Analyst Site Visit
BlueScope Steel Indonesia

27th June 2007

Important notice

THIS PRESENTATION IS NOT AND DOES NOT FORM PART OF ANY OFFER, INVITATION OR RECOMMENDATION IN RESPECT OF SECURITIES. ANY DECISION TO BUY OR SELL BLUESCOPE STEEL LIMITED SECURITIES OR OTHER PRODUCTS SHOULD BE MADE ONLY AFTER SEEKING APPROPRIATE FINANCIAL ADVICE. RELIANCE SHOULD NOT BE PLACED ON INFORMATION OR OPINIONS CONTAINED IN THIS PRESENTATION AND, SUBJECT ONLY TO ANY LEGAL OBLIGATION TO DO SO, BLUESCOPE STEEL DOES NOT ACCEPT ANY OBLIGATION TO CORRECT OR UPDATE THEM. THIS PRESENTATION DOES NOT TAKE INTO CONSIDERATION THE INVESTMENT OBJECTIVES, FINANCIAL SITUATION OR PARTICULAR NEEDS OF ANY PARTICULAR INVESTOR.

TO THE FULLEST EXTENT PERMITTED BY LAW, BLUESCOPE STEEL AND ITS AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, ACCEPT NO RESPONSIBILITY FOR ANY INFORMATION PROVIDED IN THIS PRESENTATION, INCLUDING ANY FORWARD LOOKING INFORMATION, AND DISCLAIM ANY LIABILITY WHATSOEVER (INCLUDING FOR NEGLIGENCE) FOR ANY LOSS HOWSOEVER ARISING FROM ANY USE OF THIS PRESENTATION OR RELIANCE ON ANYTHING CONTAINED IN OR OMITTED FROM IT OR OTHERWISE ARISING IN CONNECTION WITH THIS.

SINDOMALAY management team

BlueScope SINDOMALAY Structure

President
Indonesia&Malaysia
Rob Crawford

PA
Murtafiah

VP SHE
Hanim Abubakar

President
BLI
Willius S

President
BSI Steel Coated
Sulfianda S

VP Finance
Mike Mulcahy

VP Information System
Yulianto R

VP Marketing & Solution
Lucia Karina

President
Coated Steel Malaysia
Simon Linge

President
Lysaght Malaysia Region
Chua Soo Keng

Technical Service
Manager
Gary Newby

Our Indonesian midstream management team

President Director
BSI Steel Coated Indonesia
Sulfianda Soeleiman

VP. Sales
Harsono Mintono

VP. Supply Chain
Iwan Gandamulya

Marketing Manager
Desiree Hastarina

HSE Manager
Richard

VP. Commercial
Gregory Widjaja

VP. HR & EA
Wahyudi Wibisono

VP. Manufacturing
Abdullah Lubis

VP CS & Quality
Penta Priatma

Total Number of Employees (256)

Our Indonesian downstream management team

Surono
SHE Manager

Willius Suwandana
President Director

Petronella Samosir
Customer Services Manager & MR

Rusnina Isfandiari
HRD Manager

Harry Trenggana
Manufacturing Manager

Vacant
Commercial Manager

Elisbeth Okmisila
Log & Supply Chain Manager

Yustinus Sigit
Manager Decking

Maman Djajasukmana
Manager I & C Solutions

Puspita Sari
Manager Residential Solutions

Henry Chia
Marketing & KAM Manager

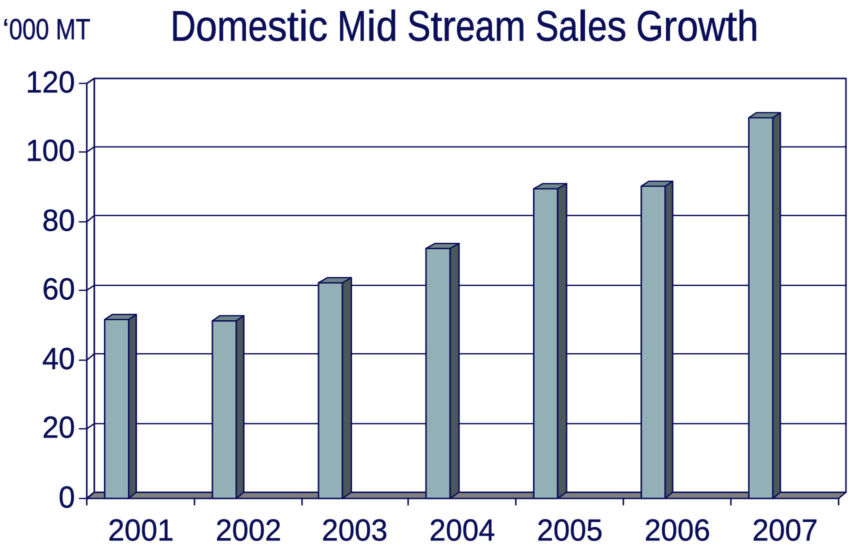
Total Number of Employees (218)

Our business in context

- BlueScope Steel Indonesia (Metallic coating and painting facility)
- BlueScope Lysaght Indonesia – Rollforming facilities and Sales Offices
- BlueScope Steel Indonesia – Sales Offices
- BlueScope Lysaght Indonesia – Sales Offices

- Ownership
  - BlueScope Steel 100%
- Coated facilities at Cilegon
  - Current:
    - Metal Coating Line – 100k tpa
    - Coil Painting Line – 40k tpa
  - Expansion – second metal and coated line, with in-line painting
- Lysaght facilities
  - Jakarta (Cibitung)
  - Medan
  - Surabaya

Our business in context– Midstream Growth



Midstream Growth – metal roofing sheets

Our largest customer in Indonesia, PT Tatalogam Lestari, produces metal roofing sheets from our products.

Classic

Stone

Elite

Royal

Prima

Source: PT Tatalogam Lestari

Metal roofing (cont.)

Source: PT Tatalogam Lestari

Our Business in Context – Downstream transformation

From 1973 - 2002

- 4,000 tpa
- Losses in 2002 & 2003
- Building components

To 2002 – 2007

- 20,000 tpa
- Profitable every year from 2004
- Building components and solutions:

Components

Residential

PEB Heavy

PEB Lite

Multi Story

Retail

Our Business in context - Financial Performance

	FY2003	FY2004	FY2005	FY2006	1HFY2007
Prime Total Despatches (tonnes 000's)					
▪ Domestic	67	79	94	97	56
▪ Export	17	13	7	1	0
Total	84	92	101	98	56
External Sales Revenue (A$m)					
Total Sales	110.7	114.8	149.2	160.2	91.4
EBIT (A$m)	11.7	15.1	17.4	18.7	9.0
Net Operating Assets (pre-tax A$m)	74.2	91.1	95.4	133.7	113.1

History – growing and adapting to the market

Midstream

Coated steel products were imported from Australia

Commissioning of BSI Coated; JV with PT Krakatau Steel – Launched of COLORBOND® Steel

Launched of ZINCALUME ® Steel

clean Colorbond

Pelangi

Abadi

Gemilang

Interior

0.2 mm

PT Krakatau Steel share buy out

Textura™

Line speed increasing MCL & CPL

Softer Grade

More ideas & innovations

1973

1994

1995

1998

2002

2003

2004

2005

2006

Established Downstream Business

Sold BRC Mesh and BONDEK machine

Truss

PEB Heavy

Relocated the building

SMARTHOME™

Launch decking

Houseframe

PEB Lite

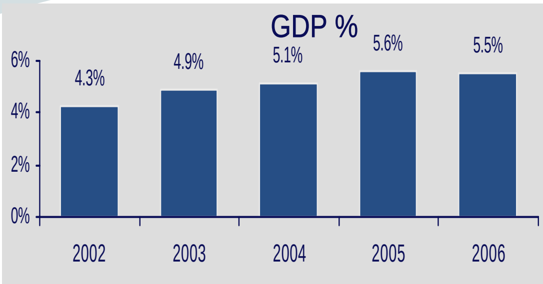
Downstream

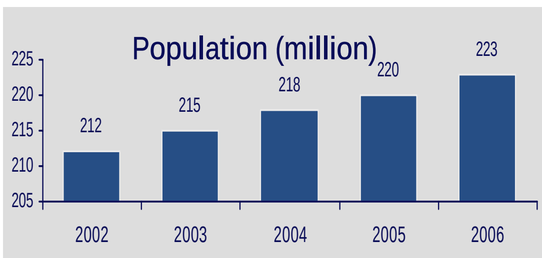
BRC Mesh

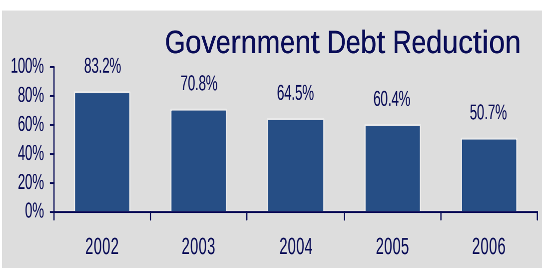
LYSAGHT BONDEK®

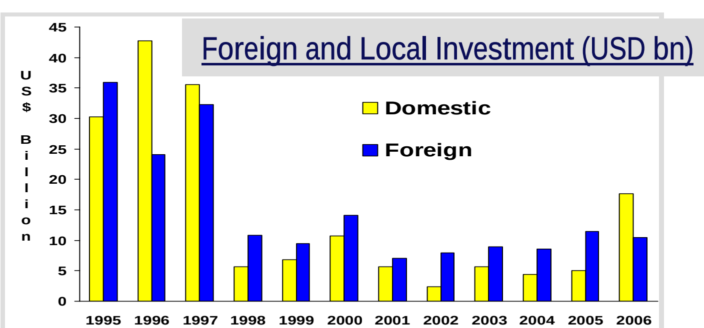
LYSAGHT

Economic Outlook – Indonesia has delivered over last five years, year on year….the best is still to come







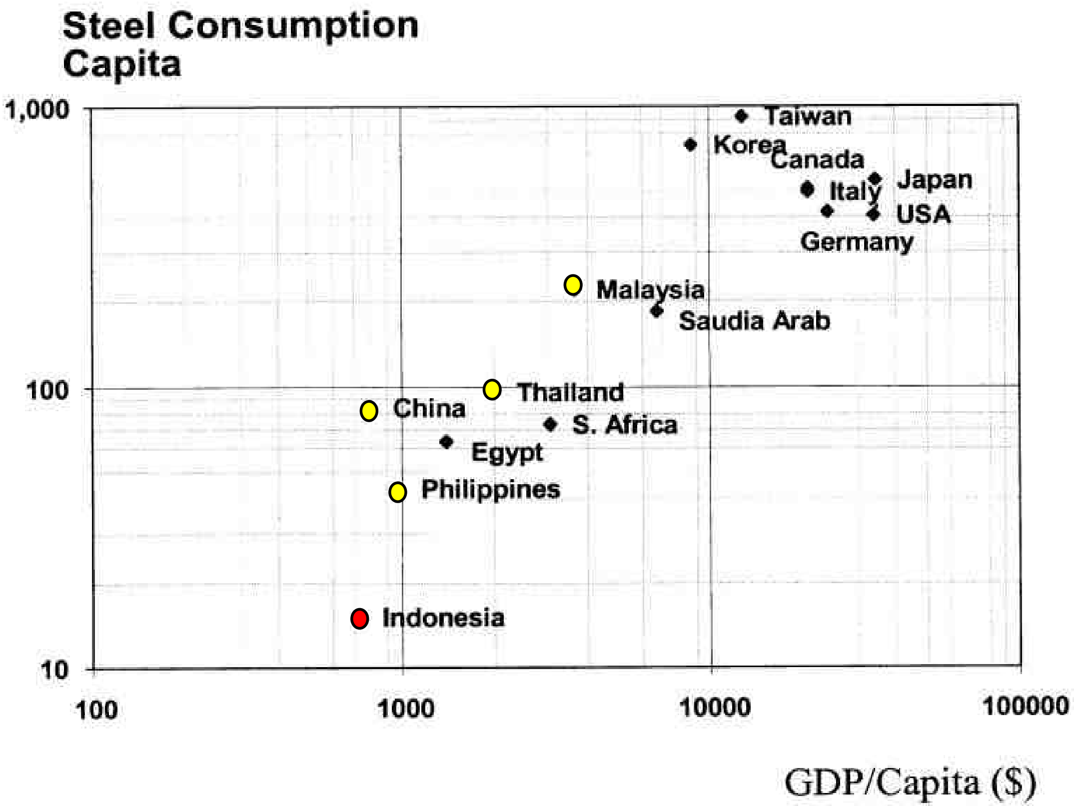


- **Economy**
  - Largest SE Asian economy
  - GDP expected to increase to around 6%
    "We expect annual growth to accelerate to…6.3%". (EIU)
  - IMF has pulled out as its help is no longer needed
  - Inflation and interest rates back to single digit
  - Exchange rate stable and strongest in approx 5 years
  - Yet to return to pre crisis FDI levels, but at US$10bpa
  - GDP per head growing

- **Population**
  - 230 million and growing around 3-4 million/year
  - Young age distribution – 45% less than 15 years of age
  - 4th largest population in the world

- **Political / Social**
  - Democratically elected Govt. and President (2004)
  - Fight against corruption continues
  - Fight against terrorism continues
  - Politically / socially stable since the election

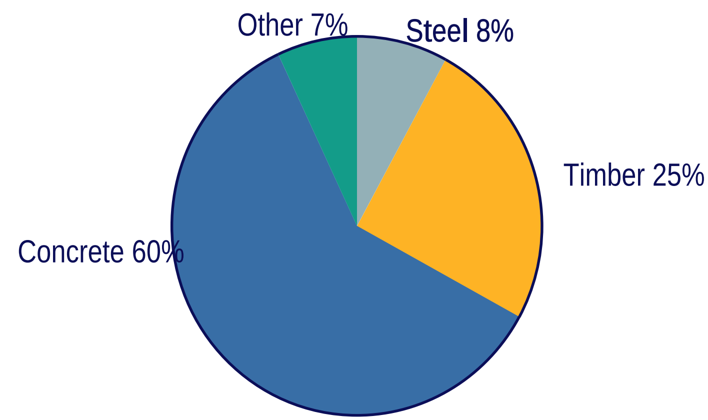
Indonesia Low steel Intensity - Upside opportunity



Sources: SEAISI - 2005

Inter-material Share

Construction Segment 2005



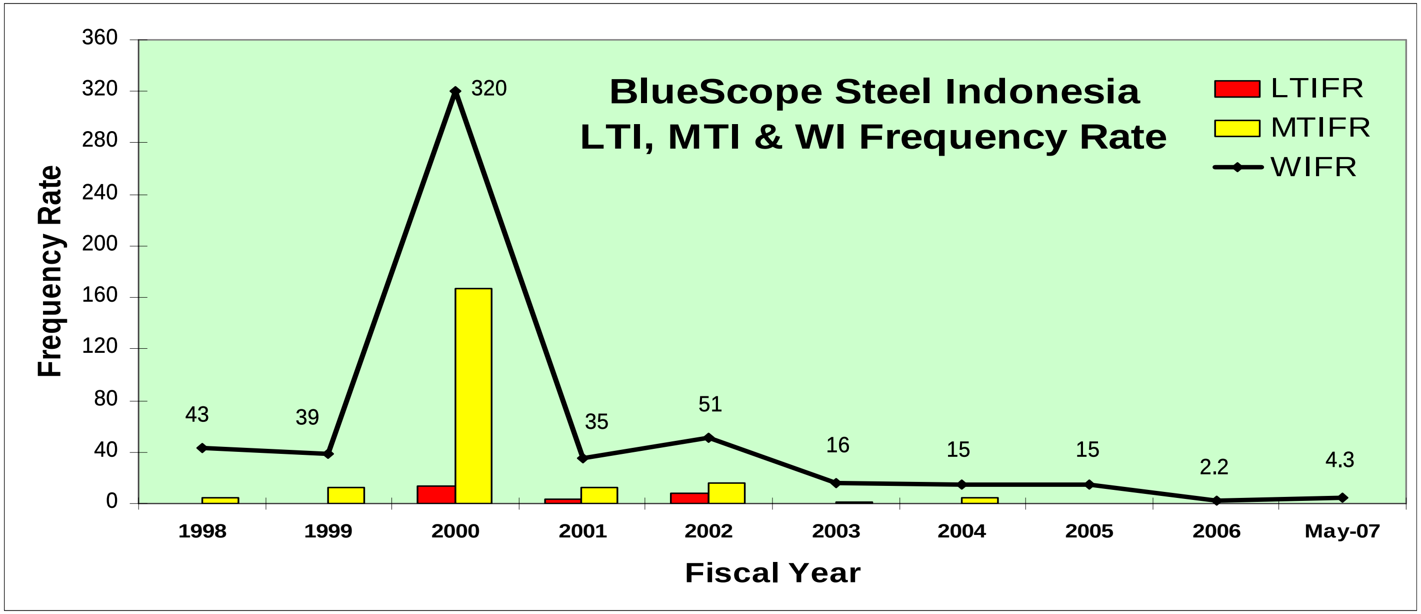
Includes roof cladding, purlins, walling, partitions, cable tray, decking, frames, door/window frame, walling etc.

Source: extrapolated from PT. Data Consult report

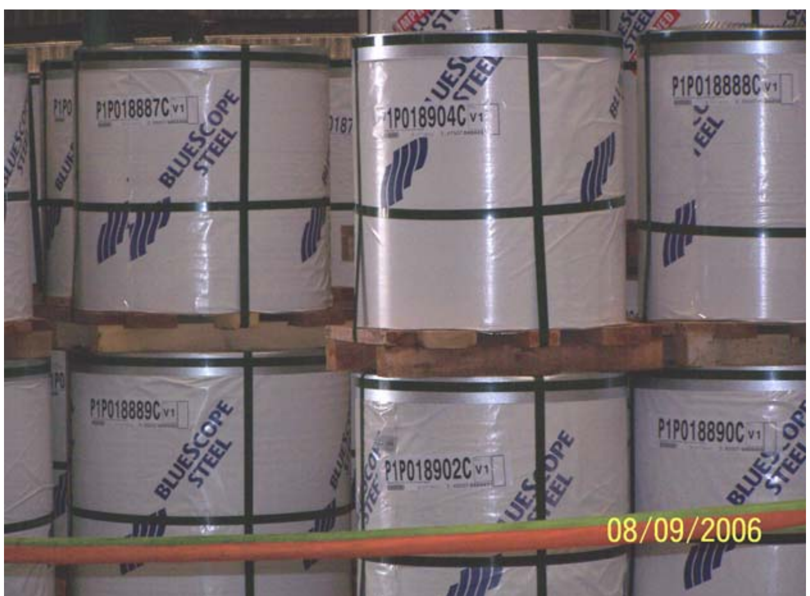
Midstream Coating Business in more detail

Excellent Safety & Environmental Performance

- LTI Free for 4.5 million hours (5 years)
- Employee audits @ 179% with 539 audits for May 2007
- BlueScope Steel Zero Harm - Best Safety Award in 2006
- President of Republic Indonesia Zero Harm Award in 2006
- 100% Environmental Compliance



BSI is the only Zinc/Aluminium coated steel manufacturer in Indonesia



- Established in 1994

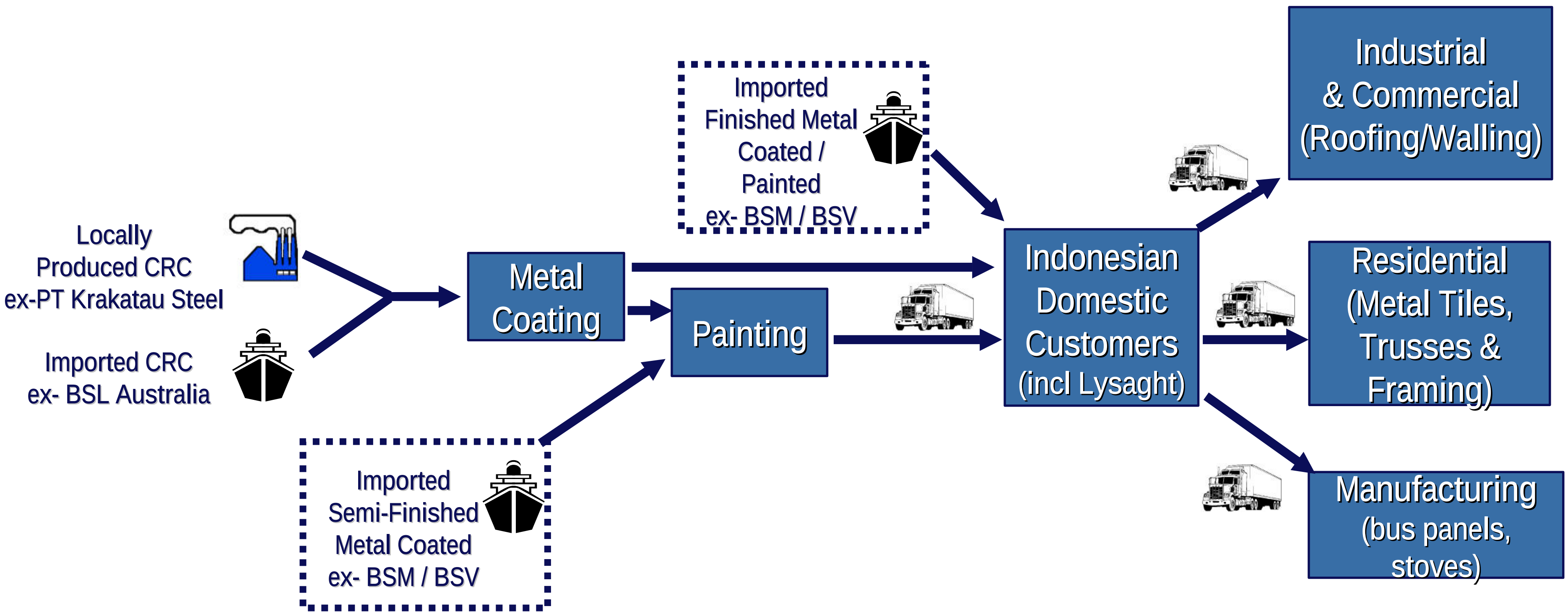
- Well-known product brands:
  - ZINCALUME® ,
  - Clean COLORBOND® ;
  - GALVALUME®

- Other products to adapt to local market needs
  - PELANGI®,
  - GEMILANG®,
  - ABADI®,
  - INTERIOR®,
  - INDAH®,
  - TEXTURA®,
  - PERISAI™

Our 260 Midstream Employees Living Our Bond

Our Material flow

Current Indonesian Value Chain



Note :
- BSM : BlueScope Steel Malaysia
- BSV : BlueScope Steel Vietnam

Predominately Locally Sourced Feed

Current Source

1. CRC from:
   - 90% from PT Krakatau Steel (PT KS)
     (located directly next to BlueScope Steel Indonesia operation in Cilegon)
   - 10% imported from BlueScope Steel Australia and other sources
2. Other materials
   - Zinc from Korea Zinc (Korea)
   - Aluminium from Comalco (Australia)
   - Paint from Akzo Nobel and Inkote (Indonesia)

Other Influences

Tariff regime

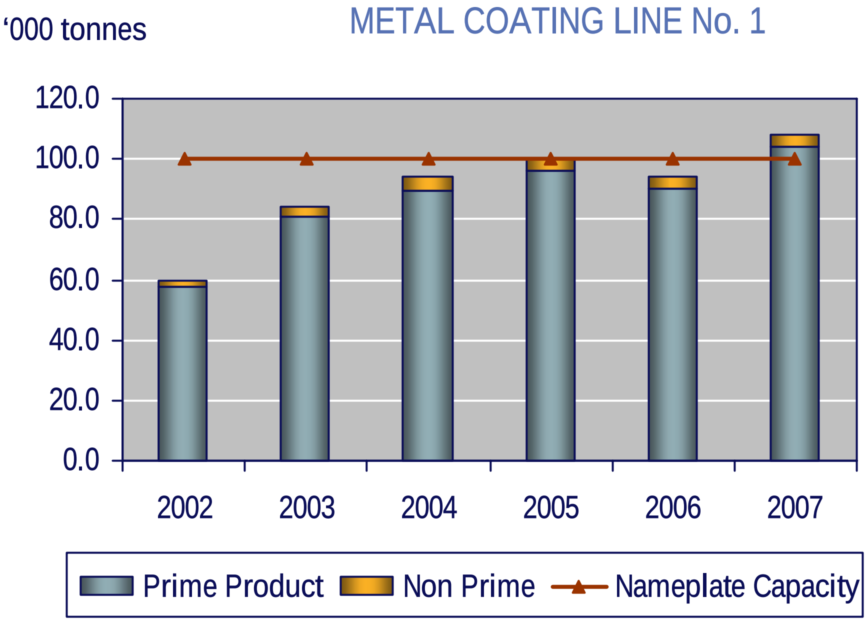
- Currently - 10% CRC, 12.5% coated steel/roll-formed, 5% coated steel intra-ASEAN

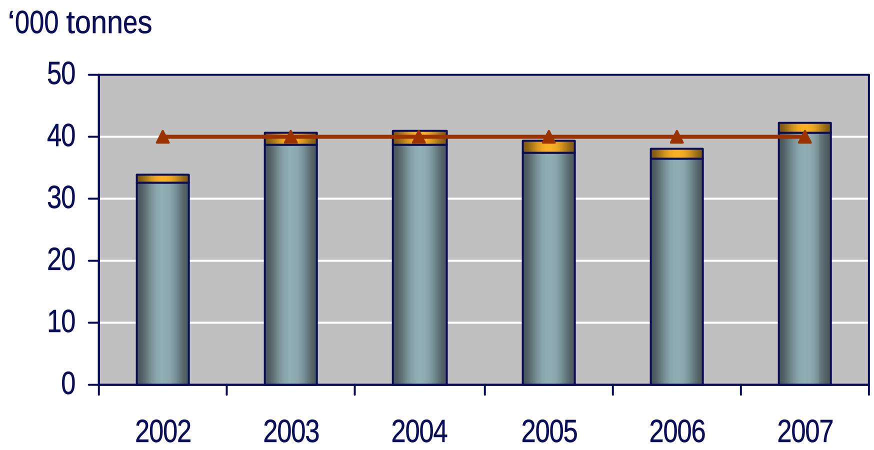
PT Krakatau Steel – main CRC feed supplier

- Long term relationship between BlueScope Steel and PT KS
- PT KS was a joint venture partner in BSI
- Modern upgraded CRM facilities (>1 million tonnes per annum capacity)
- Quality of CRC is excellent
- Close working relationship – collaborative supply arrangement
- BSI – KS MOU/Supply agreement in place for continued growth

Current coating operations at full capacity, focus on maximizing output by reducing downtime

- **Status**
  - Metal coating line no. 1 (MCL1) and paint line no. 1 (CPL1) at full capacity
  - Product being imported from other BlueScope Steel Asian operations to support market
- **Challenges**
  - More light gauge production capability required
  - Market growth
- **Initiatives to improve performance**
  - Up-time project (will increase through-put and capacity)
  - Expansion project
  - Improvement in market offer with shortened lead times
  - Systematic value improvement program
  - Import coated steel program





PAINT LINE No. 1

… and our focus is delivering results

Records in May 2007

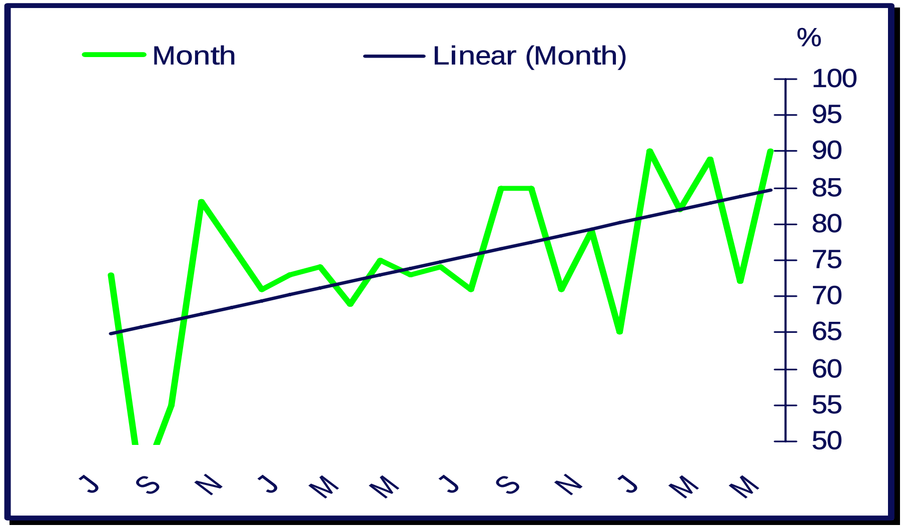
- Highest prime domestic despatch in BSI history
- MCL Prime first time 98% - highest achievement in 12 years history
- CPL Prime first time 97.0% - above target
- MCL Uptime 90% - record & above target
- CPL Uptime 80% - record & above target
- The above were achieved while maintaining record SAFETY Performance

Driving Our Future

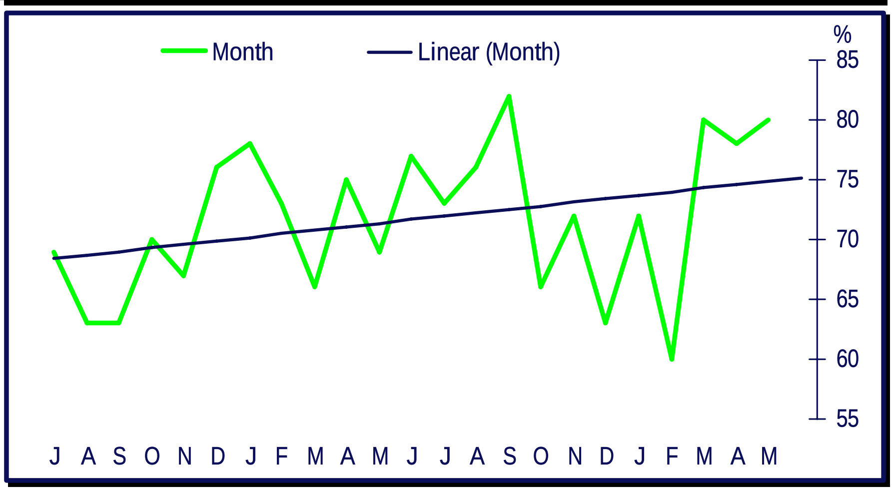
Operating Discipline	▪ The essential platform that underpins all manufacturing activities
Fantastic Workforce	▪ Learning from within, learning & sharing with others ▪ “Can-do” adaptive attitude ▪ Skill focus
Plant Reliability / Asset Utilisation	▪ Focus on uptime ▪ Focus on Prime First Time
Asset Configuration	▪ Maximising asset performance to meet market requirements and growth opportunities

Manufacturing Excellence – Stunning Uptime Improvement

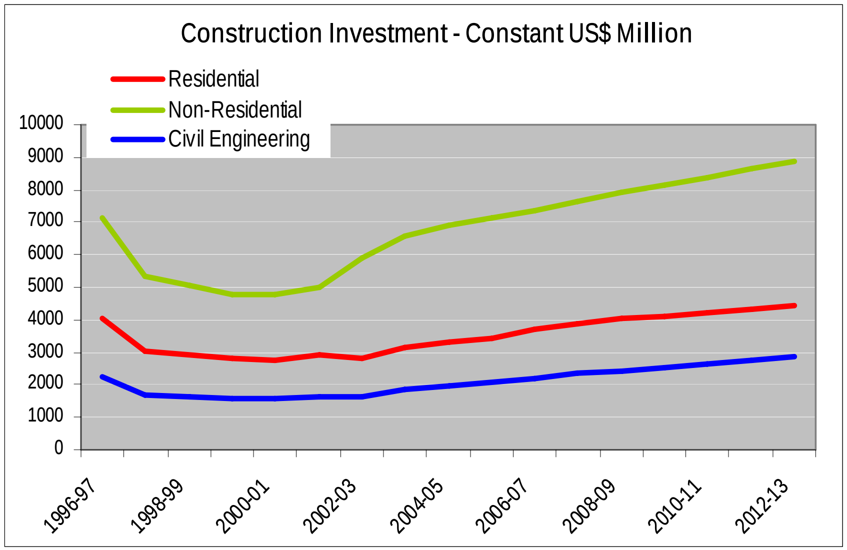
MCL – 2006/07



CPL- 2006/07



Market growth has occurred principally in the residential sector

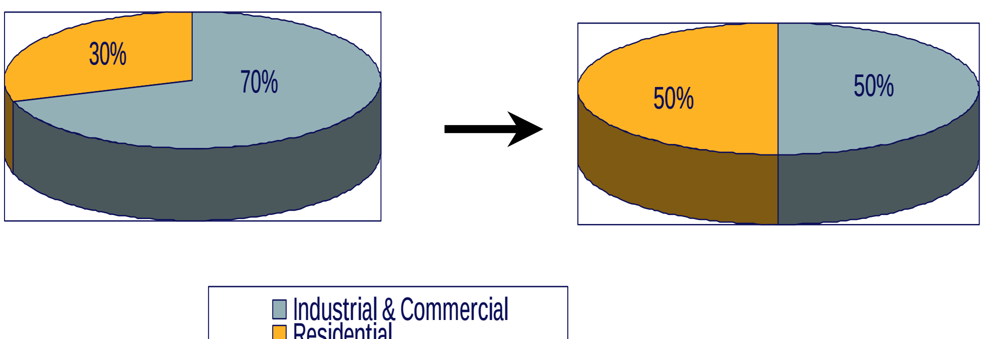


Source: BlueScope Steel Economics

- Building & construction sector accounts for 99% of sales
- Approximately 50/50 split between industrial & commercial and residential segments
- Market share is growing through industry leadership in inter-material growth,
  - ie steel replacing timber trusses and concrete roof tiles.
- Foreign Direct Investment has yet to return to pre-crisis level, but is growing YOY.

5 years ago (2002)

Current (2007)



Market needs met mostly through local producers

Steel component of industrial / commercial construction segment (sales volumes)
– indicative relationship between local suppliers vs. imports

Product Mix	Principal Suppliers	
	Domestic	Imports
Metal Coated	85%	15%
Painted	Principal	Minimal
	Source	

Our Customers are Our "Partners"

SPONSORSHIP for BRAND AWARENESS

Indonesian Architect Assc. Seminar

Australian Building Exhibition

CRM (Customer Relationship Management)

Customer Gathering

Product Training

End product applications in the local market – some examples

Products are supported with technical data and test results

Innovative, well-proven products

BlueScope Steel Reconstruction Projects in Aceh and Yogyakarta

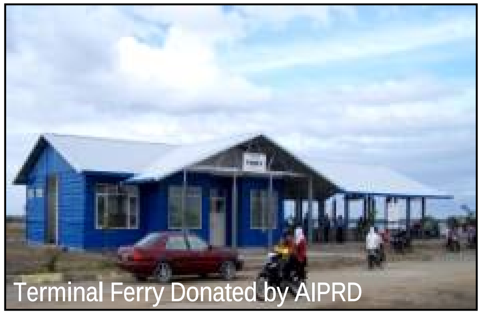

Indonesian President, Susilo Bambang Yudyono inspecting Lysaght product in Aceh


3700 Housing Donated by Yayasan Budha Tzu-Chi


3000 Shelter Donated by IFRC


6 Schools Donated by aid 4


Workshop Donated by IFRC


Terminal Ferry Donated by AIPRD


550 Schools Donated By World Vision


Houses in Aceh

Our Expansion Plan

- Total investment to construct second metallic coating line with in-line painting is US$113 million (US$ 12 million already spent).
- The new line will be dedicated to produce BlueScope Steel's thin gauge (0.2 – 0.4 mm) coil.
- The existing metallic coating line will consistently process 0.4 – 1.0 mm coil and run at optimal capacity, thus contributing to higher output.
- The new line is expected to be constructed by end CY2009.

The new capacity

	Metallic Coating Line	Painting Line
Current Capacity (MCL1)	100,000 tonnes	40,000 tonnes*
Incremental improvement through optimising line loadings at no cost	35,000 tonnes	20,000 tonnes
Plus new line (MCL2)**	130,000 tonnes (Max 170,000 bare tonnes)	100,000 tonnes
Total	265,000 tonnes	160,000 tonnes

* Actual output reduced from 50,000 previously announced due to a higher proportion of thin gauge processing.
** Approximately 80% of the MCL2 output will be in line painted

Our focus going forward

ZERO HARM

VOLUME

__Grow Sales / Markets__

- Support our customers growth
- Introduce new products
- Support Government programs
- Intra-material conversion
- Grow channels

__Grow Supply Capacity__

- Import BSL coated products to satisfy market demand
- Maximise output from existing facilities
  - Uptime
- Construct MCL2 safely & quickly

CUSTOMER SERVICE

- Import BSL coated products to satisfy market demand
- Improve lead time

MARGIN MANAGEMENT

Summary of BlueScope Steel Coated Indonesia

- During the last 5 years, BSI coated has enjoyed sound year on year growth
- BSI is now at full capacity in a growing market
- We have an optimistic outlook with a more robust economy and stable democracy.
- BSI is the leading coated steel producer in the fourth most populous country in the world, through:
  - strong channel to the market,
  - loyal customer base,
  - Pull through demand through expanding downstream businesses,
  - supportive “in country” supplier,
  - strong brands and marketing,
  - wide range quality product offer,
  - world class manufacturing,
  - Safe and empowered work force.
- Expansion plan underway to support our partners and market growth

Analyst Site Visit
BlueScope Steel Indonesia

27th June 2007