

**NEWS RELEASE**

26<sup>th</sup> October 2010

**K&S Corporation Limited Trading Update**

K&S Corporation Limited's ("K&S") east coast operations have experienced weaker trading conditions for the 3 months to 30 September 2010 which have largely been driven by lower steel volumes on the back of reduced production and inventory destocking. As a result, K&S expects performance for the first half of this financial year to be slightly lower than the previous corresponding period. K&S' earnings are expected to recover in the second half of this financial year. On this basis, K&S now expects net profit after tax for this financial year to be in line with reported net profit after tax realised in the 2010 financial year.

K&S' recent Western Australian acquisitions are performing in line with expectations and are expected to be a new source of growth for K&S into the future. K&S will continue to focus on the identification and implementation of longer-term growth initiatives which include opportunities in the oil, gas and resources sectors in Western Australia.

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