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News Release

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BLUESCOPE STEEL RECORD ANNUAL RESULT TOPS $1 BILLION

BlueScope Steel Limited (ASX: BSL), Australia's leading steel company, today announced its third consecutive record result with net profit after tax (NPAT) for the year to 30 June 2005 of $1,007 million. The result was 72%, or $423 million higher than the FY2004 NPAT of $584 million.

BlueScope Steel's Directors declared a final ordinary dividend for FY2004 of 24 cents per share and a special dividend of 20 cents per share both fully franked. Total dividends payable for FY2005 of 62 cents per share resulted in an increase of 22 cents per share, or 55% over FY2004.

Highlights for the year included:

- Record net profit after tax (NPAT) of $1,007 million, up 72%
- Earnings per share (EPS) growth of 77% to $1.37
- Record revenue growth of 38% to $7.9 billion
- Annual production records at Port Kembla Steelworks, North Star BlueScope Steel, and New Zealand Steel
- North Star BlueScope Steel paid its first dividend of $125 million to BlueScope Steel
- Investment of over $600 million in capital projects.

In commenting on the annual results, the Managing Director and Chief Executive Officer of BlueScope Steel, Mr Kirby Adams, said:

"This has been another very successful year for BlueScope Steel on nearly every measure. The Company achieved record annual results for its third consecutive year.

"These results, delivered by the people of BlueScope Steel, have enabled our Board to reward shareholders with a final ordinary dividend of 24 cents per share together with a special dividend of 20 cents per share, delivering a total increase of 55% over last year.

"We continued our focus on capital management through additional share buy-back programs, repurchasing and cancelling approximately 42 million shares, to further improve Earnings per Share and shareholders' return. Since public listing in July 2002, the Company has repurchased some 102 million shares at an average cost of $5.98 per share.

"Revenue growth of 38% to nearly $8 billion reflects stronger pricing and demand for our strong and colourful steel products across our global markets and the achievement of more than $1 billion revenue in each of our Asian and North American businesses for the first time ever. Revenues were also enhanced by record production levels in many operations, increased market penetration for steel, and the introduction of exciting new downstream products.

"During the year, the Company invested over $600 million in capital projects, consistent with our well-articulated growth strategy which is focussed on more rapid expansion of our mid and downstream operations. This strategy continues to differentiate BlueScope Steel. It capitalises on our key competitive strengths and is a counter-cyclical investment strategy, which we believe will yield attractive results as these projects are commissioned. The benefits of this substantial investment program will begin to be seen this year with a number of projects, including those listed below, well advanced:

- In Thailand, a second metallic coating line will come into operation this month.
- The new Vietnam metallic coating and painting facility is expected to start up within six months.
- In China, the building of new metal coating and painting lines in Suzhou is on schedule for commissioning in 12 months. In Guangzhou, construction is underway of a combined Butler Pre-Engineered Building (PEB) and Lysaght facility and will be completed by this time next year.
- In India, the construction of Lysaght and Butler PEB facilities is underway with start up scheduled in Pune during the second half CY2006, and in Chennai and New Delhi by mid CY2007.
- In Thailand, construction recently commenced on a new PEB plant scheduled for commissioning in the second half of CY2006.
- In Australia, work on the Hot Strip Mill expansion is well underway and set for completion in 12 months time.
- In North America, the new Butler plant was just completed and work on the extrusion plant in Tennessee to double capacity is on schedule and expected to be completed in six months.

"These and other growth initiatives are generally tracking well and on budget, and will bring progressively even greater diversity to our revenue and earnings profile.

Mr Adams continued: "Globally, demand for BlueScope Steel's strong and colourful products remains firm.

"Spot prices for commodity steel products in global markets have fallen in recent months and currently appear to have stabilised or increased in certain regions. Therefore, our slab and Hot Rolled Coil (HRC) prices have not been able to keep pace with the 71% and 125% increases in iron ore and coking coal prices recently imposed upon the global steel industry. These prices will further raise BlueScope Steel's costs by approximately $380 million (pre-tax) compared to FY2005. In the near-term, we are unable to fully recover these cost imposts and therefore upstream margins at Port Kembla Steelworks are under pressure. However, investors should see the benefits of our 'trapezoid strategy' in FY2006, as we expect margins in our midstream coating/painting and downstream roll forming/PEB businesses will improve.

"We fully anticipate FY2006 will be another very strong year for BlueScope Steel and will most likely be the second best year in our 87 year history. We will provide a further update at our Annual General Meeting in November.

"We again thank our shareholders for their support and look forward to reporting on the growing successes of BlueScope Steel during FY2006."

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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 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 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 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 steel pre-engineered buildings in China and North America.

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

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