

GS E&C Presentation

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CONTENTS

- **Results & Guidance**
- **Financial Statements (Summary)**
- **Order Backlogs & Sales**
- **Trends of New Order & Sales**
- **Liquidity & Cash Raising Plan**
- **Appendix**
 - **Parnas Hotel (asset sale related)**
 - **Global Networks and Major Projects**
 - **Ownership Structure**
 - **Dividends**



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.



Considering strong order intakes in overseas, positive housing market and relatively stabilized cost ratio compared to that of 2013, there is a high probability that GS E&C will meet the guidance in 2014.

Results & Guidance

(KRW bn, %:GPM)

	2013	2014.1Q	2014(P)
New Orders	9,009	5,042	14,000
Sales Revenues	9,566	2,041	10,646
Gross Profits	-379	52	
- Domestic	12.3%	1.1%	
- Overseas	-19%	3.5%	
Infra(Civil)	2.6%	-3.7%	
Plant	-23.2%	5.8%	
Power	1.0%	-4.6%	
Architecture	13.1%	3.7%	
Parnas Etc	9.4%	-7.6%	
Operating Profit	-935	-18	160
Ordinary Profit	-993	-36	240
Net Profit	-827	-19	

New Order Target

: KRW 14 trn. (Overseas 10 trn. / Domestic 4 trn.)

(KRW trn.)

Division	Overseas Order Pipeline
Plant	<ul style="list-style-type: none"> - UAE NEB Pjt. (0.8) - Venezuela PDVSA Gas Pjt. (2.5) - *Kuwait Clean Fuels Pjt. (1.7) - *Iraq Karbala Pjt. (2.4)
Power	<ul style="list-style-type: none"> - Mozambique Coal Power Pjt. (0.6) - *Algeria CCPP Pjt (0.4)
Infra (Civil)	<ul style="list-style-type: none"> - Kuwait Doha Link (0.6)

* Awarded & publicly announced in 1Q2014

Financial Statements (Summary)



Net debt and borrowings has risen mainly because the loan to developer in housing sector increased, but when the current cash raising plan is executed, there would be meaningful drop-off.

And earnings are being stabilized from the 1st quarter this year.

Statements of Financial Position

Account	13	14.1Q
Total Asset	12,427	12,608
Cash and cash equiv.	1,866	1,910
Trade & other Receivable	4,785	4,822
Inventories	499	496
Short Term financial instrument and other current assets	1,264	1,360
Tangible Assets	2,243	2,232
Total Liabilities	9,268	9,469
Trade and other Payables	1,527	1,357
Borrowings	4,247	4,737
Total Equity	3,159	3,139
Capital Stock	255	255
Debt Ratio	293.4	301.7

Statements of Income

(Unit: KRW)

Account	13	14.1Q
Infra(Civil)	1,147	252
Plant	3,796	890
Power	1,044	206
Architecture / Housing	3,339	640
Parnas etc	240	54
Total	9,565	2,041
Gross Profit	(379)	52
SG&A	556	70
Operating Profit	(935)	(18)
Ordinary Profit	(993)	(36)
Net Profit	(827)	(19)

Order Backlogs & Sales



Order Backlogs

(KRW bn)

Division	2013	2014.1Q	Changes
Infra(Civil)	4,042	3,886	-4%
Plant	14,282	17,646	24%
Power	1,822	2,012	10%
Architecture / Housing	17,022	16,709	-2%
Domestic	21,019	20,673	-2%
Overseas	16,149	19,580	21%
Total	37,168	40,252	8%

❖ Overseas Order Backlogs by region

- Asia: 30% (Khazak, Singapore, Vietnam..)
- Middle East: 35% (Saudi, UAE, Kuwait, Qatar..)
- Africa: 12% (Egypt, Algeria, Tanzania, Mozambiq)
- Europe: 5% (Turkey)
- Others: 17% (Australia, Canada)

Sales Revenues

(KRW bn)

Division	2013	2014.1Q
Infra(Civil)	1,147	252
Plant	3,796	890
Power	1,044	206
Architecture / Housing	3,339	640
Parnas etc.	240	53
Domestic	4,590	799
Overseas	4,976	1,242
Total	9,566	2,041

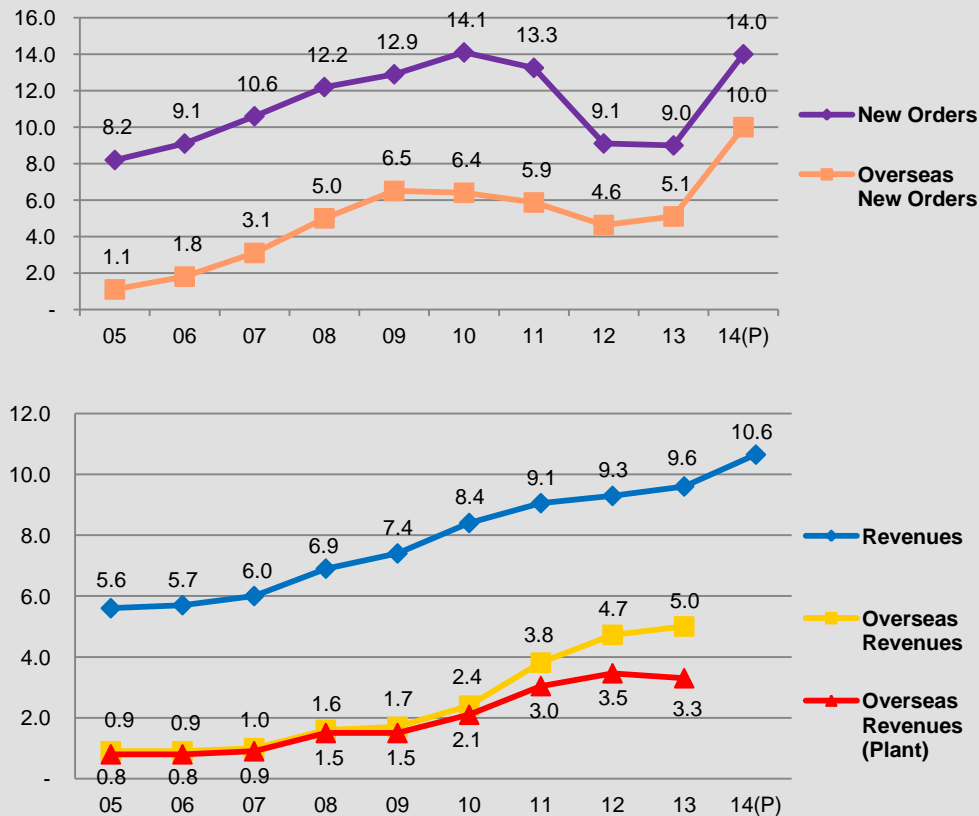
- ❖ It secured about 4 years work volume averagely based on 10 trillion annual revenue.

Trends of New Orders & Sales

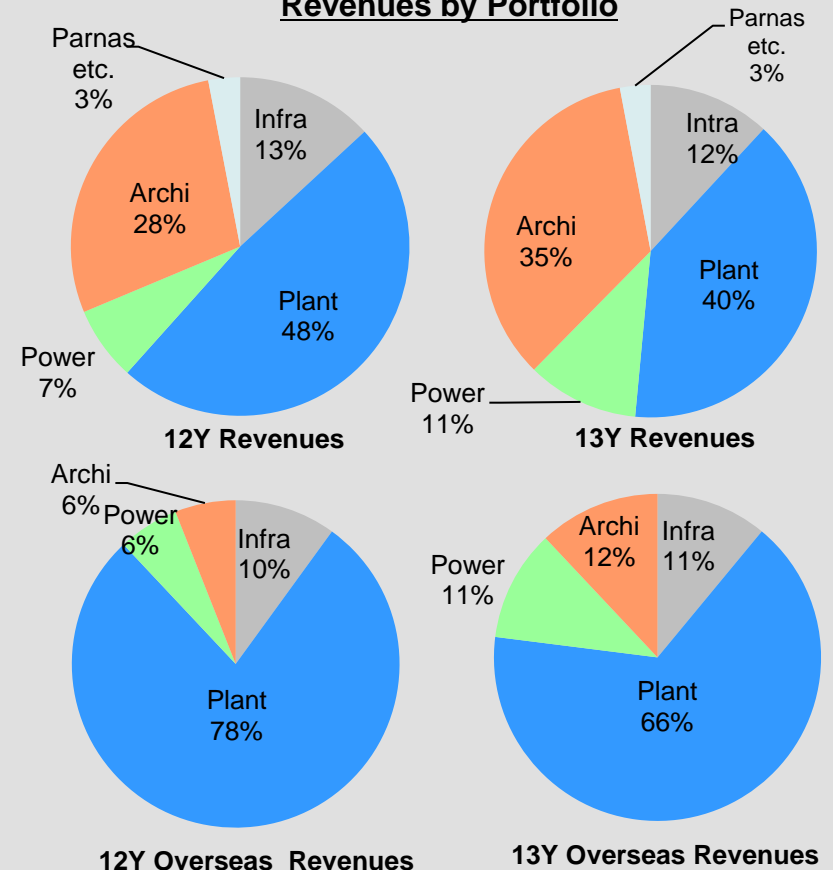


Despite the weaker than expected new order achievements in last 2 years, GS E&C likely keep the business growth with reasonable profitability going forward through overseas business, which takes now over 50%.

New Orders & Revenues



Revenues by Portfolio



Liquidity & Cash Raising Plan



✓Cash Flow & Liquidity

(KRW trn)

	10	11	12	13	14.1Q
Gross Debt	1.32	2.26	2.46	4.25	4.74
Cash & Cash Equivalent	1.49	1.49	1.42	1.87	1.91
Net Debt	-0.17	0.77	1.04	2.38	2.83

✓Pay-back Schedule

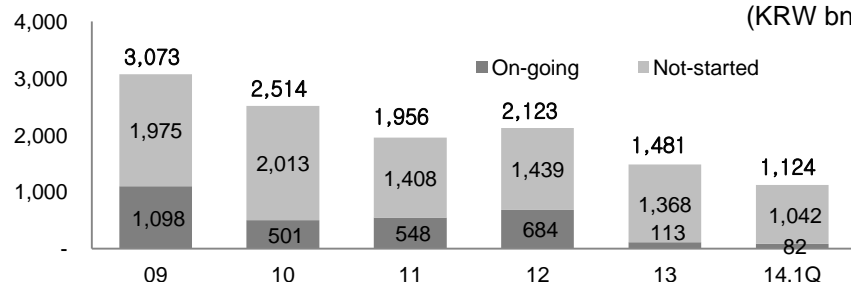
(KRW bn)

	2014	2015	After 2016	Total
Corp. Bond	517	-	580	1,097
Commercial Paper	-	-	800	800



✓PF Guarantee

(KRW bn)



✓Housing Supply Units

	09	10	11	12	13	14(P)
Units	1,517	2,961	6,103	5,234	4,292	12,000

✓Capital Raising Plan : KRW 1.2 ~ 1.5 trillion

New Rights Offering

Ordinary Shares	20,000,000
Par Value	KRW 5,000
Share Outstanding before Capital Increase	51,000,000
Capital Increase Amount	KRW 552,000,000,000
Capital Increase Method	- Offering to shareholders - Public subscription for forfeited shares
Expected Issue Price	KRW 27,600
Price confirm Schedule	May 28, 2014
Subscription Period	Jun. 02 ~ 03, 2014
To be listed	Jun. 25, 2014

Asset Disposal

Parnas Hotel (KRW 474 bn), Others (KRW 182 bn)

* () ; book value

Appendix - Parnas Hotel



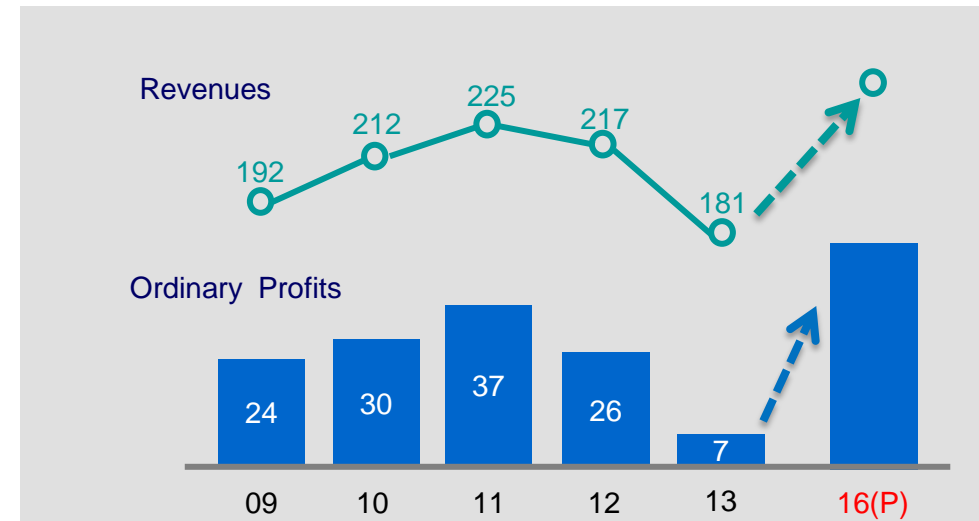
- ✓ Parnas is running the following hotels;
 - Grand InterContinental Seoul Parnas (Seoul)
 - InterContinental Seoul COEX (Seoul)
 - Nine Tree Hotel (Seoul)
 - Sunflower Int'l Village (Vietnam)
- ✓ Another new hotel called 'Parnas Tower' is under construction in Seoul.
 - Total floor area: 218,490m²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



- ✓ Ownership
 - GS E&C(67.56%), Korean International Trade(32.44%)

Recent performance

(KRW bn.)

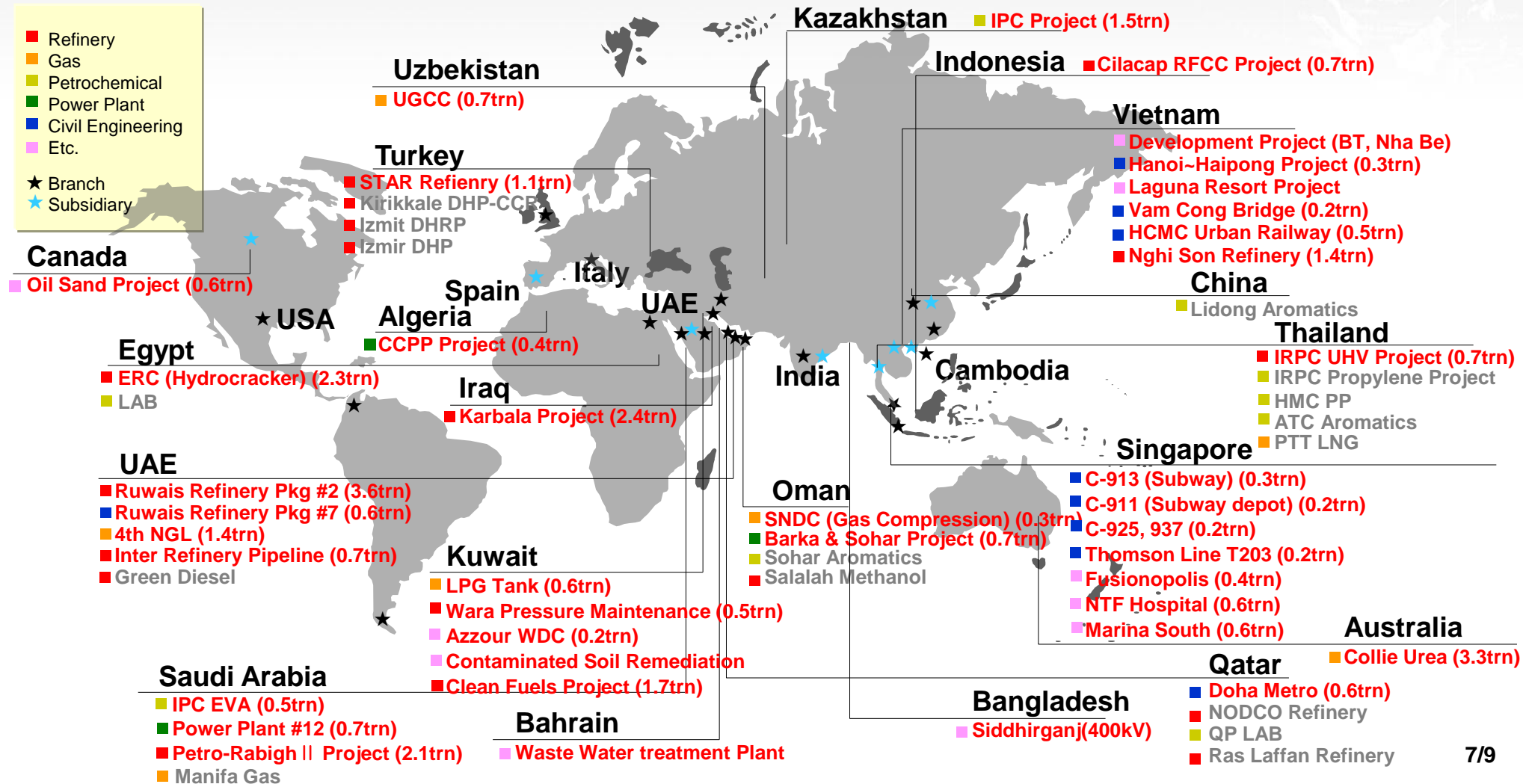


	09	10	11	12	13
Assets	1,152	1,118	1,112	1,122	1,211
Liabilities	409	446	435	426	510
Equity	743	671	677	696	701

Appendix – Global Networks & Major Projects



GS E&C currently operates more than 50 on-going projects, 27 branches & local entities in overseas.

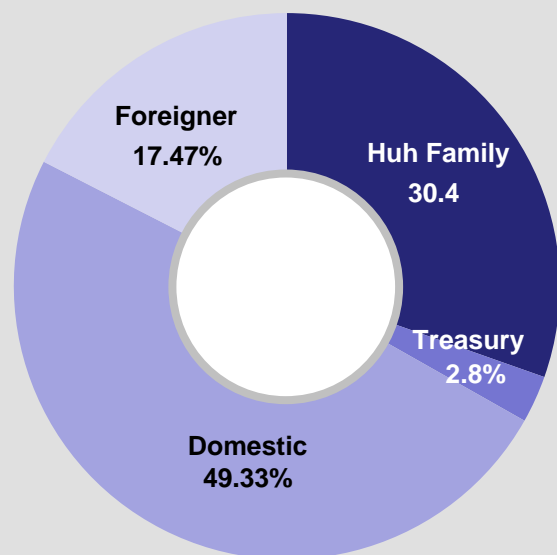


Appendix – Ownership Structure



GS E&C

(As of 1Q 2014)



Huh Family

(As of 1Q 2014)

GS Holdings



30.4%

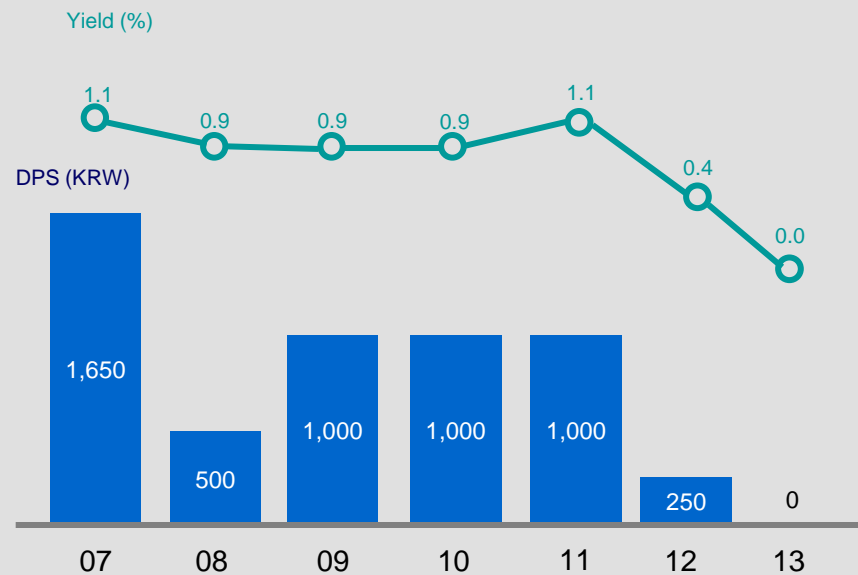
Subsidiary



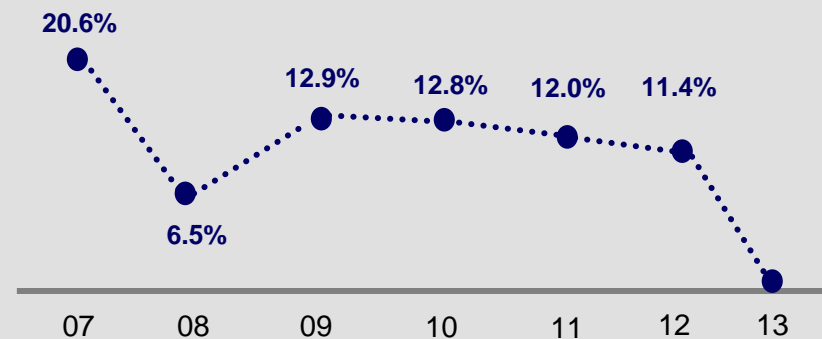
Appendix - Dividends



Yield & DPS



Payout Ratio





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