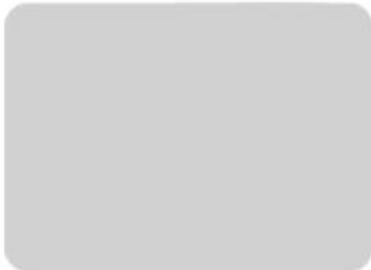


August, 2007

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Earning Release for 1H. 2007

INVESTOR RELATIONS





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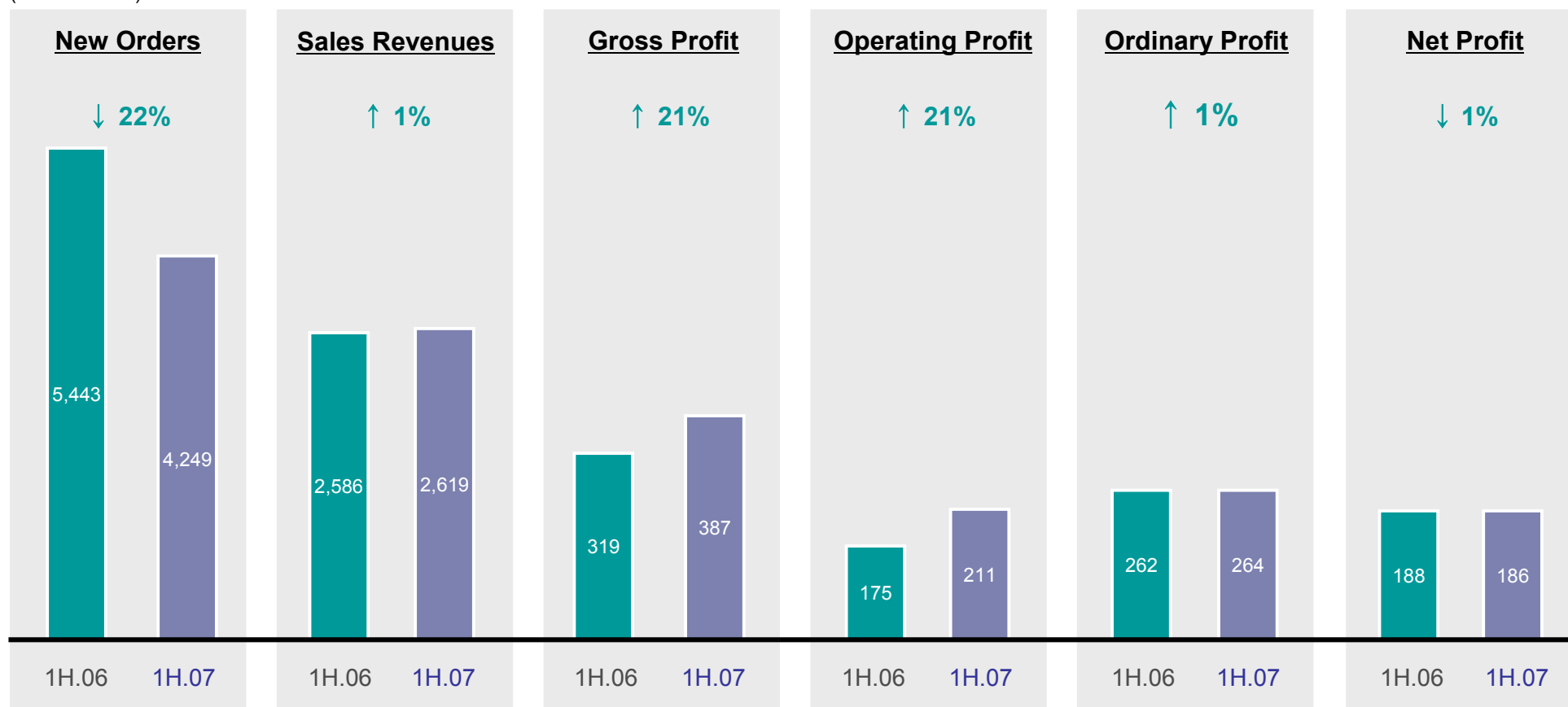
Highlight

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New orders have decreased by 22%, but sales revenue have increased by 1%. Meanwhile, gross profit and operating profit have increased substantially.

(Unit: KRW bn)



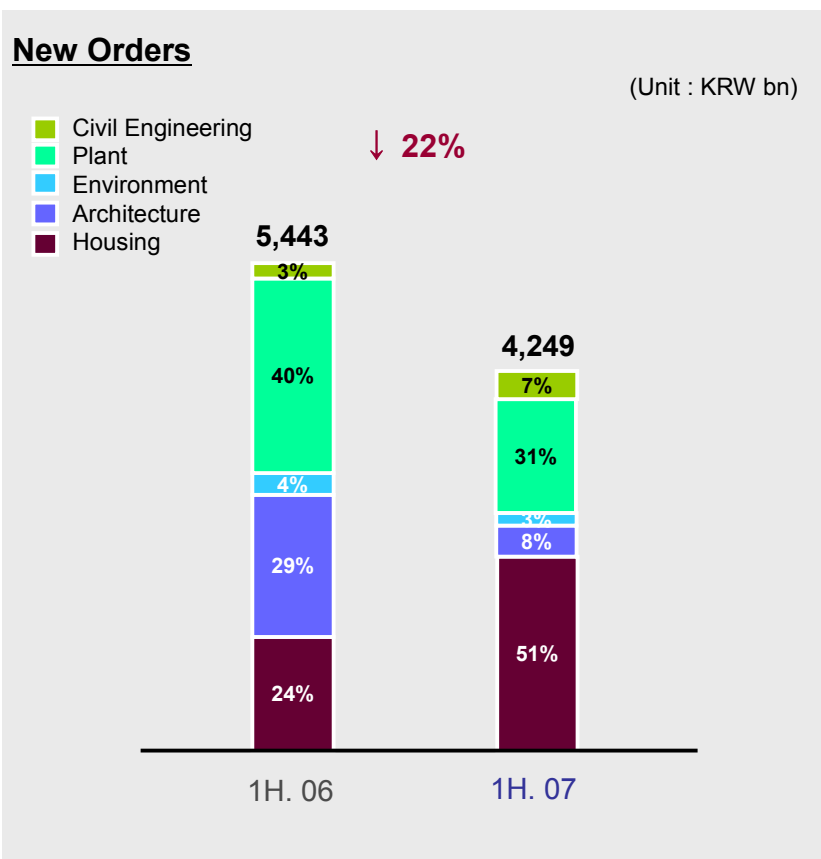


Business Performance – New Orders

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New orders of GS E&C have decreased by 22%, but new orders from Civil Engineering and Housing divisions increased.



New Orders by Division

(Unit : KRW bn)

Division	1H. 06	1H. 07	Growth Rate
Civil Engineering	183	310	69%
Plant	2,164	1,290	-40%
Environment	230	139	-40%
Architecture	1,573	334	-79%
Housing	1,293	2,176	68%
Total	5,443	4,249	-22%

Major Projects

(Unit: KRW bn)

Division	Project	Contract Amount
Civil Public PFI	Youngdong Highway No.2	121
Plant Overseas Oman	Salalah Methanol	683
Environ. Public T/K	Hwasung Incinerator	39
Arch. Private Develop.	Incheon Univ' transfer	38
Housing Private Contract	Gimpo Poongmu	161

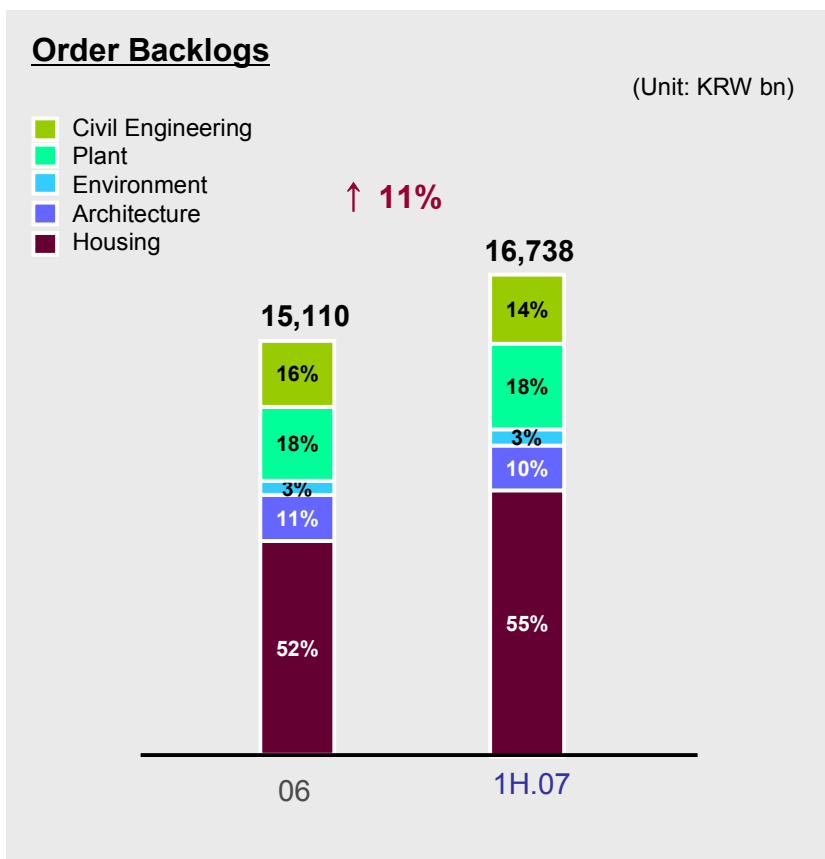


Business Performance – Order Backlogs

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Order backlogs are up 11% compared to the end of the last year. We have 5.4 years work volume based on the annual revenue target for 2007, considering 18.3 trillions won of provisional backlogs.



Order Backlogs by Division

Division	2006	07.1H	Growth Rate
Civil	2,376	2,392	1%
Plant	2,736	2,981	9%
Environment	480	528	10%
Architecture	1,665	1,585	-5%
Housing	7,853	9,252*	18%
Total	15,110	16,738	11%

* Provisional order backlogs in Housing div. (18.3 trillion) excluded.

Comments

- Plant : Increase in overseas works
- Housing : Increased with redevelopment projects

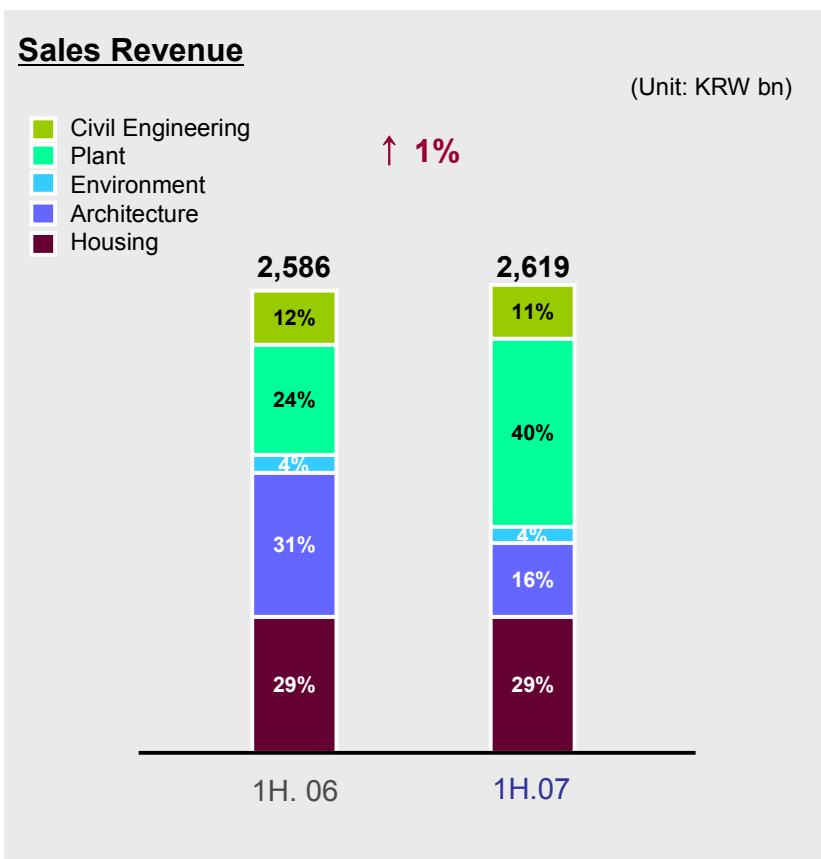


Business Performance – Sales Revenue

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Sales revenue recorded the same level as the last year.



Sales Revenue by Division

(Unit : KRW bn)

Division	1H.06	1H.07	Growth Rate
Civil Engineering	300	302	1%
Plant	613	1,044	70%
Environment	103	95	-8%
Architecture	811	412	-49%
Housing	759	766	1%
Total	2,586	2,619	1%

Comments

- Plant – Increased with the fast progress on HOU and Oman Aromatics projects
- Architecture – Sales revenue decreased due to the decline of investment from LPL

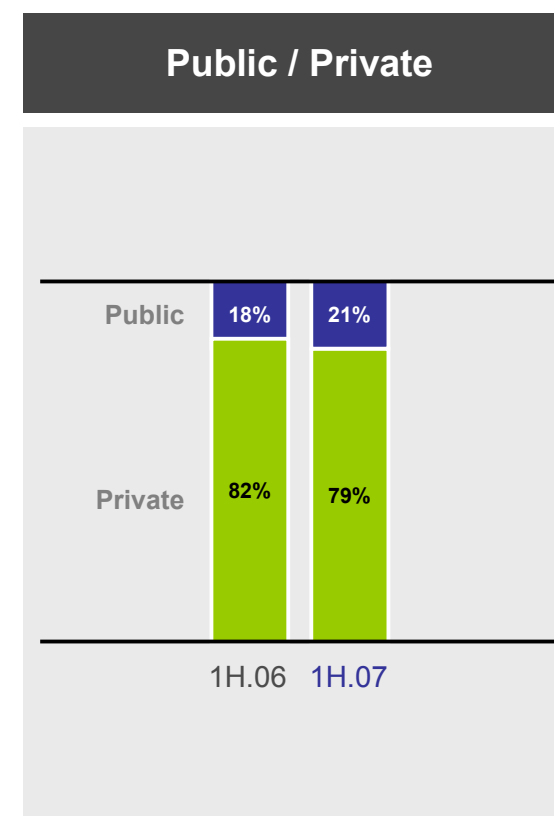
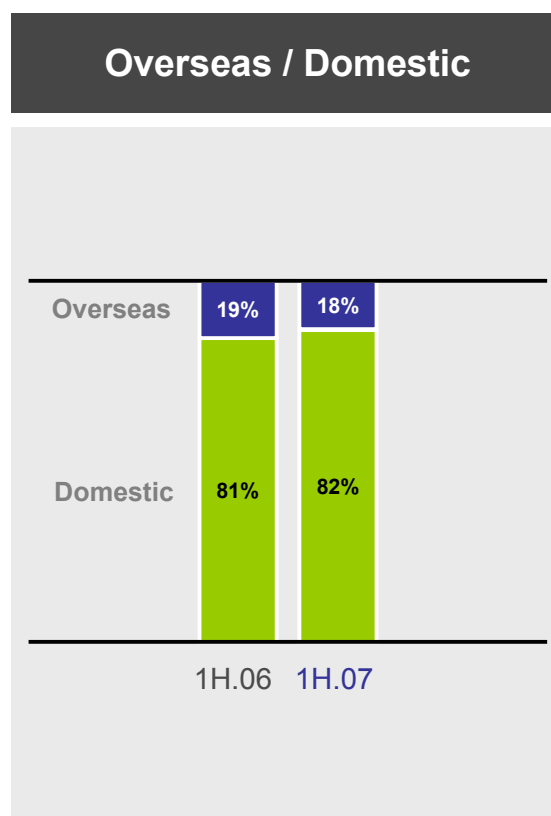
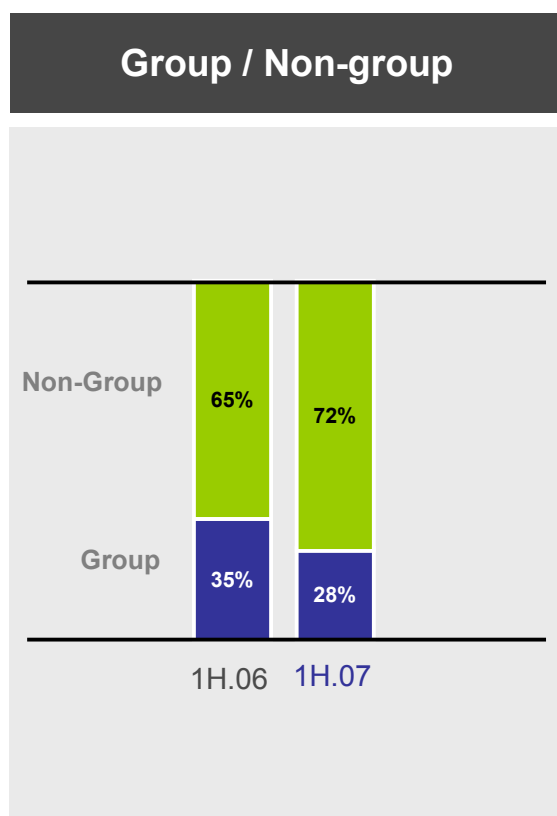


Business Performance – Revenue Origin by Sector

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Group works decreased due to investment delay of group companies, but overseas and public works volume were similar to last year's.



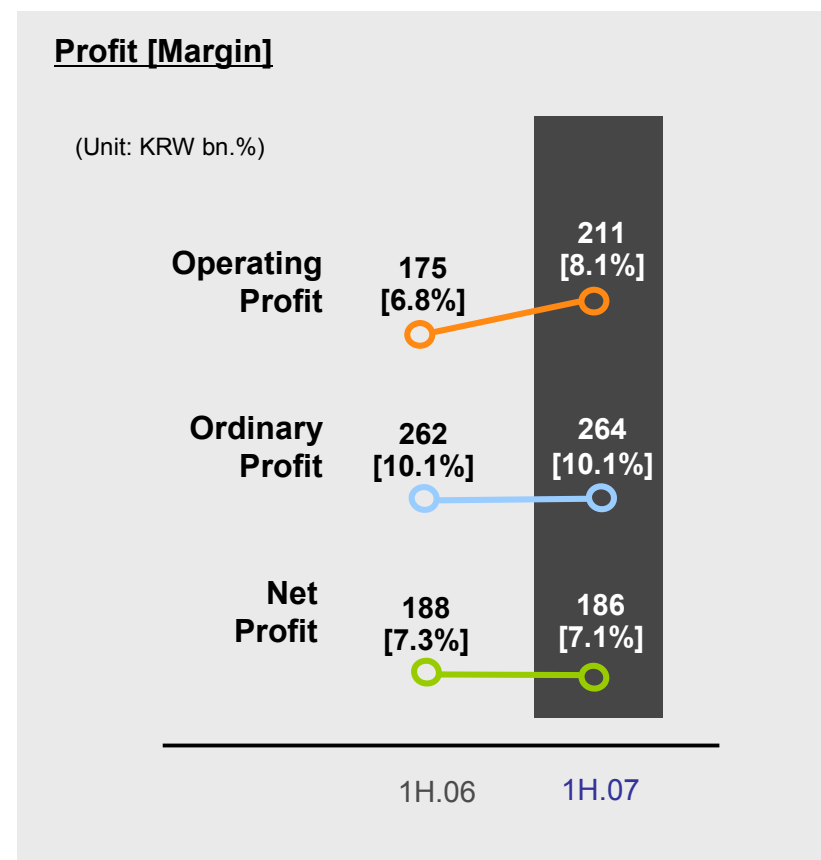
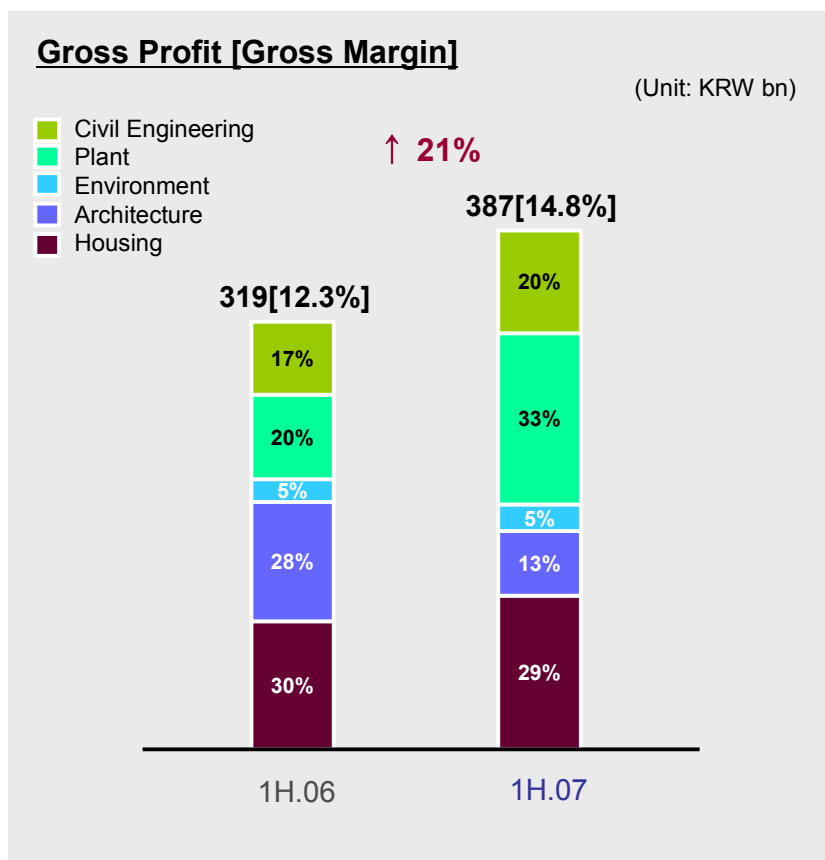


Business Performance – Profits

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Margins are much higher than last year because of higher profit from the Plant and Civil engineering divisions.



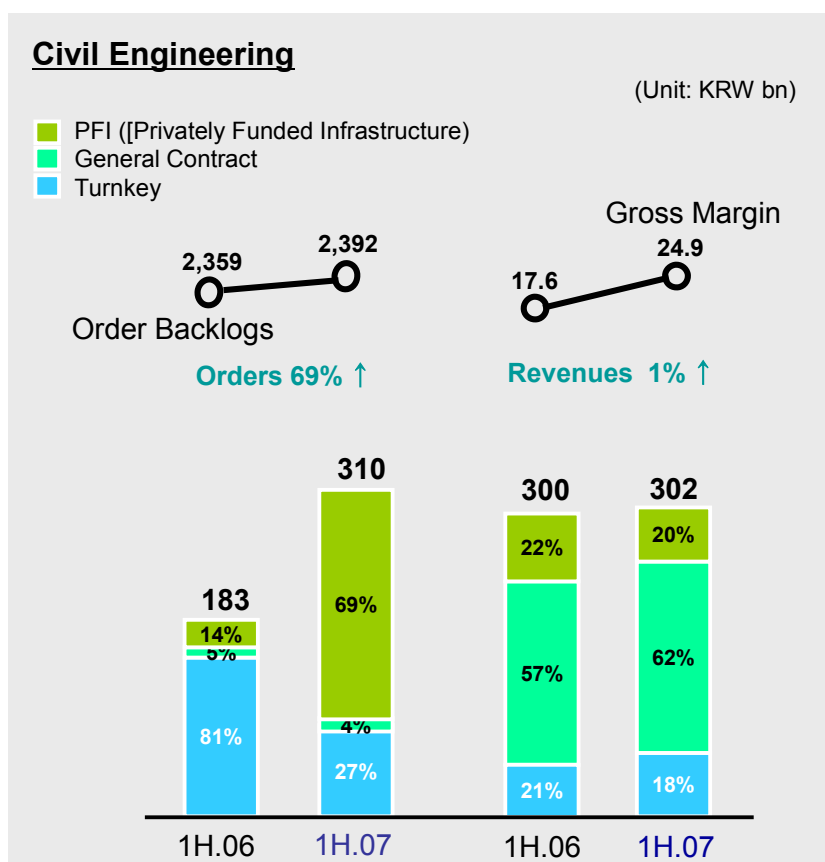


Performance by Division – Civil Engineering

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New orders have increased substantially and gross margin highly improved.



Comments

- New orders : Increased with PFI.
- Revenues : Similar to last year's level.
- Gross Margin : Improved with high margin from PFI and TK.

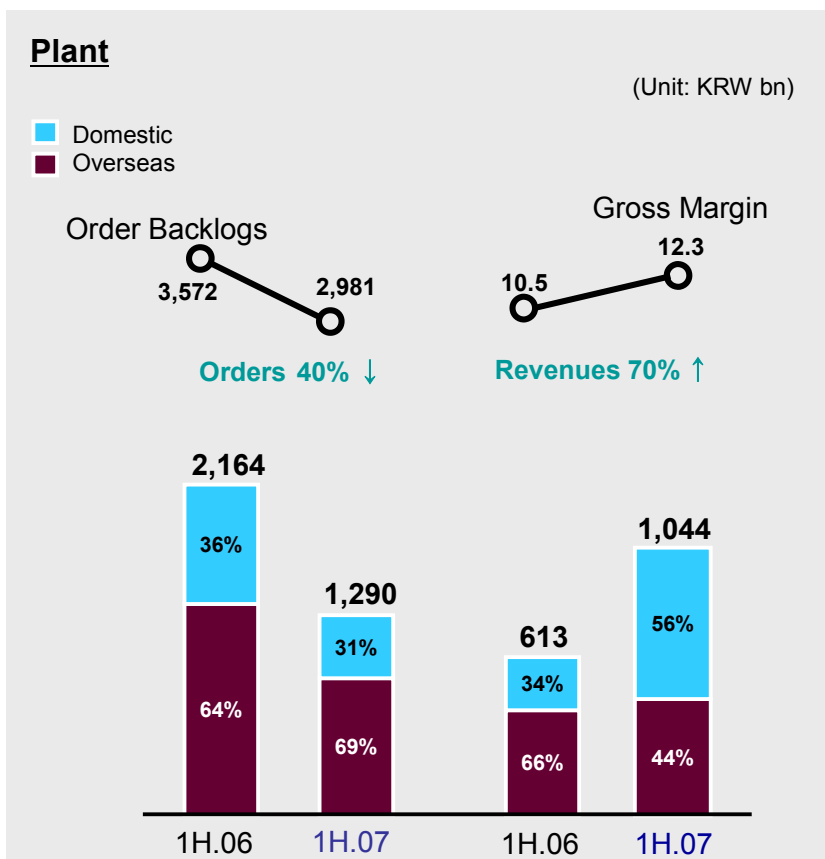


Performance by Division – Plant

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New orders and sales revenue have increased thanks to an abundance of overseas works and favorable progress of overseas projects. Gross margin has also improved.



Comments

- New Orders : Total new orders decreased despite Oman Salalah and Thailand HMC project because those amount were smaller than Oman Aromatics which was recognized as new orders last year.
- Revenues : Increased with favorable progress on overseas and domestic works.
- Gross Margin : Overseas project margin improved .

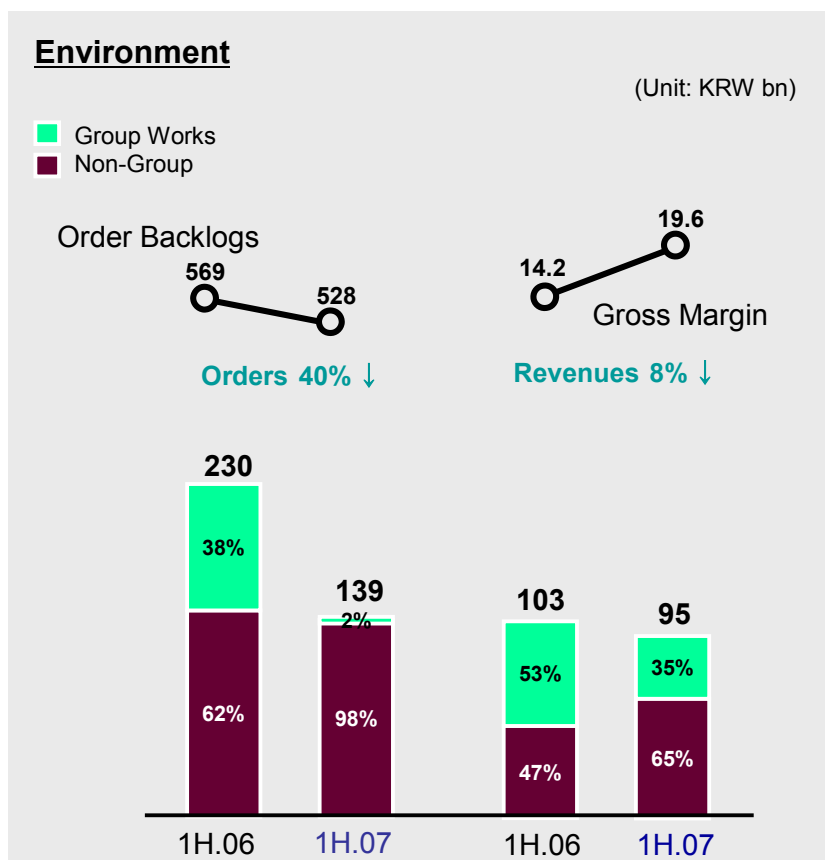


Performance by Division – Environment

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New orders decreased due to decline in public and group works.



Comments

- New Orders : Decreased in public and group works.
- Revenue: Slightly decreased due to decline of group works.
- Gross Margin :Group margin improved.

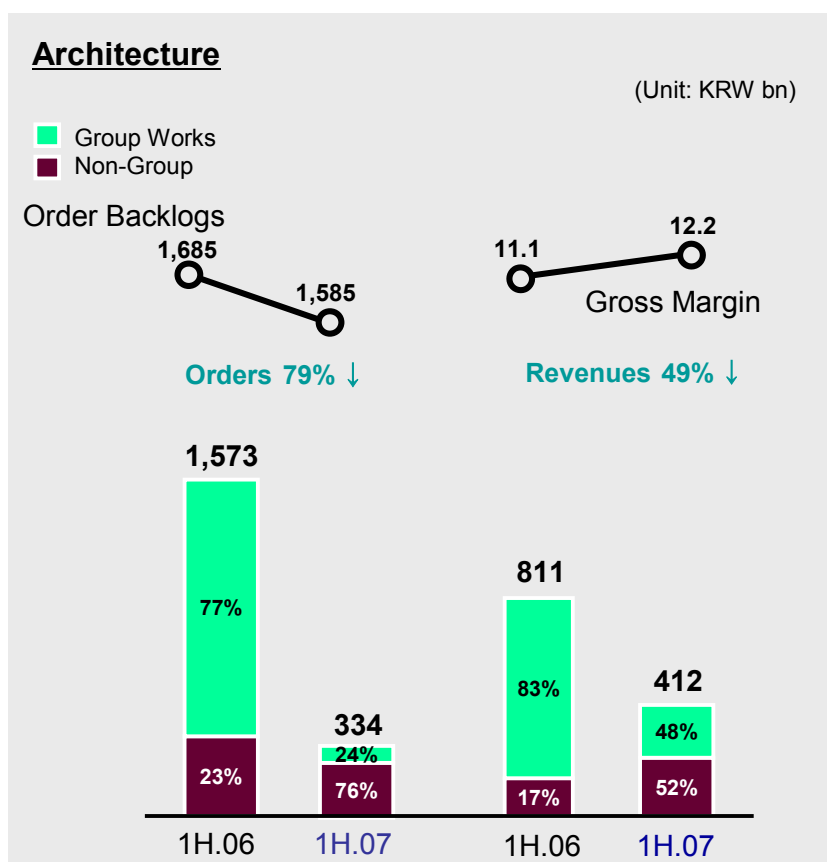


Performance by Division – Architecture

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New orders and Sales revenues have decreased due to drop in group works.



Comments

- New orders : Decline with delay of group new orders.
- Revenues : Decreased with completion of P7.
- Gross Margin : Group works and general contract project margin have improved.

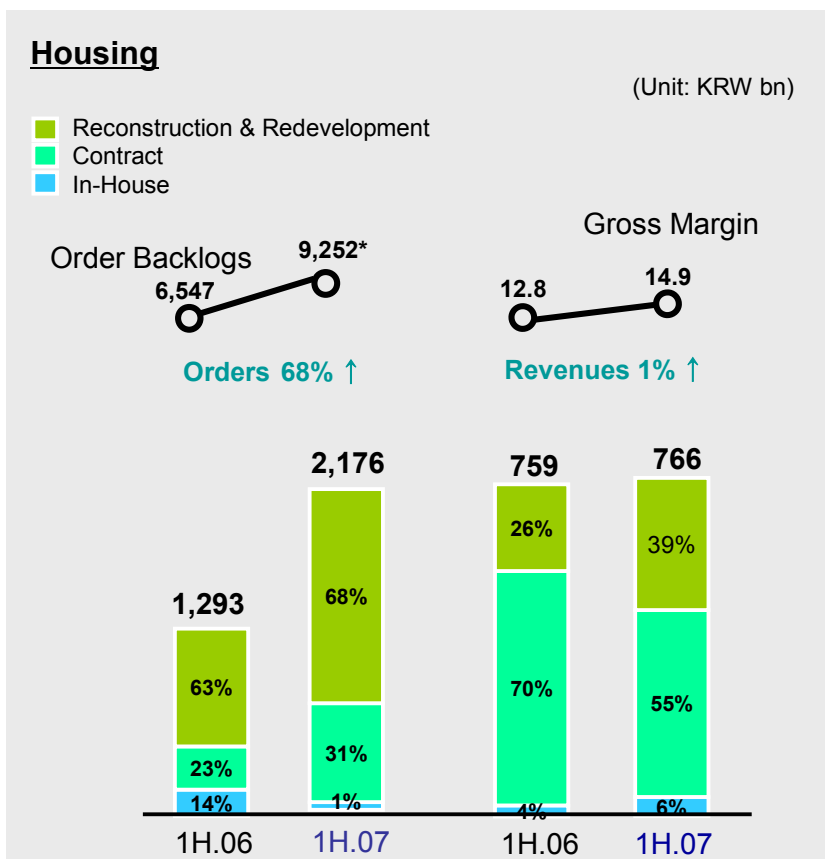


Performance by Division – Housing

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New orders increased with many redevelopment works, while sales revenues have increased with favorable progress of general contract and reconstruction projects



Comments

- New Orders : Increased with redevelopment projects.
- Revenue : Similar to last year’s level due to increase in redevelopment and reconstruction.
- GP Margin : Improved with huge profitable reconstruction projects.

* Provisional order backlogs (18.3 trillion) excluded.



Appendix – Balance Sheet (Summary)

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(Unit: KRW bn,%)

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



Appendix – Income Statement (Summary)

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(Unit: KRW bn)

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



Appendix – Major New Project List

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(Unit: KRW bn)

Division	Project	Contract Date	Contract Amount	Description	
Civil Eng.	Heavy Equipment Facility in Goyang Vehicle	May.07	56	Public	T/K
	Youngdong Highway # 2	May.07	121	Public	PFI
Plant	Salalah Methanol Project	Mar.07	683	Overseas	Oman
	Lotte Daesan NCC Revamping Project	Jan.07	130	Private	Lotte
Environment	Incineration Facility in Hwasung	Feb.07	39	Public	T/K
	Waste water Sludge in Daegu	April.07	21	Public	T/K
Architecture	LGE Refrigerator Factory in Poland	Increased	19	Private	LG
	Relocation of Incheon University	April.07	38	Private	Development
Housing	Poongmoo Kimpo	Mar.07	161	Private	General
	Geojae #1 Redevelopment	June.07	126	Private	Redevelop