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ASX RELEASE

18 September 2014

ARRIUM SUCCESSFULLY COMPLETES THE INSTITUTIONAL COMPONENT OF ITS \$754 MILLION CAPITAL RAISING

Arrium Limited (ASX:ARI) (Arrium) today announced completion of the institutional component of its fully underwritten equity raising.

Institutional Entitlement Offer

- Institutional component of the 1-for-1 pro-rata accelerated renounceable entitlement offer (Institutional Entitlement Offer) and institutional placement (Placement) completed raising gross proceeds of approximately \$465 million
- Existing eligible institutional shareholders subscribed for approximately 79% of their Entitlements under the Institutional Entitlement Offer
- Institutional Bookbuild clearing price of \$0.48

The close of the institutional component represents completion of the first stage of Arrium's approximately \$754 million equity raising, announced on Monday, 15 September 2014.

Of the approximately \$465 million raised in the institutional component of the capital raising, approximately \$367 million has been raised through the Institutional Entitlement Offer and approximately \$98 million through the Placement.

Arrium's Managing Director and Chief Executive Officer Andrew Roberts said: "We are pleased with the support we have received from our institutional shareholders and other investors for this equity raising. The raising will strengthen Arrium's balance sheet and provide it with a more appropriate capital structure for the current environment."

Approximately 364 million new fully paid ordinary shares (New Shares) were available for subscription under the institutional bookbuild, which was completed on Wednesday, 17 September 2014 (Institutional Bookbuild). The Institutional Bookbuild was supported by both existing eligible institutional shareholders and new institutional investors, achieving a clearing price of \$0.48 per New Share. This clearing price was equal to the Offer Price. Therefore, institutional shareholders who elected not to take up their entitlements and ineligible institutional shareholders will not receive any premium for each New Share not taken up.

New Shares to be issued as part of the Institutional Entitlement Offer and Placement are expected to be issued on Friday, 26 September 2014 with trading on ASX

expected to commence on the same day. New Shares will rank equally with existing ARI fully paid ordinary shares from the date of allotment. New Shares will not be entitled to the FY14 final dividend of 3.0 cents per share announced on 19 August 2014.

Retail Entitlement Offer

The retail component of the Entitlement Offer (Retail Entitlement Offer) is expected to raise approximately \$289 million. The Retail Entitlement Offer will open on Monday, 22 September 2014 and close at 5.00 pm (Sydney time) on Wednesday, 8 October 2014.

Eligible retail shareholders will be able to subscribe for 1 New Share for every 1 existing Arrium ordinary share (Entitlement) held on the Record Date of 7.00 pm (Sydney time) Thursday, 18 September 2014, at the same offer price of \$0.48 per share as the Institutional Entitlement Offer.

Eligible retail shareholders will be allotted Entitlements which can be traded on the ASX. If they do not wish to take up all or part of their Entitlements, they can seek to sell all or part of their Entitlements on the ASX or by transferring them directly to another person to realise value for those Entitlements ahead of the retail shortfall bookbuild (Retail Shortfall Bookbuild). Retail Entitlements can be traded on the ASX from Thursday, 18 September 2014 (initially on a deferred settlement basis) to Tuesday, 30 September 2014.

Retail Entitlements that are not taken up by eligible retail shareholders by the close of the Retail Entitlement Offer and Entitlements that would otherwise have been offered to ineligible retail shareholders will be sold through the Retail Shortfall Bookbuild on Monday, 13 October 2014. Any proceeds from the sale of Entitlements under the Retail Shortfall Bookbuild will be remitted proportionally to those retail shareholders, less any applicable withholding tax. There is no guarantee that there will be any proceeds remitted to those retail shareholders.

Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet¹ and an accompanying personalised entitlement and acceptance form which are expected to be despatched on Monday, 22 September 2014. Copies of the Retail Offer Booklet will be available on the ASX website and our website at www.investorserve.com.au/arrium from Thursday, 18 September 2014.

Retail Entitlements may only be exercised by eligible retail shareholders, persons with a registered address in Australia or New Zealand and certain categories of investors in Canada (British Columbia, Ontario and Quebec), China (QDII only), Denmark, France, Germany, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malaysia, the Netherlands, Norway, Singapore, Sweden, Switzerland, the United Kingdom and United Arab Emirates (excluding DIFC).

In addition, Entitlements may only be purchased by persons meeting certain eligibility criteria that are set out in the Appendix to the investor presentation which Arrium filed with the ASX on Monday, 15 September 2014. In particular, persons in the United States will not be eligible to purchase or trade Entitlements on the ASX or exercise Entitlements purchased on the ASX or transferred directly from another person.

It is the responsibility of purchasers of Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Entitlements after the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Entitlements. If shareholders are not able to take up their Entitlements, those Entitlements will be sold into the Retail Shortfall Bookbuild and shareholders may receive no value for them.

Arrium's fully paid ordinary shares (ASX:ARI) are expected to resume trading on the ASX from market open today on an ex-offer entitlement basis.

Note

1. The Retail Offer Booklet is an offer booklet in relation to the Retail Entitlement Offer. It will be lodged with the ASX Thursday, 18 September 2014 and will be despatched to Eligible Retail Shareholders on or around 22 September 2014

Ends

Further inquiries:

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Indicative Timetable

Institutional Entitlement Offer and Placement	Date - 2014
Announcement of equity raising and trading halt	Monday, 15 September
Institutional Entitlement Offer opens	Monday, 15 September
Institutional Entitlement Offer closes	Tuesday, 16 September
Institutional Bookbuild (Placement and shortfall under Institutional Entitlement Offer)	Wednesday, 17 September
Trading halt lifted	Thursday, 18 September
Record Date for eligibility in the Institutional Entitlement Offer	7.00pm Thursday, 18 September
Settlement of Institutional Entitlement Offer and Placement	Thursday, 25 September
Issue and quotation of New Shares under the Institutional Entitlement Offer and Placement	Friday, 26 September
Retail Entitlement Offer	Date - 2014
Record Date for eligibility in the Retail Entitlement Offer	7.00pm Thursday, 18 September
Retail Entitlements commences trading on ASX on a deferred settlement basis	Thursday, 18 September
Retail Entitlements Offer opens	Monday, 22 September
Retail Offer Booklet despatched	Monday, 22 September
Retail Entitlements allotted	Monday, 22 September
Retail Entitlements commence trading on ASX on a normal settlement basis	Tuesday, 23 September
Retail Entitlements trading on ASX ends	Tuesday, 30 September
New Shares under the Retail Entitlement Offer commences trading on ASX on a deferred settlement basis	Wednesday, 1 October
Retail Entitlement Offer closes	Wednesday, 8 October
Retail Shortfall Bookbuild (after market close)	Monday, 13 October
Settlement of the Retail Entitlement Offer	Thursday, 16 October
Issue of New Shares under the Retail Entitlement Offer	Friday, 17 October
New Shares under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Monday, 20 October
Holding statements sent to Retail holders	Tuesday, 21 October
Retail premium (if any) despatched	Wednesday, 22 October

The above timetable is indicative only and subject to change. All times represent Sydney time. Arrium reserves the right to amend any or all of these events, dates and times subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws. In particular, Arrium reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases), and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares. The commencement of quotation and trading of Entitlements and New Shares is subject to confirmation from the ASX.

Shareholder Enquiries

Eligible Retail Shareholders will be sent further details about the Entitlement Offer via a shareholder letter to be despatched on or around Friday, 19 September 2014 and a retail offer booklet to be lodged with ASX on Thursday, 18 September 2014 and despatched on or around Monday, 22 September 2014.

Retail shareholders who have questions relating to the Retail Entitlement Offer should call the Arrium Offer Information line on 1300 131 856 (within Australia) or +61 2 9290 9688 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday or go to our website www.arrium.com.

Further information in relation to the Entitlement Offer described in this announcement is set out in an investor presentation which Arrium has filed with the ASX today. The investor presentation contains important information including key risks, key assumptions relating to certain forward looking information in this announcement and foreign selling restrictions with respect to the Entitlement Offer.

Important Information

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States.

Accordingly, the Entitlements and the New Shares may not be offered or sold in the United States unless they have been registered under the Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Neither this announcement nor any other documents relating to the offer of Entitlements or New Shares may be sent or distributed to persons in the United States.

This announcement contains forward-looking statements, which can usually be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or words of similar effect. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Arrium, and which may cause actual outcomes to differ materially from those expressed in the statements contained in this announcement. Undue reliance should not be placed on these forward-looking statements. These forward-looking statements are based on information available to Arrium as of the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules) Arrium undertake no obligation to update these forward-looking statements.