UK AND US INVESTOR MEETINGS

Mark Vassella
Managing Director and Chief Executive Officer

Tania Archibald
Chief Financial Officer

October 2018

BlueScope Steel Limited. ASX Code: BSL

ABN: 16 000 011 058
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BLUESCOPE OVERVIEW

### Australian Steel Products
- **Revenue:** $5,423M
- **EBITDA:** $769M

### North Star
- Produces and markets a range of high value coated and painted flat steel products for Australian building and construction customers.
- Broader offering of commodity flat steel products.
- Key brands include zinc / aluminum alloy-coated ZINCALUME® steel and galvanized and zinc / aluminum alloy-coated pre-painted COLORBOND® steel.
- Significant channels to market through our building components and distribution businesses.
- Operates a 2.1Mtpa mini-mill in Ohio, with industry leading utilisation.
- North Star voted #1 sheet producer in North America (Jacobson Survey) for 13 out of the last 15 years.

### Buildings North America
- Designer and manufacturer of engineered building solutions.
- Key markets in China & North America.
- Supplying buildings to global customers.
- China coating & painting.

### New Zealand & Pacific Steel
- Sole producer of steel products in New Zealand, with leading domestic market share of flat products.
- Flat steel products include value-added coated and painted products, together with commodity grades.
- Leading market share in New Zealand in long products.
- Leader in metal coated and painted steel building products.
- Comprises NS BlueScope Coated Products (50/50 joint venture, consolidated) and Tata BlueScope JV (50/50 joint venture, equity accounted).
- Operates metallic coating and painting lines and roll-forming in Indonesia, Malaysia, Thailand, Vietnam, India and North America.

### Building Products Asia & North America
- **Revenue:** $834M
- **EBITDA:** $156M

<table>
<thead>
<tr>
<th>Financial year ended 30 June 2018</th>
<th>100% Ownership</th>
<th>Joint Ventures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td>$5,423M</td>
<td>$2,694M</td>
</tr>
<tr>
<td><strong>EBITDA:</strong></td>
<td>$769M</td>
<td>$259M</td>
</tr>
</tbody>
</table>

Sales Revenue figures above excludes sales from discontinued businesses totalling A$51.9M and inter-segment revenue eliminations totalling (A$454.6)M in the twelve months ended 30 June 2018.

EBITDA figures above exclude Corporate & Group and inter-segment EBITDA of (A$119.2)M in the twelve months ended 30 June 2018. "EBITDA" refers to Underlying EBITDA.
## SAFETY PERFORMANCE

Continuing our journey towards Zero Harm

### LTIFR
Lost time injuries per million man-hours worked

<table>
<thead>
<tr>
<th>Year</th>
<th>LTIFR</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>0.55</td>
</tr>
<tr>
<td>FY2016</td>
<td>0.57</td>
</tr>
<tr>
<td>FY2017</td>
<td>0.80</td>
</tr>
<tr>
<td>FY2018</td>
<td>0.62</td>
</tr>
</tbody>
</table>

### MTIFR
Medically treated injuries per million man-hours worked

<table>
<thead>
<tr>
<th>Year</th>
<th>MTIFR</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>4.6</td>
</tr>
<tr>
<td>FY2016</td>
<td>5.1</td>
</tr>
<tr>
<td>FY2017</td>
<td>5.6</td>
</tr>
<tr>
<td>FY2018</td>
<td>5.4</td>
</tr>
</tbody>
</table>

LTIFR and MTIFR includes Orrcon, Fielders and Pacific Steel acquisitions from 2016 and North Star from 2017.
Strong finish to the year with 2H underlying EBIT of $745M

**UNDERLYING EBIT**

$1,269M<sup>1</sup>

Up $164M on FY2017
2H underlying EBIT $745M<sup>2</sup>

**UNDERLYING EBIT RETURN ON INVESTED CAPITAL**

20.0%

Up from 18.5% in FY2017

**REPORTED NPAT**

$1,569M<sup>3</sup>

Up 119% on FY2017

**FREE CASH FLOW**

(Operating cash flow less capex)

$731M

Down from $749M on FY2017

**CAPITAL MANAGEMENT**

Larger buy-back of $250M and 8.0 cps final dividend

Dividends:
6.0 cps interim, 8.0 cps final

**NET CASH**

$64M

Up from ($262.1)M net debt at 31 December 2017

---

1. Includes $32.1M one-off benefit from settlement of historical coal dispute (cash settlement and reversal of prior year provisions) and unusually high $16.4M contribution from BlueScope Properties Group.
2. Includes unusually high $18.3M contribution from BlueScope Properties Group.
3. Includes unusual and one-off benefits of $743.1M.
UNDERLYING EBIT BY SEGMENT

Strong group performance driven by a robust and diversified portfolio

AUSTRALIAN STEEL PRODUCTS

$587M

Up 28% on FY2017
2H underlying EBIT $326M

NORTH STAR

$431M

Up 6% on FY2017
2H underlying EBIT $285M

BUILDING PRODUCTS ASIA & NORTH AMERICA

$185M

Down 12% on FY2017
2H underlying EBIT $76M

BUILDINGS NORTH AMERICA

$75M

Up 30% on FY2017
2H underlying EBIT $48M

NEW ZEALAND & PACIFIC STEEL

$112M

Up 83% on FY2017
2H underlying EBIT $71M

CORPORATE & ELIMINATIONS

$(120)M

Up 36% on FY2017

(1) Includes $32.1M one-off benefit from settlement of historical coal dispute (cash settlement and reversal of prior year provisions)
(2) Includes unusually high $16.4M contribution from BlueScope Properties Group
BlueScope earnings dramatically transformed over last three years

Driven by productivity and cost improvements, with similar spreads

- Move to full ownership
- Spreads stronger
- Incremental volume
- Cost control

Driven by growth in:
- North America
- Vietnam
- India

- Rebased earnings to a higher level
- Macro volatility having lower % impact on earnings
- Improved earnings mix:
  - Value added products
  - Geographic diversity
- Strong position to fund growth, reduce debt and for capital management
DIVERSIFIED PORTFOLIO

Geographic diversity and increasing contribution from value-added products

Underlying EBITDA by region ($M)

- Australia: $761M (43%)
- North America: $675M (38%)
- Asia: $173M (10%)
- NZ & Pacific: $155M (9%)

FY2018 Total\(^1\):
$1,645M

BlueScope despatch volume mix

- Higher value added
- High performing, cost competitive commodity steelmaking
- Cost competitive commodity steel

(1) Total includes corporate costs & eliminations of $119.2M, excluded from pie chart
Robust cash generation to support growth and shareholder returns

Free cash flow ($M)

<table>
<thead>
<tr>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>638</td>
<td>749</td>
<td>731</td>
</tr>
<tr>
<td>266</td>
<td>1,251</td>
<td>1,449</td>
</tr>
<tr>
<td>686</td>
<td>(314)</td>
<td>(383)</td>
</tr>
<tr>
<td>(314)</td>
<td>(119)</td>
<td>(308)</td>
</tr>
</tbody>
</table>

Net cash flow (before investment expenditure & financing)

<table>
<thead>
<tr>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>638</td>
<td>749</td>
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<td>686</td>
<td>(314)</td>
</tr>
<tr>
<td>(314)</td>
<td>(119)</td>
</tr>
</tbody>
</table>

Cash flow yield¹

FY2017: 7.7%
FY2018: 7.5%

¹ Calculated as net cash flow (before investment expenditure & financing) divided by the sum of $9.3Bn market capitalisation and non-controlling interests on the balance sheet.
Focus on ROIC and EPS growth to ultimately drive shareholder returns

**Foundation**

Maintain safe and reliable operations, and operate within Financial Principles, including meeting net cash targets and retaining strong credit metrics

**Growth**

Drive competition for capital with disciplined, returns focused process:
- Investments in the business
- M&A
- Returns to shareholders

**Shareholder Returns**

Distribute 30% to 50% of free cash flow to shareholders in the form of consistent dividends and on-market buy-backs

The Company will continue to review its capital management approach having regard to its balance sheet, credit metrics and investment priorities

The larger **buy-back of $250M** and increased **8.0 cps final dividend** reflects current operating commitments, balance sheet strength and capital requirements

**Shareholder Distributions ($M)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends</th>
<th>Buybacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H FY2017</td>
<td>17</td>
<td>150</td>
</tr>
<tr>
<td>2H FY2017</td>
<td>23</td>
<td>28</td>
</tr>
<tr>
<td>1H FY2018</td>
<td>176</td>
<td>148</td>
</tr>
<tr>
<td>2H FY2018</td>
<td>185</td>
<td>33</td>
</tr>
<tr>
<td>1H FY2019</td>
<td>294</td>
<td>44</td>
</tr>
</tbody>
</table>

1. **Footnote:** On-market buy-backs are seen as the most effective method of returning capital to shareholders after considering various alternatives and given BlueScope’s lack of franking capacity after payment of the 2018 interim dividend. The Board reserves the right to suspend or terminate the buy-back at any time.

2. **Footnote:** Indication of announced 8.0 cps final dividend and $250M buy-back program on 13 August 2018
DISCIPLINED GROWTH

Returns focussed process driving competition for capital

Capital expenditure principles

INVEST TO MAXIMISE VALUE FROM “BEST IN CLASS” ASSETS

INVEST FOR GROWTH IN PREMIUM BRANDED PRODUCTS

INVEST IN CUSTOMER, TECHNOLOGY AND INNOVATION

Examples of growth opportunities

Building Products Asia
Next Generation ZINCALUME™ roll out

Building Products Asia
Coating and painting capacity in India

Building Products Asia
Third metal coating line in Thailand

Australian Steel Products
Inter-material growth in light gauge steel framing – TRUECORE®

North Star
Expansion opportunity

Buildings North America
Game changing design & detail software
Comprehensive study initiated to examine expansion opportunity of 600 to 900 thousand metric tonnes per annum

- Option to expand existing production flows through possible third electric arc furnace and second caster
- Targeting capacity addition of 600,000 to 900,000 metric tonnes; project may open up further debottlenecking options
- Preliminary capital estimate of US$500M to US$700M
- Assessment will need to confirm compelling through-cycle economics
- Expected to take two to three years to develop if we proceed
- Update to be provided in 2H FY2019

North Star’s competitive position

**EBIT margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>North Star</th>
<th>North American Steel Mill Peers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H12</td>
<td>434</td>
<td></td>
</tr>
<tr>
<td>2H12</td>
<td>247</td>
<td></td>
</tr>
<tr>
<td>1H13</td>
<td>257</td>
<td></td>
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<tr>
<td>2H13</td>
<td>233</td>
<td></td>
</tr>
<tr>
<td>1H14</td>
<td>246</td>
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<tr>
<td>2H14</td>
<td>278</td>
<td></td>
</tr>
<tr>
<td>1H15</td>
<td>295</td>
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</tr>
<tr>
<td>2H15</td>
<td>250</td>
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<tr>
<td>1H16</td>
<td>221</td>
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<tr>
<td>2H16</td>
<td>253</td>
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<tr>
<td>1H17</td>
<td>340</td>
<td></td>
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<tr>
<td>2H17</td>
<td>324</td>
<td></td>
</tr>
<tr>
<td>1H18</td>
<td>285</td>
<td></td>
</tr>
<tr>
<td>2H18</td>
<td>434</td>
<td></td>
</tr>
</tbody>
</table>

**USSM EBITDA and spread**

- Move to full ownership of North Star during 1H FY16

(1) Reflects CY2017 North Star underlying EBIT margin. Peer margin data sourced from CY2017 company information, simple average of 8 North American peers using relevant segment information.
(2) U.S. Midwest mini-mill HRC spread (metric) – based on CRU Midwest HRC price (assuming illustrative one month lag), SBB #1 busheling scrap price (assuming one month lag) and Metal Bulletin NOLA pig iron price (assuming two month lag); assumes raw material indicative usage of 1.1t per output tonne. Note, North Star sales mix has longer lags.
Investment grade credit ratings; net cash position at 30 June 2018; strong credit metrics

- ✔ Investment grade achieved April 2018
- ✔ US$500M 144a Notes replaced with US$300M Reg-S 5 year notes
- ✔ Refinanced syndicated bank facilities

### Net debt / (cash) ($M)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>148</td>
<td>214</td>
<td>262</td>
<td>275</td>
<td>1373</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>408</td>
<td>275</td>
<td>778</td>
<td>531</td>
<td>232</td>
<td>262</td>
</tr>
</tbody>
</table>

North Star acquisition

### Leverage

(Net debt to LTM underlying EBITDA\(^1\))

- 0.4x
- 0.4x
- 0.4x
- 0.4x
- 0.7x
- 0.4x
- 0.8x
- 0.4x
- 0.2x
- 0.2x
- N/A – Net Cash

Step-up and rapid pay-down of North Star 50% acquisition

\(^1\) Dec-15 and Jun-16 includes North Star proforma for previous 12 months
OUR BOND, STRATEGY, FINANCIAL PRINCIPLES & APPROACH TO SUSTAINABILITY
GUIDE WHAT WE AIM TO ACHIEVE AND HOW WE DO IT
Our Bond guides our decision making in choosing to do what is right

**OUR CUSTOMERS ARE OUR PARTNERS**

Our success depends on our customers and suppliers choosing us. Our strength lies in working closely with them to create value and trust, superior products, service and ideas.

**OUR PEOPLE ARE OUR STRENGTH**

Our success comes from our people. We work in a safe and satisfying environment. We choose to treat each other with trust and respect and maintain a healthy balance between work and life.

**OUR SHAREHOLDERS ARE OUR FOUNDATIONS**

Our success is made possible by the shareholders and lenders who choose to invest in us. In return we commit to continuing profitability and growth in value, which together makes us stronger.

**OUR COMMUNITIES ARE OUR HOMES**

Our success relies on communities supporting our business and products. In turn we care for the environment, create wealth, respect local values and encourage involvement. Our strength is in choosing to do what is right.
## OUR STRATEGY – A DISCIPLINED APPROACH TO GROWTH AND SHAREHOLDER RETURNS FROM A POSITION OF STRENGTH

**We are**

A steel building products company

**Our Target**

Top quartile shareholder returns and safe operations

**Our Strategic Focus areas**

- Grow **premium branded steel businesses** with strong channels to market
- Maximise value from “Best in Class” assets
- Deliver **competitive commodity steel supply** in our local markets
- Ensure ongoing financial strength

### Coated & Painted Products

- Colorbond®
- Colorsteel®
- Truecore®
- NEW ZEALAND’S FAVOURITE ROOF

### BlueScope Buildings

- BLUESCOPE
- Zacs
- Lysaght
- BUTLER

### North Star BlueScope

- Durashine

### Australia & NZ Steelmaking

- Tata BlueScope Steel

### Balance Sheet
FINANCIAL PRINCIPLES

Clearly stated financial principles to guide our decision making

RETURN HURDLES
- Every business to deliver ROIC > WACC
- ROIC incentives for management and employees
- Disciplined capital allocation

INVESTMENT TIMING
- Intent to have financial capacity through the cycle to make opportunistic investments
- Will avoid M&A at the top of the cycle

BALANCE SHEET CAPACITY
- Target positive cash of ~$200M to $400M
- Retain strong credit metrics
- Leverage for M&A but only if accompanied by active debt reduction program
- Reward shareholders from free cash flow as an active strategy

STEELMAKING
- Commodity steelmaking in Australia & NZ is a valuable option provided it can deliver target returns and is cash flow breakeven\(^1\) at bottom of the cycle
- Intent to maintain capacity to fund a shutdown of steelmaking if not cash positive

\(^1\) EBITDA less stay in business capital expenditure
APPROACH TO SUSTAINABILITY

Strong performance and continued focus on sustainability

SAFETY, HEALTH & WELLNESS
Continuing our journey towards Zero Harm. In FY2018:
- LTIFR (lost time injuries per million man-hours worked) of 0.62, remained at low levels
- MTIFR (medically treated injuries per million man-hours worked) of 5.4, also remained at low levels

CLIMATE CHANGE AND ENERGY
BlueScope supports Australia’s 2030 emissions target, in line with the Paris commitment
- 43% cut in Australian CO₂ emissions from 2011 to 2017
- Steelmaking emissions intensity down 8% in FY2017
- Signed solar energy PPA; project to support decarbonisation of Aust. grid by 300,000t CO₂-e per annum
- Developing emissions reduction targets
- Boosted climate change governance
- Aligning reporting to TCFD

SUPPLY CHAIN SUSTAINABILITY
Committed to respecting human rights
Published Statement on Human Rights and Responsible Sourcing Standard earlier this year
Completed ESG risk assessment and analysis of Supply Chain management processes
Designed a risk-prioritised approach to engaging suppliers regarding our standards and expectations, and undertaking verification exercises

GOVERNANCE AND BUSINESS CONDUCT
All employees have access to an externally managed business conduct hotline for anonymous reporting of issues. In FY2018:
- 12 reports of alleged misconduct were reported to the hotline
- All allegations were taken seriously and investigated by an independent panel
- Disciplinary actions were taken against two employees

DIVERSITY AND INCLUSION
Strong focus and effective strategies creating demonstrable improvement in workforce diversity
Female participation in the total BSL workforce has increased to 19% in FY2018 from 17% in FY2016
Women made up 40% of total new recruitment in FY2018, nearly double that of FY2016 at 23%
- Of this new recruitment, women made up one third of new recruits into operations and trade based roles, nearly five times the levels of FY2016
A DIFFERENT KIND OF STEEL BUILDING PRODUCTS COMPANY
WHAT MAKES US DIFFERENT?

TECHNOLOGY, BRANDING & CHANNELS

BUSINESS DIVERSIFICATION

COST COMPETITIVENESS

DISCIPLINED GROWTH

CASH GENERATION & CAPITAL MANAGEMENT

APPROACH TO SUSTAINABILITY
ADDITIONAL INFORMATION:
A DIFFERENT KIND OF STEEL COMPANY

The Tate Home in Waiheke, NZ. Designed by Chris Tate and installed by Clive Matthews. Features Colorsteel® Endura® in Ebony.
Product Technology and Development Leadership

Advanced pre-painted and metallic coating development for building, construction and home appliance markets

- Development of the innovative COLORBOND® Matt paint finishes
- Roll out of leading proprietary AM metal coating technology across the globe

Technical product assessment methods providing deep understanding of product performance in both accelerated and real outdoor exposure conditions

- In-house NATA certified product testing capability – building codes, standards, corrosion, durability

Process Innovation and Advanced Testing

Continued focus on developing and improving production and design processes

- Continuous coil painting process technology (e.g. high speed, inline MCL painting)
- Collaborative innovation capabilities (including working with academia and third parties to innovate)
- Comprehensive development and management of intellectual property and know-how
- Product design and innovation processes – including Design Thinking and Stage Gate processes
Brands – a portfolio of many well-known and respected names to support our premium branded positions
Channels – clear focus on knowing our end customers and maintaining strong channels to market

<table>
<thead>
<tr>
<th>Australia</th>
<th>New Zealand</th>
<th>Asia</th>
<th>North America</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="lysaght.png" alt="Lysaght" /></td>
<td><img src="fielders.png" alt="Fielders" /></td>
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<td><img src="tata.png" alt="Tata" /></td>
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<td><img src="asc.png" alt="ASC Building Products" /></td>
<td></td>
</tr>
</tbody>
</table>
Australian steelmaking breakeven at minimum recent spreads; North Star leading margin in U.S. steelmakers

East Asian steel spread & estimated ASP steelmaking cash breakeven (US$/t)

North Star’s and North American peers’ EBIT margin

Steelmaking approximate breakeven spread range

1. Indicative steelmaker HRC spread representation based on simple input blend of 1.5t iron ore fines and 0.71t hard coking coal output tonne of steel. Chart is not a specific representation of BSL realised HRC spread (eg does not account for iron ore blends, realised steel prices etc), but rather is shown to primarily demonstrate movements from period to period.

2. SBB East Asia HRC price lagged by three months up to Dec 2017, four months thereafter - broad indicator for Australian domestic lag, but can vary. Indicative iron ore pricing: 62% Fe iron ore fines price assumed. Industry annual benchmark prices up to March 2010. Quarterly index average prices lagged by one quarter from April 2010 to March 2011; 50/50 monthly/quarterly index average from April 2011 to December 2012. Monthly thereafter.


(1) Approximate breakeven calculation based on recent business performance; may not be a reliable guide for the future

(2) Reflects CY2017 North Star underlying EBIT margin. Peer margin data sourced from CY2017 company information, simple average of 6 North American peers using relevant segment information

---

North Star

North American Steel Mill Peers

19.3%

9.4%
**DISCIPLINED GROWTH**

**Australian Steel Products case study: light gauge steel framing growth**

**The opportunity for growth**

**Current low share** in detached residential framing and commercial building segment

**Superior attributes** – fire resistant, termite proof, straight and true, design versatility

**Trade shortages and higher wages** driving builders to look at more efficient building practices

Commercial building practices trending towards **offsite and prefabricated construction methods**

**How we are capturing the opportunity**

‘The Inner Strength’ a recent major marketing re-launch targeting homeowners, builders and fabricators

**Partnering with builders** in every state to ensure supply of steel framing is ahead of demand

**Increasing steel frame installation capacity** and capability through vocational training and professional development

**Achieving specification** for structural and prefabricated framing within the commercial building segment

**Benefits of building with TRUECORE®**

- Straight and true
- 100% termite proof
- Won’t catch fire
- Efficient and fast to install
- Versatile designs
- Backed by BlueScope
DISCIPLINED GROWTH

Building Products case study: roll out of retail strategy

**GROWING THE RETAIL DEALER NETWORK**
- Retail stores across ASEAN where the retail market can access BlueScope quality metal roofing and construction materials
- Over 170 branded stores across ASEAN, and growing rapidly

**CREATING A PREMIUM RETAIL EXPERIENCE**
- Creating dealerships that provide a premium customer experience for retail and trade customers alike
- Supporting the physical dealerships with the development of an online accessible retail presence

**INVESTING IN EDUCATING THE CHANNEL & USERS**
- Continued investment in educating and training trade customers on how to install quality roof products, safely
- Assists in growing trade demand directly, along with retail end user demand as trades are key influencers in purchase decisions

**CONDUCTING NATIONAL MARKETING CAMPAIGNS**
- Supporting growing dealer network and trade customer base with national marketing campaigns tailored for each country
- Specifically targeted at brand recognition and awareness in the end user retail segment

**ONGOING TRAINING FOR DEALER NETWORK**
- Providing the dealer network the tools and skills to position BlueScope’s products to end consumers
- A mix of in store and field based training to develop knowledgeable sales consultants
CASH GENERATION & CAPITAL MANAGEMENT

Robust cash generation to support growth and shareholder returns

**Free cash flow ($M)**
Operating cash flow less capex

<table>
<thead>
<tr>
<th></th>
<th>Jun-15</th>
<th>Jun-16</th>
<th>Jun-17</th>
<th>Jun-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>154</td>
<td>638</td>
<td>749</td>
<td>731</td>
</tr>
<tr>
<td>2016</td>
<td>34</td>
<td>190</td>
<td>362</td>
<td></td>
</tr>
</tbody>
</table>

**Net debt / (cash) ($M)**

<table>
<thead>
<tr>
<th></th>
<th>Jun-15</th>
<th>Jun-16</th>
<th>Jun-17</th>
<th>Jun-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>275</td>
<td>778</td>
<td>232</td>
<td>(64)</td>
</tr>
<tr>
<td>2016</td>
<td>17</td>
<td>34</td>
<td>190</td>
<td>62</td>
</tr>
<tr>
<td>2017</td>
<td>40</td>
<td>62</td>
<td>300</td>
<td></td>
</tr>
</tbody>
</table>

**Shareholder returns ($M)**

- Dividend
- Buy-back

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>17</td>
<td>34</td>
<td>190</td>
<td>362</td>
</tr>
<tr>
<td>2016</td>
<td>40</td>
<td>62</td>
<td>300</td>
<td>62</td>
</tr>
<tr>
<td>2017</td>
<td>62</td>
<td>300</td>
<td>300</td>
<td>62</td>
</tr>
<tr>
<td>2018</td>
<td>62</td>
<td>300</td>
<td>300</td>
<td>62</td>
</tr>
</tbody>
</table>
Our four pillars of commitment to action

Support Australia’s 2030 emissions target, in line with the Paris commitment

- As at FY2017, ASP has achieved a 43% cut in Australian greenhouse gas (GHG) emissions from 2011 to 2017
  - By reducing excess global steel capacity
  - Significant contribution to Australia’s commitment under Paris Agreement
- Reduced emissions intensity
  - Average GHG intensity of three steelmaking facilities fell by 8% in FY2017
- Implementing energy efficiency and emissions reduction projects
  - E.g. self-generation upgrade at PKSW in 2017 reduced electricity grid demand by 7%, equivalent to 46,000t CO2-e p.a.

Acknowledge steelmaking produces emissions; working to reduce the impact

- Support National Energy Guarantee (NEG)
  - To address ‘trilemma’ of emissions reduction, affordability and reliability
- Signed renewable energy agreement equivalent to 20% of our Australian electricity consumption
  - 500,000 solar panel farm at Finley, NSW, going online mid 2019
  - BSL off taking 66% of 133MW AC generated
  - Project will support decarbonisation of electricity grid by 300,000t CO2-e p.a.

Governance structures seek to ensure understanding and management of climate risk

- Climate addressed from Board & down
  - Risk and Sustainability Committee
  - Sustainability Council (with exec. lead team representation)
  - VP Sustainability and Sustainability Manager
- Aligning climate change reporting with Task Force on Climate-related Financial Disclosure (TCFD)
  - Further alignment in 2018 Sustainability Report (to be released October 2018), including outcomes of scenario analysis

Steel plays a key role in sustainable development, given its longevity and endless recyclability

- Recycled steel as manufacturing feed
  - ~20% recycled pre and post consumer scrap content in Aust. and NZ steel production
  - ~75% at U.S. mini-mill (North Star)
- Driving certification
  - Founding member of ResponsibleSteel, and its industry supply chain certification scheme, currently under development
- Building a culture of sustainability
  - Extensive recycling of by-products (over 96% material efficiency)
  - Contributing to circular economy, with significant national energy and GHG benefits
Enhancing our sustainability reporting

**FY2016 Report**

Initial step towards sustainability reporting, combining content of BlueScope’s annual Community Safety and Environment Report, our People Report, and the Annual Report

**FY2017 Report**

Substantive update using stakeholder consultation and GRI framework. Initial TCFD disclosure

**FY2018 Report**

Further update using GRI framework

Targeting release in October 2018

---

Also recently released information on public policy positions and involvement with domestic industry associations re climate change and energy
Investigator College Senior School in SA, Australia. Designed by Flightpath Architects and built by Partek Construction + Interiors. Features Colorbond® steel in Monument® in Revolution Roofing® Maxline.
### RECONCILIATION BETWEEN REPORTED NPAT AND UNDERLYING NPAT¹

<table>
<thead>
<tr>
<th></th>
<th>FY2018 NPAT SM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reported net profit after tax</strong></td>
<td>1,569.1</td>
</tr>
<tr>
<td><strong>Underlying adjustments</strong></td>
<td></td>
</tr>
<tr>
<td>Asset impairment write back</td>
<td>(216.0)</td>
</tr>
<tr>
<td>Restructuring &amp; redundancy costs</td>
<td>1.8</td>
</tr>
<tr>
<td>Asset sales</td>
<td>(3.6)</td>
</tr>
<tr>
<td>Borrowing amendment fees</td>
<td>30.9</td>
</tr>
<tr>
<td>Tax asset impairment / (write-back)</td>
<td>(503.2)</td>
</tr>
<tr>
<td>U.S. tax reform – one-off impact</td>
<td>(76.3)</td>
</tr>
<tr>
<td>Discontinued business (gains) / losses</td>
<td>23.3</td>
</tr>
<tr>
<td><strong>Underlying net profit after tax</strong></td>
<td>826.0</td>
</tr>
</tbody>
</table>

¹ Underlying NPAT is provided to assist readers to better understand the underlying consolidated financial performance. Underlying information, whilst not subject to audit or review, has been extracted from the interim financial report which has been reviewed. Further details can be found in Tables 12 and 13 of the Operating and Financial Review for the year ended 30 June 2018 (document under Listing Rule 4.3A)
## UNDERLYING EARNINGS, NET FINANCE AND TAX COST

<table>
<thead>
<tr>
<th></th>
<th>1H FY2018</th>
<th>2H FY2018</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying EBIT</td>
<td>524.3</td>
<td>745.0</td>
<td>1,269.3</td>
</tr>
<tr>
<td>Underlying finance costs</td>
<td>(40.6)</td>
<td>(40.0)</td>
<td>(80.7)</td>
</tr>
<tr>
<td>Interest revenue</td>
<td>3.8</td>
<td>4.9</td>
<td>8.7</td>
</tr>
<tr>
<td><strong>Profit from ordinary activities before tax</strong></td>
<td>487.5</td>
<td>709.9</td>
<td>1,197.3</td>
</tr>
<tr>
<td>Underlying income tax (expense)/benefit</td>
<td>(127.0)</td>
<td>(182.0)</td>
<td>(308.9)</td>
</tr>
<tr>
<td><strong>Underlying NPAT from ordinary activities</strong></td>
<td>360.4</td>
<td>527.9</td>
<td>888.4</td>
</tr>
<tr>
<td>Net (profit)/loss attributable to non-controlling interests</td>
<td>(33.5)</td>
<td>(28.9)</td>
<td>(62.4)</td>
</tr>
<tr>
<td><strong>Underlying NPAT attributable to equity holders of BSL</strong></td>
<td>327.0</td>
<td>499.0</td>
<td>826.0</td>
</tr>
</tbody>
</table>

### Breakdown of net finance costs

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>144a U.S. unsecured notes</td>
<td>39.3</td>
</tr>
<tr>
<td>Syndicated bank facility charges</td>
<td>7.7</td>
</tr>
<tr>
<td>Finance leases</td>
<td>12.9</td>
</tr>
<tr>
<td>Amortisation of borrowing costs and present value charges (non-cash)</td>
<td>7.7</td>
</tr>
<tr>
<td>Other finance costs (incl NS BlueScope interest costs)</td>
<td>13.1</td>
</tr>
<tr>
<td>Less, interest income</td>
<td>(8.7)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>72.0</strong></td>
</tr>
</tbody>
</table>
## SUMMARY OF FINANCIAL ITEMS BY SEGMENT

### Sales revenue

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2017</th>
<th>1H FY2018</th>
<th>2H FY2018</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Steel Products</td>
<td>4,918.7</td>
<td>2,565.7</td>
<td>2,857.4</td>
<td>5,423.2</td>
</tr>
<tr>
<td>North Star BlueScope Steel</td>
<td>1,700.9</td>
<td>860.6</td>
<td>1,063.3</td>
<td>1,923.9</td>
</tr>
<tr>
<td>Buildings Products Asia &amp; North America</td>
<td>2,459.9</td>
<td>1,309.2</td>
<td>1,384.6</td>
<td>2,693.8</td>
</tr>
<tr>
<td>Buildings North America</td>
<td>1,173.9</td>
<td>523.3</td>
<td>538.1</td>
<td>1,106.4</td>
</tr>
<tr>
<td>New Zealand and Pacific Steel</td>
<td>747.5</td>
<td>386.8</td>
<td>446.8</td>
<td>833.6</td>
</tr>
<tr>
<td>Intersegment, Corporate &amp; Discontinued</td>
<td>(265.6)</td>
<td>(169.2)</td>
<td>(261.9)</td>
<td>(431.2)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,735.3</strong></td>
<td><strong>5,476.4</strong></td>
<td><strong>6,073.3</strong></td>
<td><strong>11,549.7</strong></td>
</tr>
</tbody>
</table>

### Total steel despatches

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2017</th>
<th>1H FY2018</th>
<th>2H FY2018</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Steel Products</td>
<td>3,090.7</td>
<td>1,515.3</td>
<td>1,601.2</td>
<td>3,116.6</td>
</tr>
<tr>
<td>North Star BlueScope Steel</td>
<td>2,093.0</td>
<td>1,037.5</td>
<td>1,067.2</td>
<td>2,104.7</td>
</tr>
<tr>
<td>Buildings Products Asia &amp; North America</td>
<td>1,780.0</td>
<td>880.2</td>
<td>877.9</td>
<td>1,758.1</td>
</tr>
<tr>
<td>Buildings North America</td>
<td>246.9</td>
<td>116.1</td>
<td>121.5</td>
<td>237.7</td>
</tr>
<tr>
<td>New Zealand and Pacific Steel</td>
<td>604.9</td>
<td>307.5</td>
<td>342.7</td>
<td>650.1</td>
</tr>
<tr>
<td>Intersegment, Corporate &amp; Discontinued</td>
<td>(200.3)</td>
<td>(141.6)</td>
<td>(134.5)</td>
<td>(276.1)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,615.2</strong></td>
<td><strong>3,715.0</strong></td>
<td><strong>3,876.0</strong></td>
<td><strong>7,591.1</strong></td>
</tr>
</tbody>
</table>

### Underlying EBITDA

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2017</th>
<th>1H FY2018</th>
<th>2H FY2018</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Steel Products</td>
<td>637.6</td>
<td>350.6</td>
<td>418.8</td>
<td>769.4</td>
</tr>
<tr>
<td>North Star BlueScope Steel</td>
<td>461.7</td>
<td>172.5</td>
<td>313.1</td>
<td>485.6</td>
</tr>
<tr>
<td>Buildings Products Asia &amp; North America</td>
<td>291.4</td>
<td>146.0</td>
<td>112.6</td>
<td>258.6</td>
</tr>
<tr>
<td>Buildings North America</td>
<td>77.8</td>
<td>36.1</td>
<td>58.0</td>
<td>94.1</td>
</tr>
<tr>
<td>New Zealand and Pacific Steel</td>
<td>103.2</td>
<td>63.2</td>
<td>92.9</td>
<td>156.1</td>
</tr>
<tr>
<td>Intersegment, Corporate &amp; Discontinued</td>
<td>(87.3)</td>
<td>(58.2)</td>
<td>(61.0)</td>
<td>(119.2)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,484.4</strong></td>
<td><strong>710.2</strong></td>
<td><strong>934.4</strong></td>
<td><strong>1,644.6</strong></td>
</tr>
</tbody>
</table>

### Underlying EBIT

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2017</th>
<th>1H FY2018</th>
<th>2H FY2018</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Steel Products</td>
<td>459.4</td>
<td>261.7</td>
<td>325.7</td>
<td>587.4</td>
</tr>
<tr>
<td>North Star BlueScope Steel</td>
<td>406.6</td>
<td>145.2</td>
<td>285.4</td>
<td>430.6</td>
</tr>
<tr>
<td>Buildings Products Asia &amp; North America</td>
<td>208.7</td>
<td>108.3</td>
<td>76.2</td>
<td>184.5</td>
</tr>
<tr>
<td>Buildings North America</td>
<td>57.5</td>
<td>26.4</td>
<td>48.2</td>
<td>74.6</td>
</tr>
<tr>
<td>New Zealand and Pacific Steel</td>
<td>61.1</td>
<td>41.0</td>
<td>70.7</td>
<td>111.7</td>
</tr>
<tr>
<td>Intersegment, Corporate &amp; Discontinued</td>
<td>(87.9)</td>
<td>(59.3)</td>
<td>(61.2)</td>
<td>(119.5)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,105.4</strong></td>
<td><strong>524.3</strong></td>
<td><strong>745.0</strong></td>
<td><strong>1,269.3</strong></td>
</tr>
</tbody>
</table>
LIQUIDITY & DEBT MATURITY PROFILE

Liquidity (undrawn facilities and cash, $M)

<table>
<thead>
<tr>
<th></th>
<th>Dec-16</th>
<th>Jun-17</th>
<th>Dec-17</th>
<th>Jun-18 proforma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,801</td>
<td>1,932</td>
<td>2,026</td>
<td>2,136^1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,786^2</td>
</tr>
</tbody>
</table>

Proforma maturity profile^2^3 ($M)

- BSL Syndicated Bank Facility
- U.S. unsecured notes
- NS BlueScope JV facilities (100%)
- Inventory Finance

Receivables securitisation program:
- In addition to debt facilities, BSL has $440M of off-balance sheet securitisation programs, of which $396M was drawn at 30 June 2018

Current estimated cost of facilities:
- Approximately 4.5% interest cost on gross drawn debt (which was ~$881M at 30 June 2018); plus
- commitment fee on undrawn part of ~$570M of domestic facilities of 0.5%; plus
- amortisation of facility establishment fees, discount cost of long-term provisions and other of $5-10M pa; less: interest on cash (at approx. 1.5-2.0% pa)

**Notes:**
1. Includes $383M liquidity in NS BlueScope Coated Products JV
2. Proforma maturity profile as at 30 June 2018, with the Syndicated Bank facility refinanced in August 2018 reducing from $850M to $500M, comprising two $250M tranches with two and three year maturities
3. Based on AUD/USD at US$0.7347 at 30 June 2018 and excludes $118M NS BlueScope JV facilities which progressively amortises.
Average free cash flow of ~$700M over last three years

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported EBITDA</td>
<td>1,010</td>
<td>1,425</td>
<td>1,840</td>
</tr>
<tr>
<td>Adjust for other cash profit items</td>
<td>(169)</td>
<td>69</td>
<td>(228)</td>
</tr>
<tr>
<td>Working capital movement</td>
<td>266</td>
<td>(119)</td>
<td>(308)</td>
</tr>
<tr>
<td>Net financing cost</td>
<td>(105)</td>
<td>(85)</td>
<td>(96)</td>
</tr>
<tr>
<td>(Payment) / refund of income tax¹</td>
<td>(50)</td>
<td>(158)</td>
<td>(66)</td>
</tr>
<tr>
<td>Capex</td>
<td>(314)</td>
<td>(383)</td>
<td>(410)</td>
</tr>
<tr>
<td><strong>Net cash flow</strong></td>
<td>638</td>
<td>749</td>
<td>731</td>
</tr>
</tbody>
</table>

¹ As at 30 June 2018 the BlueScope Steel Australian tax consolidated group is estimated to have carried forward tax losses of approximately $1.84Bn. There will be no Australian income tax payments until these losses are recovered.