



Investor Introductory Pack

August 2013

BlueScope Steel Limited. ASX Code: BSL

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Contents

This pack provides a strategic and operational introduction to BlueScope and its reporting segments. It should be read in conjunction with BlueScope's FY2013 Financial Results Presentation



Company overview



Building Products ASEAN, North America and India



Global Building Solutions



Coated & Industrial Products Australia



Building Components & Distribution Australia



New Zealand & Pacific Steel Products



Hot Rolled Products North America



COMPANY OVERVIEW

Overview of BlueScope

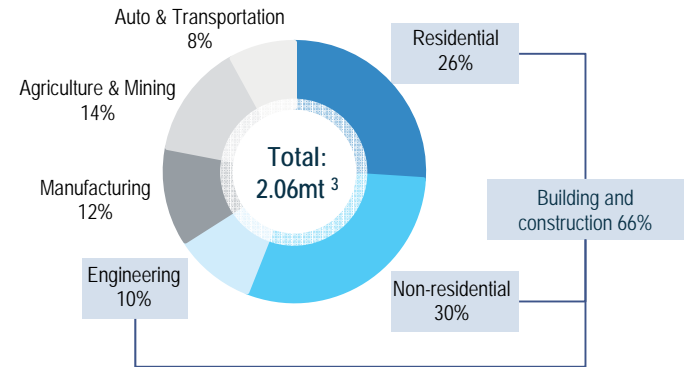
BlueScope is a flat steel producer for the domestic Australian, New Zealand and US markets and is a leading international supplier of steel products and solutions principally focused on the global building and construction industries

- Australia's largest steel manufacturer by volume and New Zealand's only fully integrated flat steel producer
 - Global annual raw steel production capacity of 4.2mtpa ¹
 - Approximately 70%-75% market share in Australia and approximately 80% New Zealand
- A leading global supplier of Engineered Building Solutions ('EBS') to industrial and commercial markets
- Technology leader in metal coated and painted steel building products, principally focused on the Asia Pacific region JV with Nippon Steel & Sumitomo Metal Corporation (NSSMC)
- Strong brand recognition – key brands include COLORBOND®, ZINCALUME®, LYSAGHT®, BUTLER® and VARCO PRUDEN®
- Partnerships with leading companies: NSSMC, Cargill, Tata

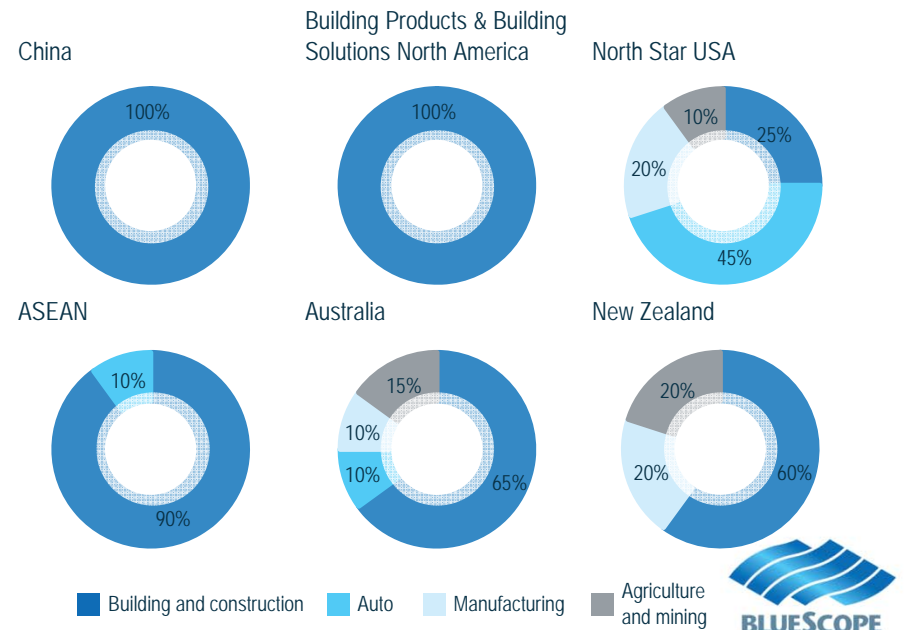


1) Includes BlueScope's 50% share of production from the North Star BlueScope Steel joint venture
 2) Based on gross despatches
 3) FY2013 figures. Includes despatch of 0.28mt of third party product
 4) Indicative only (rounded to nearest 5%)

Australian end market exposures – despatch volumes ²



End market exposures in BlueScope's geographies ⁴



Business segments

External segment reporting structure ¹

Building Products ASEAN, North America and India	Global Building Solutions	BlueScope Australia & New Zealand			Hot Rolled Products North America
		Coated & Industrial Products Australia	Building Components & Distribution Australia	New Zealand and Pacific Steel Products	
% of FY2013 Group revenue					
20%	16%	40%	16%	8%	Equity accounted



- Operates metallic coating and painting lines and roll-forming in Indonesia, Malaysia, Thailand, Vietnam, India and North America
- Includes NS BlueScope Coated Products JV



- Leading global designer and manufacturer of EBS²
- Key markets in China & Nth America; plants in ASEAN, India, Middle East
- Supplying buildings to global customers
- China coating & painting



- Largest supplier and only manufacturer of HRC, plate, metal coated and painted steel in Australia
- Australian finished-product capacity of ~2.5Mtpa; domestic market 1.8Mt in FY2013



- Major steel product supplier / distributor to the Australian building and construction, automotive, white goods manufacturing and general manufacturing industries



- Only fully integrated flat steel maker in New Zealand
- Leading domestic market share of flat products
- Includes iron sands mines (own consumption and export sales)














- 2.0Mtpa mini-mill in Ohio
- 50/50 JV with Cargill Inc.
- Voted no. 1 flat rolled steel supplier in North America (Jacobson Survey) for 12 consecutive years

(1) BlueScope also has a Corporate segment which is not shown. Segment % of LTM Group revenue excludes intersegment and discontinued operations.

(2) Engineered building solutions

Products and end markets

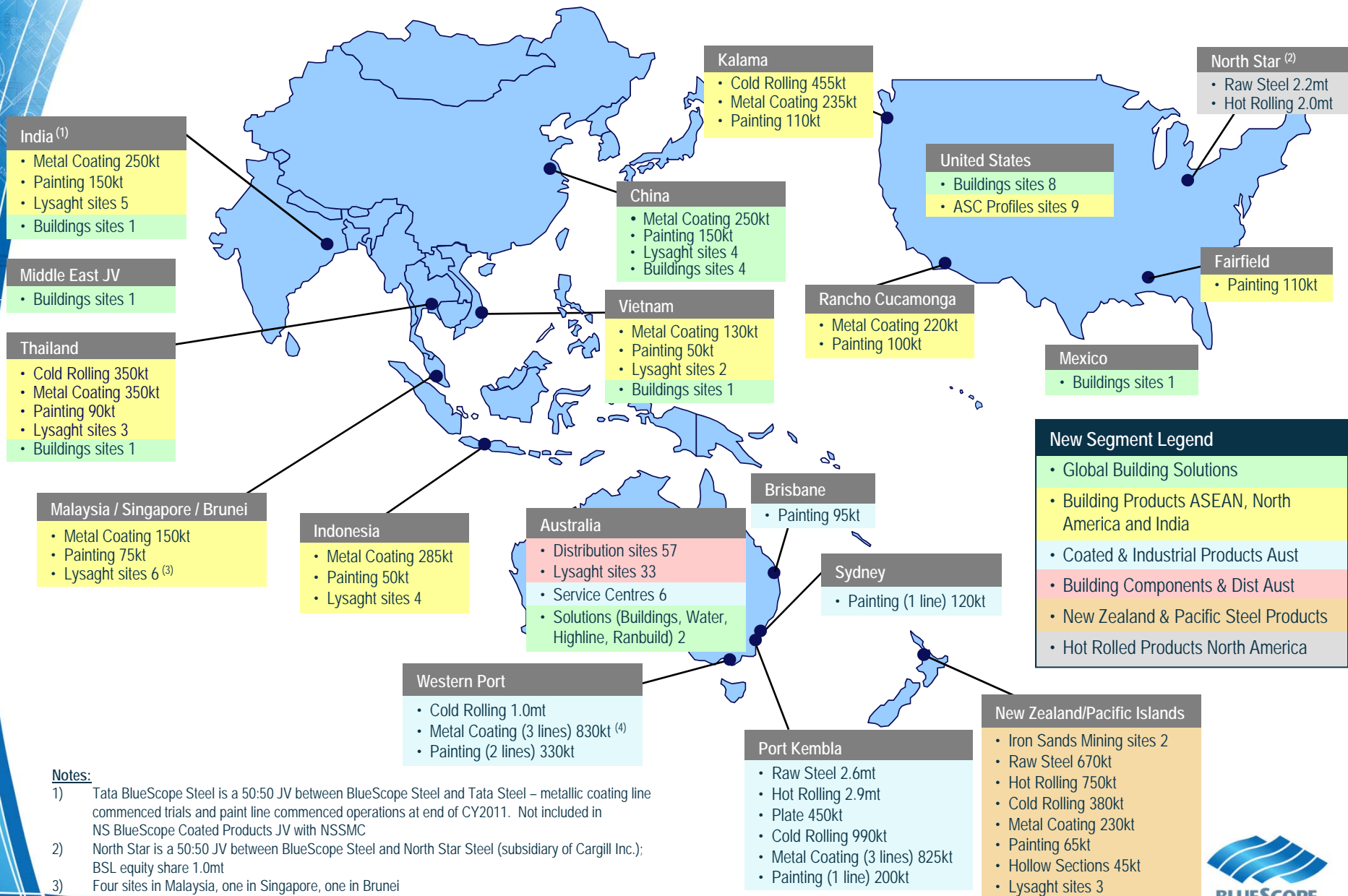
Product		Primary end use markets	Applications
Iron sands		<ul style="list-style-type: none"> Internal and export steel manufacturers 	<ul style="list-style-type: none"> Crude steel manufacturing
Slab		<ul style="list-style-type: none"> Steel manufacturing 	<ul style="list-style-type: none"> Hot rolled coil and plate
Plate		<ul style="list-style-type: none"> Manufacturing, building and construction and mining 	<ul style="list-style-type: none"> Infrastructure projects, mining equipment and structural applications
Hot rolled coil		<ul style="list-style-type: none"> Building and construction, mining, automotive and transport, manufacturing 	<ul style="list-style-type: none"> Mining equipment, racking, guard rails, building and construction products, structural tubing, water pipelines, oil/gas pipelines and automotive components
Cold rolled coil		<ul style="list-style-type: none"> Automotive and transport, manufacturing 	<ul style="list-style-type: none"> Automotive, packaging (drums) and storage systems
Galvanised (including GALVSPAN® steel) and special zinc finishes		<ul style="list-style-type: none"> Building and construction, manufacturing, automotive and transport 	<ul style="list-style-type: none"> General manufacturing, automotive, structural sections for commercial and industrial buildings and structural decking
Zinc/aluminium alloy-coated ZINCALUME® steel		<ul style="list-style-type: none"> Building and construction 	<ul style="list-style-type: none"> Commercial and industrial construction including roofing, walling, rain water goods and residential framing
Painted (including pre-painted COLORBOND® steel)		<ul style="list-style-type: none"> Building and construction 	<ul style="list-style-type: none"> Residential, commercial and industrial construction including roofing, walling, fencing, rain water goods, architectural panels, sheds and garages
Roll-formed LYSAGHT® products		<ul style="list-style-type: none"> Building and construction 	<ul style="list-style-type: none"> High strength and lightweight roofing and walling, industrial / commercial roofing and cladding support systems, premium residential products
BlueScope Buildings, including BUTLER® and VARCO PRUDEN® engineered building solutions		<ul style="list-style-type: none"> Building and construction Industrial and resources 	<ul style="list-style-type: none"> Industrial and commercial building and construction (primarily buildings suited for manufacturing, warehouses, mining, aviation, and retail)
BlueScope Water tanks and fittings		<ul style="list-style-type: none"> Building and construction, infrastructure, agricultural and resources 	<ul style="list-style-type: none"> Water tanks for commercial, industrial, rural mining and agricultural applications

Strong brand recognition and value-added products

- BlueScope Steel's brand portfolio contains many well-known and respected names including
 - Australia: COLORBOND® steel, ZINCALUME® steel, ZINCALUME® steel with Activate™ technology, GALVASPAN® steel, LYSAGHT® building products and RANBUILD™
 - New Zealand: COLORSTEEL®
- BUTLER® and VARCO PRUDEN® are leading brands in Engineered Building Solutions globally
- In Asia, BlueScope Steel has built a reputation for quality with its purpose-design Clean COLORBOND® steel brand

The logo for LYSAGHT, featuring the word "LYSAGHT" in a bold, blue, sans-serif font with a blue swoosh underneath.The logo for BUTLER, featuring the word "BUTLER" in a bold, blue, sans-serif font inside a blue oval shape.The logo for Colorbond, featuring the word "Colorbond" in a black, sans-serif font with a red dot over the "o".The logo for Galvaspan, featuring the word "Galvaspan" in a bold, black, sans-serif font.The logo for Clean Colorbond, featuring the word "clean" in a blue, cursive font, followed by "Colorbond" in a black, sans-serif font with a red dot over the "o".The logo for Zincalume, featuring the word "Zincalume" in a black, sans-serif font with a green dot over the "i".The logo for COLOR STEEL, featuring the word "COLOR" in a multi-colored, sans-serif font above the word "STEEL" in a bold, black, sans-serif font.

Global manufacturing footprint at June 2013



New Segment Legend

- Global Building Solutions
- Building Products ASEAN, North America and India
- Coated & Industrial Products Aust
- Building Components & Dist Aust
- New Zealand & Pacific Steel Products
- Hot Rolled Products North America

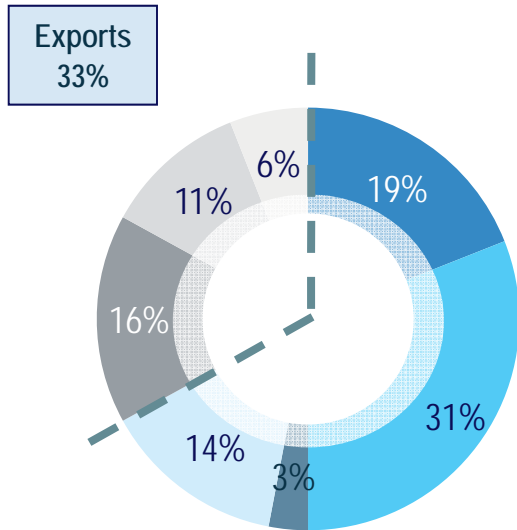
Notes:

- 1) Tata BlueScope Steel is a 50:50 JV between BlueScope Steel and Tata Steel – metallic coating line commenced trials and paint line commenced operations at end of CY2011. Not included in NS BlueScope Coated Products JV with NSSMC
- 2) North Star is a 50:50 JV between BlueScope Steel and North Star Steel (subsidiary of Cargill Inc.); BSL equity share 1.0mt
- 3) Four sites in Malaysia, one in Singapore, one in Brunei
- 4) One line has been idled, reducing available capacity by approximately 230ktpa

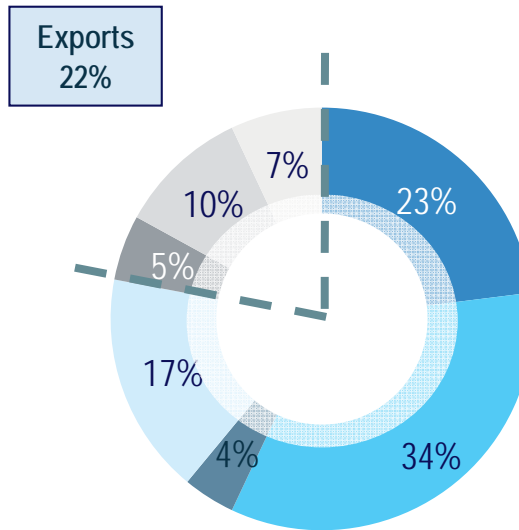


Global despatch mix (total group external despatches)

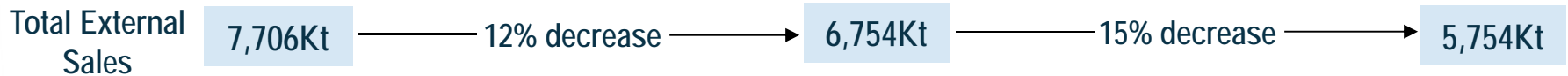
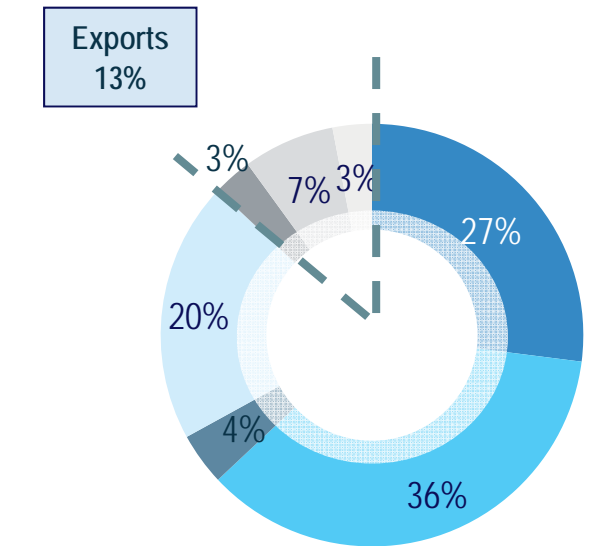
FY2011



FY2012



FY2013



Key		Exports	
Domestic sales (produced and sold within country)			
	North America (including North Star)		To the Americas
	Australia		To Europe, Middle East, Africa & India
	Asia		To Asia
	New Zealand/Pacific		

Note: Percentages have been rounded.

Our business has been comprehensively reconfigured and positioned for future growth

1 Restructuring and cost reductions

- CIPA: Major restructure of Australian operations through closure of one blast furnace and related operations reduced Australian production capacity from 5.3Mtpa to 2.6Mtpa (FY2012)
- CIPA: Reconfiguration of production levels at Western Port Plant (March 2013)
- BCDA: Implementation of major cost reduction and performance improvement program (FY2012/13)
- Buildings North America (within the Building Solutions segment): Rationalisation of manufacturing footprint (FY2009-FY2012)
- Reorganisation of segmental reporting structure
 - Moving from geographical focus to product focus in Asia and the US to better align with customer requirements

2 Investment in growth and sustainability

- NS BlueScope Coated Products JV with Nippon Steel and Sumitomo Metals Corp (March 2013)
 - Access to new markets and technology
- Expansion of global EBS business, e.g. new facility in Xi'an (Central China) (FY2013)
- Expansion of New Zealand iron sand exports to 1.7Mt in FY2013, with further expansion to more than 2.7Mtpa targeted upon availability of second vessel (customer owned). Currently expected in CY2015
 - The Company's goal is to eventually achieve a 55% overall economic hedge on iron ore consumption
- Expansion of metal coating facilities in high growth markets, e.g. Indonesia (FY2012) and India
- Development of next generation COLORBOND® and ZINCALUME® steel products

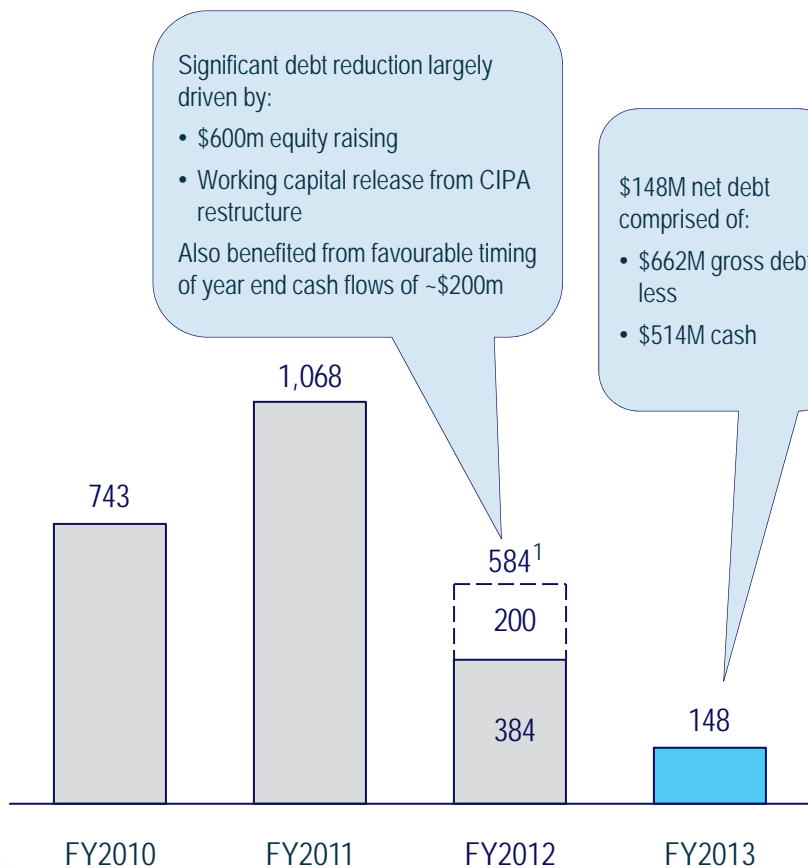
3 Prudent capital management

- Self funding restructure of CIPA
 - Cash costs: \$360-380M
 - Working capital release: \$594M (across the Group, Oct-11 to Jun-12)
- Support of shareholders through equity raisings
- Successful repurchase of all outstanding USPP Notes over the last few years (completed 28 March 2013)
- A\$100M received from Australian Government as part of its Steel Transformation Plan ("STP") (FY2012)
 - Future STP committed funding of ~A\$83M

The transformation of our business through significant restructuring, cost reduction programs, prudent capital management and strategic investments has positioned us for future growth

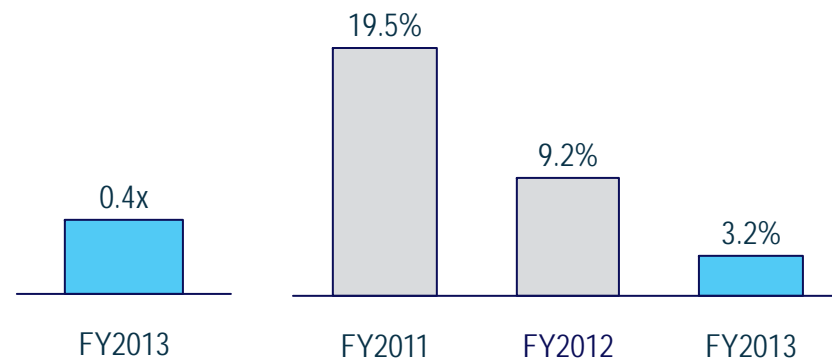
Strengthened balance sheet

Net debt (\$M)



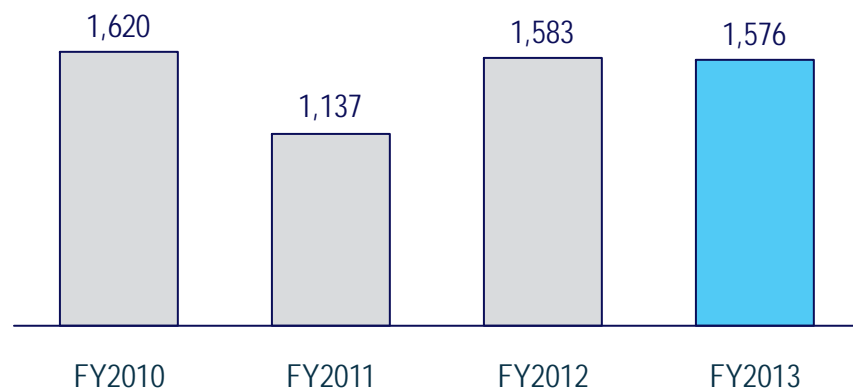
(1) Net debt \$584M excluding benefit of favourable timing of year end cash flows

Net debt / EBITDA²



Gearing (ND/ND+E)

Liquidity (undrawn facilities and cash, \$M)



(2) 30 June 2013 net debt to FY2013 underlying EBITDA

Enhanced financial flexibility to invest in growth

Market First Focus

Building Products

- Drive NS BlueScope Coated Products joint venture and access new customers and products
- Continue to broaden channels to market

Building Solutions

- Broaden base of global customers
- Leverage expansive operating footprint delivering an efficient cost base
- IP and brands support our competitive market offer
- Growth opportunities are capital light

BlueScope Australia & New Zealand

- CIPA has achieved significant cost reductions; strongly leveraged to domestic demand recovery
- Examine ways to serve the market more efficiently; this may include small acquisitions close to existing core operations
- Expanding iron sands production and despatches in New Zealand

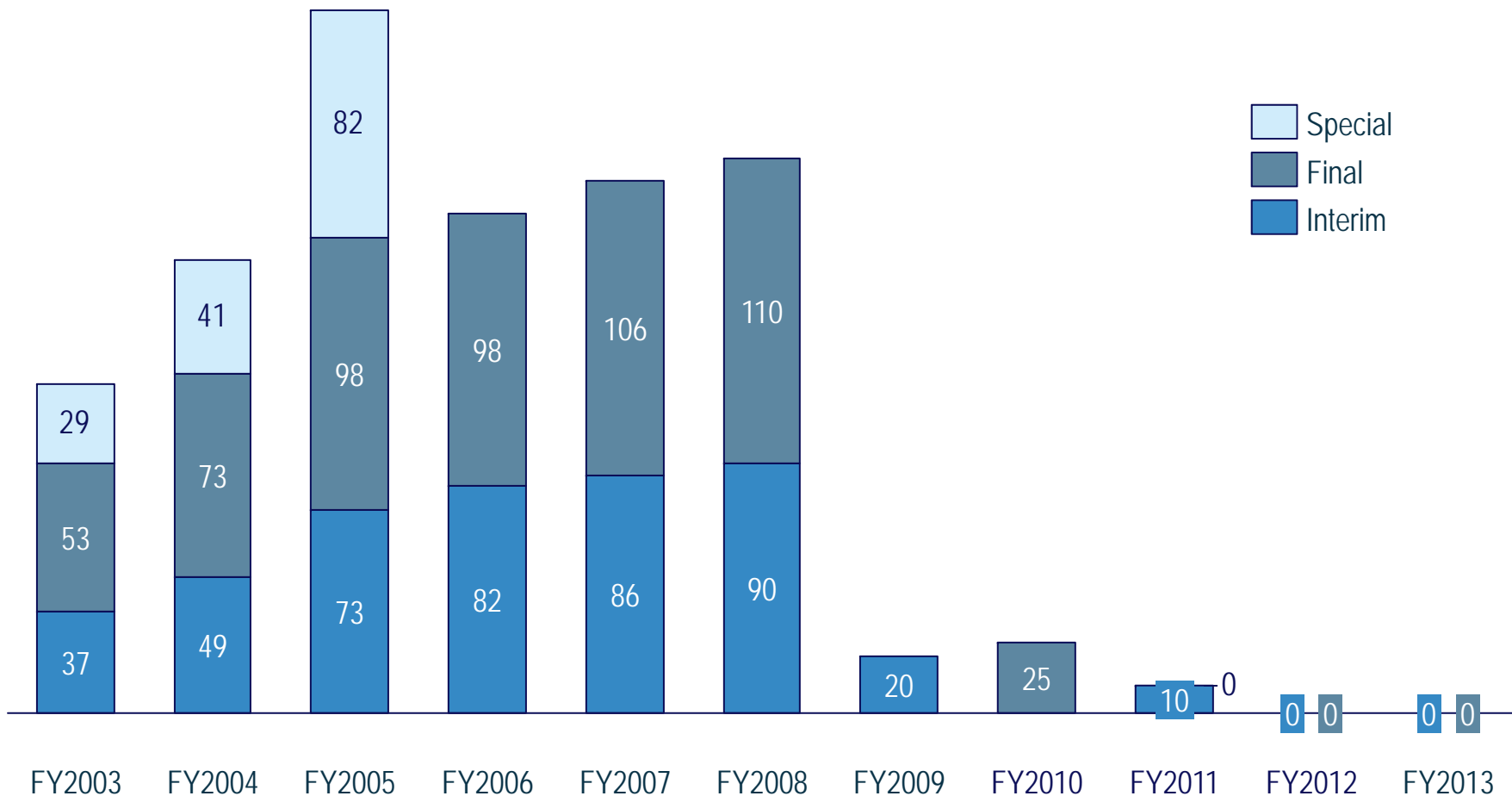
Hot Rolled Products North America

- Continuing very good performance with growth options being investigated

Balance Sheet

- Maintain strong balance sheet metrics
- Enhanced financial flexibility to invest in incremental growth opportunities

Dividend history



Note: shows dividends per share, adjusted for December 2012 share consolidation, and to reflect deemed 'bonus component' of the May 2009 and November 2011 entitlement offers. Detail on dividends paid (on the prevailing share base of the time) available at www.bluescope.com/investors



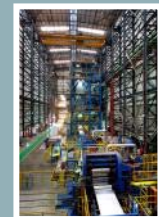


**BUILDING PRODUCTS ASEAN,
NORTH AMERICA & INDIA**

Building Products ASEAN, North America and India

Segment overview

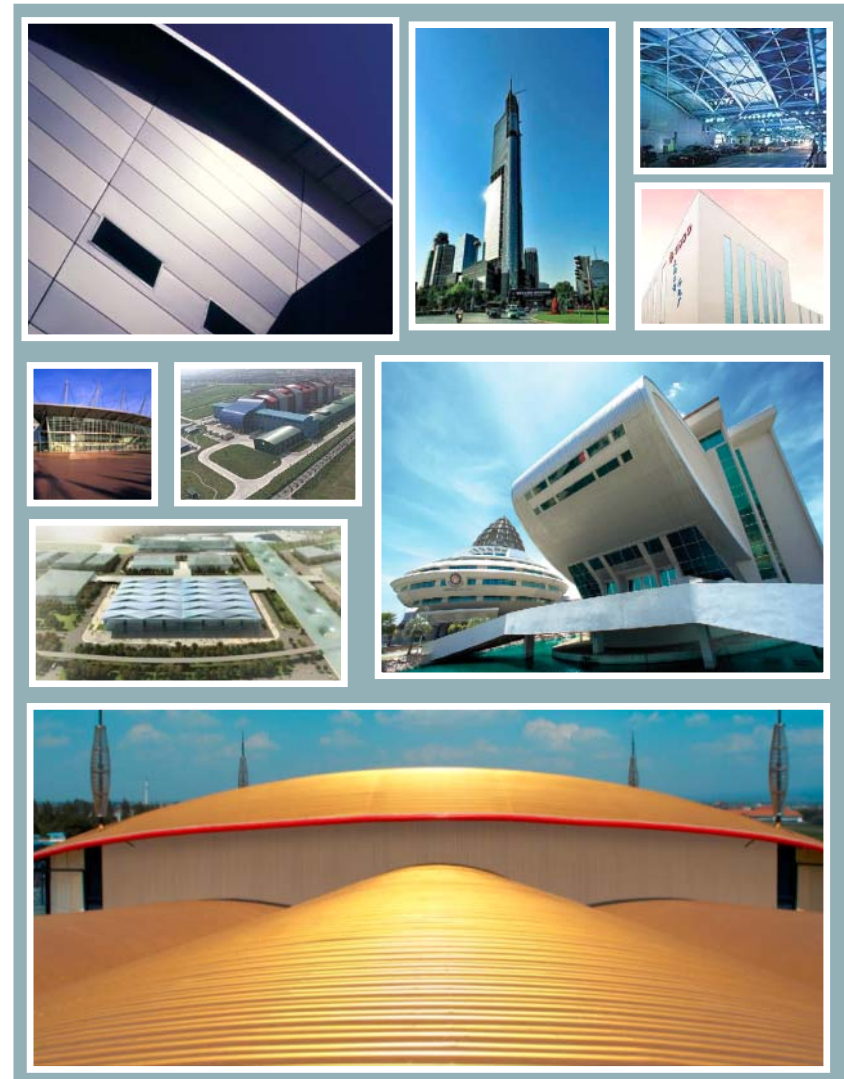
- Comprises the building products businesses in Southeast Asia and North America which have similar product manufacturing and market characteristics
 - Operates metallic coating and painting lines in Thailand, Malaysia, Indonesia, Vietnam, India and North America
 - LYSAGHT® roll-forming facilities in Indonesia, Malaysia, Thailand, Vietnam, Singapore and Brunei primarily service the building and construction industries across ASEAN
 - North American business offering steel deck, roofing and siding products to the West Coast building and construction industry
- Premium sustainable metal coated and painted steel building products used in residential and non-residential building and construction
 - Products are specifically designed and locally manufactured for individual geographical markets
- Focused on expanding position as technology leader in high growth and high value markets across the Asia-Pacific region



Building Products ASEAN, North America and India

Long established position in Asia

- Long established position in Asia with coated and painted steel building products
 - First Asian facility was established in Malaysia in 1969
- New joint venture partnership with Nippon Steel and Sumitomo Metal Corp (NSSMC) provides platform to access new markets and technology as well as new product development opportunities
- Broad footprint of in-market operations across Indonesia, Thailand, Malaysia, Vietnam and India (the latter through JV with Tata Steel)
- Manufacturing operations supported by diverse channels to market and product offerings tailored to suit local market demand
- Well-known and respected brands, and value-added premium quality products



Building Products ASEAN, North America and India

Growth of core business, before benefits of working with NSSMC

- The main financial performance drivers of the segment are sales volumes and margin made on end-product over input feed. The latter is influenced by the level of local and import competition in each nation in which we operate
- Volume and top-line growth driven by:
 - Expansion of downstream manufacturing facilities in domestic markets
 - Best-in-class technology (including in-line painting), quality, product range and R&D capability
 - Increased capacity utilisation in optimised network of facilities through seeding and load balancing
 - Increase in available capacity through thicker gauge-mix and OEE improvements
 - People, processes and systems geared for growth
- EBITDA margin driven by:
 - Product-mix improvement towards higher value-added Tier 1 and Painted products
 - Greater pull-through of Tier 1 products through expansion of Lysaght, Ranbuild and development of aligned channel partners
 - Cost competitiveness through growing scale, strategic sourcing, in-line painting and yield improvements

Building Products ASEAN, North America and India

Joint venture with Nippon Steel & Sumitomo Metal Corporation

- Established 50/50 joint venture over BlueScope's building products business in ASEAN and the U.S. on 28 March 2013 with NSSMC, called NS BlueScope Coated Products
 - Joint venture enterprise value of US\$1,360M (100%)
 - BlueScope received proceeds of US\$571M for the sale of its interests in the businesses that comprise the joint venture
- Provides a stronger platform to capture higher value adding growth in existing markets and the potential to enter new product segments especially to supply home appliance and whitegoods manufacturers in Southeast Asia
- BlueScope has appointed the CEO and continues to control and therefore consolidate the JV in financial statements. NSSMC has appointed the Chairman

Building Products ASEAN, North America and India

NS BlueScope Coated Products geographic spread



- Metallic Coating & Painting
- Lysaght
- Ranbuild



- Metallic Coating & Painting
- Lysaght
- Ranbuild



- Metallic Coating & Painting
- Lysaght
- Ranbuild



- Metallic Coating & Painting
- Lysaght
- Ranbuild



- Kalama
- Rancho Cucamonga
- Fairfield, Alabama



- ASC Building Products
- AEP Span
- ASC Steel Deck

Included in JV as these businesses:

- have similar product, manufacturing and market characteristics; and
- leverage shared technology and product development

Notes: (1) Includes also Singapore and Brunei. Percentages under each country / entity denote current BlueScope ownership levels.
 (2) BlueScope Steel owns 100% of the steel coating business and 49% to 60% of rollforming (Lysaght) businesses in Malaysia and Brunei

Building Products ASEAN, North America and India

Why have we partnered with NSSMC?

- Strong, long-standing relationship with NSSMC through many technical collaborations (over 65 projects since 1970)
 - Currently working with NSSMC on next generation COLORBOND® and ZINCALUME®
- Both companies are leaders in steel coating and manufacturing
- NSSMC has substantial size and global reach, including across the ASEAN markets
 - Sophisticated manufacturing technologies
 - Competitive product line-up
 - Strong sales capability and trusted customer relationships
 - Brand and reputation as a manufacturer of high value added steel products
- Potential to access strong NSSMC technology development capabilities and substantial R&D base
- Access to a broader range of customers in new product areas
 - Potential for richer product mix, given access to the appliance market
 - JV capable of accessing product development work of both parent companies
- Access to high quality and stable substrate supply following BlueScope's decision to significantly exit export markets

Building Products ASEAN, North America and India

Opportunities from working with NSSMC

Initially quantified opportunities

- New products and solutions for customers utilising NSSMC's comprehensive solution technologies
 - Home appliance segment applications of SuperDyma® and VIEWKOTE® will be priorities
 - SuperDyma® applications in Building & Construction
- Stable procurement of coil feed substrates and enhancing consistency of quality and competitiveness of JV products by using substrates that are manufactured under NSSMC's integrated quality control system

Initially quantified opportunities to deliver an expected US\$30-75M EBITDA to the JV by FY2017 above existing business growth profile

Further opportunities for review and quantification

- Expanding reach of existing JV business & products to existing Japanese FDI participants in ASEAN through NSSMC linkages and network. Opportunity will grow as Japanese manufacturing continues to migrate to ASEAN
- Pursuing growth in other countries in the ASEAN region
- Sharing production support resources in ASEAN with NSSMC's existing presence, and achieving best-of-breed productivity and performance
- Accelerate market entry of next generation COLORBOND® and ZINCALUME® into Asia
- Development of new demand for non-automobile applications such as agriculture, energy-related and electric appliance applications (JV excludes automotive segment)

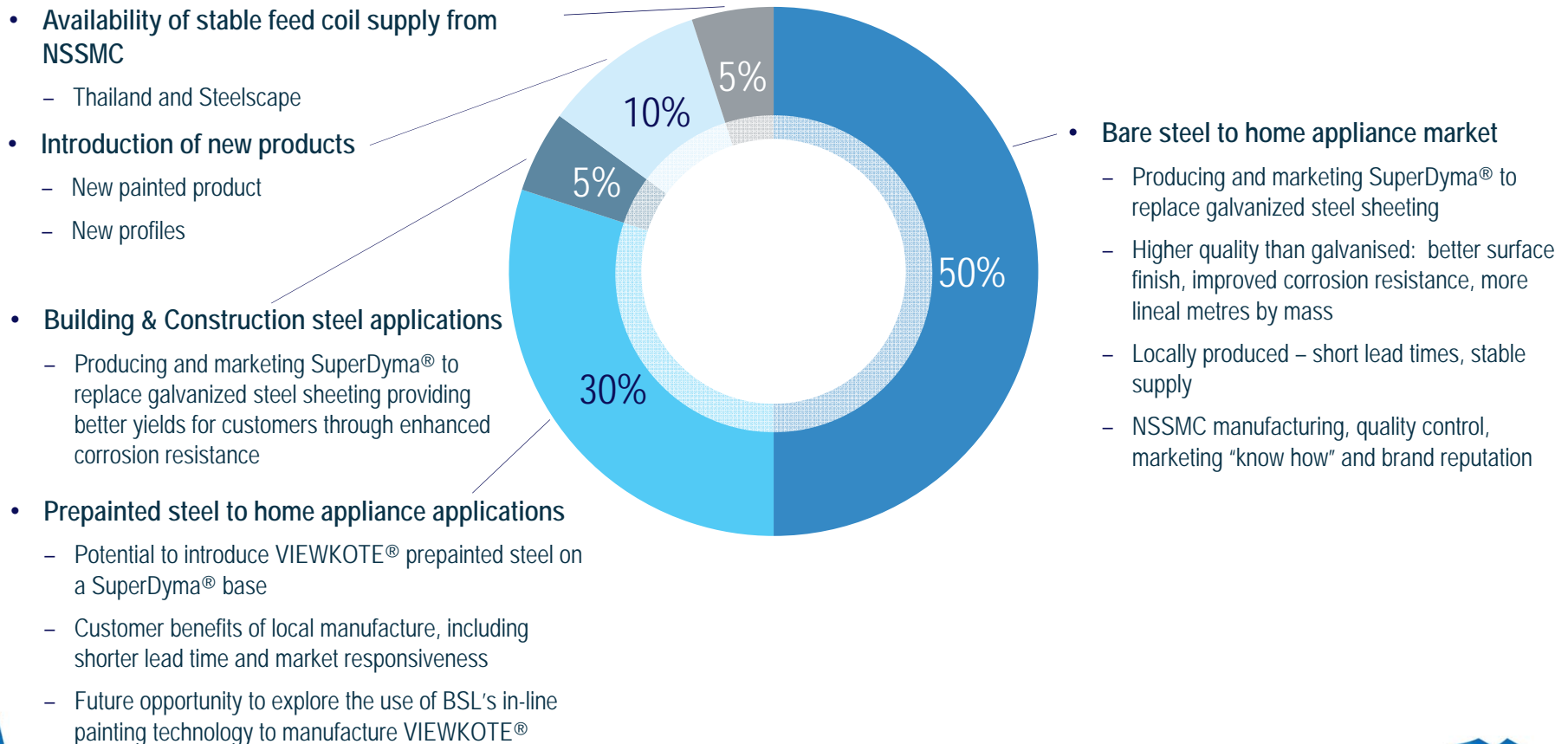
Review and quantification of benefit and costs once JV established

This initial assessment of expected merger benefits was advised in August 2012. Additional synergy identification process is underway and improvements have already been identified in manufacturing and technology

Building Products ASEAN, North America and India

Initially quantified opportunities focused in home appliance manufacture

Target-case indicative earnings uplift to JV
by identified opportunity



Source: internal BSL & NSSMC analysis



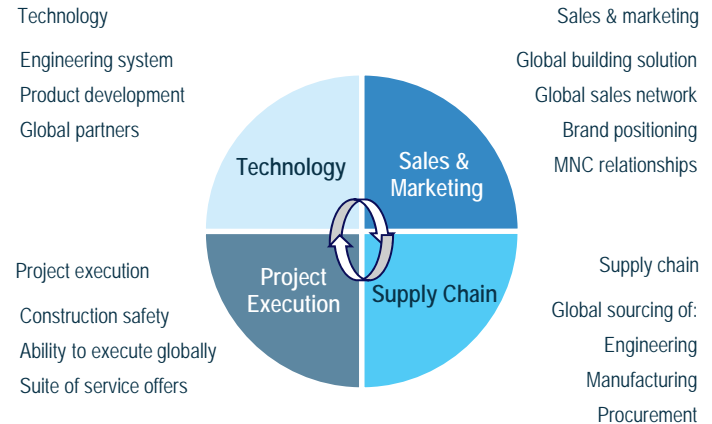
**GLOBAL BUILDING
SOLUTIONS**

Global Building Solutions

Segment overview

- Global designer and manufacturer of engineered building systems
- In North America, BlueScope Global Building Solutions business is a leading designer and manufacturer of EBSs and component building systems
- EBS operations in Indonesia, Malaysia, Thailand, Vietnam and the China business operate as an integrated value chain business servicing the building solutions markets in Asia and for export
- Highly recognized BUTLER® and VARCO PRUDEN® brands
- Focused on strengthening position as global leader in EBS through the following initiatives:
 - Establishment of global EBS sales and supply chain network for multinational companies seeking to expand their operations globally
 - Expansion of manufacturing footprint in China with a new facility in Xi'an (Central China)

Unique set of capabilities



Global Building Solutions

Strategy for growth

- GBS has a broad base of global customers, an broad operating footprint delivering an efficient cost base, and IP and brands to support its competitive market offer
- It has the aspiration to grow revenue and earnings through contemporaneous contribution from a range of growth opportunities:

Global Accounts	<ul style="list-style-type: none">• Building a new line of sales through our unique Global Accounts offer• Explore expansion into new global geographies
Continued growth at Buildings Asia	<ul style="list-style-type: none">• Strong industrial and commercial growth forecasts across the Asian region• Geographic penetration and expansion (eg new Xi'an facility)• Combining the China and ASEAN Buildings businesses to leverage knowledge and efficiencies• Introducing innovations from the global portfolio
Leveraging a North America recovery	<ul style="list-style-type: none">• Leveraging a leaner cost base as the market recovers• Refocussing on differentiation through innovation
Continued growth at Building Products China	<ul style="list-style-type: none">• Support Buildings China growth plus continued profitable increases in external volumes• Introducing new products

Global Building Solutions

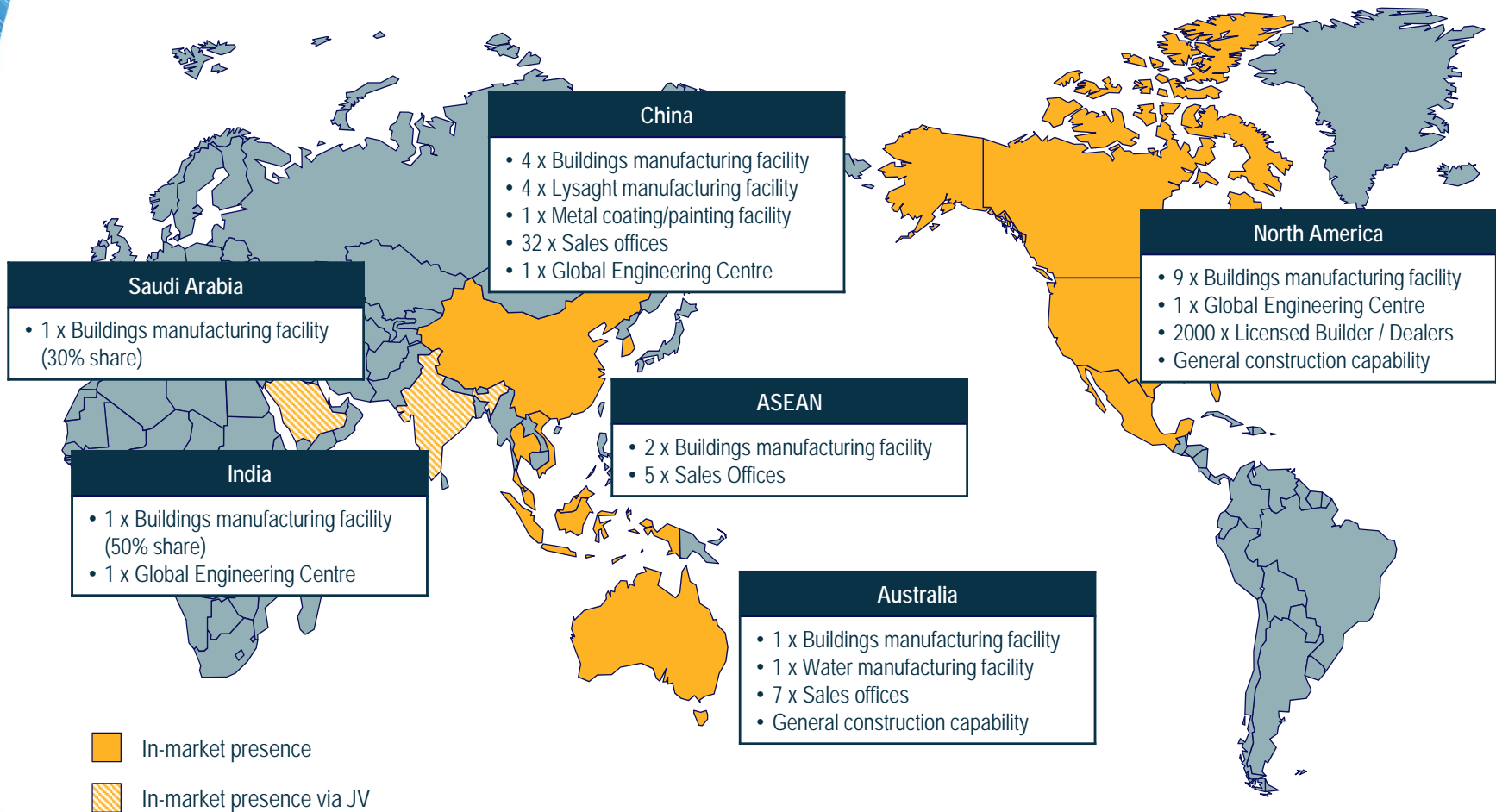
Earnings drivers

Key earnings drivers

- Sales volumes – which could be influenced by the rate of non-residential construction growth particularly in China and the U.S., and by Global Accounts' ability to create new sales channels
- Margins – which could be influenced by pricing of contracts, input costs and volumes
- General cost inflation, and risks as faced by construction and manufacturing businesses
- Given the segment's trade is denominated mainly in US\$ and Chinese Yuan, exchange rate fluctuations may impact transactional performance within the segment, or translation of segment earnings into A\$ in Group accounts

Global Building Solutions

Unrivalled manufacturing, engineering and sales footprint

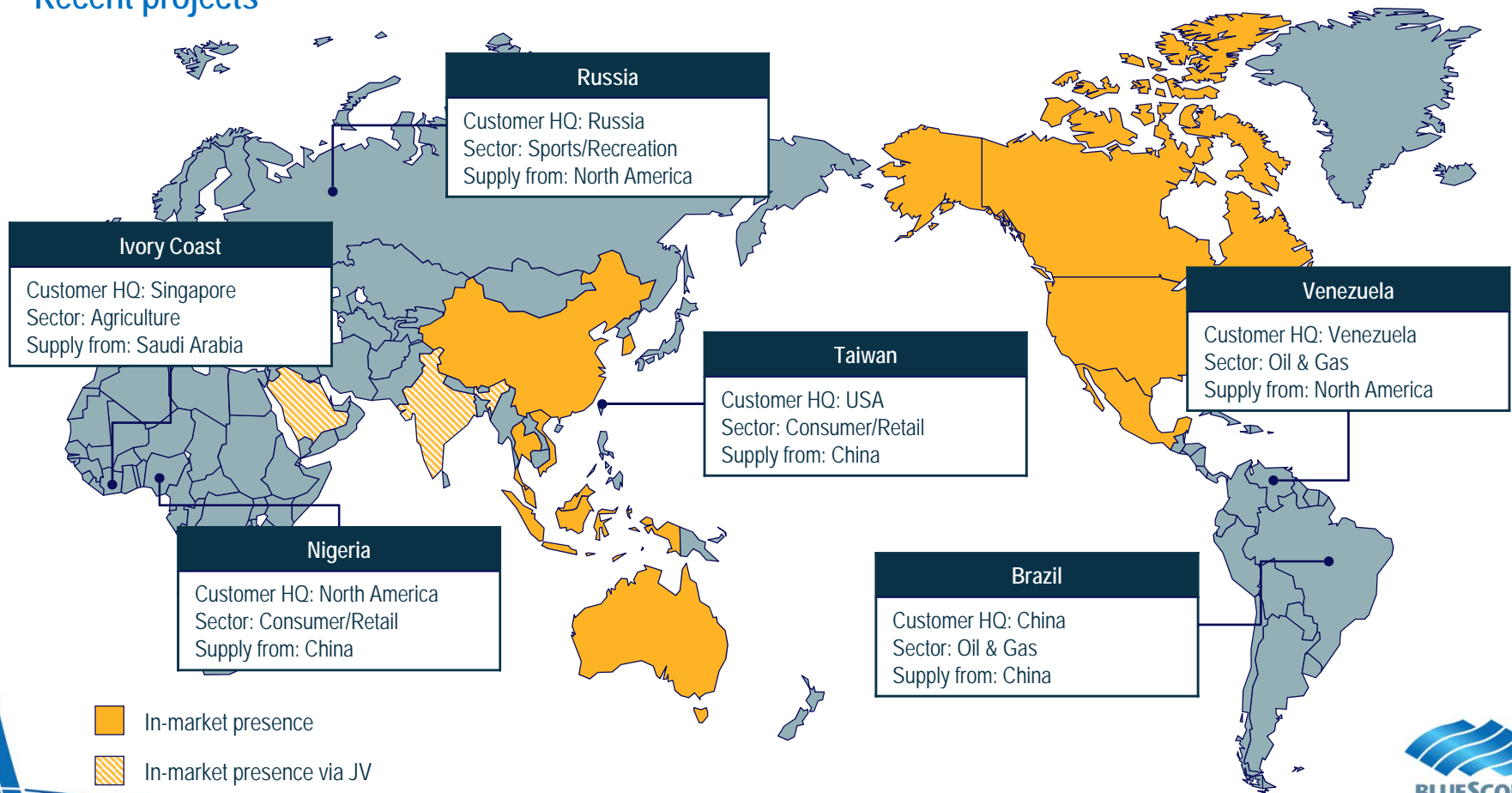


Global Building Solutions

Global accounts team

A new Global Accounts team will leverage our strong brand reputations and operating footprint to deliver engineered building solutions on a global scale

Recent projects

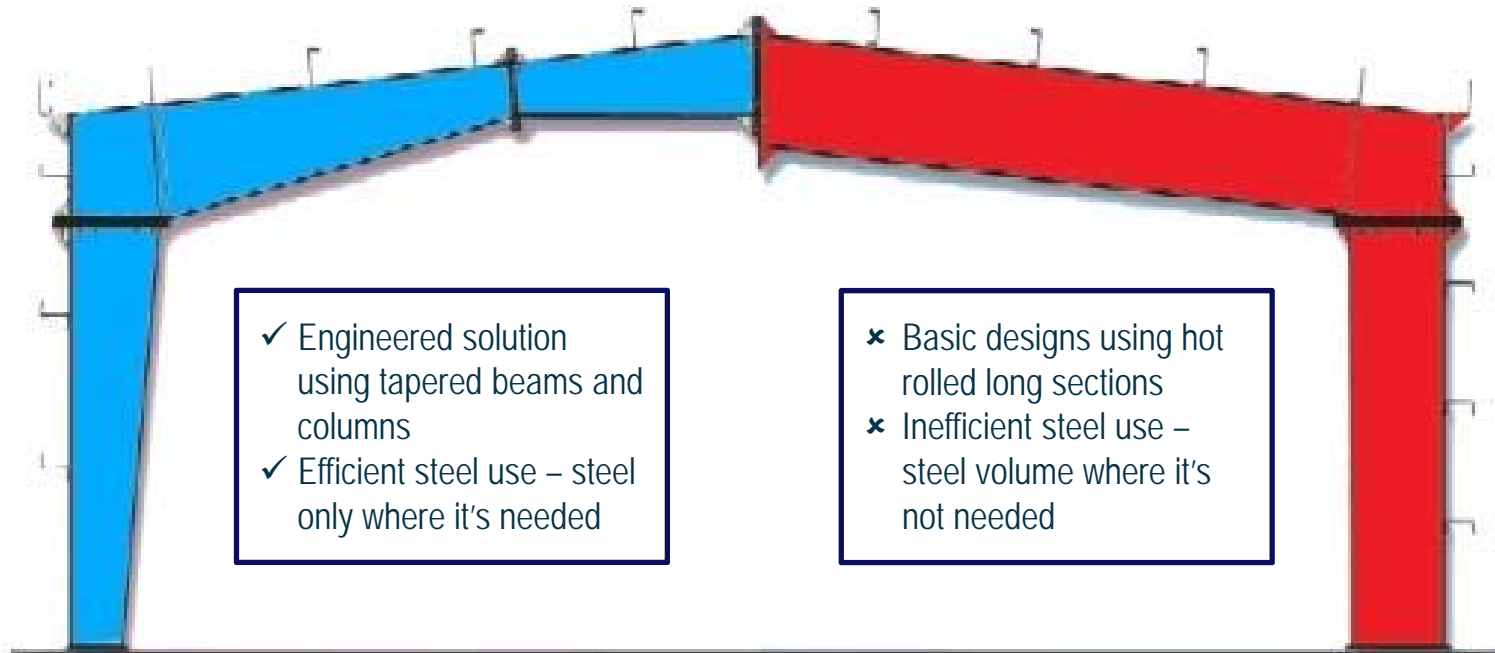


Global Building Solutions

Comparative benefit of an engineered building solution

Engineered Building Solution

Conventional steel building



Key benefits to engineered building solutions are:

- ✓ Reduced steel usage (up to 40% less than conventional)
- ✓ Sustainability and environmental benefits
- ✓ Rapid construction time
- ✓ Better build quality and extended life cycle
- ✓ Improved weather resistance

Global Building Solutions

'Breakthrough' results

110,000 sqm facility erected in 28 working days



Global Building Solutions

Current and past project customers



Unilever



SHANGHAI GM



DOW CORNING



AMB



BECHTEL



TOYOTA

MONSANTO



BEKAERT



SIEMENS



MOTOROLA

CATERPILLAR®

DENSO



Visteon

P&G

METRO
麦德龙



Kimberly-Clark

ThyssenKrupp

GOODYEAR



LEAR
CORPORATION

Auchan 欧尚

WAL*MART®

FATON

ALSTOM



AVERY
DENNISON

Coca-Cola



BLUESCOPE

Global Building Solutions

A Global Accounts example – Span/Costco

BlueScope, Span and Mulvanny G2 design and build Costco warehouse outlets worldwide

- ✓ Strategic partnership since 1989
- ✓ 970 projects completed totalling 6.2 million sqm
- ✓ Projects completed in the United States, Canada, Australia, Mexico, Taiwan, South Korea and Japan
- ✓ Average project size of 14,000sqm
- ✓ Aggressive schedule (45 days) for building shell erection – EBS scope; 110 days from ground break to store opening



Membership warehouse retailer – seventh largest retailer in the world



A leading US supplier and erector of Engineered Building Solutions



Global architecture firm specialising in retail and commercial sectors

Some benefits of the global program for Costco:

- ✓ Global certainty of delivery, build quality
- ✓ Designs and development timetables are standardised
- ✓ Learnings are captured through regular consultation
- ✓ Legal and contract efficiencies established
- ✓ Risk management best practice

Global Building Solutions

Example projects – manufacturing



Global Building Solutions

Example projects – retail / warehousing





BLUESCOPE AUSTRALIA & NEW ZEALAND (BANZ)

BlueScope Australia & New Zealand Businesses

BlueScope external operating segment reporting structure¹



(1) BlueScope also has a Corporate segment which is not shown; (2) engineering and component building systems

BlueScope Australia & New Zealand

BANZ will be a vibrant, sustainable steel business. We are good at what we do and are proud of it

We're recharging BANZ to deliver long term sustained profitability and cash generation



TARGET WINNING
MARKETS



GET LEAN, FIT
AND HUNGRY



OPTIMISE
VALUE CHAIN



TRIPLE A
CULTURE



BROADEN VIEW TO
CREATE GROWTH

BlueScope Australia & New Zealand

Snapshot of strategic initiatives

Target winning markets

- Next generation ZINCALUME® steel with Activate™ technology has commenced production in Australia and is being progressed at NZ Steel
- This will become the substrate of next generation of COLORBOND® steel products which will be released in late 2013
- Progress is being made on combating unfair trade by international steelmakers (anti-dumping & countervailing actions)

Get lean, fit, and hungry

- Ongoing cost reductions in CIPA through feed mix changes, lean manufacturing initiatives, and manning optimisation
- Continue to improve performance of BCDA through network and process optimisation initiatives
- Cost savings in NZS through utilisation of lower cost raw materials, maintenance spend optimisation, and ongoing productivity improvements

Optimise value chain

- During CY2015 we expect to achieve at least a 2.7Mtpa iron sands export run rate
- Utilisation of NZ iron sands in PK blast furnace to lower the total feed cost
- Maximising by-product revenue streams through Vanadium sales growth
- Pacific Islands businesses selling broader suite of BSL products and solutions (e.g. engineered building solutions)

Broaden view to create growth

- Deep pipeline of product development initiatives to unlock new market opportunities for BANZ
- Investigating non-traditional areas of business activity



BlueScope Australia & New Zealand

Considerable change since established in July 2012

Business Changes

- On 1 July 2011, BANZ was established by combining three existing businesses into one. The right structure to support better management decisions across one value chain, enabling more effective resource allocation across business lines
- Major Australian operational restructure announced on 22 August 2011:
 - Halved production, largely exited export business and moved to a one Blast Furnaces operation at Port Kembla steelworks
 - Numerous consequential changes for other operational assets in the supply chain
- Subsequently, major changes and restructures completed across both the Distribution and LYSAGHT businesses in Australia to reduce costs and better align with the current market
- Expanded our minerals business in New Zealand, including iron sands exports. During CY2015 we expect to achieve at least a 2.7Mtpa run rate and therefore the Company will be 55% economically hedged on iron ore cost
- In January 2013 announced significant changes to optimise our Western Port operations to match our supply capability to the current market demand
- Launch of Next generation ZINCALUME® with Activate™ technology in coming months – breakthrough new coating technology

BlueScope Australia & New Zealand

Considerable change since established in July 2012

Behavioural Changes – a fundamental change in the way we operate

- A 'one value chain' approach
- A 'market driven' approach
- Focusing on controlling the actual cost and quality per tonne of steel produced (at half the volume)
- Initiated the 'Triple A' culture change program in early 2012. Goal: all employees to be: Aligned, Accountable and Agile
- More effective and efficient communications to better engage employees. BANZ Blog, BANZ TV, BANZ News



**COATED & INDUSTRIAL
PRODUCTS AUSTRALIA**

Coated & Industrial Products Australia

Segment overview

- Leading supplier of flat steel products in Australia with 70-75% market share
- Largest supplier of metal coated and painted steel in Australia
- Port Kembla Steel Works is a competitive producer of quality steel
 - 2.5Mtpa mix adjusted steelmaking capacity
 - Long term supply contracts with BHP Billiton for iron ore (sourced from Pilbara) and coking coal (from nearby Illawarra mines)
 - Direct access to deep-water port
 - Highly skilled workforce
- Products include slab, plate, hot rolled coil, cold rolled coil, zinc / aluminum alloy-coated ZINCALUME® steel and galvanized and pre-painted COLORBOND® steel
- Controls own distribution channels to market – low cost supply chain



Coated & Industrial Products Australia

Strategy & earnings drivers

Strategy

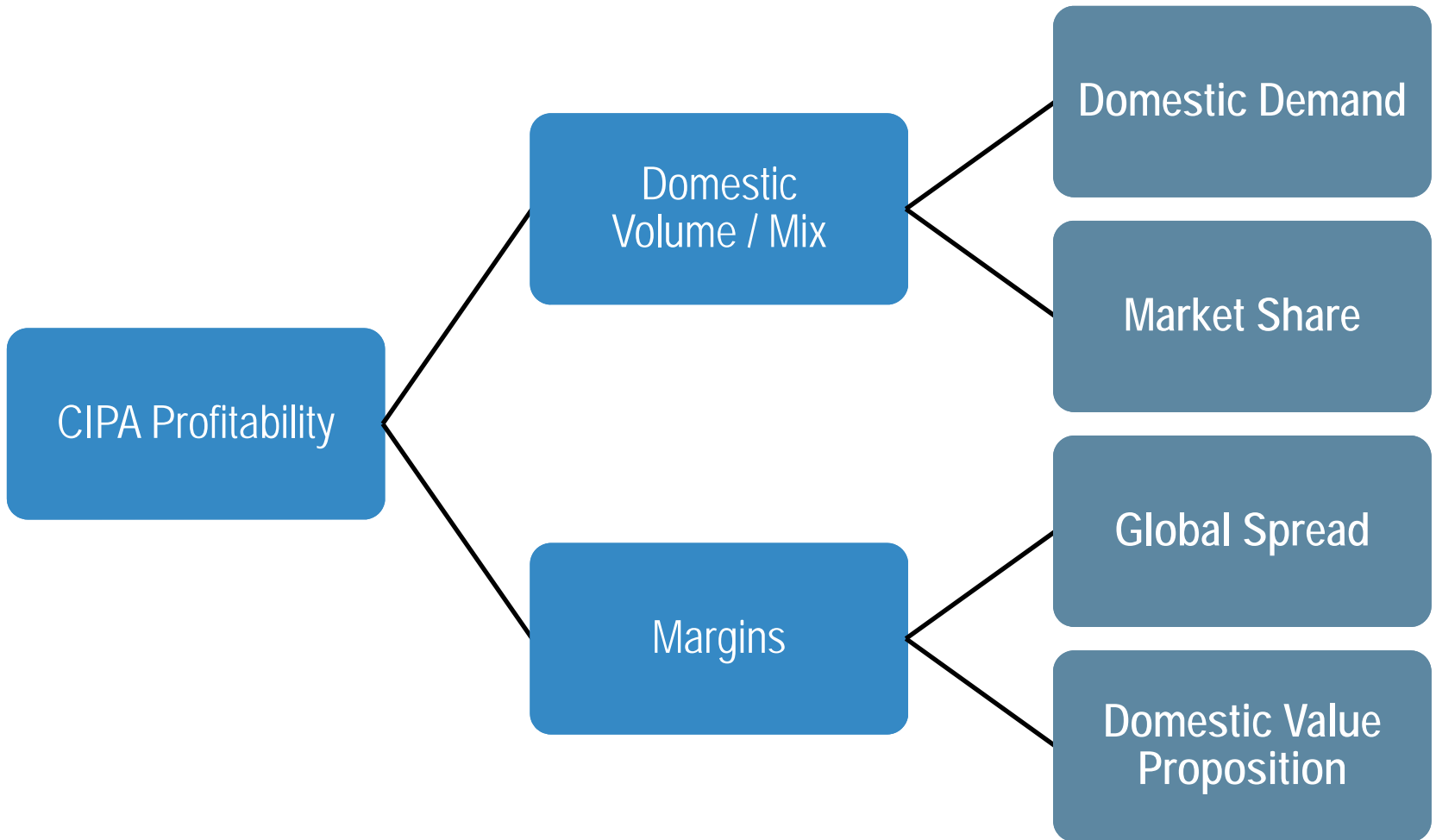
- Maintain or build on market leading positions in Australian flat steel products, especially branded products
 - A current specific initiative in this regard is the action the Company is taking on dumping and other unfair trade
 - Launching next generation ZINCALUME® and COLORBOND® range in CY2013 offering enhanced corrosion resistance, a wider applications and lower production cost
- Continue to improve financial performance of the business. For example, during 2H FY2013 the Company:
 - Restructured coated steel manufacturing at Western Port
 - Has undertaken a significant restructure of its management team
- Examine ways to serve the market more efficiently; this may include small acquisitions close to existing core operations
- Continue to monitor structural cost reduction opportunities in raw materials for Port Kembla

Key earnings drivers

- Selling prices
- Material costs – including iron ore, coal, fluxes, alloys, and coating materials
- Conversion costs
- Foreign exchange (eg AUD/USD)
- Despatch volumes
- Domestic / export and product mix

Coated & Industrial Products Australia

Four fundamental drivers of profitability



Coated & Industrial Products Australia

Overview of the FY2012 restructuring

Actions undertaken and rationale

Shutting down one blast furnace involved:

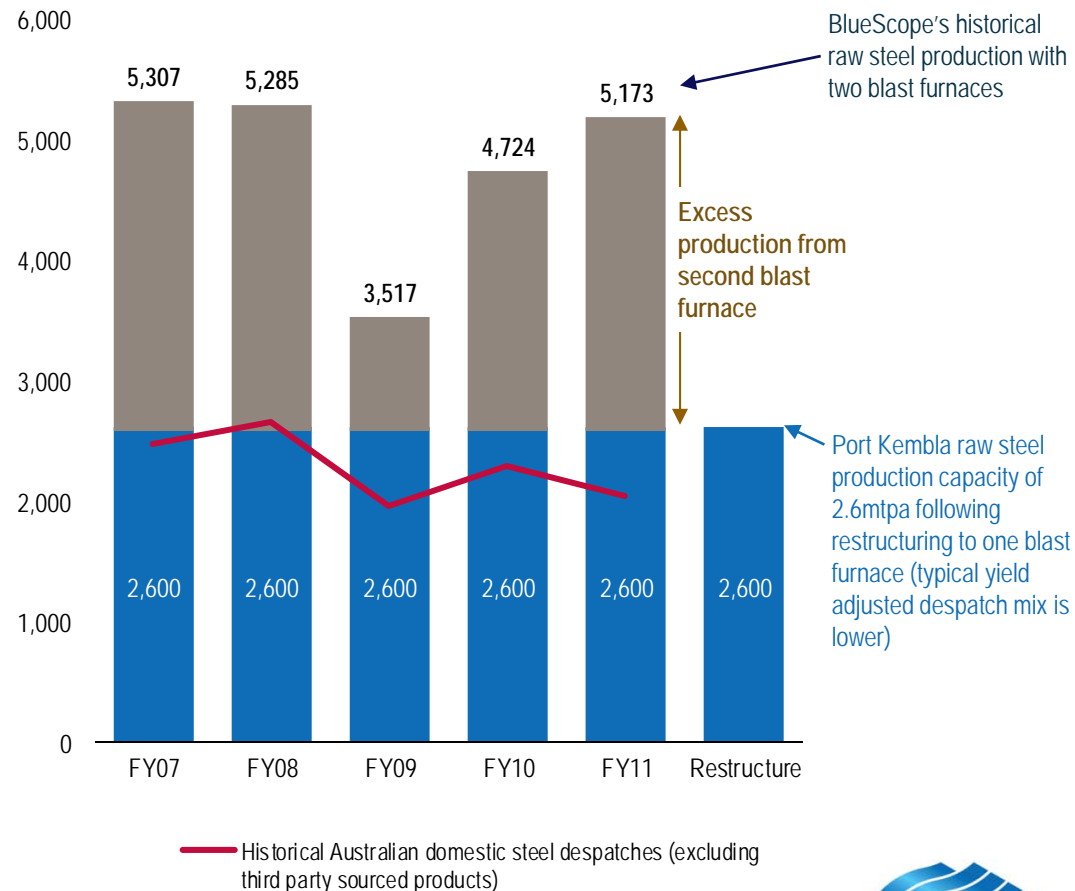
- Reduction in raw steelmaking capacity from 5.3Mtpa to 2.6Mtpa
- \$360-380M in cash costs funded by release of working capital
- \$594M release of working capital across the Group: Oct 2011 to June 2012

Key benefits of the restructure:

- Improved alignment between BlueScope's Australian steelmaking production capacity and Australian demand
- Reduction in significant losses on excess export volumes in the current environment
- Reduce long-term capital investment requirements at Port Kembla
- Potential to reduce volatility of earnings

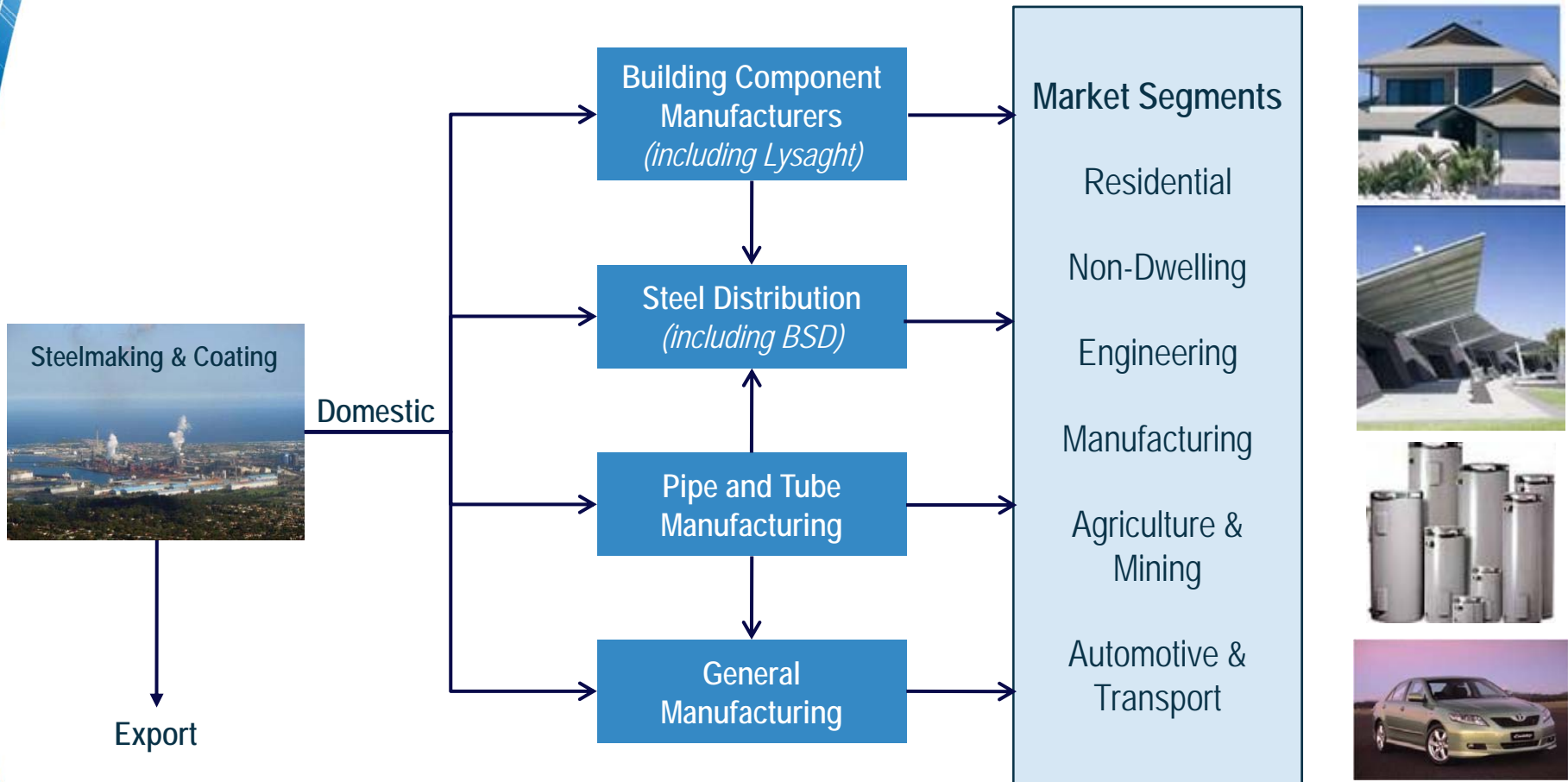
Improved balance between domestic production and demand

('000 tonnes)



Coated & Industrial Products Australia

Market channels



Export

Domestic

Building Component
Manufacturers
(including Lysaght)

Steel Distribution
(including BSD)

Pipe and Tube
Manufacturing

General
Manufacturing

Market Segments

Residential

Non-Dwelling

Engineering

Manufacturing

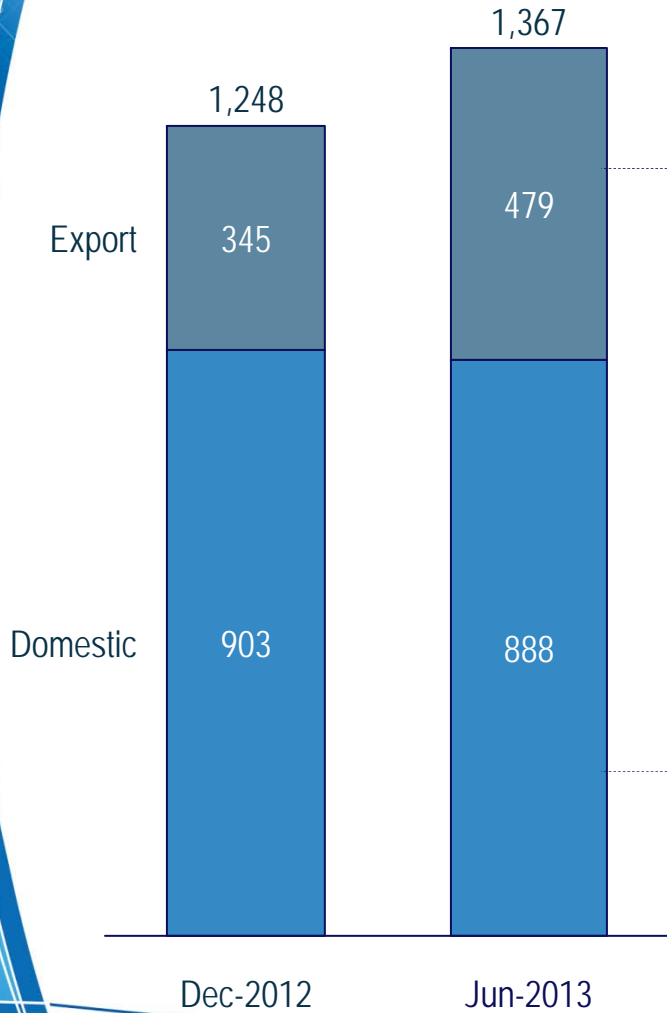
Agriculture &
Mining

Automotive &
Transport



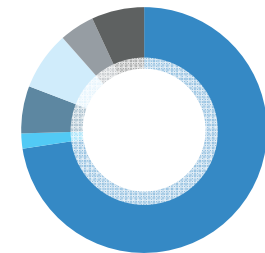
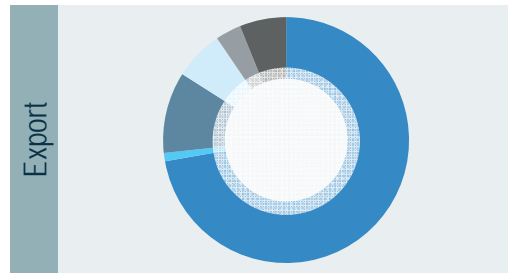
Coated & Industrial Products Australia

Despatch mix (kt)

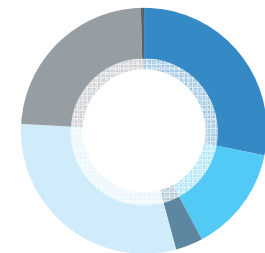
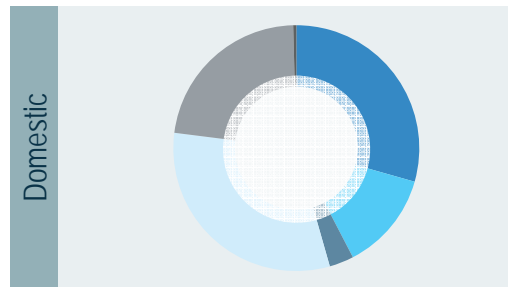


2H FY2013 Product Mix

FY2013 Product Mix



■ HRC
 ■ Plate
 ■ CRC
 ■ Metal Coated
 ■ Painted
 ■ Other



Coated & Industrial Products Australia

Better profitability in coated & painted products

	Category	Summary
Hot rolled coil Plate Cold rolled coil	Limited product differentiation	<ul style="list-style-type: none">• Ingredient products, typically substantially transformed into final goods• BSL offer principally differentiated by service offer, supply reliability and product quality• Import parity pricing (IPP)
Aluminium Zinc coated (Next Generation ZINCALUME® steel) Galvanised coated	Increased product differentiation	<ul style="list-style-type: none">• Make use of sophisticated coating technologies, important to product durability in end applications• BSL's products principally differentiated by product quality and reliability, reputation (brand), service offer• BSL investing in the introduction of unique product coating technologies that further improve differentiation• IPP influences pricing
COLORBOND® steel	Most differentiated	<ul style="list-style-type: none">• High quality painted products designed for Australian environment to maximise durability• BSL's products differentiated by strong consumer brand preference, product warranties, product reputation, ubiquity and supply offer complexity• Intermaterial pricing most influential

Coated & Industrial Products Australia

Australian residential construction starts

Quarterly number of Australian residential construction starts (total new houses) to March 2013¹

(Number per quarter)



Source: Australian Bureau of Statistics. Series ID: 8752.0 Building Activity, Australia. Table 33: Number of Dwelling Unit Commencements by Sector, Australia.

(1) Based on total number of dwelling units – total houses, on seasonally adjusted basis. Excludes multi-dwelling commencements.

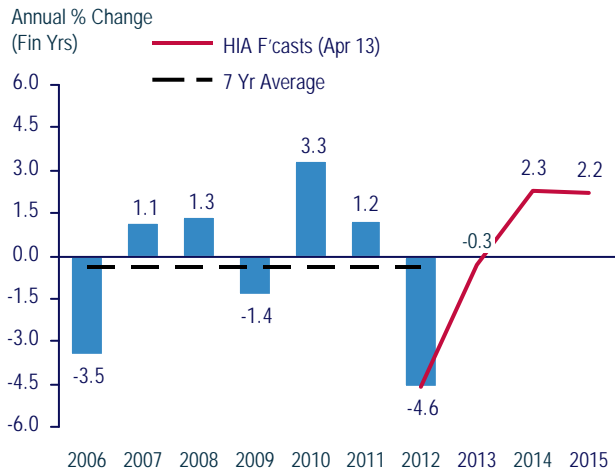
House definition: A detached building primarily used for long term residential purposes consisting of one dwelling unit. Includes detached residences associated with a non-residential building, and kit and transportable homes.
 Dwelling: A dwelling unit is a self-contained suite of rooms, including cooking and bathing facilities and intended for long-term residential use. Units (whether self-contained or not) within buildings offering institutional care, such as hospitals, or temporary accommodation such as motels, hostels and holiday apartments, are not defined as dwelling units. The value of units of this type is included in non-residential building.



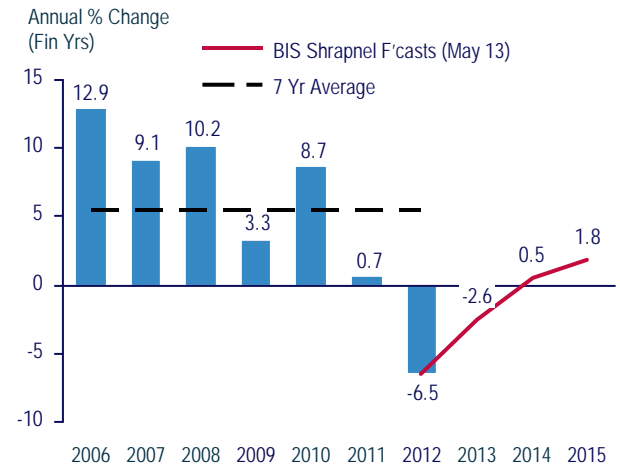
Coated & Industrial Products Australia

External forecasters' outlook for our key construction exposures

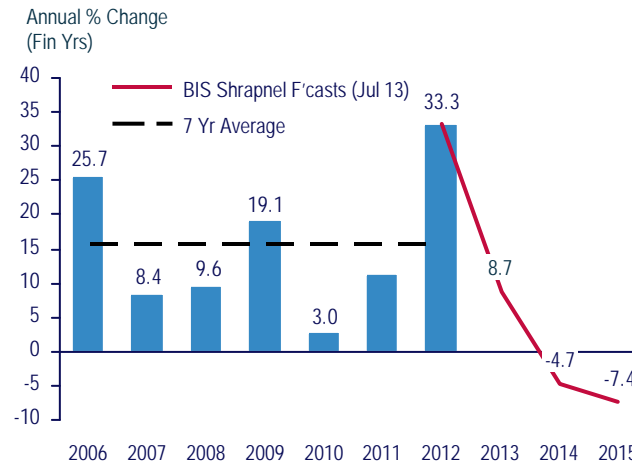
Residential construction



Non-residential construction



Engineering construction



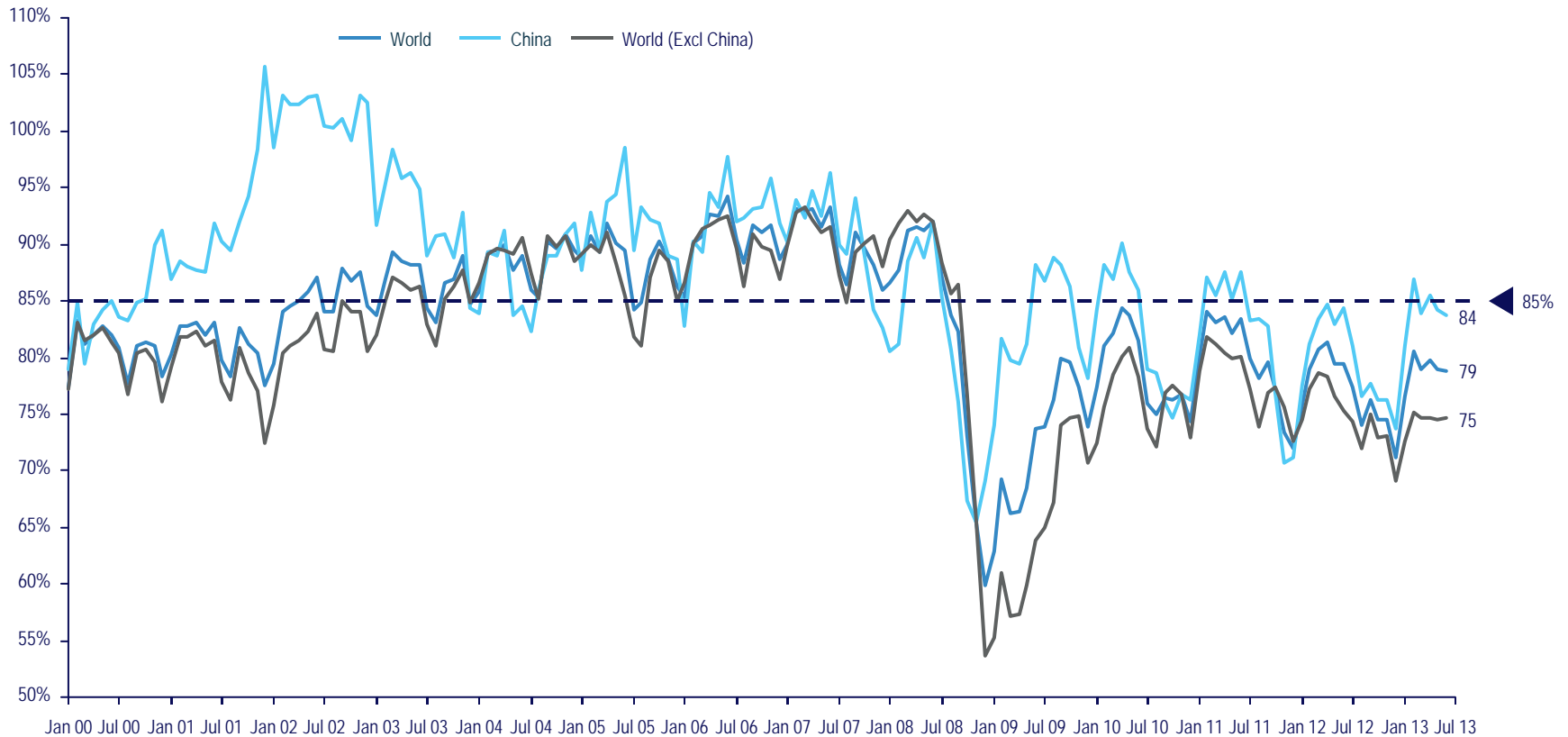
Source: ABS, BIS Shrapnel, HIA. Charts show change in value of work done / forecast



Coated & Industrial Products Australia

Global crude steel capacity utilisation update

Monthly crude steel capacity utilisation¹ (%)



Global steel capacity utilisation needs to return to sustained levels of around 85% for steel spread to improve and stabilise

- Source: WSA

- Data to June 2012

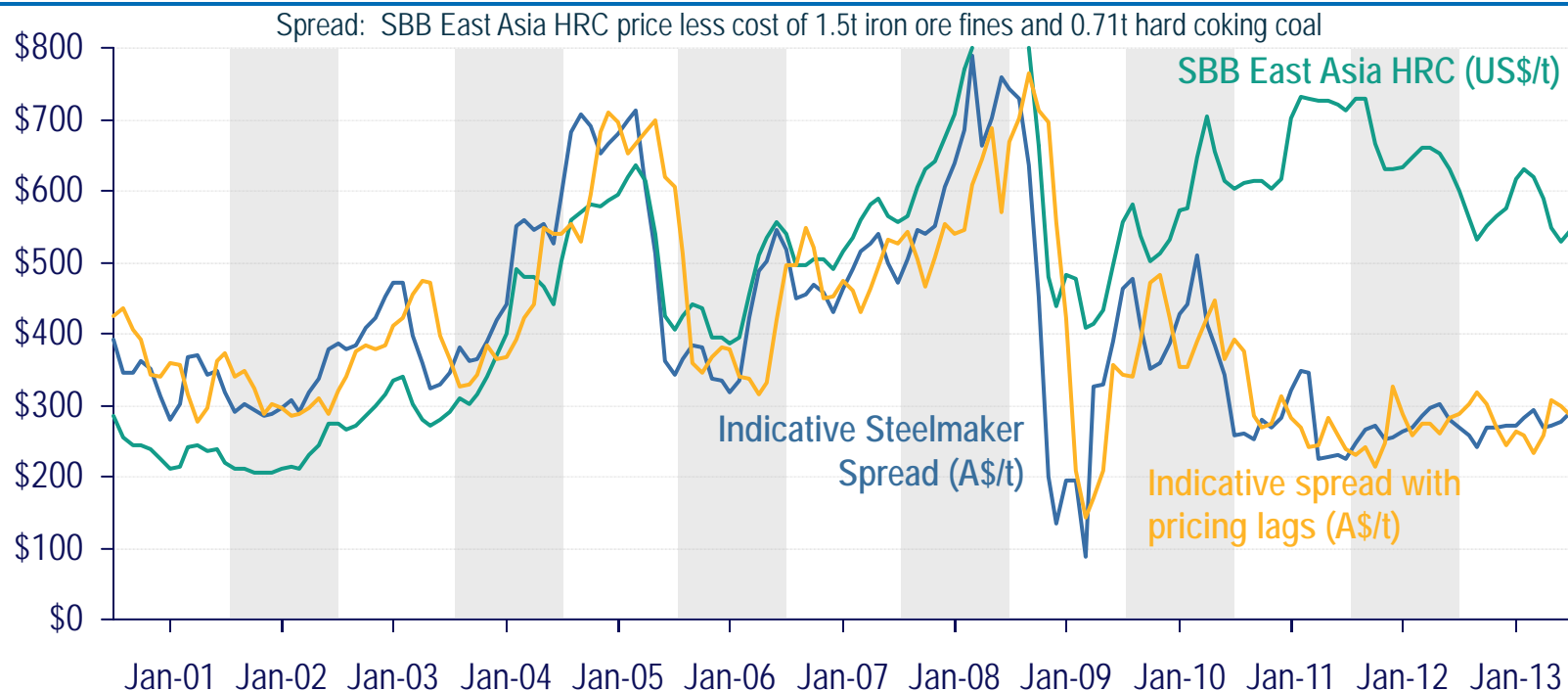
Note: (1) Crude steel capacity utilisation is calculated based on the WSA 66 reporting countries, representing approx 96% of global crude steel capacity; at 85% pricing power may shift towards steelmaker



Coated & Industrial Products Australia

Spread continues to be a major determinant of segment profitability

East Asia HRC price (US\$/t) and indicative steelmaker HRC spread (A\$/t)



Source: SBB, CRU, Platts, TSI, Reserve Bank of Australia, BlueScope Steel calculations

	FY2009	FY2010	FY2011	FY2012	FY2013	1H FY13	2H FY13
Indicative steelmaker HRC spread (US\$/t)	294	365	271	276	277	273	281
Indicative steelmaker HRC spread (A\$/t)	368	414	275	267	270	263	277
Indicative spread with pricing lags (A\$/t)	467	398	290	261	278	287	269
A\$ / US\$ FX	0.74	0.88	0.99	1.03	1.03	1.04	1.02

Notes on calculation:

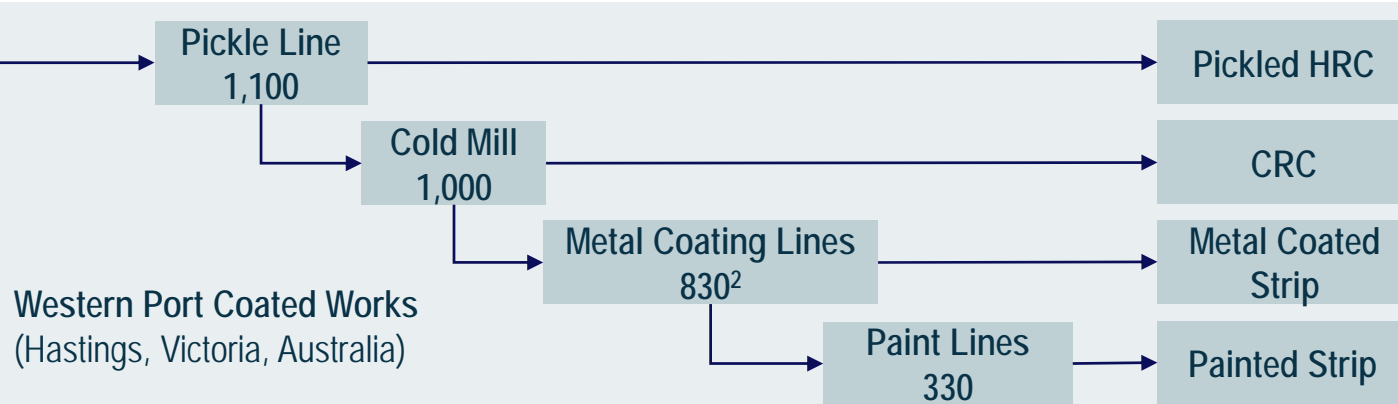
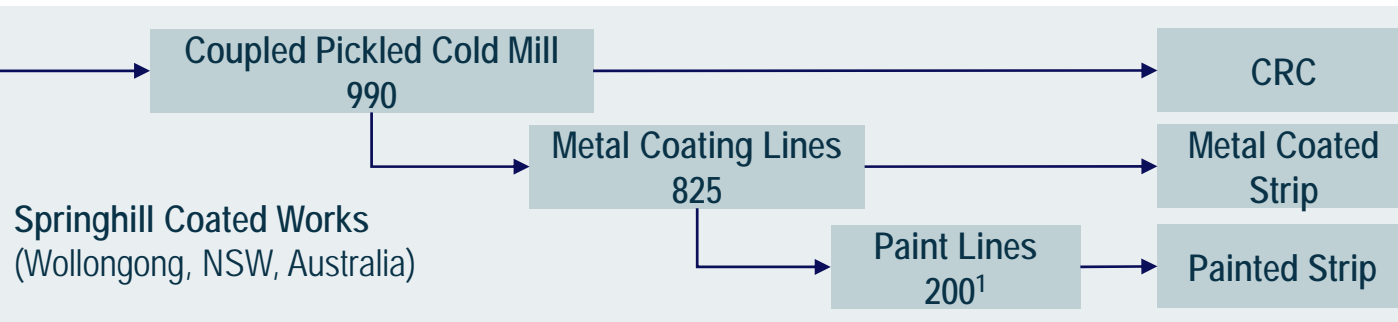
- 'Indicative steelmaker HRC spread' representation based on simple input blend of 1.5t iron ore fines and 0.71t hard coking coal per output tonne of steel. Chart is not a specific representation of BSL realised export HRC spread (eg does not account for iron ore blends, realised steel prices etc), but rather is shown primarily to demonstrate movements from period to period arising from the prices / currency involved. 'Indicative spread with pricing lags' includes three month HRC price lag and two month raw material prices lags
- Indicative iron ore pricing: 62% Fe iron ore fines price assumed. Industry annual benchmark prices up to March 2010. Quarterly index average prices lagged by one quarter from April 2010 to March 2011; 50/50 monthly/quarterly index average from April 2011 to December 2012. Monthly thereafter. FOB estimate deducts Baltic cape index freight cost from CFR China price
- Indicative hard coking coal pricing: low-vol, FOB. Industry annual benchmark prices up to March 2010; quarterly prices from April 2010 to March 2011; 50/50 monthly/quarterly pricing thereafter



Coated & Industrial Products Australia

Annual capacities

Port Kembla Steelworks (Wollongong, New South Wales, Australia)



Note:

Numbers reflect mill capacity in kt per annum

- (1) There is an additional 215ktpa of combined capacity at Western Sydney and Acacia Ridge (Qld) paint lines
- (2) Idling of MCL 5 has reduced available capacity by around 230Ktpa



BUILDING COMPONENTS & DISTRIBUTION AUSTRALIA

Building Components & Distribution Australia

Segment overview

- Comprises Australian based downstream businesses which are a major supplier of steel products through a network of service centers and distribution sites
 - LYSAGHT® business which provides a range of LYSAGHT® branded products to the building and construction sector
 - Distribution businesses
 - BlueScope Distribution: steel & tube distribution
 - Sheet Metal Supplies & Impact Steel: sheet & coil distribution
- Sources its flat steel products internally from CIPA and long steel products sourced externally from a range of suppliers
- Key end markets include Australian building and construction, automotive, white goods manufacturing and general manufacturing
- Major cost reduction and performance improvement program including closure, sale and consolidation of 20 branches and permanent overhead reductions now substantially complete



Building Components & Distribution Australia

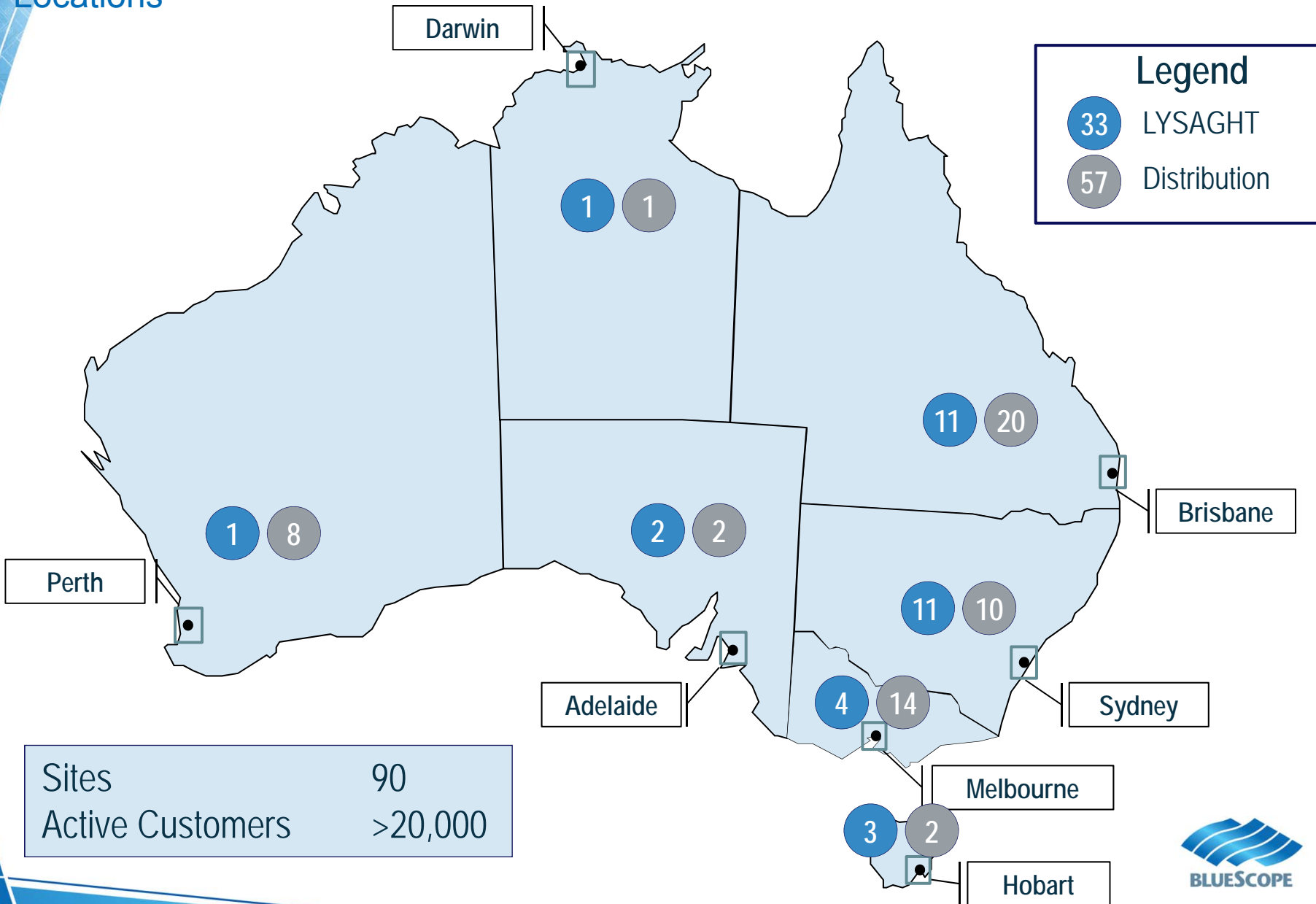
Role of BCDA in BANZ

- Aim for positive **cash flows and profits**, achievement of **hurdle rates of return** and **pull through tonnes** to benefit the integrated chain
- To achieve this, BCDA must:
 - Be a **low cost steel channel** to market
 - Ensure ongoing access to **competitively priced steel products** (vs. imports and spot markets)
 - Effectively **manage inventories** and the supply chain
 - Be a **market leading processor / value adder**
 - Deliver **consistent service** against customer expectations



Building Components & Distribution Australia

Locations



Building Components & Distribution Australia

Distribution: overview

- 57 locations and approximately 1,050 employees Australia wide, providing quality steel solutions to the residential, non residential, engineering construction, automotive, transport, manufacturing, mining and agriculture market segments
- Supplies full range of steel products, including sheet and coil, plate, structural steel, merchant bar, tube, reinforcing, pipes, valves & fittings, and specialty metals
- Offers customers value added processing and supply chain solutions – plate profiling, beam processing, routing, cutting, sawing, drilling, slitting, shearing, inventory and warehouse management and next day delivery services
- Our customer promise – superior customer service, technical expertise, innovation, quality and commitment
- Works in conjunction with other parts of BlueScope to ensure a consistent and complete solution outcome for our customers
- Leverages the brand equity in BlueScope products such as COLORBOND® steel, ZINCALUME® steel and GALVSPAN® steel and incorporates the warranties of these products to provide peace of mind for our customers



Building Components & Distribution Australia

Distribution: vision

“to deliver **sustainable, profitable growth** by positioning BlueScope Distribution as the **preferred business partner** to customers throughout the value chain”

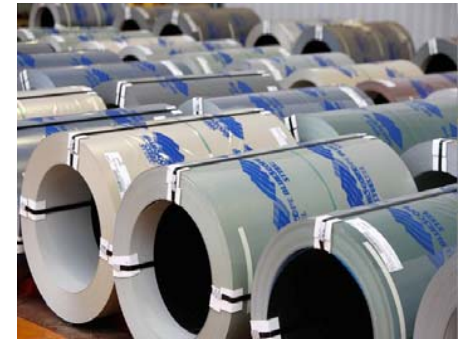
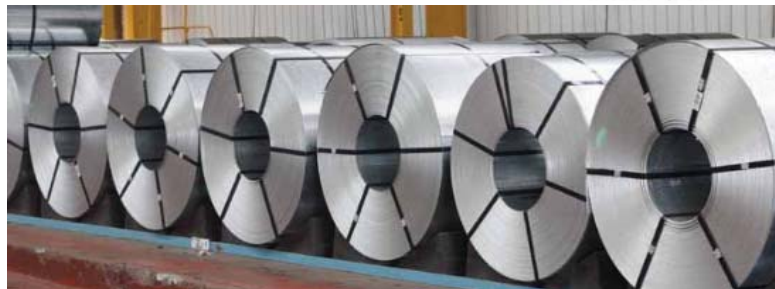
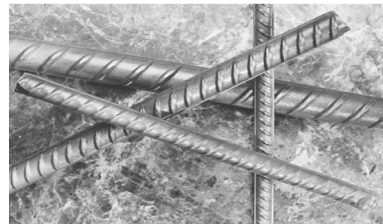


Building Components & Distribution Australia

Distribution: core products



Steel & tube	Sheet & coil
Plate	Hot rolled
Hot rolled structural	Cold rolled
Tube	Galvanised
Merchant bar	ZINCALUME® steel
Pipe, valves & fittings	TrueCore® steel
Reinforcing & rural aluminium	COLORBOND® steel

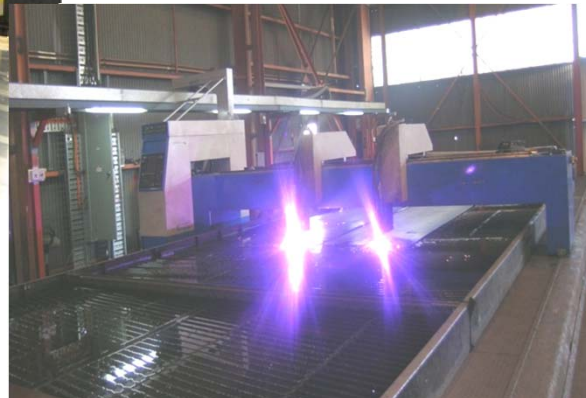


Building Components & Distribution Australia

Distribution: processing services

Value added processing services provided include:

- Plate profiling
- Drilling
- Cutting & sawing
- Routing
- Slitting
- Shearing
- Recoiling



Building Components & Distribution Australia

Distribution: restructuring program

- During FY2012, Distribution implemented a comprehensive restructuring program which continued into FY2013
- Continued focus on lowering costs and better aligning BSD to customer demand
- Continue to strive for Zero Harm through engaged workforce participation
- Restructure program has achieved significant cost reductions, along with productivity improvements
- Additional business improvement initiatives have been indentified focused on:
 - Customer and Sales Excellence
 - People and Branch Excellence
 - Productivity Enhancement
- Business is aiming to increase volume and has targeted initiatives underway, however market demand continues to remain weak

Building Components & Distribution Australia

LYSAGHT: overview

- Over 30 locations and close to 900 employees around Australia, providing a unique service capability unsurpassed by our competitors
- Manufactures and markets an extensive range of roll formed steel products for the building industry with specific offerings into the residential, commercial, structural, home improvement, distributor and shed segments
- Trusted steel supplier with over 90 years of operations in Australia, 100% Australian steel supply, unmatched technical expertise and quality service
- Works in conjunction with other parts of BlueScope to ensure a consistent and complete solution outcome for our customers
- Leverages the brand equity in BlueScope products such as COLORBOND® steel, ZINCALUME® steel and GALVSPAN® steel and incorporates the warranties of these products to provide peace of mind for our customers



Building Components & Distribution Australia

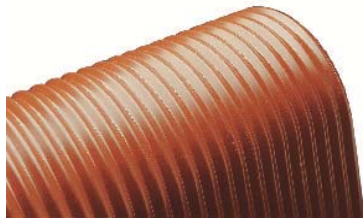
LYSAGHT: vision



Half Round Gutter



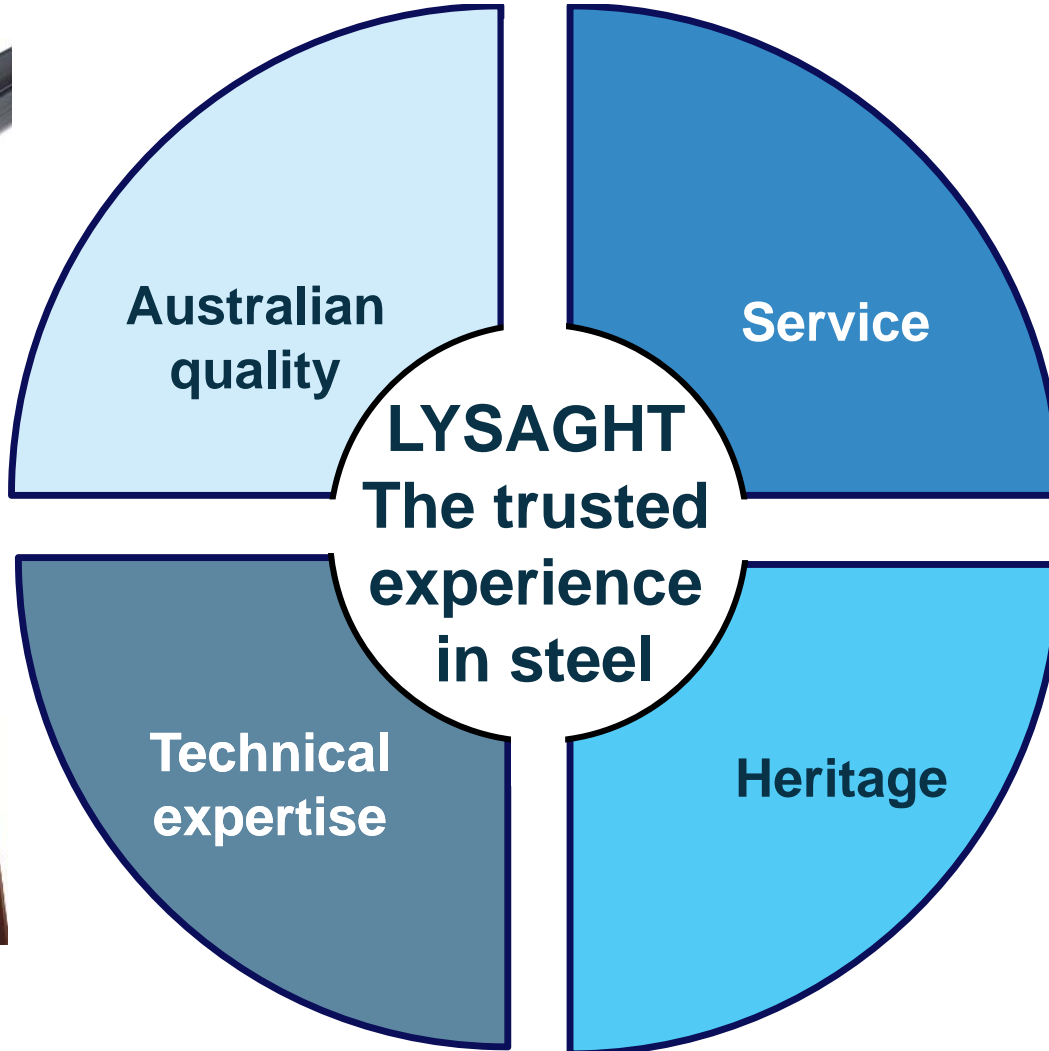
Klip-lok[®]



Custom Blue Orb[®]
Heritage Red[™]

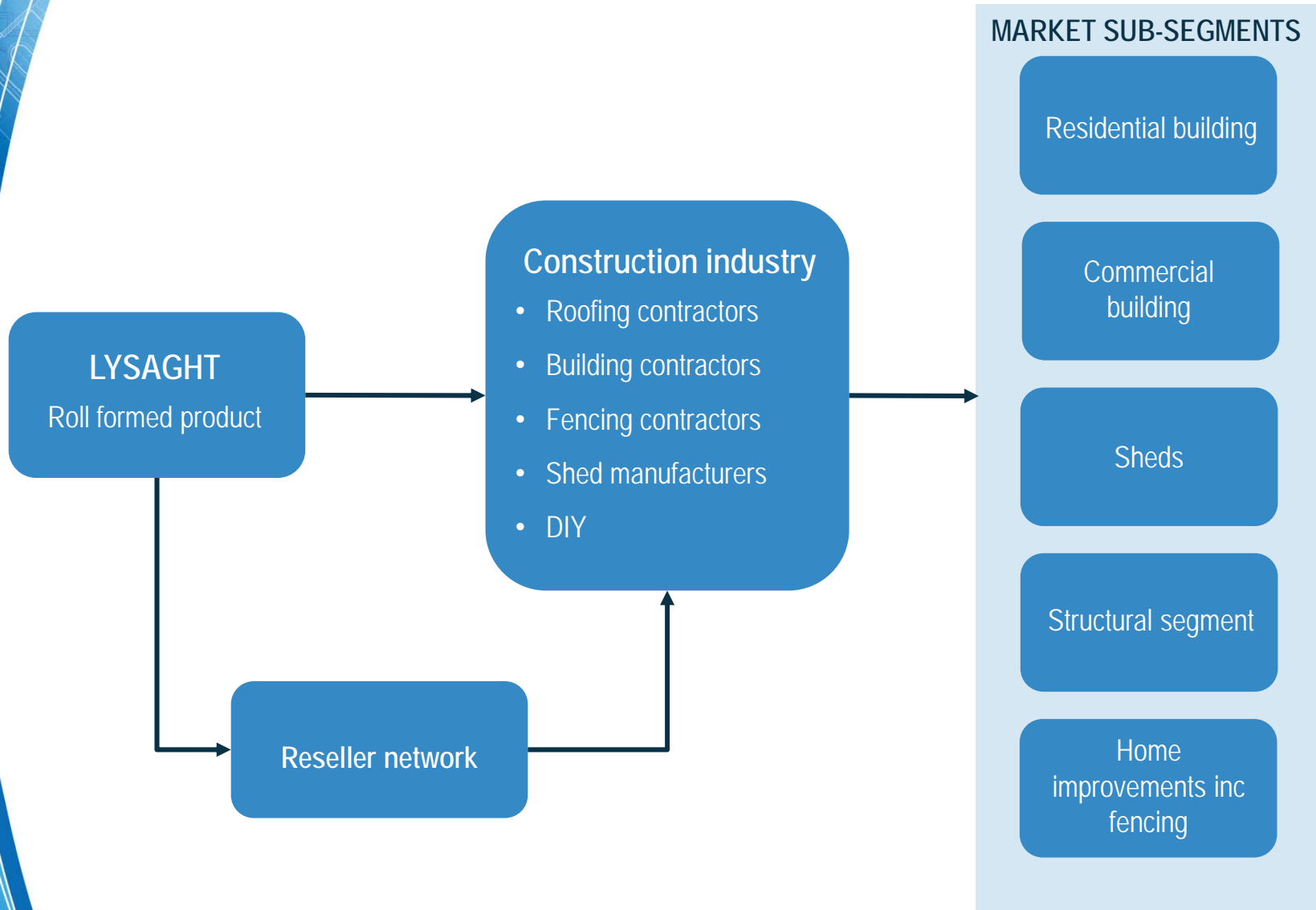


Custom Orb[®]
Dune[™]



Building Components & Distribution Australia

LYSAGHT: channel to residential and non-residential construction markets



Building Components & Distribution Australia

LYSAGHT: core products and brands

- Roofing for the residential and commercial segments in profiles such as CUSTOM ORB[®], TRIMDEK[®] and KLIP-LOK[®] 406
- A walling range that gives flexibility to suit any architectural style or environment with brands such as MINI ORB[®]
- Fencing profiles such as NEETASCREEN[®], SPANSCREEN[®] and SMARTASCREEN
- Structural products such as battens, purlins and structural decking in brands such as TOPSPAN[®], SUPAPURLIN[®] and BONDEK[®]
- Full range of rainwater products including gutters, fascia and downpipes
- Combinations of the above products also support Ranbuild and other shed customers in the manufacture of domestic, light commercial and industrial sheds
- Our LYSAGHT Living Collection range of verandahs, patios, carports and decks are supported by products such as FIRMLOK[®] and FLATDEK[®]



CUSTOM ORB[®] Night Sky™



NEETASCREEN[®] Domain™



SUPAPURLIN[®]





NEW ZEALAND STEEL AND PACIFIC STEEL PRODUCTS

New Zealand Steel & Pacific Steel Products

Segment overview

- Only fully integrated flat steel producer in New Zealand
 - Close proximity to captive low cost Waikato iron sands mine
 - Leading New Zealand market share in flat products
- Products include slab, hot rolled coil and value added coated and painted products for both domestic and export markets across the Pacific region
- Iron sand exports provide economic hedge on BlueScope's group iron ore raw material requirements
 - Taharoa mine:
 - Current mining and concentration capacity is 1.5 Mtpa; shipping capacity ~1.35 Mtpa
 - Further 1.5 Mtpa mining expansion scheduled completion Nov 2013
 - Contract signed for sale of 100% of additional production conditional on customer delivering a shipping solution – anticipated delivery during CY2015
 - Targeting total export volume run-rate of at least 2.4Mtpa
 - Waikato North Head mine: expanding exports
 - Goal is to eventually achieve a 55% overall economic hedge on iron ore consumption for BlueScope
- Three Pacific Islands roll-forming operations and steel distribution network throughout the Pacific Islands



New Zealand Steel & Pacific Steel Products

Strategy & earnings drivers

Strategy

- Maintain or build on its market leading positions in New Zealand in flat steel products
- Reduce controllable costs. Key initiatives include headcount reduction, cold mill changes, SG&A and maintenance review
- Grow iron sands export volume from current ~1.7Mtpa, to 2.7Mtpa or greater. (Contract signed for sale of additional 1.2Mtpa conditional on customer delivering a shipping solution)

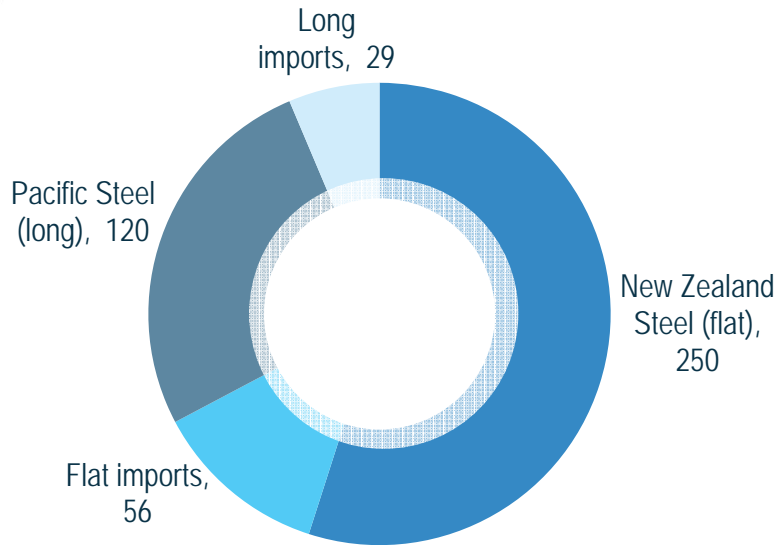
Key earnings drivers

- Selling prices of steel
- Material costs – mainly coal, fluxes, alloys, and coating materials
- We own our iron sands resource, so just an extraction cost applies
- Conversion costs
- Foreign exchange
- Despatch volumes
- Domestic / export and product mix
- Iron sands and vanadium revenue

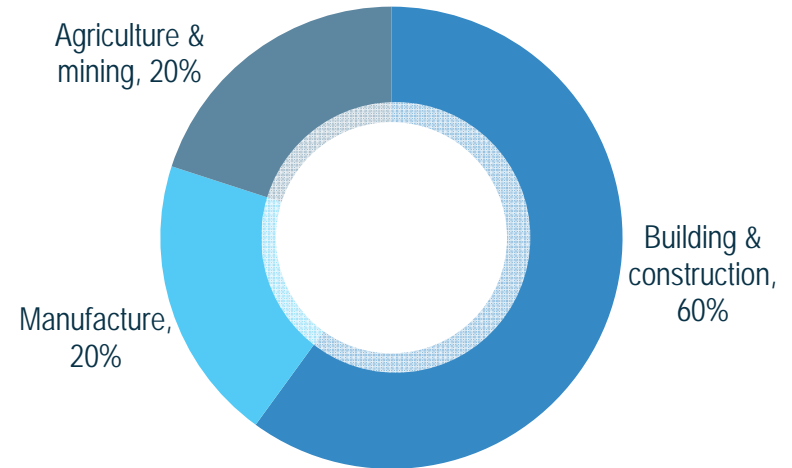
New Zealand Steel & Pacific Steel Products

New Zealand market at a glance

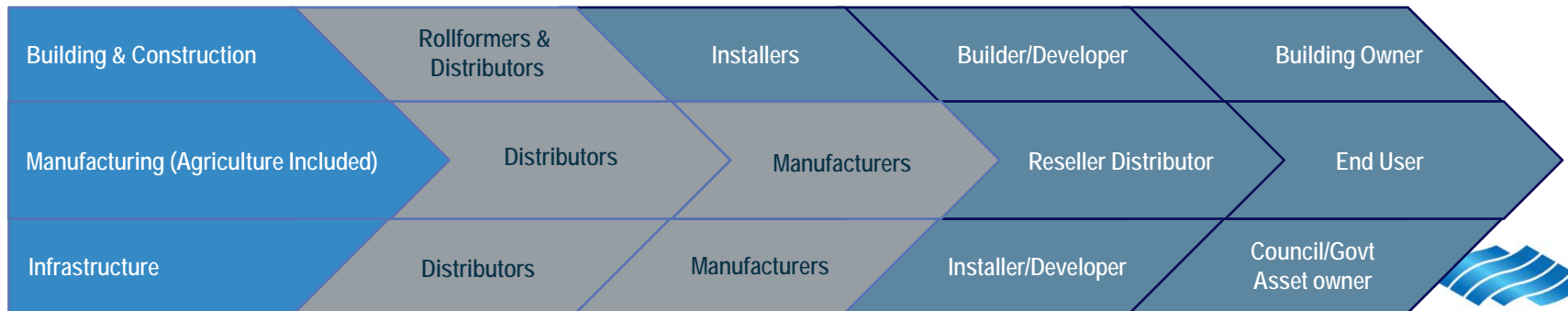
Total market size within New Zealand CY2012 (kt)



End use segments (NZS domestic despatches)

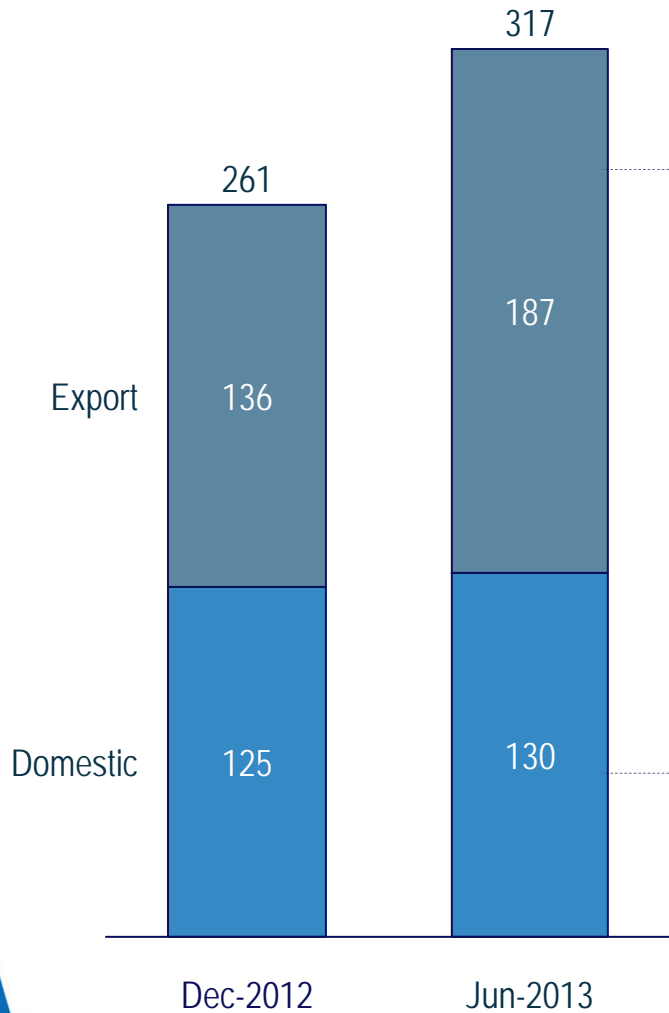


NZ Steel value stream



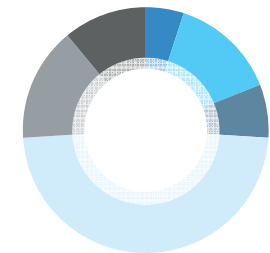
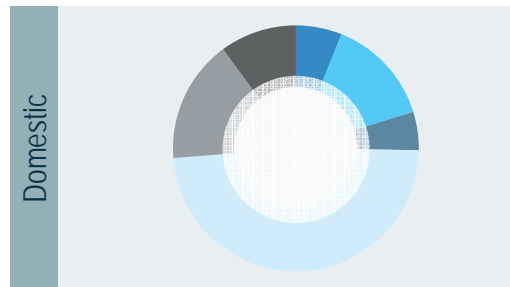
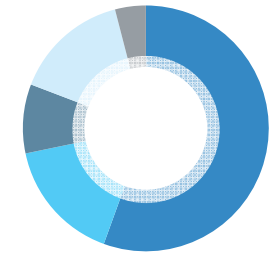
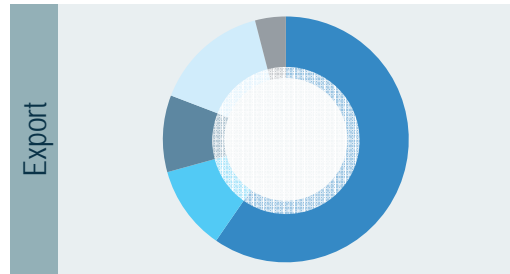
New Zealand Steel & Pacific Steel Products

Steel despatch mix (kt)



2H FY2013 Product Mix

FY2013 Product Mix



■ HRC
 ■ Plate
 ■ CRC
 ■ Metal Coated
 ■ Painted
 ■ Other

New Zealand Steel & Pacific Steel Products

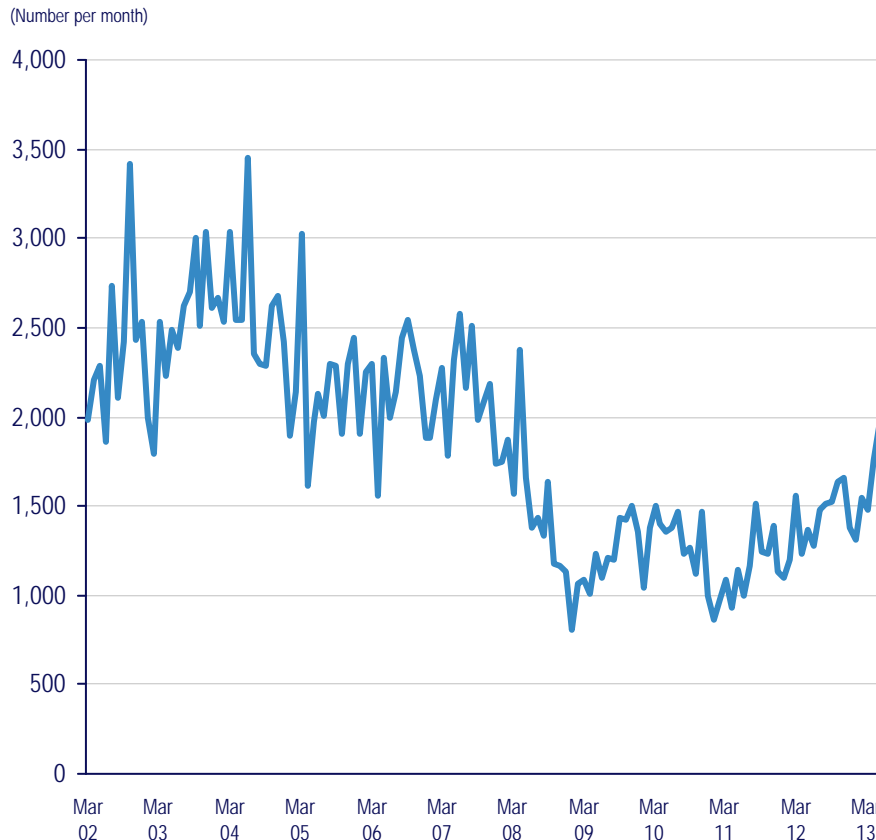
Better profitability in coated & painted products

	Category	Summary
Hot rolled coil Plate Cold rolled coil	Limited product differentiation	<ul style="list-style-type: none"> • Ingredient products, typically substantially transformed into final goods • Import parity pricing (IPP). NZS offer principally differentiated by service offer, supply reliability and product quality – with corresponding price premium
Aluminium Zinc coated Galvanised coated	Increased product differentiation	<ul style="list-style-type: none"> • Make use of sophisticated coating technologies, important to product durability in end applications • NZS's products principally differentiated by product diversity, product quality and reliability, reputation (brand), and service offer with small order quantities • IPP influences pricing
COLORSTEEL® prepainted steel	Most differentiated	<ul style="list-style-type: none"> • High quality water based painted products designed for the New Zealand environment with superior durability • NZS's products differentiated by strong consumer brand preference, product warranties, product reputation and supply offer complexity • Inter-material pricing most influential

New Zealand and Pacific Steel Products

Residential construction approvals trending higher – Christchurch rebuild underway

Monthly number of New Zealand residential construction approvals¹

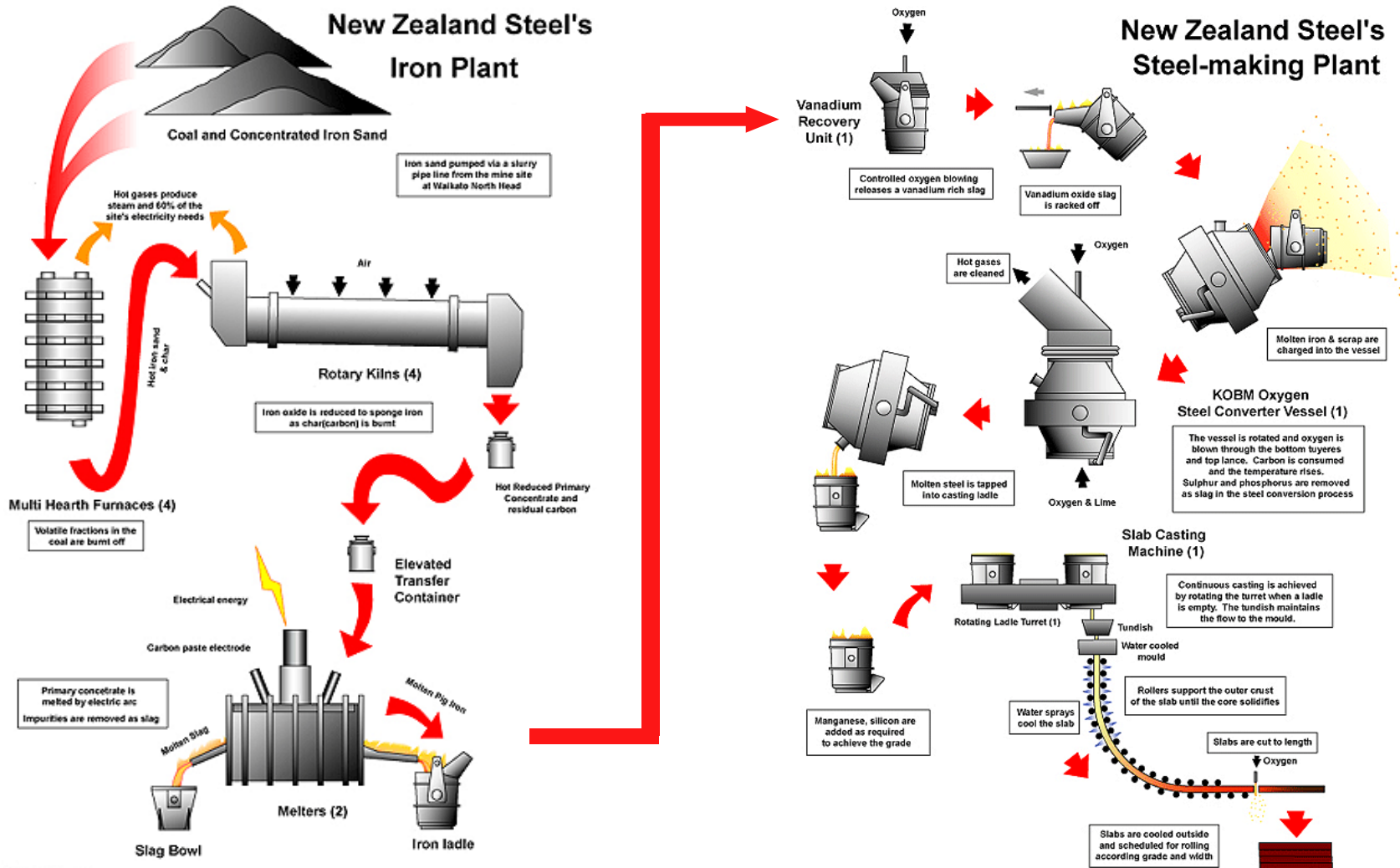


Source: Statistics New Zealand. Series ID: SSC11AS.

- (1) Based on total number of new dwellings consented on an unadjusted basis. Data to June 2013
Data includes apartments. Figures for new apartments are compiled from consents that have 10 or more attached new dwellings. Consent definition: A building consent is the formal approval issued by a Building Consent Authority (BCA) to ensure certain works meet the requirements of the Building Act 2004, Building Regulations and New Zealand Building Code

New Zealand Steel & Pacific Steel Products

Unique direct reduction process using captive iron sands resource



New Zealand Steel & Pacific Steel Products

Steelmaking raw materials

Iron Sand Concentrate (Waikato North Head Mine)

- Iron sand mined and concentrated on site – 58.5% Fe
- Sufficient resource for long term steel making operations
- Concentrate is slurry pumped 18km underground to Glenbrook
- Low cost captive iron units
- High value vanadium by-products captured through iron making process

Thermal Coal

- Multi-source domestic and imported coal
- Use approximately 0.8Mtpa; transported by rail and truck to Glenbrook

Lime (McDonalds Lime - 28% NZS owned)

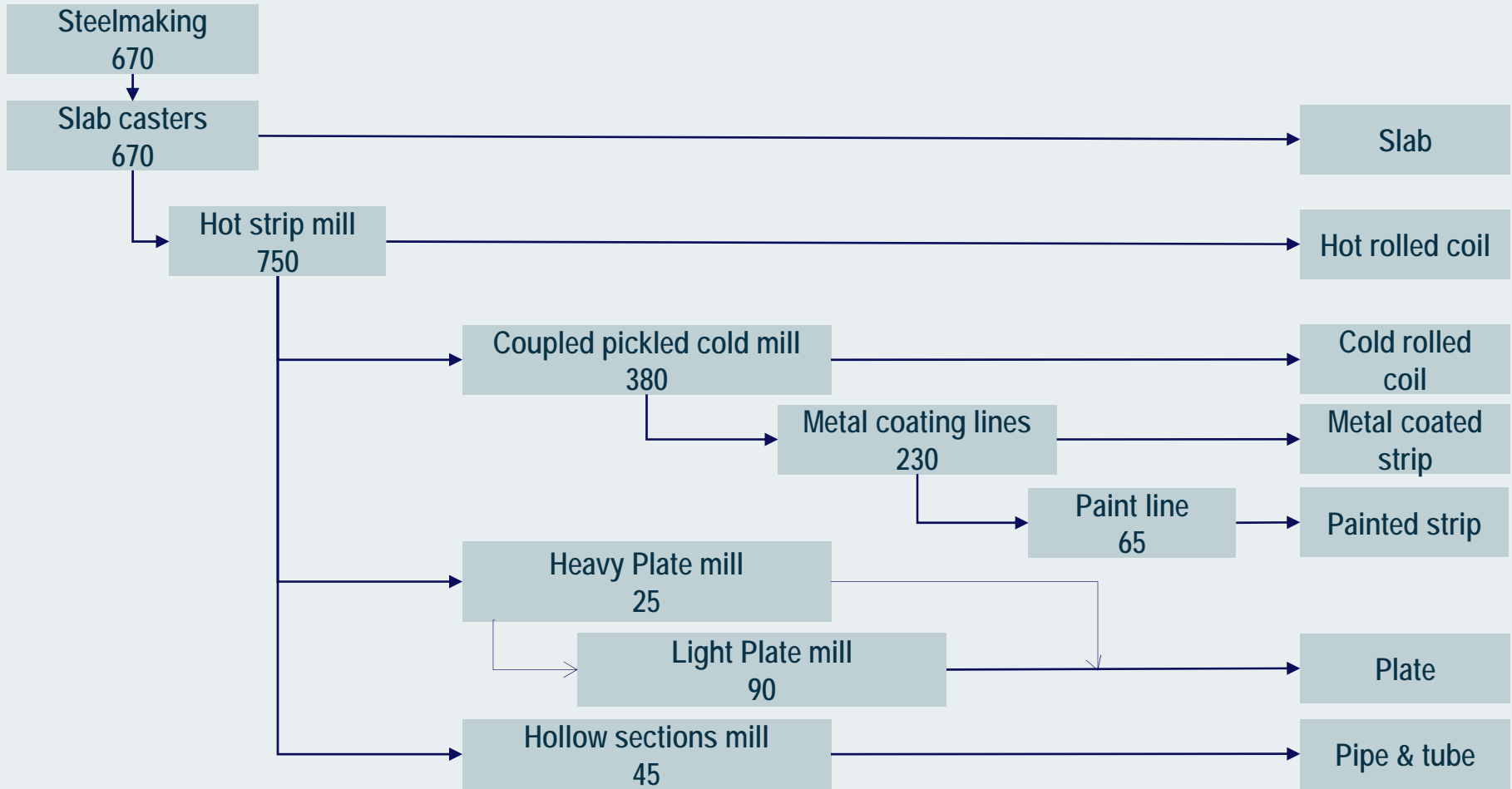
- 34Ktpa lime (oxide and chip) quarried and processed at Otorohanga
- Railed and trucked to Glenbrook



New Zealand Steel & Pacific Steel Products

Annual capacities

Glenbrook Steelworks



Note:
Numbers reflect mill capacity in kilotonnes per annum

New Zealand Steel & Pacific Steel Products

Taharoa mining and expansion 2012



Mining and processing

- Mining land and mineral title owned by a Maori trust
- Mining free-flowing sands via dredge and floating concentration plant
- Typical magnetic content of mined sand 40% to 50%
- Fresh water resources are as important as the iron sand resources. Very low environmental impact
- Current mining & concentration capacity is 1.5 Mtpa; shipping capacity ~1.35 Mtpa



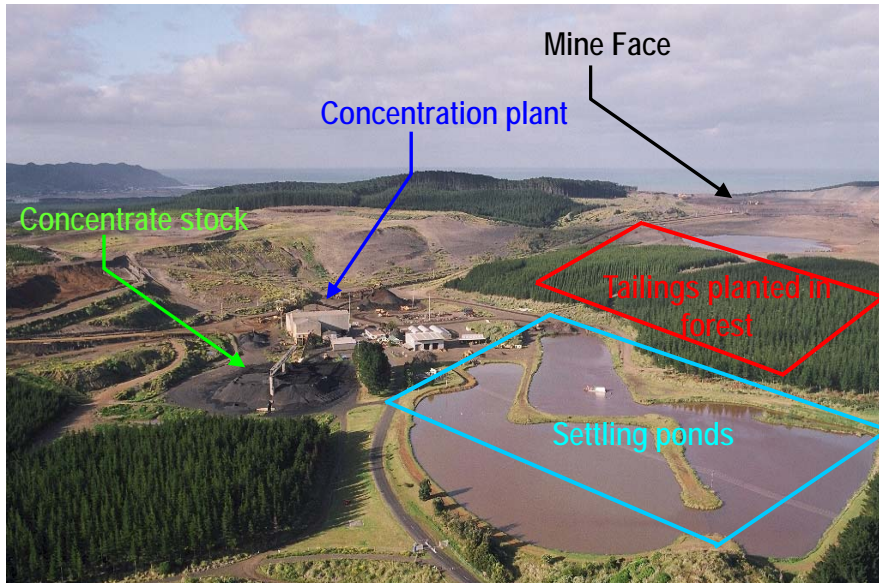
Taharoa shipping

- Taharoa loading facility is via a slurry pipe line, 3kms offshore
- Use specialised vessel MV Taharoa Destiny (replaced 22 year old vessel). In service since May 2012
- Increased loading capacity by 40%
- Enhanced safety, speed, and product loading

New Zealand Steel & Pacific Steel Products

Waikato North Head – different mining methodology given different sand structure

- Consolidated rather than free flowing sand. Dry mining method via bucket wheel excavator
- Deposit is very different to the Taharoa deposit
 - Lower valuable mineral content
 - But higher Fe product
- Average magnetic content of between 20% and 40% through the depth of the resource but highly variable between lithologies
- Very low environmental impact



New Zealand Steel & Pacific Steel Products

Continued growth in export iron sands and non-steel businesses

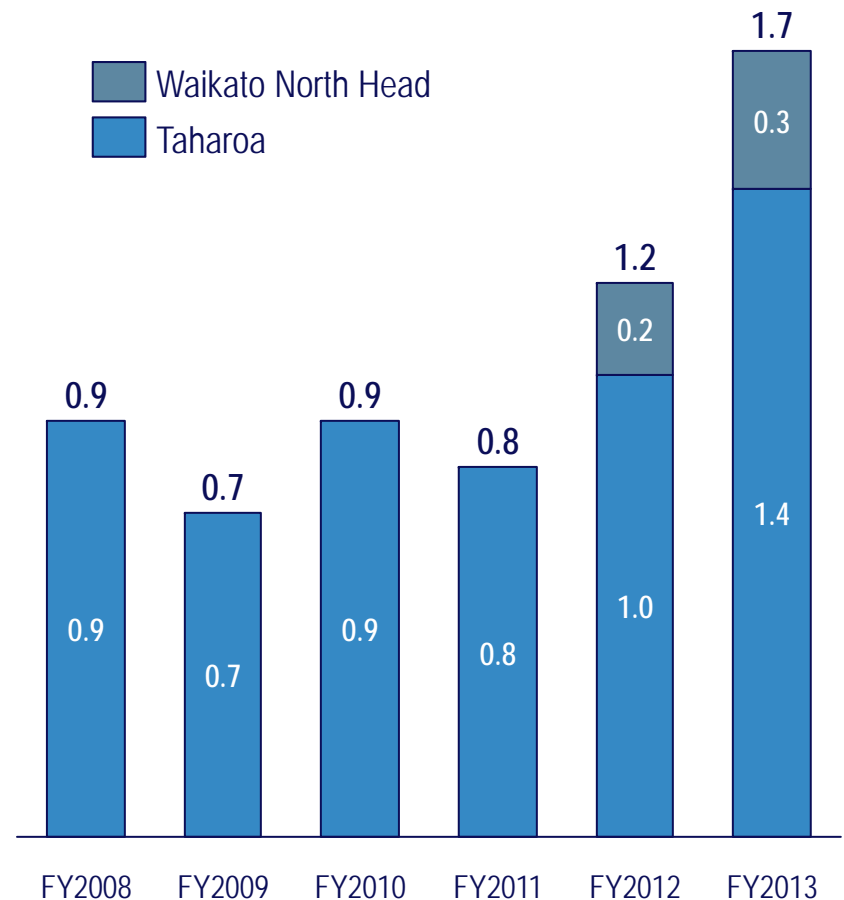
Iron sands expansion:

- New mining methodology being introduced to mine existing geology and allow for expansion
- Mining expansion scheduled completion Nov 2013, in advance of second ship availability
 - Will deliver production increase of 1.5Mtpa – at infrastructure capital cost of A\$30/t, compared to capital cost of greenfield/ brownfield expansion in WA of \$150-190/t
- Increased production off take will be transported via second vessel – anticipated delivery during CY2015
 - Targeting total export volume run-rate of at least 2.7Mtpa
- Evaluation of further shipping capability

Other non-steel opportunities:

- Expanding Vanadium recovery / sales capability
 - Increased Vanadium production volumes
 - Trialling sales to new customers and geographies
- Continue to generate revenue from non core activities eg aggregate sales, consultancy and other by products (iron oxide)

Iron sands exports (Mt)



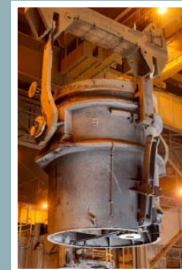


HOT ROLLED PRODUCTS NORTH AMERICA

Hot Rolled Products North America

Segment overview

- Primarily comprises BlueScope's 50% interest in the joint venture with Cargill Inc. which owns the North Star steel mini-mill in Delta, Ohio
 - Production capacity of 2.0Mtpa (100%)
 - Sale product is hot rolled coil which is sold to customers in the steel, building and construction, mining, manufacturing, agricultural and infrastructure industries
 - Low cost of production – has historically operated at higher capacity utilisation rates than US market average
- Located close to key customers
 - Sells ~80% of production in the Mid-West, U.S.
 - Close relationship with Worthington
- North Star voted #1 in customer satisfaction in North American flat rolled steel supplier for the 12th consecutive year (Jacobson Survey)
- North Star currently assessing a range of initiatives, including:
 - Direct Reduced Iron ("DRI") project
 - Second slab caster project
- Segment also includes BlueScope's 47.5% shareholding in the CASTRIP® thin strip casting technology venture



Hot Rolled Products North America

Strategy & earnings drivers

Strategy

- Maintain profitability with low cost, highly flexible operations
- Maintain strong focus on customer relations
- Explore brownfield expansion opportunities:
 - A possible one million short ton direct reduced iron (DRI) plant which would replace some of the current higher priced scrap and pig iron supply, lowering the overall cost structure of the JV; and
 - A possible upgrade in production capacity to 2.6 Mtpa, which would involve installation of a second slab caster and a new shuttle furnace
- These opportunities are being studied internally

Key earnings drivers

- Steel 'spread' (the difference between U.S. Midwest commodity HRC price and the cost of mini-mill steelmaking raw materials: scrap steel and pig iron)
- Cost of other materials such as fluxes and alloys
- Energy costs – in particular electricity prices, which are a major cost to EAF operations
- Conversion costs
- Despatch volume
- The A\$/US\$ exchange rate which influences the translation of US\$ financial performance into the Group's A\$ accounts



Investor Introductory Pack

August 2013

BlueScope Steel Limited. ASX Code: BSL