



WELCOME

Let me pass on our thanks to those who responded to our first Queensland edition of Steel In touch. The overwhelming response is that this communication is valuable. Our customers are certainly looking forward to more of the same!

The North Queensland Cowboys and the Brisbane Bronco's have both enjoyed a successful year. Away from the sporting field, the Queensland Steel Industry has been registering good wins in demanding and challenging times. It is pleasing to see both regional and metropolitan businesses enjoying in this success.

Queensland's steel market has been buoyant in the past year, and the next 12 months look like being just as good, thanks to our engineering construction, mining and port sectors.

Thanks for your continued support. Happy reading!

Tony Fotea
State Sales Manager - Queensland

RESEARCH HIGHLIGHTS CAMPAIGN SUCCESS

By any measure, participation in our Xlerate to XLERPLATE® promotional campaign – which has secured two bronze awards in the 2005 Australian Promotion Marketing Association Awards (APMA) – was outstanding, with 44 per cent of all eligible people responding at some stage.



Following the campaign, we surveyed 408 people – including distributors and their customers – on their reactions to our recent XLERPLATE® promotional campaign, and came away with some impressive findings.

Since the campaign, 46 per cent of distributors surveyed say they now promote XLERPLATE® to their customers.

Overall, 71 per cent of distributors believe XLERPLATE® outperforms the competition, and 25 per cent say they now use the XLERPLATE® brand name when discussing or ordering steel plate.

The APMA bronze awards were for the best business-to-business campaign and best use of direct marketing.

These findings only reinforce the importance of our brand – and its importance as a value proposition for your customers.



XLERPLATE® STARS AGAIN



In the last edition of *Steel In Touch*, we featured the use of XLERPLATE® in the building of Melbourne's MCG.

This time, we're featuring another major application, the construction of the luxurious *Oceanic Princess* by Cairns engineering and ship-building company, NQEA.

And like the MCG, The *Oceanic Princess* is currently featuring in a BlueScope Steel national TV advertisement.

NQEA's Mark Fry says his company is pleased to be associated with BlueScope Steel.

"Lead times are vital in operations like ours, and we always receive accurate information from BlueScope Steel as to when we can expect product deliveries," he says.

"We've been buying steel from BlueScope Steel for more than 50 years, and we'll continue doing so."

See overleaf for details of the NQEA story.

STEEL END USE SEGMENTATION RESEARCH

We can all expect another solid year of domestic steel consumption.

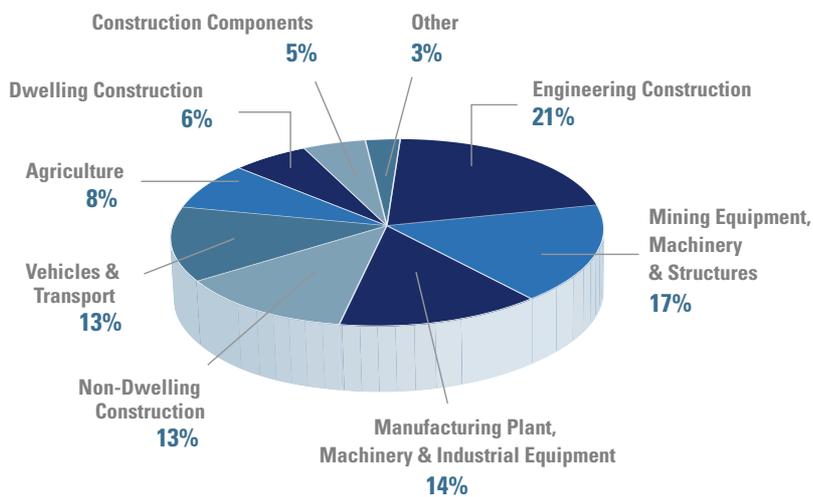
Results published in our *Steel End Use Segmentation Research 2004* report show that those plate-using segments expecting to use more steel in the year ahead include mining, manufacturing, engineering construction, vehicles and transport, and agriculture.

Most respondents in these segments cite more work, business growth, higher demand, growth in their overall segment and individual company expansion for their increased consumption.

Some also point to stronger exports.

If you'd like a copy of this report, contact BlueScope Steel Direct: 1800 800 789. Or call your State team (see details on back page).

RESEARCH RESULTS: NATIONAL STEEL-CONSUMING SEGMENTS



Percentage share of market (plate, HRC, welded beams & columns, pipe & tube)

QLD PROJECTS TO BOOST STEEL DEMAND

PORTS INFRASTRUCTURE

The Queensland Government has announced major port expansion and expenditure plans are in its 2005-06 Budget.

Port of Gladstone has set aside \$214.8 million, including the expansion of the RG Tanna Coal Terminal.

Port of Brisbane has been granted \$162.4 million for projects associated with the relocation of facilities from inner-city Hamilton to Fisherman Islands.

Cairns Port Authority will receive \$72.6 million for continuing development at the airport and its waterfront renewal scheme.

The Ports Corporation of Queensland is also putting forward \$71.6 million covering a proposed \$50 million expansion at Abbot Point, and \$13 million for dredging of the Hay Point departure path.

MINING INDUSTRY

Queensland's Minister for State Development and Innovation, Tony McGrady, says the amount

of coal railed to Queensland ports for export is expected to rise 5-13 per cent a year over the next five years.

He says the State Government has prepared a 'program of actions' which identifies:

- \$1.4 billion worth of coal infrastructure projects already committed and underway.
- More than \$1 billion for additional projects, subject to commercial contracts.
- "Significant additional investment" in new locos and wagons required to rail coal from the mines to the ports.

All this proposed activity is expected to generate strong demand for steel for some time to come.



FLOATING STEEL LUXURY

XLERPLATE® steel lies at the heart of the biggest passenger ship built in this country for an Australian operator since the *Empress of Australia* was launched in the 1960s.

Built in Cairns by leading ship building and engineering company NQEA for Cairns-based operator, Coral Princess Cruises, the \$20 million luxury cruise ship *Oceanic Princess* accommodates 80 passengers and a crew of 20.



The 63m-long and 15m-wide vessel includes 39 cabins over four decks – the main deck lounge and dining room, a promenade deck with full walk-around, a bridge deck lounge and bar, and a sun deck with spa.

With a full displacement of 1300 tonnes, we supplied 500 tonnes of XLERPLATE® steel in various grades and thickness for her construction.

The ship's normal cruising ground, as her name implies, will be the north-east coast of Australia, and the north-west coast around the Kimberley region.

The *Oceanic Princess* – described by NQEA's Mark Fry as a "medium to large job" – is one of five vessels being built at the company's facilities at Cairns.

"We engaged more than 100 skilled tradespeople in her construction," Mark says.

"We used 250 and 350 Grade XLERPLATE® on this project, and as we needed an efficient structure with maximum strength and minimum weight, we used different thicknesses of XLERPLATE® to optimise the overall design."

Mark says his company orders "reasonable quantities" of non-standard plate thickness (anywhere from 4.5mm to 9mm).

"It's critical that any steel we use in ships like the *Oceanic Princess* be of the highest standards, and in this case, XLERPLATE® specifications met the standards of the American Bureau of Shipping," he says.

SAFETY MESSAGE: DON'T PHONE AND DRIVE

A recent study has found that talking on a mobile phone while driving is more dangerous than being just over the legal alcohol limit!

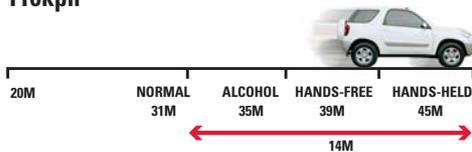
And statistics show that using mobile phones while driving is the root cause of many Australian road accidents, as it is overseas.

The study found reaction times were, on average, 30 per cent slower when talking on a hand-held mobile phone, compared with being just over the legal limit, and almost 50 per cent slower than under normal driving conditions.

At 110kph, a half-second difference equates to travelling an extra 14m before reacting to a hazard.

So it's not surprising that an increasing number of companies, including BlueScope Steel, are reviewing their policies concerning employees using mobiles while driving.

Distance travelled before response at 110kph



Source: UK Transport Research Laboratory

CUSTOMER TECHNICAL SERVICES - DELIVERING VALUE

Technical services provided by BlueScope Steel's Allan Yates (right) and Warren Simpson is acknowledged as one of the core strengths of BlueScope Steel over other suppliers.

Many cost-effective and improved solutions have been realised by those customers who have made use of this value-add service.

Allan and Warren, both qualified metallurgists, lend their services to customers seeking improved or alternate design solutions and new product developments.

Being based at the Port Kembla steelworks, Allan and Warren have full access and understanding of the processes, capabilities and limitations of our steelworks.

They also have access to the other supporting service departments including full technical, metallurgical, chemical and laboratory resources within the steelworks. Add to this their 76 years of combined service, it's likely they have the answers to your existing problems – or suggest solutions for steel products you're planning.

Allan and Warren can be contacted directly by phone, and also make themselves available in the field through programmed visits as well as attending to specific requests for their service as the need arises.

In the last quarter, Allan visited the Brisbane market and worked closely on steel solutions with a number of customers. Judging from

feedback, Allan's service is valued greatly and helping to make a real difference. This is what some customers had to say:

"The assistance and availability of the technical personnel from BlueScope Steel to discuss and provide solutions for our customers has been highly appreciated and valued by all," Malcolm Smith, Processing Manager of OneSteel Steel & Tube, said.

"The willingness of BlueScope Steel representatives to meet with us to discuss the influencing design detail and desired requirements of steel plate supply for our project undertaking has realised benefits for the overall control of cost and program," Geoff Hoffman, Manager - Special Projects, for Bucyrus (Australia) Pty Ltd, said.

"BlueScope Steel's performance with quality and delivery has met our requirements. The co-operation that continues, is greatly appreciated."

Initially, we recommend discussing your requirements or issues with Jason Zafiriadis or Tony Fotea.



CUSTOMER FOCUS PROGRAM

In March last year, the Port Kembla steel works introduced our Customer Focus program, designed to make our workforce more aware of customers' needs, and enabling us to better respond to those needs.

This program allows our employees to have a better perspective of the steel-making business and a wider understanding of business drivers. It helps them understand that what they do in the workplace can impact our customers in many ways.

Among other tools, the Customer Focus program helps to educate our workforce through visual displays and customer presentations.

While on mill tours, Jeff Attewell, Sales Manager of Southern Queensland Steel,



(from left) BlueScope Steel employees, Jim Graham (Manager Plate Mill), Ed McKeiver (Plate Rolling & Roll Shop Manager), David Otsyula (Technical Coordinator), John Nowlan (President Strip and Plate), and David Rodmell (General Manager, Southern Queensland Steel).

and David Rodmell, General Manager of Southern Queensland Steel, each made a presentation to Port Kembla steel works employees, outlining their organisation's workings and needs.

"It was beneficial for us to be given the opportunity to engage with BlueScope Steel employees and present an overview of issues that face us in our role of Distribution," David said. "From the ensuing dialogue and questions asked, it was obvious that there was genuine interest in the downstream processes."

Ed McKeiver, Plate Rolling and Roll Shop Manager, said he appreciated the exposure to David's presentation.

"It's invaluable to get direct performance feedback from a customer, as it improves the way daily decisions are made and priorities are set," he said.

The XLERPLATE® Team

76 Lysaght Street

PO Box 302

Acacia Ridge QLD 4110

Phone: 07 3845 9350

Fax: 07 3845 9393

Email:

Jason.Zafiriadis@bluescopesteel.com

Tony.Fotea@bluescopesteel.com



Tony Fotea
State Sales Manager



Jason Zafiriadis
Account Manager

XLERPLATE® Customer Service Group

Phone: 1300 135 004

Fax: 1300 135 003

Email: Keven.May@bluescopesteel.com



Keven May
Customer Service Officer

For technical enquiries
call 1800 800 789

For XLERCOIL® enquiries
Call 02 4275 7206

Xlerplate®



BLUESCOPE STEEL

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IN THE HOT SEAT - TONY FOTEA



State Sales Manager Tony Fotea has been with BlueScope Steel for 18 years. He is responsible for managing relationships and activities with customers in Queensland.

We asked Tony some interesting questions to fill in a little more background information. Here's what he had to say.

Name: Tony Fotea

Job title: State Sales Manager – Queensland

No of years with BlueScope Steel: 18

No of years in the steel industry: 18

Description of current role:

Partnering with current and potential users of steel to maximise the benefits of XLERPLATE®.

Previous position:

National Account Manager – Pipe & Tube

Previous position duties:

Key account management covering Smorgon Steel Tube Mills and Orrcon

Woman I most admire: My wife

Man I most admire:

Gordon Tallis made an impression with his comeback from serious injury. I also admire his humility, despite his fame and success.

Emails received on average per day: 30

Best invention of the last century: Cask wine packaging (unfortunately not the contents)

Worst television show: Desperate Housewives

Time I spend in my car each day:

Anywhere from 60 minutes to 6 hours

Hardest habit to break: Trying to win Lotto

Favourite drink: Red wine

Best car on the road/favourite car of all time:

One that starts! Love my 4WD for the lifestyle opportunities it provides

Most useless possession: Home computer

Favourite outdoor recreational activity:

Beach fishing

What kick starts my day: Caffeine X 2

If I had \$1 million to blow, it would be on . . .

A beach house with a boat

If I could have one person over for dinner, it would be . . . Jerry Seinfeld

If there was one thing I could do all over again . . .

Study harder at school

Favourite holiday destination ever:

Italy and New Zealand's South Island

ANYTHING BUT STEEL

Let's face it... English is a difficult language to learn.

To prove the point, here are several examples of words that could trip up any beginner:

- The bandage was wound around the wound.
- Farmers produce produce on their farms.
- When shot at, the dove dove into the bushes to escape.
- I didn't object to the object.
- The insurance was invalid for the invalid.
- There was a row among the oarsman on how to row.
- I had to subject the subject to a series of tests.
- One needs to be patient when helping six-year-olds with their homework if one isn't to become a mental patient!

In short, English was invented by people, not computers. As a result, it reflects the creativity of the human race – which, of course, isn't a race at all!

BAG A STORY



We're always looking to feature stories on fabricators and manufacturers doing interesting work with BlueScope Steel's XLERPLATE® and XLERCOIL®.

These stories will receive great exposure in various BlueScope Steel publications, including *Steel Edge* and *Steel In Touch*, and may even end up featured in leading external publications.

So if you have a customer you believe could benefit from this valuable exposure, please email: Jason.Zafiriadis@bluescopesteel.com

And we'll send you this BlueScope Steel sports bag as a 'thank you'.

Your requests:

How can we improve our service to you and better meet your ongoing requirements? Let us know.

Did you know we can offer the following services:

- Training
- Joint Customer Visits
- Mill Tours
- Shared Safety Learnings and Practices
- Technical Assistance
- Promotional Assistance
- Electronic Transactional Activities