BLUESCOPE STEEL LIMITED
A.B.N. 16 000 011 058
Level 11, 120 Collins Street
Melbourne, Victoria 3001
Ph: +61 (03) 9666 4000 Fax: +61 (03) 9666 4111
Website: www.bluescopesteel.com
ASX Code: BSL

19 February 2004

Results for Announcement to the Market
(under ASX listing rule 4.2A)

Half Year Earnings Report
Six Months Ended 31 December 2003

Important Information

The Company previously known as BHP Steel Limited changed its name to BlueScope Steel Limited, effective from 17 November 2003. This change was approved by shareholders at the Company's Annual General Meeting in November 2003.

HIGHLIGHTS

- **Continued strong NPAT and EPS results of $227 million and 29.8 cents respectively.**
- **Continued focus on shareholder returns, increasing interim dividends by 33% from 9 cents to 12 cents per share.**
- **Profit momentum continues despite the strong appreciation of the Australian dollar and significantly lower earnings from our North Star USA joint venture.**
- **Successfully increased pricing on most products and improved product mix.**
- **Significant growth initiatives announced including the planned acquisition of Butler Manufacturing Co.; and multi year construction projects for new China coating/painting facility; new Vietnam coating/painting facility and second coating line in Thailand.**

Group net profit after tax (NPAT) for the six months ended 31 December 2003 was $227m compared to $242m for the previous corresponding period (six months ended 31 December 2002), a decrease of 6%. This was achieved despite the strong appreciation of the Australian dollar and significantly lower earnings from the North Star joint venture. The $227m NPAT is 8% higher than the previous period (six months ended 30 June 2003) NPAT of $210m.

In its continuing efforts to reward Shareholders and focus on Total Shareholder Returns, the Board has approved an interim dividend of 12 cents ($88m) which will be fully franked and payable on 29 March 2004. This compares with 9 cents ($71m) for the previous corresponding half. The record date is 2 March 2004.

Earnings per share for the six months ended 31 December 2003 was 29.8 cents compared to 30.6 cents for the six months ended 31 December 2002 and 26.5 cents for the six months ended 30 June 2003 demonstrating significant progress in the implementation of the Company's share buyback program. As at 18 February, a total of 60,679,153 shares had been purchased representing 76.5% of the total program, at an average cost before brokerage and GST of $4.70 per share.

Growth Initiatives

In the current financial year, the Company has announced significant new growth initiatives to expand its unique geographic footprint in Asia, move further downstream in its product offerings and increase the proportion of its product sold as value-added steel.

These initiatives include:

- Vietnam: the construction of a new metallic coating (capacity: 125,000 tonnes) and painting (capacity: 50,000 tonnes) facility. The facility will cost approximately $160 million and is expected to commence operations early 2006;
- Thailand: installing a second metallic coating line (capacity: 200,000 tonnes) at the Map Ta Phut plant. The facility will cost approximately $80 million and is expected to commence operations mid CY2005;
- China: a new metallic coating (capacity: 250,000 tonnes) and painting (capacity: 150,000 tonnes) facility. The facility will cost approximately $280 million and is expected to commence operation in mid CY2006;
- Indonesia: completed 25,000 tonne upgrade to existing paint line in January 2004;
- New Zealand: construction continues towards March 2004 completion of existing metal coating line capacity expansion by 24,000 tonne;
- Acquisition of Butler Manufacturing Company, the world's premium brand in pre-engineered building systems with operations in North America and China. The acquisition is expected to be complete prior to the end of the financial year at a cost of $260 million.

The Company is examining the feasibility of further investment in the Port Kembla Hot Strip Mill to enable conversion of a higher proportion of slab into hot rolled coil for further processing through its downstream network.

The balance sheet is able to accommodate these growth initiatives together with the increased dividend to shareholders.

		6 MTHS TO 31 DEC		VARIANCE	
		2003	**2002**	**$m**	**%**
Total Revenue (1)	A$m	2,619	2,588	31	1%
Earnings before interest, tax, depreciation and amortisation (EBITDA) (2)	A$m	440	464	(24)	-5%
EBIT (2)	A$m	302	332	(30)	-9%
Net borrowing costs	A$m	(6)	(11)	5	45%
NPAT attributable to BSL shareholders	A$m	227	242	(15)	-6%
Earnings per share	¢/s	29.8	30.6		-3%
Interim dividend	¢/s	12.0	9.0		33%
Net cash flow from operating and investing activities	A$m	255	343	(88)	-26%
Return on invested capital (3)	%/a	14.6	15.7		
Return on equity (4)	%/a	15.2	16.5		
Gearing (net debt / net debt plus equity)	%	9.1	6.5		
Net tangible assets per share	$/s	3.85	3.84		

(1) Includes revenue other than sales revenue of $15m ($20m in FY2003).
(2) Includes 50% share of net profit from the North Star joint venture of $2m in FY2004 ($63m in FY2003).
(3) Return on invested capital is defined as annualised net operating profit after tax over average monthly capital employed.
(4) Return on equity is defined as annualised net profit after tax attributable to members over average monthly shareholders' equity.

VARIANCE ANALYSIS

- **Total Revenue**
  The $31m (1%) increase principally reflects:
  - Higher prices attained in export and most domestic market segments.
  - Strong Asian domestic sales volumes.
  - Improved product mix for Coated Products Australia.

  These were partly offset by:
  - Stronger average AUD / USD exchange rate (0.6870) compared to the previous corresponding period (0.5528).
  - Lower sales volumes from Port Kembla Steelworks, primarily due to timing of export shipments.

- **EBIT**

The $30m (9%) decrease principally reflects:

Prices ($109m favourable)

- Higher export slab and hot rolled coil prices and related flow-on to export coated product and Australian domestic hot rolled coil prices.
- Increases in Australian and Asian domestic coated product prices.

Sales Volumes and Product Mix ($11m favourable)

- Stronger production and despatch levels in Asia.
- Improved mix of domestic despatches in all reporting segments.

Partly offset by:

- Lower volumes at Port Kembla Steelworks primarily due to timing of export shipments.

North Star joint venture ($61m unfavourable)

- Lower margins due to both lower realised US domestic prices for hot rolled coil and higher scrap costs.

Exchange Rates ($56m unfavourable)

- Reflects the net impact of stronger AUD/USD and NZD/USD exchange rates on both USD denominated revenue and costs. The average AUD/USD was 0.6870 compared to the previous corresponding period of 0.5528.

Costs

Conversion and other cost improvements ($19m favourable)

- Cost reductions primarily at Port Kembla Steelworks, New Zealand Steel and Coated Products Australia primarily related to improved process yields and labour productivity.

Conversion and other cost increases ($72m unfavourable)

- Higher repairs and maintenance principally at Port Kembla Steelworks reflecting the timing of planned maintenance and maintaining operating stability at record production levels.
- Higher employment costs due to wage escalation and incentive payments for record 2003 results.

Raw material costs ($38m unfavourable)

- Higher USD iron ore prices.
- Higher prices paid for hot rolled and cold rolled purchased steel feed by the downstream Asia coating operations.
- Higher scrap usage at Port Kembla Steelworks to optimise raw steel production volumes.
- Higher zinc and aluminium costs.

Other ($58m favourable)

- $20m contribution to the Defined Benefit division of the Australian Superannuation Fund in the previous corresponding period.
- Lower restructuring costs.

- **Tax**
  The effective tax rate for the six months ended 31 December 2003 was 22%. This differs from the Australian tax rate of 30% primarily due to the utilisation of unbooked tax losses in New Zealand, together with the utilisation of unbooked tax losses and tax exemptions in certain Asian operations.

OPERATING CASH FLOWS AND VARIANCE ANALYSIS

	6 MTHS TO 31 DEC		VARIANCE	
	2003	2002		
	A$m	A$m	A$m	%
Net operating cash flow before borrowing costs and income tax	357	386	(29)	-8%
Net investing cash flows	(102)	(43)	(59)	-137%
Net cash from operating and investing activities	255	343	(88)	-26%

Variance

The $29m decrease in net operating cashflow primarily reflects an increase in net working capital partly offset by an increase in operating cash profits (EBITDA less share of North Star joint venture net profit). The increase in net working capital primarily reflects lower utilisation of the company's receivables securitisation program and lower creditors due to the timing of payments for coal and iron ore.

The $59m increase in investing cashflow primarily reflects higher capital expenditure associated with the Vietnam coating line development and the New Zealand metal coating capacity expansion, together with the receipt of funds loaned to the North Star joint venture in the previous corresponding period.

GROUP REVIEW

In commenting on the half year results, the Managing Director and CEO of BlueScope Steel Limited, Mr Kirby Adams, said "BlueScope Steel has continued the strong earnings momentum of the previous financial year into FY2004, despite significant volatility in exchange rates, steel prices, raw material and freight costs.

Our improved outlook, coupled with our strong balance sheet, has given us confidence to proceed with some very exciting growth initiatives, while simultaneously rewarding our shareholders. Our share buy back program has been successful and we have increased dividends.

Nearly 100 per cent of BlueScope Steel's 12,000 employees are now shareholders. We are pleased to have delivered business outcomes which have enabled our Board to improve the interim dividend by 33 per cent to 12 cents per share.

For this financial year, this means we will return more than $500 million to our shareholders: $240 million in the form of fully paid cash dividends and at least $260 million by way of our share buy back.

The extent of our continuing growth program, with announced plant expansion and construction projects in excess of $550 million in Asia, Australia and New Zealand (to be funded over the next 2-3 years), coupled with the approximately A$260 million acquisition of Butler Manufacturing Company, the world's premier manufacturer of pre-engineered steel buildings, means BlueScope Steel is truly in growth mode. Top line revenue growth is now expected to exceed 15 per cent in FY2005.

BlueScope Steel's long term growth strategy to increase its proportion of high value added products and to provide solutions, particularly for the building and construction industry, is now well underway. Our portfolio of metallic coated and painted operations is being expanded to cover seven countries. Our revenue base is being significantly diversified across products and economies, thereby reducing risk.

The half year result reflects a strong performance that was achieved against the background of a stronger Australian dollar (which has appreciated by approximately 25 per cent over the last 12 months). Exchange rate factors had a $56 million unfavourable effect on the earnings before interest and tax result compared to the half year to 31 December 2002. The North Star joint venture contributed $61 million less than in the half year period to 31 December 2002 due to lower US domestic hot rolled coil prices and higher scrap prices, diminishing the spread between these two factors.

We faced increased raw material costs, primarily purchased steel feed to our downstream Asian businesses and scrap in Australia. In addition, repairs and maintenance costs were higher reflecting the timing of major planned maintenance work.

However, our ability to improve our realised international and domestic prices, grow sales volumes in Asia and improve product mix in Australian coated operations, coupled with cost controls, largely countered the negative factors.

Record production levels were achieved or maintained at a number of our operations with record delivery performance from our Western Port, Victoria facility. For the second consecutive year, North Star joint venture was voted No. 1 flat rolled steel supplier in North America in the prestigious 2003 Jacobsen Survey.

Our record setting production was achieved in tandem with improved safety performance. Our 12,000 employees achieved a further 26% reduction in Lost Time Injuries and new injury free records in Thailand, Lysaght Singapore and at New Zealand Steel's Hot Strip Mill. Safety remains a number one priority for all of our employees with their goal being Zero Harm.

We also completed the process of attaining ISO 14001 environmental certification for all BlueScope Steel businesses across Australia, New Zealand and Asia."

Outlook

Mr. Adams continued, "We now expect our financial performance for the full year FY2004 to be around that achieved in FY2003, providing there is no material change to current operating performance, no major downturn in our principal markets nor any further significant strengthening of the Australian dollar.

The planned acquisition of Butler Manufacturing Co., if confirmed, is expected to have minimal impact on full year earnings.

World steel demand continues to remain strong with China having the highest growth. Consequently, we are foreseeing higher steel prices together with higher raw material and ocean freight costs, although we are largely protected against coal, iron ore and freight cost increases for the balance of FY2004.

While the first half result for our North Star joint venture was significantly reduced by higher scrap prices, we are expecting some improvement in the second half due to the recent introduction of scrap price surcharges in the US market.

The stronger Australian and New Zealand dollars relative to the US dollar continue to hurt export competitiveness. We consider it is vital for Australia's manufacturing industry that the Reserve Bank continue to act in line with its recent decision not to increase interest rate differentials.

During the period, US steel tariffs were ended. Although our Australian operations were already exempt, the lifting of tariffs will have a positive effect on New Zealand Steel going forward.

New EBA agreements are in the final stages of negotiation at Port Kembla. In January, we successfully implemented a maintenance service alliance at Western Port that will further reduce costs and improve the efficiency of maintenance at that site.

Despite the challenges of a stronger Australian dollar and the uncertainties of rapidly changing steel industry drivers, we are well positioned going into the second half of the year and are focused on successfully implementing the many initiatives underway at BlueScope Steel.

We would like to thank our customers, communities and employees for their support."

BUSINESS SEGMENT REVIEW

Summary of Results by Segment

	Sales Revenue ($m)		EBIT ($m)	
	6 Months Ended 31 December			
	2003	2002	2003	2002
Hot Rolled Products	1,236 (1)	1,337(1)	179	265
New Zealand Steel	272	275	20	21
Coated Products Australia	1,410	1,344	102	64
Coated Products Asia	291	282	45	47
Corporate & Group (2)	311	345	(32)	(39)
Inter-segment (3)	(916)	(1,015)	(12)	(26)
Total BSL	2,604	2,568	302	332

(1) Excludes North Star joint venture revenue.
(2) Corporate and Group reflects Logistics, Export Trading and corporate office activities.
(3) Inter-segment revenue reflects the elimination of internal sales between reporting segments. Inter-segment EBIT reflects an entry to eliminate profit-in-stock associated with inter-segment sales.

Hot Rolled Products

This segment comprises:

- Port Kembla Steelworks, NSW, Australia (coke, iron, slab, plate and hot rolled coil production);
- BSL's 50% interest in the North Star joint venture, USA (hot rolled coil production); and
- BSL's 47.5% interest in Castrip LLC, USA (thin strip casting technology).

(i) Financial Performance

	6 MTHS TO 31 DEC		VARIANCE	
	2003	2002		
	$m	$m	$m	%
Sales Revenue (1)	1,236	1,337	(101)	-8%
EBITDA (2)	244	323	(79)	-24%
EBIT (2)	179	265	(86)	-32%
Capex (4)	19	31	(12)	-39%
Net Operating Assets (pre tax)	1,837	1,858	(21)	-1%
Return on Net Assets (pre tax) (3)	19%	29%		

(1) Excludes North Star joint venture revenue.
(2) Includes 50% share of net profit from the North Star joint venture of $2m in first half FY2004 ($63m in FY2003).
(3) Return on Net Assets is defined as annualised EBIT / average monthly Net Operating Assets.
(4) Lower capex reflects lower expenditure on the Sinter Plant Emissions project.

The $86m EBIT decrease was largely due to:

- Lower contribution from the North Star joint venture due to both lower realised US domestic hot rolled coil prices and higher scrap costs.
- Higher USD iron ore costs at Port Kembla Steelworks.
- Increased repairs and maintenance expenditure and scrap usage rates at Port Kembla Steelworks. The higher maintenance costs principally reflect the timing of planned maintenance and maintaining operating stability at record production levels in the ironmaking and slabmaking

facilities. The increased scrap was used to optimise raw steel production volumes.

- Higher employment costs due to wage escalation and incentive payments partly offset by labour efficiencies.
- Lower despatch volumes from Port Kembla Steelworks primarily due to the timing of export shipments.
- The net impact of stronger AUD/USD exchange rate on USD denominated revenue and costs.
- Lower restructuring costs.

Partly offset by:

- Higher export slab and hot rolled coil prices attained in international markets and the related flow-on to domestic hot rolled coil and plate prices; and
- One off contribution to the Defined Benefit division of the Australian Superannuation Fund in the previous corresponding period.

(ii) Operations Report

Port Kembla Steelworks ("PKSW")

- Slab production was maintained at the record level achieved in the previous corresponding half year.
- On November 8, the Company celebrated 25 years of slab casting with some 80 million tonnes having been cast during this period.
- Blast Furnace No. 5 achieved a campaign to date (since the last furnace reline) record of 12.6 years compared with the previous record of 12.2 years largely due to improved maintenance techniques and higher quality raw material standards.
- Finished plate production increased by 9% on the previous corresponding period to 170,625 tonnes.
- PKSW commenced a feasibility study to investigate an increase in the Hot Strip Mill capacity. This study is expected to be completed in the first half of FY 2005.
- Negotiations commenced on the current Illawarra Enterprise Bargaining Agreement(EBA).
- In December 2003, U.S. President Bush lifted the Section 201 steel tariff regime. This will not directly affect the Company's Australian slab and HRC sales to the U.S. as they were previously free of tariff under a quota and exclusion arrangement.
- The company released a new steel solution for the power distribution industry, namely the SURELINE™ integrated power distribution system.

North Star joint venture

- For the second consecutive year, North Star was voted the No. 1 flat rolled steel supplier in North America in the 2003 Jacobsen Survey.
- Scrap related price surcharges have been introduced to insulate the business from the effects of rapidly escalating scrap costs.

Castrip LLC

- BlueScope Steel's JV partner in Castrip LLC, Nucor, is continuing to commission the world's first Castrip® facility at their Crawfordsville, Indiana site.

New Zealand Steel

(i) Financial Performance

	6 MTHS TO 31 DEC		VARIANCE	
	2003	2002		
	$m	$m	$m	%
Sales Revenue	272	275	(3)	-1%
EBITDA	38	38	-	-
EBIT	20	21	(1)	-5%
Capex (1)	8	2	6	300%
Net Operating Assets (pre tax) (2)	405	468	(63)	-13%
Return on Net Assets (pre tax) (3)	10%	9%		

(1) Capex reflects spending on increased capacity on the metal coating line.
(2) The decrease in net operating assets was largely due to lower net fixed assets.
(3) Return on Net Assets is defined as annualised EBIT / average monthly Net Operating Assets.

The $1m EBIT decrease was largely due to:

- The net unfavourable impact of stronger NZD/USD exchange rate on USD denominated revenue and costs. The average NZD/USD was 0.6072 compared to the previous corresponding period of 0.4857.
- Higher repairs and maintenance expenditure mainly due to planned kiln and hot strip mill shutdowns in the 6 months to December 2003.

Partly offset by:

- Improved mix of domestic versus export sales product.
- Higher export prices.
- Favourable cost impact mainly reflecting improvements in furnace temperature control reducing coal consumption and one-off impact of slab imports in the corresponding period.

(ii) Operations Report

- Achieved a six month domestic sales record of 135,000 tonnes.
- Slab production was 309,000 tonnes for the half year resulting in total production of 625,000 tonnes for CalendarYear 2003, a new CY record.
- Metal Coating Line production of 109,000 tonnes equalled the previous 6 month record (previous corresponding half).
- The upgrade to the Metal Coating Line, increasing capacity by 24,000 tonnes to 234,000 tonnes, is scheduled for completion in March 2004.
- Removal of the U.S. Section 201 steel tariffs will allow New Zealand Steel to improve margins on its U.S. hot rolled coil sales.

Coated Products Australia

This segment comprises:

- Springhill and Western Port coating operations at Port Kembla, NSW and Hastings, VIC respectively;
- Packaging operations at Port Kembla, NSW;
- Lysaght operations, with 19 operating sites throughout Australia; and
- Service Centres, with 7 sites throughout Australia.

(i) Financial Performance

	6 MTHS TO 31 DEC		VARIANCE	
	2003	2002		
	$m	$m	$m	%
Sales Revenue	1,410	1,344	66	5%
EBITDA	145	105	40	38%
EBIT	102	64	38	59%
Capex (1)	26	13	13	100%
Net Operating Assets (pre tax)	1,203	1,247	(44)	-4%
Return on Net Assets (pre tax) (2)	17%	10%		

(1) Capex increase relates to the timing of maintenance capital.
(2) Return on Net Assets is defined as annualised EBIT / average monthly Net Operating Assets.
(3) The decrease in Net Assets reflects lower net fixed assets partly offset by increased receivables.

The $38m EBIT increase was largely due to:

- Higher product prices in both domestic and export markets.
- One off contribution to the Defined Benefit division of the Australian Superannuation Fund in the previous corresponding period.

Partly offset by:

- The net impact of stronger AUD/USD exchange rate on USD denominated revenue and costs;
- higher employment costs due to wage escalation and incentive payments; and
- increased zinc and aluminium coating metal costs.

(ii) Operations Report

Springhill

- A new six month production record of 382,000 tonnes was established on the Metallic Coating lines.

Western Port

- Record 6 month delivery performance averaging more than 95%.
- The maintenance alliance with Silcar, a 50:50 joint venture between Thiess Pty Ltd and Siemens Ltd, commenced late January 2004. This initiative will result in savings through increased reliability and throughput.
- Completion of the scheduled Hot Strip Mill maintenance took place in November 2003 (21 days).

Lysaght

- The Townsville facility was completed in January 2004.

Packaging Products

- Production capability continued to improve with a new 6 monthly tinplate record of 171,870 tonnes versus 164,101 tonnes in the previous half year.

Service Centres

- Production of painted products, from the Service Centre paint lines, was a new 6 month record, up 22% to 85,300 tonnes on the previous corresponding period.

Coated Products Asia

This segment comprises:

- Coating operations in Thailand, Indonesia and Malaysia;
- Lysaght operations in 12 Asia and Pacific countries; and
- Vietnam coating and painting line development.

(i) Financial Performance

	6 MTHS TO 31 DEC		VARIANCE	
	2003	2002		
	$m	$m	$m	%
Sales Revenue	291	282	9	3%
EBITDA	56	60	(4)	-7%
EBIT	45	47	(2)	-4%
Capex (1)	26	14	12	86%
Net Operating Assets (pre tax) (2)	430	469	(39)	-8%
Return on Net Assets (pre tax) (3)	21%	21%		

(1) Capex increase reflects Vietnam coating line development.
(2) The decrease in net operating assets was largely due to lower net fixed assets.
(3) Return on Net Assets is defined as annualised EBIT/average monthly Net Operating Assets.

The $2m EBIT decrease was largely due to:

- The appreciation of the Australian Dollar relative to most Asian currencies more than offsetting the increase in profitability of all Asian operations in local currencies.
- Higher hot rolled and cold rolled purchased steel feed by the downstream Asia coating operations.
- Additional business development costs primarily associated with the Vietnam coating line.

Partly offset by:

- Stronger production and despatch levels across the Asian business; and
- Increases in domestic coated product prices across the Asian business.

(ii) Operations Report

- Progress is continuing well on establishment of Pre-Engineered Building (PEB) Systems. Businesses are now established in Thailand, Vietnam and China.
- Work on upgrading the existing paint line in Indonesia was completed in January 2004 with annual capacity increasing from 25,000 to 55,000 tonnes.
- A number of growth initiatives have been approved:
  - Vietnam – construction commenced in December 2003 on a new metallic coating and painting facility. The capital cost is approximately $160 million and the facility is expected to

commence operation in early 2006 with metallic coated and painting capacities of 125,000 and 50,000 tonnes respectively.

- Thailand – construction commenced in January 2004 on the installation of a second metallic coating line at the Map Ta Phut plant. The capital cost is approximately $80 million and the facility is expected to commence operation in mid-CY2005 with a capacity of 200,000 tpa. This will take the total annual metallic coating capacity to 375,000 tonnes.
- China – the Board has approved the construction of a new metallic coating and painting facility, with annual metallic coated and painting capacities of 250,000 and 150,000 tonnes respectively. The capital cost is approximately $280 million and the facility is expected to commence operation mid CY2006.

OTHER INFORMATION

Capital Management

- During the period, the Company purchased 45,420,328 of its shares under the on-market buyback program announced on 27 February 2003. The average cost before brokerage and GST was $4.85 per share. As at 18 February 2004, a total of 60,679,153 shares had been purchased, representing 76.5% of the total program, at an average cost before brokerage and GST of $4.70 per share.
- During the period, the Company borrowed an additional $227m of debt. Total debt outstanding at 31 December 2003 was $381m, resulting in a gearing ratio of 9% (net debt / net debt plus equity). These borrowings, together with operating cash flow of $255 million were primarily applied to funding the buy-back ($220 million), 2003 final and special dividends ($154 million) and tax ($84 million).
- The North Star joint venture repaid US$29m of its debt, reducing its total outstanding external debt to US$100m (100% basis) at 31 December 2003. In addition, North Star had sold US$44m of its trade receivables under its receivables securitisation program. This represents a US$10m increase from 30 June 2003.
- BlueScope Steel has received $172m in cash for trade receivables sold under its receivables securitisation program. This represents a $5m decrease from 30 June 2003.

Safety, Environment & Health

- Safety
  - Record low injury performance with a 26% reduction in Lost Time Injuries (LTI) compared to 2002/03 as employees and contractors of the Company continued to improve safety performance.
  - A number of operations achieved new injury free records during the period, including:
    - Thailand who have achieved a period of 11 million work hours without an LTI.
    - Lysaght, Singapore, achieved 5 years without an LTI.

- ➢ New Zealand Steel's Hot Strip Mill achieved 8 years without an LTI.

- Environment
  - A new water conservation initiative that will save over 500,000 litres of water per day at the Springhill operation.
  - The Company continues to focus on the development of a comprehensive environmental compliance management system that will be progressively implemented across all operations in BlueScope Steel. Not only will this system provide a systematic and formal means by which each operation is able to routinely determine environmental compliance but it will also provide an important step in the Company's commitment to continuously seek ways of improving its environmental performance.
  - The Western Port operation won the Victorian South East region award in the Tidy Towns Commercial/Industrial Site category. Judging criteria focuses on a range of factors, including environmental work undertaken within the site and community, promoting environmental awareness to staff and programs to reduce energy and water emissions.
  - Western Port successfully renewed its 5 year Environmental Protection Authority accredited licence.

<u>Logistics</u>

- The Iron Monarch, the vessel owned by the Company which transports slab between the Port Kembla, NSW, steelworks and the Western Port, Victoria, operations, completed a dry dock and life extension program during the period. The exercise was completed in 55 days at a cost of approximately A$6m. The improvements undertaken will allow the vessel to operate until at least 2011, with ongoing 2 year dry docks.

<u>Employee Share Plan</u>

- In September 2003 the Company provided 200 BlueScope Steel Limited shares at nil cost to 9,403 eligible employees (1,880,600 shares). The objective was to recognise and reward employee contribution to BlueScope Steel's first year financial and workplace safety performance and provide them with the opportunity to become long term shareholders. An equivalent number of shares were bought back on market at $4.88 per share.

<u>Interim Dividend Schedule</u>

- Record date – 2 March 2004.
- Payment date – 29 March 2004.

For further information:

- **Media - Sandi Harwood, Manager - External Affairs**
  Tel: +61 3 9666 4039 +61 (0)411 027 006

- **Investor Relations - John Knowles, Vice President Investor Relations**
  Tel: +61 3 9666 4150 +61 (0)419 893 491

ATTACHMENT 1

PRODUCTION AND DESPATCH REPORT

	6 MONTHS ENDED JUNE 2003	6 MONTHS ENDED DEC 2003	DEC 2002	VARIANCE
RAW STEEL PRODUCTION ('000t)				
Port Kembla	2,467	2,568	2,582	-1%
New Zealand Steel	315	309	305	1%
Sub-total	**2,782**	**2,877**	**2,887**	**0%**
North Star (1)	397	416	427	-3%
Total	**3,179**	**3,293**	**3,314**	**-1%**
EXTERNAL DESPATCHES ('000t)				
Hot Rolled Products				
- Domestic	418	452	460	-2%
- Export	806	676	761	-11%
Coated Products Australia				
- Domestic	883	950	949	0%
- Export	392	257	290	-11%
New Zealand Steel				
- Domestic	126	135	130	4%
- Export	175	146	167	-13%
Coated Products Asia				
- Domestic	169	176	158	11%
- Export	37	48	27	78%
Total				
- Domestic	1,596	1,713	1,697	1%
- Export	1,410	1,127	1,245	-9%
Sub-total	**3,006**	**2,840**	**2,942**	**-3%**
North Star (1)	399	401	406	-1%
Total	**3,405**	**3,241**	**3,348**	**-3%**

(1) Reflects BlueScope Steel's 50% share from the North Star joint venture