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# Earning Release for 3Q. 2007

INVESTOR RELATIONS





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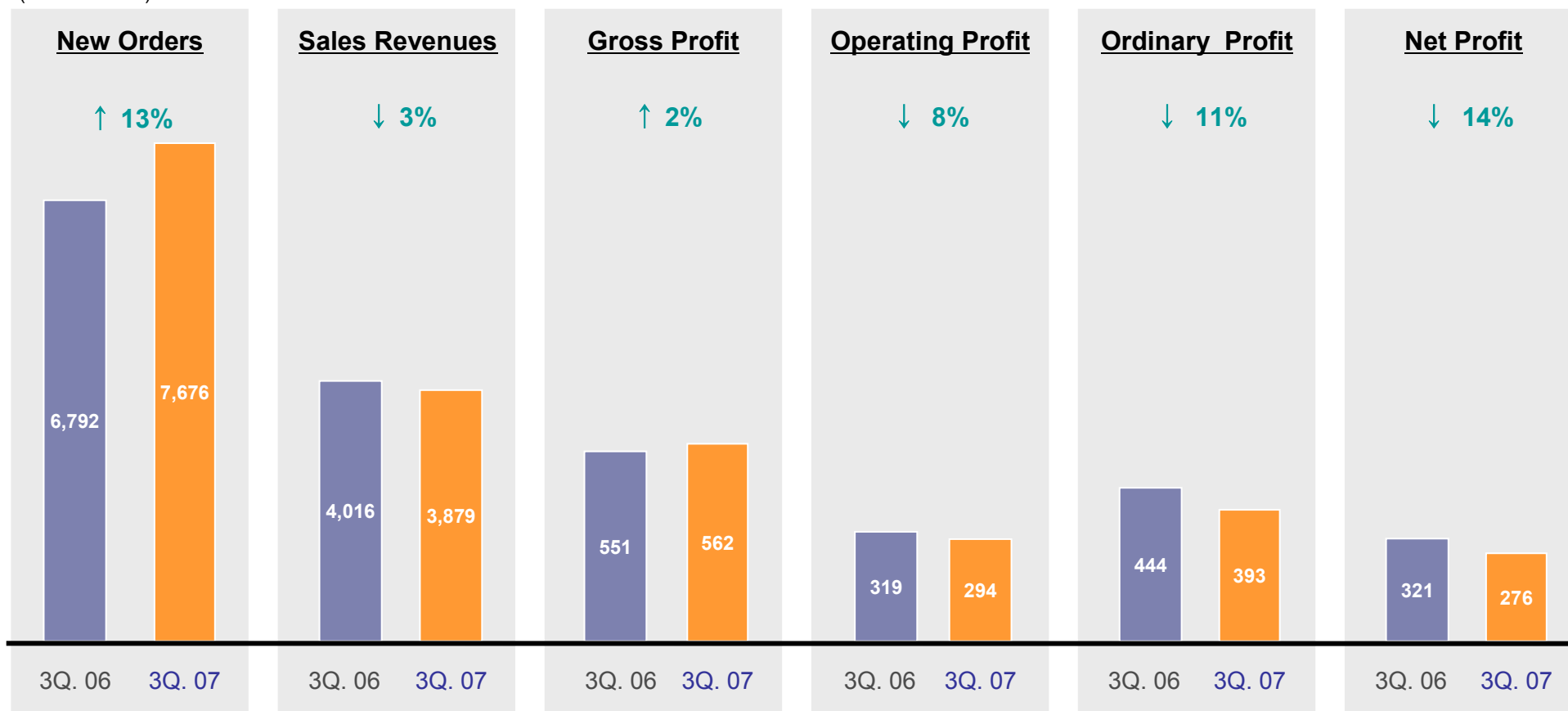
# Highlights

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**New orders have increased by 13%, but sales revenue decreased by 3%.**

(Unit: KRW bn)



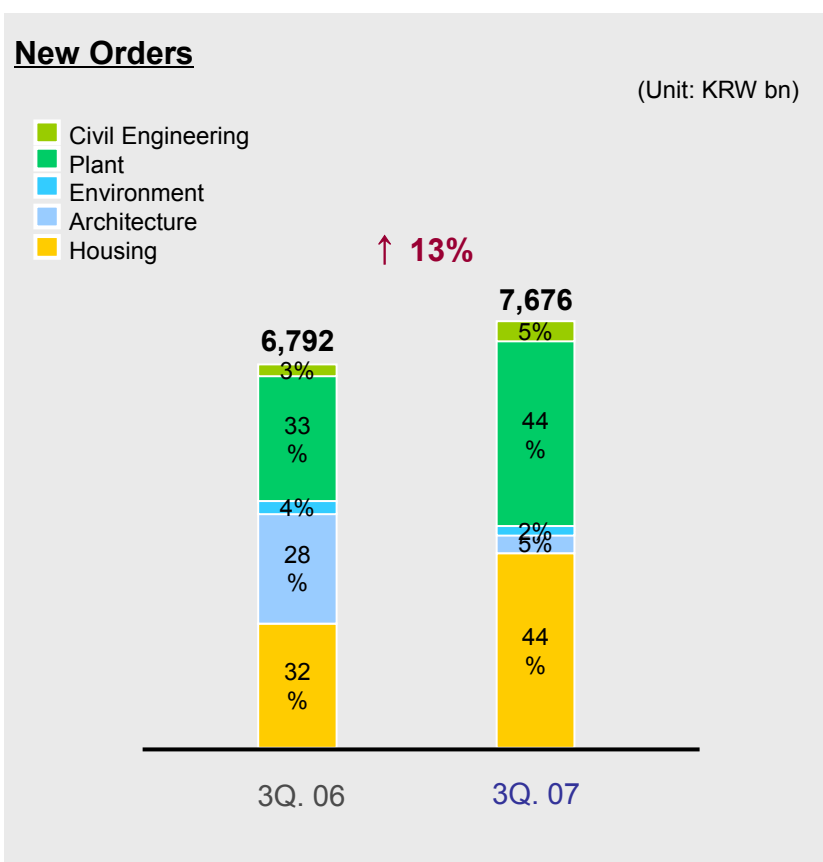


# Business Performance – New orders

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New orders have increased 13% because of the Housing and Plant divisions.



### New Orders by Division

(Unit: KRW bn)

Division	3Q. 06	3Q. 07	Growth Rate
Civil Engineering	208	352	69%
Plant	2,242	3,374	50%
Environment	236	174	-26%
Architecture	1,926	362	-81%
Housing	2,180	3,414	57%
<b>Total</b>	<b>6,792</b>	<b>7,676</b>	<b>13%</b>

### Major Projects

(Unit: KRW bn)

Division	Project	Contract Amount
Civil Public T/K	Gwangyang Port west side	35
Plant Oversea Egypt	ERC Hydrocracker	1,697
Environ. Public T/K	Choongju Clean Energy Park	17
Arch. Private Develop.	Hapjungdong Mixed-use complex	183
Housing Private In-house	Incheon Chung-la	491



# Business Performance – Order Backlogs

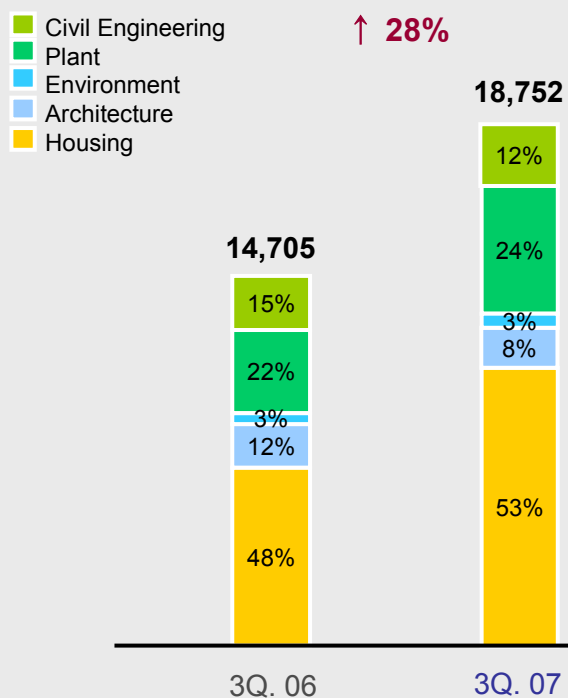
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Order backlogs increased 28% compared to 3Q. 06. It is 5.5 years of amount if KRW 17.1 trn of the provisional backlogs in the Housing division are included.

## Order Backlogs

(Unit: KRW bn)



## Order Backlogs by Division

(Unit: KRW bn)

Division	3Q. 06	3Q. 07	Growth Rate
Civil	2,192	2,216	1%
Plant	3,238	4,575	41%
Environment	505	530	5%
Architecture	1,717	1,428	-17%
Housing	7,053	10,003*	42%
<b>Total</b>	<b>14,705</b>	<b>18,752</b>	<b>28%</b>

\* Provisional order backlogs in Housing div. (17.1 trillion) excluded

## Comments

- Plant: Increased with huge overseas projects
- Housing: Increased in redevelopment business order

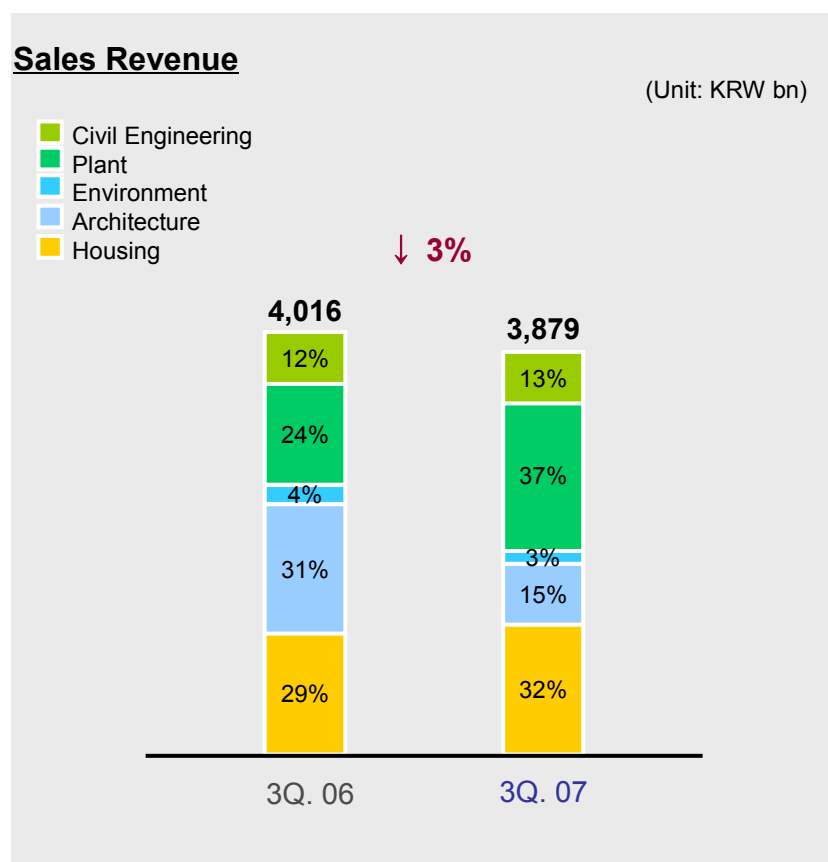


# Business Performance – Sales Revenue

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Sales revenue decreased due to delayed affiliates orders from LPL and LG Electronics.



## Sales Revenue by Division

(Unit : KRW bn)

Division	3Q. 06	3Q. 07	Growth Rate
Civil	491	487	-1%
Plant	972	1,432	47%
Environment	173	130	-25%
Architecture	1,222	584	-52%
Housing	1,158	1,246	8%
<b>Total</b>	<b>4,016</b>	<b>3,879</b>	<b>-3%</b>

## Comments

- Plant – Increased sales revenue in Oman Aromatics, Qatar Laffan Refinery, Egypt LAB and No.2 HOU
- Architecture – Decreased sales revenue due to delayed investment from LPL
- Housing – Huge reconstruction sales increase such as Banpo Xi site.

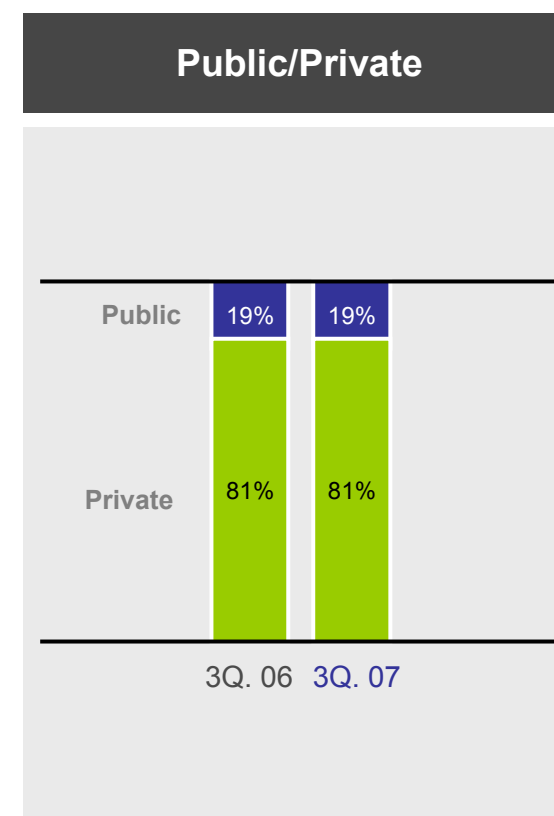
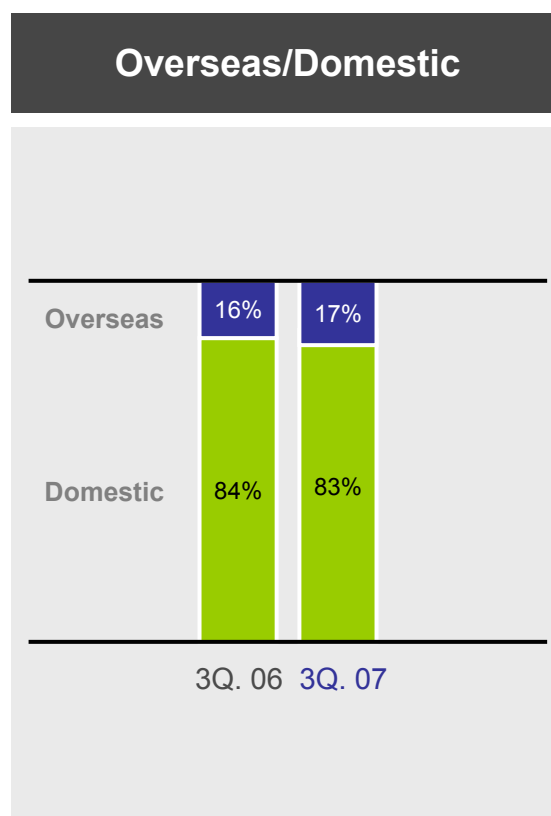
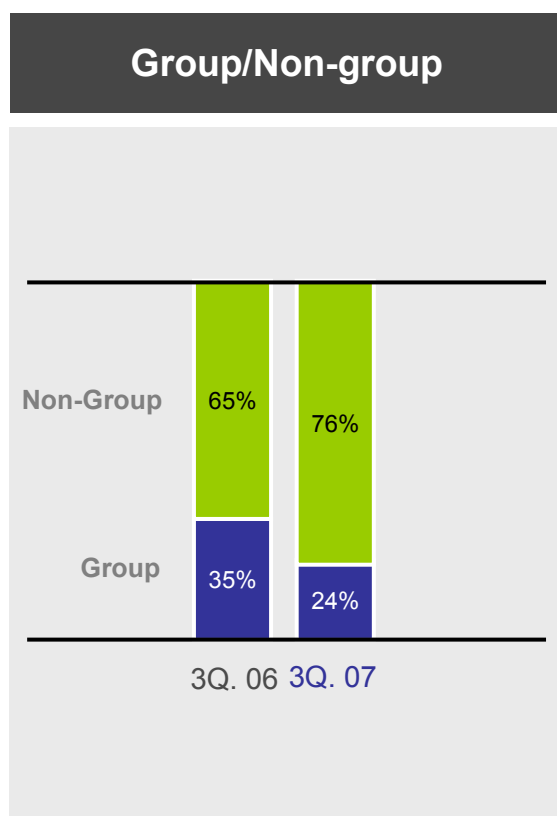


## Business Performance – Revenue Origin by Sector

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Delayed investments from affiliates caused reduction of affiliate sales portion. However, overseas works and public works are maintained similar level compared to last year's.



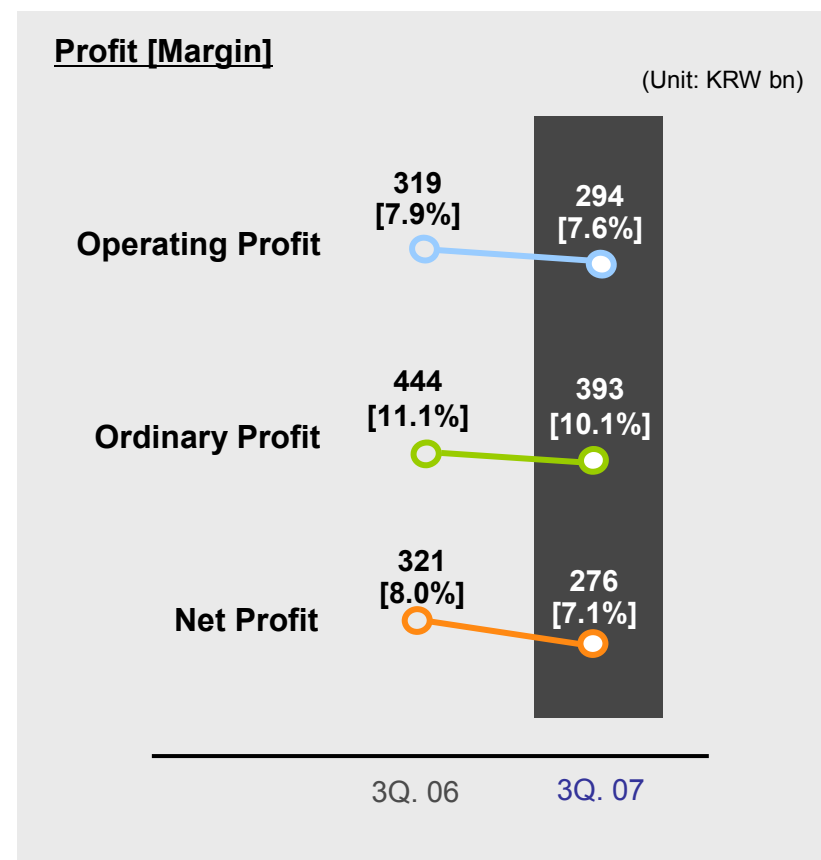
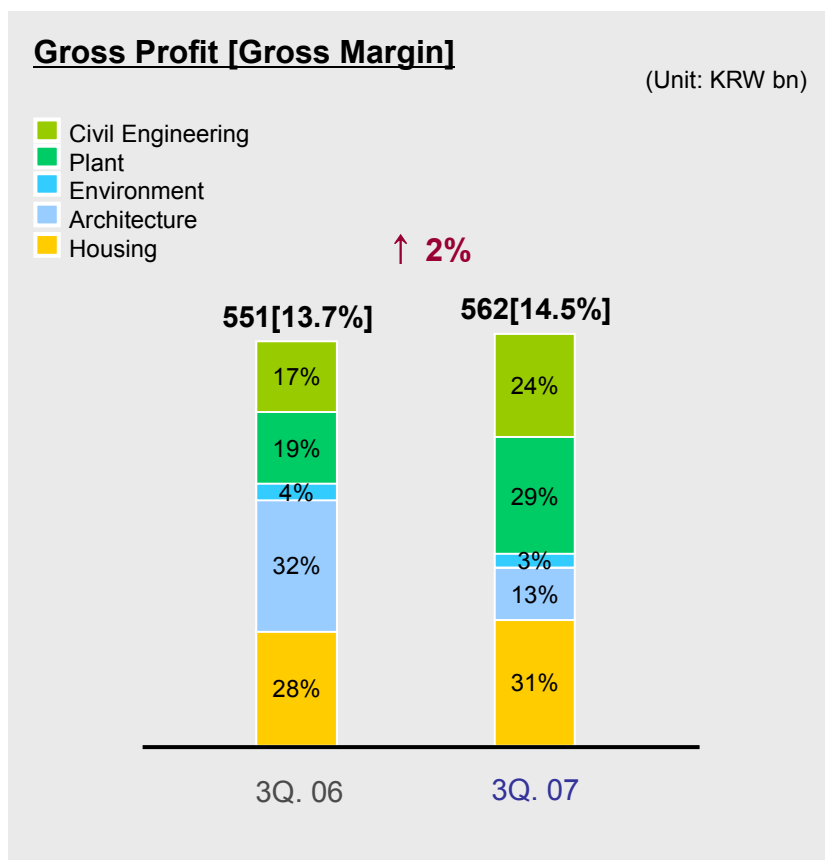


# Business Performance – Profits

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Gross profit improved with lower sales cost in civil engineering and plant division, but operating profit decreased a little bit.



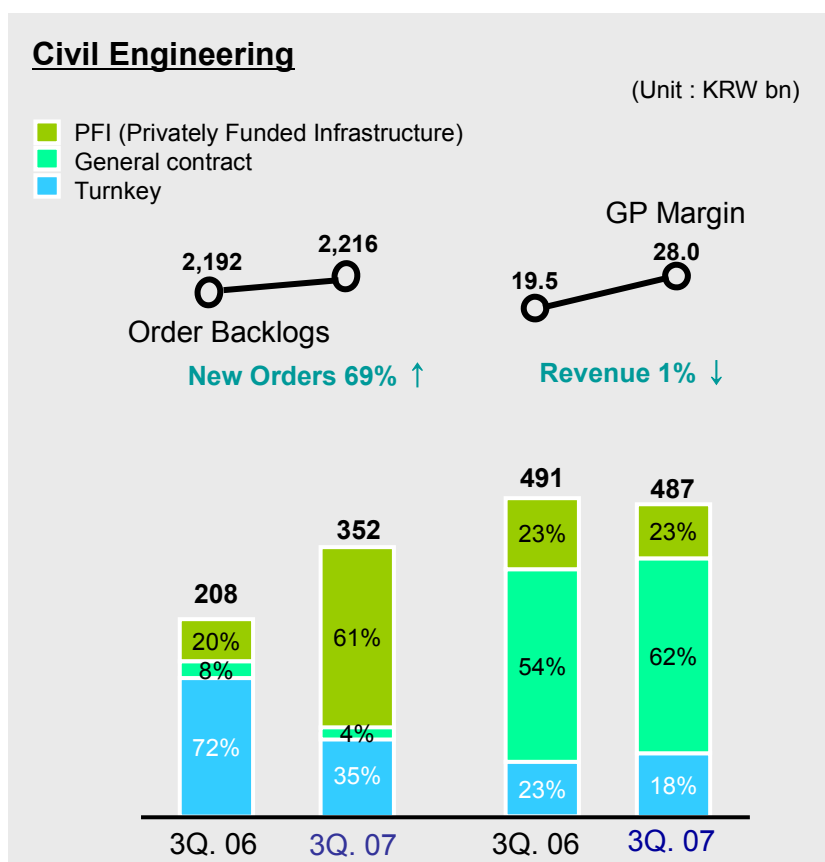


# Business Performance – Civil Engineering

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New order and profit significantly increased compared to last year's.



### Comments

- New Orders : Increased due to PFI new orders
- Revenue : Similar to last year's level
- GP Margin : Improved because of better margin from PFI project

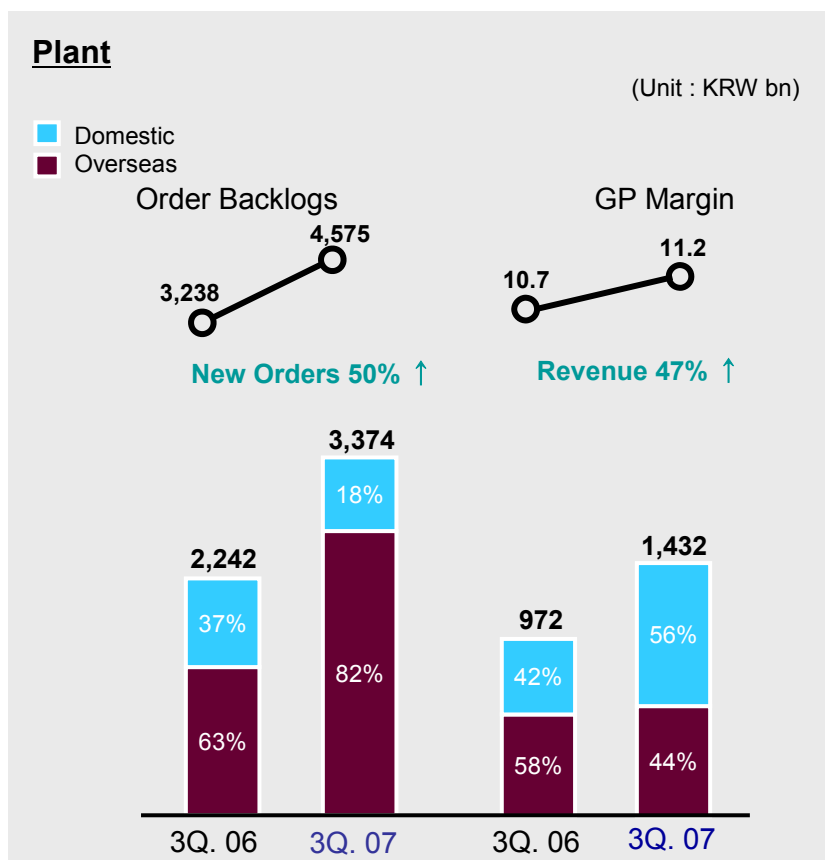


## Business Performance – Plant

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Both new orders and sales revenue increased thanks to favorable overseas market situation and smooth progress. Gross margin also improved.



### Comments

- New Orders : Increased due to Oman Salalah, Thailand HMC and mega size Egypt refinery project
- Revenue : Increased with favorable progress on overseas and domestic works
- GP Margin : Improved with increased profitability from overseas projects

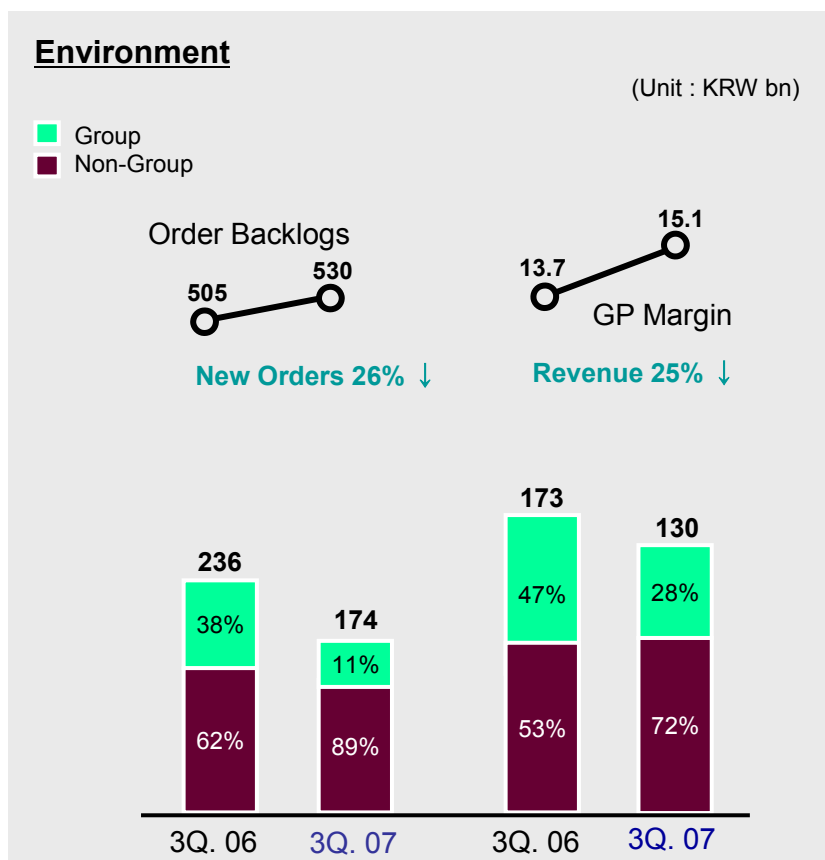


# Business Performance – Environment

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New orders decreased from affiliates and public sector compared to last year's.



### Comments

- New Orders : Decreased due to delay of public and affiliates orders
- Revenue : Decreased due to reduction of affiliate work
- GP Margin : Improved affiliate GP margin caused total GP margin increase

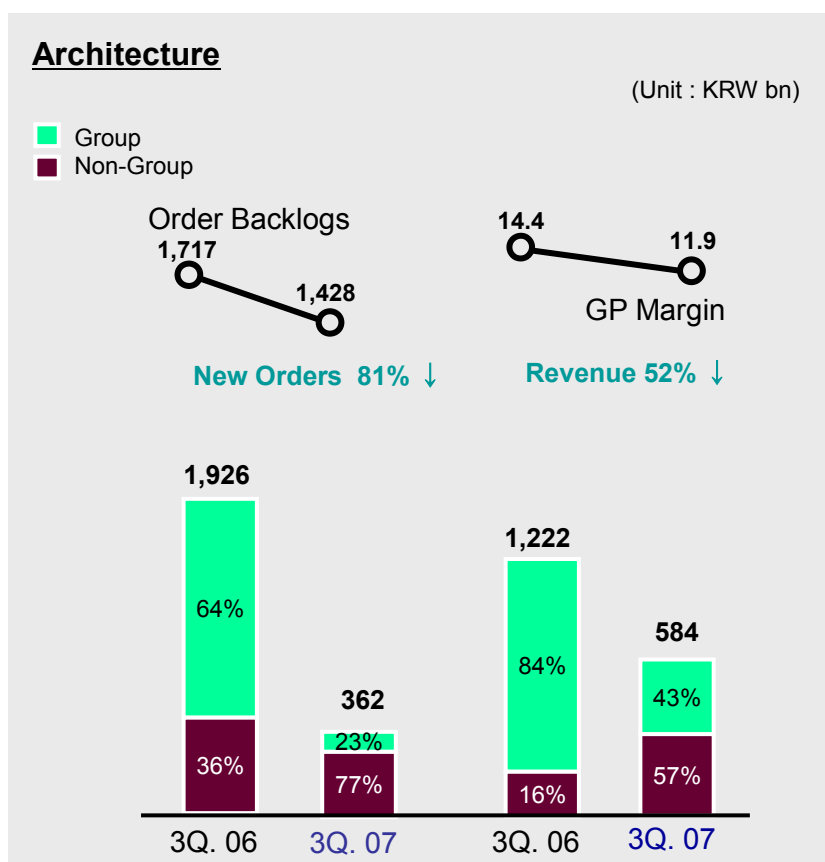


# Busienss Performance – Architecture

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New orders and revenue decreased because of delay of affiliates investments.



### Comments

- New Orders : Decreased due to delay of affiliate works.
- Revenue : Decreased after completion of P7
- GP Margin : Decreased because of delayed affiliate works and increased sales cost of non-group works

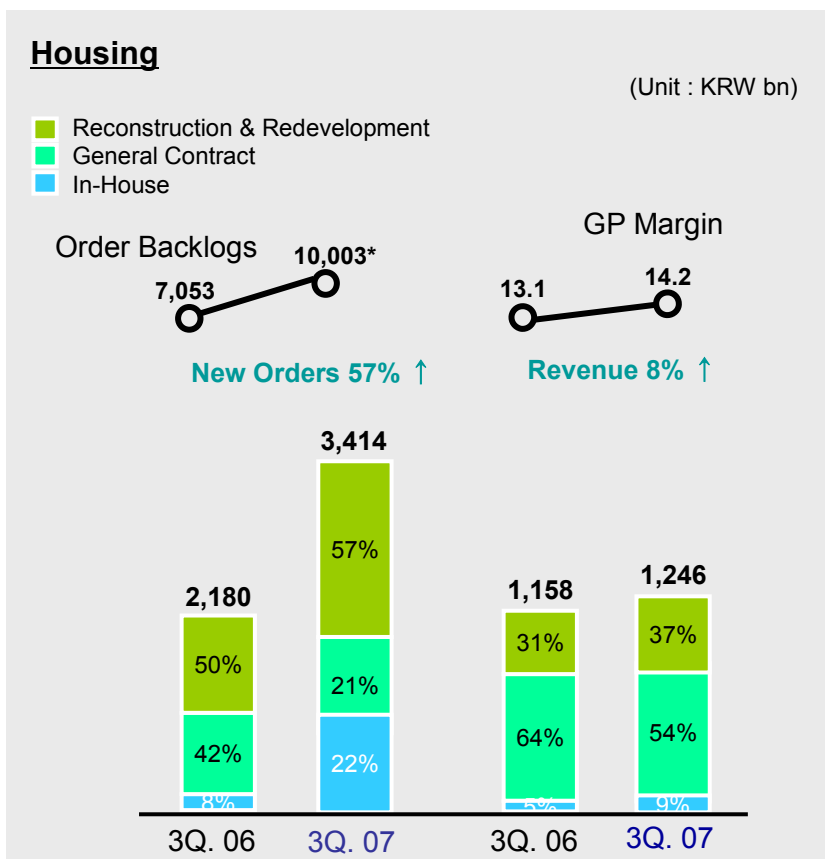


# Business Performance – Housing

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



\* Provisional order backlogs (17.1 trillion) excluded

## Comments

- New Orders: Increased with reconstruction and redevelopment projects.
- Revenue: Proportion of redevelopment and reconstruction has increased but total revenue was similar level compared to last year.
- GP Margin : Improved with huge profitable reconstruction projects and expanded portion of in-house projects.



## Appendix – Balance Sheet (Summary)

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(Unit: KRW bn,%)

Account	02	03	04	05	06	07.3Q
<b>Total Asset</b>	<b>2,662</b>	<b>2,690</b>	<b>3,303</b>	<b>3,826</b>	<b>4,751</b>	<b>4,913</b>
Cash & Deposits	136	102	266	361	537	527
Trade Receivables	836	875	1,095	1,412	1,738	1,430
Inventories	175	121	159	197	195	251
Investments	700	676	679	494	691	791
Tangible Assets	652	709	844	905	1,038	1,086
<b>Total Liabilities</b>	<b>1,613</b>	<b>1,535</b>	<b>2,006</b>	<b>2,375</b>	<b>2,967</b>	<b>2,905</b>
Trade Payables	511	621	794	890	1,260	1,050
Borrowings	346	160	228	208	65	62
<b>Total Shareholders' Equity</b>	<b>1,049</b>	<b>1,155</b>	<b>1,297</b>	<b>1,451</b>	<b>1,784</b>	<b>2,008</b>
Capital Stock	255	255	255	255	255	255
D/E Ratio	153.8	132.8	154.7	163.7	166.3	144.7



## Appendix – Income Statement (Summary)

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(Unit: KRW bn)

Account		02	03	04	05	06	07.3Q
Sales Revenues	Civil Engineering	514	574	574	730	714	487
	Plant	583	580	499	1,037	1,455	1,432
	Environment	-	-	276	312	257	130
	Architecture	820	1,258	1,615	2,203	1,598	584
	Housing	1,258	1,056	1,085	1,349	1,721	1,246
<b>Total</b>		<b>3,175</b>	<b>3,468</b>	<b>4,049</b>	<b>5,631</b>	<b>5,745</b>	<b>3,879</b>
Gross Profit		473	521	492	680	762	562
Selling and Administrative Expenses		197	250	263	344	359	268
Operating Profit		276	271	229	336	403	294
Ordinary Profit		245	262	242	367	544	393
<b>Net Profit</b>		<b>161</b>	<b>162</b>	<b>156</b>	<b>265</b>	<b>387</b>	<b>276</b>



## Appendix – Major New Project List

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(Unit : KRW bn)

Division	Projects	Contract Date	Contract Amount	Description	
Civil Eng.	Goyang Terminal Heavy Facility	May	56	Public	T/K
	No.2 Youngdong Highway	May	121	Public	SOC
	Gwangyang Port Westside Ground	July	35	Public	T/K
Plant	Lotte Daesan NCC Revamping Proj.	January	130	Private	Contract
	Salalah Methanol Project	March	683	Overseas	Oman
	Egypt ERC Hydrocraker	August	1,698	Overseas	Egypt
Environment	Hwasung Incinerator	February	39	Public	T/K
	Daegu Sewage Sludge Facility	April	21	Public	T/K
	Choongju Clean Energy Park	August	17	Public	T/K
Architecture	Poland LG Electronics	Increased	19	Private	LG
	Incheon Univ. Transfer Business	April	38	Private	Development
	Hapjungdong Mixed-use Complex	September	183	Public	SOC
Housing	Kimpo Poongmu	March	161	Private	Contract
	Geu Je 1 Redevelopment	June	126	Private	Redevelopment
	Incheon Chung-La	September	491	In-house	In-house