



FOR IMMEDIATE RELEASE

NOTE TO EDITORS: For the press release sent out yesterday (25 November 2008), there was incorrect information in the figures under the financial highlights and in the second paragraph. The corrected and complete release follows.

KINSTEEL'S 3Q08 REVENUE SURGES 45.1% TO RM845M

RM 'm	Three Months Ended 30 September,		Change	Nine Months Ended 30 September,		Change
	2008	2007	%	2008	2007	%
Revenue	844.9	582.4	▲ 45.1	2,080.4	1,530.2	▲ 36.0
Gross Profit	286.2	124.8	▲ 129.3	728.7	348.8	▲ 108.9
Profit After Tax	110.2	70.1	▲ 57.2	394.3	161.0	▲ 144.9
PATMI	27.6 <u>58.0</u>	40.5	▼ -31.9 ▲ 43.2	192.5 <u>234.9</u>	97.3	▲ -97.8 <u>141.4</u>

Kuala Lumpur, 26 November 2008 – Fully integrated steel producer, Kinsteel Berhad (Bursa: KINSTEEL), today announced a 45.1% surge in revenue to RM844.9 million for the three months ended 30 September 2008 (3Q08), as compared to RM582.4 million reported in the same period a year ago (3Q07).

Profit after tax grew 57.2% to RM110.2 million in 3Q08 versus RM70.1 million in 3Q07. ~~However, taking into consideration minority interests of RM52.2 million following the dilutive effect of~~ the listing of 51%-owned subsidiary, Perwaja Holdings Bhd in August, profit attributable to shareholders rose 43.2% to RM58.0 million in 3Q08 compared to RM40.5 million in 3Q07, declined 31.9% to RM27.6 million.

Commenting on the Group's performance, Tan Sri Dato' Pheng Yin Huah, Managing Director of Kinsteel said, "The Group experienced a volatile third quarter with prices declining from September. Adopting a prudent approach, we decided to make a provision for impairment in the value of Perwaja's inventory. This had an effect of wiping some RM120 million off the Group's profit after tax."



KINSTEEL BERHAD

(Company No: 210470-M)

In 3Q08, the average selling price of billets and direct reduced iron (DRI) increased 85.3% and 94.3% respectively, while the average selling price of steel bars rose 71.0%, as compared to the 3Q07.

Total production output of billets and DRI grew 1.2% from 511,019 metric tonnes to 516,948 metric tonnes, while steel bar production output increased 11.8% to 85,704 metric tonnes from 76,657 metric tonnes in 3Q07.

Outlook & Plans

Facing the challenges of a global economic slowdown, the Group continues to stay vigilant and aims to further improve its efficiency. With its strong performance registered in the first half of 2008, the Group expects a satisfactory full-year results.

Said Tan Sri Dato' Pheng, "Despite the uncertainties in the economic environment, we will continue to be on our toes to seize opportunities as they come by. Furthermore, with strong fundamentals built up over the years, we are confident that Kinsteel is well-prepared for the challenges ahead."

About Kinsteel Berhad

Kinsteel Berhad is one of the largest steel millers in Malaysia, and a leading integrated player in the region. Established in 1991 and listed on the Malaysian stock exchange in 2002, the Group manufactures a complete range of long steel products used mainly in the manufacturing, construction and infrastructure industries. Its range of products includes upstream products such as DRI, billets, beam-blanks & blooms; midstream products such as steel round bars, deformed bars, flat bars, angle bars, U-channel bars; and downstream products such as sections and drawn wires. Kinsteel currently owns 37% of listed entity Perwaja Holdings Bhd and 51% of Perfect Channel Sdn Bhd.

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