

OUR BOND

We and our customers proudly bring inspiration, strength and colour to communities with BlueScope Steel.

Our customers are our partners.

Our success depends on our customers and suppliers choosing us. Our strength lies in working closely with them to create value and trust, together with superior products, service and ideas.

Our people are our strength.

Our success comes from our people. We work in a safe and satisfying environment. We choose to treat each other with trust and respect and maintain a healthy balance between work and family life. Our experience, teamwork and ability to deliver steel inspired solutions are our most valued and rewarded strengths.

Our shareholders are our foundations.

Our success is made possible by the shareholders and lenders who choose to invest in us. In return, we commit to continuing profitability and growth in value, which together make us stronger.

Our communities are our homes.

Our success relies on communities supporting our business and products. In turn, we care for the environment, create wealth, respect local values and encourage involvement. Our strength is in choosing to do what is right.

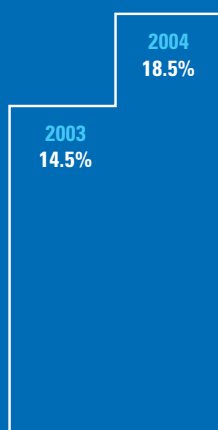




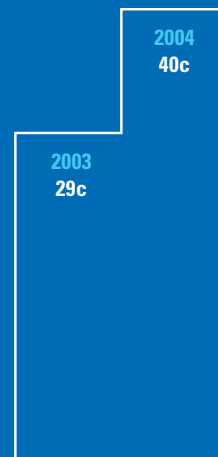
NET PROFIT AFTER TAX



EARNINGS PER SHARE



RETURN ON INVESTED CAPITAL



TOTAL DIVIDENDS



AN INTERNATIONAL STEEL SOLUTIONS COMPANY.

DELIVERING QUALITY // Our rollformed products from operations like those in Thailand, above, enable the delivery of innovative building solutions.

ICONIC ARENAS // The Melbourne Cricket Ground, right, is one of many landmark sporting arenas around the world that feature BlueScope Steel's products. When the current re-build is complete, the stadium will seat 100,000 people. Our Company has worked with customers like fabricator Alfasi Steel Constructions, and roof manufacturer Fielders, to provide structural steelwork and steel roofing. XLERPLATE®, ZINCALUME® and COLORBOND® steels all feature prominently in the redevelopment.†





BLUESCOPE STEEL IS AIMING TO ENHANCE ITS POSITION AS AN INTERNATIONAL STEEL SOLUTIONS COMPANY. THIS DEMANDS ONGOING INNOVATION IN EVERY ASPECT OF OUR BUSINESS.

+ THE STORY OF BLUESCOPE STEEL

FAMOUS ORIGINS

BlueScope Steel is a young company – we came into existence in July 2002 with our spin-out from BHP Billiton and public listing on the Australian Stock Exchange. We believe that our vitality and can-do attitude are a reflection of our youth. However, within our company are five famous businesses with long and substantial steel industry histories covering Australia, New Zealand, the United States and increasingly, the countries of Asia.

Our roots go back to The Broken Hill Proprietary Company Limited, formed in 1885 to mine silver, lead and zinc in outback New South Wales and moving into steel manufacturing in 1915.

John Lysaght (Australia) Pty Ltd was formed in 1918, as demand for steel intensified during the First World War, to serve the Australian building and construction industry. The galvanised steel from Lysaght's English factory was already well known in Australia, and 'corrugated iron' has since become a unique feature of the Australian architectural landscape.

In 1928, Australian Iron and Steel Limited (AIS) was formed to operate a steelworks at Port Kembla in New South Wales, close to the region's rich coal deposits.

AIS was acquired by BHP in 1935, while John Lysaght (Australia) became a wholly owned subsidiary in 1979.

New Zealand Steel was formed in 1968 to convert the ironsands of Waikato North Head, near Auckland, into modern steel products for the New Zealand and export markets. This unique business became part of the BlueScope Steel portfolio in 1989.

Butler Manufacturing Company is an iconic US-based business that began in 1901. It went on to establish highly successful operations in pre-engineered buildings and window, roofing and wall systems. In 1996 the company expanded into China. Butler Manufacturing was acquired by BlueScope Steel on 27 April 2004.

So, while our Company is young, our component businesses have deep roots, and embody many years of skill and experience in the steel industry.

A GROWING REPUTATION

BlueScope Steel is the leading steel company in Australia and New Zealand, and ranks among the top 50 companies on the Australian Stock Exchange. We supply the majority of flat steel products sold in these markets – used in vehicles, houses and landmark buildings. Our products make a big difference to the lives of people in many countries.

Within our portfolio are three very fine steelmaking facilities – Port Kembla in Australia, Glenbrook in New Zealand, and Delta, Ohio in the USA. We also have a network of roll-forming facilities across Australia, Asia and the Pacific that is unmatched by any other steel company. In keeping with our downstream value-adding strategy, we are growing and enhancing our reputation as a global steel solutions company – expanding our existing capacity and constructing new facilities across the Asia-Pacific region.

With the recent acquisition of Butler Manufacturing Company, we are now the leader in pre-engineered buildings in North America and China, and number one in premium steel building products in China.

We supply customers in Australia, New Zealand, Asia, the USA, Europe, the Middle East, the Pacific and elsewhere with purpose-designed products backed by comprehensive after-sales service.

FOCUSED ON THE FUTURE

BlueScope Steel is aiming to enhance its position as an international steel solutions company. This demands ongoing innovation in every aspect of our business. Advances, such as the revolutionary Castrip® thin strip casting process, provide a glimpse of tomorrow's steelmaking technology. Brand building and marketing initiatives will help drive steel into new applications and expand our customer base.

Our global presence has positioned us to grow in conjunction with some of the world's most dynamic economies. BlueScope Steel is a company firmly focused on the future.

TOTAL REVENUE

\$5.8b

WHERE DOES THE MONEY GO?

We generate revenue by providing products and solutions to our customers. This revenue is distributed to employees, suppliers and governments in the communities in which we operate. Cash which is not reinvested in the business is returned to our shareholders.

Additional monies, not shown here, are reinvested in the business in other ways, such as depreciation, and we directly invested more than \$2 million in community programs in the 2003/04 year.

\$1.1b

WAGES AND SALARIES

\$1.6b

RAW MATERIALS

\$1.6b

SUPPLIERS,
SERVICES AND UTILITIES

\$200m

INCOME TAX

\$420m

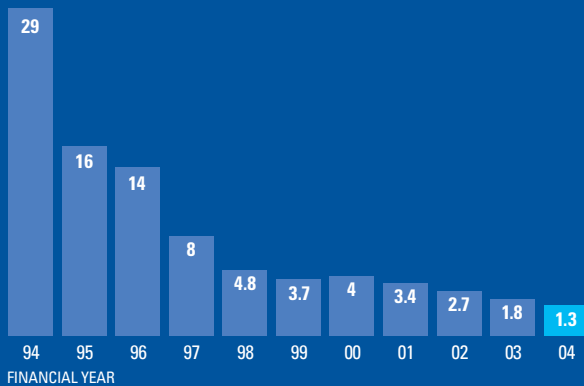
OUTWARD FREIGHT

\$240m

DIVIDENDS TO
SHAREHOLDERS

\$260m

SHARE BUYBACKS



LOST TIME INJURY FREQUENCY RATE
INJURIES RESULTING IN LOST TIME PER MILLION HOURS WORKED



MEDICAL TREATMENT INJURY FREQUENCY RATE
MEDICALLY TREATED INJURIES PER MILLION HOURS WORKED

+ HEALTH SAFETY ENVIRONMENT AND COMMUNITY

SAFETY – TOWARDS ZERO HARM

Tragically, a fatality occurred in our business on 29 June 2004 with the death of a contractor at our Brisbane Logistics Terminal in Australia.

Our goal of Zero Harm remains firm. As shown by the charts above, we have continued to make strong overall progress, with many businesses reporting noteworthy results.

In the 2003/04 financial year, we achieved further reductions in our two key safety indicators: Lost Time Injury Frequency Rate (LTIFR) and Medical Treatment Injury Frequency Rate (MTIFR). LTIFR was reduced by 28 per cent, and MTIFR was reduced by 26 per cent compared to 2002/03. 93 per cent of our employees were involved in conducting monthly safety audits.

ENVIRONMENT – CONTINUING PROGRESS

The 2003/04 financial year has seen us make further progress in improving the environmental performance of the Company's plants and operations.

BlueScope Steel products feature prominently in state-of-the-art sustainable housing developments such as Melbourne's GreenSmart display village.

A range of water-saving measures are being implemented at sites such as Port Kembla Steelworks and Western Port. Our Springhill operation is adopting a water conservation strategy that will save over 500,000 litres a day.

As a significant emitter of greenhouse gases, BlueScope Steel is working to achieve improvements in the carbon intensity

of our operations and is continually taking steps to improve our energy management.

We have also continued to focus on ensuring our environmental management systems are robust.

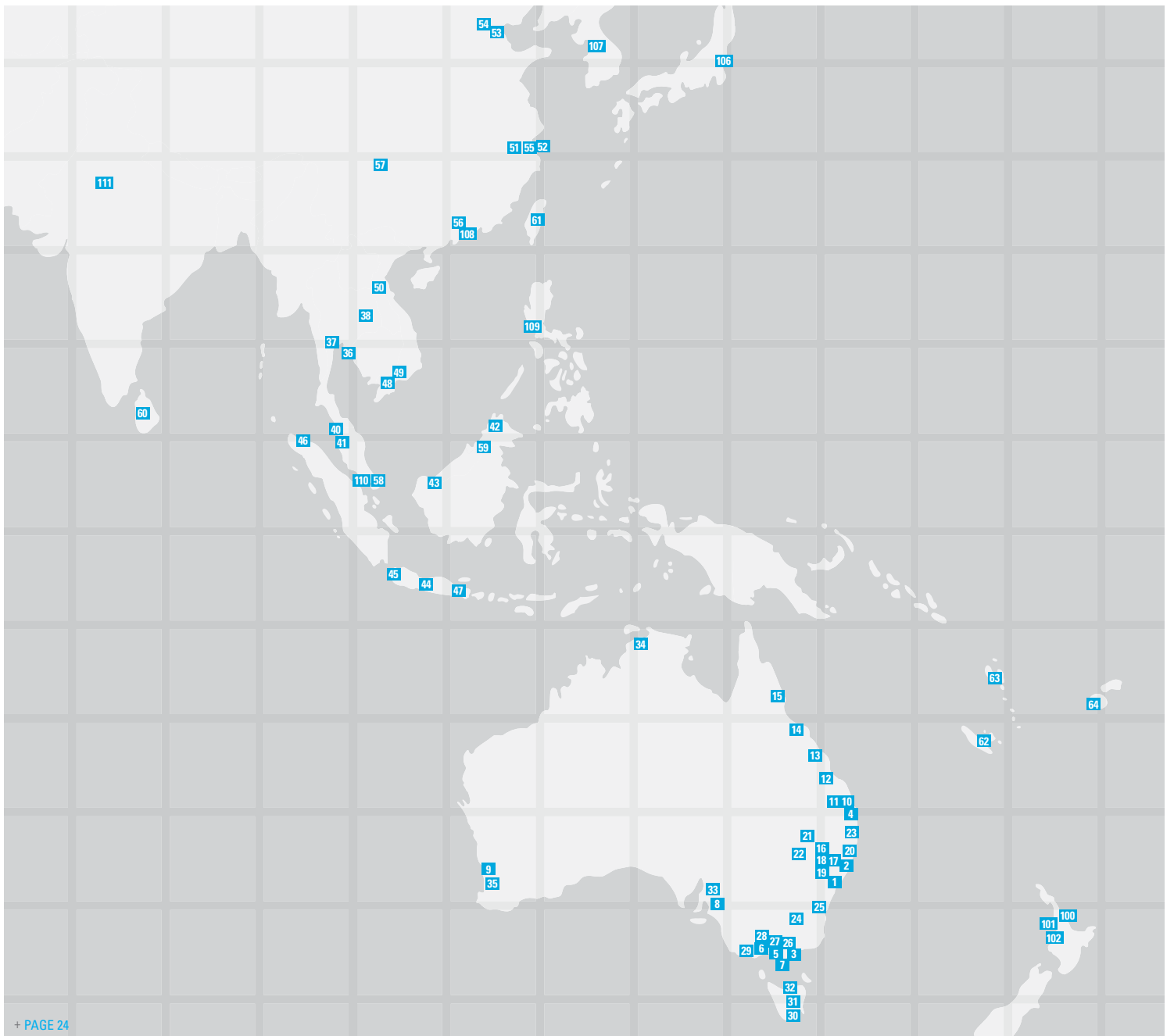
COMMUNITY – OUR HOMES

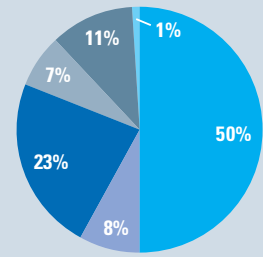
The importance we place on our responsibilities as a corporate citizen is evidenced in Our Bond, which states: 'Our communities are our homes.' Our Bond links our success as a company to our success as a community member. Consequently, we conduct hundreds of projects and programs each year aimed at making a positive impact on people's lives.

Each year, BlueScope Steel supports a range of community programs around the world. We collaborate with community groups and support youth, the disadvantaged, the environment, the arts and cultural diversity. Some programs are also direct responses to emergency situations, such as earthquakes and floods. We are proud of the fact that many people continue to benefit from our programs. Over the 2003/04 financial year, we have continued our efforts to be a valued member of every community in which we operate.

HEALTH SAFETY ENVIRONMENT AND COMMUNITY REPORT // BlueScope Steel's credentials and progress in these areas will be reported in detail in the Company's 2003/04 Health Safety Environment and Community Report. This will be available in December 2004. Shareholders wishing to register and receive a copy of the Report can do so by visiting our website www.bluescopesteel.com or contacting BlueScope Steel Direct in Australia on 1800 675 230.

+ OPERATIONS AROUND THE WORLD





EMPLOYEE PROFILE BY COUNTRY
AT 30 JUNE 2004

■ AUSTRALIA ■ CHINA
■ NEW ZEALAND ■ SE ASIA
■ NORTH AMERICA ■ OTHER



A REGIONAL NETWORK STRADDLING 3 CONTINENTS

AUSTRALIA

- STEEL PRODUCTION, ROLLING, COATING AND PAINTING FACILITIES
- 1 Port Kembla, NSW, Port Kembla Steelworks
 - 1 Port Kembla, NSW, Springhill Works
 - 2 Sydney, NSW, Chullora
 - 3 Hastings, VIC, Western Port Works
 - 4 Brisbane, QLD, Acacia Ridge
- CORPORATE OFFICE
- 5 Melbourne, VIC
- SERVICE CENTRES
- 4 Acacia Ridge, QLD
 - 1 CRM, Port Kembla, NSW
 - 2 Chullora, NSW
 - 6 Sunshine, VIC
 - 7 Braeside, VIC
 - 8 Wingfield, SA
 - 9 Myaree, WA
- BLUESCOPE LYSAGHT AUSTRALIA
- 10 Archerfield, QLD
 - 11 Rocklea, QLD
 - 12 Rockhampton, QLD
 - 13 Mackay, QLD
 - 14 Townsville, QLD
 - 15 Cairns, QLD
 - 2 Chullora, NSW
 - 16 Emu Plains, NSW
 - 17 Smithfield, NSW
 - 18 Minchinbury, NSW
 - 19 Smeaton Grange, NSW
 - 20 Cardiff, NSW
 - 21 Tamworth, NSW
 - 22 Dubbo, NSW
 - 23 Coffs Harbour, NSW
 - 24 Albury, NSW
 - 25 Queanbeyan, ACT
 - 26 Lyndhurst, VIC
 - 27 Dandenong, VIC
 - 28 Campbellfield, VIC
 - 29 Geelong, VIC
 - 30 Hobart, TAS
 - 31 Launceston, TAS
 - 32 Devonport, TAS
 - 33 Gillman, SA
 - 34 Darwin, NT
 - 35 Forreestfield, WA

THAILAND

- 36 Map Ta Phut, Rayong, BlueScope Steel Thailand
- BLUESCOPE LYSAGHT
- 37 Bangkok
 - 38 Khon Kaen
 - 36 Map Ta Phut, Rayong

MALAYSIA

- 40 Kapar, BlueScope Steel Malaysia
- BLUESCOPE LYSAGHT MALAYSIA
- 41 Shah Alam, Kuala Lumpur
 - 42 Kota Kinabalu, Sabah
 - 43 Kuching Bintulu, Sarawak

INDONESIA

- 44 Cilegon, Java, BlueScope Steel Indonesia
- BLUESCOPE LYSAGHT INDONESIA
- 45 Jakarta
 - 46 Medan
 - 47 Surabaya

VIETNAM

- 48 Ba Ria-Vung Tau Province, BlueScope Steel Vietnam (operational 2006)
- BLUESCOPE LYSAGHT VIETNAM
- 49 Ho Chi Minh City
 - 50 Hanoi

CHINA

- 51 Suzhou Province-BlueScope Steel China (operational 2006)
 - 52 Shanghai - BlueScope Butler
 - 53 Tianjin - BlueScope Butler
- BLUESCOPE LYSAGHT CHINA
- 54 Langfang
 - 55 Shanghai
 - 56 Guangzhou
 - 57 Chengdu

OTHER BLUESCOPE LYSAGHT - ASIA PACIFIC

- 58 SINGAPORE - Jurong
- 59 BRUNEI - Bandar Seri Begawan
- 60 SRI LANKA - Colombo
- 61 TAIWAN - Kaohsiung
- 62 NEW CALEDONIA - Noumea
- 63 VANUATU - Port Vila
- 64 FIJI - Suva, Nadi and Lautoka

USA

- CORPORATE OFFICES
- 65 Dallas, TX - Regional Headquarters
 - 66 Kansas City, MO - Business Services group & research facility
- BUTLER BUILDINGS
- MANUFACTURING PLANTS
- 67 Anville, PA
 - 68 Laurinburg, NC
 - 69 Galesburg, IL
 - 70 Visalia, CA
 - 71 San Marcos, TX
 - 72 Birmingham, AL - Sales & Engineering
 - 73 Staunton, VA - R-Steel
- VISTAWALL MANUFACTURING PLANTS
- 74 Terrell, TX
 - 75 Greeneville, TN
- VISTAWALL SERVICE/ DISTRIBUTION CENTRES
- 76 Seattle, WA
 - 77 San Francisco, CA
 - 78 Sacramento, CA
 - 79 Modesto, CA
 - 80 Los Angeles, CA
 - 81 Denver, CO
 - 65 Dallas, TX
 - 82 Houston, TX
 - 83 Minneapolis, MN
 - 84 Wausau, WI
 - 85 St Louis, MO
 - 86 Chicago, IL
 - 87 Detroit, MI
 - 88 Cincinnati, OH
 - 89 Cleveland, OH
 - 90 Warwick, RI
 - 91 Washington, DC
 - 92 Tucker, GA
 - 93 Newnan, GA
 - 94 Tampa, FL

JOINT VENTURE OPERATING SITES

- 95 Delta, OH - North Star BlueScope Steel
- 96 Crawfordsville, IN - Castrip

CANADA

- REGIONAL SALES OFFICE
- 97 Toronto, ONT

MEXICO

- BUTLER BUILDINGS
- MANUFACTURING PLANT
- 98 Monterrey, Nuevo Leon
- BUTLER SALES AND ENGINEERING OFFICE
- 99 Mexico City

NEW ZEALAND

- 100 Glenbrook - New Zealand Steel
- 101 Waikato North Head - Ironsands Mine
- 102 Taharoa - Ironsands Mine

INTERNATIONAL MARKETS

- SALES OFFICES
- 103 USA - Long Beach, CA
 - 104 USA - Miami, FL
 - 105 USA - Pittsburgh, PA
 - 76 USA - Seattle, WA
 - 106 JAPAN - Tokyo
 - 107 SOUTH KOREA - Seoul
 - 108 CHINA - Hong Kong
 - 61 TAIWAN - Kaohsiung
 - 49 VIETNAM - Ho Chi Minh City
 - 109 PHILIPPINES - Manila
 - 110 SINGAPORE - Singapore
 - 111 INDIA - New Delhi
- ENGLAND - London (not shown)



+ A SNAPSHOT OF OUR GROWING BRAND PORTFOLIO

WE HAVE STRENGTHENED OUR EXISTING BRANDS ...

In Australia, we continue to drive our core product brands – COLORBOND®, ZINCALUME®, XLERPLATE® steel and the LYSAGHT® range. Vigorous marketing activity is ensuring that COLORBOND® steel remains Australia's No.1 pre-painted steel brand. Over 40 per cent of new homes in Australia are now built with a COLORBOND® steel roof, and increasingly, the brand is being chosen for fencing.

We have also strengthened the LYSAGHT® range with a number of new branded solutions. LYSAGHT POWERDEK® has met with great success in Singapore and is now being launched in Australia. The LYSAGHT® Metro branches are increasing the visibility of the LYSAGHT® brand, as well as the level of customer service.

In New Zealand, we have relaunched our COLORSTEEL® range with a new suite of products and revitalised colour range. COLORSTEEL® Endura™ and COLORSTEEL® Maxx™ are designed to meet the demands of New Zealand's wide range of environments.

In Asia, we lead the market with our Clean COLORBOND® steel product. In line with our local business approach to the region, we continue to develop and market a number of brands for specific countries including Indonesia, Thailand, Vietnam, Malaysia and China.

... AND INTRODUCED SOME EXCITING NEW ONES

Our most visible new brand is our Company name. As a brand, BlueScope Steel is becoming more widely recognised, and will increase in impact as we grow and become stronger.

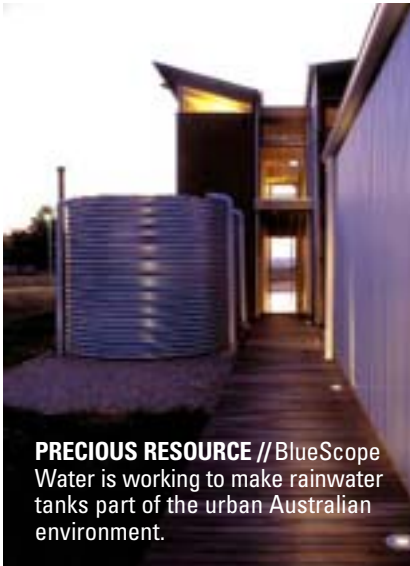
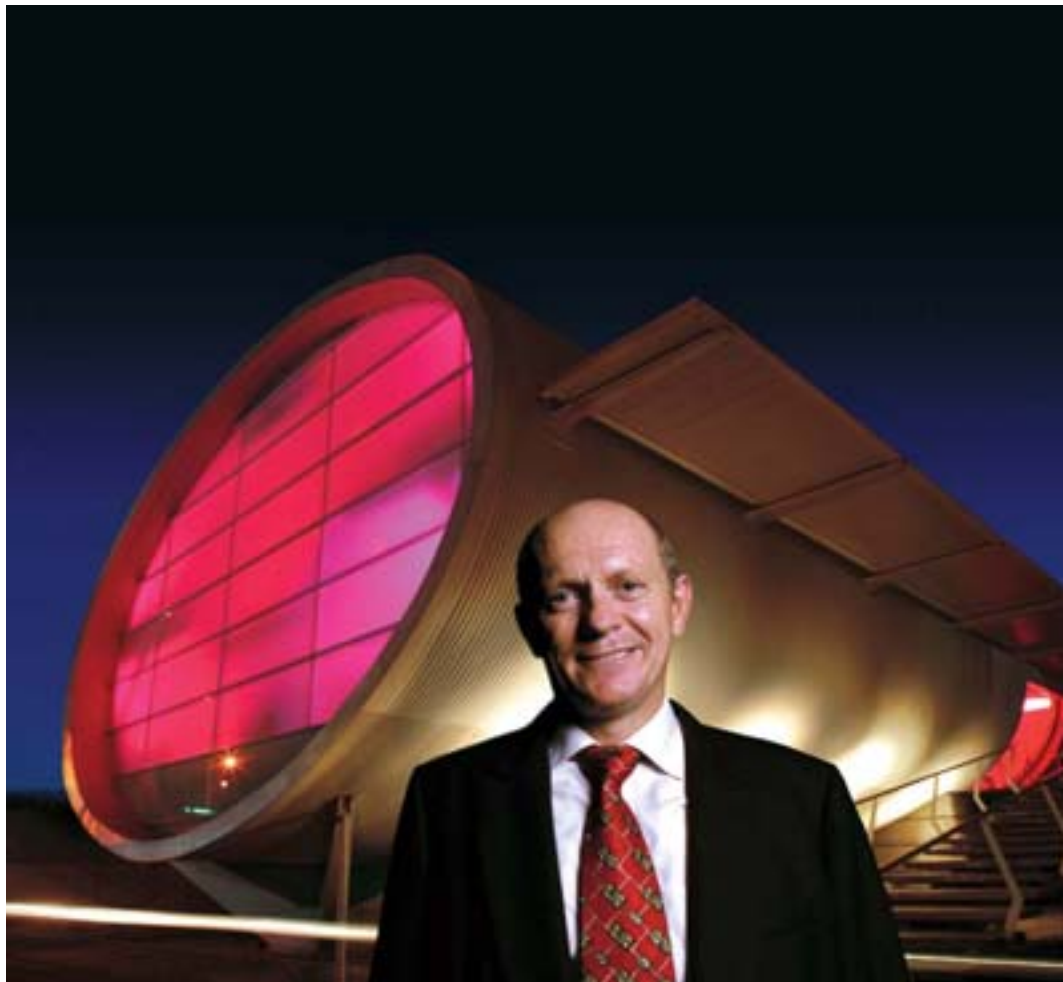
The purchase of Butler manufacturing has added a range of world-leading building sector brands to our portfolio. These include the 'Butler' and 'Vistawall' business brands, as well as their services and products – 'Butler Builder,' 'MR24 Roofing System,' 'Naturalite,' 'Skywall' and 'Moduline' are highly recognised in their home markets.

We have also expanded the range of colours available in the COLORGRAIN® Designer steel range. This is a unique pre-painted steel product with a distinctive 'consistently inconsistent' finish.

In Asia, we have integrated the 'Butler' business into BlueScope Steel under the new BlueScope Butler brand, and we are repositioning this as the region's premium PEB brand.

In Australia, we have launched the new BlueScope Water business, which is building new brands such as HYDRORIB™ steel for culverts, WATERPOINT™ rainwater tanks, and the THINKTANK™ rainwater harvesting system. These will complement our established range of premium coated steel products. See story opposite.

UNIQUE STEEL DESIGN // Metecno Thailand General Manager Chris Moor outside Bangkok's Oxygen Bar. The building uses over 30 tonnes of BlueScope Steel products, with variable radius curves that exemplify the rollforming craft. The COLORBOND® steel exterior is an undeniable attention grabber, while the all-steel building was also modelled to optimise interior acoustics. A perforated steel ceiling helps create the ideal sound environment for both music and conversation. With an all-white space-age interior, Oxygen Bar highlights the expressiveness and design flexibility of steel.†



PRECIOUS RESOURCE // BlueScope Water is working to make rainwater tanks part of the urban Australian environment.

+ **BLUESCOPE WATER**

As a steel solutions company with its origins in one of the world's driest continents, it was perhaps a natural step for BlueScope Steel to develop steel-based water management products.

During the year, we launched a new business called BlueScope Water. The foundation for this business is the Company's many years of experience supplying steel-based products to our customers for the manufacture of rainwater tanks.

RAINWATER HARVESTING

Over nine million Australians live in urban communities with water restrictions. While the traditional steel water tank has long been a familiar sight in the Australian bush, it is now increasingly popular in towns and cities. Governments are mandating water conservation, and BlueScope Water is working with councils and developers to introduce rainwater harvesting solutions for both new and existing buildings.

BlueScope Water launched two rainwater tank brands during the year: the WATERPOINT CLASSIC® and WATERPOINT SLIMLINE®. Steel water tanks will be available in a range of sizes, shapes and colours, to suit almost any site and style of building. They are currently offered in the greater Sydney area and will be available in other east coast capital cities later this year.

WATER INFRASTRUCTURE

Securing sustainable water supplies for cities is only part of the challenge. Modernising irrigation and stormwater infrastructure is equally important.

The basis for BlueScope Water's water infrastructure products is the HYDRORIB™ pipe system – a unique ribbed profile pipe made from a steel composite material. HYDRORIB™ is lightweight, strong and easy to install. The steel composite material increases resistance to corrosion and abrasion, and offers outstanding performance over a long service life.

WATERPOINT™, WATERPOINT CLASSIC®, WATERPOINT SLIMLINE®, and HYDRORIB™ are trademarks of BlueScope Steel Limited.