



water Nature and People

A life rich with water



A world free of worries about water, where people and nature live in harmony
this is K-water's dream for the future

Welcome to the Korea Water Resources Corporation (' K-water ') We are always
here for you, building the future for our customers and the people of Korea

04 | **The World with K-water**

06 | **Message from CEO**

08 | **Highlights in 2005**

14 | **Business Review**

28 | **Management for Sustainability**

36 | **Growth Engines for Tomorrow**

44 | **Financial Statement**

62 | **Board of Directors**

64 | **Corporate Structure**

65 | **Network**





Water is a precious gift from nature and an essential part of our life

K-water creates a place with abundant water utilizing its world-class water quality management techniques and scientific water management skills applying cutting-edge technology

K-water protects people from water-related disasters and also offers equal access to water resources



We will improve global competitiveness through continuous innovation and become a global water enterprise

K-water produced very good results in 2005, despite trying internal and external conditions.

Total assets increased by 4% to KRW 11.1 trillion and sales grew by 7% KRW 1.6 trillion, maintaining strong top-line growth. Operating income also increased by 36% year-on-year to KRW 297.5 billion and net income reached KRW 218.8 billion recording a remarkable bottom-line growth of 52%.

As a water services expert, K-water's advanced management and engineering skills have been recognized by research analysts and customers alike. International credit rating agencies Moody's and Standard & Poor's upgraded the Company's credit ratings to levels higher than the nation's. In the newly developed business for efficient operations of local waterworks, the number of customers - local governments - increased to 41, while overseas business has expanded to include the Erbil Water Supply Project in Iraq, Doyang Hydro Electric Project in India and Krang Ponley River Basin Development Project in Cambodia.

The Company's efforts toward innovation have also been duly recognized. K-water won the Public Sector's Grand Prize as the "Most Environmentally-Friendly Corporation" in Korea in 2005 as judged by the Korea Water Resources Environmental News; received third place in "Management Innovation" as judged by the Ministry of Planning and Budget from amongst 212 public institutions; and also moved up 4 places, with 83

points, to take third place in the "Public Sector NCSI Survey".

K-water relentlessly pursued innovation in 2005 so as to meet our customers and the public's expectations, to become a global water services company and to grow into a national enterprise committed to meeting our social responsibilities.

In particular, the Company invested KRW 104.2 billion into R&D, 29% more than the prior year, to successfully secure an engine for future growth, with innovative results such as Water-K, our original brand of water operating system. The organization completed restructured to foster field-oriented integrated management and enhance operational efficiency. In addition, K-water contributed KRW 42.5 billion to community services and 87% of its management and staff volunteered a total of over 40,000 hours.

However, we will not rest on our laurels. We will also concentrate on an ever changing business environment. Supply-oriented policy has reached its limits. The competitive landscape in the water market has begun to cross borders. Demand for changes in state-owned enterprises is growing ever stronger. We will continue to improve due to these challenges.

We will turn such challenges into opportunities during 2006, maintaining our momentum and strengthening our foundation as we become a global enterprise. Through continuous innovation and challenge, K-water will exert its efforts towards

gaining the competitiveness required to become a Global Top 3 water service company.

First, K-water will strengthen its platform for future-oriented growth.

As an expert in water services, we will expand our role in integrated river basin management from correlated management of multi-purpose dams and multi-regional water supply systems at the river basin level to incorporating hydraulic, hydrological, ecological, environmental and quality issues. We will reposition ourselves as a comprehensive water service provider, using our internal capability and by building on the public's confidence.

Second, K-water will focus on development of practical water management skills through international competitiveness.

K-water is unique in that it builds and operates large sized water facilities that include multi-purpose dams, rivers and multi-regional waterworks. We will utilize such favorable R&D conditions and follow our core technology roadmap to develop advanced technologies targeted at the global market and to build new momentum for growth.

Third, K-water will provide the best quality water services through unbroken innovation.

Using innovative tools such as JOA (Join, Open, Advance) and Innovation Frontier, we will improve the quality and quantity of services by creating a dynamic organizational culture and

enhanced operational efficiency, ensuring that everyone can enjoy the benefits of clean and safe water without fear of disasters or environmental problems.

Fourth, K-water will become a respected enterprise committed to its social responsibilities.

The Company will be customer-oriented and operated in a fair and transparent manner, boldly shedding off unreasonable and unjust practices while increasing our commitment to become a socially responsible enterprise.

K-water has successfully positioned itself as a leader in Korea's water market. We will solidify this position and also add international competitiveness so as to become a global water services company leading us into the Age of Water, the 21 century.

K-water will continue to meet all challenges and adapt to create new values for water and to ensure that everyone can enjoy a better and richer life.

We appreciate your continued support and interest.

Sincerely yours,

Kyul-Ho Kwak
President and CEO



Highlights in 2005



The Beginning of a New Tomorrow

The power to turn a crisis into an opportunity lies in continuous challenge and innovation



· **Business Highlights**

· **Financial Highlights**





Placed third at the Management Innovation Awards for state-owned corporations and institutions

K-water came in third in an evaluation of management innovation at 212 public institutions sponsored by the Ministry of Planning and Budget. Private sector experts made assessment of 5 field areas: Corporate vision and strategy, innovative leadership, innovation in system, innovation capability of organizational members, and innovation results. On an innovation scale of 1 to 6, K-water was positioned in the leading group of Level 5 institutions that have 'innovation built in the system and fully exercised.'

March



Completed multi-regional waterworks for Namgang Dam System(Phase II)

The construction of the Namgang Dam System (Phase II) was completed 10 years after groundbreaking in 1995. The KRW 268.8 billion project created 1 sluice gate, 1 filtration plant, 3 pressurization plants, and 219 km of pipe channels, enabling stable supply of 140,000 tons of treated water to southwest Gyeongnam Province. Accordingly, the water supply rate of the 7 affected municipalities, including Sacheon, improved from 60% to 85%, and the population receiving service will substantially increase from 340,000 to 540,000.

May



Credit ratings upgraded by Moody's and Standard & Poor's

Both Moody's and S&P raised K-water's international credit ratings to A2/A from A3/A-. The upgrades took place only 8 months after a receipt of our initial ratings in November 2004, reflecting the Company's close relationship with the Government and outstanding financial capabilities gained through management innovation. With this, K-water has become the only public corporation in Korea with ratings higher than that of the nation itself (A3/A).

July



The 11th CEO Kyul-Ho Kwak inaugurated

Mr. Kyul-ho Kwak took office as the new President & CEO of K-water in September. Mr. Kwak previously served as the Minister of Environment. As K-water's new CEO he assured that he will 'gather every potential resource to develop K-water into a top water supplier while leading the transformation to a global water service agency through managerial innovation and technological development.'

September



Grand Prize as 2005's most Environmentally-Friendly Corporation in Korea

K-water received the Grand Prize in 2005's 'Environmentally-Friendly Corporation in Korea' for the public sector as determined by Korea Water Resources Environmental News and Environmental Media and sponsored by four ministries, including the Ministry of Environment. The selection process included consumer awareness and environmental expert awareness surveys of 90 business groups, and the final selection was made by the Selection Committee. The achievement reflects K-water's efforts to develop and manage environmentally friendly water resources and to use innovation to ensure a constant, reliable supply of clean water.

October



The Peace Dam was completed after 18 years of construction

After Stage 1's groundbreaking in 1987, the Peace Dam was finally completed 18 years after the onset of construction. At a total cost of KRW 399.5 billion and 258,000 total man days, the Peace Dam stands 125m in height, 601m in length, and can store 2.63 bn tons of water. The dam acts to back-up the Imnam Dam in North Korea and also to handle flood control in the Bukhan River system.

October



Third place in a public enterprises customer satisfaction survey

K-water took third place, with 83 points, in the 2005 NCSI survey on public institutions supervised by the Ministry of Planning and Budget, moving up from the previous year's seventh place. The survey consisted of direct questions to dam and tap water customers and a corporate image question targeted at the general public. In the direct survey, customers responded with 87 points, an improvement by 7 points from the previous year. In the newly introduced corporate image survey, K-water ranked first among the surveyed institutions. Such recognition is attributable to customer oriented policies and sustainable management adopted by the Company, such as quality assurance of tap water, collective maintenance of water meters, and increased participation of customers.

December

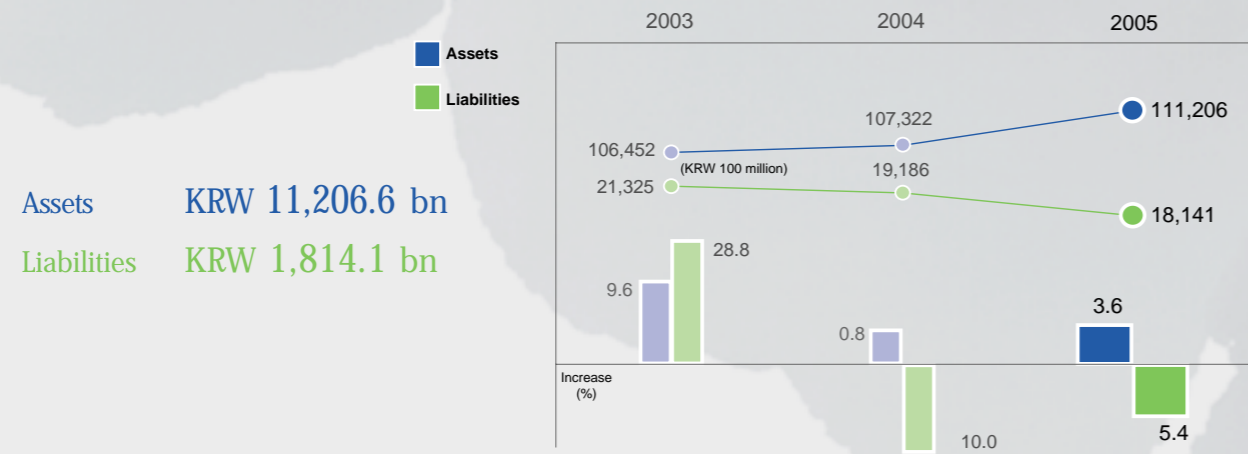


Approved as a national calibration institute for rain gauging

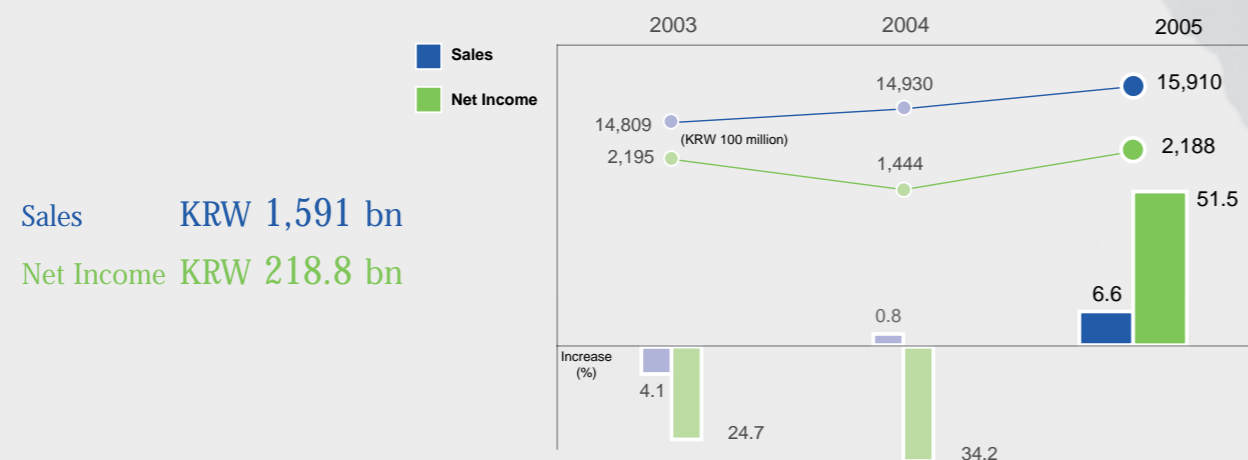
K-water was approved as the first national calibration institute for rain gauges in Korea by the Korea Laboratory Accreditation Scheme (KOLAS) administered by the Korean Agency of Technology and Standards (ATS) under the Ministry of Commerce, Industry and Energy. This offered an opportunity for K-water's standard calibration devices and software for rain gauging to be internationally acknowledged after 2 years of development. The Company plans to distribute the system to local governments to enhance the efficiency of water management at the national level.

December

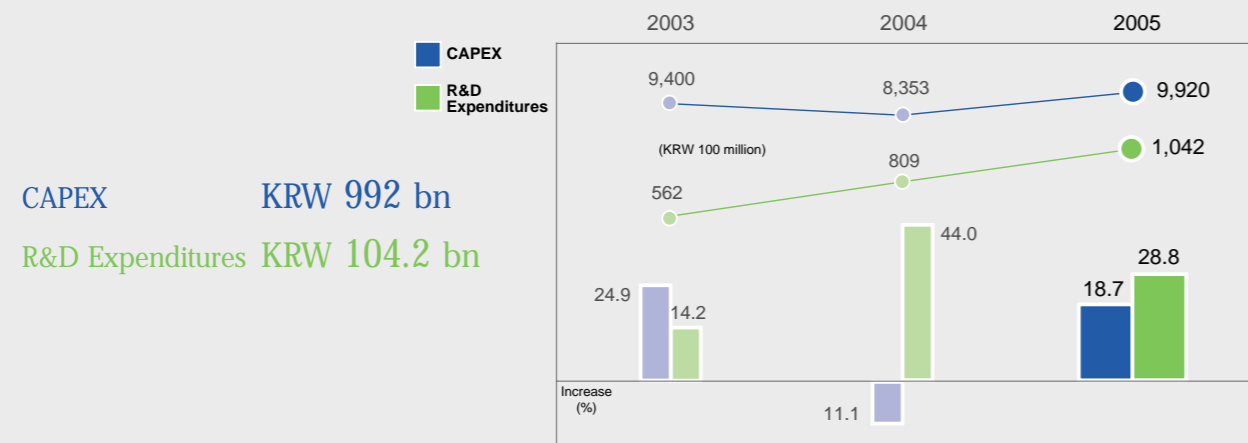
Assets and Liabilities



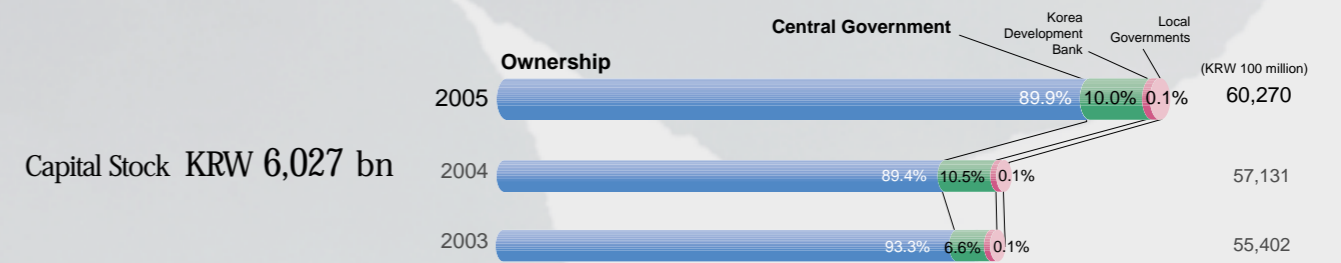
Sales and Net Income



CAPEX and R&D Expenditures

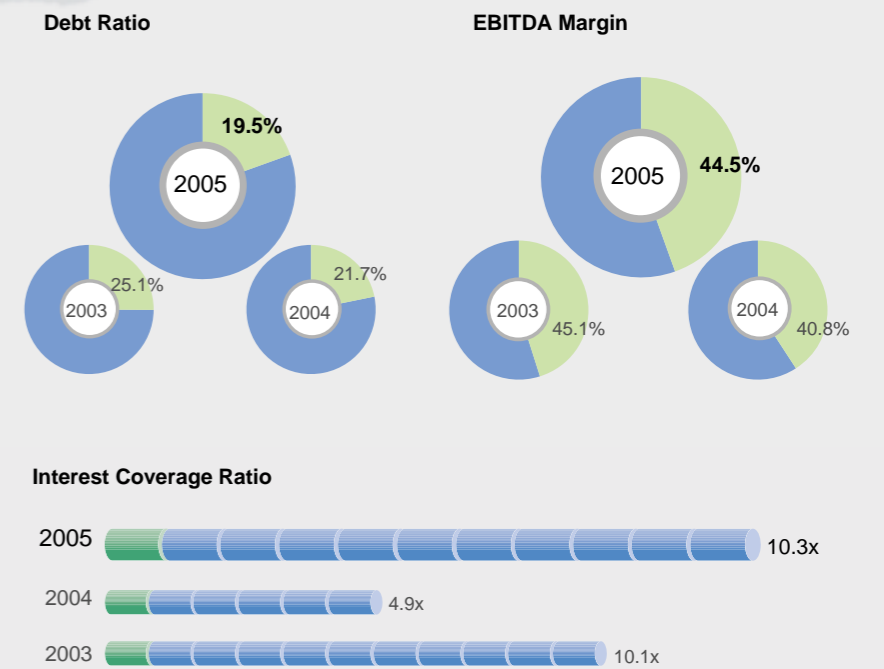


Shareholders



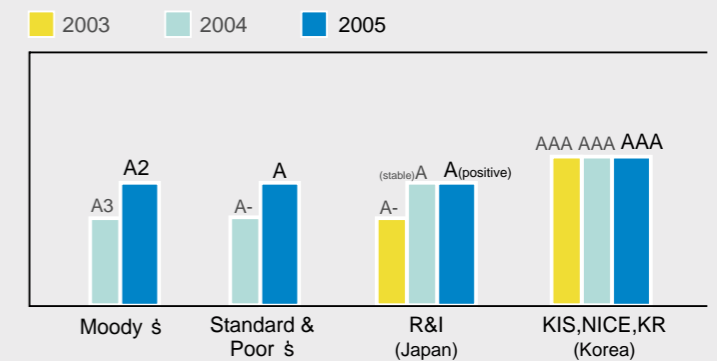
Financial Ratio

Debt Ratio (Debt/Equity) **19.5%**
EBITDA Margin (EBITDA/Sales) **44.5%**
Interest Coverage Ratio (Operating Income/Interest Expense) **10.3x**



Credit Ratings

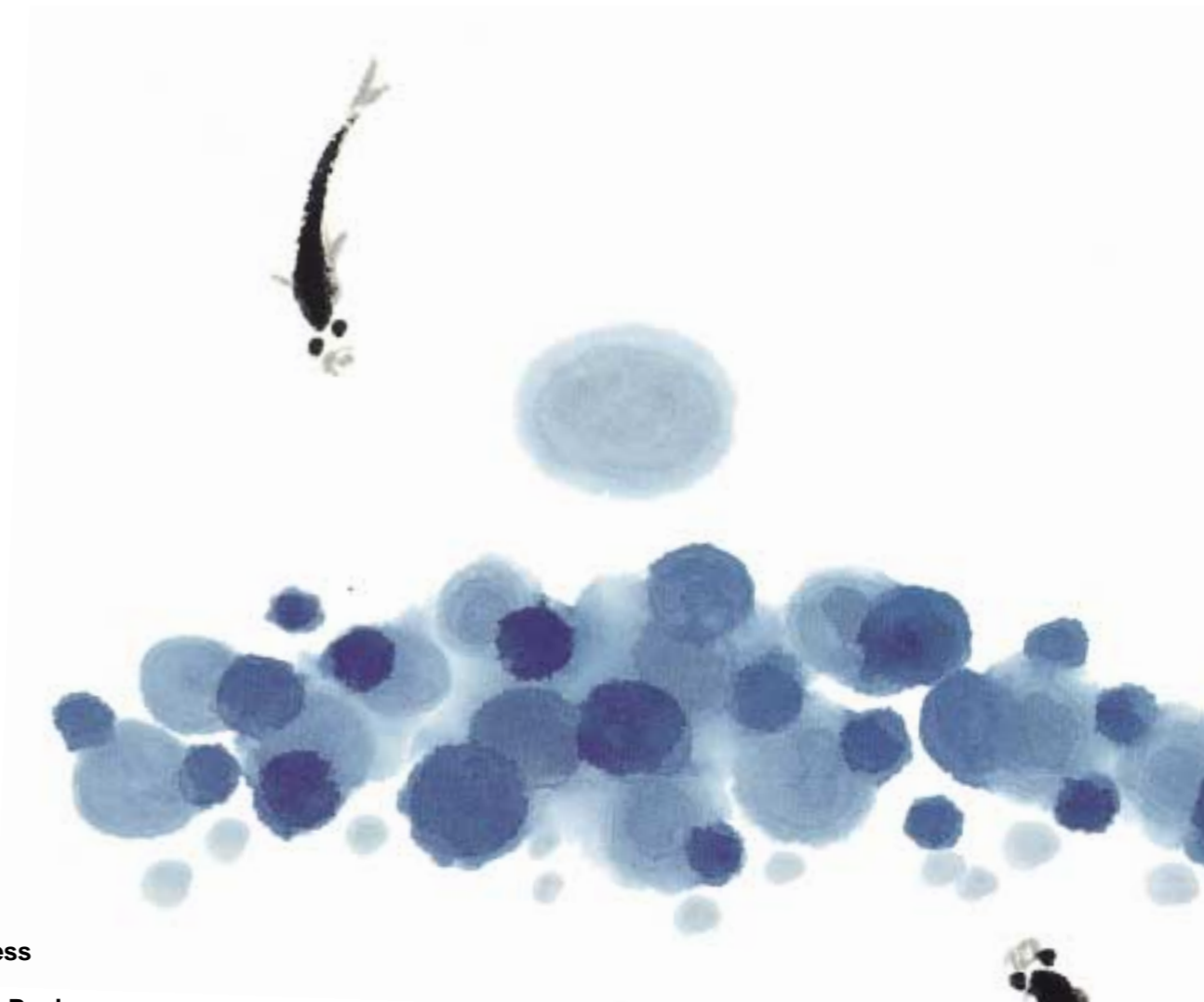
Moody $\text{\$}$ **A2(stable)**
Standard & Poor $\text{\$}$ **A(stable)**
R&I(Japan) **A(positive)**
KIS,NICE,KR(Korea) **AAA**





Global Top 3 Water Service Company

K-water seeks to become an all-encompassing water services company with both stability and growth through the diversification of its businesses from multi-purpose dams to water supply and sewerage treatment



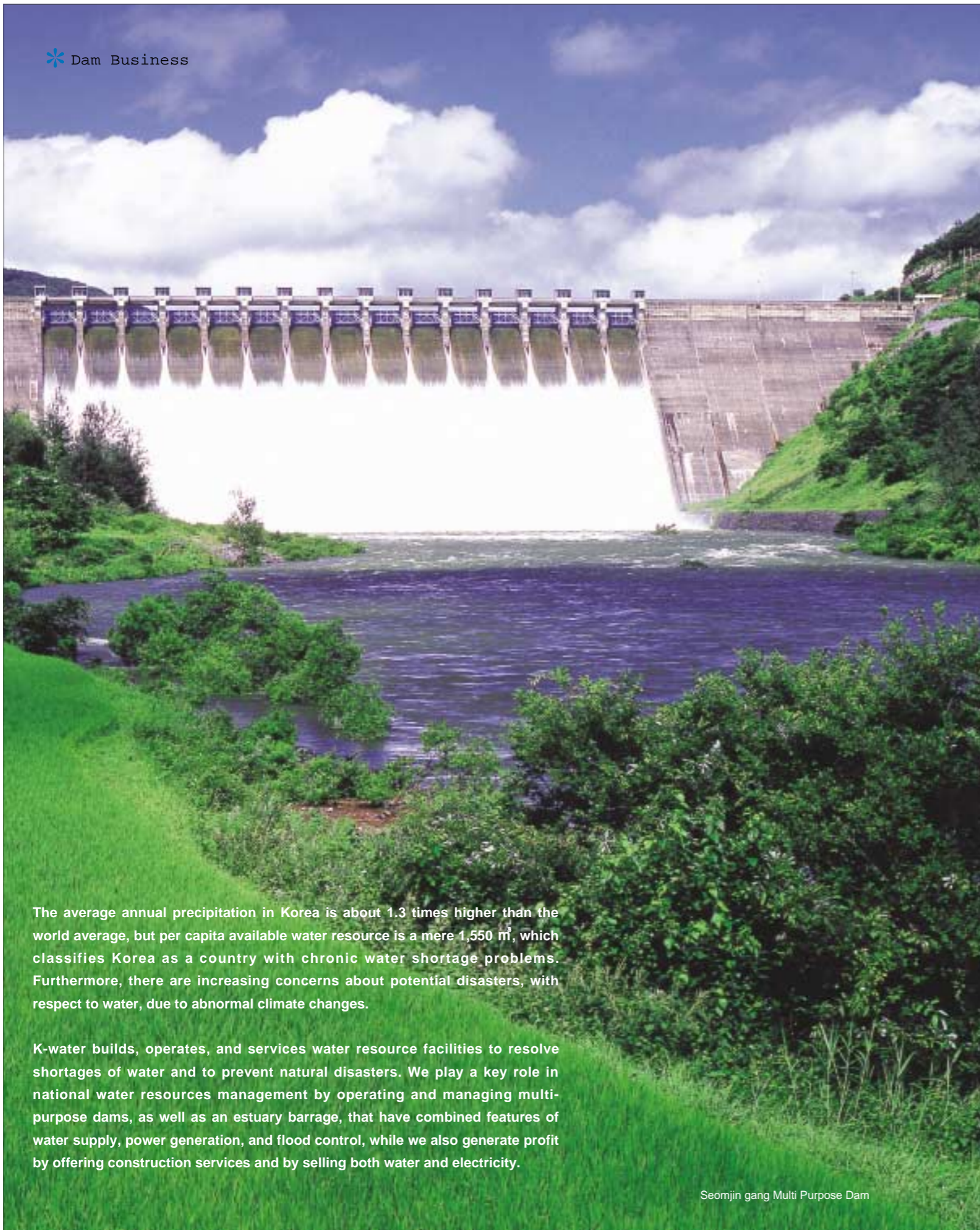
- **Dam Business**
- **Waterworks Business**
- **Site Development Business**
- **Growth Engines for Tomorrow**

Efficient Operations of Local Waterworks Business

Sewerage Business

Overseas Business





The average annual precipitation in Korea is about 1.3 times higher than the world average, but per capita available water resource is a mere 1,550 m³, which classifies Korea as a country with chronic water shortage problems. Furthermore, there are increasing concerns about potential disasters, with respect to water, due to abnormal climate changes.

K-water builds, operates, and services water resource facilities to resolve shortages of water and to prevent natural disasters. We play a key role in national water resources management by operating and managing multi-purpose dams, as well as an estuary barrage, that have combined features of water supply, power generation, and flood control, while we also generate profit by offering construction services and by selling both water and electricity.

Seomjin gang Multi Purpose Dam

K-water prepares for the future As the leading water company in Korea

In 2005, K-water continued to work to limit damages from flood and drought through the development of advanced water management skills and efficient operations of water resource facilities while also maintaining its growth momentum by increasing the water supply business.

By developing the world's first remote automatic flow metering system and integrated operating models for dams during the flood season, we were able to increase flood control capacity to 8.2 billion m³, 16% up from the previous year, while also supplying 15.7 billion m³ of water, which was 10% more than the previous year.

In particular, we increased the supply of dam water by 0.2 billion m³ to 4.6 billion m³. Dam water from 14 multi purpose dams and estuary barrage is used for domestic and industrial purposes. Hydro-electric generation from the dams produced 2,206 GWh or KRW 586 billion worth of clean energy, contributing to 16% growth in sales and a 19% increase in operating margins.

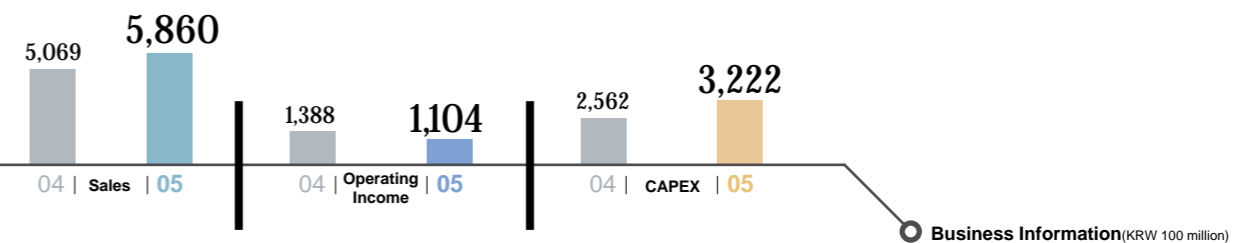
Meanwhile, we continued to work to expand water facilities. K-water invested KRW 322.2 billion, an increased of 26% from the previous year, in seven dam projects - including Hwa-buk multi-purpose dam - and a drainage canal at Gulpo Stream. All projects are currently progressing according to plan. In particular, we completed Stage 2 of the Peace Dam construction, and commenced

water supply at Jangheung multi-purpose dam. New business is also progressing quite well, with announcements of the Buhang Dam project and the Gunnam Flood Control Reservoir development.

To prevent shortages of water in the future, K-water plans to construct 12 additional environmentally-friendly small and mid-sized dams while continuing to redevelop existing dams. Once these facilities are completed, we will have acquired an additional annual capacity of 11.4 billion m³ of water supply and 5.12 billion m³ for flood control. We are also making efforts to develop alternative water resources and to diversify water sources, such as deep-sea water, mid-and-large sized conversion of seawater into fresh water and rainwater harvesting.

K-water is also in the process of constructing the Sihwa Power Plant, which will be the largest tidal power plant in the world upon completion in 2009, with an annual production of 550 million KWh. Using the difference between the rise and fall of the tide at Sihwa Lake, the new plant will generate clean energy that will replace 862,000 barrels of oil imports and reduce greenhouse gases by 310,593 m³ per annum.

K-water engages in numerous activities to provide everyone with clean and safe water without concern about disasters or environmental issues arising from water problems.



Water Resources Operations Center



Sihwa-Lake Tidal Power Plant



Metropolitan Seoul Water Supply Regional Headquarters - Seongnam Water Treatment Plant

Clean, tasty and abundant water The value K-water seeks to create

K-water has the daily capacity to supply 16.63 million m³, or 51% of the nation's tap water (as of 2004), and regularly supplies 2,881 million m³ of water to 1,474 customers including local governments and general users through integrated water supply systems in 12 areas, fulfilling its role as the pillar of waterworks industry.

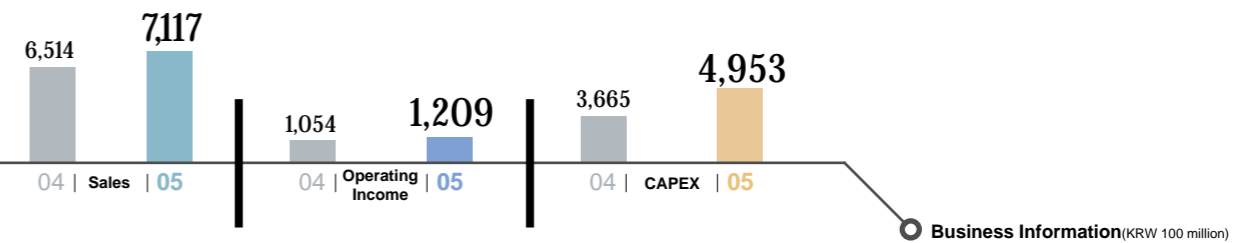
In 2005, we used advanced information technology to build an integrated operation system for multi-regional waterworks, automate water supply facilities and to standardize the water treatment process. As a result, the Company was able to save on operating costs and to increase efficiency, which attributed to a sales increase of 9% to KRW 711.7 billion, and an operating income growth of 15% to KRW 120.9 billion.

We are continuing our efforts towards expanding water facilities so as to offer the benefits of water nation-wide. K-water injected KRW 495.3 billion into 8 multi-regional waterworks and 3 industrial water supply development projects as well as 6 water supply improvement projects in 2005, 35% up from the previous year. Once the projects are completed, the Company's water supply capacity will increase by 2.63 million m³ per day to a total daily capacity of 19.26 million m³, or 60% of the national water service capacity.

K-water strives to control water quality and to provide safe and high quality water. The Company currently is conducting pilot operations at an advanced water treatment facility for next generation water technology. This facility removes smell and micro pollutants by adding ozone treatment, activated carbon and membrane processes to the conventional water treatment, depending on the raw water type. We plan to roll out this advanced water treatment process nation-wide. For real time quality control of water, the Company also introduced a water quality monitoring system that keeps track of tap water from the water source all the way to the faucet at home.

The Water Analysis and Research Center(WARC), is equipped with state-of-the-art facilities and precision analytic equipment. It is the first tap water virus testing lab in Korea capable of conducting 254 tests and is internationally accredited by the International Laboratory Accreditation Cooperation and Korea Laboratory Accreditation Scheme. The WARC conducts thorough tests with its renowned skills and contributes to maintaining better water quality by providing support for water inspections made by local governments.

K-water will continuously develop technology, expand facilities and improve quality to provide both clean and tasty water.

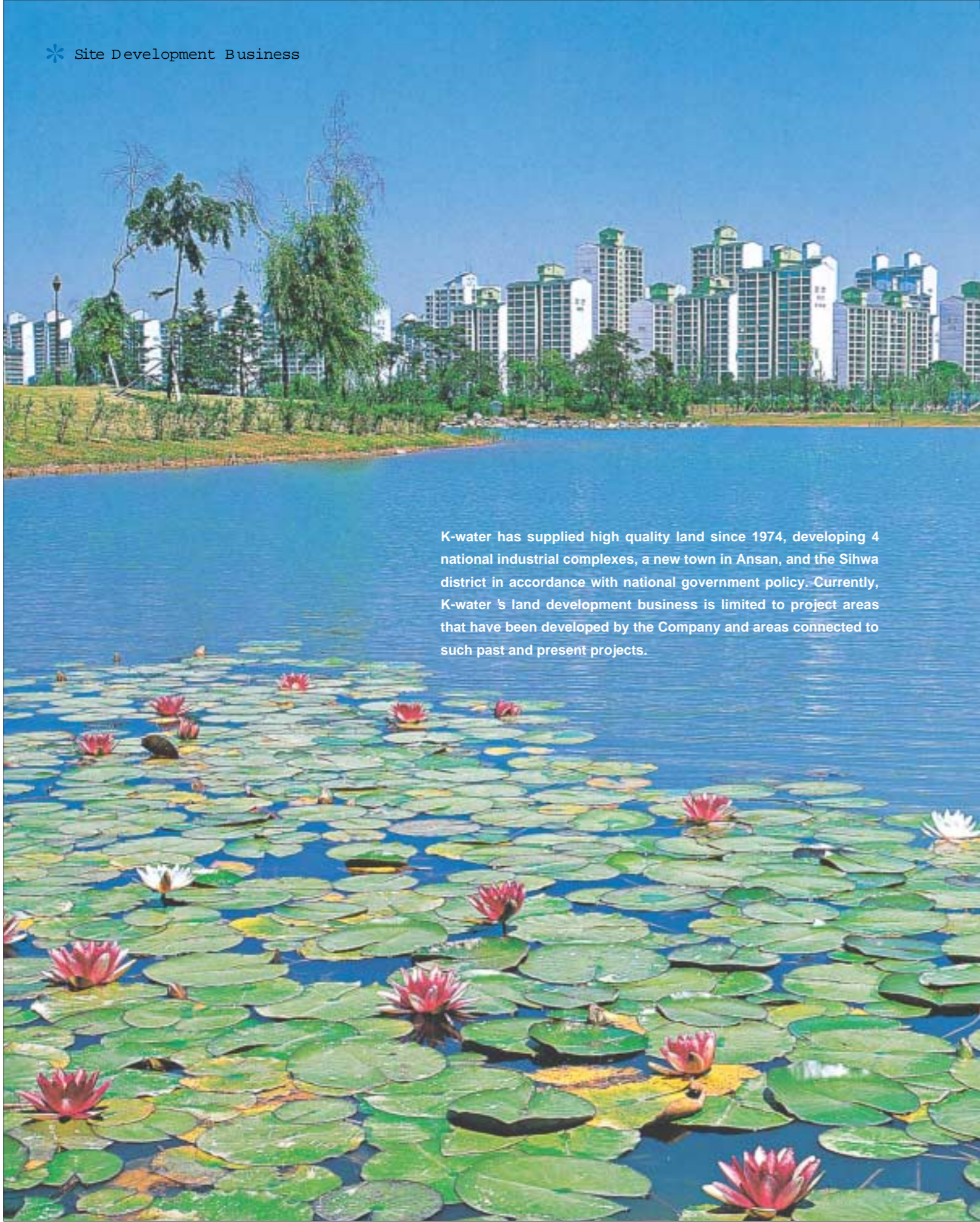


Water Analysis and Research Center

The water supply market in Korea is divided into retail and wholesale markets. 167 local governments in charge of local water supply function as retailers. K-water is a wholesaler that handles multi-regional waterworks and industrial water supply.

K-water draws from its 30-years of accumulated know-how and skills to run 19 multi-regional water supply systems and 9 industrial water supply facilities, providing raw water, settled water and purified water to local governments and general users at a single price to stabilize water supply and resolve regional imbalances.





K-water has supplied high quality land since 1974, developing 4 national industrial complexes, a new town in Ansan, and the Sihwa district in accordance with national government policy. Currently, K-water's land development business is limited to project areas that have been developed by the Company and areas connected to such past and present projects.

Developing eco-friendly high-tech industrial complexes Enriching the nation

K-water first began development of industrial complexes in 1974, in accordance with national government policy aimed at fostering the heavy and chemical industries. The Company developed national industrial complexes in Changwon, Onsan, Yeosu, and Gumi, and also started development of Ansan city and the Sihwa district in 1977, which focused on decentralizing the Seoul-area population.

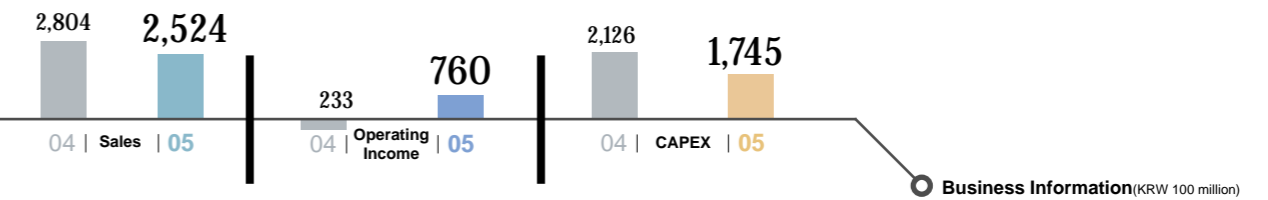
At present, Stage 2 of Ansan Project and Stage 1 of Sihwa Project are in the final stages. As well, Gumi 4 national industrial complex development and Yeosu expansion projects are both scheduled for completion in 2010.

Land for sale decreases as existing projects near completion, and thus revenue decreased by 10% to KRW 252.4 billion in 2005, but operating income made a positive turnaround to KRW 76 billion from loss of KRW 23.3 billion in the previous year. As existing projects close down, sales from site development business will continue to

drop until commencement of the Sihwa Multi-Techno Valley and the Songsan Green City development, which are affiliated with K-water's past projects.

Sihwa Multi-Techno Valley Project refers to the development of the northern portion of tideland, reclaimed through construction of the Sihwa Dike, into a hybrid complex of advanced industries, and it is scheduled for groundbreaking in 2006. The Songsan Green City Project covers the southern portion of the reclaimed tideland (57km²) and it will be developed into an eco-environmental city. Preparations of the development plans, environmental impact assessments, and approval of the execution plans will take place in 2006, and construction work will begin in 2007. These projects will contribute to redirecting development from the Seoul metropolitan area while also improving the quality of life for the regions residents.

K-water contributes to national industrial competitiveness by providing quality land at reasonable prices.



Advanced proficiencies and know-how Leading the national water industry

Many local water supply facilities in Korea suffer from outdated purification processes, aged piping and drainage systems, shortages of trained manpower, and low operational efficiency. Thus, these local water systems are in strong need of productivity improvements, economy of scale, and expertise.

Furthermore, it is imperative to strengthen competitiveness within Korea's KRW 8 trillion annual water industry, preparing for the WTO's market opening requirements and ISO/TC 224 quality criteria on service activities relating to drinking water supply and wastewater systems.

K-water has actively pursued business for efficient operations of local waterworks in order to solve the chronic problems within the domestic water service industry and to enhance operational efficiency at the local waterworks through business rationalization and service improvements. Beginning with the opening of the Nonsan Water Service Center in April 2004, K-water opened three additional service centers in 2005-Jeongeup in March, Yecheon in November and Sacheon in December-providing general services

related to the supply and management of tap water from the local waterworks pipelines.

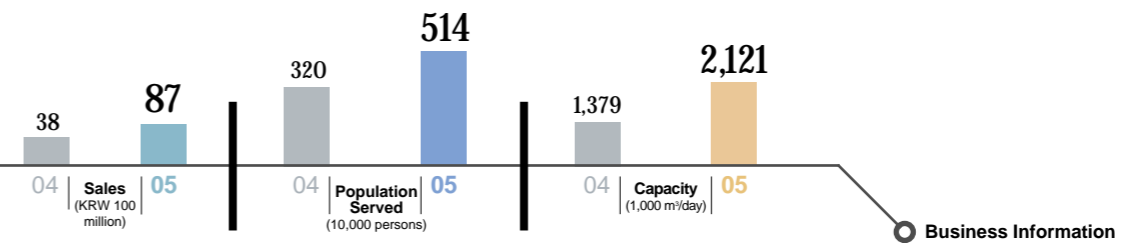
K-water plans to invest a total of KRW 184.6 billion over the next 20-30 years in the four local waterworks to replace old pipes, while also improving the accounted for water rates and cost savings through IT-based integrated operating systems and systematic pipe network management in order to maximize business efficiency.

K-water will soon sign engagement letters with local authorities from Seosan, Jinhae, Goryeong, and Cheonan, and has already signed an MOU with 37 local governments, including Geoje city, which will involve daily provision of 2,121,000 m³ water to 5.14 million people.

Through participation in the business for efficient operations of local waterworks, K-water will provide clean and safe water to the nation at affordable prices, and also enhance the global competitiveness of Korea's water industry by operating local waterworks in conjunction with the multi-regional water supply services.

K-water engages in local water supply business by utilizing its experience and know-how in operation of multi-regional waterworks in order to solve inherent problems of local water systems and to provide clean and clear tap water nation-wide.

K-water services the entire local water facility for the local government authority. Over a period of 20-30 years, K-water modernizes the facilities, improves the accounted for water rate, and imposes strict quality control to significantly improve operational efficiency of local waterworks, offering high quality water services to the residents.



From drinking water to wastewater treatment Providing total water services

In addition to K-water's efforts to supply cleaner and tastier drinking water to the nation, the Company treats everyday wastewater, which not only improves the environment but also contributes to profit generation.

Beginning with the Sihwa wastewater Treatment Facility in 1988, K-water has completed 8 sewerage facilities to date, and 3 facilities (22,000 m³/day) are still under construction. K-water currently operates and manages 82 facilities, with a daily capacity of 100,000 m³.

K-water has actively sought out construction and operation of environmental infrastructure facilities located in the upper reaches in order to improve the quality of water sources. In 2005, K-water built environmental infrastructures in upper reaches of the Yongdam and Jangheung dams, which are currently in operation. In 2006, K-water plans to develop an integrated operation and control system for the upper reaches in addition to environmental infrastructures at seven dams, for improved operational efficiency.

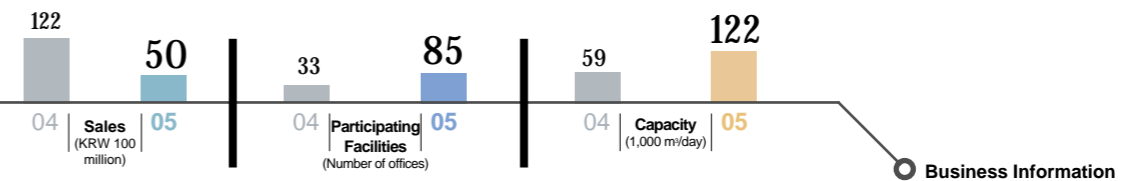
In particular, Yongdam is the first dam with an integrated operations and management system for environmental

infrastructure. An integrated operations center monitors and controls several facilities within the area which crosses three local government jurisdictions.

K-water's operating skills for sewerage treatment are renowned, as shown in the facility operations and management status assessment produced by the Ministry of Environment. In this assessment the Boeun Wastewater Treatment Facility, operated by K-water, was selected as the best treatment facility in Korea for two consecutive years.

K-water utilizes an indigenous wastewater treatment optimization program (PASS2) to analyze inflows and to enhance treatment efficiency, while improving discharge quality through continuous processes and facilities upgrades, including dredging and the repair of sewer pipes.

K-water makes every effort to provide total services that offer integrated operations of multi-regional waterworks, local waterworks and sewerage systems, as well as by utilizing renowned operating skills and continuous technology development.



Although providing sewerage is part of the local government's administrative services in Korea, the construction and management of sewerage systems is outsourced to the private sector and is subject to open market competition.

Leveraging the skills and know-how accumulated in the water supply business, K-water is expanding its business scope to include the development of environmental infrastructure in the upper reaches of dams and to participation in private sector projects.



Boeun Wastewater Treatment Facility





Reaching out competitively Opening new markets around the globe

K-water seeks to gain a leadership position in the international water services market which has traditionally been led by European companies. Building on our forty years of experience and accrued skills, K-water has established a mid to long term plan and is focusing its competences on generating new business opportunities by revamping our organization, building infrastructure and developing human resources.

K-water built a strong business platform through technology transfers and strategic alliances gained through the signing of MOU 's with Veolia Water of France, the Japan Water Agency (JWA), the Cambodian Ministry of Water Resources & Meteorology (MOWRAM), the Vietnamese Ministry of Agriculture & Rural Development (MARD), the Network of Asian River Basin Organizations (NARBO), the Iranian Ministry of Energy, and the Asian Institute of Technology (AIT) in Thailand.

Since 1995, K-water has provided technical advice on water resource development and hydro-electric power generation for twelve countries in Asia and Africa, and has built a personal network of some 300 water resources related government officials from over 50 countries. This has been accomplished by transferring advanced technologies and know-

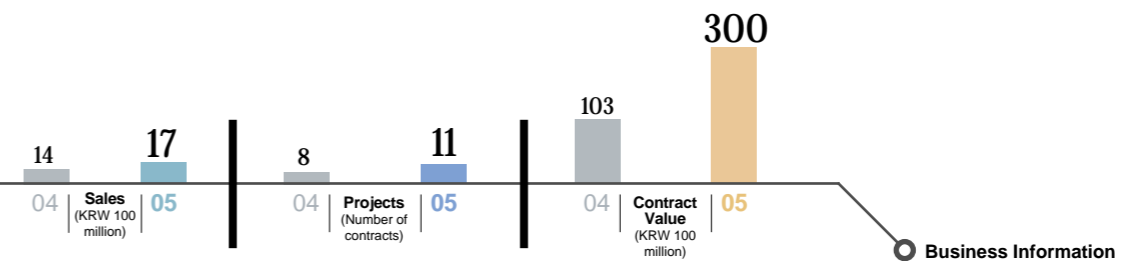
how, as well as by offering site visit opportunities since 2000.

In 2005, K-water pursued its first overseas Joint Venture with the Yanbian Korean Autonomous Prefecture; Hereung Dam Project, and also won a service contract for supervision and inspection of the Doyang Hydro Electric Project (India) in recognition of our superior technology and operating methodologies, thus laying the foundation for development into a global engineering company.

K-water also took on the Erbil Water Supply Project, opening the door for the post war restoration market in Iraq, and also participated in a drinking water development project in Mongolia.

Going forward, K-water will actively focus on engineering, water supply and wastewater treatment, in addition to the development and operation of hydro-electric power plants. To this end, we plan to intensify our efforts by establishing overseas offices in major markets such as China, South East Asia and South America.

K-water will utilize its overseas business as a pillar of future growth and develop into a global leader in the water services industry due to our diversified business portfolio.



Business Information



Globalization and liberalization of the water market is accelerating under the WTO 's administration. The international market has already surpassed KRW 830 trillion. K-water will maximize its skills and know-how garnered over the last forty years to enter into an international water market dominated by European players and become a global leader in the water service industry.



The power to make strong future

K-water believes that the most important things are water, nature, people and the environment and is committed to practicing sustainable management through its commitment to our customers and the community

- **Customer Satisfaction**
- **Environmental Management**
- **Serving the Community**





Knowing what the customer wants Offering services one step ahead

K-water seeks to become a business that grows with its customer. We are innovating systems and processes towards more customer focused methods in order to provide the highest quality and optimum services that fully satisfy our customers' needs.

To ensure optimized quality of the drinking water supply, K-water introduced an advanced water treatment process at the Han River water purification facility and upgraded management targets for major quality indicators, such as impurity. We implemented stricter quality control for each step from raw water to the faucet, built multi-barrier system to prevent quality incidents, provided maintenance and replacement services for water meters and water supply units, and expanded the sharing of water quality information in addition to offering real time information through online.

Customer comments are actively reflected in our business. Arrears used to be charged monthly, but they are now charged daily in order to reduce our customers' burden. We also replaced our previous Customer Charter and Service Compliance Standards with the "Eight Consumer Rights Assurance Scheme". We expanded and rolled out our Customer Participatory Committee to all regional headquarters so as to hear from customers on site, and improved

our system and processes by reflecting the 330 customer opinions collected through our customer idea bank.

We created a mid term roadmap for customer satisfaction, established a system-based customer satisfaction management system, increased the weight of customer satisfaction levels in team KPI to encourage employees to do better, and improved our responses through call monitoring. We also identified issues and made improvements through internal customer satisfaction surveys.

In 2005, these innovative efforts were duly acknowledged by our customers, resulting in 87 points for the dam and water service area in the NCSI survey supervised by the Ministry of Planning and Budget. The score is 7 points higher than that of 2004. In the newly introduced survey of corporate image viewed by general public, K-water was awarded first place. With an overall score of 83 points, K-water moved up by four places to take third place.

*A company trusted by its customers.
This is the ultimate goal of K-water.*

Water

K-water created a mid term roadmap to establish customer satisfaction management based on improved systems, an introduction of advanced water treatment facilities for each raw water type, real time disclosures of water quality, and improved customer-oriented quality and service through increased customer participation.





Environmental management first Practiced in all that we do Keeping the world green

Since our commitment to Environmental Management was announced in 2002, K-water has adopted an environmental management system (EMS) across its business lines, and built an environmental performance evaluation (EPE) process which is being developed into an environmental accounting system. K-water also practices environmental management in its daily operations through various programs and purchases environment-friendly products wherever possible.

Clean drinking water begins with thorough water source management. K-water operates bio-monitoring systems and water monitors to manage pollutants and to improve water quality at the rivers and dams, in addition to expanding wastewater treatment facilities.

For improvement of tap water quality, we have employed advanced water treatment methods, conducted internal grading of water quality, and made transparent all informations by the publishing of water quality reports for each division. Furthermore, K-water performs tap water quality inspections comprised of about 250 tests and operates quality monitoring on the whole supply process from the filtration plant to the service reservoir.

Preservation of biodiversity begins with thorough, complete understanding of the ecology. K-water conducts eco-investigations and has created a database summarizing the dam and river areas. For environmentally-friendly projects, K-water minimizes the destruction of

the environment, preserves ecosystem and restores any of the ecosystem that has been damaged.

Environmental management continues to create new values. K-water has placed a greater emphasis on the environmental aspects of multi-purpose dam by constructing environmentally-friendly dams and increased the value and economics of dams by including environmental benefits at the Jangheung Dam for the first time in Korea. K-water also is undertaking the Sihwa Tidal Power Plant Project, Korea's first independent project conforming to the Clean Development Mechanism (CDM), which will develop new recyclable energy and reduce greenhouse gas emissions in response to United Nations Framework Convention on Climate Change (UNFCCC), while generating new values such as the trading of Emission Rights

In 2005, K-water published its first accredited Sustainable Management Report which incorporated environmental management, customer-oriented management and community services to lay a strong foundation for sustainable management. Acknowledging such efforts, K-water received the Grand Prize in 2005's 'Environmentally-Friendly Corporation in Korea' for the public sector as determined by Korea Water Resources Environmental News and Environment Media and sponsored by four ministries, including the Ministry of Environment.

K-water will endeavor to co-exist with nature and maintain a green world.

Nature

K-water introduced an Environmental Management System (EMS) covering the entire business process, carried out various environmental management programs, and has adopted environmental management which is reflected in our day-to-day operations through the building of an environmental performance evaluation system and environmental accounting system which includes environmental values during the decision-making process.



Sihwa Reed Wetland





Water together, living together K-water is committed to community service



K-water has publicly stated its social responsibilities in the management system for future generations and to make a better world and actively practices sharing through various community programs.

K-water also provides support to dam areas that have difficulty to develop due to geographic reasons and water protection areas. In 2005, the Company provided KRW 42.5 billion, 2.4 times more than previous year, and helped establish tourist attractions and environmentally friendly agricultural programs in dam areas to help revitalize the local economy.

K-water engages in public benefit campaigns so that everybody nation-wide can fully enjoy the benefits of water. Through the 'Water of Hope' campaign, K-water has improved the drinking water supply systems of elementary and middle schools having poor quality water. New water purification facilities have been installed at 103 schools to date, and we plan to provide a total of 500 schools with purification systems by 2007.

The 'Water Love Volunteer Group' is consists of 3,350 employees (87%) of the Company, and is another important pillar of K-water's community service. The Group offers volunteer work all across the nation throughout the year, and volunteered over 40,000 hours of time for 1,300 events in 2005.

For coastal and island residents who suffer from poor water quality and expensive water costs, K-water has introduced the 'Water of Life' project which involves installation and management of desalination facilities. As a result, an abundance of cheaper and cleaner water is supplied in 32 locations across the nation. In addition, the Company also uses internally produced bottled water and large water tanks to provide 'Emergency Water Support Service' for overseas disaster areas and regions suffering from water shortages, such as Pakistan.

K-water and the Republic of Korea National Red Cross signed a Social Contribution Partnership Agreement for the first time in Korea, and plan to pursue disaster relief services and environmental campaigns by leveraging the expertise and resources form each organization.

K-water will continue to practice 'Water Together, Living Together' through various community activities.

People


We recognize contributions to society as an important management factor, and strive to take full responsibility as a corporate citizen within the community, by increasing our social commitment, implementing corporate-wide contribution programs, and offering 40,000 hours of volunteer work by the Water Love Volunteer Group.



* * *
Growth Engines for Tomorrow

Growth engine for a new tomorrow

Cutting-edge management and technology driven by innovations and challenges. The engines of growth for becoming a Global Top 3 water service company

- 
- **Management Innovation**
 - **Research and Development**
 - **Human Resources**

Continuous pursuit of innovation and challenge The driving force for a better future



K-water leads in Korean public sector innovation by making use of a system of innovation built into the organizational culture and daily operations; going beyond the simple restructuring of human resource and software, to identify innovation tasks with our homegrown JOA program.

Continuous innovation and challenge provide the driving force for K-water to grow into a world class water services company. K-water 's innovation of human resources and around-the-clock system innovation has enhanced our managerial efficiency and strengthened K-water 's core competitiveness.

In 2005, K-water primarily focused on the establishment of a full time innovation system, customer and field oriented organizational reforms, acquisition of world class engineering competitiveness, and the improvement of corporate transparency.

K-water established a full time innovation system and identified 139 improvement areas through JOA (Join, Open, Advance), a unique innovation tool utilized by the Company. K-water prepared the infrastructure for corporate-wide innovation by having each team select a innovation challenge and then lead in developing the innovation required.

By revamping the organization in favor of customer and branch offices, 10 % of our head office resources were relocated to the field, while personnel and budget rights were concurrently delegated to the respective regional headquarters.

K-water 's focus on development of practical solutions using inside skills resulted in our own brand and a new standard water operating system (Water-K) and innovative water management technology, such as a real-time water flow meter. This has allowed K-water to build a firm foundation for new businesses such as local water supply, river management and overseas projects.

Through the publication of our ethics management guidebook, the launch of an ethics committee, a special employee training program, and innovative debate amongst senior management, all members of K-water were made aware of the importance of transparent management and that ethical management is a key to survival and growth of K-water. The result has been a re-dedication towards the enhancement of transparent business.

As a result, K-water placed third place from among 212 public institutions, with the highest score in execution planning, key performance indicators, information management and learning areas in a management innovation assessment as supervised by the Ministry of Planning and Budget. K-water 's innovation is being benchmarked by private businesses as well, which verifies that K-water plays a leading role nationally as an innovation leader.

K-water 's efforts at change will not stop. The Company will strive to gain the competitiveness required of a Global Top 3 player through the constant pursuit of innovation and challenges.

3

K-water placed third place from among 212 public institutions, with the highest score in execution planning, key performance indicators, information management and learning areas in a management innovation assessment as supervised by the Ministry of Planning and Budget

Leading technology and competitiveness Heralding the 21 century as an “ Age of Blue Gold ”



Based on our mid to long term technology roadmap for core technology development, K-water has expanded R&D expenditures on dam safety, water resources environments, waterworks and sewerage, and energy facility areas. In addition we have also registered 168 intellectual property rights (patents and utility model rights) in addition to our innovative engineering solutions.

In global competition, technological strength yields a better future. K-water enhances its global competitiveness through innovation and R&D to develop creative and innovative technology that will make us a world leader.

In 2005, K-water created a mid to long term technology roadmap and identified fourteen core technologies in four major areas (dam engineering, water resources environments, waterworks and sewerage, energy facilities) in order to lead the domestic water market and actively respond to standardization within the water services industry. K-water increased the number of researchers from 103 to 145 and invested KRW 104.2 billion, making up 8% of water resources revenue into R&D.

As such, K-water registered 168 intellectual property rights (patents and utility model rights) including ADAMS, and developed an in-house water operating system (Water-K) that integrates monitoring and control of water treatment processes at each unit plant. In-house R&D also developed an affordable core component for sluice observation units which will replace expensive foreign tools, significantly saving costs in procurement and maintenance.

K-water increased practical applications of existing technologies and exchanges of technology. The Company created technological alliances and networks with 35 water service institutions including Veolia, local governments, research institutions and universities to secure a foundation for commercial uses. In addition, we has published and announced 539 academic papers and provided 60 engineering consulting services, sharing advanced technology and leading R&D activities as the undisputed leader in the water field in Korea.

K-water will continue to follow its core technology roadmap in 2006. Our head office, regional headquarters, project managers and researchers will all work together to continue conducting research and development so that every person in Korea is able to have clean and abundant water that is safe from the natural disasters associated with water.

The 21 century has been hailed as the “ Age of Water ”. Water has also been called “ Blue Gold ”. K-water will be a leader in the “ Age of Blue Gold ” through our continuous commitment to meeting challenges and leading in technology development.

K-water created a mid to long term technology roadmap and identified fourteen core technologies, incresed the number of researchers from 103 to 145 and invested KRW104.2 billion, making up 8% of water resources revenue into R&D

104.2

The power to make a better future Rests in our human resources



K-water has adopted a talent based recruiting system without age or educational constraints. Furthermore, our business model patented CRP system has contributed to a well-organized fostering of resources, resulting in the employment of more than 700 experts, making up 22% of our total workforce. The Company has also implemented an integrated human resource management system.

K-water excels at talent management for the future by appropriate recruiting and by developing sustainable employee development programs.

K-water works to develop a well-organized human resources program, by selecting highly qualified talents, allowing each individual to choose their own career path, and by offering various training programs to make the person an expert in their chosen path.

K-water introduced open recruitment, by abolishing age and schooling requirements and by relying on each candidate's ability. The Company also actively leads in the hiring and development of female employees, including female hiring goals. In addition, K-water systematically fosters key talents through its business model patented CRP system, offering e-learning, internal group training and full time training opportunities at home and abroad.

The Company operates a competitive HR system that consists of a job application system, transfer review system and team structure, and it also has introduced an integrated human resource management system that is able to provide systematic support for various processes ranging from talent selection to mentoring, performance evaluation and compensation.

In accordance with our HR strategy, an average employee received 3.9 training sessions in 2005 to increase their core competencies. 130 employees have committed to long-term full-time training, 340 employees are taking academic degree courses while on the job, and 180 employees have been dispatched to various educational institutions, including Seoul National University.

The Company's support, as well as efforts by the employees themselves, has resulted in more than 700 professionals, making up 22% of the entire workforce. K-water will continue to effectively manage its resources through systematic HR programs and to reinforce the foundation for sustainable growth.

The power to realize the dream of becoming a Global Top 3 water service company and be a leader in the KRW 830 trillion global water market lies in our HR programs. The key is the systematic management of human resources and developing a responsive training system.

700

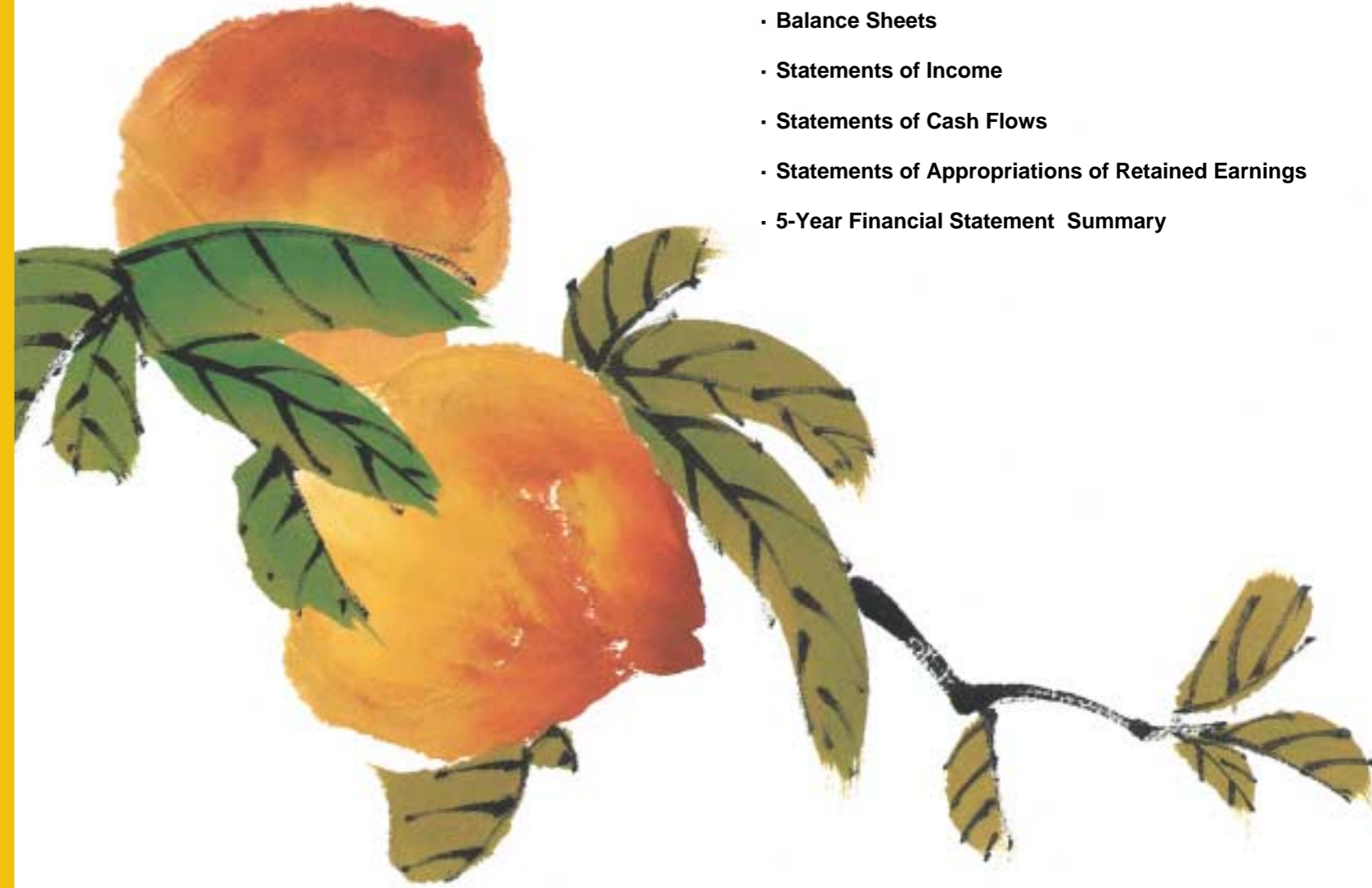
K-water has collected more than 700 professionals, making up 22% of the entire workforce with efforts by the employees themselves

* * *
Financial Statement

Requirements of a credible enterprise

Transparent management is the cornerstone to success

- Report of Independent Auditors
- Balance Sheets
- Statements of Income
- Statements of Cash Flows
- Statements of Appropriations of Retained Earnings
- 5-Year Financial Statement Summary



**To the Board of Directors and Shareholders of
Korea Water Resources Corporation**

We have audited the accompanying balance sheets of Korea Water Resources Corporation (the "Company") as of December 31, 2005 and 2004, and the related statements of income, appropriations of retained earnings and cash flows for the years then ended, expressed in Korean Won. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of Korea. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Korea Water Resources Corporation as of December 31, 2005 and 2004, and the results of its operations, the changes in its retained earnings and its cash flows for the years then ended in conformity with the accounting regulations for government investees as approved by the Korea Ministry of Finance and Economy and accounting principles generally accepted in the Republic of Korea.

The amounts expressed in U.S. Dollars are provided solely for the convenience of the reader and have been translated on the basis set forth in Note 3 to the accompanying financial statements.

Accounting principles and auditing standards and their application in practice vary among countries. The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in conformity with accounting principles and practices generally accepted in countries and jurisdictions other than the Republic of Korea. In addition, the procedures and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying financial statements are for use by those who are knowledgeable about Korean accounting principles or auditing standards and their application in practice.

Seoul, Korea
January 27, 2006

SAMIL PRICEWATERHOUSE COOPERS

This report is effective as of January 27, 2006, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

(In millions of Korean Won and In thousands of U.S. Dollar)

	2005(₩)	2004(₩)	2005(\$)	2004(\$)
[Assets]				
. Current assets	956,403	813,951	944,129	779,796
1. Quick asset	698,796	618,366	689,828	592,418
1) Cash and cash equivalents	200,474	114,658	197,901	109,846
2) Trade accounts and note receivable	388,561	380,496	383,575	364,530
Allowance for doubtful accounts	(9,522)	(155)	(9,400)	(149)
3) Other accounts receivable	6,071	14,716	5,993	14,098
Allowance for doubtful accounts	(3,125)	(12,525)	(3,085)	(11,999)
4) Accrued income	6,622	9,496	6,537	9,098
5) Advance payments	108,749	111,061	107,353	106,401
6) Prepaid expenses	936	594	924	569
7) Others	30	25	30	24
2. Inventories	257,607	195,585	254,301	187,378
1) Uncompleted job	250,785	188,976	247,567	181,046
2) Raw materials	1,522	1,370	1,502	1,313
3) Supplies	5,300	5,239	5,232	5,019
4) Others				
. Fixed asset	10,164,214	9,918,315	10,033,775	9,502,122
1. Investments and others	1,036,114	1,083,129	1,022,817	1,037,679
1) Long-term financial instruments	4,095	3,707	4,042	3,551
2) Available-for-sale securities	4,000	4,200	3,949	4,024
3) Equity method investment securities	8,871	10,743	8,757	10,292
4) Long-term loans	7,956	6,694	7,854	6,413
4) Guarantee deposits	71,251	59,861	70,337	57,349
5) Others	920,334	987,210	908,523	945,786
6) Derivative instruments	19,607	10,714	19,355	10,264
2. Property, plant and equipment	1,786,991	2,055,035	1,764,059	1,968,801
1) Land	32,612	31,655	32,193	30,327
2) Buildings	208,428	192,119	205,753	184,057
Accumulated depreciation	(46,510)	(39,855)	(45,913)	(38,183)
3) Structures	105,198	95,355	103,848	91,354
Accumulated depreciation	(21,957)	(18,629)	(21,675)	(17,847)
4) Machinery and equipment	417,066	405,975	411,714	388,939
Accumulated depreciation	(162,371)	(141,914)	(160,287)	(135,959)
5) Ships	6,648	6,304	6,563	6,039
Accumulated depreciation	(2,890)	(2,367)	(2,853)	(2,268)
6) Vehicles	7,431	5,729	7,336	5,489
Accumulated depreciation	(3,303)	(2,380)	(3,261)	(2,280)
7) Construction-in-progress	1,221,168	1,502,689	1,205,497	1,439,633
8) Others	62,957	54,524	62,149	52,236
Accumulated depreciation	(37,486)	(34,170)	(37,005)	(32,736)
3. Intangible assets	7,341,109	6,780,151	7,246,899	6,495,642
1) Industrial property rights	123	114	121	109
2) Software	18,771	18,282	18,530	17,515
3) Others	7,324,919	6,764,065	7,230,917	6,480,231
Contributions for construction	(2,704)	(2,310)	(2,669)	(2,213)
< Total assets >	11,120,617	10,732,266	10,977,904	10,281,918

(In millions of Korean Won and In thousands of U.S. Dollar)

	2005(₩)	2004(₩)	2005(\$)	2004(\$)
[Liabilities]				
. Current liabilities	730,441	665,474	721,067	637,550
1. Current liabilities	730,441	665,474	721,067	637,550
1) Trade payable	5,498	4,660	5,427	4,465
2) Accounts payable	44,632	24,799	44,059	23,758
3) Advances received	401,805	338,420	396,649	324,219
4) Withholdings	10,815	17,850	10,676	17,101
5) Accrued expenses	6,343	6,570	6,262	6,295
6) Income tax payable	61,915	32,134	61,120	30,785
7) Dividends payable			-	-
8) Current portion of long-term liabilities	184,313	239,753	181,948	229,692
9) Deferred revenue	168	40	166	39
10) Other liabilities	14,952	1,248	14,760	1,196
. Fixed liabilities	1,083,690	1,253,145	1,069,783	1,200,560
1. Fixed liabilities	1,083,690	1,253,145	1,069,783	1,200,560
1) Bonds	408,441	382,078	403,200	366,045
Discount on debentures	(2,207)	(1,949)	(2,179)	(1,867)
2) Long-term borrowings	553,671	750,238	546,566	718,756
3) Accrued severance benefits	82,490	64,781	81,431	62,063
4) Derivative instruments liabilities	17,155	9,308	16,935	8,917
5) Deferred income tax liabilities	24,140	48,689	23,830	46,646
< Total liabilities >	1,814,131	1,918,619	1,790,850	1,838,110
[Shareholders ' equity]				
. Capital stock	6,027,001	5,713,101	5,949,655	5,473,367
1. Capital stock	6,027,001	5,713,101	5,949,655	5,473,367
1) Government	5,418,585	5,104,685	5,349,047	4,890,482
2) Others	608,416	608,416	600,608	582,885
. Additional paid-in and other capital	1,451,379	1,451,379	1,432,753	1,390,476
1. Revaluation surplus	1,449,019	1,449,019	1,430,423	1,388,215
2. Other additional capital	2,360	2,360	2,330	2,261
. Retained earnings	1,840,742	1,644,777	1,817,120	1,575,759
1. Retained earnings	1,840,742	1,644,777	1,817,120	1,575,759
1) Legal reserve	453,085	418,564	447,271	401,000
2) Reserve for business expansion	1,041,519	950,227	1,028,153	910,354
3) Reserve for investment in social overhead capital	127,347	131,532	125,713	126,013
4) Retained earnings before appropriations	218,791	144,454	215,983	138,392
Net income				
(Current period: 218,791)				
(Prior period: 144,454)				
. Capital adjustment	(12,636)	4,390	(12,474)	4,206
1. Capital adjustment	(12,636)	4,390	(12,474)	4,206
1) Unamortized stock issuance costs	(1,615)	(1,617)	(1,594)	(1,549)
2) Valuation gain on derivatives	(13,637)	(3,679)	(13,462)	(3,525)
3) Valuation loss on derivatives	2,616	9,686	2,582	9,280
< Total shareholders ' equity >	9,306,486	8,813,647	9,187,054	8,443,808
< Total liabilities and shareholders ' equity >	11,120,617	10,732,266	10,977,904	10,281,918

(In millions of Korean Won and In thousands of U.S. Dollar)

	2005(₩)	2004(₩)	2005(\$)	2004(\$)
. Sales	1,590,951	1,493,084	1,570,533	1,430,431
1) Site development	252,375	280,378	249,136	268,613
2) Dam construction	197,427	129,219	194,893	123,797
3) Dam operation	388,646	377,696	383,658	361,847
4) Waterworks operation	711,700	651,382	702,567	624,049
5) Local waterworks & sewerage system	7,099		7,008	
6) Others	33,704	54,409	33,271	52,125
. Cost of sales	1,214,421	1,208,623	1,198,836	1,157,906
1) Site development	170,926	297,720	168,732	285,227
2) Dam construction	200,037	129,219	197,470	123,797
3) Dam operation	243,121	213,721	240,001	204,753
4) Waterworks operation	549,765	511,639	542,710	490,169
5) Local waterworks & sewerage system	16,269		16,060	-
6) Others	34,303	56,324	33,863	53,960
. Gross profit	376,530	284,461	371,697	272,525
. Selling and administrative expenses	78,985	65,478	77,970	62,730
1) Salaries	22,103	21,268	21,819	20,376
2) Retirement allowance	2,120	2,897	2,093	2,775
3) Employee benefits	2,944	2,447	2,906	2,344
4) Traveling expenses	1,919	1,793	1,894	1,718
5) Communication expenses	557	568	550	544
6) Utilities expenses	335	330	331	316
7) Fuel expenses	163	107	161	103
8) Tax and dues	1,077	834	1,063	799
9) Supplies expenses	784	622	774	596
10) Clothing expenses	59	108	58	103
11) Publication expenses	569	524	562	502
12) Rental expenses	299	117	295	112
13) Depreciation	2,632	2,318	2,598	2,221
14) Amortization	1,165	1,024	1,150	981
15) Repairs and maintenance expenses	590	641	582	614
16) Vehicle expenses	407	465	402	445
17) Insurance expenses	56	171	55	164
18) Service fees	5,818	4,981	5,743	4,772
19) Reception expenses	129	168	127	161
20) Advertising expenses	5,058	3,812	4,993	3,652
21) Training expenses	1,435	1,732	1,417	1,659
22) Prizing expenses	509	552	502	529
23) Registration fee	18	14	18	13
24) Cooperation expenses	256	472	253	452
25) Research expenses	15,554	14,757	15,354	14,138
26) Current development expenses	949	787	937	754
27) Miscellaneous expenses-administrative	942	940	930	901

Exchange Rate : 2005(KRW1013.0), 2004(KRW1043.8)

(In millions of Korean Won and In thousands of U.S. Dollar)

	2005(₩)	2004(₩)	2005(\$)	2004(\$)
28) Bad debt expenses	9,385	146	9,265	140
29) Sales advertising	326	221	322	212
30) Sales promotion	549	397	542	380
31) Sales commission	278	265	274	254
32) Miscellaneous expenses-sales			-	-
. Operating income	297,545	218,983	293,727	209,795
. Non-operating income	84,886	75,570	83,796	72,398
1) Interest income	9,303	9,639	9,184	9,235
2) Rental income	926	999	914	957
3) Recovery of impairment losses on investment securities	2,160	10,949	2,132	10,489
4) Gain on foreign currency transactions	18,293	23,345	18,058	22,366
5) Gain on disposition of investments	18		18	-
6) Gain on disposition of property, plant and equipment	3,117	3,209	3,077	3,074
7) Refund of prior year 's income taxes	866	476	855	456
8) Gain on valuation of bonds	2,611	8,194	2,577	7,850
9) Gain on valuation of borrowings		348	-	333
10) Gain on valuation of derivatives	21,181	534	20,909	512
11) Miscellaneous gains	26,411	17,877	26,072	17,126
. Non-operating expenses	86,910	91,260	85,794	87,431
1) Interest expenses	28,942	44,804	28,571	42,924
2) Bad debt expenses-other		3,168	-	3,035
3) Losses on foreign currency transactions	1,193	3,674	1,178	3,520
4) Losses on foreign currency translation			-	-
5) Donations	15,478	15,153	15,279	14,517
6) Equity losses on investments	1,521	3,248	1,501	3,112
7) Losses on disposition of investments			-	-
8) Impairment losses on investments			-	-
9) Losses on disposition of property, plant and equipment	1,186	2,431	1,171	2,329
10) Impairment losses	1	3,710	1	3,554
11) Losses on retirements of bonds	20	1,766	20	1,692
12) Losses on valuation of bonds	21,181	534	20,909	512
13) Valuation on loss on derivatives	2,611	8,541	2,577	8,183
14) Additional income taxes for prior periods	8,191	19	8,086	18
15) Miscellaneous losses	6,586	4,212	6,501	4,035
. Ordinary income	295,521	203,293	291,729	194,762
. Extraordinary gain		82	-	79
. Extraordinary loss			-	-
. Income before income taxes	295,521	203,375	291,729	194,841
. Income tax expense	76,730	58,921	75,745	56,449
. Net income	218,791	144,454	215,984	138,392

Exchange Rate : 2005(KRW1013.0), 2004(KRW1043.8)

(In millions of Korean Won and In thousands of U.S. Dollar)

	2005(₩)	2004(₩)	2005(\$)	2004(\$)
. Cash flows from operating activities	713,783	507,801	704,623	486,491
1.Net income	218,791	144,454	215,984	138,392
2.Addition of expenses not involving cash outflows	448,323	420,247	442,570	402,612
1)Depreciation and amortization	390,716	367,519	385,702	352,098
2)Losses on foreign currency translation				
3)Retirement allowance	19,933	23,693	19,677	22,699
4)Losses on disposition of property, plant and equipment	1,187	6,141	1,172	5,883
5)Losses on foreign currency transactions	1,193	3,674	1,178	3,174
6)Bad debt expenses	9,385	3,314	9,265	
7)Losses on disposition of investments				3,519
8)Amortization expenses on discount on bonds	392	390	387	374
9)Donation	155	26	153	25
10)Equity losses on investment	1,521	3,248	1,501	3,112
11)Losses on disposition of inventories				
12)Losses on retirement of bonds	20	1,766	20	1,692
13)Losses on valuation of bonds	21,181	534	20,909	512
14)Losses on valuation of derivatives	2,611	8,542	2,577	8,183
15)Miscellaneous losses	29	1,400	29	1,341
3.Deduction of revenues not involving cash inflows	57,043	46,800	56,310	44,836
1)Gain on disposition of property, plant and equipment	3,117	3,209	3,077	3,074
2)Gain on foreign currency translation	18,293	23,345	18,058	22,364
3)Gain on foreign currency transactions	2,160	10,949	2,132	10,490
4)Equity gain on investments				
5)Reversal of allowance for doubtful accounts	9,345		9,225	-
6)Gain on disposition of investments	18		18	
7)Gain on valuation of bonds	2,611	8,542	2,577	8,184
8)Gain on valuation of derivatives	21,181	533	20,909	511
9)Gain from assets contributed		83	-	80
10)Miscellaneous gains	318	139	314	133

Exchange Rate : 2005(KRW1013.0), 2004(KRW1043.8)

(In millions of Korean Won and In thousands of U.S. Dollar)

	2005(₩)	2004(₩)	2005(\$)	2004(\$)
4.Changes in operations assets and liabilities	103,712	(10,100)	102,379	(9,677)
1)(Increase)Decrease in inventories	4,659	102,132	4,599	97,846
2)(Increase)Decrease in trade accounts and notes receivable	(8,065)	(87,065)	(7,962)	(83,412)
3)(Increase)Decrease in other accounts receivable	8,645	(173)	8,534	(166)
4)(Increase)Decrease in accrued income	2,874	(4,116)	2,837	(3,943)
5)(Increase)Decrease in prepaid expenses	(342)	(118)	(338)	(113)
6)(Increase)Decrease in advances payment	2,312	(32,214)	2,282	(30,862)
7)(Increase)Decrease in deposits	(5)	(1)	(5)	(1)
8)(Decrease)Increase in trade payables	837	(180)	826	(173)
9)(Decrease)Increase in accounts payable	19,833	(2,936)	19,578	(2,813)
10)(Decrease)Increase in advanced received	63,385	23,286	62,572	22,309
11)(Decrease)Increase in withholdings	(7,035)	3,066	(6,945)	2,937
12)(Decrease)increase in accrued expenses	(227)	264	(224)	253
13)(Decrease)Increase in income tax payable	29,781	(5,215)	29,399	(4,996)
14)(Decrease)Increase in deferred income tax liabilities	(12,315)	(4,999)	(12,157)	(4,789)
15)(Decrease)Increase in deferred revenue	128	2	126	2
16)(Decrease)Increase in Guarantee deposits	1,470	(493)	1,451	(472)
17)Payment of severance benefits	(2,223)	(1,340)	(2,194)	(1,284)
.Cash flows from investing activities	(693,912)	(538,917)	(685,007)	(516,302)
1. Net cash provided by investing activities	36,257	40,729	35,792	39,020
1)Disposition of equity method investment securities	763		753	
2)Disposition of available-for-sale securities	219		216	
3)Withdrawal of long-term loans	641	427	633	409
4)Disposal of long-term financial instruments	12,337	24,332	12,179	23,311
5)Withdrawal of guarantee deposits	16,427	12,359	16,216	11,840
6)Withdrawal of leasehold deposits	2,263	10	2,234	10
7)Disposal of property, plant and equipment	3,585	3,432	3,539	3,288
8)Withdrawal of business deposits	22	169	22	162

Exchange Rate : 2005(KRW1013.0), 2004(KRW1043.8)

(In millions of Korean Won and In thousands of U.S. Dollar)

	2005(₩)	2004(₩)	2005(\$)	2004(\$)
2. Net cash used in investing activities	730,169	579,646	720,799	555,322
1)Acquisition of investment securities	412	889	407	852
2)Increase in long-term financial instruments	12,725	27,504	12,562	26,349
3)Withdrawal of long-term loans	1,903	1,702	1,879	1,631
4)Increase in guarantee deposits	24,675	21,121	24,358	20,234
5)Increase in business deposits		5		5
6)Increase in leasehold deposits	5,427	1,435	5,357	1,375
7)Acquisition of membership	437	325	431	311
8)Acquisition of property, plant, equipment and intangible assets	684,555	526,608	675,770	504,510
9)Acquisition of other investments	35	57	35	55
.Cash flows from financing activities	65,945	(63,469)	65,099	(60,807)
1. Net cash provided by financing activities	581,201	488,306	573,743	467,815
1)Issuance of bonds	185,414	165,256	183,035	158,321
2)Proceeds from foreign long-term borrowings	82,700	62,945	81,639	60,304
3)Proceeds from long-term borrowings				
4)Increase in paid-capital	313,087	260,105	309,069	249,190
2. Net cash used in financing activities	515,256	551,775	508,644	528,622
1)Repayment of long-term borrowings	311,796	193,622	307,795	185,497
2)Repayment of foreign long-term borrowings	2,696	64,062	2,661	61,374
3)Repayment of bonds	178,754	182,963	176,460	175,286
4)Reduction of capital		87,181		83,523
5)Payment of dividends	22,010	23,947	21,728	22,942
. Net increase in cash and cash equivalents	85,816	(94,585)	84,715	(90,618)
. Beginning of year	114,658	209,243	113,186	200,463
. End of year	200,474	114,658	197,901	109,845

(In millions of Korean Won and In thousands of U.S. Dollar)

	2005(₩)	2004(₩)	2005(\$)	2004(\$)
. Retained earnings before appropriations	218,791	144,454	215,984	138,392
1. Unappropriated retained earnings carried over from prior years	-	-	-	-
2. Net income	218,791	144,454	215,984	138,392
. Transfer from voluntary reserve	36,230	28,152	35,765	26,971
1. Appropriated retained earnings for business stabilization	506		500	
2. Reserve for investment in social overhead capital	35,724	28,152	35,265	26,971
Total	255,021	172,606	251,749	165,363
. Appropriations of retained earning	255,021	172,606	251,749	165,363
1. Legal appropriated retained earnings	51,004	34,521	50,350	33,072
2. Appropriated retained earnings for business expansion	143,350	91,292	141,510	87,462
3. Amortization of stock issuance costs	803	815	793	781
4. Reserve for investment in social overhead capital	24,583	23,968	24,268	22,962
5. Cash dividends	35,281	22,010	34,828	21,086
.Unappropriated retained earnings carried forward to the subsequent year	-	-	-	-

Balance Sheets

(unit : In millions of Korean Won)

	2005	2004	2003	2002	2001
1. Current asset	956,403	813,951	852,987	724,364	684,791
A. Quick assets	698,796	618,366	592,454	467,577	404,707
Cash and cash equivalents	200,474	114,658	209,243	151,376	76,305
Trade accounts receivable	379,039	380,341	293,376	295,039	293,010
Others	119,283	123,367	89,835	21,162	35,392
B. Inventories	257,607	195,585	260,533	256,787	280,084
Land	250,785	188,976	253,967	249,801	273,633
Others	6,822	6,609	6,566	6,986	6,451
2. Non-current assets	10,164,214	9,918,315	9,792,225	8,992,564	8,828,325
A. Investments	1,036,114	1,083,129	1,101,762	1,100,549	1,019,712
Portion of land classified as non current	905,476	972,156	1,009,298	1,005,724	934,223
Others	130,638	110,973	92,464	94,825	85,489
B. Property, Plant & Equipment	1,786,991	2,055,035	2,022,762	2,248,193	2,304,851
Construction of waterworks in progress	906,144	880,479	971,722	1,259,590	1,360,142
Construction of dams in progress	282,055	604,800	504,036	474,020	409,293
Others	594,752	569,756	547,004	514,583	535,416
C. Intangible assets	7,341,109	6,780,151	6,667,701	5,643,822	5,503,762
Rights to use dams	2,907,013	2,531,590	2,586,025	2,456,428	2,472,879
Rights to manage waterworks	4,411,999	4,230,050	4,066,719	3,178,171	3,023,529
Others	22,097	18,511	14,957	9,223	7,354
<Total asset(1+2)>	11,120,617	10,732,266	10,645,212	9,716,928	9,513,116
1. Current liabilities	730,442	665,474	689,149	643,401	888,630
A. Trade accounts payable	44,632	24,799	27,734	48,431	51,133
B. Advances received	401,805	338,420	315,134	354,254	323,020
C. Deferred income tax liabilities	61,915	32,134	37,349	83,486	53,468
D. Current portion of long-term debt	184,314	239,753	281,199	118,470	415,472
E. Others	37,776	30,368	27,733	38,760	45,537
2. Long-Term liabilities	1,083,689	1,253,145	1,443,378	1,012,156	1,144,406
A. Bonds payable	406,233	380,129	456,646	566,476	687,240
B. Long-term borrowings	553,671	750,238	887,169	361,891	380,100
C. Others	123,785	122,778	99,563	83,789	77,066
<Total liabilities(1+2)>	1,814,131	1,918,619	2,132,527	1,655,557	2,033,036
1. Capital stock	6,027,001	5,713,101	5,540,177	5,294,789	4,992,106
2. Additional paid-in and other capital	1,451,379	1,451,379	1,451,379	1,465,203	1,465,203
3. Retained earnings	1,840,743	1,644,777	1,525,293	1,305,783	1,025,963
4. Capital adjustments	12,637	4,390	4,164	4,404	3,192
<Total shareholders' equity(1+2+3+4)>	9,306,486	8,813,647	8,512,685	8,061,371	7,480,080
<Total liabilities & shareholders' equity>	11,120,617	10,732,266	10,645,212	9,716,928	9,513,116

(unit : In thousands of U.S. Dollar)

	2005	2004	2003	2002	2001
1. Current asset	944,129	779,796	712,128	603,435	516,395
A. Quick assets	689,828	592,418	494,618	389,517	305,186
Cash and cash equivalents	197,901	109,846	174,690	126,105	57,541
Trade accounts receivable	374,175	364,381	244,929	245,784	220,957
Others	117,752	118,191	74,999	17,628	26,688
B. Inventories	254,301	187,378	217,510	213,918	211,209
Land	247,567	181,046	212,028	208,099	206,344
Others	6,734	6,332	5,482	5,819	4,865
2. Non-current assets	10,033,775	9,502,122	8,175,176	7,491,307	6,657,360
A. Investments	1,022,817	1,037,679	919,822	916,819	768,955
Portion of land classified as non current	893,856	931,363	842,627	837,824	704,489
Others	128,961	106,316	77,195	78,995	64,466
B. Property, Plant & Equipment	1,764,059	1,968,801	1,688,731	1,872,870	1,738,068
Construction of waterworks in progress	894,515	843,532	811,256	1,049,309	1,025,671
Construction of dams in progress	278,435	579,421	420,801	394,885	308,644
Others	591,109	545,848	456,674	428,676	403,753
C. Intangible assets	7,246,899	6,495,642	5,566,623	4,701,618	4,150,337
Rights to use dams	2,869,707	2,425,359	2,158,979	2,046,341	1,864,775
Rights to manage waterworks	4,355,379	4,052,548	3,395,157	2,647,594	2,280,016
Others	21,813	17,735	12,487	7,683	5,546
<Total asset(1+2)>	10,977,904	10,281,918	8,887,304	8,094,742	7,173,755
1. Current liabilities	721,067	637,550	575,346	535,988	670,108
A. Trade accounts payable	44,059	23,758	23,154	40,346	38,559
B. Advances received	396,649	324,219	263,094	295,113	243,586
C. Deferred income tax liabilities	61,120	30,785	31,181	69,548	40,320
D. Current portion of long-term debt	181,948	229,692	234,763	98,692	313,303
E. Others	37,291	29,096	23,154	32,289	34,340
2. Long-Term liabilities	1,069,783	1,200,560	1,205,025	843,182	862,987
A. Bonds payable	401,020	364,178	381,237	514,497	518,242
B. Long-term borrowings	546,566	718,756	740,666	258,884	286,630
C. Others	122,196	117,626	83,122	69,801	58,115
<Total liabilities(1+2)>	1,790,850	1,838,110	1,780,371	1,379,170	1,533,095
1. Capital stock	5,949,655	5,473,367	4,625,294	4,410,854	3,764,502
2. Additional paid-in and other capital	1,432,753	1,390,476	1,211,704	1,220,596	1,104,896
3. Retained earnings	1,817,120	1,575,759	1,273,412	1,087,790	773,670
4. Capital adjustments	12,474	4,206	3,477	3,668	2,408
<Total shareholders' equity(1+2+3+4)>	9,187,054	8,443,808	7,106,933	6,715,572	5,640,660
<Total liabilities & shareholders' equity>	10,977,904	10,281,918	8,887,304	8,094,742	7,173,755

Statements of Income

(unit : In millions of Korean Won)

	2005	2004	2003	2002	2001
1. Sales	1,590,951	1,493,084	1,480,978	1,543,924	1,280,196
Land	252,375	280,378	349,291	676,766	526,497
Waterworks	711,700	651,382	562,774	500,390	426,826
Dams	388,646	377,696	386,461	281,456	199,803
Others	238,230	183,628	182,452	85,312	127,070
2. Cost of sales	1,214,421	1,208,623	1,088,135	1,113,382	1,041,509
Land	170,926	297,720	281,875	469,960	413,466
Waterworks	549,765	511,639	436,374	381,590	352,388
Dams	243,121	213,721	187,782	177,655	150,763
Others	250,609	185,543	182,104	84,177	124,892
3. Gross profit	376,530	284,461	392,843	430,542	238,687
4. Selling and administrative expense	78,985	65,478	51,459	48,925	39,937
5. Operating income	297,545	218,983	341,384	381,617	198,750
6. Non-operating income	84,887	75,569	42,350	100,970	48,528
Interest income	9,303	9,639	12,165	9,442	10,009
Foreign exchange gain	2,160	10,949	39	59	74
Gain on foreign currency translation	18,292	23,345	143	7,052	13,634
Gain on damage for breach of contract	13,965	15,613	16,709	12,823	11,027
Others	41,167	16,023	13,294	71,594	13,784
7. Non-operating expenses	86,910	91,260	79,675	90,496	81,130
Interest expense	28,942	44,804	33,718	41,345	52,704
Foreign exchange loss	1,193	3,674	114	79	1,399
Loss on foreign currency translation	-	-	17,048	529	2,530
Donations	15,478	15,153	16,299	5,642	3,731
Losses on Disposition of Property, Plant and Equipment	1,187	6,141	4,176	13,455	3,568
Others	40,110	21,488	8,320	29,446	17,198
8. Ordinary income	295,522	203,292	304,059	392,091	166,148
9. Extraordinary gain	-	83	98	-	-
10. Income before income taxes	295,522	203,375	304,157	392,091	166,148
11. Income tax expense	76,731	58,921	84,647	100,536	62,987
12. Net income	218,791	144,454	219,510	291,555	103,161

(unit : In thousands of U.S. Dollar)

	2005	2004	2003	2002	2001
1. Sales	1,570,533	1,430,431	1,236,416	1,286,175	965,384
Land	249,136	268,613	291,610	563,784	397,027
Waterworks	702,567	624,049	469,840	416,853	321,866
Dams	383,658	361,847	322,643	234,469	150,670
Others	235,172	175,922	152,323	71,069	95,822
2. Cost of sales	1,198,836	1,157,906	908,445	927,509	785,393
Land	168,732	285,227	235,327	391,503	311,791
Waterworks	542,710	490,169	364,313	317,886	265,733
Dams	240,001	204,753	156,772	147,996	113,689
Others	247,393	177,757	152,033	70,124	94,180
3. Gross profit	371,697	272,525	327,971	358,666	179,991
4. Selling and administrative expense	77,970	62,730	42,961	40,758	30,116
5. Operating income	293,727	209,795	285,010	317,908	149,875
6. Non-operating income	83,796	72,398	35,356	84,113	37,378
Interest income	9,184	9,235	10,156	7,866	7,548
Foreign exchange gain	2,132	10,489	33	49	56
Gain on foreign currency translation	18,058	22,366	119	5,875	10,281
Gain on damage for breach of contract	13,786	14,958	13,950	10,682	8,663
Others	40,636	15,350	11,098	59,641	10,830
7. Non-operating expenses	85,794	87,431	66,518	75,388	61,962
Interest expense	28,571	42,924	28,150	34,443	39,743
Foreign exchange loss	1,178	3,520	95	66	1,055
Loss on foreign currency translation	-	-	14,233	441	1,908
Donations	15,279	14,517	13,607	4,700	2,813
Losses on Disposition of Property, Plant and Equipment	1,172	5,883	3,487	11,209	2,825
Others	39,594	20,587	6,946	24,529	13,618
8. Ordinary income	291,729	194,762	253,848	326,633	125,291
9. Extraordinary gain	-	79	82	-	-
10. Income before income taxes	291,729	194,841	253,930	326,633	125,291
11. Income tax expense	75,745	56,449	70,669	83,752	47,498
12. Net income	215,984	138,392	183,261	242,881	77,793

Statements of Cash Flows

(unit : In millions of Korean Won)

	2005	2004	2003	2002	2001
1. Cash flows from operating activities	713,783	507,800	396,991	628,393	571,474
A. Net income	218,791	144,454	219,510	291,554	103,161
B. Addition of expenses not involving cash outflows	448,323	420,247	369,445	337,554	290,274
Depreciation	390,716	367,519	323,894	282,120	257,979
Retirement Allowance	19,932	23,693	16,172	12,516	10,624
Others	37,675	29,035	29,379	42,918	21,671
C. Deduction of revenues not involving cash inflows	(57,043)	46,800	10,847	15,334	24,191
D. Changes in operations assets and liabilities	103,712	(10,101)	(181,117)	14,619	202,230
2. Cash flows from investing activities	(693,912)	(538,916)	(588,909)	(399,689)	(822,835)
A. Cash inflows from investing activities	36,258	40,729	83,515	41,894	39,742
B. Cash outflows for investing activities	(730,170)	579,645	672,424	441,583	862,577
Acquisition of property, plant, equipment and intangible assets	684,555	526,608	596,395	389,709	844,355
Others	45,615	53,037	76,029	51,874	18,222
3. Cash flows from financing activities	65,945	(63,469)	249,785	(153,632)	194,124
A. Cash inflows from financing activities	581,201	488,306	472,844	474,288	911,405
Issuance of bonds	185,414	165,256	29,992	169,652	222,236
Proceeds from long-term borrowings	82,700	62,945	124,644	2,803	177,657
Increase in paid-capital	313,087	260,105	318,208	301,833	511,512
B. Cash outflows from financing activities	(515,256)	551,775	223,059	627,920	717,281
Repayment of long-term borrowings	314,492	257,684	40,901	25,463	184,620
Repayment of bonds	178,754	182,963	104,100	593,120	524,880
Payment of dividends	22,010	23,947	10,268	9,337	7,781
Reduction of capital	-	87,181	67,790	-	-
< Net Increase In Cash >	85,816	(94,585)	57,867	75,072	(57,237)
<Cash at Beginning of Year>	114,658	209,243	151,376	76,304	133,542
< Cash at End of Year >	200,474	114,658	209,243	151,376	76,305

(unit : In thousands of U.S. Dollar)

	2005	2004	2003	2002	2001
1. Cash flows from operating activities	704,623	486,491	331,433	628,393	571,474
A. Net income	215,984	138,392	183,261	291,554	103,161
B. Addition of expenses not involving cash outflows	442,570	402,612	305,770	337,554	290,274
Depreciation	385,702	352,098	270,407	282,120	257,979
Retirement Allowance	19,676	22,699	13,501	12,516	10,624
Others	37,192	27,815	21,862	42,918	21,671
C. Deduction of revenues not involving cash inflows	(56,310)	(44,836)	(6,390)	(15,334)	(24,191)
D. Changes in operations assets and liabilities	102,379	(9,677)	(151,208)	14,619	202,230
2. Cash flows from investing activities	(685,007)	(516,302)	(491,659)	(399,689)	(822,835)
A. Cash inflows from investing activities	35,792	39,020	69,724	41,894	39,742
B. Cash outflows for investing activities	(720,799)	(555,322)	(561,383)	(441,583)	(862,577)
Acquisition of property, plant, equipment and intangible assets	675,770	504,510	497,909	389,709	844,355
Others	45,029	50,812	63,474	51,874	18,222
3. Cash flows from financing activities	65,099	(60,807)	208,537	(153,632)	194,124
A. Cash inflows from financing activities	573,743	461,815	394,761	474,288	911,405
Issuance of bonds	183,035	158,321	25,039	169,652	222,236
Proceeds from long-term borrowings	81,639	60,304	104,061	2,803	177,657
Increase in paid-capital	309,069	249,190	265,661	301,833	511,512
B. Cash outflows from financing activities	(508,644)	(528,622)	(186,224)	(627,920)	(717,281)
Repayment of long-term borrowings	310,456	246,871	34,147	25,463	184,620
Repayment of bonds	176,460	175,286	86,909	593,120	524,880
Payment of dividends	21,728	22,942	8,572	9,337	7,781
Reduction of capital	-	83,523	56,596	-	-
< Net Increase In Cash >	84,715	(90,618)	48,311	75,072	(57,237)
<Cash at Beginning of Year>	113,186	200,463	126,379	76,304	133,542
< Cash at End of Year >	197,901	109,845	174,690	151,376	76,305

Board of Directors

K-water endeavors in various ways to ensure transparent and responsible management and become a world class water service provider. To this end, K-water 's board of directors (BOD) deliberates and resolves major directions such as management goals, business planning and budget and material issues related to business execution, supervision of operations and management, and support of managerial activities.

In addition, the BOD operates subcommittees for fast and efficient decision-making. The Management Committee and Investment Committee conduct in-depth discussions and seek alternative solutions for issues as delegated by the BOD.

K-water has thirteen directors, comprised of six standing directors and seven non-standing directors. In 2005, the BOD held fourteen board meetings and handled 35 agenda items.

The President of K-water is appointed and dismissed by the President of the Republic of Korea following recommendation by the Presidential Recommendation Committee comprised of non-standing directors and a nomination by the Minister of Construction and Transportation. The head of a division, also a standing director, is appointed and dismissed by the Minister of Construction and Transportation upon nomination by the K-water President. Non-standing directors are appointed and dismissed by the Minister of Planning & Budget upon nomination by the K-water President and a resolution by the Government-Investment Institution Management Committee.

K-water 's Inspector General suggests items to review by the BOD, and is appointed and dismissed by the President of the Republic of Korea upon nomination by the Minister of Planning & Budget and a resolution by the Government-Investment Institution Management Committee.

Subcommittees

The Management Committee

Chairman, **Jin-Won Lee**

Director, **Hyun-Joon Kim**

Director, **Young-Kyu Kim**

Director, **Young-Sang Kwon**

Director, **Jong-Koo Kim**

Director, **Tae-II Kim**

The Investment Committee

Chairman, **Kun-Young Lee**

Director, **Hee-II You**

Director, **Je-Sang Jon**

Director, **Young-Jong Kim**

Director, **Chang-Rae Park**

Standing Directors



Kyul-Ho Kwak

President and CEO
Minister of MOE(Ministry of Environment)



Hyun-Joon Kim

Executive Director of the
Administrative Services Division
Accounting & Finance Dept. Director



Je-Sang Jon

Executive Director of the Water
Supply Division
Audit & Inspection Office. Director



Hee-II You

Executive Director of the Water
Resources Division
Water Supply Support Dept. Director



Young-Kyu Kim

Executive Director of the Technical
Services & Land Project Division
Daecheong Dam Office. Director

Inspector General



Jae-Ho Kim

Inspector General
CEO of Sung Sam Tech
Vice President of the Administrative
Services Division, Dainong Co. Ltd.

Non - Standing Directors



Kun-Young Lee

President of Joong-Bu University
Vice Minister of MOCT(Ministry
of Construction & Transportation)



Young-Jong Kim

President of Kim Young-Jong
Architect Company
President of Future Urban Institute



Jin-Won Lee

Chairman of Steering Committee,
Giupsarang Campaign Center
Director in Editorial Office, Korea Economic
Daily



Chang-Rae Park

Researcher, Samsung Press
Foundation
Director in Editorial Office, Dong-
a il bo



Young-Sang Kwon

Partner, Seoul-General Law Firm
IFANS(Institute of Foreign Affairs and
National Security) of MOFAT(Ministry
of Foreign Affairs and Trade)



Jong-Koo Kim

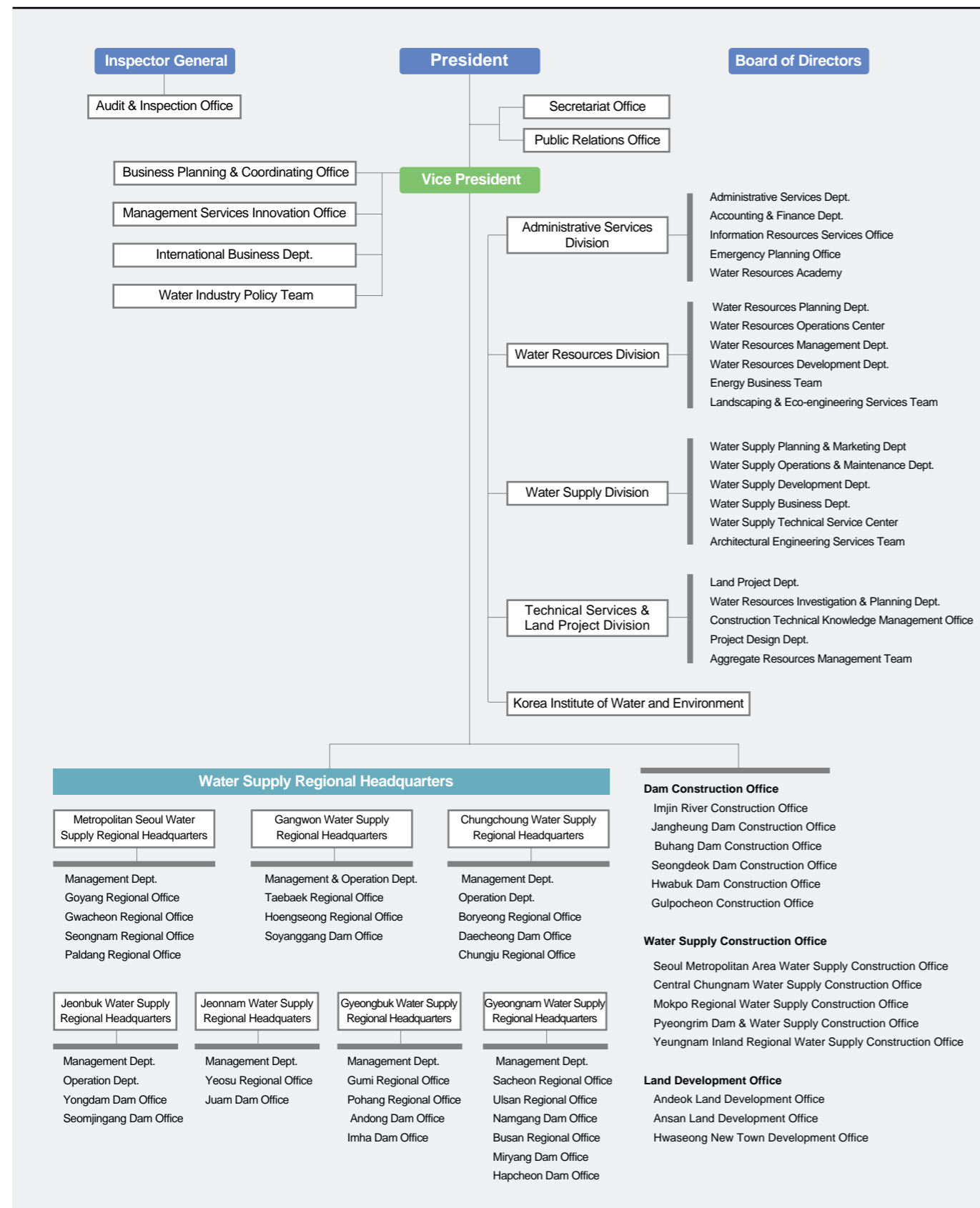
Chairman of The Country 's Competition
Strength Special Committee, The URI
PARTY
Chairman of Council Steering Committee,
Seoul-Metropolitan City Council



Tae-II Kim

Professor, Department of Political Science
and Diplomacy, Yeung-Nam University
Chief Researcher, National Unification
Institute

Corporate Structure



Network

<p>Head Office San 6-2 Yeonchuk-dong, Daedeok-gu, Daejeon TEL:82-42-629-3114 FAX:82-42-623-0963</p>	<p>Taebaek Regional Office San 174-2 Hwangji-dong, Taebaek-si, Gangwon TEL:82-33-550-1215 FAX:82-33-550-1231</p>	<p>Seomjingang Dam Office San 5 Yongsu-ri, Gangjin-myeon, Imsil-gun, Jeonbuk TEL:82-63-640-6215 FAX:82-63-640-6231</p>
<p>Seoul Office Good morning Sinhan Tower 27Fl., 23-2 Yeouido-dong, Yeongdeungpo-gu, Seoul TEL:82-2-769-5600 FAX:82-2-769-5699</p>	<p>Hoengseong Regional Office 5-1 Songjeon-ri, Hoengseong-eup, Hoengseong-gun, Gangwon TEL:82-33-340-0214 FAX:82-33-340-0285</p>	<p>Jeonnam Water Supply Regional Headquarters Twins Bldg., 9Fl., Sangmu-jigu 1216-3 Chipyeong-dong, Seo-gu Gwangju TEL:82-62-370-1211 FAX:82-62-370-1231</p>
<p>Water Resources Academy 462-1 Jeonmin-dong, Yuseong-gu, Daejeon TEL:82-42-860-0209 FAX:82-42-860-0248</p>	<p>Soyanggang Dam Office San 4 Cheonjeon-ri, Sinbuk-eup, Chuncheon-si, Gangwon TEL:82-33-259-7204 FAX:82-33-259-7231</p>	<p>Yeosu Regional Office 179 Hak-dong, Yeosu-si, Jeonnam TEL:82-61-688-5214 FAX:82-61-688-5231</p>
<p>Korea Institute of Water and Environment 462-1 Jeonmin-dong, Yuseong-gu, Daejeon TEL:82-42-860-0307 FAX:82-42-860-0319</p>	<p>Chungchoung Water Supply Regional Headquarters 286 Seonghwa-dong, Heungdeok-gu, Cheongju-si, Chungbuk TEL:82-43-230-4221 FAX:82-43-230-4269</p>	<p>Jum Dam Office 212-1 Yonggye-ri, Sangsa-myeon, Suncheon-si, Jeonnam TEL:82-61-749-7204 FAX:82-61-749-7231</p>
<p>Metropolitan Seoul Water Supply Regional Headquarters 286 Sanghyeon-dong, Yongin-si, Gyeonggi TEL:82-31-260-8311 FAX:82-31-260-8299</p>	<p>Boryeong Regional Office 517-2 Pyeong-ri, ungcheon-eup, Boryeong-si, Choongnam TEL:82-41-939-1214 FAX:82-41-939-1231</p>	<p>Gyeongbuk Water Supply Regional Headquarters Deadong Tower 4Fl., 179 Jung-dong, Suseong-gu, Deagu TEL:82-53-668-1211 FAX:82-53-668-1287</p>
<p>Goyang Regional Office 223-1 Daejang-dong, Deokyang-gu, Goyang-si, Gyeonggi TEL:82-31-960-6216 FAX:82-31-960-6231</p>	<p>Daecheong Dam Office 629-10 Duckyou-ri, Munui-myeon, Cheongwon-gun, Chnkbuk TEL:82-42-930-7204 FAX:82-42-930-7231</p>	<p>Gumi Regional Office 530 Goepyeong-ri, Goa-eup, Gumi-si, Gyeongbuk TEL:82-54-450-4214 FAX:82-54-450-4205</p>
<p>Gwacheon Regional Office 654-1 Galhyeon-dong, Gwacheon-si, Gyeonggi TEL:82-2-500-8413 FAX:82-2-500-8470</p>	<p>Chungju Regional Office 305 Yongtan-dong, Chungju-si, Chungbuk TEL:82-43-840-1204 FAX:82-43-840-1235</p>	<p>Pohang Regional Office 730 Hakya-ri, Gigye-myeon, Buk-gu, Pohang-si, Gyeongbuk TEL:82-54-230-4705 FAX:82-54-230-4731</p>
<p>Seongnam Regional Office San 88-5 Sasong-dong, Sujeong-gu, Seongnam-si, Gyeonggi TEL:82-31-720-7715 FAX:82-31-720-7732</p>	<p>Jeonbuk Water Supply Regional Headquarters 27 Seongjae-ri, Gosan-myeon, Wanju-gun, Jeonbuk TEL:82-63-260-4211 FAX:82-63-260-4231</p>	<p>Andong Dam Office San 164-19 Seonggok-dong Andong-si, Gyeongbuk TEL:82-54-850-4204 FAX:82-54-820-4231</p>
<p>Paldang Regional Office San 13 Baealmi-dong, Hanam-si, Gyeonggi TEL:82-31-790-3314 FAX:82-31-790-3318</p>	<p>Yongdam Dam Office San 18 Samlak-ri, Ancheon-myeon, Jinan-gun, jeonbuk TEL:82-63-430-4205 FAX:82-63-430-4231</p>	<p>Imha Dam Office 1084-7 Cheonjeon-ri, Imha-myeon, Andong-si, Gyeongbuk TEL:82-54-820-2204 FAX:82-54-820-2231</p>
<p>Gangwon Water Supply Regional Headquarters Byeokjin Bldg., 4Fl., 929-3 Geodu-ri, Dongnae-myeon, Chuncheon-si, Gangwon TEL:82-33-260-3720 FAX:82-33-260-3747</p>		

Gyeongnam Water Supply Regional

Headquarters

25 Ballim-dong, Changwon-si, Gyeongnam
TEL:82-55-268-7106 FAX:82-55-268-7120

Sacheon Regional Office

18 Baechoon-ri, Chukdong-myeon, Sacheon-si,
Gyeongnam
TEL:82-55-851-5210 FAX:82-55-851-5231

Ulsan Regional Office

1404-3 Ok-dong, Nam-gu, Ulsan
TEL:82-52-259-6212 FAX:82-52-259-6231

Namgang Dam Office

San 188-1 Samgye-ri, Naedong-myeon, Jinju-si,
Gyeongnam
TEL:82-55-750-1204 FAX:82-55-750-1229

Busan Regional Office

1149-7 Hadan-dong, Saha-gu, Busan
TEL:82-51-200-2708 FAX:82-51-200-2718

Miryang Dam Office

402 Dajuk-ri, Sanoe-myeon, Miryang-si,
Gyeongnam
TEL:82-55-359-3213 FAX:82-55-359-3245

Hapcheon Dam Office

San 116 Gaho-ri, Yongju-myeon, Hapcheon-gun,
Gyeongnam
TEL:82-55-930-5205 FAX:82-55-930-5261

Seoul Metropolitan Area Water Supply

Construction Office

Hanaro Telecom Bldg., 10Fl., 726 Janghang
2-dong, Ilsan-gu, Goyang-si, Gyeonggi
TEL:82-31-810-9314 FAX:82-31-810-9393

Gulpocheon Construction Office

162 Sicheon-dong, Seo-gu, Incheon
TEL:82-32-560-0110 FAX:82-32-560-0196

Imjin River Construction Office

Daeyang Bldg., 6Fl., 483-147 Jeongok1-ri,
Jeongok-eup, Yeoncheon-gun, Gyeonggi
TEL:82-31-830-4245 FAX:82-31-830-4240

**Central Changnam Water Supply Construction
Office**

Star Tower Bldg., 4Fl., 601-1 Singwan-dong,
Gongju-si, Chungcheongnam
TEL:82-41-850-2720 FAX:82-41-850-2770

**Mokpo Regional Water Supply Construction
Office**

1657-1 Yongang-ri, Samho-eup, Yeongam-gun,
Jeonnam
TEL:82-61-460-5213 FAX:82-61-460-5231

**Pyeongrim Dam & Water Supply Construction
Office**

861-21 Soook-ri, Samgye-myeon, Jangseong-
gun, Jeonnam
TEL:82-61-390-8211 FAX:82-61-390-8249

Jangheung Dam Construction Office

489-1 Jicheon-ri, Busan-myeon, Jangheung-gun,
Jeonnam
TEL:82-61-860-3211 FAX:82-61-860-3231

**Yeungnam Inland Regional Water Supply
Construction Office**

272-9 Pyeong-ri, Dasan-myeon, Goryeong-gun,
Gyeongbuk
TEL:82-54-950-7211 FAX:82-54-950-7249

Buhang Dam Construction Office

302 4-1 seongnea-dong, Gimcheon-si, Gyeongbuk
TEL:82-54-420-2610 FAX:82-54-420-2650

Seongdeok Dam Construction Office

Busung Bldg., 5Fl., 244-1 Jeongha-dong, Andong-
si, Gyeongbuk
TEL:82-54-841-0301 FAX:82-54-850-0399

Hwabuk Dam Construction Office

50 Hwabuk-ri, Goro-myeon, Gunwi-gun,
Gyeongbuk
TEL:82-54-380-3502 FAX:82-54-380-3520

Andeok Land Development Office

1-1 Singil-dong, Danwon-gu, Ansan-si, Gyeonggi
TEL:82-31-496-3811 FAX:82-31-496-3806

Ansan Land Development Office

737 Seongpo-dong, Sangnok-gu, Ansan-si,
Gyeonggi
TEL:82-31-412-2814 FAX:82-31-412-2831

Hwaseong New Town Development Office

1277 Namyang-dong, Hwaseong-si, Gyeonggi
TEL:82-31-355-6493 FAX:82-31-355-6495

Vietnam Office

Suite B7A, 4th Fl., Hanoi Horison Hotel 40 Cat
Linh St., Hanoi, Vietnam
TEL:84-4-736-6431 FAX:84-4-736-6432

A life rich with water



In the middle of road to tomorrow
Stands K-water
Caring for Water, Nature and People

For a better tomorrow with water
Our quest continues




K water
www.kwater.or.kr