

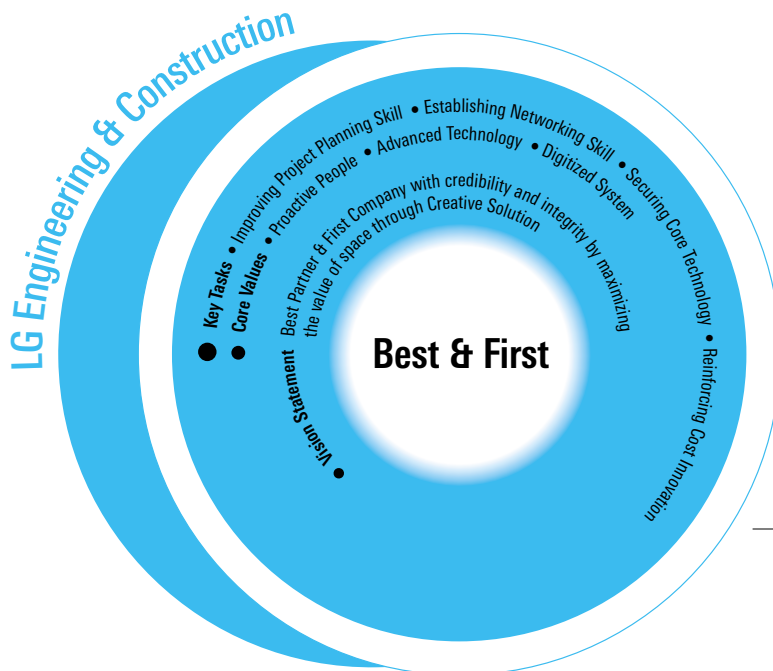
VISION & STRATEGY

Vision

LG E&C envisions providing creative solutions that maximize the value of space. Topnotch human resources, policies and solutions will be employed to achieve the top in brand preference, shareholder value, market share and profitability.

2003 2004 2005 2006 2007 2008 2009

2010



Core Values

The LG E&C corporate philosophy stresses core values to guide conduct in pursuit of corporate goals. Competitiveness in human resources, technology, and systems is essential for realizing the company's ambitious vision.

Proactive People LG E&C encourages innovative thinking and decisive implementation. Internal networks are used as much as possible, and personnel are taught to place the highest priority on teamwork and on-site activities.

Advanced Technology LG E&C is committed to achieving world-class R&D capabilities, and research focuses on technologies for creating new business opportunities.

Digitized Systems Digital systems are being developed to integrate operations globally and serve as the platform for all business activities. Work processes can be carried out more quickly, precisely and transparently as a result.

Key Tasks

Employees focus on innovation to cut costs as well as improve core technology, networking and project-planning skills, thereby raising value in pursuit of the corporate vision.

Improved Project Planning Employees are constantly improving capabilities to conduct feasibility studies, gather data and manage knowledge to offer total solutions.

Better Networking Skills Networks and partnerships are being strengthened to enhance marketing and win more projects.

Core Technology Acquisition The technological competitiveness of current business lines is being raised while overall R&D capabilities are being expanded and core technology developed for new fields.

Greater Cost Innovation The costs of all process are constantly being lowered and process-related infrastructure upgraded to generate greater income.

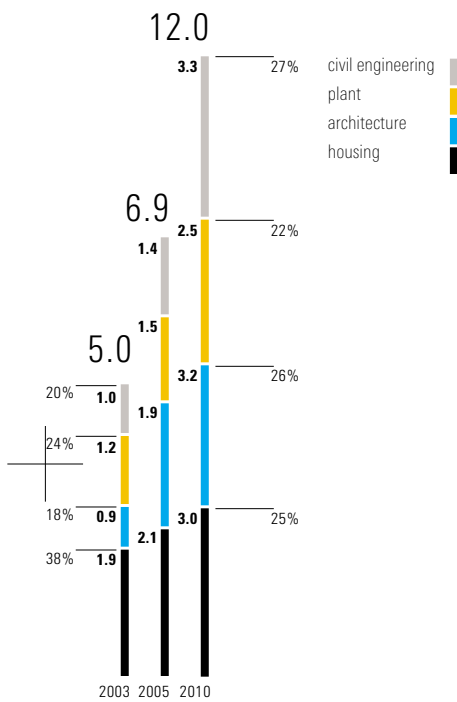
Strategy

Goals

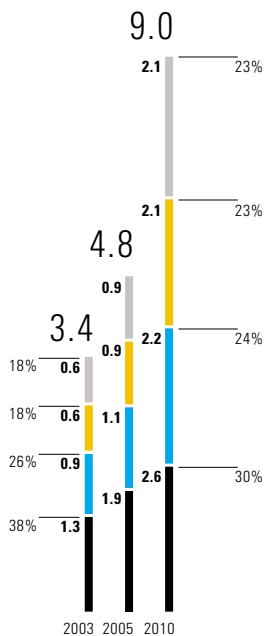
LG E&C aims to receive W12 trillion in new orders a year and W9 trillion in annual sales by 2010.

The goal is to have the top share of the Korean market and to earn 5% of ordinary margin overseas.

(Unit: trillions of Won)



NEW ORDERS



SALES REVENUES

Core Strategies

Restructure Portfolio over Mid-/Long Term

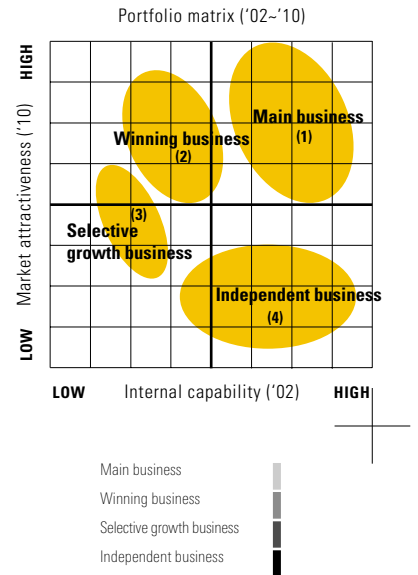
Selectively concentrate company competencies in four areas related to civil engineering, plant, office building and residential projects. These areas include (1) projects with maximum return on investment, (2) development projects as growth engine for existing business lines, (3) selective investment projects, and (4) projects with proper revenue margins.

Increase Specialization

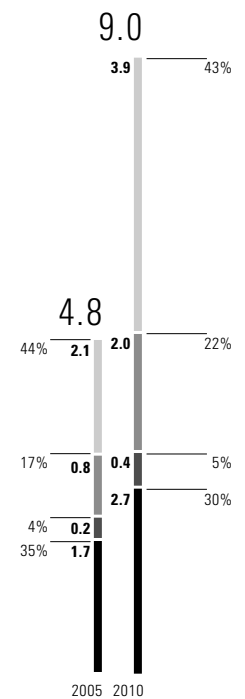
The Civil Engineering Division will expand involvement in turnkey infrastructure projects including highways and railroads. The Plant Division plans to concentrate on profitable overseas refinery and petrochemical plant projects. The Architecture Division will continue raising technology expertise, focusing on high-rise buildings, clean rooms and other high-tech projects. Finally, the Housing Division will maximize the power of its new brand while cultivating marketing capabilities and winning apartment reconstruction projects.

Advance into New Fields

Steady growth of mainstay areas will serve as the business base, while LG E&C works to break into new fields with high potential. The Civil Engineering Division will focus on harbor projects, while the Plant Division will advance into overseas gas production and environmental protection facilities. The Architecture Division will pursue turnkey projects, while the Housing Division strive to win more residential redevelopment projects.



(Unit: trillions of Won)



BUSINESS PORTFOLIO