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ASX Release

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BLUESCOPE STEEL ANNOUNCES OFF-MARKET SHARE BUY-BACK

BlueScope Steel Limited (ASX: BSL) today announced details of its latest capital management initiative. The Company will invite eligible shareholders in March to participate in an off-market share buy-back of up to $200 million.

BlueScope Steel's Managing Director and CEO, Mr Kirby Adams, said this is a further demonstration of the company's focus on rewarding its shareholders as the company grows.

"In our short company history, and after including both the April 2005 interim ordinary dividend of 18 cents per share and the off market buy-back up to $200 million both announced today, BlueScope Steel will have returned over $1.2 billion to shareholders by way of dividends and share buy-backs. It is also important to note that all shareholders who are registered holders of shares as at 4 March 2005 will receive the 18 cent interim dividend, representing a 50% increase on the previous corresponding half, irrespective of whether they participate in the off-market buy-back," he said.

"BlueScope Steel's strong cashflow and balance sheet enables us to continue providing cash returns to our shareholders while simultaneously investing in growth projects."

Under the buy-back process, eligible shareholders will be able to tender any number of their BlueScope Steel shares at discounts between 5 to 14 per cent to the Market Price[1], or as a Final Price Tender[2]. The final buy-back price will be determined according to the tenders lodged by eligible shareholders and the Market Price.

Given the buy-back will proceed only at a discount to Market Price, BlueScope Steel does not anticipate that shareholders who are resident outside Australia will participate, as they are likely to obtain a better outcome by selling their shares on-market. Also, shareholders in the US and Canada will not be eligible to participate in the buy-back when it proceeds.

BlueScope Steel has confirmed with the Australian Taxation Office that the buy-back price will have two components for Australian tax purposes, namely:

- a capital component of $3.07; and
- a fully franked dividend component equal to the difference between the buy-back price and $3.07.

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1 'Market Price' means the volume weighted average price of BlueScope Steel ordinary shares on the ASX over the five trading days up to and including the closing date of the buy-back tender period (as defined in the buy-back booklet to exclude not-at-market trades).

2 A 'Final Price Tender' means a tender in which the shareholder elects to receive the final buy-back price, as determined through the buy-back tender process.

For the purpose of Capital Gains Tax calculations, the deemed capital proceeds that shareholders will receive on disposal of their shares under the buy-back will be the $3.07 capital component plus an amount equal to the excess of the Tax Value[3] over the buy-back price. BlueScope Steel does not intend to buy back shares at a price that exceeds the Tax Value.

Under the buy-back, BlueScope Steel will buy all shares tendered by eligible shareholders who tender their shares as Final Price Tenders or who tender their shares at a discount greater than or equal to the final discount determined under the tender process, subject to any required scale back (which has been structured to ensure that retail shareholders are not disadvantaged). All shares that are accepted by BlueScope Steel will be bought back at the final buy-back price, even if they are tendered at a discount that represents a price below the final buy-back price.

BlueScope Steel will not buy back any shares tendered by shareholders at a price above the final buy-back price.

Chief Financial Officer Mr Brian Kruger said: "All BlueScope Steel shareholders will benefit from this buy-back irrespective of eligibility and tax status. For continuing shareholders, including shareholders in the US and Canada (who are not eligible to participate in the buy-back), the buy-back will enhance earnings per share and return on equity."

"The buy-back offers a greater enhancement to shareholder value than a comparable on-market buy-back in that it enables us to buy back more shares for the same cost due to the discount and it can be completed in a shorter timeframe. Furthermore, this initiative will not limit our ability to fully frank ordinary dividends for the foreseeable future."

The buy-back timetable is outlined below. The terms and conditions of the buy-back will be detailed in a booklet to be sent to eligible shareholders on or around 16 March 2005. The booklet cannot be sent into the US or Canada.

BlueScope Steel reserves the right to vary the size of the buy-back.

Buy-back Timetable

21 February 2005	Buy-back announcement
25 February 2005	Cut-off date for franking entitlement under 45-day Rule [4]
28 February 2005	Shares quoted ex-entitlement to the buy-back and interim dividend (shares acquired on the ASX on/after this day will not receive an entitlement to participate in the buy-back or receive the interim dividend)
4 March 2005	Record Date for determination of shareholders entitled to the buy-back and interim dividend
16 March 2005	Mailing of buy-back documents to eligible shareholders completed
21 March 2005	Tender period opens
4 April 2005	Payment of interim dividend
8 April 2005	Tender period closes. Tenders must be received by 9.00pm (Melbourne time)
12 April 2005	Announcement of the buy-back price and any scale back
No later than	Buy-back proceeds dispatched to successful shareholders

[3] Consistent with Tax Determination TD 2004/22, the Australian Taxation Office has confirmed that the Tax Value will be $9.48, adjusted by the movement in the S&P/ASX 200 Index from the commencement of trading on 21 February 2005 to the close of the buy-back on 8 April 2005. If the S&P/ASX 200 Index adjustment is not reflective of the movement in BlueScope Steel's share price over the relevant period, then BlueScope Steel may choose to approach the ATO and apply for a more appropriate adjustment index.

[4] Shares acquired after this date will generally not satisfy the 45-day rule for the purposes of calculating an Australian taxpayer's income tax credits. Some taxpayers may be exempt. Shareholders should seek their own advice.

19 April 2005

Shareholders should direct any enquiries to 1800 448 909 toll free within Australia or +613 9615 9047 if calling from outside Australia, or visit our website www.bluescopesteel.com. Shareholders should seek their own professional advice (including tax advice) about the implications of participating in the buy-back.

Important Notice

The buy-back is not being made and will not be made, directly or indirectly, in or into the United States or Canada and the buy-back documents, and any and all materials related thereto, should not be sent or otherwise distributed in or into the United States or Canada, whether by use of the United States or Canadian mail, or by any means or instrumentality of United States or Canada interstate or foreign commerce (including, but without limitation, the mail, facsimile transmission, telex, telephone, electronic mail and the Internet), or any facility of a United States or Canadian national securities exchange and the buy-back cannot be accepted by any such use, means or instrumentality, in or from within the United States or Canada. Accordingly, copies of the buy-back document and any related materials are not being, and must not be, sent or otherwise distributed in or into or from the United States or Canada or, in their capacities as such, to custodians, trustees or nominees holding shares for United States or Canadian persons, and persons receiving any such documents (including custodians, nominees and trustees) must not distribute or send them in, into or from the United States or Canada. Any purported acceptance of the buy-back resulting directly or indirectly from a violation of these restrictions will be invalid. No shares are being solicited from a resident of the United States or Canada and, if sent in response by a resident of the United States or Canada, will not be accepted.

Other Relevant Information

The '45-day rule' generally requires that shares must be held 'at risk' for a minimum of 45 days to qualify for the benefit of franking credits and tax offsets. Generally, if a shareholder acquired all of their BlueScope Steel shares on or before Friday, 25 February 2005, they will satisfy the 45-day rule as there are 45 full days between 25 February 2005 and the earliest day that the buy-back allocations (including any scale back) will occur (12 April 2005).

The Australian Taxation Office has confirmed that shareholders will be able to acquire additional BlueScope Steel shares on the ASX on or after the ex-entitlement date on Monday, 28 February 2005 (on an ex-entitlement basis) without jeopardising their ability to claim franking credits on shares acquired on or before Friday, 25 February 2005 (ie, held at risk for the required 45 days).

An exemption from the 45-day rule may be available to certain taxpayers. Shareholders should seek advice as to the taxation consequences for them of participating in the buy-back.

About BlueScope Steel Limited (ASX: *BSL*)

BlueScope Steel is an international steel solutions company, with a manufacturing and marketing footprint spanning Australia, New Zealand, Asia and North America.

The Company is a 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 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 620,000 tonnes per annum integrated steelworks in New Zealand, and has a 50 per cent interest in a 1.7 million tonnes per annum steel mini-mill in Delta, Ohio. Additional steel rolling, coating and painting plants are located in Australia, New Zealand, Thailand, Malaysia and Indonesia, and under construction in China and Vietnam. 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 pre-engineered metal buildings in China and North America.

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

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