

ARRIUM LIMITED RETAIL ENTITLEMENT OFFER

Arrium Limited ABN 63 004 410 833

1 for 1 pro rata renounceable entitlement offer of Arrium Limited ordinary shares at an offer price of \$0.48 per New Share

Retail Entitlement Offer closes at 5.00pm (Sydney time) on Wednesday, 8 October 2014

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES
This Retail Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety. This Retail Offer Booklet is not a prospectus under the Corporations Act 2001 (Cth) (Corporations Act) and has not been lodged with the Australian Securities & Investments Commission (ASIC). Please call your stockbroker, accountant or other professional adviser or the Arrium Limited Offer Information Line on 1300 131 856 (within Australia) or +61 2 9290 9688 (outside Australia) if you have any questions.



Defined terms used in these important notices have the meaning given in this Retail Offer Booklet.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES.

Future performance and forward looking statements

This Retail Offer Booklet contains certain 'forward looking statements'. Forward looking statements can generally be identified by the use of forward looking words such as 'expect', 'anticipate', 'likely', 'intend', 'propose', 'should', 'could', 'may', 'predict', 'plan', 'will', 'believe', 'forecast', 'estimate', 'target', and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Entitlement Offer and the use of proceeds. The forward looking statements contained in this Retail Offer Booklet involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Arrium Limited (ABN 63 004 410 833) (**Arrium**), and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Refer to the 'Key Risks' section of the Arrium Investor Presentation included in Section 5 of this Retail Offer Booklet for a summary of certain general and Arrium specific risk factors that may affect Arrium. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Retail Offer Booklet in light of those disclosures.

The forward looking statements are based on information available to Arrium as at the date of this Retail Offer Booklet. Except as required by law or regulation (including the Australian Securities Exchange (**ASX**) Listing Rules), Arrium undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Past performance

Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future Arrium performance including future share price performance.

Jurisdictions

This Retail Offer Booklet, or any accompanying ASX announcements or the Entitlement and Acceptance Form, do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither this Retail Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the entitlements to purchase new ordinary shares in Arrium (**New Shares**) pursuant to the offer described in this Retail Offer Booklet (**Entitlements**) nor the New Shares have been, nor will be, registered under the US Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US State securities laws. In the Retail Entitlement Offer, the Entitlements and the New Shares will only be sold in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S under the US Securities Act.

Withholding tax

This Retail Offer Booklet refers to the potential payment of a Retail Premium to certain investors. Arrium may be required to withhold Australian tax in relation to any Retail Premium that is paid to those investors under applicable laws. References to the payment of the Retail Premium in this Retail Offer Booklet should be read as payments net of any applicable withholding taxes. If you are an Australian tax resident shareholder, and you have not previously provided your Tax File Number (**TFN**) or Australian Business Number (**ABN**) to Arrium, you may wish to do so prior to the close of the retail offer described in this Retail Offer Booklet (**Retail Entitlement Offer**) to ensure that any withholding tax is not deducted from any proceeds payable to you at the current rate of 49%. You are able to provide your TFN or ABN online with the Arrium Share Registry at www.investorserve.com.au/arrium.

References to 'you', 'your Entitlement' and 'your Retail Entitlement'

In this Retail Offer Booklet, references to 'you' are references to Eligible Retail Shareholders and references to 'your Entitlement' or 'your Retail Entitlement' (or 'your Entitlement and Acceptance Form') are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders (as defined in Section 6.1).

Times and dates

Times and dates in this Retail Offer Booklet are indicative only and subject to change. All times and dates refer to Sydney time. Refer to the 'Key Dates' section of this Retail Offer Booklet for more details.

Currency

Unless otherwise stated, all dollar values in this Retail Offer Booklet are in Australian dollars (A\$).

Trading Entitlements and New Shares

Arrium will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade Entitlements before they receive their Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Arrium or the Arrium Share Registry or otherwise, or who otherwise trade or purport to trade Entitlements in error or which they do not hold or are not entitled to.

Arrium will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Arrium or the Arrium Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, accountant or other professional adviser.

Refer to Section 6 for more details.

CONTENTS

	Key Dates	2
	Letter from the Chairman	3
1	Is this booklet relevant to you?	5
2	Summary of options available to you	7
3	How to apply	11
4	Australian Taxation Considerations	19
5	ASX Announcements	23
6	Important Information	65
	Corporate Directory	IBC



KEY DATES FOR THE RETAIL ENTITLEMENT OFFER

Event	Date
Announcement of the Entitlement Offer	Monday, 15 September 2014
Retail Entitlements commence trading on ASX on a deferred settlement basis	Thursday, 18 September 2014
Record Date for eligibility in the Entitlement Offer (7.00pm, Sydney time)	Thursday, 18 September 2014
Retail Entitlement Offer opens	Monday, 22 September 2014
Retail Offer Booklet despatched and Retail Entitlements allotted	Monday, 22 September 2014
Retail Entitlements commence trading on ASX on a normal settlement basis	Tuesday, 23 September 2014
Retail Entitlements trading on ASX ends	Tuesday, 30 September 2014
New shares under the Retail Entitlement Offer commence trading on ASX on a deferred settlement basis	Wednesday, 1 October 2014
Retail Entitlement Offer closes ¹ (5.00pm, Sydney time)	Wednesday, 8 October 2014
Retail Shortfall Bookbuild	Monday, 13 October 2014
Settlement of the Retail Entitlement Offer	Thursday, 16 October 2014
Issue of New Shares under the Retail Entitlement Offer	Friday, 17 October 2014
New Shares under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Monday, 20 October 2014
Despatch of holding statements for New Shares under the Retail Entitlement Offer	Tuesday, 21 October 2014
Retail Premium (if any) despatched	Tuesday, 22 October 2014

The timetable above is indicative only and may be subject to change. Arrium, in conjunction with the Underwriter (as defined in Section 6.14), reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act 2001, 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 Retail 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 of Entitlements and New Shares is subject to confirmation from ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

Enquiries

If you have any questions, please call the Arrium Limited Offer Information Line on 1300 131 856 (within Australia) or +61 2 9290 9688 (outside Australia), or consult your stockbroker, accountant or other professional adviser. The Arrium Limited Offer Information Line will be open from 8.30am to 5.30pm (Sydney time), Monday to Friday. Alternatively, you can access information about the Retail Entitlement Offer online at www.investorserve.com.au/arrium.

¹ Eligible Retail Shareholders who wish to take up all or a part of their Entitlement must pay their Application Monies via BPAY[®] by following the instructions set out on the personalised Entitlement and Acceptance Form. The personalised Entitlement and Acceptance Form will be mailed to Eligible Retail Shareholders on or about Monday, 22 September 2014, or can be obtained by following instructions at www.investorserve.com.au/arrium. If you are unable to pay by BPAY[®] or are having difficulty paying by BPAY[®] please call the Arrium Limited Offer Information Line on 1300 131 856 (within Australia) or +61 2 9290 9688 (outside Australia). Payment must be made by no later than 5.00pm (Sydney time) on Wednesday, 8 October 2014. Eligible Retail Shareholders should refer to Section 2 for options available to them to deal with their Entitlement.

LETTER FROM THE CHAIRMAN



Thursday, 18 September 2014

Dear Shareholder,

On behalf of Arrium, I am pleased to invite you to participate in a 1 for 1 fully underwritten pro rata accelerated renounceable entitlement offer of New Shares (with entitlement trading) at an offer price of \$0.48 per New Share (**Offer Price**) to raise gross proceeds of approximately \$656 million (**Entitlement Offer**).

Arrium has also completed a placement of Shares to institutional investors (**Placement**), raising approximately \$98 million.

The proceeds of the Entitlement Offer and Placement, less associated costs, will be used to repay debt in line with the company's stated priority of debt reduction.

While the company last month reported it had achieved significant progress with debt reduction, iron ore prices have since fallen sharply to be at 5 year lows and there is increased uncertainty over the extent and timing of recovery. We are taking this action to position Arrium with a more appropriate capital structure in the current environment.

I believe the offer provides shareholders with a good opportunity to increase their investment in Arrium on attractive terms. The company will have a strengthened balance sheet with significant leverage to improved iron ore prices, a lower sustained Australian dollar, increased steel volumes including from stronger infrastructure investment and recovery in steel margins.

Entitlement Offer

Under the Entitlement Offer, eligible shareholders are entitled to acquire 1 New Share for every 1 existing Arrium ordinary share (**Shares**) held on the record date, being 7.00pm (Sydney time) on Thursday, 18 September 2014. The Board considers that the pro rata nature of the Entitlement Offer favours

existing Arrium shareholders in recognition of their continuing support.

The Offer Price of \$0.48 per New Share represents a discount of 26% to the closing market price of Shares on 12 September 2014, the last trading day before the Entitlement Offer was announced, and a 15% discount to the theoretical ex-rights price (**TERP**)².

New Shares issued under the Entitlement Offer will rank equally with existing Shares. New Shares to be issued under the Offer will not be entitled to the FY14 final dividend announced on 19 August 2014.

The previously announced dividend reinvestment plan (**DRP**) will not apply to the 2014 final dividend of 3.0 cents per share payable on 16 October 2014 in order to facilitate shareholders participating in the Entitlement Offer.

The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). The Institutional Entitlement Offer and associated bookbuild have raised approximately \$367 million in total.

The Retail Entitlement Offer and associated retail bookbuild (described below) is expected to raise approximately \$289 million. This Retail Offer Booklet relates to the Retail Entitlement Offer and entitlements allotted under it (**Retail Entitlements**).

Accompanying this Retail Offer Booklet is your personalised Entitlement and Acceptance Form which contains details of your Entitlement. Your Entitlement may have value and it is important that you determine whether to take up, sell or do nothing in respect of your Entitlement (see Section 3).

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Wednesday, 8 October 2014. To participate, you need to ensure that you have completed your application by paying Application Monies by BPAY[®] before this time in the manner described in this Retail Offer Booklet. If you are unable to pay by BPAY[®] (for example if you are a New Zealand based shareholder without an Australian bank account) or are having difficulty paying by BPAY[®] please call the Arrium Limited Offer Information Line on 1300 131 856 (within Australia) or +61 2 9290 9688 (outside Australia). If the information line operator is unable to assist you to make payment by BPAY[®], you are able to pay by cheque.

If you do not wish to take up your Entitlement, you may sell all or part of your Entitlement on the ASX from Thursday, 18 September 2014 to Tuesday, 30 September 2014 or transfer all or part

² TERP is the theoretical price at which Arrium Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Arrium Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Arrium's closing price on 12 September 2014.

of your Entitlement directly to another person. The assignment, transfer and exercise of Retail Entitlements is restricted to persons meeting certain eligibility criteria, as described in Section 6.1. If holders of Retail Entitlements at the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Retail Entitlements and, as a result, they may receive no value for them. If you choose to do nothing in respect of all or part of your Entitlement, part or all (as applicable) of your Entitlement will be offered for sale for your benefit through a bookbuild process on Monday, 13 October 2014 (**Retail Shortfall Bookbuild**). In this case, you will receive any amount paid above the Offer Price in respect of the Retail Entitlements sold to investors in the Retail Shortfall Bookbuild (**Retail Premium**), less any applicable withholding tax.

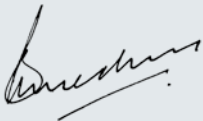
Further Information

Further information on the Retail Entitlement Offer and Arrium's business is detailed in this Retail Offer Booklet. You should carefully read this Retail Offer Booklet in its entirety and consult your financial adviser before making your investment decision. In particular, you should read and consider the 'Key Risks' section of the Arrium Investor Presentation included in Section 5 of this Retail Offer Booklet which contains a summary of some of the key risks associated with an investment in Arrium.

If you have any questions in respect of the Retail Entitlement Offer please call the Arrium Limited Offer Information Line on 1300 131 856 (within Australia) or +61 2 9290 9688 (outside Australia) at any time from 8.30am to 5.30pm (Sydney time) Monday to Friday.

On behalf of the Arrium Board, I thank you for your continued support of Arrium.

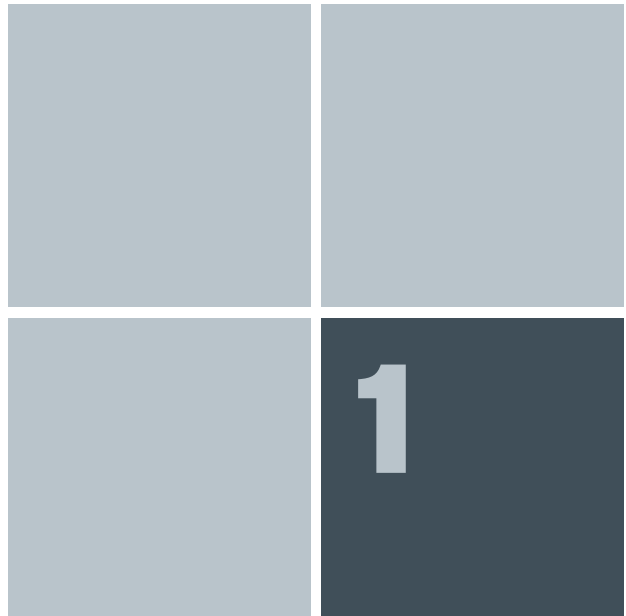
Yours faithfully,



Peter Smedley
Chairman
Arrium Limited



SECTION 1
**IS THIS BOOKLET
RELEVANT
TO YOU?**



This Retail Offer Booklet is relevant to you if you are an Eligible Retail Shareholder.

In this Retail Offer Booklet, references to “you” are references to Eligible Retail Shareholders and references to “your Entitlement” or “your Retail Entitlement” (or “your Entitlement and Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders.

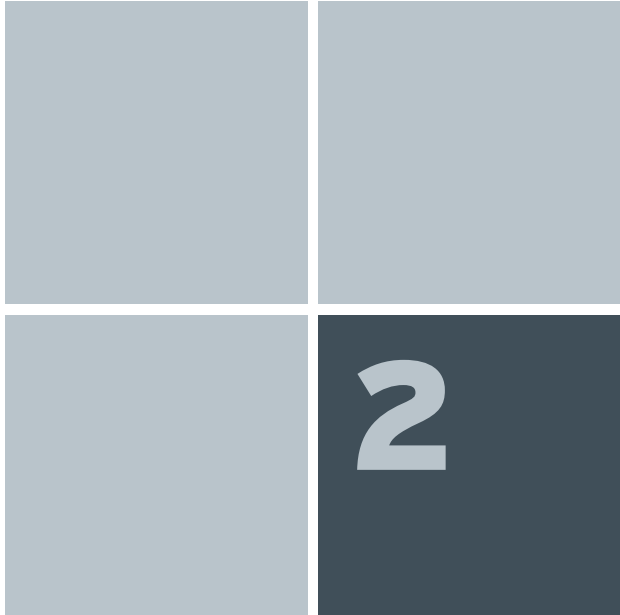
Eligible Retail Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on Thursday, 18 September 2014;
- have a registered address on the Arrium Share Register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Arrium ordinary shares for the account or benefit of such person in the United States);
- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Refer to Section 6.1 for further details.



SECTION 2
**SUMMARY
OF OPTIONS
AVAILABLE
TO YOU**



If you are an Eligible Retail Shareholder (as defined in Section 6.1) you may take any one of the following actions:

- (a) Take up all or part of your Entitlement; or
- (b) Sell all or part of your Entitlement:
 - (1) on ASX; or
 - (2) by transferring it directly to another person; or
- (c) Do nothing and let all or part of your Entitlement be sold into the Retail Shortfall Bookbuild.

If you are a retail shareholder that is not an Eligible Retail Shareholder you are an Ineligible Retail Shareholder. Ineligible Retail Shareholders will receive the Retail Premium (if any), less any applicable withholding tax, for the sale of Entitlements by a nominee for their benefit through the Retail Shortfall Bookbuild.

Options available to you	Key considerations
1. Take up all or part of your Entitlement	<ul style="list-style-type: none"> – You may elect to purchase New Shares at the Offer Price (see Section 3.6.1 for instructions on how to take up your Entitlement). – The New Shares will be fully paid and rank equally in all respects with existing Shares and will be entitled to dividends on the same basis as existing Shares, starting with any FY15 interim dividend. New Shares to be issued under the Offer will not be entitled to the FY14 final dividend announced on 19 August 2014. – The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Wednesday, 8 October 2014. – If you only take up part of your Entitlement, you may choose to sell or transfer the balance (see Option 2 below) or you may do nothing and let that part be sold in the Retail Shortfall Bookbuild for your benefit (see Option 3 below). – Eligible Retail Shareholders are not able to apply for New Shares in excess of their Entitlement as set out in their personalised Entitlement and Acceptance Form.
2. Sell or transfer all or part of your Entitlement	<ul style="list-style-type: none"> – If you do not wish to take up all or part of your Entitlement, you may be able to sell all or part of your Entitlement on ASX through your broker (see Section 3.6.2) or transfer your Entitlement directly to another person (see Section 3.6.3). – Retail Entitlements may be traded on ASX from Thursday, 18 September 2014 to Tuesday, 30 September 2014 (ASX code: ARIR). You may incur brokerage costs if you sell all or part of your Entitlement on ASX. – For Eligible Retail Shareholders who hold their existing Shares on capital account, the proceeds of any sale of your Entitlements on ASX or directly to another person should be treated as capital gains for Australian tax purposes (see Section 4). – If you sell your Entitlements in the Retail Entitlement trading period, you may receive a higher or lower amount than a shareholder who sells their Entitlements at a different time in the Retail Entitlement trading period or through the Retail Shortfall Bookbuild. – If you only sell or transfer part of your Entitlement, you may choose to take up the remainder (see Option 1 above) or you may do nothing and let that part be sold in the Retail Shortfall Bookbuild (see Option 3 below).

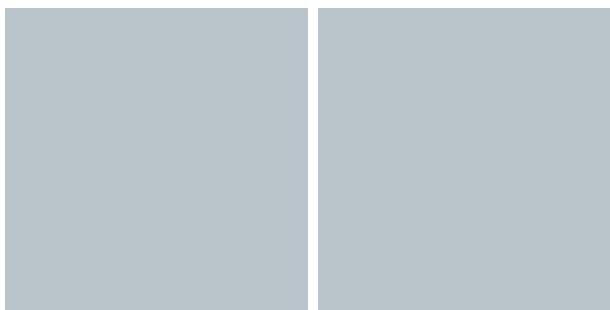
Options available to you	Key considerations
<p>3. Do nothing and let all or part of your Entitlement be sold through the Retail Shortfall Bookbuild</p>	<ul style="list-style-type: none"> – To the extent you do not take up or do not sell all of your Entitlement on ASX (or via direct transfer), your Entitlements will be sold through the Retail Shortfall Bookbuild on Monday, 13 October 2014 and you will receive any Retail Premium in respect of these Entitlements (see Section 3.6.4). There is no guarantee that there will be any Retail Premium. – The Australian Taxation Office (ATO) has stated in Taxation Ruling TR 2012/1 that in certain circumstances retail premiums will be taxed either as unfranked dividends (which may be subject to dividend withholding tax if you are not an Australian resident shareholder) or as ordinary income (and not as capital gains). The ATO's ruling does not apply to the Entitlements because, amongst other things, the Entitlements are tradeable on ASX. – Arrium's tax adviser considers that any Retail Premium should be taxable in the hands of Eligible Retail Shareholders who hold their existing Shares on capital account as a capital gain (see Section 4.3). However, it is possible the ATO could seek to apply the tax treatment specified in Taxation Ruling TR 2012/1 to Entitlements sold through the Retail Shortfall Bookbuild. – Accordingly, Eligible Retail Shareholders who propose to allow their Entitlements to be sold into the Retail Shortfall Bookbuild should consider instead selling their Entitlements on ASX, the tax treatment for which is more certain (see Section 4.2). – You will not incur brokerage costs on any Retail Premium received from the Retail Shortfall Bookbuild. – By letting your Entitlement be sold through the Retail Shortfall Bookbuild, you will forgo any exposure to increases or decreases in the value of New Shares (or any value for that Entitlement which may have been achieved through its sale on ASX or otherwise). Your percentage shareholding in Arrium will also be diluted. – Arrium may be required to withhold tax, if you are an Australian tax resident shareholder, and you have not previously provided your TFN or ABN to Arrium. Accordingly, you may wish to do so prior to the close of the Retail Entitlement Offer to ensure that withholding tax is not deducted from any Retail Premium at the current rate of 49%. You are able to provide your TFN or ABN online with the Arrium Share Registry at www.investorserve.com.au/arrium.

This page has been left blank intentionally.



SECTION 3 HOW TO APPLY

3.1	Overview of the Offer	12
3.2	The Placement and Institutional Offer	12
3.3	The Retail Entitlement Offer	12
3.4	Your Entitlement	12
3.5	Consider the Retail Entitlement Offer carefully in light of your particular investment objectives and circumstances	13
3.6	Options available to you	13
3.7	Ineligible Retail Shareholders	14
3.8	Retail Shortfall Bookbuild	15
3.9	Payment	15
3.10	Mail or hand delivery	16
3.11	Representations by acceptance	16
3.12	Representations by acquirers of Retail Entitlements	18
3.13	Enquiries	18



3.1 Overview of the Offer

Arrium intends to raise approximately \$656 million under the Entitlement Offer and approximately \$98 million under the Placement.

Eligible shareholders are being offered the opportunity to purchase 1 New Share for every 1 existing Share held as at 7.00pm (Sydney time) on Thursday, 18 September 2014 (**Record Date**), at the Offer Price of \$0.48 per New Share.

The Entitlement Offer is comprised of four components:

- (a) **Institutional Entitlement Offer** - Eligible Institutional Shareholders (as defined in Section 6.2) were given the opportunity to take up all or part of their Entitlement. Entitlements under the Institutional Entitlement Offer (**Institutional Entitlements**) were renounceable and were not able to trade on ASX;
- (b) **Institutional Shortfall Bookbuild** - Institutional Entitlements not taken up and Entitlements of ineligible institutional shareholders were sold through a bookbuild process on Wednesday, 17 September 2014 (**Institutional Shortfall Bookbuild**). This clearing price was equal to the Offer Price. Therefore, eligible institutional shareholders who elected not to take up their Institutional Entitlements and ineligible institutional shareholders will not receive any premium for each New Share not taken up;
- (c) **Retail Entitlement Offer** - Eligible Retail Shareholders (as defined in Section 6.1) will be allotted Retail Entitlements under the Retail Entitlement Offer (**Retail Entitlement**) which can be taken up in whole or in part, or traded on ASX (or transferred directly to another person) in whole or in part. This means that if you do not wish to take up all or part of your Entitlement you may sell on ASX or transfer all or part of your Entitlement in order to realise value from your Entitlement. You may incur brokerage costs if you sell your Entitlement on ASX; and
- (d) **Retail Shortfall Bookbuild** - Retail Entitlements which are not taken up by the close of the Retail Entitlement Offer and Entitlements of Ineligible Retail Shareholders (as defined in Section 6.1) will be sold through the Retail Shortfall Bookbuild. Any Retail Premium will be remitted proportionally to holders of those Retail Entitlements at the close of the Retail Entitlement Offer, and to Ineligible Retail Shareholders. The Retail Premium, if any, is expected to be paid on or about Wednesday, 22 October 2014.

You have a number of decisions to make in respect of your Entitlement. These decisions may materially affect the value (if any) that may be received in respect of your Entitlement. You should read this Retail Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Entitlement Offer and the Placement are fully underwritten by the Underwriter. Further details on the Retail Entitlement Offer and Retail Shortfall Bookbuild are set out below.

3.2 The Placement and Institutional Offer

On Monday, 15 September 2014 and Tuesday, 16 September 2014, Arrium successfully conducted the Placement to raise approximately \$98 million and the Institutional Entitlement Offer to raise approximately \$367 million. New Shares are expected to be issued under the Placement and Institutional Entitlement Offer on Friday, 26 September 2014.

3.3 The Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to apply for 1 New Share for every 1 existing Share held as at the Record Date at the Offer Price of \$0.48 per New Share.

The offer ratio and Offer Price under the Retail Entitlement Offer are the same as for the Institutional Entitlement Offer.

The Retail Entitlement Offer opens at 9.00am (Sydney time) Monday, 22 September 2014 and will close at 5.00pm (Sydney time) on Wednesday, 8 October 2014.

3.4 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 1 existing Share you held as at the Record Date.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

You can also view details of your Entitlement online at www.investorserve.com.au/arrium.

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing Shares and will be entitled to dividends on the same basis as existing Shares, starting with any FY15 interim dividend. New Shares to be issued under the Offer will not be entitled to the FY14 final dividend announced on 19 August 2014.

See Sections 6.1 and 6.13 for information on restrictions on participation.

3.5 Consider the Retail Entitlement Offer carefully in light of your particular investment objectives and circumstances

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus. This Retail Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Retail Entitlement Offer. As a result, it is important for you to read carefully and understand the information on Arrium and the Retail Entitlement Offer made publicly available, prior to deciding whether to take up all or part of your Entitlement, sell or transfer all or part of your Entitlement or do nothing in respect of your Entitlement. In particular, please refer to this Retail Offer Booklet and other announcements made available at www.arrium.com (including announcements which may be made by Arrium after publication of this Retail Offer Booklet).

Please consult with your stockbroker, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer. You should also refer to the 'Key Risks' section of the Arrium Investor Presentation included in Section 5 of this Retail Offer Booklet.

3.6 Options available to you

If you are an Eligible Retail Shareholder, you may take any of the following actions. Each of these options may have a materially different outcome on any value you receive in respect of your Entitlement.

- Take up all or part of your Entitlement (see Section 3.6.1);
- Sell all or part of your Entitlement to persons meeting certain eligibility criteria;
 - on ASX (see Section 3.6.2); or
 - by transferring it directly to another person (see Section 3.6.3); or
- Do nothing and let your Entitlement be sold through the Retail Shortfall Bookbuild (see Section 3.6.4).

3.6.1 If you wish to take up all or part of your Entitlement

If you wish to take up all or part of your Entitlement, please pay your Application Monies via BPAY[®] by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment is due by no later than 5.00pm (Sydney time) on Wednesday, 8 October 2014. If you are unable to pay by BPAY[®] please call the Arrium Limited Offer Information Line on 1300 131 856 (within Australia) or +61 2 9290 9688 (outside Australia) (and refer to Section 3.8.2 below).

If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on Friday, 17 October 2014. Arrium's decision on the number of New Shares to be issued to you will be final.

Arrium also reserves the right (in its absolute discretion) to reduce the number of New Shares issued (or any Retail Premium paid to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders), if Arrium believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to Arrium's satisfaction (see Section 6.6).

Eligible Retail Shareholders are not able to apply for New Shares in excess of their Entitlement as set out in their personalised Entitlement and Acceptance Form.

3.6.2 If you wish to sell all or part of your Entitlement on ASX

If you wish to sell all or part of your Entitlement on ASX, you should instruct your stockbroker and provide details as requested from your personalised Entitlement and Acceptance Form or as accessed online at www.investorserve.com.au/arrium. Allow sufficient time for your instructions to be carried out by your stockbroker. Please note you may incur brokerage if you choose to sell your Entitlement on ASX.

Entitlement trading on ASX starts on a deferred settlement basis at 10.00am (Sydney time) on Thursday, 18 September 2014 (ASX code: ARIR) and ceases at 4.00pm (Sydney time) on Tuesday, 30 September 2014. There is no guarantee that there will be a liquid market in traded Entitlements. A lack of liquidity may impact your ability to sell your Entitlement on ASX and the price you may be able to achieve.

This Retail Offer Booklet, along with your personalised Entitlement and Acceptance Form, will be despatched on Monday, 22 September 2014.

Arrium will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to you if you trade your Entitlement before the Retail Entitlements are allotted, or before you receive your personalised Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Arrium or the Arrium Share Registry or failure to maintain your updated details on the Arrium share register or otherwise.

If you wish to sell part of your Entitlement on ASX and let the balance be sold into the Retail Shortfall Bookbuild, follow the procedures above in respect of the part of your Entitlement you wish to sell on ASX, and do nothing in respect of the balance. You will receive the Retail Premium (if any) in respect of those Entitlements sold through the Retail Shortfall Bookbuild.

Prices obtainable for Retail Entitlements may rise and fall over the Retail Entitlement trading period and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of Arrium existing Shares relative to the Offer Price. If you sell your Entitlements in the Retail Entitlement trading period, you may receive a higher or lower amount than a shareholder who sells their Entitlements at a different time in the Retail Entitlement trading period or through the Retail Shortfall Bookbuild.

If you sell your Entitlement, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up that Entitlement. Your percentage shareholding in Arrium will also be diluted. All shareholders, including those Eligible Retail Shareholders who participate in the Retail Entitlement Offer, will have their percentage holding in Arrium reduced as a result of the Placement.

3.6.3 If you wish to transfer all or part of your Entitlement other than on ASX

If you wish to transfer all or part of your Entitlement other than on ASX, you must forward a completed Renunciation and Transfer Form to the Arrium Share Registry in relation to the part of your Entitlement that you wish to transfer. If the transferee wishes to take up all or part of the Entitlement transferred to them, they must send their Application Monies together with the Entitlement and Acceptance Form related to the Entitlement transferred to them to the Arrium Share Registry.

You can obtain a Renunciation and Transfer Form through the Arrium Limited Offer Information Line on 1300 131 856 (within Australia) or +61 2 9290 9688 (outside Australia) or from your stockbroker. The Renunciation and Transfer Form as well as the transferee's Application Monies and the Entitlement

and Acceptance Form related to the Entitlement transferred to them must be received by the Arrium Share Registry at the mail or hand delivery address in Section 3.10 no later than 5.00pm (Sydney time) on Wednesday, 8 October 2014.

If the Arrium Share Registry receives both a completed Renunciation and Transfer Form and an application for New Shares in respect of the same Entitlement, the transfer will take priority over the application.

If you wish to transfer part of your Entitlement and allow the balance to be sold into the Retail Shortfall Bookbuild, follow the procedures above in respect of the part of your Entitlement you wish to transfer, and do nothing in respect of the balance. You will receive the Retail Premium (if any) in respect of those Entitlements sold through the Retail Shortfall Bookbuild.

If you transfer your Entitlement, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up that Entitlement. Your percentage shareholding in Arrium will also be diluted.

You may only transfer your Entitlement in this way to a purchaser whose address is in Australia or New Zealand, who is not in the United States and is not acting for the account or benefit of a person in the United States. Persons that are in the United States or that are acting for the account or benefit of a person in the United States will not be eligible to purchase, trade, take up or exercise Entitlements. You should inform any transferee of these restrictions.

See Sections 6.1 and 6.13 for more information on restrictions on participation.

3.6.4 If you wish to let your Entitlement be sold through the Retail Shortfall Bookbuild

Any of your Entitlements which you do not take up, sell or transfer will be sold through the Retail Shortfall Bookbuild on Monday, 13 October 2014 to Eligible Institutional Investors. You will receive the Retail Premium (if any) in respect of those Entitlements sold through the Retail Shortfall Bookbuild (see Section 3.8).

By allowing your Entitlement to be sold through the Retail Shortfall Bookbuild, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement (or any value for your Entitlement which may have been achieved through its sale on ASX or otherwise). Your percentage shareholding in Arrium will also be diluted.

3.7 Ineligible Retail Shareholders

Ineligible Retail Shareholders will receive the Retail Premium (if any) for Entitlements that have been sold on their behalf into the Retail Shortfall Bookbuild.

3.8 Retail Shortfall Bookbuild

Retail Entitlements which are not taken up by close of the Retail Entitlement Offer, and Retail Entitlements of Ineligible Retail Shareholders, will be sold through the Retail Shortfall Bookbuild. Any Retail Premium (being any amount paid in respect of those Entitlements sold into the Retail Shortfall Bookbuild) will be remitted proportionally to such shareholders on or about Wednesday, 22 October 2014, net of any applicable withholding tax.

Retail Premium amounts, if any, will be paid in either Australian dollars or New Zealand dollars based on your nominated bank account. You will be paid by direct credit to the nominated bank account as noted on Arrium's share register. The Retail Premium, if any, is expected to be paid on or about Wednesday, 22 October 2014.

The Retail Premium may be zero, in which case no payment will be made to holders of those Entitlements sold into the Retail Shortfall Bookbuild. The outcome of the Institutional Shortfall Bookbuild (including the Institutional Premium) is not an indication as to whether there will be a Retail Premium or what any Retail Premium may be.

The ability to sell Entitlements under the Retail Shortfall Bookbuild and the ability to obtain any Retail Premium will depend on various factors, including market conditions. If there is a Retail Premium, it may be less than, more than, or equal to the Institutional Premium or less than, more than or equal to any price or prices that Entitlements may be able to be sold on ASX or otherwise transferred. To the maximum extent permitted by law, Arrium, the Underwriter and each of their respective related bodies corporate and affiliates, and each of their respective directors, officers, partners, employees, representatives and agents, disclaim all liability, including for negligence, for any failure to procure a Retail Premium under the Retail Shortfall Bookbuild, for any difference between the Retail Premium and the Institutional Premium and for any failure to obtain any particular exchange rate, or any movements in exchange rates, if exchanging the Retail Premium into New Zealand dollar funds. Arrium reserves the right to issue Entitlements under the Retail Shortfall Bookbuild at its discretion.

You should note that if you sell or transfer all or part of your Entitlement or allow all or part of your Entitlement to be sold into the Retail Shortfall Bookbuild, then you will forgo any exposure to increases or decreased in the value of New Shares (or any value for that Entitlement which may have been achieved through its sale on ASX or otherwise) and your percentage shareholding in Arrium will be diluted by your non-participation in the Retail Entitlement Offer.

3.9 Payment

Payment should be made using BPAY[®] if possible. New Zealand shareholders who do not have an Australian bank account will be able to pay by cheque (see below at 3.9.2).

Cash payments will not be accepted. Receipts for payment will not be issued.

Arrium will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

If you are unable to pay by BPAY[®] please call the Arrium Limited Offer Information Line on 1300 131 856 (within Australia) or +61 2 9290 9688 (outside Australia) and refer below to Section 3.9.2.

3.9.1 Payment by BPAY[®]

For payment by BPAY[®], please follow the instructions on the personalised Entitlement and Acceptance Form or online at www.investorserve.com.au/arrium. You can only make payment via BPAY[®] if you are the holder of an account with an Australian financial institution that supports BPAY[®] transactions.

If you are paying by BPAY[®], please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form or accessed online at www.investorserve.com.au/arrium. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

Please note that by paying by BPAY[®]:

- you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 3.11; and
- If you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY[®] payment is received by the Arrium Share Registry by no later than 5.00pm (Sydney time) on Wednesday, 8 October 2014. You should be aware that your

financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

3.9.2 If you are unable to pay by BPAY®

If you are unable to pay by BPAY® or are having difficulty paying by BPAY® please call the Arrium Limited Offer Information Line on 1300 131 856 (within Australia) or +61 2 9290 9688 (outside Australia). If the information line operator is unable to assist you to make payment by BPAY®, you are able to pay by cheque.

Arrium encourages payments by BPAY® if possible.

For payment by cheque, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies, payable to 'Arrium Retail Offer' and crossed 'Not Negotiable'.

Your cheque must be:

- for an amount equal to \$0.48 multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident shareholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

3.10 Mail or hand delivery

To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, being 5.00pm (Sydney time) on Wednesday, 8 October 2014. If you are making payment via cheque, you should mail or hand deliver your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Mailing Address	Hand Delivery Address
Arrium Limited C/- Boardroom Pty Limited GPO Box 3993 Sydney, NSW, 2001	Arrium Limited C/- Boardroom Pty Limited Level 7, 207 Kent Street Sydney, NSW, 2000 <small>(Please do not use this address for mailing purposes)</small>

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at Arrium's registered or corporate offices, or other offices of the Arrium Share Registry.

3.11 Representations by acceptance

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have represented to Arrium that you are an Eligible Retail Shareholder and:

- acknowledge that you have read and understood this Retail Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet (including Section 6.4), and Arrium's constitution;
- authorise Arrium to register you as the holder(s) of New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that once Arrium receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided except as allowed by law;

- agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- authorise Arrium, the Underwriter, the Arrium Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Arrium Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Arrium and is given in the context of Arrium's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the 'Key Risks' section of the Arrium Investor Presentation contained in Section 5 of this Retail Offer Booklet, and that investments in Arrium are subject to risk;
- acknowledge that none of Arrium, the Underwriter, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Arrium, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- authorise Arrium to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- represent and warrant (for the benefit of Arrium, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States;
- you understand and acknowledge that neither the Entitlements nor the New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. The Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US State securities laws;
- you are subscribing for or purchasing the Entitlements or the New Shares in an 'offshore transaction' (as defined in Rule 902(h) under the US Securities Act) in compliance with reliance on Regulation S under the US Securities Act;
- you have not and will not send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person.

3.12 Representations by acquirers of Retail Entitlements

Investors who acquire Retail Entitlements on ASX or otherwise will, by acquiring those Retail Entitlements, and by applying to take up all or part of those Retail Entitlements, be deemed to agree to make and be subject to the representations, declarations, warranties and agreements in Section 3.11 above (with references to the personalised Entitlement and Acceptance Form to be read as including any other form provided or required to be provided to Arrium, the Arrium Share Registry or the person's stockbroker).

The Retail Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of persons in the United States.

Investors should note that if you purchase Retail Entitlements in a transaction on ASX or otherwise, in order to take up or exercise those Entitlements and subscribe for New Shares you:

- must be an Eligible Retail Shareholder (as defined in Section 6.1), a resident in Australia or New Zealand, or otherwise qualify as an 'Eligible Person'³; and
- must not be in the United States or acting for the account or benefit of a person in the United States.

If you do not satisfy the above conditions, you will not be entitled to take up Retail Entitlements or subscribe for New Shares.

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. In the event that holders are not able to take up their Entitlements, those Entitlements will be sold into the Retail Shortfall Bookbuild and holders may receive no value for them.

3.13 Enquiries

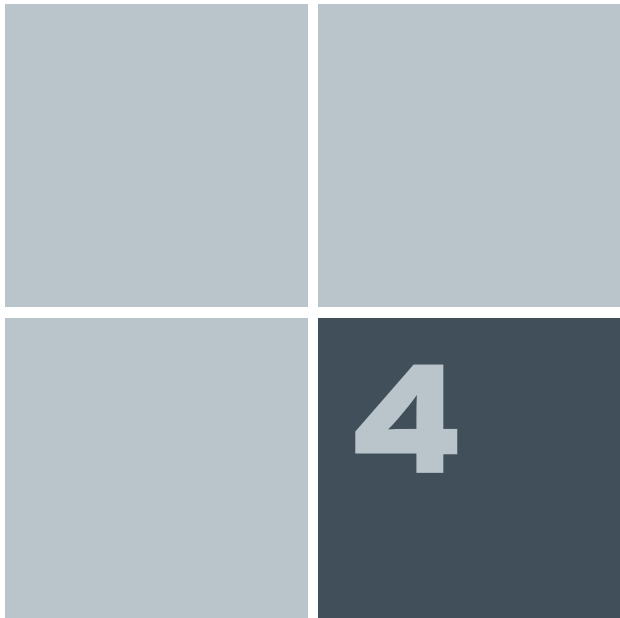
If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions, please contact the Arrium Limited Offer Information Line on 1300 131 856 (within Australia) or +61 2 9290 9688 (outside Australia). The Arrium Limited Offer Information Line will be open from 8.30am to 5.30pm (Sydney time), Monday to Friday, until Wednesday, 22 October 2014. Alternatively, you can access information about the Retail Entitlement Offer online at www.investorserve.com.au/arrium. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

³ Certain investors in a limited number of foreign jurisdictions (other than the United States) may be Eligible Persons if they satisfy the requirements of that expression as set out in the 'Entitlement and Acceptance Form' in respect of the Entitlement Offer which is available at www.investorserve.com.au/arrium and to be released by Arrium to ASX on www.asx.com.au.



SECTION 4
**AUSTRALIAN
 TAXATION
 CONSIDERATIONS**

4.1	Sale of Entitlements	20
4.2	Entitlements not taken up	20
4.3	Taking Up of Entitlements	21
4.4	Dividends on New Shares as a result of Entitlements taken up	21
4.5	Disposal of New Shares	21
4.6	Taxation of Financial Arrangements (TOFA)	21
4.7	Other Australian taxes	21



This section is a general summary of the Australian income tax, capital gains tax, Goods and Services Tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders.

The taxation implications of the Retail Entitlement Offer will vary depending upon your particular circumstances. Accordingly, you should seek and rely upon your own professional advice before concluding on the particular taxation treatment that will apply to you.

Neither Arrium nor any of its officers or employees, nor its taxation or other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

The comments in this section deal only with the Australian taxation implications of the Retail Entitlement Offer if you hold Shares on capital account and you are a resident for Australian income tax purposes, and your holding was acquired (or is deemed to have been acquired) after 19 September 1985 for capital gains tax (**CGT**) purposes. Accordingly, the comments do not apply to you if you hold your Shares on revenue account, as trading stock or have acquired your Shares for the purpose of on-sale at a profit, or if your holding was acquired (or is deemed to have been acquired) on or before 19 September 1985 for CGT purposes.

The comments in this section are general in nature and are based on the Australian tax legislation and administrative practice in force as at the date of this Retail Offer Booklet.

These comments also do not apply to trustees of employee share schemes or if you acquire New Shares pursuant to any employee share scheme.

The issue of the Entitlements will not itself result in any amount being included in your assessable income.

4.1 Sale of Entitlements

If you sell your Entitlement on ASX or otherwise, you should derive a capital gain for CGT purposes equal to the sale proceeds less certain costs of disposal. The proceeds from the sale of Entitlements should not be treated as ordinary income.

Individuals, complying superannuation entities or trustees that have held their existing Shares for at least 12 months prior to the date of disposal, should be entitled to discount the amount of a capital gain resulting from the sale of the Entitlements (after the application of any current year or carry forward capital losses). The amount of this discount is 50% for individuals and trustees and 33 1/3% for complying

superannuation entities. This is referred to as the "CGT discount". The CGT discount is not available for companies that are not trustees. Trustees should seek specific tax advice regarding the tax consequences arising to beneficiaries because of discount capital gains.

Notwithstanding the above, recent statements by the Australian Taxation Office have not expressly dealt with the sale of entitlements on ASX or off-market. You are advised to obtain professional advice as to the taxation treatment of such proceeds.

4.2 Entitlements not taken up

Any Entitlements not taken up by you will be sold in the Retail Shortfall Bookbuild.

Any Retail Premium will be remitted as a cash payment to you (after deducting applicable withholding tax).

The Commissioner of Taxation (**Commissioner**) expressed the view in Taxation Ruling TR 2012/1 "Income tax: retail premiums paid to shareholders where share entitlements are not taken up or are not available", that certain retail premiums received by shareholders are assessable as either an unfranked dividend or as ordinary income, and not as capital gains.

However, TR 2012/1 states that it applies to schemes with certain features including where "The Entitlements cannot be traded, transferred, assigned or otherwise dealt with by the shareholder or on behalf of the shareholder or anyone else". As previously noted, the Entitlements issued by Arrium are tradeable on ASX or may be transferred to another person.

It is not clear whether the position adopted by the Commissioner is correct at law or whether the tax treatment specified in TR 2012/1 is applicable to you. Nevertheless, you need to be aware that the Commissioner may seek to administer the law in a way which applies the tax treatment specified in TR 2012/1 to Entitlements sold through the Retail Shortfall Bookbuild and treat the Retail Premium as an unfranked dividend or ordinary income.

Under this tax treatment, the Retail Premium will be subject to tax on income account without the benefit of any tax offsets such as dividend imputation. Further, you will not be able to apply the CGT discount, nor be able to offset the Retail Premium with any capital losses.

Eligible Retail Shareholders who are considering allowing their Entitlements to be sold into the Retail Shortfall Bookbuild should consider selling their Entitlements on ASX or otherwise (refer to Section 4.1 above).

You are advised to obtain professional advice as to the taxation treatment of such proceeds.

Arrium considers that it will be obliged to withhold tax in relation to any Retail Premium on sale of your Entitlement under the Retail Shortfall Bookbuild unless you have provided your TFN or ABN.

If you are an Australian tax resident shareholder, and you have not previously provided your TFN or ABN to Arrium, you may wish to do so prior to the close of the Retail Entitlement Offer to ensure that withholding tax is not deducted from any Retail Premium payable to you at the rate of 49%. You are able to provide your TFN or ABN online with the Arrium Share Registry at www.investorserve.com.au. When providing your details online, you will be required to enter your Security Reference Number (SRN) or Holder Identification Number (HIN) as shown on your Issuer Sponsored/CHESS statements and other personal details such as your postcode.

4.3 Taking Up of Entitlements

No income tax or CGT liability will arise on the taking up of Entitlements.

If you take up all or part of your Entitlement you will acquire New Shares. The cost base of each New Share for CGT purposes will be equal to the Offer Price plus any non-deductible incidental costs you incur in acquiring New Shares.

New Shares will be taken to have been acquired on the day you exercise the Entitlements. Note that the comments above are only relevant where you currently hold Shares in Arrium which are taken to have been acquired on or after 20 September 1985 for tax purposes.

4.4 Dividends on New Shares as a result of Entitlements taken up

Any future dividends or other distributions made in respect of New Shares will be subject to the same income taxation treatment as dividends or other distributions made on existing Shares held in the same circumstances.

4.5 Disposal of New Shares

The disposal of a New Share will constitute a disposal for CGT purposes.

On disposal of a New Share, you will make a net capital gain if the capital proceeds net of transaction fees on disposal exceed the total cost base of the New Share. You will make a net capital loss if the capital proceeds net of transaction fees are less than the total reduced

cost base of the New Share. The cost base of New Shares is described above in Section 4.3.

Individuals, trustees or complying superannuation entities that have held New Shares for 12 months or more at the time of disposal should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting capital losses). The CGT discount factor is 50% for individuals and trustees and 33 1/3% for complying superannuation entities.

New Shares will be treated for the purposes of the capital gains tax discount as having been acquired when you exercise your Entitlement. Accordingly, in order to benefit from the CGT discount in respect of a disposal of those New Shares, New Shares must have been held for at least 12 months after the date of being taken up before the disposal occurs.

If you make a capital loss, you can only use that loss to offset other capital gains from other sources; i.e. the capital loss cannot be used against taxable income on revenue account. However, if the capital loss cannot be used in a particular income year it can be carried forward to use in future income years, providing certain tests are satisfied.

4.6 Taxation of Financial Arrangements (TOFA)

The TOFA provisions operate to make assessable or deductible, gains or losses arising from certain "financial arrangements" (importantly, the CGT discount is not available for any gain that is subject to the TOFA provisions).

An entitlement or right to receive a share is a "financial arrangement". However, depending on the circumstances of the particular taxpayer, the TOFA provisions may be effectively excluded from applying. Further, certain taxpayers (including many individuals) may be excluded from the application of the TOFA provisions unless they make a valid election for it to apply.

As the application of the TOFA provisions is dependent on the particular facts and circumstances of the taxpayer, you should obtain your own advice in relation to the potential applicability of the amendments contained in the TOFA provisions, in light of your own individual facts and circumstances.

4.7 Other Australian taxes

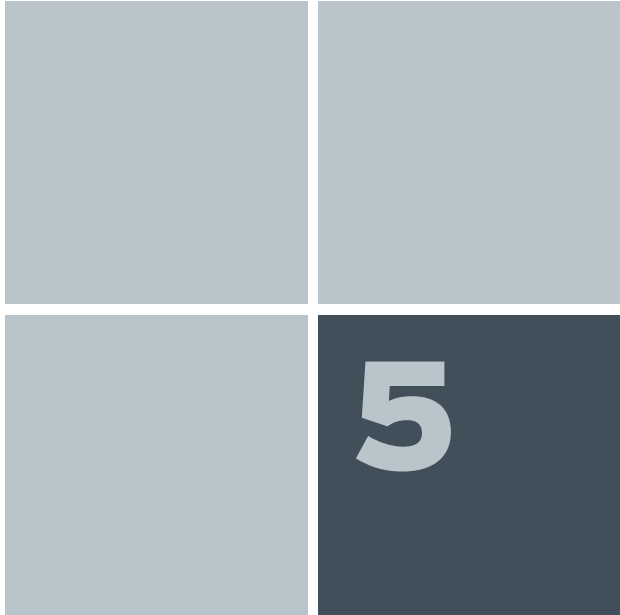
No Australian GST or stamp duty will be payable in respect of the issue, sale or taking up of Entitlements or the acquisition of New Shares.

This page has been left blank intentionally.



SECTION 5
**ASX
ANNOUNCEMENTS**

5.1	Arrium Investor Presentation dated 15 September 2014	24
5.2	Offer Launch Announcement dated 15 September 2014	55
5.3	Institutional Offer Completion Announcement dated 18 September 2014	60



5.1 Arrium Investor Presentation dated 15 September 2014



Equity Capital Raising

15 September 2014

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Disclaimer



Not an Offer

This presentation may not be released or distributed in the United States. This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Shares offered in the offer ("new shares") have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the new shares may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act (which Arrium has no obligation to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.

Financial Data

All dollar values are in Australian dollars (A\$) and financial data is presented with a financial year end of June 30 unless otherwise stated. The pro forma historical financial information included in this presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

This presentation contains certain financial measures including underlying EBIT (earnings before interest and taxes), underlying EBITDA (earnings before interest, taxes, depreciation and amortization), underlying NPAT (Net Profit After Tax), underlying earnings per share, gearing and underlying effective tax rate, which are non-statutory measures under Australian Accounting Standards and IFRS and, as such, are "non-GAAP financial measures" under Regulation G under the U.S. Securities Exchange Act of 1934. The disclosure of such non-GAAP financial measures in the manner included in this presentation would not be permissible in a registration statement under the Securities Act. Arrium believes these non-GAAP financial measures provide useful information to users in measuring the financial performance and condition of its business. These non-GAAP financial measures do not have a standardized meaning prescribed by IFRS and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-GAAP financial measures and ratios included in this presentation. Non-GAAP financial information has not been audited or reviewed as part of KPMG's report on the 2014 Full Year Financial Report. The Directors believe that using these non-statutory financial measures appropriately represents the financial performance of the Group's total operations including continuing and discontinued operations. Details of the reconciliation between non-statutory/non-GAAP and statutory financial measures can be found in the Appendix of this presentation.

All balance sheet items are based on statutory financial information. Except as otherwise expressed, references in this document to net profit/loss after tax refer to net profit/loss attributable to equity holders of Arrium Limited. Segment results referred to throughout this presentation are those reported in the 2014 Full Year Financial Report.

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Arrium and certain plans and objectives of the management of Arrium. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. All such forward-looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of Arrium, which may cause the actual results or performance of Arrium to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such forward-looking statements speak only as of the date of this presentation. Factors that could cause actual results or performance to differ materially include without limitation the following: risks and uncertainties associated with the Australian and global economic environment and capital market conditions, the cyclical nature of the steel industry, the level of activity in the construction, manufacturing, mining, agricultural and automotive industries in Australia and North and South America and, to a lesser extent, the same industries in Asia and New Zealand, mining activity in the Americas, commodity price fluctuations, fluctuations in foreign currency exchange and interest rates, competition, Arrium's relationships with, and the financial condition of, its suppliers and customers, legislative changes, regulatory changes or other changes in the laws which affect Arrium's business, including environmental laws, carbon tax, mining tax and operational risk. The foregoing list of important factors is not exhaustive. There can be no assurance that actual outcomes will not differ materially from these statements.

No representation or warranty is or will be made by any person (including Arrium and its officers, directors, employees, advisers and agents) in relation to the accuracy or completeness of all or part of this document, or any constituent or associated presentation, information or material (collectively, the **Information**), or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, the Information or any part of it. The Information includes information derived from third party sources that has not been independently verified.

2

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Disclaimer (cont.)



Subject to any obligations under applicable laws, regulations or securities exchange listing rules, Arrium disclaims any obligation or undertaking to release any updates or revisions to the Information to reflect any change in expectations or assumptions.

Nothing contained in the Information constitutes investment, legal, tax or other advice. The Information does not take into account the investment objectives, financial situation or particular needs of any recipient. Before making an investment decision, each recipient of the Information should make its own assessment and take independent professional advice in relation to the Information and any action taken on the basis of the Information.

Neither the underwriter, nor any of its or Arrium's respective advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents, have authorised, permitted or caused the issue, submission, dispatch or provision of this presentation and, except to the extent referred to in this presentation, none of them makes or purports to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them.

For the avoidance of doubt, the underwriter and its respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents have not made or purported to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them.

To the maximum extent permitted by law, Arrium, the underwriter and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents exclude and disclaim all liability, including without limitation for negligence or for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

To the maximum extent permitted by law, Arrium, the underwriter and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this presentation and, with regards to the underwriter, it and its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents take no responsibility for any part of this presentation or the Offer.

The underwriter and its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer, and you represent, warrant and agree that you have not relied on any statements made by the underwriter, or its advisers, affiliates, related bodies corporate, directors, officers, partners, employees or agents in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them.

Statements made in this presentation are made only as the date of this presentation. The information in this presentation remains subject to change without notice. Arrium reserves the right to withdraw the Offer or vary the timetable for the Offer without notice.

3

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Executive Summary



To position Arrium for the current trading environment the company has today:

- Announced an equity raising of at least \$754 million via a fully underwritten pro-rata accelerated renounceable Entitlement Offer with retail rights trading and an institutional placement
- Provided an update on the performance of its businesses including further cost reduction initiatives

4

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Contents



- Why we are raising equity
- Why we are raising equity now
- Summary pro forma balance sheet
- The offer
- Why investors should support the offer
- Dividends
- Indicative timetable
- Business update and outlook
- Appendix
- Key risks
- Foreign jurisdictions

5

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Why we are raising equity



To strengthen the balance sheet and position Arrium with a more appropriate capital structure for the current environment

- Consistent with stated priority of reducing debt – provides significant change to capital structure
- Enhances ability to manage volatility in key drivers of earnings and cash
- Net proceeds of at least \$732 million will be used to repay debt
- Leads to reduced interest expense
- Provides additional headroom under banking covenants

6

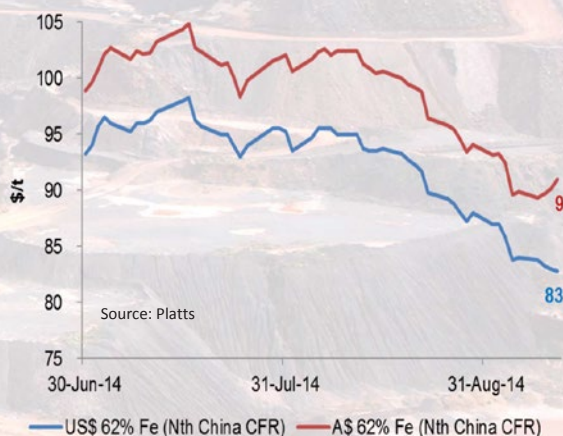
NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Why we are raising equity now



There has been a significant deterioration in iron ore prices in the last month

- Rapid decline in prices in the last month (12% decrease to ~US\$83/wmt – Platts 62% Fe)
- Current prices impacted by negative sentiment related to iron ore supply/demand balance – increased uncertainty over timing and extent of recovery
- Prices now at lowest level in 5 years
- Ongoing discounting, particularly for lower grade ores
- Continued strength in AUD impacting AUD iron ore prices



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

7

Summary pro forma balance sheet



An equity raising of at least \$754 million strengthens the balance sheet and lowers interest expense

- Net debt at 30 June 2014 was \$1,708 million
- Net proceeds from the raising of at least \$732 million will be used to reduce debt
- Pro forma net debt at 30 June 2014 is \$976 million
- Arrium has seen an increase in net debt since 30 June 2014 due to lower earnings, cyclical working capital movements, capital expenditure and other payments¹
- If current conditions continue, Arrium expects net debt at 31 December 2014 to be between \$100 million and \$300 million greater than 30 June 2014 pro forma net debt²
- Interest costs will be reduced by ~\$20 million per annum as a result of the equity raising
- Interest cover³ for the 12 months to 30 June 2014 was 7.4 times EBITDA. Interest cover is expected to be lower in the 12 months to 31 December 2014

\$ million	30 June 2014	Pro forma 30 June 2014
Cash	651	651
Interest bearing liabilities	2,359	1,627
Net debt	1,708	976
Equity	3,731	4,470
Gearing (%) ⁱ	31.4%	17.9% ⁱⁱ

- Notes:
- Defined as net debt to net debt plus equity
 - Pro forma gearing as at 30 June 2014 assumes that the minimum net proceeds of approximately \$732 million have been used to repay debt. Proceeds may be higher depending on placement pricing
 - Covenants include a gearing ratio at a level which is greater than 50% and an interest cover covenant (based on underlying EBITDA to debt service charges) which requires interest cover greater than a level between 3.0 and 3.5 times

1. Other payments includes payments for carbon permits (\$64m) and restructuring and transaction payments (\$15m)
 2. Assuming A\$1 = US\$0.93 as at 31 December 2014
 3. Underlying interest cover shown here reflects underlying EBITDA divided by finance costs.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

8

The offer



Arrium is raising at least \$754 million via a 1 for 1 pro-rata accelerated renounceable Entitlement Offer with retail rights trading and a 15% institutional placement

- Fully underwritten
- \$0.48 offer price¹
 - 26% discount to Arrium's share price as at 12 September 2014
 - 40% discount to Arrium's 3 month VWAP as at 12 September 2014
 - 15% discount to theoretical ex-rights price (TERP)²
- The new shares will rank equally with existing shares³
- All eligible shareholders will have an opportunity to participate
- Placement shares are not entitled to participate in the Entitlement Offer
- New shares will not receive FY14 final dividend³

1. Final placement price will be determined by a bookbuild

2. TERP is the theoretical price at which Arrium shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Arrium shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Arrium's closing price on 12 September 2014

3. The new shares will not participate in the dividend to be paid on 16 October 2014, as the record date for that dividend was 12 September 2014

9

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Why investors should support the offer



Arrium is a leading international mining and materials company with a strengthened balance sheet and positioned to benefit from recovery in key earnings and cash drivers

- Strengthened balance sheet with more appropriate capital structure for the current environment
- Significant leverage to:
 - Recovery in iron ore prices
 - A sustained lower AUD
 - Recovery in steel margins and increased volumes, particularly from infrastructure projects
- Well positioned to also benefit from:
 - Increased focus on cost reductions and efficiency improvement across all businesses
 - Mining operational flexibility through varying grade, volume and costs
 - Divestment proceeds (targeting ~\$100 million for FY15)

10

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Why investors should support the offer



An opportunity to invest in Arrium on attractive terms

- The Entitlement Offer allows shareholders to invest at an offer price of \$0.48 per new share
 - 26% discount to Arrium's closing price of \$0.65 on Friday 12 September 2014
 - 40% discount to Arrium's 3 month VWAP as at 12 September 2014
 - 15% discount to the theoretical ex-rights price (TERP)

11

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Dividends



- The Board's decision as to whether to pay future dividends and the amount of any such dividends will be determined having regard to:
 - Prior period results
 - Outlook
 - Dividend payout ratios
 - Profile of the shareholder base
- The DRP announced on 19 August 2014 is suspended and will not apply to Arrium's FY14 final dividend of 3.0 cps expected to be paid on 16 October 2014

12

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Indicative timetable¹



Event	Date
Announcement of the Entitlement Offer, institutional offer opens	Monday, 15 September
Institutional Entitlement Offer closes	Tuesday, 16 September
Institutional shortfall and placement bookbuild	Wednesday, 17 September
Shares recommence trading on ASX	Thursday, 18 September
Entitlement Offer record date	Thursday, 18 September
Retail rights trading	Thursday, 18 September – Tuesday, 30 September
Retail offer period	Monday, 22 September – Wednesday, 8 October
Institutional settlement	Thursday, 25 September
Institutional allotment and quotation	Friday, 26 September
Retail shortfall bookbuild	Monday, 13 October
Settlement of retail offer shortfall	Thursday, 16 October
Allotment of retail offer	Friday, 17 October
Quotation of retail securities	Monday, 20 October
Holding statements despatched	Tuesday, 21 October

Note:

1. Timetable subject to variation and, in relation to retail rights trading, receipt of an ASIC modification.

13

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES



Business update and outlook

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Mining



1Q15 update

- Expected sales run rate of ~13Mtpa
- Iron ore market prices down significantly on prior quarter
- Ongoing discounting, particularly for lower grade ores
- More significant prior period price adjustment expected (impact of lower 1Q15 v 4Q14 prices)
- Average grade expected to be ~59.5% Fe – some pit variation at Chieftain late August
- Loaded cash cost¹ tracking to lower end of ~A\$48-50/wmt guidance
- Broad based cost reduction program well underway
- Work on accessing lower cost ores at IKMA tracking to plan – 1st ores expected 2H15

¹ Includes mining, crushing, beneficiation, road haulage and transshipping costs. Excludes capitalised costs (infrastructure, pre-stripping & mining licences) & depreciation, amortisation charges in respect of those costs, royalties, sales & marketing and corporate costs.

15

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Mining (cont.)



Outlook

- Demand for seaborne iron ore expected to remain strong
 - Expected continued growth in China crude steel production
 - China iron ore production declining – higher cost ores
- Estimated FY15 export sales ~13Mt (on current market conditions)
- Loaded cash cost¹ expected to be at lower end ~A\$48-50/wmt range – more cost reductions targeted
- Freight cost expected to be ~1.4 times Pilbara to China (C5) rate
- Operational flexibility through ability to alter grade, volume and costs

¹ Includes mining, crushing, beneficiation, road haulage and transshipping costs. Excludes capitalised costs (infrastructure, pre-stripping & mining licences) & depreciation, amortisation charges in respect of those costs, royalties, sales & marketing and corporate costs.

16

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Mining Consumables



1H15 Update

- Grinding media volumes September 2014 YTD up 2% v pcp
 - Strong growth in North and South America volumes – up 7%
 - Indonesia volumes continuing to ramp up
- Stable grinding media margins
- Rail wheel sales volumes flat v FY14

17

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Mining Consumables




Outlook

- Continued strong demand for grinding media expected, underpinned by high levels of copper and gold production, particularly in North and South America
- FY15 grinding media volumes expected to benefit from:
 - Capturing at least our strong market share of grinding media growth (includes impact of new projects/expansions in North and South America won 2H14) and maintaining stable margins
 - Ramp up of sales in Indonesia
- FY15 earnings expected to benefit from:
 - Increased grinding media volumes
 - Continued stable grinding media margins
 - Annualised benefit of 'right sizing' Waratah, Newcastle

18

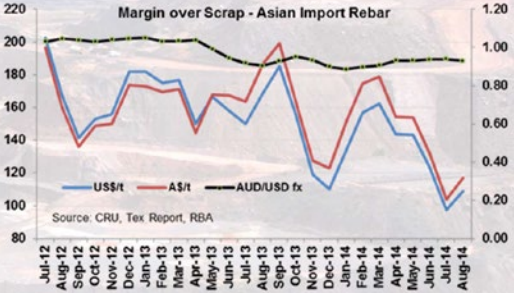
NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Steel



1H15 Update

- Stronger sales volumes at end FY14 have continued in 1H
- September 2014 YTD volumes
 - Average daily sales volumes up 11% (3mths ended August 14 v 3mths ended April 14)
 - Commencement of delayed projects
 - Increased housing construction (particularly high rise dwellings)
 - Increasing infrastructure construction
- 1H15 EBITDA tracking to be lower than 2H14
 - Impact of historic low South East Asian margins on domestic margins for manufactured steel products more than offsetting:
 - Increased sales volumes
 - Annualised cost reductions in FY14
- Further cost reductions being implemented – weighted to 2nd half



Source: CRU, Tex Report, RBA

19

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Steel (cont.)



- Well positioned over medium term to maximise opportunity from increased government investment in infrastructure
 - Strong pipeline of new projects announced
 - Service offer enhances competitive position ('de-risking' projects for developers)
- In Recycling, the business expects to build on its stronger FY14 performance through:
 - Leveraging its repositioned footprint
 - Further cost reductions and operational improvements
 - The impact of a stronger non-ferrous market leading into 1H15

20

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Cost reductions



- Arrium has a track record of reducing costs and is focused on further reducing its cost base
- Expected benefits of ~\$45m in FY15 from cost reduction program commenced in FY14
 - ~\$30 million Steel
 - ~\$10m synergies – annualised benefit from single steel business (additional to \$30m benefit in FY14)
 - ~\$20m additional labour savings – restructuring charge taken in FY14
 - ~\$15 million Mining Consumables – ‘right sizing’ Waratah, Newcastle
- FY15 cost reduction program¹ – targeting a further \$60-90m annualised benefits – already underway
 - Expected benefit FY15 \$40-\$50 million – weighted to 2H
 - Benefits weighted to Mining, then Steel
 - Cost savings target across Arrium

1 Estimated restructuring cost in FY15 of ~\$25-35 million

21

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Earnings guidance



- Specific quantitative earnings guidance for Group not appropriate at this time due to level of uncertainty around:
 - Iron ore price
 - FX
 - Scrap prices and SE Asian steel margins
- Significant variance and/or volatility in above can materially impact earnings and cash
- Earnings for FY15 expected to be lower than FY14
- FY15 earnings weighted to 2H due to impact of
 - Increasing sales volumes related to improved domestic construction activity
 - Historic low SE Asian steel margins in 1H
 - Full benefit of cost reductions achieved in 1H

22

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES



Appendix

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Arrium Mining



~13Mtpa iron ore producer with own infrastructure

- Export sales rate expected ~13Mtpa in Q1 FY2015
- Port capacity ~13Mtpa
- Good basis for sales longevity
- Operational flexibility to maximise earnings and cash through varying grade, volume and cost
- Wholly-owned and operated Port
- Ferrous and non ferrous exploration



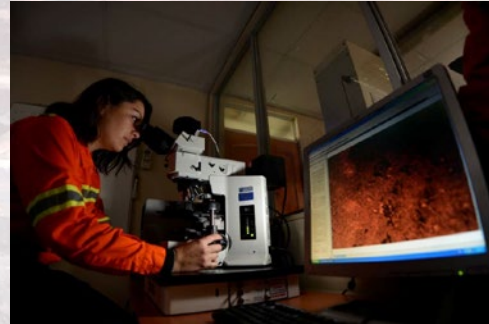
NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Arrium Mining Consumables



A growth business of scale, with stable margins and a sustainable competitive advantage

- Grinding media
 - Global leader (Moly-Cop)
 - Strong earnings and cash generation
 - Strong demand growth profile, particularly North and South America. Underpinned by:
 - Strong copper and gold production
 - Declining head grades
 - Positioned in key growth and low cost regions
 - Competitive position being further strengthened by roll out of next generation SAG ball
- Mine ropes – global leader in dragline ropes
- Rail wheels – #1 in Australia



25

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Arrium Steel



Integrated operation in Australia with leading market positions, flexibility and significant leverage

- Leading market positions include:
 - #1 in general Australian steel distribution
 - #1 in Australian reinforcing
 - #1 in Australian wire
 - #2 in Australian recycling
- Difficult external environment but substantial cost reductions and operational improvements achieved
- Well positioned to benefit from expected increase in construction activity, particularly infrastructure



© Lend Lease, June 2014

26

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

FY15 Capital expenditure



Capital expenditure – cash basis

	FY15 Est \$m
Mining	200-240 ¹
Mining Consumables	80-85
Steel & Recycling	70-75
Total capital expenditure (excluding stripping asset)	350-400
Mining stripping activity asset	40-50 ¹
Total	390-450

- Ongoing strong management of capital expenditure
- Mining
 - Focus on access to lower cost ores at IKMA (MBR) faster. Cut backs ~\$135m
 - Ongoing exploration program to step up conversion of resource to reserve with focus on MBR ~\$25m
 - Completion of SI haul road (commenced 2H14) ~\$15m
 - FY16 – FY19 Capital Plan estimated to average ~\$6/t^{2,3}
- Mining Consumables
 - Expansions in Canada & Peru to facilitate known forecast & contracted grinding media growth (growth capex ~75%)
- Steel & Recycling ~50% D&A

¹ Total Mining capital cash spend including stripping activity asset managed to a range of \$240-290m.

² Excludes exploration and capitalised stripping.

³ Based on current operations, business plan & forecast sales. Includes investing & sustaining capex; excludes exploration and capitalised stripping. Wholly underpinned by Ore Reserves (8.3Mt Proved and 69.5Mt Probable) in 2014 Reserves & Resources statement (prepared by a Competent Person under JORC 2012).

27

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Pro forma balance sheet



An equity raising of \$754 million will strengthen Arrium's balance sheet

A\$m	30 June 2014	Adjustments	
		Equity raising	Pro forma
Cash	651	-	651
Inventory	1,235	-	1,235
Property, plant and equipment	2,672	-	2,672
Deferred tax asset	100	7 ¹	107
Other assets	3,344	-	3,344
Total assets	8,002	7	8,009
Current interest bearing liabilities	121	-	121
Non-current interest bearing liabilities	2,238	(732) ²	1,506
Other liabilities	1,912	-	1,912
Total liabilities	4,271	(732)	3,539
Net assets	3,731	739	4,470
Net debt	1,708	(732)	976

Notes:

1. Deferred tax asset arising from transaction costs associated with equity capital raising

2. Assumes minimum proceeds of \$754 million less assumed transaction costs of \$22 million have been used to repay debts. Proceeds may be higher depending on placement pricing.

28

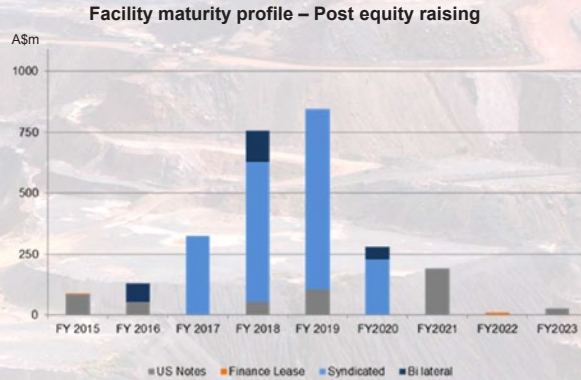
NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Debt facilities



Next significant maturity FY17

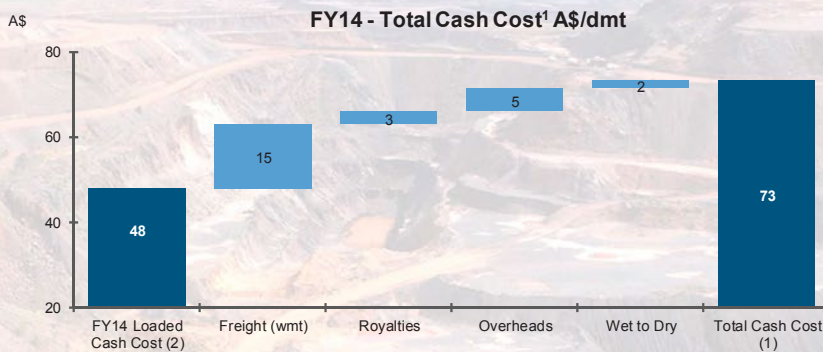
- Equity raising proceeds used to pay down debt and cancel some bank facilities
- Investigating opportunities to diversify existing debt finance
- Average interest rate for total drawn and undrawn funding ~4%
- Covenants include a gearing ratio at a level which is greater than 50% and an interest cover covenant (based on underlying EBITDA to debt service charges) which requires interest cover greater than a level between 3.0 and 3.5 times



29

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

FY14 Mining cash costs



1 Includes loaded cash cost, royalties, sales and marketing and corporate costs, adjustment for moisture content and freight. Excludes capitalised costs (infrastructure, pre-stripping and mining licences), depreciation and amortisation charges in respect of those costs.

2 Includes mining, crushing, beneficiation, road haulage and transshipping costs. Excludes capitalised costs (infrastructure, pre-stripping and mining licences), depreciation and amortisation charges in respect of those costs, royalties, sales and marketing and corporate costs.

30

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Steel major projects – current or awarded



VIC

- Werribee Plaza Shopping Centre
- Webb Dock Maritime Package
- Bald Hill Wind Farm

WA

- Yandicoogina Sustaining Project 1 & 2
- Namuldi Below Water Table Project
- Roy Hill Package Three
- Crown Towers
- Old Treasury Building
- Mungari Gold

QLD

- 480 Queen St Tower
- Apartments West End
- Yeppean South

SA

- Royal Adelaide Hospital
- Adelaide Oval

NSW

- North West Rail Link
- Nambucca Heads to Urunga (NH2U) Road Project
- Darling Harbour LIVE
- Centrium Chatswood
- Arthur Street, North Sydney
- Pacific Highway Upgrade
- Sydney Cricket Ground Redevelopment
- Barangaroo Development
- Gas Extraction Tahmoor

31

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Government budget & infrastructure



~\$16bn New Infrastructure Projects announced – mostly roads (historically steel intensive and positive for reinforcing)

- NSW \$2.9bn
 - West Sydney road development supporting Badger's Creek airport development (\$1.7bn)
 - Other new projects (\$1.2bn)
- Vic \$3.2bn
 - East West Link & other new projects (\$3.2bn)
- Qld \$4.4bn
 - Warrego Highway (\$0.5bn)
 - Other projects (\$3.9bn)
- WA \$2.5bn
 - Perth freight – Kewdale to Fremantle Port \$0.9bn
 - Other new projects \$1.6bn
- SA \$1.9bn
 - North South Corridor (\$0.9bn)
 - Goodwood & Torrens (\$0.2bn)
 - Other new projects (\$0.8bn)
- Other States & Territories \$1.2bn
 - Tas (\$0.5bn)
 - NT (\$0.5bn)
 - ACT (\$0.2bn)
- \$300M toward the Inland Rail Project case – Brisbane to Melbourne freight – 599km new rail and 426km of upgrade.
- Asset Recycling \$5bn – dependent on State asset sales (apply for 15% of investment)

32

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Mineral Resource Rent Tax



- The Mineral Resource Rent Tax (MRRT) was repealed on 5 September 2014
- A Deferred Tax Asset (DTA) related to the MRRT of \$70 million was included in the company's financial statements as at 30 June 2014
- As a result of the repeal, the DTA will be reversed in the company's 1H15 financial statements
 - Results in an increase of ~\$70 million in tax expense
 - Non cash in nature
 - Non 'underlying' – consistent with treatment of take up of DTA on establishment of MRRT and subsequent adjustments

33

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

FY14 financial overview



Statutory results¹

	FY14 \$m	FY13 \$m	% change		Comment
Sales revenue	7,007	6,841	↑	2	
EBITDA	781	532	↑	47	Impact of record Mining EBITDA
Depn, amort & impairment	380	1,247	↓	(70)	FY13 includes impairments of \$931 million related to Steel and Recycling assets
EBIT	401	(715)	↑	-	
Finance costs	118	120	↓	(2)	In line with guidance
Net profit / (loss) after tax	205	(701)	↑	-	Significant improvement
Operating cash flow	679	653	↑	4	Record strong operating cash flow
Net debt	1,708	2,115	↓	(19)	Significant reduction – \$407 million
Gearing (net debt/net debt + equity)	31.4%	36.7%	↓	(5.3 pp)	
Return on funds employed	7%	(12%)	↑	19 pp	
Dividend (cents per share)	9.0	5.0	↑	4.0c	Unfranked

¹ For total operations, includes continuing and discontinued operations. A reconciliation of non-statutory underlying results to statutory results can be found in the Appendix to this presentation.

34

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

FY14 financial overview



Underlying results¹

	FY14 \$m	FY13 \$m	% change		Comment
Sales revenue	7,007	6,841	↑	2	
EBITDA	864	625	↑	38	Impact of record Mining EBITDA
Depn ² , amort & impairment	368	317	↑	16	Commenced depreciation of Port & Southern Iron assets & amortisation of mining rights in 2H13
EBIT	497	309	↑	61	
Finance costs	118	120	↓	(2)	Estimate for FY15 \$100-110m
Profit before tax	379	189	↑	101	
Tax expense	82	25	↑	228	Effective tax rate 22%. FY15 est. 20-25%
Net profit after tax	296	162	↑	83	Highest since FY08
Operating cash flow	746	659	↑	13	Record – stronger cash profits and tight working capital management
EPS (cents) – weighted average	21.8	12.2	↑	79	
Return on funds employed	9%	5%	↑	4 pp	
Dividend (cents per share)	9.0	5.0	↑	4.0c	Unfranked

¹ Total operations includes continuing and discontinued operations. A reconciliation of non-statutory underlying results to statutory results can be found in the Appendix.

² Application of Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine is expected to add further ~\$60m to FY15 depreciation costs.

35

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

FY14 financial overview



Balance sheet summary

	FY14 \$m	FY13 \$m	% change		Comments
Total assets	8,002	8,169	↓	(2)	Primarily divestments
Total liabilities	4,271	4,518	↓	(5)	Includes impact of FX at balance date, restructuring provisions and tax liabilities
Net assets	3,731	3,651	↑	2	
Net debt	1,708	2,115	↓	(19)	Significant reduction – \$407m
Inventories	1,235	1,278	↓	(3)	
Funds employed	5,439	5,766	↓	(6)	
Gearing (net debt/net debt + equity)	31%	37%	↓	(6 pp)	
Interest cover (times EBITDA) ¹	7.4	5.2	↑	2.2 times	
NTA / share (\$)	1.3	1.2	↑	8	

¹ Underlying interest cover shown here reflects underlying EBITDA divided by finance costs.

36

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

FY14 statutory vs underlying results



Year ended 30 June 2014 Reconciliation between Underlying and Statutory Results	Statutory Results			Underlying Results				
	Continuing operations	Discontinued operations ¹	Total Operations Statutory	Restructuring costs ²	Impairment ³	Steel Transformation Plan ⁴	Tax adjustments & Other items ⁵	Total Operations Underlying
Sales revenue	6,562.0	444.6	7,006.6	-	-	-	-	7,006.6
Other revenue/income	112.0	13.5	125.5	-	-	-	-	125.5
Total revenue/income	6,674.0	458.1	7,132.1	-	-	-	-	7,132.1
Gross profit/(loss)	1,251.3	(71.3)	1,180.0	-	-	-	-	1,180.0
EBITDA	906.4	(125.3)	781.1	51.0	-	26.5	5.6	864.2
Depreciation and amortisation	(367.5)	-	(367.5)	-	-	-	-	(367.5)
Impairment	(8.7)	(4.4)	(13.1)	-	13.2	-	-	0.1
EBIT	530.2	(129.7)	400.5	51.0	13.2	26.5	5.6	496.8
Finance costs	(117.5)	-	(117.5)	-	-	-	-	(117.5)
Earnings before tax	412.7	(129.7)	283.0	51.0	13.2	26.5	5.6	379.3
Tax (expense)/benefit	(124.9)	48.5	(76.4)	(15.2)	(5.1)	(7.9)	22.8	(81.8)
Profit/(loss) after tax	287.8	(81.2)	206.6	35.8	8.1	18.6	28.4	297.5
Non-controlling interests	(1.2)	-	(1.2)	-	-	-	-	(1.2)
Net profit/(loss) after tax	286.6	(81.2)	205.4	35.8	8.1	18.6	28.4	296.3

Unless otherwise stated, certain financial measures referred to in this document, including underlying results and ratios based on underlying results are non-statutory financial measures, which have not been audited or reviewed as part of KPMG's report on the full year financial statements. The Directors believe that using these non-statutory financial measures appropriately represents the financial performance of the Group's total operations including continuing and discontinued operations.

- 1 Relating to the results of Australian Tube Mills, Merchandising and US Recycling businesses. Excludes intercompany transactions. Statutory EBITDA and statutory net profit after tax including intercompany transactions are \$18.0m loss and \$6.1m loss respectively.
- 2 Related to redundancies from organisational changes and other direct expenditure associated with business restructures.
- 3 Impairment of property, plant and equipment in Mining Consumables, Steel and Recycling and discontinued operations.
- 4 Relates to the write-off of outstanding grant receivable under the Steel Transformation Plan Act 2011 in Steel segment due to the repeal of the carbon tax from 1 July 2014 under the Clean Energy Legislation (Carbon Tax Repeal) Act 2014.
- 5 Relates to tax adjustments related to prior years, the net impact of Mineral Resource Rent Tax and other non-recurring costs.

37

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES



Key risks

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks



This section discusses the key risks attaching to an investment in shares in Arrium, which may affect the future operating and financial performance of Arrium and the value of Arrium shares (before and after the proposed Entitlement Offer). Before investing in Arrium shares, you should consider whether this investment is suitable for you having regard to publicly available information (including this Presentation), your personal circumstances and following consultation with financial or other professional advisers. Additional risks and uncertainties that Arrium is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Arrium's operating and financial performance.

Shareholders should note that the occurrence or consequences of some of the risks described in this section are partially or completely outside the control of Arrium, its directors and senior management. Further, shareholders should note that this description focuses on the potentially key risks and does not purport to list every risk that Arrium may have now or in the future. It is also important to note that there can be no guarantee that Arrium will achieve its stated objectives or that any forward looking statements or forecasts contained in this document will be realised or otherwise eventuate. Shareholders should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position.

Adverse impact of certain commodity price and demand fluctuations

- Arrium is a seller of iron ore, ferrous and non-ferrous scrap, mining consumables and steel and a buyer of various commodities, including coking coal, electricity and gas, ferro-manganese, steel bar and ferrous scrap. Significant fluctuations in the iron ore price (such as those described earlier in this presentation), iron ore imports into China and North Asia, scrap prices, steel long products prices and margins in Asia, and demand will impact Arrium's profitability and balance sheet. In addition, supply/ demand levels for commodities such as copper, gold and the resulting demand for our grinding media, could have direct effects on Arrium's performance. Other drivers of Arrium's business are prices for steel residential construction materials, US dollar exchange rates and levels of construction activity measured by the Australian Performance of Construction Index.
- Our revenues and earnings are strongly influenced by movements in international iron ore and steel prices, which fluctuate significantly over time, and are cyclical, difficult to forecast and outside our control.
- If any of these factors move adversely to Arrium, that may have a material adverse impact on the financial position and performance of Arrium.

Adverse impact of foreign currency exchange rates

- Arrium has exposure to foreign exchange translation risk and risks associated with US dollar-denominated commodity pricing. Fluctuations in foreign currency exchange rates, in particular, volatility of the US dollar against most major currencies and strengthening of the Australian dollar against the US dollar may have a material adverse impact on the financial position and performance of Arrium.

Domestic and global economic environment and capital market conditions

- Arrium's financial performance and market capitalisation will fluctuate due to movements in capital markets; broker analyst recommendations; interest rates; currency exchange rates; inflation; economic conditions; changes in government fiscal, monetary and regulatory policies; commodity prices; construction, mining and manufacturing industry activity levels; scrap metal prices; global geopolitical events and hostilities and acts of terrorism; investor perceptions and other factors that may affect Arrium's financial position and earnings.
- We are exposed to counterparty credit risks, which may be exacerbated in times of economic downturn.

39

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks



Operational risk

- Interruptions at our facilities could impact our ability to supply our customers and could adversely affect our operations, financial condition or results of operations.
- The production of mining consumables and steel products involves a number of inherent risks relating to the nature of manufacturing processes. Specifically, manufacturing processes are dependent on quality inputs and critical equipment such as furnaces, casters, steam boilers, rolling mills and electrical equipment (such as transformers), and such equipment may incur downtime as a result of unanticipated failures or other events, such as breakdowns, loss of external power supply or natural disasters and other force majeure events.
- We are undertaking a number of significant cost saving initiatives, but there is no guarantee these will be delivered fully or in the timeframes we intend, or that the costs of delivery of the savings will be as anticipated.
- Industrial action between the company and unions could disrupt the company's operations. A shortage of skilled personnel may increase our costs and may materially and adversely affect our production levels and profitability.

Reliance on transport facilities

- Arrium depends on the availability and affordability of reliable transportation facilities, infrastructure and certain suppliers to deliver its products to market. A lack of these could impact our production and development of projects.
- The reliability of our wholly-owned narrow-gauge rail network that we use to transport iron ore between the Middleback Ranges and Whyalla Port, the haulage roads between our operations at Southern Iron and the standard-gauge rail network that we use to transport iron ore between Southern Iron and Whyalla Port, that standard-gauge rail network and the rolling stock operated on it by third parties, the port infrastructure at Whyalla Port, our power sources and water supply are all important determinants, which affect our capital, production and operating costs. Unusual or severe weather phenomena, sabotage, or community, government or other interference in the maintenance or provision of such infrastructure could adversely affect our operations, financial condition and results of operations.

Cyclical nature of our industries

- Arrium's revenues and earnings are sensitive to the level of activity in the Australian construction, manufacturing, mining, agricultural and automotive industries and are also sensitive to the level of activity in the global mining and steel industries.
- Due to expanded steel production globally, and in particular by China and other developing nations, and slowing of growth in China and other factors, there may be a slower recovery in the steel industry and a prolonged downward cycle.
- With increased production and capacity having been developed by some of the largest global iron ore producers, global supply of iron ore may continue at levels that may put downward pressure on the iron ore price.

40

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks



Dependence on key customer and supplier relationships

- Arrium relies on various key customer and supplier relationships, and the loss or impairment of any of these relationships could have a material adverse effect on Arrium's operations, financial condition and prospects.
- We rely on contractors to conduct aspects of our operations including our mining operations and projects and are exposed to risks related to their activities.
- An interruption in raw material, electricity, gas or water supply, a deterioration in the quality of raw materials or inputs supplied or an increase in the price of those raw materials or inputs could adversely impact the quality, efficiency or cost of production of our steel and grinding media products. Any or all of these events could have an adverse impact on our financial condition and results of operations.
- We are dependent on Australian State and Federal Governments' policies and spending for a portion of our revenues and any change in government policies, programs or procurement methodologies could adversely affect our revenues and profitability.
- Depending on the market price of the relevant metal, our copper and gold mining customers may determine that it is not economically feasible to maintain current levels of production or to continue commercial production at some or all of their operations or the development of some or all of their current projects, as applicable, and reduce or cease their purchases of our grinding media.

Risks associated with our indebtedness

- Arrium has significant debt obligations. These debt obligations are guaranteed by Arrium and its material subsidiaries.
- These debt obligations increase our vulnerability in the event of general and/or industry-specific adverse economic conditions, and limit our ability to borrow additional funds or increase the cost of any such borrowing. Financial and other restrictive covenants contained in the agreements governing our debt limit our financial flexibility and could lead to a requirement to repay debt if breached.
- We may not be able to access equity or debt capital markets to support our business growth objectives or successfully refinance our debt facilities on commercially favourable terms, or at all.
- If we are unable to manage our indebtedness and the restrictions applicable to us as a result of this indebtedness, our results of operations and financial condition may be adversely affected.
- We require a significant amount of cash to service our debt and capital expenditure requirements, and our ability to generate sufficient cash in the future depends on our future operating performance. Our operating performance and cash flow both depend, to some extent, on general economic, financial, competitive, market and other factors, many of which are beyond our control, and are subject to other risks including those outlined elsewhere in this section.

41

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks



Competition

- Arrium faces import and domestic competition across its product range. A significant increase in competition, including through imports, could materially affect the future financial position and performance of Arrium by putting downward pressure on steel prices or by reducing Arrium's sales volumes.
- Imports of steel and steel products into Australia have adversely affected and may continue to adversely affect the price of our steel products, and may impact our sales, margins and profitability.
- Arrium's reliance upon the Chinese market and our concentration of Chinese customers may adversely affect our results in the event of a decline in Chinese iron ore demand.
- We may be subject to competition from grinding media producers producing or importing product into the countries in which we operate, which may adversely impact demand and pricing for our products.

Property and environment risks

- Mineral rights or surface rights to our properties could be challenged, and, if successful, such challenges could have a material adverse effect on our production and results of operations. Although we believe we have taken reasonable measures to ensure proper title to our properties, and to ensure the validity of mining leases and licences, there is no guarantee that our claims to any of our properties will not be challenged or impaired.
- Environmental laws impose obligations on Arrium and violations of these laws could result in penalties and other liabilities including clean-up and remediation. Compliance with these laws may also impose additional costs.
- Actual costs of reclamation are uncertain, and higher than expected costs could negatively impact our results of operations and financial position.

Product risk

- The iron ore we produce for export is subject to sales agreements with customers and must meet certain specifications. Despite controls and measures in place, iron ore may fall outside these specifications due to process upsets, equipment malfunctions or variability in ore mined, resulting in refusal of delivery or price adjustments which, in either case, could have a material adverse effect on our financial condition and results of operations.
- We are exposed to warranty and liability risks relating to defects of our steel products. The products we sell may be defective or fail to meet the required specifications, which may lead to the relevant customers asserting claims against us.
- Arrium maintains an internal risk management process and also follows quality assurance procedures in relation to the manufacture of its products and materials. For example, Arrium's steel mills are accredited to internationally recognised standard ISO9001. However, due to the nature of its operations, it is possible that claims against Arrium could arise from defects in materials or products manufactured and/or supplied by Arrium.

42

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks



Ore reserves and mineral resources

- Mineral Resources are estimates of mineralisation that has reasonable prospects for eventual economical extraction in the future as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mineral Resource estimates are based largely on geological information. There is no guarantee that all Mineral Resources will convert to Ore Reserves. Ore Reserves are derived from the Group's Ore Resources as defined under the JORC Code. They are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties and represent the economically minable part of the Group's Measured and Indicated Mineral Resources.
- The Group estimates its Ore Reserves based on information compiled by its Competent Person as defined by the JORC Code. The estimation of Ore Reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgements made in estimating the size and grade of the ore body.
- Changes in the Ore Reserve or Mineral Resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property plant and equipment, provision for rehabilitation and depreciation and amortisation charges.
- Our ability to sustain or increase our current level of production in the longer term is in part dependent on the success of our exploration activities and development projects, and the expansion of existing mining operations.

Risks associated with global operations

- Arrium is subject to political, legal, social and economic policy risks and uncertainties in the countries in which we operate. Any deterioration or disruption of the political, legal, social or economic environment and business climate in those countries may have an effect on Arrium's business, financial position, results of operations or prospects.
- We provide services and sell products in a number of countries around the world. Therefore, we are subject to tax and legal regimes of many different jurisdictions and are subject to risks of changes in laws, taxes, or interpretation or enforcement. We operate and sell products in countries that have tax regimes in which the rules may not be clear, may not be consistently applied and may be subject to sudden change.
- We operate in various markets, some of which face greater inherent risks relating to security, enforcement of obligations, fraud, bribery and corruption. We have facilities or representative offices in Australia, North and South America (comprising the United States, Canada, Mexico, Chile and Peru), the United Kingdom, Luxembourg, Hong Kong, the Philippines, Indonesia, India, China, Thailand and South Africa.

43

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks



Occupational Health and Safety (OHS)

- Our operations are subject to extensive health and safety laws and regulations.
- Arrium has been granted self-insurance status for workers' compensation in all eligible Australian states. Arrium's continued safety performance and compliance with OHS systems and practices is a key component to maintaining self-insurance status.
- If Arrium fails to maintain adequate occupational health and safety systems and practices, Arrium may lose its self-insurance status, which may have a material adverse effect on the financial performance of Arrium.
- Failure to comply with the company's internal health and safety policies and processes and with health and safety laws and regulations could result (and in some instances has resulted) in enforcement action which could result in monetary penalties. In addition, any significant governmental investigation or enforcement of health and safety requirements could damage our reputation as a responsible company and employer or could result in suspension or closure of our operations.

Insurance

- Arrium seeks to maintain a range of insurance covers for business operations including business interruption, property damage, goods in transit and public and product liability. However, Arrium's insurance will not cover every potential risk associated with its operations and, in some cases, will be subject to large deductibles. An ongoing gap analysis is conducted to identify uninsured risks and the potential insurance solutions to address these issues.
- The occurrence of a significant adverse event, the risks of which are not fully covered by insurance, could have a material adverse effect on Arrium's financial condition and financial performance.

Carbon Tax

- The Carbon Tax commenced on 1 July 2012, applying a fixed carbon price of \$23 per tonne of carbon dioxide equivalent (CO₂-e), increasing to \$24.15 per tonne from 1 July 2013. The adverse impacts of the Carbon Tax on Arrium's competitive position were substantially addressed through the Jobs and Competitiveness Program ("JCP") and the Steel Transformation Plan ("STP"). In July 2014, the Carbon Tax was repealed with an effective date of 1 July 2014. The industry assistance under the JCP and STP will cease from that date. Arrium will continue to satisfy its remaining compliance obligations in respect of the 2013/14 compliance period.
- The Australian Government is proposing to introduce its Direct Action policy, the centrepiece of which is the Emissions Reduction Fund. Arrium has been engaging with the Government in relation to the development of its carbon emissions reduction policies and will continue to advocate the need for such policies to be designed and operate in a manner which does not adversely impact the international competitiveness of the Australian steel industry. It is unclear what impact any future carbon tax laws and regulations may have on Arrium's operations.

44

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks



Natural risks

- We operate in regions that are subject to unpredictable weather, geological conditions and other natural risks that could result in production delays or disruptions to our operations.
- The negative impacts of climate change could increase the frequency of severe weather resulting in increased natural risks.
- Mining operations are subject to risks associated with the natural and geological environment, including risks associated with wall stability of mining pits. These risks present safety, operational and environmental risks, each of which could adversely affect Arrium's reputation and profitability.

Intellectual property

- Intellectual property is expected to form a growing part of Arrium's business. Such intellectual property includes technology, know-how, trademarks, designs and patents (both owned and licensed). There can be no assurances that the validity, ownership or authorised use of intellectual property relevant to the businesses may not be challenged.

Information systems

- Arrium is dependent on efficient information systems. There is a risk that the operations of the company will be disrupted if there is a significant failure or loss of critical support.

Litigation and legal matters

- Arrium is exposed to the risk of claims and lawsuits incidental to the ordinary course of business, including claims for damages and commercial disputes relating to its business, products or services, which if successful could adversely affect its business or financial position.

Asset Impairments

- Arrium reviews the carrying amounts of its tangible and intangible assets semi-annually to determine whether there is any indication that the carrying amount of those assets may not be recoverable through continuing use, excluding goodwill, which is reviewed at least annually. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the amount of the impairment, if any. Arrium also assesses the carrying value of inventory (with reference to expected future selling prices for the inventory) and of deferred tax assets for impairment semi-annually. Assumptions relating to commodity prices, FX rates and market conditions are based on independent external forecasts at the time of testing.
- Changes in assumptions underlying the carrying value of certain assets, including assumptions relating to commodity prices, FX rates and market conditions, could result in impairment of such assets, including intangible assets such as goodwill.
- As part of the strategic restructuring of the steel & recycling segments, Arrium has divested or is in the process of divesting a number of non-integrated steel & recycling businesses and properties. The restructuring and divestment program has resulted in the recognition of significant impairment and restructuring costs in previous years, primarily as a result of the impairment of intangible assets attributable to the write-down of goodwill attributable to business and assets held for sale and the impairment of other assets held for sale.
- No assurance can be given as to the absence of significant impairment charges in future periods, including as a result of further restructuring activities or changes in assumptions underlying carrying values as a result of adverse market conditions in the industries in which Arrium operates.

45

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks



Breach of company policy

- Arrium has compliance and reporting frameworks in place to monitor and manage risks of, and to report instances of, non-compliance with the company's standards and policies including among others, the company's Code of Conduct, Continuous Disclosure Policy, Risk Policy, Securities Dealing Policy and Shareholder Communications Policy. There is a risk that Arrium's directors, officers, employees or contractors fail to comply with the company's standards and policies, which could result in reputational and / or financial damage to the company.

Business plan and transaction execution

- Arrium sets up financial targets and strategies for growth in its business plans over short, medium and longer terms. Due to markets, economic, political, regulatory, financial, competition, demand and supply and/or environmental factors, there is a risk that Arrium may not achieve its financial or growth targets in the timeframes it sets out in its plans, or at all. Further, this may affect Arrium's ability to extract premiums and value from different parts of its business.
- From time to time, Arrium executes acquisitions, divestments and joint ventures in different areas of its business. There is a risk that Arrium fails to deliver on the successful execution of acquisitions or divestments, which may result in paying an excessive price or receiving a reduced value, poor performance of acquired assets, or risk of liabilities going forward. Acquisitions, divestments and joint ventures may result in changes in the composition of the Group's assets in the future.

Future price of shares

- The future price of the company's shares is subject to the uncertainty of equity market conditions.

Risk of dividends not being paid

- Arrium's ability to pay dividends is dependent on its financial performance and financial position. The payment of dividends is determined by the Board from time to time at its discretion, dependent on the profitability and cash flow of Arrium's business and having regard to prior period results, outlook, dividend payout ratios and the profile of the shareholder base.

46

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks



Risks associated with investment in equity capital

- There are general risks associated with investments in equity capital. The trading price of shares in Arrium may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the new shares offered under the Offer being less or more than the Offer price. Generally applicable factors which may affect the market price of shares include:
 - general movements in Australian and international stock markets;
 - investor sentiment;
 - Australian and international economic conditions and outlook;
 - changes in interest rates and the rate of inflation;
 - change in government regulation and policies;
 - announcement of new technologies;
 - geo-political stability, including international hostilities and acts of terrorism.
- No assurances can be given that the new shares offered under the Offer will trade at or above the Offer price. None of Arrium, its Board or any other person guarantees the market performance of the new shares.

Risks associated with renouncing rights under the Offer¹

- Prices obtainable for retail entitlements may rise and fall over the entitlement trading period. If you sell your entitlements at one stage in the retail entitlement trading period, you may receive a higher or lower price than a shareholder who sells their entitlements at a different stage in the retail entitlement trading period or through the retail shortfall bookbuild. If you are a shareholder and renounce your entitlement by doing nothing under the Entitlement Offer, there is no guarantee that any value will be received for your renounced entitlement through the bookbuild process. The ability to sell entitlements under a bookbuild and the ability to obtain any value for them will be dependent upon various factors, including market conditions. Further, the bookbuild price may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which, in the reasonable opinion of the underwriter, will, if accepted result in otherwise acceptable allocations to clear the entire book. To the maximum extent permitted by law, Arrium, the underwriter and any of their respected related bodies corporate affiliates, directors, officers, employees or advisers, will not be liable including for negligence for any failure to procure applications for new shares offered under the Offer or any proceeds for entitlements offered under the bookbuild at prices in excess of the offer price or at all. There is no guarantee that there will be a viable market during, or on any particular day in, the entitlement trading period, on which to sell retail entitlements on ASX. You should note that if you sell, or do not take up, all or part of your entitlement, then your percentage shareholding in Arrium will be diluted by not participating to the full extent in the Entitlement Offer and you will not be exposed to future increases or decreases in Arrium's share price in respect of the new shares which could have been issued to you had you taken up all of your entitlement.
- The tax consequences from selling entitlements or from doing nothing may be different. Before selling entitlements or choosing to do nothing in respect of entitlements, you should seek independent tax advice and may wish to refer to the tax disclosure contained in the retail offer booklet which will provide further information on potential taxation implications for Australian shareholders.
- Retail entitlement trading in connection with the Offer, as referred in this risk, is subject to receipt of an ASIC modification.

¹ Retail entitlement trading in connection with the Offer, as referred in this risk, is subject to receipt of an ASIC modification.

47

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES



Foreign jurisdictions

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Disclaimers – foreign jurisdictions



International Offer Restrictions

This document does not constitute an offer of entitlements ("Entitlements") or new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Entitlements and New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of Entitlements and New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus and Registration Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Entitlements or the New Shares or the offering of such securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Entitlements or New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Entitlements or the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

The Company, and the directors and officers of the Company, may be located outside Canada, and as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada, and as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

49

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Disclaimers – foreign jurisdictions



Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Entitlements or the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the *Securities Act* (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the Entitlements and the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which such securities were offered.

50

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Disclaimers – foreign jurisdictions



Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the Entitlements and the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of such securities as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

China

The information in this document does not constitute a public offer of the Entitlements or the New Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The Entitlements and the New Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors".

51

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Disclaimers – foreign jurisdictions



European Economic Area – Denmark, Germany, Luxembourg and Netherlands

The information in this document has been prepared on the basis that all offers of Entitlements and New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of Entitlements and New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

52

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Disclaimers – foreign jurisdictions



France

This document is not being distributed in the context of a public offering of financial securities (*offre au public de titres financiers*) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 211-1 et seq. of the General Regulation of the French *Autorité des marchés financiers* ("AMF"). The Entitlements and the New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the Entitlements and the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the Entitlements and the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

53

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Disclaimers – foreign jurisdictions



Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Entitlements and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The Entitlements and the New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations.

54

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Disclaimers – foreign jurisdictions



Italy

The offering of the Entitlements and the New Shares in the Republic of Italy has not been authorized by the Italian Securities and Exchange Commission (Commissione Nazionale per le Società e la Borsa, "CONSOB") pursuant to the Italian securities legislation and, accordingly, no offering material relating to these securities may be distributed in Italy and these securities may not be offered or sold in Italy in a public offer within the meaning of Article 1.1(t) of Legislative Decree No. 58 of 24 February 1998, as amended ("Decree No. 58"), other than:

- to qualified investors ("Qualified Investors"), as defined in Article 100 of Decree No. 58 by reference to Article 34-ter of CONSOB Regulation no. 11971 of 14 May 1999, as amended ("Regulation No. 11971"); and
- in other circumstances that are exempt from the rules on public offer pursuant to Article 100 of Decree No. 58 and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Entitlements or the New Shares or distribution of any offer document relating to these securities in Italy (excluding placements where a Qualified Investor solicits an offer from the issuer) under the paragraphs above must be:

- made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993 (as amended), Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007 (as amended) and any other applicable laws; and
- in compliance with all relevant Italian securities, tax and exchange controls and any other applicable laws.

Any subsequent distribution of the Entitlements and the New Shares in Italy must be made in compliance with the public offer and prospectus requirement rules provided under Decree No. 58 and the Regulation No. 11971, unless an exception from those rules applies. Failure to comply with such rules may result in the sale of such securities being declared null and void and in the liability of the entity transferring the securities for any damages suffered by the investors.

55

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Disclaimers – foreign jurisdictions



Japan

The Entitlements and the New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Entitlements or New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Entitlements or New Shares is conditional upon the execution of an agreement to that effect.

Malaysia

This document may not be distributed or made available in Malaysia. No approval from the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Entitlements or New Shares. The Entitlements and the New Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

56

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Disclaimers – foreign jurisdictions



New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand).

The Entitlements and the New Shares in the entitlement offer are not being offered to the public in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

Other than in the entitlement offer, New Shares may be offered and sold in New Zealand only to:

- persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
- persons who are each required to (i) pay a minimum subscription price of at least NZ\$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ\$500,000 for securities of the Company ("initial securities") in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this document.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

57

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Disclaimers – foreign jurisdictions



Singapore

This document and any other materials relating to the Entitlements and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Entitlements and New Shares, may not be issued, circulated or distributed, nor may the Entitlements and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Sweden

This document has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this document may not be made available, nor may the Entitlements or the New Shares be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) om handel med finansiella instrument). Any offering of Entitlements or New Shares in Sweden is limited to persons who are "qualified investors" (as defined in the Financial Instruments Trading Act). Only such investors may receive this document and they may not distribute it or the information contained in it to any other person.

58

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Disclaimers – foreign jurisdictions



Switzerland

The Entitlements and the New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Entitlements and the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. These securities will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the Entitlements and the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Entitlements and New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

59

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Disclaimers – foreign jurisdictions



United Arab Emirates

Neither this document nor the Entitlements and the New Shares have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates, nor has the Company received authorization or licensing from the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates to market or sell the Entitlements or the New Shares within the United Arab Emirates. No marketing of any financial products or services may be made from within the United Arab Emirates and no subscription to any financial products or services may be consummated within the United Arab Emirates. This document does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the Entitlements or the New Shares, including the receipt of applications and/or the allotment or redemption of such securities, may be rendered within the United Arab Emirates by the Company.

No offer or invitation to subscribe for Entitlements or New Shares is valid in, or permitted from any person in, the Dubai International Financial Centre.

60

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Disclaimers – foreign jurisdictions



United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Entitlements or the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and these securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the Entitlements or the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States of America

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act (which Arrium has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.

61

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

5.2 Offer Launch Announcement dated 15 September 2014



Not for distribution or release in the United States

ASX RELEASE

15 September 2014

ARRIUM ANNOUNCES FULLY UNDERWRITTEN \$754 MILLION CAPITAL RAISING

Arrium Limited (ASX:ARI) today announced a capital raising to raise approximately \$656 million from a fully underwritten 1 for 1 pro rata accelerated renounceable entitlement offer with retail entitlements trading (Entitlement Offer), and a placement to institutional investors to raise a minimum of \$98 million (Placement).

The net proceeds of the capital raising will be used to repay debt, in line with the company's stated priority of debt reduction. The raising will strengthen the company's balance sheet and provide it with a more appropriate capital structure for the current environment.

The key details of the capital raising are:

- Fully underwritten 1 for 1 pro rata accelerated renounceable entitlement offer with retail entitlements trading to raise approximately \$656 million
- Fully underwritten 15% institutional placement to raise at least \$98 million
- Entitlement Offer price of \$0.48 per new share with Placement to be priced via a bookbuild with an underwritten floor of \$0.48
- Institutional Entitlement Offer is accelerated
- Retail entitlements may be traded on ASX from Thursday, 18 September 2014 to Tuesday, 30 September 2014
- New shares issued under the Entitlement Offer and Placement (New Shares) will not be entitled to the FY14 final dividend of 3.0 cents per share announced on 19 August 2014
- Placement shares will not be entitled to participate in the Entitlement Offer
- The offer price of \$0.48 per New Share represents:
 - A 26% discount to Arrium's closing share price on 12 September 2014; and
 - A 15% discount to the theoretical ex-rights price (TERP)¹

Arrium's Chairman, Mr Peter Smedley said: "This positions the company for current markets. Debt reduction is a key priority for the company and today's announced capital raising reduces our debt significantly in a single step.

"While the company last month reported it had achieved significant progress with debt reduction, iron ore prices have fallen significantly in the last month to 5 year lows and there is increased uncertainty over the extent and timing of recovery. We are taking this action to position Arrium with a more appropriate capital structure in the current environment.

"In addition, we believe the Offer provides shareholders with a good opportunity to increase their investment in Arrium on attractive terms. The company will have a strengthened balance sheet with significant leverage to improved iron ore prices, a sustained lower Australian dollar, increased steel volumes including from stronger investment in infrastructure and recovery in steel margins."

Arrium also announced today that its previously announced DRP will not apply to the 2014 final dividend of 3.0 cents per share payable on 16 October 2014 in order to facilitate shareholders participating in the Entitlement Offer.



Entitlement Offer

The Entitlement Offer comprises an accelerated institutional entitlement offer and a retail entitlement offer that includes the ability to trade retail entitlements on the ASX.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 new Arrium ordinary share for every 1 existing Arrium ordinary share (Entitlement) held as at 7.00pm (Sydney time) on Thursday, 18 September 2014 (Record Date).

New Shares issued under the Entitlement Offer will rank equally with existing 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.

Institutional Entitlement Offer

Eligible Institutional Shareholders² will be invited to participate in the institutional entitlement offer which will take place from Monday, 15 September 2014 to Tuesday, 16 September 2014 (Institutional Entitlement Offer).

Eligible Institutional Shareholders² can choose to take up all, part or none of their Entitlement.

Institutional entitlements cannot be traded on the ASX. Institutional entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, will be sold through an institutional bookbuild on Wednesday, 17 September 2014 (Institutional Bookbuild). Any proceeds from the sale of institutional Entitlements under the Institutional Bookbuild will be remitted proportionally to those institutional shareholders, less any applicable withholding tax. There is no guarantee that there will be any proceeds remitted to those institutional shareholders.

Arrium shares have been placed in trading halt whilst the Institutional Entitlement Offer and Institutional Bookbuild are undertaken.

Retail Entitlement Offer

Eligible Retail Shareholders will be invited to participate in the Retail Entitlement Offer at the same offer price and offer ratio as the Institutional Entitlement Offer (Retail Entitlement Offer). The Retail Entitlement Offer will open on Monday, 22 September 2014 and close at 5.00pm (Sydney time) on Wednesday, 8 October 2014.

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 it directly to another person to realise value for those Entitlements ahead of the Retail Shortfall Bookbuild. Retail Entitlements can be traded on the ASX from Thursday, 18 September 2014 (on a deferred settlement basis) to Tuesday, 30 September 2014.

Retail Entitlements which 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 (Retail Shortfall Bookbuild). 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 Booklet³ 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.arrium.com from Friday, 19 September 2014.



The 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 has filed with the ASX today. In particular, persons in the United States and persons acting for the account or benefit of a person in the United States will not be eligible to purchase or trade Entitlements on the ASX or exercise or trade 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 holders are not able to take up their Entitlements, those Entitlements will be sold into the retail shortfall bookbuild and holders may receive no value for them.

Institutional Placement

A Placement of approximately 204.9 million new shares will be offered to qualified and sophisticated institutional investors. New shares issued under the Placement will be priced via the Institutional Bookbuild on Wednesday 17 September 2014, with an underwritten floor price of \$0.48 per new share. The number of shares issued under the Placement is equal to 15% of issued capital before the Entitlement Offer. Shares issued under the Placement will rank equally with existing Arrium shares and new shares issued under the Entitlement Offer. New Shares issued under the Placement will not be entitled to the FY14 final dividend of 3.0 cents per share announced on 19 August 2014 or entitled to participate in the Entitlement Offer.

Notes

1. TERP is the theoretical price at which Arrium shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Arrium shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Arrium's closing price on 12 September 2014
2. Eligible Institutional Shareholders as defined in Section 6.2 of the Retail Offer Booklet
3. The Retail Offer Booklet is an offer booklet in relation to the Retail Entitlement Offer and will be lodged with the ASX and will be despatched to Eligible Retail Shareholders on or around 22 September 2014

Ends

Further inquiries:

CONTACTS : Investor
Steve Ashe
Investor Relations and External Affairs
+61 2 9239 6616
steve.ashe@arrium.com

Media
Tim Duncan and Nerida Mossop
Hintons
(03) 9600 1979

**Indicative Timetable¹**

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.

¹Timetable subject to variation and, in relation to retail rights trading, receipt of an ASIC modification.



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 Friday 19 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.

5.3 Institutional Offer Completion Announcement dated 18 September 2014



Not for distribution or release in the United States

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:

CONTACTS: Investor
Steve Ashe
Investor Relations and External Affairs
+61 2 9239 6616
steve.ashe@arrium.com

Media
Tim Duncan and Nerida Mossop
Hintons
(03) 9600 1979



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.

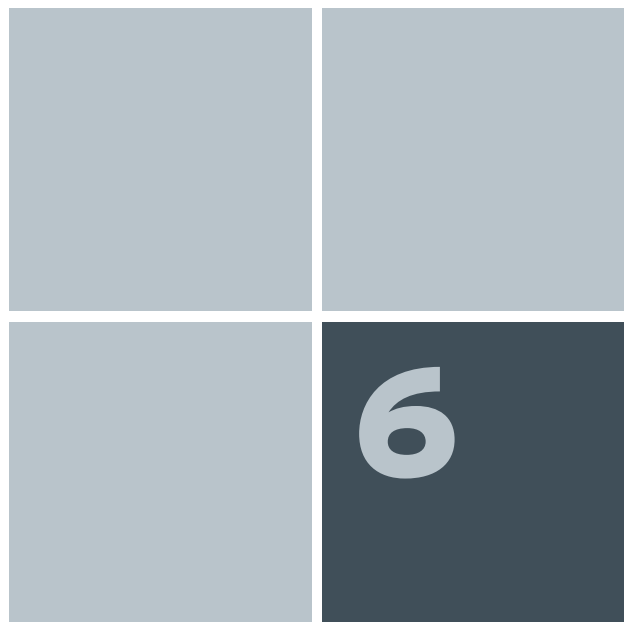
Neither this announcement nor any other documents relating to the offer of Entitlements or New Shares may be sent or distributed to persons in the United States.

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.



SECTION 6
IMPORTANT INFORMATION

6.1	Eligible Retail Shareholders	66
6.2	Eligible Institutional Shareholders	67
6.3	Ranking of New Shares	67
6.4	Risks	67
6.5	Reconciliation, Top-Up Shares and the rights of Arrium and the Underwriter	67
6.6	Receipt of excess Retail Premium	67
6.7	No cooling off rights	68
6.8	Trading of Retail Entitlements	68
6.9	Notice to nominees and custodians	68
6.10	Not investment advice	69
6.11	Quotation and trading	69
6.12	Information availability	69
6.13	Foreign jurisdictions	69
6.14	Underwriting of the Entitlement Offer	70
6.15	ASIC modification	71
6.16	Governing law	71
6.17	Disclaimer of representations	71
6.18	Withdrawal of the Entitlement Offer	71
6.19	Privacy	71



This Retail Offer Booklet (including the ASX announcements in Section 5) and enclosed personalised Entitlement and Acceptance Form (**Information**) have been prepared by Arrium.

This Information is dated Thursday, 18 September 2014 (other than the Arrium Investor Presentation and the Offer Launch Announcement published on the ASX website on 15 September 2014). This Information remains subject to change without notice and Arrium is not responsible for updating this Information.

There may be additional announcements made by Arrium after the date of this Retail Offer Booklet and throughout the period that the Retail Entitlement Offer is open that may be relevant to your consideration of whether to take up, sell or do nothing in respect of your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Arrium (by visiting the ASX website at www.asx.com.au) before submitting your application to take up your Entitlement, or selling or transferring your Entitlement.

No party other than Arrium has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

This Information is important and requires your immediate attention

You should read this Information carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in the 'Key Risks' section of the Arrium Investor Presentation included in Section 5 of this Retail Offer Booklet, any of which could affect the operating and financial performance of Arrium or the value of an investment in Arrium.

You should consult your stockbroker, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

Trading of Entitlements and New Shares

It is expected that trading of Retail Entitlements on ASX will commence at 10.00am (Sydney time) on Thursday, 18 September 2014 on a deferred settlement basis until 4.00pm (Sydney time) on Monday, 22 September 2014 (when those Entitlements are expected to be allotted) and from 10.00am (Sydney time) on Monday, 22 September 2014 until 4.00pm (Sydney time) on Tuesday, 30 September 2014 on a normal settlement basis. Following this, it is expected that trading on ASX of New Shares to be issued under the Retail Entitlement Offer will commence at 10.00am (Sydney time) on Wednesday, 1 October 2014 on a deferred settlement basis until 4.00pm (Sydney time) on Friday, 17 October 2014 (when New Shares are expected to be issued) and thereafter on a normal settlement basis.

Arrium will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade Entitlements before they receive their personalised Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Arrium or the Arrium Share Registry or otherwise or who otherwise trade or purport to trade Entitlements in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker or other professional adviser.

6.1 Eligible Retail Shareholders

This Information contains an offer of New Shares to Eligible Retail Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as notionally modified by ASIC.

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on Thursday, 18 September 2014;
- have a registered address on the Arrium share register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Arrium ordinary shares for the account or benefit of such person in the United States);
- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Retail Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders. Arrium reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Arrium may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

Arrium has decided that it is unreasonable to make offers under the Retail Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. Arrium may (in its absolute discretion) extend the Retail Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand (except the United States) in accordance with applicable law.

6.2 Eligible Institutional Shareholders

Eligible Institutional Shareholders are institutional shareholders to whom the Underwriter made an offer on behalf of Arrium under the Institutional Entitlement Offer.

6.3 Ranking of New Shares

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing Shares and will be entitled to dividends on the same basis as existing Shares, from the date of issue, except the FY14 final dividend. New Shares to be issued under the Offer will not be entitled to the FY14 final dividend announced to ASX on 19 August 2014. The rights and liabilities attaching to the New Shares are set out in Arrium's constitution, a copy of which is available at www.arrium.com.

6.4 Risks

The Investor Presentation details important factors and risks that could affect the financial and operating performance of Arrium. You should refer to the 'Key Risks' section of the Investor Presentation released to ASX on 15 September 2014 which is included in Section 5 of this Retail Offer Booklet. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

6.5 Reconciliation, Top-Up Shares and the rights of Arrium and the Underwriter

The Entitlement Offer is a complex process and in some instances investors may believe that they will own more Shares than they ultimately did as at the Record Date

or are otherwise entitled to more New Shares than initially offered to them. These matters may result in a need for reconciliation. If reconciliation is required, it is possible that Arrium may need to issue additional New Shares (**Top-Up Shares**) to ensure that the relevant investors receive their appropriate allocation of New Shares. The price at which these Top-Up Shares would be issued is not known.

Arrium also reserves the right to reduce the size of an Entitlement or number of New Shares or the amount of the Institutional Premium or Retail Premium allocated to Eligible Institutional Shareholders or Eligible Retail Shareholders, or persons claiming to be Eligible Institutional Shareholders or Eligible Retail Shareholders or other applicable investors, if Arrium believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, Arrium may, in its discretion, require the relevant shareholder to transfer excess New Shares to the Underwriter at the Offer Price per New Share. If necessary, the relevant shareholder may need to transfer existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

Investors who sell Entitlements to which they are not entitled, or who do not hold sufficient Entitlements at the time required to deliver those Entitlements, may be required by Arrium to otherwise acquire Entitlements or Shares to satisfy these obligations.

By applying under the Entitlement Offer, including pursuant to acquisitions of Entitlements, those doing so irrevocably acknowledge and agree to do the above as required by Arrium in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of Arrium or the Underwriter to require any of the actions set out above.

6.6 Receipt of excess Retail Premium

If you receive a Retail Premium payment in excess of the Retail Premium payment to which you were actually entitled based on that part of your Entitlement under the Retail Entitlement Offer which remains held by you as at close of the Retail Entitlement Offer on 5.00pm (Sydney time) on Wednesday, 8 October 2014, then, in the absolute discretion of Arrium, you may be required to repay Arrium the excess Retail Premium.

By taking up or transferring your Entitlement, or accepting the payment to you of a Retail Premium, you irrevocably acknowledge and agree to repay any excess payment of the Retail Premium as set out above as required by Arrium in its absolute discretion. In this

case the amount required to be repaid will be net of any applicable withholding tax. You also acknowledge that there is no time limit on the ability of Arrium to require repayment as set out above and that where Arrium exercises its right to correct your Entitlement, you are treated as continuing to have taken up, transferred or not taken up any remaining part of the Entitlement.

6.7 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

6.8 Trading of Retail Entitlements

Entitlements under the Retail Entitlement Offer are tradeable and can be sold or transferred. They are expected to be quoted on and tradeable on ASX from Thursday, 18 September 2014 to Tuesday, 30 September 2014. You may sell your Entitlements (which you do not wish to take up or let be sold into the Retail Shortfall Bookbuild) in order to realise value which may attach to those Entitlements if sold at that time. If you let your Entitlement be sold into the Retail Shortfall Bookbuild, you have the opportunity to receive any Retail Premium (see Section 3.8). There is no guarantee that there will be a liquid market in traded Entitlements. A lack of liquidity may impact the ability to sell Entitlements on ASX and the price able to be achieved.

Prices obtainable for Retail Entitlements may rise and fall over the Retail Entitlement trading period and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of Shares relative to the Offer Price. If you sell your Entitlement, you may receive a higher or lower amount than a shareholder who sells their Entitlement at a different time in the Retail Entitlement trading period or through the Retail Shortfall Bookbuild.

If you decide not to take up all or part of your Entitlement, you should consider whether to sell all or part of your Entitlement or allow all or part of it to be sold into the Retail Shortfall Bookbuild. Information on how Entitlements may be sold or transferred is set out in Section 3 and information on Australian taxation considerations is set out in Section 4.

Institutional Entitlements under the Institutional Entitlement Offer were not quoted on or tradeable on ASX nor privately transferable.

The Retail Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of persons in the United States.

Investors should note that if you purchase Retail Entitlements on ASX or otherwise, in order to take up or exercise those Retail Entitlements and subscribe for New Shares you:

- must be an Eligible Retail Shareholder, a resident in Australia or New Zealand, or otherwise qualify as an 'Eligible Person'⁴; and
- must not be in the United States or acting for the account or benefit of a person in the United States.

If you do not satisfy the above conditions, you will not be entitled to take up Retail Entitlements or subscribe for New Shares.

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. In the event that holders are not able to take up their Entitlements, they may receive no value for them.

6.9 Notice to nominees and custodians

If Arrium believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not sell or transfer Entitlements in respect of or purport to accept the Retail Entitlement Offer in respect of, Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not) and Institutional Shareholders who were treated as ineligible institutional shareholders under the Institutional Entitlement Offer.

Persons acting as nominees for other persons must not take up any Entitlements on behalf of, or send any documents related to the Retail Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States will not be able to purchase or trade Retail Entitlements on ASX or otherwise, or take up or exercise Retail Entitlements purchased on ASX or otherwise and may receive no value for any such Entitlements held.

Arrium is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign

⁴ Certain investors in a limited number of foreign jurisdictions (other than the United States) may be Eligible Persons if they satisfy the requirements of that expression as set out in the 'Entitlement Acceptance Form' in respect of the Entitlement Offer which is available at www.investorserve.com.au/arrium

person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary, including following acquisition of Entitlements on ASX or otherwise, complies with applicable foreign laws. Arrium is not able to advise on foreign laws.

6.10 Not investment advice

This Retail Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Arrium is not licensed to provide financial product advice in respect of the New Shares. This Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Arrium's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at www.arrium.com.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser or call the Arrium Limited Offer Information Line on 1300 131 856 (within Australia) or +61 2 9290 9688 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday.

Nominees and custodians may not distribute any part of this Retail Offer Booklet in the United States or in any other country outside Australia and New Zealand except (i) Australian and New Zealand nominees may send this Retail Offer Booklet and related offer documents to beneficial shareholders who are professional or institutional shareholders in other countries (other than the United States) listed in, and to the extent permitted under, the 'Foreign Jurisdictions' section of the Arrium Investor Presentation included in Section 5 of this Retail Offer Booklet and (ii) to beneficial shareholders in other countries (other than the United States) where Arrium may determine it is lawful and practical to make the Retail Entitlement Offer.

6.11 Quotation and trading

Arrium has applied to the ASX for official quotation of the New Shares in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation

of the New Shares, Arrium will repay all Application Monies (without interest).

Subject to approval being granted, it is expected that normal trading of New Shares allotted under the Retail Entitlement Offer will commence at 10.00am (Sydney time) on Monday, 20 October 2014.

6.12 Information availability

If you are in Australia or New Zealand, you can obtain a copy of this Retail Offer Booklet during the Entitlement Offer on Arrium's Entitlement Offer website at www.arrium.com or you can call the Arrium Limited Offer Information Line on 1300 131 856 (within Australia) or +61 2 9290 9688 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday.

A replacement Entitlement and Acceptance Form can also be requested by calling the Arrium Limited Offer Information Line or at www.investorserve.com.au/arrium.

If you access the electronic version of this Retail Offer Booklet, you should ensure that you download and read the entire Retail Offer Booklet. The electronic version of this Retail Offer Booklet on the Arrium Entitlement Offer website will not include an Entitlement and Acceptance Form.

6.13 Foreign jurisdictions

This Information has been prepared to comply with the requirements of the securities laws of Australia and New Zealand. To the extent that you hold Shares or Entitlements on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any participation (including for your own account or when you hold Shares or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form or trading Entitlements is not in the United States and not acting for the account or benefit of a person in the United States.

This Retail Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Information (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Information, you should observe such restrictions

and should seek your own advice on such restrictions. See the foreign selling restrictions set out in the 'Foreign Jurisdictions' section of the Arrium Investor Presentation included in Section 5 of this Retail Offer Booklet for more information.

Any non-compliance with these restrictions may contravene applicable securities laws.

6.13.1 New Zealand

The Entitlements and the New Shares are not being offered to the public within New Zealand other than to existing shareholders of Arrium with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). The offer of New Shares is renounceable in favour of members of the public.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

6.13.2 United States

The Entitlements and New Shares have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. The Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of persons in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold to persons in the United States or to persons who are acting for the account or benefit of persons in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US State securities laws. In the Retail Entitlement Offer, the Entitlements and the New Shares will be only sold in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S under the US Securities Act. Because of these legal restrictions, you must not distribute, release or send copies of this Retail Offer Booklet or any other material relating to the Retail Entitlement Offer to any person in the United States.

6.14 Underwriting of the Entitlement Offer

Arrium has entered into an underwriting agreement (**Underwriting Agreement**) with UBS AG, Australia Branch (the **Underwriter**) who has agreed to manage

and fully underwrite the Entitlement Offer. As is customary with these types of arrangements:

- Arrium has agreed, subject to certain carve-outs, to indemnify the Underwriter, its affiliates and related bodies corporate, and each of their directors, officers, partners, employees, agents and advisers against any losses they may suffer or incur in connection with the Entitlement Offer;
- Arrium and the Underwriter have given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer;
- the Underwriter may (in certain circumstances, having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where:
 - Arrium is removed from the official list of ASX, its Shares are suspended from trading or quotation, or approval for quotation of the New Shares is not given by ASX;
 - there are material disruptions in financial or economic conditions in key markets, or hostilities commence or escalate in certain key countries;
 - there are certain delays in the timetable for the Entitlement Offer without the Underwriter's consent;
 - the offer documents contain (whether by omission or otherwise) a statement which is false, misleading or deceptive in a material respect; or
 - Arrium withdraws the Entitlement Offer.

The Underwriter will be paid an underwriting, offer management and arrangement fee of 2.5% (excluding GST) of the Institutional Entitlement Offer proceeds and 2.5% of the Retail Entitlement Offer proceeds for providing these services and will be reimbursed for certain expenses. Arrium may also, in its absolute discretion, pay the Underwriter an incentive fee of up to 0.25% of the total proceeds of the Entitlement Offer.

None of the Underwriter nor any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Information and they do not take any responsibility for this Information or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Underwriter and each of their respective related bodies corporate and affiliates and each of their respective directors,

officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Underwriter nor any of their respective related bodies corporate and affiliates nor respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning this Entitlement Offer, or any such information and you represent, warrant and agree that you have not relied on any statements made by the Underwriter or any of their respective related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares or the Entitlement Offer generally.

Arrium will arrange for Entitlements which are not taken up by close of the Retail Entitlement Offer to be sold to eligible institutional investors. Arrium has engaged the Underwriter to assist in selling Entitlements to subscribe for New Shares (including Entitlements that would have been issued to Ineligible Retail Shareholders had they been eligible to participate in the Retail Entitlement Offer), through the Retail Shortfall Bookbuild. However, it is important to note that the Underwriter will be acting for and providing services to Arrium in this process and will not be acting for or providing services to shareholders or any other investor. The engagement of the Underwriter by Arrium is not intended to create any agency, fiduciary or other relationship between the Underwriter and the shareholders or any other investor.

6.15 ASIC modification

In order to conduct the Entitlement Offer in accordance with section 708AA of the Corporations Act, ASIC has granted Arrium modification from certain provisions of the Corporations Act to permit terms of the offers to shareholders to differ in so far as Retail Entitlements can be taken up in whole or in part, or traded on ASX (or transferred directly to another person) in whole or in part, while Institutional Entitlements were able to be taken up in whole or in part (but not traded on ASX).

6.16 Governing law

This Information, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

6.17 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by Arrium, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Arrium, nor any other person, warrants or guarantees the future performance of Arrium or any return on any investment made pursuant to this Information or its content.

6.18 Withdrawal of the Entitlement Offer

Arrium reserves the right to withdraw all or part of the Entitlement Offer and this Information at any time, subject to applicable laws, in which case Arrium will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, Arrium may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Arrium will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Arrium.

6.19 Privacy

As a shareholder, Arrium and the Arrium Share Registry have already collected certain personal information from you. If you apply for New Shares, Arrium and the Arrium Share Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares, service your needs as a shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, Arrium and the Arrium Share Registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Shares, the Arrium Share Registry for ongoing administration of the register, printers and mailing houses for the purposes of preparation of the distribution of shareholder information and for handing of mail, or as otherwise permitted under the Privacy Act 1988 (Cth).

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) Arrium or the Arrium Share Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to Arrium through the Arrium Share Registry as follows:

Boardroom Pty Limited
GPO Box 3993
Sydney, NSW, 2001

CORPORATE DIRECTORY

Arrium Limited

(ABN 63 004 410 833)
Registered Office
Level 40, 259 George Street
Sydney, NSW, 2000
Australia
www.arrium.com

Arrium Limited Offer Information Line

1300 131 856 (within Australia)
+61 2 9290 9688 (outside Australia)
Open between 8.30am to 5.30pm (Sydney time)
Monday to Friday

Arrium Share Registry

(ABN 14 003 209 836)
Level 7, 207 Kent Street
Sydney, NSW, 2000
www.boardroomlimited.com.au

Underwriter to the Entitlement Offer

UBS AG, Australia Branch

(ABN 47 088 129 613)
Level 16, Chifley Tower
2 Chifley Square
Sydney, NSW, 2000

