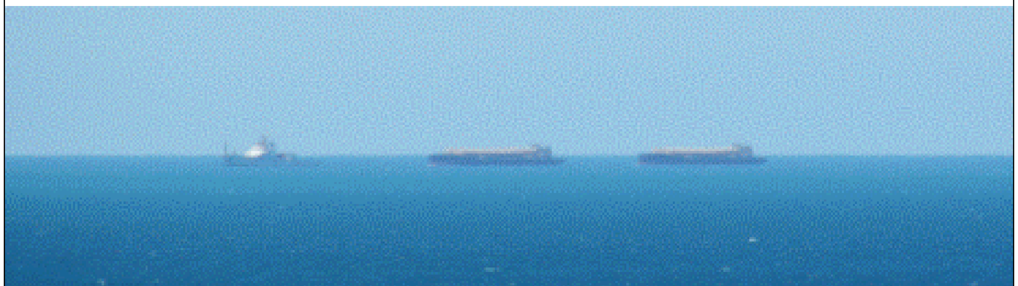


Full Year Results Presentation
21 August 2007

onesteel

Contents

- Results Overview
- Market Conditions
- Review of Financials
- Growing & Diversifying Earnings
- Summary and Outlook
- Attachments

Slide 2

Good morning. I'm Geoff Plummer, Managing Director and CEO of OneSteel, and I would like to welcome you to OneSteel's results announcement for the 2007 financial year.

I will start today's presentation with an overview of the highlights of the results and a description of the market conditions. I will then pass you over to OneSteel's Chief Financial Officer, Tony Reeves, who will run through the financial highlights as well as the results of OneSteel's three business divisions.

After Tony's section, I will provide an update on the initiatives that we have underway to grow and diversify earnings before concluding the presentation with a summary and some comments on the outlook.

At the end of the presentation there will be some time for questions.

Results Overview

- Net operating profit after tax up 15.1%
  - continued double-digit growth in earnings per share
  - improved sales margin
  - improved return on funds employed and return on equity
  - record raw steel production
- Increased dividend
- Strong operating cashflow of $276.5 million
- Gearing remains in lower end of target range after total investments to date of $379 million in Project Magnet
- Good progress on Project Magnet, with ore export shipments of 1.8 million tonnes – above plan
- Merger with Smorgon Steel complete

onesteel

Slide 3

In terms of the results overview, I would like to highlight:

• Another improvement in profit, as well as further improvement in earnings per share, plus the rise in sales margin from the previous corresponding period

• The improvement in return on funds employed and equity

• There were also some very pleasing operational outcomes, namely record raw steel production and a 30% improvement in OneSteel's safety performance

• The company continues to generate solid cash outcomes with $276.5 million operating cashflow during the period

• Our financial gearing remains at the lower end of the target range after total investments to date of $379 million in Project Magnet

• We exported more than 1.8 million tonnes of iron ore in the 2007 financial year, exceeding the planned ramp up in ore sales that we announced in May 2005. I am pleased to report that Project Magnet is on track to ship 4 million tonnes of iron ore in the financial year now underway

• As you know, the merger with Smorgon Steel was completed yesterday and we are now focused on effectively integrating the two businesses to deliver the synergies and benefits we believe the merger brings.

Overview - Operational

- Business Performance
  - Underlying domestic price per tonne (excluding special projects) up 2.6%
  - Sales margin increased to 7.9% from 7.6%
- Overall domestic market activity up ~ 2.0% in OneSteel segments
  - Underlying domestic steel tonnes up 5.6%
- Business Improvement
  - Cost reductions of $40 million
  - Revenue enhancements of $150 million
  - Cost increases – raw materials and inflationary – of $159 million
- Safety Performance
  - Medical Treatment Injury Frequency Rate improved 31% from 11.7 to 8.1
  - Lost Time Injury Frequency Rate improved 44% from 1.6 to 0.9

onesteel

Looking at the results in more detail, over the 2007 financial year we achieved price increases of 2.6% to recover higher raw material and input costs. The sales margin improved from 7.6% to 7.9%, reflecting a 5.6% increase in underlying domestic steel despatches, more favourable product mix, the contribution from iron ore sales as Project Magnet ramps up and cost control.

The result was achieved in a market where the segments that drive OneSteel's domestic revenue increased by an estimated 2.0%.

Management initiatives to improve the business resulted in a $40 million reduction in costs as well as $150 million of revenue enhancements. In combination these more than offset $159 million of raw material and inflationary cost increases.

Over the years OneSteel has made great progress in the area of safety to the point that our safety statistics are among the world's best. Therefore it is very pleasing to report that the Medical Treatment Injury Frequency Rate improved a further 31% from 11.7 to 8.1 injuries per million man hours worked, and the Lost Time Injury Frequency Rate improved by 44% from 1.6 to 0.9. These statistics include contractors as well as employees.

Results Against Strategic Framework

Improve returns			
Net operating profit after tax and minorities	$197.5m	15.1%	was $171.6m
Sales margin	7.9%		was 7.6%
Return on funds employed	14.6%		was 14.4%
Earnings per share	34.5 cents	13.8%	was 30.3 cents
Fully franked dividends declared	18.5c	Up 8.8%	was 17.0c

Achieve strong cash generation		
Operating cash flow	$276.5m	was $250.8m
Free cash flow	($81.4m)	was $36.4m
Free cash flow excluding Magnet	$157.4m	was $203.4m
Inventory	$836.3m	was $758.9m
Net debt excluding derivatives	$769.8m	was $638.8m
Net debt including derivatives	$831.1m	was $688.2m
Gearing including derivatives	33.5%	was 31.4%

onesteel

I would like to present the financial and operational outcomes in the context of OneSteel's strategic framework.

In terms of improving returns from existing businesses, OneSteel posted a 15.1% increase in net operating profit after tax. That translates into earnings of 34.5 cents per share, an improvement of 13.8% from 30.3 cents per share in the previous corresponding period.

The sales margin, as mentioned earlier, also improved, as did the return on funds employed.

The Board declared an increase in the final dividend from 10 cents to 10.5 cents, fully franked, bringing the full-year fully franked dividend to 18.5 cents.

Tony will talk about the cash outcomes in his section but the business' strong cash generation and balance sheet position are further highlights of the results for me, as is the continued improved operational performance.

Results Against Strategic Framework

- Growing and diversifying earnings
  - During the period capital expenditure of approximately $189 million on Project Magnet.
  - Export sales of iron ore lump and fines 1.8m tonnes in FY 2007, exceeding the planned ramp-up
  - Merger with Smorgon Steel complete
  - Acquisition of Fagersta stainless steel distribution business
- Building organisational capability
  - We are continuing work on our three strategic initiatives of:
    - Customer and Market Insight
    - Supply Chain Transformation
    - Operational Excellence

onesteel

Slide 6

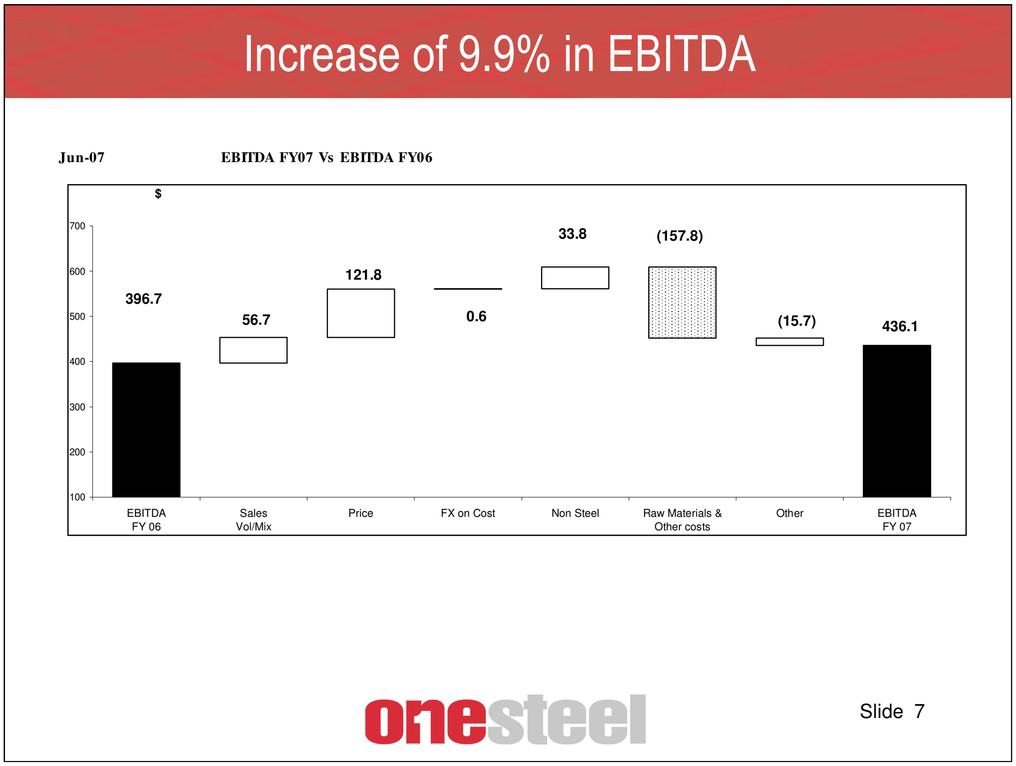
Turning to the growth part of OneSteel's strategic framework, we invested a further $189 million in Project Magnet during the period as export sales of iron ore lump and fines exceeded 1.8 million tonnes during the year, above the scheduled ramp-up in sales of 1.5 million tonnes that we announced in May 2005.

The other major growth initiative, the merger with Smorgon Steel, was completed yesterday and we now begin the job of effectively integrating the two businesses and delivering the synergies and benefits that we believe the merger brings.

I will talk more about these two growth projects later in this presentation.

Additionally I am pleased with the acquisition of Fagersta that we announced yesterday. The acquisition is a good strategic fit for OneSteel. Demand for stainless steel products has been growing strongly both globally and domestically and it has exposure to complementary market segments to carbon steel. When added to OneSteel's carbon steel and aluminium product capability, OneSteel gains a competitive advantage and differentiated position in the market.

In terms of our strategy to build organisational capability in the areas of customer and market insight, supply chain transformation and operational excellence, we have continued to invest in new resources to identify areas where OneSteel can add value and extract further earnings growth from existing operations.



Before reviewing the market conditions, I would like to discuss some of the main variances in earnings between the 2007 and 2006 financial years. The ongoing volatility and continued upward trend in international prices for steel and steelmaking inputs is clear from the chart. The largest variances continue to be around cost increases for raw materials and price increases to recover those higher costs.

When comparing the 2007 financial year with the previous corresponding period, higher costs for raw materials such as scrap, and in areas such as freight and labour, subtracted $157.8 million at the EBITDA level while price increases, together with sales volume and mix, made a positive contribution of $178.5 million.

The waterfall chart also shows the $33.8 million increase in EBITDA from non-steel sales as we ramped up exports of iron ore during the period to 1.8 million tonnes and successfully moved to shipping on Cape-sized vessels in the latter part of the year.

Market Conditions

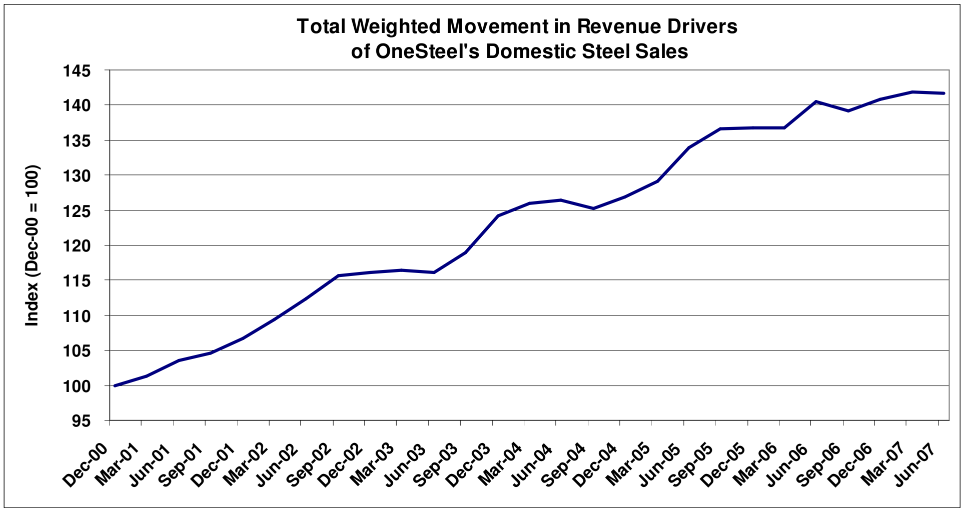
Project Magnet – Magnetite Stream

An overview of the Magnet concentrator site.

As can be seen, key pieces of equipment including High Pressure grinding rolls, Ball Mill, thickener, magnetic separators and associated conveying systems are in position.

I would now like to briefly outline the market conditions that prevailed during the 2007 financial year.

OneSteel Domestic Steel Sales Revenue Drivers



onesteel

Slide 9

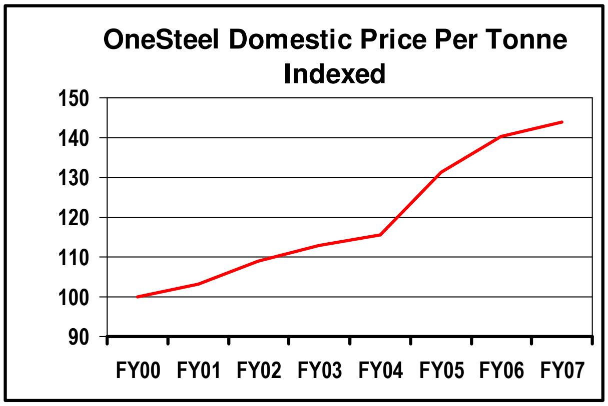
You will be aware that for some time economic conditions across Australia have been mixed, both by segment and region. Activity in the mining sector is running at high levels while OneSteel's key segments of engineering and non-residential construction are solid. These are offsetting softness in other segments such as manufacturing, automotive and those rural areas that remain affected by drought. Residential construction also continues to be soft.

The segments that drive OneSteel's domestic steel sales grew an estimated further 2% during the 2007 financial year.

Detailed graphs of activity levels in these market segments are included in the attachments.

Market Drivers – Price/Tonne Movement

2.6% increase in underlying domestic steel price per tonne in the 12-months to June 2007 from prior corresponding period reflecting price increases to recover higher costs for raw materials and purchased products, as well as changed product mix.

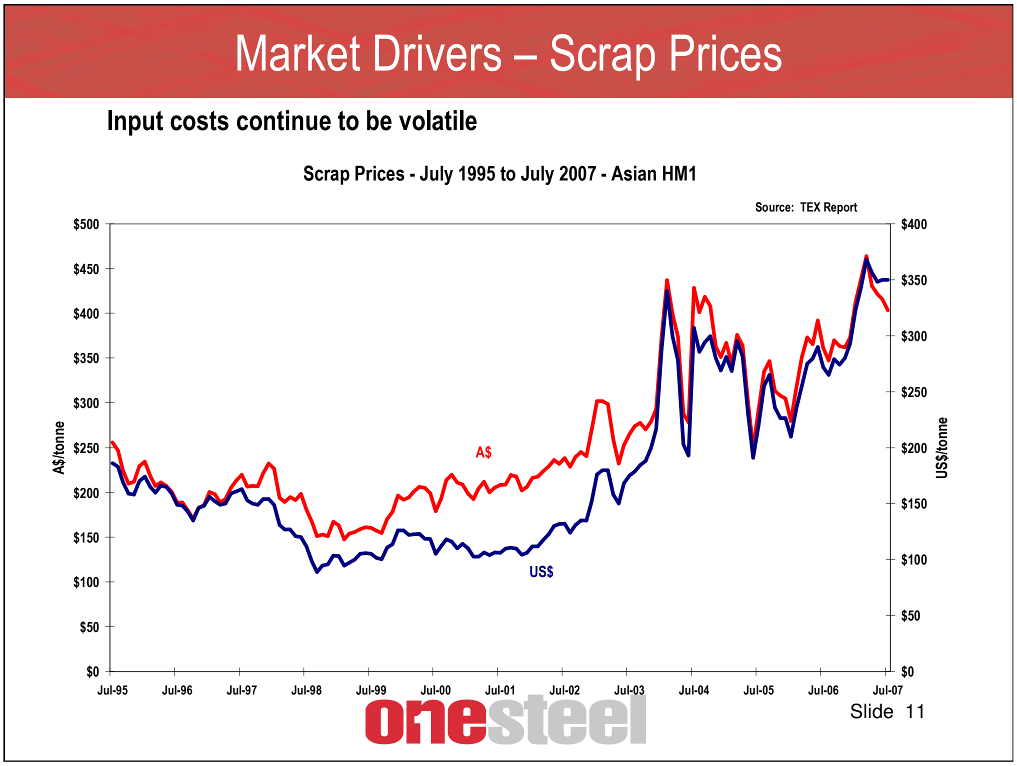


onesteel

Slide 10

As you saw from the waterfall chart earlier, prices of raw materials, externally-sourced products and other business costs such as freight continue to rise. To offset that, we made cost savings of approximately $40 million. Our work around strategic sourcing was one source of cost savings, as were operational initiatives to improve maintenance effectiveness, increase yield and throughput. The business also achieved $150 million in revenue enhancements. These resulted in a 2.6% increase in underlying domestic steel prices in the 12 months to June 2007.

We continue to focus on managing our margins to recover increases in raw material costs such as scrap. You will see from the next slide that scrap prices continue to trend higher, albeit with considerable volatility.



The attachments to this presentation note that the international traded price of scrap, as quoted in the TEX Report, averaged A$397 in the 12 months to June, up almost 20% from the average price of A$332 in the 2006 financial year. In US dollars, the average scrap price last financial year was $313 per tonne, a 26% increase from the average of $248 in the 2006 financial year. Of the raw material inputs that OneSteel purchases, scrap was the biggest source of cost increase in the last financial year.

Review of Financials

Project Magnet – Hematite Stream

The export storage facility preparing iron ore for export shipment.

onesteel

Slide 12

I will now hand over to Tony to discuss the financial highlights and the operational and financial outcomes of OneSteel's three business divisions.

Thank you Geoff. Good morning Ladies and Gentlemen. Firstly can I note that this presentation will not cover the financial results of the Smorgon Steel businesses that we acquired subsequent to the 30 June year-end. Completion of the accounts is underway

Financial Highlights – Details

Operating profit after tax and minorities	$197.5m	↑	15.1% from $171.6m
Net profit after tax (statutory)	$207.0m	↑	10.4% from $187.5m
Earnings per share - based on no. shares at end period	34.5 cents	↑	13.8% from 30.3c
Operating cash flow	$276.5m	↑	was $250.8m
Free cash flow	($81.4m)	↓	was $36.4m
Free cash flow excluding Project Magnet	$157.4m	↓	was $203.4m
Sales margin (EBIT)	7.9%	↑	from 7.6%
Gearing (net debt/net debt plus equity) including derivative	33.5%	↑	from 31.4%
Net debt including derivative	$831.1m	↑	from $688.2m
Interest cover	6.1 times	↑	from 5.3 times
Return on equity	13.3%	↑	from 12.9%
Return on funds employed	14.6%	↑	from 14.4%
Fully franked final dividend	18.5 cents	↑	from 17.0 cents

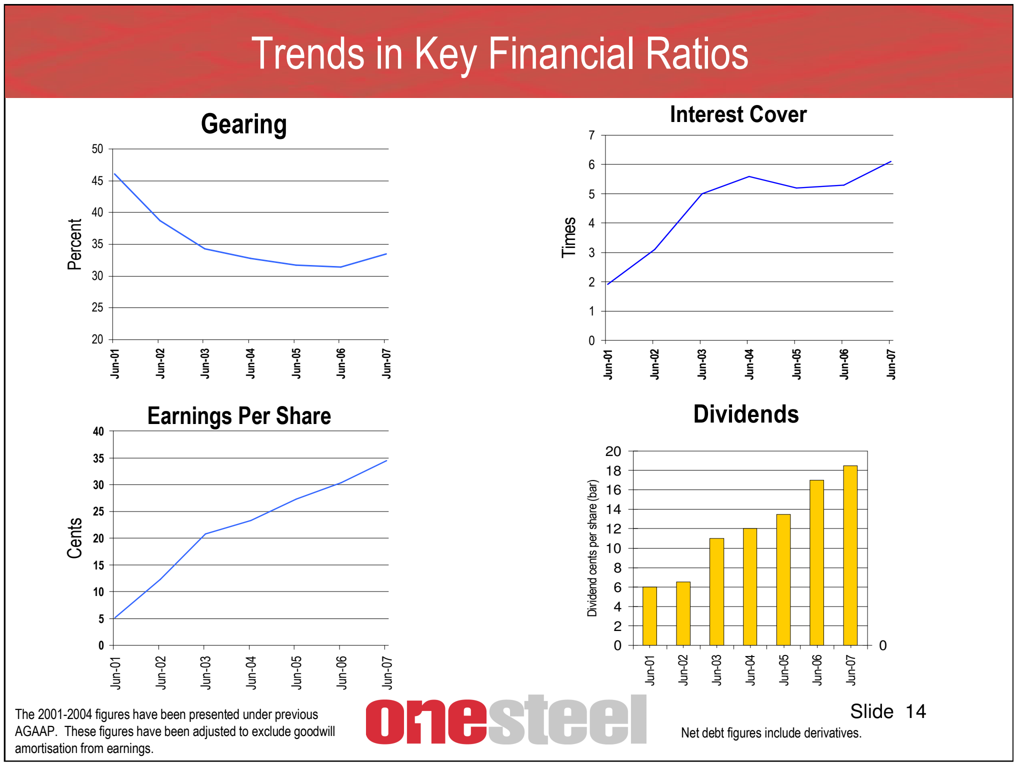
onesteel

Slide 13

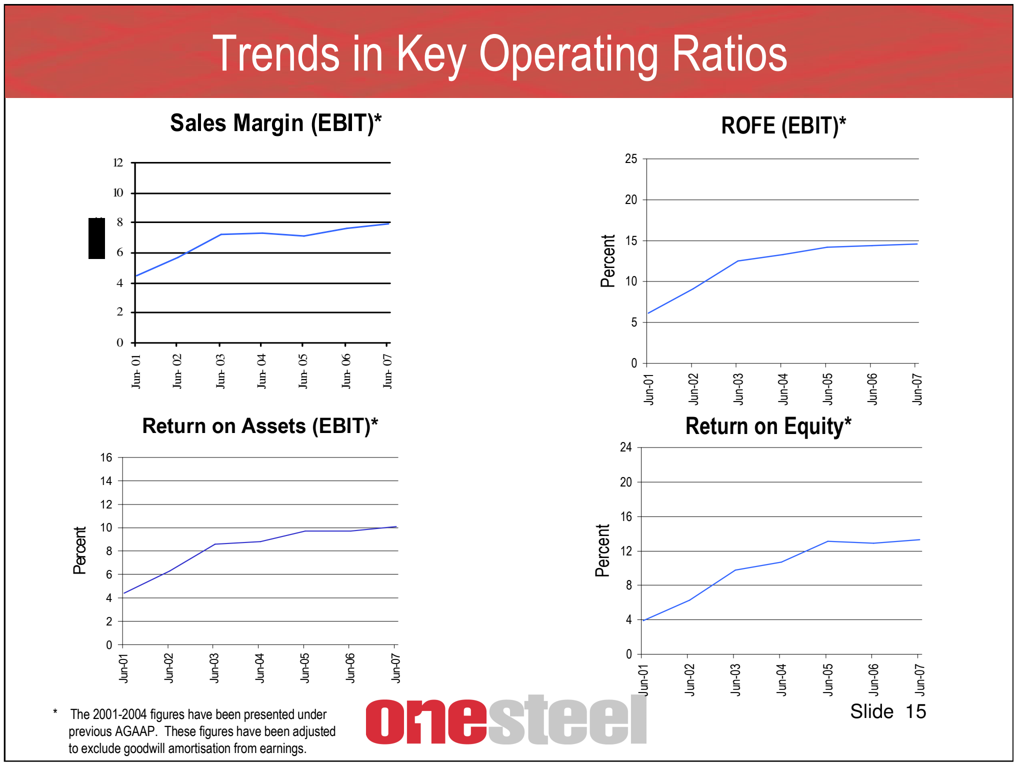
I would like to start my section of the presentation with some of the highlights of the financial outcomes in the last financial year. The 15.1% increase in net operating profit after tax translates into a 13.8% rise in earnings per share to 34.5 cents. This marks the sixth consecutive year of double-digit growth in EPS.

A second highlight was that the business continues to generate cash with $276.5 million operating cash flow in the last financial year. That is up from $250.8 million in the previous corresponding period and is despite the $155 million of raw material and inflationary costs that we faced over the year. Each year we take out costs from the business to cover inflationary costs. In this environment of higher prices for steelmaking inputs we are also adjusting our selling prices accordingly. This strong cash generation has helped us to manage gearing at the lower end of our target range of 30% to 40% after investing $379 million in Project Magnet to 30 June 2007.

The Board declared an increased final dividend of 10.5 cents, taking dividends for the full year to 18.5 cents, fully-franked.



This a pleasing set of charts for a CFO to present, with most of our key financial ratios heading in the right direction. Gearing, while slightly higher, remains at the lower end of our target range.



Likewise, our key operating ratios are headed in the right direction.

Income Statement

A$ Million	2007 AIFRS	2006 AIFRS	% Chg 07 vs 06
Sales	4,300.6	4,004.6	7.4%
EBITDA	436.1	396.7	9.9%
Depreciation and amortisation	(96.2)	(94.0)	2.3%
EBIT	339.9	302.7	12.3%
Finance Costs	(55.8)	(56.7)	(1.6%)
EBT	284.1	246.0	15.5%
Tax Expense	(74.7)	(60.8)	22.9%
Operating profit after tax	197.5	171.6	15.1%
Net profit after tax (statutory)	207.0	187.5	10.4%
EPS (cents) – based on no. of shares at end of period	34.5	30.3	13.8%
ROFE%	14.6	14.4	
Full-year Dividend (cents/share)	18.5	17.0	8.8%

onesteel

Slide 16

Finance costs have fallen from the previous year despite an increase in gearing and debt levels. This is largely because in the 2007 financial year we capitalised $15.7 million of interest expense as part of the construction costs of assets under Project Magnet. That compares with an amount of $4.4 million that was booked in the previous financial year. As these facilities become operational, the cost of the assets, including any capitalised interest, will be depreciated over the life of the facilities.

The other point of note on this slide is that OneSteel's tax expense continues to reflect the impact of claimable R&D expenditure. This resulted in an effective tax rate of 26.3%.

The $74.7 million tax expense excludes the benefit of $9.5 million arising on derecognition of deferred tax liabilities associated with the formation of the Australian Tube Mills joint venture between OneSteel and Smorgon Steel. Statutory net profit after tax and minorities including this benefit was $207 million.

Non-Trading Items – NOPAT

At the Net Operating Profit after Tax Level

	FY07 Millions	FY06 Millions
Additions		
• Tax – R&D	$ 8.2	$ 6.2
• Profit on asset sales	$ 3.6	$ 3.1
• Blast furnace insurance claim		$ 3.5
Total Additions	$ 11.8	$12.8
Subtractions		
• Restructuring costs	$ (2.3)	$ (4.2)
• Whyalla floods	$(12.2)	
• Other	$ (2.2)	
• Provisions adjustment		$ (5.4)
Total Subtraction	$(16.7)	$ (9.6)
Net Impact	$ (4.9)	$ 3.2

onesteel

Slide 17

I include this slide to show you the one-off items in the year's NOPAT result and those a year earlier.

The largest item is the impact from the floods at Whyalla in January 2007 which subtracted $12.2 million from NOPAT. This is in line with the guidance that we provided at the half-year that the flood would have a $15 million to $30 million impact at the EBITDA level. The impact arose from, among other things, operational disruptions, slowing construction of Project Magnet by approximately one week and deferring some iron ore export sales into the next financial year.

The next largest item is the $8.2 million contribution to NOPAT from tax. This comprises the full impact of prior year adjustments and R&D benefits in the 2007 financial year.

The net impact of these one-offs and non-trading items was to subtract $4.9 million from net operating profit after tax.

Balance Sheet

A$ Million	Jun 2007 AIFRS	Jun 2006 AIFRS	% Chg 2007 vs 2006
Total Assets	3,569.5	3,138.8	13.7%
Liabilities	1,919.5	1,637.2	17.2%
Net Assets	1,650.0	1,501.6	9.9%
Net Debt including derivatives	831.1	688.2	20.8%
Net Debt excluding derivatives	769.8	638.8	20.5%
Inventory	836.3	758.9	10.2%
Funds Employed	2,481.1	2,189.8	13.3%
Gearing (net debt/ net debt + equity) incl derivative %	33.5	31.4	
Gearing (net debt/ net debt + equity) excl derivative %	31.8	29.8	
Interest Cover – times	6.1	5.3	
Interest Cover – times – including Project Magnet capitalised interest	4.8	5.0	
NTA / Share $	2.40	2.16	11.1%

onesteel

Slide 18

You can see here that our investment in Project Magnet is increasing OneSteel's funds employed. Also contributing to this is $15.6 million of capitalised costs associated with the merger with Smorgon Steel ($0.8 million a year earlier). Notwithstanding these items, our gearing remains at the lower end of our target range.

The statutory calculation of interest cover is 6.1 times but we have also included an interest cover calculation that includes the capitalised interest on Project Magnet debt.

The other point to note is the 10.2% increase in inventory. The increase reflects higher average prices for purchased raw materials and resold materials.

Pellet inventories, as well as those of hematite and magnetite iron ore, were also built to respond to the cutover of the Whyalla Steelworks to magnetite in the first half of FY08.

Cash Flow

12 months to:	June 2007	June 2006
A$ Million	AIFRS	AIFRS
Earnings before Tax (adjusted for non-cash items)	275.6	244.9
Depreciation/Amortisation (ex goodwill)	96.2	94.0
Capital & Investment Expenditure	(360.5)	(227.6)
Working Capital movement	(28.2)	(34.4)
Income Tax Payments	(67.1)	(53.7)
Asset Sales	12.2	6.7
Other	(0.8)	1.9
Operating & Investing Cash Flow	(72.6)	31.8
Free Cash Flow	(81.4)	36.4
Free Cash Flow excluding Magnet capex	157.4	203.4

onesteel

Project Magnet also affected OneSteel's cash flow. However, after adjusting cash flow for the capital expenditure associated with Project Magnet, free cash flow is a positive $157.4 million rather than the negative $81.4 million that we reported, consistent with our strategy of converting strong profit outcomes into strong cash outcomes.

I would now like to turn to the results of OneSteel's three business divisions.

Australian Distribution – Results

$A Million	2007* AIFRS	2006 AIFRS	% chg 2007 vs 2006
Revenue	1,850.0	1,833.9	0.9
EBITDA	147.5	146.1	1.0
EBIT	122.5	122.0	0.4
Assets	1,126.2	1,100.6	2.3
Employees	2,358	2,448	(3.7)
Sales Margin %	6.6	6.7	
ROFE %	15.4	15.1	
External tonnes despatched	876,851	905,066	(3.1)

* These outcomes for the 2007 financial year have been normalised to include the results from the business that OneSteel contributed to the Australian Tube Mills joint venture as if the business had remained part of the Distribution segment for the full year.

Slide 20

A 3.8% increase in underlying domestic prices to recover higher product and input costs helped to boost revenue of the Distribution business by 0.9% to $1,850 million. Cost efficiency initiatives and pricing discipline produced a small increase in earnings in a competitive market, while project delays and increased import competition in some areas resulted in a small decline in the sales margin from 6.7% to 6.6%.

Further progress in reducing working capital helped to lift the return on funds employed to 15.4% from 15.1%. The Distribution business also achieved a strong cash outcome. As noted at the bottom of the table, the 2007 figures stated above and in the Segment results that appear in the Review of Operations have been normalised to include the results from the business that OneSteel contributed to the Australian Tube Mills joint venture as if the business had remained part of the Distribution segment for the full year.

The business benefited from continued high levels of activity in resources and infrastructure segments in Western Australia and Queensland, while rural markets continued to be affected by drought. New South Wales and Victoria were soft due to weak manufacturing and residential construction segments. Adjusted for large projects, domestic steel despatches were down 1.1% to 845,054 tonnes.

Manufacturing – Results

$A Million	2007 AIFRS	2006 AIFRS	% chg 2007 vs 2006
Revenue	2,414.0	2,101.4	14.9
EBITDA	275.8	225.8	22.1
EBIT	211.7	164.5	28.7
Assets	2,132.7	1,829.2	16.6
Employees	4,278	3,948	8.4
Sales Margin %	8.8	7.8	
ROFE %	14.9	13.7	
Tonnages			
External despatches	1,401,471	1,370,714	2.2
Internal despatches	275,106	272,141	1.1
Steel tonnes produced	1,733,406	1,633,696	6.1

onesteel

Slide 21

The Manufacturing division produced a record volume of raw steel at its two steelmaking plants. This, combined with improved product mix, contributed to the improvement in Manufacturing's results. The business also increased despatches and achieved price increases in most product lines.

In combination with higher volume of iron ore exports, these helped to lift Manufacturing's revenue by 14.9% to $2.414 billion, while EBITDA and EBIT were up 22% and 29%, respectively. The sales margin improved from 7.8% to 8.8% and the return of funds employed rose to 14.9% from 13.7%. The improved returns are despite the sharply higher raw material and freight costs that the business incurred during the 2007 financial year.

The drivers of the profit improvement include record steel production, more favourable product mix, higher domestic despatches this year, particularly of structural products and reo, as well as the progress in bringing Project Magnet on line.

International Distribution – Results

$A Million	2007 AIFRS	2006 AIFRS	% chg 2007 vs 2006
Sales	405.2	390.4	3.8
EBITDA	45.9	48.7	(5.7)
EBIT	40.6	43.7	(7.1)
Assets	222.6	178.4	24.8
Employees	881	907	(2.9)
Sales Margin %	10.0	11.2	
ROFE %	24.4	28.4	

onesteel

Slide 22

The International Distribution business had to contend with tougher economic conditions amid a continuing high exchange rate, rising energy costs and higher interest rates. While total construction activity was up, the strong New Zealand dollar resulted in lower export receipts for the manufacturing and rural sectors. The currency appreciation also created market volatility via the cost of replacement inventory. This, together with a very competitive environment, affected the business' ability to fully recover cost increases that it incurred during the period.

The 10% sales margin and 24.4% return on funds employed are commendable outcomes in these challenging conditions.

Growing & Diversifying Earnings

Project Magnet – Hematite Stream

One of the transfer barges that trans-ships ore product from the newly-constructed export facilities at the Whyalla port. The barges carry hematite lump and fines approximately 7.5 nautical miles to the Floating Offshore Transfer Terminal which facilitates loading of Cape-sized ships, such as the one in this photo, sitting in the Spencer Gulf. As at 30 June 2007, six ore shipments in Cape-size vessels had sailed from Whyalla.

onesteel

Slide 23

Thank you Tony.

Project Magnet - Current Status

- Capital Expenditure
  - FY 2005 — ~ $ 24 million
  - FY 2006 — ~ $165 million
  - FY 2007 — ~ $189 million
  - Total to Date — ~ $379 million as at 30 June 2007
  - Forecast total — ~ $395 million

- Benefits
  - Iron Ore – sales additional to historic sales of 1mtpa
    - FY2006 — ~ 700kt iron ore lump and fines; ~ 300kt ore by-products
    - FY 2007 — ~ 1.8m tonnes ore; ~ 266k tonnes ore by-products
    - FY 2008 — ~ 3.0m tonnes ore
  - Steelworks benefits
    - Increased iron and steel production – ramp up through FY 2008
    - Value-in-use benefits – ramp up through FY 2008

onesteel

Slide 24

Project Magnet, the commercialisation of OneSteel's magnetite reserves, continues to achieve major milestones, with capital construction work substantially completed.

A further approximately $189 million of capital expenditure during the period under review took total project expenditure to around $379 million as at 30 June 2007. The total cost of the project was previously forecast at $390 million. The current estimate is at $395 million.

In the 12 months to June 2007 export sales of iron ore lump and fines were over 1.8 million tonnes, above the planned ramp-up of sales of 1.5 million tonnes that was announced in May 2005. Based on current forecasts we expect to sell four million tonnes of iron ore in the 2008 financial year, as planned under the May 2005 ramp-up schedule.

Also in the financial year now underway, we will be ramping-up the increased iron and steel production, as well as the value-in-use benefits of using magnetite ore at the Whyalla Steelworks.

Project Magnet – Latest Progress

Hematite Stream

Process / Equipment	Construction	Commissioning
-Rail Upgrade	Complete	Complete
-Rail Wagons		
- Upgrade	Complete	Complete
- Additional Wagons	Complete	Complete
-Tip Pocket	Complete	Complete
-Export Shed	Complete	Complete
-Shiploader	Complete	Complete
-Transhipping	Complete	Complete

- In the period under review, six shipments of iron ore in Cape-sized vessels were made from Whyalla

onesteel

Slide 25

Looking at Project Magnet's milestones in more detail, the stream around hematite exports has been successfully commissioned with six shipments of iron ore in Cape-size vessels made from Whyalla in the period under review.

Three long-term export sales contracts have been signed with Chinese steelmakers. These 10-year contracts cover over 17 million tonnes of the approximately 30 million tonnes of ore available for export. The target is to have 80% of export sales covered by long-term contracts.

Project Magnet – Latest Progress and Next Steps

Magnetite Stream

Process / Equipment	Construction	Commissioning
- Crushing & Screening (Hematite & Magnetite)		
- Primary	Complete	Complete
- Secondary	Complete	Complete
- Tertiary	Complete	Complete
- Concentrator	Complete	First concentrate made
- Pipeline	Complete	First slurry pumped
- Filter Flux	Complete	First filter cake produced
- Desulphurisation	Complete	Complete

- Magnetite concentrate has been produced
- Slurry delivered to Filter Flux Plant and filter cake produced
- Pellet Plant cutover to occur shortly, followed by Blast Furnace transition

onesteel

Slide 26

As for the magnetite ore stream, having effectively completed construction in June 2007, the focus now is on final commissioning, transition and ramp-up phases. Commissioning of the crushing and screening equipment and of the desulphurisation plant is complete and the first slurry has been pumped from the mine to the Whyalla Steelworks.

Commissioning of the concentrator and filter flux are currently underway with magnetite concentrate having been produced and slurry delivered to the filter flux plant this month. The first filter cake has also been produced.

The cutover of the pellet plant will occur shortly, and the focus will then move to the transition of the blast furnace to magnetite feed.

When fully ramped up, Project Magnet will provide growth through the export of 30 million tonnes of iron ore over 10 years, as well as through the sale of additional steel over the life of the project. The value-in-use benefits of magnetite ore will also lower the cost of steelmaking at the Whyalla Steelworks.

Smorgon Steel Merger Status

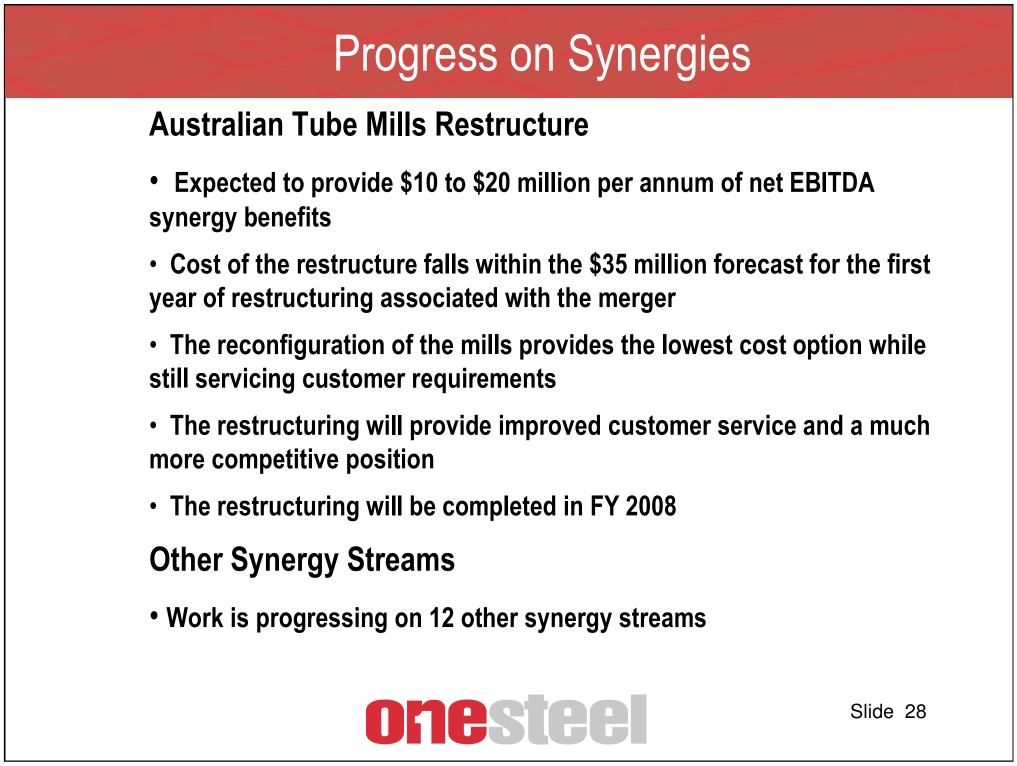
- Transaction complete
- Focus on effective integration and capturing benefits

	Year 1	Year 2	Year 3	Running rate by end of Year 3
Estimated EBITDA synergies	$25m	$50m	$70m	$70m per annum
Estimated EBITDA impact of costs of achieving synergies excluding any write-offs	($35m)	($35m)	-	

onesteel

Our second initiative around growing and diversifying our earnings is the merger with Smorgon Steel that was completed yesterday. OneSteel management is now focused on the effective integration of the two businesses and on delivering the benefits and synergies that we believe the merger brings.

In the first 12 months following the merger, we aim to achieve $25 million in synergies. This number is net of potential sales leakage from combining the two businesses and excludes expected asset disposals and write-offs. Our initial estimate is for costs of $70 million spread over the first two years to implement changes to achieve these synergies. By the end of the third year we are aiming for a running rate of $70 million net synergies per annum.



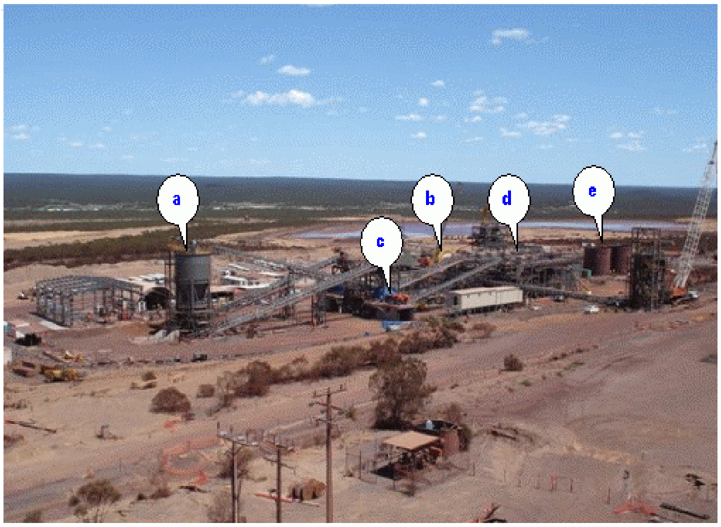
The first step we have taken towards achieving the synergies is the restructuring of Australian Tube Mills' pipe and tube operations. Australian Tube Mills became a wholly owned subsidiary of OneSteel yesterday as part of the completion of the OneSteel and Smorgon Steel merger. The restructuring followed a review of operations that began in March 2007.

We expect that it will provide $10 to $20 million per annum of net synergy benefits. The benefits form part of the forecast $70 million of net synergies identified by OneSteel as part of the OneSteel and Smorgon Steel merger. The cost of the Australian Tube Mills restructure falls within the $35 million forecast for the first year of restructuring associated with the merger. The reconfiguration of the mills provides the lowest cost option while still servicing customer requirements. As well as providing improved customer service, the relocation of tonnes from two of the mills in Newcastle to the Acacia Ridge and Somerton facilities will also result in a much more competitive position.

The restructuring will be completed in the financial year currently underway.

There are 12 other synergy streams where work is currently progressing.

Summary and Outlook



Project Magnet – Magnetite Stream

This is an overview of the concentrator area showing

a) the magnetite ore feed bin

b) ball mill

c) High Pressure grinding roll

d) magnetic separation building

e) slurry concentrate holding bins

onesteel

Slide 29

I will conclude this presentation with a summary of the results and some comments on the outlook before opening the session to questions.

Summary

- Improvement in profit
- Continued improvement in earnings per share
- Improved sales margin, return on funds employed and return on equity
- Record raw steel production
- Strong operating cashflow helps gearing to remain in lower end of target range after total investments of $379 million in Project Magnet as at 30 June 2007
- Project Magnet progressing well – planned iron ore shipments exceeded
- Completion of Smorgon Steel transaction

onesteel

In summary, OneSteel increased profit, earnings per share and sales margin in the period under review and improved its return on funds employed and return on equity. It also produced a record volume of raw steel and exported over 1.8 million tonnes of iron ore, more than the 1.5 million tonnes planned under the ramp-up schedule. These outcomes were achieved in a mixed domestic market with solid demand in the resources and infrastructure segments, but weakness in manufacturing, automotive and rural segments, and against a backdrop of volatile international pricing for steel and key inputs.

The business continued to convert good profit outcomes into good operating cashflow, with the gearing ratio remaining at the lower end of the target range after total investments of $379 million in Project Magnet as of 30 June 2007. The project is achieving major milestones and we expect to sell 4 million tonnes of iron ore in the 2007/08 financial year, consistent with the iron ore sales ramp-up plan. We successfully completed the Smorgon Steel transaction yesterday.

Outlook

- Overall level of domestic activity and demand expected to be at similar levels
- International steel market and pricing expected to remain volatile, particularly in light of current market conditions and exchange rate
- Priorities:
  - continue to improve returns from current businesses
  - transition Whyalla Steelworks to magnetite ore feed
  - total of 4 million tonnes of iron ore sales
  - effectively integrate the Smorgon Steel merger and to deliver the benefits and synergies of this transaction

onesteel Slide 31

Trading conditions are broadly in line with our expectations. The mining and non-residential and engineering construction segments continue to be solid. There is continued weakness in residential construction activity and the manufacturing and automotive component segments remain soft, along with drought-affected rural markets. Factors such as the higher exchange rate and imports are increasing competitive pressures in certain product lines.

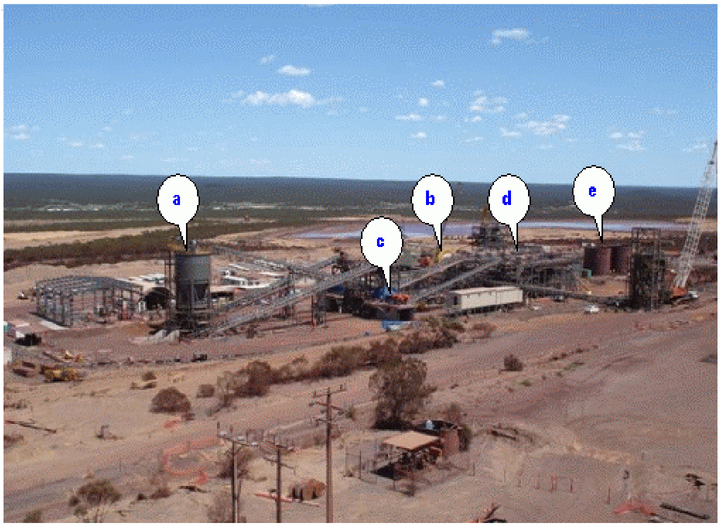
International prices for steel and key inputs such as scrap and hot rolled coil are expected to remain volatile, particularly in light of current market conditions and exchange rate. The medium-term outlook for iron ore prices continues to be positive. The underlying market for recycled products is robust, however a range of factors continues to drive volatility.

Management's priorities are unchanged, namely to further improve returns from the current business, transition Whyalla Steelworks to magnetite ore feed, sell a total of four million tonnes of iron ore in the financial year now underway, and to effectively integrate the Smorgon Steel merger and to deliver the benefits and synergies of this transaction.

Ladies and gentlemen, thank you for your time today and for your interest in OneSteel.

Tony and I would be happy to take any questions that you may have.

Attachments – Financials



Project Magnet – Magnetite Stream

This is an overview of the concentrator area showing

a) the magnetite ore feed bin

b) ball mill

c) High Pressure grinding roll

d) magnetic separation building

e) slurry concentrate holding bins

onesteel

Cash Flow Reconciliation – Historical Data

	AIFRS			AGAAP			
	Statutory						Proforma
A$ million	Jun 07	Jun 06	Jun 05	Jun 04	Jun 03	Jun 02	Jun 01
EBIT* (adjusted for non-cash items)	427.6	395.6	377.1	307.6	308.7	244.3	181.7
Interest	(55.8)	(56.7)	(53.6)	(42.2)	(44.5)	(54.4)	(61.8)
Tax	(67.1)	(53.7)	(54.1)	(33.8)	(24.0)	(20.8)	(39.6)
Capital Expenditure	(357.9)	(214.4)	(126.9)	(141.5)	(101.5)	(70.8)	(42.7)
Working capital movements	(28.2)	(34.4)	(33.5)	(46.2)	17.5	(76.5)	183.2
Free Cash Flow	(81.4)	36.4	109.0	43.9	156.2	21.8	220.8
- Less Investments	(2.6)	(13.2)	(0.6)	(9.9)	(29.4)	-	-
- Plus Asset Sales	12.2	6.7	4.9	45.3	16.7	56.2	116.8
- Other	(0.8)	1.9	0.8	5.6	1.0	65.9	(128.7)
Operating & investing cash flow	(72.6)	31.8	114.1	84.9	142.5	143.9	209.0

* The 2001 – 2004 EBIT figures have been adjusted to exclude goodwill amortisation from earnings.

Profit & Loss – Historical Data

12m ended 30 Jun	Statutory						Proforma	% chg
	2007	2006	2005	2004	2003	2002	2001***	07/06
A$ million	AIFRS	AIFRS	AIFRS	AGAAP	AGAAP	AGAAP	AGAAP	
Sales	**4,300.6**	**4,004.6**	3,938.5	3,269.2	3,060.6	2,906.0	2,637.7	7.4
EBITDA	**436.1**	**396.7**	377.1	324.2	307.6	251.0	202.6	9.9
Dep'n & amortisation*	**(96.2)**	**(94.0)**	(97.5)	(87.1)	(86.5)	(84.2)	(84.2)	2.3
EBIT	**339.9**	**302.7**	279.6	237.1	221.1	166.8	118.4	12.3
Finance costs	**(55.8)**	**(56.7)**	(53.6)	(42.2)	(44.5)	(54.4)	(61.8)	(1.6)
Earnings before Tax	**284.1**	**246.0**	226.0	194.9	176.6	112.4	56.6	15.5
Tax	**(74.7)**	**(60.8)**	(55.4)	(53.4)	(53.3)	(39.0)	(12.1)	22.9
NOPAT	**197.5**	**171.6**	153.1	129.1	113.8	66.0	38.6	15.1
NPAT	**207.0**	**187.5**	153.1	127.9				10.4
EPS (cents)**	**34.5**	**30.3**	27.3	23.3	20.8	12.3	5.1	13.8
ROFE (%)***	**14.6**	**14.4**	14.2	13.3	12.5	9.1	6.1	
Full Yr Dividend (cents/share)	**18.5**	**17.0**	13.5	12.0	11.0	6.5	6.0	

* Under AIFRS goodwill is not amortised. The 2001 – 2004 Depreciation & amortisation figures have been adjusted to exclude goodwill amortisation.

onesteel

**The 2001 – 2004 figures have been adjusted to exclude goodwill amortisation from earnings in the EPS calculation
***Excludes provisions

Balance Sheet – Historical Data

A$ million	Jun 07 AIFRS	Jun 06 AIFRS	Jun 05 AIFRS	Jun 04 AGAAP	Jun 03 AGAAP	Jun 02 AGAAP	Jun 01 AGAAP	% chg 07/06
Total Assets	**3,569.5**	**3,138.8**	3,087.1	2,803.2	2,577.0	2,582.0	2,710.8	13.7
Liabilities	**1,919.5**	**1,637.2**	1,698.8	1,429.8	1,292.0	1,359.4	1,594.6	17.2
Net Assets	**1,650.0**	**1,501.6**	1,388.3	1,373.4	1,285.0	1,222.6	1,116.2	9.9
Net Debt*	**831.1**	**688.2**	645.3	669.0	670.2	771.6	953.4	20.8
Inventory	**836.3**	**758.9**	836.7	704.6	591.0	574.1	540.3	10.2
Receivables	**640.9**	**635.4**	643.1	487.8	439.9	452.8	561.5	0.9
Creditors	**637.8**	**545.4**	615.7	569.9	467.7	425.1	444.4	16.9
Funds Employed*	**2,481.1**	**2,189.8**	2,033.6	2,042.4	1,955.2	1,994.2	2,069.6	13.3
Gearing % (net debt / net debt + equity)*	**33.5**	**31.4**	31.7	32.8	34.3	38.7	46.1	
Interest cover – times	**6.1**	**5.3**	5.2	5.6	5.0	3.1	1.9	
NTA/Share $	**2.40**	**2.16**	1.95	1.93	1.77	1.69	1.81	

* 2001 – 2004 figures include securitisation. Under AIFRS, net debt figures include derivatives.

onesteel

Cash Flow – Historical Data

A$ Million	Statutory						Proforma
	AIFRS Jun 07	**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)	**275.6**	244.9	226.0	178.3	177.7	105.7	62.5
Depreciation & amortisation*	**96.2**	94.0	97.5	87.1	86.5	84.2	84.2
Capital & invest expenditure	**(360.5)**	(227.6)	(127.5)	(151.4)	(130.9)	(70.8)	(108.4)
Working cap movement	**(28.2)**	(34.4)	(33.5)	(46.2)	17.5	(76.5)	183.2
Income tax payments	**(67.1)**	(53.7)	(54.1)	(33.8)	(24.0)	(20.8)	(39.6)
Asset sales	**12.2**	6.7	4.9	45.3	16.7	56.2	116.8
Other	**(0.8)**	1.9	0.8	5.6	(1.0)	65.9	(128.6)
Operating & investing cash flows	**(72.6)**	31.8	114.1	84.9	142.5	143.9	170.1
Free Cash Flow	**(81.4)**	36.4	109.0	43.9	156.2	21.8	220.8

*** Under AIFRS, goodwill is not amortised. The 2001 – 2004 Depreciation & amortisation figures have been adjusted to exclude goodwill amortisation**

onesteel

Australian Distribution – Historical Data

A$ millions	AIFRS 2007**	AIFRS 2006	AIFRS 2005	AGAAP 2004	AGAAP 2003	AGAAP 2002	% chg 07/06
Revenue	**1,850.0**	1,833.9	1,783.3	1,537.0	1,430.9	1,417.6	0.9
EBITDA	**147.5**	146.1	164.3	127.1	116.4	109.0	1.0
EBIT*	**122.5**	122.0	140.5	104.2	93.4	87.4	0.4
Assets	**1,126.2**	1,100.6	1,187.4	1,116.2	1,004.4	1,010.2	2.3
Employees	**2,358**	2,448	2,483	2,391	2,286	2,349	(3.7)
Sales Margin %	**6.6**	6.7	7.9	6.8	6.3	5.2	
ROFE %	**15.4**	15.1	17.5	13.0	11.5	8.9	
External Tonnes Despatched	**876,851**	905,066	981,409	938,157	917,800	900,500	(3.1)

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

* The 2002 – 2004 EBIT figures have been adjusted to exclude goodwill amortisation from earnings

**The 2007 figures stated have been normalised to include the results from the business that OneSteel contributed to the Australian Tube Mills joint venture as if the business had remained part of the Distribution segment for the full year.

onesteel

Manufacturing – Historical Data

A$ Million	2007 AIFRS	2006 AIFRS	2005 AIFRS	2004 AGAAP	2003 AGAAP	2002 AGAAP	% chg 07/06
Revenue	**2,414.0**	2,101.4	2,065.7	1,700.9	1,583.1	1,445.8	14.9
EBITDA	**275.8**	225.8	184.3	187.4	175.7	133.7	22.1
EBIT*	**211.7**	164.5	118.7	130.2	117.5	76.0	28.7
Assets	**2,132.7**	1,829.2	1,638.7	1,555.3	1,439.0	1,398.8	16.6
Employees	**4,278**	3,948	3,908	3,872	3,818	3,857	8.4
Sales Margin %	**8.8**	7.8	5.7	7.7	8.0	4.6	
ROFE %	**14.9**	13.7	11.5	12.3	11.9	6.3	
Tonnages							
External Despatches	**1,401,471**	1,370,714	1,282,642	1,221,379	1,306,346	1,280,875	2.2
Internal Despatches	**275,106**	272,141	270,719	257,266	259,854	252,325	1.1
Steel Tonnes Produced	**1,733,406**	1,633,696	1,349,397	1,618,855	1,624,399	1,576,650	6.1

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

* The 2002 – 2004 EBIT figures have been adjusted to exclude goodwill amortisation from earnings

onesteel

International Distribution – Historical Data

$A Million	2007 AIFRS	2006 AIFRS	2005 AIFRS	2004 AGAAP	2003 AGAAP	2002 AGAAP	2001 AGAAP	% chg 07/06
Sales	**405.2**	390.4	403.3	340.3	290.8	289.2	312.2	3.8
EBITDA	**45.9**	48.7	61.4	47.6	36.6	30.7	29.3	(5.7)
EBIT*	**40.6**	43.7	56.1	42.7	31.9	26.1	23.8	(7.1)
Assets	**222.6**	178.4	196.1	172.2	156.1	133.1	174.0	24.8
Employees	**881**	907	804	793	765	620	700	(2.9)
Sales Margin %	**10.0**	11.2	13.9	12.5	11.0	9.0	7.6	
ROFE %	**24.4**	28.4	37.4	31.7	27.0	20.5	16.2	

* The 2001 - 2004 results have been adjusted to exclude goodwill amortisation from earnings

Consideration from Sale of Distribution Business

- Sale to BlueScope Steel completed on 3 August

- Based on 10-day VWAP following that date, net proceeds from the sale (after set-off against price paid by OneSteel for acquisition of BlueScope Steel's 20% shareholding in Smorgon Steel) were approximately $252.7 million

onesteel

The sale of Smorgon Steel's distribution businesses was completed on 3 August 2007

Based on the 10-day VWAP following that date, net proceeds from the sale, after set-off against price paid by OneSteel for the acquisition of BlueScope Steel's 20% shareholding in Smorgon Steel, were approximately $252.7 million.

Attachments – Market Conditions

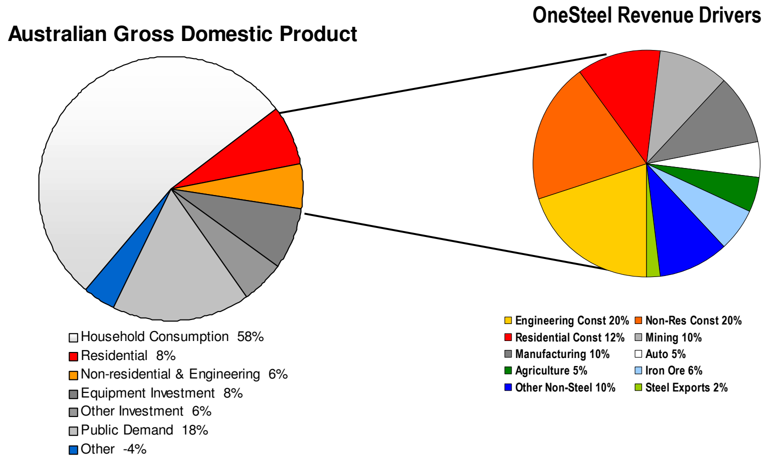
Project Magnet – Magnetite Stream

An overview of the Magnet concentrator site.

As can be seen, key pieces of equipment including High Pressure grinding rolls, Ball Mill, thickener, magnetic separators and associated conveying systems are in position.

onesteel

OneSteel Revenue Drivers vs Broader Economy's Drivers

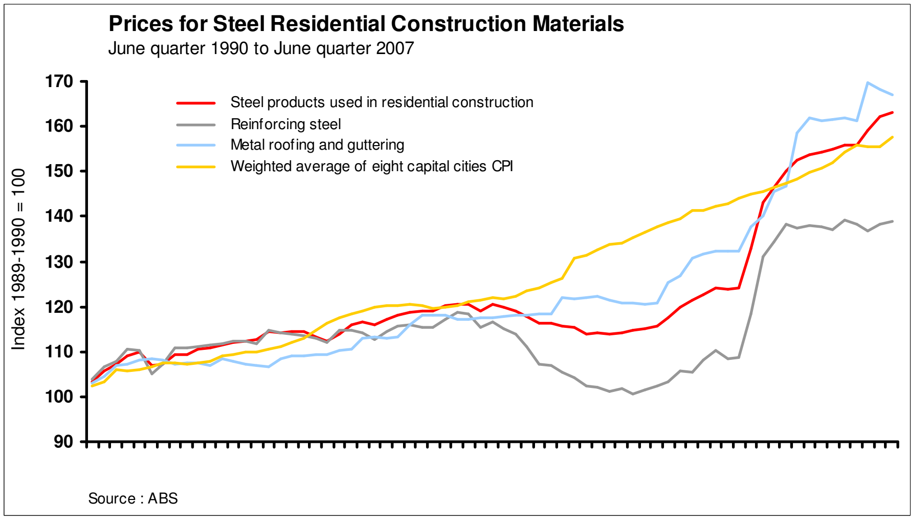


Source: Australian Bureau of Statistics (GDP data for 2006 calendar year)

Source: OneSteel, for year ended 30 June 2007

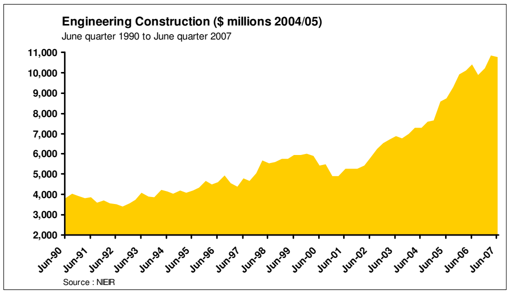
onesteel

Australian Steel Price Index



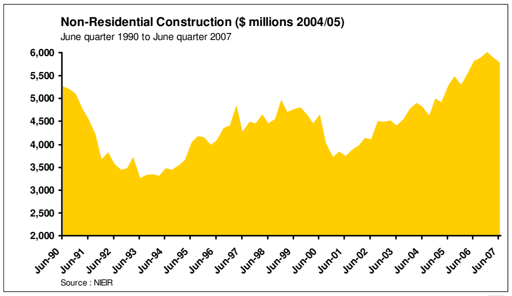
onesteel

OneSteel Key Segments



Engineering construction represents 20% of OneSteel's sales revenue

5.0% year-on-year increase in value of activity



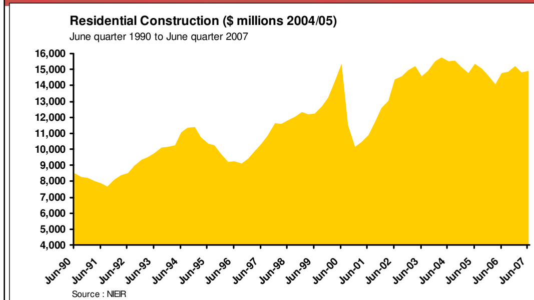
Non-residential construction represents 20% of OneSteel's sales revenue

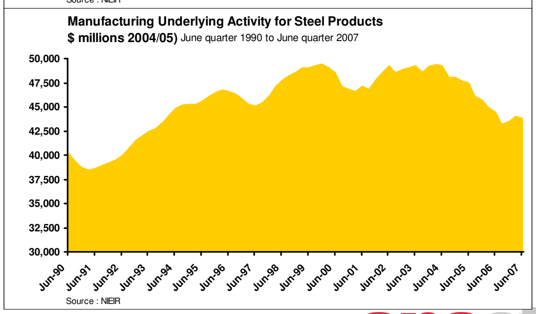
6.5% year-on-year increase in value of activity

Source: NIEIR

onesteel

OneSteel Key Segments





Residential construction represents 12% of OneSteel sales revenue

2.1% year-on-year increase in value of activity

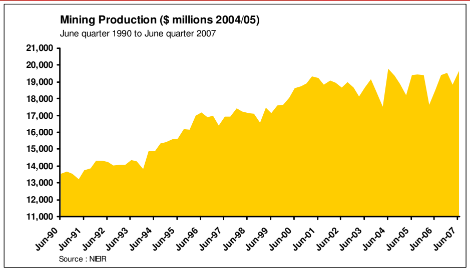
Overall weighted year-on-year increase in value of construction activity 4.9%

Manufacturing represents 10% of OneSteel sales revenue

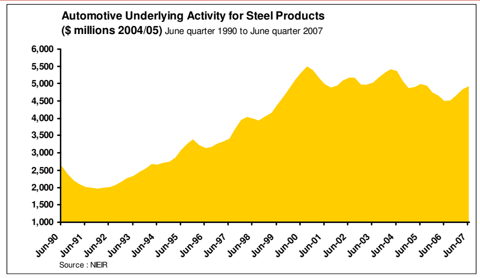
3.6% year-on-year decrease in value of activity

Source: NIEIR

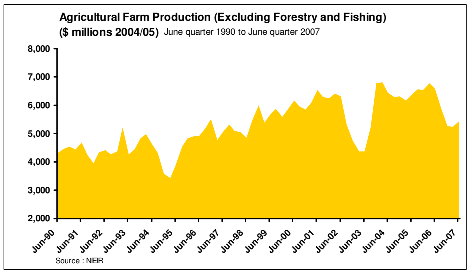
Overall Increase In OneSteel Key Segments 2.0%*



Mining: 10% of OneSteel sales revenue
3.3% increase year-on-year



Auto: 5% of OneSteel sales revenue
flat year-on-year



Agricultural: 5% of OneSteel sales revenue
17.6% decrease year-on-year

Source: NIEIR

*** Excludes export steel (2%), iron ore (6%) and other non-steel (10%) which drive the remaining 18% of OneSteel's sales revenue**

onesteel

Major Project Flow

Won/Awarded

- Newcrest Boddington Gold Mine, Boddington, 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
- 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
- ABB Grain Silos, SA
- Franklin Bus Terminal, Adelaide, SA
- "Northern Link" north/south Bypass Tunnel, Brisbane, QLD
- Lake Lindsay Dragline (Bucyrus), Bowen Basin QLD
- BHP Billiton RGP4, WA
- Oxiana Prominent Hill Development North, SA
- Rio Tinto Hope Downs Development WA
- Pilbara Bridge, SA
- Gateway Bridge upgrade, Brisbane, QLD
- Convention Centre, Melbourne, VIC
- GasNet OGP sale of Project Pipe VIC
- Santos OGP sale of Project Pipe QLD/SA

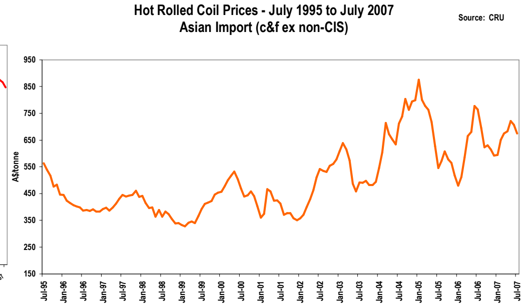
Potential/Upcoming

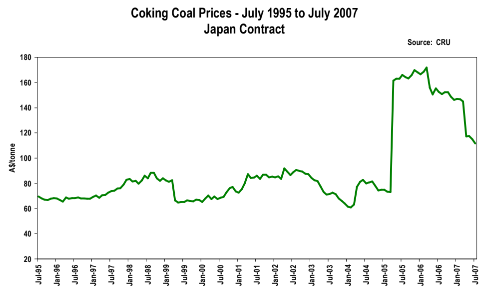
- Gorgon LNG – Chevron/Texaco, NW Shelf, WA (comes into Australia at Karratha)
- Alcoa Wagerup Stage III, WA
- Gladstone Nickel Project, Yarwun, QLD
- Natural Fuels Australia – Bio Processing Plant, East Arm, NT
- ADO Air Warfare Destroyers, Adelaide, SA
- Sydney International Car Park, Sydney, NSW
- BHP Billiton Olympic Dam Expansion, 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
- Goonyella Broadside Coal Mine Expansion, QLD
- Swanbank Paper, QLD
- Westfield Centrepoint, Sydney, NSW
- Water Front City, Melbourne, VIC
- Worsley Alumina LNG Plant, Dampier WA
- Dawson South Stage Two Project, Theodore QLD
- Seqwater Recycled Water Scheme, Bundamba QLD
- Seqwater Recycled Water Scheme East Pipeline, Brisbane QLD
- Kogan Creek Power Station Project QLD
- Argyle Underground Expansion, WA
- Rozelle Marina, NSW
- Kurell Desalination Plant, NSW
- CSR – Warehouse Distribution, NSW
- Convention Centre – Pedestrian Bridge, VIC
- Rectangular (Soccer) Stadium, VIC
- ADI Mulwala, VIC
- Sugar Australia – Yarraville Processing Plant Upgrade
- Pilkington Glass Redevelopment VIC
- Visy Pulp & Paper Mill Expansion, VIC

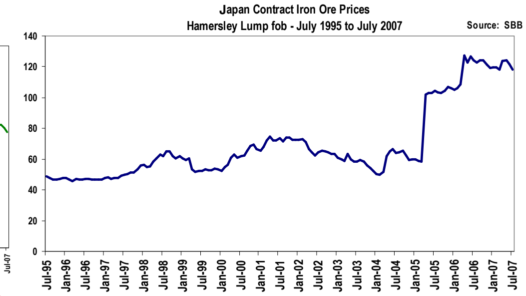
Projects highlighted in red denote additions to list

onesteel

Long Products Raw Material Inputs







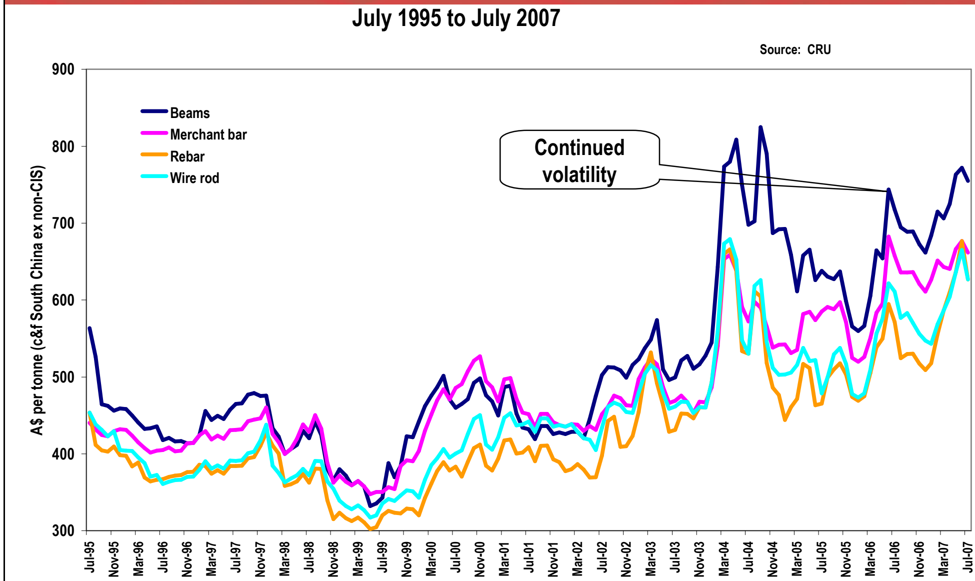
onesteel

Market Drivers – International Traded Prices*

Raw Material/Input International Traded Prices*	Jul-Jun 2007	Jul-Jun 2006
A$ Scrap prices* - average in the 12m period	$397 (range $347-$464)	Up from $332 (source: TEX Report)
A$ HRC prices* – average in the 12m period	$662 (range $592-$742)	Up from $590 (source: CRU)
US$ Coking coal* – contract price (source CRU)	$110.50	Was $122.50
Revenue Drivers International Traded Prices*		
US$ Iron ore – contract price* (Hamersley lump, export FOB, US cent/dmtu)	$95.97	Up from $82.51 (source: SBB)
Iron ore – spot price* – 12m avg (source SBB) (India into China, $/t, cif, fines 63.5% Fe)	A$105.7 US$83.4	Up from A$93.4 Up from $69.8
Long products international prices*	FY07 average price up over A$50 from FY06 (source: CRU)	

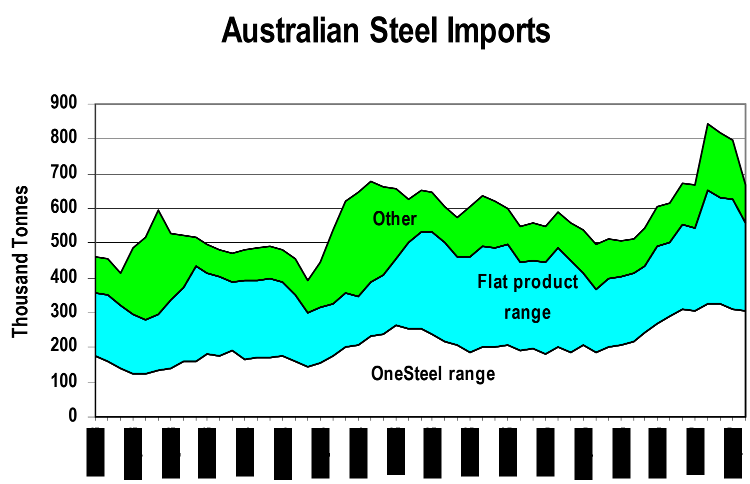
•Prices quoted are traded international prices, not OneSteel's realised prices.

International Long Products Prices



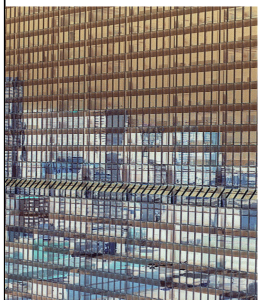
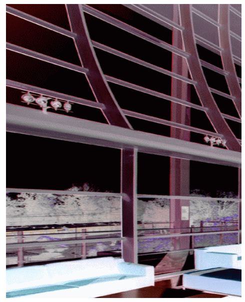
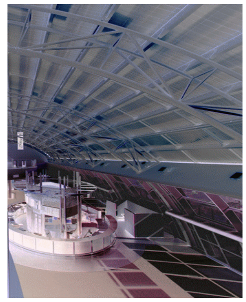
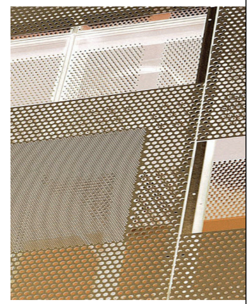
onesteel

Imports into Australia



Source: ABS and OneSteel data, 3-month moving total
The data include approximately 90,000 tonnes 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.

onesteel

Full Year Results
21 August 2007

onesteel