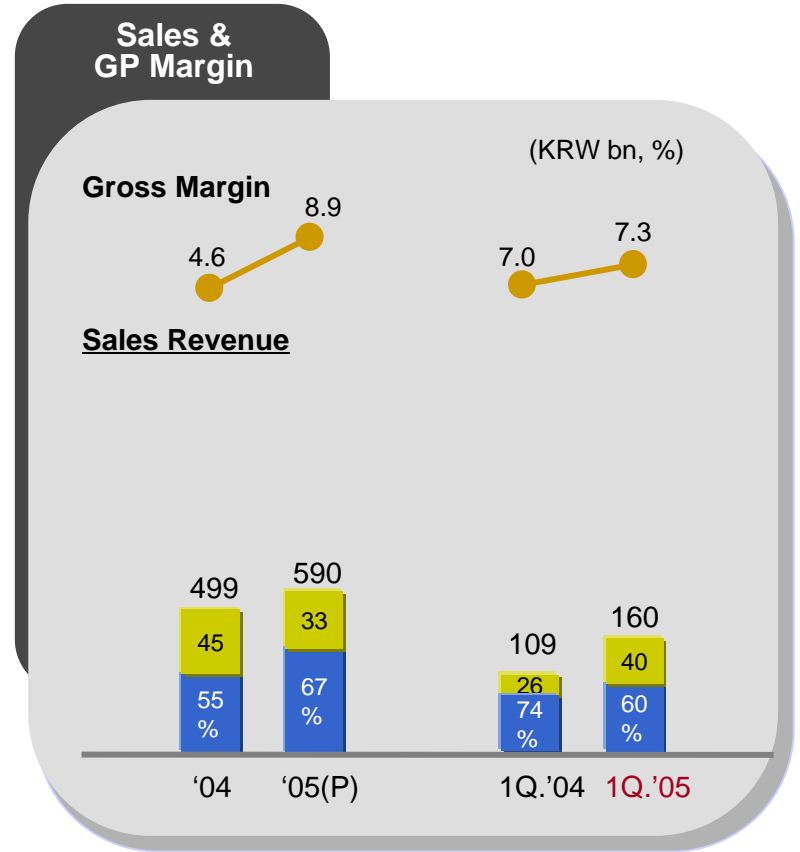
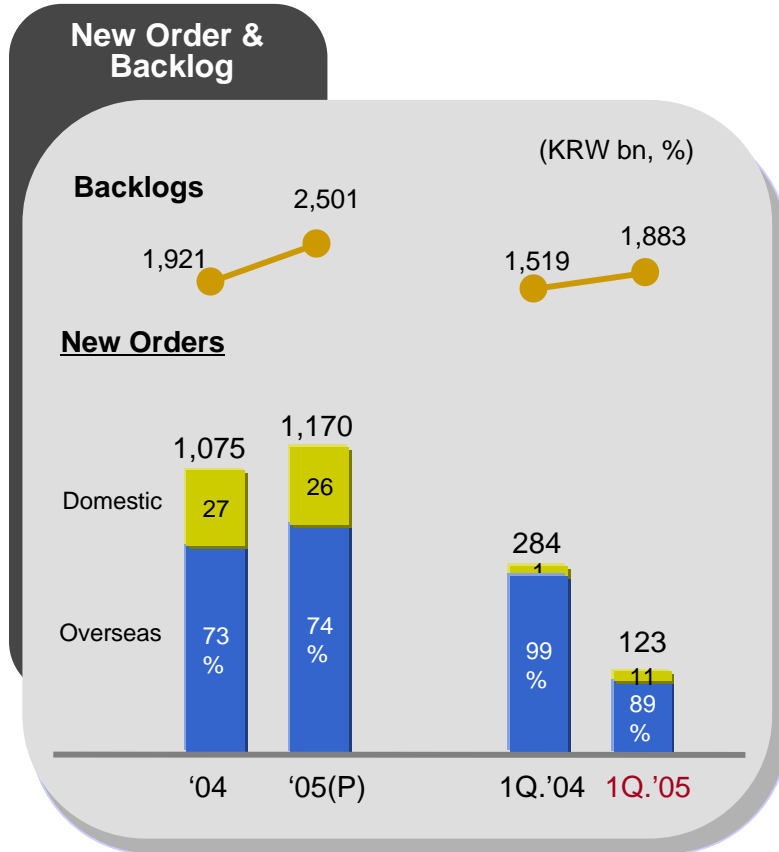
* () proportion of each sector

Appendix - Major Material Prices





*PFI : Privately Funded Infrastructure

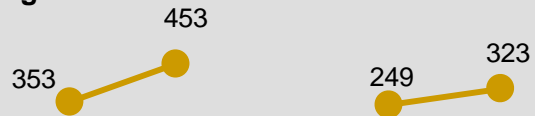


* From 2004, the Environment business division was separated from the Plant division

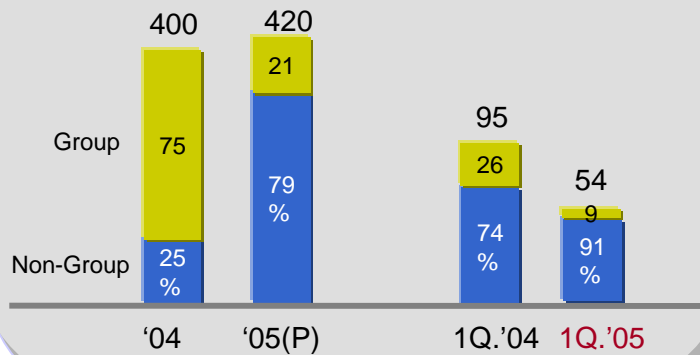


New Order & Backlog

Backlogs (KRW bn, %)

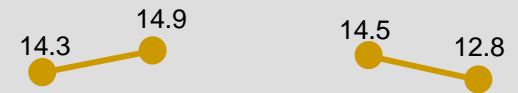


New Orders

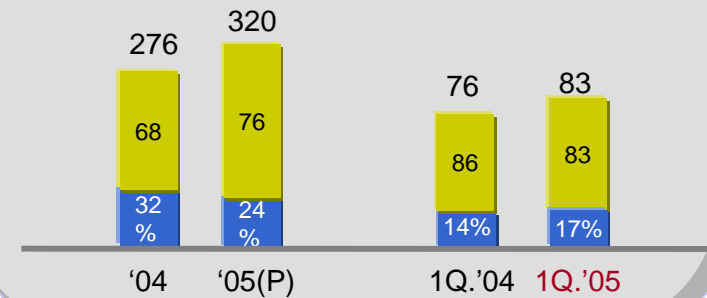


Sales & GP Margin

Gross Margin (KRW bn, %)



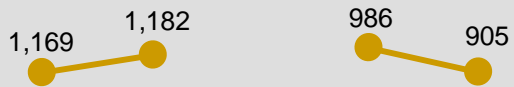
Sales Revenue



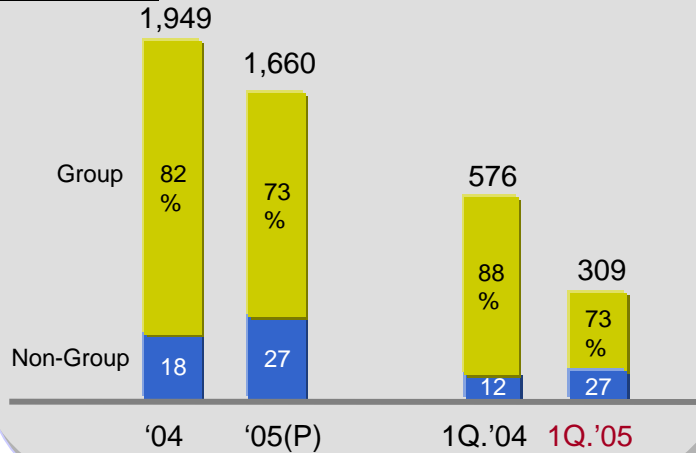


New Order & Backlog

Backlogs (KRW bn, %)

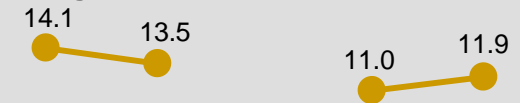


New Orders

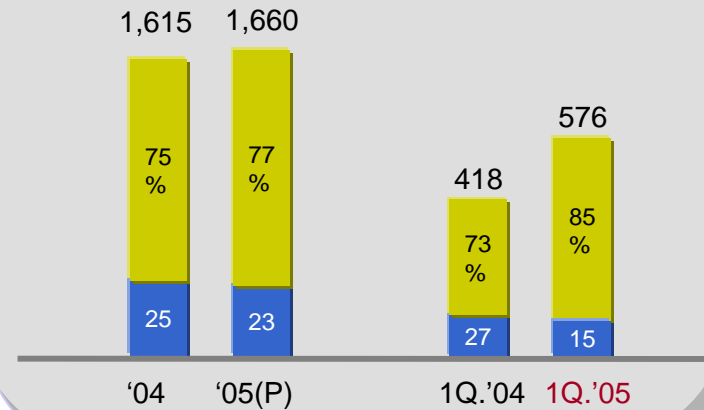


Sales & GP Margin

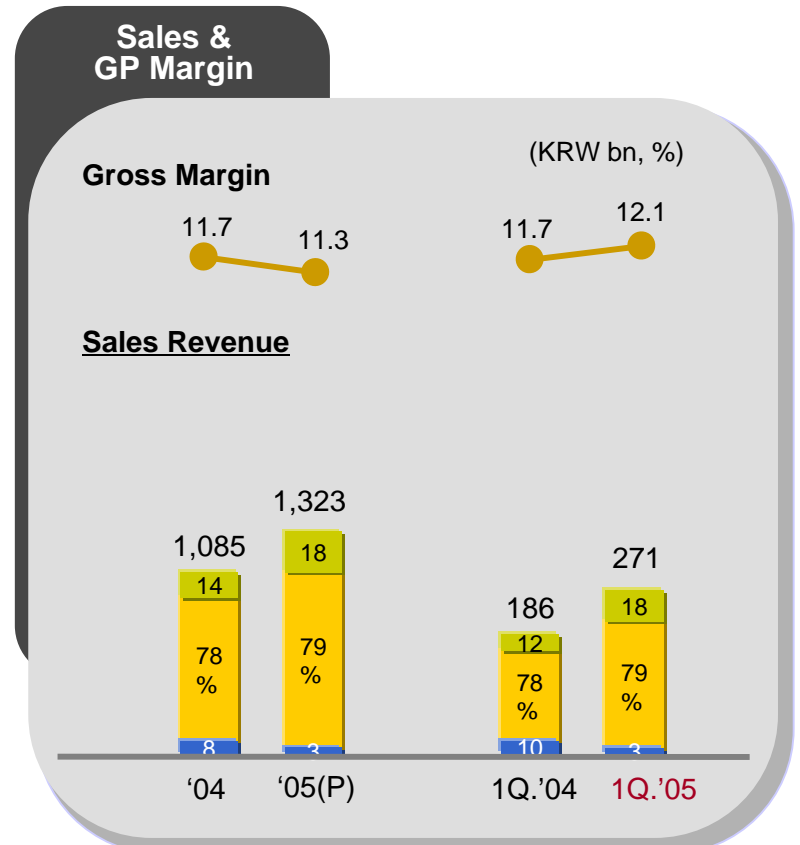
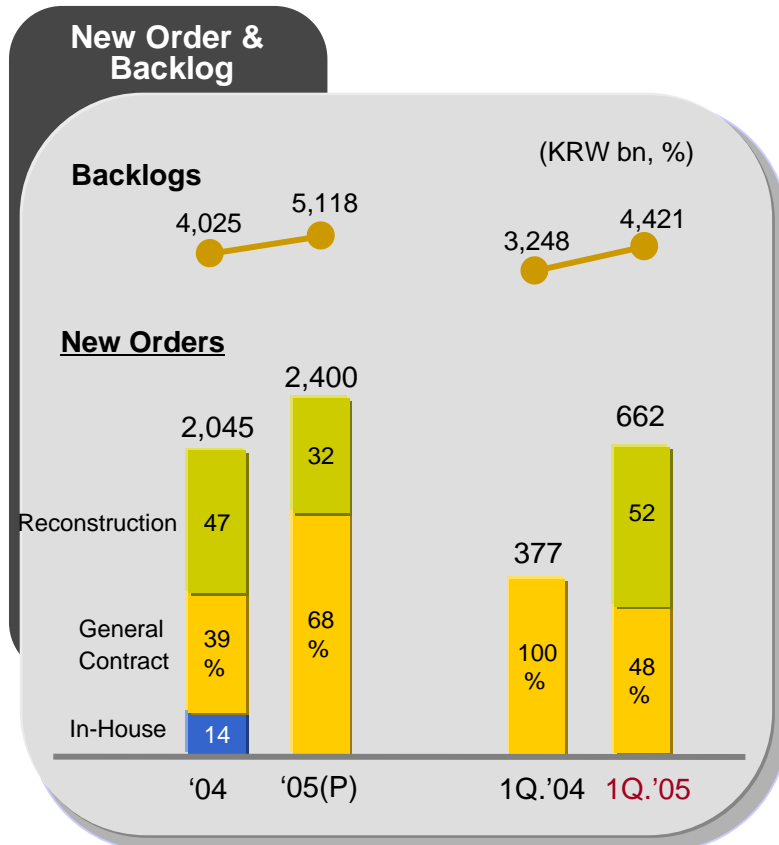
Gross Margin (KRW bn, %)



Sales Revenue



Appendix - Performance & Goal by Division - Housing



* Approximately KRW12 trillions of provisional order backlogs not included. (As of 1Q. 2005)



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