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BLUESCOPE 2013 AGM UPDATE **Expects 1H FY2014 underlying NPAT similar to 2H FY2013**

At its Annual General Meeting in Sydney today BlueScope provided an update on first half FY2014 guidance, indicating that it now expects underlying NPAT before period-end net realisable value (NRV) adjustments to be similar to that of 2H FY2013 (pre NRV adjustments) – subject to spread, FX and market conditions.

BlueScope Deputy Chairman, Mr Ron McNeilly, told shareholders that the Company had taken pleasing steps forward in the last 12 months. "While we have further work to do to achieve better returns, the 2013 financial year saw a turnaround for BlueScope as the benefit of several major strategic initiatives were realised.

"Particularly pleasing developments for the year were:

- The Coated & Industrial Products Australia (CIPA) business has achieved \$150 million in underlying EBITDA, a major improvement of \$300 million on the prior year. This is an outstanding outcome and has been delivered despite continued difficult trading conditions in Australia.
- Building Products EBIT improved to \$80 million, 57% higher than FY2012.
- The formation of the NS BlueScope Coated Products joint venture with Nippon Steel & Sumitomo Metal Corporation on 28 March 2013 which realised proceeds of US\$571 million. This has contributed to a very strong balance sheet and improves BlueScope's financial flexibility to invest in growth opportunities. The business had a strong performance in FY2013 and good progress is being made to deliver the benefits of working with NSSMC.

"With a strong balance sheet and improved financial flexibility, our Company is well positioned to improve and grow but as previously announced, there will be no final dividend for FY2013." said Mr McNeilly.

TRADING UPDATE

BlueScope's Managing Director and CEO, Mr Paul O'Malley said the Company is encouraged by early signs of improved conditions in the Australian market, ongoing improvement in U.S. trading conditions and continued strength of trading conditions in Asia. These improvements are reflected in our updated first half guidance.

BUILDING PRODUCTS

So far, in the current half, we are seeing continuing strong performance in Thailand, Malaysia and Vietnam, and momentum is gathering in our North American coated products business. Indonesia is seeing softer trading conditions driven by currency depreciation however we do expect it will resume its growth trajectory in the medium term.

Overall, the Building Products business is well positioned to tap the anticipated strong growth in demand for building and construction and the home appliances sector in the Asia Pacific region. We have the leading brands and technology, leading channels to market and the right business partner in Nippon Steel & Sumitomo Metal Corporation.

GLOBAL BUILDING SOLUTIONS

So far, in the December 2013 half, we are seeing strong earnings in the North American buildings business, during their peak summer building season. The Asian operations are seeing similar conditions to the last half, including soft demand in China.

We continue to grow the Global Building Solutions segment, supported by: (i) North American non-residential construction recovery; (ii) South East Asian and China non-residential construction growth; (iii) global customer relationships; and (iv) growth of our China Building Products business.

NORTH STAR BLUESCOPE STEEL

Thus far in the December 2013 half, North Star has maintained its solid earnings contribution with mildly improved spreads and seasonally strong despatch volume.

Together with our joint venture partner, we are progressing the review of growth and improvement opportunities for this business.

BLUESCOPE AUSTRALIA AND NEW ZEALAND

Australia

In the current half, domestic volumes are slightly better than the June 2013 half, and there are some positive signs in prices and spreads, but generally the Australian market remains challenging and in recent months the A\$ has risen against the US\$.

Recent improvements in residential housing approvals and house price rises are good leading indicators for the performance of the important residential construction end-use market.

Other end-use segments such as non-residential construction and manufacturing may take longer to respond, with the latter dependant on depreciation of the A\$.

New Zealand Steel

New Zealand Steel is performing well. In the current half, we are seeing domestic activity for the steel business in line with the June 2013 half. Relative to the last half, financial performance for the half will be reduced by the higher NZ\$, softer realised iron sands prices, planned higher maintenance costs and a pension fund accounting adjustment.

For further information about BlueScope: www.bluescope.com

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