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Results for Announcement to the Market
(under ASX listing rule 4.2A)

Annual Earnings Report
Twelve Months Ended 30 June 2005

HEADLINES

- **Record revenue of $7,982m, up 38%.**
- **Record net profit after tax NPAT of $1,007m, up 72%.**
- **Earnings per share (EPS) growth of 77% to $1.37.**
- **After tax return on equity of 30%.**
- **Continued focus on rewarding shareholders, increasing final ordinary dividend by 33% to 24cps and announcing a special dividend of 20cps. Total FY2005 dividend of 62cps, up 55% on FY2004.**
- **Share buy-backs achieved a 24.4m net reduction in shares resulting in a 3% improvement in future earnings per share.**
- **Thailand's 200,000 tonnes, metal coating expansion will come into operation in August and other growth initiatives are on schedule and within budget.**
- **Record twelve month earnings contribution from Hot Rolled Products, New Zealand Steel and from the company's 50% interest in North Star BlueScope Steel.**
- **Net cash flow from operations and investment activities was $603m, up 91%.**
- **Decision to exit the unprofitable export tinplate business being implemented.**
- **Transition to Australian International Financial Reporting Standards is well advanced.**

Group net profit after tax ("NPAT") for the twelve months ended 30 June 2005 was $1,007m compared to $584m for the previous corresponding period (twelve months ended 30 June 2004), an increase of 72%.

Earnings per share ("EPS") for the twelve months ended 30 June 2005 was 137.4 cents compared to 77.8 cents for the previous corresponding period, an increase of 77%.

The FY2005 result was affected by the following material items:

1. Packaging Products – A $17 million (after tax) charge in relation to the restructuring of this business. In the FY2005 Half Year Earnings Report it was noted that the potential cost could be up to $50 million (after tax). The variation is primarily due to a decision to operate some lines for up to two years rather than close immediately due to domestic customer requests. Please refer to "Coated and Building Products Australia" for details on the restructuring; and
2. Coking Coal arrangement with BHP Billiton – Typically pricing is reset annually for a 12 month period commencing 1 July each year. In the second half, BHP Billiton agreed to vary the FY2006 price period from 12 months to 18 months from 1 January 2005 to 30 June 2006. This increased current year costs by $52 million ($36 million after tax).
3. A$19m (A$17m after tax) increase in business development and pre-production costs associated with project developments in Asia.

In maintaining its commitment to Total Shareholder Return, the Board has approved a final ordinary dividend of 24cps (FY2004 18cps), which will be fully franked. The Board has also approved a special dividend of 20cps (FY2004 10cps), fully franked. The record date for both the ordinary and special dividends is 5 October 2005 and the payment date 24 October 2005. The total dividend, including special, for FY2005 is 62cps ($445m), representing a 55% increase on FY2004.

The company purchased 25.856m shares under its off-market buy-back and a further 15.880m under the on-market program, in part to offset 17.357m shares issued under employee and executive share plans. The number of shares on issue reduced 24.379m to 707.941m. Please refer to the "Capital Management" subsection for more details.

All of the largely downstream related development growth initiatives in Australia, Thailand, Vietnam, India and China remain on schedule and budget and the business restructuring and transformation of the downstream North American business is progressing.

		12 MTHS TO 30 JUNE 2005	2004	VARIANCE $m	%
Total Revenue(1)	A$m	7,982	5,770	2,212	38
Earnings before interest, tax, depreciation and amortisation (EBITDA)(2)	A$m	1,694	1,105	589	53
EBIT(2)	A$m	1,388	818	570	70
Net borrowing costs	A$m	(34)	(14)	(20)	(143)
NPAT attributable to BlueScope Steel shareholders		1,007	584	423	72
Earnings per share	¢/s	137.4	77.8	-	77
Final dividend	¢/s	24	18	-	33
Special dividend	¢/s	20	10	-	100
Net cash flow from operating and investing activities	A$m	603	315	288	91
Return on invested capital(3)	%	25.4	18.5		
Return on equity(4)	%	30.0	19.6		
Gearing (net debt / net debt plus equity)	%	18.4	12.9		
Net tangible assets per share	$/s	4.72	4.21		

(1) Includes revenue other than sales revenue of $41m ($32m in FY2004).
(2) Includes 50% share of net profit from North Star BlueScope Steel of $194m in FY2005 ($71m in FY2004).
(3) Return on invested capital is defined as annualised net operating profit after tax over average monthly capital employed.
(4) Return on equity is defined as net profit after tax attributable to members over average monthly shareholders' equity.

VARIANCE ANALYSIS

- **Total Revenue**

  The $2,212m (38%) increase principally reflects:
  - Higher prices attained in all export and most domestic market segments.
  - A twelve month contribution from Coated and Building Products North America following the acquisition of Butler Manufacturing Company on 27 April 2004.
  - Strong Asian domestic sales volumes to over $1 billion, bolstered by a twelve month contribution from BlueScope Butler China.

  These factors were partly offset by:
  - Higher average AUD/USD exchange rate of 0.75 compared to the previous corresponding period of 0.71.

- **EBIT**

  The $570m (70%) increase principally reflects:

  Prices ($1,195m favourable)
  - Higher export slab and hot rolled coil prices and related flow-on to export coated product from Australia and New Zealand and Australian domestic hot rolled coil and plate prices.
  - Increases in Australian and Asian domestic coated product prices.

Sales Volumes and Product Mix ($38m favourable)

- Favourable shift in mix of domestic despatches in Hot Rolled Products, higher domestic despatches in Coated and Building Products Australia and higher Asian domestic volumes due primarily to the inclusion of Butler China for a full twelve month period.

North Star BlueScope Steel ($123m favourable)

- Higher realised US domestic prices for hot rolled coil together with higher despatches, partly offset by higher scrap costs and the translation effect of a higher AUD/USD.

Exchange Rates ($58m unfavourable)

- Reflects the net effect of higher AUD/USD and NZD/USD exchange rates on both USD denominated revenue and costs. The average AUD/USD was 0.75 compared to the previous corresponding period of 0.71.

Costs ($217m unfavourable)

Cost improvement initiatives ($61m favourable)

- Cost reductions primarily at Port Kembla Steelworks, New Zealand Steel and Coated Products Australia reflecting the effect on unit costs of initiatives to improve yield, labour productivity and other costs.

Cost escalation ($106m unfavourable)

- Higher employment, utilities and other costs due to cost escalation.

One-off and discretionary costs ($156m unfavourable)

- Higher costs as a result of the effect on unit costs of lower production volumes at Coated Products Australia arising from union led industrial disputes and strikes.
- Higher planned repairs and maintenance spending at Port Kembla Steelworks, Coated Products Australia and New Zealand Steel to improve operating stability.
- Significantly higher costs associated with business and market development activities in Asia and Australia.

Other costs ($16m unfavourable)

- Higher freight costs due primarily to higher sea freight rates.
- Partly offset by higher prices received for Vanadium slag, a by-product in the New Zealand steelmaking process, which reduced steel making costs.

Raw material costs ($480m unfavourable)

- Higher USD iron ore, coking coal, scrap and alloy costs at the Port Kembla Steelworks, including an 18 month coking coal pricing arrangement with BHP Billiton which increased current year costs by $52m.
- Higher prices paid for hot rolled and cold rolled purchased steel feed by the downstream Asian coating and building operations.
- Higher zinc, aluminium and tin coating metal costs.

Other ($31m unfavourable)

- Primarily restructuring costs associated with the withdrawal from export tinplate.

- **Tax**

  The effective tax rate for the twelve months ended 30 June 2005 was 25.6% (25.1% in the previous corresponding period). The tax rate differs from the Australian tax rate of 30% primarily due to the utilisation of unbooked tax losses in New Zealand, together with the utilisation of tax exemptions in our Thailand Coating operation. These were partly offset by North Star BlueScope Steel being taxed at 40% (35% US tax rate plus state taxes).

OPERATING CASH FLOWS AND VARIANCE ANALYSIS

	12 MTHS TO 30 JUN		VARIANCE	
	2005	2004		
	A$m	A$m	A$m	%
Net operating cash flow before borrowing costs and income tax	1,225	893	332	37
Net investing cash flows	(622)	(578)	(44)	(8)
Net cash from operating and investing activities	603	315	288	91

Variance

The $332m increase in operating cash flow primarily reflects an increase in operating cash profits (EBITDA adjusted for the share of net profits and dividends received from North Star BlueScope Steel) partly offset by an increase in net working capital. The increase in net working capital primarily reflects:

- Inventory increases reflecting higher raw material and steel feed costs, together with higher volumes at Port Kembla Steelworks and Thailand. The increase at Port Kembla was as a result of delayed shipments at the end of June and increased iron ore purchases in advance of 1 July price rises. The Thailand increase reflects the timing of imported steel feed shipments.
- Receivable increases reflecting higher unit prices, partly offset by the delayed shipments at Port Kembla Steelworks.
- Provision decreases mainly reflecting the unwind of a customer prepayment program implemented by the previous Butler Manufacturing Company Management.

These were partly offset by:

- Creditor increases reflecting higher raw material and purchased steel feed costs.

The $44m increase in investing cashflow primarily reflects higher capital expenditure associated with the Vietnam, Thailand and China coating and painting facility developments, West Sydney Colorbond facility, Port Kembla Steelworks Hot Strip Mill upgrade, together with Lysaght Australia and BlueScope Water acquisitions. Offsetting these increases was the acquisition of Butler Manufacturing Company in the previous corresponding period.

GROUP REVIEW

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. NPAT increased 72% to $1,007 million and Earnings per Share (EPS) increased by 77% over the previous corresponding period to $1.37 per share.

"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.

"Our Asian Coated and Building Products segment reported an EBIT contribution of $82 million, down $18 million on the prior year. This pause in the continuous profit growth achieved in Asia in the preceding five years is primarily due to $19 million in pre-operating expenses associated with the many new operations under development, higher costs for steel feedstock, and $7 million adverse foreign exchange movements. Sales revenue increased to a record $1.05 billion, assisted by BlueScope Butler China's full year contribution.

"As a result of our acquisition of Butler Manufacturing last year, BlueScope Steel's North American presence has been re-established with 46 locations, 1,100 builders, more than 3,800 talented employees, and more than $1 billion in revenue. The benefits of our acquired Butler product range are also being implemented across BlueScope Steel, especially in Asia. This segment, comprising the Butler Buildings, Vistawall and start-up Koretech businesses, reported an EBIT loss of $20 million for the year, representing a slight improvement on the previous two years in a period of higher feedstock costs and challenging market conditions in the second half. The principal contributor to the loss in the second half was a far more complex and costly transition to the new Butler specialty plant in Tennessee. We are disappointed with this result and are working diligently towards its improvement.

"The performance of our Coated and Building Products Australia segment, which incurred an EBIT loss for the year of $116 million, improved in the second half. In the first half, a loss of $90 million was reported, reflecting high prices paid for slab and hot rolled coil feed and the impact of union led industrial action. Despite contending with higher feed costs, fixed and lagging price agreements with our customers were honoured and we diverted export product to domestic customers who were unable to find traditional imports. In the second half, the loss was $25 million, after taking account of an additional $25 million of Packaging Products costs following the decision to exit the unprofitable export business. The improvement reflects price increases achieved in the Australian market compensating for higher feed and other costs. Damaging industrial action at our Australian operations during the year cost the Company in the order of $40 million, lost more than 130,000 tonnes of production and caused massive inconvenience to some customers.

"Port Kembla Steelworks, New Zealand Steel and North Star BlueScope Steel operations each had a year of exceptional performance. Port Kembla Steelworks delivered an EBIT contribution of $1.14 billion and sustained high production levels. Many years of focused and determined effort to improve the performance of this business was realised, as well as capitalising on very favourable export pricing for slab and hot rolled coil and strong market conditions."

"North Star BlueScope Steel provided a record earnings contribution of $194 million, a further boost to the performance of our Hot Rolled Products segment. The joint venture attained a new production record of 1.82 million tonnes (100%) and is now debt free, having made the final repayment under its external debt arrangements in November 2004 and enabling it to pay its first ever dividend to BlueScope Steel of $125 million.

"The team at New Zealand Steel delivered an outstanding result with record revenue of $756 million and EBIT of $183 million. Higher despatches and prices for vanadium slag, a steel making by-product, contributed to the result as well as a more favourable mix of despatches.

Outlook

"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 our 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."

BUSINESS SEGMENT REVIEW

Summary of Results by Segment

	Sales Revenue ($m)		EBIT ($m)	
	12 Months to 30 June			
	2005	2004	2005	2004
Hot Rolled Products	3,940(1)	2,839(1)	1,338	564
New Zealand and Pacific Steel Products	756	590	183	62
Coated & Building Products Australia	3,190	2,883	(116)	193
Coated & Building Products Asia(2)	1,051	699	82	104
Coated & Building Products North America(3)	1,135	191	(20)	(9)
Corporate & Group(4)	360	373	(70)	(64)
Inter-segment(5)	(2,491)	(1,837)	(9)	(32)
Total BLUESCOPE STEEL	7,941(1)	5,738(1)	1,388	818

(1) Excludes the company's 50% share of North Star BlueScope Steel's revenue being $763m ($486m in FY2004).

(2) BlueScope Steel acquired Butler Manufacturing Company on 27 April 2004. BlueScope Butler China revenue was $254m (FY2004 $43m) and EBIT was $16m (FY2004 $3m), noting the FY2004 numbers only cover the period from 27 April to 30 June 2004. The normalised full year FY2004 numbers were sales revenue $259m and EBIT $17m.

(3) BlueScope Steel acquired Butler Manufacturing Company on 27 April 2004. FY2004 only covers the period from 27 April to 30 June 2004. The normalised full year FY2004 numbers (after adjusting to exclude restructure costs, discontinued operations, one-off acquisition adjustments and integration costs) were sales revenue $956m and EBIT $28m loss.

(4) Corporate and Group reflects Logistics and corporate office activities.

(5) Inter-segment revenue reflects the elimination of internal sales between reporting segments. Inter-segment EBIT reflects an entry to eliminate profit-in-stock associated with inter-segment sales.

Please note: minor changes have been made to align segment results with recent management reorganisation changes which:

(a) aligned Lysaght Pacific with New Zealand Steel rather than Coated and Building Products Asia. The New Zealand Steel segment has been renamed New Zealand and Pacific Steel Products;

(b) aligned our international trading activities with the geographical customer base (Asia and North America) rather than the production source.

The net impact of these changes is not material, but has resulted in the following restatement of comparative period results (EBIT) compared to those reported for the year ended 30 June 2004.

- New Zealand and Pacific Products: $4m increase
- Coated and Building Products Australia: $6m decrease
- Coated and Building Products Asia: $2m increase

Hot Rolled Products

This segment comprises:

- Port Kembla Steelworks, NSW, Australia (coke, iron, slab, plate and hot rolled coil production);
- BlueScope Steel's 50% interest in North Star BlueScope Steel, USA (hot rolled coil production);
- BlueScope Steel's 47.5% interest in Castrip LLC, USA (thin strip casting technology), in joint venture with Nucor and Ishikawajima-Harima Heavy Industries; and
- North American export trading activities.

(i) Financial Performance

	12 MTHS TO 30 JUNE		VARIANCE	
	2005	2004		
	$m	$m	$m	%
Sales Revenue[(1)]	3,940	2,839	1,101	39
EBITDA[(2)]	1,470	692	778	112
EBIT[(2)]	1,338	564	774	137
Capital and Investment Expenditure[(3)]	140	65	75	115
Net Operating Assets (pre tax)[(4)]	2,030	1,859	171	9
Return on Net Assets (pre tax)[(5)]	66.5%	30.7%		

(1) Excludes the company's 50% share of North Star BlueScope Steel's revenue being $763m ($486m in FY2004).
(2) Includes 50% share of net profit from North Star BlueScope Steel of $194m ($71m in FY2004).
(3) Increased capital expenditure reflects expenditure on the Hot Strip Mill upgrade at PKSW.
(4) Increase in net operating assets primarily reflects an increase in net working capital due to higher raw material costs and the timing of raw material purchases.
(5) Return on Net Assets is defined as EBIT / average monthly Net Operating Assets.

The $1,101m increase in sales revenue is primarily due to higher prices attained in domestic and export markets.

The $774m EBIT increase was largely due to:

- Higher export slab and hot rolled coil prices attained in international markets and the lagged and less pronounced flow-on to domestic hot rolled coil and plate prices.
- Higher intersegment prices to Coated and Building Products Australia.
- Substantial increase in North Star BlueScope Steel's EBIT contribution to $194m.
- Favourable shift in mix of domestic despatches.
- Cost reductions mainly due to labour productivity improvements.

These were partly offset by:

- Higher USD scrap, coking coal, iron ore and alloy costs at Port Kembla Steelworks, including an 18 month coking coal pricing arrangement with BHP Billiton which increased current year costs by $52m.
- Increased repairs and maintenance expenditure at Port Kembla Steelworks to ensure reliability of operations which underpins increased production capacity together with optimisation of asset lives.
- Higher freight costs due primarily to higher sea freight rates.
- The net effect of a higher AUD/USD exchange rate on USD denominated revenue and costs.

(ii) Operations Report

Port Kembla Steelworks ("PKSW")

- Maintained near record raw steel production levels at 5.123mt (vs 5.145mt for FY2004).
- Achieved record annual hot rolled coil production of 2.522mt(vs 2.501mt in FY2004).
- Marked improvement in plate production to 0.374mt (vs 0.349mt FY2004), largely due to improved plant reliability and working additional shifts.
- Export slab despatches were higher in the second half, at 0.746mt (vs. 0.364mt in the first half), largely due to the delayed sale of slab that was originally destined for the Company's Western Port operations but diverted to external markets due to union led strikes.
- During the year, the No 3 Basic Oxygen Steelmaking vessel was successfully replaced on time (70 days) and under budget after 21 years and 33.6mt of production.
- Work on the Hot Strip Mill expansion is on schedule for completion in the first quarter FY2007. Civil work is nearing completion with the prefabrication of the furnace structure well under way.
- The Blast Furnace No.5 ("BFNo.5") reline study is progressing, with a final decision on the scope of work expected this fiscal year. BFNo.5, which currently produces about 2.6 mtpa of hot metal was built in 1972 and the previous reline took place in 1991. The final scope of work will;
  - extend to the replacement and/or upgrade of associated items of equipment that were not included in the scope of the 1991 reline;
  - be unlikely to result in a material increase in existing capacity;
  - see additional work in comparison to that carried out by OneSteel on its recent Whyalla reline exercise; and
  - cost around $300m.

North Star BlueScope Steel

- Achieved record annual production of 1.824mt (100% share) (vs 1.710mt FY2004) and record annual despatches of 1.778 mt (100% share) (vs 1.664 FY2004). This was largely due to improved slab caster throughput (by increasing the caster width from 90 to 100mm), optimisation of the More burner system at the EAF (Electric Arc Furnace) and greater operational stability of the rolling mill.
- Repaid US$70m in debt reducing its external borrowings to zero and paid US$190m in dividends (100% share).
- Voted No. 1 flat rolled steel supplier in North America, for the third consecutive year, in the recent Jacobsen Survey of steel customers.

Castrip LLC

- BlueScope Steel's US based JV partner in Castrip LLC, Nucor, has continued to make progress with the revolutionary strip casting technology developed by BlueScope Steel. Nucor built the world's first commercial scale Castrip facility at its Crawfordsville, IN site. Castrip LLC, a joint venture between BlueScope Steel (47.5%), Nucor (47.5%) and Ishikawajima-Harima Heavy Industries, owns the Castrip intellectual property.

New Zealand and Pacific Steel Products

This segment comprises:

- New Zealand Steel; and
- Lysaght Pacific.

(i) Financial Performance

	12 MTHS TO 30 JUNE		VARIANCE	
	2005	2004		
	$m	$m	$m	%
Sales Revenue	756	590	166	28
EBITDA	211	98	113	115
EBIT	183	62	121	195
Capital and Investment Expenditure	37	28	9	32
Net Operating Assets (pre tax)(1)	474	441	33	7
Return on Net Assets (pre tax)(2)	39.3%	14.6%		

(1) Increase in net operating assets primarily reflects an increase in net working capital due mainly to higher receivables reflecting higher selling prices.

(2) Return on Net Assets is defined as EBIT / average monthly Net Operating Assets.

The $166m increase in sales revenue is primarily due to higher prices and despatch volumes in both domestic and export markets.

The $121m EBIT increase was largely due to:

- Higher export prices.
- Higher domestic prices and record domestic despatches.
- Higher vanadium slag (steel making by-product) despatches and prices.
- Lower depreciation expense from re-stating the life of the steel making assets.

These were partly offset by:

- The net unfavourable effect of the higher NZD/USD exchange rate on USD denominated revenue and costs. The average NZD/USD exchange rate was 0.70 compared to 0.63 in the previous corresponding period.
- Higher utility costs.
- Increased repairs and maintenance expenditure, principally on the steel making operations to optimise the asset lives.

(ii) Operations Report

- Maintained stable raw steel production at 610,400t (FY2004 611,300t), with the slightly lower production due to the scheduled maintenance work.
- The metal coating line induction oven was successfully commissioned in February 2005 resulting in an increase in annual capacity from 210,000tpa to 230,000 tpa.
- Completed an upgrade to the paint line in February 2005, resulting in increased line speed and product quality and an increase in annual capacity from 53,000tpa to 60,000tpa.
- A three year Collective Employment Contract was agreed with the Engineers Print Manufacturers Union in May 2005 with no lost time or industrial action.
- Ageing finance, maintenance and supply systems were replaced with SAP R/3 at a cost of NZ$13.5m.

Coated and Building Products Australia

This segment comprises:

- Springhill at Port Kembla, NSW;
- Western Port at Hastings, Victoria;
- Service Centres, with 7 sites throughout Australia;
- Packaging Products at Port Kembla, NSW;
- BlueScope Lysaght, with 32 operating sites throughout Australia;
- BlueScope Water; and
- Western Sydney Colorbond® Steel Centre development.

(i) Financial Performance

	12 MTHS TO 30 JUNE		VARIANCE	
	2005	2004		
	$m	$m	$m	%
Sales Revenue	3,190	2,883	307	11
EBITDA	(17)	287	(304)	(106)
EBIT	(116)	193	(309)	(160)
Capital and Investment Expenditure(1)	192	105	87	83
Net Operating Assets (pre tax)(2)	1,427	1,255	172	14
Return on Net Assets (pre tax)(3)	(8.7%)	15.7%		

(1) Capital and investment expenditure increase is primarily due to Lysaght and BlueScope Water acquisitions and West Sydney Colorbond development.
(2) Increase in net operating assets reflects the Lysaght and BlueScope Water acquisitions, together with an increase in net working capital as a result of higher inventory due to higher steel feed costs and higher receivables due to higher selling prices.
(3) Return on Net Assets is defined as EBIT / average monthly Net Operating Assets.

The $307m increase in sales revenue is primarily due to higher domestic and export prices.

The $309m EBIT decrease was largely due to:
- Significantly higher steel feed costs from Hot Rolled Products which compressed margins despite price increases in both domestic and export markets.
- Higher unit costs as a result of the effect of lower production volumes caused by union led industrial disputation, principally at Western Port.
- Higher zinc, aluminium and tin coating metal costs.
- Higher repairs and maintenance costs.
- Packaging Products restructure costs associated with downsizing the operation due to a decision to withdraw from export tinplate while continuing to support Australian customers.

These were only partly offset by:
- Higher domestic and export prices.
- Favourable shift in mix of despatches from export to domestic.

(ii) Operations Report

Springhill
- Achieved annual production records:
  - Cold rolling of 934,000t (vs. 901,000t in FY2004);
  - Metal coating of 761,000t (vs. 742,000t in FY2004; and
  - Painting of 158,000t (vs. 152,000t in FY2004).
- The operation achieved an annual despatch record of 1,005,000t (up 69,000t on FY2004). This is the third consecutive annual record and first time the 1.0mt level has been achieved.

- Brownfields capacity and cost saving initiatives continued, including
    - The installation of 'floater pad jets' on Metal Coating Line (MCL) No.3 allowed an increase in line speed on galvanised product. Installation of an accumulator for MCL2 during FY2004 allowed for a full year production increase of 35,000t.
    - Oven modifications on the paint line enabled increased line speed and the delivery of an additional 12,000tpa.
- Springhill's prime product yield improved 1.7% from FY2004, delivering an additional 15,900t of prime product.
- On 9 July 2005, the Springhill plant produced its 20 millionth tonne of metal coated steel.

Western Port

- Site based Enterprise Bargaining Agreement was finally certified on 23 March 2005 covering a four year period (10 months following EBA expiry in 2004).
- The union led industrial action in December 2004/January 2005 resulted in:
    - Lost production of approximately 130,000t and a total cost to the Company in the order of $40m, as well as causing disruption and significant cost to a large number of Western Port's customers and lost pay to Western Port employees.
    - Scheduled 19 days maintenance work on the Hot Strip Mill during the December 2004/January 2005 shutdown being delayed to 51 days.
- Work is progressing to increase the line speed on No.4 metal coating line to deliver an additional 30,000 tpa of capacity. The project will be completed by December 2005.
- The Pickle Tanks replacement project was successfully completed in January 2005. This project has removed an operational security risk to the business (noting the tanks had been in production for 30 years) as well as delivering a further 15,000 tonnes per annum of capacity. It will also reduce energy consumption and costs to the Pickle Line operation. The tanks are an acid based cleaning process in the cold rolling mill.

BlueScope Lysaght

- During FY2005, Lysaght further strengthened its manufacturing, sales and distribution capabilities through a number of initiatives, including
    - Acquisition of Australia's leading shed distributor, Ranbuild in December 2004.
    - The launch of a number of new products, including W-Dek ® and Quikform ® and introduction of Mobile Roll Forming.
        - Quikform ® is a load bearing concrete walling system enabling rapid multi story unit construction.
        - Mobile Roll Forming is a new service offer that allows long length roof sheeting to be manufactured on the customers' commercial sites.

Packaging Products

- In March 2005 the company decided to withdraw from its unprofitable export tinplate business, commencing from April 2005. This will result in the closure of some operating lines within two years and a staff reduction of approximately 175. Depreciation on these operating lines has been accelerated over their remaining useful life resulting in additional $9m of depreciation being recognised in FY2005. In addition, a $16m restructure provision has been recognised, including $12m in redundancy costs. The total financial impact in FY2005 of $17m (after tax), is lower than the maximum originally referenced in the FY2005 Half Year Earnings Report. The variation is primarily due to domestic customers' requests to operate some lines for up to two years rather than close immediately. The company is also investigating ways of further improving the profitability of the remaining operating assets, including the upgrade of the pickle line and cold mill to produce cold rolled feed for metallic coating. A decision on this upgrade is expected during FY2006.

Service Centres

- Total paint line production was slightly lower than the previous corresponding period due to scheduled outages on the Queensland and Port Kembla paint lines.
- The West Sydney Colorbond Centre development is on schedule and within budget. The site has been cleared and all major contracts have been placed.

BlueScope Water

- Urban rainwater tank and drainage pipe production facilities were established in Victoria, NSW and Queensland during FY2005. The company also acquired Pioneer Water Tanks based in Perth, in May 2005. This will provide access to Australian rural, commercial and industrial markets for water storage tanks up to 2.5m litres in capacity, together with export markets.

- A number of new product launches were made including WATERPOINT CLASSIC®, WATERPOINT SLIMLINE®, THINKTANK® rainwater harvesting systems and HYDORIB® culvert and stormwater pipe products.

Coated and Building Products Asia (milestone achieved – operated in Asia for 40 years)

This segment comprises:

- Thailand, Indonesia and Malaysia metal coating and paint line operations;
- China BlueScope Butler and Lysaght facilities;
- Lysaght operations in 9 Asian countries;
- Asian export trading activities;
- China and Vietnam metal coating and paint line developments; and
- India PEB and Lysaght developments

(i) Financial Performance

	12 MTHS TO 30 JUNE		VARIANCE	
	2005	2004		
	$m	$m	$m	%
Sales Revenue (1)	1,051	699	352	50
EBITDA	108	126	(18)	(14)
EBIT (1)	82	104	(22)	(21)
Capital and Investment Expenditure(2)	342	112	230	205
Net Operating Assets (pre tax)(3)	878	609	269	44
Return on Net Assets (pre tax)(4)	11.5%	22.9%		

(1) Includes BlueScope Butler China sales revenue of $254m (FY2004 $43m) and EBIT of $16m (FY2004 $3m), noting FY2004 only covers the period from 27 April to 30 June 2004. The normalised full year FY2004 numbers were sales revenue $259m and EBIT $17m.
(2) Capital expenditure increase largely reflects Vietnam, Thailand, China and India developments.
(3) The increase in net operating assets was largely due to the inclusion of BlueScope Butler China, higher capital expenditure and higher inventories.
(4) Return on Net Assets is defined as EBIT/average monthly Net Operating Assets.

The $352m increase in sales revenue is primarily due to strong Asian domestic sales volume, bolstered by a twelve month contribution from BlueScope Butler China. This segment exceeded $1 billion revenue for the first time.

The $22m EBIT decrease is largely due to:
- An increase of $19m in business development and pre-production costs associated with the Vietnam, Thailand, India and China development projects;
- Higher operating and production support costs;
- Higher zinc and aluminium coating metal costs; and
- Unfavourable foreign exchange movements.

These were partly offset by:
- Higher domestic coated product prices across the Asia business marginally exceeding increases in steel feed costs; and
- Full period contribution from BlueScope Butler China following the acquisition of Butler Manufacturing Company on 27 April 2004.

(ii) Operations Report
- Thailand
  - The second metal coating line is scheduled for completion in August 2005.
  - The ramp-up of the existing cold rolling mill capacity is on track to meet the majority of the additional cold rolled coil requirements of the new metal coating line.
  - Total domestic volumes were up by 9% year on year with strong demand in the premium product segments (Zincalume® steel, Clean Colorbond® steel and Ultima Hi Rib® sheeting).

- Commenced construction of a pre-engineered metal building manufacturing facility, leveraging the Butler PEB capability into Thailand and neighbouring SE Asian markets. The total cost is approximately A$18 million and is scheduled for commissioning during the second half of CY2006.

- Indonesia
  - Strong local demand due to strong demand in the residential sector and more positive investment environment in industrial and commercial market since last year's presidential election.
  - Initial high level of enquiries for Aceh reconstruction with orders secured for around 2,000 houses to date.
  - Successful completion of new Lysaght factory and coating line warehouse.

- China
  - Launch of ZINCALUME® steel brand into the Chinese market
  - Successful bid to supply Lysaght structural decking for the construction of the tallest building in the world, the Shanghai World Financial Centre
  - New beam fabricating facility in Tianjin completed on schedule in July 2005.
  - Merger of Butler and Lysaght into BlueScope Buildings China, including the integration of sales, standardisation of processes and introduction of regional reporting under one management team, is largely complete.
  - Butler sales in FY2005 were similar to FY2004 due primarily to increased macroeconomic controls put in place by the Chinese Government. Heavy rains and flooding in southern China adversely reduced sales in the fourth quarter.

- Malaysia
  - On 3 July 2005 there was a fire in the coater room section of the paint line. No one was injured. Remedial work and recommencement of full production is expected by end of August 2005 and the cost will be largely covered by insurance.
  - The business operated at below capacity in FY2005 largely due to the effect of reduced government spending on construction activity and increased local and regional competition.

- Major growth initiatives approved by the Board are progressing on schedule and within budget:

  - Vietnam (Metal Coating and Paint Lines) (A$160m)
    - Construction on schedule for start up in early CY2006.
    - Cold commissioning of the plant progressing.

- China
  1. Metal Coating and Paint Lines (A$280m)
     - Construction on schedule for start-up mid CY2006.
     - Manufacturing and administration building frames erected.
     - Equipment installation commenced.
     - Some issues arose during the early stages of construction, including a severe storm that caused some damage to roof sheeting, scaffolding, purlin cranes and other areas. Remedial action has been taken and the project remains on target for mid-CY2006.
  2. Guangzhou PEB and Lysaght facilities (A$40m)
     - Project is on schedule for completion by mid-CY2006
     - Site piling progressing and business registrations and approvals are complete
- India
  1. Lysaght and PEB facilities (A$90m)
     - Projects remain on schedule:
       - Pune – Butler PEB and Design Centre (scheduled for start up second half CY2006). Site works and recruitment started.
       - Chennai and New Delhi – Lysaght rollforming facilities (mid-CY2007). Initial site preparations commenced.
  2. Possible Tata Steel joint venture
     - Discussions on a potential joint venture for a metal coating line and paint line investment are ongoing.

Note: The abovementioned capital costs reflect foreign currency costs converted to AUD's at the forecast exchange rate current at the time of project approval.

Coated and Building Products North America

This segment comprises the North American businesses of Butler Manufacturing Company acquired on 27 April 2004:

- Butler Buildings; and
- Vistawall architectural products.

(i) Financial Performance

	12 MTHS TO 30 JUNE		VARIANCE	
	2005	2004 (1)		
	$m	$m	$m	%
Sales Revenue	1,135	956	179	19
EBITDA	-	(8)	8	100
EBIT	(20)	(28)	8	29
Capital and Investment Expenditure	53	na	na	na
Net Operating Assets (pre tax)	234	na	na	na
Return on Net Assets (pre tax)(1)	(8.4%)	na	na	na

(1) BlueScope Steel acquired Butler Manufacturing Company on 27 April 2004. To assist the market's understanding, normalised comparative numbers for FY2004 have been provided. These numbers exclude restructuring, discontinued operations, one off acquisition adjustments and integration costs. EBIT for FY2005 would have been a $15m loss if prepared on the same basis, primarily due to integration costs incurred in FY2005.

(2) Return on Net Assets is defined as EBIT / average monthly Net Operating Assets.

The $179m increase in sales revenue is primarily due to higher prices and volumes.

The $8m EBIT improvement was largely due to:

- Improved Butler Buildings division margins achieved despite higher steel feed costs and tight availability of steel feed; and
- Higher despatches from the Vistawall division.

Partly offsetting these were:

- Costs associated with the integration of Butler Manufacturing's North American businesses into BlueScope Steel, together with the regional restructure;
- Higher than anticipated unit costs associated with the early closure of the Galesburg Illinois plant and start-up costs of the replacement plant in Jackson Tennessee; and
- Higher aluminium costs in the Vistawall division.

(ii) Operations Report

- Butler Buildings:
  - Second half despatches were adversely affected by poor weather conditions in the North East and a generally weaker non-residential building market.
  - Galesburg plant closure:
    - Production at the high cost Galesburg facility ceased ahead of schedule in April. Galesburg produced speciality parts and accounted for approximately 17% of all production.

        - A new speciality plant in Tennessee commenced production in March 2005. This plant has experienced start-up issues, including mechanical failures on equipment moved from Galesburg that has adversely affected production. Remedial action has been implemented and stable production is expected by end of the first quarter FY2006.

    - Other business improvement initiatives included:
        - Completed restructuring of the business with the formulation of 5 regional profit centres and new management team.
        - The optimisation (ongoing) of the ERP system to better align with the business needs, including a total redesign of the billing process.
        - Implementation of a work performance system and business metrics across all business functions to increase production capability, reduce costs, improve inventory management and assign controls and accountabilities.
        - New engineering offices were opened in Alabama, Ohio and Illinios to improve the exposure and service to the Mid-West, South-East and Northern region markets.

- Vistawall
    - Work on the Tennessee extrusion plant to double capacity remains on schedule for completion by end CY2005 (US$8m). The building construction is essentially complete and the extrusion press is expected to arrive in early September.
    - Aluminium product despatches (in pounds) were up 12% on FY2004 largely due to stronger market conditions, improved delivery performance and customer service.
    - Order intake levels ($ terms) were higher than FY2004 largely due to stronger market conditions and increased market penetration.
    - New engineering office and warehouse was opened in Philadelphia improving the distribution channels to market and expanding the geographic coverage.
    - Released new products, including Solar Eclipse sunshades (to meet the growing trend of sunshades in today's architectural design), and Terra Swing terrace doors (used in high rise condominium projects, a strong growth market).

OTHER INFORMATION

Logistics

- In August 2004 the company confirmed it expected marine freight costs to increase by approximately A$70m in FY2005. The actual increase was in this order, a reasonable outcome considering the very tight spot marine market.

Capital Management

- On 1 July 2004, the Company completed a debut debt raising in the US private placement market totalling US$300 million with terms of 7 years (US$100 million) and 10 years (US$200 million).
- During the period, the Company borrowed an additional $349m. Total debt outstanding at 30 June 2005 was $876m, resulting in a gearing ratio of 18.4% (net debt / net debt plus equity). These borrowings, together with operating cash flow of $1,225m were primarily applied to funding the share buybacks ($327m), dividends ($343m), capital expenditure and investments ($663m) and tax payments ($312m).
- BlueScope Steel has received $140m in cash for trade receivables sold under its receivables securitisation program. This represents a $12m decrease from 30 June 2004.
- During April 2005 the Company completed an off-market share buy-back of 25,856,197 shares, representing 3.5% of its issued share capital. The shares were bought back at $7.75 per share for a total cost of $202m, including $2m of associated costs. The price of $7.75 represented a 9% discount to the volume weighted average price of BlueScope Steel Limited shares over the five days up to and including the closing date of the buy-back.
- In addition, the Company bought back a total of 15,880,095 shares under its on-market share buy-back program during FY2005. These were purchased at an average cost before brokerage and GST of $7.86 per share for a total cost of $125m. These buy-backs were in part to offset the EPS effect of 17.357m shares issued under ESOP and LTIP schemes.
- North Star BlueScope Steel made its final repayment of US$70m under its external funding arrangements in November 2004 (six months ahead of the final scheduled date). In addition, North Star BlueScope Steel sold US$20m of its trade receivables under its receivables securitisation program at 30 June 2005. This represents a US$36m decrease from 30 June 2004.

Safety, Environment & Health

- Safety
  - The BlueScope Steel Group, including Butler, has achieved a Lost Time Injury Frequency Rate (LTIFR) "below 1.0" for the first time ever. This compares very favourably against most other benchmarks, including the most recent (2003) International Iron and Steel Institute benchmarking of 73 steel companies where the LTIFR average performance was 9.4.
  - After having achieved another commendable safety performance for the year, New Zealand Steel has regrettably incurred an employee fatality on 4 July 2005.
  - Some of the other noteworthy achievements over the year include:
    - Coated and Building Products Asia - achieved 17 million hours Lost Time Injury free.
    - Coated and Building Products North America - achieved milestones of over 1 million hours Lost Time Injury free.

- Coated and Building Products Australia - achieved over 5 million hours Lost Time Injury free, with the Western Port site surpassing their previous record Lost Time Injury free period of 136 days to now 263 days.

Underpinning these results has been a committed company-wide proactive effort in driving safety improvement. Our employees and contractors are to be acknowledged for their world-class level of care.

- Environment
  - A Greenhouse Gas and Energy Policy has been developed and will focus upon energy efficiency at both the Port Kembla and New Zealand Steelworks.
  - The EPA (Victoria) have requested permission to use the energy improvement plan and results from the Western Port plant as a model for what can be achieved when organisations are focussed on long term improvement rather than regulatory compliance.
  - Independent environmental reviews are being conducted across the group. The reviews are a formal assessment of net environmental performance. As of 30 June 2005, 27 of 102 sites have been reviewed, representing 53% of the company by employee.
  - BlueScope Steel's compliance system is being enhanced. The system defines each operation's environmental compliance obligations in terms of specific actions required. Line management signs off on their defined obligations on a monthly basis.
  - On 4 August 2005, the New Zealand government and New Zealand Steel announced they would enter discussions for a Negotiated Greenhouse Agreement (NGA). New Zealand Steel has already invested heavily in environmental control equipment and an NGA will provide a stable base for future operations and growth.

Management

The following senior management appointments were announced:

- Lance Hockridge – President BlueScope Steel North America (previously President Industrial Markets). His new responsibilities include Butler and the company's interests in the North Star BlueScope Steel and Castrip joint ventures.
- Noel Cornish – President Australian and New Zealand Industrial Markets (previously President Australian Building and Manufacturing markets). His principal responsibilities will include the Port Kembla Steelworks and New Zealand Steel.
- Brian Kruger – President Australian Manufacturing Markets (previously Chief Financial Officer). His principal responsibilities will include the Australian coated and tinplate businesses.
- Kathryn Fagg – President Australian Building and Logistics Solutions (previously President Logistics). Kathryn will have the additional responsibility for the introduction of the Butler pre-engineered buildings technology into the Australian market.
- Ian Cummin – Executive Vice President, People and Performance (previously Human Resources). Ian will have the additional responsibility for Corporate and Government Affairs.

Transition to Australian International Financial Reporting Standards

BlueScope Steel is well advanced in transitioning its accounting and financial reporting from current Australian Accounting Standards to the Australian equivalent to International Financial Reporting Standards (AIFRS). In addition to the material changes to the 1 July 2004 opening transition balance sheet, which were announced in the Half Year Earnings Report, the company is in a position to estimate the effect on the year ending 30 June 2005 earnings performance and closing balance sheet.

Changes identified to-date that will affect the restated FY2005 comparative period earnings are estimated to result in approximately a \$25m (3%) reduction in NPAT from that reported under AGAAP. The major items are as follow:

Unfavourable effects on reported FY2005 earnings:

- Impairment of Packaging Products: Packaging Products was impaired on a standalone basis at 30 June 2004 under AIFRS, primarily as a result of low growth and margin compression since the facility was upgraded in the 1990's. It was further impaired at 30 June 2005 as a result of increases in unit costs following the withdrawal from export tinplate.

  This impairment testing necessitated a \$102 million (\$72m after tax) impairment write-down of Packaging Products in the opening transition balance sheet (as advised in the Half Year Earnings Report), and an additional \$82m (\$87m after tax) write-down in FY2005. The Packaging Products assets will be fully written-down at 30 June 2005 under AIFRS.

  Partly offsetting the impairment expense, depreciation will be \$5m lower in FY2005 and from FY2006 will be approximately \$18m lower than reported under AGAAP.

  The company continues to operate these assets and is investigating ways of further improving their profitability, including the upgrade of the Pickle Line and Cold Mill to produce cold roll feed for coating. A decision is expected during FY2006.

- Fair Value of Share Based Payments: The company will expense the fair value of executive share rights and employee share plans over the life of these plans. Employment expenses will increase by approximately \$6m in FY2005. There is no tax deduction allowable.

Favourable effects on reported FY2005 earnings:

- Unfunded Defined Benefit Superannuation Plans: The net deficit in employer sponsored defined benefit funds must be recognised as a liability. At 30 June 2005, \$208.4m will be recognised on the balance sheet compared to \$77.3m reported under AGAAP. This increase primarily relates to the requirement to gross up for employer contributions tax and discount projected benefits at a corporate bond rate (or equivalent), rather than the expected return on the funds assets. The company will recognise approximately \$20m (\$16m after tax) lower employment costs in FY2005.

- Foreign Currency Exchange Gains and Losses: Exchange gains and losses arising from loan balances, including intercompany loans, must be taken to profit and loss (rather than exchange fluctuation reserve) unless they form part of a net investment in a foreign operation. The company's foreign currency loans do not meet the tests required to form part of a net investment of a foreign operation and therefore the company will recognise approximately \$22m (\$16m after tax) in currency gains. Under AGAAP these items have been recorded against the exchange fluctuation reserve.

The company has undertaken a thorough review of the future impact on the profit and loss from foreign currency exposures arising from the changes identified above. Future foreign currency exposure is to be managed through balancing external foreign exchange debt with foreign exchange intercompany balances and no material earnings volatility is expected.

- Goodwill Amortisation: Goodwill will no longer be amortised, reducing amortisation expense by approximately $5m in FY2005. There is no tax deduction allowable.

A full discussion if the AIFRS transition issues can be found in Note 2 of the 30 June 2005 Financial Report, including balance sheet adjustments which are expected to reduce shareholder equity by $121m (4%) at 30 June 2004 and $240m (7%) at 30 June 2005. An implication of this change is that reported gearing (net debt/net debt & equity) is estimated to increase from 18.4% to 22.5%.

Employee Share Plan

- The Company has offered approximately 17,000 eligible employees to participate in a share plan. In Australia and the United States 12,000 employees have been offered a "3 for the price of 1" arrangement whereby an employee can choose to invest A$500 and for each share acquired the company will fund two additional shares. A similar plan will be offered in New Zealand. In all other countries a grant of 60 shares or cash equivalent will be made by the Company to employees.

Final Dividend Schedule

- Record date – 5 October 2005
- Payment date – 24 October 2005

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ATTACHMENT 1
PRODUCTION AND DESPATCH REPORT

000 Tonnes	6 MTHS ENDED Dec 2004	June 2005	June 2004	12 MTHS ENDED JUNE 2005	2004	VARIANCE
AUSTRALIA						
Raw Steel Production(1)	**2,557**	**2,566**	**2,577**	**5,123**	**5,145**	-
External Despatches						
Hot Rolled Products						
- Domestic	538	512	529	1,050	981	7%
- Export	529	848	828	1,377	1,504	(8%)
Sub-total	**1,067**	**1,360**	**1,357**	**2,427**	**2,485**	**(2%)**
Coated & Building Products Australia						
- Domestic	981	934	905	1,915	1,855	3%
- Export	199	278	362	477	619	(23%)
Sub total	**1,180**	**1,212**	**1,267**	**2,392**	**2,474**	**(3%)**
Total Australian Despatches						
- Domestic	1,519	1,446	1,434	2,965	2,836	5%
- Export	728	1,126	1,190	1,854	2,123	(13%)
	2,247	**2,572**	**2,624**	**4,819**	**4,959**	**(3%)**
NEW ZEALAND / Pacific						
Raw Steel Production	**336**	**274**	**302**	**610**	**611**	-
External Despatches						
- Domestic	168	147	132	315	272	16%
- Export	154	122	141	276	239	15%
Total	**322**	**269**	**273**	**591**	**511**	**16%**
ASIA (Coated & Building Products)						
Raw Steel Production(2)	-	-	-	-	-	-
External Despatches						
- Domestic(3)	312	288	256	600	426	41%
- Export(4)	42	32	43	74	91	(19%)
Total	**354**	**320**	**299**	**674**	**517**	**30%**
NORTH AMERICA						
Raw Steel Production(5)	**447**	**465**	**439**	**912**	**855**	**7%**
External Despatches						
North Star BlueScope Steel (5) -						
- Domestic	430	453	431	883	827	7%
- Export	-	6	-	6	5	20%
Coated & Building Products North America						
- Domestic	101	76	28(6)	177	28(6)	532%
- Export	3	7	1	10	1	900%
Total	**534**	**542**	**460**	**1,076**	**861**	25%

000 Tonnes	6 MTHS ENDED Dec 2004	June 2004	June 2004	12 MTHS ENDED JUNE 2005	2004	VARIANCE
GROUP						
Raw Steel Production	**3,340**	**3,305**	**3,318**	**6,645**	**6,611**	**1%**
External Despatches						
- Domestic	2,530	2,410	2,281	4,940	4,390	13%
- Export	927	1,293	1,375	2,220	2,459	(10%)
Total	**3,457**	**3,703**	**3,656**	**7,160**	**6,849**	**5%**

(1) Port Kembla Steelworks.
(2) BlueScope Steel does not make steel in Asia. The Asian businesses typically source steel from local suppliers, many of whom source slab or HRC from BlueScope Steel's Port Kembla or New Zealand operations.
(3) FY2005 includes 164,000 tonnes of despatches from BlueScope Butler China's operations versus 28,000 tonnes in FY2004 (covering period 27 April – 30 June 2004).
(4) Reflects despatches from the Asian country of production to external customers in other countries within Asia and the Pacific Islands.
(5) Reflects BlueScope Steel's 50% share from North Star BlueScope Steel.
(6) Reflects two months of steel despatches from BlueScope Butler's operations, noting Butler Manufacturing Company was acquired on 27 April 2004.