



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.

Elly Pilkadaris
State Sales Manager - Western Australia

INGAL INVESTS IN NEW ROAD SAFETY BARRIERS

Australia's leading road safety barrier manufacturer Ingal Civil Products has made a major breakthrough in steel barrier safety systems.

The company is awaiting State authority approval of FX-350; an Australian-first advanced W-beam barrier system. The system is designed to provide safe vehicle containment and redirection on urban and metropolitan highways and motorways.

Ingal Civil Products has licensed and developed FX-350 over several years because of concerns with the current Australian Standard public domain guardrail system.

"We became concerned from our field observation so we commissioned the Texas A&M University's Texas Transportation Institute to carry out expert crash testing of existing steel barrier systems," Ingal Civil Products, Group General Manager, Hayden Wallace said. "Those tests revealed the Australian Standard and State-specified guardrail system collapsed, allowing the vehicle to ride up and over the guardrail system."



FX-350 is an advanced W-beam safety barrier.

FX-350 complies with Australian and American Standards and is made from M180C XLERCOIL® steel.

"We developed a new grade of steel, M180C, for Ingal Civil Products to provide increased strength, performance and safety for FX-350," New South Wales, State Sales Manager, Matt Hennessy said.

FX-350 is capable of withstanding the impact of a 2000-kilogram pickup truck travelling at 100km/h, at a 25 degree angle.

"It's one of the most significant road safety innovations the company has made in the last 70 years," Mr Wallace said.

The W-beam safety barrier uses specially-engineered O-posts also made from XLERCOIL® steel, and 200mm composite offset blocks, instead of traditional C-posts and offset blocks.

"It has many advantages – it's cost-effective, and easier to handle and install," Mr Wallace said.

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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 highlighted opportunities in the building and construction industry.



Kirby Adams

"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 percent 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



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

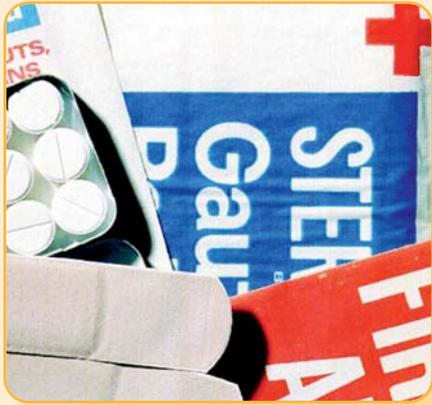
sector, while manufacturers in South Australia have faced competitive pressure because of the high value of the Australian dollar. Victoria has been performing solidly on the back of strong infrastructure and commercial investment.

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.

SAFETY MESSAGE: PARACETAMOL

Is it OK to have paracetamol in First Aid Kits?

Paracetamol and other similar medications have been banned from First Aid Kits because it is unlawful to personally administer medication if you are not qualified to do so.



If the person who receives the medication has an adverse reaction, you may be held liable.

Analgesics such as paracetamol are not considered a first aid item because they come under the category of medication.

'First aid' is defined as the provision of emergency treatment and life support for people suffering injury or sudden illness.

POWER STATION STACKS UP

Western Construction's successful track record in fabrication has seen the company win a major contract to fabricate a chimney stack for the new Bluewaters Power Station. The power station is being built for Danish company Steelcom AS, east of Collie in Western Australia.

Western Construction, a privately owned West Australian business, has already successfully completed three stacks for Alcoa Wagerup and one for Worsley Alumina.

The company chose WA Cutting Services as its supplier for approximately 400 tonnes of steel.

"We chose WA Cutting because they had the right price, the right service and the right steel," Western Construction's Construction Manager, Jim Smith said.

WA Cutting Services, also based in Western Australia, was recently acquired by the Southern Steel Group – the largest privately-owned steel distributor in Australia.

With facilities in both Bibra Lake and Malaga, WA Cutting Services has developed a strong relationship with BlueScope Steel, enabling the company to easily source products for the project such as Grade 250 and Grade 350 XLERPLATE® steel and WR350.

"Each stack is in eight sections, consisting of an inner stack and an outer skin which are bolted together," Mr Smith said. "The most challenging part of this project is the erection of the different sections, each weighing up to 70 tonnes."

This new stack will be used to extract gases from the Griffin Energy-owned coal-fired power station which will provide electricity and steam to



Each section of the chimney stack weighs up to 70 tonnes.

developing industrial projects in the Bluewaters area. The project is a clear sign that the future for local mining is looking bright.

Mr Smith said Western Construction was looking forward to successfully meeting the demands of the challenging project.

Western Construction's facilities include a Kwinana-based main workshop with 5,000 square metres of covered workshop area on a three-hectare site. It also provides complete on-site services for larger site contracts.

Steel supplier WA Cutting Services offers precision cutting services using multi-head plasma cutting, multi-head oxy cutting and drilling. They also specialise in tapping and countersinking of mild steel, wear plate, stainless steel and aluminium.

The strong relationship between Western Construction, WA Cutting Services and BlueScope Steel has ensured that this significant Western Australian project will have all the hallmarks of success.

END-OF-YEAR XLERPLATE® STEEL DELIVERY CHANGES



Plate Mill maintenance work will affect XLERPLATE® steel delivery times over the Christmas and New Year period.

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 consequently apply to XLERPLATE® steel deliveries throughout this period.

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.

INGAL INVESTS IN NEW ROAD SAFETY BARRIERS

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Ingal Civil Products has set up a dedicated production plant for FX-350 with new specialised roll-forming equipment at Minto, south-west of Sydney.

Other recent innovative XLERCOIL® steel projects include the T-39 Thrie-beam Barrier for highways and motorways, and Spring Steel Buffas for industrial barrier protection applications such as loading docks and car parks.

Established in 1933 as ARMCO (American Rolling Mills Company), Ingal Civil Products has had various owners, including BHP. It was acquired by current owners Industrial Galvanisers Corporation Pty Ltd in 1996.

Ingal Civil Products, which has distribution outlets in Newcastle, Brisbane, Melbourne, Adelaide, and Perth, has been a loyal user of BlueScope Steel



FX-350 has specially-engineered O-posts made from XLERCOIL® steel and 200mm composite offset blocks.

products since it began manufacturing road safety barriers in 1939.

"XLERCOIL® steel is a quality Australian-made product that's ideal for forming and galvanising – the material is manufactured to a consistent high quality standard," Mr Wallace said.

"Technical support is always available, and we can readily source the product to meet our cyclic and project demands."

The XLERPLATE® Team

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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