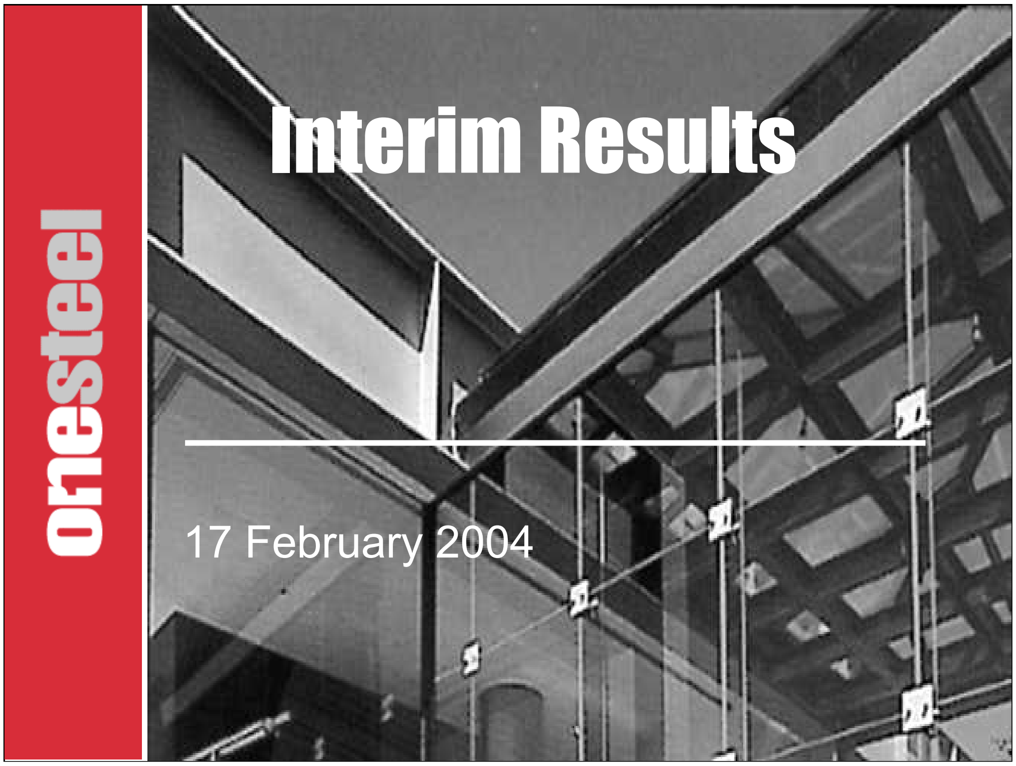
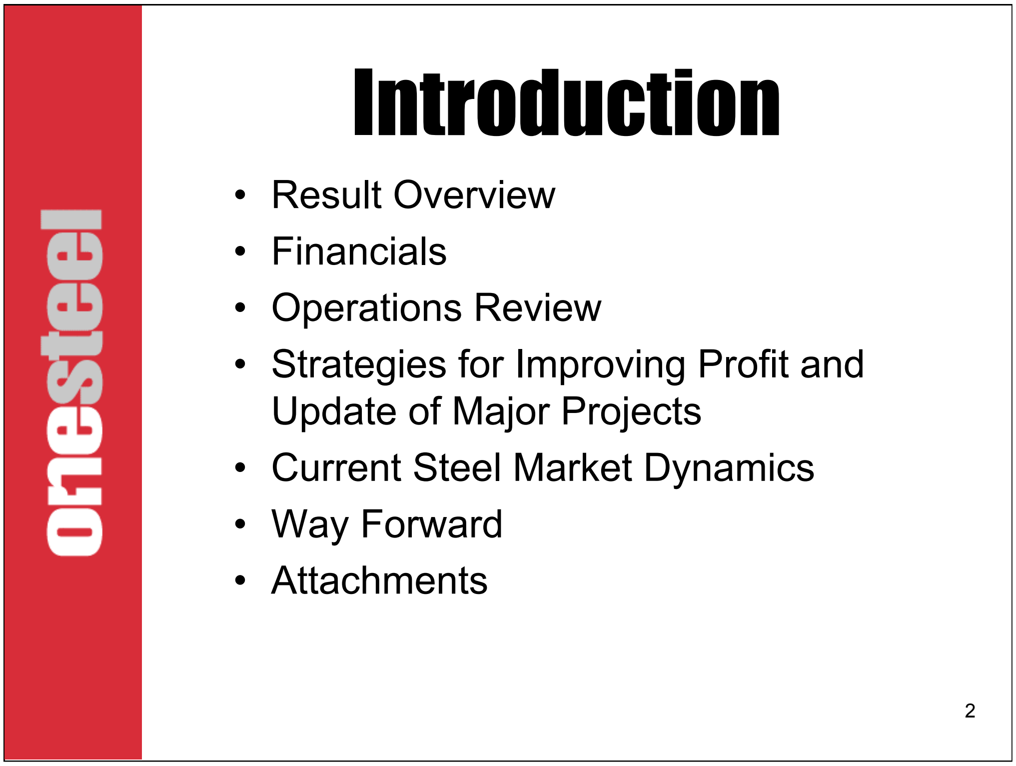


Welcome to our Interim results announcement.



In terms of the structure this morning, I will be providing an overview of the results and market conditions, followed by Tony Reeves, OneSteel's Chief Financial Officer, who will provide a run down of the financials and operations.

I will then update our two major projects, the blast furnace reline and the magnetite opportunity and spend some time discussing some current steel market dynamics before making concluding remarks.

We have included some further data for your information in Attachments.

In terms of highlights market activity remains at relatively high levels.

The appreciating dollar led to an increase in import competition while at the same time there were significant rises in the cost of scrap and hot rolled coil when you compare the two periods, placing pressure on margins.

Cash flow generation remains strong allowing us to fund the blast furnace project from internal resources.

As a result of the significant restructuring and business improvement initiatives we have undertaken in the last three years and continue to implement, our operational performance continues to improve with productivity improvements across a number of our operations and record billet production at Whyalla steelworks.

Safety performance has improved.

Despite the increased level of import competition, we continued to achieve price increases in certain product areas.

We also continued delivering cost reductions, which when combined with revenue enhancements offset cost increases.

Highlights - Detail

- Market activity – up in OneSteel segments by 1.4%
  - Good growth in non-residential and engineering construction
  - Residential activity remained strong
- Business Performance
  - Sales Margin – six month periods
    - Dec 02 to Dec 03 – declined from 8.2% to 6.6%
    - June 03 to Dec 03 - increased from 6.3% to 6.6%
  - Whyalla continues to perform well
  - Underlying inventory stock weeks remained below 10 weeks
  - During the six months
    - cost reductions of $19.0m
    - revenue enhancements of $8.6m
    - cost increases of $27.2 million
  - Staff increases of 2.6% - acquisition driven
- Product Dispatches
  - Total Australian steel tonnes dispatched down 3.4%
    - Adjusted underlying domestic tonnes up 0.8%
    - Exports up slightly to 5.1% of total tonnes
    - Adjusted underlying domestic prices up 2.8%
    - Export prices down 25.8%

Market activity in the segments that impact OneSteel revenues improved 1.4%, with growth particularly noticeable in the non-residential and engineering segments of the construction sector, and buoyant conditions in the "Other Manufacturing" segment.

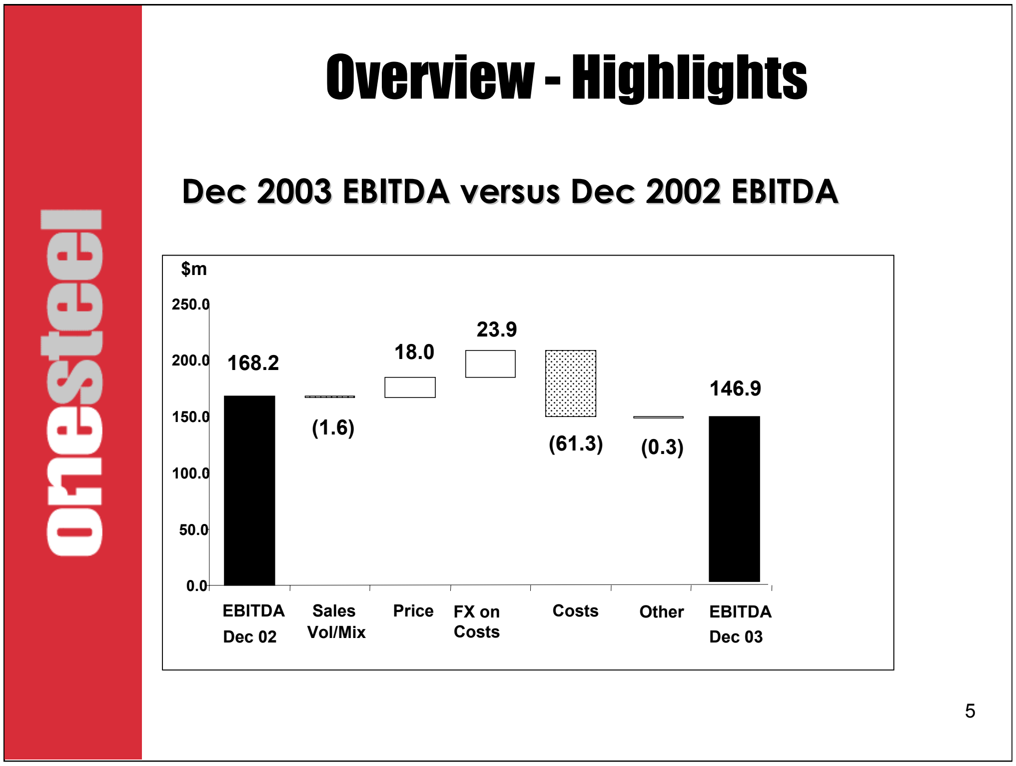
The combination of increased costs, mainly due to rises in scrap and hot rolled coil prices, and higher imports put pressure on sales margins with a decrease across the December corresponding periods from 8.2% to 6.6%. However, the margin increased when compared with the 6.3% margin achieved in the previous six-month period that ended in June 2003.

Whyalla continues to perform well in the run up to the Blast Furnace reline. Adjusting for the $42.7 million of inventory associated with the blast furnace reline, underlying inventory stock weeks remain under 10 stock weeks.

During the six months, costs were reduced by $19 million, revenue enhancements of $8.6 million were achieved offsetting cost increases of $27.2 million.

Staff numbers increased 2.6%, or by 179 people, mainly associated with the acquisitions of Hurricane Wire in New Zealand, Purlin and Marner.

Tonnes of Australian steel dispatched fell by 3.4% reflecting the conversion of tonnes used for the Alice Springs to Darwin rail project to building inventory for the blast furnace reline project. Adjusted underlying tonnes dispatched increased slightly by 0.8% with a change in product mix. Despite import competition placing pressure on margins, price per tonne improved 2.8%. Export prices decreased by 25.8% due to a change in product mix and an appreciating Australian dollar.



I will let Tony Reeves deal with the detailed numbers however, I would like to highlight the main differences between the comparable result periods as represented on this chart.

The graph highlights the impact of increased costs of $61.3 million associated principally with wages, energy, scrap and sheet and coil costs.

Largely offsetting this has been the positive currency impact over the period of $23.9 million combined with price improvements of $18 million.

Market Drivers
OneSteel Key Segments

Segment	% of OST Revenues	% Change Dec 02 – Dec 03
Non- Res Construction	22	4.8
Engineering	21	3.1
Residential	14	1.6
Other Manufacturing	14	3.7
Mining	12	-1.8
Agricultural	7	-16.1
Automotive	5	5.0
Total Weighted Change		1.4

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This table summaries activity for those segments that drive OneSteel revenues. We have provided this information in chart form in the attachments to give you an historical context.

The three construction segments that drive 57% of OneSteel's revenues continue to improve off a high base. Together these segments improved 3.4%, more than offsetting a decline in mining and agriculture.

Total activity across all segments increased 1.4% on what can be described as an already high base.

I will now hand over to Tony to take you through the financials.


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Financials

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Financial Performance

Six Months to December

$A Million	2003	2002	% ch
Sales	1,566.7	1,525.0	2.7
EBITDA	146.9	168.2	(12.7)
Dep and Amort	53.4	53.2	0.4
EBITA	103.8	124.9	(16.9)
Interest	20.8	22.9	(9.2)
Profit Before Tax	72.7	92.1	(21.1)
Tax	22.0	32.5	(32.3)
NPAT	45.5	54.9	(17.1)
EPS (cents)	8.3	10.1	(17.8)
ROFE %	11.7	14.0	
Dividend (cents/share)	5.0	5.0	
Payout Ratio %	60.7	49.4	

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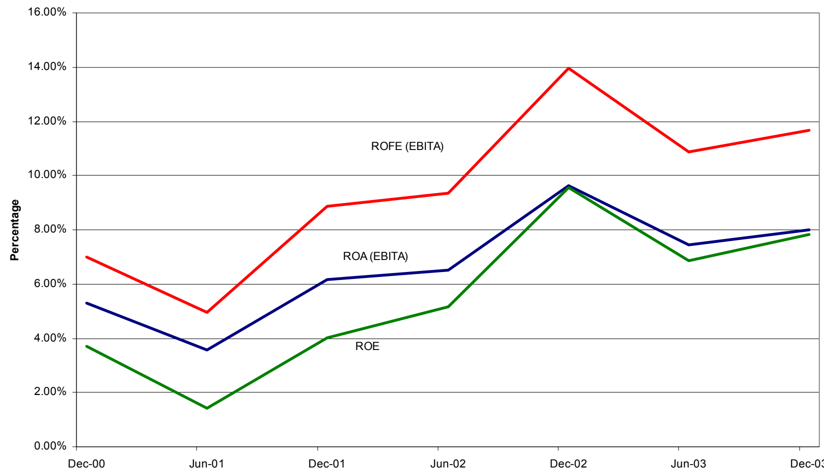
In terms of financial highlights,

- Sales were up 2.7% to $1.567 billion, reflecting continued robust market activity
- EBITDA was down 12.7% as import competition and increased costs pressured margins
- Interest expense continues to fall reflecting lower debt over the period. There was also $0.9 million of interest associated with the blast furnace reline project
- Profit before tax was down 21.1%
- The lower tax rate is due to higher greater expenditure on research and development qualifying for tax incentives
- Net profit after Tax was down 17.1% to $45.5 million or 8.3 cents per share
- Return on Funds employed was 11.7%
- A dividend of 5.0 cents per share was declared, representing a payout ratio of 60.7% up from 49.4%.

Key Financial Ratios



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This slide displays the key financial ratios which shows the general improvement since June 2001 as a result of a combination of restructuring initiatives and better market conditions. It also shows the favourable impact of price increases ahead of cost increases in the December 2002 half.

Non-Trading Items

Revenue	
• Email Management fees	$ 0.5 m
• Profit/loss on sale of major assets	$ 6.8 m
Total	$ 7.3 m
Costs	
• Restructuring costs	$ 5.4 m
• Profit in Stock Adjustment	$ 1.7 m
• Interest on SDL loan	$ 0.2 m
Total	$ 7.3 m
Net	$ 0.0 m
Interest on Blast Furnace Inventory	$ 0.9 m

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This slide shows the non-trading items during the period. The net impact of non-trading items was zero.

Also, we have included the interest associated with the blast furnace inventory of $0.9 million for your information.

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Financial Position

$A Million	Dec 2003	Dec 2002	% Change
Total Assets	2,609.6	2,602.9	0.3
Liabilities	1,305.5	1,331.8	(2.0)
Net Assets	1,304.1	1,271.1	2.6
Net Debt	496.9	512.6	(3.1)
Inventory	646.5	626.0	3.3
Funds Employed	1,801.0	1,783.7	1.0
Gearing % (net debt/net debt plus equity)	27.6	28.7	
Interest Cover - times	4.1	4.6	
NTA /Share $	1.8	1.8	

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In terms of the financial position when compared with 31 December, 2002:

- Total assets have increased marginally
- On the liabilities side, net debt was further reduced from $512.6 million to $496.9 million, with the net debt to net debt plus equity ratio decreasing from 28.7% to 27.6% at the end of December. This debt number includes $42.7 million in inventory and $35.0 million in capital expenditure over 2003 calendar year associated with the blast furnace reline project.
- When we add in $200 million of securitisation, gearing has reduced from 35.9% to 34.8% over the year.
- Funds employed increased by 1.0% over the 12 months to $1,801.0 million.
- Interest cover decreased from 4.6 times to 4.1 times.

Cash Flow

$A Million	Dec 2003	Dec 2002
Earnings before Tax	65.1	92.1
Dep. and Amort.	53.4	53.2
Capital and Inv Exp	(45.0)	(26.4)
Working Cap mov.	(48.8)	(30.1)
Income Tax Payments	(13.7)	(6.1)
Asset Sales	5.0	2.6
Other (SDL Loan)	6.0	(9.2)
Operating Cash Flow	22.0	76.1
Free Cash Flow	11.4	82.7
• Add Blast Furnace Impact	47.6	
• Total	59.0	

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Operating cash flow was in line with expectations at $22 million for the six months. This is on track to meet our objective of maintaining net debt at June 2003 levels by June 2004 while internally funding the blast furnace project. During the six months to December 2003, we spent $47.6 million on capital expenditure and inventory build for this project. The $22 million compares with an operating cash flow of $76.1 million in the previous corresponding period .

Free cash flow was a positive $11.4 million for the period. If we add back expenditure associated with the blast furnace reline, free cash flow was $59.0 million. This is in line to allow us to fund the reline project from internal sources.

There are a number of other slides in the attachment that cover cash flow and defined benefit superannuation reconciliation and the impact of international accounting standards changes effective for OneSteel July 2005.


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Operations
Review

Australian Distribution - Results

$A Million 6 Months to Dec	2003	2002	% change
Sales	902.6	824.2	9.5
EBITDA	54.0	53.5	0.9
EBITA	45.2	45.2	0.0
Assets	1,018.0	988.9	2.9
Employees	2,571	2,448	5.0
Margin %	5.0	5.5	(9.1)
ROFE %	11.7	11.3	3.5

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In Australian Distribution sales improved 9.5% to $902.6 million reflecting an increase in market activity and revenues from bolt-on acquisitions of Purlin and Marner. Profit was stable compared with the previous corresponding period, while EBITA margin decreased due to increasing costs and pricing pressure from imports. EBITA return on funds employed improved from 11.3% to 11.7% through increased funds turn.

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Australian Distribution Highlights

Factors Influencing Result

- Volume growth of 5.7%
  - Reinforcing volume growth of 16%
  - Strong sales steel plate and sheet and coil
- Margin pressure due to rising input costs and import competition despite price per tonne for steel products increasing 3.4% on prior period
- Cost savings of $1.4 million and $2.1 million in revenue enhancements

Outlook

- Reinforcing market expected to remain strong
- Opportunity for increased volume in merchant bar and pipe and tube due to strengthening international prices
- Some pick up in rural expected
- Midalia acquisition

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In terms of the highlights for Australian Distribution:

•The construction sector continues to be strong driving overall volume growth of 5.7%. The reinforcing division was particularly robust with 16% volume growth.

•There was pressure on margins particularly in the areas of pipe and tube and merchant bar from increased import activity. This was despite a price increase of 3.4% per tonne for steel products.

•Cost savings of $1.4 million and revenue enhancements of $2.1 million.

•In terms of outlook, the reinforcing market is expected to remain buoyant.

•There is the opportunity for increased volume in merchant bar and pipe and tube due to increasing international prices.

•Other key product groups remaining stable. The rural sector is expected to continue to recover over the next six months.

•Subsequent to the end of the half Distribution acquired Midalia Steel in Western Australia to complement its business in that State. In revenue terms, this business will add approximately $45 million.

Manufacturing - Results

$A Million 6 months to Dec	2003	2002	% change
Sales	863.0	872.2	(1.1)
EBITDA	85.6	114.7	(25.4)
EBITA	54.5	82.1	(33.6)
Assets	1,522.2	1,503.1	1.3
Employees	3,544	3,659	(3.1)
Margins %	6.3	9.4	
ROFE %	10.1	15.1	

The manufacturing segment had the largest impact as a result of increasing scrap and hot rolled coil costs and rising imports. Manufacturing revenues decreased by 1.1% while profit at the EBITA level decreased 33.6% with EBITA sales margins decreasing from 9.4% to 6.3%.

EBITA Return on Funds Employed declined from 15.1% to 10.1%.

Manufacturing highlights are:

• There were strong structural beam sales, while rail sales were lower due to the completion of the Alice Springs to Darwin rail contract.

• Sales of steel in concrete remain buoyant while merchant bar has come under import pressure, as have sales of pipe and tube.

• Wire sales were also down stemming from lower rural activity.

• The Whyalla Steelworks continues to operate efficiently in the run-up to the reline, producing a record amount of billets in the six-month period to meet strong market and stock build.

•The rolling rates on the Newcastle Rod and Bar mills continues to improve.

• Cost reductions and revenue enhancements offset cost increases during the half. The major margin pressures reflect decreases in volume and a change in product mix.

• Looking ahead, there are currently two anti-dumping applications before Customs in the area of pipe and tube. We expect an initial finding by Customs soon.

• We expect the price of scrap to remain high, on the back of which we anticipate import prices to begin to adjust upwards.

• Current forecasts are for market conditions to remain robust.

International Distribution - Results

$A Million 6 months to Dec	2003	2002	% change
Sales	161.8	142.6	13.5
EBITDA	20.6	17.7	16.4
EBITA	18.2	15.6	16.7
Assets	152.5	139.7	9.2
Employees	772	613	25.9
Margins %	11.2	10.9	
ROFE %	28.4	28.2	

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International Distribution continues to perform extremely well, with improvements across all key measures.

It also increased its sales and profit revenue in New Zealand dollars. This was primarily due to the inclusion of the Hurricane Wire Products business that was acquired in April 2003.

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International Distribution - Highlights

Factors Influencing Result

- Acquisition of Hurricane Wire Products in April 2003
- Record demand for new residential housing
- Commercial construction activity gained momentum
- New Zealand economy stronger than expected

Outlook

- Similar trading environment expected for second half with any softening in rural sector offset by increased demand from construction sector

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The New Zealand economy was stronger than expected and the growth in activity is expected to continue at similar levels through much of the 2004 calendar year.

Strong consumer spending led by historically high employment rates, low interest rates and high net migration boosted demand for new residential housing to record levels, while commercial construction activity also gathered noticeable momentum in the last quarter of the 2003 calendar year.

The overall trading environment is expected to be similar to that encountered in the first half, with any softening in the rural sector offset by increased demand from the construction sector.

I will now hand back to Bob.

I will now outline some strategies for improving profit and provide an update on two of our major projects.

Initiatives for Improving Profit

- Information Systems
- Ropery
- Mesh Rationalisation Product
- Fence Post Plant
- Flexible Shift Patterns at Newcastle
- Iron Ore Beneficiation Project
- Iron Ore Resource

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The implementation of the SAP platform to streamline OneSteel's sales and distribution is underway. Implementation is complete in the Australian Steel and Tube business and approaching completion in Piping Systems.

Work is commencing on the installation of an eight-strand ropery plant that will enable OneSteel to manufacture products to meet the latest specifications of the mining industry.

Our Australian Distribution business is currently rationalising and consolidating its mesh manufacturing facilities sites in the Eastern states to lower the cost of production and to improve capacity utilisation.

OneSteel's new galvanised post production plant was commissioned during the six months to produce "star" posts, mainly for the rural sector.

During the six-month period OneSteel's Market Mills business successfully introduced flexible shift patterns to its bar and rod mills to better manage resources across the mills to meet the demand profile of the various product lines.

As we announced in April last year, a beneficiation plant is being built to process approximately 9 million tonnes of lower-grade ore accumulations to produce 5 million tonnes of high-grade iron ore. This will be commissioned around April 2004, and will enable OneSteel to continue to sell 1 million tonnes of iron ore each year.

As you are all no doubt aware, in April 2003 we also announced a study into the feasibility of using OneSteel's large magnetite resources as a basis for further optimising the Whyalla operations and potentially generating increased profit from the sale of an extra two million tonnes of ore per annum. The results of the study will be known in June 2004 but I am able to give you an update on the progress to date.

Iron Ore Resources – Magnetite

- Project Update
  - Drilling program completed – 49 holes
  - Current indications show similar geology and iron recovery to initial estimates
  - Metallurgical & pelletising testwork underway
  - Engineering studies have commenced, inc equipment logistics & options
  - EIS commenced
  - Financial modelling underway
  - Getting independent validation of the 'Value In Use' of magnetite feed

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A total of 49 holes have been drilled, producing 14.5 km of core samples. Analysis of the samples will be complete by March 2004.

Results so far have been in line with initial assumptions. The previous geological interpretations are being supported and to date a similar recovery of magnetite iron as initially anticipated has been achieved.

Two tonnes of sample concentrate have been produced and dispatched for pelletising testwork. Mine modelling work is due to commence in earnest shortly, with a comprehensive engineering investigation on facility upgrade requirements being undertaken.

Work on the Environmental Impact Statement has commenced, with a Flora & Fauna study of the mining area completed, with no major issues identified.

A financial model is being built and refined as the investigation progresses.

We are also having independent validation of our estimate of the value in use (cost savings) of using magnetite feed in the Whyalla Steelworks.

We have included some background material and a map that shows the area of the drilling in the attachments provided at the end of this presentation.

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Blast Furnace Reline Project

Reline:

- Scheduled to start 4 June 2004 - planned outage 65 days
- Capital Cost approx. $80m – 90% now committed
- Stock build – currently $47m, ultimately ~$95m
- Most Long Lead Time items in store
  - eg. Paul Wurth top, refractory hearth, copper staves
- Major contracts – Awarded

Site Works:

- Mechanical/Electrical contractors on site
- Paul Wurth Top assembled and operational trials commenced
- Fabrication of associated equipment underway

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The Reline is progressing to schedule with the 65-day stop planned to commence on 4 June 2004.

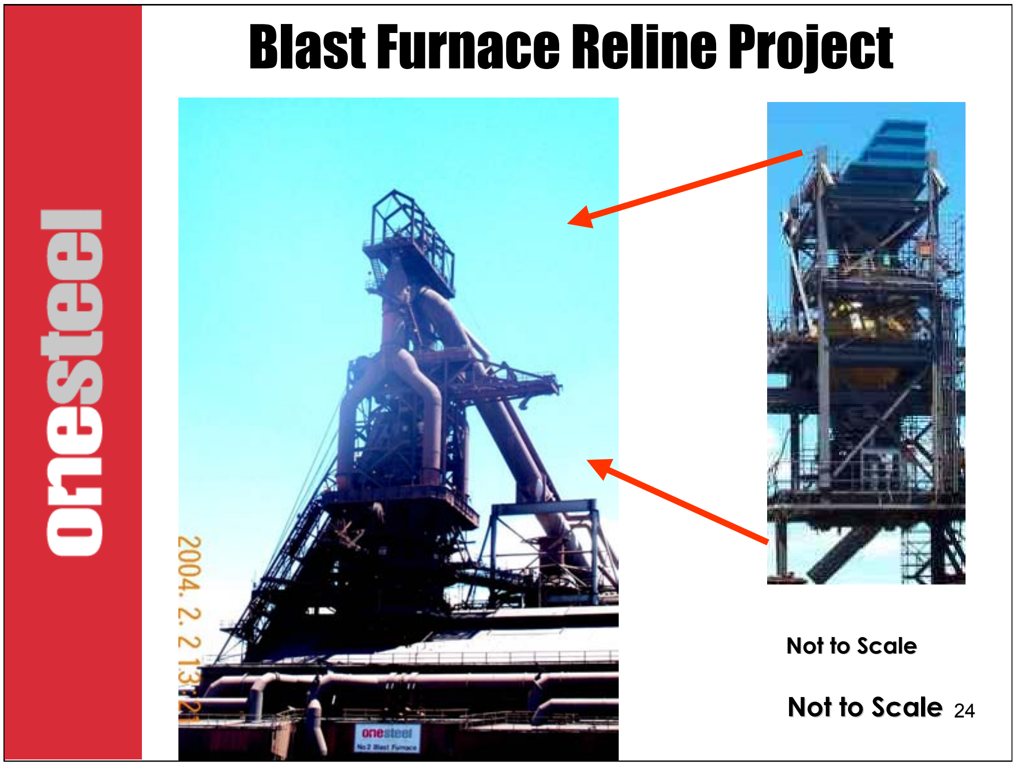
Of the approximate $80m of capital expenditure required, around 90% is now committed. To the end December, $35m has been spent, about $14m of which has been spent in the current financial year.

The Stock Build is also well underway with approximately $47m in inventory on the ground as at the end January.

The major contracts have been awarded and most long lead time items are in store with the remainder due by the end of March.

We have mechanical and electrical contractors on site and have completed the Paul Wurth top trial assembly. Operational trials with this assembly are now underway.

The Blast Furnace continues to operate well and is targeted to continue at full production until the Reline commencement.



Work has already begun on some of the major assembly elements required for the blast furnace reline project. These pictures show the assembly of the new Paul Wurth top mechanism (picture on the right) which will replace the current bell top on the existing blast furnace which is pictured on the left.

I will now make some comments on current market trends.

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Upcoming project flow

Current

- Regional Fast Train – Victoria
- Chatswood to Epping Rail Link
- Kambalda to Esperance Gas Pipeline
- Telfer Mine expansion & Gas Pipeline
- Enertrade pipeline
- Darwin LNG
- Hi-Smelt
- Comalco Plant - Gladstone
- M7 Western Orbital – Sydney
- Sydney CBD cross-city Tunnel
- Latitude 2 – Sydney
- Rhodes Shopping Centre
- Auburn Central Development
- Exhibition Street development – Melbourne
- Eureka Bld – Melbourne
- Melbourne Cricket Ground
- Tasmanian Wind towers
- BHP Billiton Area C
- RACV development – Melbourne
- Herald Weekly Times Tower – Melbourne
- Aurora Tower, Brisbane
- Brighton on Broadwater – Gold Coast
- Ephrim Island – Gold Coast
- Spencer Street Station
- Adelaide Airport

Upcoming

- Alcoa Pinjarra Upgrade – Western Australia
- Trans-Territory pipeline (Blacktip to Gove)
- Brighton on Broadwater (Stages 2& 3)
- Comalco WEIPA Refinery
- Aldoga Smelter
- SAMAG
- Ravensthorpe Nickel – Western Australia
- Alcan Gove Expansion
- Burrup Fertiliser
- Falcon Bridge (New Caledonia)
- RAC Track upgrade
- Brisbane Water Treatment Plant
- Albany Grain Terminal
- Apache Gas field development
- Comet Coal – Blackwater Queensland

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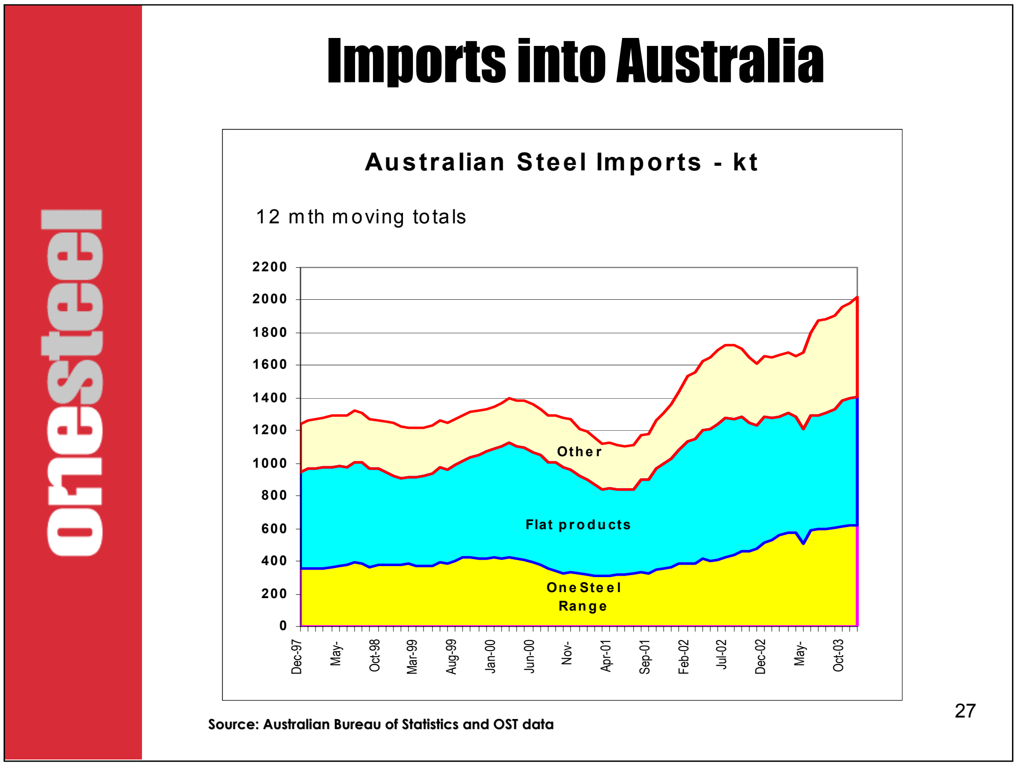
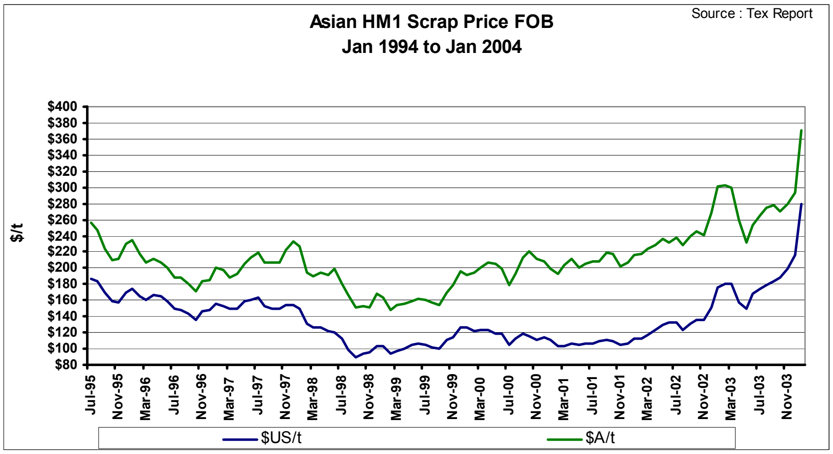
Firstly, our project list remains healthy and gives us confidence looking ahead.



As mentioned earlier, OneSteel's margins over the last six months came under pressure due to an increase in imports accelerated by an appreciating Australian dollar. This chart highlights the trends in imports since 1997. As you can see in more recent times imports in the OneSteel product range, represented in yellow in the graph, have increased.

Over the six months to December 2003, the level of imports began to taper, and in the month of December they fell marginally. We currently believe the decline will continue into 2004.

Scrap Prices on Increase



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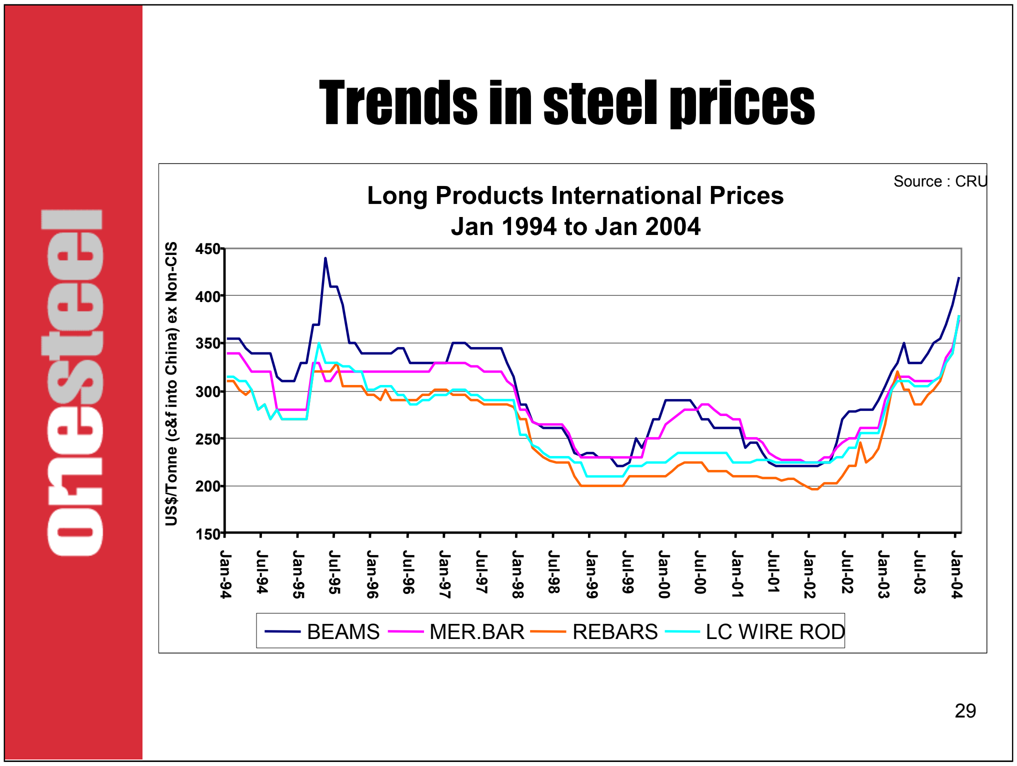
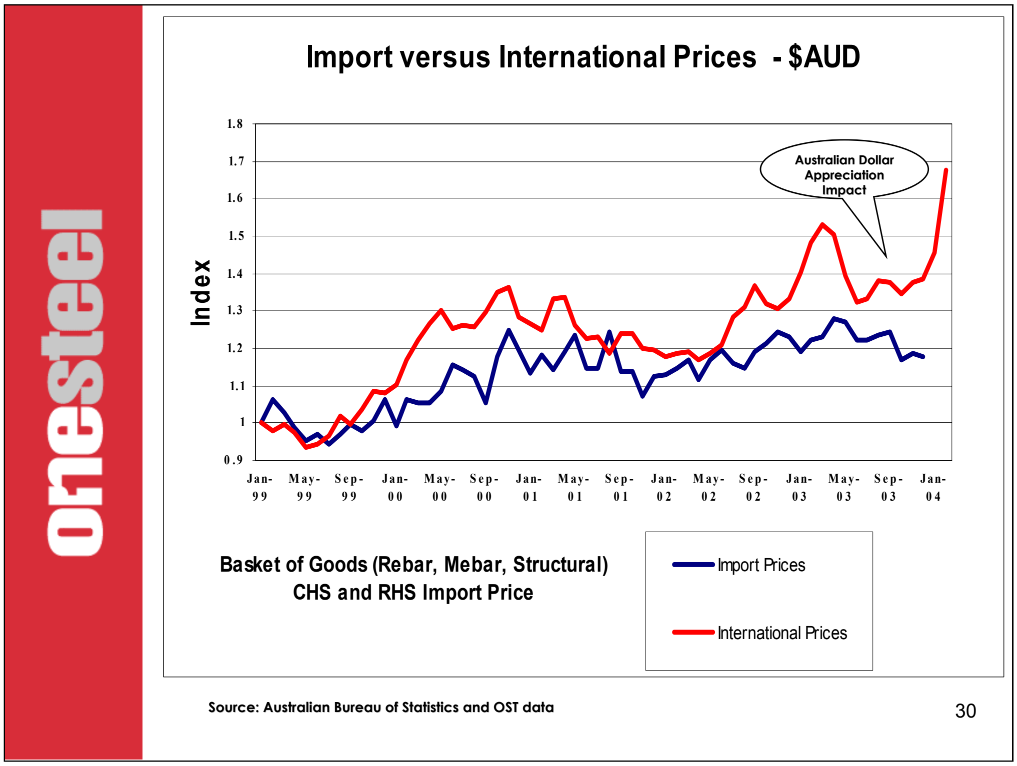
As we all know, coming into 2004 scrap steel prices have increased significantly. While this will have the short-term impact of increasing our costs, we believe the medium-term impact will be to drive up the price of imports.

Most of our long product competitors offshore rely on scrap as their main source of feed.

It must also be remembered that OneSteel only produces one-third of its steel from scrap – two-thirds of our production is protected from these cost increases through our steel-making capacity at Whyalla from our own iron ore.



As you can see on this chart, international long products prices expressed in US dollars, have moved significantly in the last year - some as much as 60%. However, even allowing for the appreciation of the Australian dollar over this period of approximately 35%, we have not seen prices in imports adjusting to the new cost levels.



Imports increased as a result of two factors. Firstly an appreciating Australian dollar and secondly OneSteel increased prices significantly over the last two years in anticipation of increasing demand and input costs.

We expected import prices to also rise to cover input costs, however this did not eventuate as can be seen in the graph.

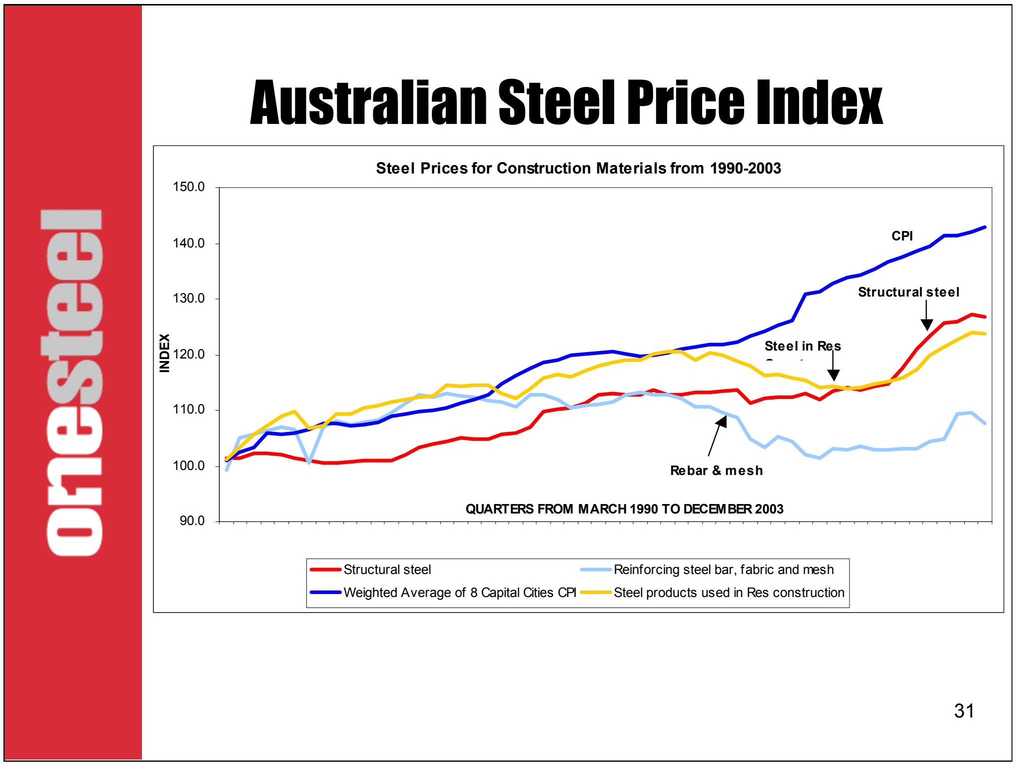
The red line on this graph represents an index for international steel prices in the product categories of rebar, merchant bar and structural beams. As you can see, prices have escalated significantly particularly in early 2004.

The blue line represents an index of import prices for the same basket of goods. You can clearly see the gap between the two lines and the impact of the rapidly appreciating Australian dollar had last year.

As a result, over this period, OneSteel lost some market share to imports

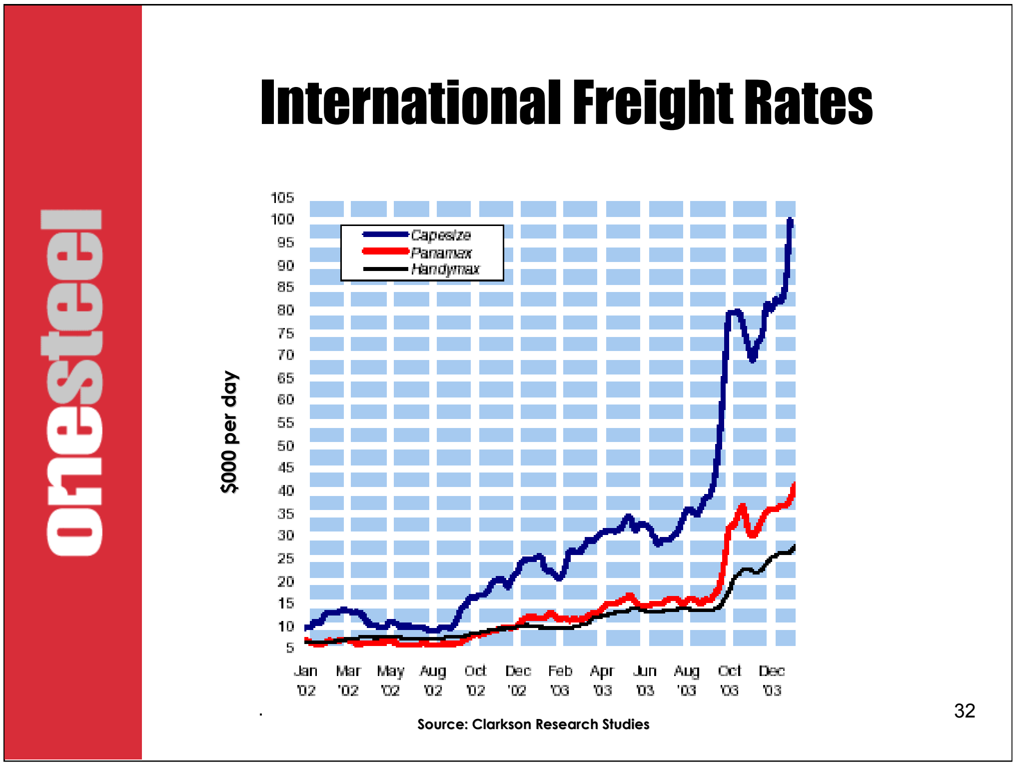
The only conclusion is that import prices at some stage will need to adjust to cover increased prices. We already have anecdotal evidence that imports are beginning to dry up or cannot be secured at prices which can compete with domestically supplied steel.

This will provide an opportunity for OneSteel to reclaim some market share or look for price increase opportunities or a combination of both.



In terms of domestic steel prices for materials used in the construction sector, there have been strong gains in steel prices over the last two years, a lot of the increases driven by OneSteel. The most recent data for the December 2003 quarter shows prices coming off in that quarter. This is consistent with what we have been seeing in terms of pricing pressures in the market place.

The OneSteel strategy in the face of this competition has not been to change list prices but rather to target rebates at areas where we know import competition will impact the market. It has been our belief that import prices have not yet adjusted for the impact of increased costs for scrap, hot rolled coil and freight, and as such OneSteel made a decision that it was not going to compete away price gains achieved over the last two years.



The other factor which will drive up import prices is the rapid increase in international shipping freight charges as depicted in this graph.

As far as OneSteel is concerned, we signed a seven year contract for our freight for coal and iron ore last November, with the a CPI escalator at an attractive rate.

I will now focus on the way forward.

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Way Forward

- Continue to improve existing business performance
- Main Priorities
  - Cash Generation, debt reduction, costs reduction, revenue enhancements, capital management and improve Balance Sheet
- Manage Major Projects to Successful Outcomes
  - Blast furnace reline
  - Complete feasibility study of iron ore resource
- Continue to look for growth opportunities

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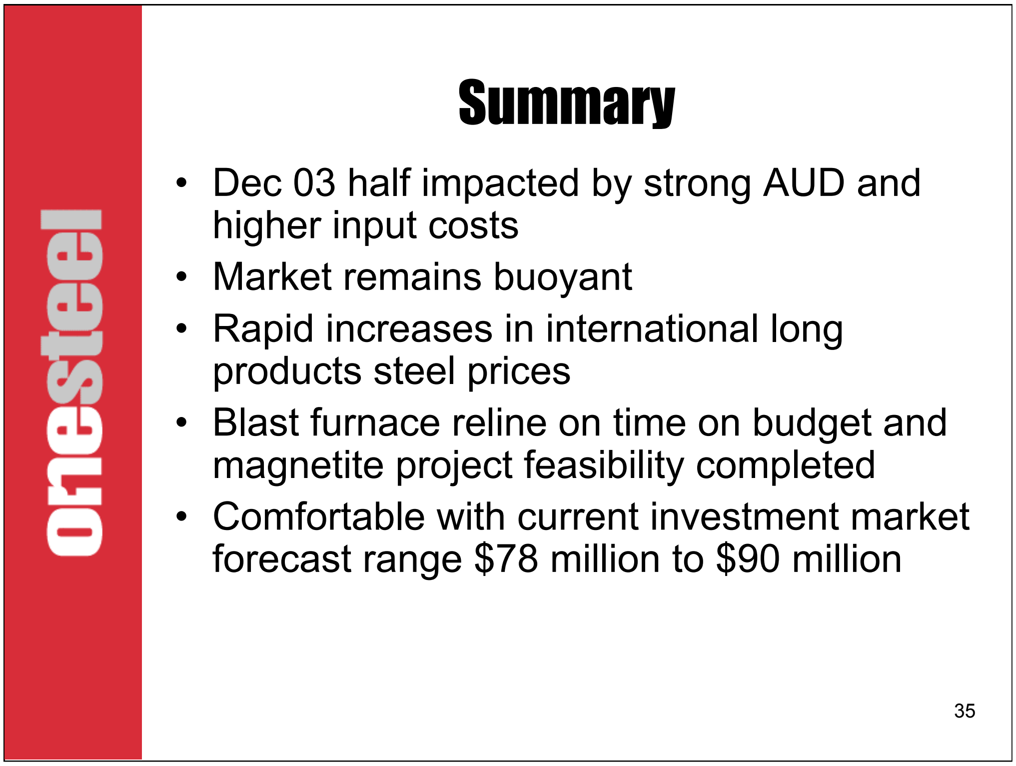
In terms of the way forward our core strategy remains the same.

I believe there is still room to improve OneSteel’s underlying business performance with continued focus on cash generation and other business basics.

Beyond that, of particular importance, is ensuring we successfully complete the two major projects on our plate, the blast furnace reline and the magnetite opportunity.

We will continue to look for growth opportunities that add shareholder value.



In summary, our markets remain buoyant.

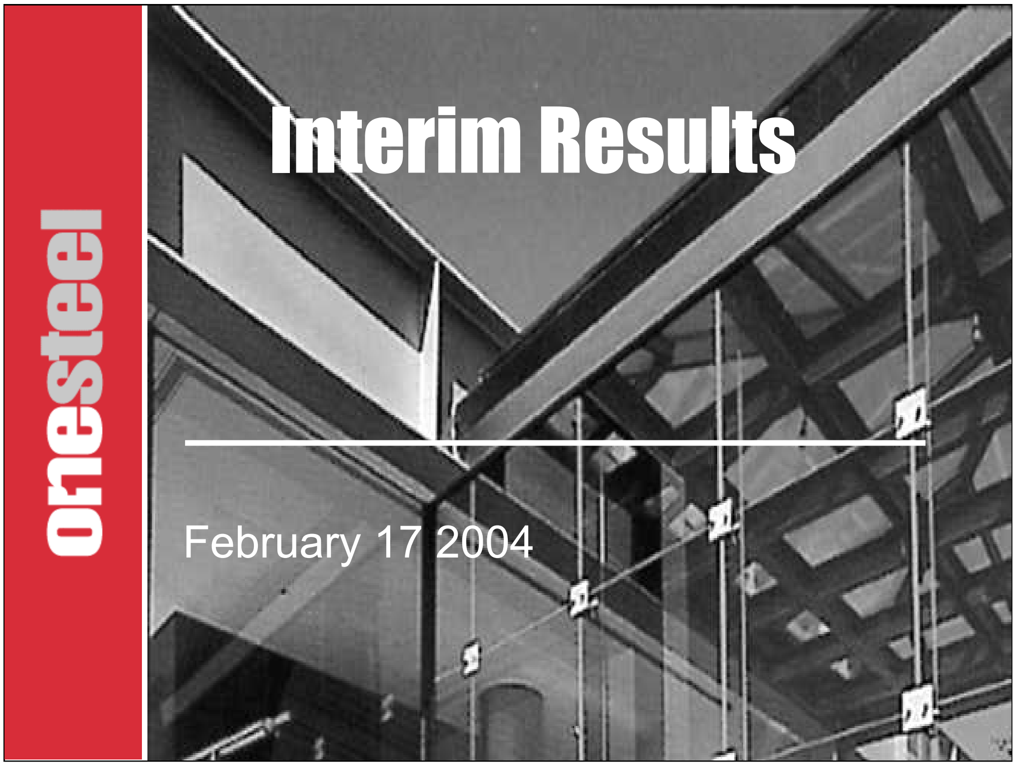
The half under review was impacted by strong Australian dollar and higher input costs such as scarp and hot rolled coil.

On the positive side the market remained robust and this is expected to continue.

We are encouraged by the recent very strong surge in international steel long products prices. Critical for the future will be delivering the blast furnace reline on time and on budget and completing the feasibility study for the magnetite opportunity.We are still expecting to make an announcement in June about this opportunity.

On balance, we are comfortable with the current equity analyst range of between $78 million to $90 million.

Thank You.


onesteel
Interim Results
February 17 2004


Attachments
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OneSteel Key Information		Dec-00	Jun-01	Six Months to Dec-01	Jun-02	Dec-02	Jun-03	Dec-03	% Change Dec on Dec 03/02
Sales Revenue	$m	1,267.0	1,370.7	1,473.2	1,432.8	1,525.0	1,535.6	1,566.7	2.7%
Other Revenue	$m	12.5	129.0	36.8	43.7	14.0	25.5	35.4	152.9%
Total Revenue	$m	1,279.5	1,499.7	1,510.0	1,476.5	1,539.0	1,561.1	1,602.1	4.1%
Gross Profit	$m	240.5	249.1	270.6	257.8	341.1	285.1	316.0	-7.4%
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	$m	111.6	91.0	125.6	125.4	168.2	139.4	146.9	-12.7%
Depreciation	$m	(41.0)	(43.2)	(43.4)	(40.8)	(43.3)	(43.2)	(43.1)	-0.5%
Earnings Before Interest, Tax and Amortisation (EBITA)	$m	70.6	47.8	82.2	84.6	124.9	96.2	103.8	-16.9%
Amortisation	$m	(7.6)	(7.4)	(9.2)	(9.7)	(9.9)	(9.9)	(10.3)	4.0%
Earnings Before Interest and Tax (EBIT)	$m	63.0	40.4	73.0	74.9	115.0	86.3	93.5	-18.7%
Interest	$m	(29.6)	(32.2)	(30.6)	(23.8)	(22.9)	(21.6)	(20.8)	-9.2%
Earnings Before Tax (EBT)	$m	33.4	8.2	42.4	51.1	92.1	64.7	72.7	-21.1%
Tax	$m	(12.0)	(0.1)	(19.1)	(19.9)	(32.5)	(20.8)	(22.0)	-32.3%
Profit After Tax	$m	21.4	8.1	23.3	31.2	59.6	43.9	50.7	-14.9%
Minorities	$m	(2.6)	(3.3)	(3.6)	(3.8)	(4.7)	(4.8)	(5.2)	10.6%
Profit After Tax & Minorities	$m	18.8	4.8	19.7	27.4	54.9	39.1	45.5	-17.1%
Total Assets	$m	2,666.2	2,710.8	2,625.4	2,582.0	2,602.9	2,577.0	2,609.6	0.3%
Total Liabilities	$m	1,493.5	1,594.6	1,424.7	1,359.4	1,331.8	1,292.0	1,305.5	-2.0%
Total Equity	$m	1,172.7	1,116.2	1,200.7	1,222.6	1,271.1	1,285.0	1,304.1	2.6%
Net Debt	$m	818.1	762.4	622.2	571.6	512.6	470.2	496.9	-3.1%
Securitisation	$m	128	191	200	200	200	200	200	0.0%
Funds Employed	$m	1,990.8	1,878.6	1,822.9	1,794.2	1,783.7	1,755.2	1,801.0	1.0%
Cash Flow from Operations and Investing	$m	35.1	135.0	76.5	67.4	76.1	66.4	22.0	-71.1%
Free Cash Flow	$m	31.4	189.4	(21.1)	49.6	82.7	72.2	11.4	-86.2%
Capital and investment Expenditure	$m	15.9	92.5	22.1	48.7	26.4	104.5	45.0	70.5%
No of shares (at end of period)	m	454.8	460.3	535.9	538.6	542.2	546.9	551.4	1.7%
ROA (EBITA)	%	5.3%	3.6%	6.2%	6.5%	9.6%	7.4%	8.0%	
ROE	%	3.7%	1.4%	4.0%	5.2%	9.6%	6.9%	7.8%	
ROFE (EBITA)	%	7.0%	4.9%	8.9%	9.4%	14.0%	10.9%	11.7%	
EBITA to Sales	%	5.6%	3.5%	5.6%	5.9%	8.2%	6.3%	6.6%	
EPS - based on number of share at the end of the period	cents	4.1	1.0	3.7	5.1	10.1	7.2	8.3	
Dividends Per Share	cents	3.0	3.0	3.0	3.5	5.0	6.0	5.0	
Dividend Payout Ratio	%	72.9%	287.5%	81.7%	69.0%	49.4%	83.9%	60.7%	
Gearing (net debt to net debt plus equity) exc securitisation	%	41.1%	40.6%	34.1%	31.9%	28.7%	26.8%	27.6%	
Gearing (net debt to net debt plus equity) incl securitisation	%	44.7%	46.1%	40.6%	38.8%	35.9%	34.3%	34.8%	
Interest Cover	Times	2.0	1.6	2.4	3.1	4.6	3.7	4.1	
Net Tangible Asset Backing	$ per share	2.1	1.8	1.7	1.7	1.8	1.8	1.8	
Gross Profit Margin	%	19.0%	18.2%	18.4%	18.0%	22.4%	18.6%	20.2%	
Employees		6896	7379	7012	6989	6899	7054	7078	
Sales per Employee	000	184	186	210	205	221	218	221	
Cost Increases	$m		37	19.8	37.2	31.9	36.1	27.2	
Cost Reductions	$m	24	26	23.6	35.4	28.7	27.3	19	
Revenue Enhancements	$m		15	5.4	14.6	28.5	22.5	8.6	
Raw Steel Tonnes Produced		691671	747099	793089	783561	831904	792495	819508	-1.5%
Steel Tonnes Dispatched		1000015	1125058	1100668	1075745	1111129	1113010	1073635	-3.4%
Export % of Tonnes Dispatched		8.0	17.8	7.9	7.9	3.7	3.8	5.1	

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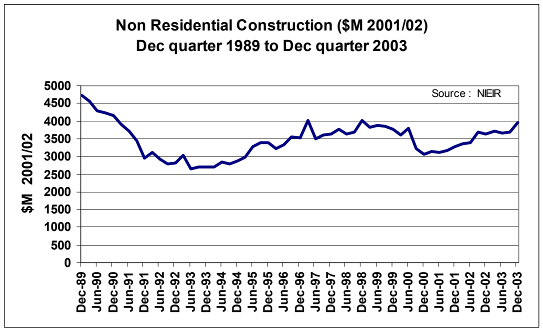
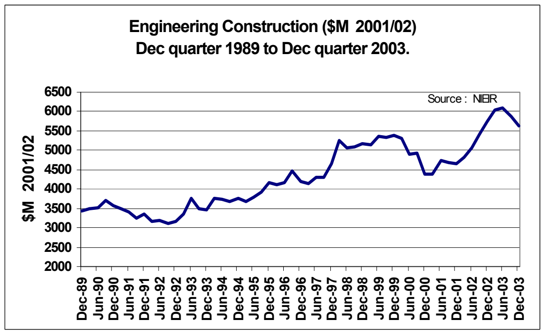


Represents 22% of OneSteel Activity

4.8% year on year increase in value of work

OneSteel Key Segments



Represents 21% of OneSteel Activity

3.1% year on year increase in value of work

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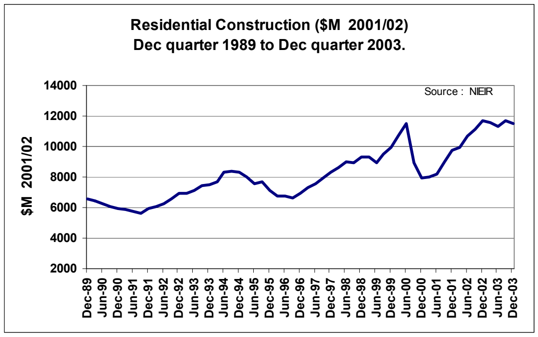
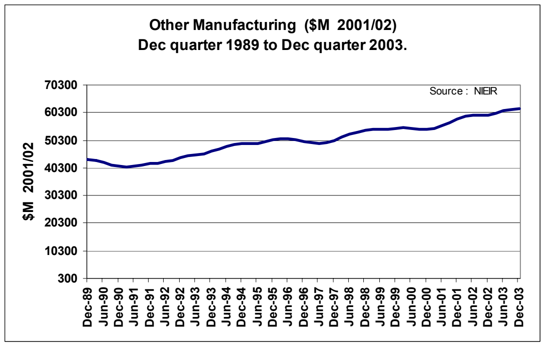


Represents 14% of OneSteel Activity

1.6% year on year increase in value of work

OneSteel Key Segments



Represents14% of OneSteel Activity

3.7% year on year increase in value of work

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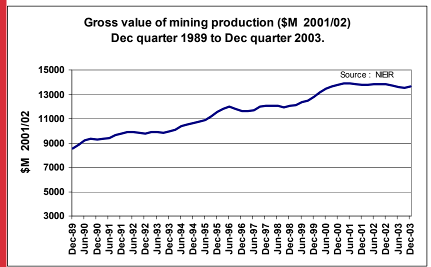
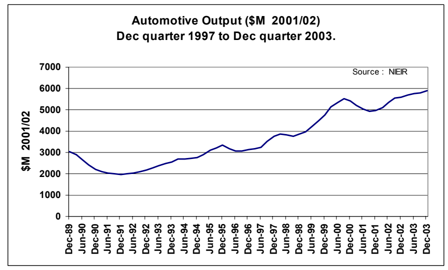
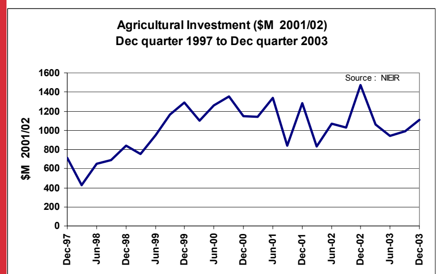


12% of OneSteel Activity
1.8% decrease year on year



5% of OneSteel Activity
5.0% increase year on year



7% of OneSteel Activity
16.1% decrease year on year

OneSteel Key Segments - Overall Increase 1.4%

Cash Flow Reconciliation

$A Million	Dec 2003	Dec 2002	Dec 2001
EBITDA (adj for profit on asset sales)	139.7	168.2	125.6
Interest	(20.8)	(22.9)	(30.6)
Tax	(13.7)	(6.1)	(9.4)
Capital Expenditure.	(45.0)	(26.4)	(22.1)
Working Cap (adj SDL Loan)	(48.8)	(30.1)	(84.6)
Free Cash Flow	11.4	82.7	(21.1)
- Less Investments	0	0	0
- Plus Asset Sales	5.0	2.6	31.0
- Other (mainly Email)	5.6	(9.2)	66.6
Operating Cash Flow	22.0	76.1	76.5

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International Financial Accounting Standards

Significant Potential Impacts

- Goodwill
  - No amortisation
  - Different Discount Rate ("value in use")
  - Impairment testing (Cash Generating Unit level)
- Securitisation
  - May come on balance sheet
- Defined Benefit Superannuation
  - Surplus/deficit likely to be recognised on OneSteel's balance sheet
- Hedging
  - Definition of "effective hedge"
- Business Combinations
  - Restricted ability to create restructuring/termination provisions for acquisitions
- 1 July 2004
  - Preparation of opening Balance Sheet

• Summary

No major negatives but non-cash earnings variations may increase

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Superannuation – Defined Benefit Fund

Current Policy

- Surpluses/Deficits maintained in the fund
- Adjust Contribution rates to manage surpluses/deficits
- Regular audits undertaken

Current Position

- Fund Value $278.9 million
- Under-funded element $6.4 million, 2.3% of fund (31/12/03)

Future Position

- Surplus/deficit to be brought to account in 2005 under International Accounting Standards

Iron Ore Resources – Project Magnet

- Project Magnet – Summary;
  - $6m feasibility study well underway to;
    - Mine and beneficiate magnetite ore
    - Lower production cost of steel – lower impurities
    - Allow sale (export) of hematite
    - Allow the sale of more pellets
  - Iron Magnet mine will be below/adjacent to the Iron Duke mine
  - Outcome known around mid-2004

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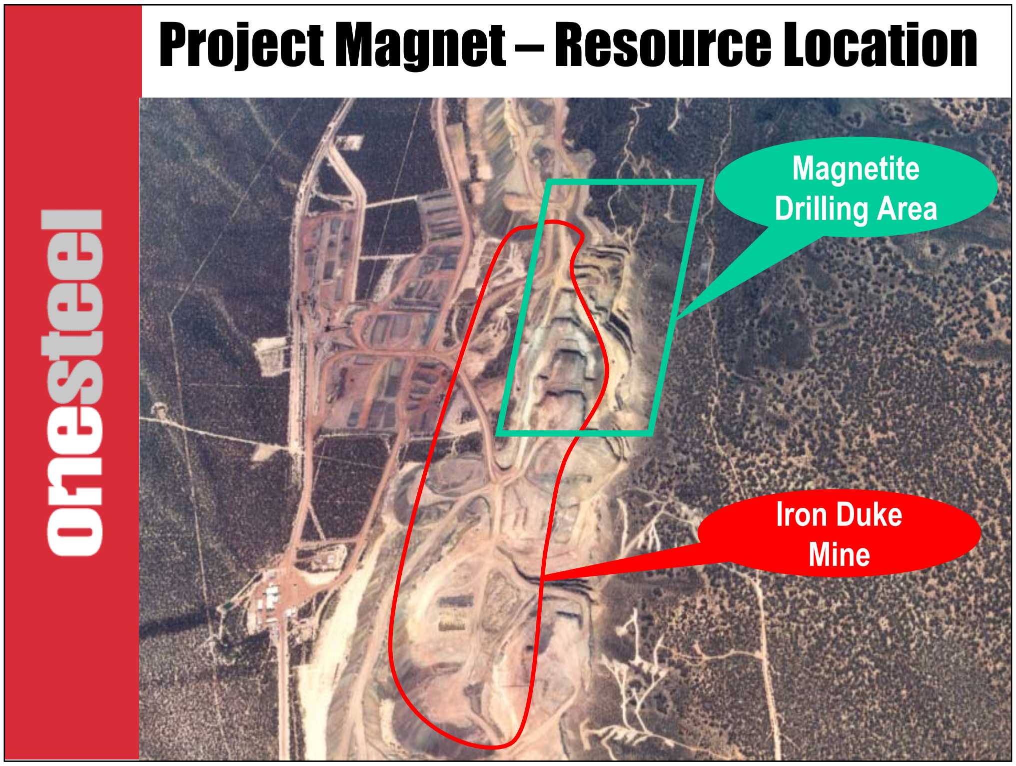
OneSteel is spending $6 million on a feasibility study into its Magnetite Resource that is located beneath and adjacent to the existing Iron Duke hematite mine.

The project, if successful, should add value to the business through:

- The magnetite feed providing an operating cost advantage at Whyalla
- Allowing the sale of hematite currently used as feed for Whyalla
- Increasing the sale of pellets
- It should also extend the life of the assets.

The feasibility study is due for completion by the middle of the 2004 calendar year.



You can get a better idea of the project from this aerial shot of our Iron Duke hematite mine in the South Middleback Ranges.

The area that is outlined by the red frame is one of three hematite iron ore reserves that we are currently mining.

The magnetite iron ore resource is located below, and adjacent to, the hematite reserves.