BLUESCOPE STEEL

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Statement

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BLUESCOPE STEEL CONSIDERING WITHDRAWAL FROM EXPORT TINPLATE MARKET

BlueScope Steel Limited is considering options for withdrawing from the export tinplate market from mid 2005.

The international tinplate market continues to experience low growth and margin compression and despite significant improvements in throughput, quality and efficiency, export tinplate remains unprofitable for BlueScope Steel.

President Australian Building and Manufacturing Markets, Noel Cornish said: "the prime benefit of moving out of the Packaging Products export market would be to restore profitability to the balance of this business."

He added: "this proposal would also free up availability of around 250,000 tonnes of hot rolled coil to support other markets BlueScope Steel intends to supply".

A redirection of steel from export tinplate would enable the company to seed hot rolled coil markets ahead of the upgrade of the Port Kembla Steelworks' Hot Strip Mill, due to come on line in the second half of 2006. The Hot Strip Mill upgrade will increase hot rolled coil annual production by 400,000 tonnes. The company is also evaluating its options for using this product to support BlueScope Steel's growing global metal coated and painted markets.

"The company proposes to maintain a significant presence in the Australian tinplate market", Mr Cornish said.

If the proposal under consideration is implemented, it would lead to closure of a number of operating units and a reduction of up to 200 positions in the Packaging Products business. The associated asset write-down and redundancy costs are estimated at $50 million after tax, which includes a cash outlay of $15 million.

A project team has been formed to take into account the implications for existing tinplate customers and affected Packaging Products employees. The Company will be consulting with stakeholders regarding the implications of these options. The outcomes of this project are expected to be announced in mid 2005.

BlueScope Steel's Packaging Products business operates at Port Kembla, NSW, converting hot rolled coil to tinplate.

About BlueScope Steel Limited (ASX: BSL)
BlueScope Steel is the leading steel producer in Australia and New Zealand, supplying the majority of the flat steel products sold in these markets. BlueScope Steel's principal customers are in the building and construction, automotive, packaging and general manufacturing industries.
The Company's steelworks at Port Kembla is Australia's largest and one of the world's lowest cost producers of hot rolled coil. Steel rolling, coating and painting plants are located in Australia, New Zealand, Thailand, Malaysia and Indonesia, and the Company has a network of rollforming facilities across the Asia Pacific region that is unmatched by any other steel company. Additional metal coating and painting lines are under construction in China, Vietnam and Thailand.

BlueScope Steel also has a 50 per cent interest in a steel mini-mill in Delta, Ohio, USA and on 27 April 2004 completed the acquisition of Butler Manufacturing, with operations in North America and China, creating a global steel building components and pre-engineered buildings business.

For further information about BlueScope Steel Limited: www.bluescopesteel.com

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