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Republic of Turkey Prime Ministry Investment Support and Promotion Agency's Latest Close Follow-Up; 2011's Last Direct Investment Goes to Adana

Indian Aditya Birla Group to invest USD 510 Million in Turkey...

The USD 510 million investment allows the production of “viscose staple” fiber (VSF), a material that is currently not produced in Turkey, accounting for a large share in Turkey's foreign trade deficit, and will be completed over the next five years. 20 percent of the production is planned to be allocated for exports.

Istanbul, December 29, 2011 - Republic of Turkey Prime Ministry Investment Support and Promotion Agency (ISPAT) has announced yet another significant investment decision at the end of 2011. The **Aditya Birla Group**, India-based global giant with a turnover of USD 35 billion, operations in various sectors including textiles, metal, retail, carbon black, cement, telecommunications, financial services and more than 133,000 employees in 36 countries, has decided to build a USD 510 million worth VSF production plant with an annual capacity of 180,000 tons on a 100 hectares of land in Turkey's Adana Organized Industrial Zone (AOSB).

VSF is a fiber from nature which is bio-degradable. It has exceptional attributes of comfort, soft feel and luster. It is a much sought after fashion fiber, recognized for its vibrant colors, drape and fall. The Aditya Birla Group is the largest VSF producer globally, with operations spread over six locations in India, Thailand, Indonesia and China. The business derives its strength from its four pulp manufacturing facilities in Canada, Sweden and India.

The USD 510 million USD investment will be spread over five years, and will have the potential to generate direct employment for **550 people**. “Viscose staple fiber” is a vital input for textiles industry and in the first 10 months of year 2011, Turkey had to import approximately 172,000 tons of viscose staple, amounting to USD 539 million. With its planned production capacity of 180,000 tons per annum, the new plant is expected to contribute to decrease the current deficit. The facility will not only address Turkey's domestic demand, but will also have the potential to export about 20 percent of its production.

The press meeting was held with the presence of **Zafer Çağlayan**, Turkey's Minister of Economy; **M. İlker Ayci**, ISPAT President; **Burak Akçapar**, Turkish Ambassador in New Delhi; and **K.K. Maheshwari**, Aditya Birla Group Board Member - Business Director Pulp and Fiber Business. It was announced that the first phase will go into production **by the end of 2014**.

Speaking at the press meeting **President of ISPAT Mr. M. İlker Ayci**, pointed out how proud and happy they were with this investment decision and added, “This investment is very significant since it will enable Turkey to take a step forward in strategically critical industries with its diverse offerings. The fact that this will be the first viscose staple fiber production facility in Turkey is also remarkable since Turkey is seen as an important textile hub. We've been following up this project with Mr. Sudhir Kulkarni, President of Indonesian and Turkish operations, and his team since March 2011. This investment will allow viscose staple fiber to be produced in Turkey. It is a good example to demonstrate how we strive to bring vital materials' production which account for a big portion in Turkey's foreign trade deficit to Turkey.”

K.K. Maheshwari, Aditya Birla Group Board Member - Business Director Pulp & Fibre Business, said: “Turkey is one of the largest consumers of VSF globally. As a global leader of the VSF industry, setting up of a manufacturing base in Turkey is a natural choice for us. Our investment of USD 500 million for the production of 180,000 tons of VSF per annum in Turkey's Adana Organized Industrial Zone will further consolidate our global leadership position in the VSF industry. It will also support the growth of the textile industry in Turkey. We expect to commission our plant by the end of 2014. “The proactive business-friendly policy of the Turkish government is of course a major attraction. The ISPAT team, headed by Mr. İlker Ayci, has facilitated our investment decision by providing excellent and intensive support over the last 9 months, and have made us feel at home,” added Mr. Maheshwari.

A USD 35 billion turnover corporation, a true global giant; the Aditya Birla Group is in the “League of Fortune 500”. It is anchored by an extraordinary force of over 133,000 employees in 36 countries. This year the group was among the “Top Companies for Leaders”. It was ranked number four in the world and number one in Asia-Pacific region.

The Group with operations in the textiles, metal, retail, cement, carbon black, mobile telecommunications and financial services sectors is number one in viscose staple fiber production. The group is also the largest producer of carbon black, and is one the three biggest producers of primary aluminum in Asia. It is also the fourth largest producer of insulators, fifth largest producer of acrylic fiber, and among the top 10 cement producers globally. Beyond business, the group reaches out to more than 7 million people annually through its community initiatives focusing on healthcare, education, rural development.

For further details, please visit: www.adityabirla.com

