



INVESTORS' VISIT TO ASEAN SITES

PACK 1: NS BLUESCOPE COATED PRODUCTS

Charlie Elias

Chief Executive
Building Products Asia and North America

December 2018

BlueScope Steel Limited. ASX Code: BSL

ABN: 16 000 011 058






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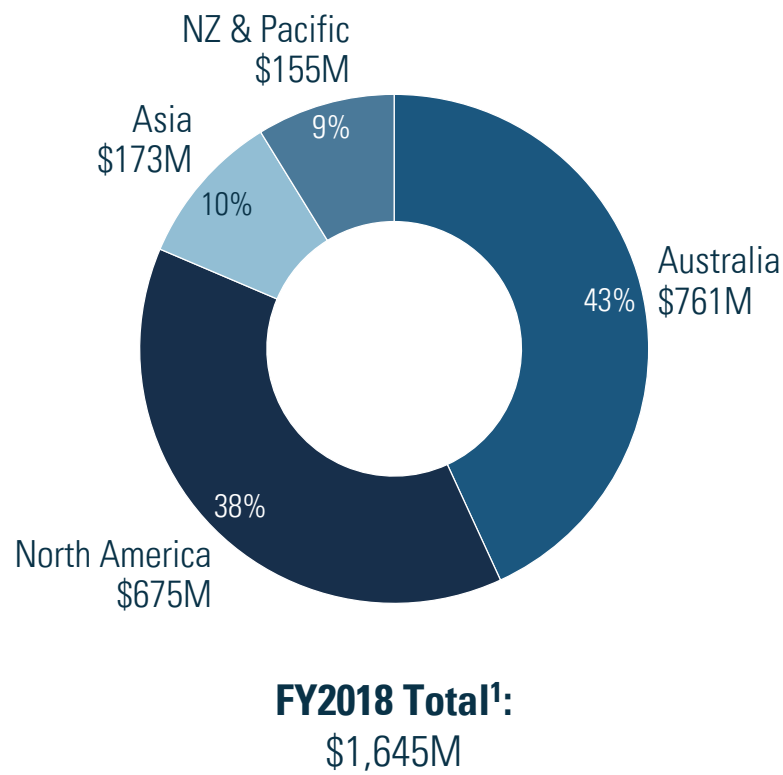


Australian Steel Products	North Star	Buildings North America	New Zealand & Pacific Steel	Building Products Asia & North America
100% Ownership				Joint Ventures
Financial year ended 30 June 2018				
Revenue: \$5,423M EBITDA: \$769M	Revenue: \$1,924M EBITDA: \$486M	Revenue: \$1,106M EBITDA: \$94M	Revenue: \$834M EBITDA: \$156M	Revenue: \$2,694M EBITDA: \$259M
 <ul style="list-style-type: none"> Produces and markets a range of high value coated and painted flat steel products for Australian building and construction customers Broader offering of commodity flat steel products Key brands include zinc / aluminum alloy-coated ZINCALUME® steel and galvanized and zinc / aluminum alloy-coated pre-painted COLORBOND® steel Significant channels to market through our building components and distribution businesses 	 <ul style="list-style-type: none"> Operates a 2.1Mtpa mini-mill in Ohio, with industry leading utilisation North Star voted #1 sheet producer in North America (Jacobson Survey) for 13 out of the last 15 years 	 <ul style="list-style-type: none"> Designer and manufacturer of engineered building solutions Key markets in China & North America Supplying buildings to global customers China coating & painting 	 <ul style="list-style-type: none"> Sole producer of steel products in New Zealand, with leading domestic market share of flat products Flat steel products include value-added coated and painted products, together with commodity grades Leading market share in New Zealand in long products 	 <ul style="list-style-type: none"> Leader in metal coated and painted steel building products Comprises NS BlueScope Coated Products (50/50 joint venture, consolidated) and Tata BlueScope JV (50/50 joint venture, equity accounted) Operates metallic coating and painting lines and roll-forming in Indonesia, Malaysia, Thailand, Vietnam, India and North America

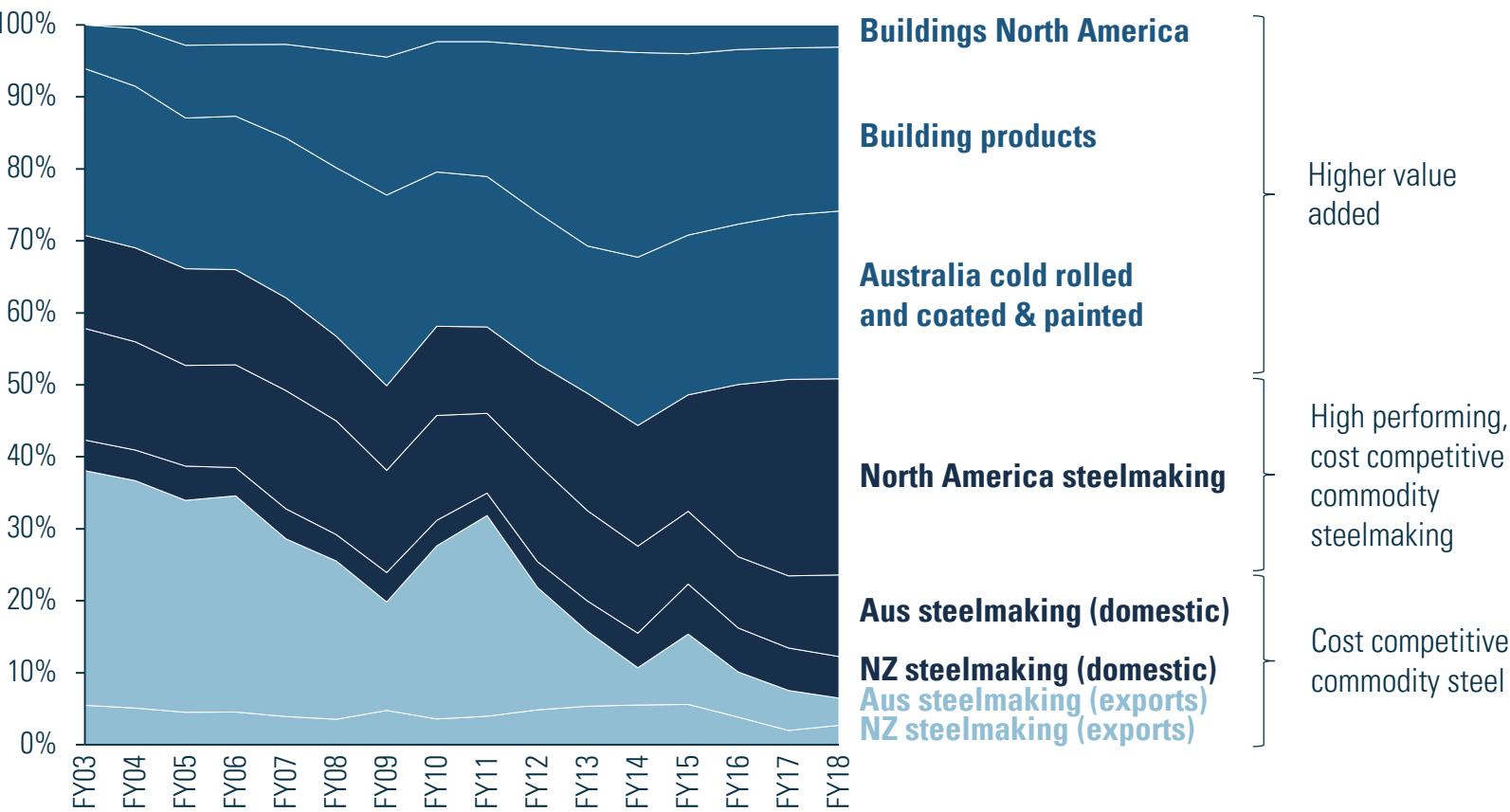
For more information on BlueScope, see the FY2018 Results Investor Presentation available at www.bluescope.com/investors
Sales Revenue figures above excludes sales from discontinued businesses totalling A\$51.9M and inter-segment revenue eliminations totalling (A\$454.6)M in the twelve months ended 30 June 2018.
EBITDA figures above exclude Corporate & Group and inter-segment EBITDA of (A\$119.2)M in the twelve months ended 30 June 2018. "EBITDA" refers to Underlying EBITDA.

Geographic diversity and increasing contribution from value-added products

Underlying EBITDA by region (\$M, 2018)



BlueScope despatch volume mix



(1) Total includes corporate costs & eliminations of \$119.2M, excluded from pie chart



NS BLUESCOPE COATED PRODUCTS



We have a compelling opportunity in ASEAN

- Large and growing populations; growing levels of wealth
- Markets trending towards quality branded products
- Home appliance opportunity

In the near term, external macro factors are negatively impacting markets

- Broader geopolitical volatility impacting project segments
- High priced steel feed environment impacting margins

There is positive structural change which may improve our feed cost positions

- Indonesia free trade agreement underway
- Securing local cold rolled feed supply through acquisition of YKGI assets

But we also need to 'get fit' – reshape our cost base

- Program rolled out across the region targeting cost reduction and productivity improvements of approximately \$20M in FY2019, with a full year run-rate target of approximately \$40M by FY2020
- Focus on improving manufacturing performance in select areas (Home Appliances and Indonesia)

We will continue to invest in channel development, and product and service innovation and differentiation

- Continued roll out of retail business across the region
- Further developing how we engage with our customers, particularly through digital tools

NS BlueScope makes a strong contribution to BlueScope's sustainability performance

- Well developed Corporate Social Responsibility strategy across the NS BlueScope business addressing key materiality topics



AGENDA

7

1 Introduction to NS BlueScope Coated Products

2 Macroeconomic, Industry and Sector Overview

3 Footprints and Markets

4 Brands, Channels, Products and Segments

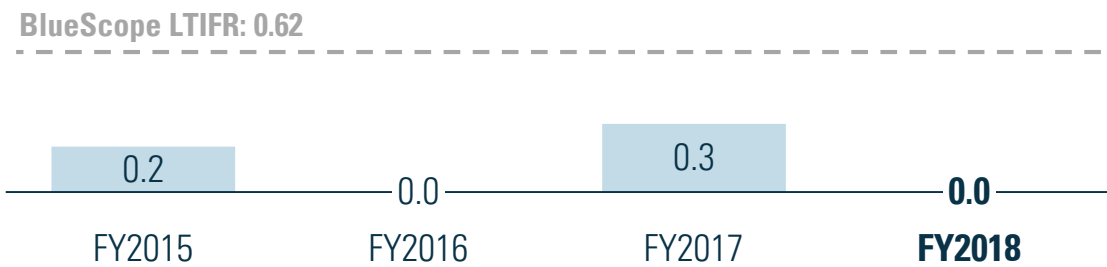
5 Financial Drivers, Performance and Strategy

6 Sustainability

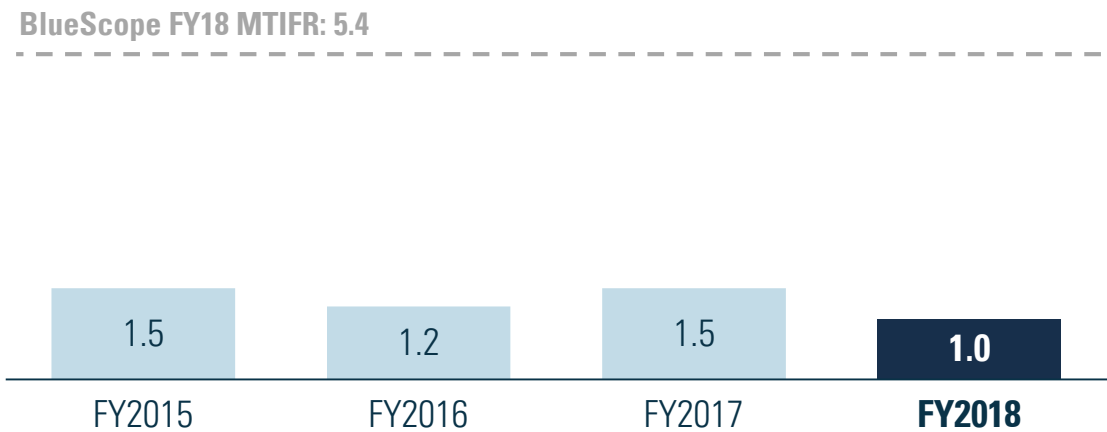


Progress towards our goal of Zero Harm

LTIFR
Lost time injuries per million man-hours worked



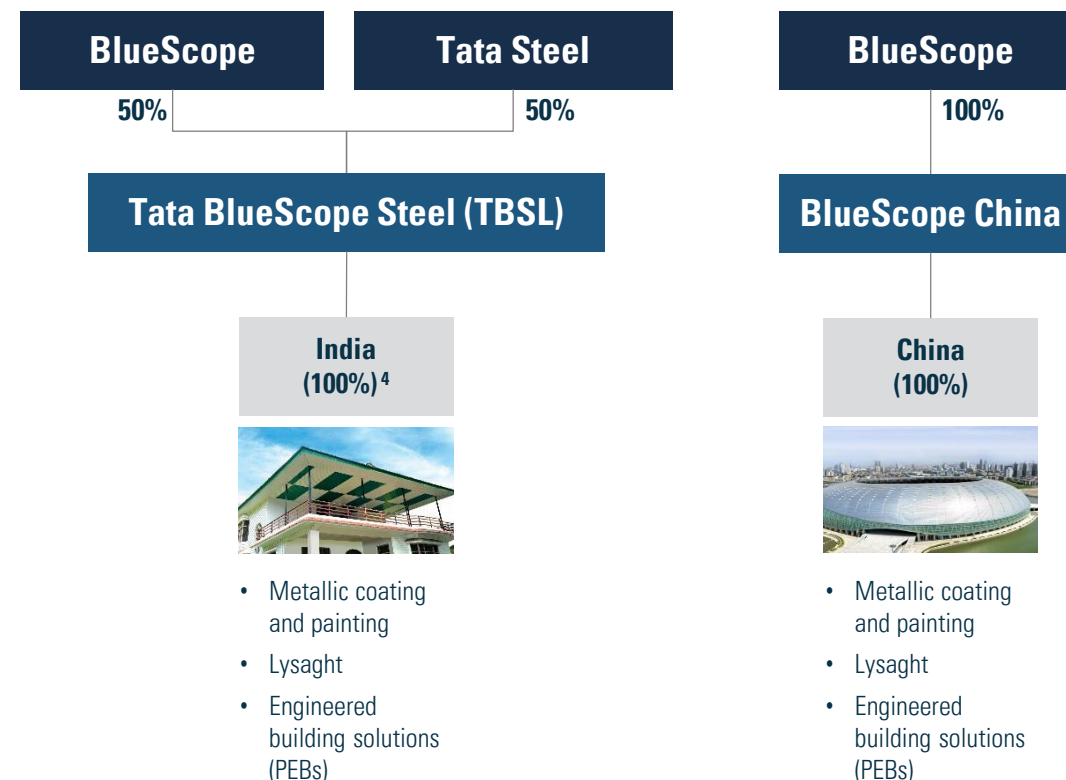
MTIFR
Medically treated injuries per million man-hours worked



This presentation is focused on the NS BlueScope Coated Products joint venture



Also in BlueScope's Building Products segment:



- (1) Nippon Steel and Sumitomo Metal Corporation (NSSMC)
- (2) Loxley Public Company Limited is a 20% partner in Thailand
- (3) Includes Singapore and Brunei. NS BlueScope owns 100% of the steel coating business and 60% of the rollforming (Lysaght) businesses in Malaysia in a JV with United Engineers Limited
- (4) TBSL joint venture encompasses SAARC region (India, Sri Lanka, Bangladesh, Pakistan etc.)



Charlie Elias
Chief Executive
NS BlueScope



Amber Williams
General Counsel
Asia



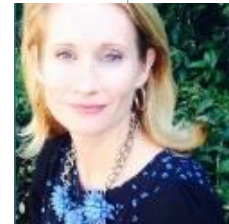
Isao Takenami
CFO
NS BlueScope



Mark Crimmins
President
ASEAN



Sam McMahon
VP Strategy, Marketing
and Business Devt.



Sarah Deukmejian
President
North America



Kerri Thurlow
VP People



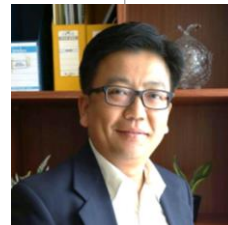
Noriatsu Yanagoika
VP Business
Development



Somkiat Pintatham
Country President
Thailand



Nhut Vo
Country President
Vietnam

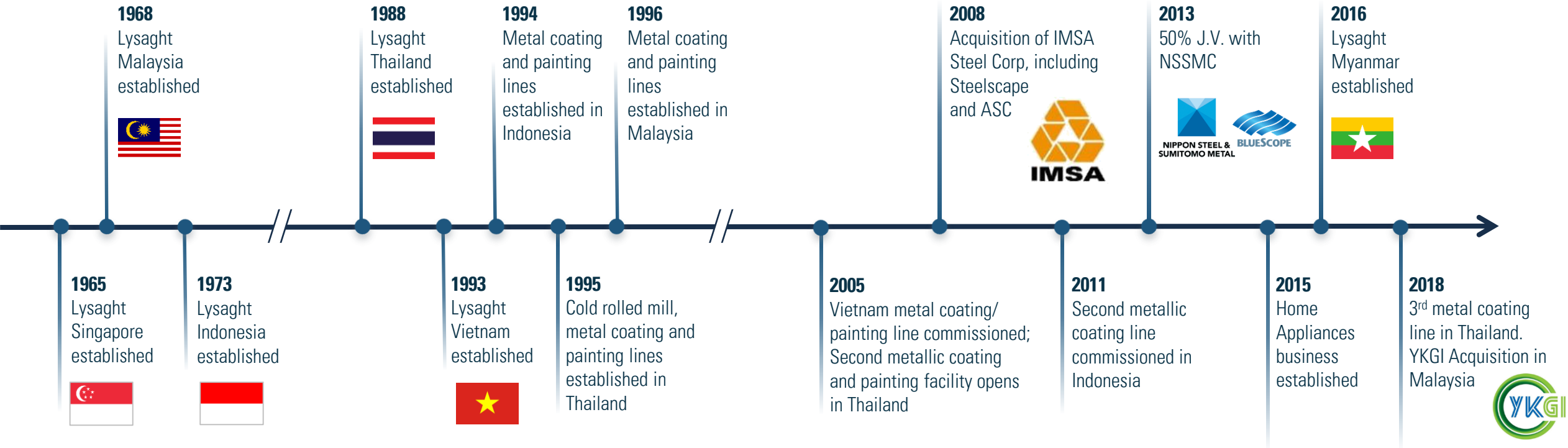


Yan Xu
Country President
Indonesia



Boon Hong Koh
Country President
Malaysia

Over 50 years of experience in the ASEAN region



Strong, long-standing relationship with Nippon Steel and Sumitomo Metal

- Many technical collaborations (over 65 projects since 1970)
- Successful partnership over the five years of the NS BlueScope Coated Products JV
- Both companies are leaders in steel coating and manufacturing
- NSSMC has substantial size and global reach, including across the ASEAN region
 - Sophisticated manufacturing technologies
 - Competitive product line-up
 - Trusted customer relationships
 - Brand and reputation as a manufacturer of high value added steel products
- Access to strong NSSMC technology development capabilities and substantial R&D base
- Access to a broader range of customers in new product areas
 - Developing relationship with home appliance segment and customers
 - JV capable of accessing product development work of both parent companies
- Access to high quality and stable substrate supply



We are

A **steel building products** company

Our Target

Top quartile shareholder returns and safe operations

Our Strategic Focus areas

Grow **premium branded steel businesses** with strong channels to market

Maximise value from **"Best in Class"** assets

Deliver **competitive commodity steel supply** in our local markets

Ensure ongoing **financial strength**

Coated and Painted Products

BlueScope Buildings

North Star BlueScope

Australia and NZ Steelmaking

Balance Sheet

Colorbond®

BLUESCOPE
Zacs

durashine®
TATA BLUESCOPE STEEL

LYSAGHT



MACROECONOMIC, INDUSTRY AND SECTOR OVERVIEW

central festival
EASTVILLE

Office
Mate



B S



CENTRAL
FOOD HALL

UNI
QLO

active

true

plus



Compelling opportunity in ASEAN

Economic opportunities

Generally improved financial stability

Robust foreign direct investment and infrastructure investment

Growth oriented government policies and leadership

A growing population and rising middle class

Urbanisation and younger demographics

Transition to a global manufacturing and technology hub

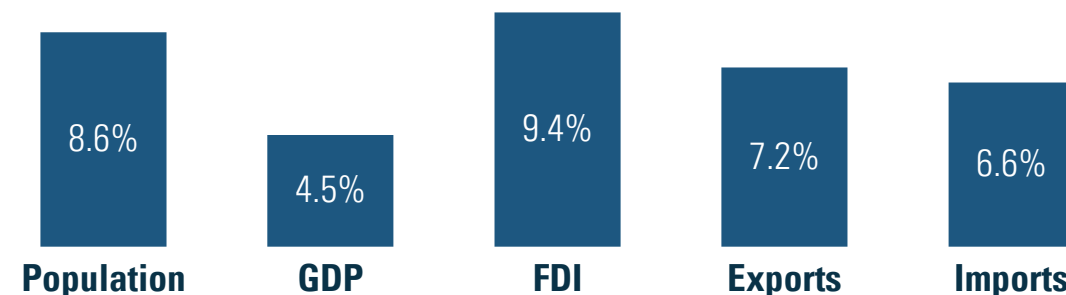
Risks

Broader geopolitical volatility

National debt and regional currency

Exposure to health of global economy

ASEAN's share of world (2017)



Economy size (GDP, US\$Bn current)

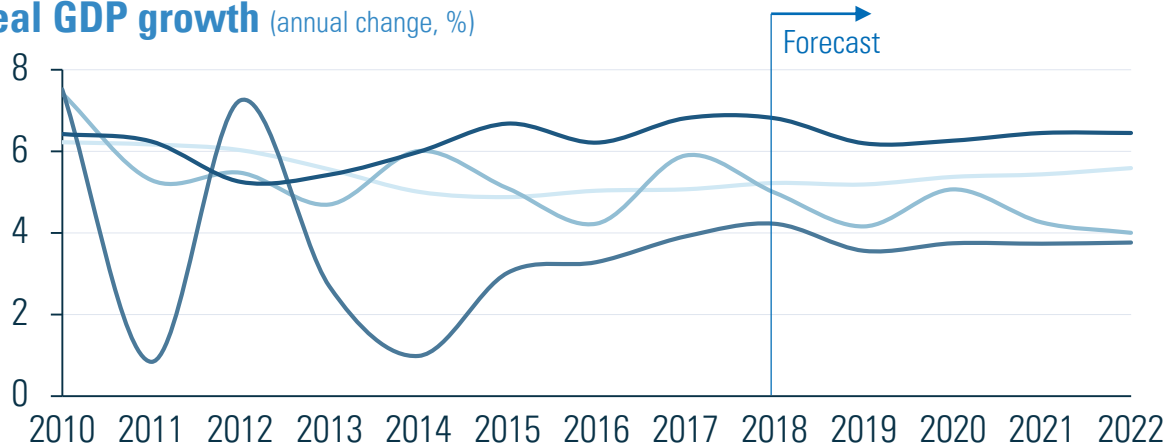
2018		2023	
1. USA	20,513	1. USA	24,671
2. China	13,457	2. China	19,581
3. Japan	5,071	3. Japan	5,908
4. Germany	4,029	4. Germany	4,937
5. UK	2,809	5. India	4,330
6. France	2,795	6. ASEAN-5	3,542
7. India	2,690	7. France	3,364
8. ASEAN-5	2,521	8. UK	3,257

Population size (million)

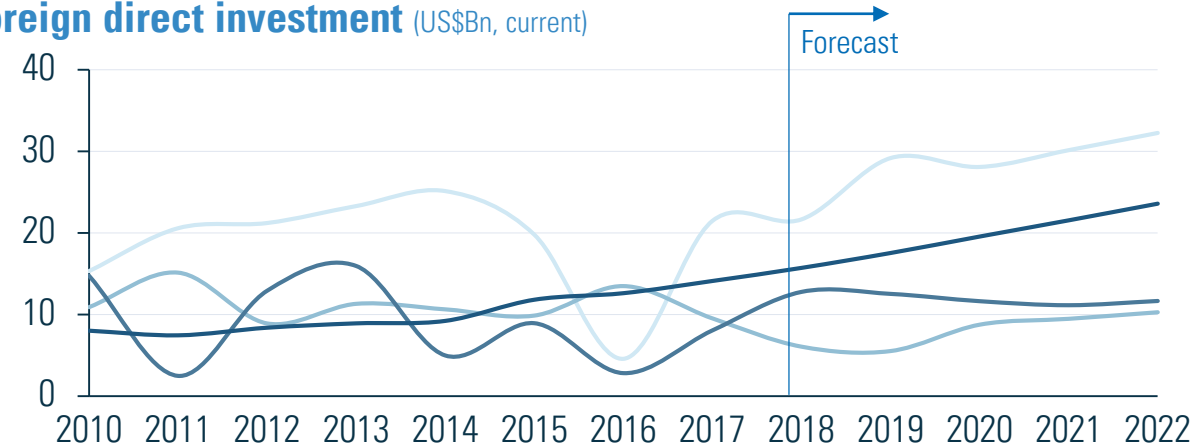
1 China	1,410
2 India	1,339
3 ASEAN	625
4 USA	324

Strengthening macroeconomic performance despite pockets of geopolitical instability

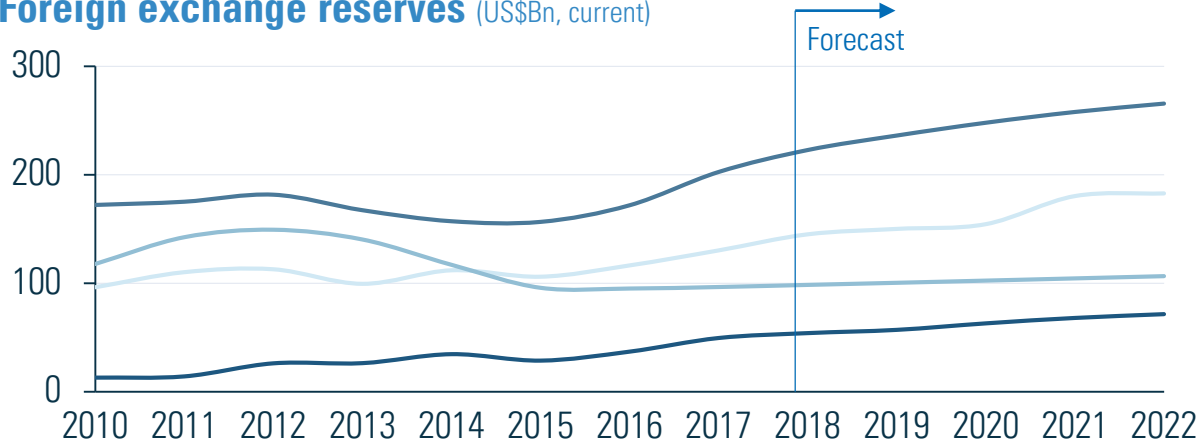
Real GDP growth (annual change, %)



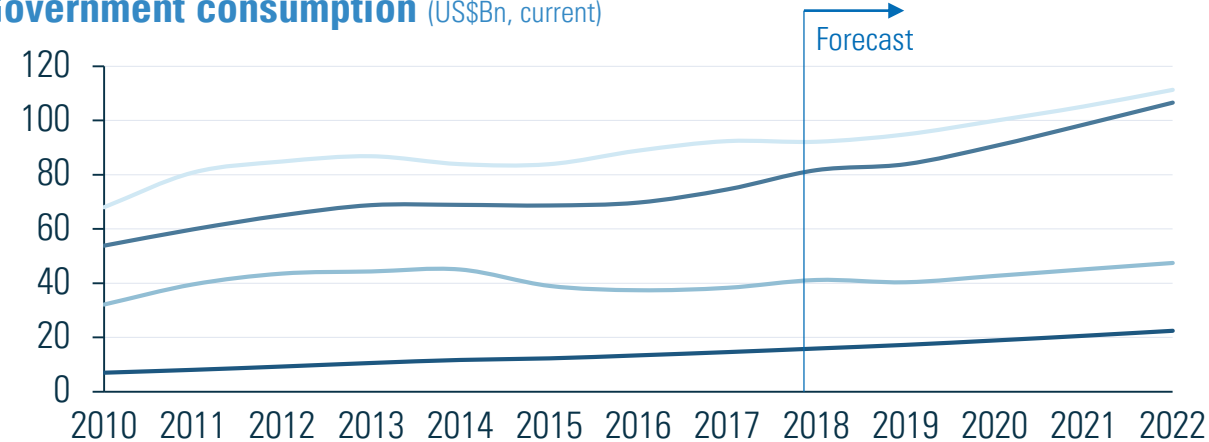
Foreign direct investment (US\$Bn, current)



Foreign exchange reserves (US\$Bn, current)

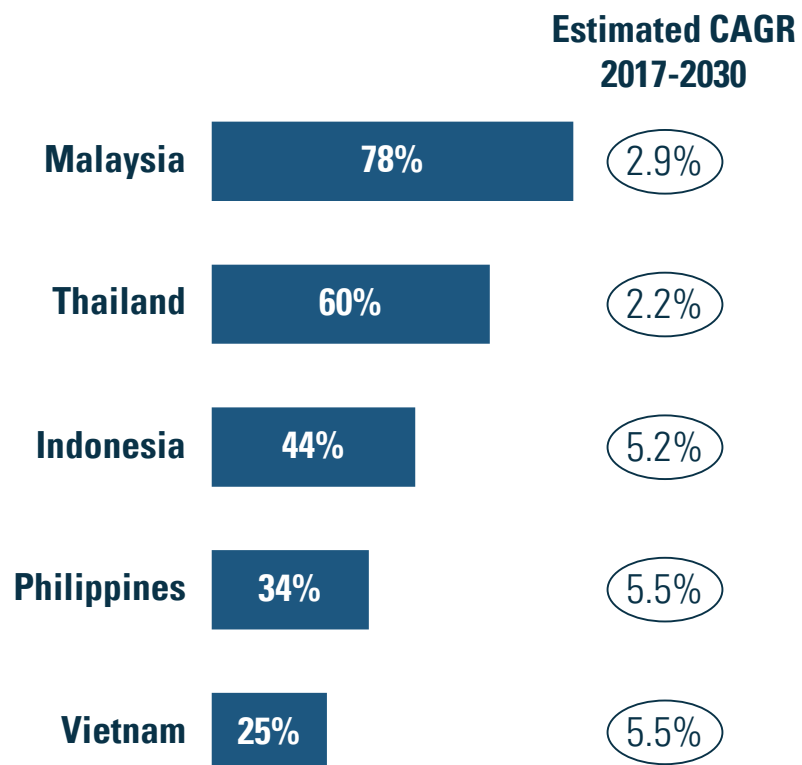


Government consumption (US\$Bn, current)

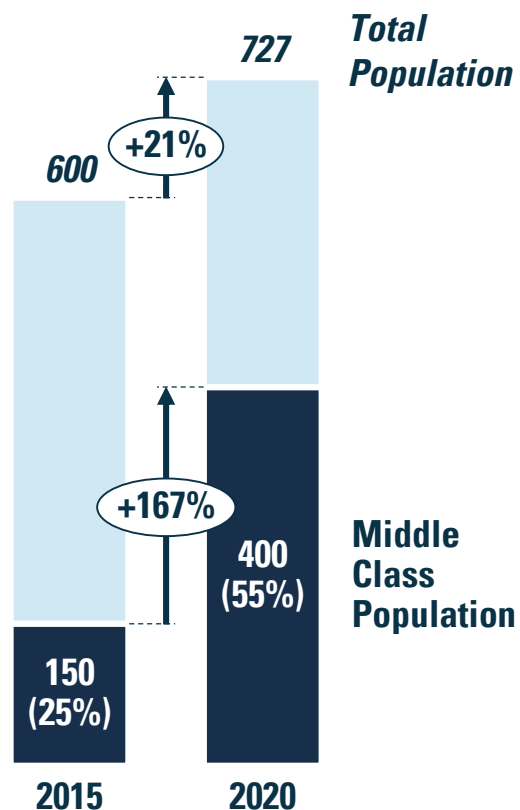


ASEAN is seeing growth in its working age population; increasing its proportion of middle-class consumers

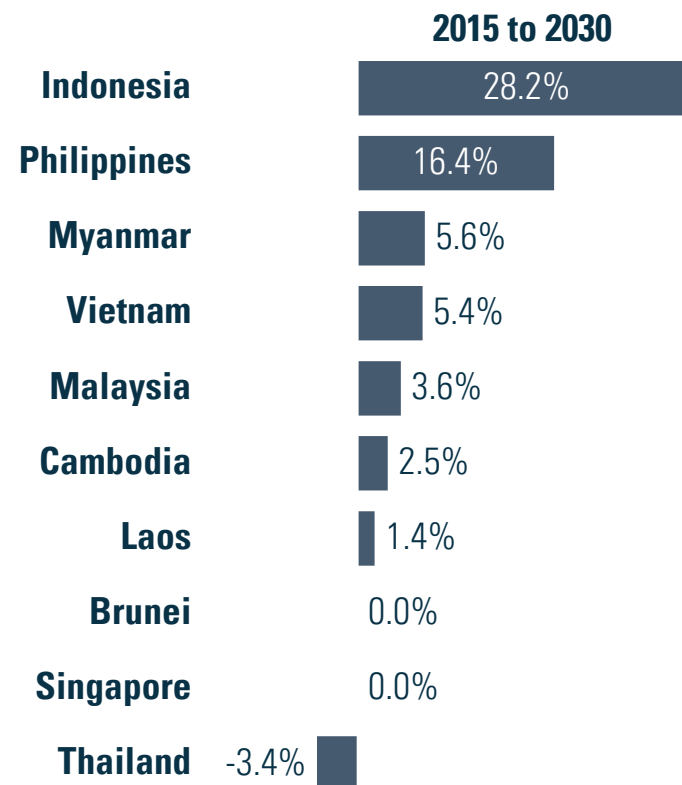
Middle class share of population (2017, %)



ASEAN middle class population (million)



ASEAN working age population change (%)

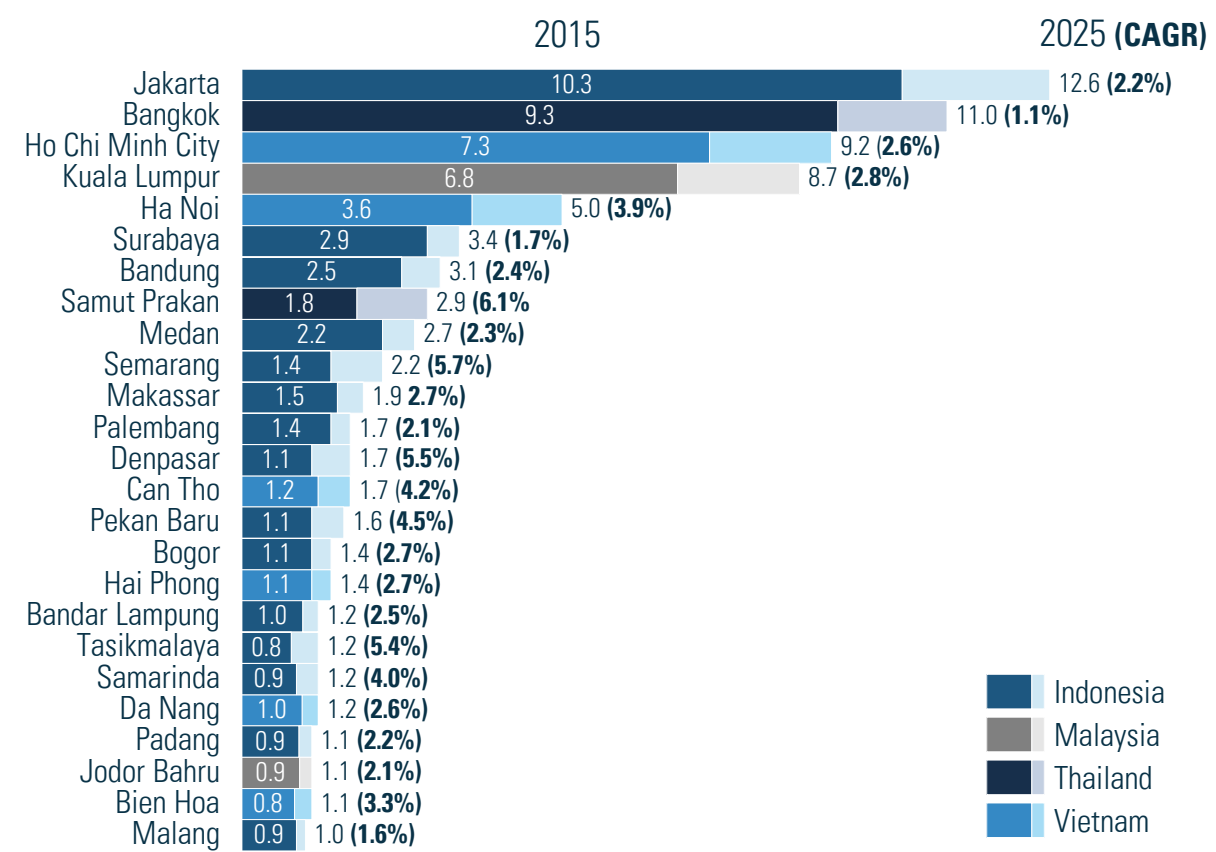


Over half of ASEAN's population live in large cities, with the number and size of these cities growing rapidly

ASEAN regional population (2017, million people)

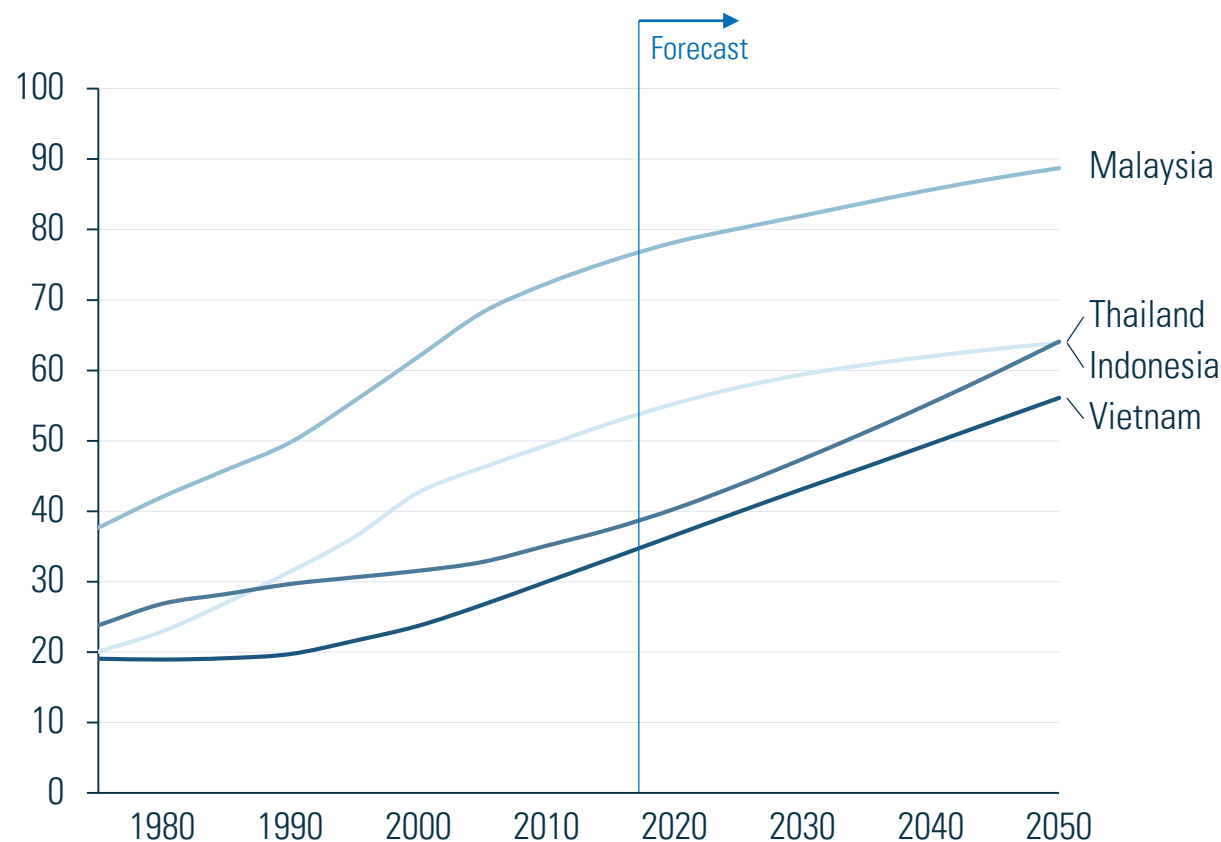


ASEAN large city population growth (2015-2025, million people)

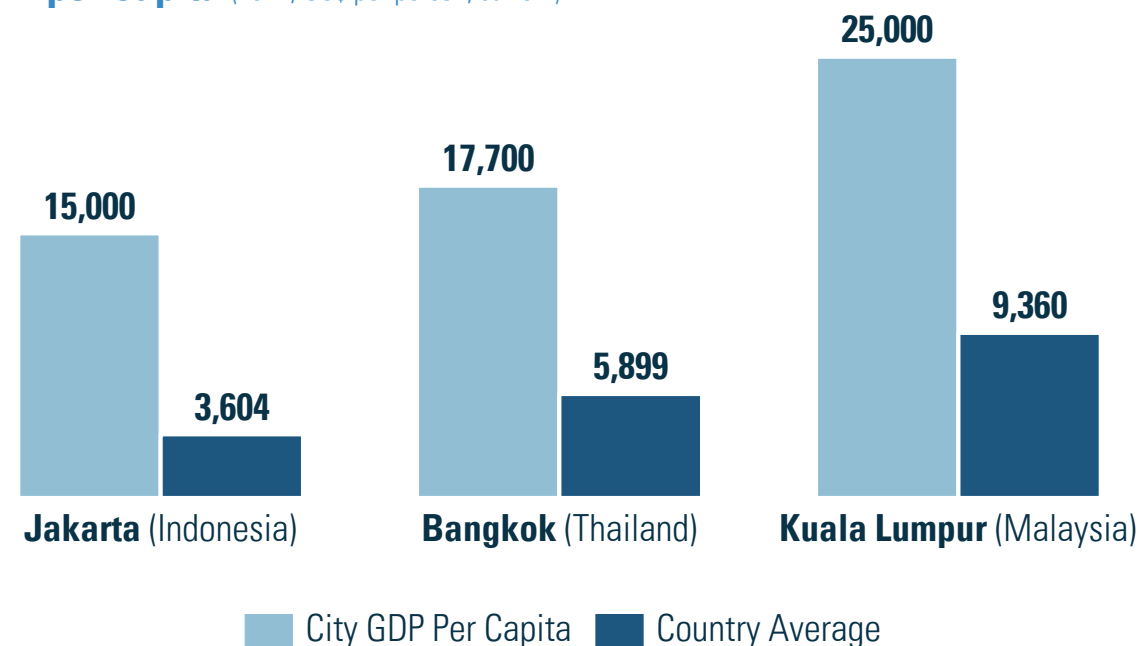


These rapidly growing cities currently account for more than two thirds of the region's GDP

Share of population living in urban areas (% of total population)



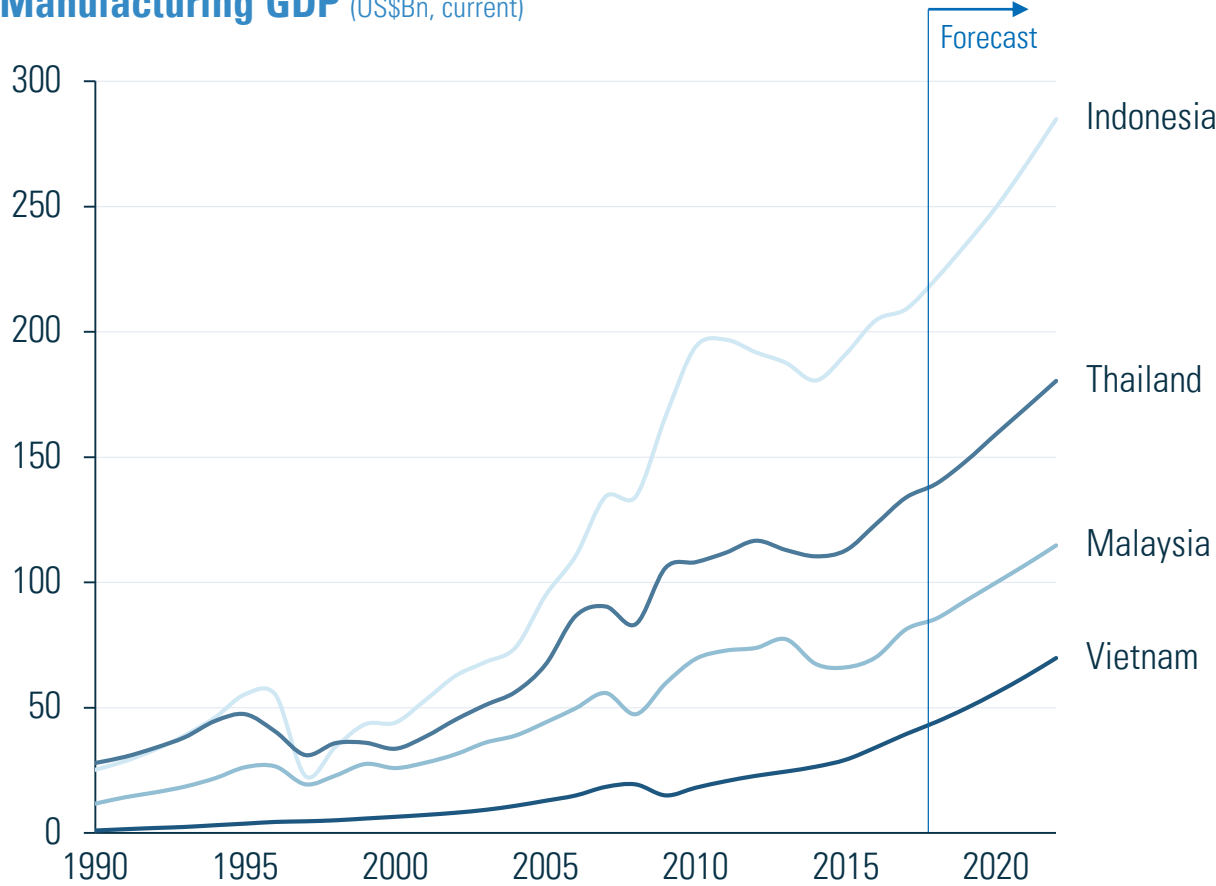
GDP per capita (2017, US\$ per person, current)



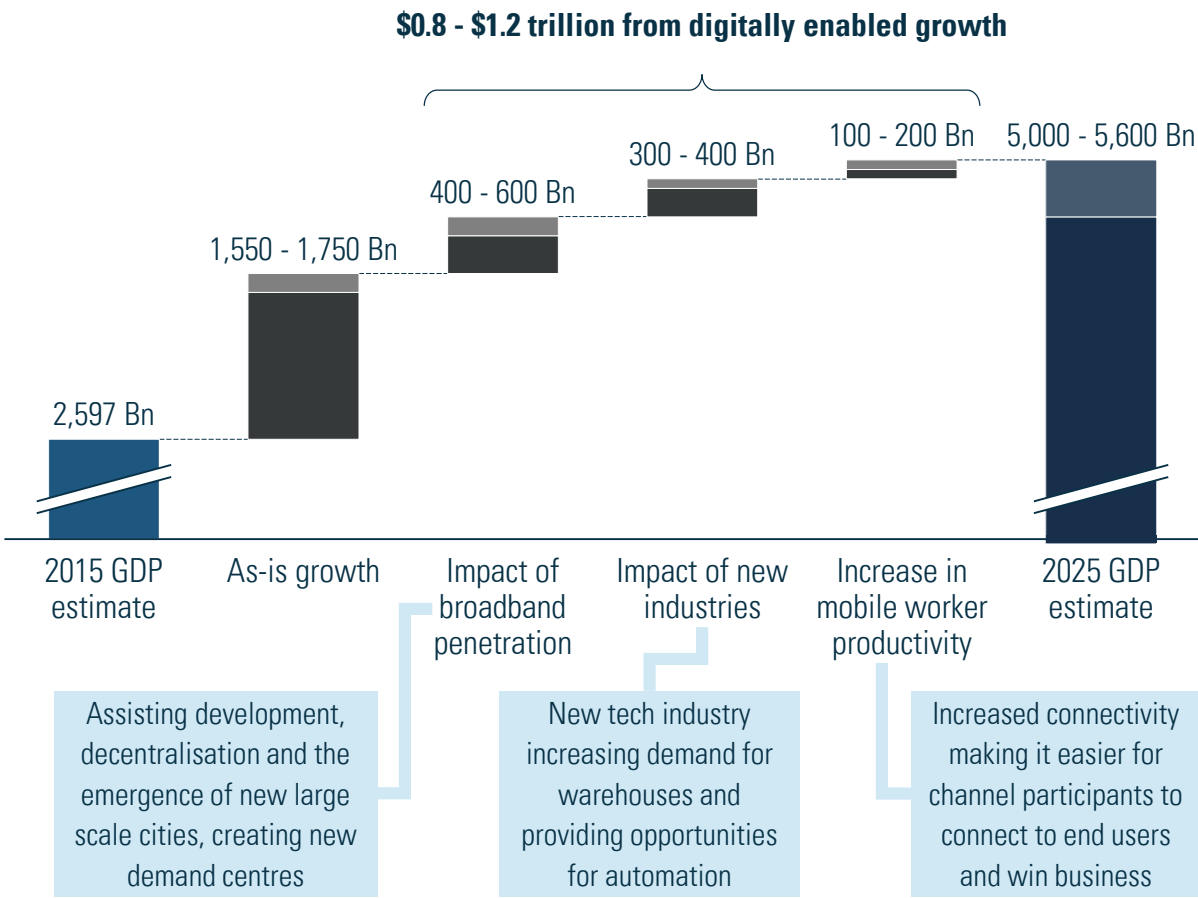
Already some of ASEAN's largest cities rank as **high-income status**. ASEAN's growing middle-weight regions and **tier-2 cities** (with populations of between 500,000 and 5 million), are drivers of further growth. There are around **50 cities with more than half a million residents**

Growth will be supported by an ongoing shift to ASEAN in global manufacturing and technology industries

Manufacturing GDP (US\$Bn, current)



The digital economy impact on ASEAN GDP (US\$Bn, current)



Macro trends are driving building and construction to higher quality, light weight sustainable products

URBANISATION / NEW TECHNOLOGY

- Growing middle class
- New aesthetics
- Mass customisation coatings
- Longer life products
- Longer warranties
- Flexible manufacturing
- Solar PV and battery technologies

GLOBALISATION / COMPETITION

- Oversupply, global trade, price pressure, social media commerce, courageous SMEs
- Low-cost products
- Compact manufacturing (shorter, lower cost metal coating process)

SUSTAINABILITY

- Low embodied energy products
- Cradle to grave lifecycle analysis
- Product stewardship
- Energy neutral
- Urban building eco-systems

SCARCITY OF RESOURCES

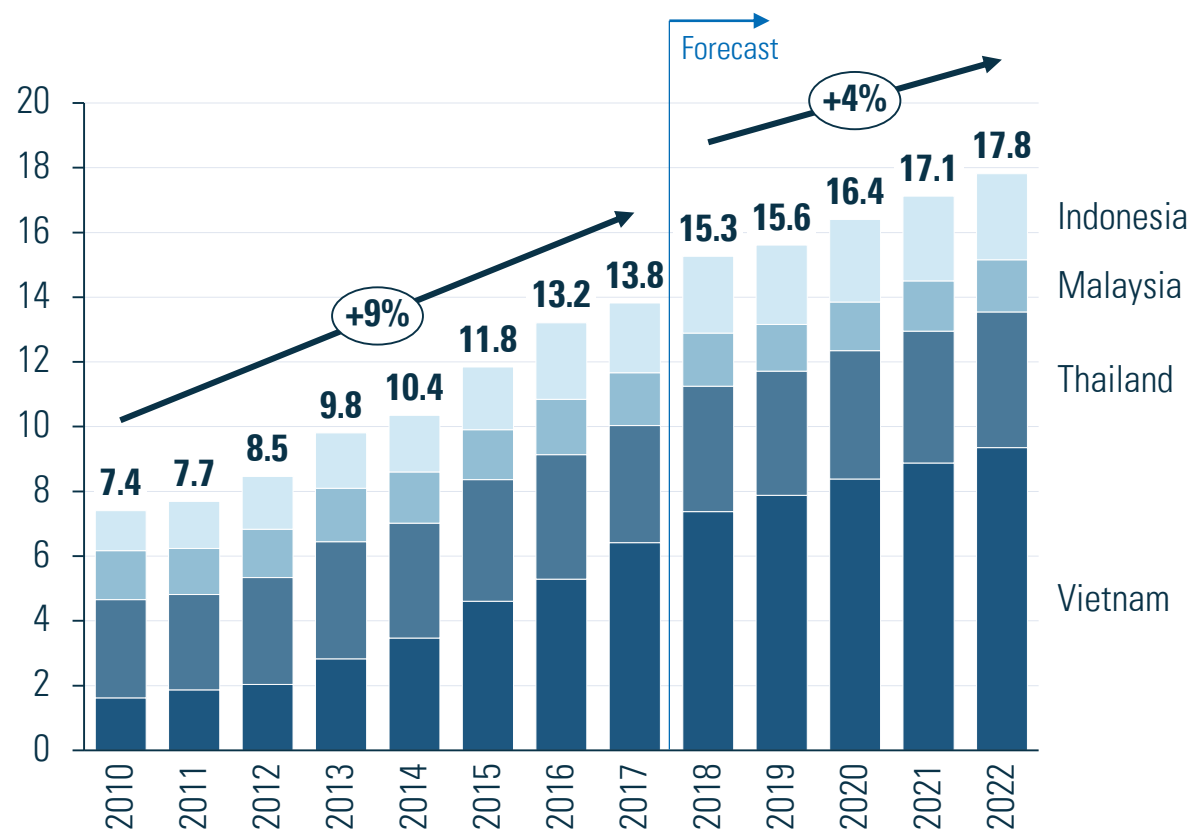
- Efficient product design
- More of less
- Reduced material availability
- Sustainable manufacturing

CHANGING REGULATIONS

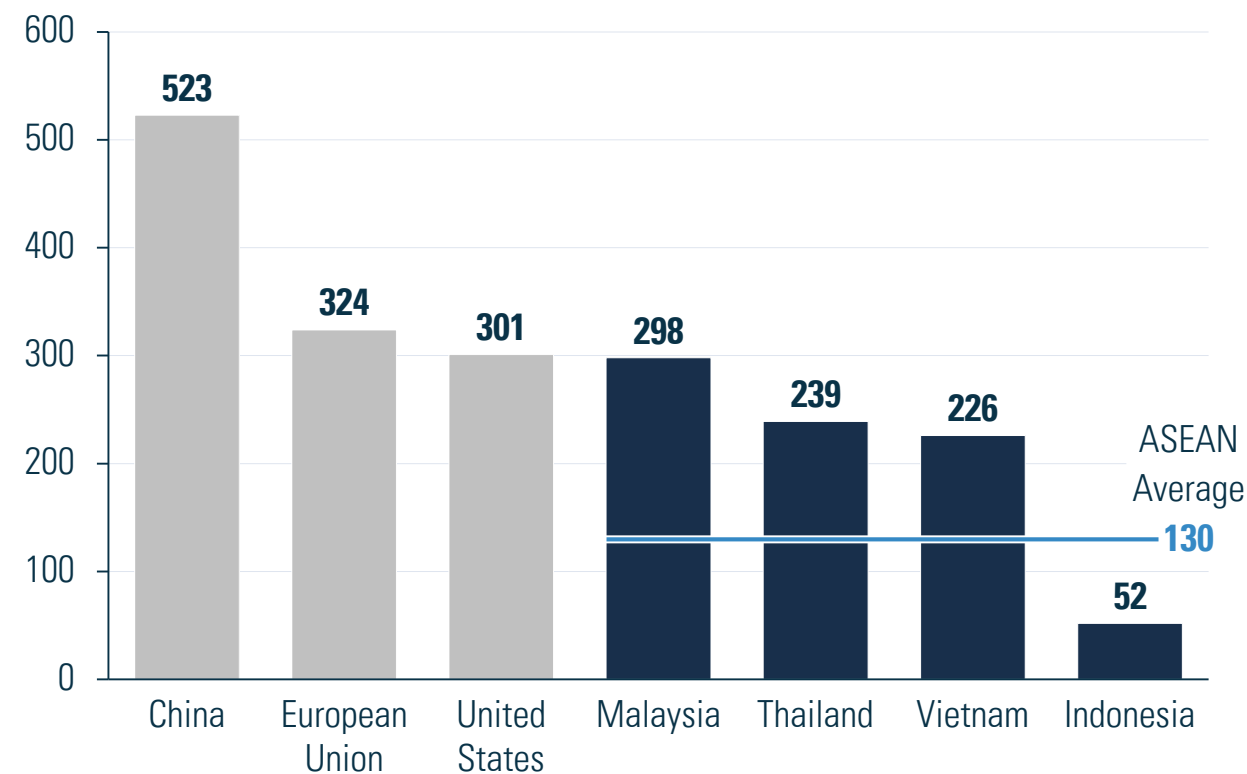
- Green building certification
- Fire safety
- Waste product lifecycle
- Hazardous substances – health and environment exposures

Coated demand growth forecast to continue; ASEAN steel consumption levels below developed economies

Total coated steel product consumption (million tonnes)



Finished steel consumption per capita (2017, kg/person)

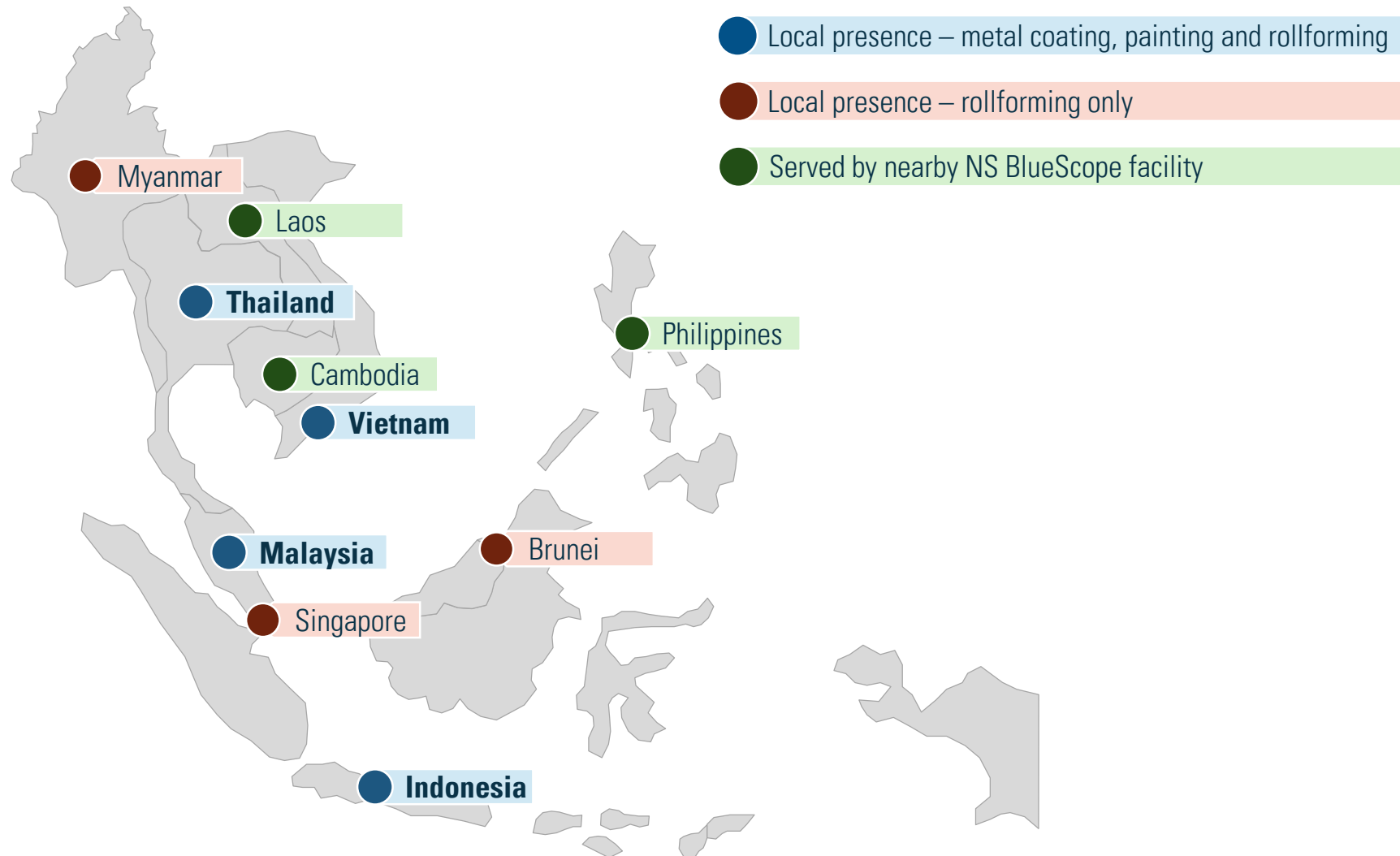




FOOTPRINTS AND MARKETS



Our reach extends across all of ASEAN; a large and growing market, attuned to quality

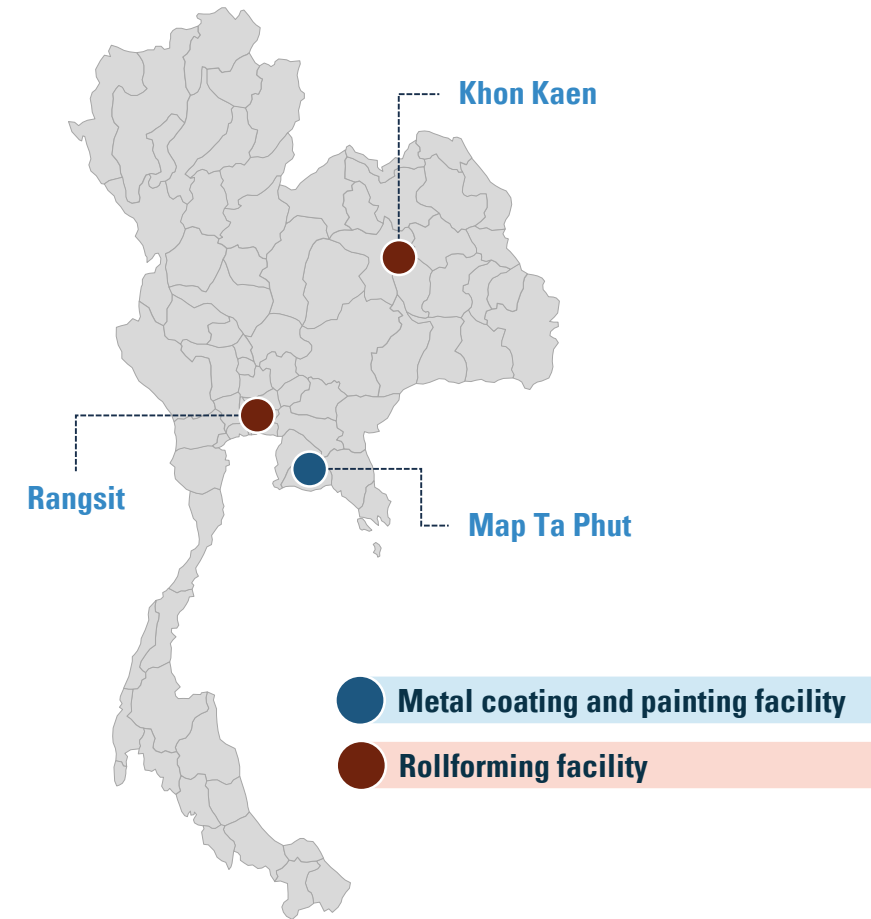


Key domestic coated producer with strong local brands and standards

- Established in 1988
- Leading position in Project and Retail segments
- Expansion into new Home Appliance segment with SuperDyma®
- Three manufacturing facilities:
 - CRC mill (350ktpa), metallic coating (490ktpa – 3 lines) with in-line painting capability, and painting (90ktpa) facilities at Map Ta Phut (150km south of Bangkok)
 - Rollforming facilities in Rangsit (near Bangkok) and Khon Kaen (northeast Thailand)



Metal coating and painting facility, Map Ta Phut

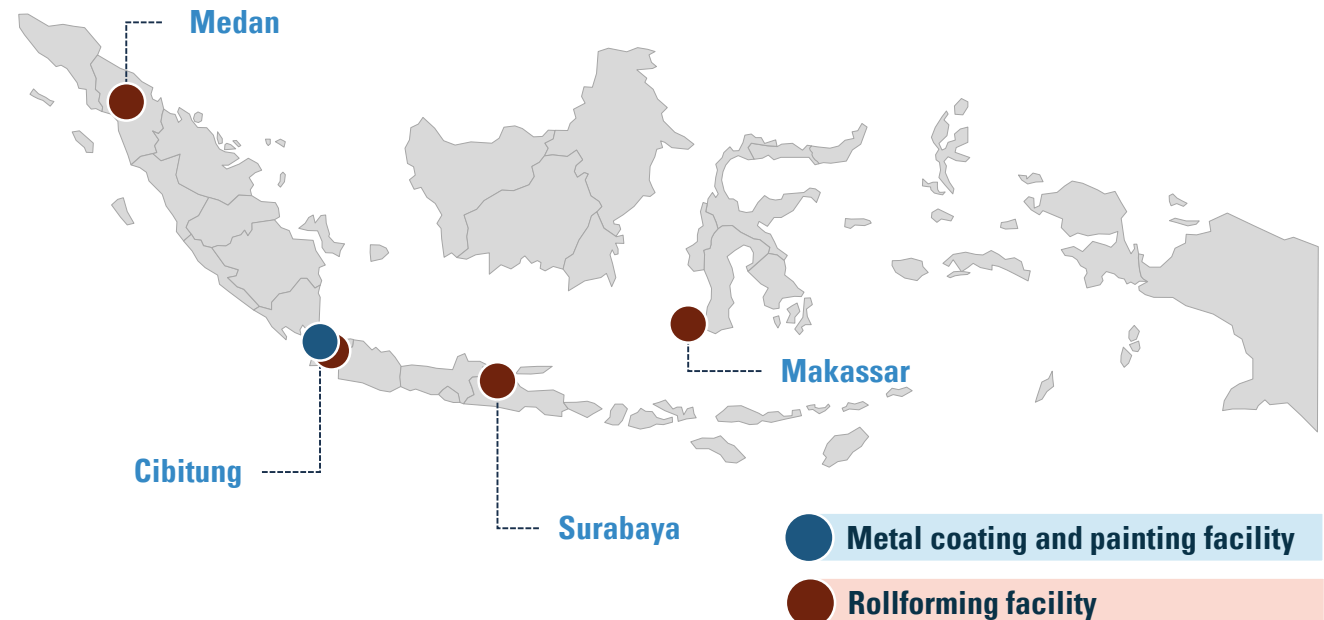


Extensive footprint across main regions of Indonesia

- Established in 1973
- Strong presence in projects segment with opportunity to grow in retail
- New metal coating line installed in 2011 to support retail segment growth
- Eight manufacturing facilities:
 - Metallic coating (275ktpa) with in-line painting capability, and painting (50ktpa) facilities in Cilegon (near Jakarta)
 - Rollforming (BlueScope Lysaght) facilities in
 - Cibitung in Java (near Jakarta)
 - Surabaya in Java
 - Medan in Sumatera
 - Makassar in Sulawesi

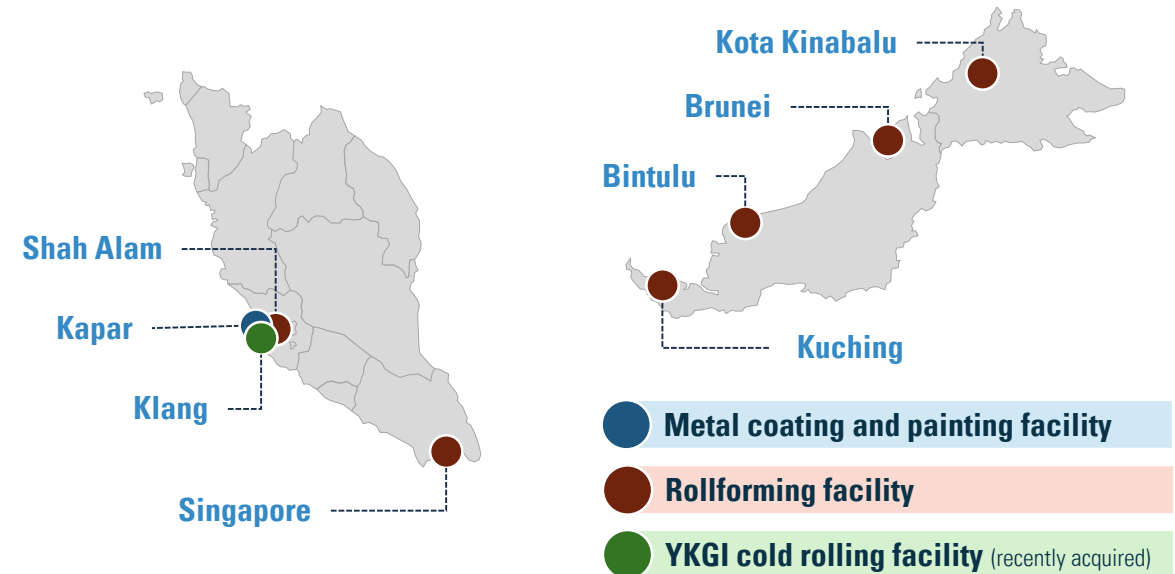


Metal coating and painting facility, Cilegon



Leading player in Projects segment with opportunity to grow in Retail

- Established in 1968
- Recently upgraded metal coating line to include inline painting technology to support growth in Retail market
- Expanding presence in East Malaysia
- Six manufacturing facilities:
 - Metallic coating (190ktpa) and painting (80ktpa) facilities in Kapar (near Kuala Lumpur)
 - Rollforming (BlueScope Lysaght) facilities in:
 - Shah Alam (Malaysia)
 - Singapore
 - Kuching, Bintulu, Kota Kinabalu and Brunei (Borneo)
- Recently announced the acquisition of YKGI Berhad's manufacturing facility in Klang including pickling, cold rolling, coating and painting lines, 10km from NS BlueScope Malaysia's facility in Kapar¹



Metal coating and painting facility, Kapar

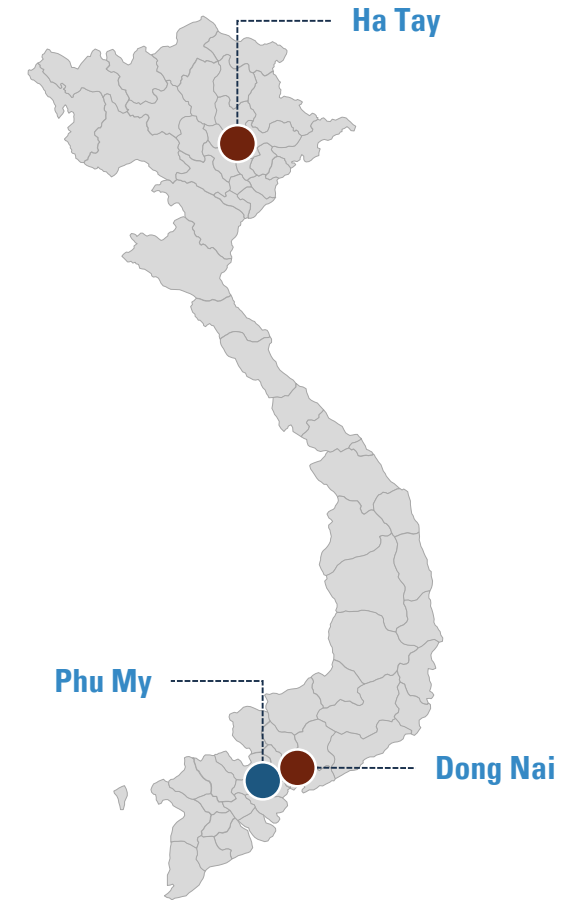


Vibrant business in Vietnam with plenty of growth potential

- Established in 1993, and is the newest metallic coating facility in ASEAN
- Leading player in Projects segment with large opportunity to grow in Retail
- Developing channels to extend reach to diverse customer segment
- Three manufacturing facilities:
 - Metallic coating (165ktpa) and painting (100ktpa) facilities at Phu My in Ba Ria Vung Tau province (south of Ho Chi Minh City)
 - Rollforming (BlueScope Lysaght) facilities at:
 - Dong Nai province (near Ho Chi Minh City)
 - Ha Tay (near Ha Noi)



Metal coating and painting facility, Phu My



- Metal coating and painting facility
- Rollforming facility

Presence on the West Coast in coating, painting and building products

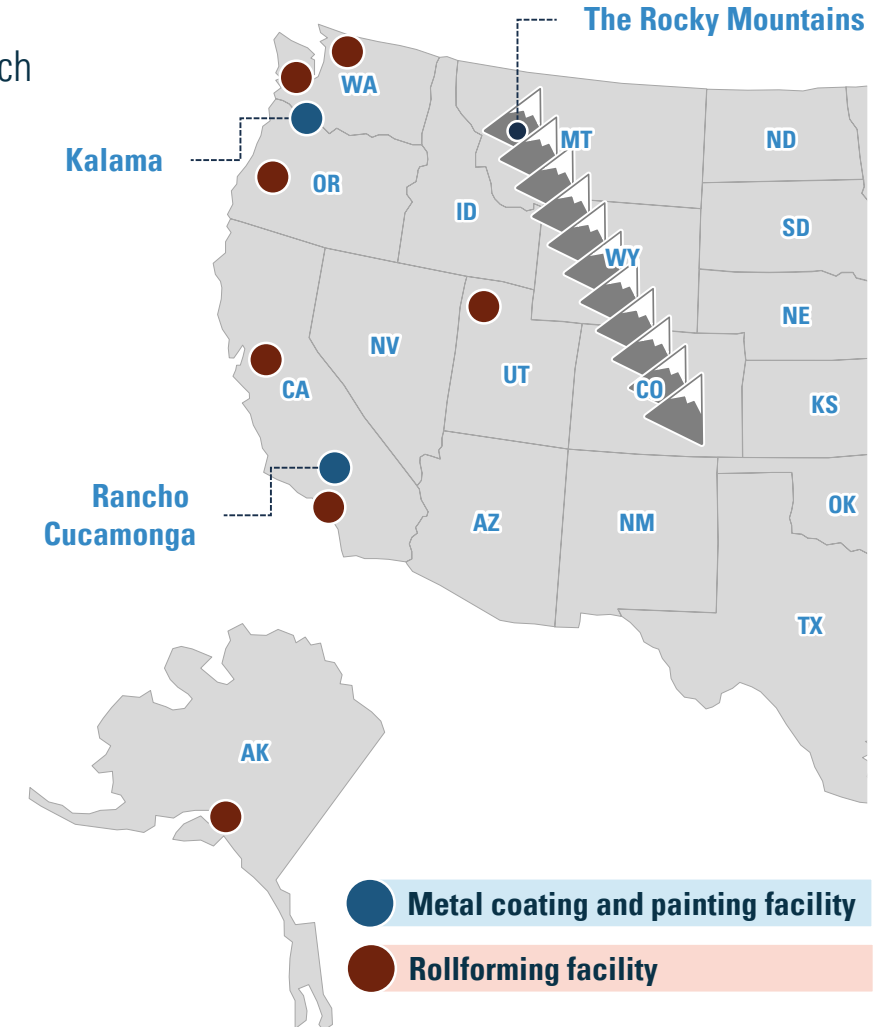
- Business consists of Steelscape (metal coating and painting) and ASC Profiles (building panels) which have merged since 2012
- Employs ~600 staff
- Steelscape has two manufacturing sites:
 - Kalama, WA (pickle line, cold rolling mill, metal coating line and paint line)
 - Rancho Cucamonga, CA (metal coating line and paint line)
- Rollforming channel i.e. ASC (AEP Span, ASC Building Products and ASC Steel Deck) has seven manufacturing facilities



Metal coating and painting facility, Kalama, WA



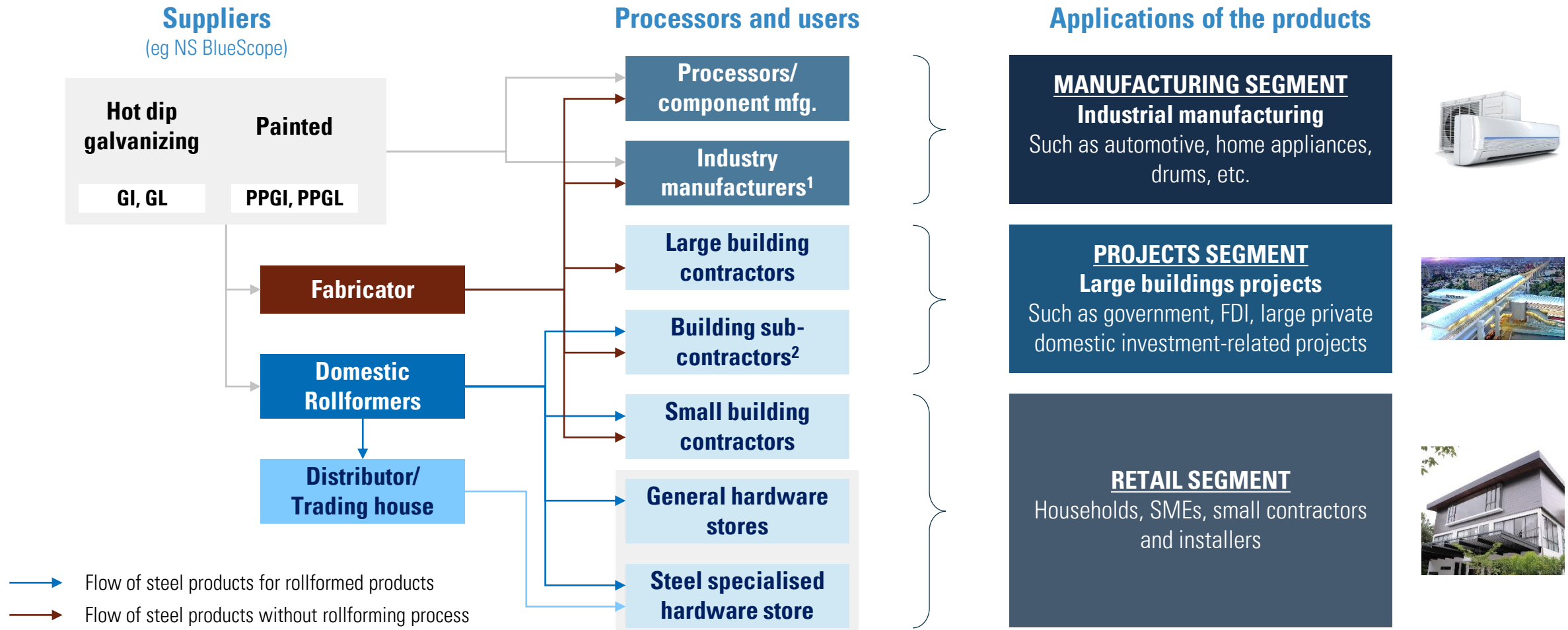
Metal coating and painting facility, Rancho Cucamonga, CA





BRANDS, CHANNELS, PRODUCTS AND SEGMENTS

We serve three key segments through multiple channels



Broad range of coated flat steel products for a range of applications – focused on building and construction

Products		Primary end-use markets	Applications
Painted (incl. pre-painted COLORBOND® steel)		Building and construction <ul style="list-style-type: none"> Industrial and commercial projects (premium market) Government Residential projects Residential retail SME / manufacturing Agriculture 	<ul style="list-style-type: none"> Structural sections Structural decking Roofing Walling Architectural panels Residential framing
Zinc/aluminium alloy-coated steel (e.g. ZINCALUME™ steel)			
Galvanised (including GALVSPAN® steel) and special zinc finishes			
SuperDyma® steel		Building and construction, home appliance	<ul style="list-style-type: none"> Structural sections Home appliances such as refrigerators, air-conditioners, washing machines

Tiered product offering for the markets we serve

					Product Positioning
PROJECTS	Colorbond®	Zincalume®	Truecore®	SuperDyma®	Premium – Projects
	Prima®	Apex®	COOLZAL®	Kirana™	Value – Projects
RETAIL					Premium – Retail
		Perisai™		Lumba	Value – Retail

Range of rollformed products, customised for the markets we serve

LYSAGHT KLIP-LOK®



LYSAGHT® SMARTRUSS™



ASC BUILDING PRODUCTS SKYLINE ROOFING®



LYSAGHT BONDEK®



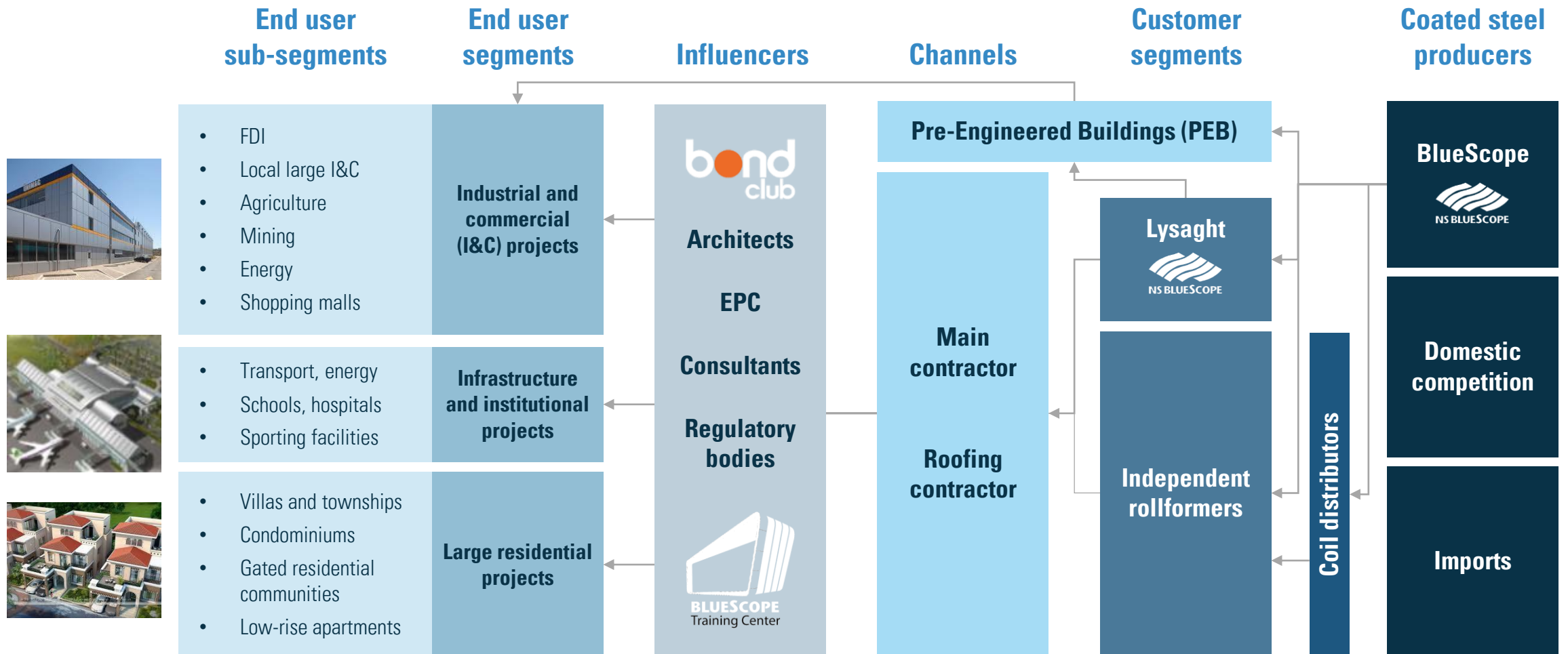
LYSAGHT® Purlins



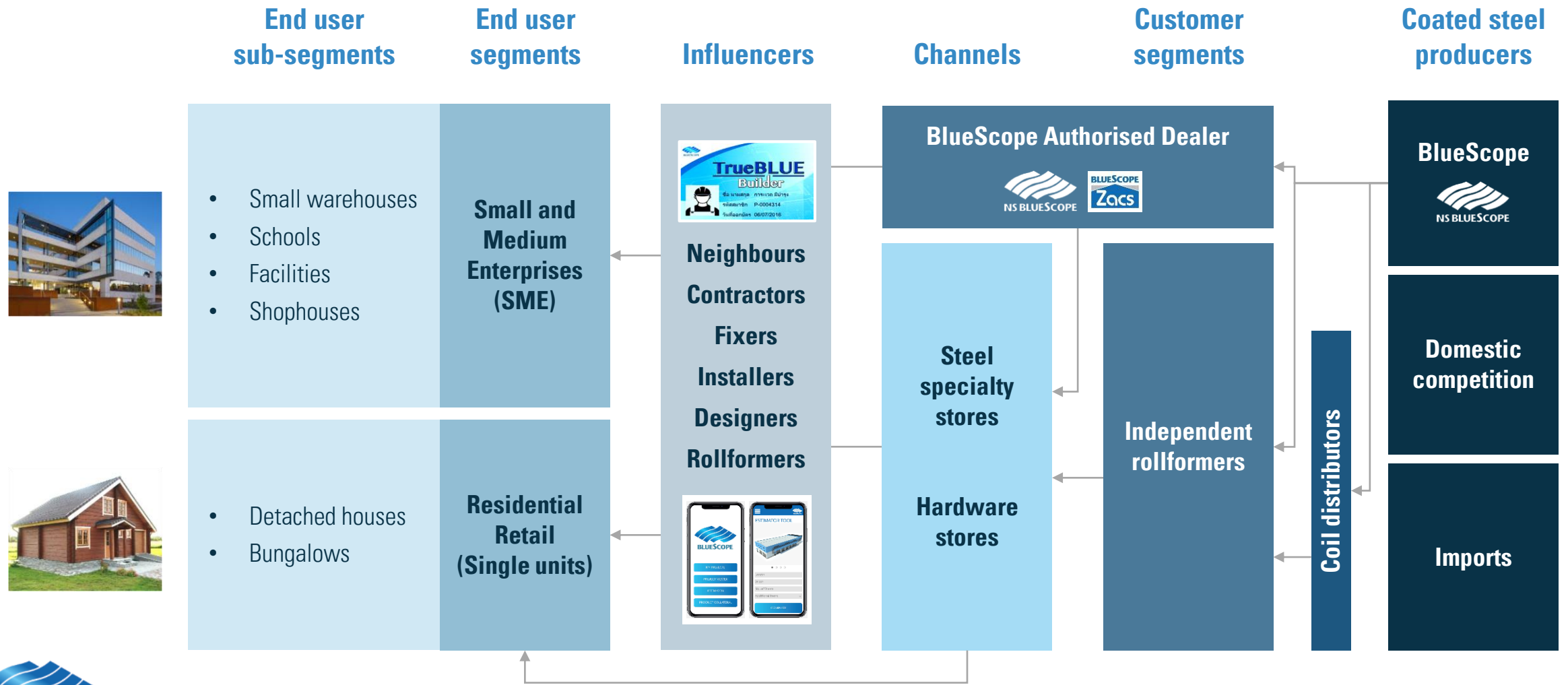
AEP SPAN DESIGN SPAN®hp



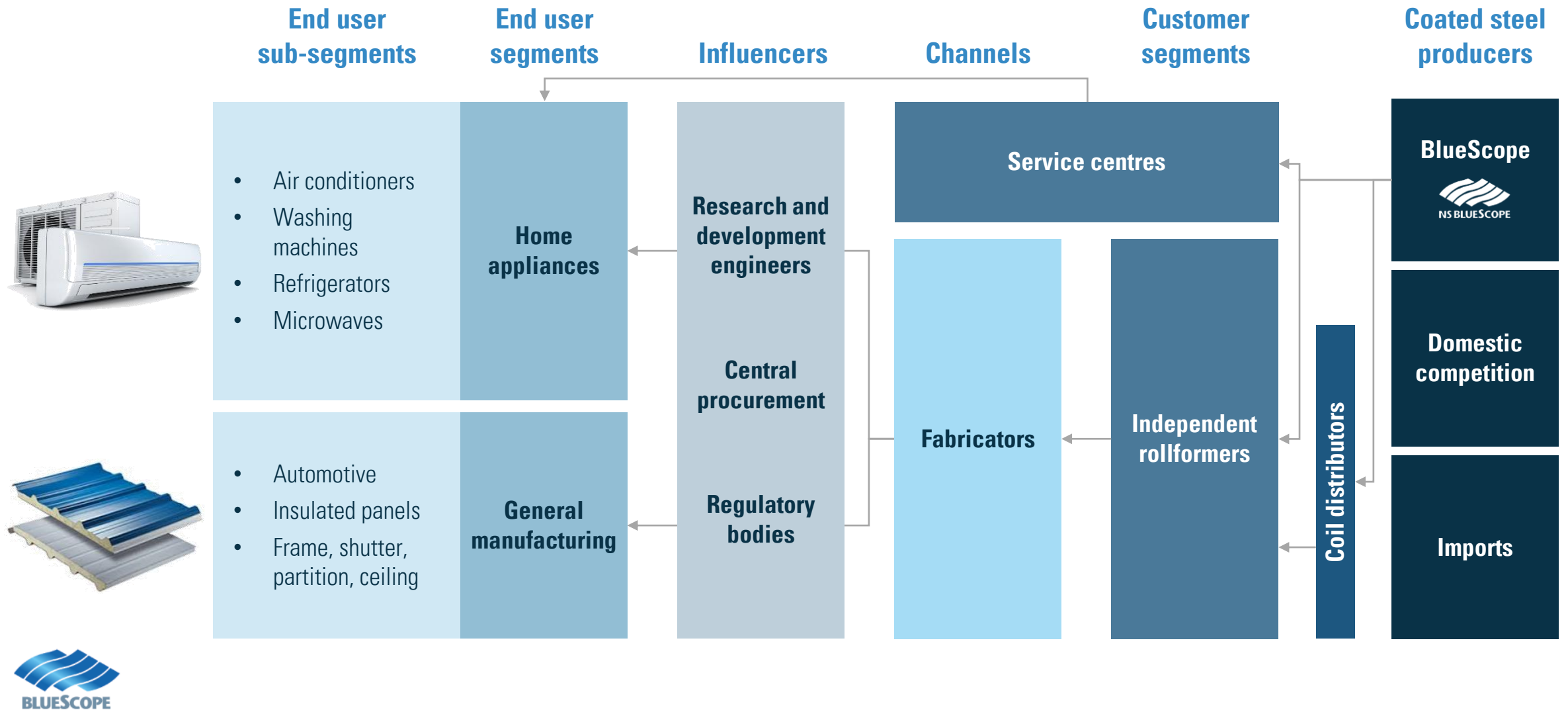
Strong presence in projects markets: industrial & commercial, infrastructure & institutional, and residential



Actively growing our retail presence



Growing our exposure to and experience in the manufacturing segment, particularly in home appliances



Targeting white goods market with premium coated and painted steel

SUPERDYMA®

- Highly corrosion-resistant **coated steel sheet** developed by NSSMC
- Coating composition consisting of zinc as the main substrate in combination with aluminium, magnesium and a trace amount of silicon
- Corrosion resistance more than three times better than conventional galvanised steel sheet
- Chromate-free and eco-friendly

VIEWKOTE®

- High quality **prepainted steel sheet** for home appliance
- Pebbled surface similar to that of an orange peel by special beads in the coating
- Embossed finish is available
- Chromate-free and eco-friendly

SuperDyma®



Value proposition

- | | |
|--|---|
| • Relationship with NSSMC valued by customers | • Short delivery lead time |
| • Integrated local manufacturing process in Thailand | • Reduced coating mass / increased corrosion resistance |

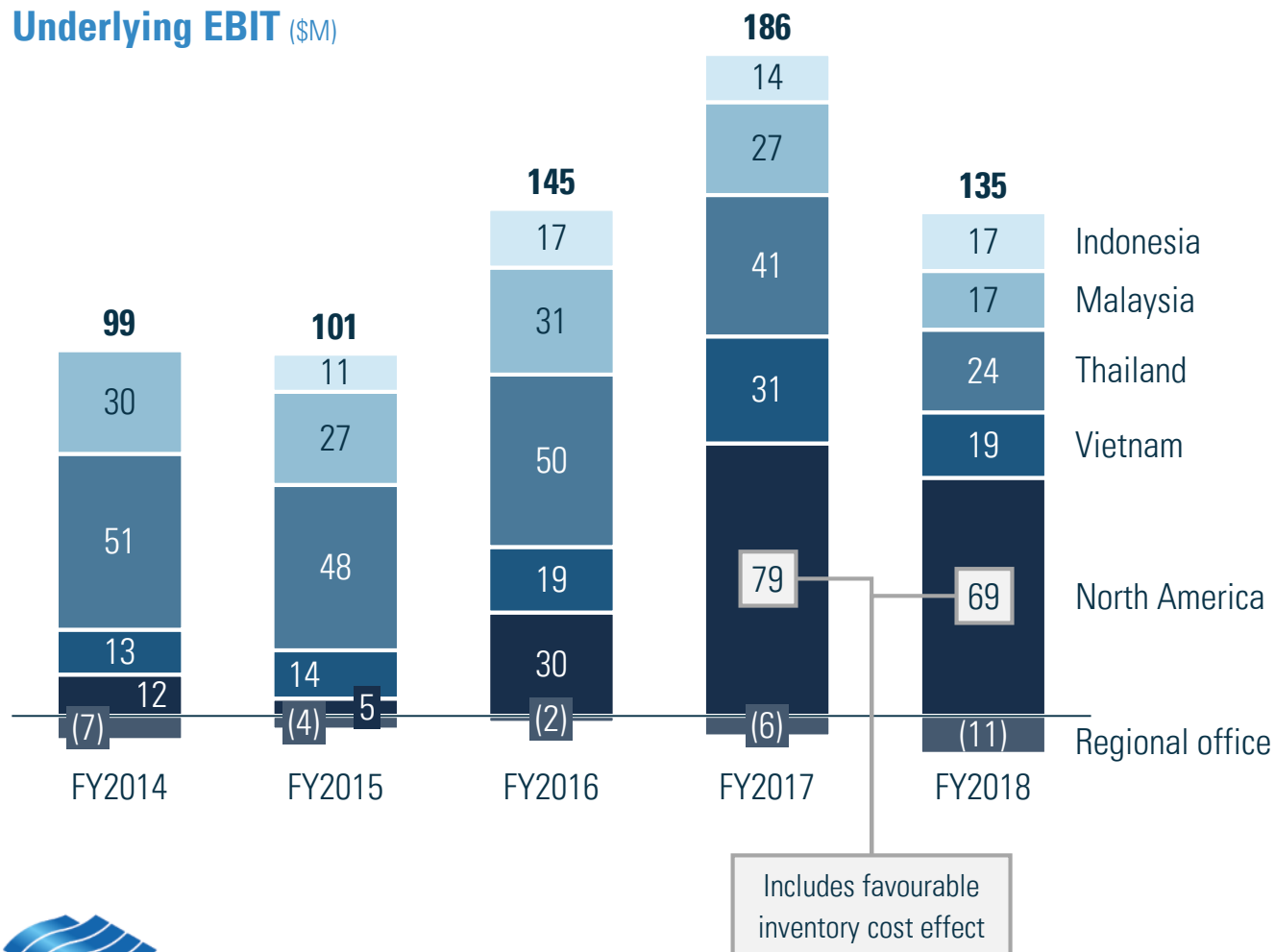


FINANCIAL DRIVERS, PERFORMANCE AND STRATEGY



Relatively flat pro-forma earnings over last three years, showing a shift towards North America

Underlying EBIT (\$M)



FY2018 commentary

South-East Asia:

- Margins across all the countries continue to be tight. Lag in pass-through of rapid increase in regional steel prices
- Retail demand growth and store network rollout continues
- Softness in the higher margin project segment, including impact of political uncertainty in some nations
- Home appliance steels: customer uptake continuing but at a slower rate than expected. Substantial progress in manufacturing quality

North America:

- Strong volume and margin performance in improving demand and price environment

Performance across the Building Products segment remains mixed

- Our North America, India, China and Vietnam businesses continue to perform well with robust demand and margins
- We are seeing tightening of margins and softness in the projects segment in ASEAN, particularly in Thailand, Indonesia and to a lesser extent Malaysia
 - We expect each of these businesses to deliver lower results this half compared to last half



Financial performance driven by sales volumes and margin, influenced by competition levels in each country

Volume and top-line growth driven by:

- Increased sales into new segments, e.g. home appliance market, residential/retail
- Best-in-class technology (including in-line painting), quality, product range and R&D capability
- Increased capacity utilisation in optimised network of facilities through seeding and load balancing
- Increase in available capacity through thicker gauge-mix and overall equipment effectiveness (OEE) improvements
- People, processes and systems geared for growth

EBITDA margin driven by:

- Product-mix targeting movement towards higher value-added and painted products
- Cost competitiveness through growing scale, strategic sourcing, in-line painting and yield improvements
- Competition
- Cost competitiveness of steel feed
- Fixed cost base

Risks:

- Strong import and local competition
- Political and regulatory risks
- Foreign exchange and macroeconomic risks



OUR VISION

A premium branded steel building products company delivering innovative & sustainable solutions, safely.

Customer & Market Focus

Understand our markets deeply, deliver clear and sustainable value to customers

Manufacturing & Operational Excellence

Safe, continuous improvement culture; a competitive producer that delivers on our promise

People, Capability & Culture

Developing future leadership and refining business structure for efficiency and agility.

Get Lean, Get Agile, Get Strong & Grow!

Efficient & Competitive

Flexible & Responsive

A Sustainable Foundation

Invest in Future Growth





Customer &
Market Focus

Manufacturing &
Operational Excellence

People, Capability
& Culture

TRANSFORM TO GROW

Journey to \$40m savings to deliver ROIC

Get Lean

Efficient & Competitive

- Cost Improvement Program
- Right Size our business
- Automate processes
- Zero net cost escalations

Get Agile

Flexible & Responsive

- Continuous improvement
- Superior customer experience
- Challenge the status quo
- Lowest cost supply chain

Get Strong

A Sustainable Foundation

- Value creating relationships
- Secured competitive steel supply
- Cost competitive to import
- Innovation
- Sustainability

Grow

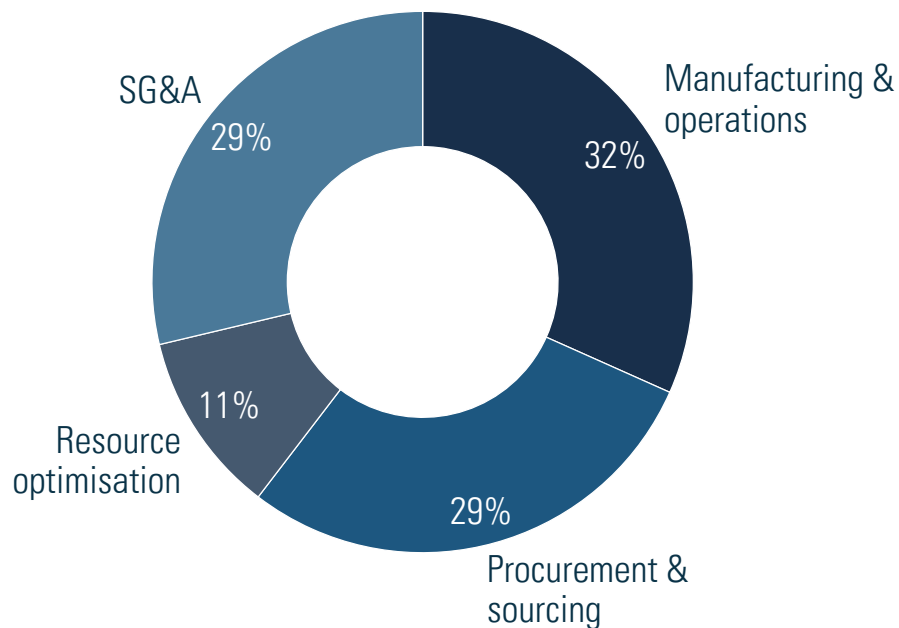
Invest in Future Growth

- Next Gen products
- Retail Channel expansion
- Downstream renewal
- Accelerate home appliance
- Acquisitions

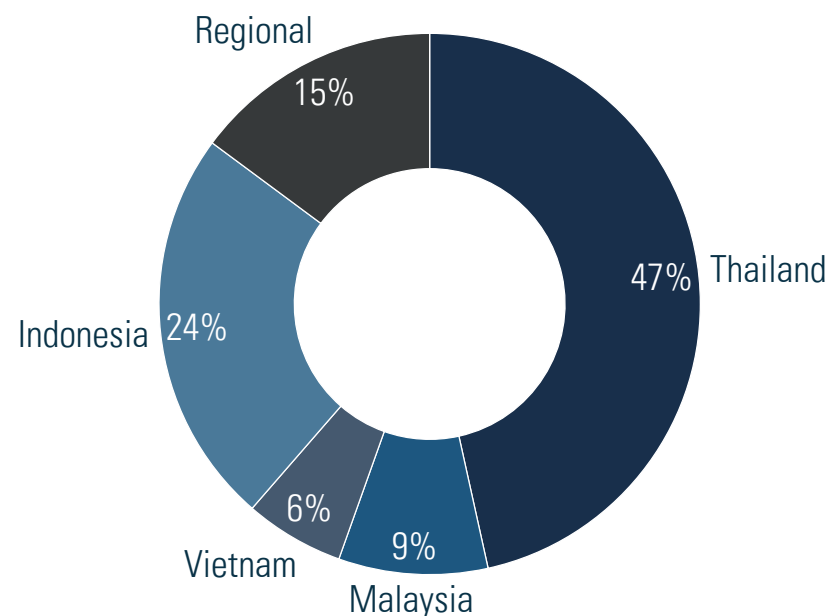


Targeting \$20M cost savings and productivity improvements in FY2019 with run-rate of \$40M by FY2020

Key cost categories



Country by country savings



Yield improvements –
non prime reductions

Optimise sourcing

Reduce chemical consumption

Energy consumption reduction

Head-count reduction ~5%

Marketing effectiveness

Targeting cost reduction and productivity improvements of approximately \$20M in FY2019, with a full year run-rate target of approximately \$40M by FY2020

Focussing on delivering a premium customer experience across all channels, brands and products

Markets, Customers, Channels, Brands and Products

Extend leadership positions in large projects markets for industrial, commercial and government end users

Pursue large-scale growth in residential and SME markets through consumer branded products and authorised dealer channels

Actively grow share and value of SuperDyma® to home appliance manufacturers

Actively seek new growth in new segments, geographies and adjacencies



CUSTOMER FACING CAPABILITIES TO DELIVER VISION

Salesforce effectiveness

Specification, design and engineering

Market and product development

Builder / contractor loyalty

Customer fulfilment

Digital

Tangible plans in place to improve manufacturing processes

Key objectives to improve performance:

- Improve production performance in Thailand and Indonesia
- Launch manufacturing excellence program in Malaysia and SteelScape
- Collaborate with the broader BlueScope business to assist in:
 - Defining Manufacturing Excellence
 - Learning from other businesses' experience in cost saving programs



Using detailed insights to further develop market offering and enhance our position in the projects market

Key strategic initiatives to drive growth:

- Enhance the BlueScope value proposition for external customers and channel partners
- Build COLORBOND® and ZINCALUME™ brand leadership, loyalty and influence through market pull activities
- Work with channel partners to understand emerging trends and opportunities in non-residential markets
- Develop roadmap for AM across ASEAN
 - Trial introduction of AM in Vietnam
- Improve specification through salesforce effectiveness; explore new areas of growth
- Accelerate market development efforts to explore new products and new applications in Insulated Metal Panels, Agri-sector



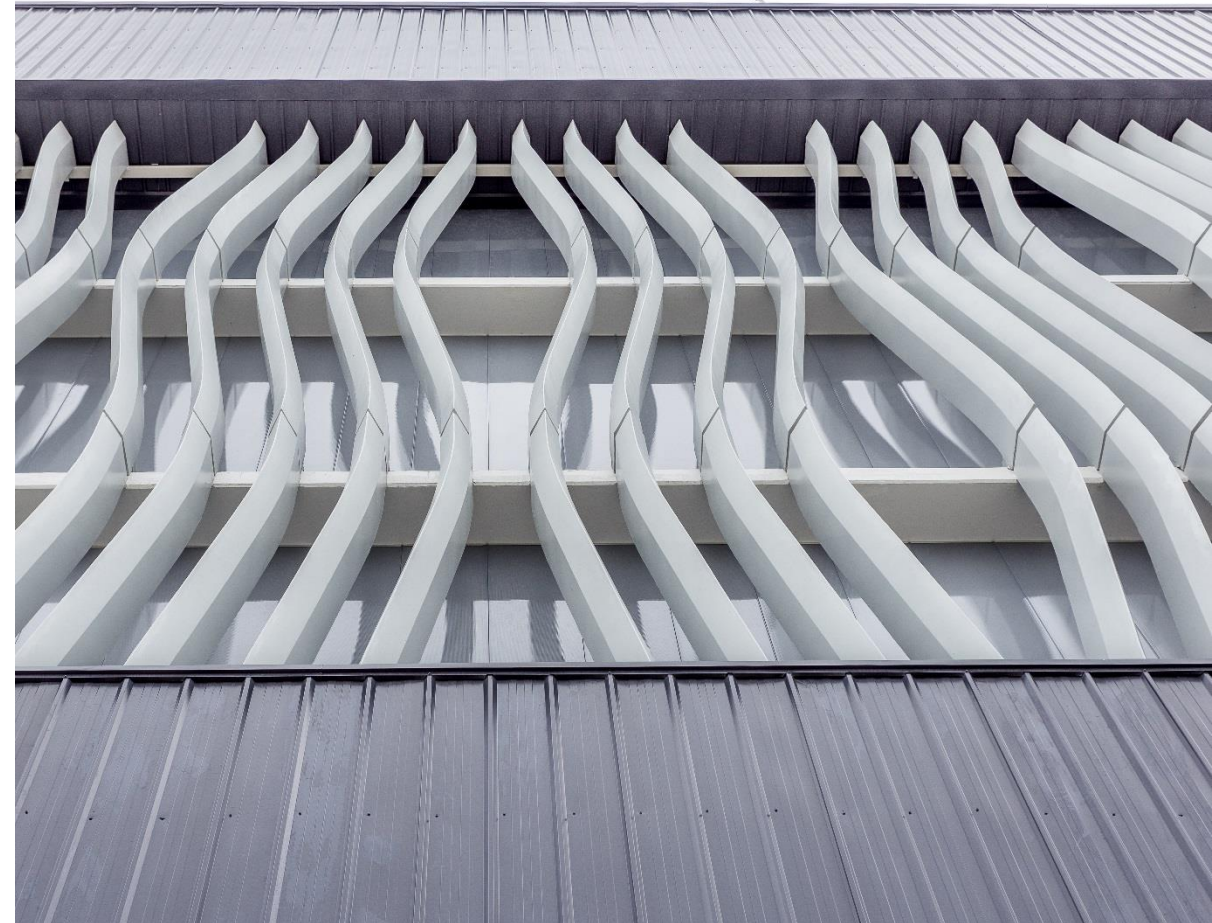
AZ coating: Steel with a protective alloy coating of zinc and aluminium to protect its steel base against corrosion

AM coating: Introduces magnesium into the aluminium-zinc alloy coating, which improves galvanic protection by activating the aluminium

Renewal of our rollforming strategy to refresh sales and customer focus

Key strategic initiatives to drive growth:

- Revitalise sales and specification
 - Increase sales and specification team members
 - Actively improve the Customer Experience from order to delivery (DIFOT and service)
- Consolidate sites and operations and reduce cost base
- Reposition value-added solution businesses
 - Re-focus the Ranbuild and cold-form steel solution business to be more aligned to customer needs
- Organisation and capability
 - Re-align organisation, accountability, capability and incentive programs in rollforming businesses
- In North America
 - Continue rationalisation program of manufacturing operations (project Pluto)



Focus on a roadmap for extensive expansion

Key strategic initiatives to drive growth:

- Rapidly expand retail footprint with more branded points of presence to influence and engage more directly with end users
- Invest in consumer branding to extend BlueScope's reach to end consumers and contractors
- Invest further in ASEAN wide retail capability, such as retail operating guidelines, resources, legal and digital
- Currently have over 200 branded points of presence across ASEAN



Compelling opportunity in home appliance steels; ramp-up behind schedule

Key strategic initiatives to drive growth:

- Advanced market insights
 - Develop better insights to improve value proposition and customer engagement
- Channel and market offer
 - Develop deep relationship directly with key Home Appliance manufacturers and service centre partners
 - Establish stronger and clearer value proposition (product, market offer, service)
- Brands and marketing
 - Develop ViewKote® and SuperDyma® brands directly with end manufacturers
- Manufacturing capability
 - Achieve quality and service standard of SuperDyma® product comparable to Japan
 - Improve customer service capability

Current status:

- Volume ramp up remains two years behind schedule
- Customer accreditation process is slower but ongoing in order to improve share of wallet
- Manufacturing and quality improvement program is advancing with significant improvements
 - Reducing non-prime and yield loss
 - Production costs remain above target
- Developing digital enablement through Vendor Managed Inventory with service centres

SuperDyma®



NEW COATING LINE IN THAILAND (MCL3)

52

New 150kt metal coating line at Thailand's Map Ta Phut facility, the most advanced in BlueScope's footprint

Project status:

- 150ktpa metal coating line with in-line painting technology
- Designed to focus on production of lighter gauge coated and painted products for the residential market
- Total cost estimated at US\$110M
- Expected to commence operation during 2H FY2019
- Seeding program continuing with supply from ASEAN network to support demand in advance of MCL3
- Ramping up engagement with key retail channel partners to sell the new MCL3 volume in 2H FY2019
- Aligning key brand launches and promotional activities to support sales activities pre and post launch of MCL3



Acquisition of YKGI Holdings Berhad's (YKGI) manufacturing facility in Klang

Asset overview:

- NS BlueScope Malaysia paying a total of MYR 125M (A\$42.3M) for the assets, including:
 - 250ktpa Push-Pull Pickling Line
 - 200ktpa Cold Rolling Mill
 - 150ktpa Galvanising Line
 - 110ktpa Paint Line
 - Land and buildings
- The current intention is to run the Cold Rolling Mill and the Pickling Line
 - Future use of the Galv Line and Paint Line will be determined based on a detailed market assessment
 - BlueScope intends to employ the majority of employees to support operations
- Capital investment to enhance the safety, capability and capacity of the assets.



Rationale for acquisition:

- Consistent with BlueScope's strategy to grow its coated and painted business
- Enables NS BlueScope Malaysia to vertically integrate which will:
 - Provide more reliable access to CRFH supply at a lower cost
 - Shift feed supply towards more commoditised HRC products
- Malaysia holds a Free Trade Agreement with both Japan and Australia, enabling duty free supply of HRC feed
- Provides security of supply and increases optionality for regional CRC feed supply
- Potential for upsides include:
 - Additional coating and painting capacity providing optionality for future growth
 - Additional land for future expansion
 - Reduction in duty risk to NSBSM (from duties on imported CRC)

Pickled & Oiled



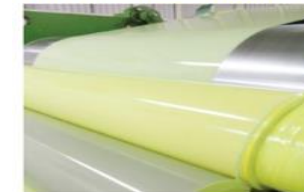
Cold Rolled Steel



Galvanized Steel



Pre-Painted Galvanized Steel



Focussing on developing opportunities in product, process and service across the value chain

Drivers of change:

- Changing customer expectations and channels
- Disruptive business models and shifts in technology
- Cost and productivity

Goal:

- Create value for customers and channel partners through products and service innovation resulting in superior customer experience

Immediate focus areas:

- Next generation technology product launch with AM to clearly differentiate BlueScope from competitors in both the key Projects and Retail market as a “Trend Setter”
- Pilot retail digital solutions such as POS and Builder App to support the channel and subsequently accelerate the implementation across the region
- Explore market development opportunities in Insulated Metal Panels applications



DIGITAL

- Retail channel (Builder App, POS)
- Branding (Websites, social media)
- BIM capability (Design and Eng.)



ROLLFORMING

- Facades and wall profiles
- Green-roof systems
- Nested C-box sections
- Insulated Metal Panels

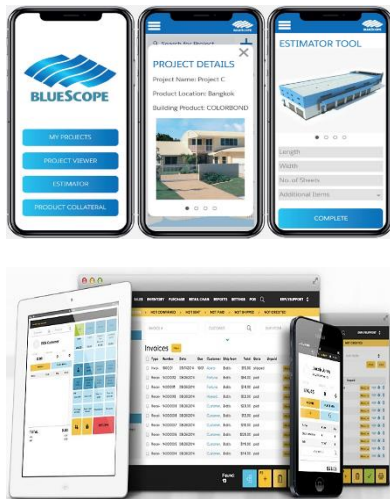


COATING AND PAINTING

- AM substrate
- Custom design finishes
- COLORBOND® Matt (Micro-wrinkle)
- Anti-fungal and anti-dust

Projects to support our channels to market and enhance position as a leader in coating and painting products

Digital Retail



- Piloting Retail Business Platform (RBP) which is currently geared to build digital solutions
- Supports Authorised Dealers' store operations, with a mobile app to build contractors' loyalty

Anti-Microbial Coating



CRP Antibacterial™ SD



- CRP Antibacterial™ SD steel - a pre-painted steel manufactured from continuous hot-dip process
- Superior corrosion resistance under conditions of low temperature and high humidity

Agrished™



- Custom designed high anti-corrosion sheds and high tech ventilation systems
- Serves various end-use segments such as poultry, fisheries, horticulture (green houses), etc.



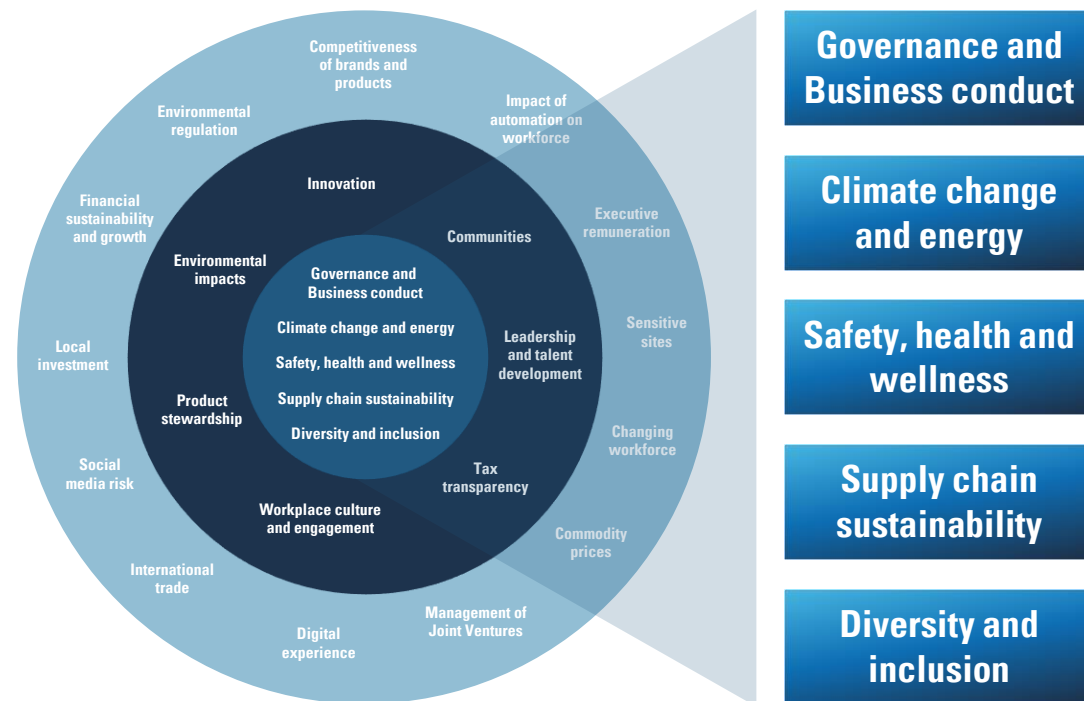
SUSTAINABILITY



NS BlueScope plays a very important role in BlueScope's approach to sustainability

BlueScope's key materiality topics:

Major sustainability topics for BlueScope identified in consultation with stakeholders and other reference points



NS BlueScope's contribution to our sustainability performance:

Strong support for and action addressing BlueScope's key materiality topics

- Governance and Business conduct
 - Conducting training and supporting
- Climate change and energy
 - Energy and waste reduction programs across the footprint
- Safety, health and wellness
 - Relentless pursuit of Zero Harm
- Supply chain sustainability
 - Supplier governance framework being developed and rolled out
- Diversity and inclusion
 - Strong focus on recruitment, training, engagement and awareness

Corporate Social Responsibility (CSR) initiatives underpin NS BlueScope's approach to sustainability

Corporate Social Responsibility (CSR) initiatives underpin NS BlueScope's approach to sustainability

NS BlueScope CSR framework



Key highlights:

- Accelerating and supporting relief efforts during natural disasters e.g. Lombok Earthquake (Aug 2018)
 - Providing roofing materials and services for public facilities – clinics and shelter homes
 - Collaborating with government and not-for-profit organisations to support affected communities
- Driving environmental awareness with architects, contractors and investors community by way of Green Building workshops
- BlueScope ZACS® houses donation to poor and needy through BlueScope ZACS® store loyalty program
- Encouraging employees volunteering and recognising their efforts



Development and roll out of a new supply chain governance framework across the region

FY2019: PREP & LAUNCH

- Develop program, supplier standards, code of conduct and communication materials
- Communicate widely and conduct initial assessment for priority suppliers

FY2020: ROLL OUT

- Expand engagement to specialised suppliers, explore deeper into some categories
- Develop modern slavery statement and report on FY2019 activities

FY2021: IMPROVEMENT

- Roll out communications and training to suppliers and explore industry partnerships
- Report to the Modern Slavery Act and contribute to BlueScope's Sustainability Report

Four key areas of focus for NS BlueScope

GENDER RECRUITMENT

- Proactive focus on female hiring to improve gender diversity
- Improved recruitment materials to target more diverse talent pools
- Interview skills training for managers to eliminate bias

INCLUSION

- Implementation of a new flexibility policy
- Review of onboarding process to develop a more inclusive approach
- Increased focus on employee movement and secondment for better understanding of other businesses and functions

ENGAGEMENT

- Regular management team communications across the business unit on Diversity and Inclusion
- Diversity events such as International Women's Day, UN Day and Family Day
- Translation of company information / documents into local languages

AWARENESS AND EDUCATION

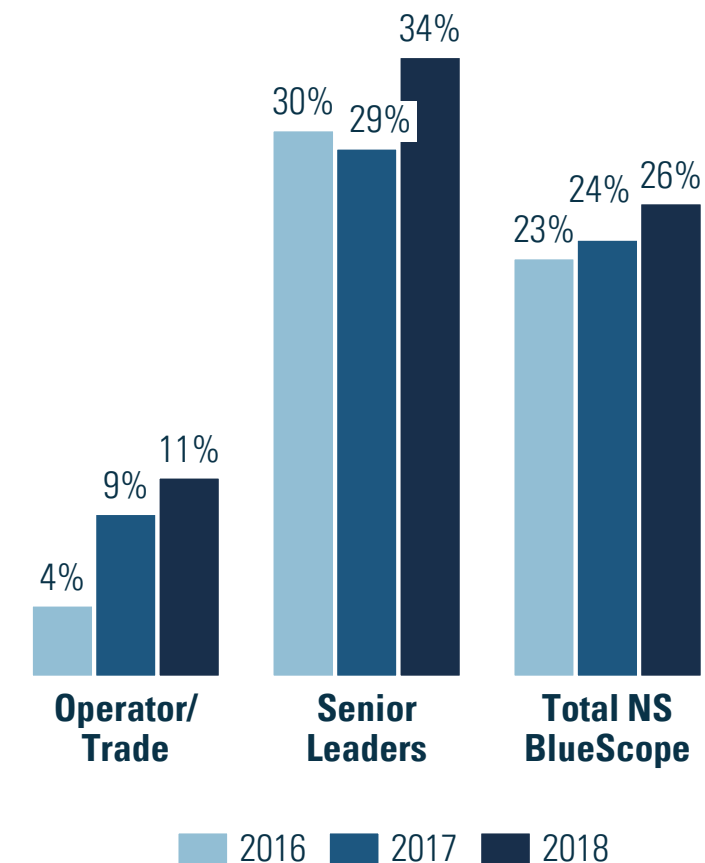
- Unconscious Bias Training rolled out
- PR-related recruitment initiatives to showcase diversity
- Branded program to increase awareness across the footprint



**DIVERSITY
BLUESCOPE
STEEL**

Our People are Our Strength

Women in NS BlueScope Workforce (%)



Focusing on doing business well, because it is the right thing to do

- In 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. This requires constant attention as our operations are governed by extensive laws and regulations
- NS BlueScope is committed to operating to the high standards set by Our Bond, and have recently rolled out refreshed and improved training across the NS BlueScope business, tailored for each specific country
- In addition, NS BlueScope has continued its strong focus on Governance and Business Conduct, investing in additional resources to ensure we continue to operate to the standard guided by Our Bond

OUR BOND

**OUR
CUSTOMERS**

**OUR
PEOPLE**

**OUR
SHAREHOLDERS**

**OUR
COMMUNITIES**





SUMMARY



We have a compelling opportunity in ASEAN

- Large and growing populations; growing levels of wealth
- Markets trending towards quality branded products
- Home appliance opportunity

In the near term, external macro factors are negatively impacting markets

- Broader geopolitical volatility impacting project segments
- High priced steel feed environment impacting margins

There is positive structural change which may improve our feed cost positions

- Indonesia free trade agreement underway
- Securing local cold rolled feed supply through acquisition of YKGI assets

But we also need to 'get fit' – reshape our cost base

- Program rolled out across the region targeting cost reduction and productivity improvements of approximately \$20M in FY2019, with a full year run-rate target of approximately \$40M by FY2020
- Focus on improving manufacturing performance in select areas (Home Appliances and Indonesia)

We will continue to invest in channel development, and product and service innovation and differentiation

- Continued roll out of retail business across the region
- Further developing how we engage with our customers, particularly through digital tools

NS BlueScope makes a strong contribution to BlueScope's sustainability performance

- Well developed Corporate Social Responsibility strategy across the NS BlueScope business addressing key materiality topics





INVESTORS' VISIT TO ASEAN SITES

PACK 1: NS BLUESCOPE COATED PRODUCTS

Charlie Elias

Chief Executive
Building Products Asia and North America

December 2018

BlueScope Steel Limited. ASX Code: BSL

ABN: 16 000 011 058

