



ASX Release

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BLUESCOPE STEEL AND TATA STEEL ANNOUNCE JOINT VENTURE AND CONSTRUCTION OF NEW METALLIC COATING AND PAINTING FACILITY

The Board of Directors of BlueScope Steel today announced that they have approved a 50/50 Joint Venture arrangement and the development of a steel coating and building solutions business. The Board of Directors of Tata Steel had earlier approved the joint venture.

The joint venture company will build a new business across India and South Asia that will manufacture zinc/aluminium metallic coated steel, painted steel and rollformed steel products, and deliver pre-engineered buildings (PEBs) and other building solutions. The head office will be located in Pune and the joint venture agreement will be officially signed at a ceremony later this month when details about the new management will be released to the market. India is one of Asia's fastest growing economies with the world's second largest population after China.

Mr Kirby Adams, Managing Director and CEO of BlueScope Steel said: "Together, BlueScope Steel and Tata Steel have forged a powerful partnership, which will capitalise on the strengths of our two organisations in steel production and in bringing to market premium quality branded products. Both companies see the value in implementing this coated steel development strategy across South and North Asia."

Mr B Muthuraman, Managing Director, Tata Steel said "Tata Steel and BlueScope Steel share a similar approach to value creation in the steel business. Consumers would benefit from the range of solutions that will now be available to the Buildings industry. This JV combines the strengths of the two organizations and would increase the use of value added steel products."

Approvals have also been granted for the joint venture to construct a major new, state-of-the-art metallic coating and painting facility at Jamshedpur, in the state of Jharkhand, eastern India, adjacent to Tata Steel's existing steelworks. The new facility will have an annual metallic coating capacity of 250,000 tonnes and paint line capacity of 150,000 tonnes. The capital cost of the project will be approximately A\$265 million or (INR 9,000million). The investment is consistent with the Company's strategy of growing its downstream value-added products business in Asia. (All figures quoted in this release are at 100% of the joint venture.)

The new facilities are expected to be operational by mid-CY2008. Various government approvals and preliminary engineering should be completed by mid CY2006 when construction activities will start.

The decision to proceed with development of a metallic coating and painting facility followed completion of a rigorous 12-month feasibility study jointly undertaken by BlueScope Steel and Tata Steel representatives and the visit of the BlueScope Steel Board of Directors to Jamshedpur in September. The study confirmed the significant market opportunity to take the leadership position in quality coated and buildings solutions within South Asia.

The joint venture company will also assume ownership and responsibility for the development of the three rollforming and PEB manufacturing facilities that BlueScope Steel has under construction at Pune, Chennai and New Delhi. The development of the three new manufacturing facilities, with a capital cost of A\$100 million or (INR 3,400 million), was announced in December 2004 by BlueScope Steel. In addition, the joint venture will assume ownership of BlueScope Steel's LYSAGHT® rollforming business in Sri Lanka, which has been in operation since 1994. In both cases Tata Steel will compensate BlueScope Steel for acquiring the 50% interest.

The joint venture will offer a comprehensive range of branded steel products for building and construction applications, including the premium ZINCALUME® and COLORBOND® coated steels, LYSAGHT® rollformed steel products and BUTLER™ PEBs.

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About BlueScope Steel Limited (ASX: BSL)

BlueScope Steel is an international flat steel solutions company, with a manufacturing and marketing footprint spanning Australia, New Zealand, Asia and North America. The Company is the global leader in the provision of high quality metallic coated and painted steel products for the building and construction sector, and also supplies customers in the general manufacturing, automotive and packaging sectors.

BlueScope Steel's strategy is to grow the proportion of its revenue and earnings generated from downstream value-added steel products, by capitalising on high growth markets in Asia, providing leading product and service offers, and through successful inter-material competition based on the superior properties of steel products.

BlueScope Steel's strengths include its unrivalled network of manufacturing facilities in Asia, proprietary coating and painting technologies and strong brands, including COLORBOND® steel, ZINCALUME® steel, the LYSAGHT® range of steel building products and the BUTLER® brand of pre-engineered steel buildings.

BlueScope Steel operates a 5.1 million tonnes per annum integrated steelworks at Port Kembla, Australia, a 650,000 tonnes per annum integrated steelworks in New Zealand, and has a 50 per cent interest in a 1.8 mt steel mini-mill in Delta, Ohio. Steel rolling, coating and painting plants are located in Australia, New Zealand, Thailand, Malaysia and Indonesia, and under construction in China, Vietnam and India. BlueScope Steel has a network of more than 50 rollforming facilities in 13 countries that is unmatched by any other steel company, and is the market leader in steel pre-engineered buildings in China and North America.

About Tata Steel

Tata Steel is India's largest private sector steel company with a capacity of five million tonnes per annum (mtpa) of steel products at its manufacturing facilities in Jamshedpur, in the state of Jharkhand (India), located approximately 260 kilometres west of Calcutta. The Company has recently invested in NatSteel Asia which has a capacity to manufacture two million tonnes of steel products per annum through its facilities in six countries in South-east Asia and China. Tata Steel owns iron-ore mines, collieries and chromite mines located near its plant.

The company is focused on the high-end steel market for automobiles and the construction sector. It produces a range of products including, hot and cold roll coils and sheets, construction bars and wire rods, strip, tubes and bearings, ferro alloys and other minerals and also manufactures steel plant and material handling equipment. Tata Steel is currently undergoing a capacity expansion at its Jamshedpur plant of 1.8 million-tonnes per annum and plans to expand this facility to 10 million tonnes by 2010. The Company has also announced plans for three Greenfield steel plants totalling 23 mtpa capacity in Eastern India. It also plans to setup 6 mtpa steel product capacity in Iran and is exploring opportunities in Bangladesh.

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