

Investors Presentation

1H 2010

Best Partner & First Company

Creative Entrepreneurship / Global Perspectives / Mutual Respect



Best Partner & First Company

Creative Entrepreneurship / Global Perspectives / Mutual Respect

Contents

I _ Business Overview

- Company Overall
- Overseas

II _ Overview by Division

- Plant
- Housing I & II
- Civil Engineering
- Architecture
- Power & Environment

III _ Business Outlook

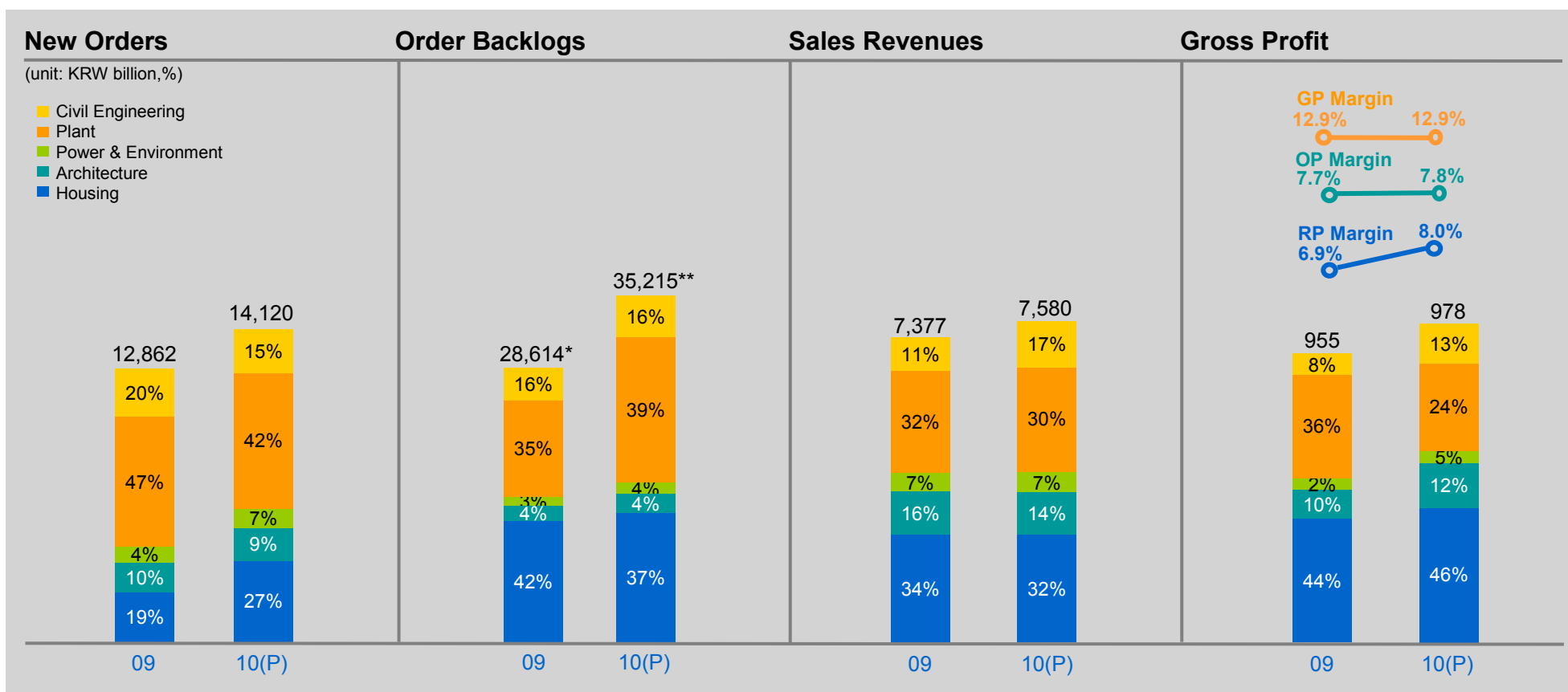
Appendix



Business Overview - Company Overall

Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

New orders, sales revenues and operating profit will go up YoY.



*Not included Provisional Order Backlogs in Housing KRW 13.4 trillion

**Not included Provisional Order Backlogs in Housing KRW 12.3 trillion

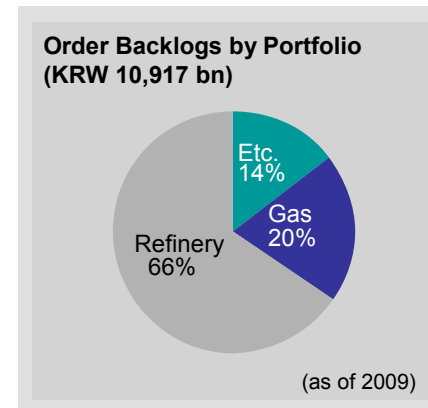
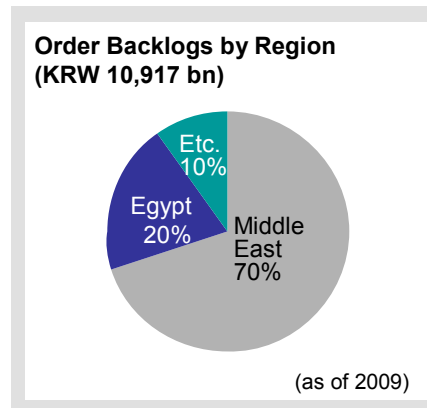
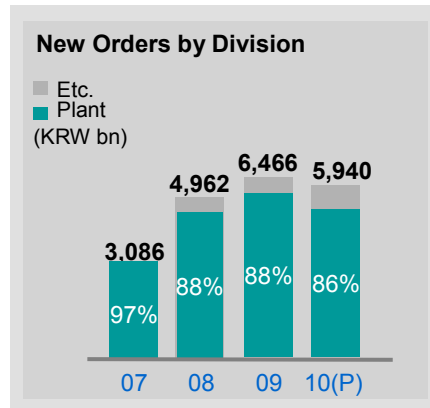
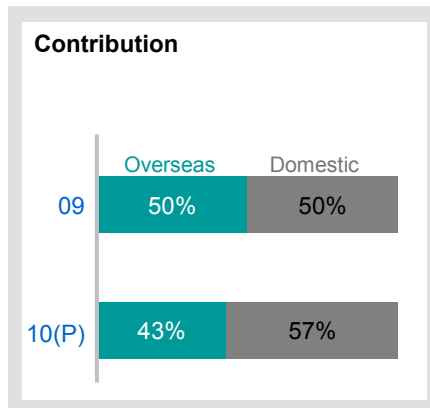


Business Overview - Overseas

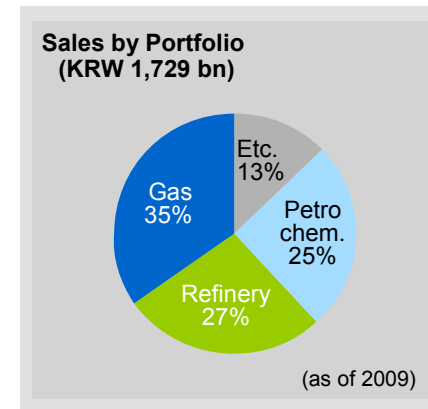
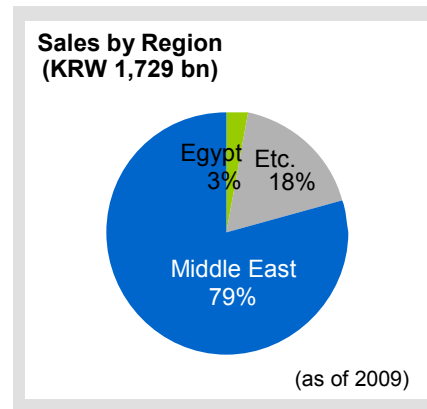
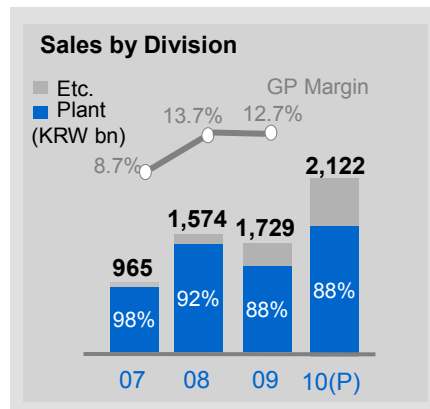
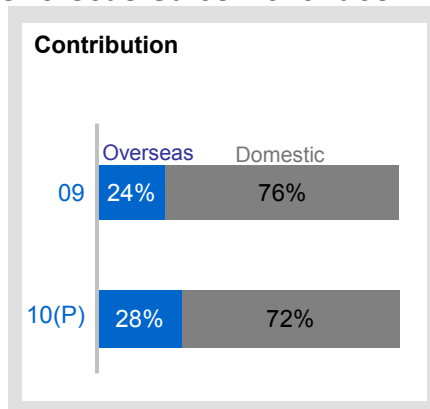
Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

Contributions to overseas new orders and sales revenues are 43%, 28% respectively.

Overseas New Orders



Overseas Sales Revenues





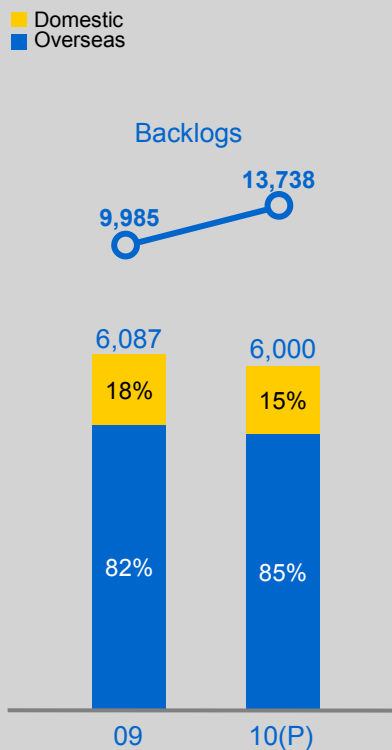
Overview by Division - Plant

Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

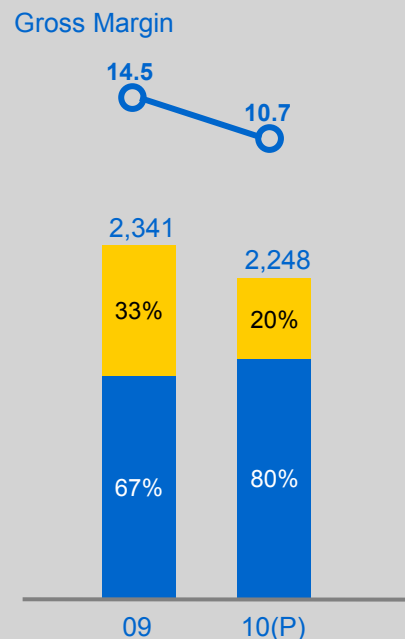
New orders will be similar compared with 2009, but sales revenues will decrease due to decline in domestic business with completed projects.

(unit: KRW billion, %)

New Orders & Backlogs



Revenues & GP Margin



2010 Keyword

Market

- Oil-price expectation
2010 : USD 60 ~ 75
~2015 : USD 100 in average
- Oil refinery market
~2015 : CAGR 4% (Mainly from Middle East and Africa)
- Petrochemical market : Oversupply
Expected recovery from next year
~2015 : CAGR 8%

GS E&C Strategy

- Enter new market (Latin America, Africa, etc.)
- Strengthen global network
- Developing new business area (Gas, LNG)
- Risk management through cost innovation and cash flow management



Overview by Division - Housing (I)

Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

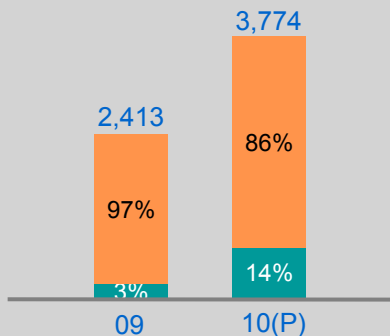
New orders will increase due to housing market rebound. On the other hand, sales revenues will decrease due to vacuum of housing new-starts last year.

(unit: KRW billion, %)

New Orders & Backlogs

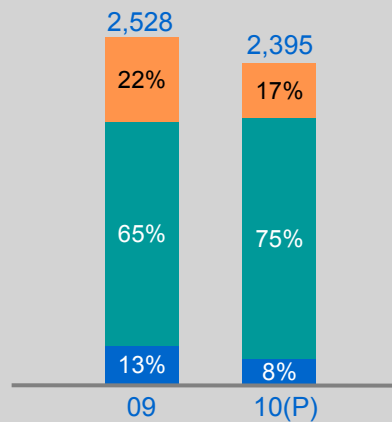
- Reconstruction & Redevelopment
- General Contract
- In-House

Backlogs
11,872*
13,251**



Revenues & GP Margin

Gross Margin
16.8
18.4



2010 Keyword

Market

- Expected deregulation : Price cap, DTI
- Provincial housing market continue to sluggish
- Stabilize housing price
- Redevelopment/Reconstruction market improving

GS E&C Strategy

- Cashflow oriented management
- Try to digest unsold-unit : 4,061 → 2,000
- Lower PF loan guarantee 3.5tn → 2.0tn
- New supply in Seoul and Greater Seoul area → 6,000 (Public presale 45%)
- Focusing on redevelopment & reconstruction

(See next page for detailed information)

*Not included Provisional Order Backlogs in Housing 13.4 KRW trillion

**Not included Provisional Order Backlogs in Housing 12.3 KRW trillion



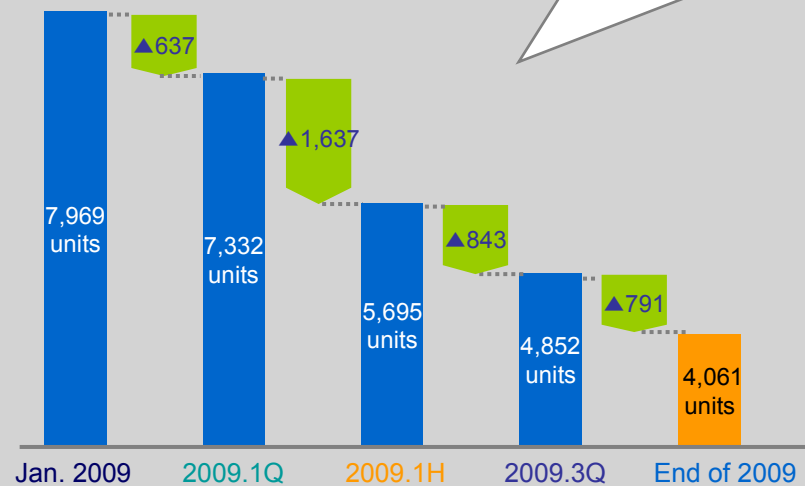
Overview by Division - Housing (II)

Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

GS E&C will try to digest unsold units through various promotion plan. Nearly half of unsold units is located in Seoul and The Greater Seoul area.

Unsold Unit Reduction Plan

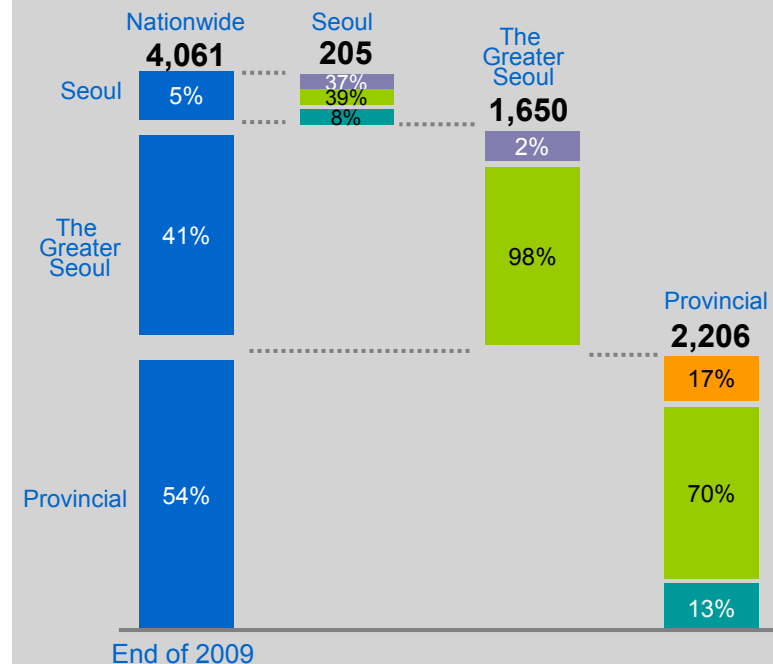
- 1) Special Promotion Program
 - Adjusted Payment Schedule
 - Smaller Initial Payment, Free Option (kitchen)
- 2) Internal Promotion
 - Relative Company Promotion (GS, LG, LS)
- 3) Government Support Program
- 4) Overseas Promotion



Composition of Unsold Units

(Units, %)

- Completed in 2008
- Completed in 2009
- Completed in 2010
- Completed in 2011

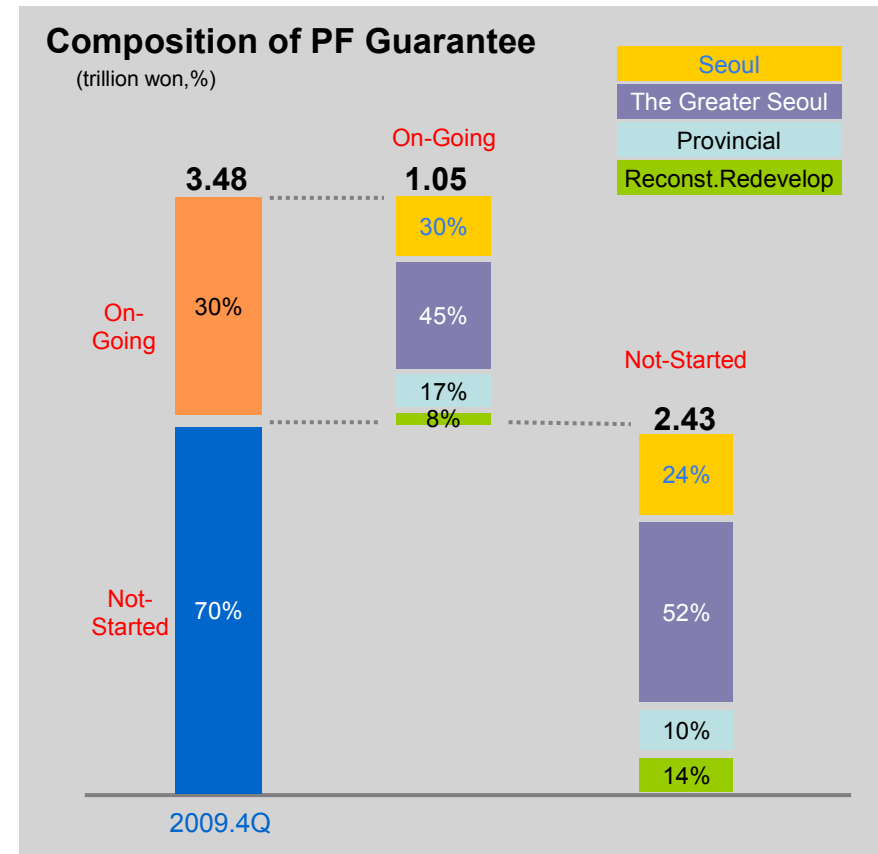
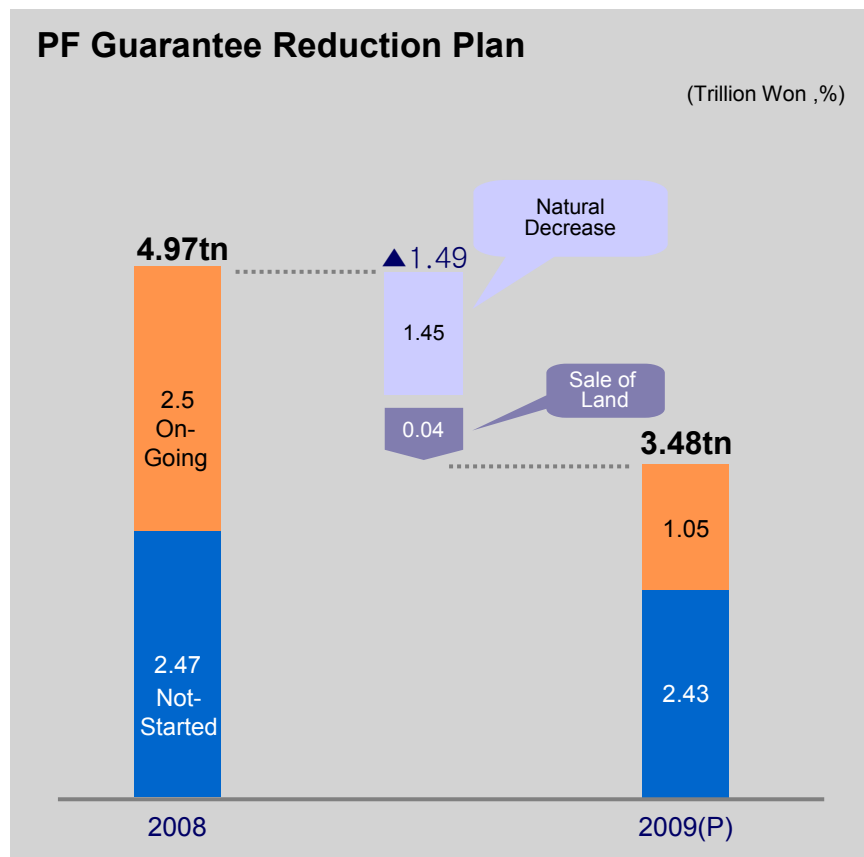




Overview by Division - Housing (II)

Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

PF guarantee has decreased from KRW 4,969 bn in early 2009 to KRW 3,479 bn end of 2009. On-going project occupies 30% and majority is located in Seoul and The Greater Seoul area.





Overview by Division - Civil Engineering

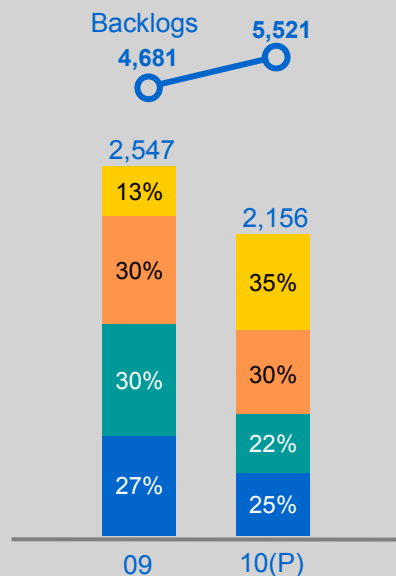
Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

New orders will be slightly decreased. However, sales revenues will be highly increase due to backlog effect.

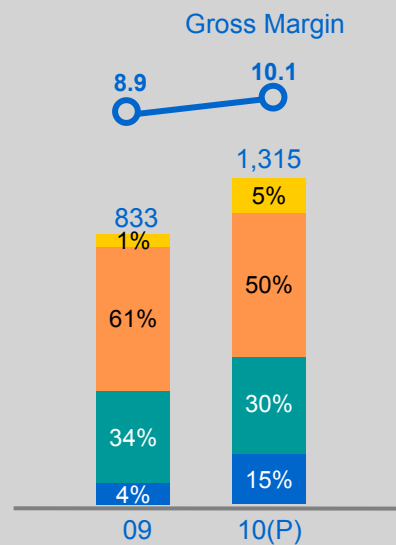
(unit: KRW billion,%)

New Orders & Backlogs

- PFI(Privately Funded Infrastructure)
- General Contract
- Turnkey
- Overseas



Revenues & GP Margin



2010 Keyword

Market

- Decrease in budget for public project (2009: 53tn ~ 2010: 44tn)
- “Green Business” continues
: Water-related Project :Four river improvement
: Light railway, etc.
- Overseas government increase budget for public infrastructure to boost economy (Asia, Africa and Middle East)

GS E&C Strategy

- Domestic
- Continuously maintain M/S in public market
 - Make chance to develop green business like tidal power generation and maglev train
- Overseas
- Continued orders from Singapore, Vietnam and Middle East



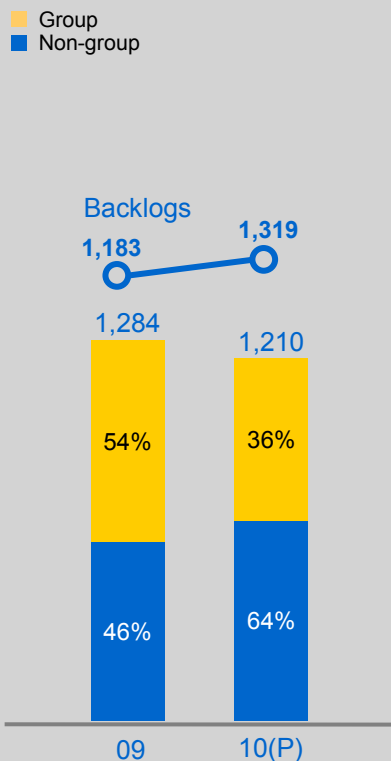
Overview by Division - Architecture

Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

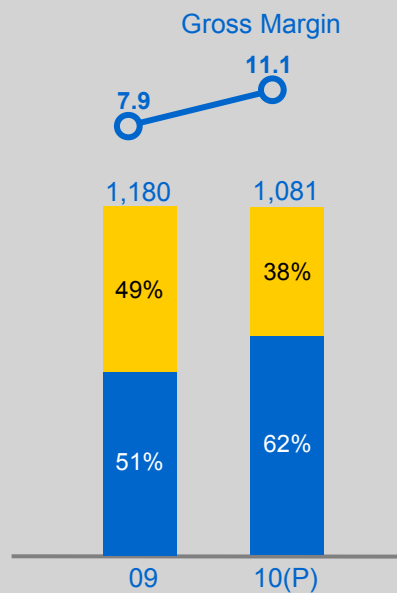
New orders will be similar compared with 2009, but growth margin will be improved.

(unit: KRW billion, %)

New Orders & Backlogs



Revenues & GP Margin



2010 Keyword

Market

- Domestic
 - Increase in total market size (3.6%)
 - But private market will sluggish until 1H
- Overseas
 - Increase in overseas public order (Asia and Middle East)

GS E&C Strategy

- Enthusiastically enter domestic & overseas public market
- Diversifying business area (M&E Work (Mechanical and Electrical work))
- New order increase from increasing group capex



Overview by Division - Power Plant & Environment

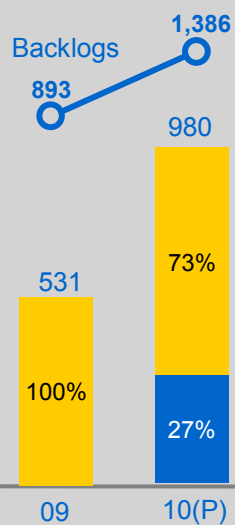
Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

New orders will be from overseas. And, profitability will rebound.

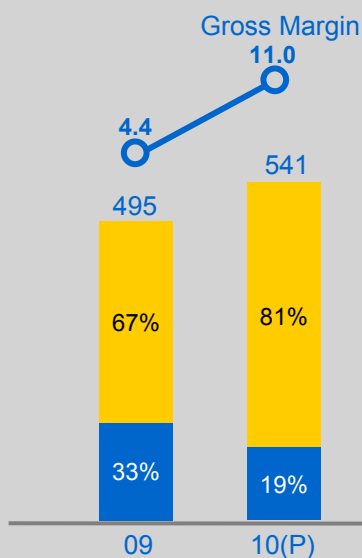
(unit: KRW billion, %)

New Orders & Backlogs

■ Domestic
■ Overseas



Revenues & GP Margin



2010 Keyword

Market

- Power
 - Increase in nuclear power plant
 - Continuous order from overseas market
- Environment
 - Domestic market size: 5.5 trillion
 - Increase in overseas market (Middle East and Asia)

GS E&C Strategy

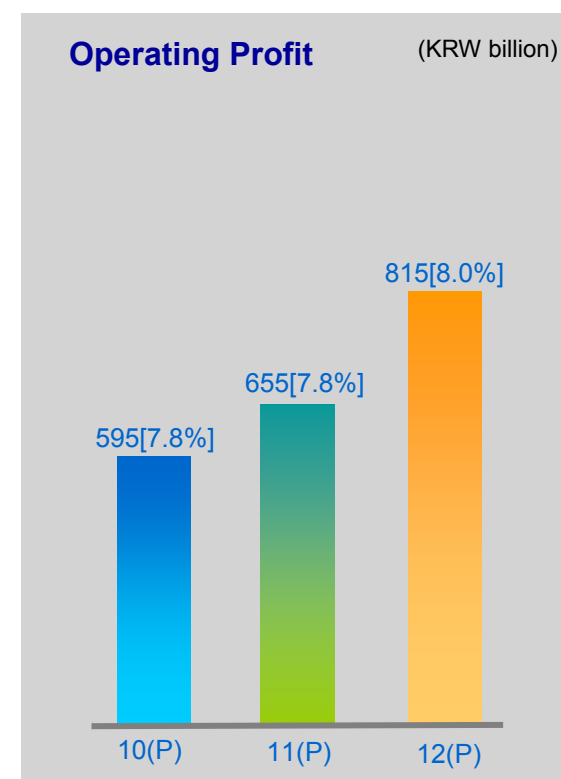
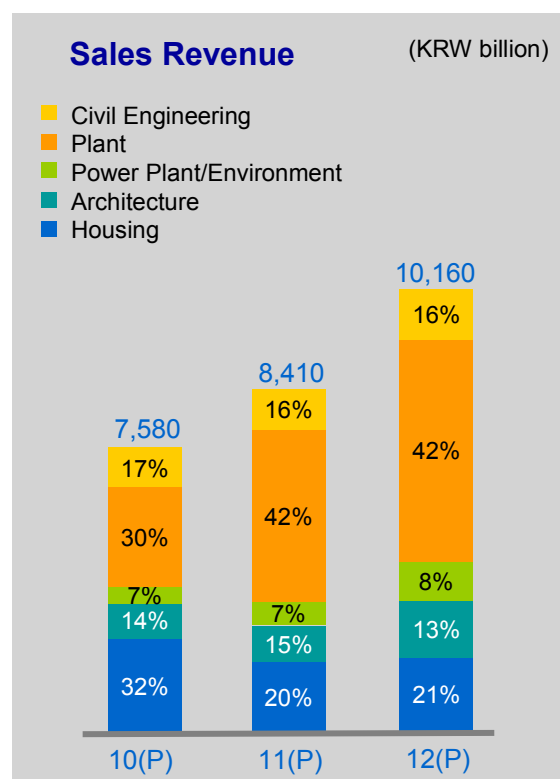
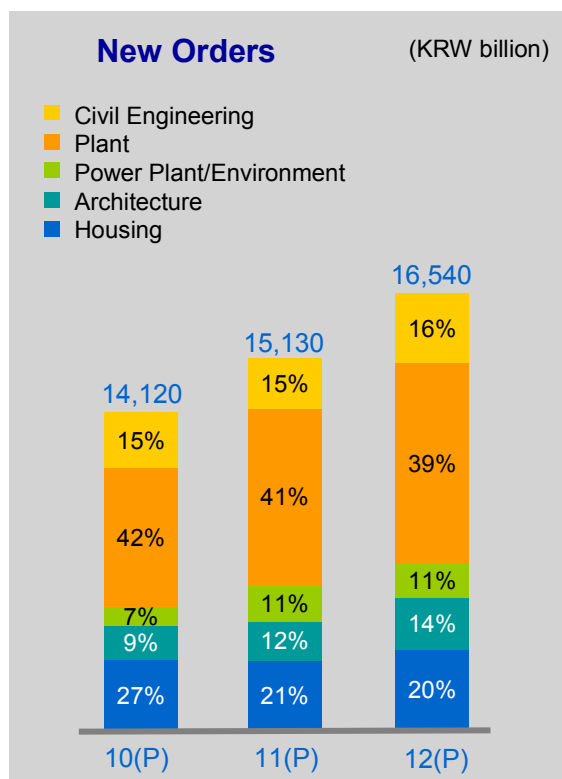
- Participate in nuclear power plant business
- Diversifying marketing countries : East Asia , Middle east, Africa
- Continue to participate in various green business - energy generation, waste disposal, waste water treatment, incineration, and desalination



Business Outlook

Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

Based on balanced business portfolio growth, new orders and sales revenues will be 16.5 trillion and 10.2 trillion respectively in 2012.



Best Partner & First Company

Creative Entrepreneurship
Global Perspectives
Mutual Respect

Appendix

- 01_Ownership Structure
- 02_Borrowings & Investment Plan
- 03_Dividends
- 04_PFI Projects
- 05_Major Overseas Projects
- 06_Vietnam Project
- 07_Balance Sheet (Summary)
- 08_Income Statement (Summary)

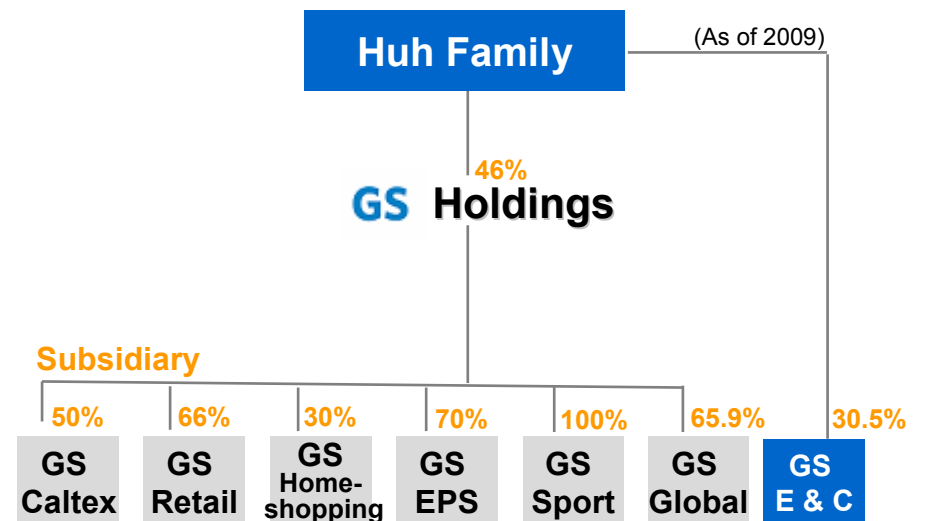
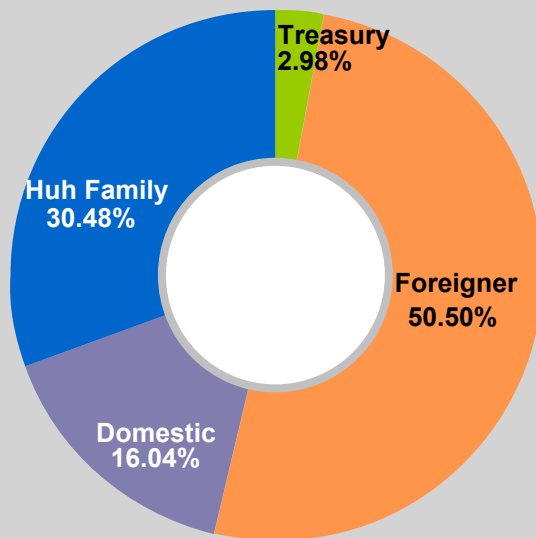


Appendix - Ownership Structure

Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

GS E&C

(End of 2009)

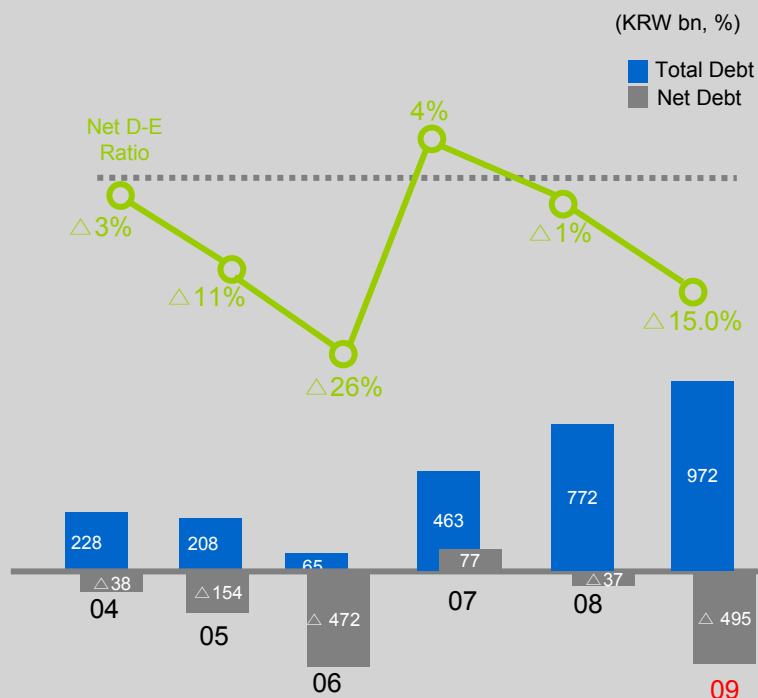




Appendix - Borrowings & Investment Plan

Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

Borrowings



Investment Plan

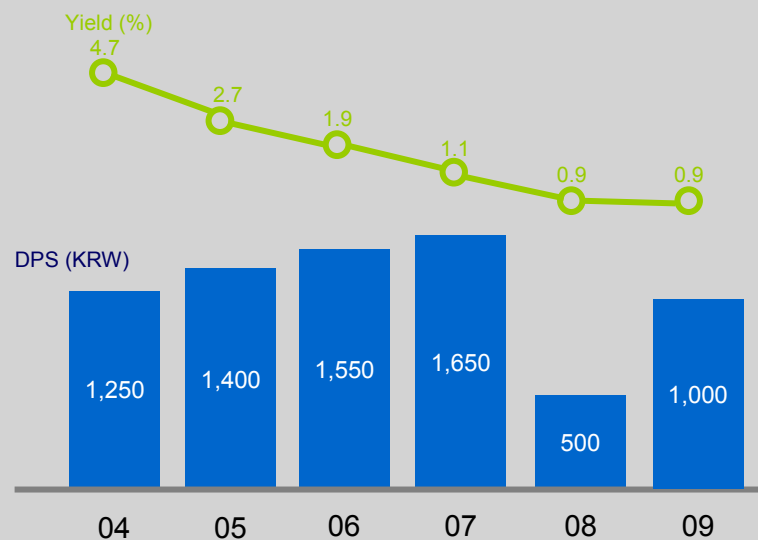
Description	(KRW bn)		
	07	08	09
Land & Facility	248	57	54
Development (Domestic & Overseas)	261	118	10
PFI	9	9	46
Ordinary Resort & etc.	17	14	11
Total	535	198	121



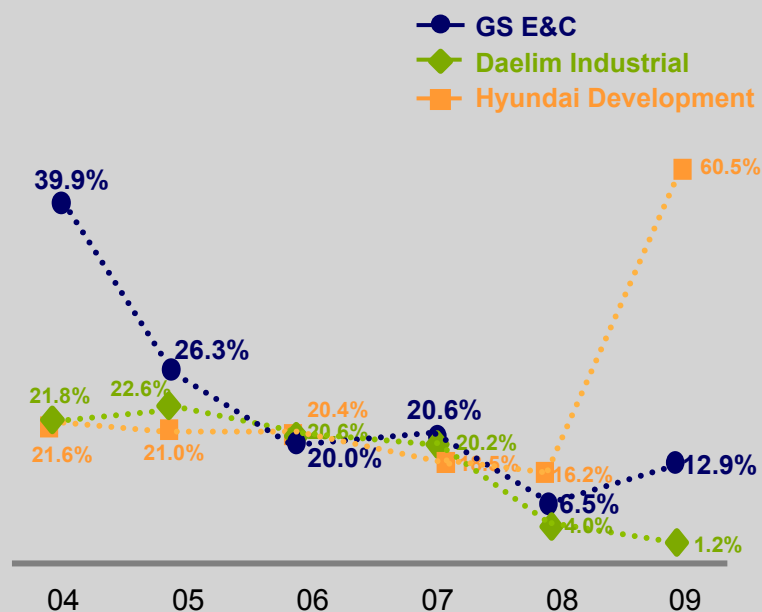
Appendix - Dividends

Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

Yield & DPS



Payout Ratio





Appendix - PFI Projects

Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

(1Q of 2010)

(KRW bn)

Status	Name of Project	Contract Amount	GS Contract Portion	Invested Amount	GS Share	Remarks
Preferred Bidder	Choeup Light Rail Transit Incheon International Pier				Undecided	
Approved	New Bundang Extension Railway	1,025	113 (11.0%)	3.6	2.2%	To be completed in 2015
	Oksan-Ochang Highway	192	96 (50.0%)	2.4	5.0%	To be completed in 2017
	Seoul-Munsan Highway	668	304 (45.5%)	9.8	4.6%	To be completed in 2016
	Sangju-Youngchun Highway	1,286	129 (10%)	3.3	1.0%	To be completed in 2016
	Seoul-Pocheon Highway	964	136 (14.08%)	4.4	1.4%	To be completed in 2016
	Youngdong Highway #2	675	108 (16%)	4.1	1.6%	To be completed in 2015
	Eun-Pyeong New Road	165	90 (54.4%)	1.1	2.7%	To be completed in 2014
Under Construction	Uijeongbu Light Rail Transit	272	164 (60.4%)	27.3	29.9%	To be completed in 2012
	Kyongsang-Cheonla Rail Way BTL	332	76 (23%)	1.5	2.3%	To be completed in 2013
	Kangnam Beltway	931	107 (11.5%)	20.7	1.15%	To be completed in 2014
Investment Completed	New Airport Highway	3,820	191 (5%)	21.7	5%	22.8 (KTCU, Dec. 2003)-sold
	Cheonan-Nonsan Highway	1,344	336 (25%)	112.5	25%	113.1 (KRIF, Feb. 2004)-sold
	Daegu East Beltway	120	30 (25%)	8.7	12%	9.1(MEDIC, May. 2003)-sold
	Daegu West-North Road	64	16 (25%)	3.3	15%	3.7(Municipality of Daegu, June.2004)-sold
	Cholmasan Tunnel	75	18 (25%)	1.0	24%	1.0 (KTCU, Nov. 2001)-sold
	Manwolsan Tunnel	68	17 (25%)	5.0	15%	Completed (July,2005) – Contracted in 09
	Seoul Beltway	1,612	435 (27%)	124.2	27%	Completed (Dec.,2007) - Contracted in 09

KTCU : Korea Teachers' Credit Union

KRIF : Korea Road Infrastructure Fund

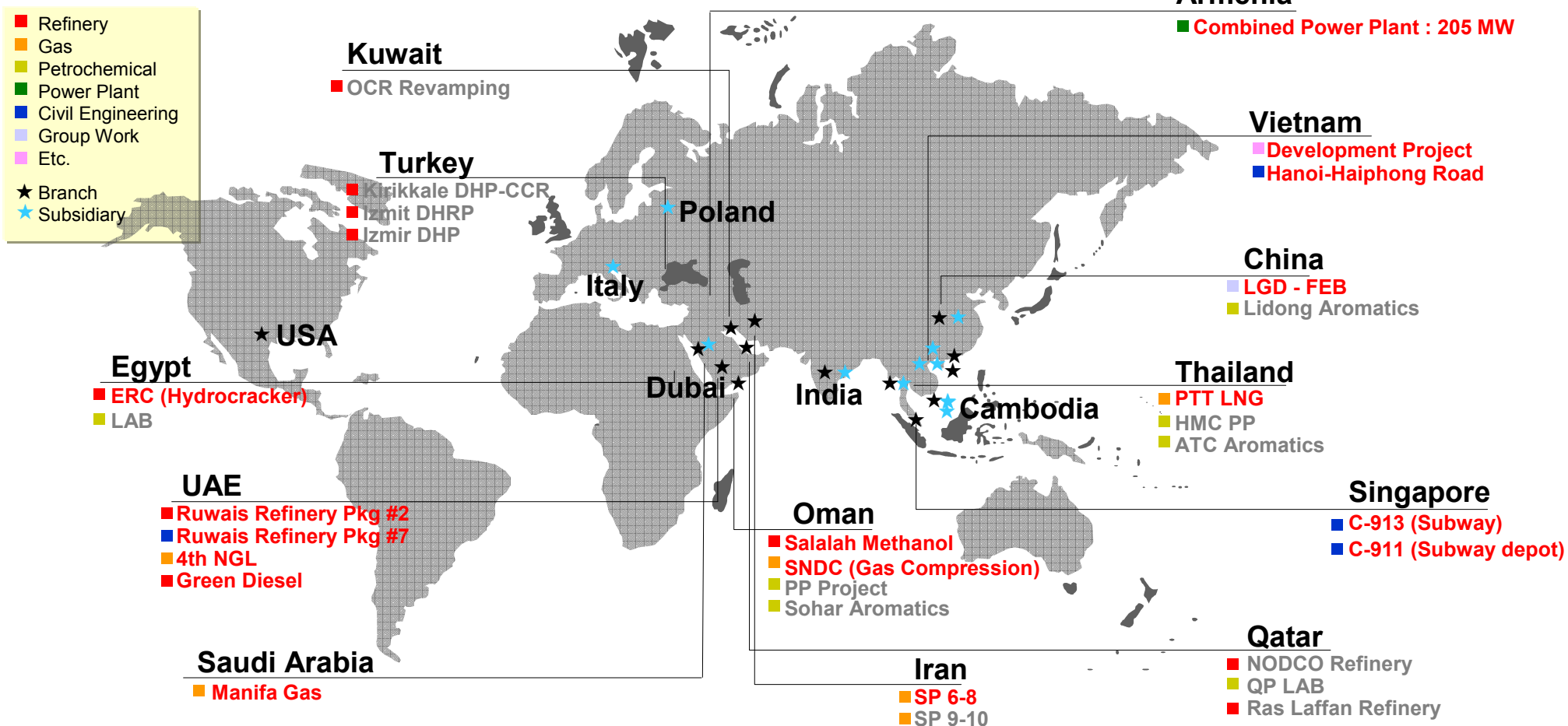
MEDIC : Macquarie East Daegu Investment Company



Appendix - Major Overseas Projects

Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

Red : On-going / Gray: Completed





Appendix - Vietnam Project

Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

Vietnam Project



Project	Original Plan
BT (SPC1)	<ul style="list-style-type: none">• Road (14km) construction & transfer• Develop 4 pieces of land in Downtown (1 million m²)<ul style="list-style-type: none">- Riverview (D2)- Riverside (D2)- Thu Thiem (D2)- Mini New Town (D9)
Nha Be New Town (SPC2)	<ul style="list-style-type: none">• Lease land (3.5 million m²)• 10km from the city center• Build 17,000 residential units, hospital, schools, parks, etc. (Four phases)
Cu Chi Resort (SPC3)	<ul style="list-style-type: none">• Lease land (2 million m²)• 24 km from the city center• Develop golf resort, 36 holes, villa and condominium

Current Status
<ul style="list-style-type: none">• Road : Binh Loi Bridge (Completion ratio : 14%)• Plan to develop 4 pieces of land<ul style="list-style-type: none">- Riverview(D2) : Presale : 2010 (Completion ratio : 24%)- Riverside(D2) : Xi sample house & Office (P: 2012)- Thu Thiem (D2) : Prepare development plan (P: 2011)- Mini New Town (D9) : Wait for city planning permit
<ul style="list-style-type: none">• Phase #1 - Received Land Use Right (LUR)<ul style="list-style-type: none">- Expect LUR of #2 ~ #4• Major development from 2010<ul style="list-style-type: none">- Foundation work & Infrastructure
<ul style="list-style-type: none">• LUR for two parts of land out of total three in 2009• Foundation work (Completion ratio : 17%)



Appendix - Balance Sheet (Summary)

Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

(Unit: KRW bn,%)

Account	05	06	07	08	09
Total Asset	3,826	4,751	5,739	8,182	8,946
Cash & Deposits	361	537	386	809	1,467
Trade Receivable	1,412	1,738	2,120	2,242	2,429
Inventories	197	195	424	457	429
Investments	494	691	888	1,839	1,628
Tangible Assets	905	1,038	1,089	1,412	1,422
Total Liabilities	2,375	2,967	3,593	5,147	5,647
Trade Payables	890	1,260	1,357	1,483	1,366
Borrowings	208	65	463	772	972
Total Shareholder's Equity	1,451	1,784	2,146	3,035	3,299
Capital Stock	255	255	255	255	255
L/E Ratio	163.7	166.3	167.5	169.6	171.2



Appendix - Income Statements (Summary)

Best Partner & First Company
Creative Entrepreneurship / Global Perspectives / Mutual Respect

(Unit: KRW bn,%)

Account		05	06	07	08	09
Sales Revenues	Civil Eng.	730	714	796	657	833
	Plant	1,037	1,455	1,989	2,099	2,341
	Power/Environ.	312	257	214	393	495
	Architecture	2,203	1,598	1,056	1,275	1,180
	Housing	1,349	1,721	1,957	2,442	2,528
Total		5,631	5,745	6,012	6,866	7,377
Gross Profit		680	762	860	913	955
Selling & Admin Expenses		344	359	418	435	387
Operating Profit		336	403	442	478	568
Ordinary Profit		367	543	567	549	508
Net Profit		265	387	399	382	383



www.gsconstir.co.kr

