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DEBT REDUCTION TARGETS EXCEEDED, AUSTRALIAN BUSINESS RESTRUCTURE COMPLETED GLOBALLY WELL POSITIONED FOR GROWTH

BlueScope today reported a \$1,044 million net loss after tax (NLAT) for FY2012. This compares with a \$1,054 million reported NLAT in FY2011.

The reported NLAT includes an impairment charge of \$315 million, as foreshadowed last week.

Underlying NLAT¹ for FY2012 was \$238 million. This compares to an underlying NLAT of \$127 million in FY2011.

Net debt was reduced to \$384 million or approximately \$580 million, adjusting for favourable timing of year end cashflows.

The Board has decided there will be no final ordinary dividend.

BlueScope's Managing Director and CEO, Mr Paul O'Malley said "FY2012 was a transforming year, we delivered what we promised. Net debt is lower than forecast. Our Australian businesses are expected to be EBITDA positive in FY2013, and globally we are now well positioned for growth.

"BlueScope is now structured into four main businesses: BlueScope Building Products; BlueScope Global Building Solutions; BlueScope Australia and New Zealand and in the US, North Star BlueScope Steel.

"Our Building Products business, across ASEAN and the US, will be incorporated in the new US\$1.36 billion NS BlueScope Coated Products joint venture with Nippon Steel Corporation. It will provide a stronger platform to capture growth in new market segments. The net proceeds of approximately US\$540 million from Nippon Steel's 50% investment will afford BlueScope further financial flexibility and balance sheet strength to grow businesses that deliver strong returns.

"Our Global Building Solutions business is well placed to capture opportunities in the world's largest and fastest growing non-residential construction markets with the potential to double current revenue of \$1.45 billion within three years.

"BlueScope in Australia is delivering its turnaround. New Zealand Steel continues to be profitable and its iron sands export capability is on track to double within two years.

"In the US, our North Star BlueScope Steel business will concentrate on continuing its good operational performance and accelerating specific growth opportunities," said Mr O'Malley.

BLUESCOPE'S OUTLOOK

"For the 1HFY2013, we expect a continued improvement in financial performance with an underlying net after tax loss (before period-end net realisable value adjustments) approaching breakeven (subject to spread, FX and market conditions).

"In FY2013, total capital expenditure for the group is expected to be approximately \$300 million with a third to be invested on growth projects," said Mr O'Malley.

¹ Underlying financial results reflect the Company's assessment of financial performance after excluding non-current asset impairments (\$315M), restructure costs (\$288M), tax impairments (\$268M), borrowing amendment fees (\$6M), business development costs (\$5M); partly offset by the Steel Transformation Plan advance \$70M, profits from discontinued businesses (\$4M) and asset sales (\$2M). This financial information is provided to assist readers to better understand the financial performance of the underlying business.

For further information about BlueScope: www.bluescopesteel.com

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