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ASX RELEASE

23 January 2015

RE-DESIGN OF ARRIUM MINING AND RESULTS UPDATE

Arrium Limited (ASX:ARI) today announced that it is re-designing its South Australian based Mining operation to provide a sustainable, cash flow positive business in a low iron ore price environment.[1]

The re-design is aimed at maximising cash generation by 'mothballing' the company's higher cost Southern Iron mining operation and optimising its lower cost Middleback Ranges operation to deliver approximately 9Mtpa of iron ore for sale.

Arrium Mining has been in a growth phase in recent years with export iron ore sales currently tracking at its targeted rate of ~13Mtpa. It has a history of being a significant contributor to the company's earnings and cash generation.

The re-design results from the substantial fall in iron ore prices over the last half, as well as increased uncertainty around the timing and extent of any price recovery. Iron ore prices are currently at five year lows, and down ~45% on prices for the prior financial year. The extent of this fall has moved Arrium Mining to a position where it is absorbing cash, despite significant work and achievements in reducing costs and capital expenditure.

The re-design announced today will provide a step change in the Mining business' cash costs and capital requirements. Cash costs loaded onto ship[2] are targeted to average A$37/wmt in FY16 down 23% or ~A$11/wmt from FY14. Total cash costs (CFR China)[3] are targeted to reduce by 20%, from A$71/dmt[4] in FY14 to an average of A$57/dmt in FY16. The business has also targeted ~A$200 million[5] or a ~30% reduction in its FY16 to FY19 capital expenditure plan. This will position the business to deliver positive operating cash flows in a low price environment.

Arrium's Chief Executive Officer and MD, Mr Andrew Roberts said: "The business is able to move to a lower cash cost operation through its flexibility to alter volumes, grade and costs. We are able to 'mothball' our Southern Iron operation and optimise our lower cost Middleback Ranges operation, including increasing the utilisation of its

[1] Based on current iron ore prices, FX and targeted cost base, excludes restructuring and other one off costs.
[2] Includes mining, crushing, beneficiation, road haulage and trans-shipping costs. Excludes capitalised costs (infrastructure, pre-stripping & mining licences) & depreciation, amortisation charges in respect of those costs, royalties, sales & marketing and corporate costs. Also includes $2/t related to addition of ~600kt of magnetite concentrate.
[3] Includes loaded cash cost, royalties, sales and marketing and corporate costs, adjustment for moisture content and freight based on current market levels. Excludes capitalised costs (infrastructure, pre-stripping and mining licenses) and depreciation and amortisation charges in respect of those costs.
[4] FY14 reported total cash cost (CFR China) included $2/t related to magnetite overheads
[5] Includes PPE, mine development (including capitalized stripping) and exploration

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supply chain to deliver approximately 9Mtpa[6] of high quality, lower cost export iron ore for sale.

"The re-design is scheduled for completion by the end of June 2015, leaving Arrium Mining well positioned for maximising cash generation and returning cash to the Arrium group in FY16."

Results update

Earnings

Underlying Earnings Before Interest, Tax, Depreciation and Amortisation for the half year ended 31 December 2014 is expected to be between A$180 million and A$190 million.

Underlying Net Profit After Tax for the year ending 30 June 2015 is expected to be weighted to the second half, and less than the prior financial year. Second half earnings are expected to benefit from a lift in Steel and Mining Consumables earnings as well from cost reductions.

Restructuring costs

The company is currently in discussions with its Southern Iron contractor base to mitigate the extent of break fees and costs related to the 'mothballing' of its Southern Iron operation. Total costs are yet to be finalised and are expected to be spread over ~2.5 years being the remaining term of the Southern Iron agreements. A payback of less than one year is targeted. It is expected restructuring cash costs of ~A$70 million will be incurred in FY15.

Asset Impairments

The company will be recording an asset impairment charge of A$1,335 million[7] in its financial statements for the half year ended 31 December 2014. This includes an impairment of A$1,166 million in Arrium Mining primarily related to the impact of low iron ore prices and the mothballing of Southern Iron, and A$130 million in Steel and Recycling. The Steel and Recycling impairment is mainly due to the impact of a delayed recovery in SE Asian steel margins on forecast future cash flows and follows completion of the company's regular impairment testing process. The asset impairments have no impact on cash flow.

Following the impairment charge the company's gearing ratio will be approximately 32%.[8]

[6] Wholly underpinned by MBR Hematite Reserves, MBR Magnetite Reserves & Beneficiation Stockpiles Reserves in 2014 Reserves & Resources statement (prepared by a Competent Person under JORC 2012). Reserves and resources are as at 30 June 2014 and are reviewed annually in accordance with the Company's normal practice.
[7] Includes impairment of deferred tax assets of $39 million
[8] Calculated as at 31 December 2014

Divestments

Arrium also announced today that it is progressing well with its divestment target for this financial year of ~$100 million, with asset sale proceeds to date of ~$60 million. The company is continuing to look for additional opportunities to exceed this target.

Net debt

Net debt as at 31 December 2014 was in line with guidance given at the announcement of the company's equity raising on 15 September 2014.

Net Debt was A$1,430 million at the 31 December 2014 balance date exchange rate of 0.82 cents. Restated using an AUD/USD exchange rate of 0.93 cents, which was the rate at the time of the equity raising, this would convert to net debt of A$1,234 million. [9]

While the decline in the AUD/USD increases the net debt in Australian dollars, it also increases the company's USD denominated assets and is expected to realise earnings and cash benefits for Arrium in the second half of this financial year.

Further financial information will be provided at the company's half year results announcement on 18 February 2015.

Ends

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[9] Includes translation impact of AUD/USD/CAD FX on net debt as at 31 December 2014 (AUD/USD was 82c) and impact of lower AUD/USD FX on the value of AUD proceeds from Arrium's 2014 capital raising when repaying USD-denominated debt.

Re-design of Arrium Mining and results update

Andrew Roberts, Managing Director & CEO

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This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Arrium and certain plans and objectives of the management of Arrium. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. All such forward looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of Arrium, which may cause the actual results or performance of Arrium to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward-looking statements speak only as of the date of this presentation. Factors that could cause actual results or performance to differ materially include without limitation the following: risks and uncertainties associated with the Australian and global economic environment and capital market conditions, the cyclical nature of the steel industry, the level of activity in the construction, manufacturing, mining, agricultural and automotive industries in Australia and North and South America and, to a lesser extent, the same industries in Asia and New Zealand, mining activity in the Americas, commodity price fluctuations, fluctuations in foreign currency exchange and interest rates, competition, Arrium's relationships with, and the financial condition of, its suppliers and customers, legislative changes, regulatory changes or other changes in the laws which affect Arrium's business, including environmental laws, a carbon tax, mining tax and operational risk. The foregoing list of important factors is not exhaustive. There can be no assurance that actual outcomes will not differ materially from these statements.

Unless otherwise stated, this presentation contains certain non-statutory financial measures including underlying EBIT, underlying EBITDA, underlying NPAT, underlying earnings per share and underlying effective tax rate. These measures are used to assist the reader understand the financial performance of the company's operations. Non-statutory financial information has not been audited or reviewed as part of KPMG's report on the 2014 Financial Report. The Directors believe that using these non-statutory financial measures appropriately represents the financial performance of the Group's total operations including continuing and discontinued operations.

All balance sheet items are based on statutory financial information. Except as otherwise expressed, references in this document to net profit/loss after tax refer to net profit/loss attributable to equity holders of the parent.

All financial measures that relate to dates or periods ending after 30 June 2014 have not been subject to review or audit by KPMG and remain subject to change or revision.

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Paul Leevers BSc (Hons), MSc Min Eng, a Competent Peron who is a Member of The Australasian Institute of Mining and Metallurgy and is a full-time employee of Arrium. Mr Leevers has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Leevers consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Geoff Johnson BSc (Hons), PhD, Grad Dip Env Sc., a Competent Person who is a Fellow of the Australian Institute of Geoscientists and a Fellow of the Australasian Institute of Mining and Metallurgy and is a full-time employee of OneSteel Manufacturing Pty Limited. Dr Johnson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Johnson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Contents

Arrium strategic focus

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A leading mining and materials company

Priorities

Mining

- Execute business re-design
- Strong focus on cost reductions
- Replenish and add lower cost ore reserves
- Maintain portfolio and infrastructure flexibility – option value

Mining Consumables

- Capture our share of strong grinding media growth
- Maintain stable margins
- Deliver capacity expansions in Canada and Peru
- Complete roll out of next generation SAG ball
- Further cost reductions and efficiencies

Steel

- Focus on markets with a sustainable competitive advantage
- Build on our leading market positions
- Capitalise on improving outlook including increasing demand and lower FX
- Strong focus on cost reductions
- Anti-dumping opportunities

Debt reduction continues to be a key priority

Arrium Mining re-design – cash positive

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Deliver a sustainable low cost, cash positive business in a low price environment

- Mothball Southern Iron operations
- Optimisation of the Middleback Ranges (MBR) operations
- Export sales of ~9Mtpa[1]
- High quality product
- Substantial reduction in cash cost
- Reduction in ongoing capital expenditures
- Organisational re-design and reduction in employees
- Proven track record of replenishing ores sold
- Mining portfolio flexibility maintained

Cash positive business in FY16 after re-design[2]

1 Underpinned by Ore Reserves for the MBR Hematite, MBR Magnetite & Beneficiation Stockpiles projects reported in Arrium's 2014 Reserves & Resources statement (prepared by a Competent Person under JORC 2012). Reserves and resources are as at 30 June 2014 and are reviewed annually in accordance with the company's normal practice.

2 Based on current iron ore prices, FX and targeted cost base, excludes restructuring and other one-off costs.

Mothball of Southern Iron operation

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Southern Iron

- ~3.8Mtpa of high grade ores for blending with MBR ores, reserves 19.7Mt[1] at 30 June 2014
- Significantly higher cost base than MBR
  - Higher freight and haulage costs
    - Southern Iron to Whyalla Port ~600km
    - Road haulage ~100km haulage from Peculiar Knob pit to rail loading
  - Higher strip ratio than average MBR ratio
  - Fly in fly out operation

MBR

- ~9Mtpa – reserves 58.1Mt[1] at 30 June 2014
- Lower cost mining operation
- ~60km to Whyalla Port
- Additional cost and efficiency benefits through optimising supply chain

MBR operation has a significant cost advantage over Southern Iron

1 Reserves and resources are reviewed annually as at 30 June in accordance with the company's normal practice.

Optimisation of MBR operation

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Simplification of operating model	▪ Simplified product offer (single fines and single lump products) ▪ Average grade ~59% Fe ▪ ~9Mtpa (~60% fines, 40% lump) ▪ Single point of blending at Inner Harbour ▪ Reduced overhead structure
Maximise utilisation of existing infrastructure	▪ Consolidate all port operations within inner harbour ▪ Inner harbour capacity ~11Mtpa ▪ Outer harbour operations on care and maintenance – ~7Mtpa latent capability ▪ Lift additional magnetite concentrate to ~600kt[1] for blending
Retain close relationships with customers	▪ Tier 1 and 2 Chinese steel mills, with regional diversity ▪ Strong support from contract customers ▪ Moving to rolling 12 month agreements ▪ Targeting mix ~70% contract, ~30% spot shipments

Optimisation of MBR and mothballing of Southern Iron allows for a more focused, lower cost and more efficient Mining business

1 Underpinned by MBR Magnetite Ore Reserves reported in Arrium's 2014 Reserves & Resources statement (prepared by a Competent Person under JORC 2012). Reserves and resources are as at 30 June 2014 and are reviewed annually in accordance with the company's normal practice.

~27% reduction in loaded cash cost

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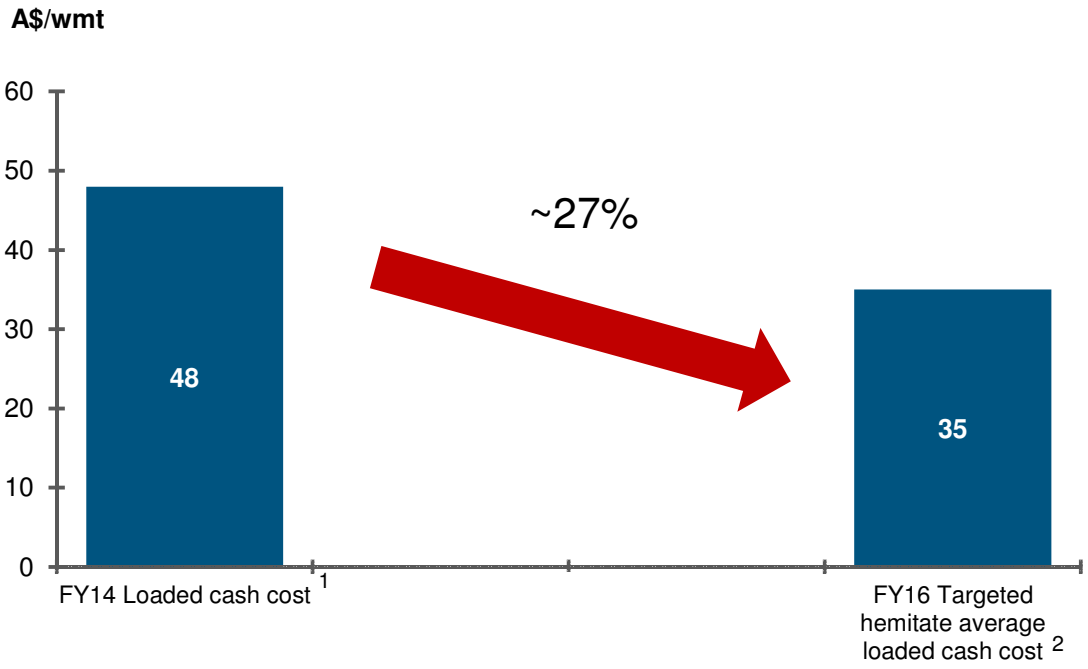
Targeted average loaded cash cost[1] post re-design

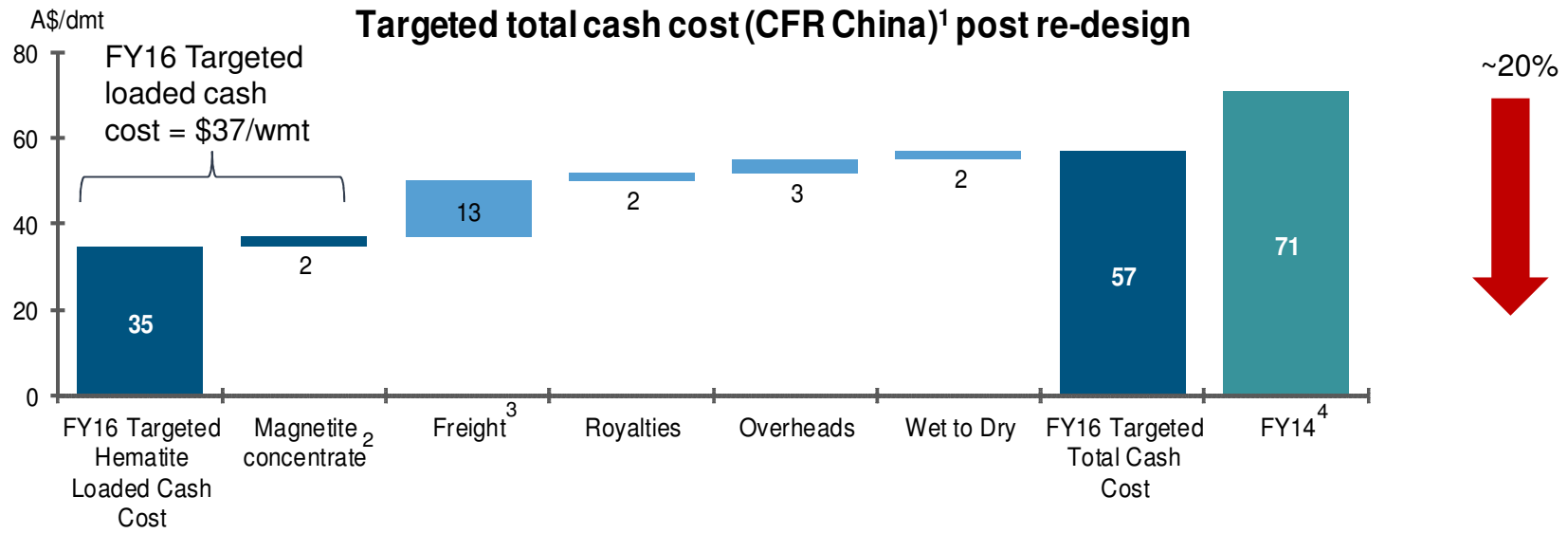


Across the board cost savings. Includes:

- Rail
- Haulage
- Mining
- Port

1 Includes mining, crushing, beneficiation, road haulage and transshipping costs. Excludes capitalised costs (infrastructure, pre-stripping & mining licences), depreciation & amortisation charges in respect of those costs, royalties, sales & marketing and corporate costs.
2 FY16 Targeted average loaded cash cost is A$37/wmt with the inclusion of 600kt of magnetite concentrate.

~20% reduction in total cash cost



1 Includes loaded cash cost, royalties, sale and marketing and corporate costs, adjustments for moisture content and freight.based on current market levels. Excludes capitalised costs (infrastructure, pre-stripping and mining licences) and depreciation and amortisation charges in respect of those costs.
2 Addition of 600kt of magnetite concentrate adds $2/t to loaded cash cost
3 Freight includes current Pilbara C5 x 1.4 and impact of weighted average of Arrium's COAs and translated to AUD at 82c FX
4 FY14 reported total cash cost (CFR China) of $73/dmt included $2/t related to magnetite overheads

~30% reduction in capital expenditure FY16–19

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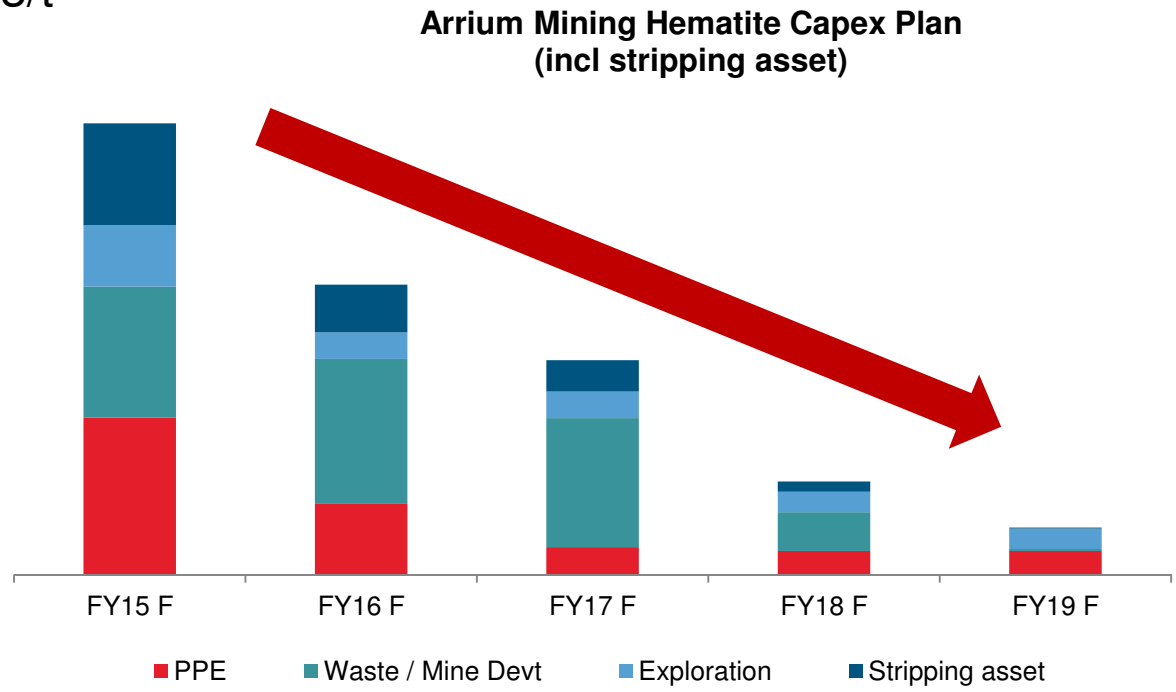
- FY16 – 19 capital plan reduced by ~$200 million[1] or ~30%
- Average FY16 – 19: ~$8/t [2,3,4]
- FY16: ~$13/t[4]



1 Includes PPE, mine development (including capitalised stripping) and exploration. Hawks Nest and Monarch Stage 2 removed from capital plan.
2 Based on current operations, revised business plan and forecast sales. Underpinned by MBR Hematite Reserves & Beneficiation Stockpiles Reserves in 2014 Reserves & Resources statement (prepared by a Competent Person under JORC 2012). Reserves and resources are as at 30 June 2014 and are reviewed annually in accordance with the company's normal practice.
3 Capitalised stripping cost FY16 – FY19 ~$1/t
4 Includes PPE, mine development (including capitalised stripping). Excludes exploration. Includes hematite only.
5 Magnetite capital expenditure FY16-19 is ~$30 million per year across the plan.

Proven track record of replenishing ores

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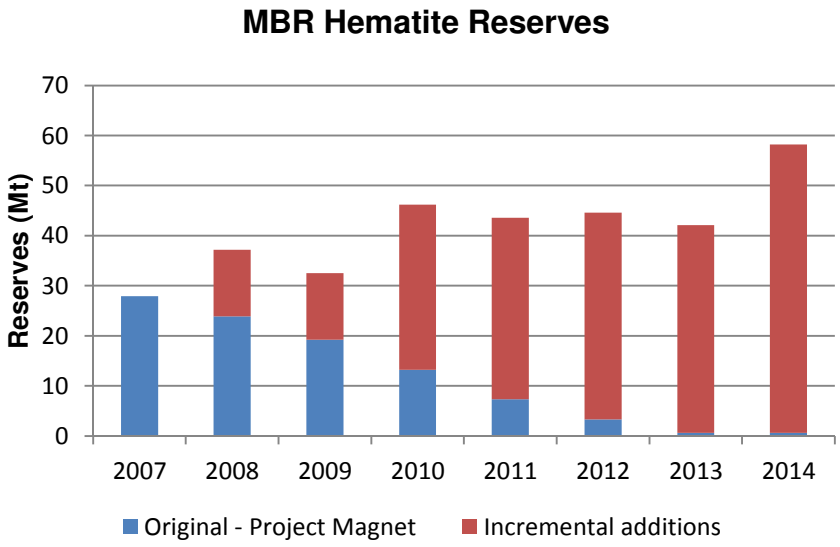
- Focus on replenishing hematite ores in low price environment
- History of adding ~1Mt reserves for each $1 million of exploration
- FY16 exploration reduced 48% from original FY15 plan to $13 million[1]
- Significant exploration opportunity
  - Recent MBR indigenous agreement (ILUA)
  - Scree ore[2] – close to surface and existing infrastructure. Potentially replaces Monarch Stage 2
  - Other opportunities – Princess Stage 2 and Chieftain
  - Continue to maintain all exploration leases for development subject to market conditions

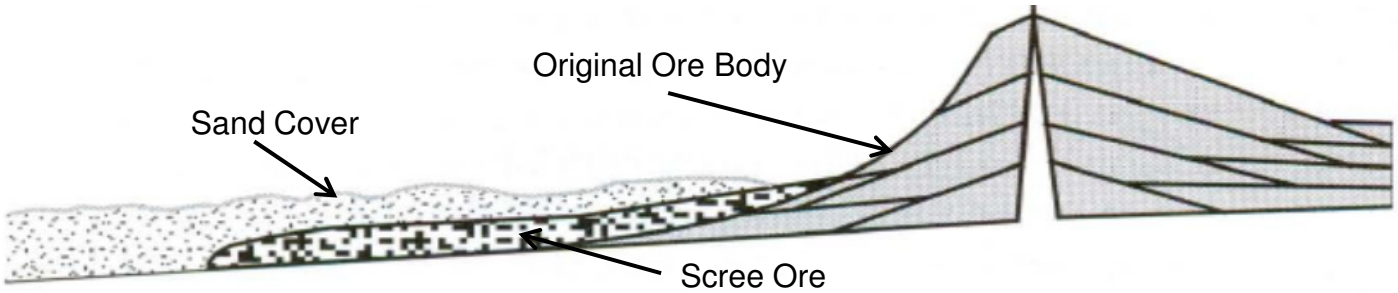


1 As historical performance is not an indicator of future exploration expectations, this is not intended to be an exploration target.
2 Exploration target. Full details can be found on slide 12 and in the Appendix to this presentation. Potential tonnage is conceptual in nature, there has been insufficient exploration to estimate a mineral resource and it is uncertain if additional information will result in a mineral resource estimate.

Scree ore

Close to surface and existing infrastructure

- Hematite scree ore discovered at IKMA and Iron Baron mining area
- Identified exploration target of ~20-30Mt at Fe ~40-50%[2]
- Expect ~58-60% Fe product after processing
- Exploration drilling and metallurgical test work to be finalised 2H15
- Regulatory approvals required



1 Scree opportunity subject to Arrium Board approval and not in capital plan
2 Details of the basis for this target are described in the Appendix to this Presentation. Potential grade and tonnage is conceptual in nature, there has been insufficient exploration to estimate a mineral resource and it is uncertain if additional information will result in a mineral resource estimate.

Mining restructuring costs

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- Southern Iron contractor break fees and costs:
  - Discussions ongoing with contractors to mitigate costs
  - Total costs yet to be finalised and expected to be spread over ~2.5 years – remainder of term
  - Estimated cash impact of restructuring costs in FY15 ~$70 million
  - Targeting payback <1 year[1]
- Workforce reduction:
  - ~200 FTEs (~30%)
  - Southern Iron contractor reduction ~380

Southern Iron, SA

1. Based on full restructuring cash costs over ~2.5 years.

Indicative MBR financial profile post re-design

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	$/t
FY16 Consensus iron ore price (dmt) *(62% CFR Index USD)*	72
Arrium realised price (dmt) *(~88% of 62% CFR index USD)*	63
Arrium AUD realised price (dmt) *(FX 80c - FY16 consensus)*	79
Average AUD loaded cash cost[1] (wmt)	37
Average AUD total cash cost (dmt) *(CFR China)*[2]	57
Arrium AUD realised price LESS average total cash cost	22

1 Includes $2/t related to addition of 600kt of magnetite concentrate
2 Excludes capitalised costs (infrastructure, pre-stripping and mining licences) and depreciation and amortisation charges in respect of those costs.

Transition planning

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- Sales volumes for 2H FY15 expected to be ~5Mt (~12Mt FY15)
- First ores from IKMA expected end March 15 quarter
- Mining cost reductions of ~$25 million expected in 2H FY15
- Working with employees and contractors to ensure safe, effective and efficient ramp down of Southern Iron
- Providing full support to affected Arrium Mining employees including redundancy packages, outplacement and personal assistance
- Comprehensive stakeholder engagement plan in place
- Safety remains the key priority

Earnings update

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- Underlying EBITDA for 1H FY15 expected to be A$180-190 million
  - Mining – impacted by significantly lower iron ore prices
  - Mining Consumables – continued strong performance with both earnings and volumes up on 2H FY14
  - Steel – EBITDA and cash positive, earnings slightly lower than 2H FY14, in line with guidance. Stronger volumes and cost reductions offset by historic low SE Asian margins
- FY15 underlying NPAT expected to be weighted to 2H, and less than FY14
- 2H FY15 underlying NPAT to benefit from:
  - Expected lift in Steel and Mining Consumables earnings
  - Timing of benefits from cost reduction program – tracking to plan
- More detailed information to be provided in 1H FY15 results announcement on 18 February 2015

Group balance sheet update

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Net debt at 31 December 2014

- In line with guidance[1]
  - $1,430 million on 31 December 2014 at 82c AUD/USD
  - Restated using 93c AUD/USD would convert to $1,234 million[2]
- Lower AUD results in:
  - Increase in translated USD debt
  - Increase in translated USD assets
  - Earnings and cash benefits – to be realised in 2H FY15

Divestments

- Asset sales progressing well against FY15 target of ~$100 million
  - Sale proceeds to date ~$60 million
- Investigating additional opportunities to exceed target

1 Guidance of A$1,076m –A$1,276m at time of capital raising included assumptions: 93c AUD/USD FX and no change in trading conditions.
2 Includes translation impact of AUD/USD/CAD FX on net debt as at 31 December 2014 (AUD/USD was 82c) and impact of lower AUD/USD FX on the value of AUD proceeds from Arrium's 2014 capital raising when repaying USD-denominated debt.

Group balance sheet update

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Asset impairments

- Total impairment $1,335 million[1]
  - Mining $1,166 million
    - Primarily related to lower iron ore prices and 'mothball' of Southern Iron
  - Steel and Recycling $130 million
    - Primarily related to impact of delayed recovery in SE Asian steel margins on forecast future cash flows
  - Deferred tax asset $39 million
- Recorded in 1H15 financial statements (non underlying earnings/ non cash)
- Gearing expected to be approximately 32% post impairment[2]

Peculiar Knob, Southern Iron, SA

1 Book carrying values assessed as at 31 December 2014 in accordance with normal practice. No deferred tax asset to be recognised on impairments made.
2 Calculated as at 31 December 2014. Arrium debt covenant gearing ratio (financial indebtedness/financial indebtedness + equity) which is greater than 50%.

Summary

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- Mining re-designed to deliver a sustainable low cost, cash positive business in a low price environment
  - Focus on maximising cash for contributing back to Arrium
  - Substantial reduction in cost base and capital requirements targeted
  - Optimisation of MBR and mothball of Southern Iron
  - Expected to be cash positive in FY16
  - Proven track record of replenishing ores sold
- Impairments to impact 1H FY15 statutory results
- Net debt in line with guidance
- Lower AUD/USD benefits earnings and cash
- Debt reduction remains a key priority

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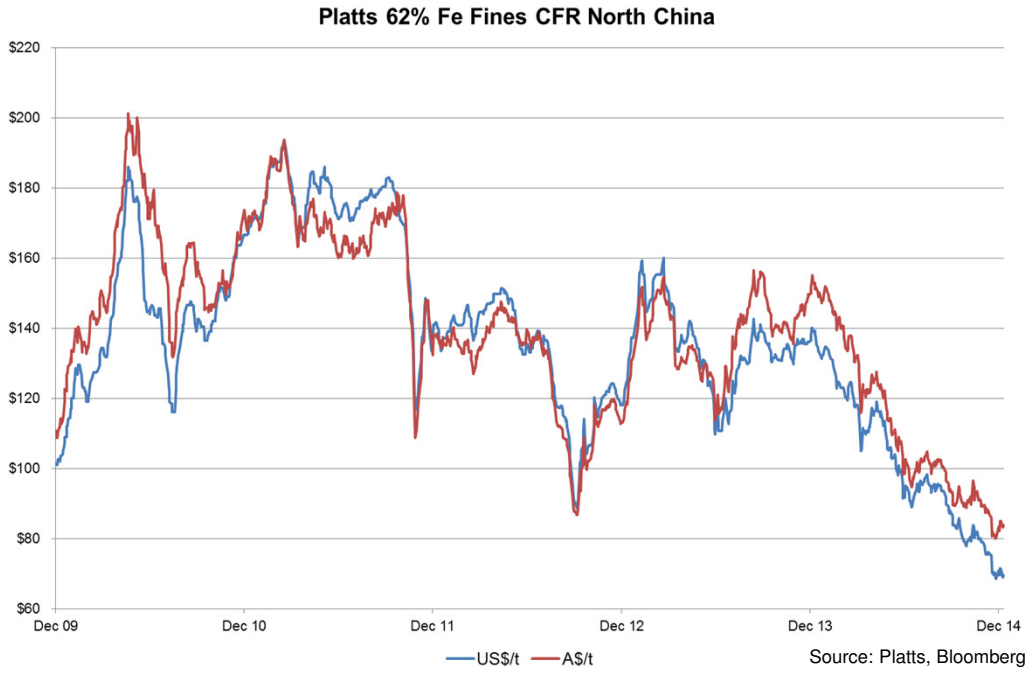
Appendix

Change in market environment

- Significant change in supply / demand balance over past year
- Increase in seaborne supply
  - ~200mt from majors – mainly low grade ores
- Demand growth impacted by:
  - Slower growth in China
    - Estimated steel growth <3% pa (down from 4-5%pa)
  - Slow rate of Chinese high cost ores exiting
  - Credit tightening in China
  - Demand from rest of world languishing
- Sharp decline in iron ore prices
- Increased negative sentiment and uncertainty



Source: Platts, Bloomberg

Asset impairments as at 31 Dec 2014

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Mining $1,166 million

Due to impact of lower iron ore prices on forecast cashflows

- Southern Iron – mothballed

  All Southern Iron assets impaired. Includes:
  - Mining tenement right
  - Pre-production expenditure
  - Deferred stripping
  - Inventory
  - PPE
- MBR

  Assets impaired include:
  - Inventory
  - Pre-production expenditure
  - Deferred stripping
  - PPE

Steel & Recycling $130 million

- Steel – impact of delayed recovery in SE Asian steel margins on forecast future cash flows
  - Impairment of PPE
- Recycling – impact of lower forecast scrap prices on forecast future cash flows
  - Impairment of goodwill

Deferred Tax Asset $39 million

- Reduced future taxable income against which DTA can be utilised – primarily related to lower iron ore prices

Scree ore opportunity[1] – further information

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- Scree ore deposits are accumulations of iron ore nodules that have eroded from iron ore deposits and are located on the flanks of the original iron ore deposit, typically covered by shallow sand layers.
- Identified exploration target of ~20-30Mt at Fe ~40-50%[2]

  Potential grade and tonnage is conceptual in nature, there has been limited exploration to date to estimate a mineral resource and it is uncertain if additional information will result in a mineral resource estimate.
- 550m Sonic and 500m historical open hole drilling to date – target at depth ~2-20m
- Similar ore deposits yield ~58-60% Fe product after processing[3]
- Exploration drilling[4] and metallurgical test work expected to be finalised 2H15
- Regulatory approvals required

1 Scree opportunity subject to Arrium Board approval and not in capital plan
2 Target is two flat lying tabular bodies of ~750m x 1250m x 5m thick and 1000m x 1500m x 5m thick, respectively, bulk densities estimated at 2g/cm3-2.75g/cm3. Grade estimates completed using ordinary kriging from Fe assays
3 Based on results from processing of ~ 400kt of similar types of scree ore coincident to current Iron Baron mining operations
4 Forward program of ~600m of sonic drilling, ~1000m of RC drilling and ~20kt bulk samples

Historical data – Mining

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	FY14 $m	FY13 $m	FY12[1] $m	FY11 $m	FY10 $m	FY09 $m	FY08 $m
Total revenue/income	1,568.6	976.9	819.0	948.4	782.3	598.5	561.2
EBITDA	685.9	367.8	343.7	554.2	361.2	138.0	220.9
EBIT	481.3	248.9	302.9	523.5	333.4	113.0	212.9
Sales Margin	30.7%	25.5%	37.0%	55.2%	42.6%	18.9%	37.9%
Assets	2,161.8	2,068.7	1,685.9	948.4	816.7	769.2	542.0
Funds Employed	1,644.7	1,568.1	1,379.7	776.3	717.4	688.9	461.8
Return on funds employed	30.0%	16.9%	28.1%	70.1%	47.4%	19.6%	46.1%
Employees (number)	552	571	532	367	339	357	152
External lump & fines iron ore sales (Mt)	12.47	8.28	6.29	6.04	6.03	5.07	4.46
Pellets, other ore and by products (Mt)[2]	0.43	0.57	0.44	0.72	0.81	0.69	0.88

The financial measures displayed in this table are based on underlying results. The results are those reported in the 2014 Annual Report.

1 These statistics include results relating to the WPG subsidiaries acquired on 6 October 2011.
2 Ore by products include dolomite, centrix, filter cake and pellet chips.

Historical data – key balance sheet items

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As at 30 June	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Cash	650.5	438.3	268.1	153.7	83.4	54.9	151.2	59.5	19.6	55.0
Receivables	627.4	734.1	953.0	924.0	829.3	827.0	1,185.3	640.9	635.4	643.1
Inventory	1,234.5	1,277.8	1,450.9	1,601.0	1,433.0	1,239.9	1,298.9	836.3	758.9	836.7
Property, plant and equipment	2,672.2	2,687.4	2,754.6	2,586.0	2,302.3	2,369.0	2,361.1	1,537.1	1,339.7	1,190.9
Intangibles	1,964.1	2,035.1	2,822.0	2,644.1	2,070.0	2,074.6	2,031.3	214.3	220.2	226.7
Other assets	853.6	996.1	682.8	434.5	349.7	367.7	263.7	281.4	165.0	134.7
TOTAL ASSETS	**8,002.3**	**8,168.8**	**8,931.4**	**8,343.3**	**7,067.7**	**6,933.1**	**7,291.5**	**3,569.5**	**3,138.8**	**3,087.1**
Interest-bearing liabilities	2,358.2	2,553.2	2,411.4	1,882.1	1,047.1	1,278.8	2,098.4	829.3	658.4	700.3
Payables	1,175.3	1,098.3	1,054.3	1,022.4	863.1	613.7	1,014.8	635.1	545.4	615.7
Provisions	534.7	576.6	557.1	508.3	396.8	407.4	419.7	207.5	208.8	212.5
Other liabilities	203.2	289.5	408.0	424.8	268.0	296.9	329.2	247.6	224.6	170.3
TOTAL LIABILITIES	**4,271.4**	**4,517.6**	**4,430.8**	**3,837.6**	**2,575.0**	**2,596.8**	**3,862.1**	**1,919.5**	**1,637.2**	**1,698.8**
NET ASSETS	**3,730.9**	**3,651.2**	**4,500.6**	**4,505.7**	**4,492.7**	**4,336.3**	**3,429.4**	**1,650.0**	**1,501.6**	**1,388.3**
Contributed equity	2,969.0	3,778.0	3,770.9	3,761.6	3,751.1	3,735.2	2,929.9	1,153.6	1,126.2	1,107.9
Non-controlling interests	4.0	2.9	61.8	59.9	60.2	61.1	57.7	63.3	56.7	61.8
Retained earnings & reserves	757.9	(129.7)	667.9	684.2	681.4	540.0	441.8	433.1	318.7	218.6
TOTAL EQUITY	**3,730.9**	**3,651.2**	**4,500.6**	**4,505.7**	**4,492.7**	**4,336.3**	**3,429.4**	**1,650.0**	**1,501.6**	**1,388.3**
Funds Employed	**5,438.6**	5,766.1	6,643.9	6,234.1	5,456.4	5,560.2	5,376.6	2,419.8	2,140.4	2,033.6
Gearing %	**31.4%**	36.7%	32.3%	27.7%	17.7%	22.0%	36.2%	31.8%	29.8%	31.7%
Interest cover (times EBITDA, 12m rolling basis)	**7.4**	5.2	4.8	6.4	6.9	3.8	5.1	7.8	7.0	7.0
NTA/Share $	**1.3**	1.2	1.2	1.4	1.8	1.7	1.5	2.4	2.2	2.0

Pre-2005 financial information can be found on Arrium's website.

Arrium FX exposure

arrium MINING AND MATERIALS

Exposure to movements in AUD vs USD[1]

- Direct impact: 1c change in AUD/USD = $9 - 12 million[2] EBIT impact (annualised)
- Indirect impact: 1c change in AUD/USD = $8 -10 million[3] EBIT impact (annualised)

1 Based on 2H FY15 annualised
2 Based on impact of USD iron ore sales, translation of overseas earnings (Mining Consumables and Recycling), impact on Recycling Australia's margins, particularly offset by USD purchases of coal and alloys in Steel.
3 Indicative indirect impact on continuing businesses, which assumes constant raw material prices and demand levels.