



Investor Introductory Pack

August 2014

BlueScope Steel Limited. ASX Code: BSL

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Contents

This pack provides a strategic and operational introduction to BlueScope and its reporting segments. It should be read in conjunction with BlueScope's FY2014 Financial Results Presentation



Company overview



Coated & Industrial Products Australia



Building Components & Distribution Australia



New Zealand & Pacific Steel Products



Building Products ASEAN, North America and India



Global Building Solutions



Hot Rolled Products North America

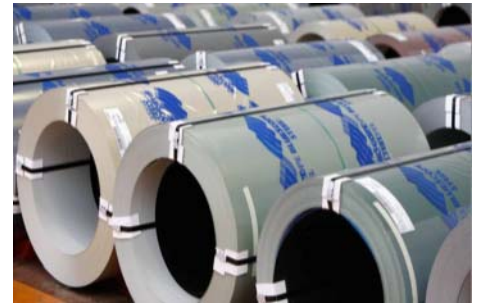


COMPANY OVERVIEW

Overview of BlueScope

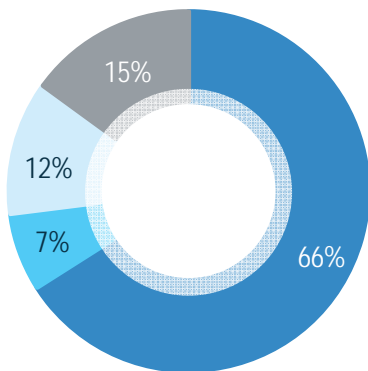
BlueScope is a steel producer for the domestic Australian, New Zealand and US markets and is a leading international supplier of steel products and solutions principally focused on the global building and construction industries

- Australia's and New Zealand's only flat steel producer; our key focus is on higher value, branded steel products for the building & construction industry. Producer of finished steel long products in New Zealand
- A growing low-cost iron sands exports business
- Technology leader in metal coated and painted steel building products, principally focused on the Asia Pacific region JV with Nippon Steel & Sumitomo Metal Corporation (NSSMC)
- Leading global supplier of Engineered Building Solutions (EBS) to industrial and commercial markets, with well recognised customers such as Costco, P&G etc
- Highly productive and profitable U.S. flat products mini-mill, in partnership with Cargill
- Strong brand recognition – key brands include COLORBOND®, ZINCALUME®, LYSAGHT®, BUTLER® and VARCO PRUDEN®
- Partnerships with leading companies: NSSMC, Cargill, Tata

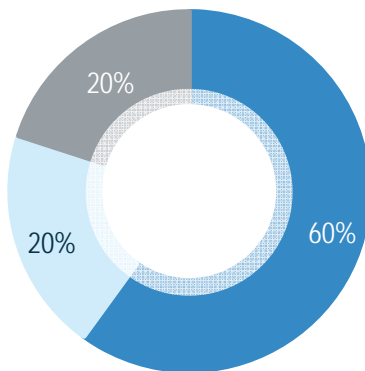


Indicative end market exposures

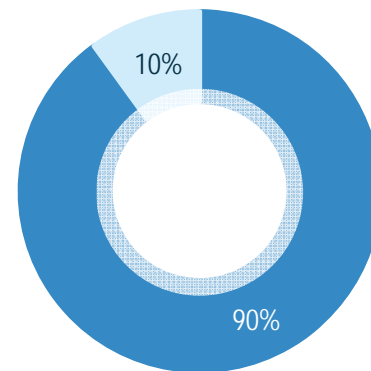
Australia



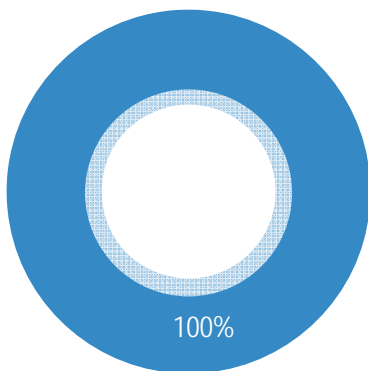
New Zealand (flat products)



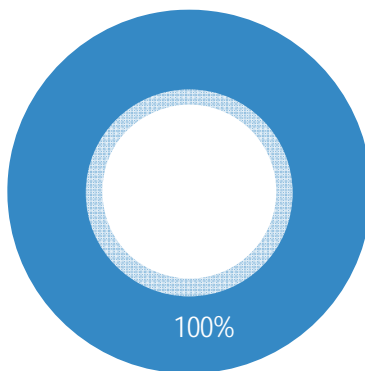
ASEAN



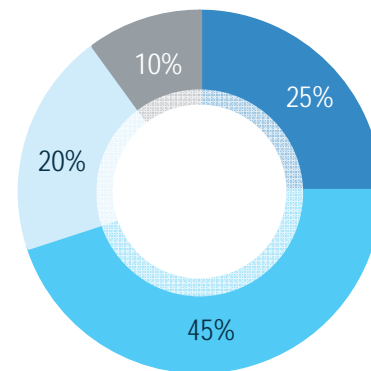
China



North America (ex North Star)



North Star USA



■ Building and construction



■ Auto

■ Manufacturing

■ Agriculture and mining

Business segments – description

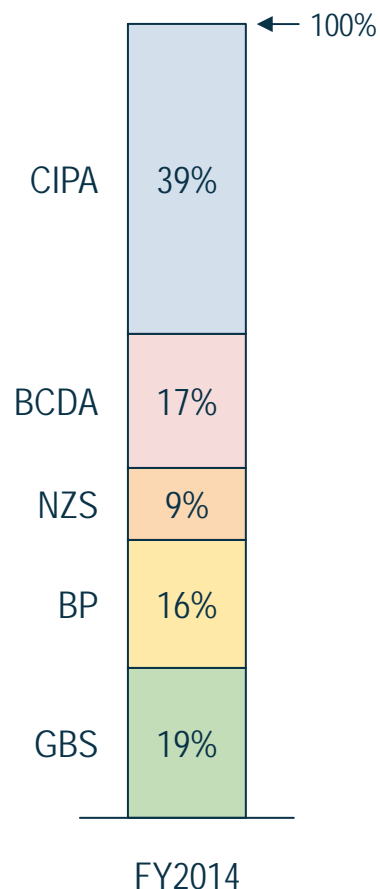
External segment reporting structure¹

BlueScope Australia & New Zealand			Building Products ASEAN, North America and India	Global Building Solutions	Hot Rolled Products North America
Coated & Industrial Products Australia	Building Components & Distribution Australia	New Zealand and Pacific Steel Products			
					
<ul style="list-style-type: none"> • Largest supplier and manufacturer of HRC, plate, metal coated and painted steel in Australia • Australian finished-product capacity of ~2.5Mtpa; domestic market 1.9Mt in FY2014 	<ul style="list-style-type: none"> • Major steel product supplier / distributor to the Australian building and construction, automotive, white goods manufacturing and general manufacturing industries 	<ul style="list-style-type: none"> • Only fully integrated flat steel maker in New Zealand, with leading domestic market share of flat products • Leading domestic market share in long products through recent acquisition of Pacific Steel • Iron sands mines for internal feed and export sales 	<ul style="list-style-type: none"> • Operates metallic coating and painting lines and roll-forming in Indonesia, Malaysia, Thailand, Vietnam, India and North America • Includes NS BlueScope Coated Products JV 	<ul style="list-style-type: none"> • Leading global designer and manufacturer of engineered building solutions • Key markets in China & Nth America; plants in ASEAN, India, Middle East • Supplying buildings to global customers • China coating & painting 	<ul style="list-style-type: none"> • 2.0Mtpa mini-mill in Ohio • 50/50 JV with Cargill Inc. • Voted no. 1 flat rolled steel supplier in North America (Jacobson Survey) for 12 consecutive years

(1) BlueScope also has a Corporate segment which is not shown

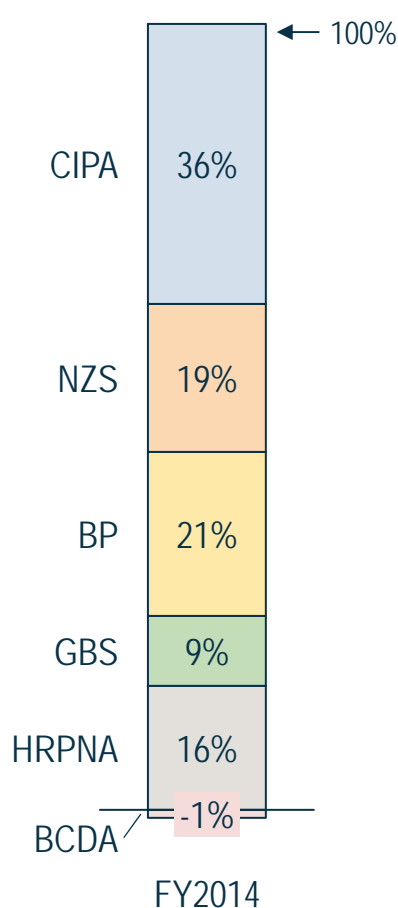
Business segments – contribution

Revenue



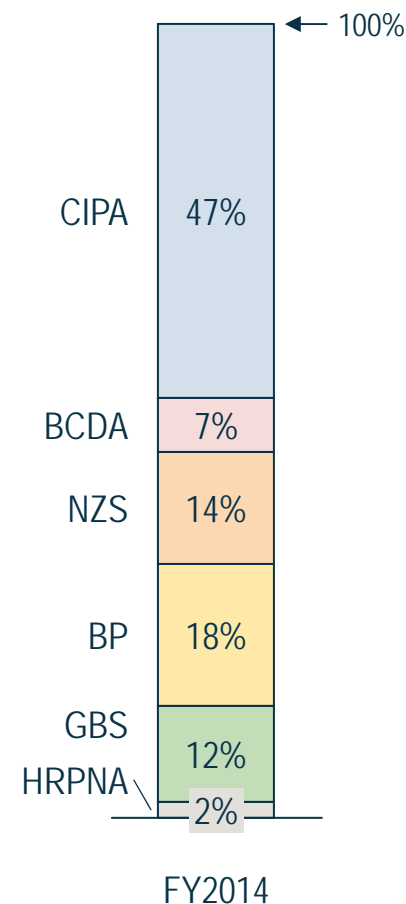
*Shows proportion of pre-eliminations total revenue;
Excludes HRPNA which is equity accounted*

Underlying EBITDA



*Shows proportion of EBITDA excluding corporate costs;
HRPNA contribution is equity accounted share of NPBT*

Net operating assets (pre tax)



*Based on total of segment net operating assets
(pre-tax); excludes some corporate balance sheet
items; HRPNA component is equity accounted
carrying value*

Products and end markets

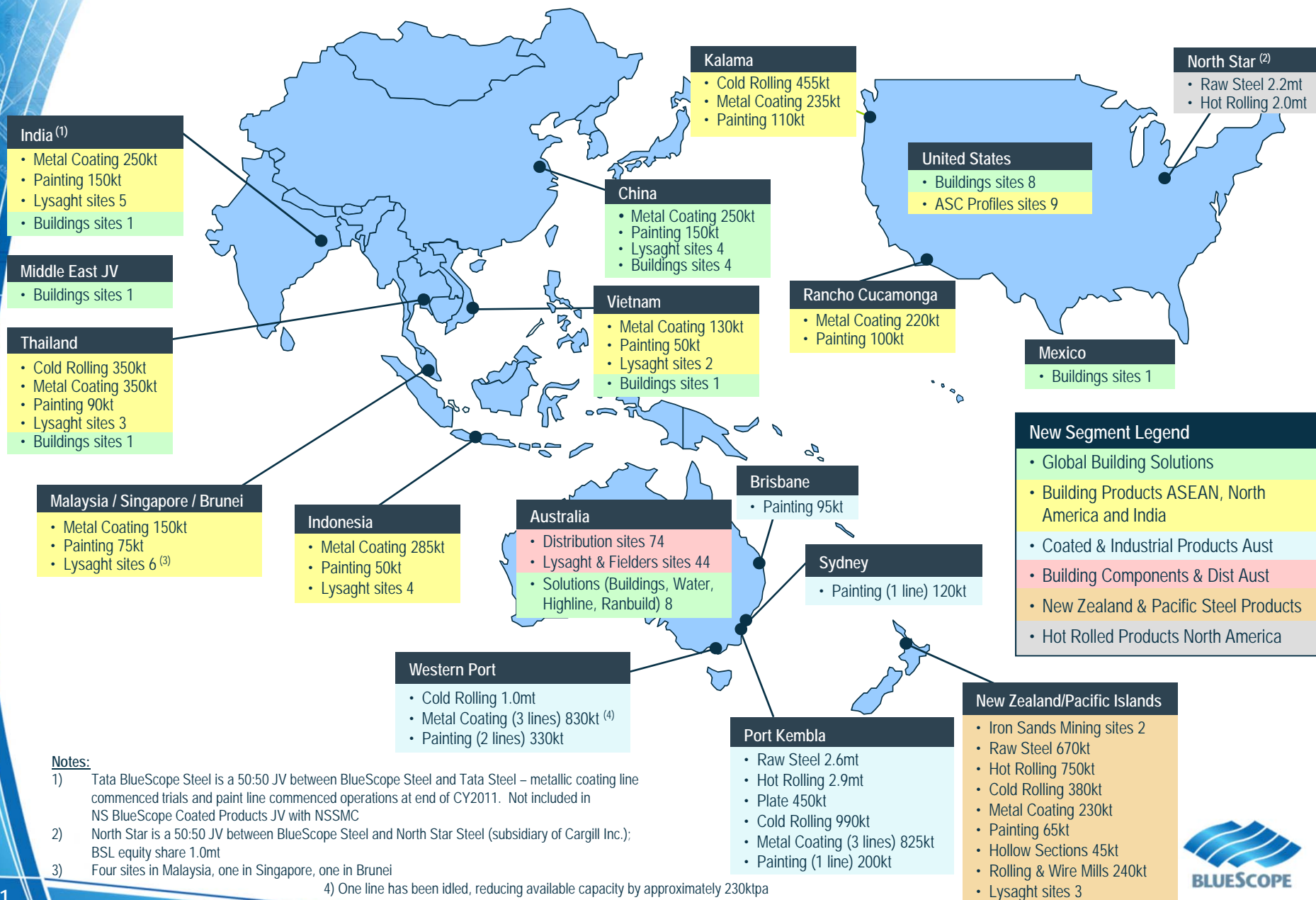
Product		Primary end use markets	Applications
Iron sands		<ul style="list-style-type: none"> Internal and export steel manufacturers 	<ul style="list-style-type: none"> Crude steel manufacturing
Plate		<ul style="list-style-type: none"> Manufacturing, building and construction and mining 	<ul style="list-style-type: none"> Infrastructure projects, mining equipment and structural applications
Hot rolled coil		<ul style="list-style-type: none"> Building and construction, mining, automotive and transport, manufacturing 	<ul style="list-style-type: none"> Mining equipment, racking, guard rails, building and construction products, structural tubing, water pipelines, oil/gas pipelines and automotive components
Cold rolled coil		<ul style="list-style-type: none"> Automotive and transport, manufacturing 	<ul style="list-style-type: none"> Automotive, packaging (drums) and storage systems
Galvanised (including GALVSPAN® steel) and special zinc finishes		<ul style="list-style-type: none"> Building and construction, manufacturing, automotive and transport 	<ul style="list-style-type: none"> General manufacturing, automotive, structural sections for commercial and industrial buildings and structural decking
Zinc/aluminium alloy-coated ZINCALUME® steel		<ul style="list-style-type: none"> Building and construction 	<ul style="list-style-type: none"> Commercial and industrial construction including roofing, walling, rain water goods and residential framing
Painted (including pre-painted COLORBOND® steel)		<ul style="list-style-type: none"> Building and construction 	<ul style="list-style-type: none"> Residential, commercial and industrial construction including roofing, walling, fencing, rain water goods, architectural panels, sheds and garages
Roll-formed LYSAGHT® and Fielders products		<ul style="list-style-type: none"> Building and construction 	<ul style="list-style-type: none"> High strength and lightweight roofing and walling, industrial / commercial roofing and cladding support systems, premium residential products
Reinforcing steels (bar & coil)		<ul style="list-style-type: none"> Infrastructure, building and construction 	<ul style="list-style-type: none"> Deformed bar used for reinforcing in concrete construction Rod for subsequent manufacture of mesh for residential and commercial concrete slabs
Wire (galvanised or plain)		<ul style="list-style-type: none"> Agricultural Manufacturing 	<ul style="list-style-type: none"> Fencing (rural, security) Fabrication of mesh used in various consumer products (i.e.. Trolleys, baskets etc.).
BlueScope Buildings, including BUTLER® and VARCO PRUDEN® engineered building solutions		<ul style="list-style-type: none"> Building and construction Industrial and resources 	<ul style="list-style-type: none"> Industrial and commercial building and construction (primarily buildings suited for manufacturing, warehouses, mining, aviation, and retail)
BlueScope Water tanks and fittings		<ul style="list-style-type: none"> Building and construction, infrastructure, agricultural and resources 	<ul style="list-style-type: none"> Water tanks for commercial, industrial, rural mining and agricultural applications

Strong brand recognition and value-added products

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

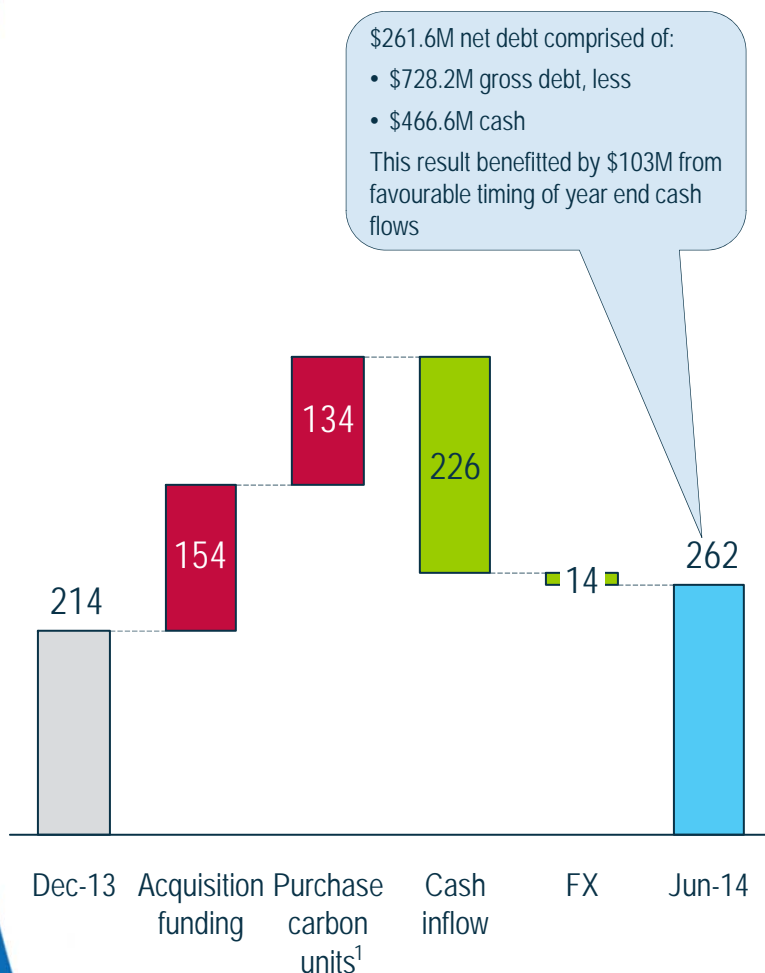
The logo for LYSAGHT, featuring the word "LYSAGHT" in a bold, blue, sans-serif font with a stylized blue wave underneath.The logo for BUTLER, featuring the word "BUTLER" in a bold, blue, sans-serif font inside a blue oval with a registered trademark symbol.The logo for Colorbond, featuring the word "Colorbond" in a black, sans-serif font with a registered trademark symbol, where the "o" is orange.The logo for Galvaspan, featuring the word "Galvaspan" in a bold, black, sans-serif font with a registered trademark symbol.The logo for clean Colorbond, featuring the word "clean" in a blue, cursive font, followed by the word "Colorbond" in a black, sans-serif font with a registered trademark symbol, where the "o" is orange.The logo for Zincalume, featuring the word "Zincalume" in a black, sans-serif font with a registered trademark symbol, where the "i" is green.The logo for COLOR STEEL, featuring the word "COLOR" in a multi-colored, sans-serif font, followed by the word "STEEL" in a bold, black, sans-serif font with a registered trademark symbol.

Global manufacturing footprint at June 2014

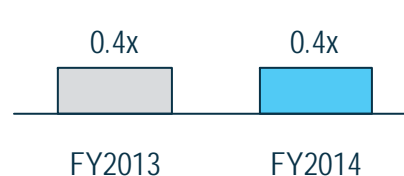


Balance sheet – low gearing maintained

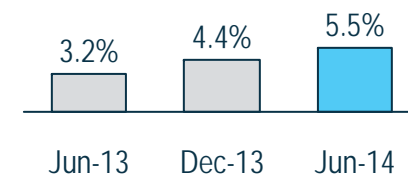
Net debt (\$M)



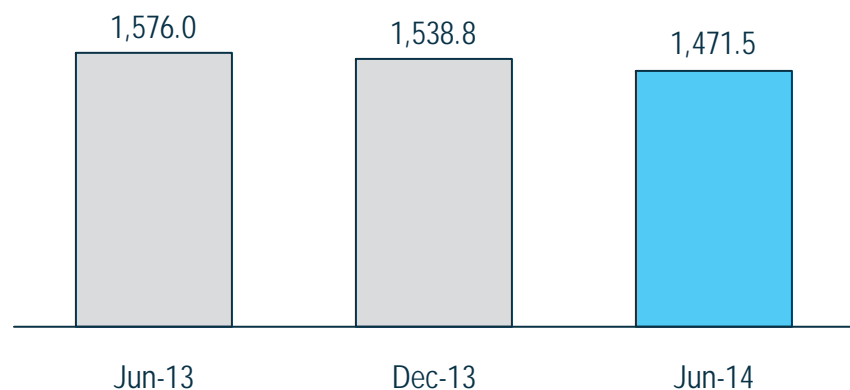
Net debt / EBITDA



Gearing (ND/ND+E)



Liquidity (undrawn facilities and cash, \$M)



(1) As foreshadowed in 1H FY2014 results presentation

BlueScope has a suite of strong businesses

BlueScope Australia & New Zealand

- Only local flat products producer in Australia & NZ
- Leading coating & painting capability
- Leading brands
- Innovative products with patented technologies: eg Activate™ technology

Building Products

- Leader in high quality coated and painted steel in Asia
- Depth of product offering to meet diverse customer needs
- Working with best possible partner (NSSMC) to strengthen and diversify product range

Global Building Solutions

- Leading position in U.S. and China
- A unique value proposition through Global Accounts – unmatched geographic reach for customers
- 'Breakthrough' completion results through strategic relationships
- IP and brands support our competitive market offer

North Star

- Customer service leader
- High efficiency plant
- Well located – scrap source and close to customers

- Global brands – COLORBOND®, Lysaght®, Butler®
- Global partnerships – Cargill, NSSMC, Tata, Costco, P&G
- Global networks – 100 factories, 17 countries, 17,000 employees

... together with exposures to growing markets

BlueScope Australia & New Zealand

- Levered to domestic / export mix improvement
- Levered to building sector recovery (both Aus & NZ)
- Levered to lower A\$

Building Products

- Base business growth expected to continue
- Coated Products Joint Venture benefits
- Opportunities in new countries, products and channels (eg retail market development)

Global Building Solutions

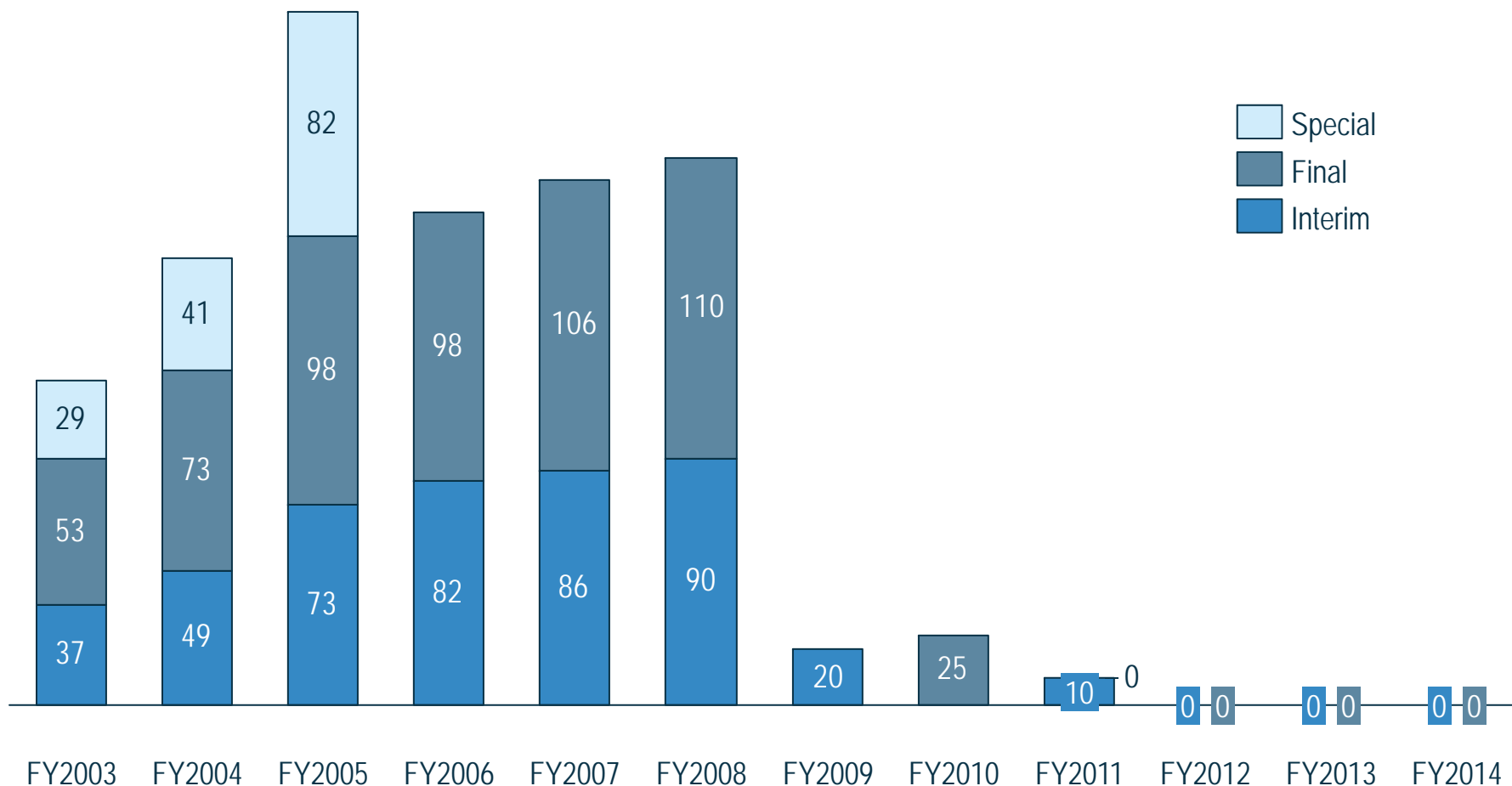
- U.S. market recovery underway
- Growing in ASEAN
- Positioning China business to improve
- Gaining traction in program accounts

North Star

- Achieving incremental performance improvements in an already high performance business
- Continue to look at productivity improvement initiatives

We have stabilised the business, laid the foundations for strong growth, made measured investments, and achieved this while maintaining a conservative balance sheet

Dividend history



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



**BLUESCOPE AUSTRALIA &
NEW ZEALAND (BANZ)**

BlueScope Australia & New Zealand Businesses

BlueScope external operating segment reporting structure¹

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(1) BlueScope also has a Corporate segment which is not shown

BlueScope Australia & New Zealand Strategy

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

We want to be the most successful steel business in Australia and NZ with efficient channels to market

We want to build on our heritage of innovation to safely produce steel products that benefit our customers and communities



TARGET WINNING MARKETS



GET LEAN, FIT AND HUNGRY



OPTIMISE VALUE CHAIN



TRIPLE A CULTURE



BROADEN VIEW TO CREATE GROWTH



COATED & INDUSTRIAL PRODUCTS AUSTRALIA

Coated & Industrial Products Australia

Segment overview

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



Coated & Industrial Products Australia

Strategy & earnings drivers

Strategy

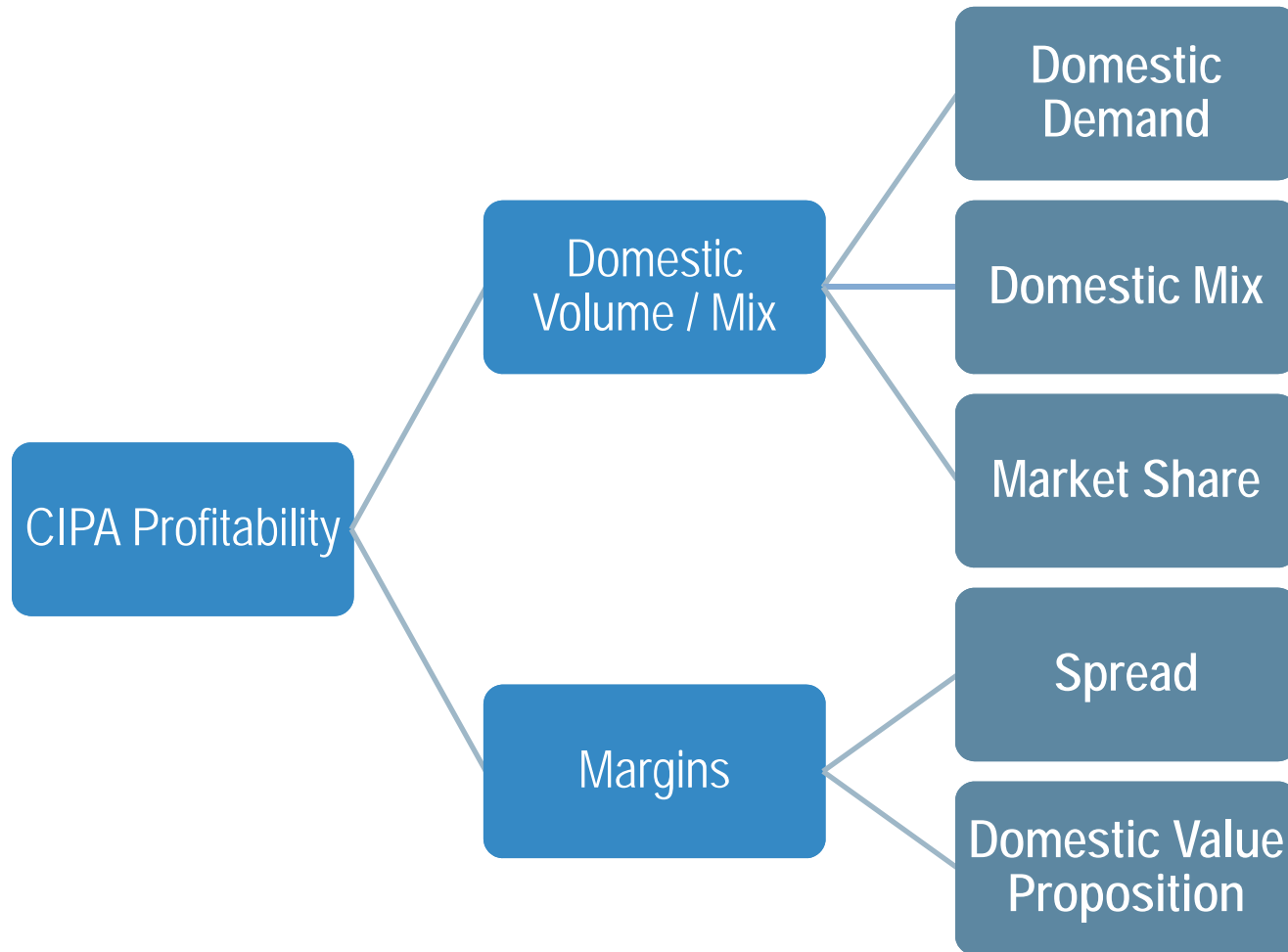
- Target winning markets
 - Maintain or build on market positions in Australian flat steel products
 - Launched next generation ZINCALUME® and COLORBOND® offering enhanced corrosion resistance, a wider applications and lower production cost
- Get lean, fit and hungry
 - Relentless pursuit of cost reductions
 - Right-size our cost base to current conditions
 - Optimise assets across the BANZ footprint
- Examine ways to serve the market more efficiently – eg recently completed small acquisitions close to existing core operations

Key earnings drivers

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

Coated & Industrial Products Australia

Fundamental drivers of profitability



Coated & Industrial Products Australia

Overview of the FY2012 restructuring

Actions undertaken and rationale

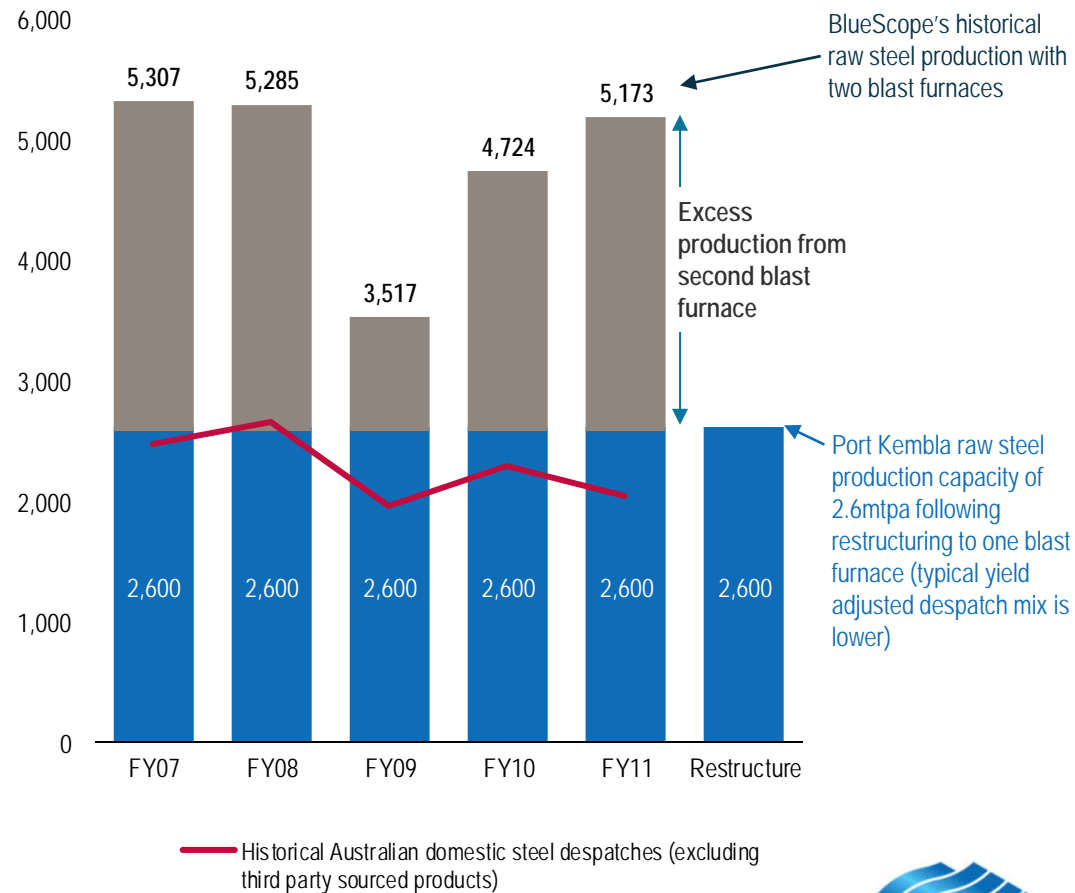
Reduction in raw steelmaking capacity from 5.3Mtpa to 2.6Mtpa

Key benefits of the restructure:

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

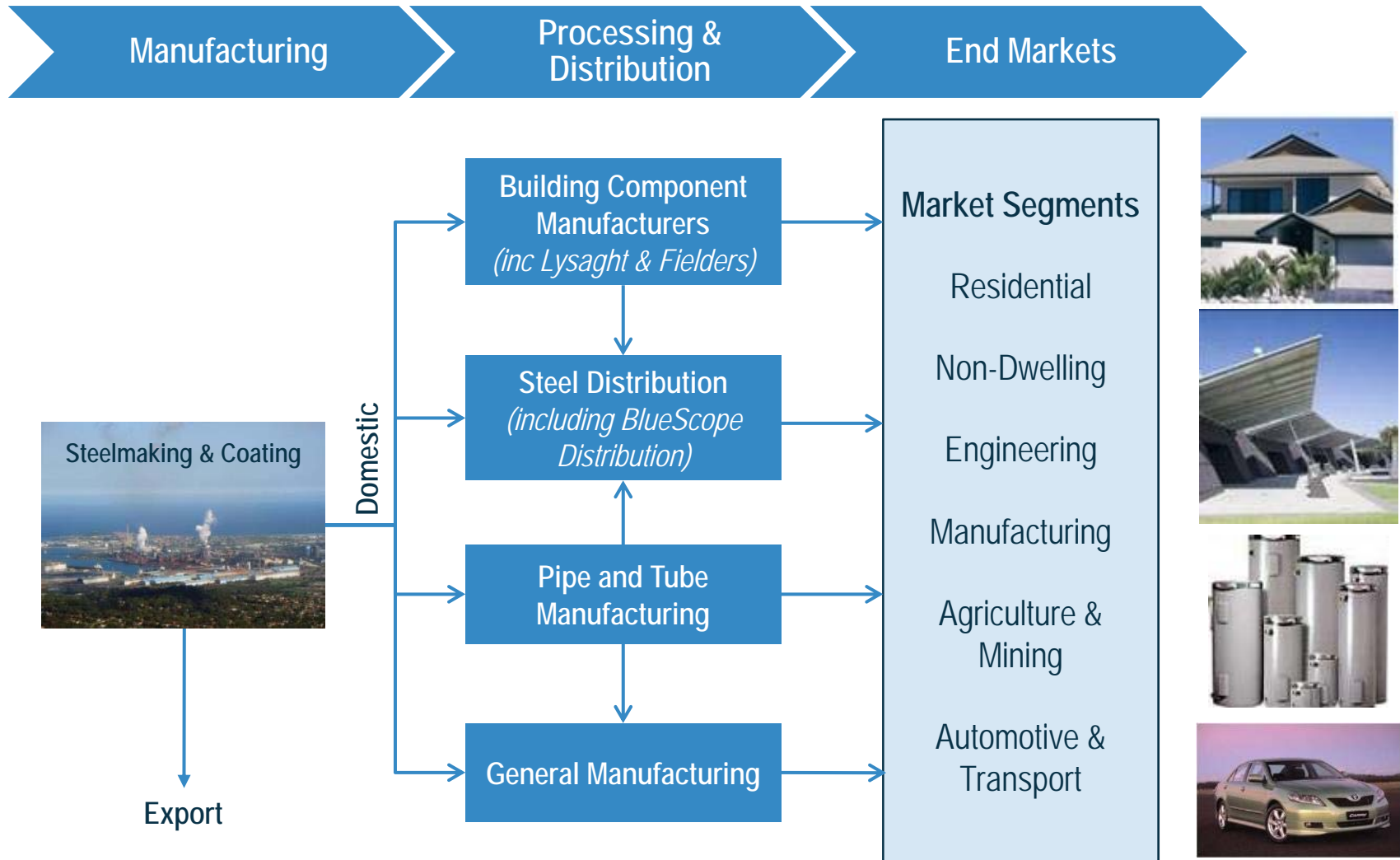
Improved balance between domestic production and demand

('000 tonnes)



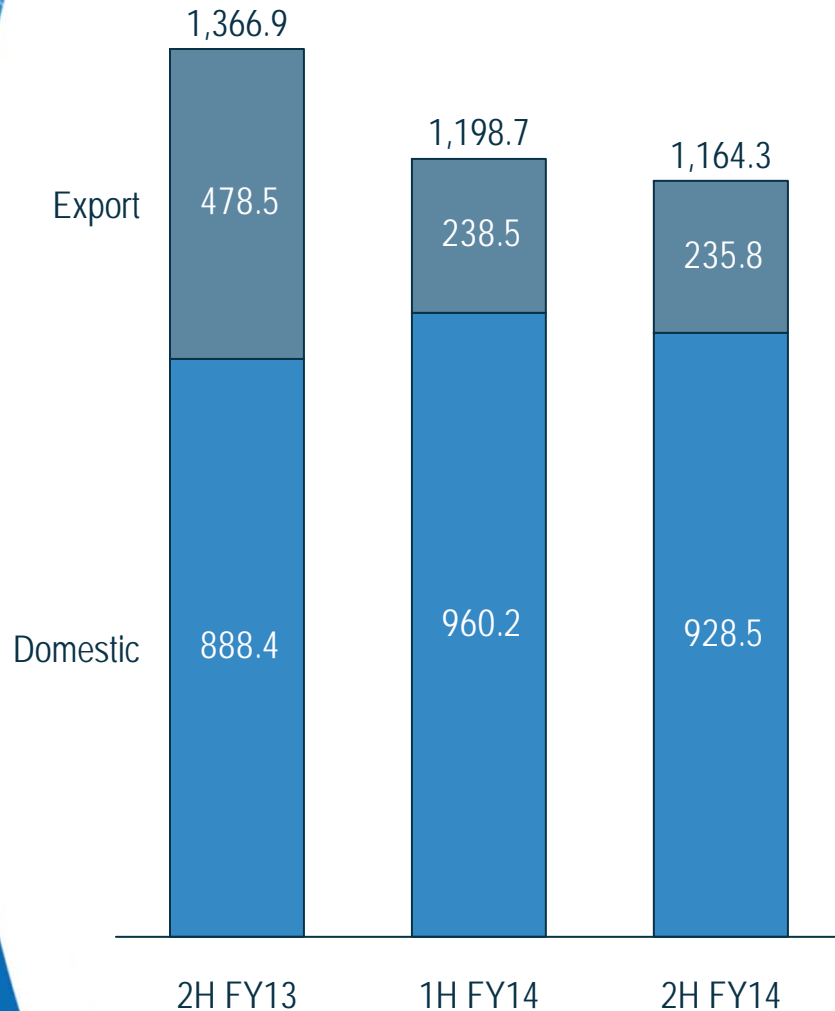
Coated & Industrial Products Australia

Market channels

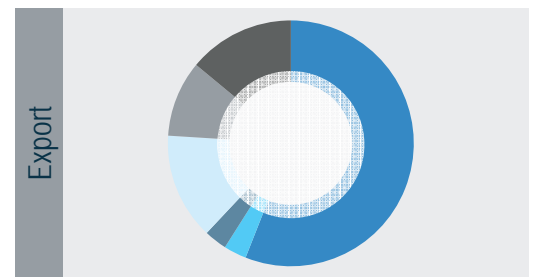


Coated & Industrial Products Australia

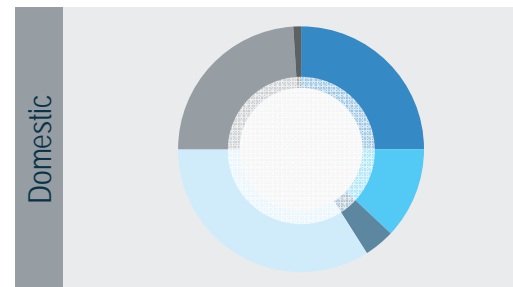
Despatch mix (kt)



FY2014 Product Mix



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



Coated & Industrial Products Australia

Better profitability in coated & painted products

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

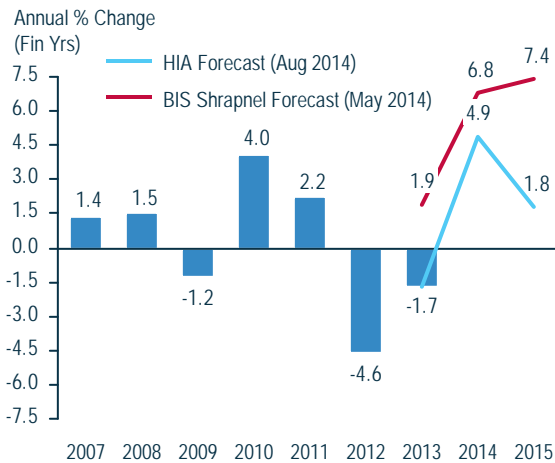
Coated & Industrial Products Australia

External forecasters' outlook for our key end-use segment exposures

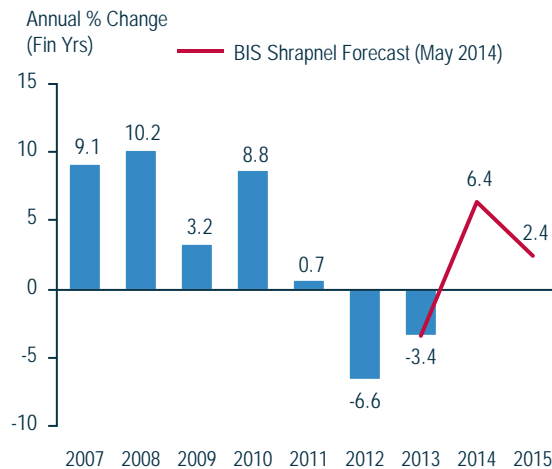
CONSTRUCTION

Change in real value of work done

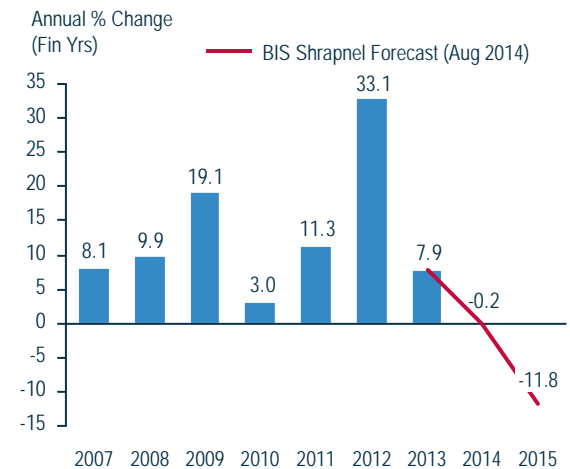
Residential construction



Non-residential construction



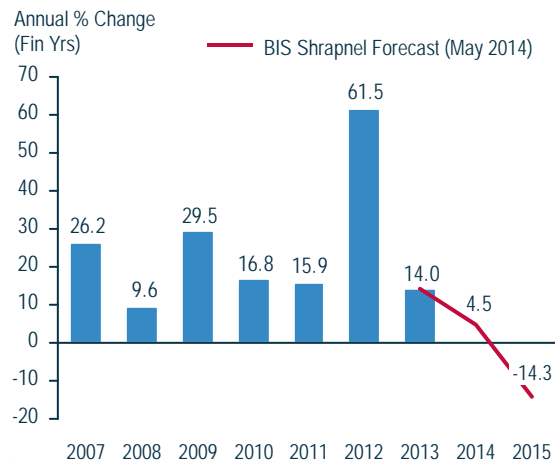
Engineering construction



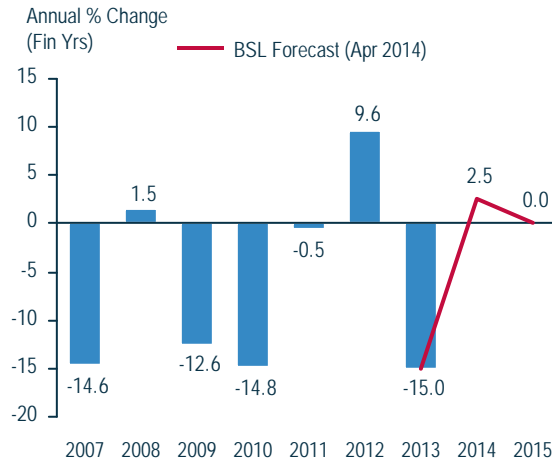
INDUSTRIAL

Change in real investment (GFCF)

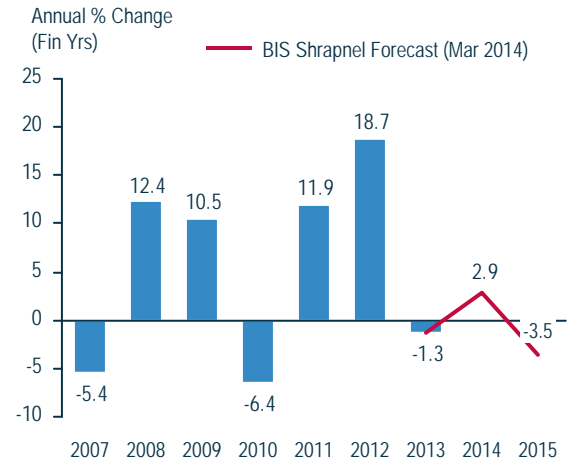
Mining



Manufacturing



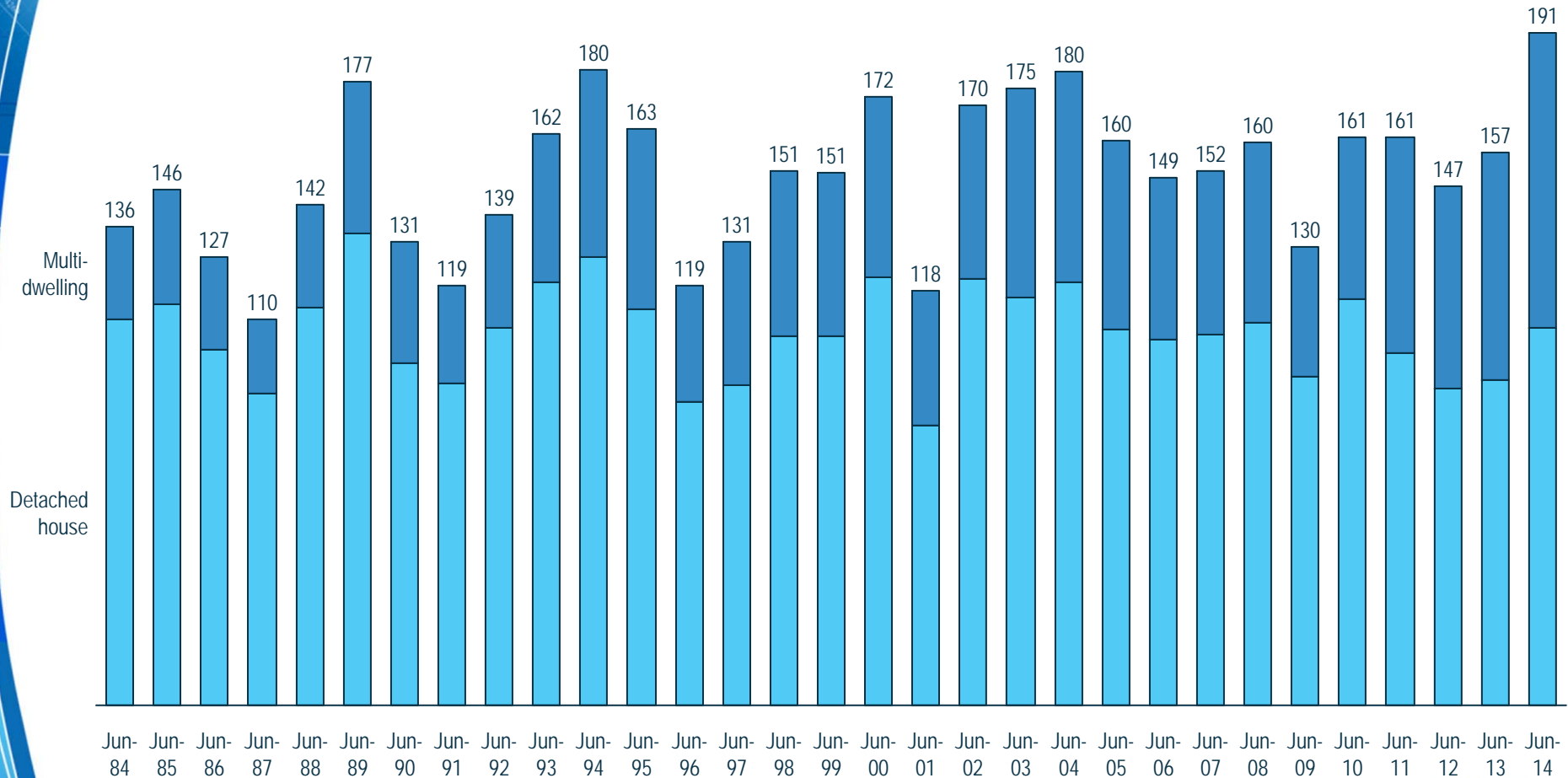
Agriculture



Coated & Industrial Products Australia

Australian residential construction approvals

Annual Australian residential construction approvals (private sector) to June 2014

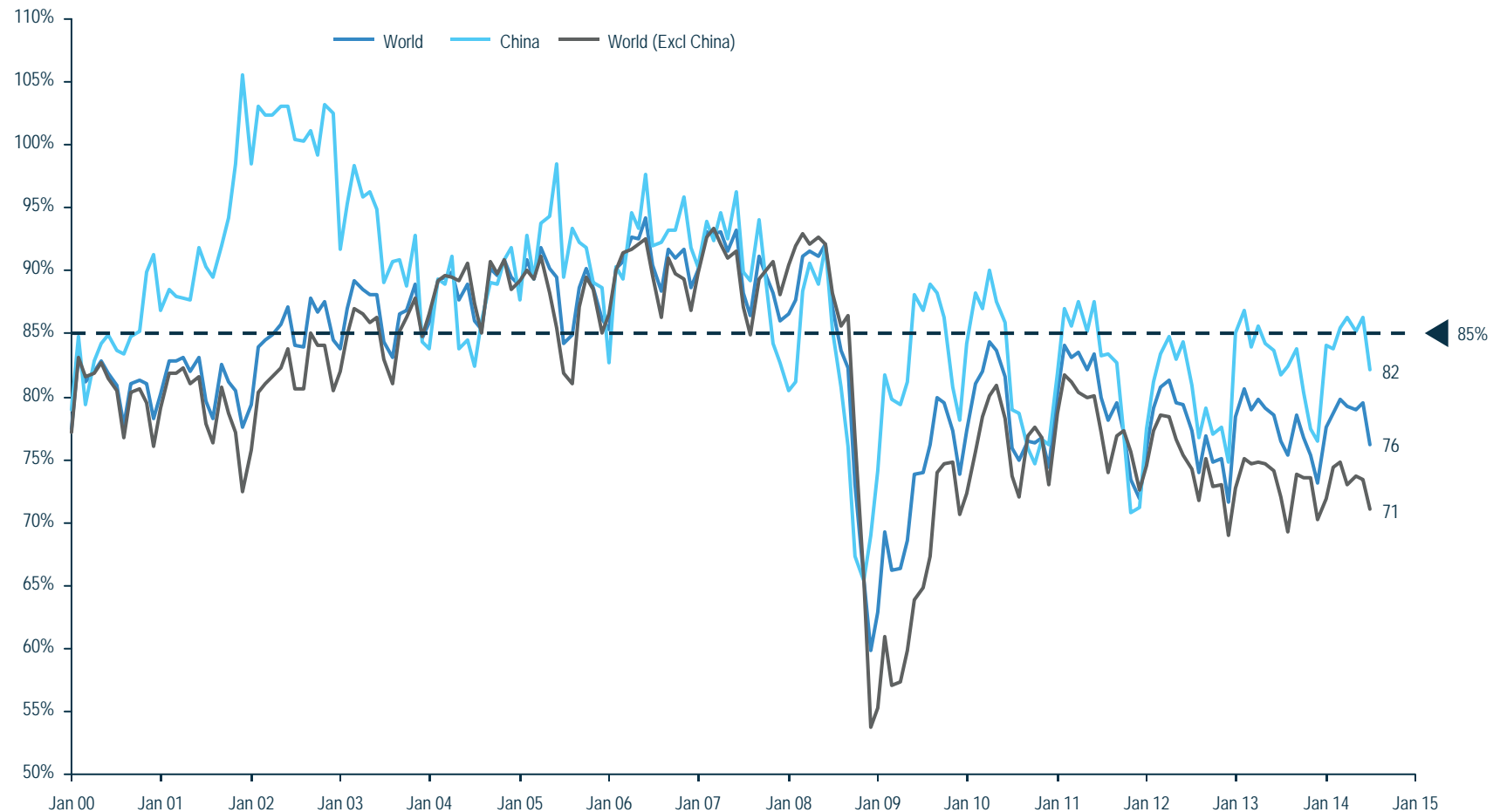


Source: ABS series 8731.0, table 6. Private sector. Seasonally adjusted

Coated & Industrial Products Australia

Global crude steel capacity utilisation update

Monthly crude steel capacity utilisation¹ (%)



- Source: WSA

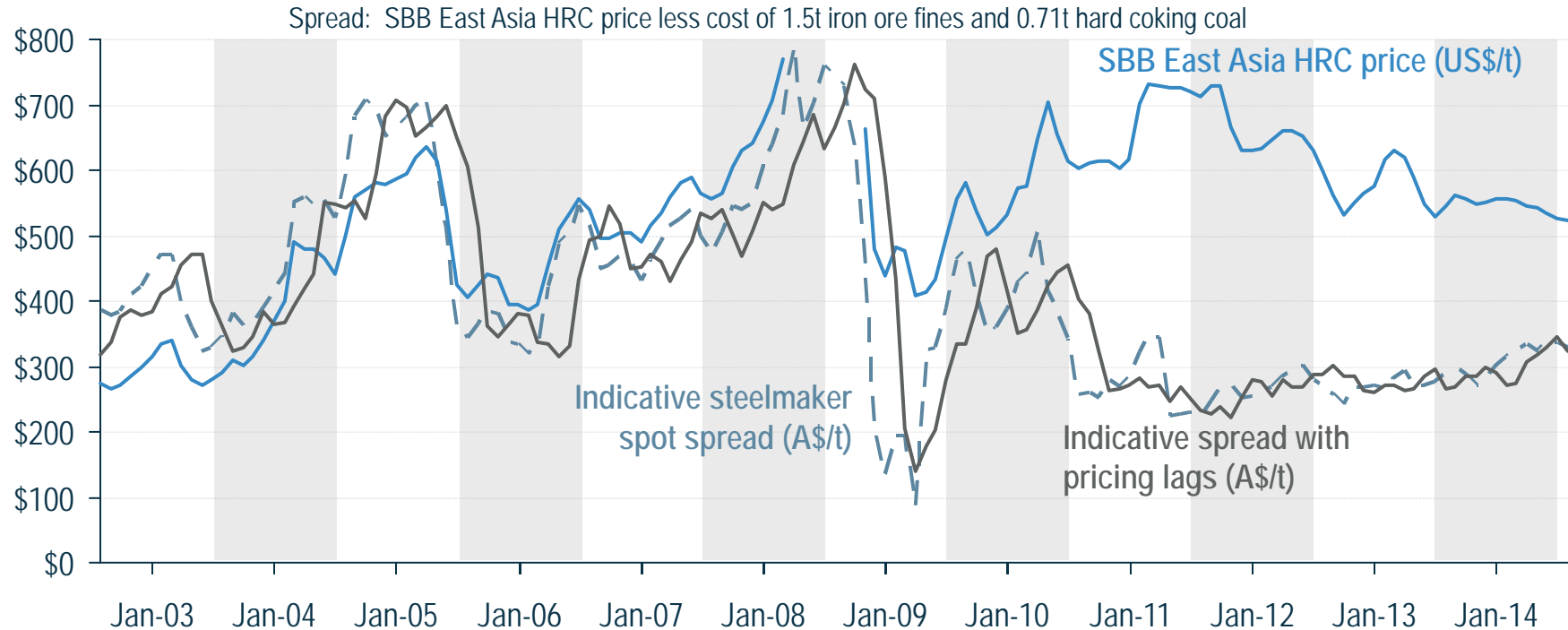
- Data to July 2014

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

Coated & Industrial Products Australia

Spread continues to be a major determinant of segment profitability

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



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

	FY2010	FY2011	FY2012	FY2013	FY2014	1H FY14	2H FY14
Indicative steelmaker HRC spread (US\$/t)	365	271	276	277	283	265	300
Indicative steelmaker HRC spread (A\$/t)	414	275	267	270	308	288	328
Indicative spread with pricing lags (A\$/t)	403	292	257	278	295	282	308
A\$ / US\$ FX	0.88	0.99	1.03	1.03	0.92	0.92	0.91

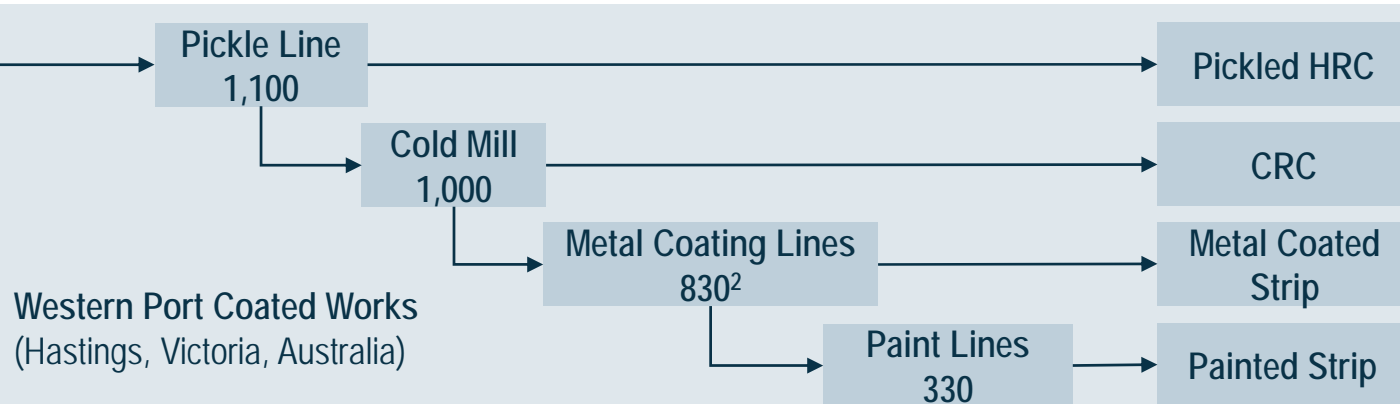
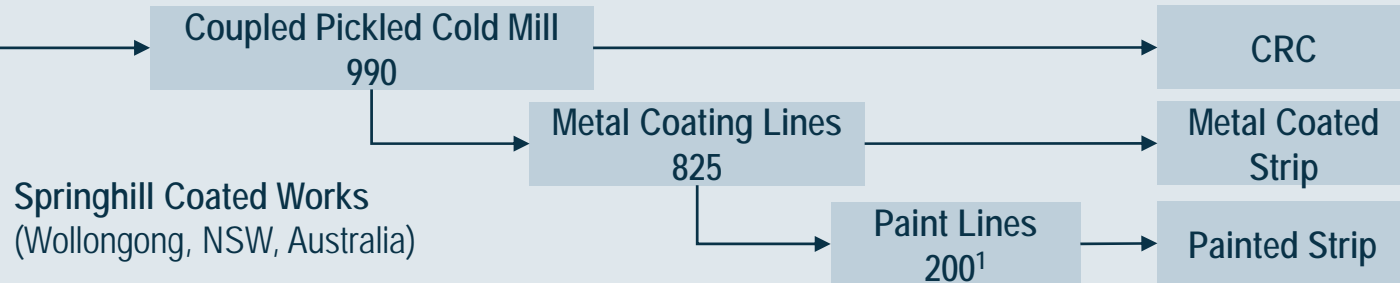
Notes on calculation:

- '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 estimate deducts Baltic cape index freight cost from CFR China price
- Indicative hard coking coal pricing: low-vol, FOB. Industry annual benchmark prices up to March 2010; quarterly prices from April 2010 to March 2011; 50/50 monthly/quarterly pricing thereafter

Coated & Industrial Products Australia

Annual capacities

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



Note:

Numbers reflect mill capacity in kt per annum

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



**BUILDING COMPONENTS &
DISTRIBUTION AUSTRALIA**

Building Components & Distribution Australia

Segment overview

- Comprises Australian based downstream businesses which are a major supplier of steel products through a network of service centres and distribution sites
 - LYSAGHT® and Fielders businesses which provide a range of branded products to the building and construction sector
 - Distribution businesses
 - BlueScope Distribution: steel & tube distribution
 - Sheet Metal Supplies & Impact Steel: sheet & coil distribution
 - BlueScope Building Solutions: supplies a variety of complete steel solutions including, industrial and commercial buildings, water tanks, garages, sheds, steel framing and rollformed building products
- Sources its flat steel products mainly from BlueScope's CIPA business; long steel products sourced both internally and externally from a range of suppliers
- Key end markets include Australian building and construction, automotive, white goods manufacturing and general manufacturing



Building Components & Distribution Australia

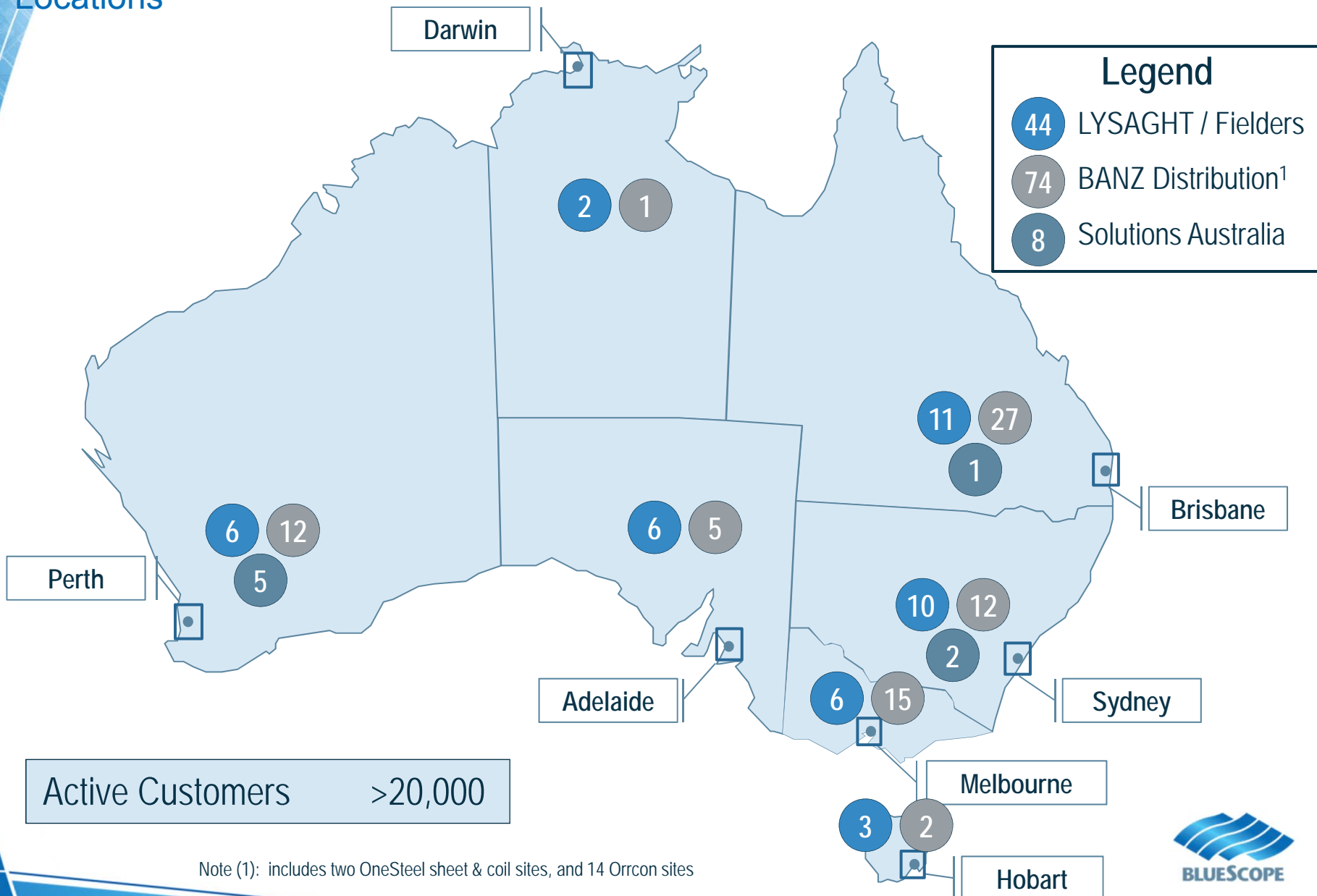
Role of BCDA in BANZ

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



Building Components & Distribution Australia

Locations



Building Components & Distribution Australia

BANZ Distribution: overview

- Over 70 locations and approximately 1,500 employees Australia wide, providing quality steel solutions to the residential, non residential, engineering construction, automotive, transport, manufacturing, mining and agriculture market segments
- Supplies full range of steel products, including sheet and coil, plate, structural steel, merchant bar, tube, reinforcing, pipes, valves & fittings, and specialty metals
- Offers customers value added processing and supply chain solutions – plate profiling, beam processing, routing, cutting, sawing, drilling, slitting, shearing, inventory and warehouse management and next day delivery services
- Our customer promise – superior customer service, technical expertise, innovation, quality and commitment
- Works in conjunction with other parts of BlueScope to ensure a consistent and complete solution outcome for our customers
- Builds the brand equity in BlueScope products such as COLORBOND® steel, ZINCALUME® steel and GALVSPAN® steel. Offers warranties to provide peace of mind for our customers



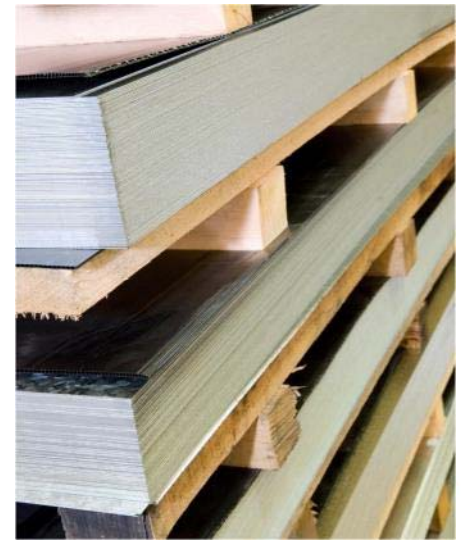
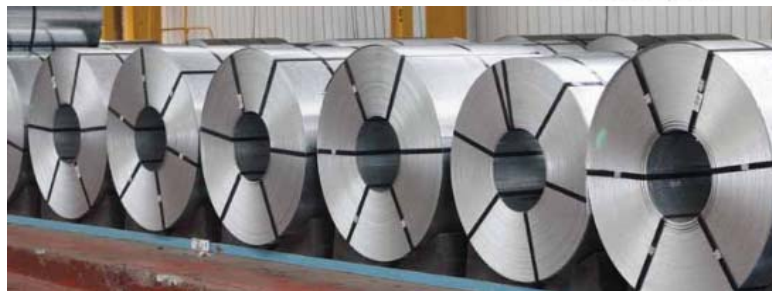
Sheet Metal Supplies

Building Components & Distribution Australia

Distribution: core products



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



Building Components & Distribution Australia

Distribution: processing services



Value added processing services provided include:

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



Building Components & Distribution Australia




Overview of Orrcon



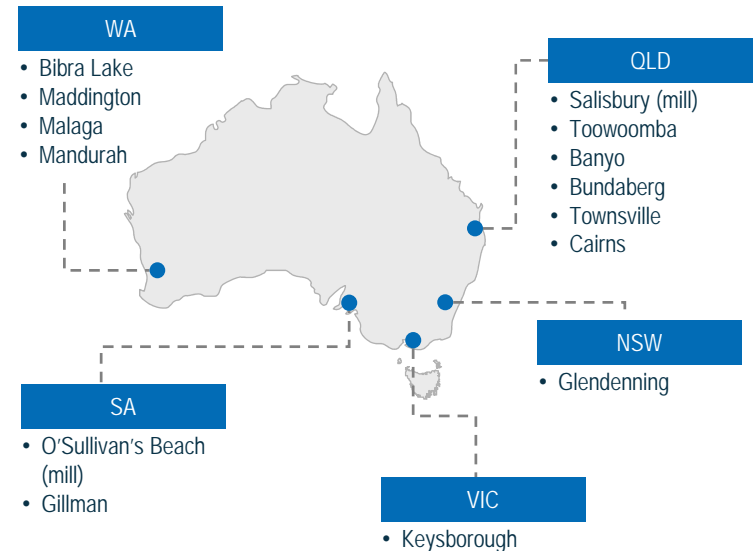
Key points

- Orrcon is a manufacturer, importer and distributor of steel tube and pipe in Australia, including structural tubes, precision tubes, hot rolled structural steel and pipes
- 2 mills and 12 distribution facilities
- Employs approximately 460 staff

Products

Structural tube	<ul style="list-style-type: none"> • Bare, primed, or galvanised coated electric resistance welded (ERW) steel CHS and RHS manufactured for structural purposes • Primarily used in building, engineering and manufacturing applications 	
Precision tube	<ul style="list-style-type: none"> • Cold rolled, hot rolled tubing with zinc or aluminium coated mild steel (ACMS) tubing • Typical applications include fencing, furniture, automotive, general engineering, sign posts and various others 	
Large pipe & tube (LPT)	<ul style="list-style-type: none"> • Used in construction, oil and gas, and major mining projects 	
Other products	<ul style="list-style-type: none"> • Hot rolled structural steel and plates • Reinforcing, building, fencing, and welding products 	

Mills and distribution facilities



Building Components & Distribution Australia

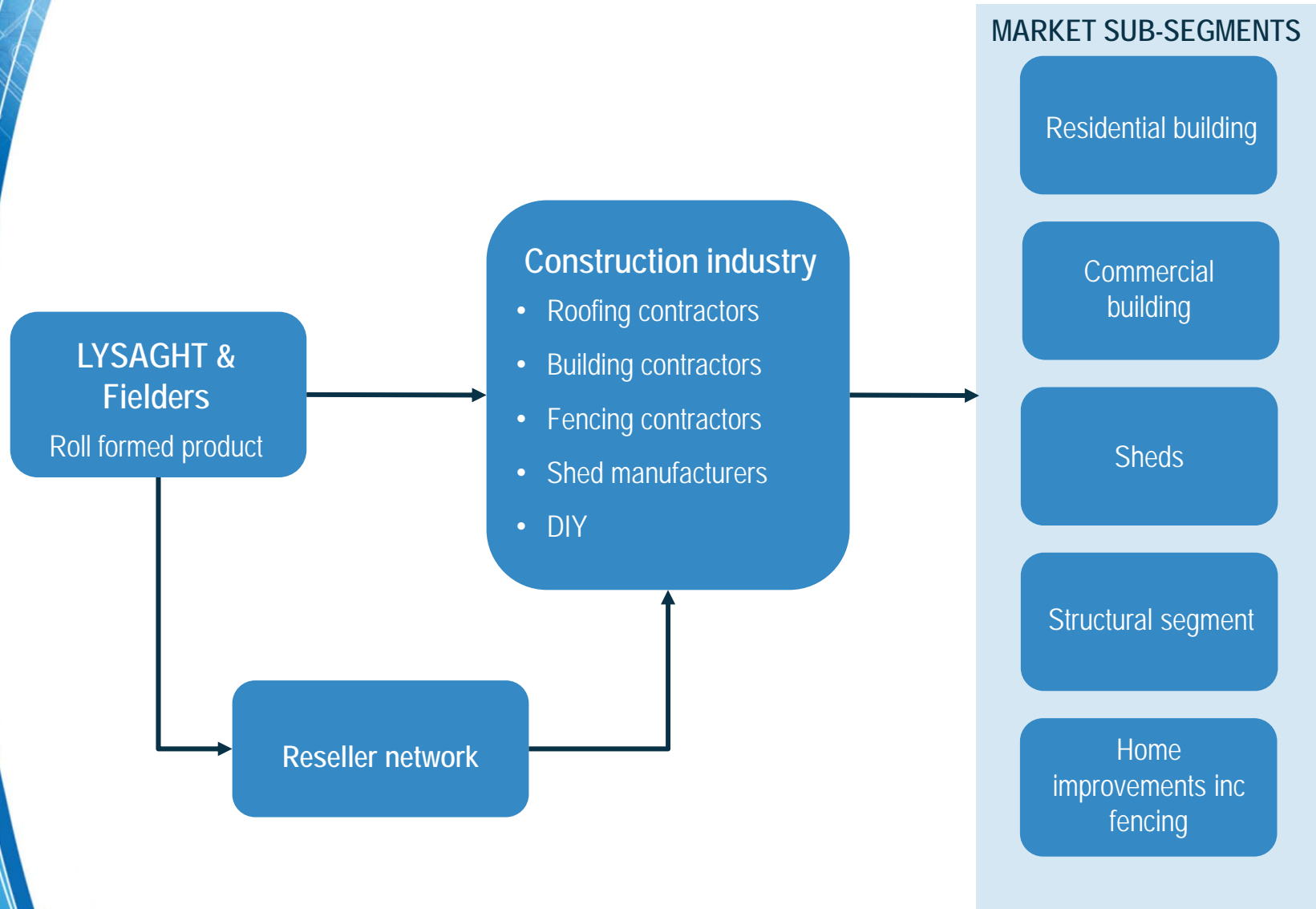
LYSAGHT & Fielders: overview

- Over 40 locations and approximately 1,300 employees around Australia, providing a unique service capability unsurpassed by our competitors
- Manufacture and market an extensive range of roll formed steel products for the building industry with specific offerings into the residential, commercial, structural, home improvement, distributor and shed segments
- Trusted steel suppliers with a combined 200 years of operations in Australia, 100% Australian steel supply, unmatched technical expertise and quality service
- Work in conjunction with other parts of BlueScope to ensure a consistent and complete solution outcome for our customers
- Offers BlueScope products such as COLORBOND® steel, ZINCALUME® steel and GALVSPAN® steel



Building Components & Distribution Australia

LYSAGHT & Fielders: channel to residential and non-residential construction markets



Building Components & Distribution Australia

LYSAGHT and Fielders: core products and brands

- Roofing for the residential and commercial segments in profiles such as CUSTOM ORB®, TRIMDEK® and KingKlip®
- A walling range that gives flexibility to suit any architectural style or environment with brands such as MINI ORB®
- Fencing profiles such as NEETASCREEN®, SPANSCREEN® and TL-5
- Structural products such as battens, purlins and structural decking in brands such as TOPSPAN®, SUPAPURLIN® and KingFlor®
- Full range of rainwater products including gutters, fascia and downpipes
- Supply of domestic, light commercial and industrial sheds through Endurance Sheds and Structures as well as supply of the above products to support Ranbuild and other shed customers
- Our LYSAGHT Living Collection and Centenary ranges of verandahs, patios, carports and decks are supported by products such as FIRMLOK® and FLATDEK®



CUSTOM ORB® Night Sky™



NEETASCREEN® Domain™



TL-5 Fencing

Building Components & Distribution Australia





Overview of Fielders



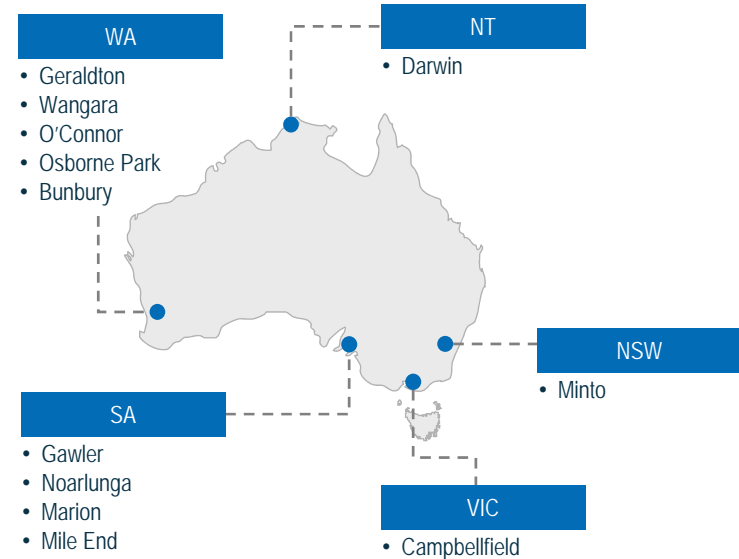
Key points

- Fielders manufactures a comprehensive range of roll-formed steel products that are supplied to commercial, industrial and domestic building contractors
- 12 sites across NSW, VIC, SA, WA, and NT
- Employs approximately 480 staff

Product overview

Roofing & cladding	<ul style="list-style-type: none"> • Concealed fixed roofing • Roofing & walling • Curving; crank and smooth • Centenary carports and verandahs 	
KingFlor	<ul style="list-style-type: none"> • Steel formwork 	
Rainwater goods	<ul style="list-style-type: none"> • Guttering • Rainheads 	
Other products	<ul style="list-style-type: none"> • Vents and cappings • Door frames and fencing systems 	

Sales and distribution facilities



Building Components & Distribution Australia

Solutions Australia: overview

- Two manufacturing sites and six offices, employing approximately 260 people Australia wide, providing smart steel solutions to the building and construction industry (residential, non residential, engineering construction, transport, manufacturing, mining and agriculture market segments)
- Supplies a variety of complete steel solutions including, industrial and commercial buildings, water tanks, garages, sheds, steel framing and rollformed building products
- Works in conjunction with other parts of BlueScope to ensure a consistent and complete solution outcome for our customers
- Offers BlueScope products such as COLORBOND® steel, ZINCALUME® steel and GALVASPAN® steel





NEW ZEALAND AND PACIFIC STEEL PRODUCTS

New Zealand & Pacific Steel Products

Segment overview

New Zealand Steel



- Only fully integrated flat steel maker in New Zealand, with leading domestic market share of flat products
- Located at Glenbrook, south-west of Auckland
- Around 600ktpa steel despatches

Pacific Steel



- Coil and wire manufacturer
- Two sites – Otahuhu (Auckland) and Fiji
- Despatches of around 240ktpa

Pacific Islands



- Rollforming business
- Six sites across three countries
- Around 10ktpa despatches

Minerals



- Iron sands exports
- Two sites – Waikato North Head and Taharoa
- Over 2Mt of sand exported in FY2014

New Zealand & Pacific Steel Products

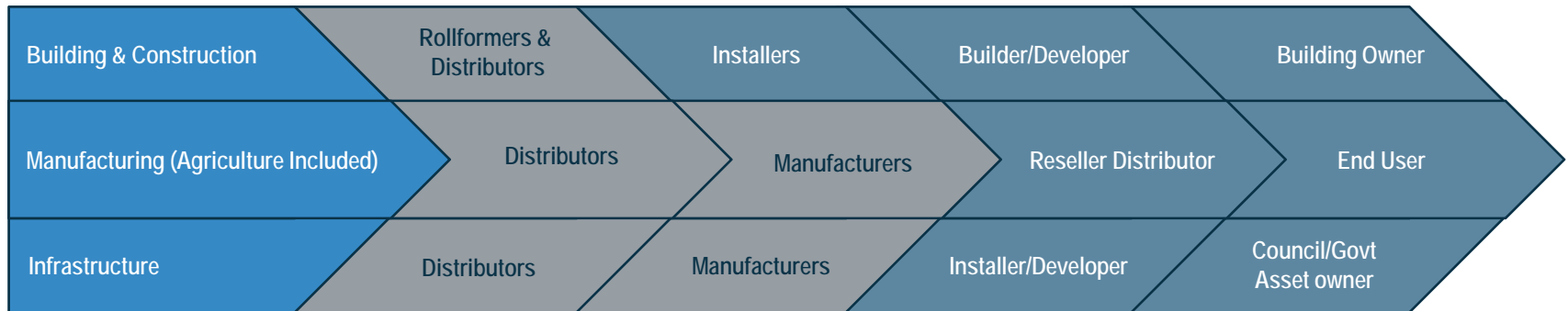
Strategy and earnings drivers of each business

	New Zealand Steel	Pacific Steel	Pacific Islands	Minerals
Strategy	<ul style="list-style-type: none"> • Maximise domestic volumes through the Pacific Steel acquisition • Continually improve the businesses through market and product development, supply chain optimisation and cost reduction initiatives 		<ul style="list-style-type: none"> • Grow into our current asset position 	<ul style="list-style-type: none"> • Grow export volumes and optimise use of resource base • Investigate new resource areas where we can leverage iron sand experience
Earnings drivers	<ul style="list-style-type: none"> • Global HRC price • NZD:USD exchange rate • Domestic demand • Domestic value proposition • Production volume • Conversion and materials costs 	<ul style="list-style-type: none"> • Global rebar price • NZ:US exchange rate • Domestic demand • Domestic value proposition • Conversion and materials costs 	<ul style="list-style-type: none"> • Foreign investment • Political stability • Domestic demand 	<ul style="list-style-type: none"> • Iron ore pricing • AUD:USD exchange rate • Production volumes

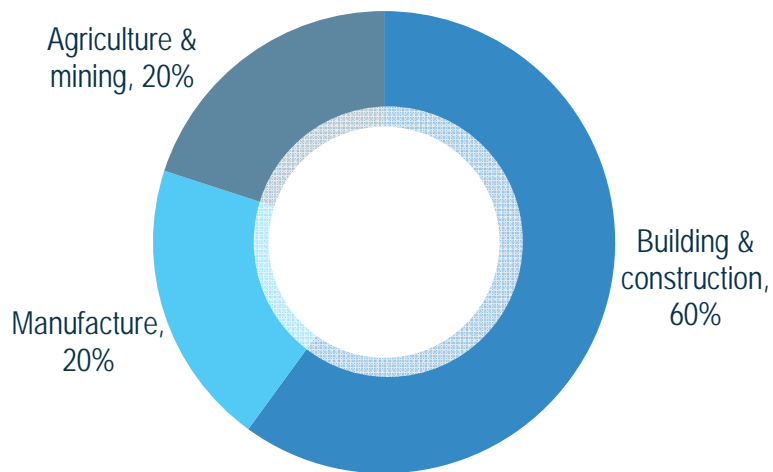
New Zealand & Pacific Steel Products

New Zealand market at a glance

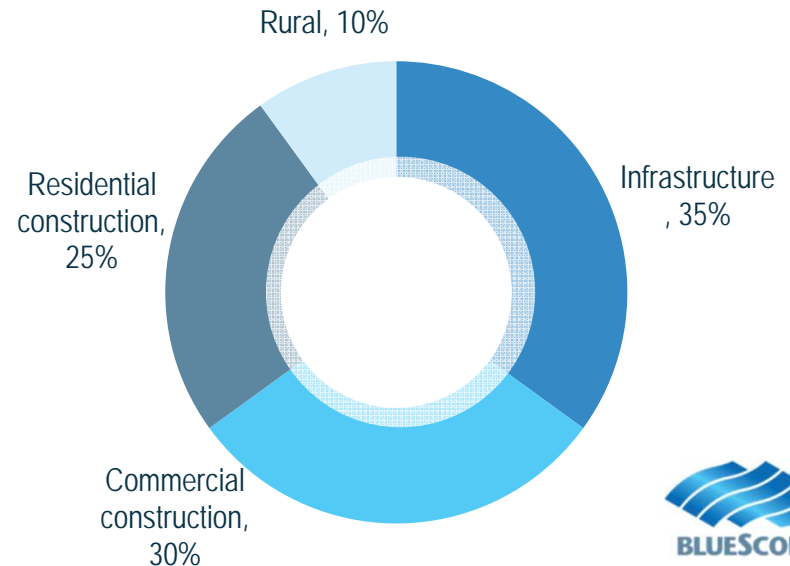
NZ Steel value stream



End use segments – flat products

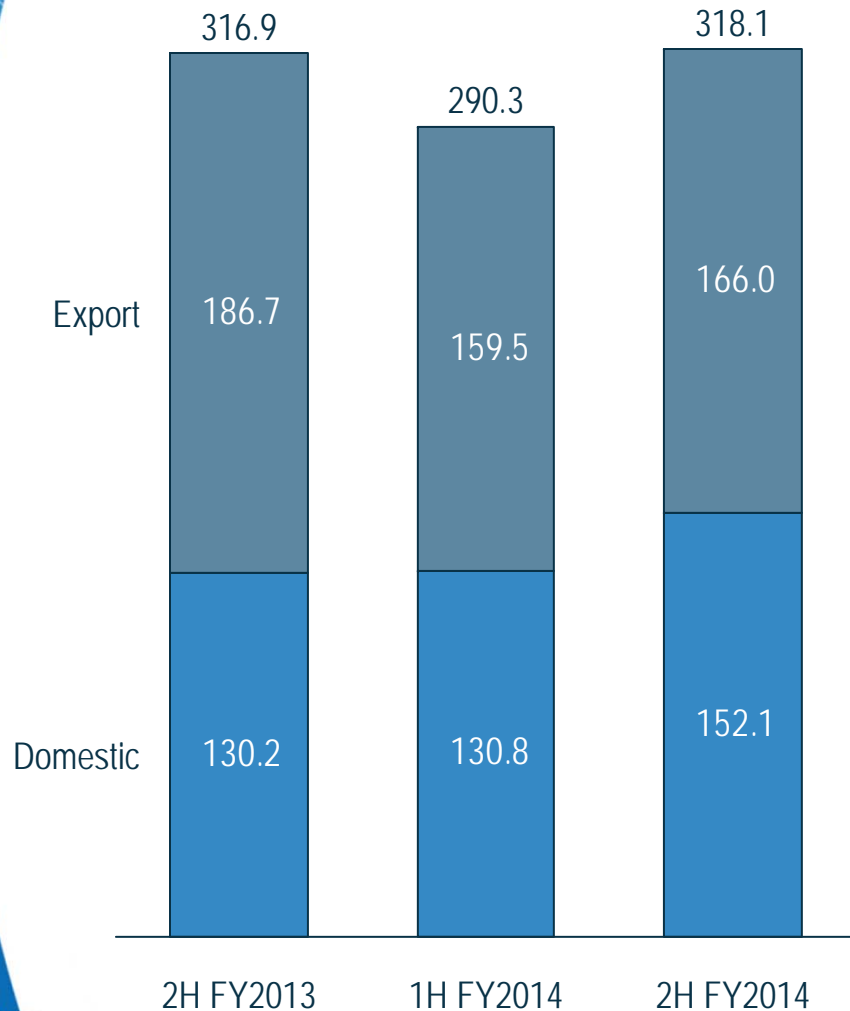


End use segments – long products

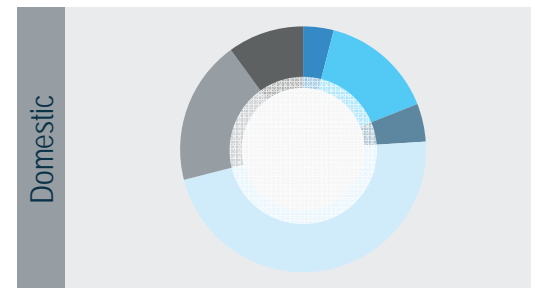
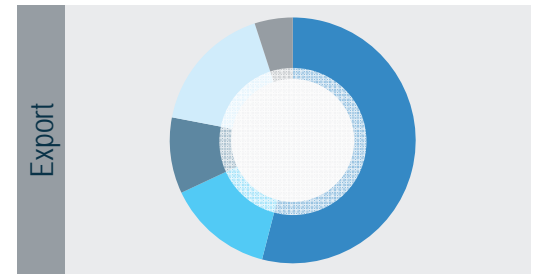


New Zealand & Pacific Steel Products

Steel despatch mix (kt) – excludes Pacific Steel long products



FY2014 Product Mix



New Zealand & Pacific Steel Products

Better profitability in coated & painted products

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

New Zealand & Pacific Steel Products

Agreement to acquire rolling and marketing operations of Pacific Steel

- Announced agreement 17 February 2014; completed on 3 June 2014
- Producer and marketer of long products such as reinforcing steel, rod and wire, in NZ and Fiji. 119kt domestic (NZ & Fiji) and 133kt export despatches in FY2014
- Approx. NZ\$60M acquisition price; half paid on 3 June 2014, half deferred until late first half of FY2015
- NZ Steel to invest ~NZ\$50M in new billet caster and associated plant at Glenbrook, and on integration
 - New caster will supply steel billet to the Pacific Steel rolling mills in NZ and Fiji
- Attractive for BlueScope:
 - Leverage low cost iron sands – lower cost of production
 - Better serve customers with full range of long products, together with existing flat products – better sales mix





New Zealand & Pacific Steel Products

Overview of Pacific Steel's downstream rolling & marketing operations

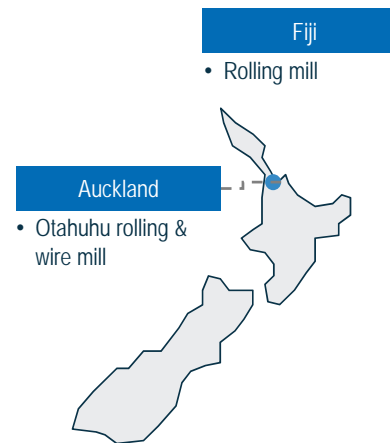
Key points

- Producer and marketer of long products (reinforcing steels, and zinc/aluminium coated manufacturing wire.
- In FY2014 sold approximately 119kt to New Zealand & Fiji domestic and 133kt to export customers
- Rolling mill and wire mill at Otahuhu (South Auckland) and a rolling mill in Fiji

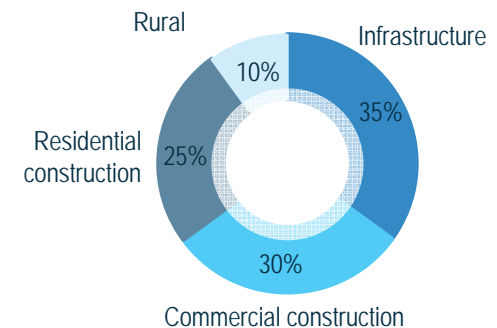
Product overview

Reinforcing steels (bar & coil)	<ul style="list-style-type: none"> • Seismic grade and lower tensile, higher ductility carbon steel for construction 
Low carbon wire rod	<ul style="list-style-type: none"> • Industrial quality low carbon steel rod, primarily intend for cold drawing into wire 
Ductile wire rod	<ul style="list-style-type: none"> • Micro alloyed rod for manufacturing seismic grade mesh for residential and commercial slabs
Reid bar	<ul style="list-style-type: none"> • Threaded bar for construction industry • Can be cut and joined on site using Reidbar™ connector systems 
Wiremark fencing	<ul style="list-style-type: none"> • ZnAl fence wire in two coating weight levels; mainly for agricultural industry 

Manufacturing facilities



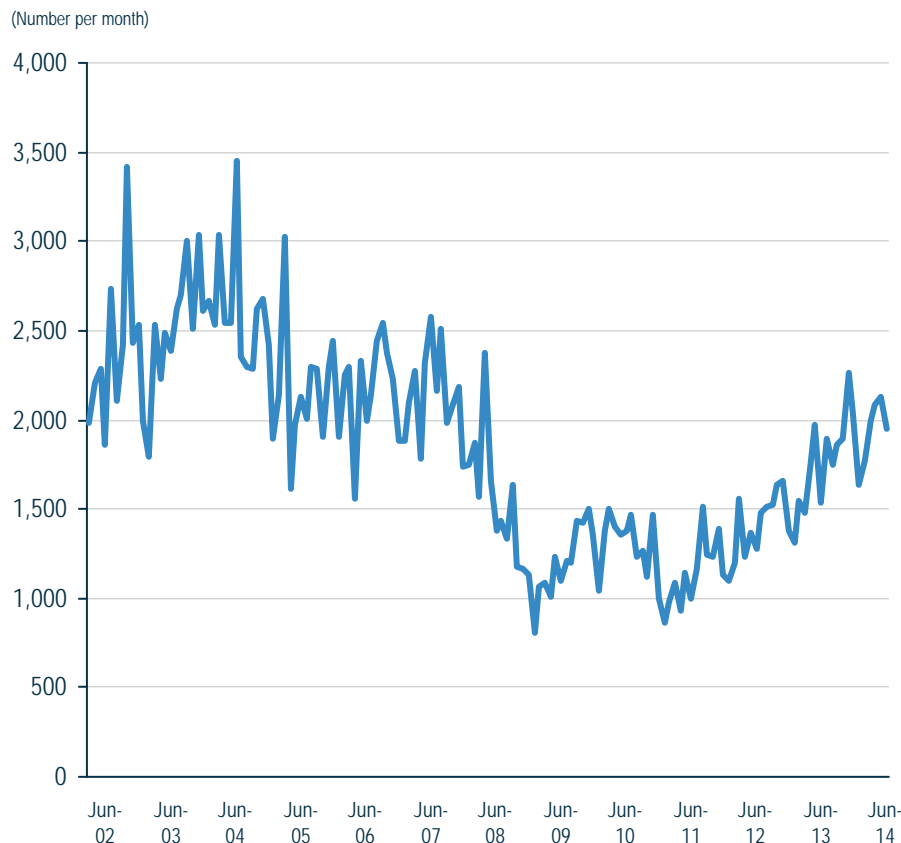
End use segments (domestic)



New Zealand & Pacific Steel Products

Residential construction approvals trending higher – Christchurch rebuild underway

Monthly number of New Zealand residential construction approvals¹



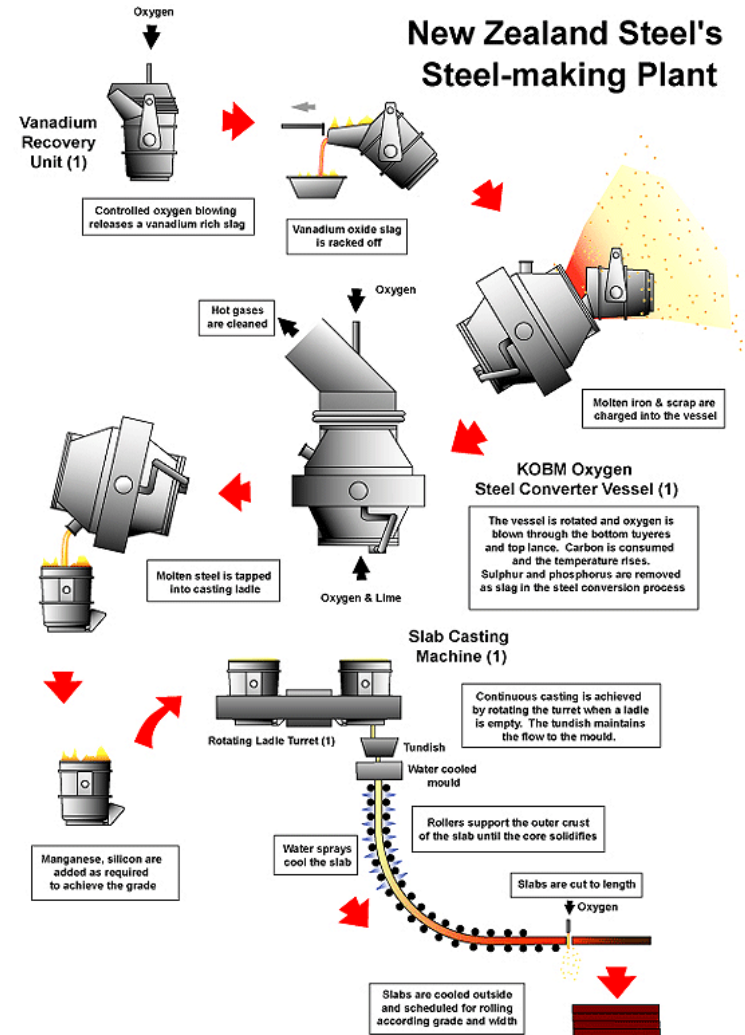
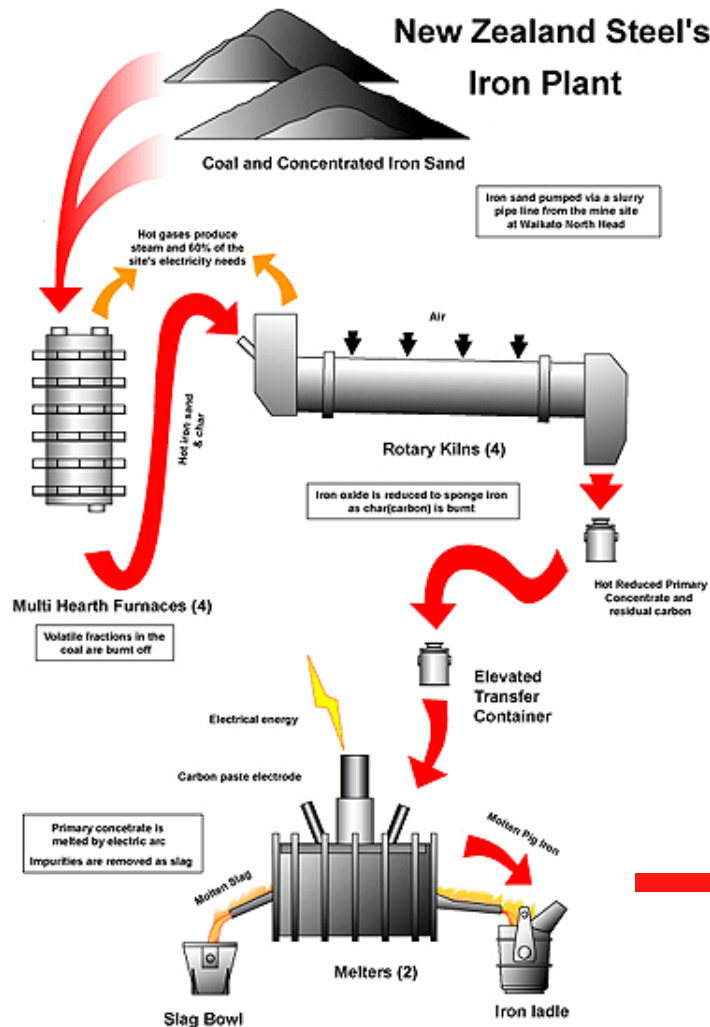
Source: Statistics New Zealand. Series ID: SSC11AS.

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



New Zealand & Pacific Steel Products

Unique direct reduction process using captive iron sands resource



New Zealand & Pacific Steel Products

Steelmaking raw materials

Iron Sand Concentrate (Waikato North Head Mine)

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

Thermal Coal

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

Lime (McDonalds Lime - 28% NZS owned)

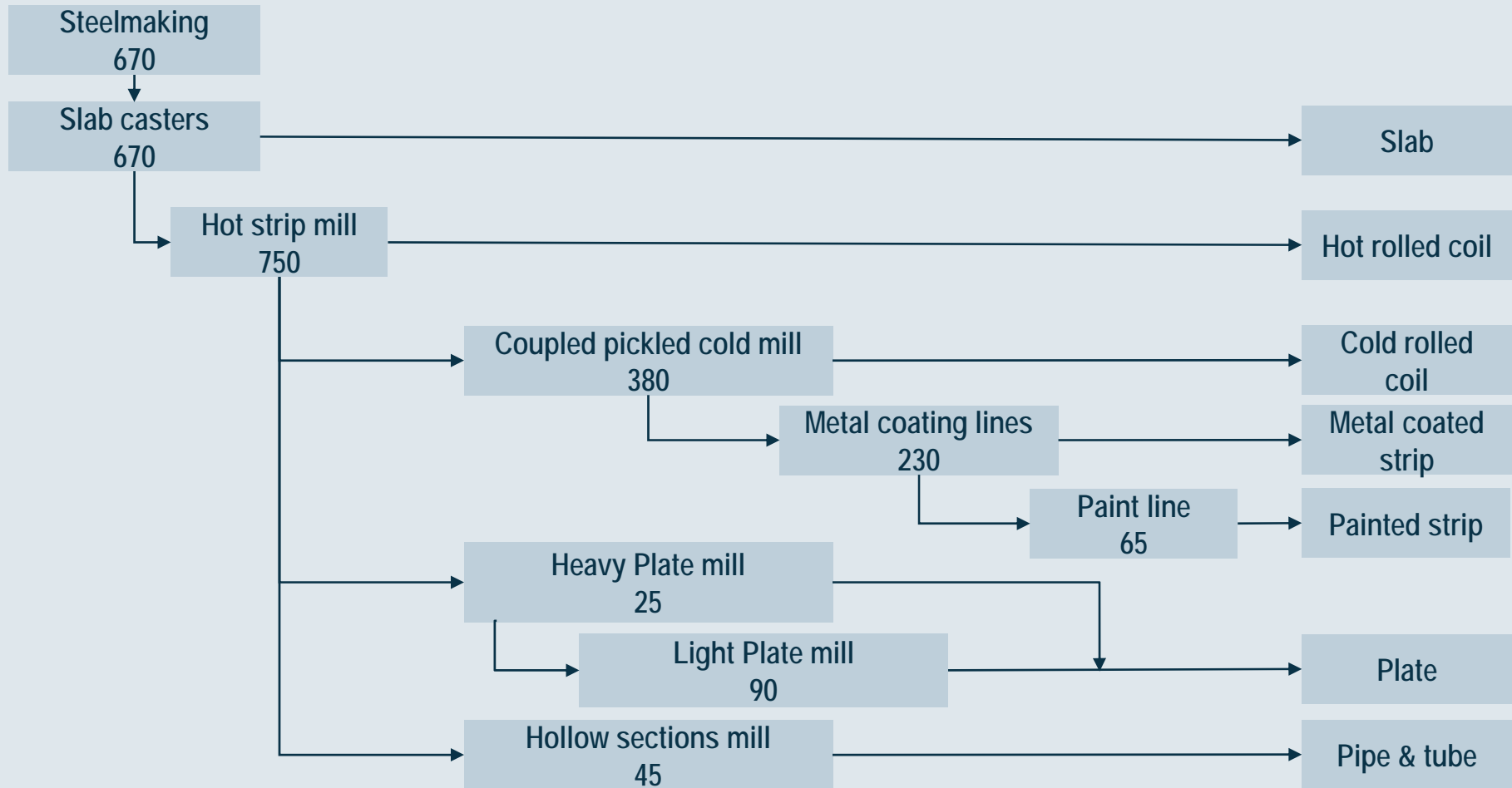
- 34Ktpa lime (oxide and chip) quarried and processed at Otorohanga
- Railed and trucked to Glenbrook



New Zealand & Pacific Steel Products

Annual flat steel capacities (excludes Pacific Steel)

Glenbrook Steelworks



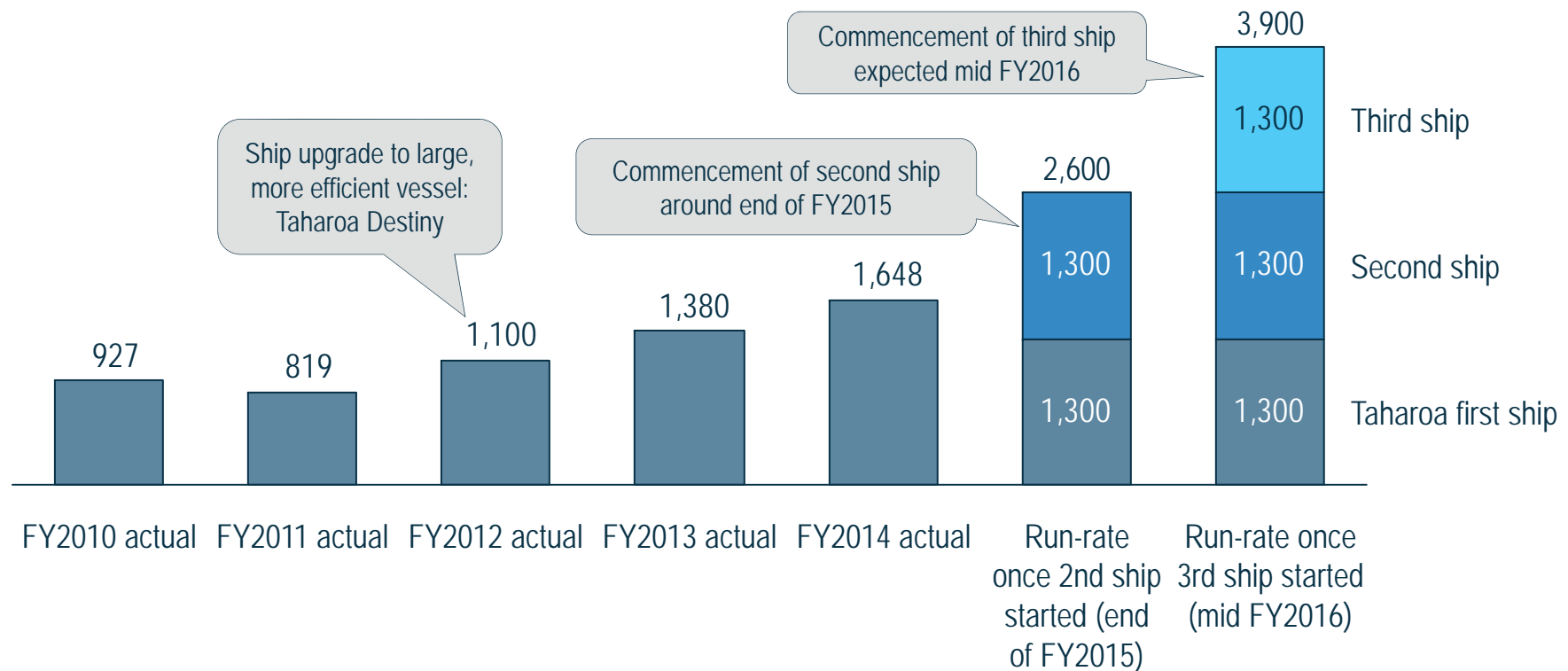
Note:

Numbers reflect mill capacity in kilotonnes per annum

New Zealand & Pacific Steel Products

Growing iron sands exports

Taharoa iron sands exports – actual and forecast (kt)



- \$44M capital has been spent to upgrade facilities to accommodate Taharoa Destiny and second ship
- \$50M capital to be spent over FY2016 to FY2018 to expand production for third ship
- Additional export despatches from Waikato North Head mine of 666kt in FY2014

Note: annual single ship export capacity of ~1.3Mtpa exceeded in FY2014 through trans-shipments via Port Kembla

New Zealand & Pacific Steel Products

Taharoa mining and shipping



Mining and processing

- Mining land and mineral title owned by a Maori trust
- Mining sands via buried feeders and dredge
- Typical magnetic content of mined sand 40% to 50%
- Three new spiral separation plants have been constructed with first plant recently commissioned
- Very low environmental impact



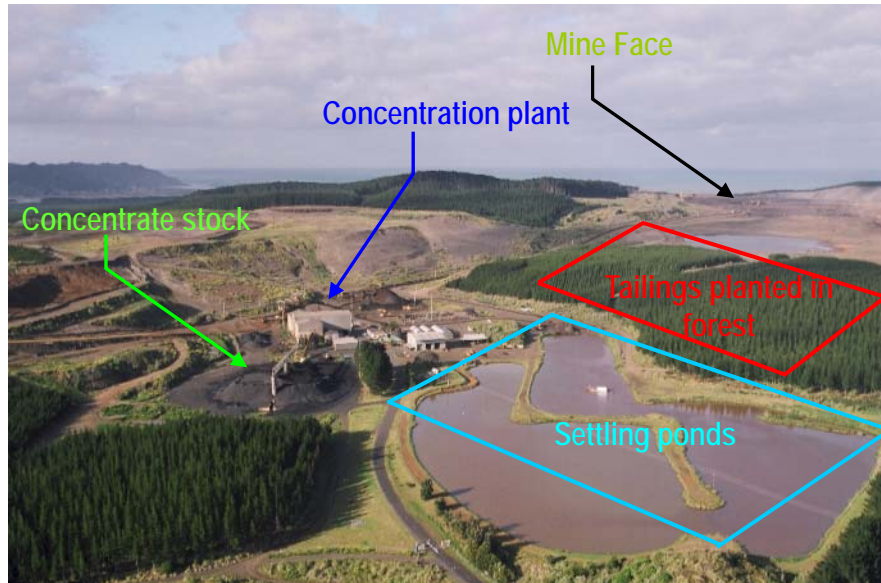
Taharoa shipping

- Loading via a 3km slurry pipe line to offshore buoy
- Presently operating single Capesize ship fitted with specialised de-watering equipment. Purpose-built ship in service since May 2012
- Commencement of second ship (customer supplied / FOB) expected at the end of FY2015
- Commencement of third ship expected mid FY2016

New Zealand & Pacific Steel Products

Waikato North Head – different mining methodology given different sand structure

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



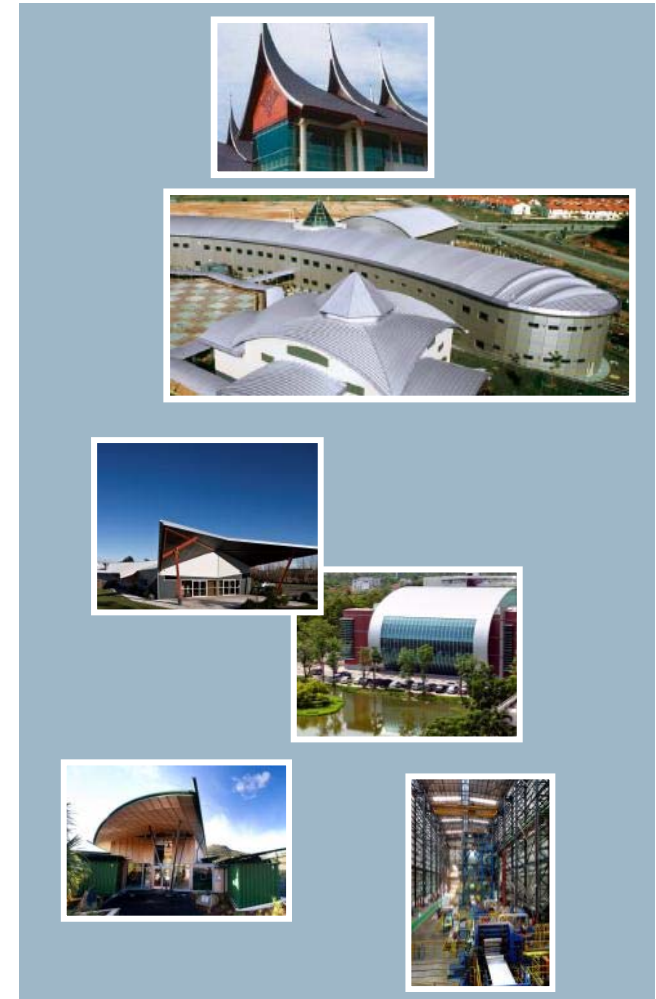


**BUILDING PRODUCTS ASEAN,
NORTH AMERICA & INDIA**

Building Products ASEAN, North America and India

Segment overview

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



Building Products ASEAN, North America and India

Long established position in Asia

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



Building Products ASEAN, North America and India

Growth of core business, before benefits of working with NSSMC

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

Building Products ASEAN, North America and India

Joint venture with Nippon Steel & Sumitomo Metal Corporation

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

Building Products ASEAN, North America and India

NS BlueScope Coated Products geographic spread



Included in JV as these businesses:

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

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

Building Products ASEAN, North America and India

Why have we partnered with NSSMC?

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

Building Products ASEAN, North America and India

Opportunities from working with NSSMC

Initially quantified opportunities

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

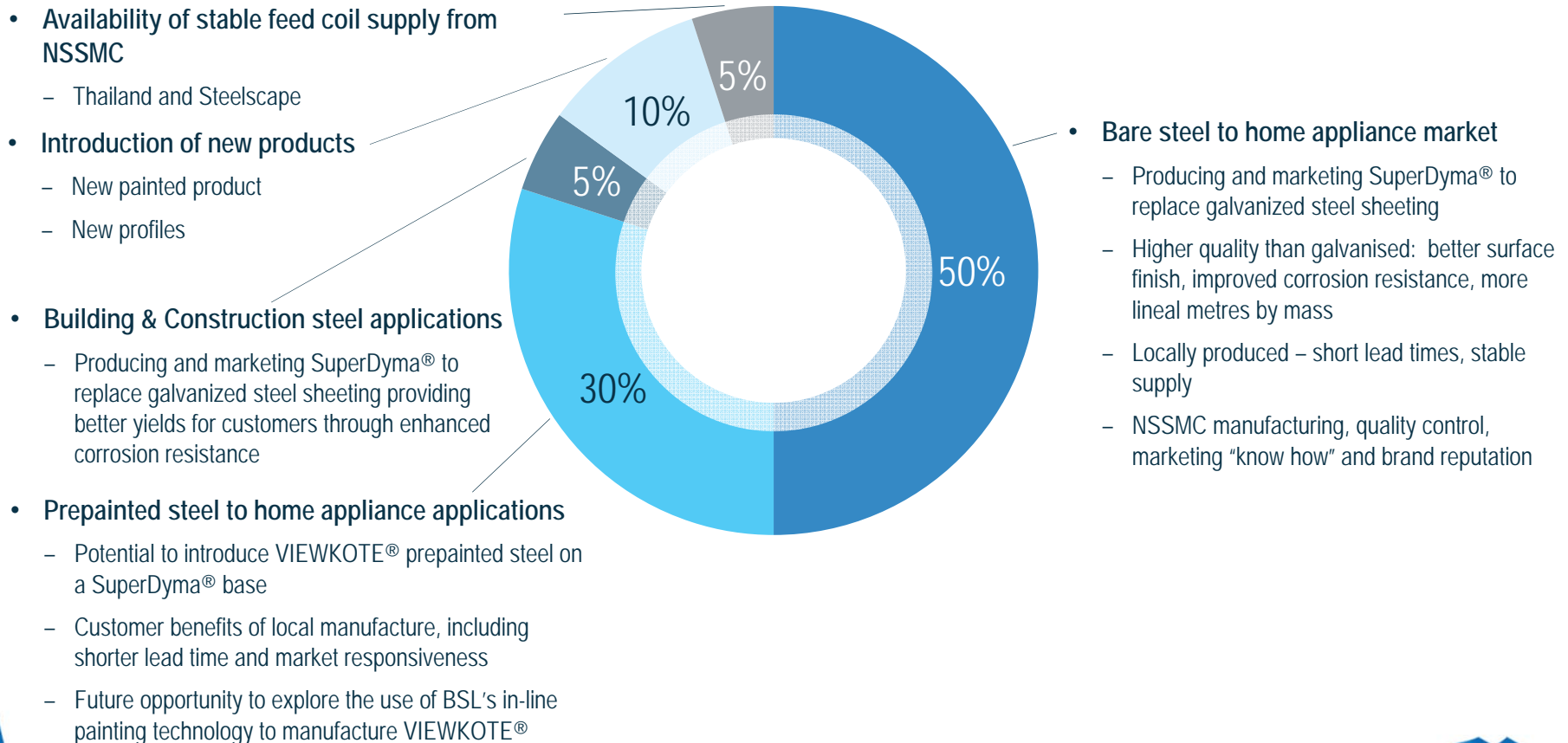
Further opportunities for review and quantification

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

Building Products ASEAN, North America and India

Initially quantified opportunities focused in home appliance manufacture

Target-case indicative earnings uplift to JV
by identified opportunity



Source: internal BSL & NSSMC analysis



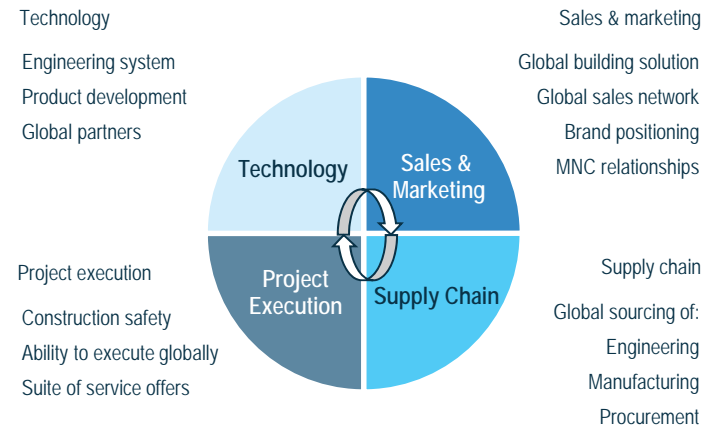
**GLOBAL BUILDING
SOLUTIONS**

Global Building Solutions

Segment overview

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

Unique set of capabilities



Global Building Solutions

Strategy for growth

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

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

Global Building Solutions

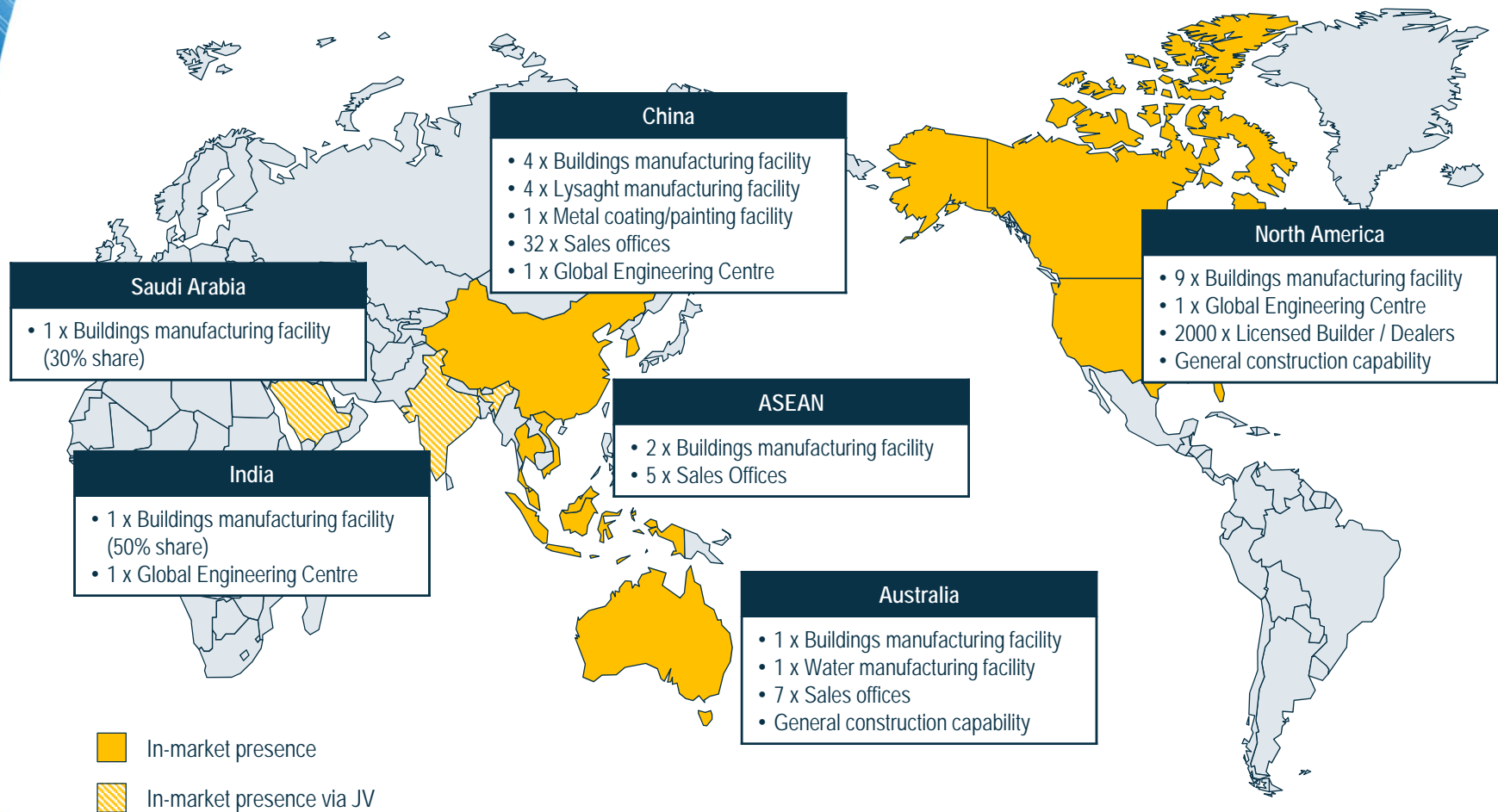
Earnings drivers

Key earnings drivers

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

Global Building Solutions

Unrivalled manufacturing, engineering and sales footprint

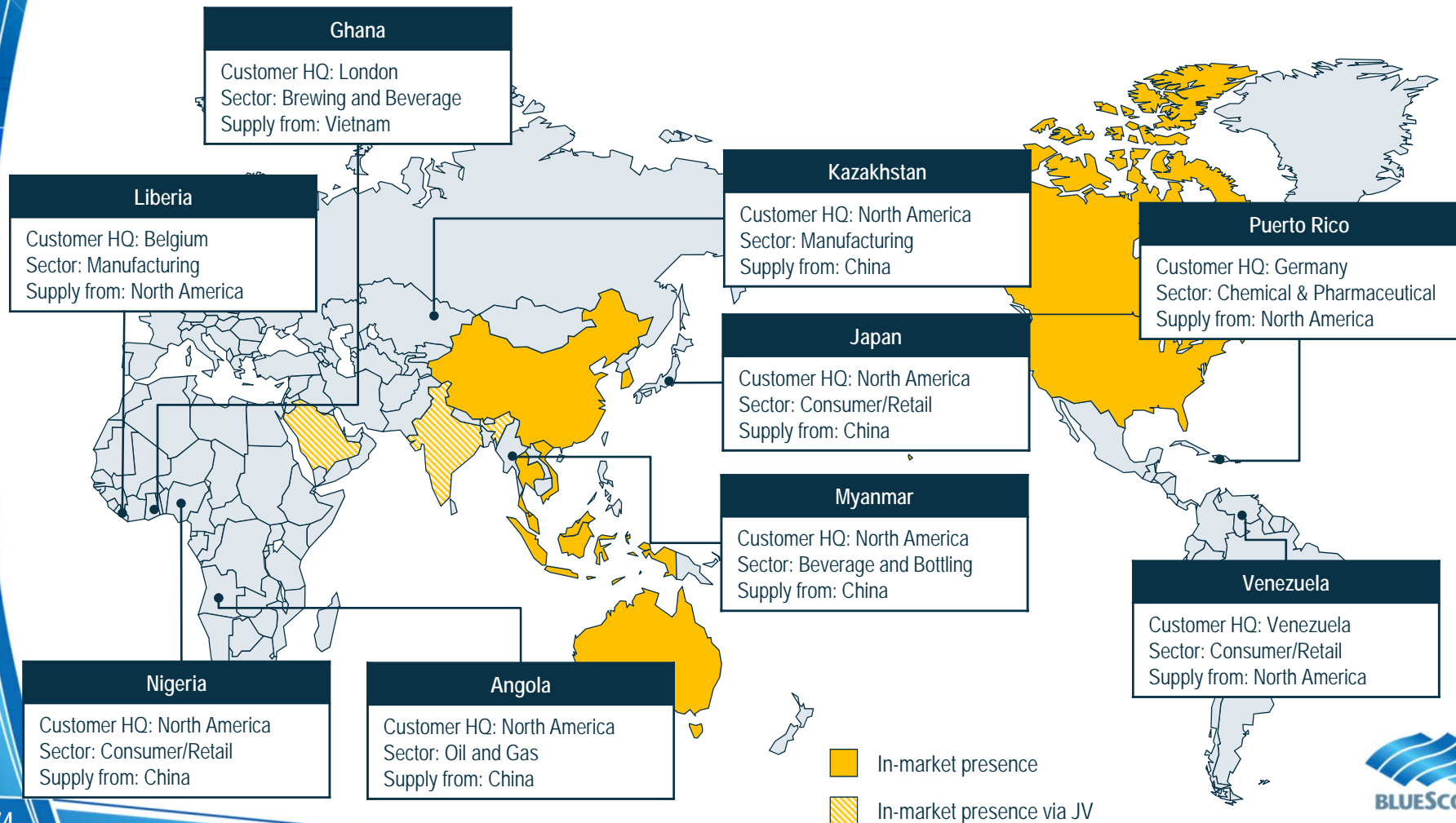


Global Building Solutions

Global accounts team

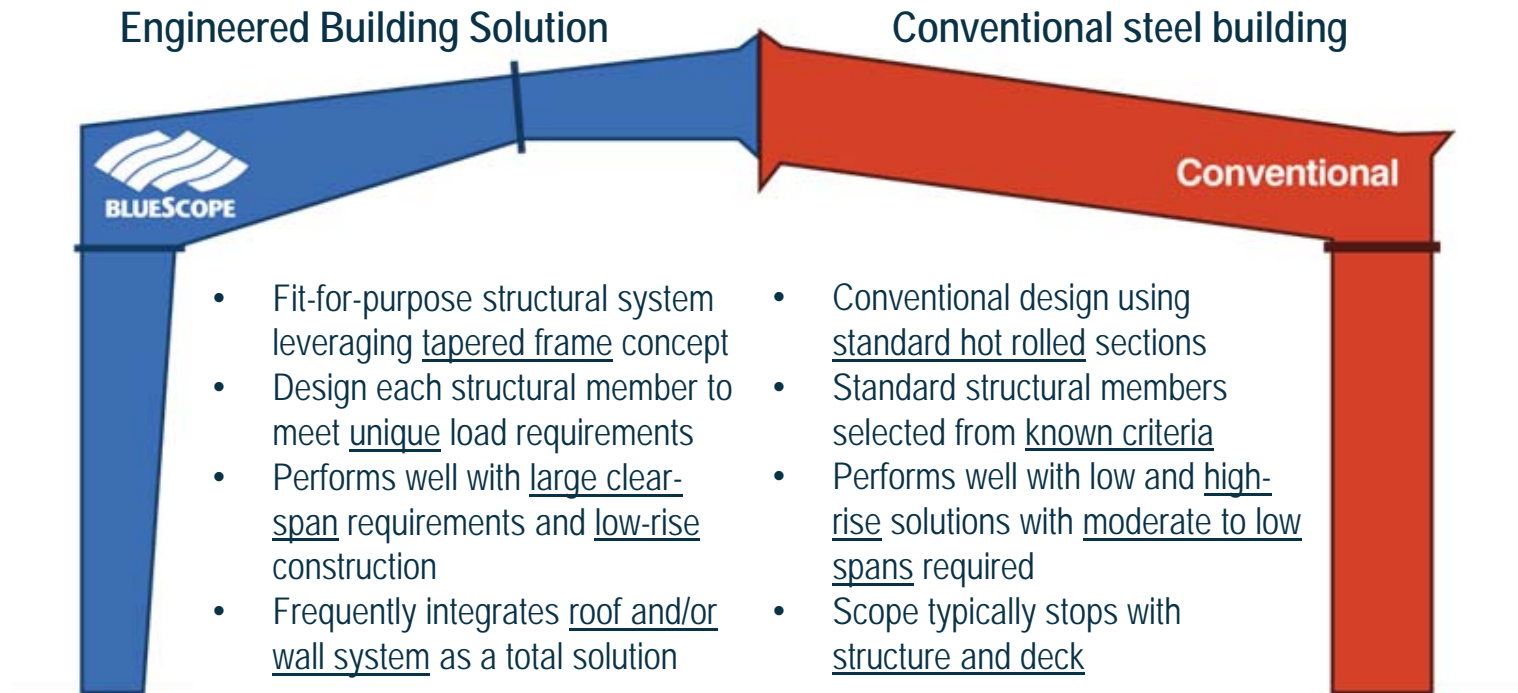
The Global Accounts team leverages our strong brand reputations and operating footprint to deliver engineered building solutions on a global scale

Recent projects



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Comparative benefit of an engineered building solution



Key benefits to engineered building solutions are:

- ✓ Reduced steel usage on targeted end use buildings
- ✓ Integration: One trade performing structure, roof, and walls vs. three
- ✓ Rapid construction time
- ✓ Superior lifecycle costs of metal roof systems
- ✓ Reduced dependency on certified welders in field
- ✓ Well suited for emerging design-build trend in construction industry

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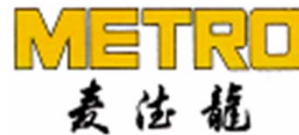
'Breakthrough' results

110,000 sqm facility erected in 28 working days



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Current and past project customers



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A Global Accounts example – Span/Costco

BlueScope, Span Construction and MulvannyG2 design and build Costco warehouse outlets worldwide

- ✓ Strategic partnership since 1989
- ✓ Over 1,050 projects completed totalling 7 million sqm
- ✓ Projects completed in the United States, Canada, Australia, Mexico, Taiwan, South Korea and Japan
- ✓ Average project size of 14,000sqm
- ✓ Aggressive schedule (45 days) for building shell erection – EBS scope; 110 days from ground break to store opening



Membership warehouse retailer – seventh largest retailer in the world



A leading US supplier and erector of Engineered Building Solutions



Global architecture firm specialising in retail and commercial sectors



Some benefits of the global program for Costco:

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

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Example projects – manufacturing



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Example projects – retail / warehousing

O'Reilly AUTO PARTS
PROFESSIONAL PARTS PEOPLE




OUR PEOPLE MAKE THE DIFFERENCE
KATOEN NATIE

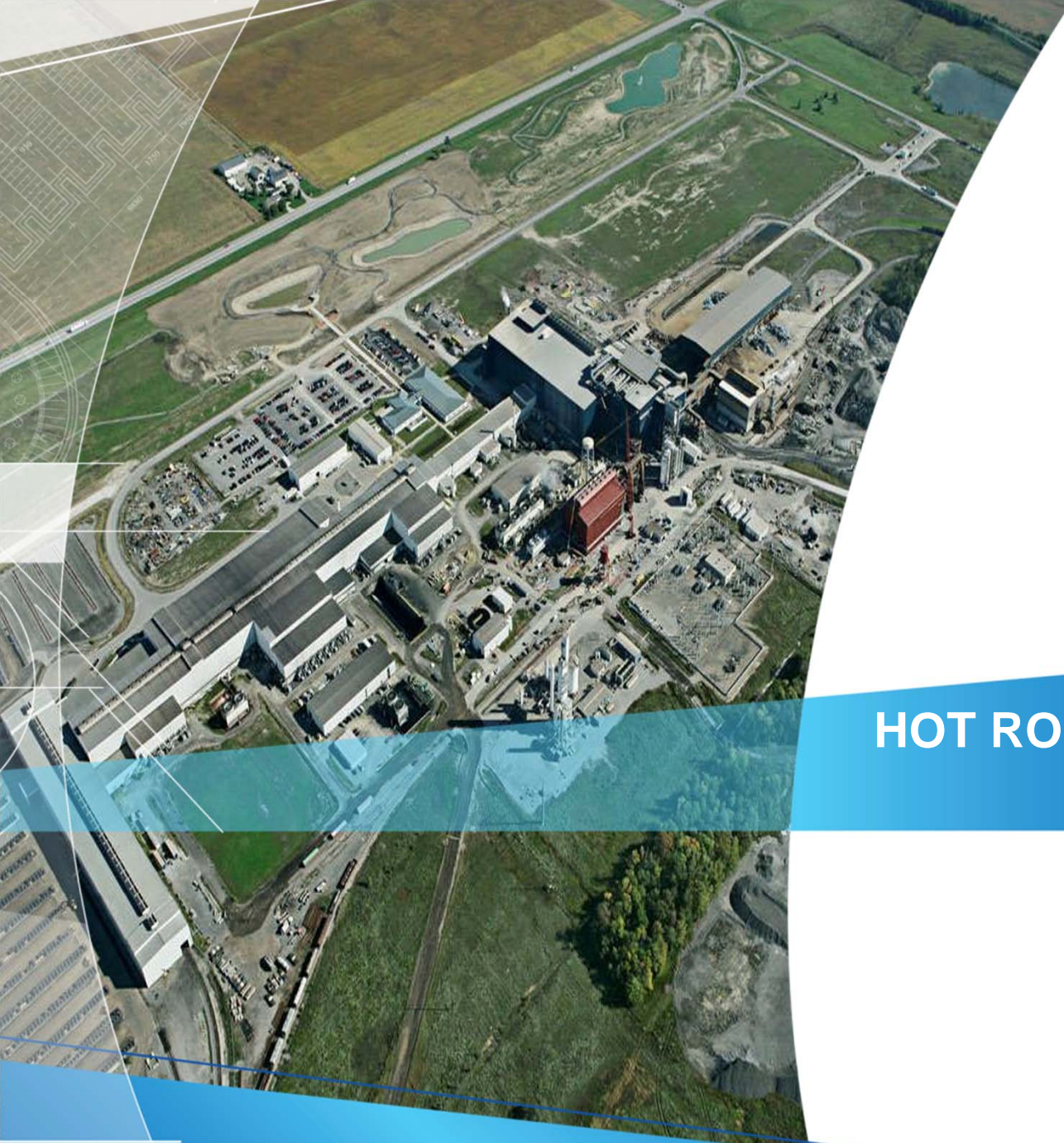



MOTOR
HARLEY-DAVIDSON
CYCLES



FedEx



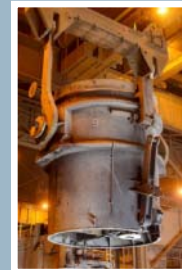


HOT ROLLED PRODUCTS NORTH AMERICA

Hot Rolled Products North America

Segment overview

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



Hot Rolled Products North America

Strategy & earnings drivers

Strategy

- Maintain profitability with low cost, highly flexible operations
- Maintain strong focus on customer relations
- Continue to look at productivity improvement initiatives

Key earnings drivers

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



Investor Introductory Pack

August 2014

BlueScope Steel Limited. ASX Code: BSL