NS BlueScope Coated Products North America

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9 June 2017

BlueScope Steel Limited. ASX Code: BSL

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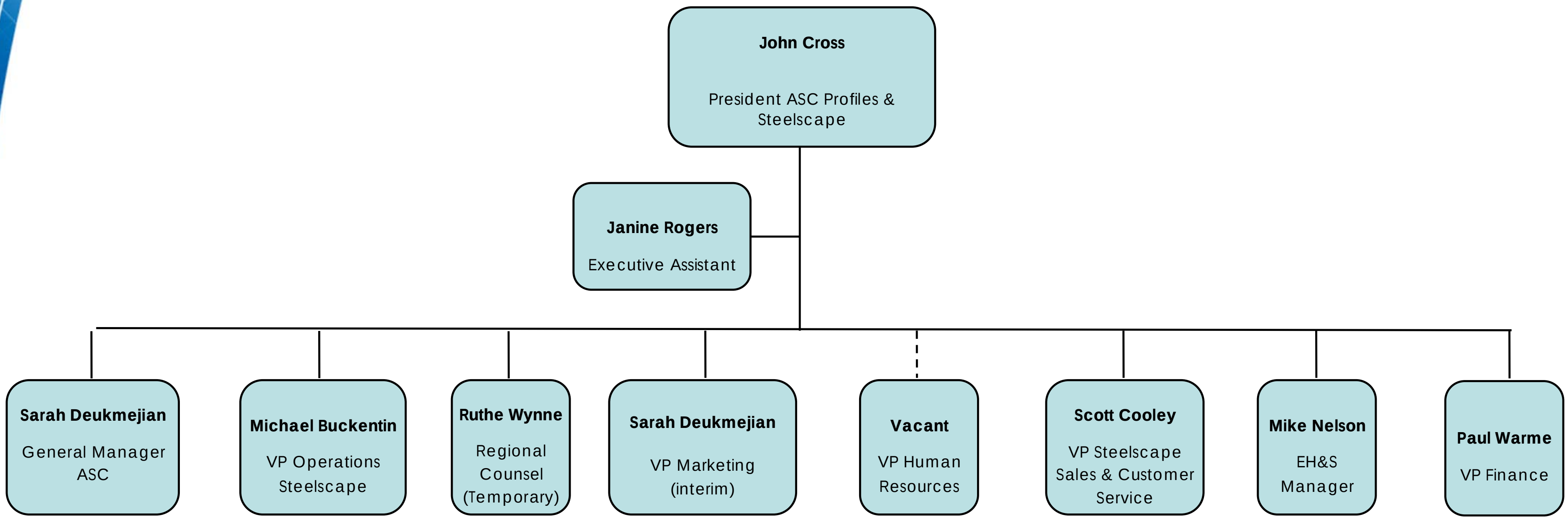
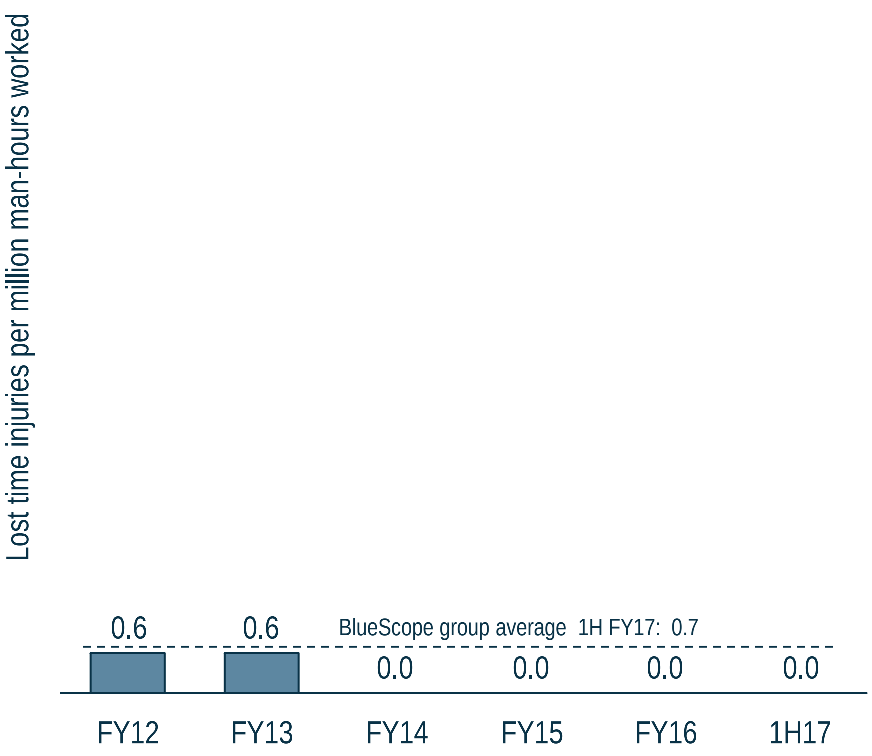
Introducing our management team



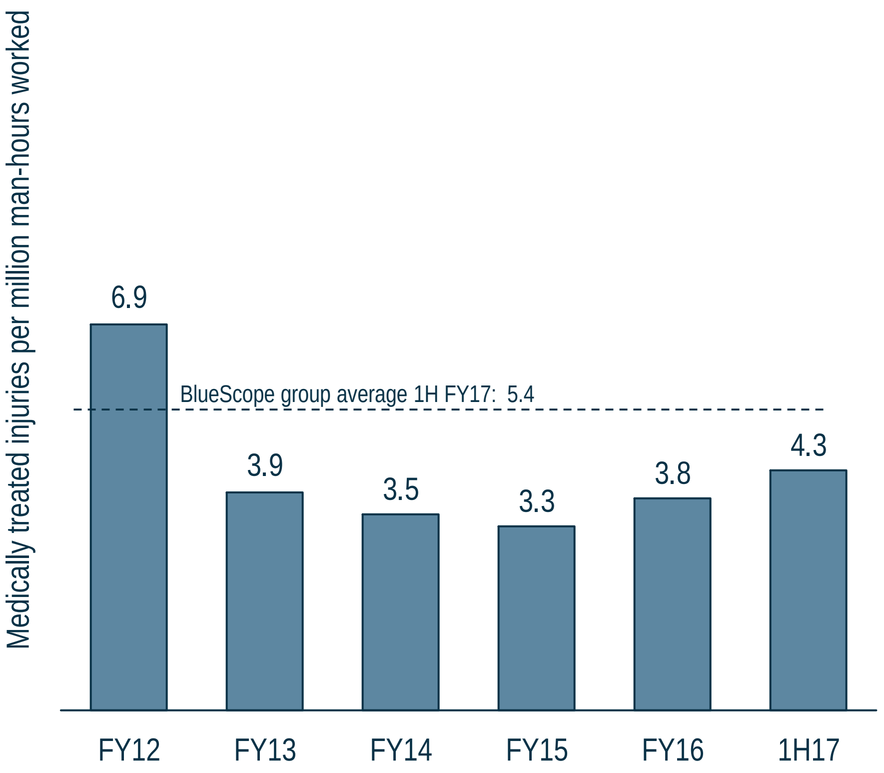
Safety

World class performance; striving for zero harm

Lost time injury frequency rate



Medically treated injury frequency rate



A key part of BlueScope's strategy

Grow premium branded steel businesses with strong channels to market		Deliver competitive commodity steel supply in our local markets		Ensure ongoing financial strength
Coated & Painted Products Drive growth in premium branded coated and painted steel markets in Asia-Pacific	**Building Buildings** Drive growth in North America and turn-around China	**North Star BlueScope** Maximise value	**Australia & NZ Steelmaking** Deliver value from Australian/NZ steelmaking and iron sands by game-changing cost reduction or alternative model	**Balance Sheet** Maintain strong balance sheet
Invest & grow	*Optimise & grow*	*Optimise / invest*	*Restructure*	*Maintain*

North America's position in BlueScope's Building Products segment

BlueScope — 50% | NSSMC[1] — 50%

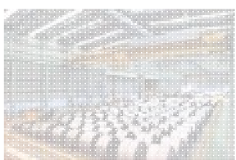
NS BlueScope Coated Products (NBCP)

A BlueScope controlled, and therefore consolidated, joint venture

BlueScope — 50% | Tata Steel — 50%

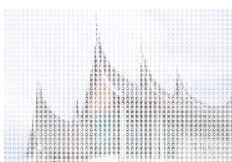
Tata BlueScope Steel (TBS)

Thailand (80%)[2]



- Metallic coating & painting
- Lysaght
- Ranbuild

Indonesia (100%)



- Metallic coating & painting
- Lysaght
- Ranbuild

Malaysia (100%)[3]

- Metallic coating & painting
- Lysaght
- Ranbuild

Vietnam (100%)

- Metallic coating & painting
- Lysaght
- Ranbuild

Nth America (100%)

- Kalama (WA)
- Rancho Cucamonga (CA)
- ASC Building Products
- AEP Span
- ASC Steel Deck

India[4] (100%)

- Metallic coating & painting
- Lysaght
- Engineered building solutions (PEBs)

Notes: (1) Nippon Steel & Sumitomo Metal Corporation (NSSMC)
(2) 20% partner in Thailand is Loxley Public Company
(3) Includes Singapore and Brunei. BlueScope Steel owns 100% of the steel coating business and 49% to 60% of rollforming (Lysaght) businesses in Malaysia and Brunei
(4) TBS joint venture encompasses SAARC region (India, Sri Lanka, Bangladesh, Pakistan etc.)

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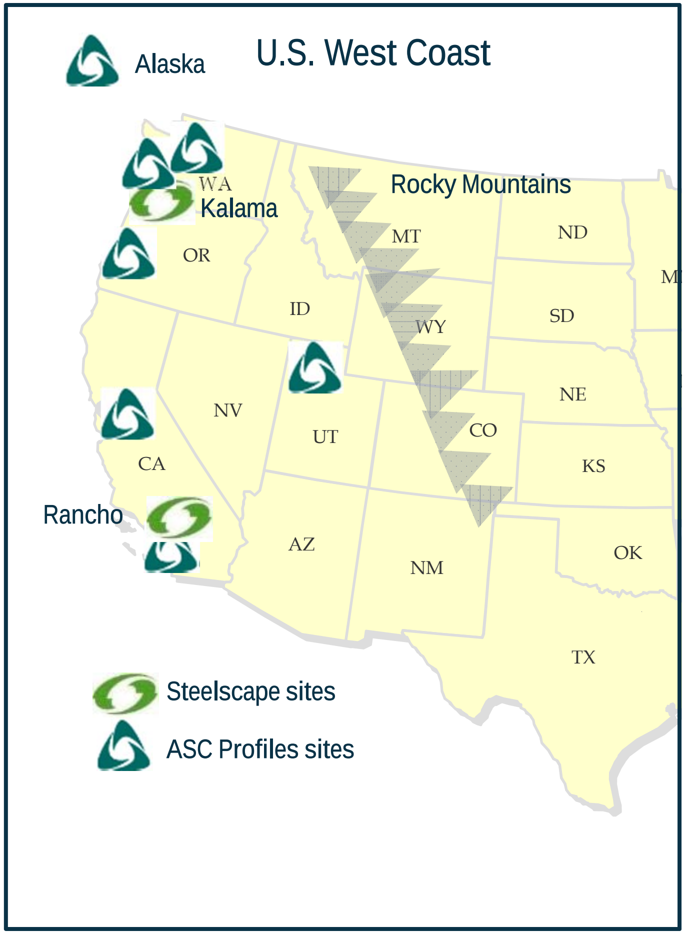
North America footprint

- Business consists of Steelscape (metal coating & painting) and ASC Profiles (building panels) which has merged under unified management since 2012
- Employs over 600 permanent employees
- Steelscape has two manufacturing sites:
  - Kalama, WA (pickle line, cold rolling mill, metal coating line and paint line)
  - Rancho Cucamonga, CA (metal coating line and paint line)
- ASC Profiles (AEP Span, ASC Building Products and ASC Steel Deck) has seven manufacturing facilities

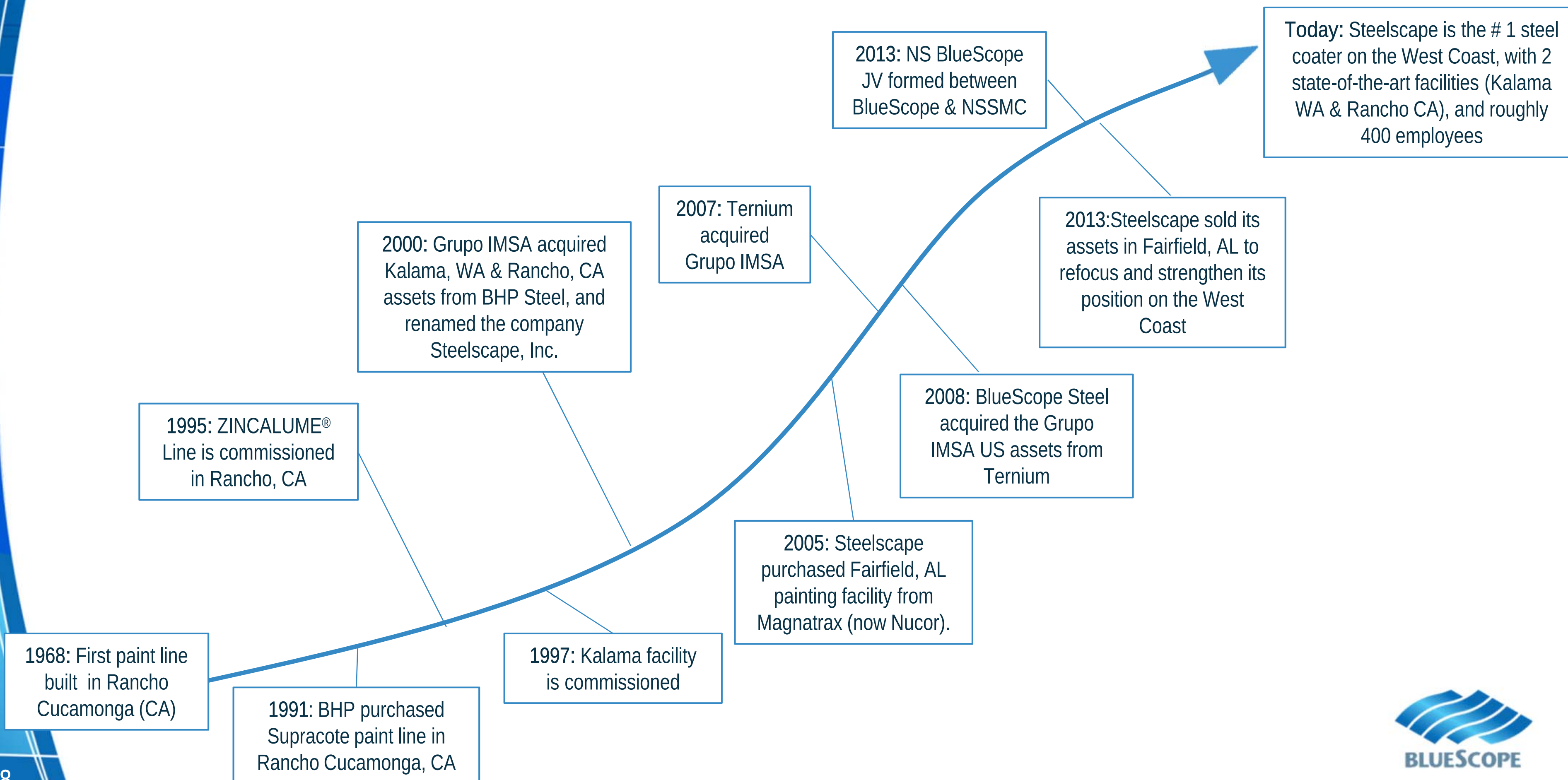


Metal coating & painting facility, Kalama, WA

Metal coating & painting facility, Rancho Cucamonga, CA

We are the industry leader, with almost 50 years of experience in metallic-coating and pre-painted steel for construction

- 1968: Reliance Steel & Aluminum commissioned Paint Line in Rancho Cucamonga (CA)
- 1995: Commissioned ZINCALUME® Steel line in Rancho
- 1997: Commissioned Kalama facility with pickle line, cold rolling mill, coating and painting capabilities
- 2008: Steelscape acquired by BlueScope
- 2013: NS BlueScope Joint Venture formed encompassing US and ASEAN businesses

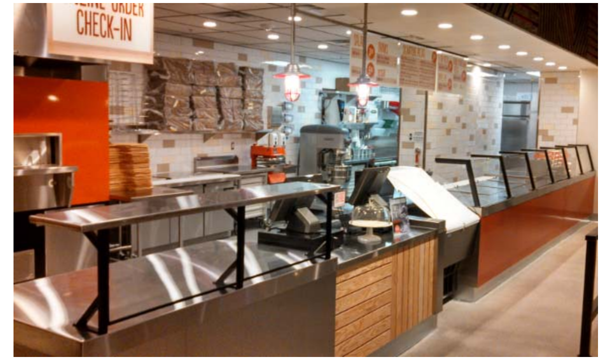


Steelscape value proposition

- Creating unique value as the leading supplier of coated and painted steel in the West Coast market
- Local ZINCALUME® steel and galvanised coated products supplier for West Coast customers
- Single-bill painted packages – easier to do business with
- Superior quality
- Customer service – highly regarded and better customer experience
- Superior service offers creating customer flexibility & options – improved supply chain management and shorter lead times
- Industry leading reliability and on-time delivery performance (>95%)
- Further value to BSL and NSSMC through ability to supply some coil feed from Australian and Japanese operations respectively, subject to prevailing trade regimes

Product range

- TruZinc® Steel – primarily for decking, steel framing and HVAC applications
- ZINCALUME® Steel – primarily for roofing and walling applications
- Resin – acrylic coated ZINCALUME® and TruZinc®
- Painted – galvanised and ZINCALUME®
- Vintage® – aged appearance, galvanised product
- ReziBond® – bonderised replacement product
- Spectrascape® – custom colour matched paints
- Dazzle® – anti-microbial coating and national certification for food equipment
- Design Solutions™ – range of prints to mimic wood and other metals (e.g. bronze, copper, stainless)
- Products tailored to construction markets (widths, grades)



Blaze Pizza, CA

Food Storage/Walk-In Coolers

Port of Kalama Center, Kalama WA

Steel Log Cabin, AK

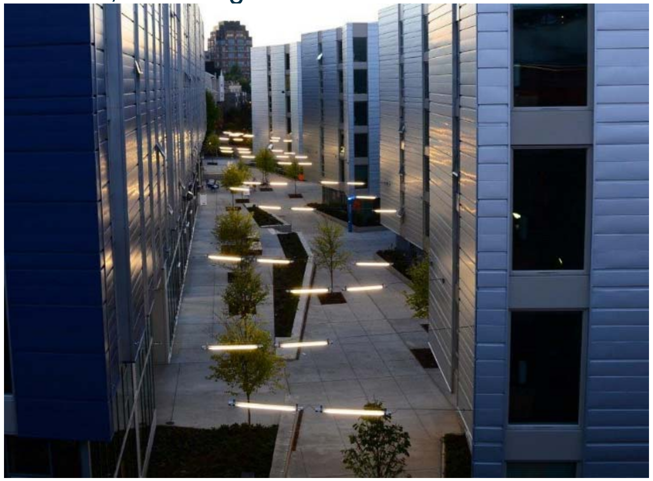
North American projects

Tesla's Gigafactory
-Sparks, Nevada

Apple's Campus
-Menlo Park, California

Featured Parade of Homes model
-Billings, Montana

New University of Washington undergraduate apartments (Mercer Court)
-Seattle, Washington



Kalama, Washington

- Built and commissioned in 1997
- Access to deep water dock on the Columbia River
- Production processes:
  - Pickling 545ktpa
  - Cold reduction mill 455ktpa
  - TruZinc® (galvanised steel) 235ktpa
  - Painting 110ktpa
  - Cut-to-Length
  - Slitter

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Rancho Cucamonga, California

- Paint Line installed in 1968
- Added ZINCALUME® manufacturing capability in 1995
- Production processes:
  - ZINCALUME® (Galvalume Steel) 220ktpa
  - Painting 100ktpa
  - Slitter
  - Embosser

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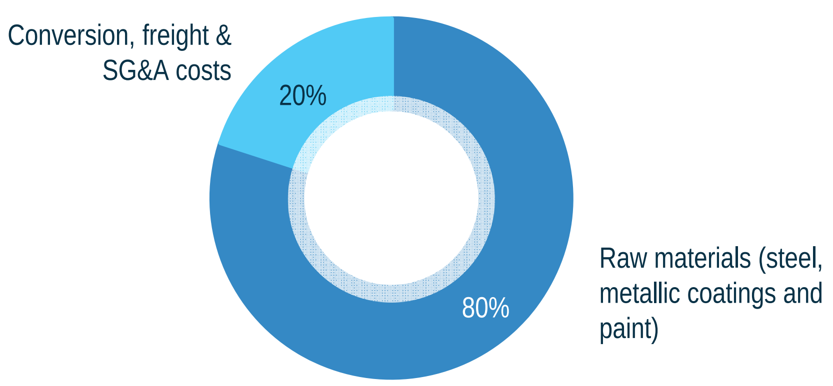
World class facilities operated by world class people

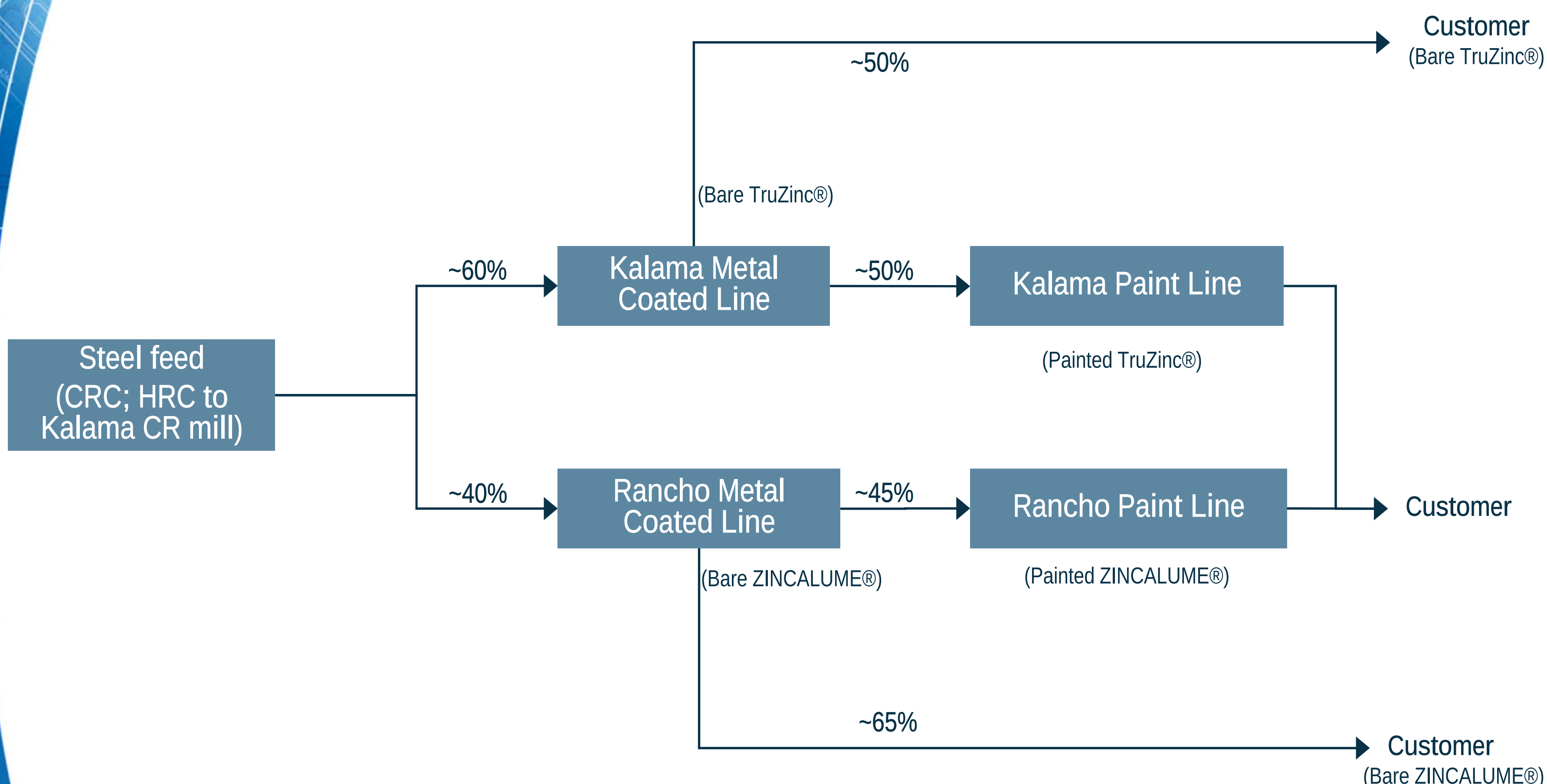
- Quality – high, consistent line yields; experienced technical staff
- On-time delivery – our 95% performance is of the best in the US steel industry
- Equipment reliability and operational performance – rank in the top quartile amongst BSL coating lines
- People – experienced and stable workforce, cross-functionally trained for minimum manning, self-directed and empowered work teams, pride and ownership
- Continuous improvements – operations cost reduced annually through associate-led initiatives

Indicative cost structure



Raw materials consist of steel, metallic coatings, and paint

Production and despatch flow



West Coast market and industry dynamics

Market

- West Coast population is 23% of the US
- Steel demand is <10% of the total US flat rolled steel demand
- Non-residential construction and residential housing starts are 20-25% of the US
- West has minimal automotive & manufacturing

Industry

- Small number of larger players in mid & upstream
- California Steel Producers (slab) – JFE Steel (Japan) and Vale (Brazil)
- Bare galvanised
- USS - Posco Industries (HRC) – US Steel and Posco (Korea)
- Bare galvanised

Imports

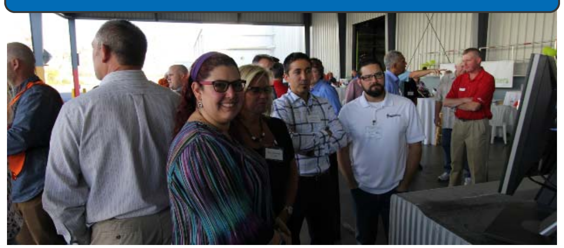
- Numerous brokers for galvalume, galvanised, and painted
- Key price driver in Western market
- Painted typically originates from Korea and Taiwan

Channels to market

AEP Span Lunch and Learn

ASC Profiles Plant Tours

Customer Appreciation Event



Customer Event

Customer Channels

- Contractors
- Engineers
- Architects
- Lumberyards
- Wholesale Distributors
- Builders
- Steel Fabricators

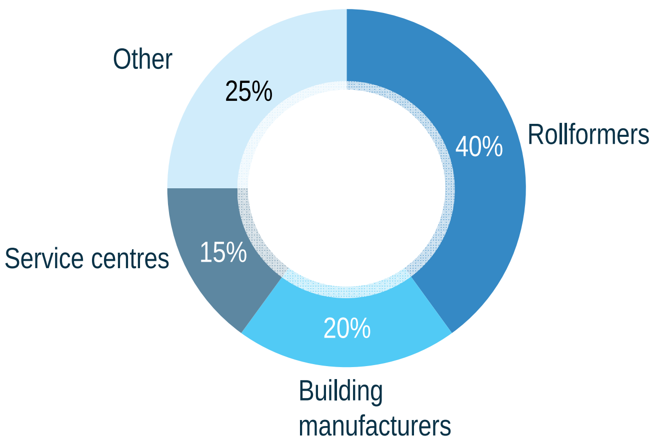
Market / End User Segments

- Hotels
- Offices
- Industrial facilities
- Retail
- Amusement/Recreation
- Education
- Healthcare facilities
- Religious
- Residential
- Agricultural / Farming
- Institutional Buildings
- Government Buildings
- Solar Projects

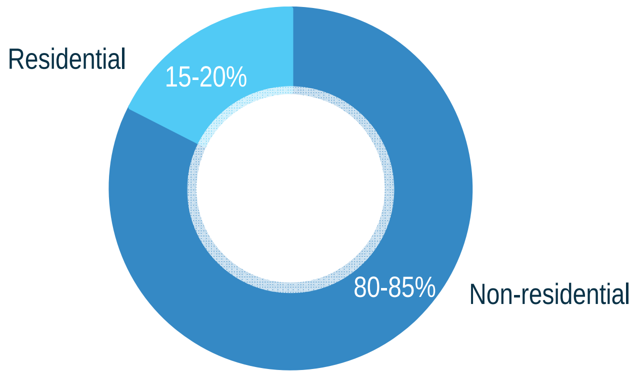
Steelscape – market segments

Customer segments represent a vast array of end-users principally within the construction industry:

Customer type (by volume)



End use segments (by volume)



- Approx. 30% of sales are to downstream *BlueScope affiliates* (ASC Profiles and BlueScope Buildings)

ASC Profiles provides key downstream channels to market

- ASC Profiles is the downstream business for Coated Products North America and provides clear channels to market for value-added products and services
- ASC Profiles includes three separate businesses
  - AEP Span: focusing on engineered solutions for commercial and industrial markets
  - Building Products: focused on architectural and residential applications
  - ASC Steel Deck: providing steel decking and technical support for structural applications
- All three businesses provide significant pull-through value for Steelscape and BlueScope with c. 80ktpa
- The businesses are undergoing a strategic review aimed at transformational change and improving the level and consistency of profitability and returns

ASC Profiles: three business units

ASC Building Products – Spirit Bay, AK Project

AEP Span – Brasada Ranch in Butte, Oregon

ASC Deck – Salesforce.com tower in San Francisco, CA

Evolving the organisation’s culture

“One Company, One Leadership Team, One Culture”

Safety	Safety and the environment are more than a value or priority…they are a way of life
Communication	Encourage open communication from the process lines up to the president
Continuous Improvement	Relentless focus on improving our operations and processes by reducing and eliminating waste
Teamwork	Quality comes from within. Great people make great products
Empowerment	After learning the expectations, Steelscape employees are given the authority and resources to succeed in their work

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Strategy

Differentiate through products & channel engagement	• Continued growth and development of specialty finishes & prints • Cold formed steel buildings, concealed wall panels, architectural decking • Promote to designers, end users and customers via digital engagement and co-branded activities
Optimise downstream business	• Restore focus on premium value-added, and architecturally specified products • Reassess foot print to optimise cost base and increase asset utilisation • Continue to strengthen channels to residential market segment
Improve effectiveness of Rancho operations	• Increase plant efficiencies, leveraging revitalized labour relations • Investing further in operations to modernize equipment and processes • Assess technologies to realize increased MCL capacity
Align assets, maximise operational capability & supply chain effectiveness	• Maximise capacity in North West • Pursue MCL paint line capability enhancements • Reduce supply chain complexity and increase efficiencies

SAFE OPERATIONS, PEOPLE, CULTURE & CAPABILITY

Customer first

Best brands and channels

Market inspired innovation

Strategic relationships

Technical excellence

Capital efficient growth

Underlying performance of the business has improved

- Strengthened value proposition in the West Coast, offering leading products and services
- Improved operations and continuous cost improvements in Steelscape business
- Customer-driven innovation
- ASC Profiles providing clear channels to market for value-added products and services
- Increasingly diverse and competitive sourcing for substrates

Market initiatives target growth

- Customer-driven Innovation: Design Solution™ product line
  - Advancing closer customer collaborations and exclusive product offerings
  - Includes: Dynamic Print, Shadow Line, Fresh Rust, Brushed Look, Wood Grain, and NSF (Antimicrobial)

- Targeting market share & margin growth with enhanced, value-added products
  - Expanding processing capability to capture additional market share in higher margin segment
  - Portfolio partnership with key vendor to grow value-added products

- Support market growth and expansion with improved logistics offerings
  - Enhancing transload options to better supply customers

- Adding capability to brand/stencil bare materials to increase profitable sales

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Cost discipline remains in focus

- CPNA seeks to offset operational cost increases with continuous improvement initiatives

- Areas of focus include:
  - Yield improvements
  - Waste
  - Quality/Claims
  - Energy
  - Direct costs
  - Labor efficiency

- Engaged specialist engineering firm to review applications for more advanced technologies (robotics, automation, etc.), which may yield attractive returns

- New Rancho CBA aimed at advancing continuous improvement initiatives as well as realizing a step-change in the flexibility and alignment of the labor force

- Planning and Logistics functions targeting the elimination of inefficiency and waste from their functions

Impact of anti-dumping and governmental actions

- Steelscape was established at a deep-water port, to receive and use imported steel substrate (cold-rolled full-hard & hot-rolled coil)

- Steelscape buys less than 1% of its needs from an affiliated party, North Star BlueScope Steel in Ohio for very particular uses that require domestic substrate. Steelscape has historically not been supplied by mills east of the Rocky Mountains given an incremental freight cost of between US$60/t and US$100/t

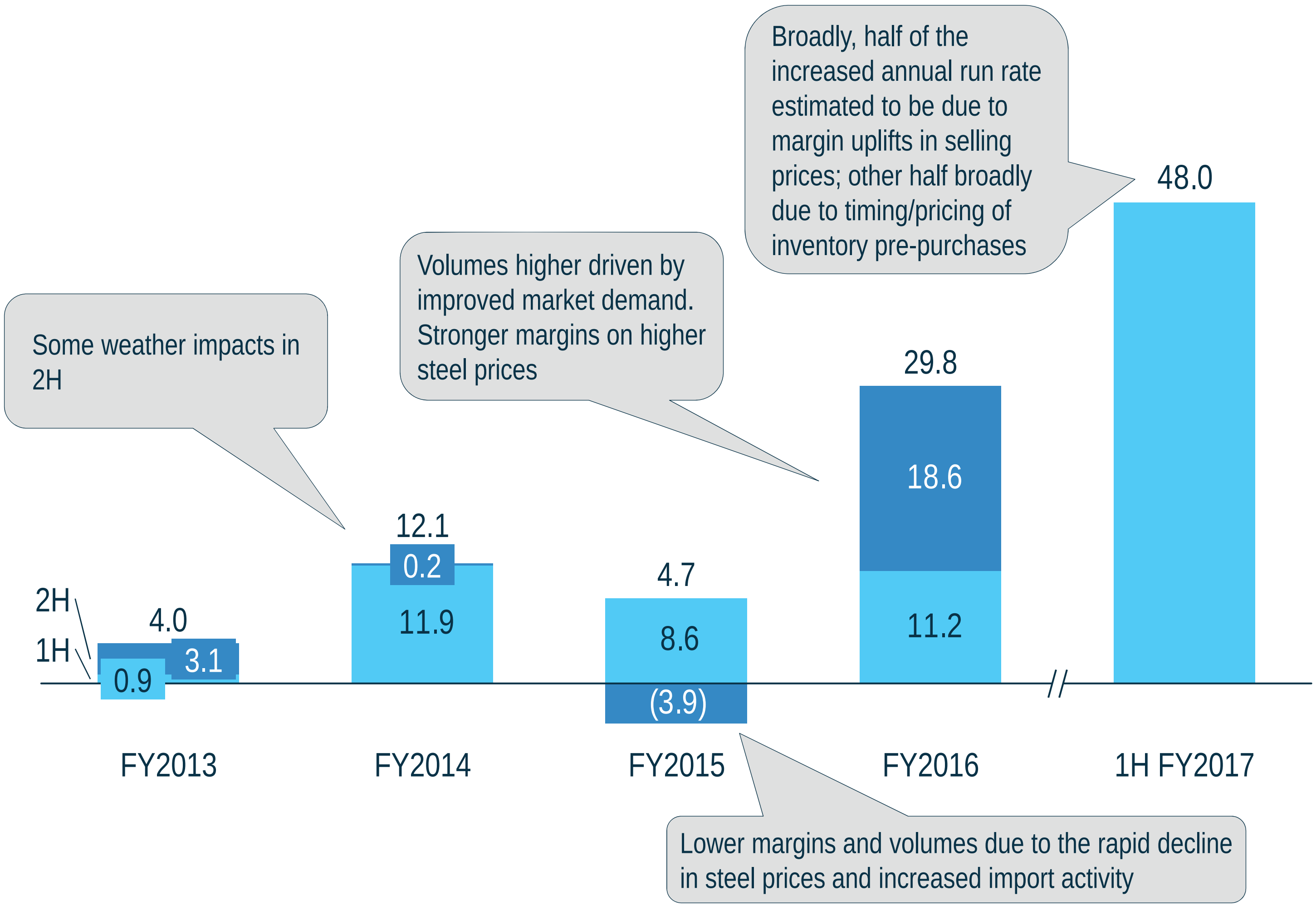
- During 2016, a 29.6% anti-dumping duty was applied to any HRC steel supplied from Australia to the US. BSL hopes to reduce that rate through the administrative review process beginning in October 2017

- The Trump administration has indicated that additional trade actions are possible and in late April 2017, the Department of Commerce (DOC) self-initiated an investigation into the effects of steel imports on US national security
  - Hearings were held during late May, and the DOC is expected to release its report shortly
  - If the DOC determines that steel imports threaten US national security, the President can impose import quotas, tariffs or take other actions restricting US steel imports
  - BlueScope and Steelscape are actively engaging with relevant stakeholders, including the DOC. The goal is to preserve the ability for Steelscape to receive imported feedstock

Earnings performance and drivers

Strong margin improvement in FY2016 and 1H FY2017

Coated Products North America underlying EBIT ($M)

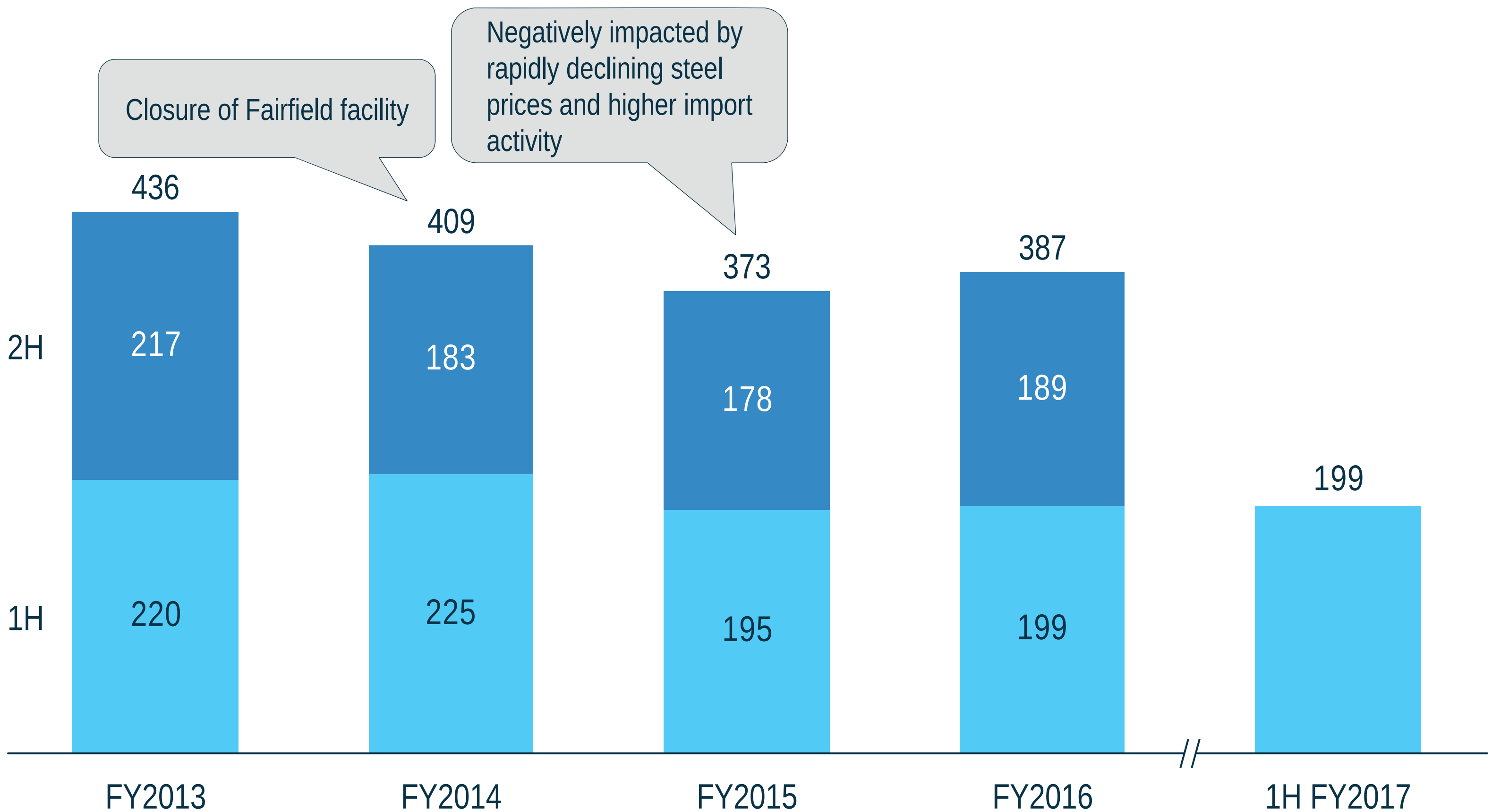


Underlying EBIT margin %	0.7%	1.9%	0.7%	4.5%	12.5%

Despatch volumes

Volumes stable with high plant utilisation; focus remains on mix optimisation

Coated Products North America despatches (kt)



Current trading conditions

- Market conditions remain stable and at elevated levels – stronger pricing, volumes and margins in 2H FY2017 vs 2H FY2016

- As expected, benefits from low cost inventory in 1H FY2017 are not repeated in 2H

Summary

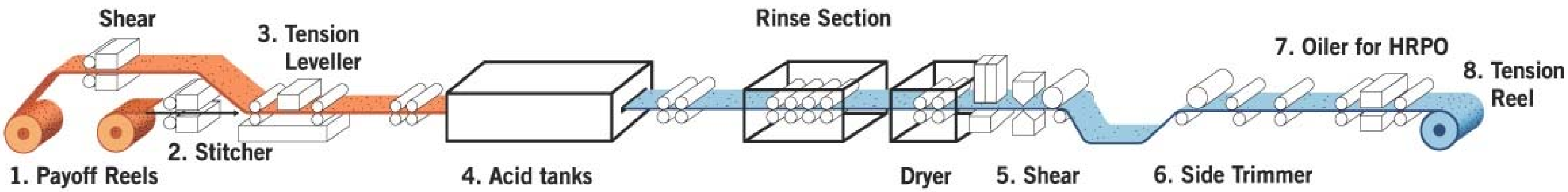
- Coated Products North America provides BlueScope investors with exposure to additional value-added coated metal products in a stable, growing economy
- An innovative business with marketing, branding, and intellectual property initiatives aimed at generating sustainable growth
- Unique position as a highly competitive producer on West Coast of US with well established market channels and customer relationships
- Robust steel supplier relationships help present diversified supply chain

QUESTIONS & ANSWERS

ADDITIONAL INFORMATION

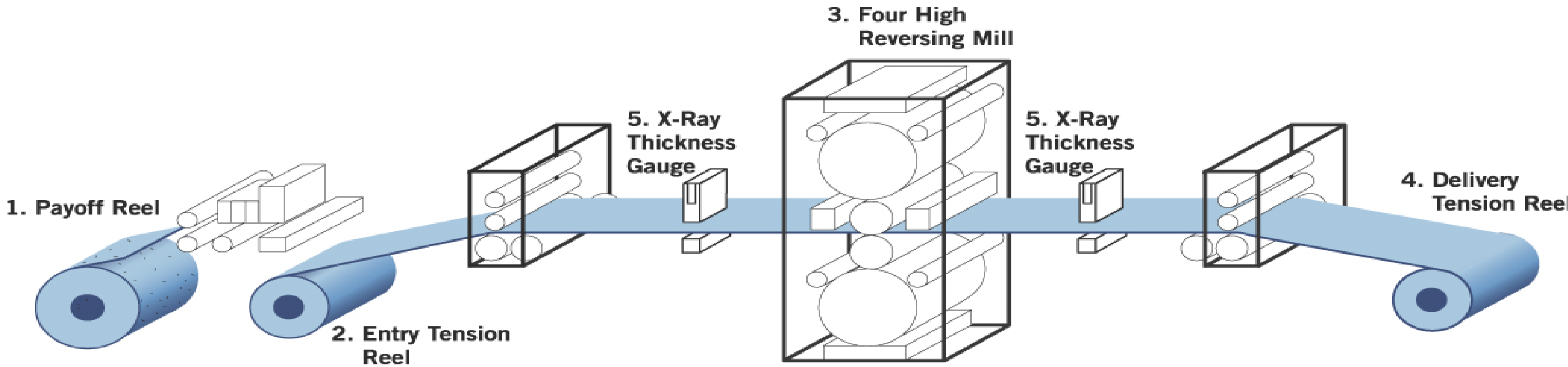
Pickling process – Kalama

- Pickling, or cleaning, is the first process that the hot band coil undergoes when it arrives at the coating mill
- The steel is uncoiled and cleaned in a four-stage hydrochloric acid bath
- It is then run through a five-stage rinse process to remove all acid, ensuring a clean, dry surface



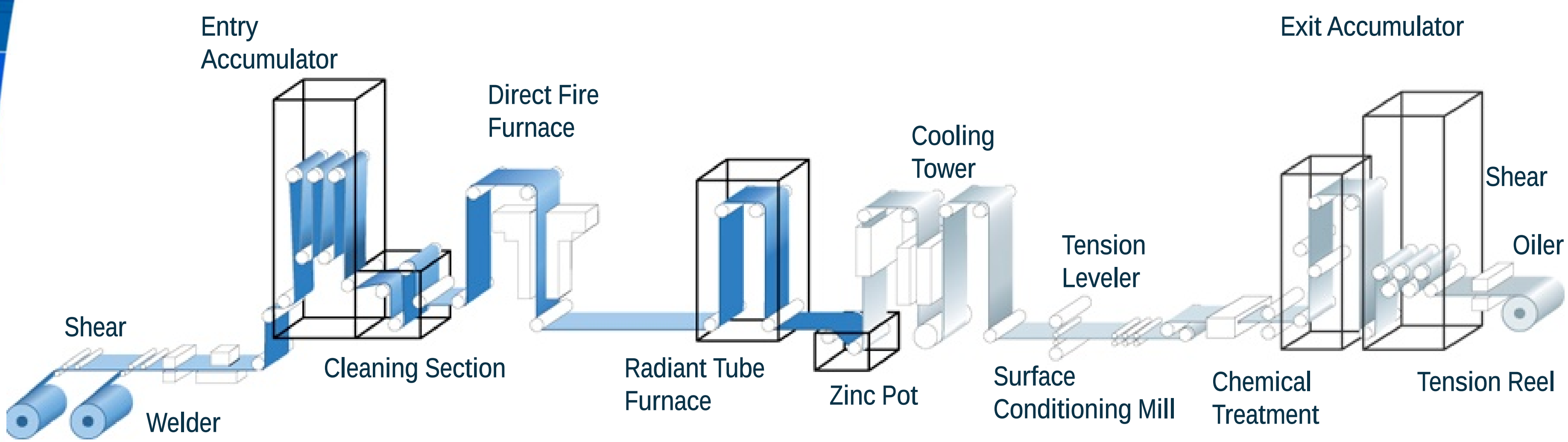
Cold rolling process – Kalama

- The cold reversing mill (CRM) combines speed, automation and the latest technology to reduce the thickness of the steel
- The band passes back and forth between the rolls until it reaches the specified thickness.
- The CRM employs numerous automatic functions that increase performance, shape and surface quality



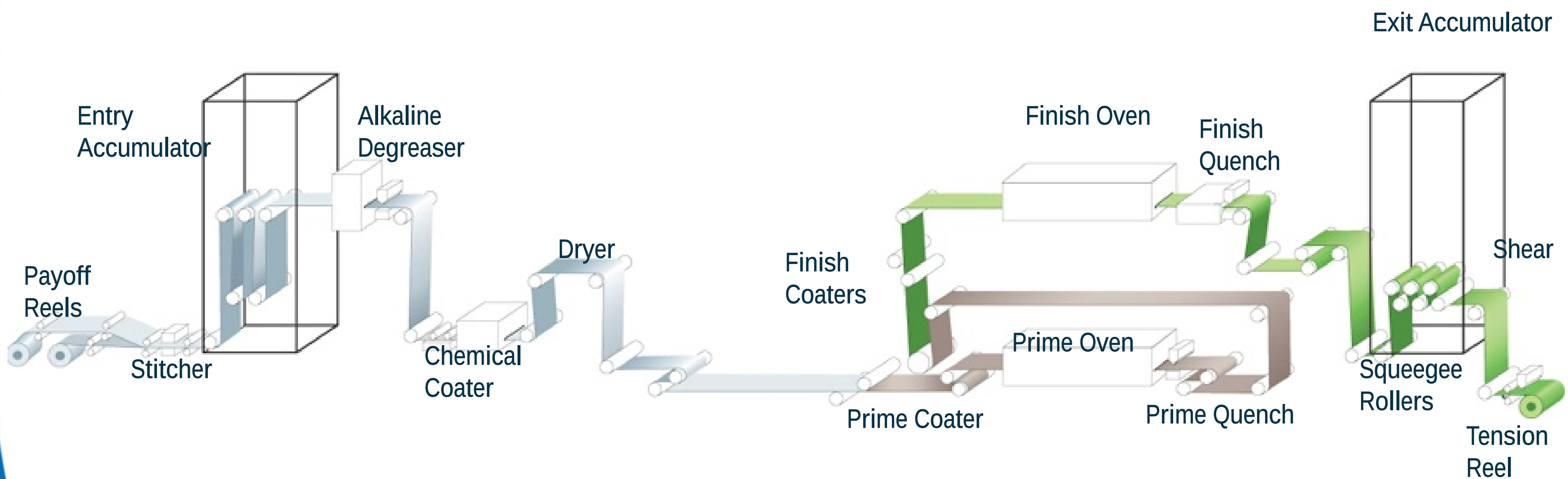
Metal Coating Process – Kalama and Rancho

- ZINCALUME® Steel and TruZinc® are produced in a continuous process by hot-dipping the steel strip in a zinc and/or aluminum-alloy, which provides excellent protection against corrosion



Painting Process – Kalama and Rancho

- Steelscape is able to apply the following paint systems: Polyesters, Silicone Modified Polyesters (SMP), Acrylics, Fluorocarbons (PVDF), Plastisols, Epoxy, Urethanes
- These paint systems ensure the finished surface will remain intact during bending, drawing and roll-forming processes. Ease of application, color stability, durability and chalk resistance mean applications look great for years to come.



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