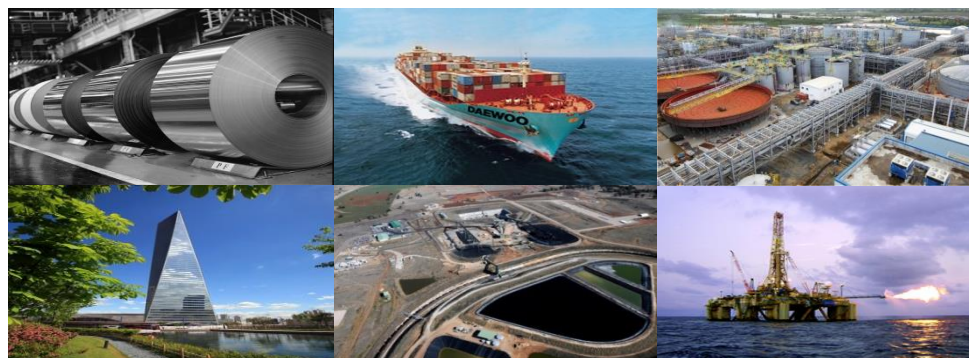


posco INTERNATIONAL

1Q 2019 Financial Results



April 24, 2019



Consolidated Results

Financial Results - Sales & Income Figures

Financial Results - Breakdown by Segment

Performance by Business Group

Sales Figures for Myanmar Gas Field & Steel Biz.

Key Management Focus for 1Q

Financial Structure & Ratios

Appendix 1. Quarterly Performance

Appendix 2. Status of E&P Business

Appendix 3. Success Cases of E&P Business

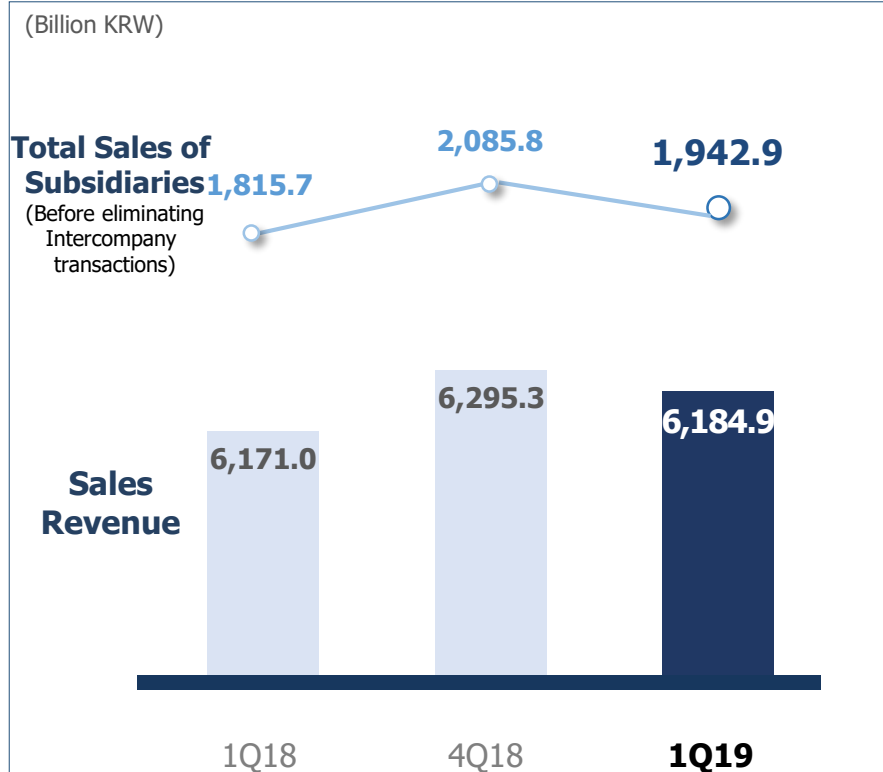
Figures in this presentation are based on unaudited financial statements of the company.
Certain contents in this presentation are subject to change during the course of auditing process.

Financial Results - Sales & Income Figures

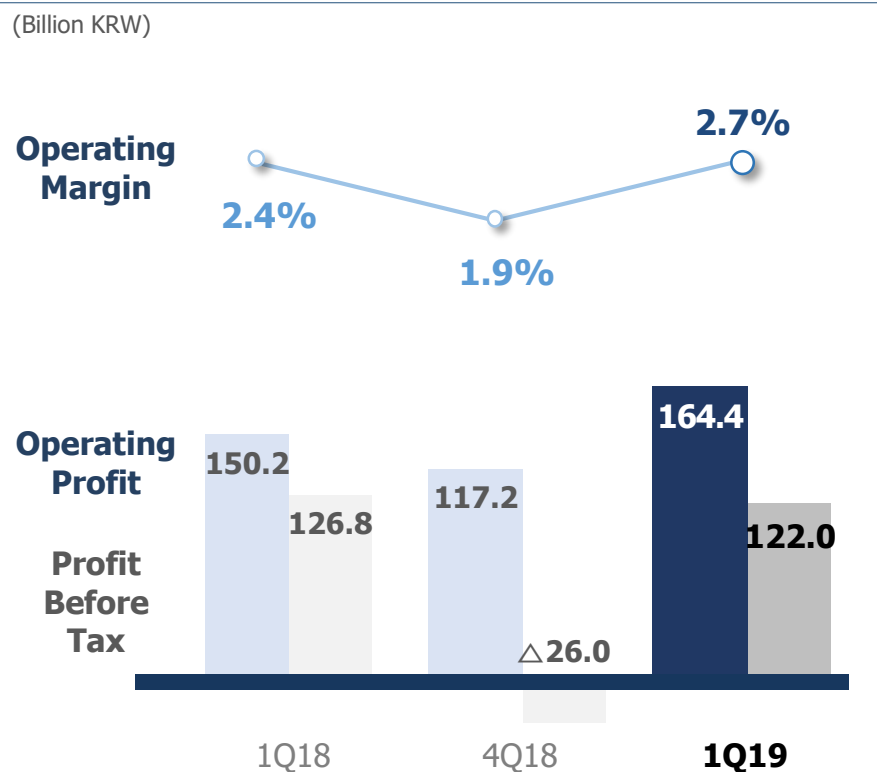
'6,184.9 billion KRW' in Sales Revenue, '164.4 billion KRW' in Operating Profit

Achieved record quarterly results in Operating Profit

Sales Revenue



Operating Profit & Profit Before Tax



Financial Results - Breakdown by Segment

Achieved highest quarterly Operating Profit backed by strong Sales in Myanmar Gas Biz.

(Billion KRW)	2018			2019		
	Yearly	1Q	4Q	1Q	QoQ	YoY
Sales Revenue	25,173.9	6,171.0	6,295.3	6,184.9	△110.4	+13.9
Operating Profit	472.6	150.2	117.2	164.4	+47.2	+14.2
<i>(OP Margin)</i>	1.9%	2.4%	1.9%	2.7%	0.8%p	0.3%p
Trading & Etc.	178.9	53.7	27.2	46.7	+19.5	△7.0
<i>(Margin)</i>	0.8%	0.9%	0.5%	0.9%	0.4%p	-
Myanmar Gas	245.1	87.7	71.7	102.8	+31.1	+15.1
<i>(*AD/BD)</i>	/268.1	/94.2	/78.5	/111.4	+32.9	+17.2
Other Resources PJT	△12.1	△4.7	△3.0	0.4	+3.4	+5.1
Subsidiaries	60.7	13.5	21.3	14.5	△6.8	+1.0
Profit before Tax	176.1	126.8	△26.0	122.0	+148.0	△4.8
<i>F/X Profit & Loss</i>	△4.1	△0.4	8.6	21.3	+12.7	+21.7
<i>Finance Costs</i>	△151.5	△33.3	△47.3	△38.0	+9.3	△4.7
<i>SEAGP</i>	17.7	13.6	4.3	11.8	+7.5	△1.8
<i>Equity Method Profit & Loss</i>	△1.6	△1.8	2.7	△11.0	△13.7	△9.2
<i>Other Profit & Loss</i>	△153.1	△1.7	△105.4	△0.5	+104.9	+1.2
Net Profit	115.7	86.1	△22.4	68.8	+91.2	△17.3

Operating Profit

▷ Refer to "Performance by Business Unit" on Page 4

Profit before Tax

▷ **Finance Costs : △38 Bil KRW**

☞ Interest Expenses – Interest Revenues
+ Loss on disposal of AR (Trade Finance)

※ Reference: Libor 3M Trend
: **1.92%**(1Q18) → **2.69%**(1Q19)

▷ **Equity Method P/L : △11 Bil KRW**

- KOLNG (+4.1 Billion)
- Ambatovy Nickel (△7.8 Billion)
- Wetar Copper (△9.5 Billion)

▷ **Net Profit : 68.8 Bil KRW**

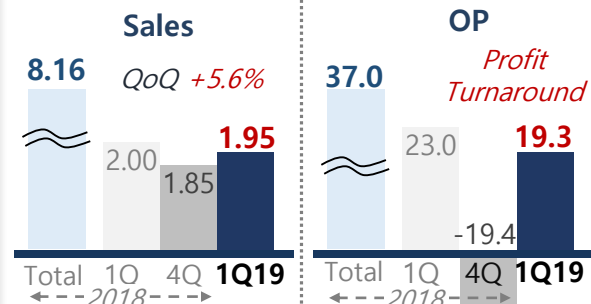
- One-time increase in Income Taxes due to Tax Policy on Non-Recycled Corporate Income

Performance by Business Group

(Sales in Trillion KRW, OP in billion KRW)

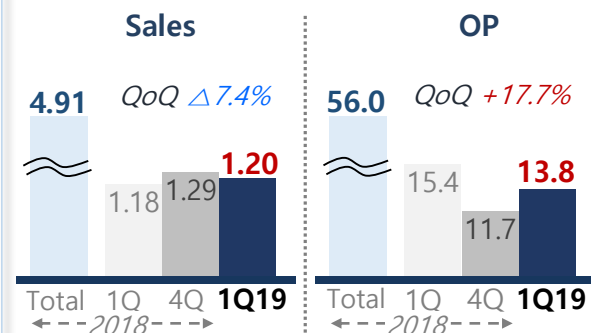
Overseas Steel Group

- ▶ Expanded business linked with overseas mills of POSCO
- ▶ Strong Stainless/Electrical Steel Earnings



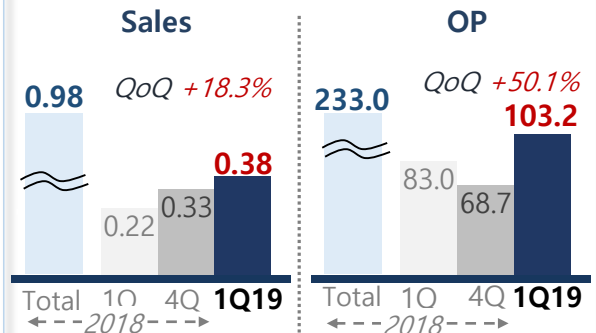
Domestic Steel Group

- ▶ Strong domestic sales of POSCO products and supply of Iron Ore to POSCO.



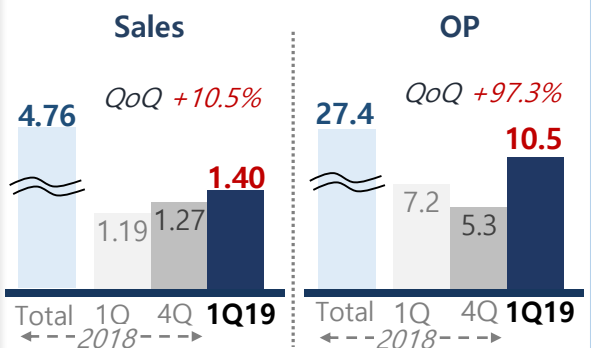
Energy Group

- ▶ Strong Myanmar Gas sales (570 mil. ft³/d)
- ▶ Expanded Triangular Trading of LNG



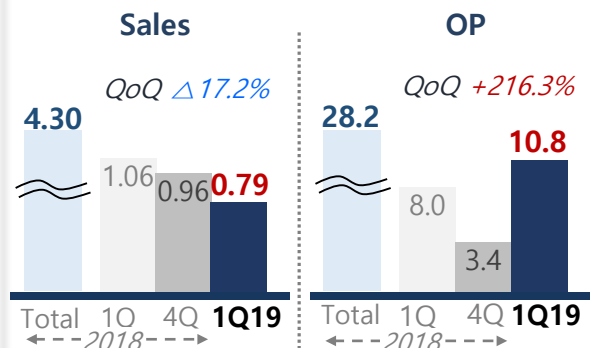
Agro & Chemical Business Group

- ▶ Strong sales of Feed Grain in Asia, Expanded supply of PET to EU/SA



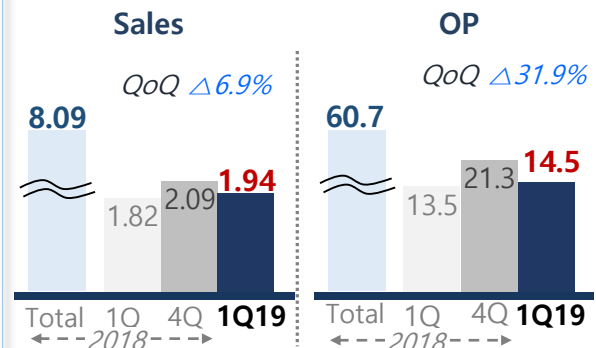
Mobility & Industrial Material Group

- ▶ Achieved improved profitability through restructuring of low margin biz.



Subsidiaries

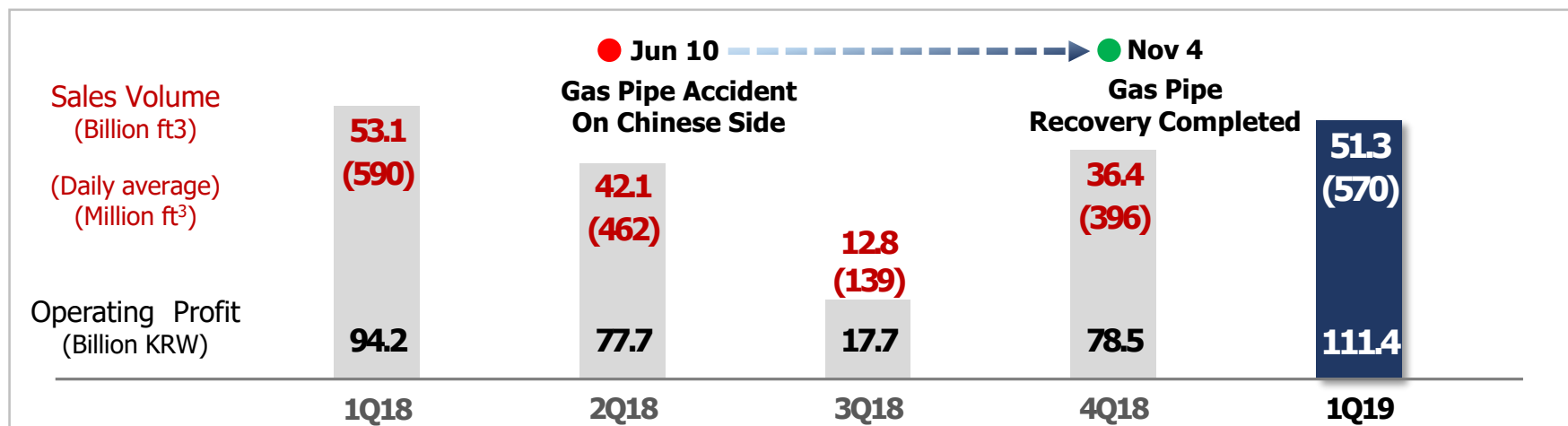
- ▶ Continued growth in Trading(India) & Investment (IPP, Indonesia Palm, Narrabri Coal, Uzbek Textile) Subsidiaries



Sales Figures for Myanmar Gas Field & Steel Biz.

Gas Sales Vol. – Average 570mnft³ /d, Steel Sales Vol. 2.86mnMT

● Myanmar Gas Field Sales Volume



● Steel Sales Volume

(Million Metric Tons)

	2017	2018	1Q	2Q	3Q	4Q	1Q19
Total Sales Volume	11.32	11.41	2.94	2.61	3.06	2.80	2.86
POSCO Products	7.81(69%)	7.35(64%)	1.90	1.80	1.99	1.68	1.99(70%)
Export	4.58	4.28	1.12	1.11	1.20	0.86	1.08
Domestic	1.59	1.86	0.48	0.46	0.46	0.46	0.49
Overseas Mills	1.64	1.21	0.30	0.23	0.33	0.36	0.41
Triangular (Non POSCO)	1.89(17%)	2.68(23%)	0.70	0.56	0.71	0.72	0.53(19%)

Key Management Focus for 1Q

Achieving long-term growth by securing Core businesses & growth base

- Establishing growth base for Agro/LNG/Steel biz & securing stability through long-term contracts

Securing Basis for Growth



Agro-Resources

▷ Increase Value Chain

- ① UKR Grain Terminal
 - Acquisition completed in Feb.
 - Currently undergoing Post-merger integration
 - Target COD : August
- ② Increase Trading Vol.
 - Achieve 1.47Mil Tons of trading volume of Feed Grain

Increase stability of Gas Supply

- ▷ Regular Maintenance works on the pipeline (China's side)
 - Pipeline Inspection & Replacement
- ▷ Construction of alternative Pipeline in China expected for Completion in May
 - Apply strict inspection policy

Internal Strengthening



L N G

▷ Establish basis for Gas-To-Power Biz

- ① Increase LNG Trading Vol.
 - 1 Q Volume : 0.35Mil Tons (0.47Mil Tons traded in 2018)
- ② Search for Upstream Assets
 - Western Coast of AUS, etc

Regular Restructuring

- ▷ Restructuring of biz Items and partners of Mobility & Industrial Material Group
 - Streamlined 12 partners in 1Q
- Operating Profit increase of 35% QoQ in 1Q even though sales volume was 25% lower.

Steel Business

▷ Strengthen Overseas and domestic market power

- Counter International Trade Issues through signing MOUs with Strategic Mills
- Supply Contract for 0.4Mil Tons of Russia Amursteel's Steel Billet

Name Change

▷ POSCO International Corporation

- ① Effective Date : Mar 18 (Annual General Meeting)
- ② Expected Results
 - Strengthen Inter-group synergy & display corporate identity as a Global Trading Company

Steel Raw Material

▷ Secure Long-term Supply Contracts

- ① Supply 0.54Mil Tons of Whitehaven's coal to SNNC
 - Supply period 2019~2021 (3 yrs)
- ② Supply 0.22Mil tons of India BRPL's pellets to POSCO
 - Supply Period Throughout 2019

Increase Global Competitiveness

▷ Foster Global Experts

- ① Hiring Investment Experts
- ② Increase global career development opportunities
- ③ Nurture Regional Specialists

▷ Strengthen Subsidiaries

- ① Increase ratio of independent biz
- ② Strengthen networking activities in strategic markets

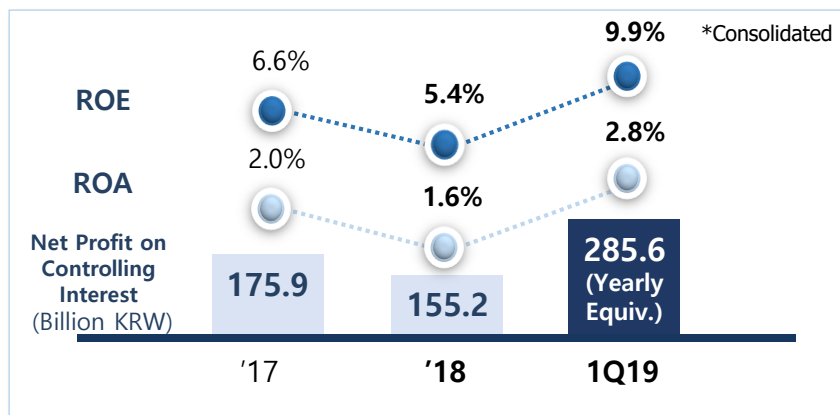
Strengthen Inter-Group Synergy, Business Stability, and Global Competitiveness

Financial Structure & Ratios

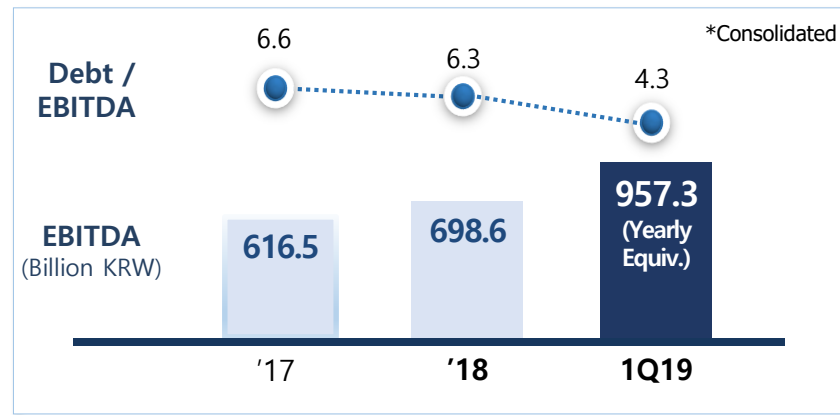
Improved ROE, Debt/EBITDA Ratio due to increased earnings and reduced debt

(billion KRW)	'15	'16	'17	'18	1Q19
Total Assets	8,043.3	8,288.8	9,170.0	9,881.0	10,173.6
Current Assets	4,346.3	4,681.0	5,047.5	5,980.2	6,036.2
Non-Current Assets	3,697.0	3,607.8	4,122.4	3,900.8	4,137.4
Total Liabilities	5,622.1	5,785.1	6,317.5	6,991.5	7,275.4
Current Liabilities	3,918.4	4,304.7	4,937.9	5,421.1	5,221.3
Trade Finance	1,787.3	1,401.8	1,520.2	1,896.8	1,371.1
Non-Current Liabilities	1,703.7	1,480.4	1,379.6	1,570.4	2,054.1
Equities	2,421.2	2,503.7	2,852.5	2,889.5	2,898.2
Issued Capital and Capital Surplus	902.6	902.6	1,170.3	1,170.9	1,170.9
Retained Earnings	1,472.0	1,524.8	1,644.4	1,732.3	1,729.6

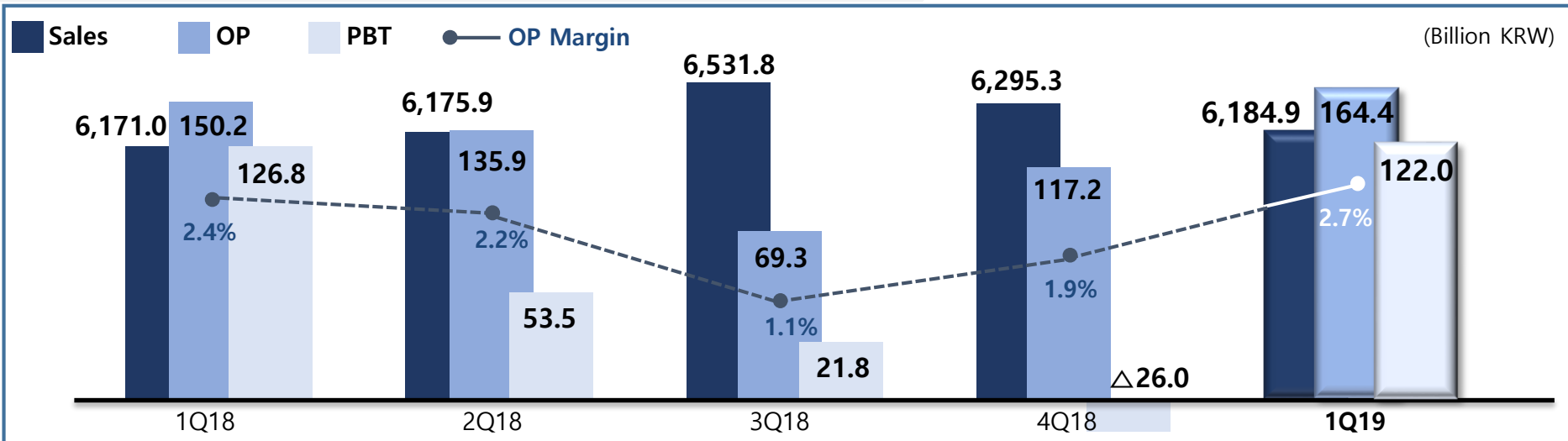
ROE & ROA



EBITDA (Debt/EBITDA)



Appendix 1. Quarterly Performance



[Key Profit & Loss Items, in Billion KRW]		1Q18	2Q18	3Q18	4Q18	1Q19
OP	Total Operating Profit	150.2	135.9	69.3	117.2	164.4
	Myanmar Gas Field (B.D. / A.D.*)	94.2 / 87.7	77.7 / 70.9	17.7 / 14.8	78.5 / 71.7	111.4 / 102.8
	Other Resource Dev. Projects**	△4.7	△1.4	△3.0	△3.0	0.4
	Trading & etc.	53.7	51.0	47.0	27.2	46.7
	Subsidiaries	13.5	15.4	10.5	21.3	14.5
Profit Before Tax	Total Profit before Tax	126.8	53.5	21.8	△26.0	122.0
	F/X Profit & Loss	△0.4	△10.5	△1.8	8.6	21.3
	Finance Costs	△33.3	△34.7	△36.3	△47.3	△38.0
	Myanmar Gas Pipe (SEAGP, 25%)	13.6	8.8	△9.0	4.3	11.8
	Equity Method Profit & Loss	△1.8	△1.5	△1.0	2.7	△11.0
	Other Profit & Loss	△1.7	△47.5	1.4	△105.4	△0.5

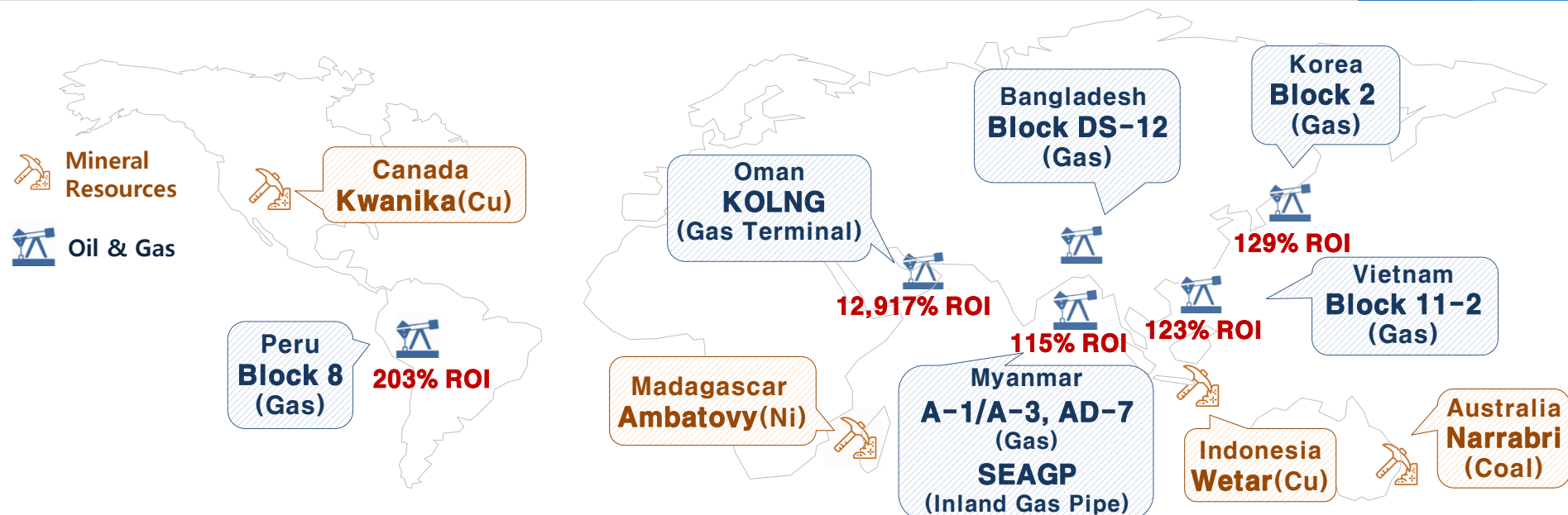
* B.D. = Before Distribution of administrative department P/L , A.D. = After Distribution of administrative department P/L

** Including Mineral Resources development department P/L

Market Variables (KRW, U\$/bbl,%)	KRW/USD (Quarter-End)	1,066.50	1,121.70	1,112.70	1,118.10	1,137.80
	Dubai Crude (Avg.)	64.1	72.0	74.1	68.1	63.4
	Libor 3M (USD, Avg.)	1.91799	2.33767	2.33572	2.62213	2.69218

Appendix 2. Status of E&P Business

12 On-going Projects in 10 Countries (8 Oil & Gas / 4 Mineral Resources)



● Oil & Gas

(Billion KRW)

Project	Equity	Project Participation	Reserve	CAPEX	ROI
Production				2,456.3	129%
A-1/A-3	51.0%	'00	4TCF	1,739.4	122%
SEAGP	25.0%	'10	-	485.1	93%
KOLNG	1.0%	'96	-	1.8	12,917%
Peru Block 8	11.7%	'96	17MMbbl	110.3	203%
Korea Block 2	30.0%	'14	20BCF	50.9	129%
Vietnam Block 11-2	4.9%	'92	0.63TCF	68.8	123%
Exploration				160.2	Conditional Loan
AD-7	60.0%	'07	-	154.2	36.5
DS-12	100.0%	'17	-	6.0	1.7

● Mineral Resources

(Billion KRW)

Project	Equity	Project Participation	Reserve	P/L for FY2018	P/L for 1Q19	Book Value (End of '18)
Production						313.7
Narrabri	5.0%	'09	125Mt	6.8	1.0	124.4
Ambatovy*	4.0%	'06	190Mt	△21.2	△7.8	136.4
Wetar	22.0%	'14	9Mt	△1.8	△9.5	60.5
Exploration						7.2
Kwanika	35.0%	'16	79Mt	-	-	7.2

*Including payment guarantee 45.4

Appendix 3. Success Cases of E&P Business

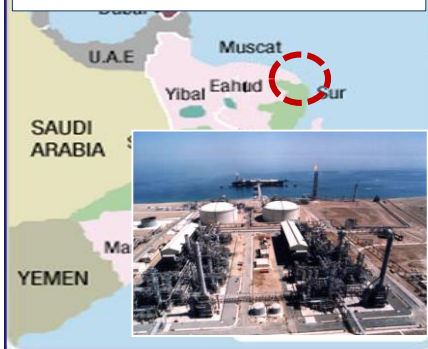
Successful Cases of E&P Equity Investment – Oman LNG, Narrabri Coal

Oman LNG (OLNG)

Economical and highly profitable Equity Investment

○ Location and Aerial View

Location : Al-Ghaliah area at the SE coast of Muscat



○ Project Scheme

Oman Inland Gas Field

- Reserve : 11 Trillion ft³

PIPE LINE

LNG Plant

- LNG Storage/Shipment

OMAN LNG

LNG Buyer

- KOR/JPN/SGP (KOGAS, etc)

○ Project Status

- **PJT**: ① Supply of Gas from Oman Inland Gas Field to LNG Plant (via PIPE)
② Sales to KOR/JPN/SGP (KOGAS, BP, ITOCHU) after liquefaction
- **Ownership & Operator** : Oman LNG L.L.C
- **Equity** : **KOLNG** 5%**, **Gov. of Oman 51%**, Shell 30%, Mitsubishi 2.77%,
** **POSCO Int'l 1%**, KOGAS 1.2%, Samsung C&T 1%, Hyundai 1%
- **Duration / Capa** : '00~'25(26 years) / **6.6Mil Tons/yr**(≈370bil ft³)
- **Avg. Yearly Dividend** (Past 10 years) : **USD 15.4Mil**
- **Timeline** ① '89~'90: 3 gas fields found at inland central Oman
② '97.7: KOLNG, Acquired 5% share from OLNG

Australia Narrabri Coal

Stable Income from Offtake Sales

○ Location and Aerial View

Location : Gunnedah Mines in AUS
(400km NW from Newcastle Port)



○ Project Status

- **PJT** : **Production of Bituminous Coal** (North) & Exploration (South)
- **Equity** : **POSCO Int'l 5%**, **Whitehaven 70%**(Operator), KORES 2.5%
J-Power(JPN) / EDFT(FRA) / Yudean(CHN) 7.5% each
- **Operation Period** : '11.12 ~ '31.7 (20 years)
- **Reserve / Our Offtake** : 125Mil Tons / **1.2Mil Tons/yr**
- **Avg. Yearly OP (Consolidated, 3yr)** : **AUD 11.3mil**
** Australia Holdings, our wholly owned subsidiary, holds 5% share of the PJT
- **Timeline** ① '09. 8 : Acquired investment approval
② '12.10 : COD