

Annual Report 2006

A Top Global Builder

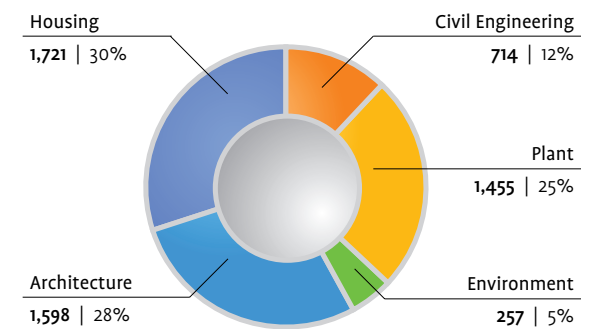
Key Financial Data

[Unit : Billions of Won]

	2006	2005	2004
Sales Revenue	5,745	5,631	4,049
Gross Profit	762	680	492
Operating Profit	403	336	229
Ordinary Profit	544	367	242
Net Profit	387	265	156
Earning Per Share(KRW)	7,741	5,317	3,134
Dividend Per Share(KRW)	1,550	1,400	1,250

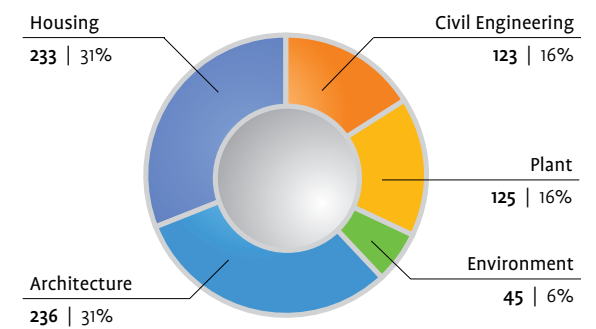
Sales Revenue by Division

[Unit : Billions of Won]



Gross Profit by Division

[Unit : Billions of Won]



Segments

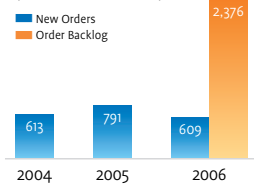
GS E&C has a diverse business portfolio that civil engineering, plant, environment, architecture and housing, enabling systematic and stable growth in domestic and overseas market.

The company is building numerous roads, railways and bridges through civil engineering projects, promoting balanced development nationwide and supporting national economic advancement. Diverse projects have also been carried out for domestic and foreign oil, gas and petrochemical companies, and the company has the technology and construction know-how to lead the Korean market for sewer rehabilitation, sewage plant construct and water treatment plant construction. A wealth of technology and experience enable the company to construct office buildings that are highly functional and aesthetically pleasing. In addition, GS E&C has been involved in the Korean housing market since 1980, building apartment complexes around the country and setting new trends in modern Korean lifestyles.



New Orders

| Unit : Billions of Won |



| Unit: Billions of Won |

	2006	2005	YoY
Sales Revenue	714	730	-2.2%
Gross Profit	123	122	0.8%

Civil Engineering

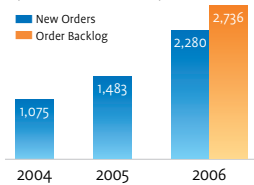
The Civil Engineering Division builds roads, railways, port facilities, tunnels, industrial parks and underground storage facilities under government contracts. The division will focus on profitability by expanding involvement in turnkey & PFI projects.

- Railroads
- Roads / Tunnels & Bridges
- Ports & Dredging
- Underground Space



New Orders

| Unit : Billions of Won |



| Unit: Billions of Won |

	2006	2005	YoY
Sales Revenue	1,455	1,037	40.3%
Gross Profit	125	86	45.3%

Plant

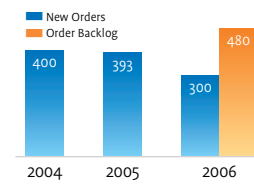
The Division has established a solid portfolio by advancing into oil refineries, chemical plants, power plants, and gas platforms for clients mainly in Korea, the Middle East and Southeast Asia. Profitability is a key factor in bidding on new projects, while GTL and LNG projects are being cultivated as new growth engines that will bolster the competitiveness of the plant construction business. Better global sourcing, risk management systems and human resources development are paving the way for the Division to join the ranks of the world's leading players.

- Petroleum Refining
- Natural Gas Processing
- Oil & Gas Storage
- Power Generation



New Orders

| Unit : Billions of Won |



| Unit: Billions of Won |

	2006	2005	YoY
Sales Revenue	257	312	-17.6%
Gross Profit	45	51	-11.8%

Environment

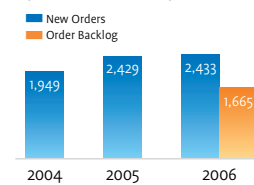
The Division is distinguishing itself from the competition by creating a unique organization for the environment business while performing solid project execution. Outstanding design and construction capabilities are the basis for taking the lead in government contracts for water treatment plants, waste disposal and recycling facilities and sewer rehabilitation. New orders are assured for environmental protection facilities needed by LG Philips LCD, and the Division will diversify into the overseas marketplace.

- Water and Wastewater Treatment
- Waste Disposal and Recycling
- Sewer Rehabilitation
- Environmental Facilities for LG Philips LCD



New Orders

| Unit : Billions of Won |



| Unit: Billions of Won |

	2006	2005	YoY
Sales Revenue	1,598	2,203	-27.5%
Gross Profit	236	276	-14.5%

Architecture

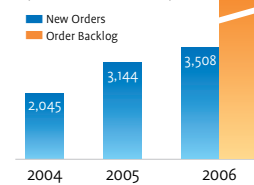
Current projects are underway in Korea as well as in China, Poland, Vietnam and Russia. The Division boasts the superior technology and human resources to undertake a wide range of projects (education and training facilities, sporting facilities, high-rise buildings, high technology factory buildings) anywhere in the world at any time.

- Commercial Buildings
- Industrial Factories
- Hotel / Condominium
- Cultural Center / School



New Orders

| Unit : Billions of Won |



| Unit: Billions of Won |

	2006	2005	YoY
Sales Revenue	1,721	1,349	27.6%
Gross Profit	233	145	60.7%

Housing

The Division is maximizing competitiveness in apartment reconstruction, redevelopment and apartment projects for other developers. Profitability is being increased by diversifying into private home construction, residential land development and overseas projects. In addition, the remarkable features of GS E&C-built apartments and Korea's quest for more elegant lifestyles have firmly established "Xi" as a power brand, be the best and set technology trends for the construction industry.

- Residential Complex
- Apartments
- Officetels
- Villa

Company Overview



GS E&C was established in 1969 and has grown remarkably ever since, thanks to its excellent workforce and technology. The range of construction activities has expanded into large-scale development and public projects, laying the groundwork for growth as a global construction company.

In 2006, the company started out anew under the “GS” name. Innovative thinking and decisive execution are now being applied in preparation for a new growth surge. GS E&C achieved the highest sales in the domestic construction industry in 2006, and the prospects are bright to become the nation’s top builder in every respect by 2010.



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