




BLUESCOPE STEEL LIMITED
ANNUAL REPORT 2007/08 PART 2 OF 2



**OPPORTUNITY. DIRECTION. DELIVERY.
A BLUEPRINT FOR GROWTH.**



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DIRECTORS' REPORT

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

The Directors of BlueScope Steel Limited ("BlueScope Steel") present their report on the consolidated entity ("BlueScope Steel Group") consisting of BlueScope Steel Limited and its controlled entities for the financial year ended 30 June 2008 ("FY 2008").

PRINCIPAL ACTIVITIES

During the year the principal continuing activities of the BlueScope Steel Group, based principally in Australia, New Zealand, North America, China and elsewhere in Asia, were:

- (a) Manufacture and distribution of flat steel products;
- (b) Manufacture and distribution of metallic coated and painted steel products;
- (c) Manufacture and distribution of steel building products; and
- (d) Design and manufacture of pre-engineered steel buildings and building solutions.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant events occurred during the year:

- (a) The Company is progressing a range of growth initiatives mainly aimed at expanding the manufacture and distribution of metallic coated and painted steel products. The status of these projects is:

Commenced operation

- Australia: the new painting facility (capacity: 120,000 tonnes per annum) in western Sydney. This facility commenced production in August 2007.

Under construction

- Australia: the sinter plant upgrade at Port Kembla steelworks will coincide with the reline of the #5 Blast Furnace during March 2009. The project will increase the competitiveness of the Port Kembla Steelworks through reducing the use of more expensive iron ore pellets and using less expensive iron ore fines to produce additional sinter;
- Indonesia: a second metallic coating (capacity: 165,000 tonnes per annum) facility at Chilegon remains on schedule for commissioning towards the end of CY 2009; and
- India: the metallic coating and painting facilities project in India, which form part of a 50/50 joint venture with Tata Steel, is planned to be completed during CY 2010.

Projects approved during the year

- Australia: #5 Blast Furnace reline to commence in March 2009 with completion planned for June 2009;

- (b) During FY 2008, the Company completed the following acquisitions:

- Australia: acquisition of Smorgon Steel's Distribution business. This business was acquired on 3 August 2007;
- North America: acquisition of HCI Steel Buildings Systems on 31 October 2007; and
- North America: acquisition of IMSA Steel Corp on 1 February 2008. IMSA Steel Corp has four distinct businesses, Varco Pruden Buildings Inc., Steelscape, Inc., Metl-Span LLC and ASC Profiles Inc., with manufacturing facilities throughout the United States and sales throughout North America.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to financial year-end, the Company completed a US Private Placement Note issue of USD325 million. Of the USD325 million notes issued, USD81 million are due for repayment in 2015, USD204 million are due for repayment in 2018 and USD40 million are due for repayment in 2020.

DIVIDENDS

BlueScope Steel paid a fully franked dividend for the year ended 30 June 2007 of 26 cents per share in October 2007 and a fully franked interim dividend of 22 cents per share in April 2008 to its shareholders.

On 18 August 2008, it was announced that the Directors determined to pay a final fully franked dividend of 27 cents per share, which is to be paid to shareholders on 22 October 2008 (record date 26 September 2008).

REVIEW AND RESULTS OF OPERATIONS

As a result of recent acquisitions and revised management structure announced as part of the Company's "Blueprint for the Future", the Company has elected to early adopt the new AIFRS Accounting Standard (AASB 8 – Operating Segments) and change its external reporting segments (comparative information has been restated).

The BlueScope Steel Group comprises six business reporting segments: Coated and Industrial Products Australia, Australia Distribution and Solutions, New Zealand and Pacific Steel Products, Coated and Building Products Asia, Hot Rolled Products North America and Coated and Building Products North America.

	REVENUES 2008 \$M	REVENUES 2007 \$M	RESULTS 2008 \$M	RESULTS 2007 \$M
SALES REVENUE				
Coated and Industrial Products Australia	6,041.7	5,524.9	986.3	799.3
Australia Distribution and Solutions	2,201.8	699.7	45.3	12.5
New Zealand and Pacific Steel Products	724.8	728.4	92.7	90.1
Coated and Building Products Asia	1,569.9	1,375.1	(148.4)	33.5
Hot Rolled Products North America	0.0	0.0	105.2	154.6
Coated and Building Products North America	1,407.1	788.0	90.1	37.2
Discontinued operations	3.2	747.2	(3.0)	15.8
Segment revenue/EBIT	11,948.5	9,863.3	1,168.2	1,143.0
Inter-segment eliminations	(1,487.3)	(1,003.2)	(116.5)	1.5
Segment external revenue/EBIT	10,461.2	8,860.1	1,051.7	1,144.5
Other revenue/(net unallocated expenses)	33.8	52.5	(113.8)	(181.7)
Total revenue	10,495.0	8,912.6		
Profit from ordinary activities before income tax			937.9	962.8
Income tax expense			(325.6)	(259.8)
Profit from ordinary activities after income tax expense			612.3	703.0
Net profit attributable to outside equity interest			(16.1)	(17.4)
Net profit attributable to members of BlueScope Steel			596.2	685.6
Earnings per share			80.1	95.3

The Company's revenue increased \$1,582.4 million to a record level of \$10,495.0 million, primarily through the acquisitions of Smorgon Steel's Distribution business and IMSA Steel Corp during the year, higher global slab and hot rolled coil prices, sales growth in Coated and Building Products across all regions within Asia and North America and higher scrap sales within Coated and Industrial Products Australia. These were partly offset by a stronger average AUD and the sale of the Vistawall business in June 2007.

Net profit after tax decreased \$89.4 million to \$596.2 million driven by impairment of the China and Vietnam coating facilities, higher iron ore and scrap costs, reduced spread at North Star BlueScope

Steel, higher freight, repairs and maintenance and support costs at Coated and Industrial Products Australia to maintain near and record production rates, integration costs associated with the acquisitions of Smorgon Steel's Distribution business and IMSA Steel Corp and the one-off impact of recognising inter-company profit eliminations in inventory and an adverse foreign exchange impact due to the strengthening AUD. These were partly offset by the acquisitions of Smorgon Steel's Distribution business and IMSA Steel Corp during the year, higher global slab and hot rolled coil prices, sales growth in Coated and Building Products across all regions within Asia and North America and profit on sale of the 19.9% shareholding in Smorgon Steel.

Coated and Industrial Products Australia

The earnings contribution from the Coated and Industrial Products Australia segment increased significantly, primarily as a result of higher export, domestic plate, hot rolled coil and cold rolled coil products and inter-segment prices for Australia Distribution and Solutions and improved domestic mix with a higher proportion of plate and metallic coated products despatches.

These were partly offset by higher iron ore, alloys and scrap costs and freight, repairs and maintenance and conversion cost increases more than offsetting cost reduction initiatives to improve yield, labour productivity and other costs.

Australia Distribution and Solutions

The earnings contribution from the Australia Distribution and Solutions segment was significantly improved compared to the previous year's loss primarily due to the acquisition of Smorgon Steel's Distribution business, lower per unit conversion costs driven by higher production volumes and cost reduction initiatives and site relocation costs incurred in the previous year.

These were partly offset by lower selling prices mainly due to a depressed residential market across the east coast of Australia, impairment and subsequent closure of the Lysaght Home Improvements business, write-off of capitalised Movex costs and integration costs associated with the acquisition of Smorgon Steel's Distribution business and the one-off impact of recognising inter-company profit eliminations in inventory.

New Zealand and Pacific Steel Products

The earnings contribution from the New Zealand and Pacific Steel Products segment increased marginally principally as a result of higher New Zealand domestic prices driven by strong demand, higher export prices, higher scrap volumes and prices, increased contributions from vanadium recoveries due to strengthening world prices, higher iron sand despatches, redemption of B class preference shares in Manukau International Limited (an investment vehicle of the New Zealand Steel Pension Fund which had previously been impaired) and lower zinc purchase prices. These were partly offset by higher coal and gas costs and an increase in the spot price of electricity.

Coated and Building Products Asia

The earnings contribution from the Coated and Building Products Asia segment was significantly lower as a result of impairment of the China and Vietnam coating facilities due to lower than expected domestic volumes and margins in these businesses, higher steel feed costs and higher freight costs driven by rate increases. These were partly offset by higher sales volumes and prices across all regions, lower unit costs mainly as a result of commissioning and ramp-up of production volumes at the China coating lines, lower coating metal costs and lower business development and pre-operating costs.

Hot Rolled Products North America

The earnings contribution from the Hot Rolled Products North America segment was lower mainly due to reduced spread at North Star BlueScope Steel with the cost of scrap in North America increasing more than hot rolled coil prices, an unfavourable movement in the AUD relative to the USD and higher conversion costs at North Star BlueScope Steel driven by the cost of electricity and alloys. These were partly offset by higher volumes.

Coated and Building Products North America

The earnings contribution from the Coated and Building Products North America segment improved significantly primarily due to the acquisition of IMSA Steel Corp, improved margins as sale price increases exceeded raw material cost increases, higher sales volumes within Butler Buildings, and improved plant efficiencies and increased production volumes at lower unit cost facilities. These were partly offset by an unfavourable movement in the AUD relative to the USD and integration costs associated with the acquisition of IMSA Steel Corp, and the one-off impact of recognising inter-company profit eliminations in inventory.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company's long-term view of the global steel industry remains positive on the back of continued strong demand and solid global steel prices.

In the short-term, the Company expects a strong 1H FY2009, mainly driven by continued strong global steel demand and prices and will undertake the No 5 Blast Furnace Reline and sinter plant upgrade projects, during 2H FY2009.

DIRECTORS' BIOGRAPHIES

BOARD COMPOSITION

The following were Directors for the full financial year: Graham John Kraehe AO (Chairman), Ronald John McNeilly (Deputy Chairman), Diane Jennifer Grady, Daniel Bruno Grollo, Harry Kevin (Kevin) McCann AM, Paul John Rizzo, Tan Yam Pin. Paul Francis O'Malley (Managing Director and Chief Executive Officer) was appointed as a Director on 6 August 2007 and was appointed as Managing Director and Chief Executive Officer on 1 November 2007.

Particulars of the skills, experience, expertise and special responsibilities of the Directors are set out below.

GRAHAM KRAEHE AO

Chairman (Independent)

Age 66

BEC

Director since: May 2002

Extensive background in manufacturing and was Managing Director and Chief Executive Officer of Southcorp Limited from 1994 to February 2001. Chairman of Brambles Industries Limited since February 2008 and a Non-Executive Director since December 2000, Member of the Board of the Reserve Bank of Australia since February 2007 and Djerriwarrh Investments Limited since July 2002.

Mr Kraehe was a Non-Executive Director of National Australia Bank Limited from August 1997 to September 2005, including as Chairman from February 2004 to September 2005, and a Non-Executive Director of News Corporation Limited from January 2001 until April 2004.

He brings skills and experience in manufacturing management and in companies with substantial and geographically diverse industrial operations. Mr Kraehe's experience with a wide range of organisations is relevant for his role as Chairman of the Board.

RON McNEILLY

Deputy Chairman (Independent)

Age 65

BCom, MBA, FCPA

Director since: May 2002

Deputy Chairman of the Board with over 30 years experience in the steel industry. He joined BHP in 1962, and until December 2001 held various positions with the BHP Group (now BHP Billiton), including Executive Director and President BHP Minerals, Chief Operating Officer and Executive General Manager, and was Chief Executive Officer BHP Steel until 1997. The latter role developed his knowledge of many of the businesses comprising BlueScope Steel today.

Chairman of Melbourne Business School Limited, Chairman of Worley Parsons Limited and a Director since October 2002, and a Director of Alumina Ltd since December 2002. Vice President of the Australia Japan Business Cooperation Committee and a member of the Council on Australia Latin America Relations. A Director of Ausmelt Limited from September 2002 until November 2004.

DIANE GRADY

Non-Executive Director (Independent)

Age 60

BA (Hons), MA (Chinese Studies), MBA

Director since: May 2002

Director of Woolworths Ltd since July 1996 and Goodman Group from September 2007, Wattyl Ltd from December 1994 until October 2006 and Senior Advisor to McKinsey & Co. Has served on the Boards of a number of public and not-for-profit organisations including Lend Lease Corporation, Greengrocer.com (Chair), Sydney Opera House, Ascham School and as President of Chief Executive Women. Formerly a partner of McKinsey & Co. serving clients in a wide range of industries on strategic growth and change initiatives.

She is an experienced Director who brings valuable strategic and business expertise to the Board and to her role as Chair of the Remuneration and Organisation Committee.

KEVIN McCANN AM

Non-Executive Director (Independent)

Age 67

BA LLB (Hons), LL.M

Director since: May 2002

Chairman of Healthscope Limited since March 1994, Origin Energy Limited since February 2000, and the Sydney Harbour Federation Trust. Lead independent Director of Macquarie Bank Limited and Macquarie Group Limited. A member of the Takeovers Panel and the Council of the National Library of Australia.

Chairman of Triako Resources Limited from April 1999 until September 2006 and a member of the Defence Procurement Advisory Board from March 2004 until March 2008 and has served on the Boards of Pioneer International Limited, Ampol Limited and the State Rail Authority of New South Wales.

Former Chairman of Partners of Allens Arthur Robinson, a national and international Australian law firm, and a partner of the firm from 1970 until June 2004, specialising in mergers and acquisitions, mineral and resources law and capital markets transactions.

He brings extensive legal expertise, commercial experience as a Director and former Director of a number of major listed companies and experience in corporate governance to the Board.

PAUL RIZZO

Non-Executive Director (Independent)

Age 63

BCom, MBA

Director since: May 2002

A Director of National Australia Bank Limited since September 2004, member of the Advisory Board of Mallesons Stephen Jaques, Chairman of Foundation for Very Special Kids and Chairman of the Audit Committee for the Australian Government Department of Defence. Formerly Chief Executive Officer and Dean, Director and Professorial Fellow of the Melbourne Business School. Held positions as Group Managing Director – Finance and Administration of Telstra Corporation Limited and senior executive positions at Commonwealth Bank of Australia, State Bank of Victoria and Australia and New Zealand Banking Group Limited. Formerly a Director of Seven Network Limited, N M Rothschild & Sons (Australia) Pty Limited and Villa Maria, and Chairman of the Financial Reporting Council.

His extensive financial and commercial experience is valuable to the Board and in his role as Chairman of the Audit and Risk Committee.

TAN YAM PIN

Non-Executive Director (Independent)

Age 67

BEc (Hons), MBA, CA

Director since: May 2003

A chartered accountant by profession, formerly Managing Director of Fraser and Neave Group, one of South-East Asia's leading public companies, and Chief Executive Officer of its subsidiary company, Asia Pacific Breweries Ltd. A Member of the Public Service Commission of Singapore since 1990. Chairman of PowerSereya Limited (Singapore) and a member of the Board of Keppel Land Limited (Singapore), Singapore Post Limited, Great Eastern Holdings Limited and Certis CISCO Security Pte. Ltd. He resigned as Director of The East Asiatic Company Limited A/S (Denmark) in April 2006 and as Director of International Enterprise Singapore in June 2008.

Mr Tan resides in Singapore. He brings extensive knowledge of Asian markets, an area of strategic importance to BlueScope Steel. His financial and leadership skills complement the skills on the Board.

DANIEL GROLLO

Non-Executive Director (Independent)

Age 38

Director since: September 2006

Chief Executive Officer of Grocon Pty Ltd, Australia's largest privately owned development and construction company. He is a Director of the Green Building Council of Australia. Mr Grollo was a director and the Victorian President of the Property Council of Australia until May 2007. Mr Grollo was appointed a director of CP1 Limited in June 2007.

He brings extensive knowledge of the building and construction industry to the Board.

PAUL O'MALLEY

Managing Director and Chief Executive Officer

Age 44

BCom, M. App Finance, ACA

Director since: August 2007

Appointed Managing Director and CEO of BlueScope Steel on 1 November 2007.

Joined BlueScope Steel as its Chief Financial Officer (CFO) in December 2005. Formerly the CEO of TXU Energy, a subsidiary of TXU Corp based in Dallas, Texas, and held other senior management roles within TXU including Senior Vice President and Principal Financial Officer and, based in Melbourne, Chief Financial Officer of TXU Australia. Before joining TXU, he worked in investment banking and consulting.

Mr O'Malley is driving BlueScope's Blueprint for the future – a renewed strategy to grow the value of the Company's steel solutions business across its geographic footprint in Australia, Asia, North America and New Zealand. BlueScope's focus on disciplined growth across its global footprint is well demonstrated by several recent acquisitions, including the A\$750 million Smorgon distribution business in Australia and the US\$730 million building products businesses making up the IMSA group of companies in the United States.

Mr O'Malley has highlighted environment and sustainability as key priorities for BlueScope Steel's global business. He has been at the forefront of steel industry representation on Australia's emissions trading scheme and encourages the Company's global workforce of 21,000 employees to continue to improve BlueScope's environmental footprint and the sustainability of its products and solutions. Under Mr O'Malley, safety remains the overriding priority and the organisation continues to achieve world-class safety performance.

COMPANY SECRETARIES

Michael Barron, Chief Legal Officer and Company Secretary, BEc, LLB, ACIS

Responsible for the legal affairs of BlueScope Steel and for Company Secretarial matters. Joined the Company as Chief Legal Officer and Company Secretary in January 2002. Prior to that was a member of the legal team at ICI Australia (now Orica) for 17 years including nine years as Group General Counsel.

Darren Mackenzie BA, LLB (Hons)

Corporate counsel with BlueScope Steel. A lawyer with over 10 years experience in private practice and corporate roles.

Clayton McCormack BCom, LLB

Corporate counsel with BlueScope Steel. A lawyer with over 10 years experience in private practice and corporate roles.

Laurence Mandie BSc (Hons), LLB (Hons)

Corporate Counsel with BlueScope Steel.

PARTICULARS OF DIRECTORS' INTERESTS IN SHARES AND OPTIONS OF BLUESCOPE STEEL LIMITED

As at the date of this report the interests at the Directors in shares and options of BlueScope Steel are:

Director	Ordinary shares	Share rights
Directors: Current		
G J Kraehe	135,330	—
R J McNeilly	548,425	—
D J Grady	53,942	—
H K McCann	51,340	—
P J Rizzo	35,497	—
Y P Tan	47,922	—
D B Grollo	17,150	—
P F O'Malley	80,000	352,153
Director: Former		
K C Adams ¹	2,581,044	569,637

¹ As at 31 October 2007.

MEETINGS OF DIRECTORS

The attendance of the current Directors at Board and Board Committee meetings from 1 July 2007 to 30 June 2008 is as follows:

	Board Meetings		Audit and Risk Committee		Committee Meetings		Health, Safety & Environment Committee		Nomination Committee	
	A	B	A	B	A	B	A	B	A	B
G J Kraehe	10	10	—	4 ¹	7	7	4	4	3	3
R J McNeilly	10	10	4	4	7	7	4	4	3	3
D J Grady	10	10	—	—	7	6 ³	4	4	3	3
H K McCann	10	9 ³	4	4	—	—	4	4	3	3
P J Rizzo	10	10	4	4	—	—	4	4	3	3
Y P Tan	10	10	—	—	7	5 ⁴	4	4	3	3
D B Grollo	10	9 ³	—	—	—	—	4	4	3	3
P F O'Malley	10	10	—	4 ²	—	5 ²	4	4	—	2 ²
K C Adams	4	2 ⁴	—	12	—	12	1	1	—	—

All Directors have held office for the entire 2007/08 financial year, with the exception of Mr O'Malley who became a Director on 6 August 2007 and Mr Adams who resigned as a director on 31 October 2007.

A = number of meetings held during the period 1 July 2007 to 30 June 2008 during the time the Director was a member of the Board or the Committee, as the case may be.

B = number of meetings attended by the Director from 1 July 2007 to 30 June 2008.

1. The Chairman of the Board is not a Committee member and attends as part of his duties as Chairman.

2. The Chief Executive Officer is not a Committee member and attends by invitation as required.

3. All meetings not attended were unscheduled.

4. One meeting not attended was unscheduled.

There were a number of unscheduled meetings held during the year. They are as follows:

Board meetings: 3

Remuneration and Organisation Committee meetings: 1

Nomination Committee meetings: 2

The Non-Executive Directors have met during the 2007/08 financial year without the presence of management.

REMUNERATION REPORT

AUDITED

1. POLICY AND STRUCTURE

1.1. Board Policy Setting

The Board oversees the BlueScope Steel Human Resources Strategy, both directly and through the Remuneration and Organisation Committee of the Board. The purpose of the Committee as set out in its charter is "... to assist the Board to ensure that the Company:

- Has a human resources strategy aligned to the overall business strategy, which supports "Our Bond";
- Has coherent remuneration policies that are observed and that enable it to attract and retain executives and Directors who will create value for shareholders;
- Fairly and responsibly rewards executives having regard to the performance of the Company, the creation of value for shareholders, the performance of the executive and the external remuneration environment; and
- Plans and implements the development and succession of executive management."

As part of its charter the Committee considers remuneration strategy, policies and practices applicable to Non-Executive Directors, the Managing Director and Chief Executive Officer, senior managers and employees generally.

Input to the Committee's operations is sought from the Managing Director and Chief Executive Officer and the Executive General Manager, People and Organisation Performance, who are invited to attend Committee meetings. In addition, advice is received from specialist remuneration advisers in a number of areas including:

- Remuneration benchmarking;
- Short-term incentives;
- Long-term incentives; and
- Contract terms.

External remuneration consultants who provided advice to the Board during the year ended 30 June 2008 were:

- PricewaterhouseCoopers – executive remuneration data/advice; and
- Hay Group Pty Limited – data only.

The Board recognises that the Company operates in a highly competitive global environment and that the performance of the Company depends on the quality of its people.

The Company's approach to remuneration for Non-Executive Directors and employees, with particular reference to salaried employees and senior managers (including Key Management Personnel), is set out below.

1.2. Non-Executive Directors' Remuneration

Fees and payments to Non-Executive Directors reflect the demands that are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually. The Board seeks the advice of an expert external remuneration consultant to ensure that fees and payments to Non-Executive Directors, the Chairman of the Board and the Chairmen of Committees of the Board reflect their duties and are in line with the market. The Chairman and the Deputy Chairman of the Board do not participate in any discussions relating to the determination of their own fees.

Non-Executive Directors do not receive share rights or other performance-based rewards. Non-Executive Directors are expected to accumulate over time a shareholding in the Company at least equivalent in value to their annual remuneration. Non-Executive Directors are required to salary sacrifice a minimum of 10% of their fees each year and be provided with BlueScope Steel shares (instead of cash fees), which are acquired on-market in the approved policy windows. Shareholders approved this arrangement at the 2003 Annual General Meeting, and Non-Executive Directors commenced participation in this arrangement in January 2004.

The Board reviewed the Non-Executive Directors' fees and payments at its meeting in December 2007. Fees paid to Deputy Chairman and Committee allowances were revised. All other fees remain unchanged. The fees effective 1 January 2008 are as follows:

Role	Fees effective 1 Jan 2008
Chairman ¹	\$450,000
Deputy Chairman ¹	\$260,000
Non-Executive Director	\$150,000
Chairman of Audit and Risk Committee	\$35,000
Member of Audit and Risk Committee	\$18,000
Chairman of Remuneration and Organisation Committee	\$25,000
Member of Remuneration and Organisation Committee	\$13,000
Chairman of Health, Safety and Environment Committee	\$25,000
Member of Health, Safety and Environment Committee	\$13,000
Travel and Representation Allowance	\$20,000

¹ Additional fees are not payable to the Chairman and Deputy Chairman for membership of committees.

Mr Tan (a resident of Singapore) receives a travel and representation allowance recognising his involvement in representing the Board in activities with BlueScope Steel's Asian business and the significant travel requirement imposed in respect of his attendance at meetings. This allowance is currently \$20,000 per annum.

Non-Executive Directors' fees are determined with regard to the aggregate Directors' fee pool limit approved by shareholders. The maximum fee pool limit is currently \$2,250,000 per annum (inclusive of superannuation) as approved by shareholders at the Annual General Meeting in 2005.

Compulsory superannuation contributions capped at \$13,745 per annum (commencing 1 July 2008) are paid on behalf of each Director. Compulsory superannuation contributions for the financial year ended 30 June 2008 were \$13,129 per annum. Non-Executive Directors do not receive any other retirement benefits.

1.3. Salaried Employees

1.3.1. Principles

BlueScope Steel's remuneration and reward practices aim to attract, motivate and retain employees of the highest calibre, as well as supporting "Our Bond" by rewarding performance through remuneration.

The Company's salaried remuneration framework is designed to:

- Link rewarding employees and the creation of value for the shareholders and the business;
- Recognise and reward individual performance and accountability for key job goals;
- Provide distinguishable remuneration differences between levels; and
- Maintain a competitive remuneration level relative to the markets in which the Company operates.

The framework is built on an appropriate mix of base pay and variable pay comprising short-term incentives and long-term equity incentives.

Long term equity incentives are specifically tied to Company performance. As a result, participating employees in BlueScope Steel Long Term Incentive Plans (LTIP) are specifically excluded from selling, assigning, charging or mortgaging their share rights. It is BlueScope Steel policy, and it is stated in the terms of the awards, that the share rights are personal to the employee. Accordingly employees are specifically excluded from transferring any risk or benefit from the unvested share rights to any other party. So called "cap and collar" transactions cannot be made in respect of BlueScope Steel share rights.

1.3.2. Base Pay

Base Pay is determined by reference to the scope and nature of an individual's role, performance, experience, work requirements and market data.

Market data is obtained from external sources to establish appropriate guidelines for positions, with the goal to pay slightly above median.

1.3.3. Short Term Incentives

Most employees have access to an at risk component of remuneration in the form of a performance related pay, or other variable pay scheme in which reward is at risk. All senior managers and many salaried employees participate in a formal Short Term Incentive Plan (STI).

The STI is an annual "at risk" cash bonus scheme which is structured to deliver total remuneration in the upper quartile for the respective market group when stretch performance is attained. STI awards are not an entitlement but rather the reward for overall Company results and the individual or team contribution to performance. The scheme is applied at the discretion of the Board, which has established rules and protocols to ensure that STI payments are aligned with the organisation and individual performance outcomes. Target STI levels are set having regard to appropriate levels in the market and range from 10% of base pay through to 80% at CEO level. These levels are reviewed annually. For outstanding results, participants may receive a further 50% of their target bonus amount.

Goals are established for each participant under the following categories which are drawn from the "Our Bond" charter. Each year objectives are selected to focus on key areas which underpin the achievement of outstanding performance, including:

- Shareholder Value Delivery – financial performance measures are used including Net Profit After Tax, Cash Flow, and Earnings Before Interest and Tax. Company-wide financial performance goals are predetermined by the Board with the goals for the combined individual businesses required to exceed the overall goal. A minimum of 30% of STI Plans at senior manager level (with 60% at CEO level), is based on Company-wide financials. For other participants, 20% of the plan is based on BlueScope Steel corporate financials.
- Zero Harm – safety and environmental performance measures, including Lost Time Injury Frequency Rates, Medically Treated Injury Frequency Rates and environmental measures.
- Business Excellence – performance measures for the financial year ended 30 June 2008 were focused on delivery performance, days of inventory and quality measures.
- Strategy – implementation of specific longer-term strategic initiatives.

STI Plans are developed using a balanced approach to financial/ shareholder value and key performance indicator (KPI) metrics. At the senior executive level, 60% of the STI award is based on financial/ shareholder value measures with 40% based on KPI metrics. For other participants, 50% of the STI award is based on financial/ shareholder value measures and 50% is based on KPI metrics.

Performance conditions including threshold, target and stretch hurdles are set for each plan and these conditions are assessed

using quantified and verifiable measures or an assessment of value contribution. The threshold is the minimum performance level for which a payment will be made for each goal or period. The stretch is the maximum level. Consequently, if the threshold level is not reached, no payment is made in respect of that goal. The Board retains the discretion to adjust any STI payments in exceptional circumstances.

Australian-based employees (due to tax and regulatory requirements), may elect to forgo some or all of their STI payment via salary sacrifice and be provided with shares at market price. These shares are provided on a tax-deferred basis and therefore sale or transfer of the shares are restricted. Shares provided to employees in this way are entitled to participate in dividends.

1.3.4. Equity-Based Opportunities

The Board gives consideration each year to the creation of opportunities for employees to participate as equity owners in the Company based on Company performance and other relevant factors. Shareholder approval is sought for any shares or share rights to be granted to the Managing Director and Chief Executive Officer.

(a) Employee Share Plans

From time to time employees are invited to participate in a General Employee Share Plan.

A plan has been offered to eligible employees each year since 2003 including for the 2008 financial year.

The allocation of shares to employees under such schemes and the form of the offer is a matter for the Board determined on a year-by-year basis taking account of Company performance.

The aim of the General Employee Share Plan is, in recognition of Company performance, to assist employees to build a stake in the Company by enabling each eligible employee to acquire a parcel of shares. Employees who become shareholders have the potential to benefit from dividends paid on the shares, growth in the market value of their shares and any bonus shares or rights issues the Board may approve from time to time.

(b) Long Term Incentive Plan – Approach

Consideration is also given on an annual basis to the award of share rights to senior managers under the Long Term Incentive Plan (LTIP). The LTIP is designed to reward senior managers for long term value creation. It is part of the Company's overall recognition and retention strategy having regard to the long term incentives awarded to senior managers in the markets in which the Company operates.

The decision to make an award of share rights is made annually by the Board. Awards to members of the Executive Leadership Team are based on a percentage of the relevant executive's Base Pay. Individual participation for other executives is determined based on the:

- Strategic significance of the role and outcomes achieved;
- Impact on strategic outcomes in terms of special achievements or requirements;
- Future potential and succession planning requirements; and
- Performance and personal effectiveness in achieving outstanding results.

Details of awards under the LTIP are set out below. In summary, the main features of the LTIP are as follows:

- The awards are generally made in the form of share rights. Share rights are a right to acquire an ordinary share in BlueScope Steel for no consideration at a later date subject to the satisfaction of certain performance and service criteria.
- The vesting of share rights under the LTIP requires a sustained performance over a number of years (usually three) with a hurdle based on Total Shareholder Return (TSR) relative to the TSR of the companies in the S&P/ASX100 index at the award grant date. The hurdles have been set to underpin the creation of superior TSR in the context of the top 100 Australian companies.
- The share rights available for exercise are contingent on BlueScope Steel's TSR percentile ranking, with the minimum ranking required for vesting being the 51st percentile. The total number of share rights that vest for a participant increase by a further 2% for each increased TSR percentile ranking. Maximum vesting (100% of a participant's share rights) occurs at the 75th percentile or above. The TSR ranking calculation is performed by Link Market Services.
- Given the cyclical nature of the markets in which the Company operates, provision is generally made for limited retesting of a maximum of four retests at six monthly intervals following the initial three year performance period. This helps moderate short-term share price volatility that may arise due to market view of Hot Rolled Coil prices and not reflective of Company performance. At each retest period, shares only vest if they have reached the hurdles for the total period from the date of the initial grant.
- Unvested share rights lapse on resignation or termination for cause or at the expiry of the relevant performance period, whichever comes first.
- The Board has determined that any outstanding share rights can vest before the end of the performance period if a "change of control" of BlueScope Steel occurs. Vesting will then depend upon early testing of the relevant performance hurdles at that time. A "change of control" is generally an entity acquiring unconditionally more than 50% of the issued shares of the Company.
- External valuation advice from PricewaterhouseCoopers Securities Limited has been used to determine, for accounting purposes, the value of the executive share rights at grant date for each award. The valuation has been made using an adjusted form of the Black-Scholes Option Pricing Model (BSM) that includes a Monte Carlo simulation analysis.
- In September 2007, 217 senior and high potential managers were awarded share rights under the Long Term Incentive Plan.

SUMMARY TABLE OF LONG TERM INCENTIVE PLAN AWARDS

	September 2003	September 2004	September 2005	September 2006	September 2007
Grant Date	24 October 2003 (all executives excluding MD & CEO) 13 November 2003 (MD & CEO)	31 August 2004 (The grant to the MD & CEO was subject to shareholder approval at the 2004 AGM)	18 November 2005 (The grant to the MD & CEO was subject to shareholder approval at the 2005 AGM)	18 November 2006 (The grant to the MD & CEO was subject to shareholder approval at the 2005 AGM)	5 November 2007 (all executives excluding MD & CEO) 14 November 2007 (MD & CEO)
Exercise Date	From 1 October 2006	From 1 September 2007	From 1 September 2008	From 1 September 2009	From 1 September 2010
Expiry Date	31 October 2008	31 October 2009	31 October 2010	31 October 2011	31 October 2012
Total Number of Share Rights Granted	3,183,800	2,306,400	1,938,100	2,310,950	1,934,845
Number of Participants at Grant Date	144	201	228	206	217
Number of Current Participants	8	166	193	193	214
Exercise Price	Nil	Nil	Nil	Nil	Nil
Fair Value Estimate at Grant Date	\$9,678,752	\$11,139,912	\$7,094,170	\$11,937,799	\$11,468,263
Fair Value per Share Right at Grant Date	\$3.23 (24 Oct 2003) \$3.15 (13 Nov 2003)	\$5.14	\$3.89	\$5.53	\$6.37 (5 Nov 2007) \$6.42 (14 Nov 2007)
Share Rights Lapsed since Grant Date	272,345	386,941	386,671	247,580	67,310

VESTING SCHEDULE

	September 2003	September 2004	September 2005	September 2006	September 2007
TSR Hurdle - 75th-100th percentile	100%	100%	100%	100%	100%
TSR Hurdle - 51st-<75th percentile	A minimum of 52% plus a further 2% for each increased percentage ranking. Any unvested Share Rights will be carried over for assessment at subsequent performance periods.				
TSR Hurdle - < 51st percentile	All Share Rights will be carried over for assessment at subsequent performance periods.				
Vesting Outcome 1st Performance Period	71.42%	58%	—	—	—
Vesting Outcome 2nd Performance Period	96.84%	62.82%	—	—	—
Vesting Outcome 3rd Performance Period	100%	—	—	—	—
Vesting Outcome 4th Performance Period	—	—	—	—	—
Vesting Outcome 5th Performance Period	—	—	—	—	—

(c) Specific Policy on Equity Remuneration

The Company has a policy on the use of financial products by employees, including senior executives, to limit the risk attaching to equity instruments ("hedging") where those instruments are granted to them as part of their remuneration. Under this policy Company securities must not be hedged prior to vesting (i.e. prior to the relevant performance and/or service conditions being met) or while they are subject to restriction under a long term incentive plan.

Consistent with this policy, the terms and conditions of the Company's LTIP, prohibit hedging of unvested share rights.

To accept an award of share rights under the LTIP, a participant must acknowledge the following statement:

"I acknowledge that the Share Rights are personal to me and that I must not sell, transfer, mortgage, charge or otherwise dispose of, deal with or encumber any of the Share Rights (this includes a prohibition on entering into so called 'cap and collar' arrangements with third parties over the Share Rights or any other contract, scheme or arrangement (including, without limitation, any derivatives or similar financial instruments) to manage (or to purport to manage) the risk of a price change or the timing, likelihood or manner of vesting with respect to any of the Share Rights held by me under the Plan). I further acknowledge that the Share Rights may only be exercised after they vest in accordance with the Terms of Issue."

The Company treats compliance with this policy as a serious issue, and takes appropriate measures to ensure the policy is adhered to. Any employee found to have breached this policy will be subject to appropriate sanctions. The Company may reduce the number of Share Rights granted or offered, including after they have been granted or an offer has been accepted (but not after they have become vested Share Rights).

(d) Special Share Retention Plan

On 1 September 2007, a number of senior executives were awarded shares in the Special Share Retention Plan.

Participation in this plan was aimed at rewarding, recognising and retaining key individuals whose recent and ongoing contributions to both BlueScope Steel's change agenda and other major projects, including the Smorgon Distribution and IMSA acquisitions, were significant and instrumental to success.

Shares awarded were subject to the following restrictions:

- Shares awarded are forfeited in the event of cessation of employment for any reason in the restricted period, excluding:
 - a fundamental change in the executive's role following a change of control; or
 - redundancy;
- Shares cannot be sold, mortgaged, transferred, or otherwise encumbered at any time in the restricted period; and
- The restriction period applies from the date of grant for a period of either 12 months or two years.

1.3.5. Superannuation

BlueScope Steel operates superannuation funds in Australia, New Zealand and North America for its employees. In these locations there are a combination of defined benefit and accumulation type plans. The defined benefit schemes are closed to new members.

Contributions are also made to other international retirement benefit plans for employees outside of Australia, New Zealand and North America.

1.3.6. Other Benefits

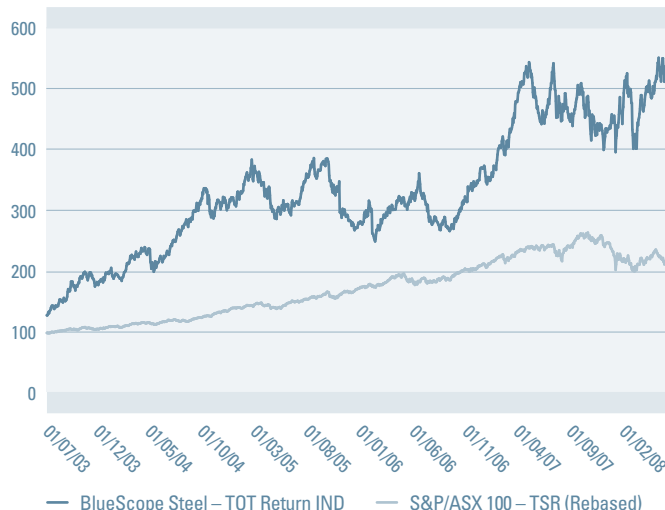
Additionally, executives are eligible to participate in an annual health assessment program designed to safeguard the Company against loss or long-term absence for health-related reasons.

2. RELATIONSHIP BETWEEN COMPANY PERFORMANCE AND REMUNERATION

The graph at right outlines the performance of BlueScope Steel in terms of Total Shareholder Return compared to the performance of the S&P/ASX100 for the five year period to 30 June 2008. The TSR Index for BlueScope Steel as at 30 June 2008 was 519.41 compared to 208.1 for the S&P/ASX100.

An analysis of other Company performance and performance related remuneration data relating to the nominated senior corporate executives set out in Section 3 over the same period are set out in the tables below:

BLUESCOPE STEEL LIMITED TOTAL SHAREHOLDER RETURN INDEX COMPARED TO S&P/ASX 100 1/7/03 to 30/6/08 Source: ABN AMRO



BlueScope Steel Performance Analysis

Measure	30 June 2004	30 June 2005	30 June 2006	30 June 2007	30 June 2008	Change increase from 30/6/04 to 30/6/08
Share Price	\$6.74	\$8.23	\$7.95	\$10.34	\$11.34	
Change in Share Price (\$)	\$3.02	\$1.49	-\$0.28	\$2.39	\$1.00	\$4.60
Change in Share Price (%)	81.2	22.1	-3.4	30.1	9.7	68.0
Dividend per Share:						
Ordinary (cents)	30	42	44	47	49	N/A
Special (cents)	10	20	0	0	0	N/A
Earnings per Share (cents)	77.8	134	47.9	95.3	80.1	N/A
REPORTED						
NPAT \$ million	\$584	\$982	\$338	\$686	\$596	\$12
% movement	—	68.2	-65.6	103.0	-13.1	2.1
EBIT \$ million	\$818	\$1,388	\$556	\$1,099	\$1,063	\$245
% movement	—	69.7	-59.0	97.7	-3.3	30.0
EBITDA \$ million	\$1,105	\$1,696	\$850	\$1,423	\$1,420	\$315
% movement	—	53.5	-49.9	67.4	-0.2	28.5
UNDERLYING						
NPAT \$ million	\$578	\$1,129	\$555	\$643	\$816	\$238
% movement	—	95.3	-50.8	15.9	26.9	41.1
EBIT \$ million	\$822	\$1,559	\$840	\$1,057	\$1,273	\$451
% movement	—	89.7	-46.1	25.8	20.5	54.9
EBITDA \$ million	\$1,109	\$1,856	\$1,127	\$1,374	\$1,630	\$521
% movement	—	67.3	-39.3	21.9	18.7	46.9

Note: From 1 July 2004 financial information is based on Australian International Financial Reporting Standards (AIFRS).

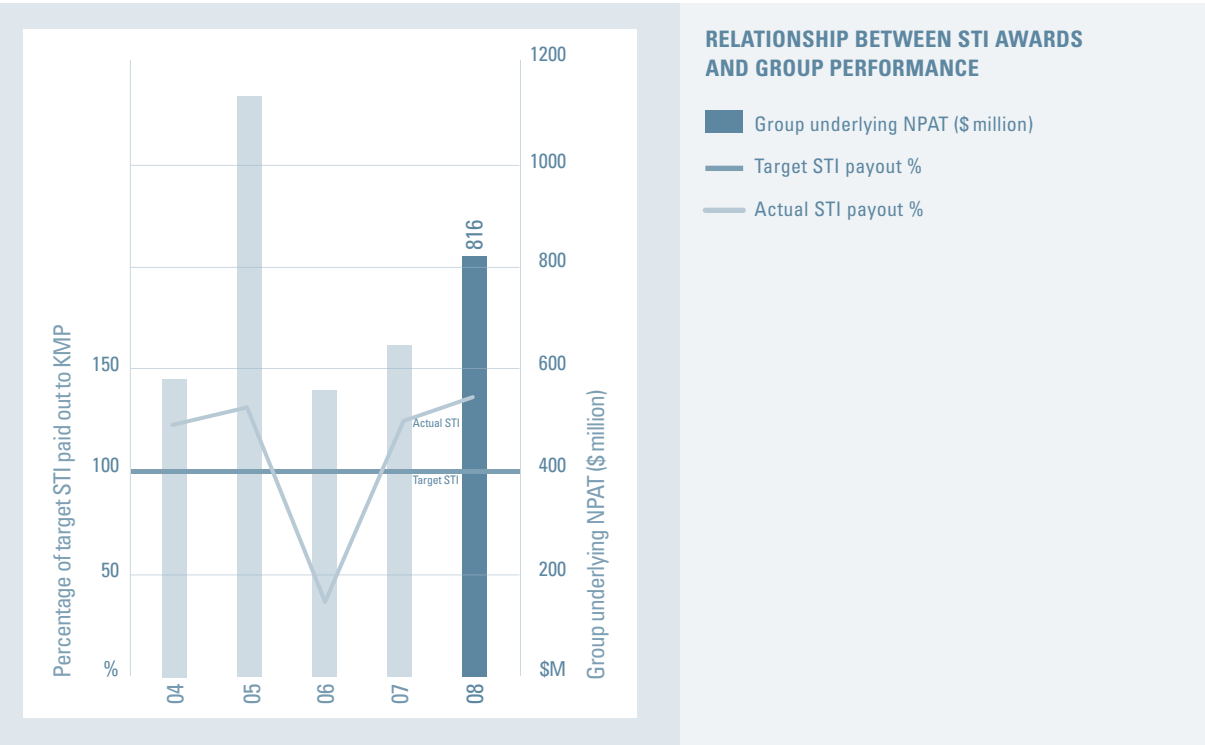
BlueScope Steel Performance Related Remuneration Analysis for Executive Leadership Team

The short-term incentive component of the remuneration strategy rewards achievement against corporate and business unit financial targets and non-financial and strategic measures. Market consensus on future earnings is taken into account in setting financial targets; these include forecast movements in steel prices, exchange rate and other external factors likely to impact financial performance. This process supports the principle of aligning executive remuneration to delivery of superior business performance outcomes.

The graph below shows the actual STI outcomes against target for the executive leadership team. There is positive correlation between short-term incentive payments and changes in underlying earnings. Underlying earnings provides an appropriate comparison of financial performance to STI outcomes as it demonstrates the alignment of management contribution and business performance

outcomes. Underlying financial performance is based on reported earnings after adjusting for unusual or non-recurring events.

In relation to long-term incentives, share price and dividend payments over the relevant performance period when measured against the companies in the S&P/ASX100 index are the key factors impacting the value of long-term equity incentives and their likelihood of meeting the required hurdles for vesting.



3. SPECIFIC REMUNERATION DETAILS

3.1. Key Management Personnel – Directors' Remuneration

Details of the audited remuneration for the year ended 30 June 2008 for each Non-Executive Director of BlueScope Steel are set out in the following table.

Short-term employee benefits							
Name	Year	Fees \$	Non-monetary \$	NEDSPP ¹ %	Sub-Total \$	Post-employment benefits ² \$	Total \$
G J Kraehe	2008	450,000	9,130	10	459,130	13,129	472,259
	2007	450,000	8,848	10	458,848	12,686	471,534
R J McNeilly	2008	247,500	—	25	247,500	13,129	260,629
	2007	235,000	—	20	235,000	12,686	247,686
D J Grady	2008	179,000	—	10	179,000	13,129	192,129
	2007	170,000	—	10	170,000	12,686	182,686
H K McCann	2008	173,000	1,838	10	174,838	13,129	187,967
	2007	165,000	—	10	165,000	12,686	177,686
P J Rizzo	2008	189,000	—	10	189,000	13,129	202,129
	2007	180,000	—	10	180,000	12,686	192,686
Y P Tan	2008	183,000	—	10	183,000	13,129	196,129
	2007	170,000	—	10	170,000	12,686	182,686
D B Grollo	2008	156,500	—	100	156,500	13,129	169,629
	2007	102,692	—	100	102,692	8,783	111,475
Total 2008		1,578,000	10,968		1,588,968	91,903	1,680,871
Total 2007		1,472,692	8,848		1,481,540	84,899	1,566,439

1 Percentage of fees salary sacrificed to Non-Executive Director (NED) Share Purchase Plan.

2 Post-employment benefits relate to superannuation arrangements.

3.2. KEY MANAGEMENT PERSONNEL – EXECUTIVES' (INCLUDING MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER'S) REMUNERATION

The Key Management Personnel of BlueScope Steel Limited are those members of the Executive Leadership Team (ELT) who have the authority and responsibility for planning, directing and controlling the activities of the Company. These executives also represent the five most highly remunerated executives within the organisation.

The following table shows the current composition of the ELT, along with those executives who were former members.

Key Management Personnel

Current KMP	Position	Dates ELT position held during year ended 30 June 2008
P F O'Malley	Chief Financial Officer Managing Director and CEO	1 July 2007 – 31 October 2007 1 November 2007 – 30 June 2008
B G Kruger ¹	President, Australian Manufacturing Markets President, North America, Corporate Strategy and Innovation	1 July 2007 – 1 November 2007 2 November 2007 – 30 June 2008
N H Cornish	President, Australia and New Zealand Industrial Markets Chief Executive, Australian and New Zealand Steel Manufacturing Businesses	1 July 2007 – 1 November 2007 2 November 2007 – 30 June 2008
I R Cummin	Executive General Manager, People and Organisation Performance	1 July 2007 – 30 June 2008
M R Vassella ²	President, BlueScope Distribution Chief Executive Australian Distribution and Solutions	3 August 2007 – 1 November 2007 2 November 2007 – 30 June 2008
M G Barron	Chief Legal Officer and Company Secretary	2 November 2007 – 30 June 2008
P E O'Keefe	Chief Executive, Australian Coated and Industrial Markets	2 November 2007 – 30 June 2008
S R Elias	Chief Financial Officer	3 March 2008 – 30 June 2008
Former KMP	Position	Dates ELT position held during year ended 30 June 2008
K C Adams	Managing Director and Chief Executive Officer	1 July 2007 – 31 October 2007
L E Hockridge	President, North America	1 July 2007 – 7 November 2007
K J Fagg	President, Asia Manufacturing Markets President, Asia	1 July 2007 – 1 November 2007 2 November 2007 – 24 April 2008

¹ Mr Kruger has submitted his resignation from the Company effective 19 September 2008.

² Mr Vassella has been appointed to the role of President North America, effective 1 August 2008.

The audited information contained in the following tables represent the annual remuneration for the year ended 30 June 2008 for the Key Management Personnel.

The aggregate remuneration of the key management personnel of the Company is set out below:

	2008 \$	2007 \$
Short-term employee benefits	13,078,164	11,099,798
Post-employment benefits	622,064	680,576
Other long-term benefits	264,847	240,871
Termination benefits	675,000	–
Share-based payments	3,403,464	1,836,989
TOTAL	18,043,540	13,858,234

The remuneration of each member of the Key Management Personnel of the Company is set out on the following pages:

Short-Term employee benefits							
NAME	YEAR	Salary & Fees \$	Movement in annual leave provision ¹ \$	Bonus \$	Non-monetary \$	Other ² \$	Sub-total \$
Executive Director							
P F O'Malley	2008	1,508,654	105,021	1,689,692	1,764	130,700	3,435,831
	2007	641,667	-81	569,400	—	—	1,210,986
KMP Executives – Current							
B G Kruger	2008	662,500	34,989	614,250	35,696	—	1,347,435
	2007	593,333	12,321	388,800	1,854	—	996,308
N H Cornish	2008	691,666	-66,353	551,250	17,231	—	1,193,794
	2007	640,000	-15,456	585,000	—	—	1,209,544
I R Cummin	2008	516,667	-24,191	486,800	1,764	—	981,040
	2007	488,334	26,668	403,500	1,854	—	920,356
M R Vassella ^{5,9}	2008	638,461	-32,941	486,144	—	27,415	1,119,079
	2007	—	—	—	—	—	—
M G Barron ⁵	2008	340,000	-13,505	443,040	1,764	—	771,299
	2007	—	—	—	—	—	—
P E O'Keefe ⁵	2008	343,269	500	351,900	—	—	695,669
	2007	—	—	—	—	—	—
S R Elias ⁵	2008	184,615	13,998	150,090	—	—	348,703
	2007	—	—	—	—	—	—
KMP Executives – Former							
K C Adams ⁶	2008	549,334	46,878	848,000	84,931	—	1,529,143
	2007	1,586,666	77,889	2,256,000	9,038	—	3,929,593
L E Hockridge ^{7,8,10}	2008	260,217	—	—	317,890	—	578,107
	2007	720,834	24,856	539,400	153,165	—	1,438,255
K J Fagg ^{7,8}	2008	533,705	—	443,208	101,152	—	1,078,065
	2007	625,833	22,503	403,200	343,220	—	1,394,756
TOTAL	2008	6,229,088	64,396	6,064,374	562,192	158,115	13,078,164
TOTAL	2007	5,296,667	148,700	5,145,300	509,131	—	11,099,798

1 Negative movement in annual leave provision indicates leave taken during the year exceeded leave accrued.

2 Due to changes in the superannuation legislation resulting in maximum contribution levels, members of the Defined Contribution Division can elect to receive a proportion of their superannuation as a cash allowance.

3 Post-employment benefits relate to superannuation arrangements. There are no other post-employment benefits.

4 This shows movement in long service leave benefits during the year.

Post-employment benefits ³ \$	Other long-term employee benefits ⁴ \$	Termination benefits \$	Share-based payments		Total \$	% of Remuneration that is performance related %
			Shares & Units \$	Options & Rights \$		
77,954	75,444	—	189,549	397,663	4,176,441	50.0
89,923	17,163	—	—	178,747	1,496,819	50.0
68,900	49,238	—	576,393	265,309	2,307,275	38.1
73,800	32,255	—	—	195,533	1,297,896	45.0
71,933	53,126	—	298,870	271,203	1,888,926	43.5
79,950	58,230	—	—	194,551	1,542,275	50.5
72,369	14,612	—	222,018	210,447	1,500,486	46.5
68,492	17,627	—	—	163,975	1,170,450	48.5
52,191	14,093	—	217,050	51,517	1,453,930	37.0
—	—	—	—	—	—	—
47,600	7,960	—	—	41,857	868,716	55.8
—	—	—	—	—	—	—
48,058	8,039	—	—	42,260	794,026	49.6
—	—	—	—	—	—	—
16,615	4,549	—	—	23,840	393,707	44.2
—	—	—	—	—	—	—
57,131	37,786	—	—	708,385	2,332,445	66.7
196,800	58,207	—	—	660,197	4,844,797	60.2
27,063	—	—	—	-218,834	386,336	-56.6
89,175	30,365	—	—	243,744	1,801,539	43.5
82,250	—	675,000	—	105,937	1,941,252	28.3
82,436	27,024	—	—	200,242	1,704,458	35.4
622,064	264,847	675,000	1,503,880	1,899,584	18,043,540	
680,576	240,871	—	—	1,836,989	13,858,234	

5 These KMP were appointed to ELT during the year. 2008 disclosures relate to the period they were members of the ELT. No remuneration is disclosed for year ended 30 June 2007.

6 Movement of annual leave and long service leave provision reflects the period 1 July 2007 to 31 October 2007 as MD&CEO.

7 Annual leave and long service leave provisions reduced to zero as a result of payout of entitlements on cessation of employment.

8 These benefits relate to international assignment costs including accommodation, tax equalisation and medical arrangements.

9 Mr Vassella received a Sign-on Payment of \$60,000 upon commencement of employment with BlueScope Steel.

10 Negative movement in options and rights value is due to lapsing of all unvested share rights holdings on cessation of employment.

Grants of cash bonuses, performance-related bonuses and share-based payment remuneration benefits

During the financial year ended 30 June 2008, performance-related cash bonuses were paid to Key Management Personnel (KMP) as disclosed in the table below under the Company's Short Term Incentive Plan (described in Section 1.3.3).

Eligibility to receive a bonus is subject to the terms and conditions of the plan, including a minimum of six months performance during the plan year and that employment during the period is not terminated for resignation or performance-related reasons.

Each KMP performance is measured against an agreed scorecard that contains both financial and non-financial KPIs. This process is further described at Section 1.3.3.

Under the Company's Short Term Incentive Plan each KMP can earn between 0% and 150% of the STI target award. The table below shows the STI opportunity, actual percentage outcome achieved and percentage forfeited for the financial year ended 30 June 2008.

	Target of annual base pay %	Actual STI as a % of maximum STI for year ended 30 June 2008 %	% of maximum STI forfeited for year ended 30 June 2008 %
Executive Director			
P F O'Malley	80	93	7
KMP Executives - Current			
B G Kruger	60	94	6
N H Cornish	60	88	12
I R Cummin	60	93	7
M R Vassella	60	84	16
M G Barron	60	95	5
P E O'Keefe	60	85	15
S R Elias	60	90	10
KMP Executives - Former			
K C Adams	100	100	—
L E Hockridge	60	—	100
K J Fagg	60	83	17

Share Rights Holdings

Share Rights granted, exercised and forfeited to and by the Key Management Personnel during the financial year ended 30 June 2008 were as follows:

Name	Remuneration Consisting of Share Rights ¹ %	Value of Share Rights Granted during the Year at Grant Date ² \$	Value of Share Rights exercised during the year ³ \$	Value of Share Rights at lapse date, that lapsed during the year ⁴ \$	Total Value of Share Rights granted, exercised and lapsed during the year \$
Executive Director					
P F O'Malley	36	1,483,360	—	—	1,483,360
KMP Executives - Current					
N H Cornish	17	329,686	157,572	—	487,258
B G Kruger	14	317,914	245,764	—	563,678
I R Cummin	16	244,907	134,642	—	379,550
M R Vassella	21	301,428	—	—	301,428
P E O'Keefe	31	247,264	—	—	247,264
M G Barron	28	244,907	133,028	—	377,936
S R Elias	72	282,586	—	—	282,586
KMP Executives - Former					
K C Adams	—	—	—	—	—
L E Hockridge	—	—	294,444	815,712	1,110,156
K J Fagg	16	317,914	174,035	490,976	982,925

1 This figure is calculated on the value of share rights awarded in the year ended 30 June 2008 as a percentage of the total value of all remuneration received in that same year.

2 External valuation advice from PricewaterhouseCoopers Securities Limited has been used to determine the value of share rights awarded in the year ended 30 June 2008. The valuation has been made using the Black-Scholes Option Pricing Model (BSM) that includes a Monte Carlo simulation analysis.

3 External valuation advice from PricewaterhouseCoopers Securities Limited has been used to determine the value of share rights for the September 2003 and 2004 awards that were exercised in the year ended 30 June 2008.

4 External valuation advice from PricewaterhouseCoopers Securities Limited has been used to determine the value of share rights that lapsed in the year ended 30 June 2008.

The Share Rights awarded to executives under the September 2004 Award vested at the 62.82% level in two tranches during the year ended 30 June 2008.

Details of the audited Share Rights holdings for year ending 30 June 2008 for the Key Management Personnel are set out in the table following. Refer to the Summary Table of Long Term Incentive Plan Awards for details with respect to fair values, exercise price, and key dates.

SHARE RIGHTS HOLDINGS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Balance at 30 June 2007	Granted in year ended 30 June 2008	Exercised in year ended 30 June 2008 ¹	Lapsed in year ended 30 June 2008	Balance at 30 June 2008	Vested and not yet exercised in year ended 30 June 2008	Unvested at 30 June 2008	Total Share Rights Vested in year ended 30 June 2008
Executive Director								
P F O'Malley	121,100	231,053	—	—	352,153	—	352,153	—
KMP Executives – Current								
B G Kruger	189,107	49,908	56,066	—	182,949	—	182,949	33,859
N H Cornish	169,800	51,756	30,656	—	190,900	—	190,900	30,656
I R Cummin	132,700	38,447	26,195	—	144,952	—	144,952	26,195
M R Vassella	—	47,320	—	—	47,320	—	47,320	—
M G Barron ²	127,400	38,447	25,881	—	139,966	—	139,966	25,881
P E O'Keefe ²	11,500	38,817	—	—	50,317	—	50,317	—
S R Elias	—	44,362	—	—	44,362	—	44,362	—
KMP Executives – Former								
K C Adams ³	569,637	—	—	—	569,637	113,733	455,904	113,733
L E Hockridge ⁴	235,051	—	67,597	167,454	—	—	—	39,846
K J Fagg ⁴	194,307	49,908	33,859	85,042	125,314	23,607	101,707	33,859

1 The number of shares issued is equal to the number of rights exercised and no amount was paid or remains unpaid for each share issued.

2 All holdings for these KMP were granted prior to their appointment to ELT.

3 Balance for this KMP is as at 31 October 2007.

4 Balance for these KMP is as at date of cessation of employment.

SHARE RIGHTS HOLDINGS COMPARATIVE DATA FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	Balance at 30 June 2006	Granted in year ended 30 June 2007	Exercised in year ended 30 June 2007 ¹	Lapsed in year ended 30 June 2007	Balance at 30 June 2007	Vested and not yet exercised in year ended 30 June 2007	Unvested at 30 June 2007	Total Share Rights Vested in year ended 30 June 2007
Executive Director								
P F O'Malley	51,000	70,100	—	—	121,100	—	121,100	—
KMP Executives – Current								
B G Kruger	179,900	64,700	55,493	—	189,107	22,207	166,900	77,700
N H Cornish	170,900	70,100	71,200	—	169,800	—	169,800	71,200
I R Cummin	173,500	53,900	94,700	—	132,700	—	132,700	94,700
M R Vassella	—	—	—	—	—	—	—	—
M G Barron	—	—	—	—	—	—	—	—
P E O'Keefe	—	—	—	—	—	—	—	—
S R Elias	—	—	—	—	—	—	—	—
KMP Executives – Former								
K C Adams	618,400	215,900	264,663	—	569,637	—	569,637	264,663
L E Hockridge	266,200	78,200	109,349	—	235,051	27,751	207,300	137,100
K J Fagg	184,300	69,000	58,993	—	194,307	23,607	170,700	82,600

1 The number of shares issued is equal to the number of rights exercised and no amount was paid or remains unpaid for each share issued.

The table below sets out details of the each specific share right tranche and awards granted and vested during the financial year ended 30 June 2008 for KMP.

2008	Number of Share Rights Awarded	Date of Grant	% Vested in year ended 30 June 2008	% forfeited in year ended 30 June 2008	Share Rights yet to vest	Financial year in which awards may vest	Value of Share Rights outstanding 30 June 2008 ¹	
							\$ Min	\$ Max
Executive Director	51,000	18-Nov-05	—	—	51,000	2009	—	198,390
P F O'Malley	70,100	18-Nov-06	—	—	70,100	2010	—	387,653
	231,053	14-Nov-07	—	—	231,053	2011	—	1,483,360
KMP executives - Current	53,900	31-Aug-04	63	—	20,041	2009	—	103,011
B G Kruger	48,300	18-Nov-05	—	—	48,300	2009	—	187,887
	64,700	18-Nov-06	—	—	64,700	2010	—	357,791
	49,908	05-Nov-07	—	—	49,908	2011	—	317,914
N H Cornish	48,800	31-Aug-04	63	—	18,144	2009	—	93,260
	50,900	18-Nov-05	—	—	50,900	2009	—	198,001
	70,100	18-Nov-06	—	—	70,100	2010	—	387,653
	51,756	05-Nov-07	—	—	51,756	2011	—	329,686
I R Cummin	41,700	31-Aug-04	63	—	15,505	2009	—	79,696
	37,100	18-Nov-05	—	—	37,100	2009	—	144,319
	53,900	18-Nov-06	—	—	53,900	2010	—	298,067
	38,447	05-Nov-07	—	—	38,447	2011	—	244,907
M R Vassella	47,320	05-Nov-07	—	—	47,320	2011	—	301,428
M G Barron ³	41,200	31-Aug-04	63	—	15,319	2009	—	78,740
	36,600	18-Nov-05	—	—	36,600	2009	—	142,374
	49,600	18-Nov-06	—	—	49,600	2010	—	274,288
	38,447	05-Nov-07	—	—	38,447	2011	—	244,907
P E O'Keefe ²	11,500	18-Nov-06	—	—	11,500	2010	—	63,595
	38,817	05-Nov-07	—	—	38,817	2011	—	247,264
S R Elias	44,362	05-Nov-07	—	—	44,362	2011	—	282,586
KMP Executives - Former	273,300	13-Nov-03	3	—	—	—	—	—
K C Adams ⁴	181,200	31-Aug-04	58	—	76,104	2009	—	391,175
	163,900	18-Nov-05	—	—	163,900	2009	—	637,571
	215,900	18-Nov-06	—	—	215,900	2010	—	1,193,927
L E Hockridge ⁵	68,700	31-Aug-04	58	42	—	—	—	—
	60,400	18-Nov-05	—	100	—	—	—	—
	78,200	18-Nov-06	—	100	—	—	—	—
K J Fagg ⁵	53,900	31-Aug-04	63	10	14,426	2009	—	74,150
	47,800	18-Nov-05	—	14	41,161	2009	—	160,116
	69,000	18-Nov-06	—	47	36,416	2010	—	201,380
	49,908	05-Nov-07	—	81	9,704	2011	—	61,814

1 External valuation advice from PricewaterhouseCoopers Securities Limited has been used to determine the value of Share Rights held by KMP at 30 June 2008.

2 Award granted 2006 prior to appointment to ELT.

3 Awards granted 2004, 2005 and 2006 prior to appointment to ELT.

4 Balance for this KMP is as at 31 October 2007.

5 Balance for these KMP is as at cessation of employment.

Shares Awarded as Remuneration

In the year ended 30 June 2008 a number of senior executives were awarded shares under the Special Share Retention Plan (refer section 1.3.4 (d) of the Remuneration Report). Details of shares awarded to Key Management Personnel are contained in the table following:

2008	Number of Shares awarded	Date of grant	% vested in year ended 30 June 2008	% forfeited in year ended 30 June 2008	Shares yet to vest	Financial year in which awards may vest	Value of Shares outstanding 30 June 2008 ¹	
							\$ Min	\$ Max
Executive Director	15,000	06-Aug-07	—	—	15,000	2011	—	159,600
P F O'Malley	17,000	06-Aug-07	—	—	17,000	2012	—	180,880
	18,000	06-Aug-07	—	—	18,000	2013	—	191,520
KMP Executives – Current								
B G Kruger	67,500	01-Sep-07	—	—	67,500	2009	—	691,875
N H Cornish	35,000	01-Sep-07	—	—	35,000	2009	—	358,750
I R Cummin	26,000	01-Sep-07	—	—	26,000	2009	—	266,500
M R Vassella	25,000	03-Aug-07	—	—	25,000	2011	—	266,000
	32,000	01-Sep-07	—	—	32,000	2010	—	328,000
M G Barron ²	26,000	01-Sep-07	—	—	26,000	2009	—	266,500
P E O'Keefe ²	10,000	01-Sep-07	—	—	10,000	2009	—	102,500
S R Elias	—		—	—	—	—	—	—
KMP Executives – Former								
K C Adams ³	—		—	—	—	—	—	—
L E Hockridge ⁴	—		—	—	—	—	—	—
K J Fagg ⁴	16,750	01-Sep-07	—	100	—	2009	—	—

1 Share price at grant date has been used to determine the value of Shares held by KMP at 30 June 2008.

2 Award granted prior to appointment to ELT.

3 Balance for this KMP is as at 31 October 2007.

4 Balance for these KMP is as at cessation of employment.

Share Holdings¹ in BlueScope Steel Limited

The following table details the shares held by Directors, Key Management Personnel as well as any related party interests in BlueScope Steel Limited as at 30 June 2008 or cessation of employment as noted.

Director or KMP	Ordinary shares held as at 30 June 2008	Ordinary shares held as at 30 June 2007
Non Executive Directors		
G J Kraehe	135,330	130,354
R J McNeilly	548,425	544,257
D J Grady	53,942	52,405
H K McCann	51,340	42,847
P J Rizzo	35,497	33,869
Y P Tan	47,922	26,038
D B Grollo	17,150	2,955
Executive Director		
P F O'Malley	80,000	25,000
KMP Executives – Current		
B G Kruger	110,547	201,837
N H Cornish	114,415	149,041
I R Cummin	233,287	180,948
M R Vassella ²	57,144	–
M G Barron ²	196,584	224,599
P E O'Keefe ²	10,144	10,144
S R Elias ²	–	–
KMP Executives - Former		
K C Adams ³	2,581,044	2,612,846
L E Hockridge ⁴	686,956	619,359
K J Fagg ⁴	3,400	207,552

1 Including related party interests.

2 Opening balance is as at appointment to ELT.

3 Closing balance is as at 31 October 2007.

4 Closing balance is as at cessation of employment.

4. EMPLOYMENT CONTRACTS

4.1. Managing Director and Chief Executive Officer – Outline of Employment Contract

PAUL O'MALLEY

On 6 August 2007, the Board announced the appointment of the then Chief Financial Officer, Paul O'Malley, to the position of Managing Director and Chief Executive Officer effective from 1 November 2007.

Under Mr O'Malley's contract he receives an annual base pay of \$1,600,000, effective from the 6 August 2008, the date he was appointed as a Director. This amount is reviewed annually in accordance with the Board's senior executive salary review policy. In addition, Mr O'Malley is eligible to participate in the Short Term Incentive Plan and, subject to shareholder approval, Long Term Incentive Plan awards.

Upon appointment Mr O'Malley was provided with 50,000 BlueScope Steel shares (purchased on-market) to be held subject to certain restrictions. Some or all of these shares will be forfeited by Mr O'Malley if his employment with BlueScope Steel is terminated within the restriction period specified, other than as a result of fundamental change in his employment terms.

The employment of Mr O'Malley may be terminated in the following circumstances:

- **by notice:** on six months' notice by either party. If BlueScope Steel terminates Mr O'Malley's employment by notice, it may provide payment in lieu of notice and must make an additional payment of 12 months' annual Base Pay.
- **with cause:** immediate termination by BlueScope Steel if, among other things, Mr O'Malley wilfully breaches his Service Contract, is convicted of various offences for which he can be imprisoned or is disqualified from managing a corporation, or engages in conduct which is likely to adversely impact the reputation of BlueScope Steel. In this circumstance, Mr O'Malley will be entitled to his annual Base Pay up to the date of termination.
- **illness or disablement:** BlueScope Steel may terminate Mr O'Malley's employment if he becomes incapacitated by physical or mental illness, accident or any other circumstances beyond his control for an accumulated period of six months in any 12-month period and, in this circumstance, will make a payment of six months' notice based on annual Base Pay.

- **fundamental change:** Mr O'Malley may resign if a fundamental change in his employment terms occurs and within three months of the fundamental change Mr O'Malley gives notice to BlueScope Steel. In this event, the Company will provide Mr O'Malley with six months' notice, or a payment in lieu of that notice, and a termination payment of 12 months' annual Base Pay.

The rules governing the Company's Long Term Incentive Plan and Short Term Incentive Plan will apply to his LTIP and STI awards on termination of his employment, including the STI and LTIP rules which provide that STI and LTIP awards will be forfeited if Mr O'Malley's employment is terminated for cause. Provision has also been made for early vesting (subject to testing) of LTIP awards on a change of control.

Mr O'Malley is subject to a 12-month non-compete restriction after his employment ceases with BlueScope Steel. Mr O'Malley cannot solicit or entice away from BlueScope Steel any supplier, customer or employee or participate in a business that competes with BlueScope Steel during the 12-month period.

KIRBY ADAMS

Mr Adams held the role of Managing Director and Chief Executive Officer until 31 October 2007.

Mr Adams' base employment contract conditions were determined prior to the demerger on 7 July 2002 and were reviewed regularly by the Board. At the time of his retirement his annual base pay was \$1,696,000.

As previously agreed with Mr Adams, on the provision of more than 12 months notice of his decision to retire from the Company, the Board approved a two-year period of vesting or exercise of any outstanding share rights held and a pro rata payment of his Short Term Incentive Plan award in the year of his departure.

Further, the Board reached an agreement with Mr Adams for the provision of his consultancy services from the date of his retirement for up to one year on a part-time basis and a restraint that will prevent him from providing services to major competitors of BlueScope Steel in the markets within which it operates for which Mr Adams was paid US\$60,000 per calendar month. This arrangement was terminated on 3 July 2008.

4.2. OTHER KEY MANAGEMENT PERSONNEL

Remuneration and other terms of employment for the Key Management Personnel set out above are formalised in employment contracts that can be terminated with notice. Each of these agreements provide for the annual review of annual base pay, provision of performance-related cash bonuses, other benefits including annual health assessment, and participation, when eligible, in the Long Term Incentive Plan. The contracts provide for notice of three to six months for resignation by the executive or termination by the Company. In the event of termination by the Company other than for cause, a termination payment of 12 months pay or the Company Redundancy Policy, whichever is the greater, will apply. The current Company Redundancy Policy provides for 14 weeks pay plus 2.5 weeks for each year of service.

Agreements are also in place for Key Management Personnel detailing the approach the Company will take with respect to payment of their termination payments and with respect to exercising its discretion on the vesting of share rights in the event of a "change of control" of the organisation.

ENVIRONMENTAL REGULATION

BlueScope Steel's Health, Safety, Environment and Community ("HSEC") Policy provides the foundation for the way in which the environment is managed at all levels of the organisation. The BlueScope Steel Environmental Standards detail the requirements for Implementation of the policy throughout the business.

An environmental compliance management system is in operation across our sites globally, to promote compliance with all relevant laws.

In addition to our compliance obligations, BlueScope Steel has undertaken a range of initiatives that focus on five main areas: reducing greenhouse gas emissions; reducing pollution to land, air and water; reducing waste to landfill; optimisation of material reuse; and recycling and conserving energy and fresh water. We are working with government bodies in Australia and New Zealand with respect to Greenhouse Gas management.

BlueScope Steel notified relevant authorities of 76 statutory non-compliances with environmental regulations during the FY 2008. The company received two penalties during the reporting period. A \$3,366 fine was received for water discharge above licence limits. For one of our new acquisitions settlement was finalised with an environmental advocacy group including penalties of \$38,327. This was identified in the due diligence report for the acquisition however settlement was reached after the acquisition. There were two significant incidents for the year relating to incidents that occurred prior to acquisition that have the potential for penalty: one relating to exceedance of Volatile Organic Compounds emissions and one relating to reporting conditions.

INDEMNIFICATION AND INSURANCE OF OFFICERS

BlueScope Steel has entered into directors' and officers' insurance policies and paid an insurance premium in respect of the insurance policies, to the extent permitted by the *Corporations Act 2001*. The insurance policies cover former Directors of BlueScope Steel along with the current Directors of BlueScope Steel (listed on page 46). Executive officers and employees of BlueScope Steel and its related bodies corporate are also covered.

In accordance with Rule 21 of its Constitution, BlueScope Steel, to the maximum extent permitted by law:

- must indemnify any current or former Director or Secretary; and
- may indemnify current or former executive officers, of BlueScope Steel or any of its subsidiaries, against all liabilities (and certain legal costs) incurred in those capacities to a person, including a liability incurred as a result of appointment or nomination by BlueScope Steel or its subsidiaries as a trustee or as a Director, officer or employee of another corporation.

The current Directors of BlueScope Steel have each entered into an Access, Insurance and Indemnity Deed with BlueScope Steel. The Deed addresses the matters set out in Rule 21 of the Constitution and includes, among other things, provisions requiring BlueScope Steel to indemnify a Director to the extent to which they are not already indemnified as permitted under law, and to use its best endeavours to maintain an insurance policy covering a Director while they are in office and seven years after ceasing to be a Director.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability insurance contract, as (in accordance with normal commercial practice) such disclosure is prohibited under the terms of the contract.

PROCEEDINGS ON BEHALF OF BLUESCOPE STEEL

As at the date of this report, there are no leave applications or proceedings brought on behalf of BlueScope Steel under section 237 of the *Corporations Act 2001*.

ROUNDING OF AMOUNTS

BlueScope Steel is a company of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars.

AUDITOR

Ernst & Young was appointed as auditor for BlueScope Steel at the 2002 Annual General Meeting.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The Auditor's Independence Declaration for the year ended 30 June 2008 has been received from Ernst & Young. This is set out at page 67 of the Directors' Report. Ernst & Young provided the following non-audit services during the financial year ended 30 June 2008:

- \$75,000: Real estate advisory services; and
- \$391,521: country specific taxation compliance services mainly in North America, New Zealand, Malaysia, Thailand, Taiwan, Hong Kong, Fiji, Singapore and Brunei.

The Directors are satisfied that the provision of these non-audit services is compatible with the general standard of independence for auditors in accordance with the *Corporations Act 2001*. The nature, value and scope of each type of non-audit service provided is considered by the Directors not to have compromised auditor independence.

This report is made in accordance with a resolution of the Directors.



G J KRAEHE AO
Chairman




P F O'MALLEY
Managing Director and Chief Executive Officer
Melbourne
15 August 2008

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF BLUESCOPE STEEL LIMITED

In relation to our audit of the financial report of BlueScope Steel Limited for the financial year ended 30 June 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



ERNST & YOUNG



B R MEEHAN
Partner

15 August 2008

CORPORATE GOVERNANCE STATEMENT

Introduction

As a global organisation with businesses operating in many countries, the BlueScope Steel Group must comply with a range of legal, regulatory and governance requirements.

The Board places great importance on the proper governance of the Group.

The Board operates in accordance with a set of corporate governance principles that take into account relevant best practice recommendations. These include the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council (2nd edition) ("**ASX Principles and Recommendations**").

The Company complies with each of the Recommendations in the ASX Principles and Recommendations. A summary of BlueScope Steel's compliance with the Recommendations follows, including details of specific disclosures required by a Recommendation.

Further information on the Company's corporate governance policies and practices can be found on the **Company's website**.

Principle 1 – Lay solid foundations for management and oversight

The Board has adopted a Charter which sets out, among other things, its specific powers and responsibilities and the matters delegated to the Managing Director and Chief Executive Officer and those specifically reserved for the Board. A statement of the matters reserved for the Board and the areas of delegated authority to senior management is available on the **Company's website**.

As part of the Board's oversight of senior management, all Company executives are subject to annual performance review and goal planning. This involves the executives being evaluated by their immediate superior. Each executive is assessed against a range of criteria, including achievement of financial goals, completion of key job specifications and goals and adherence to the values expressed in "Our Bond".

Principle 2 – Structure the Board to add value

The Board is structured to bring to its deliberations a range of commercial, operational, financial, legal and international experience relevant to the Company's global operations.

Pages 46 to 47 set out the qualifications, expertise and experience of each Director in office at the date of this Directors' Report, and their period of office.

The Board considers all of its Non-Executive Directors to be independent. In making this assessment, the Board considers whether the Director is free of any business or other relationship that could, or could reasonably be perceived to, materially interfere with the exercise by the Director of an independent judgement in the interests of the Company as a whole.

In determining whether a relationship between the Company and a Director is material and would compromise the Director's independence, the Board has regard to all the circumstances of the relationship including, where relevant:

- the proportion of the relevant class of expenses or revenues that the relationship represents to both the Company and the Director; and
- the value and strategic importance to the Company's business of the goods or services purchased or supplied by the Company.

Further details regarding the circumstances considered by the Board in making assessments of independence are contained on the Company's website under **Directors' Independence Policy**.

The Board (and Board Committees and individual Directors) may obtain independent professional advice, at the Company's cost, in carrying out their responsibilities. Independent advice can be obtained without the involvement of the Company's management, where the Board or the Director considers it appropriate to do so. Procedures have been adopted by the Board setting out the practical steps by which independent advice may be obtained.

Details of the members of the Nomination Committee and their attendance at meetings of the Committee are set out on page 48.

The Board reviews its effectiveness and the performance of each Director regularly. Until recently, the Board Charter required that the Board conduct a review of its performance every two years. The Board completed a review of its effectiveness in 2006 with the assistance of an external consultant. The review concluded that the Board is functioning well with an appropriate mix of skills and experience and that an effective working relationship exists among Board members and between the Board and management. Following a recent change to the Board Charter, the Board will review its performance every year, and conduct formal external reviews periodically at the discretion of the Board.

The Nomination Committee has reviewed the performance of Directors seeking re-election and endorses their candidature.

Principle 3 – Promote ethical and responsible decision making

The Company has a Guide to Business Conduct, which provides an ethical and legal framework for all employees. The Guide defines how the BlueScope Steel Group relates to its customers, employees, shareholders and the community. Information relating to the Guide is available on the **Company's website**.

In addition, the Board has established a Securities Trading Policy which governs dealing in the Company's shares and derivative securities. Information relating to the policy is available on the **Company's website**.

Principle 4 – Safeguard integrity in financial reporting

The Board has established an Audit and Risk Committee which assists the Board in the effective discharge of its responsibilities for financial reporting, internal controls, risk management, internal and external audit and insurance (with the exception of directors' and officers' liability insurance). The Committee's Charter is set out in full on the **Company's website**.

Separate discussions are held with the external and internal auditors without management present.

The composition and structure of the Audit and Risk Committee complies with the requirements of the ASX Principles and Recommendations.

The names of the members of the Audit and Risk Committee and their attendance at meetings of the Committee are set out on page 48 of this Directors' Report. The qualifications of the members are set out on pages 46 to 47.

Principle 5 – Make timely and balanced disclosure

The Company is subject to continuous disclosure obligations under the ASX Listing Rules and Australian corporations legislation. Subject to limited exceptions, the Company must immediately notify the market, through ASX, of any information that a reasonable person would expect to have a material effect on the price or value of its securities. As part of its continuous disclosure responsibilities, the Company has established a Market Disclosure Committee.

Information relating to the Company's continuous disclosure policy is included on the **Company's website**.

Principle 6 – Respect the rights of shareholders

Respecting the rights of shareholders is of fundamental importance to the Company and a key element of this is how we communicate with our shareholders. In this regard, the Company recognises that shareholders must receive high-quality relevant information in a timely manner in order to be able to properly and effectively exercise their rights as shareholders. The Company's communications policy is summarised on the **Company's website**.

Principle 7 – Recognise and manage risk

The Board has required management to design and implement a risk management and internal control system to manage the Company's material business risks and management has reported that those risks are being managed effectively.

For the annual and half-year accounts released publicly, the Managing Director and Chief Executive Officer and the Chief Financial Officer assure the Board that, in their opinion:

- the financial records of the Group have been properly maintained;
- the financial statements and notes required by accounting standards for external reporting:
 - (i) give a true and fair view of the financial position and performance of the Company and the consolidated BlueScope Steel Group; and
 - (ii) comply with the accounting standards (and any further requirements in the Corporations Regulations) and applicable ASIC Class Orders; and
 - (iii) the above representations are based on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Information relating to the Company's policies on risk oversight and management of material business risks is available on the **Company's website**.

Principle 8 – Remunerate fairly and responsibly

The Remuneration Report (on pages 49 to 66) sets out details of the Company's policy and practices for remunerating Directors, key management personnel and senior executives.

The names of the members of the **Remuneration and Organisation Committee** and their attendance at meetings of the Committee are set out on page 48.

Information relating to:

- the role, rights, responsibilities and membership requirements for the Remuneration and Organisation Committee; and
- the **Company's policy** on prohibiting entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes, is available on the Company's website. Other than superannuation, there are no schemes for retirement benefits for Non-Executive Directors.

All information referred to in this Corporate Governance Statement as being on the Company's website is included under the "Responsibilities" – "Corporate Governance" section of the website.

CONCISE FINANCIAL REPORT

30 JUNE 2008

BLUESCOPE STEEL LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Notes	CONSOLIDATED	
		2008 \$M	2007 \$M
Revenue from continuing operations	5	10,491.8	8,164.5
Other income		139.1	19.6
Changes in inventories of finished goods and work in progress		(117.5)	31.5
Raw materials and consumables used		(5,254.3)	(3,823.7)
Employee benefits expense		(1,596.4)	(1,295.9)
Depreciation and amortisation expense		(357.1)	(316.6)
Impairment of non-current assets		(240.0)	(1.2)
Freight on external despatches		(673.3)	(575.6)
External services		(910.3)	(843.9)
Finance costs		(131.2)	(140.7)
Other expenses		(521.4)	(432.4)
Share of net profits of associates and joint venture partnership accounted for using the equity method		111.4	161.7
Profit before income tax		940.8	947.3
Income tax (expense) benefit		(326.5)	(229.0)
Profit from continuing operations		614.3	718.3
Loss from discontinued operations after income tax	6	(2.0)	(15.3)
Profit for the year after income tax		612.3	703.0
Profit is attributable to:			
Equity holders of BlueScope Steel Limited		596.2	685.6
Minority interest		16.1	17.4
		612.3	703.0
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic earnings per share	10	80.4	97.4
Diluted earnings per share	10	79.9	96.7
Earnings per share for profit attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic earnings per share	10	80.1	95.3
Diluted earnings per share	10	79.7	94.6

The above income statement should be read in conjunction with the accompanying notes.

BLUESCOPE STEEL LIMITED
BALANCE SHEET AS AT 30 JUNE 2008

	CONSOLIDATED	
	2008 \$M	2007 \$M
ASSETS		
Current assets		
Cash and cash equivalents	44.1	36.4
Receivables	1,497.3	1,219.4
Inventories	1,600.1	1,212.3
Derivative financial instruments	4.9	7.7
Available-for-sale financial assets	—	476.5
Other	54.8	56.0
Total current assets	3,201.2	3,008.3
Non-current assets		
Receivables	39.9	49.5
Retirement benefit assets	—	59.9
Inventories	59.7	58.8
Investments accounted for using the equity method	254.4	301.3
Property, plant and equipment	3,807.3	3,670.7
Deferred tax assets	99.4	136.1
Intangible assets	998.6	220.9
Other	5.7	0.7
Total non-current assets	5,265.0	4,497.9
Total assets	8,466.2	7,506.2
LIABILITIES		
Current liabilities		
Payables	1,282.0	878.8
Interest bearing liabilities	1,082.1	633.0
Current tax liabilities	156.3	56.7
Provisions	493.6	477.5
Deferred income	106.3	70.9
Derivative financial instruments	—	2.5
Total current liabilities	3,120.3	2,119.4
Non-current liabilities		
Payables	7.5	2.0
Interest bearing liabilities	683.7	905.1
Deferred tax liabilities	308.4	317.0
Provisions	200.1	168.3
Retirement benefit obligations	204.4	127.3
Derivative financial instruments	—	2.1
Total non-current liabilities	1,404.1	1,521.8
Total liabilities	4,524.4	3,641.2
Net assets	3,941.8	3,865.0
EQUITY		
Contributed equity	2,151.2	1,896.0
Reserves	(281.6)	7.0
Retained profits	1,997.5	1,894.7
Parent entity interest	3,867.1	3,797.7
Minority interest	74.7	67.3
Total equity	3,941.8	3,865.0

The above balance sheet should be read in conjunction with the accompanying notes.

BLUESCOPE STEEL LIMITED

STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2008

	CONSOLIDATED	
	2008 \$M	2007 \$M
Cash flow hedges:		
Gains (losses) taken to equity	(1.4)	(7.1)
Transferred to inventory	9.3	5.8
Net unrealised gain (loss) on available-for-sale financial assets	(29.2)	157.2
Net realised (gain) loss on available-for-sale financial assets transferred to the income statement	(128.0)	—
Net gains (losses) on hedges of net investments	160.4	(91.7)
Exchange differences on translation of foreign operations	(301.2)	26.4
Exchange differences realised on disposal of businesses / subsidiaries transferred to the income statement	0.5	22.2
Actuarial gains (losses) on defined benefit plans	(175.1)	70.1
Income tax on items taken directly to or transferred from equity	33.2	(26.1)
Net income (expense) recognised directly in equity	(431.5)	156.8
Profit (loss) for the year	612.3	703.0
Total recognised income and expense for the year	180.8	859.8
Total recognised income and expense for the year is attributable to:		
Members of BlueScope Steel Limited	171.1	844.3
Minority interest	9.7	15.5
	180.8	859.8

The above statements of recognised income and expense should be read in conjunction with the accompanying notes.

BLUESCOPE STEEL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

		CONSOLIDATED	
	Notes	2008 \$M	2007 \$M
Cash flows from operating activities			
Receipts from customers		11,060.6	9,294.1
Payments to suppliers and employees		(9,587.9)	(8,144.6)
		1,472.7	1,149.5
Dividends received		17.8	27.2
Joint venture partnership distributions received		128.8	145.4
Interest received		6.6	5.5
Other revenue		28.4	21.6
Finance costs paid		(143.1)	(156.0)
Income taxes (paid) received		(207.6)	(228.8)
Net cash (outflow) inflow from operating activities		1,303.6	964.4
Cash flows from investing activities			
Payment for subsidiaries, net of cash acquired	8	(1,549.8)	(8.5)
Disposal of subsidiary into joint venture partnership, net of cash disposed		(0.3)	—
Payments for property, plant and equipment		(393.6)	(399.6)
Payments for intangibles		(12.6)	(13.8)
Payments for investment in joint venture partnership		(21.5)	(30.4)
Payments for investment in business assets		(1.0)	(11.0)
Payments for available-for-sale financial assets		—	(319.3)
Proceeds from sale of property, plant and equipment		6.4	48.2
Proceeds from sale of business assets		—	216.9
Proceeds from redemption of investments		458.7	—
Loans to related parties		—	(29.4)
Repayment of loans by related parties		3.9	5.5
Net cash (outflow) inflow from investing activities		(1,509.8)	(541.4)
Cash flows from financing activities			
Proceeds from issues of shares		124.1	124.8
Proceeds from borrowings		10,911.8	11,555.8
Repayment of borrowings		(10,580.8)	(11,912.0)
Dividends paid to Company's shareholders	7(d)	(249.6)	(223.1)
Dividends paid to minority interests in subsidiaries		(2.3)	(1.3)
Capital injection by minority interests in subsidiaries		—	2.2
Net cash inflow (outflow) from financing activities		203.2	(453.6)
Net increase (decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		26.9	59.0
Effects of exchange rate changes on cash and cash equivalents		(4.3)	(1.5)
Cash and cash equivalents at end of year		19.6	26.9
Financing arrangements			
Non-cash investing and financing activities	9		

The above cash flow statement should be read in conjunction with the accompanying notes.

1 BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

The concise financial report relates to the consolidated entity consisting of BlueScope Steel Limited and the entities it controlled at the end, or during, the year ended 30 June 2008. The accounting policies adopted have been consistently applied to all years presented, other than the early adoption of AASB 8 *Operating Segments*, which replaces AASB 114 *Segment Reporting*. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in the segments being reported in a manner that is consistent with the internal reporting provided to the Managing Director and Chief Executive Officer for BlueScope Steel Limited. Comparatives for 2007 have been restated.

The full financial report on which this concise financial report is based complies with Australian Accounting Standards issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. The concise financial report has been prepared in accordance with the Corporations Act 2001 and Accounting Standard AASB 1039 *Concise Financial Reports*.

The concise financial report is an extract from the full financial report for the year ended 30 June 2008. The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities as the full financial report. Further financial information can be obtained from the full financial report.

Rounding of amounts

The Company is of a kind referred to in Class order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars.

2 CORPORATE INFORMATION

The full financial report of BlueScope Steel Limited for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the directors on 15 August 2008.

BlueScope Steel Limited is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in note 4.

3 FULL FINANCIAL REPORT

Further financial information can be obtained from the full financial report which is available from the Company, free of charge, on request. A copy may be requested by contacting the Company's share registrar whose details appear in the Corporate Directory. Alternatively, both the full financial report and the concise financial report can be accessed via the internet at www.bluescopesteel.com.

4 SEGMENT INFORMATION

(a) Description of segments

The Company has early adopted AASB 8 *Operating Segments*. The new standard requires a 'management approach' under which segment information is prepared on the same basis as that used for internal

reporting purposes. This has resulted in the segments being reported in a manner that is materially consistent with the internal reporting provided to the Managing Director and Chief Executive Officer for BlueScope Steel Limited. Comparatives for 2007 have been restated.

The consolidated entity has six reportable operating segments: Coated & Industrial Products Australia, Australia Distribution & Solutions, New Zealand & Pacific Steel Products, Coated & Building Products Asia, Hot Rolled Products North America, and Coated & Building Products North America.

COATED & INDUSTRIAL PRODUCTS AUSTRALIA

Coated & Industrial Products Australia includes the Port Kembla Steelworks, a steel making operation with an annual production capacity of approximately 5.2 million tonnes of crude steel. The Port Kembla Steelworks is the leading supplier of flat steel in Australia, manufacturing slab, hot rolled coil and plate products. The segment also comprises two main metallic coating facilities located in Springhill, New South Wales and Western Port, Victoria together with steel paint facilities in western Sydney and Acacia Ridge, Queensland. Steel from the Port Kembla Steelworks is processed by these facilities to produce a range of COLORBOND® pre-painted steel and ZINCALUME® zinc/aluminium branded products. Export offices are also incorporated within this segment to trade steel manufactured at these facilities on global markets.

AUSTRALIA DISTRIBUTION & SOLUTIONS

Australia Distribution & Solutions contains a network of service centres and distribution sites from which it forms a key supplier to the Australian building and construction industry, automotive sector, major white goods manufacturers and general manufacturers. The operating segment also holds the Lysaght steel solutions business, providing a range of LYSAGHT® branded products to the building and construction sector and BlueScope's water business containing rain-storage tank solutions.

NEW ZEALAND & PACIFIC STEEL PRODUCTS

The New Zealand Steel operation at Glenbrook, New Zealand, produces a full range of flat steel products for both domestic and export markets. It has an annual production capacity of 0.6 million tonnes. The segment also includes facilities in New Caledonia, Fiji and Vanuatu, which manufacture and distribute the LYSAGHT® range of products.

COATED & BUILDING PRODUCTS ASIA

Coated & Building Products Asia manufactures and distributes a range of metallic coated, painted steel products and pre-engineered steel building systems primarily to the building and construction industry and to some sections of the manufacturing industry across Asia.

HOT ROLLED PRODUCTS NORTH AMERICA

Hot Rolled Products North America includes a 50% interest in the North Star BlueScope Steel joint venture, a steel mini mill in the United States and a 47.5% shareholding in Castrip LLC.

COATED & BUILDING PRODUCTS NORTH AMERICA

Coated & Building Products North America includes the North American Buildings Group, which designs, manufactures and markets pre-engineered steel buildings and component systems; Steelscape, producer of metal coated and painted steel coils; Metl-Span, manufacturer of insulated steel panels for commercial, industrial and cold-storage buildings; and ASC Profiles, manufacturer of building components including architectural roof and wall systems and structural roof and decking.

4 SEGMENT INFORMATION (CONTINUED)

(a) Primary reporting format – business segments

The segment information provided to the Managing Director and Chief Executive Officer for operating segments for the year ended 30 June 2008 is as follows:

30 June 2008	Coated & Industrial Products Australia \$M	Australia Distribution & Solutions \$M	New Zealand & Pacific Steel Products \$M	Coated & Building Products Asia \$M	Hot Rolled Products North America \$M	Coated & Building Products North America \$M	Discontinued Operations \$M	Total \$M
Total segment sales revenue	6,041.7	2,201.8	724.8	1,569.9	—	1,407.1	3.2	11,948.5
Intersegment revenue	(1,316.7)	(2.4)	(131.1)	(34.9)	—	(2.2)	—	(1,487.3)
Revenue from external customers	4,725.0	2,199.4	593.7	1,535.0	—	1,404.9	3.2	10,461.2
Segment EBIT	986.3	45.3	92.7	(148.4)	105.2	90.1	(3.0)	1,168.2
Depreciation and amortisation	207.1	34.9	30.1	48.8	—	35.6	—	356.5
Impairment (write-back) of non current assets	—	22.8	(8.6)	224.4	1.4	—	—	240.0
Gain (loss) on disposal of subsidiary	—	—	—	(0.6)	—	—	—	(0.6)
Share of profit from associates and joint venture partnerships	—	0.2	4.2	(3.7)	107.9	2.8	—	111.4
Total segment assets	3,904.4	1,491.4	600.1	1,210.5	183.0	1,314.8	0.3	8,704.5
Total assets includes: Investments in associates and joint venture partnerships	—	3.0	4.3	61.8	180.8	4.5	—	254.4
Additions to non-current assets (other than financial assets and deferred tax)	238.0	584.8	46.2	45.3	—	754.9	1.3	1,670.5
Total segment liabilities	1,063.2	452.9	254.2	278.4	—	434.0	44.2	2,526.9

4 SEGMENT INFORMATION (CONTINUED)

(a) Primary reporting format – business segments (continued)

	Coated & Industrial Products Australia \$M	Australia Distribution & Solutions \$M	New Zealand & Pacific Steel Products \$M	Coated & Building Products Asia \$M	Hot Rolled Products North America \$M	Coated & Building Products North America \$M	Discontinued Operations \$M	Total \$M
30 June 2007								
Total segment sales revenue	5,524.9	699.7	728.4	1,375.1	—	788.0	747.2	9,863.3
Intersegment revenue	(808.2)	(1.3)	(123.5)	(66.9)	—	(2.7)	(0.6)	(1,003.2)
Revenue from external customers	4,716.7	698.4	604.9	1,308.2	—	785.3	746.6	8,860.1
Segment EBIT	799.3	12.5	90.1	33.5	154.6	37.2	15.8	1,143.0
Depreciation and amortisation	203.0	16.2	28.5	54.5	—	14.0	7.4	323.6
Impairment of non-current assets	—	—	—	—	1.2	—	—	1.2
Gain (loss) on disposal of business	—	—	—	—	—	—	58.6	58.6
Share of profit from associates and joint venture partnerships	—	—	2.9	(4.1)	156.3	6.6	0.4	162.1
Total segment assets	3,911.8	399.7	636.5	1,437.1	234.7	242.2	98.6	6,960.6
Total assets includes:								
Investments in associates and joint venture partnerships	—	—	4.6	60.0	231.2	5.5	—	301.3
Additions to non-current assets (other than financial assets and deferred tax)	252.7	32.7	38.9	31.4	—	10.5	5.5	371.7
Total segment liabilities	974.9	112.0	205.8	257.5	—	179.6	115.9	1,845.7

4 SEGMENT INFORMATION (CONTINUED)

(b) Other segment information

(i) Segment revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties is measured in a manner consistent with that in the income statement.

Segment revenue reconciles to total revenue from continuing operations as follows:

	CONSOLIDATED	
	2008 \$M	2007 \$M
Total segment revenue	11,948.5	9,863.3
Intersegment eliminations	(1,487.3)	(1,003.2)
Revenue attributable to discontinued operations	(3.2)	(747.2)
Other revenue (note 5)	33.8	51.6
Total revenue from continuing operations	10,491.8	8,164.5

(ii) Segment EBIT

Performance of the operating segments is based on EBIT. This measurement basis excludes the effects of interest and taxes. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

A reconciliation of total segment EBIT to operating profit before income tax is provided as follows:

	CONSOLIDATED	
	2008 \$M	2007 \$M
Total segment EBIT	1,168.2	1,143.0
Intersegment eliminations	(116.5)	1.5
Interest income	6.7	4.8
Finance costs	(131.3)	(140.9)
EBIT (gain) loss attributable to discontinued operations	3.0	(15.8)
Corporate operations	10.7	(45.3)
Profit before income tax from continuing operations	940.8	947.3

4 SEGMENT INFORMATION (CONTINUED)

(iii) Segment assets

Segment assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Cash is not considered to be a segment asset as it is managed by the Group's centralised treasury function.

The segment information is focused on EBIT. On this basis deferred tax assets, which by their nature do not contribute towards EBIT, are not allocated to operating segments.

Reportable segment assets are reconciled to total assets as follows:

	CONSOLIDATED	
	2008 \$M	2007 \$M
Segment assets	8,704.5	6,960.6
Intersegment eliminations	(422.7)	(177.0)
Unallocated:		
Deferred tax assets	99.4	136.1
Cash	44.1	36.4
Corporate operations	40.9	550.1
Total assets as per the balance sheet	8,466.2	7,506.2

(iv) Segment liabilities

Segment liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

Liabilities arising from borrowing and funding initiatives are not considered to be segment liabilities due to these being managed by the Group's centralised treasury function. The segment information is focused on EBIT. On this basis tax liabilities, which by their nature do not impact EBIT, are not allocated to operating segments.

Reportable segment liabilities are reconciled to total liabilities as follows:

	CONSOLIDATED	
	2008 \$M	2007 \$M
Segment liabilities	2,526.9	1,845.7
Intersegment eliminations	(288.6)	(159.4)
Unallocated:		
Current interest bearing liabilities	1,082.1	633.0
Non-current interest bearing liabilities	683.7	905.1
Current tax liabilities	156.3	56.7
Deferred tax liabilities	308.4	317.0
Accrued borrowing costs payable	11.6	17.4
Corporate operations	44.0	25.7
Total liabilities as per the balance sheet	4,524.4	3,641.2

5 REVENUE

	CONSOLIDATED	
	2008 \$M	2007 \$M
From continuing operations		
Sale of goods	10,390.9	8,002.4
Services	67.1	110.5
Other revenue	33.8	51.6
Total revenue from continuing operations	10,491.8	8,164.5
From discontinued operations		
Sales revenue	3.2	747.2
Other revenue	—	0.9
Total revenue from discontinuing operations	3.2	748.1

6 DISCONTINUED OPERATIONS

(a) Description

In June 2007, Coated and Building Products North America sold its Vistawall division, which manufactured and sold extruded aluminium and glass products for the building and construction sector.

In June 2006, the Company announced its intention to close its loss-making tinplate manufacturing operation, which was the major component of its Packaging Products cash generating unit.

Following a series of construction contract losses in the financial year 2006, the Company closed down and sold the assets of its Lysaght Taiwan business. The Company continues to progressively complete pre-existing construction projects.

The financial information for these operations is set out as follows and is reported in this financial report as discontinued operations.

6 DISCONTINUED OPERATIONS (CONTINUED)

(b) Financial performance of discontinued operations

The results of the discontinued operations for the year until disposal are presented below.

	Consolidated							
	2008				2007			
	Vistawall \$M	Packaging \$M	Lysaght Taiwan \$M	TOTAL \$M	Vistawall \$M	Packaging \$M	Lysaght Taiwan \$M	TOTAL \$M
Revenue	—	2.9	0.3	3.2	414.4	324.5	9.2	748.1
Expenses other than finance costs	—	(2.9)	0.3	(2.6)	(387.9)	(377.2)	(26.3)	(791.4)
Finance costs	—	—	(0.1)	(0.1)	—	—	(0.2)	(0.2)
Share of net profit (loss) of equity accounted associate	—	—	—	—	0.4	—	—	0.4
Profit (loss) before income tax	—	—	0.5	0.5	26.9	(52.7)	(17.3)	(43.1)
Income tax (expense) benefit	—	—	(0.4)	(0.4)	(10.9)	15.8	(0.2)	4.7
Profit (loss) after income tax from discontinued operations	—	—	0.1	0.1	16.0	(36.9)	(17.5)	(38.4)
Gain (loss) on disposal before income tax	(3.4)	—	—	(3.4)	58.6	—	—	58.6
Income tax expense	1.3	—	—	1.3	(35.5)	—	—	(35.5)
Gain on disposal after income tax	—	—	—	—	23.1	—	—	23.1
Profit (loss) from discontinued operations	(2.1)	—	0.1	(2.0)	39.1	(36.9)	(17.5)	(15.3)

(c) Cash flow information – discontinued operations

The net cash flows of discontinued operations held are as follows:

	CONSOLIDATED							
	2008				2007			
	Vistawall \$M	Packaging \$M	Lysaght Taiwan \$M	TOTAL \$M	Vistawall \$M	Packaging \$M	Lysaght Taiwan \$M	TOTAL \$M
Net cash inflow (outflow) from operating activities	—	23.8	(0.1)	23.7	(22.4)	(83.2)	(0.4)	(106.0)
Net cash inflow (outflow) from investing activities	—	2.8	—	2.8	214.6	(2.9)	5.0	216.7
Net cash inflow (outflow) from financing activities	—	(26.6)	(0.2)	(26.8)	(192.6)	86.1	(5.1)	(111.6)
Net increase in cash generated by the operation	—	—	(0.3)	(0.3)	(0.4)	—	(0.5)	(0.9)

6 DISCONTINUED OPERATIONS (CONTINUED)

(d) Assets and liabilities of disposed entity

The major classes of assets and liabilities of the Vistawall group disposed of on 29 June 2007 were as follows:

	2007 \$M
Assets	
Receivables	77.2
Inventories	37.1
Derivative financial instruments	0.2
Equity accounted associates	0.9
Property, plant and equipment	51.6
Intangible assets	12.0
Other	0.4
Assets classified as held for sale	179.4
Liabilities and reserves	
Payables	28.9
Interest bearing loans	0.1
Provisions	13.9
Hedging reserve	0.2
Other	0.2
Liabilities directly associated with assets classified as held for sale	43.3
Net assets attributable to discontinued operations	136.1

(e) Details of the sale of the division

Details of the sale of the Vistawall group on 29 June 2007 are as follows:

	CONSOLIDATED	
	2008 \$M	2007 \$M
Cash	—	225.9
Transaction costs	—	(9.0)
Total disposal consideration	—	216.9
Less		
Net assets disposed of	—	(136.1)
Working capital adjustment	(3.4)	—
Transfer of exchange fluctuation reserve to the profit and loss	—	(22.2)
Gain (loss) on disposal before income tax	(3.4)	58.6
Income tax (expense) benefit	1.3	35.5
Gain (loss) on disposal after income tax	(2.1)	23.1
Net cash inflow on disposal		
Cash and cash equivalents consideration	—	216.9
Less cash and cash equivalents balance disposed of	—	—
Reflected in the consolidated cash flow statement	—	216.9

7 DIVIDENDS

	PARENT	
	2008 \$M	2007 \$M
(a) Ordinary shares		
Final dividend for the year ended 30 June 2007 of 26 cents (2006: 24 cents) per fully paid share paid on 23 October 2007 (2006: 24 October 2006)		
Final fully franked based on tax paid @ 30%	191.2	168.3
	191.2	168.3
Interim dividend for the year ended 30 June 2008 of 22 cents (2007: 21 cents) per fully paid share paid on 1 April 2008 (2007: 2 April 2007)		
Fully franked based on tax paid @ 30%	163.4	152.9
Total dividends provided for or paid	354.6	321.2
(b) Dividends not recognised at year end		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 27 cents (2007: 26 cents) per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 22 October 2008 out of retained profits at 30 June 2008, but not recognised as a liability at year end, is	205.2	190.8

(c) Franked Dividends

The franked portions of the final dividends recommended after 30 June 2008 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 30 June 2008.

	CONSOLIDATED	
	2008 \$M	2007 \$M
Actual franking account balance as at the reporting date	89.0	129.7
Franking credits that will arise from the payment of income tax payable as at the reporting date	133.8	25.1
Franking credits available for subsequent financial years based on a tax rate of 30%	222.8	154.8

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- (a) franking credits that will arise from the payment of the amount of the provision for income tax
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and
- (c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of \$87.9M (2007: \$81.8M).

(d) Dividend cash flows

The total cash paid to shareholders in respect of dividends during the period is \$249.6M as presented in the cash flow statements. Dividend amounts of \$60.1M and \$44.9M were re-invested through the Company's dividend re-investment plan for the respective 2007 final and 2008 interim dividends (refer note 9).

8 BUSINESS COMBINATION

(a) Summary of acquisitions

(I) SMORGON DISTRIBUTION (AUSTRALIA DISTRIBUTION & SOLUTIONS)

On 3 August 2007, BlueScope Steel Limited acquired the distribution business of Smorgon Steel Limited for \$730M. The legal entities forming the distribution business of Smorgon Steel Limited include Smorgon Steel Distribution Pty Ltd, Metalcorp Steel Pty Ltd, and Metalcorp Manufacturing Pty Ltd. The 179,124,278 of Smorgon Steel Limited shares previously held by BlueScope Steel Limited were bought back for \$2.50 per share (\$447.3M) realising a pre-tax profit on disposal of \$128M. The proceeds were utilised to acquire Smorgon Distribution.

From the date of acquisition, Smorgon Distribution has contributed revenues of \$1,360.2M and earnings before interest and tax of \$65.1M to the Group. If the acquisition had occurred on 1 July 2007, consolidated revenue and consolidated earnings before interest and tax for the year ended 30 June 2008 would have been \$1,507.0M and \$67.4M respectively.

(II) HCI STEEL BUILDING SYSTEMS (COATED & BUILDING PRODUCTS NORTH AMERICA)

On 1 November 2007, Butler Manufacturing Company acquired 100% of the share capital in HCI Steel Building Systems Incorporated (HCI) for USD 34.5M. HCI designs and manufactures steel building solutions for the heavy industrial, commercial and community end-use segments. It has a manufacturing plant in Arlington, Washington. HCI complements Butler's current operations in North America and services customers in the north-western region of the US and western Canada through a network of authorised builders.

From the date of acquisition, HCI has contributed revenues of \$22.1M and earnings before interest and tax of negative \$3.4M to the Group. If the acquisition had occurred on 1 July 2007, consolidated revenue and consolidated earnings before interest and tax for the year ended 30 June 2008 would have been \$44.8M and \$2.3M respectively.

(III) IMSA STEEL CORPORATION (COATED & BUILDING PRODUCTS NORTH AMERICA)

On 1 February 2008, BlueScope Steel North America acquired 100% of the share capital of IMSA Steel Corporation (IMSA) for USD 730M. A former NYSE listed public company, IMSA has four distinct businesses with manufacturing facilities throughout the United States of America and sales throughout North America. These include:

- Varco Pruden Buildings – a leading North American manufacturer of pre-engineered building systems (PEBs) for the non-residential market with five manufacturing facilities. It has a total processing capacity of approximately 210,000 tons per annum.
- Steelscape – a leading west coast producer of metal coated and painted steel coils with three production facilities. Steelscape has a total capacity of approximately 500,000 tons per annum of metal coated steel products and 350,000 tons per annum of painting capacity.
- Metl-Span – a leading North American manufacturer of insulated steel panels for commercial, industrial and cold storage buildings. Metl-Span has five production facilities across the United States of America.
- ASC Profiles – a leading North American manufacturer of building components including architectural roof and wall systems and structural roof and floor decking. ASC has ten production facilities located primarily in western United States of America.

From the date of acquisition, IMSA has contributed revenues of \$607.2M and earnings before interest and tax of \$25.7M to the Group. If the acquisition had occurred on 1 July 2007, consolidated revenue and consolidated earnings before interest and tax for the year ended 30 June 2008 would have been \$1,408.7M and \$43.7M respectively.

(IV) LASER DYNAMICS AUSTRALIA PTY LTD (AUSTRALIA DISTRIBUTION & SOLUTIONS)

On 1 February 2008, BlueScope Distribution Pty Ltd acquired 100% of the share capital in Laser Dynamics Australia Pty Ltd for \$8.0M. Laser Dynamics is a Brisbane-based business with expertise in the precision laser cutting of steel.

Due to the relative size of the acquisition, acquisition details are considered immaterial at the consolidated group reporting level and have not been separately disclosed. Please refer to the aggregated 'other' column in this note.

8. BUSINESS COMBINATION (CONTINUED)

(V) B H TANK WORKS INCORPORATED (AUSTRALIA DISTRIBUTION & SOLUTIONS)

On 28 February 2008, BlueScope North America acquired 100% of the share capital in B H Tank Works Incorporated (B H Tanks) for \$3.5M. B H Tanks is situated in California, USA and provides a range of water storage tanks well-suited to rainwater harvesting in addition to rural and commercial applications. B H Tanks specialises in the manufacture and supply of corrugated, welded and bolted tanks in addition to providing integrated field erection services for tanks.

Due to the relative size of this acquisition, acquisition details are considered immaterial at the consolidated group reporting level and have not been separately disclosed. Please refer to the aggregated 'other' column below.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	Smorgon Distribution \$M	IMSA Steel Corp. \$M	HCI Steel Building Systems \$M	Other \$M	Total \$M
Purchase consideration (b)					
Cash paid	730.2	798.5	38.1	11.5	1,578.3
Direct costs relating to the acquisition	19.8	9.4	0.4	0.1	29.7
Total purchase consideration	750.0	807.9	38.5	11.6	1,608.0
Fair value of net identifiable assets acquired (c)	389.2	508.2	7.9	1.4	906.7
Goodwill	360.8	299.7	30.6	10.2	701.3

Note: The goodwill arising from the February 2008 acquisition of the IMSA Group is provisional. AASB 3 *Business Combinations* allows an acquirer up to twelve months from the acquisition date to finalise the acquisition balance sheet.

(b) Purchase consideration

	CONSOLIDATED	
	2008 \$M	2007 \$M
Outflow of cash to acquire business, net of cash acquired		
Purchase consideration	1,608.0	9.0
less: Accrued acquisition costs	(6.4)	—
plus: Deferred purchase price payments on prior year acquisitions	3.7	—
Cash consideration	1,605.3	9.0
less: Cash balances acquired	55.5	0.5
Outflow of cash	1,549.8	8.5

(c) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Smorgon Distribution		IMSA Steel Corp.		HCI Steel Building Systems		Other	
	Acquiree's carrying amount	Fair value	Acquiree's carrying amount	Fair value	Acquiree's carrying amount	Fair value	Acquiree's carrying amount	Fair value
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash & cash equivalents	0.1	0.1	51.6	51.6	3.4	3.4	0.4	0.4
Receivables	261.9	260.3	123.8	120.2	4.5	4.5	2.5	2.4
Inventories	257.0	246.2	145.3	173.5	4.6	5.9	1.2	1.2
Property, plant and equipment	54.1	79.2	244.2	283.4	2.2	2.2	3.8	3.2
Intangible assets	24.4	26.8	1.8	104.2	—	1.0	—	—
Deferred tax	1.4	26.1	(17.0)	(71.5)	—	(0.2)	(0.2)	0.1
Other assets	3.4	3.4	7.6	6.6	0.1	0.1	—	—
Payables	(219.4)	(219.0)	(92.9)	(94.1)	(4.5)	(4.9)	(1.5)	(1.5)
Provisions	(18.7)	(33.9)	(39.8)	(50.2)	(0.4)	(0.7)	(0.1)	(0.1)
Other liabilities	—	—	(21.5)	(12.7)	(2.1)	(3.3)	—	—
Interest bearing liabilities	—	—	(2.8)	(2.8)	(0.1)	(0.1)	(4.3)	(4.3)
Net identifiable assets acquired	364.2	389.2	400.3	508.2	7.7	7.9	1.8	1.4
Total net identifiable assets acquired								906.7

9 NON-CASH INVESTING AND FINANCING ACTIVITIES

	CONSOLIDATED	
	2008 \$M	2007 \$M
Dividend reinvestment plan	105.0	97.8

The Company has a formal dividend reinvestment plan that enables participating shareholders to receive dividends as ordinary BlueScope Steel Limited shares instead of cash. During the period a total of 10,345,645 shares were issued under this plan instead of cash (June 2007: 12,728,860 shares). In addition to this amount, 12,347,764 shares were issued in exchange for cash to the underwriters of the 2008 interim dividend (June 2007: 17,856,029 shares).

10 EARNINGS PER SHARE

	CONSOLIDATED	
	2008 Cents	2007 Cents
(a) Basic earnings per share		
Profit from continuing operations attributable to the ordinary equity holders of the Company	80.4	97.4
Loss from discontinued operations	(0.3)	(2.1)
Profit attributable to the ordinary equity holders of the Company	80.1	95.3
(b) Diluted earnings per share		
Profit from continuing operations attributable to the ordinary equity holders of the Company	79.9	96.7
Loss from discontinued operations	(0.2)	(2.1)
Profit attributable to the ordinary equity holders of the Company	79.7	94.6
(c) Reconciliation of earnings used in calculating earnings per share	2008 \$M	2007 \$M
Earnings per share		
Profit from continuing operations	614.3	718.3
Profit from continuing operations attributable to minority interests	(16.1)	(17.4)
Profit from continuing operations attributable to the ordinary equity holders of the Company used in calculating earnings per share	598.2	700.9
Profit (loss) from discontinued operations	(2.0)	(15.3)
Profit attributable to the ordinary equity holders of the Company used in calculating earnings per share	596.2	685.6
d) Weighted average number of shares used as the denominator	2008 Number	2007 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	744,232,719	719,675,585
Adjustments for calculation of diluted earnings per share:		
Weighted average number of share rights	3,961,835	5,257,948
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted earnings per share	748,194,554	724,933,533

(e) Earnings per share calculation

(I) BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

(II) DILUTED EARNINGS PER SHARE

Diluted earnings per share is calculated by dividing the net profit attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued upon the conversion of all dilutive potential ordinary shares into ordinary shares.

Share rights granted to eligible senior managers under the Long Term Incentive Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

11 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**USD Private Funding**

Subsequent to 30 June 2008, the Company completed a US Private Placement Note issue for USD 325M. Of the USD 325M notes issued, USD 81M are due for repayment in 2015, USD 204M are due for repayment in 2018 and USD 40M are due for repayment in 2020.

Directors' declaration

The directors declare that in their opinion, the concise financial report of the consolidated entity for the year ended 30 June 2008 as set out in page 70 to 88 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

The concise financial report is an extract from the full financial report for the year ended 30 June 2008. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report, which is available on request.

This declaration is made in accordance with a resolution of the directors.



G J KRAEHE, AO
Chairman



P F O'MALLEY
Managing Director & CEO

Melbourne
15 August 2008

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUESCOPE STEEL LIMITED

REPORT ON THE CONCISE FINANCIAL REPORT

The accompanying concise financial report of BlueScope Steel Limited comprises the balance sheet as at 30 June 2008, the income statement, statement of recognised income and expenses and cash flow statement for the year then ended and related notes, derived from the audited financial report of BlueScope Steel Limited for the year ended 30 June 2008. The concise financial report also includes the directors' declaration. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' Responsibility for the Concise Financial Report

The Directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of BlueScope Steel Limited for the year ended 30 June 2008. Our audit report on the financial report for the year was signed on 15 August 2008 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion, the concise financial report and the directors' declaration of BlueScope Steel Limited for the year ended 30 June 2008 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.



ERNST & YOUNG



B R MEEHAN
Partner

Melbourne
15 August 2008

SHAREHOLDER INFORMATION

DISTRIBUTION SCHEDULE

Ranges	No. of holders	No. of shares	% of Issued Capital
1 to 1,000	102,543	45,077,004	5.91
1,001 to 5,000	55,121	121,228,376	15.90
5,001 to 10,000	7,203	50,867,283	6.67
10,001 to 100,000	3,581	74,197,198	9.74
100,001 and Over	168	471,074,655	61.78
Total	168,616	762,444,516	100.00

The number of security investors holding less than a marketable parcel of 64 securities (\$7.90 on 16/9/2008) is 6,604 and they hold 218,188 securities.

TWENTY LARGEST REGISTERED SHAREHOLDERS AS AT TUESDAY 16 SEPTEMBER 2008

Rank	Name of shareholder	Total Units	% Issued Capital
1	J P MORGAN NOMINEES AUSTRALIA LIMITED	127,561,825	16.73%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	122,544,693	16.07%
3	NATIONAL NOMINEES LIMITED	83,276,834	10.92%
4	CITICORP NOMINEES PTY LIMITED	25,396,725	3.33%
5	ANZ NOMINEES LIMITED	21,343,057	2.80%
6	AMP LIFE LIMITED	7,467,372	0.98%
7	COGENT NOMINEES PTY LIMITED	7,398,427	0.97%
8	COGENT NOMINEES PTY LIMITED	5,825,000	0.76%
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,140,118	0.54%
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,728,282	0.49%
11	UBS NOMINEES PTY LTD	3,520,000	0.46%
12	QUEENSLAND INVESTMENT CORPORATION	3,289,391	0.43%
13	CITICORP NOMINEES PTY LIMITED	2,165,901	0.28%
14	CITICORP NOMINEES PTY LIMITED	2,092,622	0.27%
15	AUSTRALIAN REWARD INVESTMENT ALLIANCE	1,930,358	0.25%
16	PAN AUSTRALIAN NOMINEES PTY LIMITED & PAN AUSTRALIAN NOMINEES	1,797,540	0.24%
17	KIRBY CLARKE ADAMS	1,500,000	0.20%
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,373,701	0.18%
19	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,325,659	0.17%
20	AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED	1,200,000	0.16%
	Total	428,877,505	56.25%
	Balance of Register	333,567,011	43.75%
	Grand TOTAL	762,444,516	100.00%

SUBSTANTIAL SHAREHOLDERS

BlueScope Steel has been notified of the following substantial shareholdings:

Holder	Number of ordinary shares	% of issued ordinary share capital ¹
Barclays Global Investors Australia Limited	54,045,952	7.09%
M&G Investment Funds	36,968,207	5.03%

¹ Percentages are as disclosed in substantial holding notices given to BlueScope Steel Limited.

CORPORATE DIRECTORY

Directors	<p>G J Kraehe AO Chairman</p> <p>R J McNeilly Deputy Chairman</p> <p>P F O'Malley Managing Director and Chief Executive Officer</p> <p>D J Grady</p> <p>H K McCann AM</p> <p>P J Rizzo</p> <p>Y P Tan</p> <p>D B Grollo</p>
Secretary	M G Barron
Executive Leadership Team	<p>P F O'Malley Managing Director and Chief Executive Officer</p> <p>M G Barron Chief Legal Officer and Company Secretary</p> <p>N H Cornish Chief Executive, Australian and New Zealand Steel Manufacturing Businesses</p> <p>I R Cummin Executive General Manager, People and Organisation Performance</p> <p>S R Elias Chief Financial Officer</p> <p>B G Kruger President, North America and Corporate Strategy and Innovation</p> <p>P E O'Keefe Chief Executive, Australian Coated and Industrial Markets</p> <p>M R Vassella Chief Executive, Australian Distribution and Solutions</p>
Notice of Annual General Meeting	The Annual General Meeting of BlueScope Steel Limited will be held at Wesley Conference Centre, 220 Pitt Street, Sydney NSW 2000 at 2.00 pm Thursday 13 November 2008
Registered Office	<p>Level 11, 120 Collins Street, Melbourne, Victoria 3000</p> <p>Telephone: +61 3 9666 4000</p> <p>Fax: +61 3 9666 4111</p> <p>Email: bluescopesteel@linkmarketservices.com.au</p> <p>Postal Address: PO Box 18207, Collins Street East, Melbourne, Victoria 8003</p>
Share Registrar	<p>Link Market Services Limited</p> <p>Level 12, 680 George Street, Sydney, NSW 2000</p> <p>Postal address: Locked Bag A14, Sydney South NSW 1235</p> <p>Telephone (within Australia): 1300 855 998</p> <p>Telephone (outside Australia): +61 2 8280 7760</p> <p>Fax: +61 2 9287 0303</p> <p>Email: bluescopesteel@linkmarketservices.com.au</p>
Auditor	<p>Ernst & Young, Chartered Accountants</p> <p>8 Exhibition Street, Melbourne, Victoria 3000</p>
Stock Exchange	BlueScope Steel Limited shares are quoted on the Australian Securities Exchange (ASX code: BSL)
Website Address	www.bluescopesteel.com

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