

BlueScope Steel Limited
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ASX Code: BSL



24 August 2015


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

Dear Sir,

Earnings Report for the twelve months ended 30 June 2015

In addition to the contemporaneously lodged Appendix 4E, Directors' Report and Financial Report for the twelve months ended 30 June 2015, I attach the Company's FY2015 Earnings Report.

Yours faithfully



Michael Barron
Company Secretary
BlueScope Steel Limited

RESULTS SUMMARY

Key Financial Measures – Twelve months ended 30 June 2015 and 30 June 2014 ¹

\$M unless marked	FY2015	FY2014	Variance %
Total revenue ²	8,571.7	8,006.7	7%
EBITDA – underlying ³	644.8	590.4	9%
EBIT – reported ³	296.6	102.3	190%
EBIT – underlying ³	301.8	264.1	14%
NPAT attributable to BSL holders			
- reported	136.3	(82.4)	265%
- underlying	134.1	123.5	9%
Earnings per share (cents)	24.3 cps	(14.8) cps	264%
Interim dividend (cents)	3.0 cps	Nil	n/a
Final dividend (cents)	3.0 cps	Nil	n/a
Return (underlying EBIT) on invested capital (%)	5.9%	5.5%	40bp
Net debt	275.2	261.6	5%
Gearing (%)	5.5%	5.5%	-
Net tangible assets per share (\$)	6.35	6.17	3%

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. Tables 2A and 2B explain why management has disclosed underlying results and reconcile underlying earnings to reported earnings.

2) Excludes the Company's 50% share of NSBSL revenue of:

762.6 743.9

Includes revenue other than sales revenue of:

19.4 25.6

3) Includes 50% share of net profit from NSBSL of:

112.5 105.4

KEY POINTS

- Sales revenue of \$8,520.7M was higher than FY2014 mainly due to higher export volumes in Australian Steel Products and domestic volumes in Buildings North America and the contribution from the recently acquired Fielders, Orrcon and Pacific Steel businesses. These were partly offset by lower despatch volumes in China and Thailand, and lower sales prices and export volumes at our New Zealand steel and iron sands operations.
- Reported NPAT of \$136.3M increased by \$218.7M on FY2014 due to improved underlying NPAT, no impairment charges and lower restructure and redundancy costs.
- Underlying NPAT of \$134.1M grew by \$10.6M on FY2014 as a result of higher spreads, offsetting an unfavourable sales mix.
- Underlying EBIT of \$301.8M, a \$37.7M lift on FY2014. 2H FY2015 underlying EBIT of \$130.8M, compared to \$113.3M in 2H FY2014 before restatement for reclassification of discontinued operations (guidance basis) and \$120.4M on a restated basis.
- ASP underlying EBIT of \$150.3M, a \$102.8M increase on FY2014, driven by increased spread.
- New Zealand and Pacific Steel underlying EBIT loss of \$33.2M, a \$107.9M decrease on FY2014, driven mainly by weaker iron sand and steel pricing and lower iron sand despatch volumes, partly offset by improved steel product mix and contribution from the Pacific Steel acquisition.
- Building Products segment underlying EBIT of \$98.3M, a \$9.4M increase on FY2014 primarily due to better margins in Indonesia a better performance from our Indian joint venture, better cost performance and favourable foreign exchange translation, offset by lower volumes and margins in our Thailand and North American businesses and lower margins in Malaysia.
- Global Building Solutions underlying EBIT of \$43.7M, a \$16.8M increase on FY2014. Strong Buildings North America performance with higher volumes and margins, and an initiative to de-risk pension fund obligations by \$11.0M. Steady performance in the China coating and painting operations, but weaker performance from Asian engineered buildings business.
- Hot Rolled Products North America underlying EBIT of \$107.3M, a \$2.7M increase on FY2014 primarily due to higher volumes and favourable foreign exchange translation impacts from a weaker AUD:USD, partly offset by weaker spreads.
- Net debt at 30 June 2015 was \$275.2M (of which approximately \$25M attributable to non-controlling interests). Continuing strong liquidity (undrawn debt plus cash) of A\$1,591.0M.
- The Board has approved payment of a fully franked final dividend of 3.0 cents per share. Future dividends will be determined having regard to the Company's performance and its outlook.

- The Company's strategy is to focus on growing premium branded steel businesses with strong channels to market, and on delivering competitive commodity steel supply in its local markets.
 - In steelmaking in Australia, we are targeting the delivery of over \$200M in annual permanent cost savings by FY2017.
 - In our steelmaking operations in New Zealand we are targeting the delivery of over NZ\$50M in annual permanent cost savings by FY2017.
 - The Company is also reviewing the ongoing viability of steelmaking in both Australia and New Zealand and comparing the existing business model with an alternative business model of importing quality hot rolled coil and billet substrate.
 - The Company is also reviewing the ongoing operation of its Taharoa iron sands business. Work is underway to improve productivity and lower the iron ore price at which the business breaks even. This remains work in progress.
- Expectations for the performance of our businesses in 1H FY2016 are as follows:
 - ASP: robust residential volumes, cost improvement initiatives and the benefit of the weaker AUD:USD are anticipated to largely offset lower prices and spreads. We expect soft volumes in end use segments other than residential construction.
 - NZPac: anticipate cost improvement initiatives and the benefit of the weaker currency to offset lower steel and iron ore prices.
 - Building Products: expect continued market growth driving improving volumes and mix. We expect to see benefits of expanded painting capacity in Malaysia. North America margins are expected to recover after compression from rapid steel price fall in 2H FY2015.
 - GBS: anticipate continued growth in North America, and noting 1H is typically seasonally stronger. We expect Buildings Asia performance to improve following cost reductions and productivity improvements in the China Buildings business.
 - HRP North America: anticipate North Star will see similar spreads to 2H FY2015 and continue its strong production rates.
- Group outlook:
 - Expect 1H FY2016 underlying EBIT to be similar to 2H FY2015. This is based on assumptions of average:
 - Spot East Asian HRC price of ~US\$325/t
 - 62% Fe CFR iron ore price of ~US\$50/t
 - Hard coking coal price of ~US\$90/t
 - AUD:USD at US\$0.73
 - Expect 1H FY2016 underlying net finance costs and underlying tax charge similar to 2H FY2015, and profit attributable to non-controlling interests greater than 2H FY2015.
 - Expectations are subject to spread, FX and market conditions.

FINANCIAL RESULTS

The BlueScope Steel Group comprises five reportable operating segments: Australian Steel Products (ASP); New Zealand & Pacific Steel (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	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
Sales revenue/EBIT						
Australian Steel Products	4,792.1	4,522.1	128.4	(115.7)	150.3	47.5
New Zealand & Pacific Steel	972.1	870.9	(30.3)	73.6	(33.2)	74.7
Building Products ASEAN, Nth Am & India	1,790.8	1,742.9	97.1	81.4	98.3	88.9
Global Building Solutions	1,538.1	1,384.3	56.0	96.6	43.7	26.9
Hot Rolled Products North America	-	-	107.3	101.6	107.3	104.6
Discontinued operations	31.6	83.3	1.8	(49.9)	-	-
Segment revenue/EBIT	9,124.7	8,603.5	360.3	187.6	366.4	342.6
Inter-segment eliminations	(572.4)	(622.4)	0.1	1.8	0.1	1.8
Segment external revenue/EBIT	8,552.3	7,981.1	360.4	189.4	366.5	344.4
Other revenue/(net unallocated expenses)	19.4	25.6	(63.8)	(87.1)	(64.7)	(80.2)
Total revenue/EBIT	8,571.7	8,006.7	296.6	102.3	301.8	264.1
Borrowing costs			(77.0)	(68.2)	(71.2)	(66.1)
Interest revenue			4.3	3.7	4.3	3.7
Profit/(loss) from ordinary activities before income tax			223.9	37.8	234.9	201.7
Income tax (expense)/benefit			(46.8)	(78.0)	(59.5)	(33.7)
Profit/(loss) from ordinary activities after income tax expense			177.1	(40.2)	175.4	168.0
Net (profit)/loss attributable to non-controlling interests			(40.8)	(42.2)	(41.2)	(44.5)
Net profit/(loss) attributable to equity holders of BlueScope Steel			136.3	(82.4)	134.1	123.5
Basic earnings per share (cents)			24.3	(14.8)	23.9	22.1

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. Non-IFRS financial information, while not subject to audit or review, has been extracted from the financial report, which has been audited by our external auditors. Consistent with BlueScope accounting policy and IFRS requirements, operations that are either sold or closed are to be defined as Discontinued Operations and the revenues and expenses of these operations are retrospectively excluded from the earnings of Continuing Operations. As such prior period earnings have been restated to exclude the discontinued Building Solutions Australia business from the ASP segment to ensure comparisons can be made on a like-for-like basis. Refer to Table 2C for further information.

Table 2A: Reconciliation of Underlying Earnings to Reported Earnings

Management has 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 has 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 while 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		NPAT / (NLAT) \$M	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
Reported earnings	639.6	429.9	296.6	102.3	136.3	(82.4)
<i>Underlying adjustments:</i>						
Net (gains)/losses from businesses discontinued ¹	(1.8)	48.5	(1.8)	49.8	(1.1)	40.5
Steel Transformation Plan ²	0.0	45.8	0.0	45.8	0.0	32.1
Business development and acquisition costs ³	10.6	26.6	10.6	26.6	7.4	18.4
Accounting adjustment on closure of Australian defined benefit super fund ⁴	(27.2)	0.0	(27.2)	0.0	(19.0)	0.0
PKSW waste gas cleaning plant stack fire ⁵	6.6	0.0	6.6	0.0	4.7	0.0
Asset impairments ⁶	0.0	60.9	0.0	60.9	0.0	43.5
Asset impairment write-back ⁷	0.0	(88.1)	0.0	(88.1)	0.0	(88.1)
Restructure and redundancy costs ⁸	28.3	70.9	28.3	70.9	19.2	54.5
Asset sales ⁹	(11.3)	(4.1)	(11.3)	(4.1)	(7.3)	(5.5)
Debt restructuring costs ¹⁰	0.0	0.0	0.0	0.0	2.8	0.0
Tax asset impairment / (write-back) ¹¹	0.0	0.0	0.0	0.0	(8.9)	110.5
Underlying earnings	644.8	590.4	301.8	264.1	134.1	123.5

- 1) FY2015 reflects profits relating to the Building Solutions Australia business (\$2.3M pre-tax) and foreign exchange translation losses within the closed Lysaght Taiwan business (\$0.5M pre-tax). FY2014 reflects losses relating to the Building Solutions Australia business (\$49.6M pre-tax, which included \$26.7M of fixed asset and intangible write-offs and a \$6.8M provision adjustment), and costs relating to the divested Metl-Span business (\$0.3M pre-tax).
- 2) FY2014 reflects the inclusion in underlying earnings of the previously received Australian Government Steel Transformation Plan (STP) advance to align with the carbon costs which were being incurred. Recognition of this adjustment was discontinued during FY2015 in line with repeal of the Carbon Tax taking effect from 1 July 2014.
- 3) FY2015 reflects transaction and integration costs associated with the Australian businesses acquired during 2H FY2014 (\$6.4M pre-tax) and Corporate business development costs (\$2.5M pre-tax) and business development costs in New Zealand (\$1.7M pre-tax). FY2014 reflects Corporate transaction costs relating to the Orrcon, Fielders, OneSteel Sheet & Coil and Pacific Steel acquisitions and general business development costs partly offset by the discount on acquisition recognised on the Fielders and Orrcon acquisitions (\$6.9M pre-tax), integration costs relating to the Australian acquisitions at ASP (\$11.2M pre-tax) and the Pacific Steel acquisition at NZPac (\$1.1M pre-tax), the one-off impact of recognising post acquisition inter-company profit eliminations in inventory (\$4.4M pre-tax) and the write-off of carried forward project costs associated with the decision not to proceed with the DRI development at HRPNA at this time (\$3.0M pre-tax).
- 4) FY2015 reflects an accounting adjustment realised on the closure of the Australian defined benefit (DB) superannuation fund which impacted ASP (\$23.8M pre-tax) and Corporate (\$3.4M pre-tax). Upon closure of the fund the difference between the accounting obligation and members' actual benefits were required to be credited to P&L under Australian Accounting Standards.
- 5) FY2015 reflects the impact of the Port Kembla Steelworks sinter plant waste gas cleaning stack fire which occurred in October 2014.
- 6) FY2014 includes the following ASP asset impairments:
 - fixed assets and intangibles write off (\$52.1M pre-tax) at BlueScope Distribution resulting from lower sales volumes, challenges of a high AUD:USD improving the affordability of imports and strong market competition negatively impacting margins. While financial performance is expected to improve its extent is uncertain.
 - fixed asset write off (\$7.2M pre-tax) relating to the Western Port Hot Strip Mill as a result of a review of the likely recoverable value of this non-in-use asset.
 - fixed asset and goodwill write off at Lysaght Design & Construction (\$1.6M pre-tax)

Note: these fixed asset impairments have been tax-effected and the tax asset subsequently impaired (refer footnote 11).
- 7) FY2014 includes the full write-back of previously impaired non-current assets at Building Products China (\$88.1M pre-tax) as a result of strong historical and projected financial performance. The reversal has not been tax-effected consistent with the original impairment.
- 8) FY2015 reflects staff redundancy and restructuring costs at ASP (\$30.0M pre-tax) and Indonesia (\$1.2M pre-tax) partly offset by the partial write-back of restructuring provisions raised in FY2014 relating to restructuring initiatives within the China business (\$2.9M pre-tax). FY2014 reflects staff redundancy and restructuring costs at ASP (\$51.9M pre-tax) mainly in relation to manufacturing and support cost saving initiatives, GBS (\$18.4M pre-tax) mainly relating to restructuring initiatives within the China business and Building Products (\$0.6M pre-tax).
- 9) FY2015 reflects profits on sale of land and buildings at the North American Buildings business (\$9.4M pre-tax) and at the New Zealand Steel business (\$4.6M pre-tax) and a net loss on sale in ASP (\$2.7M pre-tax). FY2014 reflects the gain on sale of land and equipment at CIPA (\$11.0M pre-tax) part offset by the loss on sale of Steelscape's Fairfield facility (\$6.9M pre-tax).
- 10) FY2015 reflects the write-off of unamortised borrowing costs associated with the previous \$675M Syndicated Bank Facility which was restructured and refinanced early. Further details available in the Funding section.
- 11) FY2015 reflects utilisation of previously impaired deferred tax assets in Australia arising from the favourable movement in timing differences exceeding tax losses generated during the period. FY2014 reflects impairment of Australian deferred tax assets generated during the period.

Table 2B: Underlying EBIT Adjustments to FY2015 Reported Segment Results

FY2015 underlying EBIT adjustments \$M	ASP	NZPac	GBS	BP	HRPNA	Corp	Discon Ops	Elims	Total
Net (gains)/losses from businesses discontinued	-	-	-	-	-	-	(1.8)	-	(1.8)
Accounting adjustment on closure of Australian defined benefit super fund	(23.8)	-	-	-	-	(3.4)	-	-	(27.2)
Business development and acquisition costs	6.4	1.7	-	-	-	2.5	-	-	10.6
PKSW waste gas cleaning plant stack fire	6.6	-	-	-	-	-	-	-	6.6
Restructure and redundancy costs	30.0	-	(2.9)	1.2	-	-	-	-	28.3
Asset sales	2.7	(4.6)	(9.4)	-	-	-	-	-	(11.3)
Underlying adjustments	21.9	(2.9)	(12.3)	1.2	-	(0.9)	(1.8)	-	5.2

Table 2C: Restatement of Prior Period Earnings to Reflect Change operations sold or closed

Consistent with BlueScope accounting policy and IFRS requirements, operations that are either sold or closed are to be defined as Discontinued Operations and the revenues and expenses of these operations are retrospectively excluded from the earnings of Continuing Operations. As such prior period earnings have been restated to exclude the discontinued Building Solutions Australia business from the ASP segment to ensure comparisons can be made on a like-for-like basis.

\$M	1H FY2015			FY2014		
	Previous	Change	Restated	Previous	Change	Restated
ASP segment:						
Underlying EBITDA	156.5	1.3	157.8	223.2	13.0	236.2
Underlying EBIT	64.7	1.3	66.1	33.2	14.4	47.6
BlueScope Group:						
Underlying EBITDA	334.0	1.3	335.3	577.4	13.0	590.4
Underlying EBIT	169.7	1.3	171.0	249.7	14.4	264.1
Underlying NPAT	79.6	1.6	81.2	112.3	11.2	123.5

\$M	1H FY2014			2H FY2014		
	Previous	Change	Restated	Previous	Change	Restated
ASP segment:						
Underlying EBITDA	111.1	6.7	117.8	112.0	6.4	118.4
Underlying EBIT	13.9	7.3	21.2	19.2	7.1	26.3
BlueScope Group:						
Underlying EBITDA	301.1	6.7	307.8	276.2	6.4	282.6
Underlying EBIT	136.4	7.3	143.7	113.3	7.1	120.4
Underlying NPAT	49.3	5.8	55.1	62.9	5.5	68.4

Table 3: Consolidated Cash Flow

\$M	FY2015	FY2014	Variance %
Reported EBITDA	639.6	429.9	49%
Add cash/(deduct non-cash) items			
- Share of profits from associates and joint venture partnership not received as dividends	16.2	(3.9)	515%
- Impaired assets	2.7	2.3	17%
- Net (gain) loss on acquisitions and sale of assets	(16.8)	(11.6)	(45%)
- Expensing of share-based employee benefits	12.7	14.4	(12%)
Cash EBITDA	654.4	431.1	52%
Changes in working capital	0.6	68.3	(99%)
Gross operating cash flow	655.0	499.4	31%
Net finance costs paid	(66.6)	(51.9)	(28%)
Tax received/(paid) ¹	(49.7)	(40.4)	(23%)
Net cash from operating activities	538.7	407.1	32%
Capex: payments for P, P & E and intangibles	(384.9)	(306.1)	(26%)
Other investing cash flows	(25.9)	(131.8)	80%
Net cash flow before financing	127.9	(30.8)	515%
Equity buy-back	(0.6)	0.0	n/a
Dividends to non-controlling interests ²	(46.2)	(42.9)	(8%)
Dividends to BlueScope Steel Limited shareholders	(17.0)	0.0	n/a
Transactions with non-controlling interests	(0.5)	1.6	(131%)
Net drawing/(repayment) of borrowings	(51.1)	26.8	(291%)
Net increase/(decrease) in cash held	12.5	(45.3)	128%

1) The BlueScope Steel Australian tax consolidated group is estimated to have carry forward tax losses, as at 30 June 2015, of approximately \$2.9Bn. There will be no Australian income tax payments until these are recovered.

2) The dividend payments in FY2015 and FY2014 primarily relate to dividend payments to Nippon Steel & Sumitomo Metal Corporation (NSSMC) in respect of NS BlueScope Coated Products joint venture.

GROUP-LEVEL MANAGEMENT DISCUSSION & ANALYSIS FOR FY2015 VS FY2014

BLUESCOPE'S OPERATIONS AND SIGNIFICANT CHANGES

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 across ASEAN and in 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 Australia's largest steel manufacturer, and New Zealand's sole producer of finished steel products. BlueScope's vertically integrated operations for flat steel products in Australia and New Zealand produce value-added metallic coated and painted products, together with hot rolled coil, cold rolled coil, steel plate and pipe and tube. BlueScope manufactures and sells steel long products in New Zealand through its Pacific Steel business. 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. In Australia, BlueScope's steel products are sold directly to customers from our steel mills and through a national network of service centres and steel distribution sites.

BlueScope operates two iron sand mines in New Zealand. Waikato North Head primarily supplies iron sands for our New Zealand steel making operations and Taharoa supplies iron sands for export.

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®, VARCO PRUDEN® and PROBUID® 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 with Cargill Inc. 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.

FINANCIAL PERFORMANCE

Total revenue

The \$622.9M (8%) increase in sales revenue from continuing operations principally reflects:

- at ASP:
 - contribution from businesses acquired in FY2014
 - higher export volumes due to use of surplus slab held as backup during planned blast furnace maintenance

stoppages and improved hot metal production at the Port Kembla steelworks

- lower domestic volumes mainly in HRC (particularly in the pipe and tube segment) and plate due to softening demand in the engineering, mining, manufacturing and non-residential construction markets
- weaker export pricing driven by lower global steel prices partly offset by the weaker AUD:USD exchange rate
- higher domestic and export long product sales in New Zealand associated with the Pacific Steel acquisition. This was partly offset by lower iron sands and export steel volumes and pricing
- higher despatches in Buildings North America
- lower despatches in China and Thailand
- favourable translation impacts from a weaker AUD:USD exchange rate.

EBIT performance

The \$37.7M increase in underlying EBIT reflects:

- Spread: \$38.6M increase, primarily comprised of:
 - \$107.1M benefit from lower raw material costs, due to:
 - lower USD denominated coal and iron ore purchase prices at ASP
 - lower steel feed costs at BP
 - unfavourable foreign exchange impact on USD denominated raw material
 - \$64.3M unfavourable movement in export prices mainly in Australia and New Zealand due to lower global steel and iron ore prices, partly offset by benefit of the weaker AUD:USD exchange rate
- Costs: \$8.6M favourable movement, driven by:
 - \$95.8M benefit from cost improvement initiatives mainly in ASP and Engineered Buildings China
 - \$53.9M cost escalation from utilities, employment, consumables, freight and other costs
 - \$33.2M net increase in one-off and other costs
 - discontinuing of the previously received Australian Government Steel Transformation Plan (STP) advance following repeal of the carbon tax effective 1 July 2014
 - lower corporate costs
- equity accounted profits: \$10.5M increase at NSBSL mainly driven by higher spreads and improved performance at TBSL
- foreign exchange translation: \$13.0M favourable impact of translation of earning to AUD
- other items: \$1.6M favourable movement.

Partly offset by:

- Volume and mix: \$34.7M decrease, comprising:
 - lower domestic volumes at ASP mainly in HRC (particularly in the pipe and tube segment) and plate due to softening demand in the engineering, mining, manufacturing and non-residential construction markets
 - lower despatches in China and Thailand
 - lower iron sands despatches
 - contribution in ASP and NZPac from businesses acquired in FY2014
 - higher COLORBOND® steel and COLORSTEEL® pre-painted sales at ASP and NZPac respectively
 - higher volumes in Buildings North America as a result of continued growth in the U.S. non-residential construction market.

The \$194.3M increase in reported EBIT reflects the movement in underlying EBIT discussed above and \$156.6M favourable movement in underlying adjustments explained in Tables 2A.

Finance costs

The \$8.2M increase in net finance costs compared to FY2014 was largely due to the write-off of unamortised borrowing costs associated with the previous \$675M Syndicated Bank Facility which was restructured and refinanced. In addition, the impact of the depreciation of the AUD against the USD was a key driver of increased average gross debt in FY2015 (\$926.3M in FY2015, \$791.7M in FY2014) and higher weighted average interest rate (5.9 per cent in FY2015, versus 5.6 per cent in FY2014). These unfavourable impacts were partially offset by lower commitment fees.

Tax

Net tax expense of \$46.8M (FY2014 \$78.1M) primarily relates to taxable income generated in businesses outside of Australia.

FY2015 includes an \$8.9M utilisation of previously impaired deferred tax assets in Australia arising from the favourable movement in timing differences exceeding tax losses generated during the period. FY2014 tax expense includes a \$110.5M impairment of an Australian deferred tax asset arising from tax losses and timing differences generated during the period.

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.

New Zealand Steel has recognised a deferred tax asset at 30 June 2015 which includes NZ\$44.0M relating to tax losses. The Company believes this amount to be recoverable based on taxable income projections but going forward will defer the recognition of any further tax credits until a return to taxable profits has been demonstrated. New Zealand tax losses are able to be carried forward indefinitely.

Dividends

In February 2015 the Board of Directors approved payment of a fully franked interim dividend of three cents per share.

The Board of Directors has approved payment of a final dividend of 3.0 cents per share. The final dividend will have attached 100% franking credits and imputation credits for Australian and New Zealand tax purposes respectively.

Relevant dates for the final dividend are as follows:

- Ex-dividend share trading commences: 17 September 2015.
- Record date for dividend: 21 September 2015.
- Payment of dividend: 19 October 2015.

BlueScope's dividend reinvestment plan will not be active for the final dividend.

Future dividends will be determined having regard to the Company's performance and its outlook.

FINANCIAL POSITION

Net assets

Net assets increased \$282.4M to \$4,739.1M at 30 June 2015 from \$4,456.7M at 30 June 2014. Approximately \$230M of this increase is due to the translation impact of the lower AUD:USD.

Increases in net assets were:

- \$217.3M increase in property, plant and equipment (lower AUD \$173.6M, capital expenditure of \$371.8M, partly offset by depreciation of \$318.9M and disposals/other of \$9.2M).
- \$105.1M decrease in provisions
- \$45.1M increase in net tax assets
- \$30.7M increase in intangible assets
- \$15.0M increase in receivables
- \$5.9M increase in the value of equity accounted investments.

Decreases in net assets were:

- \$57.3M increase in payables
- \$55.3M increase in retirement benefit obligations
- \$13.7M increase in net debt to \$275.2M. Contributing to this increase was \$72M related to restatement due to the weaker AUD:USD. Both the 30 June 2015 and the 30 June 2014 net debt balance benefited from approximately \$100M of favourable timing of year end cash flows
- \$10.6M decrease in inventory (rate decrease \$227.3M offsetting higher volume \$120.2M and FX movement \$96.5M).

Funding

Financial liquidity was \$1,591.0M at 30 June 2015 (\$1,471.5M at 30 June 2014), comprised of committed available undrawn capacity under bank debt facilities of \$1,072.5M, plus cash \$518.5M. Liquidity in the NS BlueScope Coated Products JV of \$430.6M is included in the group liquidity measure.

During the period a new \$500M multicurrency Syndicated Bank Facility, \$80M Receivable Securitisation Facility and a US\$50M Inventory Finance Facility were put in place. These new facilities replaced BlueScope's \$675M facility that was to mature in December 2015. The new Syndicated bank facility is comprised of a \$100M one year tranche, a \$200M three year tranche and a \$200M five year tranche. The Receivable Securitisation facility has a two year tenor and the Inventory Finance facility has a one year tenor. The new facilities deliver lower cost funding through improved margins, improved tenor and diversification of funding sources.

MATTERS SUBSEQUENT TO THE YEAR ENDED 30 JUNE 2015

Sale of interest in McDonald's Lime

- BlueScope monitors opportunities to monetise non-core assets to maximise value for shareholders.
- In December 2014, New Zealand Steel agreed to sell its non-core 28 per cent shareholding in McDonald's Lime Limited to Graymont Limited.
- New Zealand Steel will receive NZ\$41M in cash before final adjustments and recognise a NZ\$36M pre-tax profit on the sale of its interest.
- The sale completed on 1 July 2015, after NZ Overseas Investment Office approval was received. The transaction is subject to a NZ Government statutory review period in relation to mining permits following a change of control event. Final completion is expected in early October 2015.

Retirement of Chairman

On 20 August 2015 BlueScope Chairman, Mr Graham Kraehe AO, announced his intention to retire from the Board, effective at the conclusion of the AGM on November 19. He will be succeeded by Mr John Bevan, currently a non-executive director of the Company.

1H FY2016 OUTLOOK

Expectations for the performance of our businesses in 1H FY2016 are as follows:

- ASP: robust residential volumes, cost improvement initiatives and the benefit of the weaker AUD:USD are anticipated to largely offset lower prices and spreads. We expect soft volumes in end use segments other than residential construction.
- NZPac: anticipate cost improvement initiatives and the benefit of the weaker currency to offset lower steel and iron ore prices.
- Building Products: expect continued market growth driving improving volumes and mix. We expect to see benefits of expanded painting capacity in Malaysia. North America margins are expected to recover after compression from rapid steel price fall in 2H FY2015.
- GBS: anticipate continued growth in North America, and noting 1H is typically seasonally stronger. We expect Buildings Asia performance to improve following cost reductions and productivity improvements in the China Buildings business.
- HRP North America: anticipate North Star will see similar spreads to 2H FY2015 and continue its strong production rates.

Group outlook:

- We expect that 1H FY2016 underlying EBIT to be similar to 2H FY2015. This is based on assumptions of average:
 - Spot East Asian HRC price of ~US\$325/t
 - 62% Fe CFR iron ore price of ~US\$50/t
 - Hard coking coal price of ~US\$90/t
 - AUD:USD at US\$0.73.
- We expect that 1H FY2016 underlying net finance costs and underlying tax charge similar to 2H FY2015, and profit attributable to non-controlling interests greater than 2H FY2015.
- Expectations are subject to spread, FX and market conditions.

BUSINESS STRATEGIES AND PROSPECTS

The Company's target is to deliver top quartile shareholder returns with safe operations.

A strategy review is in progress. The review has already identified the following focus areas:

- *Growing premium branded steel businesses with strong channels to market. In particular:*
 - Drive growth in premium branded coated and painted steel markets in Asia-Pacific.
 - For our engineered buildings segment, drive growth in North America and turnaround China.
- *Delivering competitive commodity steel supply in our local markets. Current priorities under this banner are:*
 - Maximise value of North Star.
 - Deliver value from Australian and New Zealand steelmaking and iron sands through game-changing cost reductions, or pursue alternative models.

- *Ensuring ongoing financial strength by maintaining a strong balance sheet.*

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, lower global commodity steel prices relative to raw material costs, and until recently a stronger Australian dollar. These are the external macroeconomic factors to which BlueScope is exposed. However, the Company has undertaken significant restructuring and other initiatives in recent years across all its operating segments to offset these factors. This has resulted in BlueScope returning an underlying profit in FY2013, and a continued improvement in FY2014 and FY2015.

BlueScope has regard to a number of recognised external forecasters when assessing possible future operating and market conditions. In the short-term these forecasters expect a modest improvement in the key drivers impacting our Australian business, but in the longer term forecast higher global commodity steel prices relative to iron ore and coking coal raw material costs. 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 planned strategies and its financial prospects may be adversely impacted.

BlueScope is also exposed to a range of market, operational, financial, compliance, conduct and external risks common to a multinational company. The Company has risk management and internal control systems to identify material business risks and where possible take mitigating actions.

The nature and potential impact of risks changes 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 effect.

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.

The Company is monitoring the recent significant decline in steel prices coinciding with a slowing in Chinese domestic steel demand growth, increased steel exports from China and broader over-capacity in steelmaking globally. These trends, if sustained, could impact the long term competitiveness of supply of steel from its Australian and New Zealand steelmaking businesses and impact ongoing reinvestment.

(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
- 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
- these are offset in part by a significant amount of raw material purchases being denominated in U.S. dollars.

(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 a cost base relative to its competitors including maintaining, extending or renewing key raw materials, operational supplies, services and funding on acceptable terms
- a major operational failure or disruption
- the conduct of our employees or disruptive behaviours by external parties impacting our business or supply chain
- changing government regulation including environmental, greenhouse gas emissions, tax, occupational health and safety, and trade restrictions in each of the countries in which it operates
- potential product warranty and legal claims
- 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.

BUSINESS UNIT REVIEWS

AUSTRALIAN STEEL PRODUCTS (ASP)

As announced on 8 December 2014, ASP is the combination of two previously separately reported segments, Coated & Industrial Products Australia (CIPA) and Building Components & Distribution Australia (BCDA).

ASP 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 galvanised and pre-painted COLORBOND® steel. The segment's main manufacturing facilities are at Port Kembla (NSW) and Western Port (Victoria).

ASP also operates a network of roll-forming and distribution sites throughout Australia, acting as a major steel product supplier to the building and construction, white goods manufacturing and general manufacturing industries.

KEY FINANCIAL & OPERATIONAL MEASURES

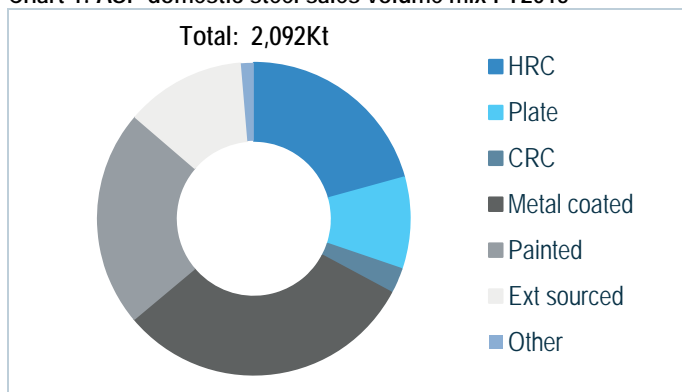
Table 4: Segment financial performance

\$M	FY2015	FY2014	Var %	2H FY2015
Sales revenue	4,792.1	4,522.1	6%	2,333.1
Reported EBIT	128.4	(115.7)	211%	56.8
Underlying EBIT	150.3	47.5	216%	84.2
NOA (pre tax)	2,432.8	2,533.0	(4%)	2,432.8

Table 5: Steel sales volume

000 tonnes	FY2015	FY2014	Var %	2H FY2015
Domestic				
- ex-mill	1,833.3	1,908.5	(4%)	901.4
- ext sourced	258.8	254.1	2%	118.1
Export	801.6	491.3	63%	459.4
Total	2,893.7	2,653.9	9%	1,478.9

Chart 1: ASP domestic steel sales volume mix FY2015



FINANCIAL PERFORMANCE – FY2015 VS. FY2014

Sales revenue

The \$270.0M increase in sales revenue was due to:

- higher domestic prices through the favourable influence of a weaker AUD:USD partly offset by the unfavourable influence of lower global steel prices

- weaker export prices driven by lower global steel prices partly offset by the weaker AUD:USD exchange rate
- contribution from businesses acquired in FY2014
- higher export volumes due to use of surplus slab held as backup during planned blast furnace maintenance stoppages and improved hot metal production at the Port Kembla steelworks
- lower domestic volumes mainly in HRC (particularly in the pipe and tube segment) and plate due to softening demand in the engineering, mining, manufacturing and non-residential construction markets.

EBIT performance

The \$102.8M increase in underlying EBIT was driven by:

- higher spread from:
 - lower USD denominated coal and iron ore purchase prices partly offset by unfavourable foreign exchange impact
 - higher domestic prices through the favourable influence of a weaker AUD:USD partly offset by the unfavourable influence of lower global steel prices
 - weaker export prices driven by lower global steel prices partly offset by the weaker AUD:USD exchange rate
- unfavourable volume/mix from:
 - favourable contribution from higher export volumes due to higher production and use of surplus slab held as backup during planned blast furnace maintenance stoppages and improved hot metal production at the Port Kembla steelworks
 - lower domestic despatch volumes driven by HRC (particularly in the pipe and tube segment) and plate despatches due to softening demand in the engineering, mining, manufacturing and non-residential construction markets
 - higher COLORBOND® steel sales due to strong activity in the building sector
 - favourable contribution from businesses acquired in FY2014.

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

FINANCIAL POSITION

Net operating assets were \$100.2M lower than at 30 June 2014 primarily due to lower inventories and lower intangible assets (relating to repeal of the Carbon Tax) partly offset by lower provisions.

MARKETS AND OPERATIONS

Sales direct to Australian building sector

- Sales volumes in the domestic building sector grew in FY2015 vs. FY2014.
 - Market conditions within residential construction have strengthened supported by low interest rates, strong investor and owner occupier demand and an appreciation in property prices.
 - Detached dwelling construction activity increased driving higher COLORBOND® steel sales and an improvement in overall domestic product mix.

- Alterations and additions activity was stable and starting to rebound on the back of low interest rates and strong growth in house prices.
- Overall, activity is strong within New South Wales, Queensland and Victoria. Activity within Western Australia has slowed impacted by a softening state economy, with all other states remaining stable.
- Activity in 2H FY2015 was impacted to some degree by weather events in New South Wales and Queensland.
- Non-residential construction activity remained subdued in FY2015.
 - Demand within commercial and industrial showed small growth, however this has been offset by reduced government investment in social and institutional construction in areas such as education and healthcare.
 - An increase in importation of fabricated goods for key infrastructure projects (e.g. Sydney's Darling Harbour redevelopment) was witnessed during FY2015, limiting volume growth opportunities in this segment.

Sales direct to domestic non-building sector customers

- Sales volumes to distributors and non-building customers decreased in FY2015 vs. FY2014 despite no change in market share.
- Volumes into the mining, oil and gas industry have declined reflecting the large reduction in investment expenditure which occurred during this financial year (in both increasing capital expenditure and repairs and maintenance spend).
- High levels of competition from imports (both finished and non-finished products) coupled with ongoing over capacity in the Distribution channel continues to have an adverse impact on volumes.
- Australia's pipe and tube and manufacturing markets were weaker with high levels of competition from imported finished goods and reducing demand from domestic customers with further decisions to close domestic manufacturing capacity.

Mill sales to export markets

- Despatches to export market customers in FY2015 increased 63% to 801.6kt due primarily to use of surplus slab held as backup during planned blast furnace maintenance stoppages and improved raw steel production at the Port Kembla Steelworks.
- Global benchmark prices in export markets were significantly weaker in FY2015. This was partially offset by a more favourable export destination mix.

Acquisitions and business reorganisations

- Integration of the acquired Fielders, Orrcon Steel and OneSteel Sheet & Coil operations is progressing well. All acquisitions are performing in line with or better than business case.
- The loss-making Building Solutions Australia business which was transferred from the Global Building Solutions segment to ASP effective from 1 July 2014 was subsequently discontinued during the year. BlueScope Water, which formed part of this business, was divested in June 2015.

Anti-dumping cases

- Since May 2012 BlueScope has filed applications to the Australian Anti-Dumping Commission (ADC) concerning dumping and countervailing subsidisation of steel imported

into Australia. The ADC's findings have supported BlueScope's claims that dumping and/or subsidisation of imported HRC, plate and metal coated steel products has occurred.

- Updates on three recent cases filed by BlueScope:
 - On 11 July 2014, following an application from BlueScope, the ADC announced it will investigate the alleged dumping of galvanised steel to Australia from India and Vietnam. The investigation period is July 2013 to June 2014. The ADC issued a Statement of Essential Facts on 16 June 2015 recommending that the investigation be terminated. BlueScope responded to the Statement of Essential Facts during June and July 2015, however the ADC announced the investigation was being terminated on the 30 July 2015. BlueScope will be appealing this decision.
 - On 31 March 2015, following an application from BlueScope, the ADC announced it will investigate the alleged dumping of plate steel from Korea (by Hyundai Steel Company and POSCO Steel) and Taiwan. The investigation period is January to December 2014. The Final Determination is expected by late December 2015.
 - From 1 April 2015, improvements to Australian anti-dumping regulations commenced, addressing circumvention of dumping measures through slight modification of goods. Following this, on 5 May 2015, at BlueScope's request, the ADC announced it had initiated an anti-circumvention inquiry into the slight modification of alloyed galvanised steel exported to Australia from Korea, Taiwan and China. The investigation period is July 2011 to March 2015. The Final Determination is expected by late November 2015.

Waste gas cleaning stack fire

- On 13 October 2014 a fire occurred in the waste gas cleaning stack located in the sinter plant at the Port Kembla Steelworks.
- There was a temporary diversion to a surplus stack enabling, after a short delay, sinter production to continue at a level sufficient to support blast furnace operations.
- A new stack was installed to replace the old stack, and commenced operation in early January 2015.
- The financial impact to the Company was \$15M, of which approximately half was capitalised and the other half expensed (excluded from underlying earnings). The majority of the financial impact was reflected in the December 2014 half.

Maintenance of Port Kembla blast furnace

- The program to change out wearing staves on the Port Kembla blast furnace continues to plan.
- In FY2015 planned maintenance stoppages were held in August 2014, November 2014 and March 2015.
- Estimated production and financial impacts in FY2015:
 - Production: 30kt net lower steel production (against 2.6Mt per annum normalised rate) – with better furnace performance between shuts and increased scrap metal charge in basic oxygen steel making largely mitigating stoppage impacts.
 - Earnings: \$17M unfavourable impact due to lower fixed cost recoveries and yields.
 - Cash impact:
 - Gross capex of \$22M, net increase in capital spend of \$9M.

- Working capital: net release of working capital since June 2014.
- One stoppage is planned for FY2016, currently anticipated to be in the June 2016 half.
- The restructure is expected to be self-funding through release of working capital.
- This restructure does not involve our Lysaght and Fielders building components businesses.

Restructurings

- Further to its ASX announcement of 10 June 2015, the Company has a strategic review of its Australian steelmaking operations well underway.
 - ASP presently produces and markets a range of high value coated and painted flat steel products for Australian building and construction customers, together with providing a broader offering of commodity flat steel products.
 - In recent years, regional steel production capacity has grown rapidly to meet rising demand particularly in China. Regional steel production now exceeds demand, and demand growth is slowing as China's fixed investment expenditure growth slows. This surplus production, combined with the dumping of large quantities of steel on export markets by many regional producers, has depressed steel prices and spreads.
 - While ASP has delivered progressively improved earnings since the FY2012 restructure, these recent industry developments are impacting the competitiveness of its commodity steelmaking operations.
 - ASP's costs of manufacturing steel are still too high and we are committed to delivering a game-changing approach that will significantly reduce costs. BlueScope must maintain an internationally competitive steelmaking operation that will support reinvestment.
 - We are targeting the delivery of over \$200M in annual permanent cost savings by FY2017.
 - To achieve this we require multiple stakeholder collaboration:
 - employees
 - community
 - suppliers
 - governments and regulators.
 - The Company is also reviewing the ongoing viability of steelmaking in Australia comparing the existing business model with an alternative business model of importing quality hot rolled coil substrate.
 - Our objective is to maintain steelmaking at Port Kembla, which will allow us to:
 - remain competitive against imported HRC through the cycle without incurring restructure costs of a closure exercise
 - retain exposure to upside of improving spreads
 - sustain jobs for our employees.
- In July 2015, the Company commenced a major restructure of its Australian Distribution network.
 - Operations will be rationalised into two streamlined businesses across 40 sites to provide a focus on the products where we add the most value for our customers:
 - Tubular goods distribution – pipe and tube, merchant bar and related processing activities.
 - Flat steel distribution – sheet, coil and plate, and associated processing activities.
 - The remaining 20 sites are being reviewed for sale, consolidation or closure.
 - The business will exit product lines that are unprofitable or where BlueScope doesn't offer specific expertise.
 - Cost savings of \$20M per annum are targeted by FY2017.

NEW ZEALAND AND PACIFIC STEEL

BlueScope New Zealand and Pacific Islands consists of four primary business areas; New Zealand Steel; Pacific Steel; New Zealand Minerals; and BlueScope Pacific Islands.

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.

In June 2014, New Zealand Steel acquired the rolling and marketing operations of Pacific Steel. Pacific Steel is the sole producer of long steel products such as rod, bar, reinforcing coil and wire in New Zealand.

KEY FINANCIAL & OPERATIONAL MEASURES

Table 7: Segment financial performance

\$M	FY2015	FY2014	Var %	2H FY2015
Sales revenue	972.1	870.9	12%	482.2
Reported EBIT	(30.3)	73.6	(141%)	(32.9)
Underlying EBIT	(33.2)	74.7	(144%)	(35.8)
NOA (pre-tax)	634.8	645.6	(2%)	634.8

Table 8: Sales volume

000 tonnes	FY2015	FY2014	Var %	2H FY2015
Domestic flats	260.6	270.6	(4%)	128.9
Export flats	259.7	315.4	(18%)	143.6
Total flat products steel	520.3	586.0	(11%)	272.5
Domestic longs	173.0	12.4 ¹	NA	86.5
Export longs	89.3	10.1 ¹	NA	36.6
Total long products steel	262.3	22.5¹	NA	123.1
Iron sands	1,629.7	2,313.2	(30%)	668.6

1) Reflects one month BlueScope ownership of the long products rolling and marketing operations of Pacific Steel.

FINANCIAL PERFORMANCE – FY2015 VS. FY2014

Sales revenue

The \$101.2M increase in sales revenue was primarily due to the domestic and export long product sales associated with the Pacific Steel acquisition and favourable translation impact from a weaker AUD:NZD exchange rate. This was partly offset by lower iron sands and export flat steel volumes, and lower steel and iron sands prices in line with moves in global prices.

EBIT performance

The \$107.9M decrease in underlying EBIT was largely due to:

- lower realised iron sands and steel pricing reflecting lower global prices partly offset by favourable impacts of a weaker NZD:USD
- unfavourable conversion costs per unit mainly due to lower iron sands volumes (due to lower iron ore prices) and one-off iron sands costs and lower steel volumes (due to biennial hot strip mill maintenance shut occurring during the period)
- higher coating metal purchase prices and iron sand inventory net realisable value provision
- favourable despatch mix with a higher proportion of domestic COLORSTEEL® pre-painted steel despatches and contribution from the Pacific Steel acquisition.

FINANCIAL POSITION

Net operating assets were \$10.8M lower than at 30 June 2014 primarily due to higher creditors, higher provisions and unfavourable impact of a weaker AUD:NZD partly offset by higher inventories and higher fixed assets mainly due to the billet caster investment.

MARKETS & OPERATIONS

Steel products sales (flat and long)

- Domestic market
 - Flat products volume declined 4% in FY2015 over FY2014 with gains in the residential building market offset by material reductions in manufacturing and agriculture markets.
 - Long products volume was strong in FY2015 given their primary use in construction markets, which remain robust.
 - Residential building activity has been particularly strong in Auckland and Canterbury.
 - Non-residential building activity continues to perform well driven by:
 - high occupancy rates in the commercial sector, especially in Auckland, which are increasing demand for new industrial and office buildings
 - ongoing redevelopment work in Christchurch.
 - Agriculture investment is weakening primarily due to the decline in international dairy product prices.
 - Material reductions in global HRC prices have directly impacted domestic pricing.
- Export market
 - Export flat product despatch volume was lower in FY2015 mainly due to the biennial Hot Strip Mill shut occurring in August 2014 impacting supply.
 - Export long product volume was lower in FY2015 compared to FY2014, diverted to meet high domestic demand.
 - Prices for export product declined in line with global prices.

Pacific Steel integration

- Integration is progressing on schedule.
- Billet caster expected to be commissioned during December 2015 quarter.
- Limited profit share arrangement applies until billet is sourced from Glenbrook. Full economic benefit once fully operational.
- Final acquisition payment of NZ\$30M (before final adjustments) is expected to be paid during 1H FY2016.

Sale of interest in McDonald's Lime

- New Zealand Steel, has agreed to sell its non-core 28 per cent shareholding in McDonald's Lime Limited to Graymont Limited. Details can be found under the heading "Matters subsequent to the year ended 30 June 2015" above.

New Zealand Steelmaking Review

- The New Zealand Steelmaking operations face similar challenges to our business in Australia.
 - Steel business EBIT fell below breakeven in 2H FY2015 on weaker regional steel prices.
 - Steelmaking operations require a game changing approach to costs.
- We need to fundamentally address our competitiveness, and to sustain a business that justifies reinvestment. Like Australia, we need significant cost savings or to pursue an alternative business model.
- Such considerations don't invalidate the value of the Pacific Steel acquisition – we have acquired a valuable domestic business.
- We are targeting the delivery of over NZ\$50M in annual permanent cost savings by FY2017.
- Contemporaneously with the Australian steelmaking review, the Company is also reviewing the ongoing viability of steelmaking in New Zealand and comparing the existing business model with an alternative business model of importing quality hot rolled coil and billet substrate.

Iron sands operations

- Iron sands operations lost \$31.0M before interest and tax in FY2015 (1H: \$6.6M / 2H: \$24.4M)¹, including \$11.0M of non-cash net realisable value provision expense taken up on inventory at 30 June 2015.
- FY2015 exports:
 - 1,105.1kt exported from Taharoa in FY2015, down 542.6kt on FY2014.
 - 524.6kt exported from Waikato North Head, down 140.9kt on FY2014.
 - Iron sands prices were down consistent with the decrease in global iron ore pricing.
- The Company is reviewing the ongoing operation of its Taharoa iron sands business. Work is underway to improve productivity and lower the iron ore price at which the business breaks even. This remains work in progress.
 - Expect the break-even price for both EBIT and cash during 1H FY2016 to be in the mid US\$60s per tonne², dropping to mid US\$50s per tonne² in 2H FY2016³.
 - A phased approach to expansion capital expenditure is being adopted:
 - Initial capex required for expansion activities to March 2016 has been approved.
 - Further capex of NZ\$40-45M under consideration to deliver productivity and cost improvements over FY2016 and FY2017.

¹ FY2014 iron sands EBIT of \$60.2M (1H: \$39.6M; 2H: \$20.6M).

² On basis of 62% Fe CFR Pilbara iron ore index price.

³ Based on current oil prices and shipment rates. EBIT breakeven includes mining, processing, shipping, royalties and overhead (incl depreciation) costs; approximately 60-65% of cost base is NZD based. Cash break even based on cash EBITDA less sustaining capital and working capital.

- Mining costs will continue to drop in FY2017 and FY2018 (through implementation of a dredge for mining) further reducing the breakeven point below the 2H FY2016 forecast⁴.
- Assuming a US\$50/t iron ore price² the cumulative cash outflow (excluding growth capex) would be around NZ\$20M from FY2016 to FY2018⁵.
- We are continuing to review options for the business.
- Waikato North Head – update on economics:
 - Current EBIT break-even per tonne at low to mid US\$60's 62% Fe iron ore price⁶.
 - Fully variable supply chain costs; can cease operations when price drops below economic breakeven for the whole business.

⁴ Assumes full expansion capex approved.

⁵ Based on 0.72 NZD/USD FX rates, and US\$400/t bunker fuel rates. Includes re-negotiated freight rates across CFR vessels. Includes lower freight rates across CFR vessels and assumes export expansion completed in FY2016-FY2017.

⁶ Based on current oil prices and shipment rates; includes mining, processing, shipping, royalties and overhead (incl depreciation). Approximately two thirds of cost base is NZD based.

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.

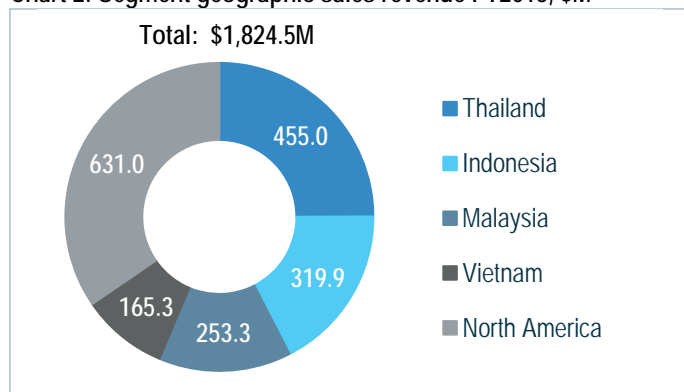
The Company has an extensive footprint of metallic coating, painting and steel building product operations in Thailand, Indonesia, Vietnam, Malaysia, India and North America, primarily servicing the residential and non-residential building and construction industries across Asia, and the non-residential 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 9: Segment performance

\$M unless marked	FY2015	FY2014	Var %	2H FY2015
Sales revenue	1,790.8	1,742.9	3%	892.2
Reported EBIT	97.1	81.4	19%	49.3
Underlying EBIT	98.3	88.9	11%	50.5
NOA (pre-tax)	1,006.0	844.8	19%	1,006.0
Despatches (kt)	1,330.2	1,367.0	(3%)	646.9

Chart 2: Segment geographic sales revenue FY2015, \$M¹



1) Chart does not include \$33.7M of eliminations (which balances back to total segment revenue of \$1,790.8M). Chart also does not include India, which is equity accounted.

FINANCIAL PERFORMANCE – FY2015 VS. FY2014

Sales revenue

The \$47.9M increase in sales revenue was mainly driven by stronger domestic volumes in Indonesia and favourable foreign exchange rate impacts from the weaker AUD in all regions. This was partly offset by lower despatch volumes at Steelscape (closure of the Fairfield facility in December 2013) and Thailand (lower domestic demand).

EBIT performance

The \$9.4M increase in underlying EBIT was largely due to:

- higher margins in Indonesia (mainly favourable foreign exchange impact on revenues and steel feed costs) combined with higher despatch volumes
- favourable movement in BlueScope's share of equity accounted profits from the India joint venture
- favourable translation of earnings from a weaker AUD:USD exchange rate
- higher volumes but lower margins in Malaysia
- lower margins and volumes in North America
- lower margins and volumes in Thailand and Vietnam
- favourable regional overhead costs.

FINANCIAL POSITION

Net operating assets increased \$161.2M since 30 June 2014 mainly reflecting the translation impacts resulting from a weaker AUD combined with higher fixed assets due to the investment in SuperDyma® (Thailand) and inline painting (Malaysia), higher inventories (mainly higher volumes at Thailand ahead of new SuperDyma® production, and North America). These were partly offset by higher creditors.

MARKETS AND OPERATIONS

Thailand

- Despatch volumes were down 5% compared to FY2014.
- The economy is slowly recovering after the May 2014 military coup driven by short term government stimulus measures and resumed government budget spending. Major government infrastructure projects, in particular the Metropolitan Rapid Transit (MRT) projects, and some Foreign Direct Investment have resumed. However, there remains a time lag between approval and construction commencement of new projects.
- Retail demand for BlueScope products remains strong, with an increasing trend towards higher value painted products.
- Sales of the recently commercialised ViewKote® product into the Home Appliances segment continued to grow in FY2015.
- Preparations for commencement of SuperDyma® production are on track to complete and commission during 1H FY2016.

Indonesia

- Volumes and margins grew in FY2015 through enhanced value propositions in the project and retail segments and on improved market confidence following the presidential election.
- Productivity and cost performance improved. A restructuring of the business has reduced labour costs and improved responsiveness to customer needs.
- Progress is being made on initiatives arising from the formation of the NSBCP joint venture: reaching Japanese customers in the building and construction market, reviewing productivity improvements and exploring key raw material supply options.

Vietnam

- Local and import competition remains intense. Market demand improved from March to June due to higher investor confidence and peak construction conditions.
- Foreign direct investment projects and credit growth are starting to improve, with improved monetary and inflation conditions.

- The business continues to target growth by enhancing the distribution footprint and brand awareness in the retail segment through expansion of “BlueScope ZACS®” stores network.
- The business is pursuing growth in small and medium enterprise projects segment through development of allied project roll-formers.

Malaysia

- Volumes grew in FY2015 with better channel management, product offering and positioning, as well as retail brand expansion. This was despite weaker economic conditions due to weakness in the petrochemicals sector and the introduction of a goods and services tax.
- New in-line painting expansion on the metal coating line has been successfully completed. Commercial production has commenced and is expected to deliver higher painted sales volume and improved cost efficiency in FY2016.

North America (Steelscope & ASC Profiles)

- Performance in FY2015 was affected by a rapid decline in steel prices and increased import activity. Steel prices have since stabilised.
- Anti-dumping duties on corrosion-resistant steel, cold rolled and hot rolled steel into the US have been filed. The extent of the duties is yet to be confirmed and therefore it is not known at this time how this will impact the market in the U.S. We will continue to monitor this case along with any other potential cases that may be filed in the future.
- New speciality finishes programs initiated to strengthen differentiation to ASC customers. Productivity and cost performance improved.

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

- The joint venture recorded strong EBIT growth in FY2015, driven by an increase in margins.
- Domestic prime coated steel sales volume grew by 6% in FY2015, driven by 20% growth in bare product sales. Retail sales continued to grow strongly whilst the project business remained subdued.

GLOBAL BUILDING SOLUTIONS

BlueScope’s Global Building Solutions business is a global leader in engineered building solutions (EBS), servicing the low-rise non-residential construction needs of global customers from engineering and manufacturing bases in Asia and North America. EBS plants are located in China, Thailand, Vietnam, North America, Saudi Arabia and India. As part of the integrated value chain feeding the EBS operations, this segment includes BlueScope’s steel metal coating, painting and Lysaght operations in China (Building Products China).

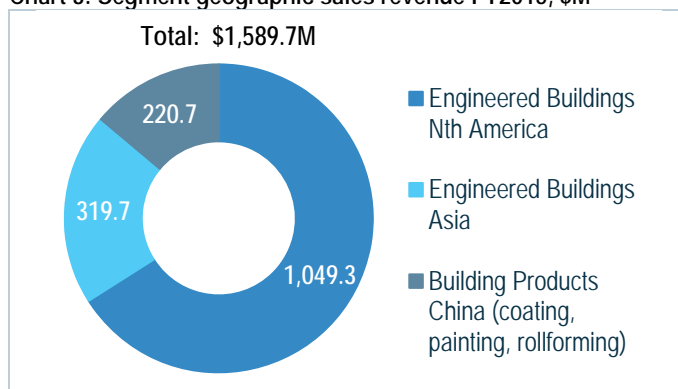
GBS is expanding its global engineering capabilities through the roll-out of a common engineering software system across BlueScope’s Buildings businesses. This system is in place in North America and is currently being installed across businesses in Asia.

KEY FINANCIAL & OPERATIONAL MEASURES

Table 10: Segment performance

\$M unless marked	FY2015	FY2014	Var %	2H FY2015
Sales revenue	1,538.1	1,384.3	11%	752.7
Reported EBIT	56.0	96.6	(42%)	24.4
Underlying EBIT	43.7	26.9	62%	24.4
NOA (pre-tax)	727.1	595.0	22%	727.1
Despatches (kt)	529.6	574.4	(8%)	233.9

Chart 3: Segment geographic sales revenue FY2015, \$M¹



1) Chart does not include \$51.6M of eliminations (which balances back to total segment revenue of \$1,538.1M).

FINANCIAL PERFORMANCE – FY2015 VS. FY2014

Sales revenue

The \$153.8M increase in sales revenue was mainly due to stronger despatch volumes and higher pricing in North America, and favourable foreign exchange rate impacts (against the AUD) in all regions. This was partly offset by lower despatch volumes and pricing in China and South East Asia.

EBIT performance

The \$16.8M increase in underlying EBIT was largely due to:

- higher volumes and favourable domestic pricing in Engineered Buildings North America from continued growth in the U.S. non-residential construction market. This was partly offset by higher costs associated with funding the growth in the business
- an initiative to de-risk pension fund obligations by \$11.0M
- higher margins at China Building Products

- favourable costs as a result of recent restructuring activities
- favourable translation of earnings from a weaker AUD:USD exchange rate
- lower volumes in Engineered Buildings China resulting from the slowdown in non-residential construction activity.

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

FINANCIAL POSITION

Net operating assets increased \$132.1M since 30 June 2014 mainly reflecting translation impacts from a weaker AUD combined with lower provisions as a result of restructure and redundancy payments made in the China business during the period.

MARKETS AND OPERATIONS

Engineered Buildings North America

- Despatch volumes were up 12% in FY2015 relative to FY2014 driven by an increase in the U.S. non-residential construction market activity in all major end-use sectors. This increase was influenced by the business's continued focus on new product development and product differentiation.
- General indicators of activity, such as F.W. Dodge analysis of non-residential construction, point to continued growth in the U.S. non-residential construction market.

Engineered Buildings Asia (China & ASEAN)

- The China business contributed approximately 68% of sales revenue in 1H FY2015; the remaining 32% was derived from ASEAN.
- ASEAN despatch volume declined 11% relative to FY2014 with lower margins on near-term political and economic pressures.
- Despatch volumes in the China business declined by 28% relative to FY2014, and overall margin performance deteriorated influenced by a slowdown in building and construction activity in the premium market across both private and government participants.
- During FY2015, undertook a further review and are executing a broader turnaround plan to restore the business to profitability through delivery of significant annual cost savings across sales, operations and functional support. The plan included implementing a functional business management model, consolidating the supply base to reduce input costs, improving internal operating efficiencies by lower outsourcing levels, and rationalizing a number of sales offices and production sites. Further initiatives are being pursued to improve brand positioning and sales capability to enhance margins.

Building Products China (coating, painting and rollforming)

- Targeted initiatives to increase external sales of higher value-added product continue to support strong overall margin performance. Market conditions remained challenging leading to 16% lower despatch volumes (primarily driven by lower internal demand from the Engineered Buildings Asia business).

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 in Ohio, in the 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 11: Segment performance

\$M unless marked	FY2015	FY2014	Var %	2H FY2015
Sales revenue ¹	-	-	-	-
Reported EBIT ²	107.3	101.6	6%	40.2
Underlying EBIT ²	107.3	104.6	3%	40.2
NOA (pre-tax)	112.8	103.3	9%	112.8
Production ³	1,030.6	1,013.0	2%	510.0
Despatches (kt) ³	1,009.0	987.6	2%	508.0

1) Excludes the Company's 50% share of NSBSL's sales revenue of A\$762.6M in FY2015 and A\$743.9M in FY2014.

2) Includes 50% share of net profit before tax from NSBSL of A\$112.5M in FY2015 and A\$105.4M in FY2014.

3) Reflects BlueScope's 50% share from NSBSL.

FINANCIAL PERFORMANCE – FY2015 VS. FY2014

Sales revenue

The segment is comprised of two equity accounted investments and as such has no sales revenue recorded in the Group accounts.

EBIT performance

The \$2.7M increase in underlying EBIT was due to higher volumes and favourable foreign exchange translation impacts from a weaker AUD:USD exchange rate. This was partly offset by lower spreads, driven primarily by lower selling prices which were partly offset by lower scrap costs.

FINANCIAL POSITION

Net operating assets are largely comprised of BlueScope's equity accounted investment in NSBSL. The \$9.5M increase in net operating assets compared to 30 June 2014 primarily reflects the favourable impact of a weaker AUD:USD exchange rate partly offset by the dividends returned to the owners during the period exceeding the earnings of the NSBSL joint venture.

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 FY2015 were up 21.4kt on FY2014, at 1,009.0kt (BSL share).
- High capacity utilisation rates, relative to the market, have been maintained by NSBSL through an ability to retain existing customers and win new customers by consistent high performance in on-time delivery, service and quality.
- NSBSL was named Number 1 in Overall Customer Satisfaction for the 14th straight year in the Jacobson Survey.

OTHER INFORMATION

SAFETY

SAFETY MANAGEMENT

- The Company remains committed to its goal of Zero Harm.
- Our safety beliefs form the basis for achieving this goal:
 - Working safely is a condition of employment.
 - Employee involvement is essential.
 - Management is accountable for safety performance.
 - All injuries can be prevented.
 - Training employees to work safely is essential.
 - All operating exposures can be safeguarded.
- BlueScope's comprehensive Occupational Health and Safety Management System is mandatory in all operations under our control. The system focuses on three basic areas:
 - Safe and healthy people.
 - Safe systems.
 - Safe and tidy plant.
- Safety Management Standards have been established under this Management System, to which each business is required to demonstrate compliance.
- Also essential to our safety performance is the continuing development of our leaders, implementation of risk management practices, behavioural safety audits, reporting of incidents and near misses, and identifying and preventing 'at risk' behaviour and conditions.

FY2015 SAFETY PERFORMANCE

- In FY2015:
 - the Lost Time Injury Frequency Rate was 0.6 per million man-hours worked compared to 0.9 in FY2014. An LTIFR performance of below 1.0 has been maintained for longer than 10 years
 - the Medical Treated Injury Frequency Rate was 4.6 per million man-hours worked compared to 5.3 in FY2014. This has been below 7.0 for more than nine years.
- During FY2015, businesses have been implementing the initiatives and improvements identified through a major new employee engagement program, 'Switch on Safety', launched in FY2014. The objectives are to refocus leaders on setting safety expectations and standards and to encourage employees to refocus on safety.
- Noteworthy external recognition in FY2015 includes:
 - NSBCP Nth America, Steelscape Kalama, awarded "2014 Best Safety Practices" by National Coil Coaters Association.
 - New Zealand & Pacific Islands - "Best Health & Safety Initiative" from the NZ Safeguard Workplace Health & Safety Awards 2014 for "Contractor Safety".
 - BANZ Supply Chain & Processing awarded "2014 Steel Transport Safety Network Safety Improvement Initiative Award" for the "Driver Safe Zone".
 - Tata BlueScope Building Solutions – recognized with Safety Award by TE Connectivity for "Safety Excellence".
- Other noteworthy safety achievements in FY2015 include:
 - NS BlueScope Singapore – 16 years LTI free.
 - BlueScope Buildings Vietnam – 5 years LTI free.
 - BlueScope Buildings Nth America Construction – 3 years LTI free.
 - BANZ Distribution, Geelong – 15 years LTI free.
 - Tata BlueScope Building Solutions Construction – 2 years MTI and LTI free.

ENVIRONMENT

ENVIRONMENTAL MANAGEMENT

- The BlueScope Environment Management System comprises the following major elements:
 - Our Bond
 - Health, Safety, Environment and Community Policy
 - Environment Principles
 - Health, Safety and Environment Standards
 - BlueScope procedures and guidelines
 - Operational procedures.
- BlueScope continues to manage its environmental performance through the implementation of its business planning process, compliance systems, risk management practices, governance programs and management review.

AUSTRALIAN CARBON POLICY

- During FY2015 the Australian Federal Government introduced its Direct Action policy, which includes the Emissions Reduction Fund, allowing companies to bid for funding for emissions reduction projects through a reverse auction process, and a Safeguard (baseline and compliance) Mechanism to limit emissions growth.
- The Company is in ongoing discussions with the government about the design of this Safeguard Mechanism. A particularly important issue will be the methodology by which the government will set baselines, and ensuring it is sufficiently flexible to accommodate changes in steel production in response to market demand, as well as changes in production inputs and processes.
- The Company remains focused on improving the energy and carbon efficiency of all its operations.

NEW ZEALAND EMISSIONS TRADING SCHEME

- The Company is 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. Correspondingly the allocation of units to energy-intensive and trade-exposed activities is halved, but remains at the 90% allocation rate. 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 later in 2015.

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ABBREVIATIONS

1H	Six months ended 31 December in the relevant financial year
1H FY2014	Six months ended 31 December 2013
1H FY2015	Six months ended 31 December 2014
2H FY2014	Six months ended 30 June 2014
2H FY2015	Six months ended 30 June 2015
ADC	Anti-Dumping Commission
ASEAN	Association of South East Asian Nations
ASP	Australian Steel Products segment
AUD, A\$, \$	Australian dollar
BANZ	BlueScope Australia and New Zealand (comprising ASP and NZPac segments)
BCDA	Former Building Components & Distribution Australia segment
BP or Building Products	Building Products, ASEAN, North America and India segment
BSL or BlueScope	BlueScope Steel Limited and its subsidiaries
CIPA	Former Coated & Industrial Products Australia segment
CRC	Cold rolled coil steel
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
FY2014	12 months ended 30 June 2014
FY2015	12 months ended 30 June 2015
FY2016	12 months ended 30 June 2016
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
HRC	Hot rolled coil steel
HRPNA, HRP North America	Hot Rolled Products North America segment
IFRS	International Financial Reporting Standards
Net debt	Gross debt less cash
NOA	Net operating assets pre-tax
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
NZD	New Zealand dollar
NZPac or NZ Steel & Pacific	New Zealand & Pacific Steel segment
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
TBSL	Tata BlueScope Steel
U.S.	United States of America
USD, US\$	United States dollar

ANNEXURE: DETAILED TABLES

A. SEGMENTAL SUMMARY TABLES

Table 12: Segmental sales revenue & reported EBIT

\$M	Sales revenue			Reported EBIT		
	FY2015	FY2014	2H FY2015	FY2015	FY2014	2H FY2015
ASP	4,792.1	4,522.1	2,333.1	128.4	(115.7)	56.8
NZPac	972.1	870.9	482.2	(30.3)	73.6	(32.9)
BP	1,790.8	1,742.9	892.2	97.1	81.4	49.3
GBS	1,538.1	1,384.3	752.7	56.0	96.6	24.4
HRPNA ²	0.0	0.0	0.0	107.3	101.6	40.2
Corporate / group	0.0	0.0	0.0	(63.8)	(87.1)	(34.2)
Inter-segment ¹	(572.4)	(622.4)	(268.9)	0.1	1.7	(0.4)
Continuing Businesses	8,520.7	7,897.8	4,192.3	294.8	152.1	103.2
Discontinued Bus.	31.6	83.3	9.3	1.8	(49.9)	7.8
Inter-segment ¹	0.0	0.0	0.0	0.0	0.1	0.1
Total	8,552.3	7,981.1	4,200.6	296.6	102.3	111.1

Table 13: 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.

\$M	Underlying EBITDA			Underlying EBIT		
	FY2015	FY2014	2H FY2015	FY2015	FY2014	2H FY2015
ASP	339.4	236.2	181.6	150.3	47.5	84.2
NZPac	26.8	127.5	(4.6)	(33.2)	74.7	(35.8)
BP	153.3	139.9	79.3	98.3	88.9	50.5
GBS	82.3	60.3	45.6	43.7	26.9	24.4
HRPNA ²	107.3	104.6	40.2	107.3	104.6	40.2
Corporate / group	(64.4)	(80.0)	(32.3)	(64.7)	(80.2)	(32.5)
Inter-segment ¹	0.1	1.9	(0.3)	0.1	1.7	(0.2)
Continuing Businesses	644.8	590.4	309.5	301.8	264.1	130.8

Notes to Tables 12 & 13:

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\$762.6M in FY2015 (A\$743.9M in FY2014 and A\$364.6M in 2H FY2015).

Table 14: Segment summary steel despatch volume

000 tonnes	FY2015	FY2014	Variance %	2H FY2015
Australian Steel Products	2,893.7	2,653.8	9%	1,478.9
New Zealand & Pacific Steel	782.6	608.5	29%	395.6
Building Products ASEAN, Nth Am & India	1,330.2	1,367.0	(3%)	646.9
Global Building Solutions	529.6	574.4	(8%)	233.9
Hot Rolled Products North America	1,009.0	987.6	2%	508.0
Discontinued Businesses	-	-	-	-
Less sales between BlueScope segments	(313.8)	(223.9)	(40%)	(165.1)
Total Group External Steel Despatches	6,231.3	5,967.6	4%	3,098.4

B. AUSTRALIAN STEEL PRODUCTS VOLUME DETAIL

Table 15: Detailed production & despatch report

000 tonnes	FY2015	FY2014	Variance %	2H FY2015
Raw steel production	2,573.3	2,481.3	4%	1,312.1
Domestic steel despatches				
- HRC	433.6	478.6	(9%)	216.9
- Plate	198.5	234.2	(15%)	90.0
- CRC, metal coated, painted & other ¹	1,201.2	1,195.7	0%	594.5
- Sub-total – domestic sales of BSL steel	1,833.3	1,908.5	(4%)	901.4
- Channel despatches of externally sourced product ²	258.8	254.1	2%	118.1
Total domestic steel despatches	2,092.1	2,162.6	(3%)	1,019.5
Export steel despatches				
- Slab	-	-	-	-
- HRC ³	588.8	292.0	102%	363.3
- Plate	24.1	12.2	98%	9.7
- CRC, metal coated, painted & other	185.4	181.5	2%	85.0
- Sub-total – export sales of BSL steel	798.3	485.7	64%	458.0
- Channel despatches of externally sourced product	3.3	5.6	(41%)	1.4
Total export steel despatches	801.6	491.3	63%	459.4
Total steel despatches (external & intersegment) ⁴	2,893.7	2,653.9	9%	1,478.9
External coke despatches	701.1	640.1	10%	346.3

1) The product volumes are ex-mills (formerly CIPA). Other includes the following inventory movements in downstream channels:

	21.5	15.5	18.0
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2) Primarily long-products sold through Distribution business

3) Export HRC despatches comprised of:

- Building Products North America	217.8	76.3	130.7
- Building Products Thailand	4.0	45.7	0.9
- Other	367.0	170.0	231.7

4) Includes the following sales through downstream channels (formerly Building Components and Distribution Australia segment):

	968.7	822.2	469.3
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C. NEW ZEALAND AND PACIFIC STEEL VOLUME DETAIL

Table 16: New Zealand Steel flat steel products production & despatch report

000 tonnes	FY2015	FY2014	Variance %	2H FY2015
Raw steel production at Glenbrook (flat products)	610.6	591.4	3%	301.4
NZ Steel despatches (external & intersegment)				
- Domestic	260.6	270.6	(4%)	128.9
- Export	259.7	315.4	(18%)	143.6
Total NZ Steel despatches	520.3	586.0	(11%)	272.5

Table 17: Pacific Steel long steel products production & despatch report

000 tonnes (external & intersegment)	FY2015	FY2014 ¹	Variance %	2H FY2015
- Domestic	173.0	12.4	1,295%	86.5
- Export	89.3	10.1	784%	36.6
Total Pacific Steel despatches	262.3	22.5	1,066%	123.1

1) BlueScope acquired Pacific Steel effective 1 June 2014, hence only one month's sales included in FY2014.

Table 18: Iron sands despatch report

000 tonnes (external)	FY2015	FY2014	Variance %	2H FY2015
From Waikato North Head mine	524.6	665.5	(21%)	197.9
From Taharoa mine	1,105.1	1,647.7	(33%)	470.7
Total external iron sands despatches	1,629.7	2,313.2	(30%)	668.6

D. BUILDING PRODUCTS SEGMENT DETAIL

Table 19: Despatch & financial details

	FY2015	FY2014	2H FY2015
Total despatches (000 tonnes)			
Thailand	350.3	367.2	178.7
Indonesia	241.3	221.0	108.9
Malaysia	167.0	156.6	84.8
Vietnam	125.6	129.2	63.4
North America	373.2	408.7	177.8
India	102.9	106.1	53.7
Other / Eliminations	(30.1)	(21.8)	(20.4)
Total	1,330.2	1,367.0	646.9
Sales revenue (\$M)			
Thailand	455.0	452.7	241.9
Indonesia	319.9	279.4	151.6
Malaysia	253.3	236.2	129.0
Vietnam	165.3	166.5	86.5
North America	631.0	633.7	306.8
India	0.0	0.0	0.0
Other / Eliminations	(33.7)	(25.6)	(23.6)
Total	1,790.8	1,742.9	892.2
Reported EBIT (\$M)			
Thailand	48.5	51.2	28.0
Indonesia	9.8	0.0	5.8
Malaysia	27.3	30.2	13.9
Vietnam	14.2	12.9	8.6
North America	4.7	4.6	(3.9)
India ¹	(2.2)	(8.2)	1.0
Other / Eliminations	(5.2)	(9.3)	(4.1)
Total	97.1	81.4	49.3
Underlying EBIT (\$M)			
Thailand	48.5	51.2	28.0
Indonesia	11.0	0.0	7.0
Malaysia	27.3	30.2	13.9
Vietnam	14.2	12.9	8.6
North America	4.7	12.1	(3.9)
India ¹	(2.2)	(8.2)	1.0
Other / Eliminations	(5.2)	(9.3)	(4.1)
Total	98.3	88.9	50.5
Net operating assets pre-tax (\$M)			
Thailand	234.9	180.4	234.9
Indonesia	249.8	213.1	249.8
Malaysia	140.8	119.7	140.8
Vietnam	75.8	66.7	75.8
North America	288.2	244.6	288.2
India	24.5	23.4	24.5
Other / Eliminations	(8.0)	(3.1)	(8.0)
Total	1,006.0	844.8	1,006.0

1) Reflects BlueScope's 50% share of equity accounted profits from the Tata BlueScope Steel joint venture.

E. GLOBAL BUILDING SOLUTIONS SEGMENT DETAIL

Table 20: Despatch & financial details

	FY2015	FY2014	2H FY2015
Total despatches (000 tonnes)			
Engineered Buildings North America	250.9	224.8	110.7
Engineered Buildings Asia ¹	163.5	216.8	76.8
Building Products China (coating, painting & rollforming) ²	146.2	174.8	60.5
Other / Eliminations	(31.0)	(42.0)	(14.0)
Total	529.6	574.4	234.0
Sales revenue (\$M)			
Engineered Buildings North America	1,049.3	785.0	525.9
Engineered Buildings Asia ¹	319.7	415.0	149.7
Building Products China (coating, painting & rollforming) ²	220.7	248.4	100.9
Other / Eliminations	(51.6)	(64.1)	(23.8)
Total	1,538.1	1,384.3	752.7
Reported EBIT (\$M)			
Engineered Buildings North America	52.0	18.4	21.9
Engineered Buildings Asia ¹	(14.5)	(1.3)	(6.3)
Building Products China (coating, painting & rollforming) ²	25.7	114.3	11.6
Other / Eliminations	(7.2)	(34.8)	(2.8)
Total	56.0	96.6	24.4
Underlying EBIT (\$M)			
Engineered Buildings North America	42.6	19.1	21.9
Engineered Buildings Asia ¹	(14.5)	(1.0)	(6.3)
Building Products China (coating, painting & rollforming) ²	25.7	26.2	11.6
Other / Eliminations	(10.1)	(17.4)	(2.8)
Total	43.7	26.9	24.4
Net operating assets pre-tax (\$M)			
Engineered Buildings North America	405.5	336.3	405.5
Engineered Buildings Asia ¹	78.3	62.9	78.3
Building Products China (coating, painting & rollforming) ²	233.9	207.6	233.9
Other / Eliminations	9.4	(11.8)	9.4
Total	727.1	595.0	727.1

1) Includes Buildings China and Buildings ASEAN operations

2) Includes Coated Products China and Lysaght China