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Zero harm is our goal for our team and communities

Lost Time Injury Frequency Rate

- 1995: 16
- 1996: 14
- 1997: 8.0
- 1998: 4.8
- 1999: 3.5
- 2000: 4.1
- 2001: 3.5
- 2002: 2.8
- 2003: 1.8
- 2004: 1.5
- 2005: 0.9
- 2006: 0.8
- 2007: 0.4

Includes Contractor performance from 1996
Includes Butler performance from May 2004

Medically Treated Injury Frequency Rate

- 1995: 60
- 1996: 52
- 1997: 47
- 1998: 29
- 1999: 22
- 2000: 22
- 2001: 17
- 2002: 12
- 2003: 9.4
- 2004: 8.0
- 2005: 9.3
- 2006: 6.5
- 2007: 6.4

Includes Contractor performance from 2004
Includes Butler performance from May 2004

18,000 Employees, 91 manufacturing sites, 17 countries
Our BlueScope BluePrint process

- “Test and Refresh” program commenced in August to review:
  - our asset portfolio
  - and identify additional improvement opportunities within our businesses
  - sales and marketing issues and opportunities
  - industry outlook and drivers
  - our balance sheet
  - our organisation

- Elaborate on findings, opportunities and next steps on 29 November 2007 (presentation will be webcast. You will be able to obtain details from our website, www.bluescopesteel.com on how to access the webcast a couple of days prior to 29th).
Matters that will not change or where focus will be increased

- Safety – continue our focus on safety and target of “Zero Harm”

- Communities – continue to work closely with all of our communities

- Sustainability – this is one area which will have increased focus and we continue working closely with governments and communities and interested parties. Some of our initiatives include:
  - water conservation and reduction programs
  - energy intensity reduction programs
  - CO₂ reduction programs.
Water conservation – clear focus on further reducing fresh water consumption

Port Kembla Steel Works

Total Water Use (ml/day) for process and cooling

- Salt Water: 96%
- Waste Water: 2% (2%)
- Fresh Water: 2% (2%)

50% REDUCTION IN FRESHWATER CONSUMPTION

Western Port Operation

- $21.5 million water recycling project with South East Water, including funding from Victorian Government.
- Project expected to be competed in 2009.

PLANNED 60% REDUCTION IN FRESHWATER USAGE
BlueScope’s annual Australian freshwater consumption

*Excludes purchased recycled water

Megalitres per Annum


30% Reduction

*Excludes purchased recycled water
BlueScope tank a day challenge helping Australians conserve water

• Donates 200 rainwater tanks over a year at Australian primary schools
• A kick start to their water conservation and an education program
• 1850 schools registered - 28% of all primary schools
• Involves 525,000 students
• 85 tanks allocated to date

www.tankaday.com.au
$200 million already spent to reduce energy demand. For example:

- 60% of our New Zealand operations electricity needs produced on-site by co-generation from captured process gasses.

Other sustainability initiatives include:
- 100% of metallic scrap and slag material is recycled.
- Funding research in lower carbon steel technology.
PKSW cogeneration plant – technology led solution that will displace green house gas emissions by 800,000 tpa CO₂ equivalent

- Proposed Port Kembla Steelworks Co-Generation Plant
  - 12 months feasibility study underway
  - Reduce approximately 800,000 tpa CO₂ equivalent
  - Largest Greenhouse Gas reduction project in Australia equivalent to taking 185,000 cars off the road
  - Total investment in the range of $700m - $1,000m

Surplus process gas from iron & steel making

Port Kembla Steelworks Co-Generation Plant

Process Steam

Electricity Up to 220MW
Our focus on capital management will not change – we will continue to reward our shareholders as we grow

- **Share Buybacks** – Public listing to 30 June 2007
  - Purchased and cancelled 116m shares
    - on market – 90m shares
    - off market – 26m shares
  - Average price paid $6.10 per share

- **Shares on issue**
  - As at 30 June 2007 733.8 million

- **Dividend reinvestment scheme**
  - Effective from and including final FY2006 ordinary dividend

- **Dividends** – All fully franked (ordinary / special)

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Total return to shareholders since BSL’s public listing (July 2002):

- Share buybacks $707m
- Dividends paid $1,430m
- Final dividend (paid 23 Oct 07) $191m

$2,328m

$3.15 per share or 77% payout ratio (NPAT)
New organisation structure and leadership team

Managing Director and CEO
Paul O’Malley

CORPORATE
• Legal – Michael Barron
• CFO – TBA
• People and Organisational Performance – Ian Cummin

Australia & NZ
Manufacturing Businesses
Noel Cornish

Australia
Coated & Industrial Markets
Paul O’Keefe

Australia Distribution & Solutions
Mark Vassella

• Corporate Strategy & Innovation
• Nth American Businesses
  Brian Kruger

ASIA & India
Kathryn Fagg

China
Bob Moore

WE WILL INCREASE OUR FOCUS ON

1. Our customers
2. Manufacturing Excellence
3. Innovation
4. China – Direct accountability
5. Growth
Global steel industry – long periods of demand growth are not unprecedented

Historic world steel production evolution*

<table>
<thead>
<tr>
<th>World steel demand</th>
<th>“POST WAR INDUSTRIALISATION”</th>
<th>“OIL SHOCKS”</th>
<th>“CHINA &amp; EMERGING ECONOMIES”</th>
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* World steel production as taken from the numbers recorded in USGS Mineral Year Book 1945–2000
Source: USGS

**China**
- Demand remains strong
- Raw steel production growth slowing
- Evidence of higher spot raw material costs making some provincial steel plants uneconomic
- China’s industrialisation process steaming ahead

**Rest of World**
- Consolidation to continue
- Continued production discipline
- Russian economy using more steel
- Middle East demand strong

Raw material outlook a concern. Steel prices are reacting.
Opportunities and risks for the second half will have a major bearing on our FY 2008 result

<table>
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<tr>
<th>Opportunities</th>
<th>Risks</th>
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<tr>
<td>➢ Stronger global steel prices</td>
<td>➢ Continued strengthening of A$</td>
</tr>
<tr>
<td>➢ Improved domestic sales</td>
<td>➢ Return to higher zinc costs</td>
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Will further update market at the Half Year in February 2008.
We continue to invest in our businesses - Port Kembla Steelworks - A$330M blast furnace no. 5 reline
Port Kembla Steel Works – A$134m sinter plant upgrade

**Exit End**
- Rebuild cooler
- Increase Width
- Increase Fan Power
- Relocate Lowering wheel and extend building
- New cooler feed chute

**Entry End**
- New Ignition Furnace
- New Strand Feeding Device

**Precipitators**
- Refurbish zones 2, 3 & 4 - R&M
- New Zone 1
- Modern Electrics

**Strand**
- Increase Height
- Increase Length

**SINTER**: AGGLOMERATION OF FINE ORES, FLUXES (LIMESTONE AND SAND) AND FUELS FUSED TOGETHER BY HEAT.
Coated & Building Products Australia – A$150m new West Sydney Colorbond® facility
Growing Coated & Building Products North America – acquisition of HCI Steel Buildings System, Inc

- On 1 November 2007 BlueScope acquired privately owned HCI Steel Building System Inc. (a pre-engineered steel buildings business)
  - HCI designs & manufactures steel PEB’s for heavy industry, commercial and community segments
  - Generated sales revenue approx US$40m in FY 2007.
  - Regional focus – northwest USA and western Canada, which strengthens Butler’s position in the region
- An excellent fit for our PEB business in North America.
We are identifying a range of real business improvement opportunities

We will invest in our businesses
  - to continue to improve productive capacity; and
  - to continue to improve our environmental performance.

Our capital management focus remains unchanged.

Zero Harm remains an absolute focus.

A further update on November 29.
AGM Presentation – Managing Director & CEO Update

Paul O’Malley, Managing Director & Chief Executive Officer

14 November 2007

ASX Code: BSL