FY2017 Financial Results Presentation

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Charlie Elias, Chief Financial Officer

21 August 2017

BlueScope Steel Limited. ASX Code: BSL

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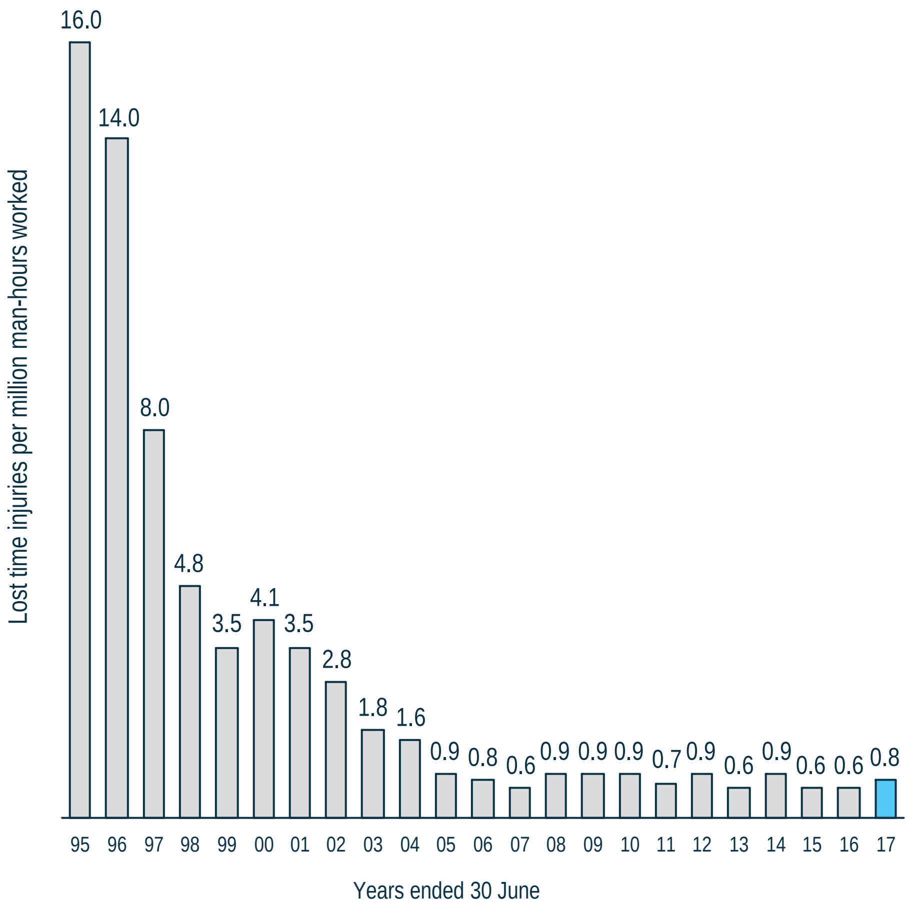
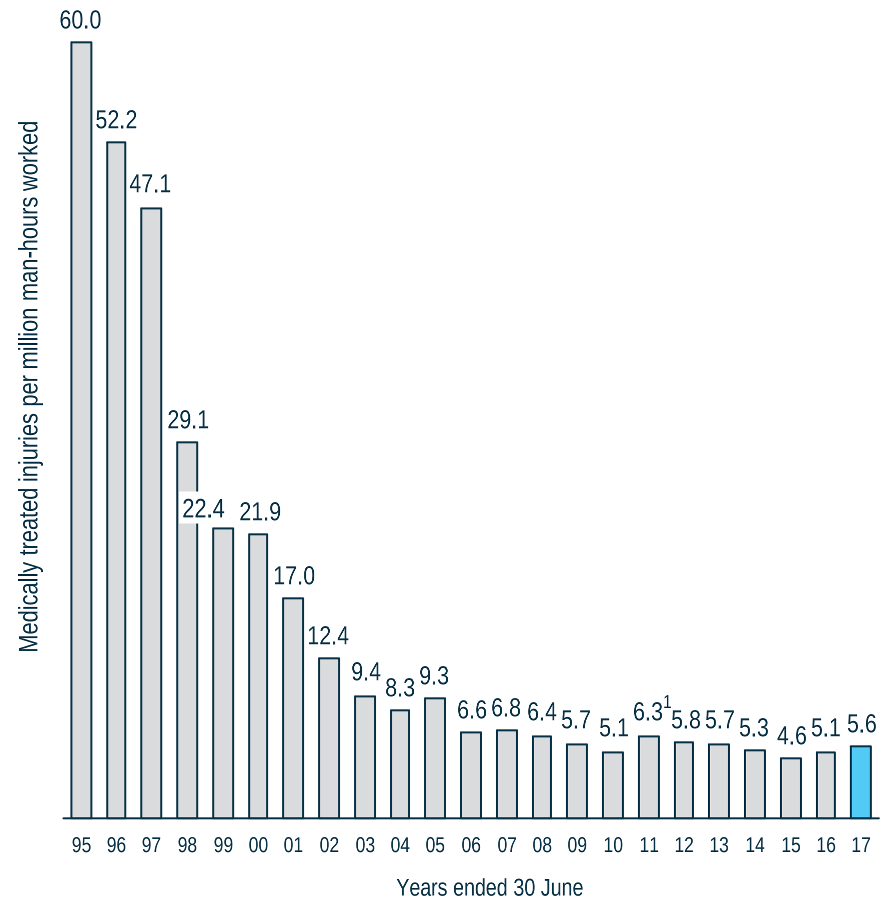
FY2017 HEADLINES

Safety: target to improve global performance in FY2018

Lost time injury frequency rate



Medically treated injury frequency rate



Charts include contractors from 1996, Butler from May 2004, 2007/08 acquisitions, Australian operational restructure in 2012 and Pacific Steel, Fielders and Orrcon from July 2015

Note: (1) The MTIFR baseline has been was reset from 4.4 to 6.3 due to changes in calculation method

Underlying EBIT up 89% over FY2016 – best since 2008, with Asian HRC spreads 50% lower

Underlying EBIT	**$1,105.0M** $1,131.2M on a 'guidance' basis including Taharoa[1]	✓ Up $521.2M on FY2016	✓ Best since 2008
EBIT return on invested capital	**18.5%**	✓ Up from 9.6% in FY2016	✓ Best since 2008
Reported NPAT	**$715.9M**	✓ Up 102% on FY2016	✓ Best since 2005

Comparisons are FY2017 vs FY2016. Underlying results are provided to assist readers better understand the underlying financial performance; refer to page 53 for information on the adjustments from reported financial information.

Note: (1) The Taharoa export iron sands business generated EBIT of $25.9M in 1H FY2017 and $0.3M in 2H FY2017. The business was divested on 1 May 2017 and has been reclassified to discontinued operations. Accordingly, underlying results have been adjusted to exclude Taharoa's contribution. Table 13 of BlueScope FY2017 Operating and Financial Review contains further detail on the restatements.

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Strong cash flow – allowing debt reduction, payment of dividends and buy-backs

Free cash flow (Operating cash flow less capex)	**$749.3M**	✓ Up $111.2M on FY2016	✓ Best since 2008
Capital management	Announced framework in February	✓ Dividends: 4.0cps interim **5.0cps final**	✓ $150M buy-back completed; **further $150M announced**
Net debt	**$232.2M**[1]	✓ Down from $778.0M at 30 June 2016	✓ Leverage 0.16x Interest cover 13.7x[2] Post $190M of buy-back & dividends

Notes:
(1) included estimated $100M benefit from timing of year-end cash flows
(2) underlying EBIT divided by net finance costs

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Underlying EBIT results from all segments materially stronger

Australian Steel Products

$459.4M ⬆ 27%

- $300M cost reductions

North Star

$406.6M ⬆ 178%

- 100% ownership
- 71kt production increase

Building Products ASEAN, Nth Am & India

$201.7M ⬆ 35%

- North America up 164%
- India and Vietnam businesses performed strongly

BlueScope Buildings

$64.0M ⬆ 30%

- Productivity improvements in North America
- China Buildings breakeven in 4Q

New Zealand & Pacific Steel

$61.1M[1] ⬆ $101.4M

- $100m turnaround
- Sale of Taharoa export iron sands business

Corporate & eliminations

($87.8)M ⬆ 7%

- Higher mainly due to FX and equity-based remuneration expense

Comparisons are FY2017 vs FY2016. Underlying results are provided to assist readers better understand the underlying financial performance; refer to page 53 for information on the adjustments from reported financial information.

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SUSTAINABILITY UPDATE

OUR BOND

WE AND OUR CUSTOMERS PROUDLY BRING INSPIRATION, STRENGTH AND COLOUR TO COMMUNITIES WITH BLUESCOPE.

OUR CUSTOMERS ARE OUR PARTNERS.

Our success depends on our customers and suppliers choosing us. Our strength lies in working closely with them to create value and trust, together with superior products, service and ideas.

OUR PEOPLE ARE OUR STRENGTH.

Our success comes from our people. We work in a safe and satisfying environment. We choose to treat each other with trust and respect and maintain a healthy balance between work and family life. Our experience, teamwork and ability to deliver steel inspired solutions are our most valued and rewarded strengths.

OUR SHAREHOLDERS ARE OUR FOUNDATIONS.

Our success is made possible by the shareholders and lenders who choose to invest in us. In return, we commit to continuing profitability and growth in value, which together make us all stronger.

OUR COMMUNITIES ARE OUR HOMES.

Our success relies on communities supporting our business and products. In turn, we care for the environment, create wealth, respect local values and encourage involvement. Our strength is in choosing to do what is right.

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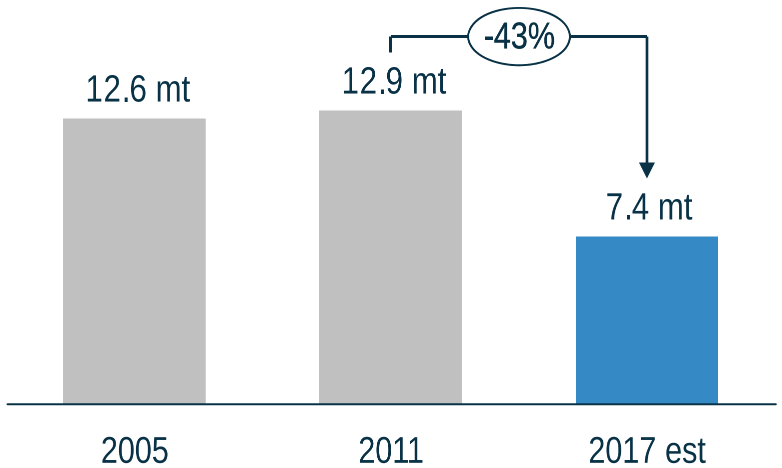
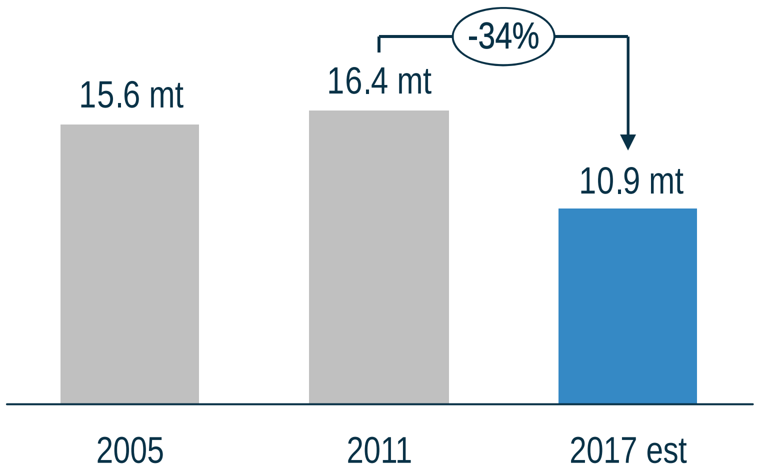
Delivering material reductions in carbon emissions

- >40% reduction in annual Australian CO_2 emissions since FY2011
- Cumulative reduction of 34mt CO_2 emissions in Australia since FY2011
- We support real action to reduce energy consumption and carbon emissions
- There is both a social and economic cost in the steel industry to delivering these reductions

BlueScope's Australian scope 1 & 2 CO_2 emissions



BlueScope's global scope 1 & 2 CO_2 emissions[1]



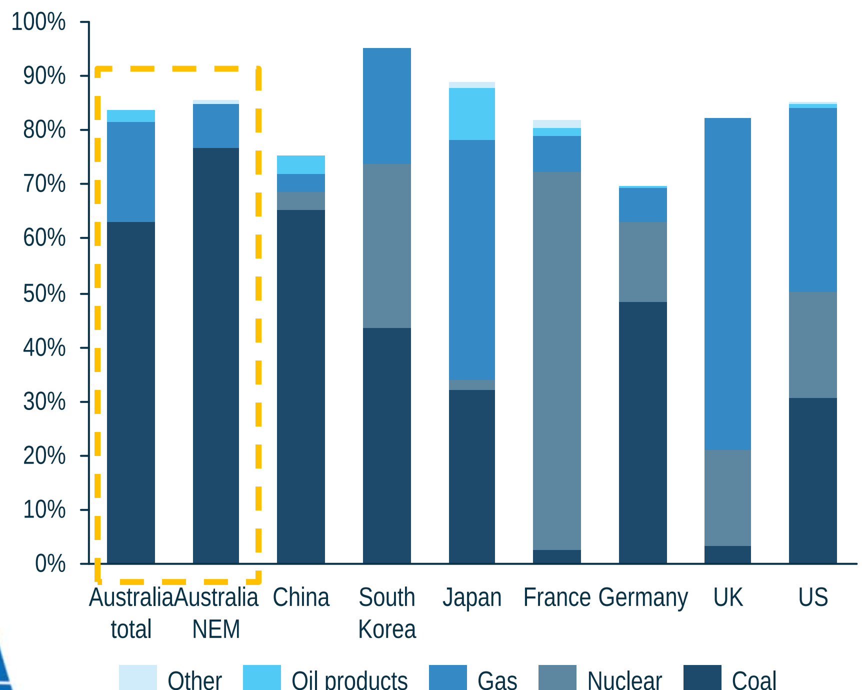
BlueScope released its inaugural sustainability report in April 2017. The Company intends to provide more detailed disclosure on climate-related governance, strategy, risk management and metrics in its FY2017 Sustainability Report, which is expected to be released in early CY2018. It is intended that this will be followed by more detailed disclosure in the FY2018 Sustainability Report, including information on the organisation's resilience under different climate-related scenarios.

Note: (1) Includes 100% contribution from North Star in all periods

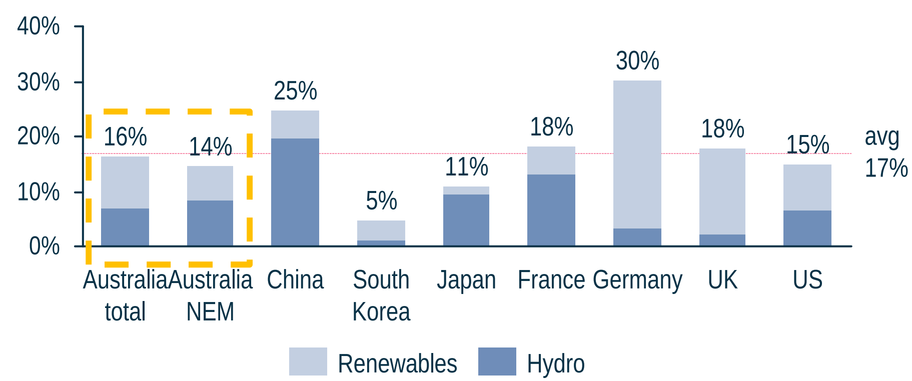
Australia's energy challenge – policy must ensure affordability and reliability

- Australia's generation mix is comparable to key economies – eg 70-80% baseload production and average 17% renewable/hydro
- Australia has the least flexibility in baseload mix:
  - Gas generation priced out of the market
  - All other countries use gas and nuclear in addition to coal
- Baseload energy supply in Australia is in crisis
- Agree with the Finkel report that renewable energy needs to be more reliable in its supply
- No renewable technology can currently replace baseload requirements of any scale

Electricity production mix – non-renewables



Electricity production mix FY2017 – renewables & hydro



Source: BSL calculations for 2016/2017 using data from a variety of sources including Schneider Electric, IEA Monthly Statistics Report, European Network of Transmission System Operators for Electricity's Net Generation Capacity Report, AER Generation

Australia's energy challenge – $7 billion cost impost and rising

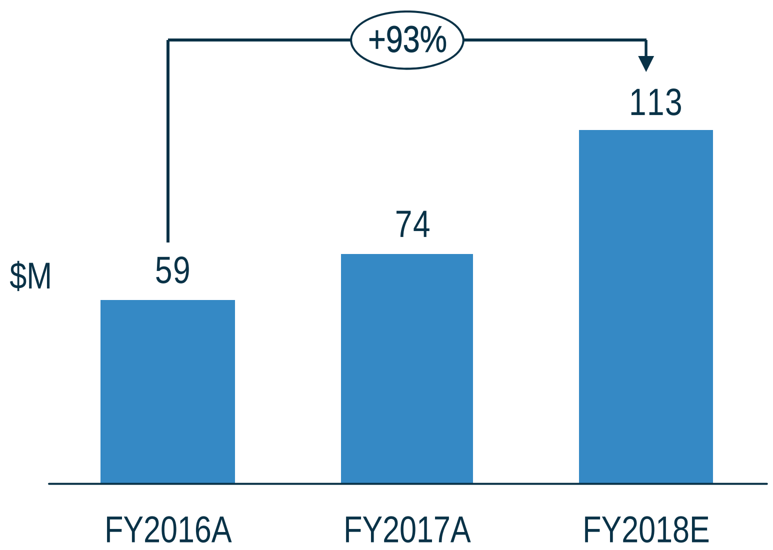
Electricity

- Hazelwood closure with little notice reduced baseload capacity
- Finkel Review delivers long term but won't fix current baseload crisis
- More baseload generation required

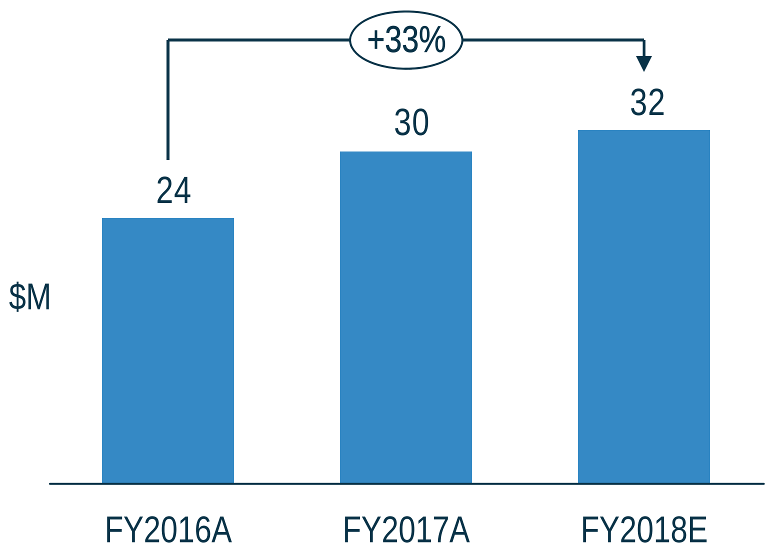
Gas

- East coast gas market is not transparent to customers:
  - lack of availability of reference prices
  - little information about reserves, production, transportation prices, storage
- More supply required for Australian customers

BlueScope's Australian electricity costs



BlueScope's Australian gas costs



Governance – a core responsibility for Board and Management

- In our Company charter – Our Bond – we recognise that our success depends on our customers and suppliers, our people and our communities, and that our strength is choosing to do what is right.
- We promote a culture among our employees where these responsibilities are taken seriously. As with our focus on safety, this requires constant attention as our operations are governed by extensive laws and regulations.
- We have strong internal policies on governance and business conduct, with an actively promoted whistle-blower line across our entire global footprint:
  - In 2017 we received 19 tip-off calls to the Hotline and this led to 24 investigations of alleged misconduct
  - 9 people exited from the business as a result of these investigations
  - We don't comment on individual HR matters, but we would if they pertained to members of the leadership team.
- Over the last financial year, the Australian Competition and Consumer Commission (ACCC) has been investigating potential cartel conduct by BlueScope relating to the supply of steel products in Australia, that involved a small number of BlueScope employees in the period from late 2013 to mid 2014.
  - BlueScope has co-operated, and continues to co-operate, with the ACCC's investigation.
  - The ACCC's investigation is ongoing. The Company is not in a position to make any further comment at this time.
- BlueScope is committed to competing fairly and complying with all laws that apply to our operations, including competition laws

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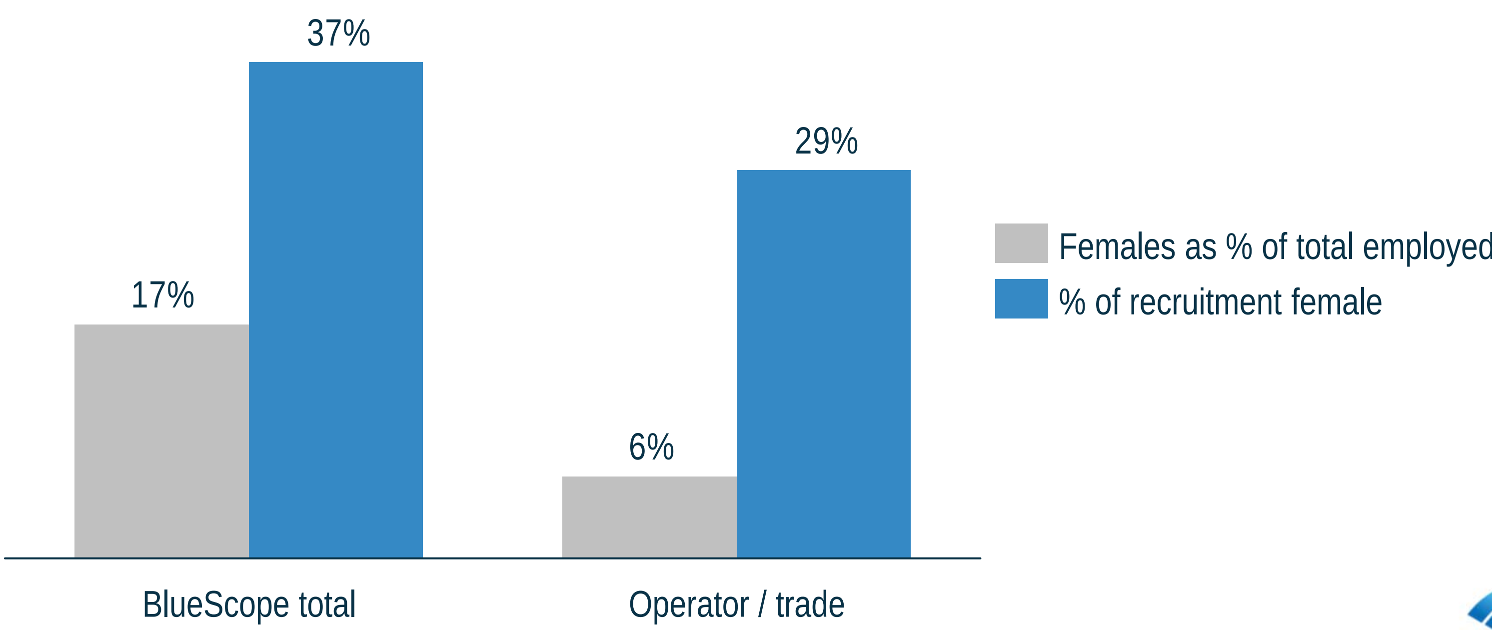
Diversity – a multi-year program delivering results

- Goal of increasing workforce diversity to reflect the diversity in each community in which we operate
- Recruitment of females across all roles within BlueScope increased significantly in 2017
- Recruitment of females into operator and trades roles in 2017 at 29% was five times our current representation of females in such roles – this is making a real difference to productivity

Recruitment of females into permanent roles, 2017



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STRATEGIC POSITION

Delivery on our 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	BlueScope Buildings	North Star BlueScope	Australia & NZ Steelmaking	Balance Sheet
✓ *Significant North America earnings growth* ✓ *Growing home appliance steels sales in Thailand* ✓ *Construction of MCL3 in Thailand on-track* ✓ *Growth in Aust. coated product sales* ✓ *Potential India investments – painting & coating*	✓ *North America: delivered majority of $30M productivity savings target in FY2017* ✓ *China Buildings restructure delivering results – breakeven in 4Q FY2017*	✓ *Moved to full ownership, adding >$200M EBIT in FY2017* ✓ *71kt production increase in FY2017* ✓ *Conversion cost reductions – delivered >$10M pa*	✓ *$300M productivity / cost improvements in Australia* ✓ *NZ$80M productivity / cost improvements in NZ. Targeting incremental improvements in FY2018* ✓ *Divested Taharoa iron sands*	✓ *Net debt reduced to $232M* ✓ *Leverage reduced to 0.16x* ✓ *Clear capital management framework incorporating ongoing buy-backs*

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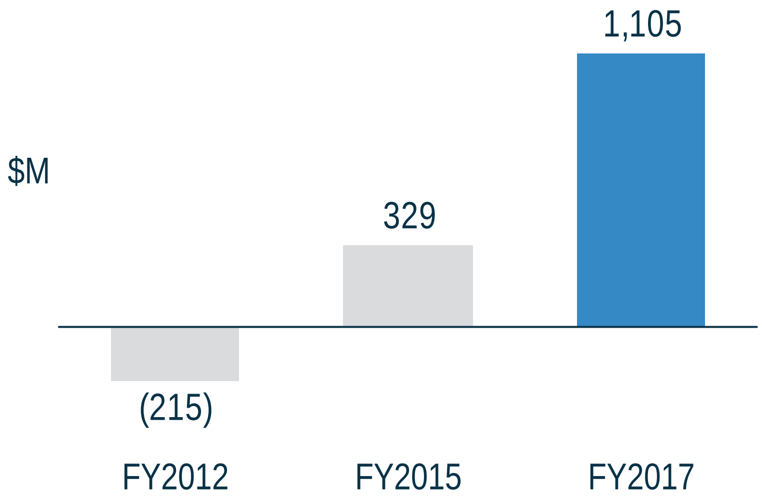
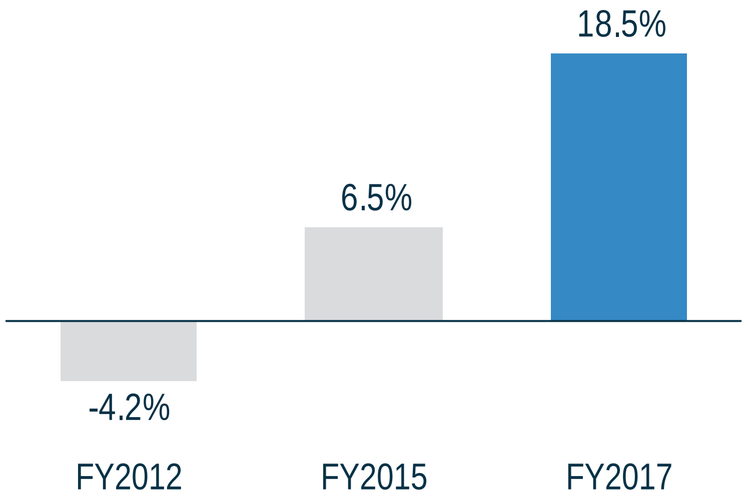
Good financial performance

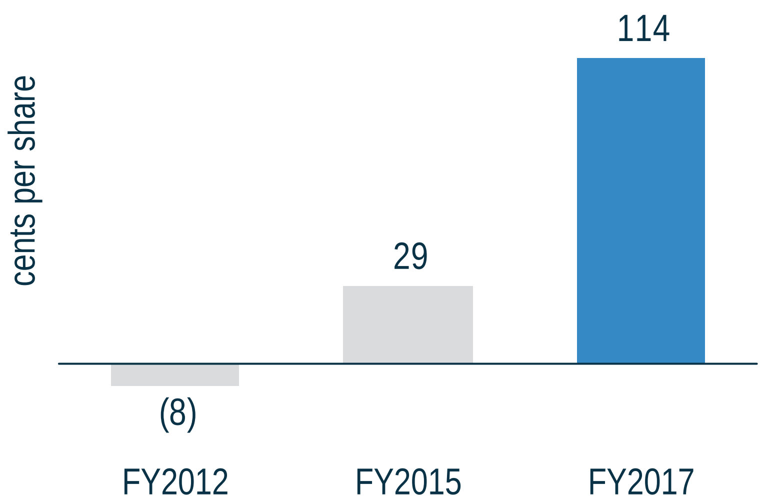
Underlying EBIT (group)



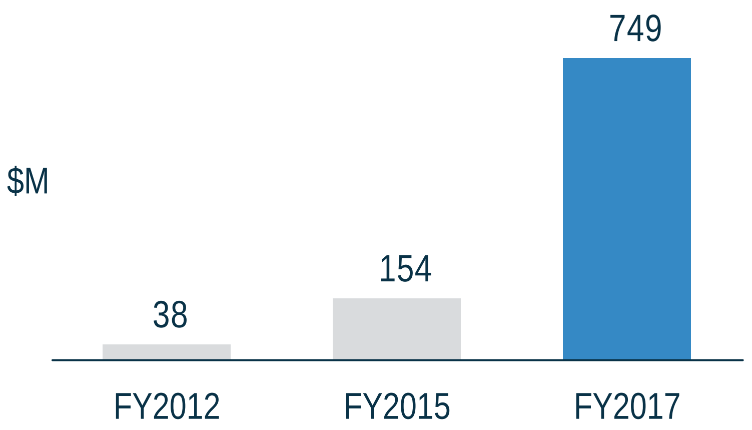
Underlying return on invested capital



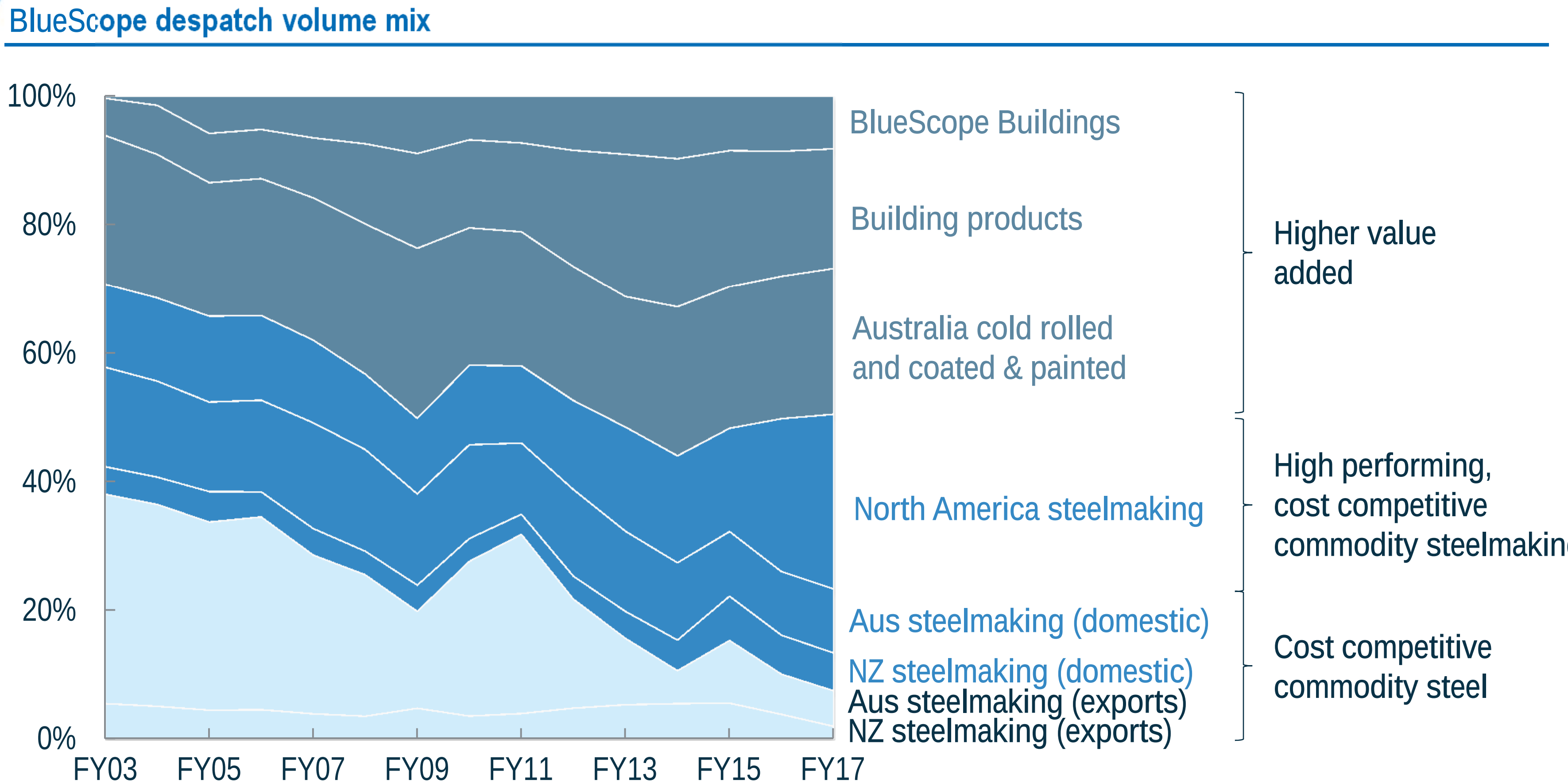
Underlying EPS



Free cash flow (operating cash flow less capex)



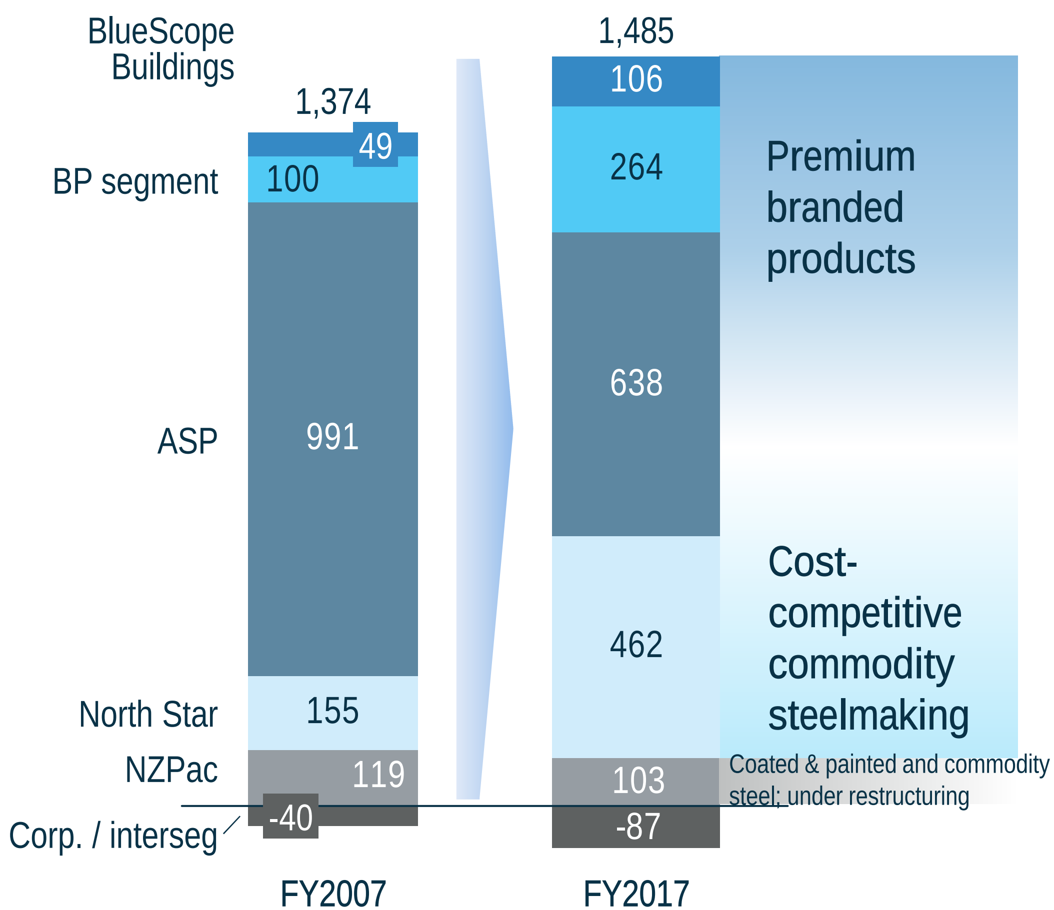
Pivot in our sales mix – increasing contribution from value-added products



- Increased earnings from Asian coated and painted businesses, with balanced customer exposure across projects/commercial and retail/SME markets … and now home appliance applications
- Full ownership of North Star, a high quality and competitive business

… giving a better earnings mix and lower relative exposure to commodity fluctuations …

Underlying EBITDA by segment ($M)



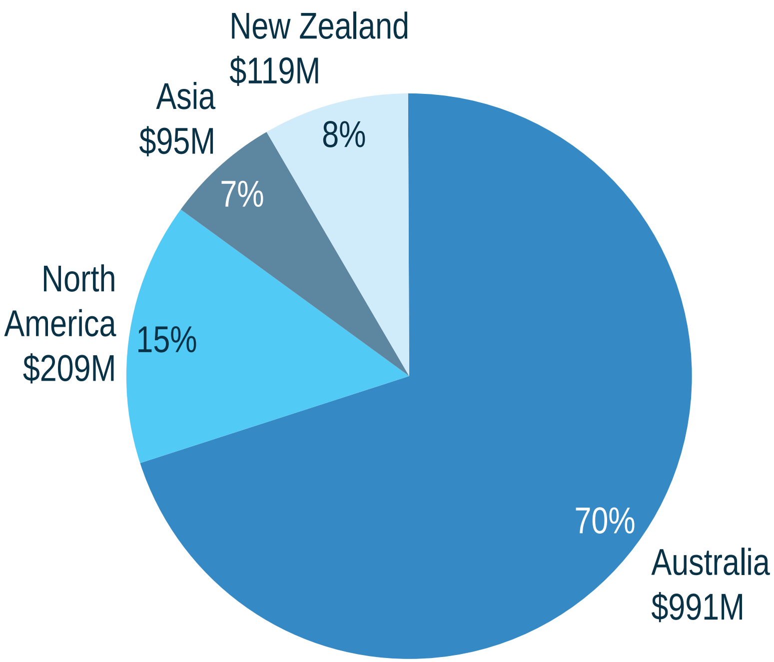
	FY2007	FY2017
East Asia spread[1]:	US$369/t	US$214/t
US Midwest spread[1]:	US$296/t	US$332/t

- Building Products segment increased by 150%
- BlueScope Buildings segment doubled
- North Star contribution tripled
- ASP & NZ earnings materially positive despite much lower spreads and steel prices

Note (1): indicative steelmaker domestic spread with lags

… and broader geographic diversity. BSL a globally competitive company

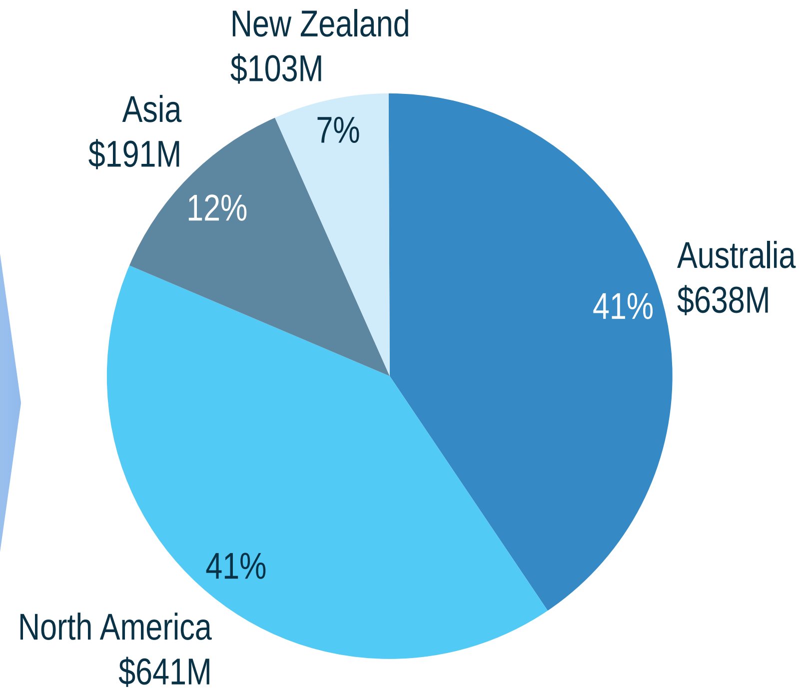
Underlying EBITDA by region ($M)



FY2007
Total: $1,373m

Note: total includes corporate costs & eliminations of $40M, excluded from pie chart

Improved geographic diversity



FY2017
Total: $1,485m

Note: total includes corporate costs & eliminations of $87M, excluded from pie chart

Clearly stated financial principles to support decision making and investment

Return hurdles	• Every BlueScope business needs to deliver ROIC • Management and employees are incentivised within each business to deliver ROIC targets
Investment timing	• BlueScope intends to have the financial capacity at troughs in the cycle, to make opportunistic investments • BlueScope will avoid M&A at peaks in the cycle • BlueScope is a net purchaser of steel substrate and will continue to ensure options exist for competitive substrate sourcing
Balance sheet capacity	• BlueScope will target zero net debt or positive cash • BlueScope will reward shareholders from free cash flow as an active strategy • Leverage may be used for appropriate acquisitions but only if accompanied by an active debt reduction program
Steelmaking	• Commodity steelmaking in Australia & NZ is a valuable option provided it can deliver target returns and is cash flow breakeven[1] at the bottom of the cycle • BlueScope intends to maintain balance sheet capacity to fund a shutdown of steelmaking if not cash positive. Conversely it will maintain flexibility to reinvest in capacity where target returns are met

Note (1): EBITDA less stay in business capital expenditure

Capital management

Dividend and buy-back

- In February 2017 the Board announced a 4.0 cents per share fully franked interim dividend and a $150M on-market buy-back
  - The buy-back was completed in June 2017, with 12.78M shares bought at an average of $11.74 per share
  - Also, net debt reduced by a further $299M since 31 December 2016, to $232M
- The Board today announces a 5.0 cents per share fully franked final dividend and a $150M on-market buy-back

Framework

- Board's present intention is to pay consistent dividends, given limited franking availability, in conjunction with ongoing on-market buy-backs[1], funded on the following basis:
  - to retain strong credit metrics
  - ensuring a balance between returning capital to shareholders and investing in growth, particularly in Asia; and
  - to be 30% to 50% of free cash flow. To be updated if/when net cash position achieved

Note:

(1) On-market buy-backs are seen as the most effective method of returning capital to shareholders after considering various alternatives and given BSL's limited franking capacity. (Capacity to frank 5.9 cps of dividends, prior to payment of final dividend). The Board reserves the right to suspend or terminate buy-back at any time.

Anti-dumping and s232

U.S. anti-dumping and s232

- In April, U.S. Department of Commerce (DOC) initiated investigation into the effects of steel imports on U.S. national security (s232 investigation)
  - Hearings held in late May; timing of report is uncertain
  - If DOC determines steel imports threaten U.S. national security, the President can impose import quotas, tariffs or take other actions restricting imports
- BSL and Steelscape are actively engaging with relevant stakeholders, including the DOC
- If further restraints are placed on steel imports to the U.S.:
  - North Star may benefit if demand/prices for domestic steel rise
  - Impact on Steelscape unclear with potential impacts on: (i) steel feed supply/cost, and (ii) demand/prices of its products
  - May impact other BSL imports to U.S.

Australian anti-dumping

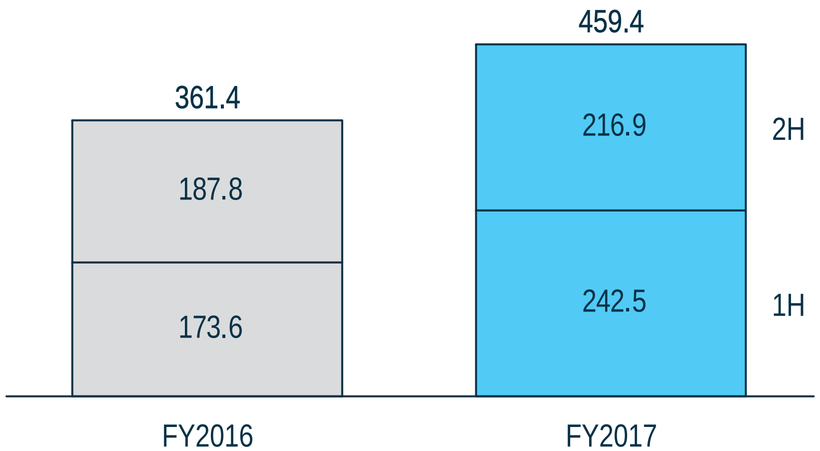
- Regular reviews of product and importer treatment under the Australian dumping cases are occurring
- Reviews, particularly of ZnAl and galvanised, have been unfavourable for BSL, and we continue to monitor developments
- We have an active dialogue with both the Anti Dumping Commission and the federal government concerning the operation and fairness of the regime; we continue to advocate for improvements

BLUESCOPE

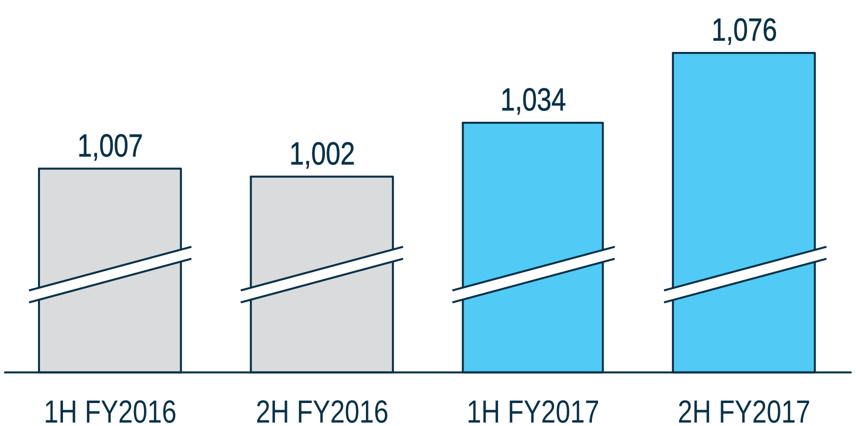
SEGMENT FINANCIAL RESULTS

ASP underlying EBIT up 27% on productivity improvements, planned cost savings and higher spreads

Underlying EBIT ($M)



Domestic despatches (kt)



Note: further despatch volume data, including exports, is found on page 62

Comments on FY2017

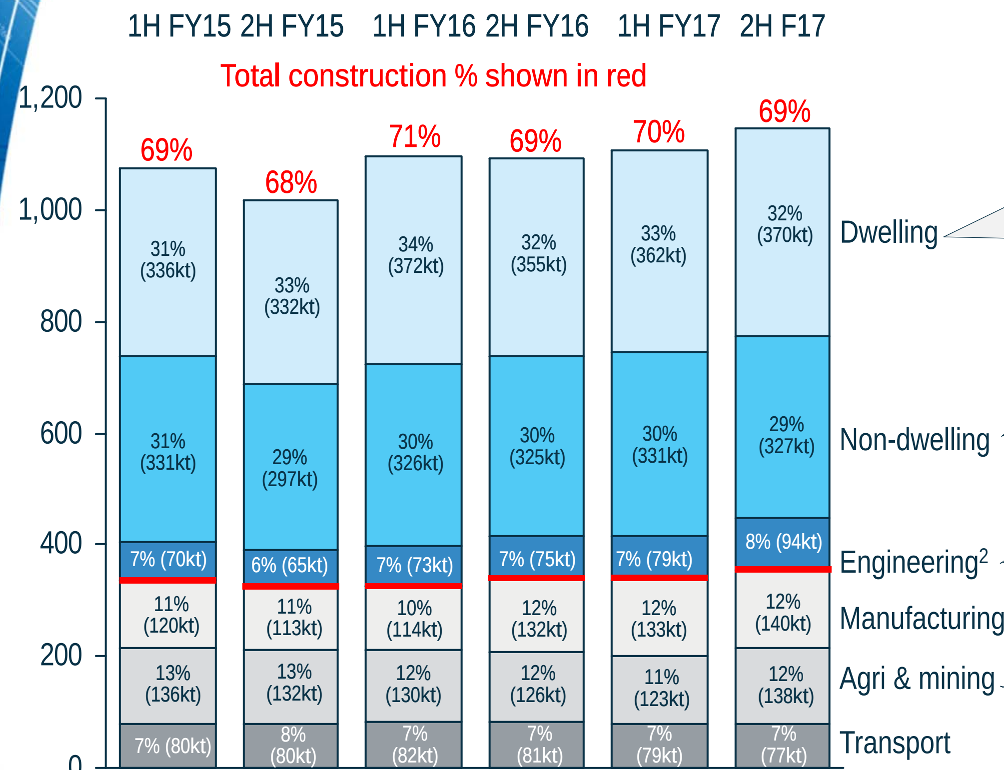
- Productivity improvements and cost savings, particularly:
  - Improved manufacturing conversion costs with better manufacturing production rates
  - Benefits flowing from distribution restructure
- Total savings of $300M compared to FY2015 cost base
- Volumes increased
  - Higher domestic galvanised and plate sales
  - Export volumes increased
  - Record iron-make (up 8% on FY2016)
- Stronger spread:
  - Stronger domestic and export steel prices following rises in global steel prices
  - Offset by higher raw material costs – especially due to coal price spikes. Partially mitigated by favourable buying and feed mix

Targeted growth drivers

- Increasing competitiveness and offer compared to imports
- Product development to target inter-material growth opportunities
- Deliver cost savings targets and further productivity improvements to at least offset inflation. However, rising energy costs are a headwind

Continued focus on customer engagement is underpinning Australian demand

Total Australian external domestic despatch volumes (Kt)



	1H FY15	2H FY15	1H FY16	2H FY16	1H FY17	2H F17
Gross Despatches	1,073kt	1,019kt	1,098kt	1,094kt	1,107kt	1,146
less [1]	*(141)kt*	*(118)kt*	*(91)kt*	*(92)kt*	*(73)kt*	*(70)kt*
Normalised Despatches	932kt	901kt	1,007kt	1,002kt	1,034kt	1,076kt

FY2015 1,833kt | FY2016 2,009kt | FY2017 2,110kt

Dwelling
- A significant proportion of product goes to alterations and additions. Sub-segment performing well
- Balance mainly driven by detached residential commencements; limited exposure to multi-residential.
- Detached approvals remain elevated with a positive flow-on activity effect with some constraints on trade availability extending the pipeline of workflow

Non-dwelling
- Consumes a third of our COLORBOND® steel
- Key sub-segments: Commercial & Industrial and Social & Institutional. Approvals in both areas gaining momentum

Engineering
- Growth in wind towers and government backed infrastructure spend complimented by small pockets of spending in mining sector

Manufacturing
- Stabilised and improved marginally since A$ fall from parity, building activity is also assisting

Agri & mining
- Growth momentum in agri on Asian demand and weaker AUD currency; mining spend visible in pockets

Transport
- Truck bodies, trains, ships, trailers etc – this area is growing
- Automotive (and suppliers) represents around 40-50ktpa; volumes to fall away over next 12 months

(1) Normalised despatches exclude third party sourced products, in particular, long products
(2) Engineering includes infrastructure such as roads, power, rail, water, pipes, communications and some mining-linked use

BLUESCOPE

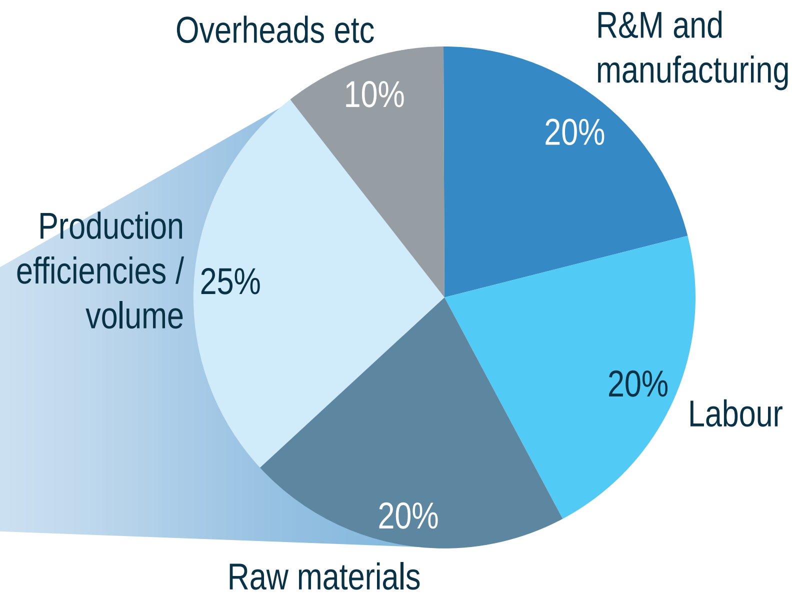
ASP delivered $300M productivity improvement and cost savings in FY2017

Savings over FY2015 cost base

FY2016 achieved	$235M
1H FY2017 achieved	~$150M
2H FY2017 achieved	~$150M
FY2017 achieved	$300M

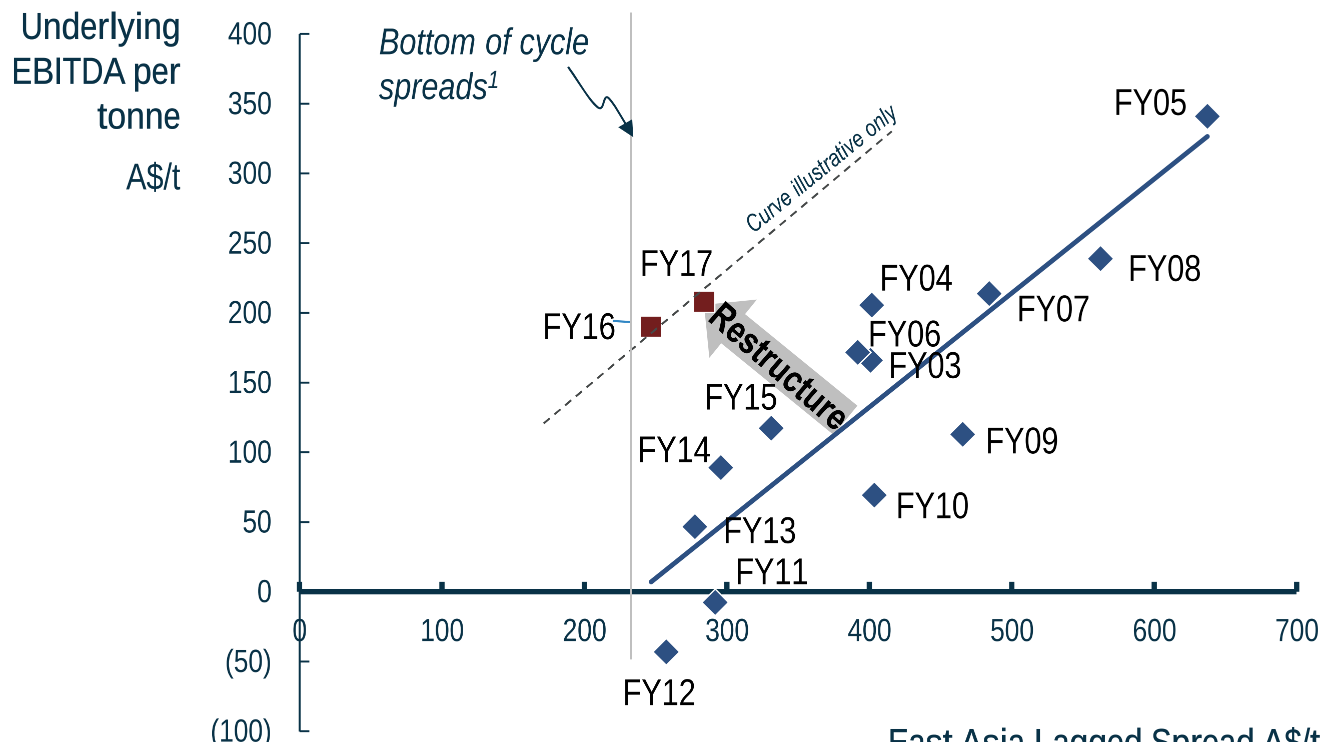
Note: cost savings and productivity improvements are over FY2015 cost base and are net of estimated escalation

Composition of FY2017 savings



ASP's profitability improved considerably through productivity initiatives, even at "bottom of the cycle" spreads

ASP EBITDA per tonne vs spread

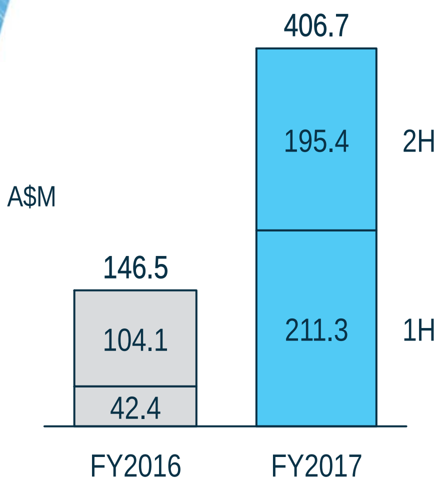


Note: (1) USD170/t, AUD/USD0.73

ASP remains positioned with considerable leverage to spread improvements with steelmaking cash positive at ~ "bottom of the cycle" spreads. Moving forward, we must not be complacent in our pursuit of continued productivity improvements. We need to deliver returns necessary to support a decision in 10 to 15 years to reline the blast furnace at Port Kembla

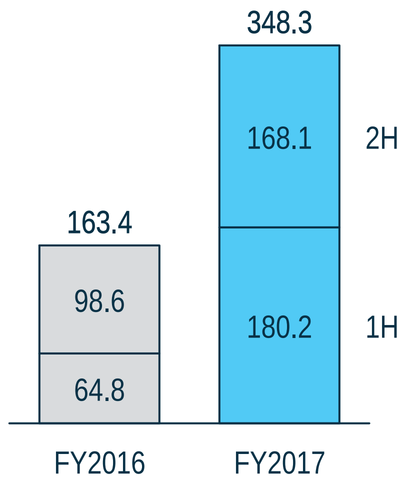
North Star underlying EBIT up 178% on stronger spreads, 100% ownership and lower conversion costs

Segment underlying EBIT[1]



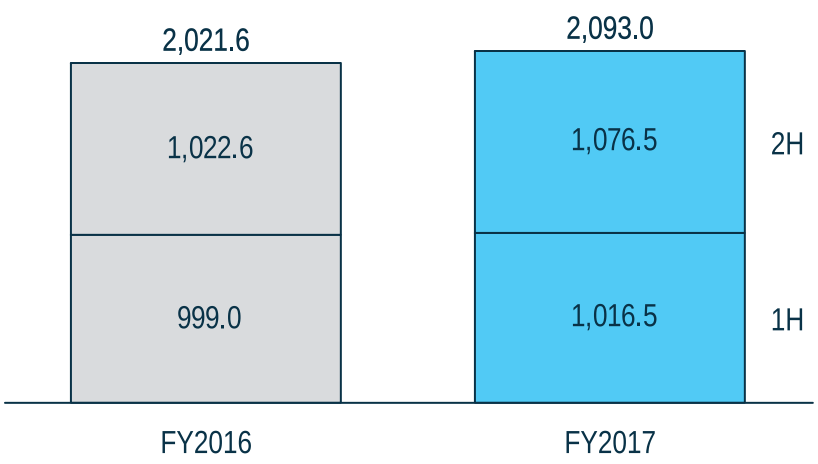
Note: (1) North Star equity accounted until 30 Oct 2015. Includes Castrip equity accounted until 8 Jul 2016

US$M underlying EBITDA – North Star 100%



Note: North Star D&A charge of approximately US$40M per annum (100% basis) following revaluation of existing stake upon acquisition of Cargill's 50%

Total despatch volumes (100% basis, metric Kt)



Comments on FY2017

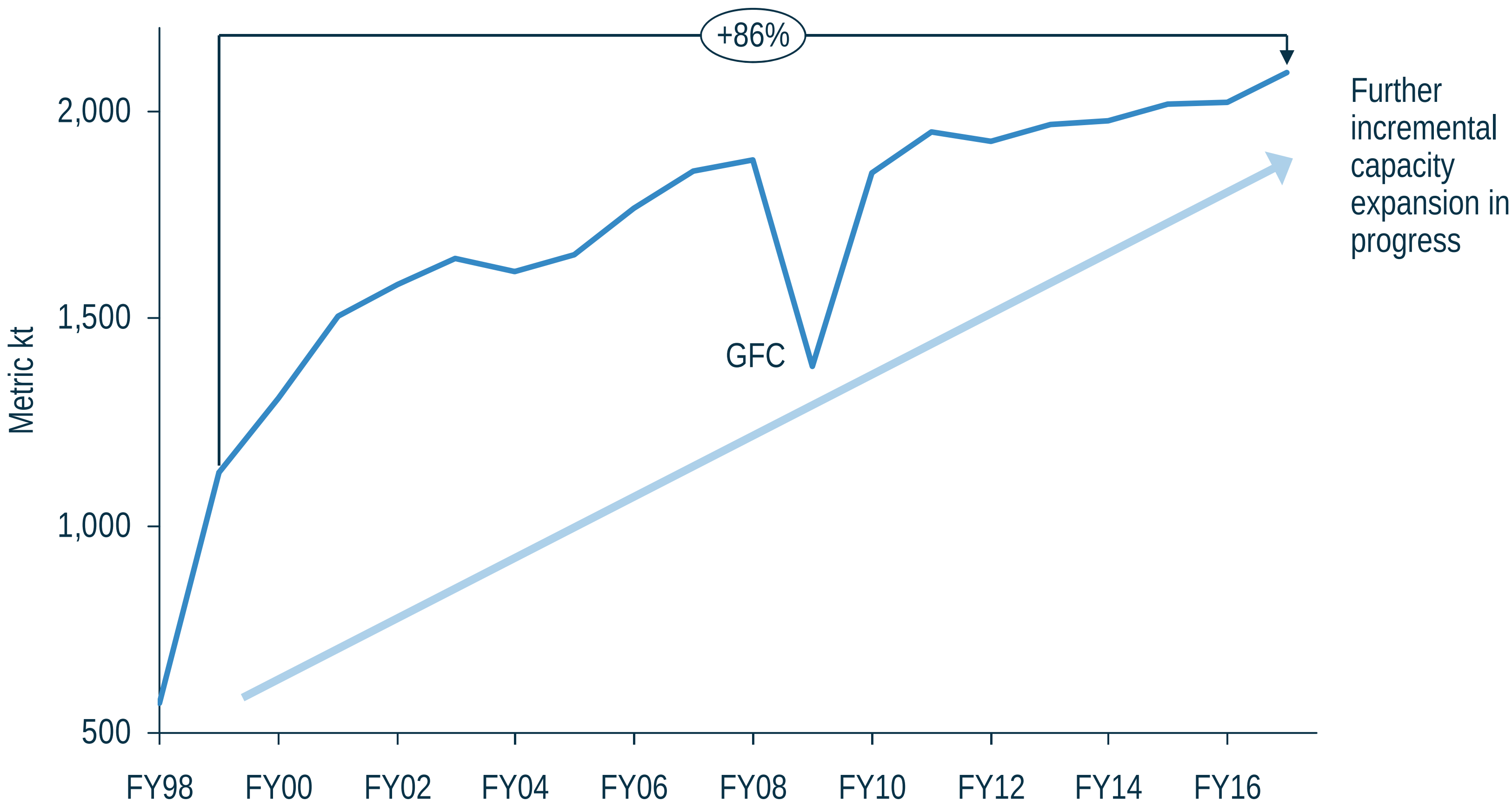
- Spread up strongly compared to FY2016 – indicatively US$332/t vs US$237/t
- Volume increased through capacity expansion
- Lower conversion costs – particularly utilities costs. Noting alloy costs are now increasing
- Continued to operate at 100% capacity utilisation versus U.S. industry average near 70%
- 100% ownership for full period in FY2017; four months 50% equity accounting and eight months 100% consolidation in FY2016
- Sold interest in Castrip for US$20.0M in July 2016. Investment in Castrip has cost BSL $3-4M pa in recent years (expensed in P&L)

Targeted growth drivers

- Boosting capacity through low cost de-bottle-necking projects – track record of incrementally growing capacity
- Continue to target costs

North Star: further low-capital incremental expansion

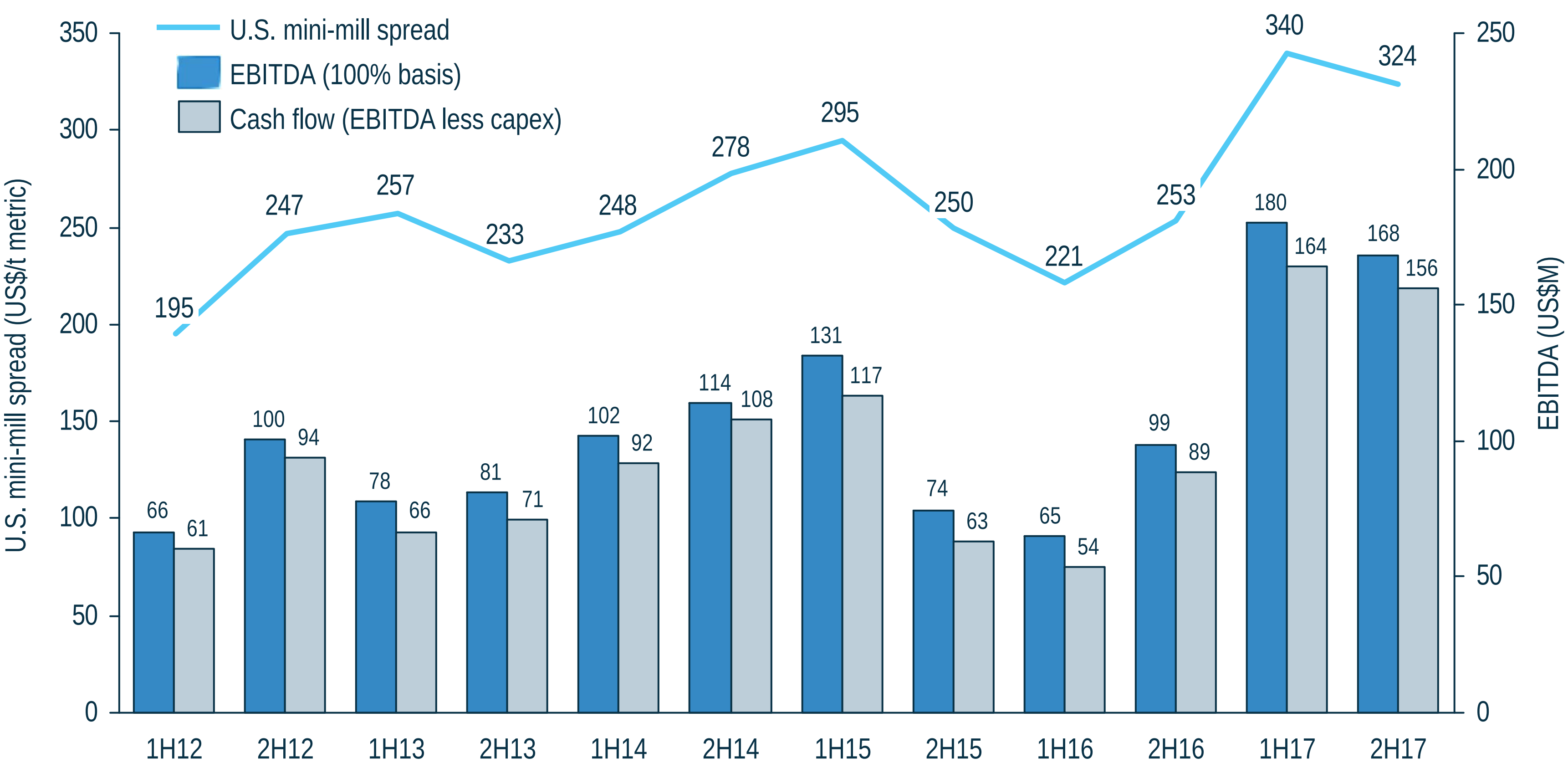
North Star despatches since commencement (100% basis)



Delivered majority of goal of adding ~120kt of incremental production by FY2018 (over FY2014). Pursuing further growth through improving caster speeds, hot strip mill edger enhancements and other yield improvements

North Star – earnings relatively consistent through the cycle, noting annual variability. Averaged 90% conversion of EBITDA to cash over last six years

US$M EBITDA and spread[1]

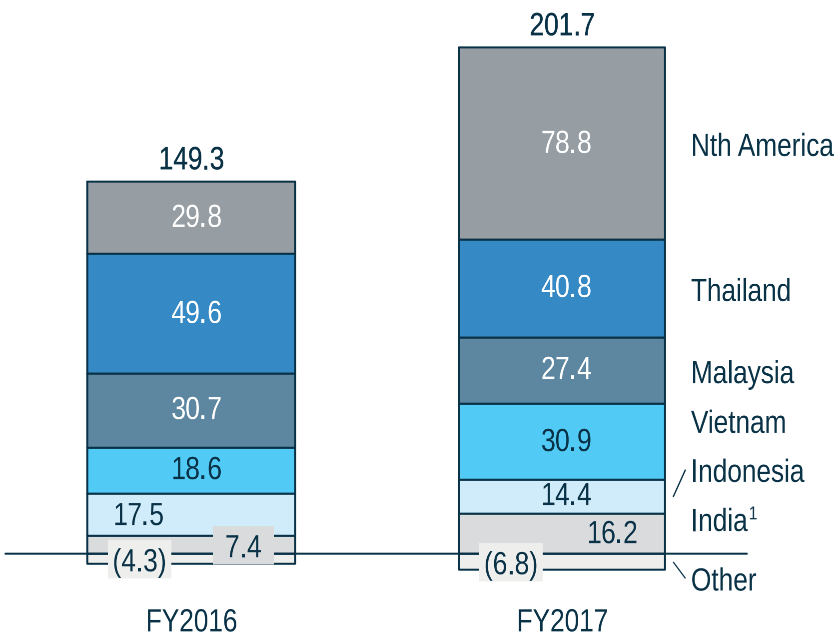


Note: (1) U.S. Midwest mini-mill HRC spread (metric) – based on CRU Midwest HRC price (assuming one month lag), SBB #1 busheling scrap price (assuming one month lag) and Metal Bulletin NOLA pig iron price (assuming two month lag); assumes raw material usage of 1.1t per output tonne

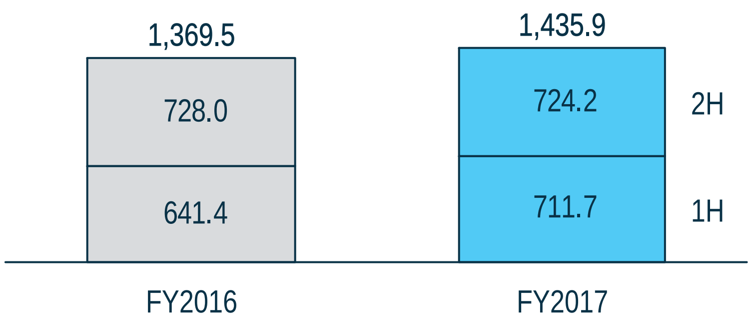
BLUESCOPE

Building Products segment underlying EBIT up 35%; North America (Steelscape & ASC) substantial improvement

Underlying EBIT ($M)



Total despatch volumes (Kt)



Comments on FY2017

- North America: benefit from higher U.S. west coast coated steel prices, volumes and favourable inventory pricing (contributed ~$20M in 1H and ~$10M in 2H)
- Vietnam: stronger result on higher volumes and improved mix
- India: strong growth on higher margins and volumes
- Thailand: higher volumes being offset by unfavourable mix due to weakness in the Projects segment. Customer uptake and growth in ViewKote® and SuperDyma® sales (home appliance) increasing, but at a slower rate than expected
- Indonesia: volume growth offset by margin compression due to higher raw material costs
- Malaysia: higher volumes offset by margin compression on higher raw material costs and MYR depreciation
- Myanmar: Lysaght roll-forming facility expected to be operational in 1H FY2018

Targeted growth drivers

- Continue to target broader GDP+ growth with increasing wealth of middle classes driving demand increases

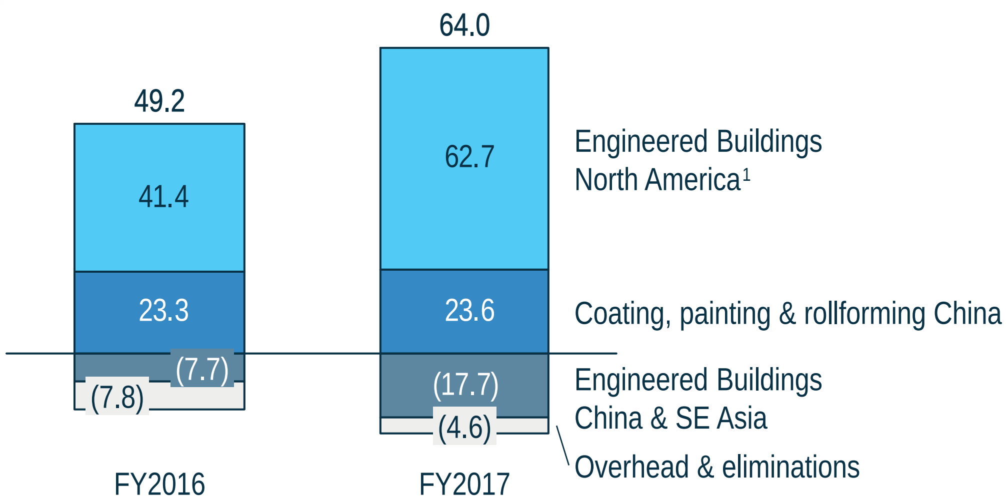
Note: (1) Equity accounted share of net profit after tax

Coated & painted projects in process and under evaluation in Asia; to be funded from free cash flow

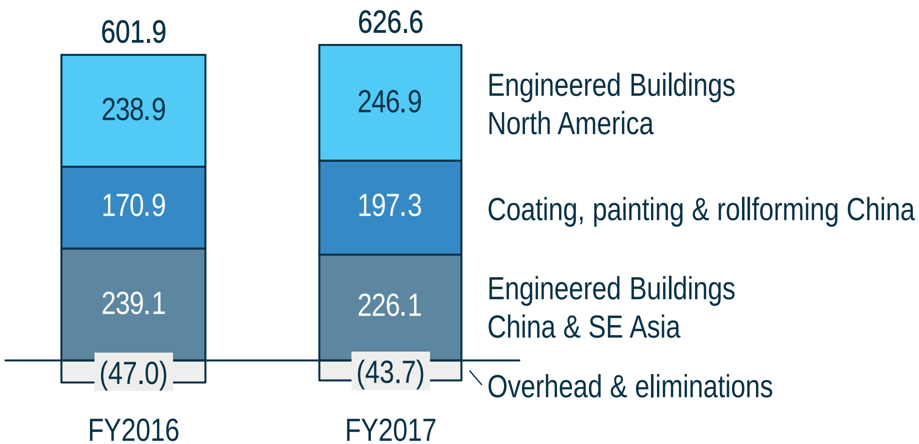
Retail/SME products	• Continued investment in products, brands and channels to grow sales to the retail/SME markets in each country
Home appliance steels	• Gaining customer acceptance in Thailand
Next generation ZINCALUME® steel products	• Evaluating roll-out of next-generation ZINCALUME® steel with Activate™ technology (magnesium-additive coating)
Third metal coating line in Thailand	• Construction commenced. Commercial production expected in early FY2019
Myanmar market entry	• Sales office established in 2013. Sales now support construction of a Lysaght roll-forming facility, which is expected to be operational in 1H FY2018
India painting capacity	• Demand for additional painting capacity being evaluated
India metal coating capacity	• Conducting pre-feasibility on second metal coating line in India
Cold rolling capacity in Asia	• Evaluating demand for additional cold rolling capacity in ASEAN

BlueScope Buildings underlying EBIT up 30%; productivity benefits in North America. China Buildings breakeven in 4Q FY2017

Underlying EBIT ($M)



Total despatch volumes (Kt)



Comments on FY2017

- Engineered Buildings North America:
  - 51% underlying EBIT increase driven by delivery of productivity savings
  - Improvement partly offset by some unfavourable mix with premium manufacturing and industrial volumes softening at the end of FY2017
- Coating & Painting China:
  - Stronger volumes particularly into the distributor and engineered building segments
  - This was offset by lower margins on higher raw material costs
- Engineered Buildings China & SE Asia:
  - Continued competitive pressure on margins
  - Restructuring work achieving traction – reached underlying EBIT breakeven in 4Q FY2017

Targeted growth drivers

- North America: (i) new business segment initiatives to improve customer share of wallet; (ii) pursue further productivity and cost saving measures
- China Buildings: cost benefits from manufacturing restructure. Positioning the business as a profitable channel for our Coating & Painting operations

Note: (1) Saudi Building Systems has been recategorised into Buildings North America, leading to restatement of prior period financials

China Buildings restructured; reached breakeven in 4Q FY2017. Buildings North America has delivered most of its productivity improvements

China Transformation	

- China Buildings major manufacturing transformation delivering results in 4Q FY2017:
  - Reduced framing footprint from four to two sites
  - Significant conversion cost savings realized
  - SG&A headcount and cost reduction
  - Further focus on sales capability

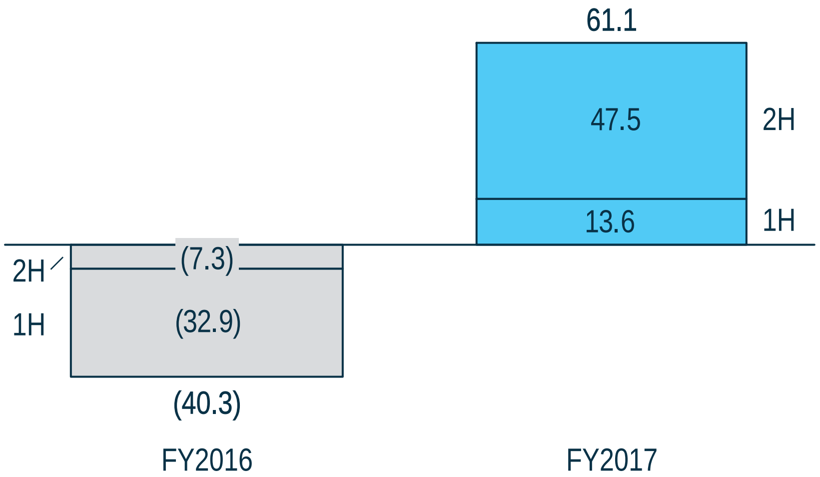
Buildings North America	

- Delivered majority of $30M FY2018 target productivity and cost savings in FY2017 through:
  - Business restructuring and headcount reductions, including early retirement offering
  - Engineering location consolidation
  - Centralisation of support functions
  - Savings through on-going negotiations with vendors
- Further actions are being pursued :
  - Current system investment allowing for retirement of legacy systems and reduction in ongoing maintenance costs
  - Ongoing focus on technologies to enable productivity improvements in engineering and manufacturing
- Developing strategies to recover volumes in high value segments

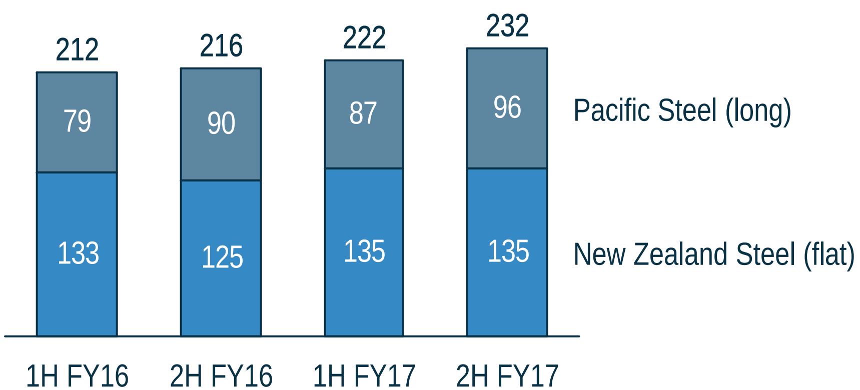
BLUESCOPE

New Zealand & Pacific Steel underling EBIT up $101.4M on productivity initiatives and improved steel prices

Underlying EBIT[1] ($M)



Domestic steel despatches (Kt)



Comments on FY2017

- Productivity improvements and cost savings, particularly:
  - Labour, manufacturing, repairs & maintenance and overhead savings
  - Full benefit of billet caster and productivity efficiencies leading to better volumes and mix
  - Total savings of NZ$80M relative to FY2015 cost base
- Domestic demand positive
  - Continued strong building activity
  - Improved demand in agriculture sector with higher dairy prices
- Steel prices higher on increasing regional steel prices
- Taharoa divested 1 May 2017

Targeted growth drivers

- Further productivity / restructuring benefits
- Continuing to improve product mix and plant throughput

Note: further despatch volume data, including exports, is found on page 78

Note (1): The Taharoa export iron sands business generated EBIT of $25.9M in 1H FY2017 and $0.3M in 2H FY2017. The business was divested on 1 May 2017 and has been reclassified to discontinued operations. Accordingly, underlying results have been adjusted to exclude Taharoa's contribution. Table 13 of BlueScope FY2017 Operating and Financial Review contains further detail on the restatements.

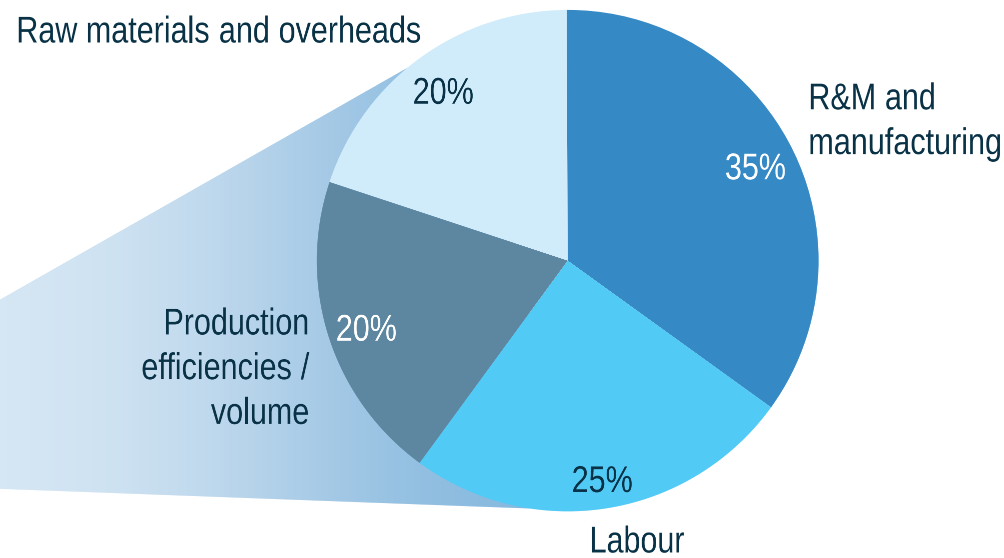
New Zealand / Pacific NZ$80M savings in FY2017. Targeting further savings in FY2018

Savings over FY2015 cost base

FY2016 achieved	NZ$45M
1H FY2017 achieved	~NZ$33M
2H FY2017 achieved	~NZ$47M
FY2017 achieved	NZ$80M

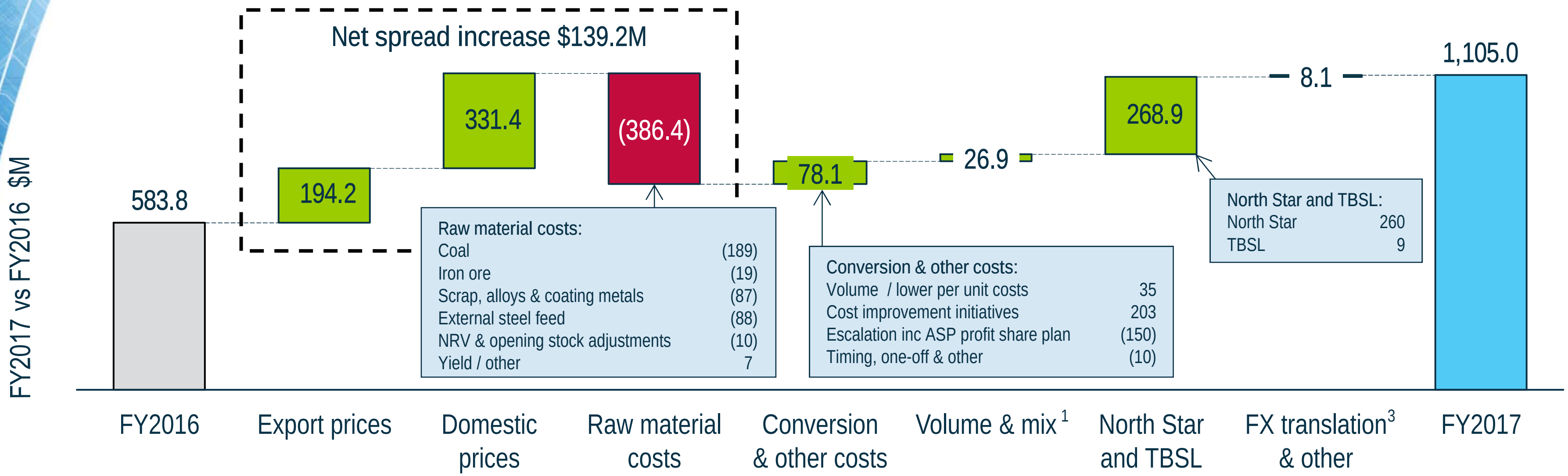
Note: cost savings and productivity improvements are over FY2015 cost base and are net of estimated escalation

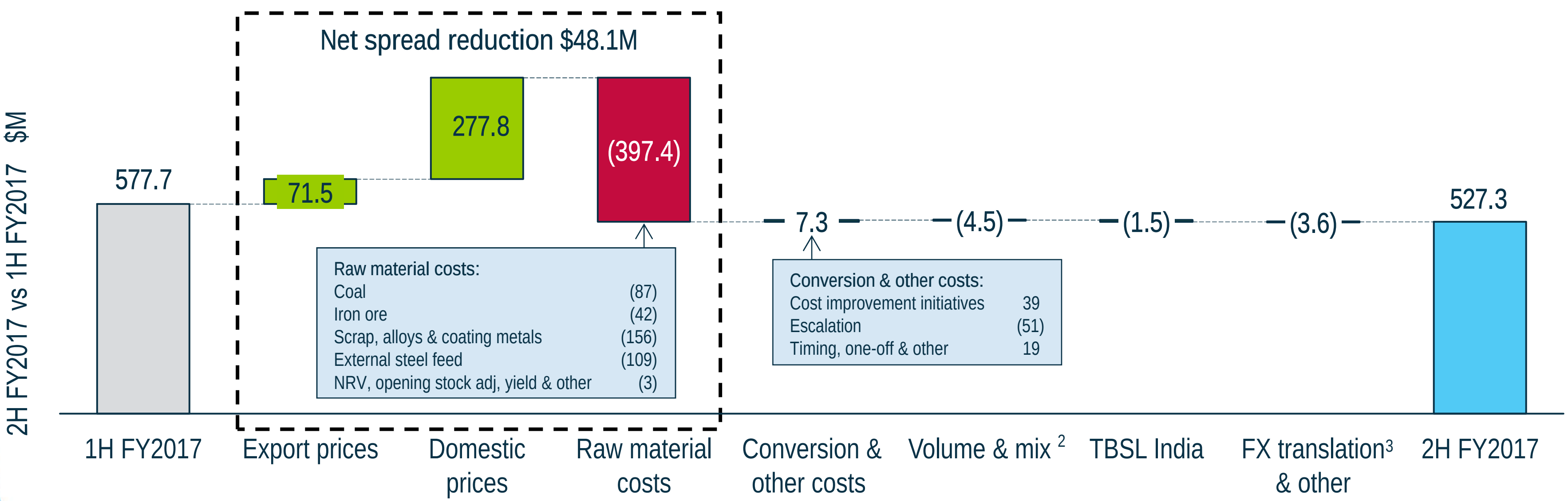
Composition of FY2017 savings



GROUP FINANCIALS

Underlying EBIT variances





Notes: 1) Volume / mix based on FY2016 margins 2) Volume / mix based on 1H FY2017 margins
3) FX translation relates to translation of foreign currency earnings to AUD, transactional foreign exchange impacts are reflected in the individual categories

Underlying earnings and net finance cost

$M	FY2016	FY2017	2H FY2017
Underlying EBIT	583.8	1,105.0	527.3
Underlying finance costs	(89.7)	(86.9)	(41.0)
Interest revenue	5.2	6.2	3.0
Profit from ordinary activities before tax	499.3	1,024.3	489.4
Underlying income tax (expense)/benefit	(130.1)	(290.2)	(144.8)
Underlying NPAT from ordinary activities	369.2	734.1	344.5
Net (profit)/loss attributable to non-controlling interests	(62.6)	(83.2)	(37.2)
Underlying NPAT attributable to equity holders of BSL	306.6	650.8	307.4

Significant EBIT growth

28.3% effective underlying tax rate

Reflects growth in NS BlueScope JV earnings

Breakdown of net finance costs	
144a U.S. unsecured notes	46.3
Syndicated bank facility charges (mainly commitment fees)	7.6
Finance leases	13.4
Amortisation of borrowing costs and present value charges (non-cash)	10.3
Other finance costs (incl NS BlueScope interest costs)	9.2
Less, interest income	(6.2)
Total	80.7

Continued strong cash flow

$M	FY2016	FY2017	1H FY17	2H FY17
Reported EBITDA	1,009.8	1,425.0	737.0	688.0
Adjust for other cash profit items	(168.7)	69.4	35.6	33.8
Cash from operations	841.1	1,494.4	772.6	721.8
Working capital movement (inc provisions)	265.6	(119.0)	(183.8)	64.7
Gross operating cash flow	1,106.7	1,375.3	588.8	786.5
Financing costs	(111.2)	(90.8)	(50.9)	(39.9)
Interest received	6.5	6.1	3.2	2.9
(Payment) / refund of income tax [1]	(50.0)	(158.3)	(79.6)	(78.7)
Net operating cash flow	952.0	1,132.4	461.5	670.9
Capex: payments for P, P & E and intangibles	(313.9)	(383.0)	(175.2)	(207.8) [2]
Other investing cash flow	(975.6)	(25.3)	28.1	(53.4)
Net cash flow before financing	(337.5)	724.1	314.4	409.7
Equity issues / (buy-backs)	-	(150.4)	(0.3)	(150.2)
Dividends to BSL shareholders	(34.2)	(40.2)	(17.2)	(23.0)
Dividends to non-controlling interests	(38.8)	(63.4)	(17.6)	(45.8)
Transactions with non-controlling interests	-	-	-	-
Net drawing / (repayment) of borrowings	440.9	(254.7)	(269.4)	14.7
Net increase/(decrease) in cash held	30.4	215.4	9.9	205.5

Mainly lower impairment charges; net of gain on sale of Castrip and Taharoa

Strong working capital performance in 2H, including $100M benefit from timing of year end cash flows

Increased on higher prices and higher inventory volume (ASP and Building Products).

Receivables lower particularly due further sales of receivables

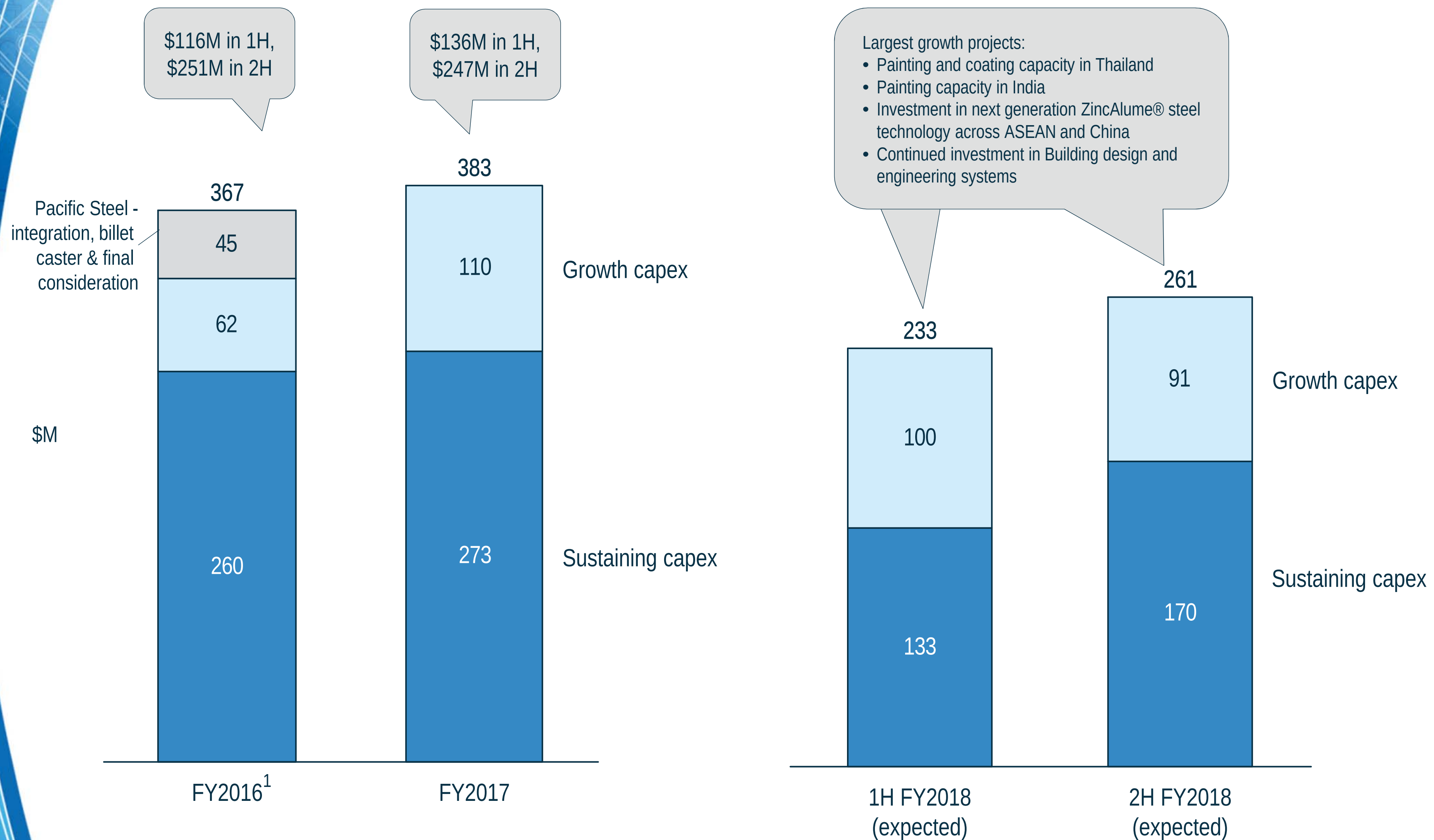
Buy-back commenced in March 2017

(1) As at 30 June 2017 the BlueScope Steel Australian tax consolidated group is estimated to have carried forward tax losses of approximately $2.3Bn. There will be no Australian income tax payments until these losses are recovered

(2) Cash capex of $207.8M in 2H FY2017; new capital commitments of $247M

BLUESCOPE

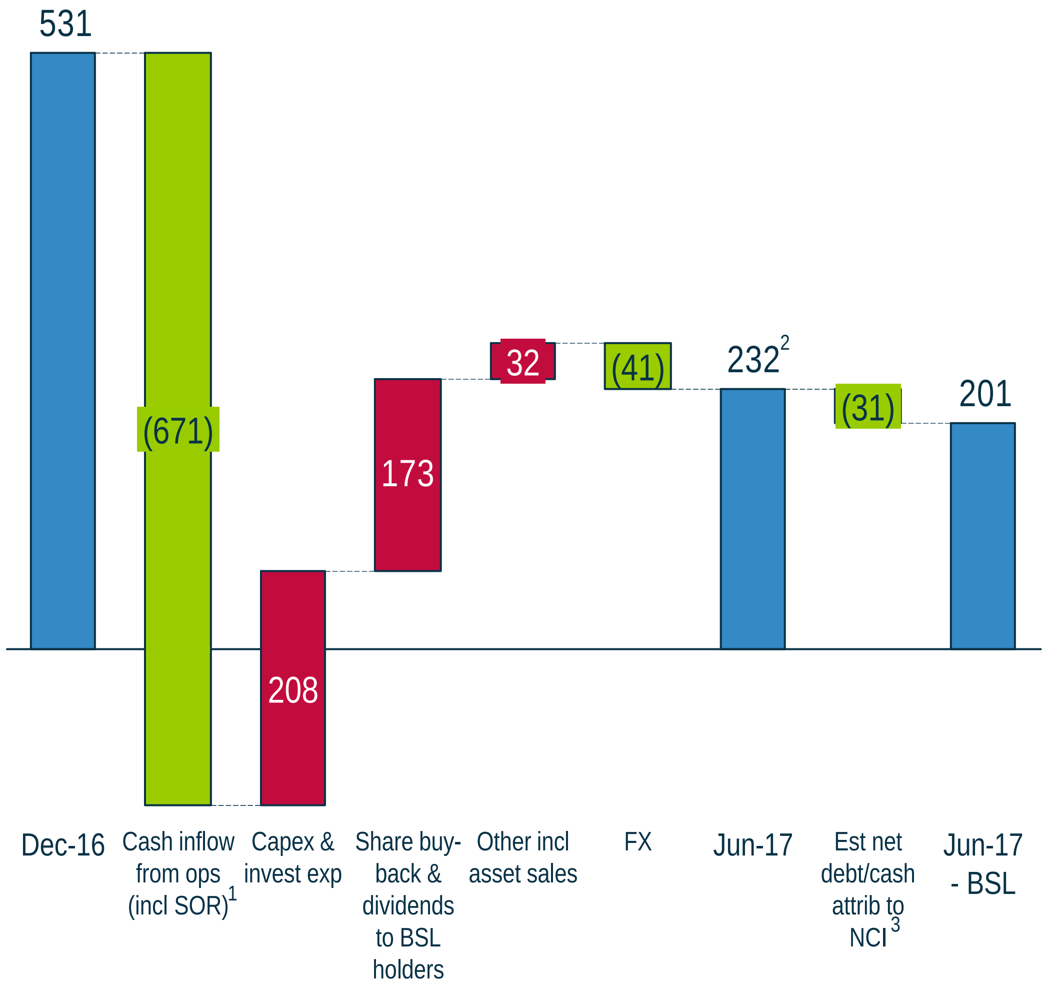
Investing in our businesses – capital and investment expenditure slightly above D&A charge of $380M



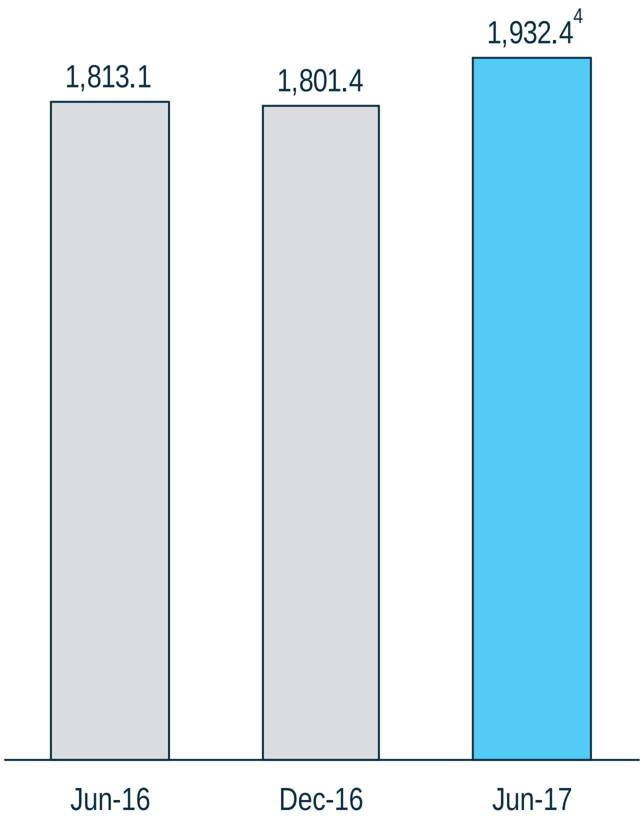
Note: (1) Excludes $1,008M for acquisition of remaining 50% share in North Star. Includes $22M of North Star capital expenditure from end of October 2015

Net debt reduced to $232M; liquidity of $1.9bn

Net debt ($M)



Liquidity (undrawn facilities and cash, $M)



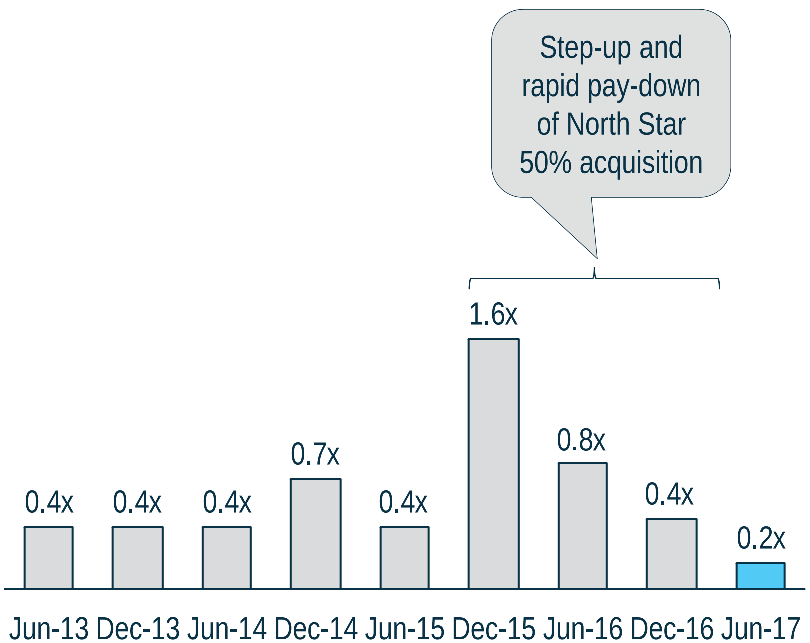
(1) Sale of receivables
(2) $232.2M net debt comprised of $985.2M gross debt less $753.0M cash
(3) Non-controlling interests in the Coated Products Joint Venture

(4) Includes $397.1M liquidity in NS BlueScope Coated Products JV

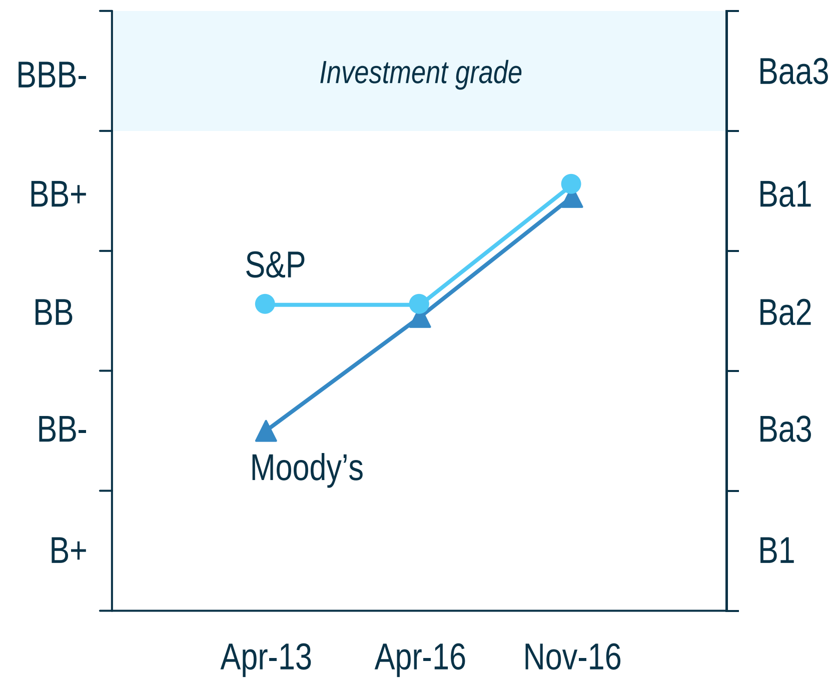
BLUESCOPE

Track record of prudent leverage and a strengthening credit profile

Leverage – net debt to LTM underlying EBITDA[1]



Corporate ratings – S&P and Moody's



(1) Dec-15 and Jun-16 includes North Star proforma for previous 12 months

OUTLOOK & SUMMARY

Our successful transformation allows us to examine Outlook through both immediate and strategic views

Immediate view: 1H FY2018 outlook

- Expect 1H FY2018 underlying EBIT around 80% of 2H FY2017 underlying EBIT (which was $527.3M)
- Based on assumptions of average[1]:
  - East Asian HRC price of ~US$500/t
  - 62% Fe iron ore price of ~US$65/t CFR China
  - Index hard coking coal price of ~US$160/t FOB Australia
  - U.S. mini-mill spreads to be US$30/t lower than realised 2H FY2017 spreads
  - AUD:USD at US$0.77
- Refer to sensitivities on page 60
- Expect 1H FY2018 underlying net finance costs to be lower than 2H FY2017 due to lower average net debt; expect similar underlying tax rate and profit attributable to non-controlling interests to 2H FY2017
- Expectations are subject to spread, FX and market conditions

Note: (1) all prices quoted on a metric tonne basis

Macro factors impacting 1H FY2018 outlook relative to 2H FY2017

		Composition of difference in 1H FY2018 underlying EBIT outlook and 2H FY2017
US steel market uncertainty – North Star spread	• Spread US$30/t lower • Higher scrap prices ahead of steel price rises • Steel prices impacted by timing & uncertainty of s232 and trade actions	~45%
ASP spread	• Stronger global anti-dumping measures drives importers to exploit gaps in Australia's current anti-dumping regime • Roll-off of raw material buying and mix benefits	~40%
Australian energy costs	• Lag in productivity benefits at ASP to fully offset energy cost escalation in FY2018	~15%

1H FY2018 outlook – segment comments[1]

Australian Steel Products

- Expect lower result in 1H FY2018
- As trade restrictions take hold in global markets, import product offerings are taking advantage of gaps in the Australian anti-dumping regime, which together with FX volatility, is leading to lower domestic steel margins
- Q1 impacted by lagged higher raw material costs (especially coal) and the roll-off of buying and mix benefits realised in 2H FY2017
- Continued strength in despatch volumes in core construction and manufacturing segments – but impact from cessation of auto-makers
- Productivity improvements and cost savings are not expected to fully offset escalation due to energy cost increases

Building Products ASEAN, Nth Am & India

- Expecting flat result compared to 1H FY2017 (after adjusting for ~$20M inventory benefit in North America in 1H FY2017)
- Expecting continued volume growth with continued investment in developing residential / SME markets and channels

North Star

- Expect average spread through 1H FY2018 to be US$30/t lower than realised 2H FY2017 spreads
- Spread expectations do not include any potential s232 impact
- Incremental production volume, but some seasonality expected to lead to slightly lower despatches

BlueScope Buildings

- North America: softness in premium manufacturing & industrial segments leading to lower margins; expect a result in 1H FY2018 between that of 1H FY2017 and 2H FY2017. Pursuing initiatives to improve performance
- Coated China: expect continued strong performance
- China Buildings: seasonally stronger half; expect result better than breakeven

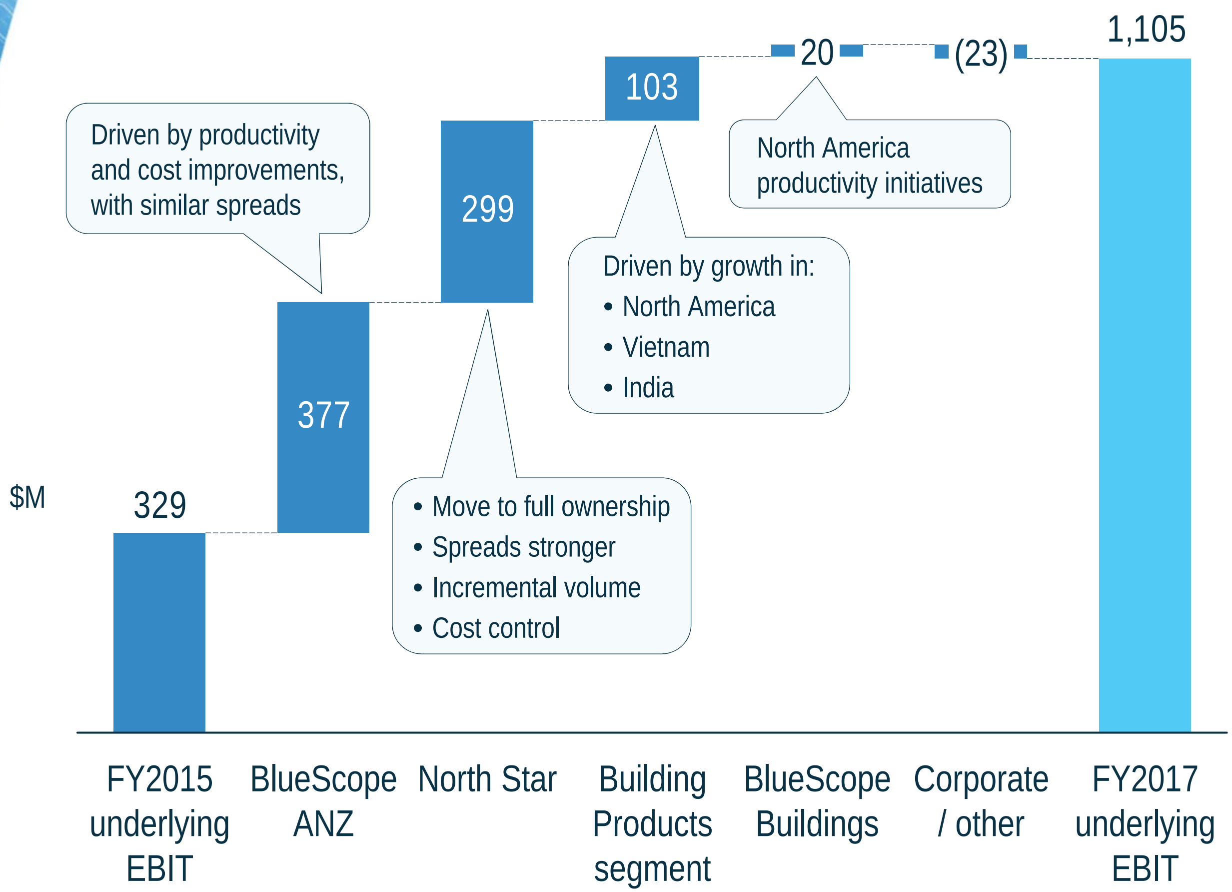
New Zealand & Pacific Steel

- Benefit of further productivity and cost initiatives
- Currency and assumed steel prices likely to lead to a slightly softer half than 2H FY2017

(1) Subject to assumptions and qualifiers referenced on page 60

Strategic view on Outlook – BlueScope transformed

Improvement in underlying EBIT



- Rebased earnings to a higher level
- Macro volatility having lower % impact on earnings
- Improved earnings mix:
  - Value added products
  - Geographic diversity
- Strong position to fund growth, reduce debt and for capital management

Sensitivities (12 months):

- +/-$26-30M EBIT impact from +/-US$10/t East Asian spread
- +-/$26-28M EBIT impact from +/-US$10/t North Star spread

BLUESCOPE

Q&A

ADDITIONAL INFORMATION – GROUP-LEVEL MATERIAL

Financial headlines

$M (unless marked)	YEAR ENDED ENDED 30 JUNE 2016	30 JUNE 2017	FY17 vs FY16
Total revenue	9,202.7	10,757.7	✓
External despatches of steel products (kt)	6,963.3	7,615.5	✓
EBITDA – Underlying [1]	966.0	1,485.4	✓
EBIT – Reported	621.6	1,044.5	✓
– Underlying [1]	583.8	1,105.0	✓
NPAT – Reported	353.8	715.9	✓
– Underlying [1]	306.6	650.8	✓
EPS – Reported	62.1 cps	125.3 cps	✓
– Underlying [1]	53.8 cps	113.9 cps	✓
Underlying EBIT Return on Invested Capital	9.6%	18.5%	✓
Net Cashflow From Operating Activities	952.0	1,132.4	✓
– After capex / investments	(337.5)	724.1	✓
Dividends	6.0 cps	9.0 cps	✓
Net debt	778.0	232.2	✓

(1) Please refer to page 53 for a detailed reconciliation of reported to underlying results

Reconciliation between reported NPAT and underlying NPAT[1]

	FY2017 NPAT $M
Reported net profit after tax	715.9
Underlying adjustments	
Asset impairments – mainly EBS China and NS BlueScope Indonesia	73.7
Restructuring & redundancy costs	28.8
Asset sales – mainly profit on sale of Castrip and Taharoa	(47.7)
Tax asset impairment / (write-back) – mainly utilisation of unbooked Australian tax asset	(110.2)
Business development, transaction and pre-operating costs	3.0
Borrowing amendment fees	2.2
Discontinued Business (gains) / losses	(14.9)
Underlying net profit after tax	650.8

Note: 1 – Underlying NPAT is provided to assist readers to better understand the underlying consolidated financial performance. Underlying information, whilst not subject to audit or review, has been extracted from the full year financial report which has been audited. Further details can be found in Tables 11 and 12 of the ASX Earnings Report for the year ended 30 June 2017 (document under Listing Rule 4.3a)

Summary of financial items by segment

Sales revenue

$M	FY16	1H17	2H17	FY17
Australian Steel Products	4,437.4	2,365.0	2,553.7	4,918.7
North Star BlueScope Steel	847.3	793.9	906.9	1,700.9
Building Products ASEAN, NA & India	1,766.8	951.0	1,019.5	1,970.5
BlueScope Buildings	1,705.9	896.1	860.7	1,756.8
New Zealand and Pacific Steel	887.3	425.4	402.7	747.5
Intersegment, Corporate & Discontinued	(462.0)	(246.3)	(193.3)	(359.1)
Total	9,182.7	5,185.1	5,550.2	10,735.3

Total steel despatches

'000 tonnes	FY16	1H17	2H17	FY17
Australian Steel Products	2,886.7	1,466.4	1,624.3	3,090.7
North Star BlueScope Steel	1,678.1	1,016.5	1,076.5	2,093.0
Building Products ASEAN, NA & India	1,369.5	711.7	724.2	1,435.9
BlueScope Buildings	601.9	332.0	294.6	626.6
New Zealand and Pacific Steel	697.1	276.4	328.5	604.9
Intersegment, Corporate & Discontinued	(270.0)	(106.7)	(129.2)	(235.9)
Total	6,963.3	3,696.3	3,918.9	7,615.2

Underlying EBITDA

$M	FY16	1H17	2H17	FY17
Australian Steel Products	548.7	332.0	305.6	637.6
North Star BlueScope Steel	184.1	238.6	223.1	461.7
Building Products ASEAN, NA & India	210.9	142.1	121.8	264.0
BlueScope Buildings	93.6	71.2	35.1	106.3
New Zealand and Pacific Steel	10.6	33.5	69.8	103.2
Intersegment, Corporate & Discontinued	(81.9)	(50.3)	(37.1)	(87.4)
Total	966.0	767.1	718.3	1,485.4

Underlying EBIT

$M	FY16	1H17	2H17	FY17
Australian Steel Products	361.4	242.5	216.9	459.4
North Star BlueScope Steel	146.5	211.3	195.4	406.6
Building Products ASEAN, NA & India	149.3	111.3	90.4	201.7
BlueScope Buildings	49.2	49.4	14.5	64.0
New Zealand and Pacific Steel	(40.3)	13.6	47.5	61.1
Intersegment, Corporate & Discontinued	(82.3)	(50.4)	(37.3)	(87.8)
Total	583.8	577.7	527.3	1,105.0

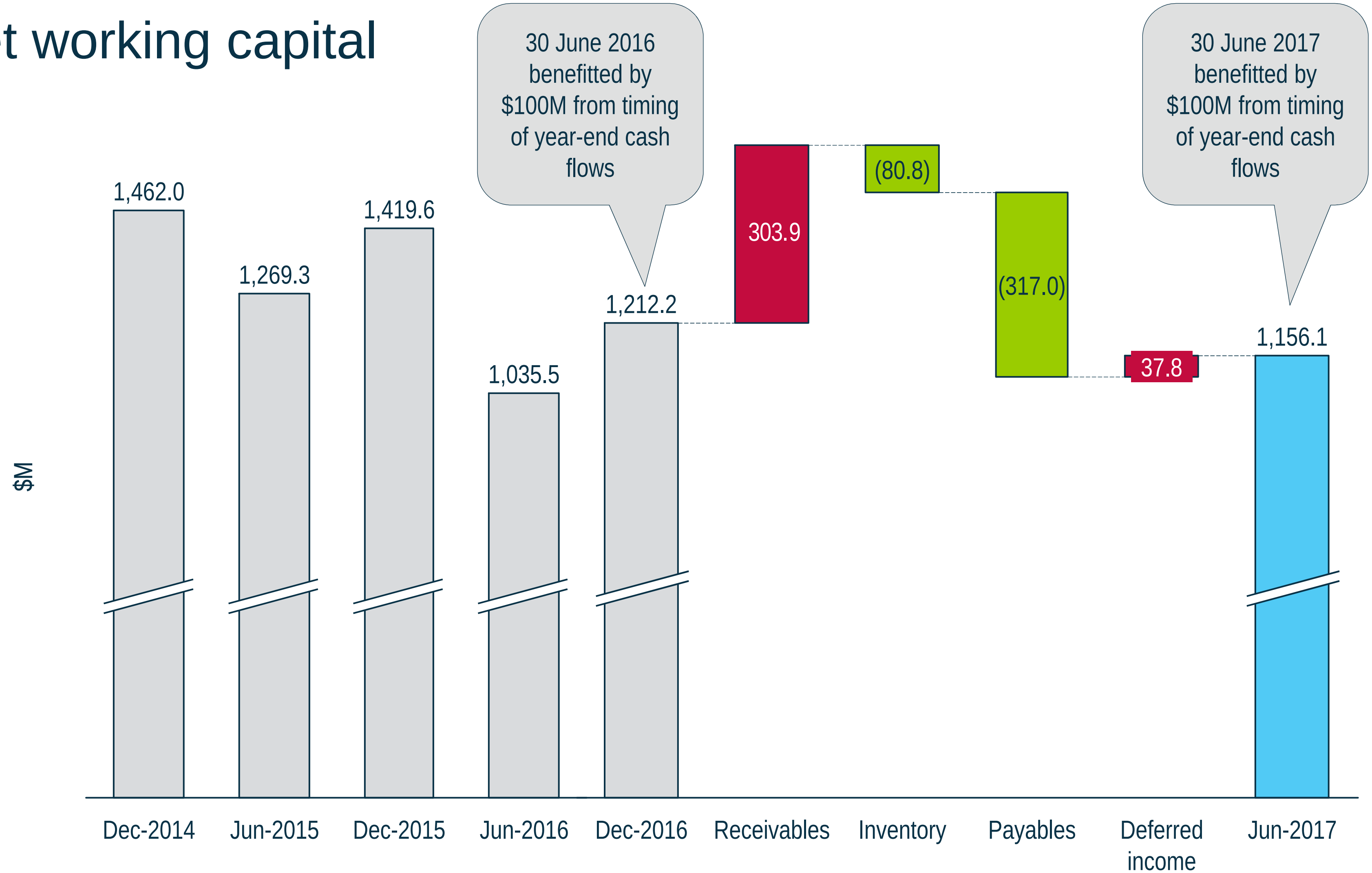
Note: The Taharoa export iron sands business generated EBIT of $25.9M in 1H FY2017 and $0.3M in 2H FY2017. The business was divested on 1 May 2017 and has been reclassified to discontinued operations. Accordingly, underlying results have been adjusted to exclude Taharoa's contribution. Table 13 of BlueScope FY2017 Operating and Financial Review contains further detail on the restatements

BLUESCOPE

Balance sheet

$M	30 Jun 2016	31 Dec 2016	30 Jun 2017
Assets			
Cash	549.8	561.9	753.0
Receivables *	1,194.2	1,059.9	1,363.9
Inventory *	1,462.6	1,814.0	1,733.2
Property, Plant & Equipment	3,834.1	3,798.6	3,721.7
Intangible Assets	1,770.6	1,794.4	1,689.7
Other Assets	337.2	361.1	313.9
Total Assets	9,148.5	9,389.9	9,575.4
Liabilities			
Trade & Sundry Creditors *	1,436.5	1,458.5	1,775.4
Capital & Investing Creditors	77.0	38.2	72.4
Borrowings	1,327.8	1,093.2	985.2
Deferred Income *	184.7	203.1	165.6
Retirement Benefit Obligations	390.8	398.0	281.0
Provisions & Other Liabilities	746.4	776.1	757.1
Total Liabilities	4,163.3	3,967.1	4,036.7
Net Assets	4,985.3	5,422.8	5,538.7
Note *: Items included in net working capital	1,035.5	1,212.2	1,156.1

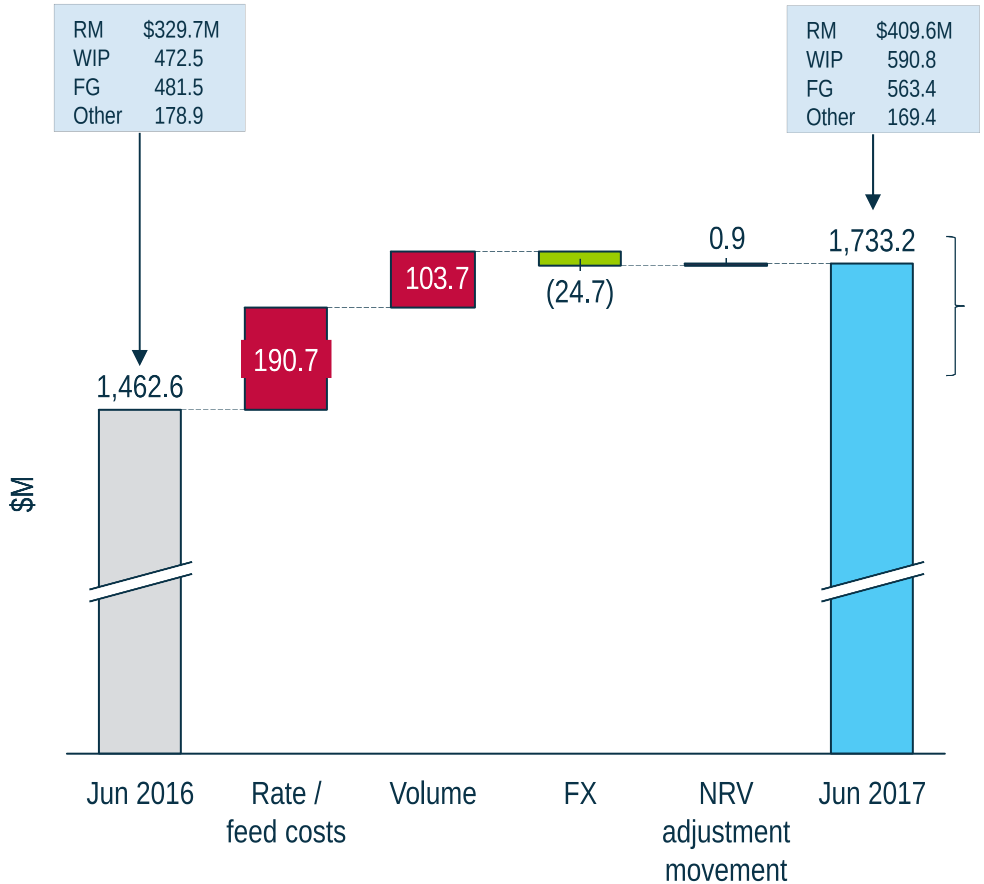
Net working capital



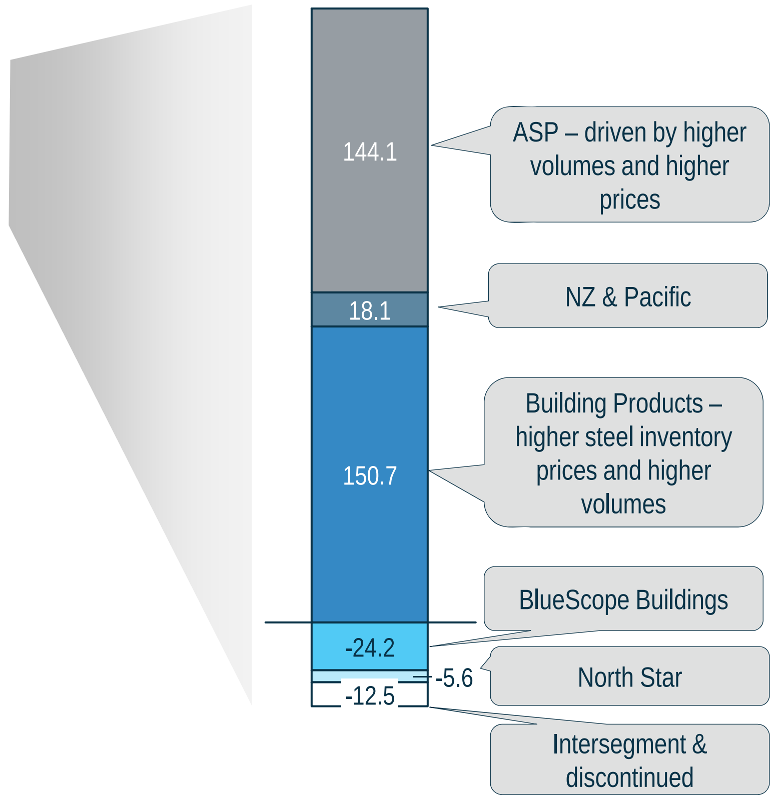
	Dec-2014	Jun-2015	Dec-2015	Jun-2016	Dec-2016	Jun-2017
% of sales (half year results based on 6 months prior annualised)	16.8%	14.8%	16.0%	11.3%	11.7%	10.9%

Consolidation of only 2 months revenue of North Star, but full working capital balance of $139.8M

Inventory movement

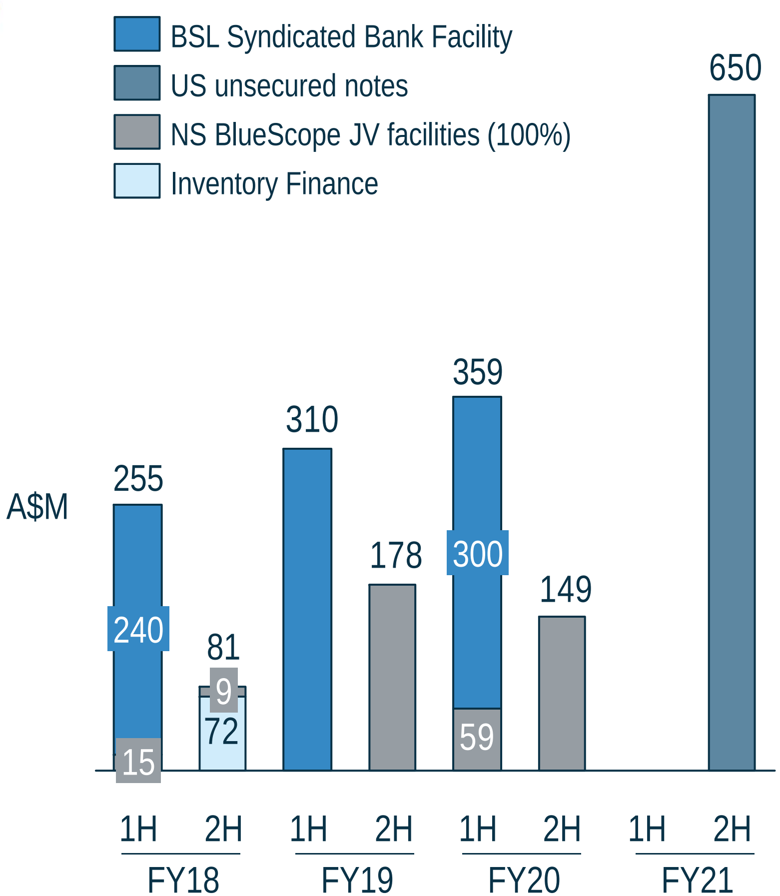


$270.6M increase comprised of segmental movements:



Note: 'RM' is raw materials (including externally sourced steel feed to BSL businesses)
'WIP' is work in progress
'FG' is finished goods
'Other' is primarily operational spare parts

Debt facilities maturity profile at 30 June 2017



Notes:
- based on AUD/USD at US$0.7689 at 30 June 2017
- excludes $20M NS BlueScope JV facility which progressively amortises

Receivables securitisation program:

- In addition to debt facilities, BSL has $460M of off-balance sheet securitisation programs, of which $377M was drawn at 30 June 2017

Current estimated cost of facilities:

- Approximately 6% interest cost on gross drawn debt; *plus*
- commitment fee on undrawn part of $915M of domestic facilities of 0.87%; *plus*
- amortisation of facility establishment fees and the discount cost of long-term provisions of $10M pa;
- *less:* interest on cash

Committed debt facilities as at 30 June 2017

	Maturity	Committed Local currency	Committed A$M	Drawn A$M
Syndicated Bank Facility				
- Tranche 1	Nov 2017	A$240M	A$240M	A$0M
- Tranche 2	Nov 2019	A$300M	A$300M	A$0M
- Tranche 3	Dec 2018	A$310M	A$310M	A$0M
US unsecured notes	May 2021	US$500M	A$650M	A$650
Inventory Finance	Feb 2018	US$55M	A$72M	-
NS BlueScope JV facilities (100%)				
- Corporate facilities	Mar 2019 – Mar 2021	US$285M	A$370M	A$166M
- Thailand facilities	Dec 2017 – Jan 2020	THB 1,300M	A$50M	-
- Malaysian facilities	Apr 2018	MYR 30M	A$9M	A$6M
Finance leases	Various	Various	A$145M	A$145M
Total			A$2,146M	A$967M

Note: assumes AUD/USD at US$0.7689

- In addition to debt facilities, BSL has:
  - $460M of off-balance sheet securitisation of which $377M was drawn at 30 June 2017, and
  - other items in total debt of ($18M).

Indicative EBIT sensitivities for 1H FY2018[1]

Australian Steel Products segment

+/- US$10/t move in average benchmark hot rolled coil price	
- direct sensitivity[2]	+/- $7M
- indirect sensitivity[3]	+/- $6-8M
+/- US$10/t move in iron ore costs	-/+ $30-31M
+/- US$10/t move in coal costs	-/+ $14-15M
+/- 1¢ move in AUD:USD exchange rate	
- direct sensitivity[4]	+/- $1-2M[6]
- indirect sensitivity[5]	-/+ $7-9M[7]

New Zealand Steel & Pacific Steel segment

+/- US$10/t move in benchmark steel prices (HRC and rebar)	
- direct sensitivity[8]	+/- $1-2M
- indirect sensitivity[9]	+/- $2-3M
+/- US$10/t move in market-priced coal costs[10]	-/+ $2-3M
+/- 1¢ move in AUD:USD exchange rate	
- direct sensitivity[4]	-/+ $1M[7]
- indirect sensitivity[11]	-/+ $2-3M[7]

Hot Rolled Products North America segment

+/- US$10/t move in realised HRC spread (HRC price less cost of scrap and pig iron)	+/- $13-14M

Group

+/- 1¢ move in AUD:USD exchange rate (direct)[12]	-/+ $2M[7]

(1) Page shows full sensitivities to movement in key external factors, as if that movement had applied for the complete six months. Analysis assumes 1H FY2018 base exchange rate of US$0.75. There are other factors that impact the Company's financial performance which are not shown. The sensitivities provided are general indications only and actual outcomes can vary due to a range of factors such as volumes, mix, margins, pricing lags, hedging, one-off costs etc.

(2) Includes US$ priced export products and domestic hot rolled coil sold into the pipe & tube market.

(3) Sensitivity shows the potential impact on Australian domestic product prices (A$ priced) other than painted steels and hot rolled coil sold into the pipe & tube market. Sensitivity is subject to lags and market factors, and is less certain particularly in the short term.

(4) Includes the impact on US dollar denominated export prices and costs and restatement of US dollar denominated receivables and payables.

(5) Also includes potential impact on Australian domestic product prices (A$ priced) other than painted steels and hot rolled coil sold into the pipe & tube market. Sensitivity is subject to lags and market factors, and is less certain particularly in the short term.

(6) A decrease in the A$/US$ suggests an unfavourable impact on earnings.

(7) A decrease in the A$/US$ suggests a favourable impact on earnings.

(8) Includes US$ priced export flat and long steel products (includes Pacific Steel products)

(9) Sensitivity shows the potential impact on NZ domestic flat and long steel product prices (A$ priced) other than painted steels (includes Pacific Steel products). Sensitivity is subject to lags and market factors, and is less certain particularly in the short term.

(10) Sensitivity encompasses the component of New Zealand Steel's annual thermal coal requirement which is imported and priced at prevailing market prices. Excludes the component coal supply which is domestically sourced on long term contract price.

(11) Also includes potential impact on NZ domestic flat and long steel product prices (A$ priced) other than painted steels (includes Pacific Steel products). Sensitivity is subject to lags and market factors, and is less certain particularly in the short term.

(12) Includes direct sensitivities for ASP and New Zealand & Pacific Steel segments, together with impact of translating earnings of US$ linked offshore operations to A$.

ADDITIONAL INFORMATION – SEGMENT MATERIAL

Australian Steel Products

Financial and despatch summaries

Key segment financial items

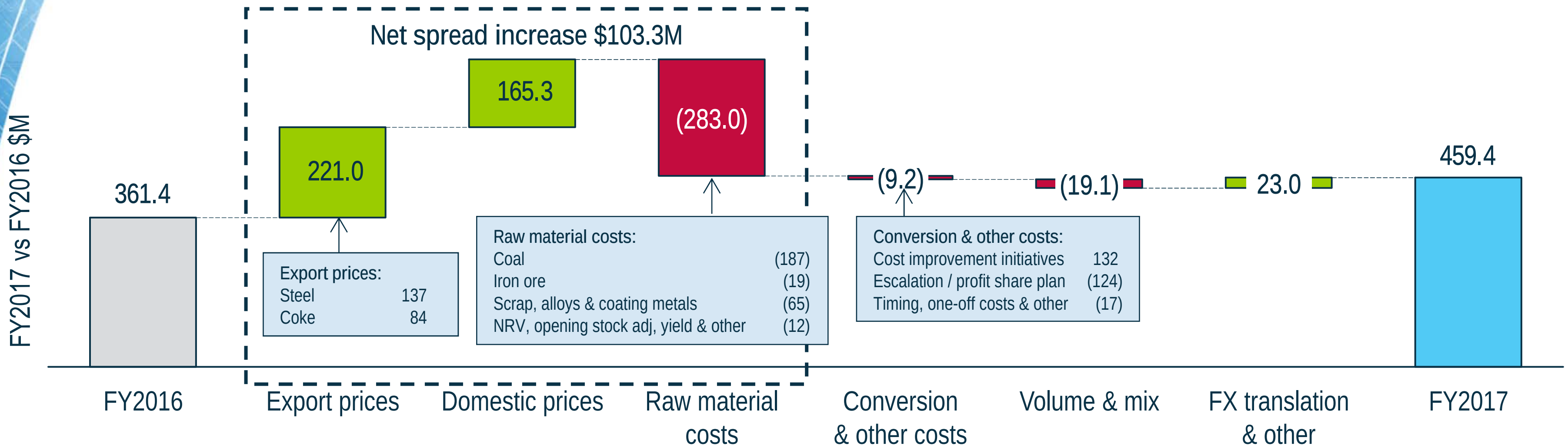
$M unless marked	FY16	1H17	2H17	FY17
Revenue	4,437.4	2,365.0	2,553.7	4,918.7
Underlying EBITDA	548.7	332.0	305.6	637.6
Underlying EBIT	361.4	242.5	216.9	459.4
Reported EBIT	77.7	242.1	217.3	459.5
Capital & investment expenditure	164.5	60.2	145.7	206.1
Net operating assets (pre-tax)	2,088.7	2,127.2	2,140.6	2,140.6
Total steel despatches (kt)	2,886.7	1,466.4	1,624.3	3,090.7

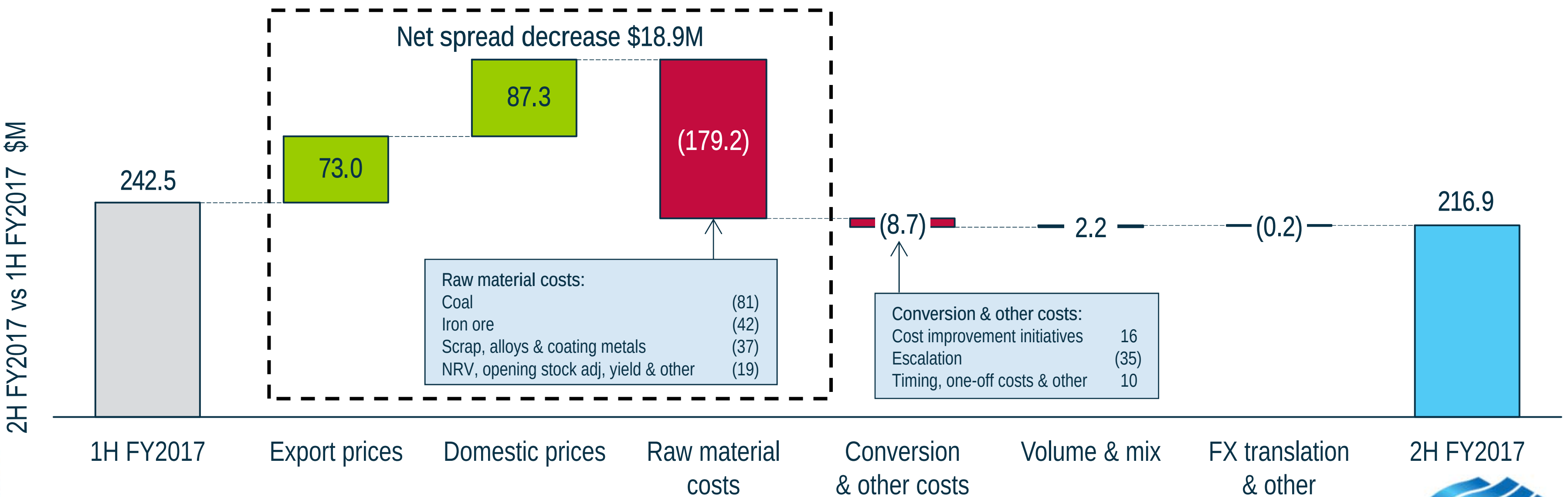
Despatches breakdown

'000 tonnes	FY16	1H17	2H17	FY17
Hot rolled coil	486.3	247.5	258.8	506.4
Plate	210.9	121.7	140.2	261.8
CRC, metal coated, painted & other[1]	1,311.3	664.5	677.0	1,341.4
Domestic despatches of BSL steel	2,008.5	1,033.7	1,076.0	2,109.6
Channel despatches of ext sourced steel[2]	182.7	73.7	70.2	143.9
Domestic despatches total	2,191.2	1,107.4	1,146.2	2,253.5
Hot rolled coil	415.0	179.6	223.3	402.7
Plate	25.2	9.2	14.3	23.8
CRC, metal coated, painted & other[1]	252.9	169.0	239.7	408.6
Export despatches of BSL steel	693.1	357.8	477.3	835.1
Channel despatches of ext sourced steel	2.4	1.3	0.8	2.1
Export despatches total	695.5	359.1	478.1	837.2
Total steel despatches[3]	2,886.7	1,466.4	1,624.3	3,090.7
Export coke despatches	588.1	265.3	314.1	579.4

	FY16	1H17	2H17	FY17
1) Product volumes are ex-mills (formerly CIPA). Other includes the following inventory movements in downstream channels:	28.1	11.8	10.8	22.6
2) Primarily long products sold through Distribution business				
3) Includes the following sales through downstream channels (formerly BCDA segment):	936.1	437.3	441.2	878.5

Australian Steel Products
Underlying EBIT variance

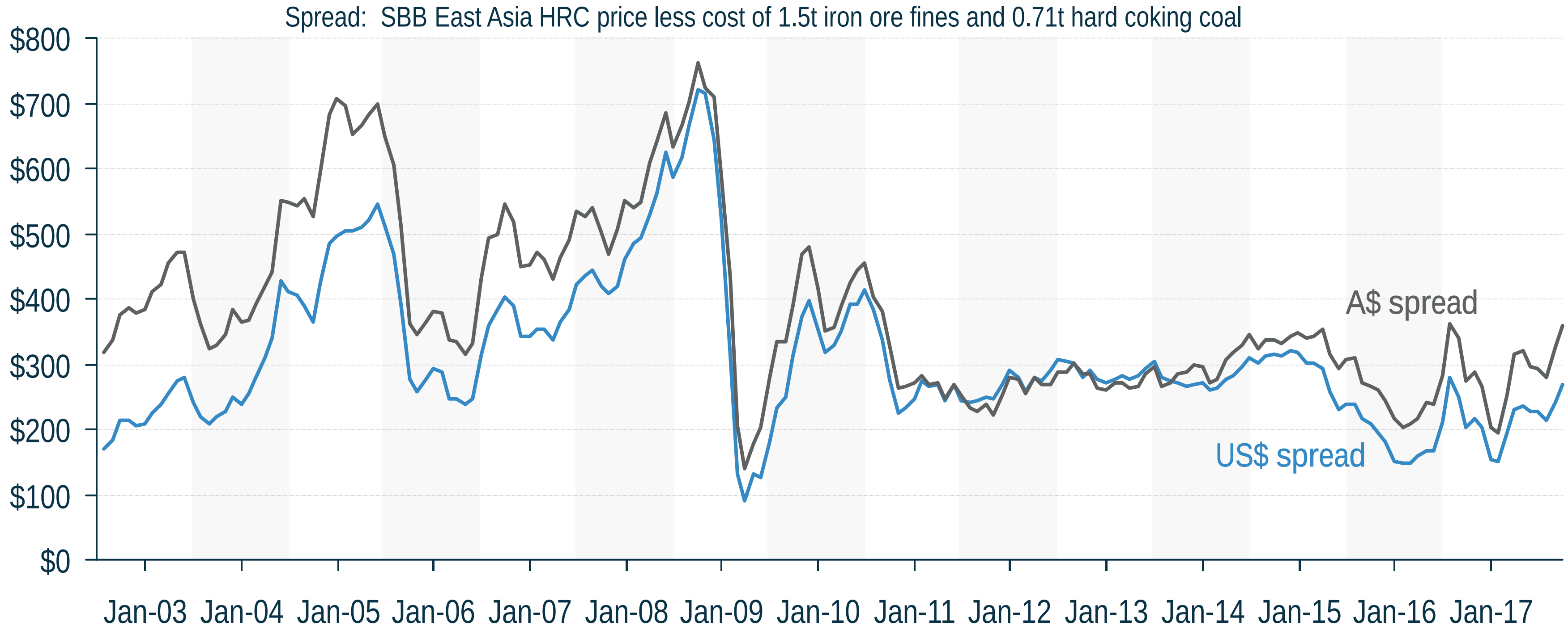




Australian Steel Products

Spot spreads have recovered on stronger steel prices after a dip driven by coal price spike

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

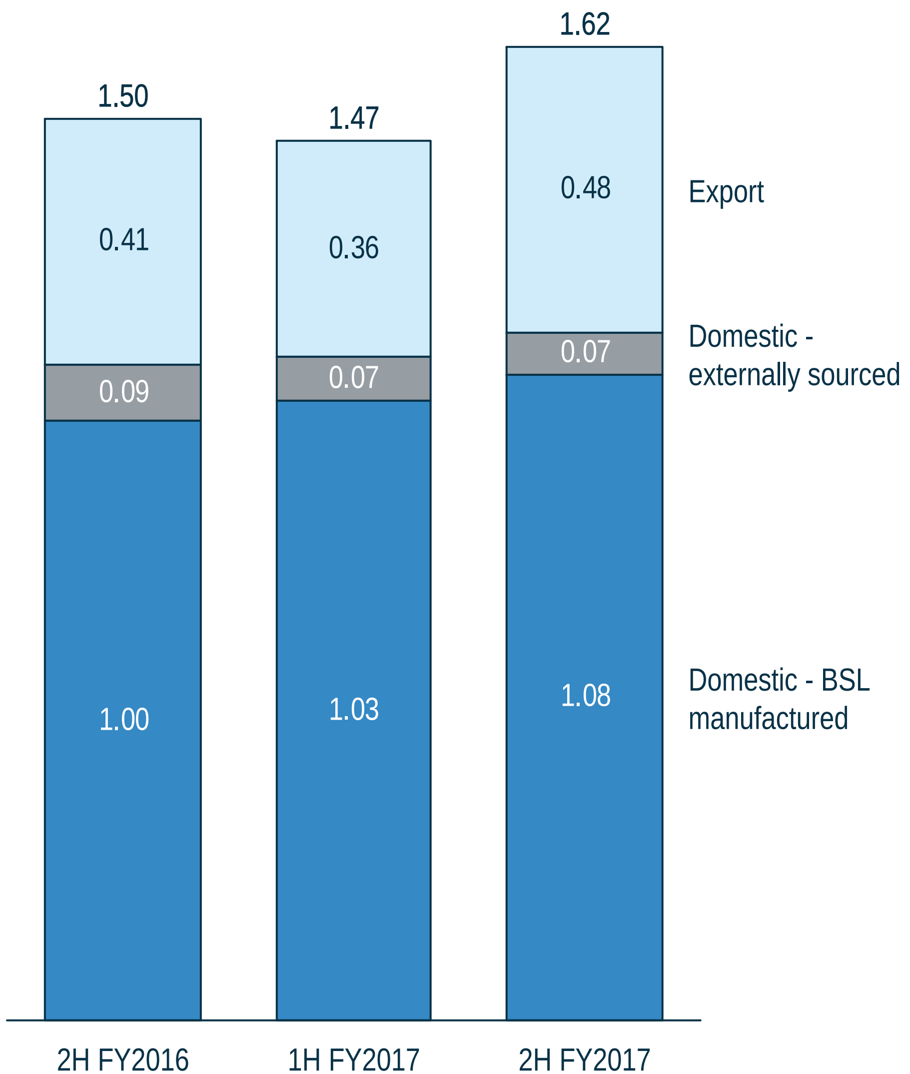
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	1H FY17	2H FY17	Spot[1]
East Asian HRC price (US$/t) – SBB	665	576	548	442	318	447	419	474	555
Indicative spread with pricing lags (US$/t)	269	286	276	292	182	214	217	210	317
Indicative spread with pricing lags (A$/t)	257	278	295	331	247	284	289	279	405
AUD:USD	1.03	1.03	0.92	0.84	0.73	0.75	0.75	0.75	0.78

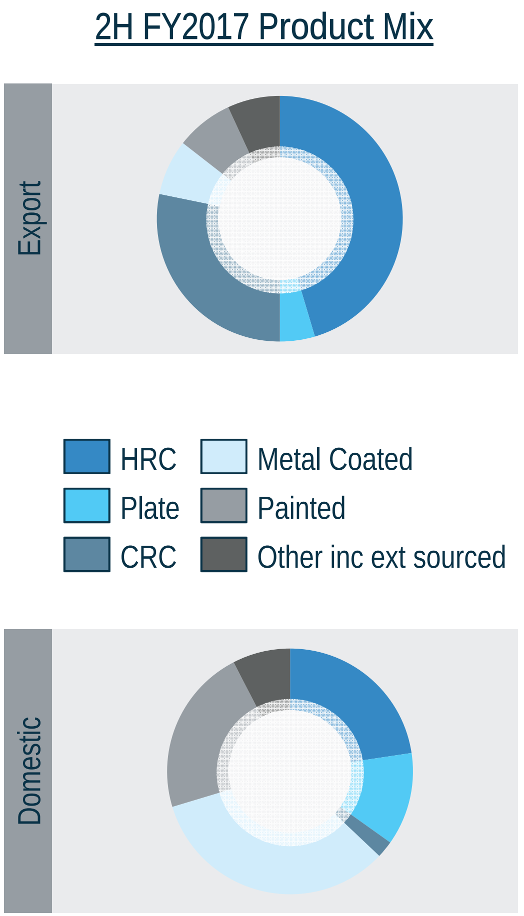
Note (1): at mid Aug 2017

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, three month lag on iron ore price and two month lag on coal price
- 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 Port Hedland estimate deducts Baltic cape index freight cost from CFR China price
- Indicative hard coking coal pricing: low-vol, FOB Australia. Industry annual benchmark prices up to March 2010; quarterly prices from April 2010 to March 2011; 50/50 monthly/quarterly pricing thereafter

Australian Steel Products
Despatch mix (Mt)

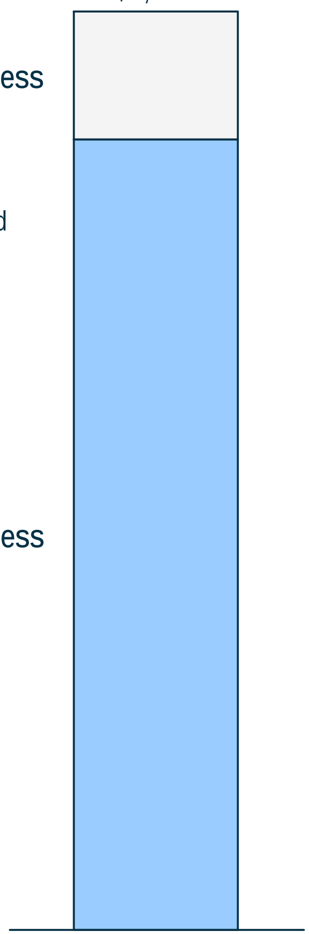




Australian Steel Products

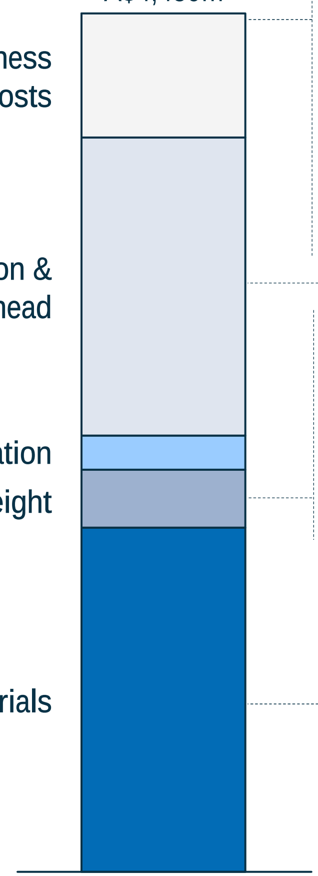
Revenue and underlying costs FY2017

Revenue



Non-steel business
- Export coke
- Cold ferrous
- By-products
- Externally sourced steel

Underlying costs (to EBIT line)



Non-steel business costs relate to:
- Export coke sales
- Cold ferrous feed to Arrium (scrap pool)
- By-products (eg. tar, BTX, sulphate)
- Externally sourced steel

Conversion & overhead components (in order of value):
- Direct labour
- Repairs & maintenance
- Sales & administration
- Services & contractors
- Utilities
- Consumables
- Other

Freight (in order of value):
- Domestic despatches
- Export despatches
- Internal (eg. Springhill & Western Port to Service Centres)

Raw materials (in order of value):
- Coal
- Iron ore
- External steel feed
- Scrap
- Zinc
- Paint
- Fluxes and alloys
- Aluminium

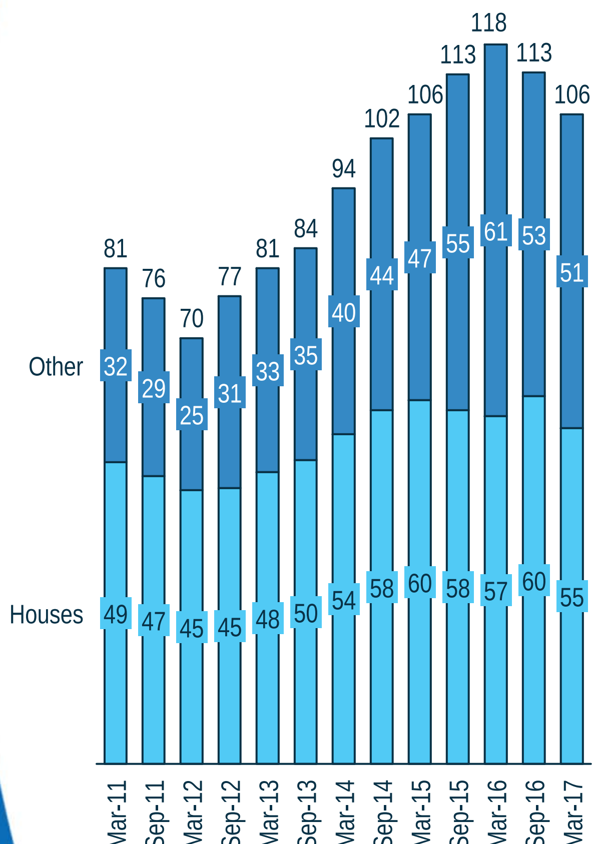
Indicative ‘recipe’ of raw materials per output tonne of HRC:
- 1.13t iron ore fines (sintering)
- 0.23t lump ore (into BF)
- 0.06t pellets (into BF)
- 0.53t hard coking coal (into BF)
- 0.11t PCI (into BF)
- 0.24t scrap (into BOS), of which 45% sourced internally

Australian Steel Products

Residential markets remain resilient; non-residential showing strength

Commencements lagging approvals which remain at robust levels

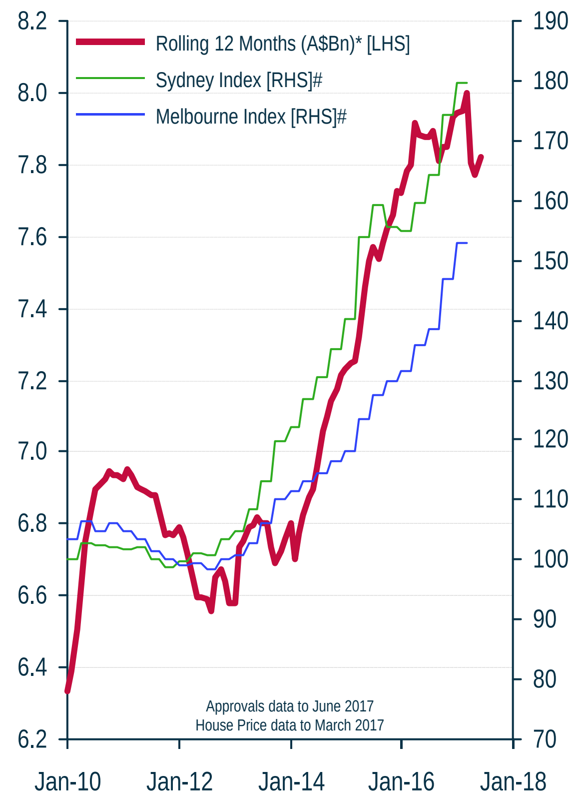
Australian Dwelling Commencements By Halves ('000)



Source: ABS series 8752, table 33;
*Seasonally adjusted data; Total sectors (public & private);

Alteration and additions activity firm – tracking house prices

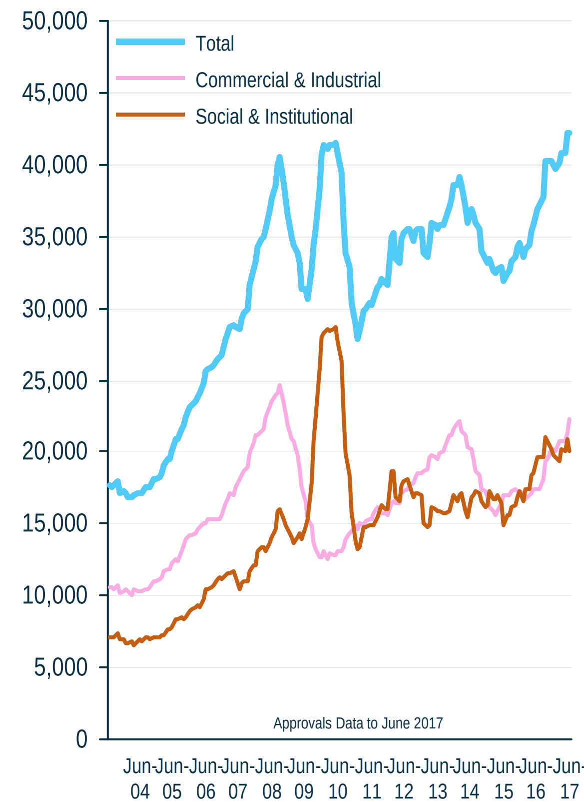
A&A Building Approvals (LHS) vs Sydney/Melbourne Established House Price Index (RHS)



Source: ABS series 8731, table 38; series 6416 table 2;
#Original data 2011-12=100; *Seasonally adjusted data, Current$

Non-residential construction approvals showing a rebound

Rolling 12 month Value of Work Approved A$M*



Source: ABS series 8731, table 51;
*Original data; Current$; Total sectors (public and private)

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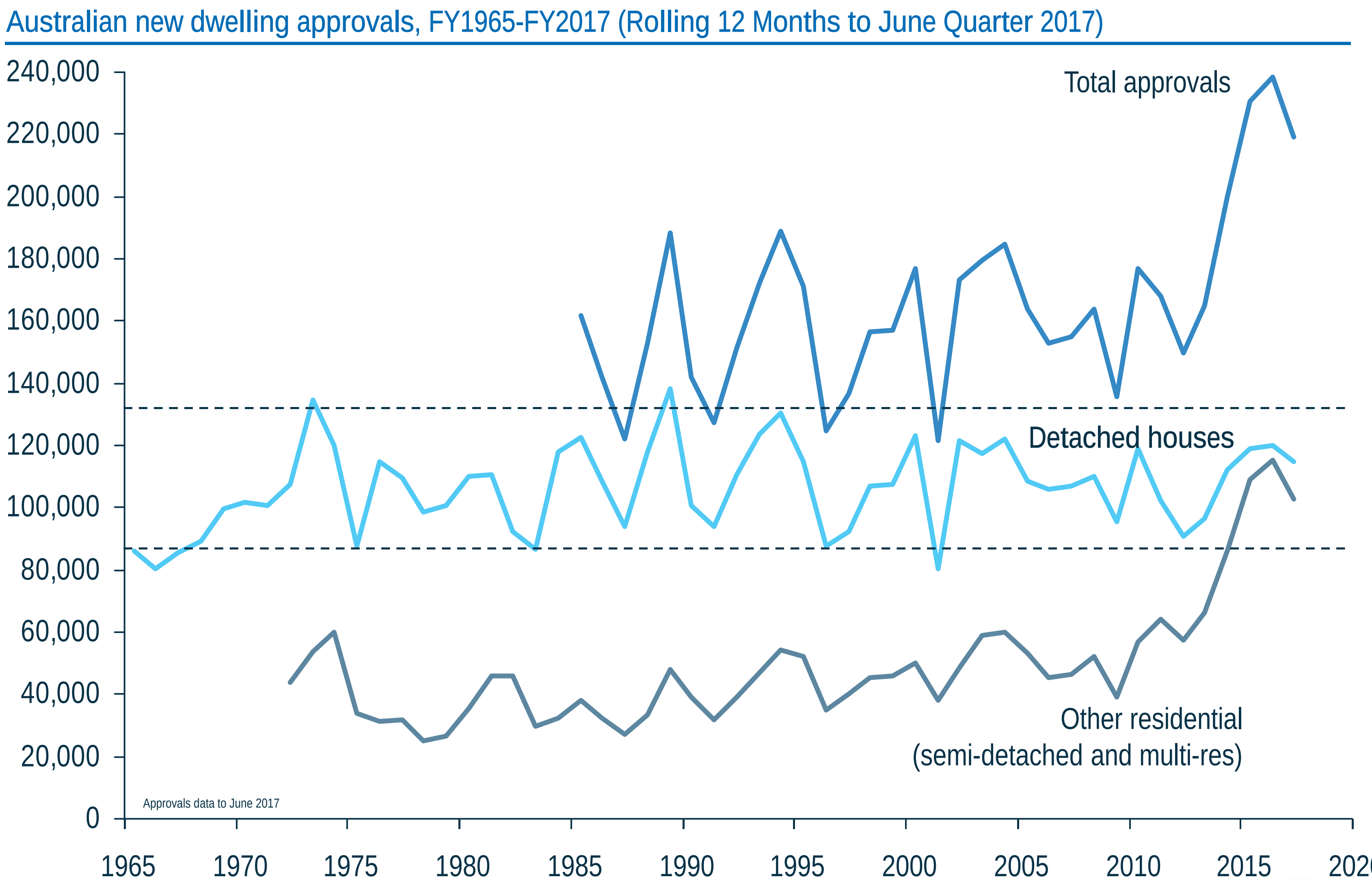
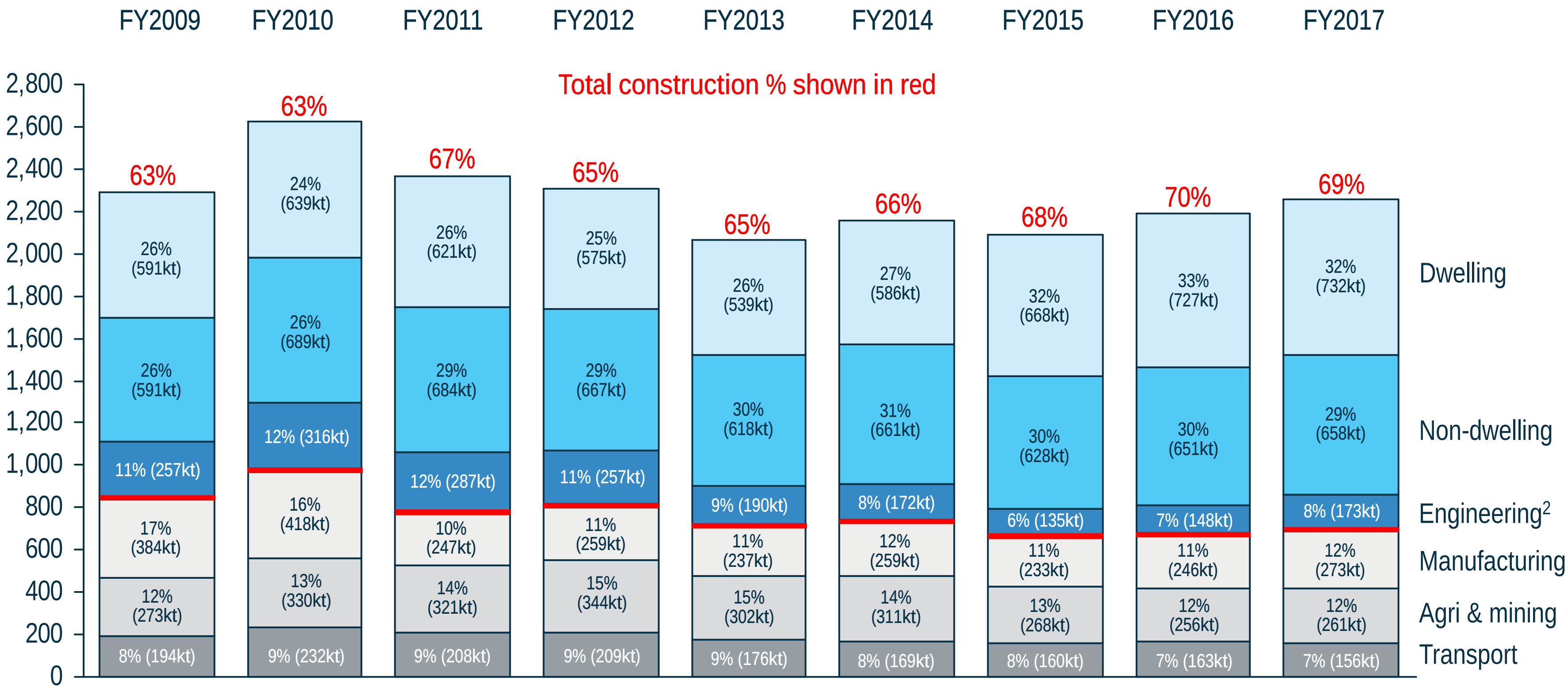
Current Australian detached dwelling approvals are well within long term range



Source: ABS series 8731, series 11, Original data

Continued focus on customer engagement is underpinning Australian demand

Total Australian external domestic despatch volumes (Kt)



	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Gross Despatches	2,290kt	2,624kt	2,368kt	2,311kt	2,062kt	2,158kt	2,092kt	2,191kt	2,253kt
less [1]	*(332)kt*	*(330)kt*	*(321)kt*	*(307)kt*	*(280)kt*	*(259)kt*	*(259)kt*	*(183)kt*	*(143)kt*
Normalised Despatches	1,958kt	2,294kt	2,047kt	2,004kt	1,782kt	1,899kt	1,833kt	2,008kt	2,110kt

(1) Normalised despatches exclude third party sourced products, in particular, long products
(2) Engineering includes infrastructure such as roads, power, rail, water, pipes, communications and some mining-linked use

North Star
Financial & despatches summary

Key segment financial items – A$M

Note that these measures reflect equity accounted contribution from North Star up until acquisition of remaining 50% on 30 October 2015. These measures also include Castrip until divestment on 8 July 2016; investment in Castrip cost BSL $3-4M pa in recent years (expensed in P&L)

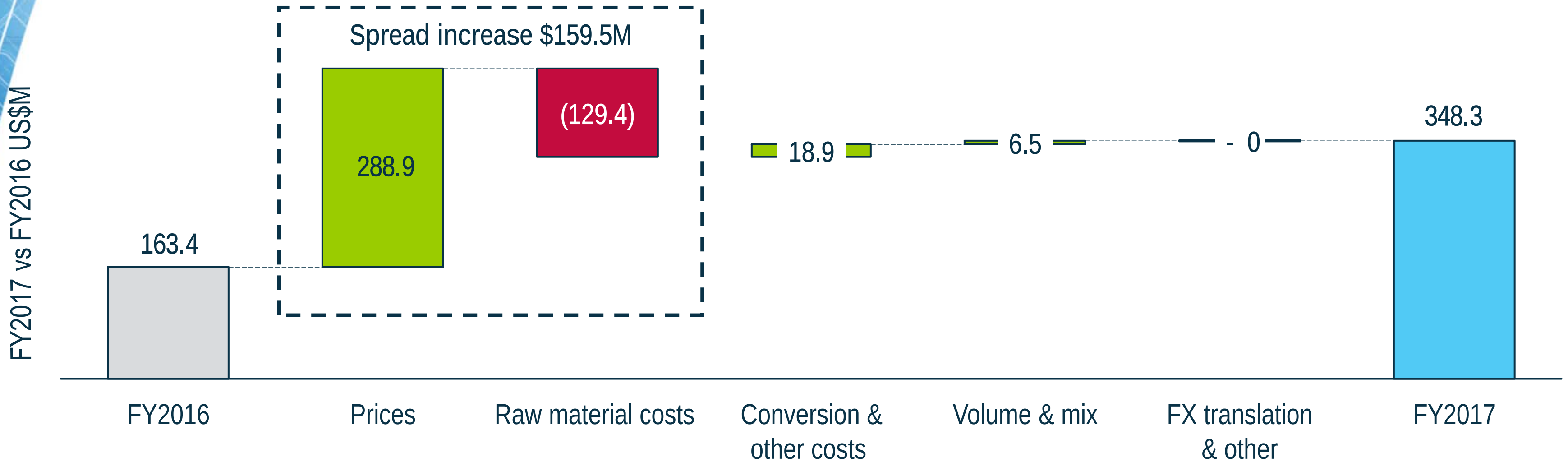
$M unless marked	FY16	1H17	2H17	FY17
Revenue	847.3	793.9	906.9	1,700.9
Underlying EBITDA	184.1	238.6	223.1	461.7
Underlying EBIT	146.5	211.3	195.4	406.6
Reported EBIT	847.3	237.9	195.4	433.3
Capital & investment expenditure	21.8	21.1	16.8	37.8
Net operating assets (pre-tax)	1,862.3	1,926.4	1,735.6	1,735.6
North Star despatches (100%, metric kt)	2,021.6	1,016.5	1,076.5	2,093.0

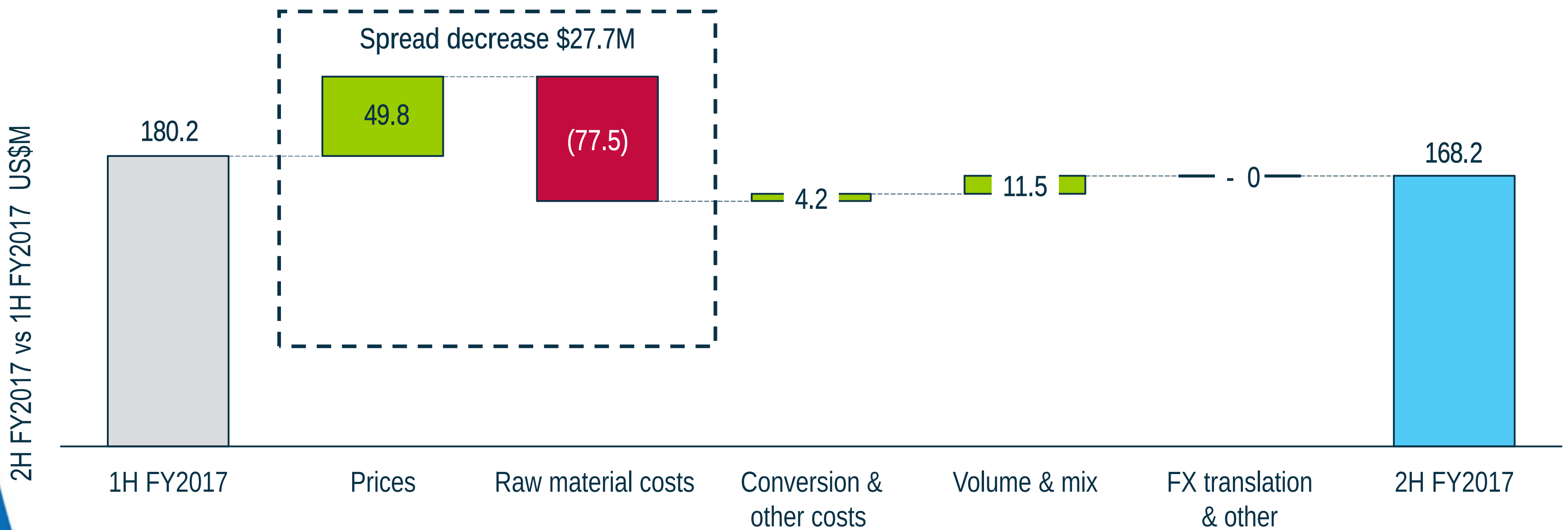
Key segment financial items – US$M, 100% basis

US$M, 100% basis	FY16	1H17	2H17	FY17
Revenue	959.6	598.7	683.8	1,282.5
Underlying EBITDA	163.4	180.2	168.1	348.3

North Star

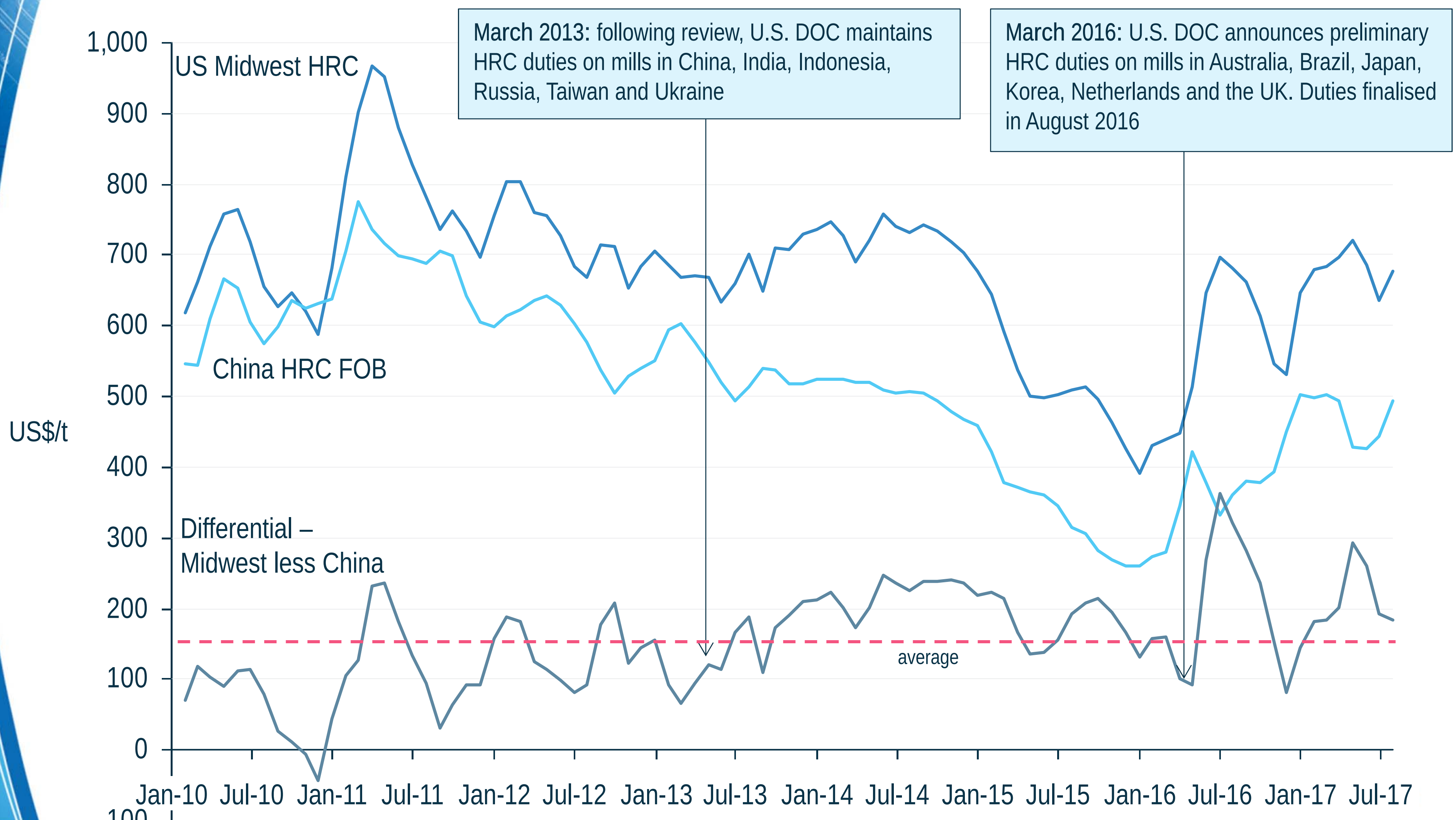
Underlying EBITDA US$M variance on 100% basis





Higher U.S. prices. Differential between U.S. and China prices returned to 'average' levels

Hot rolled coil prices and U.S. anti-dumping / countervailing actions



Source: CRU Midwest U.S. HRC price; SBB FOB Tianjin China export HRC price

Building Products ASEAN, North America & India
Financial summary

Key segment financial items

$M unless marked	FY16	1H17	2H17	FY17
Revenue	1,766.8	951.0	1,019.5	1,970.5
Underlying EBITDA	210.9	142.1	121.8	264.0
Underlying EBIT	149.3	111.3	90.4	201.7
Reported EBIT	149.3	104.0	36.8	140.8
Capital & investment expenditure	48.3	23.1	35.8	58.8
Net operating assets (pre-tax)	1,009.7	1,097.9	1,032.8	1,032.8
Total despatches (kt)	1,369.5	711.7	724.2	1,435.9

Despatches by business

'000 tonnes	FY16	1H17	2H17	FY17
Thailand	367.4	188.8	196.1	384.9
Indonesia	235.9	123.8	135.6	259.4
Malaysia	165.7	87.2	97.4	184.6
Vietnam	128.8	73.4	74.6	147.9
North America	387.3	198.5	191.5	390.0
India	118.9	61.7	58.0	119.6
Other / eliminations	(34.5)	(21.7)	(29.0)	(50.5)
Total	**1,369.5**	**711.7**	**724.2**	**1,435.9**

Revenue by business

$M	FY16	1H17	2H17	FY17
Thailand	439.6	220.0	243.4	463.4
Indonesia	306.7	150.5	175.9	326.3
Malaysia	235.3	117.8	134.6	252.4
Vietnam	167.4	97.3	112.7	210.0
North America	657.8	383.2	378.2	761.4
India	0.0	0.0	0.0	0.0
Other / eliminations	(40.0)	(17.8)	(25.3)	(43.0)
Total	**1,766.8**	**951.0**	**1,019.5**	**1,970.5**

Underlying EBIT by business

$M	FY16	1H17	2H17	FY17
Thailand	49.6	21.8	19.0	40.8
Indonesia	17.5	7.2	7.2	14.4
Malaysia	30.7	15.4	12.0	27.4
Vietnam	18.6	13.7	17.2	30.9
North America	29.8	48.0	30.8	78.8
India	7.4	8.8	7.3	16.2
Other / eliminations	(4.3)	(3.6)	(3.1)	(6.8)
Total	**149.3**	**111.3**	**90.4**	**201.7**

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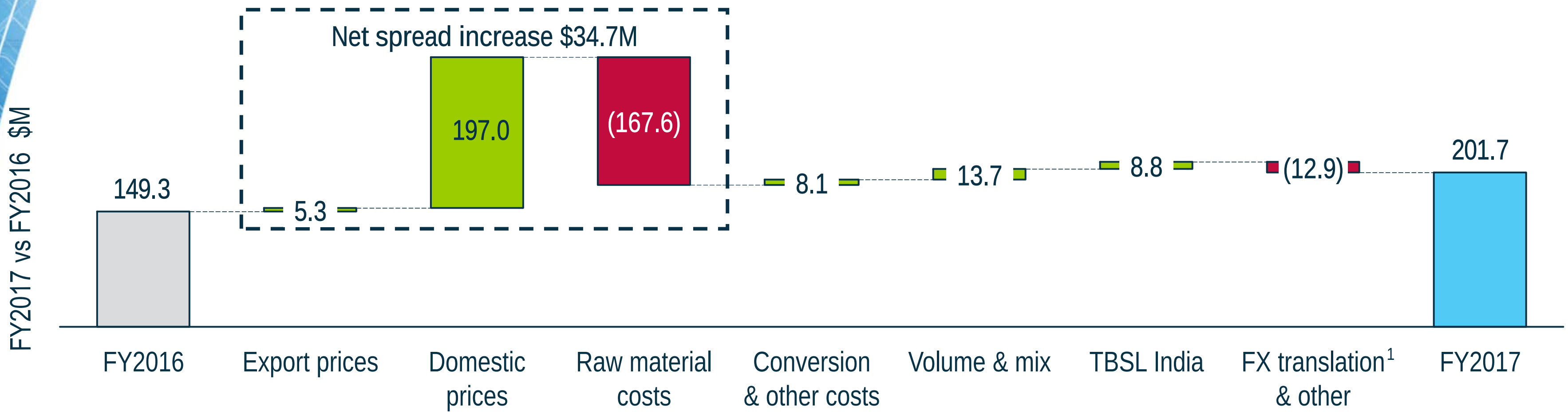
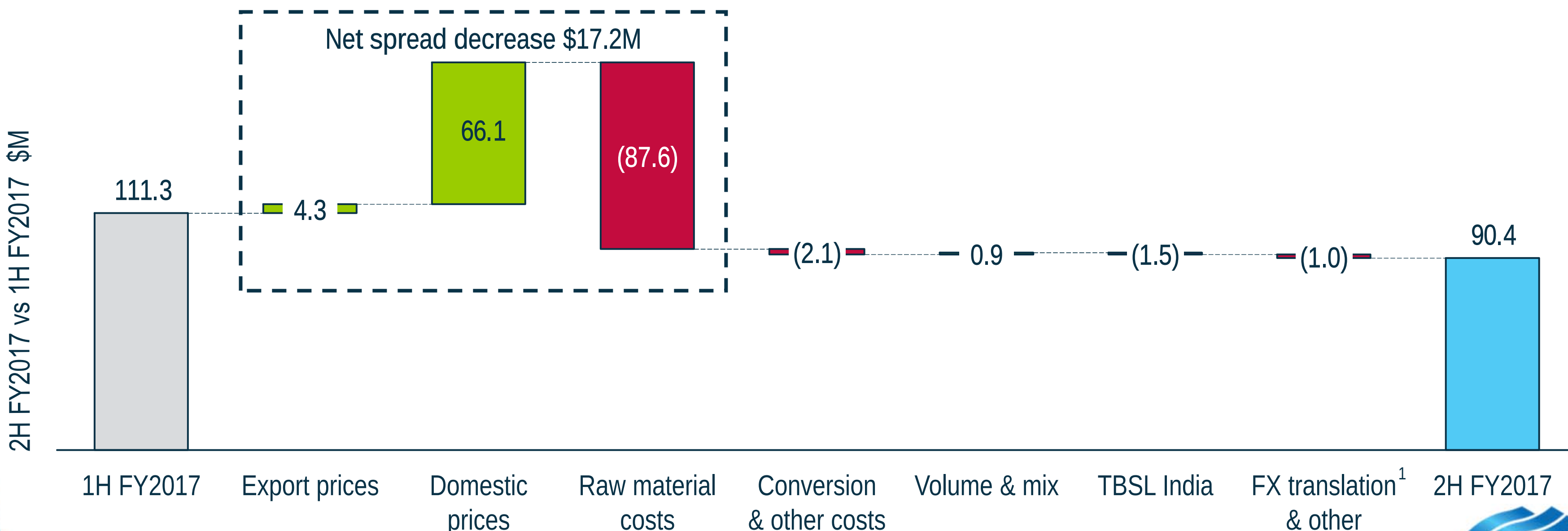
Building Products ASEAN, North America & India
Underlying EBIT variance





Note: 1) FX translation relates to translation of foreign currency earnings to AUD, transactional foreign exchange impacts are reflected in the individual categories

BlueScope Buildings
Financial and despatches summary

Key segment financial items

$M unless marked	FY16	1H17	2H17	FY17
Revenue	1,705.9	896.1	860.7	1,756.8
Underlying EBITDA	93.6	71.2	35.1	106.3
Underlying EBIT	49.2	49.5	14.5	64.0
Reported EBIT	39.0	(13.3)	10.4	(3.0)
Capital & investment expenditure	26.4	6.1	24.7	30.8
Net operating assets (pre-tax)	603.3	611.1	531.5	531.5
Total despatches (kt)	601.9	332.1	294.6	626.6

Despatches by business

'000 tonnes	FY16	1H17	2H17	FY17
Engineered Buildings North America	238.9	129.2	117.8	246.9
Engineered Buildings Asia	239.1	115.3	110.8	226.1
Building Products China (coated steel)	170.9	110.4	86.9	197.3
Other / eliminations	(47.0)	(22.8)	(20.9)	(43.7)
Total	601.9	332.1	294.6	626.6

Revenue by business

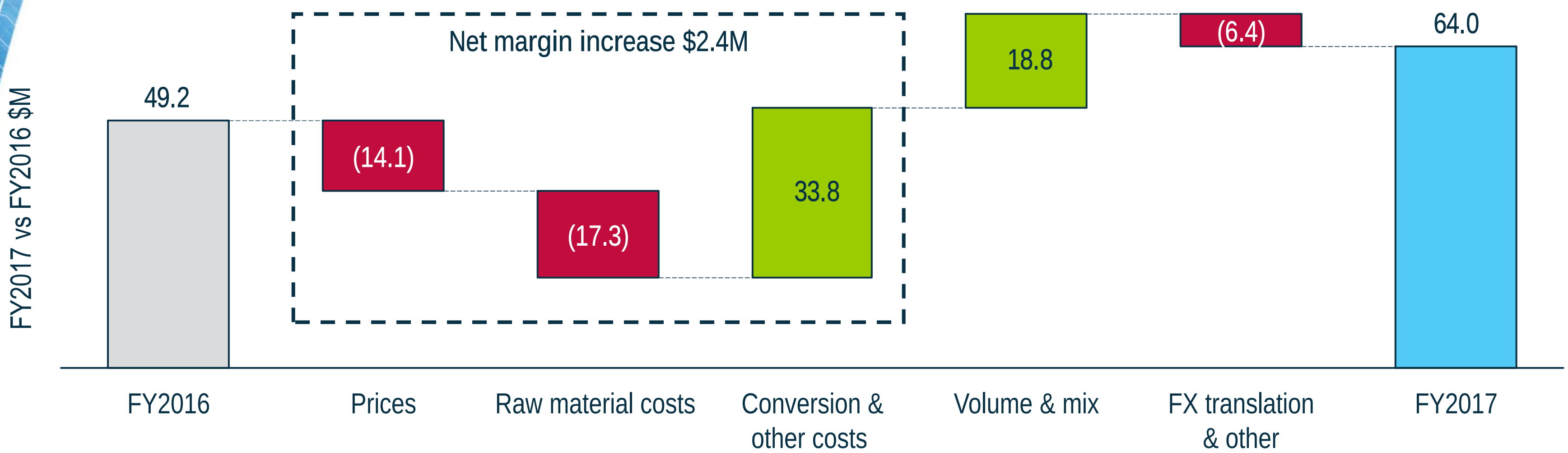
$M	FY16	1H17	2H17	FY17
Engineered Buildings North America	1,115.2	590.4	565.6	1,156.0
Engineered Buildings Asia	428.6	189.7	181.1	370.8
Building Products China (coated steel)	240.0	154.6	128.2	282.8
Other / eliminations	(77.9)	(38.6)	(14.2)	(52.8)
Total	1,705.9	896.1	860.7	1,756.8

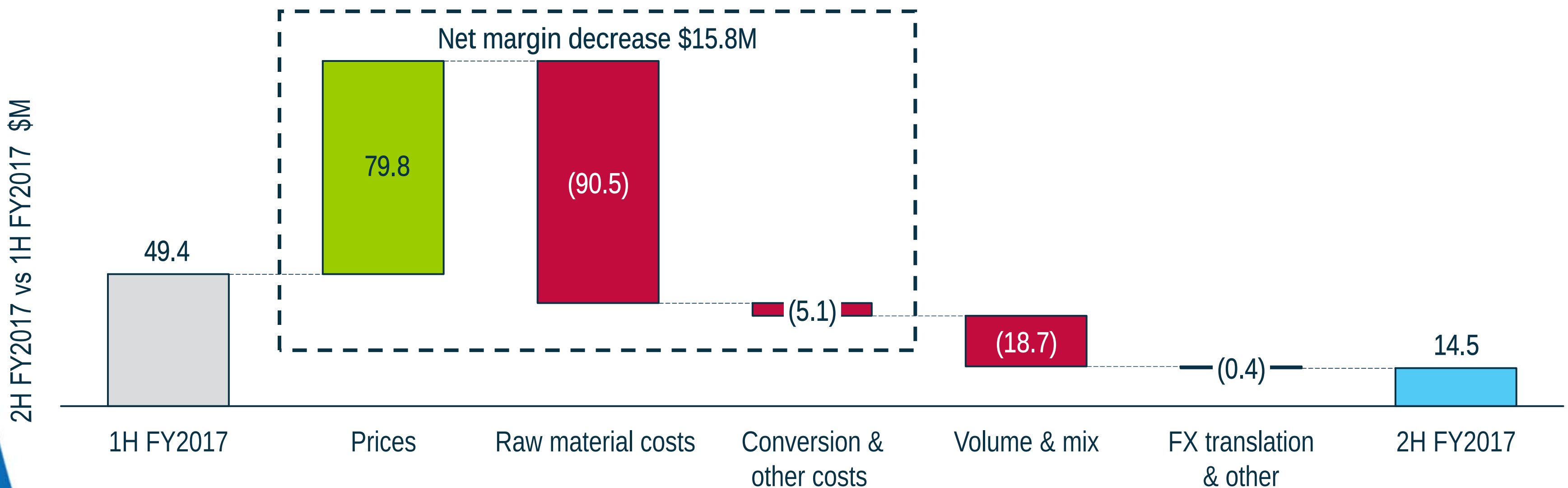
Underlying EBIT by business

$M	FY16	1H17	2H17	FY17
Engineered Buildings North America	41.4	43.2	19.6	62.7
Engineered Buildings Asia	(7.7)	(8.2)	(9.5)	(17.7)
Building Products China (coated steel)	23.2	17.7	5.9	23.6
Other / eliminations	(7.8)	(3.3)	(1.5)	(4.6)
Total	49.2	49.4	14.5	64.0

Note: Saudi Building Systems has been recategorised into Buildings North America, leading to restatement of prior period financials

BlueScope Buildings
Underlying EBIT variance



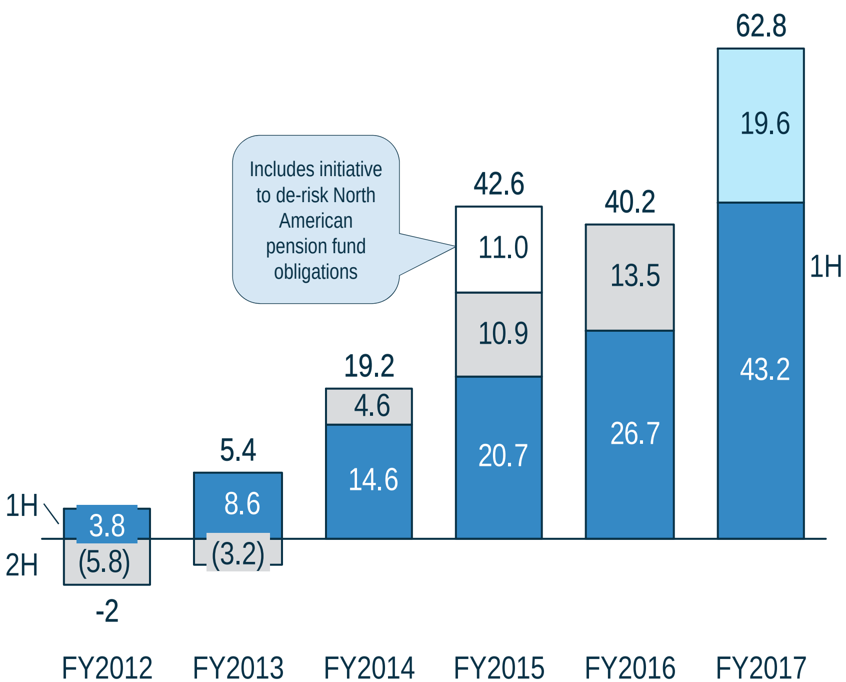


Note: Saudi Building Systems has been recategorised into Buildings North America, leading to restatement of prior period financials

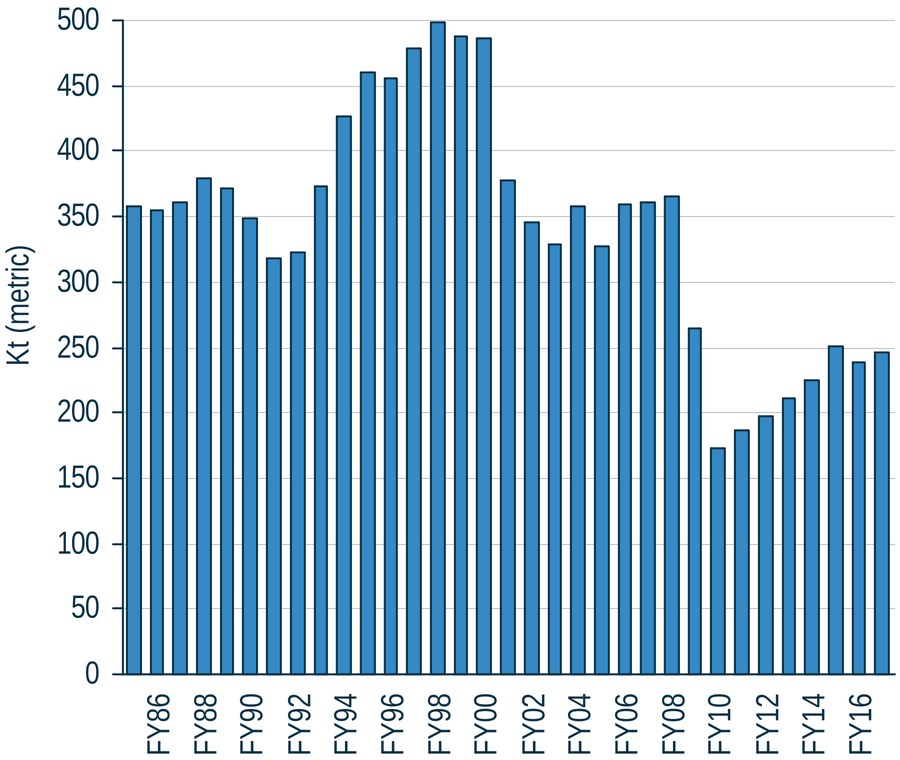
BlueScope Buildings

Solid progress in North America earnings growth driven by productivity and cost saving measures. Volumes improved in FY2017

Underlying EBIT of Buildings North America ($M)



Buildings North America – volumes



Note: BBNA formed in 2008. Volumes are the combination of Butler and Varco Pruden volumes

Note: Saudi Building Systems has been recategorised into Buildings North America, leading to restatement of prior period financials

New Zealand & Pacific Steel
Financial summary

Key segment financial items

$M	FY16	1H17	2H17	FY17
Revenue	772.4	344.8	402.7	747.5
Underlying EBITDA	10.6	33.5	69.8	103.2
Underlying EBIT	(40.3)	13.6	47.5	61.1
Reported EBIT	(201.6)	13.6	73.6	87.2
Capital & investment expenditure	41.6	18.7	19.2	37.9
Net operating assets (pre-tax)	199.5	186.6	336.4	336.4
Total steel despatches - flat & long (kt)	697.1	276.4	328.5	604.9

Steel despatches

'000 tonnes	FY16	1H17	2H17	FY17
Domestic despatches				
- NZ Steel flat products	258.0	135.3	135.4	270.7
- Pacific Steel long products	169.2	86.8	96.3	183.1
Sub-total domestic	427.2	222.1	231.7	453.8
Export despatches				
- NZ Steel flat products	205.6	48.1	80.9	129.0
- Pacific Steel long products	64.3	6.2	15.9	22.1
Sub-total export	269.9	54.3	96.8	151.1
Total steel despatches	697.1	276.4	328.5	604.9

Note: The Taharoa export iron sands business generated EBIT of $25.9M in 1H FY2017 and $0.3M in 2H FY2017. The business was divested on 1 May 2017 and has been reclassified to discontinued operations. Accordingly, underlying results have been adjusted to exclude Taharoa's contribution.

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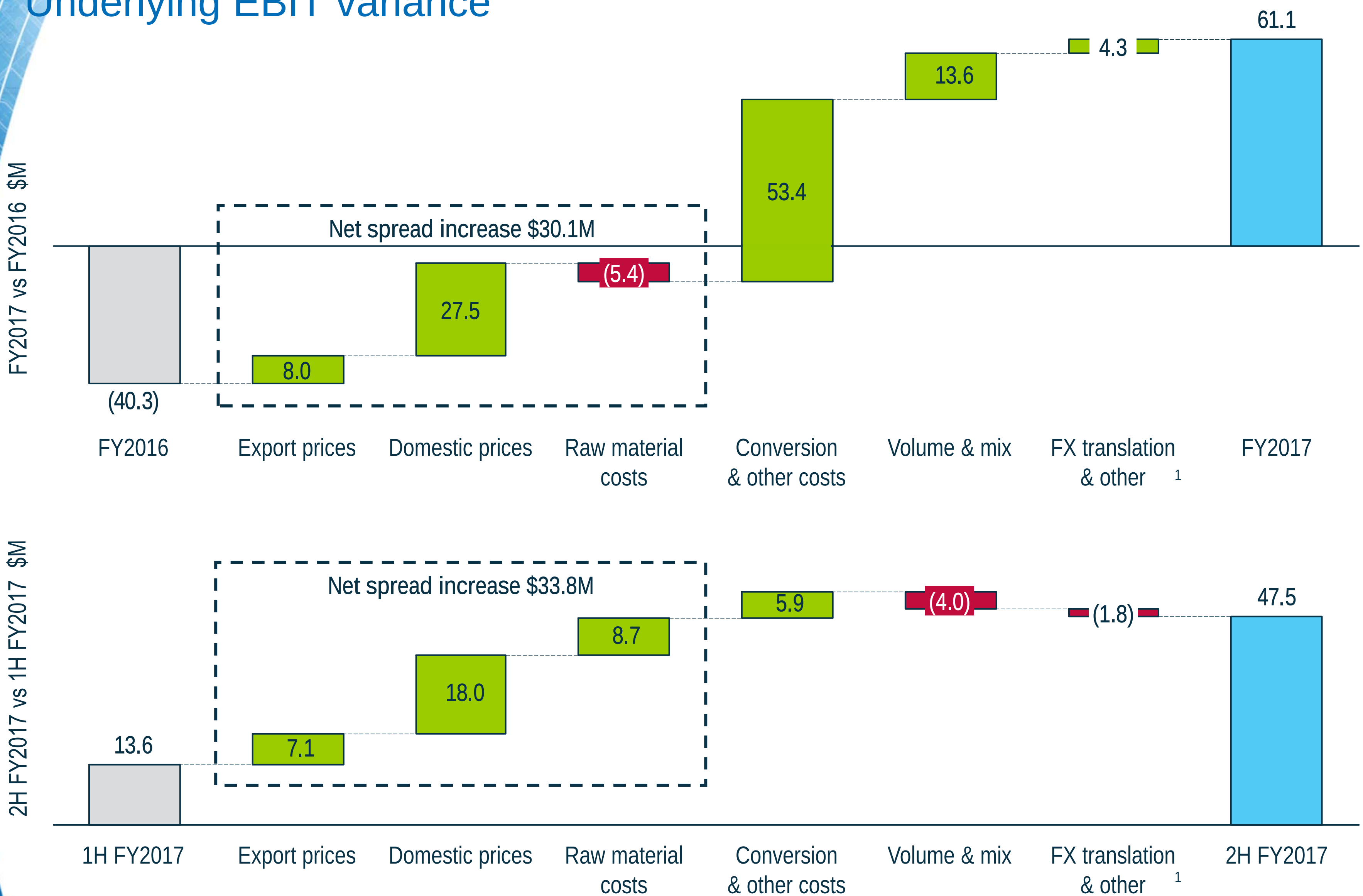
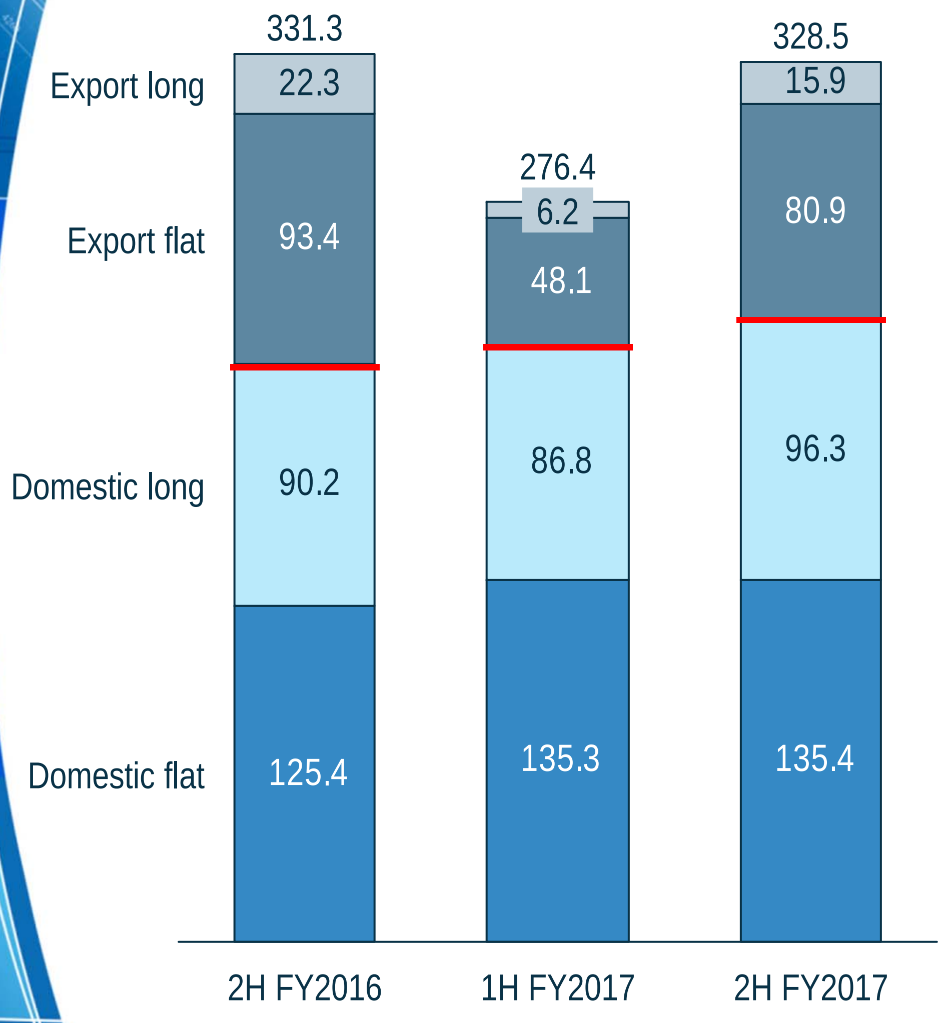
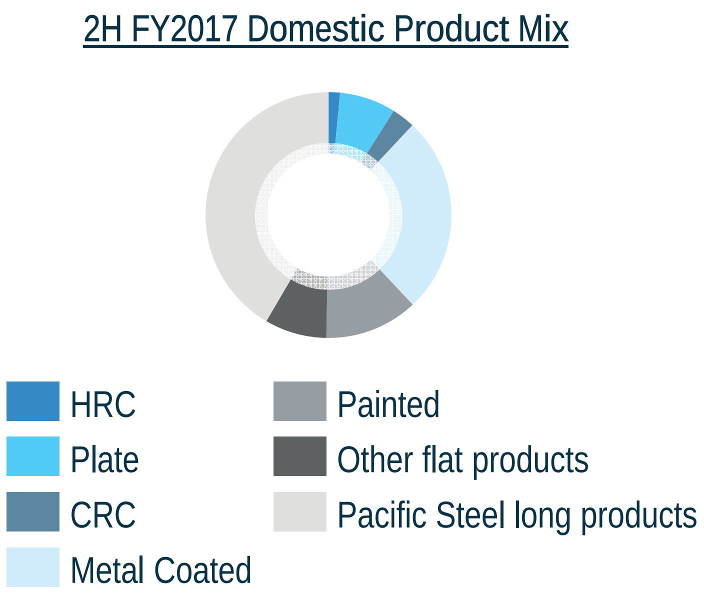
New Zealand & Pacific Steel
Underlying EBIT variance



Note: 1) FX translation relates to translation of foreign currency earnings to AUD, transactional foreign exchange impacts are reflected in the individual categories

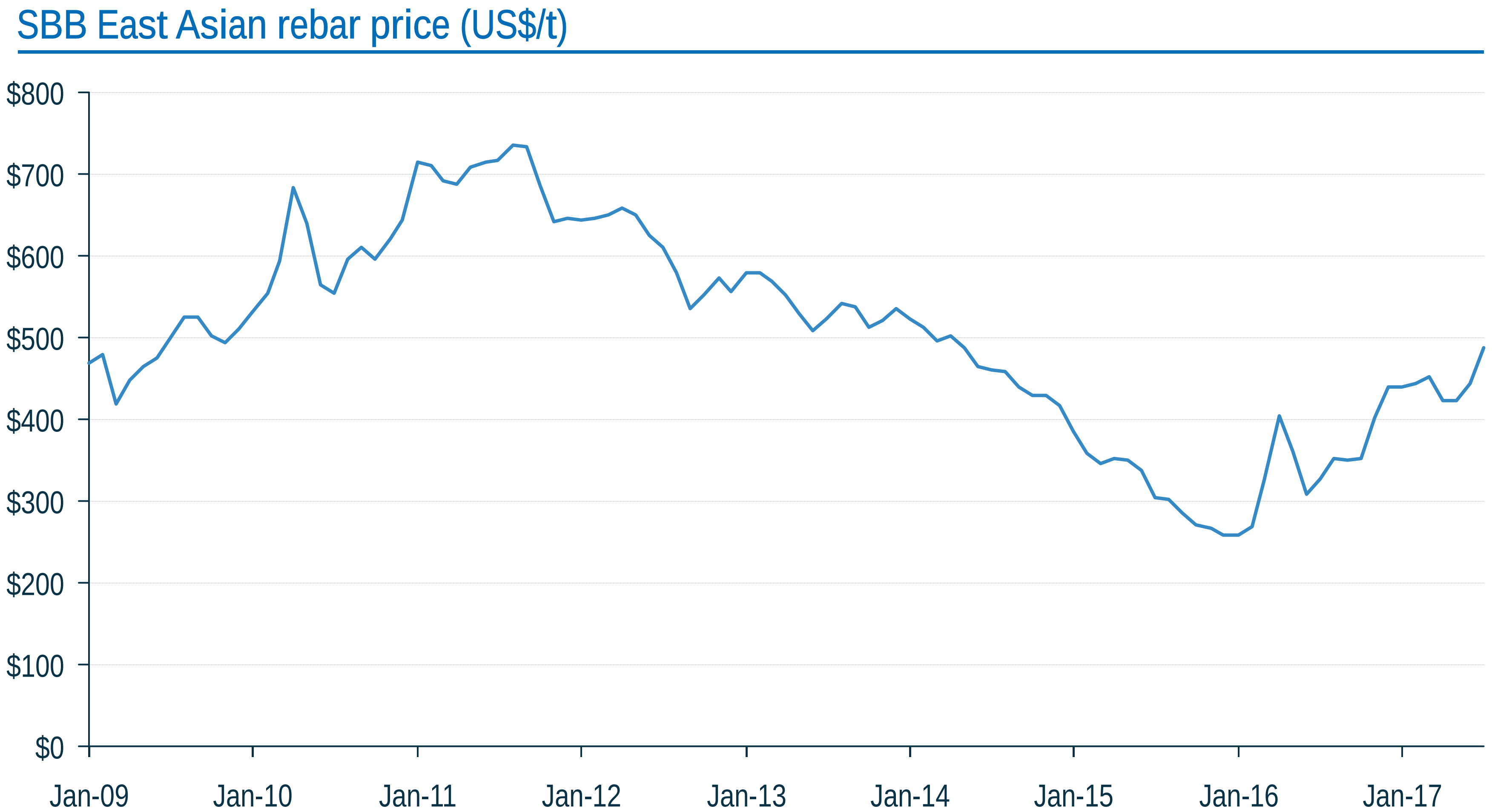
New Zealand & Pacific Steel
Despatch mix





New Zealand & Pacific Steel

The East Asian rebar price influences domestic and export long product pricing

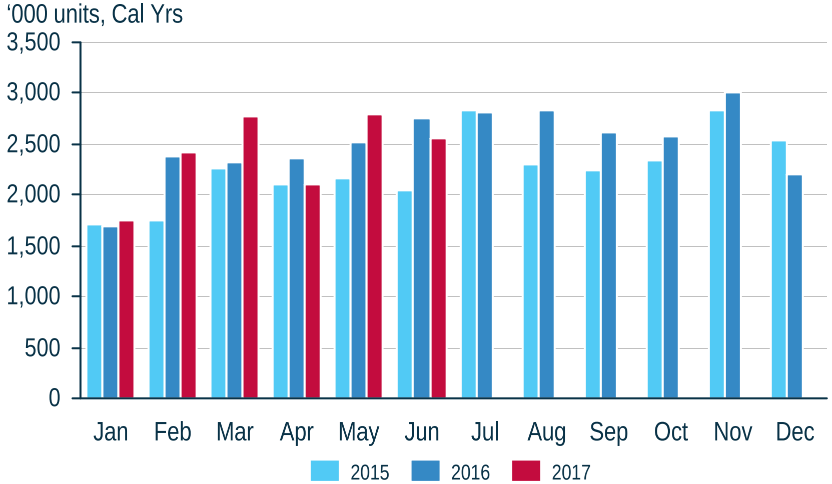


Source: Steel Business Briefing

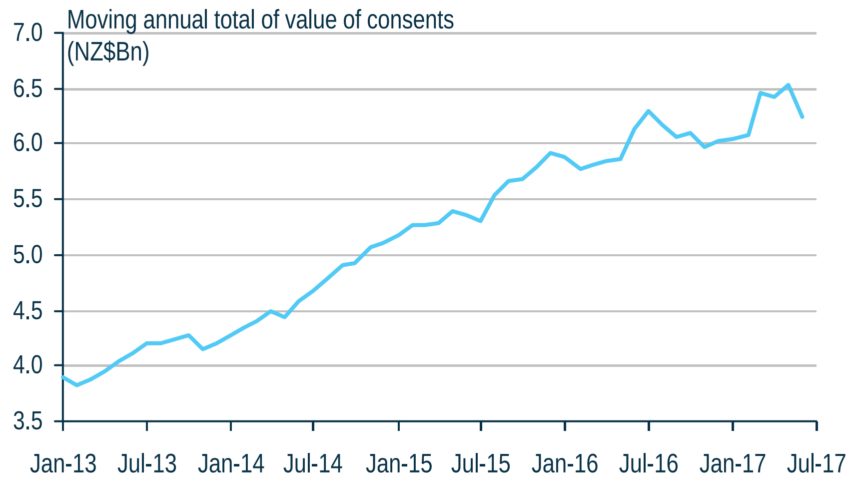
New Zealand & Pacific Steel

Robust NZ construction and manufacturing activity reflects a strong economy

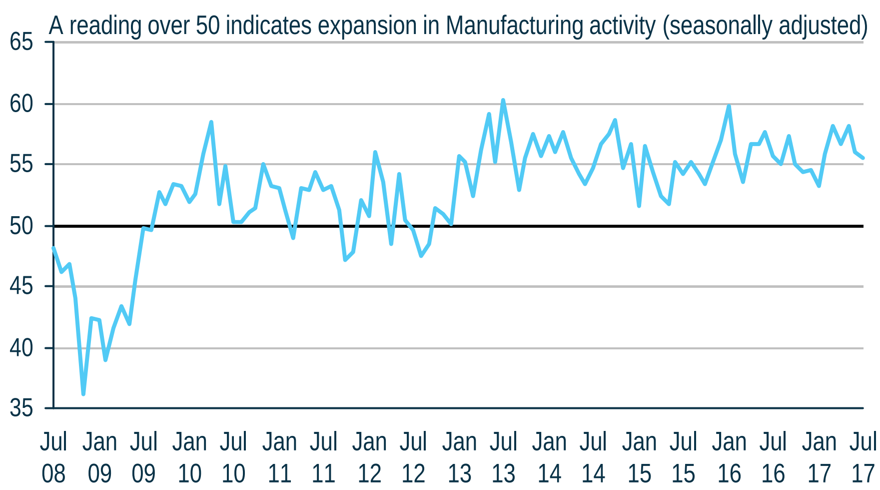
Residential building consents – momentum holding



Non-residential construction consents – robust levels



Purchasing Managers' Index (PMI) – almost five consecutive years of uninterrupted expansion



Source: CEIC, RBNZ, Statistics NZ

FY2017 Financial Results Presentation

Paul O'Malley, Managing Director and Chief Executive Officer
Charlie Elias, Chief Financial Officer

21 August 2017

BlueScope Steel Limited. ASX Code: BSL