

Market Mills Presentation

29th May 2007

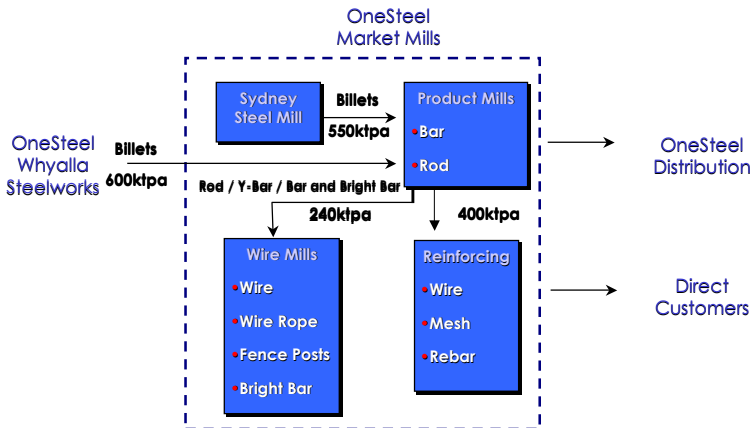
onesteel

Safety is a Core Value

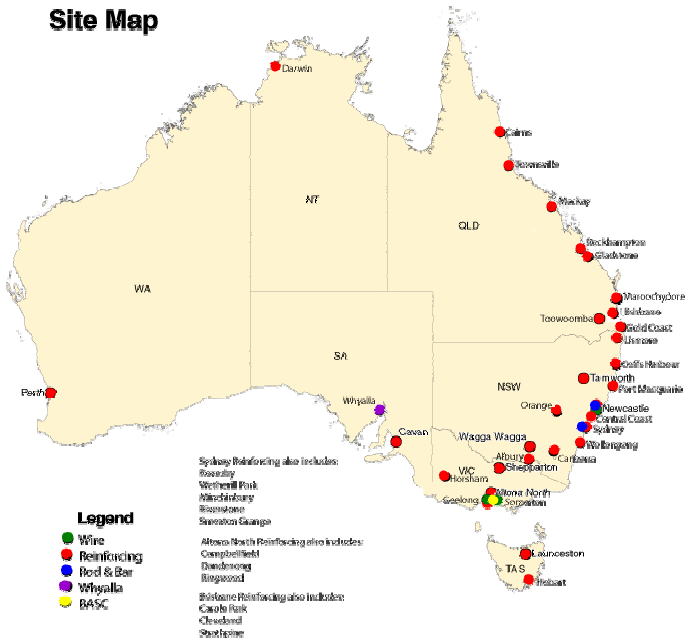
Your Safety is Vital to us!

- Your safety whilst you are our guests is our highest priority.
- Wearing Personal Protective Equipment (PPE) – including safety helmets, safety glasses, High visibility vest, long sleeved shirt, enclosed footwear, hearing protection and gloves is MANDATORY.
- To ensure your visit remains on schedule and is conducted safely, please always remain with your guide or other departmental hosts.
- Please stay on designated walkways - only leave a designated walkway under the express instruction from your guide

Market Mills Position in OneSteel

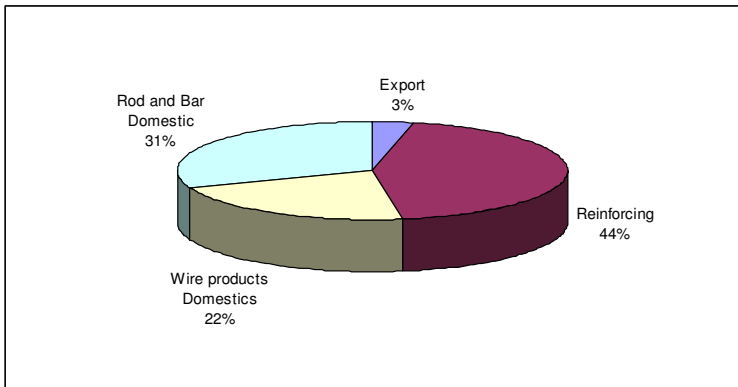


OneSteel Market Mills Site Map



Market Mills Snapshot

Market Mills Sales Revenue by Product Category



Projected – 12 months ended 30 June 2007

Market Mills – Achievements in Last 12 Months

Safety

- LTIFR maintained at 1.0 YTD 07 (2006 FY 1.0)
- MTIFR reduced to 8.9 YTD from (2006 FY 10.4)

Market

- Solid domestic sales tonnes driven by strong demand in non-residential, engineering construction and mining
- Reinforcing demand 11% higher in 2007 vs 2006
- Continued success in civil markets – Connect East, Tugan Bypass, Brisbane North-South Tunnel and Gateway Bridge

Customer

- Onesteel Wire awarded AIRR (Aust Independant Rural Retailers) National Supplier of the Year for General Products
- Onesteel Wire awarded Landmark National and NSW Supplier of the Year for General Products
- DIFOT improved by a further 3%

Achievements in Last 12 Months cont'd

Working Capital

- Inventory reduced by 1 stock week from 06
- Debtors improved by 1 day from 06
- Creditors improved by 1 day from 06

Operations

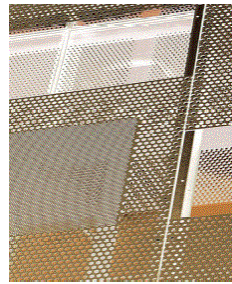
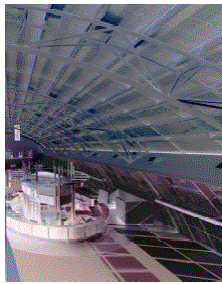
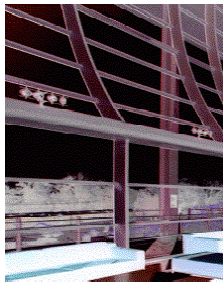
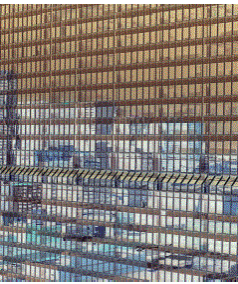
- Overall cost reductions of 2% per tonne (real) achieved 07 vs 06 through:
 - Improved labour productivity
 - Improved maintenance reliability
 - Improved throughput rates
 - Six Sigma initiatives

- Progressing Sydney Billet Caster license extension from 550kt pa to 660kt pa. (waiting approval) with plans to extend in future when required in market

Market

- ◆ **Current volumes at high levels driven by strong demand in engineering, non-residential and mining**
- ◆ **Manufacturing and automotive segments value add continues to decline**
- ◆ **Rural continues to be impacted by drought**
- ◆ **Price increases lagging scrap cost increases**
- ◆ **International steel price increases arising from an increase in scrap prices**
- ◆ **Raw material and other input costs continue to be volatile**

- **Competitive delivered cost base with imports**
- **Grow revenue base**
- **Accelerate progress towards Goal Zero injuries and incidents by applying sustainable OneSteel systems, processes & behaviours**
- **Improve customer satisfaction and loyalty**
- **Enhance market position through improved value propositions**
- **Building leadership, people capability & engagement**
- **Effective Inventory and cash management**
- **Key enabling strategies are:**
 - Customer and Market Insight**
 - Supply Chain**
 - Operational Excellence**



Market Mills Presentation

May 2007

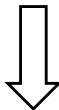
Attachments

onesteel

2007 Safety Performance

Orasteel

	2003	2004	2005	2006	YTD 2007
LTIFR	→ 1.9	→ 2.1	→ 1.7	→ 1.0	→ 1.0
MTIFR	→ 18.5	→ 15.2	→ 11.3	→ 10.4	→ 8.9



➤ Continued improvement in Safety Performance

Business - Rod and Bar

Key Products

- ❖ Coiled and straight rod
- ❖ Rounds, squares, hexagons, deformed bar, flats and light structural
- ❖ Y-bar

Facilities

- ❖ Newcastle Rod mill
- ❖ Newcastle Bar mill
- ❖ Sydney Meltshop
- ❖ Sydney Bar Mill

Business - Reinforcing

Key Products

- ❖ Reinforcing Mesh and Reinforcing Bar
- ❖ Prefabricated Reinforcing Bar
- ❖ Mining Mesh
- ❖ Industrial & Rural Meshes

Facilities

- ❖ NSW - Revesby (Mesh making and Bar prefabrication)
 - Villawood (Bar Processing Facility)
- ❖ QLD - Acacia Ridge – Bradman Street (Mesh making)
 - Acacia Ridge – Peterkin Street (Bar Processing Facility)
- ❖ VIC - Altona – (Mesh Distribution)
 - Noble Park – (Bar Processing Facility & Bar prefabrication)
- ❖ SA - Cavan – (Mesh Distribution, Bar processing & Bar prefabrication)
- ❖ WA - Forrestfield – (Mesh manufacture, Bar processing & Bar prefabrication)
- ❖ NATIONAL 34 Branches (Mesh & Bar distribution, Bar processing & prefabrication)

Business - Wire

Key Products

- ❖ Rural - Fencing , Livestock & Horticultural wires
- ❖ Manufacturing – Bright , galvanised , chainmesh , mechanical spring & nail wires
- ❖ Concrete reinforcing wires
- ❖ Heavy Mining rope
- ❖ Bright Bar – automotive & machining applications

Facilities

- ❖ Newcastle Wire mill (Wiredrawing, galvanising and Fence Post Plant)
- ❖ Geelong Wire mill (Wiredrawing and galvanising)
- ❖ Newcastle Wire Rope plant
- ❖ Somerton OMB (Bar drawing, surface grinding, chrome plating)

Market - Steel in Concrete

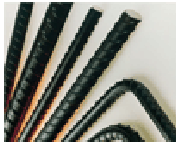
Sectors

- ❖ Engineering Construction
- ❖ Residential Construction
- ❖ Non Residential Construction



End Use Applications

- ❖ Roads, bridges, tunnels
- ❖ Houses, units
- ❖ Warehouses, shopping centres, factories
- ❖ Accessories
- ❖ Concrete pipes
- ❖ Railway sleepers



Market - Mining

Sectors

- ❖ Coal - Open cut & underground
- ❖ Overland conveyors
- ❖ Metalliferous Ore processing

End Use Applications

- ❖ Dragline & shovel ropes
- ❖ Strata Control bolts & Mesh
- ❖ Cable belt & rollers
- ❖ Grinding balls



Market Manufacturing

Sectors

- ❖ Spring
- ❖ Welding
- ❖ Bedding
- ❖ Fabrication
- ❖ Transport
- ❖ Fasteners



End Use Applications

- ❖ Rail clips & General springs
- ❖ Welding electrodes/Wire
- ❖ Mattresses
- ❖ Screens, grating, sheds
- ❖ Truck trailers, tow bars
- ❖ Nails & fasteners
- ❖ Shelving



Market - Rural

Sectors

- ❖ Livestock
- ❖ Horticulture
- ❖ Industrial
- ❖ Hardware
- ❖ Aquaculture



End Use Applications

- ❖ Cattle, Sheep Fencing
- ❖ Horse Fencing
- ❖ Rabbit Proof Fencing
- ❖ Trellising
- ❖ Marine Mesh cages



Market - Automotive

Sectors

- ❖ Automotive forging
- ❖ Spring manufacture
- ❖ Tyre Cord
- ❖ Bright Bar



End Use Applications

- ❖ Tyres
- ❖ Steering Shafts
- ❖ Head Rests
- ❖ Shock Absorber Piston Rods
- ❖ Drive training
- ❖ Springs for suspension systems
- ❖ Transmission components

