

November 2005

# Earning Release for the 3Q. 2005





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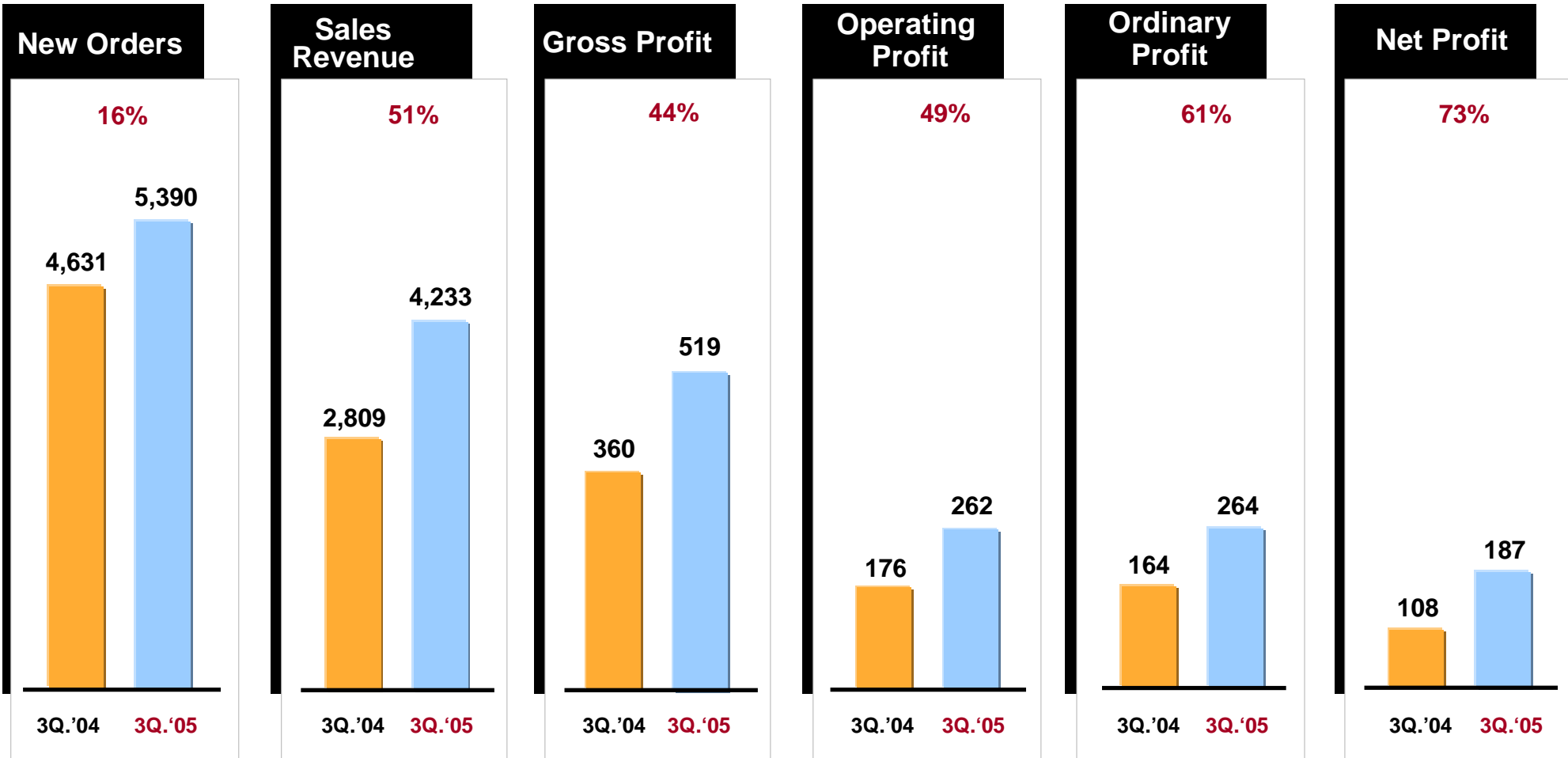
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# Highlights - Summary



New orders and sales revenue have increased by 16%, 51% respectively, and profits also have highly increased.

(Unit: KRW bn)

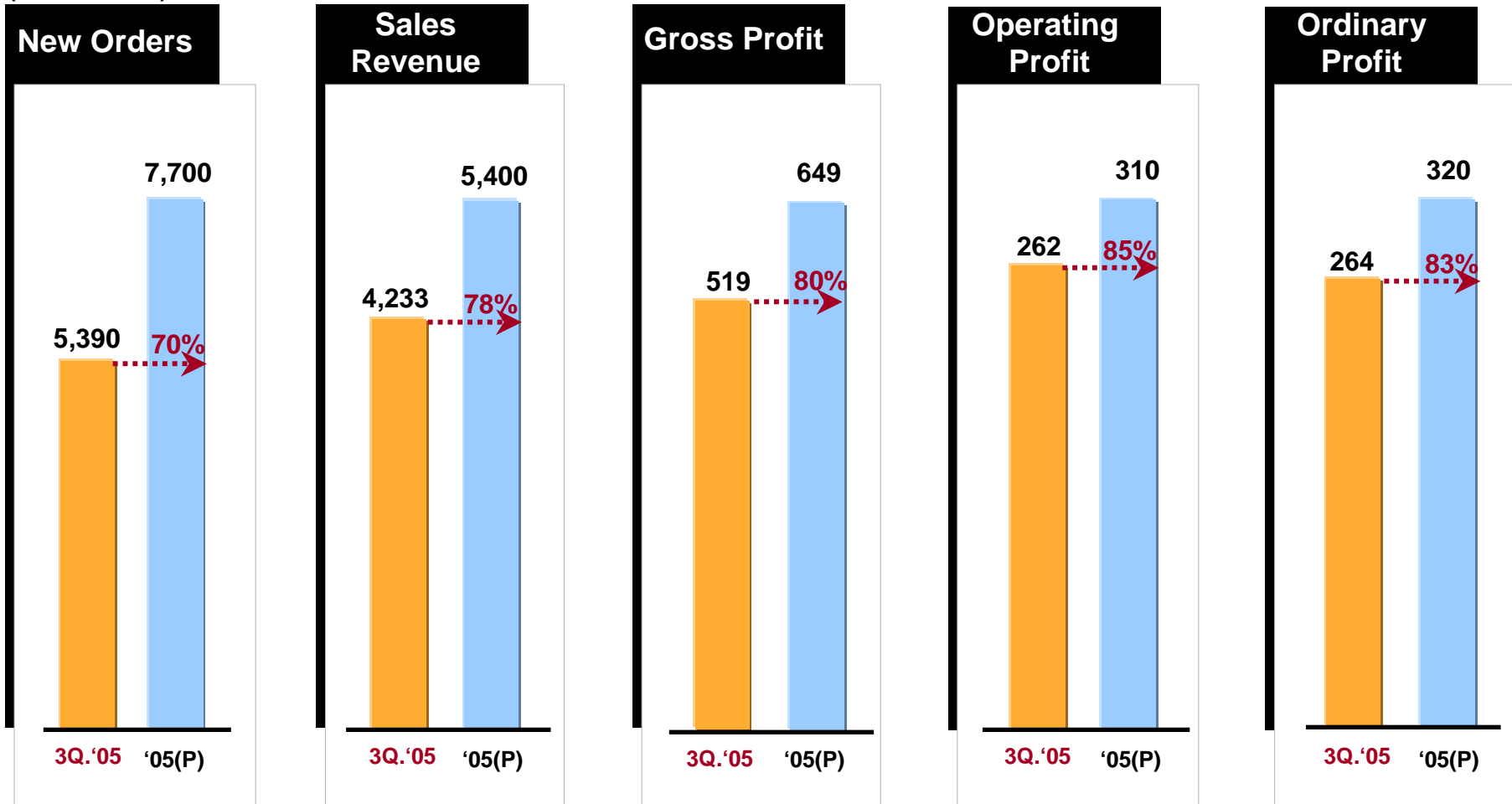


# Highlights - Annual Target Achievement



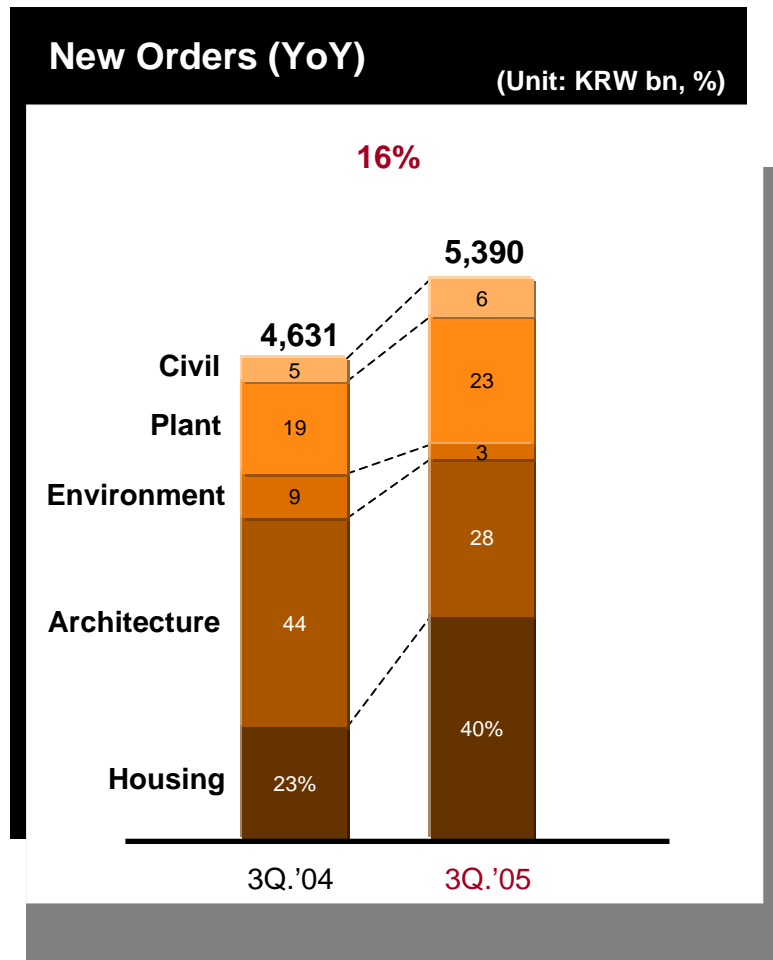
Results of 3Q show positive signs of achieving the annual targets.

(Unit: KRW bn)





New orders are up 16% showing a huge increase in the Housing division due to many large reconstruction projects.



### By Division

(Unit: KRW bn)

Division	3Q.2004	3Q.2005	Growth Rate(%)
Civil	223	359	61%
Plant	895	1,229	37%
Environment	424	141	67%
Architecture	2,008	1,515	25%
Housing	1,081	2,146	99%
<b>Total</b>	<b>4,631</b>	<b>5,390</b>	<b>16%</b>

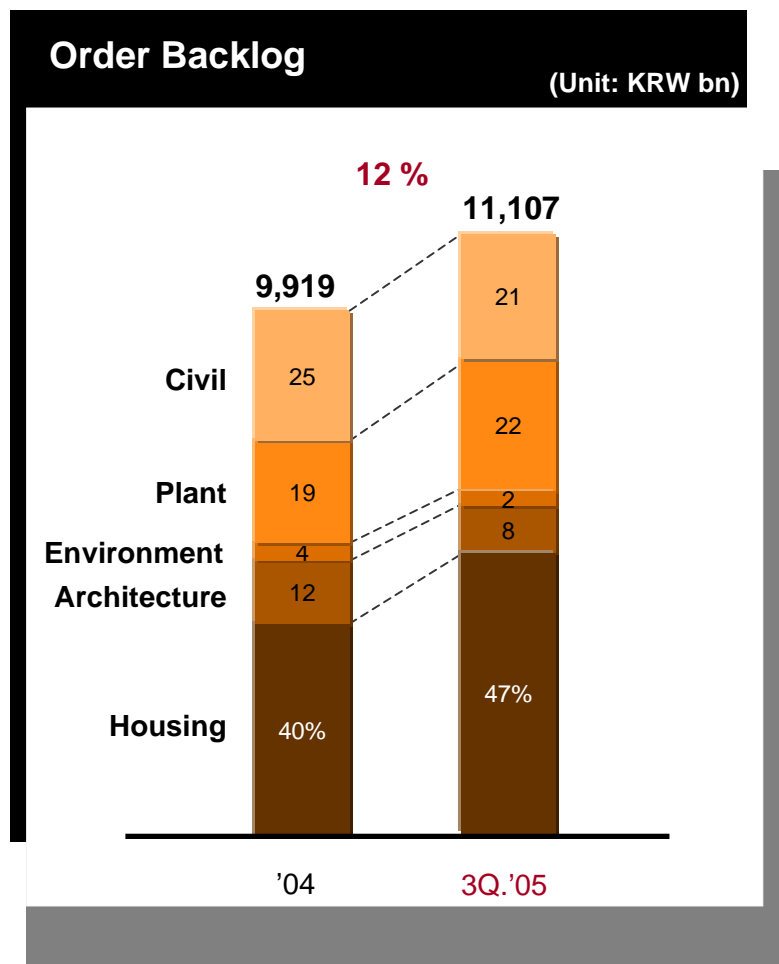
### Major Projects

(Unit: KRW bn)

Division	Project	Amount
Civil	Public Eligibility Incheon Int'l Airport South #2	68
Plant	Private Overseas RAS LAFFAN in Qatar	407
Plant	Private Overseas ATC Aromatics Project	246
Environ.	Public T/K Osan #2 Waste Water Treatment	30
Arch.	Private Contract Nongsim Town	82
Housing	Private Contract Changwon Convention	193
Housing	Private const. Poil Reconstruction	369



Order backlog is up 12% to 11.1 trillion won, 2.1 year work volume based on the annual revenue target.



### By Division

(Unit: KRW bn)

Division	'04	3Q.2005	Growth Rate
Civil	2,451	2,299	6%
Plant	1,921	2,481	29%
Environment	353	237	33%
Architecture	1,169	883	24%
Housing*	4,025	5,207	29%
<b>Total</b>	<b>9,919</b>	<b>11,107</b>	<b>12%</b>

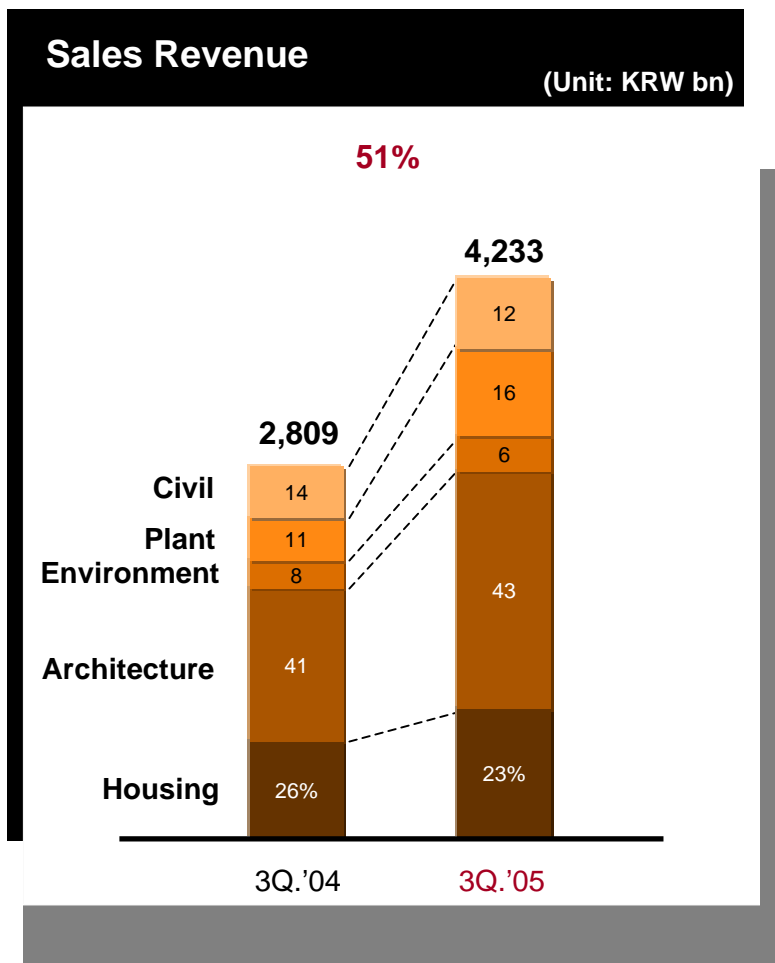
\* Provisional order backlogs in Housing div. (12.8 trillion) excluded.

### Comments

- Plant : Increased with big jump in overseas projects.
- Environ./ Arch.: Decreased because of the fast progress in Group works.
- Housing : Increased due to a number of reconstruction projects.



Sales Revenue is up 51% YoY with the fast progress of TFT-LCD project and overseas projects in the Plant division.



### By Division

(Unit: KRW bn)

Division	3Q.2004	3Q.2005	Growth Rate(%)
Civil	396	523	32%
Plant	318	669	110%
Environ.	212	257	21%
Arch.	1,156	1,809	56%
Housing	727	975	34%
<b>Total</b>	<b>2,809</b>	<b>4,233</b>	<b>51%</b>

### Comments

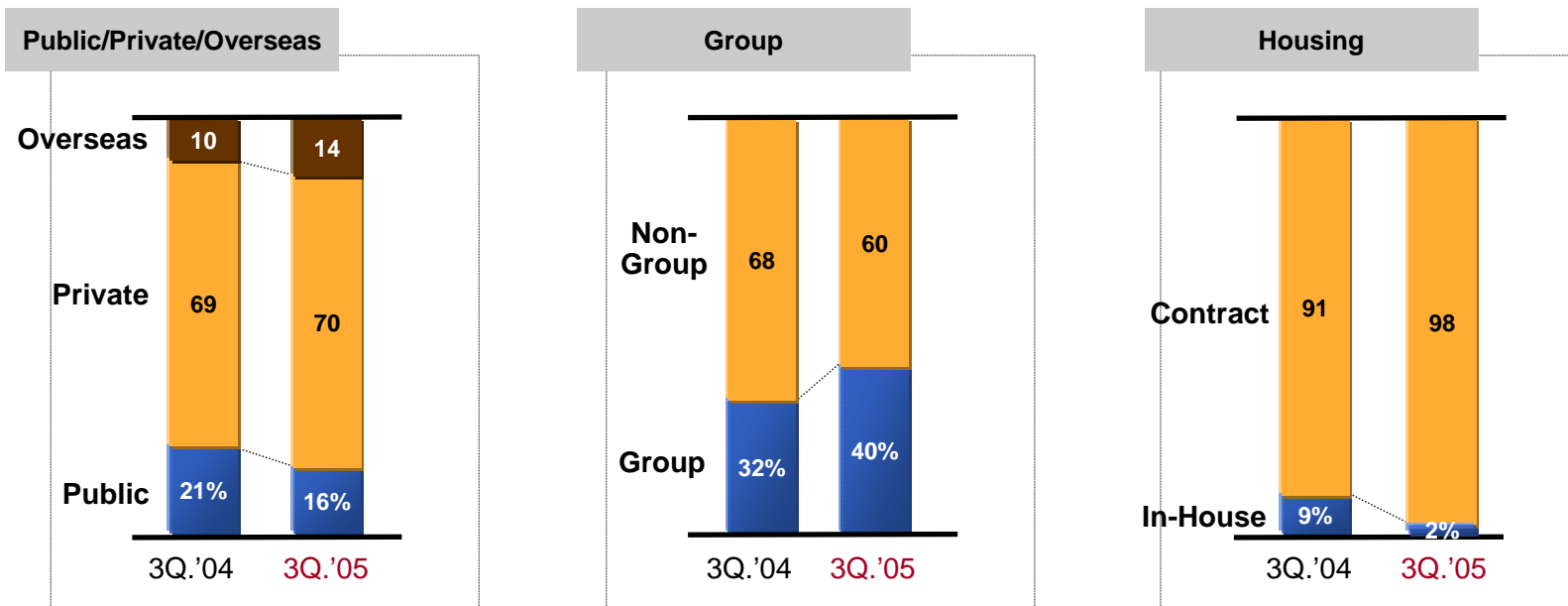
- Plant : Increased due to the active progress in overseas projects like Qatar QP LAB and Oman PP.
- Architecture : Increased due to the additional group works like TFT-LCD P7.
- Housing : Increased due to the active progress in general contracts and reconstruction projects.

# Business Performance – Revenues Origin by Sector



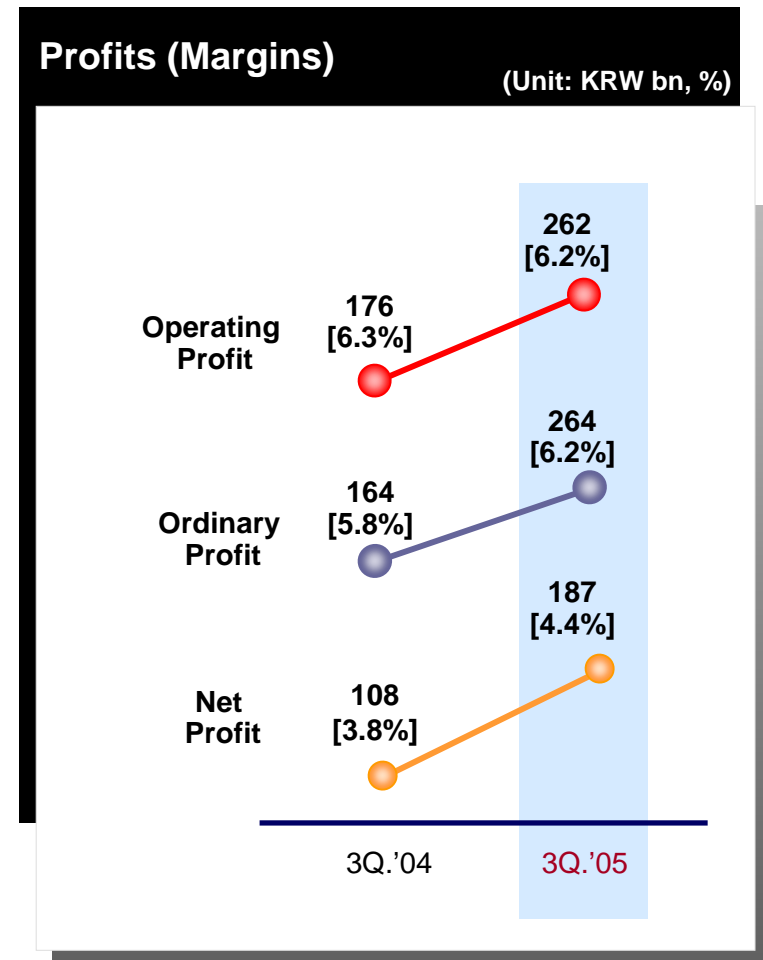
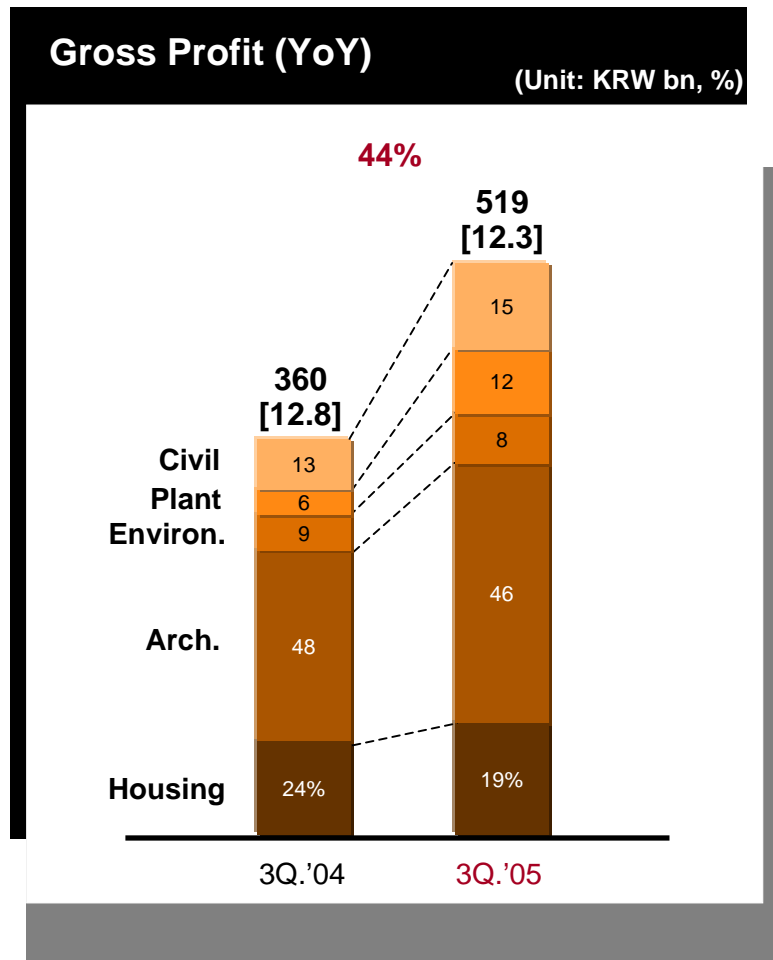
Group works have increased mainly due to TFT-LCD project, and overseas works have also increased while in-house business has decreased.

## Revenue Proportions





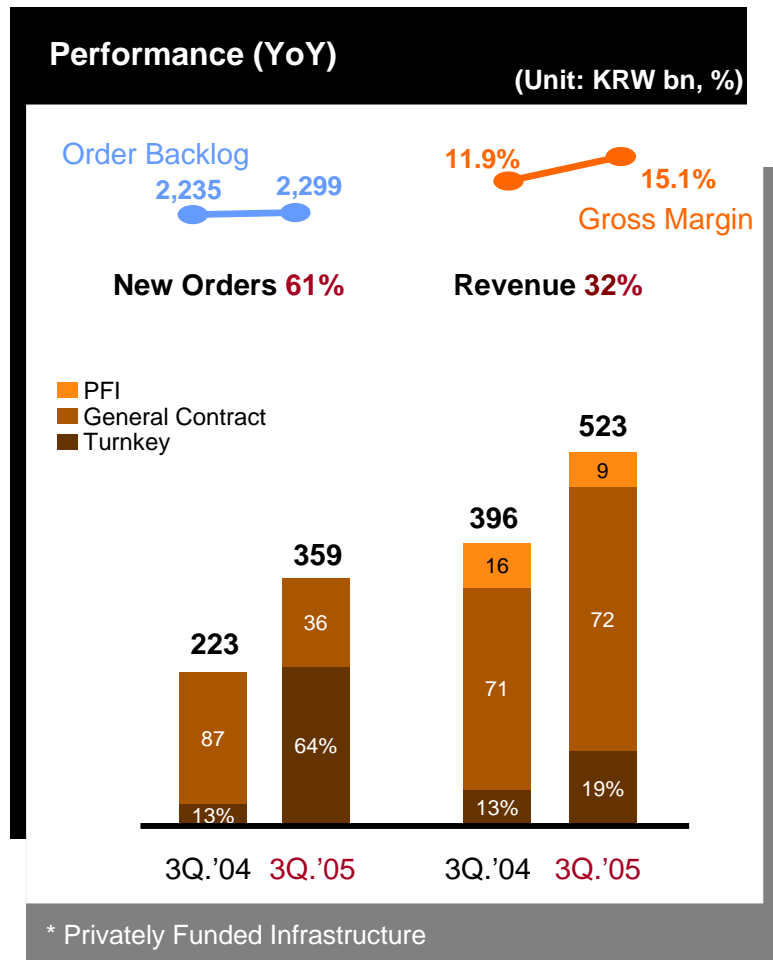
All profits have increased. Especially, the Plant division showed the significant improvement.



# Performance by Division - Civil



With a number of new turnkey projects, new orders have increased substantially and revenue has grown steadily.

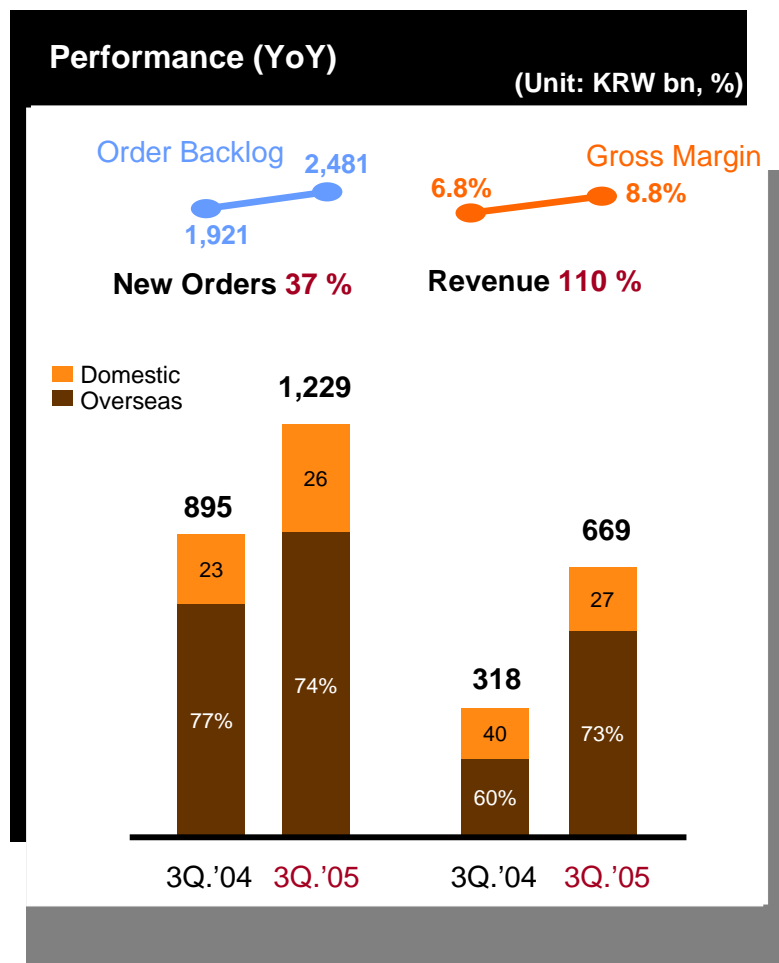


### Comments

- New orders: Increased substantially with many T/K projects. (Won 5 out of 8 biddings)
- Revenue : Increased with the steady growth in T/K and general contract.
- Gross Margin: Improved thanks to cost saving in some projects.



New orders have increased thanks to an abundance of overseas contracts. Sales revenue has also increased sharply, with positive progress on overseas and domestic projects.

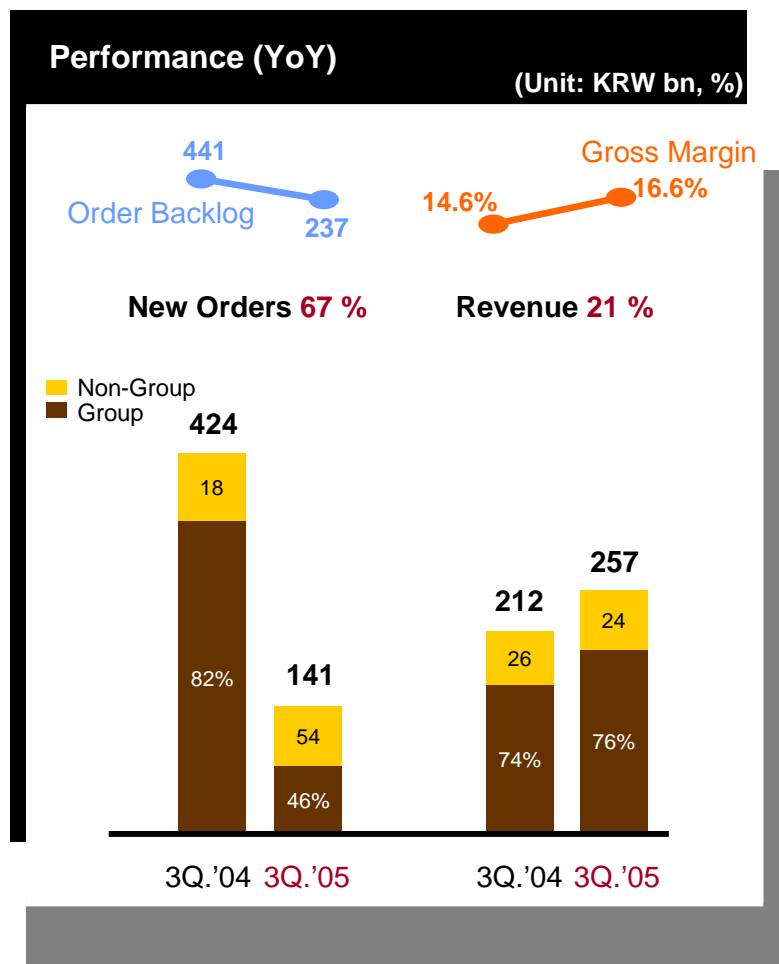


### Comments

- New orders : Increased substantially from overseas projects like Ras Laffan and ATC Aromatics.
- Revenue : Increased with favorable progress on overseas works.
- Gross Margin : Improved with cost reduction in certain projects like QP LAB and Oman PP.



New orders have decreased due to a decline in Group works, but revenue is up 21% thanks to steady progress on existing Group works.



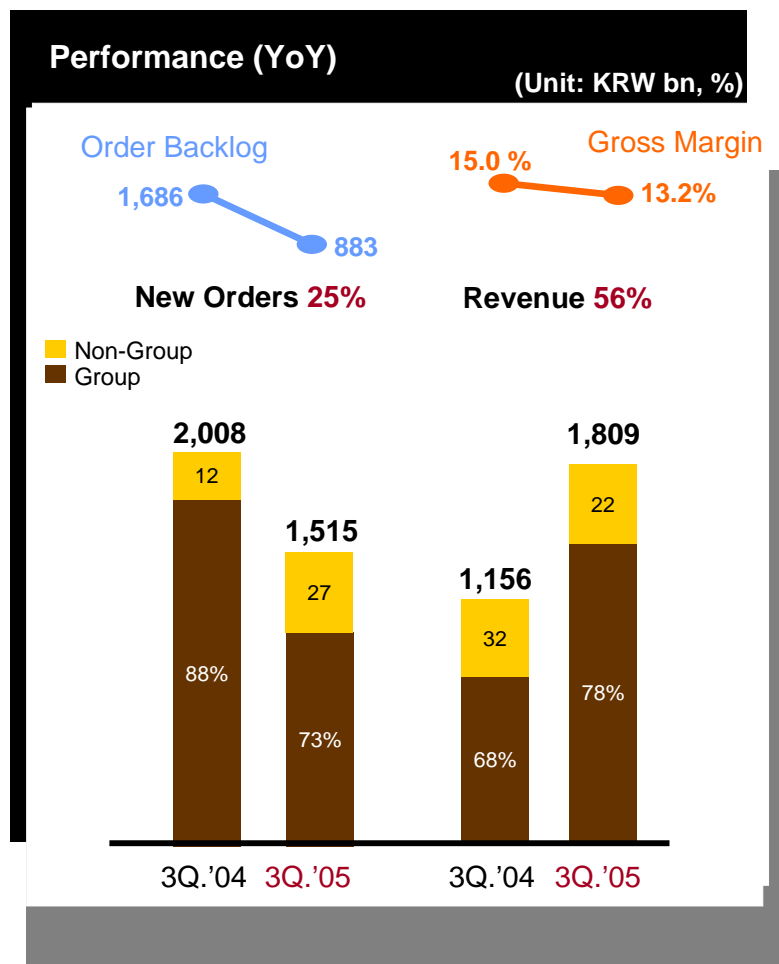
### Comments

- New orders : Dropped due to decrease in Group works like TFT-LCD P7 project.
- Revenue : Increased due to the fast progress on TFT-LCD projects.
- Gross Margin : Improved thanks to the fast progress in P6 and P7 projects.

# Performance by Division - Architecture



New orders have decreased due to a decline in Group works. Revenue has increased substantially due to the fast progress on existing Group works.



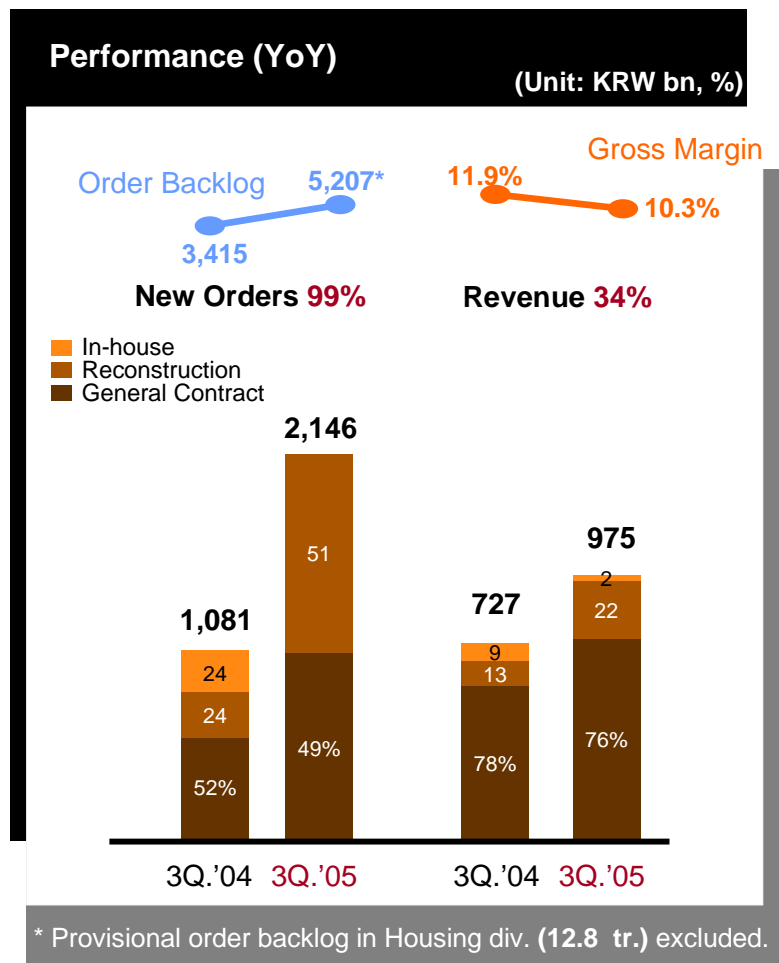
### Comments

- New orders : Dropped due to a decrease in Group works like TFT-LCD P7 project.
- Revenue : Increased mainly due to the fast progress on Group works like TFT-LCD project.
- Gross Margin : Slightly down due to the increased number of new projects.

# Performance by Division - Housing



New orders have soared with huge reconstruction projects. Sales revenue has also increased thanks to progress in existing projects.



### Comments

- New orders : Substantially increased with huge reconstruction projects like Poil Jukong and Kwonsun Jukong in Suwon
- Revenue : Increased with steady progress in general contract projects.
- Gross Margin : Fell slightly because of cost increase in some projects.

# Appendix - Balance Sheet (Summary)



## B / S

(KRW bn,%, times, won)

Account	'00	'01	'02	'03	'04	3Q.'05
Total Asset	2,378	2,645	2,662	2,690	3,303	3,697
Cash & Deposits	46	167	136	102	266	352
Trade Receivables <sup>1)</sup>	463	656	836	875	1,095	1,272
Inventories	534	406	175	121	159	160
Investments	542	647	700	676	679	553
Tangible Assets	597	592	652	709	844	901
Total Liabilities	1,610	1,713	1,613	1,535	2,006	2,279
Trade Payables	467	407	511	621	794	913
Borrowings <sup>2)</sup>	615	516	346	160	228	185
Total Shareholders' Equity	768	932	1,049	1,155	1,297	1,418
Capital Stock	255	255	255	255	255	255
Asset Turnover Ratio	1.13	1.26	1.20	1.30	1.35	1.61
Liabilities/Equity Ratio	209.6	183.8	153.8	132.8	154.7	160.7
Net D/E Ratio <sup>3)</sup>	74.0	37.5	20.0	5.0	2.9	11.8
ROE	16.8	18.8	16.2	14.7	12.7	18.4

Note 1) Trade Receivables = Trade accounts and notes receivables, net

2) Borrowings = Short-term borrowings + Current long-term debts + Debentures + Long-term borrowings

3) Net Debt = Borrowings - Cash & Deposits

# Appendix - Income Statement (Summary)



## I / S

(KRW bn,%, times, won)

Account		'00	'01	'02	'03	'04	3Q.'05
Revenues	Civil	584	540	514	573	574	523
	Plant	650	631	583	580	499	669
	Environment	-	-	-	-	276	257
	Architecture	653	856	820	1,258	1,615	1,809
	Housing	821	1,126	1,258	1,056	1,084	975
	Total	2,708	3,153	3,175	3,468	4,049	4,233
	Gross Profit	380	405	473	521	492	519
	Operating Profit	225	255	276	271	229	262
	Ordinary Profit	176	225	245	262	242	264
	Net Profit	124	160	161	162	156	187
	Operating Margin	8.3	8.1	8.7	7.8	5.7	6.2
	Interest Coverage	4.2	8.5	18.8	16.9	36.1	36.3
	ROA	5.2	6.4	6.1	6.0	5.2	6.7
	EPS(won)	2,458	3,199	3,225	3,245	3,134	3,749*

\*Calculated by the weighted average number of common shares outstanding with net profit for 3Q.05



## Major New Order Project List

(KRW bn)

Division	Project	Contract Date	Contract Amount	Description	
Civil	Double-tracked railway Jinju – Kwangyang	June. 2005	57	Public	T/K
	Removing obstacle project in Incheon Int'l Airport	Sept. 2005	68	Public	Contract
Plant	RAS LAFFAN Condensate	May.2005	407	Overseas	Qatar
	Tongyoung LNG Receiving Terminal	July 2005	140	Public	Domestic
Environment	P7 Environmental Facility	May. 2005	45	Private	LG
	Jungheung Waste Water Treatment in Yeosu	May. 2005	17	Public	T/K
Architecture	Nongshim Campus Town	April. 2005	82	Private	Contract
	PDP A4 Project	Increased	170	Private	LG
	Complex Facility in Kasan Dong	May. 2005	34	Private	Contract
	LG Electronics RUBI Project	July. 2005	42	Overseas	LG
Housing	Poil Jukong Reconstruction	May. 2005	369	Private	Reconstruction
	Changwon Convention Center	June. 2005	193	Private	Contract