

## 2014年12月期 第1四半期財務・業績の概況（連結）

平成26年4月25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：ベーカー&マッケンジー法律事務所（外国法共同事業）  
 弁護士 高橋 謙（TEL. 03-6271-9900）

1. 本国における第1四半期決算発表日 2014年4月24日（木曜日）

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）

	2013年 第1四半期	2013年 第4四半期	2014年 第1四半期	増減率 (前期比)
売上高 (単位：十億ウォン)	14,582	16,529	15,440	△6.6%
営業利益 (単位：十億ウォン)	717	744	731	△1.7%
純利益(税引き後) (単位：十億ウォン)	292	258	56	△78.3%

(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）

	2013年 第1四半期	2013年 第4四半期	2014年 第1四半期	増減率 (前期比)
総資産 (単位：十億ウォン)	82,253	84,455	85,891	1.7%
株主資本 (単位：十億ウォン)	42,615	45,822	45,311	△1.1%
株主資本比率	51.81%	54.26%	52.75%	-

3. 2014年12月期の業績予想（連結）(2014年1月1日～2014年12月31日)

	売上高
通 期	63.5兆ウォン

#### 4. 概況・特記事項・その他

該当事項なし。

以 上

# **2014 1Q Earnings Release**

***April 24, 2014***

## ● **1Q Operating Performance**

### ▶ **Consolidated**

- **POSCO**

- **Subsidiaries**

## ● **Business Environment**

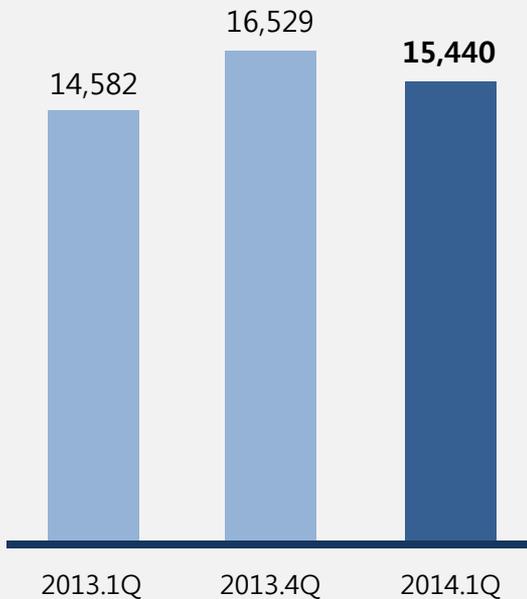
## ● **2014 Business Plan**

## Income

Operating profit margin climbed as non-steel profitability enhanced, while revenue and operating profit dropped from 4Q 2013

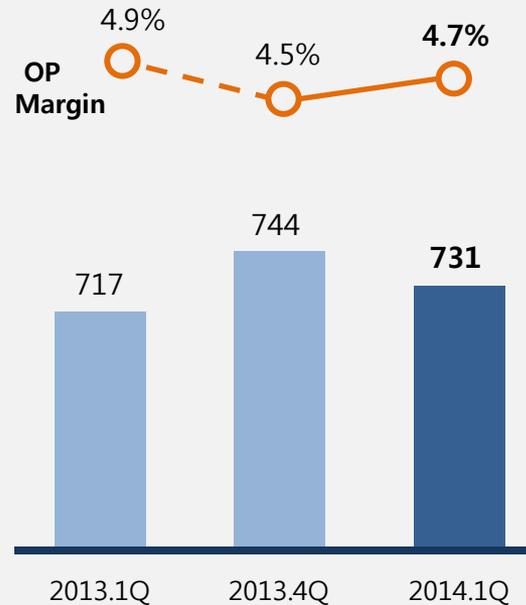
### Revenue

(billion KRW)



### Operating Profit

(billion KRW)



### Net Profit

(billion KRW)



※Net profit dropped from 4Q as forex-related losses and tax investigation results were reflected  
 #/\$: '13.12/E) 1,055.3 → '14.3/E) 1,068.8

## Income by Sector

Aggregated operating profit increased as non-steel performance improved led by trade and construction sectors

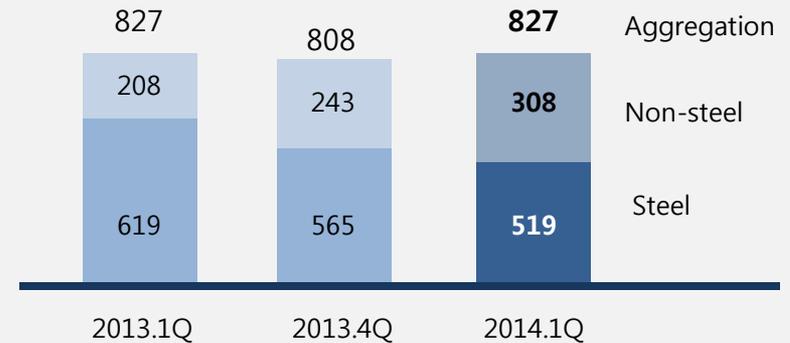
### Revenue

(billion KRW)



### Operating Profit

(billion KRW)



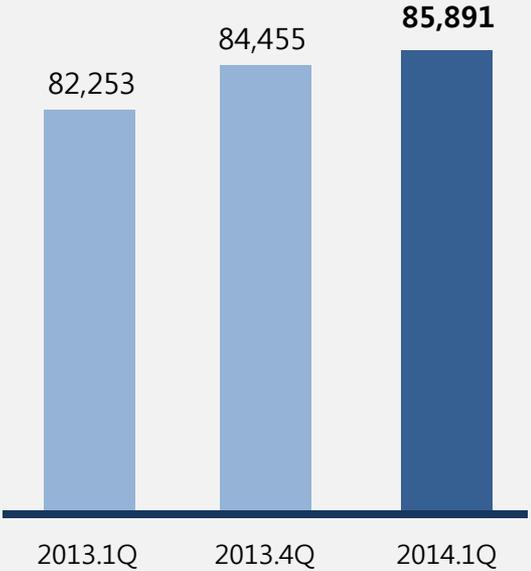
	Revenue			Operating Profit			Net Profit		
	2013.1Q	2013.4Q	2014.1Q	2013.1Q	2013.4Q	2014.1Q	2013.1Q	2013.4Q	2014.1Q
<b>Steel</b>	12,027	12,074	11,945	619	565	519	414	290	92
<b>Trade</b>	6,111	7,595	7,347	34	52	74	△11	△83	31
<b>E &amp; C</b>	2,188	2,962	2,682	84	100	144	37	5	42
<b>Energy</b>	833	754	682	55	41	48	37	△9	23
<b>I C T</b>	252	406	272	4	27	8	3	5	5
<b>Chem/Mat'l /Others</b>	867	970	821	31	22	34	17	2	22

## Financial Structure

Liabilities went up as short-term debt of subsidiaries rise, including Daewoo International

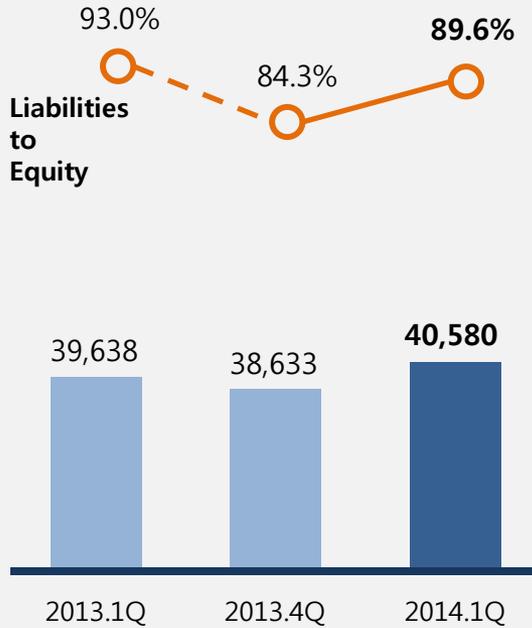
### Assets

(billion KRW)



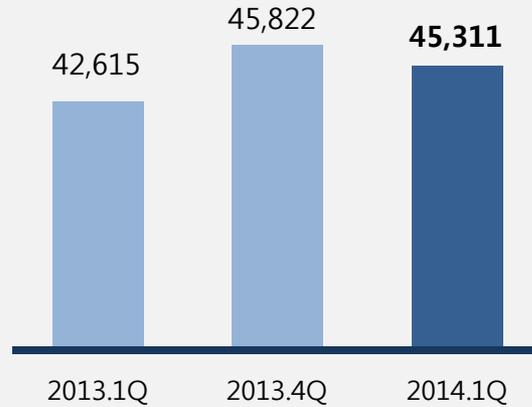
### Liabilities

(billion KRW)



### Equity

(billion KRW)



## Summarized Statements of Income

(billion KRW)

	2013.1Q	2013.4Q	2014.1Q	QoQ(%)
<b>Revenue</b>	14,582	16,529	<b>15,440</b>	△ 6.6
<b>Gross Profit</b>	1,674	1,781	<b>1,688</b>	△ 5.2
<b>(Gross Margin)</b>	(11.5%)	(10.8%)	<b>(10.9%)</b>	-
<b>Selling &amp; Admin. Expenses</b>	957	1,038	<b>957</b>	△ 7.8
<b>Operating Profit</b>	717	744	<b>731</b>	△ 1.7
<b>(Operating Margin)</b>	(4.9%)	(4.5%)	<b>(4.7%)</b>	-
<b>Other Operating Profit</b>	△39	△291	<b>△241</b>	-
<b>Share of Profit of Equity-accounted investees</b>	1	△107	<b>△87</b>	-
<b>Finance Items Gains</b>	△312	108	<b>△136</b>	-
<b>Foreign Currency Transaction &amp; Translation Gains</b>	△31	220	<b>△99</b>	-
<b>Net Profit</b>	292	258	<b>56</b>	△ 78.3
<b>(Net Margin)</b>	(2.0%)	(1.6%)	<b>(0.4%)</b>	-
<b>Owners of the Controlling Company</b>	278	281	<b>70</b>	△ 75.1

## Summarized Statements of Financial Position

(billion KRW)

	2013.1Q	2013.4Q	2014.1Q	QoQ (%)
<b>Current Assets</b>	31,985	31,666	<b>32,780</b>	+ 3.5
<b>Cash &amp; Financial Goods*</b>	6,226	7,179	<b>6,725</b>	△ 6.3
<b>Account Receivable</b>	11,812	11,493	<b>12,348</b>	+ 7.4
<b>Inventories</b>	10,610	9,798	<b>10,760</b>	+ 9.8
<b>Non-Current Assets</b>	50,268	52,789	<b>53,111</b>	+ 0.6
<b>Other Long-term Financial Assets**</b>	4,860	5,263	<b>5,079</b>	△ 3.5
<b>PP&amp;E</b>	33,817	35,760	<b>36,015</b>	+ 0.7
<b>Total Assets</b>	82,253	84,455	<b>85,891</b>	+ 1.7
<b>Liabilities</b>	39,638	38,633	<b>40,580</b>	+ 5.0
<b>Current Liabilities</b>	22,451	20,241	<b>21,819</b>	+ 7.8
<b>Non-Current Liabilities</b>	17,187	18,392	<b>18,761</b>	+ 2.0
<b>(Interest-bearing Debt)</b>	26,505	26,247	<b>28,087</b>	+ 7.0
<b>Equity</b>	42,615	45,822	<b>45,311</b>	△ 1.1
<b>Owners of the Controlling Company</b>	39,567	42,046	<b>41,541</b>	△ 1.2
<b>Total Liabilities &amp; Equity</b>	82,253	84,455	<b>85,891</b>	+ 1.7

\* Cash & Financial Goods : Cash and cash equivalents, short-term financial goods, Short-term available for sale securities, Current portion of held-to-maturity securities, and Derivatives asset held for trading \*\* Other Long-term Financial Assets : including other bonds

- **1Q Operating Performance**

- Consolidated

- ▶ **POSCO**

- Subsidiaries

- **Business Environment**

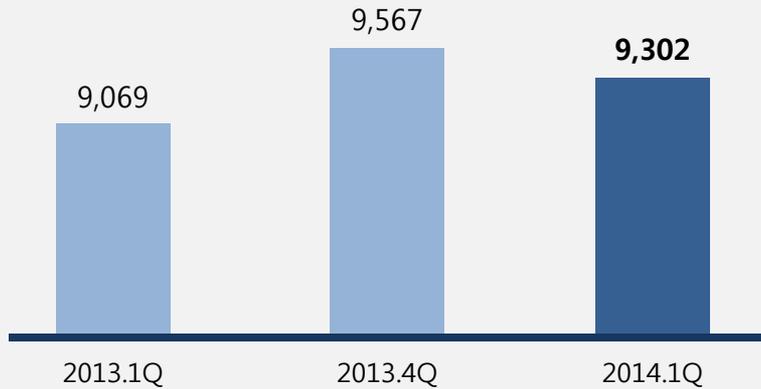
- **2014 Business Plan**

## Production · Sales

- Production and sales downward due to rolling facilities maintenance and less working days

### Crude Steel Production

(thousand tons)



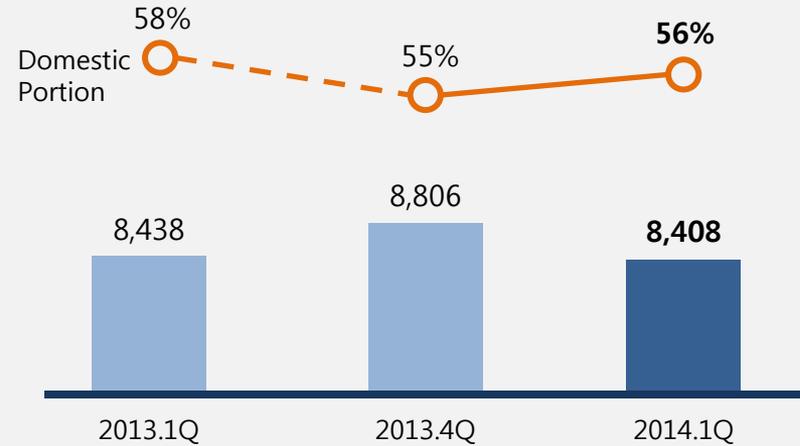
	2013.1Q	2013.4Q	2014.1Q
Carbon Steel	8,608	9,040	<b>8,837</b>
S T S	461	527	<b>465</b>

- Major maintenance in 1Q
  - P)\* Steelmaking furnace,
  - G)\*\* Furnace wall maintenance, HR/CR maintenance

\* Pohang, \*\* Gwangyang

### Product Sales

(thousand tons)



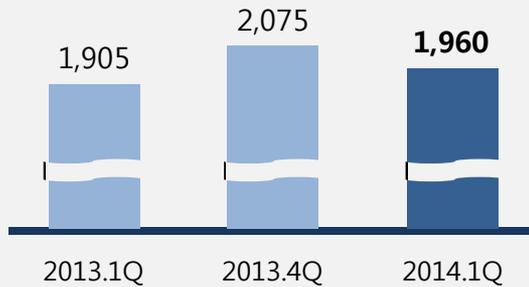
	2013.1Q	2013.4Q	2014.1Q
Domestic	4,886	4,808	<b>4,679</b>
Export	3,552	3,998	<b>3,729</b>
Inventories	977	890	<b>979</b>

## Sales by Product

- Sales to major industries dropped from 4Q 2013 due to seasonal effect

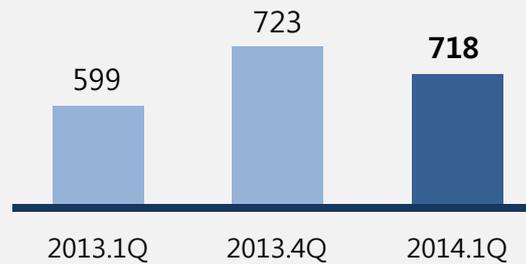
### Automobile\*

(thousand tons)



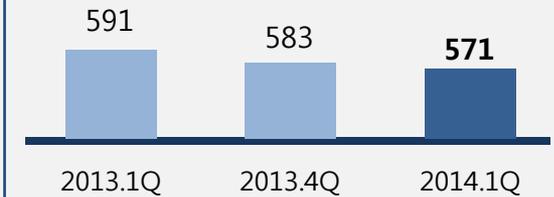
### Shipbuilding/Off-shore Plants

(thousand tons)



### Home Appliance

(thousand tons)



\* Excludes automotive wire rod

(thousand tons)

	2013.1Q	2013.4Q	2014.1Q	YoY	QoQ
<b>Hot-Rolled Plate **</b>	2,002	1,921	<b>1,761</b>	△ 12.0%	△ 8.3%
<b>Wire Rod</b>	1,398	1,444	<b>1,429</b>	+ 2.2%	△ 1.0%
<b>Cold-Rolled Electrical Steel</b>	538	619	<b>646</b>	+ 20.1%	+ 4.4%
<b>S T S</b>	3,419	3,581	<b>3,431</b>	+ 0.4%	△ 4.2%
<b>Others</b>	225	216	<b>221</b>	△ 1.8%	+ 2.3%
<b>Total</b>	439	456	<b>420</b>	△ 4.3%	△ 7.9%
	417	568	<b>500</b>	+ 19.9%	△ 12.0%
<b>Total</b>	8,438	8,805	<b>8,408</b>	△ 0.4%	△ 4.5%

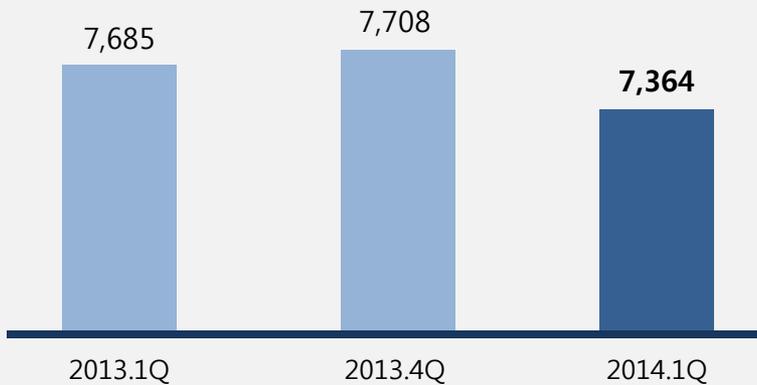
\*\* Includes HR Plate

## Income

- Operating profit margin turn upward as selling price remained flat, and raw material input cost decreased

### Revenue

(billion KRW)



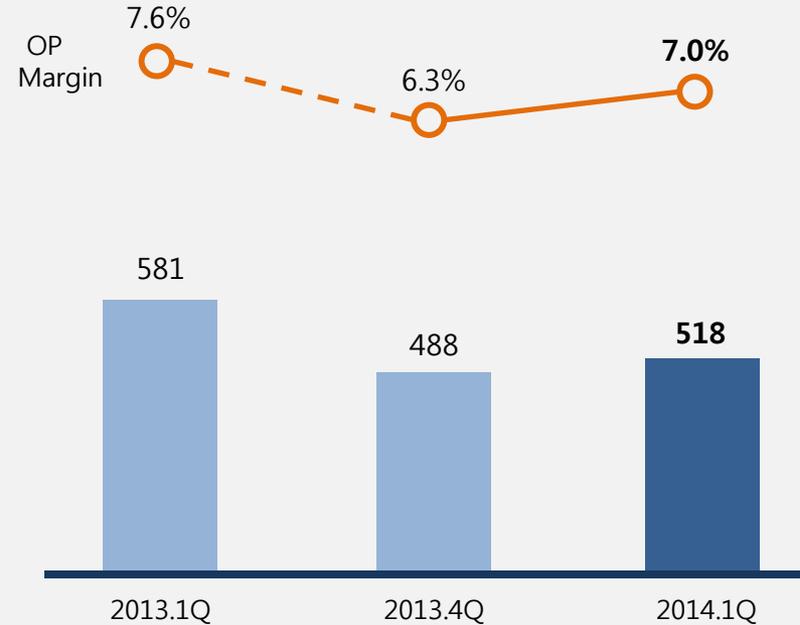
#### [Average Selling Price]

(thousand KRW /ton)

	2013.1Q	2013.4Q	2014.1Q
Carbon Steel	782	755	<b>755</b>

### Operating Profit

(billion KRW)

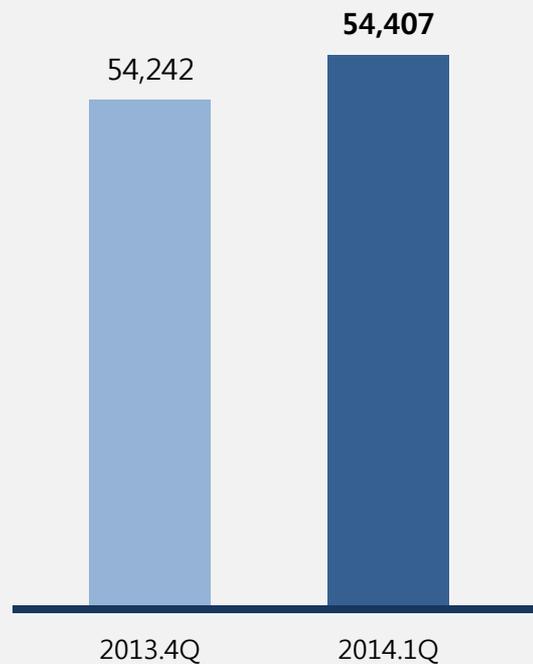


## Financial Structure

● Liabilities rose as dividends payable and accounts payable increased

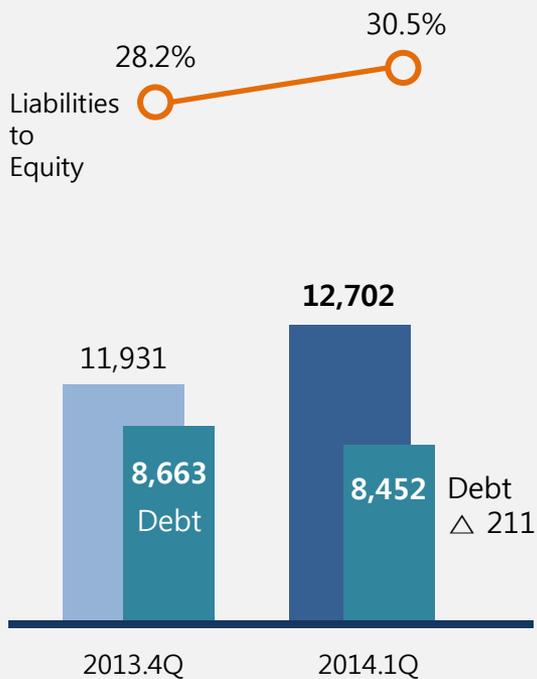
### Assets

(billion KRW)



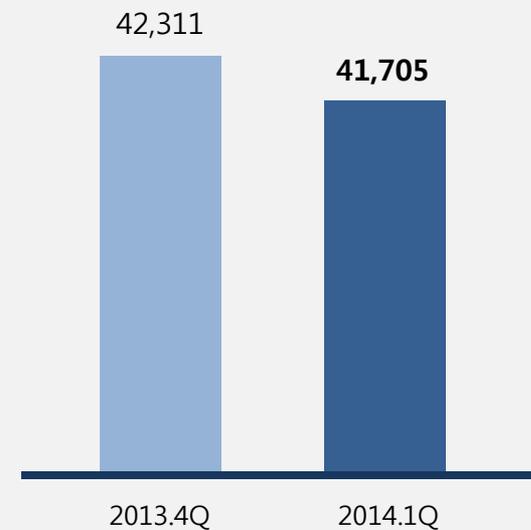
### Liabilities

(billion KRW)



### Equity

(billion KRW)

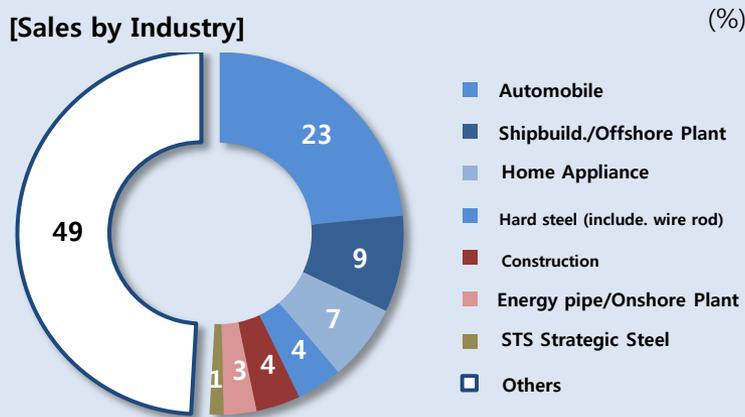
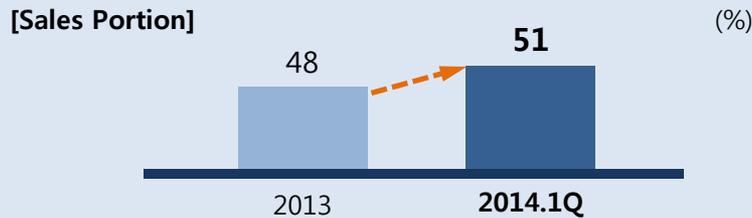


## Customer-Oriented Marketing

### Strengthened client-based sales by converging marketing and technology

#### High-Value Added Products

- Sales portion of high-value added industries up**
  - Focus on strategic industries, such as automobile, shipbuilding, and energy pipe, etc.



#### Provide Solution to Customers

- Developed LNG storage tank (with KAIST)**
  - Improved weldability by using high manganese steel, Max 20 times of volume increase by using grid structure
  - Pressure container certificate won by KR-US Register of Shipping and US Society of Mech Society

##### [New LNG Tank Usage Effect]

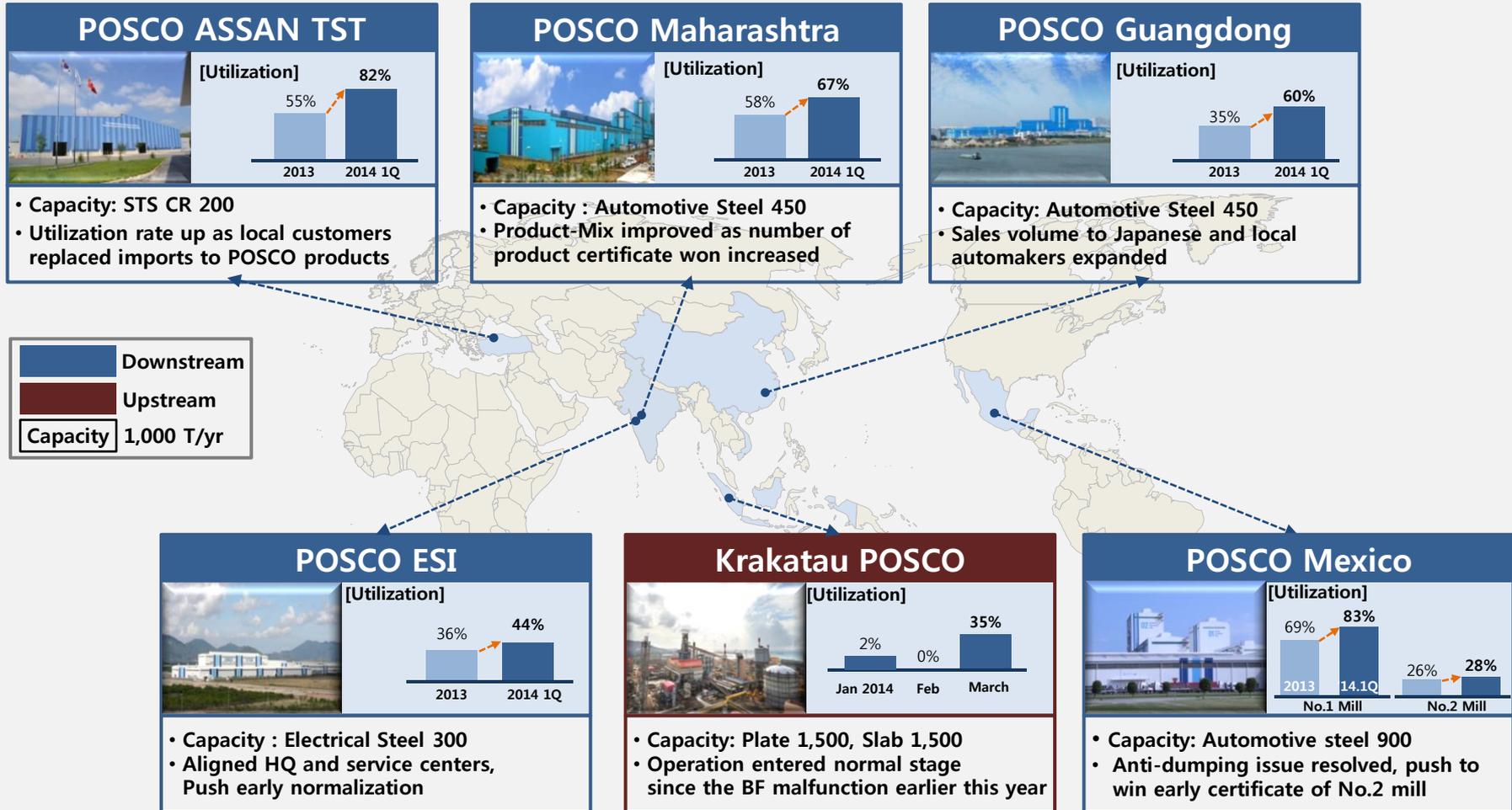
	Effect
Shipment Efficiency	· Storage volume+30% bigger than cylinder type, occupying measure smaller by $\Delta$ 40%
Cost Reduction	· Production cost drop by $\Delta$ 57% (include. material cost $\Delta$ 33%)

- Developed high pressure dual phase steel for automobile, with strength of 1.0GPa**
  - Provide forming solution through providing guidelines for design and forming analysis
  - Effect : Substitute domestic automakers' use of import materials
- Continued to develop new products fit for customer's needs**

	Grade	Products
Market-leading	13	· High elasticity/yield strength CR)HPF1470 etc
Mass-produced	3	· GI 1300MA, PO 900TWIP for automobile

## Overseas Production Sites

### Stabilized operation and performance of new overseas steel mills



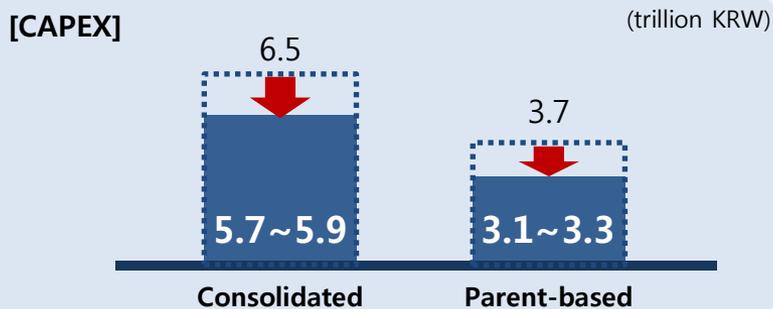
## Financial Structure

### Continued to improve cash flow for financial soundness

#### CAPEX Reduction

- Control CAPEX under principle to strengthen core competitiveness

- CAPEX reduced from the business plan released earlier this year, by cancelling/postponing excess investments and their execution date



#### [Major capital expenditure adjustments]

		Projects
POSCO	Overseas steel	Brazil CSP etc
Subsidiaries	POSCO E&C	PF Equity Investment etc
	POSCO Chemtech	Isotropic graphite block JV

#### Debt Redemption

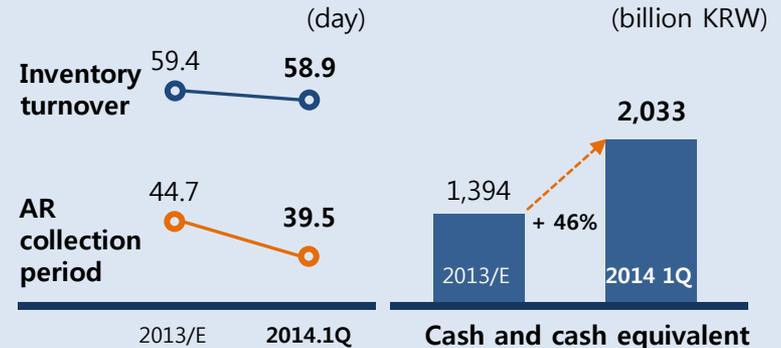
- Paid off high interest rate bond

- Replace dollar-based high interest rate bond issued during the global financial crisis with low interest rate bond, reducing interest cost and debt

Issue amount	Interest rate	Issue date	Expiration date
USD 700 mn	8.95%	Mar. 2009	Mar. 2014
¥ 50 bn*	0.93%	Dec. 2013	Dec. 2016
	1.35%		Dec. 2018

\* Newly issued low interest rate yen-based bond to renew dollar-based bond

- Reduced Accounts Receivable/Inventories, Increased cash\*



\* Parent basis

- **1Q Operating Performance**

- Consolidated

- POSCO

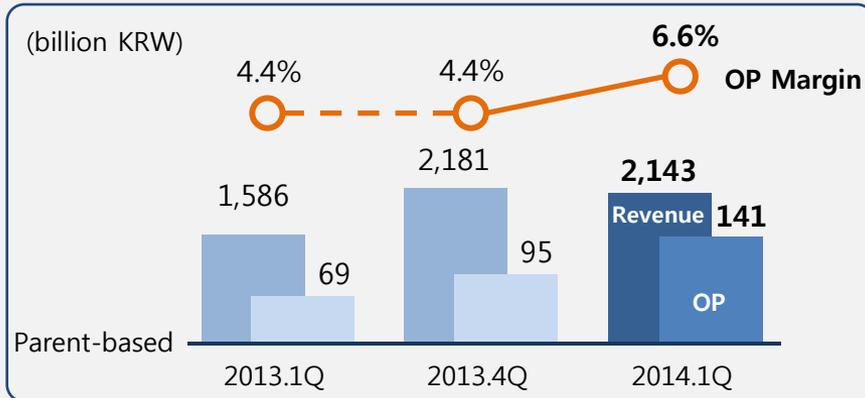
- ▶ **Subsidiaries**

- **Business Environment**

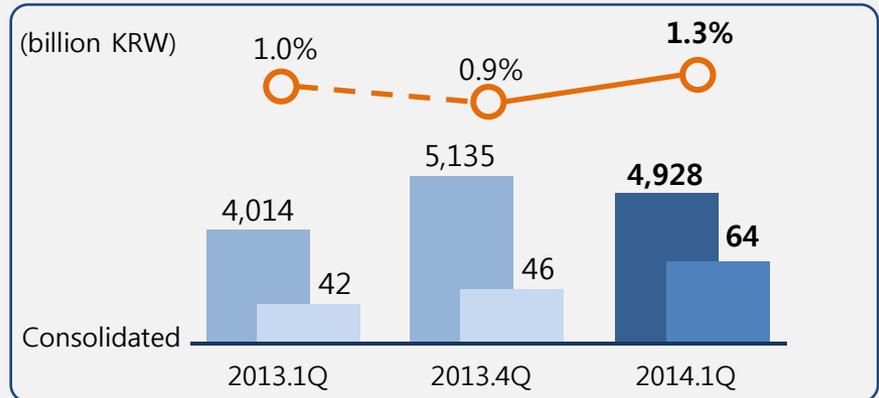
- **2014 Business Plan**

## Income of Major Subsidiaries

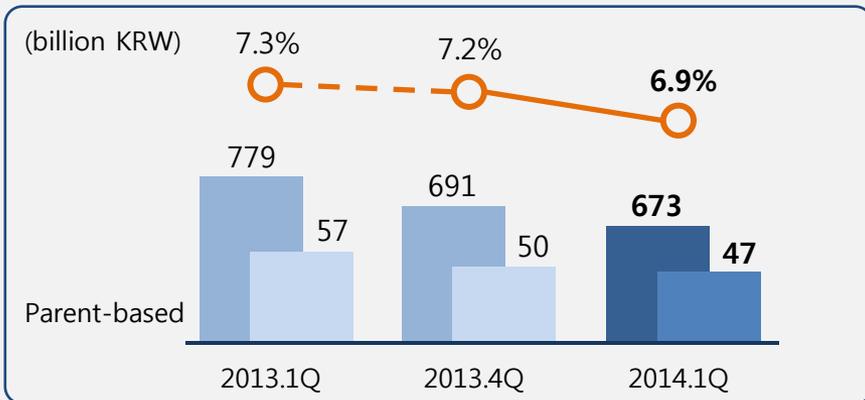
### POSCO E&C



### Daewoo International



### POSCO Energy



### POSCO Chemtech



## Key Activities

Construction	<ul style="list-style-type: none"> <li>• <b>POSCO E&amp;C : Enhanced competitiveness of overseas energy plant and improved profitability</b> <ul style="list-style-type: none"> <li>- Signed EPC contract of gas-fired power plant in Peru of 720MW (Jointly with Santos CMI), secured dominance in South American energy plant market</li> <li>- Profitability improved from both QoQ/YoY, supported by cost reduction effort in corporate level</li> </ul> </li> <li>• <b>POSCO Engineering : Speed up entry in Southeast Asian construction market</b> <ul style="list-style-type: none"> <li>- Signed LNG receiving terminal expansion contract from Thailand PTT LNG (Jointly with Japanese IHI, Feb)</li> <li>- Entered Malaysian market by signing Petra Jaya hospital construction contract from Malaysian government (Feb)</li> </ul> </li> </ul>
Trade	<ul style="list-style-type: none"> <li>• <b>Daewoo International : Gradually expanded production in Myanmar gas field and enter African electricity market</b> <ul style="list-style-type: none"> <li>- Average production of Myanmar gas field (end of Mar.) : 280 mn ft<sup>3</sup>/day (End of the year target : 500 mn ft<sup>3</sup>/day)</li> <li>- Entered African electricity market by signing EPC contract to build two combined gas-fired power plant, 1600MW each, in Algeria (Won the deal jointly with domestic constructors, Feb)</li> </ul> </li> </ul>
Energy	<ul style="list-style-type: none"> <li>• <b>POSCO Energy : Continued to increase power generating capacity and expand renewable energy business</b> <ul style="list-style-type: none"> <li>- Incheon No.7~9 LNG combined cycle power plant construction undergoing as scheduled (progress rate : 92%) (Completion : No.7 plant in Jul. 2014, No.8 plant in Oct.2014, and No.9 plant in Jan. 2015)</li> <li>- Completed domestic/overseas off-gas power plant (Indonesia No.1 plant in Jan., Pohang No.2 in Mar.), conducted effort to diversify power sources and improve profitability</li> <li>- Continued to land new renewable energy customers (signed fuel cell project in Godeok from SK E&amp;S in Feb.)</li> </ul> </li> </ul>
Chem./ Materials/ I C T	<ul style="list-style-type: none"> <li>• <b>POSCO Chemtech: Gwangyang needle cokes plant construction (progress rate 86%)</b> (Capacity of 250 thousand ton per year, scheduled completion in Sep.)</li> <li>• <b>POSCO ICT : Began to make progress in energy efficiency business</b> <ul style="list-style-type: none"> <li>- Signed deal to supply Energy Storage System(ESS) at Palgeumdo in Jeolla Province (Feb), build Micro Grid using solar energy</li> <li>- Won deal from BMW Korea to build electric vehicle recharging infrastructure (Mar.), scheduled to build and operate stations in 60 E-Mart stores</li> </ul> </li> </ul>
Steel	<ul style="list-style-type: none"> <li>• <b>POSCO Specialty Steel : Section steel/rebar plant in Vietnam (construction rate 92%)</b> (Capacity of 1 million ton per year, scheduled to be completed in Dec.)</li> </ul>

\* Micro Grid : Independent self-sufficient power network without outside electricity supply

- **1Q Operating Performance**

- Consolidated
- POSCO
- Subsidiaries

- ▶ **Business Environment**

- **2014 Business Plan**

# Global Steel Demand

## Chinese Steel Market

**“Steel price rebound expected in 2Q with demand recovery and inventory adjustment”**

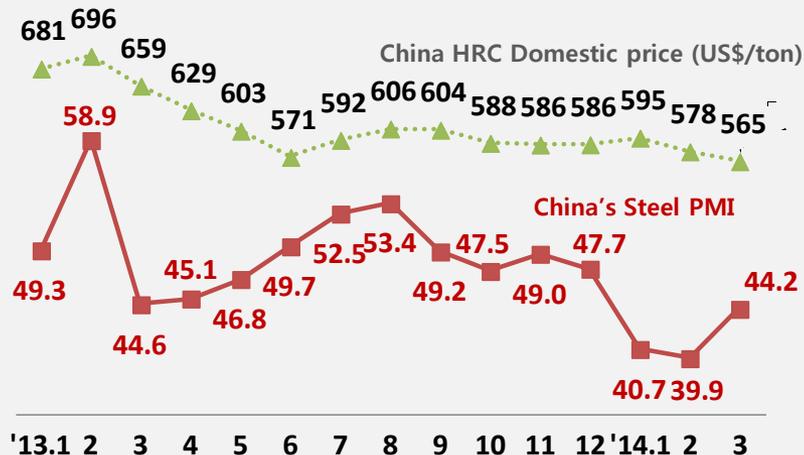
- ✓ Steel price expected to rebound from April as supply and demand balance recovers due to rapid inventory adjustment after Chinese Lunar New Year
- ✓ China's Steel PMI, a leading market indicator, rebounded in March (+10.8%)

## Steel Demand in Major Countries

**“ Global demand to increase by 3% per year during 2014~2015”**

- ✓ Developed countries' demand is to turn up by 3~4%, as economy recovers
- ✓ Chinese steel demand will increase by 3% as Chinese economic growth slackens

[China's Steel Price & Steel PMI]



\* CRU, China Federation of Logistics and Purchasing(CFLP)

[Steel Demand Outlook in Major Countries]

(million tons)

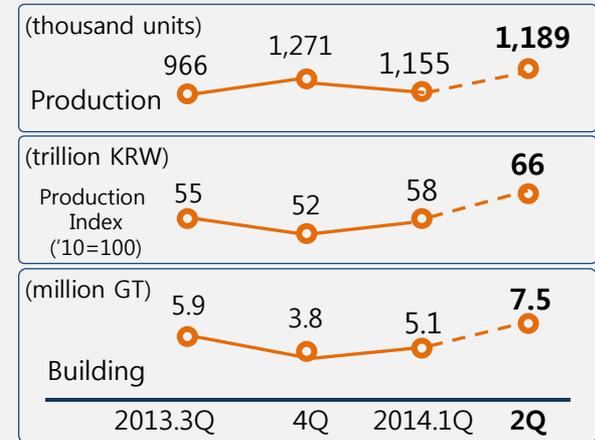
	2012	2013	2014	YoY	2015	YoY
US	96	96	99	4.0%	103	3.7%
EU	139	139	143	3.1%	148	3.0%
China	660	700	721	3.0%	741	2.7%
India	72	74	76	3.3%	80	4.5%
S.E.Asia	59	64	67	4.5%	70	4.3%
World	1,430	1,481	1,527	3.1%	1,576	3.3%

\* World Steel Association(2014.4)

# Domestic Steel Demand

## Demand Industry Outlook

<b>Automobile</b>	<p>2Q production will slightly turn up from 1Q, as both domestic demand and export recovers</p> <p>✓ Production(thousand units): 4,521('13)→4,618('14), 1,155(1Q)→1,189(2Q)</p>
<b>Home Appliance</b>	<p>2Q production expected to increase from 1Q as export to advanced countries improves</p> <p>✓ Production Index ('10=100): 60 ('13) → 58 ('14), 58 (1Q) → 66 (2Q)</p>
<b>Shipbuilding</b>	<p>Building will continue to grow as new orders increased in 2013</p> <p>✓ Building (million GT): 24.7 ('13) → 24.7 ('14), 5.1 (1Q) → 7.5 (2Q)</p> <p>✓ Orders (million GT): 33.4 ('13) → 24.2 ('14), 9.2 (1Q) → 4.6 (2Q)</p>



\* POSRI(2014.4)

## Steel Demand & Supply Outlook

	2012	2013	2014			QoQ
			1Q	2Q		
<b>Nominal Consumption</b>	54,069	51,762	<b>53,637</b>	<b>13,532</b>	<b>13,705</b>	<b>+1.3%</b>
<b>Export</b>	30,485	29,191	<b>30,425</b>	<b>7,620</b>	<b>7,505</b>	<b>-1.5%</b>
<b>Production</b>	72,052	69,147	<b>71,949</b>	<b>17,744</b>	<b>17,920</b>	<b>+2.5%</b>
<b>Import</b>	12,502	11,807	<b>12,114</b>	<b>3,409</b>	<b>3,290</b>	<b>-3.5%</b>
<b>Incl. Semi-Product</b>	20,706	19,393	<b>19,992</b>	<b>5,592</b>	<b>5,050</b>	<b>-9.7%</b>

\* POSRI(2014.4)

# Raw Materials

## Iron Ore

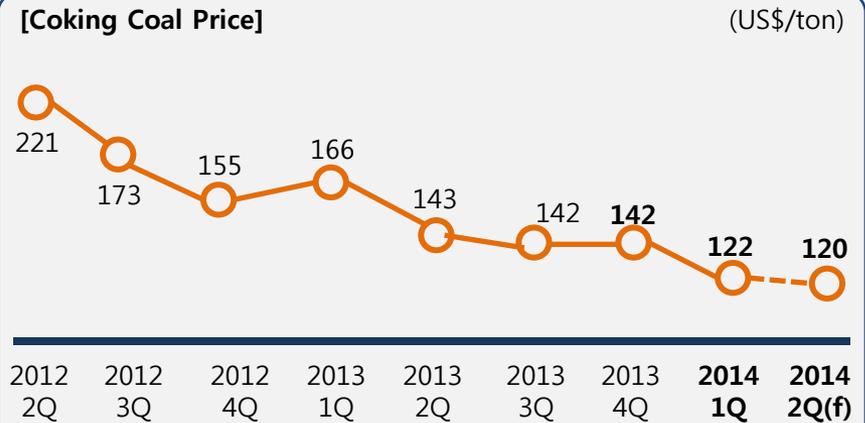
<b>2014.1Q</b>	Iron ore price continued to drop as iron ore demand lag due to weak steel economy and tight credit crunch, while supply maintained; and environmental regulations intensified
<b>2014.2Q</b>	<p><b>"2Q Price : Fine Ore CFR US\$125/ton"</b></p> <p>Inventory restocking demand is expected to rise as steel market recovers due to seasonality, while the price hike will be marginal as seaborne supply increases</p>



\*Platts 62% Fe IODEX CFR China (Quarterly Average Spot Price)

## Coking Coal

<b>2014.1Q</b>	Spot price dropped sharply as imported coal demand remained sluggish by low domestic price caused by Chinese steel/cokes price decline, and sufficient supply from Australia continued
<b>2014.2Q</b>	<p><b>"2Q Price : HCC FOB US\$120/ton"</b></p> <p>As quarterly market expectation rise due to partial mine shutdowns and spreading sentiment that the market seen its bottom, the market will stay firm from the end of 2Q</p>



\*Platts HCC Peak Downs Region FOB Australia (Quarterly Average Spot Price)

# Stainless Steel

## Raw materials

- 2014.1Q**
- **Ni:** Price turned upward due to concerns on lack of supply due to Indonesia export ban on Nickel minerals
  - **Cr:** Price went up slightly due to electricity uncertainty in South Africa and improved STS demand in Europe and the U.S.

**“Ni Price will rise due to limited supply and improved demand”**

- 2014.2Q**
- **Ni:** Price uptrend to continue as Indonesian Nickel export ban remains and NPI\* supply reduces
  - **Cr:** Price is expected to be strong due to STS demand upturn in Europe, U.S., and Japan, and production cost increase, such as electricity

\* NPI: Nickel Pig Iron



\*Nickel : LME Nickel quarterly avg.

\*Chrome : Japanese quarter benchmark price

## Sales

- 2014.1Q**
- Market expects recovery as STS price rebounded due to strong Nickel price from early this year
  - STS market prices in Europe and Japan picked up and demand remained firm
  - STS price in China stayed due to worries against economy contraction

**“Strong Ni price and demand recovery will drive the price higher”**

- 2014.2Q**
- Price will increase as demands recover in developed countries and Chinese mills reduce production for higher profitability
  - Chinese mills' cost competitiveness will be weak due to NPI\* price hike



\* Europe: S.Europe price/ China: Muxi market price (CR 304 basis)

- **1Q Operating Performance**

- Consolidated
- POSCO
- Subsidiaries

- **Business Environment**

- ▶ **2014 Business Plan**

## Business Plan

		<u>2013</u>	<u>2014(F)</u>
<b>Revenue</b> (consolidated)	(trillion KRW)	<b>61.9</b>	<b>63.5</b>
- POSCO Revenue	( " )	30.5	30.3
▪Crude Steel Production	(million tons)	36.4	37.9
▪Product Sales	( " )	33.9	34.9
<b>CAPEX</b> (consolidated)	(trillion KRW)	<b>8.8</b>	<b>5.7~5.9</b>
- POSCO	( " )	4.3	3.1~3.3

# **2014 1Q Earnings Release**

***April 24, 2014***