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## **POSCO sees rebound in H2 earnings on lower costs**

*Friday, 03 Jul, 2009*

Bloomberg quoted Mr Lee Dong Hee CFO of POSCO as saying that it will post a rebound in earnings this half as it benefits from cuts in raw material prices and increasing exports.

Mr Lee said that customers are beginning to restock after reducing inventories following the global recession and it will restart idled production in the second half to meet demand. He added that "Earnings will benefit from the impact of lower input costs after hitting the bottom in the second quarter. The rebound will begin this quarter."

He said that POSCO increased exports to markets including the Middle East and Southeast Asia this year to offset slow local demand. He added that currently, exports account for 40% of the company's total sales, up from 30% in 2008.

Meanwhile, Mr Choi Doo Jin spokesman of POSCO said that the company will benefit as the 33% plunge in iron ore prices and almost 60% cut in steelmaking coal costs for the year from April 1st 2009 flows through in the second half.

He added that POSCO will begin restarting the number 4 furnace in Gwangyang on July 21st 2009 after a maintenance shutdown. In February, it shut down the 3.1 million tonnes furnace in Gwangyang ahead of schedule for a regular overhaul to extend output reduction made from December.

(Sourced from [www.bloomberg.net](http://www.bloomberg.net))

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