



DELIVERING VALUE UNDER OUR NEW BLUEPRINT - BLUESCOPE STEEL AGREES TO ACQUIRE IMSA STEEL CORP NORTH AMERICA

Presentation to Investors

Paul O'Malley, Managing Director and CEO

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20 December 2007

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Transformational acquisition for BlueScope Steel in North America

- BlueScope Steel has agreed to acquire the outstanding shares of IMSA Steel Corp from Ternium S.A, a NYSE-listed public company.
- IMSA Steel Corp has four distinct businesses in North America:
 - **Varco Pruden (VP) Buildings**: manufacturer of pre-engineered steel buildings (PEBs) to the non-residential construction market.
 - **Steelscape**: West coast producer of metal coated and painted steel coils. Steelscape currently sources approximately 50% of its hot rolled coil from BlueScope Steel's Port Kembla Steelworks.
 - **MetlSpan**: manufacturer of insulated steel panels for commercial, industrial and cold storage buildings.
 - **ASC Profiles**: manufacturer of building components including architectural roof and wall systems and structural roof and floor decking.



This transaction is consistent with our strategy of increasing BlueScope's presence in the US building products and solutions market through brownfield capacity expansions and M&A

The principal transaction details are:

- BlueScope will acquire the outstanding shares of IMSA Steel Corp for US\$730 million
- Acquisition is subject to U.S. regulatory approval
- Expect transaction to close in early CY 2008
- Expected EPS outcome
 - EPS neutral, pre-AIFRS adjustments, in FY2008
 - EPS accretive from FY2009

Funding

- Transaction to be funded via a 12 month bridge facility
- Gearing (net debt basis):
 - Will increase by approx 8%
 - Acquisition is expected to take us outside our 30-35% target gearing range to between 38-40% by June 2008 (assuming 100% debt funding)
 - Equity is available to BlueScope via our Dividend Reinvestment Plan
 - Expect to manage gearing back within the target range in a reasonable timeframe



We are confident in our ability to deliver value in the North American construction market

- Both Butler NA and the IMSA Steel Corp businesses are predominantly exposed to the non-residential construction market.
- Expect steady long term growth for non-residential construction in the USA.
- Successful turnaround in Butler NA financial performance and expecting continued improvement this year.
- Significant synergy opportunities exist, many of which are not reliant on where we are in the construction market cycle.
- Steelscape and ASC assets well known to BSL.

Consolidated historical financials

US\$m YE Dec 31	2005	2006
Total Sales Revenue (incl. inter-company sales)	\$1,135	\$1,265
Total EBITDA (normalised)	\$53.7	\$86.1
Depreciation and Amortisation ⁽²⁾	\$23.1	\$23.9
Total EBIT	\$30.6	\$62.2

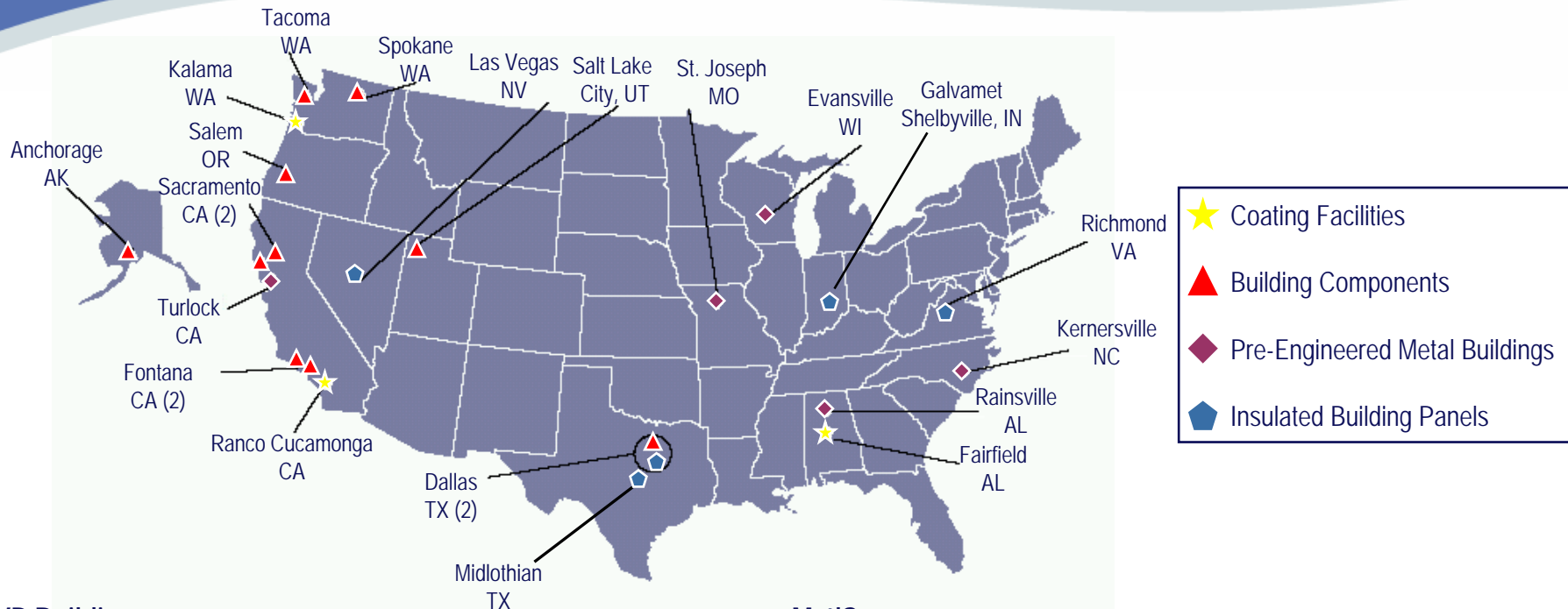
Notes: (1) Results have been normalised to remove the impact of one-off items and to present in accordance with AIFRS. Inter-company sales are less than \$100m

(2) Future Depreciation and Amortisation may change due to acquisition accounting adjustments

2007 has seen a decrease in Steelscape's earnings due to a decrease in market spreads between selling price and input price as well as the impact of activities associated with establishing the Shreveport business.



Extensive geographic coverage and product diversification in North America



VP Buildings

- U.S based premium branded PEB manufacturer
- Distribution network of approximately 1,000 builders across the U.S
- Purchases approximately 20,000 tons p.a. from Steelscape

Steelscape

- Kalama, Rancho and Fairfield painting and coating lines
- Produced approximately 500,000 tons in 2006 with approximately 60% sold on the West coast

MetlSpan

- Insulated steel panels for non-residential construction across the U.S. – market leading brand
- Produced approximately 31 million sq ft of panels in 2006
- Purchases approximately 13,000 tons p.a. from Steelscape

ASC Profiles

- West coast focused steel components business
- 3 divisions – ASC Building Products, AEP Span and ASC Steel Deck
- Purchases approximately 25,000 tons p.a. from Steelscape

Expecting significant synergies to be achieved

DELIVERABLE strategies identified to leverage BlueScope Steel's North American operations and IMSA Steel Corp businesses:

- 1 Additional product sales through the existing distribution networks with greater product and geographic diversity.
- 2 Procurement savings through economies of scale and expanded operational footprint.
- 3 Improved operational and engineering productivity by leveraging existing best practices.
- 4 Logistics saving through more effective utilisation of carriers and shipping lanes.
- 5 Optimising hot rolled coil sourcing for Steelscape from Port Kembla and pull through of product to downstream distribution channels.

Preliminary estimates show significant EBITDA upside of approximately \$40m p.a. within 3 years, with approximately 50% of recurring synergies to be achieved in FY2009 and the balance in FY2010 and 2011. One off capital costs to deliver the synergy benefits expected to be approximately \$60 million spread over 3 years

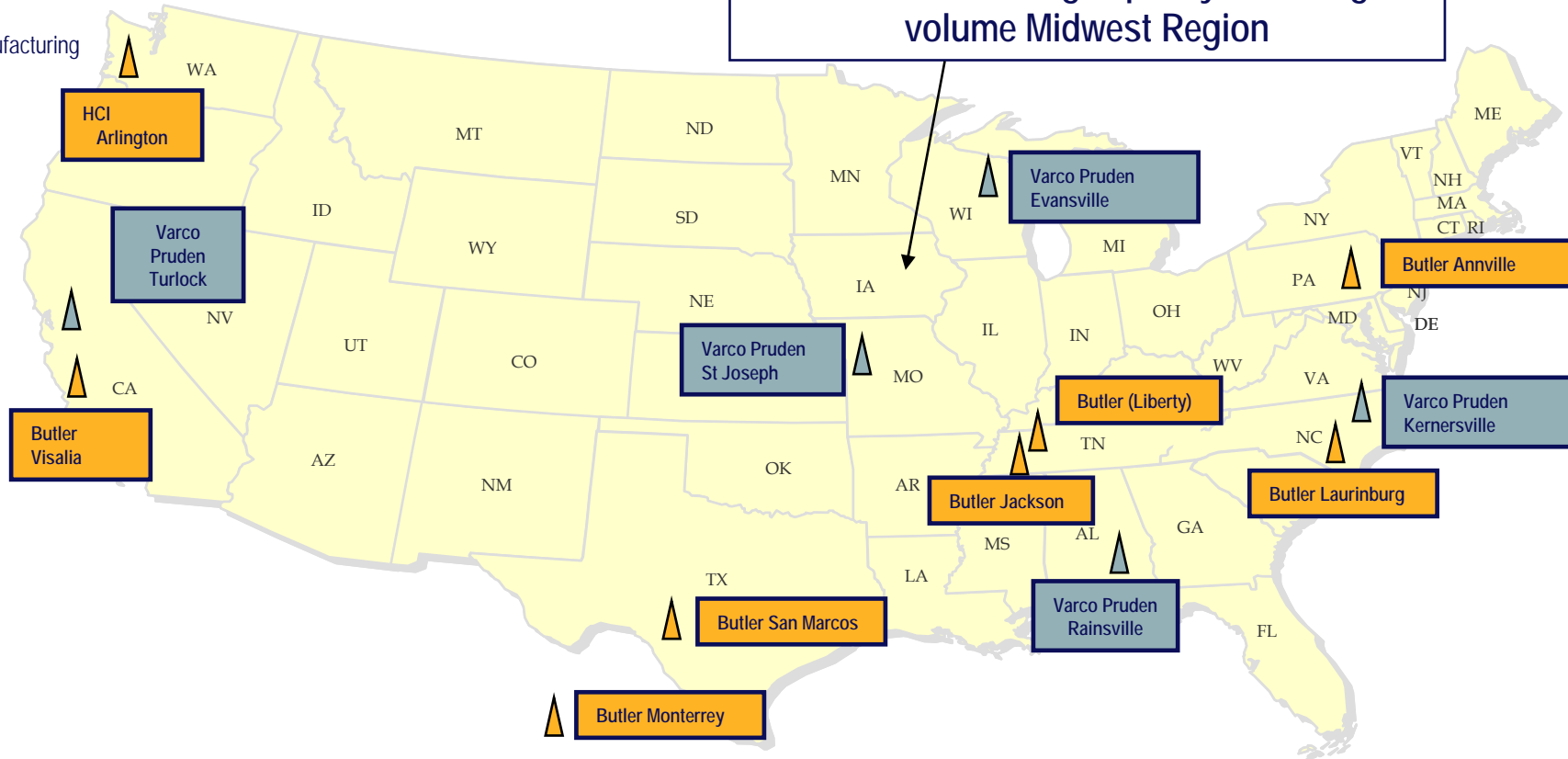
The acquisition provides BlueScope with a vertically integrated business and outstanding builder network

- Steelscape currently purchases approx. 235kt of hot rolled coil from Port Kembla;
- Butler, VP Buildings, ASC Profiles and MetlSpan purchase approx. 70kt from Steelscape
- Total distribution network of over 2000 builders



The combined Butler / HCI / VP Buildings manufacturing footprint gives BlueScope Steel's North American PEB business geographic diversity

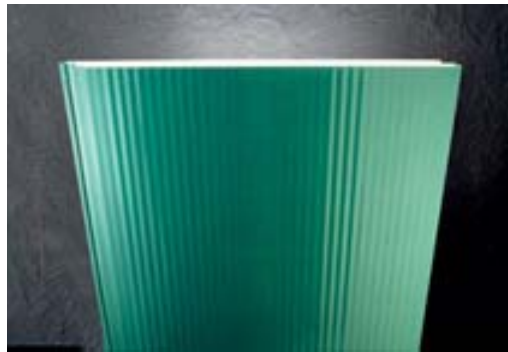
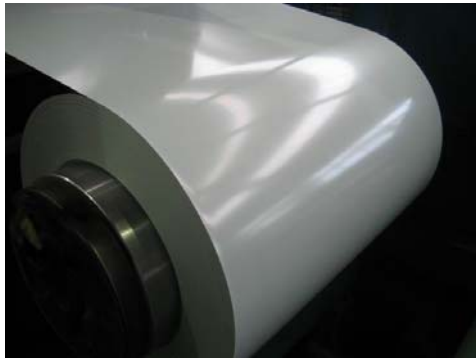
- ▲ Varco Pruden Plant
- ▲ Butler Manufacturing



Transforms BlueScope Steel's PEB business to a multi brand, multi-channel business including Butler, Varco Pruden, HCI and Liberty Building Systems

Summary

- High quality assets providing a platform for further growth in North America
- Significant value creation opportunities provided by the combination of the four businesses and existing assets in North America
- EPS accretive in first full-year of ownership (FY2009)



Transformational acquisition for BlueScope Steel in North America



**BLUESCOPE
STEEL**

Supporting Information: Description of IMSA Steel Corp businesses

Varco Pruden (VP) Buildings – overview

- U.S based premium branded PEB manufacturer
- Extensive distribution network comprising of over 1,000 authorised builders
- Broad product offering for many applications
- Strong engineering and design capabilities through the Varco Pruden Command engineering system
- Five manufacturing facilities located across the United States

Types of VP Buildings

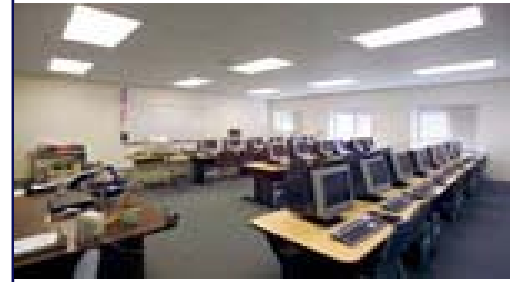
Manufacturing



Warehouse



Educational



Aircraft Hangars



Churches



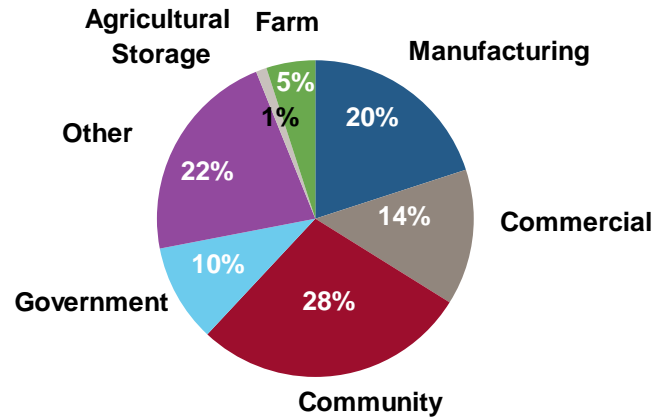
Community



VP Buildings is one of the largest steel pre-engineered metal buildings
companies in North America

VP Buildings - production overview

Sales by End-Use 2006 (tons)



Production Capacity (000's tons)

	Frames	Total
Alabama	22,500	55,500
California	17,500	43,103
Missouri	22,500	55,419
North Carolina	10,000	24,631
Wisconsin	14,000	34,483
Total	86,500	213,136

Steelscape - overview

- 490,000 tons per annum of metal coating capacity and 365,000 tons per annum of painting capacity
 - Cold Mill and Pickling lines at Kalama feed metal coating and painting lines at Kalama, Washington and Ranco Cucamonga, California with potential to feed the Fairfield, Alabama paint line with metal coated product from Steelscape's west coast plants
 - Only steel manufacturer on the west coast with both metallic coil coating (Galvanized / Zincolume) and coil painting facilities
 - Only producer on the west coast with capacity to process hot rolled coil to painted steel
- Also offers its own patented brands:
 - TruZinc® (zinc coated steel)
 - Z-NAL (combination of aluminum and zinc coated sheet steel)
- World class facilities
- Services construction end-markets in the United States and Canada
- Downstream capabilities (slitting and cut to length facilities)
- Primarily comprised of former BHP Steel assets

Steelscape - Kalama facility in Washington



Steelscape - facilities and production assets

Rancho Cucamonga, CA



Major Production Assets

- 240,000 ton/yr capacity metallic coating line
- 110,000 ton/yr capacity paint line
- 80,000 ton/yr capacity slitter line
- 20,000 ton/yr capacity embosser

Kalama, WA



- 600,000 ton/yr capacity coil pickle line
- 500,000 ton/yr capacity cold mill
- 250,000 ton/yr metallic coating line
- 120,000 ton/yr capacity paint line
- 60,000 ton/yr capacity slitter line
- 50,000 ton/yr capacity CTL

Fairfield, AL



- 135,000 ton/yr capacity coil paint line

Steelscape is an attractive mid-stream opportunity, re-uniting former BHP Steel assets

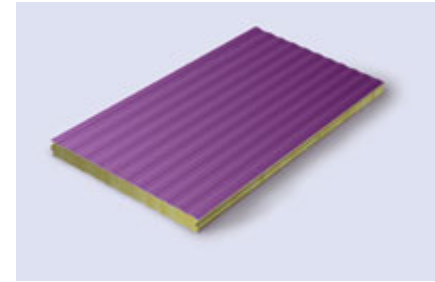
MetlSpan – Overview

- Leading manufacturer of insulated building products, supplying to the refrigeration and construction markets in the US and Canada
- Five manufacturing facilities located in
 - North Las Vegas, Nevada
 - Lewisville, Texas
 - Midlothian, Texas
 - Shelbyville, Indiana
 - Prince George, Virginia
- Key products
 - Commercial & industrial panels (Used as walls, ceilings and roofs for commercial and industrial buildings)
 - Cold storage panels (Used as walls, ceilings and roofs for cooler, freezer and food processing buildings)
 - ThermalSafe (Fire resistant panels used for manufacturing plants, auxiliary buildings at refineries, and other at-risk for fire building installations)

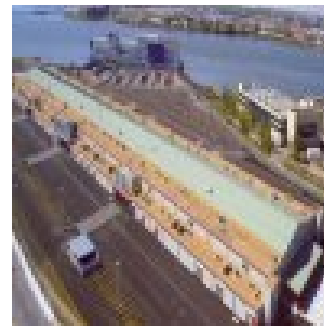
MetlSpan products



Commercial and Industrial Panels



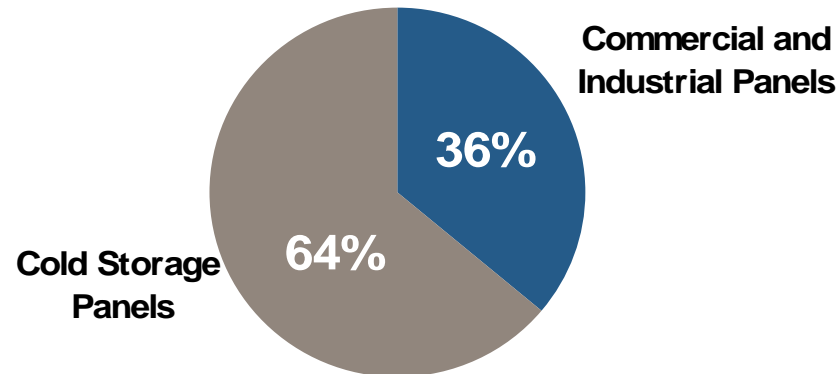
ThermalSafe Panel



Cold Storage Panels

MetlSpan - production overview

2006 Sales by Product Line



Production Capacity

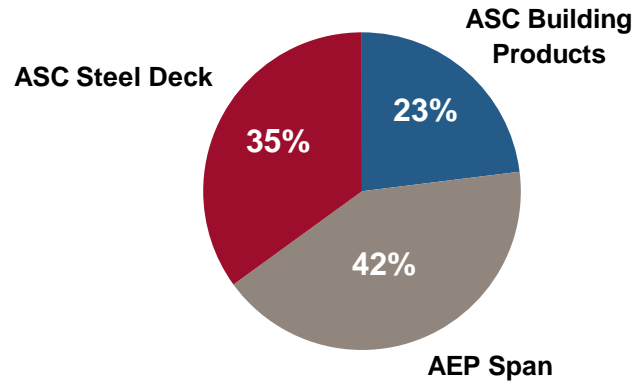
	Plant Size (square feet)	Capacity (sf)
Lewisville, Texas	91,800	21,250,000
Prince George, Virginia	101,400	18,750,000
North Las Vegas, Nevada	126,400	15,500,000
Shelbyville, Indiana	71,000	12,500,000
Total	390,600	68,000,000
Midlothian, Texas	60,000	Produces block molding

ASC Profiles

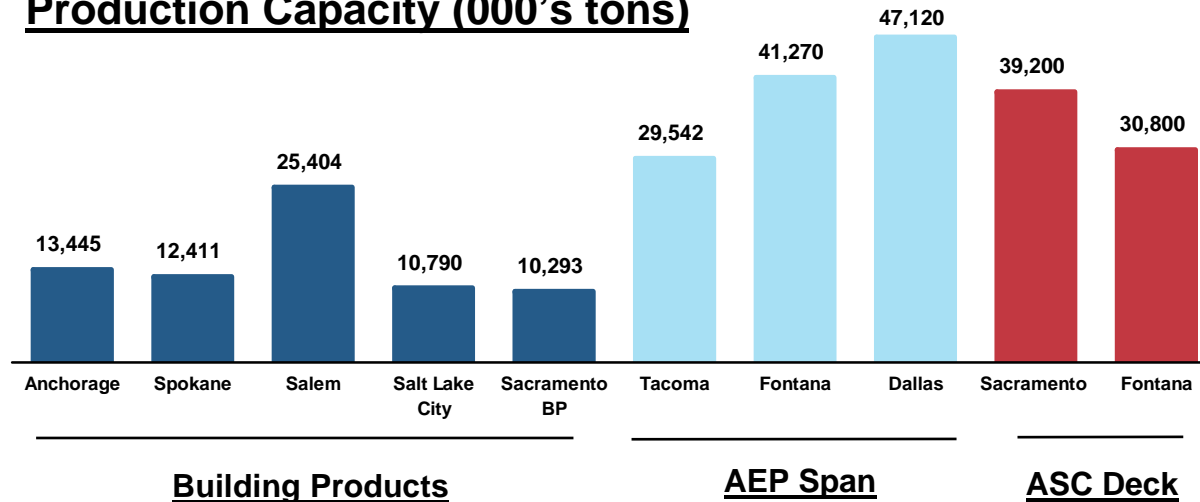
- Leadership position in steel building products in western United States
- 10 manufacturing facilities
- ASC Profiles operates three building product lines
 - AEP Span (with plants in Tacoma Washington, Fontana California and Dallas Texas, this division manufactures architectural products, commercial & industrial products, and retrofit roof systems)
 - ASC Steel Deck (manufactures floor and roof deck products from a plant in Sacramento and Fontana California)
 - ASC Building Products (manufactures light commercial and industrial roof and wall, and residential roofing products from plants in Sacramento California, Spokane Washington, Salem Oregon, Anchorage Alaska, and Salt Lake City Utah)

ASC Profiles - production overview

2006 Sales by Product Line (tons)



Production Capacity (000's tons)





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