



Media Release

OneSteel Acquires Stainless Steel Distribution Business

20 August 2007

OneSteel Limited Managing Director and Chief Executive Officer, Geoff Plummer, announced today that OneSteel has acquired Fagersta Group, Australia's fourth-largest stainless steel distributor. Fagersta generates sales of around \$70 million per annum through its five sites in Brisbane, Sydney, Melbourne, Shepparton and Adelaide. The 43-year old privately owned business has 60 employees. The acquisition of 100 percent of equity in Fagersta will be completed on 3 September 2007.

OneSteel will continue to run Fagersta as a separate business, using its existing brand, sites and management team under Fagersta's Chief Executive Officer Jan Persson. Geoff Plummer said, "The acquisition of Fagersta is a good strategic fit for OneSteel. Demand for stainless steel products has been growing strongly both globally and domestically and it has exposure to a broader market segment base than carbon steel. When added to OneSteel's carbon steel and aluminium product capability, OneSteel gains a competitive advantage and differentiated position in the market."

The Fagersta business will sit within the Sheet, Coil and Aluminium division of OneSteel's Distribution business. Tony Combe, Executive GM Distribution, said, "Fagersta has a very strong service culture and brings exposure to a broader range of customers including the food and beverage industry and catering and freezing industries where Fagersta is well positioned. The acquisition follows OneSteel's purchase of Midalia Steel in 2004 through which a small customer targeted brand has prospered through differentiation and focus."

OneSteel has identified several areas to drive value out of the acquisition including working capital improvements, sales, and purchasing synergies as a result of combining the management of OneSteel and Fagersta stainless steel purchasing.

For further information contact:

Mark Gell, GM, Corporate Development and Sustainability

Ph: 02 9239 6616

Mobile: 0419 440 533

Email: gellm@onesteel.com