



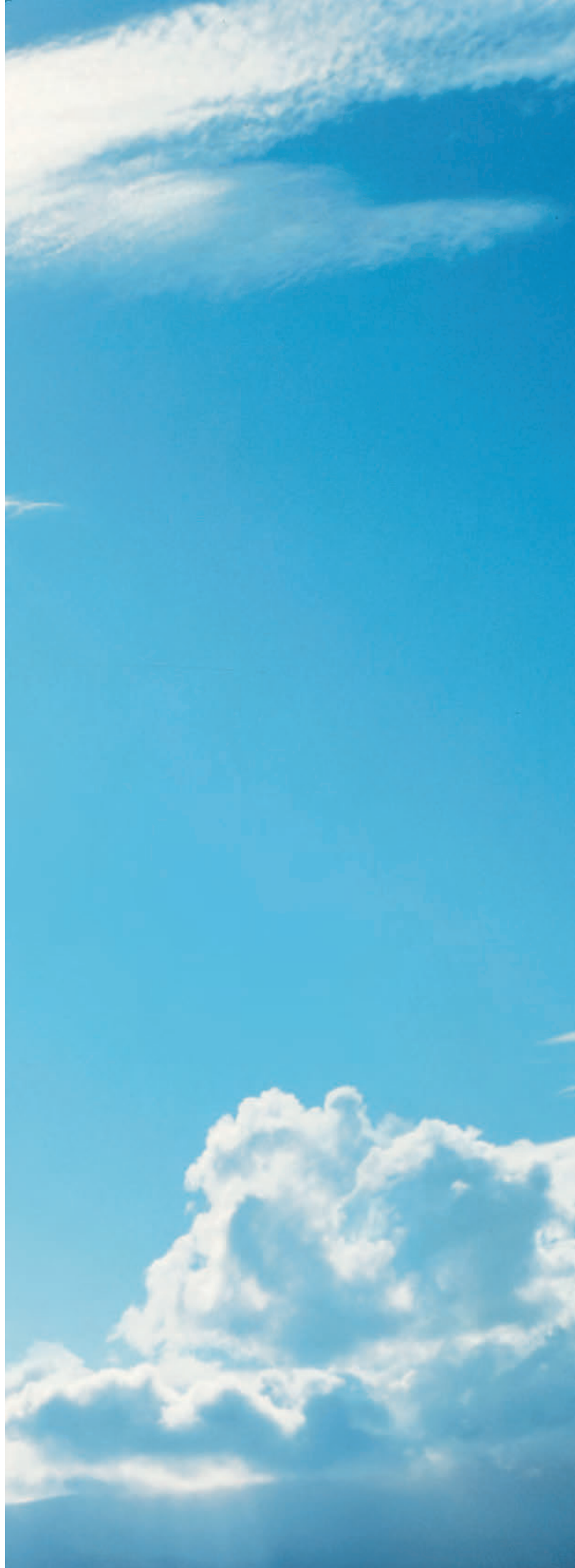
Great Challenge

Global Leader of Fe-Ni Smelting Technology

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Establishment	May 22, 2006
Investment	USD 352 million
Employees	200 persons (as of January 2010)
Business	Production and sale of Fe-Ni and Fe-Ni by-products
Production Capacity	150,000 MT/year of Fe-Ni
Sales place	POSCO
Shareholders (equity ratio)	SMSP (51%) and POSCO (49%) SMSP – Nickel mining company in New Caledonia
Location	878, Gumho-dong, Gwangyang-si, Jeonnam (POSCO Gwangyang steel works)
Capital stock	KRW 185 billion (as of June 2008)



SNNC challenges to become a global leader of Fe-Ni smelting technology

Challenge

SNNC builds a new success story with ceaseless challenge.

Value

SNNC creates a new value and history.

Passion

SNNC 's passion strives for globalization through innovation and novelty.

CEO Message



Created “Nickel Myth” out of “Nothing” with the belief of “we can do”

Equipped with an electric furnace of the world's largest production capacity, SNNC builds up its capabilities in quality improvement and energy saving through its excellent technologies, while making a new history of Fe-Ni production.

Taking another leap toward global leader of Fe-Ni smelting technology through ceaseless challenge and passion

Dear Readers,

Thank you for your unwavering support and interest in SNNC (Société Nickel de Nouvelle-Calédonie et Corée)

SNNC is a joint venture established by POSCO and SMSP (Société Minière du Sud Pacifique), the largest nickel ore exporter of New Caledonia, which produces and sells Fe-Ni, the core material of stainless steel.

We contribute to the stable supply of nickel, one of the nation's six strategic mine minerals amid the fierce global competition for stable supply of resources. We started the company in a country without a single stone of nickel with the passion that is hotter than the boiling metal in the furnace. Under the belief of "Do your best, and God will do the rest." We have focused all our energy on the construction of the Fe-Ni factory and the early stabilization of the operation.

Through ceaseless innovation and change, we will strive to realize our vision of becoming a global leader of smelting technology, while caring for the local community.

Thank you.

Chief Executive Officer Kim, Hag-Dong

Value

SNNC creates a new value and history.

Strong and beautiful stainless steel has its roots in Fe-Ni, the alloy of Ni and Fe.

SNNC promotes and protects nature's value to provide a richer standard of living for us all.



- Panoramic view of SNNC -



Vision & Core Value

Creating Another Success Story Beyond Here, Beyond Now

Global Leader in Fe-Ni Smelting Technology



Socially Responsible Management

Ethical Management > Trust

SNNC aims to become a respected and trusted company through its righteous management that adheres to the basics and principles. Corporate value is being increased through management innovation and the establishment of an ethical corporate culture for customers, shareholders, employees and suppliers.

Co-prosperity > Relation

As a pillar of the national trunk industry, SNNC operates a host of programs that provide technical and educational support to small and medium enterprises all along the production chain. SNNC practices fair trade and voluntary compliance programs to exemplify a totally transparent transaction culture.

Environmental Management > Green

SNNC practices environmental management under the notion that protecting environment is the prerequisite conditions for sustainable development of the company. Equipped with eco-friendly facilities, we strive to minimize emissions of air pollutants and put efforts for water quality control through water reuse and sewage treatment facilities.

Social Contributions > Love

SNNC has been engaged in various social contribution activities since its inception, fulfilling its responsibilities as a decent corporate citizen. All its employees actively participate in various volunteer activities such as "Saturday of sharing" and "HanMaEum Scholarships" which supports teenage family heads.

Passion

SNNC strives for globalization through innovation and novelty.

SNNC does its best with a passion as hot as smelting furnace to contribute to national competitiveness.

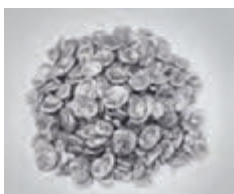
- Outflow of molten Fe-Ni -



Products

Fe-Ni products

Fe-Ni



Component : Ni 20% , Fe 80%

Configuration : Granule

Diameter : 3~80 mm

Fe-Ni is the main raw material in the production of stainless steel.

The nickel-based stainless steel demonstrates excellent performance in resistance to heat, corrosion, acid and abrasion, and are used in utensils for household use. In addition, nickel is a very useful metal with various use such as medical devices, aircraft, coins and many other daily items.

By-products

Prime Stone (palletized, air-cooled)



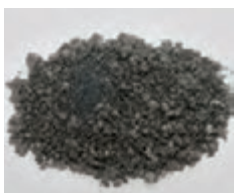
* Fe-Ni slag fine aggregate for concrete registered in Korean Standard (KS F 2970)

* The roadbed materials acquired Environment-Friendly Mark

Molten slag is slowly air cooled to produce hard, abrasion-resistant aggregates for civil engineering work.

Applications : filling materials, roadbed materials, soil covering materials, asphalt aggregates, and substitutes for serpentinite.

Prime Sand (granulated, water-cooled)



This product is made by spraying water on molten slag to produce granules that, when used in place of natural sand, result in better air circulation and stronger concrete.

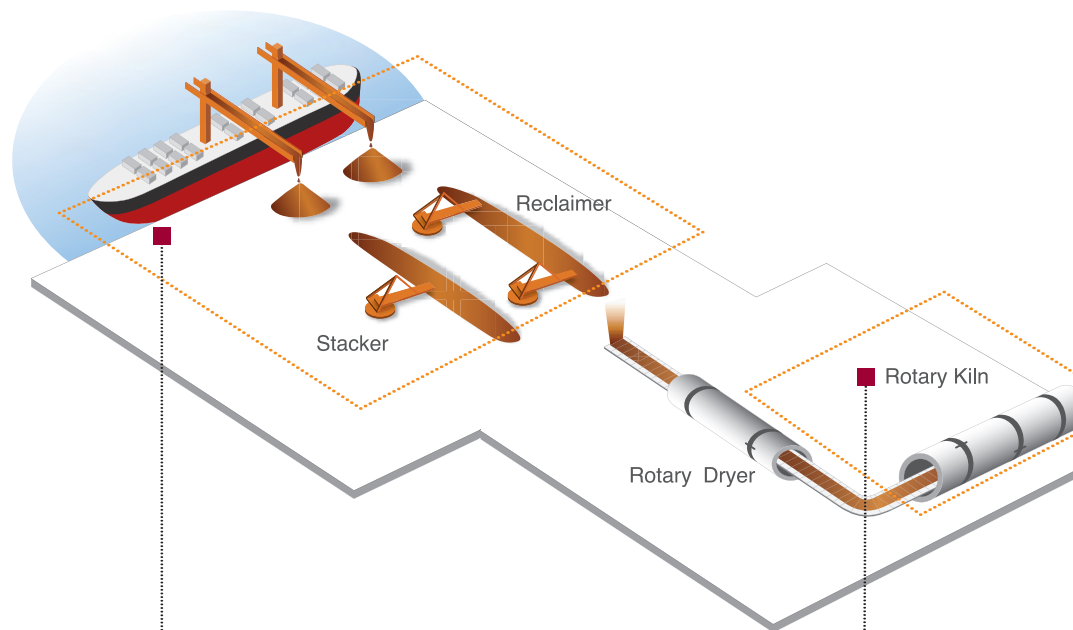
Nickel Story

Why is it called Devil's metal?

Nickel was first discovered by Baron Cronstedt, a Swedish mineralogist in 1751 in Germany. Resembling copper, it was first named Kupfernickel (also known as Devil's Copper) after the notorious spirit Nick Alt that appears in mines and plays a hoax on mineworkers. Nickel naturally occurs with copper. Until the early 20th century, it was extremely difficult to extract nickel and it was also called 'Mountain Devil' by the smelters.



Manufacturing Process



Ore Handling Process

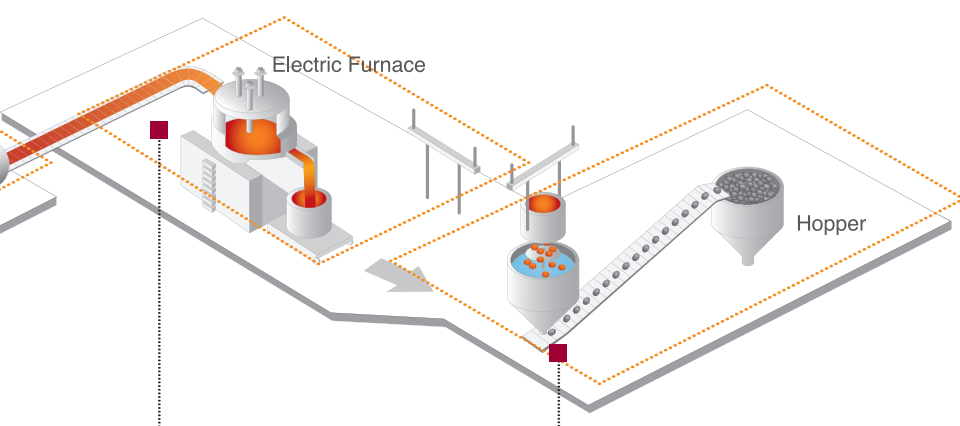
After unloaded at the port, the Ni ores are transported to the stock yard by conveyor belt and stackers. And the reclaimer blends the ores from the different mines in order to maintain a homogenous raw material component. Then the rotary dryer dries out the free moisture from the nickel ore.



Calcination & Pre-reduction

Using the coal-fired rotary kiln, the crystallized water from the ore is removed and some of nickel oxide and iron oxide is reduced by the counter current reaction. Finally the high temperature calcine is discharged.

Developed by SLN of France from the 1890s and adopted in Japan, Colombia and many other countries for the past 120 years, this methodology involves calcination and smelting of the Laterite Ni ore on the rotary kiln and electric furnace by pyrometallurgical process to manufacture Fe-Ni. The major processes are ore handling, drying, calcination & pre-reduction, smelting, refining & casting to produce Fe-Ni product containing 20% Ni and 80% Fe.



Smelting

The electric furnace melts and reduces the hot calcine from the rotary kiln by slag resistance heat and electrode arc heat. Finally the molten crude metal containing the 20% nickel is extracted. During this process, the slag is produced as by-product.



Refining & Casting

The molten crude metal from the electric furnace is refined by the de-sulfurized equipment. Finally the Fe-Ni products as granule come from casting process by shot making equipment

Shareholder Company

POSCO and SMSP have joined forces to produce the world's best Fe-Ni.
Global-leading steel maker POSCO and New Caledonia's largest nickel ore exporter SMSP



- Amedee Lighthouse Island of New Caledonia -



Shareholder Company

World's first vertical integration of nickel miner-smelter-STS maker



SNNC was established in 2006 as a joint venture by POSCO, the global-leading steel maker, and SMSP, New Caledonia's largest nickel ore exporter, in order for stable supply of nickel, the main raw material of stainless steel. With a stable supply of nickel ore for the next 30 years by NMC, an on-site New Caledonia mining company, SNNC is making a new history of Fe-Ni products based on its stable business structure.



New Caledonia's largest nickel ore exporter, SMSP

Founded in 1969 as subcontracting company SMSP was controlled by Northern Province of New Caledonia in 1990, then acquired mining title and became New Caledonia's first mining exporters from 1995.



Global-leading steel maker, POSCO

POSCO was founded in 1968 and has grown as a global leading steel maker, creating success story out of nothing. Just like iron has enormously contributed to the civilization of human culture, so did POSCO to Korea's economic development.

About New Caledonia

Nickel Paradise, New Caledonia. L'île la plus proche du paradis!

French territory of New Caledonia in the South Pacific boasts a beautiful environment and is called 'the island of eternal spring' and 'the island nearest to heaven.' This 220 million-year-old island is the world's largest coral island and a treasure trove of geological diversity. With 20% of the world's nickel reserves and chrome, cobalt, and iron in great abundance, New Caledonia is at the center of the Fe-Ni industry. Over 60% of the national land here has been registered as a heritage site by UNESCO to preserve the area's unique natural beauty.

History

2005

05.18 POSCO and SMSP
exchanged MOU



2006

- 01.12 Establishment of a corporation and investment approved (POSCO Board of Directors)
- 04.05 JVA concluded between POSCO-SMSP
- 05.22 SNNC founded
- 08.01 Code of ethics established and proclaimed
- 08.28 Site preparation started
- 11.30 Vision/Mission established and proclaimed



2007

- 01.22 Ministry of Finance and Economy approved the Fe-Ni plant business plan
- 05.02 Construction of Fe-Ni plant commenced
- 09.27 Production Technology Center completed
- 10.29 Mining rights transferred (SMSP→NMC)
- 11.30 Site preparation completed



Despite its short history, SNNC has renewed the history of Fe-Ni industry step by step.
Taking pride in that it contributes to the convenient and affluent life of human civilization,
SNNC will continue to challenge its endeavors to creating success story for the brighter future.

2008

- 06.02 Trial run started
- 07.22 First arrival of nickel ore
- 08.21 Operation of ERP/MES started
- 08.25 Electric Furnace turned on
- 10.01 Fe-Ni Plant completed
- 10.19 First production of Fe-Ni
- 11.03 Completion Ceremony held

2009

- 02.18 Normal operation capacity achieved
- 04.16 Innovation campaign QSS adopted
- 05.29 All staff succeeded to quit smoking
- 06.04 Management Innovation Prize awarded by Korea Institute of Management Evaluation (KIME)
- 10.13 Practice of fundamentals proclaimed
- 10.31 Annual nickel production capacity of 30,000 tons achieved.
- 11.05 Prime Minister Citation awarded on '2009 Foreign Company Day'



