

2014年12月期 第3四半期決算短信（連結）

平成26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東海岸路6261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3四半期決算発表日 2014年10月23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3四半期	2014年 第2四半期	2014年 第3四半期	増減額 (前期比)
売上高 (単位：十億ウォン)	15,150	16,704	16,270	△434
営業利益 (単位：十億ウォン)	633	839	879	40
純利益(税引き後) (単位：十億ウォン)	564	487	224	△263

(注) 1. 税引き後利益は、異常項目加減後の利益である。

2. 増減額の欄で、△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3四半期	2014年 第2四半期	2014年 第3四半期	増減額 (前期比)
総資産 (単位：十億ウォン)	83,340	84,567	84,937	370
株主資本 (単位：十億ウォン)	45,604	45,271	45,285	14
株主資本比率	54.72%	53.53%	53.32%	-

(注) 1. 増減額の欄で、△印を付した数値は前期に対する減少を示す。

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	65.5兆ウォン

4. 概況・特記事項・その他

該当事項なし。

以 上

2014 3Q Earnings Release

October 23, 2014

3Q Performance

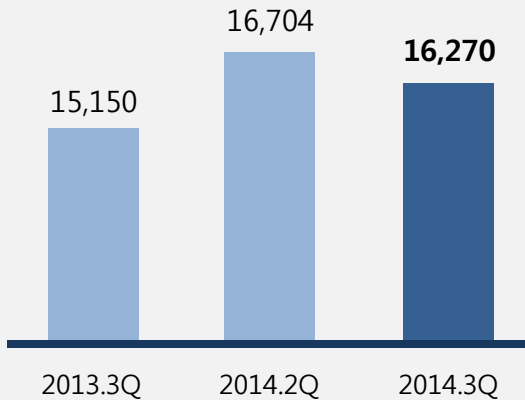
-  **Major Business Activities**
-  **2014 Business Plan**

Consolidated Income

“Operating profit surged as profitability in steel and energy sector improved”

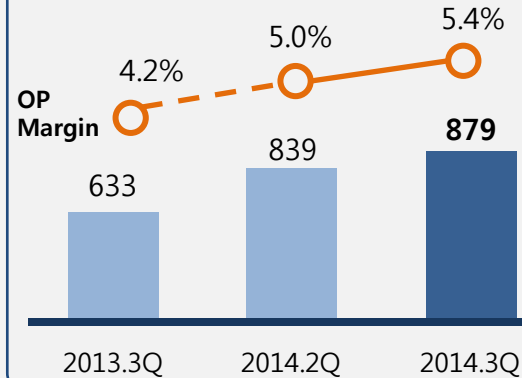
Revenue

(billion KRW)



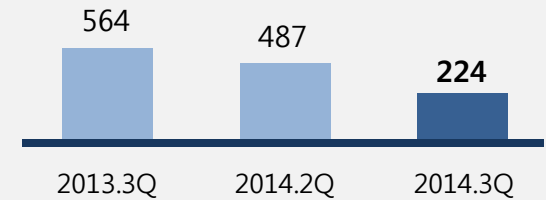
Operating Profit

(billion KRW)



Net Profit

(billion KRW)



※ Net profit dropped QoQ due to forex-related losses, occurred by change in exchange rate
 #/\$: '14.6/E) **1,014.4** → '14.9/E) **1,050.6**

(billion KRW)	Revenue			Operating Profit			Net Profit		
	2013.3Q	2014.2Q	2014.3Q	2013.3Q	2014.2Q	2014.3Q	2013.3Q	2014.2Q	2014.3Q
Steel	11,716	12,564	12,622	413	643	674	460	570	151
Trade	6,132	7,970	7,809	51	108	93	71	96	31
E & C	2,571	2,581	2,322	110	51	48	74	△13	△2
Energy	676	571	704	51	35	78	41	14	44
I C T	255	273	258	22	14	8	7	3	2
Chem/Mat'l /Others	894	821	784	37	35	31	18	△43	7

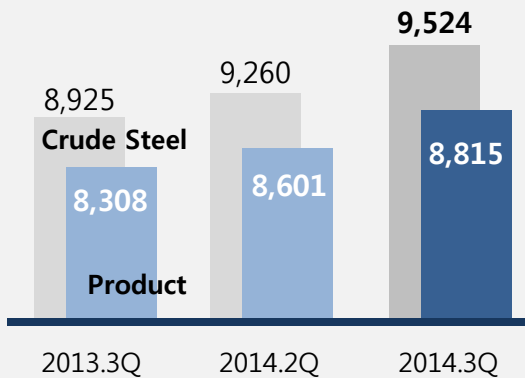
* based on simple aggregation

Parent Income

“Sales volume and operating profit picked up as export towards overseas production sites increased”

Production

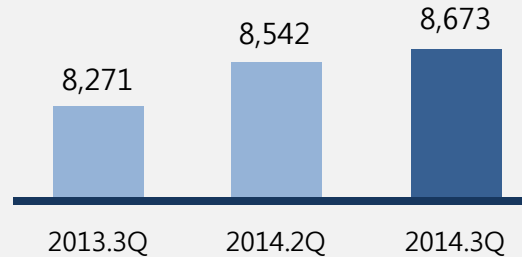
(thousand tons)



	2013.3Q	2014.2Q	2014.3Q
Carbon Steel	8,434	8,826	9,074
S T S	491	434	450

Sales Volume

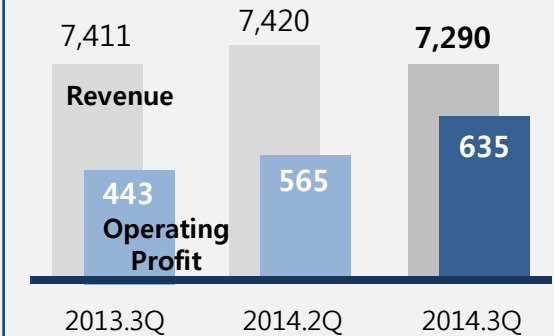
(thousand tons)



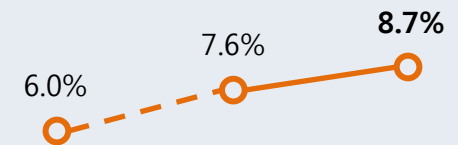
	2013.3Q	2014.2Q	2014.3Q
Domestic	4,789	4,697	4,467
Export	3,482	3,845	4,206
Inventories	835	977	1,043

Income

(billion KRW)



[OP Margin]

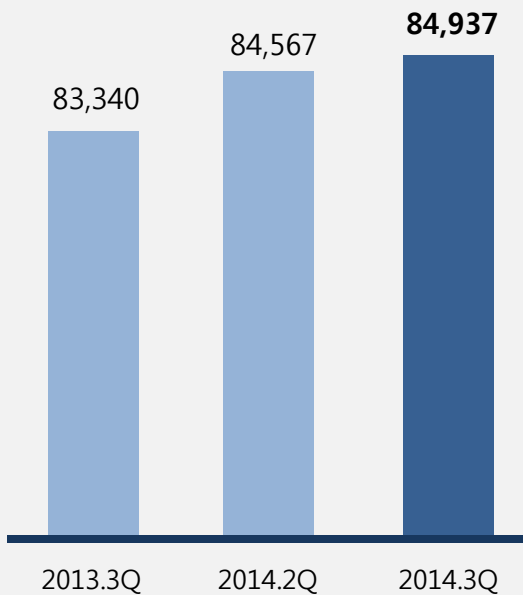


Consolidated Financial Structure

“Liabilities to Equity ratio slightly went up, due to increased debt of subsidiaries”

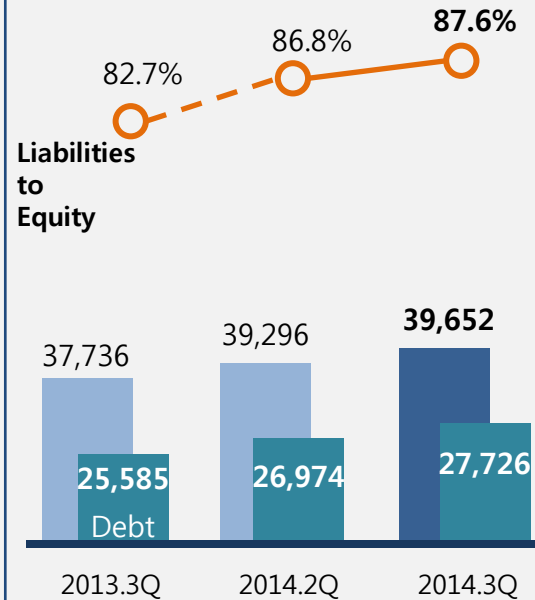
Assets

(billion KRW)



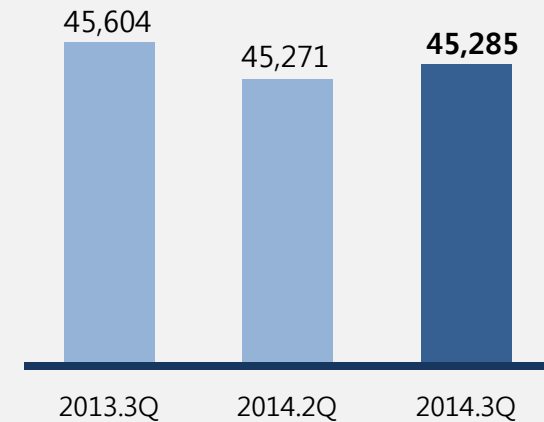
Liabilities

(billion KRW)



Equity

(billion KRW)



- 3Q Performance

- ▶ **Major Business Activities**

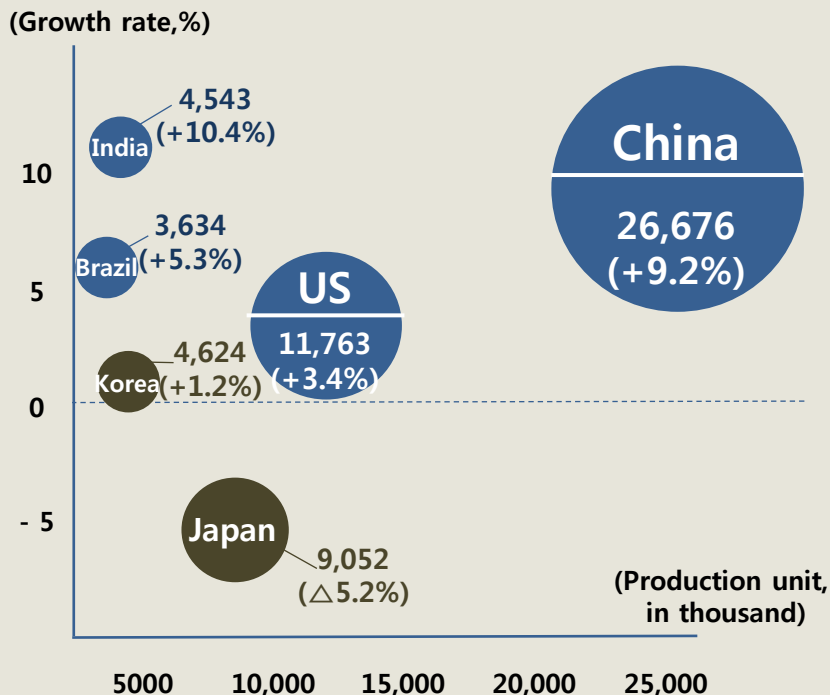
- 2014 Business Plan

Stronger Steel Competitiveness

“Expanded sales of automotive steel targeting strategic regions, through overseas production sites and sales network”

Growth of automotive steel market in China and the U.S.

[2015 Outlook of auto production in major countries*]



*CRU: Commodity Research Unit(October, 2014)

Automotive Steel Sales

- Expanded sales to regions with growing demand by using 5 auto steel mills and 47 processing centers

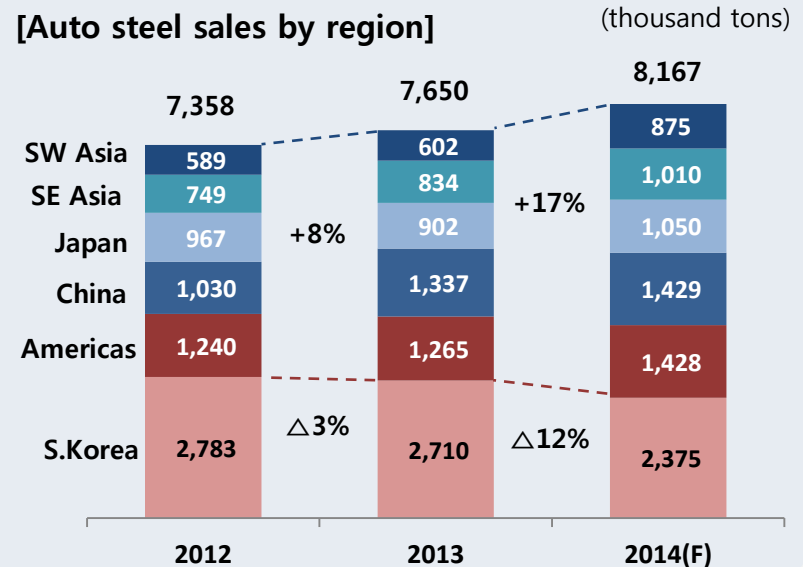
* Global Production -Sales Network*

	US	China	Japan	SE Asia	SW Asia	Total
CGL	2	1	0	1**	1	5
PC	9	15	6	11	6	47

* Number of processing centers with managerial rights

**Thailand CGL: Started construction in Oct 2014(450 thousand tons/yr)

[Auto steel sales by region]



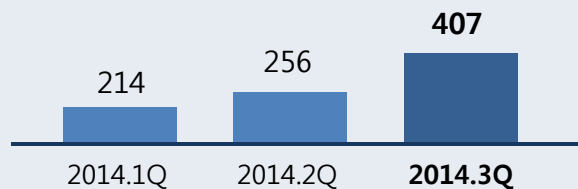
Stronger Steel Competitiveness

“Improved product-mix through solution marketing activities”

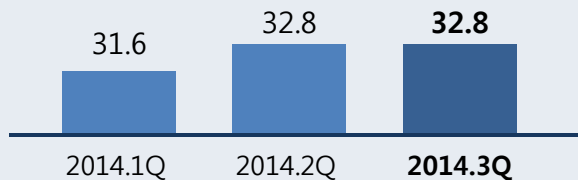
Advanced Product Mix

- Provided solutions and fulfilled needs of clients in high-end industries, such as automobile, energy etc.

[Sales volume by solution marketing] (thousand tons)



[WP* sales portion] (%)



* WP: World Premium Product

[Light-weight solution for RENAULT]

Magnesium Panel

- ✓ **New light-weight material** for auto, 30% less than aluminum

“Hybrid EOLAB Concept”

- Fuel efficiency: 1 liter/100Km
- Reduced 400kg of weight (Body Δ 130, sash Δ 160)
- Applied 900MPa* TWIP, 2000MPa HPF and also Mg steel, which is first-ever

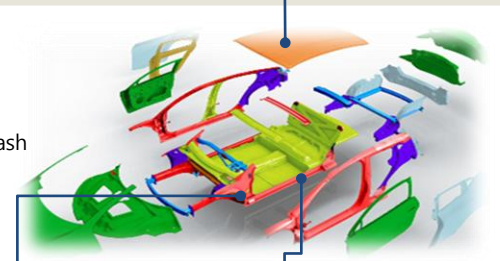
to be adopted in an automobile TWIP(Twinning Induced Plasticity)

- ✓ **POSCO’s own material**, with both **high strength** and **elongation**
- ✓ Excellent in elongation fit for parts and shock absorbance

* Mpa: 1 MPa sustains 10kg of weight pressure per 1 cm²

HPF (Hot Press Forming)

- ✓ Ultra-strength steel, **reformed and cooled after being boiled over 900°C**
- ✓ Fit for **light-weight, high-strength** automobile model



[Cost-reduction solution for home appliance makers]

“Replace parts in premium refrigerator”

- Replaced current Al-used part with PO*
- Reduced cost and improved product durability for the customers

* PO : Pickling and Oiling steel

[Co-product development solution to replace imports for nuclear plants]

“Highly resistant STS steel”

- Developed new models and solutions for welding
- Scheduled supply to UAE No.4 nuclear power generator

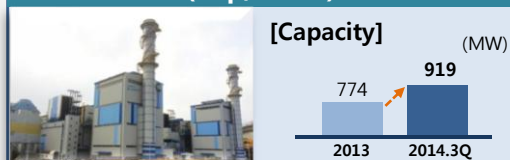
Eco-friendly Strategy

“Continued effort to reduce carbon and indirect greenhouse gas emissions”

Reduced carbon emissions by recycling BF offgas

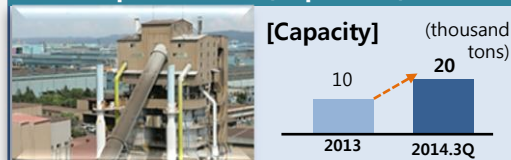
- Continued group-level effort to lower carbon emission (POSCO Energy, POSCO ChemTech)

Built Offgas power plant (Sep, 2014)

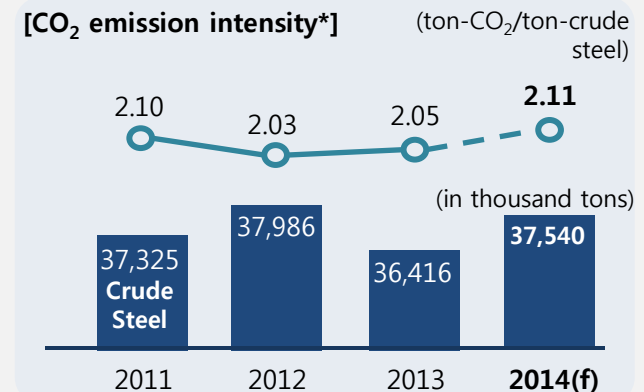


- Combine and re-gather BF offgas
- CO₂ reduction: 180 thousand tons/yr

Expanded Calcium Carbonate production (Sep, 2014)



- Recycle gas generated from productions
- CO₂ reduction: 8.8 thousand tons/yr

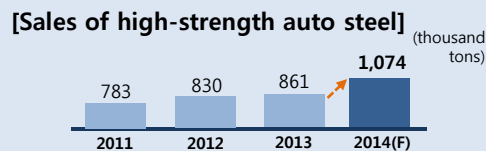


*based on in-house standards

Cut indirect greengas by selling highly efficient steel and by-products

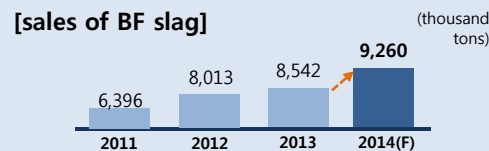
- High-strength steel for light weight vehicles and energy-efficient electrical steel

High energy-efficient steel

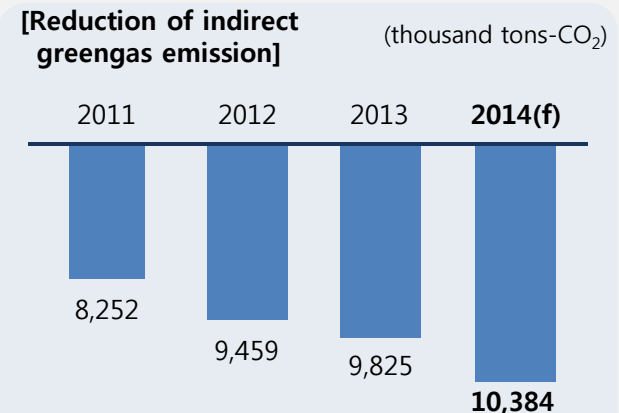


- Weight of the vehicle reduces with applying high strength steel, and results efficient gas mileage

Utilize slag from blast furnace



- Provide BF slag, steel by-product, as a replacement for cement materials

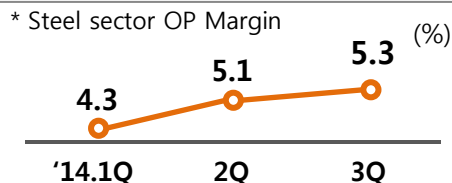


Business Activities of Major Subsidiaries

“Stabilized overseas steel businesses and enhanced profit in energy sector”

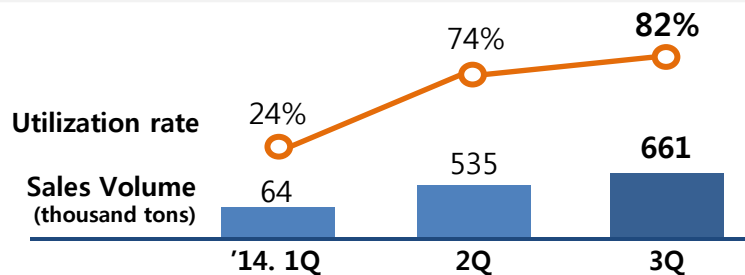
Improved steel profitability

Profit increased as new operating sites, as **Indonesian mill** entered **normalization stage**



- **Indonesian mill** : 3Q OP +13.1 billion KRW
 - Turned profit in 3Q as profitability upturned due to product price increase and cost decline

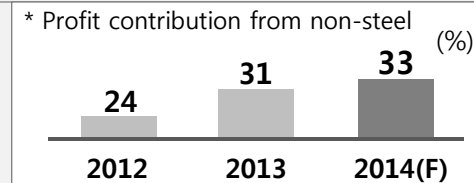
[Sales volume/utilization rate of Indonesian mill]



- **Indian electrical steel mill** : Turned profit in 3Q
 - Operating profit increased as sales expanded
 - '14. 1Q) Δ 1.3 billion \rightarrow 2Q) Δ 0.2 billion \rightarrow 3Q) +1 billion KRW

Increased profit contribution of non-steel

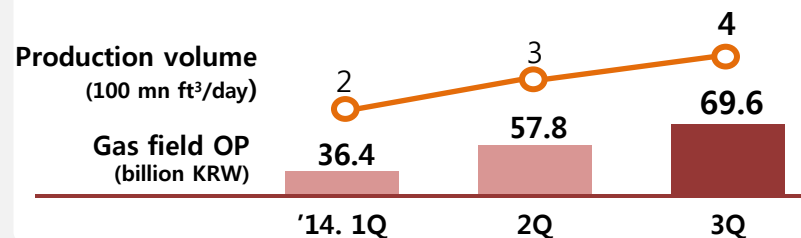
Profit of non-steel affiliates improved, in such as **resource development** of DWI, **power biz** of P-Energy



*Based on consolidated Operating Profit

- **DWI** : Continued growth in resource division
 - OP climbed as gas field production expanded as planned

[Production volume/OP of Myanmar gas field]



- **P-Energy**: Profitability improved as power output increased during the peak season

	2Q	3Q
OP (billion KRW)	27.8	66.7
Power Output (mn MWh)	3.1	3.8

- **3Q Performance**
- **Major Business Activities**
- ▶ **2014 Business Plan**

Consolidated Business Target

		<u>2013</u>	<u>2014(F)</u>
Revenue	(trillion KRW)	61.9	65.5
- POSCO Revenue	(")	30.5	29.7
▪ Crude Steel Production	(million tons)	36.4	37.7
▪ Product Sales	(")	33.9	34.8
Investment	(trillion KRW)	8.8	6.2
- POSCO Investment	(")	4.3	3.2

* Based on 4th Rolling Plan



Appendix

1. Business Environment
– **Steel Demand, Raw Materials**

2. Financial Statements

Steel Demand

Steel Demand in Major Countries

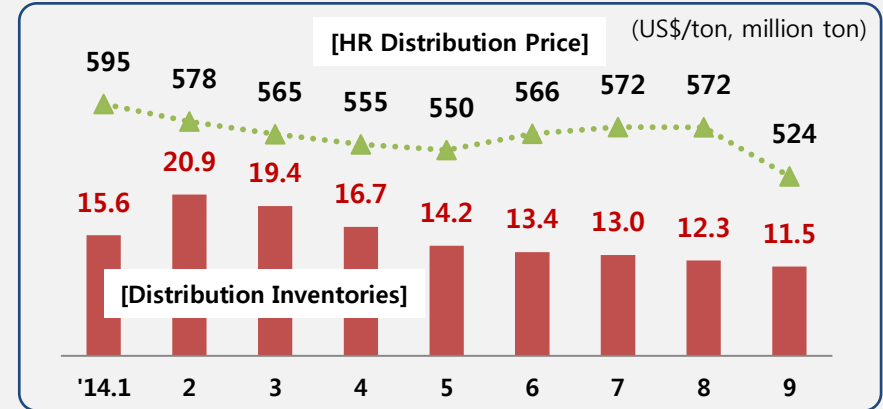
“Sustain 2% growth, supported by demand increase in developing countries”

(million tons)	2012	2013	2014	2015	
				yoy	yoy
US	96	96	102	6.7%	1.9%
EU	139	140	146	4.0%	2.9%
China	698	741	748	1.0%	0.8%
India	72	74	76	3.4%	6.0%
SE Asia	59	63	65	2.5%	4.9%
Global	1,475	1,531	1,562	2.0%	2.0%

* World Steel Association(October, 2014), POSRI

China's Steel Economy

“End-of-year price to rebound due to restocking demand rise”



Domestic Steel Demand & Supply Outlook

“Steel demand to pick up slightly QoQ, due to seasonal effect and favorable automobile industry”

(thousand tons)

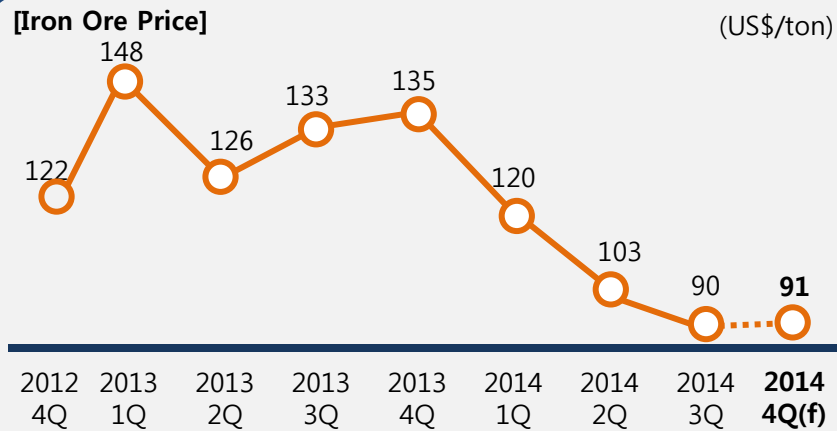
	2012	2013	2014					QoQ
				1Q	2Q	3Q	4Q	
Nominal Consumption	54,069	51,763	55,920	14,073	14,238	13,760	13,850	+0.7%
Export	30,485	29,191	32,180	7,620	8,070	8,190	8,300	+1.3%
Production	72,052	69,147	74,569	18,220	18,824	18,610	18,915	+1.6%
Import	12,502	11,807	13,531	3,472	3,484	3,340	3,235	△3.1%
Incl. Semi-Product	20,706	19,393	22,122	5,676	5,709	5,637	5,100	△9.5%

* POSRI(October, 2014)

Raw Materials

Iron Ore

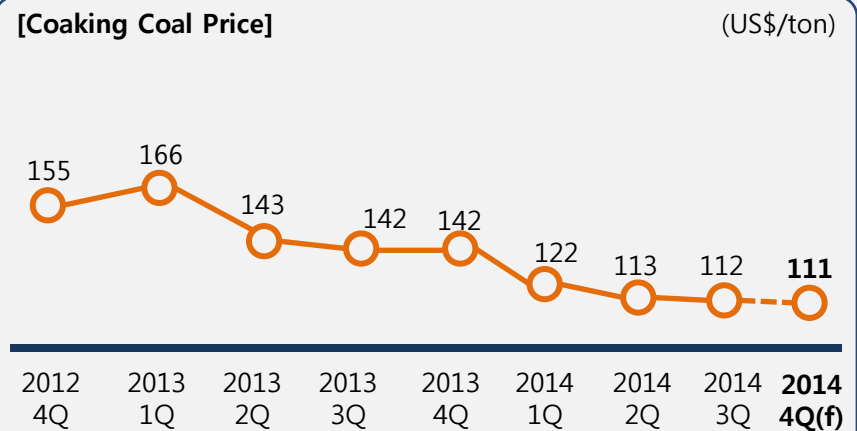
2014.3Q	Monthly average price dropped to U\$83/ton in September from U\$96/ton in July, due to lagging steel industry, credit crunch and structural oversupply in the market
2014.4Q	<p>"4Q Price : Fine Ore CFR U\$91/ton"</p> <p>Price will stay flat as restocking demand is expected to increase triggered by the possibility of seasonal supply shortage of major export countries and China's production drop during winter season</p>



*Platts 62% Fe IODEX CFR China (Quarter Spot Avg.)

Coaking Coal

2014.3Q	Price moved within U\$110~115/ton range, as demand continued to remain sluggish, affected by uncertainty in steel economy and slow recovery of China's economy, biggest spot purchaser
2014.4Q	<p>"4Q Price : Hard Coaking Coal FOB U\$111/ton"</p> <p>Demand is expected to recover due to resumed restocking for winter season, however, the price will remain weak as fundamentals to lift the market is absent</p>



*Platts HCC Peak Downs Region FOB Australia (Quarter Spot Avg.)

Summarized Statements of Income

(billion KRW)

	2013.3Q	2014.2Q	2014.3Q	QoQ
Revenue	15,150	16,704	16,270	△434
Gross Profit	1,547	1,813	1,859	+46
(Gross Margin)	(10.2%)	(10.9%)	(11.4%)	
Selling & Admin. Expenses	915	973	980	+7
Operating Profit	633	839	879	+40
(Operating Margin)	(4.2%)	(5.0%)	(5.4%)	
Other Operating Profit	14	△242	△108	+133
Share of Profit (loss) of Equity-accounted investees	△50	△37	△41	△4
Finance Income	189	160	△398	△558
Foreign Currency Transaction & Translation Gain (loss)	330	283	△72	△355
Net Profit	564	487	224	△263
(Net Margin)	(3.7%)	(2.9%)	(1.4%)	
Owners of the Controlling Company	567	511	238	△273

Summarized Statements of Financial Position

(billion KRW)

	2013.3Q	2014.2Q	2014.3Q	QoQ
Current Assets	30,976	31,874	31,690	△184
Cash & Financial Goods*	6,858	5,456	5,530	74
Account Receivable	11,187	12,276	12,076	△200
Inventories	9,654	10,876	10,934	58
Non-Current Assets	52,364	52,693	53,247	554
Other Long-term Financial Assets	5,351	4,655	4,375	△280
PP&E	35,315	35,500	35,362	△138
Total Assets	83,340	84,567	84,937	370
Liabilities	37,736	39,296	39,652	356
Current Liabilities	20,151	21,075	21,107	32
Non-Current Liabilities	17,585	18,221	18,545	324
(Interest-bearing Debt)	25,585	26,974	27,726	752
Equity	45,604	45,271	45,285	14
Owners of the Controlling Company	41,841	41,585	41,563	△22
Total Liabilities & Equity	83,340	84,567	84,937	370

* 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

2014 3Q Earnings Release

October 23, 2014