

SECTION B - SALES TO AUSTRALIA (EXPORT PRICE)

This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory. Export prices are usually assessed at FOB point, but Customs and Border Protection may also compare prices at the ex factory level.

*You should report prices of **all** goods **shipped** to Australia during the investigation period.*

The invoice date will normally be taken to be the date of sale. If you consider:

- the sale date is not the invoice date (see 'date of sale' column in question B4 below) and;
- an alternative date should be used when comparing export and domestic prices.

*You **must** provide information in section D on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

B-1 For each customer in Australia to whom you shipped goods in the investigation period list:

name;
address;
contact name and phone/fax number where known; and
trade level (for example: distributor, wholesaler, retailer, end user, original equipment).

ANSWER: *POSCO has provided the requested information concerning each customer to whom POSCO made export sales of subject merchandise to Australia in Appendix B-1.*

B-2 For each customer identified in B1 please provide the following information.

- Describe how the goods are sent to each customer in Australia, including a diagram if required.
- Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.
- Explain who retains ownership of the goods at each stage of the distribution chain. In the case of DDP sales, explain who retains ownership when the goods enter Australia.
- Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

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- Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.
- State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).
- Details of the forward orders of the goods (include quantities, values and scheduled shipping dates).

ANSWER: For export sales of the goods under consideration to Australia, POSCO has " " channels of distribution.

1) Channel 1

: POSCO made its export sales of the goods under consideration through its related trading company in Australia, [] (hereinafter " ") to the final end-user during the investigation period.



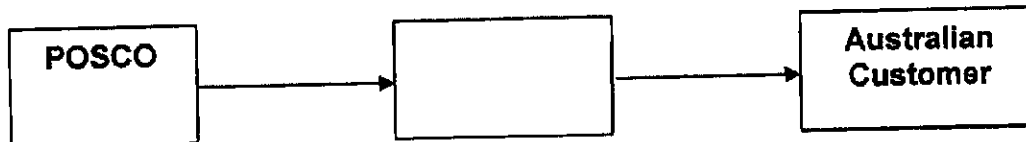
All sales by POSCO to [Company A] are made on a [] basis while sales by [Company A] to the unrelated Australian customers are made on [] or [] basis.

[Company A] is responsible for [

.]

2) Channel 2

: POSCO carries out its export sales of the goods under consideration to Australia through domestic trading companies (such as " " and " ") during the investigation period.



All sales made by POSCO to the [] are made on a [] basis. The negotiation process starts with unrelated [Company B] contacting POSCO to negotiate sales terms (i.e., price, quantity, specification, delivery terms and payment schedule). Further to the negotiation, the parties agree on the terms for export sales. Once this process is concluded, POSCO generates an order sheet to initiate the production of the goods. POSCO carries out the production of the goods, which are shipped to the destination by indicated by the customer. POSCO issues the tax invoice approximately on the date of shipment to the unrelated [Company B].

B-3 Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

ANSWER: The export selling prices do not vary []. Rather, the selling prices are determined through [] depending upon the market situation (e.g. supply and demand).

B-4 Prepare a spreadsheet named "Australian sales" listing all shipments (i.e. transaction by transaction) to Australia of the goods in the investigation period. You must provide this list in electronic format. Include the following export related information:

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ANSWER: POSCO submits the requested information concerning Australian sales with computerized file separately. The printouts of this export sales file are provided in Appendix B-2. POSCO also submits the requested information concerning [Company A]'s Australian sales with computerized file. The printouts of this export sales file are also provided in Appendix B-3.

- B-5** If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column (see "other factors" in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

ANSWER: In accordance with the instruction of this questionnaire, POSCO has reported "credit expense" for export sales to Australia in the field "Other factors" in question B-4.

- B-6** For each type of discount, rebate, allowance offered on export sales to Australia:
- provide a description; and
 - explain the terms and conditions that must be met by the importer to obtain the discount.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your response to question B4. If they vary by customer or level provide an explanation.

ANSWER: This question is not applicable because POSCO did not offer any discount, rebate or other allowances to its customers for export sales to Australia during the investigation period.

- B-7** If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by

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transaction listing in response to question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

ANSWER: *This question is not applicable because POSCO did not issue any credit notes to its customers for export sales of subject merchandise to Australia during the investigation period.*

B-8 If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred.

For example:

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	Customs brokers, port and other costs incurred (itemise)

ANSWER: *This question is not applicable because the delivery terms for export sales to Australia between POSCO and its customers are all [].*

B-9 Select two shipments, in different quarters of the investigation period, and provide a complete set of all of the documentation related to the export sale. For example:

- the importer's purchase order, order confirmation, and contract of sale;
- any technical material in respect of the goods;
- commercial invoice;
- bill of lading, export permit;
- freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.

Customs and Border Protection will select additional shipments for payment verification at the time of the visit.

ANSWER: *POSCO provides its sample documentation for two export sales to Australia during the investigation period in Appendix B-4.*

List of Appendix B (Hot-rolled Steel)

No	Description
B-1	Customer Information for Export Sales to Australia
B-2	Printouts of Computer File Named "Australian Sales" (POSCO)
B-3	Printouts of Computer File Named "Australian Sales" (Company A)
B-4	Sample Documentation for Two Export Sales to Australia

Appendix B-1

Customer Information for Export Sales to Australia

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POSCO's Customer Information for Export Sales to Australia

Customer Name	Address	Contact Name	Phone Number	Fax Number	Trade Level
[Company A]					Trading Company
[Company B]					Trading Company
[Company C]					Trading Company

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[Company A]'s Customer Information in Australia

Customer Name	Address	Contact Name	Phone Number	Fax Number	Trade Level
[Company X]					End-user
[Company Y]					End-user

Appendix B-2

Printouts of Computer File Named "Australian Sales" (POSCO)

Appendix B-3

Printouts of Computer File Named "Australian Sales" (Company A)

Appendix B-4

Sample Documentation for Two Export Sales to Australia

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Sample Documentation for Export Sale to Australia

(1) Serial Number (SN): 75

(2) Invoice Number: []

(3) Invoice Date: 20110710

(4) Quantity : [] (MT)

(5) Customer Name: []

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Sample Documentation for Export Sale to Australia

(1) Serial Number (SN): 152

(2) Invoice Number: []

(3) Invoice Date: 20120117

(4) Quantity : [] (MT)

(5) Customer Name: []

SECTION C - EXPORTED GOODS & LIKE GOODS

- C-1** Fully describe all of the goods you have exported to Australia during the investigation period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods.

ANSWER: *POSCO exported hot-rolled steel as well as pickled and oiled steel (called as "P/O") to Australia during the investigation period.*

POSCO uses the ERP accounting system which defines products using an " " consisting of []. A key to these codes is provided in Appendix C-1. The [] codes have a corresponding [] product group code. A list of these product group codes are also provided in Appendix C-1. The [] codes are used by POSCO in the ordinary course of business and are recorded on [], in the []. The same product coding system is used for both the Korean market and the export markets including Australia.

Concerning the details of the goods under consideration including product specification, please refer to POSCO's product brochure provided in Appendix C-2.

- C-2** List each type of goods exported to Australia (these types should cover all types listed in spreadsheet "Australian sales" – see section B of this questionnaire).

ANSWER: *A list showing each type of goods export to Australia during the investigation period is provided in Appendix C-3.*

Please note that POSCO creates individual product model for each unique type and possible combination of product characteristics for all the goods under consideration exported to Australia as well as for those sold domestically by using the following criteria;

like goods – see explanation in glossary) are not identical to goods exported to Australia.

EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES
Product code of each model of the goods exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical indicate "YES". Otherwise "NO"	Where the good exported to Australia is not identical to the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences

Prepare this information on a spreadsheet named "Like goods".

ANSWER: POSCO submits the requested information concerning exported goods and like goods with computerized file named "Like goods" separately. The printout of this file is provided in Appendix C-4.

- C-4** Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market.

ANSWER: Concerning any technical and illustrative material in identifying or classifying the goods, please refer to the product brochure provided in Appendix C-2.

5) Width Range

: The category of thickness code described below is in accordance with POSCO's internal "actual item code" classification. Please refer to the details of "actual item code" in Appendix G-8.

[

]

6) Pickled and Oiled

A = Pickled and Oiled

B = Not Pickled and Oiled

7) Edge

M = Mill edged

S = Slit edged

8) Skin-pass

A = Skin-passed

B = Not skin-passed

C-3 If you sell like goods on the domestic market, for each type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically; and provide a detailed explanation of the differences where those goods sold domestically (ie. the

: The international standard to determine material specification for hot-rolled steel is "ASTM" (American Standard), JIS (Japanese International Standard), EN (European Standard), SAE (Society of Automotive Engineers in USA), AISI (American Iron and Steel Institute). POSCO also produced hot-rolled steel according to its own standard. The details of each specification defined by International standard as well as POSCO standard are described in POSCO's product brochure in Appendix C-2.

4) Thickness Range

: The category of thickness code described below is in accordance with POSCO's internal "actual item code" classification. Please refer to the details of "actual item code" in Appendix G-8.

I

J

1) Product Type

- ' ' – Hot-rolled Coil
- ' ' – Hot-rolled Plate (or Sheet)
- ' ' – Pickled and oiled (P/O) Coil

2) Application (or Usage) Code

[

]

3) Specification

List of Appendix C (Hot-rolled Steel)

No	Description
C-1	Product Code List
C-2	Product Brochure
C-3	List Showing Each Type of Goods Exports to Australia
C-4	Printouts of Computer File Named "Like Goods"

Appendix C-1

Product Code List

POSCO's Item Structure

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(1) [] for Finished Products

[illegible]

(2) [] for Semi-finished Products

[illegible]

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POSCO's Product Group / Name

(1) Product Group/Name Code for Finished Products

Classification	Product Group		Name	Code
	Group	Code		
Carbon Steel				1K
				2A
				2B
				2D
				2E
				2F
				6B
				6C
				AB
				AC
				AJ
				AK
				AM
				AN
				BQ
				BD
				BE
				BJ
				BK
				BP
				CE
				CF
				CJ
				CK
				CP
				CQ
				DA
				DB
				EJ
				EK
				FB
				FC
				FE
				FF
				FK
				FL
				FN
				FP
				FU
				FV
				FX
				FY
				GB
				GC
				GJ
				GK
				GM
				GN
				GU
				HD
				HE
				HF
				HG
				HH
				HJ
				HK
				HL
				HN
				HS
				HT
				HV
				LA
				LB
				LJ
				LK
				LM
				LN

Classification	Product Group		Name	Code
	Group	Code		
				MH
				MJ
				NB
				NC
				NA
				ND
				NE
				PK
				PL
				PI
				SE
				SF
				SG
				VB
				WA
				WB
				ZG
				ZH
				ZI
				ZK
				ZL
				ZM
				ZN
				ZP
				ZQ
				ZR
				ZS
				ZT
				ZV
STS Steel				SZ
				SK
				SL
				SM
				QD
				QE
				QH
				QL
				QP
				RK
				RL
				RM
				RX
				RY
				RZ
				R2
				UC
				UD
				XC
				XD
				YA
Titanium				KR
				KS
				KT
				OF
TWB				YE
				4C
				4H
				4R
				4P
				7J
				7A
				7B
				7C
				7D
				7E
				7F
				7G
				7H
				89
				81
				8A
				8B

Classification	Product Group		Name	Code
	Group	Code		
Common				8C
				8D
				8E
				8F
				8G
				8H
				8J
				8K
				8L
				8M
				8N
				8P
				8Q
				8R
				8S
				8T
				8U
				8V
				8W
				8X
				8Y
				8Z
				9B
				9F

(2) Product Group/Name Code for Semi-finished Products

Classification	Product Group		Name	Code
	Group	Code		
				1S
				1A
				1B
				1C
				1D
				1E
				1F
				1G
				1H
				1J
				1K
				1L
				1M
				1N
				2A
				2B
				2C
				2D
				2E
				2F
				2G
				2H
				3A
				3B
				3C
				3D
				6A
				6B
				6C
				AA
				AB
				AC
				AH
				AJ
				AK
				AL
				AM
				AN
				BD
				BE
				BG
				BH
				BJ

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Classification	Product Group		Name	Code
	Group	Code		
Carbon Steel				BK
				BL
				BM
				BN
				BP
				BQ
				BA
				BB
				BC
				CA
				CB
				CC
				CD
				CE
				CF
				CG
				CH
				CJ
				CK
				CL
				CM
				CN
				CP
				CQ
				CT
				DA
				DB
				DC
				DD
				DE
				EA
				EB
				EC
				ED
				EE
				EF
				EG
				EH
				EJ
				EK
				FA
				FB
				FC
				FD
				FE
				FF
				FG
				FH
				FJ
				FK
				FL
				FM
				FN
				FP
				FR
				FS
				FT
				FU
				FV
				FW
				FX
				FY
				GA
				GB
				GC
				GH
				GJ
				GK
				GL
				GM
				GN
				GU

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Classification	Product Group		Name	Code
	Group	Code		
				GV
				HA
				HB
				HC
				HD
				HE
				HF
				HG
				HH
				HJ
				HK
				HL
				HM
				HN
				HP
				HQ
				HS
				HT
				HU
				HV
				JA
				JB
				JC
				JD
				JE
				JF
				JG
				JH
				LA
				LB
				LJ
				LK
				LM
				LN
				LP
				LQ
				LR
				MA
				MB
				MC
				MD
				ME
				MF
				MG
				MH
				MJ
				NA
				NB
				NC
				ND
				NE
				PK
				PL
				PA
				PB
				PC
				PD
				PE
				PJ
				SA
				SB
				SC
				SD
				SE
				SF
				SG
				SH
				SJ
				SK
				VA
				VB
				WA

Classification	Product Group		Name	Code
	Group	Code		
				WB
				ZC
				ZD
				ZE
				ZF
				ZG
				ZH
				ZJ
				ZK
				ZL
				ZM
				ZN
				ZP
				ZQ
				ZR
				ZS
				ZT
				ZA
				ZB
				ZU
				ZV
STS Steel				5I
				5J
				5K
				5L
				5M
				5N
				5O
				5P
				5Q
				5R
				5S
				5T
				5U
				5V
				5W
				5X
				KA
				KB
				QC
				QD
				QE
				QF
				QG
				QH
				QI
				QJ
				QK
				QL
				QM
				QN
				QO
				R2
				R3
				R4
				RA
				RB
				RC
				RD
				RE
				RF
				RG
				RH
				RJ
				RK
				RL
				RM
				RN
				RO
				RR
				RS
				RT
				RU

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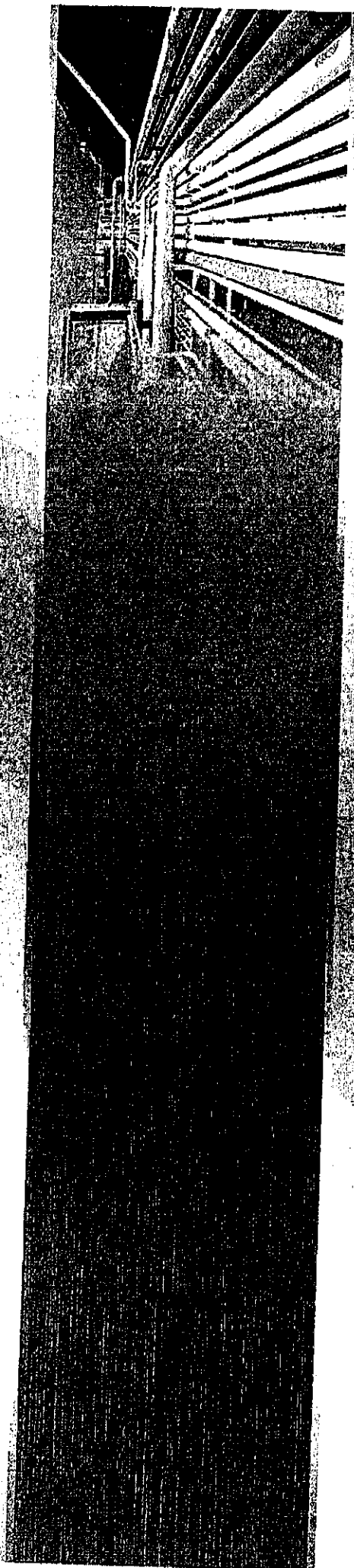
Classification	Product Group		Name	Code
	Group	Code		
				RV
				RW
				RX
				RY
				RZ
				TA
				UA
				UC
				UD
				XA
				XB
				XC
				XD
Titanium				YA
				KC
				KD
				KE
				KF
				KG
				KH
				KP
				KR
				KS
				KT
				JP
				JQ
				JR
				OA
				OC
				OF
TWB				YB
				YC
				YD
				YE
				4H
				4F
				4Q
COMMON				4R
				4M
				4N
				4P
				8U
				8R
				9A
				9B
				9C
				9D
				9E

Appendix C-2

Product Brochure

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Hot Rolled Steel



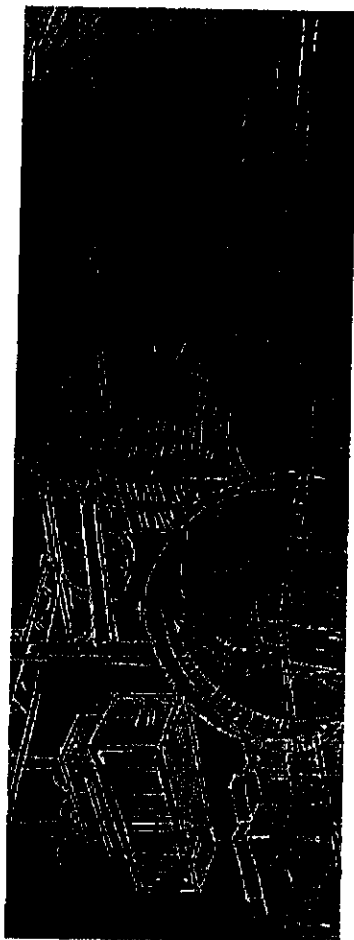
posco

! www.posco.com ! We move the world in steel



GLOBAL
POSCO WAY

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With its excellent facilities and extensive experience, POSCO has been actively pursuing research and technology development for the production of die-cast, high-quality hot rolled steel products that meet not only POSCO specifications but also KS, JIS and other international specifications. New products are continuously being developed.

POSCO hot rolled steel products are widely used in automobiles, construction materials, pipes, and electrical home appliances. The superiority has been demonstrated. POSCO exerts ongoing efforts to give consistently superior quality and service to its valued customers.

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MANUFACTURING FACILITIES



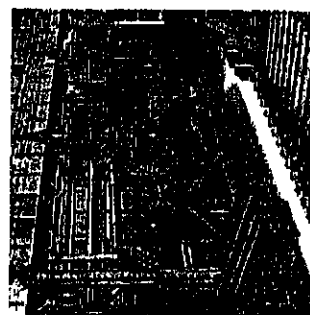
POSCO's hot rolled coil is produced by ultra-modern facilities and advanced technologies. Quality is strictly controlled to meet customer requirements. To improve product quality, a comprehensive system of computer controls runs the entire manufacturing process and monitors the main areas relating to product quality.

MANUFACTURING FACILITIES



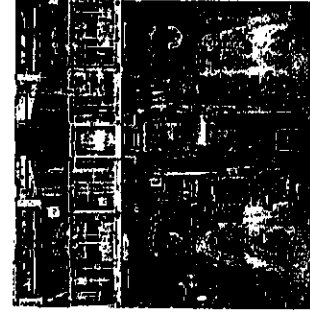
Reheating Furnace

The slabs, which are transferred from a continuous casting plant, are heated enough in a reheating furnace. First, and then, they are extracted in order to be used for the steel rolling facility. In order to remove the thick scales on the surface of a hot slab, some VSRs (Vertical Scale Removers) are being run after being heated.



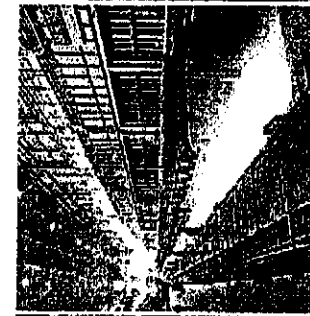
Roughing Mill

In this process, slabs with surface scale already removed are made into rolling materials with proper shape, thickness and width. In the entry and exit areas of the roughing mill, the slabs with the scale in the width direction using the automatic scale control (AMC) system.



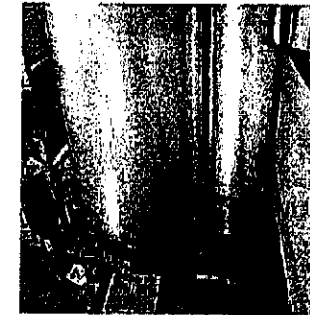
Finishing Rolling

The purpose of a finishing rolling is to adjust the thickness and width of a coil to the specified sizes and to roll it to have a smooth surface and shape of a desired finishing temperature appropriate to its design. The up-to-date equipments, such as Work Roll Main Mills, On-line Flat Gauges (OFGs), etc., are contributing to the enhancement of the productivity and the quality of the coil by controlling the process.



Run-Out Table

After the finishing roll, the coils pass to the run-out table where it is then coiled. While being rolled along the table, the coil is sprayed with water to cool it to the proper temperature suitable for coiling.



Skin Pass Rolling Process

During the skin pass rolling process, various kinds of inspections, such as the surface defect and dimension measuring, etc., are conducted in order to improve the shape, mechanical behavior and surface profile of a product.

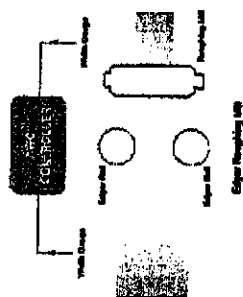
PRODUCTION FACILITIES

PRODUCTION FACILITIES

AWC

Automatic Width Control (ASC) System:

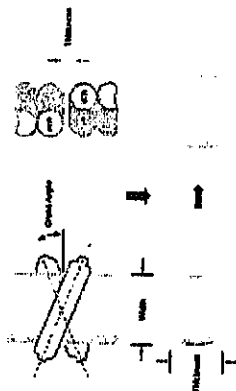
An AWC System, which is attached to the mill of a skin pass rolling mill, automatically adjusts the width of a coil by using the highly-sensitive hydraulic cylinder while maintaining the constant width of a coil.



Pair Cross Mill

Pair Cross Mill

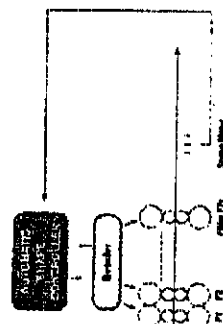
The shape and crown of a coil is adjusted by the paired upper and lower rolls crossing each other.



ASC

Automatic Shape Control (ASC) System

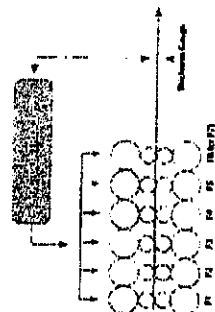
An ASC (Automatic Shape Control) System, which is attached at the end of a finishing mill, adjusts the flatness of a coil. After that, the ASC System automatically adjusts the position of the roll holder to control a strip shape.



AGC

Automatic Gauge Control (AGC) System

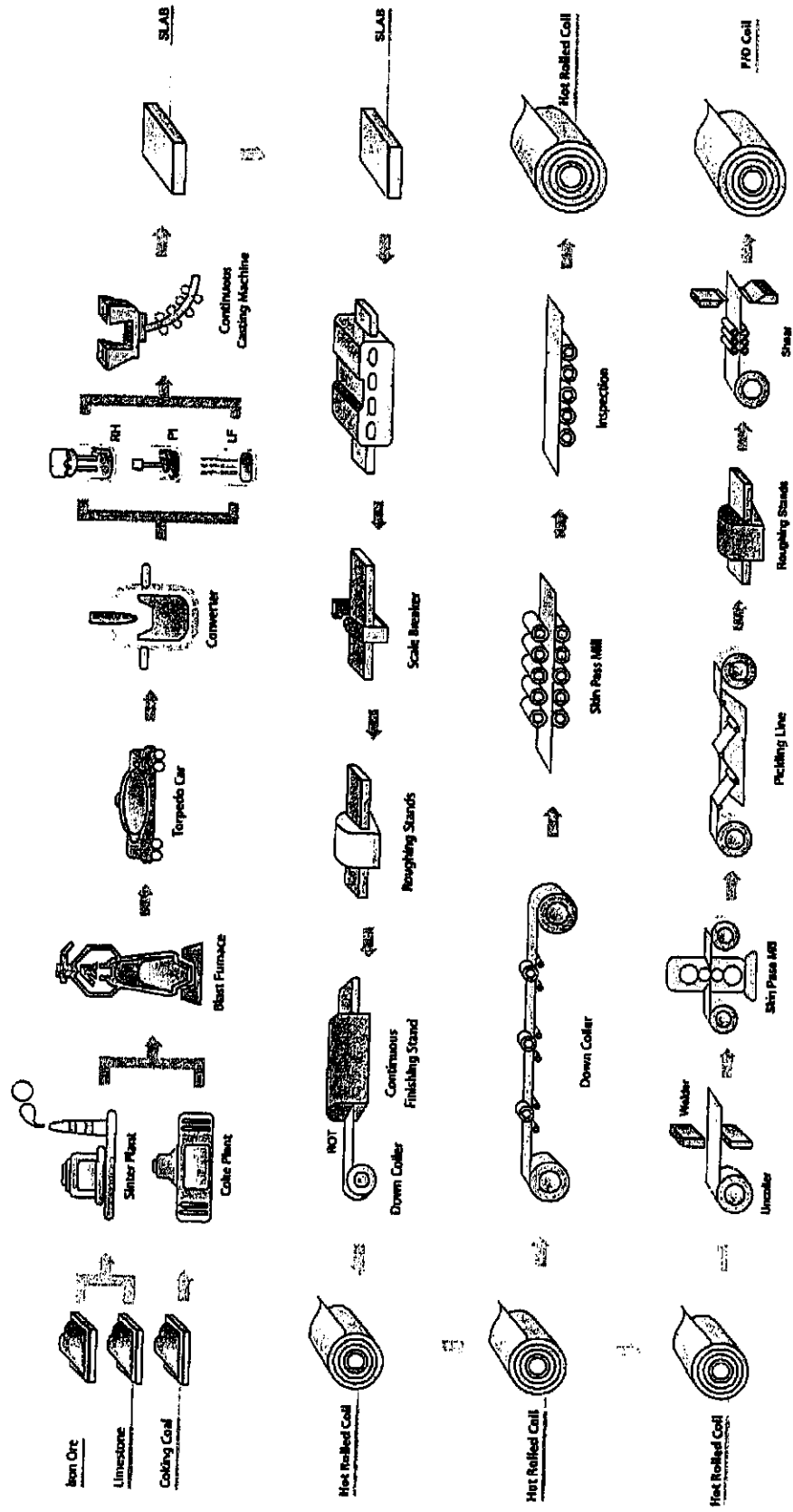
An AGC System, which is attached to the end of a finishing mill, automatically adjusts the thickness of a coil by using the highly-sensitive hydraulic cylinder while maintaining the exact thickness of a coil.



Facility	Classification	Pekang Werks No.1 Hot Strip Mill	Pekang Werks No.2 Hot Strip Mill	Gwangyang Werks No.1 Hot Strip Mill	Gwangyang Werks No.2 Hot Strip Mill	Gwangyang Werks No.3 Hot Strip Mill
Reheating Furnace	Capacity	200TH x 2, 240TH	200TH x 4	257TH x 3	270TH x 3	270TH x 3
Scale Breaker	TYPE	Walking beam Type	Walking beam Type	Walking beam Type	Walking beam Type	Walking beam Type
	TYPE	Horizontal	Vertical	Vertical	Vertical	Vertical
Roughing Mill	TYPE	RT 2-High Reverse R2 4-High Reverse R2 4-High Reverse	RT 2-High Reverse R2 4-High Reverse R2 4-High Reverse	RT 2-High Reverse R2 4-High Reverse R2 4-High Reverse	RT 2-High Reverse R2 4-High Reverse R2 4-High Reverse	RT 2-High Reverse R2 4-High Reverse R2 4-High Reverse
Finishing Mill	TYPE	4-High Non-Reverse	4-High Non-Reverse	4-High Non-Reverse	4-High Non-Reverse	4-High Non-Reverse
	Number of Stand	7	7	7	7	7
Down Coiler	Quantity	2	3	3	2	2
	Thickness	1.2~12.7mm	1.2~22mm	1.2~22mm	1.2~22mm	1.2~22mm
	Max. Weight	18MT	35MT	35MT	35MT	35MT
	Thickness	1.2~6.7mm	1.2~8.4mm	1.2~6.4mm	1.2~6.4mm	1.2~6.4mm
	Width	700~1270mm	800~1880mm	700~1650mm	700~1500mm	700~1650mm
	Max. Weight	18MT	35MT	35MT	35MT	35MT
	Inside Diameter	762mm	610,762mm	610,762mm	610,762mm	610,762mm

MANUFACTURING PROCESS

MANUFACTURING PROCESS



Steel for girder and welded structures are produced and are used for building iron structures and the structures of bridges, ships and cars, etc.

- | | | |
|------|--|----------------------------|
| KS | SS320, 400 | SMACDA, B, C, SM400A, B, |
| JS | SS330, SS400, SS460, SS540 | SMACDA, B, C, SM400A, B, C |
| ASTM | SM400A, 178, SM520B, C, SM670 | |
| BS | ACE, A263, A570 | |
| | BS449 PART 1 5003HFI, HS, | |
| | BS4980, 400, 434A, B, C, 506LC | |
| DNV | DNV1700 S72, S73, S75, S76, S77, S78, S79, S80, S81, S82, S83, S84, S85, S86, S87, S88, S89, S90, S91, S92, S93, S94, S95, S96, S97, S98, S99, S100, S101, S102, S103, S104, S105, S106, S107, S108, S109, S110, S111, S112, S113, S114, S115, S116, S117, S118, S119, S120, S121, S122, S123, S124, S125, S126, S127, S128, S129, S130, S131, S132, S133, S134, S135, S136, S137, S138, S139, S140, S141, S142, S143, S144, S145, S146, S147, S148, S149, S150, S151, S152, S153, S154, S155, S156, S157, S158, S159, S160, S161, S162, S163, S164, S165, S166, S167, S168, S169, S170, S171, S172, S173, S174, S175, S176, S177, S178, S179, S180, S181, S182, S183, S184, S185, S186, S187, S188, S189, S190, S191, S192, S193, S194, S195, S196, S197, S198, S199, S200, S201, S202, S203, S204, S205, S206, S207, S208, S209, S210, S211, S212, S213, S214, S215, S216, S217, S218, S219, S220, S221, S222, S223, S224, S225, S226, S227, S228, S229, S230, S231, S232, S233, S234, S235, S236, S237, S238, S239, S240, S241, S242, S243, S244, S245, S246, S247, S248, S249, S250, S251, S252, S253, S254, S255, S256, S257, S258, S259, S260, S261, S262, S263, S264, S265, S266, S267, S268, S269, S270, S271, S272, S273, S274, S275, S276, S277, S278, S279, S280, S281, S282, S283, S284, S285, S286, S287, S288, S289, S290, S291, S292, S293, S294, S295, S296, S297, S298, S299, S300, S301, S302, S303, S304, S305, S306, S307, S308, S309, S310, S311, S312, S313, S314, S315, S316, S317, S318, S319, S320, S321, S322, S323, S324, S325, S326, S327, S328, S329, S330, S331, S332, S333, S334, S335, S336, S337, S338, S339, S340, S341, S342, S343, S344, S345, S346, S347, S348, S349, S350, S351, S352, S353, S354, S355, S356, S357, S358, S359, S360, S361, S362, S363, S364, S365, S366, S367, S368, S369, S370, S371, S372, S373, S374, S375, S376, S377, S378, S379, S380, S381, S382, S383, S384, S385, S386, S387, S388, S389, S390, S391, S392, S393, S394, S395, S396, S397, S398, S399, S400, S401, S402, S403, S404, S405, S406, S407, S408, S409, S410, S411, S412, S413, S414, S415, S416, S417, S418, S419, S420, S421, S422, S423, S424, S425, S426, S427, S428, S429, S430, S431, S432, S433, S434, S435, S436, S437, S438, S439, S440, S441, S442, S443, S444, S445, S446, S447, S448, S449, S450, S451, S452, S453, S454, S455, S456, S457, S458, S459, S460, S461, S462, S463, S464, S465, S466, S467, S468, S469, S470, S471, S472, S473, S474, S475, S476, S477, S478, S479, S480, S481, S482, S483, S484, S485, S486, S487, S488, S489, S490, S491, S492, S493, S494, S495, S496, S497, S498, S499, S500, S501, S502, S503, S504, S505, S506, S507, S508, S509, S510, S511, S512, S513, S514, S515, S516, S517, S518, S519, S520, S521, S522, S523, S524, S525, S526, S527, S528, S529, S530, S531, S532, S533, S534, S535, S536, S537, S538, S539, S540, S541, S542, S543, S544, S545, S546, S547, S548, S549, S550, S551, S552, S553, S554, S555, S556, S557, S558, S559, S560, S561, S562, S563, S564, S565, S566, S567, S568, S569, S570, S571, S572, S573, S574, S575, S576, S577, S578, S579, S580, S581, S582, S583, S584, S585, S586, S587, S588, S589, S590, S591, S592, S593, S594, S595, S596, S597, S598, S599, S600, S601, S602, S603, S604, S605, S606, S607, S608, S609, S610, S611, S612, S613, S614, S615, S616, S617, S618, S619, S620, S621, S622, S623, S624, S625, S626, S627, S628, S629, S630, S631, S632, S633, S634, S635, S636, S637, S638, S639, S640, S641, S642, S643, S644, S645, S646, S647, S648, S649, S650, S651, S652, S653, S654, S655, S656, S657, S658, S659, S660, S661, S662, S663, S664, S665, S666, S667, S668, S669, S670, S671, S672, S673, S674, S675, S676, S677, S678, S679, S680, S681, S682, S683, S684, S685, S686, S687, S688, S689, S690, S691, S692, S693, S694, S695, S696, S697, S698, S699, S700, S701, S702, S703, S704, S705, S706, S707, S708, S709, S710, S711, S712, S713, S714, S715, S716, S717, S718, S719, S720, S721, S722, S723, S724, S725, S726, S727, S728, S729, S730, S731, S732, S733, S734, S735, S736, S737, S738, S739, S740, S741, S742, S743, S744, S745, S746, S747, S748, S749, S750, S751, S752, S753, S754, S755, S756, S757, S758, S759, S760, S761, S762, S763, S764, S765, S766, S767, S768, S769, S770, S771, S772, S773, S774, S775, S776, S777, S778, S779, S780, S781, S782, S783, S784, S785, S786, S787, S788, S789, S790, S791, S792, S793, S794, S795, S796, S797, S798, S799, S800, S801, S802, S803, S804, S805, S806, S807, S808, S809, S810, S811, S812, S813, S814, S815, S816, S817, S818, S819, S820, S821, S822, S823, S824, S825, S826, S827, S828, S829, S830, S831, S832, S833, S834, S83 | |

This type of steel with enhanced corrosion and atmospheric oxidation resistant properties through the addition of such special elements as P, Cu, and Cr is used in manufacturing container, special automobiles and construction structures.

- ## Steel for automotive Structural Uses

The type of high strength steel which has extremely excellent drawability and weldability is used in automobile frames, members and wheels.

- | | |
|--------|--|
| POSICO | ATOS55, 60, 80 AUTOBEAM, STAB |
| JIS | SPA-H310, 370, 400, 440, SPP-H60, 540, 580 |
| ASTM | A715-40, 45, 50, 55, 60, 65, 70, 80 |

This type of steel, excellent in workability and formability, is widely used in structural pipes, general pipes, special pipes, and machine-structural carbon steel pipe.

- POSCO
 - JS
 PACOS23, POSP230A, POSP50A
 SPHT7, 2, 3, 4, STED40, 41Q, STED50, 40Q, 40Q,
 50Q, 54Q, STED11A, 22Q, 23A, 23Q, 14Q, 15A, 15A

This steel, which has high strength qualities and good formability, is used in high pressure gas containers, with less than a 500 l inner capacity, used for holding LPG, acetylene and other high pressure gases.

- MS S6235, 285, 325, 365
ASTM A455

This type of steel, characterized by very high strength qualities, extremely low temperature toughness, excellent weldability and fracture resistance, is used for drilling in severely cold areas and for deep sea oil wells.

- API 50-155, K155, N80

Because of its excellent high strength qualities, extremely low temperature toughness, hydrogen induced crack resistance and good weldability, this steel is used in pipelines.

- AP75L 5L-A,B, X42, X46, X52, X60, X65, X70, X80

This steel type includes carbon steel for general machinery, alloy steel, and tool steel. After the heat treatment process, the steel is used in a variety of machine parts.

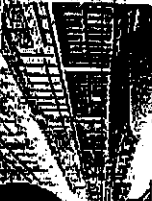
- | | |
|-----|--|
| JS | S10C550, S102, 3, 4, 5, 7 SLP2, S04H15, 401,
435, 440 |
| SAE | SAE1010-1055 |
| DIN | 50CR4, 75CR8 |

This cold rolled steel is used in many cold rolled products, such as CR, GI and color plates.

- SAE 3AE1008-1085



POSCO SPECIFICATIONS



SPECIAL FEATURES
The products described are intended to change
Please be sure to confirm the product description when making
orders for your contract for materials.

Hot Rolled Steel Sheets & Slabs for Deep Drawing : These specifications are subject to the hot rolled steel strips for cold rolling deep drawing and are manufactured by POSCO.

Specifications	Thickness (mm)	C	Si	Mn	P	S	Sei-Al	YFe
POSHRD2	1.0~7.0	≤ 0.00	≤ 0.03	≤ 0.25	≤ 0.02	≤ 0.02	≤ 0.08	-
POSHRD25	2.0~7.0	≤ 0.005	≤ 0.03	≤ 0.20	≤ 0.02	≤ 0.02	≤ 0.08	Ti 0.002~0.05 Nb 0.005~0.04
POSHRD3	2.0~7.0	≤ 0.005	≤ 0.03	≤ 0.20	≤ 0.02	≤ 0.02	≤ 0.08	Ti 0.01~0.06

Notes: 1. External appearance, form, dimensions, weight and tolerance comply with JIS G 3132. 2. This specification guarantees chemical composition without mechanical properties.

Hot Rolled Steel Sheets & Slabs for Deep Drawing : These specifications are subject to the hot rolled steel strips for cold rolling deep drawing and are manufactured by POSCO.

Specifications	Thickness (mm)	C	Si	Mn	P	S	Others
ANCOR-H	1.0~2.7	≤ 0.0	≤ 0.50	≤ 0.80	≤ 0.005	≤ 0.005	Cr ≤ 0.50 Cu ≤ 0.50
HCOM700W	2.3~4.5	≤ 0.02	≤ 0.45	≤ 0.25	≤ 0.005	≤ 0.001	Cu ≤ 0.05 Cr ≤ 0.50

Notes: 1. External appearance, form, dimensions, weight and tolerance comply with JIS G 3132. 2. This specification guarantees chemical composition without mechanical properties.

Hot Rolled Steel Sheets & Slabs for Steel Pipes with Anti-creasing Corrosion : These specifications are subject to the hot rolled steel strips for cold rolling deep drawing and are manufactured by POSCO.

Specifications	Thickness (mm)	C	Si	Mn	P	S	Others
PACOS2	1.0~2.7	≤ 0.0	≤ 0.25	0.25~0.50	≤ 0.02	≤ 0.005	Cu 0.01~0.30 CA ≤ 0.001
PACOS3	3.0~4.0	≤ 0.0	≤ 0.25	0.80~1.00	≤ 0.02	≤ 0.005	Cu 0.01~0.30 CA ≤ 0.001

Notes: 1. External appearance, form, dimensions, weight and tolerance comply with JIS G 3132. 2. This specification guarantees chemical composition without mechanical properties.

Hot Rolled Steel Sheets & Slabs : These specifications are subject to the hot rolled steel strips for cold rolling deep drawing and are manufactured by POSCO.

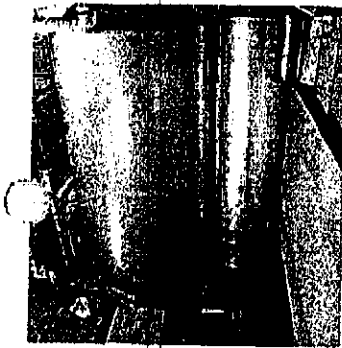
Specifications	Thickness (mm)	C	Si	Mn	P	S	Others
ATOS55	2.3~2.7	≤ 0.20	≤ 0.40	≤ 1.00	≤ 0.02	≤ 0.02	Nb
ATOS60	2.3~2.7	≤ 0.20	≤ 0.40	≤ 1.00	≤ 0.02	≤ 0.02	≤ 0.05
ATOS60	2.3~2.7	≤ 0.20	≤ 0.40	≤ 2.00	≤ 0.02	≤ 0.02	≤ 0.05

Notes: 1. External appearance, form, dimensions, weight and tolerance comply with JIS G 3132. 2. This specification guarantees chemical composition without mechanical properties.

Hot Rolled Steel Sheets & Slabs for the Impact Beams and Stabilizers of Automobiles : These specifications are subject to the hot rolled steel strips for cold rolling deep drawing and are manufactured by POSCO.

Specifications	Thickness (mm)	C	Si	Mn	P	S	Sei-Al	Cr	B
AUTOBEAM	1.0~7.0	≤ 0.30	-	≤ 1.00	-	≤ 0.005	≤ 0.02	0.10~0.30	-
STAB	1.0~7.0	≤ 0.25	≤ 0.25	≤ 1.00	≤ 0.005	≤ 0.005	≤ 0.02	0.10~0.30	0.001~0.005

Notes: 1. External appearance, form, dimensions, weight and tolerance comply with JIS G 3132. 2. This specification guarantees chemical composition without mechanical properties.



Specifications	Yield Point (MPa)	Tensile Strength (MPa)	Elongation (%)	Bending Test
ANCOR-H	≥ 245	≥ 400	≥ 25	180° 1.0
HCOM700W	≥ 700	750~950	≥ 12	90° 1.0

Specifications	Yield Point (MPa)	Elongation(%)	Thickness(mm)	Bending Test
PACOS2	≥ 344	1.2~1.8	1.6~3.0	Test Piece under 3.0 3.0 and over
PACOS3	≥ 410	2.2	≥ 2.2	1.0

Specifications	Yield Point (MPa)	Tensile Strength (MPa)	Elongation(%)	Bending Test
ATOS55	≥ 540	≥ 400	≥ 20	180° 1.0
ATOS60	≥ 590	≥ 440	≥ 18	180° 1.0
ATOS60	≥ 780	≥ 700	≥ 14	180° 1.0

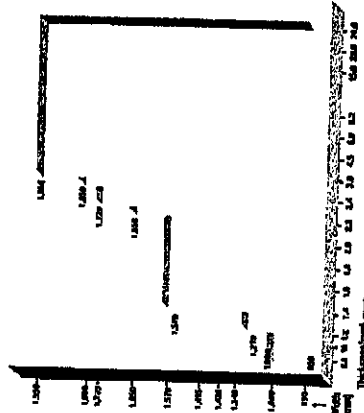
Specifications	Yield Point (MPa)	Bending Angle	Inner Dia.	Remark
AUTOBEAM	450~784	180°	1.0	Steel pass through proper heat treatment to come out as finished products
STAB	-	180°	1.0	

AVAILABLE DIMENSIONS

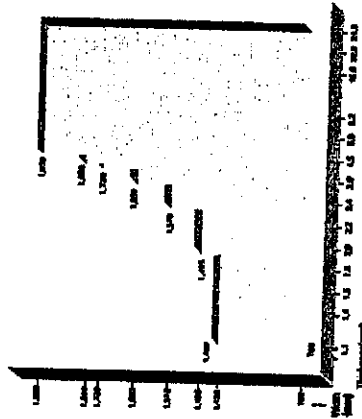
AVAILABLE DIMENSIONS

The available sizes are subject to change. Please consult with the POSCO contact person before ordering.

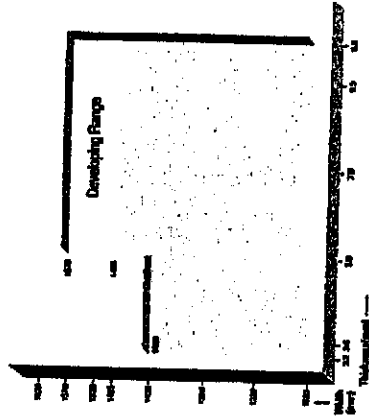
Hot Rolled Steel Coil
TS 30Kg Class



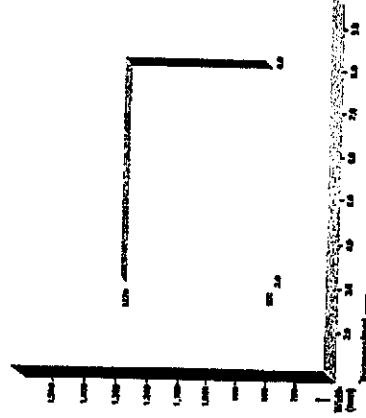
TS 40Kg Class



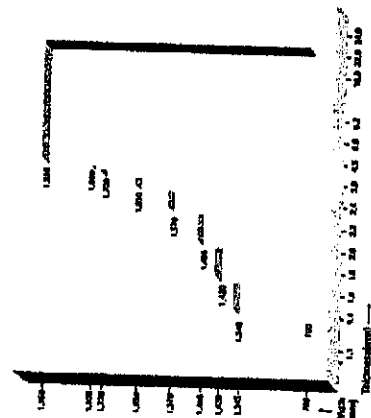
TS 80Kg Class



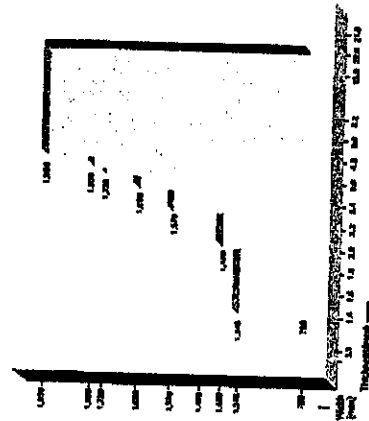
Checkered Coils (TS 30kg Class)



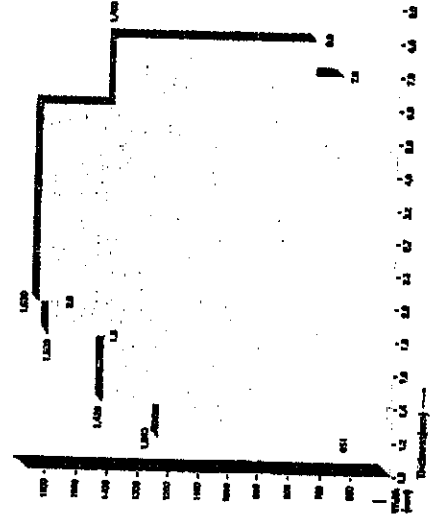
TS 50Kg Class



TS 60Kg Class



P/O Coil

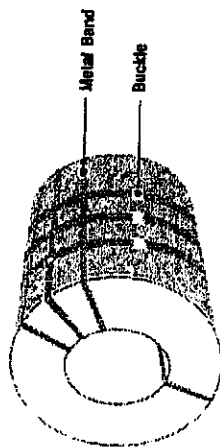


PACKING & MARKING

PACKING & MARKING

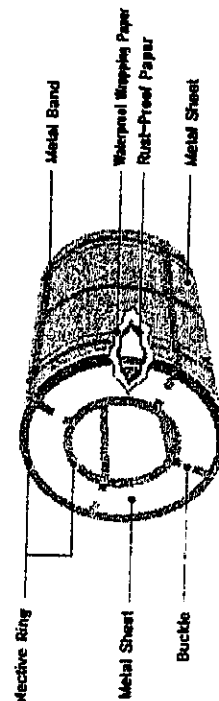
HR COIL Metal Packing

Choose either metal or paper packing.



P/O COIL Metal Packing

Choose either paper packing or metal packing.



HR SHEET

Choose from metal packing, acid-resistant packing, paper packing, acid-resistant packing, and acid-resistant packing.



Product label

HOT ROLLED STEEL SHEET
HYUNDAI HYSCO

JS-SS400

8.60 X 857 X C

14850 X 32738

Y528360

0001109012070

1 2001.11.15

posco Potang Works

Marking labels are attached when requested by customers.

ORDERING

ORDERING INFORMATION

If you want to order POSCO steel products, please contact the POSCO Sales Office in your area. POSCO will provide you with the necessary information to place your order. To make the ordering process easier, please refer to the POSCO website.

APPENDIX

For more information, please contact us at the addresses given below.

Southeast Office : POSCO Center, #802, Daejeon 4-ong, Gangnam-gu, Seoul 135-777, Korea

Tel: +82-2-3459-4114

Internet Homepage : www.pocor.com

www.pocor.co.kr

CONVERSION FACTORS

Weight

Classification	Kilogram	Ounce	Pound	Short Ton (2,000 lbs)	Long Ton (2,240 lbs)	Metric Ton (1,000 kg)
Kilogram (kg)	2	35.2740	2.20462	1,001102	0.90842	1
Ounce (oz)	0.02835	1	0.06250	0.05125	0.02700	0.0002835
Pound (lb)	0.45359	16	1	0.00050	0.04464	0.00045
Short Ton (st)	907.185	32,000	2,000	1	0.89286	0.80779
Long Ton (t)	1,016.05	35,840	2,240	1.12	1	1.01605
Metric Ton (t)	1,000	35,274	2,204.62	1,0231	0.98421	1

Linear Measure

Classification	Millimeter	Centimeter	Meter	Inch	Foot	Yard	Mile
Millimeter (mm)	1	0.1	0.001	0.03937	0.0032808	0.0010936	0.0006214
Centimeter (cm)	10	1	0.01	0.3937	0.032808	0.010936	0.006214
Meter (m)	1,000	100	1	39.37	3.28083	1.0936	0.0006214
Inch (in.)	25.40	2.540	0.0254	1	0.0833	0.02778	0.0006214
Foot (ft)	304.8	30.48	0.3048	12	1	0.3333	0.0006214
Yard (yd)	914.4	91.44	0.9144	36	3	1	0.0006214
Mile (mi)	1,609,347.0	160,934.70	1,609.35	63,360	5,280	1,760	1

Force

Classification	kgf	lbf	N
kgf	1	2.205	9.807
lbf	4.536x10 ⁻⁴	1	4.448
N	1.020x10 ⁻⁴	2.248x10 ⁻⁴	1

Force Per Unit Area

Classification	kgf/mm ²	lbf/in ² (psi)	N/mm ² , MPa
kgf/mm ²	1	1,422x10 ⁴	9.807
lbf/in ² (psi)	7.031x10 ⁻⁴	1	6.895x10 ⁻⁴
N/mm ² , MPa	1.020x10 ⁻⁴	1.450x10 ⁻⁴	1

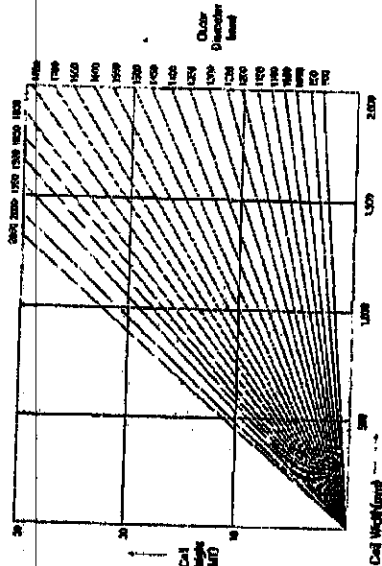
Energy

Classification	kgf-m	ft-lb	J, N-m	cal
kgf-m	1	7.233	9.807	2.343
ft-lb	1.383x10 ⁻⁴	1	1.356	3.226x10 ⁻⁴
J, N-m	1.020x10 ⁻⁴	7.376x10 ⁻⁴	1	2.389x10 ⁻⁴
cal	6.286x10 ⁻⁴	3.087	4.186	1

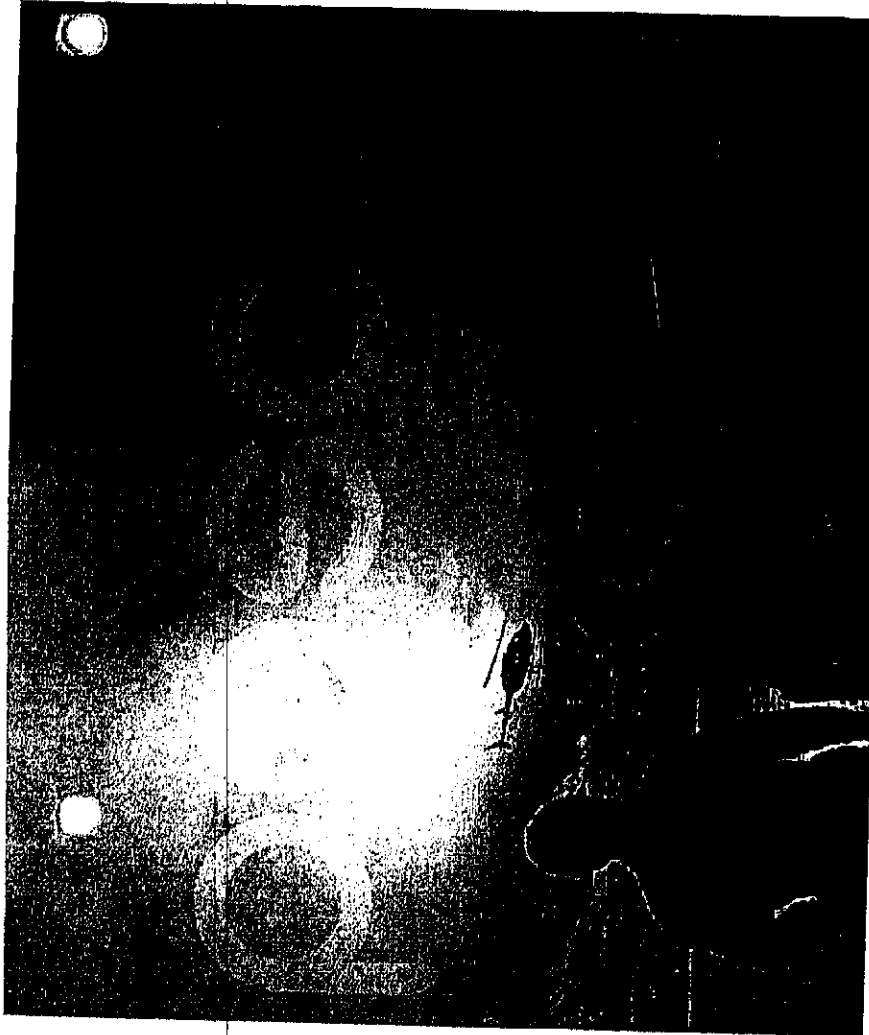
■ Width-Weight Curves for Coils (Coil ID=30Inch)

floor. Calculation is done on the basis of the basic weights shown below. Calculation methods for area, weight per unit area and in accordance with ACS D3002.

classification	kgf/mm ²	lb/in. ²	kgf/mm ²	lb/in. ²	N/mm ² , MPa
Basic weight as specified by standards	7.850	175.1	0.2833	6.455	40.8
Weight as specified	18.524	413.1	18.505	413.0	18.507



Thickness	Length	914												1,219												1,524												1,829																																																																																																																																																																																																																																																																																																																																																																							
		1,000	1,024	1,048	1,072	1,096	1,120	1,144	1,168	1,192	1,216	1,240	1,264	1,288	1,312	1,336	1,360	1,384	1,408	1,432	1,456	1,480	1,504	1,528	1,552	1,576	1,600	1,624	1,648	1,672	1,696	1,720	1,744	1,768	1,792	1,816	1,840	1,864	1,888	1,912	1,936	1,960	1,984	2,008	2,032	2,056	2,080	2,104	2,128	2,152	2,176	2,200	2,224	2,248	2,272	2,296	2,320	2,344	2,368	2,392	2,416	2,440	2,464	2,488	2,512	2,536	2,560	2,584	2,608	2,632	2,656	2,680	2,704	2,728	2,752	2,776	2,800	2,824	2,848	2,872	2,896	2,920	2,944	2,968	2,992	3,016	3,040	3,064	3,088	3,112	3,136	3,160	3,184	3,208	3,232	3,256	3,280	3,304	3,328	3,352	3,376	3,400	3,424	3,448	3,472	3,496	3,520	3,544	3,568	3,592	3,616	3,640	3,664	3,688	3,712	3,736	3,760	3,784	3,808	3,832	3,856	3,880	3,904	3,928	3,952	3,976	4,000	4,024	4,048	4,072	4,096	4,120	4,144	4,168	4,192	4,216	4,240	4,264	4,288	4,312	4,336	4,360	4,384	4,408	4,432	4,456	4,480	4,504	4,528	4,552	4,576	4,600	4,624	4,648	4,672	4,696	4,720	4,744	4,768	4,792	4,816	4,840	4,864	4,888	4,912	4,936	4,960	4,984	5,008	5,032	5,056	5,080	5,104	5,128	5,152	5,176	5,200	5,224	5,248	5,272	5,296	5,320	5,344	5,368	5,392	5,416	5,440	5,464	5,488	5,512	5,536	5,560	5,584	5,608	5,632	5,656	5,680	5,704	5,728	5,752	5,776	5,800	5,824	5,848	5,872	5,896	5,920	5,944	5,968	5,992	6,016	6,040	6,064	6,088	6,112	6,136	6,160	6,184	6,208	6,232	6,256	6,280	6,304	6,328	6,352	6,376	6,400	6,424	6,448	6,472	6,496	6,520	6,544	6,568	6,592	6,616	6,640	6,664	6,688	6,712	6,736	6,760	6,784	6,808	6,832	6,856	6,880	6,904	6,928	6,952	6,976	7,000	7,024	7,048	7,072	7,096	7,120	7,144	7,168	7,192	7,216	7,240	7,264	7,288	7,312	7,336	7,360	7,384	7,408	7,432	7,456	7,480	7,504	7,528	7,552	7,576	7,600	7,624	7,648	7,672	7,696	7,720	7,744	7,768	7,792	7,816	7,840	7,864	7,888	7,912	7,936	7,960	7,984	8,008	8,032	8,056	8,080	8,104	8,128	8,152	8,176	8,200	8,224	8,248	8,272	8,296	8,320	8,344	8,368	8,392	8,416	8,440	8,464	8,488	8,512	8,536	8,560	8,584	8,608	8,632	8,656	8,680	8,704	8,728	8,752	8,776	8,800	8,824	8,848	8,872	8,896	8,920	8,944	8,968	8,992	9,016	9,040	9,064	9,088	9,112	9,136	9,160	9,184	9,208	9,232	9,256	9,280	9,304	9,328	9,352	9,376	9,400	9,424	9,448	9,472	9,496	9,520	9,544	9,568	9,592	9,616	9,640	9,664	9,688	9,712	9,736	9,760	9,784	9,808	9,832	9,856	9,880	9,904	9,928	9,952	9,976	10,000	10,024	10,048	10,072	10,096	10,120	10,144	10,168	10,192	10,216	10,240	10,264	10,288	10,312	10,336	10,360	10,384	10,408	10,432	10,456	10,480



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The whole area of

a village gets full of joys even only with some small grains!

In a small village, thousands of families, having been close, the whole village is bustling and bustling, today, thanks to only one popping machine flow an unknown country.

A child having a bowl full of corn and another having no grains fed the same flower in their house.

"Pop!" And then, the empty bowl of a child with no grains is also filled up with pop corn.

At the very moment when all the children's bowls are full of whole happiness easily, another laughter flows around's over the world settle down on everyone's face in the village.

We, only together, can move the world.

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POSCO STEEL



Appendix C-3

List Showing Each Type of Goods Export to Australia

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List Showing Each Type of Goods Exported to Australia

OBS	Model (or Type)	Each Product Characteristics									
1	DA A A715-50 4G B A S B										
2	DA A A715-50 4G C A S B										
3	DA A A715-60 3E C A S B										
4	DA A A715-60 4G C A S A										
5	DA A A715-60 4G C A S B										
6	DA A A715-60 4H C A S A										
7	DA A JS-SAPH370 4G C A S A										
8	DA A JS-SPFH590 4H C A S A										
9	DA A JS-SPHC 3D C A S A										
10	DA A JS-SPHC 3E C A S A										
11	DA A JS-SPHC 4G C A S A										
12	DA A JS-SPHC 4H C A S A										
13	DA A JS-SPHC 4H D A S A										
14	DA A JS-SPHD 4F D A S B										
15	DA A SAE1010 4G D A M A										
16	DA A SAE1016 3E C A M A										
17	DA A SAE1016 4G B A M A										
18	DA A SAE1016 4G C A M A										
19	DA T JS-SS540 3D C A S A										
20	DA T JS-SS540 3D C A S B										
21	DA T JS-SS540 4G C A S B										
22	DA Z JS-SPHC 2C C A S A										
23	DA Z JS-SPHC 3D B A S A										

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OBS	Model (or Type)	Each Product Characteristics									
24	DA Z JS-SPHC 3E C A S A										
25	DA Z JS-SPHC 4F C A S A										
26	DA Z JS-SPHC 4G B A S A										
27	DA Z JS-SPHC 4G C A S A										
28	DA Z JS-SPHC 4G C A S B										
29	DA Z JS-SPHC 4H B A S B										
30	DA Z JS-SPHC 4H C A S B										
31	HD C JS-SPHT2 4G C B M B										
32	HD C JS-SPHT3 3D C B M A										
33	HD C JS-SPHT3 3E C B M A										
34	HD C JS-SPHT3 4F C B M A										
35	HD C JS-SPHT3 4G C B M A										
36	HD C JS-SPHT3 4G C B M B										
37	HD C JS-SPHT3 4H C B M B										
38	HD C JS-SPHT4 4H B B M B										
39	HD Z A36 4K C B M B										
40	HD Z A36 4L C B M B										
41	HD Z A36 4L D B M B										
42	HD Z JS-SPHC 2C C B M A										
43	HD Z JS-SPHC 3D C B M A										
44	HD Z JS-SS400 4G C B M A										
45	HD Z SAE1010 4G D B M A										

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Appendix C-4

Printouts of Computer File Named "Like Goods"

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List Showing Each Type of Goods Exported to Australia

OBS	Exported Model (or Type)	Domestic Model (or Type)	IDENTICAL?	DIFFERENCES
1	DA A A715-50 4G B A S B			
2	DA A A715-50 4G C A S B			
3	DA A A715-60 3E C A S B			
4	DA A A715-60 4G C A S A			
5	DA A A715-60 4G C A S B			
6	DA A A715-60 4H C A S A			
7	DA A JS-SAPH370 4G C A S A			
8	DA A JS-SPFH590 4H C A S A			
9	DA A JS-SPHC 3D C A S A			
10	DA A JS-SPHC 3E C A S A			
11	DA A JS-SPHC 4G C A S A			
12	DA A JS-SPHC 4H C A S A			
13	DA A JS-SPHC 4H D A S A			
14	DA A JS-SPHD 4F D A S B			
15	DA A SAE1010 4G D A M A			
16	DA A SAE1016 3E C A M A			
17	DA A SAE1016 4G B A M A			
18	DA A SAE1016 4G C A M A			
19	DA T JS-SS540 3D C A S A			
20	DA T JS-SS540 3D C A S B			
21	DA T JS-SS540 4G C A S B			
22	DA Z JS-SPHC 2C C A S A			
23	DA Z JS-SPHC 3D B A S A			

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OBS	Exported Model (or Type)	Domestic Model (or Type)	IDENTICAL?	DIFFERENCES
24	DA Z JS-SPHC 3E C A S A			
25	DA Z JS-SPHC 4F C A S A			
26	DA Z JS-SPHC 4G B A S A			
27	DA Z JS-SPHC 4G C A S A			
28	DA Z JS-SPHC 4G C A S B			
29	DA Z JS-SPHC 4H B A S B			
30	DA Z JS-SPHC 4H C A S B			
31	HD C JS-SPHT2 4G C B M B			
32	HD C JS-SPHT3 3D C B M A			
33	HD C JS-SPHT3 3E C B M A			
34	HD C JS-SPHT3 4F C B M A			
35	HD C JS-SPHT3 4G C B M A			
36	HD C JS-SPHT3 4G C B M B			
37	HD C JS-SPHT3 4H C B M B			
38	HD C JS-SPHT4 4H B B M B			
39	HD Z A36 4K C B M B			
40	HD Z A36 4L C B M B			
41	HD Z A36 4L D B M B			
42	HD Z JS-SPHC 2C C B M A			
43	HD Z JS-SPHC 3D C B M A			
44	HD Z JS-SS400 4G C B M A			
45	HD Z SAE1010 4G D B M A			

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SECTION D - DOMESTIC SALES

This section seeks information about the sales arrangements and prices in the domestic market of the country of export.

All domestic sales made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you **must** contact the case officer **before** completing the questionnaire. If the case officer agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets Customs and Border Protection requirements. If agreement cannot be reached as to the appropriate method Customs and Border Protection may not visit your company.

Customs and Border Protection will normally take the invoice date as being the date of sale in order to determine which sales fall within the investigation period.

If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices.

You **must** provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.

If you do not have any domestic sales of like goods you must contact the case officer who will explain the information Customs and Border Protection requires for determining a normal value using alternative methods.

D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;
- information concerning the functions/activities performed by each party in the distribution chain; and
- a copy of any agency or distributor agreements, or contracts entered into.

If any of the customers listed are associated with your business, provide details of that association. Describe the effect, if any, that association has upon the price.

ANSWER: In domestic market, POSCO has [] channels of distribution.

(1) Channel 1 ()



(2) Channel 2 ()

POSCO sold most of like goods directly to its domestic customers (end-user or distributors) during the investigation period while it sold a small volume of sales in the domestic market through [] to domestic customers during the investigation period.

[Company P] acts as [] and [] in domestic market. Please note that [Company P] did not take physical possession of like goods.

The terms of sales made by POSCO to its customers are on a [] or [] basis.

D-2 Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

ANSWER: *POSCO's selling prices do not vary [*

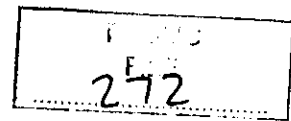
]. Rather, the prices are established through

in the domestic market.

D-3 Explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and
- whether price includes the cost of delivery to customer.

If sales are in accordance with price lists, provide copies of the price lists.



ANSWER: *In the domestic market, customers who wish to purchase like goods contact POSCO to place an order. POSCO collects all of the relevant sales information from the customer and generates an order sheet listing specification, quantity and price of the merchandise concerned. POSCO's personnel also then transfer the order sheet to the factory and generate production request.*

POSCO subsequently produces like goods and makes arrangements for shipping them to the customer. Also, POSCO generally issues a shipping invoice and a tax invoice to the customer. And then, Customers make payments to POSCO.

Unlike the typical sales stated above, POSCO made a small portion of domestic sales through Internet. The bidding procedure and sales negotiation process for POSCO's cyber transactions incurred. POSCO announces an auction over the Internet to customers that have registered on POSCO's website (www.steel-n.com). At the end of the auction, POSCO prepares an order sheet based on the successful bidder's order. Once manufactured, POSCO then creates shipping and tax invoices and ships the order.

[

]. After shipping, POSCO issued tax invoice to [Company P] and [Company P] also issued tax invoice to its customer.

- D-4** Prepare a spreadsheet named "Domestic sales" listing all sales of like goods made during the investigation period. The listing must be provided on a CD-ROM. Include all of the following information.

ANSWER: POSCO submits the requested information listing all sales of like goods made by POSCO during the investigation period with a CD-ROM separately. The sample printout of this "Domestic sales" file is provided in Appendix D-1.

- D-5** If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above add a column for each item (see "other factors"). For example, certain other selling expenses incurred.

ANSWER: In accordance with the instruction of this questionnaire, POSCO has reported three other adjustments such as (1) credit expense, (2) duty drawback, and (3) interest revenue for domestic sales in the field "Other factors" in question D-4.

- D-6** For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:

- provide a description; and
- explain the terms and conditions that must be met by the customer to qualify for payment.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amounts shown in your response to question D4.

If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has not been reported as a discount or rebate.

ANSWER: This question is not applicable because POSCO did not offer any discount, rebate or other allowances to its domestic customers during the investigation period.

- D-7** Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales. Provide a complete set of documentation for those two sales. (Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, bank documentation showing proof of payment.)

Customs and Border Protection will select additional sales for verification at the time of our visit.

ANSWER: *POSCO provides its sample documentation for two domestic sales during the investigation period in Appendix D-2.*

List of Appendix D (Hot-rolled Steel)

No	Description
D-1	Sample Printout of Domestic Sales File
D-2	Sample Documentation for Two Domestic Sales

Appendix D-1

Sample Printout of Domestic Sales File

Appendix D-2

Sample Documentation for Two Domestic Sales

Sample Documentation for Domestic Sale

(1) Serial Number (SN): 82,102

(2) Invoice Number: []

(3) Invoice Date: 20110712

(4) Quantity : [] (MT)

(5) Customer Name: [] (Customer Code:)

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Sample Documentation for Domestic Sale

(1) Serial Number (SN): 189,752

(2) Invoice Number: []

(3) Invoice Date: 20120102

(4) Quantity : [] (MT)

(5) Customer Name: [] (Customer Code:)

SECTION E - FAIR COMPARISON

Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (i.e. the normal value).

Where the normal value and the export price are not comparable adjustments may be made. This section informs you of the fair comparison principle and asks you to quantify the amount of any adjustment.

As prices are being compared, the purpose of the adjustments is to eliminate factors that have unequally modified the prices to be compared.

To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. Customs and Border Protection must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.

Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence Customs and Border Protection may disallow the adjustment.

Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred.

A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.

The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. Customs and Border Protection will not consider new claims made after the verification visit.

E-1 Costs associated with export sales

(These cost adjustments will relate to your responses made at question B-4, 'Australian sales')

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1. **Transportation**

Explain how you have quantified the amount of inland transportation associated with the export sale ("Inland transportation costs"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

ANSWER: POSCO has reported in this field the [] freight expense incurred to transport the goods from the factory to the port of export. POSCO used [] trucking companies to transport the goods. This inland-freight expense is recorded in "Transportation Expense" account (Account Code:) under POSCO's accounting system.

2. **Handling, loading and ancillary expenses**

List all charges that are included in the export price and explain how they have been quantified ("Handling, loading & ancillary expenses"). Identify the general ledger account where the expenses are located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

The various export related ancillary costs are identified in the table at question B4, for example:

- terminal handling;
- wharfage and other port charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees
- other ancillary charges.

ANSWER: POSCO has reported in this field the [] loading fee incurred at the port of export. This loading fee is recorded in "Transportation Expense" account (Account Code:) under POSCO's accounting system.

3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, Customs and Border Protection will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales eg, short term borrowing in the currency concerned.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.

ANSWER: POSCO has reported credit expense on export sales in the field "Other factors" in question B4. The reported credit expenses were calculated on a transaction-specific basis using the following formula:

$$\text{Credit Expense} = \text{Net Invoice Value (KRW)} \times (\text{Payment date} - \text{Invoice date}) / 365 \times \text{Short-term Interest Rate}$$

The calculation of POSCO's short-term borrowing rate during the investigation period is provided in Appendix E-1.

4. Packing costs

List material and labour costs associated with packing the export product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed 'Packing'.

ANSWER: POSCO has reported packing cost associated with packing the export product by packing type. The reported packing costs include packing materials, labour and overhead costs. POSCO provides in Appendix E-2 a worksheet detailing the calculation of per unit packing cost by packing type used for reporting packing cost for both export sales to Australia and domestic sales.

5. Commissions

For any commissions paid in relation to the export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in question B-4 under the column headed **"Commissions"**. Identify the general ledger account where the expense is located.

ANSWER: [] *in relation to the export sales to Australia, this question is not applicable.*

6. Rebates

For any rebates paid in relation to the export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in question B-4 under the column headed **"Rebates or any other allowances"**. Identify the general ledger account where the expense is located

ANSWER: [] *in relation to the export sales to Australia, this question is not applicable.*

7. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (**"Warranty & guarantee expenses"** and **"Technical assistance & other services"**), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

ANSWER: [

] In relation to the export sales to Australia, this question is not applicable.

8. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “Other factors”. For example, other variable or fixed selling expenses, including salesmen’s salaries, salesmen’s travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

ANSWER: As explained above, POSCO has reported “credit expense” in this field. See POSCO’s response to question E-1.3.

9. Currency conversions

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a ‘sustained’ movement during the investigation period (see article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect ‘sustained’ movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the investigation period.

ANSWER: POSCO does not think a currency conversion is required due to the fluctuations in exchange rates for the investigation period in this proceeding.

E-2 Costs associated with domestic sales

(These cost adjustments will relate to your responses made at question D-4, “domestic sales”)

The following items are not separately identified in the amounts quantified at question D-4. However you should consider whether any are applicable.

1. Physical characteristics

The adjustment recognises that differences such as quality, chemical composition, structure or design, mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (i.e. an amount for selling general and administrative costs (S G & A) plus profit).

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

ANSWER: *Since POSCO does not claim any adjustment for the difference of physical characteristics, this question is not applicable.*

2. Import charges and indirect taxes

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or
- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia;

the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing the import duty borne by the domestic sales. (That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all

countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment).

In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;
- the amount of the duties and taxes refunded upon exportation and an explanation how the amounts were calculated and apportioned to the exported goods;
- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold domestically but is not borne by the exports to Australia;

Substitution drawback systems

Annex 3 of the WTO Agreement on Subsidies provides: "Drawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs"

If such a scheme operates in the country of export adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

ANSWER: POSCO received duty drawback refunds associated with the exports of the subject merchandise to Australia during the investigation period. POSCO applied to the Korean Customs authorities for duty drawback on its exports to Australia using an individual application system. A copy of the Korean law governing the duty drawback scheme is provided at Appendix E-3.

POSCO pays the customs duties when importing raw materials from foreign suppliers. Prior to importation, POSCO is required to obtain an import permit. At the time of entry and duty collection, the Korean Customs authorities record the amount of duties paid on POSCO's import permit. Imported inputs on which import duties are paid are eligible to receive a full refund of the import duties paid if the finished product in which the input was used is exported.

Prior to exporting the merchandise, POSCO is required to obtain an export permit. After exportation, POSCO applies for the duty drawback by first

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documenting the use of the materials in the production of the merchandise that was exported. Korean Customs reviews the documentation and if approved issues POSCO a notification that its application for duty drawback has been granted.

POSCO provides in Appendix E-4 a sample calculation and supporting documentation demonstrating how the reported duty drawback amount was calculated. This refund was received in Korean Won and, therefore, the duty drawback has been reported in Korean Won per MT.

POSCO also provides in Appendix E-5 a worksheet showing import duties paid and duty drawback refunded by POSCO during the investigation period.

3. Level of trade

Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

A real difference in level of trade (may be adjusted for using either of the following methods:

- (a) costs arising from different functions: the amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as that of the importer.

This requires the following information:

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- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc);
- the cost of carrying out these activities in respect of like goods;
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;
- an explanation as to why you consider that you are entitled to a level of trade adjustment.

or

- (b) level discount: the amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

ANSWER: Since POSCO does not claim any level of trade adjustment, this question is not applicable.

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, Customs and Border Protection will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term borrowing's by the company; or
- the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made; or
- such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over each month of the investigation period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system¹, the average credit period may be determined as follows:

1 Calculate an accounts receivable turnover ratio

This ratio equals the total credit sales divided by average accounts receivable. (It is a measure of how many times the average receivables balance is converted into cash during the year).

In calculating the accounts receivable turnover ratio, credit sales should be used in the numerator whenever the amount is available from the financial statements. Otherwise net sales revenue may be used in the numerator.

An average accounts receivable over the year is used in the denominator. This may be calculated by:

- using opening accounts receivable at beginning of period plus closing accounts receivable at end of period divided by 2, or
- total monthly receivables divided by 12.

2 Calculate the average credit period

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

The following items are identified in the amounts quantified at question D-4:

ANSWER: For domestic sales of like goods, POSCO has reported in the field "Other factors" its credit expenses which were calculated on a transaction-specific basis using the following formula:

$$\text{Credit Expense} = \frac{\text{Net Invoice Value (KRW)} \times (\text{Payment date} - \text{Invoice date})}{365 \times \text{Short-term Interest Rate}}$$

POSCO's payment terms are stated on the order sheet. The payment terms granted to customers in the Korean home market are [

¹ Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

J. POSCO provides in Appendix E-6 a sample of the various payment terms offered to its domestic customers.

And, the calculation of POSCO's short-term borrowing rate during the investigation period is provided in Appendix E-1.

5. Transportation

Explain how you have quantified the amount of inland transportation associated with the domestic sales ("Inland transportation Costs"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

ANSWER: *POSCO has three types of transportation costs for domestic sales, as follows:*

1) Inland Freight – Factory to Distribution Warehouse

For domestic sales, POSCO has reported the cost of inland freight from the factory to the distribution warehouse in the "INLFTWH" field. POSCO transports like goods from its factories to the distribution warehouse by ship or train.

The freight charges for shipping the goods from the factory to the distribution warehouse are reported on a transaction-by-transaction basis.

2) Warehousing Expense

For domestic sales, POSCO incurs in certain warehouse/movement expenses in two locations: [] - to assist in the distribution of the goods to the customer. The warehouses are used to consolidate shipments and are a necessary element in the chain of transport from the factories to the customer and, therefore, are part of movement expenses.

The worksheet showing the calculation of the unit cost for warehousing activities is provided in Appendix E-7.

The reported warehousing cost in the "WAREHSH" field is calculated by multiplying the unit warehousing cost by sales quantity for each transaction.

3) Inland Freight- Factory/Warehouse to Customer

a. Freight from the Factory to Customer

POSCO has reported the cost of inland freight from the factory to the customer in the "INLFTCH" field. This freight charge is reported on a transaction-by-transaction basis.

b. Freight from Distribution Warehouse to Customer

POSCO has reported the cost of freight from the distribution warehouse to the customer in the "INLFTCH" field. This freight charge is reported on a transaction-by-transaction basis.

The relevant cost is recorded in "Transportation Expense" account (Account Code:) and "Warehousing Expense" account (Account Code:).

6. Handling, loading and ancillary expenses

List all charges that are included in the domestic price and explain how they have been quantified ("Handling, loading and ancillary Expenses"). Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

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ANSWER: *POSCO has reported the loading and unloading charges on a [] basis in this field.*

7. Packing

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed "Packing".

ANSWER: *Please refer to POSCO's response to question E-1.4.*

8. Commissions

For any commissions paid in relation to the domestic sales:

- provide a description
- explain the terms and conditions that must be met.

Report the amount in the sales listing under the column headed "Commissions". Identify the general ledger account where the expense is located.

ANSWER: [] *in relation to the domestic sales, this question is not applicable.*

9. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ("Warranty & Guarantee expenses" and "Technical assistance & other services"), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

ANSWER: *If a customer claims to have received defective merchandise, POSCO will conduct an investigation to determine whether the claim is well founded. Immediately after receiving the customer's claim, POSCO will investigate the sample received from the customer, or POSCO send its personnel to the customer's site to investigate. Further, POSCO negotiates with the customer for appropriate compensation, if any.*

POSCO has reported the cost of warranty expense on [] in the domestic sales file.

The warranty cost is recorded in the " " account (Account code:).

10. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed "Other factors". List the factors and show how each has been quantified in per unit terms. For example:

- *inventory carrying cost:* describe how the products are stored prior to sale and show data relating to the average length of time in inventory. Indicate the interest rate used;
- *warehousing expense:* an expense incurred at the distribution point;
- *royalty and patent fees:* describe each payment as a result of production or sale, including the key terms of the agreement;
- *advertising;* and
- *bad debt.*

ANSWER: *As stated above, POSCO has reported "credit expense" in the "Other factors (1)" field. Concerning the calculation of credit expense for domestic sales, please refer to POSCO's response to question E-1.4*

POSCO also has reported "duty drawback" in the "Other factors (2)" field. Concerning the calculation of duty drawback, please refer to POSCO's response to question E-2.2.

Finally, POSCO has reported the "interest revenue" collected during the investigation period on a customer-specific basis in the "Other factors (3)" field. POSCO charges its customers in the Korean home market interest for

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late payments and in certain situations where the customer requested an extension of the payment date. POSCO provides in Appendix E-8 the calculation of the customer-specific interest ratios.

E-3 Duplication

In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson's salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

ANSWER: *Since there is no duplication in POSCO's reported adjustments for sales in both markets, this question is not applicable.*

List of Appendix E (Hot-rolled Steel)

No	Description
E-1	Calculation of Short-term Interest Rate
E-2	Calculation of Packing Cost by Packing Type
E-3	Duty Drawback Regulation
E-4	Sample Calculation of Duty Drawback
E-5	Worksheet Showing Import Duty Paid and Duty Drawback Refunded
E-6	Payment Terms for Domestic Sales
E-7	Calculation of Warehousing Unit Cost
E-8	Calculation of Interest Revenue Ratio

Appendix E-1

Calculation of Short-term Interest Rate

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Calculation of Short-term Interest Rate (POSCO)

(Unit: Korean Won)

Year-Month	Ending Balance of Short-term borrowing	Interest Expense
2011-04		
2011-05		
2011-06		
2011-07		
2011-08		
2011-09		
2011-10		
2011-11		
2011-12		
2012-01		
2012-02		
2012-03		
Total	-	-

(a)

(b)

Average Balance of Short-term Borrowings = (a) / 12 = _____ - (c)

Total Interest Expense = (b) = _____ - (d)

Short-term Interest Rate = (d) / (c) = 1.0 ~ 5.0%

Appendix E-2

Calculation of Packing Cost by Packing Type

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Calculation of Packing Cost (POSCO) [INDEXED]

Packing Type	Product Quantity	Overhead Packing Cost	Material Packing Cost	Total Packing Cost	Unit Packing Cost
DCA1A					1,102
DCA4A					4,604
DCB1A					5,662
DCB1T					6,208
DCB2A					6,222
DCB2K					5,198
DCB2T					7,613
DCB3C					7,341
DCB3E					6,817
DCB6A					7,151
DCB9A					6,939
DCC1A					11,131
ECB1A					6,053
ECB1C					7,856
ECB1L					6,686
ECB1T					6,626
ECC1A					12,441
ECC1L					13,103
ECC2A					14,204
ECC9A					19,286
ECC9L					19,015
ECC9N					14,578
TCC4A					20,922
Total					10,000