
BlueScope sees H1 net loss amid weakened steel demand

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BlueScope Steel said that it continues to expect to post a small first half net loss as it emerges from its most challenging year yet, amid weakened steel demand and does not expect to declare a dividend for the period.

Mr Graham Kraehe chairman of BlueScope Steel said that "Our outlook remains the same as we advised in August and we expect to post a small net loss for the half year ended December 31st 2009. Based on our expected financial performance for the first half, and on the current outlook, the board does not expect to declare a dividend when the half year results are finalized. However, the board is committed to resuming payment of dividends as a high priority once sustainable economic recovery becomes more certain."

Mr Kraehe said that BlueScope saw an improvement in market pricing and demand at the start of this financial year, albeit off a weak base. He added that "However, more recently, the strong Australian dollar and prices that are now softening will largely offset the improved sales volumes."

BlueScope Steel said that it experienced an 85% drop in demand when the global steel market was at its weakest.

Mr Paul O'Malley CEO of BlueScope Steel said that the company had been running its Port Kembla operations at 100% capacity since the end of September 2009 on the back of the improved domestic and international demand, and following the successful relining of its number 5 blast furnace.

He added that "Export demand, particularly from external customers in Asia, and from the company's offshore affiliates in Asia and North America is improving. December half export sales are in line with our expectations and enquiries for the March quarter remain strong. Subject to this demand continuing, we intend to maintain operation of both Port Kembla blast furnaces at 100% into the third quarter FY 2010."

(Sourced from AAP)

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