



1H FY2016 Financial Results Presentation

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BlueScope Steel Limited. ASX Code: BSL

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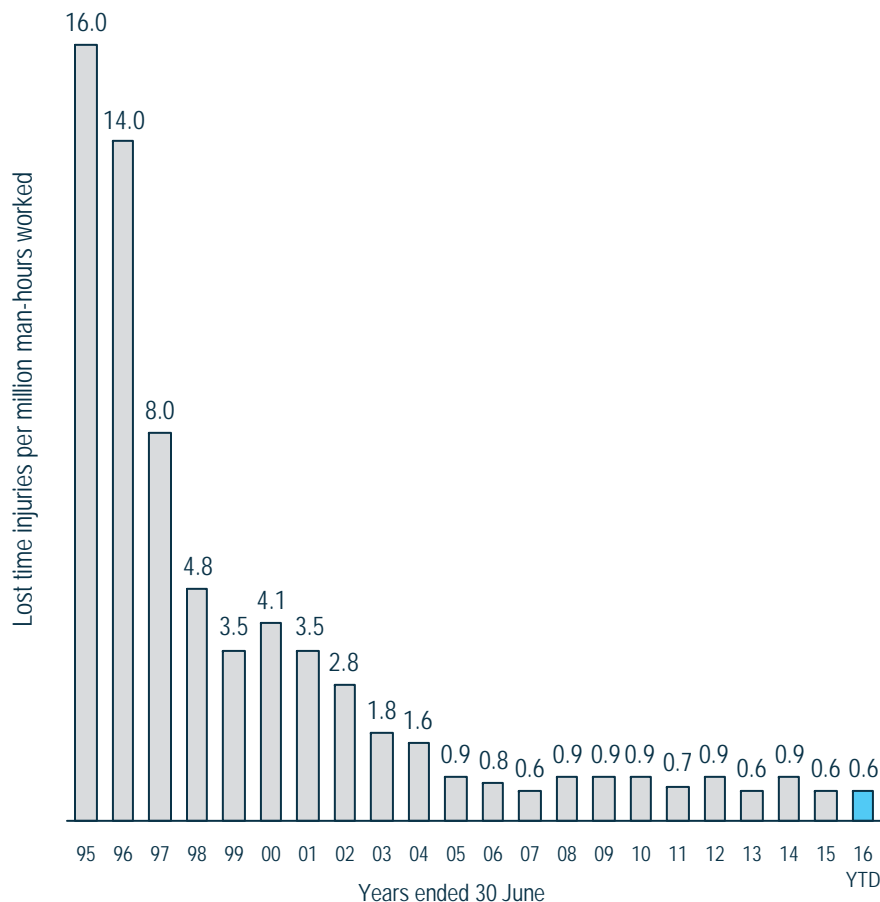
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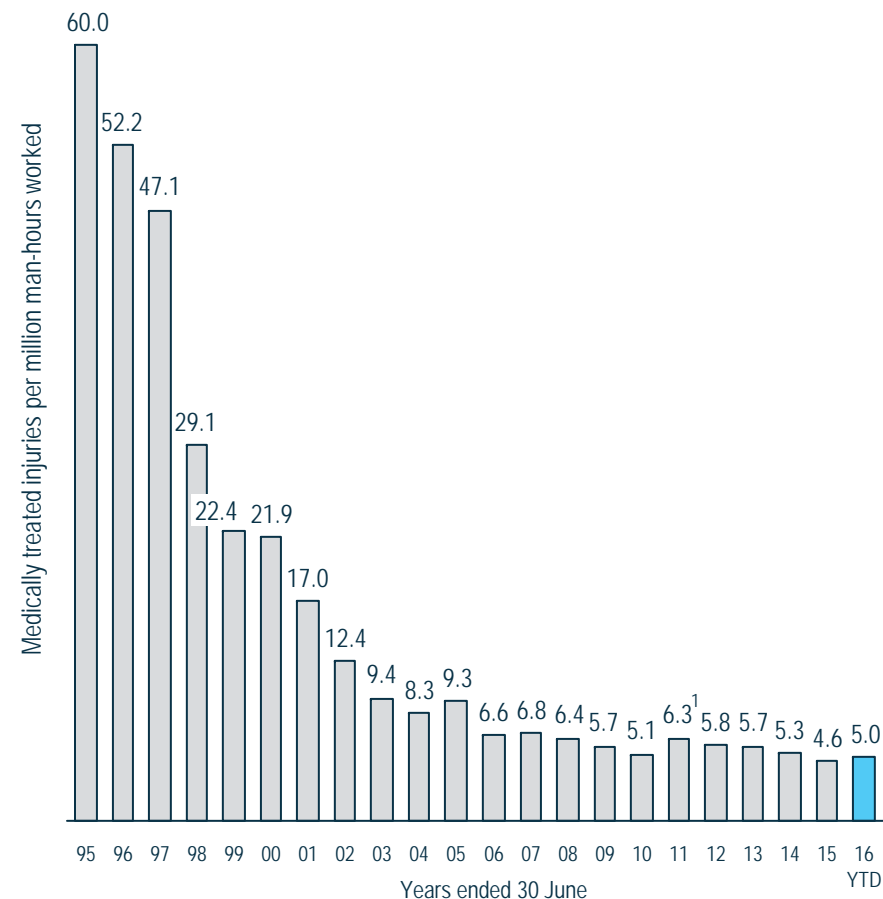
INTRODUCTION

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, Australian operational restructure in 2012 and Pacific Steel, Fielders and Orrcon from July 2015

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

In August 2015 we communicated our renewed strategy



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.

1H FY2016 results summary

Best half yearly underlying profit since 2H FY2010

Underlying EBIT

\$230.1M ↑ 35% vs 1H FY2015

Up \$101.7M on 2H FY2015

Return on invested capital¹

7.8% ↑ from 6.9%

Underlying net profit after tax

\$119.0M ↑ 47% vs 1H FY2015

Up \$66.1M on 2H FY2015

Interim dividend – fully franked

3.0cps same as 1H FY2015

Reported net profit after tax

\$200.1M ↑ 116% vs 1H FY2015

Up \$156.5M on 2H FY2015

Net debt

\$1,373.4M ↑ \$1,098.2M on Jun 2015

North Star acquisition funding in Oct 2015

Comparisons are 1H FY2016 vs 1H FY2015. Underlying results are provided to assist readers better understand the underlying financial performance; refer to page 23 for information on the adjustments from reported financial information.

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

Segment underlying EBIT summary

Strong improvement in Australia and Asia

Australian Steel Products

\$173.6M ↑ 163%

- Strong benefit from early delivery of cost savings
- Growth in domestic demand to 1,007kt
- Softer spread: impact of lower regional steel prices, largely offset by lower raw material prices

New Zealand & Pacific Steel

(\$47.1)M ↓ (\$49.7)M

- Lower regional steel prices and iron ore prices
- Cost savings benefits now in delivery

Building Products ASEAN, Nth Am & India

\$65.4M ↑ 37%

- Good growth in all businesses with Thailand similar to 1H FY2015
- Consistently good margin performance

BlueScope Buildings

\$34.2M ↑ 77%

- Nth America better: improved margins, despatches softer
- Asia Buildings improvement – reduced losses
- China Coated another good contribution to results

Hot Rolled Products North America

\$42.4M ↓ (37%)

- Lower Midwest HRC spreads but better conversion costs
- Favourable FX translation
- Consolidation of North Star from November 2015

Corporate

\$38.6M ↑ 20%

- Higher mainly due to FX

Australia and New Zealand cost savings

Australian target now \$270M for FY2017; New Zealand target NZ\$50M

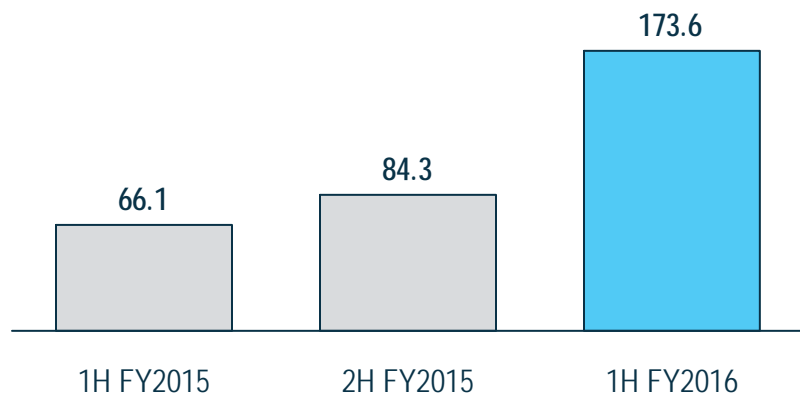
	Australia (inc Distribution)	New Zealand
1H FY2016 achieved	\$95M	NZ\$13M
2H FY2016 target	\$110-120M	NZ\$20-25M
FY2016 target	\$205-215M	NZ\$33-38M
FY2017 target	\$270M	At least NZ\$50M

Note: cost savings are net of estimated escalation

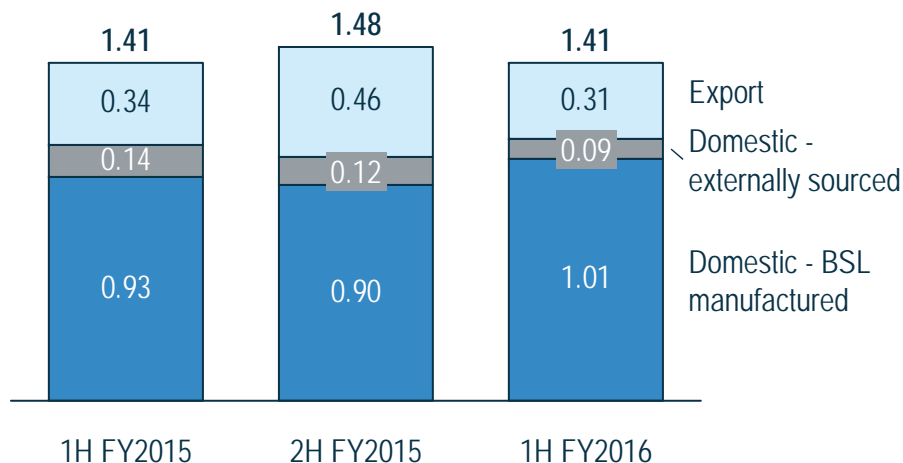
Australian Steel Products

Best 1H result for seven years – underlying EBIT up significantly to \$173.6M on cost savings in a weaker spread environment

Underlying EBIT (\$M)



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



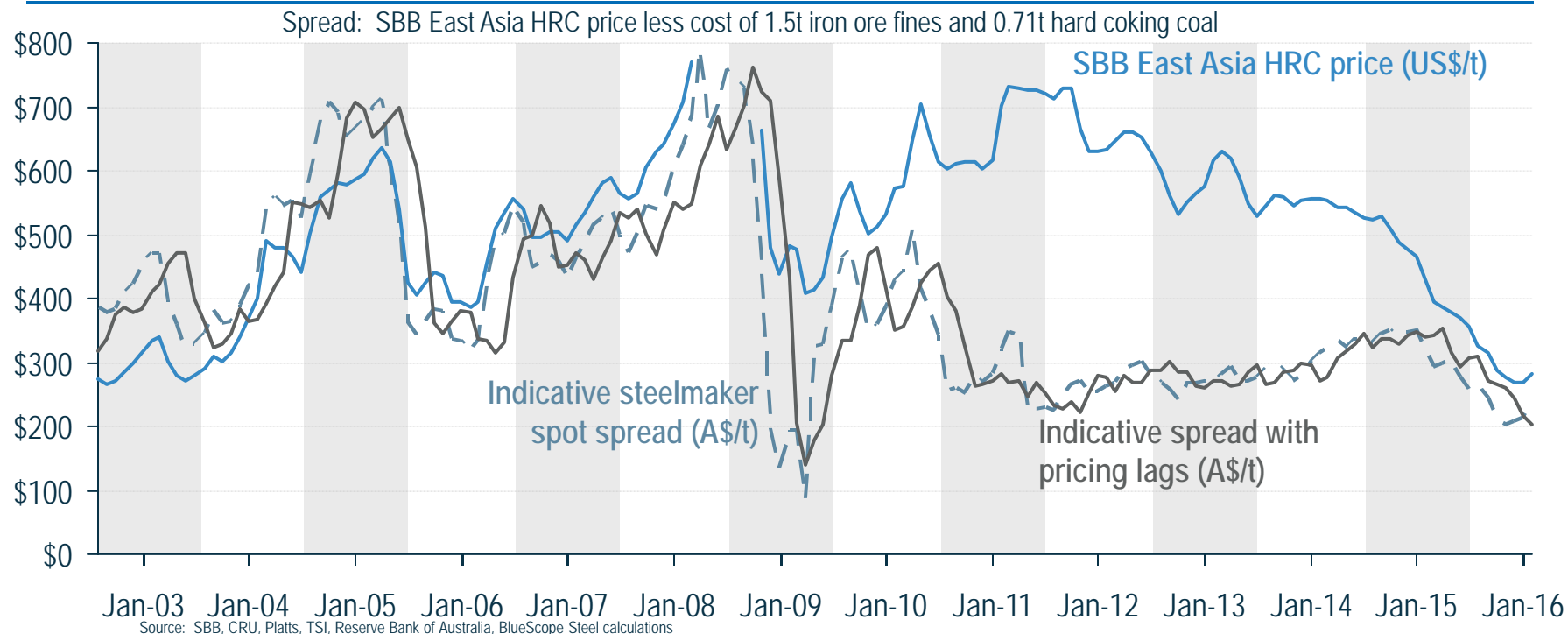
Comments on 1H FY2016

- Higher building product (COLORBOND® steel and ZINCALUME® steel) and pipe & tube (hot rolled coil) sales
- Improved residential construction sales, particularly in New South Wales, Queensland and Victoria
- Lower costs driven by:
 - Implementation of Plan A
 - Higher steel production driving lower R&M and conversion cost unit rates and no stove replacement in 1H FY2016
- Weaker spread:
 - Lower export prices driven by lower global steel prices partly offset by benefit of the weaker AUD:USD
 - Lower domestic prices due to international price competition partly offset by benefit of the weaker AUD:USD
 - Lower raw material costs
- \$95M of cost savings achieved in 1H FY2016 vs 1H FY2015. Now targeting \$270M in savings in FY2017 vs FY2015 (includes \$20M in Distribution)

Australian Steel Products

At current spreads, much of the international industry is relying on debt to fund losses for continued production

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



	FY2011	FY2012	FY2013	FY2014	FY2015	1H FY15	2H FY15	1H FY16	Spot ¹
Indicative steelmaker HRC spread (US\$/t)	271	276	277	283	268	307	228	162	167
Indicative steelmaker HRC spread (A\$/t)	275	267	270	308	318	344	292	224	238
Indicative spread with pricing lags (A\$/t)	292	257	278	295	331	336	326	262	n/a
AUD:USD	0.99	1.03	1.03	0.92	0.84	0.89	0.78	0.72	0.70

Note (1): at mid Feb 2016

Notes on calculation:

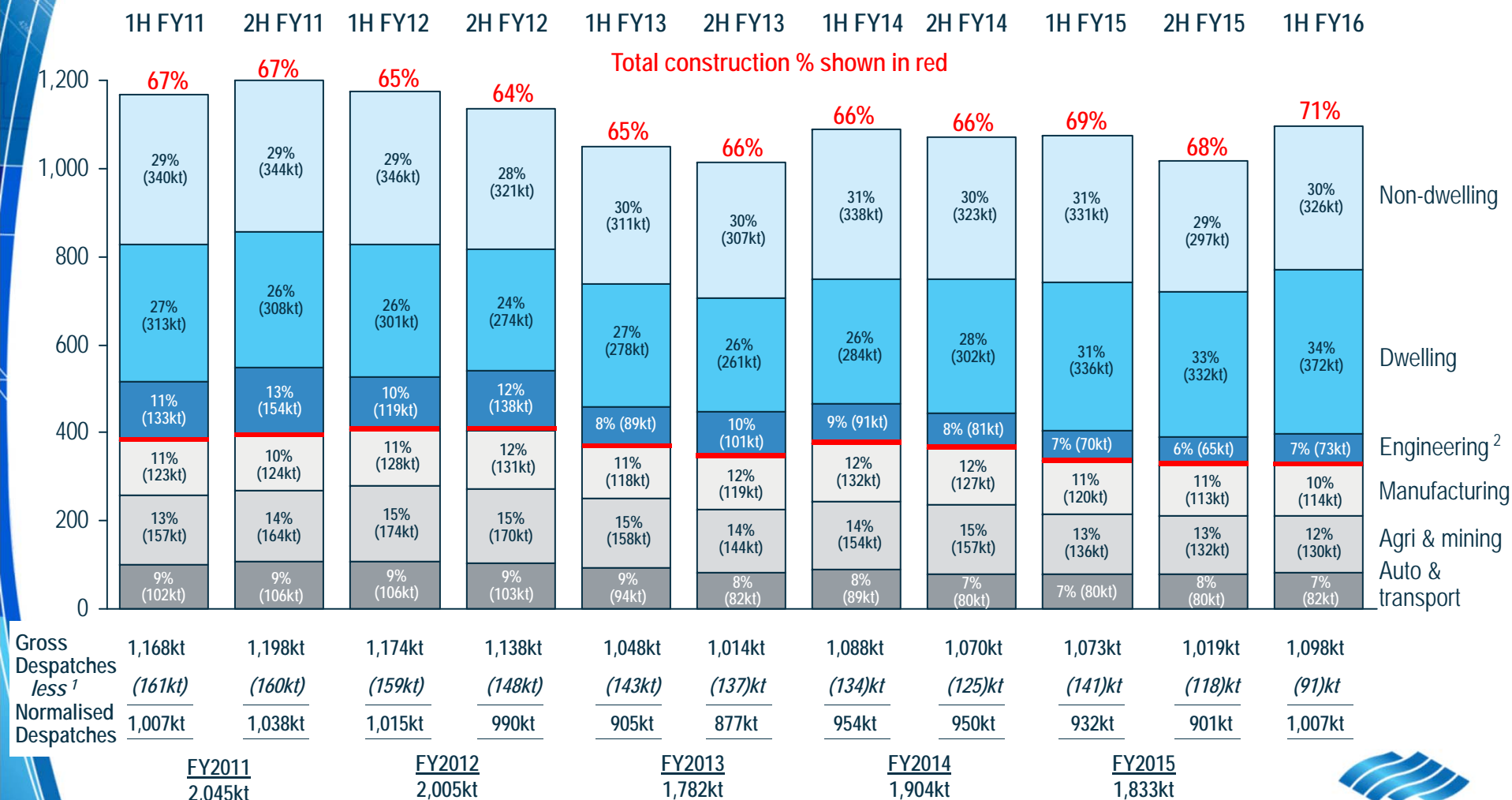
- 'Indicative steelmaker HRC spread' representation based on simple input blend of 1.5t iron ore fines and 0.71t hard coking coal per output tonne of steel. Chart is not a specific representation of BSL realised export HRC spread (eg does not account for iron ore blends, realised steel prices etc), but 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



Australian Steel Products

Australian demand: improving customer engagement is making a difference

Total Australian external despatch volumes (Kt)



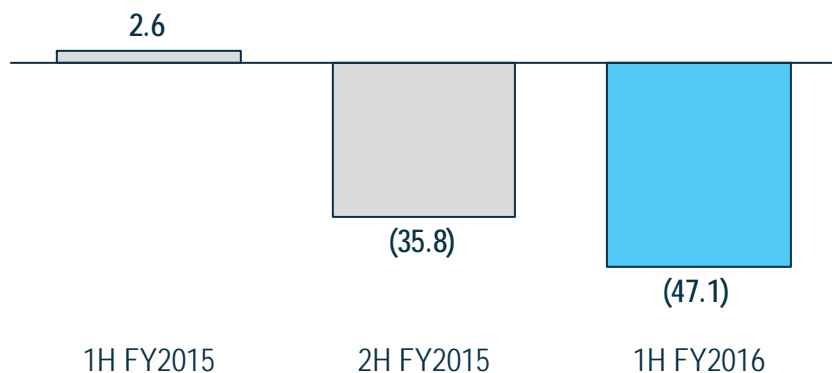
(1) Normalised despatches exclude third party sourced products, in particular, long products

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

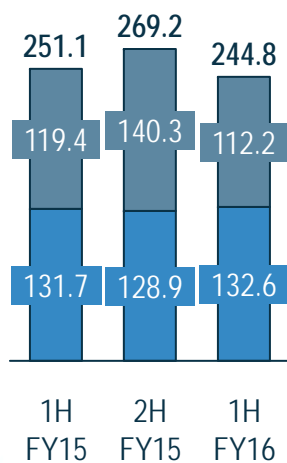
New Zealand & Pacific Steel

Softer result on weaker iron ore and steel prices and volumes

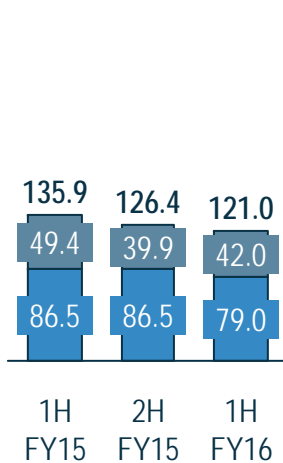
Underlying EBIT (\$M)



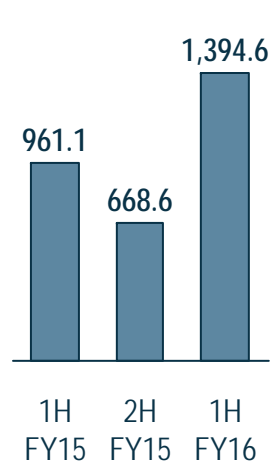
New Zealand Steel despatches (Kt)



Pacific Steel despatches (Kt)



Iron sands despatches (Kt)



■ Export ■ Domestic

Comments on 1H FY2016

- Lower realised iron sands and steel pricing partially mitigated by a weaker NZD:USD
- Higher steel and iron sands inventory NRV provision due to high inventory levels ahead of the billet caster commissioning combined with weak pricing
- Consistent domestic flat products volume with gains in the residential building market offset by material reductions in manufacturing and agricultural markets
- Good progress on Pacific Steel acquisition
 - While slightly lower than 1H FY2015, domestic long products volumes remained high by historical standards, with continued strength in construction markets
 - Billet caster commissioned at Glenbrook late in 1H FY2016. Earnings run-rate potential expected in 2H FY2016 onwards
- NZ\$13M of cost savings achieved in 1H FY2016 vs 1H FY2015. On track for FY2017 cost savings goal of at least NZ\$50M

Taharoa

Commenced sale process

Management strategy

- Sale process has commenced
- Growth capex being reviewed

2H FY2016 volume

- 1.8Mt expected

Underlying EBIT

- Expect FY2016 EBIT loss of NZ\$25-30M¹ (incl NRV) at US\$41/t index price² in 2H FY2016
 - At US\$35/t index price in 2H, EBIT would be NZ\$8M lower
 - At US\$45/t index price in 2H, EBIT would be NZ\$10M higher

Cash

- Expect FY2016 operating cash outflow of NZ\$26-31M³ (including NZ\$16M growth capex) at US\$41/t index price in 2H FY2016
 - At US\$35/t index price in 2H, cash would be NZ\$6M lower
 - At US\$45/t index price in 2H, cash would be NZ\$5M higher

Breakeven

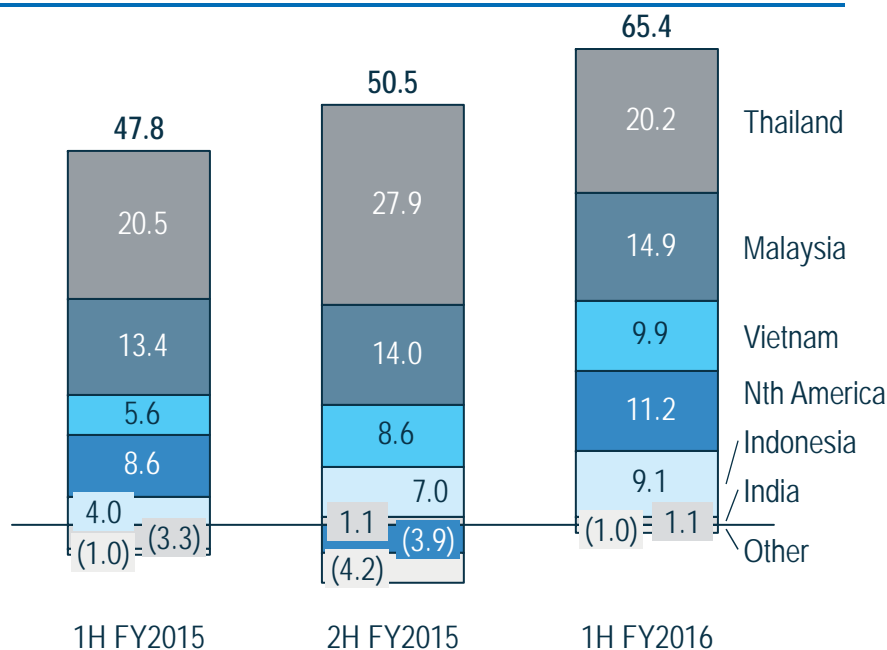
- EBIT break-even to ~US\$46-47/t (index price) in 2H FY2016

1. Assumes NZDUSD of 0.64 in 2H FY2016. Note, approximately 60-65% of cost base is NZD based
2. References are to 62% Fe CFR Pilbara iron ore index price
3. Operating cash outflow being cashflow from operating activities, sustaining capex and NZ\$16M growth capex

Building Products ASEAN, North America and India

EBIT up 37% with better performance across most businesses; 33% pa compound earnings growth over past four years

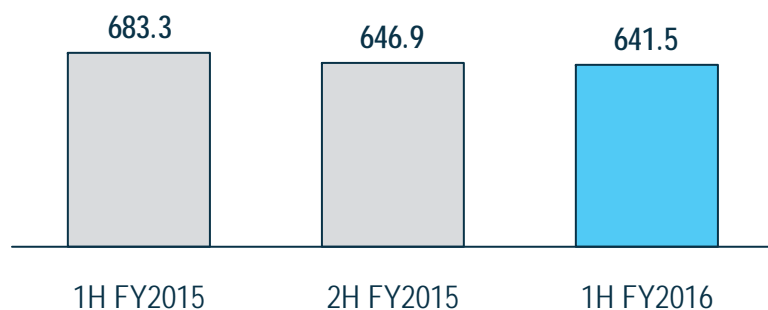
Underlying EBIT (\$M)



Comments on 1H FY2016

- Overall: earnings growth in all businesses except Thailand
- Thailand: flat performance on softer demand (eg Government project delays), offset by mix improvement towards higher value products. Some FX benefit
- Indonesia: achieved higher margins on better product mix and enhanced market offerings; FX translation benefit. Demand remains soft
- Malaysia: strong margins. Continued growth in In-line Painting despatches following capacity expansion
- Vietnam: stronger margins; better despatch mix with increased domestic painted sales. FX translation benefit
- North America: volumes higher driven by improved market demand. Margin improvement due to raw material cost improvements. FX translation benefit
- India: stronger margins; higher despatch volumes; better despatch mix with higher painted sales

Total despatch volumes (Kt)



Building Products ASEAN, North America and India

Thailand growth initiatives

Home appliance steels update

- VIEWKOTE® sales increasing
- SUPERDYMA® dual-pot metal coating line now commissioned
- Customer accreditation process underway, and on-track for sales commitments around beginning of FY2017

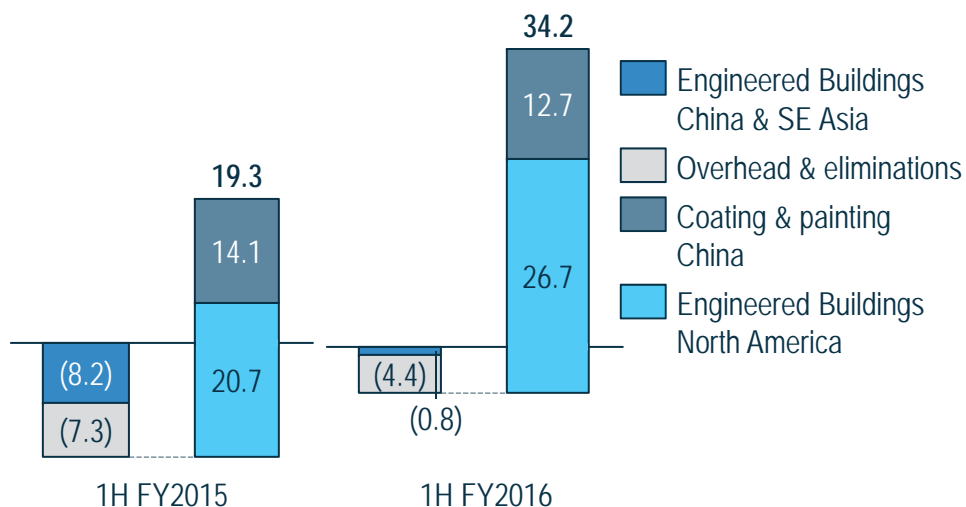
Meeting ASEAN growth

- Efforts underway increase throughput of existing lines
- Portfolio product flow optimisation within region
- Considering capacity expansion to continue and grow presence in Retail market – fit-for-market coating and painting line
 - Actively reviewing investment case
 - Focus is on delivery of continued market growth to justify expansion

BlueScope Buildings

77% EBIT lift on Buildings Asia improvement and continued U.S. growth

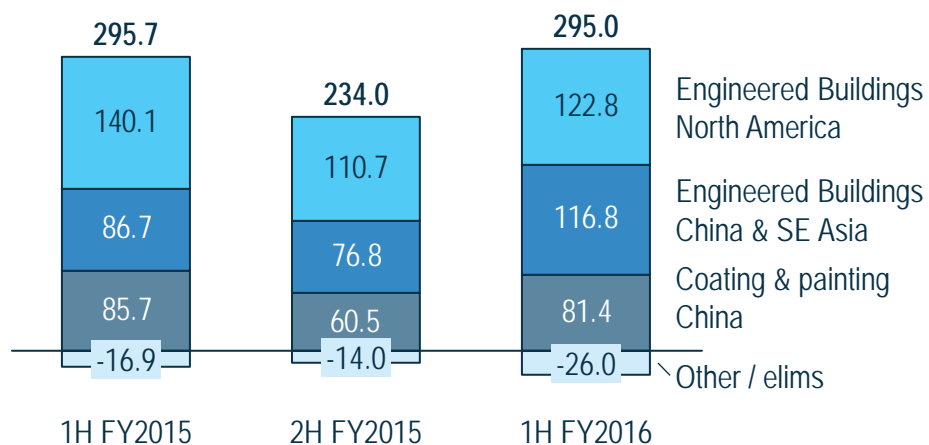
Underlying EBIT (\$M)



Comments on 1H FY2016

- Engineered Buildings North America:
 - Improved pricing driving positive margin performance on higher value projects, with some volume decline. FX translation benefit
- Engineered Buildings China & SE Asia:
 - Business Improvement program in implementation
 - Strong volume growth. Sales initiatives capturing improving share
- Coating & Painting China:
 - Continued strong performance
 - Good margin performance although volumes marginally weaker driven by project delays. Order intake remains positive

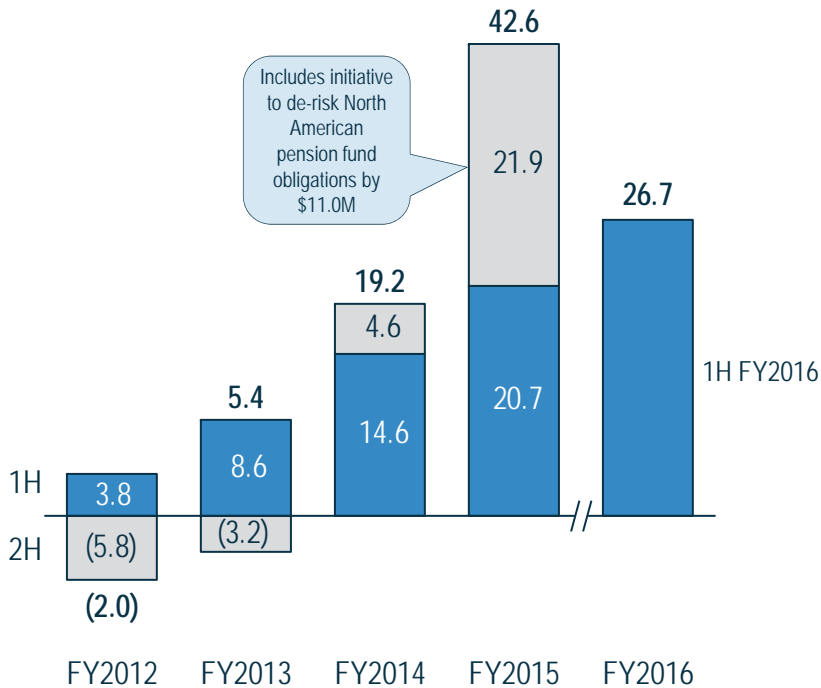
Total despatch volumes (Kt)



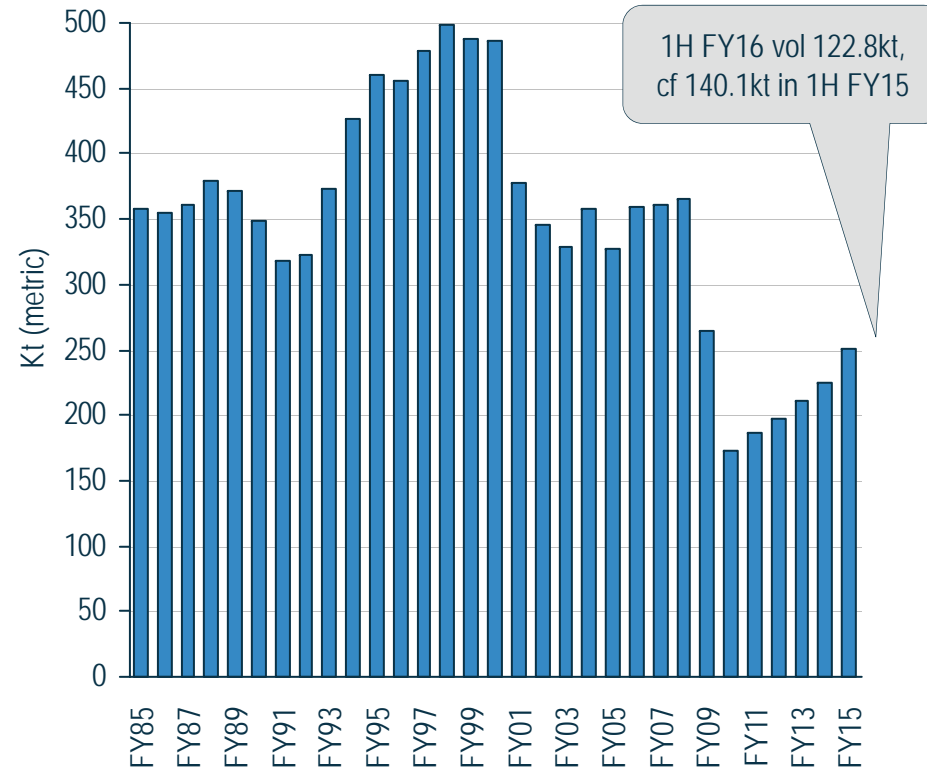
BlueScope Buildings

Steady progress in North America earnings growth. Volumes moderated in 1H FY2016 but good potential remains

Underlying EBIT of Buildings North America (\$M)



Buildings North America – volumes



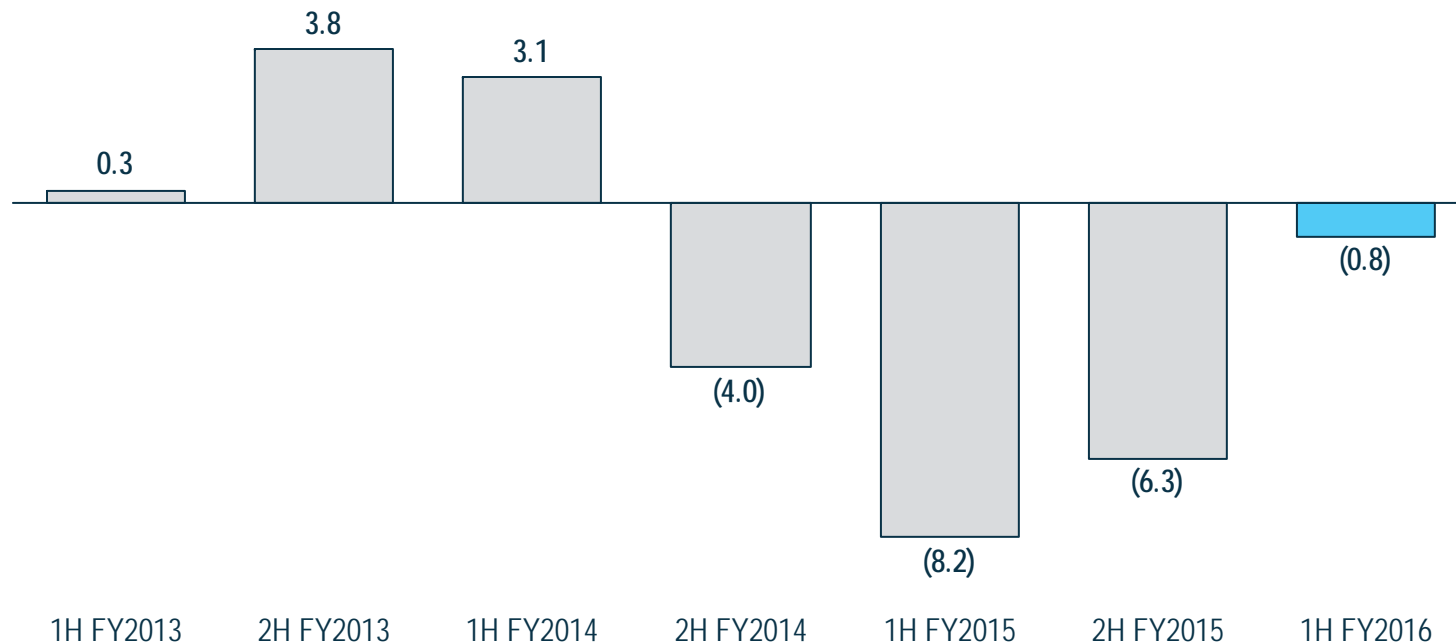
Note: BBNA formed in 2008. Volumes are the combination of Butler and Varco Pruden volumes

BlueScope Buildings

Progressing China Buildings restructure

- Asia Buildings improved to \$0.8M EBIT loss in 1H FY2016. Executing turnaround plan
 - Addresses manufacturing productivity, variable cost reduction and revenue and margin improvement

Underlying EBIT / (loss) of Buildings Asia (\$M)



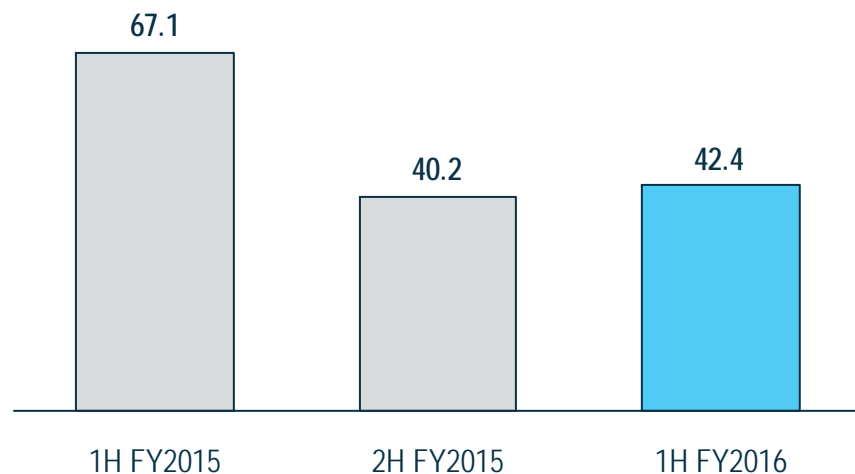
Hot Rolled Products North America

Strong operating performance continued; 100% consolidation from 30 Oct

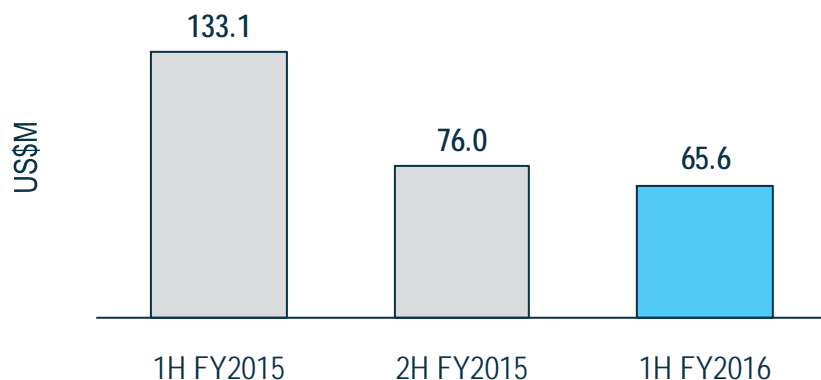
Comments on 1H FY2016

- North Star:
 - Acquisition of remaining 50% on 30 October 2015
 - Softer spread due to U.S. Midwest HRC steel prices falling more than raw material prices
 - Lower alloy and energy costs
 - FX translation benefit
 - Operating at 100% capacity utilisation versus U.S. industry average below 70%

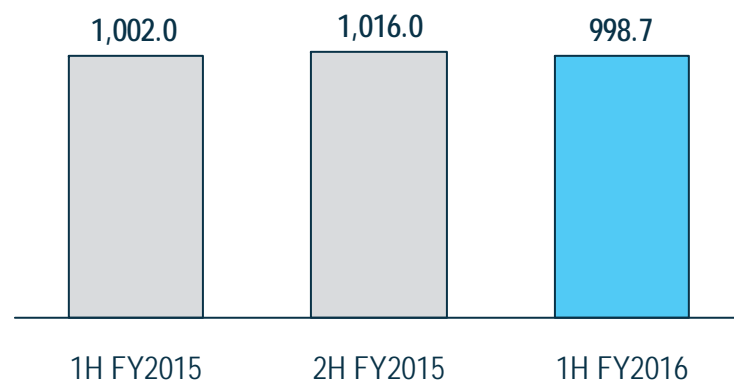
Segment underlying EBIT (\$M)



North Star underlying EBITDA (100% basis, US\$M)



Total despatch volumes (100% basis, Kt)



Spread¹: US\$285/t US\$221/t US\$203/t

Capacity utilisation: 100% 100% 100%

Note: (1) North Star D&A charge of approximately US\$40M per annum following revaluation (100% basis)

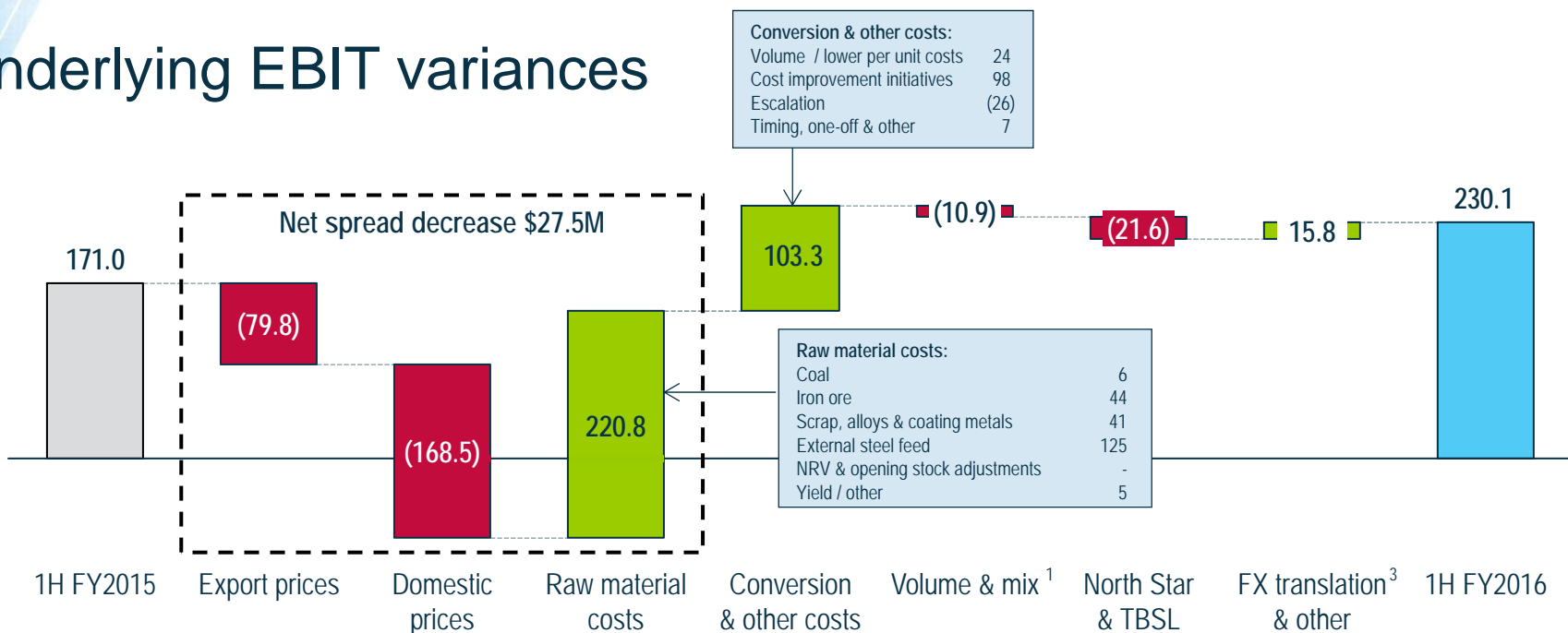
(2) U.S. Midwest mini-mill HRC spread (metric); assumes scrap/pig iron usage of 1.1t per output tonne. Source: CRU, AMM, Ryan's Notes, BSL



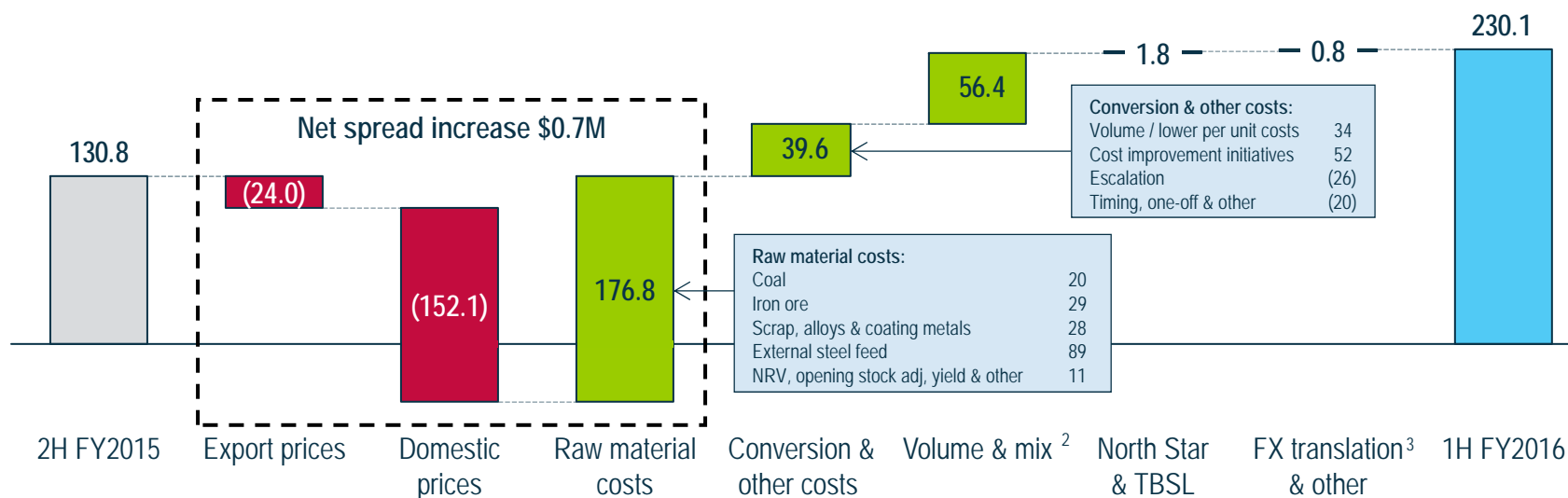
GROUP FINANCIALS

Underlying EBIT variances

1H FY2016 vs 1H FY2015 \$M



1H FY2016 vs 2H FY2015 \$M



Notes: 1) Volume / mix based on 1H FY2015 margins

2) Volume / mix based on 2H FY2015 margins

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

Review of non-current asset carrying values

North Star write-up

- Accounting carrying value write-up of \$700.8 million (pre-tax) of the existing 50% interest in North Star BlueScope Steel that it already owned
- Brought about by the requirement to revalue this asset when 100% ownership was acquired at the end of October 2015

Australia & New Zealand impairment charges

- Impairment charge of \$567.5 million, comprised of:
 - \$189.0 million in the Australian Steel Products segment
 - \$344.9 million in its New Zealand and Pacific Steel segment, including full impairment of \$162.7 million of the Taharoa export iron sands fixed assets
 - \$33.6 million carried forward New Zealand tax assets
- Follows the review of external steel and iron ore price forecasts and discount rates in light of macroeconomic and global steel market changes

Note: impairment of assets expected to reduce ASP segment depreciation & amortisation charge by \$5-10M pa and New Zealand and Pacific Steel segment depreciation & amortisation charge by \$15-20M pa

Reconciliation between reported NPAT and underlying NPAT¹

	1H FY2016 NPAT \$M
Reported net profit after tax	200.1
<i>Underlying adjustments</i>	
Impact of acquiring a controlling interest in North Star	(702.9)
Asset impairments	533.9
Restructuring & redundancy costs	57.4
Asset sales	(34.0)
Tax asset impairment	46.6
Business development, transaction and pre-operating costs	11.1
Tianjin production disruption	5.9
Discontinued Business (gains) / losses	0.7
Underlying net profit after tax	119.0

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 six months ended 31 December 2015 (document under Listing Rule 4.2a)

Cash flow

\$M	1H FY15	2H FY15	1H FY16
Reported EBITDA	349.9	289.7	515.8
Adjust for other cash profit items	(8.9)	23.7	(202.3)
Cash from operations	341.0	313.4	313.5
Working capital movement (inc provisions)	(121.1)	121.7	(80.9)
Gross operating cash flow	219.9	435.1	232.6
Financing costs	(36.1)	(33.5)	(42.9)
Interest received	1.7	1.3	3.8
(Payment) / refund of income tax ¹	(35.9)	(13.8)	(28.4)
Net operating cash flow	149.6	389.1	165.1
Capex: payments for P, P & E and intangibles	(168.0)	(216.9)	(141.2) ²
Other investing cash flow	(40.7)	14.8	(957.4)
Net cash flow before financing	(59.1)	187.0	(933.5)
Equity issues	(0.1)	(0.5)	-
Dividends to BSL shareholders	-	(17.0)	(17.1)
Dividends to non-controlling interests	(32.7)	(13.5)	(19.7)
Transactions with non-controlling interests	-	(0.5)	-
Net drawing / (repayment) of borrowings	(19.3)	(31.8)	932.9
Net increase/(decrease) in cash held	(111.2)	123.7	(37.4)

Primarily the net gain in revaluation of existing 50% share of North Star following acquisition of Cargill's 50% share in Oct 2015

Working capital outflow; noting June 2015 benefitted from timing of working capital by \$100M

Primarily acquisition of Cargill's 50% share in Oct 2015 for US\$720M

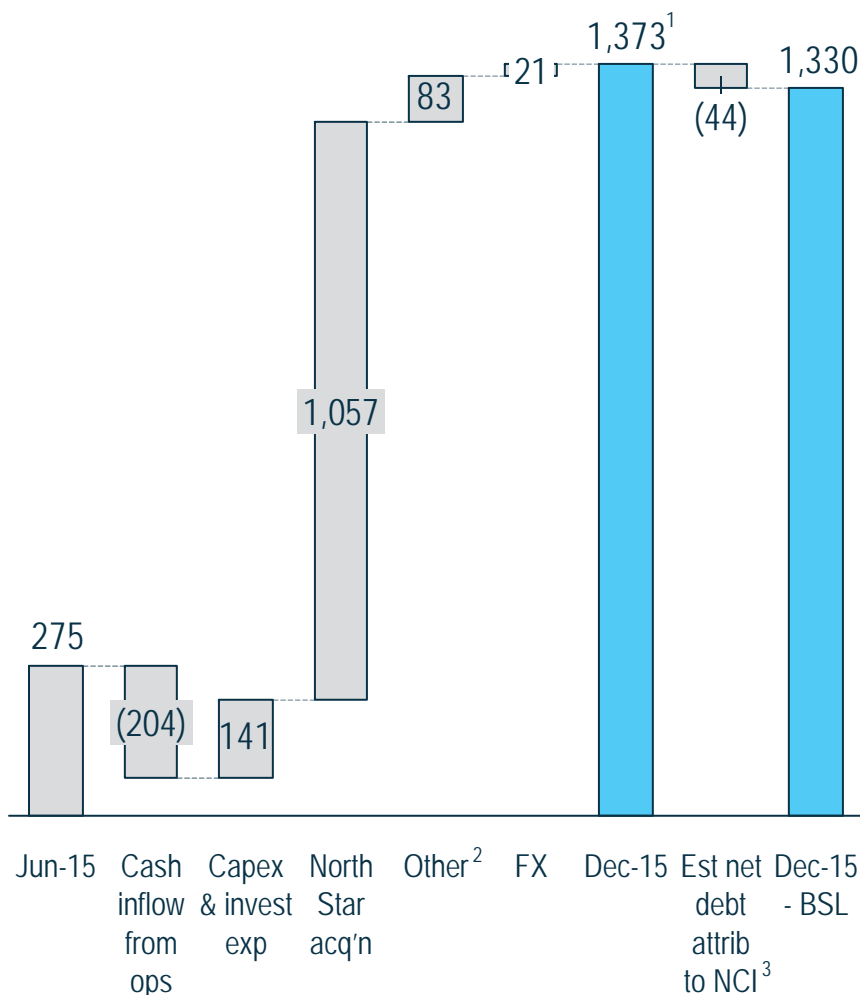
(1) As at 31 December 2015 the BlueScope Steel Australian tax consolidated group is estimated to have carried forward tax losses of approximately \$2.85Bn. There will be no Australian income tax payments until these losses are recovered

(2) Cash capex of \$141.2M in 1H FY2016; new capital commitments of \$111.3M

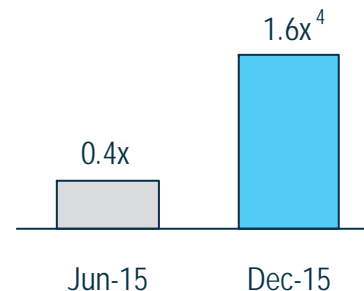
Balance sheet

Gearing increased on North Star purchase

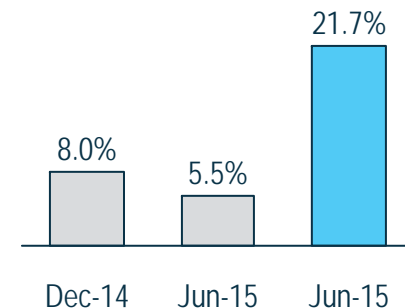
Net debt (\$M)



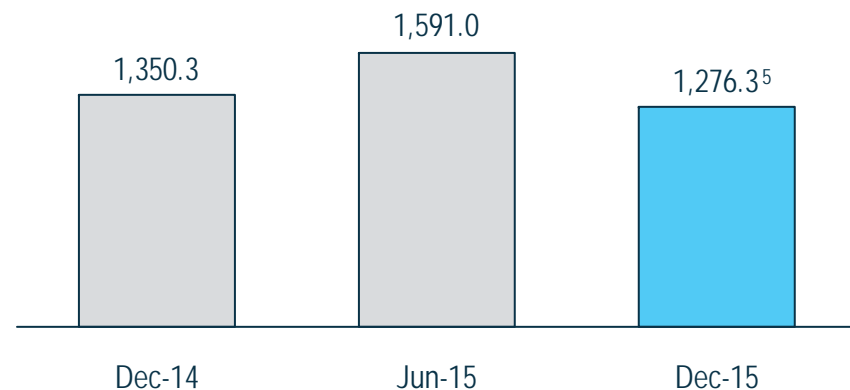
Net debt / Underlying EBITDA



Gearing (ND/ND+E)



Liquidity (undrawn facilities and cash, \$M)



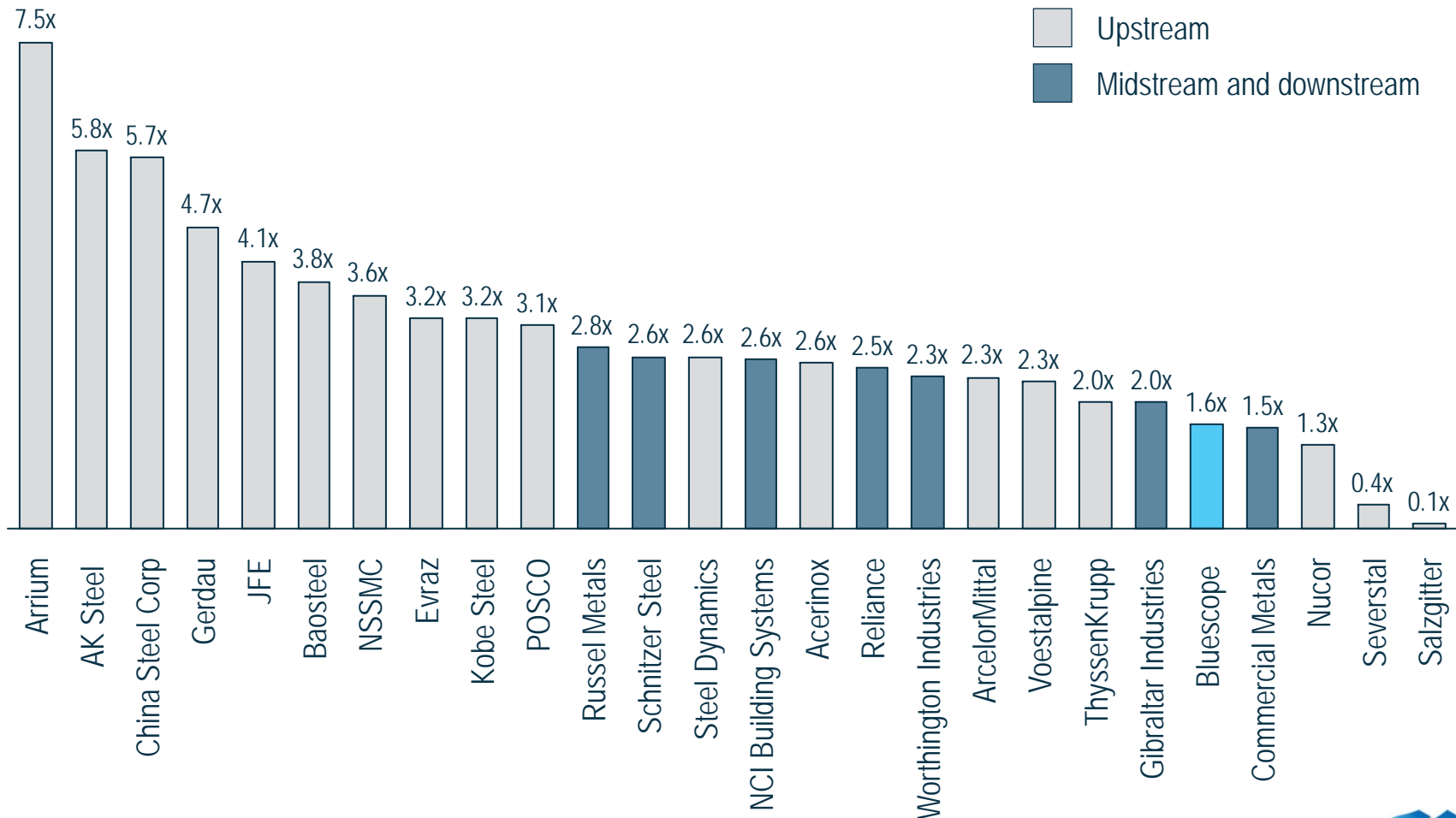
- (1) \$1,373M net debt comprised of \$1,861M gross debt less \$488M cash
 (2) 'Other' includes net finance costs, asset sales/other investing and dividends
 (3) Non-controlling interests

- (4) Includes North Star proforma for LTM to Dec-15
 (5) Includes \$399.4M liquidity in NS BlueScope Coated Products JV

Balance sheet

Deleveraging to 1.0x net debt to EBITDA remains our target

Leverage of global steel companies – net debt to EBITDA



Note: net debt sourced from most recent disclosure by each company; EBITDA calendarised for year to 31 Dec 2015 using a combination of most recent disclosed actual earnings combined with forecast for the balance of the year sourced from FactSet

Source: Company Filings and FactSet

Balance sheet

Progressing refinancing and deleveraging

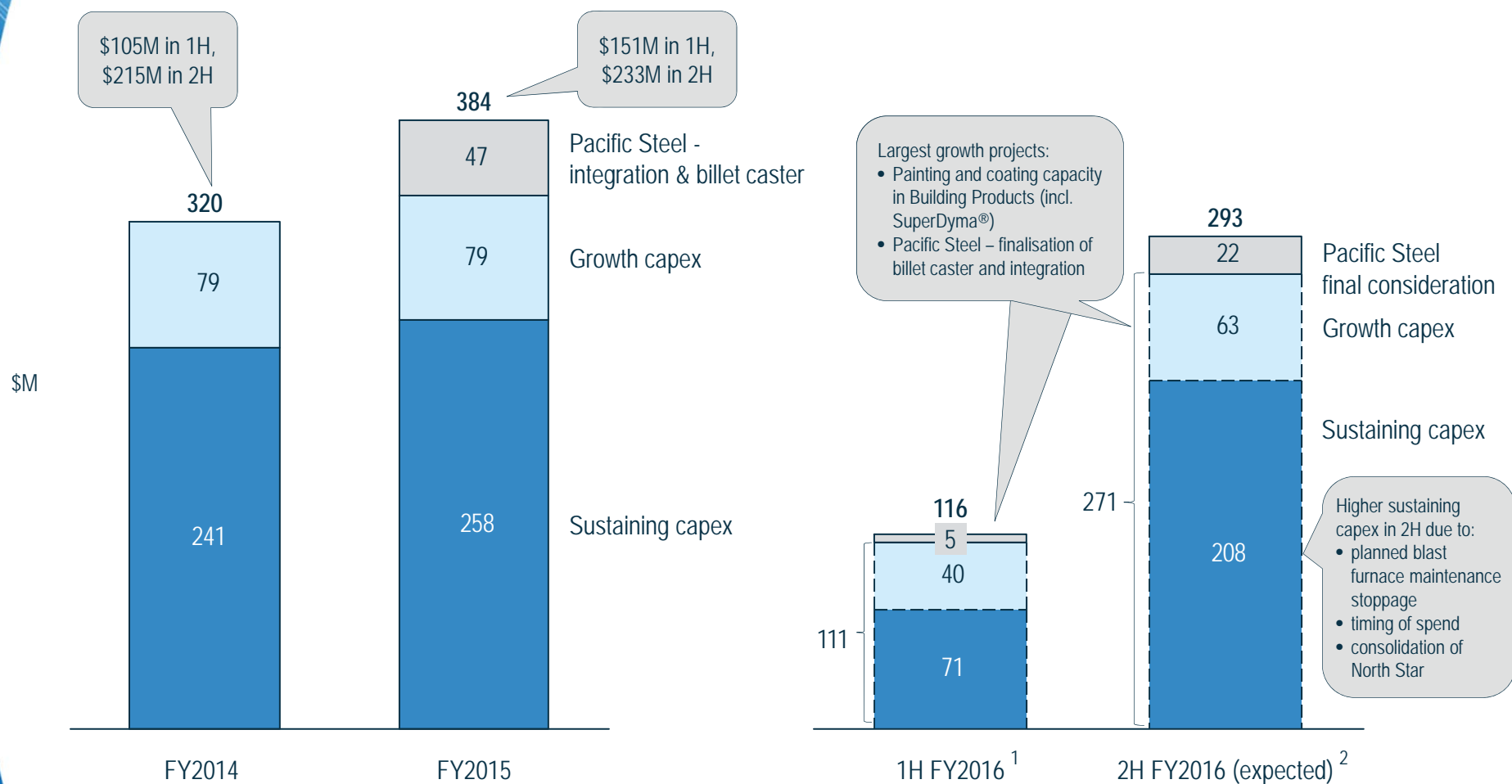
Debt refinancing

- Refinanced \$350M of North Star acquisition funding in Dec 2015 – increased syndicated bank facilities in size and term
- Established \$250M receivables securitisation (\$94M drawn at 31 December)

Deleveraging program

- Leverage target of 1.0 times net debt to EBITDA within 12-18 months through combination of operating cashflow and asset sales
- Divestments update:
 - Proceeds from McDonald's Lime received in Oct 2015
 - Taharoa sale process underway

Capital and investment expenditure



Note: (1) Excludes \$1,008m for acquisition of remaining 50% share in North Star. Includes \$6m of North Star capital expenditure from end of October 2015.

(2) Includes \$29m of North Star capital expenditure and \$9m related to the planned blast furnace copper stove replacement.



OUTLOOK & SUMMARY

Summary: in line with our strategic focus, progress is being made on key priorities

Coated & Painted Products

Drive growth in premium branded coated and painted steel markets in Asia-Pacific

- ✓ Continued ASEAN and North America growth
- ✓ Aust. domestic volume growth
- ✓ SuperDyma® commissioned
- ✓ Renewed focus on innovation

Building Solutions

Drive growth in North America and turnaround China

- ✓ Continued North America growth
- ✓ China Buildings improving; close to breakeven

North Star BlueScope

Maximise value

- ✓ Moved to full ownership
- ✓ Pursuing low-cost incremental volume growth

Australia & NZ Steelmaking

Deliver value from Australian/NZ steelmaking and iron sands by game-changing cost reduction of alternative model

- ✓ Progress in implementing Plan A
- ✓ NZ billet caster: benefit in CY16
- ✓ Taharoa sale process

Balance Sheet

Maintain strong balance sheet

- ✓ Leverage low compared to steel peers
- ✓ Making progress on debt reduction to reach goal of 1.0x ND/EBITDA

2H FY2016 outlook

Segment comments¹

Australian Steel Products

- Weaker pricing with impact of lagged regional steel prices from late CY2015
- Typical seasonality and de-stocking in volumes
- Further cost savings offset by timing of maintenance spend, including February scheduled blast furnace stove maintenance stoppage

Building Products ASEAN, Nth Am & India

- Expect continued market and volume growth
- Competitive pressures on margins

North Star

- Expect continued full despatch rate
- Spreads improving
- Benefit of full six months of 100% ownership

New Zealand & Pacific Steel

- 2H performance expected to improve on 1H
- Benefit of billet caster economics from 4Q
- Further cost savings in steel and iron sands
- Weaker steel pricing with impact of lagged regional steel prices from late CY2015; weaker iron ore prices

BlueScope Buildings

- Expect weaker volumes in North America with softer non-res construction markets and typical seasonality
- Asia Buildings to see continued benefit of improvement program, but weaker volumes on lower end-use demand and seasonality
- Continued strong performance in Coated China, with seasonality

2H FY2016 outlook

Group summary

- Notwithstanding a challenging macroeconomic environment, due to the significant cost reductions and process improvements we are implementing, we expect 2H FY2016 underlying EBIT to be up to 60% higher than 2H FY2015
- Based on assumptions of average:
 - Spot East Asian HRC price of ~US\$285/t
 - 62% Fe CFR iron ore price of ~US\$40/t
 - Hard coking coal price of ~US\$80/t
 - AUD:USD at US\$0.70
- Refer to sensitivities on page 43
- Expect 2H FY2016 underlying net finance costs higher than 1H FY2016 due to higher average borrowings; expect slightly lower underlying tax rate and similar profit attributable to non-controlling interests to 1H FY2016
- Expectations are subject to spread, FX and market conditions



QUESTIONS & ANSWERS



ADDITIONAL INFORMATION – GROUP-LEVEL MATERIAL

Financial headlines

\$M (unless marked)	SIX MONTHS ENDED		1H FY16 vs 1H FY15
	31 DEC 2014	31 DEC 2015	
Total revenue	4,361.8	4,438.8	✓
External despatches of steel products	3,132.9	3,221.6	✓
EBITDA – Underlying ¹	335.3	417.8	✓
EBIT – Reported	185.6	324.9	✓
– Underlying ¹	171.0	230.1	✓
NPAT – Reported	92.7	200.1	✓
– Underlying ¹	81.2	119.0	✓
EPS – Reported	16.6 cps	35.2 cps	✓
– Underlying ¹	14.5 cps	20.9 cps	✓
Underlying EBIT Return on Invested Capital	6.9%	7.8%	✓
Net Cashflow From Operating Activities	149.6	165.1	✓
– After capex / investments	(59.1)	(933.5)	North Star investment
Dividend	3.0 cps	3.0 cps	✓
Net debt	408.1	1,373.4	North Star investment

(1) Please refer to page 23 for a detailed reconciliation of reported to underlying results

Underlying earnings

\$M	1H FY2015	2H FY2015	1H FY2016	
Underlying EBIT	171.0	130.8	230.1	Significant EBIT growth
Underlying borrowing costs	(35.5)	(35.7)	(40.1)	Higher largely due to higher drawn debt balance following 50% North Star acquisition
Interest revenue	3.7	0.6	2.5	
Profit from ordinary activities before tax	139.2	95.7	192.5	
Underlying income tax (expense)/benefit	(36.1)	(23.5)	(47.0)	24.4% effective underlying tax rate
Underlying NPAT from ordinary activities	103.1	72.2	145.5	
Net (profit)/loss attributable to non-controlling interests	(21.9)	(19.3)	(26.5)	
Underlying NPAT attributable to equity holders of BSL	81.2	52.9	119.0	

Summary of financial items by segment

Sales revenue

\$M	1H15	2H15	FY15	1H16
Australian Steel Products	2,459.0	2,333.1	4,792.1	2,302.1
New Zealand and Pacific Steel	489.9	482.2	972.1	451.5
Building Products ASEAN, NA & India	898.6	892.2	1,790.8	878.6
BlueScope Buildings	785.4	752.7	1,538.1	889.8
Hot Rolled Products North America	0.0	0.0	0.0	187.1
Intersegment, Corporate & Discontinued	(281.3)	(259.6)	(540.9)	(279.1)
Total	4,351.6	4,200.6	8,552.2	4,430.0

Total steel despatches

'000 tonnes	1H15	2H15	FY15	1H16
Australian Steel Products	1,414.8	1,478.9	2,893.7	1,408.1
New Zealand and Pacific Steel	387.0	395.6	782.6	365.8
Building Products ASEAN, NA & India	683.3	646.9	1,330.2	641.4
BlueScope Buildings	295.7	233.9	529.6	295.0
Hot Rolled Products North America	501.0	508.0	1,009.0	655.5
Intersegment, Corporate & Discontinued	(148.9)	(164.9)	(313.8)	(144.2)
Total	3,132.9	3,098.4	6,231.3	3,221.6

Underlying EBITDA

\$M	1H15	2H15	FY15	1H16
Australian Steel Products	157.8	181.6	339.4	267.1
New Zealand and Pacific Steel	31.4	(4.6)	26.8	(15.5)
Building Products ASEAN, NA & India	74.0	79.3	153.3	95.8
BlueScope Buildings	36.7	45.6	82.3	56.7
Hot Rolled Products North America	67.1	40.2	107.3	51.6
Intersegment, Corporate & Discontinued	(31.7)	(32.6)	(64.3)	(37.9)
Total	335.3	309.5	644.8	417.8

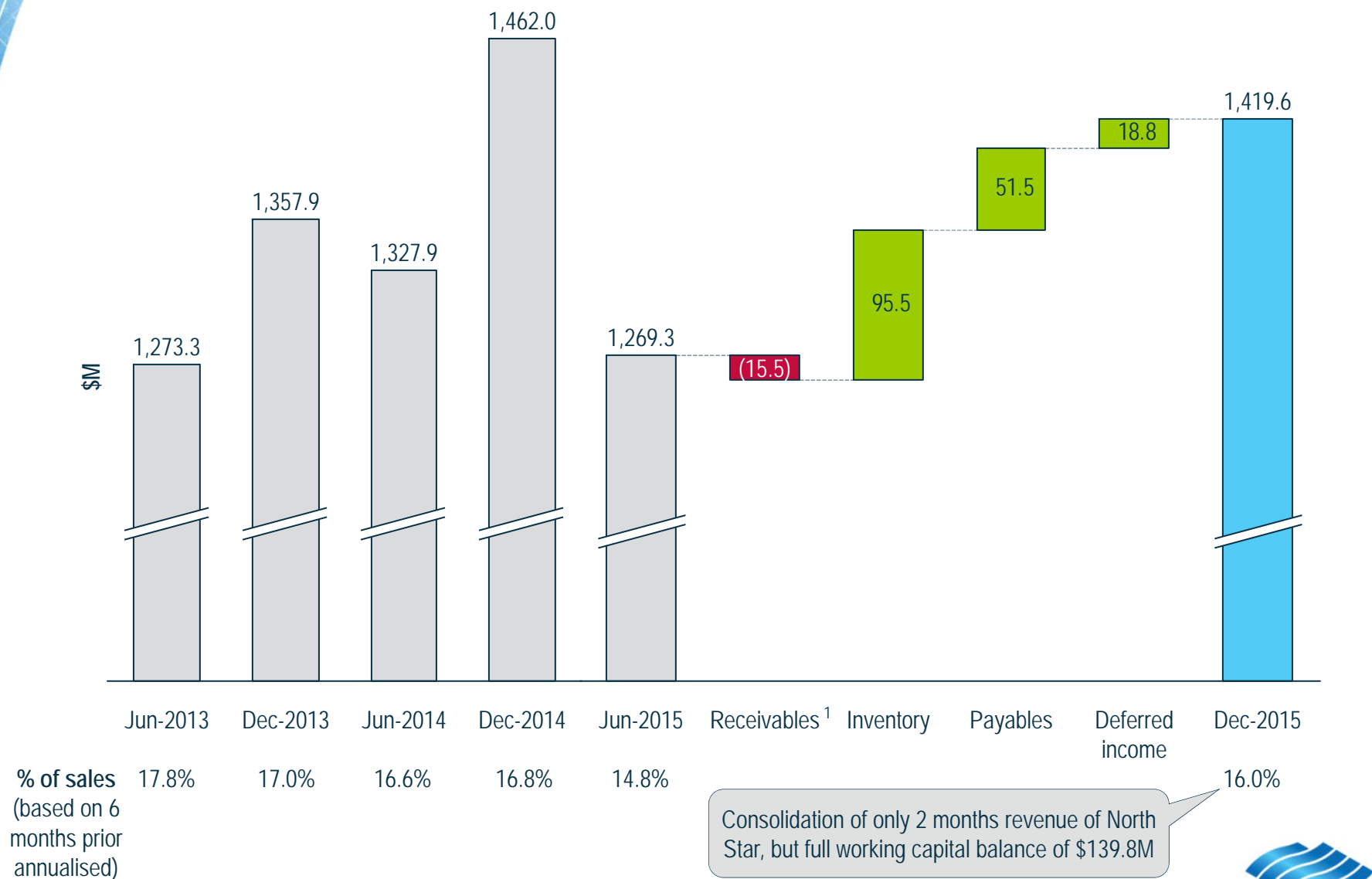
Underlying EBIT

\$M	1H15	2H15	FY15	1H16
Australian Steel Products	66.1	84.2	150.3	173.6
New Zealand and Pacific Steel	2.6	(35.8)	(33.2)	(47.1)
Building Products ASEAN, NA & India	47.8	50.5	98.3	65.4
BlueScope Buildings	19.3	24.4	43.7	34.2
Hot Rolled Products North America	67.1	40.2	107.3	42.4
Intersegment, Corporate & Discontinued	(31.8)	(32.7)	(64.6)	(38.4)
Total	171.0	130.8	301.8	230.1

Balance sheet

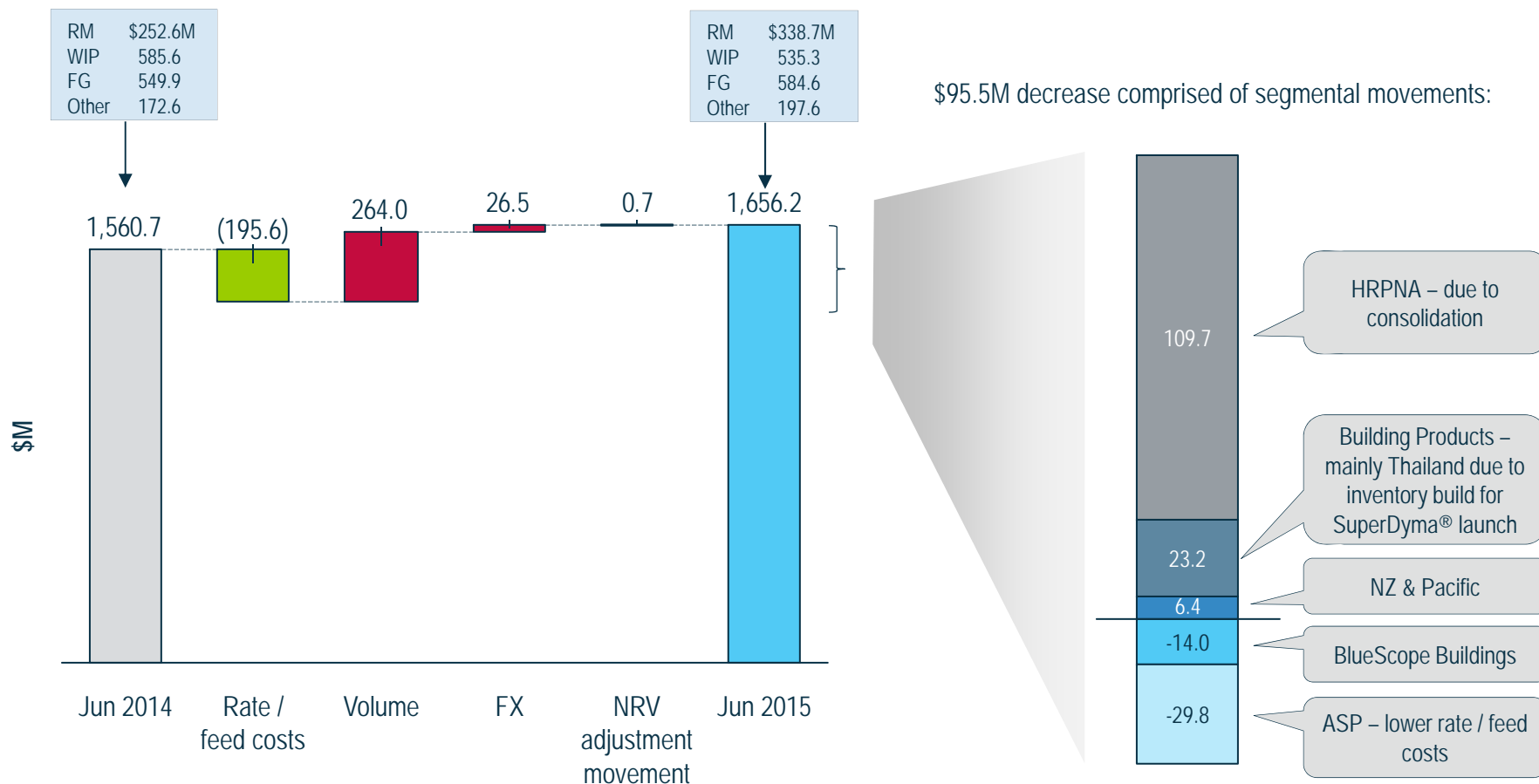
\$M	31 Dec 2014	30 Jun 2015	31 Dec 2015
Assets			
Cash	390.3	518.6	488.0
Receivables *	1,091.1	1,123.6	1,108.1
Inventory *	1,687.1	1,560.7	1,656.2
Property, Plant & Equipment	3,652.8	3,732.6	3,878.8
Intangible Assets	493.7	515.3	1,783.3
Other Assets	416.2	426.7	298.0
Total Assets	7,731.2	7,877.5	9,212.4
Liabilities			
Trade & Sundry Creditors *	1,168.7	1,258.6	1,207.1
Capital & Investing Creditors	36.8	59.0	28.5
Borrowings	798.4	793.7	1,861.4
Deferred Income *	147.5	156.4	137.6
Retirement Benefit Obligations	193.7	217.9	268.6
Provisions & Other Liabilities	703.8	652.8	743.8
Total Liabilities	3,048.9	3,138.4	4,247.0
Net Assets	4,682.3	4,739.1	4,965.4
Note *: Items included in net working capital	1,462.0	1,269.3	1,419.6

Net working capital



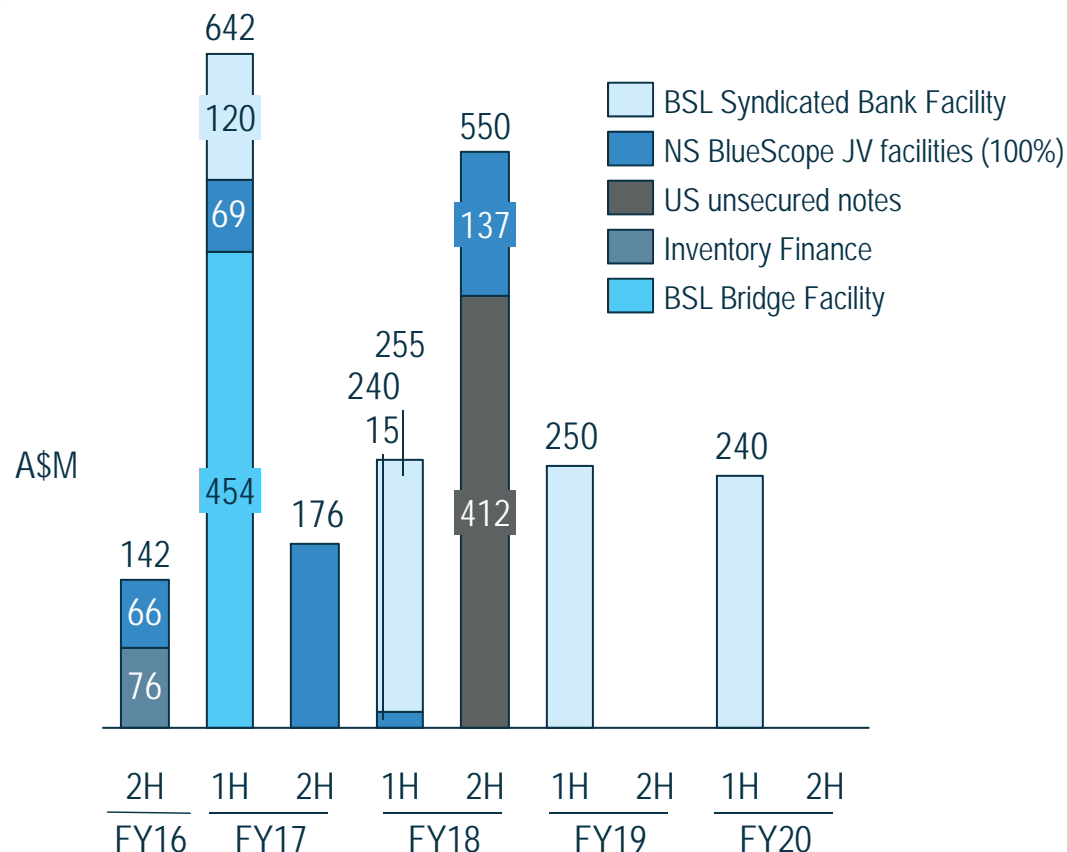
Note (1): Gross receivables due from various Arrium entities totalled \$23.9m at 31 December 2015. The month end receivables balance has been in the range of \$22.7m to \$42.1m over last 12 months

Inventory movement



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 31 December 2015



Notes:

- based on AUD/USD at US\$0.7274 at 31 December 2015

Receivables securitisation program:

- In addition to debt facilities, BSL has a \$150M securitisation program (fully drawn at 31 December 2015), and a \$250M off-balance sheet securitisation program (\$94M drawn at 31 December 2015).

Current estimated cost of facilities:

- Approximately 5% interest cost on gross drawn debt; *plus*
- commitment fee on undrawn part of \$1,069M of domestic facilities of 0.78%; *plus*
- amortisation of facility establishment fees and the discount cost of long-term provisions of \$11M pa (approx 50/50 mix; non-cash);
- less:* interest on cash

Committed debt facilities as at 31 December 2015

	Maturity	Committed		Drawn
		Local currency	A\$M	A\$M
Syndicated Bank Facility				
- Tranche 1	Nov 2016	A\$120M	A\$120M	A\$96M
- Tranche 2	Nov 2017	A\$240M	A\$240M	A\$234M
- Tranche 3	Nov 2019	A\$240M	A\$240M	A\$0M
- Tranche 4	Dec 2018	A\$250M	A\$250M	A\$28M
US unsecured notes	May 2018	US\$300M	A\$412M	A\$412M
Bridge Facility – Secured	Dec 2016	US\$30M	A\$41M	A\$41M
Bridge Facility – Unsecured	Dec 2016	US\$300M	A\$413M	A\$413M
Inventory Finance	Feb 2016	US\$55M	A\$76M	A\$24M
NS BlueScope JV facilities (100%)				
- Corporate facilities	Mar 2017 – Mar 2018	US\$291M	A\$400M	A\$196M
- Thailand facilities	Jan – Dec 2017	THB 1,400M	A\$53M	A\$19M
- Malaysian facilities	Apr 2016	MYR 30M	A\$10M	A\$4M
Finance leases	Various	Various	A\$227M	A\$227M
Total			A\$2,482M	A\$1,694M

Note: assumes AUD/USD at US\$0.7274

- In addition to debt facilities, BSL has a receivables securitisation program of \$150M maturing September 2017 (fully drawn at 31 December 2015), and a \$250M off-balance sheet securitisation program maturing December 2017 (\$94M drawn at 31 December 2015), and other items in total debt of (\$17M).

Indicative EBIT sensitivities for 2H FY2016¹

Australian Steel Products segment

+/- US\$10/t move in average benchmark hot rolled coil price	
- direct sensitivity ²	+/- \$7-8M
- indirect sensitivity ³	+/- \$6-8M
+/- US\$10/t move in iron ore costs	-/+ \$28M
+/- US\$10/t move in coal costs	-/+ \$14M
+/- 1¢ move in A\$/US\$ exchange rate	
- direct sensitivity ⁴	+/- \$1M ⁶
- indirect sensitivity ⁵	-/+ \$5-7M ⁷

New Zealand Steel & Pacific Steel segment

+/- US\$10/t move in benchmark steel prices (HRC and rebar)	
- direct sensitivity ⁸	+/- \$2M
- indirect sensitivity ⁹	+/- \$2-3M
+/- US\$10/t move in 62% Fe iron ore index price	+/- \$17-18M
+/- US\$10/t move in market-priced coal costs ¹⁰	-/+ \$2-3M
+/- 1¢ move in A\$/US\$ exchange rate	
- direct sensitivity ⁴	-/+ \$2M ⁷
- indirect sensitivity ¹¹	-/+ \$1-2M ⁷

Hot Rolled Products North America segment

+/- US\$10/t move in realised HRC spread (HRC price less cost of scrap and pig iron)	+/- \$14-15M
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Group

+/- 1¢ move in A\$/US\$ exchange rate (direct) ¹²	-/+ \$3-4M ⁷
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(1) Page shows full sensitivities to movement in key external factors, as if that movement had applied for the complete six months. Analysis assumes 2H FY2016 base exchange rate of US\$0.70. 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 and long steel products (includes Pacific Steel products)

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

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

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

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



ADDITIONAL INFORMATION – SEGMENT MATERIAL

Australian Steel Products

Financial and despatch summaries

Key segment financial items

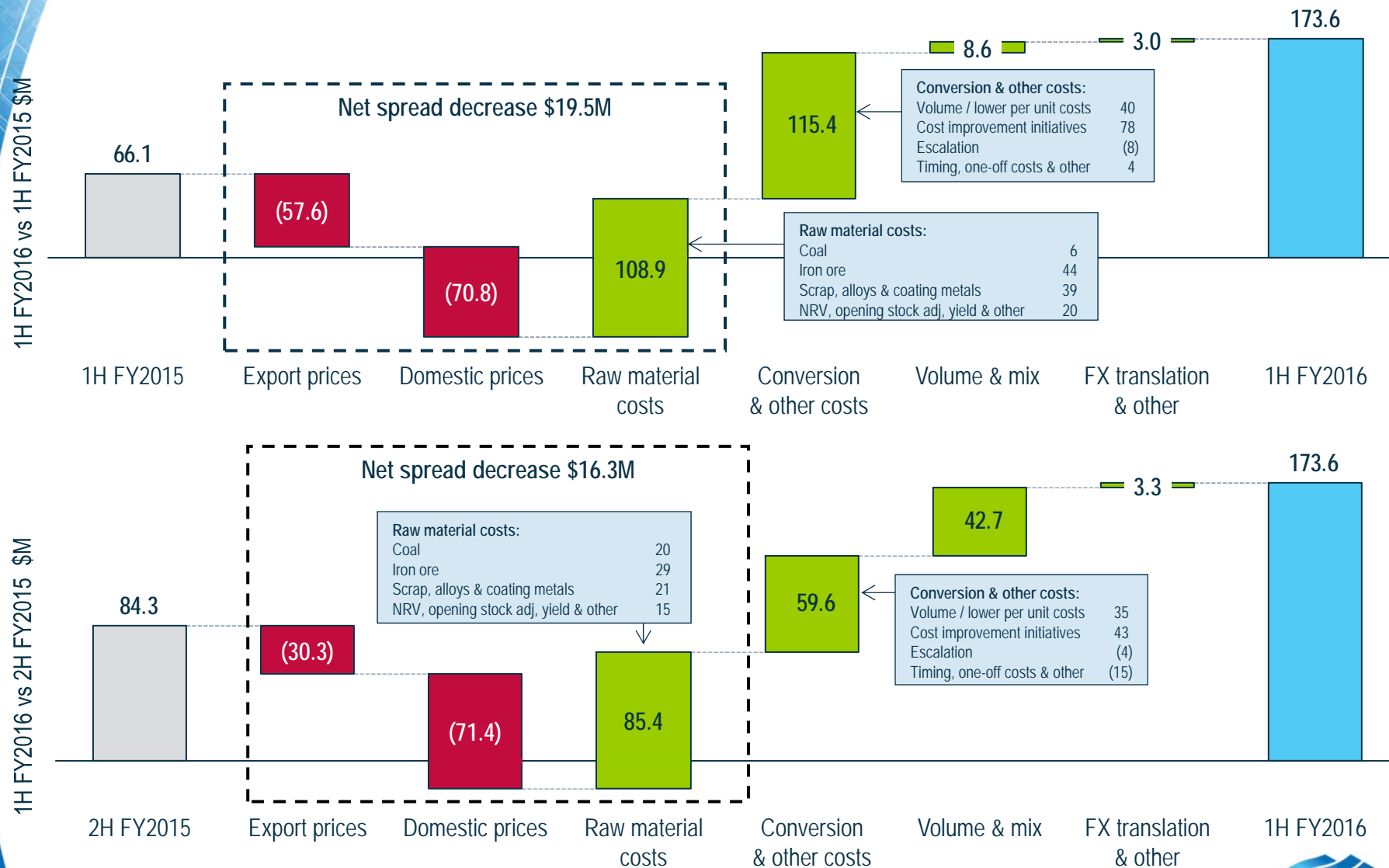
\$M unless marked	1H15	2H15	FY15	1H16
Revenue	2,459.0	2,333.1	4,792.1	2,302.1
Underlying EBITDA	157.8	181.6	339.4	267.1
Underlying EBIT	66.1	84.2	150.3	173.6
Reported EBIT	71.6	56.8	128.4	(95.9)
Capital & investment expenditure	76.4	96.4	172.8	49.8
Net operating assets (pre-tax)	2,485.8	2,432.8	2,432.8	2,202.0
Total steel despatches (kt)	1,414.8	1,478.9	2,893.7	1,408.1

Despatches breakdown

'000 tonnes	1H15	2H15	FY15	1H16
Hot rolled coil	216.7	216.9	433.6	236.5
Plate	108.5	90.0	198.5	106.2
CRC, metal coated, painted	606.7	594.5	1,201.2	664.1
Domestic despatches of BSL steel	931.9	901.4	1,833.3	1,006.8
Channel despatches of ext sourced steel	140.7	118.1	258.8	90.9
Domestic despatches total	1,072.6	1,019.5	2,092.1	1,097.7
Hot rolled coil	225.5	363.2	588.7	164.8
Plate	14.4	9.7	24.1	26.4
CRC, metal coated, painted	100.4	85.0	185.4	118.1
Export despatches of BSL steel	340.3	458.0	798.3	309.3
Channel despatches of ext sourced steel	1.9	1.4	3.3	1.0
Export despatches total	342.2	459.4	801.6	310.3
Total steel despatches	1,414.8	1,478.9	2,893.7	1,408.1
Export coke despatches	354.8	346.3	701.1	231.9

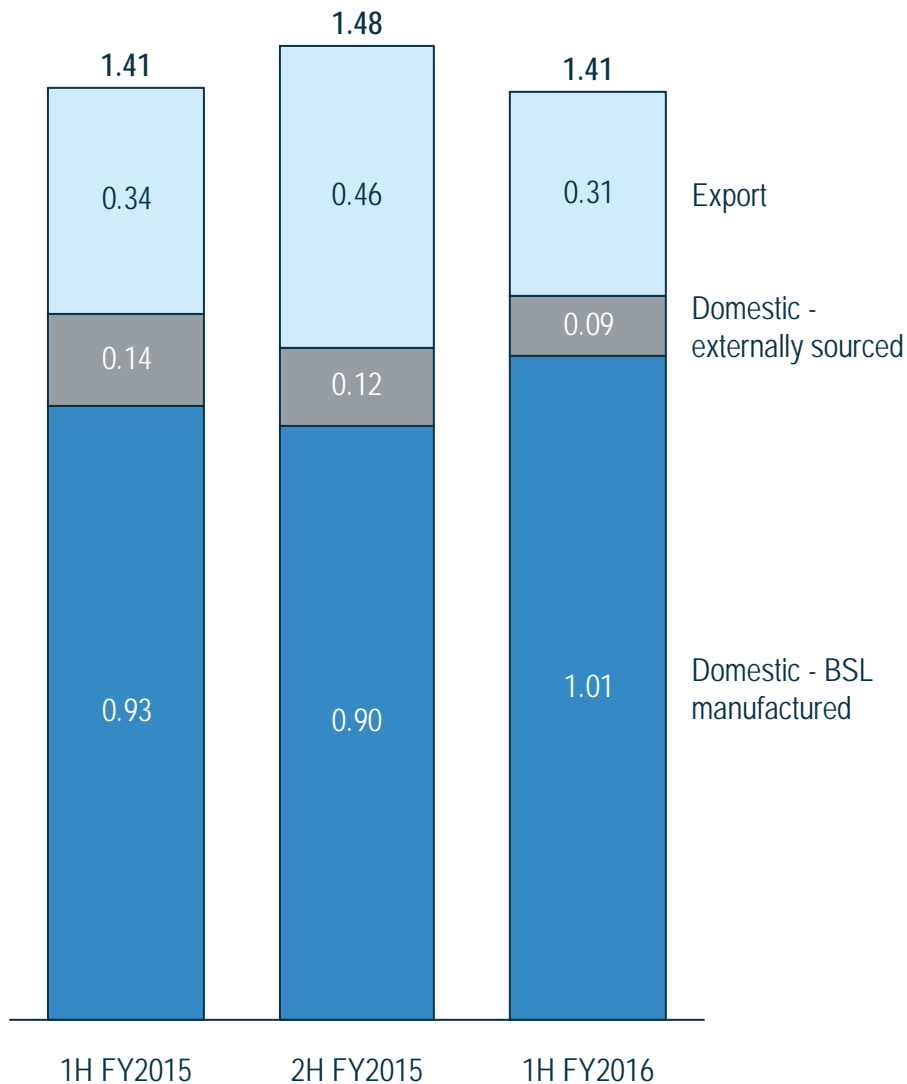
Australian Steel Products

Underlying EBIT variance

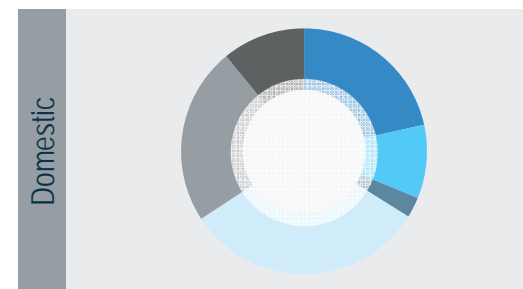
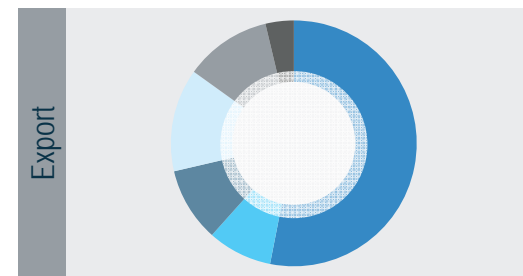


Australian Steel Products

Despatch mix (Mt)



1H FY2016 Product Mix



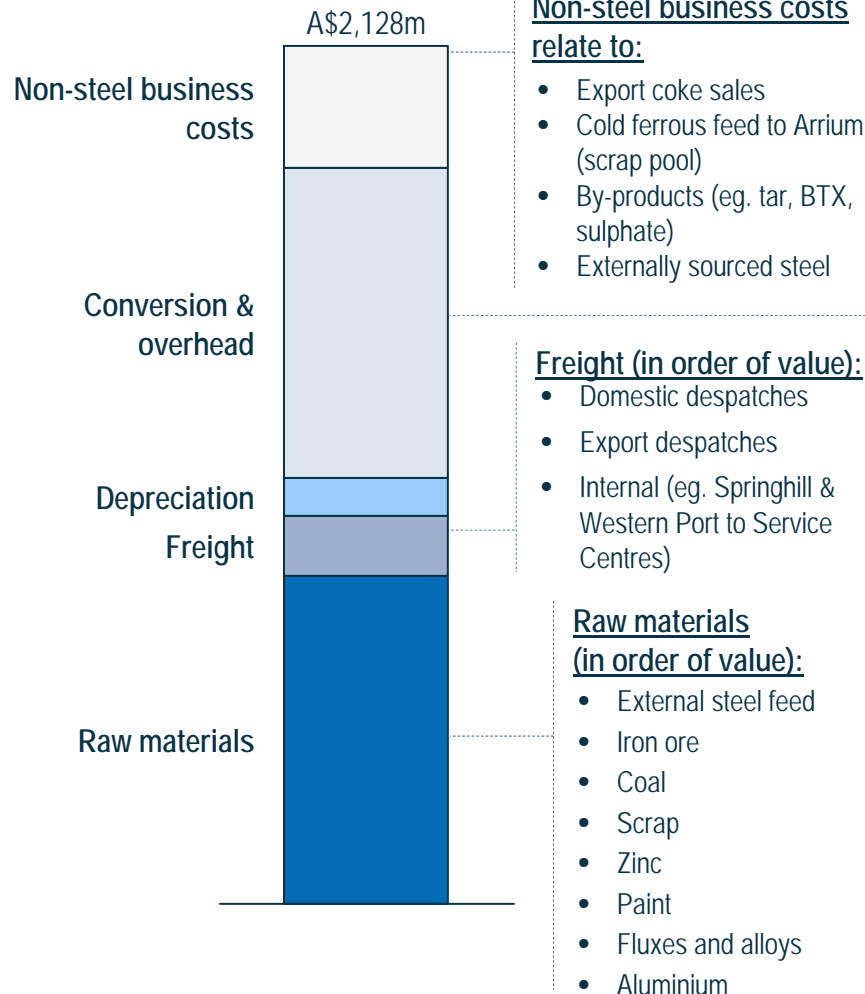
Australian Steel Products

Revenue and underlying costs 1H FY2016

Revenue



Underlying costs (to EBIT line)



Conversion & Overhead Components (in order of value):

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

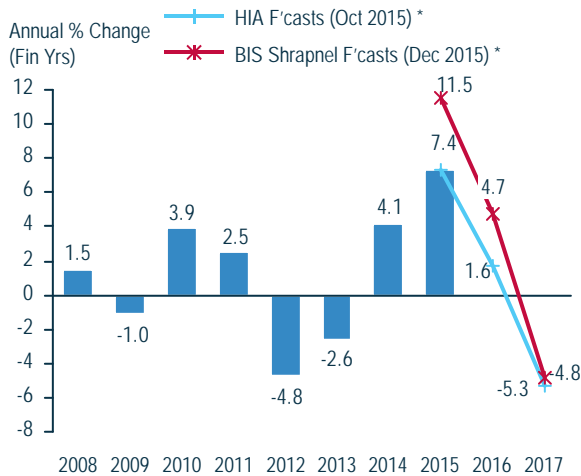
Indicative 'recipe' of raw materials per output steel tonne:

- 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

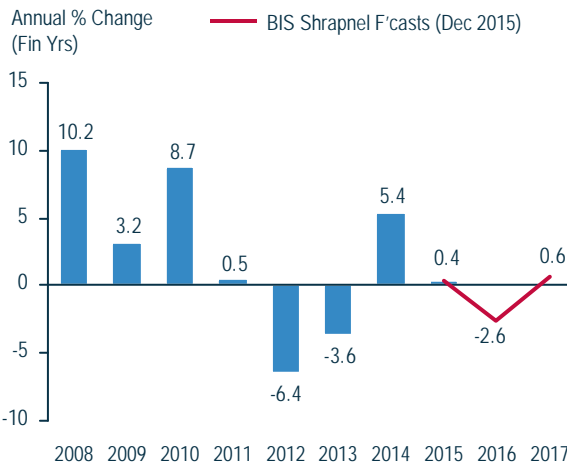
Australian Steel Products

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

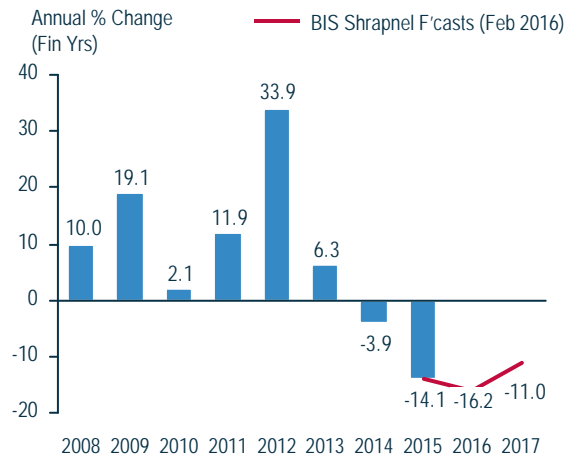
Residential construction



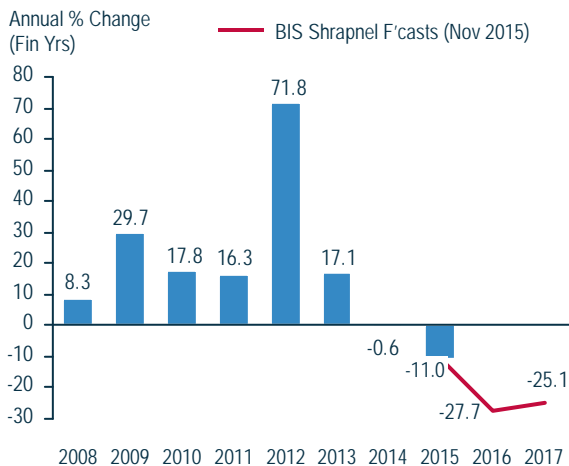
Non-residential construction



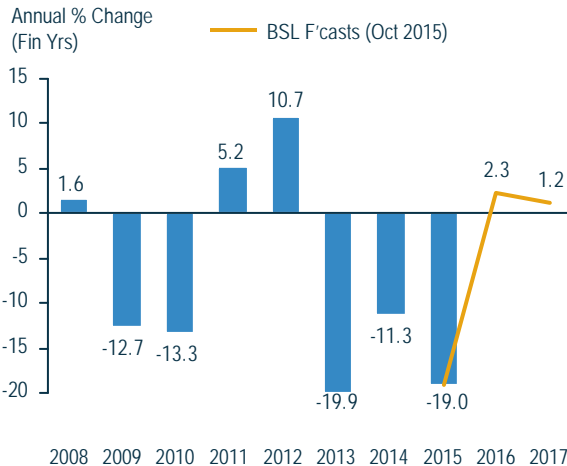
Engineering construction



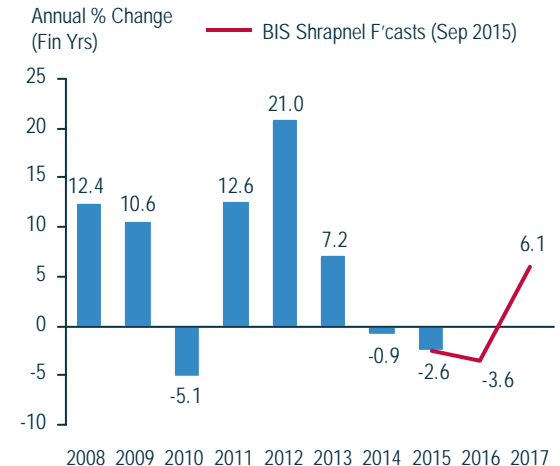
Mining



Manufacturing



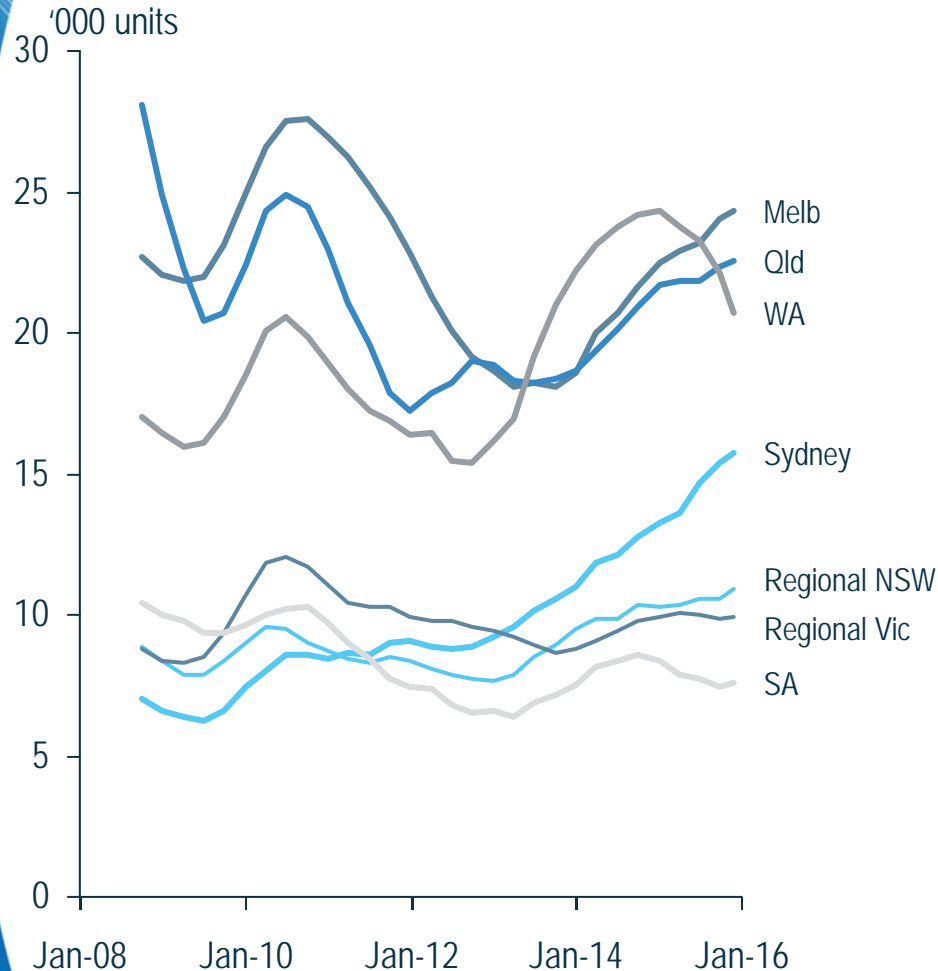
Agriculture



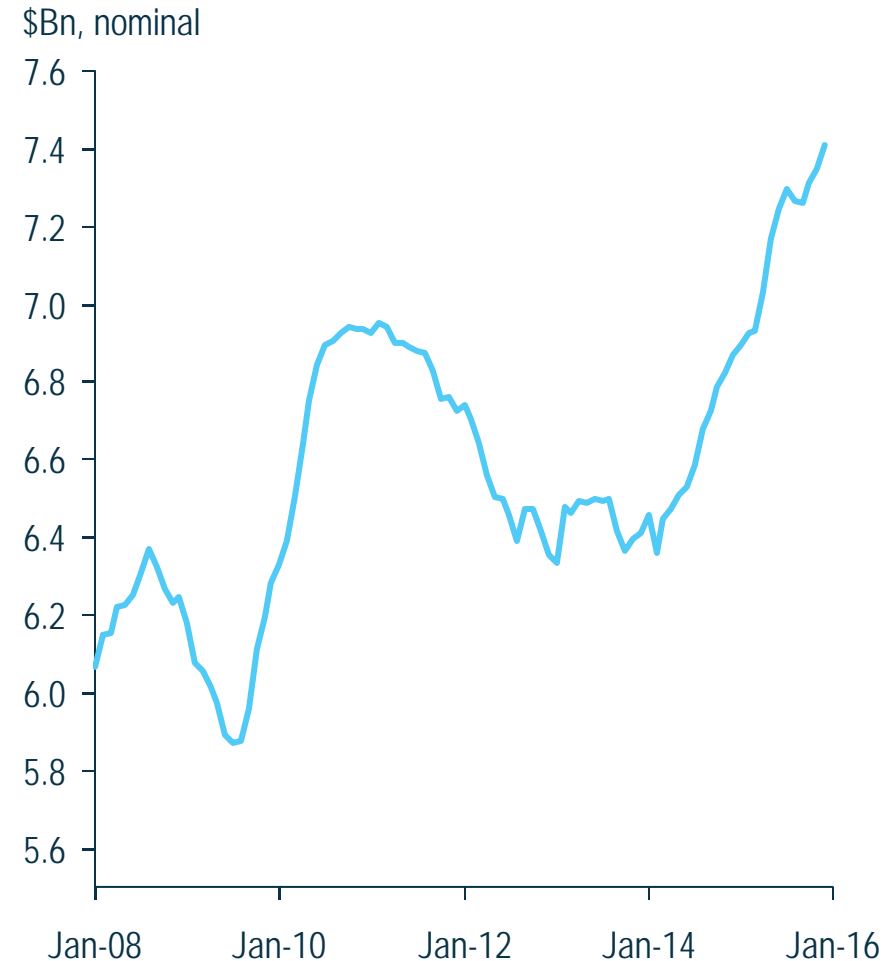
Australian Steel Products

Detached house approvals continue to lift in most regions of Australia in FY2016, except WA; A&A approvals now showing strong uplift

Construction approvals of houses by region – rolling last 12 months



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

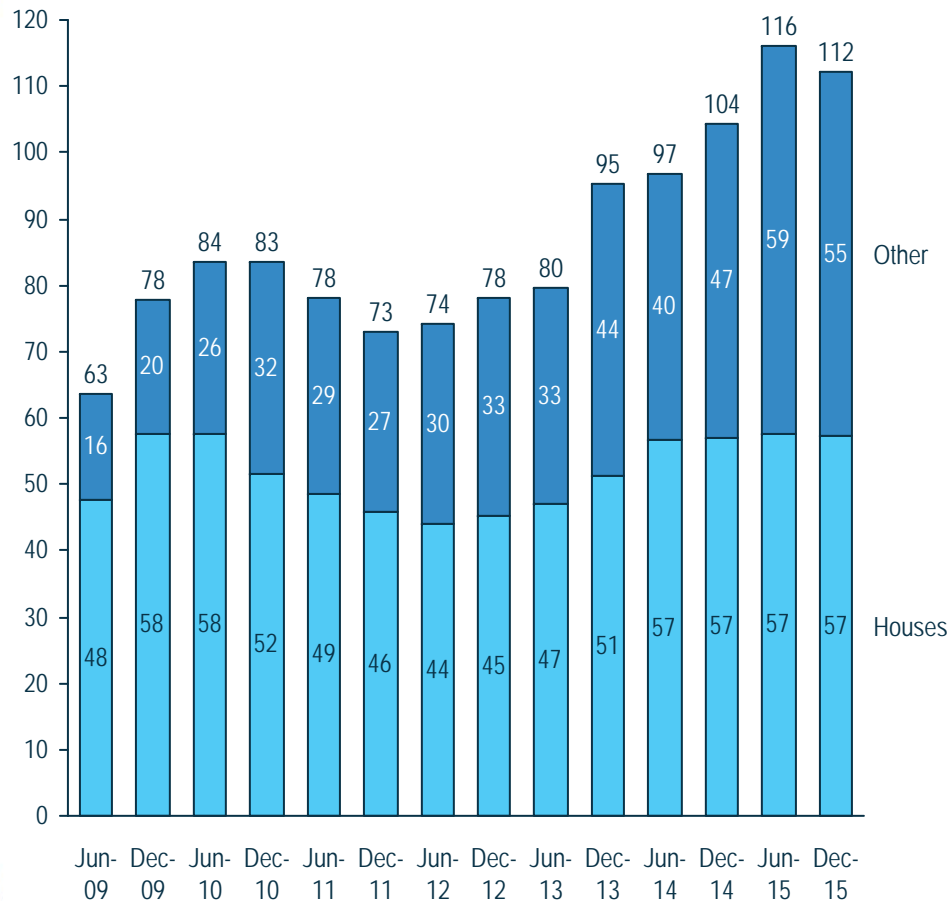


Source: ABS series 8731.0, tables 9 & 10, Original data: table 38

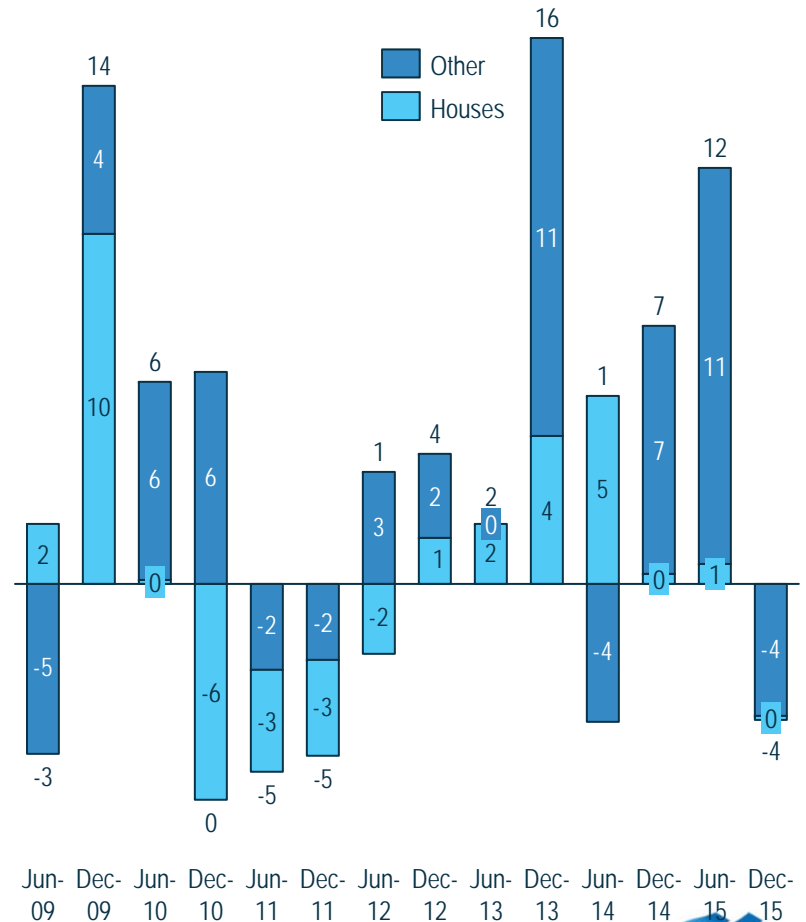
Australian Steel Products

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

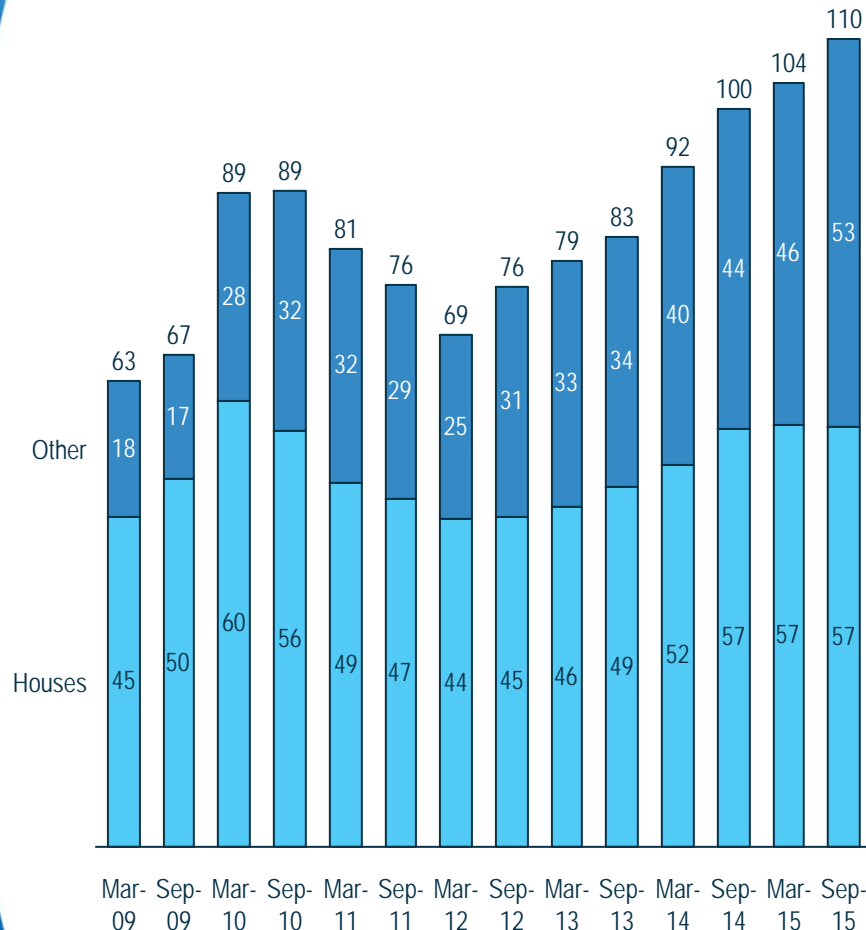


Source: ABS series 8731.0, table 6. Private sector. Seasonally adjusted

Australian Steel Products

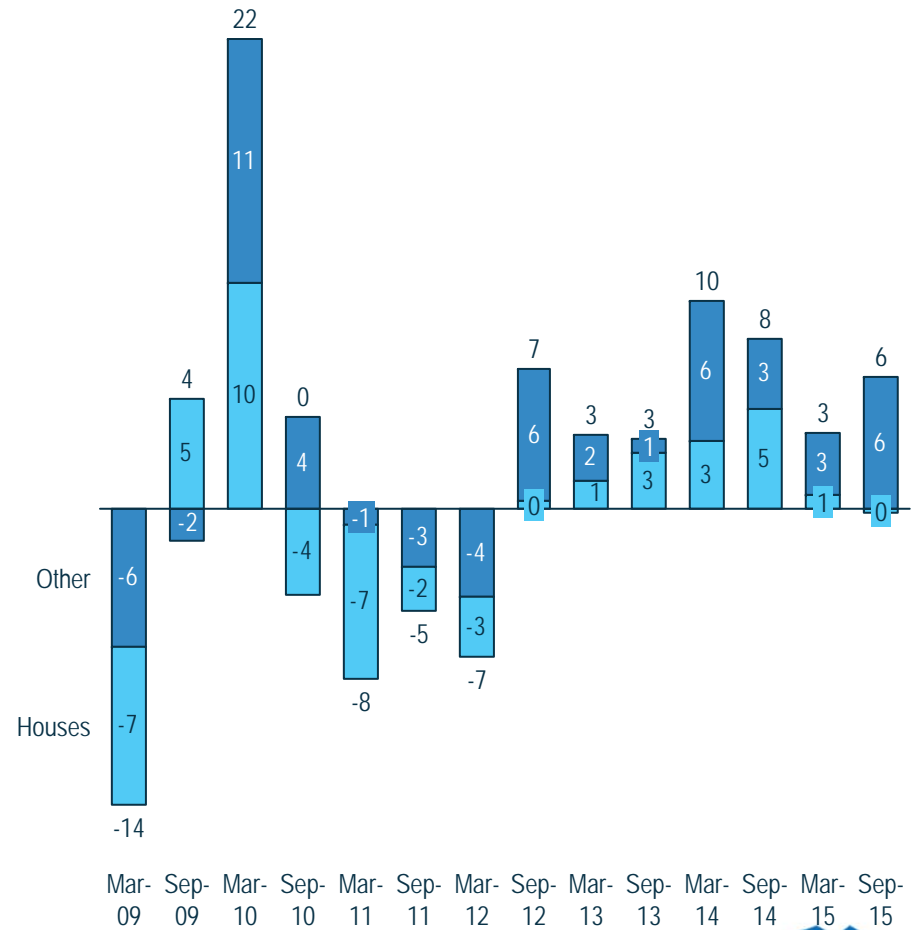
Commencements lag approvals, and have continued to surge ahead to record levels. Further, BSL despatches lag commencements (eg roof, gutter and fence installation)

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



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

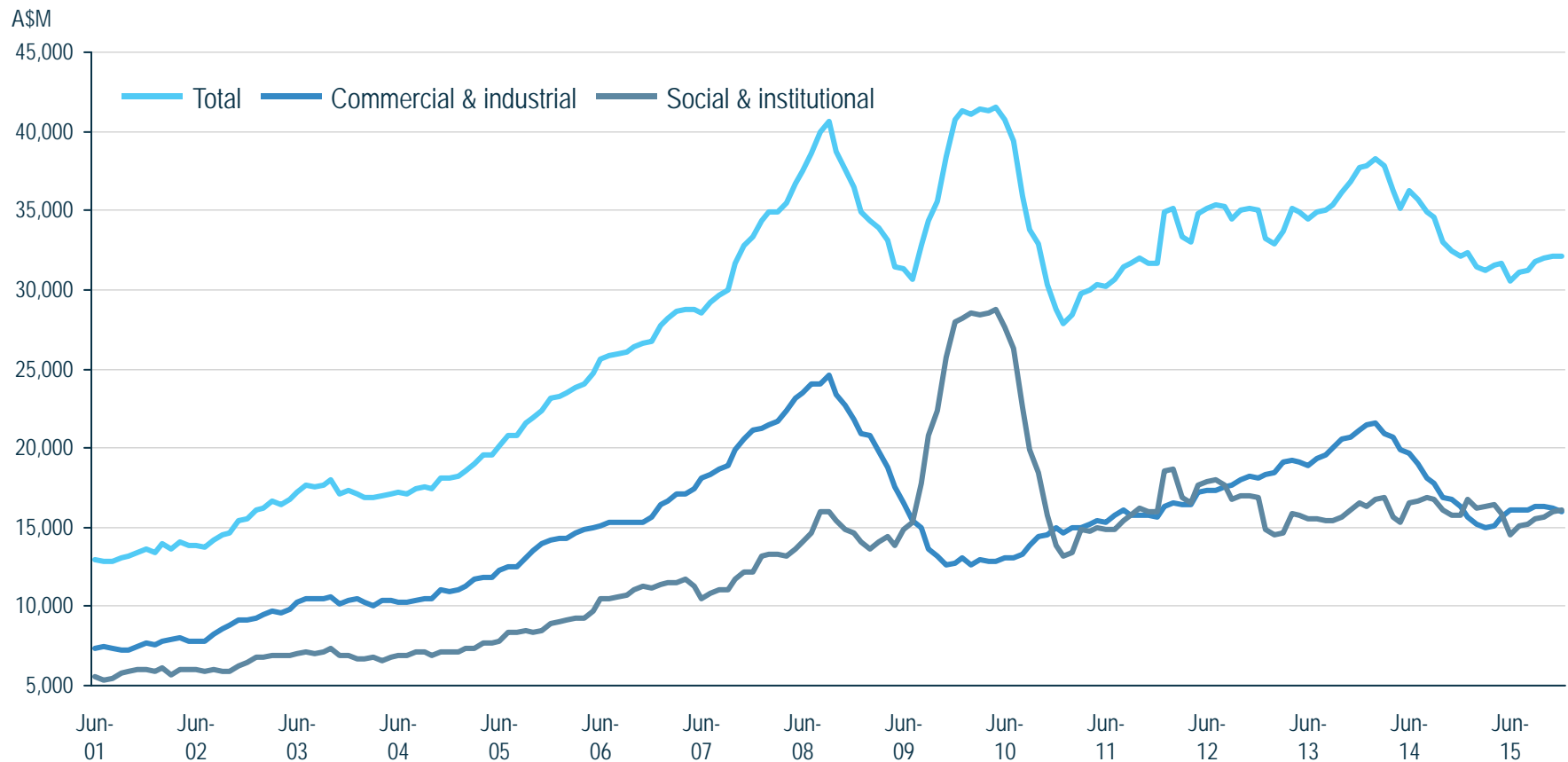
Change in Australian residential construction commencements (private & public sector) – '000 units



Australian Steel Products

Australian non-residential construction approvals showing signs of having bottomed

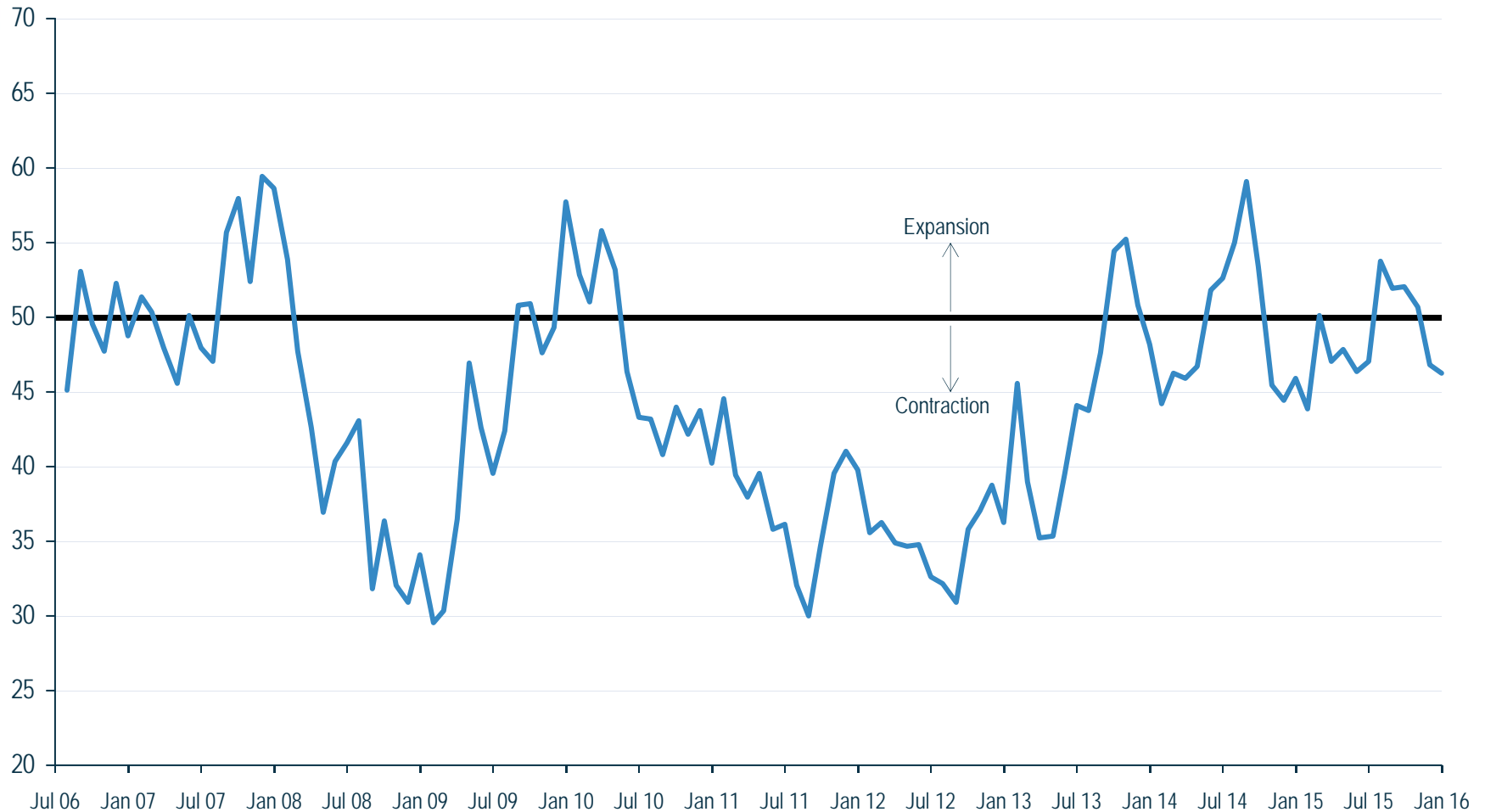
Rolling 12 month value of work approved (public & private) – nominal



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

Australian Steel Products

Australian Performance of Construction (PCI®) index



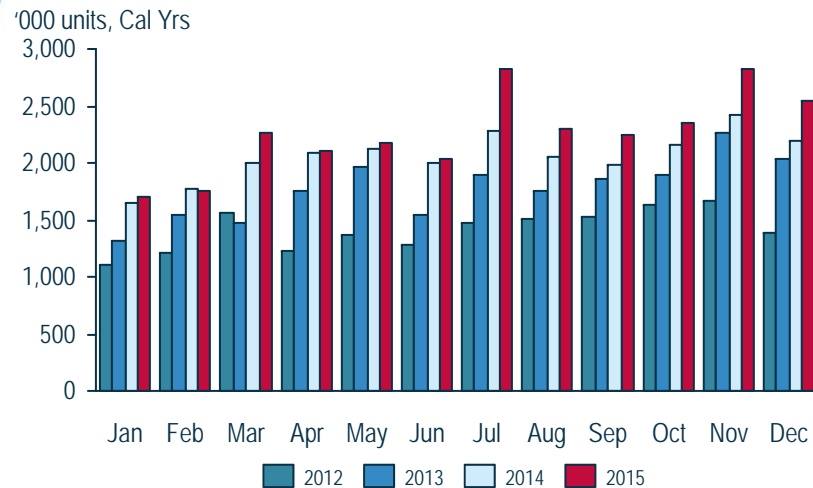
Note: The Australian Industry Group's Performance of Construction Index (Australian PMI®, PCI®) is a composite index based on the indexes for production, new orders, deliveries, inventories and employment, with varying weights. A reading above 50 points indicates that manufacturing is generally expanding;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

Source: AIG

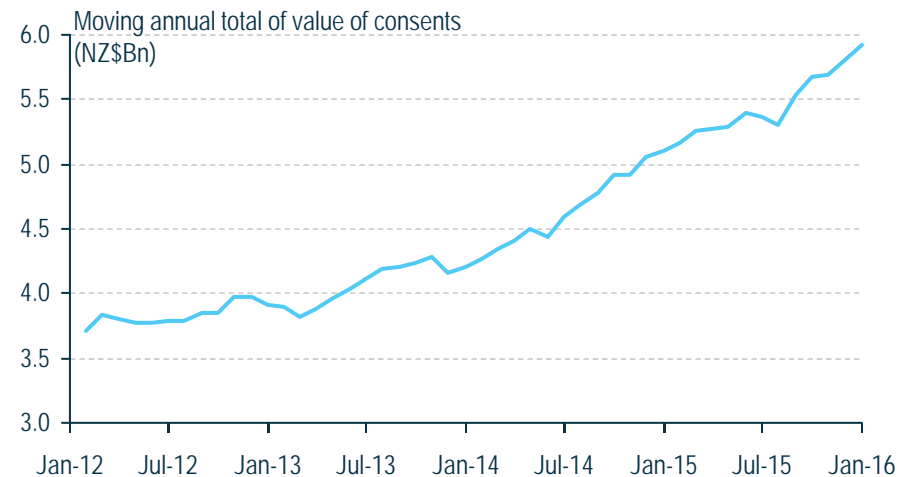
New Zealand & Pacific Steel

NZ construction and manufacturing activity maintaining strong momentum

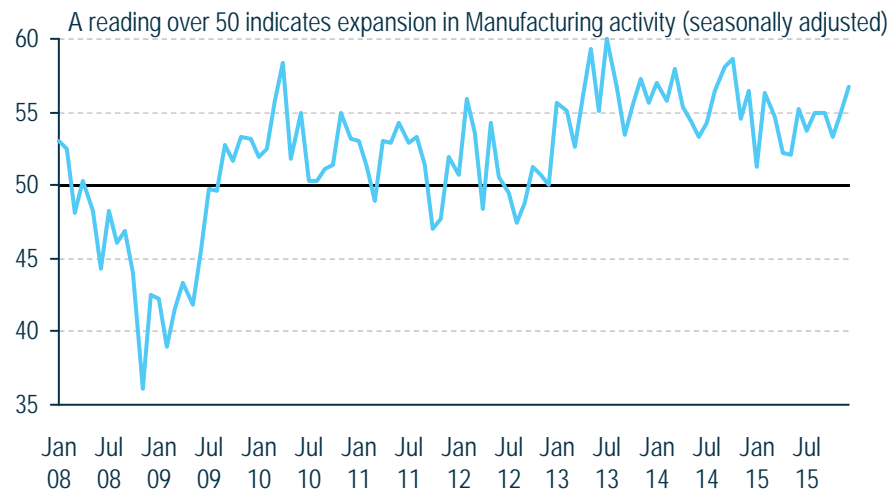
Residential building consents – maintaining momentum



Non-residential construction consents – strong growth



Purchasing Managers' Index (PMI) – 39 months above 50



Source: CEIC, RBNZ, Statistics NZ

New Zealand & Pacific Steel

Financial summary

Key segment financial items

\$M	1H15	2H15	FY15	1H16
Revenue	489.9	482.2	972.1	451.5
Underlying EBITDA	31.4	(4.6)	26.8	(15.5)
Underlying EBIT	2.6	(35.8)	(33.2)	(47.1)
Reported EBIT	2.6	(32.9)	(30.3)	(365.7)
Capital & investment expenditure	40.9	64.5	105.4	33.4
Net operating assets (pre-tax)	683.6	634.9	634.9	365.1
Total steel despatches - flat & long (kt)	387.0	395.6	782.6	365.8

Note: iron sands contribution to underlying EBIT:
2H FY2015 included \$11.0M NRV charge

(6.6) (24.4) (31.0) (12.1)

New Zealand Steel despatches (flat products)

'000 tonnes	1H15	2H15	FY15	1H16
Domestic despatches	131.7	128.9	260.6	132.6
Export despatches	119.4	140.3	259.7	112.2
Total NZ Steel despatches	251.1	269.2	520.3	244.8
Export iron sands despatches	961.1	668.6	1,629.7	1,394.6

Pacific Steel despatches (long products)

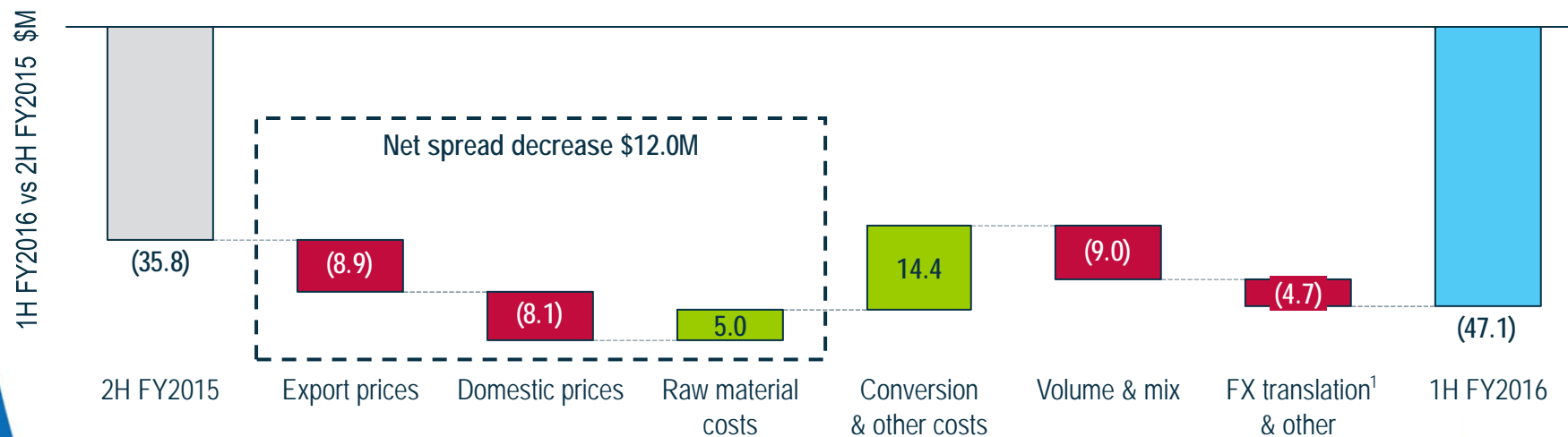
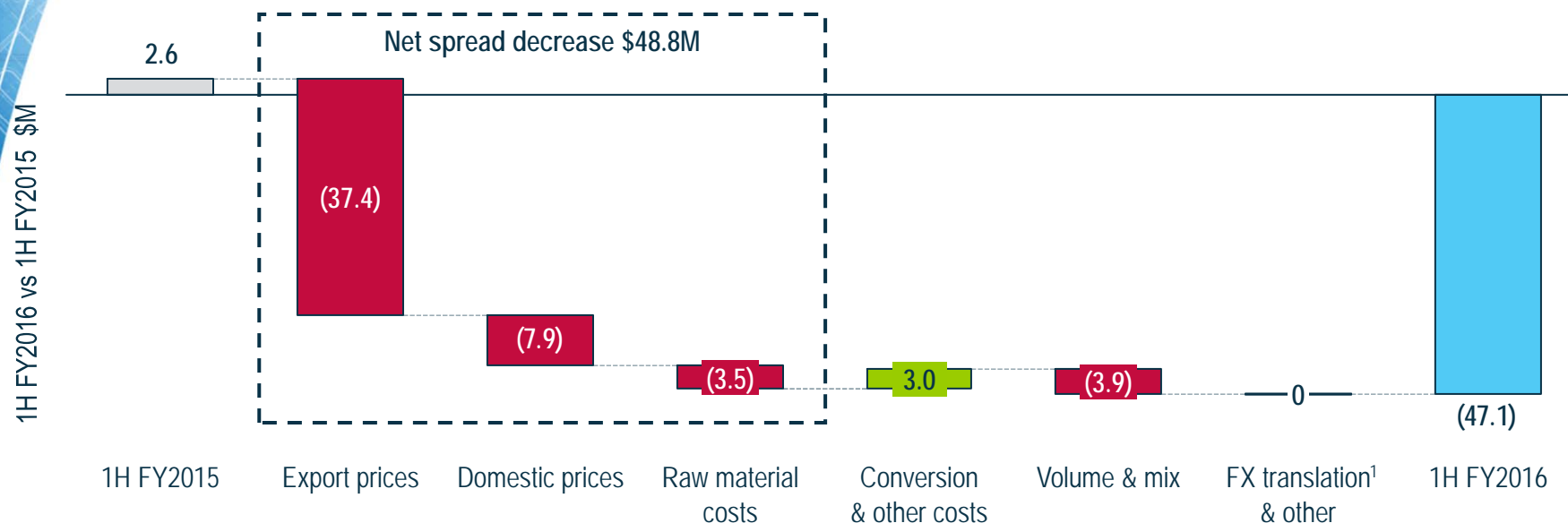
'000 tonnes	1H15	2H15	FY15	1H16
Domestic despatches	86.5	86.5	173.0	79.0
Export despatches	49.4	39.9	89.3	42.0
Total Pacific Steel despatches	135.9	126.4	262.3	121.0

Vanadium Slag

- 1H FY2016 sales contained V_2O_5 of 1.21M lbs vs 1H FY2015 2.1M lbs
- Gross revenue of about US\$0.6M

New Zealand & Pacific Steel

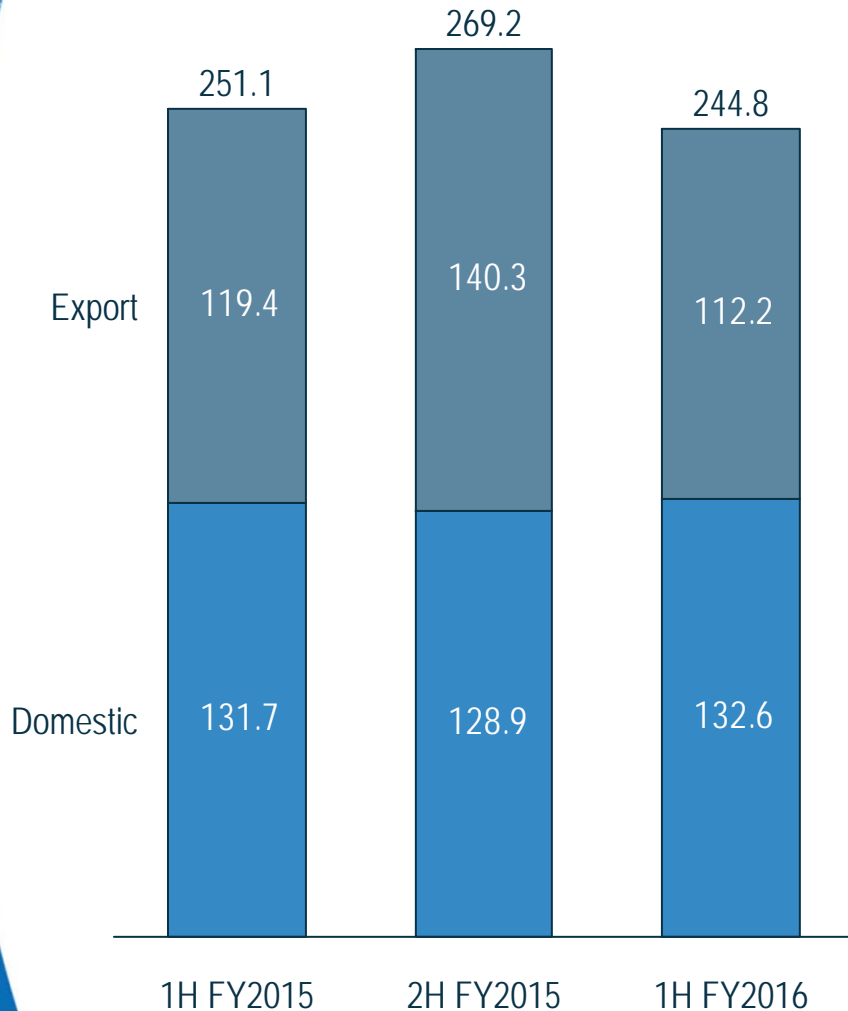
Underlying EBIT variance



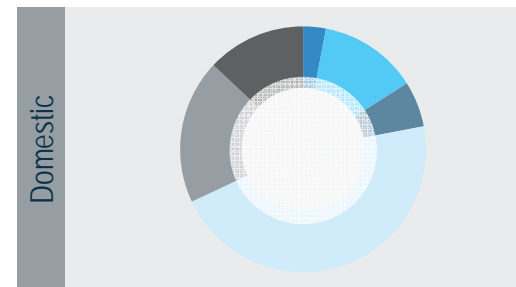
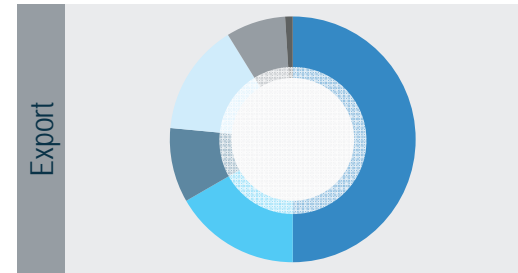
Note: 1) FX translation relates to translation of foreign currency earnings to AUD, transactional foreign exchange impacts are reflected in the individual categories

New Zealand & Pacific Steel

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

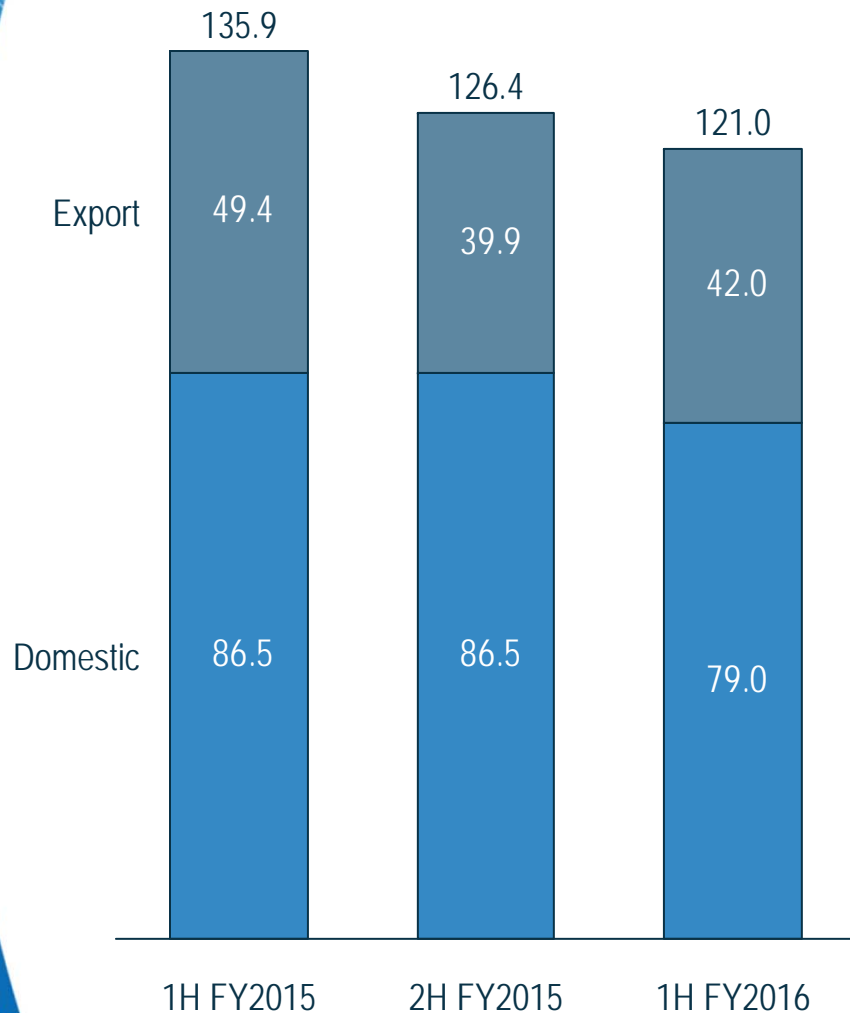


1H FY2016 Product Mix

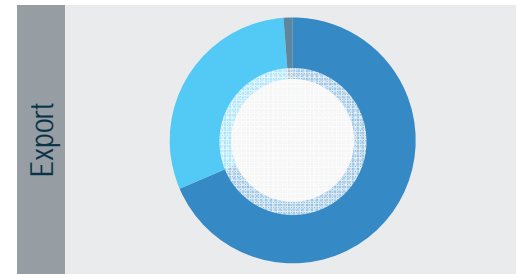


New Zealand & Pacific Steel

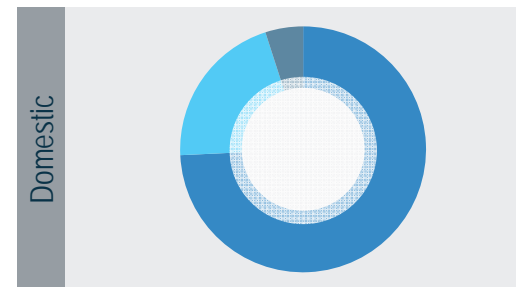
Pacific Steel (long products) despatch mix (kt)



1H FY2016 Product Mix



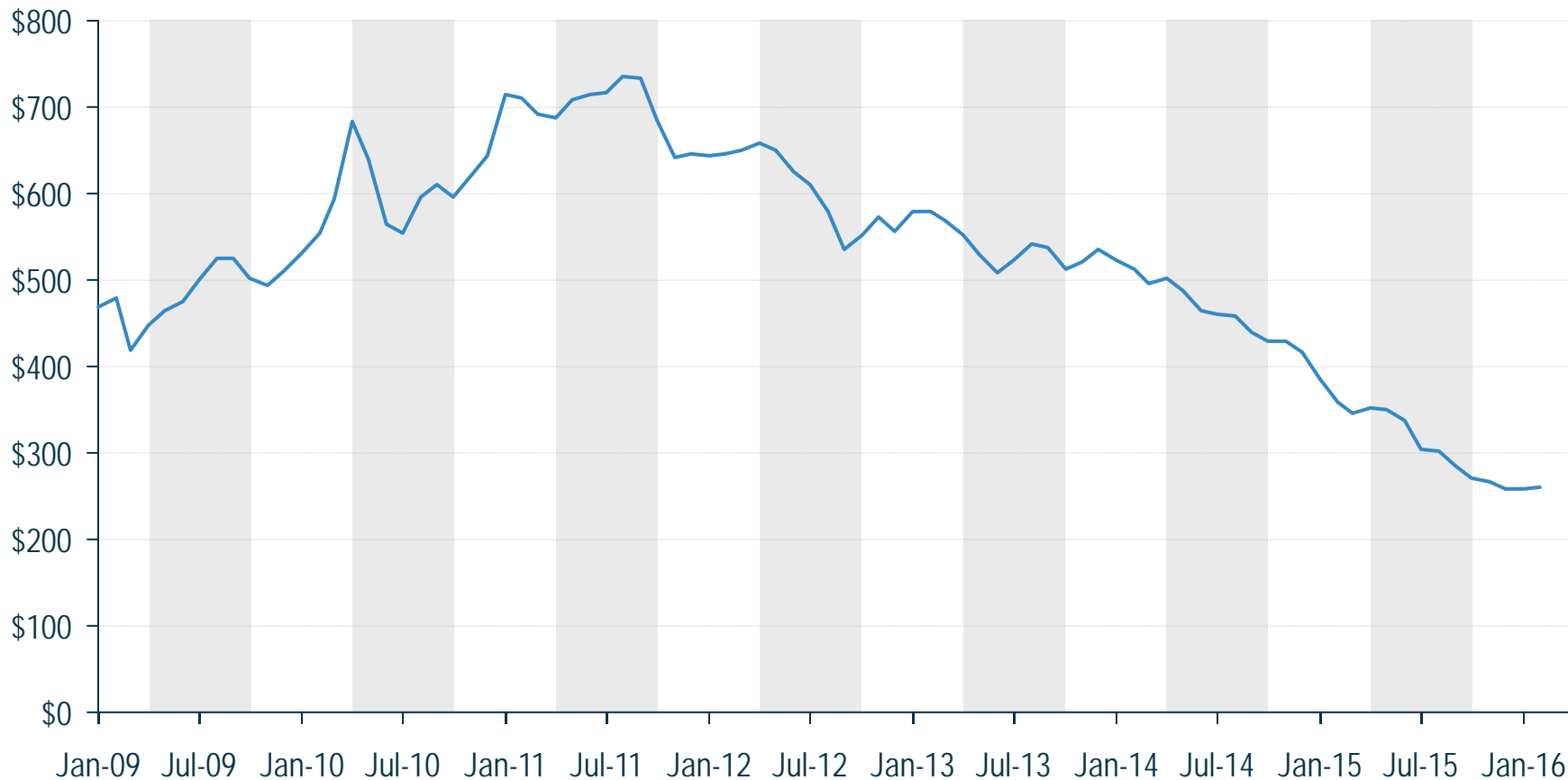
- Reinforcing steel
- Mesh feed (rod)
- Wire



New Zealand & Pacific Steel

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

SBB East Asian rebar price (US\$/t)



Source: Steel Business Briefing

Building Products ASEAN, North America & India

Financial summary

Key segment financial items

\$M unless marked	1H15	2H15	FY15	1H16
Revenue	898.6	892.2	1,790.8	878.6
Underlying EBITDA	74.0	79.3	153.3	95.8
Underlying EBIT	47.8	50.5	98.3	65.4
Reported EBIT	47.8	49.3	97.1	65.4
Capital & investment expenditure	17.4	55.4	72.8	16.3
Net operating assets (pre-tax)	1,005.5	1,006.0	1,006.0	1,065.5
Total despatches (kt)	683.3	646.9	1,330.2	641.4

Revenue by business

\$M	1H15	2H15	FY15	1H16
Thailand	213.1	241.9	455.0	198.9
Indonesia	168.3	151.6	319.9	160.1
Malaysia	124.3	129.0	253.3	120.8
Vietnam	78.8	86.5	165.3	82.9
North America	324.2	306.8	631.0	347.2
India	0.0	0.0	0.0	0.0
Other / eliminations	(10.1)	(23.6)	(33.7)	(31.3)
Total	898.6	892.2	1,790.8	878.6

Despatches by business

'000 tonnes	1H15	2H15	FY15	1H16
Thailand	171.6	178.7	350.3	151.1
Indonesia	132.5	108.8	241.3	118.2
Malaysia	82.2	84.8	167.0	83.7
Vietnam	62.2	63.4	125.6	61.6
North America	195.4	177.8	373.2	198.8
India	49.2	53.7	102.9	54.1
Other / eliminations	(9.8)	(20.3)	(30.1)	(26.1)
Total	683.3	646.9	1,330.2	641.4

Underlying EBIT by business

\$M	1H15	2H15	FY15	1H16
Thailand	20.5	28.0	48.5	20.2
Indonesia	4.0	7.0	11.0	9.1
Malaysia	13.4	13.9	27.3	14.9
Vietnam	5.6	8.6	14.2	9.9
North America	8.6	(3.9)	4.7	11.2
India	(3.3)	1.0	(2.3)	1.1
Other / eliminations	(1.1)	(4.1)	(5.2)	(1.0)
Total	47.8	50.5	98.3	65.4

Building Products ASEAN, North America & India

Underlying EBIT variance



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

BlueScope Buildings

Financial and despatches summary

Key segment financial items

\$M unless marked	1H15	2H15	FY15	1H16
Revenue	785.4	752.7	1,538.1	889.8
Underlying EBITDA	36.7	45.6	82.3	57.3
Underlying EBIT	19.3	24.4	43.7	34.8
Reported EBIT	31.6	24.4	56.0	26.3
Capital & investment expenditure	6.1	24.2	30.3	4.5
Net operating assets (pre-tax)	703.2	727.2	727.2	717.1
Total despatches (kt)	295.7	233.9	529.6	295.0

Revenue by business

\$M	1H15	2H15	FY15	1H16
Engineered Buildings North America	523.4	525.9	1,049.3	587.9
Engineered Buildings Asia	170.0	149.7	319.7	221.7
Building Products China (coated steel)	119.8	100.9	220.7	122.4
Other / eliminations	(27.8)	(23.8)	(51.6)	(42.2)
Total	785.4	752.7	1,538.1	889.8

Despatches by business

'000 tonnes	1H15	2H15	FY15	1H16
Engineered Buildings North America	140.1	110.7	251.0	122.8
Engineered Buildings Asia	86.7	76.8	163.5	116.8
Building Products China (coated steel)	85.7	60.5	146.2	81.4
Other / eliminations	(16.9)	(14.0)	(30.9)	(26.0)
Total	295.7	234.0	529.6	295.0

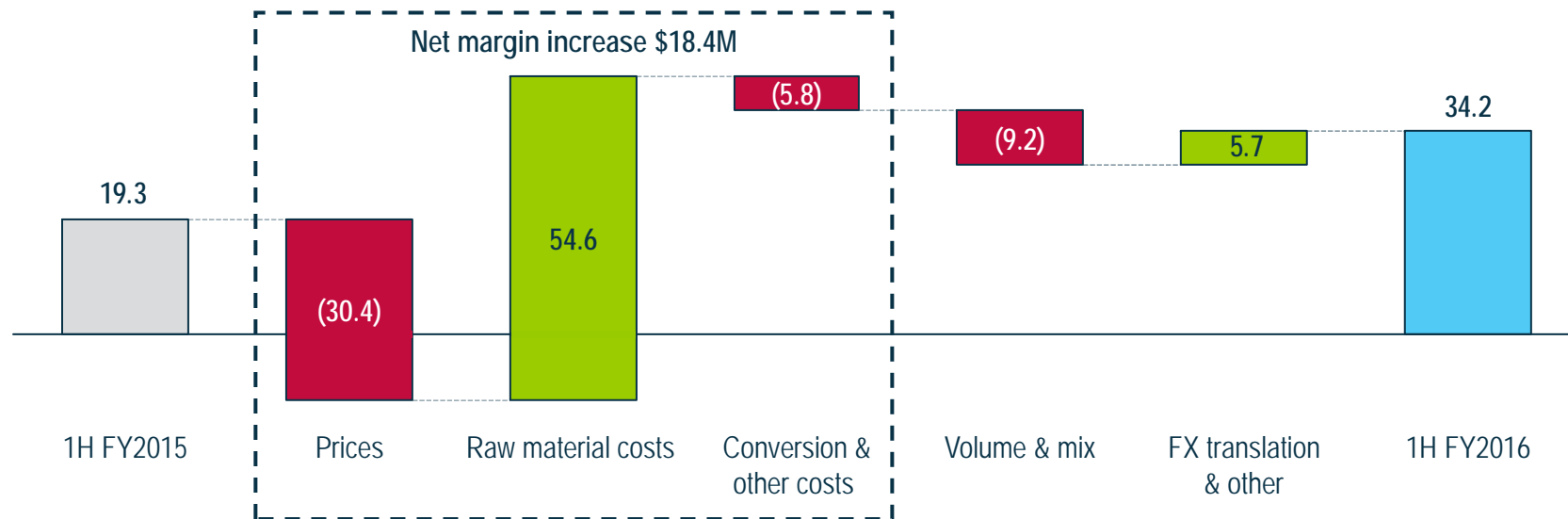
Underlying EBIT by business

\$M	1H15	2H15	FY15	1H16
Engineered Buildings North America	20.7	21.9	42.6	26.7
Engineered Buildings Asia	(8.2)	(6.3)	(14.5)	(0.8)
Building Products China (coated steel)	14.1	11.6	25.7	12.7
Other / eliminations	(7.3)	(2.8)	(10.1)	(4.4)
Total	19.3	24.4	43.7	34.2

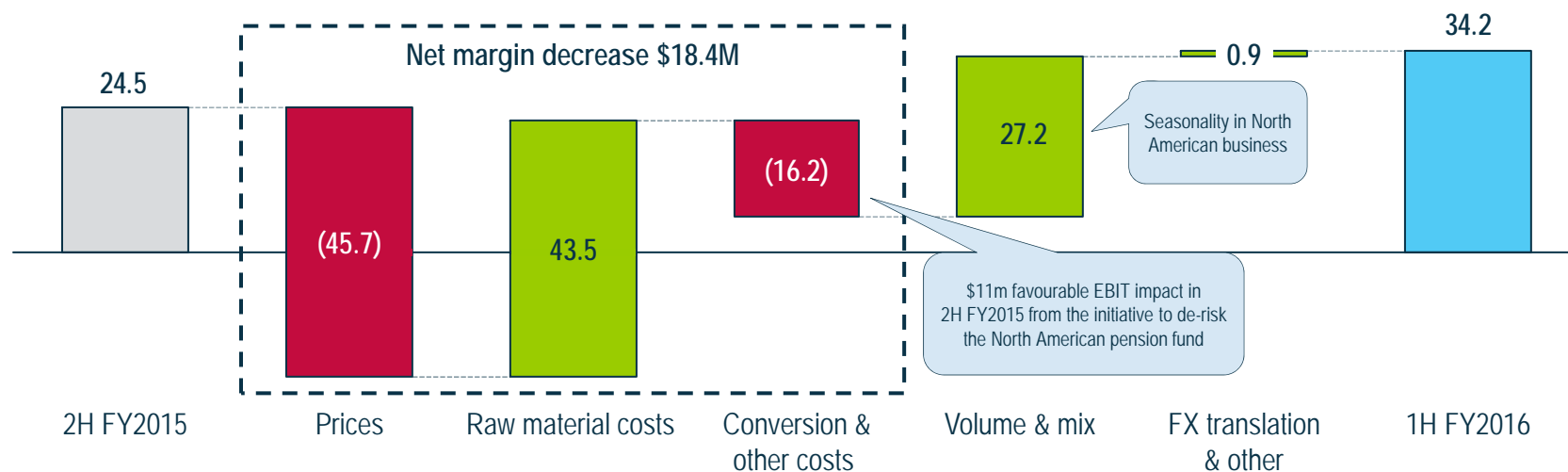
BlueScope Buildings

Underlying EBIT variance

1H FY2016 vs 1H FY2015 \$M

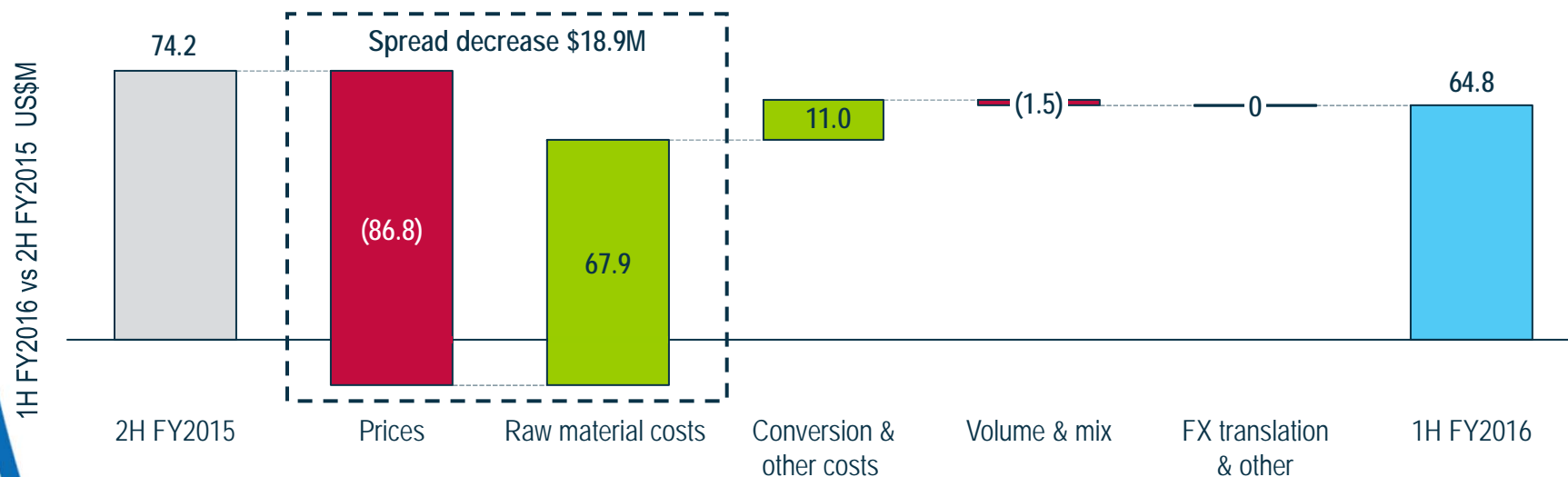
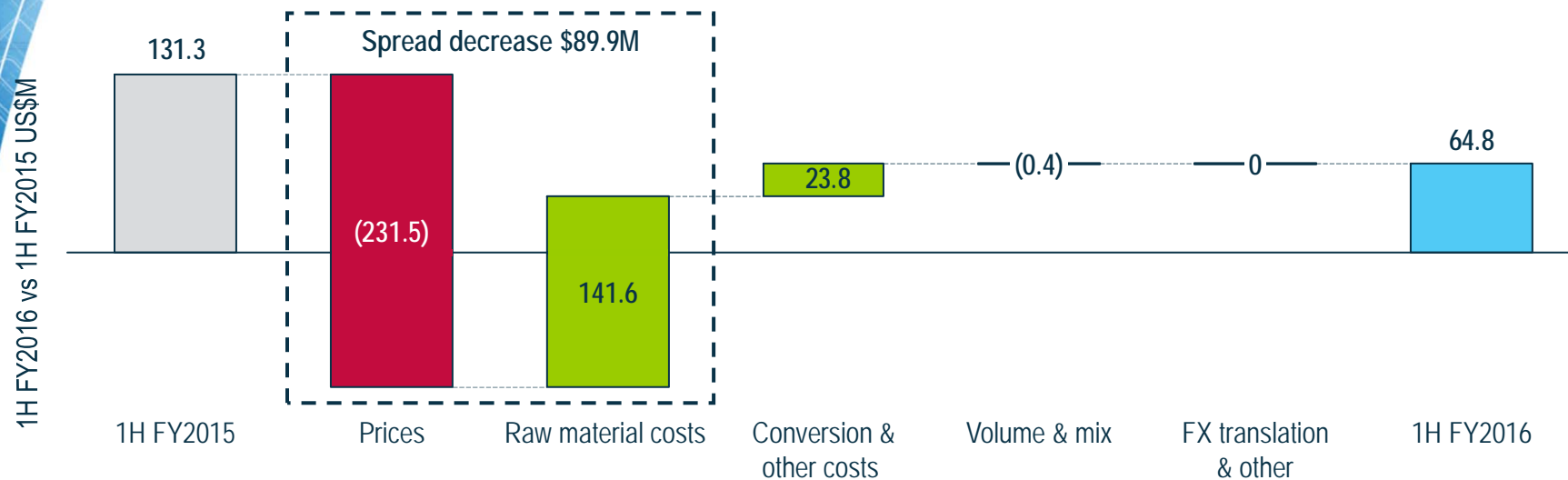


1H FY2016 vs 2H FY2015 \$M



North Star BlueScope Steel

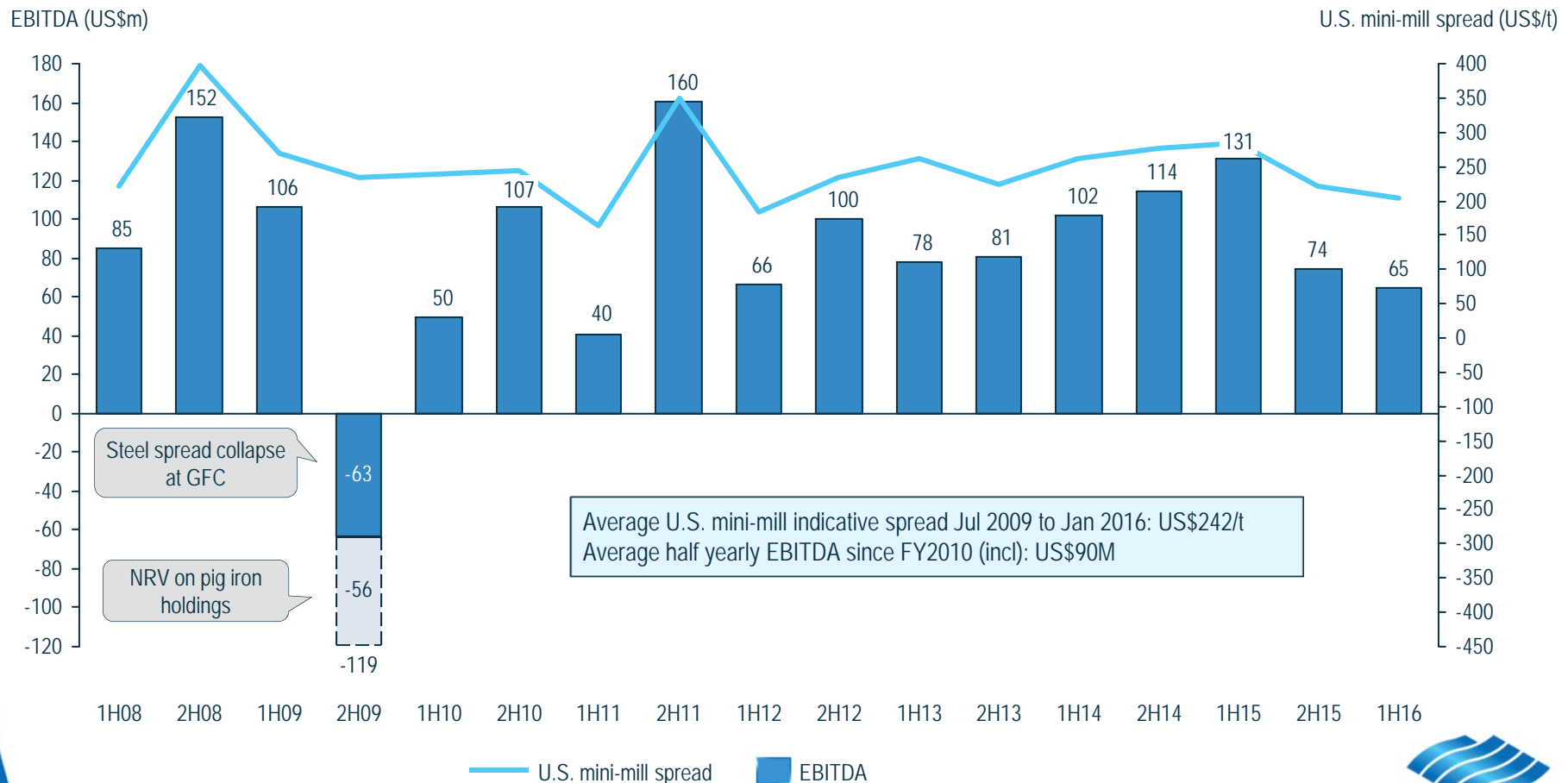
US\$M underlying EBITDA variance on 100% ownership / consolidated basis



North Star BlueScope Steel

Earnings relatively consistent through the cycle, noting annual variability

EBITDA and spread¹





1H FY2016 Financial Results Presentation

Paul O'Malley, Managing Director and Chief Executive Officer

Charlie Elias, Chief Financial Officer

22 February 2016

BlueScope Steel Limited. ASX Code: BSL