BlueScope Steel Limited
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ASX Code: BSL

19 August 2013

The Manager – Listings
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

FY2013 Earnings Report

In addition to the contemporaneously lodged Appendix 4E, Directors' Report and Financial Report for the year ended 30 June 2013, I attach the Company's FY2013 Earnings Report.

Yours faithfully

Michael Barron
Company Secretary
BlueScope Steel Limited

RESULTS FOR ANNOUNCEMENT TO THE MARKET

19 August 2013 – BlueScope today reported its financial results for the twelve months ended 30 June 2013

	FY2013	FY2012	Variance %
Sales from continuing operations	$7,274.2M	$8,453.6M	(14%)
Reported NPAT / (NLAT)	($84.1M)	($1,043.5M)	92%
Underlying NPAT / (NLAT) [1]	$29.7M	($237.5M)	113%
Interim ordinary dividend	0 cps	0 cps	n/a
Earnings per share (EPS)	(15.1) cps	(234.6) cps	n/a

1) Underlying results in this report are categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the underlying operating business. Please refer to Tables 2A and 2B for a reconciliation of this information to the financial report.

KEY POINTS

- Sales revenue of $7,274.2M was lower than FY2012 mainly due to lower sales of loss-making exports from Australia after the restructure implemented during FY2012, lower international and domestic selling prices and sale of Metl-Span in FY2012.
- Reported NLAT of $84.1M, a $959.4M improvement on FY2012 primarily reflecting the benefit of the Australian restructure and lower restructure, redundancy and tax impairment charges.
- Underlying NPAT of $29.7M, a $267.2M improvement on FY2012 primarily reflecting the benefit of the Australian restructure and improvement in spread with selling price reductions more than offset by lower raw material costs.
- Exceeded market guidance in 2H FY2013 with $48.8M underlying NPAT (before period-end inventory net realisable value (NRV) adjustments).
- Australian domestic flat product sales volumes of 1,782kt in FY2013, weaker than 2,005kt in FY2012 primarily due to lower sales of hot rolled coil to pipe and tube customers, and lower plate sales. 2H FY2013 domestic flat product sales of 877kt, largely in-line with 1H.
- Coated & Industrial Products Australia segment FY2013 underlying EBITDA was $150.4M driven by improved spread, lower loss-making export despatches and strong cost reduction performance offsetting higher unit operating costs. Domestic volumes were weaker than FY2012. 2H FY2013 EBITDA was $71.5M, an improvement on 1H (after adjusting 1H for the one-off benefit of workers compensation settlement) driven by lower inventory NRV provisions, improved spread and strong cost reduction performance partly offset by higher export despatches.
- Building Components & Distribution Australia segment generated an underlying EBIT loss of $24.8M reflecting margin improvement and restructuring benefits.
- NZ Steel & Pacific saw significant improvement in 2H as anticipated. Full year underlying EBIT was $42.5M, $40.5M in 2H from higher iron sands volumes and prices, improved fixed cost recoveries and fewer maintenance outages.
- Building Products segment underlying EBIT was up 55% to $79.6M primarily due to higher spreads and improvements in our Thailand, Vietnam and North America businesses.
- Global Building Solutions underlying EBIT declined by 19% to $26.4M. Excluding the one-off impact of an $7.7M prior period provision adjustment, the result exceeded the $32.5M FY2012 performance with strong contributions from Buildings North America (following restructuring and an improving market), and Building Products China offset by weaker earnings from Buildings Asia due to lower China volumes.
- Hot Rolled Products North America earnings result of A$66.7M, improved A$4.5M on FY2012. Cost control and decreased depreciation charges offset the earnings impact of slightly weaker spreads.
- Coated Products Joint Venture with Nippon Steel & Sumitomo Metal Corporation (NSSMC) has been established. Proceeds of US$541.6M received on 28 March 2013, with subsequent US$29.5M net working capital and debt adjustment received in June 2013.
- Net debt at 30 June 2013 of $148.4M, and continuing strong liquidity (undrawn debt plus cash) of A$1,576.0M.
- Outlook: We expect to maintain Company performance and deliver a profitable 1H FY2014 (pre period-end NRV adjustments), however given uncertainty in domestic Australian demand we do not expect a 1H FY2014 outcome better than the 2H FY2013 outcome (subject to spread, FX and market conditions).
- BlueScope today announced it has agreed to acquire two businesses from Hills Holdings Limited: Orrcon, a pipe and tube manufacturer and distributor, and Fielders, a building products business.

KEY FINANCIAL MEASURES

Key Financial Measures – Twelve months ended 30 June 2013 and 30 June 2012 [1]

$M unless marked	FY2013	FY2012	Variance %
Total revenue [2]	7,290.3	8,621.3	(15%)
EBITDA – underlying [3]	418.3	98.9	323%
EBIT – reported [3]	51.7	(819.9)	106%
EBIT – underlying [3]	102.8	(224.3)	146%
Finance costs	(82.9)	(120.4)	31%
(NLAT) / NPAT attributable to BSL shareholders - reported - underlying	 (84.1) 29.7	 (1,043.5) (237.5)	 92% 113%
Earnings per share	(15.1) cps	(234.6) cps	-
Interim dividend	0 cps	0 cps	-
Final dividend	0 cps	0 cps	-
Return on invested capital	1.2%	(16.0%)	-
Net debt	148.4	383.9	(61%)
Gearing	3.2%	9.2%	-
Net tangible assets per share	6.12 cps	5.47 cps	-

1)	Tables 2A and 2B explain why management have disclosed underlying results and reconciles underlying earnings to reported earnings.		
2)	Excludes the Company's 50% share of NSBSL revenue of:	620.7	683.2
	Includes revenue other than sales revenue of:	16.1	18.6
3)	Includes 50% share of net profit from NSBSL of:	69.6	63.9

Consolidated Cash Flow

$M	FY2013	FY2012	Variance %
Reported EBITDA	367.3	(489.1)	175%
Add cash / (deduct non-cash) items			
- Share of profits from associates and joint venture partnership not received as dividends	(0.5)	30.2	(102%)
- Impaired assets	2.6	319.9	(99%)
- Net (gain) loss on sale of assets	(37.3)	(29.7)	(26%)
- Expensing of share-based employee benefits	11.5	7.0	64%
Cash EBITDA	343.6	(161.7)	313%
Changes in working capital	(30.8)	616.6	(105%)
Gross operating cash flow	312.8	454.9	(31%)
Net finance costs paid [1]	(87.4)	(106.0)	18%
Tax received / (paid) [2]	(64.4)	(81.5)	(21%)
Net cash from operating activities	161.0	267.4	(40%)
Capex: payments for P, P & E and intangibles	(302.8)	(229.5)	(32%)
Other investing cash flows	(6.7)	149.8	(104%)
Net cash flow before financing	(148.5)	187.7	(179%)
Equity issues	-	576.1	(100%)
Dividends	(3.4)	(5.0)	33%
Transactions with non-controlling interests	438.9	-	-
Net drawing / (repayment) of borrowings	(6.1)	(719.3)	99%
Net increase / (decrease) in cash held	280.9	39.5	611%

1) FY2013 net finance cost includes one-off charges of $21.1M relating to the repurchase of U.S. Private Placement Notes and issuance of US$300M unsecured notes. FY2012 includes one-off charges of $8.3M associated with restructuring existing financing facilities.
2) The BlueScope Steel Australian tax consolidated group is estimated to have carry forward tax losses, as at 30 June 2013, in excess of $2.7B. There will be no Australian income tax payments until these are recovered.

OPERATING & FINANCIAL REVIEW

FINANCIAL RESULTS

The BlueScope Steel Group comprises six reportable operating segments: Coated & Industrial Products Australia (CIPA); Building Components & Distribution Australia (BCDA); New Zealand & Pacific Steel Products (NZPac); Global Building Solutions (GBS); Building Products ASEAN, North America and India (BP); and Hot Rolled Products North America (HRPNA).

TABLE 1: RESULTS SUMMARY

$M	Revenue		Reported Result [1]		Underlying Result [2]	
	FY2013	FY2012	FY2013	FY2012	FY2013	FY2012
Sales revenue/EBIT [2]						
Coated & Industrial Products Australia	3,349.4	4,279.6	(44.9)	(725.8)	(20.3)	(327.3)
Building Components & Distribution Aust	1,375.6	1,486.2	(30.4)	(227.3)	(24.8)	(45.9)
New Zealand & Pacific Steel Products	681.0	755.0	42.5	64.7	42.5	68.6
Global Building Solutions	1,363.3	1,446.3	18.4	(6.4)	26.4	32.5
Building Products ASEAN, NA & India	1,635.5	1,643.7	70.5	51.3	79.6	51.2
Hot Rolled Products North America	0.0	0.0	66.7	62.2	66.7	62.2
Discontinued operations	0.0	164.1	(0.4)	38.5	0.0	(0.0)
Segment revenue/EBIT [2]	8,404.8	9,774.9	122.4	(742.8)	170.1	(158.7)
Inter-segment eliminations	(1,130.6)	(1,172.2)	(5.9)	3.7	(5.9)	3.7
Segment external revenue/EBIT	7,274.2	8,602.7	116.5	(739.1)	164.2	(155.0)
Other revenue/(net unallocated expenses)	16.1	18.6	(64.8)	(80.8)	(61.5)	(69.4)
Total revenue/EBIT [2]	7,290.3	8,621.3	51.7	(819.9)	102.8	(224.3)
Net borrowing costs			(79.3)	(117.3)	(66.2)	(109.0)
Profit/(loss) from ordinary activities before income tax			(27.6)	(937.2)	36.6	(333.3)
Income tax (expense)/benefit			(35.0)	(90.7)	14.6	111.4
Profit/(loss) from ordinary activities after income tax expense			(62.6)	(1,027.9)	51.2	(221.9)
Net (profit)/loss attributable to outside equity interest			(21.5)	(15.6)	(21.5)	(15.6)
Net profit/(loss) attributable to equity holders of BlueScope Steel			(84.1)	(1,043.5)	29.7	(237.5)
Basic earnings per share (cents)			(15.1)	(234.6)	5.3	(53.4)

1) The financial report has been prepared in accordance with the Australian Accounting Standards issued by the Australian Accounting Standards Board, which are compliant with International Financial Reporting Standards (IFRS). References to 'reported' financial information throughout this report are consistent with IFRS financial information disclosed in the financial report.
2) References to 'underlying' information are to non-IFRS financial information prepared in accordance with ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information) issued in December 2011 and the principles provided by the Financial Services Institute of Australasia and the Australian Institute of Company Directors. Non-IFRS financial information, whilst not subject to audit or review, has been extracted from the financial report, which has been subject to audit by our external auditors.

TABLE 2A: RECONCILIATION OF UNDERLYING EARNINGS TO REPORTED EARNINGS

Management have provided an analysis of unusual items included in the reported IFRS financial information. These items have been considered in relation to their size and nature, and have been adjusted from the reported information to assist readers to better understand the financial performance of the underlying operating business. Throughout this report management have used the term 'reported' to reference IFRS financial information and 'underlying' to reference non-IFRS financial information. These adjustments are assessed on a consistent basis from period to period and include both favourable and unfavourable items. Non-IFRS financial information whilst not subject to audit or review has been extracted from the financial report which has been audited by our external auditors. An explanation of each adjustment and reconciliation to the reported IFRS financial information is provided in the table below.

	EBITDA $M		EBIT $M		(NLAT) / NPAT $M		EPS $ [9]	
	FY2013	FY2012	FY2013	FY2012	FY2013	FY2012	FY2013	FY2012
Reported earnings	367.3	(489.1)	51.7	(819.9)	(84.1)	(1,043.5)	(0.15)	(2.35)
Underlying adjustments:								
Net (gains)/losses from businesses discontinued [1]	8.4	(46.1)	8.4	(38.5)	4.2	(3.8)	0.01	(0.01)
Steel Transformation Plan [2]	45.8	(100.0)	45.8	(100.0)	32.1	(70.0)	0.06	(0.16)
Business development and pre-operating costs [3]	2.5	6.7	2.5	6.7	1.8	4.7	0.00	0.01
Asset impairments [4]	0.0	318.6	0.0	318.6	0.0	315.0	0.00	0.71
Restructure and redundancy costs [5]	31.9	412.3	31.9	412.3	20.4	288.4	0.04	0.65
Asset sales [6]	(37.5)	(3.4)	(37.5)	(3.4)	(26.3)	(2.4)	(0.05)	(0.01)
Borrowing amendment fees [7]	0.0	0.0	0.0	0.0	9.2	5.8	0.00	0.01
Tax asset impairment [8]	0.0	0.0	0.0	0.0	72.5	268.3	0.13	0.60
Underlying earnings	418.3	98.9	102.8	(224.3)	29.7	(237.5)	0.05	(0.53)

1) FY2013 reflects adjustment to the income tax expense in relation to the sale of Metl-Span and an $8M (pre-tax) prior period provision adjustment relating to a business discontinued in GBS (not required to be recorded in the financial statements as a discontinued operation). FY2012 reflects pre-tax profit/post tax loss on sale of the Metl-Span business during June 2012, Metl-Span earnings during FY2012 and a foreign exchange translation gain within the Lysaght Taiwan business.
2) FY2013 reflects the inclusion in underlying earnings of the previously received Australian Government Steel Transformation Plan (STP) advance to align with the carbon costs which are now being incurred at CIPA. FY2012 reflects the exclusion from underlying earnings the receipt of $100M (pre-tax) advance under the STP.
3) FY2013 and FY2012 reflects Corporate business development costs.
4) FY2012 reflects non-current asset impairments in the Australian business comprising Distribution goodwill ($157M pre-tax), CIPA fixed assets ($136M pre-tax), Lysaght goodwill ($10M pre-tax) and BlueScope Water and BlueScope Buildings goodwill and fixed assets ($11M pre-tax) due to a slower recovery in the domestic demand than previously expected and a higher discount rate applied to expected future cash flows as a result of increased volatility in equity markets. In addition, there were impairment of assets in GBS North America ($4M pre-tax) associated with restructuring.
5) FY2013 reflects staff redundancies and restructuring costs at CIPA ($16M pre-tax) mainly in relation to rationalising production levels at Western Port, BP ($9M pre-tax), BCDA ($6M pre-tax) and Corporate ($1M pre-tax). FY2012 reflects staff redundancies and restructuring costs at CIPA ($363M pre-tax), in relation to the move to a one blast furnace operation at Port Kembla Steelworks; BCDA ($14M pre-tax); GBS North America ($23M pre-tax); BP North America ($3M pre-tax); NZPac ($4M pre-tax); and Corporate ($5M pre-tax).
6) FY2013 reflects profit on sale of a previously unrecognised intangible asset at CIPA ($38M pre-tax).
7) FY2013 reflects make-whole payment associated with buy-back of remaining U.S. Private Placement Notes. FY2012 reflects the costs associated with restructuring existing financing facilities following the decision to move to a one blast furnace operation at Port Kembla Steelworks.
8) FY2013 and FY2012 reflects impairment of Australian deferred tax assets generated during each respective period.
9) Earnings per share is based on the average number of shares on issue during the respective reporting periods, ie. 558.2M in FY2013 vs. 444.8M in FY2012. (In accordance with AASB 133 the earnings per share calculations have been restated for the share consolidation undertaken in December 2012, resulting in the number of shares on issue at that time reducing from 3.35 billion to 558 million (adjusted by a division of six, being the conversion of every six shares in the Company into one ordinary share in the Company). The comparative period has been restated on a similar basis).

TABLE 2B: UNDERLYING EBIT ADJUSTMENTS TO FY2013 REPORTED SEGMENT RESULTS

FY2013 underlying EBIT adjustments $M	CIPA	BCDA	NZPac	HRPNA	GBS	BP	Corp	Disc Ops	Total
Net (gains)/losses from businesses discontinued	0.0	0.0	0.0	0.0	8.0	0.0	0.0	0.4	8.4
Steel Transformation Plan	45.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45.8
Business development and pre-operating costs	0.0	0.0	0.0	0.0	0.0	0.0	2.5	0.0	2.5
Asset sales	(37.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(37.5)
Restructure and redundancy costs	16.3	5.6	0.0	0.0	0.0	9.1	0.9	0.0	31.9
Underlying adjustments	24.6	5.6	0.0	0.0	8.0	9.1	3.4	0.4	51.1

GROUP-LEVEL MANAGEMENT DISCUSSION & ANALYSIS FOR FY2013 VS FY2012

BLUESCOPE'S OPERATIONS AND SIGNIFICANT CHANGES

BlueScope is a flat steel producer for the domestic Australian, New Zealand and U.S. markets, and is a leading international supplier of steel products and solutions principally focused on the global building and construction markets.

BlueScope is Australia's largest steel manufacturer by volume, and New Zealand's sole flat steel producer. BlueScope's vertically integrated operations for flat steel products in Australia and New Zealand produce steel slab, hot rolled coil, cold rolled coil, steel plate and value-added metallic coated and painted products. BlueScope enjoys strong market shares in many of the Australian and New Zealand sectors in which it operates, serving customers in the building and construction, manufacturing, automotive and transport, agricultural and mining industries. BlueScope's flat steel products are sold directly to customers from the Coated & Industrial Products Australia (CIPA) segment and by the Building Components & Distribution Australia (BCDA) segment through a national network of service centres and steel distribution sites throughout Australia.

BlueScope is a technology leader in metal coated and painted steel building products, principally focused on the Asia-Pacific region, with a wide range of branded products that include pre-painted COLORBOND® steel, zinc/aluminium alloy-coated ZINCALUME® steel and the LYSAGHT® range of building products.

The Company has an extensive footprint of metallic coating, painting and steel building product operations in China, India, Indonesia, Thailand, Vietnam, Malaysia and North America, primarily servicing the residential and non-residential building and construction industries across Asia, and the non-residential construction industry in North America. BlueScope operates in ASEAN and North America in partnership with Nippon Steel & Sumitomo Metal Corporation (NSSMC) and in India with Tata Steel. Both are 50/50 joint ventures with BlueScope controlling and therefore consolidating the joint venture with NSSMC, and jointly controlling and therefore equity accounting the joint venture with Tata Steel.

BlueScope is a leading global supplier of engineered building solutions (EBS) to industrial and commercial markets. Its EBS value proposition is based on speed of construction, low total cost of ownership and global delivery capability. Leading brands, including BUTLER® and VARCO PRUDEN®, are supplied from BlueScope's global supply chain and major manufacturing and engineering centres in Asia and North America.

BlueScope is a 50% joint venture partner in the North Star BlueScope Steel (NSBSL) mini-mill located in Delta, Ohio. NSBSL is strategically located in one of the largest scrap markets of North America and is a low cost regional supplier of hot rolled coil. The venture is jointly controlled and therefore equity accounted.

The following major changes to BlueScope's operations occurred during the period:

- On 1 July 2012, BlueScope reorganised its management structure to focus on growth in the global EBS market and building products market. BlueScope Global Building Solutions (GBS) comprises the Company's North American EBS businesses, the entire China business and all EBS businesses in ASEAN. BlueScope Building Products (BP) comprises the Company's metal coating, painting and roll-forming businesses in ASEAN, North America and India. Changes to its external reporting segments first applied in respect of the half-year ending 31 December 2012.
- On 28 March 2013, BlueScope sold 50% of its interest in the ASEAN and North American operations in the Building Products segment to Nippon Steel & Sumitomo Metal Corporation (NSSMC) for proceeds of US$571.1M (including US$29.5M adjustment for net working capital received in June 2013), establishing the NS Coated Products Joint Venture. BlueScope has appointed, and will appoint the CEO and continue to control and therefore consolidate the JV in its financial statements. NSSMC has appointed, and will appoint the Chairman.

FINANCIAL PERFORMANCE

Total revenue

The $1,331.0M (15%) decrease in group total revenue principally reflects:

- lower export volumes following the closure of No. 6 Blast Furnace and lower domestic volumes, predominantly HRC and plate, driven by increased import competition and lower activity levels, at CIPA
- lower international and domestic steel prices across all segments
- disposal of Metl-Span during FY2012
- reduced volumes at BCDA arising from increased import competition and continued tough trading conditions and at GBS, particularly in Buildings Asia. Partly offset by improved volumes in the BP segment, mainly Indonesia, Thailand and Steelscape.

These were partly offset by a favourable product mix at CIPA.

EBIT performance

The $327.1M increase in underlying EBIT on FY2012 reflects:

- $89.3M improvement in spread, comprised of:
  - $461.6M benefit from lower raw material costs, in large part due to lower coal and iron ore purchase prices combined with favourable iron ore feed mix at CIPA, together with lower steel feed costs at BP, GBS and BCDA
  - $372.3M unfavourable movement in steel prices, with lower international and domestic steel prices across all segments
- $144.3M contribution from sales volumes and product mix, due to:
  - a decrease in loss making export volumes partly offset by lower domestic volumes (predominantly HRC and plate) mainly driven by increased import competition and lower activity levels, at CIPA
  - favourable product mix at CIPA with a higher proportion of domestic painted sales and lower export slab sales
- $84.5M favourable movement in costs, driven by:
  - $223.1M cost improvement initiatives from lower labour including contractors, repairs and maintenance, operational, overhead and discretionary costs
  - $91.1M cost escalation from utilities, employment, consumables and other costs
  - $41.8M higher one-off and discretionary costs:
    - higher per unit fixed conversion costs as a result of restructuring to reduce production volumes at CIPA
    - partly offset by favourable adjustment to the provision for workers compensation following an agreement with an insurance provider relating to a workers compensation insurance policy at CIPA
  - $5.7M unfavourable movement in other costs

- $4.5M favourable impact from exchange rate movements
- $5.4M benefit from NSBSL (equity accounted)
- $0.9M unfavourable movement in other items.

The $871.8M increase in reported EBIT on FY2012 reflects the movement in underlying EBIT discussed above and $544.7M of favourable year-on-year underlying adjustments explained in Tables 2A and 2B.

Finance costs

The $37.5M decrease in finance costs compared to FY2012 was largely due to a $416.9M decrease in average gross borrowings to $812.8M and a lower average cost of drawn debt (5.2% for FY2013, 7.1% for FY2012) combined with one-off costs in FY2012 associated with restructuring existing financing facilities ($8.3M). FY2013 includes $13.1M one-off costs associated with buy-back of the remaining U.S. Private Placement Notes and issuance of US$300M of unsecured notes.

Tax

Net tax expense of $35.0M (FY2012 $90.7M) includes a net $55.8M impairment of an Australian deferred tax asset arising from tax losses generated during the period with $72.5M allocated to tax expense and a $16.7M credit allocated to retained earnings (related to defined benefit superannuation fund actuarial adjustments).

The Company has deferred the recognition of any further Australian deferred tax asset until a return to taxable profits has been demonstrated. Australian tax losses are able to be carried forward indefinitely.

Dividend

The Directors did not declare a final dividend for FY2013.

FINANCIAL POSITION

Net assets

Net assets increased $681.5M to $4,460.3M at 30 June 2013 from $3,778.8M at 30 June 2012, primarily driven by:

- $102.6M increase in the value of receivables principally due to recognition of a $83.0M receivable in respect of the remaining portion of the Steel Transformation Plan (STP) grant to be received (a corresponding deferred income liability has been recorded)
- $124.0M increase in the carrying value of property, plant and equipment mainly from capital expenditure additions of $325.8M (primarily China Xi'an project $45.9M, preparations for Next Generation ZINCALUME® steel $29.0M and Air Separation Unit finance lease asset at NZPac $26.3M) and $108.5M exchange fluctuation gains due to a weaker AUD offset by depreciation expense of $287.6M
- $64.0M decline in current tax liabilities including payment of tax in relation to the sale of Metl-Span
- $142.2M increase in deferred income primarily due to, recording of the remaining $83.0M of STP grant, $18.8M of emissions-intensive, trade-exposed (EITE) carbon permits issued in advance under the Australian carbon pricing mechanism and $40.4M increase in income received in advance for construction contracts and product ordered
- $215.0M decline in retirement benefits obligation liability arising primarily from $196.2M of actuarial gain mainly from an increase in discount rates and higher than expected asset returns
- $235.6M decrease in net debt to $148.4M mainly driven by the successful establishment of the NS Coated Products Joint Venture and movements in the items above.

Funding

During the period, BlueScope fully repurchased its U.S. Private Placement Notes for US$236.6M, including US$17.0M of accrued interest and make-whole fees. The repurchases were funded in U.S. dollars using existing undrawn lines under the Company's Syndicated Bank Facility.

The Company diversified its funding sources and extended its average debt maturity through the issue of US$300M of five-year senior unsecured notes under Rule 144a. The notes were issued on 16 April 2013 with an annual interest rate of 7.125%.

Committed available undrawn capacity at 30 June 2013 under bank debt facilities ($1,062.3M), plus cash ($513.7M) was $1,576.0M ($1,583.3M at 30 June 2012).

MATTERS SUBSEQUENT TO THE YEAR ENDED 30 JUNE 2013

Agreement to acquire of Orrcon and Fielders from Hills Holdings Limited

On 19 August 2013 BlueScope announced it had agreed to acquire two businesses from Hills Holdings Limited: Orrcon, a pipe and tube manufacturer and distributor, and Fielders, a building products business.

BlueScope will acquire Orrcon and Fielders for a combined purchase price of $87.5 million, which largely represents the working capital embedded in the respective businesses, and expects to incur net integration costs of $15 million.

Following integration, in FY2015 the acquisitions are expected to exceed BlueScope's return on capital hurdle and be EPS accretive.

These businesses are close to BlueScope's core Australian operations. The Company's objective is to improve the efficiency with which it can serve Australian customers by further lowering costs through the integration of these businesses with its existing operations.

These acquisitions are subject to Australian Competition and Consumer Commission approval and typical conditions precedent. Completion of the acquisitions is targeted for the end of the December 2013 quarter.

1H FY2014 OUTLOOK

We expect to maintain Company performance and deliver a profitable 1H FY2014 (pre period-end NRV adjustments), however given uncertainty in domestic Australian demand we do not expect a 1H FY2014 outcome better than the 2H FY2013 outcome (subject to spread, FX and market conditions).

BUSINESS STRATEGIES AND PROSPECTS

BlueScope's overall strategy is to increase its position as a leading international supplier of steel products and solutions principally focused on the global building and construction markets, while generating maximum value from existing flat steel operations in Australia, New Zealand and North America.

BlueScope has developed a number of specific business strategies as part of its overall strategy. These are:

- *Maintain leading market positions in Australia and New Zealand while improving profitability of its integrated flat steel operations*. BlueScope's broad objective in both the Australian and New Zealand markets is to improve profitability by maintaining its current market shares and reducing its cost base, while continuing to develop innovative products and services and enhanced customer relationships. The business is continually looking to serve the market more effectively and efficiently, which may include small acquisitions close to its existing core operations.
- *Accelerate growth in engineered building solutions*. BlueScope seeks to build on its position as a leading global supplier of EBSs, with a value proposition that is based on design capability, product innovation, speed of construction, low total cost of ownership and global delivery capability.
- *Grow leading position and enhance profitability in metal coated and painted steel building products.* BlueScope seeks to grow across Asia-Pacific with a portfolio of highly competitive, locally manufactured premium sustainable products.
- *Exploit growth opportunities in the North American hot rolled products business*. BlueScope seeks to maintain profitability with low cost, highly flexible operations and a strong focus on customer relations, and to continue to explore brownfield expansion opportunities to grow earnings.
- *Maintain a strong balance sheet.* BlueScope seeks to manage liquidity through the economic cycle and support profitable growth initiatives.

Future prospects and risks

BlueScope's financial performance since the global financial crisis in FY2009 has been impacted by slower demand for its products in Australia and North America, higher raw material costs without a corresponding increase in global commodity steel prices, and a stronger Australian dollar. These factors are outside BlueScope's control. However, the Company has undertaken significant restructuring and other initiatives in recent years across all its operating segments to return BlueScope to an underlying profit in FY2013.

BlueScope has regard to a number of recognised external forecasters when assessing possible future operating and market conditions. These forecasters expect a modest improvement in the key drivers impacting our Australian business in the next 12 months, but in the longer term forecast a continued strengthening of the U.S. dollar relative to the Australian dollar, lowering of iron ore and coal raw material costs relative to global commodity steel prices and an increase in domestic demand for steel products. In addition, recognised external forecasters expect an improvement in non-residential building and construction activity in North America.

The Company's strategies take into account these expected operating and market conditions. However, predicting future operating and market conditions is inherently uncertain. If these estimates are ultimately inaccurate, including as to timing and degree of improvement, BlueScope may not be able to effectively implement its contemplated strategies and its financial prospects may be adversely impacted.

BlueScope is also exposed to a range of market, operational, financial, cultural and governance risks common to a multinational company. The Company has risk management and internal control systems to manage material business risks.

The nature and potential impact of risks change over time. There are various risks that could impact the achievement of BlueScope's strategies and financial prospects. These include, but are not limited to:

(a) Continuing weak economic conditions or another economic downturn.

The global financial crisis in FY2009 caused a reduction in worldwide demand for steel, and the subsequent recovery has been slow and uncertain. Although the global economy has improved to some extent since FY2009, there is no assurance that this trend will continue. Another economic downturn in developed economies or significantly slower growth in emerging economies could have a material adverse effect on the global steel industry which may affect demand for the Company's products and financial prospects.

(b) A significant cyclical or permanent downturn in the industries in which the Company operates.

The Company's financial prospects are sensitive to the level of activity in a number of industries, but principally the building, construction and manufacturing industries. These industries are cyclical in nature with the timing, extent and duration of these economic cycles unpredictable. Because many of the Company's costs are fixed, it may not readily be able to reduce its costs in proportion to an economic downturn and therefore any significant, extended or permanent downturn could negatively affect the Company's financial prospects, as would the permanent closure of significant manufacturing operations in response to a sustained weak economic outlook or loss of key customer relationships.

(c) Declines in the price of steel, or any significant and sustained increase in the price of raw materials in the absence of corresponding steel price increases.

The Company's financial prospects are sensitive to the long-term price trajectory of international steel products and key raw material prices. A significant and sustained increase in the price of raw materials, in particular iron ore and coking coal, with no corresponding increase in steel prices, would have an adverse impact on the Company's financial prospects. A decline in the price of steel with no corresponding decrease in the price of raw materials would have the same affect.

In addition to these long-term trends, the price of raw materials and steel products can fluctuate significantly in a reasonably short period of time affecting the Company's short-term financial performance. In particular this relates to commodity products such as slab, plate, hot rolled coil, cold rolled coil, and some metallic coated steel products.

(d)The Company is exposed to the effects of exchange rate fluctuations.

The Company's financial prospects are sensitive to foreign exchange rate movements, in particular the Australian dollar relative to the U.S. dollar. A strengthening of the Australian dollar relative to the U.S. dollar could have an adverse effect on the Company. This is because:

- export sales are typically denominated in U.S. dollars, offset in part by a significant amount of raw material purchases being denominated in U.S. dollars
- a strong Australian dollar makes imported steel products less expensive to Australian customers, potentially resulting in more imports of steel products into Australia
- a strong Australian dollar affects the pricing of steel products in some Australian market segments where pricing is linked to international steel prices
- earnings from its international businesses must be translated into Australian dollars for financial reporting purposes.

(e) Competition from other materials and from other steel producers could significantly reduce market prices and demand for the Company's products.

In many applications, steel competes with other materials such as aluminium, concrete, composites, plastic and wood. Improvements in the technology, production, pricing or acceptance of these competitive materials relative to steel could result in a loss of market share or margins.

In addition, the Company faces competition from imports into most of the countries in which it operates. Increases in steel imports could negatively impact demand for or pricing of the Company's products. If the Company is unable to maintain its current market position or to develop new channels to market for its existing product range, its financial prospects could be adversely impacted.

Other risks that could affect BlueScope include:

- not being able to realise or sustain expected benefits of internal restructuring, project developments, joint ventures or future acquisitions
- significant asset impairment, particularly if weak market conditions persist
- an inability to maintain, extend or renew key raw material, operational services and funding on favourable terms relative to our competitors
- a major operational failure or disruption
- changing government regulation including environmental, greenhouse gas emissions, tax, occupational health and safety, and trade restrictions in each of the countries in which we operate
- potential legal claims, including the existing dispute with the Australian Taxation Office in relation to a sale and leaseback transaction entered into by the Company in 2007
- loss of key Board, management or operational personnel
- substantial Company contributions to its employees' defined benefit funds, which are currently underfunded
- industrial disputes with unions that disrupt operations.

This document sets out information on the business strategies and prospects for future financial years, and refers to likely developments in BlueScope's operations and the expected results of those operations in future financial years. This information is provided to enable shareholders to make an informed assessment about the business strategies and prospects for future financial years of BlueScope. Detail that could give rise to likely material detriment to BlueScope, for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage has not been included. Other than the information set out in this document, information about other likely developments in BlueScope's operations in future financial years has not been included.

BLUESCOPE AUSTRALIA & NEW ZEALAND

COATED & INDUSTRIAL PRODUCTS AUSTRALIA

CIPA is the leading supplier of flat steel products in Australia, offering a wide range of products to Australian and export customers, including hot rolled coil, plate cold rolled coil, zinc/aluminium alloy-coated ZINCALUME® steel and galvanized and pre-painted COLORBOND® steel. The CIPA segment includes manufacturing facilities at Port Kembla (NSW) and Western Port (Victoria).

KEY FINANCIAL & OPERATIONAL MEASURES

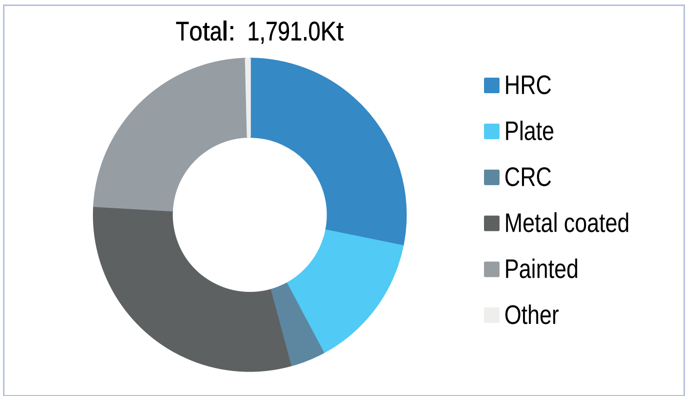
Table 3: Segment financial performance

$M	FY2013	FY2012	Var %	2H FY2013
Sales revenue	3,349.4	4,279.6	(22%)	1,681.5
Reported EBIT	(44.9)	(725.8)	94%	(52.3)
Underlying EBIT	(20.3)	(327.3)	94%	(14.7)
NOA (pre tax)	2,067.5	2,003.3	3%	2,067.5

Table 4: Steel sales volume

'000 tonnes	FY2013	FY2012	Var %	2H FY2013
Domestic	1,791.0	1,990.6	(10%)	888.4
Export	823.9	1,553.6	(47%)	478.6
Total	2,614.9	3,544.2	(26%)	1,367.0

Chart 1: CIPA domestic steel sales volume mix FY2013



FINANCIAL PERFORMANCE – FY2013 VS. FY2012

Sales revenue

The $930.2M decrease in sales revenue is primarily due to:

- lower export volumes following the closure of No. 6 Blast Furnace
- lower domestic volumes (predominantly HRC and plate, driven mainly by increased import competition and lower activity levels)
- lower global steel prices and flow-on impact to domestic prices.

These were partly offset by an improved mix with a higher proportion of domestic painted sales and lower export slab sales.

EBIT performance

The $307.0M increase in underlying EBIT was largely due to:

- improved spread driven by lower coal and iron ore purchase prices combined with favourable iron ore feed mix, but partly offset by lower global steel prices and flow-on impact to domestic prices combined with increased competition from imports
- a decrease in loss making export volumes
- one-off $36.6M favourable adjustment to the provision for workers compensation following an agreement with an insurance provider relating to a workers compensation insurance policy
- continued delivery of cost improvement initiatives combined with tight control of spend rates.

These were partly offset by:

- higher per unit costs due to fixed conversion costs spread over lower production volumes as a result of the move to single blast furnace operations in October 2011
- lower domestic volumes, predominantly HRC and plate, driven by increased import competition and lower demand levels in the Australian economy.

Underlying adjustments in reported EBIT are set out in Tables 2A and 2B.

FINANCIAL POSITION

Net operating assets were 3% higher than at 30 June 2012 primarily due to a decrease in the defined benefits superannuation provision driven mainly by actuarial adjustments and fewer members following business restructuring.

MARKETS AND OPERATIONS

Direct sales to Australian building sector

- Sales volume within the domestic building sector declined 17kt to 616kt in FY2013 compared to 633kt in FY2012.
- Conditions within both residential and non-residential construction continue to remain challenging:
  - Residential: Whilst positive trends are emerging in both housing finance and new building approvals data, the loss of first home buyer incentives and constrained confidence appear to be dragging on the market.
  - Non-residential: Activity remains constrained by lack of investor confidence and funding availability. The Australian Industry Group's Performance of Construction index remained very weak over the course of FY2013, averaging around 36 points (unchanged from FY2012).
- BlueScope maintained market share for its painted and non-painted metallic coated steel products.
- Average pricing for non-painted metallic coated products declined compared to FY2012, largely due to weaker global steel prices and increased competition from imports.
- Pricing of COLORBOND® steel increased 4% in October 2012.

Sales to Distributors and direct non-building sector customers

- Sales volumes to distributors and non-building sector customers declined 180kt to 1,169kt in FY2013 compared to 1,350kt in FY2012.
- Pipe and tube industry customers have been impacted by weak market conditions in the structural pipe market, with closures in both the oil & gas and precision tube segments, combined with low project activity.
- Slowing demand growth for Australian commodities (including from China) and cost containment by the major mining

companies is seeing a slowing in mining investment and therefore sales to this end-use segment.
- Sales to manufacturing and automotive industry customers have continued to be impacted by soft domestic consumer demand as well as reduced competitiveness due to the relatively strong Australian dollar and rising conversion costs. The Australian Industry Group's Performance of Manufacturing index remained very weak over the course of FY2013, averaging around 43 points (down 3 points from FY2012).
- Distribution customers maintained low to moderate inventory levels throughout FY2013 due to volatility in prices and market conditions with volume growth weakened by slowing investment in the mining, engineering construction, residential construction and automotive industries.
- Intense import competition (particularly in plate products) continued in FY2013, driven by the high Australian dollar and low global demand for steel products. BlueScope maintained relative price competitiveness to defend against market share loss.
- Average pricing for industrial products declined compared to FY2012 largely due to soft global steel prices and increased competition from imports.

Export markets

- Despatches to export market customers in FY2013 of 0.82Mt (~75% uncoated flat products / ~25% coated products) were significantly lower than the 1.55Mt in FY2012 following the closure of No.6 Blast Furnace in October 2011.
- Prices in FY2013 softened compared to FY2012 as continued global uncertainty fuelled weaker steel demand, declines in raw material prices and steel over-capacity worldwide.

Anti-dumping cases

In the past 18 months, BlueScope has filed applications to the Australian Anti-Dumping Commission (ADC, formerly part of Customs) concerning dumping and countervailing subsidisation of steel imported into Australia, which has caused financial injury to BlueScope. In each case, ADC investigations have supported BlueScope's claims that dumping and subsidisation of imports has occurred. Status of each application is as follows:

- Hot rolled coil: In October 2012, the ADC announced provisional dumping duties for Japan, Korea, Malaysia and Taiwan. The final determination was released by the Minister on 19 December 2012, confirming there had been dumping by all countries investigated, with margins ranging between 3% and 15%. Following a further review, in July 2013 the ADC announced changes to further strengthen an element of duty calculation.
- Zinc coated and aluminium zinc coated steel: In February 2013 Customs put in place provisional duties ranging between 3% and 61% on dumping from Korea, China and Taiwan. The ADC has also put in place countervailing duties (which are not additive to dumping duties) of between 0% to 24% on imports from China. The Attorney General released his final determination on both dumping and countervailing in August 2013, confirming interim duties.
- Plate: In July 2013 the ADC put in place provisional duties ranging between 9% and 26% on certain exports from Korea, China, Indonesia and Japan. A China mill supplying 'other alloy steel', Taiwan and two large volume Korean mills have found not to be dumping at this stage. The ADC is to deliver a final recommendation on duties to the Minister by mid-October 2013.

Operations

- To enable manufacturing of our new Next Generation ZINCALUME® steel with Activate™ technology, metal coating lines No.1 and No.3 at Port Kembla underwent equipment upgrades. This technology forms the platform for manufacturing of the next generation of coated steel products that commenced in 2H FY2013.
- In March 2013, cold rolling, metal coated and painted steel production was reconfigured. This has resulted in a decrease to production levels at Western Port, while still allowing for additional throughput when demand improves. Some 110 employees and 60 contractors located at Western Port left the business. The cash cost to implement this change was $17M, which will be recovered within one year through ongoing improvements to the operating cost base.
- Changes to iron ore supply arrangements:
  - The Grange Resources contract for the supply of iron ore pellets concluded in November 2012.
  - 126Kt of iron sands was supplied to the Port Kembla Steelworks from New Zealand Steel during FY2013.
- Enterprise bargaining agreement negotiations:
  - Western Port agreement completed in August 2012, applicable until expiry on 31 October 2014.
  - Port Kembla and Springhill agreement approved by employees in June 2013. Agreement awaiting procedural Fair Work Australia approval.

BUILDING COMPONENTS & DISTRIBUTION AUST

The BCDA segment is comprised of a network of 90 roll-forming and distribution sites throughout Australia, acting as a major steel product supplier to the building and construction, automotive, white goods manufacturing and general manufacturing industries.

KEY FINANCIAL & OPERATIONAL MEASURES

Table 5: Segment performance

$M unless marked	FY2013	FY2012	Var %	2H FY2013
Sales revenue	1,375.6	1,486.2	(7%)	655.2
Reported EBIT	(30.4)	(227.3)	87%	(20.2)
Underlying EBIT	(24.8)	(45.9)	46%	(18.0)
NOA (pre-tax)	322.5	328.8	(2%)	322.5
Despatches	712.9kt	757.6kt	(6%)	348.4kt

FINANCIAL PERFORMANCE – FY2013 VS. FY2012

Sales revenue

The $110.6M decrease in sales revenue was mainly due to reduced volumes arising from increased imports and continued tough trading conditions combined with the adverse price impact of lower global steel prices and import competition.

EBIT performance

The $21.1M improvement in underlying EBIT was largely due to:

- improved margin due to lower steel feed costs partly offset by lower average selling prices
- cost benefits realised from the Distribution site restructure and ongoing tight control over discretionary spending.

These were partly offset by decreased volumes driven by increased import competition and continued tough trading conditions.

Underlying adjustments in reported EBIT are set out in Tables 2A and 2B.

FINANCIAL POSITION

Net operating assets decreased $6.3M to $322.5M at 30 June 2013.

MARKETS AND OPERATIONS

BlueScope Distribution

- Following the restructure announced in FY2012, further restructuring was implemented in FY2013:
  - An additional three branches rationalised in 1H FY2013.
  - Further branch closure in 2H FY2013.
  - Permanent overhead reductions.
- Volumes were down approximately 5% on FY2012 (normalised for closed/sold branches) with the most significant driver being the continued difficult trading environment.
- Activity in key end-use sectors was weaker:
  - Engineering construction activity contraction largely driven by tight credit conditions and shortage of tender opportunities.
  - Residential and non-residential construction activity was also weaker year on year due to ongoing economic uncertainty, tight credit conditions, weak consumer confidence and uncertainty on interest rate movements.
  - The relatively high Australian dollar, strong import competition (both of steel and prefabricated goods) and weak global demand has contributed to subdued demand in the manufacturing and transport sectors.
- The pricing and gross margin environment remained very competitive, particularly against the backdrop of falling economic activity.

BlueScope Lysaght

- Sales volumes were higher in FY2013 than FY2012 by approximately 2%. Volumes in 2H FY2013 were lower than 1H FY2013 by approximately 10% largely reflecting seasonal factors.
- Overall building market conditions remained soft with persistently low levels of investment despite further monetary policy easing.
- Residential building activity levels continued to exhibit weakness, with a recent modest improvement in the leading indicators of housing finance and building approvals yet to translate into construction activity.
- Commercial construction similarly remained subdued and continued to be adversely impacted by a lack of business confidence, tight credit conditions and economic and political uncertainty.
- Business improvement initiatives have been instigated to mitigate the impact of market conditions, including product portfolio enhancements and site rationalisation activities progressed in New South Wales, Queensland, Victoria and Tasmania.

NEW ZEALAND AND PACIFIC STEEL PRODUCTS

New Zealand Steel is the only fully integrated flat steel producer in New Zealand, producing slab, hot rolled coil and value added coated and painted products for both domestic and export markets across the Pacific Region. Operations include the manufacture and distribution of the LYSAGHT® range of products in Fiji, New Caledonia and Vanuatu.

This segment includes the Waikato North Head iron sands mine which supplies iron sands to the Glenbrook Steelworks and for export, and the Taharoa iron sands mine, which supplies iron sands for export.

KEY FINANCIAL & OPERATIONAL MEASURES

Table 6: Segment financial performance

$M	FY2013	FY2012	Var %	2H FY2013
Sales revenue	681.0	755.0	(10%)	362.1
Reported EBIT	42.5	64.7	(34%)	40.5
Underlying EBIT	42.5	68.6	(38%)	40.5
NOA (pre-tax)	466.8	296.2	58%	466.8

Table 7: Sales volume

'000 tonnes	FY2013	FY2012	Var %	2H FY2013
Domestic steel	254.9	247.2	3%	130.2
Export steel	323.1	333.2	(3%)	186.7
Total steel	578.0	580.4	(0%)	316.9
Export iron sand	1,701.4	1,140.8	49%	870.1

FINANCIAL PERFORMANCE – FY2013 VS. FY2012

Sales revenue

The $74.0M decrease in sales revenue was primarily due to lower international and domestic selling prices and an adverse destination mix to a higher proportion of export despatches.

EBIT performance

The $26.1M decrease in underlying EBIT was largely due to:

- lower iron sands prices in line with global iron ore prices
- reduced spread driven by:
  - lower international prices combined with the flow-on impact to domestic prices combined with a stronger NZ$
  - partly offset by lower coal purchase prices.

These were partly offset by:

- higher iron sands export volumes driven by the receipt of the new Taharoa Destiny vessel and Waikato North Head commencing exports in 2H FY2012
- improved fixed cost recoveries from higher production volumes
- lower conversion and other costs driven by tight control of spend.

Underlying adjustments in reported EBIT are set out in Tables 2A and 2B.

FINANCIAL POSITION

Net operating assets were $170.6M higher than at 30 June 2012 primarily due to lower provisions in relation to defined benefits superannuation fund and capital expenditure including finance lease assets.

MARKETS & OPERATIONS

Domestic sales

- Domestic residential building activity has picked up in 2H FY2013, especially in Auckland and Canterbury (Christchurch and surrounding districts). This was reflected in increased sales of coated steel.
- The weak US$ has impacted domestic prices.
- Agricultural investment remains subdued as farmers continue to reduce debt. The recent drought will impact new investment over the next year.

Export sales

- Export steel despatch volumes were similar to FY2012 with export prices down nearly 14% due to low global pricing and the weakness of the US$.
- Iron sands exports from Taharoa and Waikato North Head of 1.71Mt, a 49% increase on FY2012 due to larger capacity on the new Taharoa Destiny vessel, and increased despatches from Waikato North Head.
- Iron sand prices were down on FY2012 consistent with the decrease in global iron ore pricing.
- Export iron sands expansion:
  - The land-side investment in iron sands mining capacity expansion at Taharoa is on track for completion around the end of CY2013.
  - Increased production off-take is intended to be transported via a customer owned second vessel, for which delivery has been delayed until during CY2015.
  - Once expansion is complete, and prior to delivery of a second vessel, BlueScope expects to tranship some incremental volume via Port Kembla harbour.

BUILDING PRODUCTS ASEAN, NORTH AMERICA & INDIA

BlueScope is a technology leader in metal coated and painted steel building products, principally focused on the Asia-Pacific region, with a wide range of branded products that include pre-painted COLORBOND® steel, zinc/aluminium alloy-coated ZINCALUME® steel and the LYSAGHT® range of building products.

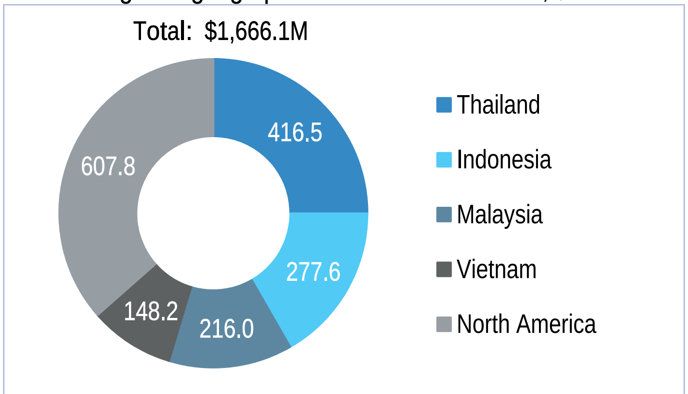
The Company has an extensive footprint of metallic coating, painting and steel building product operations in China, India, Indonesia, Thailand, Vietnam, Malaysia and North America primarily servicing the residential and non-residential building and construction industries across Asia, and the non-residential construction industry in North America. BlueScope operates in ASEAN and North America in partnership with Nippon Steel & Sumitomo Metal Corporation (NSSMC) and in India with Tata Steel. Both are 50/50 joint ventures with BlueScope controlling and therefore consolidating the joint venture with NSSMC, and jointly controlling and therefore equity accounting the joint venture with Tata Steel.

KEY FINANCIAL & OPERATIONAL MEASURES

Table 8: Segment performance

$M unless marked	FY2013	FY2012	Var %	2H FY2013
Sales revenue	1,635.5	1,643.7	(1%)	835.1
Reported EBIT	70.5	51.3	37%	39.1
Underlying EBIT	79.6	51.2	55%	48.2
NOA (pre-tax)	936.0	870.3	8%	936.0
Despatches	1,344.0kt	1,256.5kt	7%	687.4kt

Chart 2: Segment geographic sales revenue FY2013, $M [1]



1) Chart does not include $30.6M of eliminations (which balances back to total segment revenue of $1,635.5M). Chart also does not show India, which is equity accounted.

FINANCIAL PERFORMANCE – FY2013 VS. FY2012

Sales revenue

The $8.2M decrease in sales revenue was mainly due to lower pricing across all regions, partly offset by higher despatch volumes in all regions except Malaysia and favourable foreign exchange rate impacts mainly in Thailand.

EBIT performance

The $28.4M improvement in underlying EBIT was largely due to:

- higher spreads with lower steel feed costs partly offset by lower selling prices
- higher volumes and improved mix predominantly from Thailand recovering from the impact of floods in 1H FY2012.
- favourable impact from exchange rate movements, particularly Thailand.

Partly offset by:

- higher marketing costs in Thailand and Vietnam delivering volume growth
- higher conversion and other costs in Malaysia driven by project costs, repairs and maintenance and staff costs and conversion costs in Thailand driven by utility rates and staff costs.

Underlying adjustments in reported EBIT are set out in Tables 2A and 2B.

FINANCIAL POSITION

Net operating assets increased $65.7M since 30 June 2012 primarily reflecting higher inventory holdings mainly at Thailand, Indonesia and Steelscape and capital expenditure during the year partly offset by higher creditors.

MARKETS AND OPERATIONS

Thailand (BST)

- Domestic steel demand has remained robust and stable, underpinned by continued political stability, local and foreign investment in factories and warehouses, and infrastructure development from Government in rail, road and water management as result of floods in 1H FY2012.
- FY2013 total despatch volume was stronger than FY2012 driven by increased marketing efforts, product innovation and improved domestic demand. In addition, FY2012 was adversely impacted by severe flooding in Thailand.
- Demand in the market segments was varied:
  - Industrial and commercial demand peaked in January – March (high "dry" season in Thailand), driving strong despatch volumes and favourable mix of premium products but has slowed down post the Songkran festival in April, entering the low, rainy season. Competition continues to increase with new domestic painted and coated suppliers commencing operations in the last quarter of FY2013 and aggressively pursuing market share. In addition low priced import volumes particularly from China and Vietnam have continued to grow in 2H FY2013 resulting in a highly competitive environment dynamic entering FY2014.
  - Volumes to the residential segment in Northern Thailand continue to grow steadily as overall wealth continues to increase in the emerging Thai middle class driving improved living standards and housing development. However competition is also strong in these regional and rural areas both from imported steel and a mature cement tile market.
- A stronger FY2013 EBIT performance was achieved through several successful initiatives in sales, marketing and operations:
  - customer loyalty programs
  - strong focus on specification in Industrial and Commercial segment (with architects, contractors and designers) to grow premium sales
  - new product distributor programs aimed at combating import competition, particularly in the residential segments and Northern Thailand region
  - launch of new painted products focused on residential segments supported by strong marketing and advertising campaigns to drive brand awareness

- minimising cost expansion in manufacturing costs, operational cost saving through energy re-use initiatives and sourcing competitively priced raw materials.

Vietnam (BSV)

- Despatch volume growth has been achieved mainly in the residential channel, while industrial and commercial demand was comparatively soft given prevailing business and macroeconomic conditions.
- This growth was achieved through:
  - efforts to grow our share of residential customers' expenditure through various relationship management programs
  - introduction of new painted products: ZACS Feng Shui with 10-year warranty to create differentiation in premium residential segment and Sac Viet – an affordable product targeting low and medium income consumers in the low-end residential segment
  - increasing brand marketing and product differentiation by organising new product and technical seminars for key customers who are also market leaders in each local provincial market
  - increasing specification in the industrial and commercial segment to grow premium sales.

Indonesia (BSI)

- Despatch volumes grew by 6% in FY2013 compared with FY2012, driven by an improvement in customer diversity and better yield performance from the metal coating lines. 2H FY2013 saw higher despatch volumes of 20% over 1H FY2013, largely a result of seasonality in demand marked by the Lebaran holiday in August 2012.
- Competition remained strong with increased volumes of lower-priced imports negatively impacting spreads.
- With anti-dumping duties levied on cold rolled coil by the Indonesian government in March 2013, managing the cost of cold-rolled coil feed has become a strategic focus. Mitigating actions include new sourcing strategy in place to procure from unaffected countries, namely Australia and India.
- NS BlueScope Indonesia's sales efforts are being focused on strengthening market presence in retail and project channels while further diversifying the customer base.

Malaysia (BSM)

- Total despatch volumes were marginally lower compared with FY2012. This was primarily driven by a slow-down in business activity before the national elections as well as strong competition from imports.
- The Malaysian Government is evaluating steel policies to address the impact of the high influx of low-cost steel products entering the country and damaging local business.
- The coating business continues to focus on growing domestic market share and improving penetration into the residential projects and retail channels via strong alliance with local professional associations including architects, engineers, surveyors and property developers. The downstream business is well positioned to leverage government regional development initiatives in the industrial, commercial and residential segments for roofing and walling, trusses and door window frames with roller shutters.

North America (Steelscape & ASC Profiles)

- Despatch volumes increased by 12% over FY2012 for the downstream business (ASC Profiles) and 2% for the midstream business (Steelscape). Downstream volume growth was better than market, attributable to a strong market for solar structures in 1H and an increase in large competitively bid structural deck jobs in 2H.
- North American operations are primarily exposed to the west coast non-residential construction market, of which the private sector saw slow growth, while the public sector saw a slight decline in activity.
- Competition, primarily from import sources, remains stiff resulting in compressed margins in all segments.
- In July 2012, North America Building Products launched a comprehensive program for sustained profitability. Significant restructuring has been undertaken to lower the cost structure, including consolidation of several businesses into one, closure of BlueScope Water (in North America) and other organisational and facility rationalisations.
- In FY2014 the business will focus on the growing U.S. residential market, and new products and finishes.

India (in joint venture with Tata Steel (50/50) for all operations)

- Volume growth due to first full year of coated steel operations.
- Indian steel roofing market grew around 10%, largely due to increased sales of painted products. The Aluminium-Zinc Coated Steel market witnessed a growth of ~30% driven by painted products demand from the retail market (residential and small-to-medium enterprises). Commercial project market saw moderate growth of ~5%.
- To cater to the growing market for roll formed products, the downstream business commissioned two new operational plants at very low cost base.
- Initiatives have been identified to expand the Durashine® retail network through an increase in distributor numbers from 29 to 33 and an increase in active dealers from 1,000 to over 1,400.

GLOBAL BUILDING SOLUTIONS

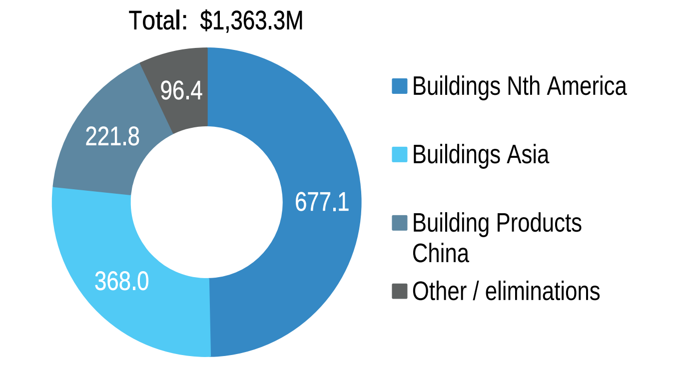
BlueScope's Global Building Solutions business is a global leader in EBS, servicing the needs of global customers from engineering and manufacturing bases in Asia and North America. Buildings are generally low-rise non-residential solutions. EBS plants are located in China, Thailand, Vietnam, North America, Saudi Arabia and India. As part of integrated value-chain feeding the EBS operations, this segment includes BlueScope's steel metal coating, painting and Lysaght operations in China (Building Products China). GBS is expanding its global engineering capabilities through the roll-out of a common engineering software system across BlueScope's Buildings businesses. This system is in place in North America and is currently being installed across businesses in Asia.

KEY FINANCIAL & OPERATIONAL MEASURES

Table 9: Segment performance

$M unless marked	FY2013	FY2012	Var %	2H FY2013
Sales revenue	1,363.3	1,446.3	(6%)	634.8
Reported EBIT	18.4	(6.4)	388%	1.0
Underlying EBIT	26.4	32.5	(19%)	9.0
NOA (pre-tax)	596.4	509.9	17%	596.4
Despatches	552.4kt	588.0kt	(6%)	246.4kt

Chart 3: Segment geographic sales revenue FY2013, $M



FINANCIAL PERFORMANCE – FY2013 VS. FY2012

Sales revenue

The $83.0M decrease in sales revenue was mainly due to reduced volumes, particularly in Buildings Asia (specifically China) and lower pricing across all regions.

EBIT performance

The $6.1M decrease in underlying EBIT was largely due to:

- $7.7M one-off prior period (FY2005-FY2009) provision adjustment in Buildings Asia
- lower despatch volumes in Buildings China driven by general slowdown in building and construction activity and resultant impact on higher per unit conversion costs.

Partly offset by:

- improved margins driven by lower steel feed costs partly offset by lower domestic prices
- higher volumes in Buildings North America with continued improvement in the U.S. non-residential construction market.

Underlying adjustments in reported EBIT are set out in Tables 2A and 2B.

FINANCIAL POSITION

Net operating assets increased $86.5M compared to 30 June 2012 primarily reflecting capital expenditure (primarily at Xi'an, China), higher receivables driven by phasing of despatch volumes and collections combined with exchange fluctuation due to a weaker A$, partly offset by higher creditors.

MARKETS AND OPERATIONS

Buildings North America

- This business had a significant improvement in EBIT performance, largely due to the benefits derived from a targeted profit improvement project and the integration of manufacturing processes.
- Despatch volumes were up 7% in FY2013 to 211Kt, driven by an increase in the U.S. non-residential construction market. This increase was influenced by a significant refocus on new product development and enhanced product differentiation. At the end of June 2013, the business' backlog is up 8% compared to this time last year.
- General indicators of activity, such as F.W. Dodge analysis of non-residential construction and the Architectural Billings Index point to continued improvement in the U.S. non-residential construction market.

Buildings Asia (China & ASEAN)

- Approximately 75% of sales revenue was derived from the China business unit; the remaining 25% across ASEAN.
- Sales mix is approximately 50% private, 40% FDI and JVs and 10% state owned enterprises and government.
- Despatch volumes in the China business deteriorated due to a slowdown in building and construction activity as both private and government participants have reduced or delayed investment. ASEAN despatch volume increased 13% relative to FY2012.
- Across both China and ASEAN, the business is actively pursuing targeted initiatives to increase sales and reduce cost.
- The fourth China buildings plant in Xi'an (western China) is now complete and production trials are progressing. Development was finalised on time and on budget.

Building Products China

- Despite challenging conditions in the China market, and slightly lower despatch volume (due to lower internal demand from the Buildings Asia business), targeted initiatives increased the proportion of higher value-added painted product sales compared to FY2012.

BlueScope Solutions Australia

- Sells commercial buildings, residential sheds, patio roofing and garages and water storage solutions to the rural, commercial, resources and residential sectors in Australia. Water tank products are sold domestically and abroad through an international distributor network.
- The Water business disposed of its loss making residential business in August 2012 to focus on its larger Commercial and Rural tank products.

Engineered Building Solutions Global Accounts

- The Global Accounts group, formed in FY2013, is primarily focused on management and development of global strategic partnerships with multi-national customers (Program Accounts) and expansion into non-traditional global territories.
- Sales generated through these global accounts are reported in the business unit that supplies the solution.
- Recent success with Program Accounts has secured projects in India, Indonesia, Venezuela and on the African continent.

HOT ROLLED PRODUCTS NORTH AMERICA

This segment is comprised primarily of BlueScope's 50% interest in North Star BlueScope Steel, a single site electric-arc furnace producer of hot rolled coil production in Ohio, U.S.. The segment also includes BlueScope's 47.5% interest in Castrip LLC, a thin strip casting technology joint venture with Nucor and IHI Ltd.

KEY FINANCIAL & OPERATIONAL MEASURES

Table 10: Segment performance

$M unless marked	FY2013	FY2012	Var %	2H FY2013
Sales revenue [1]	-	-	-	-
Reported EBIT [2]	66.7	62.2	7%	33.6
Underlying EBIT [2]	66.7	62.2	7%	33.6
NOA (pretax)	95.3	72.9	31%	95.3
Despatches [3]	983.2kt	962.8kt	2%	507.1kt

1) Excludes the Company's 50% share of NSBSL's sales revenue of A$620.7M in FY2013 (A$683.2M in FY2012 and A$321.2M in 2H FY2013).
2) Includes 50% share of net profit before tax from NSBSL of A$69.6M in FY2013 (A$63.9M in FY2012 and A$35.7M in 2H FY2013).
3) Reflects BlueScope's 50% share from NSBSL.

FINANCIAL PERFORMANCE – FY2013 VS. FY2012

Sales revenue

The segment is comprised of two equity accounted investments and as such has no sales revenue recorded in the Group accounts. Disclosures in relation to financial position are provided in Note 46 of the financial statements.

EBIT performance

The $4.5M improvement in underlying EBIT was largely due to lower depreciation charges and various cost reduction initiatives. These were partly offset by weaker spread driven with lower selling prices more than offsetting lower scrap costs.

FINANCIAL POSITION

Net operating assets are largely comprised of BlueScope's equity accounted investment in North Star ($94.9M of $95.3M). The $22.4M increase in net operating assets primarily reflects earnings of the NSBSL joint venture being higher than the dividends returned to the owners.

MARKETS AND OPERATIONS

North Star BlueScope Steel

- NSBSL sells approximately 80% of its production in the Mid-West, U.S., with its end customer segment mix being broadly 45% automotive, 25% construction, 10% agricultural and 20% manufacturing/industrial applications.
- Despatches for FY2013 were up 20kt on FY2012, at 983kt (BSL share).
- High capacity utilisation rates, relative to the market, have been maintained by NSBSL through ability to retain existing customers and win new customers by consistently meeting market expectations for on-time delivery and quality.
- During the period, NSBSL was again voted the #1 North American flat rolled steel supplier in the Jacobson survey for customer satisfaction. It has held this title for 12 consecutive years.

OTHER INFORMATION

SAFETY

- The Company remains committed to its goal of Zero Harm.
- Occupational health and safety performance for FY2013 is as follows:
  - Lost Time Injury Frequency Rate of 0.6, down from 0.9 in FY2012.
  - Medically Treated Injury Frequency Rate of 5.7, unchanged from FY2012.
- There was a fatality at our Jackson, Tennessee buildings site on 27 May 2013, with the tragic death of Mr Crane, a Contractor.

ENVIRONMENT

ENVIRONMENTAL MANAGEMENT

- The BlueScope Steel Environment Management System comprises the following major elements:
  - Our Bond
  - Health, Safety and Environment Committee Charter
  - Environment Principles
  - Environment Standards
  - BSL wide procedures and guidelines
  - Operational procedures.
- BlueScope continues to work on improving its environmental performance and systems through its network of environment reviews and audits, implementation of its compliance systems, the business planning process and risk management practices.

AUSTRALIAN CARBON PRICING MECHANISM

- BlueScope is a liable entity under the Carbon Pricing Mechanism (CPM), which came into operation on 1 July 2012.
- As such BlueScope will be required to annually obtain and surrender emission units to cover the Company's direct (Scope 1) greenhouse gas emissions from liable facilities within Australia. The Company will also face increases in electricity (Scope 2), natural gas and other costs as suppliers seek to pass though their own carbon costs (Scope 3). However, the Company does not expect to face Scope 3 costs from coal suppliers as the Government has signalled its intent to limit the potential pass-through of such.
- The Australian Government is allocating carbon units to emissions-intensive, trade-exposed activities, including iron and steelmaking through the Jobs and Competitiveness Programme.
- An initial fixed price phase will apply for three years, and from July 2015 a market-determined cap-and-trade price will apply (subject to a price ceiling). However, the current Government has recently announced its intention to bring forward the floating price to be effective from July 2014, which it estimates would result in a carbon price of approximately $6 per tonne based on current European prices (the current FY2014 Australian carbon price is fixed at $24.15 per tonne). The Government has indicated there would be no change to industry assistance arrangements for emissions-intensive trade-exposed companies.
- During the cap-and-trade phase, Australian liable entities will be able to use international carbon units to acquit a proportion of their obligations: under current legislation up to 12.5% of an entity's liability will be able to be met with Kyoto units, and an additional 37.5% of the entity's liability can be met with units issued under the European Emissions Trading Scheme.
- The Company remains focused on improving the energy and carbon efficiency of all its operations.
- When funds from the STP are taken into account, the Company does not expect to face a net carbon liability over the initial four year period.
- The Federal Coalition has said that if elected to govern in 2013 it will abolish the carbon tax and replace it with a 'direct action' policy. Details of the direct action policy are not clear at this time.

STEEL TRANSFORMATION PLAN (STP)

- The STP is a $300M program that aims to encourage investment, innovation and competitiveness in the Australian steel manufacturing industry in order to assist the industry to transform into an efficient and economically sustainable industry in a low carbon economy.
- BlueScope has registered as a participant in the STP and is complying with the requirements of the STP legislation.
- The Company expects to be entitled to receive $183M over the four years of the STP. In January 2012 the Government announced that it would provide BlueScope with a competitiveness assistance advance of $100M.

NEW ZEALAND EMISSIONS TRADING SCHEME

- The Company is also a liable entity under New Zealand's ETS.
- The activity of iron and steel manufacturing from iron sands as undertaken by New Zealand Steel has been assessed to be highly emissions-intensive and trade-exposed, and New Zealand Steel therefore qualifies for the allocation of Emission Units at the maximum rate (90%).
- The ETS is currently in a 'transition period'. During this period participants must surrender one emission unit for two tonnes of carbon dioxide equivalent emissions, allocation of units to energy-intensive and trade-exposed activities is halved, and it is possible to buy units at market price or at a fixed price of NZ$25 per tonne from the government. In July 2012 the New Zealand Government announced that it would effectively retain the current key transitional arrangements until a further review in 2015.
- Concerns in relation to the phasing out of the 50% surrender obligation and the introduction of a decay rate materially increasing the ETS costs faced by New Zealand Steel have for now been allayed.

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ABBREVIATIONS

1H FY2012	Six months ended 31 December 2012
1H FY2013	Six months ended 31 December 2011
2H FY2012	Six months ended 30 June 2012
2H FY2013	Six months ended 30 June 2013
ADC	Anti-Dumping Commission
ASEAN	Association of South East Asian Nations
AUD, A$	Australian dollar
BANZ	BlueScope Australia and New Zealand (comprising CIPA, BCDA and NZS segments)
BCDA	Building Components & Distribution Australia segment
BP	Building Products, ASEAN, North America and India segment
BSL	BlueScope Steel Limited and its subsidiaries
CIPA	Coated & Industrial Products Australia segment
DPS	Dividend per share
EAF	Electric arc furnace
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBS	Engineered building solutions, a key product offering of the GBS segment
EITE	Emissions-intensive, trade-exposed
EPS	Earnings per share
FDI	Foreign direct investment
FY2012	12 months ended 30 June 2012
FY2013	12 months ended 30 June 2013
GBS	Global Building Solutions segment
Gearing ratio	Net debt divided by the sum of net debt and equity
Group, Company	BlueScope Steel Limited and its subsidiaries
HRPNA, HRP North America	Hot Rolled Products North America segment
IFRS	International Financial Reporting Standards
Net debt	Gross debt less cash
NOA (pre-tax)	Net operating assets
NPAT	Net profit after tax
NRV	Net realisable value adjustment
NSBCP	NS BlueScope Coated Products joint venture
NSBSL	North Star BlueScope Steel
NSSMC	Nippon Steel & Sumitomo Metal Corporation
NZPac	New Zealand Steel & Pacific Products segment
NZS	New Zealand Steel
ROIC	Return on invested capital (or ROIC) – underlying EBIT (annualised in case of half year comparison) over average monthly capital employed
STP	Steel Transformation Plan
USD, US$	United States dollar

ANNEXURE: DETAILED TABLES

A. SEGMENTAL FINANCIAL TABLES

Table 11: Segmental sales revenue & reported EBIT

	Sales revenue			Reported EBIT		
$M	FY2013	FY2012	2H FY2013	FY2013	FY2012	2H FY2013
CIPA	3,349.4	4,279.6	1,681.5	(44.9)	(725.8)	(52.3)
BCDA	1,375.6	1,486.2	655.2	(30.4)	(227.3)	(20.2)
NZ & Pacific	681.0	755.0	362.1	42.5	64.7	40.5
Inter-segment [1]	(680.1)	(710.2)	(341.8)	(5.2)	3.0	(1.5)
Sub-total BANZ	4,725.9	5,810.6	2,357.0	(38.0)	(885.4)	(33.5)
GBS	1,363.3	1,446.3	634.8	18.4	(6.4)	1.0
BP	1,635.5	1,643.7	835.1	70.5	51.3	39.1
HRPNA [2]	0.0	0.0	0.0	66.7	62.2	33.6
Corporate / Group	0.0	0.0	0.0	(64.8)	(80.8)	(33.7)
Inter-segment [1]	(450.5)	(447.1)	(247.7)	(0.7)	0.3	(0.7)
Continuing Bus.	7,274.2	8,453.6	3,579.2	52.1	(858.8)	5.8
Discontinued Bus.	0.0	164.1	0.0	(0.4)	38.5	(0.6)
Inter-segment [1]	0.0	(15.0)	0.0	(0.0)	0.4	(0.0)
Total	7,274.2	8,602.7	3,579.2	51.7	(819.9)	5.2

Table 12: Segmental underlying EBITDA and underlying EBIT
Note: A reconciliation of underlying EBITDA/EBIT to reported EBITDA/EBIT for the group is provided in Tables 2A and 2B.

	Underlying EBITDA			Underlying EBIT		
$M	FY2013	FY2012	2H FY2013	FY2013	FY2012	2H FY2013
CIPA	150.4	(150.6)	71.5	(20.3)	(327.3)	(14.7)
BCDA	(7.5)	(27.3)	(9.4)	(24.8)	(45.9)	(18.0)
NZ & Pacific	89.4	113.2	62.9	42.5	68.6	40.5
Inter-segment [1]	(5.1)	3.1	(1.4)	(5.2)	3.0	(1.5)
Sub-total BANZ	227.2	(61.6)	123.6	(7.8)	(301.6)	6.3
GBS	59.1	66.2	25.6	26.4	32.5	9.0
BP	127.4	98.2	72.6	79.6	51.2	48.2
HRPNA [2]	66.7	62.2	33.6	66.7	62.2	33.6
Corporate / Group	(61.3)	(66.7)	(31.8)	(61.5)	(69.4)	(32.0)
Inter-segment [1]	(0.8)	0.3	(0.8)	(0.6)	0.4	(0.5)
Continuing Bus.	418.3	98.6	222.8	102.8	(224.7)	64.6
Discontinued Bus.	0.0	0.0	0.0	0.0	0.0	0.0
Inter-segment [1]	0.0	0.3	0.0	0.0	0.4	0.0
Total	418.3	98.9	222.8	102.8	(224.3)	64.6

Notes to Tables 11 & 12:
1) 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.
2) Excludes the Company's 50% share of NSBSL's sales revenue of A$620.7M in FY2013 (A$683.2M in FY2012 and A$321.2M in 2H FY2013).

Table 13: Reconciliation of underlying EBIT to underlying NPAT

$M	FY2013	FY2012	2H FY2013
Underlying EBIT	102.8	(224.3)	64.6
Underlying finance costs [1]	(69.8)	(112.1)	(34.9)
Interest revenue	3.6	3.1	1.5
Tax on Underlying Earnings	14.6	111.4	3.1
Outside equity interest	(21.5)	(15.6)	(14.5)
Underlying NPAT / (NLAT)	29.7	(237.5)	19.8
Add-back period-end NRV charge [2]	29.0	31.7	29.0
Underlying NPAT / (NLAT) before period-end NRV charge	58.7	(205.8)	48.8

1) FY2012 reflects finance costs of $120.4M adjusted for pre-tax value of underlying adjustment relating to borrowing amendment fees ($8.3M). FY2013 reflects finance costs of $82.9Madjusted for pre-tax value of underlying adjustment relating to make-whole payment associated with buy-back of U.S. Private Placement Notes ($13.1M).
2) NRV provision taken-up at period-end is an expense. It is shown as a positive number here in adding back the charge to reach a pre-NRV charge assessment of NPAT/NLAT.

B. DESPATCH VOLUME TABLES

Table 14: Segment summary despatch report

'000 Tonnes	FY2013	FY2012	Variance %	2H FY2013
Coated & Industrial Products Australia	2,614.9	3,544.2	(26%)	1,367.0
Building Components & Distribution Australia	712.9	757.6	(6%)	348.4
New Zealand & Pacific Steel Products	578.0	580.4	(0%)	316.9
Global Building Solutions	552.4	588.0	(6%)	246.4
Building Products ASEAN, Nth Am & India	1,344.0	1,256.5 [1]	7%	687.4
Hot Rolled Products North America	983.2	962.8	2%	507.1
Discontinued Businesses	-	26.3	(100%)	-
Less sales between BlueScope segments	(1,031.1)	(961.4)	7%	(549.7)
Total Group External Steel Despatches	5,754.3	6,754.4	(15%)	2,923.5

1) FY2012 amended to reflect 50% of Tata BlueScope Steel JV volumes (previously showed 100%)

Table 15: Australian summary despatch report

'000 Tonnes	FY2013	FY2012	Variance %	2H FY2013
CIPA Domestic Despatches	1,791.0	1,990.6	(10%)	888.4
BCDA Domestic Despatches	696.7	746.6	(7%)	338.6
- less intersegment domestic sales & other	(426.0)	(424.7)	0%	(213.2)
Australian Domestic Steel Despatches	2,061.7	2,312.5	(11%)	1,013.8
- less despatches of third party product (1)	(280.0)	(307.8)	(9%)	(136.5)
Despatches of BSL Steel in Australia to Domestic Customers	1,781.7	2,004.7	(11%)	877.3
- plus export despatches to external customers	320.9	1,131.1	(72%)	188.7
- plus export despatches to internal customers	519.2	433.5	20%	299.7
- less export despatches of third party product (1)	(8.4)	(7.5)	12%	(3.7)
Despatches of BSL Steel from Australia (to domestic & export customers)	2,613.4	3,561.8	(27%)	1,362.0

1) Primarily long products sold through Distribution business

Table 16: Detailed production & despatch report

'000 Tonnes		FY2013	FY2012	Variance %	2H FY2013
Coated & Industrial Products Australia					
Raw Steel Production		2,629.3	3,150.0	(17%)	1,300.8
Steel Despatches (External & Intersegment)					
- Domestic	- Slab	-	-	-	-
	- HRC	505.9	634.7	(20%)	261.2
	- Plate	250.3	301.9	(17%)	115.2
	- Other (CRC, Metal Coated & Painted)	1,034.8	1,054.0	(2%)	512.0
	- Total	1,791.0	1,990.6	(10%)	888.4
- Export	- Slab	1.7	217.6	(99%)	1.7
	- HRC [1]	607.8	877.1	(31%)	348.2
	- Plate	16.8	81.6	(79%)	5.2
	- Other (CRC, Metal Coated & Painted)	197.6	377.3	(48%)	123.5
	- Total	823.9	1,553.6	(47%)	478.6
Total Steel Despatches		2,614.9	3,544.2	(26%)	1,367.0
External Coke Despatches		711.2	515.8	38%	352.0
Building Components & Distribution Australia					
Steel Despatches (External & Intersegment) [2]					
- Domestic		696.7	746.5	(7%)	338.6
- Export		16.2	11.1	46%	9.8
Total Steel Despatches		712.9	757.6	(6%)	348.4
New Zealand / Pacific Steel					
Raw Steel Production		625.7	606.4	3%	305.7
Steel Despatches (External & Intersegment)					
- Domestic		254.9	247.2	3%	130.2
- Export		323.1	333.2	(3%)	186.7
Total Steel Despatches		578.0	580.4	(0%)	316.9
Iron Sands Despatches		1,701.4	1,140.8	49%	870.1
Global Building Solutions					
Total Steel Despatches [2]		552.4	588.0	(6%)	246.4
Building Products ASEAN, Nth Am & India					
Steel Despatches (External & Intersegment) [2]					
- Domestic		1,268.8	1,191.8	6%	647.8
- Export [3]		75.2	64.7	16%	39.6
Total Steel Despatches		1,344.0	1,256.5	7%	687.4
Hot Rolled Products North America					
Raw Steel Production [4]		1,008.7	985.1	2%	512.5
Total Steel Despatches (all domestic) [4]		983.2	962.8	2%	507.1
Discontinued Businesses					
Total Steel Despatches		0	26.3	(100%)	0

1) Export HRC despatches comprised of:

	FY2013	FY2012	2H FY2013
- Building Products North America	297.9	235.8	155.9
- Building Products Thailand	167.4	169.3	91.9
- Other	142.5	472.0	100.4

2) The operations of this segment do not produce raw steel; rather, steel is sourced from a range of local suppliers as well as from other BlueScope Steel operating segments
3) Reflects despatches from the country of production to external customers in other countries within Asia, the Pacific Islands, South Africa and Europe.
4) Reflects BlueScope Steel's 50% share from North Star BlueScope Steel.

C. GLOBAL BUILDING SOLUTIONS SEGMENT DETAIL

Table 17: Despatch & financial details

	FY2013	FY2012	2H FY2013
Total despatches ('000 tonnes)			
Buildings North America	210.8	196.9	99.0
Buildings Asia [1]	211.0	252.6	89.9
Building Products China [2]	164.4	176.1	73.0
Other / Eliminations	(33.8)	(37.6)	(15.5)
Total	552.4	588.0	246.4
Sales revenue ($M)			
Buildings North America	677.1	665.1	323.4
Buildings Asia [1]	368.0	445.3	164.1
Building Products China [2]	221.8	241.2	98.8
Other / Eliminations	96.4	94.7	48.5
Total	1,363.3	1,446.3	634.8
Reported EBIT ($M)			
Buildings North America	13.7	(14.5)	1.0
Buildings Asia [1]	4.0	29.8	3.7
Building Products China [2]	21.9	18.8	9.5
Other / Eliminations	(21.2)	(40.5)	(13.2)
Total	18.4	(6.4)	1.0
Underlying EBIT ($M)			
Buildings North America	13.7	(2.0)	1.0
Buildings Asia [1]	4.0	29.8	3.7
Building Products China [2]	21.9	18.8	9.5
Other / Eliminations	(13.2)	(14.1)	(5.2)
Total	26.4	32.5	9.0
Net operating assets pre-tax ($M)			
Buildings North America	332.9	273.0	332.9
Buildings Asia [1]	68.6	36.8	68.6
Building Products China [2]	142.7	136.9	142.7
Other / Eliminations	52.2	63.2	52.2
Total	596.4	509.9	596.4

1) Includes Buildings China and Buildings ASEAN operations
2) Includes Coated Products China and Lysaght China

D. BUILDING PRODUCTS SEGMENT DETAIL

Table 18: Despatch & financial details

	FY2013	FY2012	2H FY2013
Total despatches ('000 tonnes)			
Thailand	352.7	324.8	172.7
Indonesia	219.0	207.9	118.9
Malaysia	152.2	159.1	78.3
Vietnam	123.5	111.6	66.0
North America	436.3	431.4	216.6
India	90.0	56.3 [1]	49.4
Other / Eliminations	(29.7)	(34.6)	(14.5)
Total	1,344.0	1,256.5	687.4
Sales revenue ($M)			
Thailand	416.5	391.8	209.3
Indonesia	277.6	287.8	151.6
Malaysia	216.0	221.3	113.0
Vietnam	148.2	139.4	79.4
North America	607.8	640.5	298.8
India	0.0	0.0	0.0
Other / Eliminations	(30.6)	(37.1)	(17.0)
Total	1,635.5	1,643.7	835.1
Reported EBIT ($M)			
Thailand	48.1	27.2	27.2
Indonesia	9.9	13.8	6.7
Malaysia	26.9	27.5	15.2
Vietnam	11.9	9.5	6.1
North America	(4.7)	(5.7)	(5.6)
India	(13.8)	(15.3)	(5.7)
Other / Eliminations	(7.8)	(5.7)	(4.8)
Total	70.5	51.3	39.1
Underlying EBIT ($M)			
Thailand	48.1	27.2	27.2
Indonesia	9.9	10.4	6.7
Malaysia	27.3	27.5	15.6
Vietnam	11.9	9.5	6.1
North America	4.0	(2.4)	3.1
India	(13.8)	(15.3)	(5.7)
Other / Eliminations	(7.8)	(5.7)	(4.8)
Total	79.6	51.2	48.2
Net operating assets pre-tax ($M)			
Thailand	212.9	206.9	212.9
Indonesia	227.9	198.9	227.9
Malaysia	127.8	88.9	127.8
Vietnam	75.2	71.6	75.2
North America	280.8	264.0	280.8
India	32.0	31.6	32.0
Other / Eliminations	(20.6)	8.4	(20.6)
Total	936.0	870.3	936.0

1) FY2012 amended to reflect 50% of Tata BlueScope Steel JV volumes (previously showed 100%).

E. DISCONTINUED BUSINESSES DETAIL

Table 19: Despatch & financial details

	FY2013	FY2012	2H FY2013
Total despatches (‘000 tonnes)			
Packaging Products	0.0	0.0	0.0
Lysaght Taiwan	0.0	0.0	0.0
Metl-Span	0.0	26.3	0.0
Total	0.0	26.3	0.0
Sales revenue ($M)			
Packaging Products	0.0	0	0.0
Lysaght Taiwan	0.0	0	0.0
Metl-Span	0.0	164.1	0.0
Total	0.0	164.1	0.0
EBIT ($M)			
Packaging Products	0.0	0.0	0.0
Lysaght Taiwan	(0.1)	(0.1)	0.0
Metl-Span	(0.1)	38.6	(0.4)
Total	(0.2)	38.5	(0.4)
Net operating assets pre-tax ($M)			
Packaging Products	0.0	0.0	0.0
Lysaght Taiwan	(3.9)	(3.7)	(3.9)
Metl-Span	0	0.0	0.0
Total	(3.9)	(3.7)	(3.9)