

INVESTOR RELATIONS

GS E&C Presentation

August 2012

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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.

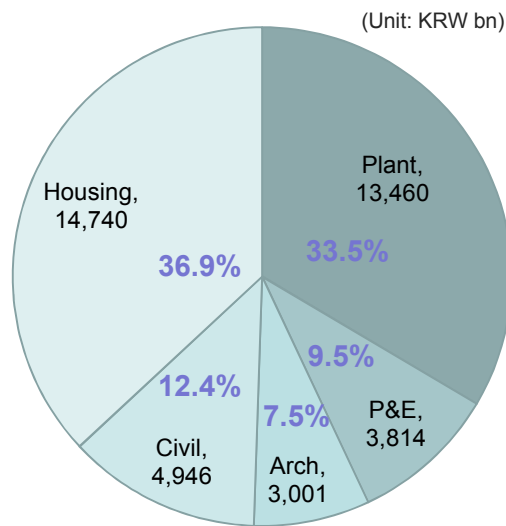
Business Overview – Order Backlogs & New Orders



New orders in 1H/2012 increased 32% YoY, accounting for 36% of annual new order target.

Order backlogs in 1H/2012

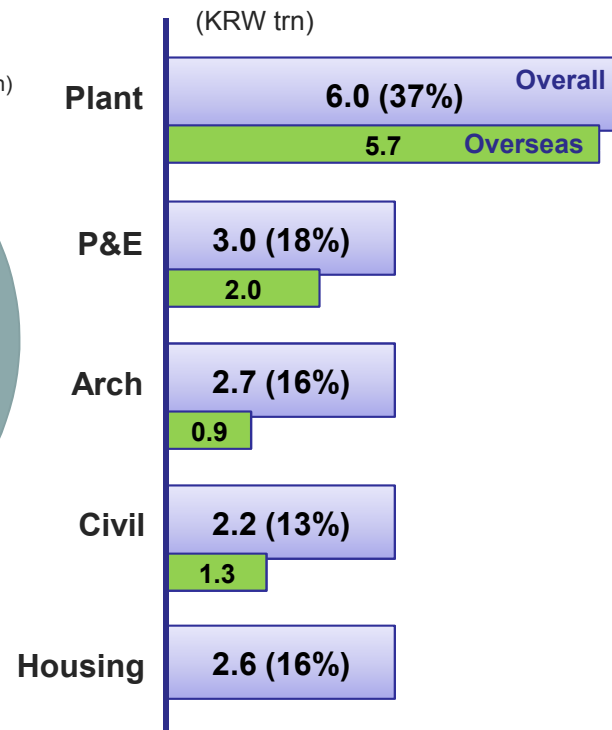
- KRW 40.0 trn
(Domestic 22.1 / Overseas 17.9)



*Y2011: KRW 38.7trn

New order Target in 2012

- KRW 16.5 trn
(Domestic 6.6 / Overseas 9.9)



• Overseas 60% / Domestic 40%

New orders in 1H/2012

- KRW 6.0 trn (Domestic 2.3 / Overseas 3.7)

(KRW bn)

Division	1H/ 2011	1H/ 2012	Major orders
Plant	1,301	2,417 (40%)	<ul style="list-style-type: none"> • Saudi Rabigh II (2,074) • Canada Black Gold Proj c/o (240)
P&E	854	989 (16%)	<ul style="list-style-type: none"> • Saudi PP12 (727)
Arch	1,182	1,484 (25%)	<ul style="list-style-type: none"> • Singapore NgTeng Fong Hospital (593) • Pankyo PF (113), NH IT Center(117) • Group works(370)
Civil	383	176 (3%)	<ul style="list-style-type: none"> • Wonjoo-Kangleng Railway #7 (66)
Housing	827	949 (16%)	<ul style="list-style-type: none"> • Kwangmyung #1R redevelopment (182) • KwangKyo Officetel (142) • Kwachen #6 reconstruction (380)
Total	4,547	6,015	

Business Overview – Sales Revenues

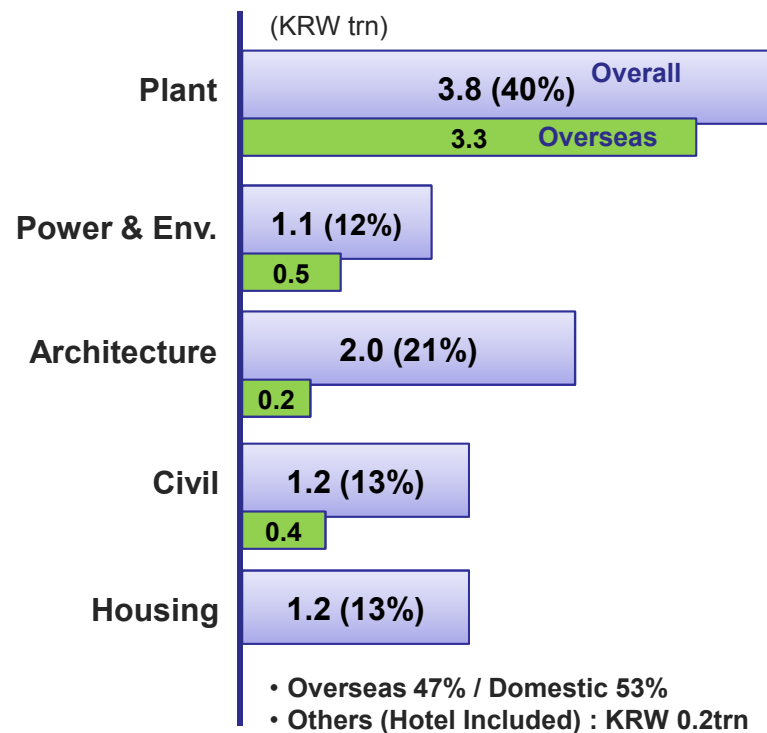


Sales Revenues in 1H/2012 increased 6% YoY, accounting for 47% of annual target.

Sales Revenues Target in 2012

▪ KRW 9.5 trn

(Domestic 5.1 / Overseas 4.4)



Sales Revenues in 1H/2012

▪ KRW 4.5 trn

(Domestic 2.3 / Overseas 2.2)

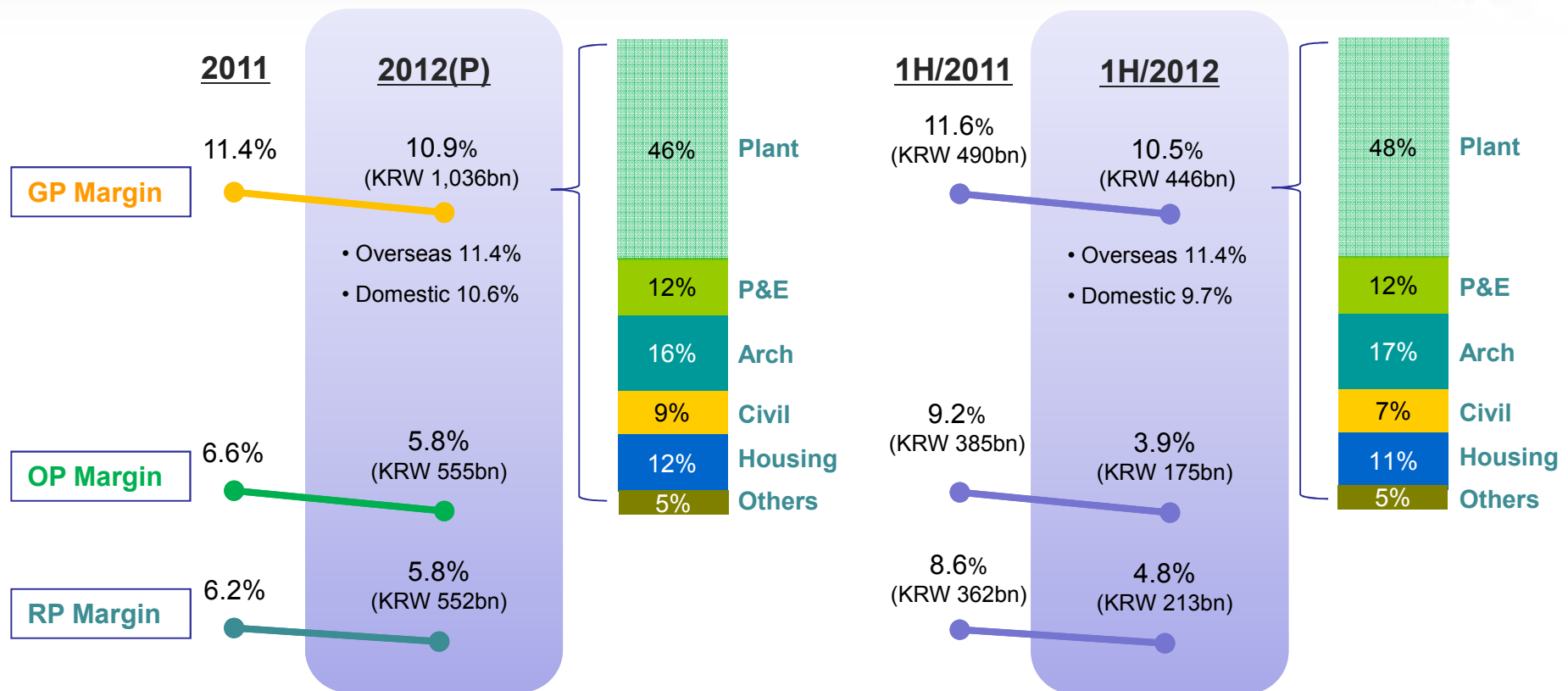
(Unit: KRW bn)

Division	1H/2011	1H/2012	Sales Ratio	Domestic: Overseas
Plant	1,470	1,836	41%	24 : 86
P&E	420	493	11%	58 : 42
Arch	1,178	831	19%	87 : 13
Civil	499	590	13%	75 : 35
Housing	490	571	13%	92 : 8
Hotel	111	108	3%	
Others	39	34		
Total	4,207	4,463		52 : 48

Business Overview – Profit



Gross Profit in 1H/2012 was steady YoY and OP decreased 55% YoY due to the low base effect from the asset sales one-off profit(KRW219bn) reflected in 2Q/2011.



Investment Highlight – Global Player



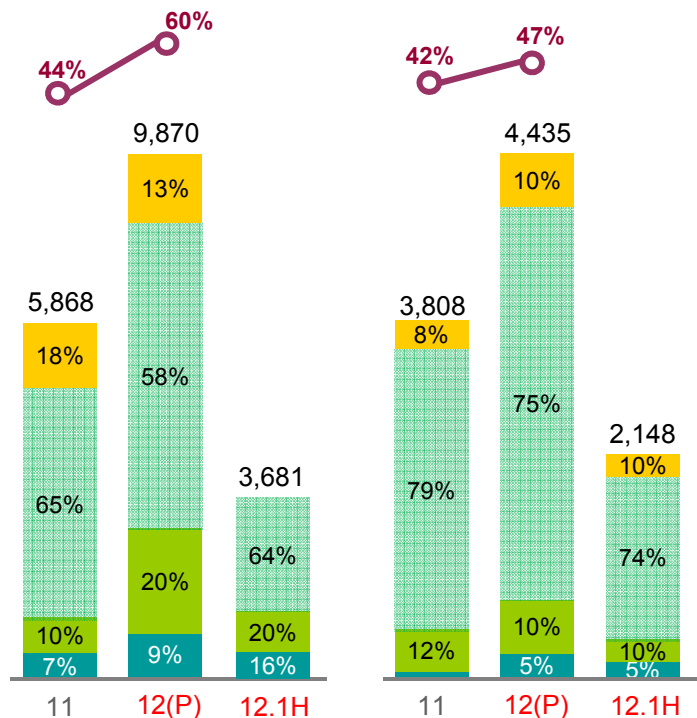
Overseas new orders and sales revenues are expected to be 60%, 47% respectively.

Overseas

- Contribution to New Orders/ Revenues (KRW billion, %)
- Civil Engineering
- Plant
- Power & Environment
- Architecture
- Housing

New Orders

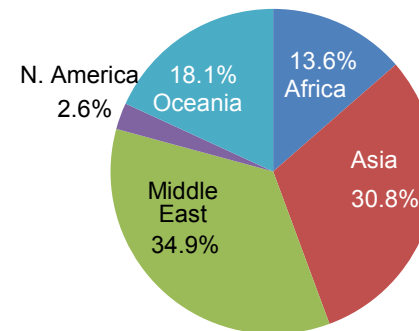
Revenues



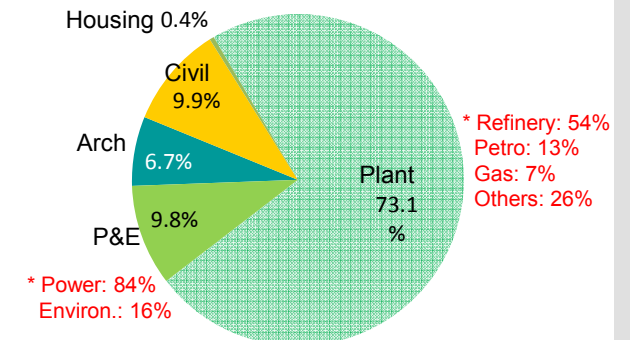
Overseas Order Backlogs (KRW 17,918bn)

(as of 2012.1H)

By Region



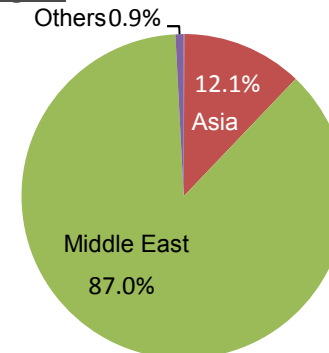
By Portfolio



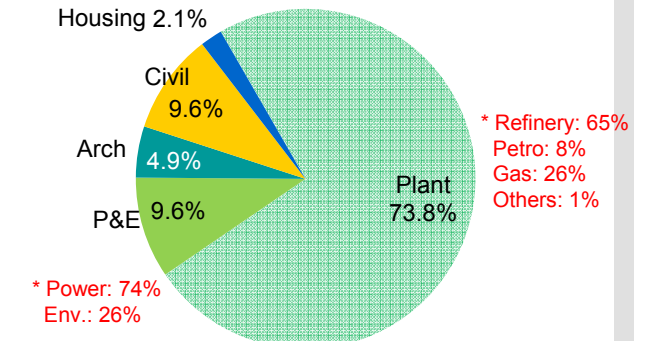
Overseas Revenues (KRW 2,148bn)

(as of 2012.1H)

By Region



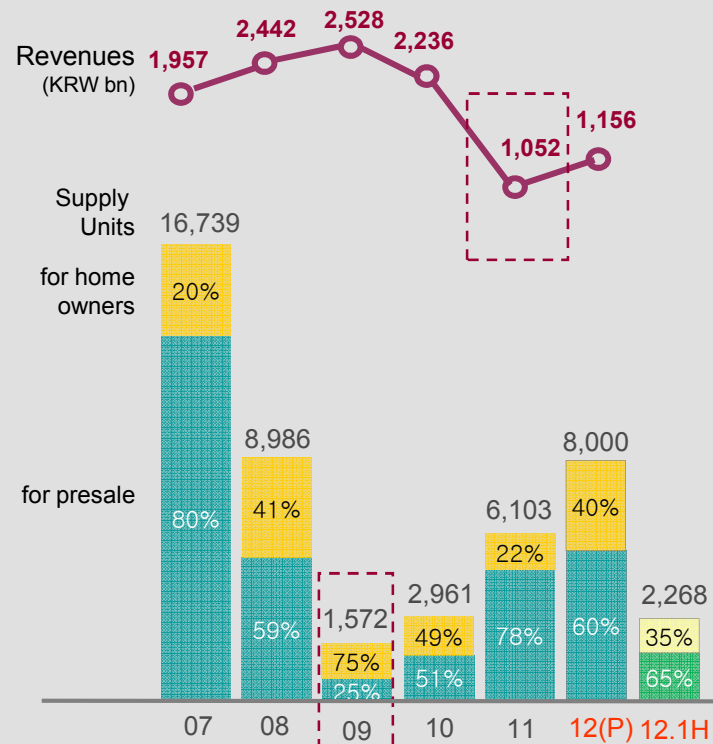
By Portfolio



Investment Highlight – Domestic Housing

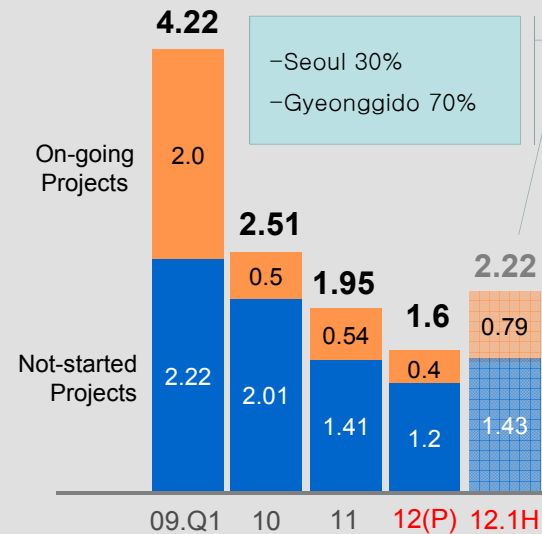


Revenues & Supply Units



PF Guarantee

(KRW trn)



Market

- Shortage of supply for the last few years
- Burden of Tenants increase
 - Jeonse price up sharply
 - Monthly rent grows
- Housing Price stabilized
- Continue to deregulate
 - DTI, Trading tax, interest rate etc.

GS E&C Strategy

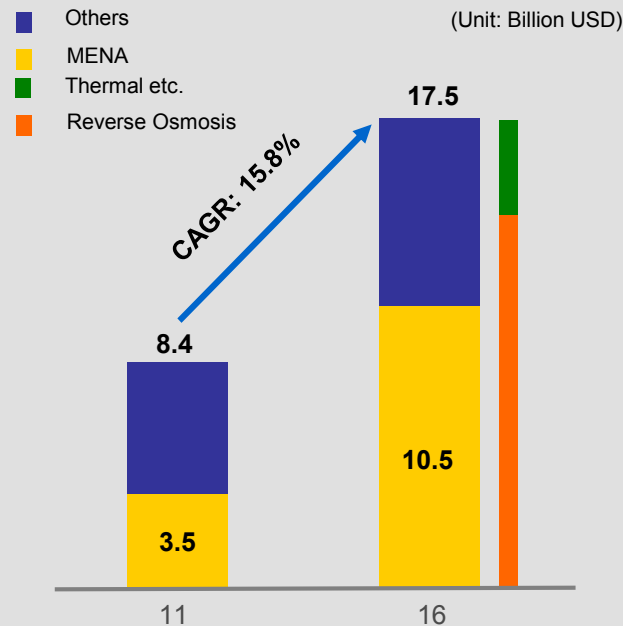
- Maintain sound portfolio
 - Focus on refurbishment projects (mainly in Seoul & Metropolitan area)
- Stabilizing PF Guarantee amount
- Back to the average level of new supply
 - over 11,000 units
 - Mainly small/medium size housing
- Resume PF projects selectively

Investment Highlight - Inima



GS E&C finalized the M&A deal of Inima in the end of May and expect the synergy in water business in Middle East, South America and Africa.

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

- ✓ New Orders : KRW 500bn
- ✓ Revenues: KRW 200bn

- EPC + O&M Project Experiences up to 200,000m³/day desalination plant using R/O 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

* R/O: Reverse Osmosis

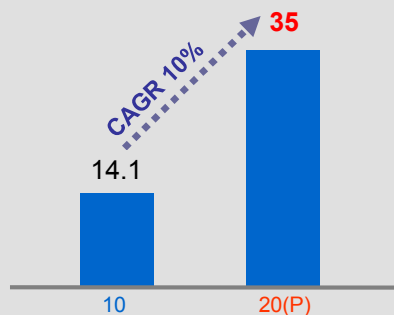
Investment Highlight – Vision 2020



Vision 2020 Goal

New orders

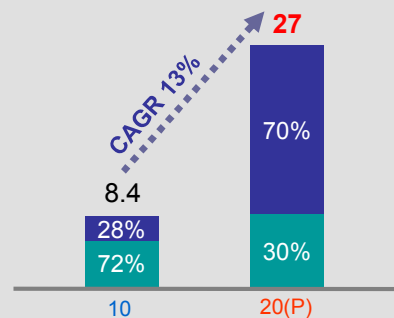
(KRW Trillion)



Revenue

(KRW Trillion, %)

■ Overseas
■ Domestic



Sustainable Global Company

Sustainable

Global

3 Core
Growth Pillars

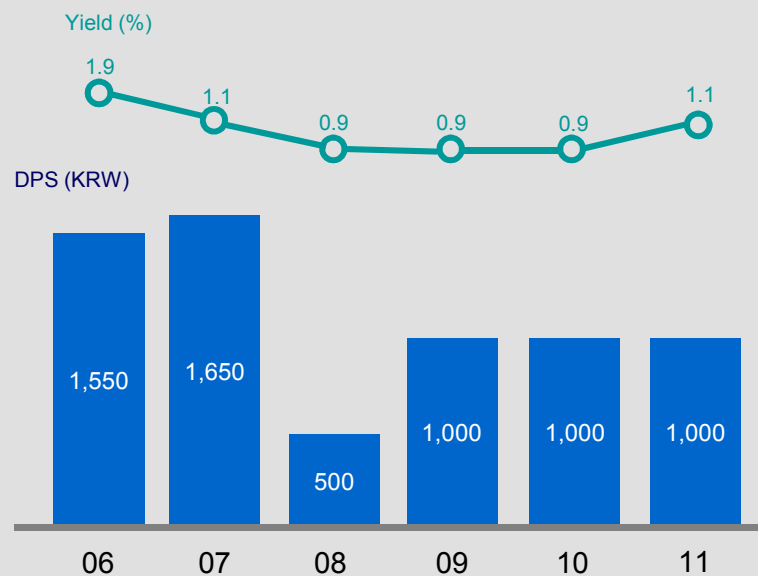
- Pursue sustainable growth with profitability
 - New orders KRW 35 trn
 - Revenues KRW 27 trn
 - Operating Profits KRW 1.7 trn in 2020
- Leap to global company beyond Korea
 - Global : Domestic = 70%:30% (in Sales)
 - Reinforce a Global Operation System
 - In-organic growth
- LNG Liquefaction, Desalination and Power Plant (Coal, CC, Nuclear)
- Development business in Property & Infrastructure (PPP, IPP, etc)
- Offshore business (FPSO, FLNG)

CC(Combined Cycle), PPP(Public Private Partnership), IPP(Independent Power Plant), FPSO(Floating Production Storage and Offloading), FLNG(Floating Liquefied Natural Gas)

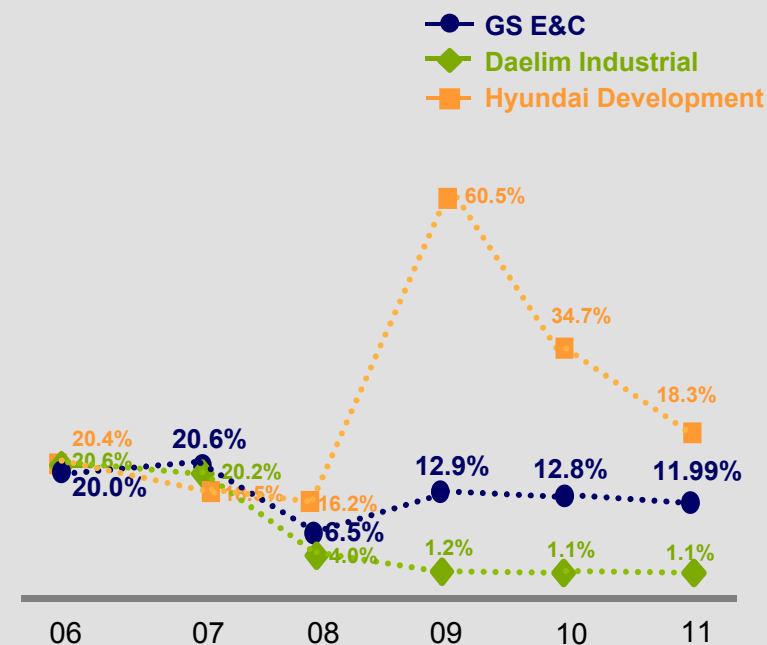
Appendix - Dividends



Yield & DPS



Payout Ratio

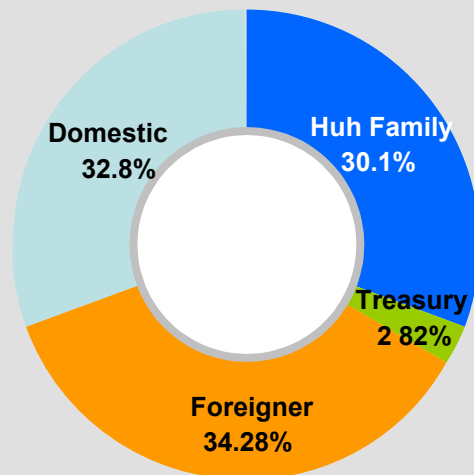


Appendix – Ownership Structure



GS E&C

(As of 2012.1H)



Huh Family

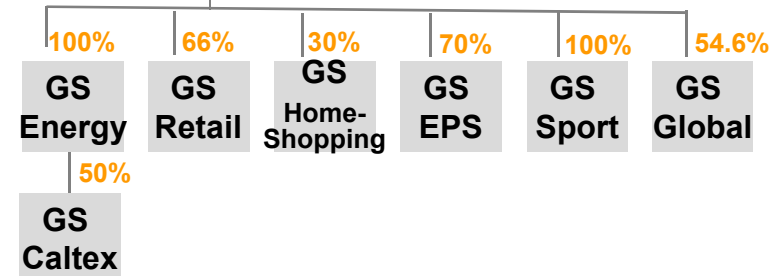
(As of 2012)

GS Holdings

30.4%



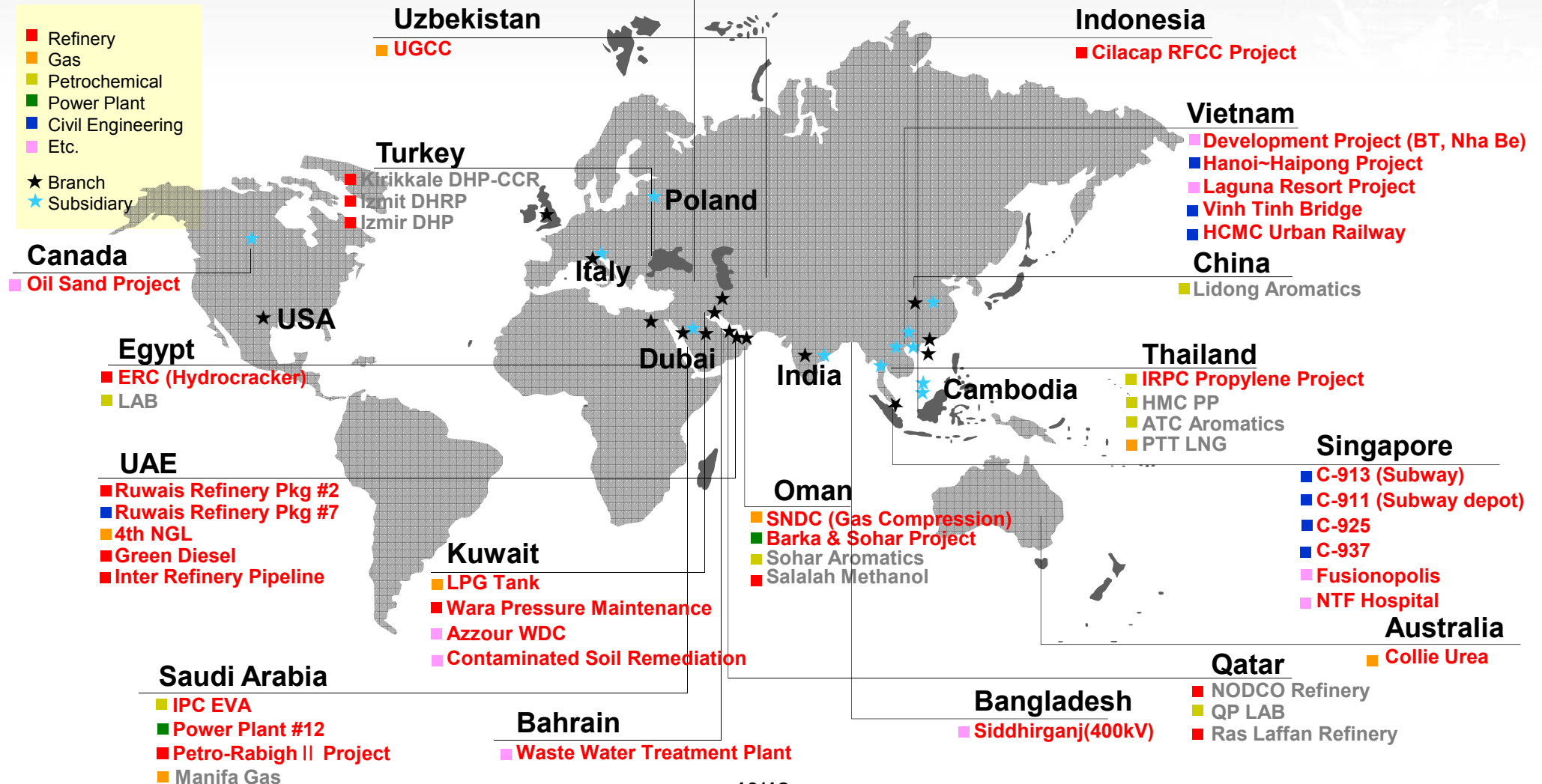
Subsidiary



Appendix – Major Overseas Projects



Red : On-going / Gray: Completed



Appendix – Statements of Financial Position



(K-IFRS Consolidated)

(KRW billion,%)

Account	08*	09*	10	11	12.1H
Total Asset	8,182	8,946	11,046	11,264	11,678
Cash & Deposits	809	1,467	1,494	1,488	1,457
Trade Receivables	2,242	2,429	4,415	4,627	4,403
Inventories	457	429	419	495	543
Investment & etc	1,839	1,628	1,316	1,173	1,301
Tangible Assets	1,412	1,422	2,348	2,195	2,286
Total Liabilities	5,147	5,647	7,275	7,306	7,663
Total Payables	1,483	1,366	1,680	1,734	1,588
Borrowing	772	972	1,323	1,776	2,346
Total Shareholders' Equity	3,035	3,299	3,771	3,958	4,015
Capital Stock	255	255	255	255	255
L/E Ratio	169.6	171.2	192.9	184.6	190.9

* K-GAAP parent company base

Appendix – Income Statements



(K-IFRS Consolidated)

(KRW billion,%)

Account		08*	09*	10	11	12.1H
Sales Revenue	Civil Engineering	657	833	1,048	1,097	590
	Plant	2,099	2,341	2,671	3,434	1,836
	Power Plant & Environment	393	495	542	921	493
	Architecture	1,275	1,180	1,497	2,226	830
	Housing	2,442	2,528	2,354	1,076	571
	Parnas etc.	-	-	308	298	143
Total		6,866	7,377	8,420	9,052	4,463
Gross Profit		913	955	1,130	1,029	470
Selling and Administrative Expenses		435	387	536	634	306
Operating Profit		478	568	633	598	175
Ordinary Profit		549	508	556	564	213
Net Profit		382	383	406	427	150

* K-GAAP parent company base



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