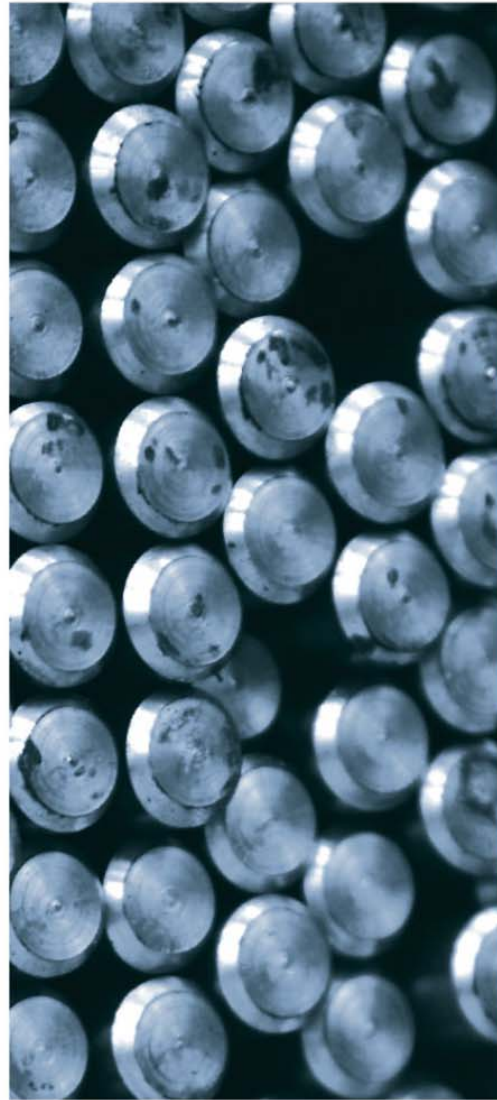


Half Year Results Presentation

13 March 2008



Highlights

Bisalloy

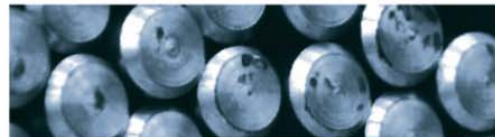
- Outstanding result
 - Strong Sales
 - Record production
 - Profit exceeded expectation
- Demand underpinned by resources boom

Distribution

- Sales strong, underpinned by resources, oil, gas and chemical sectors.
- Margin depressed by unprecedented decline in global stainless steel prices, but now recovering.
- Expense reductions in place.
- Expected to return to Profit (EBIT) April 2008 and continue to improve from there.

Result

- EBIT loss for H1 FY08 of \$1.9m in line with guidance.

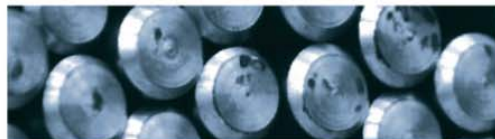


Group Profit

(\$m)	HY08	HY07
EBIT (Normalised *)	(1.9)	8.7
- Net Financing Costs	(7.5)	(4.2)
- Taxation	3.1	(2.9)
NPAT (Normalised *)	(6.3)	1.6
- One-off Costs	(2.1)	(1.5)
- Minority Interests	(0.4)	(0.2)
Net Profit / (Loss) After Tax	(8.8)	(0.1)
EPS - Basic	(8.5)	(0.2c)
Dividend per share **	Nil	1.5c

* before discontinued operations and one-off costs.

** HY07 - unfranked



Segment Analysis

(\$m)	HY08	HY07
Sales Revenue*		
Distribution	171.8	151.7
Processing	70.1	59.1
Eliminations	(3.8)	(14.9)
	238.1	195.9
EBIT*		
Distribution	(3.4)	8.8
Processing	8.9	7.3
Unallocated	(7.4)	(7.4)
	(1.9)	8.7

* Underlying (excludes discontinued operations and restructuring costs).



Balance Sheet

(\$m)	Dec07	Jun07	Var.
Receivables	72.7	85.9	(13.2)
Inventory	138.1	154.1	(16.0)
Property Plant Equipment	27.8	28.9	(1.1)
Other Assets	16.7	17.5	(0.8)
Payables & Provisions	(72.2)	(105.8)	33.6
Funds Employed	183.1	180.6	2.5
Net Debt	138.4	127.0	(11.4)
Equity	44.7	53.6	(8.9)
Gearing (ND / ND+Eq.)	75.6%	70.3%	5.3%



Bisalloy

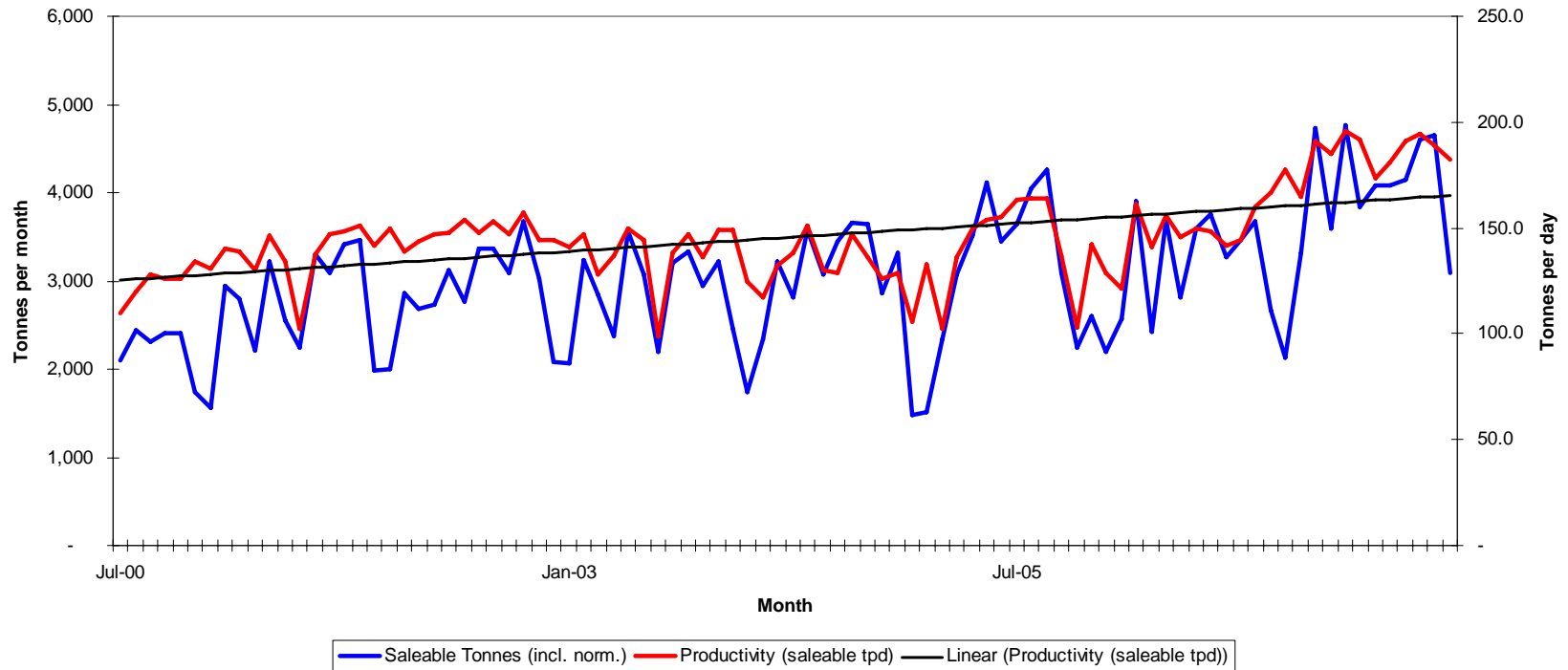
- Bisalloy Australia
 - Outstanding result – exceeded budget.
 - Continuing strong sales into resources and defence market segments.
 - Production at record levels.
 - Commissioning of second shot blaster at Unanderra (NSW) completed in FY07. The forecast production increases have been achieved.
 - Robotic vehicle installed in December 2007 to eliminate bottleneck in production flow.
 - Strong order book for H2. Bisalloy expected to continue record production and profit.



Bisalloy

Production at record levels

Bisalloy Australia Output



Bisalloy

- Bisalloy Asia
 - Excellent growth in sales and profitability in H1 and growth is expected to continue in H2.
 - Strong sales growth in quenched and tempered plate.
 - Bisalloy Thailand, in particular, successful in expanding product offer into other specialty metals.
 - Businesses are now pursuing opportunities to add value in the supply chain to support margin growth in coming years.
 - Additional local funding sources have been put into place over recent months to support the strategic growth of these businesses.



Distribution

Overview

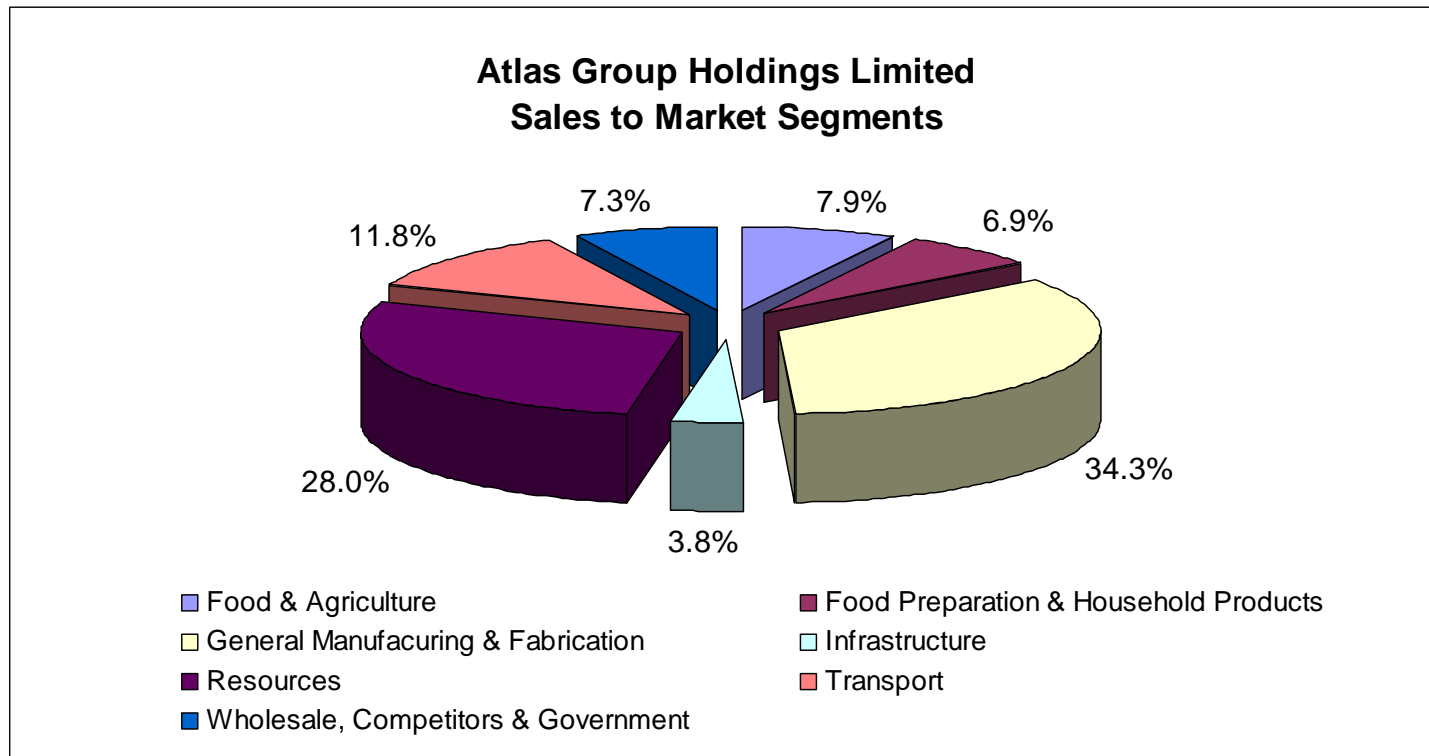
- Major turnaround project underway.
- Sales strong.
- Nickel price decrease negatively impacted Distribution margins by 4%. Margins expected to return to normal in Q1 FY09.
- Distribution restructured. Aggressive action taken to arrest and drive down distribution cost base. Savings of \$9.5m per annum expected on the cost base as at 1 July 2007. This is on top of savings achieved in H2 FY07.
- Division expected to be EBIT positive by April 2008.
- Net working capital decreased by \$17.3m at June 2007. Net working capital and debt expected to continue to fall during second half.



Distribution

Sales continue to grow

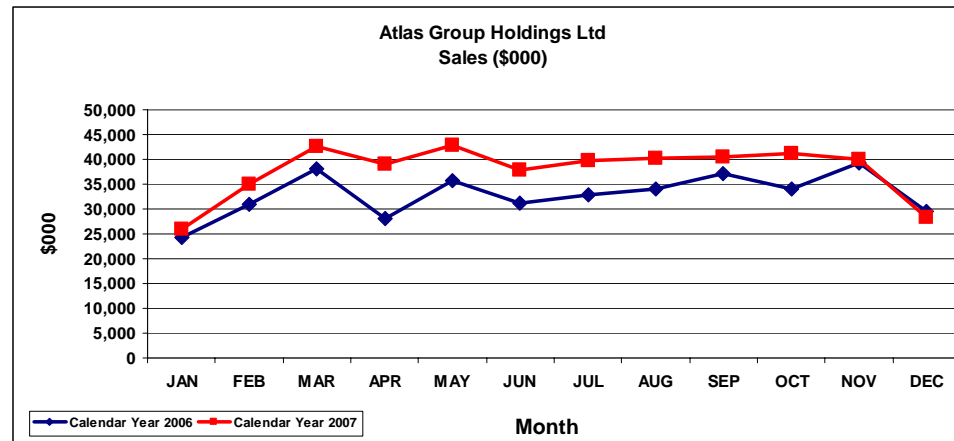
- Customer base is in strong growth market segments with good resistance to economic down turn.



Distribution

Sales continue to grow

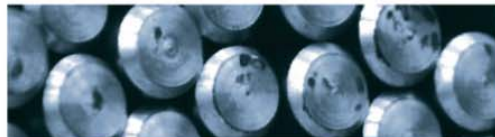
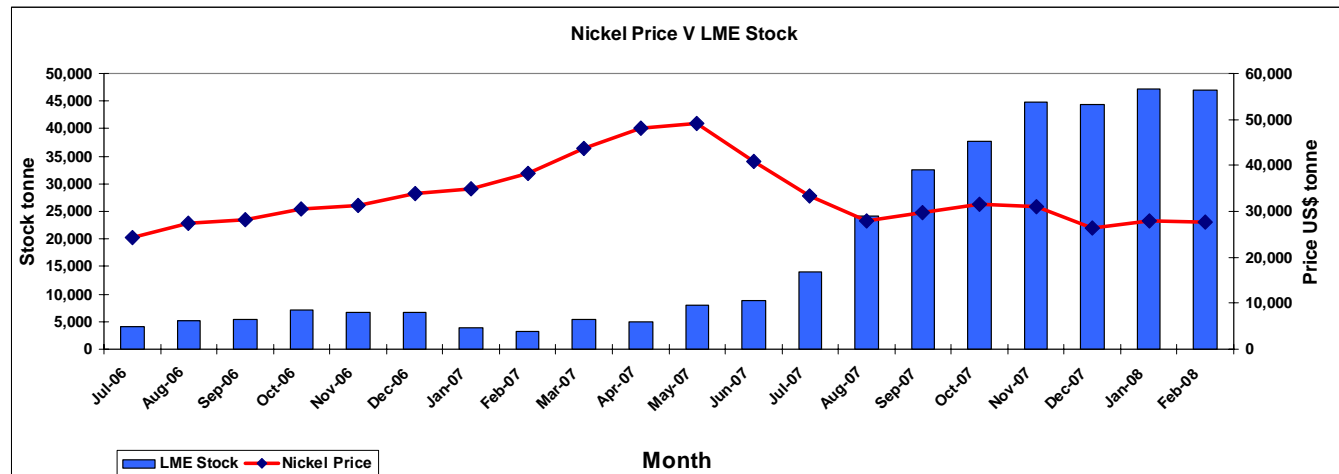
- Sales in H1 2008 have shown steady growth compared to the previous H1 2007.
- Sales performance underpinned by continued strong activity in resources, oil, gas and chemical sectors.
- Considerable opportunity to grow sales through project opportunities – carbon and stainless steel tube pipe and fittings a focus.



Distribution

Margins

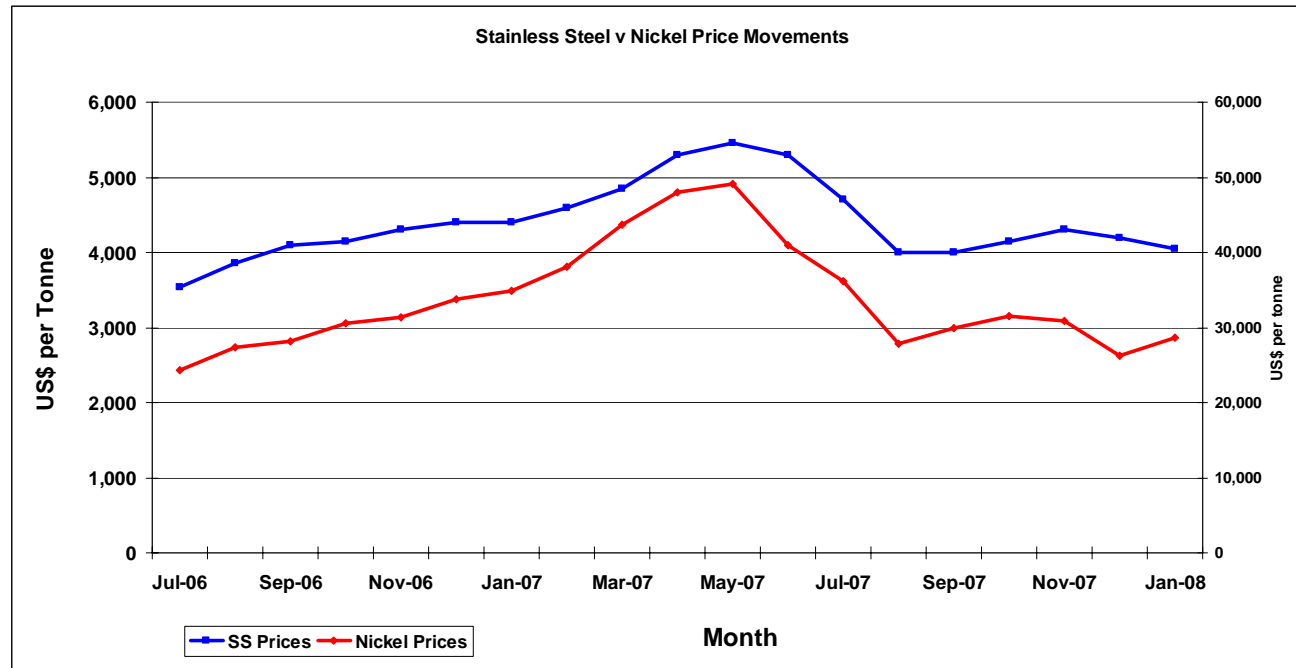
- Highly volatility and unpredictability occurred in component prices in H1 2008.
- Nickel is a major input into the production of the most common grades of stainless steel.
- Nickel fell from an unprecedented US\$50,000 tonne in May 07 settle just above US\$25,000 tonne in August 07.
- The effect was an unprecedented global fall in stainless steel prices, and no markets were immune to the negative impact of eroded value and margin.
- Margins now recovering. We expect full recovery to normal margin levels by Q1 FY09.



Distribution

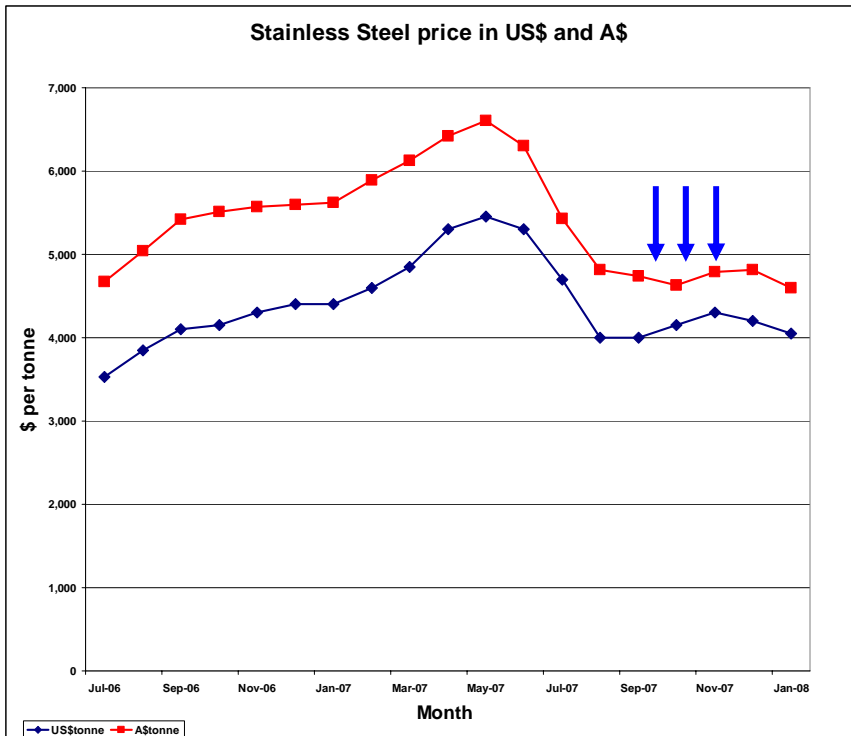
Margins

- Austenitic stainless steel US dollar pricing is directly correlated to the price of nickel.
- Commodity movements resulted in an unprecedented US\$1,450 tonne fall of stainless steel price in 3 months.



Distribution

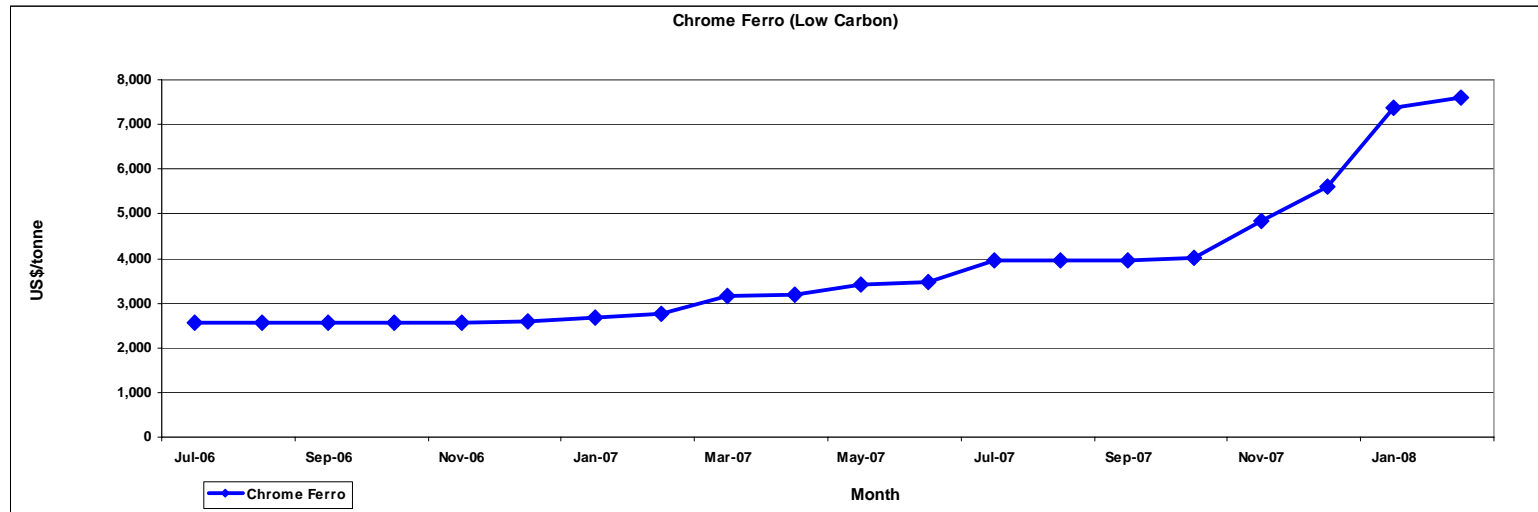
Margins



- Strengthening of AUD to USD has placed further downward pressure on replacement costs.
- The selling price of stainless steel in the Australian and New Zealand Market has not fallen in direct correlation to replacement costs since all distributors have had to work through high priced inventory.
- The result has been a significant margin squeeze.

Distribution

Margins

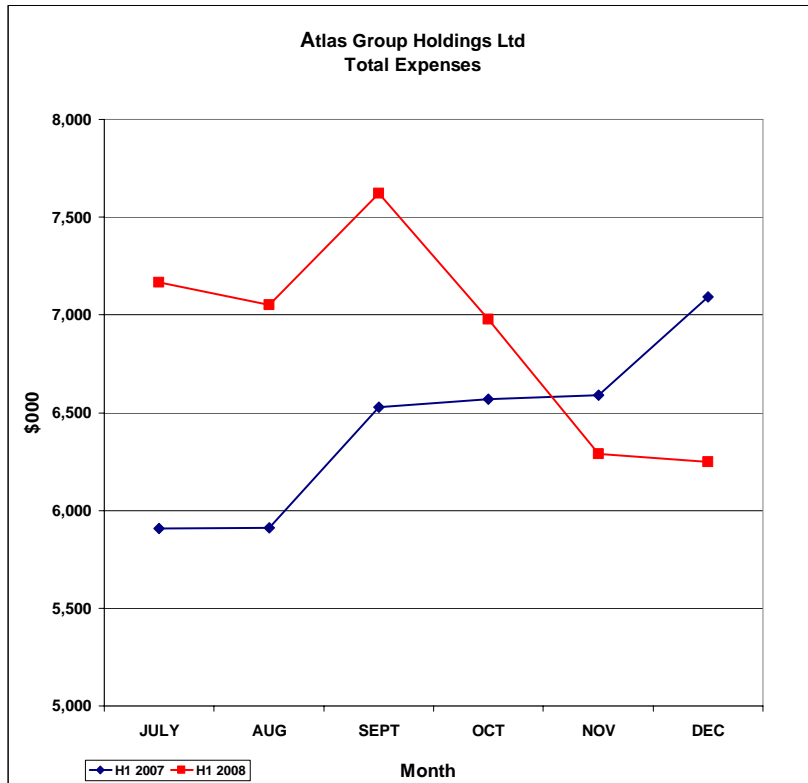


- Stainless steel pricing is beginning to recover.
- Nickel pricing has steadied.
- Chromium is also a major input into all stainless steel and gives it its stainless property.
- Chromium costs have reached unprecedented levels and are continuing to rise.

Distribution

Aggressive action to drive down costs

Total Expenses Down

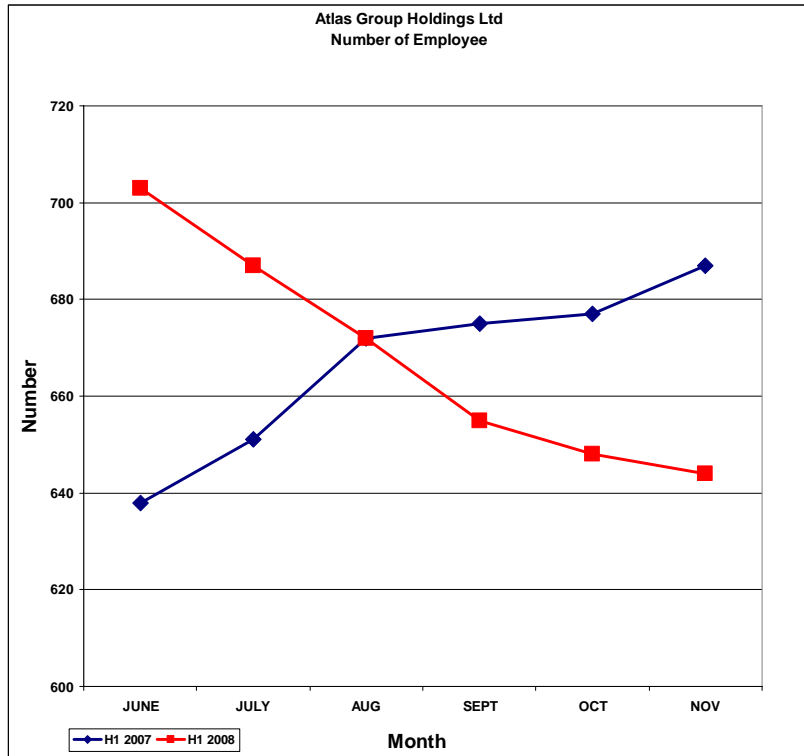


- Expense base of the business has grown substantially since FY05.
- Action taken to arrest the increase and drive down costs in distribution.
 - **Australian division restructured**
 - Business now structured into three regions;
 - Sales and product management positions rationalised; and
 - Duplicated back office functions eliminated.
 - **New Zealand division restructured**
 - Onehunga branch closed and Auckland operations now centred at East Tamaki;
 - Head count reductions implemented; and
 - Sales effort restructured at New Zealand Tube Mills.

Distribution

Aggressive action to drive down costs

Employee Numbers Down



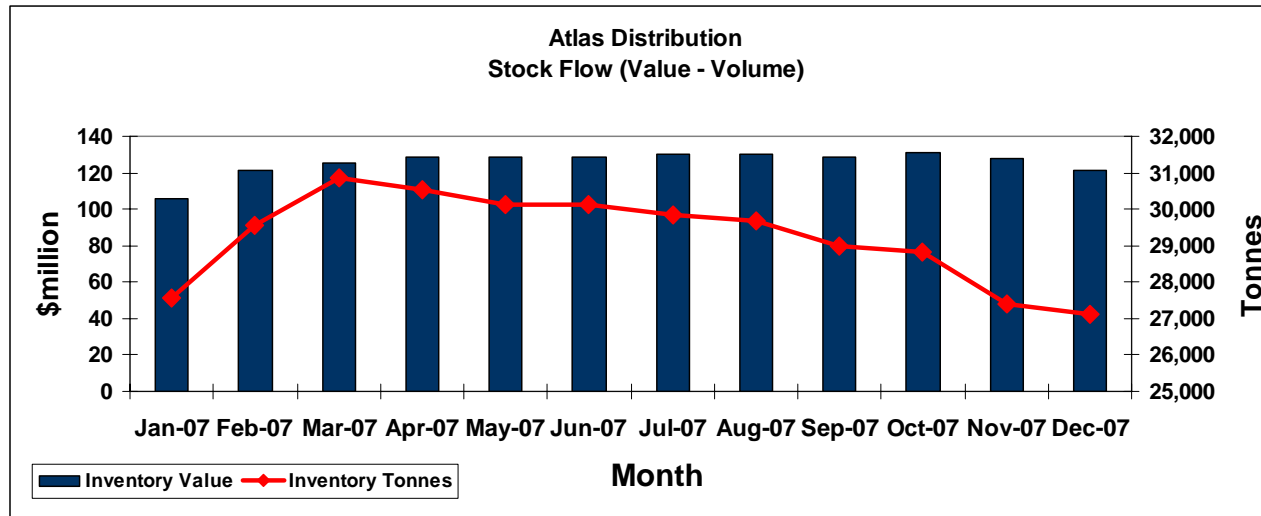
- **Supply chain reconfigured**
 - Centralised supply model substantially reconfigured.
 - Reduced central procurement function.
 - CDC concept terminated - freight and personnel costs reductions effected.
- **Project Services division restructured**
 - Project services activities now integrated back into Australian Distribution division.
 - Some additional provisions required to resolve issues in relation to poor project sales undertaken by previous management.



Distribution

Inventory

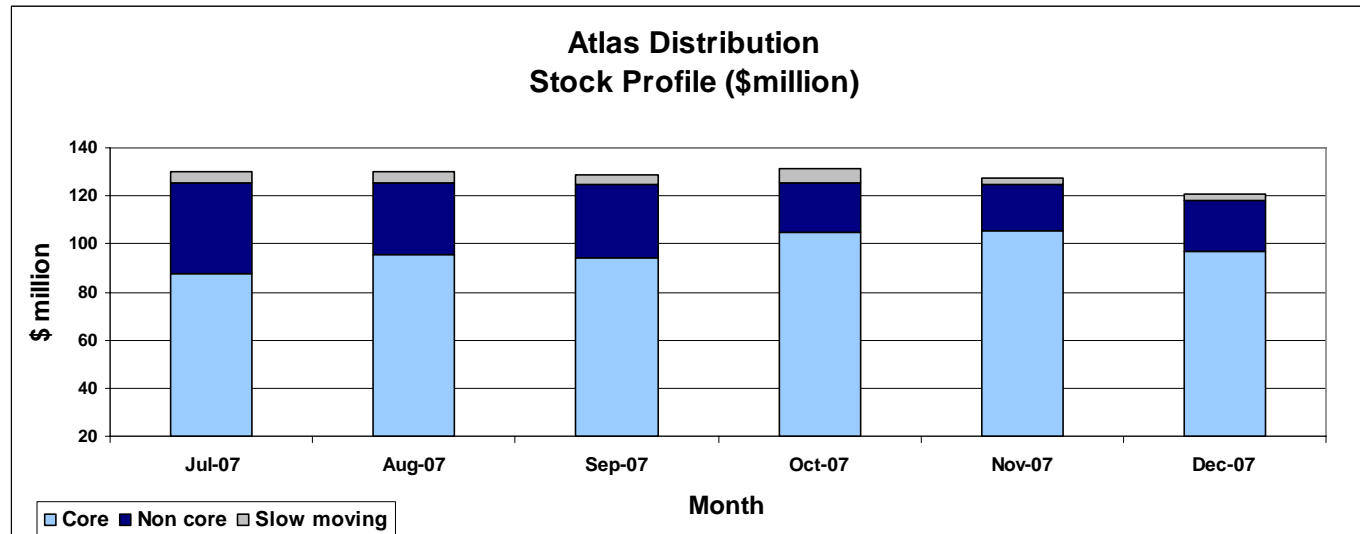
- Inventory unit cost per tonne has continued to increase despite fall in stainless steel pricing.
- All stainless product is sourced from overseas and order cycle time is long (4-7 months).
- Inventory unit cost/tonne has started to fall as lower cost replacement stock arrives.



Distribution

Inventory

- Stock tonnes down – inventory holdings reviewed and \$30m of “non-core” items identified and flagged for exit.
- Inventory reduced \$16.0m from 30 June 2007. Significant further reduction expected in H2 2008 as non-core items exited and inventory re-profiled.
- Greater focus on core stock and reduction in slow moving and non core stock will contribute to better stock balance and reduced inventory level in H2 2008.



Distribution

Management focus for H2 2008

- Manage margins back to “normal” levels.
- Optimize product mix around core products and profitable growth markets.
- Build sales force effectiveness with increased focus on customers.
- Reduce working capital investment.
- Finalise program of cost base reduction.
- Build project and indent business within regions, supported by a small centralised group of project specialists.
- Review business portfolio.

