



WELCOME

Welcome to the Winter 2006 edition of XLERPLATE® *Steel In Touch*. In this issue we look at global and Australian economic conditions, and the current buoyant state of Australia's mining industry.

With economic conditions remaining upbeat throughout OECD countries, and demand for Australia's commodities and base metals staying high through 2006-07, we can expect demand for XLERPLATE® steel to remain strong for the coming year. As a general rule, economic growth above three per cent translates into strong demand for steel, in line with 2006-07 forecasts (refer to page 3).

In this issue, you'll also find practical ways that some of our customers are meeting this demand, developing and fabricating a range of products designed to help Australia grow in the years ahead.

And as always... we welcome your feedback! See how you can be in the running to win a fabulous 32-inch JVC LCD slim-line television simply by taking part in our Reader Survey.

John Barrett
State Sales Manager - NSW



James Cummins, Alan Church, Richard Andrews and Bill Tunks.

XLERPLATE® TEAM GETS INTO THE SWING

Two BlueScope Steel teams teed-off at the New South Wales Australian Steel Institute's (ASI) annual charity golf day this year, including an XLERPLATE® team comprising Industrial Markets Account Managers Alan Church and James Cummins, along with Cutting Edges representatives Richard Andrews and Bill Tunks.

The day was held in March at Carnarvon Golf Course and raised more than \$12,000 for the Sydney Children's Hospital and Stewart House, a charity which provides health care and short-term respite care for children.

James says the team enjoyed great camaraderie and although displaying touches of brilliance, were never really in contention.



NEW LOCATION FUELS BUSINESS GROWTH FOR TRANSTANK

Australian-owned manufacturing company Transtank has a new name, new location and new state-of-the-art premises – and it's now exporting its fuel storage tanks to South Africa and Canada.

The company, which began operations 19 years ago in Bendigo under the name Nash Tank and Pipe, moved to Parkes two years ago to take advantage of a direct rail link to Western Australia and to be close to major NSW mining operations.

Under the direction of Production Director Neil Harrison, Safety, OH&S and Hazardous Goods Specialist Philip Kemm, and Container Industry Specialist John Steel, Transtank's products service a broad range of mining and transport industry applications.

Set on a 3.9-hectare site, Transtank's new 3000 square metre manufacturing facility features a custom-designed abrasive blast room and dust-free paint booth.

It switched from manufacturing and servicing automotive LP Gas equipment four years ago to developing, designing and manufacturing its current



Transtank Production Director Neil Harrison.

range of self-bunded fuel storage tanks – and business has boomed ever since.

The tanks – which can store fuel or oil, or provide a multi-product storage facility – feature enclosed pumping and interlocking mechanisms, making them superior to traditional tanks. Each Transtank tank is also self-bunded, which

means any leaks can be contained within the unit. If a leak occurs, the tank itself identifies that this has happened, making the Transtank system foolproof, even under the arduous conditions of mine sites and constant movement throughout their life-cycle.

Designed in-house to suit standard transportation, the tanks themselves range from 2,250 litres to 110,000 litres and may be identical in external dimensions to a 40ft shipping container.

About 75 per cent of each tank is constructed from XLERPLATE® steel, with about 19 tonnes of XLERPLATE® going into each of the largest tanks with a volume capacity of up to 110,000 litres.

"When it comes to fuel storage, strength and reliability are paramount," Mr Harrison said. "We use XLERPLATE® steel mainly because of the consistent quality of the product."

MINING INVESTMENT

By BlueScope Steel Economists Nick Scavarelli and Max Serrano

Mining investment continues to grow rapidly because of the commodity price boom that has seen Australia's terms of trade rise dramatically. Australia has benefited from very strong price growth in coal, iron ore, gas and a range of base metals.

There is a clear link between mining commodity prices and investment, and we see mining investment expanding until about 2007-08.

The Investment Monitor data produced by Access Economics shows a large number of projects will start in 2007. These include the Gorgon LNG development, the expansion of BHP Billiton's Olympic Dam, Woodside's Pluto LNG project and the expansion of Rio Tinto's Argyle diamond mine and others.



Strata control products manufactured by BlueScope Steel customer DSI Mining in action.

China's industrial boom and its demand for resources will continue over the next few years. Beyond 2007-08, however, the commodity cycle is expected to start its downward movement. While Chinese growth in demand will remain strong up until then, substantial capacity additions in iron ore, aluminium and coking coal will have removed most excess demand.



A Metso minerals screen.

BUSINESS BOOMING FOR NSW MINING COMPANY

Australia's mining boom has boosted sales for global company Metso Minerals, which has a manufacturing base in Carrington, Newcastle.

Metso Minerals, one of the world's largest rock and mineral processing equipment companies, manufactures screens and feeders from its Newcastle plant using XLERPLATE® steel by BlueScope Steel.

The company also has a sales and research base in Newcastle.

Metso Minerals Asia-Pacific Marketing Manager Ben Suda said global sales increased by about 30 per cent in 2005, driven largely by increased activity in Australia's and South America's mining segments.

"The industry as a whole is experiencing unprecedented growth," Mr Suda said. "Iron, gold and coal have been particularly strong markets for us."

Metso Minerals has provided screens with XLERPLATE® steel to mining projects in the Hunter Valley coal mines and even Indonesia's massive Freeport mine, he said.

Recently, Metso Minerals has provided other equipment such as rail car dumpers for port upgrades at Dampier and Port Hedland, as well as a 10km conveyor system to Dawson Mine in Queensland.

Mr Suda said Metso Minerals produced one of the largest ranges of mining and quarrying equipment in Australia.

"Metso has teams of experts who help mining operations find the best and most cost-effective solutions," he said.

Metso Minerals uses XLERPLATE® steel to manufacture its feeders and screens because of its quality.

"We only use top quality materials. We've got a reputation in the industry as a quality manufacturer and our customers expect a high standard from us," Mr Suda said.

"BlueScope Steel is one such supplier that helps us meet these standards."

THE RECIPE AS NEVER BEFORE

As many as 80 per cent of the steel grades and 'recipes' available around the world today either didn't exist 25 years ago or are being produced in such a way that they are effectively like new steels. For its part, BlueScope Steel – as a world-leading steel manufacturer – is at the forefront of developing new alloy designs for steels aimed at addressing specific customer requirements.

One recent example was the grade of XLERPLATE® steel used in the Royal Australian Navy's ANZAC Class frigates built by Tenix.

BlueScope Steel Metallurgical Technology Manager Jim Williams (pictured) said steel development is constantly changing.



"While our main grade of hot rolled strip and slab steel – a low-carbon, aluminium-killed steel – has changed little in recent years, we are constantly assessing our range of products according to customer demand," he said.

"Major changes have occurred in steel production technology over the past few decades, from ingot to continuous slab casting, then thin slab casting and currently strip casting. These dramatic technology changes resulted in very different steel product behaviours even in cases when the steel chemical composition remained almost unchanged."

Mr Williams said his department received calls on a daily basis from customers wanting to know if BlueScope Steel could produce certain grades and alloys to meet specific requirements.

"We make business assessments based on anticipated demand, plant capability and other factors," he said.

STEELWORKS VISIT FOR METALAND

A group of Metaland staff headed to Port Kembla recently to tour the steelworks and find out more about how BlueScope Steel products like XLERPLATE® and XLERCOIL® are made.

OneSteel Metaland Southern Regional Market Manager Luke Palmer said the tour offered many benefits – "improved selling techniques, the ability to assist junior staff as a result of new knowledge gained, and the chance to network with BlueScope Steel personnel".

Port Kembla Steelworks tours are available to all BlueScope Steel customers, and involve a pre-tour safety and production video, guided bus trip around the site and a chance to watch the various processes involved in making BlueScope Steel products. If your company would like to tour Port Kembla Steelworks, please contact your BlueScope Steel State Sales Manager.

SAFETY MESSAGE: TREAD CAREFULLY ON STAIRS

Stairs – around the home and in the workplace – can lead to some of our more debilitating accidents.

Almost as many legs and ankles are broken on stairs as in accidents on sports fields.

Some stair falls can cause even more serious injuries, including broken backs and necks.

A broken leg can lead to you being incapacitated for up to several months – a devastating situation if you have a manual job.

So remember, when walking up and down stairs:

- Move in single file
- Always use the hand rail
- Concentrate on the task at hand – and don't engage in distracting conversation
- Take your time – and one step at a time



BlueScope Steel's John Barrett with Wetherill Park OneSteel Steel Product Manager - Plate, Mark Ayres.

NEW TRAINING PROGRAM A HIT

XLERPLATE® steel distributors have given a new BlueScope Steel training program the thumbs up.

The training program, which was launched in May, is delivered professionally in an electronic format that includes animations, video, diagrams, text and graphics. It is designed to provide distributors with everything they need to know about XLERPLATE® steel from its manufacture through to technical advice.

Wetherill Park OneSteel Steel & Tube staff were among the first to take part in two 45-minute training sessions, with Product Manager – Plate Mark Ayres describing them as “very helpful”.

“It is comprehensive but set-up in a way that people can easily understand,” he said of the program, which is divided into seven modules, including technical information, services, branding, market segmentation, safety, product range and the steel-making process.

Customers who wish to benefit from the new XLERPLATE® steel training program should contact their BlueScope Steel State Sales Manager.

TOWER OF STRENGTH A WINNER AT RANDWICK

If you're looking for evidence that XLERPLATE® steel can be equally at home in elegant, architectural settings as in heavy industry, the Royal Randwick Racecourse Observation Tower (pictured) is a good place to start. XLERPLATE® steel plays an integral role in the award-winning structure, which was designed by Adelaide architects Swanbury Penglase and fabricated by Steriline Racing.

The floors and stairs of the tower are fabricated from XLERPLATE® steel, while the main structure was fabricated from Smorgon Steel's square and rectangular hollow sections. COLORBOND® steel has been used for the roof sandwich panel of the tower.

Architects Steve Penglase and Witold Generowicz said steel was an obvious choice for the structure. “We were looking to design a structure that was cantilevered, and then tension it back. Steel was really our only option for this type of structure because of its strength and durability,” Mr Penglase said.



He said one of the main challenges was to ensure that the tower did not block the views of spectators.

“The tower stands between the horse racing track and the public grandstands so it had to be extremely slender and have minimal impact on views.”

It was equally crucial, however, that the structure was stable because the media cameras that operate from the tower can only tolerate minimal movement. Mr Penglase said that most observation towers were not architecturally designed.

“This is a very contemporary structure,” he said. “Most Australian towers are very agricultural, but this integrates very well with the grandstands in the background.”

It took two months to fabricate the tower, which was then hot dip galvanised. It was then dismantled and transported from Adelaide to Randwick and assembled on site by crane.

THE GLOBAL ECONOMY

By BlueScope Steel Economists Nick Scavarelli and Max Serrano

The global economic outlook remains sound, with business expectations in Germany – Europe's economic engine – at a record high.

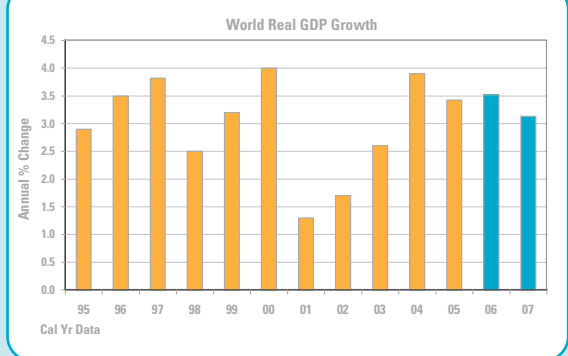
Despite surging oil prices, the OECD leading indicators point to healthy economic growth in the next six months in all major economies. This will support solid levels of global steel demand.

In 2006, the US economy is likely to grow about three per cent, and Europe and Japan are expected to grow above two per cent.

Although industrial production growth in China and India has stabilised at a high level, it will continue to maintain pressure on the demand for commodities and metals, including from Australia.

Overall global economic growth is expected to remain above the trend level of about three per cent in 2006.

In Australia, GDP growth is expected to be around three per cent in 2006-07, due to the anticipated export recovery on the back of stronger mineral prices. However the recent rise in interest rates



and the strong Australian dollar will limit growth prospects. Both these factors are likely to negatively impact on business competitiveness and sentiment.

The level of interest rates in the next six months will depend on the extent that the high oil prices filter through to downstream products, as well as the extent to which the shortage of skilled labour lifts wages.

The strong Australian dollar and fierce competition from Asia could see manufacturing investment fall in 2006-07. Agricultural investment is expected to remain fairly constant but from a high base, and mining investment is expected to remain strong.

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IN THE HOT SEAT ZORAN STERJOVSKI



Name: Zoran Sterjovski
Job title: NSW XLERPLATE® Customer Service Officer
No. of years with BlueScope Steel: Two-and-a-half years
No. of years in the steel industry: Two-and-a-half years
Description of current role: XLERPLATE® customer service & sales support
Previous industry: Gas industry – eight years
Previous position: Sales & customer service
Previous position roles/duties: Credit controller, transport, sales, administration & customer service, Safety Officer, Inventory Controller
Woman I most admire: Mum
Man I most admire: Dad
E-mails received on average per day: Too many to count
Best invention of the last century: Computer
Worst television program: *Days of Our Lives*
Time I spend in my car each day: One hour

Hardest habit to break: Beer

Favourite drink: The humble VB schooner

Best car on the road/favourite car of all times: Lamborghini Diablo

Most useless possession: Golf clubs – never get used!

Favourite outdoor recreational activity: Swimming and soccer

What kick-starts my day: Weet-Bix

If I had \$1m to blow it would be on... Holiday house and boat on Lake Lucerne, Switzerland

If I could have one person over for dinner, it would be... Paul Hogan

If there was one thing I could do all over again... Travel around the world again

Favourite holiday destination ever: France – Paris

TRY THIS QUICK QUIZ

- Q1.** Yellow gold contains 10 per cent of what element?
- Q2.** What is the chemical formula for salt?
- Q3.** What colour is yak's milk?

- Q4.** How many limbs does a squid have?
- Q5.** How many compartments are there in a cow's stomach?

A1. Copper, A2. NaCl, A3. Pink, A4. 10 limbs, A5. Four compartments



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