

3QFY2005 EARNINGS RELEASE

October 2005 ~ December 2005

Daewoo Securities (006800.KS)

Investor Relations

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Company Description

Establishment Sept. 1970
 CEO Sohn, Bok-Jo (Mr.)
 Employees 2,377
 Domestic Network 116 branches, 1 office
 Overseas Network 3 branches, 1 bank
 (HK, NY, LDN)
 Shareholder's Equity KRW 1,658 bln
 Major Shareholder KDB (39.09%)

<Common>

Outstanding Shrs 190,100,891
 Market Cap. KRW 3,536 bln
 (As of Dec 29, '05)
 Price Quarterly
 - High /-Low KRW 18,600/
 KRW 10,950
 Daily Trading Vol. 7,713,300 Shrs

<Preferred>

Outstanding Shrs 14,075,750
 Market Cap. KRW 202bln
 (As of Dec 29, '05)
 Price Quarterly
 - High /-Low KRW 13,750/
 KRW 7,280
 Daily Trading Vol. 304,365 Shrs

Contents

Summary p. 1
 Financial Performance p. 2
 Business Performance p. 9
 Daewoo at a Glance p. 15
 Appendix1: B/S p. 16
 Appendix2: P/L p. 17

■ 3QFY2005 OP KRW 131.2bln, NP 158.3bln

Daewoo Securities posted net income of KRW 158.3bln, up by 38.3% QoQ, for 3QFY2005, and it is the highest figure since 1999. Operating income increased by 36.3% to 131.2bln for the same period.

As of December 31st 2005, the balance of total assets amounted KRW 9.90tln, and total shareholders' equity posted 1.66tln.

■ Dominant Market Position in Brokerage & IB

Daewoo Securities continued to carry its No.1 position with stronger dominance in the brokerage market. Also, the Company's market share continued to increase during 3QFY2005. The growth in market share was largely contributed by the Company's strong sales competency in the offline brokerage market.

The Company showed outstanding performance in underwriting, as well. Daewoo saw more than 40% of market share in the local IPO market in 3QFY05. The Company also performed dominantly in corporate bonds and ABS.

Furthermore, the growth in total ending balance of asset management continued through 3QFY05. Especially, profitable equity-related financial products, defined as 'Strategic Products', showed a sharp increase in balance.

■ Earnings

[Table1] Earnings

(KRW bln)	3QFY2005	2QFY2005	QoQ	3QFY2005 (Consol.)	3QFY2004 (Consol.)	YoY
Operating Revenue	554.5	466.6	18.8%	1,283.7	553.8	131.8%
Operating Expenses	423.3	370.3	14.3%	1,014.7	529.0	91.8%
Operating Income	131.2	96.3	36.2%	269.0	24.9	981.8%
Ordinary Income	155.5	94.9	63.9%	294.1	-186.5	Turn to Black
Net Income	158.3	114.5	38.3%	316.5	-186.5	Turn to Black

3QFY2005 EARNINGS RELEASE

October 2005 ~ December 2005

Financial Performance

[Table2] Earnings

(KRW bln)	3Q FY2005	2Q FY2005	QoQ	3QFY2005 (Consol.)	3QFY2004 (Consol.)	YoY
Net Commissions	189.6	137.1	38.3%	419.6	172.8	142.8%
Brokerage Commissions	158.1	121.2	30.5%	355.1	154.0	130.5%
Underwriting Commissions	9.7	5.1	89.2%	20.1	17.8	13.3%
Commissions on Sales of BCs & Wrap	4.5	5.1	-11.2%	14.1	14.0	1.2%
Commissions on Sales of Structured Securities ¹	31.4	16.5	90.8%	61.2	n/a	n/a
Other Commissions	2.4	3.7	-35.5%	9.7	5.9	65.2%
Commissions Expenses	16.6	14.5	14.4%	40.6	18.8	116.1%
Net Interest²	36.5	28.8	26.7%	96.8	50.1	93.1%
Net Gain on Securities³	28.8	29.1	-0.9%	46.6	6.8	582.0%
Other	0.0	-0.7	-	0.0	0.0	-
Net Revenues	254.9	194.3	31.2%	563.1	229.9	145.0%
Selling & Administrative Expenses	123.7	98.0	26.2%	294.0	205.0	43.4%
Operating Income	131.2	96.3	36.3%	269.0	24.9	981.8%
Non-Operating Income	24.3	-1.4	<i>Turn to Black</i>	25.0	-211.3	<i>Turn to Black</i>
Ordinary Income	155.5	94.9	63.9%	294.1	-186.5	<i>Turn to Black</i>
Income Tax (Benefit)	-2.8	-19.6	-	-22.4	-	-
Net Income	158.3	114.5	38.3%	316.5	-186.5	<i>Turn to Black</i>

1. Commissions on sales of structured securities(ELS) is included in net commissions due to revision of criteria in calculating net gain on securities, effective from FY2005.
2. Net interest= Interest revenue+Dividends income+Gain on valuation of reserve for claims of customers' deposits-trust-Interest Expense
3. Net gain on securities=Net gain on valuation of marketable securities/structured securities sold/derivatives, structured securities+Distribution income

1. Net Commissions

3QFY2005

Net Commissions

KRW 189.6bln

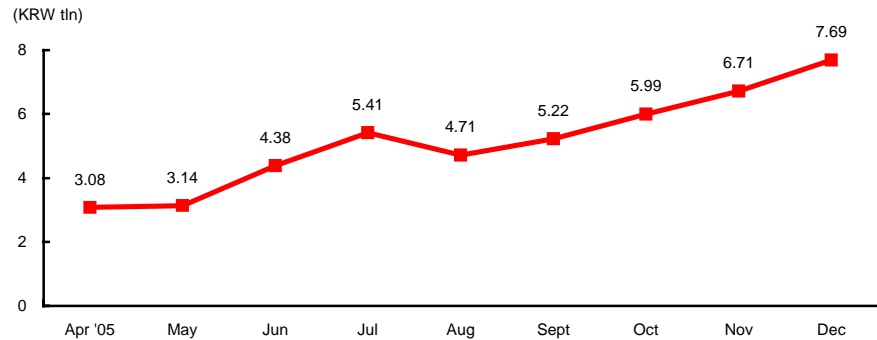
Net commissions revenue increased by 38.3% QoQ to KRW 189.6bln for 3QFY2005.

Brokerage commissions rose 30.5% QoQ to KRW 158.1bln. Brokerage commissions in December recorded the highest monthly figure (58.6bln) since April 2002. The continuous growth in quarterly brokerage commissions is supported by stronger market dominance and sales competency. Especially, the Company's sales strategy to focus heavily on the offline brokerage market has contributed largely to the continuous growth in Daewoo's brokerage market share and commissions revenue. The increase in brokerage commissions revenue is also attributed to the brisk Korean market trading value; the average daily trading value recorded nearly 8tln in December, marking the highest in the year 2005.

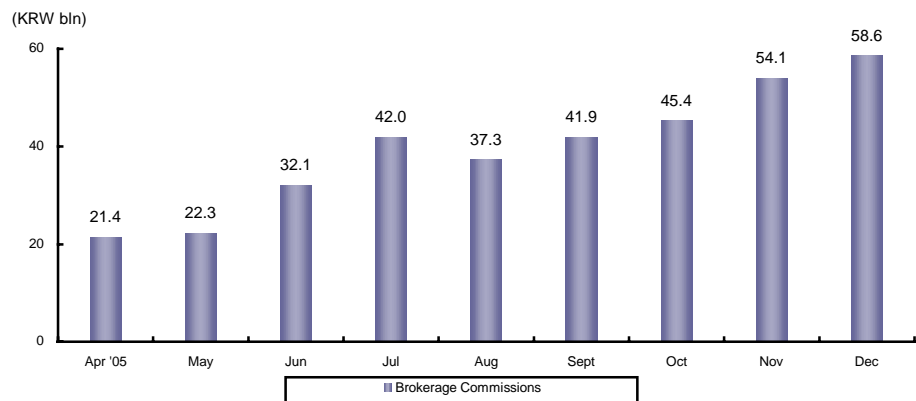
3QFY2005 EARNINGS RELEASE

October 2005 ~ December 2005

[Graph1] Average Daily Trading Value



[Graph2] Monthly Brokerage Commissions



Underwriting commissions revenue sharply increased by 89.2% QoQ to KRW 9.7bln for 3QFY2005. The increase in commissions is largely contributed by Daewoo's successful performance in Initial Public Offering during 3QFY05. The Company performed as a lead-manager in a number of mega initial deals and saw significant growth in its market share from the previous quarter, marking 42% in 3QFY05. Daewoo also played a major role in rights offering. Thanks to the brisk Korean stock market, a number of listed companies financing through rights issuance has sharply increased in 3QFY05. Daewoo largely participated in deals for listed companies in KOSDAQ. The Company showed relatively fair performance in corporate bonds and ABS, compared to the previous quarter.

3QFY2005 EARNINGS RELEASE

October 2005 ~ December 2005

Commissions on sales of Beneficiary Certificates(BCs) & Wrap Accounts decreased by 11.2% QoQ to KRW 4.5bln. The fall is mainly due to a decline in sales balance of BCs, mainly led by introduction of the short redemption(T+1) system in MMF early September. Daewoo, however, saw a sharp growth in sales balance of equity-related products, including 'MasterWrap', which pay out relatively high commissions rates; the average monthly sales balance marked 1.3tln in December from 740bln in October.

Due to the revision of the criteria in calculating the net gain on securities, commissions on sales of Structured Securities is excluded from the calculation of net gain on securities and included in calculation of commissions revenue, effective from FY2005. Total commissions on sales of Structured Securities for 3QFY05 posted KRW 31.4bln, up by 90.8% from the previous quarter. The sharp growth is incurred from the significant amount of Equity-Linked Securities (ELS) issued during 3QFY05; total 758.5bln (+176.5% QoQ) worth of ELS were issued. Also, Daewoo issued total 50.2bln worth of Equity-Linked Warrants(ELW) in the ELW market, which was newly introduced in December 2005.

Commissions expense increased by 14.4% QoQ to KRW 16.6bln. This is mainly driven by the increase in trading commission fees amid the brisk trading value.

2. Net Interest

Net interest income increased by 26.7% QoQ to KRW 36.5bln in 3QFY2005.

Combined interest revenue(interest revenue + dividends + gain on valuation of reserve for claims) amounted KRW 61.1bln, up 19.3% QoQ. Out of the combined revenue, interest revenue rose 22.8% to 47.6bln, largely contributed by growth in interest income from sales of Daewoo's promoted lending product, called 'Ez-Revolving', and company-owned debentures. Also, interest on deposits with institutions jumped 107.9% to 5.3bln amid sharp growth in the amount of customer's deposit during 3QFY05. The Company saw 13.5bln of gain on valuation of reserve for claims of customers' deposits-trust for 3QFY05.

Interest expense increased 9.8% QoQ to KRW 24.6bln. This is mainly because interest on borrowings from KSFC(Korea Securities Finance Corp.) and interest on bonds sold under repurchase marked 103.8% and 12.3% growth, respectively. Interest on debentures, however, sharply dropped amid early repayment of subordinated bonds to creditors.

3QFY2005

Net Interest

KRW 36.5bln

3QFY2005 EARNINGS RELEASE

October 2005 ~ December 2005

3. Net Gain on Securities

3QFY2005

Net Gain on Securities

KRW 28.8bln

Net gain on securities slightly fell to KRW 28.8bln on quarterly-basis (-0.9% QoQ) for 3QFY05.

Net gain on sales and valuation of beneficiary certificates(BCs) dropped 59.8% to KRW 12.8bln, compared to the previous quarter, in which significant net gain on valuation of BCs incurred from repayment of Hynix debentures and partial stake sales of Daewoo Capital CRV. Net gain on sales and valuation of marketable securities rose 25.4% to 47.1bln. Also, net gain on sales and valuation of bonds turned to black from the previous period, largely helped by sharp growth in valuation gain on 3-yr government bond. Net gain on derivatives transactions saw 7.2bln, up by 70.5%, mainly due to significant growth of net gain on sales and valuation of OTC derivatives and futures.

4. Selling & Administrative Expenses

3QFY2005

G&A Expenses

KRW 123.7bln

Selling & administrative expenses rose 26.2% QoQ to KRW 123.7bln in 3QFY2005, mainly driven by increase in salary, severance & other employee benefits and credit loss expense.

Total salary, severance & other employee benefits rose 17.1% QoQ to KRW 74.3bln. The increase is mainly due to considerable incentive payout to sales persons on their outstanding performance and increase in salary payment to newly employed competent sales force; the total number of employees at the end of December increased to 2,377, up 4.8% from the end of September 2005.

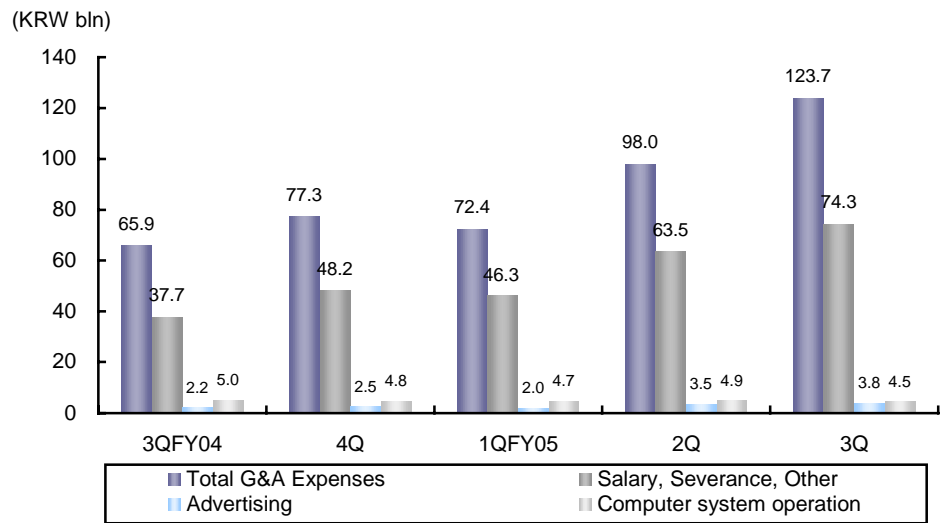
Credit loss expense sharply rose to KRW 13.3bln in 3QFY05, mainly due to sharp growth in stand-by credit including secured loans (0.5% of total credit loan is applied as credit loss expense). The real selling and administrative expenses (ie. net of credit loss), therefore, increased only about 12% from the previous quarter.

Meanwhile, computer system operation expenses and rental expenses marked 7.1% & 8.2% drop on quarterly-basis to KRW 4.5bln & 3.8bln, respectively.

3QFY2005 EARNINGS RELEASE

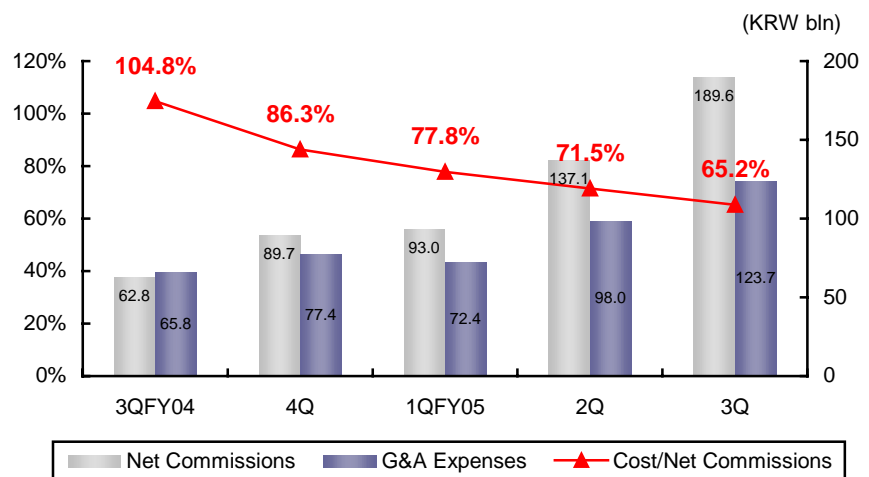
October 2005 ~ December 2005

[Graph3] Selling & Administrative Expenses



Based on the Company's strong sales competency and efficient cost structure built through liquidation, the ratio of cost against net commissions has fallen for the past six consecutive quarters. As the end of 3QFY2005, the cost-to-net commissions ratio marked 65.2%, down by 6.3%pt from the second quarter.

[Graph4] Cost/Net Commissions (%)



3QFY2005 EARNINGS RELEASE

October 2005 ~ December 2005

5. Operating Income

3QFY2005

Operating Income

KRW 131.2bln

Operating income continued to grow on quarterly-basis and marked KRW 131.2bln, up 36.3% QoQ, for 3QFY2005. The continuous increase in operating income is resulted from the significant rise in commissions revenue and the efficient cost structure.

6. Non-Operating Income & Net Income

Non-Operating Income

KRW 24.3bln

Non-operating income turned to black, recording KRW 24.3bln, for 3QFY2005. Revenues from one-off items incurred from stake sales of Hynix(14.2bln) and disposition of tangible assets during the period. Meanwhile, 1.5bln of loss on bond redemption took place amid early repayment of subordinated bonds.

Ordinary Income

KRW 155.5bln

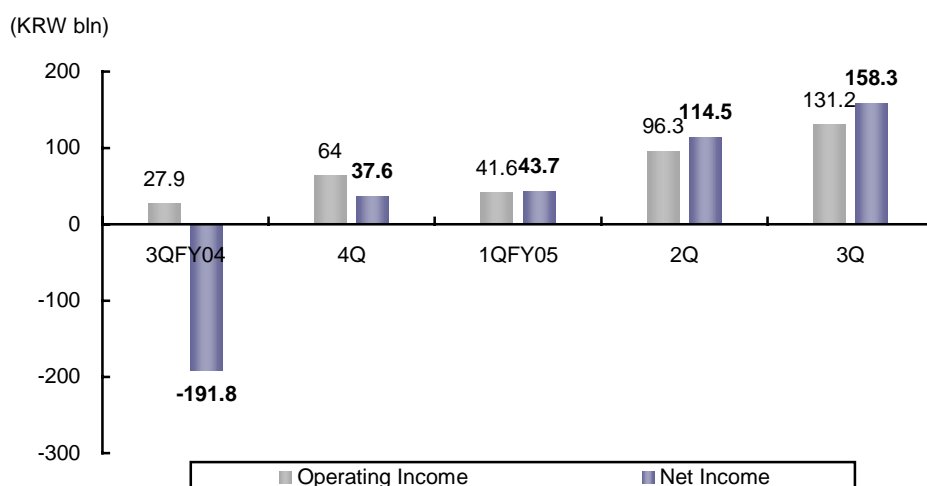
Ordinary income significantly increased by 63.9% QoQ to KRW 155.5bln for 3QFY2005, and net income posted 158.3bln, up by 38.3%.

Net Income

KRW 158.3bln

2.8bln of tax incurred from the gain on valuation of securities available for sale, was reflected as a tax benefit due to the Company's current state in loss carryforwards; Daewoo holds 458.3bln of loss carryforwards, which expire on March 31, 2006.

[Graph5] Quarterly Operating-/ Non-Operating Income & Net Income



	3QFY04	4Q	1QFY05	2Q	3Q
Non-Operating Income	-191.8	-26.4	2.1	-1.4	24.3

3QFY2005 EARNINGS RELEASE

October 2005 ~ December 2005

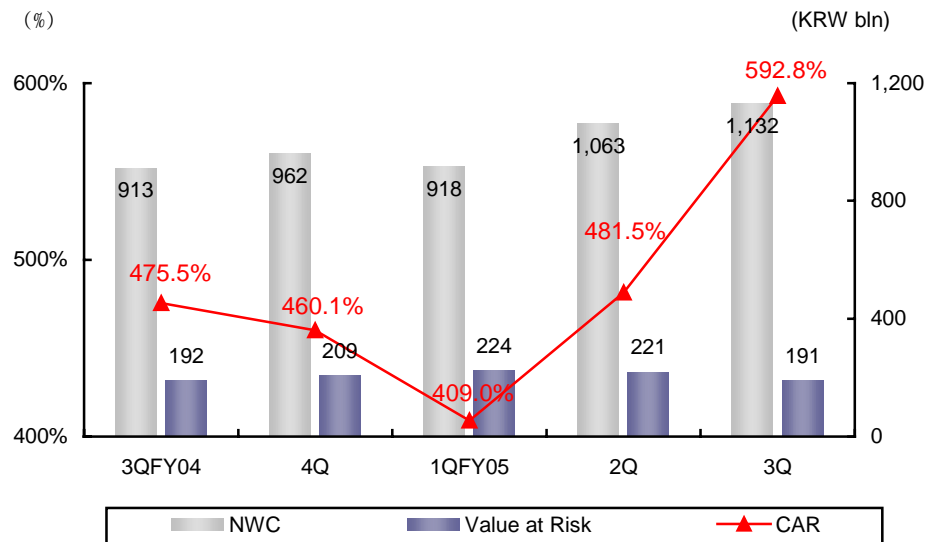
7. Capital Adequacy Ratio

**As the end of Dec 2005,
CAR 592.8%**

As the end of December 2005, the Company's capital adequacy ratio (CAR) jumped 111.3%pt to 592.8%.

The ending balance of net working capital (NWC) for 3QFY2005 increased by 6.5% from the second quarter, posting KRW 1.13tn, on the back of increase in earnings from operations and decline in the balance of fixed assets. The value at risk fell 13.5% to 191.0bln, mainly helped by a decline in credit risk amid partial stake sales of Daewoo Capital CRV in the third quarter.

[Graph6] Quarterly Capital Adequacy Ratio (CAR)



3QFY2005 EARNINGS RELEASE

October 2005 ~ December 2005

Business Performance

1. Brokerage

3QFY2005

Mkt Turnover KRW429tln

(Daily 6.8tln)

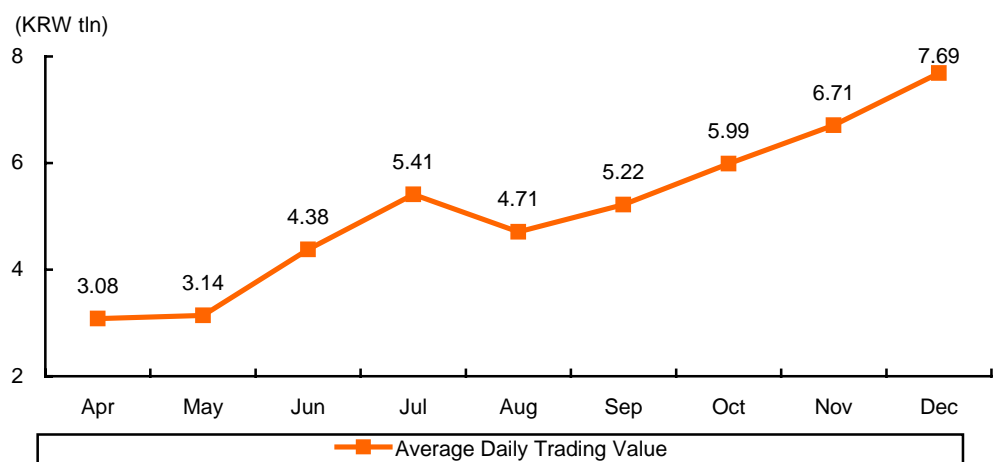
KOSPI 269tln,

KOSDAQ 160tln

KOSPI Index continued its rally through 3QFY2005 and closed at 1379.37Pt with an upside potential by the end of the quarter. The market saw continuous growth in its trading value on monthly-basis. Total trading value in 3QFY05 rose 31.2% QoQ to KRW 429tln. Trading values in KOSPI and KOSDAQ increased by 23.4% & 46.8% to 269tln & 160tln, respectively.

Average daily trading value during the third quarter of FY2005 posted 6.8tln, up by 33.3% from the previous quarter.

[Graph7] Average Daily Trading Value



※ Source : KRX

No.1 Position in Brokerage Market for Seven Consecutive Months

The Company continued to hold the top position, in terms of both turnover & commissions revenue, among local brokerage houses for the past seven consecutive months. Especially, Daewoo continued to play its dominant role in the retail brokerage market, posting 9.03% of market share on commissions-basis. Also, the disparity between the front-runner(Daewoo) and the second continued to become widened since June 2005. Daewoo's competitive position in the retail market is mainly contributed by the continuous growth of the Company's market share in the retail offline market.

3QFY2005 EARNINGS RELEASE

October 2005 ~ December 2005

3QFY2005

M/S (Turnover) 8.35%

Offline 3.53%, Online 4.82%

M/S (Commissions) 9.12%

Offline 6.11%, Online 3.01%

For 3QFY05 the Company's average market share on turnover-basis fell by 0.14%pt to 8.35%, due to heavier competition in the brokerage market. Daewoo, however, saw a sharp rise in its average market share on commissions-basis, marking 9.12%(+0.33%pt), helped by stronger position in the offline market, compared to the previous quarter.

The average commissions rate for 3QFY05 rose to 0.24%, up by 0.01%pt from the second quarter, on the back of increasing offline market share. The average commissions rate for offline trading also rose 0.02%pt to 0.40%.

[Table3] Brokerage M/S (Turnover)

(KRW bln)		3QFY2005	2QFY2005	QoQ	3QFY2005 (Consol.)	3QFY2004 (Consol.)	YoY
Turnover							
Daily Market Trading Value		6,810	5,106	33.4%	5,160	2,686	92.1%
Stock	Total M/S	8.35	8.49	-1.6%	8.38	6.98	20.1%
	KSE	8.33	8.36	-0.4%	8.23	6.76	21.7%
	KOSDAQ	8.39	8.75	-4.1%	8.65	7.77	11.3%
	Offline	3.53	3.55	-0.6%	3.49	2.94	18.7%
	Online	4.82	4.94	-2.4%	4.89	4.03	21.3%
Futures	Total M/S	7.20	7.78	-7.5%	6.94	2.32	199.1%
	Online	1.32	1.31	0.8%	1.67	1.03	62.1%
Options	Total M/S	4.25	4.80	-11.5%	4.59	3.75	22.4%
	Online	3.02	3.33	-9.3%	3.18	2.75	15.6%

[Table4] Brokerage M/S (Commissions)

(KRW bln)		3QFY2005	2QFY2005	QoQ	3QFY2005 (Consol.)	3QFY2004 (Consol.)	YoY
Commissions							
Stock	Total M/S	9.12	8.79	3.8%	8.73	6.01	45.3%
	Offline	6.11	5.77	5.9%	5.71	3.69	54.7%
	Online	3.01	3.02	-0.3%	3.02	2.32	30.2%
Futures	Total M/S	0.13	0.17	-23.5%	0.16	0.23	-30.4%
	Online	0.09	0.11	-18.2%	0.11	0.14	-21.4%
Options	Total M/S	0.26	0.38	-31.6%	0.31	0.51	-39.2%
	Online	0.21	0.31	-32.3%	0.25	0.38	-34.2%
Brokerage Commissions		158	121	30.6%	355	154	130.5%

※ Source : Internal Data

3QFY2005 EARNINGS RELEASE

October 2005 ~ December 2005

2. Investment Banking

Outstanding Performance in IPO, Corporate Bonds & ABS

(1) IPO

The overall size of the local IPO market in 3QFY2005 significantly rose from the previous quarter, showing 97.2% growth with a market size of KRW 625.6bln. The consolidated figure for FY2005 also increased by 9.4% to 975.8bln on annual-basis.

The Company showed remarkable performance in IPO during 3QFY05. It has successfully completed deals worth of KRW 277.2bln in total and performed as a dominant market player with a 42.4% of market share. Also, the Company's consolidated underwriting figure for FY2005 showed significant improvement, marking an amount of 325.3bln, compared to the same period in the previous fiscal year.

Daewoo's continuous search for competitive, large-sized initial deals has paid off. Daewoo successfully performed as a lead-manager for mega deals, including 'Glovis' and 'The Basic House', in 3QFY05. Also, Daewoo won a position as a lead-manager for listing of 'Lotte Shopping' in the following quarter. This should strengthen the Company's market dominance in the near future.

[Table5] IPO

(KWR bln)	3QFY2005 (Consol.)	3QFY2004(Consol.)	FY2004
Market	9,758	8,922	11,627
Underwriting Amt	3,253	174	547
M/S	33.3%	2.0%	4.7%

※ Source : Bloomberg

(2) Corporate Bonds & ABS

The bond market in 3QFY2005 saw a noticeable contraction in size, compared to the previous quarter, mainly driven by weakened demand from increasing concern of possible hike in call rate. The Company, however, maintained its top position, in terms of both underwriting amount and market share, among local underwriters. As for ABS, Daewoo successfully issued a serial ABCP through the conduit method for the second time this year. The Company continued to strengthen its dominant market position through on-going development of new financing products and methods.

3QFY2005 EARNINGS RELEASE

October 2005 ~ December 2005

Due to overall contraction in the market, Daewoo's total underwriting amount for corporate bonds and ABS in 3QFY05 fell 63.8% and 65.1% to KRW 206.2bln and 214.5bln, respectively, compared to the previous quarter.

[Table6] Corporate Bonds & ABS

(KRW bln)	3QFY2005(Consol.)	3QFY2004(Consol.)	FY2004
Corporate Bonds			
Market	14,049	16,562	21,378
Underwriting Amt	1,620	2,264	2,704
M/S	11.5%	13.7%	12.7%
ABS			
Market	15,535	13,159	17,610
Underwriting Amt	1,554	2,181	2,701
M/S	10.0%	16.6%	15.3%

※ Source : Bloomberg

(3)Rights Offering

The number of listed companies funding from rights issuance sharply increased during 3QFY2005, on the back of the recent stock market rally. The total underwriting amount for the market amounted KRW 855.9bln, up 64.2% QoQ, and total 75 deals occurred during 3QFY05.

Daewoo largely played in deals for companies listed in KOSDAQ, which have been more active in rights issuing than companies listed in KOSPI. The Company conducted total KRW 219.9bln of rights deals for up to 3QFY05 and maintained its No.1 position with a 12.4% market share.

[Table7] Rights Offering

(KRW bln)	3QFY2005(Consol.)	3QFY2004(Consol.)	FY2004
Market	1,773	2,140	4,424
Underwriting Amt	220	1,521	1,533
M/S	12.4%	71.1%	34.7%
# of Deals (Mkt)	165	73	92
# of Deals (Daewoo)	24	7	8

※ Source : Bloomberg

3QFY2005 EARNINGS RELEASE

October 2005 ~ December 2005

(3) ELS

On the support of the Company's sales efforts and improved credit rating from 'A-' to 'A', the consolidated underwriting amount in ELS more than doubled (+223.9% YoY) to KRW 1.3tln. For 3QFY05, Daewoo issued total 758.5bln of ELS, which is 36% more than the total amount issued during 1HFY05. Also, Daewoo's market share jumped 10.2%pt to 18.4% in 3QFY05.

[Table8] ELS

(KRW bln)	3QFY2005(Consol.)	3QFY2004(Consol.)	FY2004
Market in Total	10,138	4,616	7,336
Underwriting Amt	1,317	407	1,094
M/S	13.0%	8.8%	14.9%

※ Source : Internal Data

3QFY2005 EARNINGS RELEASE

October 2005 ~ December 2005

3. Asset Management

As the end of Dec 2005,
Total ending balance
KRW 10.42tln

As the end of December 2005, total ending balance of asset management, including BCs, MMF, Wrap Accounts, RP, ELS, etc. increased by 3.8% to KRW 10.42bln from the end of September 2005. Daewoo saw nearly 60% growth in its balance from a year ago, helped by the Company's continuous development of competitive products and increasing indirect investment by retail.

The balance of bond- & bond-hybrid typed BCs showed slight growth whereas the balance of equity-typed BCs nearly tripled to KRW 502.8bln, compared to the end of the previous quarter. This is caused mainly by the recent stock market rally and weakened demand for fixed income on interest hike. Overall, total ending balance of BCs increased 29.6% QoQ to 3.26bln.

Daewoo has internally categorized a group of profitable financial products as 'Strategic Products', and the products include equity-related items such as 'MasterWrap', ELS, and equity-typed BCs. On the back of sales empowerment on 'Strategic Products', the ending balance showed 50% growth from the end of September, posting 3tln in total.

The ending balance of wrap account increased by 28.9% QoQ to KRW 957.7bln. ELS saw sharp increase in its balance as well.

Commissions revenue on sales of BCs and Wrap Accounts totaled KRW 14.1bln, a 47.1% rise on quarterly-basis.

[Table9] Asset Management

(KRW bln, As the end of)	Dec FY2005	Sept FY2005	QoQ	Dec FY2004	YoY
BCs	3,257.0	2,513.7	29.6%	1,993.4	63.4%
Bond type	1,202.5	1,110.0	8.3%	1,097.5	9.6%
Bond-hybrid type	857.5	778.4	10.2%	455.6	88.2%
Equity-hybrid type	163.2	155.8	4.7%	171.6	-4.9%
Equity type	502.8	137.9	264.6%	34.5	1357.4%
Others	531.0	331.6	60.1%	234.2	126.7%
MMF	1,965.9	3,010.0	-34.7%	1,604.7	22.5%
BCs & MMF	5,222.9	5,523.7	-5.4%	3,598.1	45.2%
Wrap	957.7	742.8	28.9%	679.3	41.0%
Commissions*	14.1	9.6	47.1%	14.0	1.2%
RP	1,310.2	1,430.4	-8.4%	816.8	60.4%
CD/CP/Bonds	1,726.7	1,607.1	7.4%	1,104.2	56.4%
Others(ELS,REITs, etc.)	1,200.5	733.0	63.8%	376.7	218.7%
Total Balance	10,418.0	10,037.0	3.8%	6,575.2	58.4%

※ Source : Internal Data

* Commissions = Commissions on sales of BCs & wrap commissions

Daewoo Securities at a Glance

Company Credit Rating Upgraded to 'A' - KIS & KR

Korea Investors Service(KIS) and Korea Ratings(KR) have upgraded credit rating of Daewoo Securities from 'A-' to 'A' in December 2005. They also commented on Daewoo's credit projection as 'Stable'.

No.1 in Brokerge: 2005 National Customer Satisfaction Index

2005 National Customer Satisfaction Index (NCSI) elected Daewoo Securities as 'No.1 Brokerage House' among local top seven securities companies. Daewoo was highlighted for its outstanding investment advisory and securities services provided to clients.

'2005 Best Domestic House' – Korea Economic Daily

'2005 Best Research House' - Maeil Economic Daily

Daewoo Securities was awarded '2005 Best Domestic House' for its outstanding performance in brokerage & research. This award was presented by one of major local newspaper, called 'Korea Economic Daily'.

Furthermore, Daewoo was awarded '2005 Best Research House' for its market-leading research covering Economics, Equities and the Global Markets. This award was presented by 'Maeil Economic Daily', one of major local newspaper. Daewoo saw the most number of analysts winning in the annual analysts poll.

Early Full-Repayment of Subordinated Bonds

Daewoo Securities completed full-repayment of KRW 200bln worth of subordinated bonds, 5.32%p.a., earlier than its maturity. The early repayment made in November should lead to a decline in interest expense on debentures by around 1bln each month in the future.

3QFY2005 EARNINGS RELEASE

October 2005 ~ December 2005

Appendix 1. Balance Sheet

(KRW million)	As of December 31, 2005	As of September 30, 2005	As of December 31, 2004
ASSETS			
Current assets	9,025,583	6,145,986	3,773,339
Cash and bank deposits	892,083	489,939	299,951
Deposits	3,181,541	1,998,330	962,172
Securities	2,871,531	2,452,944	2,052,600
Structured securities	665,085	356,761	187,896
Options purchased	105	0	32
Loans	1,179,576	464,041	107,974
Other current assets	261,369	405,491	185,089
Allowance for credit loss(Current assets)	25,707	21,520	22,376
Non - current assets	871,519	1,021,361	822,034
Investment securities	508,109	641,420	433,934
Investment assets	110,596	109,058	112,142
Tangible fixed assets	232,562	248,206	248,597
Others non-current assets	20,252	22,678	27,361
TOTAL ASSETS	9,897,102	7,167,347	4,595,373
LIABILITIES			
Current liabilities	8,194,811	5,430,179	3,101,537
Call money	286,900	121,700	340,500
Short-term borrowings	1,757,130	570,750	0
Bonds sold under reverse resale agreements	1,447,693	1,559,908	934,808
Customers' deposits	3,270,350	2,011,183	932,619
Securities sold	3,303	2,968	3,899
Structured securities sold	1,227,629	766,136	360,664
Options sold	121	236	98
Others	201,685	397,297	528,951
Long-term liabilities	44,329	243,106	233,889
Debenture	1,000	1,000	1,000
Allowance for guarantees	0	0	0
Reserve for severance and retirement benefits	43,329	42,106	32,889
Others	0	200,000	200,000
TOTAL LIABILITIES	8,239,140	5,673,284	3,335,427
STOCKHOLDER'S EQUITY			
Stockholder's equity	1,020,883	1,020,883	1,020,883
Capital	226,608	250,724	250,724
Retained earnings	389,587	187,554	12,364
Capital adjustment	20,883	34,902	-24,025
TOTAL STOCKHOLDER'S EQUITY	1,657,962	1,494,063	1,259,946
LIABILITIES & TOTAL STOCKHOLDER'S EQUITY	9,897,102	7,167,347	4,595,373

3QFY2005 EARNINGS RELEASE

October 2005 ~ December 2005

Appendix 2. Income Statement

(KRW million)	3QFY2005	2QFY2005	QoQ	3QFY2005 (Consol.)	3QFY2004 (Consol.)	YoY
OPERATING REVENUES	554,545	466,639	18.8%	1,283,713	553,848	131.8%
Commissions received	206,122	151,553	36.0%	460,234	198,011	132.4%
Brokerage commissions	158,142	121,226	30.5%	355,132	154,044	130.5%
Underwriting commissions	9,692	5,123	89.2%	20,122	17,759	13.3%
Underwriting commissions on debentures	3	36	-91.7%	133	95	41.2%
Brokerage commissions on beneficiary certificates	3,047	3,262	-6.6%	9,207	8,935	3.0%
Wrap commissions	1,476	1,832	-19.4%	4,915	5,017	-2.0%
Consulting fee	1,272	2,198	-42.1%	4,432	2,740	61.7%
Commissions on sale of structured securities	31,409	16,459	90.8%	61,162	6,386	857.8%
Other	1,081	1,418	-23.8%	5,133	3,034	69.2%
Interest income	47,624	38,775	22.8%	123,288	87,062	41.6%
Interest on margin loans	1,312	844	55.6%	2,773	1,279	116.8%
Interest on loans	7,180	5,368	33.8%	16,892	2,369	613.0%
Interest on bonds	26,595	23,845	11.5%	73,732	64,867	13.7%
Interest on negotiable commercial papers	426	490	-13.0%	1,298	1,295	0.2%
Interest on deposits with KSFC	0	0	-	0	1	-
Interest on certificate of deposit	23	5	368.3%	29	244	-88.2%
Interest on deposits with institutions	5,272	2,536	107.9%	9,878	4,569	116.2%
Interest on call loans	1,219	711	71.6%	2,648	1,531	73.0%
Gain on transaction of certificate of deposits	7	1	406.8%	11	48	-76.0%
Interest on advances for customers.	124	291	-57.5%	427	928	-54.0%
Interest on receivables	5,153	4,327	19.1%	12,658	6,920	82.9%
Others	312	357	-12.7%	2,943	3,010	-2.2%
Dividends income	2	148	-98.3%	7,221	1,303	454.2%
Distribution income	6,609	5,336	23.9%	12,026	34,413	-65.1%
Gain on sales of marketable securities	79,639	56,323	41.4%	153,608	36,719	318.3%
Gain on sales of stock	63,636	46,386	37.2%	121,834	18,372	563.2%
Gain on sales of bonds	4,515	4,829	-6.5%	14,633	15,484	-5.5%
Gain on sales of beneficiary certificates	11,137	4,273	160.6%	15,922	2,638	503.5%
Gain on sales of negotiable commercial papers	111	36	211.8%	177	158	11.9%
Gain on redemption of trading securities	238	795	-70.0%	1,035	23	4468.3%
Others	2	5	-	7	44	-83.2%
Gain on valuation of trading securities	2,921	25,554	-88.6%	29,081	11,245	158.6%
Gain on valuation of stock	0	4,460	-	7,776	2,385	226.0%
Gain on valuation of bonds	2,921	-821	-	2,181	4,555	-52.1%
Gain on valuation of beneficiary certificates	0	21,915	-	19,124	4,304	344.3%
Gain on structured securities transactions	56,157	45,632	23.1%	129,911	5,872	2112.5%
Gain on valuation of structured securities	42,337	4,965	752.8%	74,110	2,960	2403.3%
Gain on redemption of structured securities	13,821	40,667	-66.0%	55,801	2,911	1816.8%
Gain on valuation of securities sold	12	-177	-	14	282	-94.9%
Gain on structured securities sold	9,371	7,722	21.4%	26,660	24,657	8.1%
Gain on valuation of structured securities sold	8,112	2,310	251.1%	15,288	18,166	-15.8%
Gain on redemption of structured securities sold	1,258	5,412	-76.8%	11,371	6,491	75.2%
Gain on valuation of reserve for claims of customers' deposits-trust	13,479	12,290	9.7%	36,437	30,528	19.4%
Gain on derivatives transactions	132,611	123,959	7.0%	305,021	123,694	146.6%
Gain on futures transactions	101,656	88,571	14.8%	215,903	54,649	295.1%
Gain on Exchange trading options transactions	29,746	34,737	-14.4%	87,028	57,012	52.6%
Gain on OTC derivatives transactions	1,209	651	85.8%	2,091	12,032	-82.6%
Gain on sales of loans	0	212	-	212	0	-
Other operating income	0	-687	-	0	62	-
Reversal of allowance for credit losses	0	-687	-	0	0	-
Reversal of allowance for guarantees	0	0	-	0	62	-

- 17 -

3QFY2005 EARNINGS RELEASE

October 2005 ~ December 2005

(KRW million)	3QFY2005	2QFY2005	QoQ	3QFY2005 (Consol.)	3QFY2004 (Consol.)	YoY
OPERATING EXPENSES	423,349	370,366	14.3%	1,014,673	528,979	91.8%
Commissions expense	16,564	14,483	14.4%	40,614	18,798	116.1%
Trading commissions	8,672	7,560	14.7%	21,685	9,655	124.6%
Investment consultant fees	3,559	2,906	22.5%	7,884	2,917	170.2%
Other commissions	4,333	4,018	7.9%	11,044	6,226	77.4%
Interest expenses	24,602	22,401	9.8%	70,110	68,744	2.0%
Interest on borrowings from KSFC	3,030	1,487	103.8%	5,319	488	990.2%
Interest on customer's deposits	3,884	3,512	10.6%	10,333	9,385	10.1%
Interest on bonds sold under repurchase	13,098	11,667	12.3%	34,069	26,223	29.9%
Loss on transactions of certificates of deposits	1	0	-	1	4	-85.0%
Interest on call money	2,773	2,895	-4.2%	8,433	8,406	0.3%
Interest on debentures	1,760	2,693	-34.6%	9,760	22,558	-56.7%
Others	56	147	-62.2%	2,194	1,679	30.7%
Loss on sales of trading securities	22,753	21,742	4.6%	56,872	38,823	46.5%
Loss on sales of stock	14,281	14,673	-2.7%	35,604	22,821	56.0%
Loss on sales of stock warrants	0	0	-	0	0	-
Loss on sales of debentures	6,035	5,795	4.1%	16,794	8,595	95.4%
Loss on sales of beneficiary certificates	719	260	177.1%	1,219	4,685	-74.0%
Loss on sales of negotiable commercial papers	5	9	-49.8%	19	23	-17.0%
Loss on redemption of trading securities	1,713	1,005	70.4%	3,236	2,699	19.9%
Loss on valuation of marketable securities	6,156	4,849	27.0%	11,801	35,067	-66.3%
Loss on valuation of stock	1,878	-1,920	-	1,821	219	732.6%
Loss on valuation of debentures	0	7,230	-	9,492	2,711	250.1%
Loss on valuation of beneficiary certificates	4,278	-462	-	489	32,138	-98.5%
Loss on structured securities transaction	5,598	95	5768.4%	15,683	18,246	-14.0%
Loss on valuation of structured securities	5,042	-458	-	10,089	12,212	-17.4%
Loss on redemption of structured securities	556	554	0.4%	5,593	6,034	-7.3%
Loss on valuation of trading securities sold	368	346	6.5%	829	328	153.0%
Loss on structured securities transaction sold	98,181	84,790	15.8%	229,417	14,073	1530.2%
Loss on valuation of structured securities sold	62,505	29,711	110.4%	136,010	8,953	1419.1%
Loss on redemption of structured securities sold	35,676	55,080	-35.2%	93,407	5,120	1724.3%
Loss on derivatives transactions	125,454	123,661	1.5%	295,268	129,895	127.3%
Loss on futures transactions	96,054	88,445	8.6%	208,403	63,727	227.0%
Loss on exchange trading options transactions	28,893	34,599	-16.5%	85,464	56,899	50.2%
Loss on OTC derivatives transactions	507	617	-17.8%	1,400	9,269	-84.9%
Loss on sales of loans	0	0	-	51	0	-
Selling and administrative expenses	123,673	97,998	26.2%	294,029	204,983	43.4%
Salary, Severance pay, other benefits	74,286	63,462	17.1%	184,017	111,456	65.1%
Computer system operations expenses	4,534	4,878	-7.1%	14,095	17,164	-17.9%
Rental expenses	3,803	4,142	-8.2%	11,576	11,094	4.3%
Advertising expenses	3,786	3,508	7.9%	9,284	10,003	-7.2%
Depreciation	3,036	2,987	1.6%	8,859	9,573	-7.5%
Credit loss expense	13,310	90	14636.8%	13,400	7,964	68.3%
Others	20,920	18,930	10.5%	52,798	37,731	39.9%
Other operating expense	0	0	-	0	21	-
OPERATING INCOME	131,195	96,274	36.3%	269,040	24,869	981.8%

- 18 -

3QFY2005 EARNINGS RELEASE

October 2005 ~ December 2005

(KRW million)	3QFY2005	2QFY2005	QoQ	3QFY2005 (Consol.)	3QFY2004 (Consol.)	YoY
NON - OPERATING INCOME	29,757	6,770	339.6%	36,541	16,423	122.5%
Gain on disposition of tangible assets	1,123	0	-	1,123	3,209	-65.0%
Rental income	2,011	2,141	-6.1%	6,268	5,840	7.3%
Gain on disposition of securities available for sale	14,187	0	-	14,187	1	-
Gain on equity method securities	0	0	-	0	3,126	-
Reversal of reduction loss on securities	37	0	-	38	0	-
Gain on equity method valuation	1,820	978	86.0%	3,567	0	-
Gain on foreign currency transactions	820	1,773	-53.8%	3,286	496	562.4%
Gain on foreign exchanges translation	0	59	-	16	0	-
Gain on recovery of write-offs	20	40	-49.7%	109	2,704	-96.0%
Others	9,739	1,778	447.7%	7,947	1,047	659.3%
NON - OPERATING EXPENSES	5,413	8,146	-33.6%	11,493	227,765	-95.0%
Loss on disposition of tangible assets	230	2	9657.5%	240	173	38.6%
Loss on disposition of securities available for sale	703	152	363.6%	854	4,572	-81.3%
Reduction loss on securities available for sale	0	115	-	115	210,555	-99.9%
Loss on equity method valuation	650	14	4618.6%	664	397	67.3%
Loss on foreign currency transactions	1,999	3,251	-38.5%	5,838	623	836.9%
Loss on foreign exchanges translation	79	-8	-	27	2,878	-99.0%
Loss on bond redemption	1,500	0	-	1,500	0	-
Donations	252	16	1503.8%	294	44	562.6%
Others	0	4,606	-	1,962	8,522	-77.0%
ORDINARY INCOME (LOSS)	155,540	94,897	63.9%	294,088	-186,473	<i>Turn to Black</i>
Income tax expense (benefit)	-2,769	-19,609	-	-22,378	0	-
NET INCOME (LOSS)	158,309	114,506	38.3%	316,466	-186,473	<i>Turn to Black</i>