



Investors' Visit to ASEAN Sites – May 2015

Pack 4: NS BlueScope Malaysia, Singapore and Brunei

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May 2015

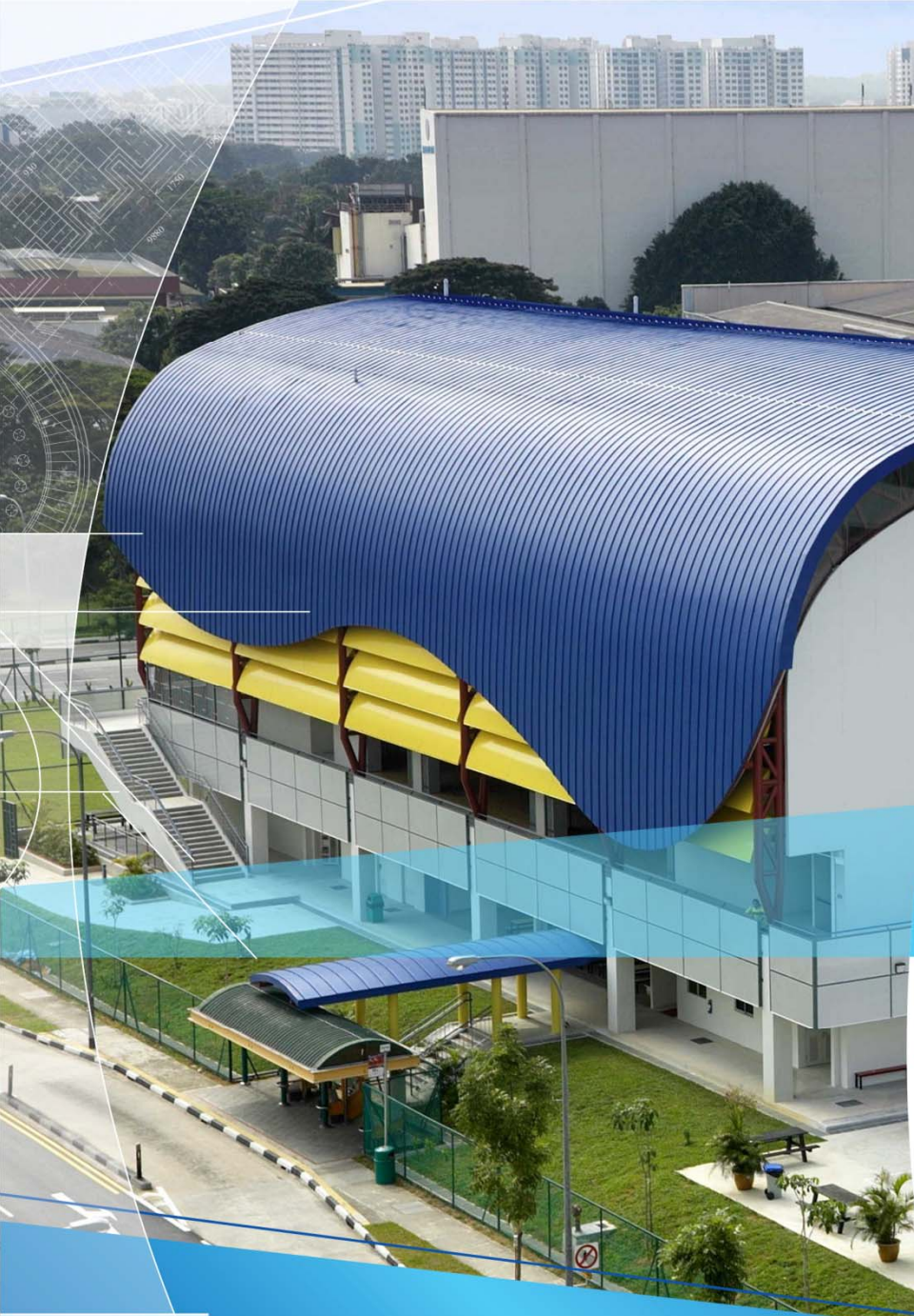
BlueScope Steel Limited. ASX Code: BSL

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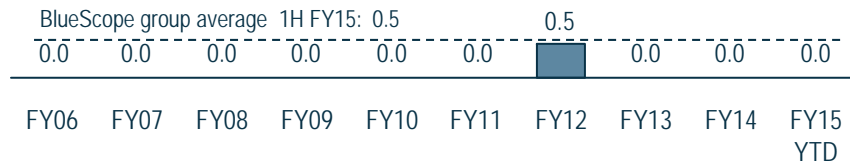


INTRODUCTION



We strive for zero harm

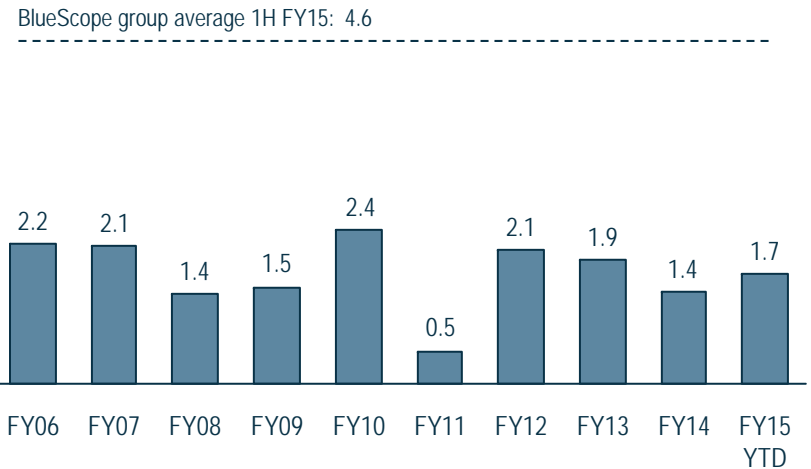
Lost Time Injury Frequency Rate



Safety

- Most business units 10-20 years Lost Time Injury free

Medically Treated Injury Frequency Rate



Environment

- Full compliance with local law and regulations
- All sites maintain Environment Management System (ISO14000) certification



NS BlueScope in Malaysia, Singapore and Brunei

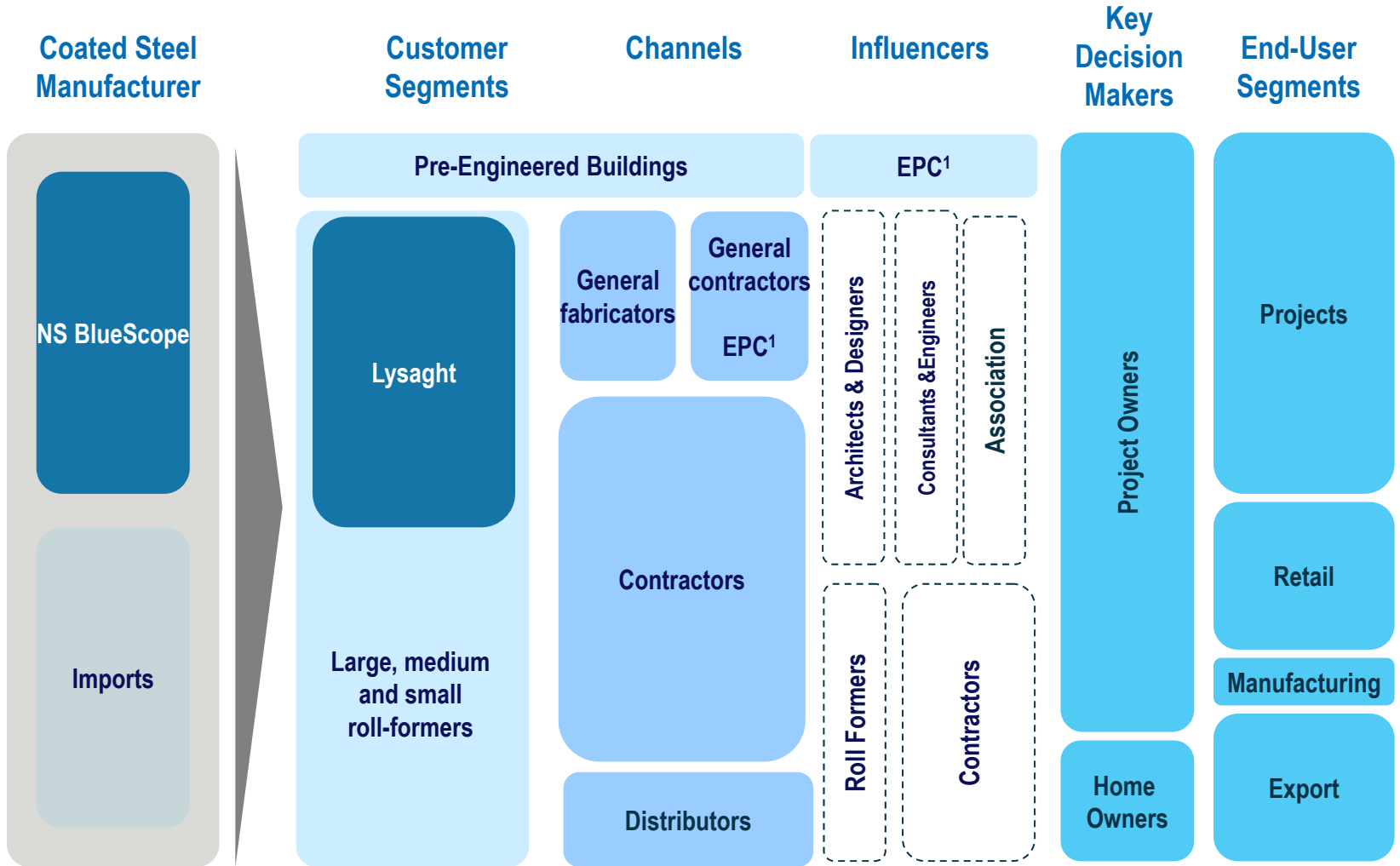


- NS BlueScope Lysaght
- Metallic coating and painting facility

- NS BlueScope Malaysia coating and painting facility in Kapar
- Six Lysaght sites: four in Malaysia, one in Singapore and one in Brunei
- First operation opened in 1965
- ~500 employees



Channels to market

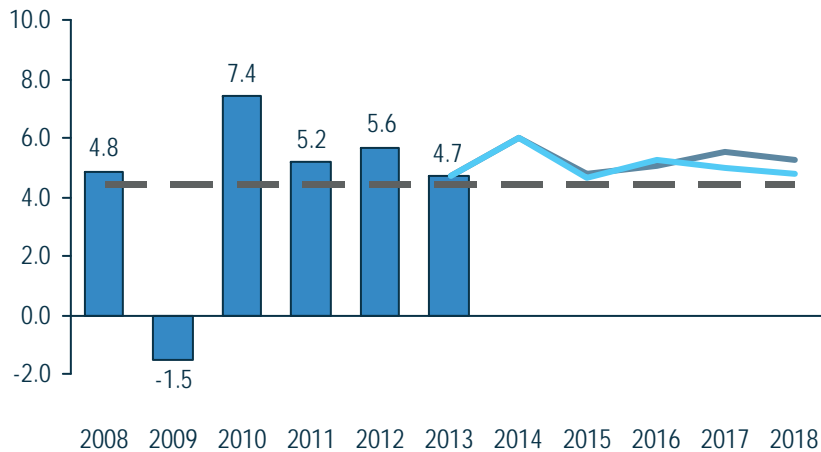


1. Engineering, Procurement & Construction

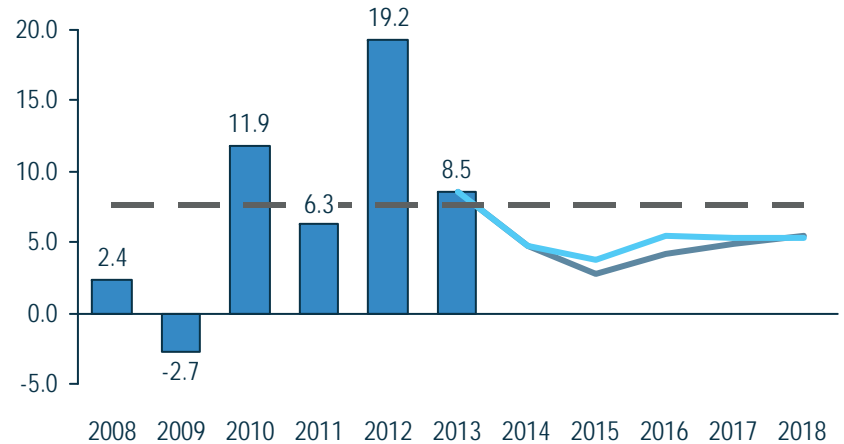
Macroeconomic environment (1/2)

GDP growth is forecast to remain strong...

Real GDP growth (% pa)



Real GFCF (investment) growth (% pa)



Actual IHS Global Insight forecast IMA Asia forecast Average

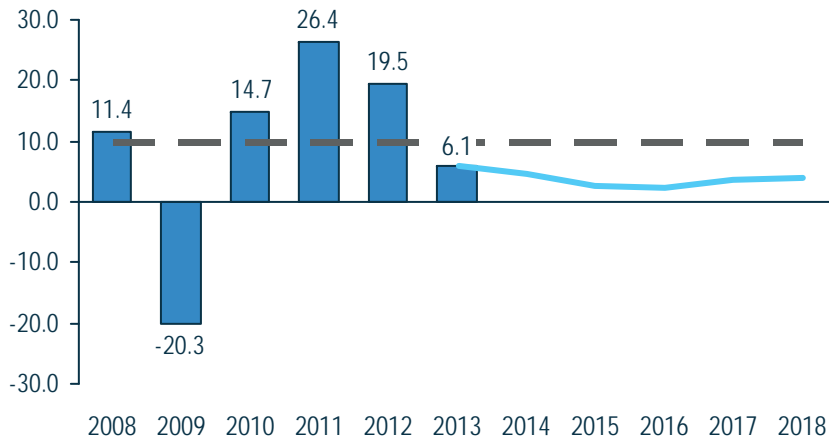
- While falling oil and gas prices are expected to impact growth, the outlook remains favourable
- GDP per capita remains second highest in ASEAN

- Investment growth is expected to remain strong, if lower than prior highs
- FDI – a key segment for NS BlueScope – is expected to drive a high share of growth

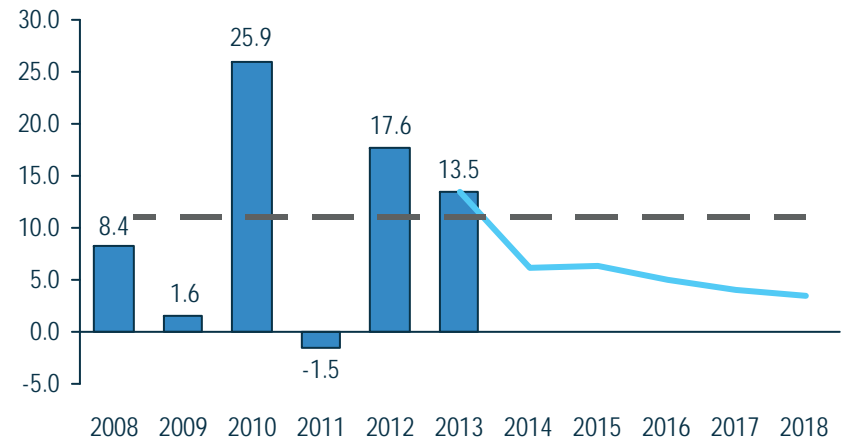
Macroeconomic environment (2/2)

... with solid, if tempered, construction market growth

Residential construction work done (% pa)



Non-residential construction work done (% pa)



■ Actual — IHS Global Insight Dec 2013 forecast — Average

- Some moderation from recent strong activity, but favourable growth conditions remain
- Significant opportunity to grow share in this segment, independent of overall market growth

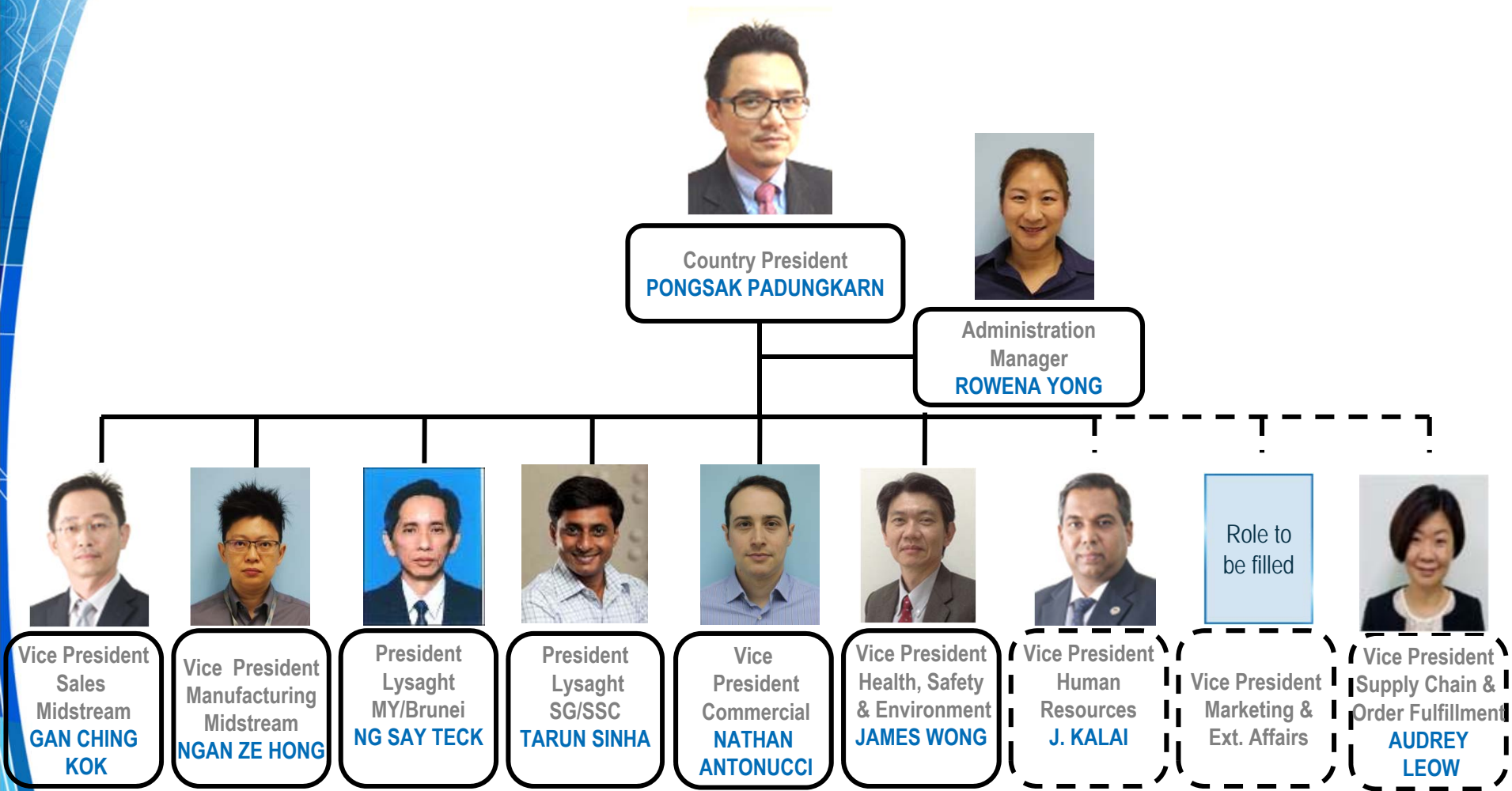
- Non-residential construction expected to remain stable at 4-6% CAGR
- Expecting ongoing fixed investment growth via major government projects (e.g. LRT project, SEDIA, SCORE)

Note: Non-Residential construction refers to infrastructure, structures and I&C capacity work
Source: IHS Global Insight

Business vision and strategic focus

	Projects	Retail	Downstream
Key strategic areas of focus	<ul style="list-style-type: none"> Improve product mix Improve penetration across the market Increase/Maintain product profitability on Projects and Retail SME segment 	<ul style="list-style-type: none"> Retail channel geographic expansion Develop retail brand awareness Develop loyal dealers and channels 	<ul style="list-style-type: none"> Enhance market position Geographical coverage in Borneo Grow Supply & Install
Major strategic initiatives	<ul style="list-style-type: none"> Grow loyal customers Convert Painted Galvanised Convert tiles Refresh and enhance products 	<ul style="list-style-type: none"> Brand and loyalty programs Increase new channels and dealers in new geographies Further develop the ZACS family of products 	<ul style="list-style-type: none"> Increased market engagement Refresh the product range Increase share of Supply & Install projects

Leadership team





NS BLUESCOPE MALAYSIA

NS BlueScope Malaysia

- NS BlueScope Malaysia is located in Kapar
 - Metal coating line, continuous paint line and new in-Line painting
- Began operations in 1996
- Capacities:
 - Metal coating line capacity of ~150kt pa
 - Continuous paint line ~75kt
 - New in-line painting ~30kt
- 240 employees



End user segments



Projects



Retail



Manufacturing



Export

Key product applications



Roofing



Walling



Framing and truss



Louvres



Ceiling and partition



Rainwater goods

Leading brands

End user segment

Painted brands

Metallic Coated brands

Projects

clean Colorbond®

Capero®  PRIMA-R™
m a j u

 COOLZAL® PLUS

Zincalume®

TrueCore®

Retail

 Zacs

 Zacs
Natural

 Zacs

Manufacturing

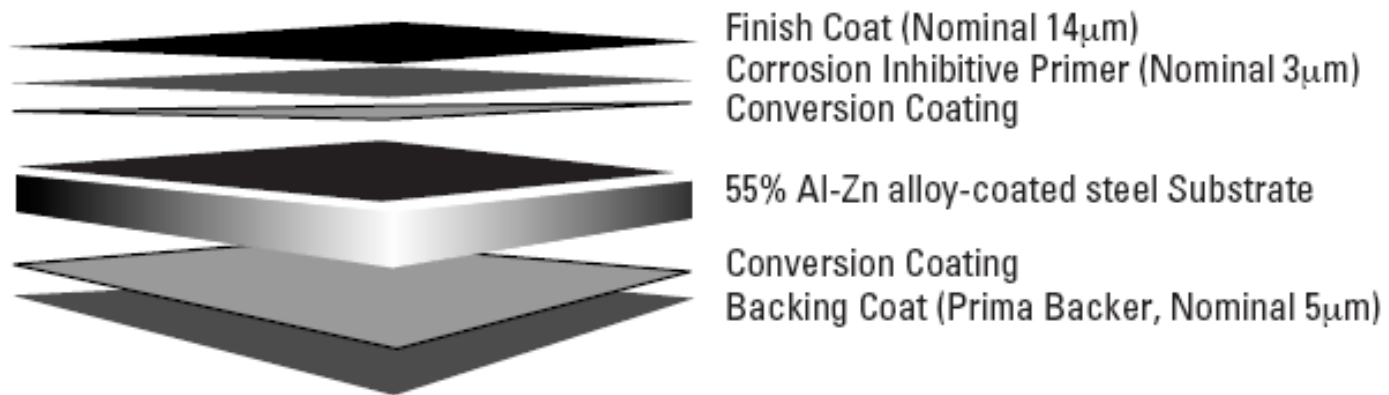
clean Colorbond®

Zincalume®



PrimaMaju™

PrimaMaju™ is an economical painted alternative for the industrial and commercial market and consists of a substrate of AZ100 (100g/m²) coating with a finish coat (17μm) and backing coat (5μm)



MUARA

RIMBA

TANAMERA

CENDANA

KEKABU

AWANA



Clean Colorbond® and PrimaMaju™ versus Painted Galvanised



Painted Galvanised

	Clean Colorbond®	PrimaMaju™	Painted Galvanised
Application	Developed for exterior building profiles in applications requiring high paint durability, excellent corrosion resistance and superior dirt resistance performance	Developed for economical exterior building profiles in applications requiring corrosion resistance and paint performance compared to Painted Galvanised	Generic prepainted steel for roofing and walling profiles with lower corrosion resistance and paint performance
Substrate			
- type	ZINCALUME® (55% Al-Zn)	55% Al-Zn	Zinc Coated
- coating class	AZ150 (150g/m ²)	AZ100 (100g/m ²)	Z180 (180g/m ²) or lower
- coating thickness	~0.050 mm (Both surfaces)	~0.030 mm (Both surfaces)	~0.030 mm (Both surface)
Paint	Custom formulated super polyester with high quality pigment with Thermatech® technology and clean properties to resist staining and discolouration	Custom formulated polyester with organic / inorganic pigment to suit high UV / temperature environment	Generic resin system – minimum color performance against color fading and chalking
Warranty	>1km from marine	>1km from marine	>1km from marine
Perforation by corrosion	25 years	15 years	?
Paint peel and flake	15 years	10 years	?
Color fading	10 years	5 years	?
Dirt staining	5 years	N/A	?

Expanding painted capacity (1/2)

- NS BlueScope Malaysia is currently commissioning its newly installed in-line painting (ILP) capacity
 - An extension to the metal coating line that allows continuous production of painted product
 - Adds ~30kt of painting capacity
- Designed to support retail volume growth and overall business profitability
 - ILP produces retail painted product, freeing capacity on the continuous paint line
 - Potential for higher painted mix
 - Potential for cost-down on painted product
- New ILP technology
- Commercial product expected before end FY2015



Expanding painted capacity (2/2)



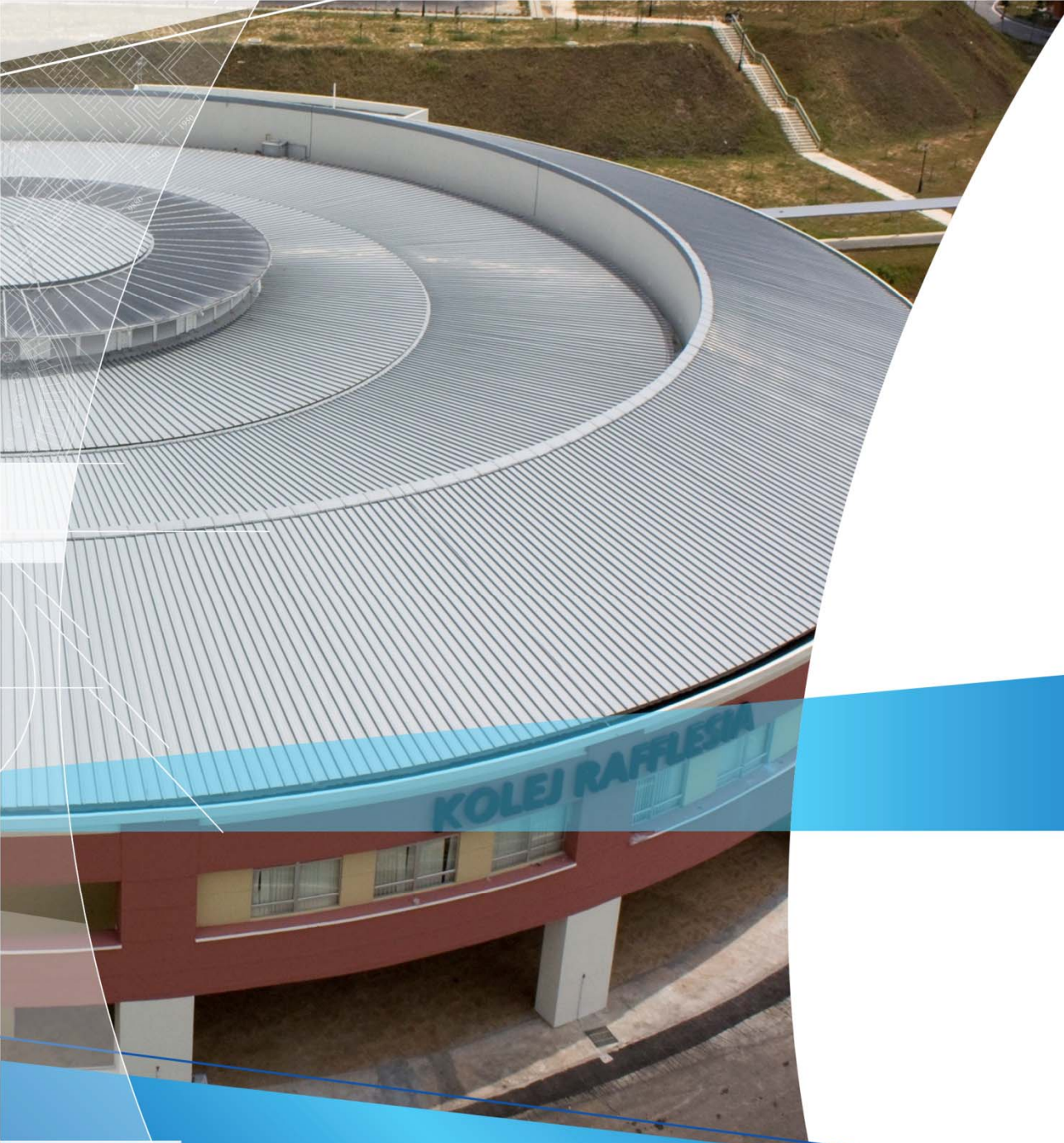
Level 1 and Paint Coater



Level 2 and Resin Coater



Below Induction Oven Zone 1, 2 and 3 and ducting



BLUESCOPE

LYSAGHT

Lysaght in Malaysia, Singapore and Brunei



- Six Lysaght sites: four in Malaysia, one in Singapore and one in Brunei
- First operation opened in 1965 – 50 years of history
- 270 employees

● Manufacturing Facility ● Sales Office



Products

**LYSAGHT KLIP-LOK®
OPTIMA™**



PERBADANAN PUTRAJAYA COMPLEX,
PUTRAJAYA

**LYSAGHT SPANDEK®
OPTIMA™**



BUNGALOWS & CONDOMINIUM, VILLA AMAN
KIARA, KUALA LUMPUR

**LYSAGHT® TRIMDEK®
OPTIMA™**



BOH TEA CENTRE, CAMERON HIGHLANDS

**LYSAGHT® CRIMP CURVED
TRIMDEK® OPTIMA™**



OFFICE & SHOW GALLERY, PJ
(AS BASE SUBSTRATE FOR ALUMINIUM COMPOSITE PANELS)

LYSAGHT® STANDING SEAM SYSTEM



UNIVERSITY DARUL IMAN
- LAMAN SELERA @ TERENGGANU

LYSAGHT® SMARTRUSS SYSTEM



MULTIPURPOSE HALL for AKADEMI GABUNGAN
PELAJAR SEMENANJUNG, BUKITRAKIT, KT for JKR

LYSAGHT® BONDEK II

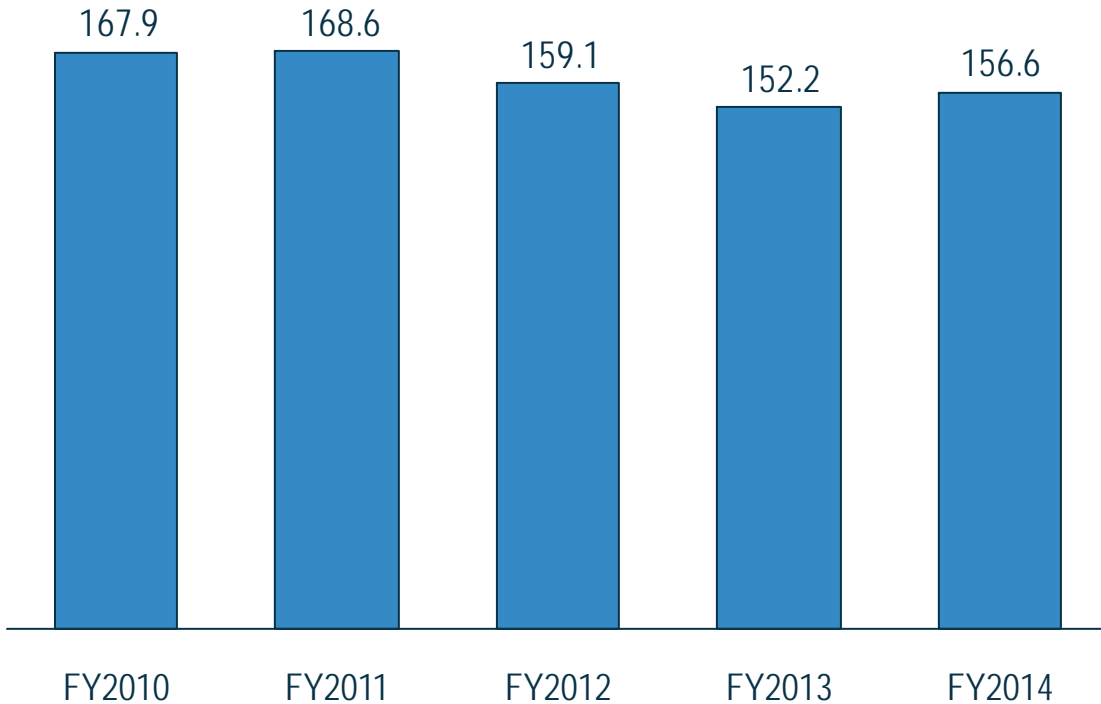




BUSINESS PERFORMANCE

Total sales volume

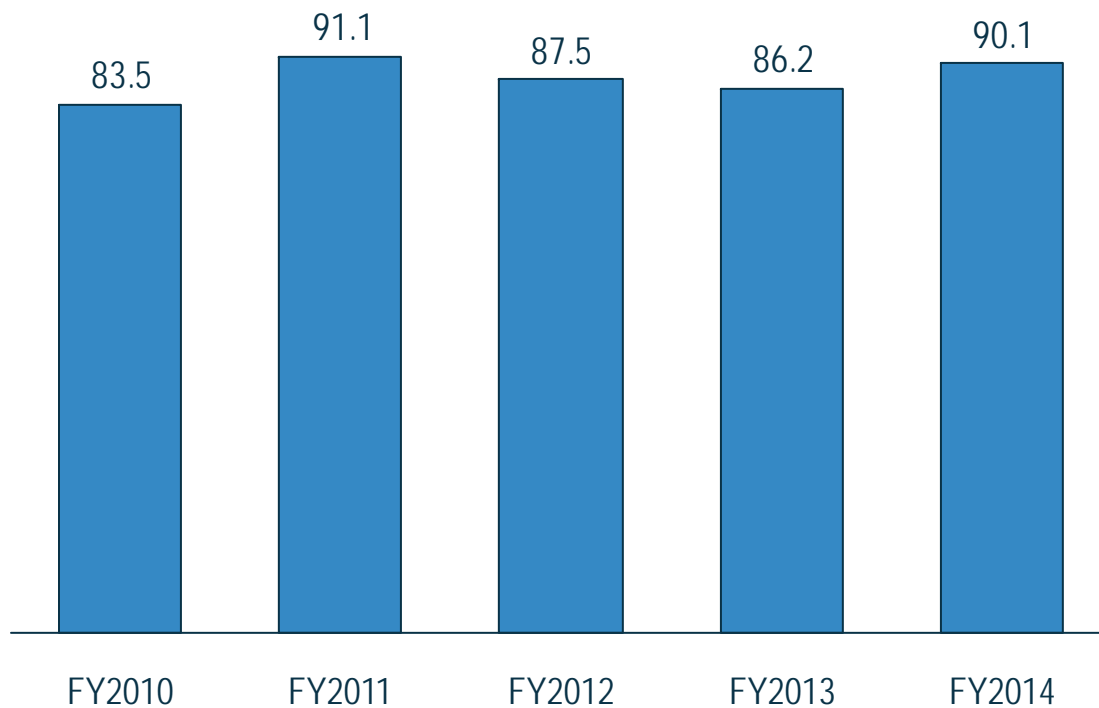
Total sales volume (kt)



- Volumes have remained robust
 - Continuous paint line capacity has been a limiting factor
 - In-line painting to address this capacity constraint
- Some moderation in sales volume at Lysaght but trend has begun to reverse

Underlying EBIT

Underlying EBIT (MYR M)



- Consistent EBIT performance and favourable trend, despite being capacity constrained
- Growth initiatives
 - In-line painting
 - New products and product mix



SUMMARY

Summary

- Strong safety record
- Comprehensive and long-established presence in Malaysia, Singapore and Brunei
- Leading brands and products
- Expanding painted capacity to support retail volume growth and profitability
- Strong and consistent business performance



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