

International Roadshow
September 2006

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Australian Steel Long Products Market

The Australian steel industry has capacity of 7.6 million tonnes

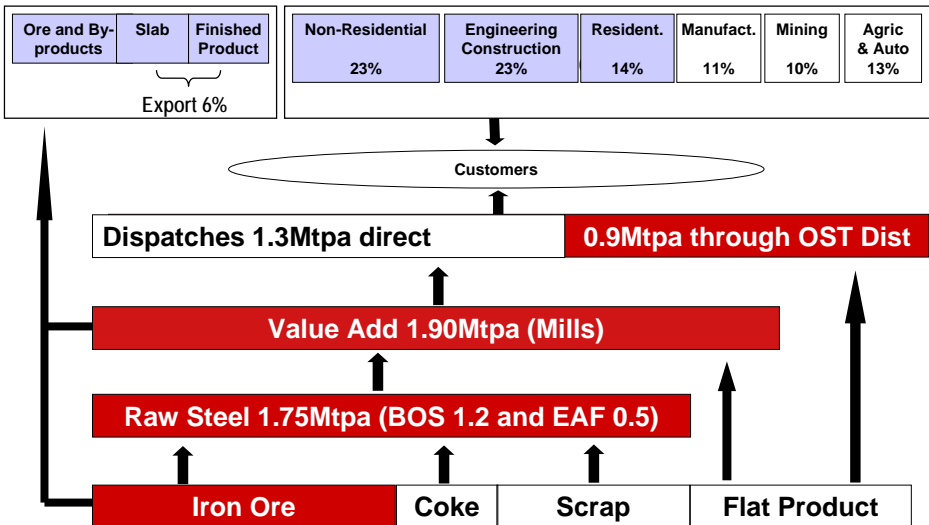
- Long products – domestic market less fragmented than international markets
 - 2 major players
 - 2.6 million tonnes
 - Aligned to domestic market
 - Both long products players have significant downstream distribution businesses
- Flat products
 - One major player
 - 5.0 million tonnes
 - Large proportion exported

Australian Steel Long Products Market

OneSteel's Positioning – largest long products company in Australia

- Vertically integrated – from iron ore, integrated and scrap based steel making; largest distribution network with over 150 outlets across Australia
 - 1.75 million tonnes steel production capacity
 - 1,200 thousand tonnes integrated route
 - 550 thousand tonnes scrap route
 - Can match production to the market
 - Self sufficient in iron ore till beyond 2030
 - Currently sell 1.5 million tonnes per annum – going to 4 million tonnes per annum
- Construction accounts for 60% of revenue
- Long Products Market is a growing market – underpinned by current strong construction market particularly in engineering construction
- Produce a wide range of steel products
- Annual sales in the vicinity of A\$4billion – 90% generated domestically
- 7,000 staff - 30,000 customers

OneSteel Product Flow



OneSteel Competitive Advantages

- Capture value at all parts of the chain
- OneSteel owns its iron ore – out til 2030
- Produces steel from both integrated and scrap based methods – can arbitrage based on relative raw input costs
- Ability to arbitrage between long and flat products – have the ability to manufacture slab and billets
- Strong market presence
- Large geographical diverse 'in-market' capability
- Well positioned in regional growth centres with respect to mining and resources

Market Conditions

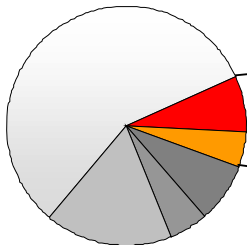


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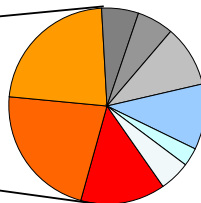
OneSteel Revenue Drivers versus Broader Economy's Drivers

Australian Gross Domestic Product



- Household Consumption 60%
- Residential 8%
- Non-residential & Engineering 5%
- Equipment Investment 8%
- Other Investment 6%
- Public Demand 18%

OneSteel Revenue Drivers



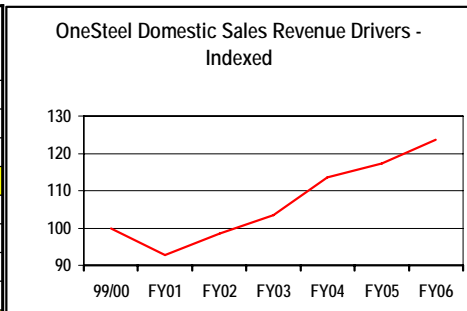
- Residential 14%
- Non-residential 22%
- Engineering 23%
- Agriculture 6%
- Auto 6%
- Mining 10%
- Other Manufacturing 11%
- Iron Ore 3%
- Export 5%

Source: Australian Bureau of Statistics, OneSteel
GDP data for 2004

Domestic Market Drivers – Construction Still Strong

- Continuing trend of strength in engineering and non-residential construction, as well as in the mining and resources segment
- Residential sector continues to be weak with other sectors mixed
- Activity much stronger in resource-based states

Segment	% of OST Sales Revenues*	% Change Jun 06 versus Jun 05
Engineering	23	16.0
Non-residential	22	10.4
Residential	14	-3.0
Total Construction	59	9.4
Other Manufacturing	11	-3.0
Mining	10	1.8
Automotive	6	-2.8
Agricultural	6	-2.2
Total Weighted Change		5.5



Source: NIEIR

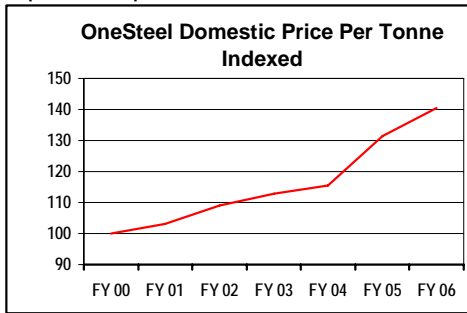
* Export steel (5%) and ore sales (3%) drive the balance of OneSteel's sales revenue

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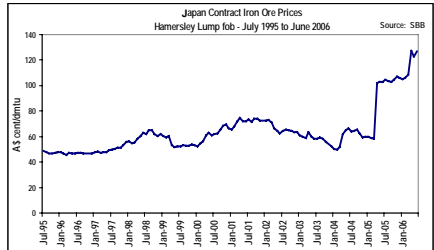
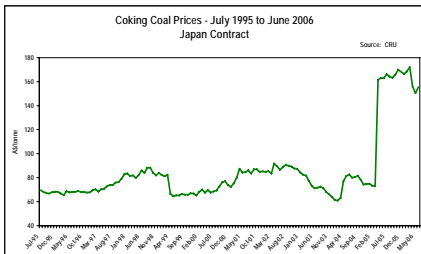
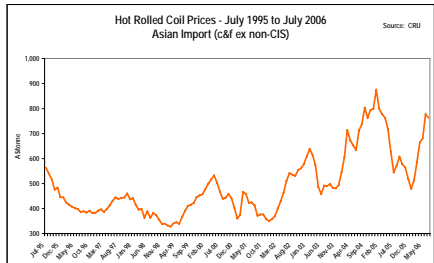
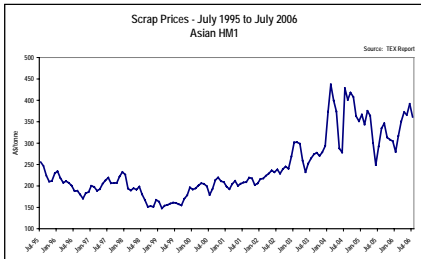
Market Drivers – Price Increases

Recent Price Increases OneSteel Manufacturing		
Segment	Price Movement	Timing
Mebar	4.9%	May 06
Rebar	7.7%	Jul 06
Rod for Mesh	9%	Jul 06
Wire Manufacturing	Heavy Gal 7% Standard Gal 4% Other 3%	May 06
Reinforcing Bar	6%	Jun 06
Reinforcing Mesh	6%	Jun 06

6.9% increase in underlying domestic steel price per tonne in 12-months to June 2006 from prior corresponding period to offset higher costs for raw material and purchased products



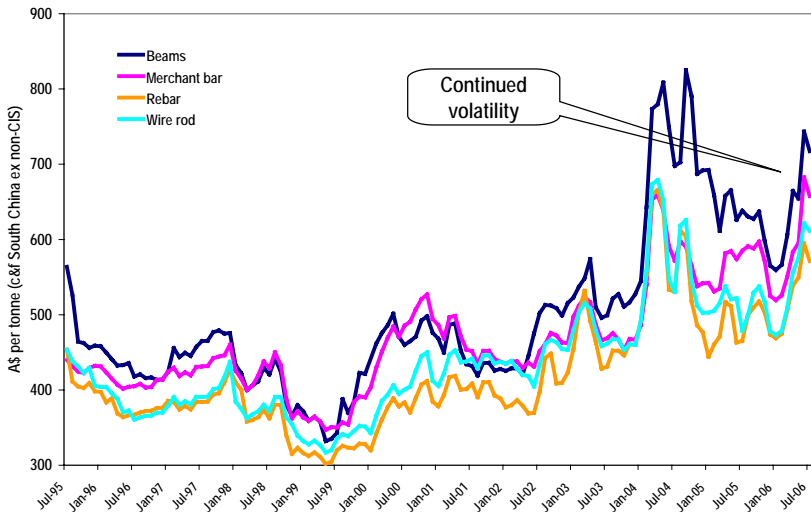
Long Products Raw Material Inputs



International Long Products Prices

July 1995 to July 2006

Source: CRU



Review of Financials



Overview - Financial

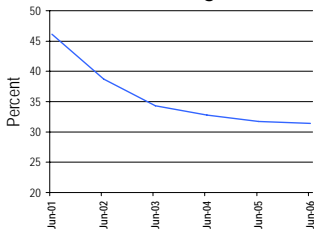
Net operating profit after tax and minorities	\$171.6m	↑ 12.1%	was \$153.1m
Profit after tax incl tax consolidation	\$187.5m		
Earnings per share	30.3c	↑ 11.0%	was 27.3c
Return on funds employed	14.4%	↑	was 14.2%
Return on equity	12.9%	↓	was 13.1%
Sales margin	7.6%	↑	was 7.1%
Operating cash flow	\$250.8m	↑ 6.3%	was \$235.9m
Capital Expenditure	\$214.4m	↑ 69%	was \$126.9m
Net debt including derivatives	\$688.2m	↑ 6.6%	was \$645.3m
Gearing including derivatives	31.4%	↓ Down	was 31.7%
Fully franked final dividend declared	17.0 cents	Up	was 13.5c

Overview - Operational

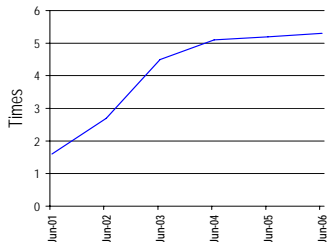
- **Business Performance**
 - Underlying domestic price per tonne (excluding special projects) increased 6.9% reflecting price increases implemented to recover higher raw material and product costs
 - Sales margin increased to 7.6% from 7.1%
- Overall domestic market activity up in certain OneSteel segments
 - Underlying domestic sales tonnes down, mainly in flat products
- **Business Improvement**
 - Cost reductions of \$39 million
 - Revenue enhancements of \$236 million
 - Cost increases of \$267 million
- **Safety Performance**
 - Medical Treatment Injury Frequency Rate improved 3.3% from 12.1 to 11.7
 - Lost Time Injury Frequency Rate improved 5.9% from 1.7 to 1.6

Trends in Key Financial Ratios

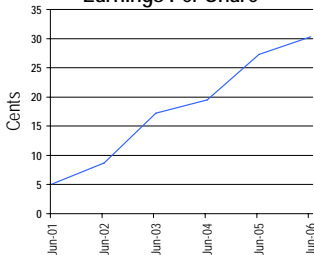
Gearing



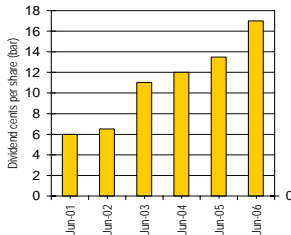
Interest Cover



Earnings Per Share



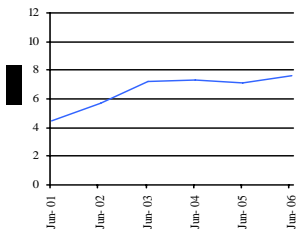
Dividends



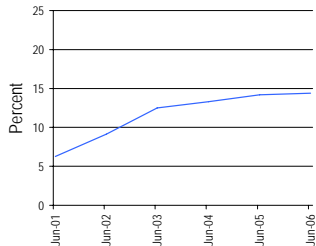
* Calculated under AIFRS for June 2005 and June 2006, and under AGAAP for earlier financial years

Trends in Key Operating Ratios

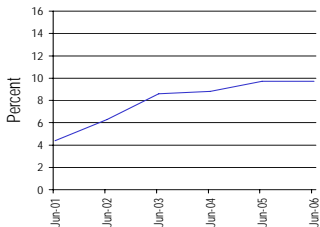
Sales Margin (EBIT)*



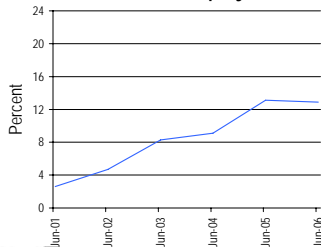
ROFE (EBIT)*



Return on Assets (EBIT)*



Return on Equity*



* Calculated against EBIT and under AIFRS for FY05 and FY06, and against EBITA under AGAAP for earlier periods

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Growth



Growth Initiatives



Bangarla, one of the two barges that will be used to trans-ship ore product from the newly-constructed export facilities at the Whyalla port. The barges will carry hematite lump and fines approximately 10 kilometres to a floating offshore transfer terminal which will facilitate loading of Cape-sized ships sitting in the Spencer Gulf. Trans-shipment allows ore transport in large Cape-size ships to maximise the number of potential customers and lower freight costs.

Growth Projects

- Project Magnet
 - This \$355 million project represents the commercialisation of OneSteel's magnetite iron ore reserves for producing steel and the sale of surplus hematite ore reserves. Benefits include:
 - improving OneSteel's competitive position
 - extending the life of the steelworks
 - lowering the cost of steelmaking at Whyalla
 - an additional source of earnings and profit.
- Smorgon Transaction
 - Through the proposed acquisition of the shares of Smorgon Steel Group Limited, OneSteel will become the pre-eminent domestic manufacturer and distributor of steel and metal products in Australasia. The proposed transaction is subject to the approval of Smorgon Steel's shareholders, the Court, the ACCC and certain other conditions.

Project Magnet

- Capital Expenditure

- FY 2005 \$24.5 million
- FY 2006 \$170.5 million*
- Balance \$160 million
- Total \$355 million + 0 to 5%

* There was an additional \$34.2 million of commitments as at 30 June 2006

- Revenues

- Incremental Iron Unit Sales – Ore, Pellet and By-products
 - FY 2006 ~700kt in iron ore (lump and fines)
~300kt ore by-products
 - FY 2007 ~ 1,500k tonnes
 - FY 2008 ~ 3.0m tonnes
- Slab Sales
 - FY 2008 Sales commence

Project Magnet – Construction

Two process streams are under construction

- Hematite Stream – construction is progressing to achieve commissioning and begin ramp-up in line with incremental external sales of 1.5mtpa in 2006/07 and 3mtpa in 2007/08
 - Export storage facilities – nearing commissioning
 - Installation of all process equipment substantially complete
 - The rail line upgrade to the mine, delivery of 56 new fines wagons and upgrade of 75 existing RSK wagons are now complete
 - Site works are underway on the crushing plant upgrade at the mine site
 - 7 of 11 scheduled shutdowns to upgrade the shiploader complete
 - The floating offshore terminal vessel “Spencer Gulf” has been launched and is now at fit-out in Yang Ziang, China
 - “Barngarla”, one of the two transfer barges launched

Project Magnet – Construction

- Magnetite Stream – construction is progressing to achieve commissioning of new capital works for transition to magnetite feed for the 2007/08 financial year
 - Slurry pipeline completed and tested
 - High Pressure Grinding Rolls (HPGR) installed
 - Concentrator steel erection underway
 - Filter and flux plant structural steel installation underway and the two slurry receiving tanks are completed
 - The 132KV transmission line and the 132/11 KV transformer has been energised in August
 - Tailing dam design complete, construction to start in the first quarter of the 2006/07 financial year
 - Modification works to the existing Pellet Plant are in design phase, with installation due during the annual Pellet Plant shutdown
 - Desulphurisation Plant site work has commenced and the steel piling is complete. Key long lead time items ordered
 - New Mining contract under negotiation

Project Magnet – 2006/07

- **Summary for 2006/07**
 - Complete capital works program
 - Commissioning and transition
 - Marketing of ore
 - Mining contract
 - Ramp-up ore sales to 2.5mtpa

Smorgon Steel Transaction Summary

The proposed transaction is expected to create significant benefits

It is the next step in the streamlining of the Australian steel industry

A stronger company is established

Increased ability to service customers

Improved security of raw material supply

Growth opportunities through new revenue streams

1. Excludes expected synergies

-
- Net EBITDA synergies expected to be \$70 million pa
 - EPS accretive (pre non-recurring items and amortisation) in the first full year (assumes demerger of Smorgon Steel Dist)
 - Significant premium to Smorgon Steel shareholders
-

• Provides a stronger platform to compete domestically and internationally

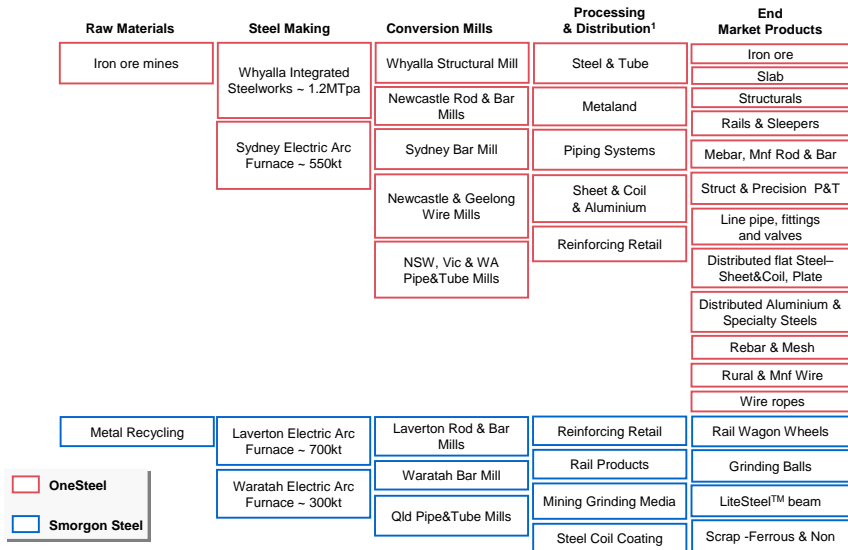
• Revenues in excess of \$5.5 billion, EBITDA in excess of \$700 million¹, over 10,000 employees and 200 sites across Australia and over 10 offshore with greater diversification

• Wider product range, more extensive geographical manufacturing footing, streamlined supply chain management

• The addition of a scrap recycling business alongside OneSteel's iron ore business

• New businesses and products with scrap, railway wheels and axles, grinding media and LiteSteel™ Beam

Businesses are Complementary



Note:

Based on OneSteel divesting (via demerger) the steel and metal merchandising arm of the Smorgon Steel distribution businesses

Customer Benefits – New Revenue Streams

**Build on existing product and service offering through extending products range
Many common customers, markets and service offerings**

Octagonal product and service range

- Rail – rail line, sleepers, clips with
- Mining – mine mesh, rail, product used in strata control systems, pipes valves and fittings, mining rope, general steel supply
- Construction - reinforcing steel, structural sections, merchant bar, pipe and tube
- Manufacturing – rod and bar, wire, pipe and tube
- Steel making raw materials – iron ore
- International trading – iron ore, slab, steel products

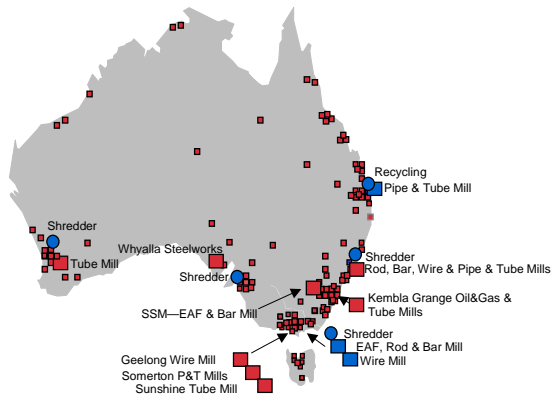
Sunline Additional Product Offerings

- Rail - rail wheels and axles
- Mining – grinding media
- Construction - Lite Steel Beam
- Coil Color Coating business
- Ferrous and non-ferrous scrap recycling
- Ferrous and non-ferrous scrap steel and offshore trading capability

Customer benefits — Diversity and scope of operations

Over 200 sites across Australia and more than 10 offshore provides a solid platform for growth

OneSteel operations post transaction



Offshore sites

OneSteel

- NZ Distribution

Smorgon Steel

- Recycling operations—HK, Malaysia, Thailand, Philippines, USA
- Trading offices—Vietnam, China, HK, India, NZ, and England
- Grinding media operations—Indonesia and USA

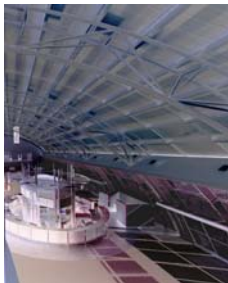
- Smorgon Steel Recycling key sites
- OneSteel manufacturing
- Smorgon Steel manufacturing sites
- OneSteel Distribution and Reo sites

Transaction Status

- Current focus is working to achieve the necessary ACCC approvals
- The next steps include:
 - Issue of the Scheme Booklet
 - Hold Smorgon Steel Shareholder meeting to approve scheme of arrangement
- Aware of BlueScope Steel's stated position – both OneSteel and Smorgon to continue to work towards completion of agreed transaction

Summary and Outlook

- Solid improvement in profit
- Strong operating cash flow allows fall in gearing
- Project Magnet progressing well
- Continued improvement in sales margin, earnings per share and return on funds employed
- Overall level of domestic activity expected to be similar
- International steel market expected to remain fluid
- Priorities:
 - continue to improve returns from existing businesses
 - completion of Magnet and realising the expected level of benefits
 - completion and effective integration of the proposed Smorgon Steel transaction



Attachments

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Share Price Performance

Historical Chart of OST

Timeframe: 25/10/2000 to 25/08/2006

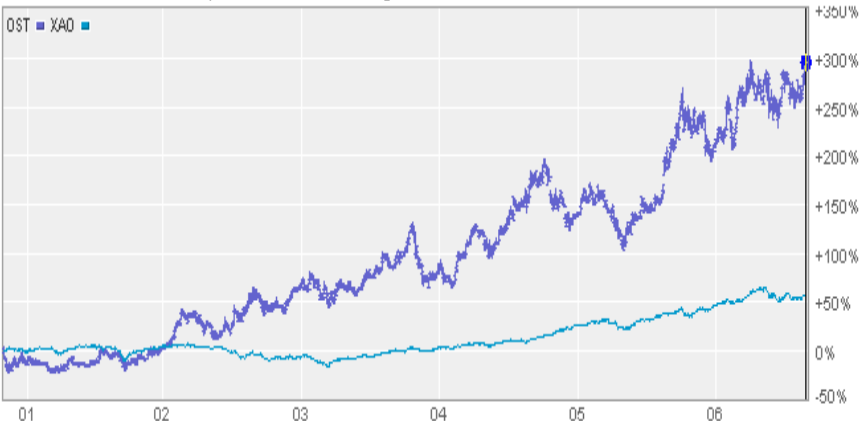
Date **24/08/2006**

Open **4.19**

High **4.3**

Low **4.14**

Close **4.24**



OneSteel against the All Ords

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10th Highest TSR over 5 years

Best Total Shareholder Returns on the Australian Stock Exchange over 5 years					
Rank	Company	Industry	5yr TSR (% pa)	1yr TSR (%)	Market cap (A\$ bln)*
1	Oxiana	Resources	90.3	75.8	2.386
2	Macquarie Goodman	Real estate infrastructure	86.0	20.5	6.955
3	Metcash	Retail	71.5	50.2	3.353
4	Caltex Australia	Telco/utilities	60.3	84.4	5.233
5	Unitab	Media/entertainment	48.3	24.1	1.812
6	Newcrest Mining	Resources	41.9	39.7	8.061
7	Toll Holdings	Transport	41.2	10.5	4.944
8	Boral	Industrial/materials	35.9	23.7	4.747
9	Alinta	Telco/utilities	35.7	42.3	2.899
10	OneSteel	Industrial/materials	35.5	36.4	1.900
11	Orica	Industrial/materials	34.8	7.1	6.341
12	Origin Energy	Telco/utilities	33.9	14.5	5.945
13	Sims Group	Industrial/materials	33.2	5.0	1.606
14	DCA Group	Health care	33.1	124	1.884
15	Downer EDI	Industrial/materials	32.3	25.2	2.118

Source: Boston Consulting Group April 2006

* Market capitalisation as at December 2005

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Attachments – Financials



Cash Flow Reconciliation

	AIFRS	AIFRS	AGAAP	AGAAP	AGAAP	Pro forma
	Jun 06	Jun 05	Statutory Jun 04	Jun 03	Jun 02	Jun 01
A\$ Million						
EBIT* (adjusted for non-cash items)	395.6	377.1	307.6	307.6	251.0	181.7
Interest	(56.7)	(53.6)	(42.2)	(44.5)	(54.4)	(61.8)
Tax	(53.7)	(54.1)	(33.8)	(24.0)	(20.8)	(39.6)
Capital Expenditure	(214.4)	(126.9)	(141.5)	(101.5)	(70.8)	(42.7)
Working capital movements	(34.4)	(33.5)	(46.2)	17.3	(76.5)	183.2
Free Cash Flow	36.4	109.0	43.9	154.9	28.5	220.8
- Less Investments	(13.2)	(0.6)	(9.9)	(29.4)	-	(65.7)
- Plus Asset Sales	6.7	4.9	45.3	16.7	56.2	116.8
- Other	1.9	0.8	5.6	0.3	59.2	(101.8)
Operating & investing cash flow	31.8	114.1	84.9	142.5	143.9	170.1

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* EBIT for FY06 and FY05, EBITA for earlier years

Statement of Changes in Equity

STATEMENT OF CHANGES IN EQUITY

2006	Attributable to equity holders of the parent							Minority		Total Equity	
	Contributed equity			Reserves				Interests			
CONSOLIDATED	Issued capital	Employee compensation shares	Total contributed equity	Retained earnings	Share-based payments	Foreign currency translation	Cash flow hedges	Total Reserves	Total Parent Interests		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
At 1 July 2005	1,115.0	(7.1)	1,107.9	214.2	1.4	3.0	-	4.4	1,326.5	61.8	1,388.3
Adoption of AASB 109 (Note 33(d))	-	-	-	(3.6)	-	-	(1.7)	(1.7)	(5.3)	-	(5.3)
Cash flow hedges:											
- gains/(losses) taken to equity	-	-	-	-	-	-	5.6	5.6	5.6	-	5.6
Currency translation differences	-	-	-	-	-	(6.2)	-	(6.2)	(6.2)	(6.5)	(12.9)
Total income and expense for the year recognised directly in equity	-	-	-	(3.6)	-	(6.9)	3.9	(2.4)	(6.0)	(6.5)	(12.9)
Net Profit	-	-	-	187.5	-	-	-	-	187.5	13.6	201.1
Total income/expense for the period	-	-	-	183.9	-	(6.3)	3.9	(2.4)	181.5	7.1	188.6
Share-based payments expense	-	-	-	-	2.0	-	-	2.0	2.0	-	2.0
Dividends paid	-	-	-	(82.0)	-	-	-	-	(82.0)	(12.2)	(94.2)
Shares issued under dividend reinvestment plan	19.0	-	19.0	-	-	-	-	-	19.0	-	19.0
Shares issued on exercise of options	0.4	-	0.4	-	-	-	-	-	0.4	-	0.4
Vested shares	-	1.4	1.4	-	(1.4)	-	-	(1.4)	-	-	-
Purchase of shares for equity-based compensation	-	(2.5)	(2.5)	-	-	-	-	-	(2.5)	-	(2.5)
At 30 June 2006	1,134.4	(8.2)	1,126.2	216.1	2.0	(3.9)	3.9	2.6	1,444.9	58.7	1,503.6

2005	Attributable to equity holders of the parent							Minority		Total Equity	
	Contributed equity			Reserves				Interests			
CONSOLIDATED	Issued capital	Employee compensation shares	Total contributed equity	Retained earnings	Share-based payments	Foreign currency translation	Cash flow hedges	Total Reserves	Total Parent Interests		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
At 1 July 2004	1,095.3	(2.3)	1,094.0	94.1	0.8	2.8	-	3.6	1,181.7	56.3	1,238.0
Currency translation differences	-	-	-	-	-	0.2	-	0.2	0.2	0.2	0.4
Total income and expense for the year recognised directly in equity	-	-	-	-	-	0.2	-	0.2	0.2	0.2	0.4
Net Profit	-	-	-	202.9	-	-	-	-	202.9	17.5	220.2
Total income/expense for the period	-	-	-	202.9	-	0.2	-	0.2	203.0	17.7	220.7
Share-based payments expense	-	-	-	-	2.2	-	-	2.2	2.2	-	2.2
Dividends paid	-	-	-	(72.7)	-	-	-	-	(72.7)	(12.2)	(84.9)
Shares issued under dividend reinvestment plan	15.6	-	15.6	-	-	-	-	-	15.6	-	15.6
Shares issued on exercise of options	3.1	-	3.1	-	-	-	-	-	3.1	-	3.1
Vested shares	-	1.6	1.6	-	(1.6)	-	-	(1.6)	-	-	-
Purchase of shares for equity-based compensation	-	(6.4)	(6.4)	-	-	-	-	-	(6.4)	-	(6.4)
At 30 June 2005	1,115.0	(7.1)	1,107.9	214.2	1.4	3.0	-	4.4	1,326.5	61.8	1,388.3

Profit & Loss – historical data

12 months ended 30 June A\$ million	Statutory					Pro Forma	% chg FY06/ FY05
	2006 AIFRS	2005 AIFRS	2004 AGAAP	2003 AGAAP	2002 AGAAP	2001 Excl prov AGAAP	
Sales	4,004.6	3,938.5	3,269.2	3,060.6	2,906.0	2,637.7	1.7
EBITDA	396.7	377.1	324.2	307.6	251.0	202.6	5.2
Depreciation & Amortisation*	(94.0)	(97.5)	(108.1)	(106.3)	(103.1)	(99.2)	(3.6)
EBIT	302.7	279.6	216.1	201.3	147.9	103.4	8.3
Finance Costs	(56.7)	(53.6)	(42.2)	(44.5)	(54.4)	(61.8)	5.8
Earnings before Tax	246.0	226.0	173.9	156.8	93.5	41.6	8.8
Tax	(60.8)	(55.4)	(53.4)	(53.3)	(39.0)	(12.1)	9.7
NOPAT	171.6	153.1	108.1	94.0	47.1	23.6	12.1
NPAT	187.5	202.8	127.9				
EPS (cents)**	30.3	27.3	19.5	17.2	8.7	5.1	11.0
ROFE (%)**	14.4	14.2	13.3	12.5	9.1	6.1	
Full Yr Dividend (cents/share)	17.0	13.5	12.0	11.0	6.5	6.0	

* No goodwill amortisation in 2006 and 2005 under AIFRS

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**Against EBIT in 2006 and 2005, earlier calculations against EBITA

Balance Sheet – historical data

A\$ Million	Jun 06 AIFRS	Jun 05 AIFRS	Jun 04 AGAAP	Jun 03 AGAAP	Jun 02 AGAAP	Jun 01 AGAAP	% Chg 06/05
Total Assets	3,138.8	3,087.1	2,803.2	2,577.0	2,582.0	2,710.8	1.7
Liabilities	1,637.2	1,698.8	1,429.8	1,292.0	1,359.4	1,594.6	(3.6)
Net Assets	1,501.6	1,388.3	1,373.4	1,285.0	1,222.6	1,116.2	8.2
Net Debt*	688.2	645.3	469.0	470.2	571.6	762.4	6.6
Inventory	758.9	836.7	704.6	591.0	574.1	540.3	(9.3)
Receivables	635.4	643.1	487.8	439.9	452.8	561.5	(1.2)
Creditors	545.4	615.7	569.9	467.7	425.1	444.4	(11.4)
Funds Employed*	2,189.8	2,033.6	1,842.4	1,755.2	1,794.2	1,878.6	7.7
Gearing % (net debt / net debt plus equity)*	31.4	31.7	32.8	34.3	38.7	46.1	
Interest Cover – times	5.3	5.2	5.1	4.5	2.7	1.6	
NTA/Share \$	2.16	1.95	1.93	1.77	1.69	1.81	

* The increase in 2005 Net Debt and Funds Employed reflects the discontinuation of a securitisation program in January 2005

* The 2006 Net Debt figure includes derivatives and it is on this number that the 2006 gearing ratio is calculated.

Cash Flow – historical data

A\$ Million	Statutory					Pro Forma
	AIFRS Jun 06	AIFRS Jun 05	AGAAP Jun 04	AGAAP Jun 03	AGAAP Jun 02	AGAAP Jun 01
Earnings before Tax (adjusted for non-cash items)	244.8	231.8	156.9	157.9	86.8	47.5
Dep & amortisation*	94.0	91.7	108.1	106.3	103.1	99.2
Capital & invest expenditure	(227.6)	(127.5)	(151.4)	(130.9)	(70.8)	(108.4)
Working cap movement	(34.3)	(33.5)	(46.2)	17.5	(76.5)	183.2
Income tax payments	(53.7)	(54.1)	(33.8)	(24.0)	(20.8)	(39.6)
Asset sales	6.7	4.9	45.3	16.7	56.2	116.8
Other	1.9	0.8	6.0	(1.0)	65.9	(128.6)
Operating & investing cash flows	31.8	114.1	84.9	142.5	143.9	170.1
Free Cash Flow	36.4	109.0	43.9	154.9	28.5	220.8

* No goodwill amortisation in 2006 and 2005 under AIFRS

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Australian Distribution – Results (historical)

A\$ Millions	AIFRS 2006	AIFRS 2005	AGAAP 2004	AGAAP 2003	AGAAP 2002	% chg 06/05
Revenue	1,833.9	1,783.3	1,537.0	1,430.9	1,417.6	2.8
EBITDA	146.1	164.3	127.1	116.4	109.0	(11.1)
EBIT*	122.0	140.5	104.2	90.6	73.4	(13.2)
Assets	1,100.6	1,187.4	1,116.2	1,004.4	1,010.2	(7.3)
Employees	2,448	2,483	2,391	2,286	2,349	(1.4)
Sales Margin %	6.7	7.9	6.8	6.3	5.2	
ROFE %	15.1	17.5	13.0	11.5	8.9	
External Tonnes Dispatched	916,353	981,409	938,157	917,800	900,500	(6.6)

Results of previous periods have been restated to reflect the business restructure that became effective July 2005

* Includes amortisation of goodwill for the 2002, 2003 and 2004 results

Manufacturing – Results (historical)

\$A Million	2006 AIFRS	2005 AIFRS	2004 AGAAP	2003 AGAAP	2002 AGAAP	% chg 06/05
Revenue	2,101.4	2,065.7	1,700.9	1,583.1	1,445.8	1.7
EBITDA	225.8	184.3	187.4	175.7	133.7	22.5
EBIT*	164.5	118.7	130.3	126.0	67.1	38.6
Assets	1,829.2	1,638.7	1,555.3	1,439.0	1,398.8	11.6
Employees	3,948	3,908	3,872	3,818	3,857	1.0
Sales Margin %	7.8	5.7	7.7	8.0	4.6	
ROFE %	13.7	11.5	12.3	11.9	6.3	
Tonnages						
External Dispatches	1,370,714	1,282,642	1,221,379	1,306,346	1,280,875	6.9
Internal Dispatches	272,141	270,719	257,266	259,854	252,325	0.5
Steel Tonnes Produced	1,633,696	1,349,397	1,618,855	1,624,399	1,576,650	21.1

Results of previous periods have been restated to reflect the business restructure that became effective July 2005

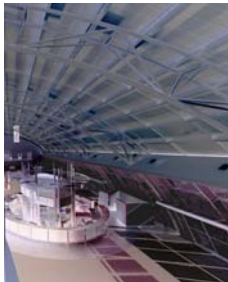
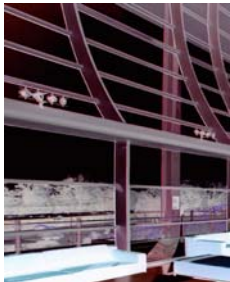
* Includes amortisation of goodwill for the 2002, 2003 and 2004 results



International Distribution – Results (historical)

\$A Million	2006 AIFRS	2005 AIFRS	2004 AGAAP	2003 AGAAP	2002 AGAAP	2001 AGAAP	% Chg 06/05
Sales	390.4	403.3	340.3	290.8	289.2	312.2	(3.2)
EBITDA	48.8	61.4	47.6	36.6	30.7	29.3	(20.5)
EBIT*	43.7	56.1	42.7	32.0	26.1	23.8	(22.1)
Assets	178.4	196.1	172.2	156.1	133.1	174.0	(9.0)
Employees	907	804	793	765	620	700	12.8
Sales Margin %	11.2	13.9	12.5	11.0	9.0	7.6	
ROFE %	28.4	37.4	31.7	27.0	20.5	16.2	

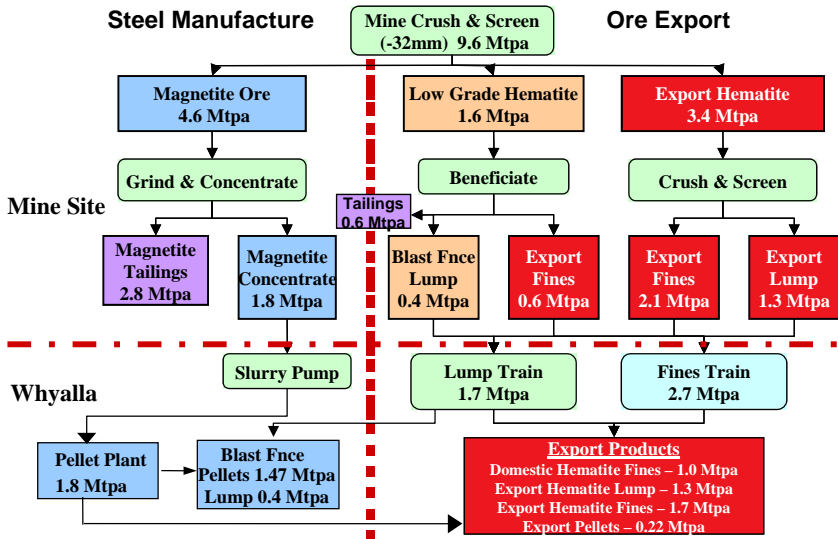
* Includes amortisation of goodwill for the 2001- 2004 results



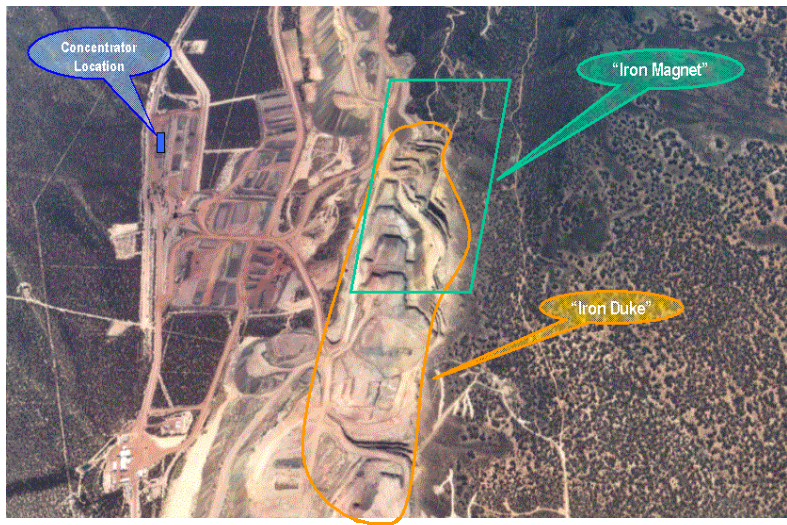
Attachments Project Magnet

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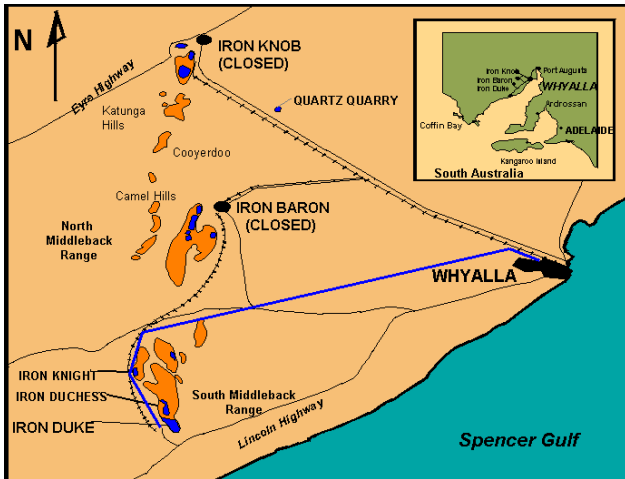
Capacities and Material Flows



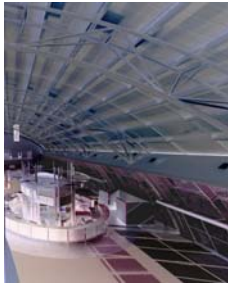
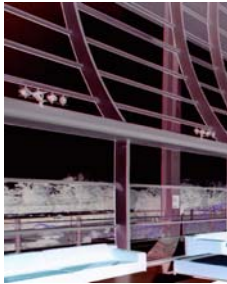
Project Magnet – Resource Location



Project Magnet Geography



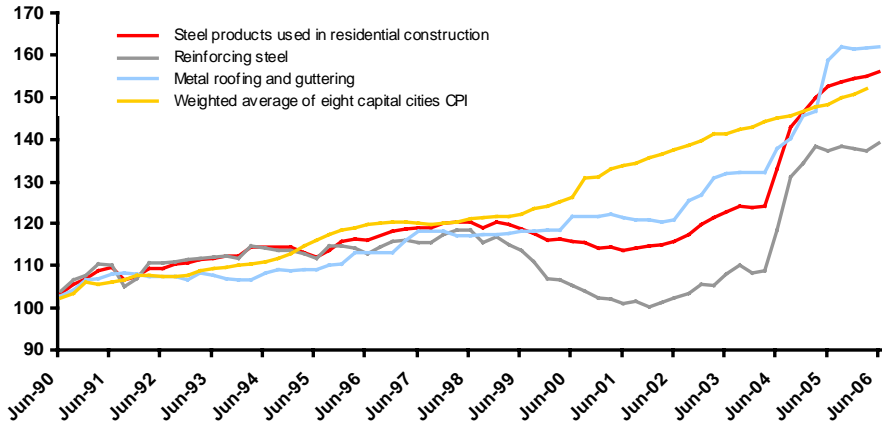
Current Market Trends



Australian Steel Price Index

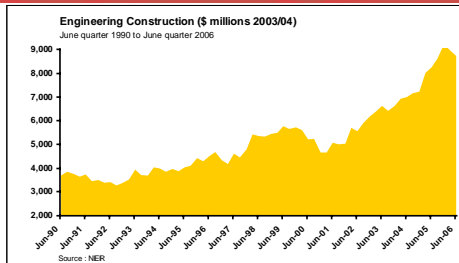
Prices for Steel Residential Construction Materials

June quarter 1990 to June quarter 2006



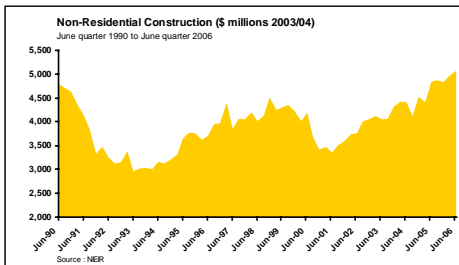
Source : ABS

OneSteel Key Segments



Engineering construction drove 23% of OneSteel's sales revenue in FY06

16.0% year-on-year increase in value of activity



Non-residential construction drove 22% of OneSteel's sales revenue in FY06

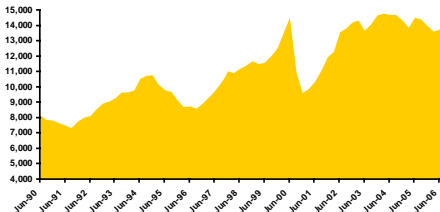
10.4% year-on-year increase in value of activity

Source: NIEIR

OneSteel Key Segments

Residential Construction (\$ millions 2003/04)

June quarter 1990 to June quarter 2006



Source : NIEIR

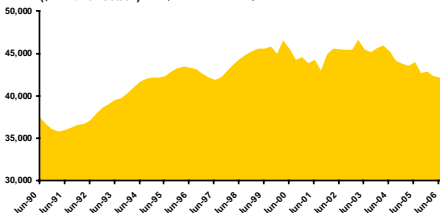
Residential construction drove 14% of OneSteel sales revenue in FY06

3.0% year-on-year decrease in value of activity

Overall weighted year-on-year increase in value of construction activity 9.4%

Manufacturing Underlying Activity for Steel Products (\$ millions 2003/04)

June quarter 1990 to June quarter 2006



Source : NIEIR

Manufacturing drove 11% of OneSteel sales revenue in FY06

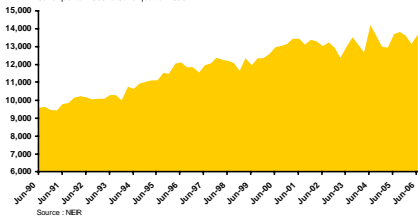
3.0% year-on-year decrease in value of activity

Source: NIEIR

Overall Increase In OneSteel Key Segments 5.5%*

Mining Production (\$ millions 2003/04)

June quarter 1990 to June quarter 2006

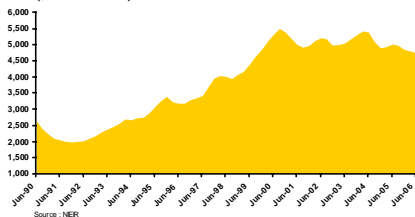


Source : NER

**Mining: 10% of OneSteel sales revenue
1.8% increase year-on-year**

Automotive Underlying Activity for Steel Products

(\$ millions 2003/04) June quarter 1990 to June quarter 2006

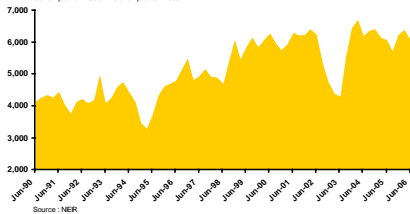


Source : NER

**Auto: 6% of OneSteel sales revenue
2.8% decrease year-on-year**

Agricultural Production (\$ millions 2003/04)

June quarter 1990 to June quarter 2006



Source : NER

**Agricultural: 6% of OneSteel sales revenue
2.2% decrease year-on-year**

* Excludes export steel (5%) and ore products (3%) which drive the remaining 8% of OneSteel's revenue

Source: NIEIR

Major Project Flow

Won/Awarded

- OneSteel Project Magnet, Whyalla, SA
- Connect East, East Melbourne Motorway, VIC
- Newcrest Boddington Gold Mine, Boddington, WA
- Rio-Tinto Parker Point Upgrade (Dampier Wharf), WA
- Rio Tinto Yandi Upgrade, WA
- BHP Billiton, Dampier Port Development JV, WA
- **Abbot Point Coal Terminal Expansion, QLD**
- **Hay Point Expansions, QLD**
- Woodside Angel Project, Topsides, NW Shelf, WA
- Santos DPCU Project, Perth, WA
- Comalco WEIPA Refinery, QLD
- QNI Yabulu Expansion, Brisbane, QLD
- Hartley Mine, Lithgow, NSW
- Coles Myer Distribution, Goulburn, NSW
- Coles Myer, Erskine Park, NSW
- Coles Myer Distribution Centre, Adelaide, SA
- Woolworths Minchinbury, NSW
- Bluescope Steel's Erskine Park Coating Line, Sydney, NSW
- AXA Building, Melbourne, VIC
- Epping Plaza, Epping, Sydney, NSW
- ABB Grain Silos, SA
- **Franklin Bus Terminal, Adelaide, SA**

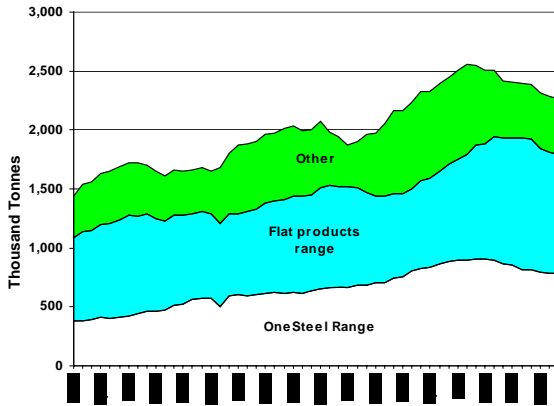
Projects highlighted in red denote additions to list

Potential/Upcoming

- Gorgon LNG – Chevron/Texaco, NW Shelf, WA (comes into Australia at Karratha)
- Alcoa Wagerup Stage III, WA
- Convention Centre, Melbourne CBD, VIC
- Gladstone Nickel Project, Yarwun, QLD
- Natural Fuels Australia – Bio Processing Plant, East Arm, NT
- ADO Air Warfare Destroyers, Adelaide, SA
- Westfield Liverpool, NSW
- Sydney International carpark, Sydney, NSW
- Vopak Botany Terminal, Sydney, NSW
- **BHP Billiton Olympic Dam Expansion, SA**
- **Rio Tinto Hope Downs Development, WA**
- **Linfox Warehouse, WA**
- **Woodside Train 5 Stick Built, WA**
- **Oxiana Prominent Hill Development North SA**
- Worsley Alumina Refinery Upgrade, Worsley, WA
- Comalco Refinery (Phase 2), Gladstone, QLD
- Tyco, Water Pipe Racks, WA
- Worsley Alumina DCP Expansion, Collie, WA
- McArthur Coal, Fitzroy, QLD
- **Gooniyella Broadside Coal Mine Expansion, QLD**
- **Swanbank Paper, QLD**
- North/South Bypass Tunnel, Brisbane, QLD
- Dalrymple Bay Coal Terminal, Dalrymple, QLD
- Gateway Bridge Upgrade, Brisbane, QLD
- Westfield Centrepoint, Sydney, NSW
- Woodside Train 5 (S&T Structural), NW Shelf, WA
- BLL Headquarters, Melbourne, VIC
- Water Front City, Melbourne, VIC

Imports into Australia

Steel Imports into Australia January 2002 to June 2006



Source: ABS and OneSteel data, 12-month moving average
The data include approximately 90,000 of OneSteel imports of finished and semi-finished product associated with production disruptions at the Whyalla Steelworks blast furnace in the latter part of 2004 calendar year.

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OneSteel Overview



9 Major Manufacturing sites
Over 150 Distribution Sites