FY2015 Financial Results Presentation

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

24 August 2015

BlueScope Steel Limited. ASX Code: BSL

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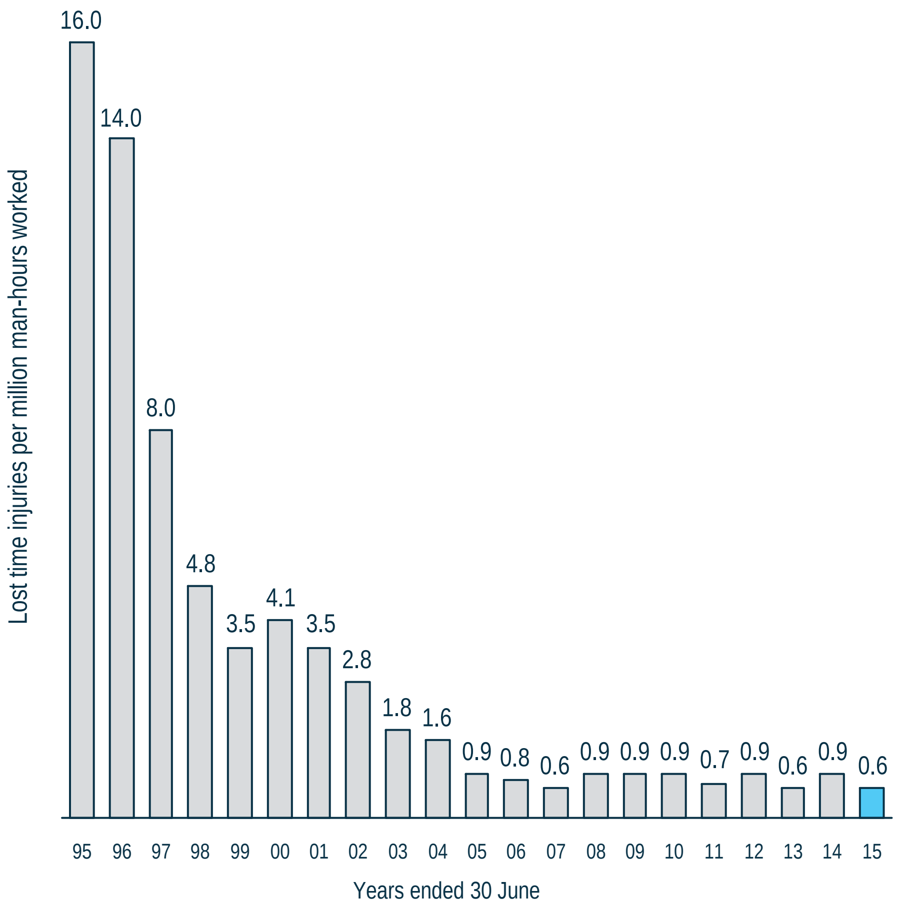
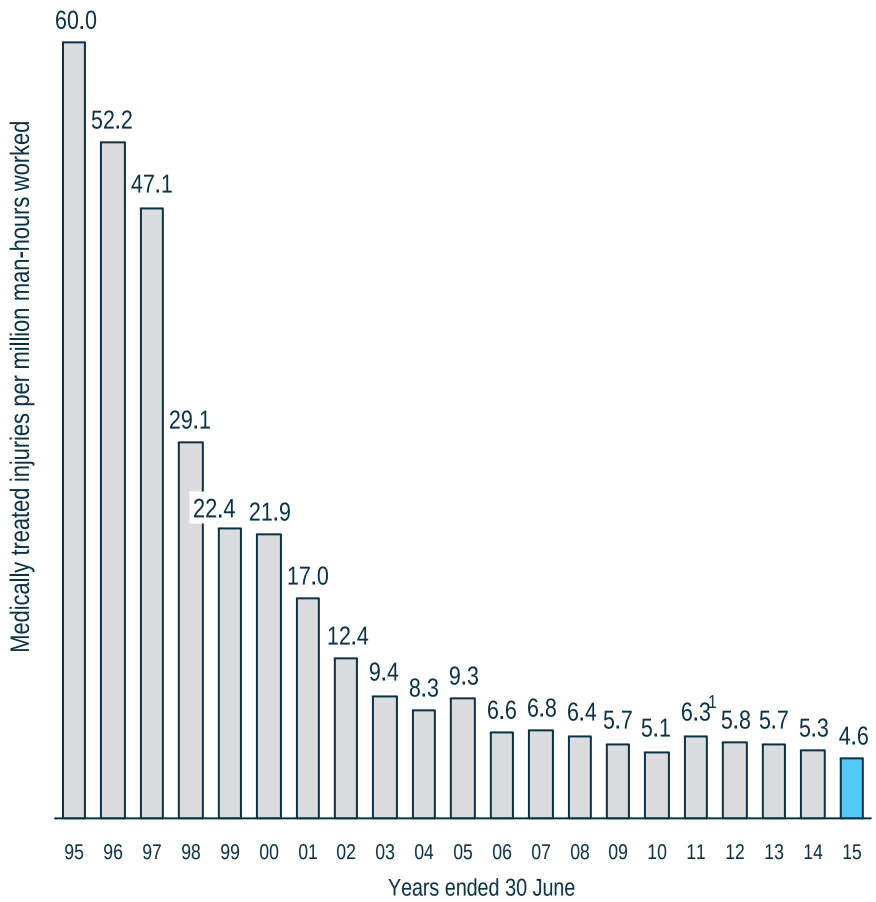
INTRODUCTION

Progress towards our goal of Zero Harm

Lost time injury frequency rate



Medically treated injury frequency rate



Charts include contractors from 1996, Butler from May 2004, 2007/08 acquisitions and Australian operational restructure in 2012

Note: (1) The MTIFR baseline has been reset from 4.4 to 6.3. This change relates to revised principles that raise the bar on BlueScope's MTI definition

FY2015 results summary

Best profit performance since FY2008

Underlying EBIT

$301.8M ⬆ 14%

2H result $130.8M

Return on invested capital[1]

5.9% ⬆ from 5.5%

Underlying net profit after tax

$134.1M ⬆ 9%

2H result $52.9M

Final dividend per share – fully franked

3.0 cps ⬆ no dividend last year

Interim dividend 3.0 cps fully franked

Reported net profit after tax

$136.3M ⬆ 265%

2H result $43.6M

Net debt

$275.2M ⬆ $13.6M

Down from $406M at Dec 2014

Comparisons are FY2015 vs FY2014. Underlying results are provided to assist readers better understand the underlying financial performance; refer to page 51 for information on the adjustments from reported financial information. Note that arising from the reclassification of the Building Solutions Australia business to Discontinued Operations, prior period underlying earnings have been restated (including 1H FY2015) – refer to page 69 for detail.

Note: (1) Underlying EBIT over average net assets employed

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Segment underlying EBIT summary

Better results from all segments other than New Zealand

Australian Steel Products

$150.3M ↑ 216%

- Increased spreads (mainly raw material benefit)
- Improved cost performance
- Mix and domestic volume slightly weaker
- Significant losses continued in commodity steelmaking

New Zealand & Pacific Steel

($33.2)M ↓ 144%

- Losses in commodity steelmaking and iron sands
- Lower iron sands and steel prices and despatches
- Better steel product mix
- Acquisition of Pacific Steel

Building Products ASEAN, Nth Am & India

$98.3M ↑ 11%

- Good improvements in Indonesia and India
- Weaker volumes and margins
- Solid 2H contributions from ASEAN businesses

Global Building Solutions

$43.7M ↑ 62%

- Strong Nth Am performance – volumes & margins; one-off $11M benefit from initiative to de-risk pension fund
- Solid China Coated contribution
- Asia Buildings weak; but good progress on restructure

Hot Rolled Products North America

$107.3M ↑ 3%

- Higher volumes and consistent 100% utilisation
- Favourable FX translation impacts
- Slightly weaker spreads

Corporate

($64.7)M ↓ 19%

- Lower costs

Comparisons are FY2015 vs FY2014. Underlying results are provided to assist readers better understand the underlying financial performance; refer to page 51 for information on the adjustments from reported financial information. Note that arising from the reclassification of the Building Solutions Australia business to Discontinued Operations, prior period underlying earnings for ASP have been restated (including 1H FY2015) – refer to page 69 for detail.

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STRATEGY REVIEW

Our strategy defines our portfolio management priorities

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

Note: included in the Coated & Painted Products grouping are our Australian, New Zealand, ASEAN, U.S., India and China metal coating, painting and rollforming operations. Australia & NZ Steelmaking includes all operations in both countries up to and including HRC and plate production.

Agenda

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Coated and Painted Products

Growing from a position of strength

Global scale	• Third largest manufacturer of painted steel and ZnAl coated steel globally • Recognised quality leader in nine countries and outright leader in six
Strong global competitive advantage	• Well-understood formula for success based on: – Market leading multinational brands (COLORBOND® steel, ZINCALUME® steel, BlueScope Zacs®) and local brands (Prima™ steel, Durashine®, etc.), and technology – Premium quality products valued by customers in each tier – Established channels to market – Attractive growth markets: brownfields incremental growth, close to the core
Multinational track record of success	• Track record of success across Asia-Pacific, with in-market manufacturing in nine countries • Good returns on invested capital across portfolio • Successfully working with our partners NSSMC and Tata

Coated and Painted Products

Growing from a position of strength

Large, foundation core business in ANZ generating cash

- Strong capability base and cash generation driven by large core businesses in relatively mature Australia and NZ markets
  - Provides a strong platform to fund growth engines

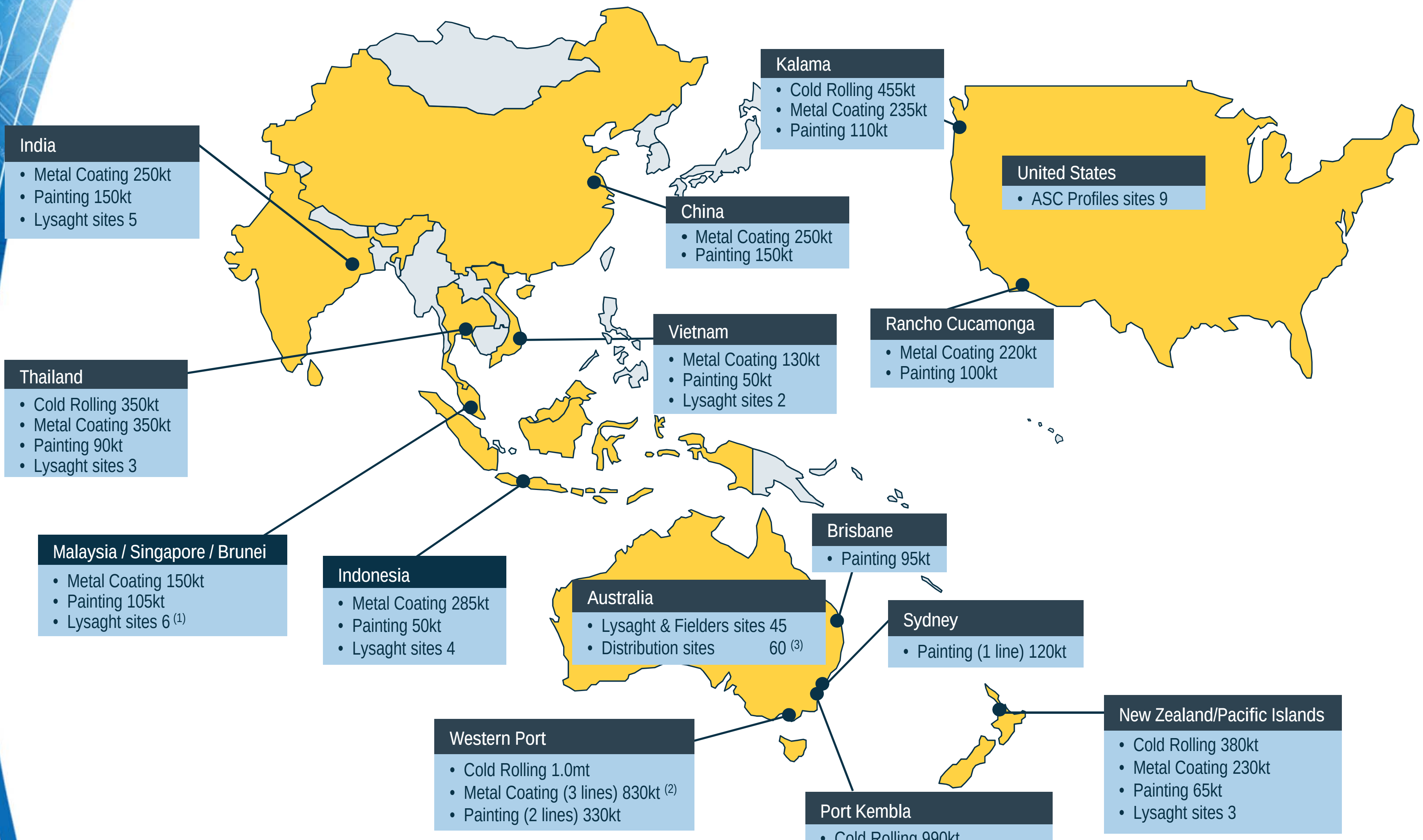
Growth engines

- Portfolio well positioned for growth with long established positions in markets with strong long term growth trajectory in Thailand, Indonesia, Malaysia, Vietnam, China and India
- Growth potential in adjacent businesses (e.g. coated steel for home appliance market in Thailand and ASEAN)
- Strong pipeline of innovation, including upside from new products that are yet to be rolled out across the portfolio (e.g. AM technology[1])

Note: (1) For example ZINCALUME® steel with Activate® technology

Coated and Painted Products

Comprehensive footprint across Asia, Australia & New Zealand



Note:
India operations are in joint venture with Tata Steel. ASEAN and North American operations are in joint venture with Nippon Steel & Sumitomo Metal Corporation

1) Four sites in Malaysia, one in Singapore, one in Brunei
2) One line has been idled, reducing available capacity by approximately 230ktpa
3) Restructure in progress

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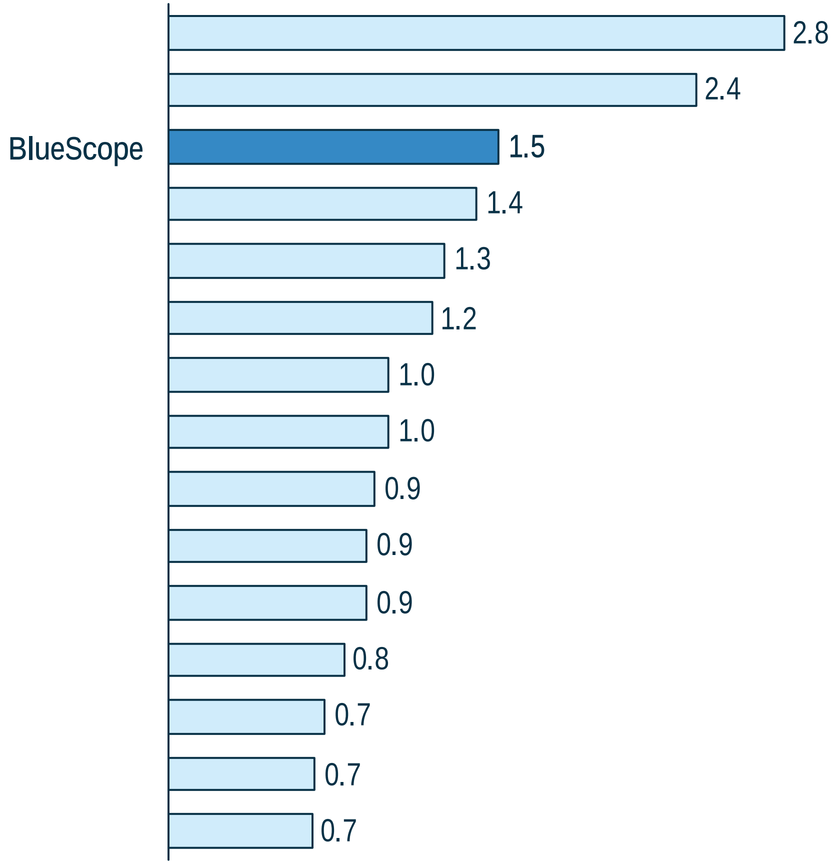
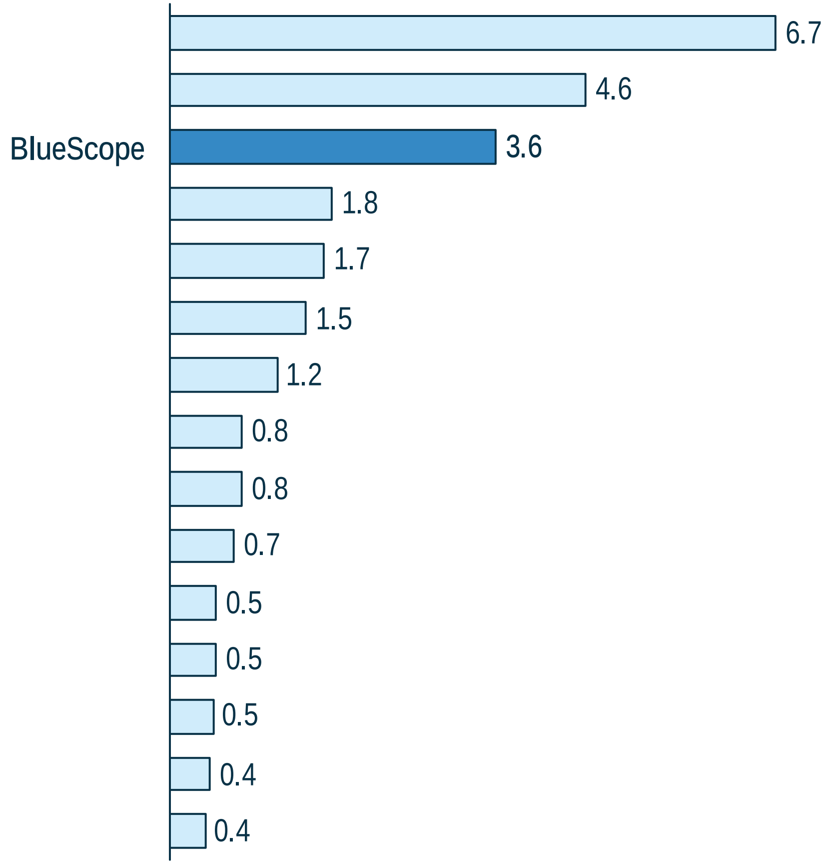
Coated and Painted Products

Third largest global manufacturer; #1 in building and construction

Global painted steel manufacturers by volume (Mtpa)



Global ZnAl coated steel manufacturers by volume (Mtpa)



Source: CRU research

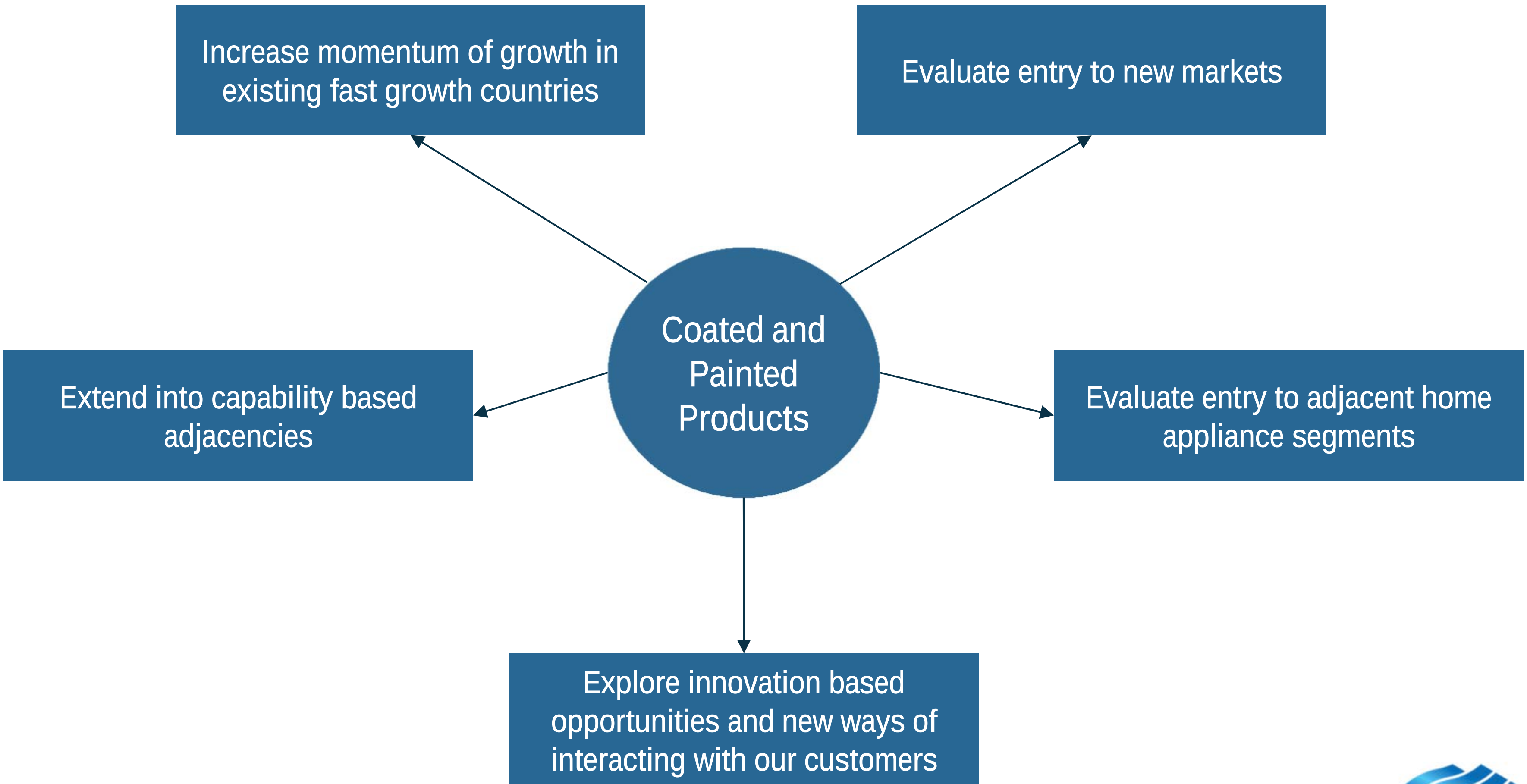
Coated and Painted Products

Leader in building market brands in Asia and Australasia

Note: SuperDyma® is a brand of our NS BlueScope Coated Products joint venture partner, Nippon Steel & Sumitomo Metal Corporation

Coated and Painted Products

Growth in the portfolio can come from existing markets, entry into new markets, as well as product and segment extensions based on innovation and R&D



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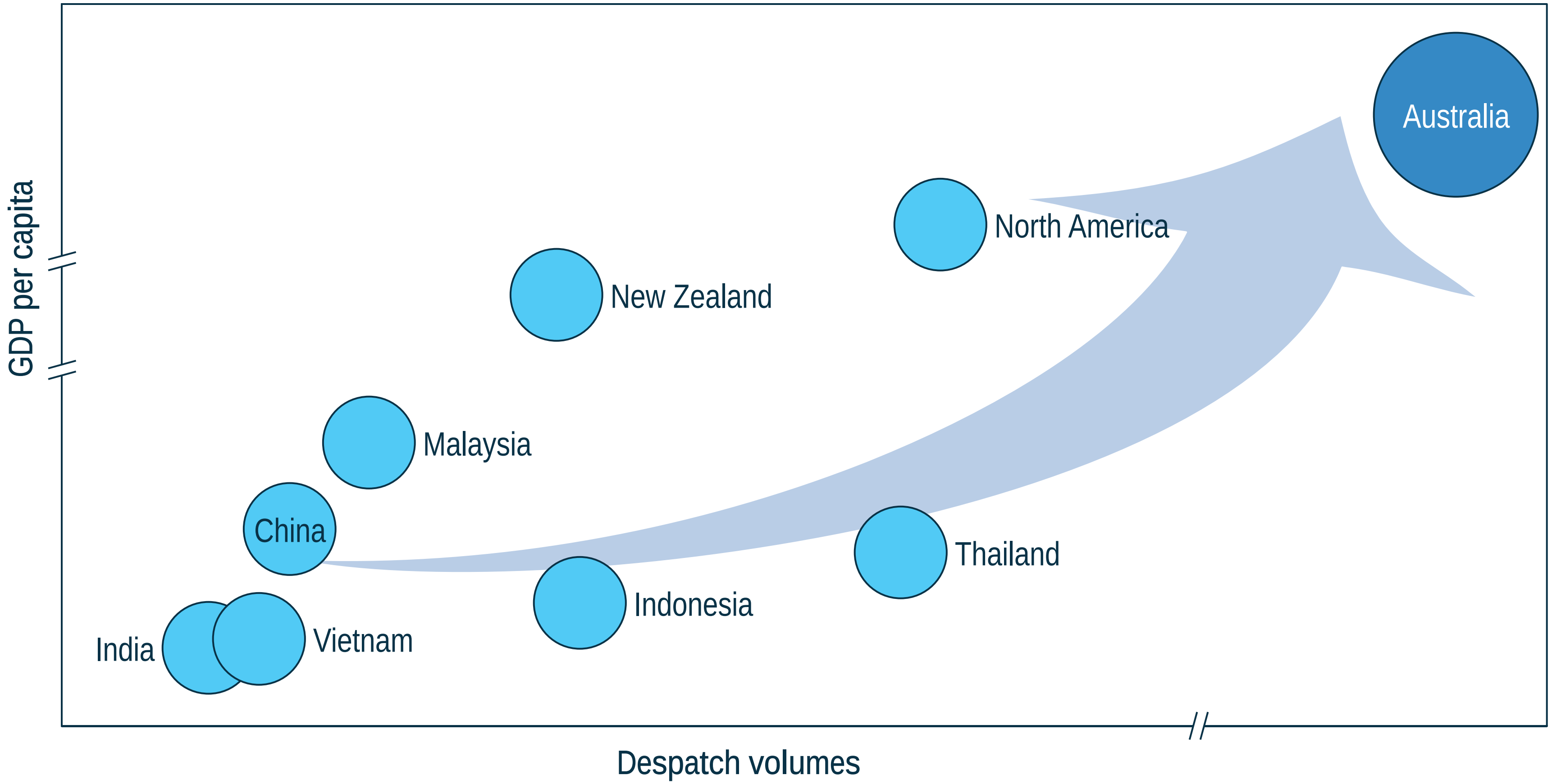
Coated and Painted Products

The portfolio contains a pipeline of markets that have the potential to become significant cash generators as they mature

DEVELOPING MARKET GROWTH TRAJECTORY — FY2015



GDP per capita sourced from IMF World Economic Outlook

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Building Solutions

Driving growth in premium branded building solutions in North America and China

Leading positions	• Market leader in two largest global markets: North America and China
Compelling and distinctive business model	• BlueScope has a formula for success in premium engineered building solutions: – Leading ‘category creator’ brands in Butler and Varco Pruden – Differentiated ‘solutions’ based value proposition (including design, fabrication and installation) with differentiation over competitors maintained with continual innovation and commanding a price premium – Aligned channels to market – Substantial market positions in attractive markets

Building Solutions

Driving growth in premium branded building solutions in North America and China

Strong growth potential in North America	• Strong profit growth potential from continued recovery of U.S. commercial construction market
Turnaround underway in China	• Turnaround of large, but under performing, China business is underway and showing good early results
Longer term growth options in ASEAN	• Long term growth potential from small, profitable ASEAN business in Thailand, Vietnam, Indonesia • Partial ownership of 50:50 joint venture with Tata Steel in India, and 30% share in SBS Saudi Arabia joint venture

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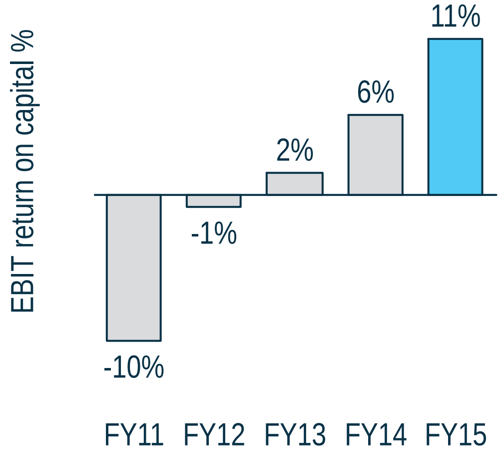
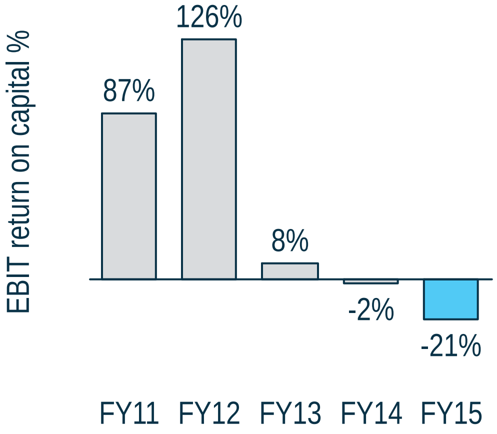
Building Solutions
Improvements in ROIC expected

Engineered Buildings North America



Improving returns from successful cost initiatives and increasing volumes

Engineered Buildings China and South East Asia



Strong historical performance; recent weakness being addressed

	FY11	FY12	FY13	FY14	FY15
Underlying EBIT $M – Engineered Buildings North America	(33.3)	(2.0)	5.4	19.1	42.6
Underlying EBIT $M – Engineered Buildings China and South East Asia	20.3	29.7	4.1	(1.0)	(14.5)

Note: ROIC (return on invested capital) calculated as underlying EBIT divided by average of opening and closing net operating assets

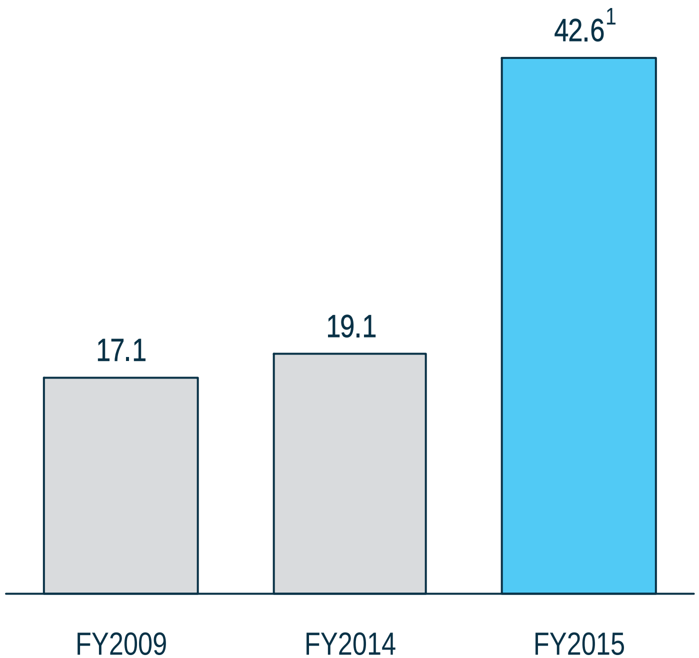
Building Solutions

Earnings leverage to growth in North America from work in prior years on costs

FY2015 earnings were 149% stronger than FY2009 …

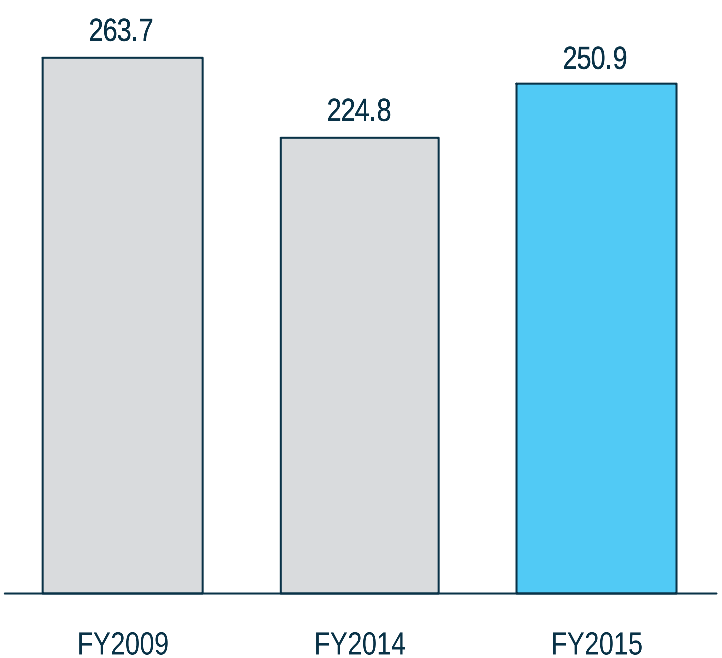
… despite volume 5% lower than in that period

Underlying EBIT of Buildings North America ($M)



Margin: 1.3% 2.4% 4.1%

Volume of Buildings North America (kt)

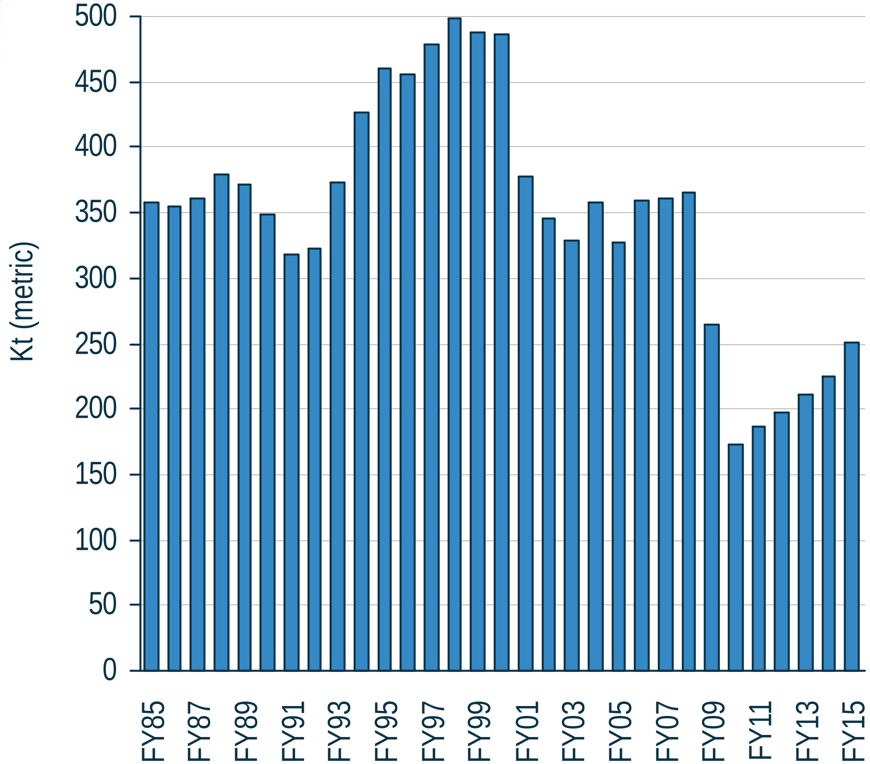


Note: (1) includes initiative to de-risk pension fund obligations by $11.0M

Building Solutions

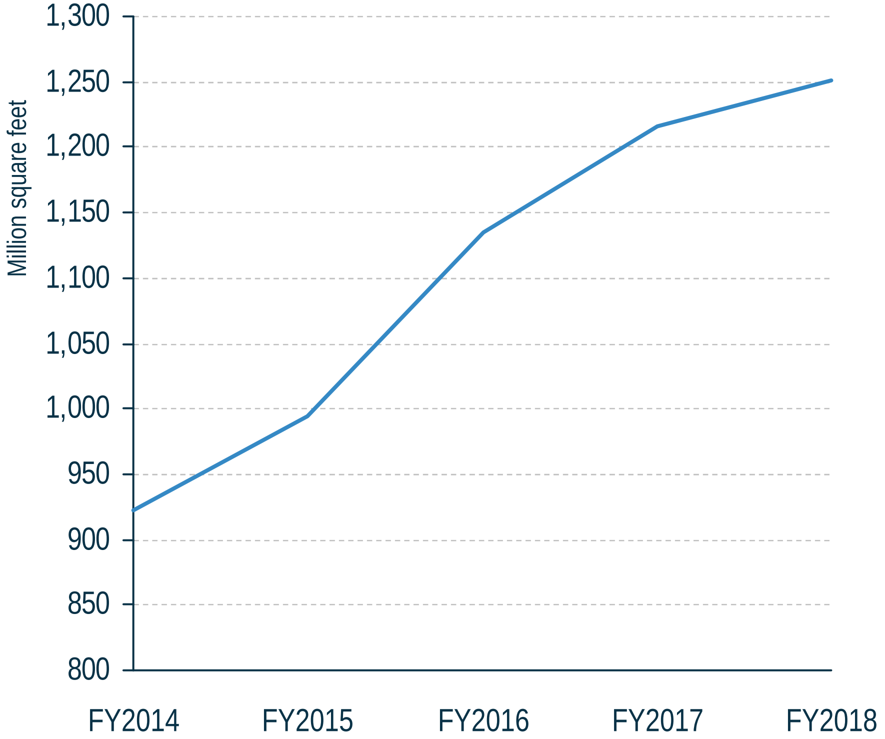
Volume recovery potential and buoyant industry outlook for North American business point to continued growth

Buildings North America – volumes recovering on consistent market share



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

FW Dodge forecast of U.S. non-residential construction



Forecast growth	8%	14%	7%	3%

Source: FW Dodge, Q2 CY2015 data release

Building Solutions

Good progress on China Buildings restructuring

- Restructuring work in 1H FY2015 delivered significant cost savings however volumes and margins continued to decline, leading to poor performance throughout FY2015
- During 2H FY2015, undertook a further review and are executing a broader turnaround plan to restore profitability. Early signs encouraging
- The action plan takes in a wide range of initiatives across the following three areas:

Manufacturing productivity	• Maximise utilisation of in-house frame capacity • Reduce 'direct' labour cost at all sites • Sales and operations planning process
Variable cost reduction	• Sourcing and lean supply chain initiatives • SG&A reduction • Logistics improvements • Improve internal engineering efficiency to reduce outsourcing
Revenue and margin improvement	• Increase price/margin focus • Improve talent management • Re-energize the Butler brand • Improve focus on logistics market

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North Star BlueScope Steel

Maximising value of North Star

Strong competitive advantage	• Geographically advantaged: – Directly within one of the largest scrap steel surplus regions in North America – Approximately 90% of customers are within a 250 mile radius of the mill – Located near rail and road transport • Mill amongst the newest in North America, built in 1995-96 with state of the art equipment • Targeted product range • U.S. hot rolled coil steel manufacturing industry has been consolidating
High performance	• 14 years as leading mill in U.S. for customer satisfaction • Motivated workforce • Operating at 100% capacity utilisation
Track record of low risk expansions	• Delivered incremental capacity expansions over time
Strong cash generation	• Has delivered reliable strong cash flow for BSL, with exceptional returns on invested capital

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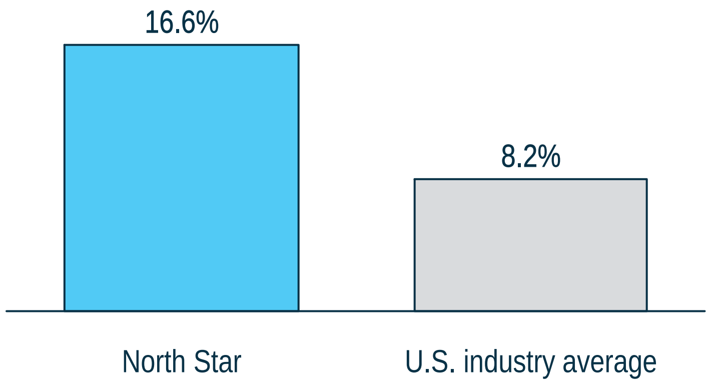
North Star BlueScope Steel

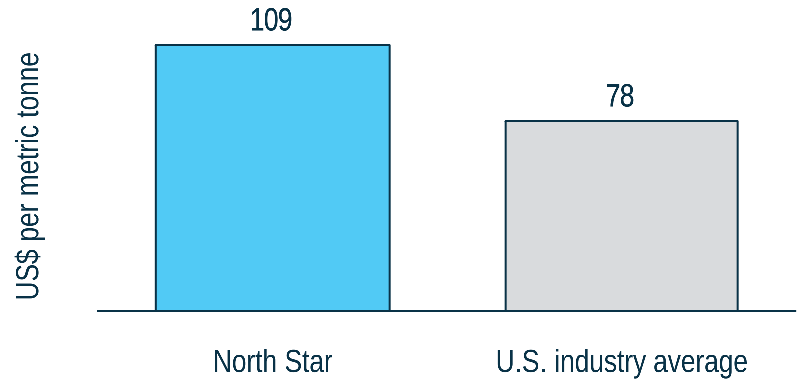
High performing U.S. steel mill

EBITDA margin



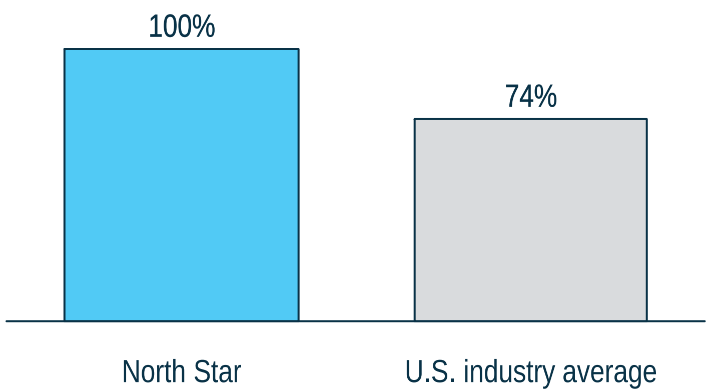
Year to 31 March 2015. Source: North Star BlueScope Steel

EBITDA per tonne



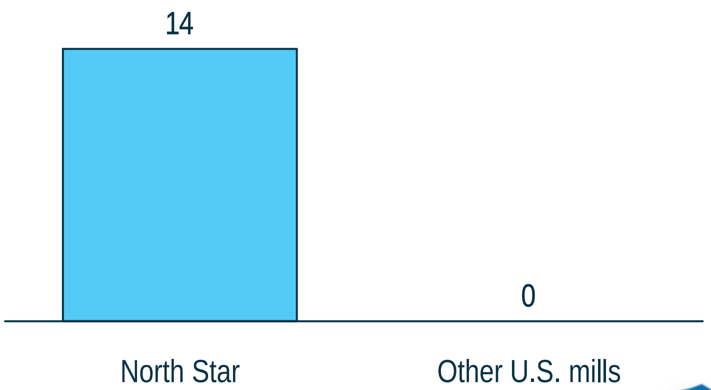
Year to 31 March 2015. Source: Source: North Star BlueScope Steel

Capacity utilisation



Year to 31 March 2015. Source: North Star BlueScope Steel

Years as leading U.S. mill in customer satisfaction

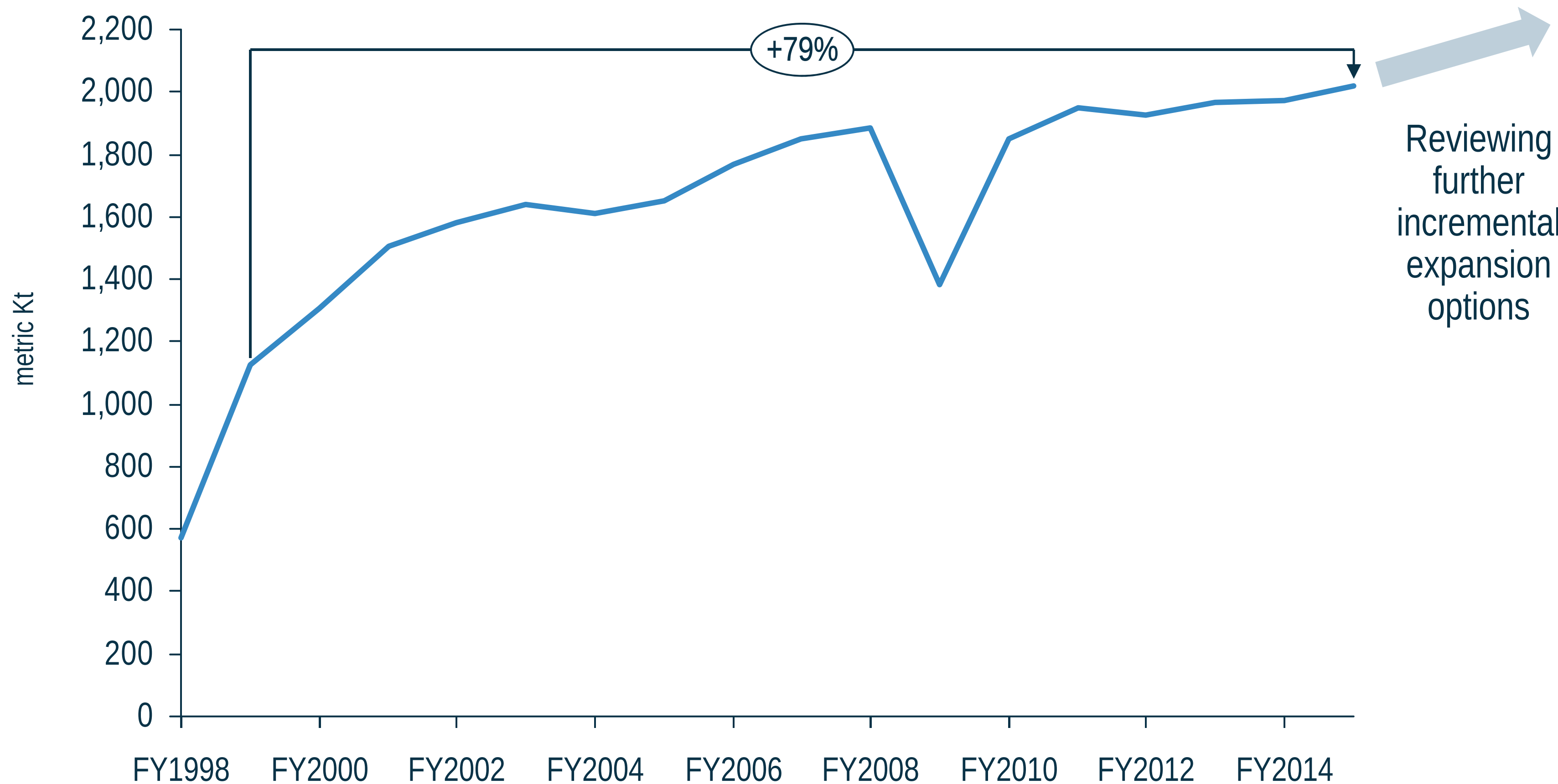


Year to 31 December 2014. Source: Jacobson & Associates

North Star BlueScope Steel

Track record of incremental despatch growth with minimal capital

North Star despatches since commencement (100% basis)



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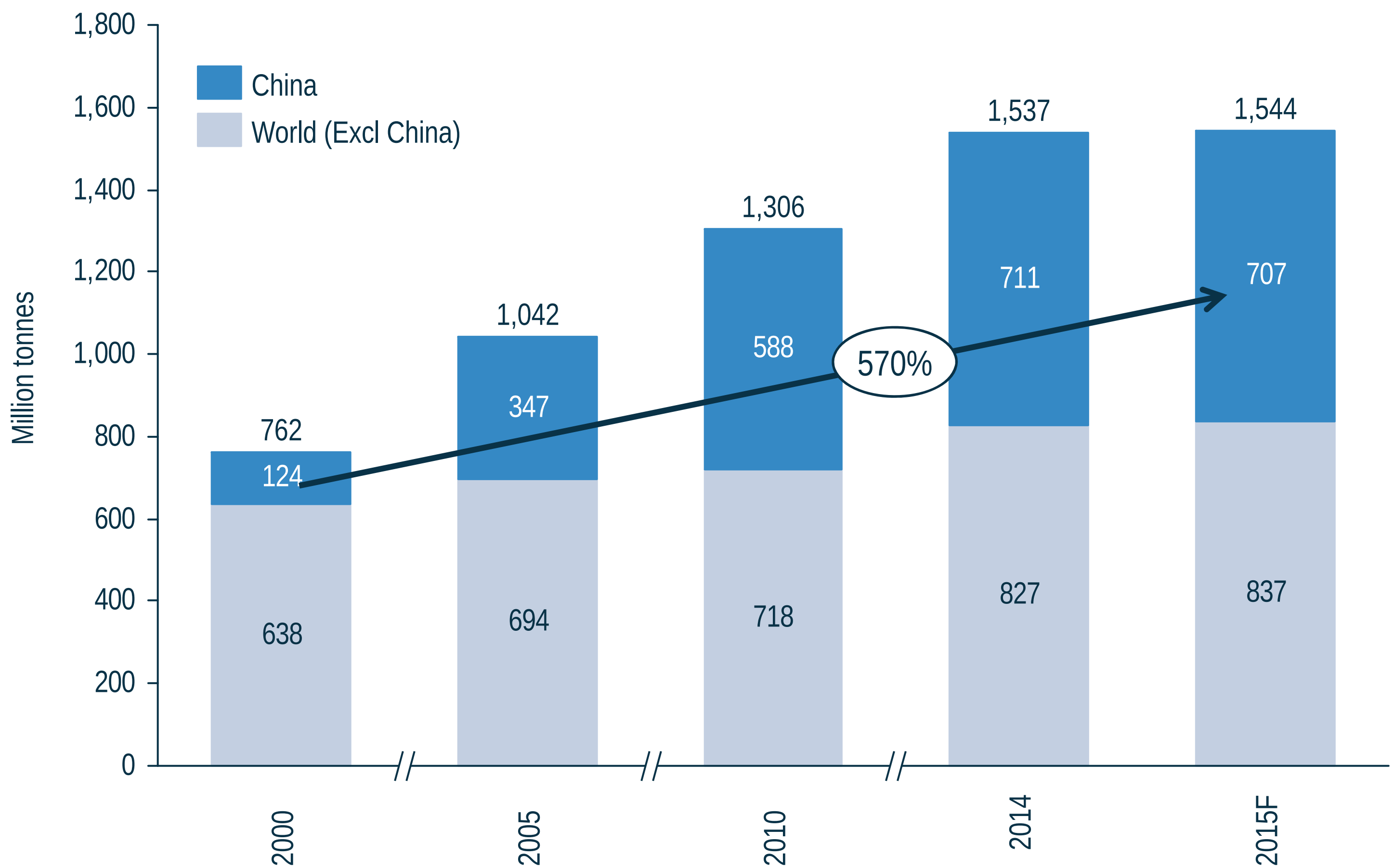
Australia & NZ Steelmaking – industry context

Steel demand in China has grown nearly six-fold in the last 15 years, but has now plateaued…

Apparent finished steel demand

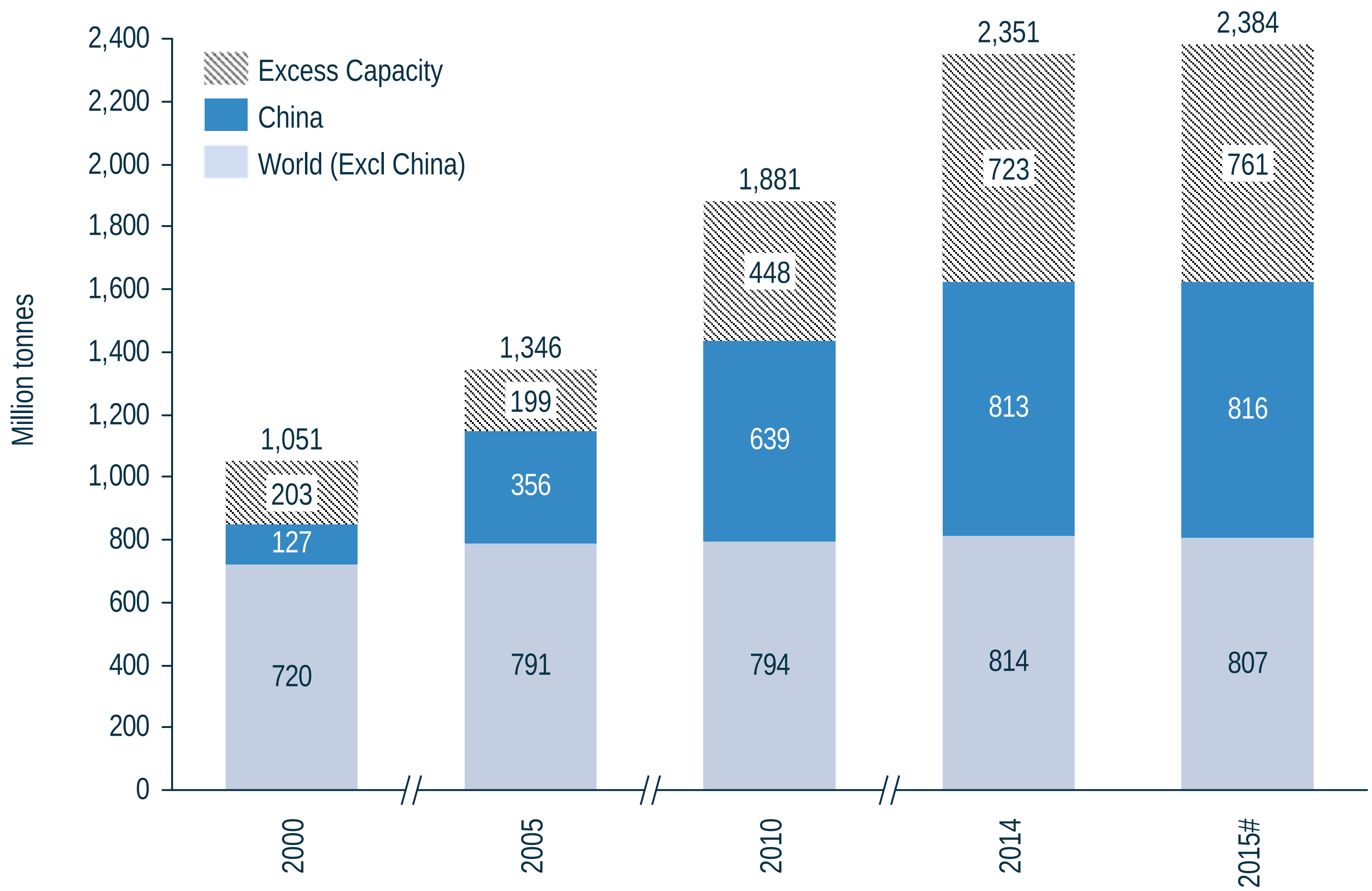


Source: World Steel Association

Australia & NZ Steelmaking – industry context

… and surplus global production capacity is plentiful

Crude steel production and capacity

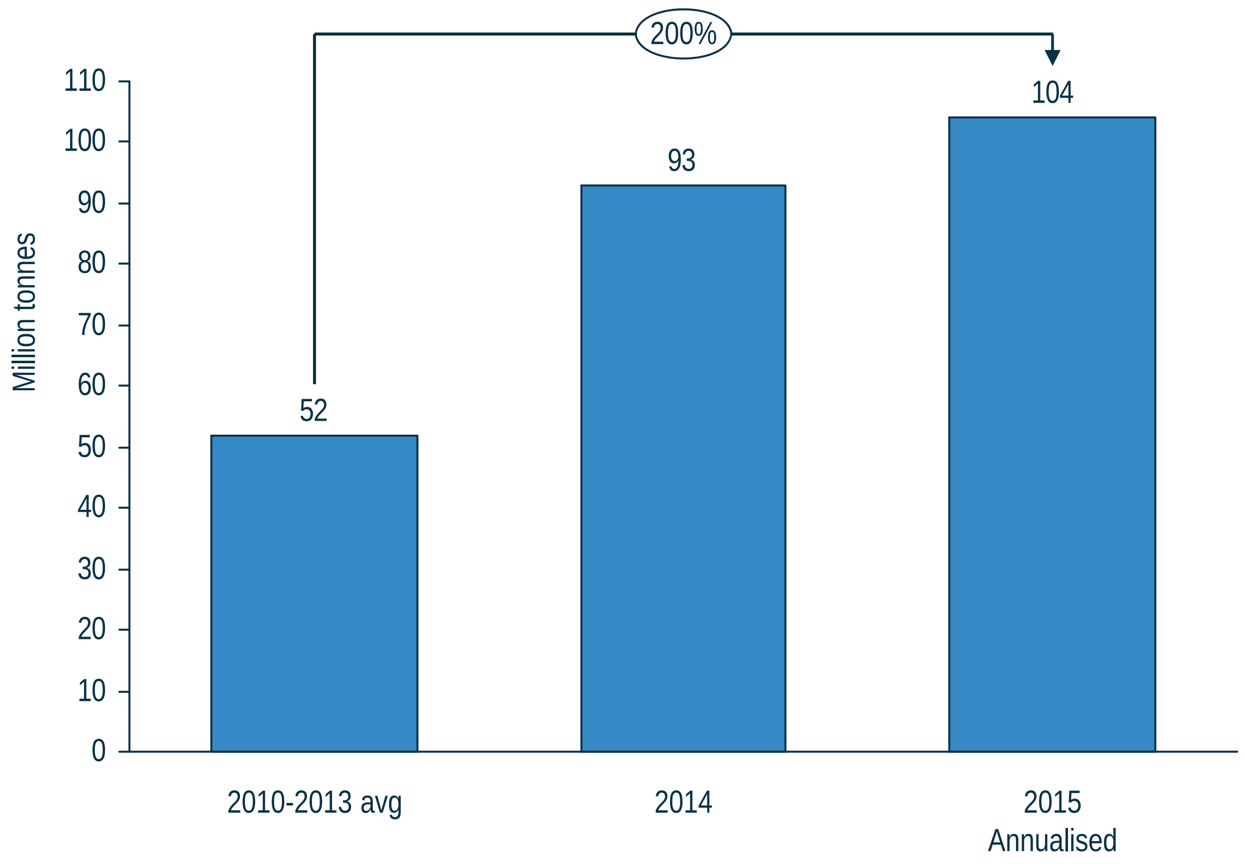


Note #: 2015 production is annualised from WSA monthly data to June 2015
Source: World Steel Association

Australia & NZ Steelmaking – industry context

Exports from China are rising despite increasing action to address unfair trade …

Exports of finished steel from China



Source: ISSB; China export data to June 2015

Australia & NZ Steelmaking – industry context
… with no immediate signs of an intention to moderate volumes

Chinese Commerce Ministry comments, May/June 2015:

"I feel that it's quite normal for Chinese steel exports to these countries to be rising, and it's quite justifiable"

"We encourage Chinese steel makers and related businesses to actively participate in countersuits, and protect their legitimate interests according to World Trade Organisation rules"

Source: Wall Street Journal

China's Ministry of Industry and Information Technology (MIIT) comments, 21st July 2015:

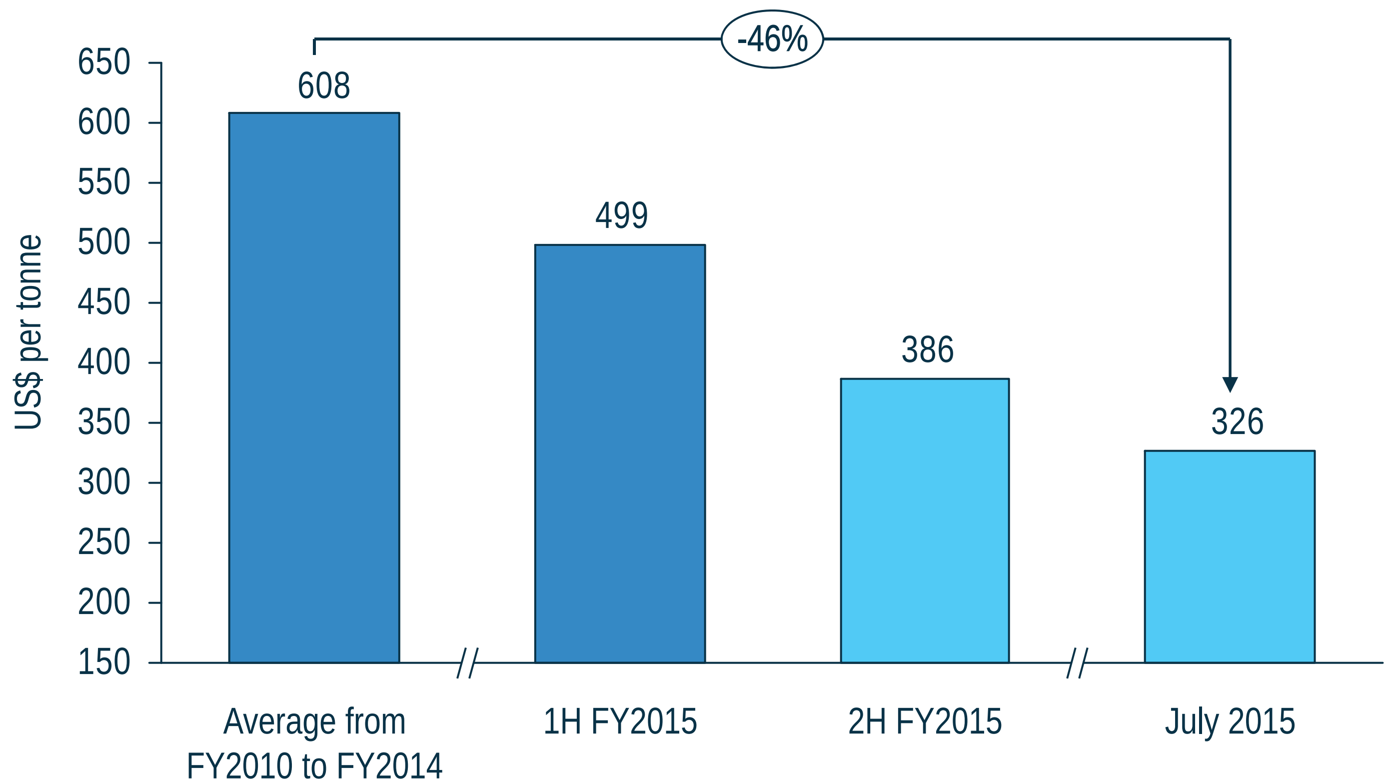
"… the win-win solution is to push out our superior production capacity to the world."

Source: Macquarie Bank Commodities Research, 23rd July 2015

Australia & NZ Steelmaking – industry context

As a result, there has been a sharp decline in hot rolled coil steel prices …

Steel Business Briefing East Asian hot rolled coil price



Source: Platts/SBB

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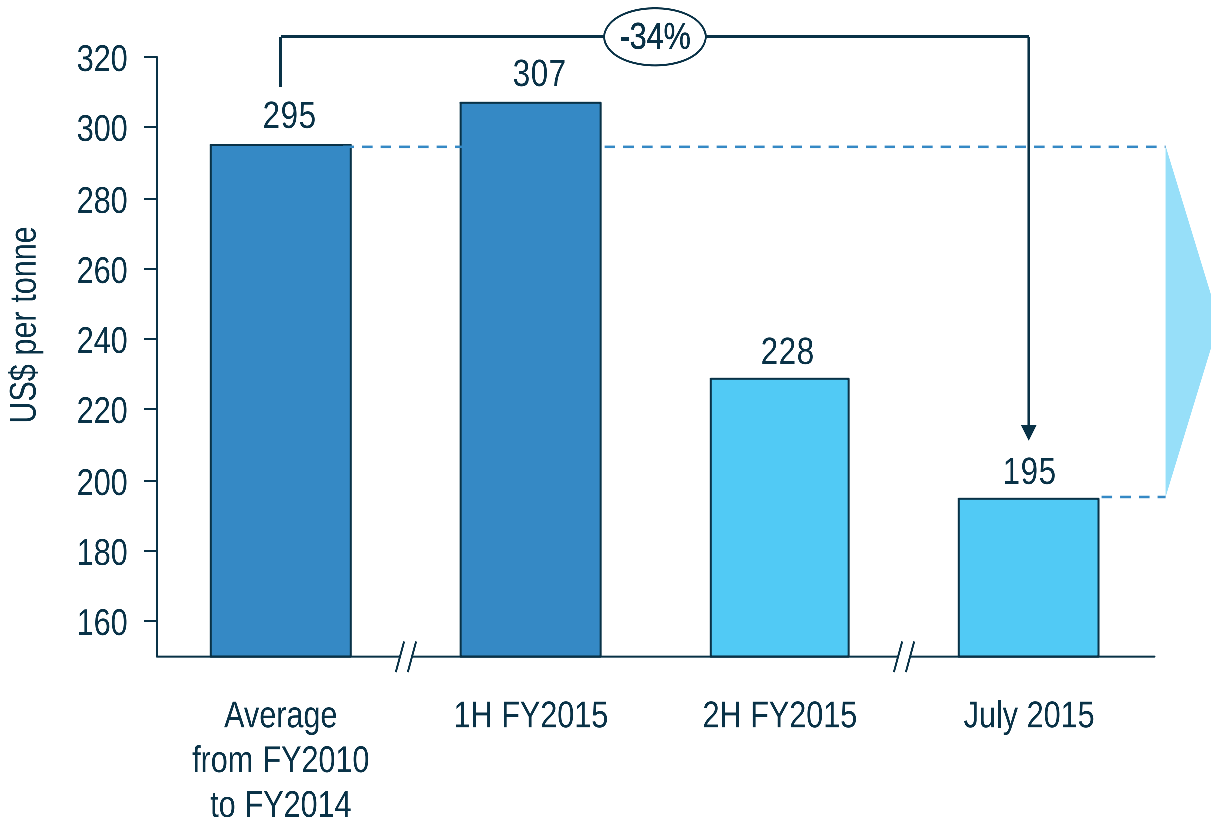
Australia & NZ steelmaking – industry context

… and spread in the last six months – to well below the average from 2010-2014

East Asian hot rolled coil spread[1]



- US$100/t weaker spread cf FY2010-14
- >2 Mt spread exposed despatches at ASP
- >0.5 Mt price exposed despatches in New Zealand

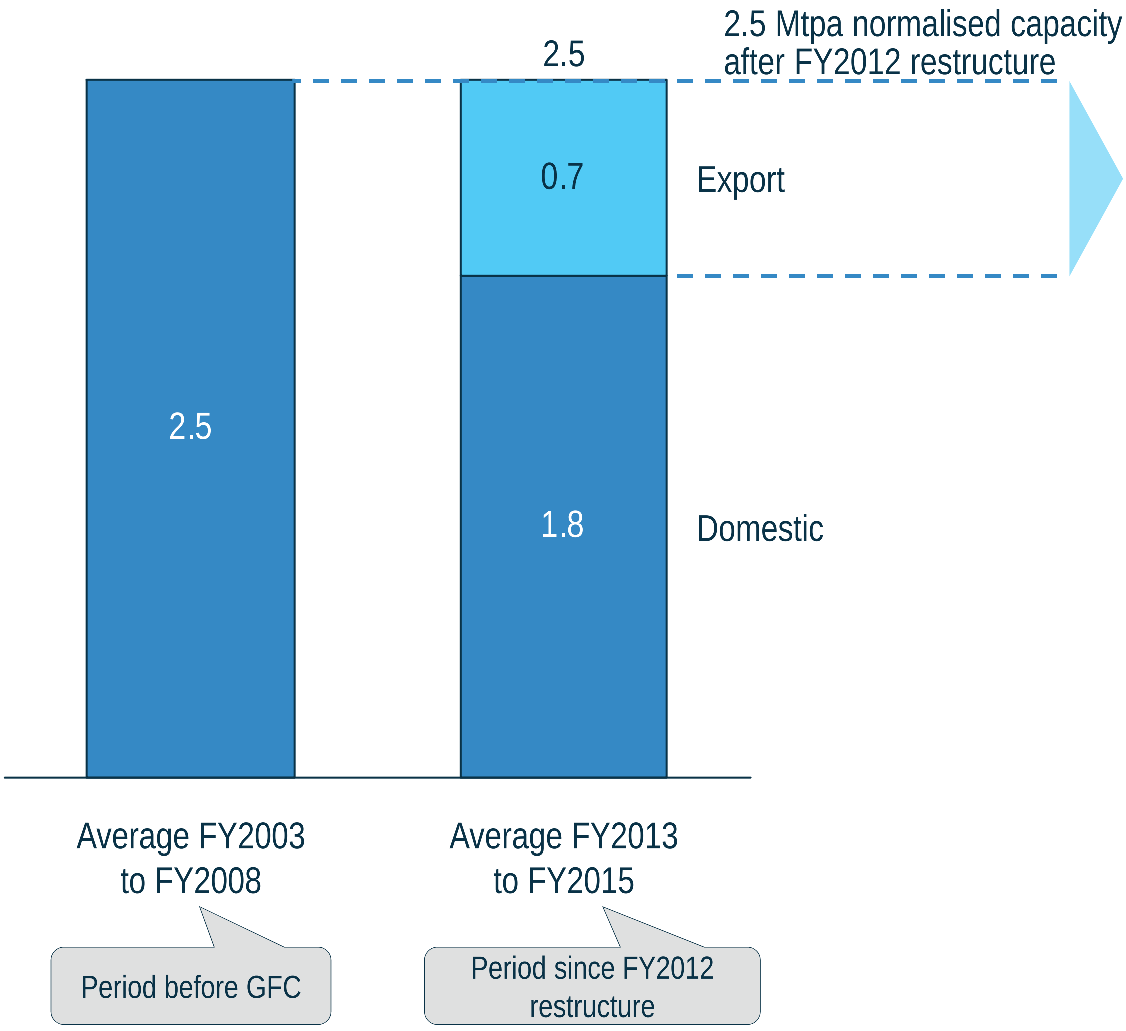
Notes:
(1) 'Indicative steelmaker HRC spread' representation based on SBB East Asia HRC price less cost of 1.5t iron ore fines and 0.71t hard coking coal. See slide in Additional Information section for more detail on calculation

Source: BlueScope calculations based on Platts/SBB data

Australian Steelmaking – business context

Domestic demand is weak

Australian Steel Products despatches of manufactured steel (Mt)

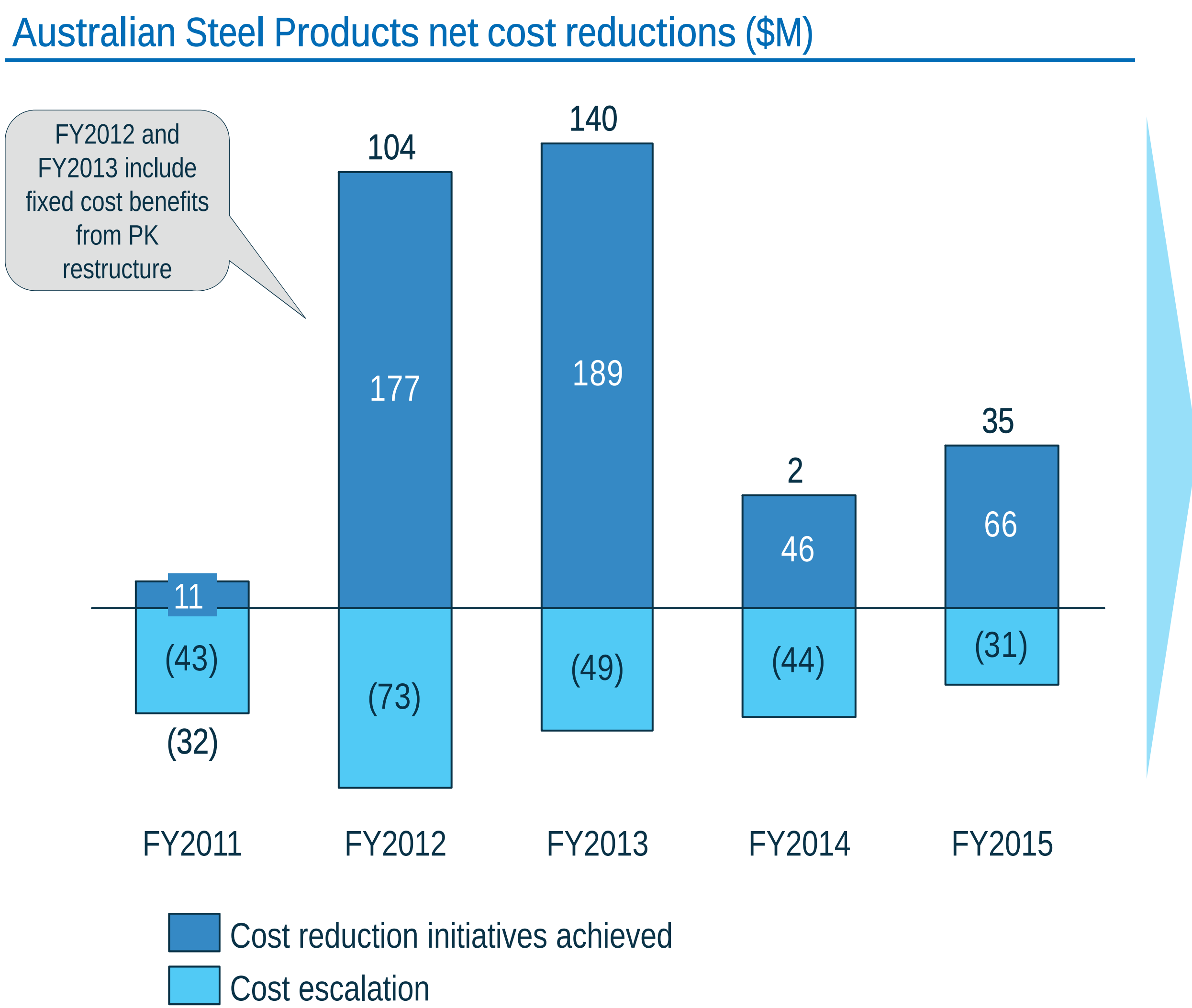


Surplus domestic production capacity since GFC

- Decline in major projects and weak non-residential construction
- Offshore sourcing of end-products such as pipe and tube or complete mining equipment sets
- Mining activity slowing
- Car industry closing
- In general, other than residential construction, domestic demand is weak

Australian Steelmaking – business context

Strong headway on costs and productivity in the past five years …



$249M total cost reductions achieved, net of inflation

Australian Steelmaking – still challenged

- Slab and hot rolled coil are global commodities exposed to an oversupplied regional market
- It is imperative for Port Kembla Steelworks to be cost competitive with import alternatives
- Our goal is to position the business to be cash positive at the bottom of the spread cycle, while maintaining an option to capture upside if/when spreads recover
- This requires a game changing cost reduction, or an alternative sourcing model – mothballing or closure of the Port Kembla steelworks and importation of hot rolled coil
- BlueScope must maintain internationally competitive steelmaking that will support reinvestment

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Australian Steelmaking

Commodity steelmaking is significantly loss-making; strategic review well underway

Choice	Sizing the challenge
A. $200M cash cost reduction: Become competitive against imported HRC through the cycle without high cost-to-achieve	• Over $200M permanent reduction in annual costs by FY2017 • Requires multi-stakeholder collaboration: – Employees – Community – Suppliers – Government and regulators
B. Withdraw from direct steel supply Convert to quality external steel feed and mothball/close steelmaking at PKSW	• Significant costs • ~5,000 direct and indirect jobs lost • Shift to importing quality feed of hot rolled coil into existing cold rolling mills

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Australian Steelmaking

Dimensions of the options under consideration in Australia

		Options under consideration:	
	FY2012 Australian restructure	A Preferred route: game changing cost reduction	B Convert to external feed and mothball steelmaking
Review and planning time	10 months	Well underway	Ongoing
Major assets impacted	1 coke battery, 1 blast furnace (#6), 1 BOS vessel, 1 slab caster, 1 hot strip mill, 1 metal coating line	Nil	3 coke batteries, sinter plant, 1 blast furnace (#5), 2 BOS vessels, steel treatment, 2 slab casters, 1 hot strip mill, 1 plate mill
Pro-forma EBITDA benefit	\$175M pa	Over \$200M pa by FY2017[1]	To be determined
Pro-forma capex saving	\$30M pa	Negligible	To be determined
Cash cost	\$380M	~\$50M[2]	To be determined – current assumption possibly double FY2012
Working capital release	~\$600M	Negligible	To be determined but possibly significantly less than FY2012
Jobs impact	>1,000 employees	~500	~5,000 direct and indirect
Key matters being considered	• Execution risk • Ability to reduce costs & cost-competitiveness of ongoing operations	• Ongoing growth and sustainability of returns • Residual earnings volatility • Ongoing reinvestment requirements	• Security of alternate supply and price volatility • Execution risk • Environment

(1) Benefit is in addition to our normal goal of mitigating impact of cost escalation

(2) Total cash cost of ~\$50M. Total expense of ~\$50M (excluded from underlying earnings), of which \$20M booked in FY2015, and remainder to be booked in FY2016

Australian Steelmaking

Game changing cost reductions required from external stakeholders

Carbon policy	• Our regional competitors are not exposed to a meaningful price on carbon (80% of import competition from Asia) • Policy must move in tandem with, not ahead of, our competitors
ACCC	• Investigations / deliberations are too slow and costly – $3M cost and 34 week delay for $26M acquisition of OneSteel Sheet & Coil – a transaction to ensure domestic industry competitive with imports – Compared to NZ acquisition of Pacific Steel: 12 weeks to approve more complex and four times larger transaction
Payroll tax	• $117M in payroll tax paid to the NSW Government from FY2010-FY2014, at a time when cumulative underlying EBIT for Australian Steel Products business was $584M loss
EPA	• $2.2M pa paid to the NSW EPA in load-based licensing and administrative fees
WorkCover	• BlueScope has an industry-leading safety record and is self-insured • Nonetheless we are subject to three-yearly administrative audits not faced by most other businesses within the WorkCover system – external review indicates the cost of the OHS effort to ensure self insurance compliance in NSW is up to $3.2M per annum

Australian Steelmaking

To keep the Steelworks open we need the support of our employees and the community

- Strategic review well underway – committed to delivering targeted $200M annual permanent cost savings
- Our objective is to maintain steelmaking at Port Kembla, which will allow us to:
  - Remain competitive against imported HRC through the cycle without incurring restructure costs of a closure exercise
  - Retain exposure to upside of improving spreads
  - Sustain jobs for our employees and community
- If this target is not achievable we will move to external supply of quality hot rolled coil steel feed with mothballing or closure of steelmaking at PKSW
  - We have the experience in making significant strategic and operational decisions
  - We have the operational experience in planning and implementing restructures
  - FY2012 restructure: $380M on budget, on time, no lost days, no safety consequences

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Australian Distribution

Significant restructure underway

- Rationalising into two streamlined businesses across 40 sites, to provide a focus on the products where we add the most value for our customers:
  - Tubular goods distribution – pipe and tube, merchant bar and related processing activities
  - Flat steel distribution – sheet, coil and plate, and associated processing activities
- Remaining 20 sites being reviewed for sale, consolidation or closure
- Exiting product lines that are unprofitable or where we don’t offer specific expertise
- Targeting cost savings of $20M pa by FY2017
- Self-funding restructure – funded through working capital release
- Does not involve our Lysaght and Fielders building components businesses

New Zealand Steelmaking – strategic review

Facing similar challenges to that of Australian Steelmaking

- It is imperative for steelmaking to be cost competitive
  - Steel business EBIT fell below breakeven in 2H FY2015 on weaker regional steel prices
  - Steelmaking operations require a game changing approach
- Like Australia, we need significant cost savings or to pursue an alternative business model
- Such considerations don't invalidate the value of the Pacific Steel acquisition – we have acquired a valuable domestic business

New Zealand Steelmaking – strategic review

The challenge

Choice	Sizing the challenge
A. NZ$50M cash cost reduction	• Over NZ$50M permanent reduction in annual costs by FY2017 • Requires multi-stakeholder collaboration: – Employees – Community – Suppliers – Government and regulators
B. Withdraw from direct steel supply	• 500-1000 direct jobs lost • Shift to importing quality feed to supply coating and painting, and long product rolling mills • Mothballing or closure of steelmaking at Glenbrook

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New Zealand Steelmaking

Sale of interest in McDonald's Lime for NZ$41 million

- BlueScope monitors opportunities to monetise non-core assets, including property and business interests, to maximise value for shareholders
- In December 2014, New Zealand Steel agreed to sell its non-core 28 per cent shareholding in McDonald's Lime Limited to Graymont Limited
- New Zealand Steel will receive NZ$41M in cash before final adjustments and recognise a NZ$36M pre-tax profit on the sale of its interest
- The sale completed on 1 July 2015, after NZ Overseas Investment Office approval was received. The transaction is subject to a NZ Government statutory review period in relation to mining permits following a change of control event. Final completion is expected in early October 2015

New Zealand iron sands

Update on iron sands exports

Taharoa

- Expect the break-even price for both EBIT and cash during 1H FY2016 to be in the mid US$60s per tonne[1], dropping to mid US$50s per tonne[1] in 2H FY2016[2]
- Phased approach to expansion capex
  - Initial capex required for expansion activities to March 2016 has been approved
  - Further capex of NZ$40-45M under consideration to deliver productivity and cost improvements over FY2016 and FY2017
- Mining costs will continue to drop in FY2017 and FY2018 (through planned implementation of expansion including a dredge for mining) further reducing the breakeven point below the 2H FY2016 forecast[3]
- Assuming a US$50/t iron ore price[1] the cumulative cash outflow (excluding growth capex) would be around NZ$20M from FY2016 to FY2018[4]
- We are continuing to review options for the business

Waikato North Head

- Current EBIT break-even per tonne for exports at low to mid US$60's 62% Fe iron ore price[5]
- Fully variable supply chain costs; can cease operations when price drops below economic breakeven

(1) On basis of 62% Fe CFR Pilbara iron ore index price
(2) Based on current oil prices and lower freight rates. EBIT breakeven includes mining, processing, shipping, royalties and overhead (incl depreciation) costs; approximately 60-65% of cost base is NZD based. Cash break even based on cash EBITDA less sustaining capital and working capital.
(3) Assumes full expansion capex approved.
(4) Based on 0.72 NZD/USD FX rates, and US$400/t bunker fuel rates. Includes lower freight rates across CFR vessels and assumes export expansion completed in FY2016-FY2017
(5) Based on current oil prices and shipment rates; includes mining, processing, shipping, royalties and overhead (incl depreciation). Approximately two thirds of cost base is NZD based

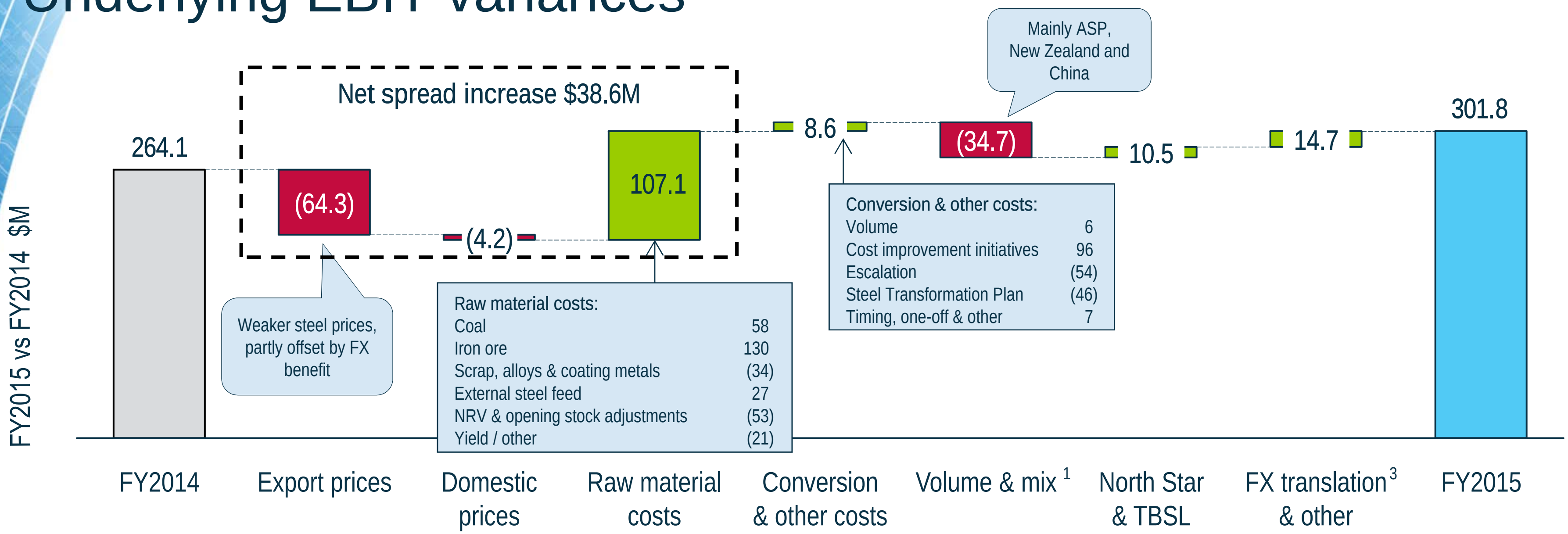
Our strategy is delivered having respect for all four stakeholder groups of Our Bond

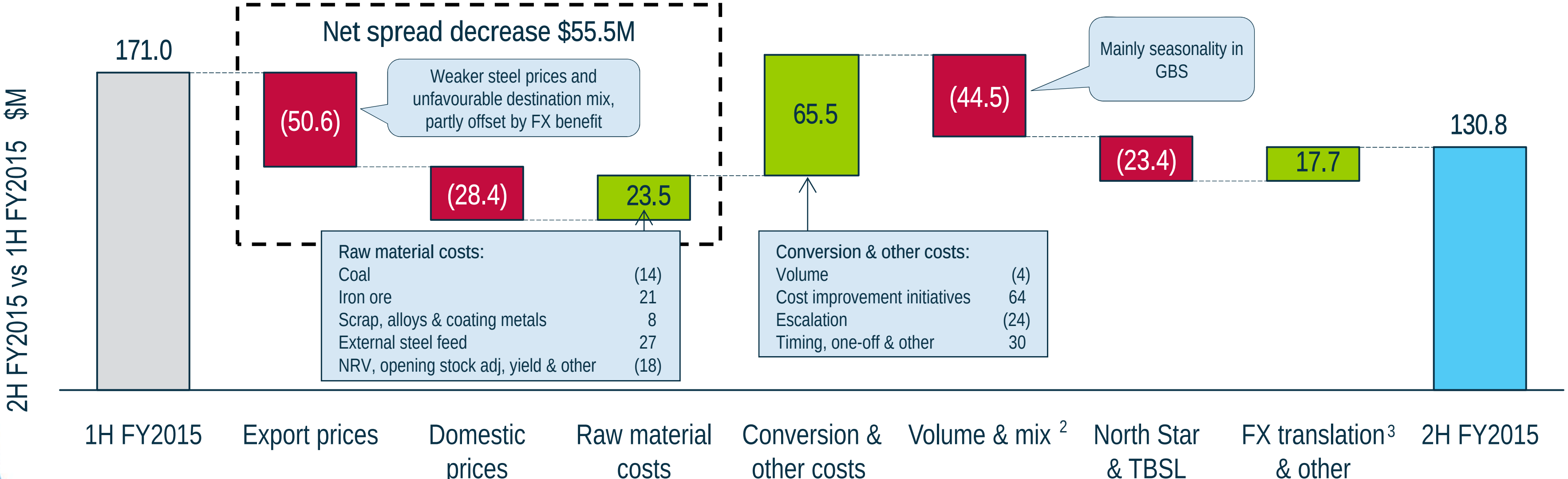
Customers	Employees	Shareholders	Communities

• Work together to create value and trust
• Superior products, service and ideas
• Cost competitive
	• Success comes from our people
	• Provide safe and satisfying workplaces
	• Treat with respect
		• Focus on long term shareholder value	• Respect and do what is right by:
			  • Suppliers
			  • Environment
			  • Government
			  • Local values

FINANCIALS

Underlying EBIT variances





Notes: 1) Volume / mix based on FY2014 margins 2) Volume / mix based on 1H FY2015 margins
3) FX translation relates to translation of foreign currency earnings to AUD, transactional foreign exchange impacts are reflected in the individual categories

Underlying earnings

$M	FY2014	FY2015	2H FY2015
Underlying EBIT	264.1	301.8	130.8
Underlying borrowing costs	(66.1)	(71.2)	(35.7)
Interest revenue	3.7	4.3	0.6
Profit from ordinary activities before tax	201.7	234.9	95.7
Underlying income tax (expense)/benefit	(33.7)	(59.5)	(23.4)
Underlying NPAT from ordinary activities	168.0	175.4	72.3
Net (profit)/loss attributable to non-controlling interests	(44.5)	(41.2)	(19.4)
Underlying NPAT attributable to equity holders of BSL	123.5	134.1	52.9

Improved on 2H FY2014 (which was $113M before restatement[1]; $120M after restatement)

8% increase in FY2015 due to higher average debt balance with weaker AUD:USD

24.4% effective underlying tax rate

Note (1): arising from the reclassification of the Building Solutions Australia business to Discontinued Operations, prior period underlying earnings have been restated (including 1H FY2015) – refer to page 69 for detail.

BLUESCOPE

Reconciliation between reported NPAT and underlying NPAT[1]

	2H FY2015 NPAT $M	FY2015 NPAT $M
Reported net profit after tax	43.6	136.3
Underlying adjustments		
Accounting adjustment on closure of defined benefit superannuation	-	(19.0)
Tax asset write-back	(3.4)	(8.9)
Asset sales	(3.8)	(7.3)
Business development and acquisition costs	1.9	7.4
PKSW sinter plant waste gas cleaning stack fire	(0.3)	4.7
Debt restructuring costs (write-off of unamortised borrowing costs)	-	2.8
Restructuring & redundancy costs	20.9	19.2
Discontinued Business (gains) / losses	(6.0)	(1.1)
Underlying net profit after tax	52.9	134.1

Note: 1 – Underlying NPAT is provided to assist readers to better understand the underlying consolidated financial performance. Underlying information, whilst not subject to audit or review, has been extracted from the full year financial report which has been audited. Detail can be found in Table 2A of the ASX Earnings Report for the year ended 30 June 2015 (document under Listing Rule 4.3a)

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Cash flow

$M	FY2014	FY2015	1H FY15	2H FY15
Reported EBITDA	429.9	639.6	349.9	289.7
Adjust for other cash profit items	(1.2)	14.8	(8.9)	23.7
Cash from operations	431.1	654.4	341.0	313.4
Working capital movement (inc provisions)	68.3	0.6	(121.1)	121.7
Gross operating cash flow	499.4	655.0	219.9	435.1
Financing costs	(55.6)	(69.6)	(36.1)	(33.5)
Interest received	3.7	3.0	1.7	1.3
(Payment) / refund of income tax [1]	(40.4)	(49.7)	(35.9)	(13.8)
Net operating cash flow	407.1	538.7	149.6	389.1
Capex: payments for P, P & E and intangibles	(306.1)	(384.9)	(168.0)	(216.9)[2]
Other investing cash flow	(131.8)	(25.9)	(40.7)	14.8
Net cash flow before financing	(30.8)	127.9	(59.1)	187.0
Equity issues	-	(0.6)	(0.1)	(0.5)
Dividends	(42.9)	(63.2)	(32.7)	(30.5)
Transactions with non-controlling interests	1.6	(0.5)	-	(0.5)
Net drawing / (repayment) of borrowings	26.8	(51.1)	(19.3)	(31.8)
Net increase/(decrease) in cash held	(45.3)	12.5	(111.2)	123.7

Strong working capital performance, including $100M benefit from timing of year end cash flows. There was a similar benefit at 30 June 2014

FY2015 dividends includes payments to non-controlling interests of $46.2M and payments to BlueScope shareholders of $17.0M

(1) As at 30 June 2015 the BlueScope Steel Australian tax consolidated group is estimated to have carried forward tax losses of approximately $2.9Bn. There will be no Australian income tax payments until these losses are recovered

(2) Cash capex of $216.9M in 2H FY2015; new capital commitments of $233M

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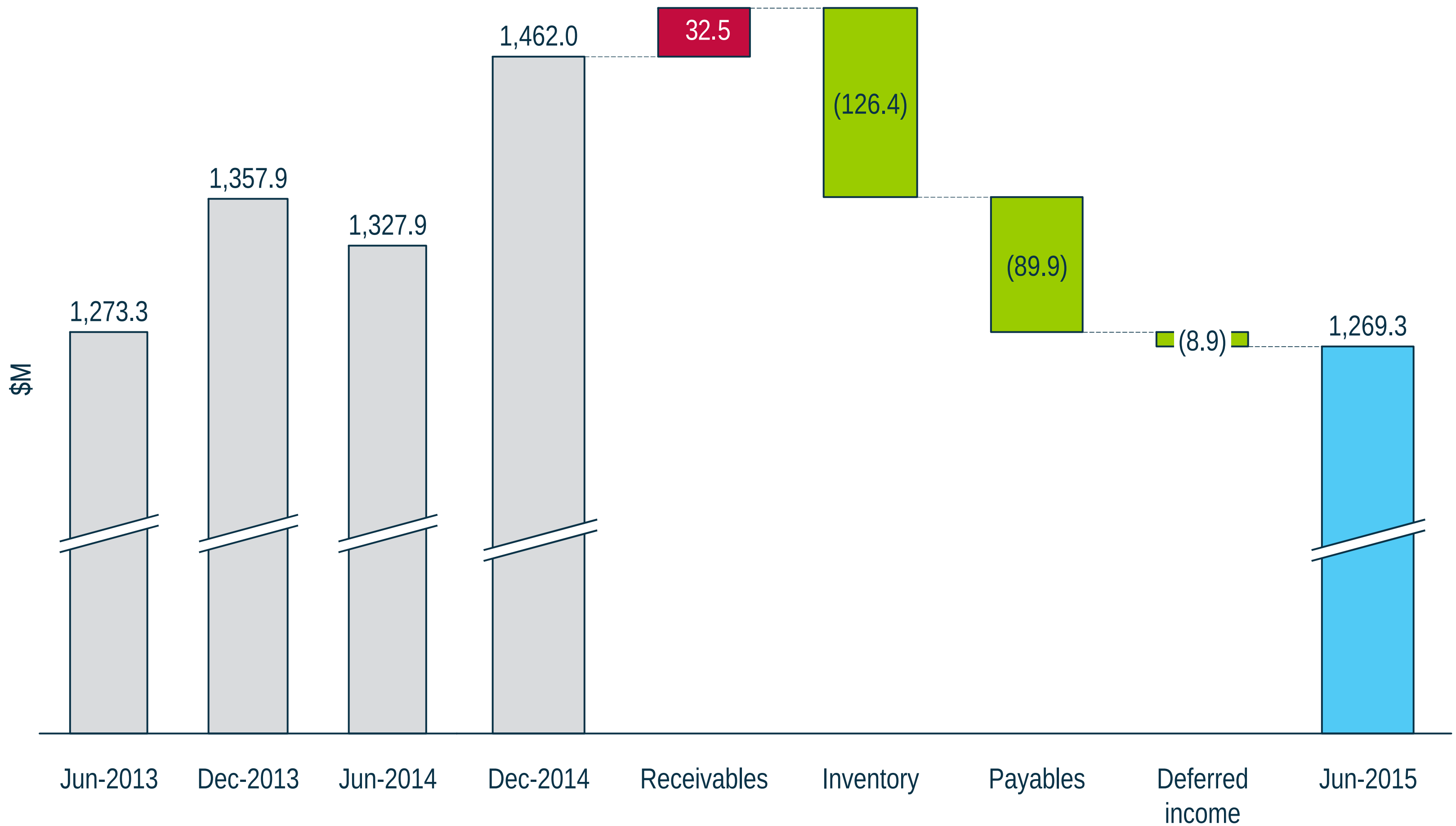
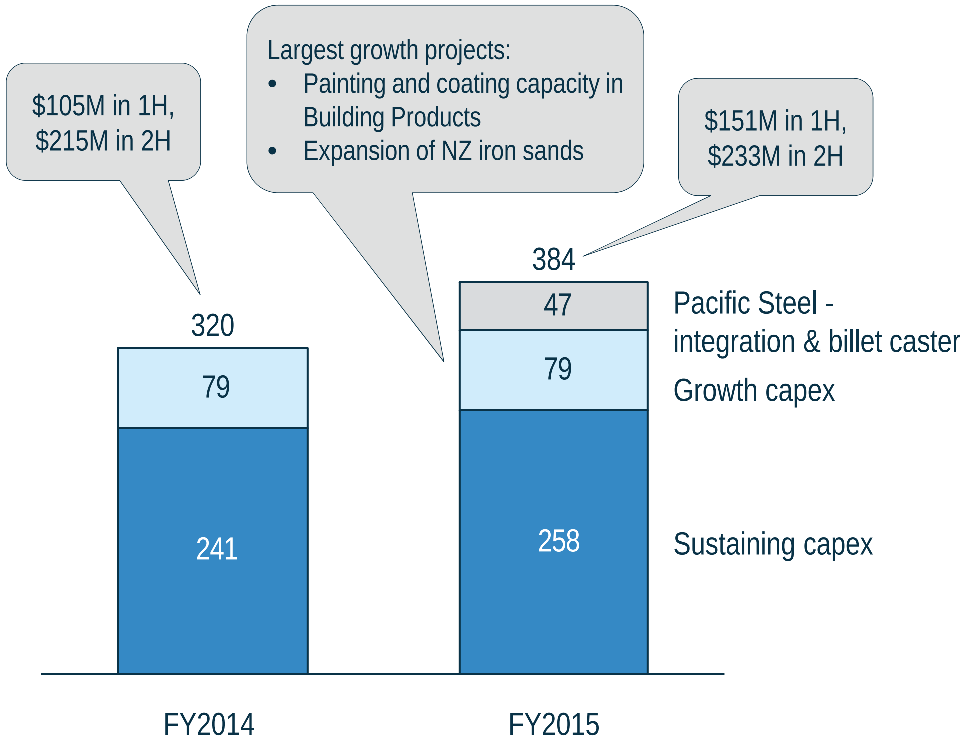
Net working capital



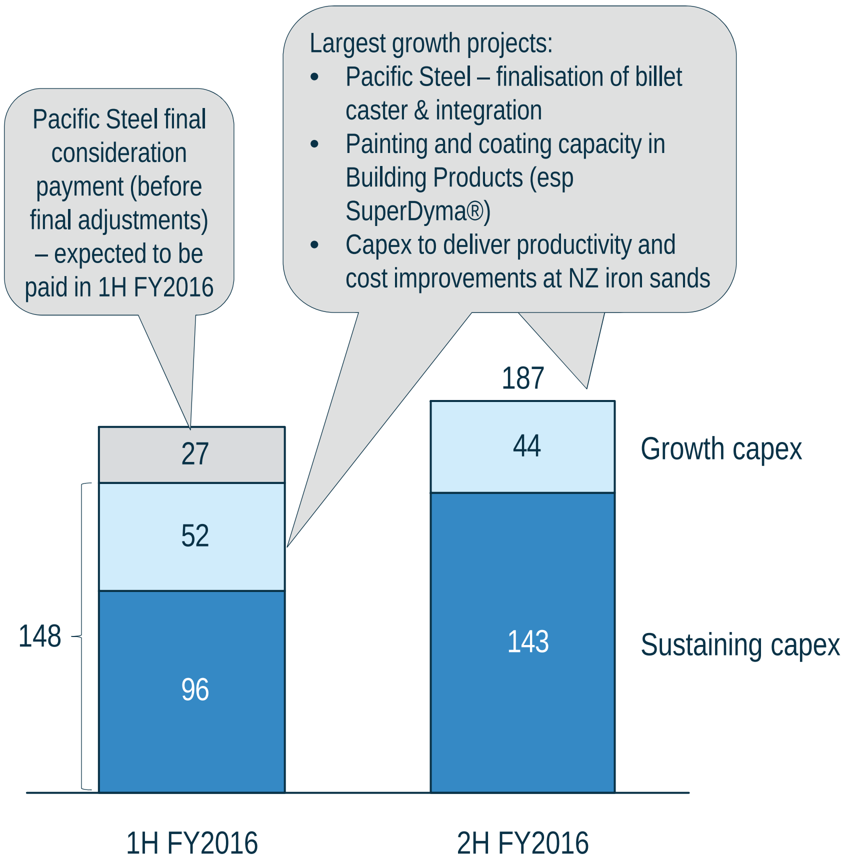
% of sales (based on 6 months prior annualised)	17.8%	17.0%	16.6%	16.8%					14.8%

Capital and investment expenditure

FY2014 and FY2015 capex commitments ($M)



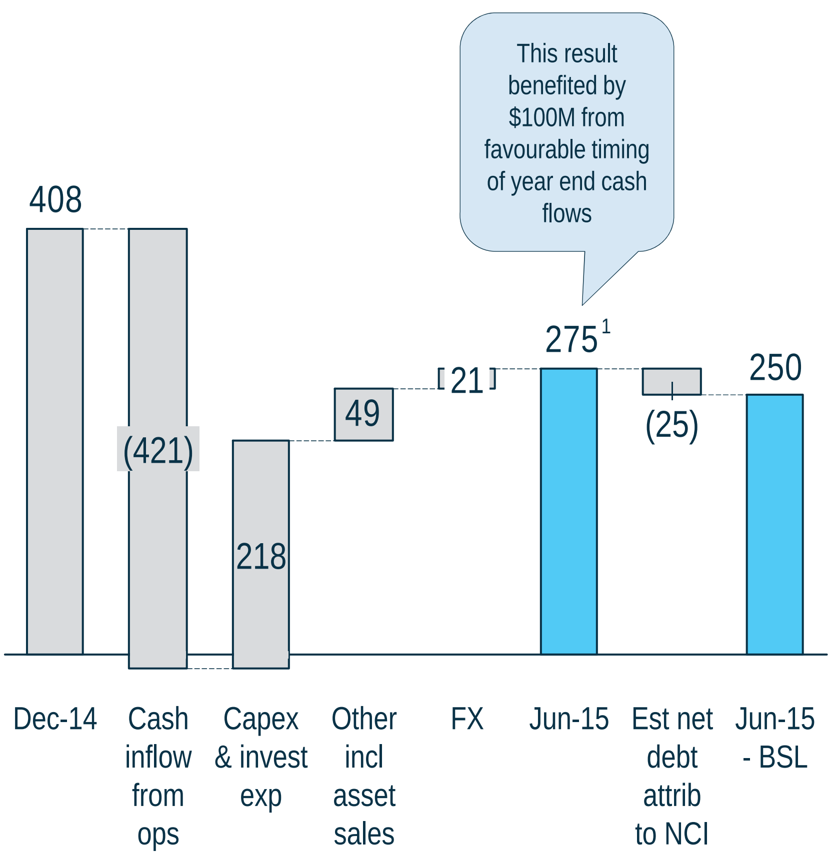
Expected FY2016 capital and investment expenditure ($M)



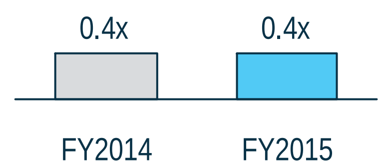
Note: total Australian Steelmaking (excludes coating & painting and downstream) capex ~$100M in FY2016

Balance sheet – low gearing maintained

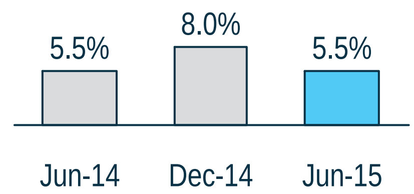
Net debt ($M)



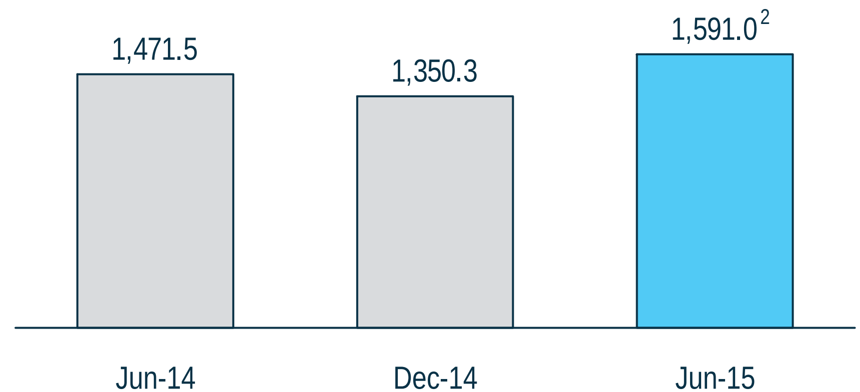
Net debt / EBITDA



Gearing (ND/ND+E)



Liquidity (undrawn facilities and cash, $M)



(1) $275.1M net debt comprised of $793.7M gross debt less $518.6M cash

(2) Includes $430.6M liquidity in NS BlueScope Coated Products JV

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OUTLOOK & SUMMARY

1H FY2016 outlook

Segmental comments

Australian Steel Products

- Robust residential volumes, cost improvement initiatives and benefit of the weaker AUD:USD anticipated to largely offset lower prices and spreads
- Soft volumes in end use segments other than residential construction

New Zealand & Pacific Steel

- Cost benefits and FX offsetting lower steel and iron ore prices

Building Products ASEAN, Nth Am & India

- Expect continued market growth driving improving volumes and mix
- Benefits of expanded painting capacity in Malaysia. Recovery in North America margins after compression from rapid steel price fall in 2H FY2015

Global Building Solutions

- Continued growth in North America, and noting 1H is typically seasonally stronger
- Buildings Asia performance to improve following cost reductions and productivity improvements in the China Buildings business

North Star

- Continued full production rate
- Similar spreads to 2H FY2015

1H FY2016 outlook

Group summary

- We expect 1H FY2016 underlying EBIT to be similar to 2H FY2015
- Based on assumptions of average:
  - Spot East Asian HRC price of ~US$325/t
  - 62% Fe CFR iron ore price of ~US$50/t
  - Hard coking coal price of ~US$90/t
  - AUD:USD at US$0.73
- Refer to sensitivities on page 68
- Expect 1H FY2016 underlying net finance costs and underlying tax charge similar to 2H FY2015, and profit attributable to non-controlling interests greater than 2H FY2015
- Expectations are subject to spread, FX and market conditions

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Our strategy defines our portfolio management priorities

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

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QUESTIONS & ANSWERS

ADDITIONAL INFORMATION – GROUP-LEVEL MATERIAL

Financial headlines

$M (unless marked)		YEAR ENDED 30 JUNE 2014	YEAR ENDED 30 JUNE 2015	FY2015 vs FY2014
Total revenue		8,006.9	8,571.6	✓
External despatches of steel products		5,967.6Kt	6,231.3Kt	✓
EBITDA	– Underlying [1]	590.4	644.8	✓
EBIT	– Reported	102.3	296.6	✓
	– Underlying [1]	264.1	301.8	✓
NPAT	– Reported	(82.4)	136.3	✓
	– Underlying [1]	123.5	134.1	✓
EPS	– Reported	(14.8) cps	24.3 cps	✓
	– Underlying [1]	22.1 cps	23.9 cps	✓
Underlying EBIT Return on Invested Capital		5.5%	5.9%	✓
Net Cashflow From Operating Activities		407.1	538.7	✓
– After capex / investments		(30.8)	127.9	✓
Dividend		None	3.0 cps	✓
Net debt		261.6	275.2	–

(1) Please refer to page 51 for a detailed reconciliation of reported to underlying results. Note that arising from the reclassification of the Building Solutions Australia business to Discontinued Operations, prior period underlying earnings have been restated (including 1H FY2015) – refer to page 69 for detail.

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Summary of financial items by segment

Sales revenue

$M	FY14	1H15	2H15	FY15
Australian Steel Products	4,522.1	2,459.0	2,333.1	4,792.1
New Zealand and Pacific Steel	870.9	489.9	482.2	972.1
Building Products ASEAN, NA & India	1,742.9	898.6	892.2	1,790.8
Global Building Solutions	1,384.3	785.4	752.7	1,538.1
Hot Rolled Products North America	0.0	0.0	0.0	0.0
Intersegment, Corporate & Discontinued	(539.1)	(281.3)	(259.6)	(540.9)
Total	7,981.1	4,351.6	4,200.6	8,552.2

Total steel despatches

'000 tonnes	FY14	1H15	2H15	FY15
Australian Steel Products	2,653.9	1,414.9	1,478.9	2,893.7
New Zealand and Pacific Steel	608.5	387.0	395.6	782.6
Building Products ASEAN, NA & India	1,367.0	683.3	646.9	1,330.2
Global Building Solutions	574.4	295.6	234.0	529.6
Hot Rolled Products North America	987.6	501.0	508.0	1,009.0
Intersegment, Corporate & Discontinued	(223.8)	(148.9)	(165.0)	(313.8)
Total	5,967.6	3,132.9	3,098.4	6,231.3

Underlying EBITDA

$M	FY14	1H15	2H15	FY15
Australian Steel Products	236.2	157.8	181.6	339.4
New Zealand and Pacific Steel	127.5	31.4	(4.6)	26.8
Building Products ASEAN, NA & India	139.9	74.0	79.3	153.3
Global Building Solutions	60.3	36.7	45.6	82.3
Hot Rolled Products North America	104.6	67.1	40.2	107.3
Intersegment, Corporate & Discontinued	(78.1)	(31.7)	(32.6)	(64.3)
Total	590.4	335.3	309.5	644.8

Underlying EBIT

$M	FY14	1H15	2H15	FY15
Australian Steel Products	47.5	66.1	84.2	150.3
New Zealand and Pacific Steel	74.7	2.6	(35.8)	(33.2)
Building Products ASEAN, NA & India	88.9	47.8	50.5	98.3
Global Building Solutions	26.9	19.3	24.4	43.7
Hot Rolled Products North America	104.6	67.1	40.2	107.3
Intersegment, Corporate & Discontinued	(78.5)	(31.9)	(32.7)	(64.6)
Total	264.1	171.0	130.8	301.8

Note that arising from the reclassification of the Building Solutions Australia business to Discontinued Operations, prior period underlying earnings have been restated (including 1H FY2015) – refer to page 69 for detail.

Balance sheet

$M	30 Jun 2014	31 Dec 2014	30 Jun 2015
Assets			
Cash	466.6	390.3	518.6
Receivables *	1,108.6	1,091.1	1,123.6
Inventory *	1,571.2	1,687.1	1,560.7
Property, Plant & Equipment	3,515.3	3,652.8	3,732.6
Intangible Assets	484.6	493.7	515.3
Other Assets	372.6	416.2	426.7
Total Assets	7,518.9	7,731.2	7,877.5
Liabilities			
Trade & Sundry Creditors *	1,198.5	1,168.7	1,258.6
Capital & Investing Creditors	61.9	36.8	59.0
Borrowings	728.2	798.4	793.7
Deferred Income *	153.4	147.5	156.4
Retirement Benefit Obligations	162.6	193.7	217.9
Provisions & Other Liabilities	757.6	703.8	652.8
Total Liabilities	3,062.2	3,048.9	3,138.4
Net Assets	4,456.7	4,682.3	4,739.1
Note *: Items included in net working capital	1,327.9	1,462.0	1,269.3

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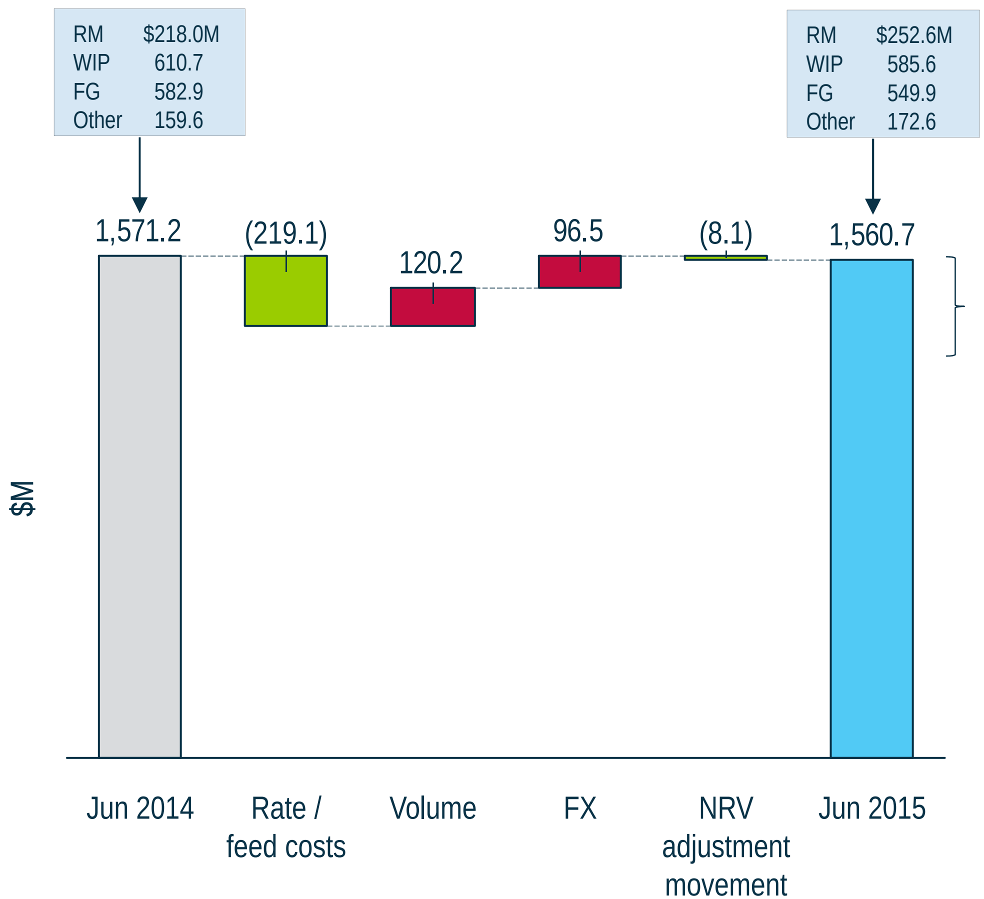
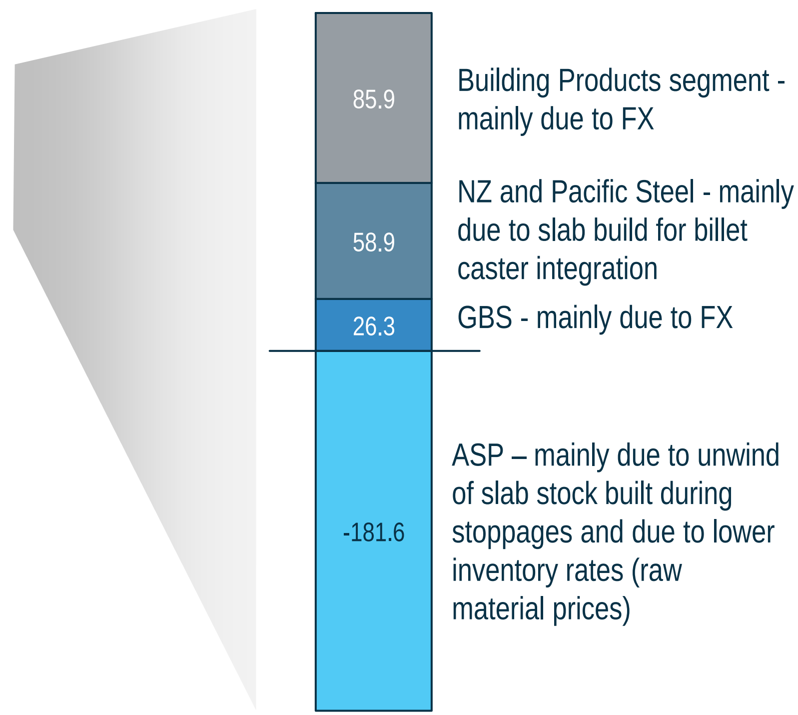
Inventory movement

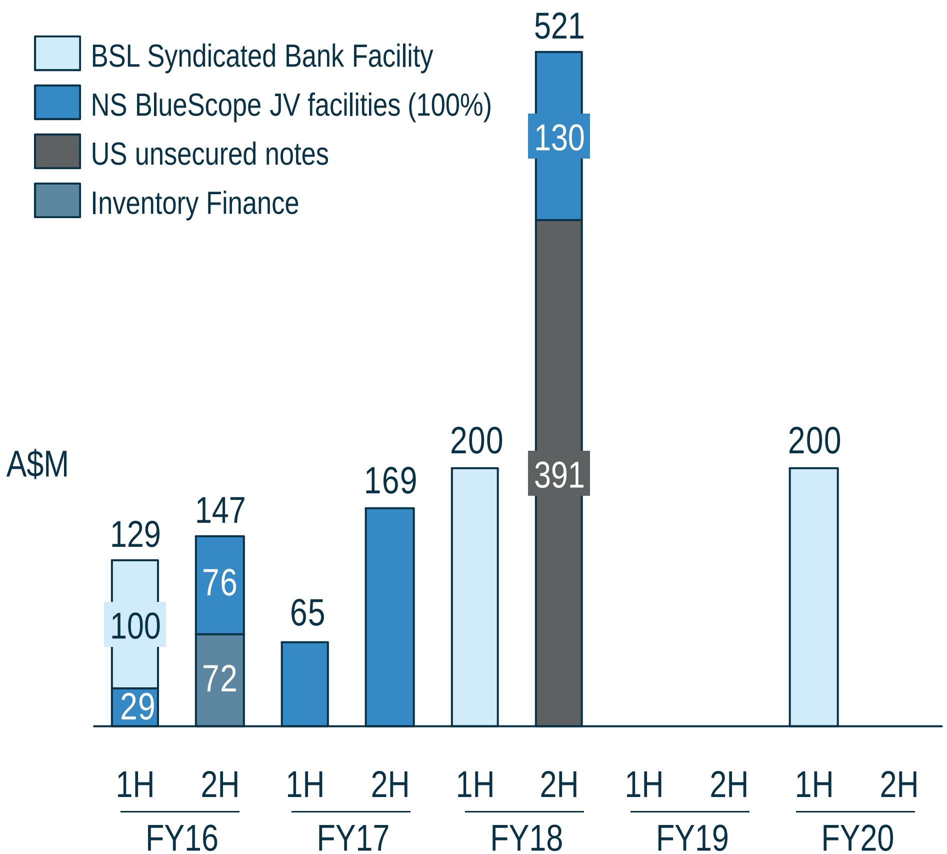


$10.5M decrease comprised of segmental movements:



Note: ‘RMS’ is raw materials (including externally sourced steel feed to BSL businesses)
‘WIP’ is work in progress
‘FGS’ is finished goods
‘Other’ is primarily operational spare parts

Debt facilities maturity profile at 30 June 2015



Notes:
- based on AUD/USD at US$0.7672 at 30 June 2015
- Syndicated Bank Facility was undrawn at 30 June 2015

Receivables securitisation program:

- In addition to debt facilities, BSL has two undrawn receivables securitisation programs totalling $230M

Current estimated cost of facilities:

- Approximately 5-6% interest cost on gross drawn debt; *plus*
- commitment fee on undrawn part of $802M of domestic facilities of 0.75%; *plus*
- amortisation of facility establishment fees and the discount cost of long-term provisions of $8M pa (approx 50/50 mix; non-cash);
- *less:* interest on cash.

Committed debt facilities as at 30 June 2015

	Maturity	Committed Local currency	Committed A$M	Drawn A$M
Syndicated Bank Facility				
- One year tranche	Nov 2015	A$100M	A$100M	A$0M
- Three year tranche	Nov 2017	A$200M	A$200M	A$0M
- Five year tranche	Nov 2019	A$200M	A$200M	A$0M
US unsecured notes	May 2018	US$300M	A$391M	A$391M
Inventory Finance	Feb 2016	US$55M	A$72M	A$0M
NS BlueScope JV facilities (100%)				
- Corporate facilities	Mar – Mar 2018	US$300M	A$391M	A$193M
- Thailand facilities	Aug 2015 – Jan 2017	THB 1,750M	A$68M	A$0M
- Malaysian facilities	Apr 2016	MYR 30M	A$10M	A$5M
Finance leases	Various	Various	A$184M	A$184M
Total			**A$1,616M**	**A$773M**

Note: assumes AUD/USD at US$0.7672

- In addition to debt facilities, BSL has a receivables securitisation programs of $230M maturing between September and December 2016 (undrawn at 30 June 2015) and other items in total debt of ($21M)

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Indicative EBIT sensitivities for 1H FY2016[1]

Australian Steel Products segment

+/- US$10/t move in average benchmark hot rolled coil price	
- direct sensitivity[2]	+/- $6-7M
- indirect sensitivity[3]	+/- $7-9M
+/- US$10/t move in iron ore costs	-/+ $26-28M
+/- US$10/t move in coal costs	-/+ $12-14M
+/- 1¢ move in A$/US$ exchange rate	
- direct sensitivity[4]	+/- $1-2M[6]
- indirect sensitivity[5]	-/+ $4-6M[7]

New Zealand Steel & Pacific Steel segment

+/- US$10/t move in average benchmark hot rolled coil price	
- direct sensitivity[8]	+/- $2M
- indirect sensitivity[9]	+/- $1-2M
+/- US$10/t move in 62% Fe iron ore index price	+/- $11-12M
+/- US$10/t move in market-priced coal costs[10]	-/+ $2-3M
+/- 1¢ move in A$/US$ exchange rate	
- direct sensitivity[4]	-/+ $1M[7]
- indirect sensitivity[11]	-/+ $1M[7]

Hot Rolled Products North America segment

+/- US$10/t move in realised HRC spread (HRC price less cost of scrap and pig iron)	+/- $6-7M

Group

+/- 1¢ move in A$/US$ exchange rate (direct)[12]	-/+ $3-4M[7]

(1) Page shows full sensitivities to movement in key external factors, as if that movement had applied for the complete six months. Analysis assumes 1H FY2016 base exchange rate of US$0.73. There are other factors that impact the Company's financial performance which are not shown. The sensitivities provided are general indications only and actual outcomes can vary due to a range of factors such as volumes, mix, margins, pricing lags, one-off costs etc.

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

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

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

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

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

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

(8) Includes US$ priced export flat steel products (excludes Pacific Steel products).

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

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

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

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

Restatement of prior period earnings for reclassification of Building Solutions Australia into Discontinued Operations

- Consistent with BlueScope accounting policy and IFRS requirements, operations that are either sold or closed are to be defined as Discontinued Operations and the revenues and expenses of these operations are retrospectively excluded from the earnings of Continuing Operations
- As such prior period earnings have been restated to exclude the Building Solutions Australia business from the ASP segment to ensure comparisons can be made on a like-for-like basis

	1H FY2015			FY2014		
$M	Previous	Change	Restated	Previous	Change	Restated
ASP segment:						
Underlying EBITDA	156.5	1.3	157.8	223.2	13.0	236.2
Underlying EBIT	64.7	1.3	66.1	33.2	14.4	47.6
BlueScope Group:						
Underlying EBITDA	334.0	1.3	335.3	577.4	13.0	590.4
Underlying EBIT	169.7	1.3	171.0	249.7	14.4	264.1
Underlying NPAT	79.6	1.6	81.2	112.3	11.2	123.5

ADDITIONAL INFORMATION – SEGMENT MATERIAL

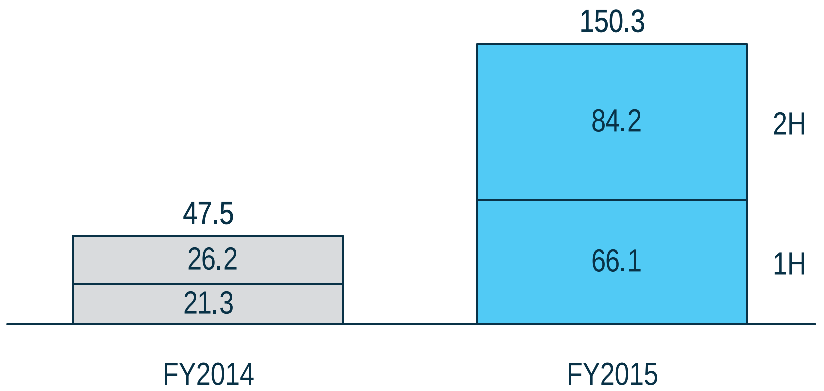
Australian Steel Products

Underlying EBIT up significantly to $150M on higher spread. Best result for five years

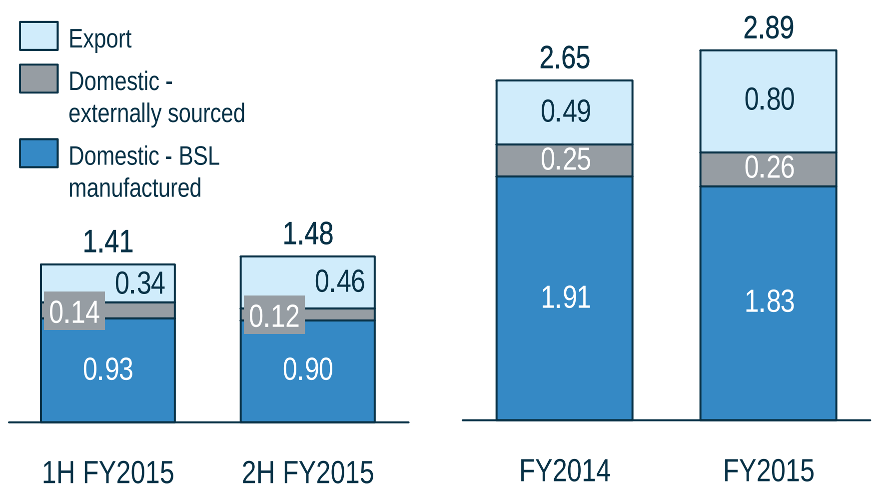
Comments on FY2015

- Higher spreads:
  - Lower raw materials prices
  - Higher domestic prices through the favourable influence of a weaker AUD:USD partly offset by the unfavourable influence of lower global steel prices
  - Weaker export prices driven by lower global steel prices partly offset by the weaker AUD:USD exchange rate
- Domestic volume 4% lower than FY2014 due to lower HRC (particularly in the pipe and tube segment) and plate despatches due to softening demand in most markets other than residential construction
- Favourable domestic sales mix – higher COLORBOND® steel sales: residential construction volumes significantly better, but non-residential construction weaker
- Higher export volume contributing additional cash margin
- Channel acquisitions making strong contributions
- Significant losses continue in commodity steelmaking
- Stave exchange program progressing to plan. Two stops in 1H FY2015 and one in 2H FY2015. One remaining stop planned (2H FY2016)

Underlying EBIT ($M)



Total despatches (external & to other BSL segments, Mt)



Note that arising from the reclassification of the Building Solutions Australia business to Discontinued Operations, prior period underlying earnings have been restated – refer to page 69 for detail.

Australian Steel Products
Financial and despatch summaries

Key segment financial items

$M unless marked	FY14	1H15	2H15	FY15
Revenue	4,522.1	2,459.0	2,333.1	4,792.1
Underlying EBITDA	236.2	157.8	181.6	339.4
Underlying EBIT	47.5	66.1	84.2	150.3
Reported EBIT	(115.7)	71.6	56.8	128.4
Capital & investment expenditure	180.2	76.4	96.4	172.8
Net operating assets (pre-tax)	2,533.1	2,485.8	2,432.8	2,432.8
Total steel despatches (kt)	2,653.9	1,414.9	1,478.9	2,893.8

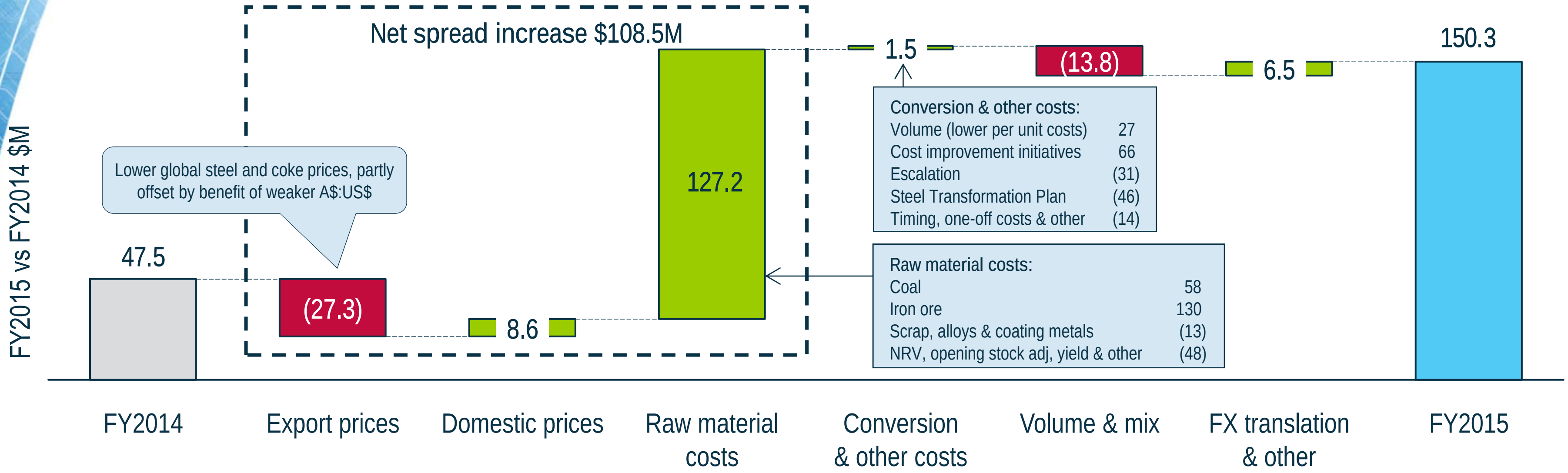
Despatches breakdown

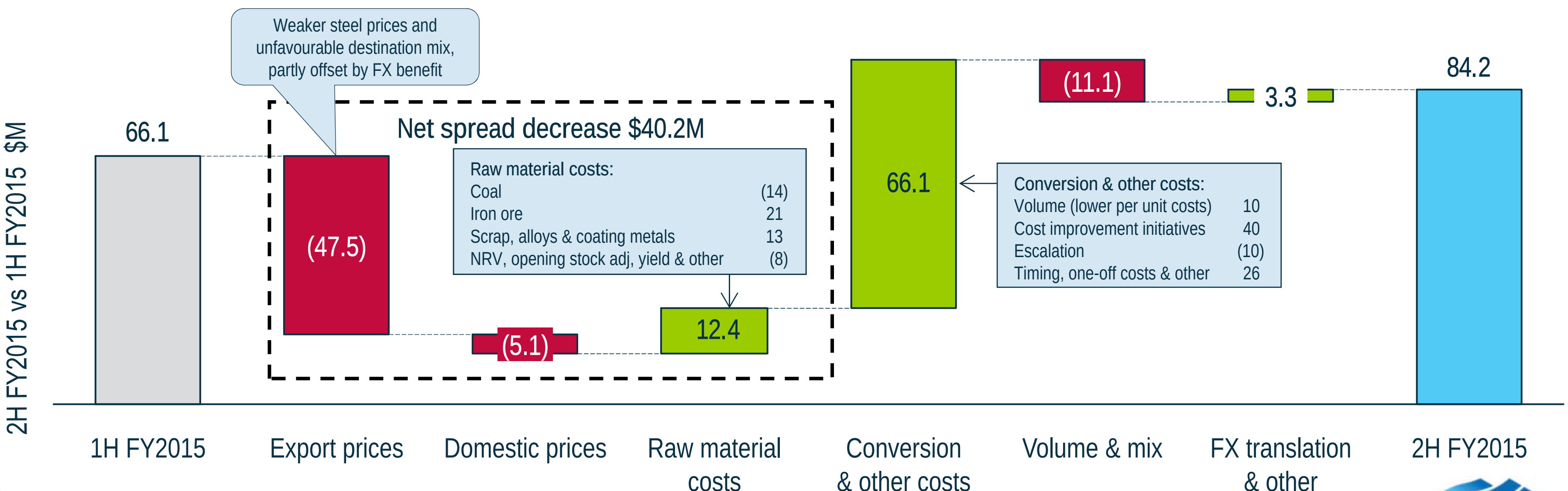
'000 tonnes	FY14	1H15	2H15	FY15
Hot rolled coil	478.6	216.7	216.9	433.6
Plate	234.2	108.5	90.0	198.5
CRC, metal coated, painted	1,195.7	606.7	594.5	1,201.2
Domestic despatches of BSL steel	**1,908.5**	**931.9**	**901.4**	**1,833.3**
Channel despatches of ext sourced steel	254.1	140.7	118.1	258.8
Domestic despatches total	**2,162.6**	**1,072.6**	**1,019.5**	**2,092.1**
Hot rolled coil	292.0	225.5	363.2	588.8
Plate	12.2	14.4	9.8	24.1
CRC, metal coated, painted	181.5	100.3	85.0	185.4
Export despatches of BSL steel	**485.7**	**340.3**	**458.0**	**798.3**
Channel despatches of ext sourced steel	5.6	1.9	1.4	3.3
Export despatches total	**491.3**	**342.2**	**459.4**	**801.6**
Total steel despatches	**2,653.9**	**1,414.9**	**1,478.9**	**2,893.7**
Export coke despatches	640.1	354.8	346.3	701.1

Note that arising from the reclassification of the Building Solutions Australia business to Discontinued Operations, prior period underlying earnings have been restated (including 1H FY2015) – refer to page 69 for detail.

Australian Steel Products

Underlying EBIT variance



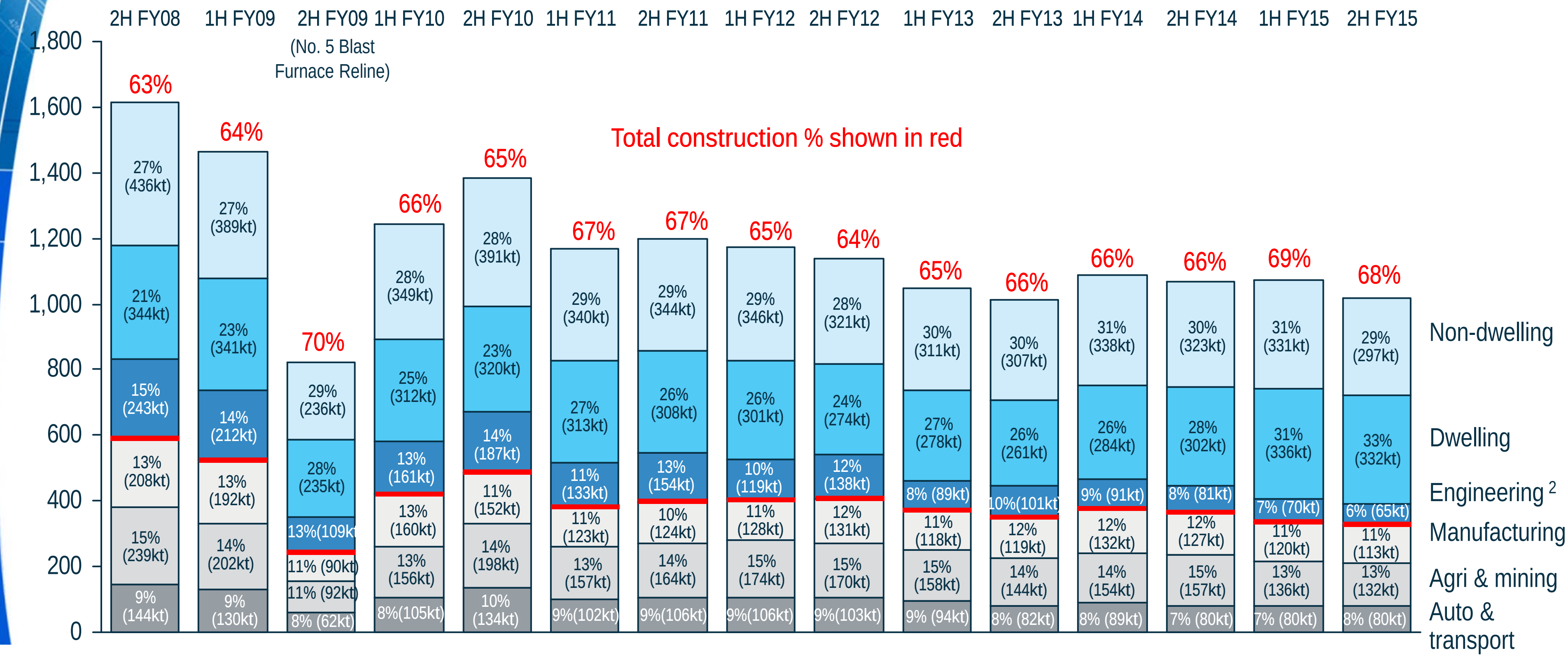


Note that arising from the reclassification of the Building Solutions Australia business to Discontinued Operations, prior period underlying earnings have been restated (including 1H FY2015) – refer to page 69 for detail.

Australian Steel Products

Australian demand

Total Australian external despatch volumes (Kt)



	2H FY08	1H FY09	2H FY09	1H FY10	2H FY10	1H FY11	2H FY11	1H FY12	2H FY12	1H FY13	2H FY13	1H FY14	2H FY14	1H FY15	2H FY15
Gross Despatches	1,614kt	1,466kt	824kt	1,243kt	1,381kt	1,168kt	1,198kt	1,174kt	1,138kt	1,048kt	1,014kt	1,088kt	1,070kt	1,073kt	1,019kt
less [1]	*(264kt)*	*(192kt)*	*(140kt)*	*(164kt)*	*(166kt)*	*(161kt)*	*(160kt)*	*(159kt)*	*(148kt)*	*(143kt)*	*(137)kt*	*(134)kt*	*(125)kt*	*(141)kt*	*(118)kt*
Normalised Despatches	1,368kt	1,274kt	684kt	1,079kt	1,215kt	1,007kt	1,038kt	1,015kt	990kt	905kt	877kt	954kt	950kt	932kt	901kt

FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
1,958kt	2,294kt	2,045kt	2,005kt	1,782kt	1,904kt	1,833kt

(1) Normalised despatches exclude third party sourced products, in particular, long products

(2) Engineering includes infrastructure such as roads, power, rail, water, pipes, communications and some mining-linked use

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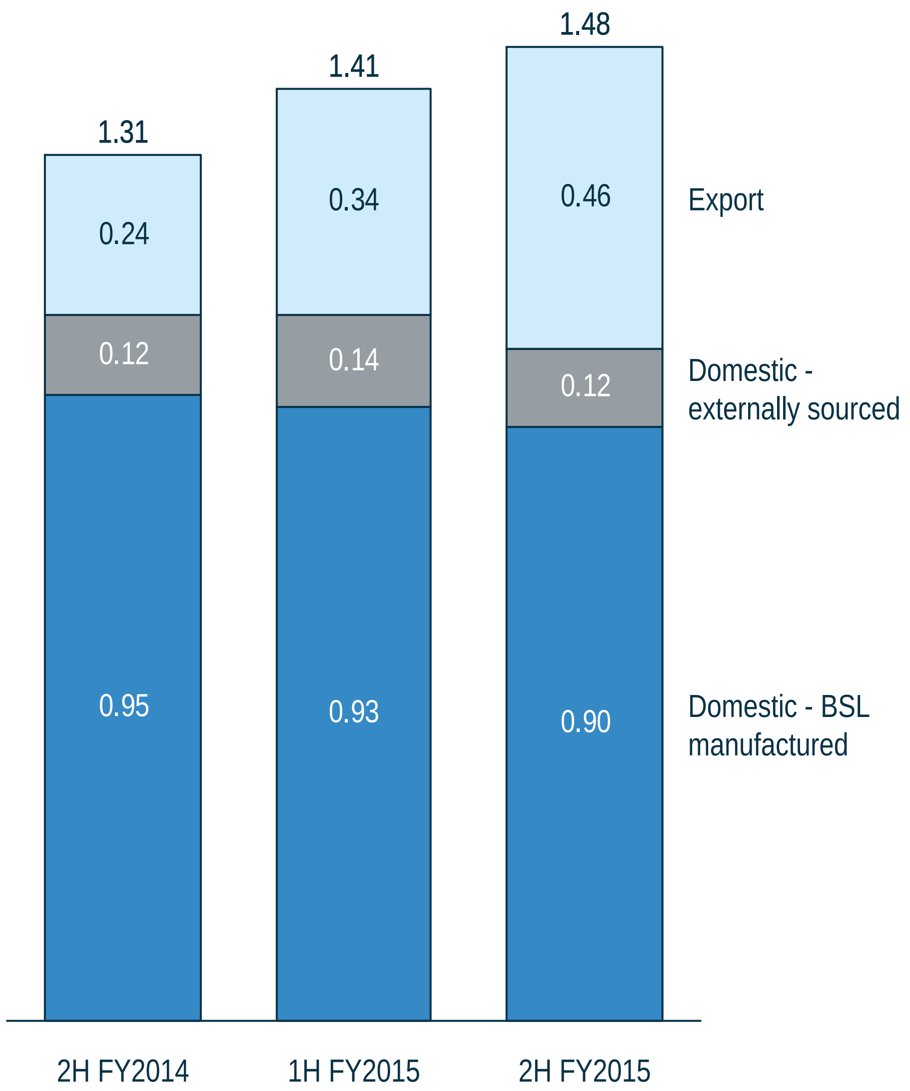
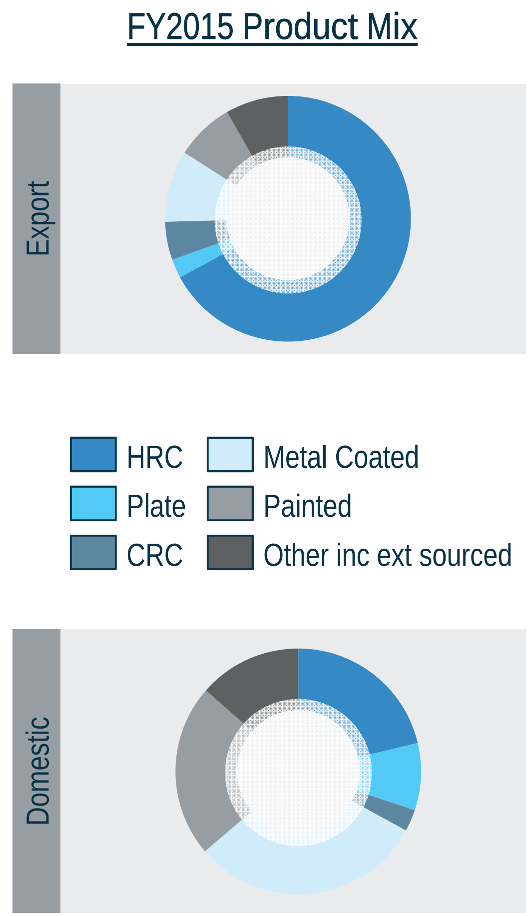
Australian Steel Products
Despatch mix (Mt)





Australian Steel Products

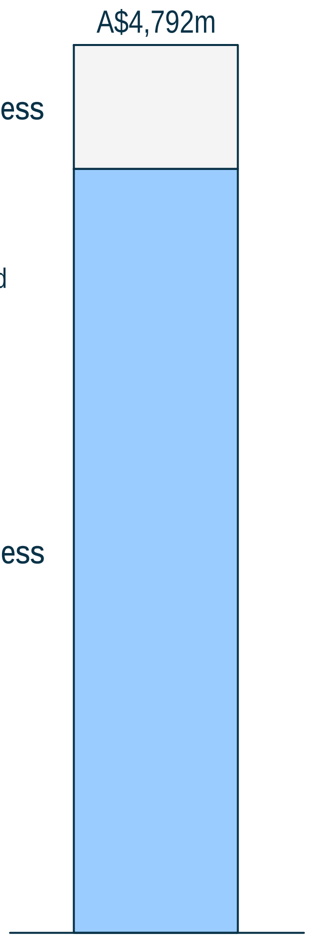
Revenue and underlying costs FY2015

Revenue

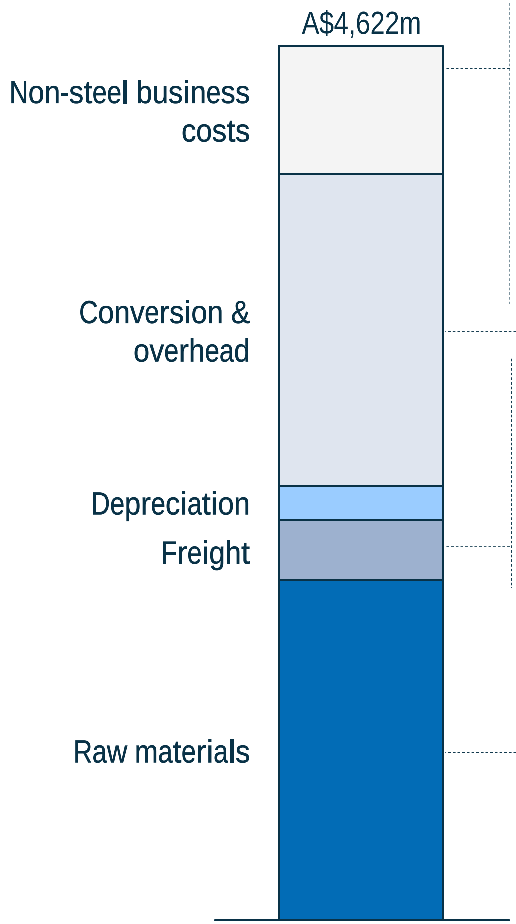
Non-steel business

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

Steel business



Underlying costs (to EBIT line)



Non-steel business costs relate to:

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

Freight (in order of value):

- Domestic despatches
- Export despatches
- Internal (eg. Springhill & Western Port to Service Centres)

Raw materials (in order of value):

- Iron ore
- External steel feed
- Coal
- Scrap
- Zinc
- Paint
- Fluxes and alloys
- Aluminium

Conversion & Overhead Components (in order of value):

- Direct labour
- Repairs & maintenance
- Sales & administration
- Services & contractors
- Utilities
- Consumables
- Other

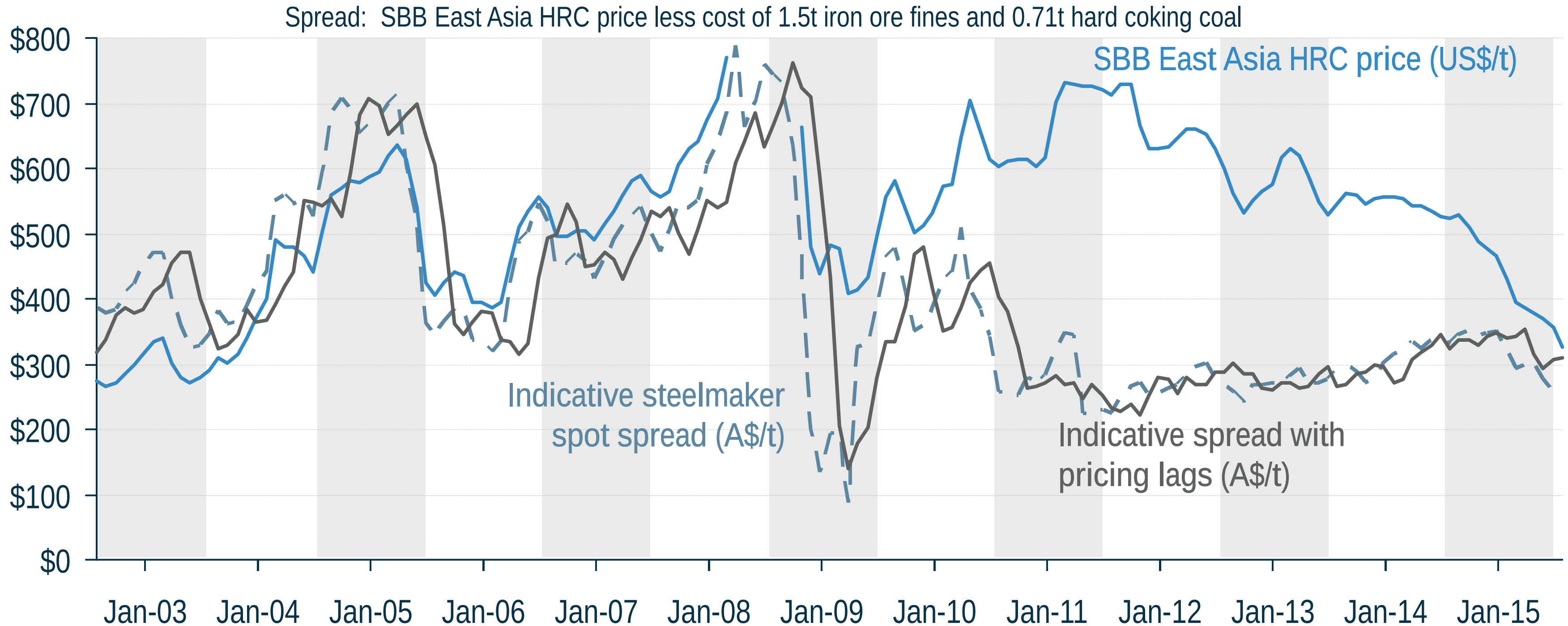
Indicative 'recipe' of raw materials per output steel tonne:

- 1.24t iron ore fines (sintering)
- 0.27t lump ore (into BF)
- 0.57t hard coking coal (into BF)
- 0.15t PCI (into BF)
- 0.18t scrap (into BOS), of which 45% sourced internally

Australian Steel Products

Spread continues to be a significant driver 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	FY2015	1H FY15	2H FY15
Indicative steelmaker HRC spread (US$/t)	365	271	276	277	283	268	307	228
Indicative steelmaker HRC spread (A$/t)	414	275	267	270	308	318	344	292
Indicative spread with pricing lags (A$/t)	403	292	257	278	295	331	336	326
AUD:USD	0.88	0.99	1.03	1.03	0.92	0.84	0.89	0.78

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

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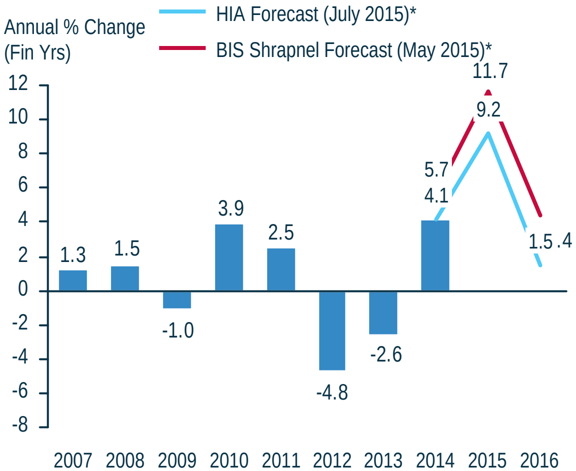
Australian Steel Products

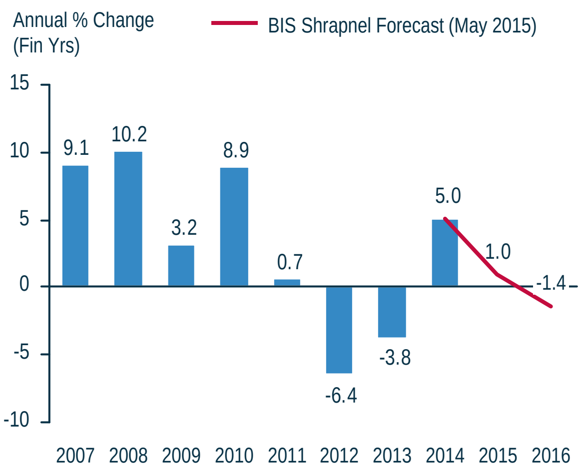
External forecasters’ outlook for our key end-use segment exposures

CONSTRUCTION
Change in real value of work done

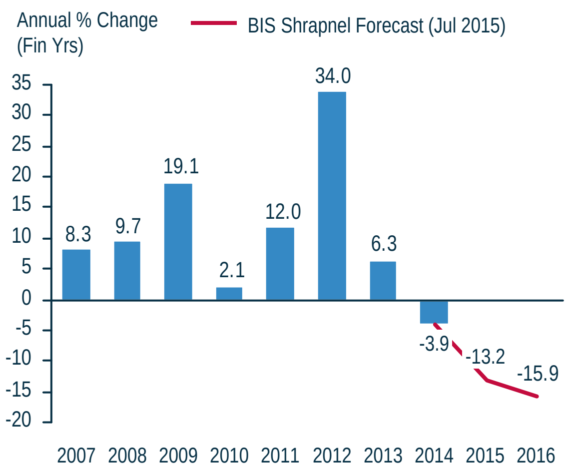
Residential construction



Non-residential construction

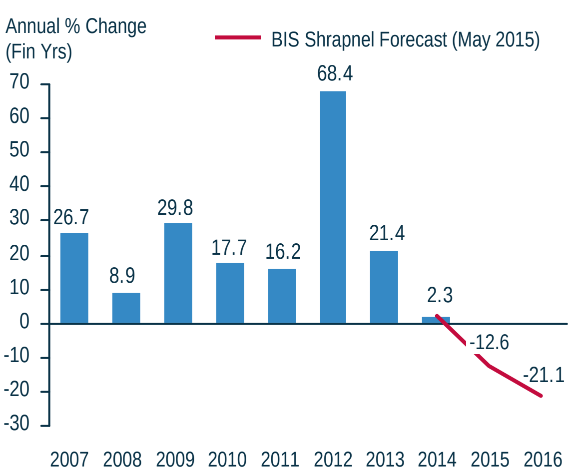


Engineering construction

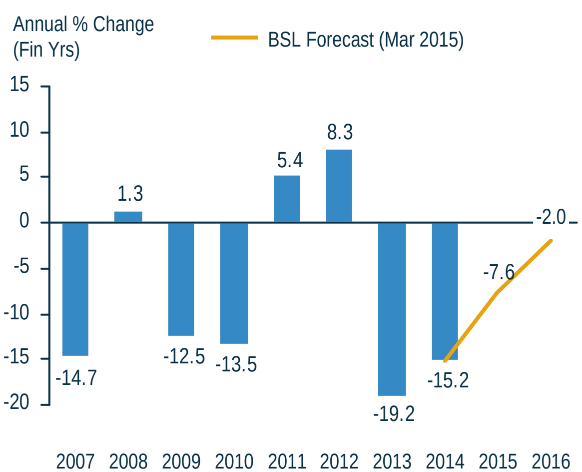


INDUSTRIAL
Change in real investment (GFCF)

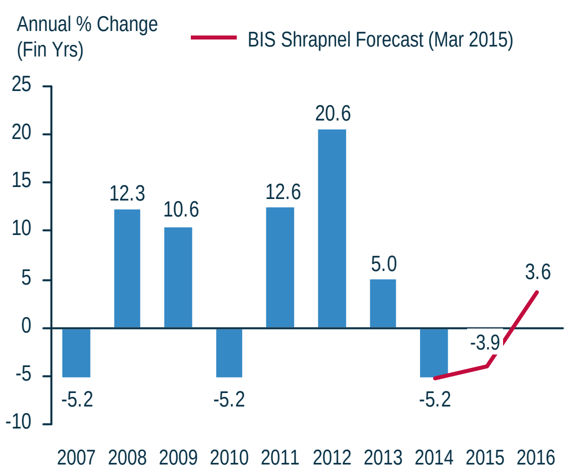
Mining



Manufacturing



Agriculture

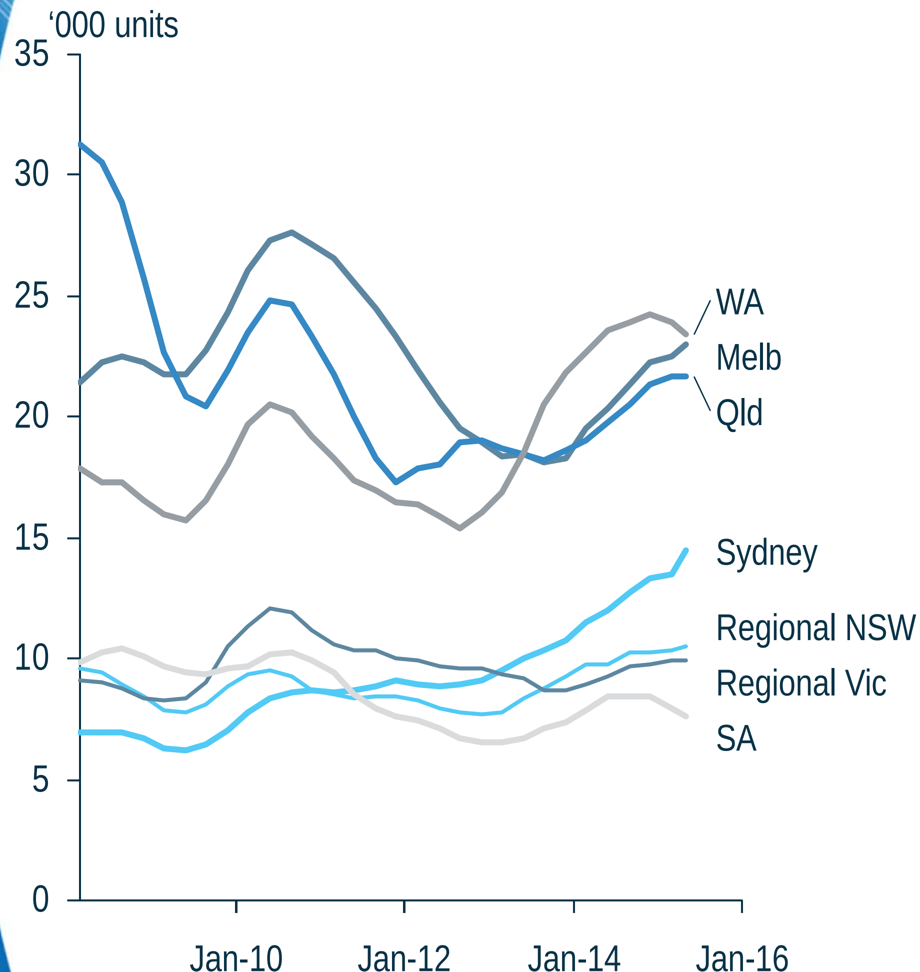


Source: ABS, BIS Shrapnel, HIA, BlueScope; *Note: Variation due to different definition of renovation work done market

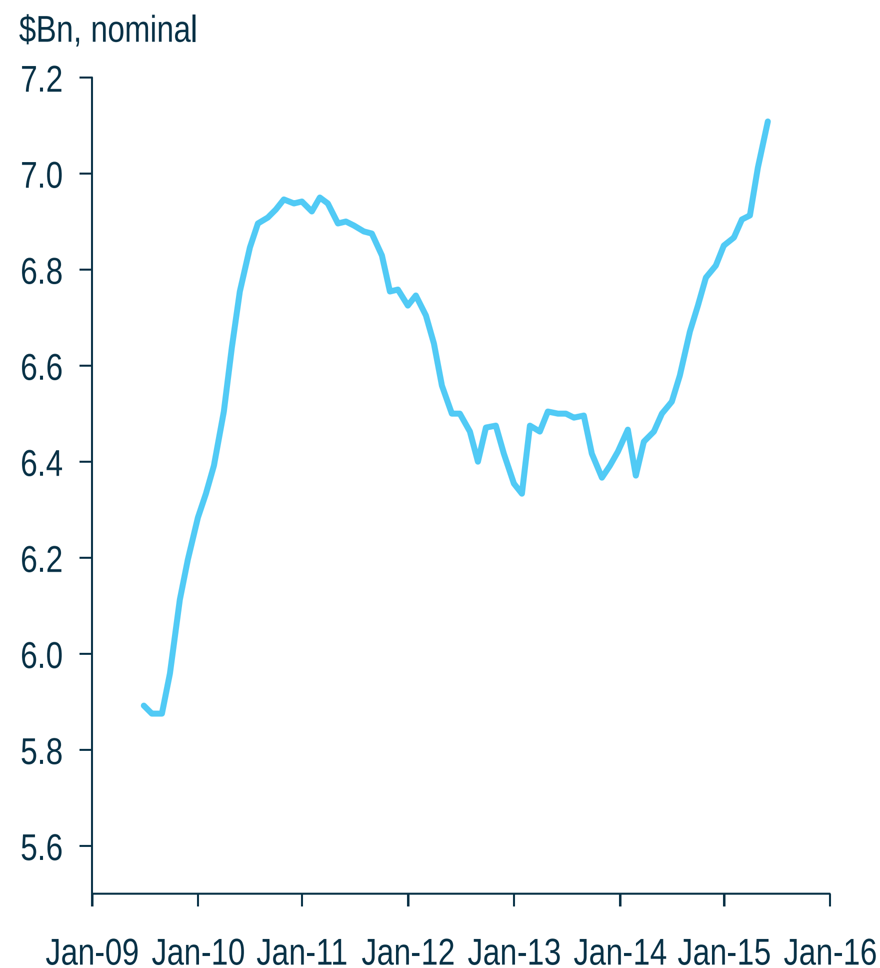
Australian Steel Products

Detached house approvals lifted in all regions of Australia in FY2015. A&A approvals increased in FY2015

Construction approvals of houses by region – rolling last 12 months



Approvals of alterations & additions (value >$10k)

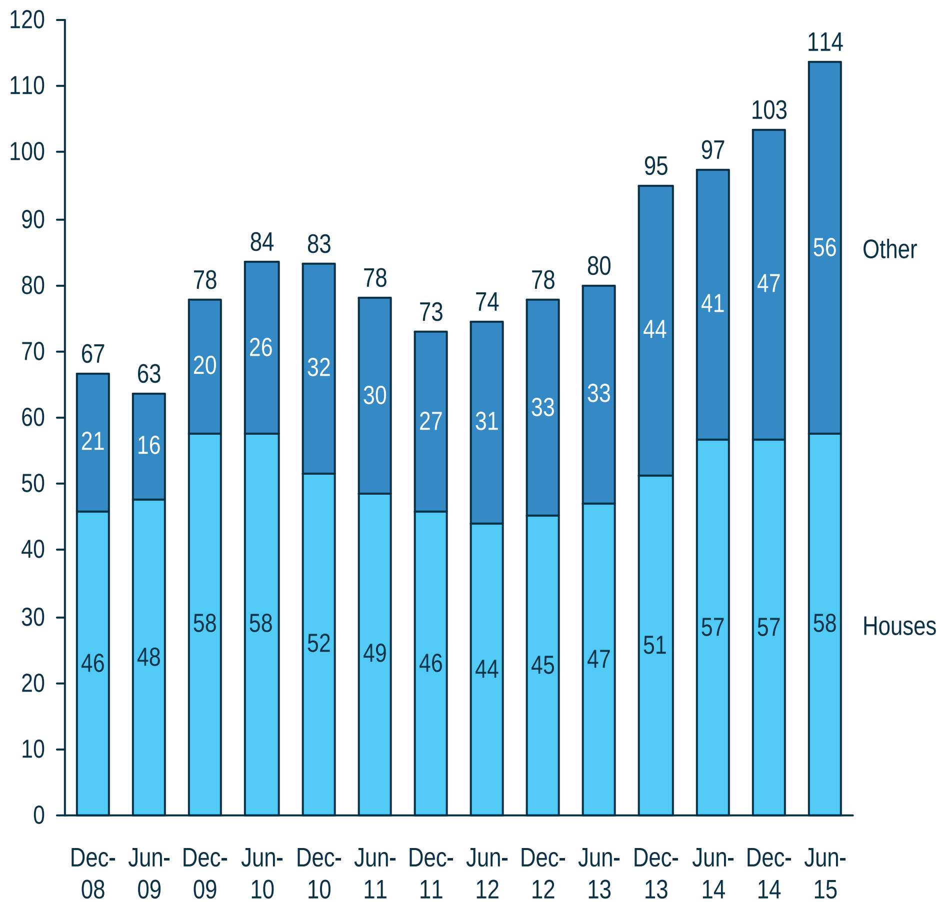


Source: ABS series 8731.0, tables 9 & 10, Original data; table 38.

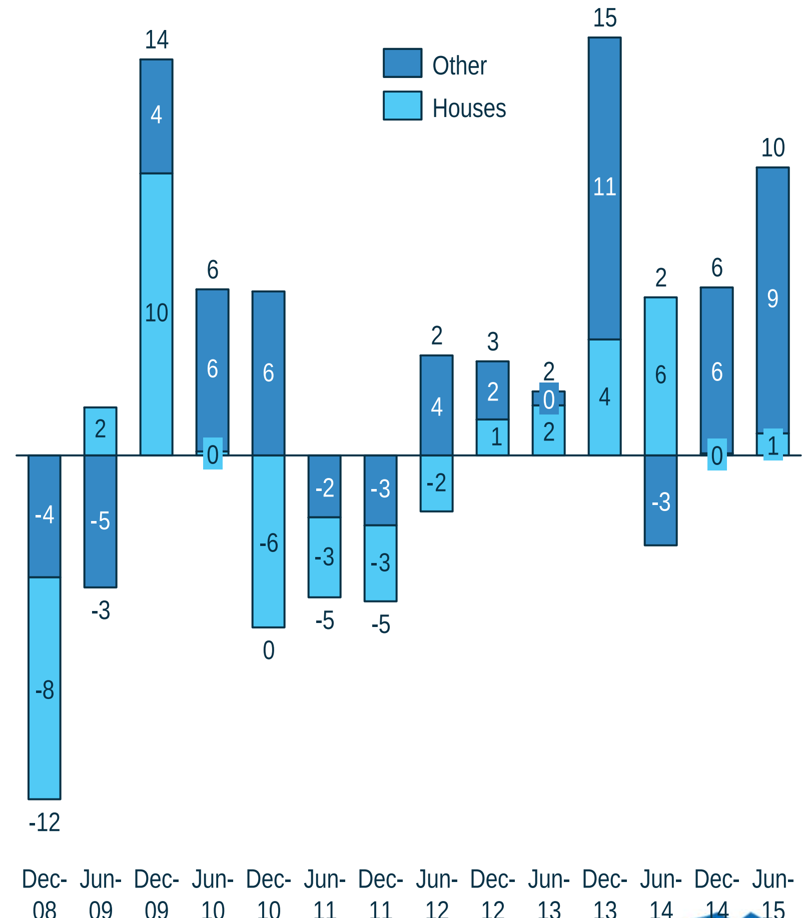
Australian Steel Products

Approvals have lifted strongly in the last 24 months

Australian residential construction approvals (private sector) – '000 units



Change in Australian residential construction approvals (private sector) – '000 units

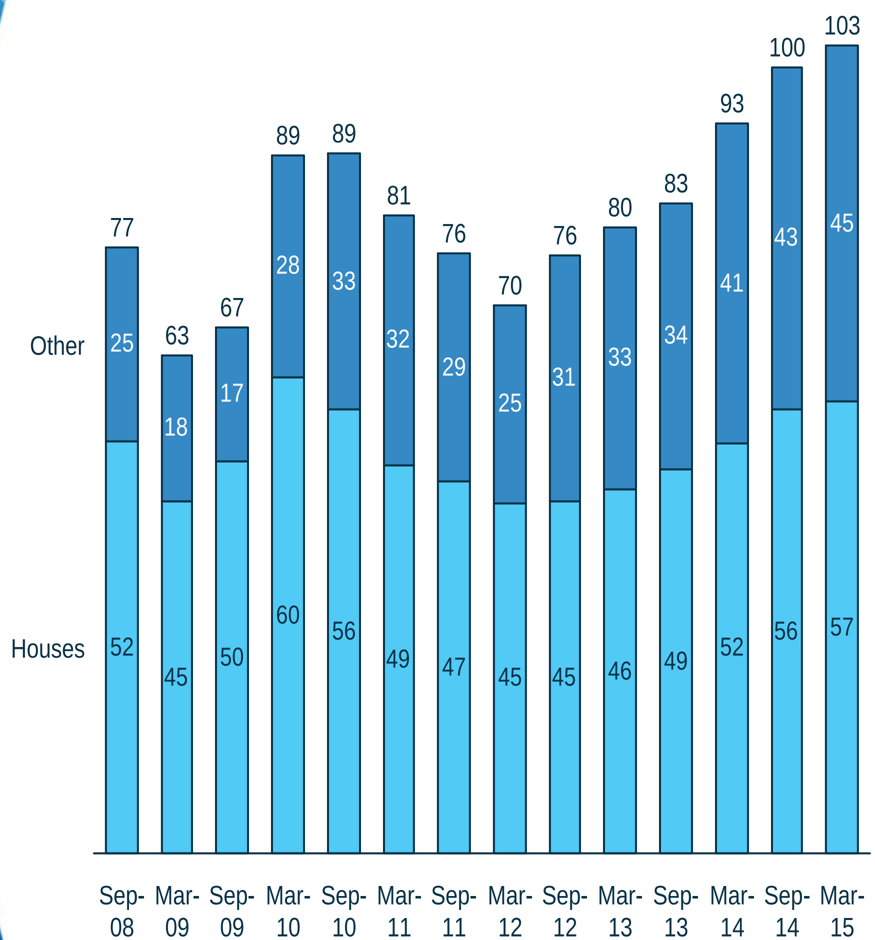


Source: ABS series 8731.0, table 6. Private sector. Seasonally adjusted

Australian Steel Products

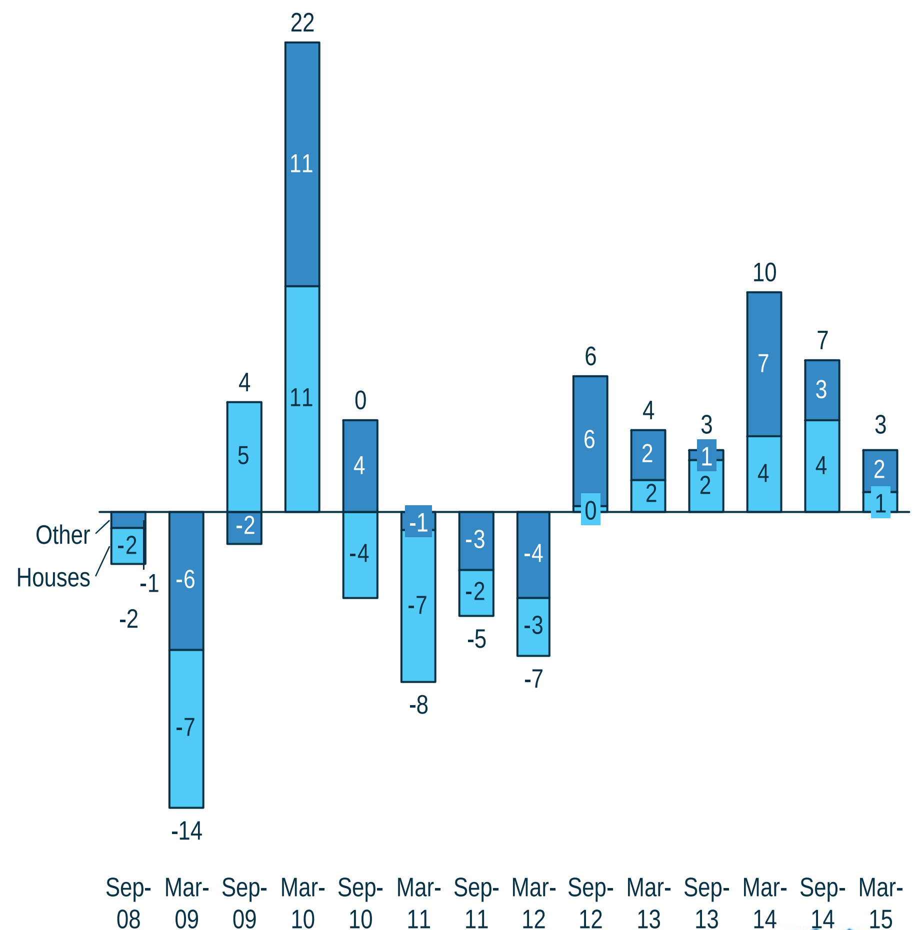
Commencements lag approvals, and have only achieved full momentum in the last 18 months. Further, BSL despatches lag commencements (eg roof, gutter and fence installation)

Australian residential construction commencements (private & public sector) – '000 units



Source: ABS series 8752, table 33. Total sectors (public & private).

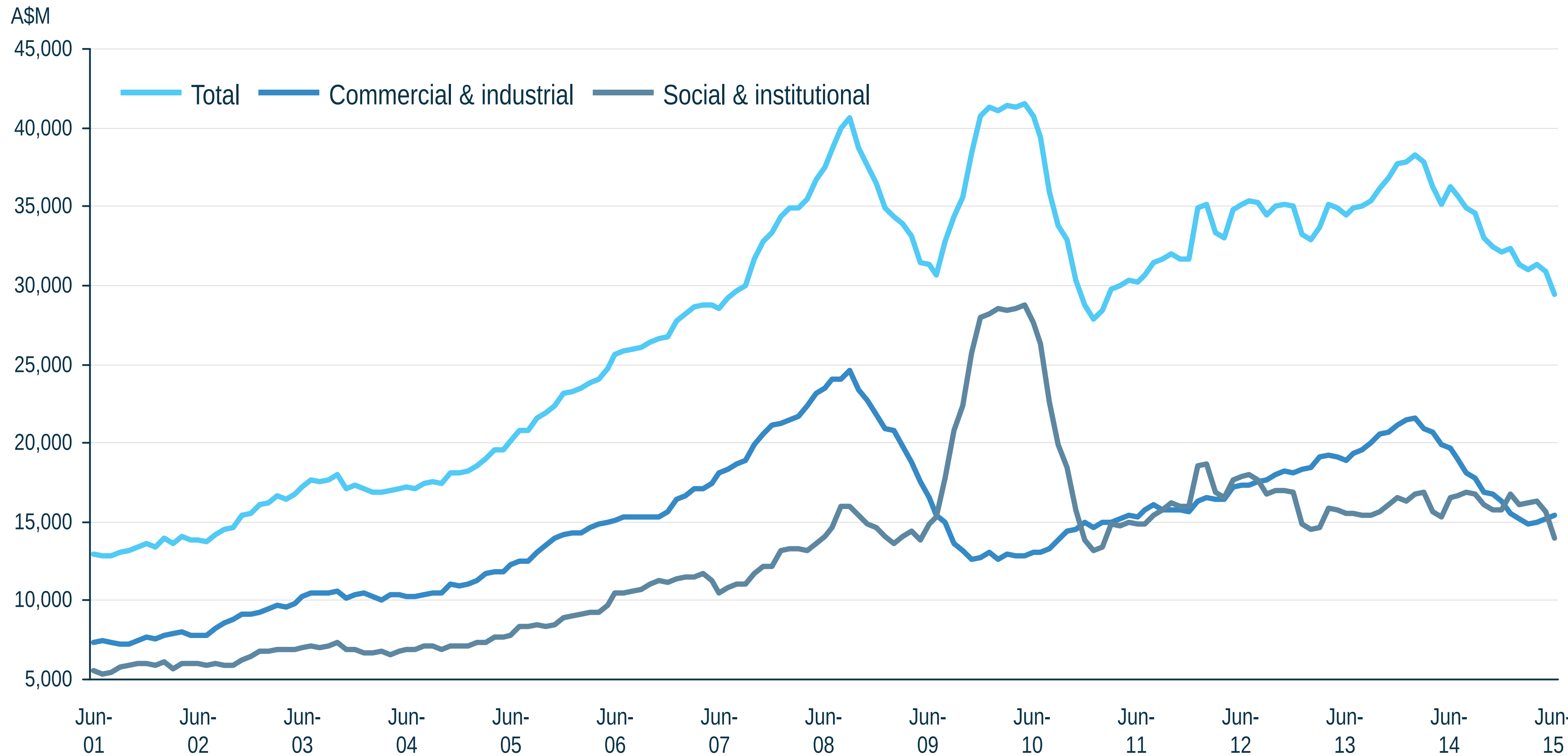
Change in Australian residential construction commencements (private & public sector) – '000 units



Australian Steel Products

Australian non-residential construction approvals

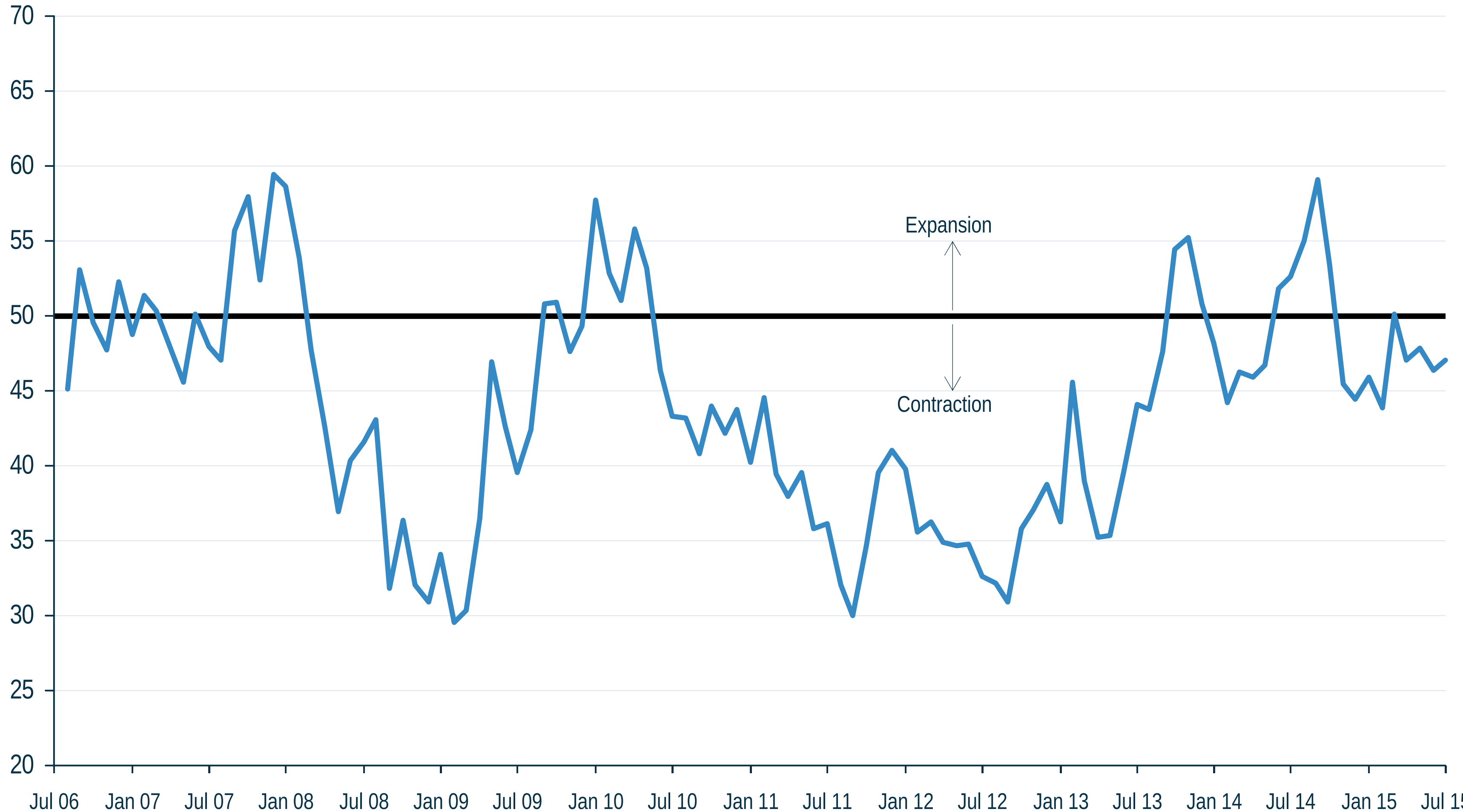
Rolling 12 month value of work approved (public & private) – nominal



Source: ABS series 8731, table 51. Total sectors (public and private).

Australian Steel Products

Australian Performance of Construction (PCI®) index



Note: The Australian Industry Group's Performance of Construction Index (Australian PMI®, PCI®) is a composite index based on the indexes for production, new orders, deliveries, inventories and employment, with varying weights. A reading above 50 points indicates that manufacturing is generally expanding; below 50, that it is declining. The distance from 50 is indicative of the strength of the expansion or decline.

Source: AiG

Australian Steel Products

Supply and pricing of iron ore and met coal to Port Kembla Steelworks

Iron ore

Supplier	Term	Approximate Volume (p/a)	Pricing Basis
BHP Billiton	10 years from 1 July 2009	Up to 4.18Mt lump & fines	Linked to average monthly index in the month of shipment
Others	Short term contracts	Iron ore as required	Agreed short term pricing

Metallurgical coal

Supplier	Term	Product / Approximate Volume (p/a)	Pricing Basis
South32 – Illawarra Coal (following demerger of South32 from BHPB in May 2015)	30 years from 1 July 2002	Hard coking coal; minimum volume linked to blast furnace requirements	Market based pricing linked to BHP Billiton sales of hard coking coal to contract customers (pre South32 demerger). Following the South32 demerger, the pricing mechanism is under review.
Peabody Energy	Until October 2015	PCI & Coking Coal; 850kt	Agreed short term pricing
Others	Short term contracts	Coking coal as required	Agreed short term pricing

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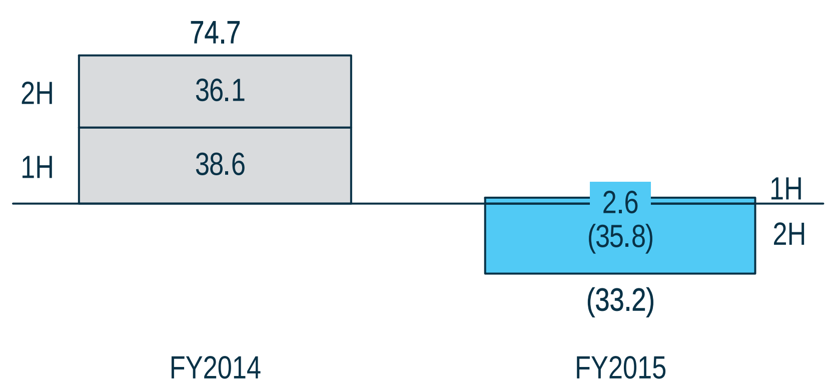
New Zealand & Pacific Steel

Softer result mainly due to weaker iron ore and steel prices and volumes

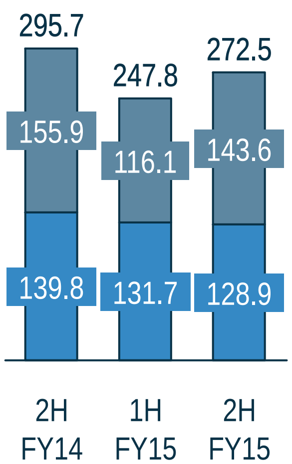
Comments on FY2015

- Lower earnings from iron sands exports due to weaker iron ore prices and volumes
- Weaker regional steel prices impacted flat product pricing
- Favourable steel despatch mix with higher proportion of domestic COLORSTEEL® pre-painted sales
- Flat products domestic volume declined modestly with gains in the residential building market offset by material reductions in manufacturing and agriculture markets
- Initial benefits of Pacific Steel acquisition
  - Strong domestic long products volumes (170kt for the year) given their primary use in construction markets, which remain very strong
  - Limited profit share arrangement until billet caster commissioned at Glenbrook – presently expected during December 2015 quarter. Full economic benefit once fully operational
- Export flat product despatch volume was lower in FY2015 mainly due to the impact on supply of the biennial hot strip mill shut (August 2014)
- Losses continue in commodity steelmaking

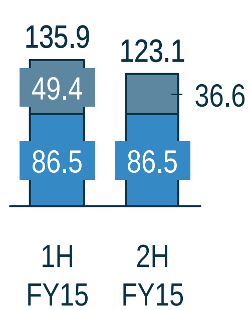
Underlying EBIT ($M)



New Zealand Steel despatches (Kt)

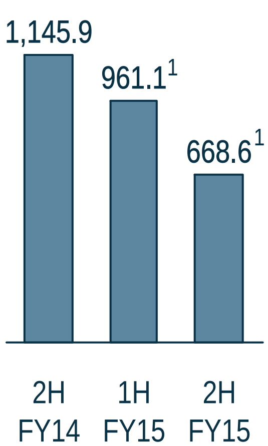


Pacific Steel despatches (Kt)



Export Domestic

Iron sands despatches (Kt)

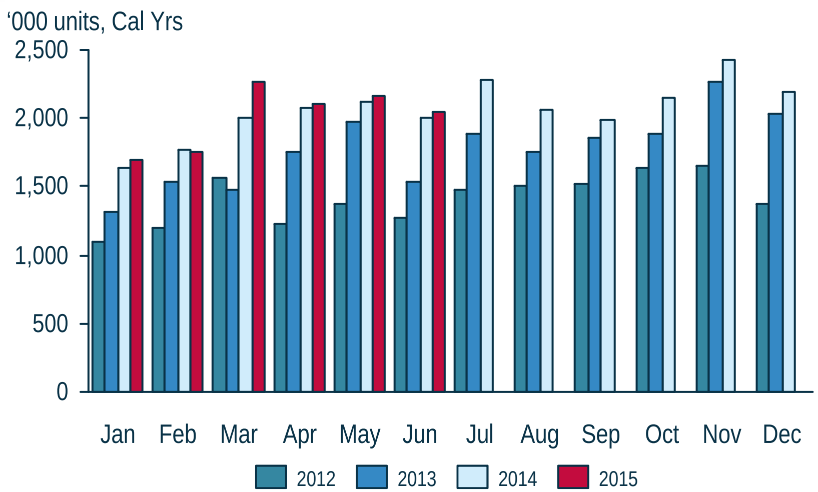


(1) Lower volume in FY2015 due to lower iron ore prices and ceasing transhipments via PKSW

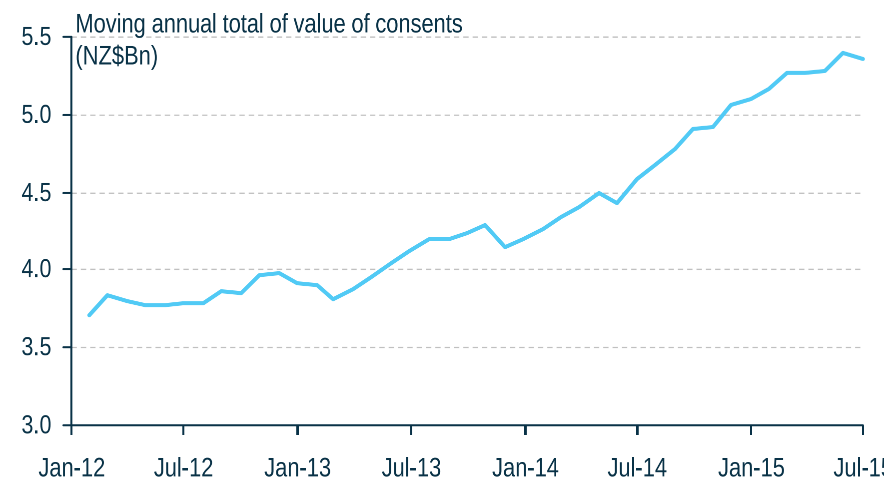
New Zealand & Pacific Steel

NZ construction and manufacturing activity maintaining strong momentum

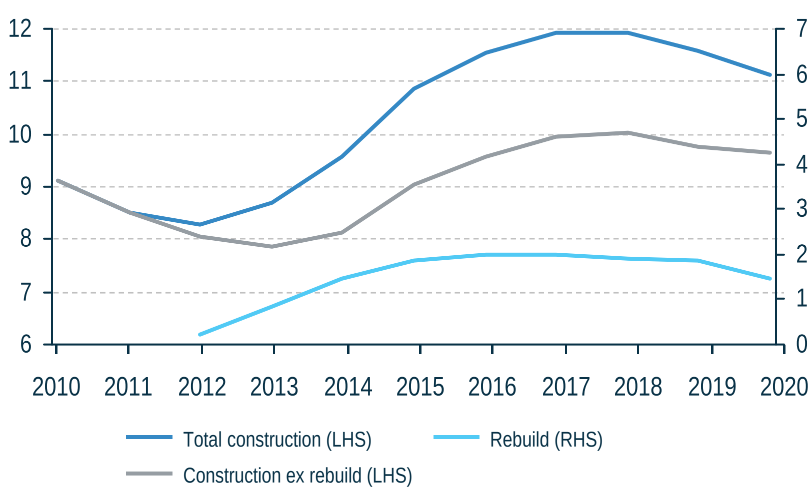
Residential building consents – maintaining momentum



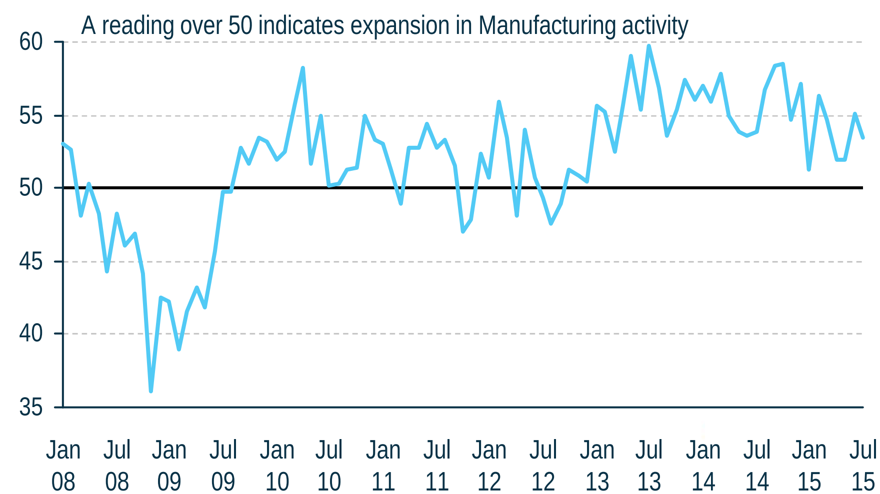
Non-residential construction consents – strong growth



Construction share of GDP (%) – further growth expected



Purchasing Managers' Index (PMI) – 34 months above 50



Source: CEIC, ANZ, RBNZ, Statistics NZ

New Zealand & Pacific Steel
Financial summary

Key segment financial items

$M	FY14	1H15	2H15	FY15
Revenue	870.9	489.9	482.2	972.1
Underlying EBITDA	127.5	31.4	(4.6)	26.8
Underlying EBIT	74.7	2.6	(35.8)	(33.2)
Reported EBIT	73.6	2.6	(32.9)	(30.3)
Capital & investment expenditure	66.1	40.9	64.5	105.4
Net operating assets (pre-tax)	645.7	683.6	634.9	634.9
Total steel despatches - flat & long (kt)	608.5	387.0	395.6	782.6
Note: iron sands contribution to underlying EBIT: 2H FY2015 included $11.0M NRV charge	60.2	(6.6)	(24.4)	(31.0)

Taharoa iron sands

- EBIT and operating cash break even in 2H FY2015 at 62% Fe iron ore index price of low US$70's per tonne. This was higher than guidance given in February 2015 due to:
  - Fuel cost (bunkers) higher than expected
  - Exchange rate higher than forecast
  - Lower sales than expected due to fewer shipments leading to higher fixed cost recoveries on sales
- In addition 2H FY2015 EBIT impact of NZ$15M largely due to $11M non-cash net realisable value provision charge

New Zealand Steel despatches (flat products)

'000 tonnes	FY14	1H15	2H15	FY15
Domestic despatches	270.6	131.7	128.9	260.6
Export despatches	315.4	116.1	143.6	259.7
Total NZ Steel despatches	586.0	247.7	272.6	520.3
Export iron sands despatches	2,313.2	961.1	668.6	1,629.7

Pacific Steel despatches (long products)

'000 tonnes	FY14	1H15	2H15	FY15
Domestic despatches	12.4	86.5	86.5	173.0
Export despatches	10.1	52.7	36.6	89.3
Total Pacific Steel despatches	22.5	139.2	123.1	262.3

Note: BlueScope acquired Pacific Steel effective 1 June 2014, hence only one month's sales included in FY2014

Vanadium Slag

- FY2015 sales contained V_2O_5 of 4.67M lbs vs FY2014 4.50M lbs
- Gross revenue of about US$6.4M

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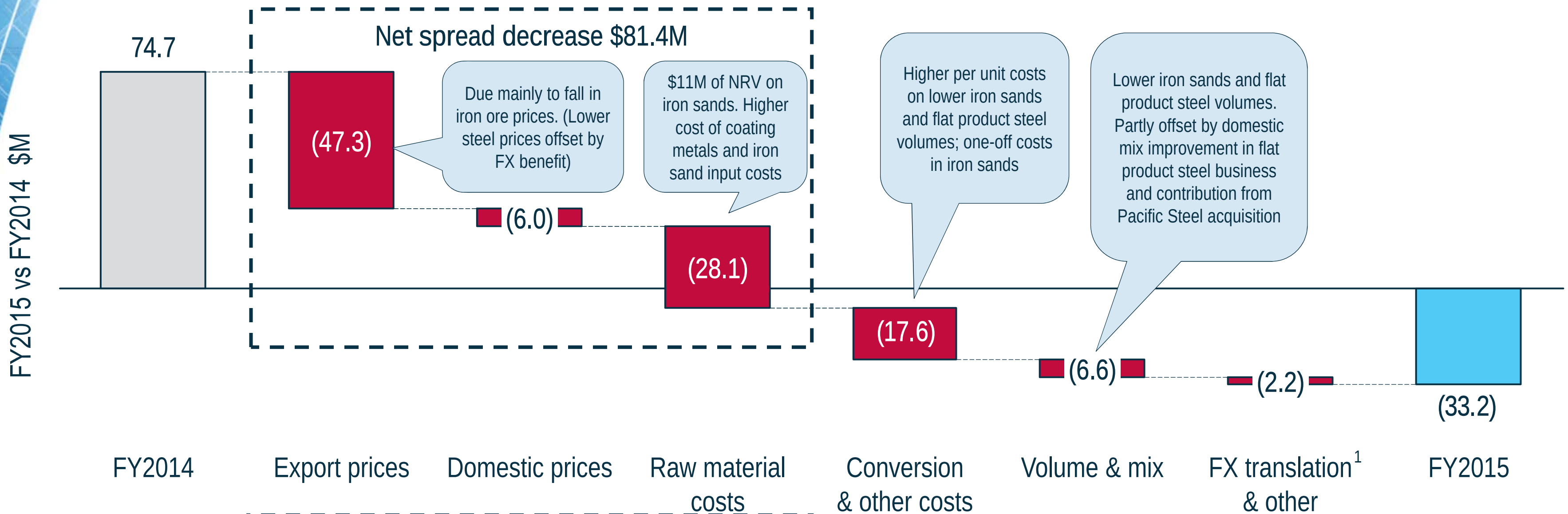
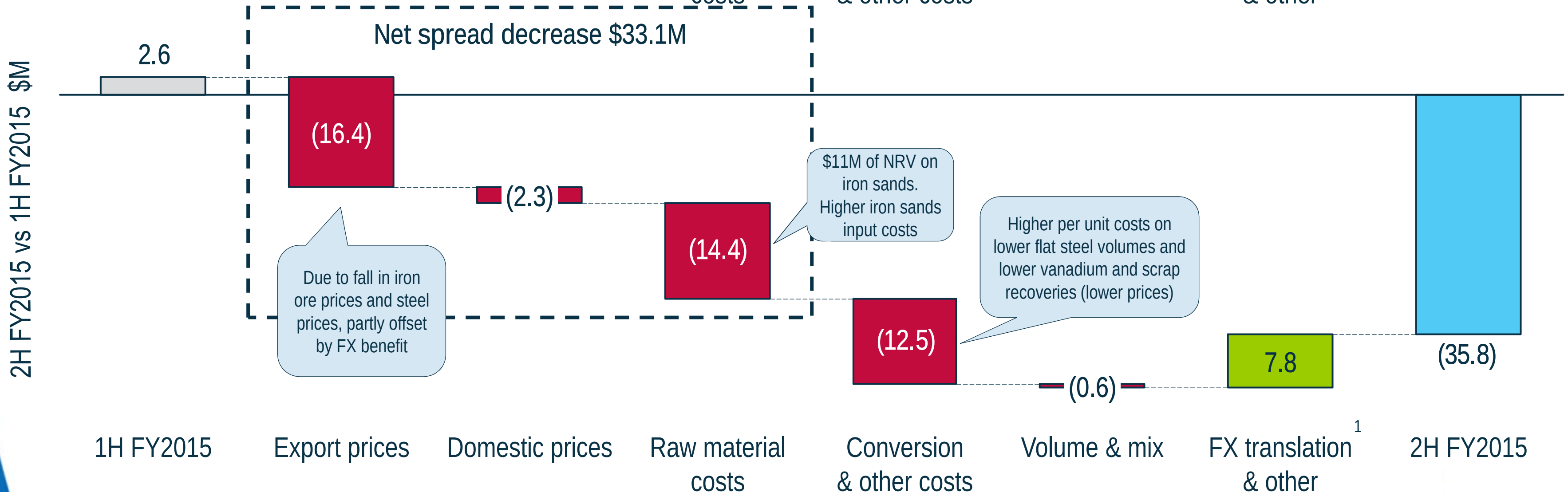
New Zealand & Pacific Steel

Underlying EBIT variance

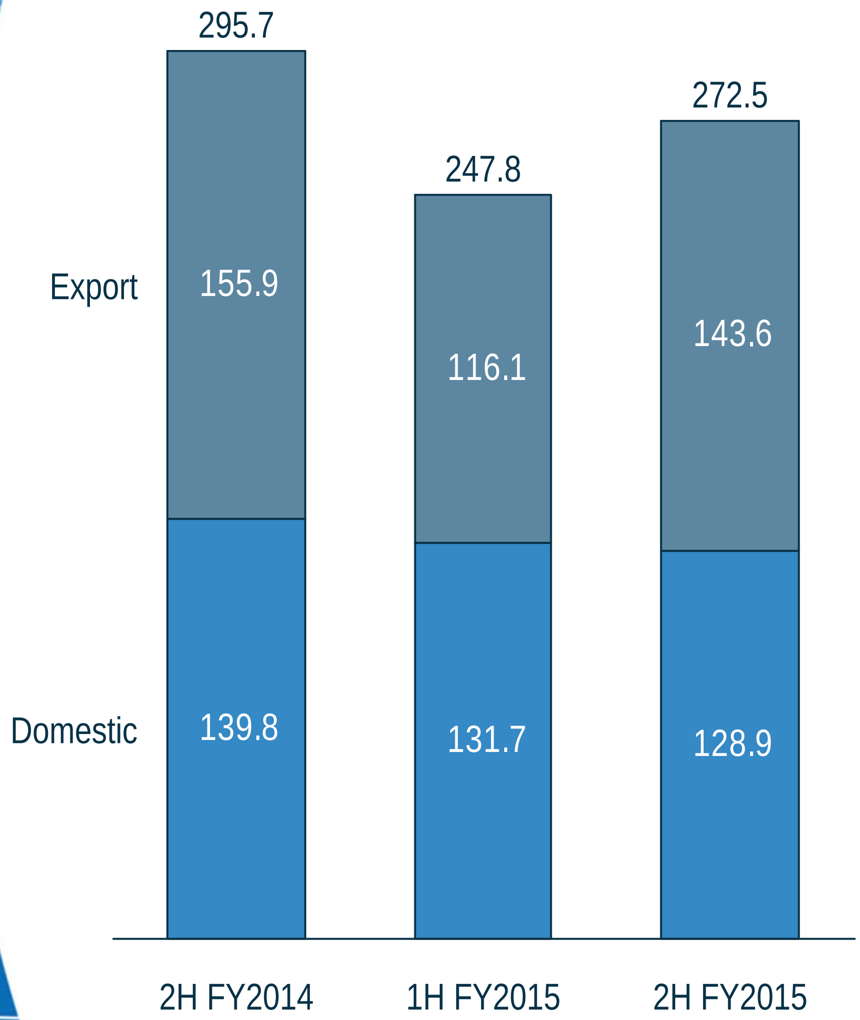




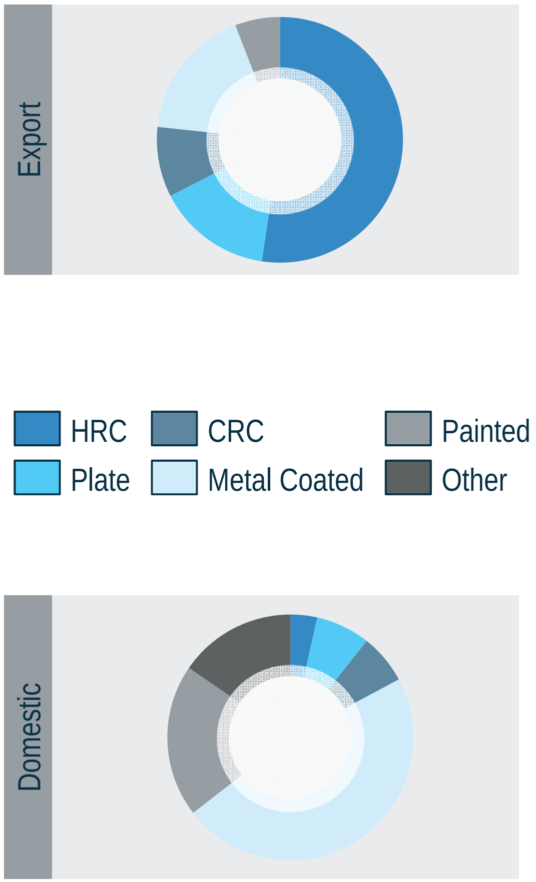
Note: 1) FX translation relates to translation of foreign currency earnings to AUD, transactional foreign exchange impacts are reflected in the individual categories

New Zealand & Pacific Steel

New Zealand Steel (flat products) despatch mix (kt) – excludes Pacific Steel

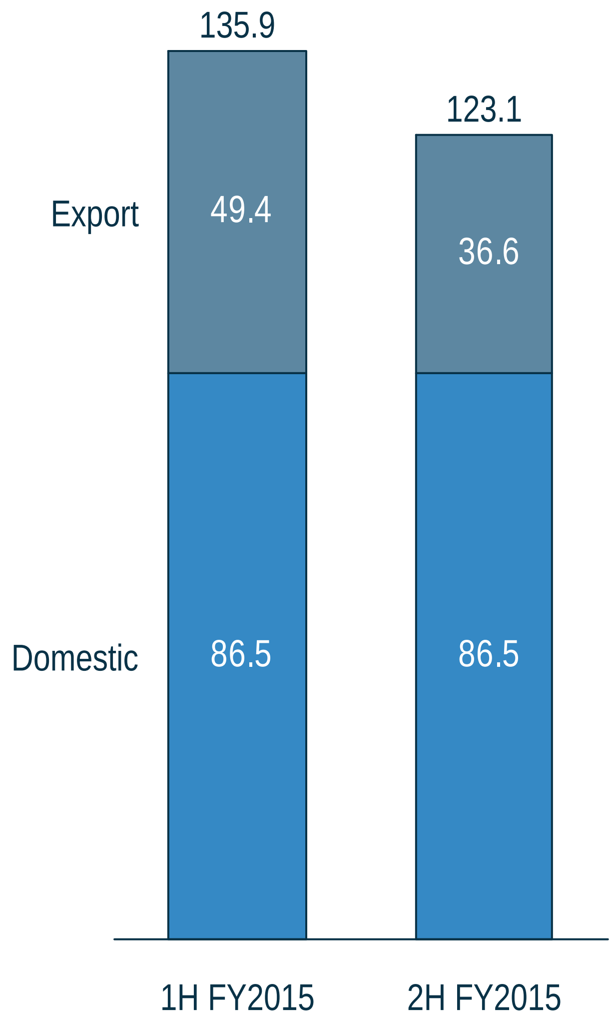


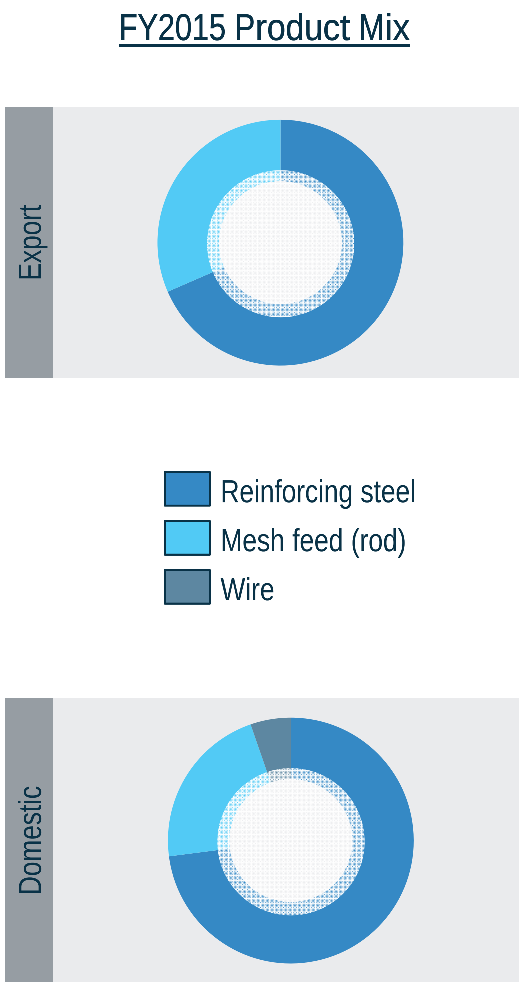
FY2015 Product Mix



New Zealand & Pacific Steel

Pacific Steel (long products) despatch mix (kt)





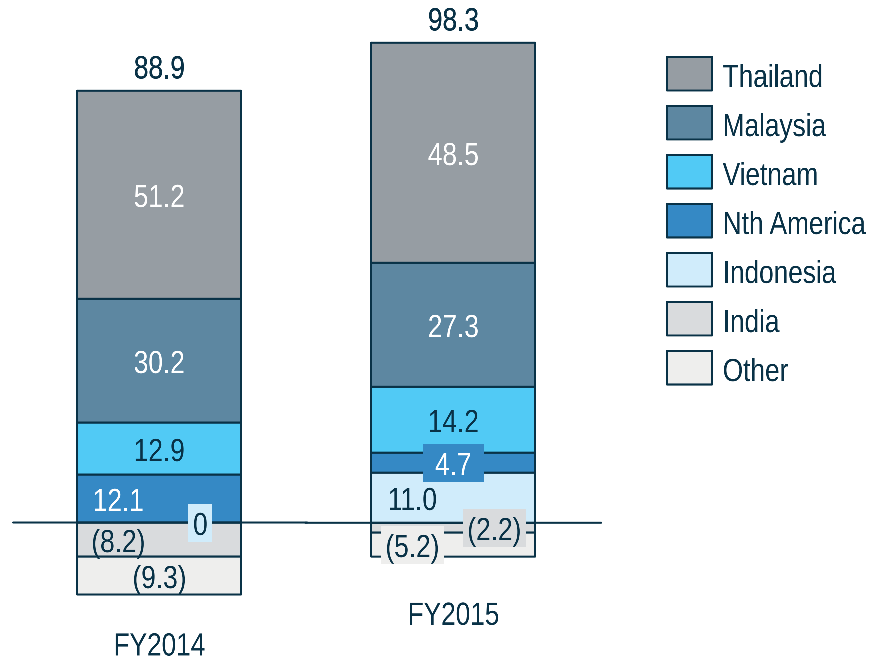
Building Products ASEAN, North America and India

Indonesia turnaround and continued improvement in India and Vietnam. Market pressure in Thailand and Malaysia combined with weaker steel prices weighing on North America

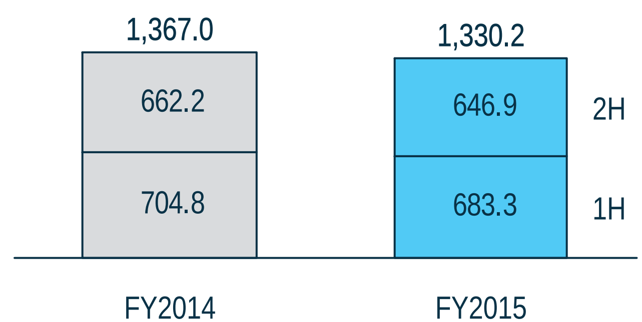
Comments on FY2015

- Overall: improvements in Indonesia, India and Vietnam, partly offset by softer results from Thailand, Malaysia and North America
- Thailand: retail segment strong; project market weakness in 1H FY2015 following the period of political instability. Project activity improving in 2H leading to stronger 2H result
- Indonesia: despite highly competitive market, achieved higher margins combined with higher despatch volumes
- Malaysia: higher volumes despite weakness in key non-residential markets and introduction of a GST. Margins have been under pressure albeit expected to improve in FY2016 with the successful commissioning of the in-line painting expansion
- Vietnam: better margins on slightly softer volume
- North America: lower margins and volumes due to the rapid decline in steel prices and increased import activity. Steel prices have since stabilised
- India: significantly improved performance on better margins; positive equity accounted contribution in 2H FY2015
- Lower regional overhead costs

Underlying EBIT ($M)



Total despatch volumes (Kt)



Building Products ASEAN, North America & India

Financial summary

Key segment financial items

$M unless marked	FY14	1H15	2H15	FY15
Revenue	1,742.9	898.6	892.2	1,790.8
Underlying EBITDA	139.9	74.0	79.3	153.3
Underlying EBIT	88.9	47.8	50.5	98.3
Reported EBIT	81.4	47.8	49.3	97.1
Capital & investment expenditure	48.1	17.4	55.4	72.8
Net operating assets (pre-tax)	844.7	1,005.4	1,006.0	1,006.0
Total despatches (kt)	1,367.0	683.3	646.9	1,330.2

Despatches by business

'000 tonnes	FY14	1H15	2H15	FY15
Thailand	367.2	171.6	178.7	350.3
Indonesia	221.0	132.5	108.8	241.3
Malaysia	156.6	82.2	84.8	167.0
Vietnam	129.2	62.2	63.4	125.6
North America	408.7	195.4	177.8	373.2
India	106.1	49.2	53.7	102.9
Other / eliminations	(21.8)	(9.8)	(20.3)	(30.1)
Total	1,367.0	683.3	646.9	1,330.2

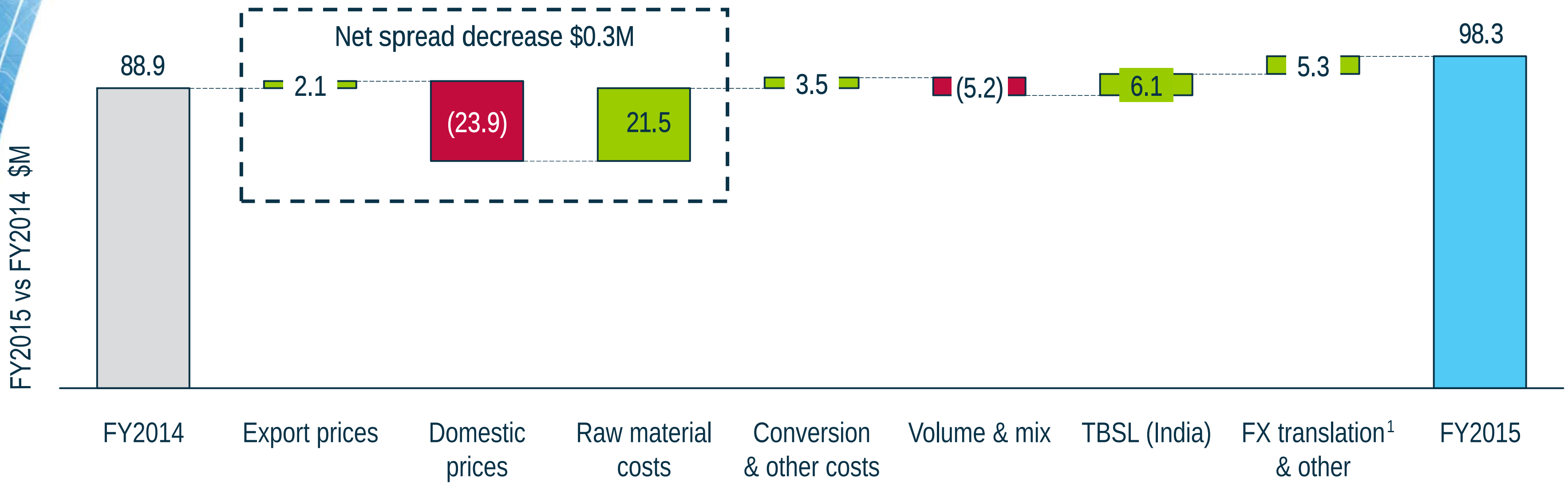
Revenue by business

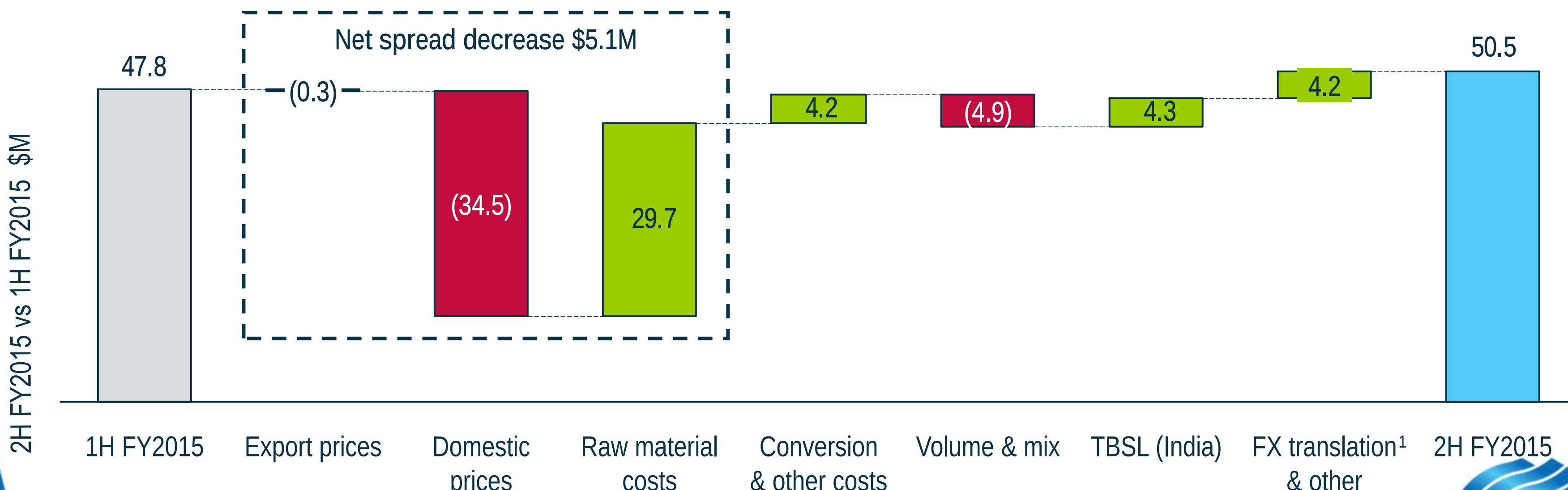
$M	FY14	1H15	2H15	FY15
Thailand	452.7	213.1	241.9	455.0
Indonesia	279.4	168.3	151.6	319.9
Malaysia	236.2	124.3	129.0	253.3
Vietnam	166.5	78.8	86.5	165.3
North America	633.7	324.2	306.8	631.0
India	0.0	0.0	0.0	0.0
Other / eliminations	(25.6)	(10.1)	(23.6)	(33.7)
Total	1,742.9	898.6	892.2	1,790.8

Underlying EBIT by business

$M	FY14	1H15	2H15	FY15
Thailand	51.2	20.5	28.0	48.5
Indonesia	0.0	4.0	7.0	11.0
Malaysia	30.2	13.4	13.9	27.3
Vietnam	12.9	5.6	8.6	14.2
North America	12.1	8.6	(3.9)	4.7
India	(8.2)	(3.2)	1.0	(2.2)
Other / eliminations	(9.3)	(1.1)	(4.1)	(5.2)
Total	88.9	47.8	50.5	98.3

Building Products ASEAN, North America & India
Underlying EBIT variance





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

BLUESCOPE

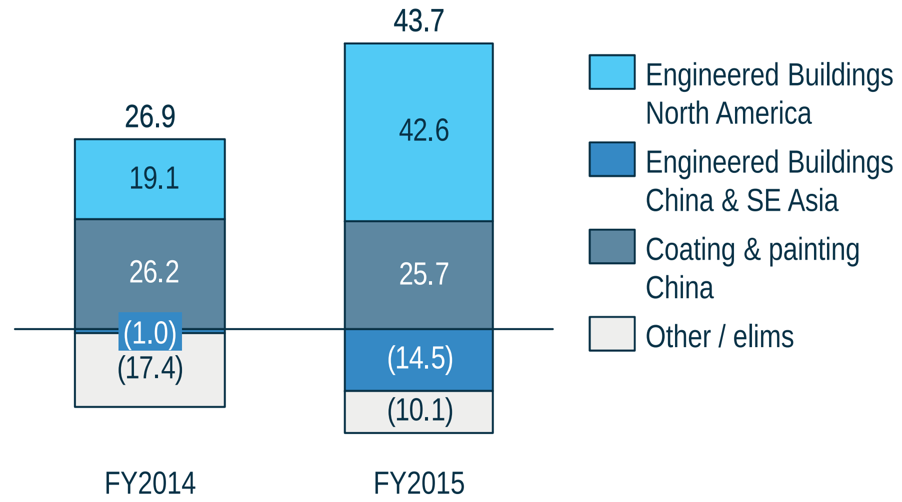
Global Building Solutions

Strong U.S. growth and solid China coating & painting. Progressing restructure of China buildings

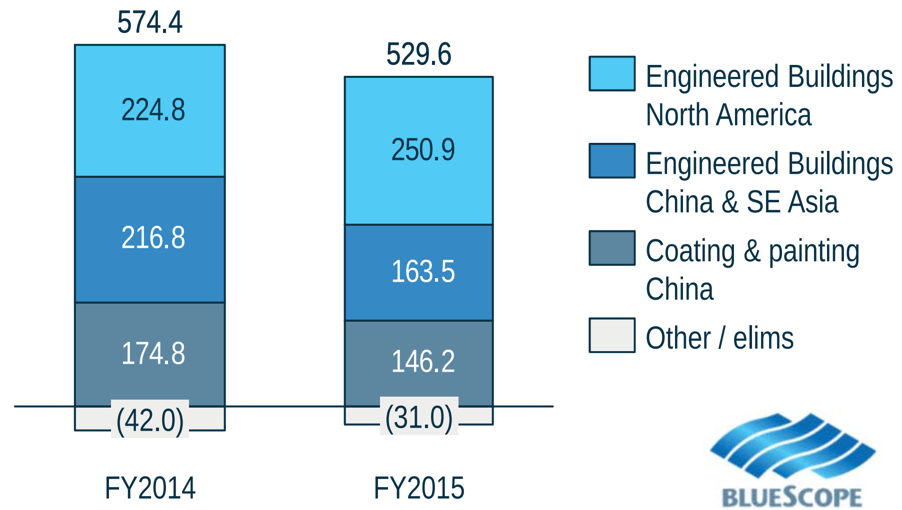
Comments on FY2015

- Overall: North American growth offset by weakness in China engineered buildings
- Engineered Buildings North America:
  - Higher volumes and margins – continued growth in non-residential construction. Activity lifted in all major end-use sectors
  - Initiative to de-risk pension fund obligations by $11.0M
- Engineered Buildings China & SE Asia:
  - Lower volumes and margins from slowing China economy, with weaker liquidity, a reduction in demand for premium buildings by foreign investors and a market shift towards lower quality buildings
  - Progressing further restructuring initiatives with positive early signs
- Coating & Painting China:
  - Continued strong performance despite lower internal demand from Engineered Buildings business
  - Targeted initiatives to increase external sales of higher value-added product continue to support strong overall margin performance

Underlying EBIT ($M)



Total despatch volumes (Kt)



BLUESCOPE

Global Building Solutions
Financial and despatches summary

Key segment financial items

$M unless marked	FY14	1H15	2H15	FY15
Revenue	1,384.3	785.4	752.7	1,538.1
Underlying EBITDA	60.3	36.7	45.6	82.3
Underlying EBIT	26.9	19.3	24.4	43.7
Reported EBIT	96.6	31.6	24.4	56.0
Capital & investment expenditure	23.5	6.1	24.2	30.3
Net operating assets (pre-tax)	595.0	703.2	727.2	727.2
Total despatches (kt)	574.4	295.7	233.9	529.6

Despatches by business

'000 tonnes	FY14	1H15	2H15	FY15
Engineered Buildings North America	224.8	140.1	110.8	250.9
Engineered Buildings Asia	216.8	86.7	76.8	163.5
Building Products China (coated steel)	174.8	85.7	60.5	146.2
Other / eliminations	(42.0)	(16.8)	(14.2)	(31.0)
Total	574.4	295.7	233.9	529.6

Revenue by business

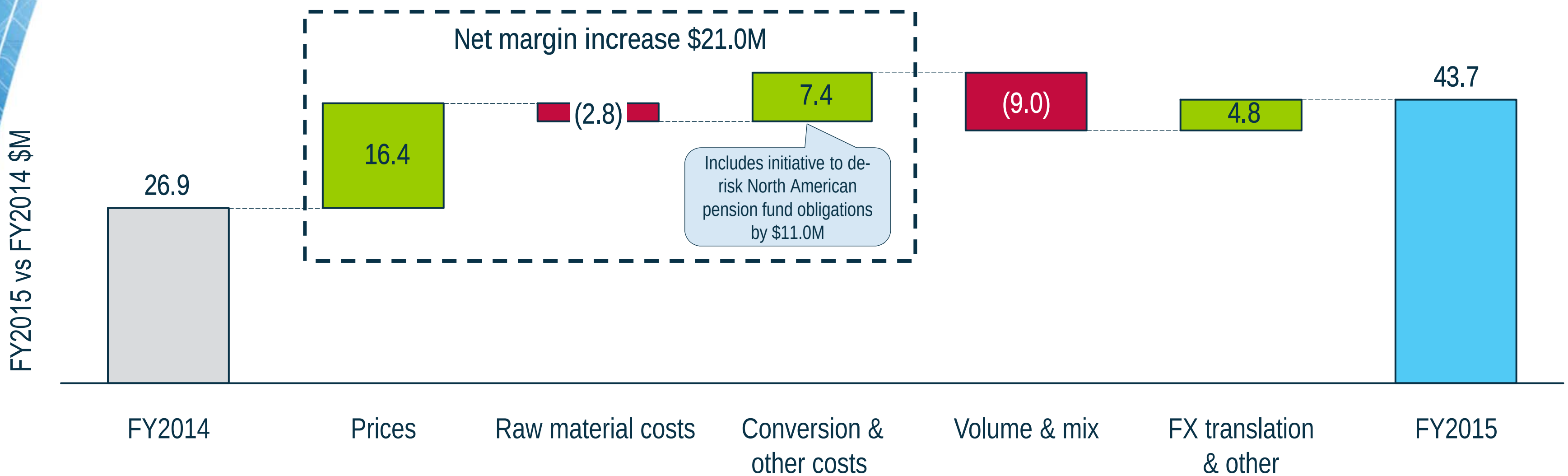
$M	FY14	1H15	2H15	FY15
Engineered Buildings North America	785.0	523.4	525.9	1,049.3
Engineered Buildings Asia	415.0	170.0	149.7	319.7
Building Products China (coated steel)	248.4	119.8	100.9	220.7
Other / eliminations	(64.1)	(27.8)	(23.8)	(51.6)
Total	1,384.3	785.4	752.7	1,538.1

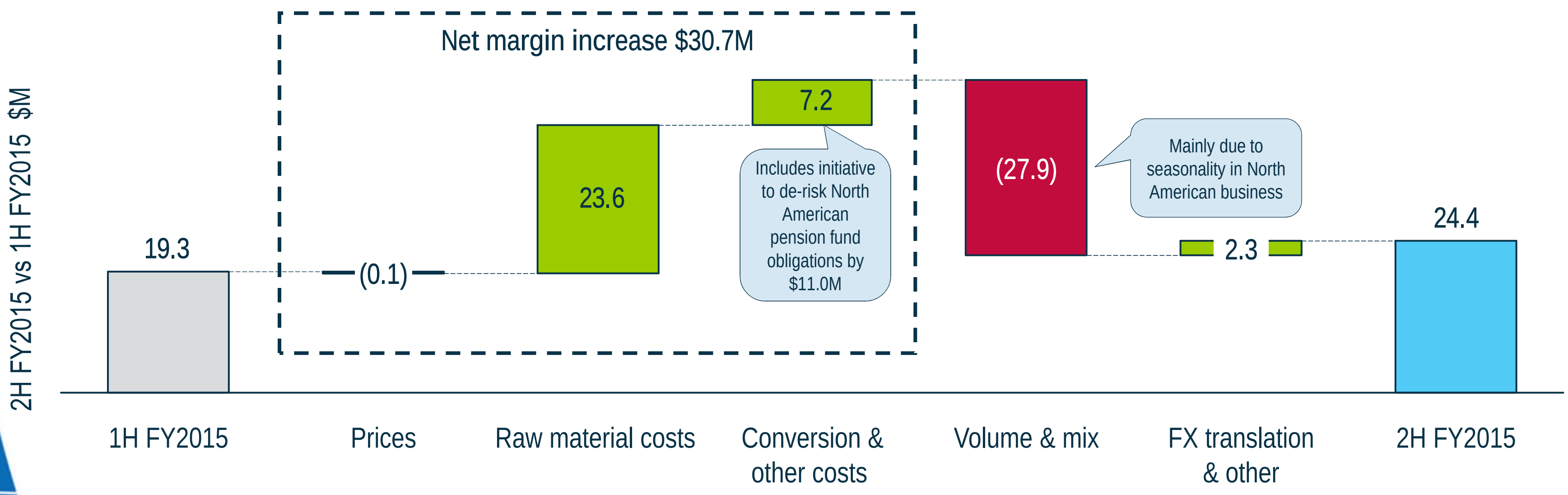
Underlying EBIT by business

$M	FY14	1H15	2H15	FY15
Engineered Buildings North America	19.1	20.7	21.9	42.6
Engineered Buildings Asia	(1.0)	(8.2)	(6.3)	(14.5)
Building Products China (coated steel)	26.2	14.1	11.6	25.7
Other / eliminations	(17.4)	(7.3)	(2.8)	(10.1)
Total	26.9	19.3	24.4	43.7

Global Building Solutions

Underlying EBIT variance





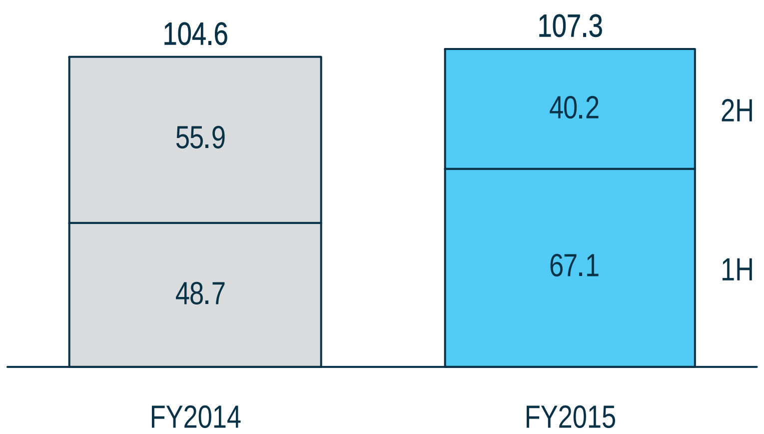
Hot Rolled Products North America

Better performance in FY2015 despite softening steel prices in 2H

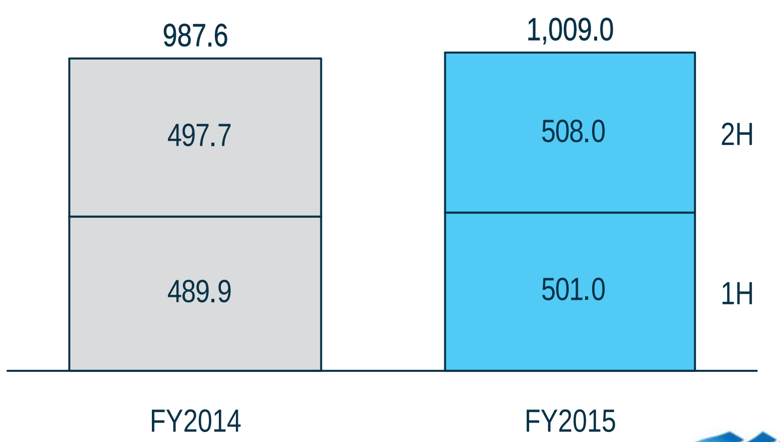
Comments on FY2015

- Very strong spreads in 1H, but significantly weaker in 2H. Overall, spreads slightly weaker in FY2015 vs FY2014 with lower steel prices but lower scrap and pig iron prices
- Favourable FX translation from weaker AUD:USD
- Continued full capacity utilisation with incremental increase in volume

Underlying EBIT[1] ($M)



Despatch volumes (BSL 50% share, Kt)



(1) Underlying EBIT recognised for Hot Rolled Products North America is mainly comprised of BlueScope's share of net profit for the North Star BlueScope Steel JV

FY2015 Financial Results Presentation

Paul O'Malley, Managing Director and Chief Executive Officer

Charlie Elias, Chief Financial Officer

24 August 2015

BlueScope Steel Limited. ASX Code: BSL