



Investors Presentation

2H 2011

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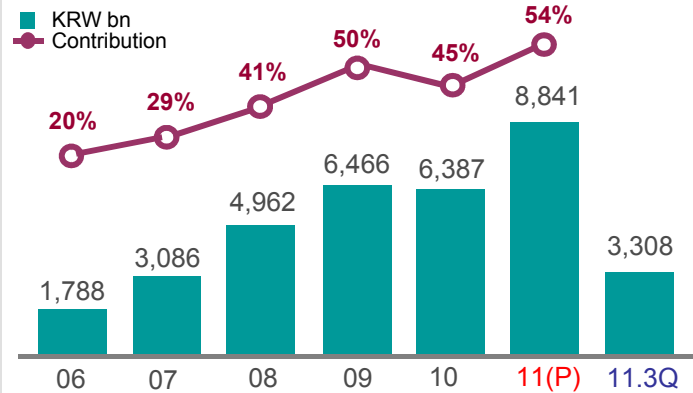
This material contains forward-looking statements that include our current beliefs and expectations on market factors and information obtained outside GS E&C, which are subject to uncertainties. Due to the volatility of these factors, actual results may differ from those set forth in the presented statements. 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.

Investment Highlight – Global Player

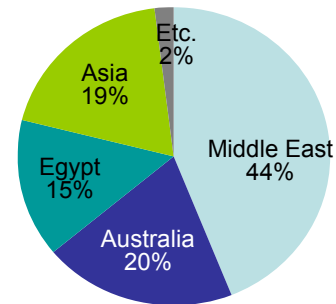


Overseas contributions on overall new orders and sales revenues are expected to be 54%, 46% respectively.

Overseas New Orders

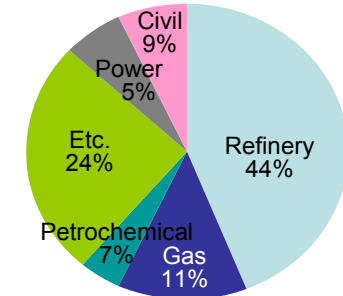


Order Backlogs by Region
(KRW 15,879bn)



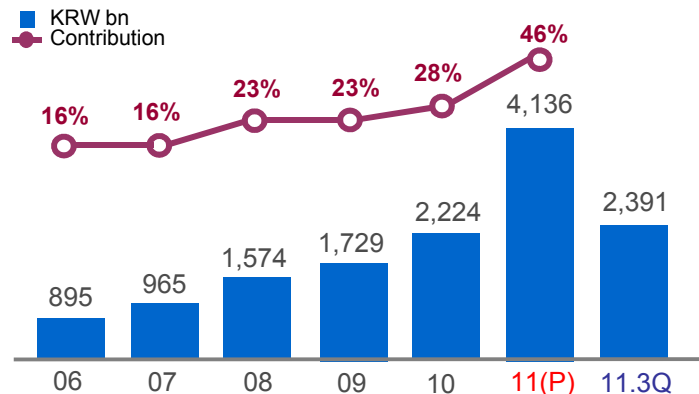
(as of 3Q 2011)

Order Backlogs by Portfolio
(KRW 15,879bn)

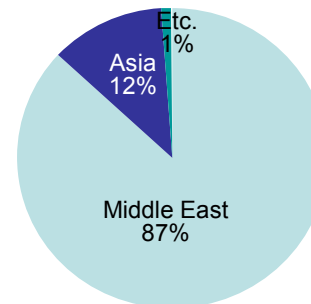


(as of 3Q 2011)

Overseas Sale Revenues

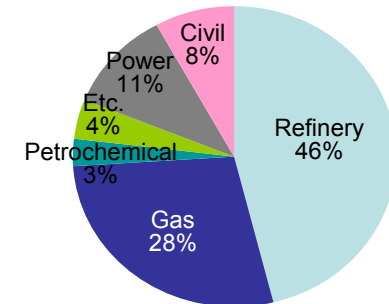


Sales Revenues by Region
(KRW 2,391bn)



(as of 3Q 2011)

Sales Revenues by Portfolio
(KRW 2,391bn)



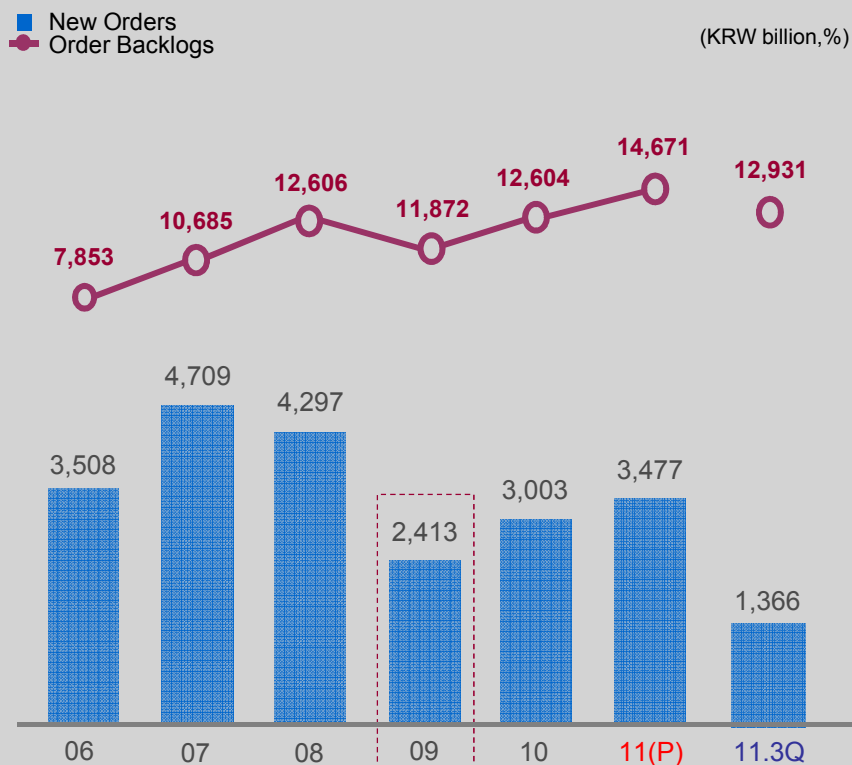
(as of 3Q 2011)

Investment Highlight – Turn Around

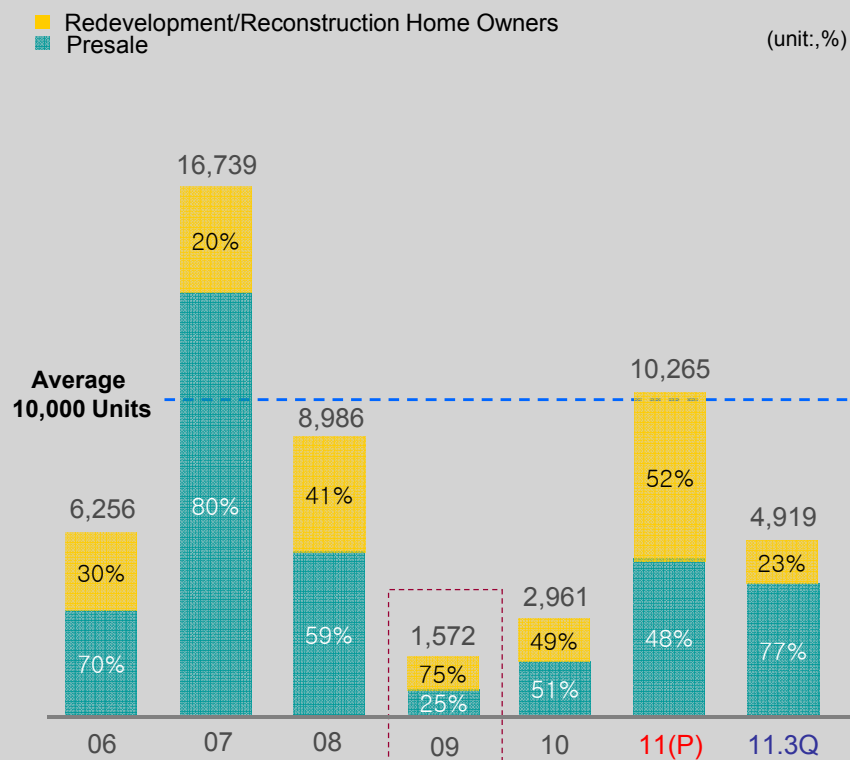


New orders in housing sector and housing supply will get back on the rails in 2011.

Housing Division



Supply of Housing Units



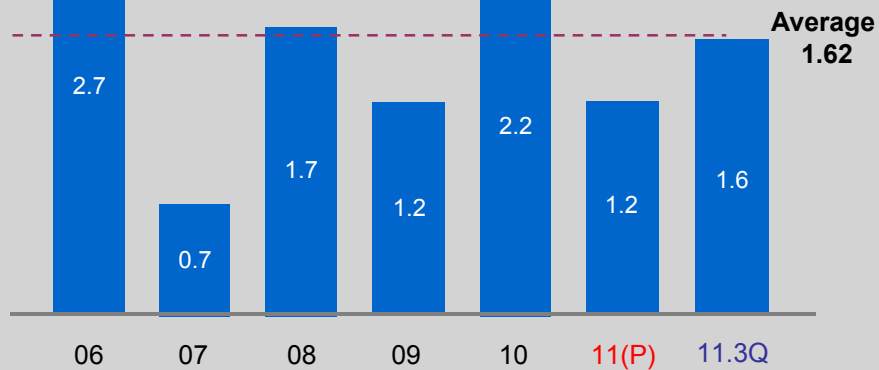
Investment Highlight – Stable group Work



GS E&C keeps up with stable revenues and margins through a large and steady flow of group works.

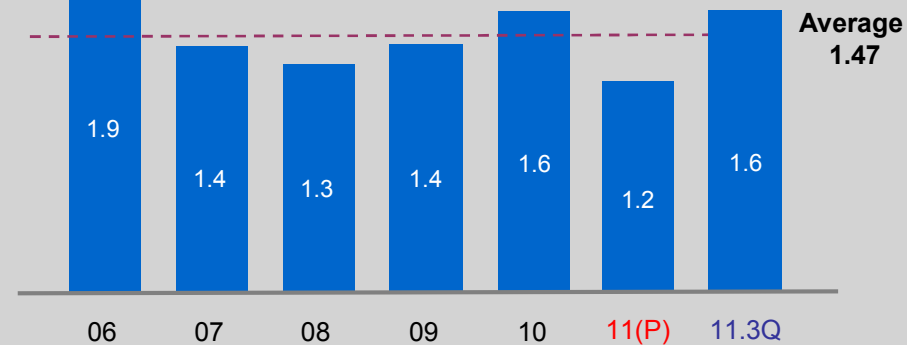
New Orders

(KRW trn)



Sales Revenues

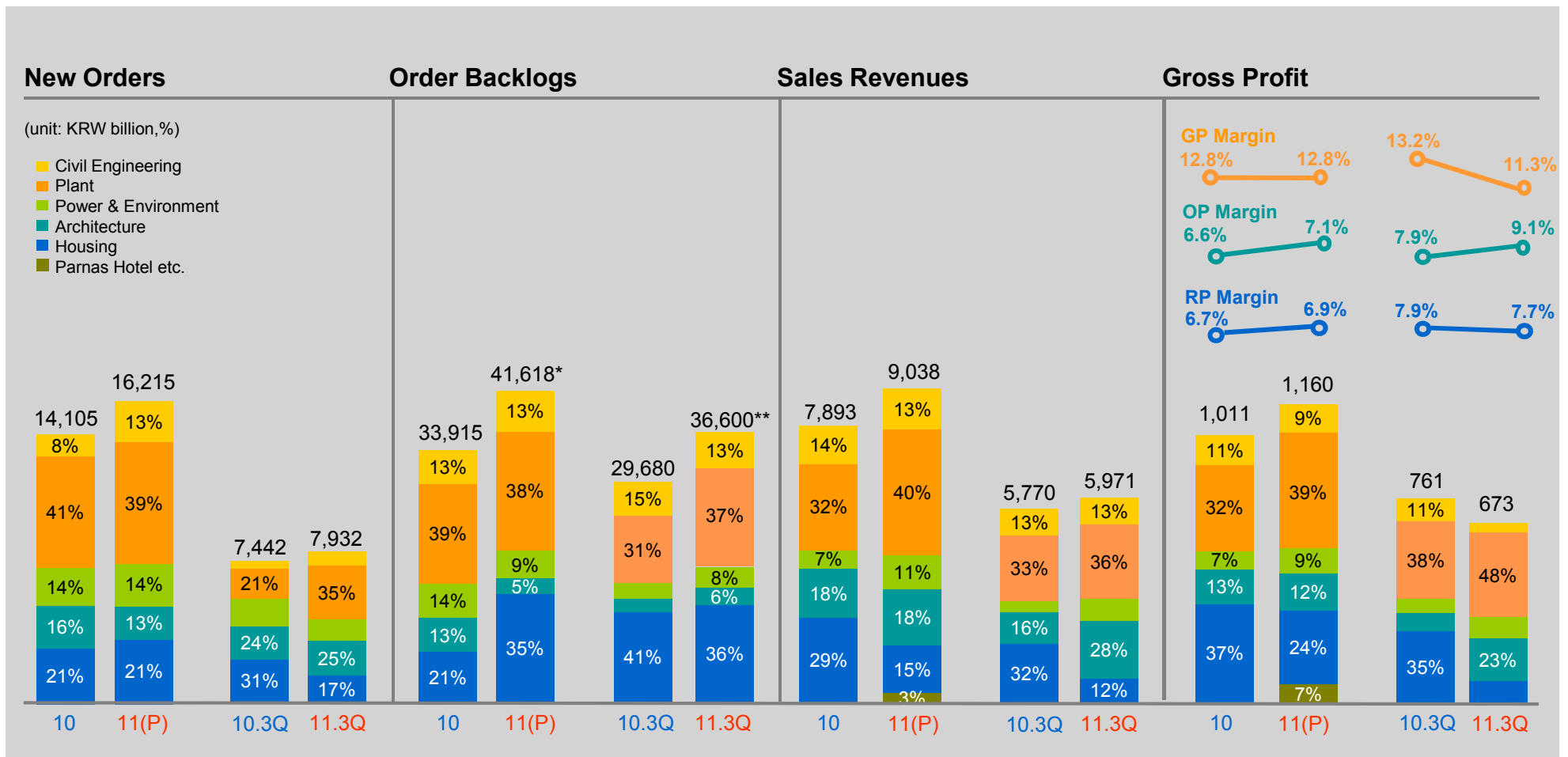
(KRW trn)



Overview by Division - Company Overall



New orders, sales revenues and operating profit are expected to go up Year on Year.



*Does Not include Provisional Order Backlogs in Housing KRW 9.5 trillion

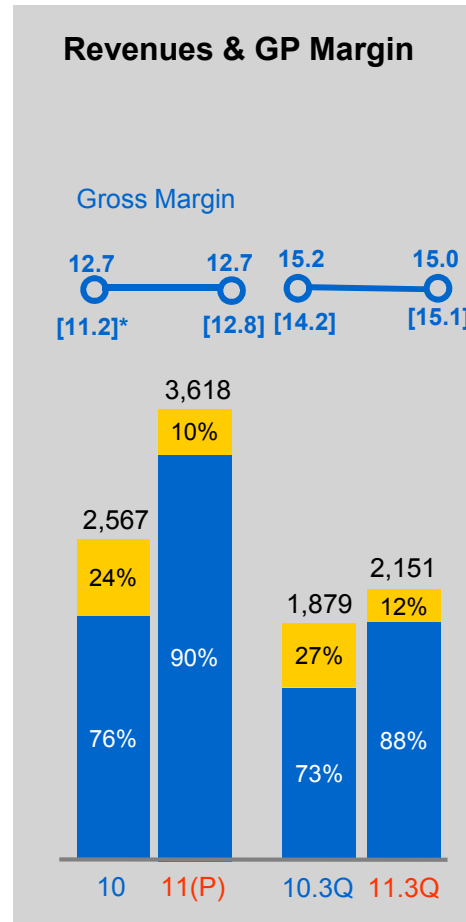
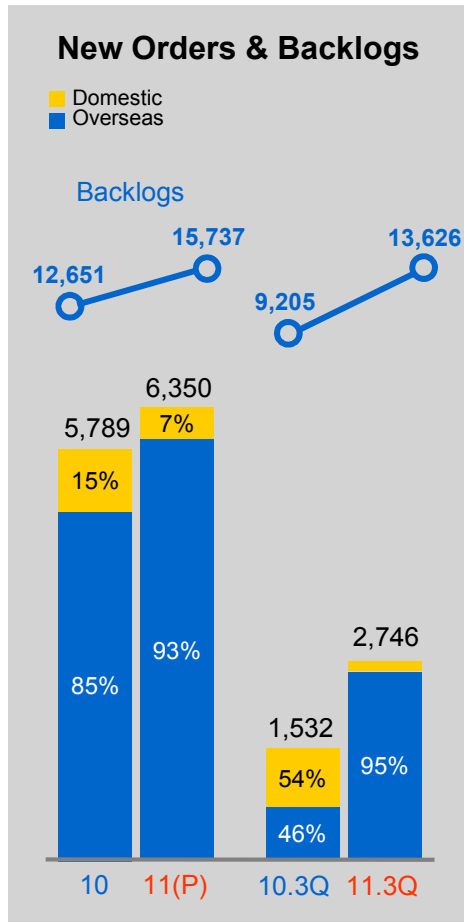
**Does Not include Provisional Order Backlogs in Housing KRW 10.9 trillion

Overview by Division - Plant



New Orders and gross profits increased due to overseas plant projects.

(unit: KRW billion, %)



*[] : Overseas Gross Margin

2011 Keyword

Market

- Oil-price expectation
2011 : USD100 ~ 115
~2015 : USD 110 in average
- Oil refinery market
~2015 : CAGR 4% (Mainly from Middle East and Africa)
- Petrochemical market
Expects recovery from next year
~2015 : CAGR 8%

GS E&C Strategy

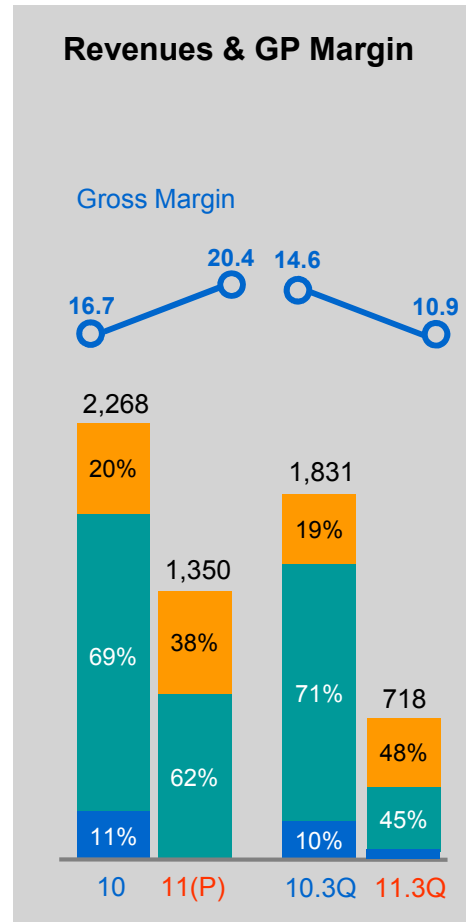
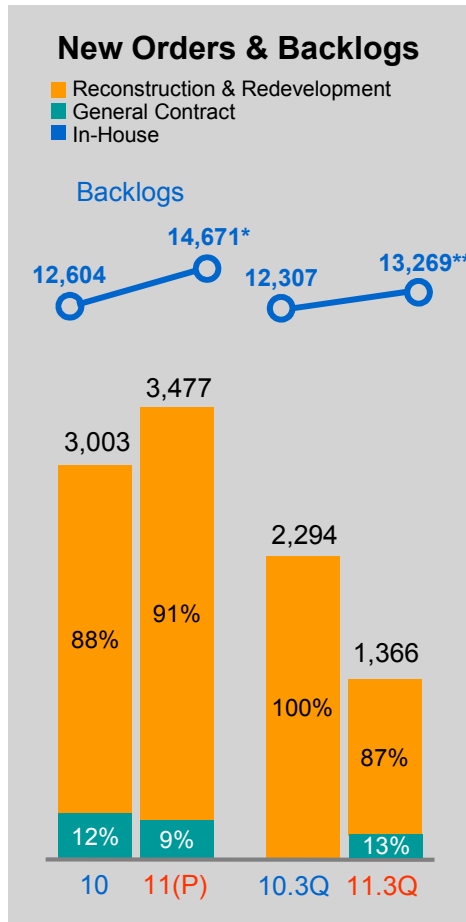
- Enter new market (Central/South America, CIS, Africa, etc.)
- Develop new business areas (Gasification, LNG, Offshore plant)
- Strengthen global network & Diversify outsourcing channels
- Secure profitability through project financing business and cost innovation

Overview by Division – Housing



New orders reduced due to the decrease of reconstruction and redevelopment projects. Sales revenues sharply dropped due to the project closing.

(unit: KRW billion, %)



2011 Keyword

Market

- Continue deregulation
 - a. May 1st, 2011: Tax benefits
 - b. Expected: Removing Price cap, DTI
- Demand polarization in housing market
 - a. Small/medium-sized housing market rebounded with shortage of supply
 - b. Presale performance and housing price rebounded in provincial area
- Redevelopment/Reconstruction market improves

GS E&C Strategy

- Back to the average level of new supply
→ over 10,000 (Public presale 50%)
- Provide mainly small-medium size housing for actual demanders with market price
- Lower PF loan guarantee
: 2.51tn [2010] → 1.5tn [2011(P)]
- Focus on redevelopment & reconstruction

*Not included Provisional Order Backlogs in Housing 9.5 KRW trillion

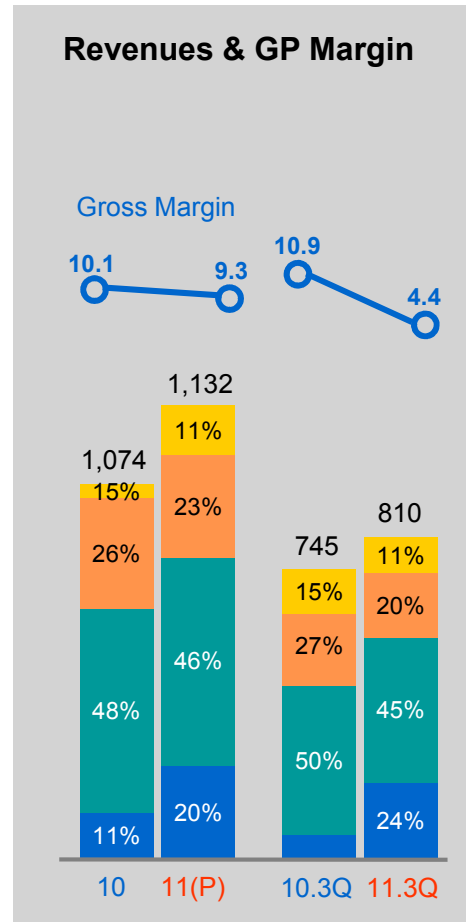
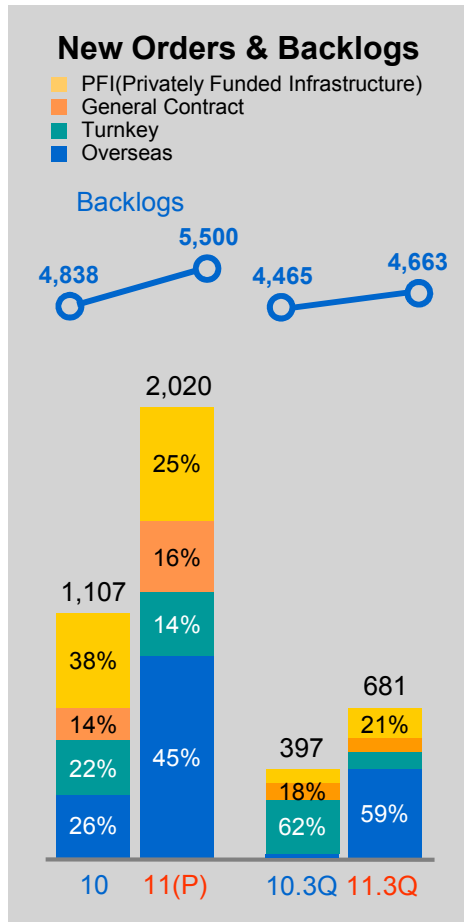
**Not included Provisional Order Backlogs in Housing 10.9 KRW trillion

Overview by Division – Civil Engineering



New orders shrunk due to the decrease of new orders for public projects, but sales revenues slightly increased thanks to backlog effect.

(unit: KRW billion, %)



2011 Keyword

Market

- Decrease in budget for SOC project (2010: 25tn → 2011: 24tn : focusing on four river improvement projects)
- Continue "Green Business" : High speed railway, Light railway
- Overseas government increase budget for public infrastructure in order to boost economy (Asia, Africa and Middle East)

GS E&C Strategy

- Domestic**
- Make chance to develop green business like tidal power generation and railway
- Overseas**
- Continued orders from Singapore, Vietnam and Middle East

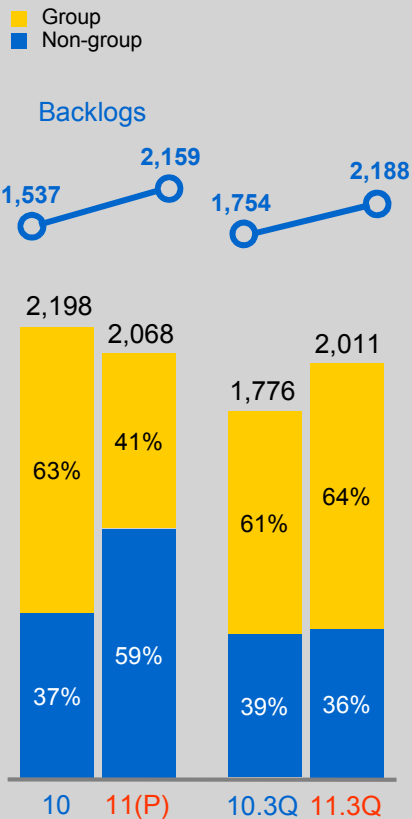
Overview by Division - Architecture



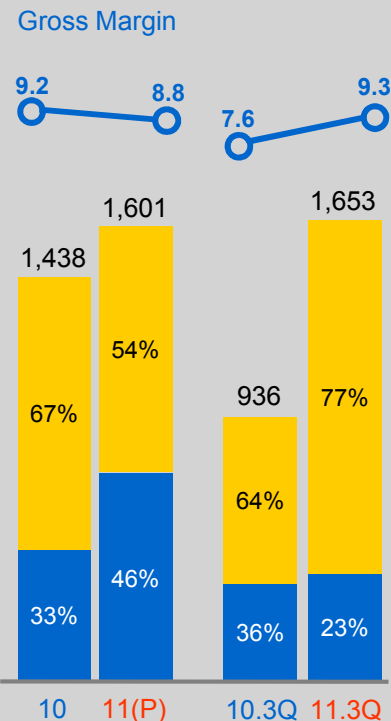
Sales revenues surged due to group works.

(unit: KRW billion, %)

New Orders & Backlogs



Revenues & GP Margin



2011 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)
 - a. Post-Riot in the Middle East
 - b. 2022 Qatar World Cup

GS E&C Strategy

- Maintain domestic market volume focusing on domestic public sector
- Diversify business area : M&E Work (Mechanical and Electrical work)
- Increase in non-group new order from overseas order flow
- Still reliant on group work

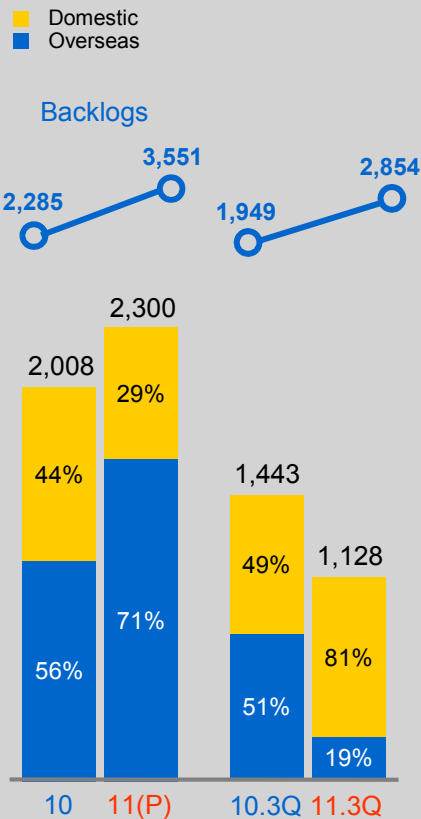
Overview by Division – Power Plant & Environment



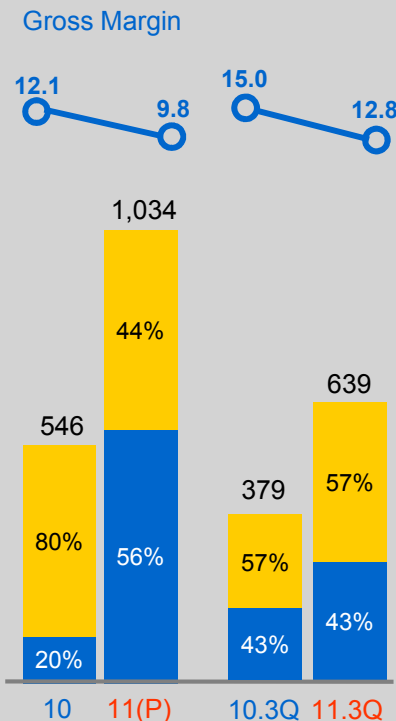
Sales revenues increased due to backlog effect.

(unit: KRW billion, %)

New Orders & Backlogs



Revenues & GP Margin



2011 Keyword

Market

- Power
 - Increase in new renewable energy and nuclear power plant
 - Continuous new orders from combine cycle power plant

Environment

- Increase in water related business
- Increase in overseas market (Middle East and Asia)

GS E&C Strategy

- Participate in combined cycle power plant
- 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



Appendix

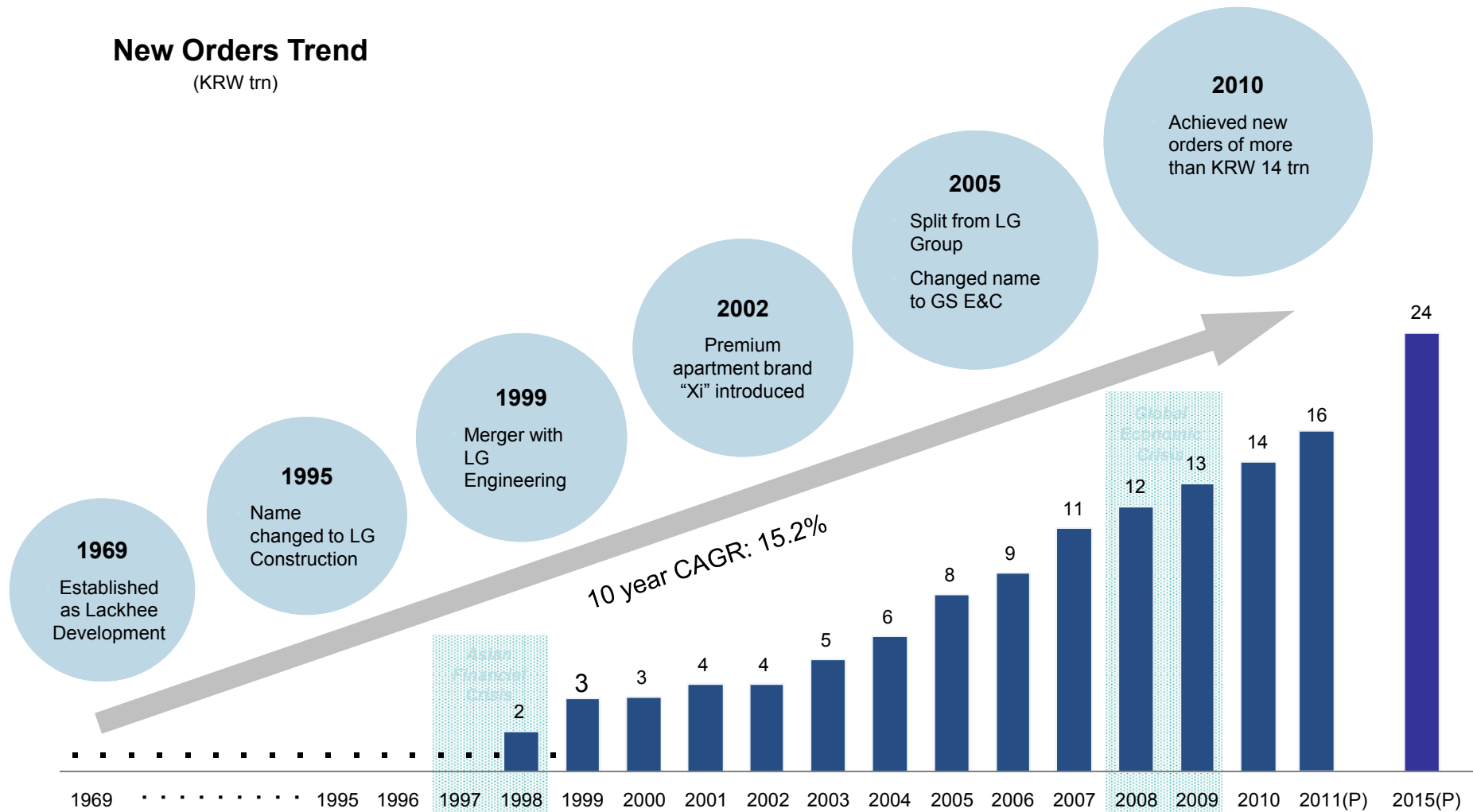
- 01_Key Corporate Milestones**
- 02_Ownership Structure**
- 03_Dividends**
- 04_PF Guarantee**
- 05_Major Material Prices**
- 06_Major Overseas Projects**
- 07_Vietnam Project**
- 08_Balance Sheet (Summary)**
- 09_Income Statement (Summary)**

Appendix – Key Corporate Milestones



New Orders Trend

(KRW trn)

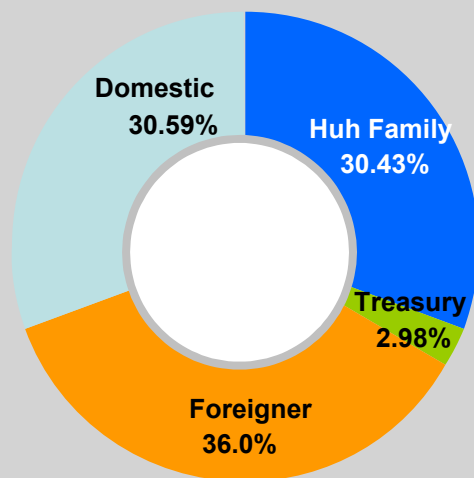


Appendix - Ownership Structure



GS E&C

(As of 2011 3Q)



Huh Family

(As of 2011 3Q)

GS Holdings

30.4%



Subsidiary

50%

GS
Caltex

66%

GS
Retail

30%

GS
Home-
shopping

70%

GS
EPS

100%

GS
Sport

65.9%

GS
Global

Appendix - Dividends



Great Challenge
최고

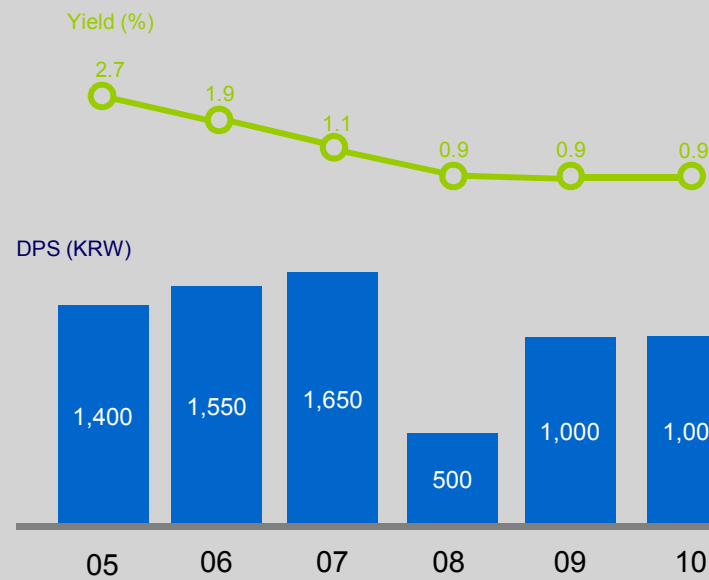


Great Innovation
변화

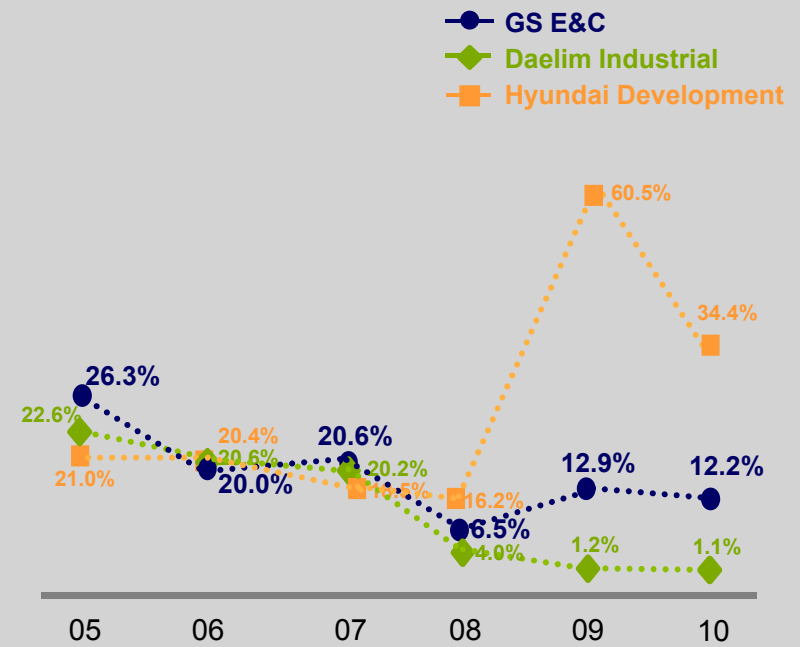


Great Partnership
신뢰

Yield & DPS



Payout Ratio

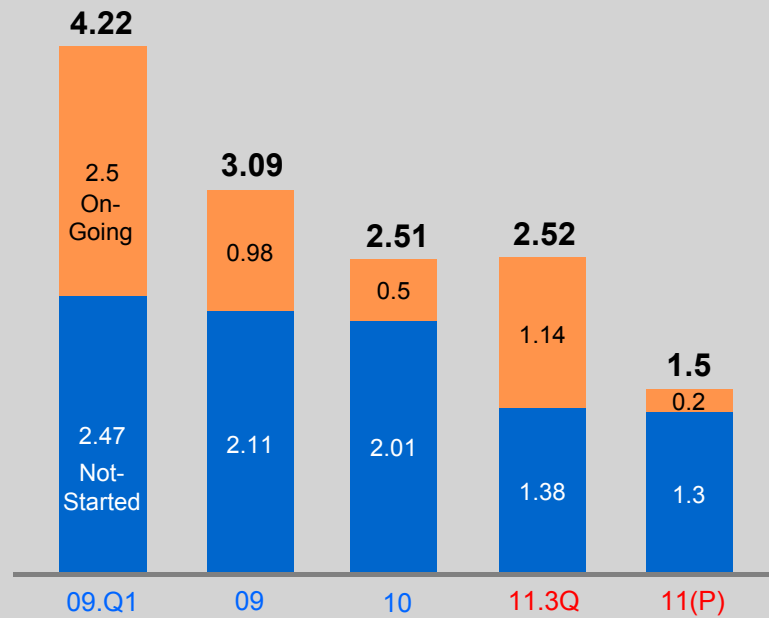


Appendix – PF Guarantee



PF Guarantee Reduction Plan

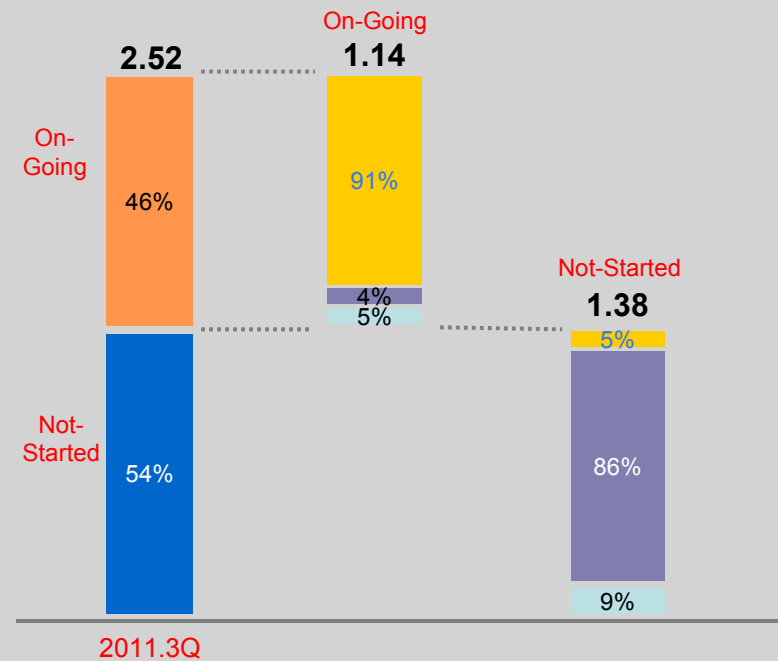
(Trillion Won , %)



Composition of PF Guarantee

(trillion won, %)

Seoul
The Greater Seoul
Provincial



Appendix – Major Material Prices



Great Challenge
최고



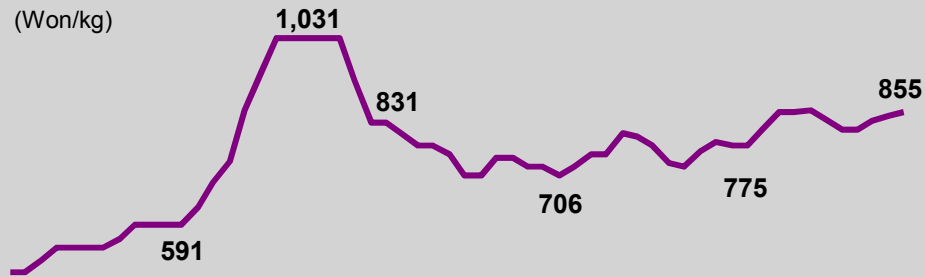
Great Innovation
변화



Great Partnership
신평

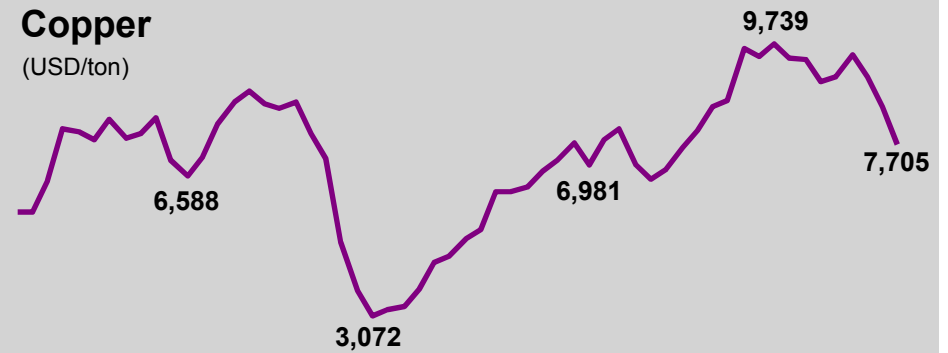
Re-bar*

(Won/kg)



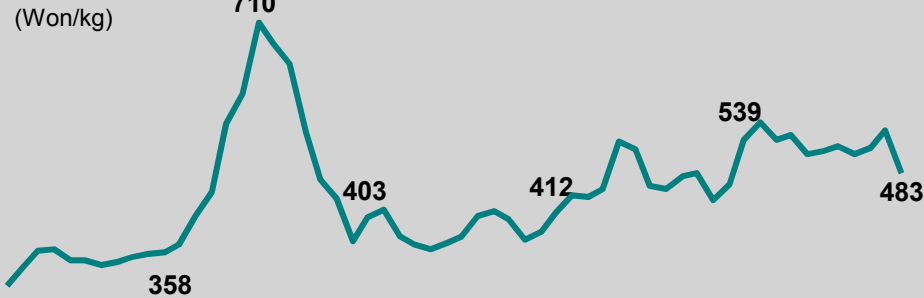
Copper

(USD/ton)



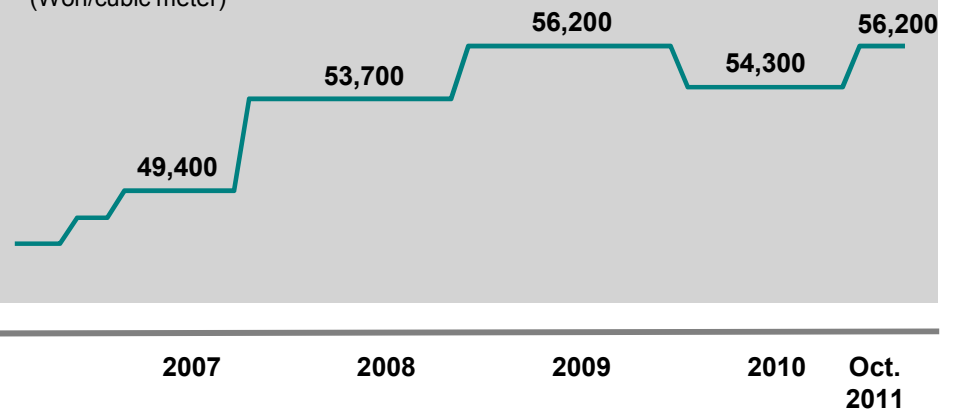
Scrap Iron

(Won/kg)



Remicon**

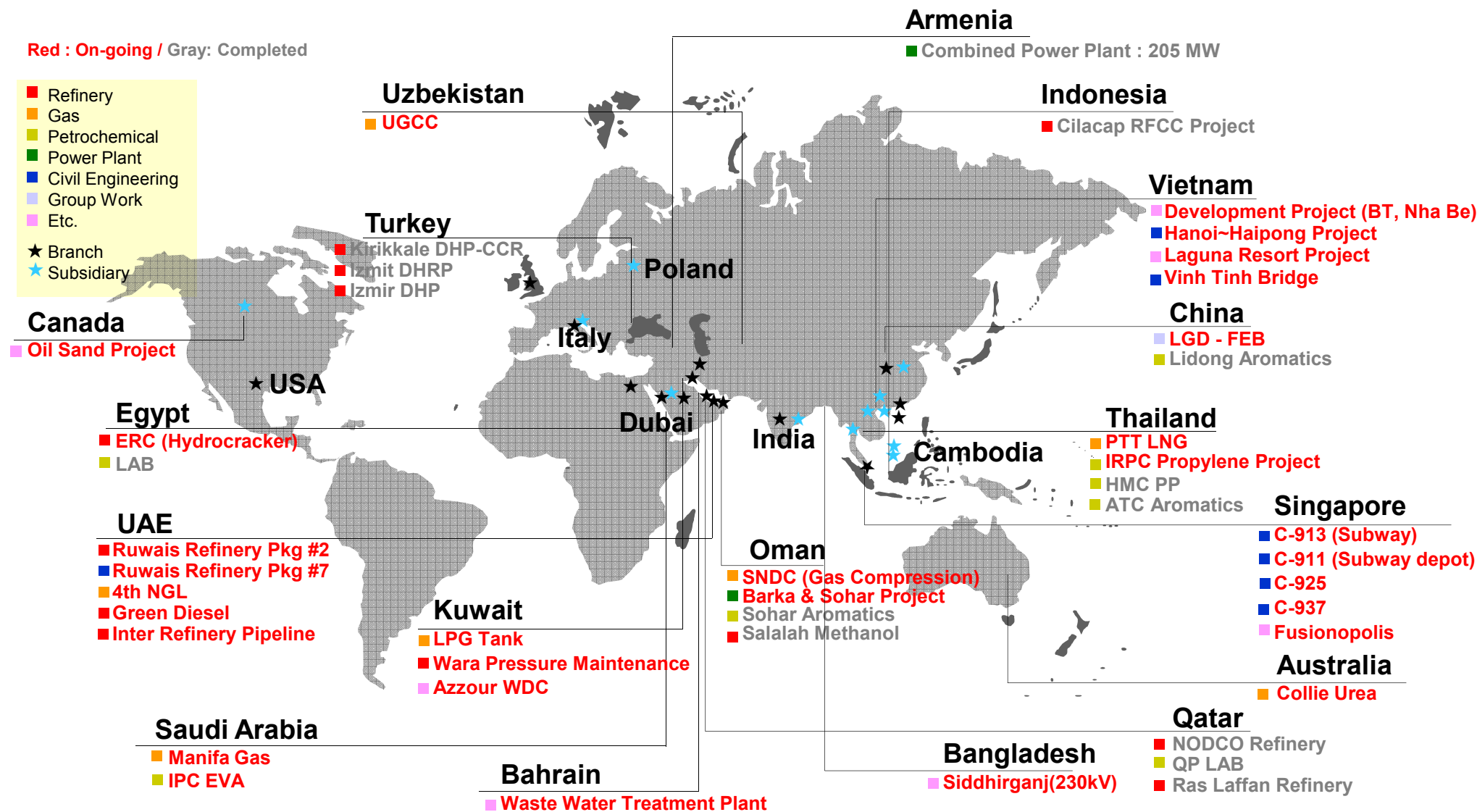
(Won/cubic meter)



*Re-bar: Reinforced-bar

**Remicon: Ready-mixed concrete

Appendix - Major Overseas Projects



Appendix - Vietnam Project



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) : Presale : May 29th, 2010(90 Units)
Presale : Aug 2010(90 Units)
 - Riverside(D2) : Xi sample house & Office (P: 2012)
 - Thu Thiem (D2) : Prepare development plan (P: 2012)
 - Mini New Town (D9) : Wait for city planning permit

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
 - Foundation work & Infrastructure

Cu Chi Resort (SPC3)

- Lease land (2 million m²)
- 24 km from the city center
- Develop golf resort, 36 holes, villa and condominium

- LUR for two parts of land out of total three in 2009
- Foundation work

Appendix - Statements of Financial Position (Summary)



(Unit: KRW bn,%)

Account	07	08	09	10	11.3Q*
Total Asset	5,739	8,182	8,946	11,047	10,421
Cash & Deposits	386	809	1,467	1,494	1,460
Trade Receivable	2,120	2,242	2,429	3,667	3,950
Inventories	424	457	429	419	287
Investments	888	1,839	1,628	995	1,606
Tangible Assets	1,089	1,412	1,422	2,347	1,067
Total Liabilities	3,593	5,147	5,647	7,265	6,646
Trade Payables	1,357	1,483	1,366	1,680	1,480
Borrowings	463	772	972	1,323	1,549
Total Shareholder's Equity	2,146	3,035	3,299	3,782	3,775
Capital Stock	255	255	255	255	255
D/E Ratio	167.5	169.6	171.2	192.1	176.1

*11.3Q : K-IFRS Non-consolidated

Appendix - Income Statements (Summary)



(Unit: KRW bn,%)

Account		07	08	09	10	11.3Q*
Sales Revenues	Civil Eng.	796	657	833	1,048	810
	Plant	1,989	2,099	2,341	2,671	2,151
	Power/Environ.	214	393	495	542	6390
	Architecture	1,056	1,275	1,180	1,497	1,653
	Housing	1,957	2,442	2,528	2,354	718
	Parnas Etc	-	-	-	308	-
Total		6,012	6,866	7,377	8,420	5,971
Growth Profit		860	913	955	1,129	673
Selling & Admin Expenses		418	435	387	537	391
Operating Profit		442	478	568	629	542
Ordinary Profit		567	549	508	578	461
Net Profit		399	382	383	429	339

*11.3Q : K-IFRS Non-consolidated



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