

WELCOME

Welcome to the Summer edition of XLERPLATE® *Steel In Touch*. Since our last newsletter, we've had major management changes at BlueScope Steel.

Former BlueScope Steel Chief Financial Officer, Paul O'Malley, stepped into the role of Managing Director and CEO on 1 November, succeeding Kirby Adams who has retired after more than seven years with the company.

In this issue, we bring you important news about XLERPLATE® steel delivery times over the Christmas break.

We also feature a special economic report with positive news for the Australian steel industry, and highlights

from the Australian Steel Institute's annual Australian Steel Convention, which was based around the theme of a 'Sustainable Future.'

On behalf of the team, I'd like to thank you for your continued support throughout 2007 and wish you season's greetings and a safe and prosperous New Year.

Alan Church
State Sales Manager – SA & NT



Hopper wagons undergoing fabrication.

BLUEBIRD HELPS NT TAKE FLIGHT

A rail journey interrupted by Cyclone Tracy more than 30 years ago has resumed with the help of Bluebird Rail Operations.

Hopper wagons, made largely from XLERPLATE® steel, are transporting iron ore over 200 kilometres of rail track from the Frances Creek Mine, north of Pine Creek, to the Port of Darwin. From there, the iron ore will be exported to China as was done before Cyclone Tracy.

Darwin has been earmarked by the Northern Territory government as a gateway to Asia, with its commercial role significantly enhanced by the construction of the Adelaide-Darwin railway.

Bluebird Rail Operations is in the process of making 70 standard gauge multi-purpose rail wagons which will move more than 1.5 million tonnes of iron ore destined for China each year.

Each wagon contains more than 10 tonnes of Grade 350 XLERPLATE® steel and can carry 64 cubic metres of heavy ore, or 106 cubic metres of less dense material.

The hopper wagons are permanently paired to reduce production and operating costs.

To facilitate unloading, each wagon has two

six-metre-long bottom discharge doors made from Grade 350 XLERPLATE® steel in 6mm, 8mm and 12mm thicknesses.

The same grade of steel is also used to create internal slope sheets which are angled at 67 degrees, to allow for quick emptying at 'between rail' unloading facilities. It takes just 10 seconds to unload the iron ore.

Prototype wagons constructed by Bluebird Rail were so successful that the initial order was increased by 30 wagons.

In the last three years Bluebird Rail, located at the Islington Rail Complex in South Australia, has constructed or re-manufactured more than 400 wagons for the mining sector and more than 150 container wagons for long distance services.





STEEL IN TOUCH GOING STRONG

XLERPLATE® *Steel In Touch* 2007 reader survey has proved a big success.

Your responses were positive and similar to last year – the majority of you are enthusiastic about the newsletter, and find the stories relevant to your day-to-day business.

Feature stories, product information and industry news remained the most popular sections of the newsletter.

Around 98 per cent of respondents quite liked these sections or liked them a lot, with comments including: “a very well put together publication” and “a very informative read”.

A quarter of you would also like to have your company or customers featured in *Steel In Touch*, which tells us you’re keen to provide content and support for the newsletter in 2008.

Simply call us or send an email (see contact details on back page). We would be delighted to feature your story in one of our forthcoming editions.

SUCCESS NOT JUST A CHINA SYNDROME

China’s stunning growth and the trend to consolidation in the Australian steel industry were hot topics at the Australian Steel Institute’s annual Australian Steel Convention.

The conference, held in October, was built around a ‘Sustainable Future’ theme.

Former BlueScope Steel MD and CEO Kirby Adams spoke highly of the Australian industry which he described as “punching above its weight” and “significantly safer” than seven years ago.

Mr Adams said the industry faced challenges such as increased costs of natural resources and shipping.

It had entered a “new age of steel” and would need to remain united to prosper.

He said there was also a need to develop new markets, and identified the building and construction industry as a major growth area.

Richard Barrett of Barrett Steel Buildings, one of the UK’s largest independent steel suppliers, also



Kirby Adams



highlighted opportunities in the building and construction industry. “Steel is structurally and resource efficient,” he said. “It enables fast construction, it’s demountable, its long spans provide flexibility and it provides low waste and high recycling.”

He said there had been a dramatic increase in multi-storey steel-built buildings in the UK, with 72 per cent of multi-storey buildings now constructed using steel compared

with only 32 per cent in 1980.

Currently in Australia only 13 per cent of multi-storey buildings are constructed using steel.

In the UK, 95 per cent of single-storey buildings are currently constructed with steel – up from 80 per cent in 1980.

Good design, fixed prices, total packages, and efficient and dynamic supply chains were also key factors, according to Mr Barrett.

China’s powerful presence in the steel industry was also on the agenda. NAB’s chief economist Alan Oster said China was 10 years into a 30-year growth cycle. Its economic growth in 2008 was expected to be 10.3 per cent, compared to 3.8 per cent for Australia and 1.8 per cent for the US.

MINING, ENGINEERING CONSTRUCTION SURGE

By BlueScope Steel Economists

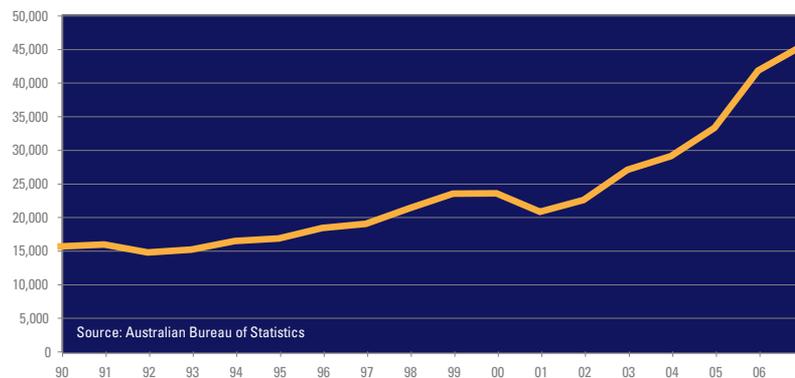
The Australian economy remains buoyant, continuing to benefit from China’s surging growth and insatiable appetite for resources. Commodity prices are at record levels, and the outlook over the next year remains strong, underpinning output and investment growth.

Investment is still growing at a robust pace in the mining, metals, and engineering construction sectors as private businesses and governments attempt to capitalise on the Chinese boom. However, this surge in activity is being impacted by both labour and capacity constraints.

The resource-rich states of Western Australia and Queensland are leading the way with investment projects. According to Access Economics, these include Western Australian mining projects such as BHP Billiton’s \$2.9 billion Ravensthorpe nickel project, BHP Billiton’s \$2 billion Rapid Growth project, Newmont’s \$2 billion Boddington gold mine development, and Rio Tinto’s \$1.3 billion Hope Downs

Engineering Construction in Australia

Constant A\$Million, Financial Years Ending June



Source: Australian Bureau of Statistics

iron ore project. There has also been significant investment in rail and port infrastructure to handle Western Australia’s increasing export volumes.

Engineering construction and mining investment is also strong in Queensland. Mining projects include the \$1.1 billion Dawson coal deposit project, Rio Tinto’s \$950 million Clermont coal mine project and BHP Billiton’s \$730 million Yabulu nickel refinery upgrade. The Queensland government is also

increasing investment in roads and water to fulfil infrastructure needs, and keep up with the rapidly growing population. This investment includes a \$1.9 billion desalination plant for the Gold Coast.

These investment gains have allowed Western Australia, Queensland and the Northern Territory to continue to outpace the other states, leaving overall economic growth in Australia somewhat imbalanced. New South Wales has been lagging behind due to the slowdown in the housing sector, while

manufacturers in South Australia have faced competitive pressure because of the high value of the Australian dollar. Victoria has been performing solidly on the back of strong infrastructure and commercial investment.

The outlook for engineering construction in Australia remains positive, with high levels of investment (see graph) expected to be maintained over the next few years as all states attend to critical infrastructure needs.

DESTROYER DEAL SIGNED

Final contracts have been signed to start the build phase of the Air Warfare Destroyer (AWD) Program in Adelaide. The project will eventually employ around 1500 people in South Australia, with a further 1500 throughout Australia.

The AWD Alliance will build three of the most advanced warships to enter the Royal Australian Navy service. The Alliance is made up of the Defence Materiel Organisation, shipbuilder ASC and combat systems engineer, Raytheon Australia.

The ships will be built using modular construction techniques, with blocks built at shipyards around Australia and at ASC's shipbuilding facility in Osborne, South Australia. All blocks will be consolidated for final assembly by ASC at its facility.

ASC expects construction to start in 2009.

SA'S \$1 TRILLION MINE

The South Australian economy will reap the rewards of BHP Billiton's Olympic Dam upgrade for the next 100 years or more if it is fully developed, with predictions the township of Roxby Downs will grow from 4000 to 10,000 people.

SA Premier Mike Rann said it was the best economic news the state had ever received.

Australia's biggest underground mine, now subject to a pre-feasibility study, is worth at least \$1 trillion, with total copper, uranium and gold resources expected to almost double to 7.738 billion tonnes.

END-OF-YEAR XLERPLATE® DELIVERY CHANGES

XLERPLATE® steel delivery times over the Christmas and New Year period will be managed around Plate Mill maintenance work and wide-load delivery restrictions.

Routine maintenance will be carried out at the Port Kembla Steelworks Plate Mill from 28 December 2007

to 13 January 2008, and extended lead times will subsequently apply to XLERPLATE® steel deliveries throughout this period.

Road and traffic authorities have also imposed wide-load restrictions that will affect the delivery of XLERPLATE® steel in December 2007 and January 2008.

Widths of 2500mm or more cannot be delivered between 24 December 2007 and 4 January 2008 (DIS Week 52 and Week 1).

Orders for widths of 2500mm or more during these restricted periods will be booked for delivery the following week.

Restrictions to XLERPLATE® Coil Plate and Coil Floor Plate will also apply during this time because of the Metpol site closures, and deliveries will be allocated in line with Metpol's planned re-opening.

Please speak to your XLERPLATE® Customer Service representative or state sales branch for further information.



Assembly of the acid tank at East Arm Terminal.

SAUNDERS COMPLETES ACID TANK FOR TERMINAL

Construction company Saunders International Ltd has recently completed a major acid storage tank for Darwin's East Arm Terminal project.

In February, Vopak Terminals Australia commissioned the company to build an acid tank for the East Arm Terminal, 20 kilometres outside of Darwin. The terminal already houses a number of tank storage facilities.

Northern Territory Chief Minister Clare Martin announced the acid storage tank as part of the new port facilities being built in Darwin. A greenfield site adjacent to the new East Arm Wharf will provide 130 hectares of land for the Darwin Business Park, with large tracts of industrially-zoned land.

The acid tank will allow major mining companies to source sulfuric acid locally instead of maintaining acid production facilities on-site.

Vopak Terminals Australia owns and manages a bulk liquid storage terminal in Darwin. It will use the new tank to store its customer's bulk acid shipments before they are transported by road to the mines.

The tank is fabricated from Grade 250 XLERPLATE® steel. Its floor and roof plates are butt-welded, rather than lap-welded, as is usually the case with water or petroleum storage tanks.



"Acid tanks use heavier, thicker plate than usual due to acid's high specific gravity and a three-millimetre corrosion allowance required to be incorporated into the design," Operations Manager, Saunders International, Rob Patterson said.

"We chose XLERPLATE® steel for the project because it is locally manufactured, of a high quality and we get very good customer service and technical back-up from BlueScope Steel."

The tank took 23 weeks to build and incorporates an umbrella roof, which needed

to be self-supporting with an external support structure to limit the risk of corrosion.

"Due to a late wet season we were under pressure from the start to maintain the completion date because Vopak was committed to receiving acid and the completion date could not slip," Mr Patterson said. "However, our experienced crew met the challenge and the tank was completed on time."

Saunders fabricated the tank's components at its workshop in Condell Park, New South Wales, and transported them to Darwin by road.

The tank is one of 22 owned and operated by Vopak in the Northern Territory.

The company specialises in bulk storage and handling of liquid products, with 75 tank terminals in 30 countries.

The XLERPLATE® Team

PO Box 59
 Rosewater East SA 5013
 Phone: 08 8243 7333
 Fax: 08 8243 7304
 E-mail:
 Alan.Church@bluescopesteel.com



Alan Church
 State Sales Manager (SA/NT)

XLERPLATE® Customer Service Group

Phone: 1300 135 004
 Fax: 1300 135 003
 E-mail: Billy.Stevens@bluescopesteel.com



Billy Stevens
 Customer Service Officer

For technical enquiries
 call 1800 800 789

For XLERCOIL® enquiries
 call 1800 008 247

Xlerplate®



IN THE HOT SEAT BOZO PULJIC

(BlueScope Steel employee who starred in the 2007 television commercial Building the Future)

Name: Bozo Puljic (pronounced Borjo)
Job title: Plate Processing Technical Coordinator
Years with BlueScope Steel: 27
Description of current role: Ensuring the smooth running of the XLERPLATE® steel processing department on a day-to-day basis
What I like most about my job: The variety of people I interact with daily
Time spent on the phone each day: About an hour
Emails received on average per day: About 50
Earliest childhood memory: Eating my first ice-cream when I was three
What kick starts my day: A cup of coffee at 7am followed by my emails
All-time favourite song: Shaddapayaface!
Worst movie ever seen: Elmo In Grouchland (had

to sit through two hours of Sesame Street with my three year old)
Hardest habit to break: Not listening to my wife well enough
Favourite food: My wife's cooking
Best car on the road/favourite car of all times: 1973 TC Ford Cortina – my first love
If I had \$1m to blow it would be on... My extended family
Do people now recognise you on the street? Only my friends
Do you see yourself in "the movies"? Not really – but you never know!



NEW STEEL AWARD

BlueScope Steel is sponsoring a new award for the Australian manufacturing industry – the Australian Steel Innovation Award. The Australian Steel Innovation Award is open to Australian manufacturers with innovative products or projects made from Australian steel.



The award is one of nine categories in the 2008 *Manufacturers' Monthly Endeavour Awards* to be held on 28 May 2008. As in previous years, the Manufacturer of the Year is the overall winner. Entry is free, with nomination forms and conditions available online at www.manmonthly.com.au. Nominations close 29 February 2008.

QUICK QUIZ - CAR TRIVIA

1. Name the Goggomobil's sports model.
2. What was a bug-eye?
3. What is the English translation for Volkswagen?
4. What does BMW stand for?
5. What make of vehicle featured in the *Back to the Future* films?
6. Name Fiat's truck company.
7. Mr Toyoda of Toyota fame started a business in which industry?
8. Was there a Mr Chevrolet?
9. Which Italian sports car (right) has a trident as its bonnet emblem?
10. What company makes the London taxis?



Answers: A1 - Dart A2 - Austin Healey Sprite Mk1 A3 - People's car A4 - Bayerische Motoren Werke A5 - De Lorean A6 - Iveco A7 - Weaving A8 - Yes, Louis Chevrolet A9 - Maserati A10 - LTI