



BlueScope Investors & Analysts Visit

June 7th, 2017

Important BlueScope notice

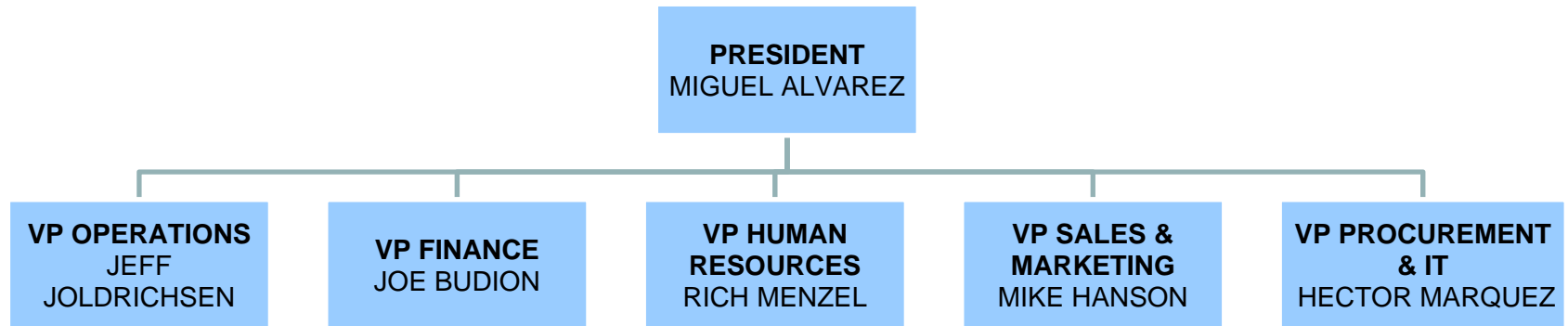


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Introducing our senior management team



- Miguel Alvarez; joined company in Feb 2010, came from BlueScope's Steelscape business, where he was President for 6 years
- Jeff Joldrichsen; with company since start up, came from Cargill's North Star Steel business
- Joe Budion; involved in the start up of the company, returned to Cargill for several years and came back 9 years ago
- Rich Menzel; came from Cargill's North Star Steel business and has been with company since start-up
- Mike Hanson, joined the company 16 years ago, came from Cargill's North Star Steel business
- Hector Marquez; joined company in Oct 2010, came from BlueScope's Steelscape business

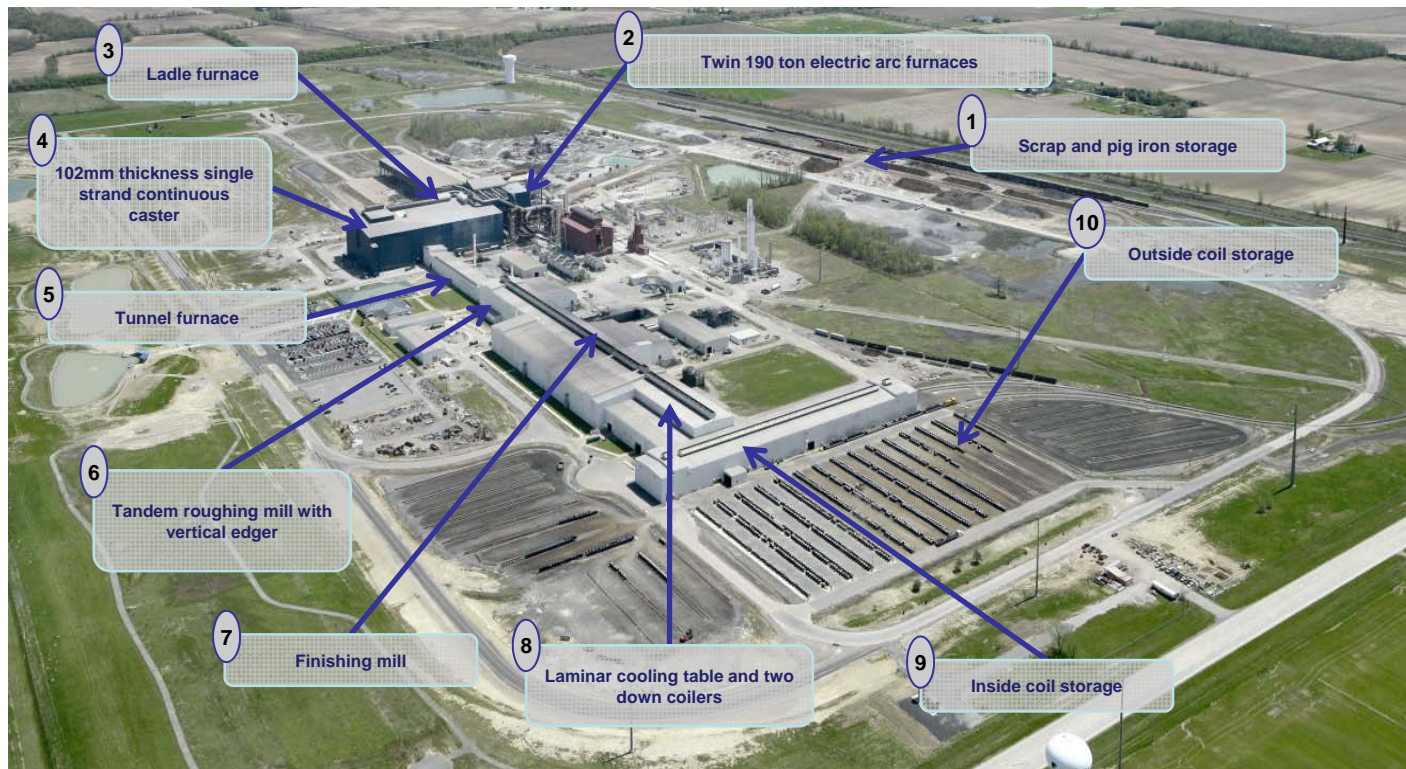
NSBSL; a key part of BlueScope's strategy



North Star BlueScope Steel



- Hot rolled coil producer
- Established in 1995 as a 50-50 JV between BlueScope and Cargill
 - In October 2015, BlueScope acquired Cargill's 50% interest in the company for \$720M USD
- Original construction capital cost was US\$500M (100%); since then company has invested about US\$250M, which includes installation of a new bag house to upgrade emissions control
- Current production capacity of ~2.3M short tons versus initial capacity of 1.6M short tons



Our competitive advantage; industry leading safety, quality, service and on-time delivery



Quality

- Slab thickness allows for superior surface and formability characteristics
- Eight-stand, direct charge rolling mill with triple in-line scale removal systems
 - Transforms slabs into coils with consistent gauge, shape control, and surface quality
- **Claims represent only ~0.1% of production**

On-time delivery

- Production is scheduled to meet delivery date commitments, while taking a disciplined approach to managing the order book in a profitable manner
- Customized approach to customers' unique delivery requirements
- Quick response time and short lead times are valued by customers
- **On-time delivery performance results are 95% or higher**



Service

- With one location, one product, empowered employees, and a flat organization dedicated to taking care of its customers, North Star's customer service is outstanding
- Ability to customize products to meet customer needs in an efficient and consistent fashion leads to high customer retention
- **Consistently ranked #1 in overall customer satisfaction in the Jacobson steel industry survey**

Safety

- Safety culture based on employee engagement, continuous communication, and feedback with regular incident reporting
- **Consistently ranked at the top in industry safety benchmarking reports**

Geographically advantaged

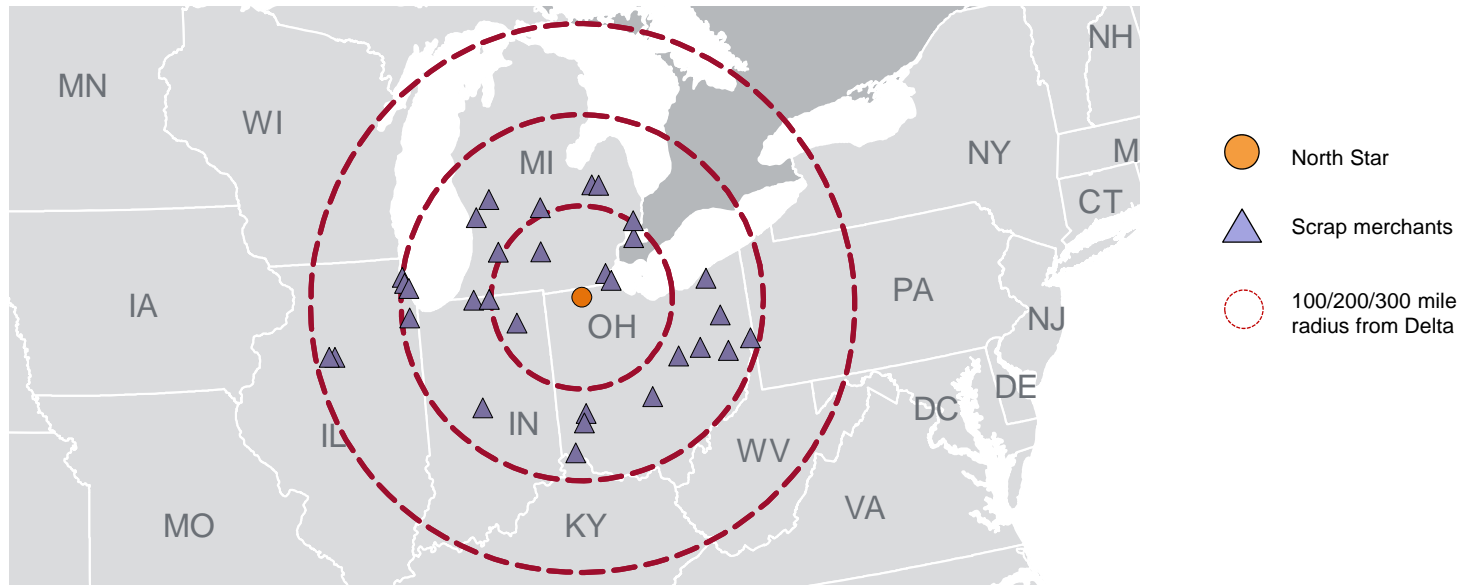


Scrap sourcing

- Facility located in Delta, Ohio
- Directly within one of the largest scrap steel surplus regions in North America
- The vast majority of our scrap comes from Ohio, Indiana and Michigan

Proximity to customers

- Geographic advantage
 - ~90% of North Star customers are within a ~250 mile radius
- Quick response time and short lead times are valued by customers



Strong safety culture



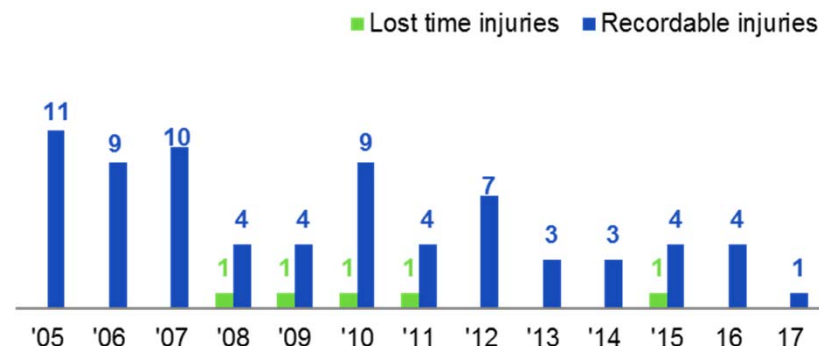
Strong safety culture

- Safety culture based on continuous communication and feedback with regular incident reporting (including preventative suggestions)
- EMT professional on-site 24 hours per day
- Monthly safety meeting required for all employees
- Incident Corrective Action Method (ICAM) system used to investigate serious incidents
- Area Safety Assessment Process (ASAP) to make safety improvements in the work areas
- Behavior observations (ROC¹ process) required for all employees
- Active home safety process reports incidents away from work (IROC process)

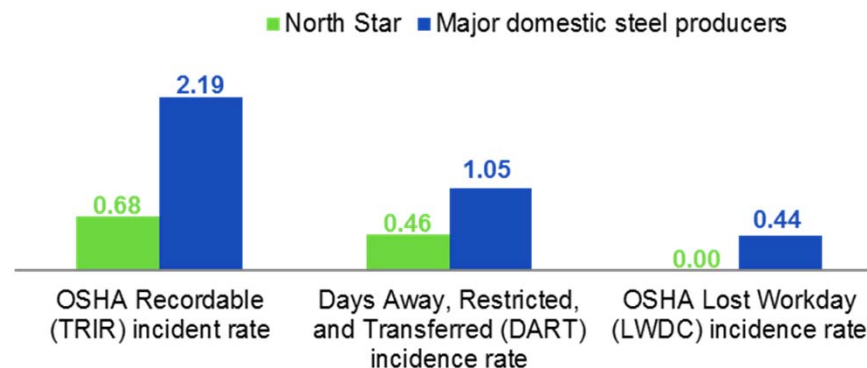
Accreditation and training

- DuPont Safety Training conducted for team leaders
- OSHA 10-hour course for all operations and maintenance personnel
- Active participation in Steel Manufacturers Association Safety Committee

Improvement in injuries over times



North Star injury incidence rates vs. other major domestic steel producers³



Note: ¹ ROC stands for "Recognize, Observe, Correct"; ² Lost time injury defined as any work related injury or illness that results in the inability of an employee or temporary contract employee to work one or more calendar days based upon a medical determination; Lost time does not include the date of the injury or onset of illness; Recordable injury defined by OSHA recordable classification; Recordable injuries inclusive of lost time injuries; ³ As of December 31, 2016 from the Steel Manufacturers Association per 200k work hours.

Experienced management team; engaged and motivated workforce



Motivated, skilled and flexible workforce

- 380 non-union employees producing 2.3M short tons per annum
- Incentivised to continuously improve safety, productivity, quality and profits. Over 50% of overall compensation is “at risk”
- Highly engaged employees and zero work stoppages since inception

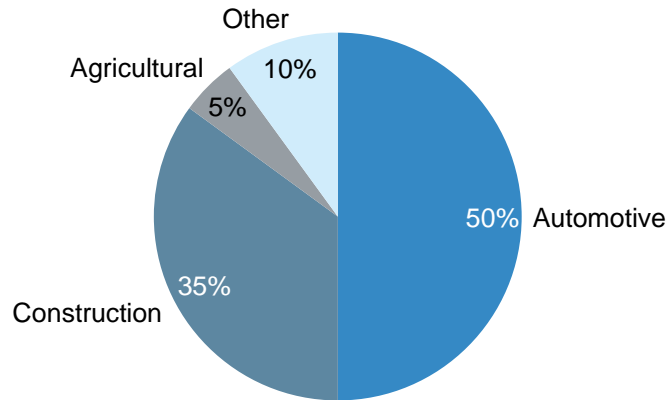
Stable team

- Management team average tenure of 13 years
- Average tenure of employees of 11 years
- Turnover has been low (less than 5%) over the past eight years

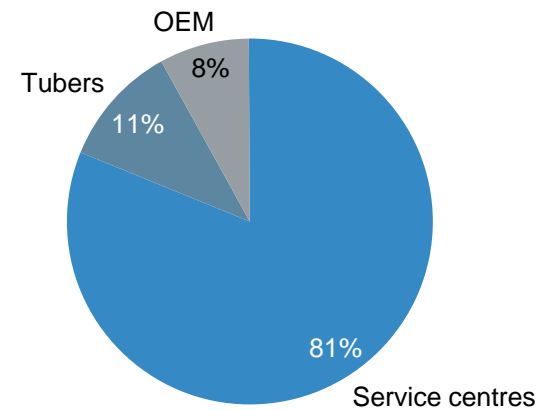
Diversified end-uses and products



Volume by end-market



Customers by type



- Sales and production focused on 25-30 grades, produced at a consistently high quality
 - Strong focus on light gauge high strength low alloy grades
 - High quality grades command a premium in certain market conditions
 - Recently added single bill solution to service offer (pickled & oiled, galvanized, slit)
- Coil shape provides more yield per coil (flatter profile)
- Product thickness ranges from 0.050" – 0.500"
- Typical product width ranges from 41.55" – 61.50"



Auto – car wheel



Agriculture – grain bin



Consumer – gas tank



Construction – guard rail

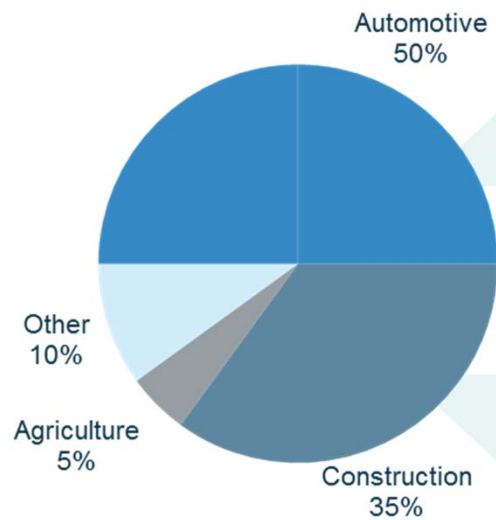


Construction – purlins

Exposed to sustainable NA markets demonstrating growth

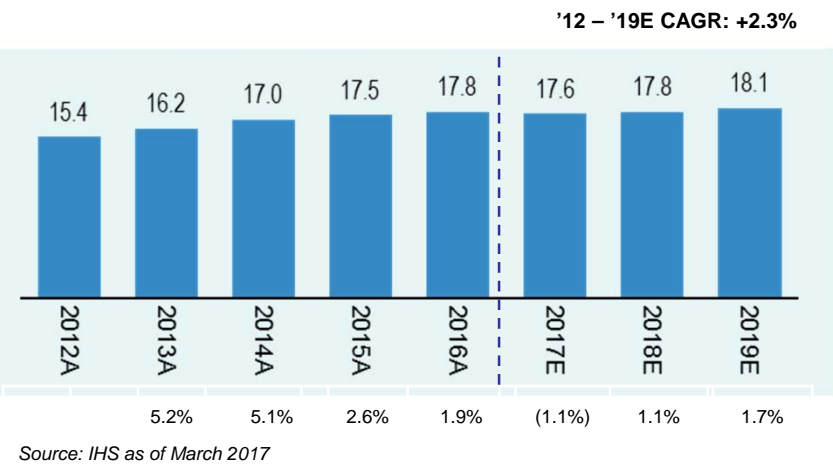


End markets served

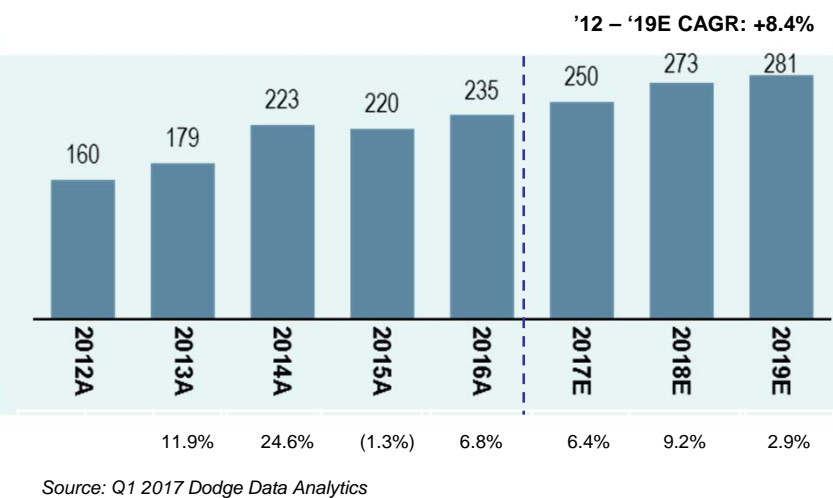


Automotive and construction end-markets comprise 85% of volume and are forecast by industry sources to grow at attractive rates

North America light vehicle production (m)¹



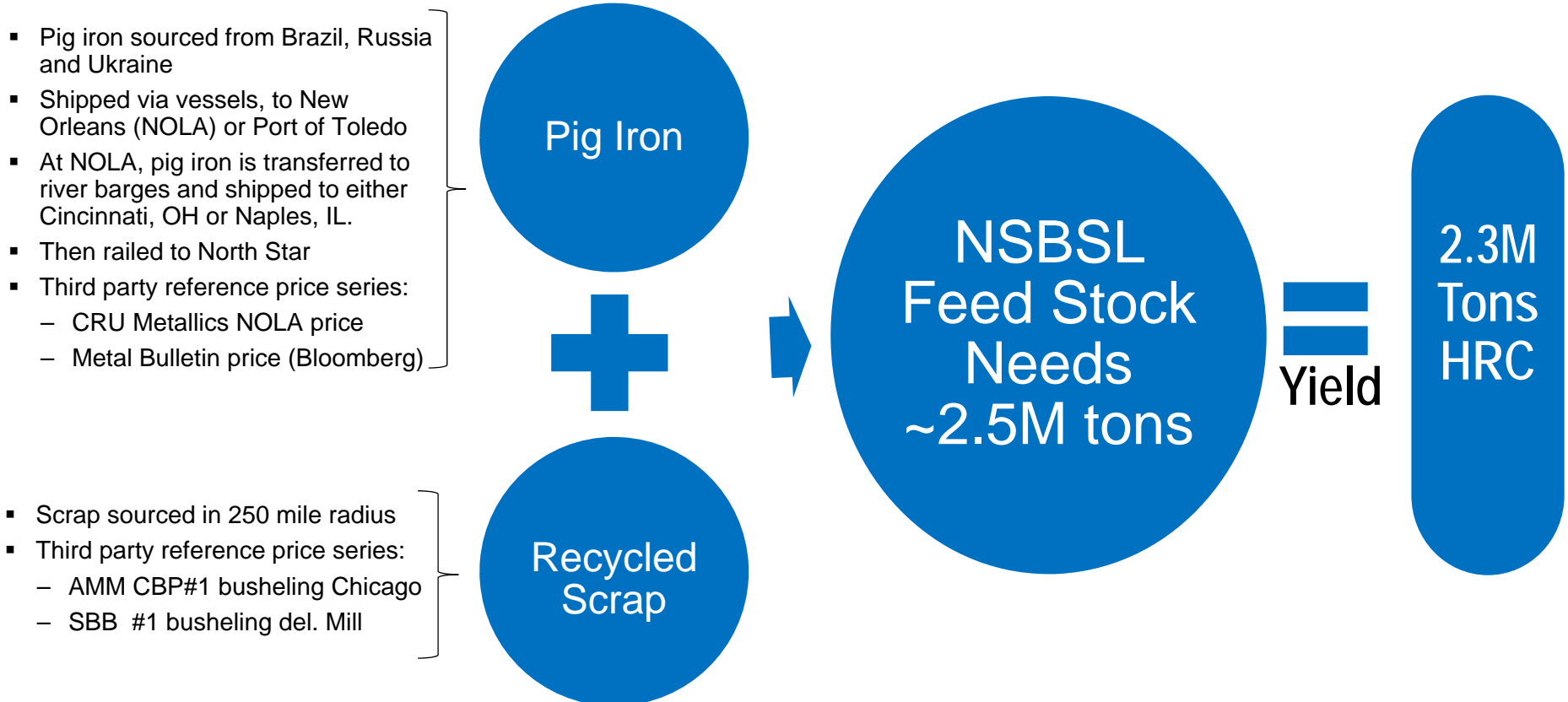
Non-residential construction starts (US\$Bn)¹



Notes:
(1) Years based on 12 months ending December

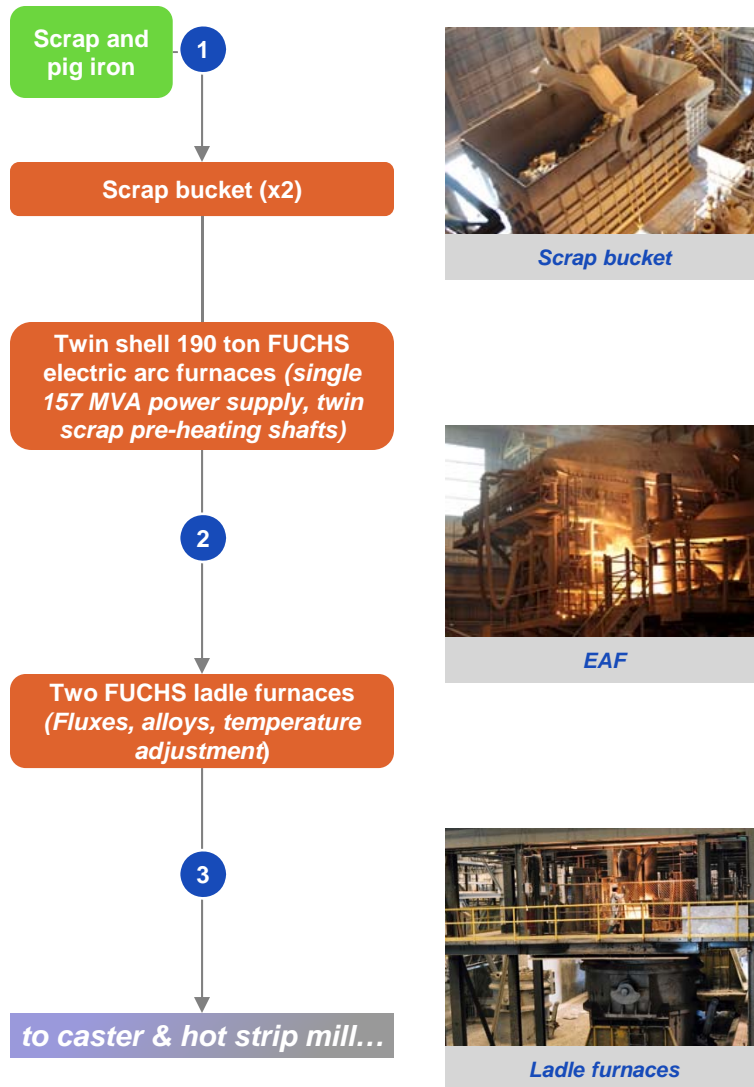
- Main raw materials:

- **Pig Iron** – raw iron with high carbon content (typically 3.5%-5.0%)
- **Scrap** – recycled metal suitable for reprocessing. Scrap types include: Clips, #1 Frag, #2 Frag, Plate & Structural, Roll Mill Scrap. Prime and obsolete scrap in broadly equal proportions.
- **Alloys** – various alloys of iron such as ferroalloys (which have a high proportion of one or more elements such as silicon, manganese, or nickel) that are added to steel refining process to increase corrosion resistance, hardness, formability and/or strength



Note: short tons

Production Process – EAF's



	Description	Highlights
EAF	<ul style="list-style-type: none"> Twin FUCHS (Germany) 190 ton electric arc shaft furnaces Single 157 MVA power supply, twin scrap pre-heating shafts Commissioned in 1996 	<ul style="list-style-type: none"> Twin shaft design results in operational efficiencies by increasing pre-heat times Produces 190 tons of liquid steel every 37 minutes Upgraded deeper heels, shells, roof and shaft (2008 to recent)
LMF	<ul style="list-style-type: none"> FUCHS AC design 25 MVA transformer Commissioned in 1996 	<ul style="list-style-type: none"> Designed to control chemistry, steel cleanliness and temperature resulting in optimum slab quality and throughput Argon stirring Wire feeders
Most important improvements in the last 2 years		
<ul style="list-style-type: none"> Reduced KWH / coiled ton consumption by 2.3% Electrode consumption has been reduced by 5% Reduced tap to tap times by 2 minutes Reduced pig iron consumption (our most expensive raw material) by over 6% 		

Production Process – Caster and Hot Strip Mill

...from melt shop

3

Ladle turret and tundish

Submerged entry nozzle

Slab Caster (102 mm)

Slab shear

4

Gas fired tunnel
furnaces

Edger &
Roughing
stands

6 stand
Finishing
mill

Laminar
flow
cooling

Twin
coilers



Sumitomo Caster



Edger & roughing mill



Finishing mill



Strip cooling



Twin coilers

Caster

Description

- Sumitomo Heavy Industries medium slab caster
- Thickness 90-102mm
- Segmented machine
 - Top zone + 12 segments
 - Air mist cooling
- Eddy current mold level control
- Electromagnetic brake

Improvements in the last 2 years

- Increased cast tons per minute by 2%
- Increased caster width by 11 mm
- Reduced unscheduled downtime by 36%

Hot strip mill

Description

- Danieli / United Hot Strip Mill
- 8 stand configuration offers better reduction and improves surface, shape and ductility
- 2 roughing mill stands
- 6 finishing mills stands
- All hydraulic automatic gauge controls
- Variable frequency drives and controls

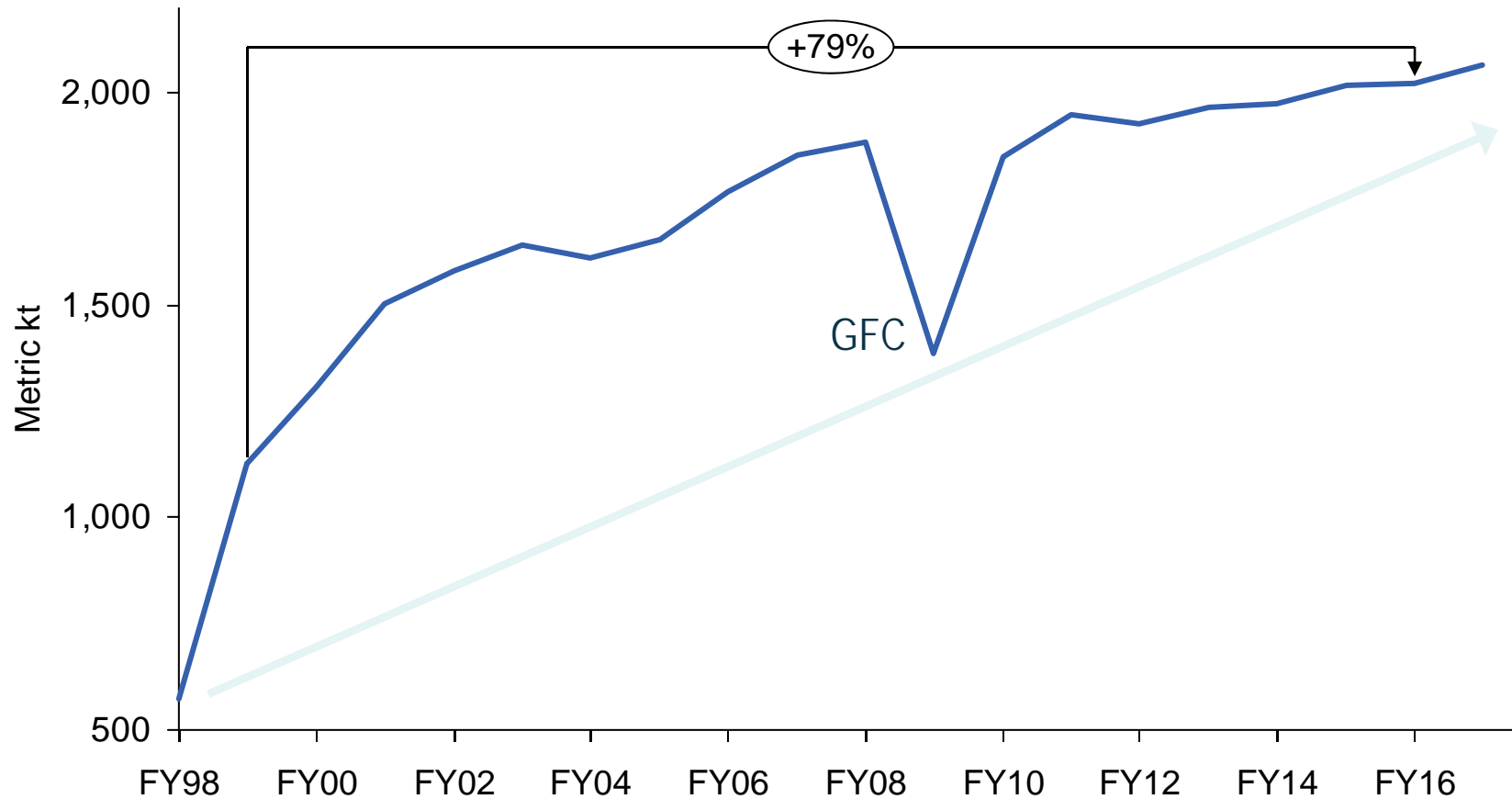
Improvements in the last 2 years

- Reduced natural gas consumption by 7%
- Installed new Edger between roughing stands. Benefit in additional tonnage forecasted to be at least at what was initially estimated.

Track record of incremental expansion and debottlenecking; only US mill operating at full capacity since GFC



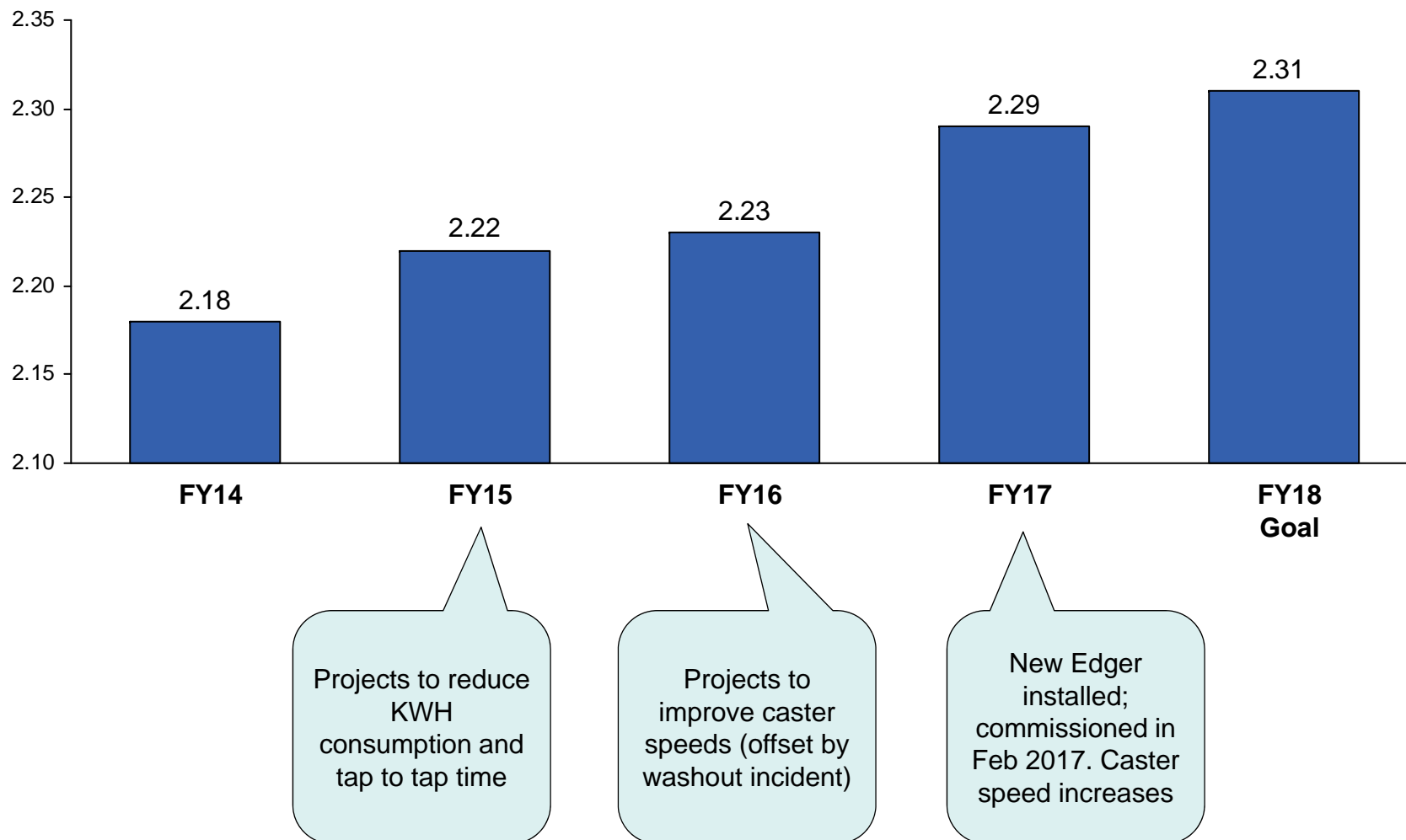
North Star despatches since commencement (100% basis)



Goal to add 130kt to production by FY2018 (compared to FY2014)



Coil production – mt (short)



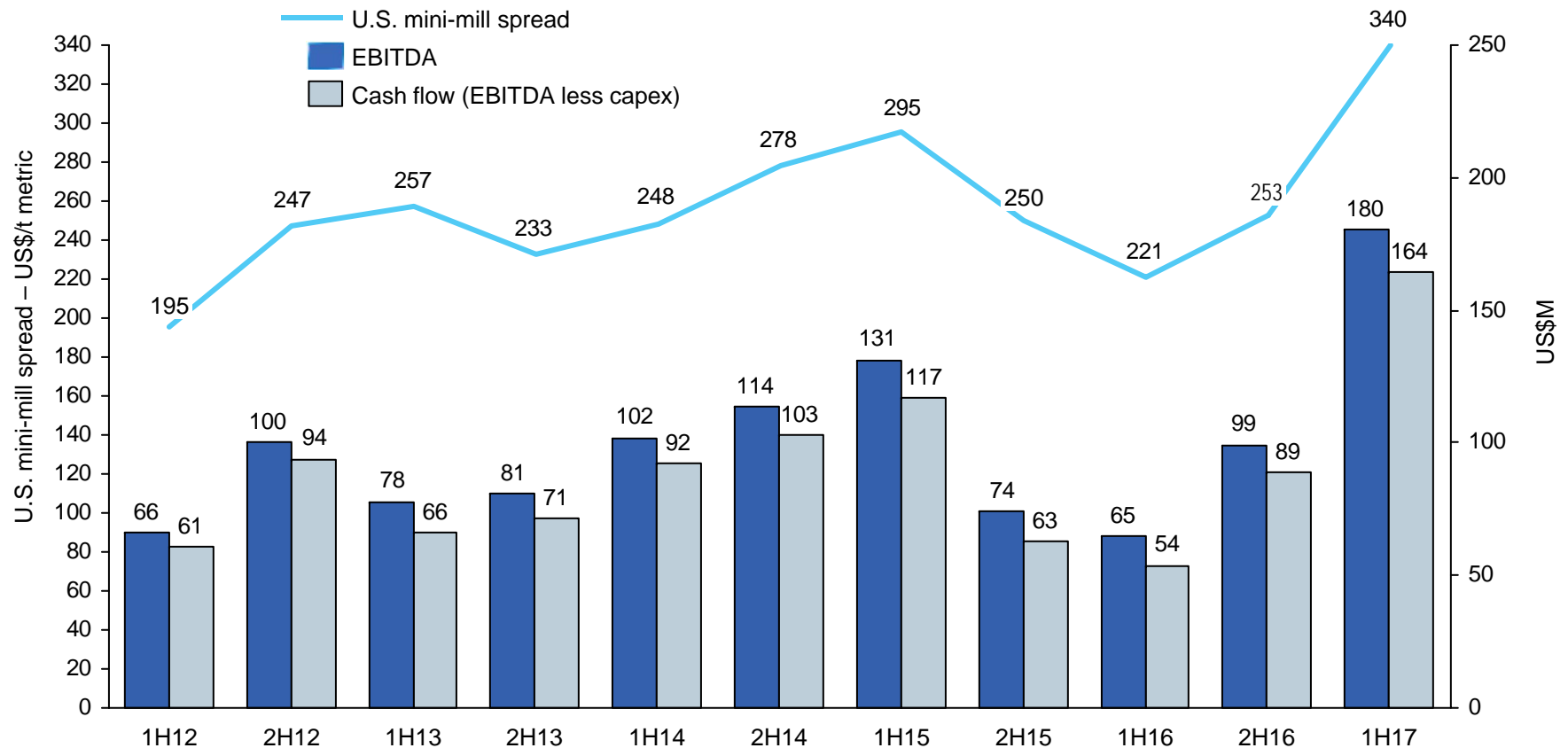
- Total capital cost of expansion estimated at ~US\$20M

- Continuous Improvement (CI) program linked to the employees' incentive structure, drives an ongoing focus on cost reduction and mix improvement
 - CI program has delivered over \$10M/year in margin improvement over the last several years
 - Ongoing improvement in outside repairs, maintenance costs and consumables has been achieved through focus on procurements and efficient management of contracts
- Optimisation of energy utilization is delivering savings in power and natural gas costs
 - KWH/coiled ton has been reduced more than 5% in last three years
 - MMBTU/coiled ton has been reduced by more than 8% in last three years
- Focus on productivity improvement projects has benefited production tonnage while reducing costs/ton through improved fixed cost absorption
 - Tons produced per person has increased by 250 tons in last three years
 - Tap to tap time has been reduced by more than 8% in last three years
 - Unscheduled downtime has been reduced more than 16% on last three years
 - Raw material mix optimization is yielding improvements in cost

Strong earnings and cash-flow generation



US\$M EBITDA, cash flow and spread¹ – 100% ownership basis



Note: (1) U.S. Midwest mini-mill HRC spread (metric) – based on CRU Midwest HRC price (assuming one month lag), SBB #1 busheling scrap price (assuming one month lag) and Metal Bulletin NOLA pig iron price (assuming two month lag); assumes raw material usage of 1.1t per output tonne

Trading conditions in June 2017 half



- Capacity utilization and sales volume remain aligned at 100% of capacity
- Metal margins (spreads) similar to 1H FY2017. However, more recently we have seen slightly softer Midwest steel prices and some tightness in scrap and pig iron supply/markets, leading to softer spot-spreads

We are focused on:

- The safety of our employees and contractors
- Organically growing capacity
- Improving productivity and reducing cost
- Servicing customers better than anyone else
- Building on our quality capabilities
- Improving diversity and talent development
- Increasing shareholder value



1

Competitively advantaged U.S. hot rolled coil supplier

2

Experienced management team supported by a highly engaged and motivated workforce

3

Exposed to sustainable markets demonstrating growth

4

Key part of BSL strategy – maximise value of North Star

5

Strong cash flow generation

Q & A