

20 August 2007

Dear Customer

As from today, 20 August, I am delighted to be able to announce the successful merger of the Smorgon business.

One of the many Smorgon Steel businesses that OneSteel has acquired is Coil Coaters Pty Ltd and with it the ColorGuard brand and product range. This merger will provide Coil Coaters with a degree of support that it has previously never had and OneSteel are confident and enthused about the prospects that will be generated from this acquisition.

OneSteel's intention is to operate Coil Coaters as an independent business within the portfolio, whilst providing a sustainable and flexible platform to forge new long lasting relationships with customers.

OneSteel looks forward to supporting the ColorGuard brand and broadening the market's awareness and acceptance of the benefits, characteristics and strength of the product.

The uniting of OneSteel and Coil Coaters will be a mutually beneficial relationship for both organisations whilst for you, the customer; you will continue to enjoy the Coil Coater's philosophy of being partners not competitors.

Yours sincerely



Tony Combe
Executive General Manager
OneSteel Distribution