

GS E&C Presentation

Sep 24th, 2015

www.gsconst.co.kr





CONTENTS

- **Trend of New Orders & Sales Revenues**
- **Order Backlogs**
- **Results & Guidance**
- **Housing Business**
- **Liquidity & Cash Raising Plan**
- **Appendix**
 - **Parnas Hotel**
 - **Housing Market**
 - **Global Networks and Major Projects**
 - **Ownership Structure**
 - **Dividends**
 - **IS/BS**

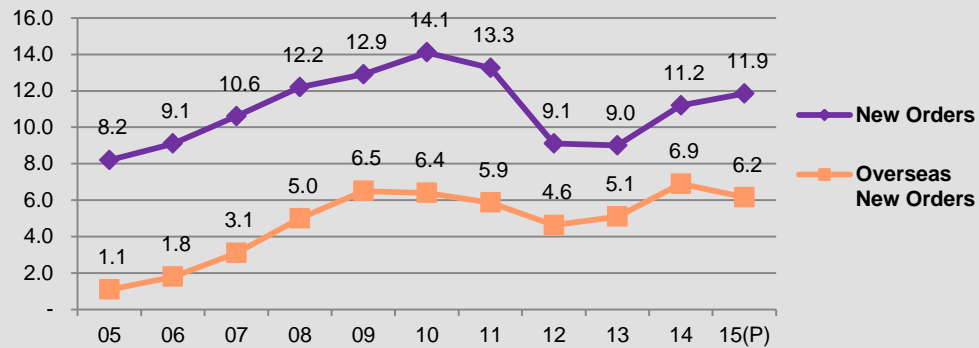


This material contains forward-looking statements that include our current beliefs and expectations on market factors and information obtained outside GS E&C, which are subject to uncertainties. Due to the volatility of these factors, actual results may differ from those set forth in the presented statements. Information found here should not be solely relied upon for making any investment decision, this material is provided as a reference purpose only for the investors. GS E&C shall not be responsible for any trading or investment decisions made based on this information.

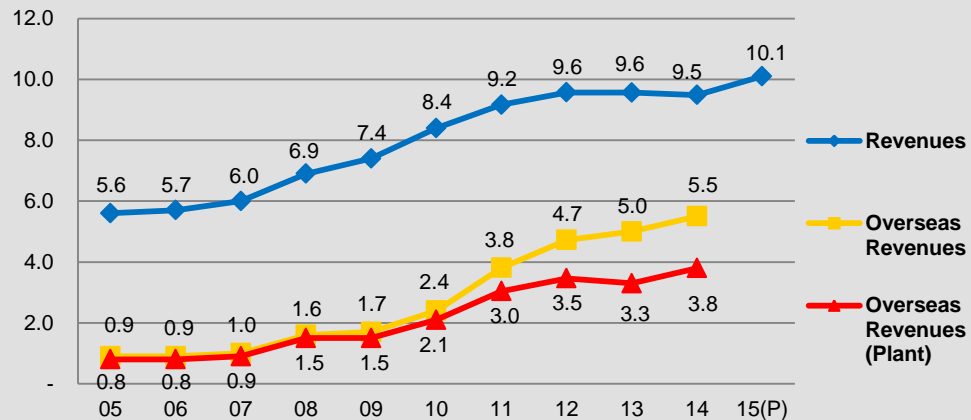
Trend of New Orders & Sales Revenues



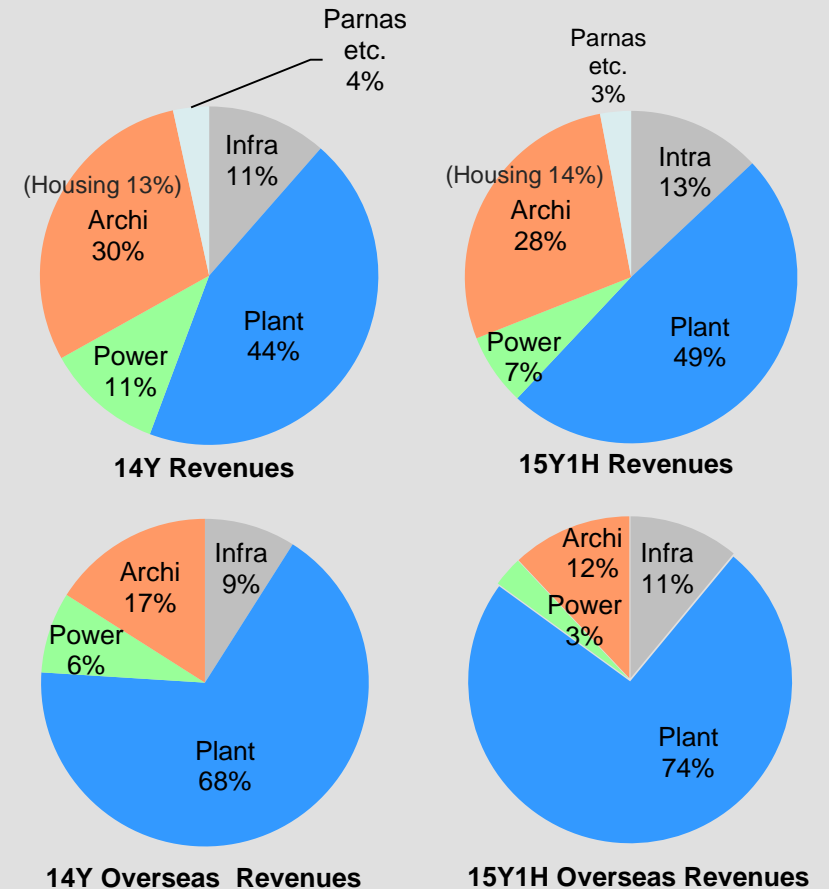
New Orders



Sales Revenues



Sales Revenues by Portfolio



Order Backlogs



Order backlogs by division

(KRW bn)

Division	2014	2015.1H	%
Plant	12,823	9,712	28.4%
Power	1,515	1,401	4.1%
Infra(civil)	4,172	4,260	12.4%
Architecture	15,657	18,869	55.1%
Domestic	19,749	23,022	67.2%
Overseas	14,419	11,220	32.8%
Total	34,167	34,242	100.0%

Overseas order backlogs by region

(KRW bn)

Region	2015.1H	%
Middle East (Saudi, UAE, Kuwait, Iraq..)	5,873	52.3%
Asia (Kazakhstan, Singapore, Vietnam..)	2,786	24.8%
Africa (Egypt, Algeria, Tanzania, Mozambique)	1,564	13.9%
Europe (Turkey)	980	8.7%
Other (Canada, Russia, Venezuela)	17	0.3%
Total	11,220	100%

Overseas order backlogs by year awarded

(KRW bn)

	Up to 2011	2012	2013	2014~15.1H	Total
Plant	1,346	555	1,660	4,457	8,018
Power	1	77	55	369	502
Infra(civil)	286	201	469	957	1,913
Architec.	43	114	434	196	787
Total	1,676	947	2,618	5,979	11,220
%	14.9%	8.5%	23.3%	53.3%	100.0%

Up to 2011 : ERC (1,153), TBO road (176), Tank Farm (60)

2012 : Rabigh2 (441), HCMC (196), NTF hospital (62), PP-12 (54)

2013 : STAR (980), NSRP (679), Marina South (416)

2014 : Karbarla (2,340), CFP (1,455), Ru/Sh (638), Doha Link(571)

2015 : T3008 (357)

❖ Collie Urea Project (Australia) (KRW 3.2 trn) in current order backlogs is excluded because its contract effectiveness has been delayed for long period.

Results & Guidance



(Unit : KRW bn)

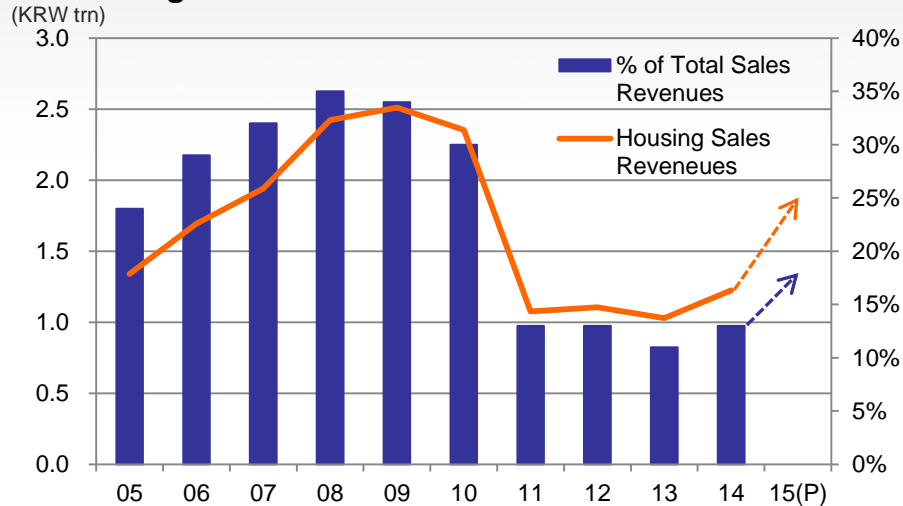
	2015.1H	2015(P)
New Orders	5,791	11,850
- <i>Domestic</i>	5,023	5,690
- <i>Overseas</i>	768	6,160
Sales Revenues	4,807	10,100
Gross Profits	262	
- <i>Domestic</i>	6.4%	
- <i>Overseas</i>	4.8%	
<i>Infra(Civil)</i>	3.6%	
<i>Plant</i>	6.0%	
<i>Power</i>	-10.0%	
<i>Architecture</i>	9.6%	
<i>Parnas, etc</i>	3.7%	
Operating Profit	58	
Ordinary Profit	24	
Net Profit	6	

(Unit : KRW bn)

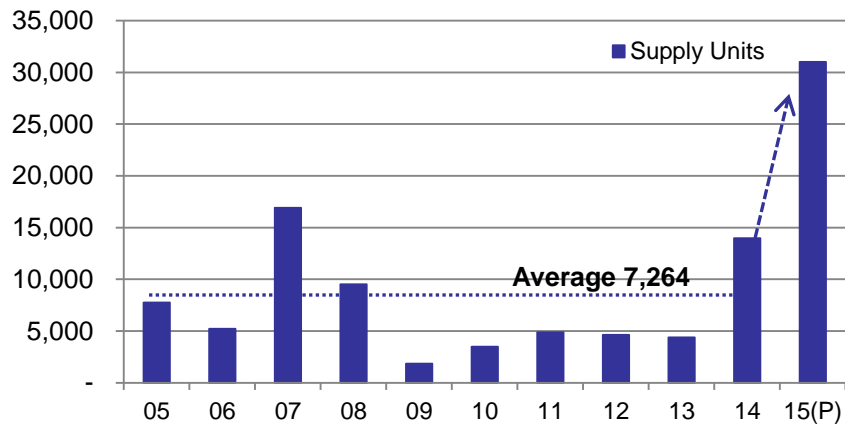
Division	2015.1H New Orders	Major Projects
Infra (civil)	611	- Singapore T3008 Advanced Work Depot(356) - Saemangeum East-West 2 nd Road work(102)
Plant	546	- One Project (311)
Power	212	- 500kv North Dangjin-Goduk Underground Power Transmission (112)
Archi. / Housing	4,422	- Godeock Jugong zone 6 Reconstruction(386) - Sunnam Sinheung Zone 2 Development(349) - LG Science Park (304) - Xi the Express(Gyeonggi)(247) - Bucheon Okgil Xi(225) - Jangwii Zone 4 Development(182) - Hana Group Integrated Data Center(180) - Geoje Oksan Housing Pjt(117) - Sangdong Skyview Xi(111) - Hwasung Dongtan A90 Block Housing Pjt(102)



✓Housing Sales Revenues Trend



✓Housing Supply



2015 Housing supply plan is subject to market condition.

✓Unstarted PF Projects(as of 2015.1H)

Site	PF Guarantee (KRW bn)	Supply Units(E)*	Expected Start*	Notes
Chungju Bangseo	112	1,500	Oct.2015	Long Term PFs
Pyungtaek	351	3,856	Nov.2015	
Yongin Dongcheon	79	1,326	Nov.2015	
Osan	50	1,190	2016	
Siksa #2	140	1,677	2016	
Donggyo Office	90	-	-	
Yongin Shinbong	163	-	-	
Yongin Dongbaek	78	-	-	
Yangju Baekseok	299	-	-	New PFs
Pohang Daejam	70	1,567	Nov.2015	
Gwang Myeong	45	342	Dec.2015	
Total	1,477			

*It's subject to change.

✓Housing Order Backlogs

(Unit : KRW bn)

	2015.1H
PF	2,818
Reconstruction/Redevelopment	12,801
In house	1,490
Total	17,109

Liquidity & Cash Raising Plan



✓Debt Ratio

	10	11	12	13	14	15.1H
%	151.8	201.8	199.8	293.4	265.6	284.8

✓Cash Flow & Liquidity

(KRW trn)

	10	11	12	13	14	15.1H
Gross Debt	1.32	2.26	2.46	4.25	3.92	4.17
Cash & Cash Equivalent	1.49	1.49	1.42	1.87	2.15	1.95
Net Debt	-0.17	0.77	1.04	2.38	1.77	2.22

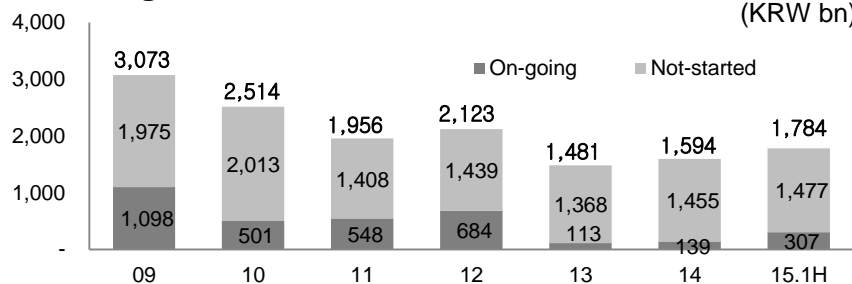
✓Pay-back Schedule for CB & CP

(KRW bn)

	2015	2016	After 2017	Total
Corp. Bond	-	320	362	682
Commercial Paper	-	-	800	800

✓Housing PF Guarantee

(KRW bn)



*Refurbishment projects excluded

✓Cash Raising Plan

New Rights Offering

Ordinary Shares	20,000,000
Issue Price	KRW 27,600
Capital Increase Amount	KRW 552,000,000,000
To be listed	Jun. 25, 2014

Parnas Hotel Disposal

Parnas Hotel (KRW 474 bn)*

- Successfully disposed 67.56% GS E&C's stake to GS Retail at 760 billion won on August 31st
- Disposal resulted in a gain of 282 billion won

*(): Book Value



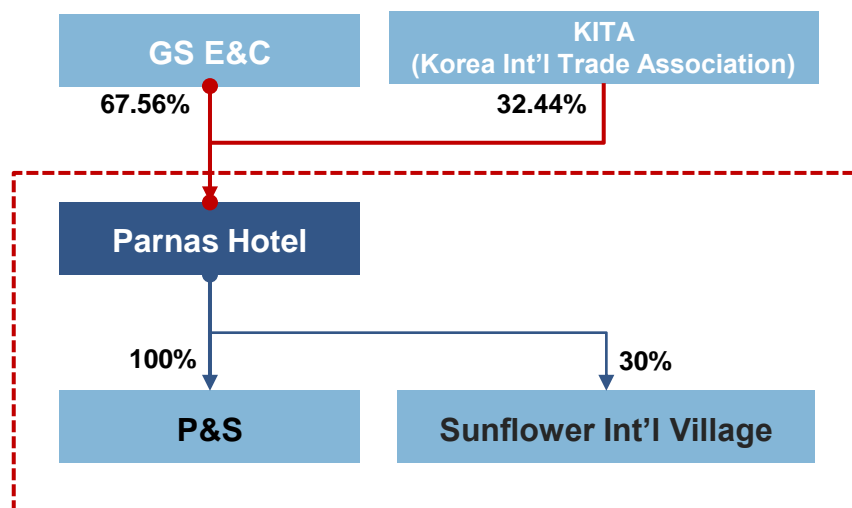
- Investment in housing business
- To pay down debt

Appendix - Parnas Hotel

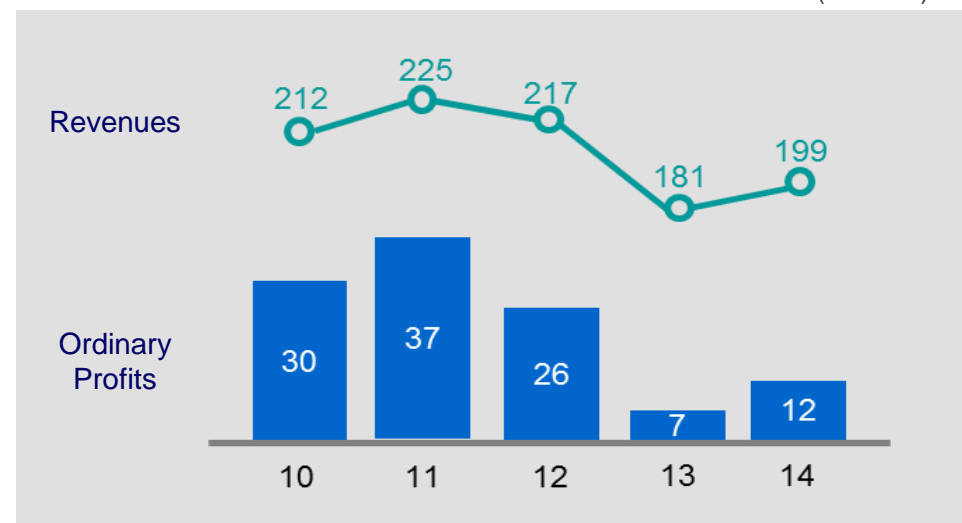


GS E&C successfully has disposed its 67.56% stake in Parnas Hotel to GS Retail at 760 billion won.

- ✓ Parnas is running the following hotels;
 - Grand InterContinental Seoul Parnas (Seoul)
 - InterContinental Seoul COEX (Seoul)
 - Nine Tree Hotel (Seoul)
 - Sunflower Int'l Village (Vietnam)
- ✓ Another new hotel called 'Parnas Tower' is under construction in Seoul.
 - Total floor area : 218,490m² (B8 ~ 38F)
 - Hotel, Office, Mall, etc.
 - Grand open is expected in August 2016.



- ✓ Ownership
 - GS E&C(67.56%), Korean Int'l Trade Association(32.44%)
- ✓ Recent performance (KRW bn.)

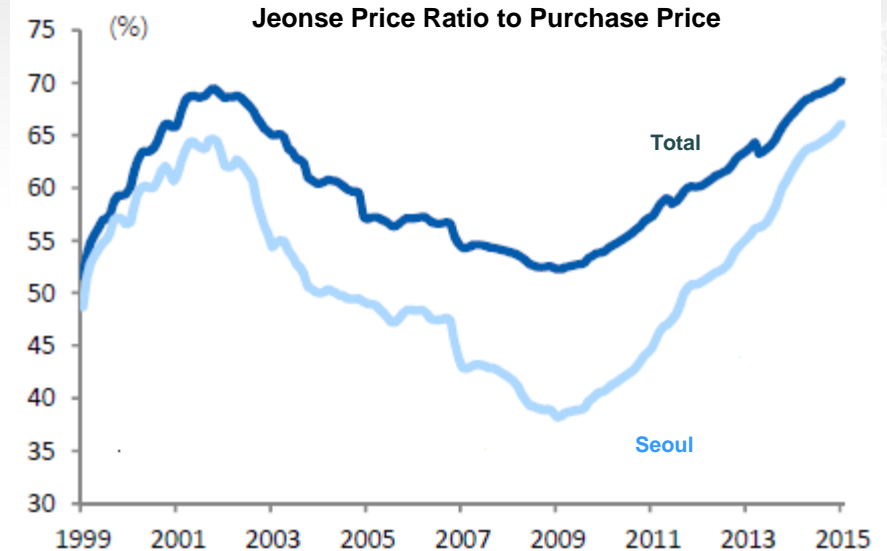
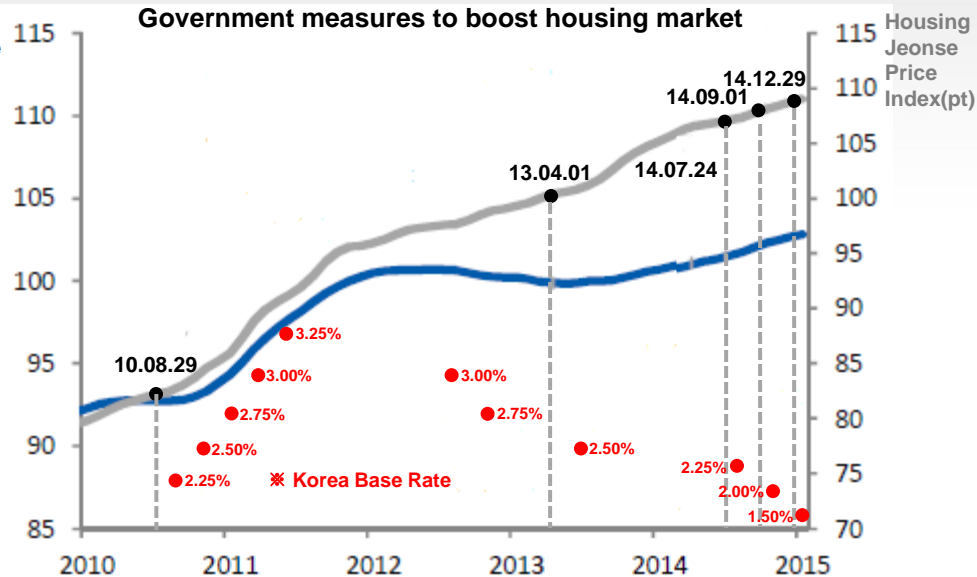


	10	11	12	13	14
Assets	1,118	1,112	1,121	1,211	1,250
Liabilities	446	435	426	510	543
Equity	671	676	696	700	707

Appendix – Housing Market



Housing
Purchase
Price
Index(pt)

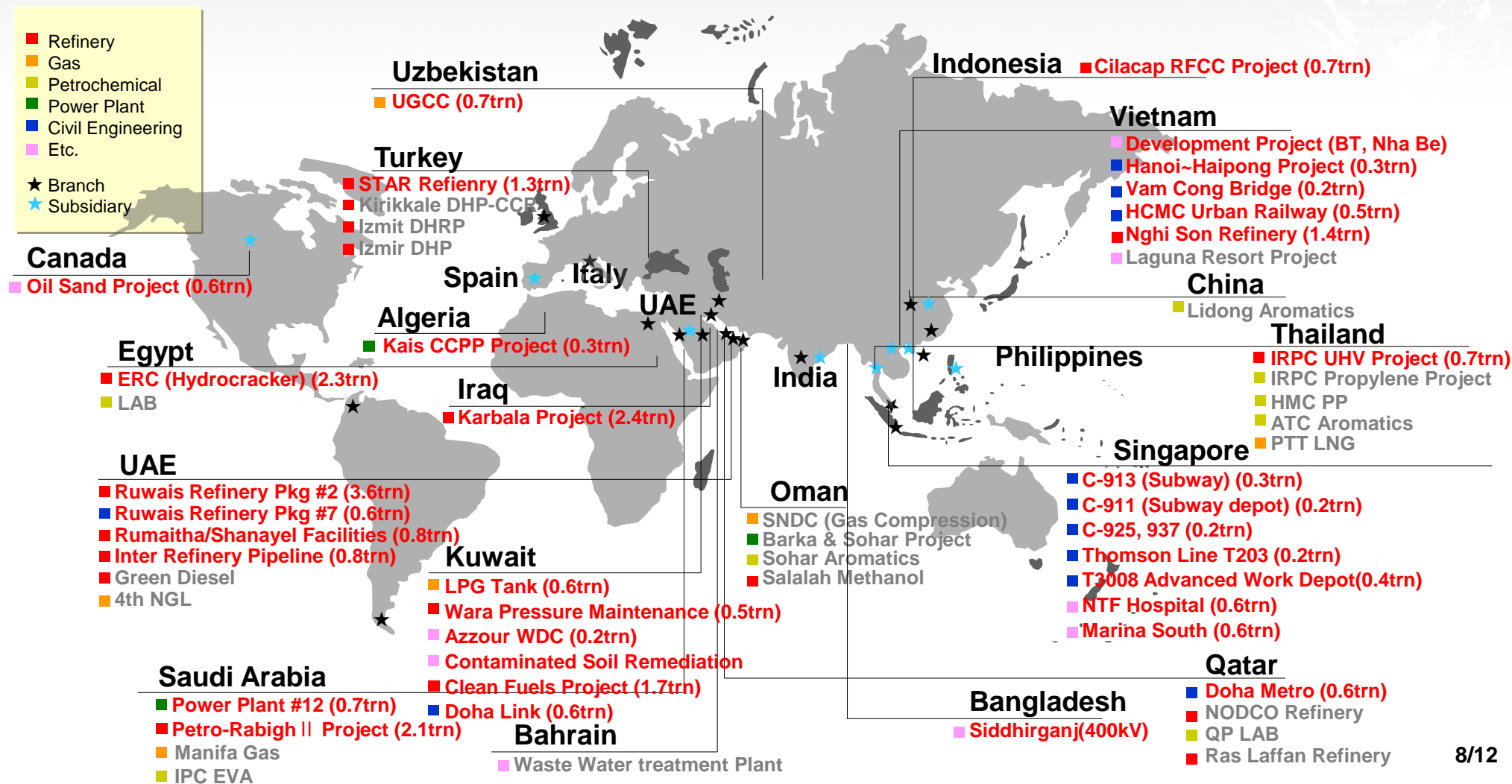


10.08.29	13.04.01	14.07.24	14.09.01	14.12.29
<ul style="list-style-type: none"> -Revision of DTI rules for households owning one or no home. -Public housing supply and schedule adjusted 	<ul style="list-style-type: none"> - Full exemption of capital gains tax for those who purchase new or unsold housing (subject to sell within five years) - Exemption of acquisition tax for first home owner 	<ul style="list-style-type: none"> - Deregulation of DTI(debt to income) and LTV(loan to value) ratio 	<ul style="list-style-type: none"> - Easing rules on reconstruction & redevelopment (easing the term required for reconstruction from 40 to 30 years) -Improving apartment subscription system - LH to stop designating public housing sites by 2017 	<ul style="list-style-type: none"> -Flexible application of presale price cap system -Abolition of the rules on restitution of excess reconstruction profits - Elimination of the cap on the number of presale homes for association members (reconstruction only)

Appendix – Global Networks & Major Projects



GS E&C currently operates more than 50 on-going projects, 34 branches & local entities in overseas.

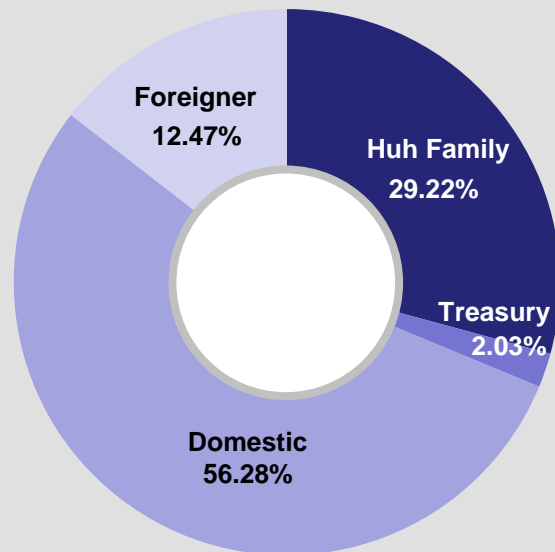


Appendix – Ownership Structure



GS E&C

(As of 2015.1H)



Huh Family

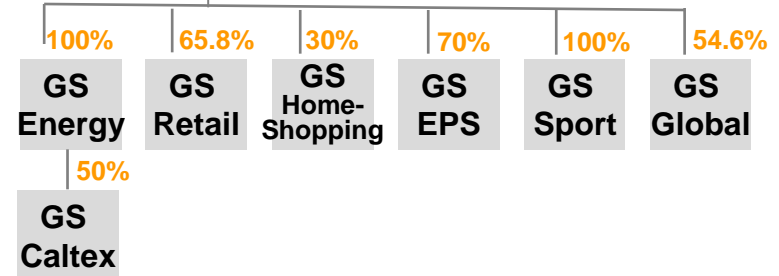
(As of 2015.1H)

GS Holdings



29.22%

Subsidiary



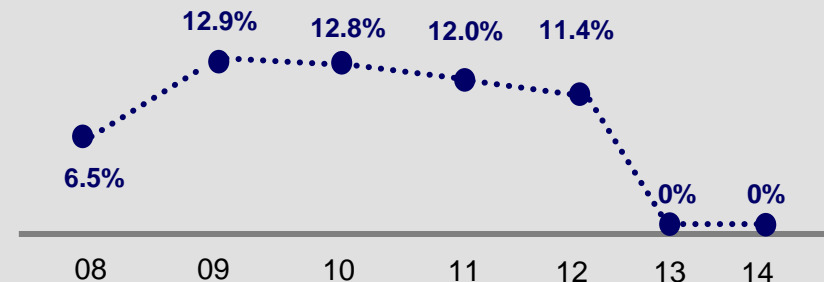
Appendix - Dividends



Yield & DPS



Payout Ratio



Financial Status – Statements of Financial Position (Summary)



(Unit : KRW bn, %)

Account	12	13	14	15.1H
Total Assets	11,776	12,427	13,095	13,824
Cash and cash equivalents	1,430	1,866	2,151	1,946
Trade and other receivable	4,479	4,785	4,574	5,049
Inventories	869	499	613	806
Short-Term financial instrument and other current assets	1,100	1,264	1,315	1,541
Tangible Assets	2,254	2,243	2,456	2,463
Total Liabilities	7,847	9,268	9,513	10,232
Trade and other payables	1,449	1,527	1,633	1,884
Borrowings	2,460	4,247	3,919	4,166
Total Equity	3,928	3,159	3,582	3,592
Capital Stock	255	255	355	355
Debt ratio	199.8	293.4	265.6	284.9

Financial Status – Statements of Income (Summary)



(Unit : KRW bn, %)

Account		12	13	14	15.1H
Sales Revenues	Infra(civil)	1,237	1,147	1,086	611
	Plant	4,492	3,796	4,202	2,372
	Power	655	1,044	1,062	355
	Architecture / Housing	2,904	3,339	2,812	1,346
	Others	281	240	326	123
Total		9,569	9,565	9,488	4,807
Gross Profit		765	(379)	429	262
Selling & Administrative Expenses		589	556	378	204
Operating Profit		176	(935)	51	58
Ordinary Profit		182	(993)	(30)	24
Net Profit		95	(827)	(22)	6



www.gsconst.co.kr

