

ASX RELEASE



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BLUESCOPE ANNOUNCES PRELIMINARY UNAUDITED EARNINGS FOR SIX MONTHS ENDED 31 DECEMBER 2015

BlueScope announced today that its preliminary unaudited underlying earnings before interest and tax (EBIT) for the six months ended 31 December 2015 is expected to be around \$230 million. This is above the prior guidance of approximately \$180 million¹.

The stronger performance has been driven largely by earlier delivery of cost reductions, growth in Australian domestic despatches and better margins.

As part of finalising its accounts for the half, the Company is reviewing the carrying value of its assets and anticipates it will recognise:

- an accounting carrying value write-up of approximately \$700 million of the existing 50% interest in North Star BlueScope Steel that it already owned, brought about by the requirement to revalue this asset when 100% ownership was acquired at the end of October 2015; and
- an impairment charge of approximately \$570 million, comprised of \$190 million in the Australian Steel Products segment, \$350 million in its New Zealand and Pacific Steel segment and \$30 million carried forward tax assets. This follows the review of external steel and iron ore price forecasts and discount rates in light of macroeconomic and global steel market changes.

BlueScope's financial results for the December 2015 half year will be released on 22 February 2016, at which time the Company will provide earnings guidance for 2H FY2016.

For further information about BlueScope: www.bluescope.com

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¹ At its Annual General Meeting in Sydney on 19 November 2015 BlueScope confirmed its expectation that 1H FY2016 underlying EBIT would be approximately \$50 million higher, or 40 per cent more than 2H FY2015.