

Business Overview

Fiscal 2008 2nd Quarter Financial Results Briefing

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President and COO
Keisuke Takeuchi

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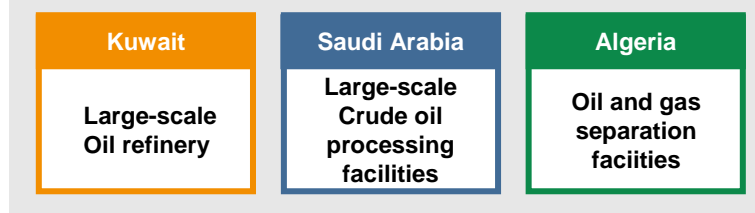
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1. Orders Received - 2nd Quarter

JGC

Orders received in 2nd quarter: approx. ¥600 billion
(Target for full year: ¥700 billion)

Major orders received

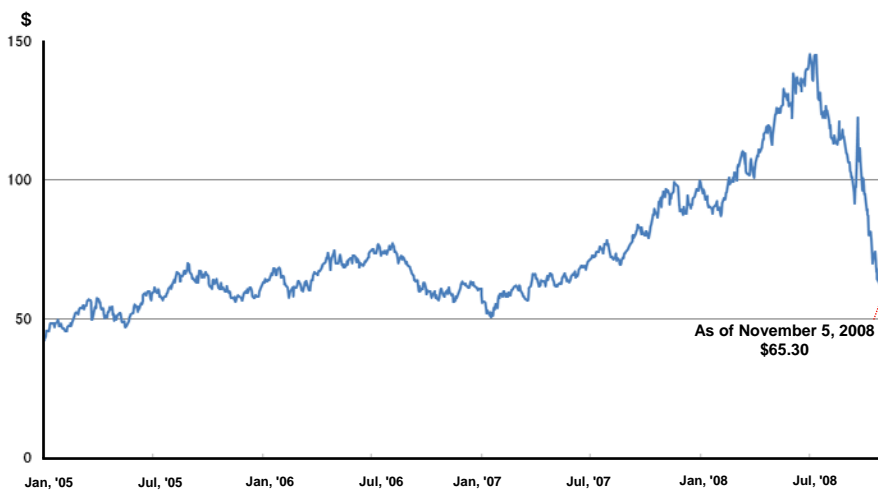


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2. Medium-term Market Trends (1)

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Trends in Crude Oil Prices (WTI spot)



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2. Medium-term Market Trends (2)

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Oil price assumptions in the budgets of oil producing countries

U.A.E.	\$23
Qatar	\$24
Kuwait	\$33
Saudi Arabia	\$49
Algeria	\$56
Iran	\$90

Source: Regional Outlook by IMF

Unit: Barrel

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2. Medium-term Market Trends (3)

JGC

“Oil revenues will cover projects. We have taken precautionary measures and the development and construction plans will not be affected by the current crisis.”

Statement by Ibrahim al-Assaf, Saudi Arabian finance minister, in The Saudi Gazette 2008

“Absent a deep global recession and much greater demand reduction, both oil and natural gas activity will remain “Stronger for Longer”. It is unrealistic to think that 5 years of increased spending can compensate for 20 years of under-investment.”

Statement from Andrew Gould, CEO, Schlumberger, in Investor Conference 2008



Energy related investment will not drop abruptly

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2. Medium-term Market Trends (4)

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Projects financially dependent on market conditions, or those requiring debt funding, might be put on hold.

The appetite for energy-related regional and national infrastructure construction projects will continue.

Continued promotion of domestic industrialization

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2. Medium-term Market Trends (5)

JGC

Economic and population growth in Middle Eastern oil producing countries will bring increased demand for electricity to be generated by oil and gas.



	Current power generation capacity (2007)	Estimated electricity demand (2015)	
U.A.E.	16,800	39,200	+133%
Qatar	4,200	10,700	+155%
Saudi Arabia	35,900	50,900	+42%
Kuwait	10,200	20,200	+98%
Bahrain	2,700	5,700	+111%
Oman	3,300	5,300	+61%

Source: Middle East Business Intelligence

Unit: MW

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2. Medium-term Market Trends (6)

JGC

The Middle East will become a large consumer of energy



	Current oil demand (2007)	Estimated demand (2015)	
U.A.E.	658	964	+47%
Qatar	118	220	+86%
Saudi Arabia	1,822	3,220	+77%
Kuwait	249	492	+98%
Bahrain	38	58	+53%
Oman	65	95	+43%

Source: FACT Global Energy

Unit: kb/d

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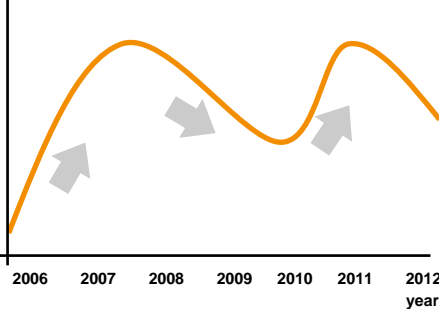
3. Climate Surrounding Contractors

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Construction manpower required in the Middle East

Temporary decline toward 2010,
but demand will peak again
in 2011.

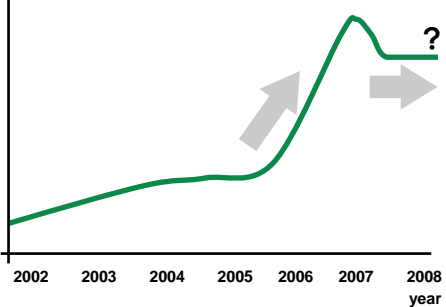
Manpower needed



Trends in material prices

Likely to remain high, but prices
could fluctuate depending on the
progress of projects.

Material and equipment prices



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4. JGC's Action Policy

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Secure profits through hedging risk

Take into consideration unstable market factors such as rises in equipment & material costs, lack of skilled labor, etc

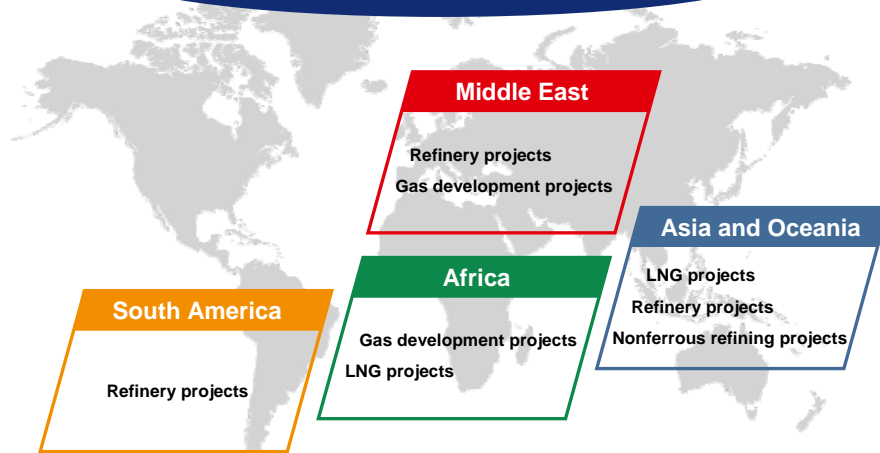
- ➔ Select projects more strategically and maintain backlog at an appropriate level
- ➔ Pursue projects in a wider range of regions and sectors
- ➔ Diversify contract formats
- ➔ Act early to obtain labor resources

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5. Prospects for FY 2009 Orders

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Total focused projects: ¥1.5 trillion



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For questions concerning this material, please contact:
JGC Corporation
PR and IR Department
Tel: 81-45-682-1111 Fax: 81-45-682-1112
E-mail: ir@jgc.co.jp