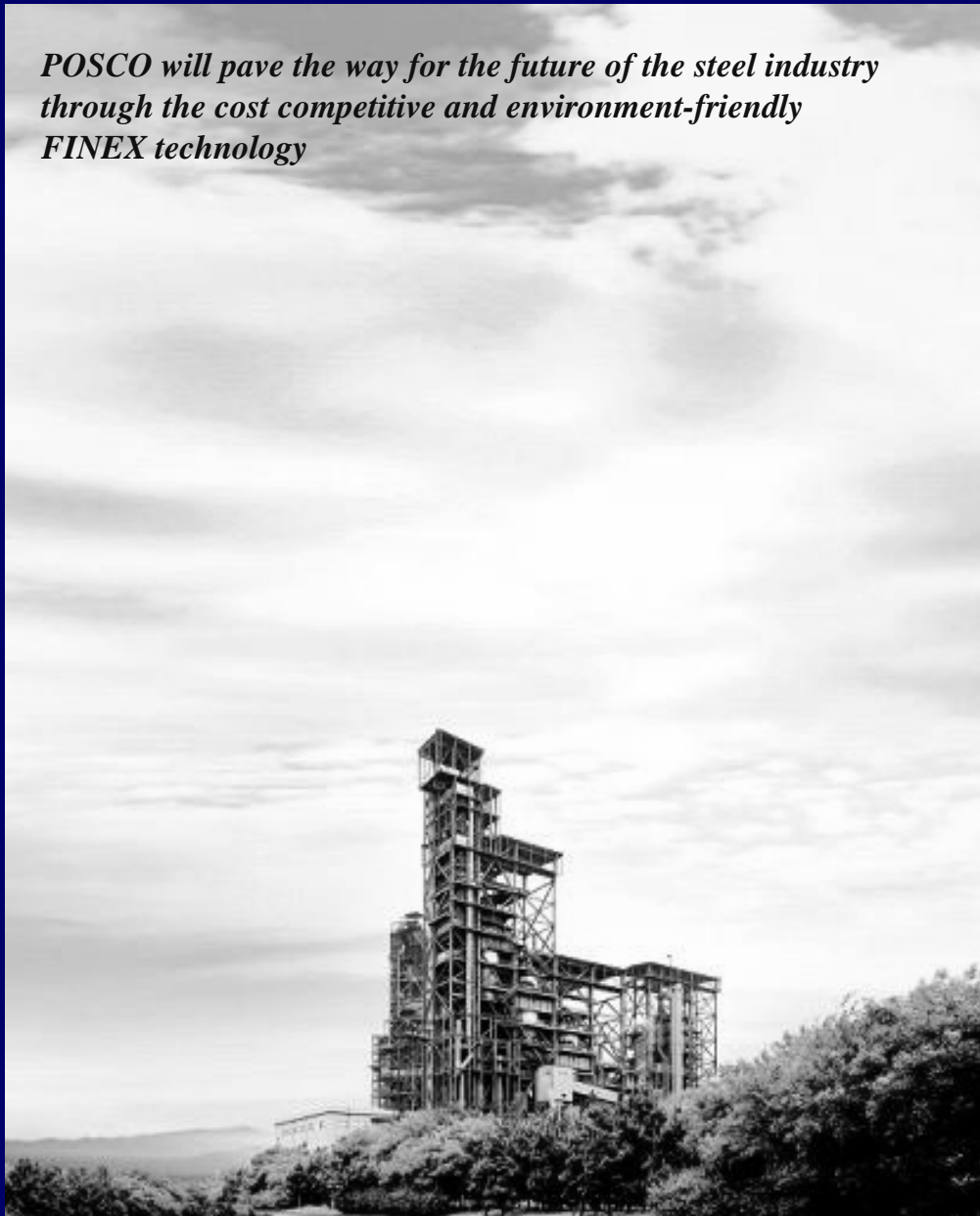


*POSCO will pave the way for the future of the steel industry
through the cost competitive and environment-friendly
FINEX technology*



1Q 2005 Performance

April 12, 2005

Figures provided in this presentation are based on unaudited financial statements of the Company for the first quarter of 2005 and have been prepared solely for the convenience of investors.

Certain contents in this presentation are subject to change during the course of auditing process.

The financial data presented are based on POSCO's non-consolidated financial statements.

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- ❑ **Minimized impact of reduced production(BF refurbishment) via productivity gains**
 - **Increased molten iron from other blast furnaces in Gwangyang Steel Works and enhanced crude steel production**

(Unit: Thou. Tons,%)

Category	2004		1Q05	YoY	QoQ
	1Q04	4Q04			
Molten Steel	6,757	7,004	6,675	△1.2	△4.7
Crude Steel	7,316	7,811	7,593	3.8	△2.8
Products	7,255	7,477	7,436	2.5	△0.5
Sales Volume	7,194	7,506	7,335	2.0	△2.3
Domestic	5,282	5,757	5,512	4.4	△4.3
Exports (%)	1,912 (26.6)	1,749 (23.3)	1,823 (24.9)	△4.7 -	4.2 -
Inventory	361	346	375	3.9	8.4

- Refurbishment of Gwangyang #2 BF (March 15, '05~ May 30, '05)

Sales by Product



❑ Increased sales of high-value-added products (e.g., CR, STS)

(Unit: Thou. tons, %)

Category	2004		2005 1Q		
	1Q	4Q		YoY	QoQ
HR	2,598	2,579	2,290	△11.8	△11.2
Plates	804	917	873	8.6	△4.8
Wire rods	508	516	519	2.2	0.6
CR	2,356	2,510	2,666	13.1	6.2
Electric Sheets	190	170	194	2.1	14.1
Stainless Steel	493	488	517	4.9	5.9
Others	245	326	276	12.7	△15.3
Total	7,194	7,506	7,335	2.0	△2.3

Financial Performance



□ Continued earnings growth via price increases and strengthened KRW

	<u>1Q04</u>		<u>4Q04</u>		<u>1Q05</u>
• ASP increase (Thou. KRW) :	579	→	729	→	752
• FX Rate (KRW/UDS) :	1,153.6	→	1,043.8	→	1,024.3

(Unit: KRW bn, %)

Items	2004		1Q05	YoY (%)	QoQ (%)
	1Q04	4Q04			
Sales Revenue	4,285	5,609	5,656	32.0	0.8
COGS	3,027	3,723	3,613	19.4	△3.0
Operating Profit	1,008	1,614	1,776	76.2	10.0
OP Margin	23.5	28.8	31.4	-	-
Net Profit	720	1,179	1,308	81.7	10.9
Net Margin	16.8	21.0	23.1	-	-

Capital Structure



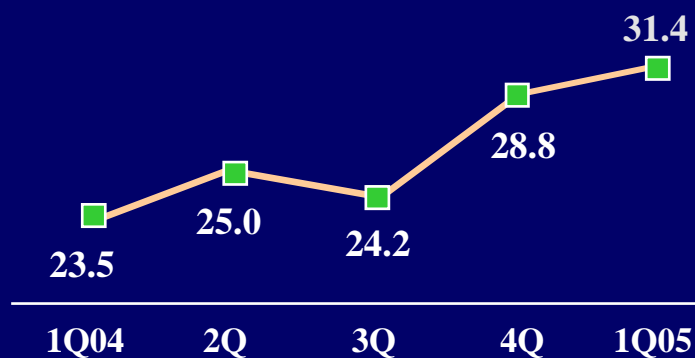
(Unit: KRW bn.)

Items	2004		1Q05
	1Q	4Q	
Total Assets	18,566	21,367	21,713
Current Assets	5,489	7,742	8,003
Fixed Assets	13,077	13,625	13,710
Total Liabilities	5,214	5,257	5,110
Borrowings	3,210	2,497	2,369
Shareholder's Equity	13,352	16,110	16,603

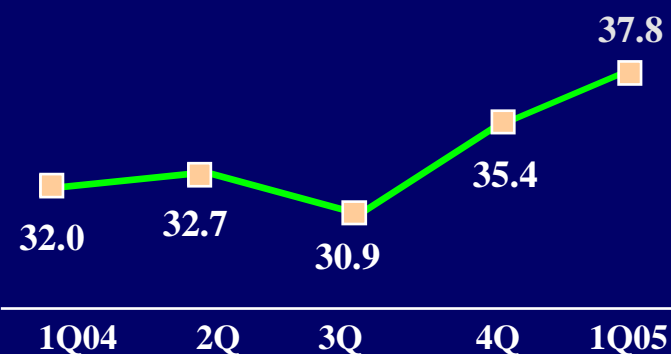
- Repayment of Debt : KRW bond & borrowings

Key Ratios & Indices

Operating Margin (%)

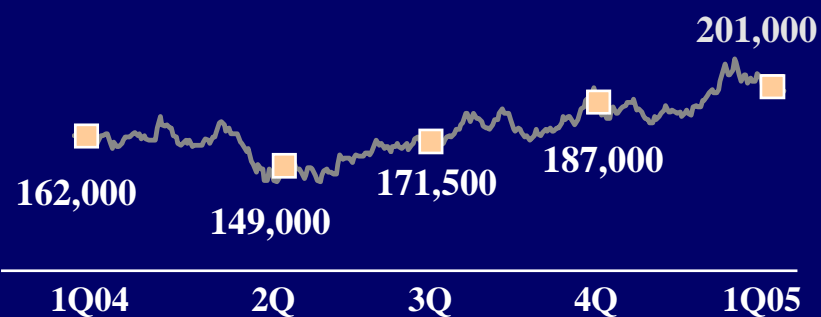


EBITDA Margin (%)

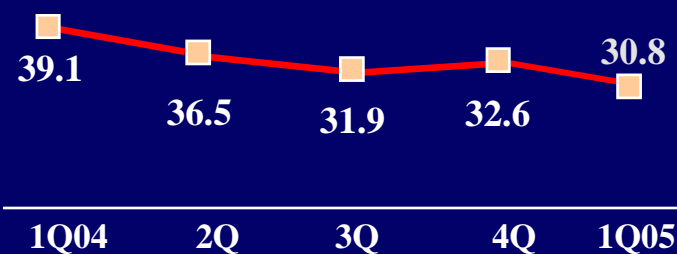


Share Price (KRW)

(Quarterly End Share Price)



Debt Ratio (%)



I. 1Q05 Operating Results

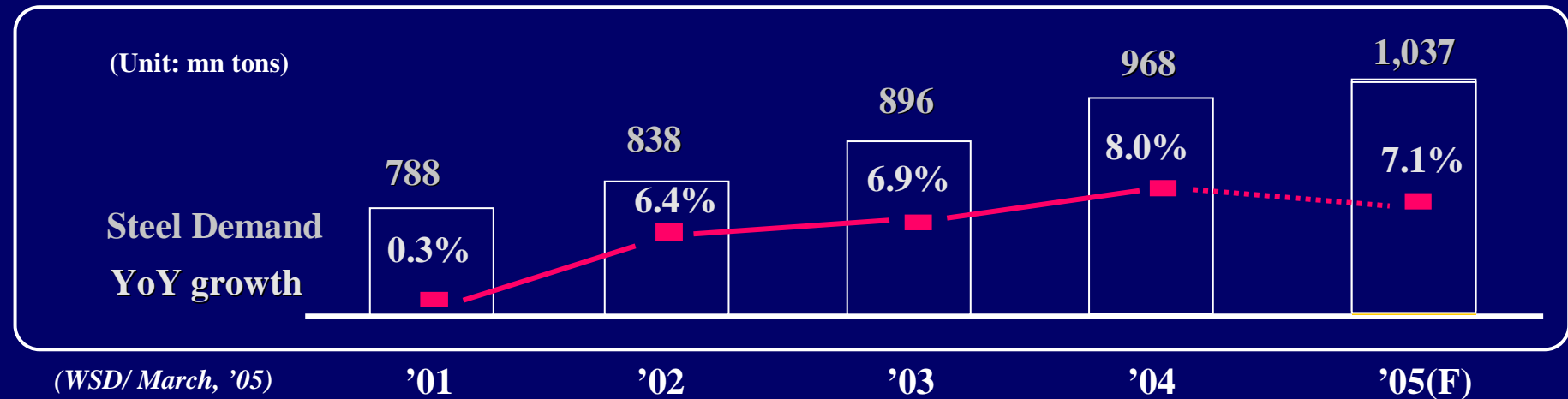
II. Steel Industry Trends

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□ Macro: Favorable climate continues, led by tight steel supply/demand

< Apparent Consumption of Steel Worldwide >



- **Demand : Stable global economy & strong China demand continues**
 - China's demand growth : 16.4% ('04) → 13% ('05F)
- **Supply : On stable demand outlook, a 7% growth in supply forecasted**
 - Amidst slowing production growth by leading steelmakers, China should be a key swing-factor
 - Active capex on the back of improving financial results
 - Global industry capex : \$46.9bn (2004(A), up 44% yoy) → \$65bn (2005(F), up 41% yoy)

Key Trends by Region

❑ Tight supply/demand exacerbated in Japan and SE Asia; Correction in China, Europe



- ✓ Marginal weakness due to high inventories and slowing demand
 - HR price (Germany) : €530(Jan) → 520(Mar)
 - Difficulty in pushing thru 2Q price hike (~€15 level) reported (e.g., Arcelor)
- ✓ Efforts to manage regional supply via output cut by regional mills
- ✓ Plans to reflect raw material price hike on 3Q pricing



- ✓ Weaker price from rising inventory stemming from growing imports since 2H04
 - HR price : \$689(Jan) → 639(Mar)
 - Weaker prices, despite flat steel price hike in April (e.g., +\$20 by Nucor)
- ✓ Expect price recovery towards end-2Q05, as regional mills reduce output while imports slow



- ✓ After recent price surge, price undergoing correction since March,
 - HR market price: \$520(Jan) → 570(Mar) → 560(Apr)
- ✓ Regional mills (e.g., Bao Steel) raising price for 2Q shipment
 - HR/CG (+\$48), CR (+\$60)



- ✓ Price strength continues amidst tight supply/demand
 - Successful price hikes by BF steel producers
 - Market (2Q05): +JPY10k
 - Contract (Apr~Sep05) : +JPY10~15k
- ✓ BF steel producers expanding capacity under outlook of continued tightness of supply/demand



- ✓ Strong steel price from tighter regional supply/demand
 - Key 2Q offered price (e.g., by Japanese BF producers) raised by \$40~50
 - CR exports (Japanese) : \$720(1Q) → 760~770(2Q)
 - Regional mills raised 2Q domestic prices
 - Malaysia Mega Steel (HR) : +\$40

❑ China Steel Supply/Demand Forecast

(mn tons/YoY)

	'03	'04	'05 (F)
Steel Demand	271.4 (+28.3%)	312.3 (+15.7%)	355.7 (+13.9%)
Steel Production	240.1(+22.7%)	295.6 (+23.1%)	345.3 (+16.2%)
Steel Imports	37.2 (+56.0%)	29.3 (-21.2%)	29.2 (-0.3%)

(CSIA/ March, '05)

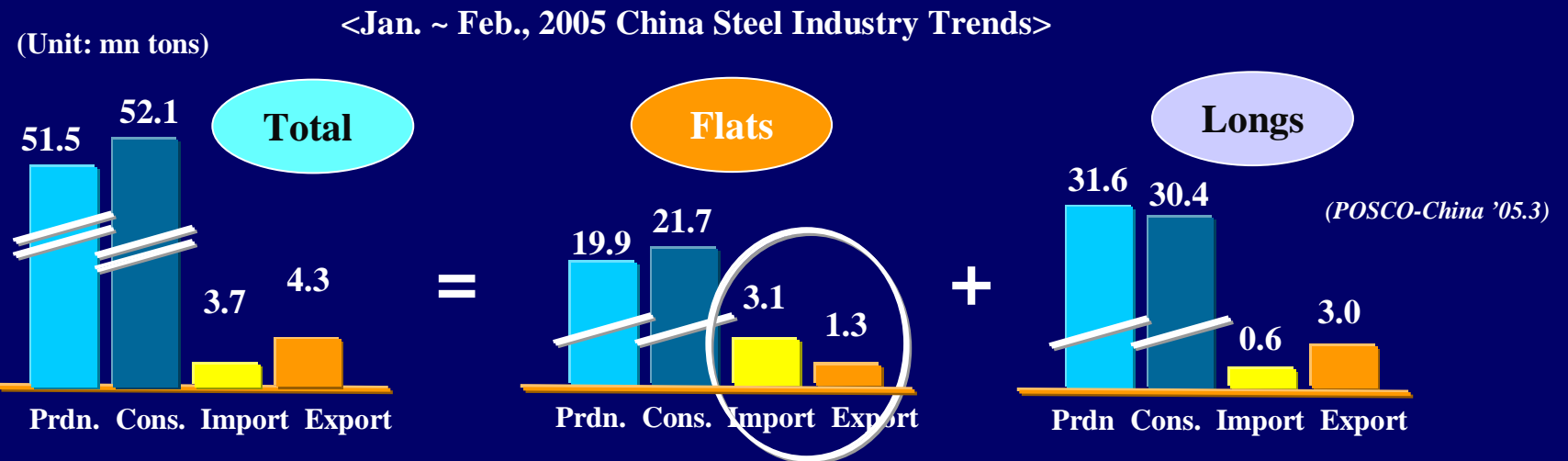
- **Demand** : Steady uptrend from sustained high-growth by manufacturing industries; demand from construction sector plateaus out
- **Production** : Expansion of 48mn tons on the back of ramp-up of 2004 new capacity and rising utilization
- **Imports** : Expect flat growth, centered around firm demand for high-grade steel

❑ Outlook on China's Major Steel Consuming Sectors

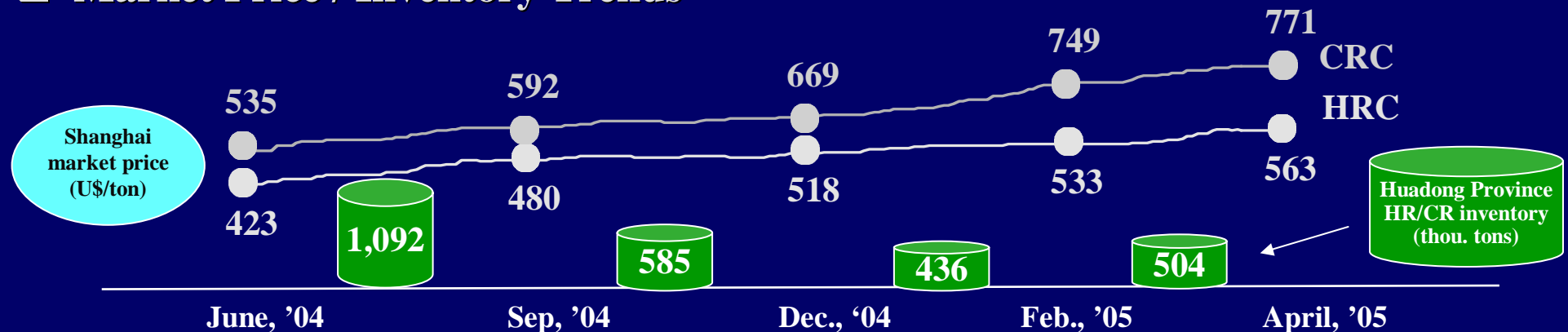
- **Autos** : Production forecasted to rise 15% yoy on growing demand
- **Appliances** : Sustained growth behind new demand in intra-continent regions as well as replacement demand
- **Shipbuilding** : Record-high new orders & production currently being posted
(2004 shipbuilding production estimated at 1/3 of Korea's)

Recent Trends of Steel Imports/Exports

- Net import maintained on flat steel, led by stable demand for high-quality steel

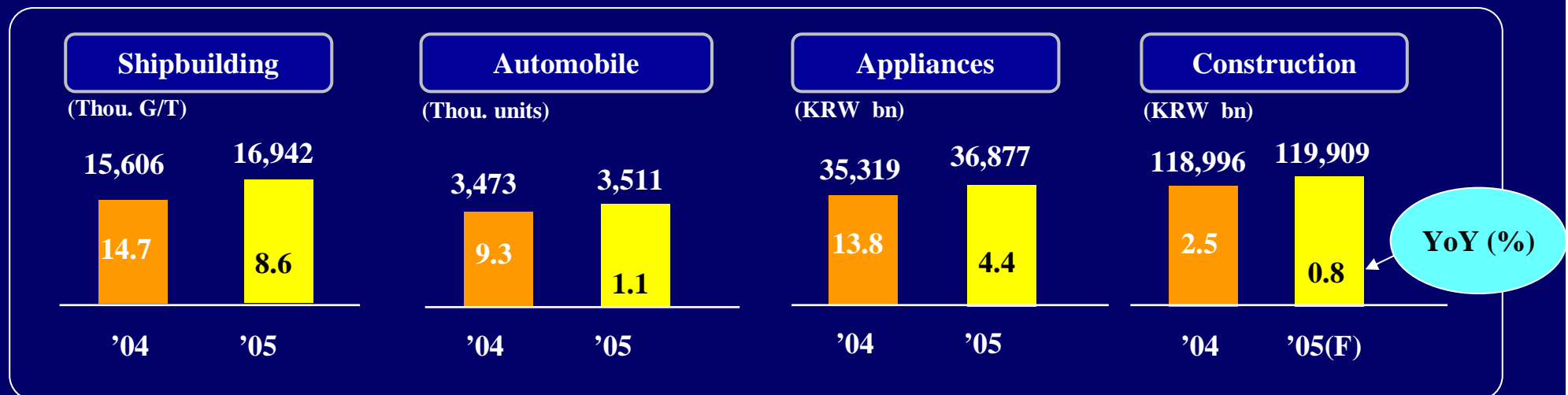


Market Price / Inventory Trends



- ❑ 2005 GDP growth of 4% forecasted, on delayed domestic consumption and slowing export growth
 - GDP growth : 4.6% ('04) → 4.2% ('05)
- ❑ Demand for crude steel and flat steel to grow, while long products demand posts minimal growth
 - Flat steel demand to rise by 3.2% , but long steel demand to fall 3.8%, resulting in 47mn tons of steel consumption
 - Strong demand from shipbuilding, while slowing demand seen from autos, appliances and construction

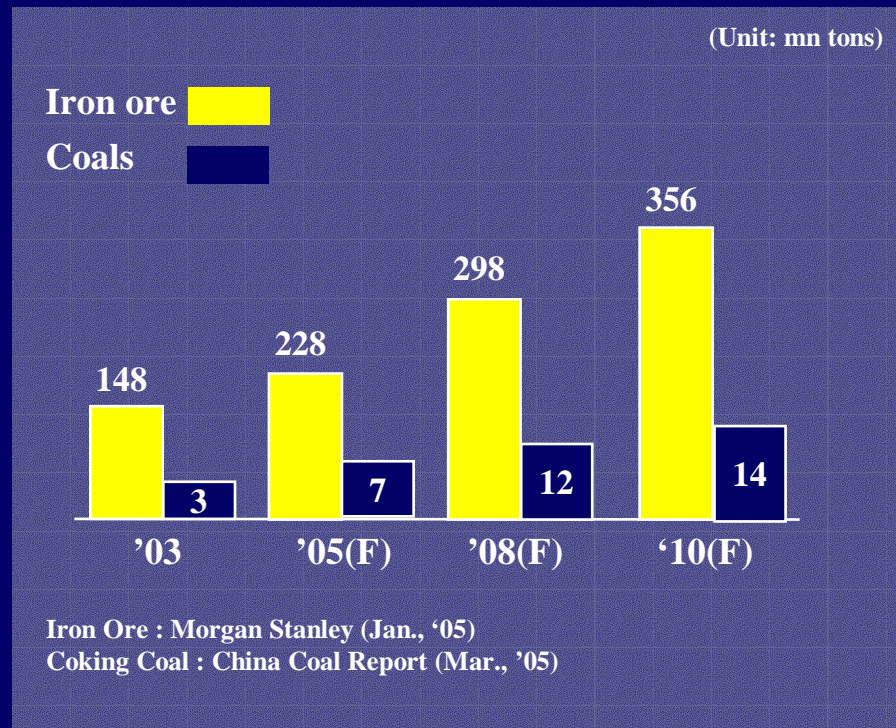
< 2005 Domestic Production Outlook in Key Industries >



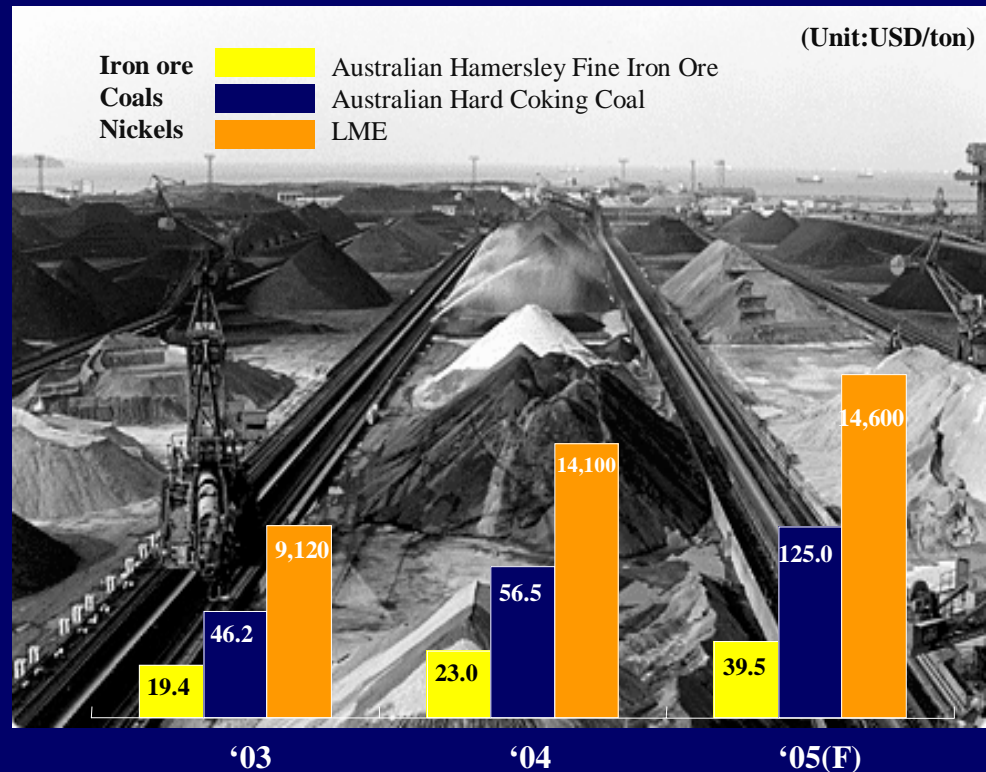
(POSRI '05.4)

- ❑ Supply shortage continues due to China's surging demand for steel feedstocks
- ❑ Upward pressure in raw materials prices amidst oligopolistic industry structure and capacity constraints

< China's raw material import forecast >



< Trend in raw materials prices >



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Key Management Activities

The 37th AGM

- Cumulative voting and paper voting system introduced
- Dividend per share of KRW 8,000

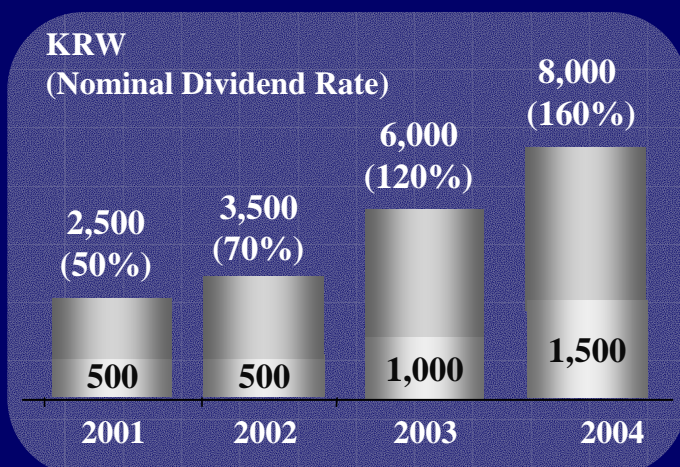
Share Buyback

- 2005 Buyback : 1.74mn shares
- Period : Feb., 7 ~ May 6, 2005
- ※ Post-buyback treasury balance: 8.7mn shares

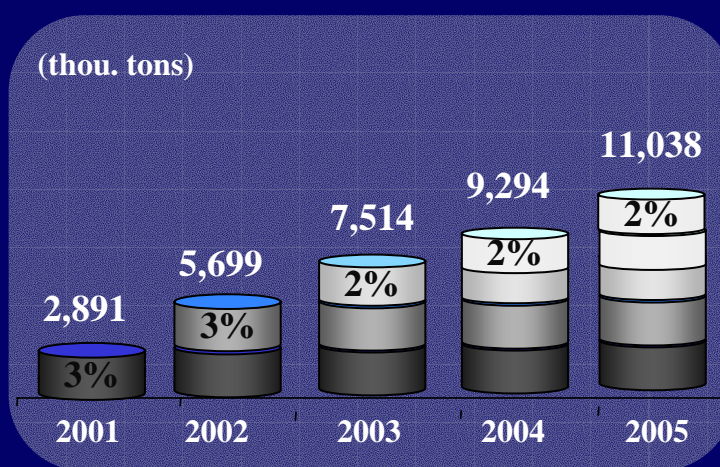
Domestic Price Increase

- Prices increased by 7~12%
- Applicable from April shipments

< DPS Trend by Year >



< Treasury share buyback/cancellation >



< Post-Price Hike Comparison of HR Prices >



Progress of Major Investment Projects

Capacity Expansion for STS HRC in Zhangjiagang

- STS Capacity: 600k tons/yr
- Benefits:
 - ✓ Expansion of STS HRC supply to China
- Timetable : Jan., '05 ~ Aug., '06
- Progress : Laid foundation, design/
manufacturing of machinery ordered



< Zhangjiagang STS HR Factory Site >

Completion of STS CRC Plant in Qingdao

- STS CRC Capacity: 180k tons/yr
- Impact:
 - ✓ Expanding STS CRC supply to northeast China
- Launch date : March, '05
- Progress : In normal operation



< Qingdao STS CR Plant >

Progress of Major Investment Projects

FINEX #1 Plant Construction

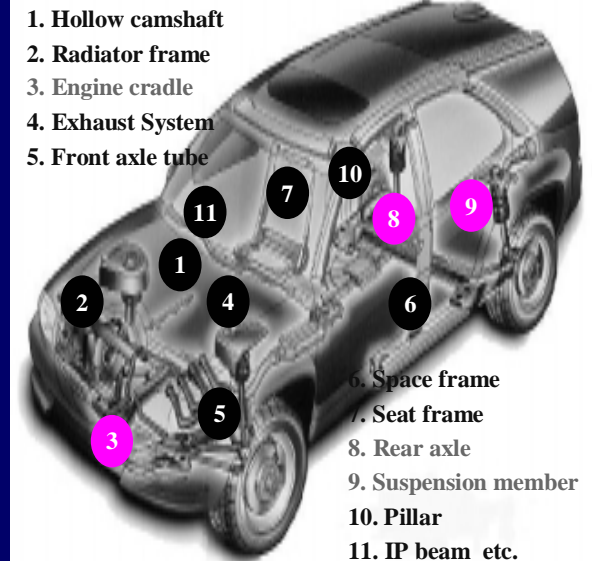
- 1.5 mn tpa capacity
- Benefits:
 - ✓ Lower capex
 - Bypassing coking & sintering processes
 - ✓ Raw material cost reduction
 - ✓ Reduction of pollutants
- Time table:
 - Aug., '04: Ground-breaking
 - Apr., '05: Machinery installations
 - Jun., '06: Test
 - Dec., '06: Commercial launch
- Completion rate : 12.5%

STS Strip Casting Demo Plant Construction

- 600k tpa capacity
- Benefits:
 - ✓ Lower capex
 - Bypassing heating & rolling processes
 - ✓ COGS reduction
 - ✓ Improved quality
- Time table:
 - July, '04: Ground-breaking
 - Aug., '05: Complete production lines
 - Jun., '06: Launch
- Completion rate : 32%

Completion of Hydroforming Facility

- 1mn parts per year
- Benefits:
 - ✓ Lighter weight
 - ✓ Cost reduction

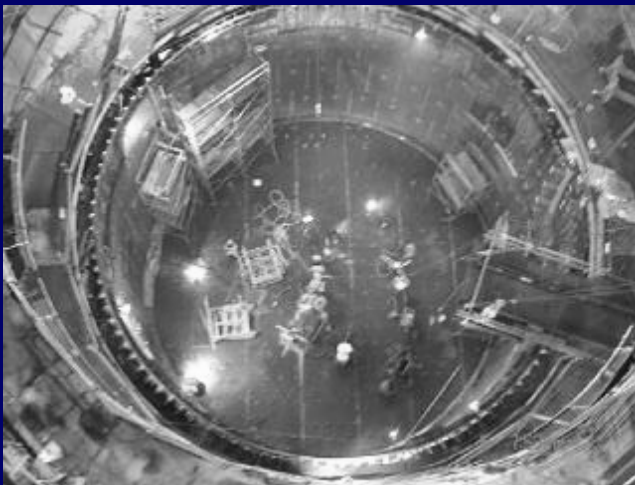


< Parts applicable for Hydroforming >

Progress of Major Investment Projects

Refurbishment of Gwangyang #2 BF

- **Benefits**
 - ✓ Expansion of BF capacity (460k/yr)
 - ✓ BF lifecycle lengthened (20+ yrs)
 - ✓ Increased electricity generation power
- **Completion rate : 65%**
 - Record-short refurbishment period for BF (77 days)



< Installation of BF Herth Wall >

Construction of #5, #6 CGL

- **Annual capacity: 450k tons (#5)
400k tons (#6)**
- **Benefits**
 - ✓ Capacity of 5mn tpa for automotive sheets by 2007
 - ✓ Supply domestic/overseas auto steel demand
- **Completion rate**
 - #5 CGL : 94% (~Aug., '05)
 - #6 CGL : 40% (~Jun., '06)



< #5 CGL Plant Construction Site >

Construction of LNG Terminals

- **Capacity of 1.7mn tpa**
- **Benefits**
 - ✓ Stable supply of lower-cost fuel thru long-term LNG contracts
- **Completion rate : 99%**
 - Target launch: Jun., '05



< LNG Terminal >

I. 1Q05 Operating Results

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2005 Business Plan



(Unit: mn tons, KRW bn.)

	<u>2004</u>	<u>2005 (F)</u>	<u>YoY Chg (%)</u>
Production	30.2	31.3	3.6
Sales Volume	29.2	30.4	4.1
Revenue	19,792	23,900	20.8
Capex	2,277	4,088	79.5

Above data represents company's internal financial targets and may be subject to change and should not be used for making investment decisions