

A GLOSSARY

ALLOY

Homogeneous mix in which there are two or more elements. For example Iron alloy with lower or higher percentages of Carbon and other elements (Cr, Mn, Ni, Mo, W etc) forming steels.

ALLOY STEELS/SPECIAL STEEL

Steel with various alloy elements, where the processing is carried out in such a way as to achieve particular characteristics able to satisfy specific applications. Alloy/Special steel can be divided into three subdivisions: constructional, stainless and tool steel.

AUSTENITE (or GAMMA IRON)

Type of crystal structure of iron or steel, usually stable only at high temperatures. The addition of suitable elements, such as nickel, can render it stable also at room temperatures. Not magnetic (see AUSTENITE STAINLESS STEEL)

BILLET

Semi - finished square section with round or rounded corners produced by hot rolling or continuous casting.

CARBON STEEL

Iron-carbon alloys which do not contain other alloy elements (chrome, nickel, etc) or if so, only as impurities.

CASE HARDENING STEEL

Case hardening or surface hardening is the process of hardening the surface of the steel, producing a hard wear resistant surface or case over a strong tough core.

COLD DRAWN SEAMLESS TUBES

Tubes which are made starting with a hot rolled seamless tube, then subjected to cold drawing or rolling.

FERRITE (OR ALPHA IRON)

Type of crystalline structure of iron or steel generally stable at lower temperatures. It can be also rendered stable at high temperature by adding appropriate alloy elements, such as, chrome or molybdenum. At room temperature the ferrite is magnetic.

HARDENING

Heat treatment process that involves bringing the steel to austenitisation temperature and then cooling it by the most expedient means (water, oil, salt etc) in such a way as to provoke the formation of martensite.

HIGH ALLOY STEEL

Class of steel with a high alloy content. The difference comes by the metals added (molybdenum, tungsten, vanadium, cobalt etc), the carbon content and their use.

IMPACT STENGTH

The impact resistance of the steel; determined by subjecting a standard form sample of steel to impact from a special type of power hammer.

INDUCTION HARDENING

Heat treatment by means of an induced current and subsequent rapid cooling.

INGOT

Final product from the steelworks constituting a block of steel, in various dimensions and weights, achieved by casting liquid steel into an ingot mould.

IRON

A chemical element found in nature. Constitutes the principle element of all steels.

MARTENSITE

A solution over - saturated with carbon in Alpha Iron achieved by rapid cooling (hardening) of the austenite. It is generally formed in steel at temperatures near to or a little over 300 degree C. Possesses elevated hardness.

MARTENSITIC STAINLESS STEEL

Class of stainless steel hardened by heat treatment. Used when a high mechanical resistance is required but not such a high resistance to corrosion (see MARTENSITE).

NORMALISATION

A sizeable heat treatment procedure maintaining the product for a certain time at fixed temperature above the temperature for austenite-ferrite transformation. It is carried out to improve the uniformity of the metallic structure and the subsequent improvement in the steel's mechanical characteristics.

STAINLESS STEEL

Category of steel in which the chrome content is above 12%, giving resistance to oxidization and corrosion.

STEEL

Iron alloy in which iron is the predominant element; the carbon content is, as a rule, less than 2% and contains other elements. Some alloy steels can have carbon content greater than 2%, but this value is the one that differentiates steel from cast iron.

TEMPERING

A heat treatment which follows hardening, to increase the steel's toughness while reducing its permanent stress.

ULTIMATE TENSILE STRENGTH

Defines the load the steel can withstand before breaking. In general it is measured by being subjected to axial traction in rising loads of cylindrical or rectangular test bars (for sheet).

YIELD STRENGTH

The load under which the elastic resistance capacity of the steel is exceeded and plastic deforming starts to occur.

COMPANY - INDUSTRY NEWSLETTER

Dear Customers and Staff

Welcome to Interlloy Insight, it's been a longer than expected hiatus, but we are back. Since the last Insight Interlloy has had a very busy period of growth and expansion. We opened a new Branch in Albury, our Perth and Melbourne Branches moved into new premises and our Adelaide and Sydney Branches expanded their warehouse and office space.

We are planning for new premises in Mackay for 2009.

We will focus on some of these activities in forthcoming editions of Interlloy Insight.

Interlloy also celebrated 20 years in 2007, so does that means we have come of age in 2008!

We have also celebrated some long term employees over the last year or so (see photo gallery on page 3). Congratulations to all, we look forward to celebrating many more long term employees and look forward to future milestones.

The market conditions over the last couple of years have been buoyant and the level of business remains high despite the demise of some of our Manufacturing base. The most recent being Mitsubishi in Adelaide and Onesteel's Rod and Bar Mill in Newcastle and the Bright Bar and Chrome Bar Plant in Melbourne.

The effect of the Onesteel decision to close these plants will be a significant challenge to Distributors and end users. The product from both plants has been world class, both in quality and competitiveness.

It is our intention to make the transition to alternate supply sources as smooth as possible and we can assure you that the process is well under way.

The other significant challenges facing us all are the rising cost of steel related products. This has been driven by increased steel demand Worldwide, particularly China, which has tightened the International supply of steel as well as increasing raw material key inputs into steel making, such as Iron Ore, Coking Cole, Scrap and Alloys.

In addition to these are the soaring costs of Freight, Oil and Energy. IE, Iron Ore increases of up to 70 %, Coking Cole already increased by over 200%, Scrap increasing over the last two months of \$200 per tonne and rising. The cost of Oil at around US\$140.

We have listed on page 2 some graphs of these key inputs and we recommend you look at the trends.

We see the coming months as very unstable in regard to pricing and it is in everyone's interest to be cautious in pricing , when tendering for future business avoid long term fixed pricing and include escalation clauses.

We will continue to discuss with you the Worldwide trends and the possible flow-on effect to the local Industry, however if there are issues you need further clarification on please contact your Interlloy Sales Office, our Staff will be pleased to discuss in further detail.

The Editor

Visit us on www.interlloy.com.au

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Quick Quiz Answers

Contributions and suggestions to the Editor at info@interlloy.com.au or P.O. Box 4351, Dandenong Sth 3164

VIC	03 8791 9666
NSW	02 9824 5252
QLD	07 3489 5333
SA	08 8244 7111
WA	08 9437 2822
MACKAY	07 4952 5000
ALBURY	02 6041 4999

Quick Quiz Answers

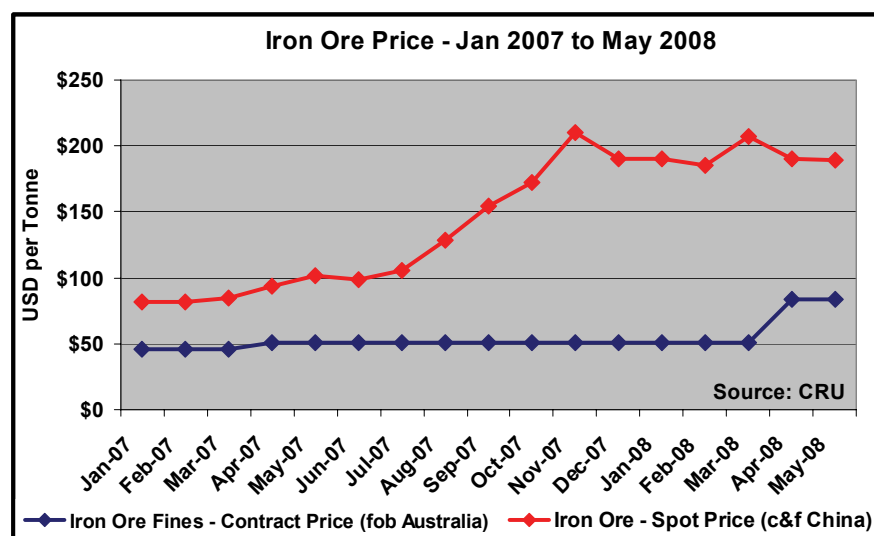
1. Three 3
2. Smell
3. The Andes of South America
4. Letter X
5. Japanese comic books.
6. Commander
7. Pick up sticks.
8. Sports utility vechile.
9. Rose/Eros
10. Chandler



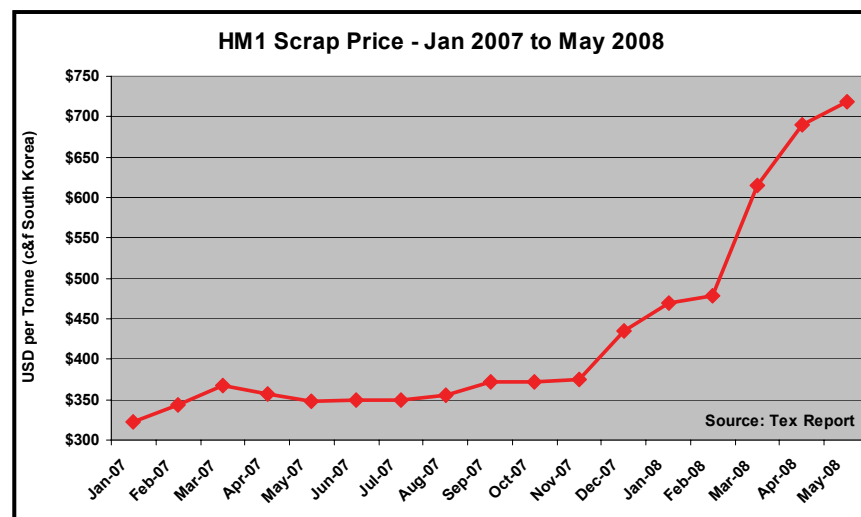
CONSUMER INFORMATION



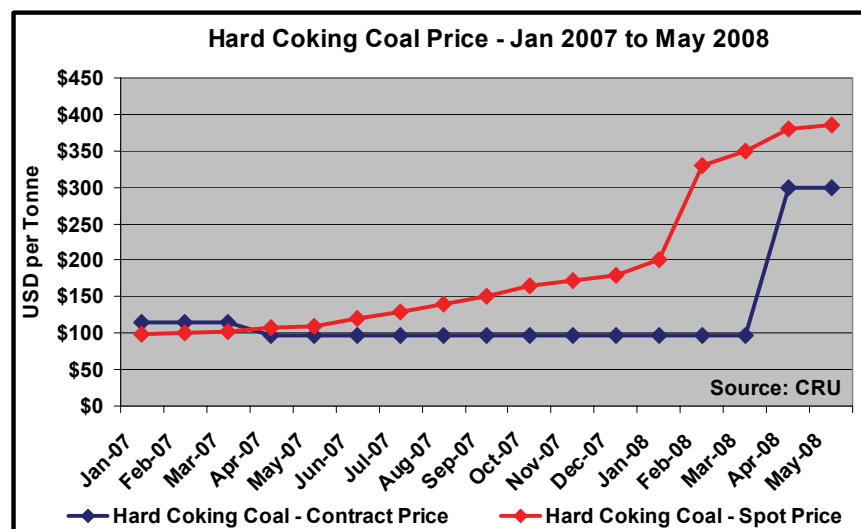
STAFF AND EVENTS



Iron ore prices are a feature of the increasing demand for steel products worldwide in particular the booming economies of China, India, and Russia. Iron Ore prices are expected to rise further until new capacity increases meet demand, possibly 2010.



Scrap prices have increased significantly since the end of 2007, but note in particular the increase over the last few months. The demand for scrap is growing faster than scrap is being generated. One reason is the large volume of new steel production that is going into infrastructure in the booming developing countries, i.e. bridges, buildings, dams etc, all having a long life cycle before it can be recycled.



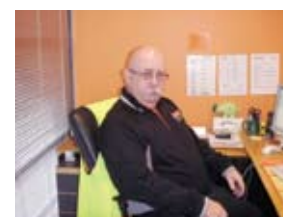
Coking Coal worldwide prices have increased dramatically as infrastructure constraints and supply disruptions (e.g. Queensland floods) impact on supply dynamics. Hard Coking coal contract prices have been settled at US\$300/tonne for April 08, up a massive 209% from last year's level of US\$98/tonne.



Cameron Wyse
Melbourne Branch Manager
15 years 2007



Sandra Ivone
Melbourne Branch
Administration and Marketing
10 years 2004



Garry Sheehan
Melbourne Branch
National Operations Manager
10 years 2005



David Borovnik
Adelaide Branch
Sales Manager
10 years 2006



Steve Turner
Melbourne Branch
Warehouse Manager
10 years 2006



Emilio Cignia
Sydney Branch Driver
10 years 2006



Howard McDonald
Melbourne Branch Driver
10 years 2007



Gary Wilson
Sydney Branch
Warehouse Manager
10 years 2008

BIRTHDAYS

Since it has been so long in preparing the newsletter, the directors of Interlloy wish all their staff a happy birthday and best wishes.



QUICK QUIZ (Answers on page 4)

1. What number is opposite five on a dice?
2. People with hyperosmia have an overly keen sense of what?
3. What is the world's longest mountain range?
4. Which letter begins the fewest words in an English dictionary?
5. Manga is what type of reading material?
6. Movie secret agent James Bond holds which military rank?
7. If one, two is buckle my shoe, what is five, six?
8. The automobile-related abbreviation SUV stands for?
9. Which flower is an anagram of the name of the ancient Greek god of love?
10. What one-word name is given to the occupation of one who makes candles?

AVOCADO DIP

Ingredients

- 2 Ripe avocado's
- 1/2 cups sour cream
- 1 lemon squeezed
- 1/4 teaspoon Garlic Salt
- 1/2 cup sweet chilli sauce
- 1/2 cup grated tasty cheese
- 1 bag of favorite corn chips

Method:

In a bowl mash avocado. Add sour cream, lemon juice, garlic salt. Leave in fridge for 1/2-1 hour. Place avocado mixture into centre of platter and pour the chilli sauce on mixture and then top with grated cheese, serve with corn chips. Great with a beer or wine.

QUOTE FROM THE SALES DESK

"Never put both feet in your mouth at the same time, because then you won't have a leg to stand on."