



GS E&C Vision 2020

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Jan 2. 2012

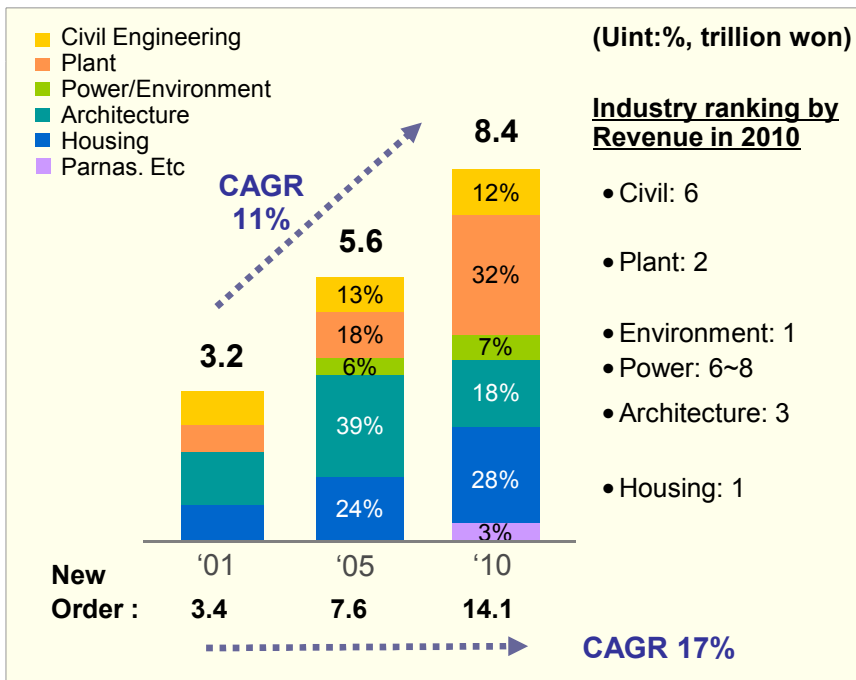
Vision 2020 – Background



GS E&C achieved high growth in the past 10 years, but ensuring sustainable growth amid rapidly-changing market environment requires 'selection & focus' on new growth engine and increase in investment to build growth momentum

Financial performance & portfolio (AS-IS)

- Revenue: KRW 8.4 trillion (No. 3 in industry, based on evaluation criteria on construction capability)
- Profits: KRW 641 billion (OP margin: 7.6%)
- New Orders : KRW 14.1 trillion



Limitation (AS-IS)

Limitation in growth of existing core businesses

Lack of clear growth engines

Organization and management system to lead growth

Growth model for E&C Company

Broader work types + Value Chain + Regional expansion + Adjacency expansion

Selection & Focus

+ Clearer direction in investment allocation

Vision 2020

Vision Statement	Best Partner, First Company to build Values in the World with Reliability and Creative Passion		
Slogan	Global Best & First		
Core Value	“Innovation” Great Innovation	“Best” Great Challenge	“Trust” Great Partnership
Goal	Sustainable Global Company		
Target in 2020	New Orders 35, Revenue 27, Operating Income 2 (Unit: trillion won)		

Vision 2020 Goal

Sustainable Global Company

Sustainable

- Pursue sustainable growth with profitability
 - New orders 35, Revenue 27, Operation income 2 in 2020

(Unit: trillion won)

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

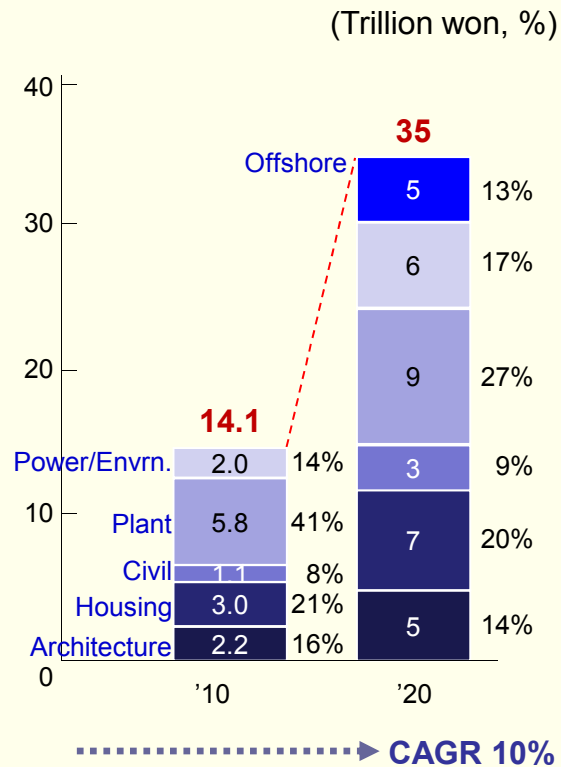
- Plant/Power& Environmental business with world-class work types
- Architecture/Housing/Civil business with upgraded development business capability
- Offshore business with synergy with onshore business

1. Business targets

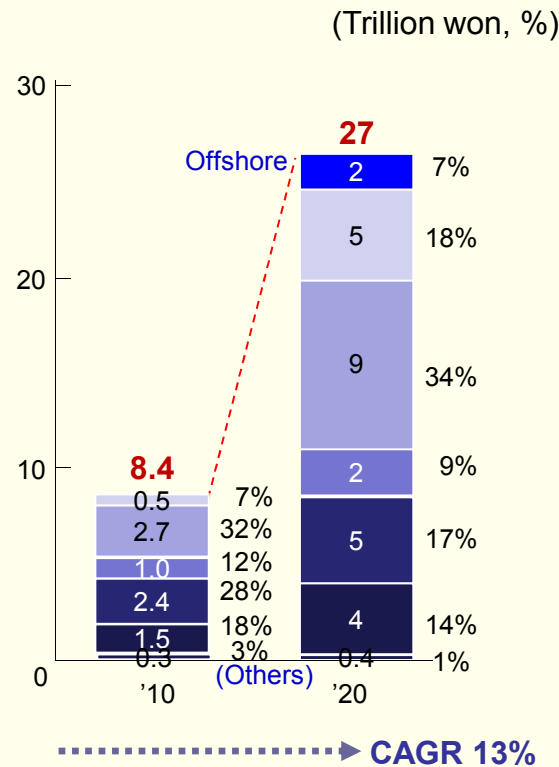


To actively expand business in Korea and overseas driven by current core and new growth businesses with an ultimate goal of achieving new orders of KRW 35 trillion, revenue of KRW 27 trillion and operating income of KRW 2 trillion in 2020

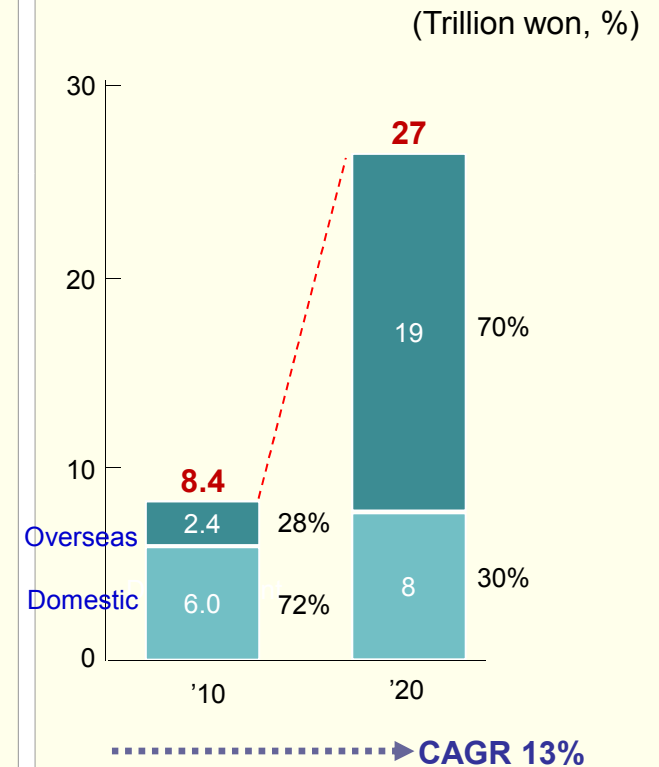
New orders



Revenue



Revenue (Domestic/Overseas)



2. Business portfolio in 2020



	Existing core business	New growth business	
		Core growth engine	Seed business
Housing	<ul style="list-style-type: none"> New apartment business Re-development/Re-construction 	<ul style="list-style-type: none"> Apartment(non-PF Guaranteed) Tailored specialized housing Housing business in overseas 	<ul style="list-style-type: none"> Real Estate operation Renovation
Architecture	<ul style="list-style-type: none"> Construction contract 	<ul style="list-style-type: none"> Multi-purpose development Small-scale development 	<ul style="list-style-type: none"> Green smart building Energy solution Ultra high voltage T/L & S/S
Civil	<ul style="list-style-type: none"> Civil contract (Including special bridge/ underground space/port) 	<ul style="list-style-type: none"> Private SOC Global PPP 	
Development		<ul style="list-style-type: none"> New town development Multi-purpose complex development 	<ul style="list-style-type: none"> New city operation in overseas
Plant	<ul style="list-style-type: none"> Oil refinery/petrochemical 	<ul style="list-style-type: none"> LNG liquefaction 	<ul style="list-style-type: none"> New Technology incl. gasification FEED/PMC Plant operation
Power & Environment	<ul style="list-style-type: none"> Water & Sewage treatment Waste treatment 	<ul style="list-style-type: none"> Nuclear/combined cycle power plant/coal power Desalination 	<ul style="list-style-type: none"> Wind Power Waste-to-energy Water treatment operation Water reuse
New business		<ul style="list-style-type: none"> Offshore business 	<ul style="list-style-type: none"> Concession IPP business Resource development
Operational Resource Investment		Strategic Resource Investment	SEED Investment

4. GS E&C in 2020



Point of Departure GS E&C in 2010

Financial performance:

- New orders : 14 trillion won
- Revenue: 8 trillion won
- Operating income: 0.6 trillion won

Portfolio*:

- Business: Housing(contract/in-house), petrochemical/oil refinery-focused business
- Geography
 - Korea-focused (Korea:overseas = 72%:28%)
 - Entry to Middle East and some South East Asia

Foundation for growth:

- Foreign employees mainly in supporting roles
- Organic growth focused

Point of Arrival GS E&C in 2020

“3~4 times growth in size”

- New orders : 35 trillion won
- Revenue: 27 trillion won
- Operating income: 2 trillion won

“Growth in tech/knowledge-intensive and global business”

- Business: Tech and knowledge intensive business such as desalination, LNG liquefaction, offshore, development etc.
- Geography
 - Global focus (Korea:overseas = 30%:70%)
 - Global, multi-region focus

“Global operation, inorganic growth”

- Increase in foreign executives, managers
- Global leading player becomes part of group; grow together as JV

* Size of portfolio based on revenue

Appendix - Governance



Great Challenge
최고



Great Innovation
변화



Great Partnership
신뢰



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