

## 2011 年 12 月 期 第 3 四半期財務・業績の概況（連結）

平成 23 年 10 月 24 日

会 社 名：株式会社ポスコ（株式銘柄コード： 5412）

本 店 所 在 地：大韓民国慶尚北道浦項市南区槐東洞 1 番地

所 属 部：東証第一部

決 算 期：本決算：年 1 回(12 月) 中間決算： 四半期ごと

問合せ先：東京青山・青木・狛法律事務所ベーカー&マッケンジー

外国法事務弁護士事務所（外国法共同事業）

弁護士 高橋 謙（TEL. 03-5157-2700）

1. 本国における第 3 四半期決算発表日 2011 年 10 月 21 日（金曜日）

2. 業績(韓国採択国際財務報告基準（K-IFRS）)

(1) 経営成績の進捗状況（連結）

	2010年 第 3 四半期	2011年 第 2 四半期	2011年 第 3 四半期	増減率 (前期比)
売上高 (単位：十億ウォン)	11,186	17,047	16,953	△0.6%
営業利益 (単位：十億ウォン)	1,233	1,746	1,298	△25.7%
純利益（税引き後） (単位：十億ウォン)	1,083	1,372	233	△83.0%

(注) 1. 税引き後利益は、異常項目加減後の利益である。

2. 増減率の欄で、△印を付した数値は前期に対する減少を示す。

(2) 財政状態（連結）

	2010年 第 3 四半期	2011年 第 2 四半期	2011年 第 3 四半期	増減率 (前期比)
総資産 (単位：十億ウォン)	66,025	74,531	77,892	4.5%
株主資本 (単位：十億ウォン)	37,298	39,994	40,170	0.4%
株主資本比率	56.5%	53.7%	51.6%	-

3. 2011 年 12 月期の業績予想（単体）(2011 年 1 月 1 日 ～ 2011 年 12 月 31 日)

	売上高
通 期	39.3 兆ウォン

#### 4. 概況・特記事項・その他

- ・当社は、今期より韓国採択国際財務報告基準（K-IFRS）を採用いたしました。
- ・IFRS 採用に伴い、上記「2. 業績」における 2010 年度の数値は調整されております。
- ・今期より上記「2. 業績」における数値は単体ではなく連結のものとなっております。

以 上



# **3Q 2011 Operating Performance**

*Oct 21, 2011*

- **3Q Operating Performance**

- ▶ **Consolidated Operating Performance**

- POSCO Operating Performance

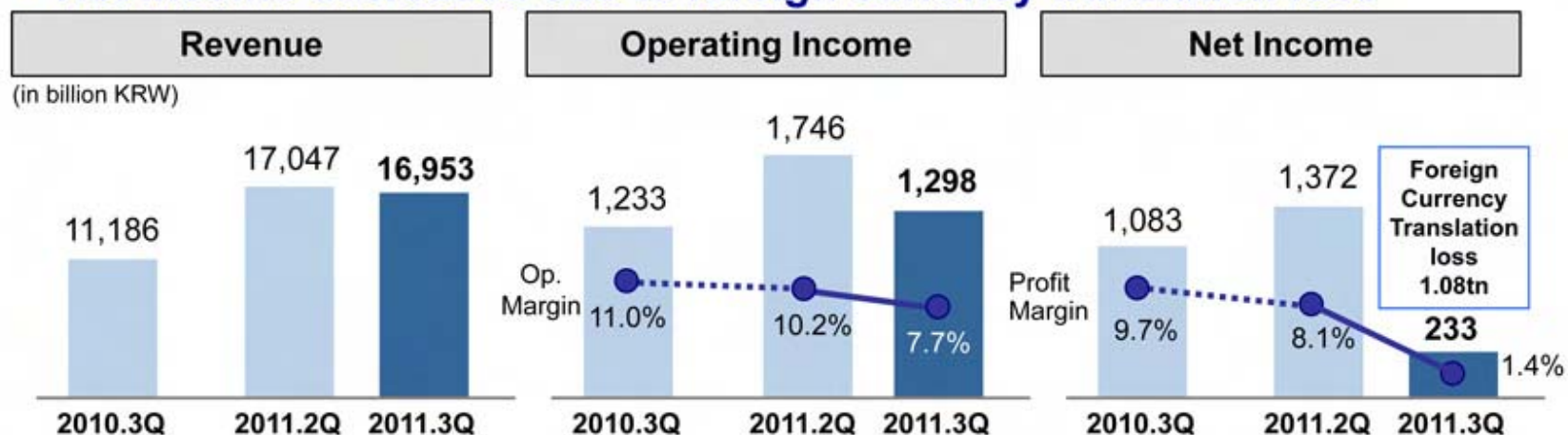
- Activities & Accomplishments
  - Overseas Investment Strategy and Progress
  - Steel Industry Environment
  - 2011 Business Plan

Figures provided in this presentation are based on unaudited financial statements of the Company.  
Certain contents in this presentation are subject to change during the course of auditing process

# Income

## Consolidated Operating Performance

- Sluggish global market impacted Operating Income
- Net income decreased due to foreign currency translation loss



(in billion KRW)	Revenue			Operating Income			Net Income		
	'10.3Q	'11.2Q	'11.3Q	'10.3Q	'11.2Q	'11.3Q	'10.3Q	'11.2Q	'11.3Q
Steel-Support	12,021	14,478	14,503	1,125	1,637	1,223	984	1,382	274
E&C	1,865	1,902	1,988	108	59	△18	95	38	△43
ICT	203	245	211	3	6	5	0	7	7
Energy	200	450	478	17	29	43	△3	3	△26
Trade	1,089	7,043	6,968	17	56	73	8	56	21
Chem-Mat'l	206	402	506	21	35	34	14	28	16

※ Sales by sector: includes inter-company transactions

### ■ FX rate caused foreign-currency denominated debt to increase in KRW



(in billion KRW)	Assets			Liabilities			Assets		
	'10.3Q	'11.2Q	'11.3Q	'10.3Q	'11.2Q	'11.3Q	'10.3Q	'11.2Q	'11.3Q
Steel-Support	58,788	65,696	68,430	18,475	22,069	24,197	40,314	43,628	44,233
E&C	5,983	7,343	7,926	3,647	4,389	4,885	2,336	2,955	3,041
ICT	661	670	670	408	423	402	253	247	268
Energy	2,414	2,799	2,864	1,854	2,120	2,192	560	679	672
Trade	9,177	10,934	12,947	7,272	8,716	10,649	1,905	2,218	2,298
Chem·Mat'l	562	1,196	1,436	248	644	757	313	552	679

※ Sales by sector: includes inter-company transactions



## ■ Summarized Statements of Income

(in billion KRW)

	2010.3Q	2011.2Q	2011.3Q	QoQ(%)
Revenue	11,186	17,047	16,953	△0.6
Gross Income	1,862	2,671	2,277	△14.8
(Gross Margin)	(16.6%)	(15.7%)	(13.4%)	
CG & A	601	874	881	0.8
Other Operating Income	△28	△ 51	△ 98	△92.2
Operating Income	1,233	1,746	1,298	△25.7
(Operating Margin)	(11.0%)	(10.2%)	(7.7%)	
Equity Method Gains	48	35	15	△57.1
Finance Item Gains	153	44	△1,056	
Foreign Currency Transaction & Translation Gains	208	199	△1,084	
Net Income	1,083	1,372	233	△83.0
(Profit Margin)	(9.7%)	(8.0%)	(1.4%)	
Owners of the Company	1,067	1,323	232	△82.5

## ■ Summarized Statements of Financial Position

(in billion KRW)

	2010.3Q	2011.2Q	2011.3Q	QoQ (%)
<b>Current Assets</b>	26,487	31,662	<b>33,375</b>	5.4
<b>Cash Equivalents</b>	7,442	7,973	<b>8,315</b>	4.3
<b>Notes Receivable</b>	9,062	10,947	<b>11,026</b>	0.7
<b>Inventory</b>	8,840	11,454	<b>12,203</b>	6.5
<b>Long-term Assets</b>	39,538	42,869	<b>44,517</b>	3.8
<b>Other Financial Assets</b>	5,381	6,022	<b>5,712</b>	△5.2
<b>Fixed Assets</b>	24,692	26,555	<b>27,706</b>	4.3
<b>Total Assets</b>	66,025	74,531	<b>77,892</b>	4.5
<b>Liabilities</b>	28,727	34,537	<b>37,722</b>	9.2
<b>Current Liabilities</b>	17,040	19,952	<b>21,061</b>	5.6
<b>Long-term Liabilities</b>	11,687	14,585	<b>16,661</b>	14.2
<b>(Interest-bearing debt)</b>	18,827	(23,813)	<b>(27,369)</b>	(14.9)
<b>Equity</b>	37,298	39,994	<b>40,170</b>	0.4
<b>Controlling Interests</b>	35,459	37,955	<b>37,804</b>	△0.4
<b>Total Liabilities &amp; Equity</b>	66,025	74,531	<b>77,892</b>	4.5

\* Cash equivalents: cash & cash equivalents, other short-term financial assets



- **3Q Operating Performance**

- Consolidated Operating Performance

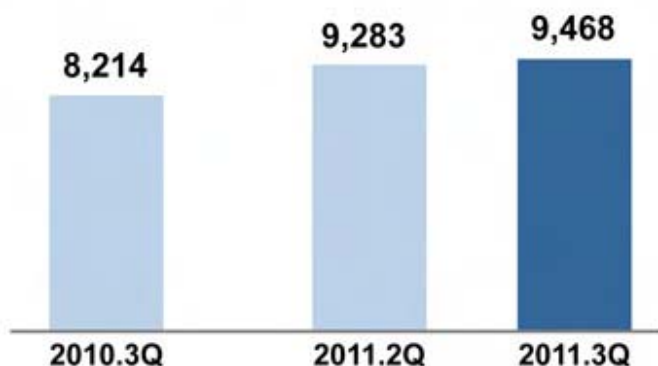
- ▶ **POSCO Operating Performance**

- Activities & Accomplishments
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## ■ Production/sales increased, export ratio rose due to weak domestic mkt

Crude Steel Production

(in thousand tons)



Carbon Steel	7,766	8,814	8,982
S T S	448	469	486

Finished Product Sales

(in thousand tons)



Domestic	4,957	5,751	5,067
Export	2,783	2,906	3,619
Inventory	656	898	958

### ※ Facility expansion & periodic maintenance

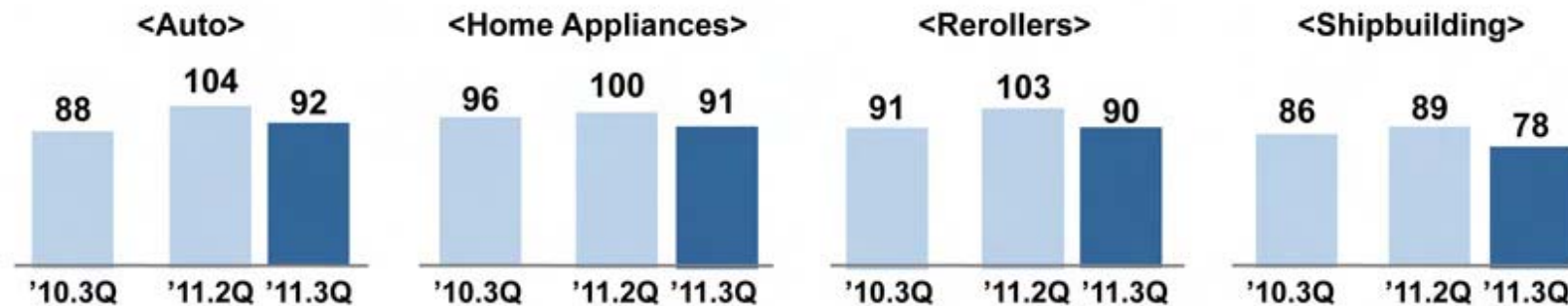
- Expansion: G) 4POL completed (Sep.1<sup>st</sup>)
- Maintenance: P) 2HR Mill(Jul.11<sup>th</sup> ~ 23<sup>rd</sup>), G) 1HR Mill (Aug.29<sup>th</sup> ~ Sep.4<sup>th</sup>),

P)1&3Plate Mill (Sep.20<sup>th</sup> ~28<sup>th</sup>), 3Wire Rod (Jul.1<sup>st</sup> ~10<sup>th</sup>), 3Electronic Steel (Aug.22<sup>nd</sup> ~28<sup>th</sup>)

## ■ Plate & wire rod sales declined due to slow market & maintenance

Utilization Ratio by Industry (Domestic)

(%, compared to prior year's peak)



(in thousand tons)

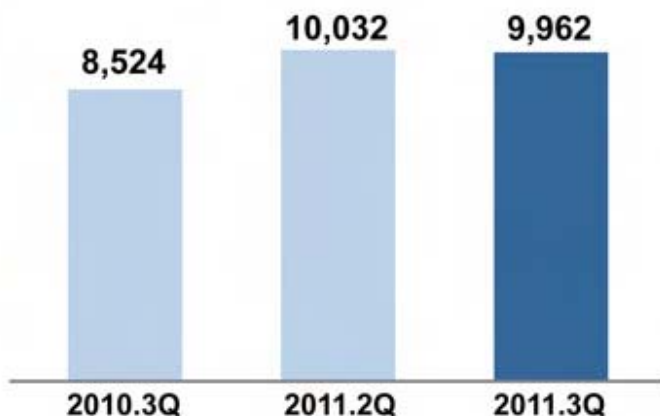
	2010.3Q	2011.2Q	2011.3Q	YoY (%)	QoQ (%)
Hot Rolled	1,912	1,904	1,906	Δ0.3%	0.1%
Plate*	1,075	1,648	1,540	43.2%	Δ6.6%
Wire Rod	509	539	507	Δ0.4%	Δ5.9%
Cold Rolled	3,243	3,305	3,449	6.4%	4.4%
Electrical Steel	246	246	233	Δ5.3%	Δ5.3%
S T S	417	441	438	5.0%	Δ0.7%
Others	338	575	613	81.4%	6.6%
Total	7,740	8,657	8,686	12.2%	0.3%

\* Includes HR Plate

## ■ Sluggish market and higher input cost lowered operating income

Revenue

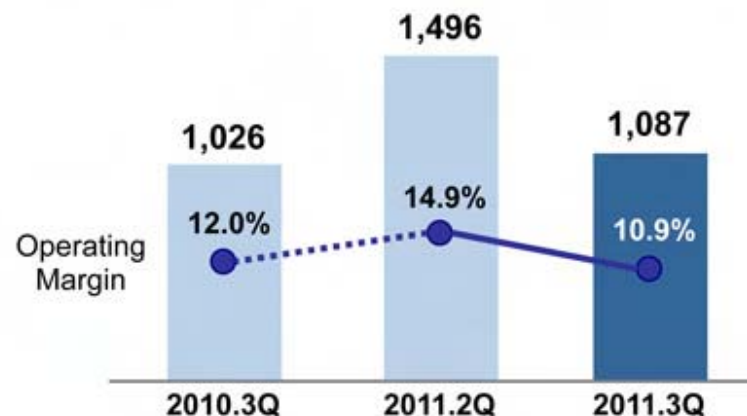
(in billion KRW)



Despite slight increase in ASP, revenue stayed flat due to increased export ratio

Operating Income

(in billion KRW)



Manufacturing cost rose as high-priced raw materials from 2Q fully used

(thousand KRW/ton)	2Q		3Q			
	Domestic	Export	Domestic	QoQ	Export	QoQ
Carbon Steel ASP	1,040	950	1,045	+5	953	+3

- 3Q Operating Performance

- ▶ **Activities & Accomplishments**

- Overseas Investment Strategy and Progress
- Steel Industry Environment
- 2011 Business Plan



# POSCO's Key Activities

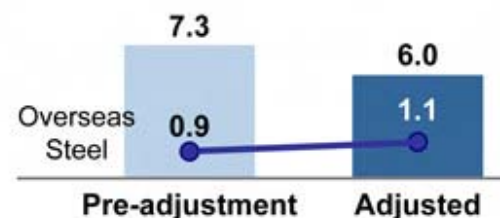
## Activities & Accomplishments

### Contingency Plan Management to Weather the Crisis

- **Challenging new cost savings target**
  - ✓ Raised cost cutting target : KRW 1 tn → 1.4 tn
  - Achieved KRW1.1 tn (3Q cumulative progress 78.6%)
- **Despite decrease in capex, continue to expand overseas steel investment to sustain growth**
  - ✓ 2011 Capex KRW 7.3 tn → 6 tn

### 2011 Capex Adjustment

(in trillion KRW)



### Reinforce Marketing Strategy Focused on High Value - Added Product

- **Increase sales of World Best / World First products**
  - ✓ Quarterly WF/WB sales ratio on a rise
  - ✓ Auto steel & TMCP for shipbuilders order increase
- **Total Solution marketing brings results**
  - ✓ Signed exclusive deal to supply plate for off-shore plant to Shell for 5 yrs
  - ✓ High-strength CR(1.0GPa) applied to Hyundai Motors' new-model

### WB/WF Sales

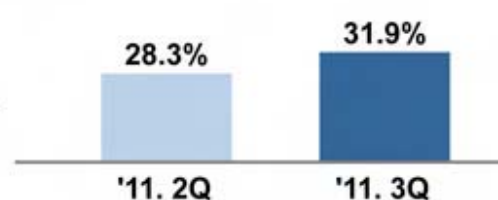
(thousand tons)



### Improve Raw Materials Self-Sufficiency Ratio

- **Coal Self-Sufficiency Ratio up by 3.6%**
  - ✓ Acquired 20% stake in Canada Mt. Klappan PJT (Bituminous 700K ton)
  - ✓ Additional purchase of 9.4% stake in U.S. NCR\* PJT (Total holding 29.4%, HCC 700K ton)

### Coal Self-Sufficiency Ratio



\*NCR: New Century Resources

### ■ Maximize steel synergy & strengthen subsidiaries' competitiveness

<b>Indonesia Integrated Mill Project</b>	<ul style="list-style-type: none"> <li>✓ <b>POSCO E&amp;C: Construction in Progress</b> (Pile Driving 37.6%, 2<sup>nd</sup> Phase Land Preparation 38.7%)</li> <li>✓ <b>POSCO-ICT: EIC contract with steel works (plate, cokes plants etc.)</b></li> <li>✓ <b>POSCO Power: Started Construction for Combined Cycle Power Plant (Sep)</b></li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Enhance POSCO Family synergy</b> <ul style="list-style-type: none"> <li>- POSCO product sales continue to grow :Increase by 36% YoY</li> </ul> </li> <li>• <b>Myanmar gas field &amp; new project development</b> <ul style="list-style-type: none"> <li>- Test drilling of 4 gas fields in Block A-3 /Test production completed</li> <li>- First as a private company to contract developing gas fields in continental shelf (Sep, East Sea Block 6-1)</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• <b>City development project in Korea</b> <ul style="list-style-type: none"> <li>- Housing construction in multi-functional administrative city, city re-development project, etc.</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Progress in coal chemical project</b> <ul style="list-style-type: none"> <li>- J/V with Mitsubishi Chemical/Trading corporations on needle-coke (Sep)</li> <li>- Anode materials plant for Lithium secondary batteries to complete (Oct)</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Win contracts in overseas and domestic steel sector</b> <ul style="list-style-type: none"> <li>- New EIC order in Pohang Works</li> </ul> </li> <li>• <b>Raise capa. in new growth business</b> <ul style="list-style-type: none"> <li>- Won contract for setting up Yeosu sea transportation control system(Aug)</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Penetrate into overseas power plant market</b> <ul style="list-style-type: none"> <li>- Vietnam Mong Duong II coal-fired power plant of 1,200MW (Sep)</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Continue to develop comprehensive materials business</b> <ul style="list-style-type: none"> <li>- MOU with Indonesia's DS on AI project (30Kt/yr, Land purchase completed in July)</li> <li>- High-concentrate Aluminum JV signed w/ KC Ltd., Samsung Heavy Ind.</li> </ul> </li> </ul>

- 3Q Operating Performance
- Activities & Accomplishments

▶ **Overseas Investment Strategy and Progress**

- Steel Industry Environment
- 2011 Business Plan

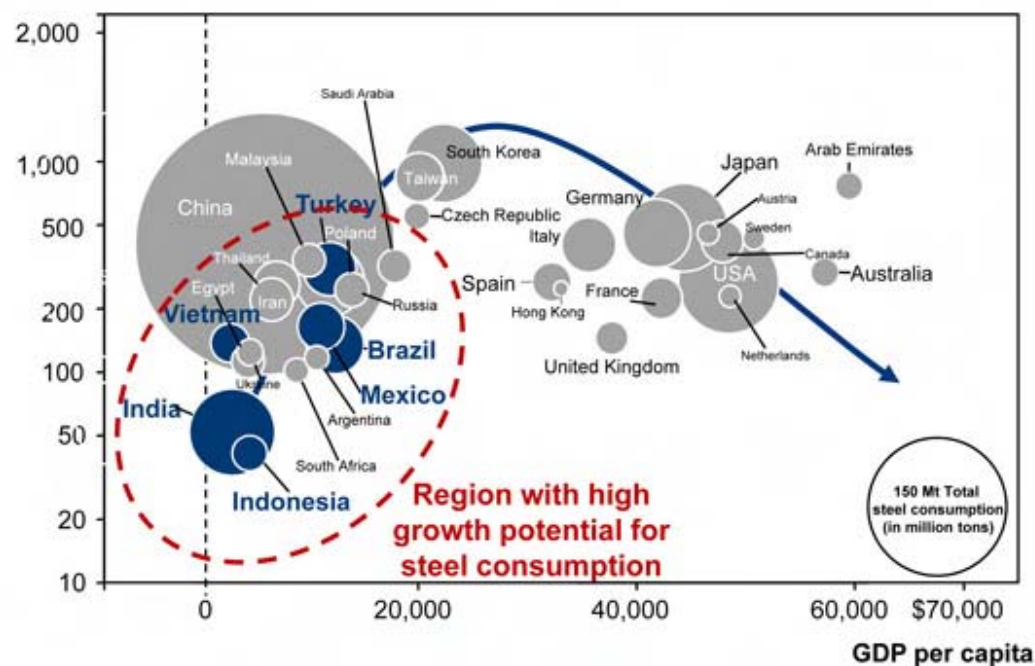


## ■ Steel consumption in line with economic growth rate in emerging mkts

### GDP vs steel consumption per capita

Steel consumption forecasted to increase until GDP per capita reaches USD 20,000

Steel consumption per capita (Kg)



### Target Country Profiles

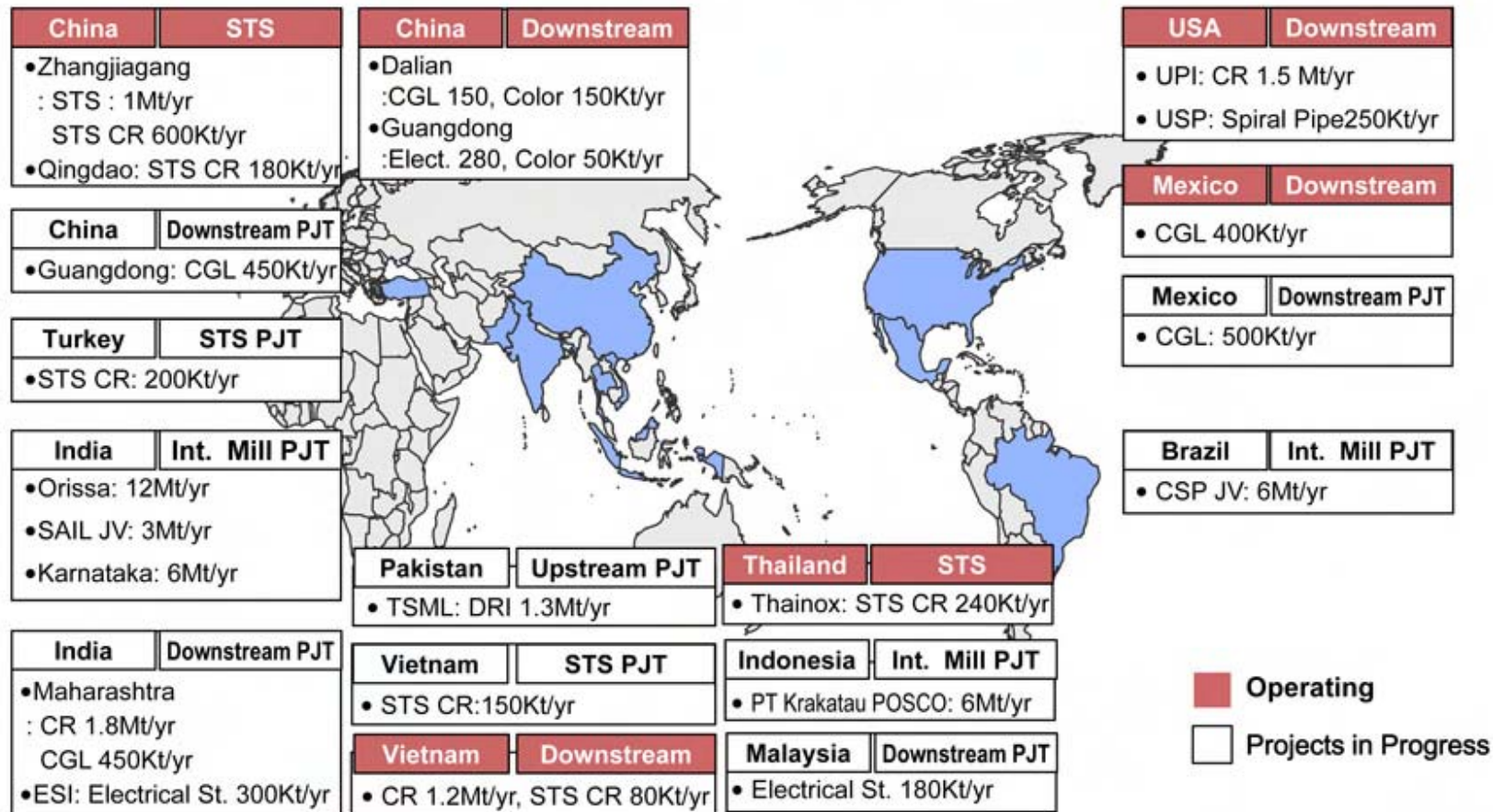
	Steel Cons'n growth rate*	GDP growth rate*
India	8.4%	7.7%
Indonesia	5.5%	6.0%
Turkey	6.0%	4.5%
Brazil	4.4%	4.4%
Mexico	4.5%	3.2%
Vietnam	n/a	5.6%

\* 2011~2020 expected annual growth rate

Source: WSD, OECD, EIU

## Global expansion focusing on emerging markets

✓ Early entry into emerging markets with high growth potential (SE Asia, India, China, etc.)





## Global up/downstream projects well on track



✓ By 2015, 7 Mt/yr in integrated, 9.1 Mt/yr in downstream capacity

[Projects in Progress]

.....▶● PJT completion

Project			Progress	'12	'13	'14	'15
Carb'n Steel	Brazil(CSP)	1 <sup>st</sup> Stage (3Mt/yr)	Multipurpose terminal completed	.....▶●			Feb. '15
	Indonesia	1 <sup>st</sup> Stage (3Mt/yr)	Pile driving 38% completed	.....▶●	Dec. '13		
	China CGL	New capacity 450Kt/yr	Comprehensive progress 43%	.....▶●	Dec. '12		
	Mexico CGL	2CGL expansion (500Kt/yr)	Groundwork in progress	.....▶●	Jul. '13		
	India CR	New capacity 1.8Mt/yr	Groundwork started	.....▶●		Jan. '14	
	India CGL	New capacity 450Kt/yr	Comprehensive progress 81%	.....▶●	Jun. '16		
	India Elec. St.	New capacity 300Kt/yr	Groundwork started	.....▶●		Jan. '14	
STS	VST	CR expansion 150Kt/yr	Electric generation construction	.....▶●	Feb. '12		
	Turkey	CR New capacity 200Kt/yr	Construction started	.....▶●	Apr. '13		

• Orissa: Land acquisition in progress • SAIL JV: Finalizing details for MOU • Karnataka: : site selection (Jan.'11)

### 49Mt Global Crude Steel Production by 2015

※ More than 50Mt including integrated mill projects in India

- 3Q Operating Performance
- Activities & Accomplishments
- Overseas Investment Strategy and Progress

## ▶ **Steel Industry Environment**

- 2011 Business Plan

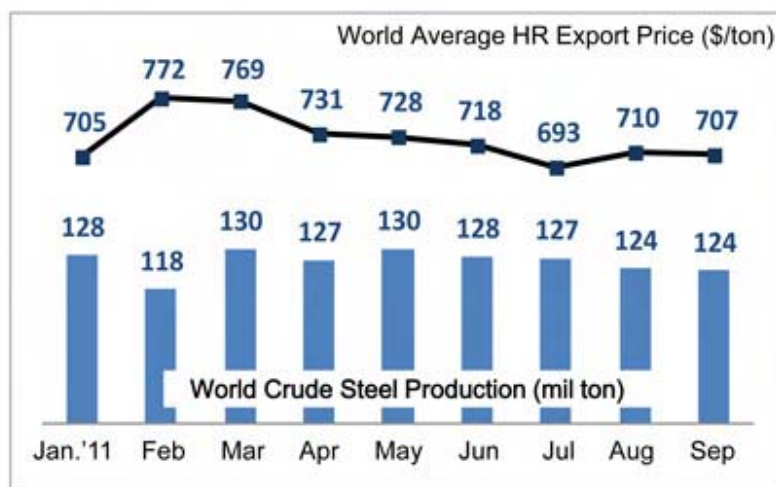
## ■ Despite slowing production growth, steel prices remain weak

- Global crude steel production growth slows, but annual production at historical high
- Oversupply expected to continue, putting steel prices under pressure

## ■ Economic uncertainty · China's tightening dims growth in steel demand

- Annual growth rate forecasted to linger at 6% despite 8% demand growth in 1H

World Steel Price & Crude Steel Production



Steel Demand Outlook

(mil ton)	2008	2009	2010	2011	YoY
U.S.	98	59	80	89	12%
EU	183	120	145	155	7%
China	447	551	598	643	8%
India	51	58	65	68	4%
Russia	35	25	36	41	13%
World	1,218	1,141	1,312	1,398	6%

\* World Steel Association(Oct.'11)



## ■ Korea now net exporter as domestic production exceeds consumption

(thousand ton) Steel Demand and Supply Outlook

구 분	2009	2010	2011	3Q	4Q	QoQ
Nominal Consumption	45,411	52,390	56,235	13,040	13,350	+2.4%
Export	20,541	24,881	28,215	7,250	7,440	+2.6%
Production	56,919	65,942	71,238	17,150	17,750	+3.5%
Import	9,033	11,329	13,213	3,140	3,040	△3.2%
Inc. Semi-Product	20,578	25,090	23,905	5,650	5,350	△5.3%

\* POSRI(Oct.'11)

## ■ Steel consumption decline to prolong in 2H as key sectors slows

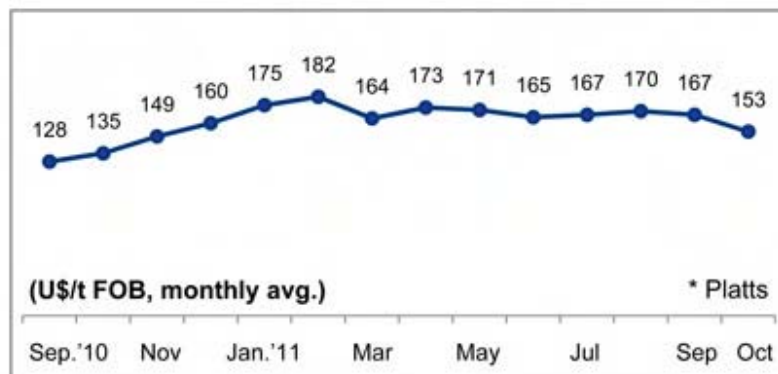
Auto	<ul style="list-style-type: none"> <li>• 2H consumption to slow despite historical prod'n record of 4.5 mil. units/annum</li> <li>✓ Production (thousand units) : 4,272 ('10) → 4,493 ('11. 1Q:1,081 / 2Q:1,222 / 3Q: 1,051 / 4Q: 1,140)</li> </ul>
Home Appliance	<ul style="list-style-type: none"> <li>• Production to decline due to weak consumer sentiment hit by slow economy</li> <li>✓ Production Index ('07=100) : 130 ('10) → 136 ('11. 1Q:140 / 2Q:152 / 3Q: 132 / 4Q: 120)</li> </ul>
Shipbuilding	<ul style="list-style-type: none"> <li>• New orders &amp; shipbuilding volume to show downward trends in 2H</li> <li>✓ Building (mil GT) : 32.4 ('10) → 31.8 ('11. 1Q:7.4 / 2Q:10.1 / 3Q: 8.1 / 4Q: 6.2)</li> <li>✓ Orders (mil GT) : 29.7 ('10) → 30.2 ('11. 1Q:6.7 / 2Q:10.3 / 3Q: 6.7 / 4Q: 6.5)</li> </ul>

## Raw Materials prices to decline due to weak steel demand

### Iron Ore

- **4Q 2011 contract price decrease by 1.5%**
  - ✓ 3Q (Jul~Aug) prices decreased due to seasonality
- **Spot price decrease due to weak demand**
  - ✓ China expected to delay import for inventory build-up due to prospects of falling price

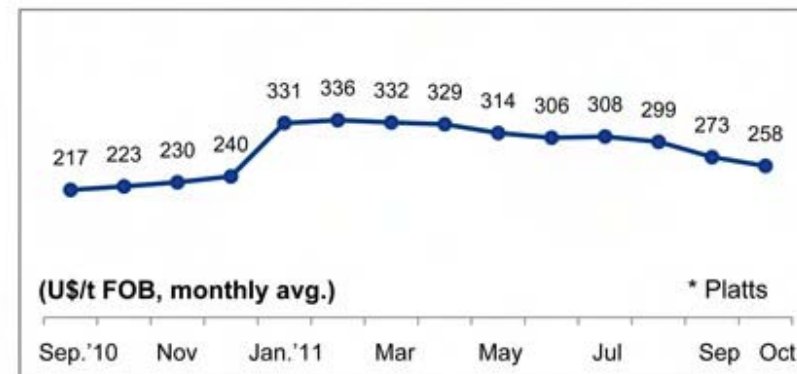
Iron Ore Spot Price Trend



### Coal

- **4Q HCC U\$285 /ton (Δ9.5% QoQ)**
  - ✓ Queensland recovery ; China's imports decline
  - ✓ PCI: U\$208/ton(Δ9.6%), Semi-soft:\$179(Δ15.6%)
    - \*semi-soft contracts settled semi-annually with major suppliers (Oct.'11~ Mar.'12)
- **Spot price decrease due to weak demand**
  - ✓ Price uncertainty due to AUS monsoon season

Coal Spot Price Trend





## Stainless steel price to decline due to weak global demand

### Sales

- **Customer hesitant to purchase during global recession**
  - ✓ China: Price decreased due to weaker Ni prices & monetary tightening
    - \* \$3,050 in July → \$2,870(Δ180) (early October)
  - ✓ EU: Price decreased due to surcharge reduction
- **STS demand recovery expected, given nickel price is maintained above \$18K/ton**

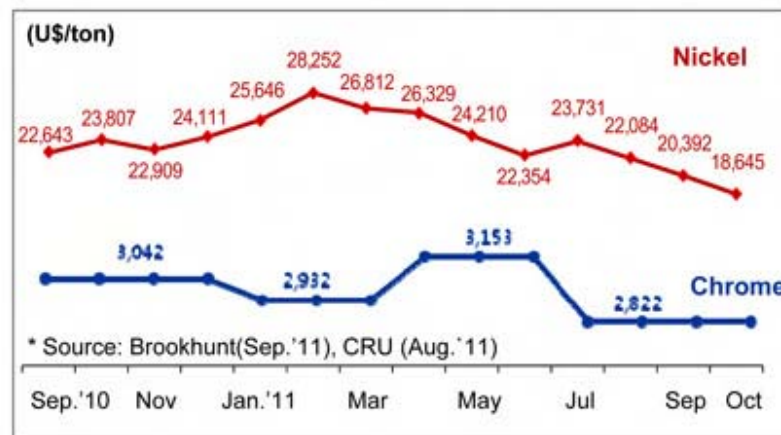
### Raw Materials

- **Nickel**
  - ✓ Euro-crisis & U.S. recession caused prices to fall
  - ✓ '11.4Q : Forecast U\$ 18 ~ 20K/ton range
- **Chrome**
  - ✓ Steady prices led by uncertainties in the STS market
  - ✓ Despite request for price increase, benchmark prices set to be flat in 3Q

STS CR Price Trend



Nickel · Chrome Price Trend



- 3Q Operating Performance
  - Activities & Accomplishments
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- ▶ **2011 Business Plan**

# 2011 Business Plan

- As instability continues, sales target maintained but CAPEX adjusted

		<u>2010</u>	<u>2011</u>
• Revenue	(in trillion KRW)	47.9	68.7
- POSCO Revenue	( " )	32.6	39.3
▪ Crude Steel Production	(in million ton)	33.7	37.1
▪ Product Sales	( " )	31.5	34.7
• Investment	(in trillion KRW)	11.2	8.7
- POSCO Investment	( " )	9.4	6.0

The data above represents company's internal objectives,  
Thus should not be used as a basis for investment decision

# **3Q 2011 Operating Performance**

*Oct 21, 2011*