

ANNUAL REPORT 2008

Best Partner, First Company

Creative Entrepreneurship
Global Perspectives
Mutual Respect

GS E&C Corporation

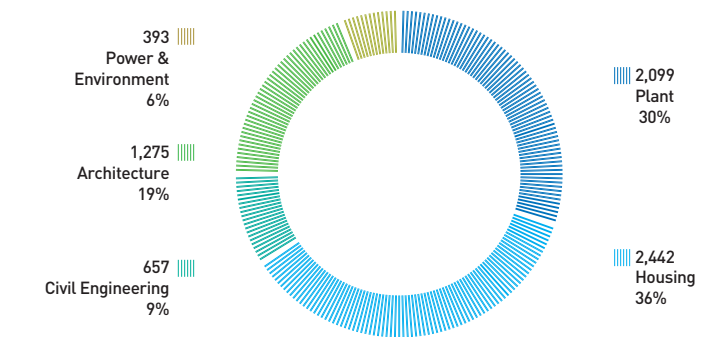
Key Financial Data

Unit : Billions of Won

	2008	2007	2006
Sales Revenue	6,866	6,012	5,745
Gross Profit	913	860	762
Operating Profit	478	442	403
Ordinary Profit	549	567	543
Net Profit	382	399	387
Earning Per Share (₩)	7,689	7,995	7,741
Dividend Per Share (₩)	500	1,650	1,550

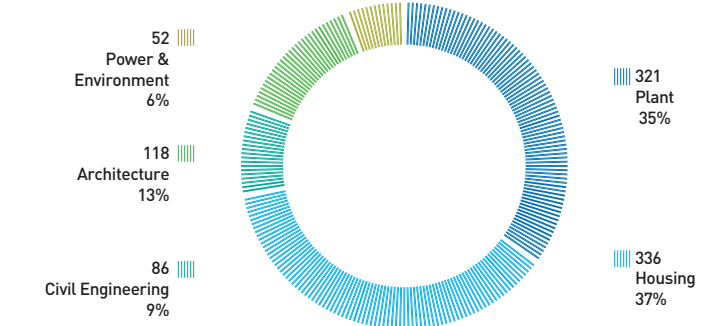
Sales Revenue by Division

Unit : Billions of Won



Gross Profit by Division

Unit : Billions of Won



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SEGMENTS

The GS Engineering & Construction organization consists of five main operations units (the Housing, Plant, Civil Engineering, Power & Environment and Architecture Business Divisions) as well as four other units (Domestic Business, Management Support, Technology Division and Development). A well-balanced business portfolio operated by various organizational units has led to steady growth inside and outside Korea.



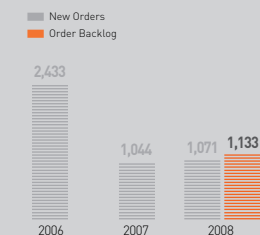
ARCHITECTURE

The Division currently has projects underway in Korea, China, Poland and Vietnam. Superior technology and human resources allow the Division to engage in a wide range of products (education and training facilities, sports facilities, high-rise buildings, high-tech factory buildings) anywhere in the world at any time.

- Office Building
- Education / Research / Hospitals
- Culture / Leisure / Sports
- Cleanroom / Manufacturing Facilities
- Logistics / Remodeling

New Orders

I Unit : Billions of Won I



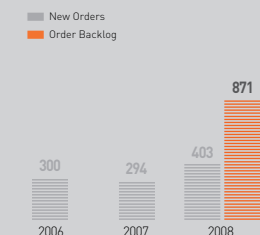
POWER & ENVIRONMENT

The Power Business Division and Environment Business Division were integrated in 2008 to boost competitiveness in overseas projects by maximizing synergy and building a system for engineering, procurement and construction (EPC) that encompasses both segments. The Division is creating new value for the company going forward. Meanwhile, current project execution capabilities continue to be honed and new growth engines developed so that GS E&C can stand shoulder to shoulder with the top-tier contractors for power and environment plants.

- Power & Energy
- Water & Sewage, Wastewater Treatment
- Waste Treatment & Recycling

New Orders

I Unit : Billions of Won I



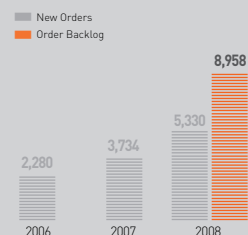
PLANT

The Division has established a solid portfolio by expanding business area into oil refining, gas processing, and petrochemical plants mainly constructed in the Middle East, Southeast Asia and S. Korea. Especially, gas processing sector is being cultivated as a new growth engines for the future that will bolster the competitiveness of the plant business. Enhanced global sourcing, risk management system, and human resource development programs are also paving the way for the Division to be ranked in the world's best leading players.

- Oil Refining & Gas Processing
- Petrochemical Plants

New Orders

I Unit : Billions of Won I



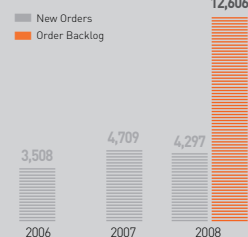
HOUSING

The Division is maximizing competitiveness in apartment reconstruction, redevelopment and apartment projects for other developers. Profitability is being increased by diversifying into private home construction, residential land development and overseas projects. In addition, the remarkable features of GS E&C-built apartments and Koreans' quest for more elegant lifestyles have firmly established "Xi" as a power brand, have made "Xi" the best, and have set technology trends for the entire construction industry.

- Residential Complexes
- Apartments
- Mixed-use Buildings

New Orders

I Unit : Billions of Won I



DEVELOPMENT

The Division enjoys a diverse project portfolio that encompasses public-private partnership (PPP) projects, large mixed-use complexes, "new town" development and industrial complex development around the globe. Meticulous financial feasibility analysis and risk management are playing an important role in propelling this unit to global prominence.

- PPP Projects
- Mixed-use Complexes
- "New Towns"
- Industrial Complexes



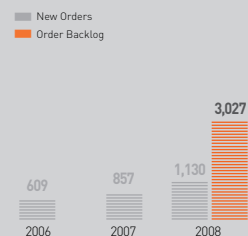
CIVIL ENGINEERING

The Division builds roads, railroads, port facilities, industrial complex infrastructure and underground storage facilities. The focus is on ensuring profitability and cash flow stability by expanding involvement in the growing number of public contracts available as part of the Korean government's stimulus package. Outside Korea, the Division is diversifying into government-backed projects in Vietnam, Singapore, India and the Middle East.

- Roads, Tunnels & Bridges
- Railways
- Ports & Dredging
- Underground Space

New Orders

I Unit : Billions of Won I



TECHNOLOGY

The Technology Division acquires core technologies through research and development, helps to create new businesses for the company, and supports to improve overall productivity. The Division also provides the optimal technology for each business division and technical support to individual construction sites.

- R&D
- Site Technical Support
- Technology Management