

BLUESCOPE STEEL LIMITED  
ANNUAL GENERAL MEETING

11 NOVEMBER 2005  
GRAND HYATT HOTEL, MELBOURNE

**ADDRESS**

**MANAGING DIRECTOR & CEO – KIRBY ADAMS**

THANK YOU GRAHAM.

LADIES AND GENTLEMEN, GOOD AFTERNOON.

GRAHAM HAS ALREADY OUTLINED FOR YOU THE KEY FINANCIAL OUTCOMES FOR 2005 AND OUR STRATEGY FOR TAKING YOUR COMPANY INTO THE FUTURE.

WHAT I WOULD LIKE TO DO IS:

- BRIEFLY HIGHLIGHT SOME KEY POINTS FROM OUR FINANCIAL REPORTS
- LOOK AHEAD TO HOW WE SEE THE BUSINESS ENVIRONMENT EVOLVING, AND
- THEN I WOULD LIKE TO TAKE YOU BEHIND THE STRATEGY TO GIVE YOU SOME INSIGHT INTO HOW IT IS BEING IMPLEMENTED.

CERTAINLY THE CURRENT YEAR IS MORE CHALLENGING THAN 2005 FROM A MARGIN PERSPECTIVE. AND WE HAVE SEEN THESE CONDITIONS BEFORE AND WE HAVE THE STRATEGIES AND PEOPLE TO DEAL WITH THEM.

I THINK YOU CAN AGREE THAT WE ARE BUILDING A VERY DIFFERENT KIND OF STEEL COMPANY – ONE THAT HAS A BALANCED PRODUCT PORTFOLIO AND ONE THAT HAS A BALANCED EXPOSURE THROUGH REGIONAL MARKETS.

THIS DIVERSIFICATION IN TERMS OF MARKETS AND PRODUCTS IS CREATING AN EVEN STRONGER AND MORE ROBUST COMPANY.

THAT IS WHAT MAKES ME SO POSITIVE ABOUT OUR FUTURE.

**SAFETY**

BUT FIRST, LET'S START WITH THE MOST IMPORTANT THING IN OUR COMPANY ..... SAFETY.

GRAHAM HAS MENTIONED THE IMPRESSIVE PERFORMANCE OUR EMPLOYEES HAVE ACHIEVED IN MAKING BLUESCOPE STEEL ONE OF THE SAFEST PLACES TO WORK IN THE WORLD.

SAFETY AT BLUESCOPE STEEL IS ABOUT PEOPLE AND IT'S ABOUT CARE.

OUR GOAL OF ZERO HARM IS THE RESPONSIBILITY OF EVERY ONE OF OUR EMPLOYEES AT MORE THAN 80 SITES IN 18 COUNTRIES.

OF COURSE, THAT INCLUDES ME, THIS BOARD AND THE ENTIRE MANAGEMENT TEAM.

IN JULY THIS YEAR, WE WERE ALL SOBERED BY THE DEATH OF A NEW ZEALAND COLLEAGUE WHO WAS FATALLY INJURED WHILE AT WORK.

FOLLOWING NEWS OF THIS FATALITY, I TRAVELLED TO NEW ZEALAND TO EXPRESS OUR DEEPEST CONDOLENCES, IN PERSON, TO HIS FAMILY, FRIENDS AND COLLEAGUES ON BEHALF OF ALL OF US.

EVERY BLUESCOPE STEEL EMPLOYEE HAS SINCE PARTICIPATED IN A 'STOP FOR SAFETY' SESSION TO REMEMBER THEIR COLLEAGUE, TO IDENTIFY RISKS IN THEIR WORKPLACES, AND TO GET TO WORK ADDRESSING THOSE RISKS.

WE WILL NOT LET UP ON OUR GOAL OF ZERO HARM AT BLUESCOPE STEEL BECAUSE WE KNOW IT IS ACHIEVABLE.

## **FINANCIAL REPORT**

GRAHAM HAS SPOKEN TO YOU ABOUT OUR RECORD PROFITABILITY. JUST AS IMPORTANT IS HOW WE MANAGE OUR CASH. STRONG CASH FLOW CONTINUES TO BE A FUNDAMENTAL PILLAR OF THIS COMPANY.

IF YOU LOOK AT THIS CHART, YOU SEE THAT 2005 WAS A VERY STRONG YEAR. YOU WILL ALSO SEE HOW CASH FLOW HAS BEEN GROWING SINCE DEMERGER. FROM JUST UNDER 400 MILLION IN 2002 TO MORE THAN 1.2 BILLION LAST YEAR.

THIS CASH FLOW ALLOWS US TO INVEST IN OUR FUTURE GROWTH AND REWARD YOU OUR SHAREHOLDERS.

OUR TRACK RECORD OVER THE PAST THREE YEARS AND THE ANNOUNCEMENTS OF THE PAST TWO DAYS CONTINUE TO DEMONSTRATE OUR COMMITMENT TO 'REWARD SHAREHOLDERS AS WE GROW'.

## **CHANGING BUSINESS ENVIRONMENT**

THE BUSINESS ENVIRONMENT, IN WHICH WE OPERATE, IS CONSTANTLY CHANGING. NEW ISSUES EMERGE ALL THE TIME. THAT'S WHAT CHALLENGES US AND THAT IS WHAT WE ARE HERE TO MANAGE.

THE EXTRAORDINARY MARKET CONDITIONS WE HAVE EXPERIENCED OVER THE PAST TWO YEARS – DRIVEN BY CHINA'S BOOMING ECONOMY - ARE EVOLVING INTO A TOUGHER, MORE TRADITIONAL MARKET.

CHINA'S INSATIABLE DEMAND FOR STEEL EVOLVED INTO AN INSATIABLE DEMAND FOR IRON ORE AND COAL AS THAT NATION BUILT THE WORLD'S LARGEST STEEL INDUSTRY.

THIS STRONG DEMAND ALLOWED RAW MATERIAL SUPPLIERS TO IMPOSE EXTRAORDINARY COST INCREASES ON ALL STEELMAKERS.

THIS YEAR OUR RAW MATERIAL COSTS FOR AUSTRALIAN COKING COAL AND IRON ORE ARE UP ALMOST A\$400-MILLION COMPARED WITH LAST YEAR. AND LAST YEAR, OUR COSTS INCREASED \$200-MILLION OVER 2004.

WE WOULD EXPECT THAT THESE RAW MATERIAL PRICES HAVE PEAKED. IF SIGNS OF A WEAKENING WORLD STEEL MARKET ARE BORNE-OUT, WE SHOULD EXPECT TO SEE FURTHER DOWNWARD PRESSURE ON RAW MATERIAL PRICES IN 2006.

AS WE SAID IN AUGUST, BLUESCOPE STEEL WILL NOT BE IN A POSITION TO PASS-ON THESE HIGHER RAW MATERIALS COSTS IN THIS CURRENT FINANCIAL YEAR - THE LARGEST CONTRIBUTOR TO YOUR COMPANY'S LOWER STEELMAKING MARGINS.

LET'S NOW TURN TO OUR MARKETS, AFTER REACHING RECORD LEVELS, PRICES FOR BASIC FLAT STEEL PRODUCTS – SLAB AND HOT ROLLED COIL – ARE FACING LOWER PRICING IN WORLD MARKETS THAN 12 MONTHS AGO.

THIS IS DUE TO A RANGE OF FACTORS INCLUDING OVER-PRODUCTION IN CHINA. IT WAS ANTICIPATED THIS MAY EVENTUALLY HAPPEN AND IT HAS NOW BECOME A REALITY.

AS CUSTOMERS FOR THESE BASIC FLAT STEEL PRODUCTS, OUR ASIAN BUSINESSES ARE CURRENTLY WORKING THROUGH A STOCK OF HIGHER PRICED INVENTORY. THIS IS REDUCING MARGINS. WE EXPECT THIS TO HAVE WORKED ITS WAY THROUGH BY THE END OF DECEMBER.

IN AUSTRALIA OUR CUSTOMERS ARE SEEING INCREASED IMPORT COMPETITION AND WE ARE SEEING DEMAND WEAKNESS IN THE AUTOMOTIVE AND MANUFACTURING SEGMENTS OF OUR ECONOMY.

HOWEVER, IN THOSE PRODUCT AREAS WHERE BLUESCOPE STEEL IS GROWING MOST RAPIDLY – OUR DOWNSTREAM BRANDED PRODUCTS - DEMAND REMAINS FIRM. I'M TALKING HERE ABOUT DEMAND FOR OUR WATER TANKS, BUILDING COMPONENTS AND COATED STEEL.

IN NORTH AMERICA, PRICES ARE ALSO HOLDING UP FOR OUR BUTLER PRE-ENGINEERED BUILDINGS.

AND WE ARE SEEING STRONG GLOBAL DEMAND IN THE HEAVY CONSTRUCTION AND ENGINEERING SECTORS.

AS WELL AS THIS TOUGHER BUSINESS ENVIRONMENT, THE FIRE WE EXPERIENCED IN AUGUST IN THE ELECTRICAL CONTROL ROOM AT WESTERN PORT'S HOT STRIP MILL HASN'T HELPED US.

THERE HAVE BEEN SIGNIFICANT PRODUCT MIX AND LOGISTICAL ISSUES INVOLVED WITH THIS REPAIR THAT HAVE INCREASED COSTS AND COMPLEXITY.

IN SHORT, THE TOTAL COST OF THE WESTERN PORT FIRE WILL BE IN THE ORDER OF \$50 MILLION.

THE GOOD NEWS IS THAT THE RECOVERY AT WESTERN PORT IS ON TIME AND ON BUDGET AND THE HOT STRIP MILL IS EXPECTED TO RESUME OPERATIONS BEFORE THE END OF THIS MONTH.

BOTH THE RECOVERY PROJECT AND THE LOGISTICAL SHUFFLING OF INPUTS AND PRODUCTS HAVE BEEN MANAGED IN A WAY THAT DOES CREDIT TO THE ENTIRE BLUESCOPE STEEL TEAM.

EVERYONE HAS PLAYED THEIR PART – OUR EMPLOYEES AT WESTERN PORT, AT OUR SERVICE CENTRES, IN OUR TRANSPORT AND LOGISTICS BUSINESS AND AT OUR PORT KEMBLA STEELWORKS.

TO SEE THE WAY OUR PEOPLE ARE DEALING WITH THIS ISSUE SHOWS THAT THE SPIRIT OF BLUESCOPE STEEL IS A SPIRIT OF 'MAKING IT POSSIBLE', DESPITE ALL THE ODDS.

THE WESTERN PORT TEAM SET THEMSELVES A 12-WEEK RECOVERY PERIOD. LET'S PAUSE BRIEFLY TO HEAR HOW THEY'RE GOING.

**[VIDEO CLIP]**

I THINK WE CAN BE GRATEFUL FOR THE GREAT SPIRIT THAT HAS BEEN CREATED AT WESTERN PORT.

## **BUSINESS DEVELOPMENT STRATEGY**

HAVING TALKED ABOUT WHERE WE ARE TODAY AND HOW OUR BUSINESS ENVIRONMENT IS CHANGING, WHAT ARE WE DOING TO ENSURE WE CAN CONTINUE TO DELIVER STRONG RETURNS TO SHAREHOLDERS WHILE INVESTING IN OUR FUTURE?

YOU HAVE NOW HEARD ABOUT OUR STRATEGY OF GROWING THE PROPORTION OF REVENUE AND EARNINGS DERIVED FROM VALUE-ADDED DOWNSTREAM BRANDED PRODUCTS.

YOU HAVE ALSO HEARD THAT WE ARE GROWING OUR BUSINESS IN THE FOUR LARGEST COUNTRIES IN THE WORLD – CHINA, INDIA, THE UNITED STATES AND INDONESIA.

UNLIKE IN AUSTRALIA, NEW ZEALAND AND USA, WE ARE NOT STEEL-MAKERS IN ASIA - WE ARE CUSTOMERS OF THE STEEL-MAKERS IN ASIA. WE ARE ADDING VALUE TO BASIC STEEL PRODUCTS AND TURNING THEM INTO COATED STEEL, FABRICATED STEEL AND PRE-ENGINEERED STEEL BUILDINGS.

STRONG RELATIONSHIPS WITH CUSTOMERS WHO VALUE OUR PRODUCTS AND SOLUTIONS IS THE FOUNDATION FOR OUR BUSINESS TODAY AND WILL BECOME EVEN MORE IMPORTANT AS WE IMPLEMENT THIS STRATEGY.

IN FACT, THE DYNAMIC STEEL MARKET WE ARE LOOKING AT TODAY GIVES US CONFIDENCE THAT OUR LONG TERM STRATEGY IS CORRECT. THAT DOESN'T DIMINISH THE NEED TO WORK HARDER AND SMARTER TO LOWER COSTS AND EMBRACE CUSTOMERS.

SO HOW ARE WE GOING WITH THE IMPLEMENTATION? AT THIS POINT, WE ARE MIDWAY THROUGH A \$2 BILLION CAPITAL INVESTMENT PROGRAM THAT INVOLVES MORE THAN TWENTY (20) MAJOR PROJECTS IN EIGHT COUNTRIES.

THIS IS A PHENOMINAL GROWTH PROGRAM THAT NO COMPANY OF OUR SIZE IN AUSTRALIA NOR THE STEEL INDUSTRY HAS UNDERWAY. WE ARE DOING SOMETHING QUITE UNIQUE.

I THOUGHT YOU MIGHT LIKE TO SEE FOR YOURSELF HOW WE ARE INVESTING YOUR CAPITAL. SO LET'S GO FOR A QUICK TOUR OF SOME OF THE PROJECTS WE HAVE COMPLETED OR ARE DUE TO COMPLETE OVER THE FEW YEARS.

## **IMPLEMENTING THE STRATEGY**

### **[SLIDESHOW]**

- STARTING IN THE UNITED STATES, THIS IS OUR NEW BUTLER SPECIALTY PLANT IN TENNESSEE THAT REPLACES A HIGH-COST FACILITY.
- ONLY A FEW MILES AWAY, HERE'S OUR SOON-TO-BE-COMMISSIONED EXTRUSION PRESS IN THE VISTAWALL BUSINESS.
- THEN TO AUSTRALIA, HERE'S THE NEW COLORBOND STEEL MANUFACTURING FACILITY WE'RE BUILDING JUST WEST OF SYDNEY EXPECTED TO COME ONLINE IN 18-MONTHS.
- DURING 2005, WE BOUGHT RANBUILD, AUSTRALIA'S LEADING PRODUCER OF STEEL SHEDS AND SMALL PRE-ENGINEERED BUILDINGS, STARTING OUR MOVE INTO PRE-ENGINEERED BUILDINGS IN AUSTRALIA.
- WE ALSO ACQUIRED PIONEER WATER TANKS, WHICH WILL ENABLE OUR NEW BLUESCOPE WATER BUSINESS TO BECOME A REAL PLAYER IN THIS GROWING 'STEEL SOLUTIONS' BUSINESS.
- UP IN PORT KEMBLA, WE'RE NINE-MONTHS AWAY FROM COMPLETING A \$100- MILLION EXPANSION OF THE STEELWORKS HOT STRIP MILL WHICH WILL CONVERT AN ADDITIONAL 400-THOUSAND TONNES OF SLAB INTO HOT ROLL COIL
- LET'S GO NORTH TO ASIA. IN THREE MONTHS TIME, WE EXPECT TO BE STARTING OPERATIONS ON THIS NEW 125-THOUSAND TONNE METALLIC COATING AND PAINTING FACILITY IN VIETNAM.
- NEXT DOOR, IN THAILAND, WE HAVE RECENTLY STARTED-UP OUR SECOND METALLIC COATING LINE, WHICH WILL PUT AN ADDITIONAL 200-THOUSAND TONNES OF FINISHED PRODUCT INTO THE THAI AND SURROUNDING MARKETS.
- THIS IS OUR NEW BLUESCOPE LYSAGHT FACILITY IN CIBITUNG, INDONESIA, THAT WE OPENED A FEW MONTHS AGO.
- YESTERDAY THE BOARD APPROVED CONSTRUCTION OF A SECOND METAL COATING LINE AT CILEGON IN INDONESIA (A\$150M). APART FROM THE DIRECT IMPACT OF INCREASING CAPACITY, THIS NEW DEVELOPMENT WILL ALLOW OUR

EXISTING FACILITIES TO RUN AT THEIR OPTIMAL DESIGN CAPACITY AND LOWER COST.

- BY THE MIDDLE OF NEXT CALENDAR YEAR, WE EXPECT OUR NEW SPECTACULAR FACILITY IN SUZHOU CHINA TO BECOME OPERATIONAL. IT WILL SUPPLY 250-THOUSAND TONNES OF FINISHED PRODUCT INTO THE LARGEST AND FASTEST GROWING STEEL MARKET IN THE WORLD.
- MOVING FURTHER WEST, YESTERDAY WE ANNOUNCED A 50/50 JOINT VENTURE ARRANGEMENT WITH TATA STEEL OF INDIA TO DEVELOP A STEEL COATING AND BUILDING SOLUTIONS BUSINESS.

THE JOINT VENTURE WILL BUILD A NEW BUSINESS ACROSS INDIA AND SOUTH ASIA THAT WILL MANUFACTURE ZINC/ALUMINIUM METALLIC COATED STEEL, PAINTED STEEL AND ROLLFORMED STEEL PRODUCTS, AND DELIVER PRE-ENGINEERED BUILDINGS AND OTHER BUILDING SOLUTIONS.

THE HEAD OFFICE WILL BE LOCATED IN PUNE AND THE JOINT VENTURE AGREEMENT WILL BE OFFICIALLY SIGNED AT A CEREMONY LATER THIS MONTH.

INDIA IS ONE OF ASIA'S FASTEST GROWING ECONOMIES WITH THE WORLD'S SECOND LARGEST POPULATION.

WE HAD ALREADY BEEN DEVELOPING THIS SITE IN PUNE, INDIA, AS ONE OF THREE SITES PURCHASED FOR DOWNSTREAM BUSINESSES TO SUPPLY THE INDIAN MARKET FOR PRE-ENGINEERED STEEL BUILDINGS. THEY WILL NOW FORM PART OF THE JOINT VENTURE.

I THINK YOU CAN SEE FROM THIS GLOBAL TOUR THAT YOUR COMPANY HAS BEEN INVESTING IN VALUE-ADDING BUSINESSES IN THE WORLD'S FIRST, SECOND, THIRD AND FOURTH MOST POPULOUS MARKETS – AN ENVIABLE AND VALUABLE FRANCHISE IN ANY LANGUAGE.

WE ARE MANAGING THESE NEW INVESTMENTS WELL. THEY ARE ON TIME AND ON BUDGET WITH GOOD SAFETY PERFORMANCES.

THEY WILL ENABLE BLUESCOPE TO CONTINUE TO GROW AND BETTER WITHSTAND THE EBBS AND FLOWS OF THE STEEL PRICE CYCLES.

THIS IS A LONG TERM STRATEGY, NOT A KNEEJERK RESPONSE TO ANY SHORT-TERM ISSUES THAT EMERGE FROM WEEK TO WEEK.

SINCE DEMERGER, WE HAVE GROWN SALES FROM LESS THAN \$5-BILLION TO \$8 BILLION. WITH THE CAPITAL INVESTMENTS WE HAVE

ANNOUNCED WE WOULD EXPECT SIGNIFICANT REVENUE GROWTH OVER THE NEXT THREE YEARS.

OUR STRATEGY IS ALSO ABOUT BUILDING BRANDS, EXTENDING OUR PRODUCT PRESENCE AND BEING INNOVATIVE.

FOR EXAMPLE:

- IN AUSTRALIA, GROWING THE MARKET FOR OUR EXTREMELY ATTRACTIVE COLORBOND® ROOFING, AND COMPLEMENTING THAT WITH OUR FENCING, FRAMING AND BACKYARD SHEDS.

DEVELOPING STRONGER PARTNERSHIPS WITH OUR CUSTOMERS THROUGH INITIATIVES SUCH AS THE 'STEEL SUPPLIED BY' CO-BRANDING CAMPAIGN.

- IN ASIA, DEVELOPING OUR PRESENCE IN BUILDING AND CONSTRUCTION MARKETS THROUGH HIGH-PROFILE ARCHITECTURE – LIKE THE BUILDINGS ON THE SCREEN - AND NICHE MARKETS SUCH AS PRE-ENGINEERED STEEL BUILDINGS.

SOME OF OUR MOST IMPORTANT CUSTOMERS IN BEIJING WILL BE AUTHORITIES AND COMPANIES ASSOCIATED WITH THE 2008 OLYMPIC GAMES.

- WE CONTINUE TO ROLL OUT INNOVATIVE, VALUE-ADDED PRODUCTS SUCH AS:
  - SMARTRUSS®, A COMPUTER DESIGNED, LIGHTWEIGHT ROOF FRAME
  - TRUECORE® A STRONG AND DURABLE, LIGHTWEIGHT AND TERMITE PROOF HOUSE FRAME.
  - SURELINE™, A STEEL SOLUTION FOR COOL NEW POWER POLES
  - XLERPLATE®, HIGH QUALITY HOT-ROLLED PLATE FOR WIND TOWERS, AND;
  - BLUESCOPE WATER OFFERING A WIDE RANGE OF STEEL WATER HARVESTING SOLUTIONS - A TIMELY RESPONSE TO THE GROWING COMMUNITY NEED FOR BETTER WATER MANAGEMENT.

THESE INITIATIVES WILL GO A LONG WAY TOWARD BUILDING THE SORT OF BUSINESS WE ARE AIMING FOR – A HIGHER PROPORTION OF VALUE ADDED PRODUCTS.

### **BUILDING A HIGH PERFORMANCE ORGANIZATION**

WE ARE ALSO DEVELOPING AN EVEN STRONGER AND MORE CAPABLE TEAM OF PEOPLE.



AS YOU CAN IMAGINE, BLUESCOPE STEEL'S PEOPLE ARE TALENTED, DEDICATED AND INNOVATIVE.

NEARLY ALL OF THEM – MORE THAN 99-PER-CENT – ARE SHAREHOLDERS IN THEIR COMPANY THROUGH PARTICIPATION IN EMPLOYEE SHARE PLANS.

WHEN I VISIT SITES, I ENJOY SPEAKING WITH INDIVIDUAL EMPLOYEES WHO:

- CLEARLY CARE ABOUT AND ARE EXCITED ABOUT THE SUCCESS OF THEIR BUSINESS
- COMBINE KNOW-HOW WITH INNOVATION
- DRIVE FOR EXCELLENCE IN EVERYTHING THEY DO WHILE KEEPING A FIRM EYE ON THEIR COSTS
- AND GENUINELY CARE ABOUT THE RELATIONSHIPS THEY HAVE WITH CUSTOMERS, THEIR TEAM, ALLIANCE PARTNERS, AND COMMUNITIES.

THE ROLE AND CHALLENGE OF MANAGEMENT IS TO FOSTER A WORKPLACE ENVIRONMENT THAT ENCOURAGES THESE QUALITIES AND, INSPIRES PEOPLE TO MAKE A POSITIVE CONTRIBUTION TOWARDS HIGHER LEVELS OF SAFETY, PRODUCTIVITY AND PERFORMANCE. AND THAT'S WHAT WE'RE DOING.

AS YOU KNOW, THE AUSTRALIAN GOVERNMENT HAS ANNOUNCED ITS INTENTION TO MAKE SIGNIFICANT CHANGES TO WORKPLACE RELATIONS LAWS. ANY CHANGE CAN GIVE RISE TO A PERIOD OF UNCERTAINTY.

IF THERE IS ANY UNCERTAINTY IN THE MINDS OF BLUESCOPE STEEL EMPLOYEES IN AUSTRALIA, I CAN REASSURE EVERYONE THAT OUR COMMITMENT TO HONOUR OUR OBLIGATIONS UNDER OUR INDUSTRIAL AGREEMENTS WILL NOT BE AFFECTED BY THE CHANGES.

### **OUR SOCIAL LICENSE TO OPERATE**

TURNING NOW TO OUR SOCIAL LICENSE TO OPERATE. WHILE OUR FIRST OBLIGATIONS ARE TO OPERATE SAFELY AND MAKE A PROFIT FOR OUR SHAREHOLDERS, WE RECOGNISE THAT THE COMMUNITIES WHERE WE OPERATE EXPECT US TO BE GOOD CORPORATE CITIZENS AND CAREFULLY MANAGE OUR ENVIRONMENTAL FOOTPRINT.

I'M PROUD TO REPORT THAT WE ARE NOW CONSUMING LESS WATER AT OUR OPERATIONS – MOST NOTABLY WESTERN PORT AND PORT KEMBLA.

WE ARE ALSO MODIFYING OUR OPERATIONS AT THESE PLANTS TO CONTINUE TO REDUCE OUR EMISSIONS TO BOTH AIR AND WATER.

WE ARE INVESTING IN BEAUTIFICATION WORK AT PORT KEMBLA AND I WAS PLEASED TO SEE THAT WESTERN PORT RECENTLY WON A TIDY TOWN AWARD.

I WAS ALSO PARTICULARLY PROUD OF THE CONTRIBUTION BLUESCOPE STEEL AND OUR EMPLOYEES WERE ABLE TO MAKE TO THE TSUNAMI RELIEF IN ASIA.

THROUGH A DOLLAR FOR DOLLAR COMPANY AND EMPLOYEE MATCHING PROGRAM, WE MADE A TOTAL CASH DONATION OF MORE THAN \$1.2-MILLION.

OUR BUSINESSES DONATED STEEL HOUSING, BUILDING MATERIALS, WATER TANKS AND TRANSPORT. THEY ASSISTED WITH RECONSTRUCTION ACTIVITIES.

AS A FOLLOW-UP, THE BLUESCOPE STEEL YOUTH ORCHESTRA FROM WOLLONGONG PERFORMED AT A BENEFIT CONCERT FOR ORPHANS OF THE TSUNAMI IN YOGYAKARTA [JOG-JAKARTA] CENTRAL JAVA, INDONESIA IN AUGUST.

## **CONCLUSION**

IN CONCLUDING, CAN I SAY THAT LAST YEAR BLUESCOPE STEEL ACHIEVED FAR MORE THAN MOST WOULD HAVE ANTICIPATED.

IN RECOGNIZING THAT, I WOULD LIKE TO THANK

- YOU, OUR SHAREHOLDERS FOR YOUR CONFIDENCE IN OUR LONG-TERM PROSPECTS.
- OUR CUSTOMERS FOR THEIR CONTINUING BUSINESS
- OUR COMMUNITIES FOR HOSTING OUR OPERATIONS
- AND IMPORTANTLY, OUR EMPLOYEES WHO ARE THE KEY TO OUR SUCCESS.

THE TIME AHEAD WILL BE CHALLENGING, IN DIFFERENT WAYS, AND WE THRIVE ON CHALLENGES

WE HAVE THE RIGHT PEOPLE, THE RIGHT BUSINESS STRATEGY AND THE RIGHT ASSETS.

WE ARE DRAMATICALLY CHANGING THE PROFILE OF YOUR COMPANY. WE ARE CREATING A UNIQUE AND VALUABLE FRANCHISE OF STEEL BUILDING SOLUTIONS BUSINESSES IN THE MOST POPULACE REGIONS OF THE WORLD.

IN THREE YEARS TIME, OUR ASIAN BUSINESS WILL BE THREE TIMES THE SIZE IT WAS LAST YEAR.

BLUESCOPE WILL BE RECOGNISED AS MORE OF A BUILDING PRODUCTS AND SOLUTIONS COMPANY THAN A STEEL COMPANY.

WE WILL BE OPERATING IN MORE COUNTRIES AND HAVE MORE OF OUR BUSINESS IN VALUE-ADDED DOWNSTREAM PRODUCTS THAN ANY OTHER STEEL COMPANY OUR SIZE.

I AM CONFIDENT OF CONTINUING TO PROFITABLY GROW YOUR COMPANY AND TO PROVIDING YOU, OUR SHAREHOLDERS, WITH THE RETURNS YOU EXPECT.

BLUESCOPE IS A VERY STRONG COMPANY, AND I REMAIN CONFIDENT THAT 2006 WILL BE ANOTHER GREAT YEAR IN BLUESCOPE STEEL'S NEARLY 90-YEAR HISTORY.

THANK YOU.