Together we build
GS E&C Core Values

INVESTOR RELATIONS

GS E&C Presentation

February 2012

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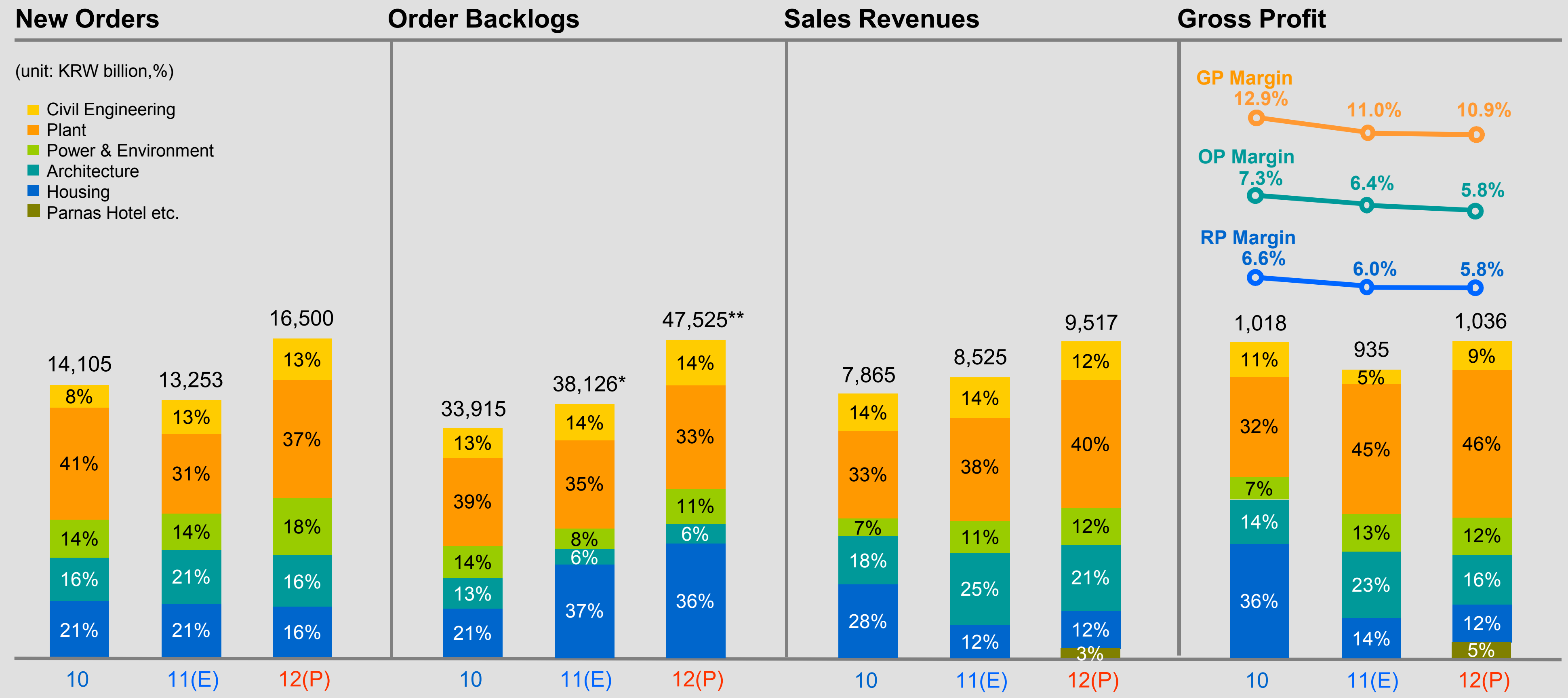
GS Engineering & Construction

CONTENTS

GS E&C

Business Overview - Company Overall

New orders and sales revenues will go up YoY.



*Does Not include Provisional Order Backlogs in Housing KRW 7.8 trillion

**Does Not include Provisional Order Backlogs in Housing KRW 7.4 trillion

10,11(E): K-IFRS Non-consolidated
12(P): K-IFRS Consolidated

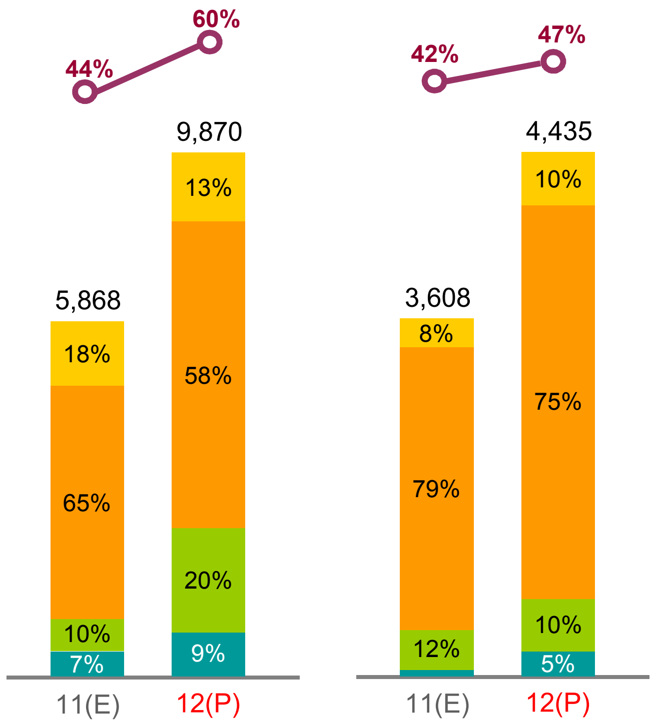
Investment Highlight – Global Player

Overseas contributions on overall new orders and sales revenues are expected to be 60%, 47% respectively.

Overseas

- Contribution to new orders/ revenues
- Civil Engineering
- Plant
- Power & Environment
- Architecture

(KRW billion)

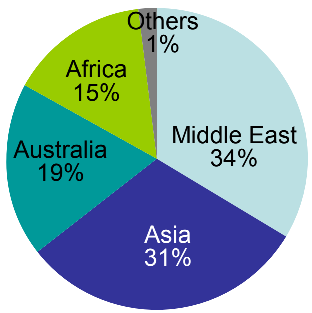


Overseas Order Backlogs

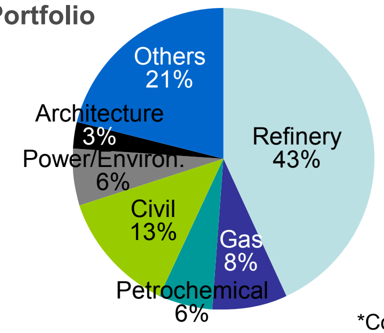
(KRW 17,133bn)

(as of 2011)

By Region



By Portfolio



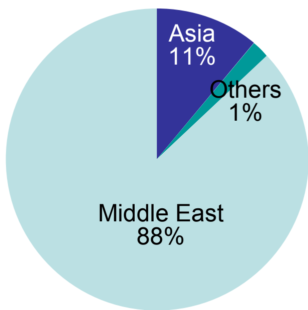
*Consolidated

Overseas Revenues

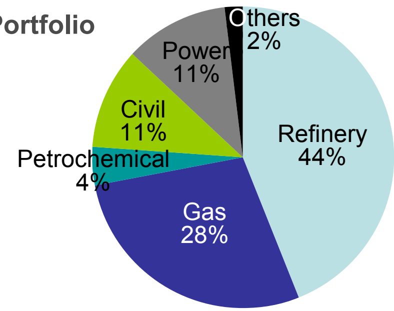
(KRW 3,608bn)

(as of 2011)

By Region



By Portfolio



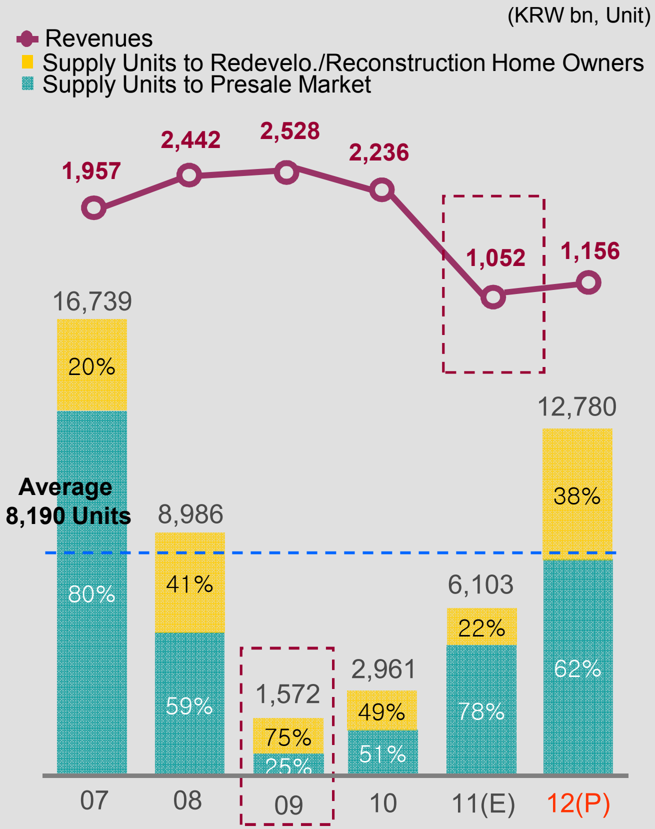
*Non-consolidated

INVESTOR RELATIONS

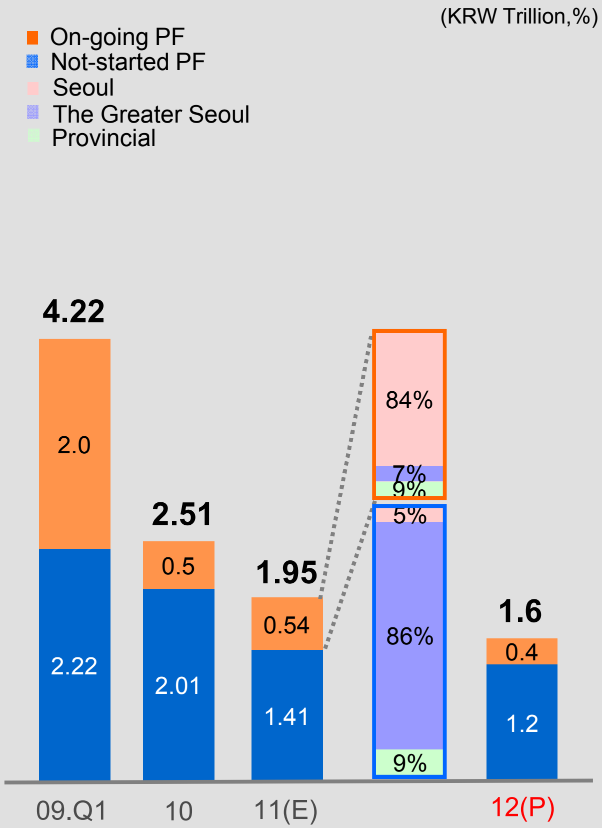
Investment Highlight – More Supplies & Lower Risk

Housing supply will surpass the average level, and PF guarantee will be reduced in 2012.

Housing Division



PF Guarantee



Market Status

- Shortage of housing supply
  a. Completed housing units

	'09	'10	'11	'12
Units (Thousand)	283	298	200	157

*average in the last 10 years: 290,000 units

- Increasing burden of tenants
  a. Jeon-se price rises sharply
  b. Starting to see a shift from Jeon-se to monthly based rent

- Stabilized housing price in Seoul/Metropolitan area

- Continue to deregulate
  a. Expected: Removing Price cap and DTI

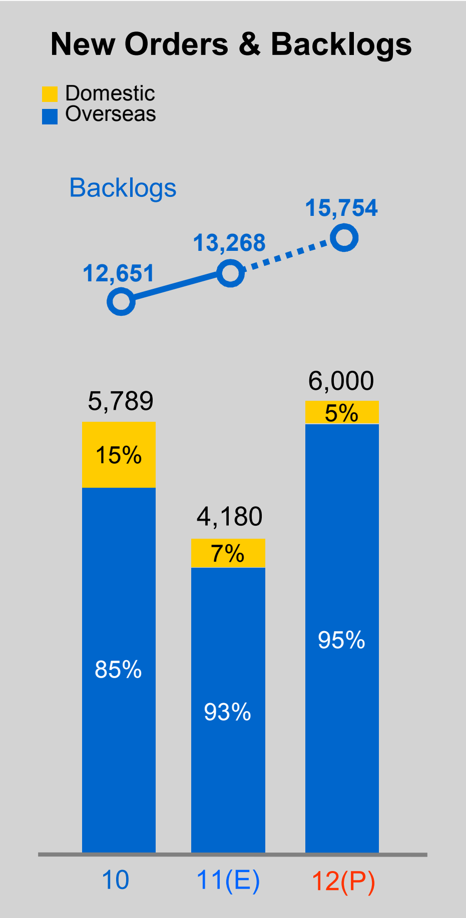
➢ Expect an increase in potential home buyer mainly for small-sized housing

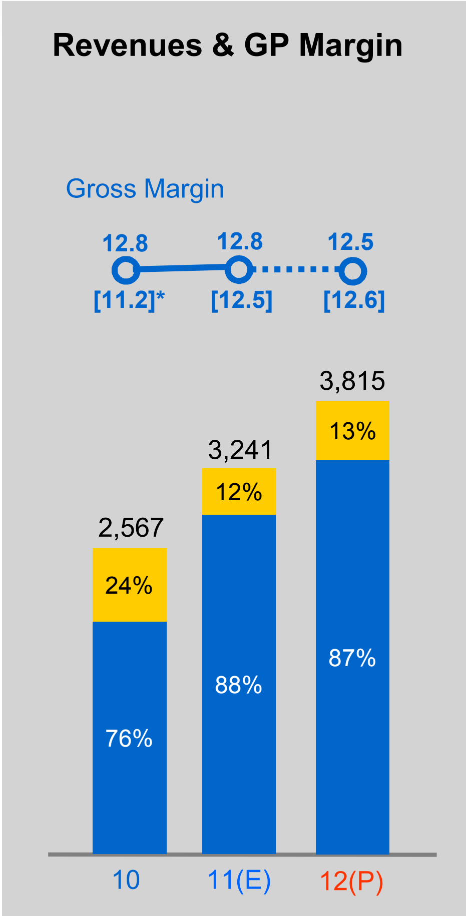
INVESTOR RELATIONS

Overview by Division – Plant

New orders and sales revenues will highly increase from overseas Hydro-carbon plant projects.

(unit: KRW billion,%)





*[ ] :Overseas Gross Margin

2012 Keyword

Market

- Oil-price expectation
  2012 : USD100 ~ 115 (Brent)
  ~2015 : USD 110 in average (Brent)
- Oil refinery market
  ~2015 : CAGR 4% (Mainly from MENA and and Asia)
- Petrochemical market
  ~2015 : CAGR 7~8%

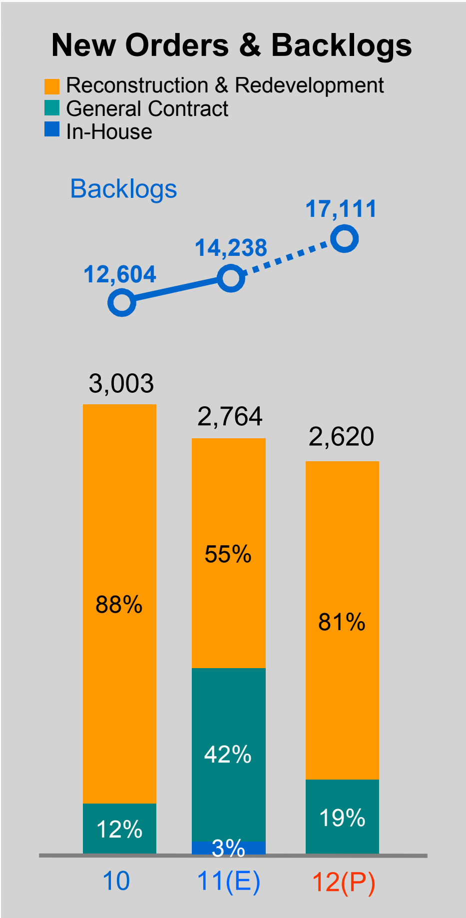
GS E&C Strategy

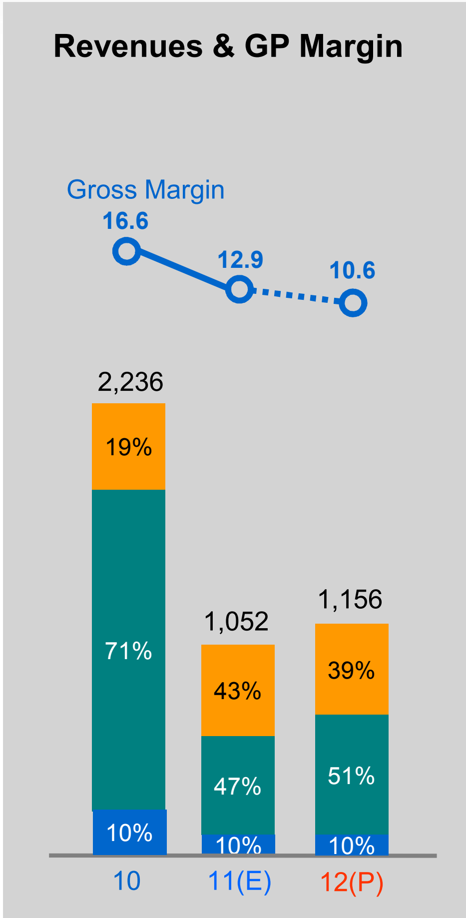
- Focus on refinery projects in the Middle East.
- Expand new market
  (Central/South America, CIS, Africa, etc.)
- Develop new business areas (Offshore plant, LNG, Unconventional Oil, Metal Plant)

Overview by Division – Housing

Sales revenues turn around and housing supply units continue to increase steadily.

(unit: KRW billion,%)





*Not included Provisional Order Backlogs in Housing 7.8 KRW trillion

**Not included Provisional Order Backlogs in Housing 7.4 KRW trillion

2012 Keyword

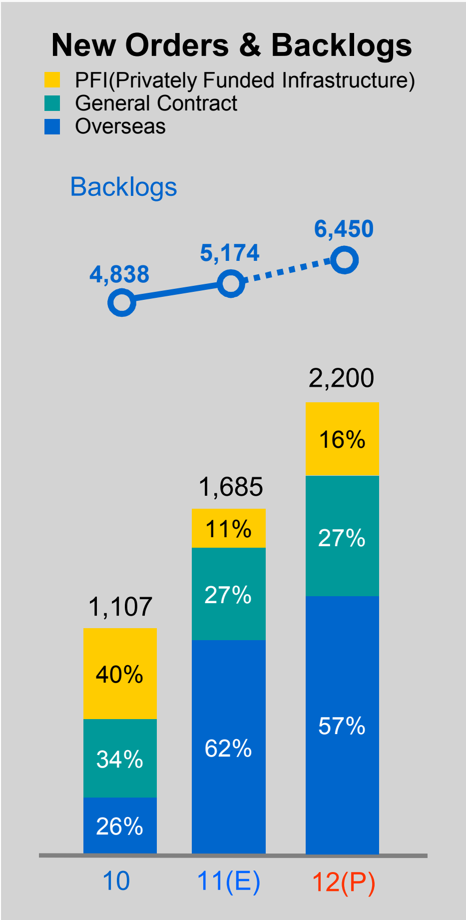
Market	- Shortage of housing supply since the last few years - Increasing burden of tenants a. Jeon-se price rises sharply b. Starting to see a shift from Jeon-se to monthly based rent - Stabilized housing price - Continue to deregulate a. Expected: Removing Price cap and DTI
GS E&C Strategy	-Back to the average level of new supply a. over 12,000 b. Mainly small/medium-sized housing -Maintain sound portfolio a. Focus on redevelopment & reconstruction and Seoul & Metropolitan Area b. Resume PF projects selectively - Stabilized PF loan guarantee risk : 1.951tn [2011] → 1.59tn [2012(P)]

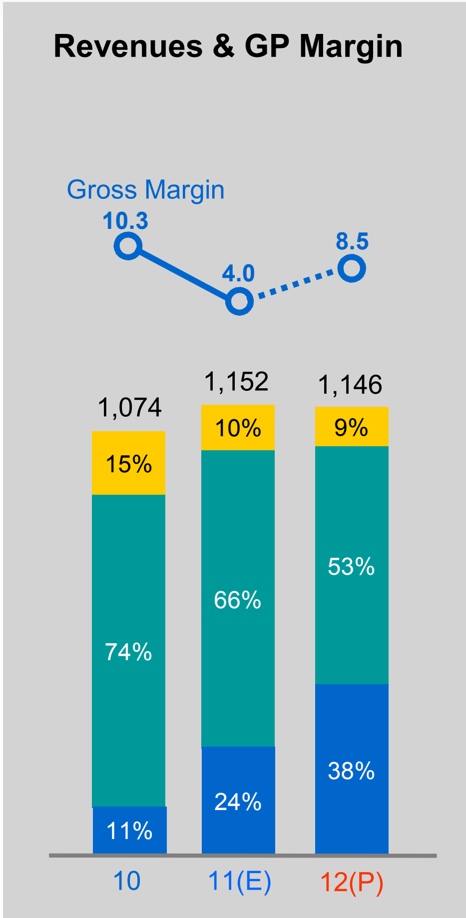
INVESTOR RELATIONS

Overview by Division – Civil

New orders will rise due to increase of overseas projects and gross margin will improve.

(unit: KRW billion,%)





2012 Keyword

Market

- Decrease in budget for SOC project (2011: 24.4tn ➔ 2012: 23.1tn)

-Continue "Green Business"
: High speed railway, Light railway

-Increase budget for public infrastructure in order to boost economy in the MENA
a. ~2015: CAGR 4%
b. Railway, Express way, Airport etc.

GS E&C Strategy

Domestic
- Focusing strategy on railway and municipal projects for Turn Key project
- Make chance to develop green business like tidal power generation & LRT

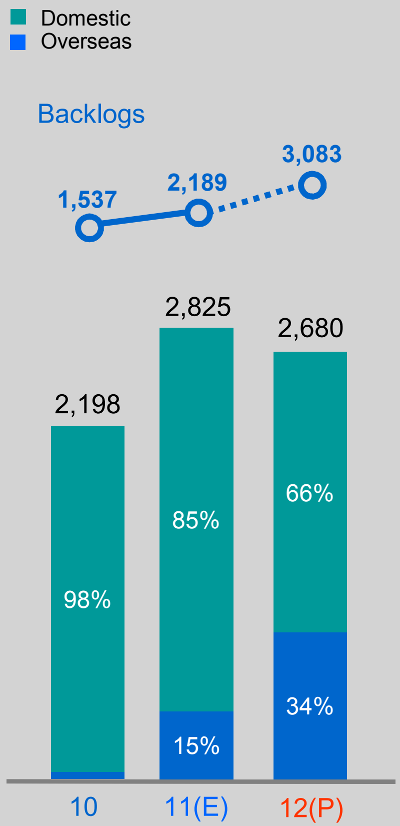
Overseas
- Expanding new orders and revenue from overseas (Asia, Middle East)
- Strengthen global network & Develop local subcons & resources (labor, equipment and material)

Overview by Division – Architecture

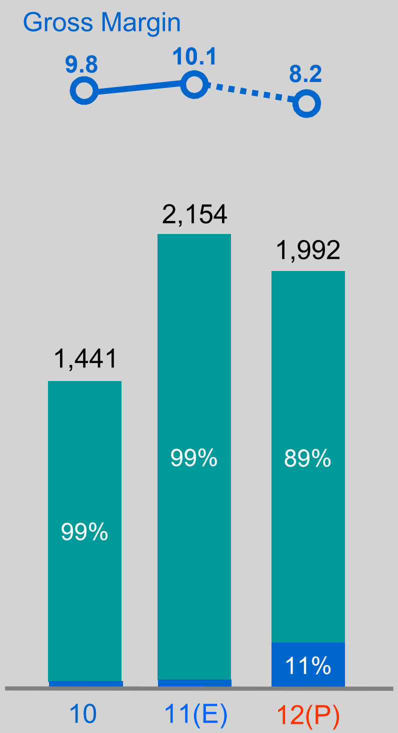
New orders and sales revenues will decrease due to the base effects.

(unit: KRW billion,%)

New Orders & Backlogs



Revenues & GP Margin



2012 Keyword

Market

Domestic
- Increase in public market with relocation of government office buildings
- Private market still sluggish due to the domestic demand

Overseas
- Increase in overseas public order (Asia and Middle East)
- Rebuild in Ribya & Iraq
- 2022 Qatar World Cup

GS E&C Strategy

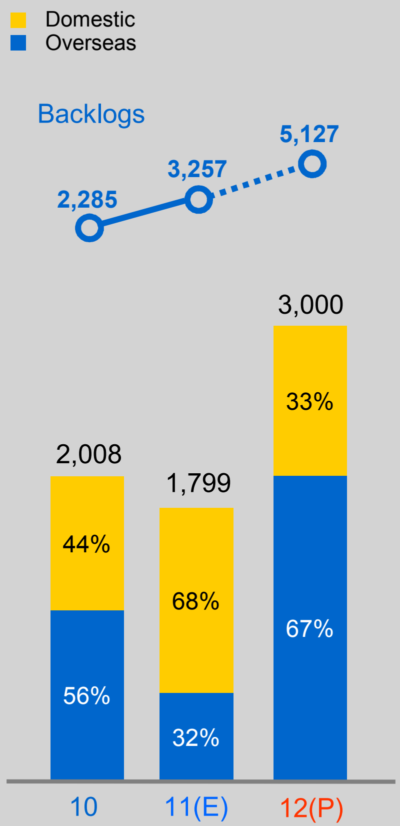
- Increase in new order from overseas (Middle east and Asia etc.)
- Maintain domestic market volume focusing on domestic public sector (PPS, MOD etc.)
- Diversify business area
  : M&E Work (Mechanical and Electrical work)
- Still reliant on group work

Overview by Division – Power Plant/Environment

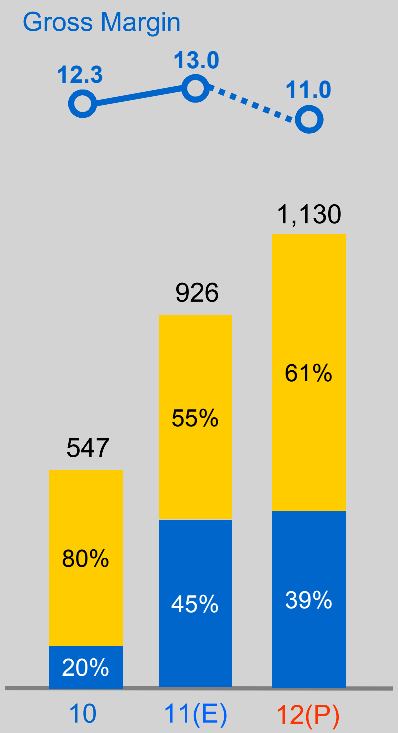
New orders will surge from overseas.

(unit: KRW billion,%)

New Orders & Backlogs



Revenues & GP Margin



2012 Keyword

Market

Power
- Continuously increase power plant market to meet the electricity need (Middle East and Asia)

Environment
- Increase in water related business (Middle East and Asia)
  a. Global market size: USD 870 bn in 2025
  b.~2025: CAGR 5%

GS E&C Strategy

- Participate in independent power plant
- Tighten relationship with developers and manufacturers of main equipment
- Co-operation with Inima in desalination projects.
- Continue to participate in various green business - energy generation, waste disposal, waste water treatment, incineration, and desalination

Great Challenge
최고

Great Innovation
변화

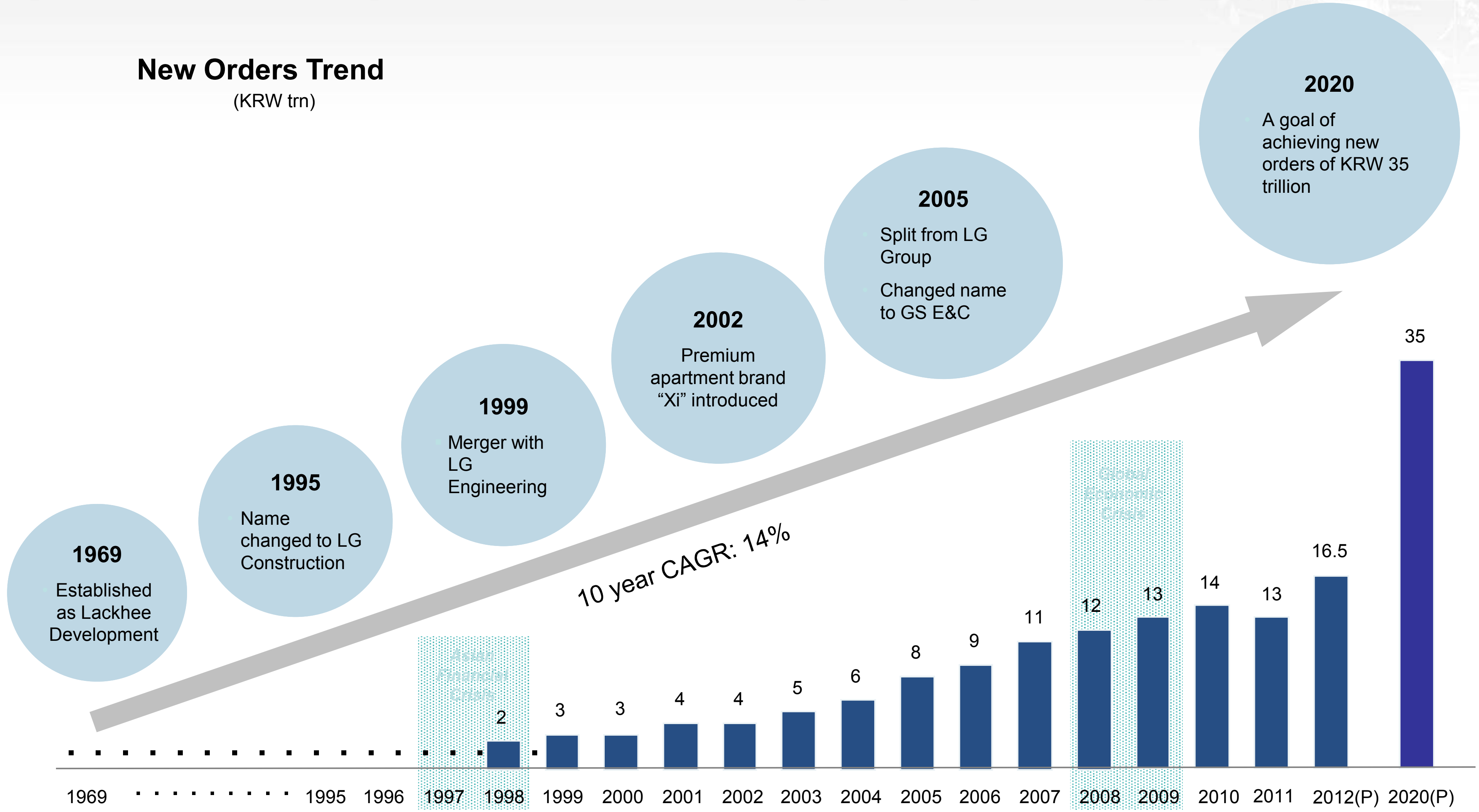
Great Partnership
신뢰

Appendix

Appendix - Key Corporate Milestones

New Orders Trend

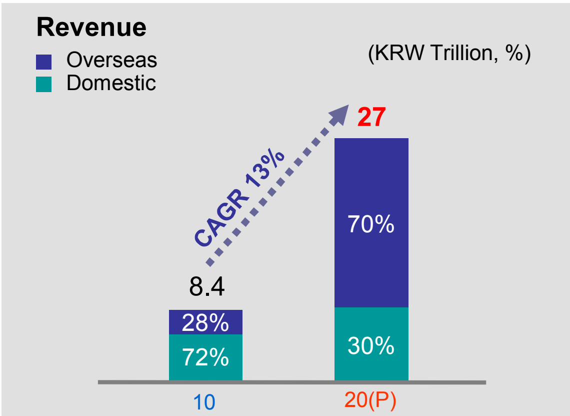
(KRW trn)



Appendix – Vision 2020

Vision 2020 Goal

Sustainable Global Company



Sustainable

- **Pursue sustainable growth with profitability**
  - **New orders KRW 35 trillion**
  - **Revenues KRW 27 trillion**
  - **Operating Profits KRW 2 trillion in 2020**

Global

- **Leap to a truly global company beyond Korea**
  - **More than 70% of revenue from global business**
  - **Setting up a global operation system**
  - **Expansion of in-organic growth**

3 Core Growth Pillars

- **Offshore business with synergy with onshore business**
- **Plant/Power& Environmental business with world-class work types**
- **Architecture/Housing/Civil business with upgraded development business capability**

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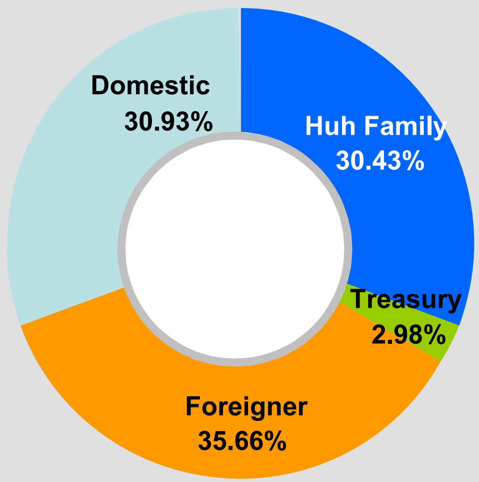
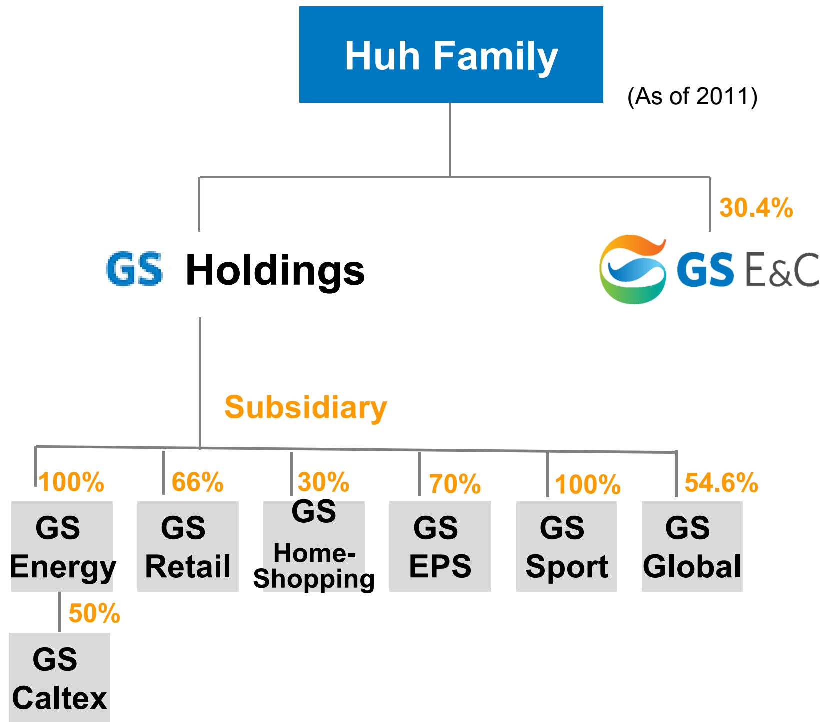
Appendix – Ownership Structure

GS E&C

(As of 2011)

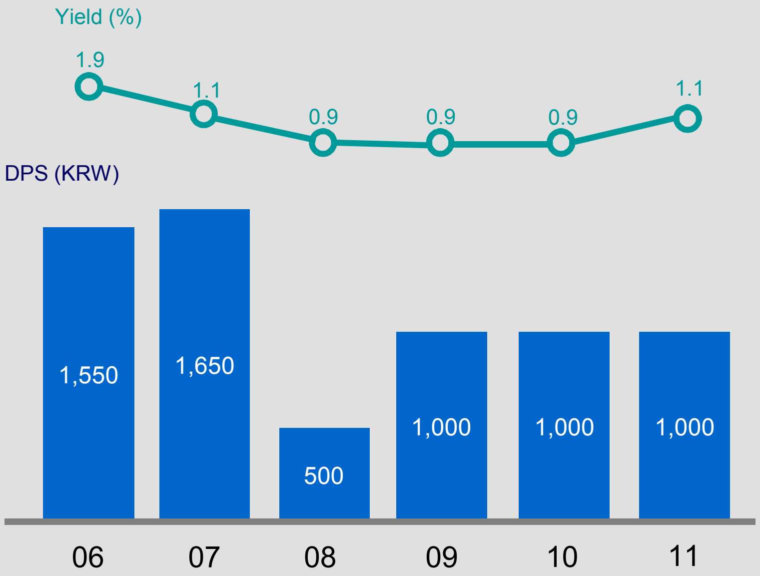


GS Group

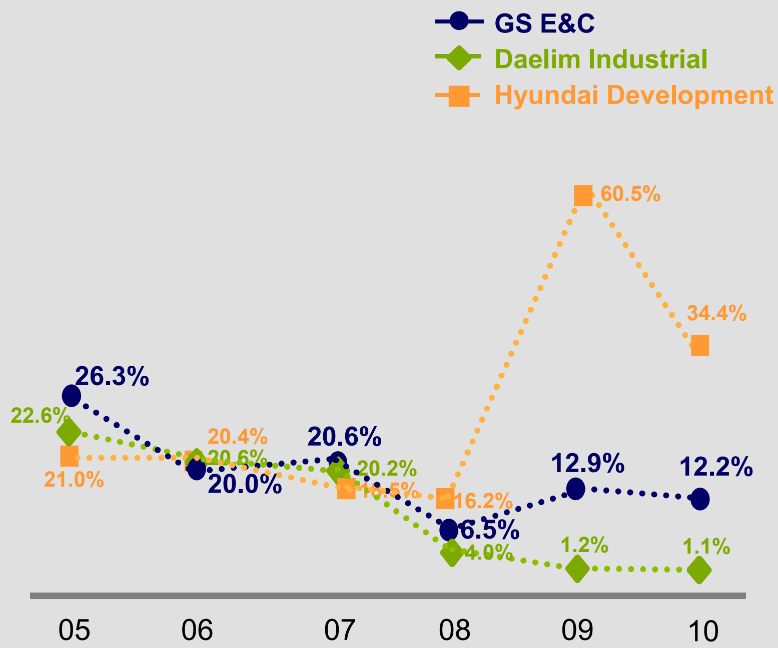


Appendix - Dividends

Yield & DPS

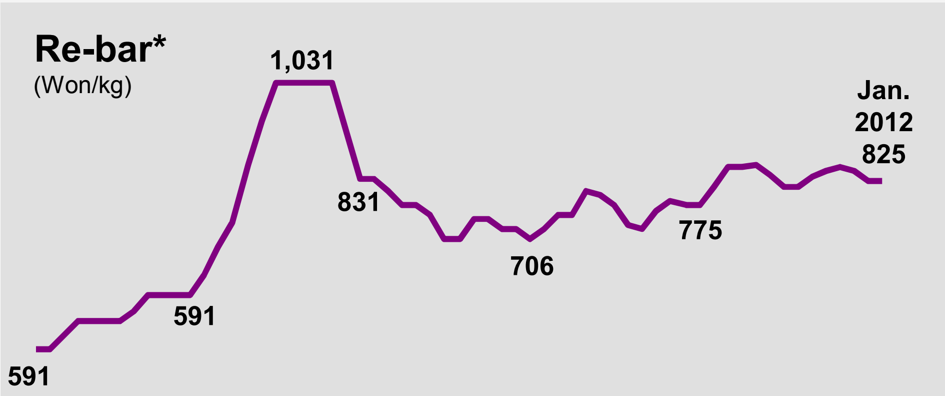


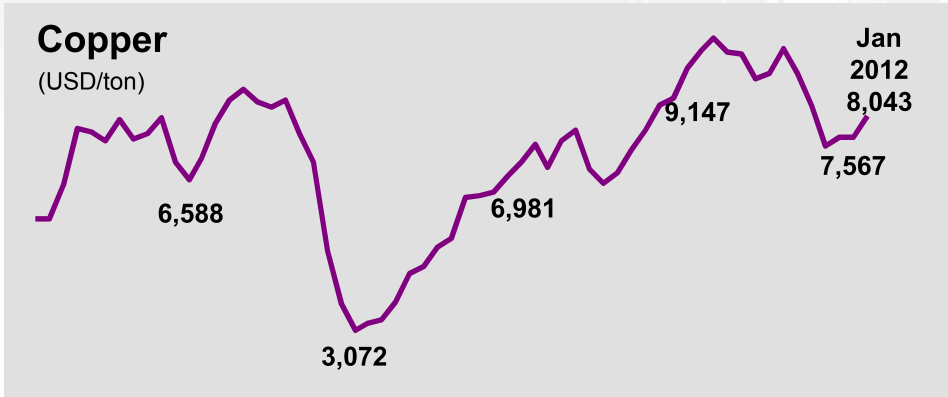
Payout Ratio

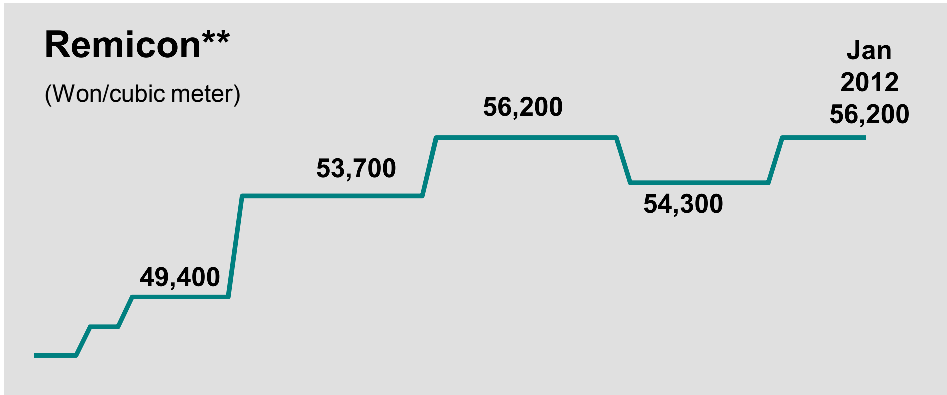


INVESTOR RELATIONS

Appendix – Major Material Prices







2007 2008 2009 2010 2011

2007 2008 2009 2010 2011

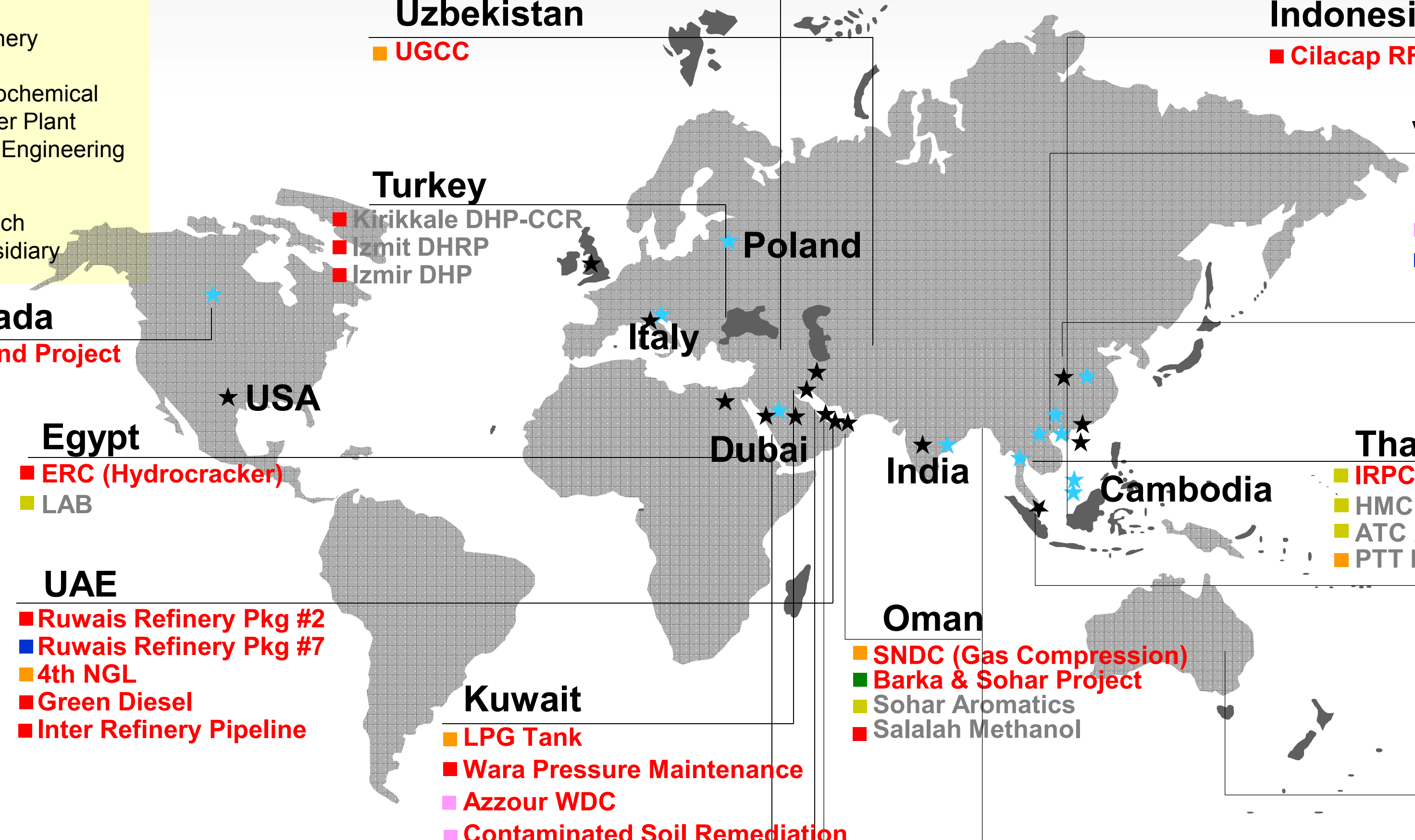
*Re-bar: Reinforced-bar
**Remicon: Ready-mixed concrete

INVESTOR RELATIONS

Appendix – Major Overseas Projects

Red : On-going / Gray: Completed

- Refinery
- Gas
- Petrochemical
- Power Plant
- Civil Engineering
- Etc.
- ★ Branch
- ☆ Subsidiary



Armenia
- Combined Power Plant : 205 MW

Uzbekistan
- UGCC

Indonesia
- Cilacap RFCC Project

Turkey
- Kirikkale DHP-CCR
- Izmit DHRP
- Izmir DHP

Vietnam
- Development Project (BT, Nha Be)
- Hanoi~Haipong Project
- Laguna Resort Project
- Vinh Tinh Bridge

China
- Lidong Aromatics

Canada
- Oil Sand Project

Egypt
- ERC (Hydrocracker)
- LAB

Thailand
- IRPC Propylene Project
- HMC PP
- ATC Aromatics
- PTT LNG

Singapore
- C-913 (Subway)
- C-911 (Subway depot)
- C-925
- C-937
- Fusionopolis

UAE
- Ruwais Refinery Pkg #2
- Ruwais Refinery Pkg #7
- 4th NGL
- Green Diesel
- Inter Refinery Pipeline

Oman
- SNDC (Gas Compression)
- Barka & Sohar Project
- Sohar Aromatics
- Salalah Methanol

Kuwait
- LPG Tank
- Wara Pressure Maintenance
- Azzour WDC
- Contaminated Soil Remediation

Australia
- Collie Urea

Qatar
- NODCO Refinery
- QP LAB
- Ras Laffan Refinery

Saudi Arabia
- IPC EVA
- Manifa Gas

Bahrain
- Waste Water Treatment Plant

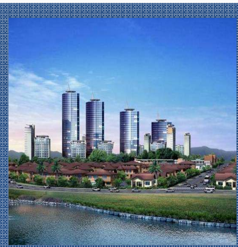
Bangladesh
- Siddhirganj(400kV)

Appendix – Vietnam Project

GS E&C slowdown the original schedule due to the current economic situation of Vietnam, but the full potential of the project is still in effect.

Vietnam Project





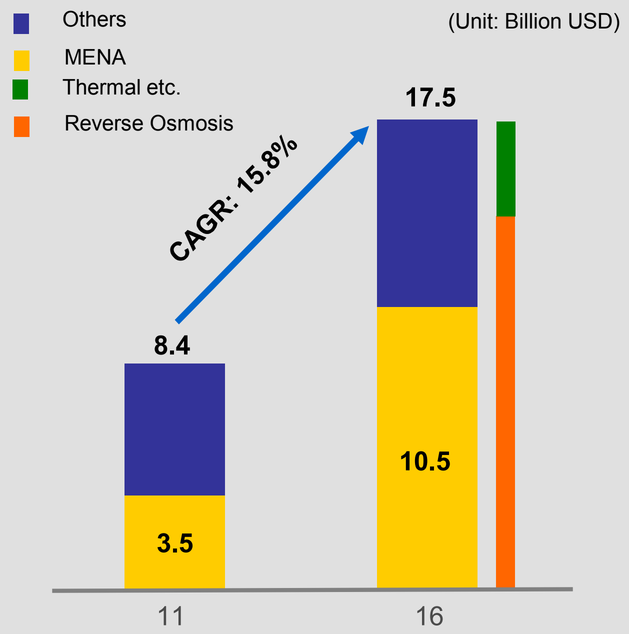

Project	Original Plan	Current Status
BT (SPC1)	• Road (14km) construction & transfer • Develop 4 pieces of land in Downtown (1 million m²) - Riverview (D2) - Riverside (D2) - Thu Thiem (D2) - Mini New Town (D9)	• Road : Binh Loi Bridge • Plan to develop 4 pieces of land - Riverview(D2) : Completed construction in Dec. 2011 - Riverside(D2) : Xi sample house & Office (P: 2012) - Thu Thiem (D2) : Prepare development plan (P: 2012) - Mini New Town (D9) : Take over the land use right (P:2012)
Nha Be New Town (SPC2)	• Lease land (3.5 million m²) • 10km from the city center • Build 17,000 residential units, hospital, schools, parks, etc. (Four phases)	• Phase #1 - Received Land Use Right (LUR) - Expect LUR of #2 ~ #4 • Major development from 2011 - Site stabilizing work & Infrastructure

• The 95% share of Cu Chi Resort Project(36 holes golf course and residence) SPC had been transferred to the local developer in line with the risk management policy of the Company.

Appendix – Inima

GS E&C can expand the market coverage by maximizing its synergy utilizing technology, track records, experiences and business networks of Inima.

Desalination Market



❖ Opportunities in the R/O market
: No dominant leader, but to be positioned in a few years
→ R/O* market size: 17% growth every year until 2016, worth USD 14 billion

Inima

- Business Plan in 2012
  - ✓ Revenue: 210Bil. Won / New Order: 500Bil. Won
  - ✓ OP Margin: 8.9%
- EPC + O&M Project Experiences up to 200,000m³/day desalination plant using RO technology
- Currently operating 12 concessions globally

Co-operation

- Sharing the business network
  GS: Middle East and Asia
  Inima: America, Africa and Europe
- Jointly participate
  in RO Desalination Projects in Middle East mainly
- Maximizing synergy effect
  GS: management skill for large scale project
  Inima: engineering and concession capability in desalination project

Appendix – Statements of Financial Position

(KRW billion,%)

Account	07	08	09	10*	11(E)*
Total Asset	**5,739**	**8,182**	**8,946**	**10,017**	**10,310**
Cash & Deposits	386	809	1,467	1,377	1,401
Trade Receivables	2,120	2,242	2,429	3,684	3,977
Inventories	424	457	429	290	266
Investment & etc	888	1,839	1,628	1,576	1,610
Tangible Assets	1,089	1,412	1,422	1,071	1,051
Total Liabilities	**3,593**	**5,147**	**5,647**	**6,411**	**6,525**
Total Payables	1,357	1,483	1,366	1,596	1,606
Borrowing	463	772	972	966	1,544
Total Shareholders' Equity	**2,146**	**3,035**	**3,299**	**3,606**	**3,785**
Capital Stock	255	255	255	255	255
L/E Ratio	167.5	169.6	171.2	177.8	172.4

*K-IFRS Non-consolidated

Appendix – Income Statements

(KRW billion)

Account		07	08	09	10*	11(E)*
Sales Revenue	Civil Engineering	796	657	833	1,074	1,152
	Plant	1,989	2,099	2,341	2,567	3,241
	Power Plant & Environment	214	393	495	547	926
	Architecture	1,056	1,275	1,180	1,441	2,154
	Housing	1,957	2,442	2,528	2,236	1,052
Total		**6,012**	**6,866**	**7,377**	**7,865**	**8,525**
Gross Profit		860	913	955	1,018	935
Selling and Administrative Expenses		418	435	387	497	593
Operating Profit		442	478	568	575	545
Ordinary Profit		567	549	508	517	513
Net Profit		**399**	**382**	**383**	**387**	**418**

*K-IFRS Non-consolidated

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