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## **POSCO in talks to increase stake in Thainox - Report**

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Korea Times reported that POSCO is in talks with Thailand's largest stainless steel producer Thainox to take over a controlling stake as part of efforts to beef up its global business.

Sources close to the matter told The Korea Times that POSCO has dispatched its merger and acquisition team to Thailand in late September for the negotiations, adding both sides are close to completing the deal.

The report added that POSCO is considering taking over managerial control of Thainox after its CEO Mr Prayudh Mahagitsir sought to dispose of his controlling 63% stake several months ago.

POSCO already owns a 15% stake in Thainox, which it purchased for KWR 51 billion in December 2006 in a bid to strengthen its strategic ties with the Thai stainless steel maker.

Thainox is Thailand's only manufacturer of premium cold rolled stainless steel sheets and coils. Since its establishment in 1990, the company has increased its domestic and global market share at an annual growth rate of 20%, supplying 60% of its products within the country and exporting the remaining 40% to more than 30 countries around the world.

The report added that POSCO has denied the takeover talks. Mr Lee Sang-chun spokesman of POSCO said that "Even though we are in a regular contact with Thainox management since we have a 15% stake, we are not in talks to acquire more shares in the Thai company."

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