



In 2011, however, the presale of new residential units is expected to rebound rapidly on expectations of economic recovery. Overseas, competition will ease with an increase in new order volume, which will allow momentum for profitable growth to build quickly. In addition, global economic activity should turn around from 2011, prompting major corporations to raise their investment in new facilities. This, in turn, will prompt an increase in new orders within Korea's private sector. Thus the outlook for construction company stocks is positive for the year.

### GS Engineering & Construction

The price for GS E&C shares closed at ₩116,000 on December 31, 2010, which is seven percent higher than the 2009 figure of ₩108,500. GS E&C stock posted a twelve-percent underperformance compared with the KOSPI average, but outperformed other construction shares by eight percent. The foreign ratio of shareholding, which was 50.5 percent at the beginning of 2010, dipped to 45.47 percent at year's end.

Mitigated worries over the housing sector were the primary reason behind the stock price rise. The housing sector had been the greatest risk factor for GS E&C, as market watchers were concerned whether the company could recover the expenses from building new apartment complexes. The completion dates for apartment projects were pushed back from the second half of 2009 to 2010. However,

the residential presales market rebounded, and the volume of unsold units dropped significantly, alleviating construction cost concerns.

Worries were also felt over the company's meeting its 2010 target for new orders overseas because performance was weak in the first half. However, GS E&C then won the contracts for the Collie Urea project in Australia, a gas pipeline project in the UAE and a power plant project in Oman, combined to be worth over ₩6.4 trillion. In 2010, GS E&C strengthened its global stature by diversifying the portfolio by geographical region and project type.

The solid domestic performance and strong advance overseas allowed the stock price to rise eight percent from the beginning of 2010 to year's end. The share price is expected to rise in 2011, as the company aims to achieve solid growth based on the management directive of "striking a balance between growth and value."

The IR Team at GE E&C held two overseas roadshows and four domestic roadshows, participated in seven conferences inside and outside Korea, and organized quarterly conference calls in 2010. A total of 532 one-on-one meetings were held. Internally, the IR Committee convened quarterly to convey investors' views to top management and share market trends and issues.

In 2011, GS E&C intends to establish itself as having the top IR program among Korean construction companies. Proactive IR activities are in store.

# Company Milestones

GS E&C operates confidently as a global player in cultivating growth engines for the future. Internally we work with engineers from various countries, and our current overseas projects span fifteen nations.

## 1969~1979

**1969**

Lackhee Development Co., Ltd. (the Company's predecessor) established

**1975**

Company name changed to Lucky Development Co., Ltd.

**1977**

Lucky International Construction Co., Ltd. established

**1979**

Lucky International Construction Co., Ltd. merged into Lucky Development Co., Ltd.

The Company designated a housing contractor by the Ministry of Construction

## 1990~1989

**1981**

Initial public offering issued

**1983**

Lucky Development (Arabia) Co., Ltd. established

**1984**

Company received Korean government's export award for winning US\$1 billion in international contracts

Lucky Development International Inc. established in the US

**1989**

Lucky Development Inc. established in Saipan

21<sup>st</sup> Century Vision adopted for becoming a best all round developer in the domestic market and a general construction company globally

## 1990~1999

**1991**

Construction license acquired for Japan

Medal of Industrial Service awarded on Tax Day

Company 20 Year Almanac published

**1993**

American Society of Mechanical Engineers accredited the Company in construction of nuclear power plant

Lucky Thai Engineering & Construction Co., Ltd. established in Bangkok

**1994**

ISO 9001 quality management certificate acquired

**1995**

Company name changed to LG Construction Co., Ltd.

"The Year of New Construction Era" announced

**1996**

ISO 14001 environmental management certificate acquired

**1998**

Soo-Keo Min appointed the Company's 9th President & CEO

LG-HP Sunflower International Village awarded by Haiphong People's Committee in Vietnam

**1999**

LG Engineering Co., Ltd. merged into LG Construction Co., Ltd.

Grand prize received as the Superior Company and the Best Apartment by Women Consumer Survey