ASX RELEASE

19 August 2015

ARRIUM LIMITED FY15 RESULTS

Attached is Arrium Limited's FY15 Results Presentation.

Ends

CONTACTS:

Investor, analyst and media
Steve Ashe
General Manager
Investor Relations & External Affairs
Tel: +612 9239 6616
Mob: +61408 164 011
Email: steve.ashe@arrium.com



ARRIUM LIMITED
FY15 Results Presentation

Andrew Roberts, Managing Director & CEO
Robert Bakewell, Chief Financial Officer

arrium
MINING AND MATERIALS

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, a 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.

Unless otherwise stated, this presentation contains certain non-statutory financial measures including underlying EBIT, underlying EBITDA, underlying NPAT, underlying earnings per share and underlying effective tax rate. These measures are used to assist the reader understand the financial performance of the company’s operations. Non-statutory financial information has not been audited or reviewed as part of KPMG’s audit of the FY15 Financial Report. However, KPMG have undertaken a set of procedures to agree the financial information in this presentation to underlying information supplied by the company. The Directors believe that using these non-statutory financial measures appropriately represents the financial performance of the Group’s operations. Other than results for the Mining Consumables segment, segment results referred to throughout this presentation are those reported in the 2015 Financial Report. Results for the Mining Consumables segment are the results of its total operations over the 12 months ended 30 June 2015, including continuing and discontinued operations. Except as otherwise stated, other Segment results are equivalent to segment underlying results for continuing operations only. Details of the reconciliation between non-statutory and statutory financial measures can be found in the Appendix of this presentation. The presentation forms part of a package of information about the Group’s Full Year Financial Results for the year ended 30 June 2015 and should be read in conjunction with the other FY15 financial results materials including the FY15 ASX Release and the FY15 Financial Report for the 12 months ended 30 June 2015.

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 the parent.

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Paul Leevers BSc (Hons), MSc Min Eng, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and is a full-time employee of Arrium. Mr Leevers has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Leevers consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Geoff Johnson BSc (Hons), PhD, Grad Dip Env Sc., a Competent Person who is a Fellow of the Australian Institute of Geoscientists and a Fellow of the Australasian Institute of Mining and Metallurgy and is a full-time employee of OneSteel Manufacturing Pty Limited. Dr Johnson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Dr Johnson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

FY15 at a glance

- Underlying and statutory earnings substantially lower
  - ~40% decline in average iron ore market price
- Mining business restructured
  - FY16 targeted average breakeven cash price ~US$47/dmt[1]
- Mining Consumables – strong performance and outlook
- Steel – significantly improved earnings in 2H15
- Company cost base further reduced – targeting further step down
- Asset impairments – primarily in Mining
- Capital raising proceeds used to pay down debt
- Divestment proceeds used to pay down debt
- Strategic Review announced June 2015

1 For MBR hematite export business. Assumes FY16 average USD:AUD FX of US$0.72, total CFR China cash cost US$38/dmt, adjusted for targeted average realised price as a percentage of Platts 62% index CFR China i.e. US$38/0.89 plus capex ~US$4/t = ~US$47/dmt. Excludes working capital movements, restructuring and other one-off costs.

FY15 results overview

- Sales revenue $6,086 million, down 13% pcp – lower iron ore prices
- Underlying EBITDA[1] $351 million (Stat. loss $90 million)
  - Mining Consumables $211 million[2] – up 13% pcp (up 18% excluding Wire Ropes)
  - Mining $90 million – down from $686 million pcp due to lower iron ore prices
  - Steel $62 million – up 22% pcp
  - Recycling $8 million – down from $12 million pcp
- Underlying NLAT $7 million
- Statutory NLAT $1,918 million – includes previously announced asset impairments and restructuring costs

1 A reconciliation of non-statutory underlying results to statutory results can be found in the Appendix to this presentation. Segment results for Mining Consumables are for total operations. Other segment results are for continuing operations only.
2 Total operations, including Wire Ropes.

FY15 results overview (cont.)

- Statutory operating cash outflow $112 million, down from $679 million inflow pcp – lower iron ore prices
- Asset divestments proceeds $203 million
- Capital raising net proceeds ~$730 million
- Net debt at 30 June 15 $1,750 million (at 77c FX)
  - Lower iron ore prices
  - Translation impact compared to 30 June 14 ~$320 million
- Gearing 40.7% (asset impairment impact ~10.3 ppts)
- No dividend declared

FY15 – summary of key actions

- Restructure of Mining
  - Targeting 25% reduction in CFR China cash cost in FY16[1], $320 million reduction in FY16-19 capital
  - Targeting FY16 average cash breakeven price down to ~US$47/dmt
- Steel earnings improvement
  - Cost reductions including site rationalisations, anti dumping (~65% of manufactured product base)
  - Volume improvement in Wholesale and Steel In Concrete businesses
- Mining Consumables
  - Captured a high share of grinding media demand in North and South America
  - Capacity expansions to plan. Roll out of next generation (NG) SAG ball to plan
- Company cost base lowered
  - Delivered ~$100 million of annualised cost reductions (~$60 million in FY15)
- Balance sheet
  - Asset divestments – doubled FY15 target
  - $200 million refinancing of FY17 debt facilities – 4 years
  - Fully underwritten capital raising
- Strategic Review

1 Compared to FY14 average total cash cost.

FY15 Segment Analysis

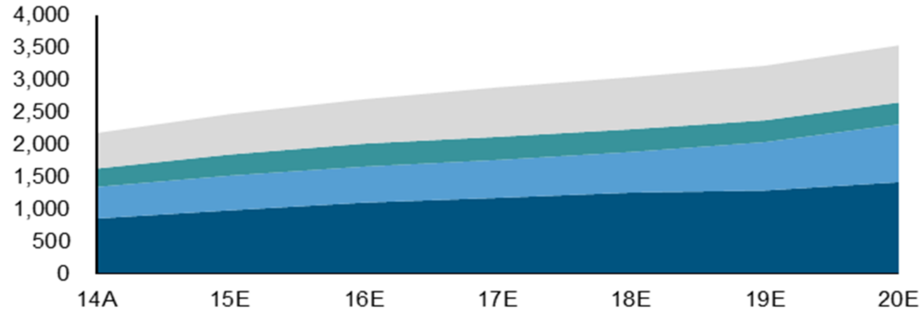
FY15 Mining Consumables results

Market conditions and external factors

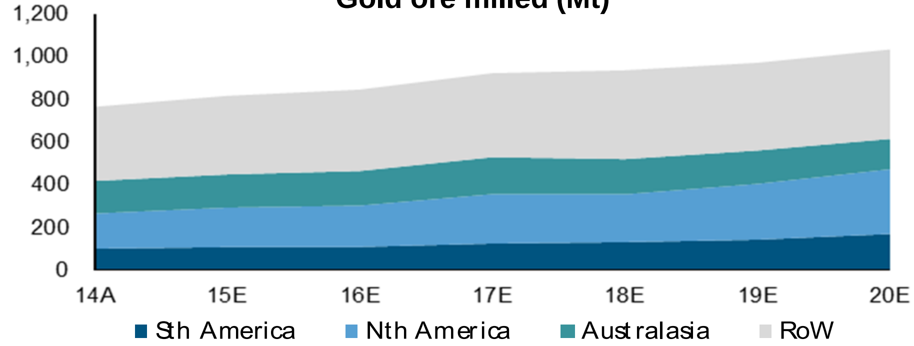
- Continued strong demand for copper and gold
  - 10% CAGR 2014 – 2020 for North and South America forecasted for ore milled
- Miners still maximising output despite focus on cost reductions
- Strong pipeline of new projects and expansions, particularly in North and South America including:
  - Cerro Verde
  - Las Bambas
  - BHPB Escondida
  - Cobre Panama
- Deteriorating head grades of copper and gold

"~80% of Arrium's grinding media sales driven by copper and gold"

Copper ore milled (Mt)

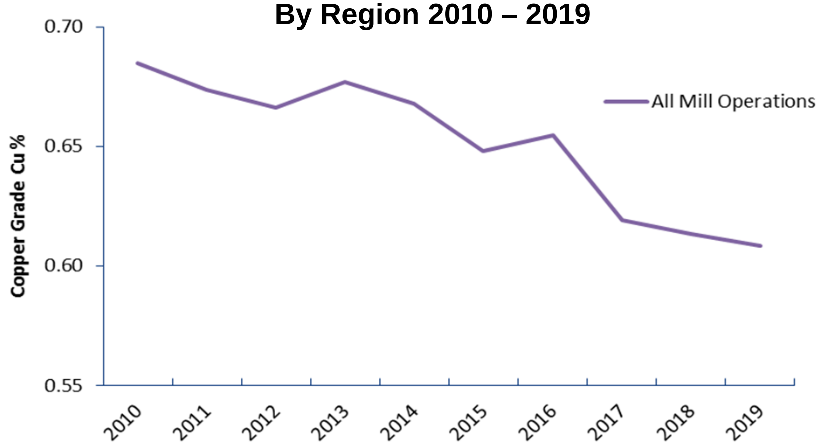


Gold ore milled (Mt)



Source: Wood Mackenzie as at June 2015

World Copper Ore Head Grades By Region 2010 – 2019



Source: Wood Mackenzie

FY15 Mining Consumables results

	FY15[1] $m	FY14[1] $m		% change
Revenue/Income	1,591	1,538	↑	3
EBITDA[2]	211	187	↑	13
EBIT	160	140	↑	14
Sales Margin %	10%	9%	↑	1pp
Assets	2,562	2,439	↑	5
Funds Employed	2,171	2,024	↑	7
ROFE %[3]	8%	7%	↑	1pp
Employees (number)	1,834	2,005	↓	(9)
External tonnes despatched (Mt)[4]	1.13	1.09	↑	4

1 Total operations, including Wire Ropes, which was sold in March 2015.
2 EBITDA includes Wire Ropes EBITDA to March 2015 of ~$8 million and $15 million in FY14
3 ROFE for Moly-Cop grinding media business in North and South America ~14%, excludes capacity expansions prior to their commissioning.
4 Excludes scrap sales.

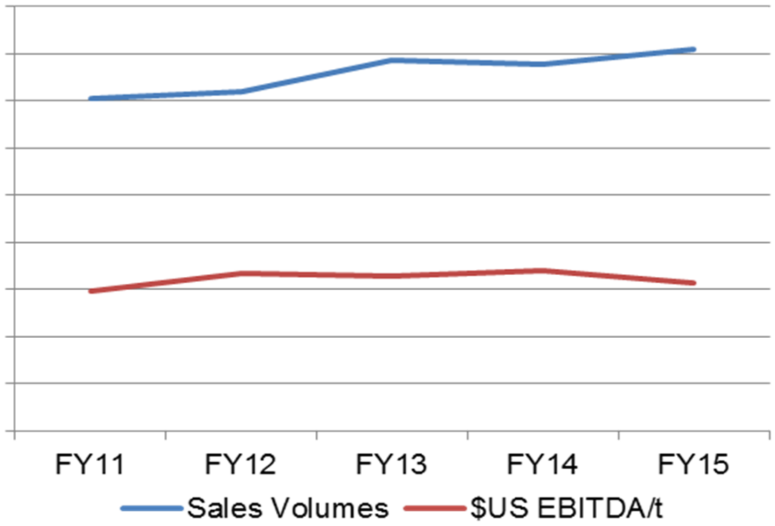
FY15 Mining Consumables results

arrium MINING AND MATERIALS

Continued strong performance

- EBITDA $211 million, up 13% pcp (up 18% ex. Wire Ropes)
  - Stronger earnings in North and South America, and Australasia
  - Grinding media volume growth
  - Stable margins[1]
  - FX benefit
  - Partial year of earnings from Wire Ropes
- North and South America – strong growth
  - EBITDA up 15% pcp
  - Grinding media volumes – up 6% pcp
  - Further strengthening competitive advantage
    - Roll out of next generation (NG) SAG ball - strong customer support
    - Capacity expansions
      - Kamloops, Canada commissioned in June 2015
      - La Joya, Peru on track for completion mid CY2016
  - Grinding media ROFE ~14%[2]

North and South America
Grinding media sales volumes and margins



Source: Arrium

1 Grinding media margins include impact of timing of pass through of lower steel raw material costs into prices. This can lead to margin movement within a narrow band. Margins are therefore best viewed over an extended period.
2 Excludes capacity expansions, prior to their commissioning.

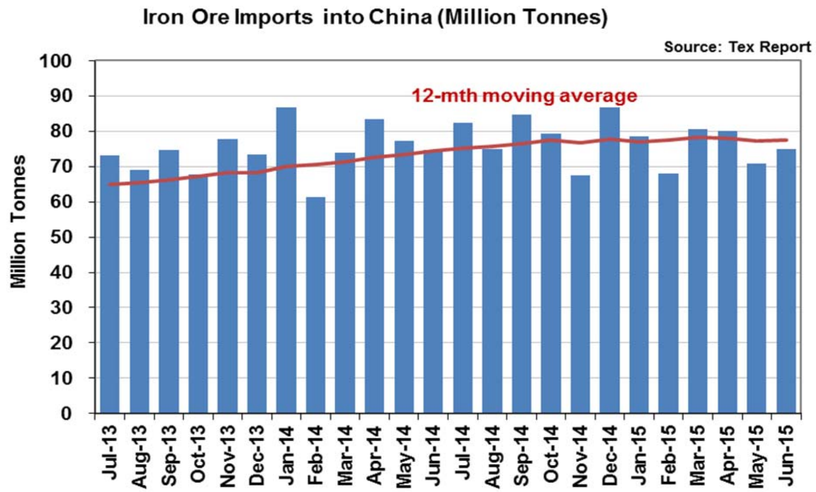
FY15 Mining Consumables results

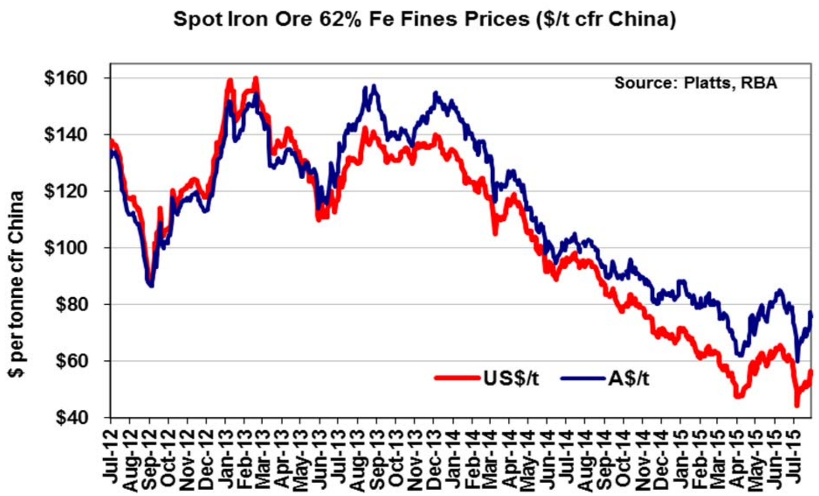
- Australasia – lower cost base and improved earnings
  - EBITDA up 4% pcp (up 48% excluding Wire Ropes)
    - Wire Ropes business sold March 2015
  - Improvement driven by cost reductions
    - Waratah, Newcastle restructure in 2H14 delivering cost benefits in line with expectations
  - Lower sales volumes pcp
    - Ramp up in Indonesia grinding media demand post minerals value added tax dispute stalled by industrial action
      - Indonesia grinding media volumes in FY15 ~10% below normal levels
    - Rail wheel sales lower on pcp – continued focus by miners to reduce maintenance cost and defer capital expenditure

FY15 Mining results

Market conditions and external factors

- Supply
  - Seaborne iron ore to China similar to pcp, but levelled off in 2H
  - At June, exit of ~160Mt high cost ores in China (over last 18 months)[1]
  - Exit of high cost ores from non-major supply countries ~35Mt in 1H CY15[2]
  - Port stocks declined to lower levels (tonnes and number of days held)
- Demand
  - Rate of growth slowed, but demand remains strong and at high levels
  - China's steel consumption flat pcp
- Freight
  - Significantly lower pcp
- Ongoing negative market sentiment, uncertainty and volatility





1 Morgan Stanley.
2 Tex Report.

FY15 Mining results

	FY15 $m	FY14 $m		% change
Revenue/income	889	1,569	↓	(43)
EBITDA	90	686	↓	(87)
EBIT	(97)	481	↓	(120)
Sales margin %	(11%)	31%	↓	(42pp)
Assets	909	2,162	↓	(58)
Funds employed	458	1,645	↓	(72)
Return on funds employed	(9%)	30%	↓	(39pp)
Employees (number)	467	552	↓	(15)
External lump & fines iron ore sales (Mt)	12.5	12.5	–	0
Pellets, other ore & by products (Mt)[1]	0.37	0.43	↓	(14)

1 Ore by products include dolomite, centrix, filter cake and pellet chips.

FY15 Mining results

arrium MINING AND MATERIALS

- Earnings and cash flow impacted by ~40% fall in average market prices pcp
  - Driver of ~$600 million reduction in EBITDA
  - Average realised price US$59/dmt CFR, down 47% from US$111/dmt
  - Average AUD realised price $70/dmt
  - Average Fe grade 59.5%
  - Sales mix ~70% fines, ~30% lump
- Continued strong operational performance
  - Export sales 12.5Mt
  - Average loaded cash cost[2] A$45.7/wmt, down from $48.2/wmt FY14
  - June 15 average loaded cash cost down to A$38/wmt
- Mining restructure
  - FY16 target loaded cash cost ~A$35/wmt (US$25/wmt)[1]
  - FY16 A$6/t (US$4/t) capex – $320 million reduction in capital plan FY16-19
  - Revised sales plan, FY16 9 –10Mt

1 Assumes FY16 average USD:AUD FX of US$0.72.
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.

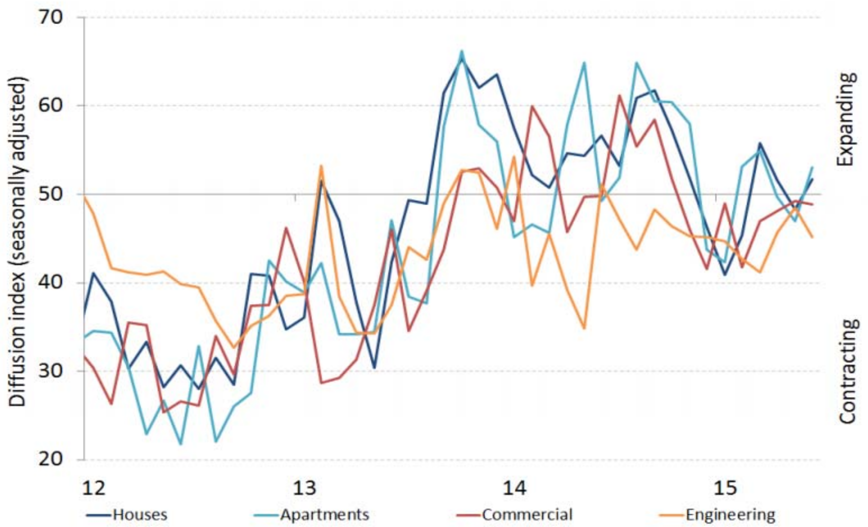
FY15 Steel & Recycling results

Market conditions and external factors

- Increase in residential construction activity
- Non-residential construction sector is improving off a weak base
- Engineering construction – strong pipeline of government funded infrastructure projects commencing
- Lower prices for steel making raw materials
- Domestic margins impacted by historic low SE Asian USD steel prices and margins, partly offset by lower AUD
- High level of international market volatility

Construction Activity by Sector

Source: Australian Industry Group



FY15 Steel results

	FY15 $m	FY14 $m		% change
Revenue/Income	2,870	2,875	↓	0
EBITDA	62	51	↑	22
EBIT	(33)	(53)	↑	37
Sales Margin %	(1%)	(2%)	↑	1pp
Assets	1,869	2,110	↓	(11)
Funds Employed	1,290	1,544	↓	(16)
ROFE %	(2%)	(3%)	↑	1pp
Employees (number)	4,880	5,116	↓	(5)
External tonnes despatched (Mt)	2.12	2.07	↑	2
Domestic tonnes despatched (Mt)	2.05	1.97	↑	4
Steel tonnes produced (Mt)	2.00	1.91	↑	5

FY15 Steel results

Significant lift in earnings

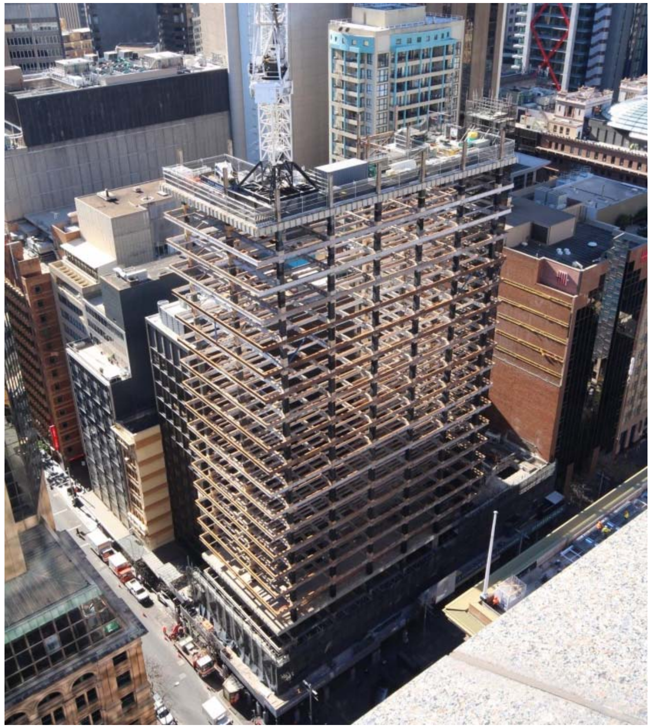
- EBIT positive in 2H – first since GFC
- EBITDA $62 million, up 22% pcp
  - 2H $46 million (mainly 4th qtr), 1H $16 million
- EBITDA driven by
  - Domestic sales volumes up 4%
  - Lower scrap prices
  - Cost reductions
  - Underlying profit on asset sales
  - Partially offset by lower SE Asian steel margins
- Sales lower in ASI retail business
  - Industry starting to restructure

Parramatta, NSW

FY15 Steel results

Significant lift in earnings

- Domestic sales volumes up 4%
  - Growth in wholesale and reinforcing businesses
  - Increased construction (mainly NSW):
    - Residential, particularly high rise apartments
    - Large commercial projects
    - Infrastructure projects commencing
    - 2H volumes impacted by significant adverse weather (March/April) – delay in underlying demand



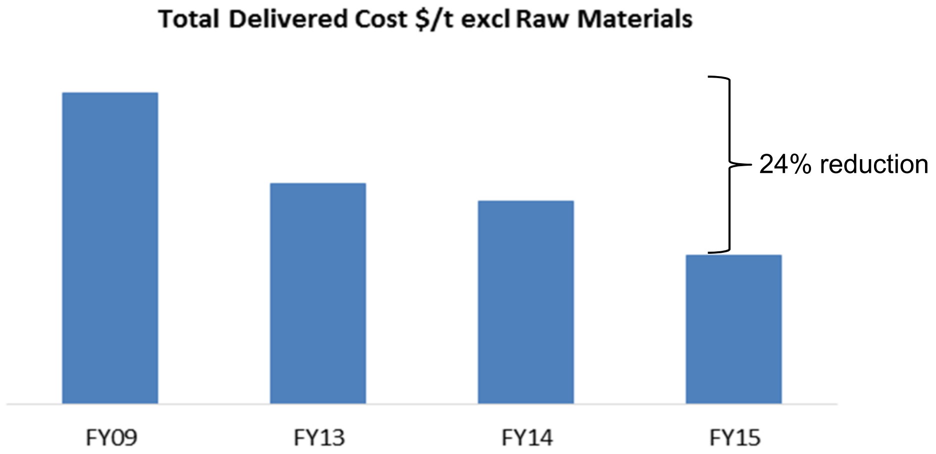
20 Martin Place, NSW

Wynyard Tunnel, NSW

FY15 Steel results

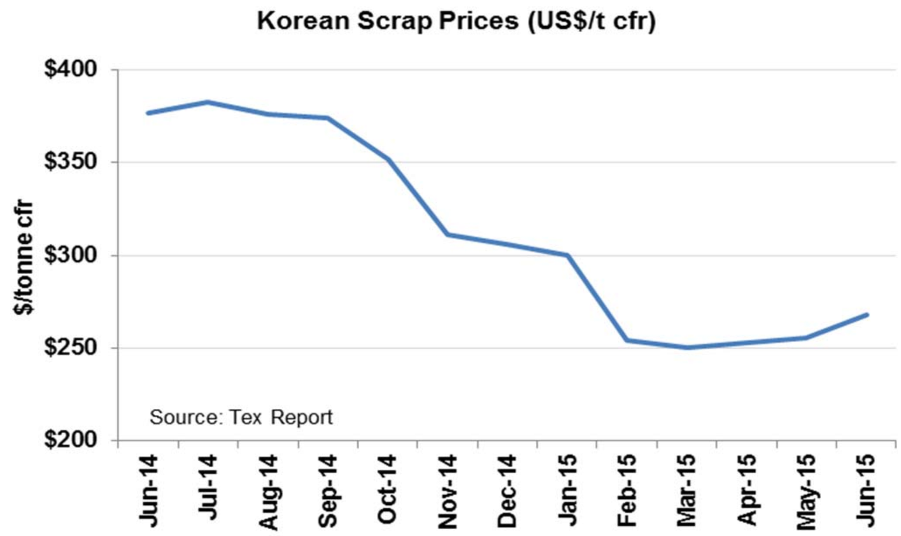
Significant lift in earnings

- Cost reductions
  - Total delivered cost down to record low[1]
    - Labour and overheads
    - Site rationalisations
    - Operational cost and freight
    - Procurement



Source: Arrium

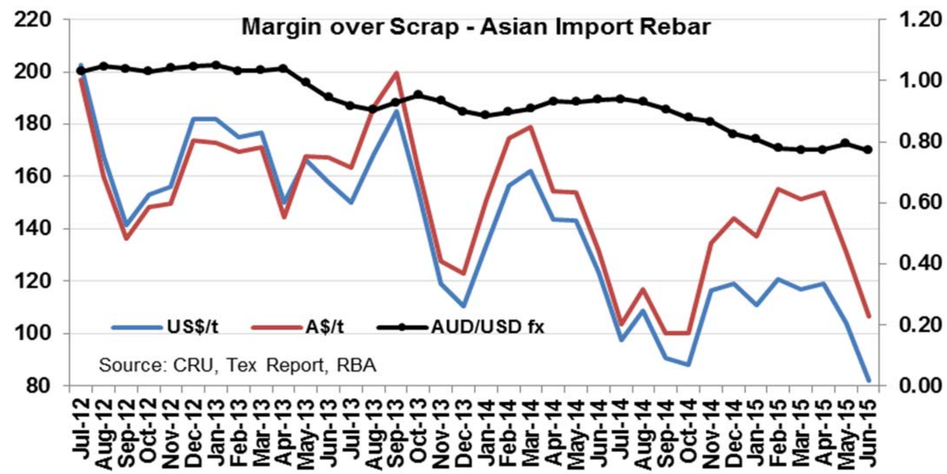
- Lower scrap prices
  - Significant decline through financial year from December 14 quarter
  - A key factor in improved 2H earnings



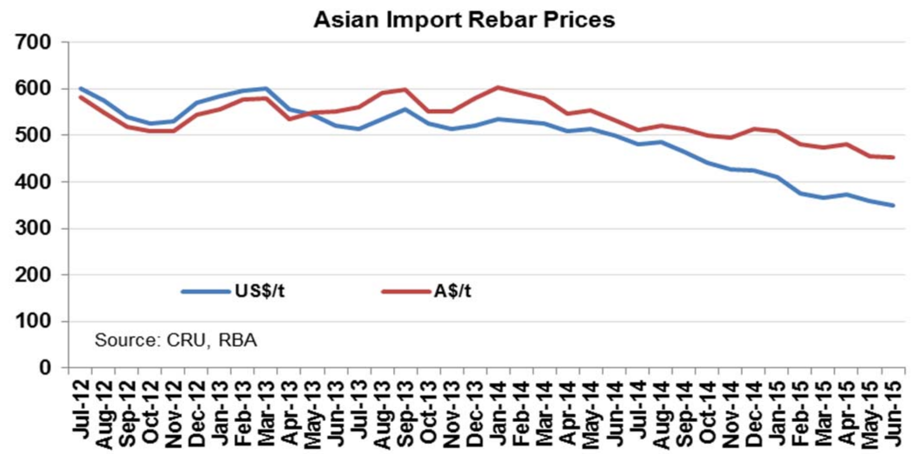
1 Total delivered cost is the total of all Steel costs excluding coal, scrap, iron ore lump and pellets and imported semi-finished/finished goods.

FY15 Steel results

- SE Asian steel margins
  - Ongoing volatility
  - Improvement at end of 1H was a key contributor to stronger earnings in 2H[1]



- Asian steel prices
  - Lower Asian $US prices partly offset benefit of lower AUD/USD



1 Domestic price benefit lags ~3 months.

FY15 Steel results

- Anti dumping progress
  - Improvements in Australia's anti dumping regime
    - Increased Government focus
    - Regulatory and administrative improvements
    - Greater speed in implementing preliminary measures
    - New regulations to address circumvention
  - 65% of manufactured product base subject to either preliminary measures, final measures or investigation
    - Hot rolled structurals
    - Rod in Coil (wire rod for mesh)
    - Rebar
  - Further anti dumping applications being evaluated
  - Working with Government on further improving the effectiveness of Australia's anti dumping regime, and its competitiveness versus other jurisdictions, particularly in context of global overcapacity in steel

FY15 Recycling results

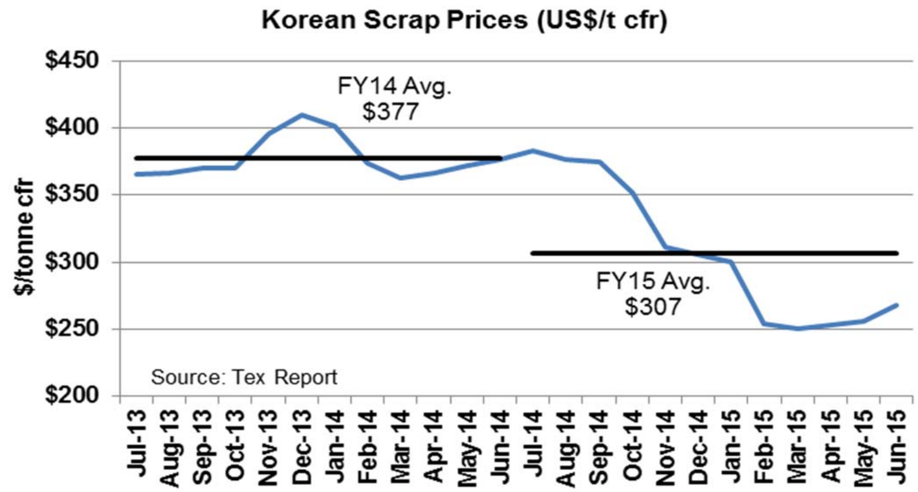
	FY15 $m	FY14 $m		% change
Revenue/Income	1,073	1,132	↓	(5)
EBITDA	8	12	↓	(31)
EBIT	(2)	1	↓	nm
Sales Margin %	0%	0%	–	–
Assets	318	394	↓	(19)
Funds Employed	230	297	↓	(22)
ROFE %	(1%)	0%	↓	(1pp)
Employees (number)	666	641	↑	4
Total scrap recycling tonnes	1.40	1.44	↓	(3)

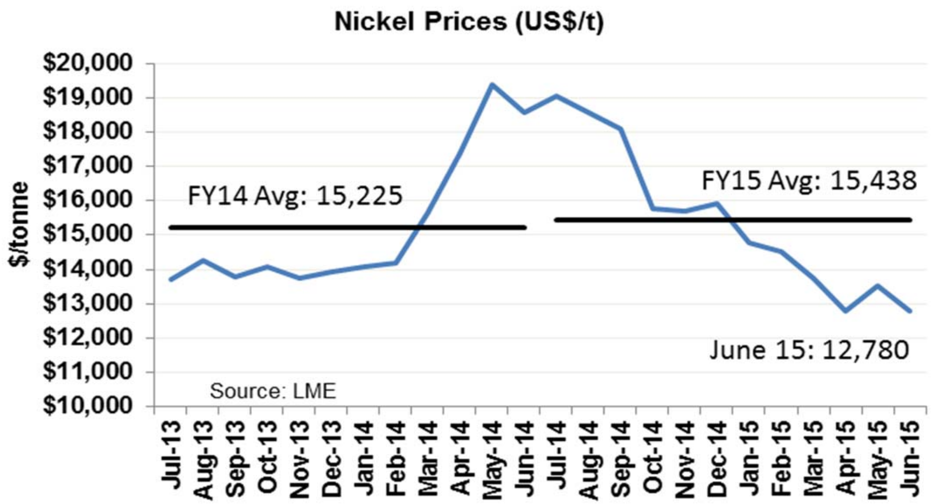
FY15 Recycling results

Sharp fall in Ferrous prices

- Weaker earnings in Ferrous
  - Significant decline in Ferrous scrap price
  - Weaker margins
  - Lower volumes

- More than offset:
  - Stronger earnings in Non Ferrous
    - Improved margins and volumes in Australia and Asia
  - Cost and operational improvements
    - Continued to build on benefits of repositioning footprint in 2H14





FY15 Financial Overview

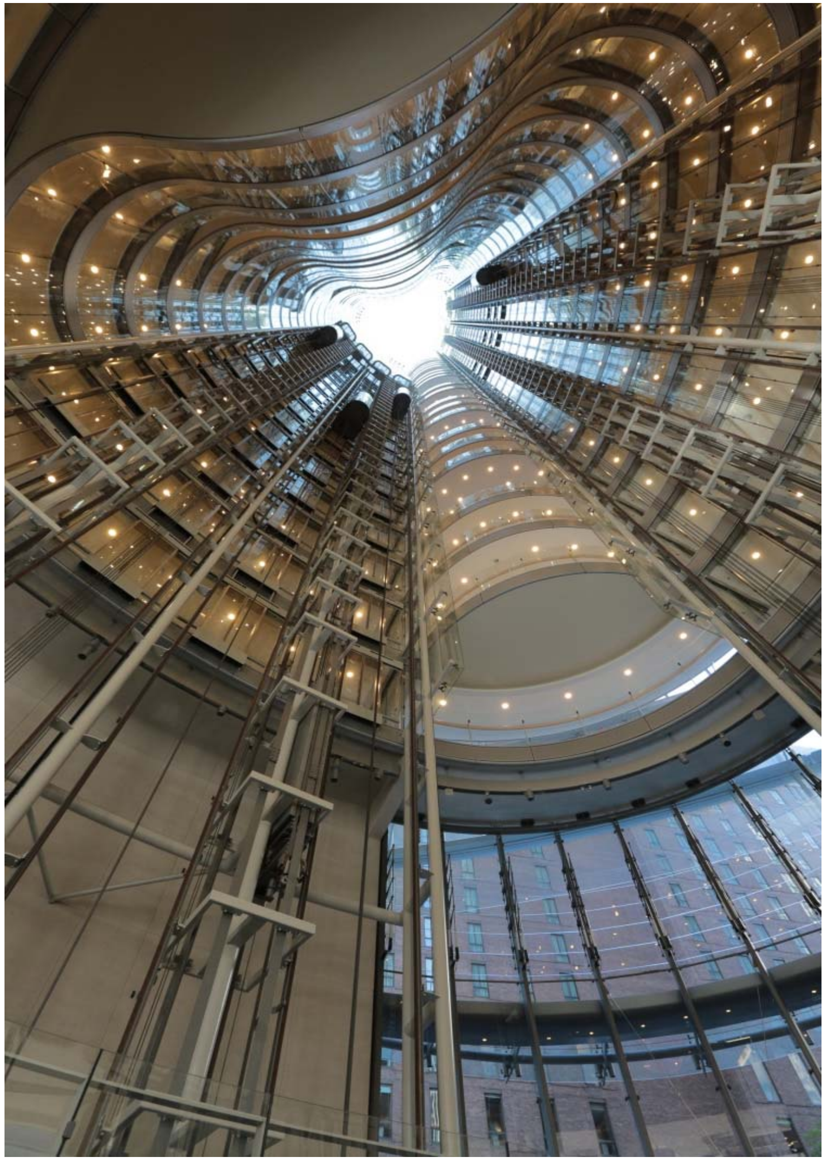
FY15 financial overview

Earnings and cash flow substantially impacted by ~40% fall in iron ore prices compared to pcp (impact ~$600 million)

- Sales revenue $6,086 million, down 13% pcp
- Underlying EBITDA $351 million, down 59% pcp
- Statutory EBITDA $90 million loss, down 112% pcp
- Underlying NLAT $7 million, down 102% pcp
- Statutory NLAT $1,918 million
    - Asset impairments as previously announced $1,653 million – predominantly Mining
    - Restructuring costs $146 million
    - Tax and other adjustments $113 million
        - Includes reversal of MRRT deferred tax asset $70 million

FY15 financial overview

- Statutory operating cash outflow $112 million, down from $679 million inflow pcp
- Proceeds from asset divestments
  - ~$203 million
- Fully underwritten capital raising
  - ~$730 million – net proceeds
- Refinancing
  - ~A$200 million FY17 maturing debt facilities – 4yrs
- Net debt
  - $1,750 million at 0.77c AUD/USD
    - Lower iron ore prices
    - FX translation impact compared to 30 June 14 ~$320 million
- Continue to comply with banking covenants



FY15 financial overview

Statutory results[1]

	FY15 $m	FY14 $m		% change	Comment
Sales revenue	6,086	7,007	↓	(13)	Market prices for iron ore down ~40% pcp
EBITDA	(90)	781	↓	(112)	Includes impact of lower iron ore prices and restructuring costs
Depn, amort & impairment	1,791	381	↑	nm	Includes asset impairments
EBIT	(1,881)	401	↓	nm	Lower iron ore price offset improvements in MC and Steel
Finance costs	93	118	↓	(21)	Lower average debt levels - capital raising used to pay down debt
Net (loss)/profit after tax	(1,918)	205	↓	nm	
Operating cash flow	(112)	679	↓	(116)	Lower iron ore prices and restructuring outflows
Net debt	1,750	1,708	↑	2	FX translation impact compared to 30 June 14 ~$320 million
Gearing (net debt /net debt plus equity)	40.7%	31.4%	↑	9.3 pp	Asset impairment impact ~10.3ppts
Return on funds employed (%)	(38.6%)	7.1%	↓	(45.7 pp)	Includes impact of asset impairments, lower iron ore prices
Dividend (cents per share)	-	9.0	↓	-	

1 For total operations (includes continuing and discontinued operations).

FY15 financial overview

Underlying results[1]

	FY15 $m	FY14 $m	% change		Comment
Sales revenue	6,086	7,007	↓	(13)	Market prices for iron ore down ~40% pcp
EBITDA	351	864	↓	(59)	Lower iron ore prices offset improvements in MC and Steel
Depreciation & amortisation	345	367	↓	(6)	FY16 estimate ~$240 million[2]
EBIT	6	497	↓	(99)	Lower iron ore prices offset improvements in MC and Steel
Finance costs	91	118	↓	(23)	In line with guidance. FY16 estimate ~$90-100 million
(Loss)/profit before tax	(85)	379	↓	(122)	
Tax benefit/(expense)	79	(82)	↓	nm	FY16 effective tax rate on underlying earnings expected to be mid-20%[3]
Net (loss)/profit after tax	(7)	296	↓	(102)	
Operating cash flow	49	746	↓	(93)	Lower iron ore prices
EPS (cents) – weighted average	(0.1)	20.5	↓	(100)	Reflects lower earnings
Return on funds employed (%)	0.1	8.9	↓	(8.8 pp)	

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.
2 ~$70 million for Mining.
3 FY16 tax cash payments ~$45-50 million related to offshore businesses.

FY15 financial overview

Balance sheet summary

	FY15 $m	FY14 $m	% change		Comments
Total assets	6,241	8,002	↓	(22)	Asset divestment and impairments
Total liabilities	3,686	4,271	↓	(14)	Capital raising used to pay down debt
Net assets	2,555	3,731	↓	(32)	
Net debt	1,750	1,708	↑	2	Includes impact of lower iron ore prices, FX translation, divestments and capital raising
Inventories	1,025	1,235	↓	(17)	Includes Mining inventory writedown
Funds employed	4,305	5,439	↓	(21)	Includes impact of asset impairments
Gearing % (net debt/net debt plus equity)	40.7%	31.4%	↑		Within banking covenants
Underlying interest cover – (times EBITDA, 12-mth rolling)[1]	3.9	7.4	↓		
NTA / share – ($)	0.3	1.3	↓	(77)	

1 Underlying interest cover is underlying EBITDA divided by finance costs. For covenant purposes debt service is ~85% of total finance costs.

Cash flow reconciliation - statutory

	FY15 $m	FY14 $m
(Loss)/profit after tax	(1,917)	207
Depreciation, amortisation and impairment	1,791	381
Non-cash items	(61)	(41)
Other changes in assets and liabilities including working capital	75	132
Operating cash flow	(112)	679
Capital expenditure	(424)	(435)
Free cash flow	(536)	244
Asset and business sales and other[1]	204	239
Operating and investing cash flow	(332)	483

1 Targeting proceeds from ongoing divestment program of ~$100 million for FY16 (weighted to 2H).

FY15 capital expenditure – cash basis

	1H15 $m	2H15 $m	Change %	FY14 $m	FY15 $m
Mining Consumables[1]	42	40	(5)	71	82
Mining[2]	188	84	(55)	294	272
Steel & Recycling	32	34	6	65	66
Discontinued ops	2	2	-	5	4
Total	264	160	(39)	435	424

- FY16 capex estimate $230-260 million
  - Mining Consumables $80-90 million
  - Mining $85-95 million[3]
  - Steel and Recycling $65-75 million

1 The Mining Consumables Segment results represent total operations of that segment, including continuing and discontinued operations. Details of the reconciliation of the Mining Consumables results reported in this release and those reported in the 2015 Full Year Financial Report can be found attached to this document.
2 Includes stripping asset. Mining includes hematite and magnetite capital expenditure. Magnetite costs are transferred to Steel at cost.
3 Hematite only. Estimated magnetite cash capital expenditure in FY16 Mining is ~$30 million.

Cost reductions

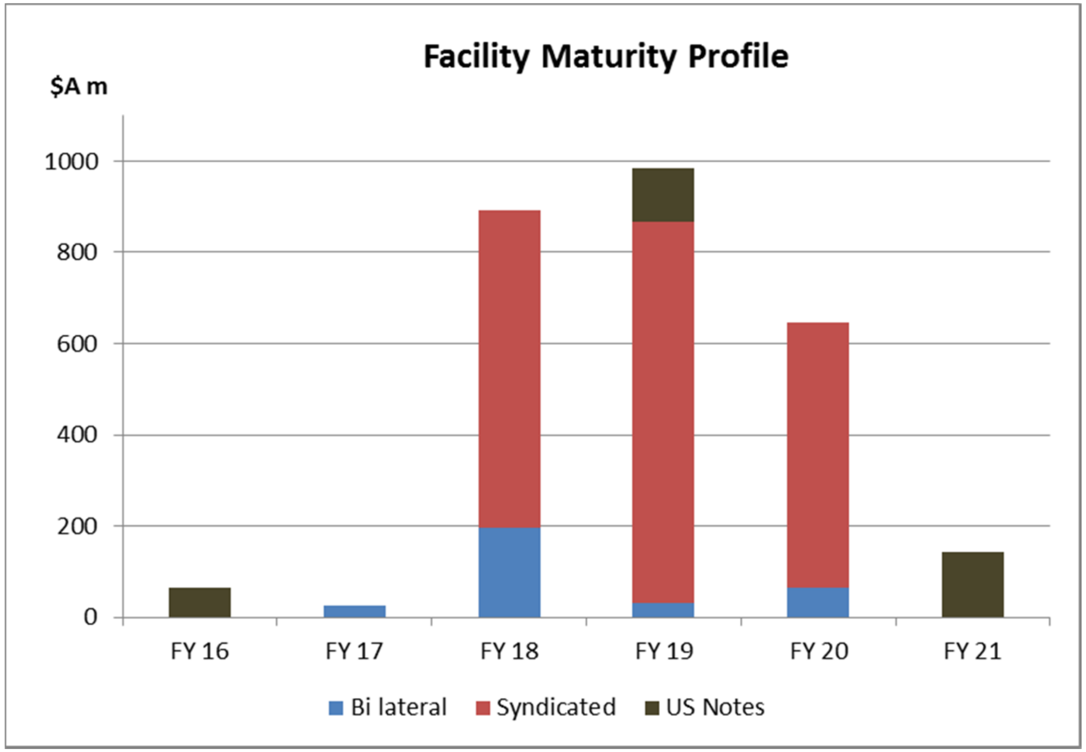
Achieved FY15 additional targets

- Actual cost reductions of ~$60 million (target $40 - $50 million)
  - Equivalent to annualised reductions of ~$100 million (target $60 - $90 million)
  - These cost reductions are in addition to those achieved to offset inflation

- Achieved across the Group
  - Mining $39 million (included in lower FY15 cash cost and FY16 target)
  - Steel and Recycling $14 million
  - Mining Consumables $4 million
  - Corporate and other $3 million

Funding

- Total facilities A$2.7 billion end FY15
- ~$1 billion of cash and committed undrawn facilities available end FY15
- Average interest rate for total drawn and undrawn funding ~4%
- Refinanced ~A$200 million facilities maturing FY17 – 4 year period
- Next significant maturity FY18
- ~$730 million net proceeds from capital raising used to pay down debt
- Investigating options to diversify structure of existing debt finance



Covenants: Gearing ratio at a level between 50%-60%; Interest cover (based on underlying EBITDA to debt service) between 3.0 and 3.5 times (calculation based on rolling 12 month basis. Debt service for June 15 covenant calculation ~85% of total statutory interest expense).

Strategic focus & outlook

Arrium strategic focus

A leading mining and materials company

Priorities

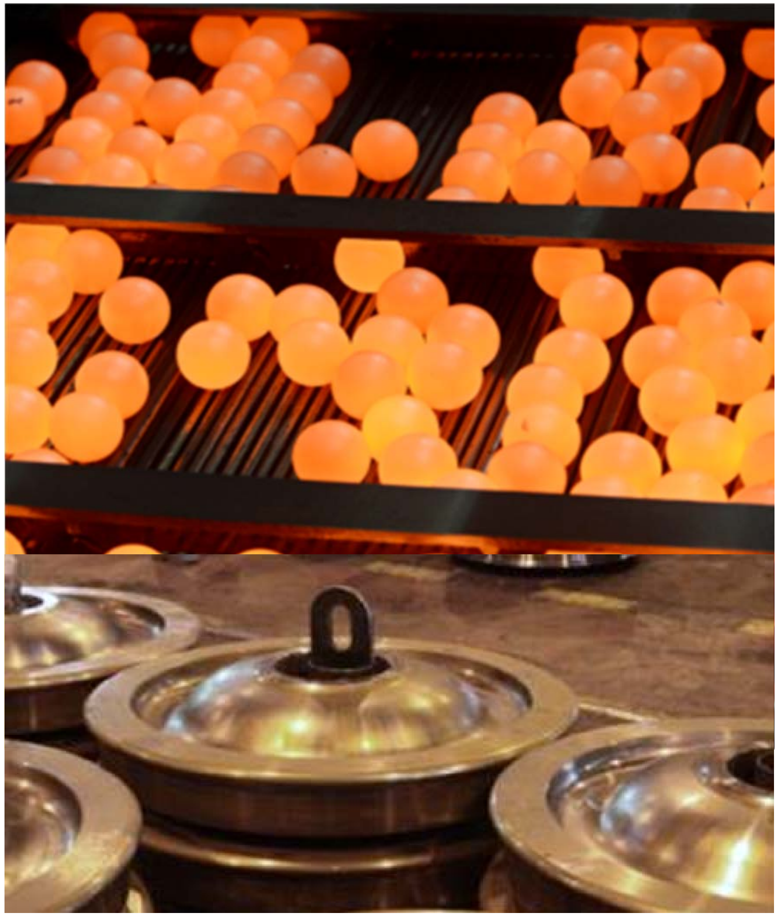
Mining Consumables	Mining	Steel	Arrium
▪ Capture more than our high market share of strong grinding media growth ▪ Stable margins ▪ Complete capacity expansion in Peru ▪ Complete roll out of next generation (NG) SAG ball ▪ Further cost reductions and efficiencies	▪ Delivering restructuring benefits ▪ Continued strong focus on cost and capital reductions ▪ Add lower operating/capital cost ore reserves ▪ Maintain portfolio and infrastructure flexibility – option value	▪ Focus on markets with a sustainable competitive advantage ▪ Build on our leading market positions ▪ Capitalise on improving outlook including increasing demand and lower FX ▪ Strong focus on cost reductions ▪ Anti-dumping opportunities	▪ Structure and level of debt ▪ Core values: Safety and Customer ▪ Diversity and Inclusion

Debt reduction continues to be a key priority

Mining Consumables

A growth business with stable margins and a sustainable competitive advantage

- Earnings growth driven by volume growth and stable margins
- Leading positions in key grinding media markets (North America, South America, Australasia)
- Good visibility of new projects and mine expansions
- ~7% CAGR FY15 – FY20 estimated grinding media demand growth for North and South America[1]
- Expect to win more than our strong market share of grinding media growth
- Capacity expansions to meet increasing known demand nearing completion – supports stronger future free cash flow (EBIT is an approximate guide)



1 Calculated August 2015, Moly-Cop Management top down/bottom up assessment incorporating Wood Mackenzie study.

arrium MINING AND MATERIALS

Strengthening competitive advantage

- Roll out of the new generation of SAG balls progressing to plan
  - Lima, Peru Q2 FY14 – completed
  - Kansas City, USA Q2 FY15 – completed
  - Waratah, Australia Q2 FY15 – completed
  - Mejillones, Chile H1 FY16 – on track
  - Kamloops, Canada H2 FY16 – on track
  - Talcahuano, Chile FY17 – planned

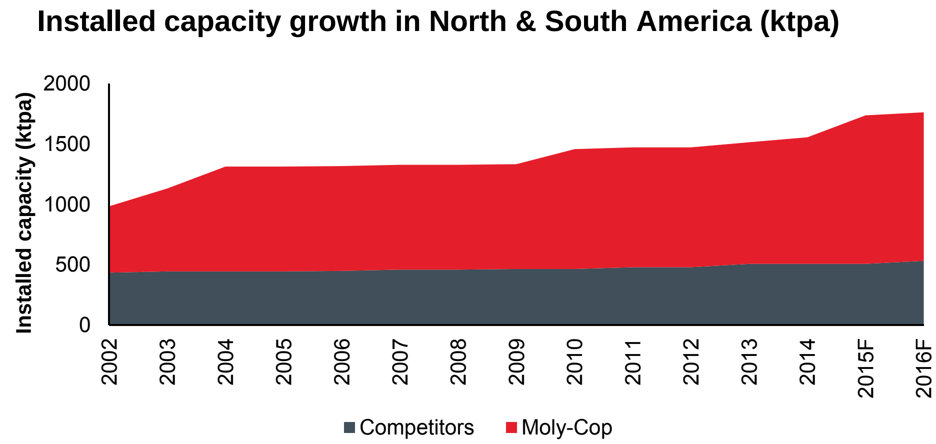
Kamloops, Canada

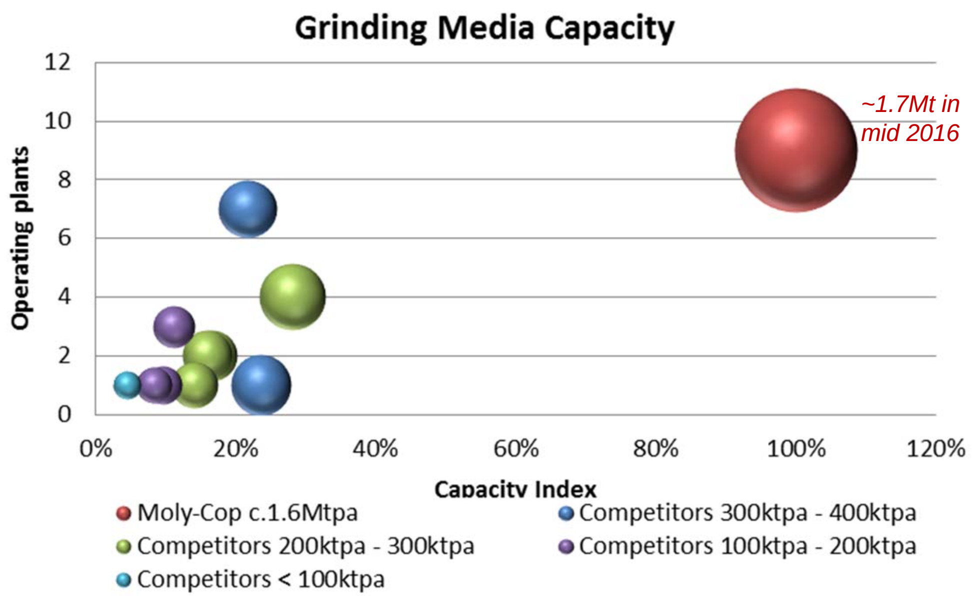
- Next generation (NG) SAG ball performing strongly in market
  - ~20% superior mill performance over competitors
  - Strong customer support
  - Market share growth expected

Mining Consumables

Extending capacity advantage

- Strategy of adding capacity ahead of known demand
  - Secures ‘first mover’ advantage
- Capacity expansions on time and budget
  - Kamloops, Canada (120kt) – commissioned with first balls produced June 2015
  - La Joya, Peru (175kt) – completion end FY16
- Current expansion projects secure longer-term in-region position
- Capacity advantage extended – Moly-Cop >4x next largest competitor
- Business well placed to meet expected increased demand over next 3 – 5 years





Mining Consumables

- High quality customer base
  - Key global copper, gold and iron ore miners
  - Top 25 customers = ~85% sales
  - Long term relationships
  - Long term contracts
    - Typically 1 to 5 year contracts
    - ~10 – 50ktpa

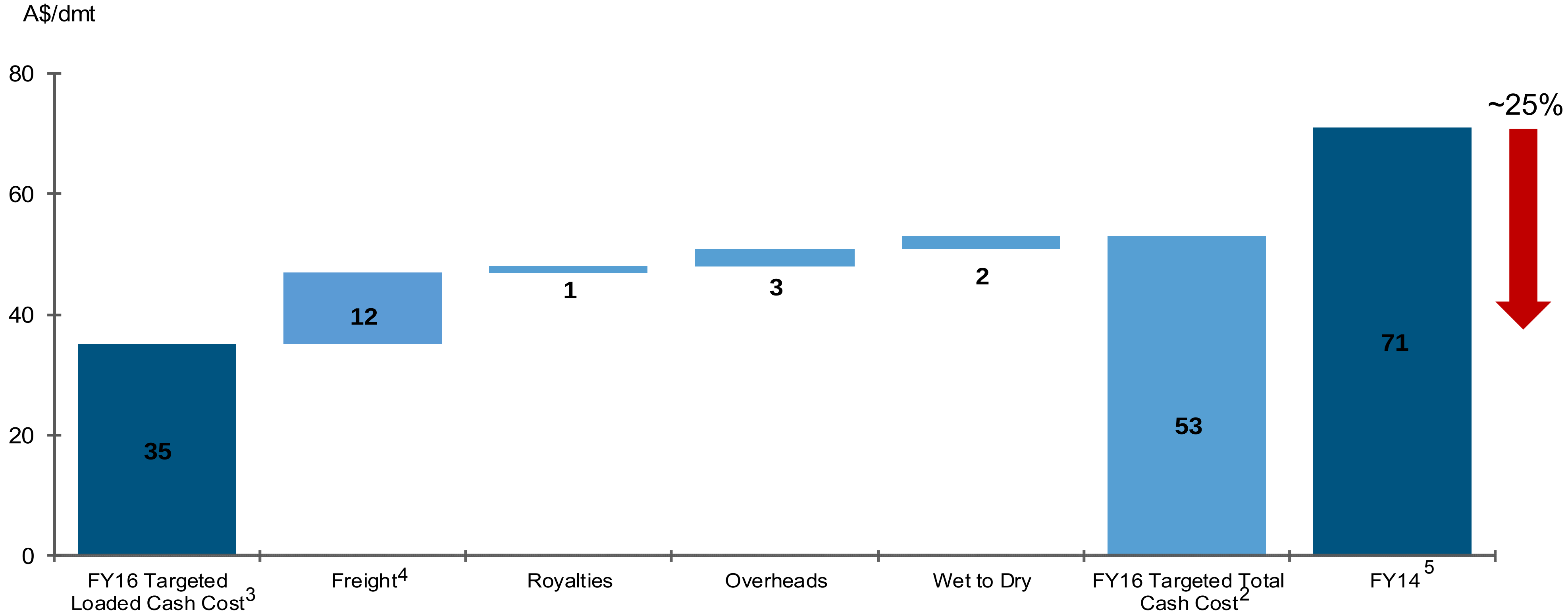
- Pricing directly linked with raw material price movements – provides margin stability
  - Pass through of lower scrap/steel price delivers cost reductions to customers

Mining – restructured

Restructured to focus on MBR

- Includes re-design of mine plan and optimisation of pits:
  - Brings forward lower cost ores
  - Reduces capital requirements
- Targets optimal cash outcome over medium term
  - Continuation of operation and minimises contractors break/exit costs
- Revised sales profile with potential upside
- Exploration targeted to highly prospective low cost/capital areas
- Supportive customer base
- Flexibility to adjust operating model retained

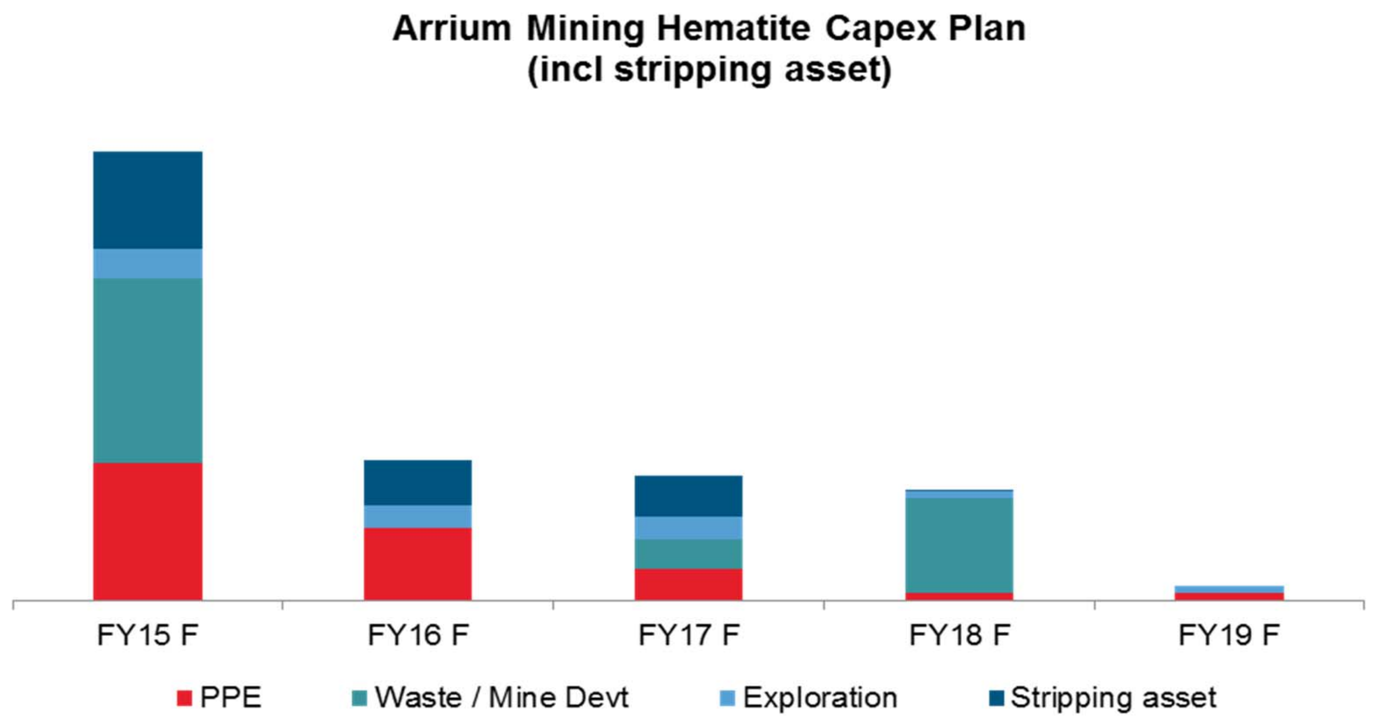
Targeted FY16 cash cost (CFR China) down 25% to A$53/t (US$38/t)[1]



1. Compared to FY14 total cash cost. Assumes FY16 USD:AUD FX of $0.72c.
2. MBR hematite export total cash cost (CFR China) excludes FY16 capex of A$6/t , D&A charges in respect of those costs and working capital movements
3. 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. Includes ~600kt of magnetite concentrate for blending
4. Freight includes Pilbara C5 (as at June 2015) x 1.4 and impact of weighted average of Arrium's COAs and translated to AUD at 0.75c FX.
5. FY14 reported total cash cost (CFR China) of $73/dmt included $2/t related to magnetite overheads.

Mining - Hematite capital plan reduced ~70%

- FY16 – 19 capital plan reduced by ~A$320 million or ~70%[1]
- Average FY16 – 18: ~A$7/t[2]
- FY16: ~A$6/t[3]



1. Compared to pre-January 2015 Mining re-design FY16 -19 capital plan.
2. Based on MBR operations, business plan & forecast sales. Wholly underpinned by Ore Reserves (1Mt Proved and 38Mt Probable) 2015 Reserves & Resources statement (prepared by a Competent Person under JORC 2012).
3. For MBR hematite export business. Includes PPE, mine development (including capitalised stripping) and exploration.

Mining - indicative FY16 MBR financial profile

arrium MINING AND MATERIALS

"Targeted average cash breakeven price lowered to ~US$47/dmt"

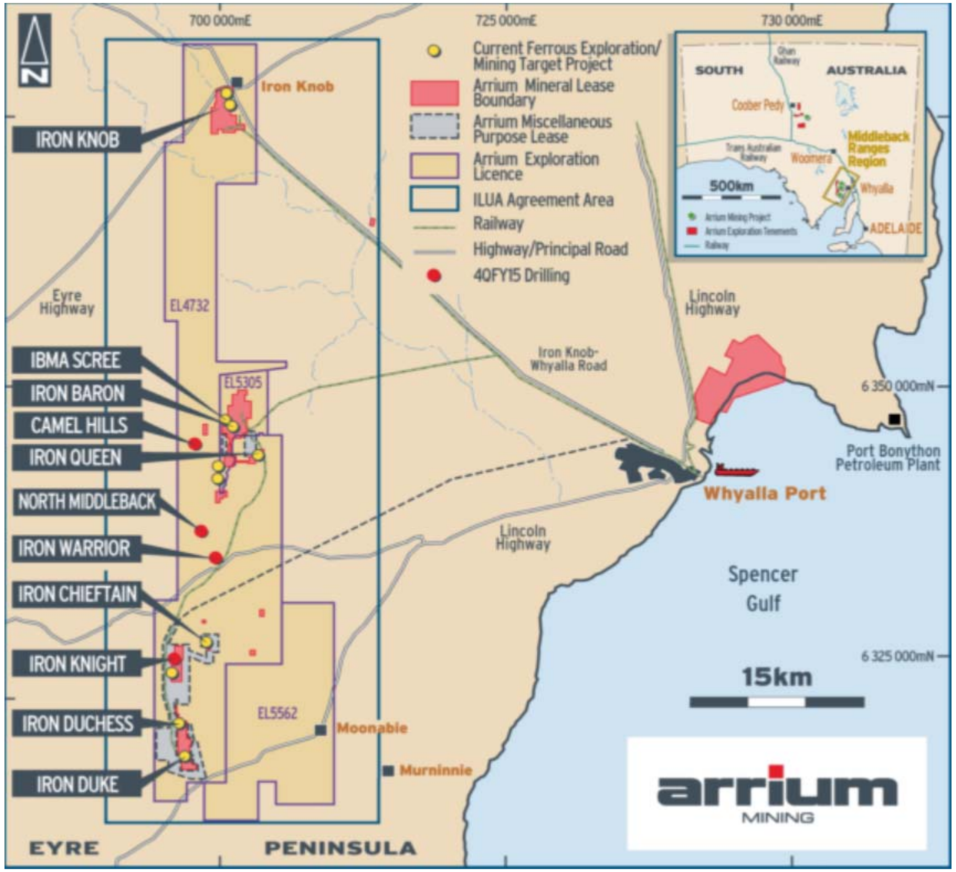
	FY16 Consensus[1]	
	A$/t	US$/t
Iron ore price (dmt)	**73**	53
Arrium realised price (dmt) *(~89% of Platts 62% Fe CFR Index)*	**65**	47
Loaded cash cost (wmt)	**35**	25
Total cash cost (dmt) *(CFR China)*	**53**	38
Arrium realised price LESS total cash cost	**12**	9
Capital expenditure	**6**	4
Realised price less cash cost and capex[2]	**6**	**5**

1 At FY16 forecast AUD:USD exchange rate of $0.72c, iron ore consensus is the average of the published forecasts of broker and major banks as at 17 August 2015, further details can be found at the Appendix to this presentation.
2 Excludes working capital movements.

Mining

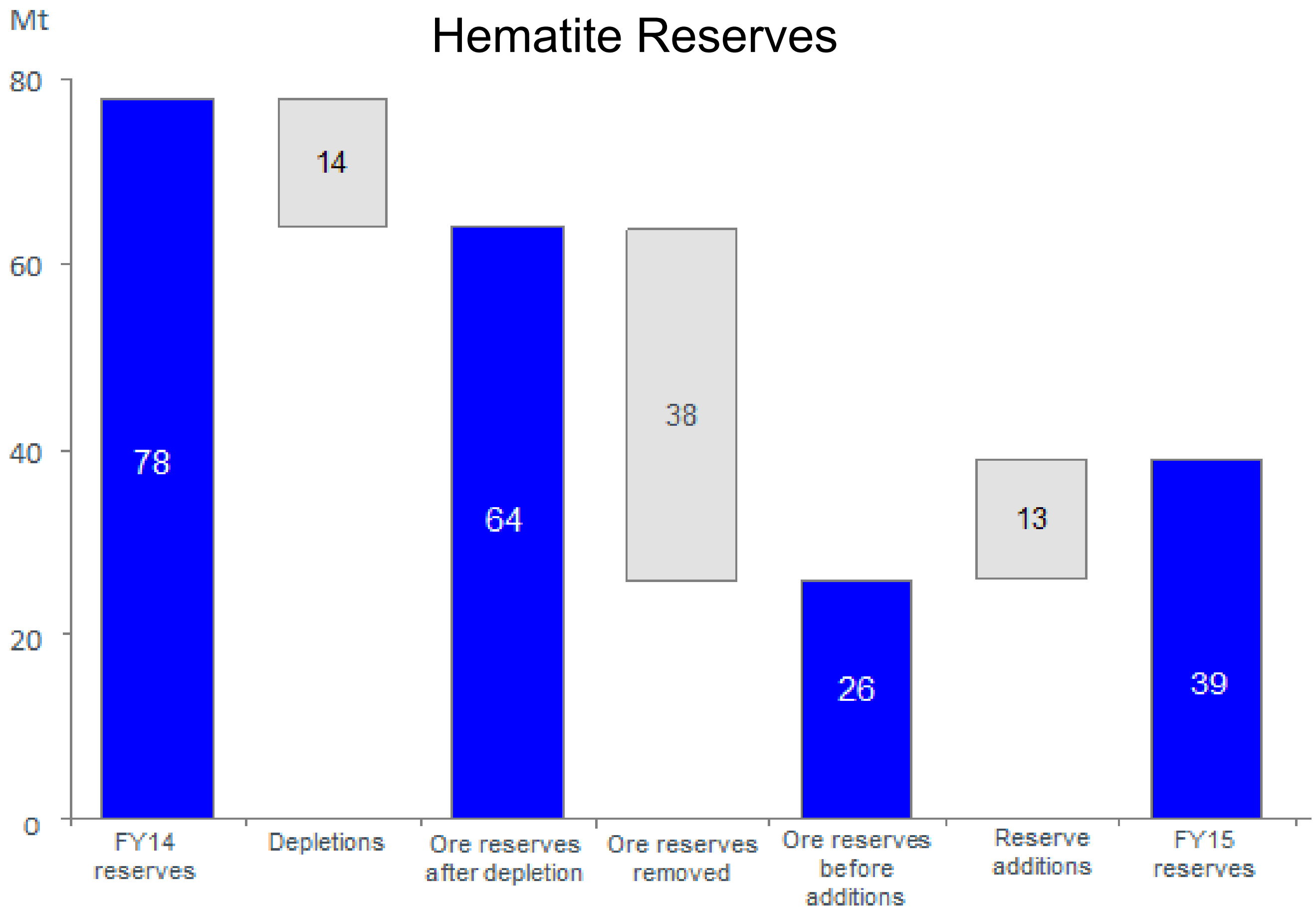
Revised sales profile with upside potential

- FY16 sales volumes ~9 –10Mtpa
  - Fe: ~58.5%, Mix: ~60% fines, 40% lump
- FY17 – FY19 sales volumes ~6 – 8Mtpa[1]
  - Fe: ~60% (mix of lump and blended ores)
- Additional sales potential from highly prospective low cost/capital exploration targets
  - History of adding ~1Mt reserves for each $1 million of exploration[2]
- Continue to maintain exploration leases to support new MBR ores for development subject to market conditions



1. Underpinned by MBR Hematite Ore Reserves (1MT Proved and 38Mt Probable) and 2Mt of Magnetite concentrate derived from the Magnetite Ore Reserves (61.9Mt) declared in Arrium's FY15 Reserves & Resources Statement.
2. As historical performance is not an indicator of future exploration expectations, this is not intended to be an exploration target.

Mining – Hematite Reserves and Resources



- ~13Mt of low cost/capital reserves added – in line with history of replacing ores sold
- ~36Mt added to Resource during year – Resource at year end ~218Mt
- More low cost /capital reserves expected to be added

Details of the basis of these ore Reserve and mineral Resource changes can be found in the Arrium Reserves and Resources Statement and accompanying information released 19 August 2015.

Mining – Hematite Reserves and Resources

ARRIUM MINING AND MATERIALS

13Mt reserves added

- Low cost, low capital requirements
  - Iron Queen, Cavalier, Camel Hills, Iron Warrior, IBMA scree
- Consistent with history of replacing ores consumed
- 13Mt of reserves added since January 2015 re-design

38Mt reserves removed

- Not in current mine plan due to lower iron ore prices
- Includes removal of ~20Mt at MBR
  - Potential to be added back with advancement of mine plan design, processing and supply chain efficiencies or higher prices

~230Mt of magnetite resource declared for the first time at the Kestrel, Southern Iron region.
Details of the basis of these ore Reserve and mineral Resource changes can be found in the Arrium Reserves and Resources Statement and accompanying information released 19 August 2015.

Mining – Exploration and development

Confident of adding further low cost hematite reserves

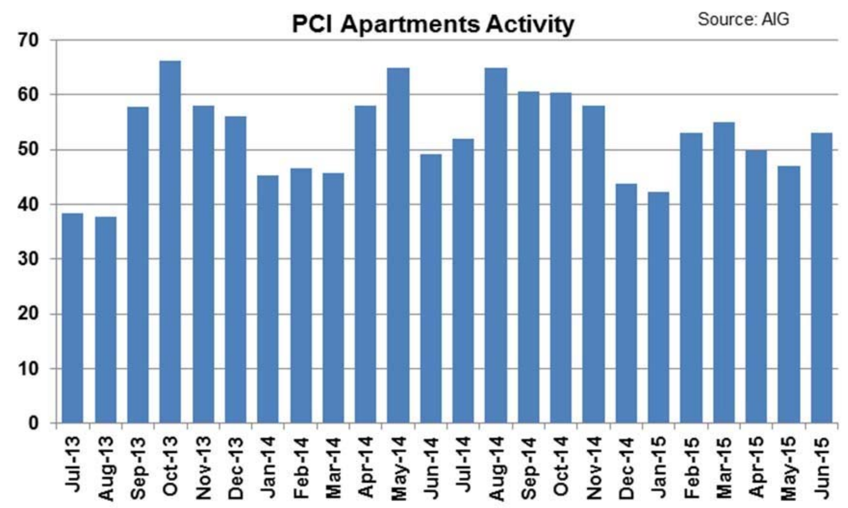
- Low cost, low capital exploration targets – 60 to 80Mt @ 53 – 58% Fe
  - New opportunities discovered subsequent to MBR indigenous agreement (ILUA)
  - Highly targeted focus – highly prospective, close to surface and existing infrastructure – upside potential for sales and mine life
- Priority areas include:
  - Camel Hills – exploration target 10-15Mt @60% Fe[1] (Calcined) plus an additional 25km of sparsely tested strike length to north
  - Iron Warrior – >500m strike length 5-10Mt @ ~55-60% Fe[1] plus an additional >9km of strike potential
- Regular review of exploration outputs and refocusing of targets as appropriate
- Expect to continue to generate low grade ores at MBR for blending

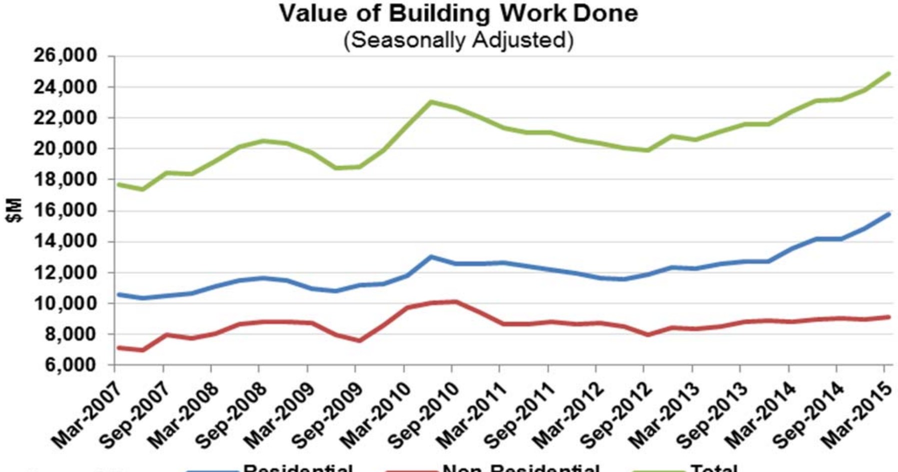
1. Details of the basis of these target can be found in the Appendix to Arrium's ASX release on 15 June 2015. Potential grade and tonnage of each Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a mineral resource and it is uncertain if additional information will result in a mineral resource estimate.

Steel

Domestic demand

- Domestic demand forecast to increase ~5% p.a. (FY16 – FY18)[1]
- Sales base ~80% construction sector
- Solid pipeline of new construction projects
  - Residential construction (particularly high rise apartments)
  - Government funded infrastructure projects (now commencing)
- Significant leverage to increased sales volumes
  - High proportion of fixed costs (Fixed ~65%[2], Variable ~35%)
  - 5% increase in volumes would add ~$50 million pa of EBITDA at FY15 margins and product mix





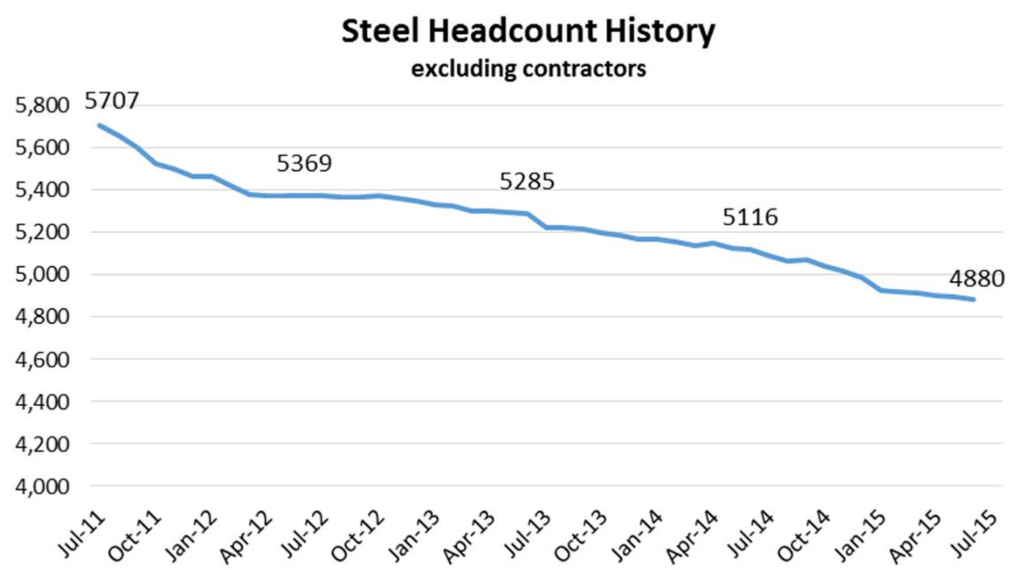
Source: ABS

1. Based on NIEIR estimates and weighted to Steel's sector exposures.
2. Excludes steel raw material costs.

Steel

Continuing to lower cost base and increase leverage

- Reduced total delivered cost[1] per tonne by 9% in 2015 from pcp
- Plan in place to further reduce FY16 costs with focus on:
  - Labour and overheads
  - Raw materials costs
    - Scrap
    - Coal mix
  - Procurement
  - Freight
  - Productivity improvements
  - Site/network consolidation



Source: Arrium

1 Total delivered cost is the total of all Steel costs excluding coal, scrap, iron ore lump and pellets and imported semi-finished/finished goods.

Arrium's cost base

Targeting a 'step change' reduction

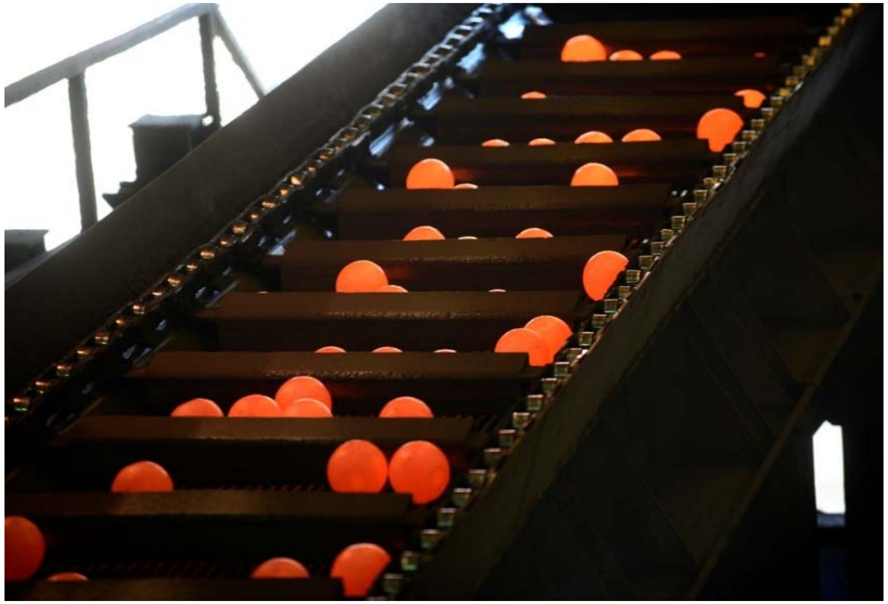
- Requires a reset for challenging external environment
- Focus on cost reductions and productivity improvements across the company, including:
  - Review of organisational structures
  - Labour and overhead costs
    - No salary increases
    - EBA's
  - Conversion costs
  - Procurement
- Work to date has identified a target of at least $60 million of additional annualised savings by end of FY16[1]
  - Potential to further lower cost base depending on outcome of Strategic Review

1 FY16 restructuring costs ~$25-$40 million.

Outlook

Mining Consumables

- Continued strong demand for grinding media, particularly in North and South America, underpinned by:
  - High levels of copper and gold production
  - Strong pipeline of new committed projects and expansions
  - Deteriorating head grades
  - ~7% CAGR estimated FY15 – FY20 for North and South America[1]
- Expect to capture more than our high share of strong grinding media demand
  - Continuing to further strengthen competitive advantage through roll out of next generation (NG) SAG ball and capacity expansions
- Further earnings growth in FY16 expected from increase in volumes and on-going stable margins



1. ~7% CAGR estimated for 3 year period FY15 to FY18

Outlook

Mining

- Demand for seaborne iron ore to remain strong
- Prices to remain under pressure due to supply/demand balance
- Continuing negative sentiment, uncertainty and price volatility
- Customers ~85% contract, 15% spot
- FY16 targets
  - Sales volumes 9-10Mt
  - Grade ~58.5% Fe
  - Sales mix: ~60% fines, ~40% lump
  - Loaded cash cost (on ship)[1] ~A$35/wmt (US$25/wmt)
  - Capital expenditure ~A$6/t (US$4/t)[2]

1 Includes mining, crushing, beneficiation, road haulage and transshipping costs. Excludes capitalised costs (infrastructure, pre-stripping and mining licences) and depreciation, amortisation charges in respect of those costs, royalties, sales and marketing and corporate costs. Excludes Southern Iron capital costs to be expensed through the Mining transition period.
2 Using forecast average FX for FY16 of $0.72.

Outlook

Steel

- Further improvement in domestic construction activity, mainly in NSW
  - High rise residential apartments
  - Large commercial projects
  - Commencement of government funded infrastructure projects
- Earnings in FY16 expected to benefit from improvement in key drivers
  - Increased sales volumes
  - Lower scrap costs
  - Further reduction in cost base
  - Anti dumping
  - Sustained lower AUD/USD
  - However, lower SE Asian margins and Asian steel prices at end FY15 to impact 1H earnings, particularly Q1 FY16
- Recycling earnings in 1H16 to remain under pressure from low scrap prices and margins, further cost reductions expected

Outlook

- Quantitative earnings guidance for Group not appropriate at this time due to level of uncertainty around:
  - Iron ore prices
  - FX
  - SE Asian steel prices and margins
  - Scrap prices, and
  - Level of domestic steel demand
- Significant variance and or volatility in above can materially impact earnings and cash

Strategic Review

- Debt reduction remains a key priority
- Lower iron ore price has impacted level of debt and expectations for timing and rate of reduction – despite progress to reduce costs and improve earnings in Mining Consumables and Steel
- Announced Strategic Review in June 15 to assess options for achieving appropriate structure and level of debt, including the potential sale of significant assets or business
- Focus is on strengthening balance sheet and ability to manage through a period of low iron ore prices
- Currently progressing work on assessing options related to both the structure and level of debt
- Expressions of interest have been received across the business portfolio, with significant interest for Mining Consumables
- A process has commenced to better understand the nature and level of interest in Mining Consumables
- No decisions on various options have been made at this time
- An update will be provided later this calendar year or earlier, as appropriate

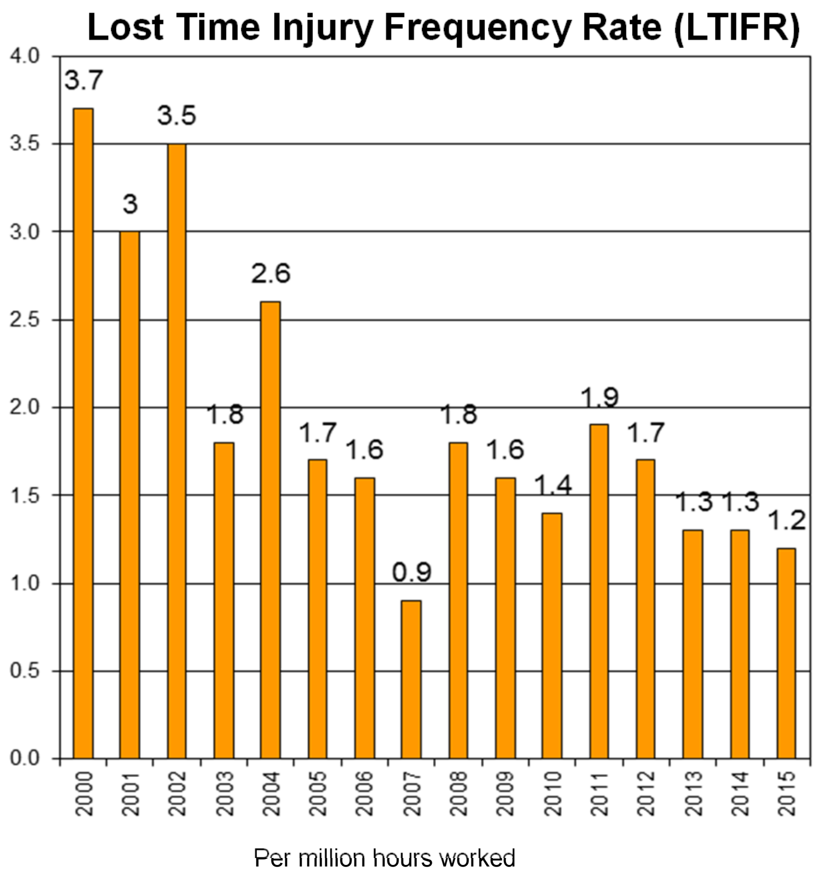
Summary

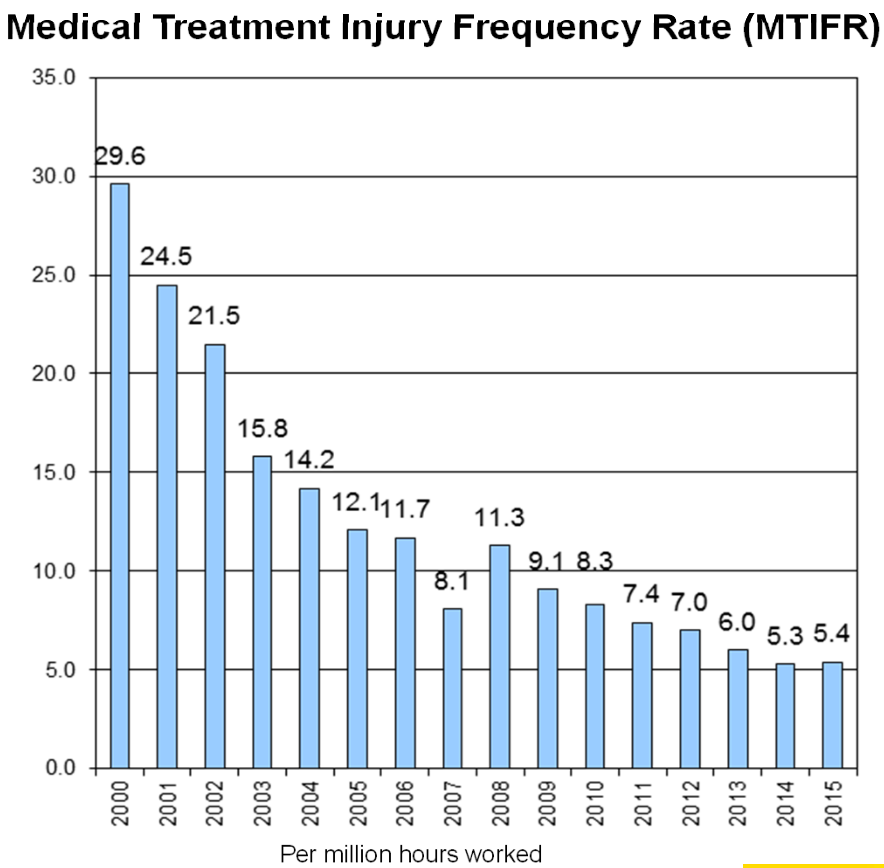
- A challenging year with lower iron ore prices reducing EBITDA and cash flow ~$600m
- Restructured Mining business for low iron ore price environment
- Mining Consumables – increased earnings and strong outlook
- Steel – significantly improved earnings and increased leverage to positive outlook for domestic demand and lower AUD
- Cost reductions across Arrium delivered – further ongoing work to reset cost base
- Balance sheet improvement continues to be a priority
- Strategic Review – on-going work on the structure and level of debt

arrium MINING AND MATERIALS

Appendix

FY15 safety performance





A key element of our Safety effort has been improving our capability to recognise, assess and manage high consequence as well as high frequency risks

FY15 business tonnage

MINING AND MATERIALS

Year ended 30 June	FY15 Mt	FY14 Mt	FY13 Mt	FY12 Mt	FY11 Mt	FY10 Mt	FY09 Mt	FY08[1] Mt	FY07 Mt	FY06 Mt
<u>Despatches - external</u>										
Iron Ore										
Iron ore lump	3.81	4.24	3.18	2.59	2.79	2.60	1.96	1.38		
Iron ore fines	8.67	8.23	5.10	3.70	3.25	3.43	3.11	3.08		
Total lump & fines	12.48	12.47	8.28	6.29	6.04	6.03	5.07	4.46		
Pellets, other ore and by products[2]	0.37	0.43	0.57	0.44	0.72	0.81	0.69	0.88		
Mining Consumables[3]	1.17	1.13	1.19	1.11	0.75	0.39	0.33	0.35		
Steel										
Manufacturing	1.07	1.02	0.91	0.91	1.11	1.05	1.02	1.45	0.98	0.99
Distribution	1.05	1.05	1.16	1.29	1.33	1.30	1.41	1.73	1.30	1.28
Total Steel	2.12	2.07	2.07	2.20	2.44	2.36	2.43	3.18	2.28	2.27
Recycling[4]										
Ferrous	1.17	1.19	1.25	1.40	1.91	1.70	1.66	1.71		
Non-ferrous	0.23	0.25	0.23	0.24	0.25	0.19	0.14	0.18		
Total Recycling	1.40	1.44	1.48	1.64	2.16	1.89	1.80	1.89		
<u>Raw steel production</u>										
Waratah	0.17	0.18	0.23	0.21	0.25	0.24	0.24	0.26		
AltaSteel	0.26	0.27	0.28	0.29	0.15	-	-	-		
Total Mining Consumables	0.43	0.45	0.51	0.50	0.40	0.24	0.24	0.26		
Whyalla	1.07	1.09	1.12	1.11	0.91	0.91	1.00	1.15	1.17	1.13
Sydney Steel Mill	0.43	0.34	0.32	0.33	0.43	0.42	0.34	0.62	0.56	0.50
Laverton	0.50	0.48	0.55	0.56	0.58	0.59	0.44	0.67	-	-
Total Steel	2.00	1.91	1.99	2.00	1.92	1.91	1.79	2.44	1.73	1.63
Total raw steel production	2.43	2.36	2.50	2.50	2.32	2.15	2.03	2.70	1.73	1.63

1 Tonnages for FY08 reported for raw steel production and steel despatches include the SSX businesses as if they were part of the Arrium Group from 1 July 2007. All other production and despatch statistics presented above are actual.
2 Ore by products include dolomite, centrix, filter cake and pellet chips.
3 Includes scrap sales.
4 Excludes discontinued operations.

Pre-2006 tonnage information can be found on Arrium's website.

Arrium FX exposure

ARRIUM MINING AND MATERIALS

Exposure to movements in AUD vs USD[1]

- Direct impact: 1c change in AUD/USD = ~$8-11 million[2] EBIT impact (annualised)
- Indirect impact: 1c change in AUD/USD = ~$8-11 million[3] EBIT impact (annualised)
- USD debt acts as natural hedge against FX exposure on USD net assets
  - Change in USD debt offset by change in value of USD assets

1 Based on FY16 budget.
2 Based on impact of USD iron ore sales, translation of overseas earnings (Mining Consumables and Recycling), impact on Recycling Australia's margins, particularly offset by USD purchases of coal and alloys in Steel.
3 Indicative indirect impact on continuing businesses, which assumes constant raw material prices and demand levels.

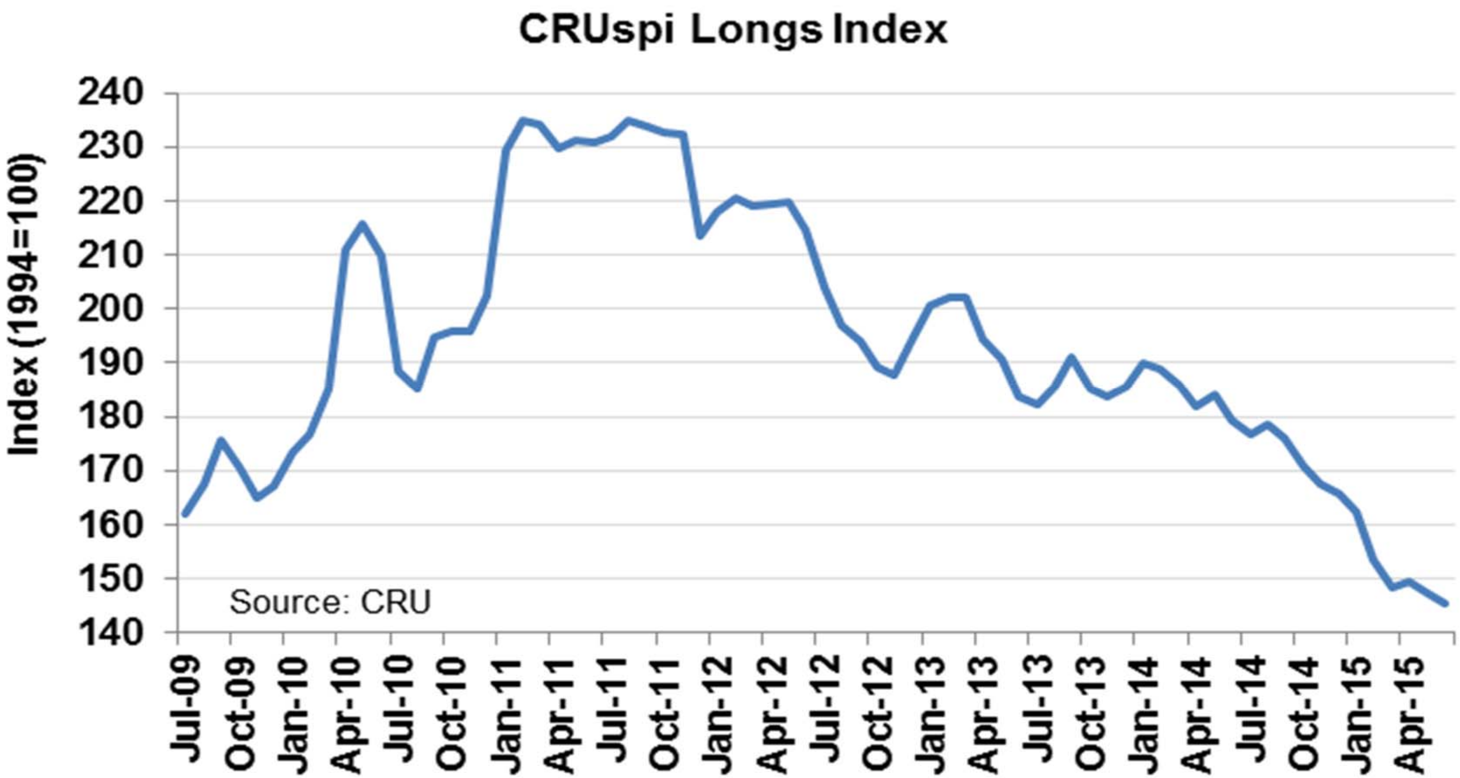
Grinding media – forecast projects

Additional grinding media demand expected from 2014 ~460ktpa (the Americas)

Country	Forecast Copper & Gold Projects
Chile	• In Ramp up: CODELCO DMH, Caserones, Sierra Gorda, Escondida expansions
Peru	• In Ramp up: Toromocho, Constancia • Under construction: Cerro Verde expansion (FY16), Las Bambas (FY16) • Planned: Cuajone (FY19), Toquepala expansions (FY18)
Canada	• In Ramp up: Red Chris • Planned: Harper Creek (FY18), Ajax (FY19, Casino Project (FY20)
USA	• Planned: Rosemont (FY19), Pumpkin Hollow (FY19)
Mexico/ Central America	• In Ramp up: Frisco expansion, Boleo • Under construction: New Cananea (FY16), Morellos (FY16), Cobre Panama (FY18)

Source: Arrium. Dates in brackets represent expected commencement dates.

Mining Consumables – CRUspi Longs Index



Mining restructuring costs

- Restructuring costs in line with previous guidance
  - FY15 ~$20 million
  - FY16 ~$85 million expected
  - Balance subject to finalisation of discussions
- Southern Iron
  - Concluded discussions with majority of contractors
  - Working with contractors to mitigate their fixed costs
  - Payback expected to be <1 year
- Middleback Ranges
  - Further optimisation and efficiencies
  - Working with contractors to reduce their fixed costs

Chinese Government Projects - Infrastructure

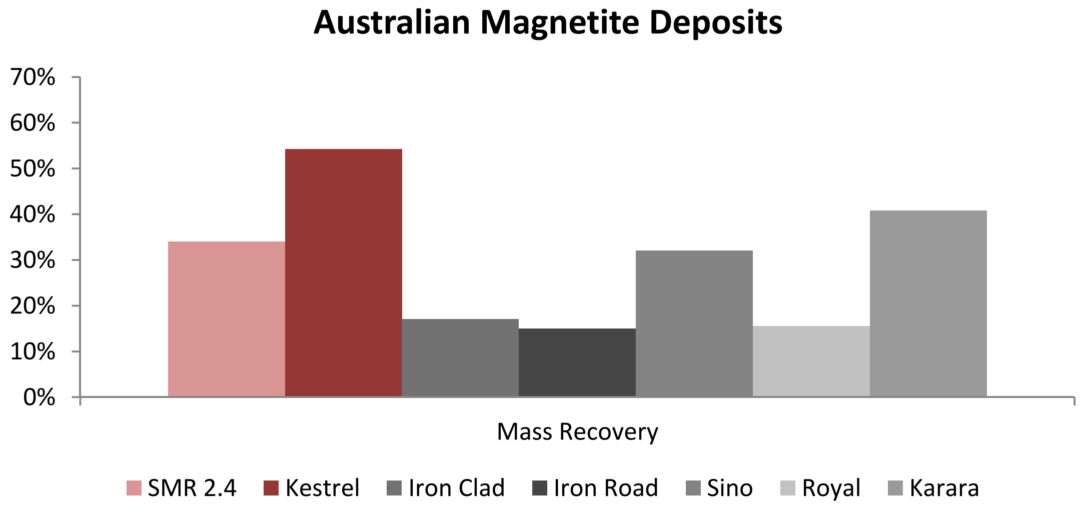
~Rmb 3,000bn New Infrastructure Projects approved or promoted

- China's NDRC (National Development and Reform Commission) approved Rmb 892.2 billion infrastructure projects 1H15
- NDRC released the first group of 1043 promoted PPP projects on May 25th, with total investment amount of Rmb 1,970 billion
- A notable acceleration of project approval was seen in 2Q15. Since May 18th, NDRC approved projects with total value of more than Rmb 772.87 bn within 45 days, which includes 6 airport projects, 6 railroad projects and 7 urban rail transit projects

Magnetite ore

Sizeable Magnetite resource base and opportunity

- Southern Iron (Kestrel)
  - 231Mt of Resource declared at YE FY15 – 36.5% Fe[1] and over 50% mass recovery[2]
  - Additional opportunity[3]
- Middleback Ranges :
  - Magnetite Reserves YE FY15 61.9Mt at 38.3% Fe and 39.6% mass recovery[1]
  - Magnetite Resource YE FY15 179Mt at 34.8% Fe and 36.6% mass recovery[1]



Source: Arrium

1 Details of the basis of these ore Reserve and mineral Resource changes can be found in the Arrium Reserves and Resources Statement and accompanying information released 19 August 2015.
2 Mass recovery estimates based on 14 samples and reflects a broad estimate only – subject to further work to fully assess processing characteristics of the Southern Iron Magnetite Ore.
3 Geological review to assess and define exploration targets within the Hawks Nest Area currently underway. Size of targets at this stage is undefined and requires further review.

Steel anti-dumping cases

	Hot-Rolled Structurals	Rod in Coil (Wire Rod for Mesh)	Rod in Coil (Wire Rod for Mesh)	Rebar	Rebar	Hollow Structural Sections	Hollow Structural Sections (anti-circumvention inquiry)
Export countries	Korea, Taiwan, Thailand, Japan	Indonesia, Taiwan, Turkey	China	Korea, Malaysia, Singapore, Spain, Thailand, Turkey, Taiwan	China	Thailand	China, Korea, Malaysia
Investigation initiated	24 Oct 13	10 Apr 14	12 Aug 15	17 Oct 14	1 Jul 15	21 Jul 14	11 May 15
Preliminary measures (securities)	Up to ~20% (Mar 14)	Up to ~10% (Mar 15)	To be confirmed	• Spain ~5% • Korea ~10% to 26% • Malaysia ~0% to 25% • Singapore ~5% to 10% • Thailand ~2% to 4% • Turkey ~5% to 8% • Taiwan ~7% to 25% (Mar 15)	To be confirmed	12% to 31% (Mar 15)	To be confirmed
Final measures	Up to ~18% (imposed Nov 14 revised Aug 15 following appeal)	Taiwan & Indonesia (excl. Ispat) 2.7-10.1% (imposed Jun 15)	Due by Jan 16	Due by Nov 15	Due by Jan 16	Due by end Aug 15	Due by Nov 15
% Manufacturing product base	~15%	~15%		~35%		>95% ATM	

- Further anti-dumping applications being evaluated

Major steel projects awarded

arrium MINING AND MATERIALS

VIC
- Chadstone Shopping Centre redevelopment - commercial
- Monash University car park – commercial
- 114 Flinders Street car park – commercial
- University of Melbourne arts building - commercial
- Marco Apartments – residential
- Level Crossing Package 1 – infrastructure
- Level Crossing Package 2 – infrastructure

WA
- Perth Stadium – commercial
- Wheatstone – resources
- Roy Hill – resources
- 500 Hay Street, Subiaco – commercial
- 1 Richardson Street, South Perth – residential
- Western Hotel – commercial

QLD
- Sunshine Coast University Hospital – commercial
- Toowoomba Central – commercial
- Yeppen South Project – infrastructure
- Sundale – residential
- South City Apartments – residential

NT
- Inpex - resources

SA
- Adelaide Convention Centre – stage 2 – commercial

NSW
- 5 Martin Place – commercial
- 80 Arthur Street – residential
- 161 Sussex Street – commercial
- Barangaroo – commercial and residential
- Darling Harbour Live Exhibition Centre and Theatre - commercial
- Crown Group V – residential
- Mascot Quad – various residential
- Macquarie Street, Parramatta - residential
- Kent St, Mascot – residential
- River Road, stage 1,2,3, Parramatta – residential
- Canterbury Stage 1,2,3 – residential
- Mortlake Stage 1,2,3 – residential
- North West Rail Link – infrastructure
- RAAF Williamtown – infrastructure
- Sydney Olympic Park – commercial
- Darling Harbour Live South West – commercial

Legend

Commercial:	major multi-storey project used primarily for offices, health, retail, education, hotel
Residential:	major multi-storey buildings or precincts used primarily for housing
Infrastructure:	major rail, road, bridge, defence works
Resources:	major energy projects e.g. coal, LNG

Projects listed are currently being supplied or have been awarded and are yet to be supplied

Steel project pipeline - snapshot

VIC

- RMIT New Academic Street – commercial
- 360 Collins Street - commercial
- 271 Spring Street – commercial
- 664 Collins Street - Tower 2 – commercial
- Flemington Race Course – commercial
- 80 Collins Street – commercial
- Telstra Head Office – commercial
- 405 Bourke Street – commercial
- Level Crossing Removals – infrastructure

WA

- Elizabeth Quay – various projects
- Alkimos Development – various projects
- Water Bank Development – residential
- Reid Highway Upgrade – infrastructure
- Airport Link - infrastructure
- Collier Urea Project - resources

QLD

- Commonwealth Games Village – residential
- Toowoomba Bypass - infrastructure
- Jewel Apartments – residential
- Jupiters Casino Hotel – commercial

NSW

- St George Hospital – commercial
- Canterbury development – residential
- Rosebery development – residential
- Box Hill development – residential
- Castle Hill development – residential
- Upright Meadowbank development – residential
- Barangaroo – central basement
- NorthConnex – infrastructure
- M4 – infrastructure
- M5 East Tunnel – infrastructure
- Northern Beaches Hospital – commercial
- Pacific Highway Upgrade – infrastructure

Legend

Commercial:	major multi-storey project used primarily for offices, health, retail, education, hotel
Residential:	major multi-storey buildings or precincts used primarily for housing
Infrastructure:	major rail, road, bridge, defence works
Resources:	major energy projects e.g. coal, LNG

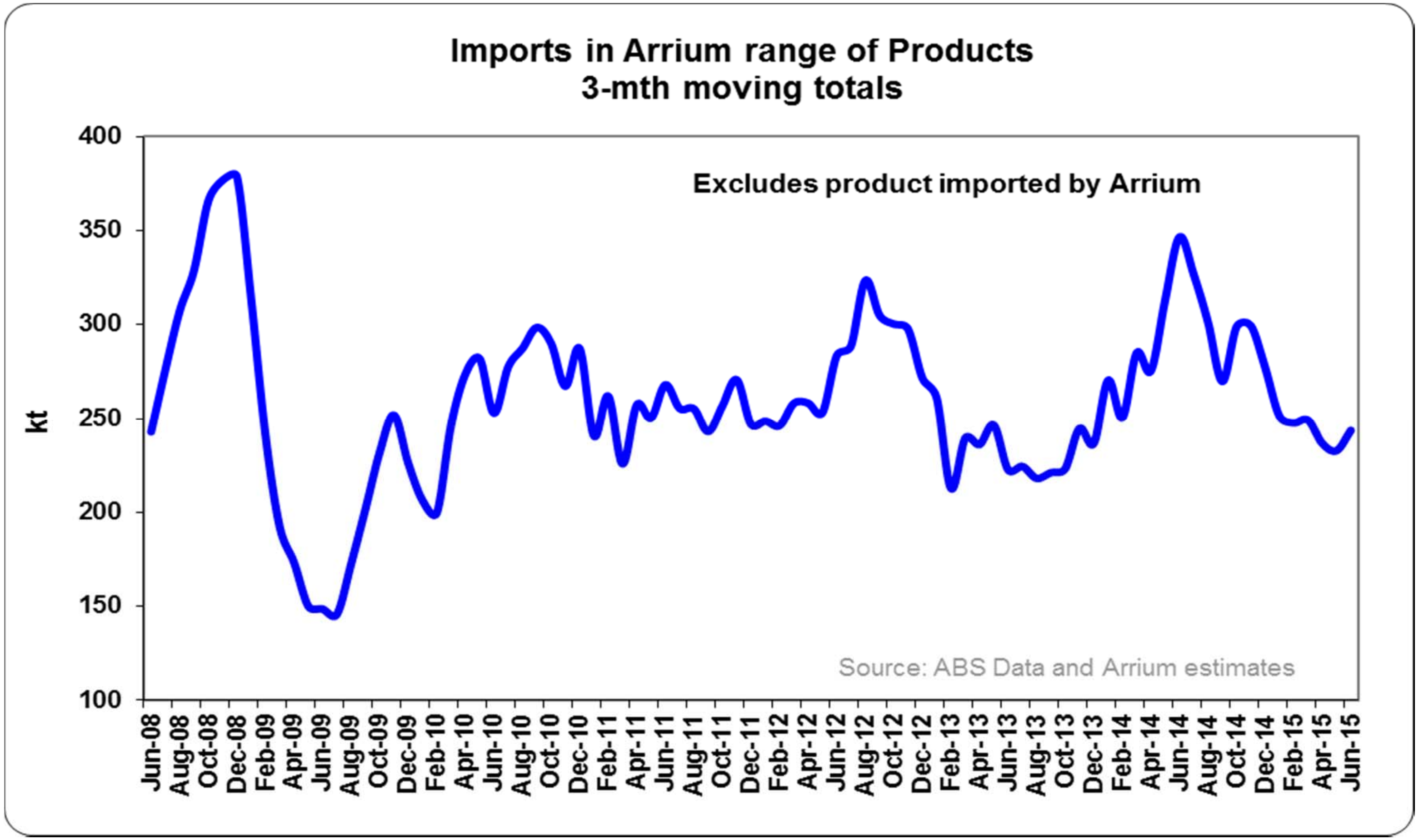
Projects listed have not yet been tendered and/or awarded

Steel - Announced Government Budget Infrastructure

~$20bn New Infrastructure Projects – mostly roads (historically steel intensive and positive for reinforcing).

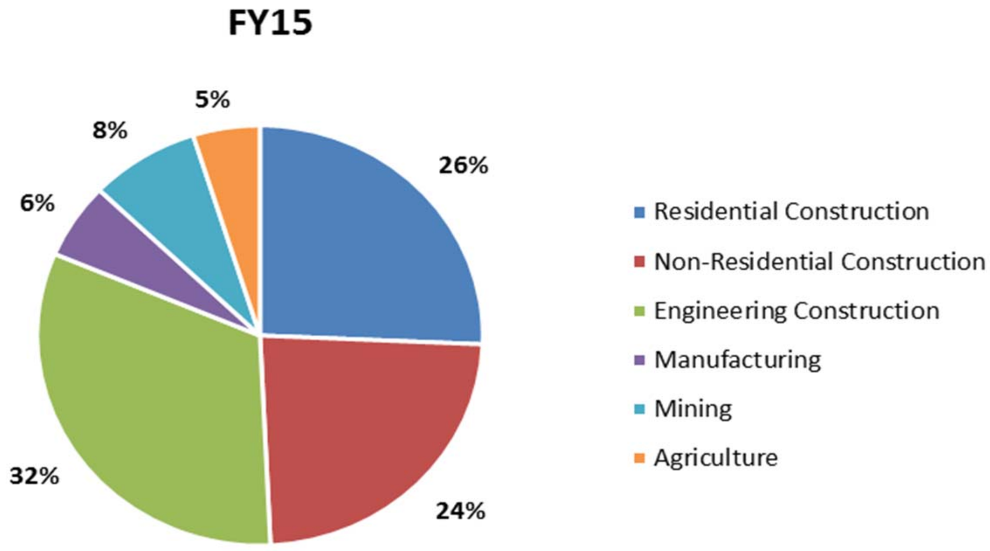
- NSW $4.8bn
  - WestConnex northern & southern extensions; Western Harbour Tunnel ($1.1bn)
  - Other new projects ($3.7bn)
- Vic $3.0bn
  - M80 & other new infrastructure projects ($3.0bn)
- Qld $4.4bn
  - Warrego Highway ($0.5bn)
  - Other new projects ($3.9bn)
- WA $3.6bn
  - Perth freight – Kewdale to Fremantle Port ($1.6bn)
  - Other new projects ($2.0bn)
- SA $3.0bn
  - North South Corridor ($0.6bn)
  - Goodwood & Torrens ($1.0bn)
  - Other new projects ($1.4bn)
- 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)

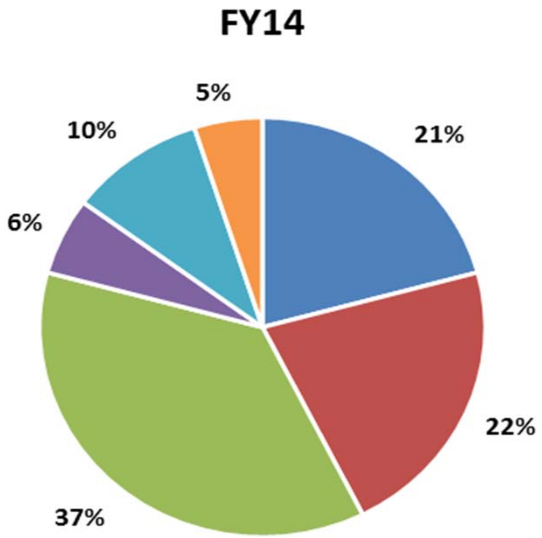
Market conditions and external factors



Steel key markets

Steel Domestic Sales by Market Segment





- ~80% of Steel revenue is driven by construction
- Residential, non-residential and engineering construction (incl mining investment) drives demand for reinforcing bar and wire, rod for mesh, structural pipe, HRS and rail
- Agriculture drives demand for rural wire, rural posts and rural pipe products
- Mining production drives demand for grinding bar which is feed for grinding media
- Manufacturing has limited exposure to automotive and manufacturing segments

FY15 summary of facilities

Maturity	Type of facility	Facility Amount as at 30 June 2015		
		AUD $m	USD $m	CAD $m
Jul 15	US Note		50	
Jun 16	Finance Lease	1		
Jan 17	Bi-laterals		20	
Jul 17	Bi-laterals	49		
Jul 17	Syndicated Loan		533	
Jul 17	Bi-laterals		75	
Oct 17	Bi-laterals	50		
Jul 18	US Note		91	
Jul 18	Syndicated Loan	255		
Jul 18	Syndicated Loan			60
Jul 18	Syndicated Loan		267	
Jul 18	Syndicated Loan		130	
Dec 18	Bi-laterals		25	
Jul 19	Syndicated Loan			34
Jul 19	Syndicated Loan			100
Jul 19	Syndicated Loan			82
Jul 19	Syndicated Loan		120	
Jul 19	Syndicated Loan		90	
Jul 19	Syndicated Loan		62	
Jul 19	Bi-laterals		50	
Jul 20	US Note		32	
Jun 21	US Note		58	
Jan 22	Finance Lease	9		
Jun 23	US Note		21	

Maturity	Type of facility	Facility Amount AUD $m[1]
FY 16	US Note	65
	Finance Lease	1
FY 17	Bi-laterals	26
FY 18	Bi-laterals	196
	Syndicated Loan	696
FY 19	Bi-laterals	33
	US Note	119
	Syndicated Loan	834
FY 20	Bi-laterals	65
	Syndicated Loan	580
FY 21+	Finance Lease	9
	US Note	144
Total		2768

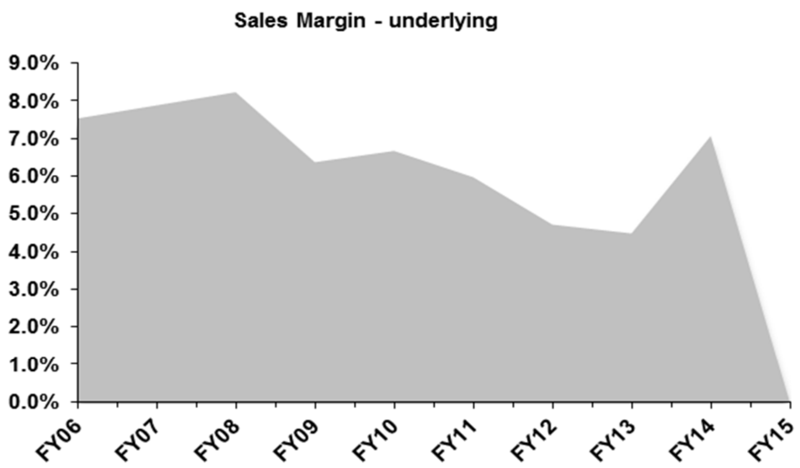
1 USD and CAD denominated facilities converted to AUD at closing rate of 0.7679 and 0.9524 respectively

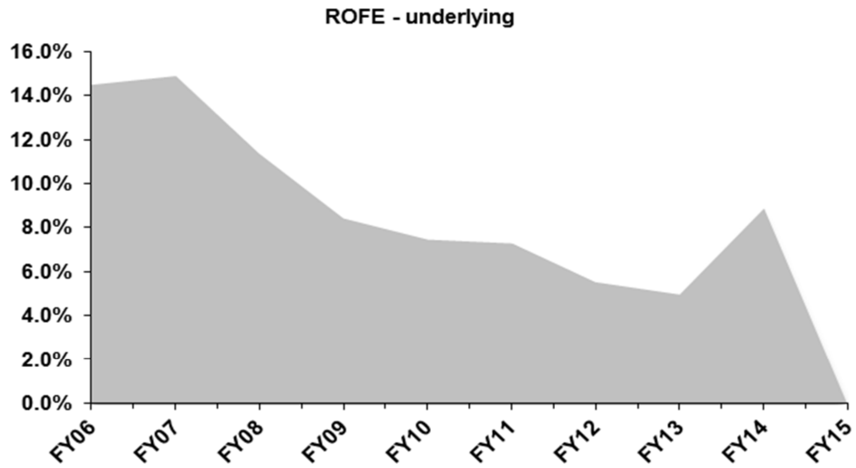
Reconciliation of income tax expense

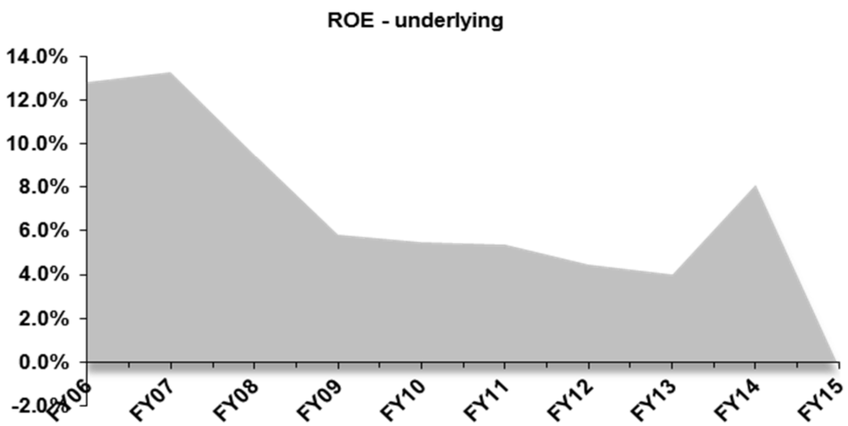
	Statutory 2015 $m	Statutory 2014 $m	Underlying[1] 2015 $m	Underlying[1] 2014 $m
Total (loss)/profit before tax	(1,974)	283	(85)	379
Prima facie income tax (benefit)/expense calculated at 30%	(592)	85	(26)	114
Tax effect of permanent differences				
Research and development allowance	(10)	(17)	(10)	(17)
Adjustments in respect of income tax of current and previous years	-	2	(5)	2
Unrecognised tax benefit relating to tax offsets/tax losses	233	-	-	-
Unrecognised tax benefit relating to asset impairment	275	-	-	-
Non-deductible goodwill impairment	28	-	-	-
Capital gains non-taxable	(15)	(17)	(15)	(17)
Deductible foreign currency items	(47)	4	(22)	4
Other items	1	4	(2)	4
Difference in overseas tax rates	-	(8)	-	(8)
MRRT related taxation expense	70	23	-	-
Total income tax (benefit)/expense	**(57)**	**76**	**(79)**	**82**

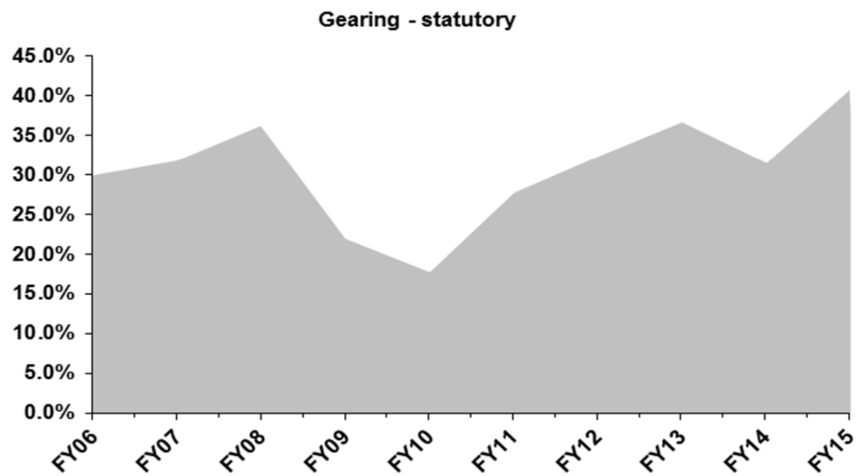
1 Underlying profit before tax excludes restructuring, transaction costs and asset impairments.

FY15 financial overview

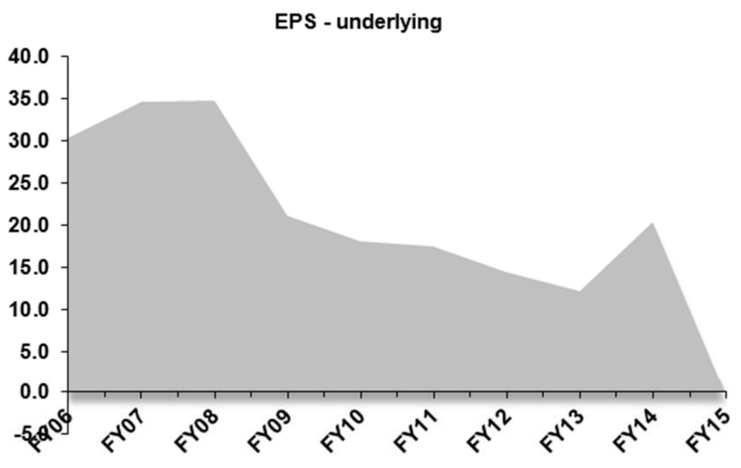


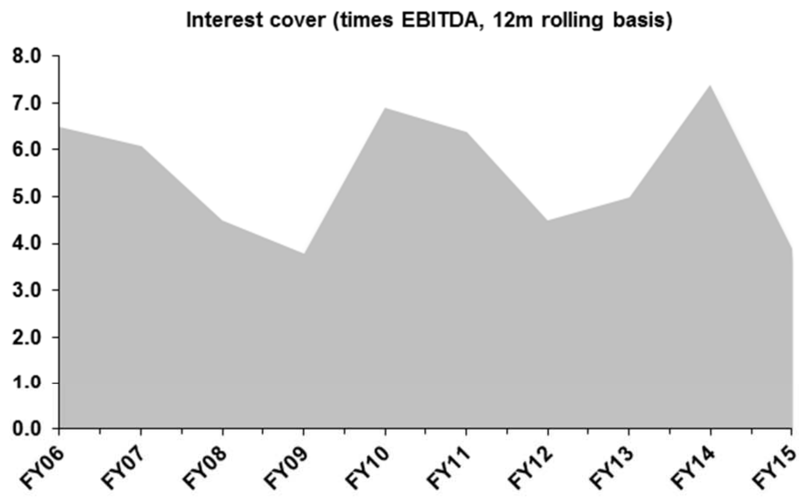


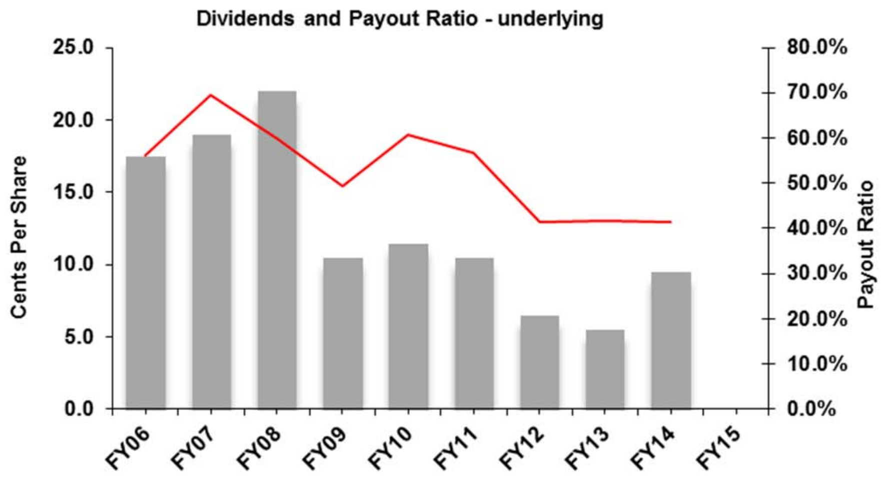


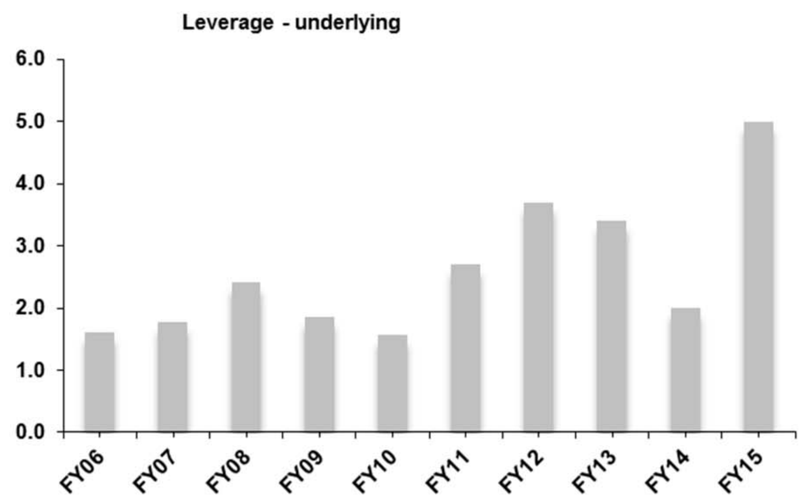


FY15 financial overview









Historical data – profit and loss underlying

Year ended 30 June	2015 $m	2014 $m	2013 $m	2012 $m	2011 $m	2010 $m	2009 $m	2008 $m	2007 $m	2006 $m
Sales revenue	**6,085.6**	7,006.6	6,841.0	7,594.5	7,133.0	6,204.6	7,241.5	7,434.3	4,300.6	4,004.6
EBITDA	**350.9**	864.2	624.8	581.0	642.0	617.6	661.2	807.7	436.1	396.7
Depreciation, amortisation and impairment	**(345.4)**	(367.4)	(316.1)	(221.4)	(213.5)	(203.9)	(199.5)	(194.9)	(96.2)	(94.0)
EBIT	**5.5**	496.8	308.7	359.6	428.5	413.7	461.7	612.8	339.9	302.7
Finance costs	**(90.6)**	(117.5)	(119.7)	(121.1)	(101.1)	(89.2)	(172.2)	(159.6)	(55.8)	(56.7)
(Loss)/profit before tax	**(85.1)**	379.3	189.0	238.5	327.4	324.5	289.5	453.2	284.1	246.0
Tax benefit/(expense)	**79.2**	(81.8)	(25.0)	(37.5)	(84.8)	(81.6)	(64.1)	(128.0)	(74.7)	(60.8)
Non-controlling interests	**(0.8)**	(1.2)	(2.1)	(5.9)	(7.2)	(2.3)	(10.1)	(10.2)	(11.9)	(13.6)
Net (loss)/profit after tax	**(6.7)**	296.3	161.9	195.1	235.4	240.6	215.3	315.0	197.5	171.6
EPS (cents) - weighted average	**(0.1)**	20.5	12.2	14.6	17.7	18.2	21.2	34.9	34.7	30.5
ROFE (%)	**0.1%**	8.9%	5.0%	5.6%	7.3%	7.5%	8.4%	11.3%	15.0%	14.5%
Dividends (cents/share)	**0.0**	9.0	5.0	6.0	10.0	11.0	10.0	21.5	18.5	17.0

Reconciliation of underlying NPAT to statutory NPAT:

Year ended 30 June	2015 $m	2014 $m	2013 $m	2012 $m	2011 $m	2010 $m	2009 $m	2008 $m	2007 $m	2006 $m
Net (loss)/profit after tax - underlying	(6.7)	296.3	161.9	195.1	235.4	240.6	215.3	315.0	197.5	171.6
Non-trading items, net of tax										
- Restructuring costs and other items	(156.5)	(58.4)	(64.3)	(56.2)	(20.1)	6.5	(45.8)	(58.1)	-	-
- Impairment	(1,652.8)	(8.1)	(895.3)	(125.4)	(1.5)	-	(1.0)	(12.0)	-	-
- Tax adjustments	(102.2)	(24.4)	96.6	44.2	16.5	11.3	61.0	-	9.5	15.9
Net (loss)/profit after tax - statutory	(1,918.2)	205.4	(701.1)	57.7	230.3	258.4	229.5	244.9	207.0	187.5

Pre-2005 results can be found on Arrium's website.

Historical data – key balance sheet items

As at 30 June	2015 $m	2014 $m	2013 $m	2012 $m	2011 $m	2010 $m	2009 $m	2008 $m	2007 $m	2006 $m
Cash	194.8	650.5	438.3	268.1	153.7	83.4	54.9	151.2	59.5	19.6
Receivables	617.9	627.4	734.1	953.0	924.0	829.3	827.0	1,185.3	640.9	635.4
Inventory	1,025.0	1,234.5	1,277.8	1,450.9	1,601.0	1,433.0	1,239.9	1,298.9	836.3	758.9
Property, plant and equipment	2,113.8	2,672.2	2,687.4	2,754.6	2,586.0	2,302.3	2,369.0	2,361.1	1,537.1	1,339.7
Intangibles	1,746.9	1,964.1	2,035.1	2,822.0	2,644.1	2,070.0	2,074.6	2,031.3	214.3	220.2
Other assets	542.7	853.6	996.1	682.8	434.5	349.7	367.7	263.7	281.4	165.0
TOTAL ASSETS	**6,241.1**	**8,002.3**	**8,168.8**	**8,931.4**	**8,343.3**	**7,067.7**	**6,933.1**	**7,291.5**	**3,569.5**	**3,138.8**
Interest-bearing liabilities	1,945.0	2,358.2	2,553.2	2,411.4	1,882.1	1,047.1	1,278.8	2,098.4	829.3	658.4
Payables	1,009.0	1,175.3	1,098.3	1,054.3	1,022.4	863.1	613.7	1,014.8	635.1	545.4
Provisions	546.3	534.7	576.6	557.1	508.3	396.8	407.4	419.7	207.5	208.8
Other liabilities	185.9	203.2	289.5	408.0	424.8	268.0	296.9	329.2	247.6	224.6
TOTAL LIABILITIES	**3,686.2**	**4,271.4**	**4,517.6**	**4,430.8**	**3,837.6**	**2,575.0**	**2,596.8**	**3,862.1**	**1,919.5**	**1,637.2**
NET ASSETS	**2,554.9**	**3,730.9**	**3,651.2**	**4,500.6**	**4,505.7**	**4,492.7**	**4,336.3**	**3,429.4**	**1,650.0**	**1,501.6**
Contributed equity	3,708.9	2,969.0	3,778.0	3,770.9	3,761.6	3,751.1	3,735.2	2,929.9	1,153.6	1,126.2
Non-controlling interests	5.7	4.0	2.9	61.8	59.9	60.2	61.1	57.7	63.3	56.7
Retained earnings & reserves	(1,159.7)	757.9	(129.7)	667.9	684.2	681.4	540.0	441.8	433.1	318.7
TOTAL EQUITY	**2,554.9**	**3,730.9**	**3,651.2**	**4,500.6**	**4,505.7**	**4,492.7**	**4,336.3**	**3,429.4**	**1,650.0**	**1,501.6**
Funds Employed	**4,305.1**	5,438.6	5,766.1	6,643.9	6,234.1	5,456.4	5,560.2	5,376.6	2,419.8	2,140.4
Gearing %	**40.7%**	31.4%	36.7%	32.3%	27.7%	17.7%	22.0%	36.2%	31.8%	29.8%
Interest cover (times EBITDA, 12m rolling basis)	**3.9**	7.4	5.0	4.5	6.4	6.9	3.8	4.5	6.1	6.5
NTA/Share $	**0.3**	1.3	1.2	1.2	1.4	1.8	1.7	1.5	2.4	2.2

Pre-2005 financial information can be found on Arrium's website.

Historical data – statutory cash flow*

MINING AND MATERIALS

Year ended 30 June	2015 $m	2014 $m	2013 $m	2012 $m	2011 $m	2010 $m	2009 $m	2008 $m	2007 $m	2006 $m
Profit\(loss) after tax	**(1,917.4)**	206.6	(699.0)	63.6	237.5	260.7	239.6	255.1	218.9	201.1
Depreciation, amortisation and impairment	**1,790.7**	380.6	1,246.8	363.0	215.7	215.1	201.8	212.5	96.2	94.0
Non-cash items	**(60.8)**	(41.1)	(32.6)	17.7	(16.8)	(1.8)	(2.0)	16.5	(8.5)	(1.1)
Other changes in assets and liabilities including working capital	**75.4**	132.6	137.8	25.8	26.7	128.1	(71.4)	(133.3)	(30.1)	(43.2)
Operating cash flow	**(112.1)**	678.7	653.0	470.1	463.1	602.1	368.0	350.8	276.5	250.8
Capital expenditure	**(424.3)**	(435.3)	(522.0)	(401.3)	(251.3)	(173.2)	(187.6)	(306.9)	(357.9)	(214.4)
Free Cash Flow	**(536.4)**	243.4	131.0	68.8	211.8	428.9	180.4	43.9	(81.4)	36.4
Investment expenditure	**-**	-	-	(317.7)	(992.9)	(33.6)	(3.3)	(433.2)	(2.6)	(13.2)
Asset and business sales	**203.2**	239.6	122.3	115.8	25.8	16.7	32.6	3.8	12.2	6.7
Other	**1.6**	-	-	-	4.0	-	-	0.8	(0.8)	1.9
Operating & investing cash flow	**(331.6)**	483.0	253.3	(133.1)	(751.3)	412.0	209.7	(384.7)	(72.6)	31.8

* The financial measures displayed in this table are based on statutory results.
Pre 2006 financial information can be found on Arrium's website.

Historical data – Mining Consumables

	FY15[1] $m	FY14[1] $m	FY13 $m	FY12 $m	FY11[2] $m	FY10 $m	FY09 $m	FY08 $m
Total revenue/income	1,590.5	1,538.1	1,566.7	1,540.6	1,079.3	680.1	659.8	509.2
EBITDA	210.5	187.1	195.3	171.6	97.7	83.2	41.7	82.0
EBIT	159.9	139.8	150.7	135.2	65.3	62.3	22.8	65.6
Sales Margin	10.1%	9.1%	9.6%	8.8%	6.1%	9.2%	3.5%	12.9%
Assets	2,561.7	2,438.6	2,460.5	2,310.3	2,286.4	1,158.5	1,125.0	1,104.3
Funds Employed	2,171.3	2,024.4	2,060.2	1,947.5	1,944.9	1,053.6	1,040.1	1,015.0
Return on funds employed	7.6%	6.8%	7.5%	6.9%	4.4%	6.0%	2.2%	6.5%
Employees (number)	1,834	2,005	2,031	1,973	1,864	924	910	820
External tonnes despatched (Mt)[3]	1.13	1.09	1.14	1.06	0.73	-	-	-
Internal tonnes despatched (Mt)	0.08	0.07	0.09	0.09	0.09	0.10	0.05	-
Steel tonnes produced (Mt)	0.43	0.45	0.51	0.50	0.40	0.24	0.24	0.26

1 The Mining Consumables Segment results represent total operations of that segment, including continuing and discontinued operations. Details of the reconciliation of the Mining Consumables results reported in this release and those reported in the 2015 Full Year Financial Report can be found attached to this document.
2 These statistics include the results of the Moly-Cop Group from 31 December 2010. Assets and liabilties have been restated to reflect the final fair value adjustments arising on acquisition of the Moly-Cop Group in December 2010.
3 Excludes scrap sales.

Historical data – Mining

	FY15 $m	FY14 $m	FY13 $m	FY12[1] $m	FY11 $m	FY10 $m	FY09 $m	FY08 $m
Total revenue/income	888.5	1,568.6	976.9	819.0	948.4	782.3	598.5	561.2
EBITDA	90.2	685.9	367.8	343.7	554.2	361.2	138.0	220.9
EBIT	(97.4)	481.3	248.9	302.9	523.5	333.4	113.0	212.9
Sales Margin	(11.0%)	30.7%	25.5%	37.0%	55.2%	42.6%	18.9%	37.9%
Assets	909.2	2,161.8	2,068.7	1,685.9	948.4	816.7	769.2	542.0
Funds Employed	457.5	1,644.7	1,568.1	1,379.7	776.3	717.4	688.9	461.8
Return on funds employed	(9.3%)	30.0%	16.9%	28.1%	70.1%	47.4%	19.6%	46.1%
Employees (number)	467	552	571	532	367	339	357	152
External lump & fines iron ore sales (Mt)	12.48	12.47	8.28	6.29	6.04	6.03	5.07	4.46
Pellets, other ore and by products (Mt)[2]	0.37	0.43	0.57	0.44	0.72	0.81	0.69	0.88

1 These statistics include results relating to the WPG subsidiaries acquired on 6 October 2011.
2 Ore by products include dolomite, centrix, filter cake and pellet chips.

Historical data – Steel

	FY15[1] $m	FY14[1] $m	FY13[1] $m	FY12[1] $m	FY11 $m	FY10 $m	FY09 $m	FY08 $m	FY07 $m	FY06 $m
Total revenue/income	2,869.6	2,875.2	2,973.6	3,292.3	3,950.4	4,993.5	6,424.9	6,272.8	4,549.1	3,910.9
EBITDA	61.8	50.8	64.0	73.1	(37.1)	188.3	499.9	423.3	418.5	369.5
EBIT	(33.2)	(52.8)	(44.4)	(30.3)	(164.6)	56.8	372.0	279.2	331.4	284.1
Sales Margin	(1.2%)	(1.8%)	(1.5%)	(0.9%)	(4.2%)	1.1%	5.8%	4.5%	7.3%	7.3%
Assets	1,868.6	2,109.7	2,287.6	2,692.6	3,966.9	4,132.9	4,125.5	4,637.7	3,136.1	2,869.8
Funds Employed	1,289.9	1,544.1	1,717.7	2,109.0	3,171.9	3,183.0	3,326.5	3,429.8	2,364.9	2,208.8
Return on funds employed	(2.3%)	(3.2%)	(2.3%)	(1.1%)	(5.2%)	1.7%	11.0%	9.6%	14.5%	13.3%
Employees (number)	4,880	5,116	5,285	5,369	6,922	7,020	7,408	8,211	6,292	6,396
External tonnes despatched (Mt)	2.12	2.07	2.36	2.57	2.44	2.36	2.43	3.18	2.28	2.27
Steel tonnes produced (Mt)	2.00	1.91	1.99	2.00	1.92	1.91	1.79	2.44	1.73	1.63

1 Excludes discontinued operations.

Historical data – Recycling

	FY15[1] $m	FY14[1] $m	FY13[1] $m	FY12[1] $m	FY11 $m	FY10 $m	FY09 $m	FY08 $m
Total revenue/income	1,072.5	1,132.2	1,165.3	1,362.5	1,507.2	1,123.7	1,124.0	1,404.1
EBITDA	8.3	12.1	(3.4)	5.6	37.6	22.9	(21.8)	98.4
EBIT	(2.4)	1.3	(15.6)	(8.4)	20.9	7.7	(38.6)	86.5
Sales Margin	(0.2%)	0.1%	(1.3%)	(0.6%)	1.4%	0.7%	(3.4%)	6.2%
Assets	318.1	393.9	400.2	577.5	652.5	710.7	614.1	741.5
Funds Employed	230.4	296.9	301.0	472.5	554.3	618.4	537.7	620.8
Return on funds employed	(0.9%)	0.4%	(4.0%)	(1.6%)	3.6%	1.3%	(6.7%)	13.9%
Employees (number)	666	641	685	804	1,033	1,019	1,016	1,127
Ferrous tonnes (Mt)	1.17	1.19	1.25	1.40	1.91	1.70	1.66	1.71
Non-ferrous tonnes (Mt)	0.23	0.25	0.23	0.24	0.25	0.19	0.14	0.18

1 Excludes discontinued operations.

FY15 statutory vs underlying results

Year ended 30 June 2015	Statutory Results			Underlying Results			
Reconciliation between Underlying and Statutory Results	Continuing operations	Discontinued operations[1]	**Total Operations Statutory**	Impairment[2]	Tax adjustments[3]	Restructuring costs & Other items[4]	**Total Operations Underlying**
Sales revenue	5,896.3	189.3	**6,085.6**	-	-	-	**6,085.6**
Other revenue/income	90.5	3.3	**93.8**	-	-	-	**93.8**
Total revenue/income	5,986.8	192.6	**6,179.4**	-	-	-	**6,179.4**
Gross profit/(loss)	443.5	(67.4)	**376.1**	-	-	-	**376.1**
EBITDA	10.4	(100.4)	**(90.0)**	205.9	-	235.0	**350.9**
Depreciation, amortisation and impairment	(1,755.9)	(34.8)	**(1,790.7)**	1,445.9	-	(0.6)	**(345.4)**
EBIT	(1,745.5)	(135.2)	**(1,880.7)**	1,651.8	-	234.4	**5.5**
Finance costs	(93.2)	-	**(93.2)**	-	-	2.6	**(90.6)**
Profit/(loss) before tax	(1,838.7)	(135.2)	**(1,973.9)**	1,651.8	-	237.0	**(85.1)**
Tax (expense)/benefit	28.0	28.5	**56.5**	1.0	102.2	(80.5)	**79.2**
Profit/(loss) after tax	(1,810.7)	(106.7)	**(1,917.4)**	1,652.8	102.2	156.5	**(5.9)**
Non-controlling interests	(0.8)	-	**(0.8)**	-	-	-	**(0.8)**
Net profit/(loss) after tax	(1,811.5)	(106.7)	**(1,918.2)**	1,652.8	102.2	156.5	**(6.7)**

1 Relating to the results of Australian Tube Mills, Merchandising, US Recycling businesses and Ropes. Excludes intercompany transactions. Statutory EBITDA and statutory net loss after tax including intercompany transactions are $13.8m and $46.1m respectively.
2 Comprising inventory write down in Mining and impairment of intangible assets, mine development expenditures and property, plant and equipment in Mining, Mining Consumables, Steel and Recycling and discontinued operations.
3 Prior period tax adjustments and write off of deferred tax assets including the impact of the repeal of the Mineral Resource Rent Tax.
4 Related to redundancies and other direct expenditure associated with business restructures and organisational changes. Other items in net profit/(loss) after tax of $10.7m includes break fees associated with early termination of cross currency and interest rate swaps and other non-recurring costs.

FY14 statutory vs underlying results

Year ended 30 June 2014	Statutory Results			Underlying Results				
Reconciliation between Underlying and Statutory Results	Continuing operations	Discontinued operations[1]	**Total Operations Statutory**	Impairment[3]	Steel Transformation Plan[4]	Tax adjustments[5]	Restructuring costs & Other items[2]	**Total Operations Underlying**
Sales revenue	6,502.0	504.6	**7,006.6**	-	-	-	-	**7,006.6**
Other revenue/income	111.8	13.7	**125.5**	-	-	-	-	**125.5**
Total revenue/income	6,613.8	518.3	**7,132.1**	-	-	-	-	**7,132.1**
Gross profit/(loss)	1,211.3	(31.3)	**1,180.0**	-	-	-	-	**1,180.0**
EBITDA	868.7	(87.6)	**781.1**	-	26.5		56.6	**864.2**
Depreciation, amortisation, and impairment	(374.1)	(6.5)	**(380.6)**	13.2	-	-	-	**(367.4)**
EBIT	494.6	(94.1)	**400.5**	13.2	26.5	-	56.6	**496.8**
Finance costs	(117.5)	-	**(117.5)**	-	-	-	-	**(117.5)**
Profit/(loss) before tax	377.1	(94.1)	**283.0**	13.2	26.5	-	56.6	**379.3**
Tax (expense)/benefit	(110.4)	34.0	**(76.4)**	(5.1)	(7.9)	24.4	(16.8)	**(81.8)**
Profit/(loss) after tax	266.7	(60.1)	**206.6**	8.1	18.6	24.4	39.8	**297.5**
Non-controlling interests	(1.2)	-	**(1.2)**	-	-	-	-	**(1.2)**
Net profit/(loss) after tax	265.5	(60.1)	**205.4**	8.1	18.6	24.4	39.8	**296.3**

1 Relating to the results of Australian Tube Mills, Merchandising and US Recycling businesses. Excludes intercompany transactions. Statutory EBITDA and statutory net loss after tax including intercompany transactions are $2.9m and $0.8m respectively.

2 Related to redundancies from organisational changes and other direct expenditure associated with business restructures. Other items in net profit/(loss) after tax of $4.0m relates to other non-recurring costs.

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 and the net impact of Mineral Resource Rent Tax.

Mining Consumables reconciliation

Year ended 30 June	2015			2014		
Mining Consumables	Continuing operations $m	Discontined operations $m	Total operations $m	Continuing operations $m	Discontined operations $m	Total operations $m
Total Revenue/Income	1,544.9	45.6	**1,590.5**	1,477.9	60.2	**1,538.1**
EBITDA	202.2	8.3	**210.5**	172.1	15.0	**187.1**
EBIT	153.0	6.9	**159.9**	126.8	13.0	**139.8**
Sales Margin (EBIT)	9.9%	15.1%	**10.1%**	8.6%	21.6%	**9.1%**
Assets[1]	2,561.4	0.3	**2,561.7**	-	-	**2,438.6**
Capital expenditure[1]	81.2	1.1	**82.3**	-	-	**70.6**

1. In accordance with *AASB 5 Non-current Assets Held for Sale and Discontinued Operations,* assets , liabilities and capital expenditure have not been restated for prior periods.

Iron ore FY16 consensus

FY16 iron ore consensus estimates are the average of the published forecasts of broker and major banks current as at 17 August 2015

The range of broker and bank views are set out below:

	High	Low	Consensus
Platts 62% Fe (CFR China)			
FY16	US$61	US$45	US$53

Arrium does not endorse, confirm or express a view as to the accuracy of the consensus forecast