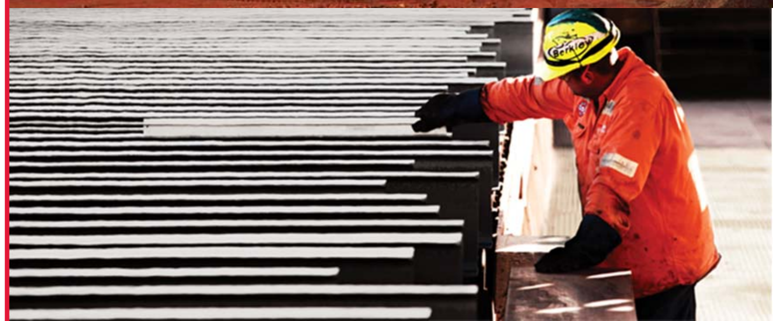
OneSteel Presentation
International Investor Roadshow April 2012



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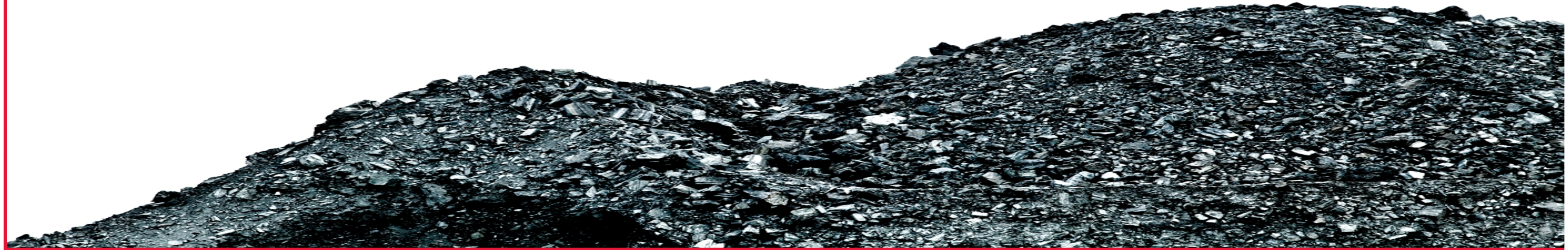


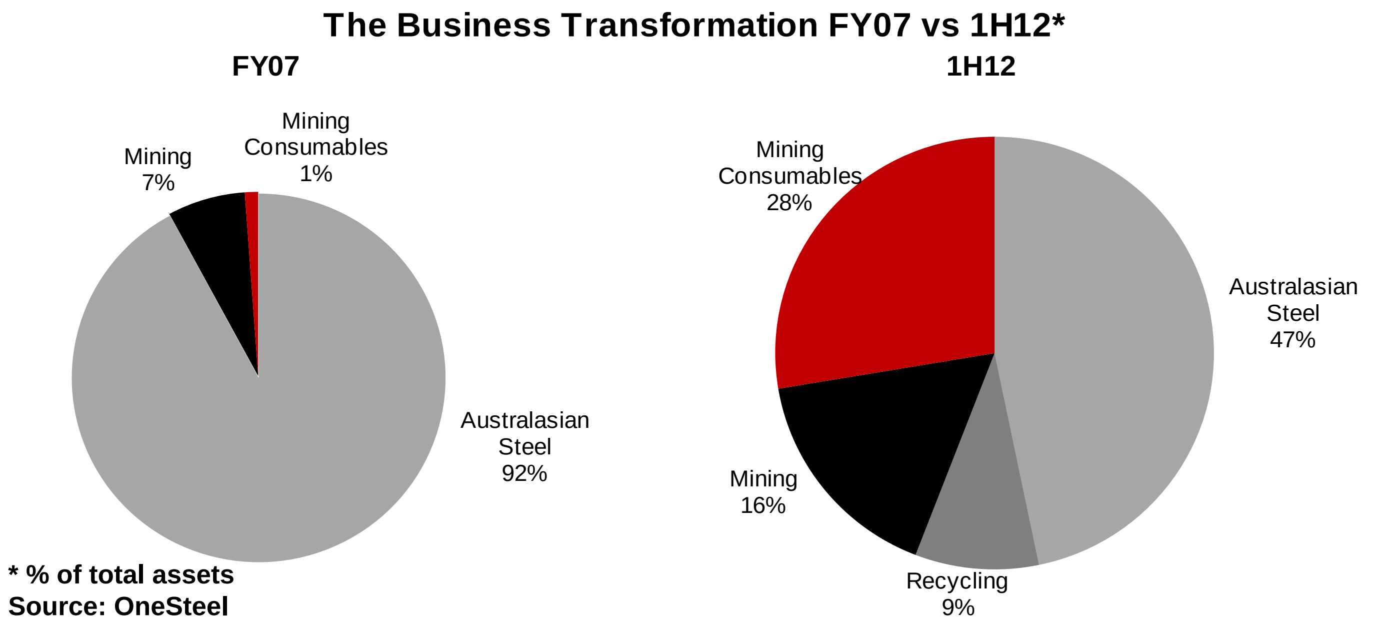
Rationale for name change from OneSteel to Arrium

arrium
MINING AND MATERIALS

An EGM is being held 8 May 2012 to change the company name to Arrium

Rationale for name change from OneSteel to Arrium

- The name OneSteel no longer reflects what the company is today, or its growth direction
- The company has undergone significant transformation and is now a mining and materials group
- The transition is reflected in the significant change in proportion of assets and revenues



- Prior to Project Magnet in 2007, Mining and Mining Consumables accounted for only 8% of assets and 7% of revenues. At 1H FY12, they accounted for 44% of assets and 37% of revenues
- Proportion of Mining and Mining Consumables assets will increase further to ~50% when Southern Iron and Whyalla port expansions come on line, and when announced Mining Consumables capacity expansions are completed

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Transformation key milestones

Mining

Middleback Ranges

- 2005 - commencement of Project Magnet
  - Conversion of Steelworks to magnetite – freeing up hematite for export sales
- FY08 – export sales 4mtpa
- FY09 – increased sales to 5mtpa
- FY10 – achieved sales of 6mtpa

Southern Iron

- 2011 – acquisition of WPG Resources’ iron ore assets (Peculiar Knob and other tenements)
- 2011 – commenced work to double Whyalla port export capacity to 12mtpa
- Expect iron ore sales to be at run rate of ~11mtpa by mid-2013

Mining Consumables

- Pre-2007 Mining Consumables presence in mine ropes, strata control and grinding media feed etc.
- 2007 – grinding media and rail wheels businesses in Australasia and USA acquired through Smorgon acquisition
  - Second largest grinding media manufacturer globally
- 2009 – investment in Mining Ropes upgrade
- 2010 – acquisition of Moly-Cop Group from Anglo American plc.
  - Now largest grinding media manufacturer globally
  - Total grinding media sales increased to ~900-950ktpa
- 2012 – grinding media capacity expansions approved for Lima, Peru and Cilegon, Indonesia
  - Increasing total grinding media capacity to ~1.38mtpa

Steel & Recycling

- 2007 – acquisition of Smorgon Steel
- 2007/08 – Product portfolio and facilities rationalisation
- 2011/12 – Product portfolio and facilities rationalisation

Proposed business structure

- arrium MINING AND MATERIALS
  - arrium MINING
    - Middleback Ranges
    - Southern Iron
    - Port Operations
  - arrium MINING CONSUMABLES
    - Moly-Cop International
    - Moly-Cop Australasia
    - AltaSteel
  - onesteel steel & recycling
    - Manufacturing
    - Distribution
    - Recycling

Company overview & strategic focus

Now a mining and materials group

Company overview

- OneSteel is now an international mining and materials company with approximately 250 locations across Australia, Asia, North and South America and New Zealand

- Sales revenue FY11: A$7.13bn
- Total Assets as at 31 Dec 2011: A$8.7bn
- Employees as at 31 Dec 2011: ~11,500
- Market capitalisation as at April 2012: ~A$1.7bn
- ASX top 100 company

Map of operations

Australia

North & South America

Asia

- Key Distribution Sites
- Key Manufacturing Sites
- Key Recycling Sites
- Mining Consumables
- Iron Ore Mine Site

New Zealand

Strategic focus

- Continue to grow our Mining business
  - Current priorities:
    - To increase export iron ore sales from 6mtpa to rate of 11mtpa by mid 2013
    - To double Whyalla port capacity to 12mtpa by 2013
  - Investigate options to utilise full port capacity of 12mtpa
  - Investigate options, including through exploration and blending, to maintain sales of 11+mtpa for at least 10 years
- Continue to grow our Mining Consumables business
  - Current priority:
    - Utilising current capacity and new investments to capture strong growth in existing copper, gold and iron ore grinding media markets
  - Continue to invest in additional capacity ahead of market growth to benefit from:
    - Expected 12% CAGR volume growth in South America grinding media market from FY12 – FY16
    - Expected 9% CAGR volume growth in North America grinding media market from FY12 – FY16
  - Investigate options to expand Grinding Media business in new geographies and regions
  - Investigate growth options from other Mining Consumables products

Strategic focus

- Focus on integrated Steel & Recycling businesses returning their cost of capital throughout the cycle in Distribution and Recycling, while Manufacturing will focus on strong cash generation throughout the cycle
  - Current priorities:
    - Manufacturing to be EBITDA positive for 2H12
    - Significant EBIT improvement in 2H12 for Distribution and Recycling

Business overview
Mining, Mining Consumables and Steel & Recycling

Business overview

- Mining
  - Iron ore export sales ~6mtpa from Whyalla, South Australia
  - Announced plans to increase sales to rate of ~11mtpa by mid 2013
  - Port owned and operated by OneSteel – work underway to double capacity to 12mtpa
  - Ferrous and non-ferrous exploration
- Mining Consumables
  - Global leader in grinding media servicing growing mining industry particularly copper, gold and iron ore. Strategically located in growth areas of Chile, Peru, Mexico, USA, Canada, Indonesia and Australia
  - Grinding media sales ~900-950ktpa
  - Largest supplier of wire ropes and rail wheels to mining industry in Australia
- Steel & Recycling
  - Premier Australian manufacturer of long steel products, structural pipe and tube, and wire products. Steelmake capacity of ~2.5mtpa
  - Leading distributor of structural steel and reinforcing products in Australia. ~200 sites across the country
  - Supply of scrap metal to foundries, smelters and steel mills in Australia and internationally. Operating from over 36 locations in Australia and 9 locations in the USA

Business structure

Mining	Mining Consumables	Steel & Recycling
Middleback Ranges	**Moly-Cop**	**Manufacturing**
Iron Ore	**Moly-Cop Australasia**	Whyalla Steelworks
Pellet Plant	**Australia**	Laverton Steel Mill
Southern Iron	Grinding Media	Sydney Steel Mill
Peculiar Knob	Rail & Forge	Wire Mills
Hawkes Nest	Mining Ropes	Newcastle Rod Mill
Exploration Activities	**Indonesia**	Australian Tube Mills
Whyalla Port	Grinding Media	
	Moly-Cop North America	**Australian Distribution**
	USA	ARC
	Grinding Media	OSR
	Canada	Merchandising
	Grinding Media	Metaland|Steel & Tube
	Mexico	
	Grinding Media	**Recycling**
	Moly-Cop South America	Australia
	Chile	Asia
	Peru	USA
	AltaSteel	
	EAF, Rolling Mill	
	Waratah Steel Mill	
	EAF	

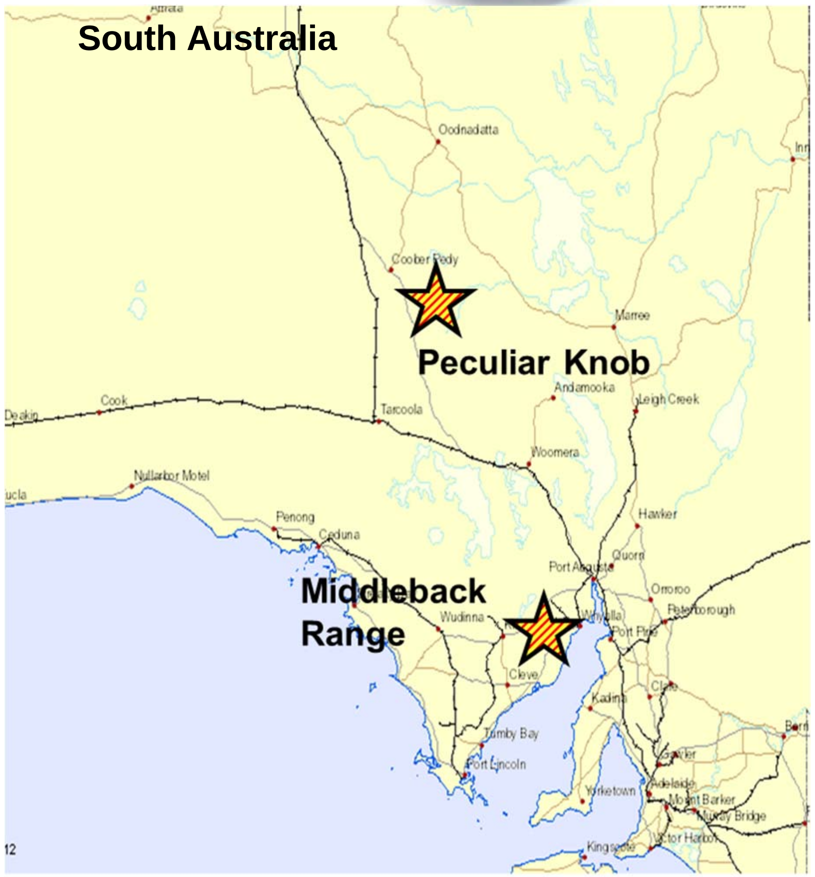
New Zealand Distribution segment not shown (represents OST's 50.3% shareholding in Steel & Tube Holdings Limited)

Mining

Existing business and developments to ~11mtpa by mid-2013

Mining overview

- Established track record in mining, developing and ramping up mining operations via Middleback Ranges (MBR), South Australia
- Expect to maintain sales from existing mining operations at MBR at ~6mtpa for at least 10yrs*
- On track for doubling port capacity to Whyalla to 12mtpa
- On track for step change in iron ore sales to 11mtpa through Southern Iron
  - First sales from Southern Iron Q4 CY12
  - Expected additional sales of 2mt in FY13 (total sales increase to 8mt)
  - Expected run rate of ~5mtpa by mid 2013 (total sales run rate of ~11mtpa)



* Based on reserves and beneficiation of low grade ore

Mining overview

- Southern Iron
  - Provides ‘speed to market’
  - Underpins port expansion
  - Expect significant benefits through blending with MBR low grade ores
    - Substantial contribution to investment in Southern Iron and Port expansion
  - ‘Speed to market’ and narrow capital scope – expansion low risk/low capital cost
  - Further development and exploration opportunities beyond Peculiar Knob

- Investigating options to utilise full port capacity of 12mtpa
- Investigating options including through exploration and blending to maintain sales of ~11+mtpa for at least 10 years

Middleback Ranges

- Located ~60kms from Whyalla
- Sales primarily hematite fines and lump
- Expected FY12 sales of ~6mtpa (~2/3 fines, ~1/3 lump)
- Average grade ~60% as at 31 December 2011
- Established customer relationships in China (FY12 estimate ~2/3 contract, ~1/3 spot sales)
- Cost guidance for export sales ~$53/t for 2H12 (loaded on ship including deprecation and royalties)
- Magnetite ore converted to pellets to feed Steelworks

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Southern Iron

- Peculiar Knob project under development
  - Located ~90kms from Coober Pedy, South Australia and 600kms from Whyalla
  - Work to date
    - 3.6mtpa, but targeting 4mtpa with rail as current constraint
    - ~$70/t cost when ramped up – dry basis, including depreciation and royalties
    - 63% Fe – all fines
  - Blending – indicative program
    - Lower grade ores from MBR (~53%) with PK
    - LGO from stockpiles and future mining at MBR
    - Target blending grade 60% Fe (blending ratio 2:1)
    - Increases sales from PK from 16mt to 24mt
    - Lifts target additional annual sales from <4mtpa to >5mtpa
    - Reduces post ramp up cost of ~$70mtpa to ~$60-65/t
  - Tracking in line with target for first sales Q4 CY12
- Other tenements
  - Hawks Nest
  - Windy Valley
  - Mount Brady

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Port expansion

- OneSteel owns and operates the Whyalla port:
  - An outer harbour capable of >6mtpa
  - Transhipping operation to capes
  - An inner harbour servicing the Steelworks
- ~$200m port expansion underway including building an ‘iron ore capable’ inner harbour at Whyalla
- Port expansion doubles export iron ore capacity to 12mtpa
- Tracking in line with target for enabling first sales from Peculiar Knob Q4 CY12

Mining Consumables

Global leader in grinding media

Mining Consumables

- Through the Moly-Cop brand, OneSteel is the leading global supplier of grinding media to the mining industry. It also manufactures and supplies wire ropes and rail wheels direct to mining companies
- Leveraged to the high growth mining sector, predominantly copper, gold and iron ore
- Grinding media sales of ~950ktpa, capacity of ~1.3mtpa
- Segment includes 2 integrated electric arc furnaces (Edmonton, Canada capacity ~350ktpa and Newcastle, Australia capacity ~300ktpa) and 2 bar mills

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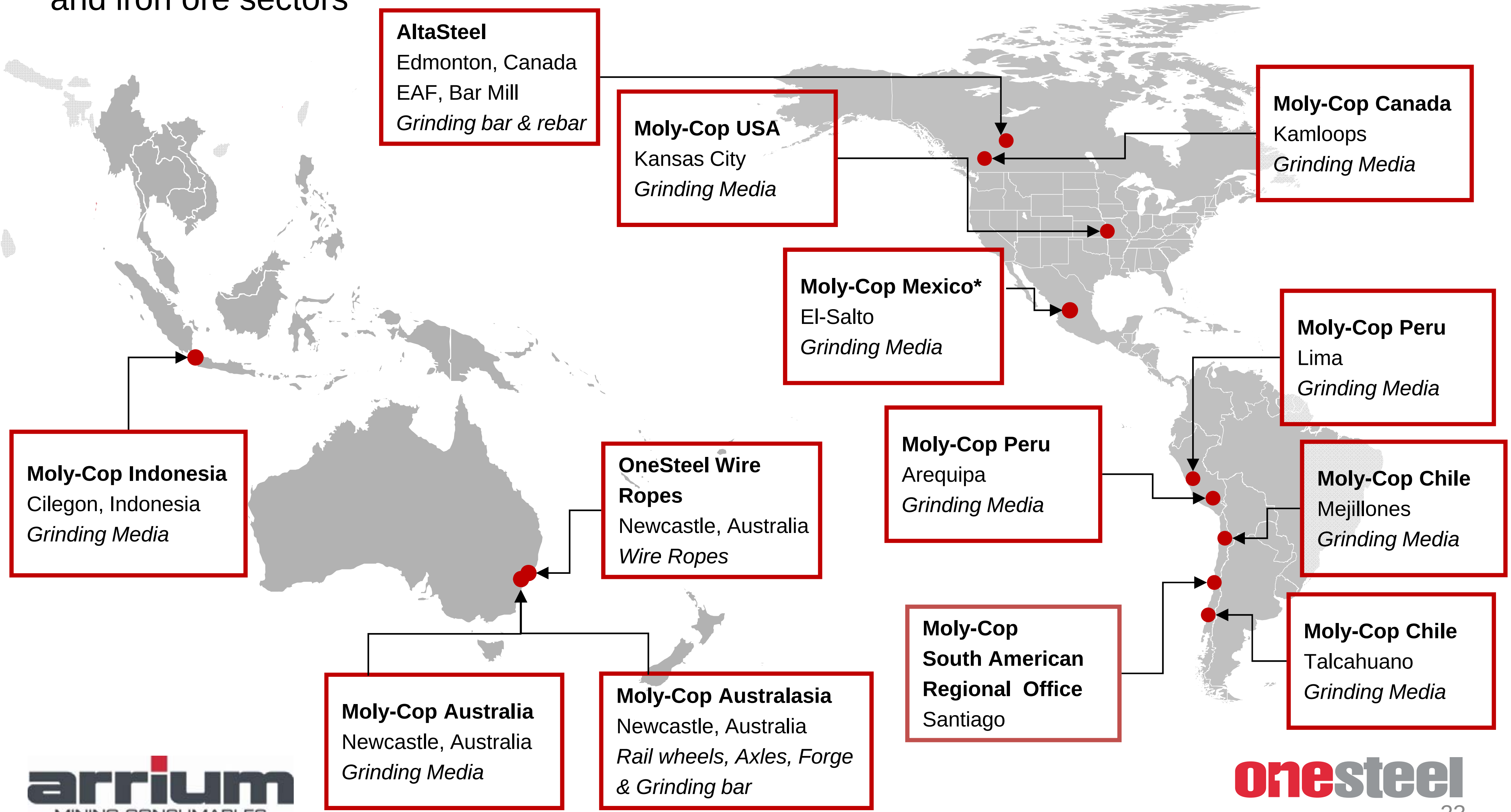
Mining Consumables global operations

12 manufacturing facilities producing grinding media, wire ropes, rail and grinding bar across the Americas and Australasia, close to local markets and customers in growing copper, gold and iron ore sectors



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* Guadalajara site was decommissioned in Dec 11

Mining Consumables

- Moly-Cop grinding media business:
  - Largest manufacturer of grinding media in Australia
  - Leading market positions in South America, North America, and Australasia
  - Ideally positioned to capitalise on mining growth, particularly from copper, gold and iron ore production
  - Relatively stable margins
  - High quality mining customers
  - Sustainable competitive advantage
  - Strong foundation for Mining Consumables growth strategy

Grinding media facilities	Capacity * (~ktpa)	Products size range
Newcastle, Australia	250	1" – 6"
Cilegon, Indonesia	30	1" – 2"
Kansas City, USA	180	1.5" – 5.5"
Talcahuano & Mejillones, Chile	430	1" – 6.25"
Lima & Arequipa, Peru	115	1" – 5"
Guadalajara, Mexico	170	1" – 5.5"
Kamloops, Canada	115	1" – 5.5"
Total	**1,290**	

*Excludes Board approved expansions in Lima, Peru and Cilegon, Indonesia totalling ~90ktpa

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Moly-Cop’s competitive advantage

Wear performance:

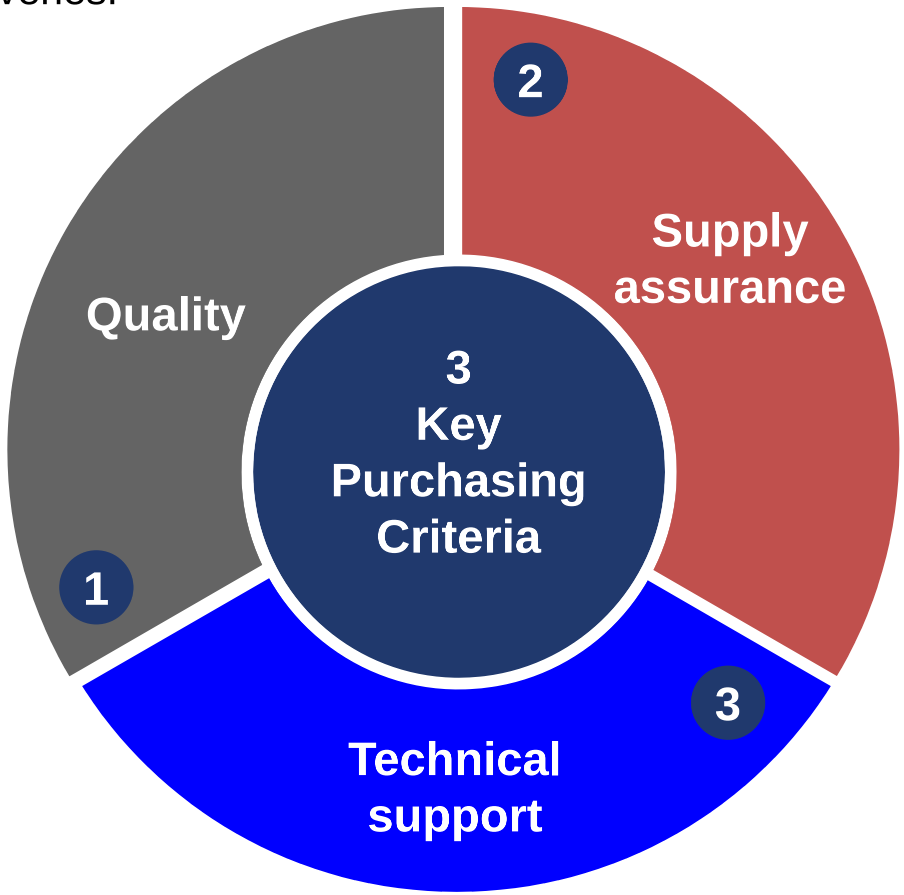
- Moly-Cop’s media wear performance is consistently superior compared to other products, whose quality may vary resulting in uncertainty for the customer
- Inferior product performance increases costs for customers
- To compete, competitors may be forced to reduce their prices

Unparalleled technical support:

- Moly-Cop’s recognised capability to provide valuable customer tailored technical support is unparalleled by other competitors

Assured, timely and flexible deliveries:

- Moly-Cop is located close to its customers, assuring timely and flexible delivery of products
- Competitors which are further away from the customer site may have longer supply chains which increases the risk of substantial delays
- New suppliers face higher risks of return when entering markets where demand is fully covered
- Moly-Cop is the only grinding media supplier able to offer strategic global customers the benefit of its global network by establishing long-term supply agreements



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Steel & Recycling
The OneSteel businesses

Steel & Recycling

Manufacturing

- Includes an integrated steelworks at Whyalla, SA, 2 electric arc furnaces (EAFs), 2 bar mills, 2 wire mills and 2 rod mills
- Whyalla – manufactures semi finished and finished products

Products	End use
Billets	OneSteel rolling mills
Bloom	Rails & rail products, structurals
Slabs	Structurals and Flat steel product customers
Structural products	Building and construction projects

- EAFs – all have downstream facilities

Location	Capacity (Tonnes)	Products
Sydney (Rooty Hill)	~630kt	Rod, Mebar & Rebar
Melbourne (Laverton)	~700kt	Rod & Rebar

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Steel & Recycling

Distribution

- The leading distributor of a range of metal products to the market
  - Metaland|Steel & Tube business processes and distributes a broad range of structural steel and related steel and metal products. With 76 outlets owned by OneSteel, it is one of the leading steel distribution businesses in Australia
  - The OneSteel Reinforcing and Australian Reinforcing Company (ARC) businesses comprise of ~75 service sites close to market. They are the leading suppliers of steel reinforcing products to the Australian building and construction industries
  - Merchandising business includes Sheet and Coil, Aluminum, Fagersta, Coil Coaters and Building Services. Comprising of approximately 20 outlets, the Merchandising business sources metal and related products from a range of domestic and overseas manufacturers

Steel & Recycling

Recycling

- Comprises Australian and international Recycling businesses that trade, collect, process and sell ferrous and non-ferrous scrap. Operating in 15 countries, from over 36 locations in Australia and 9 locations in the USA
- Recycling sources scrap metal from the rural, mining, demolition and manufacturing industries, and from the general public. Scrap is processed and traded in Australia, Asia and the USA
- Supplies steel making raw materials to steel mills (including OneSteel mills) and foundries primarily in Australia and Asia, as well as other parts of the world
- Non-ferrous trading business run from Asia, operating in 4 countries

Summary

- EGM 8 May 2012 to change name to Arrium to reflect significant transformation, particularly in recent years
- OneSteel is now an international mining and materials group with significant businesses in:
  - Mining – currently export iron ore sales of ~6mtpa, growing to run rate of ~11mtpa by around mid-2013
  - Mining Consumables – world's largest manufacturer of grinding media with leading market positions in key growth areas for copper, gold and iron ore of North America, South America and Australasia. Sales ~900-950ktpa
  - Steel & Recycling – leading market positions in Australia for Manufacturing and Distribution
- Strategic focus on growing Mining and Mining Consumables businesses and addressing performance of Steel & Recycling business
  - Expect to be EBITDA positive in Manufacturing for 2H12 and for significant EBIT improvement in Distribution and Recycling

Additional information

- Recent presentations and announcements can be accessed on our website www.onesteel.com under shareholder communications:
  - Half year ended 31 December 2011 results 21 February 2012
  - Mining presentation 21 March 2012
  - Mining Consumables presentation 21 March 2012
  - Australasian Mining Consumables site tour presentation 22 March 2012

Summary of 1H12 financials

1H12 overview

- Statutory net loss after tax of $74 million[1]
- Underlying NPAT from continuing operations $78[2] million, down 41% pcp
  - Excludes discontinued operations (incl. write down of assets in LiteSteel™ Technologies), transaction costs, restructuring costs & tax benefits relating to prior year
- Confident with balance sheet position
- Good operating cash flow
- Interim dividend 3 cents per share (unfranked)
- Further significant investment to grow our resources based businesses
- Benefits of growth focus reflected in significant contribution of Mining and Mining Consumables businesses to overall results
- Significantly stronger performance in Mining Consumables
- Recycling started well but impacted by dramatic fall in prices and margins in December quarter
- Australian steel segments' performance unacceptable, but anticipate a significantly better second half

1 Except as otherwise expressed, references in this presentation to net profit/loss after tax refer to net profit/loss attributable to equity holders of the parent.
2 Non-statutory financial measures referred to in this presentation, including underlying results and ratios based on underlying results, have not been audited or reviewed as part of KPMG's review report on the half-year financial statements. However, KPMG have undertaken a set of procedures to agree the financial information in this presentation to underlying information supplied by the company. The directors believe that using these non-statutory financial measures appropriately represents the financial performance of the company's continuing operations. Details of the reconciliation of non-statutory to statutory results can be found in the Appendix to this presentation.

1H12 Mining results[1]

	1H12 $m	1H11 $m		% change
Total revenue/income	421	465	↓	(10)
EBITDA	186	290	↓	(36)
EBIT	171	276	↓	(38)
Sales margin	40.5%	59.2%	↓	(18.7)pts
Assets	1,428	850	↑	68
Funds employed	1,196	736	↑	63
Return on funds employed	34.6%	75.8%	↓	(41.2)pts
Employees (number)	504	338	↑	49
External lump & fines iron ore sales	2.95mt	3.06mt	↓	(4)
Other ore & by products etc.	380kt	230kt	↑	65

1 Segment results referred to throughout this presentation are those reported in the 2012 Half Year Financial Report. They are equivalent to segment underlying results. For a reconciliation of consolidated underlying to statutory results, refer to the Appendix of this presentation.

1H12 Mining results

Key Points

- Sales:
  - 2.95 million tonnes of hematite iron ore
    - Includes 1.47mt HGO (average grade approx. 62%), 1.48mt < 60% Fe (average grade 57%)
    - Contract sales 45%, Spot sales 55%
    - Mix approximately 60% fines, 40% lump
  - Other ores and ore by products 380kt
- Strong demand from China continued to underpin high prices in 1st quarter
- Sharp and substantial decline in spot prices early in 2nd quarter
  - Reduced demand, particularly from China
  - Losses associated with variance to contract pricing during the 2nd quarter
- Spot prices partially recovered by December
- Lump premium under pressure, particularly in 2nd quarter
- Loaded cost approx. A$47 per tonne including depreciation
- EBIT of $171m down 38% - lower net prices, higher proportion of <60% Fe and higher costs

1H12 Mining Consumables results

	1H12 $m	1H11 $m	% change	
Total revenue/income	768	339	↑	127
EBITDA	81	31	↑	161
EBIT	65	21	↑	209
Sales margin	8.5%	6.2%	↑	2.3pts
Assets	2,313	2,421	↓	(5)
Funds employed	1,975	2,052	↓	(4)
Return on funds employed	6.7%	2.7%	↑	4.0pts
Employees (number)	1,976	1,836	↑	8
External tonnes despatched*	0.53mt	0.19mt	↑	179

*Excludes scrap sales

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1H12 Mining Consumables results

Key Points

- Revenue up 127% pcp due mainly to contribution of acquired Moly-Cop businesses
- Generally strong sales performance in all markets
  - Some lost sales due to industrial action
- Acquired Moly-Cop businesses continued to perform well and in line with expectations
  - Acquired businesses EBITDA up 28% to US$55m – higher volumes and margins, improved AltaSteel performance
- Significant lift in performance of Australian businesses (grinding media, rail and ropes) – improved sales margins, cost and operational performance
- EBIT up 209% to $65m pcp reflecting contribution of Moly-Cop. EBIT up 48% compared to prior half – significant improvement in Australian businesses and stronger contribution from acquired Moly-Cop businesses
- Capacity expansions approved for Lima, Peru and Cilegon, Indonesia

1H12 Manufacturing results

	1H12 $m	1H11 $m		% change
Total revenue/income	1,263	1,136	↑	11
EBITDA	(31)	(38)	↑	19
EBIT	(75)	(85)	↑	12
Sales margin	(6.0%)	(7.5%)	↑	1.5pts
Assets	2,265	2,556	↓	(11)
Funds employed	1,877	2,073	↓	(10)
Return on funds employed	(7.7%)	(8.2%)	↑	0.5 pts
Employees (number)	3,277	3,406	↓	(4)
External steel despatches	0.57mt	0.50mt	↑	14
Internal steel despatches	0.55mt	0.51mt	↑	8
Steel tonnes produced	0.95mt	0.99mt	↓	(4)

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1H12 Manufacturing results

Key Points

- Sales revenue up 11% pcp - improved volumes off low base driven by resources sector and civil projects
- Market continued to be generally weak, particularly in construction
  - Confidence levels continue to be affected by European debt issues, high Australian dollar and high interest rates
- Production and operating levels remained weak reflecting low level of Australian construction activity in particular
  - Steelmake: Whyalla 522kt, Sydney and Laverton 430kt (65% utilisation)
- Margins impacted by:
  - Low capacity utilisation
  - Lower prices / FX
  - Higher raw material costs
  - Whyalla blast furnace ramp up July/August
- Whyalla blast furnace performing well post repair and ramp up
- EBIT loss $75m – impact of weak demand on volumes, and low operating levels on costs
- Substantial progress being made to address performance through steel review

1H12 Distribution results

	1H12 $m	1H11 $m	% change	
Total revenue/income	1,184	1,183	-	-
EBITDA	5	27	↓	(82)
EBIT	(9)	12	↓	(170)
Sales margin	(0.7)%	1.0%	↓	(1.7)pts
Assets	1,355	1,458	↓	(7)
Funds employed	1,026	1,148	↓	(11)
Return on funds employed	(1.6)%	2.2%	↓	(3.8)pts
Employees (number)	3,139	3,292	↓	(5)
Steel tonnes despatched	0.72mt	0.66mt	↑	9

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1H12 Distribution results

Key Points

- Average prices and margins lower due to impact of higher AUD
  - Distribution returns typically worse during period of falling prices
- Business continued to be impacted by weak Australian activity, particularly construction
  - Weaker confidence
  - Higher interest rates
  - De-stocking and deferrals
- Sales volumes up 9% pcp and 13% compared to prior half due to increased activity in resources segment and civil works projects, but overall demand still generally weak
- Significant leverage to recovery in demand and prices
- EBIT of $9m loss, down from EBIT of $12m profit pcp due to lower prices and margins
- Substantial progress being made to address performance through steel review

1H12 - Australian steel performance

Summary

- Performance significantly impacted by generally weak demand, the high Australian dollar and high raw material costs
- We are making substantial progress to improve cost and operational performance in both Manufacturing and Distribution
- We anticipate 2nd half performance will benefit from:
  - Operational
    - Labour cost reductions
    - Other cost reductions
    - Operational improvements, particularly Whyalla blast furnace
    - Lower raw materials costs
  - Market
    - Manufacturing volumes expected to increase approx. 5% from previous half based on increased infrastructure and mining work, in a generally flat market
    - Margins/prices continue to be subject to significant volatility based on international steel prices and FX
- Based on these factors and our view of the market, we anticipate a significant improvement in performance for both businesses in the 2nd half
- Manufacturing expected to be underlying EBITDA positive for 2nd half

1H12 Recycling results

	1H12 $m	1H11 $m	% change	
Total revenue/income	740	714	↑	4
EBITDA	11	3	↑	244
EBIT	2	(5)	↑	140
Sales margin	0.3%	(0.7)%	↑	1.0pt
Assets	660	647	↑	2
Funds employed	581	568	↑	2
Return on funds employed	0.7%	(1.8)%	↑	2.5pts
Employees (number)	997	1,017	↓	(2)
Total scrap recycling tonnes	1.00mt	1.11mt	↓	(10)

1H12 Recycling results

Key Points

- Business was tracking in line with expectations in 1st quarter, but impacted by sharp decline in ferrous and non ferrous prices and margins in the 2nd quarter
- Sales revenue up 4% pcp - higher average prices, lower ferrous and non ferrous volumes
- Australian market still difficult, but improved performance pcp – higher ferrous prices and margins
- US business continued to perform well due to strong market positions
- EBIT improved to $2m profit from EBIT loss $5m pcp. EBIT lower against prior half due to decline in ferrous and non ferrous prices and margins in 2nd quarter

1H12 financial overview

- Strong contributions from Mining and Mining Consumables, but overall profit performance impacted by disappointing results in Australian steel. However, making substantial progress to address their performance
- Further significant investment to grow Mining business – approx. $320m Southern Iron (WPG iron ore assets) acquisition and $200m Whyalla port expansion
- Statutory NPAT includes $130m of discontinued operations relating to the LiteSteel™ Technologies (LST) and Piping Systems businesses
- Statutory operating cash flow $187m*
- Confident of balance sheet position
  - $1bn of undrawn facilities available including acquisition of Southern Iron (WPG)
  - Statutory gearing 33.8% (approx. 1% related to LST asset impairment)
  - Next significant maturity not until August 2013
  - Increase in net debt due to acquisition of Southern Iron
- Interim dividend of 3 cents per share unfranked (down from 6 cents pcp)

* Includes discontinued operations.

1H12 financial overview

Profit & loss summary – underlying continuing operations*

	1H12 $m	1H11 $m	% change	
Sales revenue	3,716	3,240	↑	15
EBITDA	257	322	↓	(20)
Depreciation & amortisation	(100)	(98)	↑	2
EBIT	156	224	↓	(30)
Finance costs	(62)	(46)	↑	35
Profit before tax	94	178	↓	(47)
Tax expense	(13)	(42)	↓	(70)
Net profit after tax	78	133	↓	(41)
Operating cash flow	216	163	↑	33
EPS (cents)	5.9	10.0	↓	(41)
Return on funds employed	4.8%	7.6%	↓	(2.7)pts
Interim dividend (cents per share)	3	6	↓	(50)%

*A reconciliation of non-statutory underlying results to statutory results can be found in the Appendix to this presentation.

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1H12 financial overview

Balance sheet summary

	1H12 $m	1H11 $m		% change
Total assets	8,665	8,195	↑	6
Total liabilities	4,268	3,716	↑	15
Net assets	4,398	4,480	↓	(2)
Net debt	2,242	1,892	↑	19
Inventory	1,524	1,687	↓	(10)
Funds employed	6,640	6,371	↑	4
Gearing (net debt/net debt plus equity)	33.8%	29.7%	↑	4.1pts
Interest cover* – times EBITDA	4.1	7.0	↓	(2.9) times
NTA / share – ($)	1.13	1.30	↓	(13)

*Interest cover for covenants is based on underlying EBITDA and finance costs adjusted for non-cash items, on actual 12 month rolling basis.

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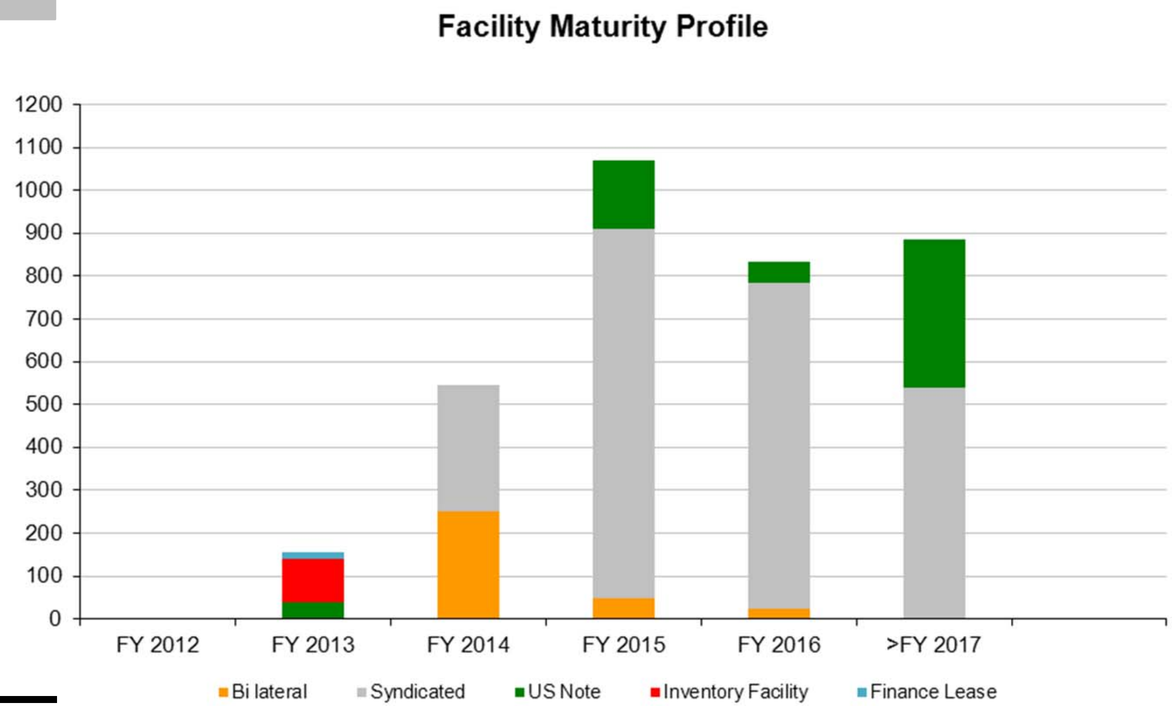
1H12 financial overview

Maturity	Type of Facility	Facility Amount A$m
FY13	US notes	40
	Finance lease	1
	Inventory facility	100
FY14	Bi-laterals	250
	Syndicated loans	295
FY15	US note issues*	160
	Syndicated loans	860
	Bi-lateral	49
FY16	Finance lease	14
	US note issues*	49
	Bi-lateral	25
	Syndicated loans	759
FY17+	US note issues*	345
	Syndicated loan	539
Total		**3,486**



- Next significant maturity not until August 2013
- $1bn available undrawn facilities
- At 31 December 2011, approx. 63% of funding in USD or CAD
- Average interest rate for total funding approx. 5%
- Covenants for facilities typically include interest cover and gearing

*Conversion of USD debt at closing rate of 1.0137

1H12 Outlook – short term

Mining

- We expect demand from China to remain strong and this is expected to underpin high prices compared to historical levels
- On target for sales of ~6mt in FY12
    - 2nd half
        - Includes approx. 1.5mt of <60% Fe
        - 65% contract / 35% spot, 60% fines / 40% lump
        - Loaded cost for year expected to average $50/tonne including depreciation
- Work to double port capacity and bring Peculiar Knob into production progressing to plan
- First shipments expected Q4 calendar 2012, and ramp up through to mid 2013 giving sales of ~2mt in FY13
- Total iron ore sales expected to lift to run rate of ~11mtpa following ramp up

Mining Consumables

- Mining consumables markets expected to continue to be strong
- Grinding media markets are growing as expected in the Americas
- Acquired Moly-Cop business performing well and expected to benefit from these strong markets
- Improved performance from the Australian business is expected to continue

1H12 Outlook – short term (cont.)

Australian Steel

- Manufacturing volumes expected to increase ~5% from previous half based on increased infrastructure and mining work, in a generally flat market
- Margins/prices to continue to be subject to significant volatility based on international steel prices and FX
- Costs and facilities work expected to deliver benefits in 2nd half
- We anticipate a significant improvement in performance for both Manufacturing and Distribution in the 2nd half
    - Manufacturing expected to be underlying EBITDA positive for 2nd half

Recycling

- US business expected to continue to perform well underpinned by strong market positions. Australian ferrous market will remain difficult, therefore focus on cost and competitive position

Outlook – short term (cont.)

Earnings guidance

Quantitative guidance is not appropriate at this time due to the high level of uncertainty around AUD, Australian and international prices for steel and steelmaking inputs, the current uncertainty around the international economy and the level and nature of growth in the domestic economy. The write down of the assets of LiteSteel™ Technologies, together with other adjustments to underlying performance including restructuring costs and acquisition transaction costs, and together with the underlying result for the first half compared with the prior corresponding period, will clearly have a significant impact when comparing expected full year statutory results with the prior year.

1H12 Outlook – longer term

Mining

- We believe the underlying demand for iron ore will continue to be strong and that this will underpin solid pricing for iron ore compared to historical levels at least into the medium term

Mining Consumables

- We remain positive on the outlook for our Mining Consumables business which is underpinned by the strength of the resources sector including strong mining activity and investment. We have good visibility of new mining projects that will increase demand for grinding media. Our businesses are well positioned for this growth

Australian Steel

- We believe that key construction markets are at their cyclical low points, and that as these markets recover demand will improve. Given our reducing cost base and relatively low utilisation levels we are strongly leveraged to the recovery

Recycling

- We are confident that the outlook for our International and Australian businesses is positive, and expect improvements particularly in Australia

Appendix

Regulatory changes

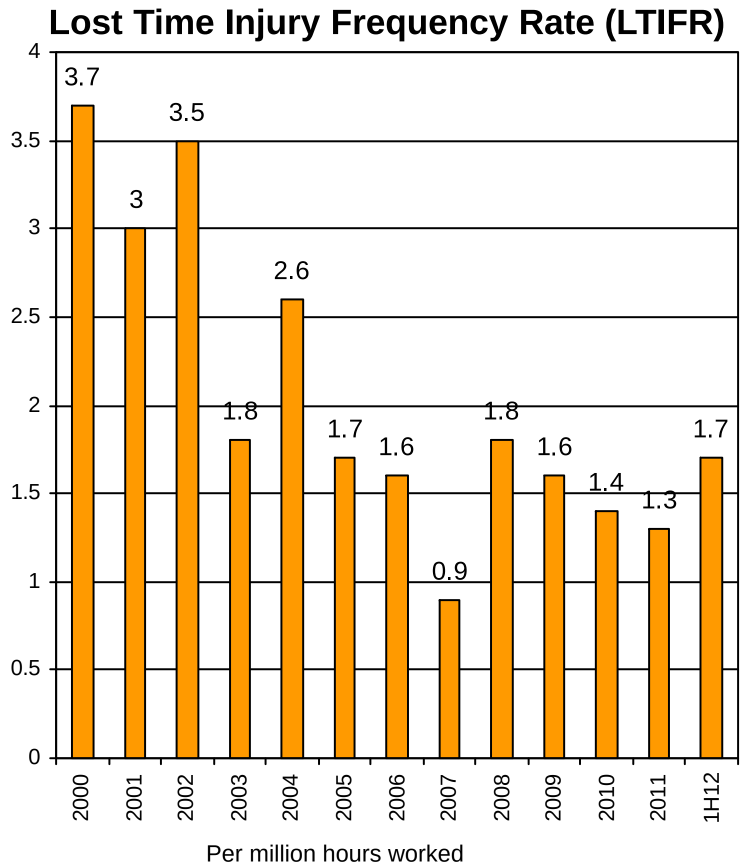
STP and advance

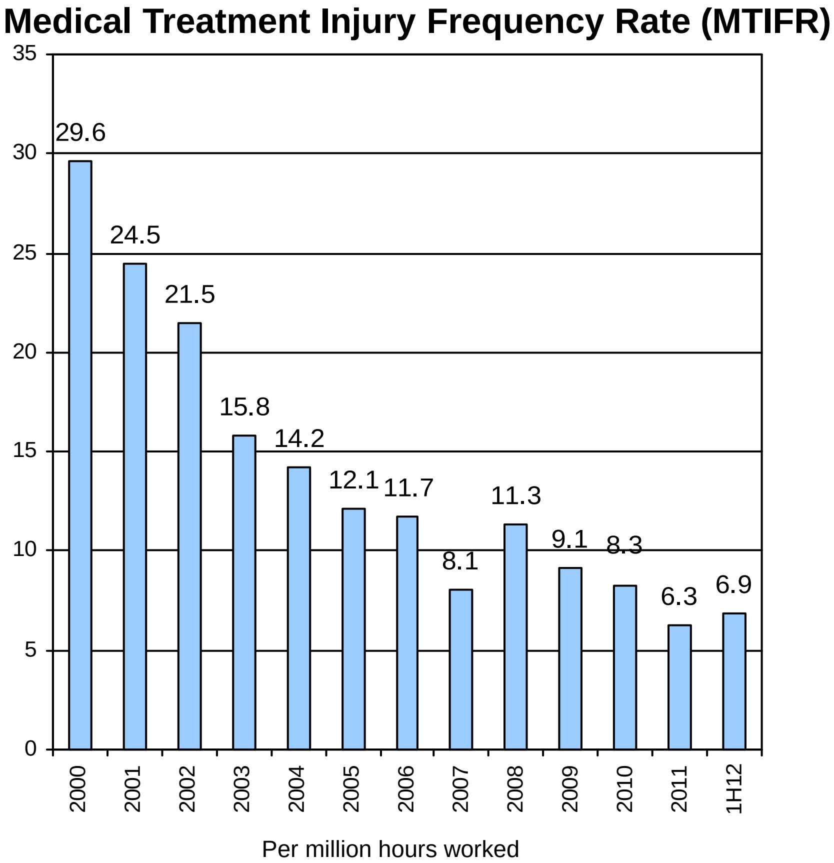
- Fund of $300m available over 4 years commencing 1 July 2012
- Estimated OneSteel share 39% or $117m over 4 years
- Advance of $64m now received – expected to be included in FY12 operating income
- Balance of $53m expected to be received during 4 year life of STP
- Accounting treatment
  - STP funds and advance expected to be treated as other revenue (operating income)
  - Carbon tax treated as operating expense
  - STP eligible expenditure in 4 year plan expected to include operating expenses e.g. R&M, training, R&D; and capital expenditure

Mining Tax

- Legislation passed through Senate
- Financial outcomes will be driven by legislation, evolution of administrative practice to new tax, as well as assumptions on iron ore pricing going forward. We are not aware of anything in the legislation as passed that alters our view that the Mining Tax should not have a material impact on the Company's Whyalla steelworks or its Middleback Ranges' mining operation
- For Southern Iron, the tax will apply to these new mining operations however we have not yet finalised our work on valuations, including elections to be made under the legislation. Final impact will depend on iron ore assumptions and interpretation of various parts of the legislation including in particular the net back rule

1H12 safety performance*





*The increase in 1H12 is due to the inclusion of the AltaSteel and Moly-Cop businesses for the 1H12 results

A key element of our Safety effort has been improving our capability to recognise, assess and manage risk

Segments - tonnage (mt)

Half year ended 31 December	1H12	1H11	1H10	1H09	1H08[2]	1H07	1H06	1H05	1H04	1H03	1H02
	mt	mt	mt	mt	mt	mt	mt	mt	mt	mt	mt
Iron Ore											
High grade lump	0.54	0.95	1.36	0.68	1.32						
High grade fines	0.93	1.06	1.64	1.34	0.57						
	1.47	2.01	3.01	2.02	1.89						
Lower grade lump	0.67	0.57	0.14	0.08	-						
Lower grade fines	0.81	0.48	0.04	0.08	-						
	1.48	1.05	0.18	0.16	-						
Total lump & fines	**2.95**	**3.06**	**3.19**	**2.18**	**1.89**						
Pellets	-	0.08	-	0.02	-						
Ore by Products[1]	0.38	0.23	0.22	0.34	0.34						
Recycling											
Ferrous - external	0.44	0.51	0.36	0.39	0.39						
Ferrous - internal	0.44	0.47	0.47	0.48	0.38						
Total ferrous	0.88	0.98	0.83	0.87	0.77						
Non ferrous	0.12	0.13	0.08	0.08	0.08						
Total Recycling	**1.00**	**1.11**	**0.91**	**0.95**	**0.85**						
Steel despatches											
Manufacturing - external	0.57	0.50	0.51	0.60	0.66	0.48	0.46	0.42	0.43	0.49	0.49
Manufacturing - internal	0.55	0.51	0.59	0.56	0.62	0.35	0.31	0.31	0.29	0.27	0.25
Total Steel despatches - Manufacturing	1.12	1.01	1.10	1.16	1.28	0.83	0.77	0.73	0.73	0.76	0.74
Mining Consumables - external	0.55	0.19	0.19	0.17	0.14						
Mining Consumables - internal	0.05	0.04	0.05	0.02	-						
Total Steel despatches - Mining Consumables	0.60	0.23	0.24	0.19	0.14						
Australian Distribution	0.72	0.66	0.65	0.81	0.83	0.66	0.64	0.68	0.63	0.62	0.61
Total Steel despatches - external	1.84	1.35	1.35	1.58	1.63	1.14	1.10	1.11	1.07	1.11	1.10
Raw steel production											
Whyalla	0.52	0.54	0.56	0.54	0.59	0.59	0.56	0.27	0.58	0.60	0.56
Sydney Steel Mill	0.17	0.20	0.21	0.26	0.31	0.28	0.24	0.27	0.24	0.23	0.23
Laverton	0.26	0.25	0.26	0.29	0.27	-	-	-	-	-	-
Waratah	0.11	0.12	0.11	0.13	0.09	-	-	-	-	-	-
AltaSteel	0.15										
Total raw steel production	1.21	1.11	1.14	1.23	1.26	0.88	0.80	0.54	0.82	0.83	0.79

Note: Tonnages reported exclude tonnes despatched by New Zealand Distribution.
1 Ore By Products include dolomite, centrix, filter cake and pellet chips.
2 The 1H08 tonnages reported for raw steel production and steel despatches include the SSX businesses as if they were part of the OneSteel Group from 1 July 2007.
All other production and despatch statistics presented above are actual.

Historical data – profit and loss – underlying*

Continuing operations

Half-year ended 31 December	2011[1] $m	2010[2] $m	2009[3] $m	2008[4] $m	2007[5] $m	2006 $m	2005 $m	2004[6] $m	2003[6] $m	2002[6] $m	2001[6] $m
Sales Revenue	**3,716.3**	**3,239.5**	2,973.6	4,127.6	3,218.3	2,134.3	1,988.8	1,890.5	1,566.7	1,525.0	1,473.2
EBITDA	**256.6**	**322.4**	297.8	498.5	288.4	218.0	203.5	173.7	146.9	168.2	125.6
Depreciation and Amortisation	**(100.4)**	**(98.2)**	(98.7)	(98.0)	(86.1)	(48.1)	(47.4)	(45.0)	(43.1)	(43.3)	(43.4)
EBIT	**156.2**	**224.2**	199.1	400.5	202.3	169.9	156.1	128.7	103.8	124.9	82.2
Finance costs	**(62.2)**	**(46.0)**	(44.6)	(101.6)	(67.0)	(26.3)	(29.4)	(23.9)	(20.8)	(22.9)	(30.6)
Profit before tax	**94.0**	**178.2**	154.5	298.9	135.3	143.6	126.7	104.8	83.0	102.0	51.6
Tax expense	**(12.7)**	**(41.9)**	(34.3)	(75.1)	(37.6)	(39.2)	(34.5)	(25.5)	(22.0)	(32.5)	(19.1)
Minority Interests	**(2.9)**	**(3.3)**	(1.2)	(8.7)	(4.3)	(6.2)	(8.1)	(9.0)	(5.2)	(4.7)	(3.6)
Net profit after tax	**78.4**	**133.0**	119.0	215.1	93.4	98.2	84.1	70.3	55.8	64.8	28.9
EPS (cents) - year end	**5.8**	**10.0**	9.0	24.4	10.7	17.2	14.9	12.6	10.1	12.0	5.4
Return on funds employed	**4.8%**	**7.6%**	7.3%	14.1%	7.6%	15.3%	15.1%	12.4%	10.2%	12.3%	8.0%
Dividend (cents/share)	**3.0**	**6.0**	5.0	6.0	8.0	8.0	7.0	6.0	5.0	5.0	3.0

1 Dec 11 underlying earnings are before the impact of restructuring costs, costs associated with the sale of the Piping Systems business and direct costs relating to the acquisition of the WPG subsidiaries in October 2011 of $30.4m after tax.
2 Dec 10 underlying earnings are before the impact of direct costs relating to the acquisition of the Moly-Cop Group of $8.5m, net of tax.
3 Dec 09 underlying earnings are before the impact of restructuring activities of $1.6m net of tax.
4 Dec 08 underlying earnings are before the impact of restructuring activities and tax consolidation of $13.2m net of tax.
5 Dec 07 underlying earnings are before the impact of restructuring costs and impairment of plant and equipment associated with the integration of the Smorgon Steel Group and Australian Tube Mills businesses of $29.8m net of tax. These statistics include the results of the Smorgon Steel Group Limited from 20 August 2007 only. These figures have been restated to reflect the final fair value adjustments arising on acquisition of Smorgon Steel Group Limited in August 2007.
6 The underlying results presented for the years 2001 - 2004 have been adjusted to exclude goodwill amortisation from earnings.

* Historical statutory profit information can be found in the Financial Ratios attached to the 1H12 Review of Operations.

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Historical data – key balance sheet items

As at 31 December	2011 $m	2010 $m	2009 $m	2008 $m	2007 $m	2006 $m	2005 $m	2004[1] $m	2003[1] $m	2002[1] $m	2001[1] $m
Assets	**8,665.1**	**8,195.1**	6,729.5	7,520.7	6,999.2	3,375.3	3,058.3	2,748.1	2,609.6	2,602.9	2,625.4
Liabilities	**4,267.5**	**3,715.5**	2,347.3	3,864.2	3,636.4	1,804.1	1,619.9	1,465.9	1,305.5	1,331.8	1,424.7
Net Assets	**4,397.6**	**4,479.6**	4,382.2	3,656.5	3,362.8	1,571.2	1,438.4	1,282.2	1,304.1	1,271.1	1,200.7
Net debt	**2,241.9**	**1,891.6**	969.9	2,269.8	1,985.6	753.1	660.0	709.0	696.9	712.6	822.2
Inventory	**1,524.3**	**1,687.1**	1,270.4	1,727.7	1,308.5	888.8	840.2	758.8	646.5	626.0	608.0
Receivables	**817.0**	**753.7**	695.1	851.3	925.2	605.3	559.0	517.4	437.8	390.6	378.5
Creditors	**904.9**	**847.0**	596.4	832.0	883.7	586.9	503.7	601.0	453.2	419.3	403.6
Funds Employed	**6,639.5**	**6,371.2**	5,352.1	5,926.3	5,348.4	2,324.3	2,098.4	1,991.2	2,001.0	1,983.7	2,022.9
Gearing % (net debt/net debt+equity)	**33.8%**	**29.7%**	18.1%	38.3%	37.1%	32.4%	31.5%	35.6%	34.8%	35.9%	40.6%
Interest cover (times EBITDA)[2]	**4.1**	**7.0**	6.7	4.9	4.3	8.3	7.0	7.3	7.1	7.3	4.1
NTA/Share $	**1.1**	**1.3**	1.7	1.7	1.4	2.3	2.0	1.8	1.8	1.8	1.7

1 2001-2004 figures have been presented under previous AGAAP and have been adjusted to include securitisation.
2 This ratio is based on non-statutory underlying results. Non-statutory components are used so that the ratio can assist the reader to understand the performance of the Company's continuing operations. A reconciliation of non-statutory underlying results to statutory results can be found in the Appendix to this presentation.

Historical data – Mining

Half-year ended 31 December	2011 $m	2010 $m	2009[1] $m	2008 $m	2007 $m
Total Revenue/Income	421.0	465.3	331.1	291.7	222.3
EBITDA	186.3	289.7	126.1	68.9	92.1
EBIT	170.7	275.5	113.0	56.6	89.1
Sales Margin	40.5%	59.2%	34.1%	19.4%	40.1%
Assets	1,427.8	849.6	794.8	713.3	479.2
Funds Employed	1,196.1	735.7	708.0	620.8	427.0
Return on funds employed	34.6%	75.8%	32.4%	9.1%	41.7%
Employees (number)	504	338	352	334	128
Total lump & fines (mt)	2.95	3.06	3.19	2.18	1.89
Pellet & Ore by products (mt)	0.38	0.31	0.22	0.36	0.34

1 The December 09 results have been restated to reflect changes in organisation structure announced in February 2010 effective 1 July 2009. The pellet plant operations previously reported as part of the Manufacturing segment are now reported as part of the Mining segment.

Historical data – Mining Consumables

Half-year ended 31 December	2011	2010[1]
	$m	$m
Total Revenue/Income	768.4	338.9
EBITDA	81.3	31.2
EBIT	65.2	21.1
Sales Margin	8.5%	6.2%
Assets	2,312.8	2,421.0
Funds Employed	1,975.3	2,052.2
Return on funds employed	6.7%	2.7%
Employees (number)	1,976	1,836.0
External tonnes despatched (mt)	0.55	0.19

1 The December 10 results for the Manufacturing and Mining Consumables segments have been restated to reflect changes in organisation structure following the formation of the new Mining Consumables segment as a result of the acquisition of the Moly-Cop Group on 31 December 2010. OneSteel's existing Waratah, Newcastle facilities, which include the grinding media and rail wheel businesses, OneSteel's grinding media businesses in the United States and Indonesia, and the Wire Ropes business at Newcastle previously reported as part of the Manufacturing segment now form part of the Mining Consumables segment.

Historical data – Manufacturing

Half-year ended 31 December	2011	2010[2]	2009[1]	2008	2007	2006	2005	2004	2003	2002	2001
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Total Revenue/Income	1,263.4	1,135.5	1,478.5	2,165.9	1,516.0	1,051.0	893.5	872.2	686.9	688.0	630.2
EBITDA	(30.6)	(37.6)	130.1	296.4	120.1	109.4	82.7	56.7	66.3	84.4	59.3
EBIT	(75.2)	(85.0)	72.0	240.7	62.8	81.2	53.9	30.2	43.3	62.3	35.6
Sales Margin	-6.0%	-7.5%	4.9%	11.1%	4.1%	7.7%	6.0%	3.5%	6.3%	9.1%	5.7%
Assets	2,264.8	2,555.8	3,583.2	3,830.8	3,802.2	1,829.6	1,502.6	1,271.8	1,318.7	1,273.8	1,288.7
Funds Employed	1,876.7	2,073.2	3,057.7	3,269.1	3,163.1	1,443.5	1,164.7	977.3	1,071.6	1,061.6	1,062.8
Return on funds employed	-7.7%	-8.2%	4.6%	7.4%	4.0%	12.0%	9.6%	5.9%	8.0%	11.7%	6.7%
Employees (number)	3,277	3,406	4,300	4,789	4,687	3,213	2,986	2,951	2,943	3,016	3,113
External tonnes despatched (mt)	0.57	0.50	0.51	0.60	0.66	0.48	0.46	0.42	0.43	0.49	0.49
Internal tonnes despatched (mt)	0.55	0.51	0.59	0.56	0.62	0.35	0.31	0.31	0.29	0.27	0.25
Steel tonnes produced (mt)	1.21	1.11	1.14	1.23	1.26	0.88	0.80	0.54	0.82	0.83	0.79

1 The December 09 results have been restated to reflect changes in organisation structure announced in February 2010 effective 1 July 2009. The pellet plant operations previously reported as part of the Manufacturing segment are now reported as part of the Iron Ore segment.
2 The December 10 results for the Manufacturing and Mining Consumables segments have been restated to reflect changes in organisation structure following the formation of the new Mining Consumables segment as a result of the acquisition of the Moly-Cop Group on 31 December 2010. OneSteel's existing Waratah, Newcastle facilities, which include the grinding media and rail wheel businesses, OneSteel's grinding media businesses in the United States and Indonesia, and the Wire Ropes business at Newcastle previously reported as part of the Manufacturing segment now form part of the Mining Consumables segment.

Historical data – Distribution

Half-year ended 31 December	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Total Revenue/Income	1,184.0	1,183.3	1,295.7	1,914.0	1,437.2	1,224.6	1,177.9	1,106.3	955.4	896.3	897.0
EBITDA	4.9	26.6	66.6	177.6	74.2	108.2	105.4	103.0	72.8	84.7	67.7
EBIT	(8.6)	12.3	51.0	161.0	57.7	92.8	90.8	88.6	56.0	65.8	50.7
Sales Margin	-0.7%	1.0%	3.9%	8.4%	4.0%	7.6%	7.7%	8.0%	5.9%	7.3%	5.7%
Assets	1,354.7	1,457.7	1,481.4	1,859.8	1,564.6	1,270.7	1,276.1	1,326.3	1,203.8	1,196.2	1,183.5
Funds Employed	1,026.2	1,147.9	1,180.5	1,469.0	1,136.0	946.1	997.1	1,012.5	957.6	891.7	873.1
Return on funds employed	-1.6%	2.2%	8.7%	23.9%	10.2%	19.7%	18.4%	17.8%	12.3%	14.6%	11.6%
Employees (number)	3,139	3,292	3,637	4,246	4,384	3,286	3,267	3,296	3,172	3,091	3,209
External tonnes despatched (mt)	0.72	0.66	0.65	0.81	0.83	0.66	0.64	0.68	0.63	0.62	0.61

Historical data – Recycling

Half-year ended 31 December	2011 $m	2010 $m	2009 $m	2008 $m	2007 $m
Total Revenue/Income	739.5	714.4	492.1	685.9	527.4
EBITDA	11.0	3.2	3.8	(29.0)	10.4
EBIT	2.1	(5.3)	(3.6)	(37.0)	5.7
Sales Margin	0.3%	-0.7%	-0.7%	-5.4%	1.1%
Assets	659.8	647.0	614.0	671.3	628.3
Funds Employed	581.2	567.5	548.9	604.8	536.5
Return on funds employed	0.7%	-1.8%	-1.3%	-12.1%	2.1%
Employees (number)	997	1,017	962	1,010	1,054
Ferrous tonnes - external (mt)	0.44	0.51	0.36	0.39	0.39
Ferrous tonnes - internal (mt)	0.44	0.47	0.47	0.48	0.38
Non ferrous tonnes (mt)	0.12	0.13	0.08	0.08	0.08

Historical data – New Zealand Distribution

Half-year ended 31 December	2011 $m	2010 $m	2009 $m	2008 $m	2007 $m	2006 $m	2005 $m	2004 $m	2003 $m	2002 $m	2001 $m
Total Revenue/Income	158.6	149.3	154.5	229.8	214.7	194.8	204.4	198.6	161.5	142.1	144.1
EBITDA	10.0	12.2	7.4	31.7	18.4	23.3	28.3	30.9	20.6	17.8	13.0
EBIT	7.6	9.7	4.8	28.9	15.8	20.7	25.8	28.3	18.1	15.6	10.5
Sales Margin	4.8%	6.5%	3.1%	12.6%	7.4%	10.6%	12.6%	14.2%	11.2%	11.0%	7.3%
Assets	168.6	158.2	160.1	241.6	207.1	197.7	184.8	178.9	149.6	135.8	135.8
Funds Employed	111.4	109.4	136.4	213.0	178.2	165.1	155.0	147.5	125.0	111.7	94.1
Return on funds employed	13.5%	17.3%	6.6%	29.9%	17.5%	26.8%	33.1%	39.8%	28.9%	28.9%	17.5%
Employees (number)	707	708	746	837	859	892	805	803	772	613	573

1H12 statutory vs underlying results

6 months to 31 December 2011	**Statutory** $m	*Discontinued operations* [3] $m	**Statutory - continuing operations** **$m**	*Restructuring costs* [2] $m	*Transaction costs* [1] $m	*Income tax of prior year* $m	**Underlying** $m
Revenue	**3,797**	(81)	**3,716**	-	-	-	**3,716**
EBITDA	**196**	18	**213**	20	23	-	**257**
EBIT	**(37)**	149	**113**	20	23	-	**156**
Profit before tax	**(99)**	149	**51**	20	23	-	**94**
Tax benefit / (expense)	**28**	(19)	**9**	(6)	(7)	(9)	**(13)**
Net profit after tax and minorities	**(74)**	130	**57**	14	16	(9)	**78**
Operating cash flow	**187**	8	**196**	4	16	-	**216**
Free cash flow	**21**	8	**29**	4	16	-	**50**

6 months to 31 December 2010	**Statutory** $m	*Discontinued operations* [3] $m	**Statutory - continuing operations** **$m**	*Restructuring costs* [2] $m	*Transaction costs* [1] $m	*Income tax of prior year* $m	**Underlying** $m
Revenue	**3,315**	(76)	**3,240**	-	-	-	**3,240**
EBITDA	**303**	7	**310**	-	12	-	**322**
EBIT	**203**	10	**212**	-	12	-	**224**
Profit before tax	**157**	10	**166**	-	12	-	**178**
Tax benefit / (expense)	**(37)**	(1)	**(38)**	-	(4)	-	**(42)**
Net profit after tax and minorities	**116**	8	**125**	-	8	-	**133**
Operating cash flow	**157**	(1)	**156**	-	7	-	**163**
Free cash flow	**58**	(1)	**57**	-	7	-	**64**

1 Direct costs relating to the sale of the Piping Systems business and the acquisition of WPG Resources Limited subsidiaries in October 2011. In 1H11, direct costs related to the acquisition of the Moly-Cop Group completed on 31 December 2010.
2 Relate to redundancies from organisational changes and other direct expenditure associated with business restructures.
3 Relating to the results of the Piping Systems and LiteSteel ™ Technologies businesses.

Disclaimer

This presentation refers to OneSteel's 1H12 Results which formed part of a package of information about the company's financial results for the half year ended 31 December 2011 and should be read in conjunction with the other 1H12 Results materials including the ASX Release, Review of Operations, and the Half Year Financial Report for the half year ended 31 December 2011.

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of OneSteel and certain plans and objectives of the management of OneSteel. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. All such forward looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of OneSteel, which may cause the actual results or performance of OneSteel to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward-looking statements speak only as of the date of this presentation. Factors that could cause actual results or performance to differ materially include without limitation the following: risks and uncertainties associated with the Australian and global economic environment and capital market conditions, the cyclical nature of the steel industry, the level of activity in the construction, manufacturing, mining, agricultural and automotive industries in Australia and North and South America and, to a lesser extent, the same industries in Asia and New Zealand, mining activity in the Americas, commodity price fluctuations, fluctuations in foreign currency exchange and interest rates, competition, OneSteel's relationships with, and the financial condition of, its suppliers and customers, legislative changes, regulatory changes or other changes in the laws which affect OneSteel's business, including environmental laws, a carbon tax, proposed mining tax and operational risk. The foregoing list of important factors is not exhaustive. There can be no assurance that actual outcomes will not differ materially from these statements.

This presentation contains certain non-statutory financial measures including underlying EBIT, underlying EBITDA, underlying NPAT, underlying earnings per share and underlying effective tax rate on continuing operations. These measures are used to assist the reader understand the financial performance of the company's continuing operations. Non-statutory financial information has not been audited or reviewed as part of KPMG's review report on the half-year financial statements. However, KPMG have undertaken a set of procedures to agree the financial information in this presentation to underlying information supplied by the company. Details of the reconciliation between non-statutory and statutory financial measures can be found in the Appendix to this presentation.

The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Paul Leevers, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Leevers is a full-time employee of OneSteel Manufacturing Pty Ltd. Mr Leevers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Leevers consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.