

NOTICE OF ADJUSTMENT OF EXCHANGE PRICE  
TO THE HOLDERS AND THE TRUSTEE OF  
ZERO COUPON GUARANTEED EXCHANGEABLE NOTES

DUE AUGUST 18, 2016

(ISIN: XS0658205280)  
(Common Code Number: 065820528)

NOTICE IS HEREBY GIVEN that, pursuant to Section 1204 of the Indenture, dated as of August 18, 2011 (the "Indenture") among Zeus (Cayman) II (the "Issuer"), POSCO (the "Guarantor"), Citicorp International Limited (the "Trustee") and Citibank, N.A., (the "Collateral Agent"), the Exchange Price of the Issuer's outstanding Zero Coupon Guaranteed Exchangeable Notes due August 18, 2016 (the "Notes") shall be adjusted in accordance with Section 1203(d) of the Indenture as follows:

- (1) Event giving rise to the adjustment: On August 13, 2014, the Issuer received interim dividends from SK Telecom Co., Ltd. ("SKT"). SKT set the record date for the interim dividends at June 30, 2014.
- (2) Adjusted Exchange Price at June 30, 2014: ¥ 1,469.5635
- (3) Effective date of the adjusted Exchange Price: August 25, 2014

Capitalized terms used and not otherwise defined herein have the meanings set forth in the Indenture.

ZEUS (CAYMAN) II

By:   
Name: \_\_\_\_\_  
Title: **Barry Craine**  
**Director**