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ISPAT Closely Follows Up;

South Korean POSCO Chooses “Turkey” Again for Its Second Giant Investment

Global iron and steel giant POSCO has decided to make its second huge investment in Turkey, one and a half months after the launch of its Bursa plant in October. South Korean POSCO will construct a stainless steel plant, worth USD 350 million, in Turkey's Kocaeli province.

Istanbul, December 17, 2010 - South Korean Pohang Iron and Steel Company (POSCO), the world's fourth largest steel producer, and the Prime Ministry Investment Support and Promotion Agency of Turkey (ISPAT), have jointly announced POSCO's decision to make its second investment in Turkey, shortly after the opening of its Bursa plant.

The “greenfield” investment, worth USD 350 million, in a stainless steel cold rolling mill, will initially create employment for 1,000 people directly and indirectly. The annual production capacity of the plant will be 200.000 mt, while its groundbreaking is slated for the H1 of 2011.

Commenting on the investment, **Dr. Hüseyin Aslan, President of ISPAT**, said the Agency had been closely monitoring POSCO, given Turkey's increasing demand for stainless steel products which amounted to 210,000 mt in 2009. Mr. Aslan went on to say: **“We are proud to attract this investment to our country; a highly valuable investment due to the added-value and employment it will create. This investment will enable us to meet Turkey's stainless steel demand, and to stop importing these products for the first time. Furthermore, by means of POSCO's new investment, Turkey will become a major hub for Eastern European, the Middle Eastern and CIS countries.”**

Mr. Aslan said POSCO sees this investment decision in Turkey as a milestone for the company's global expansion plans, and stated that ISPAT was expecting a second leap from the global giant following the opening of its Bursa plant on October 27. Mr. Aslan added: **“The arrival of such a global giant in Turkey will once again highlight the opportunities offered to investors by this country. Such giant companies' investments, starting off with small steps, may turn out to be huge ones. Therefore, this actually is a huge step for Turkey, and a perfect example to the globally sought-after 'greenfield' investments.”**

Prime Minister Erdogan's meeting with POSCO's executive management during the G-20 meetings accelerated the decision

Mr. Hüseyin Aslan noted that the macro indicators and the skilled labor force are the two main reasons behind POSCO's decision on Turkey, and said: **“Today, ISPAT is reaping what it sowed during the initial investor seminar in Korea in 2008. We had the opportunity to set-up a meeting between our Prime Minister H.E. Recep Tayyip Erdogan and POSCO CEO Mr. Chung Joon-yang during the G-20 meetings in South Korea in November, and this had a great impact on the acceleration of the investment decision. Therefore, I would like to express our sincere gratitude to the Prime Minister of Turkey H.E. Recep Tayyip Erdogan for his support.”**

POSCO, the fourth largest and No.1 competitive steel producer in the world, has wide range of steelworks worldwide and employs around 17,000 people. The global annual output of the company is 32.3 million mt in 2010(F), while its sales revenue stand at USD 29 billion. The company operates in more than 20 countries including India, Brazil, the USA, Mexico, Australia, Japan, Canada and South Africa. POSCO ranks 137th in the Forbes Global listing.

Meanwhile, **POSCO CEO Mr. Chung Joon-yang** said: **“The construction of steelworks in Turkey is the cornerstone of POSCO's century-old history. We see this project as overwhelmingly positive for both POSCO and for Turkey.”** Mr. Chung Joon-yang also stressed the historical ties between the company and its newfound home, and went on to say: **“I would like to thank ISPAT for its efficient work and support in facilitating the decision-making process. I also would like to express our gratitude to the Prime Minister of Turkey H.E. Recep Tayyip Erdogan for his support.”**

