



# FY2016 Financial Results Presentation

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22 August 2016

BlueScope Steel Limited. ASX Code: BSL

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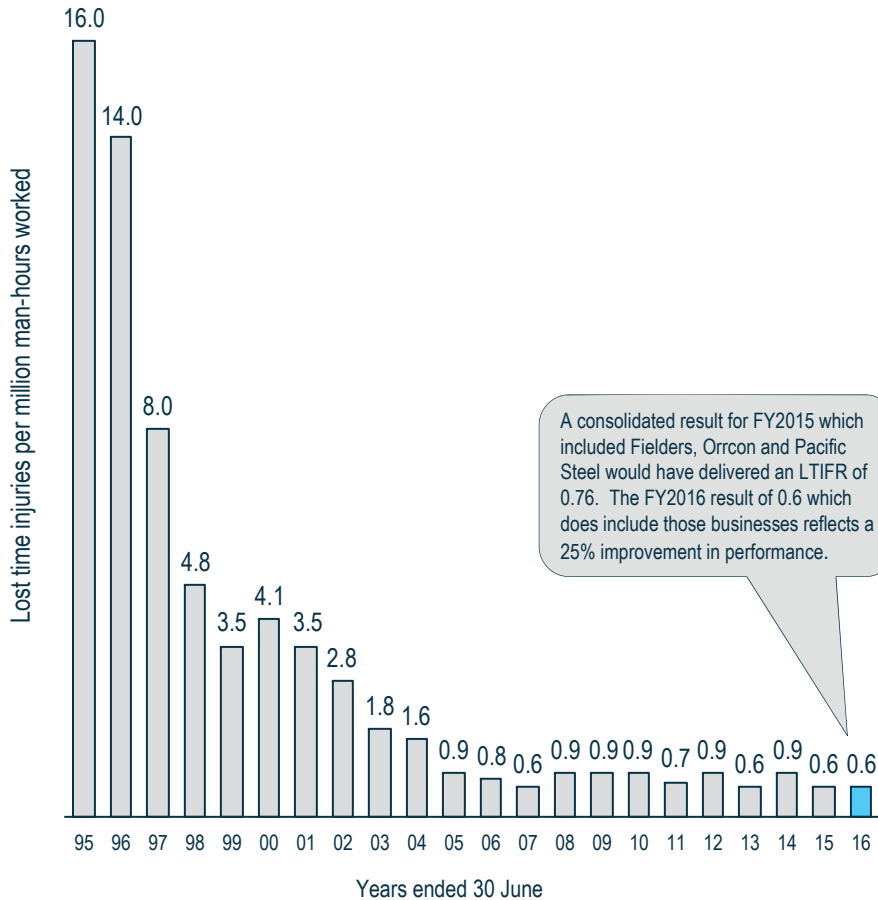
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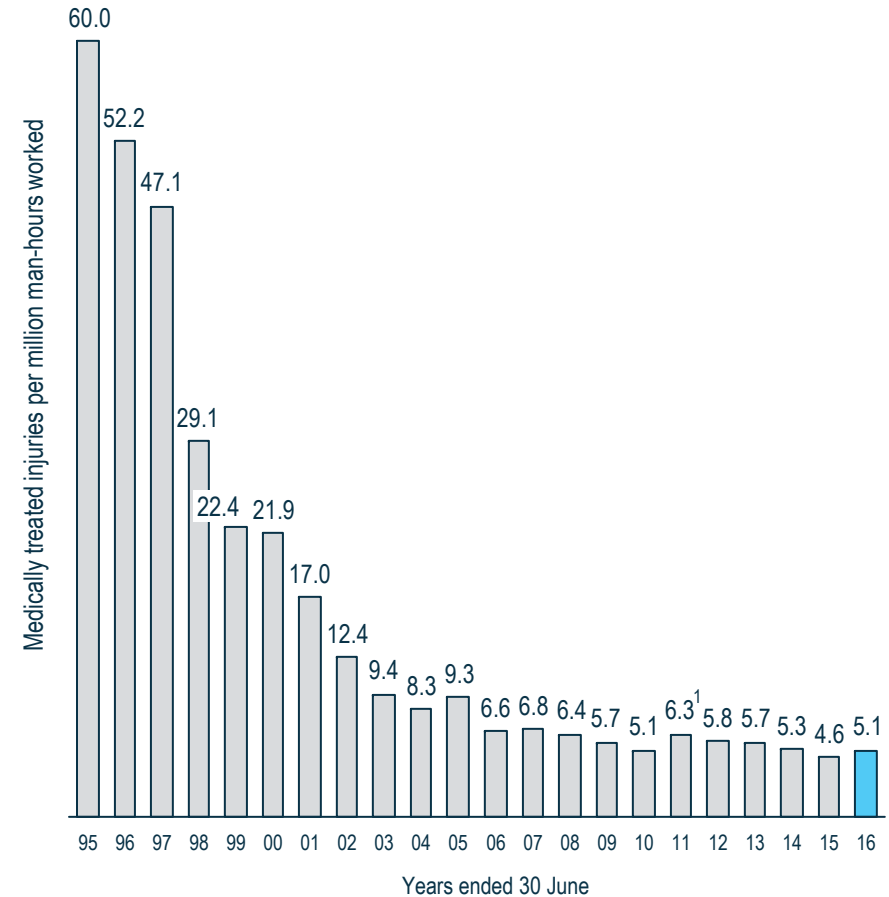
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# Progress towards our goal of Zero Harm

## Lost time injury frequency rate



## Medically treated injury frequency rate



Charts include contractors from 1996, Butler from May 2004, 2007/08 acquisitions, Australian operational restructure in 2012 and Pacific Steel, Fielders and Orrcon from July 2015

Note: (1) The MTIFR baseline has been reset from 4.4 to 6.3 due to changes in calculation method

# FY2016 results summary

Growth of 7% in revenue and underlying EBIT up 89%

Best underlying EBIT since FY2008

## Underlying EBIT

**\$570.5M**      ↑ 89%

2H result \$340.4M, up \$209.6M

## Return on invested capital<sup>1</sup>

**9.3%**      ↑ from 5.9%

## Underlying net profit after tax

**\$293.1M**      ↑ 119%

2H result \$174.1M, up \$121.2M

## Final dividend – fully franked

**3.0 cps**      same as FY2015

Interim dividend 3.0 cps fully franked

## Reported net profit after tax

**\$353.8M**      ↑ 160%

2H result \$153.7M, up \$110.1M

## Net debt

**\$778.0M**      ↓ \$595.4M from 31 Dec

North Star acquisition funding in Oct 2015

Comparisons are FY2016 vs FY2015. Underlying results are provided to assist readers better understand the underlying financial performance; refer to page 30 for information on the adjustments from reported financial information.

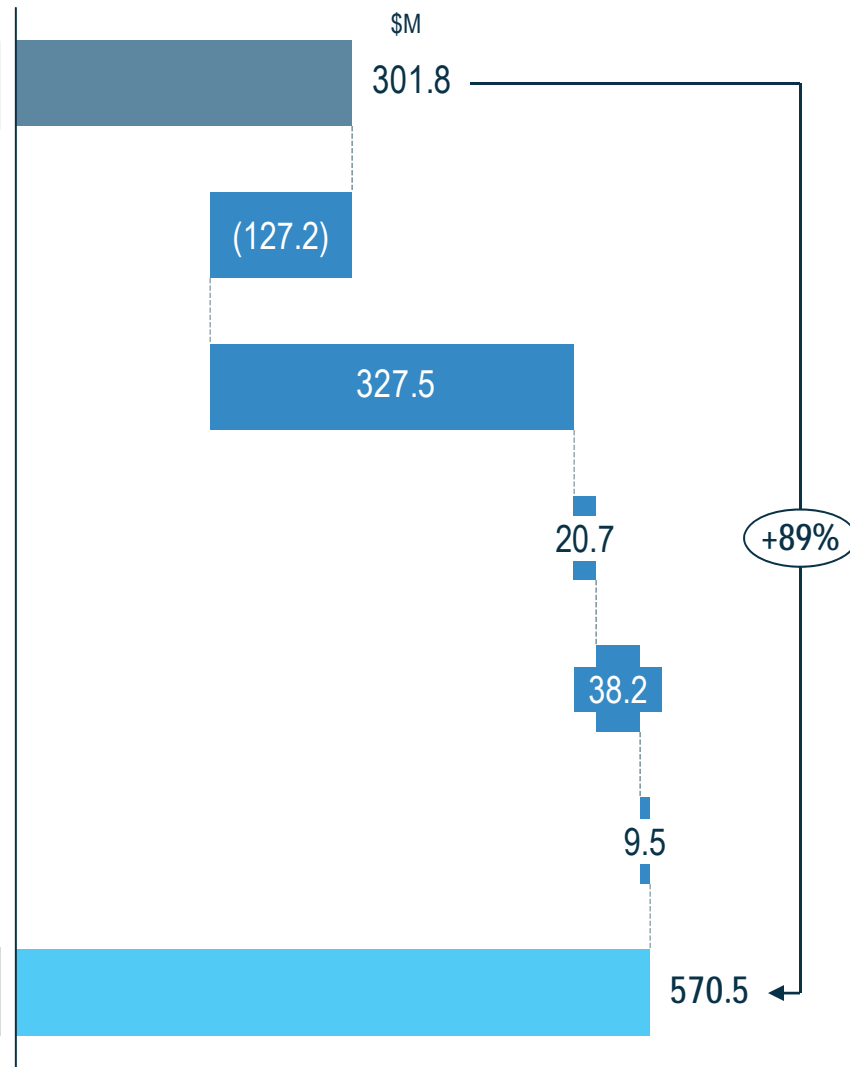
Note: (1) Underlying EBIT over average of monthly net assets employed

# Significant earnings growth driven by Company initiatives despite weakest macro conditions since 2002

FY2015 underlying EBIT

- Macro conditions (spread & FX) difficult
- Implementation of cost improvements:
  - PKSW: saved 4,500 jobs; on track for \$280M in FY2017
  - NZ Steel: on track for at least NZ\$60M in FY2017
  - Buildings China restructuring
- Growing volumes and improving mix<sup>1</sup>
- North Star – acquisition of 50%
- India gathering momentum

FY2016 underlying EBIT



Note: (1) higher domestic despatches offset by lower distribution volumes due to restructuring, exports and coke sales





# DELIVERY ON STRATEGIC PRIORITIES

# A year ago we communicated our renewed strategy

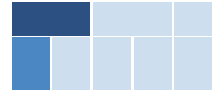
<p>Grow premium branded steel businesses with strong channels to market</p>		<p>Deliver competitive commodity steel supply in our local markets</p>		<p>Ensure ongoing financial strength</p>
<p>Coated &amp; Painted Products</p> <p>Drive growth in premium branded coated and painted steel markets in Asia-Pacific</p>	<p>BlueScope Buildings</p> <p>Drive growth in North America and turn around China</p>	<p>North Star BlueScope</p> <p>Maximise value</p>	<p>Australia &amp; NZ Steelmaking</p> <p>Deliver value from Australian/NZ steelmaking and iron sands by game-changing cost reduction or alternative model</p>	<p>Balance Sheet</p> <p>Maintain strong balance sheet</p>
<p><i>Invest &amp; grow</i></p>	<p><i>Optimise &amp; grow</i></p>	<p><i>Optimise / invest</i></p>	<p><i>Restructure</i></p>	<p><i>Maintain</i></p>

Note: included in the Coated & Painted Products grouping are our Australian, New Zealand, ASEAN, U.S., India and China metal coating, painting and rollforming operations. Australia & NZ Steelmaking includes all operations in both countries up to and including HRC and plate production.



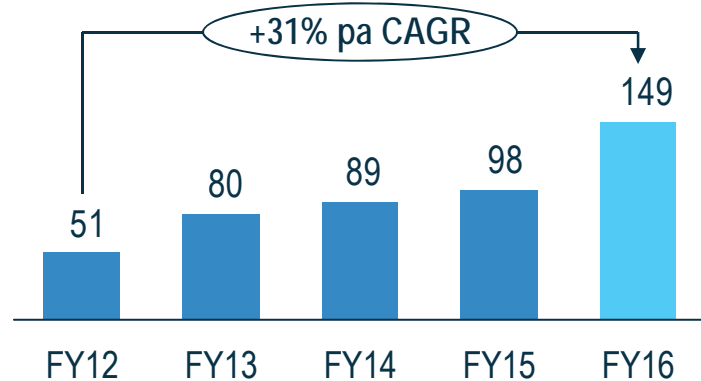
# Coated & Painted

Our goal: *Drive growth in premium branded coated and painted steel markets in Asia-Pacific*



## Delivered

- ✓ 31% pa CAGR in ASEAN, Nth Am & India underlying EBIT over last four years



- ✓ Home appliance steels (SuperDyma®) in production in Thailand
- ✓ Growth in Australian domestic coated product sales

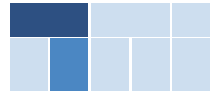
## In progress and into the future

- ▶ Continued refinement and implementation of coated & painted strategy
- ▶ Further investment in brands, channels and products
- ▶ Continued growth in Asia, home to the world's largest and fastest growing middle class
  - Targeting above GDP growth
  - Full benefit of home appliance steel
  - Potential to expand sales to retail / SME segment in Thailand through new coating line with in-line painting (MCL3)
  - Future India expansion
- ▶ Improve inter-material competitiveness through product innovation and market engagement
- ▶ Rigorous cost management essential and ongoing



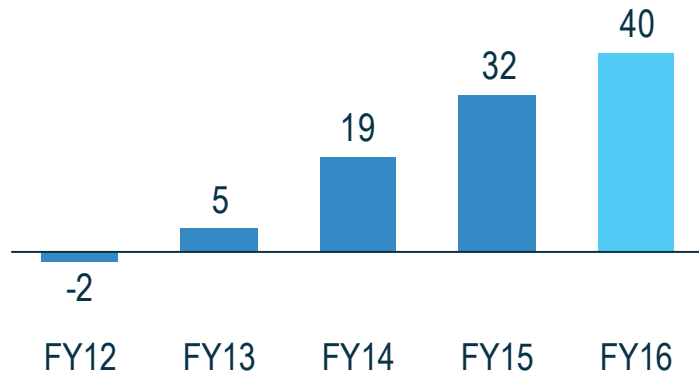
# BlueScope Buildings

Our goal: *Drive growth in North America and continue turnaround in China*



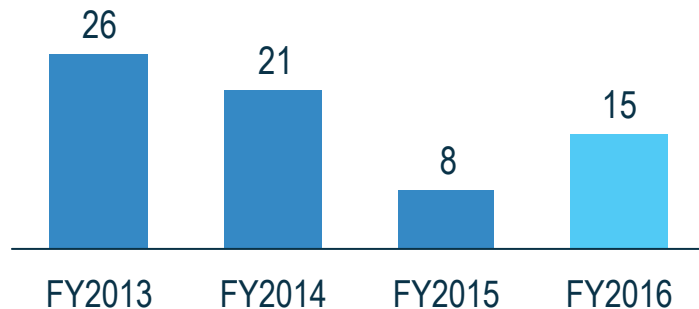
## Delivered

✓ Continued growth in North America earnings



Shows underlying EBIT \$M. FY2015 excludes initiative to de-risk pension fund obligations by \$11.0M as disclosed in FY2015 results presentation

✓ China profit improving with losses reduced at China Buildings



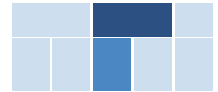
Shows underlying EBIT \$M

## In progress and into the future

- ▶ ROIC targets clearly understood for Buildings North America and China
  - Commencing cost out / productivity improvement in North America
  - Improving market and customer engagement in China

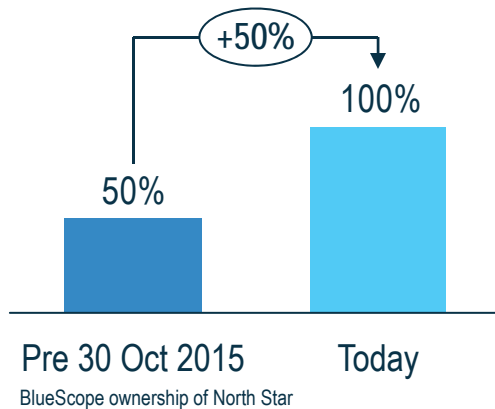
# North Star BlueScope Steel

Our goal: *Maximise value*



## Delivered

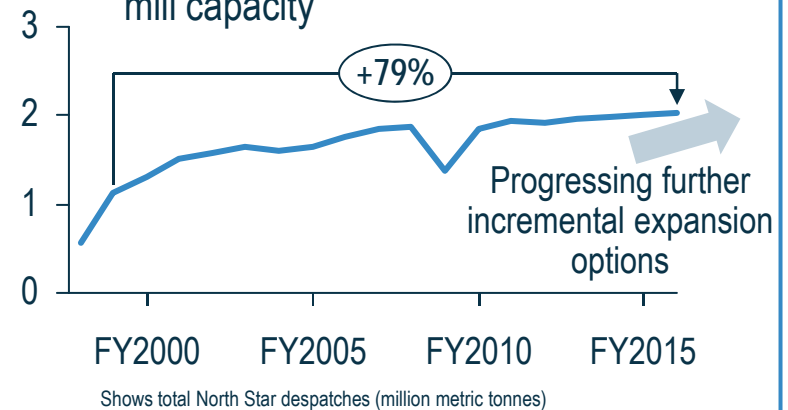
✓ Acquired Cargill's 50% share on 30 Oct 2015



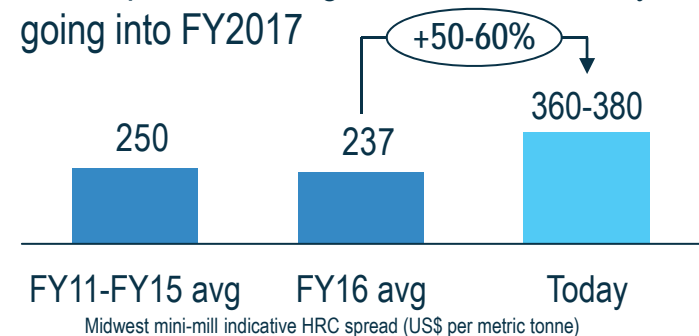
## In progress and into the future

▶ Continue track record of incremental despatch growth with minimal capital

— 90Ktpa capacity increase over next two years by boosting casting and hot strip mill capacity



▶ Steel spreads strengthened considerably going into FY2017



# Australia & New Zealand Steelmaking

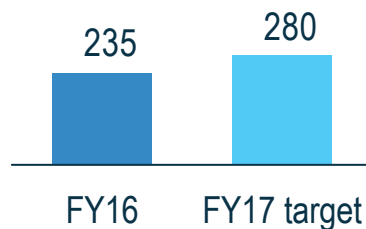
Our goal: *Deliver value from Australian/NZ steelmaking and iron sands by game-changing cost reduction or alternative model*



## Delivered

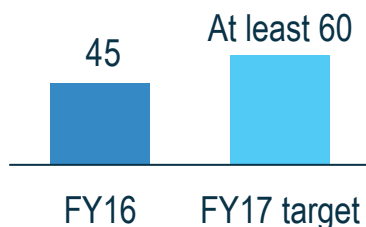
- ✓ Australia: Plan A proven to be the right decision for now
  - Saved 4,500 jobs
  - Avoided estimated \$750M mothballing/closure cost
  - Preserves benefit of exposure to higher steel prices

ASP cost savings over FY2015 base (\$M)



- ✓ NZ: good progress on Plan A savings

NZ cost savings over FY2015 base (NZ\$M)

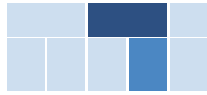


## In progress and into the future

- ▶ Plan A: must deliver returns necessary to support #5 BF reline decision (10-15 years away) – and sustain jobs for the next generation
  - Essential to be low cost
  - Continue to find productivity improvements
  - All stakeholders have a role to play in securing our steelmaking future
- ▶ If no reline of #5 BF, must minimise future costs for Plan B
- ▶ In NZ:
  - Deliver targeted steelmaking savings; determine whether operations can be internationally competitive and profitable
  - Taharoa sale underway

# Australia and New Zealand cost savings

Australian target \$280M for FY2017; New Zealand target at least NZ\$60M



	Australia (inc Distribution)	New Zealand
1H FY2016 achieved	\$95M	NZ\$13M
2H FY2016 achieved	\$140M	NZ\$32M
FY2016 achieved	\$235M	NZ\$45M
FY2017 target	\$280M	At least \$60M

Note: cost savings are over FY2015 cost base and are net of estimated escalation



# Balance Sheet

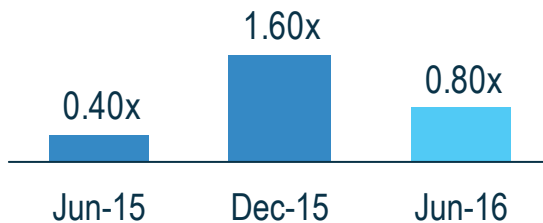
Our goal: *Maintain strong balance sheet*



## Delivered

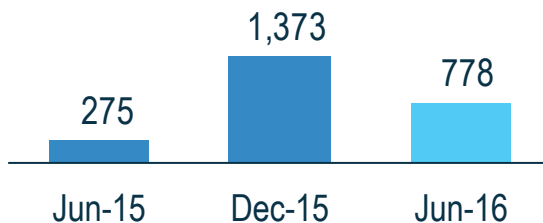
✓ North Star long term funding completed

✓ Achieved goal of leverage below 1.0x EBITDA



Net debt to underlying EBITDA. EBITDA pro-forma for full year ownership of North Star

✓ Net debt reduced by \$595M in the half



\$M net debt

## In progress and into the future

▶ Continue to reduce leverage. Target net debt sustainably lower than 1.0x underlying EBITDA

— May temporarily increase leverage for value adding opportunities, subject to seeing a clear pathway to reduce debt





# SEGMENT FINANCIAL RESULTS

# Segment underlying EBIT summary

## All segments (except NZ) up strongly

### Australian Steel Products

**\$361.4M**      ↑ 140%

- Strong benefit from early delivery of cost savings
- Growth in domestic despatches to 2.0Mt
- Softer spread: impact of lower regional steel prices, largely offset by lower raw material prices

### New Zealand & Pacific Steel

**(\$53.5)M**      ↓ (\$20.3)M

- Lower regional steel prices and iron ore prices
- Cost savings benefits

### Building Products ASEAN, Nth Am & India

**\$149.3M**      ↑ 52%

- Better performance across all businesses on higher margins
- Nth America, Indonesia and India strong improvers

### BlueScope Buildings

**\$49.2M**      ↑ 13%

- North America better: improved operating margins, despatches softer
- Further growth in China Coated
- China Buildings losses reduced

### Hot Rolled Products North America

**\$146.5M**      ↑ 37%

- Lower Midwest HRC spreads during the year, but better conversion costs. Spreads rising late in the year
- Move to full ownership on 30 Oct 2015 (up from 50%)
- Favourable FX translation

### Corporate & eliminations

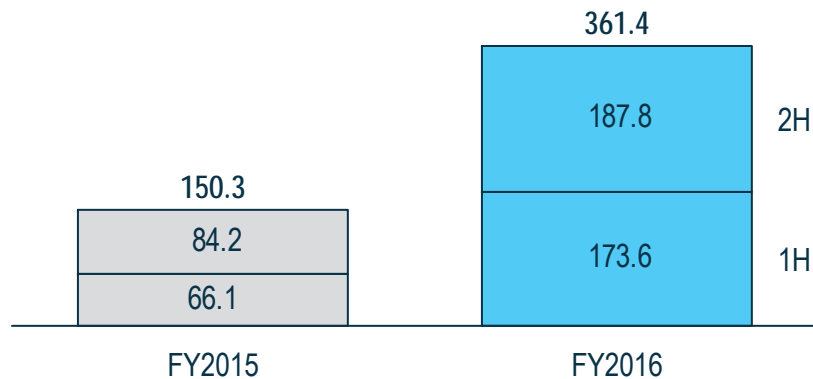
**(\$82.4)M**      ↑ 28%

- Higher provisions and accruals

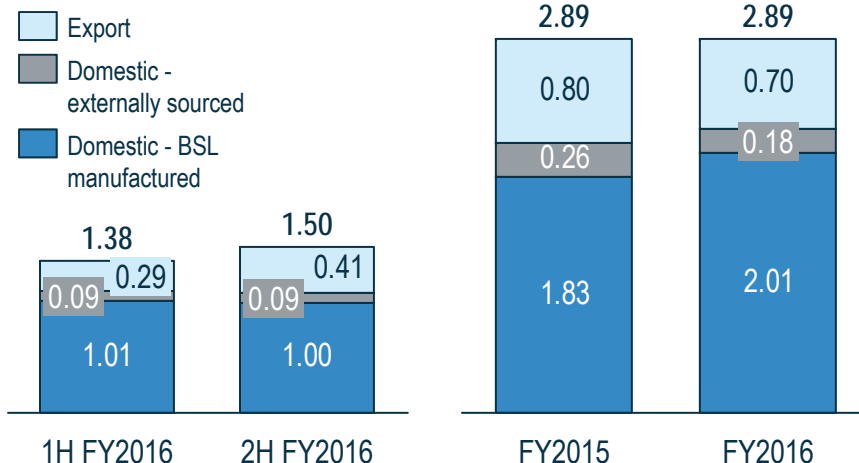
# Australian Steel Products

Best result since GFC – underlying EBIT up 140% on cost savings in a weaker spread environment

## Underlying EBIT (\$M)



## Total despatches (external & to other BSL segments, Mt)



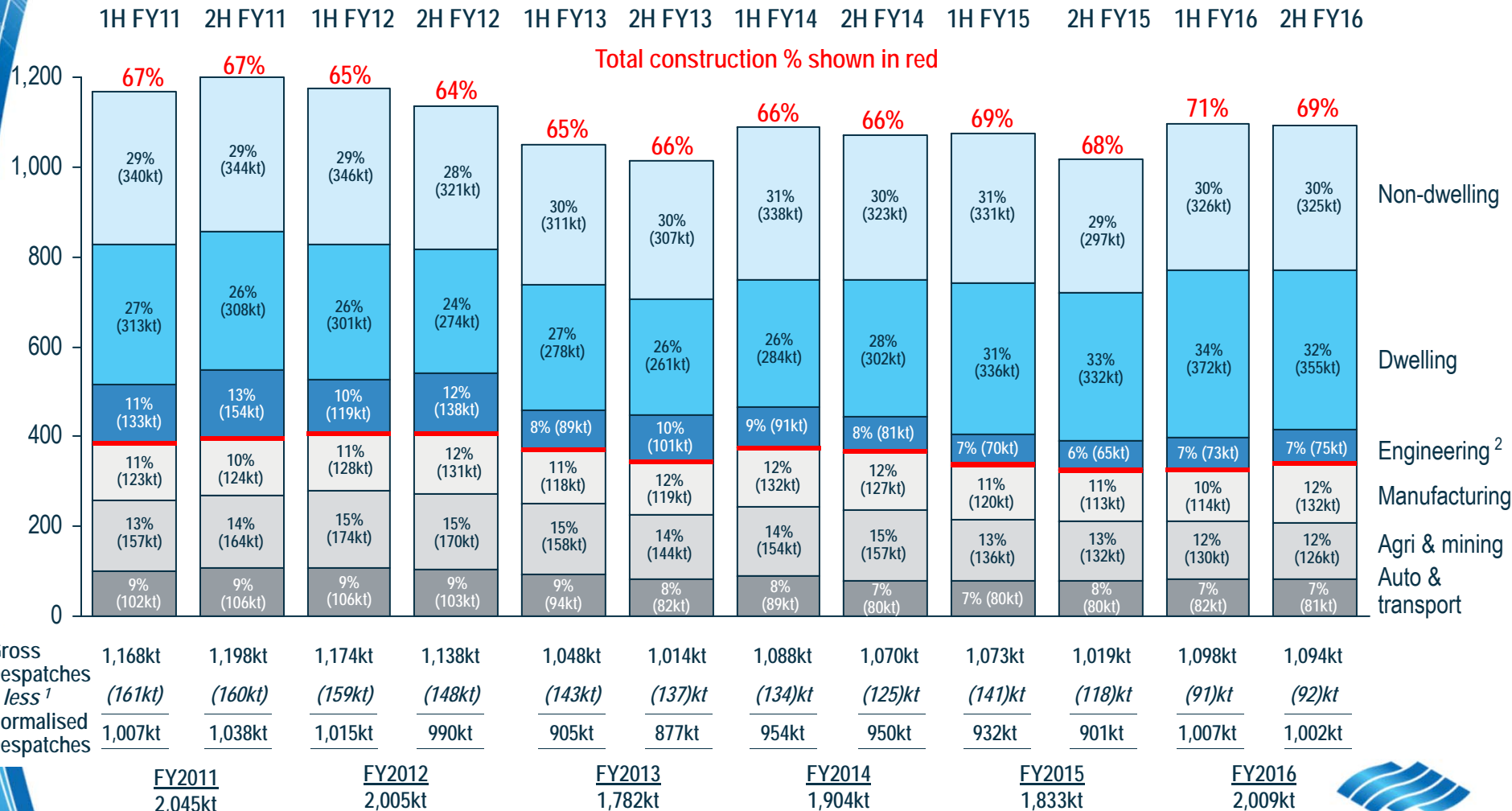
## Comments on FY2016

- Stronger domestic despatch volumes across all products, particular in HRC, bare metal coated and painted – driven by building and distribution customer segment demand
- Improved residential construction sales, particularly in New South Wales, Queensland and Victoria. Strong new-start and alterations & additions activity
- Lower costs driven by:
  - Implementation of Plan A
  - Lower unit costs with higher production volumes
- Weaker spread, particularly during middle of the year:
  - Lower export prices driven by lower global steel prices partly offset by benefit of the weaker AUD:USD
  - Lower domestic prices due to international price competition partly offset by benefit of the weaker AUD:USD
  - Lower raw material costs
- \$235M of cost savings achieved in FY2016 vs FY2015. Targeting \$280M in savings in FY2017 vs FY2015 (includes \$20M in Distribution)

# Australian Steel Products

Australian demand: improving customer engagement is making a difference

## Total Australian external despatch volumes (Kt)



(1) Normalised despatches exclude third party sourced products, in particular, long products

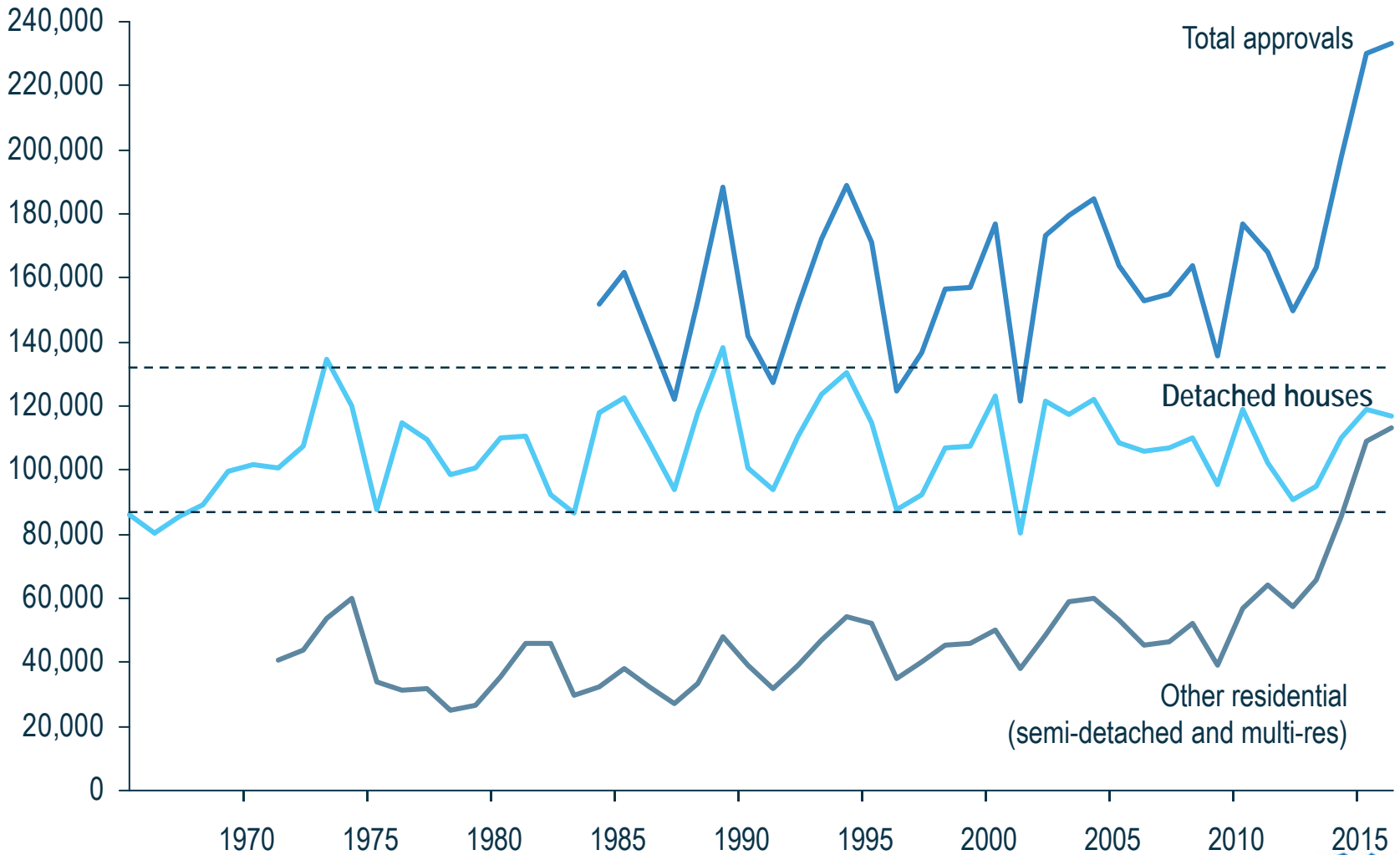
(2) Engineering includes infrastructure such as roads, power, rail, water, pipes, communications and some mining-linked use



# Australian Steel Products

## Current detached dwelling approvals within long term range

Australian new dwelling approvals, FY1965-FY2016

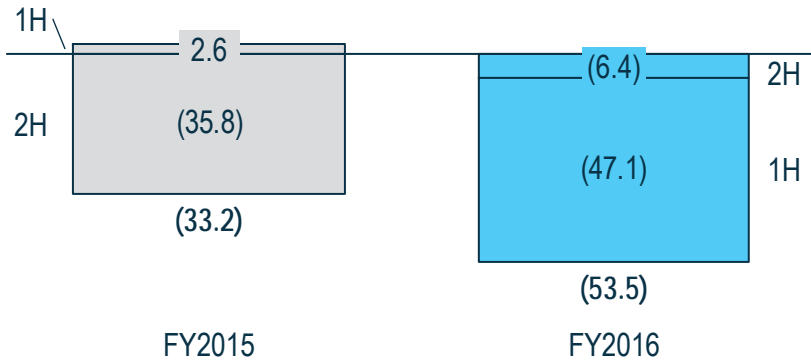




# New Zealand & Pacific Steel

Softer result on weaker iron ore and steel prices and volumes.  
2H significantly improved on 1H

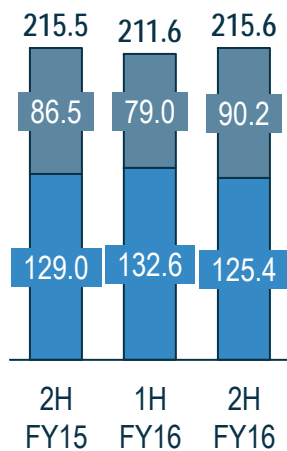
## Underlying EBIT (\$M)



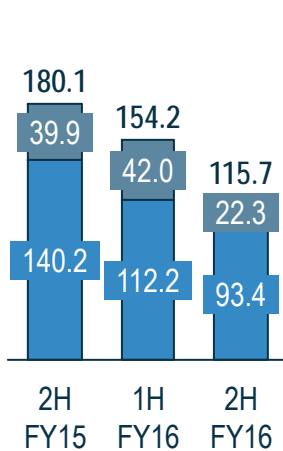
## Comments on FY2016

- Lower realised iron sands and steel pricing partially mitigated by a weaker NZD:USD
- Consistent domestic flat products volume with gains in the residential building market offset by material reductions in manufacturing and agricultural markets
- Good progress on Pacific Steel acquisition
  - Domestic long products volumes remained high by historical standards, with continued strength in construction markets
  - Billet caster commissioned. Entered FY2017 at full incremental earnings run-rate potential
- 2H FY2016 result considerably improved on 1H FY2016 (\$6.4M loss vs \$47.1M loss)
- NZ\$45M of cost savings achieved in FY2016 vs FY2015. Savings goal of at least NZ\$60M in FY2017 vs FY2015
- Taharoa export iron sands operations sale process remains underway

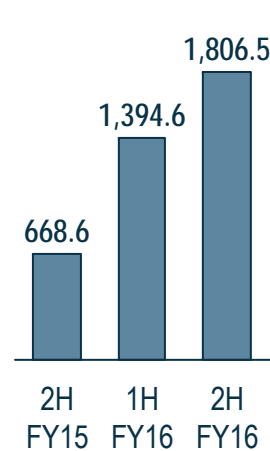
## Domestic steel despatches (Kt)



## Export steel despatches (Kt)



## Iron sands despatches (Kt)



■ Pacific Steel (long) ■ New Zealand Steel (flat)

## Targeting annualised economic benefit of NZ\$40M in FY2017

### Benefit to BlueScope

- Replacing export sales with domestic long product sales (reinforcing steels, and ZnAl coated manufacturing wire). 169kt domestic sales in FY2016
- Hit 50% of full run rate economic benefit during 2H FY2016 (NZ\$10M contribution)
- Full run rate of NZ\$40M per annum economic benefit expected during FY2017

### Pacific Steel rolling mills in Auckland



### Pacific Steel – product overview

Reinforcing steels (bar & coil)	<ul style="list-style-type: none"> <li>• Seismic grade and lower tensile, higher ductility carbon steel for construction</li> </ul>	
Low carbon wire rod	<ul style="list-style-type: none"> <li>• Industrial quality low carbon steel rod, primarily intend for cold drawing into wire</li> </ul>	
Ductile wire rod	<ul style="list-style-type: none"> <li>• Micro alloyed rod for manufacturing seismic grade mesh for residential and commercial slabs</li> </ul>	
Reid bar	<ul style="list-style-type: none"> <li>• Threaded bar for construction industry</li> <li>• Can be cut and joined on site using Reidbar™ connector systems</li> </ul>	
Wiremark fencing	<ul style="list-style-type: none"> <li>• ZnAl fence wire in two coating weight levels; mainly for agricultural industry</li> </ul>	

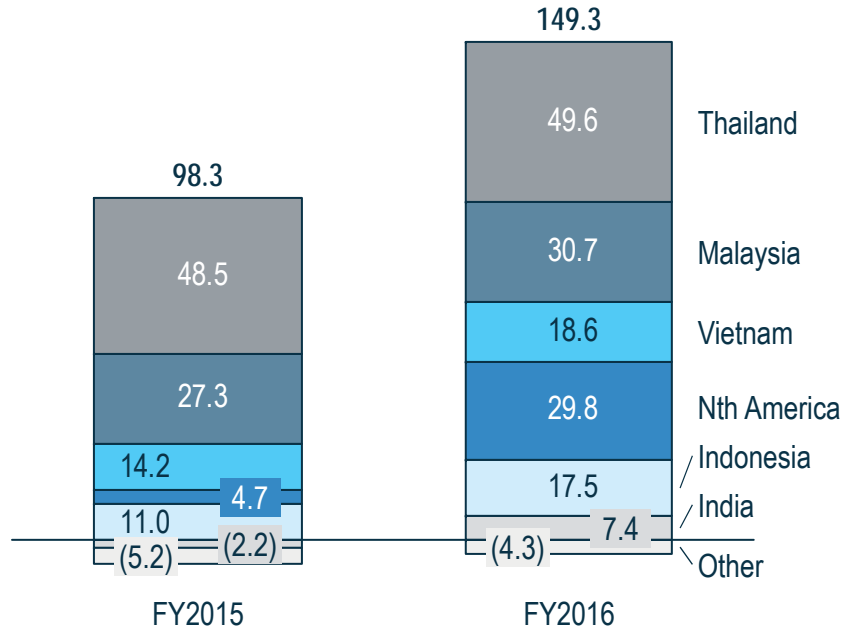
### New billet caster at Glenbrook Steelworks



# Building Products ASEAN, North America and India

EBIT up 52% with better performance across all countries;  
over 31% pa compound earnings growth over past four years

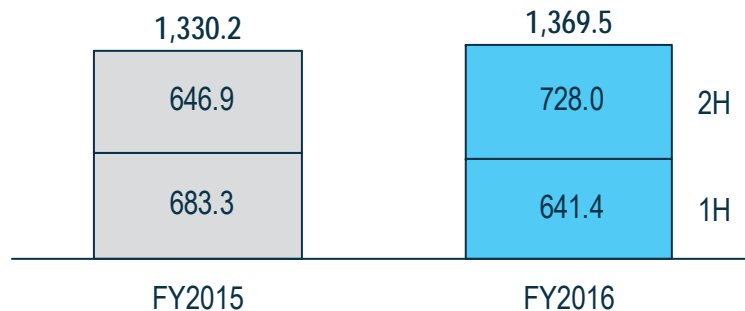
## Underlying EBIT (\$M)



## Comments on FY2016

- Overall: earnings growth in all businesses
- Thailand: improved demand from the retail sector and lower costs. Some FX translation benefit
- Indonesia: achieved higher margins on better product mix and enhanced market offerings; FX translation benefit
- Malaysia: favourable performance with improved margins and higher volumes for painted products
- Vietnam: stronger margins; better despatch mix with increased domestic painted sales. FX translation benefit
- North America: volumes higher driven by improved market demand. Stronger margins on higher steel prices. FX translation benefit
- India: stronger margins; higher despatch volumes; better despatch mix with higher painted sales

## Total despatch volumes (Kt)



# Building Products ASEAN, North America and India

## Thailand growth initiatives

### Home appliance steels update

- Accreditation of SUPERDYMA® production for first customers obtained; further customer accreditation underway
- In process of signing supply agreements with customers

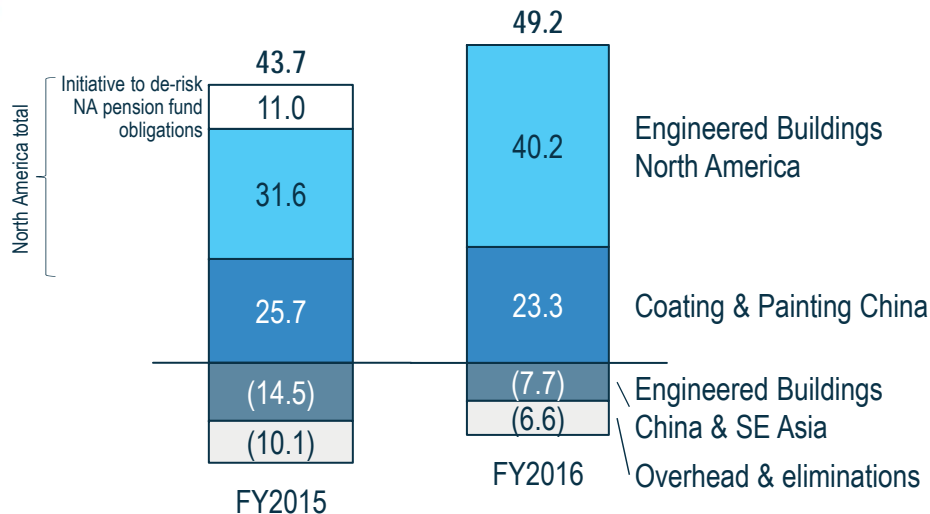
### Meeting ASEAN growth

- Efforts underway to increase throughput of existing lines, and to optimise product flow within the region
- Third metal coating line with in-line painting at Map Ta Phut, Thailand:
  - Feasibility study completed. BSL board has given in-principle approval subject to finalisation of contracts and NS BlueScope joint venture board approval, which is expected in 1Q FY2017
  - Investment of US\$125M including working capital. Output up to 140ktpa. Expect commercial production in early FY2019
  - Will deliver added capacity to grow presence in the growing Retail/SME construction market

# BlueScope Buildings

## Improvement in China and growth in North America

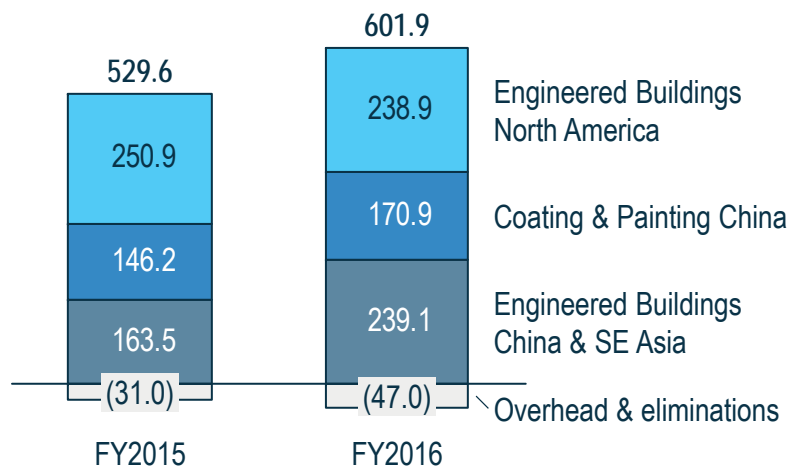
### Underlying EBIT (\$M)



### Comments on FY2016

- Engineered Buildings North America:
  - Improved pricing driving positive margin performance on higher value projects, with some volume decline. FX translation benefit
- Engineered Buildings China & SE Asia:
  - Strong volume growth through successful market based initiatives. Weaker margins in competitive environment
  - Business improvement program in implementation. Pursuing further improvements through:
    - Manufacturing efficiencies
    - S&OP planning
    - Reductions in overhead costs

### Total despatch volumes (Kt)



- Coating & Painting China:
  - Continued strong performance
  - Strong volume growth driven by expanding sales channels
  - FX translation benefit



# BlueScope Buildings

## Business improvement programs to pursue ROIC targets

### Buildings North America

- Pursuing pathway to 15% ROIC in FY2018
- To be delivered through:
  - New business segment initiatives to improve customer share of wallet
  - Productivity and cost saving measures. Targeting \$20-25M savings by FY2018

### Engineered Buildings and Components China

- Improving market and customer engagement
- Pursuing a further \$10M of improvements by FY2018 through:
  - Manufacturing efficiencies
  - S&OP planning enhancements
  - Reductions in overhead costs

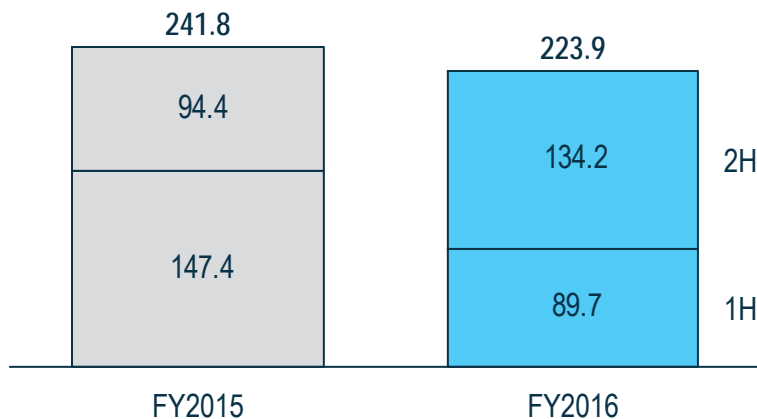
# Hot Rolled Products North America

Strong operating performance continued; 100% consolidation from 30 Oct

## Comments on FY2016

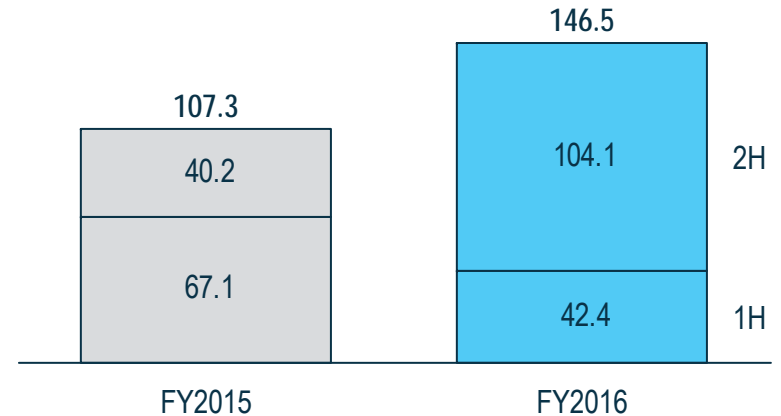
- North Star:
  - Acquisition of remaining 50% on 30 October 2015
  - Operating at 100% capacity utilisation versus U.S. industry average below 70%
  - Softer spread than FY2015 with U.S. Midwest HRC steel prices falling more than raw material prices. Spread strengthened towards the end of 2H FY2016
  - Conversion cost reductions and FX translation benefit
  - May fire: total cost approximately US\$5M; full operations restored in 9 days
- Sold interest in Castrip for US\$20.0M in July 2016. Investment in Castrip has cost BSL \$3-4M pa in recent years (expensed in P&L)

## North Star underlying EBITDA (100% basis, \$M)

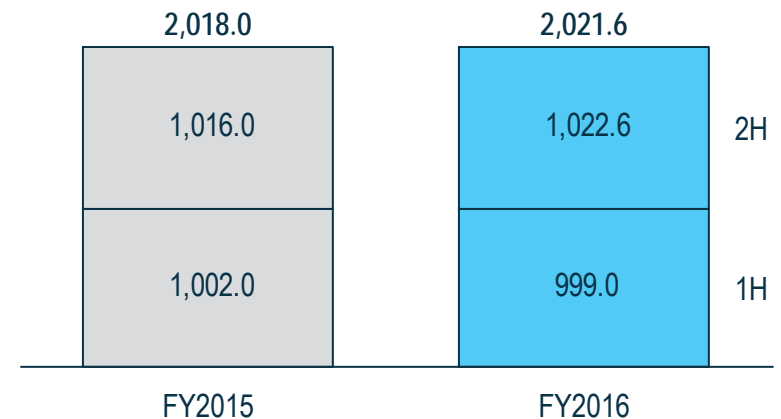


## Segment underlying EBIT (\$M)

North Star equity accounted until 30 October 2015. Includes Castrip equity accounted in all periods.



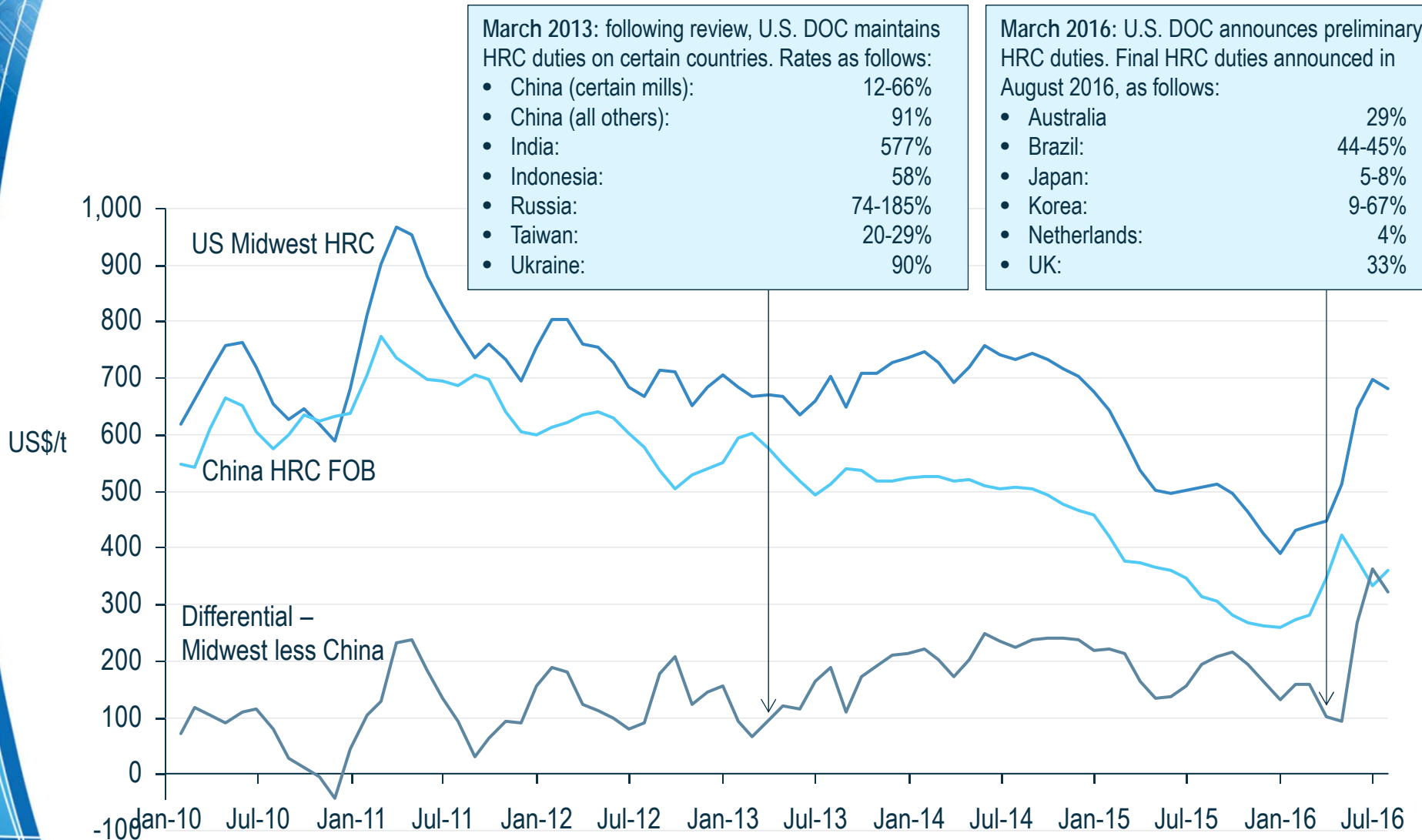
## Total despatch volumes (100% basis, metric Kt)



Note: North Star D&A charge of approximately US\$40M per annum following revaluation (100% basis)

# U.S. HRC prices have increased following anti-dumping duties

## Hot rolled coil prices and U.S. anti-dumping / countervailing actions



Source: CRU Midwest U.S. HRC price; SBB FOB Tianjin China export HRC price

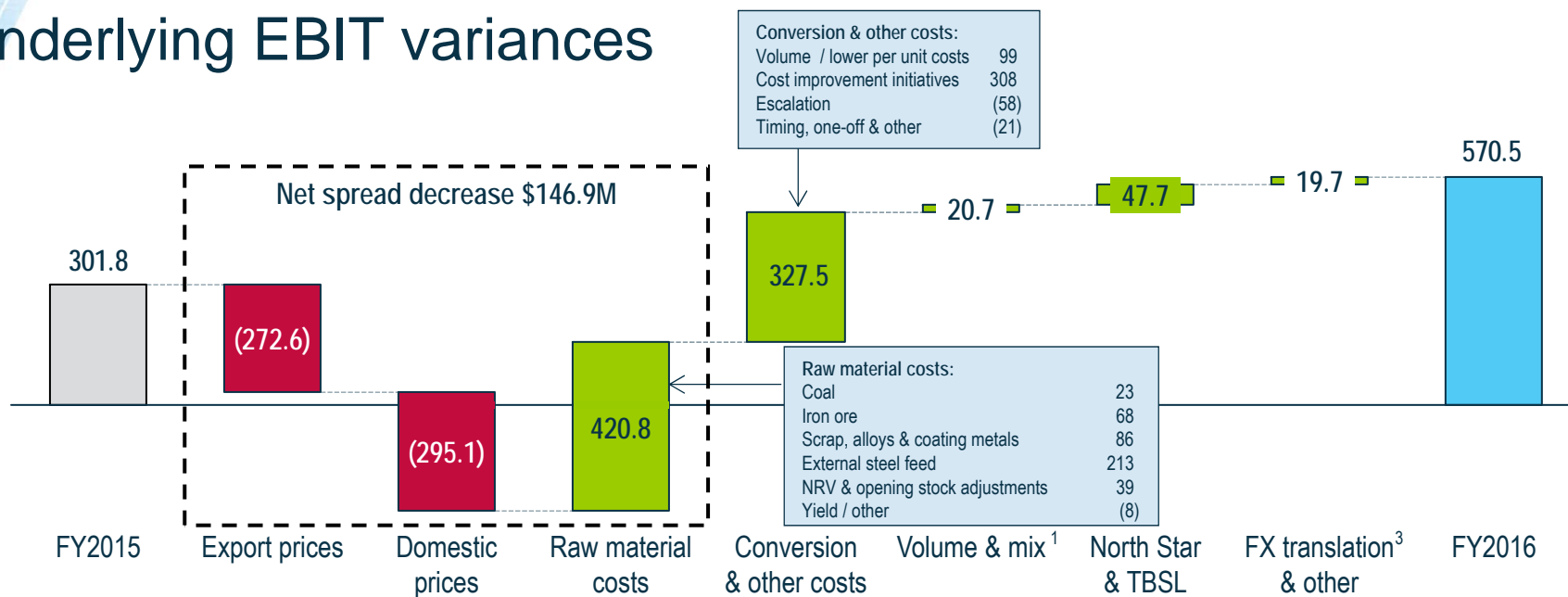


# GROUP FINANCIALS

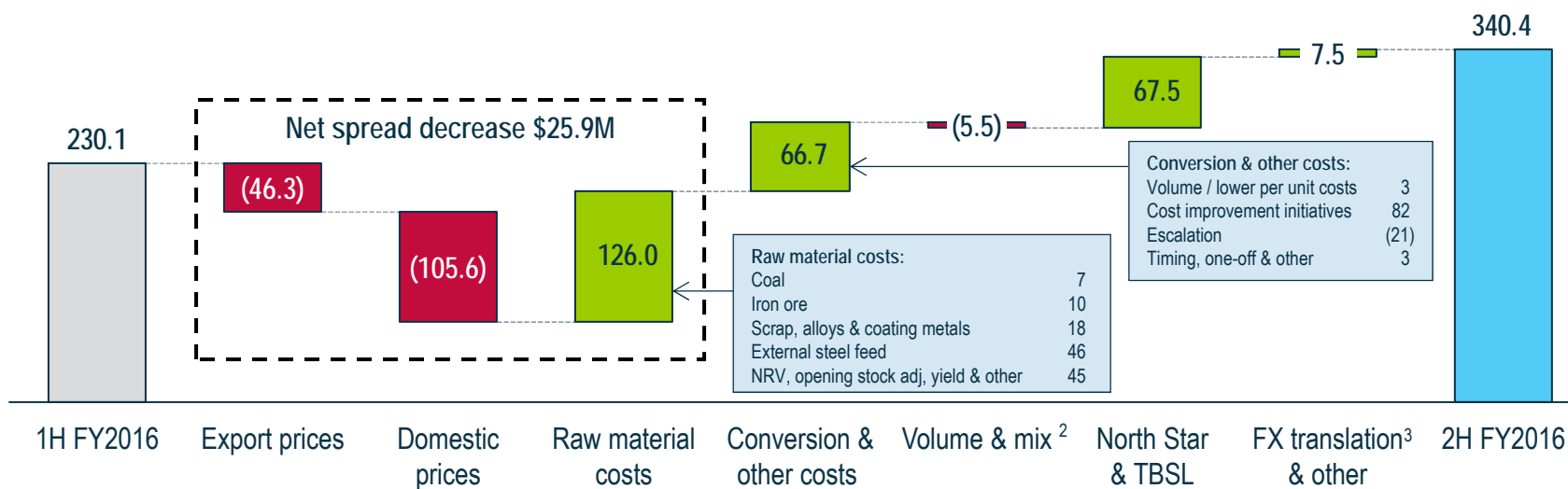


# Underlying EBIT variances

FY2016 vs FY2015 \$M



2H FY2016 vs 1H FY2016 \$M



Notes: 1) Volume / mix based on FY2015 margins

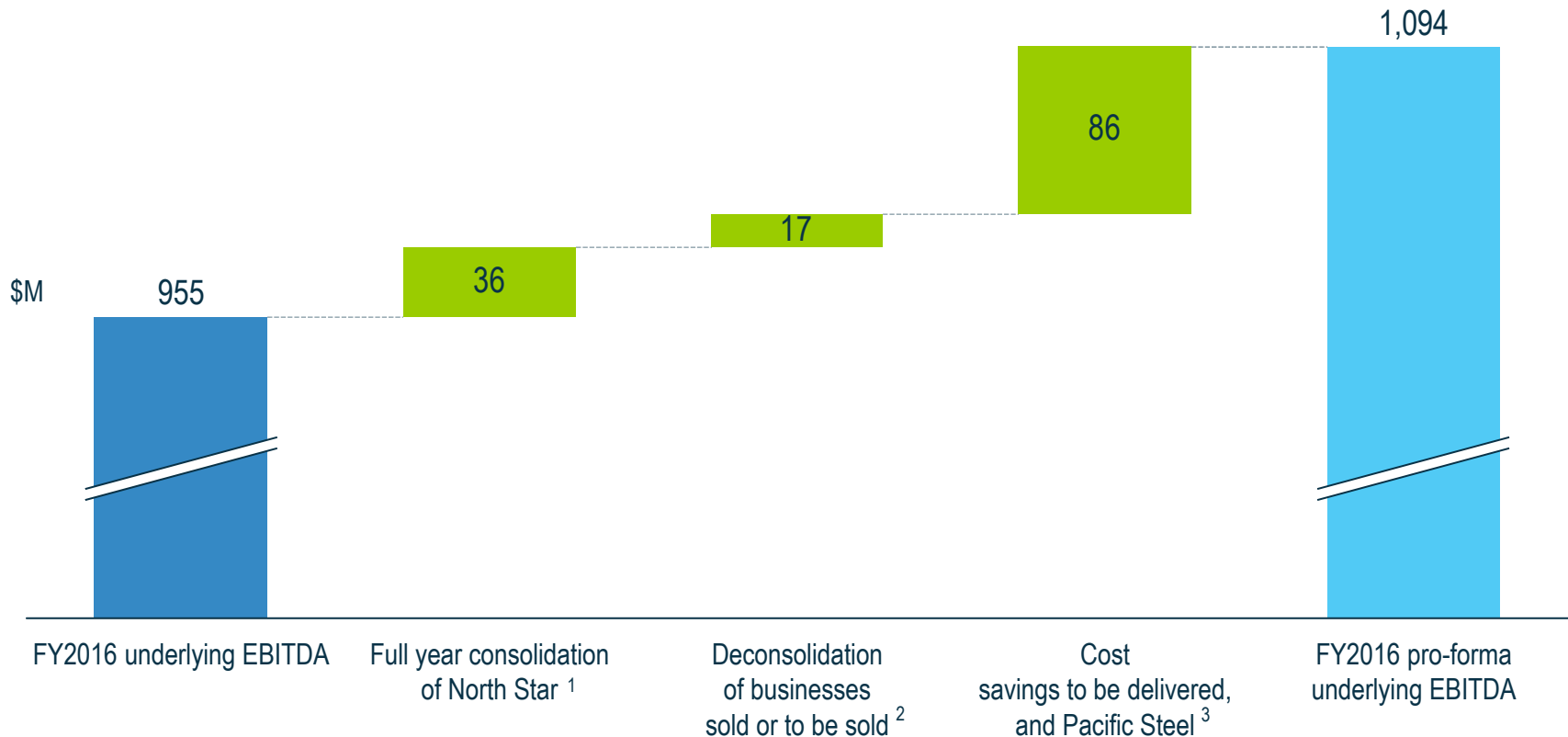
2) Volume / mix based on 1H FY2016 margins

3) FX translation relates to translation of foreign currency earnings to AUD, transactional foreign exchange impacts are reflected in the individual categories



# FY2016 pro-forma EBITDA of \$1.1Bn – on weak spreads

## Pro-forma FY2016 underlying EBITDA



Notes:

- (1) BlueScope moved to 100% ownership of North Star on 30 Oct 2015. Adjustment assumes consolidation of North Star from 1 Jul to 30 Oct 2015 and reverses equity accounting in that period
- (2) Reversal of Castrip losses (\$3.3M) and Taharoa iron sands losses (\$13.3M)
- (3) A\$45M balance of cost savings targeted to be delivered in FY2017 over the FY2015 cost base in Australia, NZ\$15M in NZ. NZ\$30M estimated incremental benefit from Pacific Steel and billet caster

# Reconciliation between reported NPAT and underlying NPAT<sup>1</sup>

## Reported profit higher than underlying profit in FY2016

	2H FY2016 NPAT \$M	FY2016 NPAT \$M
Reported net profit after tax	153.7	353.8
<i>Underlying adjustments</i>		
Impact of acquiring a controlling interest in North Star	-	(702.9)
Asset impairments	19.7	553.6
Restructuring & redundancy costs	19.4	76.8
Asset sales	0.1	(33.9)
Tax asset impairment	(21.8)	24.9
Business development, transaction and pre-operating costs	1.7	12.8
Tianjin production disruption	(4.7)	1.2
Borrowing amendment fees	6.2	6.2
Discontinued Business (gains) / losses	(0.2)	0.6
<b>Underlying net profit after tax</b>	<b>174.1</b>	<b>293.1</b>

**Note:** 1 – Underlying NPAT is provided to assist readers to better understand the underlying consolidated financial performance. Underlying information, whilst not subject to audit or review, has been extracted from the full year financial report which has been audited. Detail can be found in Table 2A of the ASX Earnings Report for the year ended 30 June 2016 (document under Listing Rule 4.3a)

# Cash flow

\$M	FY2015	FY2016	1H FY16	2H FY16
Reported EBITDA	639.6	1,009.8	515.8	494.0
Adjust for other cash profit items	14.8	(168.7)	(202.3)	33.6
Cash from operations	654.4	841.1	313.5	527.6
Working capital movement (inc provisions)	0.6	265.6	(80.9)	346.5
Gross operating cash flow	655.0	1,106.7	232.6	874.1
Financing costs	(69.6)	(111.2)	(42.9)	(68.3)
Interest received	3.0	6.5	3.8	2.7
(Payment) / refund of income tax <sup>1</sup>	(49.7)	(50.0)	(28.4)	(21.6)
Net operating cash flow	538.7	952.0	165.1	786.9
Capex: payments for P, P & E and intangibles	(384.9)	(313.9)	(141.2)	(172.7) <sup>2</sup>
Other investing cash flow	(25.9)	(975.6)	(957.4)	(18.2)
Net cash flow before financing	127.9	(337.5)	(933.5)	596.0
Equity issues	(0.6)	-	-	-
Dividends to BSL shareholders	(17.0)	(34.2)	(17.1)	(17.1)
Dividends to non-controlling interests	(46.2)	(38.8)	(19.7)	(19.1)
Transactions with non-controlling interests	(0.5)	-	-	-
Net drawing / (repayment) of borrowings	(51.1)	440.9	932.9	(492.0)
Net increase/(decrease) in cash held	12.5	30.4	(37.4)	67.8

Primarily the net gain in revaluation of existing 50% share of North Star following acquisition of Cargill's 50% share in Oct 2015, net of Australasian impairment charges

Strong working capital performance in 2H, including \$100M benefit from timing of year end cash flows (similar benefits at 30 June 2014 and 30 June 2015) and \$105M from sale of receivables

Primarily acquisition of Cargill's 50% share of North Star in Oct 2015 for US\$720M

(1) As at 30 June 2016 the BlueScope Steel Australian tax consolidated group is estimated to have carried forward tax losses of approximately \$2.75Bn. There will be no Australian income tax payments until these losses are recovered

(2) Cash capex of \$172.7M in 2H FY2016; new capital commitments of \$222.5M

# Balance sheet

## Substantial progress on refinancing and deleveraging

### Debt refinancing

- Refinanced \$350M of North Star acquisition funding in Dec 2015 – increased syndicated bank facilities in size and lowered cost
- Refinanced remaining US\$300M of North Star acquisition funding in May 2016 through US\$500M senior unsecured U.S. notes offering at lower cost. Repaid \$190M in more expensive 2018 series notes
- Established \$250M receivables securitisation (\$94M drawn at 31 December 2015; drew a further \$105M to 30 June 2016)

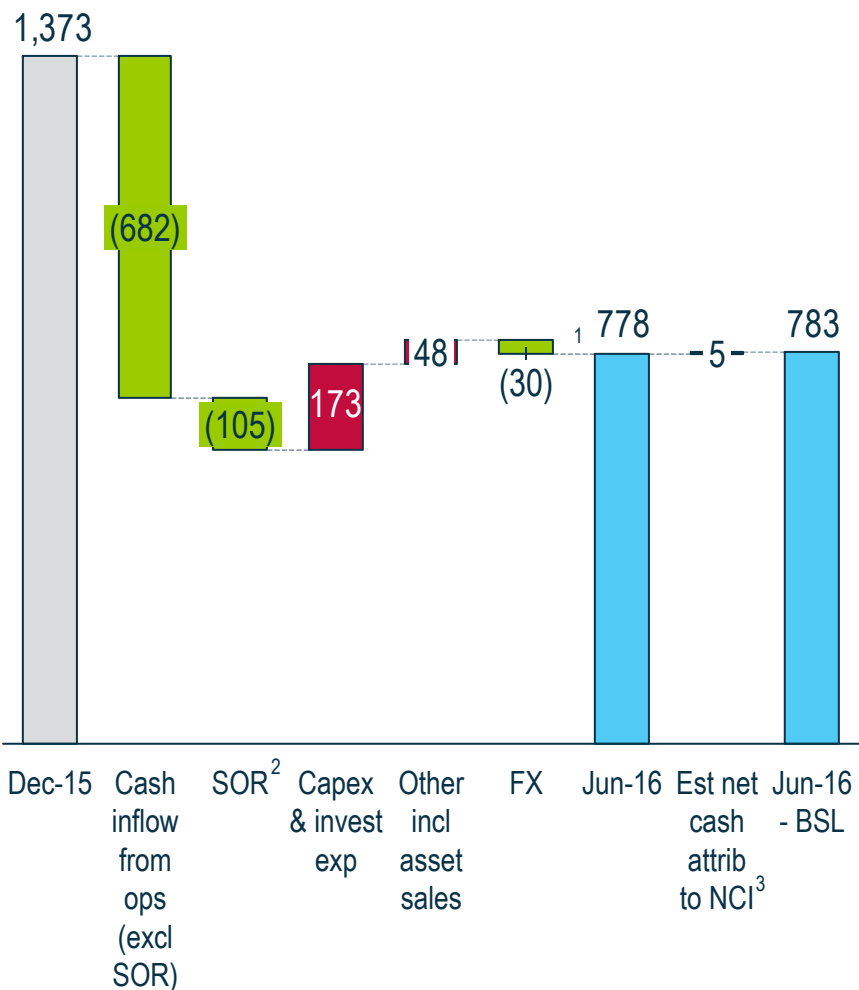
### Deleveraging program

- Leverage (net debt over underlying EBITDA) reduced to 0.8x
- Divestments update:
  - Proceeds from McDonald's Lime received in Oct 2015
  - Divested 47.5% interest in Castrip LLC in July 2016 for US\$20M
  - Taharoa sale process underway

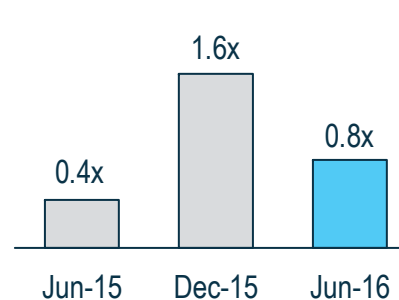
# Balance sheet

\$595M debt reduction mainly driven by strong cash flow

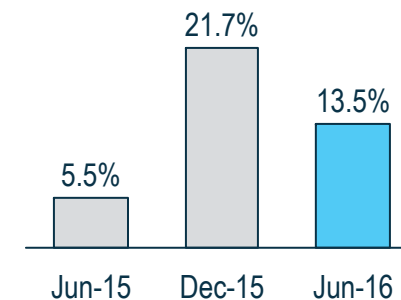
Net debt (\$M)



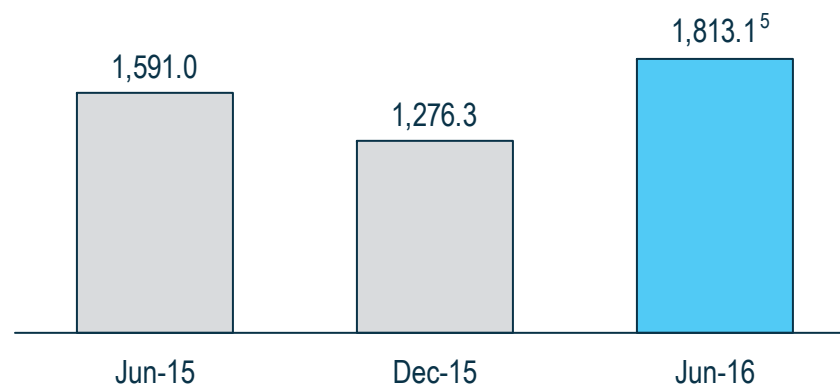
Net debt / Underlying EBITDA<sup>4</sup>



Gearing (ND/ND+E)



Liquidity (undrawn facilities and cash, \$M)



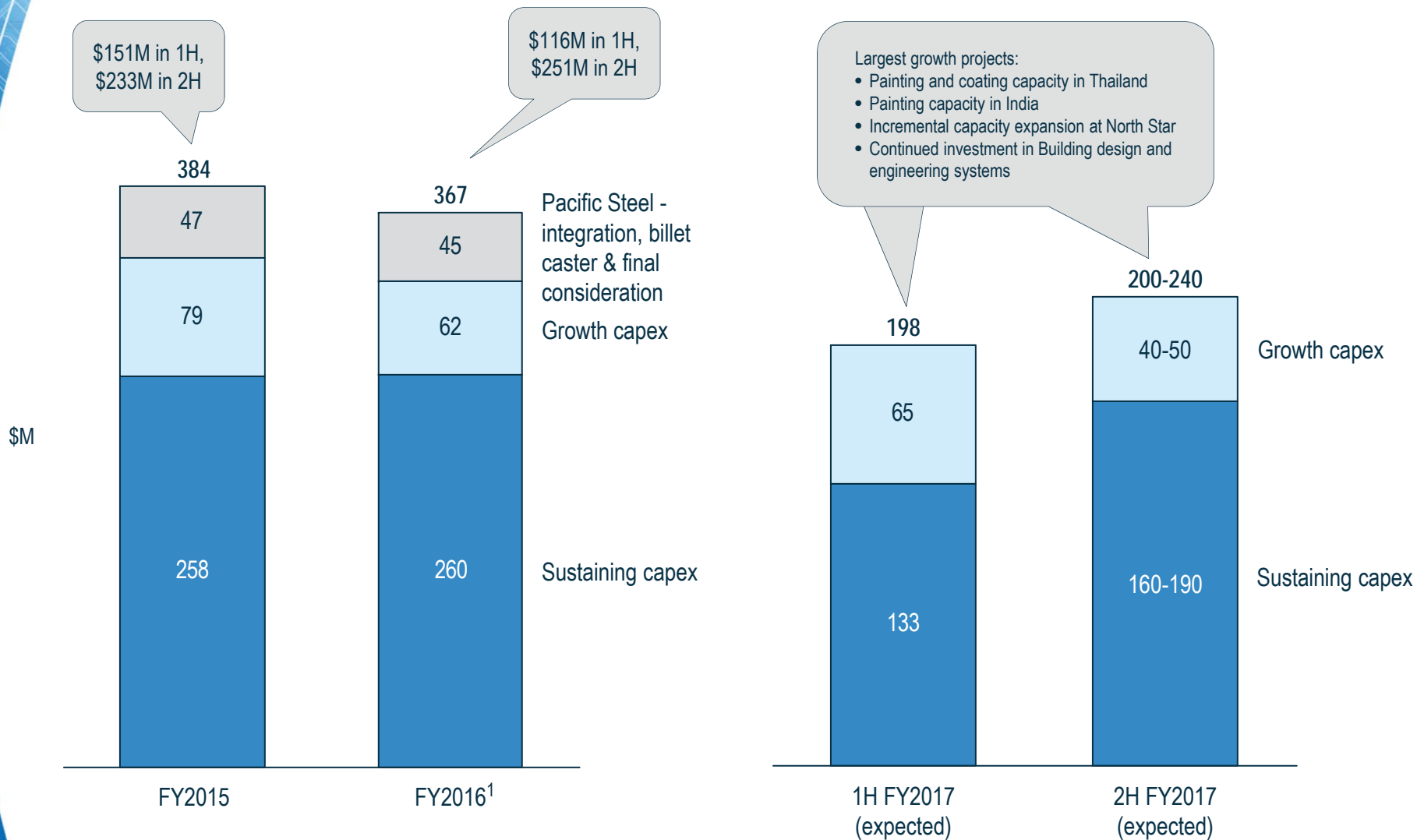
(1) \$778.0M net debt comprised of \$1,327.8M gross debt less \$549.8M cash  
 (2) Sale of receivables  
 (3) Non-controlling interests in the NS BlueScope Coated Products Joint Venture

(4) Dec-15 and Jun-16 includes North Star proforma for previous 12 months  
 (5) Includes \$487.7M liquidity in NS BlueScope Coated Products JV





# Capital and investment expenditure



Note: (1) Excludes \$1,008m for acquisition of remaining 50% share in North Star. Includes \$6m of North Star capital expenditure from end of October 2015. Includes \$22m of North Star capital expenditure and \$16m related to the blast furnace copper stove replacement.



## OUTLOOK & SUMMARY

# FY2017 – building on FY2016 achievements

- Continued investment in our coating and painting strategy, particularly:
  - Brand, product and channel development
  - MCL3 in Thailand
  - Consider adding painting capacity in India
- Deliver full cost improvements
  - ASP: on track for \$280M. Essential to be low cost. Must deliver returns necessary to support #5 BF reline decision
  - NZ Steel: on track for at least NZ\$60M
  - Buildings China restructuring continues
  - Accelerating North America Buildings productivity improvements
- North Star – maximise production and customer engagement
- Continue to reduce leverage and target net debt sustainably lower than 1.0x underlying EBITDA

# 1H FY2017 outlook

## Segment comments<sup>1</sup>

### Australian Steel Products

- Higher steel pricing with the impact of lagged regional steel pricing from 4Q FY2016
- Typical seasonality in volumes, noting a strong 2H FY2016
- Maintaining the strong cost performance delivered in 2H FY2016

### Building Products ASEAN, Nth Am & India

- Continued growth driven by volume and mix, noting 2H FY2016 delivered particularly strong margins (especially in North America due to spread expansion in supply chain)
- Continued investment in brand, channel and product development

### North Star

- Expect continued full despatch rate
- Strong spreads to continue in 1Q; expecting softening in 2Q

### New Zealand & Pacific Steel

- Expect slight improvement over 2H FY2016
  - Benefit of full Pacific Steel / billet caster economics
  - Higher steel pricing with impact of lagged regional steel pricing from 4Q FY2016
  - One-off benefits of provision adjustments in 2H FY2016 not repeated

### BlueScope Buildings

- North America: expect seasonally stronger volumes combined with benefits from improvement programs
- Asia Buildings: benefit of improvement program combined with seasonally higher volumes, but competitive pressure on margins
- Coated China: continued strong performance



# 1H FY2017 outlook

## Group summary

- We expect 1H FY2017 underlying EBIT to be around 50% higher than 2H FY2016 which was \$340.4M
- Based on assumptions of average<sup>1</sup>:
  - East Asian HRC price of ~US\$350/t
  - 62% Fe iron ore price of ~US\$50/t CFR China
  - Hard coking coal price of ~US\$100/t FOB Australia
  - U.S. mini-mill spreads in 2Q reducing by 10-20% from current spot (US\$360-380/t)
  - AUD:USD at US\$0.75
- Refer to sensitivities on page 49
- Expect 1H FY2017 underlying net finance costs to be lower than 2H FY2016 due to lower average borrowings; expect slightly higher underlying tax rate and similar profit attributable to non-controlling interests to 2H FY2016
- Expectations are subject to spread, FX and market conditions





## QUESTIONS & ANSWERS



**ADDITIONAL INFORMATION  
– GROUP-LEVEL MATERIAL**

# Financial headlines

\$M (unless marked)	YEAR ENDED		FY2016 vs FY2015
	30 JUNE 2015	30 JUNE 2016	
Total revenue	8,571.7	9,202.7	✓
External despatches of steel products	6,231.3	6,963.3	✓
EBITDA – Underlying <sup>1</sup>	644.8	955.4	✓
EBIT – Reported	296.6	641.3	✓
– Underlying <sup>1</sup>	301.8	570.5	✓
NPAT – Reported	136.3	353.8	✓
– Underlying <sup>1</sup>	134.1	293.1	✓
EPS – Reported	24.3 cps	62.1 cps	✓
– Underlying <sup>1</sup>	23.9 cps	51.4 cps	✓
Underlying EBIT Return on Invested Capital	5.9%	9.3%	✓
Net Cashflow From Operating Activities	538.7	952.0	✓
– After capex / investments	127.9	(337.5)	North Star investment
Dividends	6.0 cps	6.0 cps	✓
Net debt	275.2	778.0	North Star investment

(1) Please refer to page 30 for a detailed reconciliation of reported to underlying results



# Underlying earnings

\$M	FY2015	FY2016	2H FY2016	
Underlying EBIT	301.8	570.5	340.4	Significant EBIT growth
Underlying borrowing costs	(71.2)	(95.2)	(55.0)	Higher largely due to higher drawn debt balance following 50% North Star acquisition
Interest revenue	4.3	5.2	2.6	
Profit from ordinary activities before tax	234.9	480.5	288.0	27.0% effective underlying tax rate – higher with 100% of North Star
Underlying income tax (expense)/benefit	(59.5)	(124.9)	(77.8)	
Underlying NPAT from ordinary activities	175.4	355.6	210.2	
Net (profit)/loss attributable to non-controlling interests	(41.2)	(62.6)	(36.1)	
Underlying NPAT attributable to equity holders of BSL	134.1	293.1	174.1	

# Summary of financial items by segment

## Sales revenue

\$M	FY15	1H16	2H16	FY16
Australian Steel Products	4,792.1	2,302.1	2,135.3	4,437.4
New Zealand and Pacific Steel	972.1	451.5	435.8	887.3
Building Products ASEAN, NA & India	1,790.8	878.6	888.2	1,766.8
BlueScope Buildings	1,538.1	889.8	816.1	1,705.9
Hot Rolled Products North America	0.0	187.1	660.2	847.3
Intersegment, Corporate & Discontinued	(540.9)	(279.1)	(182.9)	(462.0)
<b>Total</b>	<b>8,552.2</b>	<b>4,430.0</b>	<b>4,752.7</b>	<b>9,182.7</b>

## Total steel despatches

'000 tonnes	FY15	1H16	2H16	FY16
Australian Steel Products	2,893.8	1,383.9	1,502.8	2,886.7
New Zealand and Pacific Steel	782.6	365.8	331.3	697.1
Building Products ASEAN, NA & India	1,330.2	641.4	728.0	1,369.5
BlueScope Buildings	529.6	294.9	306.9	601.9
Hot Rolled Products North America	1,009.0	655.5	1,022.6	1,678.1
Intersegment, Corporate & Discontinued	(313.9)	(120.0)	(150.0)	(270.0)
<b>Total</b>	<b>6,231.3</b>	<b>3,221.6</b>	<b>3,741.7</b>	<b>6,963.3</b>

## Underlying EBITDA

\$M	FY15	1H16	2H16	FY16
Australian Steel Products	339.4	267.1	281.6	548.7
New Zealand and Pacific Steel	26.8	(15.5)	15.5	0.0
Building Products ASEAN, NA & India	153.3	95.8	115.1	210.9
BlueScope Buildings	82.3	56.7	36.9	93.6
Hot Rolled Products North America	107.3	51.6	132.5	184.1
Intersegment, Corporate & Discontinued	(64.3)	(37.9)	(44.0)	(81.9)
<b>Total</b>	<b>644.8</b>	<b>417.8</b>	<b>537.6</b>	<b>955.4</b>

## Underlying EBIT

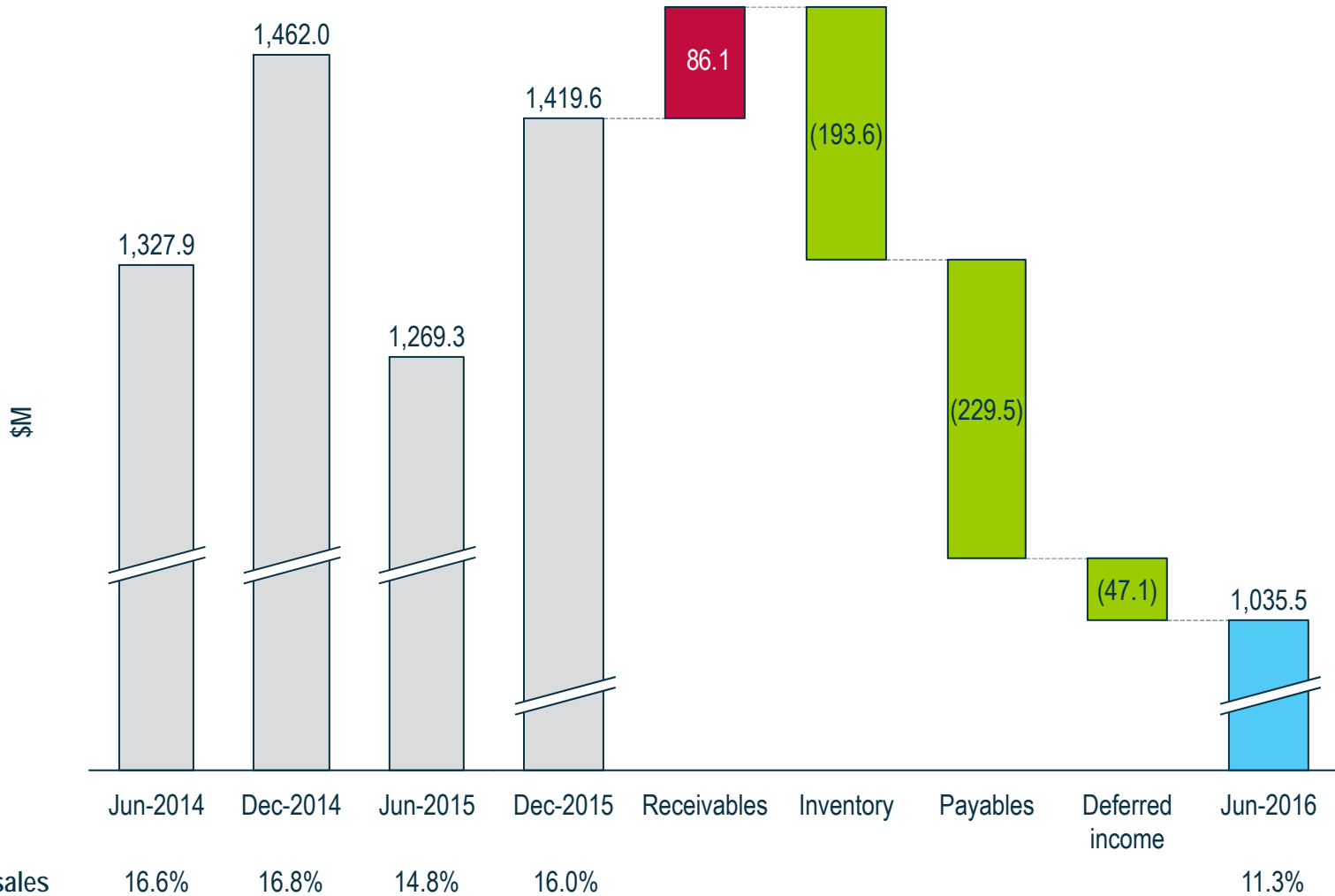
\$M	FY15	1H16	2H16	FY16
Australian Steel Products	150.3	173.6	187.8	361.4
New Zealand and Pacific Steel	(33.2)	(47.1)	(6.4)	(53.5)
Building Products ASEAN, NA & India	98.3	65.4	83.9	149.3
BlueScope Buildings	43.7	34.2	15.0	49.2
Hot Rolled Products North America	107.3	42.4	104.2	146.5
Intersegment, Corporate & Discontinued	(64.6)	(38.4)	(44.2)	(82.4)
<b>Total</b>	<b>301.8</b>	<b>230.1</b>	<b>340.3</b>	<b>570.5</b>



# Balance sheet

\$M	30 Jun 2015	31 Dec 2015	30 Jun 2016
<b>Assets</b>			
Cash	518.6	488.0	549.8
Receivables *	1,123.6	1,108.1	1,194.2
Inventory *	1,560.7	1,656.2	1,462.6
Property, Plant & Equipment	3,732.6	3,878.8	3,834.1
Intangible Assets	515.3	1,783.3	1,770.6
Other Assets	426.7	298.0	337.2
<b>Total Assets</b>	<b>7,877.5</b>	<b>9,212.4</b>	<b>9,148.5</b>
<b>Liabilities</b>			
Trade & Sundry Creditors *	1,258.6	1,207.1	1,436.5
Capital & Investing Creditors	59.0	28.5	77.0
Borrowings	793.7	1,861.4	1,327.8
Deferred Income *	156.4	137.6	184.7
Retirement Benefit Obligations	217.9	268.6	390.8
Provisions & Other Liabilities	652.8	743.8	746.4
<b>Total Liabilities</b>	<b>3,138.4</b>	<b>4,247.0</b>	<b>4,163.3</b>
<b>Net Assets</b>	<b>4,739.1</b>	<b>4,965.4</b>	<b>4,985.3</b>
Note *: Items included in net working capital	1,269.3	1,419.6	1,035.5

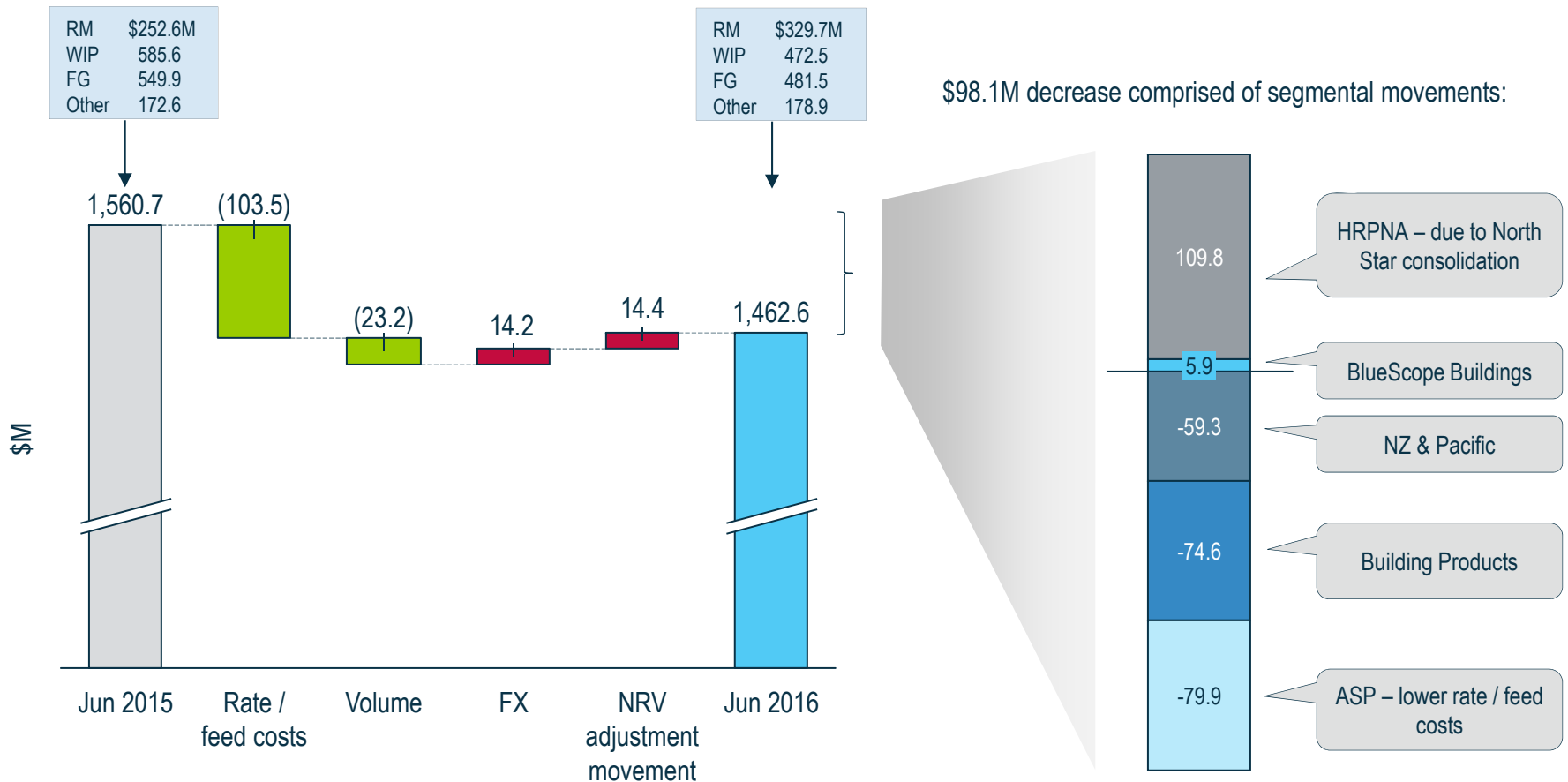
# Net working capital



Consolidation of only 2 months revenue of North Star, but full working capital balance of \$139.8M

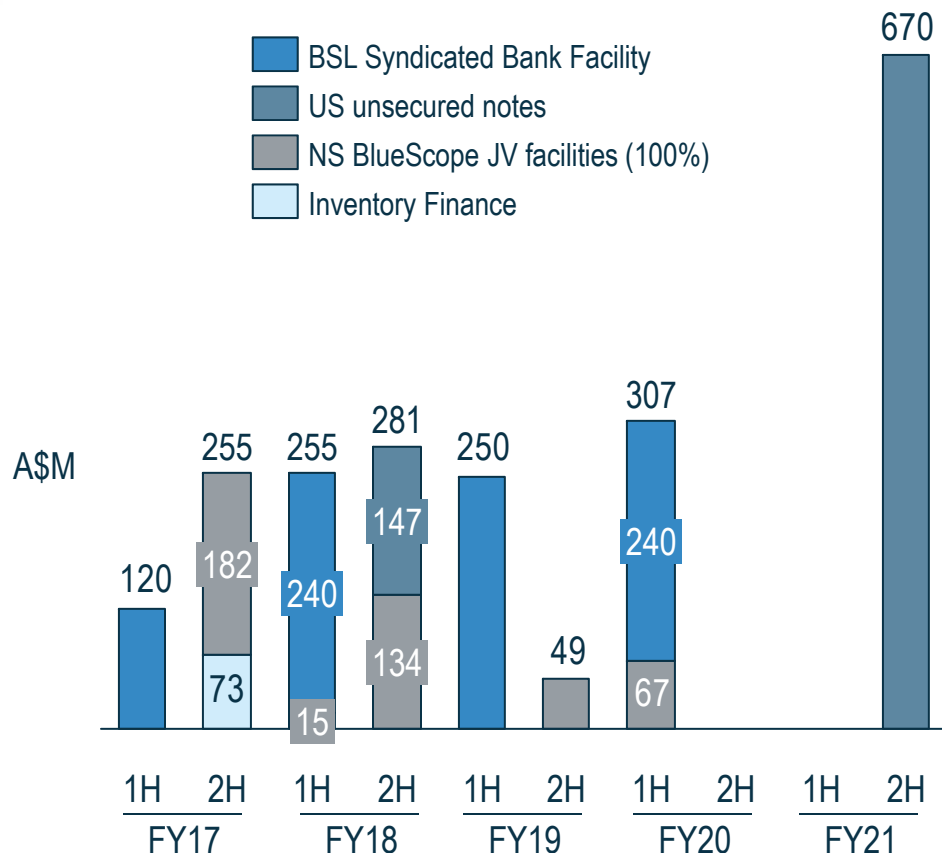
% of sales  
(based on 6  
months prior  
annualised)

# Inventory movement



**Note:** 'RM' is raw materials (including externally sourced steel feed to BSL businesses)  
 'WIP' is work in progress  
 'FG' is finished goods  
 'Other' is primarily operational spare parts

# Debt facilities maturity profile at 30 June 2016



## Notes:

- based on AUD/USD at US\$0.7468 at 30 June 2016
- excludes \$26M NS BlueScope JV facility which progressively amortises

## Receivables securitisation program:

- In addition to debt facilities, BSL has a \$150M securitisation program (undrawn at 30 June 2016), and a \$250M off-balance sheet securitisation program (\$198M drawn at 30 June 2016).

## Current estimated cost of facilities:

- Approximately 5% interest cost on gross drawn debt; *plus*
- commitment fee on undrawn part of \$1,067M of domestic facilities of 0.78%; *plus*
- amortisation of facility establishment fees and the discount cost of long-term provisions of \$10M pa;
- *less:* interest on cash

# Committed debt facilities as at 30 June 2016

	Maturity	Committed		Drawn
		Local currency	A\$M	A\$M
Syndicated Bank Facility				
- Tranche 1	Nov 2016	A\$120M	A\$120M	A\$114M
- Tranche 2	Nov 2017	A\$240M	A\$240M	A\$0M
- Tranche 3	Nov 2019	A\$240M	A\$240M	A\$0M
- Tranche 4	Dec 2018	A\$250M	A\$250M	A\$0M
US unsecured notes	May 2018	US\$110M	A\$147M	A\$147M
US unsecured notes	May 2021	US\$500M	A\$670M	A\$670M
Inventory Finance	Feb 2017	US\$55M	A\$73M	-
NS BlueScope JV facilities (100%)				
- Corporate facilities	Mar 2017 – Mar 2021	US\$294M	A\$395M	A\$166M
- Thailand facilities	Jan 2017 – Mar 2019	THB 1,800M	A\$68M	-
- Malaysian facilities	Apr 2017	MYR 30M	A\$10M	A\$3M
Finance leases	Various	Various	A\$224M	A\$224M
<b>Total</b>			<b>A\$2,437M</b>	<b>A\$1,324M</b>

Note: assumes AUD/USD at US\$0.7468

- In addition to debt facilities, BSL has a receivables securitisation program of \$150M maturing September 2017 (undrawn at 30 June 2016), and a \$250M off-balance sheet securitisation program maturing December 2017 (\$198M drawn at 30 June 2016), and other items in total debt of (\$4M).



# Indicative EBIT sensitivities for 1H FY2017<sup>1</sup>

## Australian Steel Products segment

+/- US\$10/t move in average benchmark hot rolled coil price	
- direct sensitivity <sup>2</sup>	+/- \$7-8M
- indirect sensitivity <sup>3</sup>	+/- \$6-8M
+/- US\$10/t move in iron ore costs	-/+ \$30M
+/- US\$10/t move in coal costs	-/+ \$14M
+/- 1¢ move in AUD:USD exchange rate	
- direct sensitivity <sup>4</sup>	+/- \$1M <sup>6</sup>
- indirect sensitivity <sup>5</sup>	-/+ \$5-7M <sup>7</sup>

## New Zealand Steel & Pacific Steel segment

+/- US\$10/t move in benchmark steel prices (HRC and rebar)	
- direct sensitivity <sup>8</sup>	+/- \$1M
- indirect sensitivity <sup>9</sup>	+/- \$2-3M
+/- US\$10/t move in 62% Fe iron ore index price	+/- \$16M
+/- US\$10/t move in market-priced coal costs <sup>10</sup>	-/+ \$2-3M
+/- 1¢ move in AUD:USD exchange rate	
- direct sensitivity <sup>4</sup>	-/+ \$1M <sup>7</sup>
- indirect sensitivity <sup>11</sup>	-/+ \$1-2M <sup>7</sup>

## Hot Rolled Products North America segment

+/- US\$10/t move in realised HRC spread (HRC price less cost of scrap and pig iron)	+/- \$13-14M
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## Group

+/- 1¢ move in AUD:USD exchange rate (direct) <sup>12</sup>	-/+ \$4-5M <sup>7</sup>
---	-------------------------

(1) Page shows full sensitivities to movement in key external factors, as if that movement had applied for the complete six months. Analysis assumes 1H FY2017 base AUD:USD exchange rate of US\$0.75. There are other factors that impact the Company's financial performance which are not shown. The sensitivities provided are general indications only and actual outcomes can vary due to a range of factors such as volumes, mix, margins, pricing lags, hedging, one-off costs etc.

(2) Includes US\$ priced export products and domestic hot rolled coil sold into the pipe & tube market.

(3) Sensitivity shows the potential impact on Australian domestic product prices (A\$ priced) other than painted steels and hot rolled coil sold into the pipe & tube market. Sensitivity is subject to lags and market factors, and is less certain particularly in the short term.

(4) Includes the impact on US dollar denominated export prices and costs. ASP includes hot rolled coil sold into the domestic pipe & tube market.

(5) Also includes potential impact on Australian domestic product prices (A\$ priced) other than painted steels and hot rolled coil sold into the pipe & tube market. Sensitivity is subject to lags and market factors, and is less certain particularly in the short term.

(6) A decrease in the AUD:USD suggests an unfavourable impact on earnings.

(7) A decrease in the AUD:USD suggests a favourable impact on earnings.

(8) Includes US\$ priced export flat and long steel products (includes Pacific Steel products)

(9) Sensitivity shows the potential impact on NZ domestic flat and long steel product prices (A\$ priced) other than painted steels (includes Pacific Steel products). Sensitivity is subject to lags and market factors, and is less certain particularly in the short term.

(10) Sensitivity encompasses the component of New Zealand Steel's annual thermal coal requirement which is imported and priced at prevailing market prices. Excludes the component coal supply which is domestically sourced on long term contract price.

(11) Also includes potential impact on NZ domestic flat and long steel product prices (A\$ priced) other than painted steels (includes Pacific Steel products). Sensitivity is subject to lags and market factors, and is less certain particularly in the short term.

(12) Includes direct sensitivities for ASP and New Zealand & Pacific Steel segments, together with impact of translating earnings of US\$ linked offshore operations to A\$.



# ADDITIONAL INFORMATION – SEGMENT MATERIAL

# Australian Steel Products

## Financial and despatch summaries

### Key segment financial items

\$M unless marked	FY15	1H16	2H16	FY16
Revenue	4,792.1	2,302.1	2,135.3	4,437.4
Underlying EBITDA	339.4	267.1	281.6	548.7
Underlying EBIT	150.3	173.6	187.8	361.4
Reported EBIT	128.4	(95.9)	173.6	77.7
Capital & investment expenditure	172.8	49.8	114.6	164.5
Net operating assets (pre-tax)	2,432.8	2,202.0	2,088.7	2,088.7
Total steel despatches (kt)	2,893.8	1,383.9	1,502.8	2,886.7

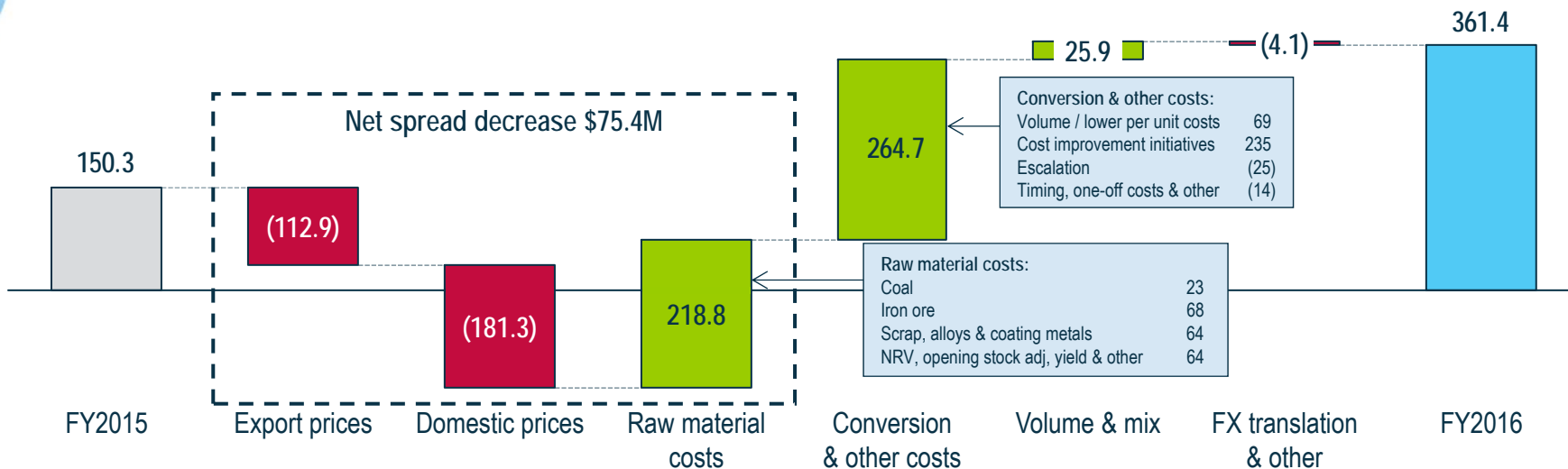
### Despatches breakdown

'000 tonnes	FY15	1H16	2H16	FY16
Hot rolled coil	433.6	236.5	249.7	486.3
Plate	198.5	106.2	104.8	210.9
CRC, metal coated, painted	1,201.2	664.1	647.1	1,311.3
Domestic despatches of BSL steel	1,833.3	1,006.8	1,001.6	2,008.5
Channel despatches of ext sourced steel	258.8	90.9	91.8	182.7
Domestic despatches total	2,092.1	1,097.7	1,093.4	2,191.2
Hot rolled coil	588.7	161.7	253.3	415.0
Plate	24.1	11.7	13.5	25.2
CRC, metal coated, painted	185.4	111.8	141.1	252.9
Export despatches of BSL steel	798.3	285.2	407.9	693.1
Channel despatches of ext sourced steel	3.3	1.0	1.4	2.4
Export despatches total	801.6	286.2	409.3	695.5
Total steel despatches	2,893.8	1,383.9	1,502.8	2,886.7
Export coke despatches	701.1	231.9	356.2	588.1

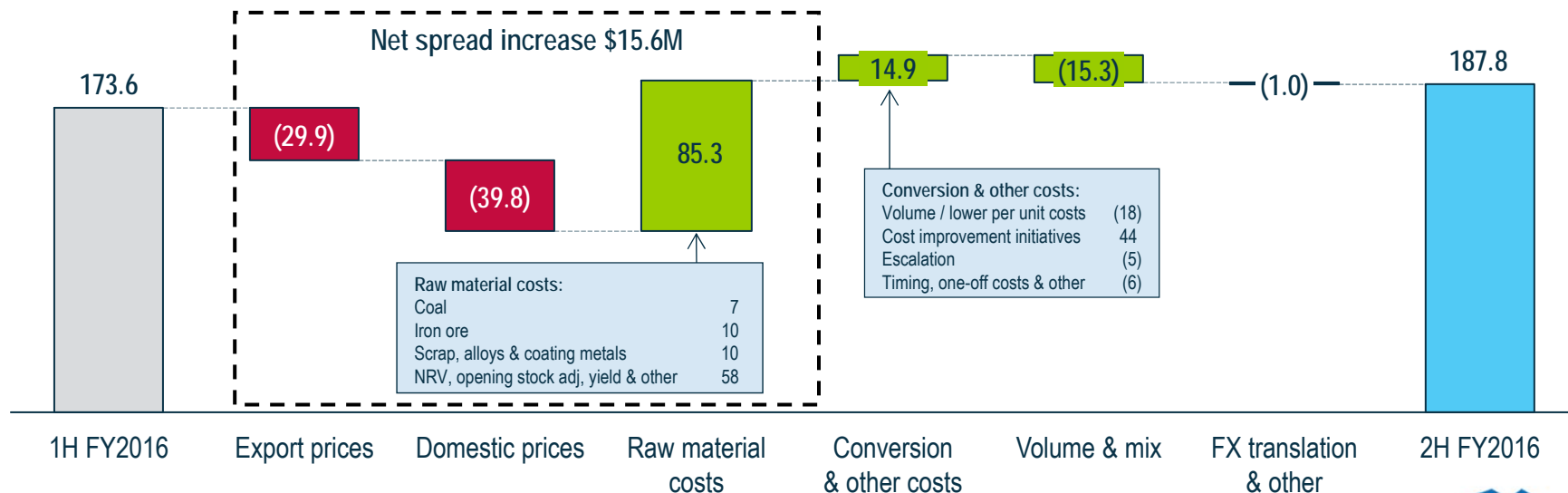
# Australian Steel Products

## Underlying EBIT variance

FY2016 vs FY2015 \$M



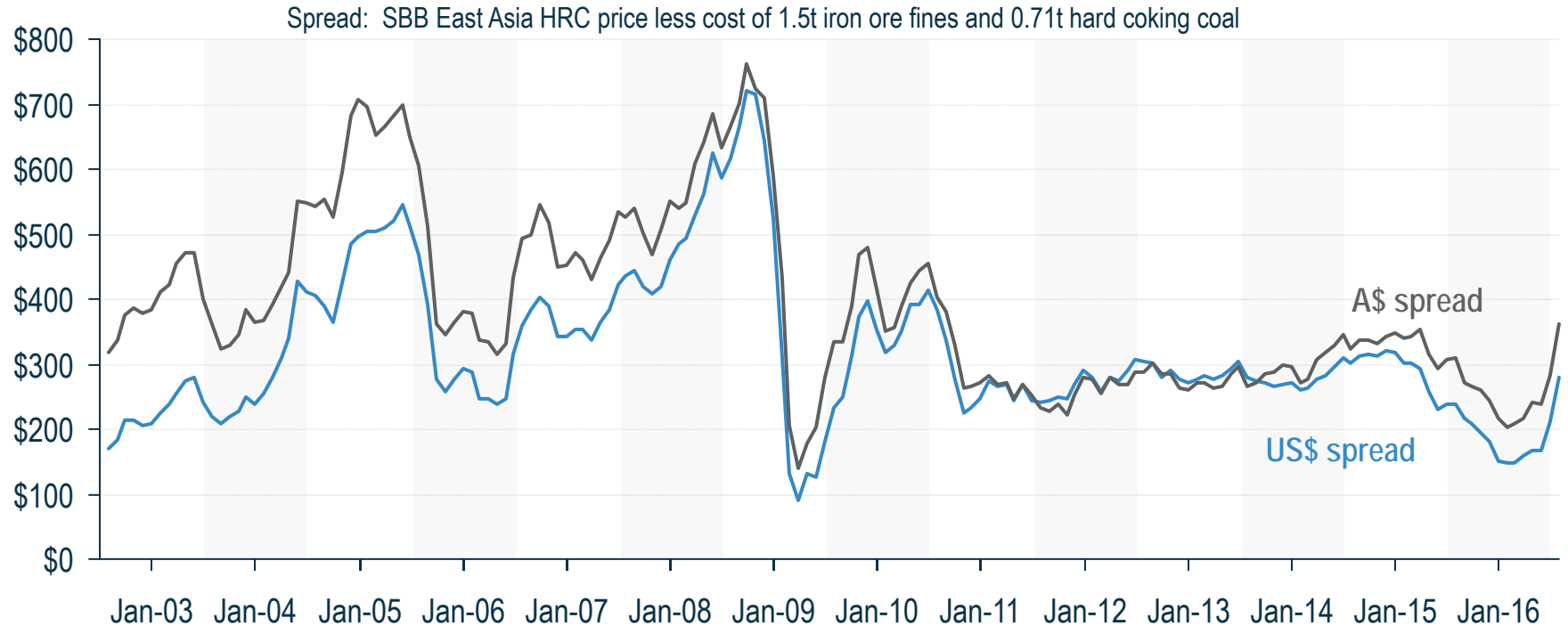
2H FY2016 vs 1H FY2016 \$M



# Australian Steel Products

## Spreads recovering following softest year in FY2016 since FY2002

### East Asia HRC price (US\$/t) and indicative steelmaker HRC spread (A\$/t)



Source: SBB, CRU, Platts, TSI, Reserve Bank of Australia, BlueScope Steel calculations

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	1H FY16	2H FY16	Spot <sup>1</sup>
East Asian HRC price (US\$/t) – SBB	666	665	576	548	442	318	291	346	385
Indicative spread with pricing lags (US\$/t)	272	269	286	276	292	182	198	167	228
Indicative spread with pricing lags (A\$/t)	292	257	278	295	331	247	262	232	296
AUD:USD	0.99	1.03	1.03	0.92	0.84	0.73	0.72	0.73	0.77

Note (1): at mid Aug 2016

#### Notes on calculation:

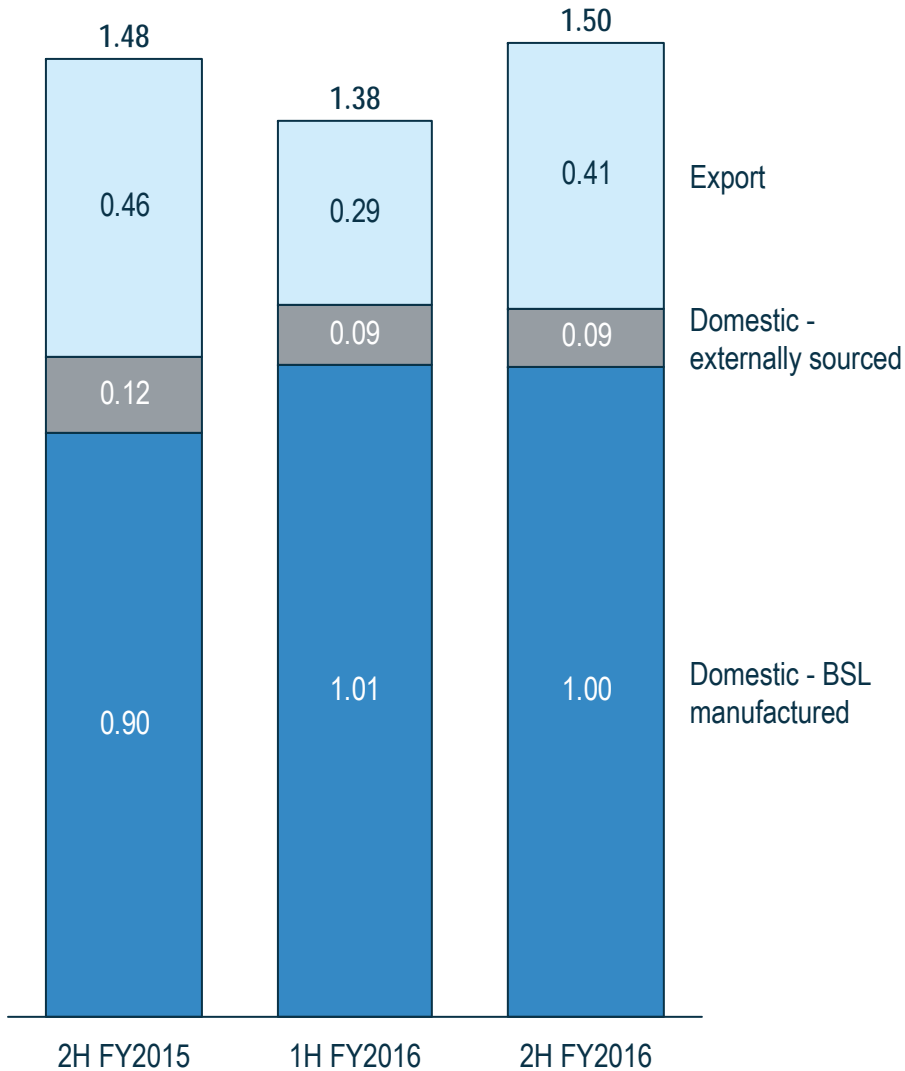
- 'Indicative steelmaker HRC spread' representation based on simple input blend of 1.5t iron ore fines and 0.71t hard coking coal per output tonne of steel. Chart is not a specific representation of BSL realised export HRC spread (eg does not account for iron ore blends, realised steel prices etc), but rather is shown primarily to demonstrate movements from period to period arising from the prices / currency involved. 'Indicative spread with pricing lags' includes three month HRC price lag, three month lag on iron ore price and two month lag on coal price
- Indicative iron ore pricing: 62% Fe iron ore fines price assumed. Industry annual benchmark prices up to March 2010. Quarterly index average prices lagged by one quarter from April 2010 to March 2011; 50/50 monthly/quarterly index average from April 2011 to December 2012. Monthly thereafter. FOB Port Hedland estimate deducts Baltic cape index freight cost from CFR China price
- Indicative hard coking coal pricing: low-vol, FOB Australia. Industry annual benchmark prices up to March 2010; quarterly prices from April 2010 to March 2011; 50/50 monthly/quarterly pricing thereafter



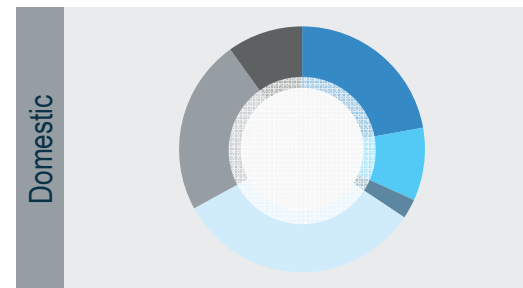
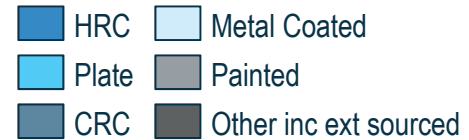
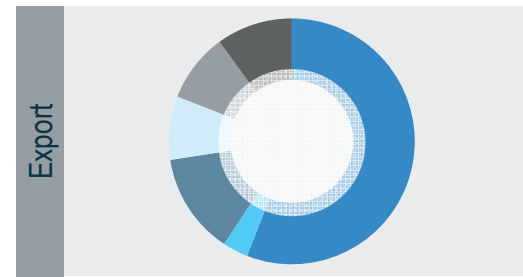


# Australian Steel Products

## Despatch mix (Mt)



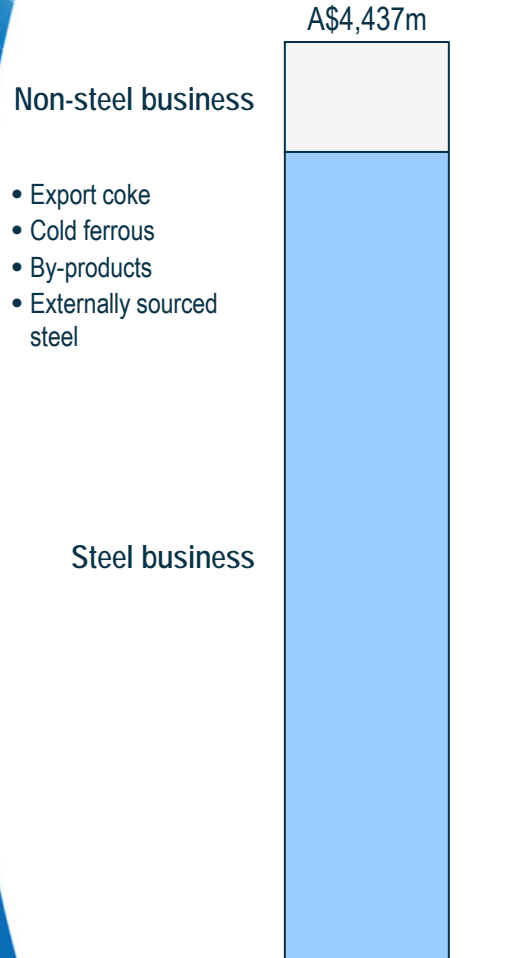
### FY2016 Product Mix



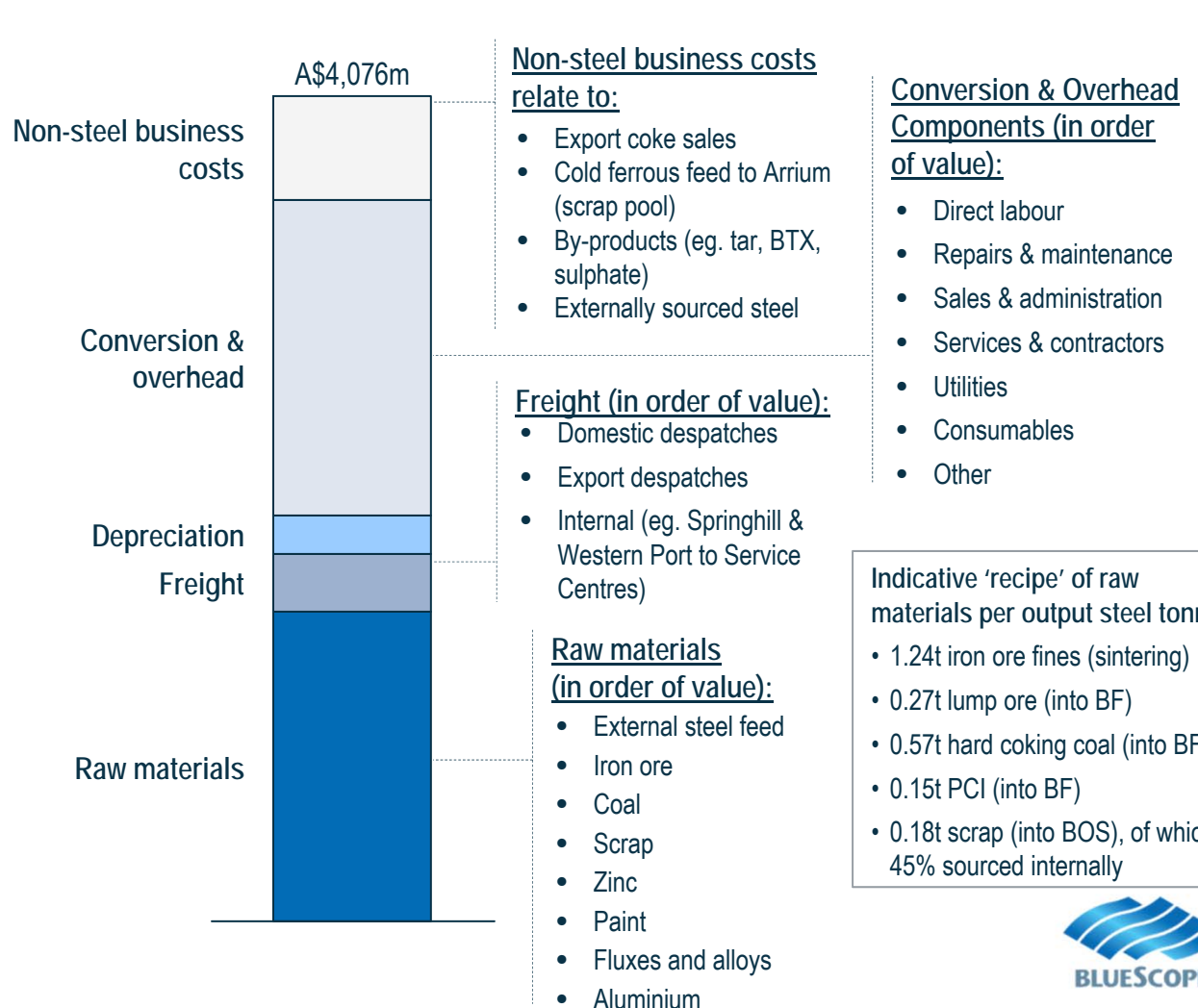
# Australian Steel Products

## Revenue and underlying costs FY2016

### Revenue



### Underlying costs (to EBIT line)



**Indicative 'recipe' of raw materials per output steel tonne:**

- 1.24t iron ore fines (sintering)
- 0.27t lump ore (into BF)
- 0.57t hard coking coal (into BF)
- 0.15t PCI (into BF)
- 0.18t scrap (into BOS), of which 45% sourced internally

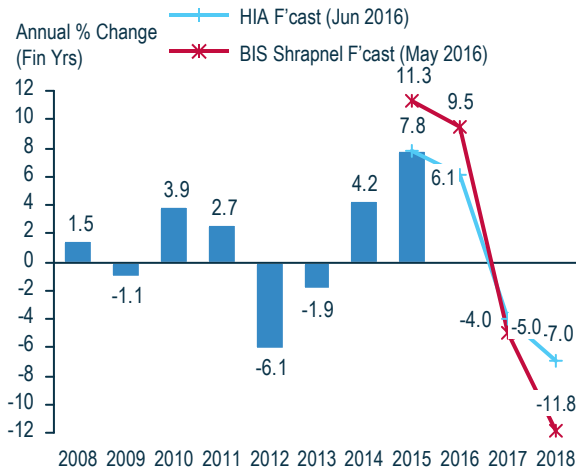


# Australian Steel Products

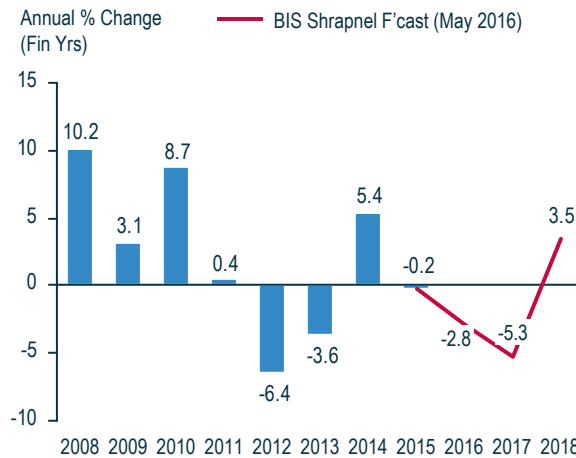
## External forecasters' outlook for our key end-use segment exposures

CONSTRUCTION  
Change in real value of work done

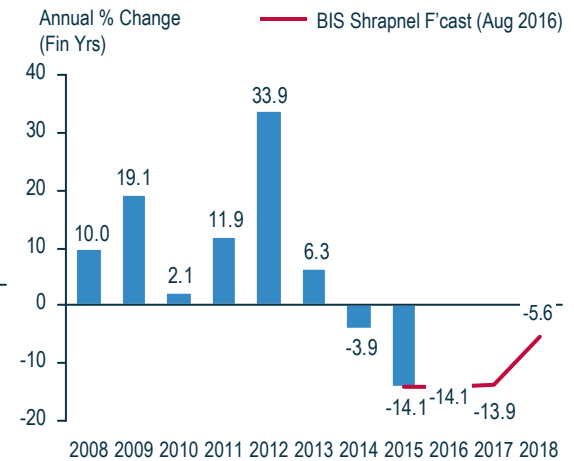
### Residential construction



### Non-residential construction

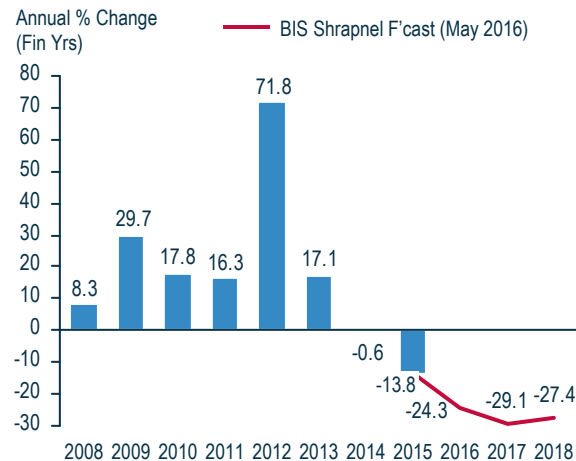


### Engineering construction

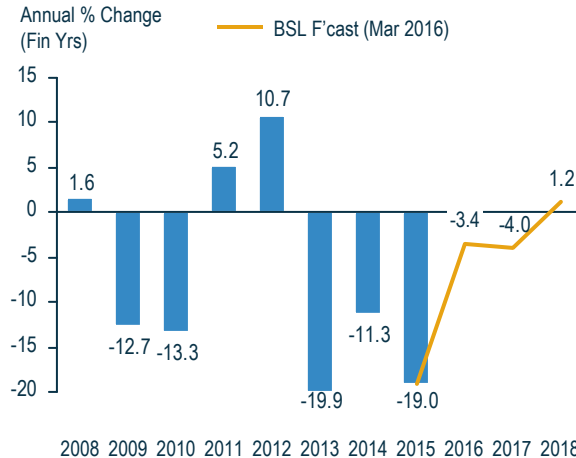


INDUSTRIAL  
Change in real investment (GFCF)

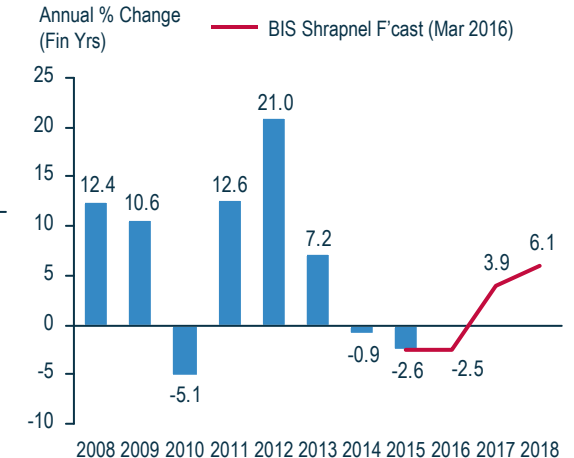
### Mining



### Manufacturing



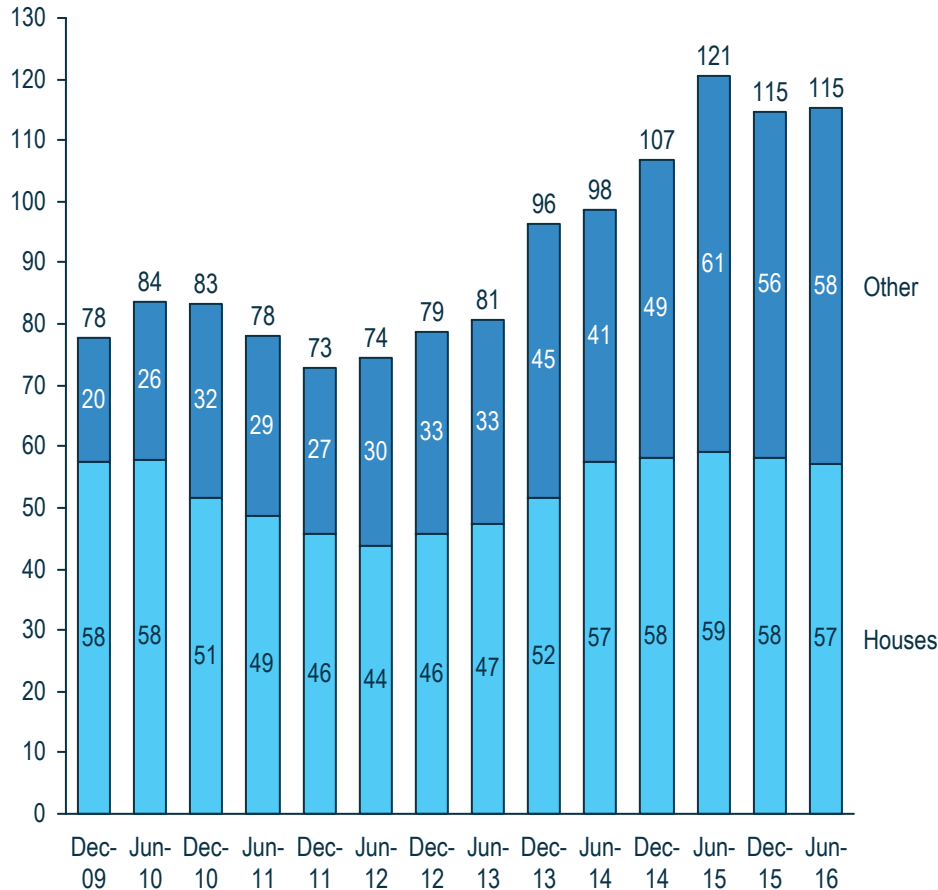
### Agriculture



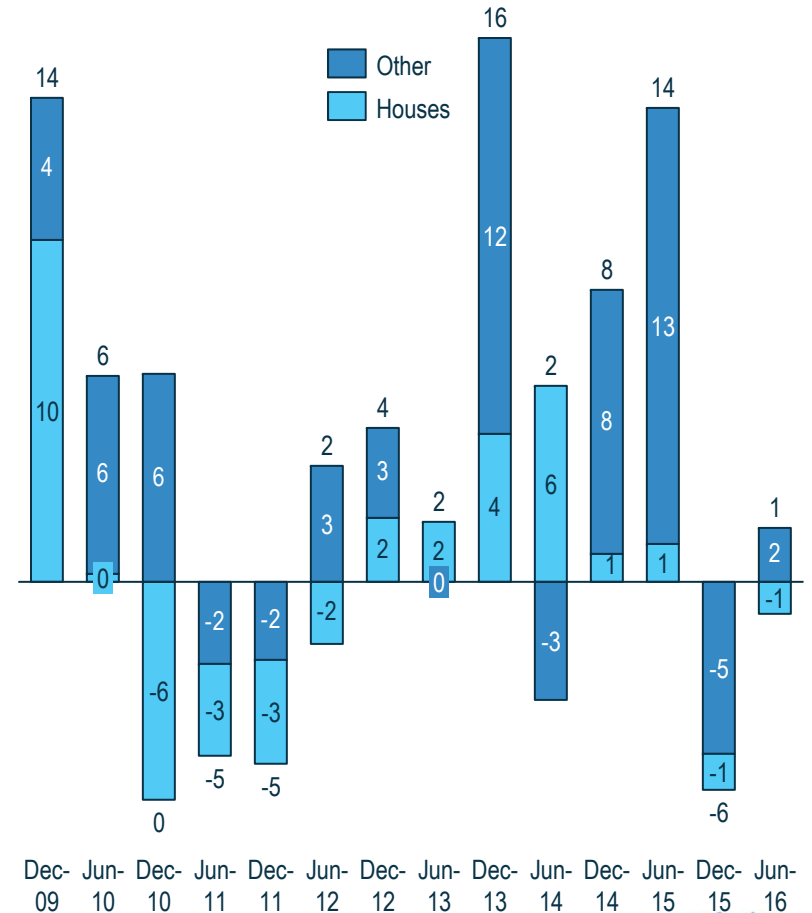
# Australian Steel Products

Approvals have lifted strongly and held momentum in the last 36 months

Australian residential construction approvals (private sector) – '000 units



Change in Australian residential construction approvals (private sector) – '000 units



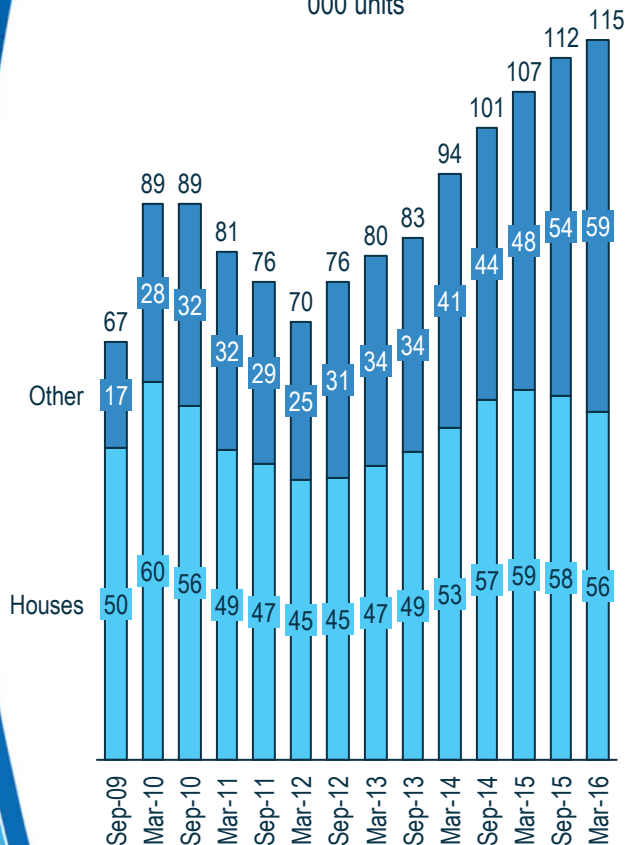
Source: ABS series 8731.0, table 6. Private sector. Seasonally adjusted

# Australian Steel Products

## Strong residential construction markets; non-residential is mixed

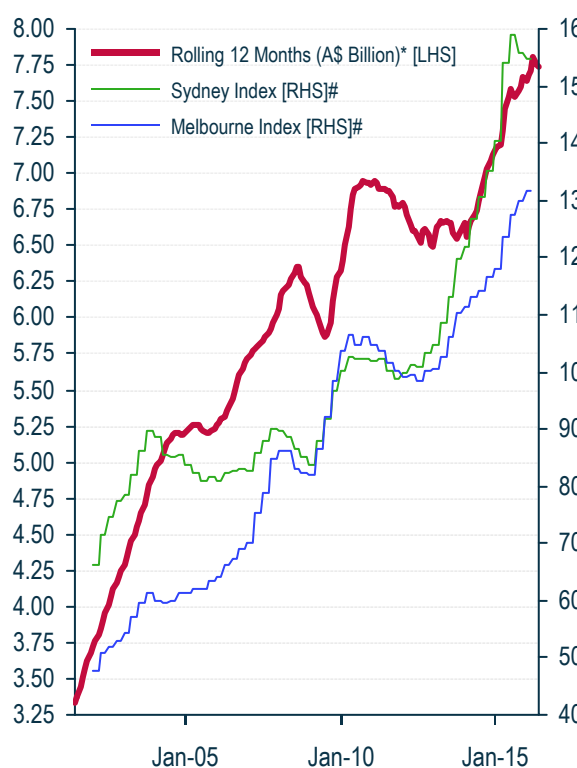
### Commencements lagging approvals which remain at record high levels

Australian residential construction commencements (private & public sector) '000 units



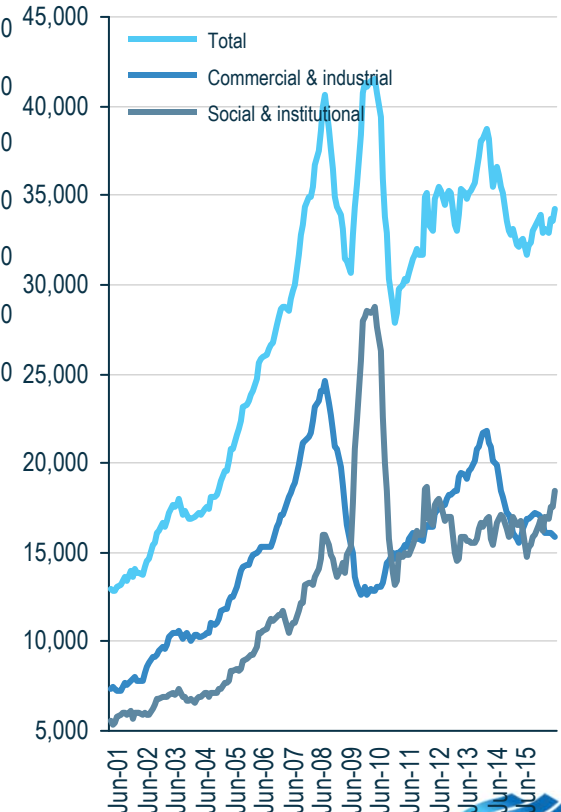
### Alteration and additions activity growing – tracking house prices

A&A Building Approvals [LHS] vs Sydney/Melbourne Established House Price Index [RHS]



### Non-residential construction approvals showing signs of having bottomed

Rolling 12 month value of work approved (public & private) – nominal



Source: ABS series 8752, table 33. Total sectors (public & private)

Source: ABS series 8731, table 51. Total sectors (public and private)

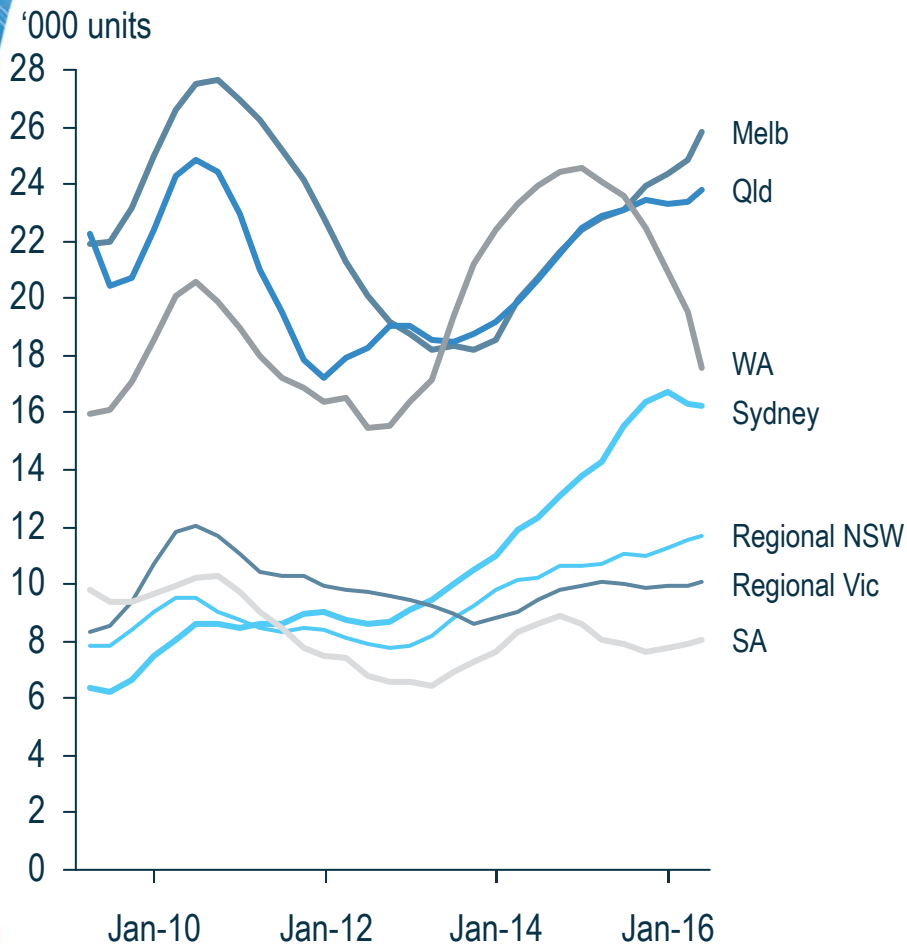




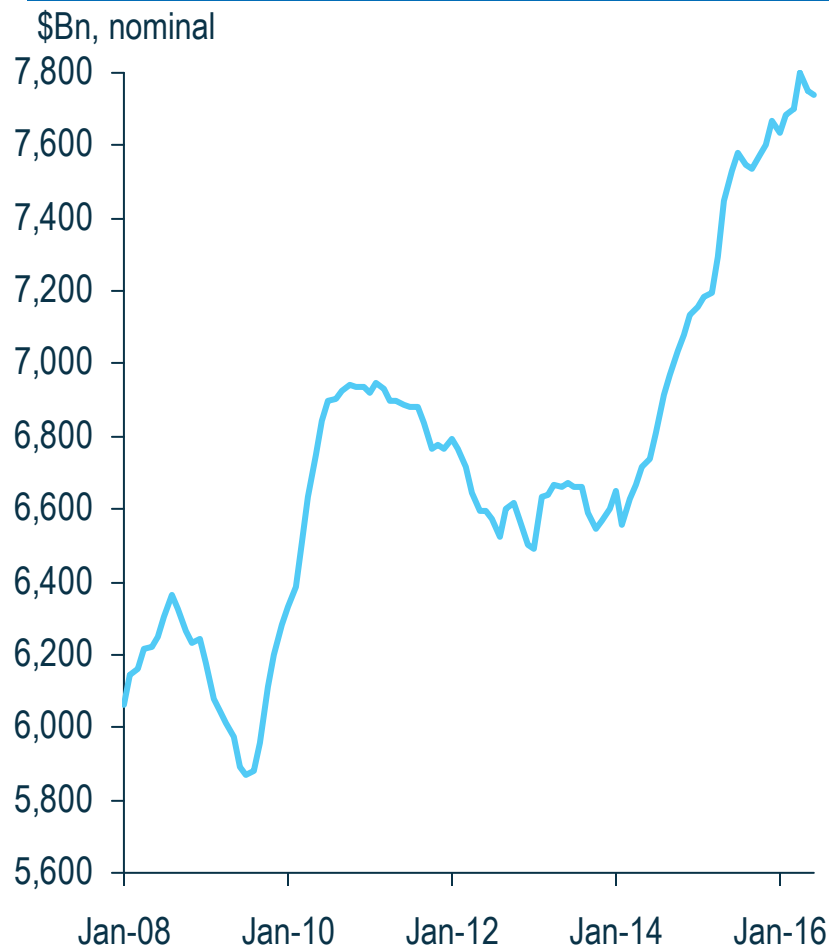
# Australian Steel Products

Detached house approvals continue to lift in most regions of Australia in FY2016, except WA; A&A approvals now showing strong uplift

Construction approvals of houses by region – rolling last 12 months



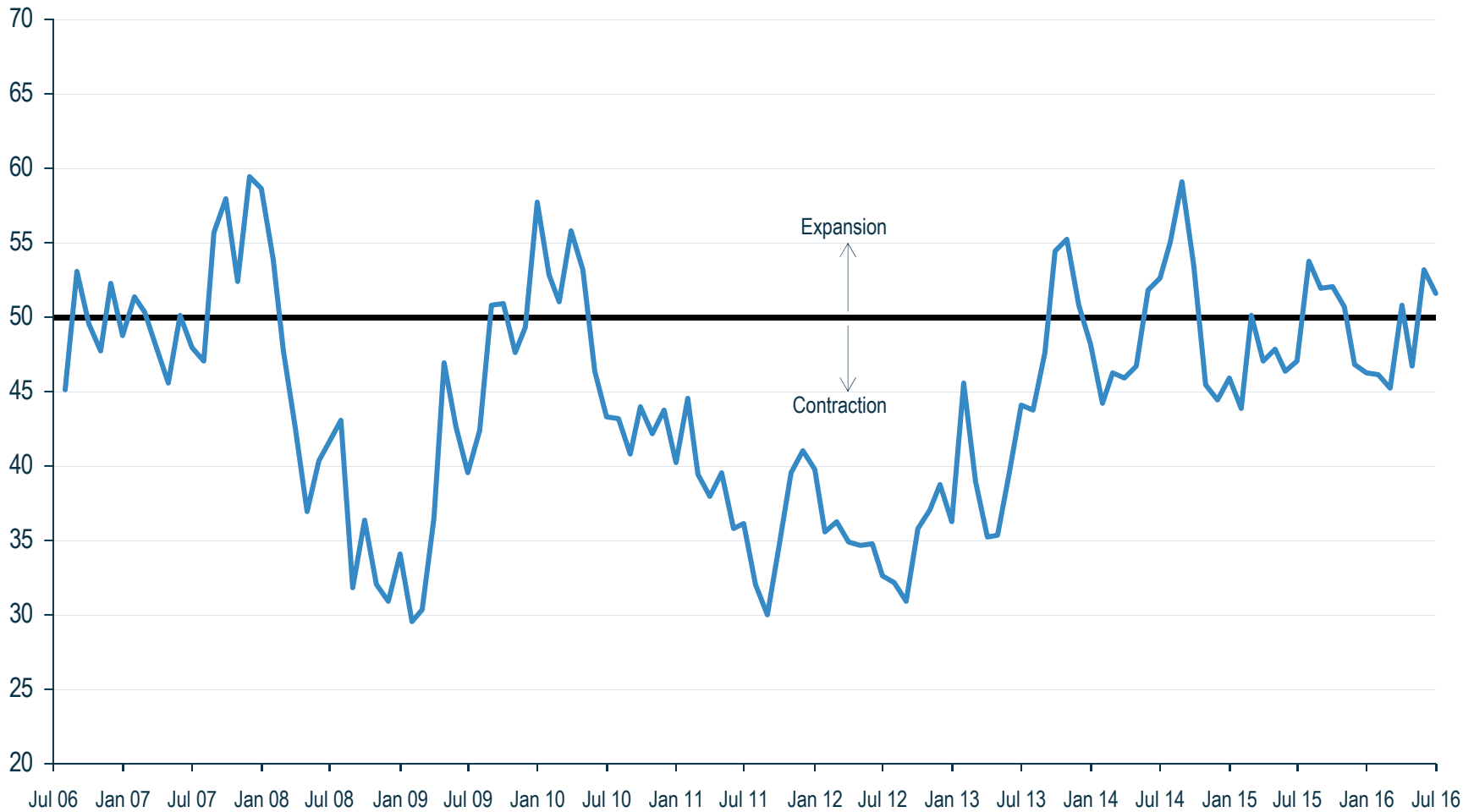
Approvals of alterations & additions (value >\$10k)



Source: ABS series 8731.0, tables 9 & 10, Original data; table 38

# Australian Steel Products

## Australian Performance of Construction (PCI®) index



Note: The Australian Industry Group's Performance of Construction Index (Australian PMI®, PCI®) is a composite index based on the indexes for production, new orders, deliveries, inventories and employment, with varying weights. A reading above 50 points indicates that manufacturing is generally expanding; below 50, that it is declining. The distance from 50 is indicative of the strength of the expansion or decline.

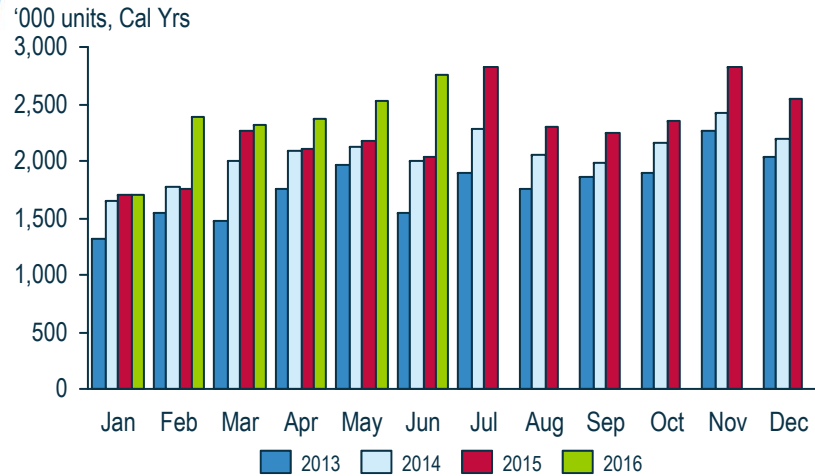
Source: AiGroup



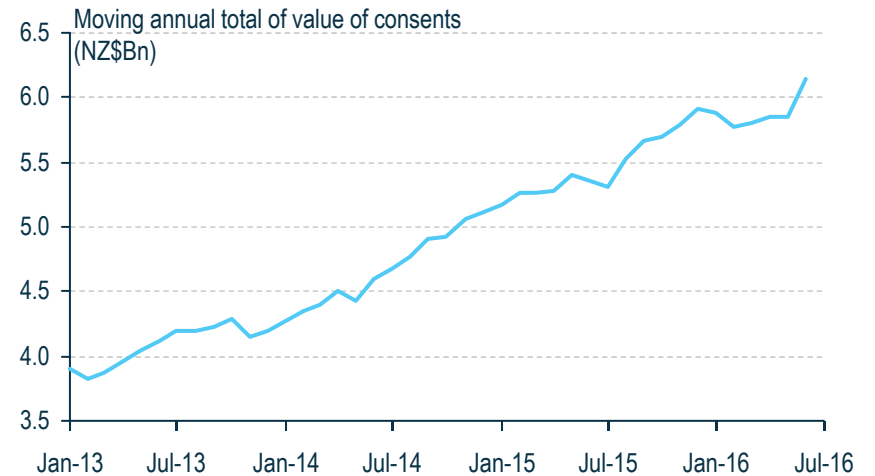
# New Zealand & Pacific Steel

## NZ construction and manufacturing activity maintaining strong momentum

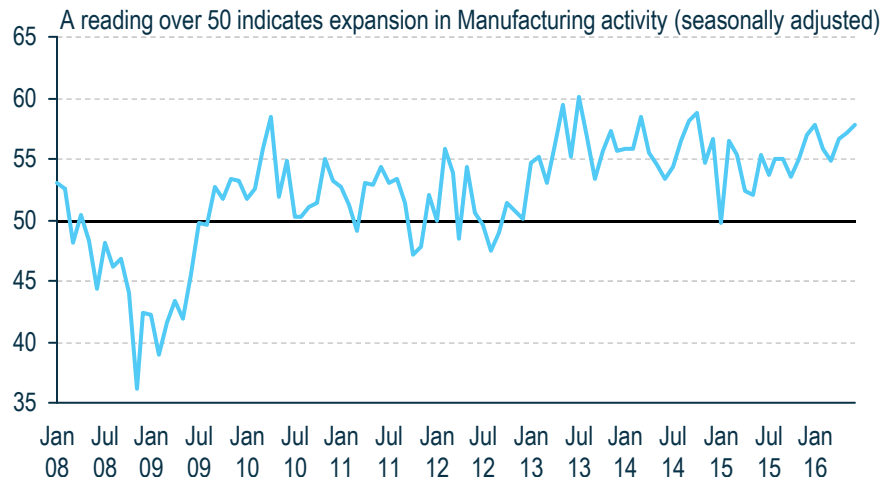
### Residential building consents – strong momentum



### Non-residential construction consents – strong growth



### Purchasing Managers' Index (PMI) – approaching 4 consecutive years of expansion



Source: CEIC, RBNZ, Statistics NZ



# New Zealand & Pacific Steel

## Financial summary

### Key segment financial items

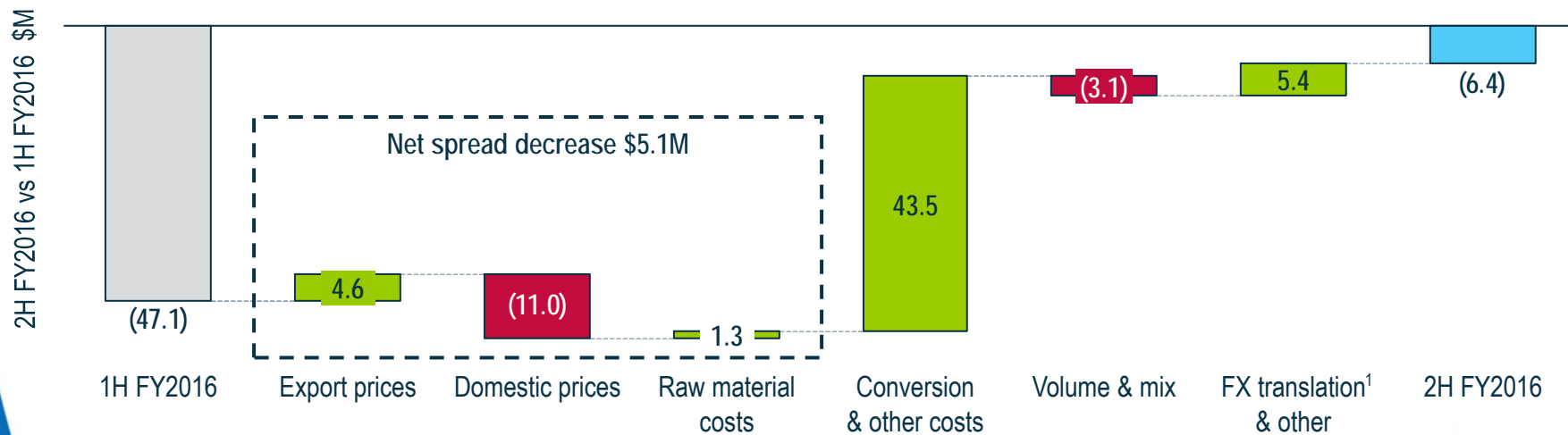
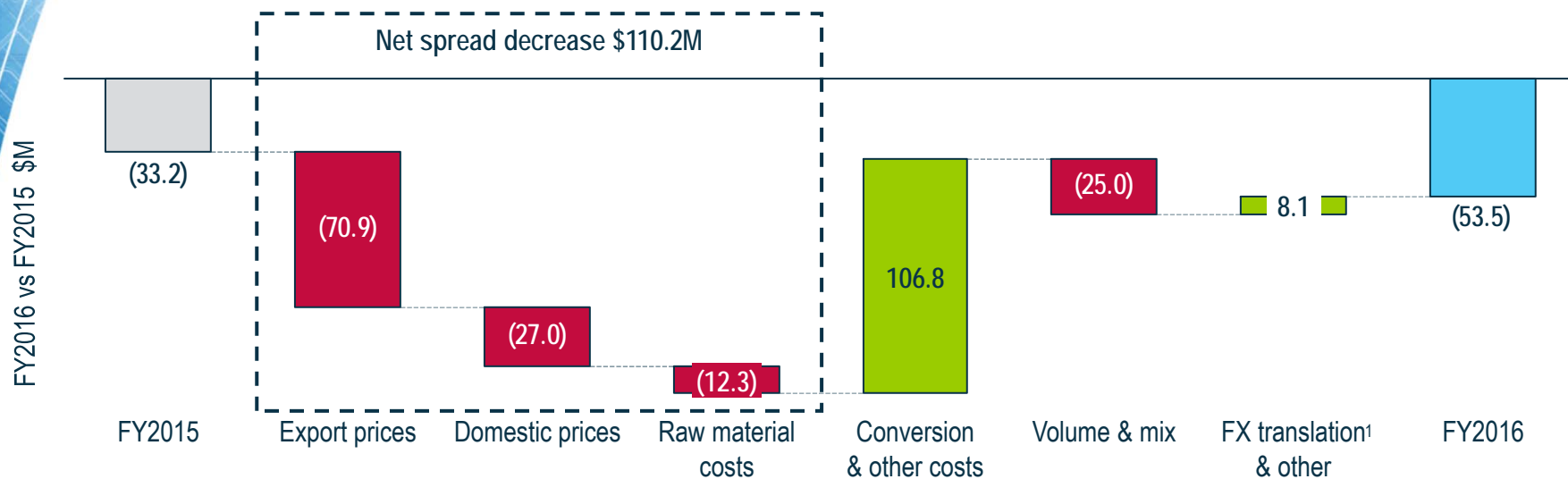
\$M	FY15	1H16	2H16	FY16
Revenue	972.1	451.5	435.8	887.3
Underlying EBITDA	26.8	(15.5)	15.5	0.0
Underlying EBIT	(33.2)	(47.1)	(6.4)	(53.5)
Reported EBIT	(30.3)	(365.7)	(31.6)	(397.3)
Capital & investment expenditure	105.4	33.4	38.4	71.8
Net operating assets (pre-tax)	634.8	365.1	234.7	234.7
Total steel despatches - flat & long (kt)	782.6	365.8	331.3	697.1
Note: Taharoa iron sands underlying EBIT: 2H FY2015 included \$11.0M NRV charge	(26.8)	(14.2)	0.9	(13.3)

### Despatches

'000 tonnes	FY15	1H16	2H16	FY16
Domestic despatches				
- NZ Steel flat products	260.6	132.6	125.4	258.0
- Pacific Steel long products	173.0	79.0	90.2	169.2
<b>Sub-total domestic</b>	<b>433.6</b>	<b>211.6</b>	<b>215.6</b>	<b>427.2</b>
Export despatches				
- NZ Steel flat products	259.7	112.2	93.4	205.6
- Pacific Steel long products	89.3	42.0	22.3	64.3
<b>Sub-total export</b>	<b>349.0</b>	<b>154.2</b>	<b>115.7</b>	<b>269.9</b>
<b>Total steel despatches</b>	<b>782.6</b>	<b>365.8</b>	<b>331.3</b>	<b>697.1</b>
Export iron sands despatches	1,629.7	1,394.6	1,806.5	3,201.1

# New Zealand & Pacific Steel

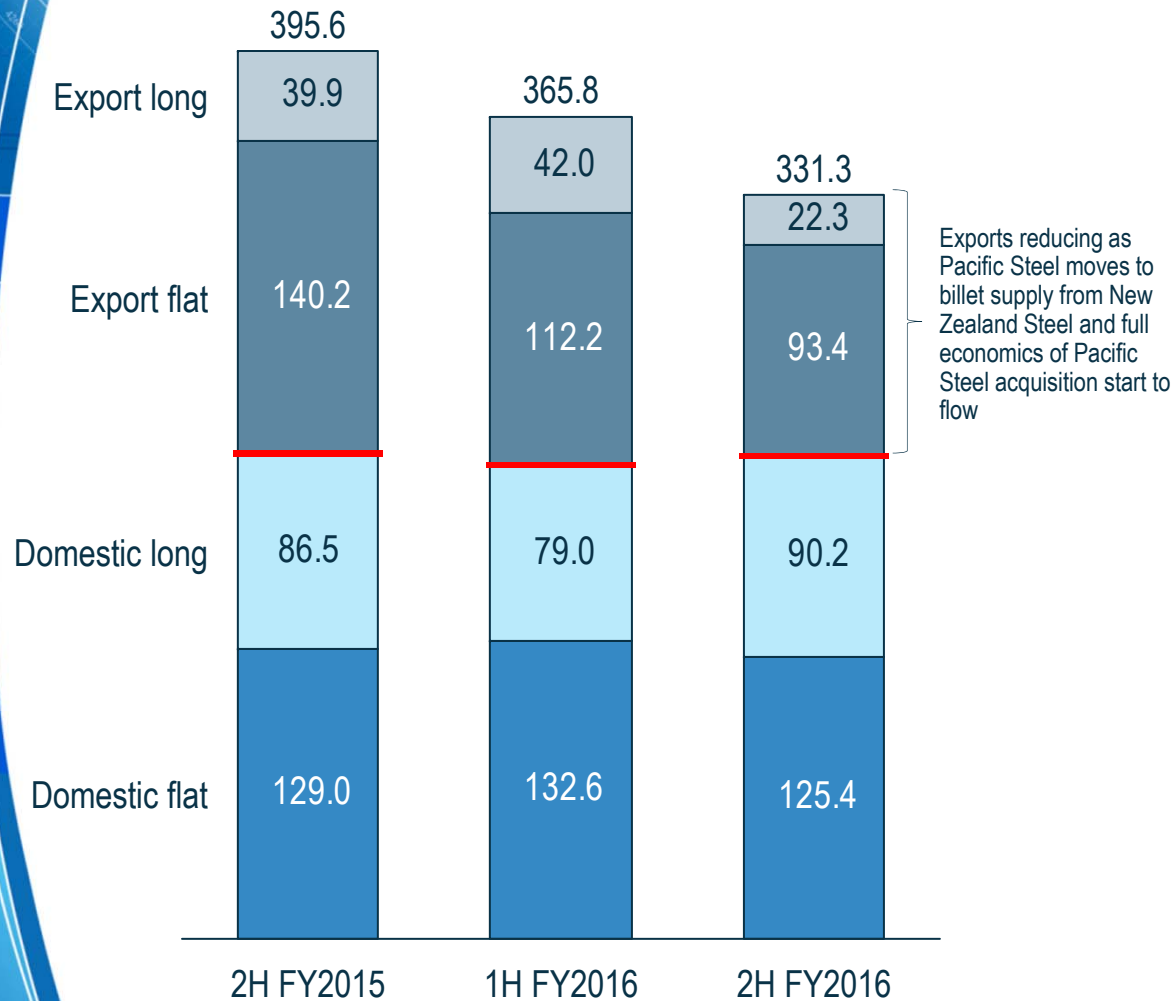
## Underlying EBIT variance



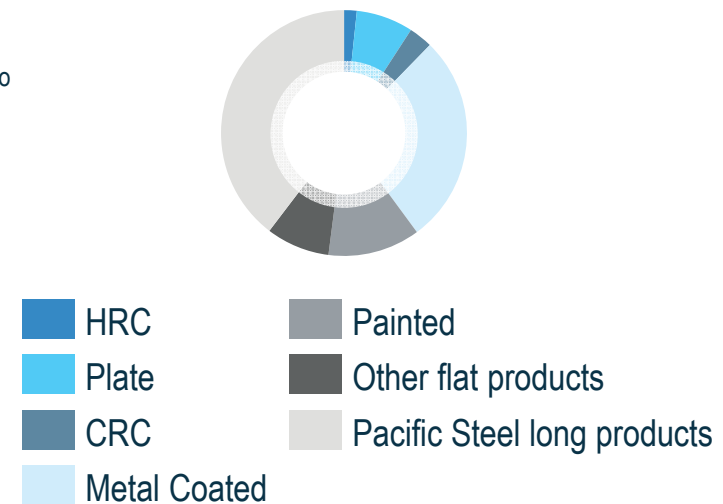
Note: 1) FX translation relates to translation of foreign currency earnings to AUD, transactional foreign exchange impacts are reflected in the individual categories



# New Zealand & Pacific Steel Despatch mix



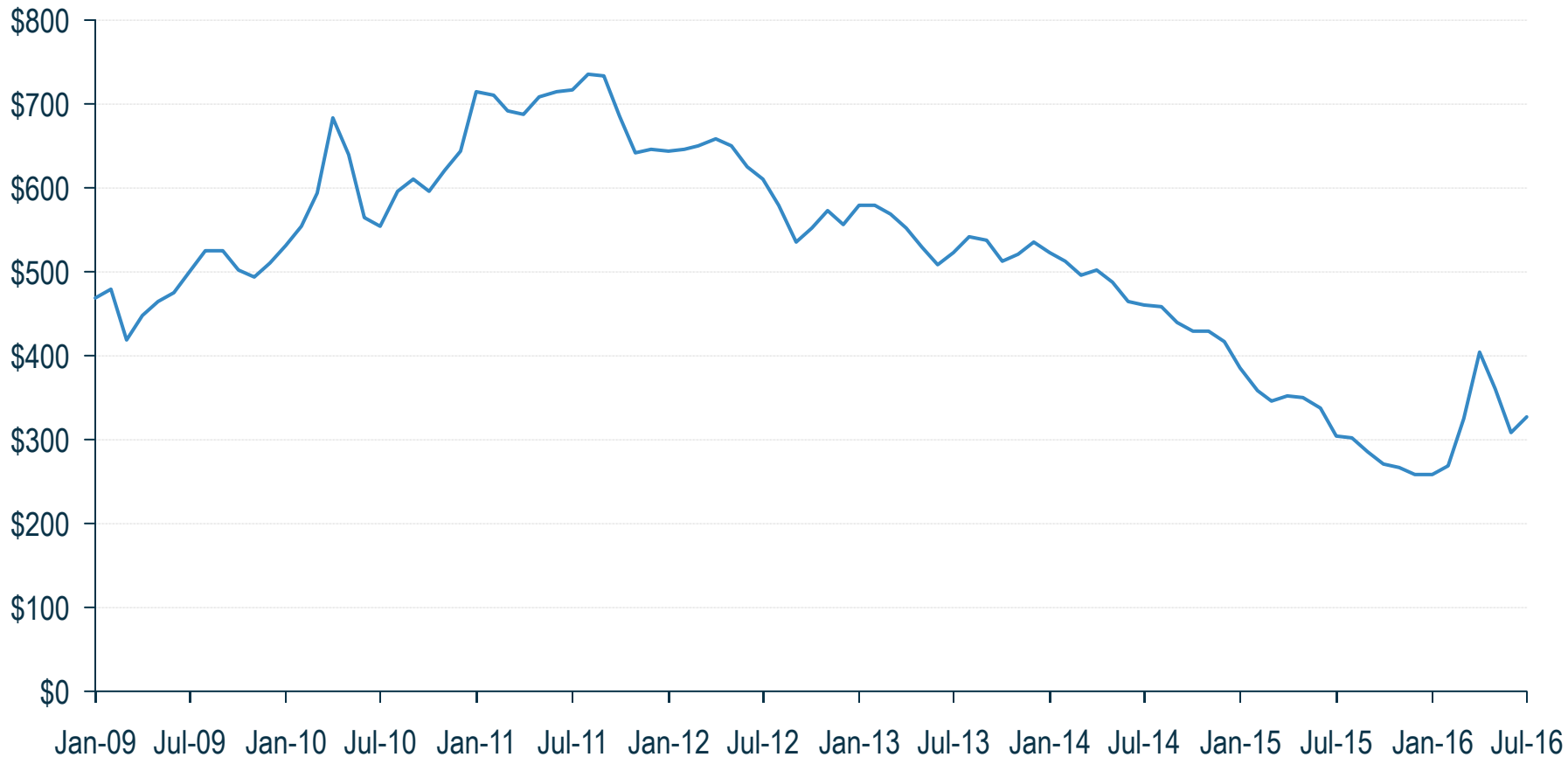
FY2016 Domestic Product Mix



# New Zealand & Pacific Steel

The East Asian rebar price influences domestic and export long product pricing

## SBB East Asian rebar price (US\$/t)



Source: Steel Business Briefing



# Taharoa export iron sands

## Sale process remains underway

### Update on sale process

- Sale process remains underway
- \$15.2m growth capex was committed in 2H 2016, of which \$3.4m is to be spent in FY2017
- Further growth capex is under review and subject to outcome of sale process

### 1H FY2017 volume

- 1.7Mt expected

### Financial performance

- Underlying EBIT loss of \$14.2M in 1H FY2016, and EBIT profit of \$0.9M in 2H FY2016 for full year FY2016 underlying EBIT loss of \$13.3m
- Achieved 2H FY2016 EBIT break-even at an average index iron ore price of US\$47.5/t<sup>1</sup>

1. Reference is to 62% Fe CFR China iron ore index price. Break-even analysis excludes hedging adjustments

# Building Products ASEAN, North America & India

## Financial summary

### Key segment financial items

\$M unless marked	FY15	1H16	2H16	FY16
Revenue	1,790.8	878.6	888.2	1,766.8
Underlying EBITDA	153.3	95.8	115.1	210.9
Underlying EBIT	98.3	65.4	83.9	149.3
Reported EBIT	97.1	65.4	83.9	149.3
Capital & investment expenditure	72.8	16.3	32.1	48.3
Net operating assets (pre-tax)	1,006.0	1,065.5	1,009.7	1,009.7
Total despatches (kt)	1,330.2	641.4	728.1	1,369.5

### Despatches by business

'000 tonnes	FY15	1H16	2H16	FY16
Thailand	350.3	151.1	216.3	367.4
Indonesia	241.3	118.2	117.6	235.9
Malaysia	167.0	83.7	82.1	165.7
Vietnam	125.6	61.6	67.1	128.8
North America	373.2	198.8	188.5	387.3
India	102.9	54.1	64.9	118.9
Other / eliminations	(30.1)	(26.1)	(8.5)	(34.5)
<b>Total</b>	<b>1,330.2</b>	<b>641.4</b>	<b>728.0</b>	<b>1,369.5</b>

### Revenue by business

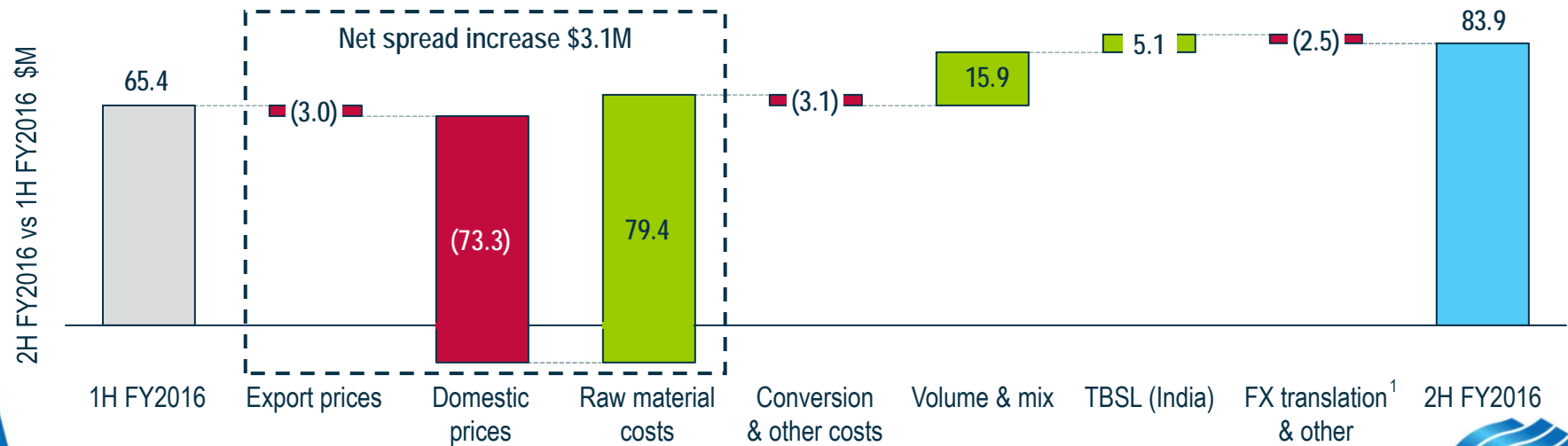
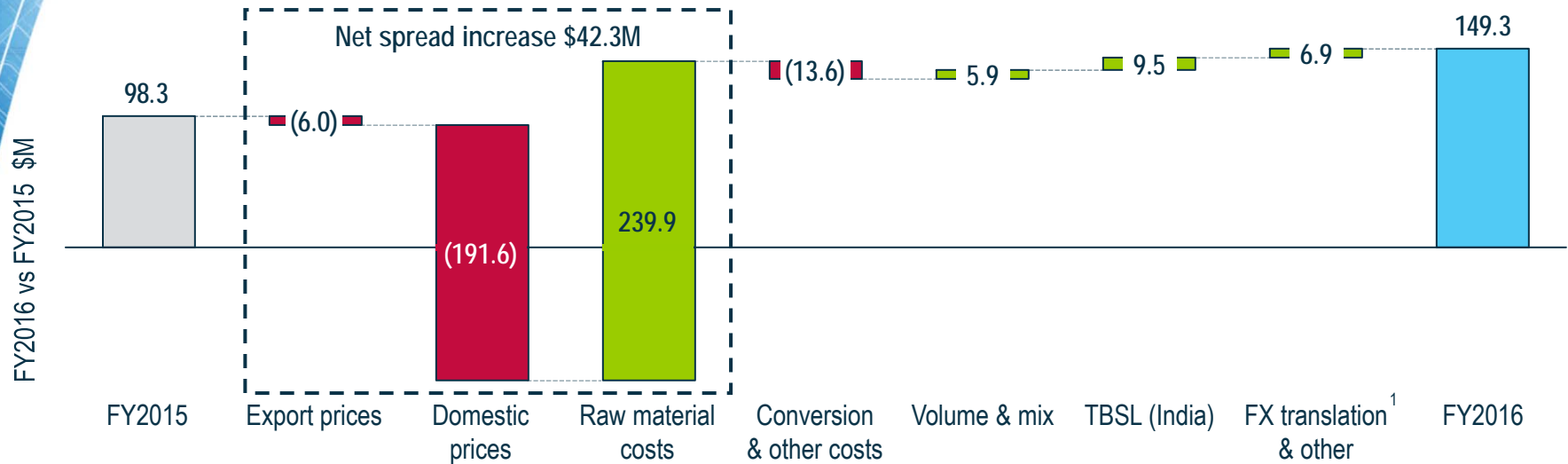
\$M	FY15	1H16	2H16	FY16
Thailand	455.0	198.9	240.7	439.6
Indonesia	319.9	160.1	146.6	306.7
Malaysia	253.3	120.8	114.5	235.3
Vietnam	165.3	82.9	84.5	167.4
North America	631.0	347.2	310.5	657.8
India	0.0	0.0	0.0	0.0
Other / eliminations	(33.7)	(31.3)	(8.6)	(40.0)
<b>Total</b>	<b>1,790.8</b>	<b>878.6</b>	<b>888.2</b>	<b>1,766.8</b>

### Underlying EBIT by business

\$M	FY15	1H16	2H16	FY16
Thailand	48.5	20.2	29.4	49.6
Indonesia	11.0	9.1	8.4	17.5
Malaysia	27.3	14.9	15.9	30.7
Vietnam	14.2	9.9	8.6	18.6
North America	4.7	11.2	18.6	29.8
India	(2.2)	1.1	6.2	7.4
Other / eliminations	(5.2)	(1.0)	(3.2)	(4.3)
<b>Total</b>	<b>98.3</b>	<b>65.4</b>	<b>83.9</b>	<b>149.3</b>

# Building Products ASEAN, North America & India

## Underlying EBIT variance



Note: 1) FX translation relates to translation of foreign currency earnings to AUD, transactional foreign exchange impacts are reflected in the individual categories

# BlueScope Buildings

## Financial and despatches summary

### Key segment financial items

\$M unless marked	FY15	1H16	2H16	FY16
Revenue	1,538.1	889.8	816.1	1,705.9
Underlying EBITDA	82.3	56.7	36.9	93.6
Underlying EBIT	43.7	34.2	15.0	49.2
Reported EBIT	56.0	26.4	12.6	39.0
Capital & investment expenditure	30.3	4.5	21.9	26.4
Net operating assets (pre-tax)	727.1	717.1	603.3	603.3
Total despatches (kt)	529.6	295.0	306.9	601.9

### Revenue by business

\$M	FY15	1H16	2H16	FY16
Engineered Buildings North America	1,049.3	587.9	527.3	1,115.2
Engineered Buildings Asia	319.7	221.7	206.9	428.6
Building Products China (coated steel)	220.7	122.4	117.6	240.0
Other / eliminations	(51.6)	(42.2)	(35.7)	(77.9)
<b>Total</b>	<b>1,538.1</b>	<b>889.8</b>	<b>816.1</b>	<b>1,705.9</b>

### Despatches by business

'000 tonnes	FY15	1H16	2H16	FY16
Engineered Buildings North America	250.9	122.8	116.1	238.9
Engineered Buildings Asia	163.5	116.8	122.3	239.1
Building Products China (coated steel)	146.2	81.4	89.5	170.9
Other / eliminations	(30.9)	(25.9)	(21.1)	(47.0)
<b>Total</b>	<b>529.6</b>	<b>295.0</b>	<b>306.9</b>	<b>601.9</b>

### Underlying EBIT by business

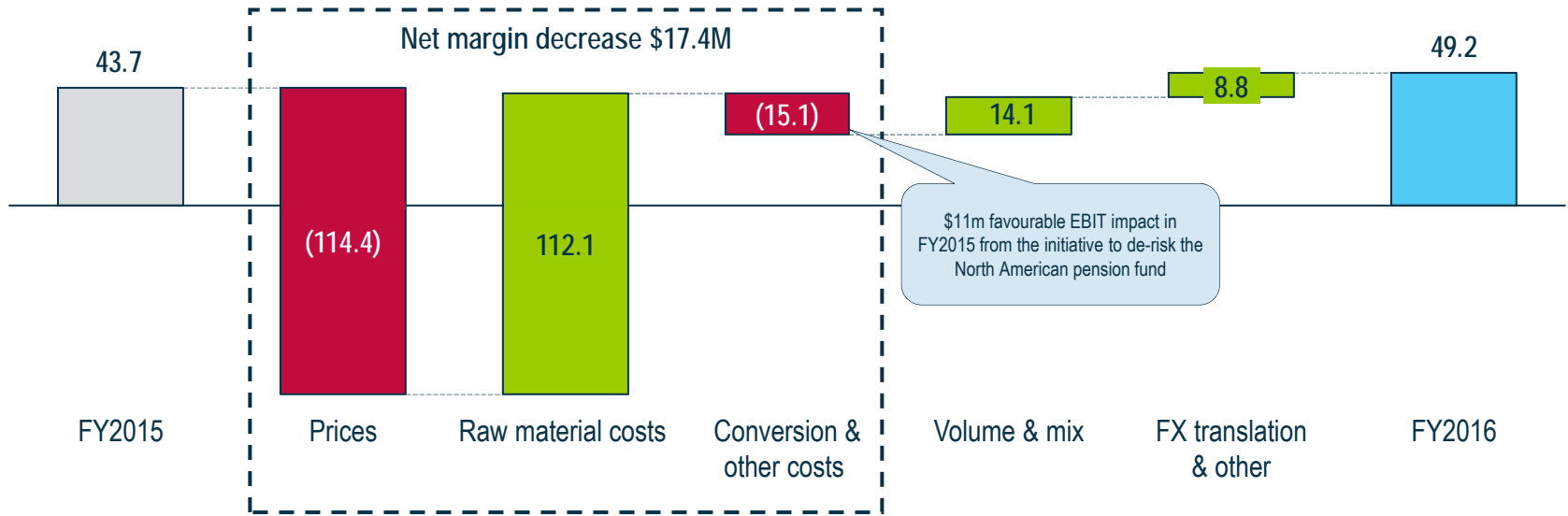
\$M	FY15	1H16	2H16	FY16
Engineered Buildings North America	42.6	26.8	13.4	40.2
Engineered Buildings Asia	(14.5)	(0.8)	(6.9)	(7.7)
Building Products China (coated steel)	25.7	12.7	10.6	23.3
Other / eliminations	(10.1)	(4.4)	(2.2)	(6.6)
<b>Total</b>	<b>43.7</b>	<b>34.2</b>	<b>15.0</b>	<b>49.2</b>



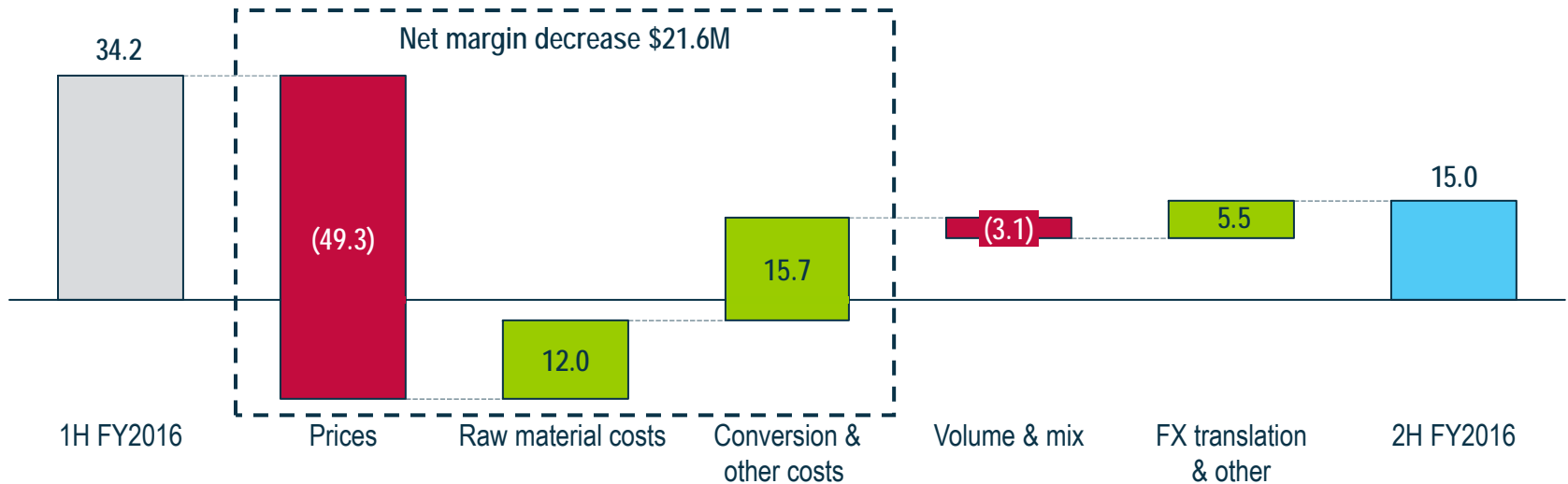
# BlueScope Buildings

## Underlying EBIT variance

FY2016 vs FY2015 \$M



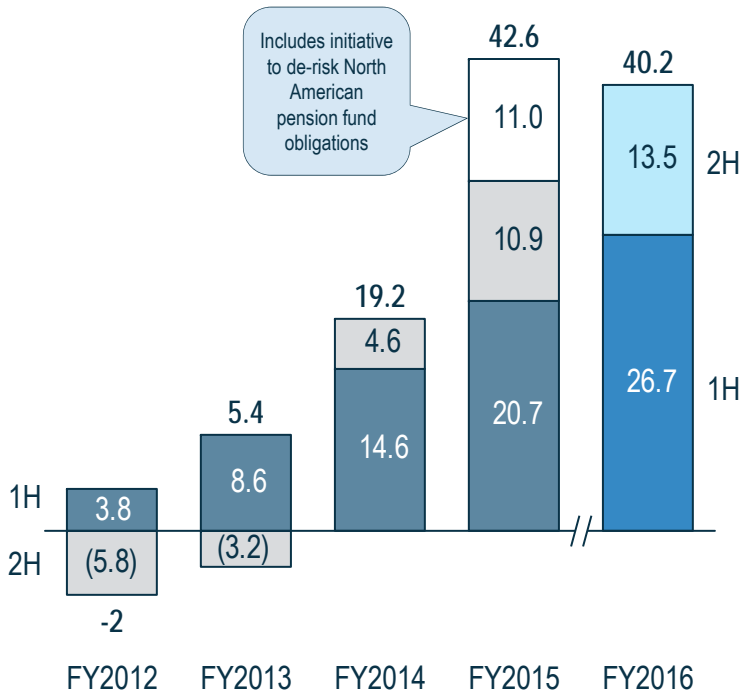
2H FY2016 vs 1H FY2016 \$M



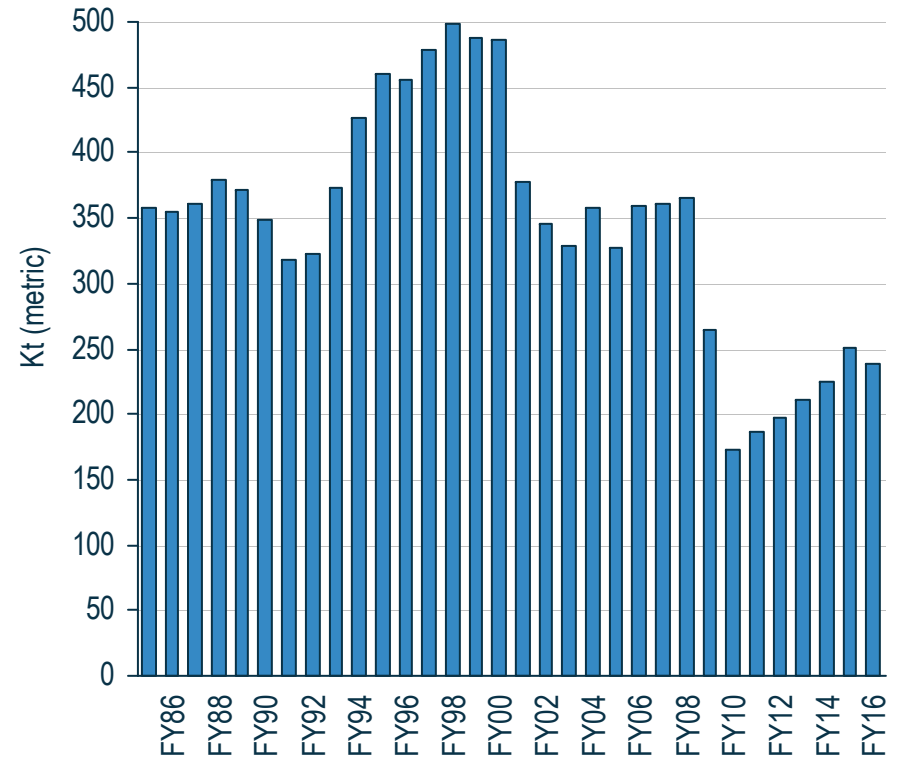
# BlueScope Buildings

Steady progress in North America earnings growth. Volumes moderated in FY2016 but good potential remains

Underlying EBIT of Buildings North America (\$M)



Buildings North America – volumes



Note: BBNA formed in 2008. Volumes are the combination of Butler and Varco Pruden volumes



# Hot Rolled Products North America

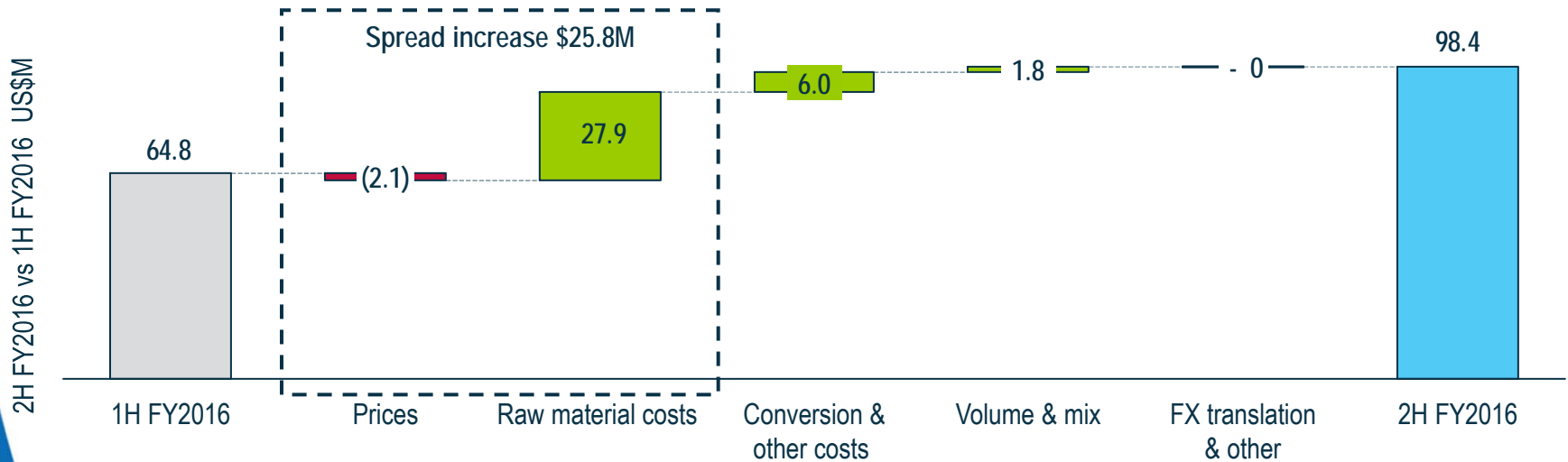
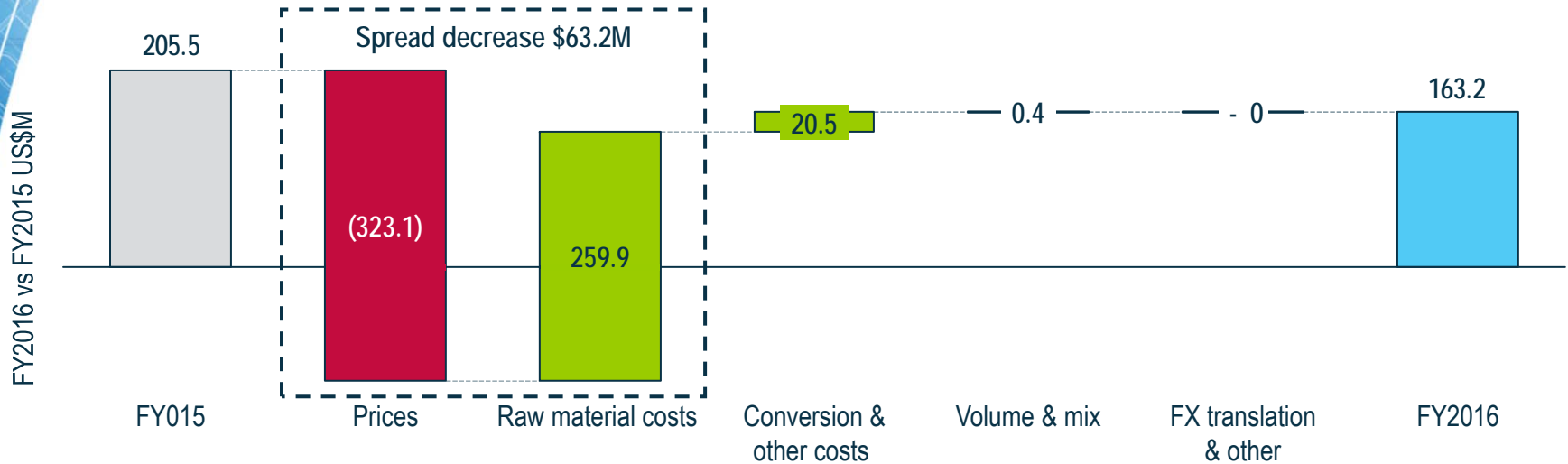
## Financial and despatches summary

### Key segment financial items

\$M unless marked	FY15	1H16	2H16	FY16
Revenue	0.0	187.1	660.2	847.3
Underlying EBITDA	107.3	51.6	132.5	184.1
Underlying EBIT	107.3	42.4	104.2	146.5
Reported EBIT	107.3	743.1	104.2	847.3
Capital & investment expenditure	2.5	6.8	15.0	21.8
Net operating assets (pre-tax)	112.8	2,041.7	1,862.3	1,862.3
North Star despatches (100% , metric kt)	2,018.0	999.0	1,022.6	2,021.6

# North Star BlueScope Steel

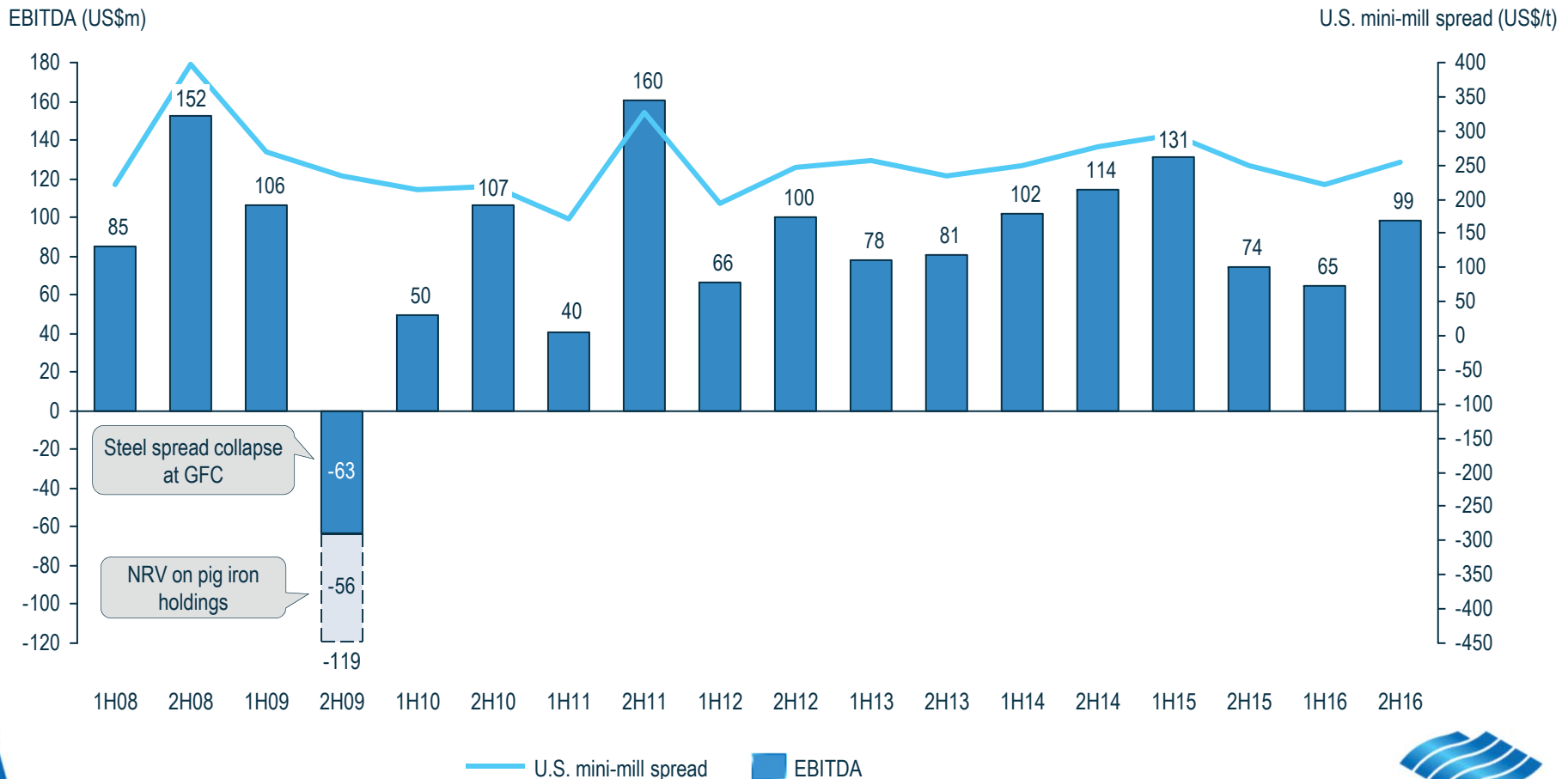
US\$M underlying EBITDA variance on 100% ownership / consolidated basis



# North Star BlueScope Steel

Earnings relatively consistent through the cycle, noting annual variability

## EBITDA and spread<sup>1</sup>



Note: (1) U.S. Midwest mini-mill HRC spread (metric) – based on CRU Midwest HRC price, SBB #1 busheling scrap price and Metal Bulletin NOLA pig iron price; assumes raw material usage of 1.1t per output tonne. Assumes one month revenue lag on HRC price, one month lag on scrap price and two month lag on pig iron price



# FY2016 Financial Results Presentation

Paul O'Malley, Managing Director and Chief Executive Officer

Charlie Elias, Chief Financial Officer

22 August 2016

BlueScope Steel Limited. ASX Code: BSL