

Highlights 2007

Global Contractors

HOW TO USE THE TABLES

- COMPANIES** are listed in the Top Global Contractors list by their total 2006 construction contracting revenue, with all home and abroad. The orders from the Top International Contractors ranking are 20-42, 43-145, which rank firms based only on revenue from projects outside their home countries. Revenue is in U.S. \$ unless it is stated that revenue has not yet been designated. Markets are not set up to 100% due to inclusion of "other" miscellaneous market category and rounding.
- MARKETS** include prime contracts, shares of joint ventures, subcontracts, design-build contracts and construction management "at-risk" contracts when a firm is installed equipment when a firm has prime responsibility for specifying and procuring it within the scope of a construction contract.
- MARKETS** include commercial buildings, offices, stores, industrial facilities, government buildings, hospitals, medical facilities, hotels, apartment, housing, etc.
- MARKETS** include waste handling, electronic assembly, boiler plants, etc.
- MARKETS** include transportation, powerplants, water & energy plants, towers, rail lines, railroads, transportation plants, etc.
- MARKETS** include water, wastewater, transmission systems, distribution lines, irrigation, distribution and drinking water treatment plants, pumping stations, etc.
- MARKETS** include pulp & paper mills, steel mills, refineries, other metal plants, iron/steel, industrial waste facilities, etc.
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- MARKETS** include pharmaceutical plants, chemical plants, food and other processing plants, etc.
- MARKETS** include chemical, petrochemical plants, offshore facilities, pipelines, etc.
- MARKETS** include airports, bridges, roads, locks, locks, dredging, marine facilities, ports, harbors, levees, etc.
- MARKETS** include chemical and marine waste treatment, asbestos and lead abatement, etc.
- MARKETS** include transportation lines and existing, tunnels and urban transit, etc.

RANK	COMPANY	2006 REVENUE (\$ MIL)	2006 NEW CONTRACTS (\$ MIL)	2006 INT'L REVENUE (\$ MIL)	2006 INT'L NEW CONTRACTS (\$ MIL)	MARKETS
31	GS ENGINEERING & CONSTRUCTION, Seoul, S. Korea	6,177.6	961.9			
32	SKANSKA AB, Stockholm, Sweden	5,804.0	1,075.0	8,037.0	40	36
33	BEYOND ENGINEERING & CONSTRUCTION CO., Seoul, S. Korea	5,042.0	1,286.1	2,241.0	40	9
34	BEYOND ENGINEERING & CONSTRUCTION CO., Beijing, China	4,022.0	879.0	1,241.0	9	10
35	BEYOND ENGINEERING & CONSTRUCTION CO., U.S.A.	4,022.0	884.0	1,766.0	10	9
36	BEYOND ENGINEERING & CONSTRUCTION CO., Madrid, Spain	4,022.0	884.0	1,766.0	9	9
37	BEYOND ENGINEERING & CONSTRUCTION CO., U.S.A.	4,022.0	884.0	1,766.0	9	9
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GS E&C won more than ₩10 trillion in new orders for the first time in 2007, thanks to a diverse business portfolio. The company was the first in the Korean construction industry to receive an international credit rating, evidence of sound financial and operational structures. In addition, superior planning expertise and mixed-use development capabilities have enabled GS E&C to become a major player in development projects inside and outside Korea. Finally, an outstanding cost management system has improved profitability each of the past three years.



ENR Ranks GS Engineering & Construction 31st among the World's Construction Companies

GS Engineering & Construction is ranked 31st among the world's top contractors and is first in the domestic Korean market. *Engineering News Record*, a leading construction industry journal, announced its Top 225 Global Contractors for 2007 based on 2006 construction contracting revenue. GS E&C came in 31st on that list.



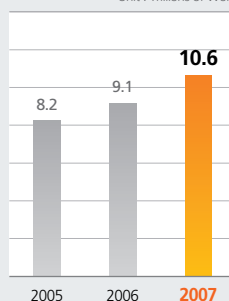
PROFUSE ORDER FLOW

The diversified business portfolio has yielded an ample order backlog. A steady stream of new orders is also expected, given the company's growing involvement in large-scale plant projects overseas as well as major development projects at home and abroad.

New orders topped ₩10 trillion for the first time and were 16% higher than in 2006. The current backlog stands at ₩19.7 trillion, and when combined with the ₩17.5 trillion in provisional order backlog for apartment complexes, the total backlog amounts to ₩37.2 trillion. This, the largest figure for any Korean construction company, was made possible by massive plant projects from overseas as well as by major mixed-use complex development projects. In the future, the company will continue such quantitative growth by expanding involvement in overseas development, securing additional domestic residential-commercial development contracts, and winning more large-scale plant orders.

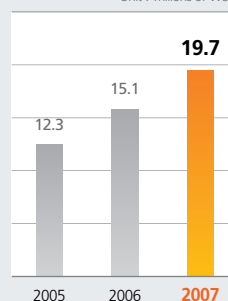
New Orders

Unit : Trillions of Won



Order Backlog

Unit : Trillions of Won



WORLD-CLASS COMPETENCIES IN DEVELOPMENT PROJECTS

GS Engineering & Construction has been named the preferred bidder for a wide range of mixed-use development projects in Korea and has made inroads into Vietnam's development market.

The superior planning capabilities have earned GS E&C a strong reputation for organizing development projects of all kinds. Recent orders won in Korea include the Ansan Sadong 90 Block New Town development, the Central Pangyo Multiplex Commercial Zone and the Yongsan International Business Complex in Seoul.

In December 2007, meanwhile, the Vietnamese government finalized its approval for GS E&C to invest in projects that should bring more than US\$7 billion in sales over the next 10 to 12 years. The company will build on this success to secure more development project contracts in Cambodia and other new growth markets. This expansion into the overseas development sector will serve as a platform for reaching the 2015 Vision and boost overall company growth and profitability significantly.

FINANCIAL STABILITY

GS Engineering & Construction's sound financial structure, solid business base and upbeat future outlook earned it the highest international credit rating ever for the Korean construction industry.

Moody's gave GS Engineering & Construction a "Baa1" long-term foreign currency credit rating, while Standard & Poors gave the company a "BBB." Thus, the two agencies were both impressed by the balanced business portfolio, sound financial structure and stable order backlog. The solid fundamentals and positive business outlook were strong enough to warrant investment grade credit ratings, which will strengthen the company's ability to operate globally. For example, the cost of raising capital for development projects in Vietnam and Cambodia will be lowered, while the company's enhanced credibility will facilitate the hiring of topnotch personnel.

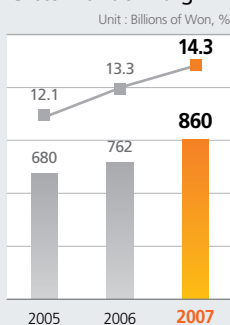
IMPROVED PROFITABILITY FROM A COMPANYWIDE COST-CUTTING EFFORT

A successful reduction in overall production costs during 2007 raised the gross margin 1%P on year to 14.3%. The operating margin also improved 0.4%P to 7.4% over the same period.

Implementation of the Total Project Management System (TPMS) sparked gross margin growth in 2006. The company continued to cut costs across the board in 2007 to raise corporate value, and the gross margin rose a whole percentage point.

The gross margin for overseas operations stood at 6.4% in 2006 but improved 2.3%P to 8.7% in 2007. Meticulous project feasibility studies prior to bidding and proactive cost management have boosted the profitability of overseas projects. Moreover, the company carefully hedges against the various risks that can occur during project execution. In the housing sector, the percentage of company-owned projects, which are more lucrative than others, has increased in the portfolio. This trend is expected to continue, while future large-scale development projects inside and outside Korea will generate high revenue for the company.

Gross Profit & Margin



Operating Margin

