

ASX RELEASE



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BLUESCOPE EXPECTS FULL YEAR UNDERLYING EBIT LIFT TO \$570M – NET DEBT REDUCED BY APPROXIMATELY \$600M (PRELIMINARY UNAUDITED RESULTS)

BlueScope announced today that its preliminary unaudited underlying earnings before interest and tax (EBIT) for the year ended 30 June 2016 is expected to be around \$570 million¹. Underlying EBIT in the second half is expected to be around \$340 million, compared with prior guidance of around \$270 million.

The improved performance since the Company's last update is mainly due to:

- higher margins across our international businesses, in particular North Star and Steelscope; and
- the turnaround in Asian region steel prices and their favourable impact on estimated year-end inventory net realisable value provisions in Australia.

Preliminary unaudited net debt at 30 June 2016 is expected to be around \$780 million, or a multiple of 0.8 times expected pro-forma FY2016 underlying EBITDA². The reduction of around \$593 million from 31 December 2015 was primarily driven by strong operating cash flow; this benefited from \$100 million of favourable timing of year end cash flows and \$105 million from sale of receivables.

BlueScope's financial results for the full year ending June 2016 will be released on 22 August 2016, at which time the Company will provide earnings guidance for 1H FY2017.

For further information about BlueScope: www.bluescope.com

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¹ Comprises preliminary unaudited segment results expected to be around: Australian Steel Products, \$361 million; New Zealand and Pacific Steel, \$54 million loss; Building Products ASEAN, North America and India, \$149 million; BlueScope Buildings, \$49 million; Hot Rolled Products North America, \$147 million and, corporate and eliminations, \$82 million loss. Finalisation of net realisable value adjustments based on steel and commodity prices immediately prior to our scheduled release of FY2016 financial results on 22 August 2016 and finalisation of the accounts could give rise to changes to these estimates.

² Proforma underlying EBITDA includes full year consolidation of Cargill's 50% share of North Star BlueScope Steel which BlueScope acquired on 30 October 2015.