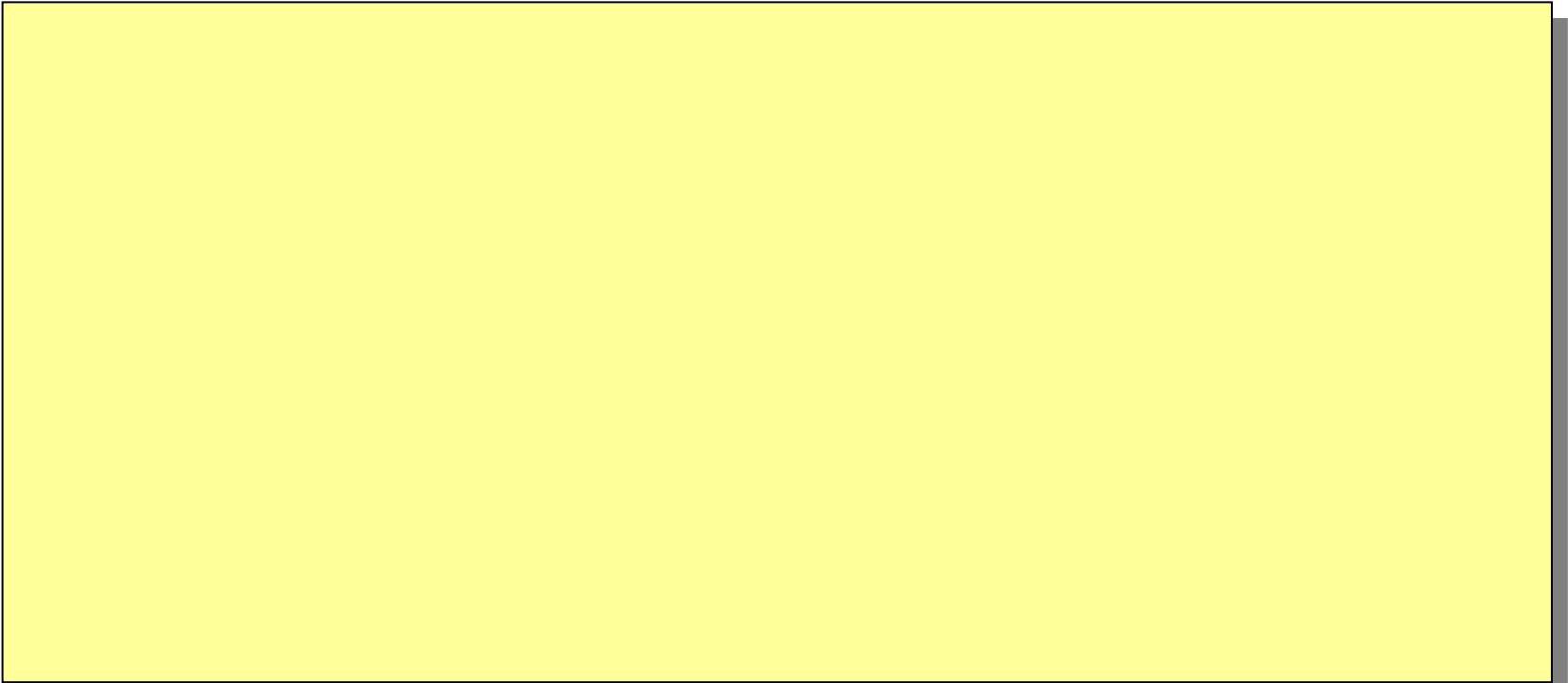


2005 Operating Results & 2006 Outlook





Balance Sheet as of Dec. 2005

(Unit: Wbn, %)

		As of end-2003	As of end-2004	As of end-Sep. 2005		As of end-2005		
					YoY		YoY	QoQ
	Current Assets	1,423	1,524	1,472	-3%	1,252	-18%	-15%
	Fixed Assets	1,107	1,105	1,178	7%	1,213	10%	3%
	Total Assets	2,530	2,629	2,650	1%	2,465	-6%	-7%
	Debts	759	739	672	-9%	553	-25%	-18%
	Other Liabilities	849	847	815	-4%	814	-4%	0%
	Total Liabilities	1,608	1,586	1,513	-5%	1,367	-14%	-10%
Total Shareholders' Equity		922	1,044	1,137	9%	1,098	5%	-3%
Total Liabilities+Total Shareholders' Equity		2,530	2,629	2,650	1%	2,465	-6%	-7%
Liabilities/Equity Ratio		174%	152%	133%	-19%p	124%	-28%p	-9%p
Debt/Equity Ratio		82%	71%	59%	-12%p	50%	-20%p	-9%p

Summarized Income Statement for 2005

(Unit: Wbn, %)

	2004		2005	2005		% chg.		
	4Q	1Q~4Q		4Q	1Q~4Q	QoQ	YoY(for 4Q)	YoY(for 1Q~4Q)
Sales	724	2,861	702	705	2,815	0%	-3%	-2%
Sales								
Domestic Sales	382	1,446	307	305	1,194	-1%	-20%	-17%
	53%	51%	44%	43%	42%			
Exports	342	1,415	395	399	1,621	1%	17%	15%
	47%	49%	56%	57%	58%			
(US\$mn)	312	1,234	382	385	1,583	1%	23%	28%
Gross Profit	113	560	141	156	579	11%	38%	3%
(GP margin)	16%	20%	20%	22%	21%			
Operating Profit	118	2,101	250	403	1,745	61%	242%	-17%
(OP margin)	2%	7%	4%	6%	6%			
Recurring Profit	-909	1,628	278	200	1,792	-28%	TB	10%
(RP margin)	-13%	6%	4%	3%	6%			

Breakdown By Business Division (Cumulative)

(Unit: Wbn,%)

			Total			Construction Equipment			Industrial Vehicle			Machine Tools & F.A			Engines & Materials			Others					
			03	04	05	03	04	05	03	04	05	03	04	05	03	04	05	03	04	05			
Sales			2,314	2,861	2,815	895	945	937	347	397	400	371	524	603	321	462	352	380	532	524			
			23%	24%	-2%	50%	6%	-1%	10%	14%	1%	14%	41%	15%	52%	44%	-24%	-12%	40%	-2%			
y-y			Domestic Sales			1,266	1,446	1,194	415	372	224	173	167	154	111	166	181	228	279	179	338	462	458
			y-y			17%	14%	-17%	57%	-10%	-40%	0%	-4%	-8%	-3%	50%	9%	40%	22%	-36%	-8%	37%	-1%
			Exports			1,048	1,415	1,621	480	573	713	174	230	247	260	358	422	92	184	173	42	70	66
			y-y			32%	35%	15%	45%	19%	24%	22%	32%	7%	23%	38%	18%	93%	99%	-6%	-33%	68%	-6%
Operating Profit			205	204	175	98	84	57	18	13	11	30	45	61	28	27	8	31	36	38			
(OP margin)			9%	7%	6%	11%	9%	6%	5%	3%	3%	8%	9%	10%	9%	6%	2%	8%	7%	7%			

Breakdown By Business Division (Quarterly)

(Unit: Wbn,%)

			Total			Construction Equipment			Industrial Vehicle			Machine Tools & F.A			Engines & Materials			Others		
			03	04	05	03	04	05	03	04	05	03	04	05	03	04	05	03	04	05
Sales			6,410	7,242	705	224	175	215	89	90	95	110	145	155	93	83	116	125	231	123
				13%	-3%		-22%	23%	12%	2%	5%		32%	6%		-11%	41%		84%	-47%
y-y																				
Domestic Sales			3,585	3,822	305	105	47	43	44	34	38	31	37	46	67	51	68	112	214	111
				7%	-20%		-56%	-9%		-23%	12%		22%	23%		-24%	34%		90%	-48%
Exports			283	342	399	119	128	173	45	57	57	79	108	109	27	32	49	13	18	12
				21%	17%		8%	35%		25%	1%	14%	36%	1%	14%	20%	53%	28%	35%	-30%
y-y																				
Operating Profit			31	5	40	12	-5	11	3	-1	1	5	8	16	7	1	-3	5	2	15
(OP margin)			5%	1%	6%	5%	-3%	5%	3%	-1%	1%	4%	5%	10%	7%	1%	-3%	4%	1%	12%

Breakdown of Exports by Region (Cumulative)

(Unit: Wbn)

	Total		2004				2005			
	2004	2005	America	Europe	China	Others	America	Europe	China	Others
Total (y-y)	1,415	1,621 15%	281	411	372	351	377 34%	522 27%	300 -19%	422 20%
Construction Equipment (y-y)	573	713 24%	90	172	183	127	137 52%	230 34%	166 -9%	180 41%
Industrial Vehicle (y-y)	230	247 7%	74	81	15	60	92 25%	84 3%	9 -39%	62 3%
Machine Tools & F.A (y-y)	358	422 18%	90	120	88	60	125 39%	167 39%	72 -18%	58 -3%
Engines & Materials (y-y)	184	173 -6%	12	20	79	73	7 -37%	24 23%	44 -44%	97 33%
Others (y-y)	70	66 -5%	16	18	6	30	16 0%	17 -6%	9 38%	25 -17%

Monthly Excavator Sales in China

(Unit: units)

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2001	2,173	78	189	285	363	224	130	139	133	165	211	132	124
2002	3,833	149	166	527	612	370	266	247	252	295	370	307	272
2003	6,116	362	430	862	818	534	481	420	383	482	462	418	464
2004	6,310	501	1,248	1,537	822	304	316	226	272	240	239	261	344
2005	6,087	322	359	1,004	946	687	496	311	322	432	401	442	365
2006	1,220	463	757										
2007	0												

93	62	68	38	74	51	50	70	73	51	27	24
229	297	936	908	613	445	261	252	359	350	415	341

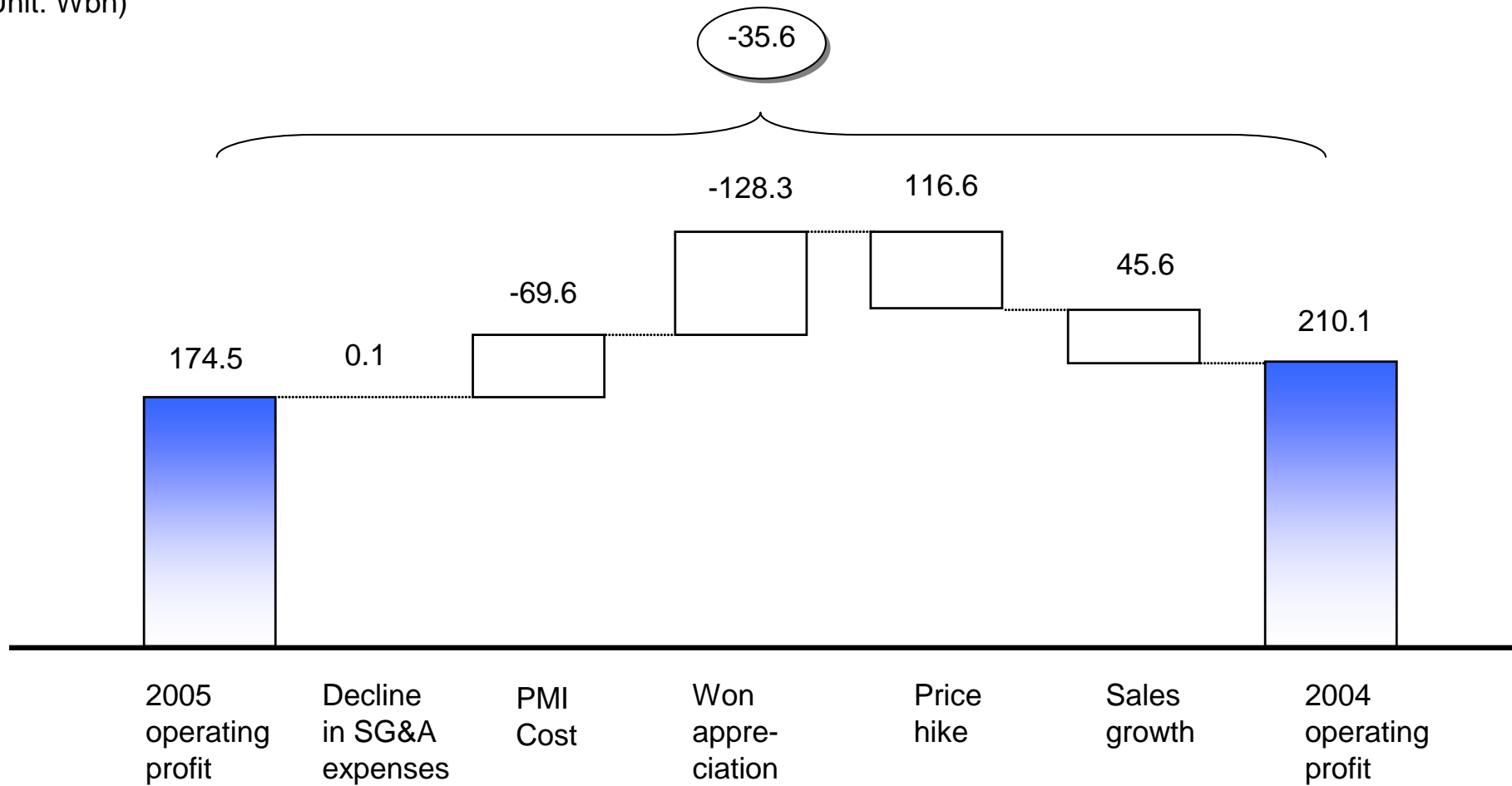
2005 Key Operating Results (DI+Overseas Subsidiaries)

	DI		Overseas Subsidiaries		DI+Overseas Subsidiaries
	2005	YoY	2005		2005
Sales	28,153	5.9%	12,856		31,125
COGS(%)	79.4%	0.5%p	85.8%		75.8%
SG&A Expenses(%)	14.4%	1.2%p	10.7%		17.2%
Operating Profit	1,745	-356	458		2,171
<i>OP margin (%)</i>	<i>6.2%</i>	<i>-1.7%p</i>	<i>3.6%</i>		<i>7.0%</i>
Recurring Profit	1,792	164	490		1,922
Net Profit	1,356	126	323		1,319



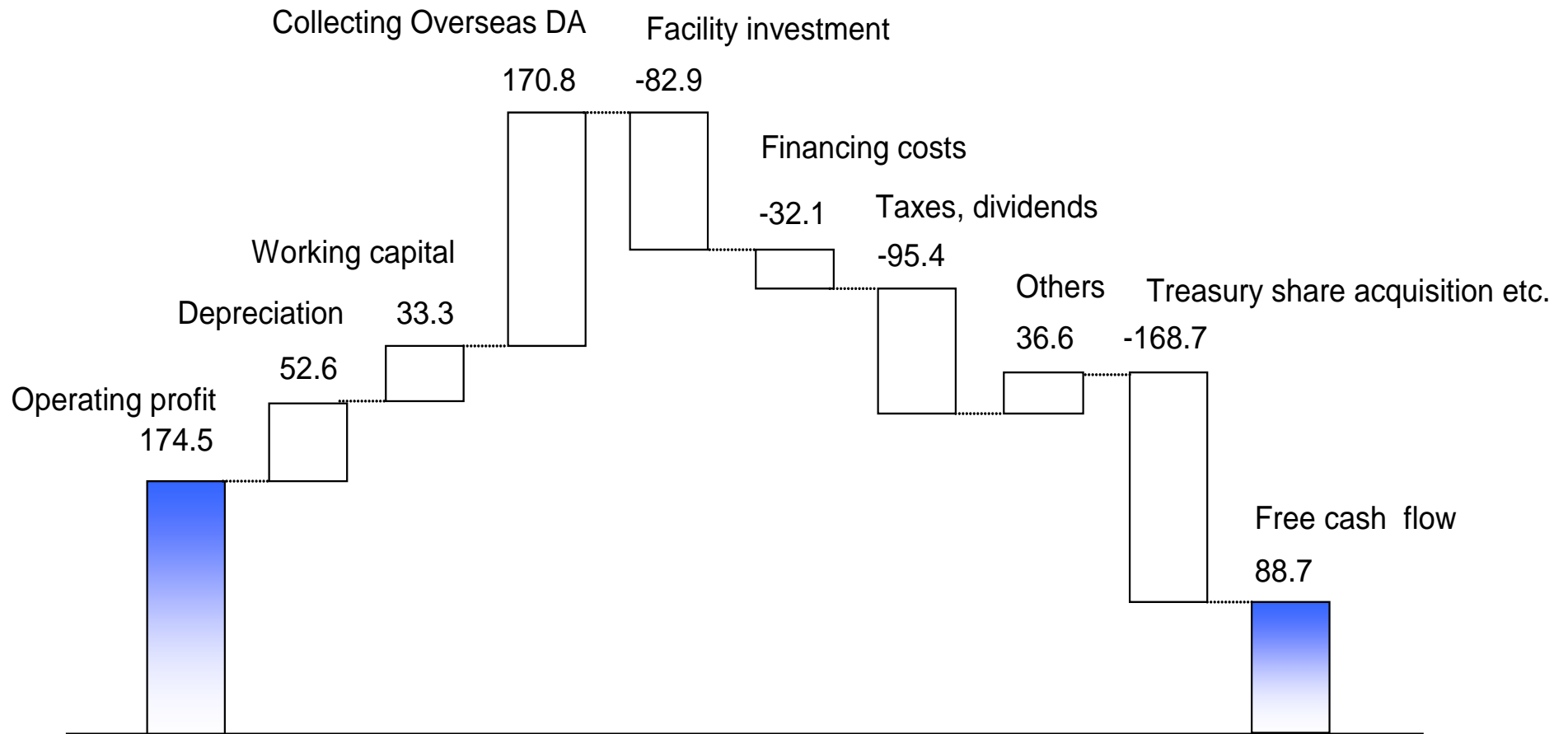
2005 Operating Profit Analysis (DI)

(Unit: Wbn)



2005 Free Cash Flow Analysis

(Unit: Wbn)



2006 Outlook

Unit: Wbn

	'05 Sales	'06E Sales	YoY	'05 OP	'06E OP	YoY	'06E OP margin (%)
Construction Equipment	937	1,106	18.1	57	86	50.1	7.7
Industrial Vehicle	400	438	9.4	11	19	74.0	4.3
Machine Tools & F.A	603	723	20.0	61	92	52.6	12.8
Engines & Materials	352	393	11.8	8	24	208.4	4.7
Others	524	571	9.1	38	37	-3.1	8.0
	2,815	3,232	14.8	175	258	47.7	8.0

F/X Hedging

- ▶ F/X hedging status - US\$1,315mn (As of end-2005)
- ▶ 80% of 2006 net exposure hedged
- ▶ Plan to minimize risk by hedging 90~95% of sales forecast under Doosan Group's guideline

Impact from steel price

- ▶ Assumed no change in steel price in 2006 and 2007 business plan