

YOUNG-TAE WON'S BIOGRAPHY

Youngtai Kwon is a Senior Executive Vice President for POSCO. He controls three departments such as raw materials development dept., raw materials procurement dept., and stainless steel raw materials dept.

Mr. Kwon joined POSCO in 1975 and has been working in the raw materials procurement area for more than 30 years.

He has a various experience of working in the several POSCO subsidiary companies. From 2000 to 2001, he worked as a president of POSCO Canada Ltd. Prior to that, he served as a general manager of raw materials dept. in POSCO P&S from 1995 to 1999. Before this, Mr. Kwon was a director of POSCO Austalia Pty Ltd. from 1989 to 1994. He rejoined POSCO as a senior vice president in 2002.

Mr. Kwon holds a Bachelor of Arts degree from Hankook University of Foreign Studies.

POSCO Expansions and Technology

May 25, 2011

Kwon, Young-Tae
Senior Executive Vice President
POSCO





A Global Player

Sustaining healthy growth with competence in steel business

Profile

- Established April 1, 1968
- 17,282 employees as of May, 2011

Leading steel producer

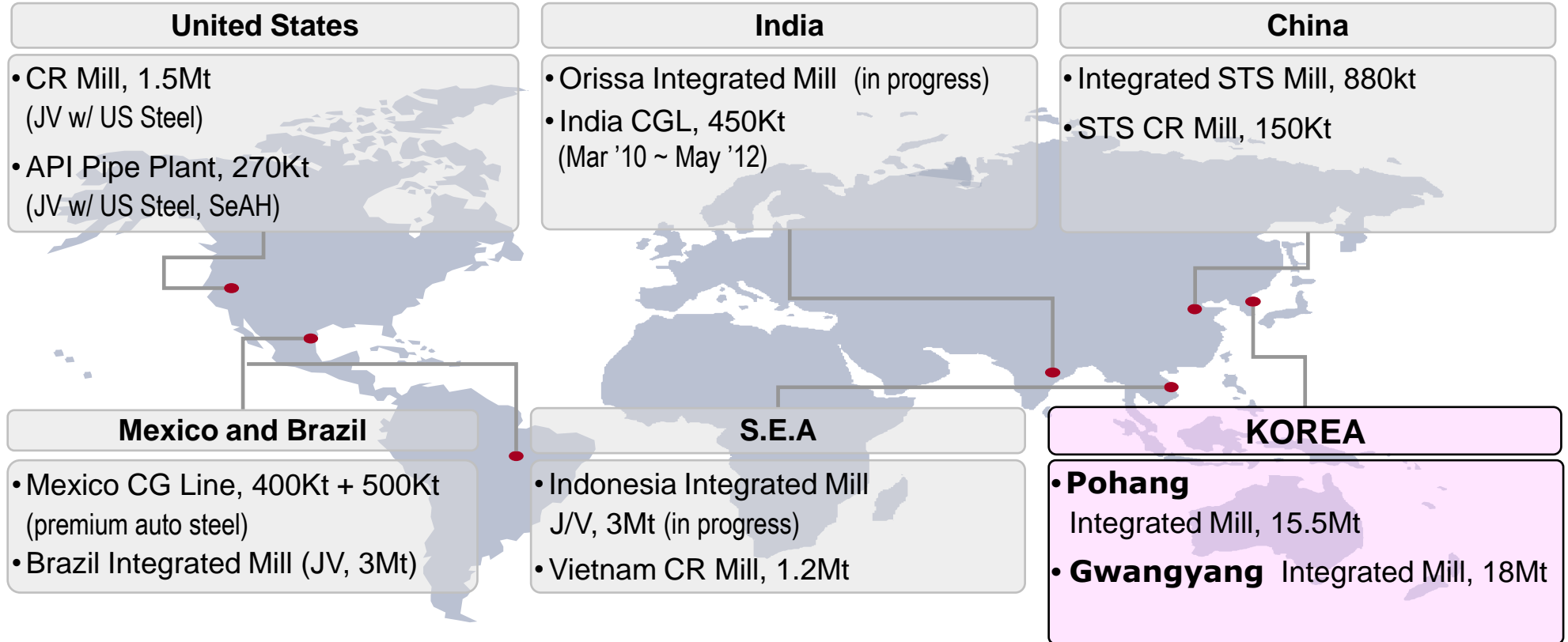
- No. 1 competitive steel company (WSD, Jan '10)
- Crude steel production (mil. tons)
'09 (29.5) → '10 (33.7) → '11(36.0)

Highly diversified product

- Diverse mix of products specializing in high-end, premium products

Global Presence

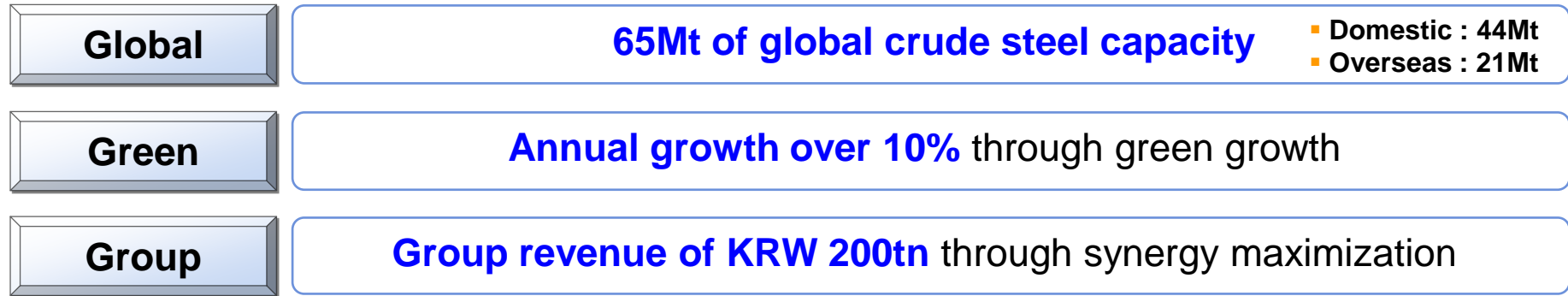
Global Presence



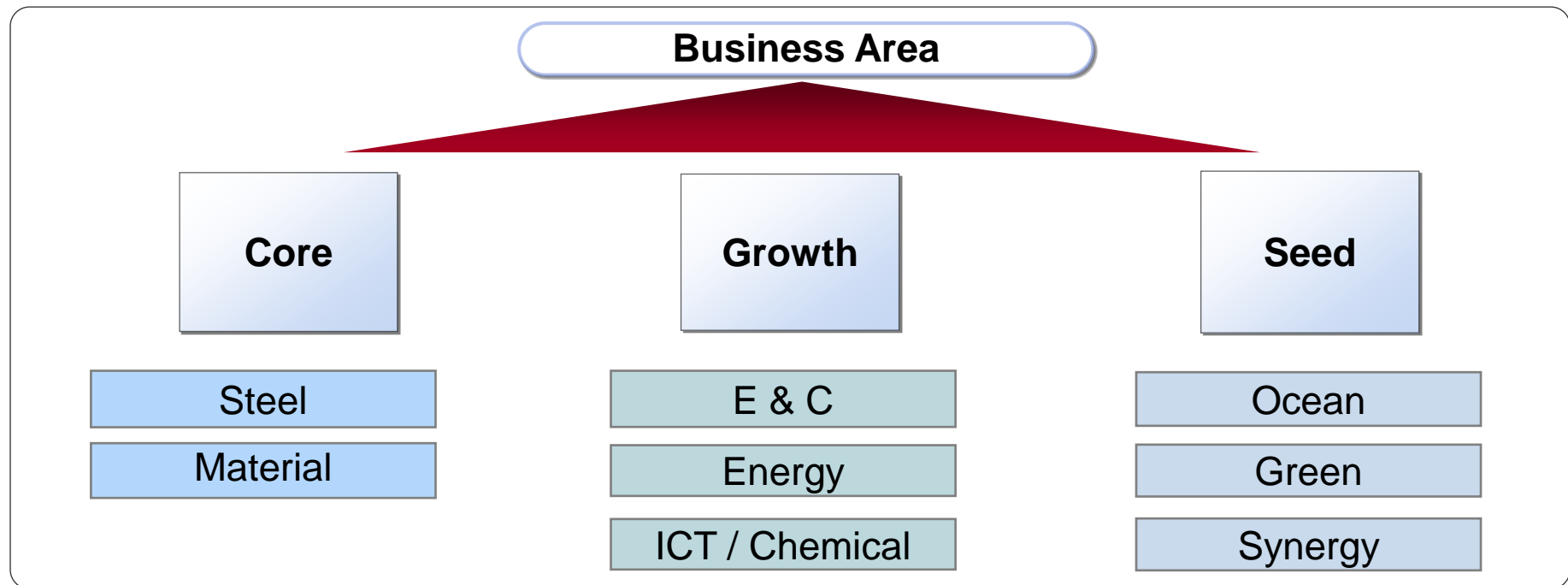
< Global SCM Bases : total 50 as end of '11.1Q >

China	SE Asia	Japan	India	America	Europe
19	11	6	5	5	4

- **KRW 200tn revenue through 3G (global, green, group) growth**



• Business Structure •



Domestic Expansion

■ 44Mt of domestic capacity

- **New Steelmaking Plant (Pohang) and Plate Mill (Gwangyang) recently completed**
- **Two Blast Furnaces in Gwangyang and Pohang relined with capacity increase**
 - Each Capacity 3,800 → 5,500m³
- **#3 FINEX (Pohang) planned**
 - Capacity : 2Mt/yr (Dec '12)
- **Capacity increase of Blast Furnaces in Gwangyang planned**

👉 **Improving technology competency with capacity expansion**

■ Upstream projects for global growth

• Indonesia integrated steel mill

- Capacity : 3Mt in 1st stage
- Schedule : ~13.E
- Share : POSCO 70%, Krakatau 30%

• Brazil CSP JV

- Capacity : 3Mt in 1st stage
- Schedule : ~14.E
- Share : POSCO 20%, Dongkuk 30%, Vale 50%

• India Orissa project conditional approval

- Approval granted (Jan.) : 2% CSR expense of earnings, 25% green-belt within site, etc.

■ Downstream projects for market expansion

- **Vietnam Cold Rolling Mill**

- Construction completed (Sept. '09)
- Capacity : 1.2Mt/yr

- **Mexico CGL Plant**

- Construction completed (Jun. '09)
- Capacity : 400Kt/yr

- **India CGL Plant**

- Schedule : ~ May `12
- Capacity : 450Kt/yr

- **China Guangdong CGL plant**

- Schedule : ~ `12.E
- Capacity : 450Kt/yr

Strengthened Technology

■ **Maintain global top position in technology**

- **Continued investment in R&D : 1.72% of revenue**

- Expand World Best & World First product, develop new technology for key processes

- **Enhancement of technology & developed premium steel**

- World Best & World First product sales volume : 4.68Mt, (op. margin over 20%)

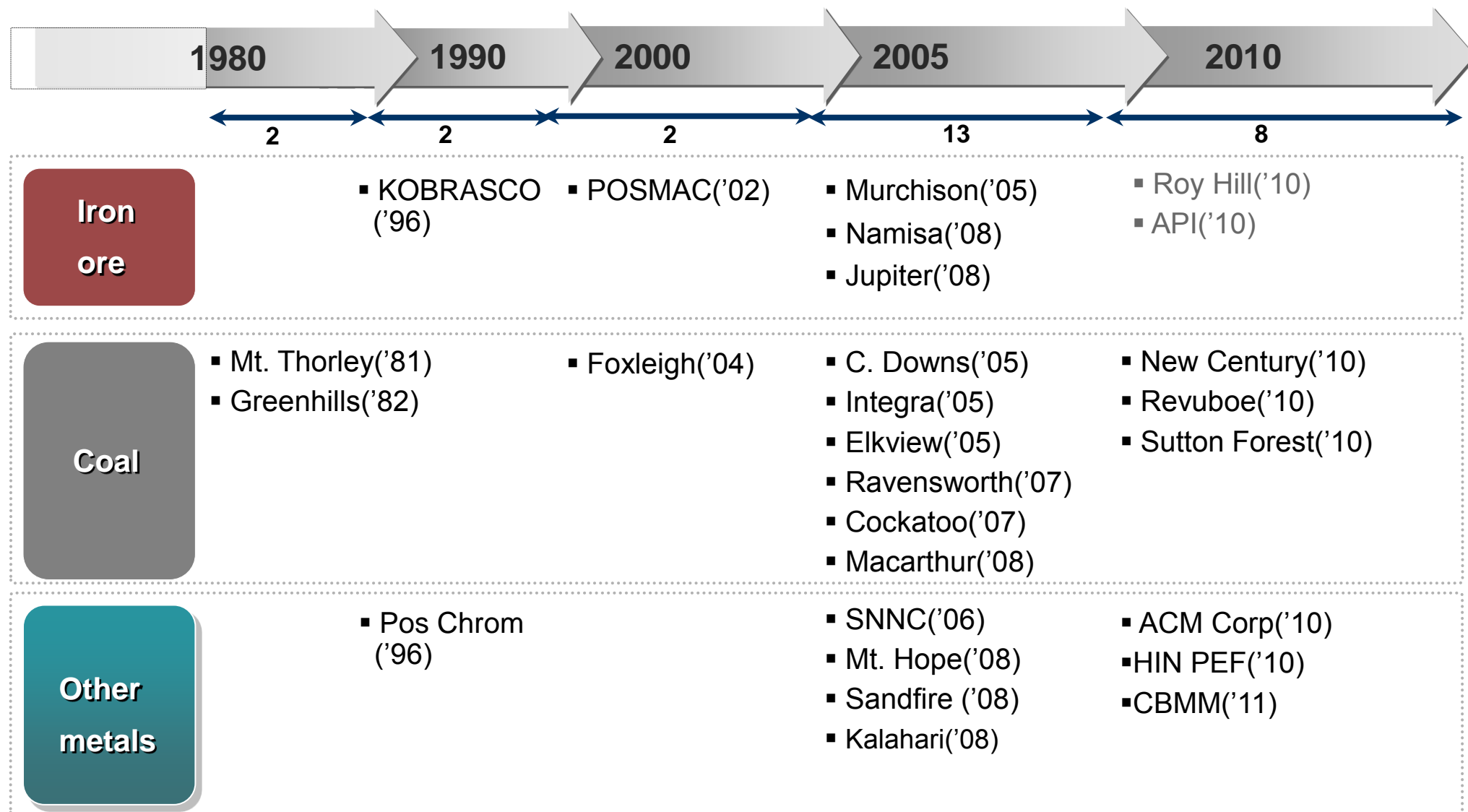
- Established commercialized production line for next generation automotive steel

- **Continued cost savings through technology enhancement**

- 1Q cost savings : KRW 317.7bn ('11 target raised : KRW 0.8tn → 1tn)

 **WSD Rank No.1 - World's Most Competitive Steel Company**

Overseas Raw Materials Mine Investments



Invested in total 27 overseas mines/projects

Increase self-sufficiency ratio : 18% ('09) → 30% ('12) → 50% ('14)

■ POS-HIMETAL



Company name: POS-HiMETAL CO.,LTD.

Joint Venture Company

POSCO 65%  **Dongbu Metal** 35%

Date of Establishment : September 1, 2009

Construction Completion : September 1, 2011

Production Capacity: ULPC 75,000 ton/year

* ULPC : Ultra Low Phosphorous and Carbon

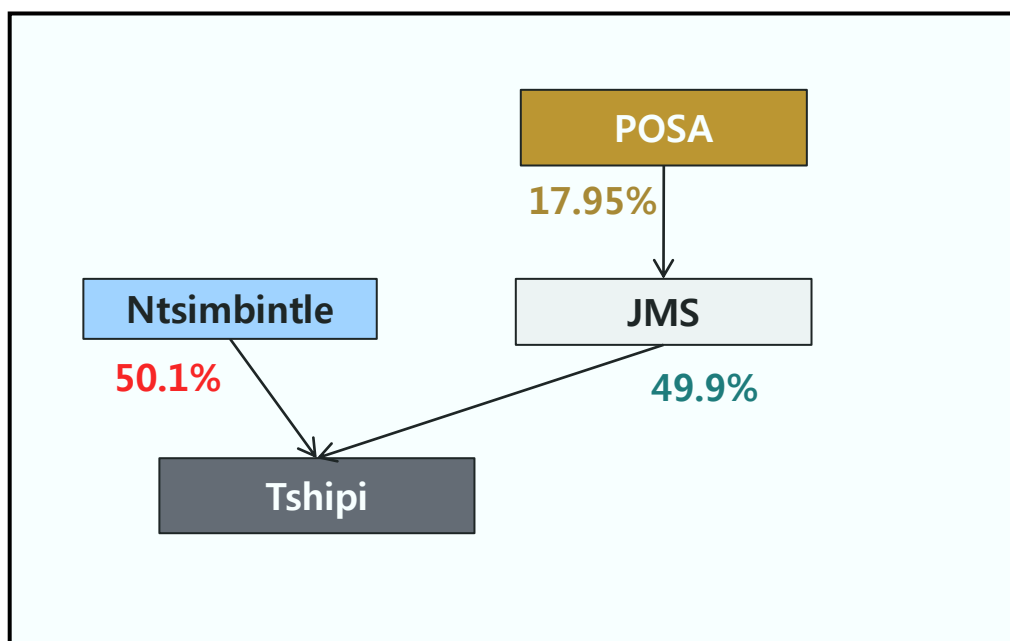
- High purity FeMn of POS-HIMETAL is supplied to POSCO's plate plant for the purpose of **high manganese steel production** and will replace expensive and unstable supply of **manganese metal**.
- High purity molten FeMn (ULPC) is manufactured from FeMn and SiMn by way of refinement and dephosphorization in electric arc furnace.
- POSCO FeMn Consumption Volume in 2011: 296 thousand tons

Manganese Ore Projects

■ South Africa Kalahari (Tshipi) Mn Project

- Reserves : 161 mil tons (production start : '12, open pit)
- Annual Production : 2 mil tons
- Off-take : 50~ 400Kt/yr (20% of the production quantity)
- Spec. : Mn 37%, Fe 5%, SiO₂ 5.5%, Al₂O₃ 0.3%, P 0.03%, S 0.04%
- POSCO share : 11.4% → 8.96% (Mar. `11)

👉 Investment in the most plentiful manganese ore area in the world

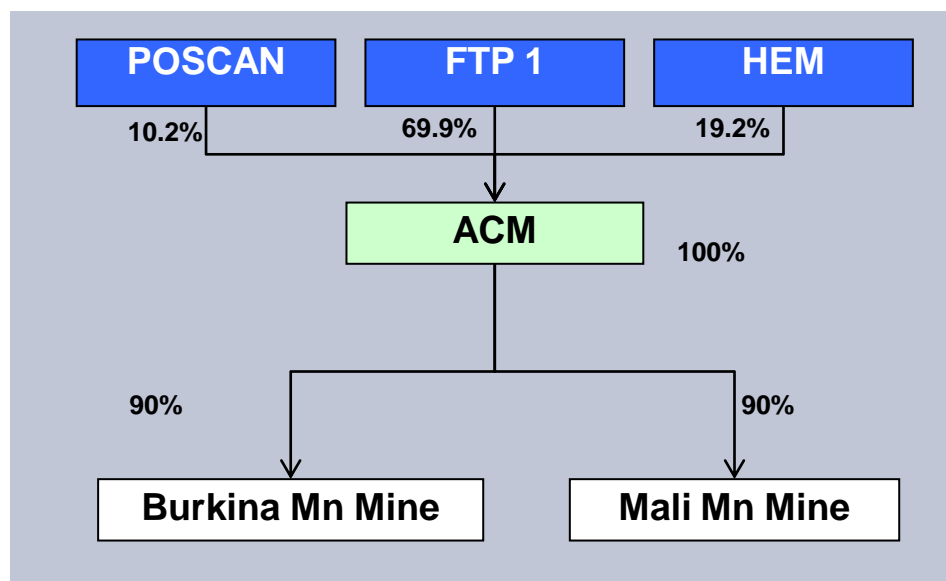


Manganese Ore Projects

■ Mali (Africa) Mn Project

- Region : Mali, Africa
- Reserves : above 5 mil tons (production start : '11.2H)
- Annual Production : 360Kt (Mn Contents: 45%)
- Off-take : 54Kt/yr
- POSCO share : 10.2%

👉 Establishing bridge-head for expanding business opportunities in W. Africa



Ansongo Mine



Ansongo Mine



- ❑ **POSCO will achieve its vision of KRW 200tn revenue in 2020 through 3G (global, green, group) growth throughout the world.**

- ❑ **POSCO pursues “make and buy” strategy to meet the continuing increase in the consumption volume of manganese.**
 - **Investment in several Mn Ore projects**
 - **Establishing manganese plants**
 - **Strengthening cooperative relationship with manganese suppliers.**

Thank you